



2012 Noninsured Crop Disaster Assistance Program (NAP) Coverage for Frost, Freeze, or Weather Related Fruit Losses

OVERVIEW

The 2014 Farm Bill authorized the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) to retroactively provide assistance at additional coverage levels under the 2012 Noninsured Crop Disaster Assistance Program (NAP) to producers of eligible non-insurable fruit crops grown on a tree or bush when low yields occurred due to a natural disaster. Producers are not required to have previously purchased 2012 NAP coverage to be eligible for this additional assistance.

ADDITIONAL COVERAGE LEVELS

The additional coverage levels require a premium fee in addition to the NAP service fee. Payments for the additional level of assistance will be issued based on 100 percent of the average market price and the between 50 and 65 percent of the farm's approved yield.

Applicants are not required to select the yield guarantee at the time of application. Because this assistance is provided retroactively and losses for the 2012 crop year are known, additional assistance will be issued to the applicant at the level that provides the most benefit less the applicable premium fee.

PREMIUM

A premium will be calculated after a completed application is received and will be deducted from the payment. If a payment is not sufficient to cover the calculated premium, no payment will be issued and no premium will be due.

Premiums for assistance will be calculated based on the lesser of:

- The product of multiplying the producer's share of crop production, the number of eligible acres devoted to the crop, the approved yield, the coverage level, the average market price, and a 5.25 percent premium fee; or

- \$6,562.50 (the product of the applicable payment limitation of \$125,000 and a 5.25 percent premium fee).

Premiums will be calculated separately for each crop, type, and intended use. A producer's total premium amount will be the sum of the premiums calculated for each crop and type for which a producer is receiving assistance.

Beginning, limited resource, and socially disadvantaged farmers are eligible for a 50 percent reduction of their calculated premium. To be eligible for a reduced premium, producers who qualify as beginning, limited resource, or socially disadvantaged farmers must provide a certification of their status (form CCC-860) at the time of application.

ELIGIBLE

COUNTIES

Losses must have occurred in a county that received a Secretarial disaster designation for the 2012 crop year due to frost or freeze. Primary and contiguous counties that were covered by a Secretarial disaster designation for the 2012 crop year due to frost or freeze are eligible counties.

A list of 2012 eligible disaster counties is available online at: http://fsa.usda.gov/Internet/FSA_File/nap_county_list_2014.pdf

FRUIT CROPS

Eligible crops must be commercially produced agricultural commodity fruit crops grown on a bush or tree for which the catastrophic risk protection level of crop insurance is not available and is grown for food.

For further information on whether a crop is eligible, producers may contact the FSA county office where their farm records are maintained.

• **PRODUCERS**

An eligible producer is a landowner, tenant or sharecropper who shares in the risk of producing an eligible fruit crop and is entitled to an ownership share of that crop.

• **CAUSE OF LOSS**

An eligible cause of loss is any of the following:

- o Damaging weather, such as drought, freeze, hail, excessive moisture, excessive wind or hurricanes;
- o An adverse natural occurrence, such as earthquake or flood;
- o A condition related to damaging weather or an adverse natural occurrence, such as excessive heat, plant disease, volcanic smog, insect infestation or;
- o Any combination of these conditions.

The natural disaster must have occurred during the coverage period, before or during harvest and must have directly affected the eligible crop.

Contact a local FSA office for the specific coverage period in the county where assistance is sought.

APPLICATION AND FEES

Applications must be made in the administrative county office where the applicant's farm records are or will be maintained. The following (links to be supplied) must be completed by **Sept. 22, 2014**:

- 2012 NAP Application for "NAP Frost Freeze"
- 2012 NAP Application for Coverage
- 2012 NAP Production and Yield Report
- 2012 Report of Acreage
- 2012 Notice of Loss
- 2012 Application for Payment

The NAP Application for Coverage Service Fee is the lesser of \$250 per crop or \$750 per producer per administrative county, not to exceed a total of \$1,875 for a producer with farming interests in multiple counties.

Limited resource producers may request a service fee waiver. Producers may visit the USDA Limited Resource Farmer and Rancher website at www.Irftool.sc.egov.usda.gov/ and use the online Online Self Determination Tool to find out if they meet the requirements for a waiver. The automated system calculates and displays adjusted gross farm sales per year and the higher of the national poverty level or county median household income.

INFORMATION REQUIRED

The following crop acreage information must be reported:

- Name of the crop (apples, cherries, etc.)
- Crop type or variety (specialty, tart, etc.)
- Intended use and final use of the commodity (fresh, processed, etc.)
- Type of practice used to grow the crop (irrigated or non-irrigated)
- Location and acreage of the crop (field, subfield, etc.)
- Share of the crop and the names of other producers with an interest in the crop
- Date the crop was planted in each field
- Tree spacing and row spacing
- Age of trees

In addition, the following production information producers must be provided:

- The total quantity of all production harvested during the 2012 harvest season for the crop
- The disposition of the harvested crop, such as whether it was marketable, unmarketable salvaged or used differently than intended
- Verifiable or reliable crop production records as required by FSA
- A copy of the grower contract if the producer is a contract grower.

For crops that are harvested more than once during the same crop year, from the same plant, such as blueberries, records of production must be summarized and provided for the entire harvest season, and be easily understood by the FSA County Committee. Producers should contact the FSA office where their farm records are maintained for questions regarding acceptable production records.

FSA USE OF REPORTED ACREAGE AND PRODUCTION

FSA will use acreage reports to verify the existence of the crop and to record the number of acres covered by the application. The acreage and the production reports will be used to calculate benefits and premium.

APPROVED YIELD

An approved yield is used to calculate benefits. For producers who previously obtained 2012 NAP coverage, the approved yield previously established for their crop for the 2012 crop will be used to determine the payment amount for assistance. Producers who did not previously obtain 2012 NAP coverage may submit actual yields as long as verifiable or reliable records are available to substantiate the actual yield.

INFORMATION FSA USES TO CALCULATE PAYMENT

NAP payments are calculated for each crop, type, intended use, and planting period by using:

- The producer's share of the crop
- Unit crop acreage
- Unit approved yield
- Unit net production
- An average market price for the specific commodity established by the FSA state committee;
- A payment factor reflecting the decreasing cost incurred in the production cycle for the crop that is harvested, unharvested or prevented from being planted.

PAYMENT LIMITATION

Payments received, directly or indirectly, by producers eligible for assistance will be attributed to the applicable individual or entity and limited to \$125,000 for the 2012 crop year, per individual or entity. Additionally, in applying the limitation on average adjusted gross income (AGI), an individual or legal entity is ineligible for payment if the individual's or legal entity's average AGI exceeds \$900,000.

MULTIPLE BENEFIT EXCLUSION

The provisions regarding multiple benefits published at 7 CFR 1437.13 apply. Producers are prohibited from receiving benefits under both NAP and any other program administered by USDA for the same crop loss. If a producer is eligible to receive payments under NAP and benefits under any other program administered by USDA for the same crop loss, the producer must choose whether to receive the other program benefits, or payments under NAP, including additional NAP assistance under this program.

MORE INFORMATION

Visit <http://www.fsa.usda.gov/nap> or your local FSA office to learn more about NAP.

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