NONINSURED CROP DISASTER ASSISTANCE PROGRAM “NAP”

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Background

The Noninsured Crop Disaster Assistance Program (NAP) provides for financial assistance to Eligible producers affected by natural disasters.

This federally funded program covers noninsurable crop losses and planting prevented by disasters.
• A county wide disaster does not need to occur for an individual to qualify for the NAP program.

• Loss can be determined on an individual unit basis.
Eligible Producers

- An eligible producer is any of the following:
  - Landowner
  - Tenant
  - Sharecropper
  - A person who shares in the risk of producing an eligible crop
Eligible Crops

- Eligible crops include commercial crops and other eligible agricultural commodities produced for food or fiber for which crop insurance is unavailable in a county:
  - Forage crops for hay or grazing
  - Grasses for seed or forage
  - Honey, Christmas trees
  - Ornamental nursery
More Eligible Crops

• There are over 1500 crops eligible for NAP coverage

• To find out if a crop is eligible for NAP contact your local FSA office

• To find out if a crop is insurable contact your crop insurance agent
What is an Eligible Disaster

- An Eligible disaster is any of the following:
- Damaging weather, such as drought, excessive moisture, or hurricane;
- An adverse natural occurrence, such as earthquake, flood or killing frost;
- Or excessive heat or insect infestation
Timing of Natural Disaster

- The natural disaster must occur before or during harvest and must directly affect the eligible crop.
How to Apply for Coverage

• To apply for coverage you must do the following:
  – File an application for coverage
  – Pay the applicable fees
  – Pay the fee before the applicable deadline
Application Closing Date

• The application and service fees must be filed by the application closing date.

• See your local FSA office for dates.
How much is the Service Fee?

• The fee is equal to $100 per crop per county or up to $300 per producer per county, not to exceed a total of $900 per producer for multiple counties.
Limited Resource Farmers

• The fee will be waived for limited resource farmers.

• An annual gross income not exceeding $20,000 from all sources.

• Less than 25 acres of cropland and gross income less than $20,000.
Coverage Begins for Annual Crops

• Begins the later of the following:
• 30 days after you apply for coverage and pay the applicable fees;
• Or the date your crop is planted, not to exceed the final planting date.
Coverage Ends for Annual crops

• The earlier of the following

• The date you complete crop harvest:

• The normal harvest date for the crop;

• The date the crop is abandoned;

• Or the date you destroy the entire crop acreage.
Coverage for Perennial Crops

• The coverage period for perennial crops always begins 30 calendar days after the application closing date and ends the earlier of:

• 10 months from the application closing date;

• The date you complete the harvest;
Coverage for Perennial Crops Continued

• The normal harvest date;

• Or the date you destroy the entire crop acreage.

• Contact your local FSA office for more details.
Crop Reports for NAP

- To be eligible for NAP assistance you must annually report the following information (FSA Crop Reports):
  - Name of the crop (Mixed forage)
  - Type and Variety (Alfalfa and grass mix)
  - Location and acreage of the crop (Field #5, 22.0 acres).
Crop Reports for NAP Continued

• Your share of the crop (50/50 with father)

• Type of practice used to grow the crop (Irr. Or Non-Irr.)

• Date crop was planted (May 15, 1998)

• Intended use of the crop (Forage)
Intended Use for Forage

- Forage acreage is defined to separate acreage that is intended to be mechanically harvested from that which is intended to be grazed.

- Producers who have historically both mechanically harvested and grazed the same acres during the crop year must designate one intended method of harvest.
Forage Crop Definition

- Forage intended to be mechanically harvested as forage is defined for a separate service fee:
  - Alfalfa, 60% or more alfalfa or legumes;
  - Alfalfa Mixture, Less than 60% alfalfa or legumes;
  - Other Hay, no alfalfa or legumes.
Forage Crop for Grazing

- Forage acreage intended to be grazed will be a separate service fee:
- All pastures used for grazing is a $100 service fee.
Production Reports for NAP

• You must annually provide the following production information:
  – The quantity of all harvested production of the crop.
  – The disposition of the crop
  – Verifiable or reliable crop production records
  – Submit production records by the applicable deadline.
How FSA uses the Reported Acreage and Production

- FSA uses the acreage report to verify that the crop exists and the number of acres.
- Your acreage report and production report are used to calculate your approved yield for the unit.
- FSA needs a minimum of 4 years to determine your approved history yield.
How to Apply for Assistance

- When your crop is affected by a natural disaster, you must notify your local FSA office by completing a notice of loss and application for payment within 15 calendar days of the:
  - Natural disaster occurrence;
  - Final planting date, if your planting was prevented by a natural disaster;
  - Date damage to the crop or loss of production becomes apparent to you;
  - Or the normal harvest date.
Damage becomes Apparent When:

- Visual observation of crop stress;
- Spotting on leaves;
- Appearance of wilt;
- Lack of flower or pollination.
Damage becomes Apparent When:

- Producer reacts by increasing irrigation;
- Re-applies herbicides or pesticide;
- Provides supplemental feed or culls animals;
- Change intended use of the crop.
Notice of Loss Filed Late:

• The crop must be inspected to verify the information filed by the producer;

• Determine if crop loss is due to disaster;

• Determine any other factors that affected the loss.
To Receive NAP Benefits

- The producer must complete Form 576, application for payment, and provide production evidence prior to the application closing date of the subsequent year.
How much Production must be lost to get a NAP Payment

• The natural disaster must have either:
  – reduced the expected unit production of the crop by more than 50 percent; or
  – prevented you from planting more than 35 percent of your intended crop acreage.
What is Expected Production

• Expected production is the amount of the crop produced in the absence of a natural disaster. FSA compares expected production to actual production to determine the percentage of crop loss.
What is a Unit?

• The Nap unit includes the specific crop acreage in the county in which the producer as a unique crop interest. A unique crop interest is either:
  – 100 percent interest; or
  – A shared interest with other producers.
How much Loss does NAP Cover

• NAP covers the amount of loss greater than 50 percent of your expected production, based on your approved yield and reported acreage.
How is a Payment Calculated

• The NAP payment is calculated by unit using:
  • Crop acreage;
  • Approved yield;
  • Net production
  • 55 percent of the average market price for the crop
Estimated Payments at 70% Loss

- Pasture loss payments vary between $2 to $12 per acre.
- Forage loss payments vary between $10 to $25 per acre.
More Information

• Further information on NAP is available from your local FSA Office or on FSA’s web site at:

• www.fsa.usda.gov