

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Wildfires and Hurricanes Indemnity Program 1-WHIP	Amendment 6
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Approved by: Acting Deputy Administrator, Farm Programs

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Amendment Transmittal

A Reasons for Amendment

Subparagraph 33 A has been amended to remove 2018 and 2019 as possible years for purchasing coverage for linkage.

Subparagraph 33 C has been amended to:

- update the dates in Example 1 and Example 3
- add Example 4.

Page Control Chart		
TC	Text	Exhibit
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33 Linkage Requirement (Continued)

A Rule (Continued)

If an applicant or entity quits farming, dissolves, or a member leaves an entity and now farms under a different TIN, linkage can be met for the applicant if the majority share of the persons receiving a WHIP payment met linkage.

For linkage to be met, coverage must be purchased in the first 2 consecutive crop years after the enrollment for 2017 WHIP ends, but no later than 2021. Possible years of purchasing coverage for linkage are:

* * *

- 2019 and 2020
- 2020 and 2021.

Note: The last possible eligible linkage years are 2020 and 2021.

Producers shall complete FSA-891 at the time of application acknowledging the crop insurance and/or NAP linkage requirement.

See Exhibit 7 for completion instructions and an example of FSA-891.

Example 1:

Administrative County A covers 2 physical counties (County A and County B). An approved applicant physically grew an uninsured commodity only in County A during the disaster year. Crop insurance linkage applies to County A. The producer is not required to purchase crop insurance for County B.

Example 2:

Administrative County A covers 2 physical counties (County A and County B). An approved applicant physically grew an uninsured commodity in both counties. Crop insurance linkage applies to both County A and County B.

Example 3:

An approved applicant grew an uninsured commodity in County A, and also grew the same commodity in County B during the disaster year. County A and County B are separate administrative counties. The producer received WHIP assistance for a loss only in County A. Crop insurance linkage applies to County A.

33 Linkage Requirement (Continued)

A Rule (Continued)

Example 4:

Q. What happens if the applicant or entity quits farming?

A producer applied for WHIP and received a benefit in 2018 for a loss on his insured cotton in the 2017 crop year. WHIP policy requires that the producer is required to purchase crop insurance for the next 2 available crops years. However, before the next available closing date to purchase insurance, the producer retires from farming. Since the producer will no longer be farming, he will not have to meet the linkage requirement.

Example 5:

Q. What happens if an entity dissolves completely?

ABC Farms, LLC incurred a loss in 2017 on its insured peanut crop due to a hurricane. The entity applied for WHIP and received a benefit. WHIP policy requires ABC Farms, LLC to purchase crop insurance for the next 2 available crops years. ABC Farms, LLC obtains insurance coverage for the 2019 crop year. At the end of the harvest season in 2019, the members decide to dissolve the entity. ABC Farms, LLC will no longer be in existence and is not required to purchase insurance for peanuts in 2020 for linkage purposes.

Example 6:

Q. How do we handle a member of an entity that leaves the entity and now farms on their own using a different TIN?

ABCD Farms, LLC consisted of 4 members with each having a 25 percent share of ownership in the entity. The entity incurred a loss in 2017 on its insured corn crop due to a hurricane and received a WHIP benefit in 2018. In 2019, member A decides to leave the entity and farm as an individual for 2020. The remaining members continue to operate the entity. The entity is required to meet the linkage. The former member A, farming as an individual, is not required to obtain insurance coverage for ABCD, LLC's linkage requirement.

33 Linkage Requirement (Continued)

C Linkage Years

Linkage must be obtained at the 60-100 level for the first 2 consecutive years after the enrollment period for 2017 WHIP ends but not to exceed the year 2021. The definition of the 2 consecutive years is 2020 and 2021 for all crops. The following are examples of linkage year exceptions.

Example 1:

A producer has received a WHIP benefit in 2018 for a loss to rice in the 2017 crop year. Rice is an insurable crop in the county where the crop was planted. The producer purchased *--insurance at the 60/100 coverage level for 2019 after the enrollment period for 2017 WHIP ended. Therefore, the producer has met the linkage requirement for 2019. The producer will need to purchase coverage at the 60/100 coverage level for 2020 to meet the linkage--* requirement for the first 2 consecutive crop years.

Example 2:

A producer has received a WHIP benefit in 2018 for a loss to rice in the 2017 crop year. Rice is an insurable crop in the county where the crop was planted. The producer missed the sign up period to purchase insurance at the 60/100 coverage level for 2018 for rice. Therefore, the producer will need to purchase coverage at the 60/100 level for both 2019 and 2020 to meet the linkage requirement for the first 2 consecutive crop years.

Example 3:

On July 4, 2018, a producer signed a CCC-891 for a 2017 crop loss on cabbage, which is an insurable crop in the county where the crop was planted. Federal crop insurance sales closing date for cabbage in that county is July 31, 2018, for the 2018 crop year. However, the WHIP enrollment period ends on November 16, 2018. The producer must obtain the *--required coverage for the 2020 and 2021 crop years to meet the linkage requirement for the first 2 consecutive crop years.

Example 4:

A producer has received a WHIP benefit in 2018 for a loss to rice in the 2017 crop year. Rice is an insurable crop in the county where the crop was planted. The producer purchased insurance at the 60/100 coverage level for 2018. However, the insurance was purchased before the end of the enrollment period for 2017 WHIP. The producer will need to purchase coverage at the 60/100 coverage level for 2020 and 2021 to meet the linkage requirement definition of 2 consecutive crop years.--*

33 Linkage Requirement (Continued)

D NAP Coverage

To meet the linkage requirement for NAP eligible crops, as provided in subparagraph 33 A, the producer must:

- file CCC-471 and obtaining NAP coverage at a level of 60/100 or equivalent, if available, including paying the applicable administrative fee
- file an acreage report.

Note: Paying a NAP administrative fee alone, without filing an acreage report will not meet the linkage requirement.

E Federal Crop Insurance Coverage

Crop insurance policies reinsured by FCIC, including WFRP and written agreements, will meet the linkage requirement if the coverage level is at least 60/100 or equivalent.

See subparagraph 32 A for the definition of insured crops.

F Refund of Disaster Assistance

--All WHIP program participants are subject to linkage verification for all crops receiving a WHIP payment. WHIP linkage verification will be for crop years 2020 and 2021. The definition of 2 consecutive years is 2020 and 2021 for all crops. Crop year 2021 will be the last possible linkage year. If a producer obtained sufficient coverage in prior crop years, that exception will be reviewed on a case-by-case basis. All WHIP producers and all crops will be subject to verification of proper crop insurance requirements. For crops that received WHIP payments and are no longer insurable or are unable to obtain NAP, that producer must obtain WFRP.--

Participants not meeting linkage requirements will repay the amount of the WHIP benefit for the crop not meeting linkage plus applicable interest. The County Office will immediately notify the producer in writing of the noncompliance.

The notification letter will include the following:

- notification that the participant did not comply with FSA-891
- date FSA-891 was signed
- the dollar amount to be refunded, plus interest
- applicable appeal rights according to 1-APP.