

For: State and County Offices

Encouraging NAP Participation for FLP Applicants

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

FSA FLP applicants who produce crops for which crop insurance is unavailable may benefit from risk protection provided by NAP.

FSA will **encourage** NAP participation for FLP applicants, especially producers who qualify as beginning, limited resource, or targeted underserved (also described as “socially disadvantaged” in the 2014 Farm Bill). For producers who qualify, the 2014 Farm Bill waives NAP service fees and provides a 50 percent premium reduction. As a result of the service fee waiver, eligible beginning, limited resource, and targeted underserved producers may receive basic 50/55 NAP coverage for eligible crops at no cost.

B Purpose

This notice informs State and County Offices of FSA policy about:

- encouraging eligible FLP applicants to apply for NAP coverage when it may provide benefits to their operation
- accepting FLP documentation of targeted underserved producer status in lieu of CCC-860
- delegating authority to COC to approve late-filed CCC-471's for beginning, limited resource, and targeted underserved producers who are FLP applicants.

2 NAP Provisions for FLP Applicants

A Informing FLP Applicants of NAP Availability

Notice FLP-702 provides guidance on FLP policy encouraging eligible producers to apply for NAP coverage. NAP is an important tool in managing potential risk for individuals who raise crops not covered by standard crop insurance.

Disposal Date	Distribution
July 1, 2015 3-12-15	State Offices; State Offices relay to County Offices

2 NAP Provisions for FLP Applicants (Continued)

A Informing FLP Applicants of NAP Availability (Continued)

All FLP applicants who produce NAP eligible crops shall be referred to the appropriate authorized agency official, who shall discuss NAP with the applicant and explain how to apply for NAP coverage. For producers who are eligible for the waived service fee, authorized agency officials shall stress to the producer that there is no cost for basic NAP coverage and reduced premium for additional coverage. Basic NAP coverage should be provided for free to eligible producers, unless a producer specifically declines the coverage.

FSA, along with the applicant, should determine if NAP coverage is cost effective for the operation and if it may benefit both the applicant and FSA as part of the overall farm plan. If NAP coverage will provide benefits to the operation, applicants shall be **encouraged** to participate in NAP.

B Documentation of Targeted Underserved Producer Status for FLP Applicants

A producer who qualifies as a targeted underserved farmer (also referred to as “socially disadvantaged” in the 2014 Farm Bill) may have previously provided certification of their status during the FLP application process. In these cases, the producer is **not** required to complete CCC-860 for NAP purposes. The subsidiary file for “Socially Disadvantaged” (including ethnic, racial, and gender) may be updated to “Yes”, if the producer has selected at least 1 of the following choices on a completed FLP application.

Field	Selection
Ethnicity	Hispanic or Latino
Race	American Indian/Alaskan Native
	Asian
	Black/African American
	Native Hawaiian/Other Pacific Islander
Gender	Female

Notes: FLP forms allow a producer to indicate ethnicity, race, and gender; however, producers are **not** required to complete these selections. Documentation of targeted underserved status on FLP forms will **only** be accepted as certification of targeted underserved producer status when it is provided by the producer. If FLP documentation indicates that status as a member of a targeted underserved group was observed by an FSA employee, rather than provided by the producer, the producer **must** complete CCC-860 to be eligible for the service fee waiver.

FLP applications do not include certifications of beginning farmer or limited resource farmer status. Producers who qualify as beginning or limited resource farmers **must** complete CCC-860.

CCC-471, when accompanied by FLP documentation establishing a producer’s status as a targeted underserved producer, will be considered a complete application according to 1-NAP (Rev. 2), paragraph 301.

2 NAP Provisions for FLP Applicants (Continued)

C Processing Late-Filed CCC-471's for Beginning, Limited Resource, and Targeted Underserved FLP Applicants

1-NAP (Rev. 2), subparagraph 301 E, provides that if CCC-471 is filed within 30 calendar days of the application closing date, then COC is delegated authority to approve or disapprove programmatic relief for the producer. DAFP is extending this delegation of authority to allow COC to approve or disapprove programmatic relief **only** in cases when a beginning, limited resource, or targeted underserved FLP applicant files CCC-471:

- on or before the final planting date, for annual crops; **or**
- within 3 months of the application closing date, for perennial crops.

If COC grants relief, the FSA representative will sign and date CCC-471 with the effective COC decision date. Approval of relief will allow coverage to begin no earlier than 30 calendar days following the day CCC-471 was filed.

3 Action

A State Office Action

State Offices shall:

- ensure that County Offices are notified of the contents of this notice
- contact PECD with questions about this notice.

B County Office Action

County Offices shall follow the instructions in this notice and:

- encourage NAP participation for FLP applicants
- discuss service fee waivers and premium reductions with eligible FLP applicants
- accept FLP applicants' certifications of targeted underserved status
- process late-filed CCC-471's according to this notice.