

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Noninsured Crop Disaster Assistance
Program for 2001 and Subsequent Years
1-NAP (Revision 1)**

Amendment 43

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Background

The Food, Conservation, and Energy Act of 2008, Pub. L. 110-246, effective May 22, 2008, increased the administrative service fees for NAP from:

- \$100 to **\$250** per crop
- \$300 to **\$750** per county
- \$900 to **\$1,875** per producer for all counties.

B Reasons for Amendment

Subparagraph 23 G has been amended to update administrative service fee amount on the example CCC-471.

Paragraph 24 has been amended to reference the new administrative service fee amounts, exemptions, and examples.

Paragraph 24.5 has been amended to:

- clarify that a transfer of coverage **cannot** be used if the coverage period has **not** begun
- clarify that **no** adjustments are made to the approved yield database when added land applies; the adjustment is used for payment purposes **only**
- advise that one CCC-577 may be completed for all crops being transferred to a person
- clarify that NAP coverage **cannot** be transferred to another administrative county if there is a change in producer and the change of administrative county is **not** related to an office closing.

Page Control Chart		
TC	Text	Exhibit
1, 2	2-13, 2-14 2-14.3 through 2-14.14 2-14.15, 2-14.16 (add)	

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23 CCC-471, Application for Coverage (Continued)

--F Completing Manual CCC-471--

CCC-471, Items 1 through 11 and 13 are completed by the County Office. The producer is asked to provide information to complete items:

- 1, Crop Year
- 5, Taxpayer ID Number
- 7, Limited Resource Producer election
- 8, Crop/Type
- 9, Intended Use
- 10, Planting Period
- 11, Required Service Fee Received.

Note: The producer reviews the information and then signs and dates item 12.

--Complete manual CCC-471 according to this table.--

Item	Instructions
1	Enter crop year.
2	Enter County Office name, address (including Zip Code), and telephone number (including area code),
Part A – Producer Information To be completed by the County Office.	
3	Enter the producer’s name, address (including Zip Code), and telephone number (including area code).
4A	Enter the State name where farm records are located for FSA administrative purposes.
4B	Enter the county name where the farm is located.
5	Enter the last 4-digits of producer’s tax ID or Social Security number.
6	Enter CCC-257 number according to 3-FI.
Part B – Waiver of Service Fee for Limited Resource Producer To be completed by the County Office.	
7	Check: <ul style="list-style-type: none"> • “Yes”, if producer is a limited resource producer according to 7 CFR Part 1437. • “No”, if producer is not a limited resource producer according to 7 CFR Part 1437. <p>Note: Limited resource producers do not pay the service fee.</p>

23 CCC-471, Application for Coverage (Continued)

--F Completing Manual CCC-471 (Continued)--

Item	Instructions
Part C – Crop/Type Identification To be completed by the County Office.	
8	Enter crop name and crop type. *--Note: See Exhibit 7.X or the NAP Crop Table Report for applicable crop names and crop types.--*
9	Enter intended use of the crop/type. *--Note: See Exhibit 7.X or the NAP Crop Table Report for applicable intended uses for the crop type.--*
10	Enter the planting period of the crop. *--Note: See the NAP Crop Table Report for applicable planting period.--*
11	Enter the total required service fee received. Note: The service fee is non-refundable and due at the time the producer files CCC-471. If the producer qualifies as a limited resource producer according to item 7, then the service fee is waived.
Part D – Producer and CCC Representative’s Certification Item 12 to be completed by producer. Item 13 to be completed by CCC representative.	
12 A and B	Producer shall sign and date (MM-DD-YYYY).
13 A and B	CCC representative shall only sign and date (MM-DD-YYYY) acknowledging receipt of CCC-471, if CCC-471 is timely filed and payment of the service fee, if applicable, has been received.

--Note: Exhibit 7.X numbers are year specific. See the applicable Exhibit 7 for the specific year for eligible crops.--

23 CCC-471, Application for Coverage (Continued)

*--G Example Manual CCC-471

The following is an example manual CCC-471.

This form is available electronically.		Form Approved - OMB No. 0560-0175	
CCC-471 (07-07-08) NON-INSURED CROP DISASTER ASSISTANCE PROGRAM (NAP) Application for Coverage	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation 1. Crop Year 2009	2. County FSA Office Name and Address <i>(Including Zip Code):</i> Tulare County FSA Office 3530 W. Orchard Ct. Visalia, CA 93277-0000 Telephone No. (Including Area Code): (200) 734-8732	
<p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 USC 7333 and 7 CFR Part 1437. The information will be used to determine program eligibility. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in denial of program benefits. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.</p> <p>According to the Paperwork Reduction Act of 1995 an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0175. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETE FORM ALONG WITH YOUR APPLICABLE SERVICE FEE TO YOUR COUNTY FSA OFFICE.</p>			
PART A - PRODUCER INFORMATION			
3. Name and Address of Producer (Including Zip Code): John P. Farmer RR1 Box 63 Henry, IL 61537 Telephone No. (Including Area Code): (999) 123-4567		Administrative State and County Office	
		4A. State California	4B. County Tulare
		5. Taxpayer ID Number ((Last 4 digits only) 5432	6. Schedule of Deposit Number According to 3-FI
PART B - WAIVER OF SERVICE FEE FOR LIMITED RESOURCE PRODUCER			
7. Are you a Limited Resource producer according to 7 CFR Part 1437? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO			
A. If "YES", you are not required to pay the service fee. B. If "NO", you are required to pay the service fee at this time.			
PART C - CROP/TYPE IDENTIFICATION			
The producer, subject to the provisions of regulations at 7 CFR Part 1437, and the Food, Conservation and Energy Act of 2008 (Pub. L. 110-246) hereby applies for coverage on the producer's share of non- insured crop(s) by type. The service fee is \$250 per crop per county; or \$750 per producer per county, but not to exceed a total of \$1875 per producer. The service fee is non-refundable and due at time producer files for application of coverage.			
8. Crop/Type Beans BBL Beans BUT Broccoli	9. Intended Use DE SD FH	10. Planting Period 01 01 01	11. Required Service Fee Received (For FSA Office Only) \$ 750
<p>NOTE: If Item 7 is checked "YES", the service fee is waived.</p>			
PART D - PRODUCER AND CCC REPRESENTATIVE'S CERTIFICATION			
I certify all information entered on this Application for Coverage (CCC-471) is true and correct. I understand that, before any program benefits are paid, all eligibility requirements including payment of service fee, must be completed, according to 7 CFR Part 1437. All information provided herein is subject to verification by the Commodity Credit Corporation. As provided in various statutes, failure to provide true and correct information may result in civil suit or criminal prosecution and the assessment of penalties or pursuit of other remedies. I am aware of and understand the requirements of the Collection of Information and Data (Privacy Act).			
This application is not valid unless accompanied by the applicable service fee.			
12A. Producer's Signature /s/ John P. Farmer	12B. Date (MM-DD-YYYY) 6/23/2008	13A. CCC Representative's Signature /s/ James Smith	13B. Date (MM-DD-YYYY) 6/23/2008
<p><small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.</small></p>			

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23 CCC-471, Application for Coverage (Continued)

*--H Accepting Manual CCC-471's

Manual CCC-471's shall be taken **only** if:

- subparagraph A applies
- the automated system is **not** available
- the crop or crop type is **not** on the county crop table and fewer than 3 pay groups are available to be selected for the producer.

Notes: County Offices shall maintain **all** manual CCC-471's in a pending file and review the file periodically to determine which CCC-471's can be loaded in the automated system.

Manual CCC-471's shall be loaded **immediately** when the automated system or crop data is available.

If applicable, service fees shall be collected according to subparagraph 24 J and a manual CCC-257 shall be completed according to 3-FI.--*

24 Service Fee

*--A Service Fee Rates Schedule for Fees Paid Before May 22, 2008

[7 CFR 1437.6] To be eligible to receive assistance for an eligible crop for a crop year or planting period, a producer shall pay a nonrefundable **service fee** in an amount that is equal to the lesser of **\$100** per crop per administrative county; or **\$300** per producer per administrative county, not to exceed a total of **\$900** per producer per multi-county.

B Service Fee Rates Schedule for Fees Paid on or After May 22, 2008

The Food, Conservation, and Energy Act of 2008, Pub. L. 110-246, effective May 22, 2008, increased the administrative service fees for NAP from \$100 to **\$250** per crop, from \$300 to **\$750** per county, and from \$900 to **\$1,875** per producer for all counties.

Note: Until NAP Application for Coverage software is modified to recognize the new fee rate schedule, County Offices shall take a manual CCC-471 according to paragraph 23, service fees shall be collected according to subparagraph 24 J, and a manual CCC-257 shall be completed according to 3-FI.

C Determining Service Fee

Payment of the service fee is due at the time the producer files CCC-471 for eligible crops in the FSA administrative office. For continuous coverage applications, according to subparagraph 23 E, producers must pay the applicable service fee before the application closing date.

The service fee shall be based on:

- FSA administrative county
- each tax ID number
- crop definition according to pay crop/pay type (subparagraph 170 A)
- planting periods
- seed crops as separate crops according to subparagraph 174 F.--*

24 Service Fee (Continued)

***--D Service Fee Exceptions for 2008 and 2009 Crop Years**

Eligible producers who had already paid the applicable service fee amounts for NAP coverage, or continuous NAP coverage, before May 22, 2008, will retain their 2009 NAP coverage and shall **not** be assessed the new service fee amounts for the crops already covered. However, eligible producers requesting to file for NAP coverage, continuous coverage, change crops, or add new crops on or after May 22, 2008, shall be required to pay the applicable service fee amounts by the applicable application closing date.

E 2008 and 2009 Crop Year Exceptions Examples

Example #1: Jim paid the maximum **\$300** for 5 crops on March 15, 2008, and requested to add 1 additional crop to his 2008 NAP coverage on June 28, 2008.

Because Jim requested to add 1 crop on or after May 22, 2008, the added crop has a service fee of \$250 per crop, **not** to exceed \$750 per producer per county. He would be required to pay **\$250** to add a crop to his 2008 NAP coverage.

Example #2: Jane paid **\$100** to obtain coverage for 1 crop on May 20, 2008. Jane requested coverage for an additional 4 crops on June 2, 2008.

Because the additional crops are requested on or after May 22, 2008, the added crops have a service fee of \$250 per crop, **not** to exceed \$750 per producer per county. Because she had already paid \$100 for 1 crop on May 22, 2008, she would be required to pay **\$650** to add the new 4 crops to her NAP coverage.

Example #3: Bill paid **\$200** for NAP coverage for 2 crops before May 22, 2008. Bill decided to add 1 more crop on August 27, 2008, and cancel coverage for 1 of the initial crops.

Because the additional crop was added on or after May 22, 2008, the added crop has a service fee of \$250 per crop, **not** to exceed \$750 per producer per county. The cancelled crop fee is nonrefundable and **cannot** be used to offset part of the \$250 fee for the additional crop. Bill would be required to pay **\$250** to add 1 crop to his NAP coverage.--*

24 Service Fee (Continued)***--F 2009 Service Fees Paid on or After May 22, 2008**

Producers who paid 2009 service fees on or after May 22, 2008, using the previous NAP service fee rate schedule, **must** pay the appropriate additional amount due to maintain NAP coverage.

Note: Until NAP Application for Coverage software is modified to recognize the new fee rate schedule, County Offices shall take a manual CCC-471 according to paragraph 23, service fees shall be collected according to subparagraph 24 J, and a manual CCC-257 shall be completed according to 3-FI. The previously printed automated CCC-471, showing fees in item 11, shall be annotated documenting the additional fees received and date of receipt with producer's initials, if received in person. If received by mail, County Office employees shall initial and date CCC-471, item 11.

Example: Mary paid her 2009 continuous coverage fee of \$200 for 2 crops on June 9, 2008. The calculated fee amount as outlined in subparagraph B is \$250 per crop for a total of \$500. Mary owes an additional \$300 for her NAP coverage.

G Examples of Service Fees for Single County Producers

Producers who own or operate land in a single administrative county shall pay a nonrefundable service fee of \$250 per crop not to exceed a total of \$750 for the county.

Example #1: Jeannette has land interests in both Charles and St. Mary's Counties. St. Mary's County is the administrative county for all land Jeannette has an interest. Jeannette filed CCC-471 in St. Mary's County for sweet corn and tomatoes being grown on land in Charles County and onions and purple hull peas are being grown on land in St. Mary's County. Even though 2 counties are involved, Jeannette would only pay \$750 because St. Mary's County is the administrative county for Charles and St. Mary's Counties.--*

24 Service Fee (Continued)

--G Examples of Service Fees for Single County Producers (Continued)--

Example #2: John has individual farming interests, plus interest in T J joint venture, and a 50/50 share with Jeff. All land John has an interest in is physically located and administered out of Lincoln County. John files CCC-471 on his individual operation for onions and blueberries and also includes raspberries, onions, and tomatoes in which he has a 50/50 share with Jeff. John would be

*--required to pay a service fee of \$750.

Note: Even though John has 2 separate units only one CCC-471 would be required for John's interests.

T J joint venture in which John has an interest files CCC-471 on sweet corn. T J joint venture would pay a \$250 service fee for the joint venture regardless that John as member had previously paid a service fee for his own interest.

Example #3: Husband and wife have a 50/50 share in a joint farming operation with no tax identification number for the operation. They apply for coverage on banana and papaya.

Result: The husband and wife each pay a service fee of \$500 for a total of \$1,000.

H Examples of Service Fees for Multi-County Producers

Producers who own or operate land in multiple counties shall pay a nonrefundable service fee of \$250 per crop up to \$750 per producer per administrative county, not to exceed a total of \$1,875.--*

Example #1: Jim operates land in 4 separate administrative counties that includes Lincoln, Hayes, Washington, and Jefferson. Jim applies for coverage in:

- Lincoln County for hot peppers, summer squash, green beans, cherry tomatoes, and plantain

24 Service Fee (Continued)

--H Examples of Service Fees for Multi-County Producers (Continued)--

- Hayes County for summer cantaloupes, watermelon, field peas, and winter squash
- Washington County for spinach, okra, and green peanuts
- Jefferson County for papaya, banana, and cassava.

Jim would pay service fees as follows:

- *--\$750 in Lincoln County
- \$750 in Hayes County
- \$375 in Washington County
- \$0.00 in Jefferson County.

Notes: Jim has already paid a total of **\$1,875** for coverage of eligible crops in Lincoln, Hayes, and Washington Counties. Therefore, Jim does not pay any service fee for coverage of the eligible crops in Jefferson County.

Jim was limited to \$375 in Washington County because of meeting the maximum \$1,875 (\$750 in Lincoln County + \$750 in Hayes County + \$375 in Washington County = \$,1875.

I Service Fee Waiver for Limited Resource Producers for 2004 Crop Year and Beyond--*

[7 CFR 1437.6] The administrative service fee requirement is waived for limited resource producers. A limited resource producer is a producer with both of the following:

- direct or indirect gross farm sales not more than \$100,000 in both of the previous 2 years (to be increased starting in FY 2004 to adjust for inflation using Prices Paid by Farmer Index as compiled by NASS)
- a total household income at or below the national poverty level for a family of 4, or less than 50 percent of county median household income in both of the previous 2 years (to be determined annually using Commerce Department Data).

To qualify for an administrative service fee waiver, a limited resource producer must meet both of the following criteria:

- earn no more than the gross income as determined by this subparagraph (first bullet) from farm sales in each of previous 2 years
- have a total household income at or below the national poverty level for a family of 4, or less than 50 percent of county median household in both of previous 2 years.

24 Service Fee (Continued)

--I Service Fee Waiver for Limited Resource Producers for 2004 Crop Year and Beyond (Continued)--

Limited Resource Producer status can be determined in an automated system using the web site for USDA Limited Resource Farmer and Rancher Online Self Determination Tool at <http://www.lrftool.sc.egov.usda.gov/tool.asp>. The automated system calculates and displays the adjusted gross farm sales per year and the higher of the national poverty level or county median household income.

J Collecting Service Fees

County Office shall:

- ask each producer applying for coverage, if other service fees have been paid in other County Offices

***--Note:** Copies of CCC-471's initiated in other counties **must** be provided as documentation that fees have been paid. The County Office **must** date stamp and photocopy the CCC-471 provided and retain the copy for record keeping purposes.

- ensure that a producer does not pay more than the \$1,875 maximum service fee for--* NAP coverage
- manually complete CCC-257 according to 3-FI only if:
 - the automated software application according to Part 10, Section 4 is unavailable
 - the crop does not exist in the crop table

Note: See subparagraph 170 E for instructions for submitting the crop.

- if completed manually, use NAP program code "XX NAPFEE".

Notes: Replace "XX" with last 2 digits of crop year.

--Do not use any other program code to load manual CCC-257's in the system.--

24.5 Transfer of NAP Coverage

A Overview

Producers having NAP coverage for a crop may transfer all of their NAP coverage for the crop to another producer before a disaster. A transfer of NAP coverage may be used when there is a:

- sale of land
- transfer of lease
- new entity formed
- change in entity type
- change in operator between husband and wife.

Note: Transfer of partial coverage for a crop is not allowed.

B Eligibility

When a transfer of NAP coverage is initiated, the buyer, new lessee, or new entity becomes responsible for meeting all program requirements including eligible producer requirements in paragraph 29.

Note: COC shall deny the request for transfer if the seller, original lessee, or original entity failed to meet any program requirement.

Because the original owner or lessor obtained coverage for the crop, no additional service fees will be required of the buyer, new lessee, or new entity. This also applies to limited resource farmer situations where no fee was applicable for the initial producer but would normally be applicable for the subsequent producer.

C When to Transfer

Transfers can be initiated either before or after the acreage reporting date, however, if the transfer occurs after the acreage reporting date it will be necessary to revise the acreage reports according to 2-CP.

A transfer of NAP coverage shall **not** be used:

- after a disaster has occurred
- before the application closing date for the crop
- when estates are closed or entities are dissolved
- when partial share transfers occur between two parties
- involving divorce between husband and wife unless the transfer is 100 percent
- when land is transferred to another administrative county
- when coverage for the crop already exists by the buyer (added land provisions apply)
- *--if the coverage period has **not** begun.--*

24.5 Transfer of NAP Coverage (Continued)

C When to Transfer (Continued)

For 2004 and subsequent crop years, transfers must be initiated after the application closing date and before the earlier of either the disaster event or end of the coverage period. The end of the coverage period is determined as:

- the date harvest is complete
- the normal harvest date
- abandonment of the crop
- destruction of the crop.

D Deceased Producer

If a producer dies and all rights of survivorship are transferred to the legal heir, a transfer of NAP coverage may be allowed, if all real property is transferred to the legal heir following State law requirements and a copy of documentation transferring the real property is attached to CCC-577.

Note: CCC-577's Transferee's Signature block should be left blank. The State law documentation transferring the real property to the legal heir takes the place of the transferee's signature.

State Offices shall consult with Regional OGC's office for questionable cases.

In instances where there is no right of survivorship to a legal heir, and an estate is created either with its own tax ID or using the deceased's Social Security number, FSA-325 shall be used and processed according to 1-CM.

E Production and Yields

If a loss occurs in the year of transfer, production must be kept separate and the loss is calculated only on the transferred acreage and production. To establish an approved yield for the transferred crop, follow Part 5 to establish an approved yield using the transferee's actual production history.

If land is purchased or leased by a producer and the transferee has an application for coverage filed for the unit that includes the crop, added land procedure according to ~~paragraph 287~~ is applicable. There is no adjustment to the approved yield database. Added land and adjustments are used for payment purposes **only**.

24.5 Transfer of NAP Coverage (Continued)

F Initiating a Transfer

To initiate a transfer of NAP coverage between producers, CCC-577 shall be filed for each *--transferee for **all** crops being transferred.--*

Note: For succeeding crop years, to continue coverage, a new application for coverage must be filed by the new owner or shareholder before the application closing date for the applicable crop.

See Exhibit 9 for:

- example of CCC-577
- instructions for completing CCC-577.

G Processing a Transfer

When a transfer of NAP coverage is approved by COC, County Offices shall submit, through the State Office:

- *--a written explanation about the nature and circumstances of the transfer--*
- signed copy of the original CCC-471
- diagnostic report for the transferor according to subparagraph 890 B
- signed copy of the manual CCC-577.

National Office will cancel the initial application for coverage and process the transfer. The fee associated to the original application for coverage will be used to initiate an application for coverage for the transferee. No additional fees will be collected if the original application for coverage was filed as a limited resource application.

* * *

--If a transfer of NAP coverage is approved after the software is locked out for that year,--
County Offices shall follow paragraph 1315 to process NAP payments. * * * In addition to the documentation required in paragraph 1315, each request submitted must include CCC-577 with a written explanation regarding the nature and circumstances of the transfer.

24.5 Transfer of NAP Coverage (Continued)

H Examples

The following are examples of situations when a transfer of NAP coverage can be used:

- land purchased or leased by a producer who does not have current NAP coverage for the crop when transfer is requested before a disaster

Example: Producer A owns and operates FSN 100 and has NAP coverage for green beans. Producer B has planted green beans but has no NAP coverage for green beans. Producer B buys FSN 100 from Producer A. CCC-577 can be used to transfer the coverage on FSN 100 for green beans from Producer A to Producer B but is limited to the land acquired through the sale or lease and must be initiated before a disaster.

Note: Production for the transferred acreage must be kept separate from other green beans harvested by Producer B. The loss is calculated only on the transferred acreage. To establish an approved yield for the transferred crop, follow Part 5 using the transferee's actual production history.

- changes in operator between husband and wife

Example: Ron conducts a farming operation as an individual. The application for coverage is in Ron's name. Ron retires from farming and transfers 100 percent interest in his farming operation to Mary, his wife, during the coverage period and before a disaster. Mary requests a transfer of NAP coverage. CCC-577 could be approved in Mary's name.

- changes in entity type or changes from an individual to an entity

Example 1: Joe is operating FSN 400 as an individual. The application for coverage is in Joe's name. Joe forms a corporation and no longer conducts a farming operation as an individual. CCC-577 could be approved for FSN 400 in the name of the new corporation.

Example 2: The farming operation of Bill and his wife Joan consists of FSN 200 that they operate as a joint venture. The application for coverage is in the joint venture's name. Bill and Joan form a trust and no longer conduct a farming operation as a joint venture. CCC-577 could be approved for FSN 200 in the name of the new trust.

Example 3: Tom's farming operation consists of FSN 300 that he operates as an individual. The application for coverage is in Tom's name. Tom and his wife Laurie form a trust that will take over Tom's farming operation. CCC-577 could be approved for FSN 300 in the name of the new trust.

24.5 Transfer of NAP Coverage (Continued)

H Examples (Continued)

- land is purchased or leased by a producer and the transferee has an application for coverage filed for his unit that includes the crop.

Example: Producer A has NAP coverage on FSN 300 for pumpkins. Producer B has NAP coverage on FSN 400 for pumpkins. Producer B buys FSN 300 from Producer A. CCC-577 is required even though both producers have coverage for pumpkins. A transfer of coverage NAP coverage must be initiated before a disaster.

Note: Added land procedure, according to paragraph 287, is applicable.

I Examples Not Applicable

A transfer of NAP coverage shall **not** be used when:

- a transfer of land or a change in entity type occurs after a disaster

Note: The transferee or the new entity would not have had a risk in producing the crop according to subparagraph 29 B.

- land is purchased or leased by a producer before the application closing date for the crop

Example: Producer A has NAP coverage on FSN 100 for green beans. Producer B has green beans on FSN 200 but has **no** NAP coverage. Producer B buys FSN 100 from Producer A before the application closing date. A transfer of NAP ~~service fee~~ **cannot** be done to transfer the coverage on FSN 100 for green ~~beans~~ from Producer A to Producer B. Producer B must purchase coverage for all green beans for the unit in which he has an interest before the application closing date.

- estates are not closed or entities are dissolved

Notes: An FSA-325 shall be used when estates are not closed and a payment is earned.

State Offices shall consult with the Regional OGC office for questionable cases.

24.5 Transfer of NAP Coverage (Continued)**I Examples Not Applicable (Continued)**

- partial share transfers occur between 2 parties

Example: Producer A has coverage for green chile on FSN 2. Producer A sells 50 percent share of the crop to Producer B who has no coverage. Producer B will **not** be covered under NAP for that crop for the remainder of the coverage period. Producer A's coverage level is limited to the current 50 percent share.

- divorce between husband and wife unless it is a 100 percent transfer of coverage

Example: Bob has coverage for green chile on FSN 2. Bob and Gladys, his wife, are divorced and Bob gives a 50 percent share of the crop to Gladys who has no coverage. Gladys will **not** be covered under NAP for that crop for the remainder of the coverage period. Bob's coverage level is limited to his current 50 percent share.

Note: State Offices shall consult with the Regional OGC office for questionable cases.

- *--land is transferred to another administrative county with no change in producer.--*