

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 48

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 6 A has been amended to include a reference to:

- 4-PL for 2009 AGI limitation procedure
- letters that must be sent to producers when CCC-576, Part B is approved or disapproved.

Paragraph 11 has been amended to provide current policy and procedure for CCC-770 NAP.

Subparagraph 21.5 A has been amended to:

- remove aquaculture from the list of crops that will not be compensated for losses because of drought
- provide the definition for drought, and eligible causes of loss for 2007 and subsequent years.

Subparagraphs 29 B through D have been amended to clarify eligible producers.

Subparagraph 39 A has been amended to clarify the definition of “acreage tolerance”.

Subparagraph 39 B has been amended to

- define “production tolerance”
- include that tolerance for NAP production is 5 percent difference between the reported and determined production.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 171 A has been amended to reference subparagraph 171 C for determining when NAP coverage can be offered.

Subparagraph 171 B has been amended for clarification.

Subparagraph 171 C has been added to provide procedure for determining when NAP coverage can be offered.

Subparagraph 172 A has been amended to remove cotton seed as a by-product.

Subparagraph 175 A has been amended to reference 2-CP for approved double-cropped acreage.

Subparagraph 182 B has been amended to include drought as an eligible cause of loss for aquaculture producers for FY 2009 and subsequent years.

Subparagraph 183 B has been amended to change the beginning and ending dates for the ornamental nursery crop year to June 1 through May 31, respectively, beginning with the 2010 crop year.

Subparagraph 183 K has been amended to change the unharvested payment factor from 50 to 75 percent for field-grown, non-container, ornamental nursery stock beginning with the 2008 crop year.

Subparagraph 193 A has been amended to remove “soybeans” from the definition of perennial peanut forage.

Subparagraph 307 B has been amended to clarify procedure about yield adjustments for fruit and nut crops.

Subparagraph 307 C has been amended to provide new yield reduction guidelines for peaches and nectarines.

Subparagraphs 307 N through U have been added to provide new yield reduction guidelines for various crops.

Subparagraph 307 V has been amended to provide an example of calculating a payment for unmanaged orchards.

Subparagraph 329 A has been amended to clarify the definition of assigned production.

Subparagraph 502 A has been amended to provide an exception for filing an application for payment for perennial forage intended for grazing before the onset of harvest.

Amendment Transmittal (Continued)

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5 SED Responsibilities

A Responsibilities

SED shall ensure that State and County Office employees:

- administer the program according to regulations and procedures
- are thoroughly trained
- understand the intent of NAP
- are alert to possible abuses of NAP.

B Publicizing Program Information

SED shall instruct and ensure that County Offices:

- publicize all significant information about NAP
- maintain an accurate record of all publicity efforts.

C Training

SED shall provide adequate training to County Office employees to ensure that policy and procedures are administered:

- uniformly within the State
- according to NAP guidelines.

D Loss Adjustment Agreements and Training

SED shall follow 2-NAP to obtain the services of certified LA's.

6 COC Responsibilities

A Responsibilities

COC shall ensure that:

- CCC-471's are taken from all interested producers
- if it has been determined that CCC-471 has been timely filed, then accept from interested producers:
 - notice of loss (CCC-576, Part B) according to paragraph 401
 - application for payment (CCC-576, Parts D through F, as applicable) according to paragraph 502
- determinations are thoroughly documented
- determinations, yield assignments, loss adjustment appraisals, production assignments, and measurements are made in a timely manner
- COC minutes contain a complete record of determinations
- payments are made in a timely manner
- second-party reviews are conducted on all payment calculations on each NAP application for payment before COC approval

Note: The employee performing the second-party review shall initial and date applicable documents.

- NAP payments are approved only after COC is satisfied that the payment is properly calculated and due each producer, including COC satisfaction that:
 - the producer's unit is established correctly
 - the acreage claimed is accurate, was planted timely, and is cared for using good farming practices
 - prevented planting claim is reasonable and justified
 - production records presented for the year in which the natural disaster occurred are verified and represent a true and complete record of the production for the unit

6 COC Responsibilities (Continued)

A Responsibilities (Continued)

- the certified production for approved yield purposes is reasonable
- the claimed share reflects the participant's share ownership interest in the crop at the time of loss

Note: If the participant claiming a share of the payment has entered into any agreement or contract to grow or produce the crop for another and without retaining any ownership share interest in the crop, the participant cannot be considered to have a valid claim to a share of NAP payments.

- *--for 2008 and prior years, the "person" requesting a payment has certified they have not exceeded the \$2 million gross revenue limitation
- for 2009 and subsequent years, AGI limitation procedure in 4-PL is followed--*
- conservation compliance requirements have been met
- total payments issued for claimed losses do not cause a "person" to receive more than \$100,000 under NAP for the crop year
- *--approval of CCC-576, Part B, results in an immediate approval letter sent to each producer filing CCC-576
- disapproval of CCC-576, Part B, results in immediate disapproval letters sent to each of the producers with an interest in the specific crop acreage covered by the CCC-576. The letters shall include the following:
 - notification that CCC-576, Part B was disapproved
 - reason or reasons for the disapproval
 - applicable appeal rights according to 1-APP.--*

COC approval of CCC-576:

- Part C, signifies that:
 - applicant provided an acceptable notice of loss according to paragraph 401
 - natural disaster caused damage or loss as claimed
- Part H, signifies that applicant has provided all requisite forms, evidence, and information according to paragraph 502.

Note: The fact that a producer did not suffer a qualifying 50 percent loss to receive a NAP payment will not affect whether COC approves CCC-576, Part H. Applications for *--payment that meet this criteria should be approved and processed through the automated system even though a zero payment is calculated.--*

6 COC Responsibilities (Continued)

B Publicizing Information

COC shall:

- ensure that NAP provisions are well publicized through the use of newsletters, print media, radio, television, meetings, and any other appropriate means
- maintain an accurate record of all publicity efforts.

COC shall publicize all significant information about the program, including, but not limited to, the following:

- producer and crop eligibility
- conservation compliance requirements
- acreage reporting requirements
- notice of loss requirements
- loss adjustment (appraisal) requirements
- production record requirements
- applicable dates and deadlines
- payment limitations
- gross income limitations.

C Appeals

COC shall ensure that all appeals are handled according to 1-APP.

11 CCC-770 NAP

A Introduction

The Improper Payments Information Act of 2002 requires Federal agencies to evaluate programs to determine if internal controls are sufficient to prevent improper payments. CCC-770 NAP was developed to address areas of concern to ensure that NAP payments are issued properly.

B Program Checklist

CCC-770 NAP:

- is applicable to administering NAP
- *--may be used when an application for payment is filed--*

* * *

- does not negate STC, SED, State Office, DD, COC, CED, and County Office responsibility for administering all provisions applicable to NAP.

Note: CCC-770 NAP was developed by the National Office and is the only authorized checklist for NAP. County Offices shall **not** use State- or locally-generated checklists for administering NAP.

C Maintaining CCC-770 NAP

CCC-770 NAP is applicable for each producer, by crop year, unit, and pay group.

CCC-770 NAP has been designed to enable County Offices to update CCC-770 NAP throughout the crop year as actions are taken and shall be filed in the producer's NAP folder.

D Retention Period

All CCC-770 NAP's shall be retained in the producer's NAP folder with CCC-471 according to 25-AS, Exhibit 50.5. If a new CCC-770 NAP is initiated because of an addition of a unit, pay group, or loss, then the original CCC-770 NAP shall be retained, along with the additional CCC-770 NAP.

CCC-770 NAP shall be destroyed when CCC-471 is destroyed.

11 CCC-770 NAP (Continued)

***--E County Offices Using CCC-770 NAP**

County Offices may use CCC-770 NAP as a management tool to help address deficiencies identified by a review or spot check of whether NAP program policies or procedures are being followed before issuing a NAP payment. If all documents are reviewed for all pay--* groups in the unit as a result of the same cause of loss, then only one CCC-770 NAP is necessary. For those situations, ENTER "All" on CCC-770 NAP, item 6B. If documentation is not being reviewed for all pay groups at 1 time because either a "Yes" answer could not be certified to for a specific pay group or there were different causes of loss between pay groups, only then list the applicable pay groups on CCC-770 NAP, item 6B for which a "Yes" can be certified to. For those pay groups that cannot be certified with a "Yes", a separate CCC-770 NAP must be completed.

The County Office employee that completes each item on CCC-770 NAP is certifying that the applicable program provisions have, or have not, been met. * * * As an alternative, County Offices may choose to review all items after COC approval, if applicable * * *.

Once all questions on CCC-770 NAP have been answered in a manner that supports approving the applicable forms, the County Office employee shall sign CCC-770 NAP, item 23 as the preparer.

***--Note:** In cases involving multiple preparers, the preparer can use the "Remarks" section, item 26 to indicate which items they verified.--*

Additionally, County Offices shall refer to the applicable handbook provisions as specified for additional information.

Reminder: County Offices cannot rely solely on using CCC-770 NAP for administering NAP. All program provisions must be met, not just the items included on CCC-770 NAP. CCC-770 NAP is tool to assist with program administration and includes the major areas where deficiencies have been identified, but it is not, nor is it intended to be, inclusive of all NAP provisions.

* * *

***--F Determining When to Use CCC-770 NAP**

SED, STC or designee, DD, or CED shall determine:

- when County Offices are to complete CCC-770 NAP if apparent internal control deficiencies are found during CED, STC representative, or DD reviews
- whether CCC-770 NAP is necessary to avoid findings indicated by CORP reviews
- when additional internal controls are necessary to reduce improper payments.--*

11 CCC-770 NAP (Continued)

G Example of CCC-770 NAP

The following is an example of CCC-770 NAP.

*--

This form is available electronically.				
CCC-770 NAP (07-22-09) NONINSURED CROP DISASTER ASSISTANCE PROGRAM CHECKLIST	USDA CCC	1. Producer Name		
	2. State Name		3. County Office Name	
	4. Crop Year	5A. Unit(s)	5B. Pay Group(s)	
	Office Staff Actions:	Handbook or Other References	YES	NO
Application for Coverage				
6. Has the CCC-770 ELIG 2002 or CCC-770 ELIG 2008 Checklist been completed as applicable?	3-PL, paragraph 3 Notice PL-188			
7. Was the fee timely paid, or waived because of limited resource producer rules?	1-NAP, paragraph 23			
8. Has proper signature authority been obtained and the application been signed by the producer (unless continuous coverage) and a CCC Representative?	1-CM, Part 25			
9. Has the CCC-257 Schedule of Deposit number been entered on the CCC-471 NAP Application for Coverage (if applicable)?	1-NAP, paragraphs 23 and 24			
Notice of Loss				
10. Has automated FSA-578 Crop Report been timely filed and signed by producer for the unit including acreage of the eligible crop?	1-NAP, paragraph 151, 2-CP, Section 7			
11. Does the CCC-576 Notice of Loss, Part B, contain sufficient information relating to the loss, and has it been timely filed including date stamp?	1-NAP, paragraph 401			
12. Has the COC action been recorded on CCC-576 Notice of Loss, Part C, and in the automated system and COC minutes?	1-NAP, paragraph 401			
Production				
13. Have appropriate production records been timely submitted, signed by producer AND date stamped by the County Office?	1-NAP, paragraphs 322, 425, and 426, Exhibit 42			
14. Has a CCC-576-1 Appraisal/Production Report for NAP been completed for unharvested crops?				
15. Has an appraisal been completed if the producer hand harvested crops (if applicable)?				
16. Have inventory records been supplied for value loss crops (if applicable)?				
Application for Payment				
17. Has the automated CCC-576 Part G Certification and Application for Payment been signed by the producer with proper signature authority?	1-NAP, paragraph 502, Exhibit 43			
18. Has documentation been filed demonstrating control of land (Deeds, Leases, Grazing Permits, etc.)?	1-NAP, paragraph 29			
19. Is CCC-576 Part G Certification and Application for Payment timely filed, and signed by the Loss Adjuster or FSA Representative?	1-NAP, paragraph 502, Exhibit 43			
20. Has COC action been recorded on CCC-576 Part H of the Application for Payment, entered in system, and recorded in COC minutes?	1-NAP, paragraphs 6 and 401, Exhibit 43			
21. Has the correct payment data been entered in to the automated system and reviewed by second party before payment is issued?	1-NAP, paragraph 6, Exhibit 43			
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--*

11 CCC-770 NAP (Continued)

G Example of CCC-770 NAP (Continued)

*--

CCC-770 NAP (07-22-09) Page 2			
Certification			
<i>22. I, the undersigned, certify the above items have been verified or updated accordingly.</i>			
22A. Signature of Preparer	Date	22B. Signature of Preparer	Date
22C. Signature of Preparer	Date	22D. Signature of Preparer	Date
<i>23. I concur/do not concur the above items have been verified and updated according:</i>		<input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur	
23A. CED Signature for Spotcheck			23B. Date
<i>24. I concur/do not concur the above items have been verified and updated according:</i>		<input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur	
24A. DD Signature for Spotcheck			24B. Date
25. Remarks:			

--*

12-20 (Reserved)

--21 Cause of Loss For 2006 and Prior Years (Continued)--

B Ineligible Causes of Loss (Continued)

- inability of the producer to obtain a market for the crop
- inability of the crop to mature in time to meet a specific market
- prevented planting of the following:
 - value loss crops, including, but not limited to, Christmas trees, aquaculture, or ornamental nursery, for which NAP assistance is provided under value loss procedure
 - tree crops and other perennial, unless:
 - the producer can prove resources were available to plant, grow, and harvest the crop, as applicable
 - DAFP has approved the recommended planting period for this crop according to paragraph 25
 - land on which the planting history or conservation plans indicated would remain fallow for crop rotation purposes
 - land used for conservation purposes
 - land intended to be, required to be, or considered to have been left unplanted under any USDA program.

21.5 Cause of Loss For 2007 and Subsequent Years

A Eligible Causes of Loss

[7 CFR 1437.9] To qualify for assistance under NAP, production losses must have occurred as a result of an eligible cause of loss. See 2-CP for prevented planting. Not all causes of loss are eligible causes of loss for all crops.

Example: Crops using an irrigation practice such as row crops or crops that are required to have irrigation or adequate water to meet the definition of “controlled environment”, that is, * * * ornamental nursery, floriculture, etc. will not be *--compensated for losses because of drought. See subparagraph 182 D for irrigation policy about aquaculture.--*

An eligible cause of loss is:

- damaging weather, including, but not limited to:
 - drought
 - hail
 - excessive moisture
 - freeze
 - tornado
 - hurricane
 - excessive wind
 - any combination thereof

*--**Notes:** Drought is an eligible cause of loss for crops having **nonirrigated practice** that suffered **production losses**. For nonirrigated crops that were prevented from being planted, drought is an eligible condition if, on the final planting date, or within the late planting period if electing to try to plant the crop, the area that is prevented from being planted has insufficient soil moisture for germination of seed and progress toward crop maturity because of a prolonged period of dry weather. Prolonged precipitation deficiencies must be verifiable using information collected by sources whose business is to record and study the weather, including but not limited to, local weather reporting stations of the National Weather Service.

For an irrigated practice, lack of water or contamination by saltwater intrusion caused by drought conditions may be considered an eligible cause of loss for production losses or prevented planting if there was not a reasonable probability of having adequate water to carry out irrigated practice.

Saltwater intrusion is an eligible cause of loss for prevented planting purposes.--*

21.5 Cause of Loss For 2007 and Subsequent Years (Continued)

A Eligible Causes of Loss (Continued)

- adverse natural occurrence, including, but not limited to:
 - earthquake
 - flood
 - volcanic eruption

- a condition related to damaging weather or adverse natural occurrence, including, but not limited to:
 - heat
 - insect infestation
 - disease
 - any combination thereof.

The damaging weather, adverse natural occurrence, or related condition must occur before or during harvest and **directly** cause, accelerate, or exacerbate destruction or deterioration of the eligible crop as determined by COC.

29 Eligible Producer

A Definition of Producer

[7 CFR 718.2] A producer is an owner, landlord, tenant, or sharecropper who:

- shares in the risk of producing the crop
- is entitled to share in the crop available for marketing from the farm or would have shared had the crop been produced.

Notes: Landowners, landlords, tenants, contract growers, or anyone else not having both a share of the risk and a valid claim of share ownership of a crop are ineligible for NAP.

The Food, Conservation, and Energy Act of 2008 specified that for crop year 2009 and subsequent crop years, Federal agencies, State and local governments, and any political subdivisions or agencies thereof will no longer be eligible to receive NAP benefits.

B Verifying Producer Eligibility

COC shall take whatever action is necessary to ensure that payments are proper and are for producers suffering the claimed loss of the crop. The producer must be able to show, with verifiable evidence, that the producer had a valid ownership share interest in the commodity produced and control of the crop acreage on which the commodity was grown at the time of the disaster, which is the basis for the application for payment. One of the following shall be obtained as determined by COC:

- copies of signed written leases
- copies of signed rental agreements
- copies of other legal documents showing land ownership or control
- statement signed by landowner that producer had control of the acreage
- statement signed by operator or producer that producer had control of the acreage on a farm
- *--FSA-578, producer print, or RMA documentation, or crop insurance physical documents (loss adjustment settlement sheets, certified appraisal by LA).--*

Note: * * * Neither CCC-509 nor CCC-502 is acceptable as verifiable evidence.

Exception: For Federal- and State-owned leased forage only copies of signed written leases, rental agreements, or other legal documents may be considered. * * *

29 Eligible Producer (Continued)

--C Reviewing Documentation--

Leases, rental agreements, and any other written statements documenting verbal agreements shall be reviewed on a case-by-case basis. The review must determine the amount of interest and risk in the production for the lessor and lessee. COC shall apply the specific case circumstances to the determination of an eligible producer.

When reviewing case circumstances, evaluate what lease or rental arrangement existed between parties before the natural disaster. The lease or rental arrangement existing before the date of disaster shall be used to determine eligible producer. Any negotiation, agreement, or performance of parties to a rental or lease arrangement after date of disaster shall have no bearing on the question of an eligible producer.

***--D Verifying Ownership Share Risk**

A producer may obtain a grower contract for marketing purposes. The grower contract may include language that precludes a producer from maintaining an ownership share risk, thus making the producer ineligible for NAP. Some examples include, but are **not** limited to:

- language stating that the:
 - grower has no right, title, or interest in the seed or the crop grown
 - producer's interest in the seed and crop is that of a bailee
- crop insurance arrangements whereby the producer does **not** pay the premium, and/or indemnities are passed on to the company or a pooling agreement.--*

Applicants certifying to having a valid claim to a share of NAP payment are subject to spot check. If agreements or contracts are discovered that show a grower did not have a valid claim to a share of a crop for which NAP assistance was claimed, the NAP payment must be refunded.

Payment shall be denied if COC is not satisfied that payments claimed by producers are proper.

***--Note:** The eligible producer requirements shall not be deemed to have been met merely because a participant had obtained either NAP or insurance coverage. The NAP participant must have had a valid ownership share interest in the commodity as specified in this paragraph.--*

29 Eligible Producer (Continued)

E Certification by Producers

Producers signing CCC-576:

- Part B, certify to the accuracy of all information contained in CCC-576, items 8 through 20, and acknowledge receipt of a copy of the notice's filing
- Part G, certify and agree to the statement contained in Part G, information provided on the entire form, and apply for payment according to paragraph 502.

30 HEL and WC Compliance

A Producer Requirements

[7 CFR 1437.15] Producers must comply with the provisions of conservation compliance, according to 6-CP [7 CFR Part 12], to be eligible for NAP payment.

38 Liquidated Damages

A Accessing Liquidated Damages

[7 CFR 1437.15(d)] When a producer is found in violation, according to paragraph 37, COC shall assess liquidated damages in the amount of 25 percent of the payment projected or received for the crop in violation. Liquidated damages are in addition to any refund of program benefits and are not considered a penalty.

Examples: Bill Smith received \$10,000 in NAP benefits on sweet corn (\$7,000) and butter beans (\$3,000) for the 2002 crop year. COC determined Mr. Smith adopted a scheme for receiving benefits for his sweet corn crop. Mr. Smith would be required to refund all amounts paid by CCC (\$10,000) plus pay liquidated damages in the amount of \$1,750 ($\$7,000 \times 25\% = \$1,750$).

Jim Ecker suffered a loss on native pecans and was expecting to receive \$20,000 in NAP benefits. COC determined Mr. Ecker misrepresented production data to increase the loss percentage. Although Mr. Ecker had not *--received the NAP benefit for native pecans, COC shall assess liquidated damages in the amount of \$5,000 ($\$20,000 \times 25\% = \$5,000$).--*

39 Tolerance

***--A Definition of Acreage Tolerance**

Acreage tolerance is the number of acres that the reported acreage may differ from the determined acreage without either of the following:

- the total loss of benefits
- the overall accuracy of the acreage report being questioned.

Rule: Acreage tolerance is the larger of 1 acre or 5 percent of the reported acreage, not to exceed 50 acres.

B Definition of Production Tolerance

Production tolerance for NAP production is 5 percent difference between the reported and determined production.--*

Note: If circumstances warrant, and the reviewing authority determines it necessary, * * * a production error within tolerance may be reviewed to determine whether any violation of NAP policy has occurred.

171 Eligible Crops

A Definition of Eligible Crops

[7 CFR 1437.4] Eligible crops are any commercial agricultural crop (excluding livestock and their by-products), commodity, or acreage of a commodity grown for food or fiber for which CAT is not available.

--For 2010 and future years, follow subparagraph 171 C to determine when NAP coverage can be offered.--

Notes: Refer to 2-CP, Exhibit 10.5 to determine type, variety, or intended use. Do **not** use “other”, “regular”, or other generic references as a type or variety for NAP purposes.

If the specific crop, type, or variety is not listed, follow subparagraphs 170 E and F to request that the crop, type, or variety be added.

B Eligible Crops for NAP Assistance

--NAP assistance may be made available for any commercially produced:--

- crop grown for food
- crop planted and grown for livestock consumption, including, but not limited to, grain and seeded and native forage crops

Note: NAP assistance for forage crops produced on Federal and State lands is limited to seeded forage crops.

- crop grown for fiber, excluding trees grown for wood, paper, or pulp products
- aquacultural species, including ornamental fish
- floriculture crops
- ornamental nursery
- Christmas tree crops
- turfgrass sod

171 Eligible Crops (Continued)

B Eligible Crops for NAP Assistance (Continued)

- sea oats and sea grass
- industrial crops
- seed crops where the propagation stock is commercially produced for sale as seed stock for other eligible NAP crop production

Example: Tree seedlings being raised as seed stock for reforestation are **not** eligible.
 Tree seedlings being raised as a seed crop for use as propagation stock in a commercial Christmas tree operation are eligible.

- unseeded forage on State or Federal lands beginning with 2002 crop year.

***--C Determining When NAP Coverage Can Be Offered**

Beginning with the 2010 crop year, State Offices must determine if NAP can be offered for a crop when crop insurance is not available in the county and certain practices are followed by a limited number of producers.

State Offices must take these steps to determine whether NAP coverage may be offered.

Step	Action
1	IF the CAT level of insurance coverage is offered for the crop, type, and intended use in that county; then NAP is not available for all practices (irrigated, non-irrigated, summer fallow, and continuous crop) in all cases.
2	IF the CAT level of insurance coverage is not offered for the crop, type, and intended use in that county; then the State Office shall contact the RMA Regional Office responsible for their State to determine why insurance coverage is not offered in that county.
3	If RMA responds that CAT level of insurance coverage is not offered because RMA has actuarial data to support that the crop, type, and intended use is too high risk; then NAP is not available for that crop, type, and intended use in all cases.
4	If RMA responds that CAT level of insurance coverage is not offered because RMA does not have supporting documentation to determine whether the crop, type, and intended use is reasonable for the area; then FSA may offer NAP coverage only in those situations where FSA determines it is a reasonable practice for the crop, type, and intended use for that area.

--*

172 Ineligible Crops

A Ineligible Crops for NAP Assistance

Crop acreage and products ineligible for NAP assistance include, but are not limited to:

- crop acreage for which individual CAT level coverage is available in the county

Notes: NAP may cover eligible losses caused by natural disaster that are not named as an insurable peril under a crop insurance policy.

GRP insurance is now available at CAT level. Therefore, if GRP is available, the crop acreage is **not** eligible for NAP assistance.

- crop acreage for which individual CAT level coverage is available as a pilot product
- commodities that cannot be marketed as food or fiber or that are not included as an eligible crop in paragraph 171
- by-products resulting from processing or harvesting an eligible crop, such as * * * peanut hay, oat straw, etc.
- crop acreage for which COC determined good farming practices are not being applied
- nonornamental nursery plants, such as strawberry plants, orange trees, etc., unless the plants can be considered a seed crop under paragraph 171
- home gardens or crops not being produced for commercial sale
- experimental crops
- volunteer stands, except native forage
- unseeded forage on State or Federal lands for 2001 and prior years
- livestock and their by-products
- trees grown for wood, paper, or pulp products.

175 Double-Cropped Acreage

A Eligible Double-Cropped Acreage

[7 CFR 1437.12] Double-cropped acreage is a subsequent crop of a different commodity planted on the same acreage as the first crop.

--Double-cropped acreage must be established and approved according to 2-CP, paragraph 25 before being considered eligible for NAP coverage.--

COC must determine whether the:

- second crop of a different commodity was planted with an intent of harvest
- initial and subsequent planted crop acreage meets all NAP eligibility provisions, including, but not limited to:
 - it being a good farming practice to follow the harvest of an initial crop with the planting and harvest of another crop of a different commodity
 - there being an adequate amount of time in the crop year to produce both crops on the same acreage in a crop year.

Note: Yield adjustments, according to Part 5, may be made for acreage of the second crop if the producer's approved yield for the second crop is based on the crop being planted primarily as initial crop acreage.

Double-cropped acreage is **not**:

- a crop of the same commodity being planted after the prevented planting, failure, or harvest of the first planting
- viewed separately on a unit basis from initially planted crop acreage of the same commodity.

175 Double-Cropped Acreage (Continued)

B Limitation on Double-Cropped Acreage

There is no specific limit to the amount of double-cropped acreage eligible for NAP assistance. Each crop that is the subject of application for payment stands by itself when applying eligibility provisions.

Each crop of a different commodity planted in an approved double-cropped planting pattern is eligible for NAP assistance if all other eligibility requirements are met.

176 Repeat Crops

A Definition of Repeat Crop

A repeat crop is a subsequent planting of a commodity planted on the same acreage as the previous planting of the same commodity in the same crop year.

See paragraph 177 for multiple plantings of a crop on different acreage.

See paragraph 178 to determine whether a repeat crop can be considered a separate crop for unit loss calculation purposes.

177 Multiple-Planted Crops

A Definition of Multiple-Planted Crop

A multiple-planted crop is a crop planted or prevented from being planted in more than 1 approved planting period in a crop year on different acreage.

See paragraph 178 to determine whether a multiple-planted crop can be considered a separate crop for unit loss calculation purposes.

181 Value Loss Crops (Continued)**C Determining the Applicable Crop Year for Value Loss Crops**

All value loss crops have the same defined crop year, October 1 through September 30. For payment purposes, the crop year is defined by the date the disaster event occurs.

Example: 2002 nursery crop year starts October 1, 2001, and ends September 30, 2002. If a hurricane occurs on October 8, 2001, the loss for nursery will be paid and considered a 2002 crop.

182 Aquaculture**A Eligible Aquacultural Species**

[7 CFR 1437.3] Eligible aquacultural species are:

- any species of aquatic organisms grown as food for human consumption
- fish raised as feed for fish that are consumed by humans
- ornamental fish propagated and reared in an aquatic medium.

To be eligible for NAP assistance, eligible aquacultural species must be raised:

- by a commercial operator on private property
- in water in a controlled environment.

***-B Eligible Causes of Loss for 2009 and Future Years**

The Food, Conservation, and Energy Act of 2008 authorized the Secretary of Agriculture to provide assistance to eligible aquaculture producers, for all eligible natural causes of loss to eligible aquaculture crop types, from damaging weather or adverse natural occurrences related to drought.--*

C Crop Year

The crop year for all aquacultural species is from October 1 through September 30.

Note: Loss is determined by comparing the value of inventory immediately before disaster to value of inventory immediately after disaster.

182 Aquaculture (Continued)**C Private Property**

For a producer to be considered eligible for NAP assistance on aquaculture, COC must determine the:

- producer owns or has leased property with readily identifiable boundaries
- owner or lessee:
 - has total control of the waterbed, the ground under the specific type of water
 - does not have control over only a column of water.

D Controlled Environment

--See Exhibit 2 for the definition of controlled environment--

Eligible aquacultural species must be:

- placed in the aquacultural facility by the producer and must not be growing naturally in the facility
- Note:** Species indigenous to the facility are not eligible.
- planted or seeded on property described in subparagraph C
 - planted or seeded in containers, wire baskets, net pens, or similar device designed for the protection and containment of the seeded aquacultural species.

All portions of the aquatic environment must be under the control of the producer. Control means the operator of the facility implements the following practices.

- **Flood prevention**, including, but not limited to:
 - placing the aquacultural facility in an area not prone to flood
 - in the case of raceways, devices or structures designed for the control of water level.

183 Ornamental Nursery

A Eligible Ornamental Nursery

[7 CFR 1437.3] Eligible ornamental nursery includes decorative plants grown in a container or controlled environment for commercial sale.

Eligible nursery inventory include, but are not limited to, the following:

- deciduous shrubs, broadleaf evergreens, coniferous evergreens, shade and flowering trees, etc.

Note: For 2006 and future years, flowering kale (crop code 4000, crop type FLW) shall be identified under nursery, crop code 1010.

- stock for use as propagation in a commercial ornamental nursery operation.

Note: This includes fruit or nut seedlings grown for sale as seed stock for commercial orchard operations growing the fruit or nut.

Eligible nursery inventory does **not** include the following:

- insurable nursery crops
- edible varieties
- plants produced for reforestation purposes or for the purpose of producing a crop for which NAP does not provide protection.

*--B Ornamental Nursery Crop Year

The beginning and ending dates for 2008 and prior crop years is from October 1 through September 30.

The beginning and ending dates for the 2009 crop year is from October 1, 2008, through September 30, 2009, except for those producers who elect continuous coverage for 2010.

The beginning and ending dates for the 2010 and subsequent crop years is from June 1 through May 31.

Notes: For those producers that obtained continuous coverage for the 2010 crop year, the 2009 NAP coverage will end May 31, 2009, and 2010 NAP coverage will begin on June 1, 2009. All CCC-576's which indicate the date of disaster occurrence is on or after June 1, 2009, will be processed as a 2010 crop year loss.--*

Loss is determined by comparing the value of eligible nursery inventory immediately before disaster to value of eligible nursery inventory immediately after disaster.

C Controlled Environment

See Exhibit 2 for the definition of controlled environment.

The ornamental nursery producer must either own or lease the property upon which the nursery stock is located. Eligible nursery stock must be placed in the ornamental nursery facility by the producer and must not be indigenous to the facility. The facility must be managed and cared for using good nursery growing practices.

183 Ornamental Nursery (Continued)

D Good Nursery Growing Practices

Although definitions of good nursery growing practices may vary from 1 geographical region to another, certain practices are recognized and followed by all nursery operators. These include, but are not limited to, the following.

- **Flood prevention**, including, but not limited to:
 - containerized stock placed in a raised area above expected flood level
 - drainage facilities provided, such as:
 - drainage ditches or tile
 - gravel, cinder, or sand base.

Exception: Does not apply to field-grown nursery stock.

- **Growing media.** Prevention of “root rot” and other media-related problems requires the following practices:
 - well drained media with a minimum 20 percent air pore space
 - PH adjustment for the type of plant produced.

Exception: Does not apply to field-grown nursery stock.

- **Fertilization** to obtain expected production results. Evidence of this practice must be provided by the producer at the request of COC. COC must be satisfied that the producer has incorporated an adequate supply of soluble or dry fertilizer and has the appropriate application equipment.
- **Irrigation.** Drought shall **not** be a major peril as all good nursery operators shall have irrigation systems and practices in place. Therefore, COC shall consider all of the following:
 - whether the source of water is adequate to ensure continuation of nursery stock irrigation practices even in the event of severe drought
 - whether the nursery operation sustained losses in the past because of water shortages or water supply interruption

Note: If so, list corrective actions that have been taken.

- the type of irrigation system the nursery has in use.

183 Ornamental Nursery (Continued)**F Report of Crop Acreage**

In addition to other NAP eligibility requirements, ornamental nursery producers wanting to be eligible for NAP assistance must file FSA-578 by September 30 for the ensuing ornamental nursery crop year October 1 through September 30, according to subparagraph 151 C.

G Ineligible Disaster Conditions

In the event CCC-576 is filed, the eligible disaster conditions in paragraph 21 apply. The loss of eligible ornamental nursery stock must be a **direct** result of natural disaster. NAP does **not** provide protection against:

- brownout (Exhibit 2)
- failure of power supply
- the inability to market nursery stock as a result of quarantine, boycott, or refusal of a buyer to accept production
- fire, where weeds and other forms of undergrowth in the vicinity of the nursery stock or building on the property have not been controlled
- collapse or failure of buildings or structures.

H Crop Definition

Ornamental nursery shall include all eligible plant species and sizes. It shall **not** include any plant species or sizes for which CAT is available.

183 Ornamental Nursery (Continued)**I Wholesale Market Value**

Wholesale market value is the total dollar valuation of all eligible stock in the unit at any time. Values are based on the producer's wholesale price list, if properly supported by records, less the maximum discount, which is stated in dollar terms, granted to any buyer.

COC shall examine each ornamental nursery producer's wholesale price list to determine whether prices, for each type, variety, and size of plant, are reasonable. If prices appear unreasonable for any plant within the inventory, STC shall establish the wholesale price for this plant.

J Calculating Eligible Loss

The loss calculation for ornamental nursery shall be based upon the ornamental nursery stock having no dollar value following the disaster. Ornamental nursery stock having any dollar value shall be counted as full value because quality adjustments for NAP are not authorized. Further, damaged plants that are determined able to rejuvenate or plants merely stunted or delayed for harvest shall be counted as full value.

The total loss of value of all eligible ornamental nursery stock present on a unit at the time of disaster must be reduced by more than 50 percent before any payment can be made.

Use CCC-576B for calculating NAP assistance for ornamental nursery losses on a unit.

K Application of Payment Factors

The approved prevented planting payment factor for the prevented planting of all ornamental nursery is zero.

--For 2007 and prior years, the 2 unharvested payment factors for ornamental nursery are:--

- 100 percent, for container-grown ornamental nursery
- 50 percent, for field-grown, or noncontainer-grown, ornamental nursery stock.

*--For 2008 and future years, the 2 unharvested payment factors for ornamental nursery are:

- 100 percent, for container-grown ornamental nursery
- 75 percent, for field-grown, or noncontainer grown nursery stock.--*

185 Ginseng (Continued)

M Calculating Eligible Loss

To calculate the loss for ginseng roots, COC must complete the following calculations according to this table. The results of these calculations shall be dataloaded on CCC-576.

Step	Calculations
1	<p>Determine Field Market Value A.</p> <ul style="list-style-type: none"> • For the roots present immediately before the disaster, add the number of roots of each age of maturity and multiply the number of these roots times the appropriate average market price adjusted for the age of the roots. <p>Example: STC established 3 years from planting as the average number of years to maturity for ginseng root. If the average price of a mature ginseng root is \$5 per root, immature root 2 years old would be valued at \$0 (unless it was a transplant). A 7-year old root would have a market value of \$5/root.</p> <p>* * *</p> <ul style="list-style-type: none"> • Total the value of all roots (all ages) * * * present on the unit immediately before the onset of disaster.
2	<p>Determine the dollar value of inventory after disaster. Determine the post disaster inventory from either a loss adjustment report or acceptable or verifiable record, the number of roots having dollar value.</p> <p>Note: Any roots listed in step 1 having any dollar value, or which may rejuvenate or re-establish value, shall be counted as having the assigned value in step 1.</p> <p>* * *</p>

N Application of Payment Factors

The approved prevented planting payment factor for the prevented planting of all ginseng is zero.

Any payment computed for loss of ginseng roots or seed on a plot shall have the unharvested payment factor applied.

186 Turfgrass Sod**A Overview**

[7 CFR 1437.501] Turfgrass sod is a unique crop because it does not lend itself to yield calculations or production loss situations. In the production of turfgrass sod producers harvest the plant not a product of the plant. As a result, turfgrass sod is included as a value loss crop for NAP.

B Eligible Loss

The total value of mature turfgrass sod present on the unit at the time of disaster must be reduced by more than 50 percent because of a natural disaster to be eligible for NAP payment. Mature turfgrass sod is that which is available for market.

C Crop Year

The crop year for turfgrass sod is from October 1 through September 30.

D Unit of Measure

The unit of measure for all turfgrass sod shall be a square yard.

E Report of Acreage

In addition to other NAP eligibility requirements, turfgrass sod producers wanting to be eligible for NAP assistance must file FSA-578 by September 30 for the ensuing * * * turfgrass sod crop year October 1 through September 30, according to subparagraph 151 C.

In addition to providing information required in paragraph 151, the producer must report the following:

- date of each planting of turfgrass sod
- average number of square yards per acre.

Note: An acre of land contains 4,840 square yards. Producers must account for ribbons or unharvested areas.

192 General Forage Provisions (Continued)

D Acreage Eligibility

COC shall, when questions of eligibility exist, consider evidence of:

- the producer's intent to graze or otherwise harvest forage acreage

Note: If a producer reports forage acreage as CRP or intended as fallow, that acreage is not eligible for NAP.

- available livestock, water, fencing, etc. for grazing
- available equipment, storage facilities, etc. necessary for mechanical harvest of forage acreage.

193 Defining Forage Crops

A Definitions

In general, NASS defines forage as alfalfa, alfalfa mixtures, and other hay.

The following definitions were developed to better utilize NASS data and shall be used to determine forage types eligible for NAP coverage:

- alfalfa means a stand of either:
 - pure alfalfa
 - a mixture of alfalfa and grasses, legumes, or other forage in which 60 percent or more of the plant population is alfalfa
- alfalfa mixture is alfalfa and grasses, legumes, or other forages in which **less** than 60 percent of the plant population is alfalfa
- other hay is a stand consisting of grasses, legumes, and/or other forages in which **little or no** alfalfa plants exist, including small grain forage, sorghum forage, soybean forage, and perennial peanut forage
- perennial peanut forage is a stand of perennial peanuts * * * intended for forage for animal consumption
- small grain forage is a stand of pure wheat, barley, oats, triticale, or rye intended for forage for animal consumption
- sorghum forage is a stand of sorghum intended for forage for animal consumption
- soybean forage is a stand of soybeans intended for forage for animal consumption.

307 Adjustments for Fruit and Nut Crops

A Producer Responsibilities

Producers will be responsible for providing the following information:

- age of trees, see subparagraph O
- spacing of trees on average of number of trees per unit (to determine number of trees per acre), see subparagraph O
- whether the trees are managed or unmanaged, see subparagraph N.

B COC Responsibilities

--COC must reduce T-yields, if age or spacing of trees on the unit is not capable of producing the county yield. DAFP has developed these reductions for COC's use as a guide from sources such as State university research stations, CSREES, RMA Regional Offices, and FSA State Offices.--

COC may adjust the percentages in this paragraph; however, any adjustments must be justified and documented in COC minutes with the concurrence of an STC representative.

*--If the reductions in subparagraphs C through U do not provide an estimated reduction in yield for older trees, COC may reduce the yield for older trees using all available information.

If APH or an approved yield is present for the crop and crop table yield is higher than approved yields, reduce the crop table yield to the APH or approved yield.--*

307 Adjustments for Fruit and Nut Crops (Continued)

C Peaches and Nectarines

Use this table to reduce the yield for peach and nectarine trees based on the age of the trees.

*--

Age of Trees	Estimated Reduction in Yield
less than 3 years	100% reduction
3 years	50% reduction
4 years	30% reduction
5 years and older	no reduction

--*

Normal spacing for peach and nectarine trees is 90 to 120 trees per acre. An additional reduction of 10 percent shall apply for every 7 trees below 90 trees per acre.

D Limes

Use this table to reduce the yield for lime trees based on the age of the trees.

Age of Trees	Estimated Reduction in Yield
4 years and older	no reduction
more than 2 years but less than 4 years	30% reduction
1 to 2 years	60% reduction

Normal spacing for lime trees is 100 trees plus per acre. An additional reduction of 10 percent shall apply for every 10 trees below 100 trees per acre.

307 Adjustments for Fruit and Nut Crops (Continued)

L Pecans

Use this table to reduce the yield for pecan trees based on the age of the trees.

Age of Trees	Estimated Reduction in Yield
13 years and older	no reduction
12 years	50% reduction
9 to 11 years	75% reduction

Use this table to take an additional reduction because of trees per acre.

Age of Trees	Trees per Acre	Additional Reduction
13 to 18 years	27	10% for each 3 trees below 27
more than 18 years to 40 years	14	10% for each 2 trees below 14
more than 40 years to 60 years	7	15% for each tree below 7

M Native Pecans

Consider each 15 native pecan trees as 1 acre regardless of the age of the tree. See subparagraph N for further reductions.

***--N Almonds**

Use this table to reduce the yield for almonds based on the age of the trees.

Age of Trees	Estimated Reduction in Yield
less than 4 years	100% reduction
4 years	75% reduction
5 years	50% reduction
6 years	25% reduction
7 years and older	no reduction

O Olives

Use this table to reduce the yield for olives based on the age of the trees.

Age of Trees	Estimated Reduction in Yield
less than 4 years	100% reduction
4 years	80% reduction
5 years	60% reduction
6 years	40% reduction
7 years	20% reduction
8 years and older	no reduction

--*

307 Adjustments for Fruit and Nut Crops (Continued)

***--P Plums**

Use this table to reduce the yield for plums based on the age of the trees.

Age of Trees	Estimated Reduction in Yield
less than 3 years	100% reduction
3 years	50% reduction
4 years	30% reduction
5 years and older	no reduction

Q Prunes

Use this table to reduce the yield for prunes based on the age of the trees.

Age of Trees	Estimated Reduction in Yield
less than 4 years	100% reduction
4 years	75% reduction
5 years	50% reduction
6 years	25% reduction
7 years and older	no reduction

R Walnuts

Use this table to reduce the yield for walnuts based on the age of the trees.

Age of Trees	Estimated Reduction in Yield
less than 5 years	100% reduction
5 years	90% reduction
6 years	75% reduction
7 years	50% reduction
8 years	25% reduction
9 years and older	no reduction

S Avocados

Use this table to reduce the yield for avocados based on the age of the trees.

Age of Trees	Estimated Reduction in Yield
less than 3 years	100% reduction
3 years	93% reduction
4 years	85% reduction
5 years	71% reduction
6 years	42% reduction
7 years and older	no reduction

--*

307 Adjustments for Fruit and Nut Crops (Continued)

***--T Pistachios**

Use this table to reduce the yield for pistachios based on the age of the trees.

Age of Trees	Estimated Reduction in Yield
less than 5 years	100% reduction
5 years	91% reduction
6 years	82% reduction
7 years	64% reduction
8 years	55% reduction
9 years	45% reduction
10 years	36% reduction
11 years	27% reduction
12 years	18% reduction
13 years and older	no reduction

U Figs

Use this table to reduce the yield for figs based on the age of the trees.

Age of Trees	Estimated Reduction in Yield
less than 3 years	100% reduction
3 years	92% reduction
4 years	77% reduction
5 years	60% reduction
6 years	45% reduction
7 years	31% reduction
8 years	18% reduction
9 years	8% reduction
10 years and older	no reduction

--*

307 Adjustments for Fruit and Nut Crops (Continued)

V Unmanaged Orchards

The county average yield shall be reduced an additional 35 percent, if the orchard is unmanaged with no set management system, that is, no pruning, no set spray cycle, etc.

***--Example:** A producer has a stand of 15 acres of unmanaged apple trees. The county average yield is 456 bushels. The producer harvested 2,000 bushels of apples. The remaining apples were lost as a result of natural disaster.

Step 1 - Calculate Reduction for Unmanaged Orchard	
1	456 bu. x 15 acres of apples trees = 6,840 bu. of expected production
2	456 bu. x 35% reduction (unmanaged trees) = 160 bu.
3	456 bu. - 160 bu. = 296 bu. adjusted yield for NAP payment
4	160 bu. x 15.0 acres = 2,400 bu.
5	6,840 bu. - 2,400 bu. = 4,440 bu. adjusted expected production
Step 2 - Calculate Net Production for NAP Payment	
1	296 bu. x 50% (loss threshold) = 148 bu. x 15 acres = 2,220 bu. (loss required for NAP eligibility)
2	4,440 bu. (adjusted expected production) - 2,220 bu. (loss threshold) = 2,220 bu. (differential)
3	2,220 bu. (differential) - 2,000 bu. (harvested production) = 220 bu. net production for NAP payment

--*

W Calculating Adjusted Yields

Use the following table to determine the yield reduction when trees are not at their full potential or have gone past their full potential of production.

Step	Action
1	Determine the total acres of the crop.
2	Determine the percentage of each age category by dividing each acreage by the result of step 1.
3	Multiply the T-yield by each category percentage from step 2.
4	For each category with an age reduction, multiply the result in step 3 by the applicable reduction percentage.
5	Subtract the result of step 4 from step 3 for each age category with a reduction.
6	Add the results of step 5 to any nonadjusted yield from step 3 to determine the adjusted T-yield. Load the adjusted T-yield during the approved yield process.

Calculate a yield reduction for acres planted at less than normal spacing. Spacing reductions shall be calculated in the same manner as age reductions.

307 Adjustments for Fruit and Nut Crops (Continued)**W Calculating Adjusted Yields (Continued)**

Document all adjusted yields in COC minutes. If COC uses reduction percentages not listed in this paragraph, the adjustment must have concurrence of STC representative. Load the adjusted yield, the reason for the adjustment, and the date of COC or STC minutes documenting the adjustment during the approved yield process.

308 Lag Year Crops**A Lag Year**

Some crops do not generally have production records available by PRD; therefore, there is a 1-year lag in the database.

Example: For the 2001 crop year, the base period will begin with the 1999 crop year and may contain up to ten APH consecutive crop years (beginning with 1999 and working backwards).

The base period for lag year crops consists of 10 consecutive APH crop years preceding the current crop year (a lag year) for crops that meet the provisions of this paragraph.

Crops for which lag year provisions may be applicable include, but are not limited to, the following:

- grapefruit
- lemons
- limes
- macadamia nuts
- oranges
- parsnips
- pummelo
- sugarcane
- tangerines.

B Applying Yield Procedure

Added land provisions apply to units on which the producer has not actively engaged in farming for a share of the crop's production for more than 2 crop years before the previous crop year.

New producer procedures apply if a person was not actively engaged in farming for a share of the sugarcane production for more than 2 crop years before the previous calendar year.

308 Lag Year Crops (Continued)**B Applying Yield Procedure (Continued)**

For units (by practice) on which a lag year crop was produced for the previous crop year, the previous crop year is recognized as a crop year with actual production available, even though it cannot be reported until the next crop year.

Example: If the current crop year is 2001 and the crop was produced for the 2000 crop year, 2000 is recognized as a crop year with actual production available even though it cannot be reported until 2002.

Special procedure is used to determine the applicable T-yield for:

- new producers who elect to provide production reports
- previous producers who do not qualify as a new producer
- acreage which does not qualify as added land.

The T-yield shall be calculated as follows.

- If no production history before the previous crop year can be provided and assigned yield provisions do not apply, the approved yield shall be 80 percent of the applicable T-yield. The database shall be completed using four 80 percent T-yields.
- If 1 actual yield is applicable, the APH database shall be completed using 1 actual yield and three 90 percent T-yields.
- If 2 actual yields are applicable, the approved yield shall be calculated using 2 actual yields and two 100 percent T-yields. Two actual and two 100 percent T-yields are entered into the database.
- If 3 actual yields are applicable, the approved yield shall be calculated using 3 actual yields and one 100 percent T-yield. The 3 actual yields and one 100 percent T-yield shall be entered into the database.

309-320 (Reserved)

328 Appraised Production

A Definition of Appraised Production

[7 CFR 400.52 (d)] Appraised production is production determined by FSA, RMA, FCIC, company reinsured by FCIC, or other appraiser acceptable to CCC, that was unharvested but * * * reflected the crop's yield potential at the time of appraisal. For the purpose of APH, appraised production specifically excludes production lost because of ineligible disaster conditions.

See Part 7, Section 2 for procedure on performing appraisals.

329 Assigned Production

A Definition of Assigned Production

Assigned production is the loss of production not related to natural disaster.

Note: An assigned yield in the APH database is **not** the same as assigned production. See Part 5, Section 1.

Assignments of production are required when there is CCC-576 for an eligible crop and any of the following apply:

- it is determined that the crop's loss is because of an ineligible disaster condition, or circumstances other than natural disaster, and this ineligible cause of loss has not been otherwise accounted
- unit acreage was destroyed without consent (paragraph 155)

***--Note:** In this case, the amount of assignment for this acreage shall be equal to the full--* guarantee.

- the producer has a contract to receive a guaranteed payment for all or a portion of the crop, as opposed to or regardless of delivery
- the producer plants the crop after final planting date

Note: See:

- paragraph 25.5 for calculating assigned production
- Part 2 for eligible and ineligible causes of loss
- paragraph 332 for converting the guarantee to assigned production.
- irrigation equipment is not capable of supplying adequate water to sustain the expected production of a normal irrigated crop

329 Assigned Production (Continued)**A Definition of Assigned Production (Continued)**

***--Example:** The county expected yield established in the county is based on pivot irrigation. However, a producer has a different type of irrigation method called drip irrigation. Given the different type of irrigation equipment used by the 1 producer, an assigned yield shall be determined if drip irrigation would not be considered representative of the irrigated yield established.

- for annual or perennial crops, the irrigation practice is not used
- for annual crops, the supply of available water at the beginning of the crop year is not adequate
- for perennial crops, the supply of available water at the beginning of the crop year is not adequate because of a circumstance not related to a natural disaster.--*

B Assigning Production

COC shall document the following in each case where production is assigned:

- the basis for assignment
- the quantity of production assigned
- how the amount of assigned production was calculated or determined.

Note: Producers shall be notified of assigned production, including all of the information required to be documented by COC.

C Use of Assigned Production

Assigned production shall be:

- included in the eligible crop unit's net production for loss purposes
- excluded when calculating approved yields.

Part 8 General Payment Provisions

502 Application for Payment

A Filing CCC-576

[7 CFR 1437.10 (b)] An application for NAP payment must be filed on CCC-576, Parts D through G, as applicable:

- with the County Office where the units are administered
- in conjunction with filing an acceptable CCC-576-1 that is required only when an appraisal is required or measurement service is requested or required by spot check

Exception: If producer has signed the final appraisal and CCC-576-1, and all production is accounted on the CCC-576, Parts D through F, producer does not need to sign Part G.

- no later than the subsequent crop year acreage reporting date for the crop following the crop year in which the loss occurred

***--Exception:** An application for NAP payment for perennial forage intended for grazing must be filed no later than **final** subsequent crop years acreage reporting date found in 2-CP, Exhibit 6 for the crop, following the crop year in which the loss occurred. The completion of independent assessments or the determination of the percentage of loss of similarly mechanically harvested forage from perennial forage acreage may not be known before the earlier of 15 calendar days before the onset of harvest or grazing of the specific crop according to 2-CP, Exhibit 6.

Note: Filing an application for payment 15 calendar days before the onset of harvest does **not** apply.--*

- COC has authority to encourage producers to provide information by an earlier date, such as sales closing date; however, production submitted by the subsequent crop year acreage reporting date for the crop shall be considered timely
- with required documentation according to subparagraph B.

Notes: A timely CCC-576 is required. Producers interested in obtaining a NAP payment for a qualifying loss shall file CCC-576.

Other producers involved in the farming relationship may choose to use the production and loss information previously filed. By signing the certification in Part G they acknowledge the information is correct.

COC shall ensure that the filing requirement in this subparagraph is adequately publicized.

502 Application for Payment (Continued)**B When CCC-576 Is Considered Filed**

CCC-576 is considered filed when all the following apply:

- it is accompanied by all required documentation for the unit, including, but not limited to:
 - an acceptable report of acreage according to Part 4
 - an acceptable CCC-576, Part B filed according to paragraph 401
 - acceptable production evidence according to Part 6
 - any document or form required to establish producer or person eligibility according to Parts 2 and 4

Exception: Approved yields are not applicable to:

- value loss crops (paragraph 181)
 - turfgrass sod (paragraph 186).
- any other documentation and information necessary from the applicant for COC to determine the correct payment amount.

C Late-Filed CCC-576's

CCC-576, and any required information and documentation for CCC-576, submitted beyond the period defined in subparagraph A shall be received by the County Office and placed in the producer's file.

COC shall immediately notify the producer in writing that:

- the application was not filed timely
- assistance cannot be paid.

Note: The letter advising any producer that CCC-576 cannot be paid shall include the basis for the determination and a right of reconsideration according to 1-APP. The right of reconsideration is limited to providing facts and evidence that CCC-576 was filed timely.

Definitions of Terms Used in This Handbook

Abandoned

Abandoned means discontinued caring for a crop, provided care so insignificant as to provide no benefit to the crop, or failed to harvest in a timely manner.

*--Acreage Tolerance

Acreage tolerance is the number of acres that the reported acreage may differ from the determined acreage without either of the following:

- the total loss of benefits
- the overall accuracy of the acreage report being questioned.

Rule: Acreage tolerance is the larger of 1 acre or 5 percent of the reported acreage, not to--* exceed 50 acres.

Actual Production

Actual production is the total of the eligible crop unit's:

- harvested production
- appraised production, if not accounted for in harvested production.

Actual Production History (APH)

APH is the actual production history of the crop for the unit used to determine the approved yield for NAP purposes according to paragraph 251.

Actual Yield

Actual yield is the total amount of harvested and appraised production on a per acre or other basis, as applicable.

Added Land

Added land is land on which the producer has not been farming for a share of the crop's production on a unit for more than 2 crop years.

Added Practice, Type, Intended Use, or Planting Period

An added practice, type, intended use, or planting period is a practice, type, intended use, or planting period of a crop that requires a separate approved yield. If the new practice, type, intended use, or planting period of a crop does not require a separate approved yield, the production from the new practice, type intended use, or planting period of the crop will be included in the current APH database for the crop.

Definitions of Terms Used in This Handbook (Continued)

Administrative County

Administrative county is the county or counties for which the administrative FSA office is designated to make determinations, handle official records, and issue payments for the producer.

Alfalfa

Alfalfa means a stand of either:

- pure alfalfa
- a mixture of alfalfa and grasses, legumes, or other forage in which 60 percent or more of the plant population is alfalfa.

Alfalfa Mixture

Alfalfa mixture is alfalfa and grasses, legumes, or other forages in which **less** than 60 percent of the plant population is alfalfa.

Animal Unit (AU)

AU is a standard expression of livestock based on a daily net energy maintenance requirement equal to 13.6 Mcal.

Animal-Unit-Day (AUD)

AUD is an expression of an expected or actual stocking rate.

Definitions of Terms Used in This Handbook (Continued)

Application Closing Date

Application closing date is the last date, as determined by CCC, producers can submit CCC-471 for noninsured crops for the specified crop year.

Appraised Production

Appraised production is production determined by FSA, RMA, FCIC, company reinsured by FCIC, or other appraiser acceptable to CCC, that was unharvested but * * * reflected the crop's yield potential at the time of appraisal. For the purpose of APH, appraised production specifically excludes production lost because of ineligible disaster conditions.

Approved (for CCC-576)

Approved means all requisite forms and information have been submitted according to procedure **and crop approval exists for the crop, unit, and disaster which is the basis of the application.** COC representative shall check the approved box, sign, and date.

Approved Yield

Approved yield means the APH-calculated yield approved by CCC for making NAP payments. The yield represents a unit's expected production on a per acre or other basis, as applicable, according to paragraph 254.

Aquaculture Facility

An eligible aquaculture facility is a commercial operation conducted:

- on private property
- in water in a controlled environment
- according to paragraph 182.

Aquacultural Species

Aquacultural species means any species of aquatic organism grown as food for human consumption, or fish raised as feed for fish that are consumed by humans, or ornamental fish propagated and reared in an aquatic medium by a commercial operator on private property in water in a controlled environment according to paragraph 182.

Eligible aquacultural species must be:

- seeded in the aquacultural facility
- planted or seeded in containers, wire baskets, net pens, or similar devices designed for the protection and containment of the seeded aquacultural species.

Definitions of Terms Used in This Handbook (Continued)**Producer**

A producer is an owner, landlord, tenant, or sharecropper who:

- shares in the risk of producing the crop
- is entitled to share in the crop available for marketing from the farm or would have shared had the crop been produced.

Production Report

A production report is a written record showing the commodity's annual production and used to determine the producer's yield for NAP purposes. See paragraph 323.

***--Production Tolerance**

Production tolerance for NAP production is 5 percent difference between the reported and determined production.--*

Qualifying Gross Revenues

Qualifying gross revenues mean, with respect to a "person" who receives:

- more than 50 percent of this "person's" gross income from farming, ranching, and forestry operations, the annual gross income for the taxable year from these operations
- 50 percent or less of this "person's" gross income from farming, ranching, or forestry operations, the "person's" total gross income for the taxable year from all sources.

Note: See paragraph 33.

Repeat Crop

A repeat crop is a subsequent planting of a commodity planted on the same acreage as the previous planting of the same commodity in the same crop year.

Replacement Yield

A replacement yield is a yield equal to 65 percent of the T-yield that may replace an actual or appraised yield any year in the base period when the actual or appraised yield is less than 65 percent of the T-yield because of a natural disaster.

Salvage Value

Salvage value is the dollar amount or equivalent received by or available to the producer for the quantity of the commodity that cannot be marketed or sold in any market for which a price or yield is established by CCC. The loss of quality resulting in a commodity becoming salvage must be because of natural disaster.

Definitions of Terms Used in This Handbook (Continued)**Seed Crop**

Seed crop is propagation stock commercially produced for sale as seed stock for eligible crops.

Seeded Forage

Seeded forage is acreage that is mechanically seeded with grasses or other vegetation at regular intervals, at least every 7 years, according to good farming practices.

Share

Share is the producer's percentage interest in the eligible crop as an owner, operator, or tenant at the time of planting or beginning of the crop year.

For determining eligibility for NAP payments, the producer's share will not exceed the producer's share at the earlier of the time of loss or the beginning of harvest.

Acreage or interest attributed to a spouse, child, or member of the same household may be considered part of the producer's share, unless such individual is considered a separate person according to 1-PL.

Small Grain Forage

*--Small grain forage is a stand of pure wheat, barley, oats, triticale, or rye intended for forage for animal consumption.

Sorghum Forage

Sorghum forage is a stand of sorghum intended for forage for animal consumption.

Soybean Forage

Soybean forage is a stand of soybeans intended for forage for animal consumption.--*

Substitute Yield

A substitute yield is for those producers who previously participated in NAP before the Agricultural Risk Protection Act, 2000 and reported acreage but no production, the producer may choose to substitute an assigned or zero credited yield with 65 percent of the T-yield 1 time for all assigned or zero credited yields in the APH data base for 2000 and prior years.

Definitions of Terms Used in This Handbook (Continued)

* * *

Type or Variety of a Crop

A type or variety of a crop is a scientifically recognized subspecies of a crop or commodity having a particular characteristic or set of characteristics.

T-Yield

T-yield is an estimated yield equal to the county-expected yield used to calculate individual producer-approved yields when less than 4 consecutive years of production records are available according to paragraph 260.

Unit

Unit is all acreage of the eligible crop, in the administrative county, for the crop year, under either of the following criteria:

- the person has 100 percent crop share
- acreage is owned by 1 person and operated by another person on a share basis.

Value Loss Crop

Value loss crop means ornamental nursery, Christmas trees, aquaculture, or other crops determined by DAFP that because of their unique nature do not lend themselves to yield calculations or expected yield loss situations. Eligibility for a crop categorized or value loss shall be determined based on a loss of value at the time of the disaster, as determined by DAFP.

Definitions of Terms Used in This Handbook (Continued)**Zero Acres Planted**

Zero acres planted is an APH data base entry of “Z” in the yield type field indicating an acreage report of zero acres planted, including prevented planted acres.

Zero Credited Yield

A zero credited yield is an APH data base entry of “0” in the yield type field indicating that:

- no production report was filed although an acreage report was filed for the applicable crop year
- an assigned yield already appears in the APH base period.