

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 60

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 39 A has been amended to change the term tolerance to variance and to clarify variance policy.

The following subparagraphs have been amended to change the term tolerance to variance:

- 39 C, 39 E, and 39 F
- 154 A
- 325 A
- 600 C.

Subparagraph 1276 L has been added to provide information about 2011 NAP web-based payment processing.

Subparagraphs 1310 A and 1311 B have been amended to clarify payment processing.

Paragraph 1315 has been amended to add 2008 NAP authorized payment processing.

Part 13 has been added to provide 2011 and subsequent years web-based payment processing.

Exhibit 2 has been amended to provide a definition for the following:

- acreage variance
- production variance.

Amendment Transmittal (Continued)

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Part 1 Basic Information

1 Overview

A Purpose

This handbook provides policy and procedures to State and County Offices for administering NAP.

B NAP Purpose and Eligibility

[7 CFR 1437.4] NAP was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to CAT insurance. Statute limits NAP to each commercial crop or agricultural commodity, except livestock, for which CAT is not available and is produced for food or fiber. Statute provides that the term “eligible crop” specifically include the following:

- floricultural
- ornamental nursery
- Christmas tree crops
- turfgrass sod
- industrial crops
- seed crops
- aquaculture, including ornamental fish.

C Sources of Authority

Authority for NAP is the Federal Agriculture Improvement and Reform Act of 1996 (Pub. L. 104-127) as amended by the Agricultural Risk Protection Act, 2000. Regulations governing NAP are in **7 CFR Part 1437**.

D Related Handbooks

Handbooks related to NAP include the following:

- 1-APP for appeals
- 1-CM for signatures, powers of attorney, name and address files, and handling controlled substance cases
- 3-CM for farm, tract, and crop data
- *--9-CM for common payment reports--*
- 2-CP for acreage reports, acreage determinations, and spot checks

1 Overview (Continued)

D Related Handbooks (Continued)

- 4-CP for tolerance and misrepresentation, scheme, or device

* * *

- 6-CP for conservation compliance
- 7-CP for the finality rule and misaction/misinformation
- 1-FI for issuing payments
- 3-FI for depositing remittances
- 6-FI for accounting interface
- 58-FI for refunds of overpayments, withholding payments, and setoffs
- 61-FI for prompt payment interest penalties
- 63-FI for assignments and joint payments
- *--64-FI for the National Receipts and Receivables System--*
- 5-LP for measurement of farm-stored production
- 2-NAP for LA and crop appraisal
- 1-PL for “person” determinations
- 2-PL for control counties
- *--4-PL for direct attribution--*

* * *

- *--2-NAP for LA’s and loss claims--*
- RMA manuals for loss adjustment and yield calculations include, but are not limited to, the following:
 - CIH
 - Loss Adjustment Manuals
 - Individual Crop Handbooks.

36 Unacceptable, Incorrect, or False Records and Certifications (Continued)**B Questionable Records or Certifications**

See:

- paragraph 37 for misrepresentation, scheme, or device
- *--paragraph 39 for variance on NAP acreage or production.--*

37 Misrepresentation, Scheme, or Device**A Determining Misrepresentation, Scheme, or Device**

[7 CFR 1437.15] Any producer determined by COC to have knowingly misrepresented any fact; adopted, participated in, or benefited from any scheme or device that has the effect of defeating; or is designed to defeat the purpose of NAP shall **not** be eligible to receive benefits under NAP as specified in subparagraph C. If a producer employed any practice for the purpose of causing or attempting to cause CCC to make a payment that otherwise would not have been made, COC shall impose a sanction according to subparagraph C.

Scheme and device may include, but is not limited to, 1 of the following:

- concealing any information have a bearing on the application of the program provisions
- submitting false information to CCC or any STC or COC
- creating fictitious entities for the purpose of concealing the interest of a person in the farming operation.

B Application of Sanctions

Sanctions will apply to the specific producer and all other interests the producer has and other entities or joint ventures for all crops, all units in all administrative counties, and all States.

37 Misrepresentation, Scheme, or Device (Continued)

C Sanctions

COC shall, upon determination of a violation according to subparagraph A:

- determine the producer ineligible for a NAP payment for the crop year of the violation plus 2 subsequent crop years
- demand a refund of all amounts paid by CCC to the producer, applicable to the crop year in which the violation occurred, with applicable interest
- *--assess liquidated damages according to paragraph 38.--*

D Liability

[7 CFR 1437.15] The liability of any producer for any payment or refund which is determined to be due CCC is in addition to any other liability of this producer under any civil or criminal fraud statute or any other statute or provision of law.

All producers on a unit receiving NAP payments are jointly and severally liable to repay unearned payments.

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 Variance*A Definition of Acreage Variance**

NAP regulations require participants to accurately report acreage, including:

- prevented planting
- low-yield or disaster affected
- harvested and unharvested.

The tolerance provisions of 7 CFR, Part 718 are **not** applicable to NAP. According to authority provided in 7 CFR 1437.2, DAFP has established the following variance rules for NAP.

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

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

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

B Definition of Production Variance

Production variance 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 variance may be reviewed to determine whether any--* violation of NAP policy has occurred.

***--39 Variance (Continued)**

C Variance Calculation

Variance will be calculated using all crop types within the pay group. Use this table to calculate variance.

Step	Calculation
1	Add total reported irrigated and nonirrigated crop acreage for the pay group together before calculating variance.
2	Subtract official and measured acreage from the total reported acreage.
3	Multiply the result of step 2 times 5 percent to determine the acreage of variance. See variance rule in subparagraph A.

Following is an example of calculating variance.

Crop	Reported Acres	Determined Acres
Beans: Green, Pinto, and Wax		
Out of Variance		
Green	10	10
Pinto	10	5
Wax	10	4
Total:	30	19
Exceeds 5 percent out of variance.		
Within Variance		
Green	10	10
Pinto	10	10
Wax	10	9
Total:	30	29
Does not exceed 5 percent within variance.		

Note: No official or measured acres were used in reporting acres in these examples.--*

D Handling Reported and Determined Acreage of Production

When a unit has both reported and determined:

- acreage, follow Part 4
- production, follow Part 6.

--39 Variance (Continued)--

E Discrepancy in Acreage or Production

Use the instructions in this table whenever there is a discrepancy between the reported or determined acreage or production associated with an approved CCC-576. The determined acreage and production shall be used according to subparagraphs D and F.

WHEN the determined acreage or production...	THEN COC...
--is within variance--	may determine eligibility without an explanation from the producer. Note: COC may delegate authority for this determination to CED. This delegation shall be recorded in the COC minutes.
--exceeds variance,-- but is within 15 percent of the reported acreage or production	shall determine eligibility or ineligibility after the producer has been notified of the discrepancy and the producer has provided a satisfactory explanation for the inaccuracy or inaccuracies. If satisfactory explanation is not provided, COC shall make the determination after considering and documenting all of the following: <ul style="list-style-type: none"> • everyone directly or indirectly involved • the ramification of the discrepancy if the matter had not been detected • the unique circumstances of the case, including, but not limited to, how the matter was discovered • if the matter was or was not the result of or related to a misrepresentation, scheme, or device. Note: See subparagraph F when ineligibility is determined.
--exceeds variance,-- but is not within 15 percent of the reported acreage or production	shall determine ineligibility. See subparagraph F.

--39 Variance (Continued)--

F Ineligibility

Follow paragraph 37 if COC suspects that an unacceptable, incorrect, or false certification is related to or the result of a misrepresentation, scheme, or device.

For all other determinations of ineligibility:

- COC shall not approve CCC-576
- if CCC-576 was approved before the determination:
 - do not issue payments
 - *--if payments have already been made, establish a receivable according to 64-FI.--*

Note: If the producer immediately refunds the overpayment, process the refund according to 3-FI.

Note: County Offices shall use determined acreage and production for APH purposes according to paragraphs 154 and 325.

G Documentation

All determinations shall be documented in the COC minutes.

40 Spot Checks

A NCT Data

2004 was the first crop year that all States had authority to approve NAP NCT data. Before 2004, most NCT data was required to be submitted to and approved by the National Office before NAP payments could be processed at Service Centers.

Beginning with 2004 NCT, the National Office will conduct spot checks of crop data approved by State Offices. The spot checks are conducted to ensure that State Offices are approving data consistent with documentation. Crops that do not fall within a national rate and yield mean are spot checked.

When NCT crop data is found to be out-of-tolerance, State Office employees specializing in NAP will be contacted to provide the documentation used by the STC to justify the crop data
--that was found to be out-of-variance.--

41-105 (Reserved)

151 Unit Acreage and Production Certifications (Continued)**D Unit Production Certifications**

For each unit acreage certification according to subparagraphs B and C, the producer must certify production of the acreage:

- after harvest of the specific crop acreage is completed
- *--before the subsequent year's acreage reporting date for the crop
- for all crops selected on CCC-471.--*

Note: Accept certifications of production on CCC-452.

Exception: For forage, see subparagraph 194 A.

152 Prohibiting Assigned Yields in Certain County Offices**A Documentation**

[7 CFR 1437.7 (j) (1)] Producers must provide detailed documentation of acres planted and the yield for the crop year for which benefits are being claimed, if either of the following occurs:

- sufficient data are available to demonstrate that the acreage of a crop in a county for the crop year has increased by more than 100 percent over any year in the preceding 7 crop years
- data are not available, but the acreage of the crop in the county has increased significantly from the previous crop years, as determined by COC.

If COC determines that the documentation provided is not sufficient, COC may require documenting proof that the crop, had the crop been harvested, could have been marketed at a reasonable price.

152 Prohibiting Assigned Yields in Certain County Offices (Continued)**B Exceptions**

Except as provided in this subparagraph, a producer, who produces a crop on a farm located in a county described in subparagraph A, may not obtain an assigned yield.

Exception: A crop or producer shall not be subject to this subparagraph if either of the following occurs:

- the planted acreage of the producer for the crop has been inspected by a third party acceptable to COC
- COC and STC recommend an exemption from the requirement to DAFP, and DAFP approves the recommendation.

Note: Justification must be submitted for any request for waiver of this policy.

See Part 5 for information about yields.

153 Acreage Measurement Service**A Fees**

A fee shall be charged according to 2-CP for:

- producer requests for measurement service
- late-filed acreage reports used for NAP purposes.

154 Reported and Determined Crop Acreage**A Using Reported and Determined Crop Acreage**

When a unit has both reported and determined crop acreage, COC shall use:

- the smaller of the reported or determined acreage to determine the unit's:
 - expected level of production
 - total planted and prevented planted acreage
- determined acreage for APH purposes.

See Part 2 for NAP provisions concerning:

- unacceptable, incorrect, or false records and certifications
- ~~*--variance--*~~
- misrepresentation, scheme, or device.

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.

* * *

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.

*--Group Risk Protection insurance is now available at CAT level. Therefore, if Group Risk Protection 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.

Beginning with the 2010 crop year, if the CAT level of insurance is available for a particular crop, type, and intended use in the county, then in all cases NAP **cannot** be offered within that county for any practice of that crop (irrigated, non-irrigated, summer fallow, and continuous crop).

Example: Irrigated soybeans not following another crop (initial crop) are insurable in Garvin County. However, nonirrigated soybeans, and soybeans following another crop are not insurable in Garvin County. Therefore, NAP cannot be offered for nonirrigated soybeans or soybeans following another crop (double-crop) in Garvin County, because RMA has determined that nonirrigated soybeans and soybeans following another crop are not insurable practices.

196 Small Grain Forage (Continued)**D Small Grain Acreage Eligibility**

Small grain crop acreage eligible for NAP assistance for forage losses includes acreage planted and reported to FSA according to paragraph 151 as intended for forage production.

Small grain interseeded with an existing stand of grass or legume is not considered small grain forage. The acreage may be eligible under the standard forage procedure provided in this part.

COC shall consider the following in all determinations of small grain forage eligibility.

- **Water source.** Water must be available for use by the livestock during the grazing period. Producers must have an established water source, such as pond, municipal water supply, etc., or the capability to support the water requirements of the livestock during the grazing period.
- **Fertilization.** Higher fertilization requirements are necessary when the small grain crop is intended for both forage and grain.
- **Fencing.** Permanent or temporary fencing must exist or be available.

COC will not approve small grain forage eligibility when questions of adequate water, fertilization, or fencing exist.

Small grain crop acreage ineligible for NAP assistance for forage losses includes:

- small grain crop acreage planted and reported without an intent of forage production (intended only for grain production)
- crop residues
- volunteer stands of small grain.

196 Small Grain Forage (Continued)**E Final Planting Dates**

COC shall establish an appropriate final planting date on the basis of the intended harvest method, such as mechanical or grazed, and season of use, such as fall/winter, spring, or full season. The final planting date must reflect the latest date the small grain forage can be planted to reasonably expect to achieve 100 percent of the expected yield or carrying capacity.

Example: The final planting date for fall/winter and full season small grains grazing or forage has been established as September 1 to ensure that the carrying capacity for grazing or expected yield for forage will be met. The final planting date for spring small grains grazing or forage and intended for grain has been established as October 15 to ensure that the carrying capacity for grazing or expected yields for forage and grain will be met.

Note: There shall only be 2 final planting dates established for small grain forage.

197 NAP Coverage and RMA PRF Pilot Insurance Program Coverage**A Background**

--In 2007 RMA began offering, in selected States and counties, 2 new pilot Group Risk Protection risk management programs for PRF to provide producers the ability to-- purchase insurance for losses of forage produced for grazing or mechanically harvested for hay. PRF does not offer coverage for forage seed. CAT coverage is not available under the pilot PRF programs.

Section 196(a)(2)(A) of the 1996 Act provides that commercial crops or other agricultural commodities, except livestock, that is produced for food or fiber for which CAT coverage is **not** available through RMA shall be an eligible crop under NAP. NAP currently provides benefits for forage crop losses. Therefore, NAP will continue to be available to producers in those counties covered by the pilot PRF programs.

However, Section 196(h)(3) of the 1996 Act provides that producers who are eligible to receive benefits under NAP, and are also eligible to receive assistance for the same loss under any other program administered by the Secretary shall be required to elect whether to receive benefits under NAP or under the other program, but not both. Payments for the same loss, under the statute, would be payments for which there is any duplicate coverage whatsoever, such that it would cover all or part of the same period on all or part of the same acres.

Note: A producer under the PRF programs is not required to insure all acres; however, all acres under NAP must be insured.

323 Reports of Production (Continued)

B Requirements for Records and/or Certifications (Continued)

*--

WHEN the producer is reporting unit production for...	AND...	THEN the producer must provide...
a previous crop year for which a NAP acreage report was filed	an acceptable certification of production was not timely filed resulting in either an assigned or zero credited yield being placed in the unit's APH	an acceptable certification on CCC-452 and record of production for such year, before removal of the assigned or zero credited yield from APH database. Notes: Approved yield calculations may be revised only for the following crop year. See paragraph 254.
	an acceptable certification of production was not timely provided, and an approved yield was never calculated for the crop in any crop year	an acceptable certification on CCC-452 and record of production for each year in the APH period or have an applicable T-yield assigned to this year in the base period. The approved yield will be effective for the following year.

--*

324 Using Another Producer's Records**A Acceptable Records Not Maintained**

When a producer has not maintained acceptable records, acreage and production evidence from another person who shares in the same acreage of the crop for the current crop year may be used to support production reports certified by the producer when:

- the evidence is acceptable and accounts for all of the other producer's acreage and production of the crop in the county
- continuity requirements are met
- a copy is provided by the producer when selected for approved yield review or when required by COC.

325 Reported and Determined Production**A Using Reported and Determined Production**

When a unit has both reported and determined production, COC shall use:

- the larger of the reported or determined production to determine net production and amount of NAP assistance
- determined production for APH purposes.

See Part 2 for NAP provisions concerning:

- unacceptable, incorrect, or false records and certifications
- *--variance--*
- misrepresentation, scheme, or device.

504 Reductions

A NAP Payment Reductions

NAP payments computed according to this handbook shall be reduced for:

- *--payment limitation (paragraphs 34 and 34.5)--*
- secondary use (subparagraph 174 C)
- salvage value (paragraph 333).

505 Other Benefits

A Multiple Benefit Exclusion

Before approving CCC-576, COC shall review whether the producer has requested or received other USDA benefits for the loss. County Office shall contact the producer and inquire whether the producer has received any other USDA benefit (including but not limited to a Group Risk Protection indemnity). If so, the producer should be asked to specify what the other USDA benefit was (not the amount, but the kind of benefit). NAP payments shall not be approved if the producer chooses or has received benefits for the loss under any other program administered by the Secretary.

If any person misrepresents facts or circumstances about a person having received another USDA benefit, action according to paragraph 36 may apply.

See paragraph 35 for information on multiple benefits.

506 Determining Shares

A Eligible Producer and Shares

A grower's claimed share of NAP payment cannot exceed both of the following:

- grower's share of the risk in producing the crop
- grower's actual valid claimed ownership share of the crop, at time of loss.

507 FSA Determination Appeals**A Producer Rights on Appealable Determinations**

Participants have the right to appeal following FSA decisions on CCC-576, Part G when there is a question of fact or a factual dispute, for example, a dispute or question about the accuracy of share, acres, etc., or an assertion about correctly applying a rule, regulation, or generally applicable provision to a set of facts.

See 1-APP for appealable determinations.

B Nonappealable Determinations

Generally applicable provisions are **not** appealable according to 1-APP, including but **not** limited to the following:

- eligibility conditions or criteria
- signature requirements
- NAP payment rates and payment factors
- county expected yields
- *--assessed grazing losses and established loss percentages.--*

Cases involving FSA decisions on CCC-576, Part G that have no disputes of fact are **not** appealable. See 1-APP for nonappealable matters.

C Letters to Producers Advising of Results of Office Determinations

County Offices will issue a letter to participants about the result of processing CCC-576, Part G when a payment is either not computed or determined not to be owed to the participant. Such a decision will be considered to be a decision of a COC employee. See 1-APP, paragraph 13 and Exhibit 8, Example 2, "COC Employee Determination".

Part 9 Compliance Reviews

600 NAP Compliance Reviews

A Overview

Compliance reviews for NAP are required to ensure the accuracy of the information provided by producers. Reviews will be required as determined by:

- the National Compliance Review list
 - subparagraph B.
- ***

These reviews consist of:

- approved yields which are based on certified production records
- acreage reports.

B Additional Required Selections

Reviews that fall into 1 of the following categories are designated as required reviews:

- approved yield certified production where the approved yield is greater than 150 percent of the T-yield or adjusted T-yield, as applicable

Note: County Offices shall print the NAP Approved Yield Review Register according to paragraph 1112.

- *** inspections for a unit or crop when the COC, DD, or STC has reason to believe that the:
 - producer’s acreage or production report is inaccurate
 - production evidence submitted by the producer indicates that data is invalid or the reported production is unreasonable when compared to other units in the area.

600 NAP Compliance Reviews (Continued)

C Approved Yield Review Process

Contact the producers and request the production evidence to support any certified production on CCC-452. Verify the production evidence certified by a producer for the most recent 3 APH crop years. If the approved yield does not have any production certified, then no review of production evidence is required. Acres must be reviewed.

Example: A 2007 approved yield is selected for review. The producer certified production for 2003, 2004, 2005, and 2006. Request the producer to provide the production evidence for 2004 through 2006.

The production evidence provided by the producers must then be verified by the facility where the production was sold or stored.

When contacting elevators, organizations, or other facilities to verify production evidence, the County Office shall provide:

- specific information, including producer's name and address, and crop or crops
- the reason and explanation for information requested.

Note: Producers authorized the release of the information on CCC-452.

The approved yield historical acres planted should be verified against the FSA-578 record. If planted acres were determined in an APH crop year, that acreage must be loaded in the APH database.

The approved yield must be manually recalculated if there are any changes to the actual production for any APH crop year. Calculate the percentage difference for an approved yield by dividing the current year approved yield by the approved yield determined to be correct. The current year approved yield must be changed if the difference is more than 5 percent and cup procedures do not apply. If the change was 5 percent or less, make the correction for the following year.

--Follow paragraph 39 to calculate variance and determine ineligibility, if applicable. An-- approved yield record will be considered a discrepancy if the approved yield change is greater than 5 percent.

1276 General Payment Provisions (Continued)

--J Determining Payment Eligibility for 2001 Through 2010--

The payment process reads the eligibility and multi-county files to determine whether a producer or member of a joint operation is eligible to be paid. If the producer or member is ineligible to be paid, the individual or entity will be listed on the nonpayment register with the applicable message. Eligibility conditions must be updated before the producer or member can be paid. These conditions should accurately reflect COC determinations.

This table identifies:

- *--eligibility conditions applicable to 2001 through 2010 NAP years--*
- which conditions are used to determine producer eligibility in which County Office
- condition values that reflect producer or member eligibility or ineligibility.

County	Eligibility Condition	Eligible Determination	Ineligible Determination	Conditions Requiring Other Determinations
Control County	Person Determination	Y	N, P, Blank	
	NAP Gross Income	Y	N	
	Note: Applicable to 2008 and prior years.			
Control County	AGI Commodity Program	Y	N	
	Note: Applicable to 2009 and future years.			
Home County	Controlled Substance	Y	N	
	6-CP	Y	N	B
	AD-1026	Y	N, A, F	
	FCIC Fraud	Y	N	
	NAP Non-Compliance	Y	N	
Other County	Controlled Substance	Y	N	
	6-CP	Y	N	
	FCIC Fraud	Y	N	
	NAP Non-Compliance	Y	N	

1276 General Payment Provisions (Continued)

***--K “B” Condition in the Home County**

A “B” condition in the home county indicates that the producer is associated with a farm--* that is in violation of HEL, but has been determined to meet the Landlord/Tenant exception established in 6-CP. The producer is ineligible to receive a loss payment on that farm. A message will display when an application is taken on the application screen that “Producer is ineligible for payment on FSN XXX”. However, NAP coverage is based on units and not FSN’s. The County Office shall be responsible to ensure that CCC-471 is not taken on the unit from the HEL farm or payments made on the unit from the HEL farm. The producer would be eligible for benefits on any complying farm.

1276 General Payment Provisions (Continued)

***--L Determining Payment Eligibility 2011 and Subsequent Years**

The following identifies the web-based eligibility determinations applicable to 2011 NAP and how the system will use the web-based subsidiary eligibility data for payment processing.

Eligibility Determination/Certification	Value	Eligible for NAP
AD-1026	Certified	Yes
	Not Filed	No
	Good Faith Determination	Yes
	COC Exemption	Yes
	Awaiting Affiliate Certification	No
	Affiliate Violation	No
AGI Commodity Program	Compliant Producer	Yes
	Compliant Agent	Yes
	Exempt	Yes
	Not Filed	No
	Not Met - COC	No
	Not Met - Producer	No
Conservation Compliance – Farm/Tract Eligibility	In Compliance	Yes
	Partial Compliance	Requires additional determination.
	In Violation	No
	No Association	Yes
	Past Violation	No
	Reinstated	Yes
Controlled Substance	No Violation	Yes
	Growing	No
	Trafficking	No
	Possession	No
Fraud, including FCIC Fraud	Compliant	Yes
	Not Compliant	No
NAP Non-Compliance	Compliant	Yes
	Non Compliant	No

--*

1276 General Payment Provisions (Continued)

***--L Determining Payment Eligibility 2011 and Subsequent Years (Continued)**

Note: If a producer has multiple invalid subsidiary eligibility conditions, only the highest priority ineligible condition will be printed on the 2011 web-based nonpayment report in the following priority of condition.

Priority	Ineligible Condition
1	Fraud
2	Conservation Compliance
3	Controlled Substance
4	AD-1026
5	Person

--*

--1277 Funds Control for NAP Payments*A Funds Control for NAP**

NAP funds are subject to E-FC. E-FC provides real-time funds control for NAP and allows for the monitoring of program disbursements.

B State Office Access to NAP E-FC Program Group

As a rule, the National Office has granted authority to the NAP E-FC Program Group to no more than 2 State Office employees. This authority allows the State employees to control the State reserve and move funds between County Offices.

As a result of changes in personnel, State Offices may require a change to the employees with NAP E-FC authority. State Offices should by e-mail, submit requests to add and remove employees to **all** of the National Office contacts listed in subparagraph D. The e-mail request should include the following information for each employee:

- user's name
- e-Authentication user ID.

Note: If the request increases the number of employees to more than 2, be sure to include an employee whose authority should be removed.

C Allotment of NAP Funds

At the beginning of each FY, an initial allotment of NAP funds will be provided to all County Offices through the funds control process. Additionally, the State will be provided with an allotment amount in the State reserve. If additional funds are required, County Offices should contact the appropriate State Office specialist. The State Office specialist should either:

- move funds from the State reserve to the County Office requesting funds
- reallocate funds from 1 or more County Offices and allocate those funds to the requesting County Office
- contact the National Office to request additional funds, if funds are not available within the existing allocation for the State.

Notes: The additional funds will be sent from the National Office to the State Office, and then the State Office will send the funds to the County Office.

If the specialists responsible for NAP E-FC are not in the State Office and are not able to assist the County Office with an additional funds request, the State Office should contact 1 of the National Office contacts listed in subparagraph C to request additional funds be moved within the State.--*

1277 Funds Control for NAP Payments (Continued)

D Submitting Request for Additional NAP Funds to the National Office

State Office specialists shall submit an e-mail to **all** of the following National Office contacts to request a specific amount of NAP funds required:

- **sandy.bryant@wdc.usda.gov**
- **tina.nemec@wdc.usda.gov**
- **steve.peterson@wdc.usda.gov**
- **lenior.simmons@wdc.usda.gov.**

Note: Before requesting additional funds, State Office specialists shall ensure funds from other County Offices within the State are distributed equitably according to program activity. County Offices having excess funds shall always be reallocated before requesting funds from the National Office.

***--E e-Fund Accounts**

NAP funds will be display as follows on the e-Funds Web Page:

Program Year	As Displayed on e-Funds Web Page
2008 and Prior Authorized	NONINSURED ASSISTANCE PROGRAM (2695)
Note: State Offices cannot move these funds.	
2009-2010	NONINSURED ASSISTANCE PROGRAM (2622)
2011	NONINSURED ASSISTANCE PROGRAM (2775)

--*

Section 2 Issuing NAP Payments

1310 Overview

A Supporting Files for Integrated Payment Processing

*--The NAP payment process is an integrated process that uses a wide range of information and other program determinations and values to determine whether a payment should be issued and the amount of gross payment, applicable reductions, and the net payment amount. For payments to be calculated correctly, all supporting files must be updated correctly, including **all** the following.

Note: 2009 and 2010 NAP payments will be issued from System 36/AS-400. Where applicable, the web-based Source System is downloaded to System 36/AS-400.

2011 NAP payments will be issued using a web-based system. Information entered on 2011 NAP applications will be uploaded to the web for payment processing without user intervention.

Type of Information	How Information Is Used for Payment Processing	Source
Application for Payment CCC-576	The information from CCC-576 is used to compute the payment amount for the producer.	AS/400 NAP Application for Payment
Payment Factor	The information from the crop table is used to determine the unharvested and prevented planted payment factors, if applicable.	NCT
Payment Eligibility Information	Used to determine whether the producer and/or member of a joint operation is eligible for payment for the year in which CCC-576 was filed.	Web-based Eligibility System
General Name and Address Information	Used to determine the producer's business type and general name and address information.	SCIMS
Entity and Joint Operation Information	Used to determine the following for the year in which CCC-576 is filed: <ul style="list-style-type: none"> • member contribution value • substantive change value • members and member's share of the following: <ul style="list-style-type: none"> • entities • general partnerships • joint ventures. 	Entity and joint operation control county mainframe record.
Combined Producer Information	Used to determine whether NAP producers or members of entities or joint operations are combined with other producers. This information is used to ensure that the payment limitation is controlled properly.	Combined Producer System
Available Payment Limitation	Used to determine payment limitation availability.	Payment Limitation System
Financial Related Information	Calculated payment information is provided to NPS. Determined overpayment amount is provided to NRRS.	NPS or NRRS

--*

1311 Prerequisites for Issuing Payments

A Introduction

Actions must be completed before issuing payment to ensure that the producer or entity is eligible for payment.

B Actions Completed Before Issuing Payments

*--Certain actions must be completed to ensure that the producer is eligible for payment. The following provides actions that must be completed to issue payments properly. COC, CED, or designee shall ensure that the actions are completed.

Step	Action
1	Ensure that AD-1026 is on file for the applicable year for producers seeking benefits and the eligibility information is recorded in the web-based eligibility system.
2	Ensure that CCC-926 is on file for the applicable year for producers seeking benefits and the certification information is recorded in the web-based eligibility system. See 3-PL (Rev. 1).
3	Ensure that all other eligibility determinations have been updated according to the determinations made by COC for producers and members of joint operations. See 3-PL (Rev. 1).
4	Ensure that the entity and joint operation files are updated correctly for the applicable year. See 2-PL.
5	Ensure that the member contribution and substantive change values are updated according to 4-PL.
6	Ensure that the combined producer files are updated correctly for the applicable year. See 3-PL (Rev. 1).
7	Ensure all adjustments to payment limitation have been updated for the producer or member. See 3-PL (Rev. 1).
8	Ensure that all assignments and joint payees have been updated in FSA Financial Services, if CCC-36, CCC-37, or both have been filed. See 63-FI.

--*

***--1312 Applying Payment Limitation**

A Rule

The payment limitation for NAP benefits is \$100,000 per “person”. For additional information on payment limitation provisions, see paragraph 34.

B Applying the \$100,000 Payment Limitation

Payments issued to multi-county producers shall be limited to the amount allocated to each County Office for counties in which the producer has filed an application. The payment process will limit the payment to effective limitation in the payment limitation file. See 2-PL for additional information on payment limitation allocations.

C When Payment Limitation is Reached

When the sum of payments in the payment history file or pending payment file exceeds the effective payment limitation for the “person”, the following messages will be printed on the nonpayment register:

- “Producer Has Reached Payment Limitation”
- “Payment Limitation Has Been Exceeded”.

See paragraph 1432 for additional information on nonpayment register messages.--*

--1313 Accessing the NAP Payment Software on AS/400--

A Accessing Menu MHACP0

Access payment processing for NAP according to this table.

Step	Menu	Action
1	FAX250	ENTER "3" or "4", "Application Processing", as applicable.
2	FAX09002	If option 4 was selected on Menu FAX250, then select the appropriate county.
3	FAX07001	ENTER "11", "PFC/Compliance".
4	M00000	ENTER "1", "NAP and Disaster".
5	MH0000	ENTER "2", "Non-insured Assistance Program".
6	MHB0YR	Enter appropriate crop year for processing.
7	MHB000	ENTER "6", "Payment Processing".

B Example of Menu MHACP0

The following is an example of Menu MHACP0.

```

COMMAND                                MHACP0                                E0
2001 NAP Payment Processing Main Menu
-----
      1. Issue Payments
      2. Cancel Payables
      3. Overpayment Processing

      5. Reports

      8. Continue Suspended Payment Batch

20. Return to Application Primary Menu
21. Return to Application Selection Screen
22. Return to Office Selection Screen
23. Return to Primary Selection Menu
24. Sign off

Cmd3=Previous Menu

Enter option and press "Enter".
    
```

1314 Payment Processing

A Computing Payments

The automated payment process is an integrated process that reads a wide range of files to:

- determine whether a payment should be issued
- calculate the amount that should be issued.

The following describes the system processing sequence to calculate a NAP payment for producers through the payment process.

Step	Action Performed by the System
1	Reads the Application for Payment file to ensure that COC has approved the producer’s application for payment.
2	Reads the crop table to determine the payment rate, unharvested and prevented planted payment factors, carrying capacity, and grazing period days, if applicable, for each crop and crop type for the selected producer.
3	<p>Calculates the loss amount for each crop and crop type for the selected producer. The loss amounts are “totaled” for the crop by the payment grouping.</p> <p>Rounds the result to whole dollars.</p> <p>The following forms can be used to verify gross payment amounts:</p> <ul style="list-style-type: none"> • CCC-576A according to paragraph 1280 or 1283 for yield-based crops • CCC-576B according to paragraph 1281 or 1284 for value loss crops • CCC-576C according to paragraph 1282 for grazing crops.
4	<p>*--For payment entities, determines the following from the entity file:--*</p> <ul style="list-style-type: none"> • members * * * • each member’s actual share by reading the entity file.
5	<p>Reads the eligibility file and the gross revenue ineligibility file for the selected *--producer and members of payment entities, if applicable, to determine whether--* the producer or member is eligible for payment.</p> <p>Note: See subparagraph 1276 J for eligibility conditions applicable to NAP.</p>

1314 Payment Processing (Continued)

A Computing Payments (Continued)

Step	Action Performed by the System						
6	<p>*--Reads the following:</p> <ul style="list-style-type: none"> • SCIMS for name and address • Eligibility System • entity and joint operation file in recording county • combined producer information.--* 						
7	<table border="1"> <thead> <tr> <th data-bbox="375 552 464 592">Step</th> <th data-bbox="464 552 1482 592">Action</th> </tr> </thead> <tbody> <tr> <td data-bbox="375 592 464 961">1</td> <td data-bbox="464 592 1482 961"> <p>Determines the net payment amount for each crop, by multiplying the following:</p> <ul style="list-style-type: none"> • calculated payment amount, determined in step 3, times • member share, if applicable. <p>Rounds the result to whole dollars.</p> <p>Note: At this level, crop is defined by the crop, crop type, planting period, intended use, and practice.</p> </td> </tr> <tr> <td data-bbox="375 961 464 1262">2</td> <td data-bbox="464 961 1482 1262"> <p>Totals the net payment amounts for all crop types with the same payment grouping (pay crop code, pay type code, and planting period), by completing the following:</p> <ul style="list-style-type: none"> • adds positive calculated payment amounts • subtracts negative calculated payment amounts. <p>Note: See paragraph 1278 for information on payment groupings.</p> </td> </tr> </tbody> </table>	Step	Action	1	<p>Determines the net payment amount for each crop, by multiplying the following:</p> <ul style="list-style-type: none"> • calculated payment amount, determined in step 3, times • member share, if applicable. <p>Rounds the result to whole dollars.</p> <p>Note: At this level, crop is defined by the crop, crop type, planting period, intended use, and practice.</p>	2	<p>Totals the net payment amounts for all crop types with the same payment grouping (pay crop code, pay type code, and planting period), by completing the following:</p> <ul style="list-style-type: none"> • adds positive calculated payment amounts • subtracts negative calculated payment amounts. <p>Note: See paragraph 1278 for information on payment groupings.</p>
Step	Action						
1	<p>Determines the net payment amount for each crop, by multiplying the following:</p> <ul style="list-style-type: none"> • calculated payment amount, determined in step 3, times • member share, if applicable. <p>Rounds the result to whole dollars.</p> <p>Note: At this level, crop is defined by the crop, crop type, planting period, intended use, and practice.</p>						
2	<p>Totals the net payment amounts for all crop types with the same payment grouping (pay crop code, pay type code, and planting period), by completing the following:</p> <ul style="list-style-type: none"> • adds positive calculated payment amounts • subtracts negative calculated payment amounts. <p>Note: See paragraph 1278 for information on payment groupings.</p>						

1314 Payment Processing (Continued)

A Computing Payments (Continued)

Step	Action Performed by the System
8	Reads the payment limitation file to determine the effective payment limitation for multi-county producers and members of combinations.
9	Determines prior payments issued to the producer or member. If the producer or member received payments, the prior payments are accumulated first by crop type and then by payment grouping.
10	<p>Computes the total payment to be issued to the producer by subtracting prior payments issued from earned payment amounts determined in step 7.</p> <p>If the earned payment amounts determined in step 7 are greater than prior payments issued, the system will determine whether the producer or member can be paid because of payment limitation. If the producer has not reached payment limitation, the earned payment amounts can be issued to the producer or member up to the effective payment limitation.</p>
11	Accumulates the earned payment amounts computed in step 10 and sends 1 total payment amount to the accounting system.

--1315 NAP Payment Processing for Crop Years 2001 Through 2008*A Payment Authorization Requests**

NAP automated payment processing for crop years 2001 through 2008 has been disabled. Complete the actions in subparagraph B for payment authorizations for crop years 2001 and 2002 or subparagraph C for crop years 2003 through 2008.

See subparagraph 1365 F if an overpayment has occurred for a 2001 through 2008 NAP--* payment.

Note: If an appeal to NAD results in a determination in the producers favor, County Offices shall ensure that **all** documentation is reviewed and acted upon by COC before requesting payment authorization from the National Office.

Example: Producer appeals COC decision about the notice of loss. Producer does not file the application for payment pending the outcome of NAD's decision. NAD's decision is in favor of the producer. Producer is now required to file the application for payment and COC is required to review and act on the application for payment before the case is forwarded to the National Office.

B Crop Year 2001 and 2002 Payment Authorization Requests

To receive authorization to issue 2001 or 2002 NAP payments, County Offices shall submit the following documentation to the State Office:

- explanation of why payment was not issued
- CCC-471
- CCC-576
- CCC-576E, if available
- completed CCC-576A, CCC-576B, or CCC-576C, as applicable
- PPH print from the NAP payment menu for each:
 - producer
 - affected member of joint operations
 - combined producer

Note: PPH must be submitted for all counties in which the producer and combined producer have an interest.

--1315 NAP Payment Processing for Crop Years 2001 Through 2008 (Continued)--

B Crop Year 2001 and 2002 Payment Authorization Requests (Continued)

- MABDIG for each:
 - producer
 - affected member of joint operations

Note: MABDIG should display the year of the payment. If that MABDIG is not available, provide an available MABDIG closest to the year of the payment request.

- NCT pages, as applicable
- excerpt of COC minutes about the case, if applicable
- CCC-257, if applicable

Note: For 2002 cases involving a transfer of coverage, the following additional documentation shall be submitted:

- original CCC-471 for the transferor
- CCC-471 for the transferee
- CCC-577
- PPH for both transferor and transferee.

Notes: PPH shall be printed by selecting the applicable menu options from the enabled 2001 or 2002 NAP menus. An accounting history or transaction statement will **not** be accepted in place of PPH from the NAP processing menus.

If the automated forms were not printed before the installation of County Release No. 515 for 2001 processing or County Release No. 543 for 2002 processing, County Offices are no longer able to generate and print those forms, with the exception of PPH. Any required forms that were not printed before the software being disabled shall be **completed manually** and submitted with the other required documentation.

--1315 NAP Payment Processing for Crop Years 2001 Through 2008 (Continued)*C Crop Year 2003 Through 2008 Payment Authorization Requests**

To receive authorization to issue 2003 through 2008 NAP payments, County Offices shall--* submit the following documentation to the State Office:

- explanation of why payment was not issued
- CCC-471
- CCC-576
- CCC-576E, if available
- completed CCC-576A, CCC-576B, or CCC-576C, as applicable
- CCC-452
- PPH print from the NAP payment menu for each:
 - producer
 - affected member of joint operations
 - combined producer

Note: PPH must be submitted for all counties in which the producer and combined producer have an interest.

- MABDIG for each:
 - producer
 - affected member of joint operations

Note: MABDIG should display the year of the payment. If that MABDIG is not available, provide an available MABDIG closest to the year of the payment request.

- NCT pages, as applicable
- excerpt of COC minutes about the case, if applicable
- CCC-257, if applicable

--1315 NAP Payment Processing for Crop Years 2001 Through 2008 (Continued)*C Crop Year 2003 Through 2008 Payment Authorization Requests (Continued)--***

- for cases involving a transfer of coverage, the following additional documentation shall be submitted:
 - original CCC-471 for the transferor
 - CCC-471 for the transferee
 - CCC-577
 - PPH for both transferor and transferee.

Notes: PPH shall be printed by selecting the applicable menu options from the enabled NAP menu. An accounting history or transaction statement will **not** be accepted in place of PPH from the NAP processing menus.

County Offices are no longer able to generate and print automated NAP forms, with the exception of PPH after installation of the following software:

- County Release No. 557 for 2003 processing
- County Release No. 584 for 2004 processing
- County Release No. 610 for 2005 processing
- County Release No. 636 for 2006 processing
- County Release No. 670 for 2007 processing
- *--County Release No. 703 for 2008 processing.--*

Any required form that was not printed before the automated option was disabled shall be completed manually and submitted with the other required documentation.

D State Office Responsibility

State Offices shall:

- review the documentation submitted by County Offices to ensure that:
 - the payment should be issued
 - all applicable documentation has been provided
- forward the documentation to PECD, CPB using either of the following methods:
 - FAX to 202-720-0051, Attention: Sandy Bryant
 - overnight mail to: USDA, FSA, PECD, CPB
Attn: Sandy Bryant
Room 4756 South Building
1400 Independence Avenue, SW
Washington, DC 20250.

1316-1320 (Reserved)

***--1321 Issuing 2009 and 2010 Payments**

A Processing Payments

County Offices shall follow the steps in this table to issue payments for 2009 and 2010. See paragraph 1315 for issuing 2001 through 2008 NAP payments.--*

* * *

Step	Action	Result
1	Access Menu MHACP0 according to paragraph 1313.	
2	ENTER "1", "Issue Payments", and PRESS "Enter".	Screen MHACPRT2 will be displayed.
3	Screen MHACPRT2 allows the user to select the printer where the pending and nonpayment registers should be sent after payments have been computed. Enter the printer ID number and PRESS "Enter".	Screen MHACPA01 will be displayed.

1321 Issuing Payments (Continued)

A Processing Payment (Continued)

Step	Action	Result
4	Screen MHACPA01 provides users with several options for processing payments. Select either all, specific, or randomly selected producers according to the following.	
	IF the user wants to... THEN...	
	process payments for all producers	If the application file is on the system, Screen MHACPN01 will be displayed.
	process payments for a selected producer enter 1 of the following and PRESS "Enter": * * * <ul style="list-style-type: none"> • last 4 digits of the producer's ID number in the "Producer Last Four Digits of ID" field • producer's last name in the "Producer Last Name" field. *--Note: A partial name may be entered to do an inquiry.--*	*--If the ID number and last name--* for the selected producer are found on the application for payment file, Screen MHACPN01 will be displayed. Note: If more than 1 producer is found on the name and address file matching the criteria entered, Screen MACR04-01 will be displayed, allowing the user to select the desired producer.
	* * *	* * *
	Select a processing method from Screen MHACPA01 that results in Batch Check and Printing Control Screen MHACPN01 displaying.	The nonpayment and pending payment registers, as applicable, will be sent to the printer selected in step 3. If there are no payments that can be processed: <ul style="list-style-type: none"> • a nonpayment register will be printed • Menu MHACP0 will be redisplayed.

1467 Action (Continued)**A State Office Action (Continued)**

- follow subparagraph 170 F when a crop or crop type has been requested and the crop or crop type is not listed in 2-CP, Exhibit 10.5, and NAP eligibility has not been determined for the crop or crop type
- use the shell record process when crops are requested that previously have not been loaded in NCT

Notes: Follow:

- subparagraph 756 E, to load a shell record for 2008 and prior years
- subparagraphs 777 B and C, to load a shell record for 2009 and subsequent years.

2008 and prior year records added according to subparagraph 756 B will **not** download to the County Office without a State approval flag of “Y”. Refer to subparagraph 756 B.

- research price and yield historical data to ensure that an approved yield can be processed timely
- contact the National Office immediately for guidance, if problems cannot be resolved in taking CCC-471’s.

B National Office Action

The National Office shall:

- review submitted documentation
- request additional information, if necessary
- for approved requests, provide assistance to County Offices for loading CCC-471’s in the automated system
- for denied requests, notify the State Office of the denial.

Note: Relief may be requested from DAFP, if applicable.

1468-1480 (Reserved)

***--Part 13 2011 and Subsequent Crop Years Web-Based Payment Processing**

1481 Payment Processing

A Computing Payment and Overpayment Amounts

NAP payments for 2011 and subsequent crop years will be processed using a web-based payment system. The web-based payment process is an integrated process that reads a wide range of files to:

- determine whether a payment should be issued or whether an overpayment has occurred
- calculate the following:
 - gross payment amount
 - reduction amounts
 - net payment amount
 - overpayment amount.

The following describes the high level processing sequence to calculate NAP payments for producers.

Step	Action
1	Payment is triggered according to subparagraph B.
2	Determine whether there is an unsigned payment for the producer in NPS, and if so, cancel the payment in NPS.
3	Determine the gross payment amount for the producer according to subparagraph C.
4	Determine whether the producer is an entity or joint operation, and if so, obtain member information, if applicable.
5	Determine whether the producer and/or members are eligible for payment.
6	Provide the following to direct attribution for each producer: <ul style="list-style-type: none"> • gross payment amount for each crop • 1 reason if producer is ineligible because of subsidiary eligibility provision.
7	Direct attribution will determine the following: <ul style="list-style-type: none"> • reduction amounts • payment limitation availability • net payment or overpayment amount • reasons for nonpayment or overpayment.
8	All net payment and overpayment amounts will be totaled to determine the net payment for the farm and producer.
9	Provide the payment or overpayment amount, as applicable, to either of the following: <ul style="list-style-type: none"> • NPS • NRRS.
10	Determine whether e-Funds are available for the payment.
11	Update the Nonpayment Register with applicable information.
12	Update the Payment History with applicable information.

--*

*--1481 Payment Processing (Continued)

B Triggering Payments

Payment will be triggered through events that occur throughout the system. As a result, processing will be behind the scenes. Calculations and determinations will occur during the evening and nighttime hours without user intervention.

Trigger Type	Description
Initial	<p>Upon release of the web-based payment software, a process will automatically run to determine all 2011 and subsequent crop year CCC-576's that are approved for payment. This will initiate the process described in subparagraph A and does not require any County Office user interaction.</p> <ul style="list-style-type: none"> • Payments will be sent to NPS for certification and signature. • Overpayment will be sent to NRRS.
Primary	<p>Once the initial payments are triggered, subsequent payments will be initiated when County Office users approve CCC-576. Entering COC approval date initiates the payment process for the selected CCC-576's.</p> <p>Note: Changes to CCC-576 that result in an approval date being reentered will trigger a payment that may result in an additional payment or receivable being established.</p>
Secondary	<p>Payments that cannot be issued during any payment process are sent to the Nonpayment Register. If a condition causing the producer to be on the Nonpayment Register is corrected, the payment will be triggered to reprocess to determine whether the payment can be issued.</p>
Tertiary	<p>The payment system will periodically recalculate all payments.</p>

--*

--1482 Canceling Payments*A Payment Cancellation**

After payment processing has been completed, County Offices shall review the NPS Payment Worklist to ensure that the correct payments have been generated. The user should complete the following if an error is determined:

- payment should **not** be signed in NPS
- take action to “Hold for Cancel by Program” in NPS (1-FI)
- condition causing the incorrect payment should be corrected.

B User Intervention

User intervention is **not** allowed for the cancellation process. If the condition causing the incorrect payment is corrected, the system will automatically cancel the unsigned payment and recalculate the payment amount owed.

If the payment amount is determined to be incorrect and the payment has been signed in the NPS System, the payment can **no** longer be canceled. The producer will be underpaid or overpaid after the condition causing the incorrect payment has been corrected.--*

***--1483 Payment Reports**

A Web-Based Common Payment Reports

Web-based NAP payment reports are provided through the Common Payment Report Process. The following reports are available through the Common Payment Report Menu:

- Nonpayment/Reduction Report
- Payment History Report
- Submitted Payment Report
- Submitted Overpayment Report
- Pending Overpayment Report
- Insufficient Funds Report
- ECPR.

B Accessing the Web-Based Common Payment Reports

9-CM contains complete information on all the common reports.

Note: See paragraph 1485 for details on ECPR.--*

*--1484 CCC-576E, NAP Estimated Calculated Payment Report

A Details on the Web-Based CCC-576E

The web-based system-generated CCC-576E contains the same information as System 36 NAP ECPR detailed in paragraph 1413. The data has been reformatted for ease in display of the information.

B Example of System-Generated CCC-576E

The following is an example of system-generated CCC-576E.

County: County	2011 Non-insured Assistance Program	Date: 11/11/2011															
State: State	Estimated Calculated Payment Report	Page X of X															
IM A. Producer																	
1234 Street																	
City, ST 11111																	
Part A - GROSS PAYMENT DATA FOR YIELD-BASED CROPS																	
Unit No 000310	Pay Crop Name POTATOES	Payment Crop Code 0084															
		Payment Crop Type Code 001															
		Planting Period 01															
Crop Type	Fnl Use	Stg	Prac	Csh Dst	Aprv Loss	Share	Planted Acres	PP Acres	Yield	Disaster Level	Net Production	Net Prod. For Payment	Paymt Rate	Paymt Factor	Pmt Lvl	Salvage Value	Calculated Payment(1)
RUS	FH	H	N		Y	1.0000	100.00		198.00	9,900.00	1,000.00	8,900.00	0.1000	1.0000	55%	\$0	\$490
RUS	FH	UH	N		Y	1.0000	8.00		198.00	792.00	0.00	792.00	0.1000	0.5700	55%	\$0	\$25
Unit Total																\$515	
TOTAL PROJECTED 2011 NONINSURED ASSISTANCE PROGRAM PAYMENT																	\$515
<p>DISCLAIMER: The payment data reflected on this Estimated Calculated Payment Report includes payment amounts based on program eligibility. The calculated payment amounts reflected on this report may vary due to changes in payment acres, payment yields, producer eligibility, producer payment share, crop production, payment factor, and payment limitation. The distribution of this Estimated Calculated Payment Report does not in any way obligate CCC to disburse the payment amounts reflected.</p> <p>(1) For yield-based crops with a stage of H or UH, disaster level is determined by multiplying acres times share times yield times 50%. The calculated payment is the result of net production for payment times payment rate times payment factor times 55% minus salvage value.</p> <p>For yield-based crops with a stage of PP, when there is only one crop type for the pay group, the disaster level is determined by adding planted acres plus prevented planted acres times 35%. Net production for payment is determined by multiplying share times approved yield, times the result of (prevented planted acres minus disaster level), minus assigned production. The calculated payment is the result of net production for payment times payment rate times payment factor times 55%.</p> <p>For yield based crops with a stage of PP when there are multiple crop types within a pay group, the calculated payment is determined as follows:</p> <ol style="list-style-type: none"> a. Determine the disaster level for the prevented planted acres for the pay group by adding all planted acres plus prevented planted acres times 35%. b. Determine the total eligible prevented planted acres by subtracting the prevented planted acres minus the prevented planted disaster level. c. Determine the crop value for each crop type by multiplying the following: yield times payment rate times payment factor d. Attribute the total prevented acres for the pay group based on the highest crop value determined in 1c, not to exceed the number of prevented planted acres for that crop type. All remaining acres for the prevented planted pay group shall be attributed in crop value order, not to exceed the number of prevented planted acres for each crop type. e. Determine the net production for payment for the crop type by multiplying the approved yield, times eligible prevented planted acres, minus assigned production, times the share. f. The calculated payment amount for the crop type is determined by multiplying the following: net production for payment, times payment rate, times prevented planted payment factor, times 55% payment level. <p>(2) For value loss crops, disaster level is determined by multiplying field market value A times 50%. The calculated payment is the result of disaster level minus field market value B times producer share times payment factor times payment level minus salvage value.</p> <p>(3) For grazing crops, expected AUD is the result of dividing the result of (acres times share) by carrying capacity times grazing period days times AUD adjusted factor. Adjusted AUD Loss is the result of multiplying expected AUD times AUD loss percent minus the result of (share time assigned AUD). The calculated payment is the result of total adjusted AUD loss minus the result of (total expected AUD times 50%) times AUD value times payment level.</p> <p>NOTE: If a calculated payment equals zero, this is the result of either the crop type not having an approved Notice of Loss on file and a loss is present for the crop type or it is the actual payment calculation.</p>																	

--*

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification (Assembled as a component with AD-1026 Appendix)		8, 882, 1110, 1276, 1311, 1367, 1389, 1432
CCC-36	Assignment of Payment		1311
CCC-37	Joint Payment Authorization		1311
CCC-184 <u>1/</u>	CCC Check		1279, 1323, 1350, 1351, 1366, 1425
CCC-257	Schedule of Deposit		23, 24, 885, 888, 890, 1315, 1462, 1463
CCC-441 Income	Noninsured Crop Disaster Assistance Program Certification of Income Eligibility	33	Ex. 43
CCC-448	NAP Payment Calculation Worksheet (Loss of Expected Production)		1315
CCC-448A	NAP Payment Calculation Worksheet (Prevented Planting)		1315
CCC-448B	Ornamental Nursery Loss Adjustment and Payment Calculation Worksheet		1315
CCC-448C	Christmas Tree Loss Adjustment and Payment Calculation Worksheet		1315
CCC-448D	Aquaculture Crop Loss Adjustment and Payment Calculation Worksheet		1315
CCC-448E	NAP Loss Adjustment and Payment Calculation Worksheet (Category 1 Forage)		195, 1315

1/ This form is obsolete.

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-452	NAP Production and Yield Report	838	Text
CCC-452	NAP Actual Production History and Approved Yield Record Manual	Ex. 25	254
CCC-456	NAP Crop Data Information	Ex. 17	106-108, 110, 170
CCC-471	Non-Insured Crop Disaster Assistance Program (NAP) Application for Coverage (2010 and Subsequent Years)	23	Text, Ex. 2, 7, 7.1, 7.5-7.7, 8
CCC-502	Farm Operating Plan for Payment Eligibility Review		8
CCC-576	Notice of Loss and Application for Payment Noninsured Crop Disaster Assistance Program		Text, Ex. 2, 41, 42
CCC-576-1	Appraisal/Production Report Noninsured Crop Disaster Assistance Program	Ex. 42	Text, Ex. 41
CCC-576A	2001 Noninsured Crop Disaster Assistance Program Payment Calculation Worksheet	1280	Text
	2002 and Future Years Noninsured Crop Disaster Assistance Program Manual Payment Calculation Worksheet (Yield Based Crops)	1283	
CCC-576A-1	Noninsured Crop Disaster Assistance Program Payment Calculation Worksheet for Multiple Crop Types With Prevented Planted Acres	1283.5	1278, 1279, 1283

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-576B	2001 Noninsured Crop Disaster Assistance Program Payment Calculation Worksheet (Value Loss Crops)	1281	Text
	2002 and Future Years Noninsured Crop Disaster Assistance Program Manual Payment Calculation Worksheet (Value Loss Crops)	1284	
CCC-576C	2001 Noninsured Crop Disaster Assistance Program Payment Calculation Worksheet (Grazing Crops)	1282	1276, 1279, 1283, 1314, 1315, 1413
CCC-576E	NAP Estimated Calculated Payment Report		881, 1016, 1315, 1400, 1413, 1414
CCC-577	Transfer of NAP Coverage	Ex. 9	24.5, 1461, 1463
CCC-579	NAP Approved Yield Compliance Worksheet	600	
CCC-770 Eligibility	Eligibility Checklist		1311
CCC-770 NAP	Noninsured Crop Disaster Assistance Program Payment Checklist	11	
CCC-902	Farm Operating Plan		29
CCC-926	Livestock Indemnity Program Third Party Certification		1311, Ex. 43
FSA-13A	Data Security Access Authorization Form		771
FSA-325	Application for Payments of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent		1276
FSA-570	Waiver of Eligibility for Emergency Assistance		32
FSA-578	Report of Acreage		Text, Ex. 42
FSA-1001 <u>1/</u>	Notice of Peanut Poundage Quota		Ex. 18

1/ Form is obsolete.

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
AUD	animal-unit-day	Text, Ex. 2
BHI	Bahai grass	193, 195
CDPS	Common Disaster Provisions Section, DAB, PECD	24.5
CIH	Crop Insurance Handbook	1, 426
CPB	Common Provisions Branch, PECD	1315
CVS	Compliance Validation System	751.5
DAB	Disaster Assistance Branch, PECD	10, 24.5, 170, 189, 1467
E-FC	electronic fund control	1277
ECPR	Estimated Calculated Payment Report	1483
FTA	fescue, tall	194.5, 195
MPCI	Multiple Peril Crop Insurance	426
NAPB	Noninsured Assistance Program Branch, PECD	10, 170, 195, 884, Ex. 17
NTS	no type specified	193
PP	prevented planted	1110
PRD	production reporting date	Text, Ex. 2
PRF	pasture, rangeland, and forage	197
PRF-RI	Pasture, Rangeland, Forage-Rainfall Index Pilot Program	197
PRF-VI	Pasture, Rangeland, Forage-Vegetative Index Pilot Program	197
SUD	Sudan	1283.5
SWI	Switch	1283.5
T-yield	transitional yield	107, 152, Part 5, 322, 323, 327, 600, Ex. 2, 17

Delegations of Authority

This table lists the delegations of authority in this handbook.

Delegation	Reference
In routine cases, COC may redelegate, in writing, to CED the authority to act on, or sign, as applicable, CCC-576, Parts C and H.	401
The re delegation must define what COC considers routine.	
COC may re delegate, in writing, to CED and program technicians, the authority to complete and sign automated CCC-452's and CCC-452 Manuals.	838, Ex. 25

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 Variance

Acreage variance 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 variance 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)

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 Variance

Production Variance 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.