

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Noninsured Crop Disaster Assistance
Program for 2015 and Subsequent Years
1-NAP (Revision 2)**

Amendment 15

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 1 E has been amended to clarify FSA's authority to correct errors.

Subparagraph 51 E has been amended to clarify policy on ineligible causes of failure of the producer to replant or reseed.

Subparagraph 100 B has been amended to clarify that a producer's own certification on FSA-578 cannot be used to verify that producer's eligibility for NAP.

Subparagraph 102 E has been amended to include the sequestration rate of 6.2 percent for fiscal year 2019.

Subparagraph 152 A has been amended to clarify the definition of acreage variance.

Subparagraph 152 G has been amended to clarify determinations of ineligibility resulting from acreage variance.

Paragraph 156 has been added to provide policy for environmental compliance.

Subparagraph 278 B has been amended to clarify that surrounding States should be considered when establishing an average market prices.

Subparagraph 301 A has been amended to provide policy that the coverage level selected is irrevocable after the application closing date and it will be the same for all crops in the pay group.

Subparagraph 304 F has been amended to clarify policy for failure to pay a NAP premium.

Subparagraph 375 C has been amended to remove the reference commercial gardens.

Subparagraph 378 D has been amended to clarify the note.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 675 A has been amended to provide guidance if appraised production on CCC-576-1 differs from actual production on CCC-576, Part H.

Subparagraph 675 B has been amended to clarify policy on when a CCC-576 is considered filed.

Subparagraph 677 A has been amended to clarify that outstanding buy-up premiums will not reduce NAP payments.

Subparagraph 800 E has been amended to provide policy for reporting acreage on CRP grassland and GRP acreage so it is eligible for NAP.

Subparagraph 900 C has been amended to clarify the crop year for all nursery crops.

Subparagraph 904 M has been amended to clarify the policy for calculating an eligible losses for ginseng.

Subparagraph 904 N has been amended to clarify policy for use of unharvested factor on ginseng root payment calculations.

Subparagraph 908 H has been amended to clarify instructions for using the un-harvested factor.

Exhibit 2 has been amended to clarify the definitions of acreage variance and planted.

Exhibit 53 has been amended to clarify the instructions.

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- 63-FI for assignments and joint payments
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- 5-LP for measuring farm-stored production
- 2-NAP for LA's, crop appraisal, and loss claims
- *--3-NAP for NAP automation--*
- 3-PL (Rev. 1) for web-based subsidiary files
- 5-PL for payment eligibility, payment limitation, and average AGI
- RMA manuals for loss adjustment and yield calculations that include, but are **not** limited to, the following:
 - crop insurance bulletins and handbook
 - loss adjustment manuals
 - individual crop handbooks.

1 Overview (Continued)**E Administration****[7 CFR 1437.2] Administration.**

(a) NAP is administered under the general supervision of the Administrator, Farm Service Agency (FSA) (who also serves as the Commodity Credit Corporation (CCC) Executive Vice President), and the Deputy Administrator for Farm Programs, FSA, (referred to as “Deputy Administrator” in this part). NAP is carried out by FSA State and county committees (State and county committees) with instructions issued by the Deputy Administrator.

(b) State and county committees, and representatives and their employees, do not have authority to modify or waive any of the provisions of the regulations in this part, NAP's basic provisions, or instructions issued by the Deputy Administrator.

(c) The State committee will take any action required by the regulations in this part that the county committee has not taken. The State committee will also:

(1) Correct, or require a county committee to correct, any action taken by such county committee that is not in accordance with the regulations in this part; or

(2) Require a county committee to withhold taking any action that is not in accordance with this part.

(d) No delegation to a State or county committee precludes the FSA Administrator, the Deputy Administrator, or a designee, from determining any question arising under NAP or from reversing or modifying any determination made by a State or county committee.

(e) The Deputy Administrator has the authority to permit State and county committees to waive or modify deadlines (except deadlines specified in a law) and other requirements or program provisions not specified in law, in cases where lateness or failure to meet such other requirements or program provisions do not adversely affect operation of NAP.

***--Note:** Nothing in this handbook will be interpreted or construed to mean that FSA or CCC cannot correct any errors that may be discovered in any data element (average market price, county expected yields, payment factors, grazing period, final planting dates, etc.). FSA will correct items as soon as they are discovered to prevent improper payments from issuing. In the event that payments were already issued, finality may apply and may impact FSA's ability to recover unearned payments.--*

51 NAP Causes of Loss (Continued)***--D Excess Moisture**

COC will determine when excess moisture conditions are present and severe enough to be considered an eligible cause of loss. This determination requires a review of the individual circumstances surrounding the claimed loss. COC should consider variations in soil type, elevation, slope and other site specific factors when comparing conditions between neighboring locations. At a minimum, excess moisture conditions must occur during the coverage period and must directly impact the covered crop or crop acreage. COC and/or STC will consider excess moisture claims on a case by case basis and not establish specific guideline for amount of rainfall or other weather conditions required for excess moisture to be approved as a cause of loss.

COC will review available documentation when approving or denying excess moisture as the cause of loss, including, but not limited to, items such as:

- information on rainfall amounts compared to averages for the same location and time period;
- soil type and the associated properties of that soil type;
- elevation;
- other related environmental conditions (wind, cloud cover, temperature, etc.);
- the specific crop's moisture requirements and moisture tolerance;
- the timing of the claimed excess moisture relative to the crop's production cycle and moisture needs;
- any other available information which COC determines is applicable.--*

51 NAP Causes of Loss (Continued)

E Ineligible Causes of Loss

Compensable losses **must** result from an eligible cause of loss occurring in the coverage period. Perils that occur outside the defined coverage period or perils that do **not** directly impact the NAP-covered crop, commodity, or acreage are **not** eligible causes of loss. All other circumstances, including but **not** limited to the following, are **not** eligible causes of loss:

- factors or circumstances that are **not** the direct result of an eligible cause of loss
- *--failure of a producer to reseed or replant to the same crop, if it is practical and customary to reseed or replant by the final planting date--*
- failure of a producer to follow good farming practices for the crop
- water contained or released by any governmental, public, or private dam or reservoir project, if an easement exists on the acreage affected for the containment or release of the water
- inadequate supply of irrigation water at the beginning of a planting period, **except** for tree and perennial crops
- failure or breakdown of irrigation equipment or facilities
- neglect or malfeasance of a producer
- quarantine that is imposed by a county, State, or Federal Government agency

Part 3 General NAP Provisions

--Section 1 Producer Eligibility--

100 Producers

A Definition of Producer

[7 CFR 718.2] Producer means an owner, operator, landlord, tenant, or sharecropper, who shares in the risk of producing a crop and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced. A producer includes a grower of hybrid seed.

Notes: Landowners, landlords, tenants, contract growers, or anyone else **not** having valid ownership share of a crop and who do **not** share in the risk of producing the crop are ineligible for NAP.

Persons or legal entities that are unable to show that they meet the definition of producer should **not** be referenced as a producer in communications.

B Verifying Eligibility

COC will take whatever action is necessary to ensure that payments are proper and are for the person or legal entity determined to be the producers suffering the claimed crop loss. The person or legal entity claiming to be the producer **must** be able to show, with acceptable evidence, that the person or legal entity had a valid commodity ownership share interest 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 (CCC-576, Parts D through F, as applicable). One of the following will be obtained as determined by COC:

- *--copies of signed written leases or rental agreements with landowner or landlord
- copies of other legal documents showing land ownership or control of rented crop acreage
- statement or FSA or CCC form signed by landowner, farm operator, or landlord that--* the person or legal entity had control of the acreage.

Note: For persons or legal entities producing a crop under a grower's contract or a Community Supported Agriculture agreement, a copy of the contract or the Community Supported Agriculture consumer agreement **must** be provided. See paragraph 105 for eligible Community Supported Agriculture.

* * *

Note: CCC-902 is **not** 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.

100 Producers (Continued)**C Reviewing Documentation**

Leases, rental agreements, and any other written statements documenting verbal agreements will 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 will apply the specific case circumstances to the determination of person or legal entity an eligible as 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 will be used to determine eligible producer. Any negotiation, agreement, or performance of parties to a rental or lease arrangement after date of disaster has no bearing on FSA's determination of a person or legal entity as an eligible producer.

102 Average AGI and Payment Limitations for 2015 and Subsequent Years (Continued)**E Sequestration Reduction**

The Balanced Budget and Emergency Deficit Control Act requires USDA to implement reductions to NAP. In general, sequestration entails the permanent cancellation of budgetary resources by a uniform percentage. This uniform percentage reduction is applied to all programs, projects, and activities within a budget account.

NAP payments will have a sequestration percentage applied to the payment amount determined after all reductions have applied. The sequestration:

- amount is applied at the payment entity (producer) level
- amount is not attributed to members
- amount is applied to the producer receiving the payment after payments have been attributed for payment limitation purposes
- amount is reduced from the determined payment amount for the producer as the last step before sending the payment information to NPS
- is an administrative fiscal matter and not a program issued or benefit. It effectively impacts the issuance of program funds based on funds availability at the time payments are obligated
- percentage is determined based on the approval date entered in CCC-576, Part I according to the following table.

FOR NAP obligated in FY...	THE sequestration will be...
2015 (Application for Payment approved from October 1, 2014, through September 30, 2015).	7.3 percent.
2016 (Application for Payment approved from October 1, 2015, through September 30, 2016).	6.8 percent.
2017 (Application for Payment approved from October 1, 2016, through September 30, 2017).	6.9 percent.
2018 (Application for Payment approved from October 1, 2017, through September 30, 2018).	6.6 percent.
--2019 (Application for Payment approved from October 1, 2018, through September 30, 2019).	6.2 percent.--

151 Unacceptable, Incorrect, or False Records and Certifications

A Reliance on Producer Records and Certifications

NAP assistance requires accurate information from producers. It is imperative that producers understand that a failure to provide complete and accurate information and records could result in any or all of the following:

- an application for NAP assistance being denied
- the producer or producers being determined ineligible for NAP assistance on all units and farms
- the producer or producers becoming liable under any civil or criminal fraud statute or any other statute or provision of law.

B Questionable Records or Certifications

See:

- paragraph 152 for variance on NAP acreage or production
- paragraph 153 for misrepresentation, scheme, or device.

152 Variance

A 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. Under 7 CFR Part 1437.2, DAFP has established the following policy of variance for NAP.

Acreage variance means the number of acres that the reported acreage may differ from the *--determined acreage for all crop types within a pay group without either of the following:

- total loss of benefits within the pay group--*
- 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. Acreage variances of 1.0 acres or less does **not** apply.

Note: For honey and maple sap, acreage is identified as the number of honeybee colonies or tree taps, as applicable. Acreage variance policy will apply using those identifiers.

B Acreage Variance Calculation

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

Step	Calculation
1	Add total reported irrigated and nonirrigated crop acreage for the pay group together.
2	Multiply total reported crop acreage in step 1 by 5 percent. Enter the larger of 1.0 acre or the result of this calculation, but no more than 50.0 acres. This is the acreage variance information.
3	Subtract total determined acreage from the total reported acreage to arrive at the difference between reported and determined acreage (positive or negative difference).
4	If the result of step 3 is greater than step 2, the reported acres exceed the acreage variance limitation.

Example: Total reported acreage is 107 acres (step 1). 107×5 percent = 5.35 acres (step 2). The total determined acres are 101 acres. Subtract 101 determined acres from 107 reported to determine the difference of 6 acres (step 3). Because step 3 (6 acres) exceeds step 2 (5.35 acres), the difference reported and determined between the acres exceed the acreage variance limitation.

152 Acreage Variances (Continued)

F Discrepancy in Acreage or Production (Continued)

WHEN the difference in determined acreage or production...	THEN COC...
exceeds variance, and is not within 15 percent of the reported acreage or production, as applicable	must determine ineligibility for crops within a pay crop and pay type. See subparagraph G.

G Determinations of Ineligibility

Follow paragraph 153 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 will **not** approve CCC-576 for any crop in the pay group and unit for the producer--*
- if CCC-576 was approved before the determination of noncompliance:
 - but payments have **not** yet been issued, do **not** issue payments
 - and payments have been issued, establish a receivable according to 64-FI.

Note: If the producer immediately refunds the overpayment, process the refund according to 64-FI.

Note: County Offices will use reported and determined crop acreage and production for APH purposes according to Parts 6 and 9. Do **not** enter the consequential ineligible crop acreage, honeybee colonies, and tree taps in SNAPP when the determination of ineligibility is made because of acreage variance.

H Documentation

All determinations **must** be documented in the COC minutes.

153 Misrepresentation, Scheme, or Device**A Impact or Ramifications of Misrepresentation, Scheme, or Device**

[7 CFR 1437.16(c)] A person is ineligible to receive assistance under this part for the crop year plus two subsequent crop years if it is determined by the State or county committee or an official of FSA that such person has:

- (1) Adopted any scheme or other device that tends to defeat the purpose of a program operated under this part;**
- (2) Made any fraudulent representation with respect to such program; or**
- (3) Misrepresented any fact affecting a program determination.**

B Other Amounts Owed

If FSA determines that a violation according to subparagraph A occurs, the person or persons are liable for both of the following:

- refunds with applicable interest from date of disbursement of all NAP amounts paid by CCC to any such producer or producers, applicable to the crop year in which a violation of this part occurs as well as the 2 subsequent crop years
- liquidated damages according to paragraph 154.

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

C Joint and Several Liability

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

154 Liquidated Damages

A Assessing Liquidated Damages

When a person or legal entity is found in violation, COC will assess liquidated damages in the amount of 25 percent of the payment projected for the crop in violation. Liquidated damages are in addition to any amount projected or received by all producers for all crops on the unit.

***--Note:** See 64-FI to establish a manual receivable for liquidated damages.--*

B Examples of Assessing Liquidated Damages

The following are examples of assessing liquidated damages.

- Producer A received \$10,000 in NAP benefits on sweet corn (\$7,000) and butter beans (\$3,000) for the 2012 crop year. Producer A was determined to have adopted a scheme for receiving benefits for the sweet corn crop. Producer A is **required** to refund all amounts paid by CCC (\$10,000) plus liquidated damages in the amount of \$1,750 ($\$7,000 \times 25 \text{ percent} = \$1,750$).
- Producer A suffered a loss on native pecans and was expecting to receive \$20,000 in NAP benefits. COC determined Producer A misrepresented production data to increase the loss percentage. Although Producer A had **not** received the NAP benefit for native pecans, COC **must** assess liquidated damages in the amount of \$5,000 ($\$20,000 \times 25 \text{ percent} = \$5,000$).

155 Determinations and Appealability**A Producer Rights on Appealable Determinations**

Participants have the right to appeal FSA decisions on CCC-576, Part I, 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 I, 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 (Exhibit 22) to participants about the result of processing CCC-576, Part I, 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”.

***--156 National Environmental Policy Act (NEPA) Requirements**

A Background

NEPA requires that federal agencies must consider all potential environmental impacts before implementing activities that have the potential to significantly impact the human environment; all environmental processes must be fully completed before an action can be approved; and agencies must consult with and obtain comments from federal agencies that manage or have expertise about resources that are potentially affected. FSA's environmental compliance program mission is to use all practicable means to ensure FSA compliance with all applicable environmental laws, regulations, and procedures. FSA uses an environmental review process to determine the appropriate level of NEPA analysis and documentation required.

B Programmatic Determination of Environment Compliance

The National Office has determined that NAP meets all applicable environmental review requirements. FSA-850 has been completed for nationwide NAP applications, and County Offices are not required to complete or file FSA-850 for NAP applications.--*

157-199 (Reserved)

278 Average Market Price (Continued)

B Sources of Information

STC's will use **the best available information** when establishing the average market price. Sources of information may include, but are **not** limited to:

- COC's knowledge
- county agricultural commissioner's office
- local markets
- NASS
- NIFA
- prices in similar areas
- RD
- RMA
- other reliable sources, such as universities, AMS data, and buyers.

Note: See Exhibit 33 for additional information and instructions for accessing AMS price data.

Additional sources for direct or organic pricing data require STC's to ensure that sufficient information is available to establish an average direct market price or an organic average market price for a pay crop, pay type, and intended use. These sources may include but are not limited to:

- CSA's, **only** if data is available for the specific crop, rather than for a share or delivery that includes multiple crops for 1 price
- farmers markets
- producer contracts
- producer sales to restaurants
- roadside stands
- U-pick operations

Note: If NASS has data for the eligible crop, STC's **must** consider NASS information when establishing the crop data; however, STC's are **not required** to base the establishment **only** on NASS data.

--STC's will ensure that established average market prices are using consistent data sources or are comparable with previously approved average market prices in the State or in surrounding States.--

278 Average Market Price (Continued)

C Determining Average Market Price

For each crop, STC will establish the average market price by:

- obtaining market prices for each crop for the 5 consecutive crop years, beginning with the most recent year for which price data is available
- dropping the crop years with the highest and lowest prices
- averaging the prices for the remaining 3 crop years.

Example 1: When establishing the average market price for the 2015 crop year, NASS data exists for the 2014 price received. The base period for this crop would be 2010 through 2014.

Example 2: When establishing the average market price for the 2017 crop year, the most recent year price data is available is 2015. For this crop, the base period would be 2011 through 2015.

If 5 crop years of data is **not** available for determining the average market price, STC's will:

- use the best data available to obtain as many crop years of data as possible within the 5 consecutive crop years, beginning with the most recent crop year for which price data is available
- determine an average market price for crops without 5 crop years of data by computing a simple average of the data obtained
- thoroughly document why 5 crop years of data is **not** available and the sources of the data used.

***--Notes:** STC's will ensure that established average market prices for crops are comparable with established FCIC prices.

Average market prices must reflect the in-field harvest price, and cannot include the costs associated with transportation, packaging, etc.

The process used for establishing the average market price is also applicable when establishing direct and organic market prices.--*

301 CCC-471, Application for Coverage (Continued)

A Filing CCC-471 (Continued)

- assist producers in understanding that when they sign CCC-471 they are acknowledging all the basic provisions included in CCC-471 NAP BP

Note: Regardless of whether a copy of CCC-471 NAP BP is personally handed to the producer signing CCC-471, when a producer signs CCC-471, the producer has acknowledged the basic provisions contained in CCC-471 NAP BP.

- ensure that producers are aware the coverage level **must** be selected by pay crop, pay type, and planting period, and coverage options may be selected by crop type, intended use, and practice.

Under law, the NAP coverage period **cannot** begin sooner than 30 calendar days after CCC-471 is filed. Accordingly, application closing dates are established to accommodate coverage periods that are scheduled to begin no earlier than 30 calendar days following the latest date by which CCC-471's can ordinarily be filed.

***--Note:** The coverage level selected is **irrevocable** after the application closing date and it will be the same for all crops in the pay group.--*

The County Office will perform an initial review of CCC-471 according to subparagraph B, and process all CCC-471's and late-filed CCC-471's according to the table in subparagraph D. CCC-471 is **not** and will **not** be considered filed for any purpose whatsoever if CCC-471 is **not** accompanied by either the applicable nonrefundable service fee or written request for waiver.

301 CCC-471, Application for Coverage (Continued)**B County Office Initial Review of CCC-471's**

Review and determine the acceptability for processing each CCC-471 to ensure the following:

- CCC-471 is filed by the application closing date
- the completeness of CCC-471 (all items on CCC-471 and the applicable service fee has been paid)
- an accurate description and the eligibility of the crop according to subparagraph 200 A
- a pay crop, pay type, and planting period has the same level of coverage
- the proper determination of service fees

Note: CCC-471's are incomplete unless accompanied by the applicable service fee or CCC-860. If CCC-471 is still incomplete on the application closing date, it will **not** be considered filed for any purpose.

- CCC-471 lists all the crops for which the producer is requesting NAP coverage.

Note: All crops within the pay group and planting period, as defined in paragraph 200, that the producer has selected coverage for will be eligible for NAP.

Only CCC-471's thoroughly reviewed according to this subparagraph will be processed and signed by a CCC representative. CCC representative is CED or any permanent County Office employee. Continue processing CCC-471's initially reviewed by the County Office according to subparagraph D.

The signature of an FSA employee as CCC representative shall **not** be construed as approval of coverage or NAP benefits.

304 NAP Premiums (Continued)

E NAP Premiums on Native Sod

[7 CFR 1437.4] (c) Except as specified in paragraph (d) of this section, during the first 4 crop years of planting, as determined by the Secretary, native sod acreage in Iowa, Minnesota, Montana, Nebraska, North Dakota, and South Dakota that has been tilled for the production of an annual crop after February 7, 2014, will be subject to the following:

(1) The approved yield will be determined by using a yield equal to 65 percent of the producer's T-yield for the annually planted crop; and

(2) The service fee or premium for the annual covered crop planted on native sod will be equal to 200 percent of the amount determined in §1437.7, as applicable, but the premium will not exceed the maximum amount specified in §1437.7(d)(2).

(d) If the producer's total native sod acreage that is tilled in a crop year is 5 acres or less, the approved yield, service fee, and premium provisions specified in paragraph (c) of this section will not apply.

Any annual NAP crop planted on native sod acreage, as defined in subparagraph 379 B, in the states of Iowa, Minnesota, Montana, Nebraska, North Dakota, or South Dakota will have the premium doubled the first 4 years of cropping on that acreage. See subparagraph 379 D for what qualifies as a “year of cropping”. SDA, LR, and BF producers will have the premium doubled after the reductions. The premium **cannot** exceed the maximum premium in subparagraph B.

304 NAP Premiums (Continued)

F Failure to Pay NAP Premiums

[7 CFR 1437.16] (m) Any person or legal entity who has a debt from nonpayment of the premium for coverage levels specified in §1437.5(c) will be ineligible for assistance under any subsequent crop year NAP coverage on any crop from the crop year of nonpayment of premium until the debt is paid in full.

(1) If a person or legal entity is ineligible for NAP assistance due to the debt because of the nonpayment of premium, FSA will permit the person or legal entity to file an application for coverage together with payment of any service fees; however, that application and payment of service fees will not make the person or legal entity eligible for any assistance until the premium debt is paid in full.

(2) Service fees paid with applications for coverage that are filed by persons or legal entities who are ineligible for NAP assistance as specified in paragraph (m) of this section will not be credited to any unpaid premium debt nor are they refundable.

(n) A person or legal entity ineligible for NAP assistance under paragraph (m) of this section may become eligible for future NAP assistance if they remit all unpaid debt related to the nonpayment of premium before the application for payment filing deadline (see §1437.11(g)).

(o) Any NAP payment that was not issued for a prior NAP crop year due to an outstanding debt as specified in paragraph (m) of this section will not be issued.

(p) Unpaid debt related to the failure to pay any premium satisfied by administrative offset will reinstate the eligibility of a person or legal entity from the date the offset satisfies all the unpaid premium debt with interest.

--Premium amounts **not** paid within 30 calendar days from the premium billing date will result in ineligibility for NAP payment in future years until paid in full.--

*** * ***

Notes: Verify a receivable has been established according to 3-NAP, so that it can be offset against a NAP payment or other payments before a NAP payment is issued.

Premiums must be paid prior to the application for payment deadline. If a premium is not satisfied prior to the application for payment deadline the county committee will disapprove the application for payment on the paper copy. Do not record the decision in the automated application for payment unless the premium is satisfied prior to the application for payment deadline.

If the NAP premiums are paid with a dishonored check, the premiums and any other administrative expenses, such as dishonored check fees, will be established as a receivable according to 64-FI.

The **NAP Premium Report** will provide the calculated premium amount by producer, unit number, and pay group.

375 Unit Acreage Certifications (Continued)

C Required Information for Unit Acreage Certifications (Continued)

“Other”, “regular”, or other generic references as a type or variety are **not** used for NAP purposes. County Offices **must** ensure that producers identify NAP eligible crop types and intended uses when reporting planted acreage.

“Green manure” will **not** be used as an intended use for NAP purposes.

Do **not** use “Oil” as an intended use for NAP purposes. Use “PR” (processed) to identify the intended use. Do **not** confuse the “Intended Use”, “Oil” with the type and variety of oil, such as is applicable for sunflowers.

Beginning with 2017 and subsequent years, JU “juice” will **not** be used as an intended use for NAP purposes. Use PR “processed” to identify the intended use.

Note: All records previously reported as JU will be treated as PR. If an Average HMP/CMP has been established for the Final Use of JU and FH, the JU will be treated as PR. For example, Average CMP/HMPs have been calculated to be FH=25%, PR= 60%, and JU=15%, the JU and PR will be combined, FH=25% and PR=75% (60% + 15%).

NAP relies on the delineation, identification, and certification of specific individual crops on FSA-578; accordingly, eligible acreage **must** be at least .0001 of an acre. * * *

Sunflowers with the intended uses of “FH” and “SE” (sets) will be identified under “Flowers” with type “Sun”, crop code “7501”. Intended use “SD” (seed) **must** be identified under sunflowers, with crop code “0078”.

Dual purpose sorghum with the intended use of:

- “GR” (grain), “FG” (forage), and “GZ” (grazing) **must** be identified under crop code “0052”
- “SD” (seed) **must** be identified under “Sorghum Forage” with crop code “0050”, or “Sorghum” with crop code “0051”.

For forage crops, the predominant intended use of the forage crop will be the intended use of the crop reported on FSA-578 according to 2-CP.

Example: Producer A intends, and normally mechanically harvests, 3 cuttings of hay from his 100 acres of alfalfa grass mixture. Producer A turns his 20 head of dairy cows out on the 100 acres of alfalfa grass mixture after the third cutting. Mechanical harvest as hay is the predominant intended use of the crop; therefore, the intended use will be reported on FSA-578 as “FG” (forage).

Note: The intended use of grazing is **not** eligible for buy-up coverage. See paragraph 804 for information about grazed forage provisions.

375 Unit Acreage Certifications (Continued)

C Required Information for Unit Acreage Certifications (Continued)

For value loss crops **without** associated acreage, an Inventory Report **must** be filed on FSA-578 for:

- aquaculture (mollusk, crustacean, and fin fish) according to paragraph 901
- floriculture (container grown) according to paragraph 903
- mushrooms according to paragraph 905
- ornamental nursery (container grown) according to paragraph 906
- propagation stock nonornamental nursery seed (container grown) according to paragraph 907
- all container grown value loss crops with an intended use of “RS” (root stock) or “SE” (sets), including physical location of acreage on which facility resides
- ginseng, **except** field grown and ginseng intended for seed, according to paragraph 904.

For value loss crops **with** associated acreage, the planted acreage **must** be filed on FSA-578 for:

- Christmas trees according to subparagraph 902 D
- turfgrass sod according to subparagraph 908 E
- field-grown flowers and flowers intended for seed according to subparagraph 903 E and this subparagraph
- field-grown ginseng and ginseng intended for seed according to subparagraph 904 J and this subparagraph
- field-grown ornamental nursery and field-grown propagation stock nonornamental nursery seed according to subparagraphs 906 F and 907 F
- all field-grown value loss crops with an intended use of root stock or sets.

378 Prevented Planting (Continued)

C Ineligible Acreage for Prevented Planting

Acreage ineligible for NAP prevented planting includes, but is **not** limited to:

- acreage for which the provisions of 2-CP are **not** met
- value loss crops, including, but **not** limited to, Christmas trees, aquaculture, and ornamental nurseries
- uninsured crop acreage that is unrated for insurance purposes
- acreage planted during the late-planting period.

See paragraph 380 for maintaining ineligible crop acreage.

D Calculating Prevented Planting Payments

Subject to limitations, availability of funds, and specific provisions dealing with specific crops, a payment for prevented planting is determined according to the following.

Step	Action
1	Add the total planted and approved prevented planted acres.
2	Multiply the result of step 1 by “.35”.
3	Subtract the result of step 2 from the approved prevented planted acres.
4	Multiply the producer’s share by the approved yield by the positive result of step 3.
5	Multiply the producer’s share by the assigned production, if any.
6	Subtract the result of step 5 from the result of step 4.
7	Multiply the result of step 6 by the final payment rate (the higher of the average market price, organic market price, or the direct market price and producer’s DMP, as applicable, for the pay crop and pay type times price coverage level of .55 or 1.00 times prevented planting factor).

Notes: Yields for purposes of prevented planting payments will be calculated in the same manner as for low-yield claims.

Additional calculations are **required** when there are multiple crop types within a pay group or multiple practices, intended uses, organic status, or native sod status within a crop type.

--See Exhibit 39 for an example of the calculations.--

379 Native Sod Acreage

A Applicability

All annual NAP crops with tillage (including one-pass planters) planted on acreage that was determined as native sod after February 7, 2014, in the states of Iowa, Minnesota, Montana, Nebraska, North Dakota, and South Dakota have more restrictive provisions during the first *--4 years of planting. Crop/types to which native sod provisions will apply if covered by NAP are identified in Exhibit 40.--*

B Definition of Native Sod

Native Sod means land on which the plant cover is composed principally of native grasses, grass-like plants, or shrubs for grazing and browsing that has never been tilled, and the producer **cannot** substantiate that the ground has ever been tilled, for the production of an annual crop on or before February 7, 2014.

C Determinations of Native Sod Acreage

Acreage that is planted and was **not** cropped on or before February 7, 2014, will be considered as native sod unless the producer can substantiate the acreage has previously been tilled, or that the acreage was not principally (greater than 50 percent) composed of the plant composition described in subparagraph B. Those substantiations may include, but are **not** limited to:

- FSA-578 dated on or before February 7, 2014, showing the crop (this is not limited to annual crops; however, it must be a crop that requires the ground to be tilled, including one pass planters, to plant the crop) that was previously planted on the requested acreage
- FSA-578 dated on or before February 7, 2014, showing that the requested acreage is classified as cropland
- NRCS Form CPA-026e identifying the acreage with, in the “Sodbust” column, “No”, and in the “HEL” column, “Yes”
- NRCS Form CPA-026e identifying the acreage with, in the “Sodbust” column, “Yes”, and a determination date on or before February 7, 2014.
- crop year’s precision agriculture planting records and/or raw data dated on or before February 7, 2014, provided these records meet the precision farming acreage reporting requirements in Part 3, Section 3, Paragraph 201 of RMA’s Loss Adjustment Manual Standards Handbook.

Note: Because this can be identified as a NAP compliance issue, a producer new to a farm may be permitted access to information about crops reported on a prior year FSA-578 for purposes of documenting cropping history. However, the individual may **not** be provided any data that is considered to be PII for another owner, operator, lessee, or tenant. PII of other individuals **must** be redacted from the responsive records before any disclosure.

587 Performing Measurement Services (Continued)**C Measurement Service Charges**

*--For NAP purposes, when there is **not** an acceptable notice of loss, charge for measurement--* services or late file according to 2-CP when:

- producers request the service to provide acceptable production records for APH
- certification of records is allowed
- other means of providing acceptable production records are available
- the production measurements and crop appraisals are **not** those identified in paragraph 502 for perennial crops.

Charge measurement services according to 2-CP for all requests for contracts administered by an MPCCI company.

D Using LA's

LA's may **not** be used to perform measurement service requests for APH purposes. Measurement services for APH purposes are **not** related to a loss or validating a compliance concern.

The apportionment FSA receives to pay LA's is **specifically** for NAP and TAP **only**. A producer's request for a paid measurement service **must** be performed by an FSA employee or field reporter.

587 Performing Measurement Services (Continued)**E Responsibility of Producers**

Although measurements or appraisals may assist a producer in meeting a requirement for accurate reports of acreage or production, the submission of a request for measurement or appraisal does **not** relinquish the producer of the responsibility of providing required and acceptable information.

If any measurement service is **not** performed:

- and the producer paid a fee for this service, refund the fee
- the producer's eligibility for NAP assistance will be determined based on acreage and production records acceptable to COC according to Parts 4 and 6.

A producer's failure to provide acreage and production evidence, when required, will result in:

- using assigned yields in calculating the approved yield
- denying NAP assistance for the crop year in which this failure occurred.

588 Performing Appraisals**A Appraisal Requests**

Appraisals will be requested by producers and completed timely by LA on all crops that will **not** be taken to harvest because of an eligible disaster condition.

B LASH

COC will ensure that representative sample areas are established according to the RMA specific crop LASH available at <http://www.rma.usda.gov/handbooks/25000/index.html>; such as for forage, under “Loss Adjustment Standards Handbooks”, click applicable year.

***--C Loss Adjustment Forms**

Specific crop loss adjustment forms are available on DAFP’s Intranet page under “NAP Loss Adjustment Forms” at http://intranet.fsa.usda.gov/dafp/nap_loss_adj_forms.htm.--*

D Method of Appraising

Perform appraisals and notify producers according to loss adjustment manual procedure. If a loss adjustment appraisal is required for a crop for which loss adjustment manual procedure is **not** available, complete the loss adjustment by identifying the affected acreage and documenting the method used to determine the production to count.

Record results of appraisal on CCC-576-1.

588 Performing Appraisals (Continued)**E Similar Treatment**

LA's will follow established loss adjustment appraisal procedures when making loss adjustments.

Exceptions: No adjustment to the quantity of the crop will be made because of a loss of quality **unless** a zero dollar value for this quantity is determined. See paragraph 610 A.

Pre-acceptance inspections are **not** required for the crop to be eligible for NAP. However, LA and COC **must** determine the crop was:

- produced using good farming practices
- adversely affected by natural disaster.

Note: A producer **cannot** elect to make specific crop acreage for which CAT is available eligible for NAP assistance by failing to meet CAT guidelines or provisions.

F Completing Loss Adjustment Activities

Loss adjustment appraisals for NAP will be completed by LA, whenever possible.

Loss adjustment activities that are **not** specifically related to an appraisal can be completed by any County Office employee who is capable of completing all of the following:

- verification of the accuracy of information entered on CCC-576, Part B
- all other necessary documents.

LA who completes the appraisal will obtain the producer's signature on CCC-576-1. The producer's signature on CCC-576-1 is the producer's concurrence of production determined by LA.

589-599 (Reserved)

Part 10 Payment

Section 1 General Payment Provisions

675 Application for Payment

A Filing CCC-576, Parts D Through G

[7 CFR §1437.11(g)] Producers must file an application for payment on a form specified by FSA to apply for NAP payments within 60 days of the last day of coverage for the crop year for any NAP covered crop in the unit.

A completed notice of loss for forage intended for grazing satisfies the requirement for an application for payment provided it is filed by the deadline in this paragraph. A completed application for NAP payment **must** be filed on CCC-576, Parts D through H (Exhibit 53), as applicable:

- with the County Office where the units are administered
- along with filing an acceptable CCC-576-1 that is **required only** when an appraisal is **required**, measurement service is requested or a spot check is **required**

Exception: If producer has signed the final appraisal and CCC-576-1, and all production from all eligible acres is accounted on the CCC-576, Parts D *--through G, producer does **not** need to sign Part H. If the producer refused to sign the CCC 576-1 and appraised production is different than actual production the producer must provide a written explanation to the COC. The COC will follow production variance rules (subparagraph 152 C) if applicable.--*

- no later than 60 calendar days after the coverage period ends for any NAP covered crop in the unit.

Exceptions: COC has the authority to grant an extension of up to 120 calendar days, after the initial 60 calendar days, not to exceed a total of 180 calendar days, for applications for payment, if circumstances merit approval. The request **must** be filed in writing and can be filed up to and no later than 180 calendar days after the end of the coverage period.

An application for NAP payment for forage intended for grazing will **not** be **required** on losses filed based upon independent assessments.

Note: COC has authority to encourage producers to provide information by an earlier date; however, production submitted by the applicable production reporting date will be considered timely.

A timely CCC-576 is **required**. Producers interested in obtaining a NAP payment for a qualifying loss **must** file CCC-576, Parts D through H.

675 Application for Payment (Continued)**A Filing CCC-576, Parts D Through G (Continued)**

Other producers involved in the farming relationship may choose to use the production and loss information previously filed. By signing the certification in CCC-576, Part H they acknowledge the information is correct.

COC will ensure that the filing requirement in this subparagraph is adequately publicized. See paragraph 6.

B When CCC-576, Parts D Through H Are Considered Filed

*--CCC-576, Parts D through H are considered filed when both of the following apply:

- Part H has been signed by the producer

Note: The COC must act on all applications which are signed or considered signed following the exception in subparagraph 675 A.--*

- it is accompanied by all **required** documentation for the unit, including, but **not** limited to:
 - an acceptable report of acreage according to Part 6
 - an acceptable CCC-576, Part B filed according to paragraph 575
 - acceptable production evidence according to Part 9
 - any other documentation and information necessary from the applicant for COC to determine the correct payment amount.

C Late-Filed CCC-576, Parts D Through H

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

COC will 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 **must** 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.

675 Application for Payment (Continued)

D COC Review and Action, CCC-576, Part I

COC:

- is required to use Exhibit 53 (CCC-576, Part I - COC Approval/Disapproval of Application for NAP Payment)
- must review producer eligibility criteria and follow steps 1 through 12, Part I, before COC action and signature is completed on CCC-576.

676 Amount of Assistance

A Amount of NAP Assistance for Yield Based Crops

Calculate the amount of assistance for yield based crops as follows.

Eligible Acres x Producer Share x Approved Yield x Yield Coverage Level Percentage = Disaster Level

Disaster Level - Production to Count = Net Production for Payment

Net Production for Payment x Applicable Price (according to subparagraph 278 D) x Price Coverage Percentage x Payment Factor - Salvage Value = Calculated NAP Payment

B Amount of NAP Assistance for Value Loss Crops

Calculate the amount of assistance for value loss crops as follows.

The smaller of the Actual Field Market Value A or the Producer Selected Maximum Dollar Value x Coverage Level Percentage = Disaster Level

Disaster Level - Field Market Value B = Crop Loss

Crop Loss x Producer Share x Unharvested Factor x Price Coverage Percentage = Calculated NAP Payment

Note: For prevented planted payment calculations see paragraph 378.

677 Reductions**A NAP Payment Reductions**

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

- payment limitation (paragraph 102)
- * * *
- salvage value (paragraph 612)
- secondary use (subparagraph 202 C).

678 Other Benefits**A Multiple Benefit Exclusion**

Before approving CCC-576, COC will review whether the producer has requested or received other USDA benefits for the loss. The producer is responsible for notifying FSA of any other USDA benefits for the same loss. The producer **must** specify what the other USDA benefit was or is; however, **not** the amount, but the kind of benefit. NAP payments will **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 153 may apply.

See paragraph 150 for information on multiple benefits.

679 Determining Shares**A Eligible Producer and Shares**

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

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

680-699 (Reserved)

800 General Forage Provisions (Continued)

D Eligibility of Leased Private or Federal- and State-Owned Land (Continued)

Only 1 of the following conditions **must** be met to find a lessee eligible as a producer.

- Does the lessee pay local property or similar taxes on the leased acreage or improvements made to the leased acreage?
 - If yes, the lessee is considered to have control of the crop acreage.
 - If no, see the next question.
- Can the lessee, according to the lease, recoup specific expenses for significant infrastructure or range improvements (that is, fences, water well, seed or fertilizer applications, drainage improvements, or brush and weed control)?
 - If no, the lessee is considered to have control of the crop acreage.
 - If yes, see the next question.
- Is the lessee allowed to sell the lease or the permit?
 - If yes, the lessee is considered to have control of the crop acreage.
 - If no, see the next question.
- Can the lease or the permit be inherited?
 - If yes, the lessee is considered to have control of the crop acreage.
 - If no, see the next question.
- Does the lessee compensate the lessor for use of the crop acreage?
 - If no, the lessee is **not** entitled to a crop share and does **not** have a risk in production of the crop acreage.
 - If yes, is the compensation payment refundable if grazing use of the crop acreage is lost?
 - If yes, the lessee **only** has a risk in the portion of the crop acreage used and paid for, if any.
 - If no, does the compensation payment entitle the lessee to a vested crop share interest in production of the commodity versus purchasing the commodity?
 - If no, the lessee does **not** have a crop share interest and risk in production of the crop acreage.
 - If yes, the lessee is considered to have a crop share interest and risk in production of the crop acreage.

800 General Forage Provisions (Continued)

E Acreage Eligibility

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

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

Notes: Acreage enrolled in WRP is not eligible for NAP.

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

Exception: Land enrolled in the CRP Grasslands Program will be eligible for NAP if all of the following are met:

- the acreage is devoted to a crop eligible for coverage for the intended use of either grazing, forage, or seed under NAP and the crop is not prohibited from being grazed, harvested as forage, and/or harvested as seed under the CRP Grasslands Program conservation plan
- the acreage is not first year seeding biennial or perennial forage crop intended for grazing, forage, or seed
- the acreage is not devoted to Practice CP42, Pollinator Habitat, which does not allow for grazing or haying
- *--the acreage is reported on FSA-578 as the initial crop and the CRP grasslands is reported as a subsequent crop with the applicable crop status code according to 2-CP.--*
- all other NAP program requirements are met.
- available livestock, water, fencing, etc. for grazing
- available equipment, storage facilities, etc. necessary for mechanical harvest of forage acreage.

Land enrolled in GRP is eligible for NAP; however, a producer with basic 50/55 coverage for grazed forage on the acreage who files a notice of loss and whose GRP contract requires a reduction in carrying capacity or deferment in grazing during the normal grazing period will require adjustments to expected production by assigning AUD's for the acreage or time the *--acreage cannot be grazed. Acreage will be reported in the same manner as provided in the exception for CRP grassland.--*

Section 3 Value Loss Crops

900 General Provisions

A Overview

***--7 CFR 1437.301(a).** Special provisions are required to assess losses and calculate assistance for a few crops and commodities that do not lend themselves to yield loss situations. Assistance for these commodities is calculated based on the loss of value at the time of disaster. FSA determines which crops are value loss crops, but unless otherwise announced, value loss crops are those identified in §§ 1437.303 through 1437.309. Lost production of value loss crops is eligible for payment only as specified in this subpart.

Value loss crops include, but are **not** limited to, the following:--*

- aquaculture, including ornamental fish
- Christmas trees
- floriculture
- ginseng root
- mushrooms
- ornamental nursery
- propagation stock nonornamental nursery
- turfgrass sod.

***--Notes:** Flowers for seed and ginseng seed are **not** value loss crops.--*

Policy and procedure applicable to each kind of value loss crop is located in this part.

Value loss crops are considered * * *, as follows.

*--

Graduated Crops (Inventory)	Nongraduated Crops (Dollar Value)
Aquaculture, Except Ornamental Fish	Crops With Intended Use of Root Stock Sets
Christmas Trees	Floriculture
Ginseng	Grass With Intended Use of Sod.
	Mushrooms
	Nursery
	Ornamental Fish
	Turfgrass Sod

--*

900 General Provisions (Continued)

B Calculating Losses of Value Loss Crops

NAP assistance for value loss crops is calculated based on the loss of value at the time of each disaster. Determinations concerning the value of the loss for the crop on the unit **must** be made. It is important that a loss of value of any portion of the inventory be determined only if that portion of the inventory is **not** marketable now or in the future.

To determine loss, the value of the crop immediately before (FMVA) is compared with the value of the crop immediately after (FMVB) the disaster.

Example: A value loss crop suffers damage because of a hurricane. To determine whether the unit suffered an eligible loss at the time of disaster, determine the total value of the inventory present for the crop on the unit immediately before (FMVA) and after (FMVB) the disaster.

A Christmas tree operation lost 60 percent of the trees in a field because of the hurricane. Another 10 percent of the trees were damaged, but LA determined that these trees would recover and be marketable within a reasonable amount of time. The damaged 10 percent will **not** be included as a loss.

If the NAP participant obtains buy-up coverage, FMVA may **not** exceed the MDV selected by the producer for crops in that pay group. Additionally, if there is a subsequent loss of any crops in that same pay group in the same crop year, the subsequent FMVA may **not** exceed the remaining MDV available after the previous losses. Using the example in this subparagraph, if the NAP participant had chosen MDV of \$120,000, after payment of the loss, FMVA for any subsequent losses could **not** exceed \$40,000 (\$120,000 - \$80,000 = \$40,000). For basic 50/55 coverage, FMVA will always be used.

Note: Producers may receive multiple payments throughout the year up to the payment limitation of \$125,000.

C Determining the Applicable Crop Year for Value Loss Crops

Most value loss crops have the same defined crop year, October 1 through September 30.

--However, all nursery crops have a defined crop year of June 1 through May 31.--

Example: 2015 turfgrass sod crop year starts October 1, 2014, and ends September 30, 2015. If a hurricane occurs on October 8, 2014, the loss for turfgrass sod will be paid as a 2015 NAP crop.

904 Ginseng (Continued)**I Ineligible Losses (Continued)**

- inadequate weed control
- improper soil pH adjustment
- improper fertilization
- lack of:
 - adequate irrigation practice, where applicable, or an insufficient water supply source to ensure continuation of a good irrigation practice
 - loss prevention measures to control insects, predators (such as voles, field mice, grubs, wireworms) fungus and disease
- applicants who fail to provide a report of inventory for all ginseng on a NAP unit to a CCC representative, if requested
- applicants who fail to maintain or refuse to provide production and sales records necessary to determine the value of eligible ginseng
- applicants who refuse to allow LA to verify loss by physically removing representative samples
- applicants who misrepresent any material facts related to all aspects of the production of their ginseng crop.

904 Ginseng (Continued)

J Annual Crop Certification

Ginseng producers **must** file FSA-578 by September 30 for the ensuing ginseng crop year of October 1 through September 30, according to paragraph 375.

Producers **must** certify on FSA-578 physical location of acreage where facility resides.

K Crop Definition

Ginseng includes all eligible plant species, sizes, and intended uses.

L Determining Unit Loss for Ginseng Seed

Ginseng root, including rootlet, and seed have different units of expression. Ginseng seed is a yield-based crop, and loss will be calculated using CCC-576, Part D.

***--M Calculating Ineligible Loss**

If a portion of the loss is attributable to an ineligible cause of loss the COC will determine the percentage and reduce the FMVA accordingly as follows:

The value of ineligible causes of loss must be calculated and subtracted from the inventory **before** disaster before establishing FMVA. To calculate inventory before disaster less ineligible cause(s) of loss:

- multiply the inventory before disaster times COC-approved ineligible cause of loss percentage.
- subtract result from inventory before disaster.

Example: Inventory before disaster: 100,000

COC-approved ineligible cause of loss

percentage x 0.20 Result: 20,000

$100,000 - 20,000 = 80,000$ FMVA **not** to exceed MDV (see paragraph 900)

Note: Each stage of growth has a separate value. All stages are used to determine the crop value and the crop loss.--*

904 Ginseng (Continued)

N Calculating Eligible Loss

To calculate the loss for ginseng roots, COC **must** complete the following calculations. The results of these calculations will be data loaded into CCC-576.

Step	Calculations
1	<p>Determine FMVA.</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 per root.</p> <p>Note: Ginseng must be mature before it has value, unless rootlet for propagation stock.</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:</p> <ul style="list-style-type: none"> dollar value of inventory after disaster (FMVB) post disaster inventory from either LA report and/or acceptable or verifiable records for the number of roots having dollar value. <p>Note: Any roots listed in step 1 having any dollar value, or which may rejuvenate or re-establish value, will be counted as having the assigned value in step 1.</p>

O Unharvested Payment Factors

--The approved unharvested payment factor will be applied to all ginseng (roots only) computed for payment, unless the producer can prove the unit was harvested at the time of disaster or immediately after the disaster. If the producer cannot show with documentary evidence that harvest of the unit, or portion of the unit was performed at the time of disaster or immediately after the disaster that is the basis for application, any loss calculated for the payment will be paid at the unharvested payment rate. In no case will COC assume the harvest expenses were incurred at or near time of disaster. The STC will establish the-- unharvested payment factor for ginseng according to paragraph 279.

905 Mushrooms**A Eligible Mushroom Crops**

Eligible mushrooms are grown for human consumption and **must** be grown:

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

B Crop Year

The crop year for all mushroom crops is October 1 through September 30.

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

C Private Property

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

- producer owns or has leased property with readily identifiable boundaries
- producer is the owner or lessee
- producer has total environmental control of the enclosed mushroom facility.

D Controlled Environment

See Exhibit 2 for the definition of controlled environment.

Eligible mushrooms **must** be:

- placed in the enclosed facility by the producer and **must not** be growing naturally in the facility

Note: Indigenous species (occurring naturally) in the facility are **not** eligible.

- growing on property described in subparagraph C.

908 Turfgrass Sod (Continued)**F Average Market Price**

STC will establish:

- the average market price for a square yard of mature harvestable turfgrass sod
- zero value for turf grass sod having no marketable value.

G Calculating Eligible Loss

Turfgrass sod crop acreage is a separate crop from other intended uses of the grass in the unit.

Consider **only** turfgrass sod present in the unit at the time of disaster when determining the unit's pre-disaster value (FMVA) of turfgrass sod. The producer **must** provide documentation of inventory of turfgrass sod present on the unit at the time of disaster (FMVA). The documentation provided to substantiate inventory will be reviewed by the COC for reasonableness (acceptability based on adequacy of documents as to verifiability or reliability). Documentation determined unsatisfactory or a producer's failure to adequately document pre-disaster inventory will result in a "zero" being entered as beginning inventory (FMVA). The loss calculation for turfgrass sod is based on a comparison of the turfgrass sod present on the unit immediately before (FMVA) and after (FMVB) the disaster. Because quality adjustments for NAP are **not** authorized, turfgrass sod having any dollar value will be counted as full value. Further, damaged turfgrass sod determined able to rejuvenate or merely stunted or delayed for harvest counts as full value turfgrass and **must** be included in *--the ending inventory. A turfgrass sod FMVA and FMVB calculator worksheet and instructions are provided in Exhibit 63.--*

Note: Any marketing of turfgrass sod occurring between the beginning (FMVA) and ending (FMVB) inventory are established will need to be included in the unit's ending inventory.

908 Turfgrass Sod (Continued)**G Calculating Eligible Loss (Continued)**

The total value of turfgrass sod, including other intended uses of that species of grass, present on the unit at the time of disaster **must** be reduced by more than the coverage level selected by the producer because of a natural disaster to be eligible for NAP payment.

Notes: Producers will need to file a timely notice of loss in addition to providing documentation substantiating inventory.

When a producer files a notice of loss, LA will complete an appraisal to verify the inventory of turfgrass sod immediately before and after the disaster to determine loss.

Although the LA will attempt to verify inventory of turfgrass, it remains a producer's responsibility to document to FSA's satisfaction, before and after inventories of turfgrass sod.

H Unharvested Payment Factors

Any loss of expected production on turfgrass sod calculated for payment will have the unharvested payment factor applied. STC will establish the unharvested payment factor for *--turfgrass sod according to paragraph 279.--*

I Prohibition Against Multiple Payments

If turfgrass sod loss results in a payment, the square yards of sod for which NAP payment is made, under the provisions of regulations and this handbook, are ineligible for inclusion in another subsequent beginning inventory (FMVA) for the coverage period **regardless** of whether the sod acreage is reseeded. In a single coverage period, sod may **only** receive payment consideration 1 time.

909-974 (Reserved)

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 (Includes Form AD-1026 Appendix)		8, 103, 700, 703
CCC-257	Schedule of Deposit		302
CCC-452	NAP Actual Production History and Approved Yield Record	Ex. 41	Text
CCC-471	Non-Insured Crop Disaster Assistance Program (NAP) Application for Coverage (2010 and Subsequent Crop Years)	302	Text, Ex. 2, 14, 34-36, 52, 54, 62, 200
CCC-471 NAP BP (08-13-14)	Noninsured Crop Disaster Assistance 2015 and Subsequent Years Basic Provisions		54, 301-303, 341, 342, 376, 576
CCC-471 NAP BP (08-11-15)	Noninsured Crop Disaster Assistance 2016 and Subsequent Years Basic Provisions		54, 301-303, 341, 342, 376, 576
CCC-575	Noninsured Crop Disaster Assistance Program (NAP) Record of Historical Marketing Percentage (HMP), Contract Marketing Percentage (CMP), and Direct Marketing Percentage (DMP) (2015 and Subsequent Years)	Ex. 52	203, 207
CCC-576	Notice of Loss and Application for Payment Noninsured Crop Disaster Assistance Program for 2013 and Subsequent Years	Ex. 53	Text, Ex. 2, 22, 55, 62
CCC-576A	2015 and Future Years Noninsured Crop Disaster Assistance Program Manual Payment Calculation Worksheet (Yield Based Crops)	Ex. 56	202, 702, Ex. 55, 62
CCC-576A-1	Noninsured Crop Disaster Assistance Program Payment Calculation Worksheet for Multiple Crops Types with Prevented Planted Acres	Ex. 57	702, Ex. 55

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

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-576A-EZ	2015 and Future Years Noninsured Crop Disaster Assistance Program Manual Calculation Worksheet (Yield Based Crops Without HMP, CMP, or DMP)	Ex. 55	702
CCC-576B	2015 and Future Years Noninsured Crop Disaster Assistance Program Manual Payment Calculation Worksheet for Value Loss Crops	Ex. 54	578, 702, Part 12, Ex. 53
CCC-576C	2015 and Future Years Noninsured Crop Disaster Assistance Program Payment Calculation Worksheet (Grazing Crops)	Ex. 62	702, 804, 807
CCC-576-1	Appraisal/Production Report Noninsured Crop Disaster Assistance Program		Text, Ex. 53
CCC-577	Transfer of NAP Coverage	Ex. 36	11, 342
CCC-579	NAP Approved Yield Compliance Worksheet	775	
CCC-770 NAP	Noninsured Crop Disaster Assistance Program Checklist	12	
CCC-860	Socially Disadvantage, Limited Resource and Beginning Farmer or Rancher Certification		6, 54, 301-304
CCC-902	Farm Operating Plan for Payment Eligibility 2009 and Subsequent Program Years		8, 100
FSA-321	Finality Rule and Equitable Relief		301
FSA-325	Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent		342, 700
FSA-578	Report of Acreage		Text, Ex. 52, 203
FSA-850	Environmental Screening Worksheet		156
NRCS Form CPA-026e	Highly Erodible land and Wetland Conservation Determination		379

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 means the number of acres that the reported acreage may differ from the *--determined acreage for all crop types within a pay group without either of the following:

- total loss of benefits within the pay group--*
- 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. Acreage variances of 1.0 acres or less does **not** apply.

Acres Devoted to the Eligible Crop

Acres devoted to the eligible crop means the total planted and considered planted (P&CP) acres of the eligible crop.

Actual Production

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

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

APH

APH means the actual production history of the crop for the unit used to determine the approved yield for NAP purposes according to paragraph 402.

Actual Yield

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

Definitions of Terms Used in This Handbook (Continued)**Added Land**

Added land means 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, Planting Period, or Unit

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

Additional Coverage

Additional coverage means insurance coverage offered by the Federal Crop Insurance Corporation under sections 508(c) or 508(h) of the Federal Crop Insurance Act.

Administrative County

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

Administrative County Office

Administrative county office means the county FSA office designated to make determinations, handle official records, and issue payments for the producer according to 7 CFR Part 718.

Agricultural Experts

Agricultural experts mean persons who are employed by NIFA, the agricultural departments of universities, or other persons approved by FSA whose research or occupation is related to the specific crop or practice for which such expertise is sought.

Definitions of Terms Used in This Handbook (Continued)

Organic Standards

Organic standards mean standards according to the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.) and 7 CFR Part 205.

Organic System Plan

Organic system plan means a plan of management of an organic production or handling operation that has been agreed to by the producer or handler and the certifying agent and that includes written plans concerning all aspects of agricultural production or handling described in the Organic Foods Production Act and the regulations of 7 CFR Part 205, subpart C.

Ornamental Fish

Ornamental fish means a decorative fish produced in a commercial fishery for sale.

Ornamental Nursery Crop

Ornamental nursery crop means decorative plants grown in a container or controlled environment for commercial sale.

Other Hay

Other hay means 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.

Definitions of Terms Used in This Handbook (Continued)

Pay Group

Pay group means pay crop, pay type, and planting period.

Perennial Peanut Forage

Perennial peanut forage means a stand of perennial peanuts intended for forage for animal consumption.

Planted

--Planted, for determining late planting, means when crop is placed in the field either by seed or transplant.--

* * *

Planted Acreage

Planted acreage means land in which seed, plants, or trees have been planted, appropriately for the crop and planting method, at the correct depth, into a seedbed that has been properly prepared for the planting method and production practice.

Planted and Considered Planted (P&CP)

P&CP means, with respect to an acreage amount, the sum of the planted and prevented planted acres approved by the FSA COC for a crop. P&CP is limited to initially planted, or prevented planted crop acreage, **except** for crops planted in an FSA approved double-cropping sequence. Replacement crop acreage is not included as P&CP.

Practical and Customary to Replant

Practical and customary to replant means, as determined by FSA, replanting the covered crop or commodity is customary and will allow the crop or commodity to attain maturity before the calendar date for the end of the coverage period.

Prevented Planting

Prevented planting means the inability to plant the intended crop acreage with proper equipment during the established planting period for the crop type.

Instructions for Completing CCC-576, Notice of Loss and Application for Payment, for 2015 and Subsequent Years (Continued)

A Completing CCC-576 (Continued)

Item	Instructions												
Part H - Certification and Application for Payment This part must be filed by the producer in the control County Office, unless producer checked (✓) "Yes" in item 8I. Note: Any entries on the Application for Payment sections, signed by the producer, someone on the producer's behalf, or by FSA, must be affirmed by the producer signing in Part H.													
50 A-C	Producer will sign and date certifying to information on form. Each producer with a share in the farming relationship must complete and sign a separate CCC-576, Part H for their share of eligible NAP benefits. Exception: The producer does not need to sign Part H if the producer checked (✓) "Yes" in item 8I.												
51 A-C	LA shall sign and date. If LA was not required to do an appraisal or verify the crop information because of production being harvested, or LA signed on CCC-576-1, then an FSA representative shall sign and date.												
Part I - COC Approval/Disapproval of Application for NAP Payment This part shall be completed based on criteria in paragraph 675.													
52 A-C	Use these steps to review producer eligibility criteria before approval or disapproval of the application for NAP payment. <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 10%; text-align: center;">Step</th><th style="text-align: center;">Action</th></tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td><td> Review whether crop or commodity was approved in item 7F and/or item 8E. *--If crop or commodity was not acted on in item 7F and/or item 8E, stop.--* An application for payment cannot be processed. </td></tr> <tr> <td style="text-align: center;">2</td><td> Was the application for payment filed according to paragraph 675? <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 10%; text-align: center;">IF...</th><th style="text-align: center;">THEN...</th></tr> </thead> <tbody> <tr> <td style="text-align: center;">yes</td><td>go to step 3.</td></tr> <tr> <td style="text-align: center;">no</td><td> <ul style="list-style-type: none"> disapprove the application for payment indicate disapproval on CCC-576, item 52 A document basis for decision in the COC minutes notify the applicant according to paragraph 675. </td></tr> </tbody> </table> </td></tr> </tbody> </table>	Step	Action	1	Review whether crop or commodity was approved in item 7F and/or item 8E. *--If crop or commodity was not acted on in item 7F and/or item 8E, stop .--* An application for payment cannot be processed.	2	Was the application for payment filed according to paragraph 675? <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 10%; text-align: center;">IF...</th><th style="text-align: center;">THEN...</th></tr> </thead> <tbody> <tr> <td style="text-align: center;">yes</td><td>go to step 3.</td></tr> <tr> <td style="text-align: center;">no</td><td> <ul style="list-style-type: none"> disapprove the application for payment indicate disapproval on CCC-576, item 52 A document basis for decision in the COC minutes notify the applicant according to paragraph 675. </td></tr> </tbody> </table>	IF...	THEN...	yes	go to step 3.	no	<ul style="list-style-type: none"> disapprove the application for payment indicate disapproval on CCC-576, item 52 A document basis for decision in the COC minutes notify the applicant according to paragraph 675.
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***--Instructions for Completing CCC-576, Notice of Loss and Application for Payment, for 2015 and Subsequent Years (Continued)**

A Completing CCC-576 (Continued)

Item	Instructions	
52 (Cntd)	Step	Action
	3	Is a person, who is either the applicant or member of the applicant, disqualified to receive NAP payments according to paragraph 104?
		IF... THEN...
		yes and is the applicant do all of the following: <ul style="list-style-type: none"> disapprove the application for payment indicate disapproval on CCC-576, item 52 A document basis for decision in the COC minutes notify the applicant according to paragraphs 6 and 104.
		yes and is a member of the applicant do all of the following: <ul style="list-style-type: none"> disallow payment to the member and ensure payment is not issued continue to step 4 document basis for decision in the COC minutes notify the member and applicant according to paragraphs 6 and 104.
		no go to step 4.
	4	Is a person who is either the applicant or a member of the applicant, in violation of the Highly Erodible Land and Wetland Conservation provisions according to paragraph 103?
		IF... THEN...
		yes and is the applicant do all of the following: <ul style="list-style-type: none"> disapprove the application for payment indicate disapproval on CCC-576, item 52 A document basis for decision in the COC minutes notify the applicant according to 6-CP.
		yes and is a member of the applicant do all of the following: <ul style="list-style-type: none"> disallow payment to the member, ensure that payment is not issued, and continue to step 5 document basis for decision in the COC minutes notify the member and applicant according to 6-CP.
		no go to step 5.

--*