Amendment Transmittal

A Reasons for Amendment

Subparagraph 1 D has been amended to:

- update the reference to 5-PL
- add a reference to 6-PL.

Subparagraph 1 F has been added to provide a link to program areas of responsibility and contact information for National Office staff.

Subparagraph 6 A has been amended to clarify producer notification requirements.

Subparagraph 50 D has been amended to clarify growing history requirements.

Subparagraph 51 C has been amended to provide a link to a list of approvals for insufficient chill hours.

Subparagraph 51 D has been amended to include additional notes for resources to use when considering applicability of excess moisture.

Subparagraph 51 E has been added to provide guidance when drought is the claimed cause of loss.

Subparagraph 54 B has been amended to clarify establishing the NAP coverage period.

Subparagraph 100 C has been added to include eligibility requirements of leased land previously included in paragraph 800.

Subparagraph 150 A has been amended to update the exceptions because, effective for the 2021 crop year, RI-PRF and RI-Apiculture are no longer considered pilot programs.
A Reasons for Amendment (Continued)

Subparagraph 154 A has been amended to clarify that liquidated damages are assessed at 10 percent of the NAP payment received.

Subparagraph 200 I has been amended to add a reference to an example notification letter when coverage cannot be extended for a crop.

Subparagraph 209 D has been amended to add a link to current approvals for the quality loss option.

Subparagraph 277 F has been amended to clarify annual review of carrying capacities.

Subparagraph 301 I has been amended to add guidance for producer notification when the growing history requirement is not met.

Subparagraphs 303 A and C have been amended to include regulatory language removed in a previous amendment.

Subparagraphs 304 A, B, and E have been amended to include regulatory language removed in a previous amendment.

Subparagraph 305 C has been amended to correct the SOC November mailing date and clarify information contained in SOC.

Subparagraph 342 F has been amended to:

- provide guidance on service fees
- remove the need to request assistance for locked software.

Subparagraph 378 A has been amended to clarify requirements for prevented planted acreage.

Subparagraph 379 F has been amended to clarify the example for de minimis acreage.

Subparagraph 575 B has been amended to clarify CCC-576, Part B filing requirements for grazed forage producers.

Subparagraph 588 G has been added to provide guidance on using electronic devices when performing an appraisal.

Subparagraph 675 A has been amended to clarify CCC-576, Parts D through G filing requirements for grazed forage producers.

Subparagraph 800 D has been amended to clarify acreage eligibility.

Subparagraph 802 E has been amended to clarify determining losses on forage.
A Reasons for Amendment (Continued)

Subparagraph 901 D has been amended to clarify aquaculture for private property.

Subparagraph 901 H has been amended to provide additional guidance when setting natural mortality rates for aquaculture.

Subparagraphs 901 J and K have been removed because they were irrelevant.

Subparagraph 976 I has been amended to clarify that lack of a floral source is an ineligible cause of loss, unless the lack of floral source is caused by an eligible cause of loss.

Paragraph 978 has been amended to:

- remove policy for intended uses found in 2-CP
- update the FR citation
- clarify existing policy.

Exhibit 2 has been amended to update the definition of “value loss crops”.

Exhibit 14.7 has been withdrawn because the information can now be:

- found in the NCT reports
- accessed according to 3-NAP, paragraph 22.

Exhibit 15 has been added to provide an example letter in response to CCC-471 filed for a crop for which FSA cannot extend coverage.

Exhibit 35.5 has been added to provide an example letter in response to CCC-471 filed for buy-up coverage when the producer does not meet the growing history requirement.
<table>
<thead>
<tr>
<th>TC</th>
<th>Text</th>
<th>Exhibit</th>
</tr>
</thead>
<tbody>
<tr>
<td>7, 8</td>
<td>1-3 through 1-6, 1-13, 1-14, 2-1, 2-2, 2-2.5, 2-2.6, 2-9 through 2-12, 2-12.5, 2-12.6, 2-15, 2-16, 2-19, 2-20, 2-23, 2-24, 3-1, 3-2, 3-2.5, 3-2.6 (add), 3-3, 3-4, 3-51, 3-52, 3-59, 3-60, 4-1, 4-2, 4-5, 4-6, 4-29 through 4-218, 4-228.7, 4-228.8, 5-8.5, 5-8.6, 5-11, 5-12, 5-17 through 5-20, 5-20.5, 5-20.6 (add), 5-21 through 5-100, 5-109, 5-110, 6-5, 6-6, 6-9, 6-10, 6-15 through 6-18, 7-185 through 7-210, 8-1, 8-2, 8-35, 8-36, 10-1 through 10-50, 12-1 through 12-4, 12-13 through 12-16, 12-16.5, 12-16.6 (add), 12-97, 12-98, 12-105, 12-106, 12-223, 12-224, 12-229 through 12-234, 12-397, 12-398, 12-401 through 12-406</td>
<td>1, pages 3, 4, 2, page 23, 5, pages 1-8, page 9, 14.7, page 1 (remove), 15, page 1 (add), 35.5, page 1 (add)</td>
</tr>
</tbody>
</table>
Part 12 Specific Crop Procedures (Continued)

Section 3 Value Loss Crops

900 General Provisions

901 Aquaculture

902 Christmas Trees

903 Floriculture

904 Ginseng

905 Mushrooms

906 Ornamental Nursery

907 Propagation Stock Nonornamental Nursery Seed

908 Turfgrass Sod

909-974 (Reserved)

Section 4 Other Crops

975 Biomass

976 Honey

977 Maple Sap

978 Hemp Provisions

Exhibits

1 Reports, Forms, Abbreviations, and Redelegations of Authority
2 Definitions of Terms Used in This Handbook
3, 4 (Reserved)
5 Determining Crops Covered by Insurance Using RMA Websites
6-13 (Reserved)
14 (Withdrawn--Amend. 18)
14.5, 14.6 (Withdrawn--Amend. 18)
14.7 (Withdrawn--Amend. 20)
15 Letter in Response to CCC-471 Filed for a Crop for Which FSA Cannot Extend Coverage
16 (Reserved)
17 CCC-456, NAP Crop Data Information for New NAP Crops
18-21 (Reserved)
22 Example of Letter to Producer Advising of Results of Office Determination
23-25 (Reserved)
26 (Withdrawn--Amend. 10)
27-30 (Reserved)
31 NASS Quick Stats Tool as a Resource for Price and Yield Data
32 (Withdrawn--Amend. 2)
33 Identifying AMS Price Data
34 Examples of Continuous Coverage and Reminder Notification Letters
Table of Contents (Continued)

Exhibits (Continued)

<table>
<thead>
<tr>
<th>Exhibit Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>35</td>
<td>Letter in Response to CCC-471 Filed After the End of a Coverage Period or When a Coverage Period Would End Within 30 Calendar Days of Actual Date of CCC-471 Filing</td>
</tr>
<tr>
<td>35.5</td>
<td>Letter in Response to CCC-471 Filed for Buy-Up Coverage When the Producer Does Not Meet the Growing History Requirement</td>
</tr>
<tr>
<td>36</td>
<td>Instructions for Completing CCC-577, Transfer of NAP Coverage</td>
</tr>
<tr>
<td>37</td>
<td>Accessing and Saving NAP Late Planting-Assigned Production Calculator Worksheet</td>
</tr>
<tr>
<td>38</td>
<td>(Reserved)</td>
</tr>
<tr>
<td>39</td>
<td>Additional Prevented Planting Calculations</td>
</tr>
<tr>
<td>40</td>
<td>Crops Applicable to Native Sod Provisions</td>
</tr>
<tr>
<td>41</td>
<td>Instructions for Completing CCC-452, Actual Production History and Approved Yield Record</td>
</tr>
<tr>
<td>42-51</td>
<td>(Reserved)</td>
</tr>
<tr>
<td>52</td>
<td>Instructions for Completing CCC-575, Record of Historical Marketing Percentage (HMP), Contract Marketing Percentages (CMP), and Direct Marketing Percentage (DMP)</td>
</tr>
<tr>
<td>53</td>
<td>Instructions for Completing CCC-576, Notice of Loss and Application for Payment Noninsured Crop Disaster Assistance Program for 2020 and Subsequent Years</td>
</tr>
<tr>
<td>53.2</td>
<td>Example of Disapproved Notice of Loss Letter</td>
</tr>
<tr>
<td>53.3</td>
<td>Example of Approved Notice of Loss Letter</td>
</tr>
<tr>
<td>53.4</td>
<td>Example of Approved Notice of Loss Grazed Forage Letter</td>
</tr>
<tr>
<td>53.5</td>
<td>Accessing and Saving NAP Acreage – Destroyed Without Consent or Ineligible Cause of Loss – Assigned Production Calculator Worksheet</td>
</tr>
<tr>
<td>54</td>
<td>Instructions for Completing CCC-576B, 2015 and Future Years Noninsured Crop Disaster Assistance Program Manual Payment Calculation Worksheet for Value Loss Crops</td>
</tr>
<tr>
<td>55</td>
<td>Completing CCC-576A-EZ, Manual Payment Calculations for NAP Yield Based Crops Without HMP, CMP, or DMP</td>
</tr>
<tr>
<td>56</td>
<td>Instructions for Completing CCC-576A, Manual Payment Calculations for NAP Yield Based Crops With Multiple Markets and/or Multiple Final Uses</td>
</tr>
<tr>
<td>57</td>
<td>Instructions for Completing CCC-576A-1, Manual Payment Calculations for NAP Yield Based Crops With Multiple Crop Types With Prevented Planted Acres</td>
</tr>
<tr>
<td>58</td>
<td>NAP Coverage and RMA Annual Forage Pilot Policy Reference Table</td>
</tr>
<tr>
<td>59-61</td>
<td>(Reserved)</td>
</tr>
<tr>
<td>62</td>
<td>Instructions for Completing CCC-576C, 2015 and Future Years Noninsured Crop Disaster Assistance Program Payment Calculation Worksheet (Grazing Crops)</td>
</tr>
<tr>
<td>63</td>
<td>Accessing and Saving NAP Turfgrass sod FMV-A and FMV-B Calculator Worksheet</td>
</tr>
<tr>
<td>64</td>
<td>Instructions for Completing CCC-576-1, Appraisal/Production Report Noninsured Crop Disaster Assistance Program for 2019 and Subsequent Years</td>
</tr>
</tbody>
</table>
1 Overview (Continued)

D Related Handbooks (Continued)

• 1-FI for issuing payments
• 3-FI for depositing remittances
• 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 NRSS
• 1-GIS for geospatial information systems
• 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 2014 through 2020 program years’ payment eligibility, payment limitation, and average AGI
• 6-PL for 2020 and subsequent program years’ 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.
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.--*
Overview (Continued)

E Administration (Continued)

(1) Producers and participants have no right to a decision in response to a request to waive or modify deadlines or program provisions. The Deputy Administrator’s refusal to consider such a request or a decision not to exercise this discretionary authority under this section is not an adverse decision and is not appealable.

(2) FSA’s decision not to consider a case under this section is not a failure to act under any law or regulation because participants have no right to a decision on a request for waiver or modification.

(f) Items including, but not limited to, application periods, application deadlines, basic provisions, internal operating guidelines issued to FSA State and County Offices, coverage periods, fees, prices, yields, and payment factors established for NAP in accordance with this part that are used for similarly situated participants and eligible crops are not to be construed to be individual program eligibility determinations or extent of eligibility determinations and are, therefore, not subject to administrative review.

(g) Where there is any conflict between the basic provisions and the regulations, the regulations apply except when the Deputy Administrator determines that because of the timing of issuance of the regulations, the basic provisions applicable to the specific crop year or coverage period that may be less restrictive will apply.

*--F National Office Program Area Assignments and Specialist Contact Information

A list of current program specialist assignments and contact information for NAP policy and software can be found under the heading “NAP Program Specialist Assignments and Contact Information” at https://inside.fsa.usda.gov/program-areas/dafp/dap/nap/index.

For all NAP-related software issues, submit a SharePoint case at https://usdagcc.sharepoint.com/sites/fsa-dafp-disaster/Payment_Issues/Lists/NAP%20Payment%20Problems/MainView.aspx.--*
2 Units of Measure

A Application

Use the same unit of measure for all NAP data for each crop, such as, but not limited to:

- determining crop production
- establishing a crop yield and average market price.

B Production and Yields

The smallest unit of measure that lends itself to the greatest level of accuracy, with minimal use of fractions, will be selected. See subparagraph D for rules of rounding fractions.

<table>
<thead>
<tr>
<th>Unit of Measure</th>
<th>Expressed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pounds, ounces, bu., or inches.</td>
<td>Whole number.</td>
</tr>
<tr>
<td>Tons.</td>
<td>Hundredths.</td>
</tr>
<tr>
<td>Cwt.</td>
<td></td>
</tr>
<tr>
<td>Flowering tree or shrub.</td>
<td>Whole number (1 each).</td>
</tr>
<tr>
<td>Field- or container-grown plants or bushes.</td>
<td>Whole number (1 each).</td>
</tr>
<tr>
<td>Flats.</td>
<td>Whole number.</td>
</tr>
<tr>
<td>Square yard.</td>
<td>Whole number.</td>
</tr>
<tr>
<td>Containers, bunches, stems, pieces, and lugs.</td>
<td>Whole number.</td>
</tr>
</tbody>
</table>

Note: All containers, bunches, stems, pieces, lugs, etc., must include the weight or number, as applicable, and be consistent across the entire State.

Example: Yield = 100 containers, 1 container = 25 pounds.

STC will ensure that both the yield and average market price are based on the same weight or number. If the weight or number is the same as a self-defined unit of expression, such as pound, ton, etc., use the self-defined unit of expression.

Note: Use the FCIC-established units of measure on all crops for which there is an insurance policy offered in the State. If insurance is not available in the State, STC may consider, but is not required to use, FCIC-established units of measure.
COC Responsibilities (Continued)

A Responsibilities (Continued)

- NAP payments are approved only after COC is satisfied that the payment is properly calculated and due each producer, including COC satisfaction that:
  - the producer’s unit is established correctly
  - the acreage is accurate, was planted timely, and is cared for using good farming practices
  - the producer has the ability and intent to harvest, transport, and market the approved yield or inventory of the crop or commodity according to paragraph 106--*
  - prevented planting claim is reasonable and justified
  - production records presented for the year in which the natural disaster occurred are verified and represent a true and complete record of the production for the unit
  - the certified production for approved yield purposes is reasonable
  - the claimed share reflects the participant’s share in the crop at the time of loss

  Note: A participant claiming a share of the payment that has received a guaranteed payment for production, as opposed to delivery, of a crop pursuant to a contract, will have the production of the producer adjusted upward by the amount of the production equal to the amount of the contract payment received.

- redelegations are properly recorded following procedure in Exhibit 1--*

- payments that are determined to be owed are issued only after:
  - for 2015 and subsequent crop years, AGI limitation procedure in 5-PL is followed
  - conservation compliance requirements have been met
  - total NAP payments to a person or legal entity, directly or indirectly, do not exceed *--the applicable payment limitation in a crop year--*
COC Responsibilities (Continued)

A Responsibilities (Continued)

- approval of CCC-576, Part B, results in an approval letter sent to each producer filing CCC-576

- disapproval of CCC-576, Part B, results in a single disapproval letter sent to all of the producers with an interest in the specific crop acreage covered by CCC-576. The letter must include the following:
  - notification that CCC-576, Part B was disapproved
  - reason or reasons for the disapproval
  - notification that appeal rights will not be provided unless an adverse determination of payment eligibility is subsequently recorded.

Note: See Exhibit 53.2 for an example letter.--*

COC approval of CCC-576:

- Part C, signifies that:
  - applicant provided an acceptable notice of loss, such as CCC-576, Part B, according to subparagraph 575 B
  - natural disaster caused the damage or loss, as claimed

- Part H, signifies that applicant has provided all requisite forms, evidence, and information according to paragraph 675.

Notes: The fact that a producer did not suffer a qualifying loss to receive a NAP payment will not affect whether COC approves CCC-576, Part H. An acceptable application for payment (CCC-576, Parts D through F) that meets criteria in this handbook should be approved and processed through the automated system, even if a zero payment is calculated.

*--If a single disapproval letter for Part H involves more than 1 producer, the producers will be sent the same letter and may collectively choose to appeal the single determination. If 1 or more producers appeal, all producers must be notified of the appeal.--*
Part 2  Available Coverage

50 Coverage Options

A Overview

The Agriculture Improvement Act of 2018 re-authorized FSA to offer basic 50/55 and NAP buy-up coverage. Buy-up NAP coverage levels require payment of a premium in addition to the NAP service fee.

B Coverage Levels

[7 CFR 1437.5] Coverage levels.

(a) NAP coverage for prevented planting is provided for approved prevented planting of an eligible NAP covered crop due to an eligible cause of loss in the coverage period. Payment is based on the approved prevented planted acreage in excess of 35 percent of the total intended acres to be planted.

(b) Except as provided in paragraph (d) of this section, NAP coverage is equal to 50 percent of the yield or inventory value specified in paragraph (c) of this section at 55 percent of the average market price established by FSA.

(c) Except as provided in paragraph (d) of this section, to be eligible for a NAP payment a producer must have suffered a yield or inventory value loss greater than 50 percent as the result of an eligible cause of loss in the coverage period as follows:

(1) For yield-based crops, a yield loss in excess of 50 percent of the approved yield;

(2) For value loss crops, a loss of value in excess of 50 percent of the total value of eligible inventory at the time of disaster;

*(d) Subject to paragraph (e) of this section, producers of eligible NAP crops, other than crops and grasses intended for grazing, may elect buy-up coverage at 100 percent of the average market price in amounts of 50 percent to 65 percent, in 5 percent increments, of:

(1) For yield-based crops, the approved yield; and
B Coverage Levels (Continued)

(2) For value loss crops, the lesser of the total value of eligible inventory at the time of disaster or the maximum dollar value for coverage sought.

*--(e) A producer cannot obtain buy-up coverage for a crop if the producer has not successfully produced the crop in a previous year for which documentation exists and that documentation shows that the crop can be successfully grown by the producer in the county. Production of the crop is considered to be successful if the producer produced at least 50 percent of the county expected yield for the same county for which buy-up coverage is sought, unless the producer suffered a loss on the crop due to an eligible cause of loss in § 1437.10. If not already provided to FSA for any reason including NAP coverage or assistance, the producer must submit documentation showing successful growing of the crop in a previous year and, in the event a loss due to an eligible cause of loss was sustained, submit documentation of that loss satisfying the requirements of §1437.11.--*

(f) The quantity or value of any eligible NAP crop will not be reduced for any quality consideration unless a zero value is established based on a total loss of quality, except as specified in §1437.105.

(g) For crop acreage intended to be grazed, to be eligible for a NAP payment, a producer must have suffered a loss of AUD in excess of 50 percent of expected AUD determined on the basis of acreage, carrying capacity, and grazing period.
Coverage Options (Continued)

*--C Available Coverage Levels--*

Before the 2014 Farm Bill, NAP provided only 1 level of coverage, equivalent to CAT level protection available under Federal Crop Insurance Act, Section 508(b), referred to by FSA as **basic 50/55 NAP coverage**. Under basic 50/55 NAP coverage:

- NAP payments for low yield are calculated based on the amount of loss that exceeds 50 percent of expected production at 55 percent of the average market price for the crop
- prevented planting is calculated **not** on a loss of expected yield, but based on acreage prevented from being planted based on total acreage intended to be planted in a crop year
- a NAP-prevented planting payment is issued based on the eligible approved prevented planted crop acreage in excess of 35 percent of total planted and prevented planted acreage times 55 percent of the average market price of the crop.

In addition to basic 50/55 NAP coverage, the 2014 Farm Bill authorized and the 2018 Farm Bill re-authorized additional levels of coverage (buy-up coverage) to all eligible NAP crops, other than crops grown for grazing. The 2014 Farm Bill and the 2018 Farm Bill specifically **exclude** crops and grasses intended for grazing from buy-up NAP coverage.

For other eligible NAP crops, producers may select buy-up coverage ranging from 50 to 65 percent of production, in 5 percent increments, and for 100 percent of the average market price. All buy-up coverage levels are at 100 percent of the average market price. If a producer elects buy-up coverage for a crop, prevented planting on that crop will be calculated using 100 percent of the average market price. Payment factors (for acres prevented from being planted, planted and **not** harvested, and planted and harvested) will be applied as they are applied for basic 50/55 NAP coverage.
D Growing History Requirement

A growing history requirement is applicable for:

- *--hemp for 2020 and subsequent crop years--*

- all other crops, including value loss, with an actual application for coverage filing date of March 2, 2020, or later, regardless of crop year.

For crops for which a growing history is required, a producer must have at least one year of history of successfully growing the crop in the county to elect buy-up coverage for the crop. Proof of acceptable crop production and planting history must be submitted before the application closing date and must be satisfactory to COC or STC to show the crop was grown successfully in the county and documented in the minutes. Producers not meeting the history requirement are limited to basic 50/55 coverage for the crop.

**Note:** For the growing history requirement, the term “crop” is based on the crop code as defined in 2-CP. Different crop types will be considered the same crop if they have the same crop code.

Production of the crop is considered to be successful:

- for yield-based crops, if the producer produced at least 50 percent of the county *--expected yield, or planted the crop and suffered a loss because of an eligible cause of loss

  **Note:** Prevented planted acreage is not considered successful production of the crop for meeting the growing history requirement.

- for value loss crops, if the producer has documentation, to COC’s satisfaction, to support harvested inventory of at least 50 percent of the maximum dollar value sought, unless--* the producer suffered a loss on the crop because of an eligible cause of loss.

**Notes:** Eligible causes of loss must be disaster events eligible for NAP according to paragraph 51 and supported by documentation of the loss that is satisfactory to COC or STC.

See subparagraph 301 I for processing CCC-471’s when this requirement is not met.

*--If successor-in-interest rules apply according to paragraph 485, then COC may determine that the producer meets the growing history requirement.

**Example:** When individuals become involved in a new entity, the growing history from the individual members may be used in establishing the growing history when the land previously farmed by the individual member is the same land farmed by the new entity.--*
B  Eligible Causes of Loss

Eligible causes of loss include:

- damaging weather, including but not limited to drought, hail, excessive moisture, freeze, tornado, hurricane, excessive wind, lightning, insufficient chill hours, or any combination thereof

*--Notes: Drought may be an eligible cause of loss for crops having irrigated or nonirrigated practices that suffered production losses or acres prevented from being planted.--*

Insufficient chill hours are an eligible cause of loss only for specific crops and locations approved by DAFP in advance of a coverage period, unless insufficient chill hours qualify as a related condition.

- adverse natural occurrences, such as earthquake, flood, volcanic eruption, or any combination thereof

- related conditions, including but not limited to heat, insect infestation, disease, insufficient chill hours approved by DAFP, or wildfire that occur because of an adverse natural occurrence or damaging weather.

Notes: Damaging weather or adverse natural occurrence must have occurred for a related condition to be an eligible cause of loss.

The verbiage of “but not limited to” is only to allow DAFP the ability to add additional causes of loss. STC’s and COC’s may only approve eligible causes of loss as listed in this subparagraph.

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

* * *
C Insufficient Chill Hours

FSA will determine the specific crops and locations that require a sufficient amount of chill hours and for which a lack of chill hours can be viewed as an eligible cause of loss by itself and not as a related condition. FSA State Offices will maintain a list of crops, locations, and crop years where insufficient chill hours are approved by DAFP in advance of a coverage period as a primary cause of loss. If insufficient chill hours are not determined to be a primary cause of loss by itself in advance of a coverage period for the crop and location, insufficient chill hours can only be recognized as an eligible cause of loss if it is a related condition to an eligible cause of loss.

To request approval of insufficient chill hours as an eligible primary cause of loss, State Offices with STC approval, must, no later than 60 calendar days before the application closing date for a crop and location, submit to the National Office sufficient scientific evidence to justify insufficient chill hours as a primary cause of loss for the crop and location. Documentation must include weather data and justification from agricultural universities, colleges, or agricultural experts.

Notes: State Offices must:

- obtain STC approval before requesting approval of DAFP for insufficient chill hours
- submit requests and supporting documentation directly to PECD, PPB, DAS according to paragraph 11.

*--A list of approved crops by State and county can be found under “NAP Policy Approvals” at https://inside.fsa.usda.gov/program-areas/dafp/dap/nap/index.--*

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 guidelines for the amount of rainfall or other weather conditions required for excess moisture to be approved as a cause of loss.
D Excess Moisture (Continued)

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

- 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, such as wind, cloud cover, and temperature
- 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 that COC determines is applicable.

*--Notes: Available resources to assist COC in the determination include, but are not limited to, the following:--*

- PRISM, found at http://www.prism.oregonstate.edu/, is a tool to determine rainfall received and average rainfall amounts for a specific area, as well as temperature
- the NRCS web soil survey may be used to determine soil type and can be found at https://websoilsurvey.sc.egov.usda.gov/App/HomePage.htm
- the Climate Prediction Center provides current precipitation data in addition to prior precipitation data in 30- and 60-calendar-day increments, which may be found at https://www.drought.gov/current-conditions
- the Standardized Precipitation Index, found at https://iridl.ldeo.columbia.edu/maproom/Global/Precipitation/SPI.html, may be used to view a statistical comparison of current rainfall accumulation with historical rainfall data.

Grazing losses must follow specific policy found in paragraph 804.--*
51  NAP Causes of Loss (Continued)

*--E  Drought

COC will determine when drought 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, drought conditions must occur during the coverage period and must directly impact the covered crop or crop acreage. COC and/or STC will consider drought claims on a case-by-case basis and not establish specific guidelines for the amount of rainfall or other weather conditions required for drought to be approved as a cause of loss.

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

- 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, such as wind, cloud cover, and temperature
- the specific crop’s moisture requirements and moisture tolerance
- the timing of the claimed drought relative to the crop’s production cycle and moisture needs
- any other available information that COC determines is applicable.

Notes: Available resources to assist COC in the determination include, but are not limited to, the following:

- PRISM, found at [http://www.prism.oregonstate.edu/](http://www.prism.oregonstate.edu/), is a tool to determine rainfall received and average rainfall amounts for a specific area, as well as temperature
- the NRCS web soil survey may be used to determine soil type and can be found at [https://websoilsurvey.sc.egov.usda.gov/App/HomePage.htm](https://websoilsurvey.sc.egov.usda.gov/App/HomePage.htm)
- the U.S. Drought Monitor is located at [https://droughtmonitor.unl.edu/](https://droughtmonitor.unl.edu/) and is a tool that can be used to assist with COC drought determinations. It uses climatological inputs, such as the Palmer Drought Severity Index, Climate Prediction Center Soil Moisture Model, USGS Weekly Streamflow data, and Standardized Precipitation Index.

Grazing losses must follow specific policy found in paragraph 804.--*
F 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 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, including but not limited to:
  - not following crop rotation recommendations from agricultural experts
  
  **Note:** COC will recommend and STC will review specific crop combinations between separate planting periods. See subparagraph 206 E.

- using herbicides inappropriately
- using insufficient fertilizer
- planting on soil with insufficient water holding capacity when the crop is not irrigated
- 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 for annual crops or beginning of the coverage period for 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
- drifting herbicide
- prevented planting caused by chemical and herbicide residue
F  Ineligible Causes of Loss (Continued)

- wildlife damage
- inability of a producer to obtain a market for the crop
- inability of the crop to mature in time to meet a specific market
- except as provided for in Part 12, Section 3, loss of inventory or yield of aquaculture (including ornamental fish), floriculture, or ornamental nursery stemming from drought or any failure to provide water, soil, or growing media to such crop for any reason
- any failure to provide a controlled environment or exercise good nursery practices when such controlled environment or practices are a condition of eligibility
- except as provided for mollusks in paragraph 901, any alleged or actual loss of inventory or missing noncontainerized inventory resulting from a managerial decision not to seed or raise the eligible NAP crop in containers, net pens, wire baskets, or similar devices
- for crops grown using organic farming practices, failure to comply with organic standards
- weeds
- failure to harvest or market the crop because of lack of a sufficient plan or resources.
53  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 crop insurance coverage, excluding pilot crop insurance, 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.

If Area Risk Protection is available, the crop acreage is not eligible for NAP assistance.

See Exhibit 5 to determine crops covered by insurance using RMA web sites.

Crop acreage for which individual coverage is available only as a pilot product is eligible for NAP assistance; however, the multiple benefit exclusion applies.

• by-products resulting from processing or harvesting an eligible crop, such as peanut hay, oat straw, corn stover, wheat straw, etc.

***

• nonornamental nursery plants, such as strawberry plants, orange trees, etc., unless the plants can be considered a propagation seed crop under paragraph 907
A Ineligible Crops for NAP Assistance (Continued)

- home gardens or crops not being produced for commercial sale
- experimental crops
- volunteer stands, except native forage
- livestock and their by-products
- trees grown for lumber or paper products
- first year seeded biennial and perennial forage
- immature orchards
- crops that STC has determined cannot practically or viably be grown commercially in the area
- replacement crop acreage planted after approved prevented planted or failed crop acreage, in the same crop year.

If crop 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, nonirrigated, summer fallow, and continuous crop), unless an exception in subparagraph B applies.

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.

*--Note: See subparagraph 51 F for ineligible causes of loss and paragraph 380 for--* maintaining ineligible crop acreage, honeybee colonies, and tree taps in SNAPP.
Coverage Period

A Definition of Coverage Period

Coverage period means the time during which coverage is available against loss of production of the eligible crop because of eligible natural disaster. A coverage period for any crop is specified in CCC-471 NAP BP.

Note: See paragraph 51 for eligible causes of loss.

--The coverage period will not begin earlier than:

- 30 calendar days following receipt of a filed CCC-471 accompanied by an applicable service fee or CCC-860 for crop years 2015 through 2019

- 1 calendar day following receipt of a filed CCC-471 accompanied by an applicable service fee or CCC-860 for crop years 2020 and subsequent years.

Exception: For the 2015 and 2019 crop years only, an exception is being made for crops with retroactive buy-up coverage. The NAP coverage period in those instances will begin the same as it would have begun if CCC-471 had been filed by the application closing date.

B Establishing NAP Coverage Period

--Follow this table for establishing coverage periods for crop years 2015 through 2019.

<table>
<thead>
<tr>
<th>IF the NAP coverage period is for...</th>
<th>THEN coverage begins the later of...</th>
<th>AND coverage ends the earlier of...</th>
</tr>
</thead>
</table>
| annual crops for the 2015 through 2019 crop years | • 30 calendar days after the date CCC-471 is filed  
• date the crop is planted, not to exceed the final planting date as determined by STC | • date harvest is complete  
• normal harvest date for the planting period as determined by STC  
• abandonment of the crop  
• total destruction of the crop. |

--*/
## Coverage Period (Continued)

### B Establishing NAP Coverage Period (Continued)

<table>
<thead>
<tr>
<th>IF the NAP coverage period is for...</th>
<th>THEN coverage begins the later of...</th>
<th>AND coverage ends the earlier of...</th>
</tr>
</thead>
</table>
| perennial crops, other than perennial crops intended for forage or biomass for the 2015 through 2019 crop years | - 30 calendar days after the application closing date  
- 30 calendar days after CCC-471 is filed | - 10 months from the application closing date  
Exceptions: There may be cases where the established insurance period for the crop as specified in the insurance crop policy exceeds a 9-month period. Only in those cases may the State allow the coverage period for the perennial crop to exceed a 9-month period to maintain consistency with crop insurance.  
STC may request DAFP approval of longer coverage periods for portions of States located in Hardiness Zone 9 or higher.  
- date harvest is complete  
- normal harvest date as determined by STC  
- abandonment of the crop  
- total destruction of the crop. |
| value loss crops for the 2015 through 2019 crop years | - June 1 for * * * nursery  
- October 1 for value loss crops other than * * * nursery  
- 30 calendar days after the date CCC-471 is filed | - May 31 for * * * nursery  
- September 30 for value loss crops other than * * * nursery  
- date crop, inventory, or product for which coverage was obtained is disposed of or destroyed  
- abandonment of the crop, inventory, or product or facility. |
| honey for the 2015 through 2019 crop years | - January 1  
- 30 calendar days after the date CCC-471 is filed | - December 31  
- date all colonies have had final harvest  
*-date of abandonment of colonies.--* |
## Coverage Period (Continued)

### B Establishing NAP Coverage Period (Continued)

<table>
<thead>
<tr>
<th>IF the NAP coverage period is for...</th>
<th>THEN coverage begins the later of...</th>
<th>AND coverage ends the earlier of...</th>
</tr>
</thead>
<tbody>
<tr>
<td>value loss crops for the 2020 and subsequent crop years</td>
<td>• June 1 for * * * nursery &lt;br&gt; • October 1 for value loss crops other than * * * nursery &lt;br&gt; • 1 calendar day after the date CCC-471 is filed</td>
<td>• May 31 for * * * nursery &lt;br&gt; • September 30 for value loss crops other than * * * nursery &lt;br&gt; • date crop, inventory, or product for which coverage was obtained is disposed of or destroyed &lt;br&gt; • abandonment of the crop, inventory, or product or facility.</td>
</tr>
<tr>
<td>honey for the 2020 and subsequent crop years</td>
<td>• January 1 &lt;br&gt; • 1 calendar day after the date CCC-471 is filed &lt;br&gt; • date colonies are set in place for honey production</td>
<td>• December 31 &lt;br&gt; • date all colonies have had final harvest &lt;br&gt; • <em>--date of abandonment of colonies.--</em></td>
</tr>
<tr>
<td>maple sap for the 2020 and subsequent crop years</td>
<td>• 1 calendar day after the application closing date &lt;br&gt; • 1 calendar day after the date CCC-471 is filed</td>
<td>• date maple tree sap harvest is complete &lt;br&gt; • normal harvest date as determined by STC &lt;br&gt; • date trees are abandoned &lt;br&gt; • date trees come out of dormancy.</td>
</tr>
</tbody>
</table>
B Establishing NAP Coverage Period (Continued)

<table>
<thead>
<tr>
<th>IF the NAP coverage period is for...</th>
<th>THEN coverage begins the later of...</th>
<th>AND coverage ends the earlier of...</th>
</tr>
</thead>
</table>
| biennial and perennial forage and biomass crops for the 2020 and subsequent crop years | • 1 calendar day after the application closing date  
• 1 calendar day after the date CCC-471 is filed  
• 1 calendar day following the final harvest date of the previous crop year | • normal harvest date as determined by STC  
• date crop is abandoned or destroyed. |

**Notes:** First year biennial and perennial seedings are not eligible for NAP coverage.

After the first year, if seeding does not have an adequate stand that represents a majority of the seed planted, coverage will only be offered for either a mixed forage or native grass in subsequent years. Coverage will only be offered for the crop after the stand has developed and consists of a majority of the intended crop seeded. See paragraph 380 for maintaining ineligible crop acreage, honeybee colonies, and tree taps in SNAPP.

Forage stands that have aged that no longer represent a majority of the intended crop seeded will have coverage offered as either mixed forage or native grass.

For grazed forage designated as warm and cool seasons, the coverage period begins the later of 30 calendar days after the application closing date or the beginning of the designated grazing period established according to paragraph 277.

**Note:** For prevented planted, coverage attaches the day after the final planting date for the crop for the last planting period.--*
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). A person’s or legal entity’s own certification cannot be used to verify that same person’s or legal entity’s eligibility. 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

*-Note: A person or legal entity recorded as an operator or owner according to 10-CM is considered verified.

- statement or FSA or CCC form signed by landowner, farm operator, or landlord that the other person or legal entity claiming to be a producer 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.
B Verifying Eligibility (Continued)

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.

*--C Eligibility of Leased Private or Federal- and State-Owned Land

Acreage leases and rental agreements for private or Federal- and State-owned land include many unique arrangements for compensation and provide various degrees of control for use of the acreage. Many leases, particularly those with grazing arrangements, are similar to sales agreements. For example, the lessee may pay only for the days actual grazing occurs or according to the rate of gain of the grazing animals. These leases do not convey control of the acreage, nor does the lessee acquire risk in production of the specific crop acreage under these arrangements.

To ensure that eligibility requirements have been met, the producer must provide signed copies of the following, as applicable:

- BLM grazing permit/lease and final bill or invoice
- FS grazing permit/lease and final bill or invoice
- State land lease and State land subleases.

Note: State land leases may contain the following clause:

“Assignment, Sublease, and Relinquishment

Land lessee will not assign or sublease the leased premises or the improvements on said premises without the prior written consent of lessor and such other requirements as prescribed by lessor rule. As provided by law and rule, any lease in good standing may be relinquished to the State. On relinquishment, however, the lessee will not be entitled to a refund of rent previously owed and paid.”

COC will review all acreage leases. The lessee will be considered eligible for NAP assistance for eligible losses impacting specific acreage, if COC determines that the lease does either of the following:

- conveys control of the acreage to the lessee, however limited
- indicates the lessee has a risk in production of the crop acreage.

Notes: If the lease prohibits the sublease of the land, the lessee associated to the sublease will be ineligible for NAP benefits on that acreage.

All COC determinations must be documented in the COC minutes.--*
Eligibility of Leased Private or Federal- and State-Owned Land (Continued)

COC will use the following questions and others, as warranted, to determine whether a lessee has a risk in production of the crop acreage or the lease conveys control of the crop acreage to the lessee.

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.--*
*--C Eligibility of Leased Private or Federal- and State-Owned Land (Continued)

- 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.--*

D 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 eligibility of the producer. Any negotiation, agreement, or performance of parties to a rental or lease arrangement after the date of disaster has no bearing on FSA’s determination of a person or legal entity as an eligible producer.
E  Verifying Crop Ownership Share and Share Risk for Contract Growers

*-A grower may have a grower contract for marketing purposes. The grower contract may--* include language that precludes the grower from having or maintaining an ownership share of the crop or a risk in production or share in the crop, thus making the grower ineligible for NAP. Some examples include, but are not limited to, language stating that the:

- grower has no right, title, or interest in the seed or the crop grown
- grower’s interest in the seed and crop is that of a bailee and the grower receives a guaranteed payment
- grower receives a guaranteed payment without regard to the crop being produced.

Applicants certifying to having a valid claim to a share of NAP payment are subject to spot check. If the spot check reveals that a grower did not have a valid claim to a share of a crop *--for which NAP assistance was received, the NAP payment must be refunded.

COC will deny an application for payment if it is not satisfied that the grower has a valid ownership share and risk in the crop.

Note: The eligible producer requirements are not met merely because a participant had--* obtained either NAP or insurance coverage. The NAP participant must have had a valid ownership share interest in the commodity as specified in this paragraph.
A Definition of Unit

[7 CFR 1437.9] Unit definition.

(a) The unit identifies the interest of the producer in the administrative county on the basis of the unique relationship of the owner to one or more operators. The unit is the foundation for all determinations of acreage, production, value, AUD, approved yields, requisite losses, payments, and other program requirements.

(b) Separate and distinct units are:

(1) One-hundred percent interest as owner/operator;

(2) Less than one-hundred percent interest as owner or operator; or

(3) Less than one-hundred percent interest, as owner or operator in an inverse relationship.

Separate and distinct units are:

• 100 percent interest as owner and/or operator
• less than 100 percent interest as owner or operator
• less than 100 percent interest, as owner or operator in an inverse relationship.

Note: The basic unit is by producer relationship of operators to owners and is not broken down further by actual crop share percentages.

Example: Bill is the operator, and Bob is the owner. Part of the crop acreage is shared on a 50/50 crop share arrangement and the remaining acreage is shared on a 75/25 share arrangement. Although there are varying shares, there still is only one NAP unit.

Land rented for cash, a fixed commodity payment, or any consideration other than a share in the crop on the land will be considered as a 100 percent crop share.

No other units will be permitted.

Example: If, in addition to the land the person owns, the person rents land from 5 different landlords, 3 on a crop-share basis and 2 on a cash basis, then 4 units will be established; 1 unit for each crop-share lease and 1 unit that includes the 2 cash leases and the land owned by the person.
Multiple Benefit Exclusion

A Multiple Benefits


(a) If a producer is eligible to receive payments under this part and benefits under any other program administered by the Secretary for the same crop loss, the producer must choose whether to receive the other program benefits or payments under this part, but will not be eligible for both. The limitation on multiple benefits prohibits a producer from being compensated more than once for the same loss.

(b) The limitation on multiple benefits specified in paragraph (a) of this section will not apply to:

(1) Emergency Loans made under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961-1970),

(2) Livestock Forage Disaster Program (LFP) payments as specified in part 1416 of this chapter,

(3) Tree Assistance Program (TAP) payments as specified in part 1416 of this chapter, or

(4) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) payments as specified in part 1416 of this chapter.

(c) The restriction on multiple benefits does not relieve the producer from the requirements of making a production and acreage report.

(d) If the other USDA program benefits are not available until after an application for benefits has been filed under this part, the producer may, to avoid this restriction on such other benefits, refund the total amount of the payment to the administrative County Office from which the payment was received.
A **Multiple Benefits (Continued)**

Several insurance products are available under a pilot program. A producer may obtain NAP coverage for a crop for which individual CAT level or buy-up is available as a pilot product and obtain coverage under the pilot product. The producer **must** choose whether to receive the benefit under the pilot product or NAP.

**Exceptions:** RI-PRF *** Perennial Forage Insurance Plan is exempt from the multiple benefit exclusion.

RI-API Apiculture *** and RI-AF Annual Forage Insurance Plans are exempt from the multiple benefit exclusion.

Beginning with crop year 2020, WFRP coverage is exempt from the multiple benefit exclusion.

**Note:** NAP payments may impact WFRP indemnities; therefore, NAP participants with WFRP coverage should discuss potential impacts with their crop insurance agent.

B **Choosing NAP Benefits or Other Program Benefits**

If benefits for any other program administered by the Secretary for the same crop loss do **not** become available until after the producer has received a NAP payment, the producer may refund the total amount of the NAP payment and receive the other benefit.

**Example:** Producer A has a crop loss on tomatoes and corn. NAP assistance is available and will pay Producer A $3,500 for the tomato loss and $4,200 for the corn loss. Producer A is also eligible for other USDA benefits of $21,000. The other USDA benefits amount available is the total amount available for corn, tomato, and other crop losses. The other USDA benefit attributable to the:

- corn loss is $7,000
- tomato loss is $5,000.

If Producer A elects to obtain the other USDA benefits of $21,000, NAP assistance **cannot** be paid. If Producer A elects to receive NAP assistance for corn and tomato crop losses (a total of $7,700), the other USDA benefit amount **cannot** have any payable amount attributable to corn or tomatoes).

**Note:** The reduction amount is **not** the amount paid under the program elected.
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 10 percent of the received NAP payment for the crop in violation.--*
Liquidated damages are in addition to any amount received by all producers for all crops on
the unit.

Notes: When determining liquidated damages, do not assess interest in the calculation.

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

B Example of Assessing Liquidated Damages

Producer A received $10,000 in NAP benefits on sweet corn ($7,000) and butter beans
($3,000) for the 2019 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 $700 ($7,000 x 10 percent
= $700).
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.

*--Note: 7 CFR 11.1 and 7 CFR 780.2 define an adverse decision as an administrative decision made by an officer, employee, or committee of an agency that is adverse to a participant. These same regulations also define a participant as any individual or entity who has applied for, or whose right to participate in or receive a payment, loan, loan guarantee, or other benefit according to any program of an agency to which the regulations in 7 CFR Parts 11 and 780 apply is affected by the decision of this agency. Because disapproval of a notice of loss does not yet impact payment eligibility, it is not an “adverse decision” as defined in these regulations. Consequently, no appeal or appealability review rights apply to the disapproval of a notice of loss.--*

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”.
Part 4  Crops

Section 1  Crop Provisions

200  National Crop Definitions

A  Introduction

A national crop definition was established, based on similar types or varieties of a crop that had an insignificant price difference, for the most predominant intended use for the crop.

The acreage and production of the crop group is summarized for service fees and loss calculation purposes.

To identify the crop definition for service fee and payment purposes, 3 variables are included in the national crop table for each downloaded crop. These variables are described in greater detail in the remainder of this paragraph.

Note:  If a crop, type, or practice is insurable in the county within a pay crop pay type grouping, the insurable crop, type, or practice will not be included in determining loss for that pay crop pay type.

***

B  Planting Period

For crops that have multiple plantings established according to paragraph 206, the planting period is used to identify these plantings as separate crops.

Example:  Lettuce has 4 plantings during the crop year.  A separate record is loaded in the NAP crop table for each planting, which will ensure that the production from the different plantings will not be grouped together.

Crops with the same planting period will be grouped together unless they have different pay crop and pay type codes.

Exception:  For grazed forage, the planting period will be used to further define warm and cool season grasses as allowed in paragraph 801.  A planting period number of:

- “01” will be designated for cool season grasses
- “02” will be designated for warm season grasses.
C Payment Crop Code

The payment crop code identifies the “crop” for the specified crop, crop type, and/or intended use. In most cases, the payment crop code is the same as the crop code in 2-CP with few exceptions.

Example: The crop code in 2-CP for 2 or more interseeded small grain mixed forage is “0296”. For NAP payment purposes, 2 or more interseeded small grain mixed forage will actually be paid as grass with a payment crop code of “0102”.

D Payment Type Code

The payment type code identifies how the types and intended uses for a specified crop will be grouped.

Example: Beans have a payment crop code of “0047”. However, the types of beans have a significant price difference, justifying that each type of bean be treated as a separate crop. The data on the NAP crop table is downloaded as follows.

<table>
<thead>
<tr>
<th>Crop Type</th>
<th>Planting Number</th>
<th>Payment Crop Code</th>
<th>Payment Type Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baby Lima</td>
<td>01</td>
<td>0047</td>
<td>001</td>
</tr>
<tr>
<td>Butter</td>
<td>01</td>
<td>0047</td>
<td>002</td>
</tr>
<tr>
<td>Soldier</td>
<td>01</td>
<td>0047</td>
<td>003</td>
</tr>
</tbody>
</table>

In this example, each type of bean will be treated as a separate crop for service fee and payment purposes.

Note: For seed crops meeting the definition according to subparagraph 202 F, crops with an intended use of seed may have a different type code.

<table>
<thead>
<tr>
<th>Crop Type</th>
<th>Planting Number</th>
<th>Payment Crop Code</th>
<th>Payment Type Code</th>
<th>Intended Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrots</td>
<td>01</td>
<td>0120</td>
<td>001</td>
<td>Fresh</td>
</tr>
<tr>
<td>Carrots</td>
<td>01</td>
<td>0120</td>
<td>002</td>
<td>Seed</td>
</tr>
</tbody>
</table>
H Crops Not Listed in 2-CP

When a crop, or specific type or variety, is requested by a producer for NAP and it is not listed in 2-CP, STC’s will ensure that additions are handled according to procedure in 2-CP.

I Deadline to Change Crop Definition

The national crop definition identifies the pay groupings for accepting CCC-471. Service fees are collected according to pay crop, pay type, and planting period as identified according to subparagraph A.

To ensure that service fees are applied uniformly across the country, the crop definition is based on a national review of crop data. Because changes to the crop definition must be completed before the release of CCC-471 software, any requests for changes in the crop definition must be submitted to PPB with supporting documentation. For crop data to be reviewed and approved before CCC-471 software is released, all requests along with supporting data must be received at the National Office by 120 calendar days before the application closing date for the crop.

Notes: Because the crop definition is established nationwide, States must include not only data for their State, but any other data available nationwide from commodity associations and other credible sources.

To change the crop definition after software has been released would have an adverse impact on service fees collected.

Because the application closing date from the previous year’s NCT is used for the continuous coverage letter, County Offices must be aware that any changes to the crop definition could have an impact on service fees collected.

*--See Exhibit 15 for an example notification letter to be used when coverage cannot be extended for a crop.--*
Types or Varieties of Crops

A Definition of Type or Variety of a Crop

Type or variety of a crop means a scientifically recognized subspecies of a crop having a particular characteristic or set of characteristics. Examples are in this table.

<table>
<thead>
<tr>
<th>Crop</th>
<th>Types or Varieties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Watermelons</td>
<td>Seedless, striped.</td>
</tr>
<tr>
<td>Beans</td>
<td>Pinto, pole, shelli, small red.</td>
</tr>
<tr>
<td>Peppers</td>
<td>Jalapeño, pimiento, red chili.</td>
</tr>
<tr>
<td>Potatoes</td>
<td>White, red.</td>
</tr>
<tr>
<td>Cherries</td>
<td>Sweet, tart.</td>
</tr>
<tr>
<td>Squash</td>
<td>Zucchini, acorn, summer.</td>
</tr>
<tr>
<td>Lettuce</td>
<td>Romaine, leaf.</td>
</tr>
</tbody>
</table>

Notes: *** A producer cannot change, by design or market, the type or variety of a crop.

See 2-CP for crop name, codes, abbreviations, etc.

Do not use “other”, “regular”, or other generic references as a type or variety for NAP purposes.

B Differentiating Crops by Type or Variety

Crops will be grouped according to subparagraph 200 A.

Producers must provide acreage and production data for each type or variety of crop produced and without regard to grouping as 1 crop.

Example: A producer has zucchini and acorn squash. The producer reports the acreage and production of each type of squash, without regard to the types being grouped as 1 crop, for example, squash.
Quality Loss Option for Certain Approved Crops That Is Available Under Buy-Up NAP Coverage Only (Continued)

D Requesting the Quality Option for Buy-Up Crops From DAFP

Crops, other than forage, and locations eligible for quality adjustments must be recommended to DAFP by STC no later than 60 calendar days before the application closing date for the crop to receive consideration for inclusion for an ensuing coverage period. Approval by DAFP will be issued in advance of the coverage period only if supporting documentation of industry accepted standards for quality discounts are available. Harvested production will be adjusted only if buy-up coverage is elected, and the covered producer satisfies all other requirements. An adjustment will not be made if a producer elects only basic 50/55 NAP coverage for a crop.

Note: See paragraphs 809 through 811 for forage quality loss adjustments.

*--STC will follow paragraph 11 to submit the following to DAFP, if STC recommends a--*
NAP crop or crops for quality loss adjustment under this paragraph:

• a summary memorandum detailing the nature of the quality loss adjustment being sought
• the list of NAP crops for which the quality loss adjustment is being sought
• the application closing date for each of the crops
• the details and documentation of the standards and how quality is measured or determined, including information about when and how the quality loss is documented and how the quality loss results in an adjustment to production
• information from local elevators, buyers, and State crop associations reflecting general quality reduction grading factors and the applicable deductions.

*--A list of current approvals for the quality loss option can be found under the heading “NAP Policy Approvals” at https://inside.fsa.usda.gov/program-areas/dafp/dap/nap/index.--*
E  Example of Possible Quality Adjustment

The following is an example of a crop that received quality adjustment approval for buy-up NAP coverage. The example and approval are both hypothetical and assume all other eligibility provisions are met.

Example 1:  USDA Standards

Crop A has USDA Grading standards Grade 1, Grade 2, and Substandard. All 3 standards are marketable, but at reduced production value. The NAP average market price of the crop is $40 per cwt. and the corresponding values of the grades are:

Grade 1:  $50 per cwt
Grade 2:  $25 per cwt
Substandard:  $5 per cwt.

The quality adjustment factor for Grade 2 will be 0.625 (25/40) and the quality adjustment factor for Substandard will be 0.125 (5/40). These factors will be applied to the amount of production at each grade. Actual market price is not applicable to the quality adjustment.

Example 2:  Market Standards

Crop B does not have USDA standards, but the market dictates that a “brown” condition is not marketable at the same value as a “green #1” produce. STC has established that the value of “brown” produce is between 50 percent and 70 percent of the “green #1” on average in the State or for the location specified. In this case, the quality adjustment factor for “brown” produce will be the highest factor in the range (0.70) and the actual market price is not applicable to the quality adjustment.

Notes: Standards that result in a lower production weight will not be eligible for quality adjustments, unless the lower production weight is not commensurate with the reduced value.

Multiple reductions of production cannot be made for a specific quantity of production. For example, if there are approved reductions for a “color condition” and approved reductions for a “size deficiency”, apply the greater of the reductions and do not apply the sum of all the reductions.

210-274 (Reserved)
F Annual Review of Carrying Capacities (Continued)

Recommendations to change a carrying capacity and/or grazing period must be submitted *--to the State Office for STC review. Upon completing its review, any STC requests to change a carrying capacity and/or grazing period in a county or area within a county **must** be provided to the National Office Livestock Assistance Program Manager for DAFP consideration, no later than March 1 of the applicable calendar year. These requests must be submitted from STC in a memorandum to DAFP and **must** include the following:--*

- COC/STC minutes documenting that annual reviews were conducted for each county or area within a county and the most current documentation available was used to establish each grazing forage crop to determine whether, for:
  - carrying capacity, the stocking rate for the specific grazing crop still reflects the number of acres of forage capable of supporting 1 animal unit for the specified grazing days
  -**--grazing period, the grazing days for the specific crop are still correct after consideration of factors, such as topography, altitude, and land mix--*  

**Note:** Documentation must include the current carrying capacity and/or grazing period, the proposed carrying capacity and/or grazing period, and the supporting documentation STC used in its decision to request updates.

**--grazing period and carrying capacity data received from bordering areas to support that State Offices are communicating with each other on an annual basis to ensure that carrying capacities are established on a consistent basis for bordering counties with similar attributes, such as forage types, topography, altitudes, land mix, and production capabilities.--*
E Processing CCC-471’s Filed After the Application Closing Date, But Before the End of the Coverage Period

If CCC-471 accompanied by the required service fee or CCC-860 is submitted after the application closing date, but before the end of the coverage period, do all of the following:

- provide a photocopy of the original submitted CCC-471 and a copy of NAP BP to the participant according to subparagraph A
- accept the CCC-471 and deposit the service fee
- present the late-filed CCC-471 accompanied by the participant’s written explanation for late-filing to COC.

<table>
<thead>
<tr>
<th>IF CCC-471 is filed...</th>
<th>THEN COC...</th>
</tr>
</thead>
<tbody>
<tr>
<td>within 30 calendar days of the application closing date</td>
<td>is delegated authority to approve or disapprove programmatic relief for the producer. Approval of relief will allow coverage to be approved to begin no earlier than 1 calendar day following the actual day CCC-471 was filed. If <em>--COC grants relief, a CCC representative will sign and date CCC-471--</em> with effective COC decision date.</td>
</tr>
</tbody>
</table>

Notes: COC is under no obligation to grant relief. However, if the producer filed the written explanation for late-filing, COC must determine whether or not relief is warranted.

DAFP is extending this delegation of authority to allow COC to approve or disapprove programmatic relief beyond 30 calendar days after the application closing date in cases when an FLP applicant who qualifies as BFR, LR, VFR, or SDA files CCC-471 for:

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

Note: Generally, a participant’s assertion of not being aware of an application closing date is not a valid reason for finding the participant was prevented, by reasons beyond the participant’s control, from filing a timely application. Information on application closing dates for crops is available in the public domain or by contacting FSA.
F Submitting Late-Filed CCC-471’s for Relief Consideration (Continued)

• *--the late-filed CCC-471 was not filed after any potential eligible cause of loss or disaster event occurred, which could have impacted the NAP crop regardless of whether or not the applicant has claimed the loss condition or event adversely impacted the crop

• both COC and STC have found and documented the specific reason the applicant was unable (prohibited by reasons beyond the producer’s control) to file CCC-471 by the application closing date.--*

G Handling CCC-471’s Filed After the End of a Coverage Period or When a Coverage Period Would End Within 30 Calendar Days of Actual Date of CCC-471 Filing

There are no provisions for processing CCC-471’s for coverage beyond the end of the coverage period. FSA cannot process requests to have coverage attach in the past. In *--addition, coverage for 2019 and prior years cannot attach until 30 calendar days after--* CCC-471 is filed; therefore, if coverage would end earlier than 30 calendar days from the date CCC-471 is filed, FSA cannot process the request.

If a person submits CCC-471 accompanied by a service fee or CCC-860 either after a coverage period has ended or when the coverage period would end within 30 calendar days, do all of the following:

• provide a photocopy of the original submitted CCC-471 and CCC-471 NAP BP to the participant according to subparagraph A

• return the actual fee remitted by the participant to the participant

Notes: Do not deposit the fee. Return the exact form of payment given to FSA by the participant.

Returning the service fee without accepting and depositing it does not constitute a refund.

• have CED issue the letter in Exhibit 35 to the participant. Revise the letter for specific circumstances.
H Correcting County Office Staff Errors on CCC-471’s

State Office specialists will:

- timely correct County Office staff errors on CCC-471’s that are submitted by the producer less than 30 calendar days after the application closing date

- correct problems on CCC-471’s, in a timely manner, that are submitted by the producer 30 calendar days or more after the application closing date. Submit the following information to the National Office, according to paragraph 11:
  
  - statement from the producer indicating the error
  - statement from the County Office on how the error was discovered
  - initial CCC-471
  - prior year CCC-471
  - revised CCC-471
  - previous years acreage report (if available)
  - current year acreage report (if available)
  - any additional documentation.

I Processing CCC-471’s for Buy-Up Coverage When the Growing History Requirement Is Not Met

If a producer does not meet the growing history requirement for buy-up coverage and COC has thoroughly reviewed and documented the determination in the COC minutes, the County Office must complete the following before issuing the next scheduled Summary of Coverage:

- remove all buy-up options from the application for coverage in the software
- print and file the updated CCC-471
- notify the producer in writing of the COC determination.

Note: See Exhibit 35.5 for an example letter.

The producer must be notified of the reduction in coverage and given appeal rights according to 1-APP if an application for payment is subsequently filed.--*
C Example of Manual CCC-471 (06-19-19) (Continued)

The following is an example of manual CCC-471 (06-19-19), page 2.

### PART C - CROP IDENTIFICATION AND COVERAGE OPTIONS

Subject to 7 CFR Part 1437, the producer signing this application applies for coverage on the producer's share of noninsured crop(s) by pay crop/price and/or elects either catastrophic (basic) level coverage of 50% yield and 55% of price or a buy-up coverage level of 50%, 55%, 59%, or 65% of yield and 100% of price. The election of coverage level by the producer signing this form is final and irrevocable after the crop's application closing date. A producer who elects buy-up coverage understands and acknowledges that they are required to pay the premium for such buy-up coverage regardless of whether or not an eligible loss occurs, and a NAP payment is calculated. If a producer elects buy-up coverage and fails to pay the premium, a debt will be established, and that producer is ineligible for any NAP payment, until such time as the producer pays the debt, per 7 CFR Part 1437. The prevented planting loss threshold for a crop is the same under either basic or buy-up coverage with the only difference between the two being the price coverage elected of either 55% or 100%. The service fee is $225 per crop per county, or $625 per producer per county, but not to exceed a total of $1960 per producer for all counties. The service fee, which is not a charge for coverage or buy-up, is nonrefundable and is due at the time the producer files an application for coverage. For yield-based crops, the premium for producers who elect buy-up coverage will be the lesser of: (a) the amount calculated based on total crop acres x share x yield x coverage level x applicable average market price x 5.25% premium factor; or (b) the applicable payment limitation x 5.25% premium factor. For value loss crops, the premium for producers who elect buy-up coverage will be the lesser of: (a) the amount calculated based on the maximum dollar value of inventory selected by the producer x share x coverage level x 5.25% premium factor; or (b) the applicable payment limitation x 5.25% premium factor.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beans</td>
<td>Green</td>
<td>FH</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0047</td>
<td>001</td>
<td>01</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beans</td>
<td>Green</td>
<td>FR</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0047</td>
<td>001</td>
<td>01</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beans</td>
<td>Baby Lima</td>
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<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0047</td>
<td>001</td>
<td>01</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beans</td>
<td>Butter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0047</td>
<td>002</td>
<td>02</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finfish</td>
<td>Channel Catfish</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3080</td>
<td>001</td>
<td>01</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**PART D - PRODUCER AND CCC REPRESENTATIVES CERTIFICATION**

I certify all information entered on this Application for Coverage (CCC-471), whether or not personally entered by me, is true and correct. I understand that before any program benefits are paid, all eligibility requirements including payment of service fee, and/or premium must be met, according to 7 CFR Part 1437 and 7 U.S.C. 7333. I acknowledge all of the following: (1) The election of basic or buy-up coverage is as shown on this application and that election is irrevocable after the application closing date. (2) The premium that will be calculated for the election will be withheld from any NAP payment made to the producer. (3) The premium determined as a result of election according to the application, the CCC-471 NAP basic provisions, and 7 CFR part 1437 is owed to CCC and must be paid regardless of whether or not the NAP covered crop and producer qualifies for a payment or is eligible or ineligible. All information provided herein is subject to verification by the Farm Service Agency. As provided in statute and regulation, failure to provide true and correct information may result in the invalidation of this application, a determination of noncompliance or ineligibility, or other remedies or sanctions. By signing this application for coverage, I acknowledge receipt of the CCC-471 NAP basic provisions for the crop year and coverage year of this application.

This application is not valid unless accompanied by the applicable service fee or a completed CCC-869 certification.

18A. Service Fee Due $ 825.00
18B. Service Fee Received $ 825.00

19A. Producer's Signature (By) /s/ Albert the Alligator
19B. Title/Relationship of the Individual Signing in a Representative Capacity
19C. Date (MM-DD-YYYY) 07-15-2019

20A. CCC Representative's Signature /s/ Gator County CED
20B. Date (MM-DD-YYYY) 07-15-2019
A Service Fee Overview

*[7 CFR 1437.7] (a) Except as provided in paragraph (i) of this section, with respect to each crop, commodity, or acreage, producers must file an application for coverage under this part in the administrative county office by the application closing date.

(b) The service fee or request for service fee waiver specified in paragraph (g) of this section must accompany the application for coverage in order for it to be considered filed. The service fee is:

(1) For applications filed by April 7, 2019, $250 per crop per administrative county, up to $750 per producer per administrative county, not to exceed $1,875 per producer; and

(2) For applications filed on or after April 8, 2019, $325 per crop per administrative county, up to $825 per producer per administrative county, not to exceed $1,950 per producer.

(c) The service fee will be applied per administrative county by crop and by planting period, as determined by FSA.

Producers must file an application for coverage in the administrative County Office by the application closing date.

The service fee or request for service fee waiver in subparagraph D must accompany the application for coverage for it to be considered filed. The service fee is:

- for applications filed by April 7, 2019, $250 per crop per administrative county, up to $750 per producer per administrative county, not to exceed $1,875 per producer
- for applications filed from April 8, 2019, $325 per crop per administrative county, up to $825 per producer per administrative county, not to exceed $1,950 per producer.

The service fee will be applied per administrative county by crop and by planting period, as determined by FSA.

Payment of the service fee is due at the time the producer files CCC-471 for eligible crops in the FSA administrative office. For continuous coverage applications, according to subparagraph 301 C, producers must pay the applicable service fee before the application closing date.

Payment of the nonrefundable service fee at time of application in no way ensures, guarantees, or obligates CCC or FSA to issue coverage. Service fees are not refundable.
B Determining Service Fee

The service fee will be based on:

- FSA administrative county
- each TIN
- crop definition according to pay crop and pay type (subparagraph 200 A)
- planting periods
- seed crops as separate crops according to subparagraph 202 F.

C Service Fee Waiver for SDA, LR, VFR, and BFR

*[7 CFR 1437.7] (g) Beginning farmers and ranchers, limited resource farmers and--* ranchers, socially disadvantaged farmers or ranchers, and veteran farmers and ranchers will receive, upon certification, a waiver of the service fee and a 50 percent premium reduction. The certification is required on or before the time the application for coverage is filed using the form specified by FSA.

The service fee will be waived for producers who meet the definition for SDA, BFR, VFR, or LR, according to 7 CFR Part 718.

**Note:** The definitions for SDA, BFR, VFR, and LR producers can be found in CCC-471 NAP BP and CCC-860, page 2.

Certification on CCC-860 is **required** from producers seeking an SDA, BFR, VFR, or LR waiver. Annual certification on CCC-860 is **required** from producers seeking LR status waiver by program year. However, after CCC-860 is filed certifying BFR, VFR, or SDA status, BFR, VFR, and SDA producers do **not** need to recertify each year to qualify for a waiver.

**Note:** When entering an application for coverage before subsidiary rollover, the County Office **must** verify the LR, BFR, and VFR status for the crop year.

SDA producers are eligible for continuous coverage and will receive a continuous coverage reminder notification letter (Exhibit 34) applicable for SDA farmers and ranchers.

**Note:** CCC-860 certification does not allow SDA, BFR, VFR, and LR producers to file CCC-471 after the application closing date. Late-filed provisions may apply according to paragraph 301.
C Service Fee Waiver for SDA, LR, VFR, and BFR (Continued)

An FLP applicant who qualifies as SDA may have previously provided certification of their SDA status during the FLP application process. In these cases, the producer is not required to also complete CCC-860 for NAP purposes. The Subsidiary File for “Socially Disadvantaged”, including ethnic, racial, and gender, may be updated to “Yes”, if the producer has selected at least 1 of the following choices on a completed FLP application.

<table>
<thead>
<tr>
<th>Field</th>
<th>Selection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnicity</td>
<td>Hispanic or Latino</td>
</tr>
<tr>
<td>Race</td>
<td>American Indian/Alaskan Native</td>
</tr>
<tr>
<td></td>
<td>Asian</td>
</tr>
<tr>
<td></td>
<td>Black/African American</td>
</tr>
<tr>
<td></td>
<td>Native Hawaiian/Other Pacific Islander</td>
</tr>
<tr>
<td>Gender</td>
<td>Female</td>
</tr>
</tbody>
</table>

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

FLP applications do not include certifications for BFR, VFR, or LR status. Producers who qualify as BFR or LR must complete CCC-860.

CCC-471, when accompanied by FLP documentation establishing a producer’s status as SDA, will be considered a complete application according to paragraph 301.

D NAP Service Fees Paid With Dishonored Checks

Service fees are due and payable:

- on the date and time of application
- regardless of whether coverage attaches.

Service fees are not considered payment for coverage. If a producer files an application for coverage and pays the applicable service fee with a check that is dishonored, the service fee and any other administrative expenses, such as dishonored check fees, will be established as a receivable according to 64-FI.

A NAP application for coverage with a service fee paid with a check that was dishonored will remain valid if all other NAP requirements are met.
E Collecting Service Fees

County Office will:

- review available information to determine whether other service fees have been paid in other County Offices

**Notes:** If software is available, the amount of service fees paid in other counties will be available.

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

- ensure that a producer does **not** pay more than the maximum service fee for NAP coverage
- complete a manual deposit according to 3-FI **only** if:
  - the automated software application is unavailable
  - the crop does **not** exist in the crop table.

**Note:** See subparagraph 275 A for instructions for submitting the crop.

F Service Fees on Native Sod

Native sod provisions apply to Iowa, Minnesota, Montana, Nebraska, North Dakota, and South Dakota.

Any NAP crop produced with annual tillage and planted on native sod acreage as determined in paragraph 379, with a breaking date of February 8, 2014, through December 20, 2018, will have the service fee doubled for the first 4 years of cropping. See subparagraph 379 D for what qualifies as a “year of cropping”.

Any NAP crop planted on native sod acreage with a breaking date after December 20, 2018, will have the service fee doubled for up to 4 years maximum within the first 10 years after breaking.

This is **not** applicable to SDA, LR, and beginning and Veteran farmer producers who receive a service fee waiver. The service fee **cannot** exceed the maximum service fee in subparagraph F.
A Determining Premiums

[7 CFR 1437.7] (d) Producers who elect buy-up coverage must pay a premium, in addition to the service fee, equal to the lesser of:

(1) The product obtained by multiplying:

(i) A 5.25-percent premium fee; and

(ii) The applicable payment limit; or

(2) The sum of the premiums for each eligible crop, with the premium for each eligible crop obtained by multiplying:

(i) The producer’s share of the eligible crop;

(ii) The number of acres devoted to the eligible crop;

(iii) The approved yield;

(iv) The coverage level elected by the producer;

(v) The average market price; and

(vi) A 5.25-percent premium fee.

*(e) For value loss crops, premiums will be equal to the lesser of:

(1) The maximum premium, obtained by multiplying:

(i) A 5.25 percent premium fee; and

(ii) The applicable payment limit; or

(2) The sum of the premiums for each eligible crop, with the premium for each eligible crop obtained by multiplying:

(i) The maximum dollar value for which coverage is sought by the applicant; and

(ii) The coverage level elected by the producer; and

(iii) A 5.25 percent premium fee.--*

(f) Premiums will be calculated separately for each crop, type, and intended use as reported on the acreage report and as specified in the basic provisions.
A Determining Premiums (Continued)

*--Premiums are calculated separately by:--*

- FSA administrative county
- each TIN
- crop definition according to pay crop and pay type (subparagraph 200 A)
- planting periods
- seed crops as separate crops according to subparagraph 202 F.

*--A producer’s total premium amount is equal to the sum of the premiums calculated for each crop, type, and intended use for which a producer has obtained NAP coverage, and is not subject to equitable relief.

Notes: The maximum premium is $15,750 (the product of the applicable payment--*
limitation of $300,000 for a person or legal entity entitled to 1 single payment limitat
such as an individual or corporation, times 5.25 percent rounded up to
whole dollars).

For legal entities, such as general partnerships entitled to multiple payment limitations, the applicable payment limitation is based on the number of multiple limitations for the members of the legal entity.

Example: A maximum premium of $31,500 is calculated for a general partnership having 2 persons as members based on applicable payment limitation of
$600,000.

The premium for SDA, LR, VFR, and BFR is 50 percent of the lesser of either the actual or maximum premium calculated for the NAP covered participant, according to
premium rules discussed in this subparagraph. See subparagraph B.

*--Premiums for additional buy-up coverage are calculated based on the following:

- for yield-based crops, the product of multiplying the producer’s share, times the number of eligible acres, times the producer’s approved yield, times the coverage level, times 100 percent of the average market price, times the number of payment limitations,--* times 5.25 percent
A Determining Premiums (Continued)

- for honey, the product of multiplying the producer’s share, times the highest number of eligible colonies reported at any time during the crop year, times the approved yield, *times the coverage level, times 100 percent of the average market price, times the number of payment limitations, times 5.25 percent

- for maple sap, the product of multiplying the producer’s share, times the eligible number of reported number of taps, times the producers approved yield, times the coverage level, times 100 percent of the average market price, times the number of payment limitations, *times 5.25 percent

- for value loss crops, the product of multiplying the producer’s share, times the maximum dollar value for which participant seeks coverage, times the coverage level subject to applicable payment limitation times 5.25 percent.

Example 1: Producer has an operation that averages an approximate $90,000 inventory during the crop year. The producer selects 65/100 coverage and chooses a maximum dollar value of $75,000. The premium is calculated on the $75,000 value. A disaster occurs and the FMVA is determined to be $85,000 and the FMVB is determined to be $30,000. The loss is calculated on $75,000 less $30,000.

Example 2: Using the same criteria as in Example 1, a disaster occurs and the FMVA is determined to be $60,000 and the FMVB is determined to be $30,000. The loss is calculated on $60,000 less $30,000.

B Premium Reduction for NAP Participants With SDA, BFR, VFR, and/or LR Status

*[7 CFR 1437.7 (g)] Beginning farmers and ranchers, limited resource farmers and ranchers, socially disadvantaged farmers or ranchers, and veteran farmers and ranchers will receive, upon certification, a waiver of the service fee and a 50 percent premium reduction. The certification is required on or before the time the application for coverage is filed using the form specified by FSA.

The premium fees for additional buy-up coverage will be reduced by 50 percent for producers who meet the definition of SDA, BFR, VFR, or LR status, according to 7 CFR Part 718.

Note: The definitions for SDA, BFR, VFR, and LR producers can be found on CCC-860, page 2.
*--B  Premium Reduction for NAP Participants With SDA, BFR, VFR, and/or LR Status (Continued)

Certification on CCC-860 is required from producers seeking an SDA, BFR, VFR, or LR waiver. CCC-860 certification does not allow SDA, BFR, VFR, and LR producers to file--* CCC-471 after the application closing date.

Notes: After CCC-860 is filed certifying SDA status, SDA producers do not need to recertify each year to qualify for a waiver. SDA producers are eligible for continuous coverage participation and will receive a continuous coverage letter applicable to SDA farmers and ranchers.

Annual certification on CCC-860 is required from producers seeking a LR status waiver by program year.

*--After CCC-860 is filed certifying BFR or VFR status, it remains in effect and will--* be maintained for a duration of up to 10 years, beginning with the year certified in item 5 C.

C  Premium Billing

FSA will bill producers for buy-up NAP coverage.

The due dates for each premium owed are 30 calendar days after the date of premium billing.

Note: Premium billing for 2015 and 2016 will begin after software is finalized. It is anticipated that this will occur for:

- 2015: approximately 30 days after the SOC is mailed
- 2016 and future: standard mailing schedule January 1-15 of the subsequent program year.

D  Collection of Premiums

Producers have 2 methods for payment of premiums:

- pay the full premium any time after premium is calculated
- receive a crop-specific premium billing, mailed on or after January 15, and pay within 30 calendar days.
E  NAP Premiums on Native Sod

*--[7 CFR 1437.4] (c) Except as specified in paragraph (e) of this section, paragraph (d) of this section will apply to native sod acreage in Iowa, Minnesota, Montana, Nebraska, North Dakota, and South Dakota that has been tilled:

(1) During the first 4 crop years of planting for native sod acreage that has been tilled for the production of an annual crop during the period beginning on February 8, 2014, and ending on December 20, 2018; and

(2) For not more than any 4 crop years for native sod acreage that has been tilled for the production of any crop after December 20, 2018;

(i) During the first 10 crop years after the initial tillage; and

(ii) For which a NAP applicant must submit a service fee or NAP premium for a crop on that acreage.

(d) For acreage specified in paragraph (c) of this section:

(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).

(e) 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 (d) of this section will not apply.--*

During the first 4 years of planting, as determined by the Secretary, native sod acreage determined after February 7, 2014, with breaking dates of February 8, 2014, through December 20, 2018, that has been tilled for the production of an annual crop, and for up to 4 years maximum on any NAP crop in the first 10 years of breaking, with breaking dates after December 20, 2018, in Iowa, Minnesota, Montana, Nebraska, North Dakota, and South Dakota, will be subject to the following:

- 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

- 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).
E  NAP Premiums on Native Sod ( Continued )

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 this subparagraph will not apply.

Any annual NAP crop produced with annual tillage and planted on native sod acreage as determined in paragraph 379, with breaking dates of February 8, 2014, through December 20, 2018, will have the premium doubled for the first 4 years of cropping on that acreage.

Any NAP crop planted on native sod acreage with breaking dates after December 20, 2018, will have the premium doubled for up to 4 years maximum within the first 10 years after breaking. 

SDA, BFR, VFR, and LR producers will have the premium doubled after reductions. The premium cannot exceed the maximum premium in subparagraph B.

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.
Failure to Pay NAP Premiums (Continued)

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: Prior year premiums must be paid before the application for payment deadline. If a prior year premium is not satisfied before the application for payment deadline, COC 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 before the application for payment deadline. If a prior year premium is not paid timely, verify that it is established correctly according to 3-NAP.

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.

Summary of Coverage (SOC)

SOC Purpose

SOC serves as a quarterly cumulative notification of the participant’s NAP guarantee and premium details, if applicable, for the crop year.

SOC will also inform participants of NAP eligible crops for which they did not obtain NAP coverage. This will serve as an outreach effort to inform producers of available coverage options.

SOC will also explain the benefits afforded to SDA, BFR, VFR, and LR producers.

SOC Timing

SOC will be issued quarterly as mass mailings from Kansas City. It is anticipated this will occur for:

- 2015: only one mailing
- 2016: mailing starting mid-year/mid-cycle
- 2017 and future years: standard mailing schedule.
Summary of Coverage (SOC) (Continued)

C Standard SOC Mailing Schedule (2017 and Future years)

• *--November 15th of the prior program year (tropical region producers not included)*--*
• February 1st of the program year
• May 1st of the program year (tropical region producers not included)
• August 1st of the program year
• November 1st of the program year (tropical region producers not included).

D Summary of Coverage Contents

*--Each quarterly SOC for a participant summarizes NAP participation data for each*--*
participating NAP crop as follows:

• coverage level elected for each NAP-covered crop
• NAP guarantee for each NAP-covered crop, based upon coverage level election and
  eligible acres
• premiums for all NAP crops
• premiums still outstanding as of the SOC mailing date
• *--premium billing date (date letters are scheduled to be generated by the system and then
  subsequently processed for mailing)
• premium due date (approximately 30 calendar days after producers receive their bill in
  the mail).

SOC explains that it is not a bill. SOC also informs the participant that failure to pay the
NAP premium by the premium due date will result in ineligibility for NAP payments for*--*
future years, until 1 of the following methods satisfies the debt:

• all premiums in default are paid in full
• all premiums in default are offset in full
• producer enters into an approved repayment plan for all premiums in default.

*--SOC provides a list of NAP eligible crops, for which the producer reported acreage, for
which they did not obtain NAP coverage.

SOC explains that farmers and ranchers who qualify for SDA, BFR, VFR, and/or LR*--*
status are eligible for:

• waiver of NAP service fees
• a 50 percent reduction in NAP premiums.
F  Processing a Transfer (Continued)

The State Office will review the required documentation for NAP transfer cases to determine compliance with current NAP transfer procedure.

Note: The State Office will take no action on a transfer request except to return it to the County Office, if the producer requesting the transfer chose not to furnish required documentation. Persons not furnishing documentation to support a transfer request will be considered to have withdrawn the request for transfer.

After receiving authorization from the State Office to process approved NAP transfer cases, State Offices will:

- assist the County Office to cancel the initial CCC-471
- process authorized transfer of NAP coverage.

*--The service fee associated to the original CCC-471, if applicable, will not be transferred with the coverage. No additional service fees will be collected for the transferred coverage, if the original CCC-471 was filed as VFR, BFR, LR, or SDA producer.

The State Office will be responsible for recording a service fee waiver transaction on the transferee’s application, with a reason of “Transfer of Coverage” and equal to any outstanding service fee balance associated to the transferred crop coverage.

Note: The transferee is responsible for paying any outstanding balance of service fees for coverage not transferred.--*
G Examples

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

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

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

**Notes:** The effective date of transfer cannot be earlier than the date the land
was sold or leased. Producer B must provide a copy of the deed or
lease agreement to verify the effective date of transfer.

Production for the transferred acreage must be kept separate from
other green beans harvested by Producer B. The loss is calculated
only on the transferred acreage from Producer A to B, which is the
NAP covered acreage. To establish an approved yield for the
transferred crop, follow Part 7 using the transferee’s actual production
history.

- changes in operator between husband and wife

**Example:** Producer A conducts a farming operation as an individual. CCC-471 is in
Producer A’s name. Producer A retires from farming and transfers
100 percent interest in his farming operation to Producer B, his spouse, during
the coverage period and before a disaster. Producer B requests a transfer of
NAP coverage. CCC-577 could be approved in Producer B’s name.

**Note:** The effective date of transfer is the date Producer A transfers
100 percent interest in his farming operation to Producer B, his spouse.
Reported and Determined Crop Acreage

A Using Reported and Determined Crop Acreage

As specified in CCC-471 NAP BP, when a unit has both reported and determined crop acreage, COC will 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 premium calculation and APH purposes.

Note: See 2-CP for policy about determined acreage measured by LA.

See Part 3 for NAP provisions about:

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

B Disposition of Reported Crop Acreage

Producers who have reported crop acreage for NAP purposes who harvest the specific crop acreage must file a production report for the crop and be able to provide to COC documentary evidence of crop production and disposition. Evidence may include leaving representative samples of the crop acreage for inspection. Disposition may be reviewed to ascertain if the crop was harvested for the reported intended use and if acreage was harvested.

Failure to make timely application or to supply required documentary evidence will result in a denial of NAP payments.

Exception: For forage crops in areas where multiple cuttings are normal, see subparagraph 802 E.
C Replacement, Repeat, and Replanted Acreage

Replacement crop acreage:

- is acreage of another crop or commodity planted as a subsequent crop
- even if planted after approved prevented planted or failed crop acreage, in the same crop year, is not considered acres devoted to an eligible crop and is not eligible for NAP.

Notes: See 2-CP for further information about replacement crops.

See paragraph 204 for eligible double-crop acreage.

See paragraph 380 for maintaining ineligible crop acreage.

Repeat crop is the subsequent planting of a crop or commodity planted on the same acreage as previous plantings of the same crop or commodity in the same planting period and crop year.

Replanted acreage is eligible for NAP when an eligible crop is damaged and COC determines that it is practical and customary to replant the same crop.

Notes: 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.

*--See subparagraph 51 F for ineligible causes of loss.--*
Late Planting (Continued)

D Example

Producer intended to plant 35 acres of green beans with a maturity period of 75 calendar days. The producer has buy-up NAP coverage at 60/100 for the crop. Ten acres were planted timely, 5 acres were planted 4 calendar days after the final planting date, 5 acres were planted 17 calendar days after the final planting date, and 15 acres were planted 22 calendar days after the final planting date. The approved yield has been calculated at 46 cwt. per acre. Calculate the assigned production as follows:

- 10 acres timely planted = 0 cwt.
- 5 acres planted 4 calendar days after the final planting date:
  \[0.05 \times 46 \text{ cwt. per acre} \times 5 \text{ acres} = 11.5 \text{ cwt.}\]
- 5 acres planted 17 calendar days after the final planting date:
  \[0.01 \times 46 \text{ cwt. per acre} \times 5 \text{ acres} \times 17 \text{ days} = 39.1 \text{ cwt.}\]
- 15 acres planted 22 calendar days after the final planting date:
  \[.60 \text{ coverage level} \times 46 \text{ cwt. per acre} \times 15 \text{ acres} = 414 \text{ cwt.}\]

The total assigned production for this crop is 464.6 cwt. (11.5 cwt. + 39.1 cwt. + 414 cwt.)
Prevented Planting

A Determining Prevented Planted Acreage

*--Prevented Planted Acreage. See 2-CP, for requirement to establish intent to plant, to determine eligible prevented plant acres and to update FSA-578 with the determined acres in CARS.--*

When determining prevented planting losses, producers must be prevented from planting more than 35 percent of the total eligible acreage intended for planting to the eligible crop and in the case of multiple planting, more than 35 percent of the total eligible acres intended to be planted within the applicable planting period.

Prevented planting acreage will be considered separately from low yield losses of planted acreage of the same crop.

Note: Acreage of a specific crop type prevented from being planted and subsequently planted to a crop type in the same pay group is not eligible prevented planted acreage.

Prevented planting credit will be given to crops/commodities where the prevented planted acreage was affected by drought if all of the following conditions are met:

- on the final planting date for nonirrigated acreage, the area that is prevented from being planted has insufficient soil moisture for seed germination and progress toward crop/commodity maturity because of a prolonged period of dry weather
- prolonged precipitation deficiencies exceeded the D2 *** level as determined using the U.S. Drought Monitor
- verifiable information is collected from sources whose business or purpose is to record weather conditions ***.

B Prevented Planting of Tree Crops and Other Perennials

Prevented planting of tree crops and other perennials applies only if:

- the producer can prove resources were available to plant, grow, and harvest the crop, as applicable
- STC approves the defined planting period for the crop.
E Partial Field Planting and Relation to a Crop Year of Planting (Breaking Dates of February 8, 2014, Through December 20, 2018) and a Year of Restrictions (Breaking Date After December 20, 2018) (Continued)

Example 1: A producer has an 80-acre field (CLU) comprised completely of native sod acreage. In the initial year of tilling the native sod acreage, all 80 acres are planted to dryland corn. In crop year 2, the producer plants the North 40 acres to rye and leaves the South 40 acres idle. In crop year 3, the producer plants the South 40 acres to dryland corn and leaves the North 40 acres idle. In crop year 4, the producer plants all 80 acres to rye. All 4 years on the entire 80 acres count towards fulfilling the first 4 years of planting.

Example 2: A producer has an 80-acre field (CLU) comprised completely of native sod acreage. In the initial year of tilling the native sod acreage, the North 40 acres are planted to dryland corn and the South 40 acres are not tilled. The North 40 acres begin counting toward the first 4 years of planting. The South 40 acres will not count as a year of planting until those native sod acres are tilled and planted.

In crop year 2, if the South 40 acres are tilled and planted, but the North 40 acres are not planted, the South 40 acres will count as the first year of planting for those acres. The North 40 acres that were not planted in crop year 2 would still only have 1 year of planting count for the 4 years of restrictive provisions.

The determination if a year of NAP restrictions applied to a native sod CLU with a breaking date after December 20, 2018, will be determined from the same 50 percent or more threshold. If 50 percent or more of the acres have NAP coverage, then the entire CLU is considered to have met a year of restrictions. If less than 50 percent of the acres have NAP coverage, then the entire CLU is considered to have not met a year of restrictions.

F De Minimis Acreage

NAP annual crops that are planted on acreage converted from native sod on 5 acres or less are not subject to the more restrictive provisions. Like native sod provisions, de minimis determinations are also based on acreage identified as native sod that is physically located within the 6 States identified in subparagraph A.

Acreage that meets the parameters of native sod, identified in subparagraph B, has native sod provisions applied by checking the “native sod conversion box” identified in 2-CP. If de minimis is applicable that acreage should not have the “native sod conversion box” checked. This will ensure that the native sod provisions do not apply to that acreage.

*--Note: Crop years 2019 and subsequent; NAP software reads from CARS to apply native sod restrictions. Refer to 2-CP, subparagraph 162 D to request a National Office manual override if a manual determination of de minimis is applicable.--*
F  De Minimis Acreage (Continued)

- **Crop Years 2015 and 2016**

  De minimis is determined the first year of cropping by producer, per pay grouping, per NAP unit. This requires a manual determination. A review of the acres identified as native sod within a NAP unit for the year, a review of pay grouping (pay group and pay type * * *), and a review of Exhibit 40 to determine whether the crop/type is applicable to the native sod provisions (NAP crops that require annual tillage, including 1 pass planters) is required.

  **Example 1:** Producer A has 6 acres identified as native sod converted to cropland in 2016 on 1 unit. NAP requested on those 6 acres is 3 acres of beans (green, GRN) and 3 acres of beans (green baby French, GBF). Exhibit 40 reveals native sod provisions apply to crop beans (0047), all types. * ** The de minimis parameters have not been met (6 acres converted from native sod in 1 unit, all 6 acres are planted to a crop to which the native sod provisions are applicable, and all 6 acres are within the same pay grouping). Native sod provisions apply to all 6 acres.

  **Example 2:** Producer B has 10 acres identified as native sod converted to cropland in 2016 on 1 unit. NAP is requested on those 10 acres for 6 acres of beans (green, GRN) and 4 acres of beans (Chinese string, CHI). Exhibit 40 reveals native sod provisions apply to crop beans (0047), all types. * ** The 4 acres of Chinese string beans meet the de minimis parameters and native sod provisions do not apply (it has been determined that less than 5 acres have been planted in 1 unit per pay grouping). The 6 acres of green beans do not meet the de minimis parameters; therefore, native sod provisions will apply.
F De Minimis Acreage (Continued)

- Crop Years 2017 and Beyond

De minimis determinations are not applicable, once a producer has exceeded 5 acres determined as converted from native sod, cumulatively beginning with crop year 2017, in a county within the 6 States to which native sod provisions apply. If the cumulative acres in an applicable county exceed 5 acres, de minimis parameters are not met regardless of what is planted or how much of the native sod acres do or do not have NAP native sod provisions applicable. Cumulative acres will be manually calculated by the CLU’s created and maintained the first 4 years of cropping for breaking dates of February 8, 2014, through December 20, 2018, and for 10 years or after 4 years of NAP restrictions for breaking dates after December 20, 2018.

Example 1: Producer A has 5 acres determined as native sod converted to cropland in Knox County Nebraska in 2017. All 5 acres are enrolled in NAP with coverage on rye for grain. Exhibit 40 reveals that rye (crop code 0094) is applicable to native sod provisions. Because the cumulative acres beginning with 2017 are only 5 acres de minimis applies and native sod provisions are not applicable.

Example 2: Producer A (from Example 1) has an additional 5 acres determined as native sod converted to cropland in Knox County Nebraska in 2018. The 5 acres converted to cropland in 2017 are once again enrolled in NAP with coverage on rye for grain in 2018. The additional 5 native sod acres converted to cropland in 2018 are insurable with oats for grain. De minimis is not applicable on the 5 acres of rye for grain because the cumulative acres to which native sod provisions apply now exceed 5 acres or are the new acres converted to cropland in 2018 eligible for de minimis on the insurable crop as determined by RMA because the cumulative acres exceed 5 acres to which native sod provisions would apply.

*--A combination of acreage with breaking dates on or before December 20, 2018, and after December 20, 2018, may both be in the cumulative acres to determine that a producer does not meet de minimis. For those situations, the applicable restrictions will apply to the acreage accordingly, as determined by the unique breaking dates, according to subparagraph A. However, since earlier than December 20, 2018, breaking dates may drop out of native sod designation much earlier than acreage with breaking dates after December 20, 2018, the cumulative acres may change in the future.--*
F  De Minimis Acreage (Continued)

- Crop Years 2017 and Beyond (Continued)

Example: Producer B broke 3 acres determined as native sod in spring 2018 in Knox County, Nebraska. The 3 acres had NAP coverage with a crop from Exhibit 40 in 2018 but de minimis applied. In spring 2019, the producer broke an additional 3 acres in Knox County, Nebraska. These 3 acres were not planted to NAP crop in 2019 (no coverage), but NAP coverage continued on the 2018 native sod acreage. De minimis did not apply in 2019 because cumulatively there were more than 5 acres of native sod. After 4 years of continuous cropping, in 2022 the native sod designation is removed from the 2018 breaking acreage. Therefore, if no additional acreage is broken, for any year *--(2022 through 2028), up to 4 years maximum, the 3 acres designated with the 2019 breaking date and that have NAP coverage will meet de minimis since the cumulative acreage is now less than 5 acres. Had Producer B had NAP coverage in 2019 through 2021, de minimis would not have been met.--*

G  Production for Native Sod

Example: A producer has 100 acres of rye for grain with NAP coverage, with 50 acres determined to be native sod and 50 acres are non-native sod. The producer reports 3,000 bu. of production on the entire 100 acres because it was commingled at harvest.

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Determine the proration by dividing the total acres by the applicable determined native sod acres.</td>
<td>100 ÷ 50 = 2</td>
</tr>
<tr>
<td>2</td>
<td>Determine native sod production by dividing total production by the result of step 1.</td>
<td>3,000 ÷ 2 = 1,500</td>
</tr>
<tr>
<td>3</td>
<td>Determine non-native sod production by subtracting the result of step 2 from the total production.</td>
<td>3,000 - 1,500 = 1,500</td>
</tr>
</tbody>
</table>
A Documenting Production for Center Pivot Irrigation

For all annual crops except rice, when center pivot irrigation is used and production for the nonirrigated corners is not kept separate, the acres and production from the nonirrigated corners must be included with the portion of the field irrigated by a center pivot irrigation system for APH and loss. A variable T-yield will be used to reflect productivity of non-irrigated land. Separate approved yields will not be calculated; however, acreage considered to be irrigated will not extend beyond intersecting lines drawn at right angles to the radius of the center pivot, as displayed in the following example.

Note: A separate line entry for a nonirrigated practice is not required on the acreage report for the corners of the field when they are considered irrigated. However, any nonirrigated acreage extending beyond the intersecting lines to the radius of the center pivot, or other nonirrigated fields, would require a separate line entry on the acreage report, as displayed in the following example.

If a producer maintains separate records of acreage and production for the nonirrigated corners of the field and the portion of the field irrigated by the center pivot, 2 practices will be considered carried out and reported as such on the acreage report as separate line entries.
Successor-in-Interest Eligibility

A General Rule

The successor will receive the approved yield history for the crop and unit accumulated by the predecessor.

*--Successor-in-interest applies to any of the following:--*

- an immediate family member, defined as 1 of the following:
  - spouse
  - parent
  - son
  - daughter
  - brother
  - sister
  - legally adopted child
  - grandchild

- individuals who were previously members of an entity or joint operation

**Note:** Changes include the following:

- dissolution of a partnership, corporation, or trust
- settlement of an estate.

- a new entity consisting of individuals:
  - who are current or previous NAP participants
  - from a dissolved entity
  - from an existing entity.

B Applicability

*--The successor must meet 1 of the following criteria:--*

- have been an active member of the entity or joint operation
- have been active in the farming operation
- operate all or part of the same land previously operated by the predecessor.

C Production and Yields

To establish an approved yield for a successor, follow this part to establish an approved yield using the predecessor’s actual production history and prior approved yield.
575 Notice of Loss

A Overview

CCC-576, Part B (Exhibit 53) documents:

- a producer’s loss or damage to a crop or commodity
- what has been or will be done with the crop acreage or commodity.

B Filing CCC-576, Part B

CCC-576, Part B must be provided for:

- prevented planting claims, within 15 calendar days after the final planting date
- low yield claims and allowable value loss, the earlier of either the following:
  - 15 calendar days after the disaster occurrence or date of loss or damage to the crop or commodity first becomes apparent
  - 15 calendar days after the normal harvest date

For 2020 and subsequent years, NAP producers of forage with the intended use of grazing who choose to establish loss level using independent assessments, according to subparagraph 804 J, or other alternative loss percentage methods approved by DAFP, according to paragraphs 812 and 813, are not required to file a CCC-576, Parts A and B. For producers meeting that criteria, the only requirement is to file an application for payment on grazed forage by the deadline specified in paragraph 675.

*--Note: Producers may file an application for payment before the loss level being established when using independent assessments, according to subparagraph 804 J, or other alternative loss percentage methods approved by DAFP, according to paragraphs 812 and 813. An application for payment must be filed by the deadline specified in paragraph 675.--*

For 2020 and subsequent years, NAP producers of forage with the intended use of grazing who choose to establish their loss using similar mechanically harvested forage acreage on the unit for which an approved yield has been calculated, or similar units in the area where approved yields have been calculated for forage, are required to file the following by the applicable deadline:

- CCC-576, Parts A and B by the earlier of the following:
  - 15 calendar days after the disaster occurrence or date of loss or damage to the crop or commodity first becomes apparent
B Filing CCC-576, Part B (Continued)

- 15 calendar days after the end of the coverage period
- CCC-576, Parts D through H, according to paragraph 675.

*--Note: Producers may file an application for payment before the loss level being established when using similar mechanically harvested forage acreage on the unit for which an approved yield has been calculated or similar units in the area where approved yields have been calculated for forage. Applications for payment must be filed by the deadline specified in paragraph 675.--*

An acreage report **must** be filed for the acres devoted to the eligible crop in CCC-576, item 8C and/or 9D, as applicable, for 2015 and subsequent years.

Notices of loss **must** be provided:

- timely
- on CCC-576, Part B
- for at least 1 crop in the pay group for all crops within the pay group to be covered under the notice of loss
- for each weather-related event or adverse natural occurrence that causes damage to or loss of a specific crop or commodity.

**Notes:** A separate CCC-576, Part B **must** be filed for each weather-related event or adverse natural occurrence that causes damage to or loss of a specific crop or commodity.

Multiple crops can be entered on the same CCC-576, Part B, when the same weather-related event or adverse natural occurrence affected the crops or commodities.

County Offices will publicize CCC-576, Part B requirements to all producers according to subparagraph 6 B.

Although producers may notify FSA of losses to hand-harvested crops within 72 hours according to paragraph 576, this does **not** remove the requirement to complete CCC-576, Part B according to this paragraph.

Offices **must** ensure that acres are correct based on reported or determine acres according to subparagraph 376 B.

Offices **must** ensure that production is correct based on reported or determined production according to paragraph 604.
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](http://www.rma.usda.gov/handbooks/25000/index.html); such as for forage, under “Loss Adjustment Standards Handbooks”, click applicable year.

*C-* C Loss Adjustment Forms

Specific crop loss adjustment forms are available on DAFP’s Intranet page under “NAP Loss Adjustment Forms” at [https://inside.fsa.usda.gov/program-areas/dafp/dap/nap/index](https://inside.fsa.usda.gov/program-areas/dafp/dap/nap/index).--*

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 according to Exhibit 64.--*
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 subparagraph 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 both 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.

*--G  Using Electronic Devices to Measure Acres

Electronic devices must meet the accuracy standards established in 1-GIS, paragraph 278.  Specifically, accuracy must be within 3 meters (9.8 ft.).  FSA-approved GPS devices, such as the handheld Garmin 64 series and Trimbles, can achieve this standard.

Employees’ and LA’s privately owned cell phones or similar personal devices can be legally subject to confiscation and searches, if used in the course of official government business.  OGC strongly discourages using personal electronic devices.--*
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 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 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 COC. 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.

*--For grazed forage producers using independent assessments or other alternative collective percentage of loss methods approved by DAFP in determining a loss, the application for payment deadline is 180 calendar days after the end of the coverage period.--*

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.
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:  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.

  Note:  County Offices must ensure that all producers with an approved NAP application for payment receive a copy of the Estimated Calculated Payment Report.

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.
Application for Payment (Continued)

C  LateFiled CCC576, Parts D Through H (Continued)

Note:  The letter advising any producer that CCC576 cannot be paid must include the basis for the determination and a right of reconsideration according to 1APP. The right of reconsideration is limited to providing facts and evidence that CCC576 was filed timely.

D  COC Review and Action, CCC576, Part I

COC:

• is required to use Exhibit 53 (CCC576, 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 CCC576

• must provide producer a copy of the Estimated Calculated Payment Report if the application is approved and a payment is calculated

• must follow Exhibit 22 if the application is approved and a payment is calculated to be zero

• must follow provisions in 1APP to notify the participant if the application is disapproved.

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
Amount of Assistance (Continued)

Amount of NAP Assistance for Value Loss Crops (Continued)

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.

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).

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.

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.
Part 12   Specific Crop Procedures

Section 1   Forage Provisions

800   General Forage Provisions

A   Eligible Forage

Eligible forage is vegetation consisting of annual, biennial, and perennial grasses, legumes, small grains, etc. produced in a commercial operation for animal consumption or for seed for the propagation of forage for animal consumption.

Eligible forage on Federal- and State-owned land includes both seeded and unseeded forage acreage.

B   Acceptable Management Practices

COC will ensure that producers are using acceptable farming practices, pasture and range management, and maintenance practices for the location.

Acceptable pasture and range practices must be such to sustain sufficient quality and quantity of the vegetation for grazing livestock. Acceptable farming practices must be such to yield the expected production of vegetation or seed.

C   Forage Production Provision for Buy-Up Coverage

Acreage with an intended use of forage or seed that has buy-up coverage and was abandoned, destroyed, or grazed without a timely appraisal requires an assignment of production. The assigned production for this acreage is the NAP production guarantee (Exhibit 53.5) according to paragraph 607.

***
D Acreage Eligibility

When questions of eligibility exist, COC will 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 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 on grazed forage 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.
E Determining Loss on Forage Intended for Forage

Alfalfa, alfalfa mixture, and other hay forage acreage certified on FSA-578 as intended to be mechanically harvested for forage is always considered mechanically harvested acreage for crop definition purposes regardless of actual method of harvest.

The following table provides how a loss is determined for acreage reported as intended to be mechanically harvested for forage, provided all eligibility requirements are met.

**Important:** COC **must** ensure that the producer is aware of their responsibilities in subparagraph D and as outlined in this table.

<table>
<thead>
<tr>
<th>IF acreage reported as intended to be mechanically harvested for forage has...</th>
<th>AND the producer…</th>
<th>THEN the loss is determined based on...</th>
</tr>
</thead>
<tbody>
<tr>
<td>basic 50/55 or buy-up coverage and is completely mechanically harvested for forage (all acreage is mechanically harvested for forage, with no grazing)</td>
<td>• timely files CCC-576, according to paragraph 575 • provides verifiable or reliable production records, according to paragraph 601</td>
<td>difference between: • expected production for forage (calculated using producer’s approved yield) • actual harvested production of forage.</td>
</tr>
</tbody>
</table>
## E Determining Loss on Forage Intended for Forage (Continued)

<table>
<thead>
<tr>
<th>IF acreage reported as intended to be mechanically harvested for forage has...</th>
<th>AND the producer...</th>
<th>THEN the loss is determined based on...</th>
</tr>
</thead>
<tbody>
<tr>
<td>basic 50/55 or buy-up coverage and is both mechanically harvested for forage and grazed (all acreage is mechanically harvested for forage at least once, and grazed)</td>
<td>• timely files CCC-576, according to paragraph 575</td>
<td>difference between the expected production for forage (calculated using producer’s approved yield) and the total of both:</td>
</tr>
<tr>
<td></td>
<td>• provides verifiable or reliable production records according to paragraph 601</td>
<td>• actual harvested production of forage</td>
</tr>
<tr>
<td></td>
<td>• before grazing, establishes representative sample areas by setting up panels according to 2-NAP</td>
<td>• total appraised production for forage.</td>
</tr>
<tr>
<td></td>
<td>• within 15 calendar days of placement of the panels, inform the County Office of the location of the sample areas for appraisal and spot check purposes</td>
<td><strong>Note:</strong> The appraisal of forage must include the establishment of a secure area to determine potential forage production.</td>
</tr>
<tr>
<td></td>
<td>• at the end of the normal harvest date, and <strong>before</strong> the first freeze, requests an appraisal of the sample areas be completed for forage</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:** See subparagraphs B and C for COC responsibilities.

In areas where multiple cuttings are normal, producers may elect to **not** maintain representative sample areas after the initial appraisal is completed. An RMA factor method may be used to account for potential production of subsequent cuttings. See RMA forage LASH available at

### E Determining Loss on Forage Intended for Forage (Continued)

<table>
<thead>
<tr>
<th>IF acreage reported as intended to be mechanically harvested for forage has...</th>
<th>AND the producer...</th>
<th>THEN the loss is determined based on...</th>
</tr>
</thead>
</table>
| basic 50/55 or buy-up coverage and is abandoned or destroyed (acreage is not mechanically harvested for forage) | • timely files CCC-576, according to paragraph 575  
• **before** abandoning or destroying the acreage, establishes representative sample areas by setting up panels according to 2-NAP  
• within 15 calendar days of placement of the panels, informs County Office of the location of the sample areas for appraisal and spot check purposes  
• at the end of the normal harvest date, and **before** the first freeze, requests an appraisal of the sample areas be completed | difference between:  
• expected production (calculated using producer’s approved yield)  
• total appraised production. |

**Note:** The appraisal of forage **must** include the establishment of a secure area to determine potential forage production.

**Notes:** See subparagraphs B and C for COC responsibilities.

In areas where multiple cuttings are normal, producers may elect to **not** maintain representative sample areas after the initial appraisal is completed. An RMA factor method may be used to account for potential production of subsequent cuttings. See RMA forage LASH available at  

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*Par. 802*
E Determining Loss on Forage Intended for Forage (Continued)

<table>
<thead>
<tr>
<th>IF acreage reported as intended to be mechanically harvested for forage has...</th>
<th>AND the producer...</th>
<th>THEN the loss is determined based on...</th>
</tr>
</thead>
</table>
| *--basic 50/55 coverage only, and some or all of the acreage intended for mechanical harvest is grazed without a timely appraisal (includes areas where multiple cuttings are normal) | • timely files CCC-576, according to paragraph 575  
• grazes, abandons, or destroys the acreage before establishing representative sample areas and requesting an appraisal | AUD value by determining the percent of loss using 1 of the methods provided in subparagraph 804 I for grazed forage. |

**Note:** For approved yield purposes, follow guidance in this paragraph and include all acres and the partial production received, applicable to areas where multiple cuttings are normal. Production must be reviewed by COC and meet requirements outlined in paragraph 601.--*
### E Determining Loss on Forage Intended for Forage (Continued)

<table>
<thead>
<tr>
<th>IF acreage reported as intended to be mechanically harvested for forage has...</th>
<th>AND the producer...</th>
<th>THEN the loss is determined based on...</th>
</tr>
</thead>
</table>
| *--buy-up coverage only and some or all of the acreage intended for mechanical harvest is grazed without a timely appraisal (includes areas where multiple cuttings are normal)* | • timely files CCC-576, according to paragraph 575  
• grazes, abandons, or destroys the acreage before establishing representative sample areas and requesting an appraisal | unit guarantee being assigned to the unit acreage. Since an appraisal was **not** completed according to the buy-up provisions, the acreage would be considered ineligible for NAP payment. |

**Note:** For approved yield purposes, follow guidance in this paragraph and include all acres and the partial production received, applicable to areas where multiple cuttings are normal. Production must be reviewed by COC and meet requirements outlined in paragraph 601.**--*
## E Determining Loss on Forage Intended for Forage (Continued)

<table>
<thead>
<tr>
<th>IF acreage reported as intended to be mechanically harvested for forage has...</th>
<th>AND the producer...</th>
<th>THEN the loss is determined based on...</th>
</tr>
</thead>
</table>
| buy-up coverage only and the acreage is not mechanically harvested for forage but is either grazed, abandoned, or destroyed | - timely files CCC-576, according to paragraph 575  
- grazes, abandons, or destroys the acreage before establishing representative sample areas and requesting an appraisal | unit guarantee being assigned to the unit acreage. Since an appraisal was not completed according to buy-up provisions, the acreage would be considered ineligible for NAP payment. |
| basic 50/55 coverage only, and is abandoned or destroyed, not grazed (acreage is not mechanically harvested in any manner) | - timely files CCC-576, according to paragraph 575  
- abandons or destroys the acreage before establishing representative sample areas and requesting an appraisal | AUD value by determining the percent of loss using 1 of the methods provided in subparagraph 804 I for grazed forage.  
**Note:** Losses determined on an AUD will not be used for approved yield purposes. |
D  Forage Quality Calculator

This table provides instructions for entering data into the Forage Quality Loss Calculator for determining production not to count using RFV for a specific type of harvested forage.

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Enter crop year from CCC-576, item 2.</td>
</tr>
<tr>
<td>2</td>
<td>Enter producer’s name from CCC-576, item 3.</td>
</tr>
<tr>
<td>3</td>
<td>Enter unit number for the producer and crop from CCC-576, item 8B.</td>
</tr>
<tr>
<td>4</td>
<td>Enter name of the forage laboratory that performed the quality test.</td>
</tr>
<tr>
<td>5</td>
<td>Enter name of the crop from CCC-576, item 6A.</td>
</tr>
<tr>
<td>6</td>
<td>Enter crop type name or abbreviation for the crop from CCC-576, item 6B.</td>
</tr>
<tr>
<td>7</td>
<td>Enter unit of measure from CCC-576, item 25.</td>
</tr>
<tr>
<td>8</td>
<td>Enter analysis number from the forage quality test.</td>
</tr>
<tr>
<td>9</td>
<td>Enter actual RFV from the forage quality test.</td>
</tr>
<tr>
<td>10</td>
<td>Enter production associated with each sample.</td>
</tr>
<tr>
<td>11</td>
<td>Percent loss of quality will be displayed.</td>
</tr>
<tr>
<td>12</td>
<td>Production not to count by sample will be displayed.</td>
</tr>
<tr>
<td>13</td>
<td>Total production not to count for the unit to be entered on CCC-576, item 29.</td>
</tr>
</tbody>
</table>
### Example of Forage Quality Loss Calculator

This is an example of a completed Forage Quality Loss Calculator using RFV.

<table>
<thead>
<tr>
<th>RFV Data</th>
<th>Low</th>
<th>High</th>
<th>14. Total Production Not to Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>151</td>
<td></td>
<td>218.75</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3657</td>
<td>115</td>
<td>225</td>
<td>47.37%</td>
<td>106.58</td>
</tr>
<tr>
<td>4000</td>
<td>120</td>
<td>275</td>
<td>40.79%</td>
<td>112.17</td>
</tr>
</tbody>
</table>
813 Alternative Grazing Loss Assessment Forage Weight Appraisal Method

A Background

According to subparagraph 804 J, information obtained from trained NAP LA’s with sufficient knowledge to provide grazing loss assessments using the Alternative Grazing Loss Assessment Forage Weight Appraisal Method for determining collective percentage of loss for grazed forage may be used.

B Authorization for Using NAP LA Alternative Method

The Alternative Grazing Loss Assessment Forage Weight Appraisal Method may be approved to be used for determining collective percentage of grazed forage loss by STC if COC recommends and DD concurs no later than 90 calendar days before the beginning date of the grazing period.

If a situation occurs during the grazing period where NAP LA is unable to fulfill their obligation to continue with completing their assessment of grazed forage such as retirement, moving from the area, etc., the County Office may:

- authorize another trained NAP LA with sufficient knowledge to complete the grazing loss assessment using the Alternative Grazing Loss Assessment Forage Weight Appraisal Method if, at a minimum, the grazing loss assessment site was selected and secured according to subparagraphs C and D by NAP LA unable to complete the assessment
- request authorization to use the applicable CPLGW’s from STC to determine collective percentage of loss for grazed forage according to paragraph 812.

Note: If the coverage period has already begun for the specific type of grazed forage and the *-conditions of subparagraph 804 J are not satisfied, the only alternative method-* available is CPLGW.
C Selecting Grazing Loss Assessment Sites

Selected grazing loss assessment sites must be representative of all acreage in the county. When selecting a site, avoid high traffic areas, such as watering locations and feeding sources. If a county has areas with substantially different production capabilities, additional sites may be required. At a minimum a county will select 3 specific sites located in different areas of the county for each forage classification type and growing season (such as native, full season improved, warm season grasses, cool season grasses, small grains, forage sorghums, etc.).

At least 30 days before the beginning date of the normal grazing period for the specific forage classification type, a CED and/or LA with sufficient forage knowledge to provide grazing loss assessments must establish the representative grazing loss assessment sites and complete the following:

- clean each site by clipping the selected area to mowing machine height (as appropriate for the terrain) to remove prior year residue (it is recommended that a minimum 6’ diameter area be cleared)

- take GPS Points/Mark sites

- take pictures.

Note: It is recommended that the same LA not perform the selection, establishment of the representative sample area, or complete the grazing loss assessment on more than 1 specific site per forage classification type in a county.

D Securing Clipping Sites

Once a site location for a specific forage type classification is determined in a county, the CED/LA must secure the area utilizing equipment such as welded wire cattle panels and t-posts. Each clipping site must be large enough to accommodate the using an approved sampling device, such as a “hoop” as well as allow for a surrounding buffer area.

Note: For protected areas with no livestock access (CRP or similar areas), the use of panels/cages is not required. However, if there is potential for livestock or wildlife degradation of the site, panels are required.--*
D  Buy-Up Provisions

All value loss crops are eligible for buy-up coverage. Buy-up coverage will be based on MDV elected by the producer. The premium will be calculated based on MDV.

*--E  Prevented Planting

Prevented planting provisions are not applicable to any value loss crops/commodities.

F  Record Keeping

Producers are responsible for maintaining monthly inventory reports and providing this inventory to the COC at the time of loss. Failure to provide accurate monthly inventories will result in ineligibility for NAP payments.

Producers are responsible for providing updated inventory to the COC immediately following an eligible loss event. This inventory after the disaster must be verified by L.A.--*
A Eligible Aquacultural Species

Eligible aquacultural species are:

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

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

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

B Eligible Causes of Loss

NAP coverage is available for all eligible natural causes of loss to eligible aquaculture crop types, from damaging weather or adverse natural occurrences including drought.

Note: For mollusks that are not planted or seeded in containers, net pens, wire baskets, on ropes, or similar devices designed for containment and protection of the mollusks, the only eligible cause of loss of mollusks or missing mollusk inventory is a National Oceanic and Atmospheric Administration-determined tropical storm, typhoon, or hurricane.

C Crop Year

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

D Private Property

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

- producer owns or has leased property with readily identifiable boundaries or GPS coordinates
- owner or lessee has total control of the water column and/or the ground under the specific type of water.
H Establishing Natural Mortality Rates

Natural mortality is used to account for the loss of aquacultural species. Causes of natural mortality can include disease, competition, predation, pollution, or any other natural factor.

Natural mortality rates must be established before the start of the ensuing crop year. On a State-by-State basis, STC’s must establish natural mortality rates for each size of aquacultural species by obtaining recommendations from reliable sources, such as:

- aquaculture or shellfish associations
- FWS
- National Oceanic and Atmospheric Administration
- NIFA
- State Department of Natural Resources
- other applicable aquaculture organizations.

*--Natural mortality rates may be established based on the type of growing practices in the State. For example, if oysters are grown on the ocean floor with minimal protection, STC may determine the natural mortality is 60 percent, but if documentation shows the oysters are grown in a cage in the water column, the natural mortality is less; therefore, STC may establish a 45 percent natural mortality for that growing practice.--*

STC will submit all established mortality rates, with supporting documentation, to DAFP for concurrence before the start of the ensuing crop year (paragraph 11).

Natural mortality must be calculated and subtracted from the inventory before disaster before establishing FMVA. To calculate inventory (or value) before disaster less natural mortality:

- multiply the inventory (or value) before disaster times STC-approved natural mortality rate.
- subtract result from inventory (or value) before disaster.

**Example:**
Inventory before disaster: $100,000
Natural Mortality Rate: $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.

STC will ensure the natural mortality rates are published after DAFP concurrence. County Offices will inform producers of the natural mortality provisions when they submit applications for coverage.
I Eligible and Ineligible Causes of Loss

Eligible causes of loss defined in paragraph 51 apply. The loss of eligible aquacultural species must be a direct result of an eligible cause of loss. For mollusks that are not planted or seeded in containers, net pens, wire baskets, on ropes, or similar devices designed for containment and protection of the mollusks, the only eligible cause of loss of mollusks or missing mollusk inventory will be a direct result of a National Oceanic and Atmospheric Administration-determined tropical storm, typhoon, or hurricane.

Further for all loss claim applications, losses because of managerial decisions or losses of aquacultural species normally incurred in the production cycle of the aquacultural species, that is, normal death losses, are not eligible. NAP does not provide protection against:

- brownout (Exhibit 2)
- failure of power supply
- the inability to market aquacultural species because of quarantine, boycott, or refusal of a buyer to accept production
- growing environments that do not meet the requirements of subparagraphs D and E
- collapse or failure of equipment or apparatus used in the aquacultural facility

Example: Damaging weather interrupts electrical power service causing an aquacultural facility’s aeration equipment to fail. The loss of aquacultural species because of the lack of oxygen because of a failure of the aeration equipment is not eligible because natural disaster did not directly impact the aquacultural species.

•**--loss due to natural mortality.--**

***
Aquaculture (Continued)

** J Standard Units

STC will convert aquacultural species or varieties to a standard unit of measure. Apply the following steps for each species or variety or grouping.

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
<th>Example 1</th>
<th>Example 2</th>
<th>Example 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Determine the applicable unit of measure and the value of each.</td>
<td>1 gallon of: • fingerlings = $15 • 9-inch fish = $30 • 12-inch fish = $45 • 15-inch fish = $60</td>
<td>1 pound of: • fingerlings = $5 • 9-inch fish = $7 • 12-inch fish = $10 • 15-inch fish = $12</td>
<td>1 9-inch fish = $2.50 1 12-inch fish = $4 1 15-inch fish = $5.50</td>
</tr>
<tr>
<td>2</td>
<td>Determine the standard unit of measure and notify COC.</td>
<td>STC determined that the standard unit is 1 gallon of fingerlings.</td>
<td>STC determined that the standard unit is 1 pound of fingerlings.</td>
<td>STC determined that the standard unit is inches using the 9-inch fish.</td>
</tr>
<tr>
<td>3</td>
<td>Convert each unit of measure to a standard unit by using the ratio of values of each unit of measure.</td>
<td>$15 ÷ $15 = 1 unit $30 ÷ $15 = 2 units $45 ÷ $15 = 3 units $60 ÷ $15 = 4 units</td>
<td>$5 ÷ $5 = 1 unit $7 ÷ $5 = 1.4 units $10 ÷ $5 = 2 units $12 ÷ $5 = 2.4 units</td>
<td>$2.50 ÷ $2.50 = 1 unit $4 ÷ $2.50 = 1.6 units $5.50 ÷ $2.50 = 2.2 units</td>
</tr>
</tbody>
</table>

The producer harvested 100 gallons of fingerlings, 50 gallons of 9-inch fish, 75 gallons of 12-inch fish, and 80 gallons of 15-inch fish. Therefore, the producer has 745 units.

The producer harvested 2 pounds of fingerlings, 5 pounds of 9-inch fish, 10 pounds of 12-inch fish, and 20 pounds of 15-inch fish. Therefore, the producer has 77 units.

The producer harvested 10 9-inch fish, 5 12-inch fish, and 15 15-inch fish. Therefore, the producer has 51 units.

**Note:** Some common units of measure for aquacultural species include, but are not limited to:

- gallons
- inches
- pieces
- pounds.
K  Calculating NAP Assistance for Aquaculture Losses

See subparagraph 900 B for calculating losses of value loss crops.

Use CCC-576B for calculating NAP assistance for aquaculture losses.

The total loss of value of each pay type or variety within the pay group of aquacultural species in a unit must be in excess of the coverage level selected by the producer and be because of an eligible cause of loss.

For the crop to be considered a loss, the value of the crop must be reduced to zero. If the crop has any value, now or expected value in the future, it will count at full value at the time of disaster.

Example: Mollusk has 2 separate crops, clams (001) and oysters (002), that are each listed on separate CCC-576B’s by crop and type on the unit.

L  Unharvested Payment Factors

STC will establish unharvested payment factors for each type or variety of aquacultural species according to paragraph 279.

The approved unharvested payment factor will be applied to all aquacultural losses computed for payment, unless the producer can prove that the unit was harvested at the time of disaster or immediately after 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 the application, any loss calculated for payment will be paid at the unharvested payment rate. In no case will COC assume that harvest expenses were incurred at or near the time of disaster.

Note: Although harvest costs or access to a seine may be considered evidence, unless COC is satisfied that the payroll or seine was used for harvest of the crop or commodity, that evidence is not relevant to the question of applying the payment factor. The producer must prove to COC’s satisfaction that the unit or specific pond, etc. was harvested at the time of disaster or immediately after the disaster.
A Eligible Loss

The total value of Christmas trees present on the unit at the time of disaster **must** be reduced by more than the coverage level selected by the producer because of an eligible cause of loss to be eligible for NAP payment. Consider **only** trees present on the unit at the time of disaster (FMVA) when determining the unit’s pre-disaster value of Christmas trees. For an individual Christmas tree to be considered a loss, the value of the tree **must** be reduced to zero. A Christmas tree having any value as a Christmas tree, or a damaged Christmas tree that may rejuvenate and re-establish value as a Christmas tree, will count as full value based on the age of the tree at the time of disaster.

Use CCC-576B for calculating Christmas tree loss and payment.

B Crop Year

The crop year for Christmas tree crops is from October 1 through September 30.

C Unit of Measure

The unit of measure for all Christmas trees is piece.

D Report of Crop Acreage

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

In addition to providing information **required** in paragraph 375, the producer **must** report the:

- dates of planting of all trees by location on a map
- number of trees by date of planting
- acres
- removal or loss of any trees after the filing of the acreage report within 15 calendar days of the removal or loss.
G County-Expected Yields

STC will establish a county-expected yield for honey. The county-expected yield will be pounds of honey produced per colony of bees per crop year.

H Calculating Eligible Loss

Calculate unit loss of honey by:

- multiplying the producer’s highest number of NAP eligible colonies reported for the crop year times the producer’s approved yield
- subtracting the producer’s total actual and assigned production of honey from all the producer’s eligible colonies.

A producer filing an application for honey loss payment must certify whether bees were present in the geographical area at the time of disaster.

Note: Beginning in 2015, NAP assistance may be made available for any commercially produced crop acreage for which individual CAT level or buy-up coverage is available as a pilot product. However, if a producer is eligible to receive a payment under NAP and under the pilot, the producer must choose whether to receive the benefit under the pilot product or NAP, but will not be eligible for both, according to paragraph 150.

I Ineligible Causes of Loss

Loss of honey production must be the result of an eligible cause of loss listed in paragraph 51. Production losses because of managerial decisions or losses of bees because of circumstances other than natural disaster are not eligible. NAP does not provide coverage for:

- the result of a condition other than an eligible cause of loss
- the loss of colonies or bees
- lack of a floral source, unless the lack of floral source is caused by an eligible cause of loss
- decreased honey production because of:
  - the application of agricultural or nonagricultural chemicals
  - theft, fire, or vandalism
  - movement of bees by the producer or any other person
  - disease or pest infestation of the colonies
I  Ineligible Causes of Loss (Continued)

- colony collapse disorder occurring before the hives are set out for honey production

Notes: If the producer can provide documentation showing that replacement colonies, including queen bees, were purchased and received in sufficient time to expect full production at the beginning of the honey production season for the physical location county where the hives are placed, these replacement colonies may be eligible for NAP loss, premium, and approved yield.

If COC determines the colonies are eligible under this provision, do **not** enter the colonies in SNAPP. COC must retain copies of documentation provided and thoroughly document the decision in the COC minutes.

- the inability to extract because of the unavailability of equipment
- collapse or failure of equipment or apparatus used in the honey operation
- losses resulting from improper storage of honey
- loss of honey production because of bee feeding.

J  Payment Factors

The prevented planting payment factor for honey is zero.

The unharvested factor for honey is 85 percent. Colonies are considered unharvested if honey is not extracted during the crop year. Effective with the 2020 crop year, if honey is extracted from a specific colony at any time during the crop year, the unharvested payment factor is not applicable to that colony.

Example: Producer Dale reports 250 colonies for the crop year. Honey is extracted from only 225 colonies during the year. The unharvested factor will apply to 25 colonies.*
Maple Sap (Continued)

F  Expected Production

When establishing a unit’s expected amount of production of maple sap, COC’s will:

• consider only the number of taps placed in eligible trees in the tapping season

• multiply the number of taps placed in eligible trees times the producer’s approved yield, that is, gallons of sap per tap, which equals expected production.

G  Payment Factors

The prevented planting payment factor for maple sap is zero.

STC will establish an unharvested payment factor for maple sap.  ***

Any loss of expected production for maple sap calculated for payment will have the unharvested payment factor applied.
A License Requirement

To be eligible for NAP coverage, the producer must have a license issued by a State, Tribe, or USDA. Producers are required to submit a copy of the license at the time the acreage is reported, but not later than the final acreage reporting date. If the producer does not provide a copy of the license, the crop is ineligible for NAP payment; however, NAP service fees will not be refunded, and the producer is responsible for paying the premium, if applicable.

B Commercial Use Requirement

NAP requires hemp to be grown for commercial use as evidenced by the license and processor contract.

Note: Before the 2018 Farm Bill, hemp could only be grown as part of a university research pilot program authorized by Section 7606 of the 2014 Farm Bill. States could continue to operate under the 2014 Farm Bill authority until October 31, 2020. If a producer is in a State that continued to operate a pilot hemp program for experimental or research purposes, a producer may obtain NAP coverage if the producer also has a processor contract. Additionally, producers may use hemp grown under the 2014 Farm Bill provisions to meet the growing history requirement according to paragraph 50.

C Processor Contract Requirements

A processor is any business enterprise regularly engaged in processing hemp that possesses all required licenses and permits and that possesses facilities or has access to facilities to process hemp.

A producer is required to have a contract with a processor showing risk for the applicable intended use of hemp to support the grower’s ability to harvest and market the crop, as required for NAP. Producers are required to submit a copy of the contract, at the time the acreage is reported, but no later than the final acreage reporting date. If the producer does not provide a copy of the contract, the crop is ineligible for NAP payment; however, NAP service fees will not be refunded, and the producer is responsible for paying the premium, if applicable.
C Processor Contract Requirements (Continued)

The contract must be with an eligible processor and must contain the following provisions:

- the producer’s promise to deliver all hemp to the processor
- the processor’s promise to purchase hemp
- a base contract price or method to derive a value that will be paid.

For a hemp producer who is also a processor, a corporate resolution by the Board of Directors or officers of the hemp processor will be considered a hemp processor contract, if it contains the required terms listed in this subparagraph.

D Significance of THC Level Exceeding 0.3 Percent

USDA requires hemp plans to include procedures for sampling and testing to ensure that the THC level does not exceed 0.3 percent. Cannabis with a THC level exceeding 0.3 percent, often referred to as “hot”, is not considered hemp. It is considered marijuana, which is classified as a schedule I controlled substance regulated by DEA.

Note: THC testing is not required by USDA if the crop is not taken to harvest.

According to the definition of hemp, the maximum acceptable hemp THC level will be the lesser of either of the following:

- 0.3 percent, allowing for the measurement of uncertainty provided by the testing laboratory
- the acceptable level of the applicable governing authority (State or Tribe) in which the insured crop is grown, allowing for the measurement of uncertainty provided by the testing laboratory. The maximum acceptable hemp THC level and measurement of uncertainty are established according to the Agriculture Improvement Act of 2018, with *--Agricultural Marketing Service Interim Final Rule (84 FR 58522 and 86 FR 5596) and--* any subsequent regulations, and with any other applicable Federal regulations. If the test results provided by the testing laboratory do not include a measure of uncertainty, the measurement of uncertainty will be considered zero percent (0.000%).

Example 1: Production does not exceed maximum THC Level

The Federal maximum acceptable THC level is 0.3 percent and is applicable. The testing laboratory sample result shows 0.35 percent THC with a measure of uncertainty of +/- 0.05 percent, resulting in a range of 0.25 percent - 0.35 percent. The sample is within the maximum acceptable THC level of 0.3 percent.

Loss of production due to eligible causes of loss is eligible for NAP payment.
D  Significance of THC Level Exceeding 0.3 Percent (Continued)

Example 2:  Production exceeds maximum THC Level

The Federal maximum acceptable THC level is 0.3 percent and is applicable. The testing laboratory sample result shows 0.35 percent THC with a measure of uncertainty of +/- 0.04 percent, resulting in a range of 0.26 percent - 0.34 percent. The sample is outside the maximum acceptable THC level of 0.3 percent.

Loss of production not eligible for NAP payment.

E  Failed Acres

If all or a portion of the crop within a subfield (commonly referred to as a “lot” by growers) is determined to be “hot”, destruction of the crop in the subfield is required. The production must be associated with the acres where it was grown, using the producer’s acreage reporting map. If a portion of the crop is “hot” and a portion of the crop is not, production must be assigned, up to the guarantee, for those acres associated with the “hot” portion of the crop because that acreage suffered an ineligible cause of loss according to paragraph 607.

F  Ineligible Causes of Loss

*--In addition to the ineligible causes of loss in subparagraph 51 F, NAP will not cover any--*

- levels of THC in excess of 0.3 percent on a dry weight basis
- failure to follow the requirements contained in a processor contract
- any harvested production infected by mold, yeast, fungus, or other microbial organisms after harvest
- any damage or loss of production because of the inability to market the hemp for any reason other than actual physical damage to the hemp from a covered cause of loss (for example, quarantine, boycott, processor contract default, or refusal of any person to accept production).
G  Acreage Restrictions Based on Prior Crops

The general NAP provisions about using good farming practices apply to hemp. Growing hemp on acreage planted in the prior year to the following crops is not considered a good farming practice:

•--cannabis, including hemp--*
  • canola
  • dry peas
  • mustard
  • rapeseed
  • soybeans in CT, IA, ID, IL, IN, MA, ME, MI, MN, MT, NE, NH, NJ, NY, ND, OH, OR, PA, RI, SD, VT, WA, WI, and WY
  • sunflowers.

*--H  Dry Weight Conversion

Multiply the harvested production times a 60 percent standard moisture content to convert wet production to a dry weight, rounded to whole pounds.

Example: Producer harvests 2,500 pounds of hemp to be processed for cannabinoids. The production used for APH and loss purposes is 1,500 pounds (2,500 x 0.60).

I  Whole Plant Harvest Conversion

There are 2 harvesting methods for cannabinoids:

• whole plant harvest includes the entire plant (stalks, stems, leaves, and flowers, including parts with a lower concentration of cannabinoids), which may result in a lower concentration of cannabinoids

• floral harvest includes only the high-cannabidiol concentrated floral material (all parts--* of the flower and, depending on the processor, flag leaves and small pieces of stalk).
I Whole Plant Harvest Conversion (Continued)

The harvesting method has a direct impact on expected yield; therefore, it is necessary to convert production harvested using the whole plant harvest method to floral.

Note: Harvested production will be determined in pounds for both methods of harvest.

The conversion factor is 0.43 for whole plant to floral conversions.

Example: 9,500 lbs. of whole plant biomass x 0.43 = 4,085 lbs. of floral biomass.
### Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

<table>
<thead>
<tr>
<th>Approved Abbreviation</th>
<th>Term</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>%PL</td>
<td>percent of public land</td>
<td>807, 808</td>
</tr>
<tr>
<td>AIB</td>
<td>RMA’s Actuarial Browser</td>
<td>Ex. 5</td>
</tr>
<tr>
<td>AU</td>
<td>animal unit</td>
<td>4, 277, 804, 807, 808, Ex. 2</td>
</tr>
<tr>
<td>AUD</td>
<td>animal-unit-day</td>
<td>4, 55, 101, Part 12, Ex. 2, 62</td>
</tr>
<tr>
<td>AUM</td>
<td>animal-unit-month</td>
<td>804, 807, 808</td>
</tr>
<tr>
<td>BFR</td>
<td>beginning farmer or rancher</td>
<td>301-305, 342, Ex. 34</td>
</tr>
<tr>
<td>CARS</td>
<td>Crop Acreage Reporting System</td>
<td>402, 807, 808</td>
</tr>
<tr>
<td>CBD</td>
<td>cannabinoid</td>
<td>978</td>
</tr>
<tr>
<td>CMP</td>
<td>contract marketing percentage</td>
<td>203, Ex. 52, 55</td>
</tr>
<tr>
<td>CPLGW</td>
<td>Collective Percentage of Loss Grazing Worksheet</td>
<td>804, 812, 813</td>
</tr>
<tr>
<td>DAS</td>
<td>Disaster Assistance Section</td>
<td>51, 53, 200, 207, 342</td>
</tr>
<tr>
<td>DM</td>
<td>dry matter</td>
<td>809, 810, Ex. 2, 53</td>
</tr>
<tr>
<td>DMP</td>
<td>direct marketing percentage</td>
<td>207, 278, 702, Ex. 52, 55</td>
</tr>
<tr>
<td>FH</td>
<td>fresh</td>
<td>50, 200, 203, 375, 400</td>
</tr>
<tr>
<td>FMVA</td>
<td>Field Market Value A</td>
<td>304, 900-908, Ex. 53, 54</td>
</tr>
<tr>
<td>FMVB</td>
<td>Field Market Value B</td>
<td>304, 900-908, Ex. 54</td>
</tr>
<tr>
<td>FTA</td>
<td>fescue, tall</td>
<td>803, 804</td>
</tr>
<tr>
<td>HMP</td>
<td>historical marketing percentage</td>
<td>202, 203, 302, 702, Ex. 52, 55</td>
</tr>
<tr>
<td>LASH</td>
<td>Loss Adjustment Standards Handbooks</td>
<td>502, 802, Ex. 64</td>
</tr>
<tr>
<td>LR</td>
<td>limited resource farmer or rancher</td>
<td>301-303, 305</td>
</tr>
<tr>
<td>MDV</td>
<td>maximum dollar value</td>
<td>900, 901, Ex. 54</td>
</tr>
<tr>
<td>MPCI</td>
<td>Multiple Peril Crop Insurance</td>
<td>587</td>
</tr>
<tr>
<td>NTS</td>
<td>no type specified</td>
<td>801</td>
</tr>
<tr>
<td>OC</td>
<td>certified organic</td>
<td>278, Ex. 5</td>
</tr>
<tr>
<td>OO</td>
<td>unit producer type owner/operator</td>
<td>101</td>
</tr>
<tr>
<td>OP</td>
<td>unit producer type operator</td>
<td>101</td>
</tr>
<tr>
<td>OT</td>
<td>unit producer type other tenant</td>
<td>101</td>
</tr>
<tr>
<td>OW</td>
<td>unit producer type owner</td>
<td>101</td>
</tr>
<tr>
<td>pH</td>
<td>p(otential of) H(ydrogen)</td>
<td>904, 906, 907</td>
</tr>
<tr>
<td>PPB</td>
<td>Program Policy Branch</td>
<td>11, 51, 53, 200, 207, 275</td>
</tr>
<tr>
<td>PRF</td>
<td>pasture, rangeland, and forage</td>
<td>806</td>
</tr>
<tr>
<td>PRISM</td>
<td>Parameter-elevation Regressions on Independent Slopes Model</td>
<td>51, 812</td>
</tr>
<tr>
<td>RFV</td>
<td>relative feed value</td>
<td>809-811</td>
</tr>
<tr>
<td>RI-PRF</td>
<td>Rainfall Index - Pasture, Rangeland, Forage</td>
<td>806</td>
</tr>
<tr>
<td>RIRS</td>
<td>RMA Information Reporting System</td>
<td>Ex. 5</td>
</tr>
</tbody>
</table>
Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM (Continued)

<table>
<thead>
<tr>
<th>Approved Abbreviation</th>
<th>Term</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>SNAPP</td>
<td>Supplemental NAP Process</td>
<td>6, 53, 54, 152, 375, 380, 877, 975, 976, 977</td>
</tr>
<tr>
<td>SOC</td>
<td>Summary of Coverage</td>
<td>305</td>
</tr>
<tr>
<td>T-yield</td>
<td>transitional yield</td>
<td>Text, Ex. 2, 26</td>
</tr>
<tr>
<td>THC</td>
<td>tetrahydrocannabinol</td>
<td>978, Ex. 2</td>
</tr>
<tr>
<td>VFR</td>
<td>Veteran Farmer</td>
<td>301-305, 342, Ex. 34</td>
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<tr>
<td>VI-PRF</td>
<td>Vegetative Index - Pasture, Rangeland, Forage</td>
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<tr>
<td>webRFS</td>
<td>Web receipt for service</td>
<td>576</td>
</tr>
<tr>
<td>WFRP</td>
<td>Whole Farm Revenue Protection Pilot Program</td>
<td>150</td>
</tr>
</tbody>
</table>

Redelegations of Authority

This table lists the redelegations of authority in this handbook.

<table>
<thead>
<tr>
<th>Redelegation</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>In routine cases, COC may redelegate, in writing, to CED the authority to act on, or sign, as applicable, CCC-576, Parts C and I.</td>
<td>152, 675</td>
</tr>
<tr>
<td>The redelegation must define what COC considers routine.</td>
<td></td>
</tr>
<tr>
<td>COC is delegated authority to approve late-filed CCC-471 if CCC-471 is filed within 30 calendar days of the application closing date and also as specified for an FLP applicant who qualifies as BFR, LR, SDA, or VFR through the final planting date for annual crops or up to 3 months after the application closing date for perennial crops.</td>
<td>301</td>
</tr>
<tr>
<td>SED’s have authority to approve replacement applications for coverage. SED may redelegate this authority to any State Office employee.</td>
<td>341</td>
</tr>
<tr>
<td>COC may redelegate, in writing, to CED and PT, the authority to complete and sign automated and manual CCC-452’s.</td>
<td>400</td>
</tr>
</tbody>
</table>
Definitions of Terms Used in This Handbook (Continued)

Unit

Unit means the interest of the producer in the administrative county on the basis of the unique relationship of the owner to 1 or more operators. The unit is the foundation for all determinations of acreage, production, value, AUD, approved yields, eligible losses, payments, and other NAP requirements.

Separate and distinct units are:

- 100 percent interest as owner and/or operator
- less than 100 percent interest as owner or operator
- less than 100 percent interest, as owner or operator in an inverse relationship.

Value Loss Crop

Value loss crop means a crop that has inventory losses associated with a disaster event, rather than production losses. These crops are nursery, Christmas trees, aquaculture, floriculture, mushrooms, ginseng, turfgrass sod, sea grass, and sea oats.*

Zero Acres Planted

Zero acres planted means an APH database entry of “Z” in the “Yield Type” field, indicating an acreage report of zero acres planted.

Zero Credited Yield

Zero credited yield means an APH database entry of “0” in the “Yield Type” field, indicating that:

- no production report was filed although an acreage report was filed for the applicable crop year
- an assigned yield already appears in the APH base period.
Determining Crops Covered by Insurance Using RMA Websites

1 RMA Insurable Crop Information

A Sources

State and County Offices can monitor insurable crops by accessing RMA’s website.

Reports of insurable crops by county can be downloaded by accessing RMA’s AIB or RIRS. This information is available using the following links:

- RMA AIB Landing page at https://webapp.rma.usda.gov/apps/actuarialinformationbrowser/

2 Using RMA AIB

A Identifying Insurable Prices in AIB

The RMA AIB Landing Page allows users to identify, in an exportable report:

- insurable commodities and plans by Year, State, and County
- special Provisions for insurable commodities
- other data, such as prices, yields, types/practices, dates, unit structure, etc.

The report is county-specific and therefore, information must be researched 1 county at a time. To research insurable data for multiple counties at once use the RIRS reports (see paragraph 3).

To look up the insurable prices, select the applicable program year on the AIB Landing Page.

![Image of AIB Landing Page](https://webapp.rma.usda.gov/apps/actuarialinformationbrowser/)
2 Using RMA AIB (Continued)

A Identifying Insurable Prices in AIB (Continued)

After selecting the applicable AIB Reinsurance Year link, select the desired Commodity, Commodity Year, Insurance Plan, State, and County, from the appropriate drop-down menus, and then CLICK “View Report”.--*
*--Determining Crops Covered by Insurance Using RMA Websites (Continued)

2 Using RMA AIB (Continued)

A Identifying Insurable Prices in AIB (Continued)

A set of reports will be displayed. Select the “Prices” tab to view the established price for each type and practice. Users may scroll to view the entire report or export the report to a PDF, Word, or Excel file.--* 

---

**Note:** This example illustrates a crop with only 1 price per State; however, there may be instances with multiple prices in 1 county or State. In these instances, the FCIC prices must be averaged to determine the State NAP price.
2 Using RMA AIB (Continued)

B Identifying Insurable Organic Prices in AIB

*--The established OC (organic crop) price can be found by scrolling to the right of the Type/Practices column and locating the crop practice labeled OC.--*
2 Using RMA AIB (Continued)

C Identifying Insurable Yields in AIB

*--The conventional yield can be found by selecting the "T-Yield" tab and locating the--*
* desired crop type and year(s) by scrolling to the right.
2 Using RMA AIB (Continued)

C Identifying Insurable Yields in AIB

The organic yield can be found by scrolling to the right and locating the crop type labeled OC.

D Calculating RMA Organic Yield Factors

To determine the organic factor for a crop, divide the organic yield by the conventional yield.

In this example the factor would be $265 / 331 = 0.80$.

Note: Rounding to hundredths.

This indicates that the organic yield for cabbage is capable of producing 80 percent of the conventional yield, or 20 percent less than the conventional yield.
3 Using RIRS

A Identifying Insurable Prices in RIRS

Using reports provided in PDF, Word, or Excel, the RIRS page allows users to identify:

- insurance offer prices
- insurance offer dates
- insurable commodities and plans by year
- insurable commodities and plans by State and county
- number of insurable counties by year, commodity, and plan
- number of insurable commodities by State.

*--To view the insurable prices, select the “Insurance Offer Prices” report.--*
3 Using RIRS (Continued)

A Identifying Insurable Prices in RIRS (Continued)

Example: To identify insurable prices using an Excel spreadsheet for cabbage in Florida for 2017, select the applicable Commodity Year, Commodity, Insurance Plan, and State. Scroll to “Report Output Format” at the bottom of the page and select “Excel Spreadsheet” from the drop-down menu.
**Determining Crops Covered by Insurance Using RMA Websites (Continued)**

**3 Using RIRS (Continued)**

**A Identifying Insurable Prices in RIRS (Continued)**

Once the report is generated and opened, many data elements will be displayed. Refer to the column labeled “Established Price”.

**Note:** The insurable price update in the NCT will average the established price for that crop, type, and intended use, within the State, if different prices are present, such as those between counties or practices.

In this example, the established average market price is $14.90, and the established OC price is $23.85 for all types, uses, and practices of the crop in all counties. Therefore, these 2 prices may be used, without further averaging across the State, for the average market price and the certified organic price, respectively.

**Note:** If a State is not selected, the report will display all established prices where coverage is available.
Letter in Response to CCC-471 Filed for a Crop for Which FSA Cannot Extend Coverage

The following is an example of a letter to a participant who submits CCC-471 accompanied by a service fee or written request for waiver of fee that includes a crop for which FSA cannot extend coverage.

Dear [enter name of producer filing CCC-471]:

This letter responds to an application for coverage you filed under the Noninsured Crop Disaster Assistance Program (NAP) for planting period [enter planting period] [enter crop name(s) identified on CCC-471]. FSA has reviewed your application for coverage and supporting documentation.

It has been determined that FSA cannot extend coverage on [enter planting period] [enter crop name(s) identified on CCC-471] because [explain why we cannot extend coverage on the specified crop from the CCC-471].

Although action has been taken on your application for coverage, this is not a determination of payment eligibility, because you have yet to file an application for payment. If you file an application for payment that includes [enter planting period] [enter crop name(s) identified on CCC-471] and FSA disapproves it either in whole or in part, FSA will at that time notify you of that decision in writing and afford you with applicable appeal rights.

Regulations at 7 CFR 11.1 and 7 CFR 780.2 define an adverse determination as an administrative decision made by an officer, employee, or committee of an agency that is adverse to a participant. These same regulations also define a participant as any individual or entity who has applied for, or whose right to participate in or receive a payment, loan, loan guarantee, or other benefit in accordance with any program of an agency to which the regulations in 7 CFR parts 11 and 780 apply is affected by the decision of such agency. This is not an “adverse determination” as defined in these regulations. Consequently, no appeal or appealability review rights apply to this notification.

If you would like to file an application for payment, you may contact the [enter service center] County FSA Office by the application deadline.

Sincerely,

[County Executive Director]
Letter in Response to CCC-471 Filed for Buy-Up Coverage When the Producer Does Not Meet the Growing History Requirement

The following is an example of a letter to a participant who submits CCC-471 accompanied by a service fee or written request for waiver of fee, which includes a buy-up coverage election, and the producer does not meet the growing history requirement.

Dear [enter name of producer filing CCC-471]:

This letter responds to an application for coverage you filed for [include coverage level requested] buy-up coverage under the Noninsured Crop Disaster Assistance Program (NAP) for planting period [enter planting period] [enter crop name(s) identified on CCC-471]. FSA has reviewed your application for coverage and supporting documentation.

It has been determined that FSA cannot extend buy-up coverage on [enter planting period] [enter crop name(s) identified on CCC-471]. The supporting documentation provided to the County Committee did not prove that you have successfully grown the crop in the county for 1 year.

Although it has been determined that the buy-up level of coverage cannot be extended, your application for coverage will be effective at the basic 50/55 level. This is not a final determination of payment eligibility, because you have yet to file an application for payment. If you file an application for payment that includes [enter planting period] [enter crop name(s) identified on CCC-471], FSA will notify you, in writing, of all County Committee actions, including any adjustments, approval, or disapproval, and afford you with applicable appeal rights.

Regulations at 7 CFR 11.1 and 7 CFR 780.2 define an adverse determination as an administrative decision made by an officer, employee, or committee of an agency that is adverse to a participant. These same regulations also define a participant as any individual or entity who has applied for, or whose right to participate in or receive a payment, loan, loan guarantee, or other benefit in accordance with any program of an agency to which the regulations in 7 CFR parts 11 and 780 apply is affected by the decision of such agency. Because disapproval of buy-up coverage eligibility does not yet impact payment eligibility, it is not an “adverse determination” as defined in these regulations. Consequently, no appeal or appealability review rights apply.

If you would like to file an application for payment, you may contact the [enter service center] County FSA Office by the application deadline.

Sincerely,

County Executive Director