UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Noninsured Crop Disaster Assistance Program for 2015 and Subsequent Years 1-NAP (Revision 2)	**Amendment 6**

Approved by: Acting Deputy Administrator, Farm Programs

Amendment Transmittal

A Reasons for Amendment

Subparagraph 150 E has been amended to clarify that for 2015 and 2016 only, a producer can obtain a NAP payment and a pilot PRF indemnity payment according to subparagraphs 806 B and C.

Subparagraph 806 B has been amended to clarify that livestock producers:

- suffering grazing losses in calendar years 2015 and/or 2016 who purchased NAP coverage for grazing and a RI-PRF policy on the same acres for the same intended use of grazing in the applicable year of loss still remain eligible to earn a LFP payment, PRF indemnity, and NAP payment on the same acres for the same intended use of grazing

- in the States of Kansas, Nebraska, North Dakota, Oklahoma, South Dakota, and Texas who suffer 2015 and subsequent years grazing losses on annually planted crops for livestock feed intended for grazing who purchased NAP coverage on the annually planted crops for livestock feed intended for grazing and a buy-up RI-Annual Forage Insurance Plan from RMA on the same acres for the same intended use of grazing are eligible to earn an LFP payment, but the producer must choose whether to receive the NAP payment or the RMA pilot product benefit, but not be eligible for both for the applicable year of the loss.

Subparagraph 806 C has been amended to provide that beginning in 2016, the RI-PRF policy has replaced the VI-PRF policy, and the RI-PRF policy is now available in the 48 contiguous states.

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Section 2 Miscellaneous Provisions

150 Multiple Benefit Exclusion

A Multiple Benefits

[7 CFR 1437.14] 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.

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, but **not** be eligible for both.

Example: Producer has NAP coverage on peas and has WFRP coverage on all crops on the farm, including peas and several other crops. The producer has a NAP-covered loss on peas and a qualifying loss on WFRP that may or may **not** have made a specific loss payment on peas. In this situation the producer must elect which payment to receive, either NAP or WFRP.

--Exception:** For 2015 and 2016 **only**, a producer can obtain a NAP payment and pilot**-- PRF indemnity payment according to subparagraphs 806 B and C.

150 Multiple Benefit Exclusion (Continued)

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.

If a producer is issued a NAP payment and FSA later learns that the producer had received (before the issuance of the NAP payment) another USDA benefit subject to the multiple benefit exclusion, the producer **must** be notified that the NAP payment is unearned and **must** be refunded together with interest from the date of disbursement. This is the case regardless of whether the producer had been asked about other USDA benefits before the issuance of the NAP payment. Finality provisions are **not** applicable because the provision precluding multiple benefits is both statutory and regulatory and the producer knows and has reason to know that more than 1 benefit was received.

Notes: If the producer did **not** have the opportunity to choose between NAP and the other USDA benefit, the producer can make an election. However, if NAP is elected, the NAP payment will be maintained as an unearned payment and a debt owed to CCC by the producer until the producer provides documentation to show that the other USDA benefit has been fully repaid.

Unearned NAP payments are **required** to be refunded with interest. However, if it can be determined that the producer did **not** have the opportunity to choose between NAP and the other USDA benefit, program interest may be waived.

806 NAP Coverage and RMA PRF Pilot Insurance Program Coverage (Continued)

B RMA RI-PRF Pilot Program

A producer with an RMA RI-PRF policy:

- insures acres on a grid basis (12 **x** 12 mile grid), **not** on a county or unit basis
- is **not required** to insure all insurable forage acres associated with the grid; however, the insured acreage **cannot** exceed the total number of grazing or haying acres operated
- **must** select at least two, 2-month time periods (called index intervals) in which acreage is insured for which precipitation is important to the growth and production of the insured's forage species
- does **not** have to identify the specific location of the acreage that is insured within a grid.

Note: Producers are **required** to identify a reference point for the insured acreage within the applicable grids.

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 **not** be eligible for both.

--Exception:** Livestock producers who suffer grazing losses in calendar year 2015 and 2016 who purchased NAP coverage for grazing and a RI-PRF policy on the same acres for the same intended use of "Grazing (GZ)" in the applicable year of loss still remain eligible to earn a LFP payment, PRF indemnity, and NAP payment on the same acres for the same intended use of "Grazing (GZ)".**--

806 NAP Coverage and RMA PRF Pilot Insurance Program Coverage (Continued)

C RMA VI-PRF Pilot Program

The VI-PRF policy covers multiple perils and is based upon a measure of vegetation greenness that correlates to forage condition and productive capacity.

A producer with a VI-PRF policy:

- insures acres on a grid basis (approximately 4.8 **x** 4.8 mile grid), **not** on a county or unit basis

- is **not required** to insure all insurable forage acres associated with the grid; however, the insured acreage **cannot** exceed the total number of grazing or haying acres they operate

- **must** select 1 or more 3-month time periods (called index intervals) in which acreage is insured that represent a producer's forage species production or utilization

- does **not** have to identify the specific location of the acreage that is insured within a grid.

Note: Producers are **required** to identify a reference point for the insured acreage within the applicable grids.

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 **not** be eligible for both.

Exception: Livestock producers who suffer grazing losses in calendar year 2015 who purchased 2015 NAP coverage for grazing and a 2015 VI-PRF policy on the same acres for the same intended use of "Grazing (GZ)" still remain eligible to earn a LFP payment, PRF indemnity, and NAP payment on the same acres for the same intended use of "Grazing (GZ)" because of the lateness of the announcement.

--**Beginning in 2016, the RI-PRF policy has replaced the VI-PRF policy and is available in the 48 contiguous States.**--

806 NAP Coverage and RMA PRF Pilot Insurance Program Coverage (Continued)

D Pilot Rainfall Index-Annual Forage Insurance Plan

RMA's pilot annual forage policy uses rainfall index to provide coverage for annually planted forage crops at CAT and buy-up levels. The plan:

- is being piloted in Kansas, Nebraska, North Dakota, Oklahoma, South Dakota, and Texas
- covers 2015 crops planted annually that are used for livestock feed that is mechanically harvested.

--**For 2015 and subsequent years, for producers in Kansas, Nebraska, North Dakota,**-- Oklahoma, South Dakota, and Texas, NAP coverage is available for annually planted crops for livestock feed intended for grazing because RMA is **not** offering CAT level coverage for annually planted crops for livestock feed intended specifically for grazing under its Rainfall Index-Annual Forage Insurance Plan.

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 **not** be eligible for both.

Livestock producers in the States of Kansas, Nebraska, North Dakota, Oklahoma, ***--**South Dakota, and Texas who suffered 2015 and subsequent years grazing losses on**--*** annually planted crops for livestock feed intended for grazing, who purchased *** * *** NAP coverage on annually planted crops for livestock feed intended for grazing and a *** * *** buy-up Rainfall Index-Annual Forage Insurance Plan from RMA on the same acres for the same intended use of "Grazing (GZ)" are eligible to earn an LFP payment, but the producer **must** choose whether to receive the NAP payment or the RMA pilot product benefit, but **not** be eligible for both.