

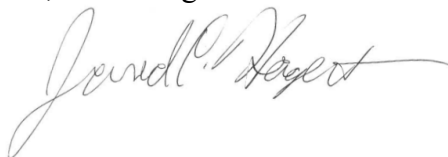
UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Supplemental Disaster Relief Program
1-SDRP**

Amendment 3

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 3 E has been amended to include the program deadline extension.

Subparagraph 4 B has been amended to include Stage 1 Quality and Stage 2 for DD reviews.

Subparagraph 4 C has been amended to update DD responsibilities.

Subparagraph 4 E has been amended to update CED responsibilities.

Subparagraph 6 C has been amended to reference SED designee review.

Subparagraph 6 F has been amended to reference recording SED designee reviews.

Subparagraphs 14 A, B, and D have been amended to update the linkage requirements.

Subparagraph 27 D has been amended to correct language in eligible producer notes.

Subparagraph 29 G has been amended to clarify policy on Stage 1 and Stage 2 duplicate benefits.

Subparagraph 85 C has been amended to update the payment factor.

Subparagraph 102 E has been amended to require COC's to use RMA CIMS in conjunction with a certification from crop insurance to verify producer certified production.

Subparagraph 103 C has been amended to include quality losses for sugarcane and sugar beets in the list of ineligible causes of loss.

Subparagraph 104 D has been amended to update how CDY will be established.

Subparagraph 105 C has been amended to include acreage reporting provisions for Apiculture.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 105 D has been amended to include:

- short-rated acres as an example of ineligible acreage
- late-filed prevented planted acres as ineligible acreage.

Subparagraph 107 C has been amended to clarify final use rules do not apply to insured APH or yield-based crops.

Subparagraph 107 D has been amended to clarify producer responsibilities.

Subparagraph 107 J has been amended to add policy for producers with a contract to receive a guaranteed payment for all or a portion of the crop.

Subparagraph 107 K has been amended to clarify that commingled production with a quality loss cannot be prorated.

Subparagraph 108 A has been amended to clarify when an organic price may be used.

Subparagraph 132 D has been amended to correct the example for value loss crop year.

Subparagraphs 170 A and B have been amended to update hybrid seed policy.

Subparagraph 188 D has been amended to provide policy for duplicate benefits specific to Puerto Rico.

Subparagraph 188 E has been added to provide clarification for insurance policy numbers for producers in Puerto Rico.

Subparagraph 189 A has been amended to remove duplicate information.

Subparagraph 189 B has been amended to remove a note that included duplicate information.

Subparagraph 190 A has been amended to remove information regarding SBI's.

Subparagraph 208 D has been amended to add sugarcane as an ineligible crop for quality loss.

Subparagraph 211 E has been amended to add an RFV for Coarse Grain Silage.

Subparagraph 212 B has been amended to clarify the exception for grain crops that were sold for quality loss.

Subparagraph 213 B has been amended to clarify eligibility for quality losses for upland cotton.

Subparagraph 213 D has been amended to clarify how quality loss is calculated for upland cotton.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 213 E has been amended to clarify quality loss policy and examples for upland cotton.

Subparagraph 217 D has been amended to clarify quality loss policy for peanuts.

Subparagraph 217 F has been amended to clarify quality examples for peanuts.

Subparagraph 244 A has been amended to reflect the increased payment factor of 70 percent.

Exhibit 86 has been amended to include approved tree, bush, and vine data.

Page Control Chart		
TC	Text	Exhibit
	1-5 through 1-8 1-11, 1-12 1-19 through 1-28 1-39 through 1-42 2-11, 2-12 2-21, 2-22 3-165, 3-166 4-5, 4-6 4-11, 4-12 4-17, 4-18 4-18.5, 4-18.6 (add) 4-23 through 4-26 4-33 through 4-36 4-45, 4-46 4-46.5, 4-46.6 (add) 4-53 through 4-100 4-123, 4-124 4-241 through 4-296 4-299, 4-300 4-351, 4-352 4-365 through 4-368 4-371 through 4-376 4-389 through 4-394 4-471, 4-472	1, page 3 2, pages 3-4 86, pages 1-2 pages 2.5-2.6 (add)

3 General Information (Continued)

E Sign Up

The following table provides signup dates for SDRP.

*--

Stage	Signup
Stage 1 for eligible producers that received a NAP payment or an indemnity under certain federal crop insurance policies	July 10, 2025, through August 12, 2026
Stage 2 and Stage 1 Quality	November 24, 2025, through August 12, 2026

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Producers will apply for Stage 1 by submitting FSA-526 and for Stage 2 by submitting FSA-504.

F Modifying Provisions

Provisions in this handbook will **not** be revised without prior written approval from the National Office. See 1-CM paragraph 1021, to request approval.

G Authorized Forms

The use of forms, worksheets, applications, or documents, other than those provided in this handbook or issued by the National Office is **not** permitted. See 1-CM paragraph 1021, to request approval.

H Public Information

See instructions in 1-INFO for providing program information.

4 Responsibilities

A STC Responsibilities

Within the authorities and limitations in this handbook, STC's must:

- fully comply with all program provisions
- direct the program administration within the respective State
- ensure that FSA State and County Offices follow program provisions
- thoroughly document all actions taken in the STC minutes
- handle appeals according to 1-APP
- require reviews to be conducted by DD's or designated State Office employees to ensure that County Offices comply with program provisions

Note: STC's may establish additional reviews to ensure SDRP is administered according to these provisions.

- require all applications executed by SED, State Office employees, STC members, DD's, COC members, CED's, County Office employees, and their spouses to be sent to STC, or designee, for review and action.
- STC may redelegate authority to a STC representative to review and approve routine applications.

Note: STC members may approve or disapprove any application except those in which they have a monetary interest. STC members should recuse themselves from a determination on an application in which they have a monetary interest.

- take any oversight actions necessary to ensure that PIIA provisions are met to prevent County Offices from issuing improper payments.

4 Responsibilities (Continued)

B SED Responsibilities

Within the authorities and limitations in this handbook, SED's will:

- fully comply with all program provisions
- ensure that County Offices follow program provisions
- thoroughly document all actions taken in the STC minutes
- handle appeals according to 1-APP
- *--ensure that SED designees conduct reviews according to paragraph 5 for Stage 1 (including Stage 1 Quality) and paragraph 6 for Stage 2--*

Note: SED may establish additional reviews to ensure SDRP is administered according to these provisions.

- ensure all County Offices publicize SDRP provisions
- immediately notify the National Office SDRP Program Manager of software problems, incomplete or incorrect procedures, specific problems, or findings
- take * * * oversight actions necessary to ensure that PIIA provisions are met to prevent County Offices from issuing improper payments
- safeguard confidentiality of records according to 3-INFO.

4 Responsibilities (Continued)

C DD Responsibilities

Within the authorities and limitations in this handbook, DD's will:

- fully comply with all program provisions
- ensure that COC's and County Offices follow program provisions
- ensure that CED directs the County Office to follow all program provisions
- ensure that CED's or designated employee(s) conduct reviews according to paragraph 5
- *--ensure the review of SDRP applications according to paragraph 5 for Stage 1 (including Stage 1 Quality) and paragraph 6 for Stage 2.--*

* * *

Note: All applications executed by SED, State Office employees, STC members, DD's, COC members, CED's, County Office employees, and their spouses must be sent to STC, or designee, for review and action.

4 Responsibilities (Continued)

E CED Responsibilities

Within the authorities and limitations in this handbook, CED's will:

- fully comply with all program provisions
- ensure that all County Office employees fully comply with all program provisions
- if delegated, promptly review, approve routine SDRP applications and document in COC minutes

Note: COC may redelegate authority to CED to review and approve routine applications. Redlegation of authority must be documented in the COC minutes. All adverse actions must go to COC for review and action. CED may not redelegate authority to review or approve routine applications to any other County Office employees.

- *--conduct reviews according to paragraph 5 for Stage 1 (including Stage 1 Quality) and paragraph 6 for Stage 2--*
- review the first 5 SDRP applications filed in a Service Center to verify that:
 - applications are complete according to policy
 - applications are signed by the producer or authorized representative
 - the Service Center has taken appropriate measures to ensure that applications have been properly completed
 - reviews are completed according to paragraph 5

*--**Note:** If issues are identified during a CED second-party review, an additional five FSA-504 applications from the specific category (insured, NAP-covered, uninsured, or Puerto Rico only) must be selected and reviewed by the County Office and CED.--*

4 Responsibilities (Continued)

E CED Responsibilities (Continued)

- handle appeals according to 1-APP
- immediately notify SED or designated State Office employee, through DD, of software problems, incomplete or incorrect procedures, specific problems, or findings
- take any oversight actions necessary to ensure that PIIA provisions are met to prevent County Offices from issuing improper payments
- safeguard confidentiality of records according to 3-INFO
- ensure that producers receive complete and accurate program information.

Notes: Because of limited resources, publication may or may not be by direct mail or on an individual basis. FSA meets its publication responsibilities by making broad program announcements in the press, print and electronic media, FR documents, radio and television announcements, and through posting program information in USDA Service Centers.

COC will ensure that program provisions are publicized and maintain a record of all publicity efforts.

--6 Internal Controls for Stage 2*A County Office Review**

The program analyst or the employee processing the application must complete CCC-770 SDRP Stage 2 (see Exhibit 7) for the **first 5** FSA-504 applications per Service Center that include a crop in **all** of the following categories:

Note: For the County Office review, if a Service Center has 5 insured crop applications, 5 NAP-covered crop applications, and 5 uninsured crop applications, then a total of 15 CCC-770 SDRP Stage 2 will be completed.

- insured crops:
 - Part C - Insured Crops - APH/Yield Based Plans
 - Part D - Insured Crops - Area Based Plans
 - Part E - Insured Crops - Dollar Plans and Other Revenue
 - Part F - Insured Crops - Value Loss Plans
 - Part G - Insured Crops - Tree and Vine Plans
- NAP-covered crops:
 - Part H -NAP Crops - With an Approved Application for Payment - Value Loss
 - Part I - NAP Crops - With an Approved Application for Payment - APH/Yield Based
 - Part J - NAP Crops - Without an Approved Application for Payment - APH/Yield Based
 - Part K - NAP Crops - Without an Approved Application for Payment - Value Loss
- uninsured crops:
 - Part L - Uninsured Crops - APH/Yield Based
 - Part M - Uninsured Crops - Value Loss
 - Part N - Uninsured - Tree, Bush, and Vine
- Puerto Rico only:
 - Part O - Puerto Rico Only - Insured Crops - Indemnified
 - Part P - Puerto Rico Only – Insured Crops - Non-Indemnified
 - Part Q - Puerto Rico Only – Insured -Tree, Bush, and Vine Plans.

Note: If a county does not process any FSA-504 applications that fall into one of these categories, County Offices are **not required** to complete a CCC-770 SDRP Stage 2 review.--*

6 Internal Controls for Stage 2 (Continued)

B CED Reviews

CED's will complete a second-party review of the **first 5** completed FSA-504 applications per Service Center, regardless of category. Any application that falls within one of the subparagraph B categories counts towards this total. The CED review will be completed using CCC-770 SDRP Stage 2.

If issues are identified during a CED second-party review, an **additional 5** FSA-504 applications from that specific category must be selected and reviewed by the County Office and CED.

*--C SED Designee Review

SED designees conducting SDRP Stage 2 reviews must consider how many SDRP Stage 1 reviews have already been completed for the Service Center. Collectively, the SED designee must review a minimum of 5 total SDRP Stage 1 and Stage 2 applications per Service Center. If the SED designee has already completed 5 SDRP Stage 1 reviews for the Service Center, then **1** additional Stage 2 application must be reviewed for a crop in any of the subparagraph B categories. The review will be completed using CCC-770 SDRP Stage 2.

Upon completion of the reviews, SED designee will do both of the following:--*

- provide written approval to the County Office indicating FSA-504 can be processed
- record review findings on the SDRP SharePoint site according to subparagraph 2 F.

*--**Note:** SED designees may refer to the Stage 1 Review Tracking Report available on the--* SDRP SharePoint site to identify the Stage 1 reviews recorded as already completed for each Service Center.

E Review of Applications Already Paid

Since the SDRP Stage 2 approval and payment software became available before the SDRP Stage 2 review policy was finalized and distributed to State and County Offices, some applications being reviewed may have already been approved and paid. If a CCC-770 SDRP Stage 2 review on an FSA-504 Stage 2 application determines that an application was incorrect, COC will:

- make the adjustment
- document the adjustment in the COC minutes
- provide the producer with a letter explaining the adjustment with full appeal rights.

Receivables must be established for all monetary overpayments, even if relief is requested. State and County Offices will follow the policies in:

- 58-FI, Managing FSA and CCC Debts, Receivables, and Claims
- 7-CP, Finality Rules and Equitable Relief
- 1-APP, Program Appeals, Mediation, and Litigation.

6 Internal Controls for Stage 2 (Continued)***--F Recording SED Designee Reviews**

SED designees will record review findings on the SDRP SharePoint at--*
<https://usdagcc.sharepoint.com/sites/FPAC-FSA-DAFP-SupplementalDisasterReliefProgram/SitePages/Home.aspx>

G Retention

CCC-770 SDRP Stage 2 must be retained in the producer's electronic SDRP folder with their FSA-504. Folder content requirements for SDRP Stage 2 are listed in 1-SDRP, paragraph 66, and will be maintained according to 32-AS Supplement. If CCC-770 SDRP Stage 2 is initiated because of an update to FSA-504, then the original checklist must be retained with the new CCC-770 SDRP Stage 2.

Print and file only the applicable pages of CCC-770 SDRP Stage 2 in the producer's electronic SDRP folder, including applicable signature pages.

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

Reminder: CCC-770 SDRP Stage 2 is a tool to assist with Stage 2 administration and is not intended to be inclusive of all SDRP Stage 2 provisions. County Offices cannot solely rely on CCC-770 SDRP Stage 2 for administering SDRP Stage 2 and must ensure all program provisions are met.

14 Linkage Requirement (Continued)**A Rule (Continued)**

By signing the SDRP application, producers:

- agree to purchase crop insurance or NAP as applicable for the crop, at the 60/100 coverage level or higher for the next 2 available crop years
- ***--Note:** If a producer of a NAP-eligible crop is unable to meet the growing history requirement for a linkage year, linkage for that year may be met by obtaining 50/55 basic NAP coverage for the crop.--*
- agree to pay any service fees, administrative fees, and premiums associated with such coverage
- acknowledge that if they fail to meet the linkage requirement, they must refund their SDRP benefits plus interest
- ***--**identified as an SBI are able to meet linkage when an RMA exemption is met according to subparagraph 27 I.

Note: Linkage is not met when producers identified as SBI do not meet an RMA exemption.--*

14 Linkage Requirement (Continued)

B Linkage Not Required

*--Linkage is not required when:

- an applicant quits farming or an applicant entity completely dissolves--*

Example 1: Producer A received SDRP benefits for 2023 crop losses. Producer A retired from farming in 2024. Because Producer A is no longer farming, there are no linkage requirements that must be met.

Example 2: ABC Farms suffered a loss to its peanut crop in 2023 and received a Stage 1 payment in September 2025. ABC Farms obtained insurance at the 75/100 level for the 2026 crop year. At the end of the harvest season, the members decide to dissolve the entity. ABC Farms will no longer be in existence and is not required to purchase insurance for peanuts in 2027 for linkage purposes.

- *--an applicant does not plant the crop (or any crop in the pay group) during 1 or more of--* the required linkage years

Note: This applies only for the year the crop was not planted.

Example 1: Producer B received an SDRP payment for 2024 losses on pumpkins. Beginning in 2025, the producer made a management decision to no longer plant pumpkins. Since Producer A is no longer planting pumpkins, Producer A is not required to meet linkage.

Example 2: Producer C received SDRP benefits on 2024 wheat losses. Producer C planted wheat in 2025 and purchased a wheat policy with a coverage level of 75/100. Producer C did not plant wheat in 2026. Since Producer C did not plant wheat in 2026, linkage is not required for that year. Producer C met the linkage requirement by purchasing coverage in 2025, which was the only linkage year the crop was planted.

- *--an applicant received a payment for a tree that is not insurable in the required linkage years
- a crop insurance, including WFRP, or NAP is not available for the crop, tree, and vine
- an entity receiving SDRP benefits dissolved completely
- a person is receiving benefits on behalf of a deceased producer.--*

*--14 Linkage Requirement (Continued)

C Linkage Within a Pay Group

Linkage will apply to each pay group receiving SDRP payment. Pay group means the level at which the indemnity or NAP payment is calculated.

The pay group for:

- insured crops, is the crop policy, with some exceptions (when the indemnity is determined at a level lower than the crop policy)
- NAP crops is pay crop, pay crop type, and planting period.

Example: Producer D received Stage 2 benefits on 2023 dry beans. Producer D had a loss on kidney beans in the disaster year but did not plant kidney beans in any of the possible linkage years. However, Producer D planted pinto beans. Kidney beans and pinto beans are in the same pay group.

Although Producer D did not plant kidney beans, Producer D planted a crop in the same pay group for which SDRP benefits were paid. Therefore, Producer D is required to meet linkage on the pinto beans.

When a crop has multiple planting periods and:

- the producer experiences a loss during one planting period, linkage will apply only to planting period for which SDRP benefits were paid

Example: Spinach has 2 planting periods and Producer E planted and had a loss only in planting period 2. Linkage will apply only to planting period 2.

- a producer planted a crop in multiple planting periods but only received SDRP benefits for the crop planted in one planting period, linkage will only apply to the planting period for which SDRP benefits were paid.

Example: Beets have 3 planting periods and Producer F planted in all 3 planting periods but had a loss and received SDRP benefits only for planting period 3. Linkage will only apply to planting period 3.--*

14 Linkage Requirement (Continued)**D Linkage Years**

Producers must purchase crop insurance or NAP for the next two available years from receiving an SDRP payment. The next two available years will vary based on crop, applicable sales closing dates, and when payment is received. All producers and all crops will be subject to verification of proper coverage requirements.

Example 1: Producer G received SDRP benefits for 2023 wheat losses and received an SDRP payment in October of 2025. The sales closing date to purchase insurance for the 2026 crop year is September 30, 2025, in the producer's State. Based on the date Producer G received SDRP benefits, and the sales closing date for the crop, the
--next 2 available crop years for Producer G are 2027 and 2028.--

Example 2: Producer H received an SDRP payment on 2024 avocado losses in February 2026. The application closing date for NAP for avocados is January 1, 2026, for the 2027 crop year. Therefore, the next 2 available crop years to obtain NAP coverage are 2028 and 2029.

--Producers who received payment for the same crop in more than 1 stage and are determined to meet the linkage requirement for any stage will meet the linkage requirement for all stages for that crop.--

27 General Eligibility (Continued)

D Eligible Producer

Eligible producer means, in addition to other eligibility requirements as may apply, an individual or legal entity that is entitled to an ownership share and is at risk in the crop available for marketing from the farm, or would have shared in the risk had the crop been produced, and is any of the following:

- a citizen of the United States
- resident alien, which for the purpose of SDRP means “lawful alien” as defined in 7 CFR part 1400
- a partnership organized under State law consisting solely of citizens of the United States or resident aliens
- a corporation, LLC, or other organizational structure organized under State law, consisting solely of citizens of the United States or resident aliens
- Indian Tribe or Tribal organization, as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

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

Members of legal entities * * * do not individually share in the risk of producing the crop and ownership of a crop are not eligible to apply for SDRP. In those instances, the entity is considered the applicant.

27 General Eligibility (Continued)**E Ineligible Producer**

The following persons or legal entities are **ineligible**:

- persons or legal entities who did not have a reported ownership interest in any of the designated commodities
- persons and legal entities that have been suspended or debarred or otherwise excluded from participating in federal programs (1-CM, paragraph 823)
- persons and legal entities that do not meet payment limitation, payment eligibility and HELC/WC requirements
- individuals who are not U.S. citizens or legal resident aliens
- entities that are not wholly owned by U.S. citizens or legal resident aliens.

29 Duplicate Benefits (Continued)

G Guidance on Reviewing and Resolving Duplicate Benefits

To ensure producers requesting SDRP benefits have not already been compensated for the same loss through another program, County Offices must follow this table before COC action on the SDRP Stage 1 or Stage 2 application.

FOR...	THE County Office will...
--Stage 1 applications where the-- producer elected to receive the SDRP payment based on their crop insurance indemnity and the NAP payment for the same loss Notes: The SDRP software will prevent the County Office from entering both selections in the software (once selected, the alternate will be greyed out). If one selection has been entered, the County Office should remove it from the system. See 2-SDRP for guidance.	• notify the producer by suggested letter in *--Exhibit 41 that FSA-526 and FSA-526Q cannot be processed as submitted because of the duplicate benefit. Note: The producer must select to receive either the insurance or--* NAP payment. • record the producer's selected option for basis of payment in the software following 2-SDRP and generate a new application for the producer to sign. Notes: No entries for share (if applicable), qualifying disaster event, or linkage *--will appear on FSA-526 and FSA-526Q for the unselected option.--* If duplicates are unresolved, the COC will disapprove the applicable crop and units.

*--**Note:** For Stage 2 applications, the producer must select to receive the SDRP payment based on 1 of the following for the same loss:

- crop insurance
- NAP coverage.--*

*--29 Duplicate Benefits (Continued)

G Guidance on Reviewing and Resolving Duplicate Benefits (Continued)

FOR...	THE County Office will...
producers that received 2023 and 2024 ELAP payment for farm-raised fish losses (excluding feeder fish losses)	- review the 2023 and 2024 ELAP farm raised fish report, and cross reference the report to the FSA-526 and FSA-504 for the producer to see if there were aquaculture losses that were previously compensated under ELAP for the same commodity - notify the producer by letter suggested in Exhibit 42 that the FSA-526 and FSA-504 cannot be processed as submitted because of the duplicate benefit. Notes: The 2023 and 2024 ELAP farm-raised fish report includes all producers who received ELAP benefits for 2023 and 2024 for farm raised fish deaths. Report is posted on SDRP SharePoint. The producer may decline the duplicate payment on the FSA-526 and FSA-504 by checking “No”, as applicable, that they are not agreeing to obtain crop insurance or NAP coverage for the commodity. If duplicates are unresolved, the COC will disapprove the applicable crop and units.

--*

85 Payment Calculations (Continued)

C Insured Crop Stage 1 Payments

RMA is providing the estimated SDRP payments for certain crops, trees, and vines with an insurance indemnity. The calculated payment will be based on the information provided from RMA and automatically loaded in the application for the primary policyholder. Primary policyholders will have an opportunity to share the payment with producers with an SBI as designated by the primary policyholder.

Each insured calculated payment has a specific method to get to the loss calculation of:

- expected value, multiplied by
- SDRP factor, minus
- actual value, minus
- salvage value, multiplied by
- unharvested/prevented plant factor, minus
- gross crop insurance indemnity, plus
- administrative fees, plus
- premiums multiplied by
- producer share, equals
- estimated SDRP payment.

Note: WFRP/Micro Farm policies will be determined specialty/high value or other based on the producer certified percent of expected revenue specialty/high value crops for payment limitation purposes.

--All gross Stage 1 payments had a 35 percent payment factor applied because of availability of funding. On April 24, 2026, this factor was increased to 70 percent.--

See subparagraph 48 B for a complete listing of plan codes eligible for Stage 1.

85 Payment Calculations (Continued)**D RMA Calculations**

In general, RMA will calculate each producer's loss consistent with the loss procedures for the type of coverage purchase but using the SDRP factor. The RMA Stage 1 payments will take into consideration the difference between the expected value of the crop and the actual value of the crop as a result of qualifying disaster events. The expected value is the pre-loss dollar value of the crop and unit at the time of loss, consistent with the type of coverage purchased.

Note: The following also apply to RMA payments.

- Crops with an intended use of grazing are not eligible for Stage 1 payments.
- The payment will be calculated by RMA and automatically loaded in the system.
- For additional information regarding the data used and how the RMA payment was calculated, the applicant must contact their Federal crop insurance agent.
- To ensure adequate funding is available, payments will be factored.

--102 Stage 2 Overview (Continued)*D Submitting FSA-504**

A separate application for the producer's entire operation must be submitted for each crop year by the announced sign-up deadline. The application must be processed by the recording County Office identified on FSA-504.

Applications may be accepted at any FSA County Office nationwide. If the receiving County Office is not the producer's recording county, staff must date-stamp the completed application and forward it to the recording County Office listed on the FSA-504 by email or FAX. A copy of the application must be retained in the receiving County Office.

A producer may apply using any of the following methods:

- in person
- by mail
- electronically by:
 - FAX
 - email with a scanned photocopy of FSA-504
 - BOX and One-Span.

Note: See 1-CM for policy on signature and electronic filing.

An application is considered complete once the producer and SBI's, if applicable, who are requesting payment, complete all required entries, sign, and submit the FSA-504 by the established deadline, and provide all required supporting documentation.--*

102 Stage 2 Overview (Continued)

E Required Documentation and Verification at the Time of Application

Producers will submit documentation to support the following:

- production
- quality loss percentage
- dollar value before disaster event
- dollar value after disaster event
- number of trees, bushes, and vines destroyed
- number of trees, bushes, and vines damaged.

Documentation of pre-filled information is not required unless requested by FSA.

To support production on FSA-504, producers will provide acceptable documentation that substantiates the certification to COC satisfaction. If the eligible crop was sold or otherwise disposed of through commercial channels, an acceptable production record of that disposition must be provided to FSA with the certification. See paragraph 107 for production requirements for Stage 2 applications.

Producers must account for the total amount of unit production for the crop and provide all records for any production of a crop that is grown with an arrangement, agreement, or contract for guaranteed payment.

***--Note:** For insured crops, COC must use RMA CIMS to verify a producer's certification of production from their crop insurance agent and AIP. A single certified document should not be accepted without referencing CIMS data.--*

If a producer does not have acceptable production records, the producer will certify to production and will get the higher of the certification or the CDY according to paragraph 104, except in cases where the applicant has indicated a quality loss percentage.

Program eligibility is based on certifications provided by the producer and is subject to spot check. If requested by COC, the producer the producer must provide the requested information within 60 calendar days from the request, or COC will disapprove the application. The required documentation provided by the producer must support:

- that the applicant (or SBI) meets the definition of producer according to paragraph 27
- records to support the certified disaster event.

See Exhibits 41 and 43 for example letters.

***--103 Stage 2 Eligibility (Continued)**

C Ineligible Causes of Loss (Continued)

- losses to eligible crops that occurred after harvest
- losses where the notice of loss was disapproved by FSA or RMA, unless the notice of loss was disapproved solely because it was filed after the deadline for acceptability
- drifting herbicides
- failure to reseed or replant to the same crop in the county before the final planting date
- losses during storage
- losses not the result of disaster
- losses to crops not intended for harvest in the applicable crop year
- lack of good farming practices
- poor management decisions
- water contained or released by any governmental, public, or private dam or reservoir project if an easement exists on the acreage affected by the containment or release of water
- failure of power supply or brownout
- losses attributable to unmarketable production merely because of a loss of market demand that was not associated with the quality of the crop
- losses to aquacultural species that were compensated under ELAP
- wildlife--*

103 Stage 2 Eligibility (Continued)**C Ineligible Causes of Loss (Continued)**

- losses for honey when production by colonies or bees were diminished because of:
 - unavailability of equipment or the collapse or failure of equipment
 - improper storage
 - bee feeding
 - application of chemicals
 - theft
 - movement of bees by or for the producer
 - disease or pest infestation of the colonies, unless approved by FSA
- quality losses for the following:
 - crops insured under area plans
 - quality losses already compensated by crop insurance or NAP and included under Stage 1
- value loss crops
- maple sap
- honey
- trees, bushes, and vines
- crops that were destroyed
- crops that were prevented from being planted
- losses that could have been mitigated through reasonable and available measures
 - losses attributable to unmarketable production merely because of a loss of market demand that was not associated with the quality of the crop
- losses for crops where the production was already reduced for quality under NAP
 - *--quality loss adjustments for sugarcane and sugar beets.--*

***--104 NCT Crop Data (Continued)**

B Pay Groups

Crop information will be entered into NCT by pay group, as required by the software, for the applicable crop year for eligible crops.

A NAP pay group will be established using FSA pay crop and pay type codes and is identified by crop, crop type, intended use, and planting period for eligible crops in the applicable State and county.

Note: Some pay crop and pay type codes differ by State and county, such as processing grapes.--*

104 NCT Crop Data (Continued)

C Planting Periods

Crops with multiple planting periods within the same crop year are identified as a separate SDRP pay grouping. Crops with the same planting period will be grouped together, unless they have different pay crop and payment type codes.

Example: Lettuce has 3 planting periods during the same crop year.

A separate NCT record is entered for each planting to ensure that the production from the different plantings will not be grouped together.

Producers can only receive payment for multiple plantings of the same crop on the same or different acres if the planting meets the requirements in 1-NAP (Rev. 2).

D CDY

CDY's will be established for each crop a producer is unable to provide acceptable production records to support the crop's loss.

Program eligibility is based on losses sustained because of a qualifying disaster event or related conditions occurring in calendar years 2023 and 2024; however, the CDY reflects the impact of all disaster conditions in the county on the crop.

CDY is intended to reflect the amount of production a participant should have produced considering all qualifying disaster events or related conditions in the county. CDY should be *--consistent with the average amount of actual production for the crop, type, intended use, and planting period, per acre, for the county.--*

CDY will:

- be established by:
 - crop, crop type, intended use, and planting period (for the county)
 - physical location
- be equal to or less than the CEY
- *--be based on verifiable data sources such as NASS reports, historical county yield records, actual production records, or crop insurance data, rather than anecdotal information or informal recollections--*
- not be zero "0" unless no crop acreage was harvested and all field appraisals reflect "0" production, or if appraisals were waived by RMA or FSA

104 NCT Crop Data (Continued)

D CDY (Continued)

- be established by COC for a crop in a county and be considered a matter of general applicability and, therefore, not appealable

***--Note:** The supporting data and the methodology used to determine the CDY must be fully documented in the COC meeting minutes. The COC meeting minutes should include all of the following:

- specific data sources reviewed
 - explanation of how the data supports the CDY determination
 - adjustments made to the data and the factual basis for those adjustments.--*
- require DD or State Office designee review
- *--Note:** If DD is not present during the meeting, DD or State Office designee must review the minutes promptly to verify the CDY is supported by objective data and the methodology is fully documented. If the information is incomplete or does not adequately support the determination, DD or designee should request additional details or clarification before granting approval.--*
- be loaded in the NCT by the State Office.

105 Acreage for Stage 2 (Continued)

C Acreage Reports

Acreage reports:

- may already be on file with FSA
- filed according to 2-CP provisions
- may be accepted for SDRP purposes only if 2-CP requirements cannot be met.

Changes to 2023 and 2024 CARS data may impact other program payments.

*--For Apiculture, CCC-771 is required with FSA-578 for 2024 according to 2-CP, subparagraph 34.5 B. Filing CCC-771 allows acres to be:

- bifurcated when recorded in a block grant State but physically located in a non-block grant State
- reviewed for eligibility regarding location and honey production affected by disaster events.

For a 2023 loss, CCC-771 will be accepted, but is not required, because of form availability starting in 2024.--*

Late-filed acreage reports:

- will be accepted and certified in CARS when provisions according to 2-CP are met
- may be accepted for SDRP purposes only when provisions according to 2-CP are **not** met.

For late-filed acreage reports **for SDRP purposes only**:

- FSA-578 will be signed by the producer
- acreage will be loaded into CARS but **not** certified in CARS
- acreage reports submitted after the subsequent year's acreage reporting deadline may be processed
- late-filed acreage reporting fee will be waived, and farm visits are not required
- *--CCC-770 will be accepted if not previously filed with FSA.--*

--105 Acreage for Stage 2 (Continued)*C Acreage Reports (Continued)**

Producers must be able to provide COC with documentation that substantiates the existence of the crop acreage, not just the purchase of inputs to produce the crop. This evidence includes the following:

- seed receipts, chemical and fertilizer receipts
- precision planting, spraying, or harvesting data or maps that can be tied to the field claimed as planted
- photos with locations and notable physical boundaries showing the planted crop in the field
- other geospatial data or maps the producer has that proves the existence of the crop in the field
- other methods as approved by DAFP.

If an applicant is not able to meet the requirements listed in this subparagraph, they have the option of paying for a farm visit to verify the existence of the crop and crop acreage in cases where crop residue can still be identifiable.

In addition to the existence of the crop, proof of disposition is also required as provided in 2-CP, subparagraph 27 B.

COC is required to review the late-filed FSA-578 and all supporting documentation to determine whether requirements are met. If COC:

- is satisfied, the acreage reported is eligible for Stage 2
- finds the documentation not acceptable, will disapprove the applicable crop and unit for Stage 2.

Note: Crop acreage from other programs that allow late-filed acreage reports to be loaded into CARS and not certified (ECAP, for example) will potentially be included on FSA-504. This will not impact acreage eligibility for Stage 2.

All FSA-578 revisions, including those completed for SDRP purposes, must meet provisions according to 2-CP.

COC's have the authority to verify accuracy and reasonableness.--*

105 Acreage for Stage 2 (Continued)

D Ineligible Acreage

Ineligible acreage for SDRP Stage 2 includes, but is not limited to:

- acreage for which crop insurance or NAP coverage is not able to be purchased

***--Example:** Short-rated acres.--*

- uninsured or uninsurable acres of a crop when the crop is insured
- grazed acreage covered by an annual forage policy of insurance
- prevented planted acreage of a federal insured crop
- prevented planted acreage of a NAP covered crop
- prevented planted acreage in tropical regions
- prevented planted acreage that does not meet requirements as timely filed according to handbook 2-CP subparagraph 37 F

Note: SDRP-only acreage reports for late-filed prevented planted acreage are not acceptable by COC

- acreage that has documented evidence of lack of prevented planted conditions
- acreage with intended use of grazing
- first year seeding of a perennial forage crop
- subsequently planted or subsequently prevented planted acreage that does not meet double-cropping rules
- acreage on which a qualifying cause of loss did not occur on any part of the unit.

Example: Initial planted but double-cropping not approved (and acreage with no qualifying cause of loss).

The producer in Knox County, Texas planted 150 acres of an initial crop of wheat, followed by 150 acres of cotton. A wildfire occurred in October 2024 and destroyed all 150 acres of the subsequent cotton crop.

Cotton following wheat is not an approved double-cropping combination for Knox County, Texas. Therefore, cotton is not eligible for Stage 2 because the wildfire only affected the subsequent cotton crop.

--105 Acreage for Stage 2 (Continued)*E Prevented Planted Acreage**

Prevented planting acres are eligible on qualifying losses for **uninsured crops only**.

Any prevented planting claims must be reviewed and acted on by COC for program benefits.

Prevented planting is **not** applicable to:

- tropical regions.
- NAP covered crops.
- insured crops
- value loss crops
- trees, bushes, and vines.

COC must determine the prevented planting acreage credit according to 2-CP, paragraph 37.

Acreage ineligible for prevented planted includes, but is not limited to, acreage:

- not planted because of a management decision

Note: Failure to plant when others in the area were planting will result in the denial of the prevented planting claim.

- required to be left unharvested under the terms of the lease or any other agreement
- where any other person receives a prevented planting payment for the crop for the same crop year, unless double-cropping requirements have been met
- where pasture or another forage crop is in place on the acreage during the time that planting of the crop generally occurs in the area
- used for conservation purposes or intended to be or considered to have been left unplanted under any program administered by USDA, including CRP planting history or conservation plans indicated would remain fallow for crop rotation purposes--*

107 Production for Stage 2 (Continued)

C When Final Use Differs From Intended Use

When the final use of the crop is different from the intended use, the following rules will apply:

- for all crops that do **not** have FSA-established conversion methods, STC's have the authority to establish conversion methods based on industry standards
- all crops grazed for which grazing was not intended, assign production according to CDY provisions and subparagraphs 104 E, F, and J of this paragraph

Note: Crops with an IU of grazing are not eligible

- for crops sold in a market that is not a recognized market for the crop with no established county average yield and market price, a salvage value will be determined for the final use.

***--Notes:** See subparagraph M for salvage value.

This is not applicable to insured APH or yield-based crops. Secondary use and salvage value are not referenced in RMA policy. Therefore, all production for insured APH or yield-based crops will be considered by intended use on the application.

Example: Mr. Honeycrisp insured his fresh apples with crop insurance under a yield protection plan. At harvest, some apples were sold for processing. However, all production will be considered under the intended use (FH) for the application.--*

107 Production for Stage 2 (Continued)

D Producer Responsibilities

The producer is responsible for providing accurate and complete acreage and production reports, when required. When applicable, producers must report all production for all eligible crops in the pay group on the unit.

It is **not** FSA's responsibility to determine or summarize a producer's amount of production.

Producer's responsibilities include but are not limited to:

- retain and provide, when required, acceptable production evidence available for the crop and unit

Note: Producers are not required to provide additional documentation to support pre-filled values on FSA-504.

- provide the information in a manner that can be easily understood by COC.

***--Note:** Regardless of the source of production information, the producer is responsible for reviewing and ensuring accuracy of the records. FSA is not responsible for any errors found in reporting production.--*

The producer's signature on FSA-504 (Exhibit 65) is the producer's certification that the records provided are correct, accurate, and includes the **total** crop production.

107 Production for Stage 2 (Continued)

D Producer Responsibilities (Continued)

The following table provides acceptable production sources.

FOR...	AND if...	THEN...
insured crops	RMA production is provided on FSA-504	use RMA provided production. Note: For insured APH/yield-based plans, producers are allowed to certify production if the RMA producer certified production on FSA-504 is not accurate, which must be accompanied by documentation.
	RMA production is not provided on FSA-504	the producer must provide acceptable production records. *--COC must use RMA CIMS to verify a producer's certification of production from their crop insurance agent and AIP. A single certified document should not be accepted without referencing CIMS data.--*
	RMA production is not available, and the producer does not provide acceptable production records to support SDRP producer certified production on FSA-504	COC will use the higher of the producer's certified production or established and approved CDY multiplied by eligible acres. When CDY is used, COC will adjust production on FSA-504. No COC adjustment is needed when using the producer's certified production. Exception: CDY provisions are not allowed anytime a producer claims a quality loss on the same production.

*--107 Production for Stage 2 (Continued)

D Producer Responsibilities (Continued)

FOR...	AND if...	THEN...
NAP-covered crops	NAP production is provided on FSA-504	use NAP production.
	NAP production is not available, or the producer does not provide acceptable production records to support SDRP producer certified production	COC will use the higher of the producer's certified production or established and approved CDY multiplied by eligible acres. When CDY is used, COC will adjust production on FSA-504. No COC adjustment is needed when using the producer's certified production. Exception: CDY provisions are not allowed anytime a producer claims a quality loss on the same production.
uninsured crops	the producer provides acceptable production evidence	use producer provided production records.
	the producer does not provide acceptable production records to support SDRP producer certified production	COC will use the higher of the producer's certified production or established and approved CDY multiplied by eligible acres. When CDY is used, COC will adjust production on FSA-504. No COC adjustment is needed when using the producer's certified production. Exception: CDY provisions are not allowed anytime a producer claims a quality loss on the same production.

--*

--107 Production for Stage 2 (Continued)*J Assigned Production (Continued)**

- **When unharvested acreage has not been appraised by an acceptable appraiser**, per FSA production may be assigned on NAP covered or uninsured acres. Insured and NAP covered acres with a notice of loss may have appraised and/or assigned production already applied to the production to count.

COC will:

- require a producer to provide any needed information to substantiate the loss
- assign production using the CDY when NAP covered and/or uninsured acreage was unharvested and was **not appraised**
- record the assigned production on FSA-504
- document in COC minutes and notify the producer of:
 - the basis for the assignment
 - the quantity of production assigned
 - how the amount of assigned production was calculated or determined
- notify the producer of assignment determinations according to paragraph 107.

Example: Crop: NI Sorghum, GRS, Grain

CDY for County A: 24 bushels per acre

Uninsured Unit Acres: 100

Certified Production: 0 bushels

Mr. Milo experienced a total loss of production on his uninsured sorghum field because of wildfire. The COC assigned 2400 bushels of production based on County A's sorghum CDY of 24 bushels per acre on Mr. Milo's 100 acres. The production based on the CDY is higher than the producer's certified production of 0.

- When the producer implemented a practice, such as multiple cropping, that generally results in lower yields than historic yields for the crop.
- When acceptable production records are not available from any source.--*

107 Production for Stage 2 (Continued)

J Assigned Production (Continued)

- *--When a producer has a contract to receive a guaranteed payment for all or a portion of the crop, production must be assigned. Producers receiving a guaranteed payment for planted acreage must provide documentation of any written or verbal contract with the buyer to FSA.

Net production will be adjusted upward by the amount of production corresponding to the amount of the contract payment received. The adjustment will be calculated and made according to this table.

Step	Action
1	Determine total amount of guarantee. If this amount is on a per-acre, square foot or yard, etc., multiply the amount by the applicable acreage, square feet or yards, etc.
2	Determine amount of production attributable to the guarantee by dividing the total amount determined in step 1 by the approved average market price for the crop.
3	Determine amount of any actual and/or other assigned production (not because of guaranteed contracts).
4	Subtract result of step 3 from the result of step 2. Note: If step 3 is greater than step 2, stop . No assignment of production because of guarantee is required .
5	Add result of step 4 to the unit's net production as assigned production because of guarantee.

Example: Crop: Honey, TB

NCT Average Market Price: \$2.07/lb.

Actual Production: 1000 lbs. (verifiable)

Guaranteed Contract Payment: \$3,000

A	B	C	D	E	F
Guaranteed Pmt.	Avg Mkt Price	Amt of Production Attributable to Guarantee (A/B)	Actual Production	Amt of Production to Be Assigned (C-D)	Unit's Net Production (D+E)
\$3,000.00	\$2.07/lb.	1449 lbs.	1000 lbs.	449 lbs.	1449 lbs.

--*

107 Production for Stage 2 (Continued)**K Commingled Production**

Producers are responsible for identifying production that is commingled between crop years, units, ineligible and eligible acres, or different practices. If producers cannot provide evidence that adequately identified such production, COC may disapprove the application or prorate the commingled production as applicable.

Commingled production may be attributed to an applicable unit, if before commingling, the producer has documented the production by unit and does any of the following:

- provides copies of verifiable documents showing that production of the commodity was purchased, acquired, or otherwise obtained from beyond the unit
- production was measured in a manner approved by FSA
- crop year's production was appraised in a manner approved by FSA.

Production commingled between units before it was a matter of record and cannot be separated by using records or other means will be prorated to each respective unit in proportion to each unit's harvested crop acreage according to this table.

Step	Action
1	Total the commingled production of the eligible crop.
2	Total the harvested acreage of the crop in each identified unit.
3	Divide the acres of each unit by the total acres to calculate the prorated factor by unit.
4	Multiply each factor times the total unit's production of the crop to calculate each unit's respective production.

***--Note:** Production associated with a quality loss cannot be prorated. Verifiable records of grading factors for affected production are required for quality losses.--*

*--107 Production for Stage 2 (Continued)

O COC Responsibilities (Continued)

Example: Crop: NI, Wheat HRW, Grain
CDY for County A: 20 bushels/acre
Uninsured Unit Acres: 100
Certified Production: 0 bushels

Mr. Wheatman reports a total loss on his uninsured NI wheat for grain in County A because of a hurricane. He has no reliable or verifiable records; therefore, the COC will assign the higher of the producer's certified production or production using the county's approved CDY multiplied by eligible acres.

COC assigned 2,000 bushels of production to the unit based on the county's CDY of 20 bushels/acre multiplied by 100 eligible acres.

108 Determining Price**A Determining Applicable Price**

The applicable price is determined based on the crop and coverage type according to this table.

IF the crop is...	AND...	THEN the price is the...
insured	covered under an APH or yield-based plan	price used by RMA to calculate the SDRP liability. Note: We are excluding the use of the harvest price option. The price used will always be the price used at the time of sales closing.
	covered under an area based plan	price used by RMA to calculate the estimated SDRP payment.
	covered under a dollar or other revenue plan	NCT average market price established by STC in the physical location of the crop.
NAP covered	yield-based with an approved application for payment on file	NCT average market price established by the STC in the administrative county.
	yield-based without an approved application for payment on file	
uninsured	APH or yield-based	

--*

108 Determining Price (Continued)**A Determining Applicable Price (Continued)**

Example 1: Producer J grew cotton which was insured with a RMA policy. The RMA policy price is used.

Example 2: Producer M grew pecans which had NAP coverage. The NCT pecan average market price is used.

Example 3: Producer T grew watermelon which was not covered by an RMA policy or NAP.

Note: The price to use is the average market price in the NCT for watermelons.

--If FSA-578 indicates the crop is organic but STC did not approved an organic price for that crop before the program announcement, the average market price will be used.--

For NAP producers that received a direct market price, the average market price from the NCT will be use. Direct market percentages do not apply.

B Establishing Prices

Average market prices must be established for all crops, including value loss, according to 1-NAP (Rev 2), paragraph 278.

109-124 (Reserved)

***--132 Value Loss Crops**

A Applicable Form Section

The value loss policy and payment calculation is the same regardless of the type of coverage on the crop. Producers with **all** of the following are able to apply according to this paragraph:

- NAP covered crops **with** an approved application for payment on file which calculated to \$0 so was not included in Stage 1
- NAP covered crops **without** an approved application for payment for the crop years 2023, 2024, or 2025
- insured crops (nursery and clams) which did not receive an indemnity
- crops not covered by crop insurance or NAP (uninsured)

County Offices must ensure the correct section of FSA-504 is completed based on the crop, according to the following table.

IF the crop is...	THEN the applicable form section is...
insured but no loss earned	Part F: Insured Crops – Value Loss Plans.
NAP with an application for payment	Part H: NAP Crops – With an Approved Application for Payment – Value Loss.
NAP but no loss filed	Part K: NAP Crops – Without an Approved Application for Payment – Value Loss.
uninsured	Part M: Uninsured – Value Loss.

B Identifying Value Loss Crops

Value loss crops are crops where the plant or commodity is sold, rather than a product of the plant. Value loss crops do not lend themselves to yield loss calculations or production loss situations. Value loss crops are:

- Christmas trees
- aquaculture including tropical fish
- cut flowers
- mushrooms
- ornamental nursery
- turfgrass sod.--*

132 Value Loss Crops (Continued)**C Eligible FCIC Plan Codes**

The following table provides the applicable crop insurance plan codes.

Plan Code	Plan Name
43	Aquaculture Dollar Plan
50	Dollar Amount of Insurance

D Determining the Applicable Crop Year for Value Loss Crops

The following table provides the crop years for value loss crops.

Crop	Crop Year Definition
insured clams	December 1 through November 30
nursery	June 1 through May 31
all other value loss	October 1 through September 30

***--Example:** The 2024 turfgrass sod crop year starts October 1, 2023, and ends--*
September 30, 2024. If a hurricane occurred on October 8, 2023, the loss for
turfgrass sod will be paid as a 2024 crop.

E Producer Responsibilities

Any pre-filled information on the application does not confirm that a producer or crop is eligible to receive payment.

To complete the application, producers must:

- provide inventory records to inventory immediately before and immediately after the disaster
- review any pre-filled information for accuracy
- list the interest share of the RMA calculated payment, for insured value loss crops

170 Hybrid Seed Provisions**A Background**

Hybrid seed is generally produced under a contract or agreement with a hybrid seed processor or seed company, and is insured by RMA under plan code 55, yield-based dollar amount of insurance. Only the production from the female plants is insurable. * * *

B Production

*--Hybrid seed production will be the harvested insured production where all applicable aspects of production in paragraph 209 are applicable.

Producers are required to provide verifiable copies of the settlement sheets or other acceptable documentation from the seed corn company. A copy of the contract can be referenced, if available. These documents will be the basis for determining production to count.

Contracts and settlement sheets vary in description and nature by company. County Offices will be responsible for scrutinizing the documents to determine that the producer has:

- an ownership share in the crop
- risk in the crop.

STC may need to establish NCT records. See paragraph 104 and 1-NAP, paragraph 276, for policy on establishing the county-expected yield. The RMA insured price will be used for all hybrid seed crops.--*

--171 Harvested Adulterated Grapes*A Overview**

The most notable causes of natural adulteration to wine grapes are the effects of wildfire and volcanic activity. Effects of wildfire or volcanic activity include smoke taint, which leads to a burnt, ashy smoky taste, gases such as sulfur dioxide, ozone, phenol and guaiacol. Physical adulteration can include, but is not limited to, ashes, mold spores, particle debris matter and contamination from fire suppression chemicals.

B Eligibility

Natural causes of adulteration and adulteration as a result of related conditions (such as application of fire retardant) are eligible. Adulteration must have occurred before harvest. All other causes of adulteration (artificial flavoring or chemicals added for economic purposes) are not eligible.

Note: Adulteration after harvest is not eligible.

Producer will need to provide information identifying reduced price and test results (or reason for reduced price) indicating that the price was reduced because of eligible causes. COC may determine acceptable evidence.

C SDRP Formula

Losses because of adulteration are reflected in reduced production to count see Section 6 for quality loss adjustments for adjusting production to count.--*

172-187 (Reserved)

--Section 5 Puerto Rico Insured Provisions*188 General Eligibility****A Overview**

Stage 2 provides assistance for eligible producers in Puerto Rico with eligible insured crops, including trees, bushes, and vines.

Similar to Stage 1, the payment will be calculated using RMA information for indemnified crops. Producers will also have the option to file for a quality loss with supporting documentation

For insured crops, without an indemnity, information already on file with RMA and FSA will be used to pre-fill the application as applicable. Producers will also have the option to file for a quality loss with supporting documentation.

FSA Field Offices must ensure the correct section of FSA-504 is completed based on the type of coverage and status of the application for payment for the crop and unit, according to the following table.

FOR insured...	THE applicable form section is...
crops	Part O: Puerto Rico Only – Insured Crops – Indemnified.
	Part P: Puerto Rico Only – Insured Crops – Non-Indemnified.
trees, bushes, or vines	Part Q: Puerto Rico Only – Insured – Tree, Bush, and Vine Plans.

B Eligible Crop Insurance Policies

The following basic and buy-up plans are eligible:

- crop
- tree, bush, and vine.--*

188 General Eligibility (Continued)

C Ineligible Crops

The following crop insurance plans are ineligible:

- banana plants
- plantain plants.

Note: For bananas and plantains production losses, the crop is considered uninsured or NAP covered as applicable.

D Duplicate Benefits

Puerto Rico insurance products are available under a pilot program. This allows a producer to obtain NAP coverage for a crop for which individual an RMA CAT level or buy-up policy is available. If the crop was covered under both NAP and crop insurance the producer **must** choose whether to receive the benefit under the RMA pilot product or NAP.

*--Because crop insurance is by municipality, Field Offices must monitor all applications to ensure duplicate benefits are not received. If a crop is insured, the application cannot include both insured and uninsured entries for the same crop in the same county where the crop is planted. Offices should verify that each crop listed on the application is categorized correctly as either insured or uninsured, but not both. Any discrepancies must be resolved before approving the application.

Note: RMA provides the municipality name, and FSA converts municipality to the corresponding FSA county code.

To ensure consistency and prevent duplicate benefits because of variations in naming conventions, insured crops and crop types are cross walked with FSA crop and type codes using Exhibit 99. Field Offices will use this crosswalk as a verification tool to align crop classifications and maintain program integrity.--*

See paragraph 29 for duplicate benefits.

***--E Policy Numbers**

The policy number identifies the interest of the producer in the county on the basis of the unique relationship of the owner to 1 or more operators. The policy number is the foundation for all determinations of acreage, production, values, requisite losses, payments, and other program requirements. Because this is unique to Puerto Rico, the terms “policy number” and “units” may be used interchangeably when reviewing program policy.--*

189 Indemnified Puerto Rico Crops**A Assistance for Puerto Rico Policy Holders With an Indemnity**

Crops which earned an indemnity for losses occurring in calendar year 2023 or 2024 will apply through a more streamlined application approach and will use data already on file with RMA and FSA.

* * *

FSA will not calculate payments for indemnified producers using data manually submitted by ~~producers~~. Field Offices should refer producers to their crop insurance agent for any ~~questions concerning the calculated payment~~.

The generation of a pre-filled application does not confirm * * * the producer, crop, or policy number listed is eligible for a payment. Producers may elect to receive the estimated SDRP payment for the specified crops on the FSA-504.

To receive payment, the producer must:

- indicate the qualifying disaster event that caused, in whole or in part, the crop, tree, or vine loss for the crop(s) and unit(s) listed on the application form
- certify on FSA-504 * * * they will meet the requirement to purchase crop insurance or NAP coverage, as applicable for the crop, at the 60/100 level of coverage or higher for the next 2 available crop years.

--189 Indemnified Puerto Rico Crops (Continued)*B Eligible Producers**

Eligible producers must meet the requirements in subparagraph 27 D and both of the following:

- suffered a crop production, quality loss or a tree, bush, or vine loss due in whole or in part to qualifying disaster events or related conditions in calendar years 2023 or 2024
- received a crop insurance indemnity for those losses.

Eligible producers identified by RMA include producers with a CCID who:

- are the primary policy holders of a FCIC reinsured policy
- have a SBI in a policy held by a primary policyholder.

Note: If the tax identification number for the insured producers, as reported by the approved insurance provider, does not match FSA records, they will not have a CCID, and the producers will not appear on the FSA-504 unless the discrepancy is resolved.

The insurance policy information provided by RMA did not include SBI's. If a policy does have a primary policy holder and an SBI, the addition of an SBI will require the producer to work with their insurance agent so the information can be supplied to FSA.

The inclusion of an SBI on the FSA-504 does not mean that the applicant is an eligible producer. All applicants with an SBI to the primary policyholder must meet FSA's definition of an eligible producer according to subparagraph 27 D. If 1 or more producers with an SBI had a share in a crop, the primary policy holder must update the application to reflect those shares in addition to their own.--*

189 Indemnified Puerto Rico Crops (Continued)**B Eligible Producers (Continued)**

If producers are determined to be eligible, payments will be issued to the primary policy holder and to any eligible producers with an SBI who have a share in the crop, based on the shares designated on the application.

Crop insurance indemnities may be issued to entities that include members who are not U.S. citizens or resident aliens. These entities are not eligible * * *, as outlined in *--paragraph 27 F. However, if the entity has a valid CCID and is either the primary--* policyholder or an SBI, FSA-504 may still include their information. * * *

* * *

C Application Process

For indemnified eligible crops, the application will pre-populate with:

- the producer's physical State and county codes
- crop and type, if applicable
- policy numbers
- unit of measure
- SDRP liability
- production to count
- the primary policyholder and all producers with an SBI who have a CCID established with FSA.

--189 Indemnified Puerto Rico Crops (Continued)*C Application Process (Continued)**

The primary policy holder must update the application to reflect each producer's share, including their own. Payments will be issued to the primary policyholder and to any SBI producer with a share in the crop identified on FSA-504, provided all signature and eligibility requirements are met.

Note: The share is assumed to be 100 percent to the primary policyholder unless otherwise designated.

Producers are not required to request payment for all crops and units listed on their application. Producers must check "No" in item 234 that they do not agree to purchase crop insurance or NAP coverage to indicate that they aren't requesting payment for a crop.

If multiple crops and policy numbers are listed on an application, and the producer only agrees to purchase Federal crop insurance or NAP coverage for some of the crops and units, a payment will be issued only for those crops and policy numbers for which the producer agrees to meet linkage according to paragraph 14.--*

190 Non-indemnified Puerto Rico Crops**A Insured Crops Without Indemnity**

For insured eligible crops, the application will pre-fill the physical State and county codes, unit numbers, and crop. The application will list the primary policyholder * * *.

The primary policy holder must update the application to reflect each producer's share, *--including their own. If the application is missing or incorrect, the applicant must contact their agent to make changes.--*

Note: The share is assumed to be 100 percent to the primary policyholder unless otherwise designated.

B Eligible Crop Insurance Policies

The following basic and buy-up plans are eligible:

- crop
- tree, bush, or vine.

--190 Non-indemnified Puerto Rico Crops (Continued)*C Ineligible Crops**

The following crop insurance policies are ineligible:

- banana plants
- plantain plants.

Note: For bananas and plantains production losses, the crop is considered uninsured or NAP covered as applicable.

D Application Process

RMA will provide information for any policy holders that did **not** receive an indemnity in an eligible disaster crop year. The following information will be pre-filled in Part P on the application:

- crop
- type
- policy number
- unit of measure
- SDRP liability.

Note: See subparagraph 85 B for applicable SDRP factors.

FSA-578 is **not** required because SDRP liability is calculated and provided by RMA.

E Producer Responsibilities

Insured producers are required to report and provide documentation to support individual production to count records to FSA according to paragraph 107. COC will review the documentation provided to determine acceptability.

F Adjustments

In cases where acceptable records of production are not provided, or if COC determines production records are not acceptable, production will be adjusted according to CDY provisions in paragraph 104.--*

--Section 6 Quality Loss Adjustments*208 Eligibility****A Overview**

The provisions for Stage 1 were amended to provide additional assistance for quality losses. A producer is eligible for payment if harvested production of a crop suffered a quality loss because of a qualifying disaster event.

The portion of the production that suffered the quality loss discount because of a qualifying disaster event is the affected production.

B Stages

Assistance will be administered through 2 stages, Stage 1 and Stage 2.

Stage 1 will allow for quality loss adjustments of production in excess of quality losses already indemnified by certain federal crop insurance or NAP using FSA-526Q.

Stage 2 will allow for quality loss adjustments to production for eligible crops with federal crop insurance, NAP coverage, or that were not covered using FSA-504.

C Quality Adjustment Eligible Crops

Stage 1 quality losses are applicable for the following:

- APH/yield-based crops
- NAP yield crops

An application for Stage 1 must be in initiated status according to 2-SDRP, subparagraph 21 C before applying for Stage 1 quality losses.

Stage 2 quality losses are applicable for the following:

- insured APH/yield-based crops
- insured dollar crops and other revenue
- NAP yield-based crops
- uninsured yield-based crops
- insured crops in Puerto Rico.--*

208 Eligibility (Continued)

D Quality Adjustment Ineligible Crops

Stage 1 quality losses are **not** eligible for the following:

- value-loss crops
- maple sap
- honey
- crops for which the producer received a crop insurance indemnity, NAP payment, or Stage 1 payment based on the quantity of the crop's production that was considered unmarketable
- crops for which the producer previously received crop insurance indemnity, NAP payment, or Stage 1 payment for which the crop production was reported as salvage value or secondary use
- crops that were destroyed
- prevented planted crops
- losses that could have been mitigated through reasonable and available measures
- crops where production was already reduced for quality losses under NAP
- the portion of quality adjustment previously included in a crop insurance indemnity
- trees, bushes, and vines
- *--sugar beets and sugar cane for which a member of a cooperative processor received a--* payment through a cooperative agreement
- unharvested crops.

211 Forage Crops (Continued)

E Nutritional Categories

DAFP has established the following categories and ranges for RFV and TDN. STC's may make establish which categories will be used in their respective States and establish the low and high with DAFP concurrence. All requests for changes to the nutritional levels should be submitted through the DAFP correspondence SharePoint.

RFV		
Forage Categories	Low	High
Alfalfa	75	151
Alfalfa Mix	75	151
Other Hay	60	111
Small Grains	78	120
Sorghum Forage	71	109
--Coarse Grain Silage	83	217--

TDN		
Forage Categories	Low	High
Alfalfa	56	62
Alfalfa Mix	56	62
Other Hay	50	60
Small Grains	45	60
Sorghum Forage	45	60
Coarse Grain Silage	58	76

Eligible forage will be broken into high and low nutritional value categories, based on the expected quality for the timing of harvest within the crop year. If a crop routinely has multiple cuttings in a year, the producer will need to submit quality tests for each cutting.

The producer will submit a verifiable test to COC that indicates the nutritional value for the affected production, for Stage 1 and Stage 2. To be considered verifiable, FSA must be able to verify the test through an independent source.

Acceptable production records to determine the amount of affected production are required for forage crops for any producer certified production.

--211 Forage Crops (Continued)*F Forage Quality Loss Percentage**

The producer will calculate their quality loss by subtracting the nutritional value from their verifiable test from the high nutritional value determined by FSA and then will compute the percentage difference by dividing the calculated quality loss by the range determined by FSA. The producer will then calculate the quality loss percentage by taking 100 percent minus that percentage difference.

Example: Ava's verifiable nutrient test indicates on alfalfa an RFV of 120. FSA has determined the high value of the crop is 151, low is 75 which results in a range of 76.

- 151 minus 75, equals 76
- 151 minus 120 equals 31
- 31 divided by 76, equals 41 percent
- 100 percent minus 41 percent equals 59 percent.

The quality loss percentage entered on Ava's FSA-504 will be 59 percent if all production was impacted and represented in the quality loss.--*

--211 Forage Crops (Continued)*G Determining Weighted Quality Loss Percentage**

The quality loss percentage must be weighted to account for differing extents of quality loss across all production.

To determine the weighted quality loss percentage, the producer will first determine the percentage of the production impacted by quality loss. This is done by dividing the affected production by the total production. Then, by determining the weighted quality loss percentage by multiplying the percent affected production by the quality loss percentage.

Example: Vinny's total hay production was 500 tons.

- 100 tons were impacted with a 36 percent quality loss
- 100 tons were impacted with a 50 percent quality loss
- 300 tons were unimpacted with no quality loss.

Vinny divides 100 tons by 500 tons, which equals 20 percent of production affected by a quality loss.

- 20 percent affected production multiplied by 36 percent equals 7.2 percent weighted quality loss percentage.
- 20 percent affected production multiplied by 50 percent, equals 10 percent weighted quality loss percentage.

To determine the total weighted quality loss percentage, Vinny adds 7.2 percent to 10 percent, which equals 17.2 percent total weighted quality loss percentage.

Vinny will enter 17.2 percent, the total weighted quality loss percentage, on the FSA-526Q or FSA-504 as applicable.--*

212 Crops Other than Forage

A Eligibility

Quality losses for all crops other than forage are defined as a decrease in value based on discounts provided at the time of sale because of the physical condition of the crop indicated by an applicable grading factor.

For crops other than forage to be eligible, affected production must be directly related to a qualifying disaster event. Verifiable documentation of the total loss of value and corresponding grading factors, because of quality, is required.

B Verifiable Documentation

Producers must have verifiable documentation of the discount factors to support the loss in quality.

Verifiable documentation must include the following:

- date of sale
- producer name
- location of point of sale
- buyer's name
- sold commodity information
- affected production, adjusted to standard moisture
- unit of measure
- quality discount factors
- quality loss discount, per unit of measure
- price before discount (expected price, not including premiums or incentives).

Verifiable documentation **must** be dated within 30 days of harvest. COC may consider samples or grading factors taken more than 30 days after harvest if the sample or test is considered representative of the condition of the crop at the time of harvest.

Exception: For grain crops that were sold, verifiable documentation at time of sale is
 *--acceptable (when later than 30 days) provided the condition of the crop is still
 considered representative of the condition at the time of harvest and was not
 further damaged in storage.--*

Factors to consider include, but are not limited to:

- weather conditions during and after harvest
- harvest and handling procedures
- storage location, facility type, and condition
- steps taken to prevent the crop from deteriorating
- date of harvest
- ability to mitigate the loss in quality of the crop.

213 Upland Cotton

A Background

Upland cotton is graded based on the applicable premiums and discounts as outlined in 7-CN. Each bale is priced based on the net adjustment to loan value with all grading factors considered.

B Eligibility

*--Production must have suffered a loss because of quality with verifiable grading factors directly related to a qualifying disaster event.

Eligible production includes all production from bales. Production on the application includes all cotton bales with or without quality losses.--*

* * *

--213 Upland Cotton (Continued)*C Verifiable Documentation**

Producers must have verifiable documentation of the adjustment to the upland cotton loan price. Verifiable documentation will include:

- date of sale
- producer name
- location of point of sale
- buyer's name
- sold commodity information
- affected production, adjusted to standard moisture
- unit of measure
- adjusted loan value based on the schedule of premiums and discounts, or the net discount to the loan value based on the schedule of premiums and discounts
- price before discount if sold under a marketing contract.

Note: Upland cotton that is not sold under a marketing contract will use a price before discount of \$0.52 per lb.

Verifiable documentation must be dated within 30 days of harvest unless it meets the exception in subparagraph 212 B.--*

213 Upland Cotton (Continued)

D Determining Quality Loss

*--The quality loss percentage will be calculated using the weight of all eligible bales within the county and unit to get the net loss of production, which is then divided by the total expected production amount.

The net loss of production is the actual value of all production subtracted from the expected value of all production.

Expected value of production is the weight of each eligible bale multiplied by 1 of the following, as applicable:

- \$0.52 (cotton loan rate)
- contract price listed on the producer's contract.

Actual value of production is the weight of each eligible bale multiplied by one of the following:

- the actual loan rate each bale received, according to the verifiable records
- the discounted rate each bale received, according to the verifiable records.

Note: The producer can summarize the production and value loss for the eligible bales. The summary should be completed separately for bales sold under contract and bales using the loan price.

A cotton quality calculator is available at
<https://www.fsa.usda.gov/resources/programs/supplemental-disaster-relief-program-sdrp>

Production is ineligible if the producer does not have either of the following:

- verifiable documentation of the adjusted loan value based on the schedule of premiums and discounts
- the net discount to the loan value based on the schedule of premiums and discounts.--*

213 Upland Cotton (Continued)

E Examples

The following are examples of bale listings with grading factors and discounts.

Example 1: Cotton **Not** Under Contract

Producer Bale Book																			
Crop Year: 2023																			
0530-05 Block:2 Dryland																			
State-County-Farm:																			
	Regular	Remnant	Built Up	Voided	Classed	Invoiced	To Be Invoiced	Outside	Lint	Whse	Bales	Loan Rate							
Bales	Bales	Bales	Bales	Bales	Bales	Bales	Bales	Bales	Weight	Weight	Received								
TOTALS	24	0	0	0	24	18	0	0	12,181	12,133	24	0.5147							
Gin Tag	Sts	SKT No	Load	Ginning Date	Lint Wgt	Whse Tag	Net Storage Wgt	Storage Date	Cir	Lf	Stpl	Mic	Str	Unit	R1	R2	Loan	Status	
1	4403251	205	1079	11/5/	499	1038749	497	11/6/	21	2	33	46	27.7	79.0			0.5110	Invoiced	
2	4403252	205	1079	11/5/	522	1038750	520	11/6/	11	2	33	46	27.7	79.0			0.5110	Invoiced	
3	4403253	205	1079	11/5/	497	1038528	495	11/6/	21	3	33	46	27.7	79.0			0.5085	Invoiced	
4	4403254	205	1079	11/5/	498	1038529	496	11/6/	21	3	33	46	27.7	79.0			0.5085	Invoiced	
5	4403255	205	1079	11/5/	511	1038530	509	11/6/	21	2	33	46	27.7	79.0			0.5110	Invoiced	
6	4403256	205	1079	11/5/	500	1038531	498	11/6/	11	2	33	46	27.7	79.0			0.5110	Invoiced	
7	4403257	205	1079	11/5/	498	1038511	496	11/6/	11	3	33	46	27.7	79.0			0.5085	Invoiced	
8	4403258	205	1079	11/5/	506	1038510	504	11/6/	11	3	33	46	27.7	79.0			0.5085	Invoiced	
9	4403259	205	1079	11/5/	510	1038509	508	11/6/	11	2	33	46	27.7	79.0			0.5110	Invoiced	
10	4403260	* 205	1079	11/5/	520	1038508	518	11/6/	11	3	33	46	27.7	79.0			0.5085	Invoiced	

The bale sheet for the cotton not under contract does not reflect a price before discount. The producer will:

- consider the loan rate of \$0.52 as the price before discount
- *--consider all bales with a loan value of less than \$0.52 as production with a quality loss
- consider all bales with a loan value equal to or greater than \$0.52 as production without a quality loss--*
- multiply the net weight of each * * * bale of cotton by the actual loan rate to get the actual value of each bale
- multiply the net weight of each * * * bale of cotton by the loan value of \$.52, to get the expected value
- sum up expected values and actual values from all affected production, then subtract the actual value sum from the expected value sum of affected production, to come up with a net loss of * * * production
- to calculate the quality loss percentage, divide the net loss of * * * production by the total of expected production
- all quality discounts on the settlement sheet are recognized for cotton.

213 Upland Cotton (Continued)

E Examples (Continued)

Example 2: Cotton Under Contract

Producer:		Base Price:	71.0000
Farm ID:			
Gross value of 53 bales (wt 24282, avg 58.7772)			14272.27
Charges:			
Cotton Board Assessment	-		(124.36)
USDA Classing	(53 bales)		(113.95)
Producer Ginning Charges			(552.56)
Bagging & Ties	(686.35)		
Seed Credit (14.57 tons)	2112.44		
Ginning Charges (879 Clbs)	(1978.65)		
Receiving (3.00 per bale)	(53 bales)		(159.00)
Boll Weevil Mnt (2.00 per bale)	(53 bales)		(106.00)
Monthly Storage	(1284190 bale storage months)		(0.00)
Total Charges			(\$1,055.87)

GinBale	WhBale	GWh	Tr	Nt	Gr	Lf	Sl	Nlc	EM	Rm	Str	CGr	Rd	4b	Tr	Len	Unif	Eing	Price	BValue	WPen	NetValue
19770	19770	483	2	461	43	3	32	3.7			25.5	43-4	65.4	10.9	3	100	75.6		-9.9500	-45.87	0.00	-45.87
19771	19771	476	2	474	53	4	32	3.7	11		25.5	53-3	64.1	10.8	5	100	75.6		-15.1500	-71.81	0.00	-71.81
19772	19772	473	2	471	43	3	32	3.7			25.5	43-4	64.0	11.2	4	100	75.6		-9.9500	-46.86	0.00	-46.86
19773	19773	449	2	447	43	4	32	3.7			25.5	43-4	64.9	11.1	4	100	75.6		-10.4500	-46.71	0.00	-46.71
19774	19774	450	2	448	43	4	32	3.7			25.5	43-4	64.9	11.1	4	100	75.6		-10.4500	-46.82	0.00	-46.82

The producer's contract for cotton has a base price of \$0.71 per pound. The producer will:

- include all bales that were discounted as affected production on FSA-504
- multiply the net weight of each bale by the discounted rate, to get the actual production
- multiply the net weight of each bale by the contract price, to get the expected production
- subtract the total amount of actual production from the total amount of expected production, to get the net loss of * * * production
- to calculate the quality loss percentage, divide the net loss of affected production by the total amount of expected production.

--214 Special Provisions for Small Grains Sold as Feed*A Background**

In some areas, quality damage was so excessive that many crops did not meet the quality specifications for the intended market and were sold as feed. In addition, quality losses because of qualifying disaster events may have been so widespread that elevators and mills did not complete documentation of the grading factors. In these instances, the elevator or mill did not grade or test the crop; instead, they assessed the quality loss by visual inspection. To address these situations, this paragraph includes additional provisions that apply to small grains including, but not limited to, wheat, barley, oats, millet, and rye.

Note: The provisions in this paragraph do not apply when production was considered salvage or as a secondary use.

B Eligibility

Affected production must have suffered a loss because of quality with grading factors (quality discount factors) directly related to a qualifying disaster event.

C Verifiable Documentation

Verifiable documentation **must** meet the requirements in subparagraph 212 B with the following exceptions.

- When quality discount factors are not included in the verifiable documentation, a letter from the elevator or mill may be accepted. Unless specifically included in other documentation, the letter **must** include all of the following:
 - producer's name
 - location of point of sale
 - buyer's name
 - sold commodity
 - date of sale--*

*--217 Peanuts (Continued)

C Verifiable Documentation (Continued)

Seg 2 and Seg 3 Discounted Rates (35 Percent of the National Rate)				
Type	2023 Rate Per Pound	2023 Discounted Rate Per Pound	2024 Rate Per Pound	2024 Discounted Rate Per Pound
Runner	\$.177205	\$.062022	\$.177165	\$.062008
Spanish - SE	\$.172135	\$.060247	\$.172425	\$.060349
Spanish - SW	\$.172135	\$.060247	\$.172425	\$.060349
Valencia	\$.179880	\$.062958	\$.180105	\$.063037
Virginia	\$.179880	\$.062958	\$.180105	\$.063037

Verifiable documentation must be dated within 30 days of harvest unless it meets the exception in subparagraph 212 B.--*

217 Peanuts (Continued)

D Determining Quality Loss

The quality loss percentage will be determined by the difference in the value of the loan before discount and the value of the loan after discount.

The data elements used in calculating the value of the loan before discount and the value of the loan after discount vary based on if the peanuts were under contract and by the Seg. type. The following tables provide the data elements to use for calculating quality loss percentage for peanuts not under contract and peanuts under contract. The quality loss percentage will be weighted against the impacted production.

Note: Quality loss percentage will be determined separately for each State, county, crop, crop type, intended use, and organic status.

Peanuts Not Under Contract		
FSA-1007 or Settlement Worksheet	Seg. 1 Peanuts	Seg. 2 and Seg. 3 Peanuts
value of loan before discount	price before discount (national loan rate)	
value of loan after discount	loan value after discounts (item P on FSA-1007, and Settlement Worksheet)	discounted to 35 percent of the national loan rate
quality loss percentage	*--percent difference in the loan value per pound before discount and the loan value per pound after discount--*	

217 Peanuts (Continued)

D Determining Quality Loss (Continued)

Peanuts Under Contract		
Settlement Worksheet or Farm Summary Printout	Seg. 1 Peanuts	Seg. 2 and Seg. 3 Peanuts
value of loan before discount	contract price * * * •*--the contract price is the option price plus the national loan rate--* • multiplying the option percentage by the national loan rate. The option percentage is identified on the Farm Summary printout as "VALUE OF OPTION". The result is the option price. * * *	
value of loan after discount	loan value in item P on FSA-1007 or Settlement Worksheet plus Option Value Notes: Option Value is shown as: •*--"VALUE OF OPTION" on the Farm Summary printout. • "Farmer Stock Cost" on Settlement Worksheets.--*	discounted to 35 percent of the national loan rate
quality loss percentage	percent difference in the loan value per pound before discount and the loan value pound after discount	

E Calculator

A calculator has been developed to assist producers in summarizing data and calculating total dollar value loss. The calculators and instructions for use are available at <https://www.fsa.usda.gov/resources/programs/supplemental-disaster-relief-program-sdrp>.

F Examples

Example 1: Seg .1 Peanuts Not Under Contract

Producer's 2023 runner peanuts suffered quality losses because of hurricane conditions. Producer's net production was 35,866 pounds. After applying schedule of premiums and discounts, the loan value was adjusted. The loan value per pound after discount was \$.160144.

FSA-1007 (06-01-05) FINAL USDA/SAMS INSPECTION CERTIFICATE AND CALCULATION WORKSHEET				The authority for issuing this document is FSA 107-371. This authority allows for the collection of information without prior OIA approval as authorized by the Payment Protection Act of 2003. The user is required to certify this information reflects an inspection to average 30 minutes per response, including the time for reviewing the results, entering data, and gathering and maintaining the data needed, completing and reviewing the collection of information.			
Farm Producer Name/Seller's Name, ST & CO. Code & Farm No.				Buying Point No. & Location		Serial No. Corrected 8500113	
				Share % 100.00	Applicant/Buyer's Name and No.		
				1.			
				2.			
				3.			
SECTION I - INSPECTION CERTIFICATE - FARMER'S STOCK PRICES				Wgt. Description and Stk. No.			
This section is issued subject to the Agricultural Marketing Act of 1935 as amended (7 U.S.C. 1621 et seq.) and is intended to provide evidence in all courts in the United States. Any person who knowingly falsifies makes, alters, forges, or counterfeits this certificate, electronic image, or participate in any such act shall be subject to a fine not more than \$10,000, imprisonment for not less than 1 year, or both.				Delivery Point, if not the same as Above:			
Vehicle No. S 15				O11-01			
				Type Storage : GOMM			
				Weight Ticket No. COMB-000001			
				In X Out			
B.P. No.				Date Inspected			
3				10/10/2013			
No. Bags				%			
X				1			
RU				Crop Year			
1				01-21 PM			
WT. OF FM SAMPLE				VALUED TYPE ONLY			
FORGON MATERIAL				SAMPLE WT			
OTHER/UNUSUAL FM				CRACKED/DAMAGED			
LSK				DISCLOSED			
CLEANED SAMPLE WT				VIRGINIA TYPE ONLY			
METER READING/MOISTURE				SAMPLE WT			
FOTAL KRS				BLUE PAN WT			
DAMAGED KRS				JANCOY			
SOUND MATURE KRS				KERNELS REL			
SOUND SPLITS				ELK DAMAGE			
FOTAL SMK				NET ELK			
OTHER KERNELS				KERNELS RPS			
DAMAGED SPLITS				FRECKLE DAMAGE			
FOTAL DAMAGE				CONCEALED ROAD			
TOTAL KERNELS				A PLAYS NOT FOUND			
HULLS				TOTAL KERNELS & HULLS			
10-10				100.00%			
REMARKS							
Signature of Inspector				Date Signed			
10/10/2013				Value of Segment = \$			
Signature of Licensed Weigher				Value of Segment = \$			
4103				Value of Segment = \$			
Date Signed				Value of Segment = \$			
10/12/2013				Value of Segment = \$			
Q. REMARKS				Value of Segment = \$			
United States Warehouse Act				Date Delivered for Immediate Sale:			
Not Weight Certificate				10/12/2013			
Pestnet Variety: GA-06B				APPLICANT'S SIGNATURE			
Note: THIS IS NOT A WAREHOUSE RECEIPT - NOT NEGOTIABLE				APPLICANT'S ADDRESS			
6-379101640				APPLICANT'S PHONE			

217 Peanuts (Continued)

F Examples (Continued)

Calculate quality loss percentage as follows:

- national loan rate for 2023 runner peanuts (\$0.177205 per pound)
- *--loan rate per pound received after discounts from item P on the FSA-1007 is \$0.160144
- $1 - (\$0.160144 \div \$0.177205) = 0.0963$ or 9.63 percent quality loss.--*

Example 2: Seg. 2 or Seg. 3 Peanuts Not Under Contract

Producer's 2023 runner peanuts suffered quality losses because of hurricane conditions. Producer's net production was 40,000 pounds.

Calculate quality loss percentage as follows:

- national loan rate for 2023 runner peanuts was \$0.177205 per pound
- *--the loan rate received for 2023 runner peanuts was \$0.062022 per pound
- $1 - (\$0.062022 \div \$0.177205) = 0.6500$ or 65 percent quality loss.--*

F Examples (Continued)

Example 3: Seg. 1 Peanuts Under Contract

Producer's 2023 runner peanuts suffered quality losses because of hurricane conditions. The producer's peanuts were under contract. The contract price was \$450.00 per ton. After discounts, the adjusted loan value was \$5,743.76. The option value after discount was \$1,547.37.

[illegible]

Section 7 SDRP Stage 2 Payment Calculations

244 Stage 2 Payment Calculation

A Overview

Stage 2 uses several calculations to determine the amount of a payment. The specific calculation used depends on whether the producer had federal crop insurance, NAP coverage, or was uninsured on the eligible crop, tree, bush, or vine.

Payments will be calculated for Stage 2 for losses on crops that were:

- insured
- NAP-covered
- uninsured.

Note: Crops with the intended use of grazing are not eligible for SDRP.

Payment calculations for Stage 2 are similar to the calculations used for Stage 1, which were based on the calculation specified in the crop's insurance or NAP coverage and the SDRP factor is varied based on the crop's coverage level. The payment calculations for uninsured crops, trees, bushes, and vines are similar to the previous 2017 WHIP and WHIP+.

Stage 2 payments can include the following parts in the calculations.

- SDRP Liability – is the guarantee established for SDRP purposes.
 - For yield-based crops this is determined by expected revenue (acres x yield x price) x the applicable SDRP factor.
 - For value loss crops this is determined by taking the inventory before the disaster x the applicable SDRP factor.
 - For trees, bushes, or vines this is determined by taking the number of trees destroyed plus the number of trees damaged x price x the applicable SDRP factor.

Note: The specific yield and price used will be dependent on if the crop was insured through RMA, covered under NAP or not insured, in addition to the type of crop being covered. (such as yield-based, value loss, tree, bush, or vine, etc.).

- *--SDRP Payment Factor - All calculated Stage 2 payment amounts were multiplied by a final payment factor of 35 percent to ensure that total payments did not exceed the available funding.

Note: On April 24, 2026, the payment factor was increased to 70 percent.--*

FSA will issue payments as applications are processed and approved.

244 Stage 2 Payment Calculation (Continued)**A Overview (Continued)**

All SDRP payments are subject to the availability of funding. If additional funding is available after all eligible SDRP applications have been processed and payments have been issued, FSA may issue additional SDRP payments, not to exceed the maximum amount allowed by law.

For all Stage 2, and Stage 1 quality, payments calculated at zero dollars or less, the COC must notify the producer in writing and provide full appeal rights. A sample letter is provided in Exhibit 180.

245 SDRP Factor Provisions**A SDRP Factor**

Each Stage 2 payment calculation uses an SDRP factor based on the level of federal crop insurance or NAP coverage the producer had obtained. These factors for insured and NAP-covered crops, trees, and vines are consistent with the factors previously established for Stage 1. The SDRP factor for uninsured crops, trees, bushes, and vines will be 70 percent.

Stage 2 uses SDRP Factors from Stage 1. See **subparagraph 85 B**.

246 RMA Insured Crops Payment Calculations**A Overview**

There are four payment calculations for RMA insured crops. These will include crops covered under insured:

- APH or yield-based plans
- area based plans
- dollar plans or other revenue
- value loss plans;

Premiums and fees will not be included unless the calculated loss minus potential insured indemnity is greater than \$0.

Note: Insured tree and vine payment calculations are included in paragraph 149.

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

Redelegations of Authority

COC may redelegate authority according to the following.

Redelegation	Reference
Review and approve routine applications (including FSA-526, FSA-526Q and FSA-504)	4
Review the following supporting documentation to determine acceptability: • production records • inventory records • tree, bush and vine records.	104, 107, 208, 210
Review and approve routine quality loss documentation to determine the quality loss percentage.	210

--*

Redelegation of authority must be documented in the COC minutes.

--All applications with producer certified entries and any adverse actions must go to COC for-- review and action. CED may not redelegate authority to any other County Office employees.

STC may redelegate authority to a STC Representative to review and approve routine applications and associated documentation.

Definitions of Terms Used in This Handbook (Continued)

Misrepresentation, Scheme, or Device

Misrepresentation, scheme, or device means, but is not limited to:

- concealing any information having a bearing on the application of any of the rules governing NAP
- submitting false information to a CCC representative, including, but not limited to, COC, STC, or authorized agent or employee thereof
- creating fictitious entities for the purpose of concealing the interest of a person in a farming operation.

*--Multiple Market Crop

Multiple market crop means a crop that can have multiple market or intended uses with separate average market prices established for each use.--*

NAP

NAP means the Noninsured Crop Disaster Assistance Program, which is authorized by section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333) and regulations in 7 CFR part 1437.

NAP Buy-up

NAP Buy-up means NAP coverage at a payment amount that is equal to an indemnity amount calculated for buy-up coverage computed under section 508(c) or (h) of the Federal Crop Insurance Act and equal to the amount that the buy-up coverage yield for the crop exceeds the actual yield for the crop.

NAP Service Fee

NAP service fee means the fee the producer must pay to obtain NAP coverage specified in 7 CFR 1437.7.

*--Native Sod

Native sod means land on which the natural state plant cover before tilling was composed principally of native grasses, grass-like plants, forbs, or shrubs suitable for grazing and browsing and is land that has never been tilled (determined according to information collected and maintained by an agency of the USDA or other verifiable records that are provided by a producer and acceptable to FSA).--*

Other Crop

--Other crop means a crop that is not included in the definition of specialty crop or high value crop.--

Definitions of Terms Used in This Handbook (Continued)**Ownership Interest**

Ownership interest means to have either a legal ownership interest or a beneficial ownership interest in a legal entity. For the purposes of administering SDRP, a person or legal entity that owns a share or stock in a legal entity that is a corporation, LLC, limited partnership, or similar type entity where members hold a legal ownership interest and shares in the profits or losses of such entity is considered to have an ownership interest in such legal entity. A person or legal entity that is a beneficiary of a trust or heir of an estate who benefits from the profits or losses of such entity is also considered to have a beneficial ownership interest in such legal entity.

Premium

Premium means the premium paid by the producer for crop insurance coverage or NAP buy-up coverage levels.

***--Prevented Planting**

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

Producer

Producer means an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing the crop and is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

Production

Production means the quantity of the crop produced, which is expressed in a specific unit of measure including, but not limited to, bushels or pounds.

Program Year

Program year means the crop year.

* * *

Qualifying Disaster Event

Qualifying disaster event means wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions that occurred in calendar years 2023 or 2024.

Qualifying Drought

Qualifying drought means an area within the county was rated by the U.S. Drought Monitor as having a drought intensity of D2 (severe drought) for 8 consecutive weeks or D3 (extreme drought) or higher level for any period of time during the 2023 and 2024 calendar year.

Approved Tree, Bush, and Vine Data

DAFP approved tree stages, damage factors, and reference prices.

Crop Name Crop Code	Crop Type	Tree Stage	Stage Definition	State	Damage Factor	Reference Price		
						2023	2024	2025
Apples 0054	All	I	- Standard Density is less than or equal to 650 trees per acre and set out less than 3 crop years - High Density is set out less than 2 crop years	ID	41%	21	23	24
				MI	58%	19	22	23
				NY	33%	23	24	24
				OR	42%	23	24	25
				PA	35%	20	25	23
				WA	43%	23	23	25
		II	- Standard Density is set out less than 3 - 6 crop years - High Density is set out less than 2 -3 crop years	ID	41%	22	24	26
				MI	58%	20	23	23
				NY	33%	24	26	26
				OR	42%	25	25	26
				PA	35%	21	26	25
				WA	43%	24	25	27
		III	- Standard Density is set out 7 or more crop years and are able to produce a yield typical of a healthy tree of the current tree age - High Density is set out 4 or more crop years and are able to produce a yield typical of a healthy tree of the current tree age	ID	23%	34	36	41
				MI	26%	24	26	26
				NY	23%	30	35	36
				OR	26%	37	37	42
				PA	26%	28	35	35
				WA	24%	37	37	42
Avocados 106	All	I	- Nonbearing - Set out less than 3 crop years - Buckhorned or topworked less than 2 years - Reset after being toppled less than 1 year	FL	68%	54	59	65
		II	- Set out more than 3 crop years - Buckhorned or topworked 2 years+ - Reset after being toppled less than 2 years but do not qualify as stage III	FL	46%	139	153	157
		III	- Set out 7 or more crop years - After 4 crop year after buckhorning or topworking - Are able to produce a yield typical of a healthy tree of the current tree age	FL	38%	180	198	196

Approved Tree, Bush, and Vine Data (Continued)

Crop Name Crop Code	Crop Type	Tree Stage	Stage Definition	State	Damage Factor	Reference Price		
						2023	2024	2025
*--Blueberries 108	All	I	Set out less than 3 crop years	GA	63%	6.25	6.25	6.25
		II	Set out 3 or more crop years and less than 5		42%	7.86	7.86	7.86
		III	Set out 5 or more crop years		35%	10.25	10.25	10.5
Cane berries 6000	All	I	Set out less than 3 crop years	GA	63%	8.84	8.84	8.84
		II	Set out 3 or more crop years		42%	18.57	18.57	18.57--*
Carambola 999	All	I	Set out buckhorned or topworked less than 1 year.	FL	48%	83	91	100
		II	Set out buckhorned or topworked more than 1 year but do not qualify as stage III.	FL	36%	148	163	174
		III	Set out buckhorning or topworking 3 or more crop years.	FL	30%	212	233	244
*--Grape vines 0053	MUS	I	Set out within 12 months	GA	63%	11.75	11.75	11.75
		II	Set out between 13 to 48 months		42%	12.07	12.07	12.07
		III	Set out more than 48 months		35%	18.49	18.49	18.49
Grape vines 0053	All except MUS	I	Set out within 12 months	GA	63%	11.19	11.19	11.19
		II	Set out between 13 to 48 months		42%	11.43	11.43	11.43
		III	Set out more than 48 months		35%	14.73	14.73	14.73--*

Approved Tree, Bush, and Vine Data (Continued)

Crop Name Crop Code	Crop Type	Tree Stage	Stage Definition	State	Damage Factor	Reference Price		
						2023	2024	2025
Grapefruit 0030	All	I	• Set out less than 3 crop years	FL	75%	29	32	35
			• Nonbearing	TX		47	52	49
			• Reset after being toppled less than 2 year	CA		43	42	42
			• Set out up to 24 months					
		• Nonbearing	FL	47%	70	77	80	
		• Set out more than 3 crop years						
		• Buckhorned or topworked 2 years	TX		103	101	107	
		II	• Reset after being toppled less than 2 years but do not qualify as stage III	CA		61	60	59
			• Set out more than 25-48 months crop					
			• Fully bearing					
					Note: Trees older than 48 months are ineligible for SDRP.			
III	• Set out 7 or more crop years	FL	39%	91	100	100		
	• After 4 crop year after buckhorning or topworking							
	• Are able to produce a yield typical of a healthy tree of the current tree age	TX		141	135	145		
	• Set out 7 or more crop years,							
	• After 5 crop year after buckhorning or topworking							
	• After 3 crop years of rehabilitation							
	• Are able to produce a yield typical of a healthy tree of the current tree							

