

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Wildfires and Hurricanes Indemnity Program 1-WHIP	Amendment 7
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Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Parts 1 and 2 have been amended to include losses incurred from Tropical Storm Cindy, losses to peach and blueberry crops in calendar year 2017, and losses to blueberry crops in calendar year 2018.

Page Control Chart		
TC	Text	Exhibit
	1-1, 1-2 1-11, 1-12 1-15, 1-16 2-1 through 2-14 2-17 7-1	

Part 1 General Information and Administrative Provisions

1 Overview

A Handbook Purpose

--This handbook provides procedure for WHIP that is implemented by DAFP through Safety Net Division.--

B Related Handbooks

Related handbooks include the following.

IF the material concerns...	THEN see...
referring possible fraud cases to OIG	9-AO.
outreach	22-AO.
appeals	1-APP.
signatures, powers of attorney, registers, name and address files, controlled substances, deceased individuals, or estates	1-CM.
common payment reports	9-CM
acreage reporting, acreage determinations, and spot checks	2-CP
conservation compliance	6-CP.
requests for relief and finality rule provisions	7-CP.
issuing payments	1-FI.
refunds of overpayments, withholding payments, and setoffs	58-FI.
prompt payment interest	61-FI.
assignments and joint payees	63-FI.
for NRRS	64-FI
--managing crop acreage data	1-GIS--
providing public information	1-INFO.
NAP covered crops	1-NAP.
web based subsidiary files	3-PL (Rev. 2).
AGI, payment eligibility, payment limitation, and person determinations	5-PL.
referring FSA/RMA discrepancies and/or potential abuse cases to RMA Regional Offices on AD-2007	4-RM.

2 Authorities

A Statutory Authority

The Bipartisan Budget Act of 2018, Pub. L.115-123 authorizes the Secretary to implement WHIP.

--The additional Supplemental Appropriations for Disaster Relief Act, of 2019, Pub. L. 116-20 modified authorization to include 2017 calendar year losses because of Tropical Storm Cindy, 2017 peach and blueberry crop losses because of extreme cold, and 2018 blueberry crop losses due to extreme cold and hurricanes.--

B Regulatory Authority

Regulations for WHIP are provided in 7 CFR Part 760, subpart O.

C Limitations

If more than 1 handbook provision appears to apply, the provisions that are the most restrictive on benefits or eligibility apply.

This handbook constitutes FSA’s internal operating guidelines issued by DAFP for carrying out WHIP regulations. Handbook provisions are considered interpretive of regulations. Whenever an unintended conflict appears to exist between any handbook provision and the pertinent applicable Federal regulations, regulations apply.

3 General Information

A Funding

The Bipartisan Budget Act of 2018 provides \$2.36 billion, which shall remain available until December 31, 2019.

B Signup Periods

FSA-890 shall be filed in the participant’s administrative County Office beginning July 16, 2018, and ending November 16, 2018.

--Signup period for Tropical Storm Cindy losses, blueberry and peach losses will be September 11, 2019.--

Participants will complete FSA-890 according to Exhibit 4.

* * *

6 Eligibility and Payment Limitation

A WHIP Assistance

WHIP assistance is available to eligible producers for crops, trees, bushes, and vines which suffered losses because of the consequences of Hurricanes Harvey, Irma, Maria, and other *--hurricanes, Tropical Storm Cindy, extreme cold for crop losses on peaches and blueberries, wildfires and 2018 blueberry losses due to extreme cold and hurricanes occurring in calendar year 2017.--*

WHIP assistance will be calculated based on the crop's expected value multiplied by the WHIP percentage minus actual value minus the producer's indemnity or NAP payment received.

Crops with an intended use of grazing are not eligible for WHIP.

B Payment Limitation

The WHIP payment limitation is \$125,000 per person or legal entity. Direct attribution applies.

If 75 percent of income is derived from farming, ranching or forestry there is an optional per person or legal entity payment limitation of \$900,000.

Note: Applicants, including members of legal entities, are required to provide a certification from a licensed CPA or an attorney for determining percent of farm income, if optional payment limitation is requested.

C Adjusted Gross Income

WHIP is not subject to common \$900,000 AGI provisions.

7 Optional \$900,000 Payment Limitation Provisions

A Certification Requirements

Applicants requesting an optional payment limitation of \$900,000 must provide a certification from a licensed CPA or an attorney stating at least 75 percent of their AGI is derived from farming, ranching, or forestry based on an average of taxable years 2013, 2014, and 2015 adjusted gross income.

Note: Exclude any year(s) that the individual or entity did not have income or was not in business. If the applicant is a legal entity, each member is responsible for providing the certification mentioned in subparagraph 6 B or that member's share will be adjusted accordingly.

7 Optional \$900,000 Payment Limitation Provisions (Continued)**A Certification Requirements (Continued)**

Request for an exception to the WHIP payment limitation of \$125,000 is optional to all applicants including:

- persons
- legal entities
- interest holders in a legal entity, including embedded entities to the fourth level of ownership interest, regardless of the level of interest held
- members of a general partnership or joint venture, regardless of the number of members

Note: A general partnership or joint venture is not considered to be a legal entity, such as a corporation, LLP, or LLC, for the application of the optional payment limitation provisions.

- Native Americans or tribes represented by BIA.

See 3-PL (Rev. 2) for subsidiary software provisions.

7 Optional \$900,000 Payment Limitation Provisions (Continued)

C Example WHIP AGI Payment Limitation Certification (Continued)

*--

<p><i>[insert name]</i> <i>[insert street and/or mailing address]</i> <i>[insert city, State ZIP Code]</i></p>
<p><i>insert date]</i></p>
<p><i>[insert State Office name]</i> <i>[insert street and/or mailing address]</i> <i>[insert city, State ZIP Code]</i></p>
<p>I, [insert name], am <i>[insert “a certified public accountant (CPA)” or “an attorney” as appropriate]</i> practicing in <i>[insert city, State]</i>. My license identification number is <i>[insert license number]</i> in <i>[State]</i>.</p>
<p>I have been asked by <i>[insert name of producer]</i> to certify that <i>[insert name of producer]</i> is in compliance with optional \$900,000 payment limitation, based on 75% of average adjusted gross income (AGI) is derived from farming, ranching, or forestry, for the 2017 program year, pursuant to 7 CFR Part 760, subpart O, and the Bipartisan Budget Act of 2018 and Additional Supplemental Appropriations for Disaster Relief Act of 2019.</p>
<p>For purposes of this letter and my representations below, my “certification” is limited only to my knowledge of <i>[insert name of producer]</i> federal income tax returns based upon either my preparation of such returns or my readings of those returns that I did not prepare. The preparation or review of these returns was based upon the information provided by <i>[insert name of producer]</i>. <i>[insert name of producer]</i> has represented to me that the information supplied to me is, to the best of <i>[his/her]</i> knowledge, true, correct, and complete. In accordance with Treasury Department Circular No. 230, section 10.34 (d), I relied in good faith without verification upon the information provided by <i>[insert name of producer]</i>; however, I did not ignore the implications of information furnished to, or actually known by me, and I made reasonable inquiries if the information as furnished appeared to be incorrect, inconsistent with an important fact or another factual assumption, or was incomplete. This “certification” does not include any representations or assurances as to the accuracy or completeness of the information contained in <i>[insert name of producer]</i> federal income tax returns or imply that I have performed procedures beyond those required under Circular No. 230. In addition, this “certification” does not include any representations or assurances as to the accuracy or completeness of the information contained in <i>[insert name of producer]</i> federal income tax returns that I did not prepare.</p>
<p>I acknowledge that I have read, understand, and agree to, the terms and conditions of the Certification for Requesting an Exception to the WHIP Payment Limitation of \$125,000 received by <i>[insert name of producer]</i> with the following conditions.</p>
<ul style="list-style-type: none"> • I am relying on the information made known to me as noted above. I take no responsibility for information outside of the tax return preparation process, unless I relied upon outside information as noted in the end of this prepared statement or attachment for the purposes of explanation that <i>[insert name of producer]</i> complies with the applicable provisions for the optional \$900,000 payment limitation. • I have not been engaged to continually monitor the tax law for this client or to continually monitor factors related to the client’s AGI or other tax calculations for the relevant years. Therefore, I am not in a position to notify the government of changes to facts or circumstances (whether or not material) that would make this certification no longer accurate.

--*

7 Optional \$900,000 Payment Limitation Provisions (Continued)

C Example WHIP AGI Payment Limitation Certification (Continued)

- Under Internal Revenue Code Section 7216 and other confidentiality standards, I may only provide client information upon specific written authorization from the client to release such information, including tax return information, to a third party.

The following are correct statements:

- Based on a representation provided by *[insert name of producer]*, or the confirmations of *[his/her]* e-filed federal income tax returns *[insert the applicable tax return form number]*, the *[2013, 2014, and 2015 (for 2017)]* federal income tax returns were timely filed.
- I am not aware of subsequently filed federal income tax returns, whether superseding or amended, other than those identified above related to the tax years identified above.
- I am not aware of any adjustments made by the Internal Revenue Service or any state taxing authority to the federal income tax returns identified above.
- I understand that, consistent with the definitions in 7 CFR Part 760 subpart O, the average adjusted gross income means the adjusted gross income as defined under 26 U.S.C. 62, or comparable measure, of the person or legal entity over the 2013, 2014, and 2015 tax years.
- According to the most recent returns filed for the years identified above, *[insert name of producer]*:

NOTE: Use tax years 2013, 2014 and 2015

- reported average AGI was at least 75 percent derived from farming, ranching, or forestry based on the tax returns for the 3 applicable tax years.

___ yes

___ no

[Include the following, if applicable.]

- I believe that *[insert name of producer]* complies with the optional \$900,000 payment limitation requirements for the reasons that are set forth in detail in the space below or the attached document. *[insert name of producer]* has represented to me that the attached information is, to the best of *[his/her]* knowledge, true, correct, and complete. I am not aware of any discrepancies and do not have any reason to believe otherwise.

I declare that the statements made herein, to the best of my knowledge and belief, are true, correct, and complete.

Signed

[insert name of CPA or attorney, as applicable], [insert title, "CPA" or "Attorney", as applicable]

Dated: *[insert date]*

Part 2 Eligibility

30 WHIP Eligibility

A Overview

WHIP assistance is available for crops, trees, bushes and vines that suffered a loss due to a qualifying disaster event.

B Qualifying Disaster Event

--Qualifying disaster event is a named hurricane, tropical storm, extreme cold specifically for peach or blueberry crop loss or a wildfire that occurred in the 2017 calendar year. It also includes related conditions that occurred as a result of a hurricane, tropical storm, extreme cold for peach or blueberry crop loss or wildfire.--

Qualifying disaster events and related conditions, include but are not limited to:

Eligible Cause of Loss	Related Conditions
--Tropical Storm Cindy	<ul style="list-style-type: none"> • hurricane • excessive wind • excessive rain • flooding • storm surges • tornado--
hurricanes	<ul style="list-style-type: none"> • hurricane • excessive wind • excessive rain • flooding • storm surges • tornado
--extreme cold (peaches and blueberries only)	<ul style="list-style-type: none"> • frost • ice--
wildfires	<ul style="list-style-type: none"> • fire • mud slides • heavy smoke

Note: The list of related conditions is not all inclusive, COC can approve additional related conditions if it determines the disaster event was directly caused by the hurricane, *--tropical storm, extreme cold (peaches and blueberries only), or wildfire.--*

C Qualifying Loss

If the crop suffered a loss due to a qualifying disaster event:

- all acreage in the unit (for all crops within the pay grouping) is eligible for WHIP
- other eligible causes are included when determining WHIP loss.

30 WHIP Eligibility (Continued)**D Other Eligible Causes of Loss**

Other eligible causes of loss are those eligible causes of loss defined in 1-NAP (Rev. 2) and include:

- damaging weather, including but **not** limited to drought, hail, excessive moisture, freeze, excessive wind, insufficient chill hours, or any combination thereof
- adverse natural occurrences, such as earthquake, flood, volcanic eruption, or any combination thereof
- related conditions, including but **not** limited to heat, insect infestation, disease, or insufficient chill hours that occur because of an adverse natural occurrence or damaging weather.

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

Example: A 100 acre unit is affected by excessive rain and high winds. An eligible crop suffered flood damage on 50 acres. The remaining 50 acres of the unit were affected by hurricane (qualifying loss). Since part of the unit was affected by a qualifying disaster (hurricane), the remaining 50 acres of the unit for all crops within the pay code, pay crop grouping are eligible for WHIP based on the other eligible cause of loss.

30 WHIP Eligibility (Continued)**E Ineligible Causes of Loss**

Ineligible causes of loss include losses that are **not** the result of an eligible disaster, including but not limited to, the following:

- drifting herbicides
- failure to reseed or replant to the same crop in the county before the final planting date
- losses during storage
- losses initiated after harvest or because of conditions occurring outside the applicable crop year growing season, except cotton (one time move), see paragraph 189
- losses **not** the result of disaster
- losses to crops not intended for harvest in the applicable crop year
- lack of good farming practices
- wildlife.

Note: Wildlife damage is considered an eligible cause of loss for insureds but not for NAP coverage or uninsured participants.

F Assigning Production for Ineligible Causes of Loss

COC shall assign production according to paragraph 113 for the ineligible portion of the loss if the loss was not entirely because of an eligible cause.

30 WHIP Eligibility (Continued)

G Eligible States/Counties

For hurricane losses, WHIP is available to eligible producers in:

- *--Presidential declared and Secretarial designated primary counties for qualifying disaster event listed in subparagraph 30 B
- any county not listed under Presidential declarations and Secretarial designations provided the producer provides documentation to show the loss was due to a 2017 qualifying disaster event or related condition.--*

Notes: Producers in any of the declared counties * * * must certify that they had losses due to the qualifying disaster event.

See Exhibit 6 for a list of Presidentially-declared and Secretarial designated States and counties.

--For extreme cold (blueberries and peaches crop losses only), Tropical Storm Cindy losses and wildfire losses, producers in any State and county may apply. However, COC must concur that the loss was a result of a qualifying disaster event.--

H Year of Loss

For insured and NAP-covered crops, the year of loss for WHIP benefits is determined based on the coverage period in effect on the date of the disaster event.

For uninsured crops, when no coverage period is applicable, the year of loss is the crop year for the crop in the field on the date of the disaster event.

Example: Insured grapes were harvested August 31, 2017. The 2018 crop insurance coverage period for grapes began the day after harvest was complete. The grape vine is not insurable.

Wildfires occurred October 15, 2017, and destroyed 50 percent of the vines. Since the 2018 coverage period began for grapes began on September 1, 2017, the year of crop loss for the affected grapes is 2018 (the coverage period in effect on the date of the disaster). However, the year of loss for the affected vines (having no coverage period) is 2017.

31 Producer Eligibility

A Definition of Eligible Producer

Eligible producer means, in addition to other eligibility requirements as may apply, an individual or legal entity that assumes the ownership share and risk in the crop, production, and market risk associated with the agricultural production of crops on the farm and is any of the following:

- a United States citizen
- Resident alien; for purposes of this part, resident alien means “lawful alien”
- a partnership of citizens of the United States
- a corporation, limited liability company, or other organizational structure organized under State law.

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 WHIP assistance for that crop.

B Verifying Producer Eligibility

COC must ensure that the producer is eligible for WHIP. The producer must be able to show, with verifiable evidence, that the producer had a valid ownership share and risk in the crop produced and control of the crop acreage on which the commodity was grown at the time of the disaster. For persons or legal entities producing a crop under a grower’s contract or a Community Supported Agriculture Agreement, a copy of the contract or agreement must be provided.

WHIP payments will be denied if COC is not satisfied that WHIP payments claimed by producers are proper. Lease or rental arrangements existing before the date of disaster must be provided and reviewed by COC in order to determine eligibility of a producer.

Note: Any negotiation, agreement, or performance of parties to a rental or lease arrangement after the date of disaster will have no bearing on the question of eligible producer.

Applicants certifying to having a claim to a share of WHIP payments are subject to spot check. If agreements or contracts are discovered to show a grower did not have a valid claim to a share of a crop for which WHIP assistance was claimed, WHIP payments must be refunded.

31 **Producer Eligibility (Continued)****B Verifying Producer Eligibility (Continued)**

If questions arise on share and/or risk, COC shall review on a case-by-case basis, leases, rental agreements, and other written statements documenting verbal agreements, the review **must** determine the amount of interest and risk in the production for the lessor or lessee. For a crop grown under contract, 1 of the following shall be obtained, as determined by COC:

- copies of signed written leases or written agreements
- copies of signed rental agreements
- copies of other legal documents showing land ownership or control
- statement signed by landowner that producer had control of the acreage
- statement signed by operator or producer that producer had control of the acreage on a farm.

If there is any question that the documentation submitted does not clearly authorize the representative to sign, the County Office will forward a copy of the WHIP application form ***--signed by the representative together with a copy of the documentation submitted in--*** support of the signature of the Regional Attorney.

If a WHIP application involving a deceased individual or closed estate is determined to have been signed by an authorized individual:

- WHIP payments shall be issued using TIN of the eligible individual or individual's estate, as applicable
- WHIP payments may be issued in the name of the heirs, based on OGC's determination, according to 1-CM.

If a producer is a general partnership or joint venture that was dissolved, all members of the general partnership or joint venture at the time of dissolution, or their representatives, must sign WHIP application and associated forms.

Note: Only 1 application will be submitted for the partnership or joint venture; however, all members must sign the application.

31 Producer Eligibility (Continued)

C Deceased, Missing, or Incompetent Producers and Dissolved Entities

See 1-CM for guidance about deceased, missing, or incompetent producers and dissolved entities.

D Change in Crop Ownership

A producer who lost control or ownership interest of a disaster-affected crop during the growing season is ineligible to participate in WHIP for the crops for which ownership share interest was lost.

Producers who assume interest and ownership share through a transfer of indemnity for insured crops or transfers of coverage for NAP crops may assume WHIP eligibility.

31 **Producer Eligibility (Continued)****E Acreage Reporting**

Producers are required to file an acreage report for all crops for which they are requesting WHIP benefits.

***--Note:** Any crop affected by a qualifying disaster event triggers all crops within the pay--* grouping.

Acreage reports may:

- already be on file
- be late-filed according to 2-CP
- be accepted **for WHIP purposes only.**

For acreage reports filed for **WHIP purposes only:**

- producers must show evidence of existence or disposition of the crop to support the *--acreage report, to the satisfaction of COC--*

Notes: Follow policy in 2-CP for acceptable evidence of existence or disposition of the crop.

COC's are responsible for determining reasonableness of acreage based on the *--evidence provided. Determinations should be documented in the COC minutes for each case being considered.--*

- producers will sign FSA-578 certifying to reported acreage
- County Offices will load acreage in CARS but will **not** certify in the system. * * *

Note: If farm records are not established, County Offices will establish CRM Farm Records according to 10-CM, 3-CM, and CRM Farm Records Work Instructions before sign up. Requests for farm replication for prior years shall be submitted to State Offices, as applicable.

31 **Producer Eligibility (Continued)****F RMA Exemptions**

RMA has exemptions that allow a person to insure another person's interest in the crop. When verifying producer eligibility (ownership share and risk in the crop) these exemptions apply to WHIP.

An individual/entity cannot claim to have an interest in land/crop to FSA and claim to have the same interest in the same land/crop as a different individual/entity to RMA unless 1 of the below RMA exemptions are met:

- **Husband/Wife** - Either spouse may insure all interest in the crop under 1 policy. A husband and wife have an interest in each other; therefore, a spouse can insure all of the land interests of the other spouse, unless proven to be legally separated
- **Landlord/Tenant** - Either the landlord or tenant may insure both parties' share with the permission of the other party
- **Revocable Trust** - An individual beneficiary's or grantor's TIN is used to insure the entire interest of the revocable trust.
- **Joint Venture** - If EIN has been established for a joint venture, it must be used and reported to RMA. However, if the joint venture does **not** have EIN, 1 of the member's TIN is used to insure the entire interest of the joint venture with all members agreeing and signing the policy.
- **Doing Business As (DBA)** – A producer with TIN for DBA with only the individual as sole proprietor can insure using either DBA's TIN or the individual's TIN. If DBA has SBI other than the individual then DBA is not eligible for the exception.
- **Transfer of Coverage and Right to an indemnity** – A producer's share is insured under a policy purchase by another individual that transfers the insurance coverage to the producer. The original insured individual (transferor) transfers the insurance coverage to another person (transferee).

Note: This does not include name, TIN, or entity structure differences.

Exception: Marital or legal name changes.

For any of the RMA exemptions to be met, the producer must be listed as an SBI on the crop insurance policy (unless SBI is less than 10 percent).

32 Crop Eligibility

A Eligible Crop

Eligible crops include the following:

- crops for which Federal crop insurance is available
- crops eligible for NAP according to 1-NAP (Rev. 2).

Eligible crops are crops that are planted or prevented from being planted, according to 2-CP, with the intent of harvest.

--Crop eligibility is based on reported intended use.--

B Ineligible Crops

Ineligible crops include crops intended for grazing, and volunteer crops (as defined in 2-CP, subparagraph 39 A).

Note: Losses on crops intended for grazing may be eligible under ELAP, LFP, and NAP, if eligibility requirements are met.

32 Crop Eligibility (Continued)**C Eligible Trees, Bushes, and Vines**

WHIP uses the same definition for trees, bushes and vines used in TAP. See paragraph 140.

Tree means a tall, woody plant having comparatively great height, a single trunk from which an annual crop is produced for commercial purposes, such as a maple tree for syrup, papaya tree, or orchard tree.

Bush means a low, branching, woody plant from which, at maturity of the bush, an annual fruit or vegetable crop is produced for commercial purposes, such as a blueberry bush. The definition does not cover plants that produce a bush after the normal crop is harvested such as asparagus.

Vine means a perennial plant grown in the field under normal conditions from which an annual fruit crop is produced for commercial market for human consumption, such as grape, kiwi, or passion fruit that has a flexible stem supported by climbing, twining, or creeping along a surface.

Note: Perennials that are normally propagated as annuals, biennials such as strawberries, and annuals such as pumpkins, squash, cucumbers, watermelon, and other melons, are excluded from the term vine under WHIP.

D Ineligible Trees, Bushes, and Vines

The following are examples of trees, bushes, and vines not eligible for WHIP:

- trees grown for pulp or timber
- other trees, bushes, or vines not grown for commercial production of annual crops
- cucurbits (such as cucumbers, pumpkins, watermelons), and pineapple.
- nursery crops.

Note: Nursery crops are included as eligible crops for WHIP; however, nursery is not eligible under the tree bush and vine provisions.

33 Linkage Requirement

A Rule

As a condition of payment eligibility for WHIP, producers must obtain crop insurance or NAP, as applicable, on the crop, tree, bush, or vine. Crop insurance or NAP must be obtained for the first 2 consecutive crop years with respect to which crop insurance or NAP coverage is available after the enrollment period for 2017 WHIP ends, but no later than the 2021 crop year according to the following table.

IF the producer has received WHIP benefits on...	THEN for linkage, the producer is required to obtain...
an insurable crop, tree, bush or vine	crop insurance at a level of 60/100 or equivalent, if available.
on a NAP eligible crop, tree, bush or vine	NAP coverage at a level of 60/100 or equivalent * * * including paying the administrative fee and filing an annual acreage report. Exception: If a producer is ineligible to receive a NAP payment due to AGI, they must purchase WFRP at the 60/100 coverage level or equivalent, if qualified to purchase.
if AGI is exceeded for NAP and cannot meet WFRP eligibility	NAP coverage at a level of 60/100 or equivalent * * * including the administrative fee and filing an annual acreage report.

The definition of 2 consecutive crop years is 2020 and 2021 for all crops.

If WHIP benefits were received on a:

- NAP crop and crop insurance becomes available for this crop in a linkage year, the producer is required to obtain crop insurance at a level of coverage at 60/100 or equivalent.
- insured crop and crop insurance is **not** available for this crop in a linkage year, the producer is required to obtain NAP coverage at a level of 60/100 or equivalent * * * including paying the administrative fee and filing an annual acreage report.
- crop that is no longer eligible for NAP or crop insurance, the producer is required to obtain WFRP.

If the linkage requirement is not met, the producer will be required to refund WHIP benefits for the crop, plus interest.

The linkage requirement applies to the producer's interest in the crop (specifically receiving benefits) in the county where the crop was physically planted or prevented planted.

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

If an applicant or entity quits farming, dissolves, or a member leaves an entity and now farms under a different TIN, linkage can be met for the applicant if the majority share of the persons receiving a WHIP payment met linkage.

For linkage to be met, coverage must be purchased in the first 2 consecutive crop years after the enrollment for 2017 WHIP ends, but no later than 2021. Possible years of purchasing coverage for linkage are:

- 2019 and 2020
- 2020 and 2021.

Note: The last possible eligible linkage years are 2020 and 2021.

***--Exception:** The last possible linkage years will be 2022 and 2023 for participants applying for 2017 Tropical Storm Cindy, extreme cold for blueberries and peaches, and losses due to extreme cold and hurricanes. See subparagraph 33 I for more detail.--*

Producers shall complete FSA-891 at the time of application acknowledging the crop insurance and/or NAP linkage requirement.

See Exhibit 7 for completion instructions and an example of FSA-891.

Example 1:

Administrative County A covers 2 physical counties (County A and County B). An approved applicant physically grew an uninsured commodity only in County A during the disaster year. Crop insurance linkage applies to County A. The producer is not required to purchase crop insurance for County B.

Example 2:

Administrative County A covers 2 physical counties (County A and County B). An approved applicant physically grew an uninsured commodity in both counties. Crop insurance linkage applies to both County A and County B.

Example 3:

An approved applicant grew an uninsured commodity in County A, and also grew the same commodity in County B during the disaster year. County A and County B are separate administrative counties. The producer received WHIP assistance for a loss only in County A. Crop insurance linkage applies to County A.

33 Linkage Requirement (Continued)**A Rule (Continued)****Example 4:**

Q. What happens if the applicant or entity quits farming?

A producer applied for WHIP and received a benefit in 2018 for a loss on his insured cotton in the 2017 crop year. WHIP policy requires that the producer is required to purchase crop insurance for the next 2 available crops years. However, before the next available closing date to purchase insurance, the producer retires from farming. Since the producer will no longer be farming, he will not have to meet the linkage requirement.

Example 5:

Q. What happens if an entity dissolves completely?

ABC Farms, LLC incurred a loss in 2017 on its insured peanut crop due to a hurricane. The entity applied for WHIP and received a benefit. WHIP policy requires ABC Farms, LLC to purchase crop insurance for the next 2 available crops years. ABC Farms, LLC obtains insurance coverage for the 2019 crop year. At the end of the harvest season in 2019, the members decide to dissolve the entity. ABC Farms, LLC will no longer be in existence and is not required to purchase insurance for peanuts in 2020 for linkage purposes.

Example 6:

Q. How do we handle a member of an entity that leaves the entity and now farms on their own using a different TIN?

ABCD Farms, LLC consisted of 4 members with each having a 25 percent share of ownership in the entity. The entity incurred a loss in 2017 on its insured corn crop due to a hurricane and received a WHIP benefit in 2018. In 2019, member A decides to leave the entity and farm as an individual for 2020. The remaining members continue to operate the entity. The entity is required to meet the linkage. The former member A, farming as an individual, is not required to obtain insurance coverage for ABCD, LLC's linkage requirement.

33 Linkage Requirement (Continued)**G Meritorious Cases**

There will be no exceptions or waivers. Participants shall be required to refund the WHIP benefit received plus interest for the crop if insurance or NAP coverage as applicable is not purchased.

H Producers Indebted to FCIC

According to RMA guidelines, producers indebted to FCIC are unable to purchase crop insurance until the debt is satisfied. For WHIP, a producer indebted to FCIC is considered eligible to receive benefits, provided the linkage requirements are met. It is the producer's responsibility to satisfy the debt so crop insurance can be purchased.

Example: A producer could not obtain crop insurance because of an existing debt for a crop eligible for a WHIP payment. The producer is eligible for the WHIP payment. The producer must satisfy the debt, so crop insurance can be purchased for two consecutive crop years to meet the linkage requirement.

***--I Linkage Exception for Tropical Storm Cindy, Extreme Cold for Blueberries and Peaches, and Losses Due to Extreme Cold and Hurricanes for 2018**

As a condition for payment eligibility for WHIP, producers must comply with all requirements of this paragraph. The only exception will be the applicable years linkage must be obtained for losses due to Tropical Storm Cindy, extreme cold for blueberries and peaches, and 2018 losses due to extreme cold and hurricanes. The Additional Supplemental Appropriations for Disaster Relief Act of 2019, Pub. L. 116-120 that authorized these 2017 WHIP additions was not in place at the time of 2017 WHIP signup.--*

34-59 (Reserved)

Part 7 Price

***--131 Determining Price**

A Which Price to Use

The price used to calculate an indemnity or NAP payment will be used to calculate benefits.--*

For production-based crops, determine the price according to this table.

IF the price is for...	THEN use the price...
insured crops	<ul style="list-style-type: none"> • provided by RMA, if available • if not available, use the price from NCT.
NAP covered crops	from NCT.
uninsured crops	
all Puerto Rico producers	

Note: If the FSA-578 has a crop reported as organic but the STC has not approved an organic price for that crop, the average market price will be used.

***--Examples:** Producer J grew cotton which was insured with an RMA policy. The price to be used is the price RMA used in the policy for the insured cotton.

Producer M grew pecans which had NAP coverage. The price to be used is the price in the NCT for pecans.

Producer T grew watermelon which was not covered by an RMA policy or NAP. The price to be used is the average market price in the NCT for watermelons.

Producer D is a Puerto Rico producer who grew tomatoes which were insured. The price to be used is the average market price in the NCT for tomatoes.--*

For trees, bushes, and vines, use the price according to Part 8.

For value loss crops, use the price according to Part 9.

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