Noninsured Crop Disaster Assistance Program
Noninsured Crop Disaster Assistance Program (NAP)

NAP provides financial assistance to producers of noninsurable crops to protect against natural disasters that result in lower yields or crop losses, or prevents crop planting.
What are **noninsurable** crops?

In NH crop insurance is available from USDA Risk Management Agency (RMA) for:

- Apples;
- Corn (Forage);
- **Fresh Market Sweet Corn**;
- Forage Production (Merrimack County only);
- Forage Seeding (Merrimack County only);
- Peaches (Rockingham County only).
NAP - Crops

- NAP is available for:
  - Commercial crops or agricultural commodities (not livestock) - produced for food or fiber – for which crop insurance coverage is not available.
  - This includes: floricultural, high tunnel and field grown fruits and vegetables, seed crops, forage crops, honey, maple sap, mushrooms, ornamental nursery, Christmas trees, aquaculture, and turf grass sod.
NAP – Natural Disasters

- Losses Due To Eligible Natural Disasters

- Damaging weather, such as drought, frost, freeze, hail, excessive moisture, excessive wind.

- A condition related to damaging weather such as disease or insect infestation.
NAP – Basic (CAT)

- **Basic NAP coverage** (CAT level)
  - Covers the amount of **loss greater than 50%** of your expected production based on your history.
  - **Pays** at a rate of **55% of average market price** for that crop.
  - Unharvested or prevented planting also covered.
  - **Service Fee** $250 per crop not to exceed $750 per county
Service Fee

FSA will waive NAP service fee for:

- Beginning farmers (BF)
- Limited resource farmers (LR)
- Socially disadvantaged farmers (SDA)
Buy-Up Coverage

In addition to Basic (or CAT-level) coverage, NAP will now offer Buy-up coverage for the 2015 through 2018 crop years.
Buy-Up Coverage - Levels

For **value loss** crops, buy-up coverage will be based on the maximum dollar value requested.
Buy-Up Coverage - Premium

In addition to the service fee, producers who elect buy-up coverage must pay a premium equal to the lesser of:

- 5.25% of the payment limit
- 5.25% of the guarantee
Limitations and Eligibility

- Payment Limitation:
  - $125,000 payment limitation
  - $125,000 x 5.25%
  - So the maximum buy-up premium = $6,562

- Eligibility:
  - $900,000 AGI provision
Example Premium – 5 Ac. Peaches

5.25% of the guarantee

- 5 acres, 181 bu/acre average yield
- Market price $47.75 bushel
- Selected the 65% coverage level

5 X 181 bu = 905 bu. X $47.75 = $43,214

$43,214 X 65% = $28,089 yield guarantee

$28,089 X 5.25% = $1,474 premium for buy up
Example Payments - Peaches

- **Financial assistance with 65% Buy-up** will range from about $686 to $24,453 for losses ranging from 40% to 100% of crop yield.

- **Financial assistance with Basic (CAT)** coverage will range from about $1,026 to $8,794 for losses ranging from 55% to 100% of crop yield.
NAP Decision Tool

http://fsa.usapas.com/NAP.aspx
Service Fee & Premium

FSA will waive NAP service fees and reduce buy-up premiums by 50% for:

- Beginning farmers (BF)
- Limited resource farmers (LR)
- Socially disadvantaged farmers (SDA)

Example $1,474 \times 50\% = $737
Quality Losses

For approved crops and locations, net production for producers who elect buy-up coverage can be adjusted to reflect quality losses.
NAP - Participation

- Applying for coverage
  - Need to apply at your local county office
  - Before growing season begins

Example: **Deadline for applying for 2015 coverage for annually tilled crops is March 15, 2015**
NAP - Participation

Producer Responsibilities

- File for coverage before applicable deadline
- Timely file
  - notice of loss (within 15 days of noticing problem)
  - application for payment after harvest
- Report crop production each year when doing your annual acreage report with your local office.
Will NAP help my Operation?

- Assess your Risk Protection Needs

- How much risk exposure do you have?

- In the event of a Natural Disaster can NAP help you:
  - Pay essential bills / loans
  - Replace livestock feed
  - Cover your production cost
Questions?