

For: State and County Offices

Preparing for Implementing the Crop Loss Disaster Assistance Program

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

Notice DAP-12 announced the Crop Loss Disaster Assistance Program for 1998 single-year and multi-year crop losses. Notice NAP-23 provided information for establishing approved yields for NAP. As indicated in Notice DAP-12, signup for the Crop Loss Disaster Assistance Program will begin February 1, 1999. National training is scheduled for the week of January 25, 1999. Procedure with more specific information is currently being written.

RMA and FSA are working together to:

- provide as much data to County Offices as possible
- implement this program.

Information in this notice is tentative and final decisions have not been made on some issues.

B

Purpose

This notice provides:

- basic information to assist counties in preparing for signup, including actions that may be taken before signup
- suggestions for activities to begin before signup.

<p>Disposal Date</p> <p>July 1, 1999</p>	<p>Distribution</p> <p>State Offices and RMA National Office; State Offices relay to County Offices</p>
---	--

Notice DAP-15

2 Responsibilities of RMA/FSA

A RMA Responsibilities

For insured producers, RMA shall:

- for multi-year losses, determine eligibility for the multi-year provision and provide a file to KCMO containing information for producers qualifying with 3 or more years of losses during the base period (1994-1998)

Note: Data in this file will be downloaded into the System 36.

- for 1998 single-year losses, RMA will provide APH and claim file information which will be downloaded to counties
 - be responsible for publicizing and providing program information
 - have responsibility for publicizing and administering the insurance premium incentive portion of the legislative package.
-

B FSA Responsibilities

FSA National Office shall gather price and yield data and provide State Offices a file of price and county average yields for all crops for which National data is available.

Note: National data will be provided for any crop with at least 1 year of data on file at the National level. For crops with 5 years of data on file at the National level, the county average yield will be a simple 5-year average. For the purposes of this program, the high and low yields are not dropped.

KCMO shall provide downloads to counties with yield and price data, RMA data, and NAP payment data.

State Offices shall, with input from County Offices, provide yield and price data for crops where National data is not available.

County Offices shall:

- publicize and provide program information using Extension Service and other agencies
 - take applications for multi-year and 1998 single-year assistance
 - compute yields according to subparagraph 4 B
 - upload data at the end of signup
 - disburse payments.
-

Notice DAP-15

3 Eligible Crops and Producers

A

Eligible Crops

Crops eligible for NAP or crop insurance which suffered at least a 35% loss because of eligible disaster causes are eligible for 1998 single-year assistance. As indicated in Notice DAP-12, Exhibit 2 payment calculations are different for insured crops, uninsured crops, and NAP crops.

Grazing losses are covered under LAP. Therefore, they are not covered under the Crop Loss Disaster Assistance Program.

B

Eligible Producers

For multi-year losses, the following shall determine if a producer has suffered at least 3 years of losses:

- RMA, for producers of insured crops
- FSA, for producers of NAP crops.

For 1998 single-year losses, eligibility will be determined by producer and payments will be based on units. RMA will provide data by units for insured producers with 1998 insured losses. FSA will use the producer's existing crop insurance unit structure, including optional units, for making disaster payments. For uninsured crops and NAP crops, FSA will determine units using insurance rules for basic units and NAP procedure.

Notice DAP-15

4 Preliminary Information on Prices and Yields for 1998 Single-Year Losses

A

County Expected Yields

FSA National Office shall provide yield data for all crops where data has been accumulated on a National level. States will be required to input county average yields for crops where National level data is not available or is incomplete.

B

Payment Yield

Yields for units will be determined as follows:

- **insured crop** - for 1998 single-year insured crops included in the RMA download, the system will compare the insurance APH with the county average yield and calculate benefits using the higher yield
- **uninsured crop** - if a 1998 APH is available, the County Office will enter the APH and the system will compare the APH with the county average yield and calculate benefits using the higher yield; if no APH is provided, benefits will be calculated using the county average yield
- **NAP crop** - for 1998 single-year, if an APH has been established, the system will compare the APH with the county average yield and calculate benefits using the higher yield; if no APH is available, benefits will be calculated using the county average yield.

Note: Counties will not be required to compute APH's for disaster purposes only. Counties will have to calculate APH's for NAP benefits according to 1-NAP.

C

Prices

The FSA National Office file will also contain price data on all crops for which price information has been accumulated at the National level. States will be required to input price data for crops where National level price information is not available or is incomplete.

Prices will be established using available data as follows for:

- insurable crops, use RMA market level prices
 - uninsured crops:
 - data download from FSA National Office
 - not having prices downloaded, STC will establish prices based on State NASS data for any year(s) available and other available data
-

Continued on the next page

Notice DAP-15

4 Preliminary Information on Prices and Yields for 1998 Single-Year Losses (Continued)

C Prices (Continued)

- NAP crops:
 - NASS 5-year average price

Note: This is a straight 5-year average. High and low prices are not dropped.
 - prices already established for NAP areas
 - prices based on State NASS data for any year(s) available and other available data accumulated at the National level, such as 1994 disaster yields.

To the maximum extent possible, payment prices will be set on a Statewide basis in advance of signup and downloaded with the software.

D Statistical Data

DAFP is currently working on a data file containing available National yield and price data. Available data for all crops included in the FSA-578 detail file (by State and county) will be included in the file. The file will be posted to the BBS to State Offices in time for States to submit initial changes, corrections, or additions and have the file downloaded to counties by February 1, 1999. Instructions and deadlines for States to submit changes to DAFP will be included with the information posted to BBS. This file will be posted to the BBS CLDAP file library.

5 Production Evidence for 1998

A Insured Crop

If the producer submitted a crop insurance claim for indemnity, 1998 production data will be downloaded from RMA files. If not, producers requesting assistance for 1998 will be required to provide acceptable production evidence.

B Uninsured Crops and NAP Crops

Producer must provide acceptable 1998 production evidence for uninsured and NAP crops. COC will be required to determine if evidence is acceptable and may require evidence of production input (seed, fertilizer, etc.) in some cases. 1-DAP will provide additional procedure when production is not available (failed, unharvested, etc.).

Note: Unharvested and prevented planting factors will apply and will be included in software.

Notice DAP-15

6 Acreage Reports

A

Insured Crops

For paid losses, RMA will provide acreage data as part of the information that will be downloaded for insured crops.

B

Uninsured and NAP Crops

For uninsured and NAP crops, FSA acreage reports will be used.

C

Late-Filed Reports

Late-filed acreage reports will be accepted for 1998 for crop loss assistance purposes. Information on fees and specific information for uninsured and NAP crops will be included in a forthcoming notice.

7 Software and Payment Calculations

A

Software

FSA and RMA are currently working to ensure that as much data (yields, payment rates, RMA data, etc.) as possible will be downloaded to counties before the beginning of signup. Updates for insured producers will be provided as more information from RMA becomes available. Software will be provided to calculate payment amounts before and after factoring. The application will be an automated form.

B

Payment Calculation

Legislation provided \$875 million for multi-year losses and \$1.5 billion for 1998 single-year losses. Separate factors will apply to the multi-year and the single-year losses. The factor will be based on the amount of eligible benefits uploaded after signup. For producers eligible for both, data for both multi-year and 1998 single-year will be uploaded. After factors are determined, the most advantageous option will automatically be selected and will be included in payment software downloaded to counties.

Notice DAP-15

8 Actions State and County Offices May Take Before Signup

A

**Compiling Yield
and Price Data**

Once National price and county average yield data is provided to States, determine crops not included and begin compiling data according to a forthcoming notice.

B

**Establishing
Units**

Determine uninsured and NAP crops which will require unit establishment. Use software according to Notice NAP-23.

C

**Processing
Credit
Applications**

Activity on credit applications (FSA or private lending institutions) should not be delayed pending final disaster payment amounts.

D

**Control County
Function**

Instructions for handling multi-county producers with multi-year losses should be forthcoming. The downloads will be county specific but only 1 county will upload the application for the multi-county producers.

E

**Obsolete
Material**

Notice DAP-14 is obsolete.
