

For: State and County Offices

**2008 and 2009 NAP Application for Coverage Modifications**

Approved by: Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

The Food, Conservation, and Energy Act of 2008, Pub. L. 110-246, effective May 22, 2008, increased the administrative service fees for NAP from:

- \$100 to **\$250** per crop
- \$300 to **\$750** per county
- \$900 to **\$1,875** per producer for all counties.

Software for both 2008 and 2009 NAP Application for Coverage has been modified to account for the increased administrative service fees.

**B Software**

The modified software will be transmitted out on August 1, 2008, and will also be included in County Release No. 647.

**C County Office Action**

County Offices shall follow the procedure in this notice for completing Fees Screen MHACAC1B. All other screens can be completed by following procedure in 1-NAP.

<b>Disposal Date</b>	<b>Distribution</b>
December 1, 2008	State Offices; State Offices relay to County Offices

## Notice NAP-113

### 2 Fees Screen MHACAC1B Modifications

#### A Overview

Because of the service fee changes outlined in the Food, Conservation, and Energy Act of 2008, modifications were necessary to both the 2008 and 2009 NAP Application for Coverage Software.

Producers who requested coverage for either 2008 or 2009 NAP crops before May 22, 2008, were required to pay a \$100 service fee per crop. The Food, Conservation, and Energy Act of 2008 modified the service fees to \$250 per crop for crops for which coverage is requested on or after May 22, 2008.

#### B Fees Screen

Fees Screen MHACAC1B has been modified to no longer automatically calculate the total fees due. County Offices must manually calculate the total fees due to ensure that the proper amount of service fees are paid.

Following is an example of Fees Screen MHACAC1B with the modified manual entry field.

2009 NAP Coverage Screen	107-A TULARE	Entry Version: AF77	08/01/2008 10:18	MHACAC01 Term H2
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Producer	ALFRED PADock	ID/Type	1234 S	
	Fees Screen			MHACAC1B
S	Crop ALFA ALFA	Total Fee:	\$ 000	Pay Type 011
		Total Fee Previously Paid in this County:	\$	011
		Fees Paid in Other Counties:	\$	
		Fee Amount Owed:	\$	
Enter=Continue Cmd4=Previous Screen				
Enter=Continue Cmd4=Previous Screen Cmd7=End Cmd16=Add Cmd24=Delete				

**Note:** The "Fee Amount Owed" field will be automatically calculated once the "Total Fee" is entered.

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### 2 Fees Screen MHACAC1B Modifications (Continued)

#### C Calculating Total Fee

County Offices shall calculate the total fee field according to the following table:

Step	Action
1	Determine the number of crops selected before May 22, 2008
2	Determine the number of crops selected on or after May 22, 2008
3	Calculate the "Total Fee" by adding: <ul style="list-style-type: none"><li>• \$100 per crop selected before May 22, 2008</li><li>• \$250 per crop selected on or after May 22, 2008.</li></ul> <p><b>Note:</b> The "Total Fee" cannot exceed \$750.</p>

#### D Examples

Refer to the following examples when calculating the "Total Fee".

**Example 1:** Jim paid the maximum **\$300** for 5 crops on March 15, 2008, and requested to add 1 additional crop to his 2008 NAP coverage on June 28, 2008. Because Jim requested to add 1 crop on or after May 22, 2008, the added crop has a service fee of \$250 per crop, **not** to exceed \$750 per producer per county.

The "Total Fee" field on Fees Screen MHACAC1B shall be entered as \$550 (\$300 for crops selected before May 22, 2008, plus \$250 for the crop selected on or after May 22, 2008).

**Example 2:** Jane paid **\$100** to obtain coverage for 1 crop on May 20, 2008. Jane requested coverage for an additional 4 crops on June 2, 2008. Because the additional crops are requested on or after May 22, 2008, the added crops have a service fee of \$250 per crop, **not** to exceed \$750 per producer per county.

The "Total Fee" field on Fees Screen MHACAC1B shall be entered as \$750 (\$100 for the crop selected before May 22, 2008, plus \$650 for crops selected on or after May 22, 2008).

**Example 3:** Bill paid **\$200** for NAP coverage for 2 crops before May 22, 2008. Bill decided to add 1 more crop on August 27, 2008, and cancel coverage for 1 of the initial crops. Because the additional crop was added on or after May 22, 2008, the added crop has a service fee of \$250 per crop, **not** to exceed \$750 per producer per county. The cancelled crop fee is nonrefundable and **cannot** be used to offset part of the \$250 fee for the additional crop.

The "Total Fee" field on Fees Screen MHACAC1B shall be entered as \$450 (\$200 for crops selected before May 22, 2008, plus \$250 for the crop selected on or after May 22, 2008).