

For: State Offices

**2011 NCT Insured Price Override for NAP Payment Calculations**

Approved by: Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

Prices for crops insured **anywhere** in a State are used to calculate NAP payments for **all counties in the State**, regardless if the crops are insurable in a specific county. Normally, the insurable prices are automatically provided and updated each year in NCT, by the National Office. This year, the 2011 insured prices in NCT are **not** automatically available yet because of delays in obtaining and sorting the 2011 RMA crop price data. This is because of a major RMA actuarial structure change.

Because of this delay, State Offices need to override the price for insured crops in their States in the 2011 NCT to calculate a proper NAP payment.

**B Purpose**

This notice provides guidance for State Offices on:

- accessing RMA prices used by NAP
- performing a manual price override in the 2011 NCT.

Disposal Date	Distribution
July 1, 2011 4-25-11	State Offices

## Notice NAP-144

### 2 RMA Prices Used by NAP

#### A Source for RMA Prices

1-NAP, subparagraph 108 C states that STC's shall ensure that established average market prices for crops are comparable with established FCIC prices. If at least 1 county in a State offers crop insurance on a particular crop/type/intended use, there will be an RMA-published price available.

The National Office in Washington, DC, obtained 2011 prices from RMA and provided them as an Excel spreadsheet to the current list of State Office NAP Program Specialists by e-mail attachment from PECD dated April 25, 2011. If an Excel spreadsheet is **not** received or another copy is needed, contact either of the following:

- Chuck Anderson by e-mail to [chuck.anderson@wdc.usda.gov](mailto:chuck.anderson@wdc.usda.gov)
- Angela Vincent-Jurick by e-mail to [angela.vincentjurick@wdc.usda.gov](mailto:angela.vincentjurick@wdc.usda.gov).

The prices provided in the spreadsheet represent the price applicable to APH policies. State Office NAP specialists will use these prices to override prices for crops or types in their States, as necessary.

**Note:** California grapes are **not** included because of prices being established by crushing district.

The following is an example of the 2011 RMA Prices Excel spreadsheet.

A	B	C	D	E	F	G	H	I
Crop Year	State	Commodity Name	Type Name	RMA Crop	Plan	RMA Type	RMA Price	State Average Price
2011	01	Blueberries	Highbush	0012	90	002	\$1.0200	
2011	01	Blueberries	Rabbiteye	0012	90	001	\$1.0200	
2011	01	Canola	Fall Seeded	0015	01	284	\$0.2010	
2011	01	Corn	Grain	0041	01	016	\$6.3200	
2011	01	Cotton	No Type Specified	0021	01	997	\$1.1500	
2011	01	Flue Cured Tobacco	014 Flue Cured	0229	90	014	\$1.6000	
2011	01	Fresh Market Tomatoes	No Type Specified	0086	90	997	\$5.0000	
2011	01	Grain Sorghum	No Type Specified	0051	01	997	\$5.7900	
2011	01	Oats	No Type Specified	0016	90	997	\$2.5000	
2011	01	Peaches	Fresh	0034	90	101	\$17.7500	
2011	01	Peaches	Processing	0034	90	102	\$4.7500	
2011	01	Peanuts	Runners	0075	90	084	\$0.2500	
2011	01	Peanuts	Southeast Spanish	0075	90	082	\$0.2500	
2011	01	Peanuts	Virginia	0075	90	081	\$0.2500	
2011	01	Popcorn	No Type Specified	0043	90	997	\$0.2300	
2011	01	Potatoes	Reds	0084	90	078	\$13.9000	\$15.0000
2011	01	Potatoes	Reds	0084	90	078	\$16.1000	
2011	01	Potatoes	Russets	0084	90	077	\$13.9000	\$15.0000
2011	01	Potatoes	Russets	0084	90	077	\$16.1000	
2011	01	Potatoes	Whites	0084	90	079	\$13.9000	\$15.0000
2011	01	Potatoes	Whites	0084	90	079	\$16.1000	

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**2 RMA Prices Used by NAP (Continued)**

**B Price Table Instructions**

The Excel spreadsheet contains the 2011 prices that RMA has provided.

<b>IF...</b>	<b>THEN...</b>															
only 1 published price exists for the same RMA crop and type in a State	use the prices provided in Column “H” of the spreadsheet.															
more than 1 published price exists for the same RMA crop and type in a State	use the <b>simple average</b> of prices provided in Column “I” of the spreadsheet.  <b>Note:</b> All cells related to the average price are highlighted.															
crop descriptions do not match between NCT and RMA; for example, RMA does not provide intended uses	compare using the best information available using the same criteria as has been done since 1998.															
a specific crop/type (variety) is not defined in the spreadsheet; such as, but not limited to, “Group A” or “Varietal Group B”, for example	State Office NAP specialists <b>must</b> review the Special Provisions of Insurance (SPOI) to determine how a group or variety is defined at <a href="http://webapp.rma.usda.gov/apps/actuarialinformationbrowser/">http://webapp.rma.usda.gov/apps/actuarialinformationbrowser/</a>  For example, select criteria needed, as follows.  <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">*Commodity</td> <td style="width: 5%;">:</td> <td style="width: 60%;">Apples (0054) <input style="width: 95%;" type="text"/></td> </tr> <tr> <td>*Commodity Year</td> <td>:</td> <td>2011 <input style="width: 95%;" type="text"/></td> </tr> <tr> <td>*Insurance Plan</td> <td>:</td> <td>APH (90) <input style="width: 95%;" type="text"/></td> </tr> <tr> <td>*State</td> <td>:</td> <td>Minnesota (27) <input style="width: 95%;" type="text"/></td> </tr> <tr> <td>*County</td> <td>:</td> <td>Washington (163) <input style="width: 95%;" type="text"/></td> </tr> </table> </div> On the next screen, CLICK “ <b>Special Provisions</b> ” tab and follow the screen prompts.	*Commodity	:	Apples (0054) <input style="width: 95%;" type="text"/>	*Commodity Year	:	2011 <input style="width: 95%;" type="text"/>	*Insurance Plan	:	APH (90) <input style="width: 95%;" type="text"/>	*State	:	Minnesota (27) <input style="width: 95%;" type="text"/>	*County	:	Washington (163) <input style="width: 95%;" type="text"/>
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SPOI does not provide enough detail to identify the varieties	State Office NAP specialists should contact their RO for clarification.															

**Note:** If the State approval flag has been set for a crop, the National Office **must** reset the flag before the crop record can be modified at the State level. The State Office **must** contact the National Office to reset the State’s approval flags for approved records requiring modification under this notice.

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**2 RMA Prices Used by NAP (Continued)**

**C State Office Action**

State Offices shall:

- check the RMA-published prices contained in the Excel spreadsheet to see if there is an insured price for a given crop, type, or intended use
- follow procedure in 1-NAP, subparagraph 779 A that provides instructions on how to enter a price override in NCT
- ENTER “**FCIC**” as the price override source in NCT
- use the override feature to enter the insured price until the prices are automatically made available in NCT; by overriding the price, any other price listed in NCT for that crop, type, or intended use will be overridden.

When the following scenarios occur in NCT, the following fields will be displayed and actions taken.

<b>IF a crop is insured in the State and the “Price Override” in NCT displays...</b>	<b>AND the “Market Price” is...</b>	<b>AND the “Price Source” displays...</b>	<b>THEN...</b>						
“No”	an average of prices from previous years	“Calculated”	insured prices have <b>not</b> been updated and the State Office must override the price with the insured price as provided in the Excel spreadsheet.						
	<table border="1"> <thead> <tr> <th>Price Override</th> <th>Market Price</th> <th>Price Source</th> </tr> </thead> <tbody> <tr> <td>No</td> <td>80.0000</td> <td>Calculated</td> </tr> </tbody> </table>	Price Override	Market Price	Price Source	No	80.0000	Calculated		
Price Override	Market Price	Price Source							
No	80.0000	Calculated							
“Yes”	the insured price, as entered by the State	“FCIC Price”	a price override has already been performed by the State.						
	<table border="1"> <thead> <tr> <th>Price Override</th> <th>Market Price</th> <th>Price Source</th> </tr> </thead> <tbody> <tr> <td>Yes</td> <td>1245.0000</td> <td>FCIC Price</td> </tr> </tbody> </table>	Price Override	Market Price	Price Source	Yes	1245.0000	FCIC Price		
Price Override	Market Price	Price Source							
Yes	1245.0000	FCIC Price							
“No”	the same as the RMA price in the Excel spreadsheet	“State Insured”	no further action is necessary; the insured price has been updated by the National Office.						
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