

NONINSURED ASSISTANCE PROGRAM (NAP)

Program to help compensate eligible producers for losses associated with abnormal weather conditions

Availability

- NAP is available only in counties where Crop Insurance is not available for the specific crop.
- Not available means that an actuarial table has not been established for the specific crop.

Eligible Producer

- Producer who shares in the RISK of producing the crop and who is entitled to share in the crop or crop proceeds.
- Must be in compliance with HEL and wetlands provisions.
- Subject to Adjusted Gross Income provisions.

Eligible Crops

- Crops grown for food
- Crops grown for livestock consumption
- Crops grown for fiber
- Crops grown under controlled environment
- Specialty crops.
- Value loss crops.
- Sea oats and sea grass.
- Seed crops.

Cost of Coverage

- NAP application must requested annually and the fee is \$250 per crop/per pay group/per administrative county.
- Pay Groups; are the same crop but different varieties have different uses or values.
- Max fee is \$750 per administrative county, not to exceed \$1875 per producer.

Sales Closing Date For 2009

- Sept. 01, 2008
 - Value loss crops; turf grass, Christmas trees, ornamental nursery, Gingseng root
 - Controlled environment; Mushrooms, Floriculture
 - Sept. 30, 2008
 - Barley, Canola, Wheat
- continued

Sales Closing Date

- Nov. 20, 2008
 - Apples, Grapes, Peaches

Dec. 01, 2008
– Honey

Dec. 31, 2008
– Potatoes

continued

Sales Closing Date

- All Other Crops March 15, 2009

Coverage

- Attaches 30 days after fee is paid
- Is 50% of Approved Production History (APH) X 55% of market price as established by FSA State Committee
- $50\% \times 55\% = 27.5\%$

Example 1

- Producer has 1 acre of watermelon with a yield of 260 cwt. and a price of \$6/cwt. No production was produced
- $(260\text{cwt} \times .5) = (130\text{cwt} - 0\text{cwt}) = 260\text{cwt} \times (.55 \times \$6) = \$429$
- Note additional factors may apply for unharvested acres or prevented planting

Example 2

- Blueberries with a yield of 2,700 lb./acre and a price of \$1.20/lb.
- $2,700 \times .5 = 1350 - 0 = 1350 \times (.55 \times \$1.20) = \$891$
- $2,700 \times .5 = 1350 - 1,000 = 350 \times (.55 \times \$1.20) = \$231$

Eligible Losses

- Weather, such as drought, freeze, hail, wind, etc.
- Adverse natural occurrence, such as tornado, earthquake, excessive heat, etc.
- The damaging weather or adverse natural occurrence must occur before harvest or during harvest and must directly affect the eligible crop.

Ineligible Losses

- Loss of market or absence of market
- Failure to care for the crop
- Quality, unless the value is reduced to zero

Notice of Loss

Must be provided within 15 days after the:

- Later of the occurrence of prevented planting period or the end of the planting period
- Disaster occurrence or date damage to the specific crop acreage is apparent to the producer

Production Records

- Each year growers must keep production records in order to compute their APH to be used the following year.
- In a loss year post harvest inspections are also required.

Reporting

- Producers are required to report acres each year
- And production

Yields

- Are 4 to 10 year average of actual production
- T-yield is the county expected yield
- When production records are not available
 - For 0 of 4 years = 65% of T
 - For 1 of 4 years = 80% of T
 - For 2 of 4 years = 90% of T
 - For 3 of 4 years = 100% of T

Yields Continued

- When acreage has been reported, but no production records have been provided a ZERO yield will be used.

