

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Noninsured Crop Disaster Assistance
Program for 2001 and Subsequent Years
1-NAP (Revision 1)**

Amendment 45

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 194 F has been amended to clarify acceptable records of forage production.

Subparagraph 195 H has been amended to correct the calculations in the examples for determining assigned AUD's.

Subparagraph 196 E has been amended to clarify the example for small grain final planting dates.

Paragraph 197 has been added to provide policy for administering NAP forage provisions in those areas where RMA Pasture, Rangeland, and Forage (PRF) Pilot Insurance Program coverage is offered.

Subparagraph 503 C has been amended to add the 2009 AUD value.

Page Control Chart		
TC	Text	Exhibit
3, 4	4-108.7, 4-108.8 4-110.13, 4-110.14 4-113 through 4-116 4-116.5 through 4-116.8 (add) 8-3, 8-4	1, pages 3, 4

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194 Mechanically Harvested Forage for “Other Than Seed” Provisions (Continued)

E Determining Loss on Forage Acreage Intended for Forage That is Grazed Only (Continued)

IF the producer...	THEN the loss shall be determined based on...
<p>does not provide County Office with acceptable and verifiable records for both of the following:</p> <ul style="list-style-type: none"> • acreage for which CCC-576 is filed was planted to the same forage type and intended use for which a loss is being claimed for at least 3 out of 5 years before the year in which a loss is claimed • evidence of forage production from the forage acreage being claimed for at least 3 of the 5 years before the year in which a loss is being claimed <p>Note: See subparagraph F for acceptable and verifiable evidence of acreage and forage production.</p>	<p>AUD value by determining the percent of loss using 1 of the methods provided in subparagraph 195 I for grazed forage.</p> <p>Note: Losses determined on AUD shall not be used for APH purposes.</p>

--F Acceptable Evidence of Acreage and Forage Production--

Acceptable evidence of forage production from the forage acreage for which CCC-576 is filed includes, but is **not** limited to:

- *--production records determined acceptable for NAP APH purposes which includes verifiable or reliable production records according to paragraph 322--*
- sales receipts
- weight tickets
- custom harvest documents that clearly identify the amount of forage produced from the applicable acreage.

COC shall **not** accept any documentation that does **not** clearly identify acreage from which the production was obtained or the total forage produced from that acreage.

194 Mechanically Harvested Forage for “Other Than Seed” Provisions (Continued)

--F Acceptable Evidence of Acreage and Forage Production (Continued)--

Acceptable evidence that acreage for which CCC-576 is filed was planted to the same forage type and intended use for which a loss is being claimed includes 1 of the following:

- timely filed and certified FSA-578 for the applicable years
- late-filed and certified FSA-578 for the applicable years, provided all the requirements for a late-filed FSA-578, according to 2-CP, are met
- certified reports of acreage from crop insurance.

Important: COC shall contact crop insurance agent to verify accuracy and authenticity of insurance document **before** accepting documents for NAP purposes.

195 **Grazed Forage Provisions (Continued)**

H Assigning AUD

Acreage leases, rental agreements, or permits with grazing arrangements, may specify the stocking rate and grazing days for specific acreage. The specified stocking rate and grazing days may **not** be consistent with the STC-established carrying capacity.

On review of the acreage lease, rental agreement, or permit, and a determination that the specified stocking rate or grazing days is **not** consistent with the STC-established carrying capacity, COC shall assign the difference in calculated AUD.

Conversions for different units, such as AUM, may be necessary to properly calculate the assigned production. Use conversion procedures generally accepted by CSREES, NRCS, Forest Service, BLM, and forage specialists.

This procedure applies **only** to a reduction of AUD. See subparagraphs F and G for adjustment to AUD for management and maintenance practices and production.

Examples: The following is applicable to all 3 examples:

- unit acres: 800
- STC-established carry capacity: 10 acres/animal unit, 290 grazing days
- AUD calculated on the basis of STC-established carrying capacity: 23,200 AUD.

Example	Lease Requirements		Calculations
	Acres/Animal Units	Days	
1	14	290	800 ÷ 14 x 290 = 16,571 AUD 23,200 - 16,571 = 6,629 Assigned AUD Note difference in acres only .
2	14	250	800 ÷ 14 x 250 = 14,286 AUD *--23,200 - 14,286 = 8,914 Assigned AUD Note difference in both acres and grazing days .
3	10	250	800 ÷ 10 x 250 = 20,000 AUD 23,200 - 20,000 = 3,200 assigned AUD--* Note difference in grazing days only .

195 Grazed Forage Provisions (Continued)

***--I Establishing Grazing Loss**

COC shall, with STC concurrence, establish the grazing loss percentage on grazed forage acreage according to the following table.

IF...	THEN the loss shall be determined based on...
<p>the producer has similar forage acreage on the same farm that was mechanically harvested as forage for which an approved yield has been calculated to determine loss under NAP for the acreage mechanically harvested as forage</p> <p>Important: Similar forage acreage means a similar crop, type, and practice with similar soil types, slope, and elevation that was managed in a similar manner and suffered a similar loss.</p> <p>If either of the following apply, the percentage loss of the acreage mechanically harvested as forage on the producer’s farm shall not be used as similar acreage:</p> <ul style="list-style-type: none"> • perils that impacted the grazing acres were different than the perils that impacted the acreage mechanically harvested as forage on the producer’s farm • disaster conditions that impacted the mechanically harvested acreage improved or worsened after the acreage was mechanically harvested as forage. 	<p>the percentage loss of the similar forage acreage on the producer’s farm that was mechanically harvested as forage.</p>

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196 Small Grain Forage (Continued)**D Small Grain Acreage Eligibility**

Small grain crop acreage eligible for NAP assistance for forage losses includes acreage planted and reported to FSA according to paragraph 151 as intended for forage production.

Small grain interseeded with an existing stand of grass or legume is not considered small grain forage. The acreage may be eligible under the standard forage procedure provided in this part.

COC shall consider the following in all determinations of small grain forage eligibility.

- **Water source.** Water must be available for use by the livestock during the grazing period. Producers must have an established water source, such as pond, municipal water supply, etc., or the capability to support the water requirements of the livestock during the grazing period.
- **Fertilization.** Higher fertilization requirements are necessary when the small grain crop is intended for both forage and grain.
- **Fencing.** Permanent or temporary fencing must exist or be available.

COC will not approve small grain forage eligibility when questions of adequate water, fertilization, or fencing exist.

Small grain crop acreage ineligible for NAP assistance for forage losses includes:

- small grain crop acreage planted and reported without an intent of forage production (intended only for grain production)
- crop residues
- volunteer stands of small grain.

196 Small Grain Forage (Continued)

E Final Planting Dates

COC shall establish an appropriate final planting date on the basis of the intended harvest method, such as mechanical or grazed, and season of use, such as fall/winter, spring, or full season. The final planting date must reflect the latest date the small grain forage can be planted to reasonably expect to achieve 100 percent of the expected yield or carrying capacity.

***--Example:** The final planting date for fall/winter and full season small grains grazing or forage has been established as September 1 to ensure that the carrying capacity for grazing or expected yield for forage will be met. The final planting date for spring small grains grazing or forage and intended for grain has been established as October 15 to ensure that the carrying capacity for grazing or expected--* yields for forage and grain will be met.

Note: There shall only be 2 final planting dates established for small grain forage.

--197 NAP Coverage and RMA PRF Pilot Insurance Program Coverage*A Background**

In 2007 RMA began offering, in selected States and counties, 2 new pilot GRP risk management programs for PRF to provide producers the ability to purchase insurance for losses of forage produced for grazing or mechanically harvested for hay. PRF does not offer coverage for forage seed. CAT coverage is not available under the pilot PRF programs.

Section 196(a)(2)(A) of the 1996 Act provides that commercial crops or other agricultural commodities, except livestock, that is produced for food or fiber for which CAT coverage is **not** available through RMA shall be an eligible crop under NAP. NAP currently provides benefits for forage crop losses. Therefore, NAP will continue to be available to producers in those counties covered by the pilot PRF programs.

However, Section 196(h)(3) of the 1996 Act provides that producers who are eligible to receive benefits under NAP, and are also eligible to receive assistance for the same loss under any other program administered by the Secretary shall be required to elect whether to receive benefits under NAP or under the other program, but not both. Payments for the same loss, under the statute, would be payments for which there is any duplicate coverage whatsoever, such that it would cover all or part of the same period on all or part of the same acres.

Note: A producer under the PRF programs is not required to insure all acres; however, all acres under NAP must be insured.--*

--197 NAP Coverage and RMA PRF Pilot Insurance Program Coverage (Continued)*B RMA PRF-RI Pilot Program**

The RMA PRF-RI policy only covers losses because of drought. Losses are calculated using a deviation from the historical average index, as determined by RMA for a specific time period selected by the producer. Because PRF-RI does not cover all perils, NAP must be made available to producers on the same acres covered by PRF-RI to provide coverage for losses resulting from other eligible NAP conditions, such as flood, fire, and freeze.

A producer could obtain both a PRF-RI policy and NAP coverage on the same acres with the **same intended use** because the PRF-RI policy is limited to drought as a cause of loss and does not cover all perils. However, if the producer earns an indemnity payment under the PRF-RI policy for a **specific intended use**, then the producer is ineligible for a NAP payment on any of the acres covered by NAP for the **same intended use** on that unit.

A producer with an RMA PRF-RI policy:

- insures acres on a grid basis (12 x 12 mile grid), not a county or unit basis
- is not required to insure all insurable forage acres associated with the grid; however, the insured acreage cannot exceed the total number of grazing or haying acres operated
- must select at least two, 2-month time periods (called index intervals) in which acreage is insured for which precipitation is important to the growth and production of the insured's forage species
- does not have to identify the specific location of the acreage within a grid that is insured.

Note: Producers are required to identify a reference point for the insured acreage within the applicable grid(s).--*

--197 NAP Coverage and RMA PRF Pilot Insurance Program Coverage (Continued)*B RMA PRF-RI Pilot Program (Continued)**

A producer with NAP must cover all acreage of the forage species with the same intended use in the producer's unit for all perils.

Notes: An argument could be made that a producer could suffer a loss from a reduction of rainfall and another eligible NAP disaster condition, such as freeze on the same crop/acres, and therefore the producer should receive both a NAP payment and an RMA indemnity payment because they are different losses. However, this is not the case. Under the PRF-RI policy the producer does not have to insure all acres and only has to select insurance coverage for two, 2-month index intervals for the acreage insured. Under NAP, loss determinations are based upon the conditions over the entire growth period for the unit, not for a specific time period in which the disaster occurred.

Accordingly, if a producer suffered both a freeze and a reduction in rainfall on the same acres during the crop year, any NAP payment would be based, at least in part, on the loss associated to the reduction of rainfall as well as the freeze.

Producers could obtain NAP coverage on the grazing crop and a PRF-RI policy on the forage crop, or vice versa, because they are considered separate crops by both RMA and NAP.--*

***--197 NAP Coverage and RMA PRF Pilot Insurance Program Coverage (Continued)**

C County Office Action When a Producer Requests NAP Coverage in a County Eligible for RMA PRF-RI Pilot Program

County Offices shall follow the steps in this table when a producer requests NAP in an area where the PRF-RI Pilot Program is offered. The table references forage acreage intended for grazing; however, the same steps and provisions apply when the acreage is intended for mechanically harvested forage.

Step	Action	
1	A producer visits a County Office to obtain NAP coverage for acreage intended for grazing. The acreage is located in an area where the PRF-RI Pilot Program is offered.	
2	County Office determines if the producer has purchased a PRF-RI policy on any of the forage acres intended for grazing.	
3	<p>IF the producer has...</p> <p>purchased a PRF-RI policy for any of the grazing acres for any interval and grid in the NAP unit</p>	<p>THEN County Office informs the producer that...</p> <ul style="list-style-type: none"> • the only peril covered by the PRF-RI policy is the reduction of precipitation from the historical average index • he/she may obtain NAP coverage on the same acreage intended for grazing for losses because of other perils such as fire, flood, and freeze • he/she will not be eligible for any NAP benefit on any of the forage acreage intended for grazing in the unit if he/she earns an indemnity payment under the PRF-RI policy regardless of whether all acres are covered under the PRF-RI policy • the same provisions apply to his forage acreage intended for forage that is covered by a PRF-RI policy.
	<p>not purchased a PRF-RI policy for any of the grazing acres for any interval and grid in the NAP unit</p>	<ul style="list-style-type: none"> • he/she may obtain NAP coverage on his forage acreage intended for grazing • he/she will be ineligible for NAP benefits if he/she does obtain a PRF-RI policy on any of his forage acreage in the unit intended for grazing and earns an indemnity payment under the PRF-RI policy • the same provisions apply to his forage acreage intended to be mechanically harvested forage if he/she obtains a PRF-RI policy.

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--197 NAP Coverage and RMA PRF Pilot Insurance Program Coverage (Continued)*D RMA PRF-VI Pilot Program**

The PRF-VI policy covers multiple perils and is based upon a measure of vegetation greenness that correlates to forage condition and productive capacity. Producers whose crop is eligible for PRF-VI are required to elect either PRF-VI policy or NAP coverage by intended use, but not both, because the same perils are covered by both products.

Producers are required to make the election between obtaining NAP coverage or a PRF-VI policy by the earlier of the application closing date for NAP or the sales closing date for PRF-VI. Purchasing the PRF-VI policy is considered an election by the producer.

Note: Producers could obtain NAP coverage on forage acreage intended for grazing and a PRF-VI policy on forage acreage intended for mechanical harvest, or vice versa, because they are considered separate crops by both RMA and NAP.

A producer with a PRF-VI policy:

- insures acres on a grid basis (approximately 4.8 x 4.8 mile grid), not a county or unit basis
- is not required to insure all insurable forage acres associated with the grid; however, the insured acreage cannot exceed the total number of grazing or haying acres they operate
- must select one or more 3-month time periods (called index intervals) in which acreage is insured that represent a producer's forage species production or utilization
- does not have to identify the specific location of the acreage within a grid that is insured.

Note: Producers are required to identify a reference point for the insured acreage within the applicable grid(s).

A producer with NAP must cover all acreage of the forage species with the same intended use, in the producer's unit for all perils.--*

***--197 NAP Coverage and RMA PRF Pilot Insurance Program Coverage (Continued)**

E County Office Action When a Producer Requests NAP Coverage in a County Eligible for RMA PRF-VI Pilot Program

County Offices shall follow the steps in this table when a producer requests NAP in an area where the PRF-VI Pilot Program is offered. The table references forage acreage intended for grazing; however, the same steps and provisions apply when the acreage is intended for mechanically harvested forage.

Step	Action	
1	A producer visits a County Office to obtain NAP coverage for acreage intended for grazing. The acreage is located in an area where the PRF-VI Pilot Program is offered.	
2	County Office determines if the producer has purchased a PRF-VI policy on any of the forage acres intended for grazing.	
3	IF the producer has...	THEN County Office informs the producer that he/she...
	purchased a PRF-VI policy for any of the grazing acres for any interval and grid in the NAP unit	<ul style="list-style-type: none"> • is not eligible to participate in NAP on any of the forage acreage intended for grazing • may obtain NAP coverage on his/her forage acreage intended for mechanically harvested forage, provided he/she will not obtain a PRF-VI policy on these acres.
	not purchased a PRF-VI policy for any of the grazing acres for any interval and grid in the NAP unit	<ul style="list-style-type: none"> • may obtain NAP coverage on his/her forage acreage intended for grazing provided he/she will not obtain a PRF-VI policy on these acres • will be ineligible for NAP benefits if he/she does obtain a PRF-VI policy on any of his/her forage acreage in the unit intended for grazing • may obtain NAP coverage on his/her forage acreage intended for mechanically harvested forage, provided he/she will not obtain a PRF-VI policy on these acres.

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198, 199 (Reserved)

503 Amount of Assistance

A Amount of NAP Assistance

See paragraph 26 for information on the amount of NAP assistance available for a qualifying loss.

B Average Market Price

DAFP-approved average market prices shall be used to calculate NAP assistance.

Exception: See subparagraph 183 I for ornamental nursery.

STC shall recommend average market prices according to paragraph 108.

C AUD Value

The applicable DAFP-established AUD value in the following table will be used to compute payments for losses of forage intended to be grazed.

Crop Year	AUD Value
2001	\$0.6787
2002	\$0.6599
2003	\$0.5772
2004	\$0.5374
2005	\$0.5304
2006	\$0.5746
2007	\$0.5950
2008	\$0.6359
--2009	\$0.7034--

D Payment Factors

[7 CFR 1437.11] DAFP-approved payment factors shall be used to calculate NAP assistance. STC shall recommend payment factors according to paragraph 109.

When calculating a payment for a unit’s qualifying loss, the DAFP-approved:

- prevented planting payment factor shall be applied to any eligible prevented planted acreage for payment

503 Amount of Assistance (Continued)**D Payment Factors (Continued)**

- unharvested payment factor shall be applied to:
 - crop acreage planted but not harvested
 - any value loss crop's qualifying loss computed for payment

Exceptions: See subparagraph:

- 182 L for aquaculture
 - 183 K for ornamental nursery.
- any loss of turfgrass sod
- any loss of honey or maple sap when the producer suffers a total loss of harvested production
- blueberry crop acreage:
 - not harvested
 - harvested by an individual or entity whose charge for harvest was based on the amount of blueberry production.

Note: For each CCC-576 involving blueberries, the applicant shall certify:

- whether the producer performed the producer's own harvest of blueberries, or whether blueberry harvest was performed by another individual or entity
- the basis for harvest expenses, such as cents per pound, dollars per acre, etc., if the producer contracted with another individual or entity to have blueberries harvested.

For crop acreage intended to be grazed, the unharvested payment rate is 1.000.

For crop acreage intended to be harvested, including intended for seed and excluding grazed, an unharvested payment rate recommended by STC and approved by DAFP shall be applied to all crop acreage abandoned or destroyed before harvest.

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-576B	2001 Noninsured Crop Disaster Assistance Program Payment Calculation Worksheet (Value Loss Crops)	1281	Text
	2002 and Future Years Noninsured Crop Disaster Assistance Program Manual Payment Calculation Worksheet (Value Loss Crops)	1284	
CCC-576C	2001 Noninsured Crop Disaster Assistance Program Payment Calculation Worksheet (Grazing Crops)	1282	1276, 1279, 1283, 1314, 1315, 1413
CCC-576E	NAP Estimated Calculated Payment Report		881, 1016, 1315, 1400, 1413, 1414
CCC-577	Transfer of NAP Coverage	Ex. 9	24.5, 1461, 1463
CCC-579	NAP Approved Yield Compliance Worksheet	600	
CCC-770 NAP Eligibility	Eligibility Checklist		1311
CCC-770 NAP	Noninsured Crop Disaster Assistance Program Payment Checklist	11	1311
FSA-325	Application for Payments of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent		1276
FSA-570	Waiver of Eligibility for Emergency Assistance		32
FSA-578	Report of Acreage		Text, Ex. 42
FSA-1001 <u>1/</u>	Notice of Peanut Poundage Quota		Ex. 18

1/ Form is obsolete.

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
APH	actual production history	Text, Ex. 2, 25, 45
AUD	animal-unit-day	Text, Ex. 2
BHI	Bahai grass	193, 195
CAT	catastrophic risk protection	427, Ex. 2
CIH	Crop Insurance Handbook	1, 426
CPB	Common Provisions Branch, PECD	1315
CRS	common receivable system	Part 10, Section 4; 1406
CVS	Compliance Validation System	751.5
DAB	Disaster Assistance Branch	10, 170, 890, 1467
E-FC	electronic fund control	1277
EFT	electronic fund transfer	1323, 1351, 1353, 1406, 1425
FTA	fescue, tall	194.5, 195
GRP	Group Risk Protection	172, 197, 505
MPCI	Multiple Peril Crop Insurance	426
LA	loss adjuster	1, 5, Part 4, 322, 326, 425, 426, Ex. 2
NAPB	Noninsured Assistance Program Branch, PECD	10, 170, 189, 195, 884, Ex. 17
NCT	national crop table	Text, Ex. 3
NTS	no type specified	193
PP	prevented planted	1110
PPH	producer payment history	Text
PRD	production reporting date	Text, Ex. 2
PRF	pasture, rangeland, and forage	197
PRF-RI	Pasture, Rangeland, Forage-Rainfall Index Pilot Program	197
PRF-VI	Pasture, Rangeland, Forage-Vegetative Index Pilot Program	197
SUD	Sudan	1283.5
SWI	Switch	1283.5
T-yield	transitional yield	107, 152, Part 5, 322, 323, 327, 600, Ex. 2, 17