

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 83

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 1 B has been amended to add a reference to Exhibit 5.

Subparagraph 22.5 E has been amended to clarify policy for handling applications for coverage that were filed with a check that was later dishonored. This policy is effective from the date of this amendment and not retroactive.

Subparagraph 172 A has been amended to add a reference to Exhibit 5.

Subparagraph 771 A has been amended to clarify the status of the insurability flag in NCT and to add a reference to Exhibit 5.

Subparagraph 1467 A has been amended to clarify that only CCC-471's filed according to paragraph 23 should be submitted.

Subparagraph 890 A has been amended to remove the reference to a dishonored check.

Exhibit 5 has been added to provide guidance on locating reports of insurable crops by county.

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Part 1 Basic Information**1 Overview****A Purpose**

This handbook provides policy and procedures to State and County Offices for administering NAP.

B NAP Purpose and Eligibility

[7 CFR 1437.4] NAP was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to CAT insurance. Statute limits NAP to each commercial crop or agricultural commodity, except livestock, for which CAT is not available and is produced for food or fiber. Statute provides that the term “eligible crop” specifically include the following:

- floricultural
- ornamental nursery
- Christmas tree crops
- turfgrass sod
- industrial crops
- seed crops
- aquaculture, including ornamental fish.

--Note: See Exhibit 5 to determine crops covered by insurance using RMA web sites.--

C Sources of Authority

Authority for NAP is the Federal Agriculture Improvement and Reform Act of 1996 (Pub. L. 104-127) as amended by the Agricultural Risk Protection Act, 2000. Regulations governing NAP are in **7 CFR Part 1437**.

D Related Handbooks

Handbooks related to NAP include the following:

- 1-APP for appeals
- 1-CM for signatures, powers of attorney, name and address files, and handling controlled substance cases
- 3-CM for farm, tract, and crop data
- 9-CM for common payment reports
- 2-CP for acreage reports, acreage determinations, and spot checks

1 Overview (Continued)

D Related Handbooks (Continued)

- 4-CP for tolerance and misrepresentation, scheme, or device

* * *

- 6-CP for conservation compliance
- 7-CP for the finality rule and misaction/misinformation
- 1-FI for issuing payments
- 3-FI for depositing remittances
- 6-FI for accounting interface
- 58-FI for refunds of overpayments, withholding payments, and setoffs
- 61-FI for prompt payment interest penalties
- 63-FI for assignments and joint payments
- *--64-FI for the National Receipts and Receivables System--*
- 5-LP for measurement of farm-stored production
- 2-NAP for LA and crop appraisal
- 1-PL for “person” determinations
- 2-PL for control counties
- *--4-PL for direct attribution--*

* * *

- *--2-NAP for LA’s and loss claims--*
- RMA manuals for loss adjustment and yield calculations include, but are not limited to, the following:
 - CIH
 - Loss Adjustment Manuals
 - Individual Crop Handbooks.

22.5 Service Fee (Continued)**E NAP Service Fees Paid With Dishonored Checks**

*--Service fees are due and payable:

- on the date and time of application
- regardless of whether coverage attaches.

Service fees are **not** considered payment for coverage. If a producer timely files an application for coverage and paid the applicable service fee with a check that was dishonored, the service fee and any other administrative expenses, such as dishonored check fees, will be established as a receivable and, if necessary, a claim will be established.

A NAP application for coverage with a service fee paid with a check that was dishonored will remain valid if all other NAP requirements are met.--*

Process dishonored check fees according to 58-FI.

F Service Fee Waiver for Limited Resource Producers

The administrative service fee requirement will be waived for a limited resource producer who applies for the waiver at the time of filing the application and who meets both of the following:

- has direct or indirect gross farm sales not exceeding \$100,000 in both of the previous 2 years (to be increased starting in FY 2004 to adjust for inflation using Prices Paid by Farmer Index completed by NASS)
- has a total household income at or below the national poverty level for a family of 4, or less than 50 percent of the county median household income in both the previous 2 years (to be determined using Commerce Department data).

G Limited Resource Producer Status for Individual Producers

To qualify for administrative service fee waiver, a limited resource producer must meet both of the following criteria as an individual producer:

- earns no more than the gross income from farm sales in each of the previous 2 years as determined in subparagraph F, first bullet
- has a total household income at or below the national poverty level for a family of 4, or less than 50 percent of the county median household in both the previous 2 years (to be determined using Commerce Department data).

*--22.5 Service Fee (Continued)

G Limited Resource Producer Status for Individual Producers (Continued)

Limited resource producer status can be determined using NRCS's Limited Resource Farmer and Rancher Online Self-Determination Tool at www.lrftool.sc.egov.usda.gov.

Limited resource producer status for current or subsequent crop year applications for coverage submitted by September 30 will use the current FY.

Example: 2013 NAP application for coverage filed before September 30 will use FY 2012.
2013 NAP application for coverage filed after October 1 will use FY 2013.

Limited resource producers are required to recertify limited resource producer status annually.

H Limited Resource Producer Status for Legal Entities

If a legal entity requests to be considered as having limited resource producer status, then the entity must meet both of the following criteria:

- at least 50 percent of the members of the entity must, in their individual capacities, meet the limited resource producer definition
- it must be clearly demonstrated that the entity was not formed for the purposes of avoiding the purchase requirements or formed after the deadline for the purchase requirement.

I Collecting Service Fees

County Office shall:

- ask each producer applying for coverage, if other service fees have been paid in other County Offices

Note: Copies of CCC-471's initiated in other counties **must** be provided as documentation that fees have been paid. The County Office **must** date stamp and photocopy CCC-471 provided and retain the copy for record keeping purposes.

- ensure that a producer does not pay more than the \$1,875 maximum service fee for NAP coverage--*

171 Eligible Crops (Continued)**B Eligible Crops for NAP Assistance (Continued)**

- sea oats and sea grass
- industrial crops
- seed crops where the propagation stock is commercially produced for sale as seed stock for other eligible NAP crop production

Example: Tree seedlings being raised as seed stock for reforestation are **not** eligible.
Tree seedlings being raised as a seed crop for use as propagation stock in a commercial Christmas tree operation are eligible.

- unseeded forage on State or Federal lands beginning with 2002 crop year.

172 Ineligible Crops**A Ineligible Crops for NAP Assistance**

Crop acreage and products ineligible for NAP assistance include, but are not limited to:

- crop acreage for which individual CAT level coverage is available in the county

Notes: NAP may cover eligible losses caused by natural disaster that are not named as an insurable peril under a crop insurance policy.

Group Risk Protection insurance is now available at CAT level. Therefore, if Group Risk Protection is available, the crop acreage is **not** eligible for NAP assistance.

--See Exhibit 5 to determine crops covered by insurance using RMA web sites.--

- crop acreage for which individual CAT level coverage is available as a pilot product

172 Ineligible Crops (Continued)

A Ineligible Crops for NAP Assistance (Continued)

- commodities that cannot be marketed as food or fiber or that are not included as an eligible crop in paragraph 171
- by-products resulting from processing or harvesting an eligible crop, such as peanut hay, oat straw, etc.
- crop acreage for which COC determined good farming practices are not being applied
- nonornamental nursery plants, such as strawberry plants, orange trees, etc., unless the plants can be considered a seed crop under paragraph 171
- home gardens or crops not being produced for commercial sale
- experimental crops
- volunteer stands, except native forage
- unseeded forage on State or Federal lands for 2001 and prior years
- livestock and their by-products
- trees grown for wood, paper, or pulp products.

Beginning with the 2010 crop year, if the CAT level of insurance is available for a particular crop, type, and intended use in the county, then in all cases NAP **cannot** be offered within that county for any practice of that crop (irrigated, non-irrigated, summer fallow, and continuous crop).

Example: Irrigated soybeans not following another crop (initial crop) are insurable in Garvin County. However, nonirrigated soybeans, and soybeans following another crop are not insurable in Garvin County. Therefore, NAP cannot be offered for nonirrigated soybeans or soybeans following another crop (double-crop) in Garvin County, because RMA has determined that nonirrigated soybeans and soybeans following another crop are not insurable practices.

Section 1.5 National Crop Table, 2009 and Subsequent Crop Years

771 Overview

A Introduction

NCT is a web-based application that was developed for NAP and as a source of historical data for possible future disaster programs. The NCT application was redesigned for the 2009 crop year, for increased efficiency and ease of use.

Modifications have been made to the NCT to capture and maintain crop data also required for the SURE Program. The 2010 NCT is the first year to incorporate the additional data elements for SURE.

For NAP and SURE purposes, NCT will be used to:

- recommend and approve crop data
- maintain a historical database for prices and yields.
- lock and save approved data and make it available for retrieval by program application and/or payment software.

The records will be validated against the crop codes and other data according to exhibits listed in paragraph 170, as applicable; 2-CP, Exhibit 10.5; 1-SURE, Exhibits 5, 6, and 6.5; FIPS codes; and the insurability file when it becomes available. National, State, and County Office personnel will have access to NCT to view, change, or add crop records.

***--Notes:** An “N” flag will be displayed until insurance data is updated with the insurability file; after update, the insurance flag will display either of the following:

- “Y”, if the crop is insurable in the county
- “N”, if the crop is **not** insurable in the county.

State and County Offices shall monitor crops covered by insurance. See Exhibit 5 to determine crops covered by insurance using RMA web sites.--*

B NCT Security

USDA eAuthentication security is enforced to ensure that a user can only update crop records for their respective State or county. Authority roles are defined as “County”, “State”, and “National” users in eAuthentication, and different levels of access will be granted according to the user’s role.

Authorized users with a “County”, “State”, or “National” eAuthentication NCT role:

- **must** access NCT software using a valid eAuthentication ID and password through the FSA Intranet web site “FSA Applications”
- will have the capability to access NCT to add and modify crop records **only** for their State or county and to view crop records for all States.

771 Overview (Continued)

B NCT Security (Continued)

All other users with valid eAuthentication ID's will have the capability to view, but **not** modify, crop records for all States and counties.

If the State Office needs additional users, the State Office shall:

- submit FSA-13-A through the State Security Liaison Representative
- request “EAS role”:

 - app.fsa.nct.cty for County Office user access (paragraph 776)
 - app.fsa.nct.state for State Office user access (paragraph 777)
 - app.fsa.nct.reset for National Office users access (paragraph 778).

Note: All users with a valid eAuthentication account have view-only access to the NCT. Assignment of EAS roles are only required for users who are approved to modify records.

- ensure that all requests for “County” or “State” authority are verified by the State NAP Specialist so that the appropriate NCT authorization role can be assigned to the user’s eAuthentication ID.

C Accessing the NCT Web Site

To access NCT, go to http://intranet.fsa.usda.gov/fsa/FSAIntranet_applications.html.

Under Production Adjustment & Disaster Programs, CLICK “NCT –National Crop Table (2009 -)”.

State & County T-OPS/LWV	<ul style="list-style-type: none"> • WSRIS- IE, work Status Report System- Internet Enabled <p>Administrative Applications</p> <ul style="list-style-type: none"> • COC Elections • COC State AO Reports • COE Replacement • ERSR • Directive Tools • OIP - Office Information Profile <p>Financial Services</p> <ul style="list-style-type: none"> • Financial Applications <p>Rates and Fact Sheets</p> <ul style="list-style-type: none"> • County LDP Rates • Honey Rates • Pulse Crop Rates • Wool Rates • Grain Warehouse Rates • Program Fact Sheets 	<p>Assistance Payment</p> <ul style="list-style-type: none"> • eLDP - Electronic Loan Deficiency Payments • EWR - Electronic Warehouse Receipts • MILC-X - MILC Extension Program • Peanut Program • Sugar Program • TAA - Trade Adjustment Assistance • Tobacco Transition Payment Program <p>Production Adjustment & Disaster Programs</p> <ul style="list-style-type: none"> • AILFP- American Indian Livestock Feed Program • 2005-2006-2007 CDP Crop Table • Compliance Query Tool • DCP - Direct and Counter-Cyclical Program • Homeland Security • LAPLT - Livestock Assistance Program Load Table • LAP - Livestock Assistance Program • NCT - National Crop Table (2009 -) • NCT - National Crop Table (2001-2008)
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890 Canceling an Application for Coverage**A Overview**

NAP fees are **not** refundable; therefore, applications cannot be canceled or amended by the County Office once fees have been accepted from the producer and entered into the *-automated system. If a County Office has taken an application in error, a cancellation of the application may be permitted.--*

All requests for cancellation or amendments **must** be submitted to the State Office with written justification explaining why the cancellation needs to occur. After reviewing the documentation submitted, the State Office will contact the County Office and assist the County Office with the cancellation or amendment, if the case was approved.

B Printing Diagnostic Reports

Diagnostic reports must be submitted to the State Office to cancel NAP applications. County Office's shall print the reports from NAP Menu MHB000, for the applicable crop year, according to the following:

- on command line, ENTER "MHACAY" and PRESS "Enter"
- enter the ID number and type of the producer to be canceled and PRESS "Enter".

The applicable year "NAP Application Diagnostic Print" and "NAP Fee File Diagnostic Print" will be generated.

890 Canceling an Application for Coverage (Continued)

C County Office Action

County Offices shall:

- use the provisions in this handbook to reduce the number of errors being made
- provide detailed written justification for the cancellation
- generate the diagnostic reports according to subparagraph B
- provide a copy of CCC-471 signed by the producer
- provide a copy of CCC-257
- identify the County Office contact who will be assisting with the cancellation
- **FAX the detailed justification, diagnostic reports, and signed CCC-471, to the State Office NAP specialist.**

D State Office Action

State Offices shall:

- work with County Offices to ensure that they understand the NAP Application for Coverage process to eliminate unnecessary errors that require additional effort by all parties to cancel an application that was taken incorrectly
- process cancellation or correction of CCC-471's according to the NAP Reference Guide provided by the National Office on or about November 13, 2008
- **not** contact the National Office about NAP cancellation problems.

891 (Withdrawn--Amend. 82)

892-900 (Reserved)

--1466 Incorrect Crop, Crop Type, or Producer (Continued)*B Incorrect Producer Is Selected**

When an incorrect producer is selected and the accounting portion of the application has been accessed, continue with the application process. Do **not** load the correct producer using the same money. On the automated CCC-471:

- line through the incorrect producer information and write in the correct information
- have the producer sign and date the modified CCC-471.

Immediately submit the documents required, according to paragraph 1463, to the State Office.

If the County Office does **not** handle an incorrect producer in this manner, additional information is required from the County Office, including:

- why the incorrect producer was selected
- how the County Office “knows” the selected producer is incorrect.

When the producer signs CCC-471, item 12A, they are certifying that **all information on CCC-471 is correct**, including the producer name, and that the intent is to have coverage for the selected producer and crops, types, intended uses, and planting periods.

Immediately submit the documents required, according to paragraph 3, to the State Office.

Note: Loading a second CCC-471 will cause the accounting records to be out-of-balance.--*

1467 Action

A State Office Action

State Offices shall:

- remind County Offices that CCC-471's shall **not** be taken manually unless the:
 - CCC-471 is late-filed
 - automated system is unavailable
 - crop or crop type does **not** exist on the county crop table
- remind County Offices that when manual CCC-471's are not loaded timely or are loaded incorrectly when transferring data from the manual CCC-471's to the automated system, it requires extra resources to complete the task
- review the required documentation submitted by County Offices to ensure that:
 - all applicable documentation has been provided
 - CCC-471's were timely filed

***--Note:** Only CCC-471's that were filed according to paragraph 23 shall be submitted.--*
- County Offices properly followed procedure
- forward the documentation to PECD, DAB using either of the following methods:
 - FAX to 202-720-4941, Attention: CDPS
 - mail to:

USDA, FSA, PECD, DAB, ATTN: CDPS
STOP 0517
1400 INDEPENDENCE AVE SW
WASHINGTON DC 20250-0517
- follow subparagraph 170 E when a crop or crop type has been requested and the crop or crop type is not listed in Exhibit 7.X, and NAP eligibility has not been determined for the crop or crop type

***--Determining Crops Covered By Insurance Using RMA Web Sites**

Reports of insurable crops by county can be downloaded by following these steps.

Step	Action
1	Access RMA's web site at http://www.rma.usda.gov .
2	Under "Popular Topics", CLICK " Information Browser ".
3	Scroll down and CLICK " RMA Information Reporting System (RIRS) ".
4	Under "RMA Information Reporting System (RIRS)", CLICK " Actuarial Data Reports (2011 and Subsequent Years) ".
5	On the RMA Information Reporting System Screen, under "Browse by Application", CLICK " County Commodity Program Reports ".
6	On the County Commodity Program Reports Screen, under "Browse by Application" "County Commodity Program Reports", CLICK " Listing by State/County ".
Note: Reports are downloadable in .PDF, Word, or Excel.	

Note: State and County Offices can also monitor RMA's web site at <http://www3.rma.usda.gov/apps/docbrowser/docbrowserB.cfm> to determine crops covered by insurance.--*

