

Payment Calculation Examples

- 2007 AUD Value: \$0.595

Information Determined by FSA

Area ID	Type	CC (Ac/AU)	Grazing Days	Loss %
A	Native (NI)	40	365 days	80%
B	Timber (NI)	60	365 days	50%
C	Pasture (I)	1	180 days	0%

Example 1: 2000 acres of Native Grasses in Area A

Total Expected AUD = (Acres / CC) x Grazing Days
 = (2000 ac/40 ac per AU) x 365 days = 18,250 AUD

Total AUD Loss = Total Expected AUD x COC Loss %
 = 18,250 AUD x 80% loss = 14,600 AUD

Net Payment AUD = AUD Loss – (50% x Tot. Exp. AUD)
 = 14,600 – (50% x 18,250) = 5,475 AUD

Payment = Net Pay. AUD x 55% x AUD Value
 = 5,475 AUD x 55% x \$0.595 = \$1,792

Example 2: 1000 acres in Area A, 3000 ac. in Area B, and 35 acres of Irrigated Pasture in Area C

Total Expected AUD = 33,675 AUD:

- A) (1000 ac/40 ac per AU) x 365 days = 9,125 AUD
- B) (3000 ac/60 ac per AU) x 365 days = 18,250 AUD
- C) (35 ac/1 ac per AU) x 180 days = 6,300 AUD

Total AUD Loss = 16,425 AUD

- A) 9,125 x 80% loss = 7,300 AUD
- B) 18,250 x 50% loss = 9,125 AUD
- C) 6,300 x 0% loss = 0 AUD

Net Payment AUD
 = 16,425 – (50% x 33,675) = – 412.5 AUD

Payment = ZERO
 (Net Payment AUD is less than zero)

Frequently Asked Questions

1. **Do producers need to provide FSA with animal counts and the amount of fed or purchased hay?**

No. However, producers must provide FSA with the location of all the land in the operation.

2. **Can benefits be paid on land that was not actually grazed?**

Yes, as long as there was an intent to graze.

3. **Can the fee be paid or an application filed after the application closing date?**

No. There are no provisions for late-filing.

4. **Can producers receive payments even if there is not a disaster declaration?**

Yes, disaster declarations are not necessary.

5. **Will the payments cover the cost of hay purchases?**

Not necessarily. The payments are only intended to provide limited benefits to help mitigate catastrophic losses.

6. **Are the loss and carrying capacity (acres/animal unit) determined on an individual basis?**

No, the payment calculation for all producers is based on generally applied loss percentages, carrying capacities, and grazing period days, as determined by the County Committee.



UNITED STATES DEPARTMENT OF AGRICULTURE
 California State FSA Office
 Davis, California

Noninsured Crop Disaster Assistance Program (NAP)

Grazed Forage Provisions



May 2007

What is NAP?

The Noninsured Crop Disaster Assistance Program (NAP) is a federally-funded program that helps producers reduce their risk when growing food and fiber crops, specialty crops and crops for livestock feed. Benefits are only available for crops for which the catastrophic level of crop insurance is not available.

NAP is authorized by the Federal Agriculture Improvement and Reform Act of 1996, as amended by the Agriculture Risk Protection Act of 2000.

Eligible Grazed Forage

Alfalfa, alfalfa mixture, native grass rangeland, and other forage acreage intended to be grazed is eligible to be covered by NAP.

Leased land is only eligible if the lessee has a risk in the production of the crop acreage or the lease conveys control of the crop acreage to the lessee.

Note: Mechanically-harvested forage crops may be covered as a separate crop.

Eligible Producer

An eligible producer is a person who shares in the risk of producing an eligible crop. Producers whose qualifying gross income for the previous year exceeds \$2 million are not eligible.

Note: Payments are limited to \$100,000 per "person."

Eligible Disaster Conditions

Damaging weather, such as drought and excessive moisture.

Application for Coverage

You must:

- apply for NAP coverage by September 1 of the preceding year (PY) for all counties except the following:
 - San Joaquin County (final date to apply is October 1, PY)
 - Del Norte, Humboldt, Lake, and Mendocino counties (November 15, PY)
 - Monterey, San Mateo, and Santa Cruz counties (December 15, PY)

For example, the application for the 2007 crop year must have been filed by September 1, 2006 for most counties.

- pay a non-refundable service fee of \$100 per crop, not to exceed \$300 per county or \$900 total. Waivers are available for limited resource producers.
- file all other required forms for eligibility.

Notice of Loss

A notice of loss must be filed *within 15 days* after the date the disaster condition occurred or damage to the crop became apparent. In most cases, a loss adjuster will inspect the damage.

Note: Mechanical destruction of the crop prior to the filing of a notice of loss will result in ineligibility.

Other Important Dates

- Acreage Report Date: October 1, PY
- Final date to apply for payments: October 1 of the crop year

Determining Your Level of Coverage

Your eligibility for NAP assistance is simply based on loss percentages determined by the local FSA County Committee for each type of pasture/range in the county. If the overall loss on your unit exceeds 50 percent, the payment calculation will result in benefits.

For More Information

Further information on NAP is available from your local FSA office or on FSA's web site at: www.fsa.usda.gov

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