



United States
Department of
Agriculture

NAP

Noninsured Crop Disaster
Assistance Program



NAP Coverage

Basic NAP Coverage

Lost Inventory above 50%

55% of Established Whole Sale Price

Cost is \$250 per Crop per County

Provides about 20% of expected income for a total loss.

2014 Farm Bill Changes

- Buy up Options
 - 50/100 - 50% Inventory Guarantee at 100% of Established Market Price
 - 55/100 - 55% Inventory Guarantee at 100% of Established Market Price
 - 60/100 - 60% Inventory Guarantee at 100% of Established Market Price
 - 65/100 - 65% Inventory Guarantee at 100% of Established Market Price
- Premium is 5.25% of guarantee

NAP Farm Bill Changes

Socially Disadvantaged
Beginning Farmers
Limited Resource Producers

- Administrative Fee Waived and
- Premiums Reduced 50%

NAP Eligible Causes of Loss

Damaging Weather Event:

- Drought (Some Limits if Irrigated)
- Hail
- Excessive Moisture
- Freeze (Must take Preventative Measures)
- Tornado
- Hurricane
- Excessive Wind
- Flood

NAP Eligible Causes of Loss

Related Conditions which must occur as a result of damaging weather

- Heat
- Insect Infestation
- Disease

NAP Payment Limitation

NAP Payments are limited to \$125,000 per person

NAP Eligibility

- Must apply before the sales closing date (Aquaculture September 1st)
- Must file a crop report by the final reporting date (Aquaculture September 30)
- Must file a notice of loss when damage occurs
 - Notify the office with 72 hours of damage
 - File a written notice of loss within 15 days

Additional Information

FSA Web Site – www.fsa.usda.gov

NAP FACT Sheets

Local FSA Office

Payment Example

2014 Recommended Mollusk Prices by Size (Per Piece)

Length (mm)	Oyster \$	Growing Time	Normal Mortality %
1	0.00665		
2	0.00800		
3	0.01225	9 days	1%
4	0.01650	18 days	2%
5	0.02075	27 days	3%
6	0.02500	36 days	4%
7	0.02583	45 days	5%
8	0.02667	54 days	6%
9	0.02750	63 days	8%
10	0.03200	72 days	9%
12	0.04100	90 days	11%
14	0.05000	108 days	13%
16	0.05900	126 days	15%
18	0.06800	144 days	17%
20	0.07700	162 days	19%
22	0.08600	180 days	22%
24	0.09500	198 days	24%
26	0.10400	216 days	26%
28	0.11300	235 days	28%
30	0.12200	253 days	30%
35	0.14450	298 days	32%
40	0.16700	343 days	34%
45	0.18950	388 days	36%
50	0.21200	433 days	38%
60	0.25700	523 days	42%
70	0.30200	614 days	46%
*80	0.35000	650 days	50%
Average size when seeded 2mm			
Average time to 3" market size 21 months			
Unharvested Factor 90%			

Payment Example

Dollar Value Insured

- If filing an application for buy up coverage you must tell us the maximum dollar value you want covered.
- Premium will be based on this dollar value and level of coverage
- Loss will be based on the lower of the market value of your inventory before the loss or the maximum dollar value on the application

Payment Example

Maximum dollar value insured = \$25,000

Coverage Level 65%

Premium = $\$25,000 \times 65\% \times 5.25\% = \853.13 (maximum \$6,562.50)

Inventory before disaster =

- 200,000 - 2 mm oysters seeded
- Average Oyster size is now 30mm
- Normal Mortality 30%
- Price - \$0.122

- 200,000 oysters seeded x 70% survival rate = 140,000 oysters
- 140,000 x \$0.122 = \$17,080 (Capped at maximum dollar value insured)

Payment Example

Inventory before disaster

- 200,000 2mm oysters seeded x 70% survival rate = 140,000 oysters
- 140,000 x \$0.122 = \$17,080
- \$17,080 x 65% coverage level = \$11,102 Disaster Level

Inventory after disaster

- 20,000 oysters remaining x \$0.122 = \$2,440
- Payment = \$11,102 - \$2,440 = \$8,662 x 90% = \$7,796 Gross Payment
- \$7,796 – \$853 - \$250 = \$6,693 Net Payment

Payment Example

- Basic 50/55 Coverage: $\$2,516 - \$250 = \$2,266$ Net Payment
- 100% Loss 65% Coverage: $\$8,827 - \$853 - \$250 = \$7,724$
- Expected Income without a loss:
 - $100,000 \times \$0.35 = \$35,000$
- 100% Loss 65% Coverage Market Size:
 - $100,000 \times \$0.35 = \$35,000$ (Maximum Insured $\$25,000$)
 - $\$25,000 \times 65\% \times 90\% = \$15,300 - \$853 - \$250 = \$14,197$
- Maximum Insured $\$35,000$
 - $\$35,000 \times 65\% \times 90\% = \$20,475 - \$1,194 - \$250 = \$19,031$

Summary

- Sales Closing Date September 1
- Crop Reporting Date September 30
- Keep Good Records
 - Seeding Dates
 - Inventory
- Notify County Office within 72 Hours of Loss
- Basic coverage \$250
- Buy Up Coverage 5.25% of Guarantee
- Payment Limitation \$125,000