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


NAP FACT Sheets

Local FSA Office
### 2014 Recommended Mollusk Prices by Size (Per Piece)

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<th>Length (mm)</th>
<th>Oyster $</th>
<th>Growing Time</th>
<th>Normal Mortality %</th>
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Average size when seeded 2mm
Average time to 3” market size 21 months
Unharvested Factor 90%
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 x 65% x 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 x $0.35 = $35,000

• 100% Loss 65% Coverage Market Size:
  • 100,000 x $0.35 = $35,000 (Maximum Insured $25,000)
  • $25,000 x 65% x 90% = $15,300 - $853 - $250= $14,197

• Maximum Insured $35,000
  • $35,000 x 65% x 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