

# The Noninsured Crop Disaster Assistance Program and Aquaculture

*This fact sheet was prepared by the National Sea Grant Law Center as part of the Agricultural and Food Law Consortium.*



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Growers of crops not covered by the federal crop insurance program may be able to attain disaster assistance through the U.S. Department of Agriculture's (USDA) Noninsured Crop Disaster Assistance Program (NAP). NAP is administered by the USDA's Farm Service Agency (FSA) and protects against natural disasters that result in lower yields, crop losses, or prevented crop plantings. NAP is not subject to appropriations- it is paid for through the Commodity Credit Corporation's line of credit with the U.S. Treasury.

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## NAP Basics

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**General Eligibility Requirements:** In order to be eligible for NAP coverage, a producer must:

- Have an adjusted gross income that does not exceed \$900,000;
- Use good farming practices;
- Grow an eligible crop. These include commercial crops that are grown for food, livestock consumption, or fiber for which federal crop insurance is not available, with some limited exceptions;
- Plant or be prevented from planting the crop during the determined planting period. In some circumstances, a late planting period may be determined where a producer can still plant and receive NAP coverage; and
- Enroll in NAP by the stated deadline, which varies by crop.

**Coverage Types and Payment Levels:** There are two coverage types: basic and buy-up.

- Basic Coverage- payment limit of \$125,000.
  - If due to a natural disaster an enrolled producer:
    - Is prevented from planting more than 35% of planned acreage, producer receives 55% of the average market price for the crop.
    - Loses more than 50% of crop yield or value (depending on the type of crop), producer receives 55% of the average market price.
- Buy-Up Coverage- payment limit of \$300,000.
  - If due to a natural disaster an enrolled producer:
    - Is prevented from planting more than 35% of planned acreage, producer receives 100% of market price; or
    - Loses from 50-65% of production value or crops (can be chosen in 5% increments), producer receives 100% of market price.

**Fees:** NAP applicants must pay an administrative fee. The amount of the fee is determined for each applicant and is the lesser of:

- \$325 per crop or \$825 per producer per administrative county.
- For farms in multiple counties, the fee is capped at \$1,950.

**Premiums:** Producers who elect buy-up coverage must also pay a premium equal to:

- $5.25\% \times \text{selected coverage level} \times \text{producer's share of the crop} \times \text{acreage} \times \text{yield} \times \text{average market price}$ .

## NAP Aquaculture Eligibility Requirements

NAP assistance for aquaculture producers requires the producer to meet several additional eligibility requirements. The producer should check with his or her local FSA office to see if coverage is available. When making a claim, the producer may need to provide evidence that each of these requirements has been met.

*Enrollment:* Coverage is prospective. As a value loss crop, the coverage period for aquaculture runs from October 1-September 30 each year. The deadline to sign up for the next year's coverage is September 1.

*Crops:* Eligible aquaculture species include:

- 1) aquatic organisms grown as food for humans;
- 2) fish feed eaten by humans; and
- 3) ornamental fish.

*Facility Requirements:* The aquaculture operation needs to be:

- A commercial enterprise on private property;
- Leased or owned by the producer with easily recognized boundaries; and
- Operated with "good aquacultural growing practices." 7 C.F.R. § 1437.303.

*Operational Requirements:* The producer needs to:

- Control the waterbed, as well as diseases and predators.
- Provide flood prevention, growing medium, fertilizer or food, and a sufficient amount of quality water.

*Growing Requirements:* The aquaculture species must be intentionally put in, and not simply be indigenous to, a facility in order to be eligible for NAP. In addition, the producer must:

- Keep the species in a controlled environment;
- Plant or seed the species in a way that protects and contains the species, such as in a container, wire basket, net pen, on a rope, or any other similar device.

*Special Mollusk Provision:* If a producer does not plant or seed a mollusk in a way that protects and contains it, the only losses covered by NAP will be from a tropical storm, hurricane, or typhoon designated by the National Oceanic and Atmospheric Administration.

*Coverage:* As a value loss crop, basic coverage for aquaculture species is triggered when, due to a natural disaster, an enrolled producer is:

- Prevented from planting more than 35% of planned acreage; or
- Loses more than 50% of crop value.

Sources:

- 7 CFR Part 1437.
- U.S. DEPT. OF AGRIC., NONINSURED CROP DISASTER ASSISTANCE- 2019 AND SUBSEQUENT YEARS BASIC PROVISIONS (2019), [https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/Disaster-Assist/NAP/ccc0471\\_nap\\_bp\\_2019\\_190422v01.pdf](https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/Disaster-Assist/NAP/ccc0471_nap_bp_2019_190422v01.pdf).
- MEGAN STUBBS, CONG. RESEARCH SERV., AGRICULTURAL DISASTER ASSISTANCE (2019), <https://fas.org/sgp/crs/misc/RS21212.pdf>.