Risk Management in Specialty Crops:
Noninsured Crop Disaster Assistance Program (NAP)

Introduction
The Noninsured Crop Disaster Assistance Program (NAP) is a financial assistance program provided through the USDA Farm Service Agency (FSA). The program provides producers of crops not eligible for crop insurance with some level of risk management when natural disasters cause low yields or inventory loss, or prevent planting.

This fact sheet overviews the NAP as it may relate to new and emerging crops in Kentucky. It has been written for educational purposes only and does not constitute legal or business advice nor is it intended to be a substitute for the services of a competent legal or business professional. For complete information about NAP and how it relates in a local situation, producers should contact their local FSA office, as well as review NAP information available on the FSA Web site. The FSA has an excellent fact sheet providing details about this program as part of their larger Disaster Assistance Program.

Program Eligibility
To be eligible for NAP, producers must produce and own eligible crops while meeting income requirements established by the USDA.

Crops eligible for NAP may include:
• Fruit, vegetable, feed, and fiber crops not eligible for the catastrophic risk level of crop insurance
• Crops grown in a controlled environment (e.g. mushrooms and greenhouse crops)
• Specialty crops, such as honey, maple sap, Christmas trees, ginseng, ornamentals, and seed crops

In order to remain eligible for disaster assistance under NAP, producers will need to complete various annual requirements for reporting crop acreage, yields, and quality. These requirements, as well as further determination for whether a certain crop is eligible for NAP, can be made by contacting the county FSA office where the producer is located. Good historical farm records are vital for many reasons. Documenting historical yields is one important reason. For newer applicants and crops in an area, FSA uses regional yield and price data to estimate loss coverage. Be sure the terms are clear before signing up your crop.
How to Apply for NAP Coverage
Producers will need to work directly with their county Farm Service Agency office to apply and determine eligibility for NAP. A particular form (Form CCC-471) must be completed by producers, as well as the payment of a service fee. The service fee is $250 per crop and fee waivers may be available for limited resource producers.

Additional Resources

1Terms as of 2012; the service fee is subject to change.

Natural Disasters Meeting Requirements
According to the USDA, eligible natural disasters for NAP are as follows:
- Weather damage, such as drought, freeze, hail, moisture, wind, and hurricanes
- Adverse natural occurrences, such as earthquake and floods
- Conditions related to adverse natural occurrences, including insect infestations and plant diseases

Combinations of these conditions can also meet disaster qualification requirements.