

## 2017 Wildfires and Hurricanes Indemnity Program

The USDA's Farm Service Agency (FSA) is making disaster payments to agricultural producers to offset losses from hurricanes and wildfires during 2017. The funds – up to \$2.36 billion – are available through the new 2017 Wildfires and Hurricanes Indemnity Program or 2017 WHIP. 2017 was a historic year for natural disasters, and Congress appropriated more than \$3 billion in disaster relief through the Bipartisan Budget Act of 2018, which includes this new program.

### What does the WHIP program cover?

**Wildfire Recovery:** The USDA Farm Service Agency will determine eligibility for wildfire losses on an individual basis, factoring in the level of insurance coverage purchased by the farmer. Wildfire recovery will also include mudslides and heavy smoke resulting from the effects of wildfires.

**Hurricane Recovery:** 2017 WHIP for hurricane losses and related conditions, such as excessive rain and flooding, will be available for eligible farms in counties that received a qualifying Presidential Emergency Disaster Declaration or Secretarial Disaster Designation. This includes counties or parishes in at least nine states and territories – Alabama, Florida, Georgia, Louisiana, Mississippi, Puerto Rico, South Carolina, Texas and the Virgin Islands. Other crops, trees, bushes or vines outside of these identified counties may be eligible if the producer provides documentation the loss was caused by a 2017 hurricane.

**Citrus Growers in Florida:** 2017 WHIP is directly reimbursing producers for crop losses in 2018. In addition to WHIP, USDA is providing a grant to Florida, which is reimbursing citrus producers for the cost of buying and planting replacement trees, including resetting and grove rehabilitation, and for repair of damages to irrigation systems. This grant is also providing assistance for losses of citrus production expected during the 2019 and 2020 crop years.

### What are other program details?

**Losses in Production or of Crops, Trees, Bushes and Vines:** The program covers both the loss of the crop, tree, bush or vine as well as the loss in production. The program is paying cost-share assistance to replant and rehabilitate trees on the same area. The program also pays for production loss separately as the loss may be covered by another USDA risk management program, which is calculated using the 2017 WHIP formula, outlined below.

**Payments:** USDA is determining compensation by a producer's individual losses rather than an average of losses in the area. Producers are subject to a \$125,000 payment limitation, meaning a producer can't receive more than \$125,000 for losses. But a producer can receive a higher payment if three-fourths or more of their income is derived from farming or another agricultural-based business. Producers who derived 75 percent of their income in tax years 2013, 2014 and 2015 will be subject to a \$900,000 payment limitation.

**Risk Management Requirement:** Both insured and uninsured producers are eligible to apply for WHIP. But all producers receiving 2017 WHIP payments will be required to purchase risk management coverage, either crop insurance at the 60 percent coverage level or Noninsured Crop Disaster Assistance Program (NAP) coverage if crop insurance is not available. The program requires producers to have coverage for the next two crop years.

**Acreage Reporting Requirements:** Producers are required to file acreage reports and report production for the applicable crop years.

To learn more, contact your local USDA service center or visit **FARMERS.GOV**

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## How do I estimate my WHIP payment?

USDA is calculating WHIP payments based on the expected value of the lost crop, the value of the crop harvested, insurance coverage, and insurance payments received.

USDA is using this formula:

$$(\text{Expected Value of the Crop} \times \text{WHIP Factor}^*) - \text{Value of Crop Harvested} - \text{Insurance Indemnity} = \text{Payment}$$

\*The WHIP factor ranges from 65 percent to 95 percent. Producers who did not insure their crops in 2017 will receive 65 percent of the expected value of the crop. Insured producers, or producers who had NAP, will receive between 70 percent and 95 percent of expected value; those purchasing the highest levels of coverage will receive 95 percent coverage.

**Payments for Puerto Rico Producers:** USDA is calculating payments differently in Puerto Rico because of damages to offices and the agriculture industry. USDA is asking Puerto Rican producers to provide crop acres and percent of crop loss. USDA is calculating the loss using the insurance or NCT price multiplied by the expected yield times the producers crop acres. The actual value of the crop is being calculated using the insurance or NCT price multiplied by the expected yield multiplied the reciprocal of the producer-certified percent of loss multiplied by the producer's crop acres.

## What should I bring to the office?

We're working quickly to implement this program. Sign-up for the new program will begin no later than July 16, 2018.

In the meantime, we recommend producers who have not participated in a USDA program to contact their local USDA service center to establish farm records. To establish a farm tract number, be sure to bring:

1. Proof of identity: driver's license, Social Security number/card;
2. Copy of recorder deed, survey plat, rental, or lease agreement of the land. You do not have to own property to participate in FSA programs;
3. Entities: corporation, estate, or trust documents.

Once signup begins, producers will be asked to provide verifiable and reliable production records by crop, type, practice, intended use, and acres. Producers with this information on file do not need to provide again.

Producers should bring production records for the last five years. If a producer is unable to provide production records, USDA is calculating the yield based on 65 percent of county expected yield.

## Does USDA offer other disaster assistance?

Drought, wildfires and other disasters continue to impact farmers and ranchers, and 2017 WHIP is just one of many programs available through USDA to help with recovery. From crop insurance to on-the-ground rehabilitation programs like the Emergency Conservation Program (ECP) and Environmental Quality Incentives Program (EQIP), USDA is here to help. The Bipartisan Budget Act of 2018 provided funding for ECP and the Emergency Watershed Protection Program. The Act also provided amendments to make programs like the Emergency Assistance for Livestock, Honeybees and Farm-raised Fish Program, Tree Assistance Program and Livestock Indemnity Program even more responsive.

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