



WELCOME

WILDFIRES AND HURRICANES INDEMNITY PROGRAM



Wildfires and Hurricanes Indemnity Program (WHIP)

WHIP Assistance:

Available to eligible producers for crops, trees, bushes, and vines, which suffered a qualifying loss because of the consequences of Hurricanes Harvey, Irma, Maria, and other hurricanes and wildfires occurring in calendar year 2017, as implemented by decision of the Secretary of Agriculture.

Loss includes:

- Production losses from eligible crops
- Inventory losses for value loss crops
- Tree/Bush/Vine Loss

Wildfires and Hurricanes Indemnity Program (WHIP)



Calculation for Production Loss

Acres	Expected Value
Price	
Yield	
WHIP %	
Production	Actual Value
Price	
Indemnity	
Secondary / Salvage	
WHIP Payment	

(Expected Value times WHIP factor)

= WHIP Value

minus

Actual Value

times Share times Payment Factor

minus

Indemnity

minus

Secondary Use and/or Salvage Value

equals

WHIP Payment

Wildfires and Hurricanes Indemnity Program (WHIP)

WHIP Factor



Coverage level	WHIP Factor
Uninsured	65%
CAT or NAP Basic 50/55	70%
50% - <55%	72.5%
55% - <60%	75%
60% - <65%	77.5%
65% - <70%	80%
70% - <75%	85%
75% - <80%	90%
> = 80%	95%

Wildfires and Hurricanes Indemnity Program (WHIP)



Forms producer must complete:

FSA-890 – WHIP Application Form- County Office Generated

FSA-891 – Crop Insurance and/or NAP Coverage Agreement

FSA-892- Exemption for Payment Limitation

CCC-902 – Farm Operating Plan of Operation- County Office Generated

FSA-578 – Report of Acreage- County Office Generated

AD-1026 – Highly Erodible Land Conservation and Wetland Conservation
Certification

SF-3881- Schedule of Direct Deposit

FSA-893 - 2018 Citrus Actual Production History and
Approved Yield Record- if applicable.

Note: Other forms may be applicable

Wildfires and Hurricanes Indemnity Program (WHIP)

GETTING STARTED

COMPLETE AN AD-2047

- AFTER SCHEDULING AN APPOINTMENT WITH YOUR LOCAL OFFICE YOU WILL BE COMPLETING AN AD-2047 WHICH IS ALSO KNOWN AS NEW PRODUCER FORM

This form is available electronically. Form Approved - OMB NOS. 0300-0203 and 0300-0209

AD-2047
(03-30-17)

U.S. DEPARTMENT OF AGRICULTURE
Farm Service Agency
Rural Development
Natural Resources Conservation Service

CUSTOMER DATA WORKSHEET REQUEST FOR BUSINESS PARTNER RECORD CHANGE

(See Page 2 for Privacy Act and Paperwork Reduction Act Statements)

PART A - CUSTOMER INFORMATION

1A. Customer's Full Name or Business Name [REDACTED]		1B. Customer or Business Address (Including Zip Code) [REDACTED]	
1C. Home Telephone Number (Area Code) [REDACTED]	1D. Business Telephone Number (Area Code) [REDACTED]	1E. Other Telephone Number (Area Code) [REDACTED]	
2. SSN or Tax ID Number (9 Digits) [REDACTED]		3. E-Mail Address [REDACTED]	
4A. Does the customer want to receive mail by USPS? <input type="checkbox"/> YES <input type="checkbox"/> NO	4B. Does the customer want to receive e-mails via GovDelivery? <input type="checkbox"/> YES <input type="checkbox"/> NO	4C. Does the customer want to receive sensitive (but non-PII) Producer or Farm Specific related emails? <input type="checkbox"/> YES <input type="checkbox"/> NO	
5. Producer is Customer of One or More of the Following Agencies. (Check appropriate Agency(ies) below): <input type="checkbox"/> FSA <input type="checkbox"/> RD <input type="checkbox"/> NRCS <input type="checkbox"/> Not Participating			
6. Is the Customer a Multi-County Producer? <input type="checkbox"/> YES (If "YES," list States and/or Counties below.) <input type="checkbox"/> NO			
7. Reason for Request (Check appropriate box(es) below): <input type="checkbox"/> New Producer <input type="checkbox"/> Address Change <input type="checkbox"/> Telephone Change <input type="checkbox"/> Sale/Purchase <input type="checkbox"/> Life Event <input type="checkbox"/> Other (Specify): [REDACTED]			
8. Enter the name of the customer requesting the record change(s). If documentation is received by Fax or from a trusted source (i.e., USPS), attach documentation to this form. Only Part A, Item 1A and Part B shall be completed. If the request was received by telephone, complete applicable blocks necessary to document the change(s) and enter the requestor's name in Item 8A. Requestor's signature is not required. (The only time the customer is required to sign Item 8B is when they are physically at a Service Center and providing FSA with applicable information.)			
8A. Name of Customer Requesting Change [REDACTED]		8B. Customer Signature [REDACTED]	8C. Date of Record Change (MM-DD-YYYY) [REDACTED]

Wildfires and Hurricanes Indemnity Program (WHIP)

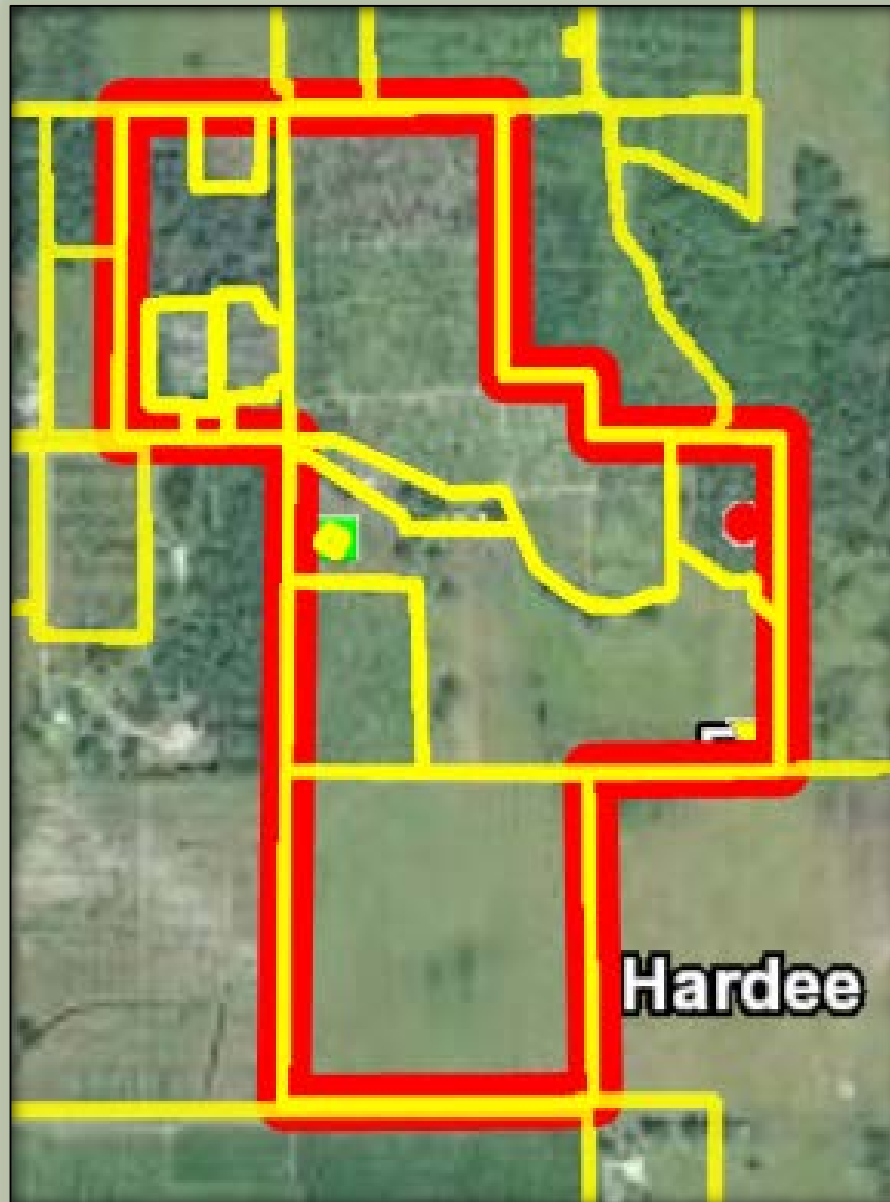
FSA MAPPING

- FSA SYSTEM OF MAPPING FARMS IS BASED ON WHO OWNS AND OPERATES THE ACREAGE.
- LAND IS ASSIGNED A FARM AND TRACT NUMBER
- IT IS NOT BASED ON PROPERTY APPRAISER RECORDS




Wildfires and Hurricanes Indemnity Program (WHIP)

FSA MAPPED FARM




Jemnity Program (WHIP)

WHAT WE NEED

- 
- **If you own all of your ground, FSA will access the property appraiser web-site and map the farm.**
 - **IF YOU LEASE – We will need a copy of the lease. The lease must be signed by the owner as recorded by the property appraiser.**

Wildfires and Hurricanes Indemnity Program (WHIP)

Linkage Requirements

A vertical image on the left side of the slide shows a hurricane with a white eye and a wildfire with orange flames and black smoke.

As a condition of maintaining eligibility for WHIP benefits, producers are required to purchase crop insurance, or NAP as applicable, on the crop, tree, bush, or vine for the next two consecutive available crop years after the 2017 WHIP enrollment period ends and ending with the 2021 crop year.

Wildfires and Hurricanes Indemnity Program (WHIP)

Linkage Requirements

Insurable Crops, Trees, Bushes, and Vines

obtain crop insurance at a level of 60/100 or equivalent, if available

NAP Crops

obtain NAP coverage at a level of at least 60/100, if available, including filing annual acreage report

Purchase Whole Farm Revenue Protection (WFRP)

Wildfires and Hurricanes Indemnity Program (WHIP)

Linkage Requirements

The linkage requirement applies to the producer's interest in the crop in the county where the crop is located.

- Physical county for insured crops
- Administrative county for NAP crops
- Applies to crop type, intended use, and planting period.

Eligibility and Payment Limitation

Adjusted Gross Income (AGI) Provisions

- Not Applicable to WHIP

Payment Limitation:

- \$125,000

Or

- \$900,000 – If 75% of adjusted gross income is derived from farming, ranching, or forestry.

Wildfires and Hurricanes Indemnity Program (WHIP)

Optional \$900,000 Payment Limitation Provisions

Requirements:

- Prove 75% of their adjusted gross income (AGI) is derived from:
 - Farming
 - Ranching
 - Forestry
- Based on an average of taxable years:
 - 2013, 2014 and 2015

Wildfires and Hurricanes Indemnity Program (WHIP)

Optional \$900,000 Payment Limitation Provisions

Requirements cont'd:

- Complete FSA-892 Request for an Exception to the WHIP Payment Limitation of \$125,000.
- CPA or Attorney Certification of compliance:
 - Completing Part C of the FSA-892
 - Providing similar statement acceptable to FSA

Wildfires and Hurricanes Indemnity Program (WHIP)

Optional \$900,000 Payment Limitation Provisions

FSA-892 Request for an Exception to the WHIP Payment Limitation of \$125,000:

- Optional to all Applicants:
 - Persons
 - Legal entities
 - Interest holders in a legal entity, including embedded entities to the 4th level of ownership.
 - Members of a general partnership or joint venture.
 - Native Americans or Tribes represented by BIA

Wildfires and Hurricanes Indemnity Program (WHIP)

Optional \$900,000 Payment Limitation Provisions

Defines Income from farming, ranching or forestry:

Income Related to Livestock and Crops	Other Types of Income
Production of livestock, including but not limited to: <ul style="list-style-type: none"> • cattle, sheep, goats, swine • elk, reindeer, bison, deer • horses • poultry • fish and other aquaculture products used for food • honeybees. 	The sale of land that has been used for agriculture. The sale of easements and development rights to: <ul style="list-style-type: none"> • farmland, ranchland, or forestry land • water or hunting • environmental benefits..
The feeding, rearing, or finishing of livestock.	The rental or lease of land or equipment used for farming, ranching, or forestry operations, including water or hunting rights.
Products produced by or derived from livestock. Production of crops, specialty crops, and unfinished raw forestry products.	Any payment or benefit, including benefits from risk management practices, crop insurance indemnities, and catastrophic risk protection plans.

Wildfires and Hurricanes Indemnity Program (WHIP)

Optional Payment Limitation

Example :

Ewing General Partnership has a calculated WHIP payment of \$2,500,000

Ewing General Partnership - No Payment Limitation Value

- J.R. Ewing 75% interest - \$900,000 optional payment limitation
- Bobby Ewing 25% interest - \$900,000 optional payment limitation

Ewing General Partnership Net Payment = \$1,525,000

- J.R. Ewing = $(75\% \times \$2,500,000 = \$1,875,000) - \$900,000$
- Bobby Ewing = $(25\% \times \$2,500,000 = \$625,000) - \$625,000$

Wildfires and Hurricanes Indemnity Program (WHIP)

Example 2:

I Grow Crops Inc. WHIP payment = \$900,000

I Grow Crops Inc - \$900,000 Optional Payment Limitation


- Member A – 1/3 interest - \$900,000 Optional Payment Limitation
- Member B – 1/3 interest - \$900,000 Optional Payment Limitation
- Member C - 1/3 interest - \$125,000 Basic Payment Limitation

I Grow Crops Inc Net Payment = \$725,000

- Member A thru I Grow Crops Inc = \$300,000
- Member B thru I Grow Crops Inc = \$300,000
- Member C thru I Grow Crops Inc = \$125,000

Wildfires and Hurricanes Indemnity Program (WHIP)

Acreage Reporting



Producers will need to provide the following information when applying for WHIP on trees bushes or vines:


Tree Count by Crop, Crop Type

Spacing

Date planted

Wildfires and Hurricanes Indemnity Program (WHIP)

Tree Spacing Example



A producer reports 6,894 trees planted in 1995 with 25 ft. row spacing x 12.5 ft. tree spacing.

The producer also reports 9,467 trees planted in 2014 spaced 25 ft. x 9 ft.

All trees are interplanted in a 100 acre grove.

Tree Spacing Example (cont.)

Calculations:

- Subfield 1A:

- 43,560 sq. ft. per ac. \div (25 ft. between rows \times 12.5 ft. between trees) = 139.39 trees/ac.

- 6,894 trees \div 139.39 trees/ac. = 49.46 acres

- Subfield 1B:

- 43,560 sq. ft. per ac. \div (25 ft. between rows \times 9 ft. between trees) = 193.6 trees/ac.

- 9,467 trees \div 193.6 trees/ac. = 48.90 acres

Wildfires and Hurricanes Indemnity Program (WHIP)

Determining Eligible Acreage

Eligible Acreage Data Sources for the year of loss

Type of Crop	Data Source
Insured Crops	Acreage data will be provided by insurance and compared to FSA-578
Uninsured Crops	Acreage data will be obtained from FSA-578

- For insured crops if there is a difference between data, use the **lesser** of insurance or FSA acres

Wildfires and Hurricanes Indemnity Program (WHIP)

Units

- Insured crops will use insurance units
- Uninsured crops will have units established according to share relationship


Wildfires and Hurricanes Indemnity Program (WHIP)

APH/Approved Yield Data for Production Based Crops

IF the yield is for.....	THEN the yield is.....
Insured	<ul style="list-style-type: none"> provided by RMA, if available the County Established Yield established if yield is unavailable from RMA
NAP Covered crops	a NAP approved yield
Uninsured crops	County Expected Yield
Florida citrus crop	Up to five years of historical production records provided

Wildfires and Hurricanes Indemnity Program (WHIP)

Florida Citrus Yield Provisions



WHIP payments for most crops will be determined either by the insurance data or the county average yield for uninsured applicants.

Due to the type of insurance policies administered in the State of Florida for citrus, participants will be permitted to prove their yield using the last five crop years.

Wildfires and Hurricanes Indemnity Program (WHIP)

Florida Citrus Yield Provisions

Participants will certify yields on an FSA- 893 by providing up to five years of production harvested and acres grown.

- Records obtained are not required to be maintained in the CO because this is a certification.
- COC has the authority to monitor and question any yields that appear to be inconsistent with other participants.

Wildfires and Hurricanes Indemnity Program (WHIP)


Florida Citrus Yield Provisions

When participants provide yields and acreage they must be for continuous years.



Wildfires and Hurricanes Indemnity Program (WHIP)

Florida Citrus Yield Provisions

A vertical image strip on the left side of the slide shows a hurricane with a white eye and a wildfire with orange flames and black smoke.

If a participant did not own the grove for the entire five year history, COC has authority to allow participants to provide production records for previous year's owner(s) up to the five years allowed.

COC will review documents provided for proof of production and acres grown of previous owner(s).

Wildfires and Hurricanes Indemnity Program (WHIP)


Florida Citrus Yield Provisions

Calculating Yields

Participants will certify production harvested and acres grown for the previous 5 crop years. A simple average will be calculated to determine the yield that will be used in the WHIP calculation.

Wildfires and Hurricanes Indemnity Program (WHIP)

Florida Citrus Yield Provisions



If the participant purchased the grove in 2017, prior to the qualifying disaster event and previous year's production are not available from prior owners of the grove, then the participant would be eligible; however, the county average yield would be used as the yield for the WHIP calculation.

Wildfires and Hurricanes Indemnity Program (WHIP)



WHIP price will be based on:

- RMA price, if available
 - Contract price
- NAP average market price
- Direct market prices do not apply

Wildfires and Hurricanes Indemnity Program (WHIP)

Harvested Production


Harvested production is:

The **total** amount of harvested production for the unit supported by an acceptable record and/or **certification** by the producer.

Note: Production from all harvests of an eligible crop harvested more than once in a crop year will include **TOTAL** harvested production from the entire crop year.

Wildfires and Hurricanes Indemnity Program (WHIP)

Producer Responsibilities



Producers must provide accurate and complete acreage and production reports for **all** WHIP eligible crops on a unit.

Producer's signature on FSA-890 is the producer's certification that the records provided are correct and includes **TOTAL** crop production for the unit

Wildfires and Hurricanes Indemnity Program (WHIP)

Acceptable Production Records

Acceptable production records include:

- Verifiable records
- Reliable records



Wildfires and Hurricanes Indemnity Program (WHIP)

Verifiable Records:

- May be verified by FSA through an independent source
- Are used to substantiate the amount of production reported
 - Dated
 - Show quantity, price, and final disposition
 - Seasonal or crop specific for commodities produced more than once in a calendar year

Wildfires and Hurricanes Indemnity Program (WHIP)

Examples of **Verifiable** records:

- Sales receipts from buyers
- Settlement sheets
- Invoices from custom harvesting
- Truck or warehouse scale tickets



Wildfires and Hurricanes Indemnity Program (WHIP)

Reliable records are:

Records provided by the producer that County Office Committee determines are adequate to substantiate the amount of production reported when verifiable records are not available.

Wildfires and Hurricanes Indemnity Program (WHIP)

Examples of **Reliable** records:

- Ledgers of commodity sales volume/income
- Income statements of deposits
- Records to verify production input costs
- Producer diaries, ledgers, receipts
- Pick records
- Other USDA program data

Wildfires and Hurricanes Indemnity Program (WHIP)

COC Responsibilities

If County Office Committee cannot determine the records are verifiable or reliable, the **higher** of the following will be used:

- Producer's certified production
- Assigned production using the Florida State Committee approved County Disaster Yield

Wildfires and Hurricanes Indemnity Program (WHIP)

County Disaster Yield

County Disaster Yields (CDY) defined as:

The average yield per acre for a county or area of a county for the current year based on disaster events, and is intended to reflect the amount of production that a participant would have been expected to produce based on the eligible disaster conditions in the county or area.

Wildfires and Hurricanes Indemnity Program (WHIP)

County Disaster Yield



The only time the CDY will be used if there are no other production records, verifiable or reliable, available.

Wildfires and Hurricanes Indemnity Program (WHIP)

Example 1 - SCENARIO



- Adam Orange from Hendry County, Florida had a loss on his 2018 Naval Oranges due to a Hurricane that occurred 9/10/2017 through 9/13/2017.
- His 50 acres of naval oranges were insured.
- The production to count was 3,028 boxes and his approved yield that came from the FSA-893 was 242.4.

Example 1 – DATA ELEMENTS



- Other data elements needed are:
 - Coverage Level = 75%
 - Price Election = 100%
 - WHIP Factor = 90%
 - Unharvested Payment Factor = 100%
 - Indemnity = \$32,412
 - Price = \$12.74
 - Guarantee Adj. Factor = 100%

Wildfires and Hurricanes Indemnity Program (WHIP)



Calculation for Production Loss

Acres	Expected Value
Price	
Yield	
WHIP %	
Production	Actual Value
Price	
Indemnity	
Secondary / Salvage	
WHIP Payment	

(Expected Value times WHIP factor)

= WHIP Value

minus

Actual Value

times Share times Payment Factor

minus

Indemnity

minus

Secondary Use and/or Salvage Value

equals

WHIP Payment

Wildfires and Hurricanes Indemnity Program (WHIP)





WHIP Value

Acres	Expected Value
Price	
Yield	
WHIP %	

$$50 \times \$12.74 \times 242.4 =$$

(Acres) (Price) (Yield)

$$154,408.80 \times 90\% = \$138,967.92$$

(Expected Value) (WHIP Factor) (WHIP Value)

Wildfires and Hurricanes Indemnity Program (WHIP)

Actual Value



Production

Price

Actual Value

$$3028 \times \$12.74 = \$38,576.72$$

(Production) (Price) (Actual Value)



Wildfires and Hurricanes Indemnity Program (WHIP)



WHIP Calculation

	Expected Value
WHIP %	
	Actual Value
Indemnity	
Secondary / Salvage	
WHIP Payment	

WHIP Value \$138,967.92

minus

Actual Value \$38,576.72

times Share 100% times Payment Factor 100%

minus

Indemnity \$ 32,412

minus

Secondary Use \$0 and/or Salvage Value \$0

equals

WHIP Payment \$67,979

Wildfires and Hurricanes Indemnity Program (WHIP)

That's all Folks!