WELCOME

WILDFIRES AND HURRICANES INDEMNITY PROGRAM

USDA
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
Calculation for Production Loss

\[(\text{Expected Value} \times WHIP \text{ factor})\]

\[= WHIP \text{ Value} \]

\[\text{minus} \]

\[\text{Actual Value} \times \text{Share} \times \text{Payment Factor} \]

\[\text{minus} \]

\[\text{Indemnity} \]

\[\text{minus} \]

\[\text{Secondary Use and/or Salvage Value} \]

\[\text{equals} \]

\[\text{WHIP Payment} \]

Wildfires and Hurricanes Indemnity Program (WHIP)
## WHIP Factor

<table>
<thead>
<tr>
<th>Coverage level</th>
<th>WHIP Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uninsured</td>
<td>65%</td>
</tr>
<tr>
<td>CAT or NAP Basic 50/55</td>
<td>70%</td>
</tr>
<tr>
<td>50% - &lt;55%</td>
<td>72.5%</td>
</tr>
<tr>
<td>55% - &lt;60%</td>
<td>75%</td>
</tr>
<tr>
<td>60% - &lt;65%</td>
<td>77.5%</td>
</tr>
<tr>
<td>65% - &lt;70%</td>
<td>80%</td>
</tr>
<tr>
<td>70% - &lt;75%</td>
<td>85%</td>
</tr>
<tr>
<td>75% - &lt;80%</td>
<td>90%</td>
</tr>
<tr>
<td>&gt;= 80%</td>
<td>95%</td>
</tr>
</tbody>
</table>
Forms producer must complete:

- FSA-890 – WHIP Application Form - Generated in County Office
- FSA-891 – Crop Insurance and/or NAP Coverage Agreement
- CCC-901 Member Information
- CCC-902 – Farm Operating Plan of Operation - Generated in County Office
- FSA-578 – Report of Acreage - Generated in County Office
- AD-1026 – Highly Erodible Land Conservation and Wetland Conservation Certification
- FSA-893 - 2018 Citrus Actual Production History and Approved Yield Record

*Note: Other forms may be applicable*
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.
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
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)
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
Optional $900,000 Payment

Limitation Provisions

Defines Income from farming, ranching or forestry:

<table>
<thead>
<tr>
<th>Income Related to Livestock and Crops</th>
<th>Other Types of Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production of livestock, including but <strong>not</strong> limited to:</td>
<td>The sale of land that has been used for agriculture.</td>
</tr>
<tr>
<td>• cattle, sheep, goats, swine</td>
<td>The sale of easements and development rights to:</td>
</tr>
<tr>
<td>• elk, reindeer, bison, deer</td>
<td>• farmland, ranchland, or forestry land</td>
</tr>
<tr>
<td>• horses</td>
<td>• water or hunting</td>
</tr>
<tr>
<td>• poultry</td>
<td>• environmental benefits</td>
</tr>
<tr>
<td>• fish and other aquaculture products used for food</td>
<td></td>
</tr>
<tr>
<td>• honeybees.</td>
<td></td>
</tr>
<tr>
<td>The feeding, rearing, or finishing of livestock.</td>
<td>The rental or lease of land or equipment used for farming, ranching, or forestry operations, including water or hunting rights.</td>
</tr>
<tr>
<td>Products produced by or derived from livestock.</td>
<td>Any payment or benefit, including benefits from risk management practices, crop insurance indemnities, and catastrophic risk protection plans.</td>
</tr>
<tr>
<td>Production of crops, specialty crops, and unfinished raw forestry products.</td>
<td></td>
</tr>
</tbody>
</table>
Producers will need to provide the following information when applying for WHIP:

- Tree Count by Crop, Crop Type
- Spacing
- Date planted
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.
Calculations:

• Subfield 1A:
  – 43,560 sq. ft. per ac. ÷ (25 ft. between rows × 12.5 ft. between trees) = 139.39 trees/ac.
  – 6,894 trees ÷ 139.39 trees/ac. = 49.46 acres

• Subfield 1B:
  – 43,560 sq. ft. per ac. ÷ (25 ft. between rows × 9 ft. between trees) = 193.6 trees/ac.
  – 9,467 trees ÷ 193.6 trees/ac. = 48.90 acres
Eligible Acreage Data Sources for the year of loss

<table>
<thead>
<tr>
<th>Type of Crop</th>
<th>Data Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured Crops</td>
<td>Acreage data will be provided by insurance and compared to FSA-578</td>
</tr>
<tr>
<td>Uninsured Crops</td>
<td>Acreage data will be obtained from FSA-578</td>
</tr>
</tbody>
</table>

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

- Insured crops will use insurance units
- Uninsured crops will have units established according to share relationship
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.
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.
Florida Citrus Yield Provisions

When participants provide yields and acreage they must be for continuous years.
### Florida Citrus Yield Provisions

**What years will be used on the FSA-893?**

<table>
<thead>
<tr>
<th>Year of ownership</th>
<th>Records available</th>
</tr>
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<tbody>
<tr>
<td>2017</td>
<td>Yes</td>
</tr>
<tr>
<td>2016</td>
<td>Yes</td>
</tr>
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<td>Yes</td>
</tr>
<tr>
<td>2014</td>
<td>Yes</td>
</tr>
<tr>
<td>2013</td>
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*Wildfires and Hurricanes Indemnity Program (WHIP)*
Florida Citrus Yield Provisions

Answer:

Wildfires and Hurricanes Indemnity Program (WHIP)
Florida Citrus Yield Provisions

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</tr>
</tbody>
</table>
Florida Citrus Yield Provisions

Answer:

Wildfires and Hurricanes Indemnity Program (WHIP)
Florida Citrus Yield Provisions

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).
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.
Example 1:
Participant applied for WHIP for 2018 citrus losses due to Hurricane Irma. The participant will certify to production for 2017, 2016, 2015, 2014, and 2013. He owned 100 acres in 2017-2014. However, in 2013 he only owned 75 acres. The additional 25 acres was purchased prior to harvest season in 2014.
### Florida Citrus Yield Provisions

#### PART B – CROP INFORMATION
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Orange</td>
<td>NAV</td>
<td>PR</td>
<td>I</td>
<td></td>
<td>Boxes</td>
</tr>
</tbody>
</table>

#### PART C – ACTUAL PRODUCTION HISTORY (APH)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>100</td>
<td>30,000</td>
<td>300</td>
</tr>
<tr>
<td>2016</td>
<td>100</td>
<td>42,100</td>
<td>421</td>
</tr>
<tr>
<td>2015</td>
<td>100</td>
<td>47,526</td>
<td>475</td>
</tr>
<tr>
<td>2014</td>
<td>100</td>
<td>48,362</td>
<td>484</td>
</tr>
<tr>
<td>2013</td>
<td>75</td>
<td>36,750</td>
<td>490</td>
</tr>
</tbody>
</table>

#### PART D - APPROVED YIELD (COC USE ONLY)

15. Total Yield (Item 14) divided by 5

16. No. of APH Crop Years (Item 11)

17. Calculated Yield

\[
\frac{2170}{5} = 434
\]

#### PART E - PRODUCER’S CERTIFICATION

18. Remarks

Wildfires and Hurricanes Indemnity Program (WHIP)
Florida Citrus Yield Provisions

Example 2:
## Florida Citrus Yield Provisions

### PART B – CROP INFORMATION

<table>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>20</td>
<td>5400</td>
<td>270</td>
</tr>
<tr>
<td>2016</td>
<td>20</td>
<td>7020</td>
<td>351</td>
</tr>
<tr>
<td>2015</td>
<td>20</td>
<td>9120</td>
<td>456</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
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<th>16. No. of APH Crop Years (Item 11)</th>
<th>17. Calculated Yield</th>
</tr>
</thead>
</table>

\[
\frac{1077}{3} = 359
\]

### PART E - PRODUCER’S CERTIFICATION

Wildfires and Hurricanes Indemnity Program (WHIP)
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.
In summary:

• Producers can provide up to five years of history of production and acreage

• If they cannot provide any years, the county average yield will be used

• This only applies to FL Citrus
WHIP price will be based on an approved price by the Florida State Committee.
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.
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.
Acceptable Production Records

Acceptable production records include:

• Verifiable records
• Reliable records
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
Acceptable Production Records

Examples of **Verifiable** records:

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

**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.
Acceptable Production Records

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
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
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.
The only time the CDY will be used if there are no other production records, verifiable or reliable, available.
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 = 81,900
  - Price = 36.96
  - Guarantee Adj. Factor = 100%
Calculation for Production Loss

(\text{Expected Value times WHIP factor})

= WHIP Value

\text{minus}

\text{Actual Value}

\text{times Share times Payment Factor}

\text{minus}

\text{Indemnity}

\text{minus}

\text{Secondary Use and/or Salvage Value}

\text{equals}

\text{WHIP Payment}

\text{Wildfires and Hurricanes Indemnity Program (WHIP)}
## WHIP Value

<table>
<thead>
<tr>
<th>Acres</th>
<th>Price</th>
<th>Yield</th>
<th>Expected Value</th>
<th>WHIP %</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>$36.96</td>
<td>90%</td>
<td>447,955.2</td>
<td>45</td>
</tr>
</tbody>
</table>

\[
50 \times \$36.96 \times 90\% = 242.4 = 447,955.2 \times 90\% = 403,159.68
\]

(Whip Value)
3028 x $36.96 = $111,914.88

(Production) (Price) (Actual Value)
WHIP Calculation

WHIP Value $403,159.68

\[ \text{minus} \]

\text{Actual Value $111,914.88} \]

\[ \times \text{Share 100\%} \times \text{Payment Factor 100\%} \]

\[ \text{minus} \]

\text{Indemnity $81,900} \]

\[ \text{minus} \]

\text{Secondary Use $0} \text{ and/or Salvage Value $0} \]

\[ \text{equals} \]

\text{WHIP Payment $209,345} \]

\text{Wildfires and Hurricanes Indemnity Program (WHIP)}
Linkage Requirements

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.
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)
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.
That's all Folks!