

Summary of USDA Agricultural Disaster Program Wildfires and Hurricanes Indemnity Program Plus (WHIP+)

Eligible Losses: To be eligible a crop, tree, bush or vine must be located in a primary disaster county with either a Presidential declaration or a Secretarial designation due to losses from a 2018 or 2019 hurricane, flood, tornado, typhoon, volcanic activity, snowstorm, or wildfire. Crops, trees, bushes or vines located in other counties may also be eligible if the producer provides documentation that the loss was caused by a 2018 or 2019 covered natural disaster event.

The Disaster Relief Act legislation also includes an expansion of the 2017 WHIP program to provide coverage for losses suffered from Tropical Storm Cindy in 2017.

Counties with Qualifying Disaster Declarations: Available at this link - farmers.gov/recover/whip-plus

Eligible Producers: Eligibility will be determined on an individual basis, using the level of insurance coverage purchased for 2018 or 2019 for the total crop acres on the area for which the WHIP+ application is made. This is a crop by crop loss determination and will be based on the insurance unit – this is not a whole farm loss like the previous SURE disaster program.

Payment Limitations: Eligible producers who certify to an average adjusted gross income (AGI) of at least 75 percent derived from farming or ranching, including other agriculture and forestry-based businesses during the tax years 2015, 2016 and 2017, will be eligible for a \$250,000 per year payment limitation with verification. The total payment limit for all WHIP+ benefits across crop years 2018, 2019, and 2020 cannot exceed \$500,000. All other eligible producers not meeting the 75 percent of AGI from agriculture requirement requesting WHIP+ benefits will be subject to a \$125,000 total combined payment limitation for the covered crop years of 2018, 2019, and 2020. There is no adjusted gross income (AGI) program eligibility test.

Crop Insurance Requirement: Both insured and uninsured producers are eligible to apply for WHIP+. However, all producers opting to receive 2018 or 2019 WHIP+ payments (including prevented planting supplemental disaster payment) will be required to purchase crop insurance at a minimum of 60% coverage level, or Noninsured Crop Disaster Assistance Program (NAP) at the 60% buy up coverage level if crop insurance is not available. Coverage must be in place for the next two applicable crop years to meet program requirements.

Quality Loss Provision: WHIP+ is only intended to cover production losses, but if quality loss adjustment was made to the production under the producer's crop insurance policy, then the adjusted production amount will be used in calculating the WHIP+ assistance.

Payment Formula: FSA will calculate WHIP+ payments with this formula:

Payment = Expected Value of the Crop x (WHIP+ Factor) - Value of Crop Harvested Gross Insurance Indemnity

- The expected value of the crop will be determined based on insurance price (for revenue-based policies the higher of projected or harvest price) x insurance (APH) yield x acres. If no insurance on the crop, then a county average yield will be used.

- The value of the crop harvested will be determined by the production amount (as adjusted for any quality losses under crop insurance) x price (insurance price).
- The WHIP+ factor ranges from 70 percent to 95 percent. Producers who did not insure their crops will receive a 70 percent WHIP+ factor. Insured producers, or producers who had NAP, will receive between 75 percent and 95 percent WHIP+ factors; those purchasing higher levels of coverage will receive higher WHIP+ Factors based on the level of insurance coverage.

- WHIP+ Factor Table:

Insurance Coverage Level	WHIP+ Payment Factor Percent
No crop insurance or NAP	70
CAT Policy	75
More than CAT but less than 55 percent	77.5
At least 55 percent but less than 60 percent	80
At least 60 percent but less than 65 percent	82.5
At least 65 percent but less than 70 percent	85
At least 70 percent but less than 75 percent	87.5
At least 75 percent but less than 80 percent	92.5
At least 80 percent	95
*STAX coverage percent counts toward coverage level	

- Once the producer completes the application process, 100% of the payment will be made for 2018 losses and a 50% advance payment will be made for any 2019 crop losses; the remainder of the payment for any 2019 crop losses will be made after January 1, 2020, if sufficient funding remains. Sign up for the WHIP+ program began on September 11, 2019.

Prevented Planting Coverage: Producers with prevented planting claims in 2019 due to flooding or excess moisture will receive a prevented planting supplemental disaster payment equal to 10 percent of their prevented planting indemnity, plus an additional 5 percent on those revenue policies with the harvest price option. The prevented planting supplemental disaster payment will not be subject to a payment limit.

**Example (Revenue Protection Policy with no STAX coverage)
Based on NCC Interpretation¹**

WHIP+ Payment = Expected Value of Crop * (WHIP+ Factor) - Value of Crop Harvested – Insurance Indemnity

Insurance Projected Price: \$0.75/lb

Insurance Harvest Price; \$0.77/lb

Individual Revenue Protection (RP) Insurance Coverage Level = 75%

WHIP+ Factor = 92.5%

APH: 800 lbs/acre

2018 Actual Yield: 500 lbs/acre

Expected Value of Crop = Higher of Projected Price or Harvest Price * APH
= \$0.77/lb * 800 lbs/acre = \$616/acre

Value of Crop Harvested = Higher of Projected Price or Harvest Price * 2018 Actual Yield
= \$0.77/lb * 500 lbs/acre = \$385/acre

Insurance Revenue Guarantee = Higher of Projected Price or Harvest Price * APH * Coverage Level
= \$0.77/lb * 800lbs/acre * 75% = \$462/acre

Insurance Indemnity = Revenue Guarantee – Value of Crop Harvested
= \$462/acre - \$385/acre = \$77/acre

Acres on the Farm = 100

Expected Value of Crop = \$616/acre * 100 = \$61,600

Value of Crop Harvested = \$385/acre * 100 = \$38,500

Insurance Indemnity = \$77/acre * 100 acres = \$7,700

WHIP+ Payment = (\$61,600 * 92.5%) - \$38,500 - \$7,700 = \$10,780

¹ Not an official USDA calculation. This example was prepared by NCC based on our understanding of the program calculations. WHIP+ payments will be reduced for all insurance indemnities, including STAX.