

H.R. 267 ANS Section by Section

Section 1. Disaster Indemnity Program.

Subsection (a). IN GENERAL.

Subsection (a) requires the Secretary to carry out a disaster indemnity program, an on-farm storage loss program, and a milk loss program for 2020 and 2021.

Subsection (b). COVERED LOSSES.

Subsection (b) requires the Secretary to make payments to producers for qualified losses of covered crops and milk.

Subsection (c). PAYMENTS.

Subsection (c) requires the Secretary to distribute payments to producers for qualified losses of covered crops and milk in the same way that the already-established WHIP+ Program, On-Farm Storage Loss Program, and WHIP+ Milk Loss Program payments are made (paragraph (1)). Payments are to be direct payments to producers and certain processors, if the processors so choose (paragraph (2)(A)). If the sugar processors and dairy cooperatives elect to participate, the payments are to be determined under the same terms and conditions as already established in the Further Consolidated Appropriations Act, 2020 (subparagraph (E)(i)). If the cooperative processors do not elect to participate, then the Secretary will make payments directly to farmers under this program (subparagraph (E)(ii)). It also allows the Secretary to provide block grants to States or to sugar processors and dairy cooperatives (subparagraph (F)).

Payments for qualified losses of unharvested acres of a covered crop are to be paid the same way that payments are made under the already-established non-insured crop assistance program (NAP) (paragraph (2)(B)).

Payment limitations are to be consistent with the WHIP+ program (subparagraph (C)(i)) with the exception that payment limitations for specialty crops or high value crops, as defined by the Secretary, will be subject to the same payment limitations that were in effect for the initial 2017 WHIP (subparagraph (C)(ii)). It also provides that the Secretary determine the average adjusted gross income and average adjusted gross farm income for payment limitations based on 2017, 2018, and 2019 tax years (subparagraph (C)(iii)). Payment limitations are to be applied separately for each year (subparagraph (C)(iv)). It also provides that the Secretary apply rules for payment limits for joint entities as done under the Coronavirus Food Assistance Program (CFAP) (subparagraph (C)(v)).

It requires the Secretary to account for insurance premiums paid by producers and crop insurance indemnities when distributing payments for the disaster indemnity program (subparagraph (D)).

Subsection (d). AUTHORIZATION OF APPROPRIATIONS.

Subsection (d) authorizes \$8.5 billion in appropriations. It also allows the Secretary to use not more than 1 percent of appropriated funds to streamline the application process, utilize information technology to electronically transfer data between the Risk Management Agency

and the Farm Service Agency, reduce workload in county offices related to implementation, and allow crop insurance agents to provide application information on behalf of insured producers.

Subsection (e). EXEMPTION.

This subsection provides for an exemption under this program for producers from needing to obtain a Data Universal Numbering System (DUNS) number or to be registered in the System for Award Management (SAM) for participation. This is a similar exemption that was provided in the Consolidated Appropriations Act of 2018 for participation in NRCS programs.

Subsection (f). DEFINITIONS.

Subsection (f) defines “coverage period” as calendar years 2020 and 2021 (paragraph (1)) and “covered crop” means a crop, tree, bush, or vine as described in WHIP+ and specifically includes wine grapes as well as clarifies eligibility insured acreage (paragraph (2)). Paragraphs (3) and (4) provide for definitions of the Milk Loss Program and the On-Farm Storage Loss Program by defining them as the regulations for those programs as in effect on the date of enactment. It also defines a “State” as including all States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States (paragraph (5)).

It also defines the ways in which the loss of a covered crop qualifies as a “qualified loss.” This includes all qualifying disaster events included in WHIP+, along with losses due to high winds, derechos, excessive heat, freeze (including a polar vortex), and counties the Secretary has designated for drought (which is D2 on the Drought Monitor for eight consecutive weeks) as well as contiguous counties, along with losses due to other disruptions (including power outages or curtailments) resulting from a qualified disaster event (subparagraph (6)(A)(i-iv)). It specifies that losses, including quality losses, of smoke-tainted wine grapes due to wildfires during the coverage period are included (subparagraph (6)(B)).

It also clarifies that “Secretary” means the Secretary of Agriculture (paragraph (7), and “WHIP+ program” means the program under subpart O of part 760 of title 7, Code of Federal Regulations (paragraph (8)).