DEPARTMENT OF AGRICULTURE

Farm Service Agency

7 CFR Part 760

[Docket ID FSA–2025–0007]

RIN 0560–AI81

Agricultural Disaster Indemnity Programs

AGENCY: Farm Service Agency, U.S. Department of Agriculture (USDA).

ACTION: Final rule.

SUMMARY: The Farm Service Agency (FSA) is issuing this rule to provide assistance for eligible quality losses under Stage 1 of the Supplemental Disaster Relief Program (SDRP) and to implement Stage 2 of SDRP, the On-Farm Stored Commodity Loss Program (OFSCLP), and the Milk Loss Program (MLP), all of which will provide assistance using funding authorized by the American Relief Act, 2025. SDRP provides payments to eligible producers for losses of crops, trees, bushes, and vines due to qualifying disaster events that occurred in calendar year 2023 or 2024. SDRP Stage 1 uses a streamlined process for eligible crop, tree, and vine losses that were previously indemnified under Federal crop insurance or the Noninsured Crop Disaster Assistance Program (NAP), while SDRP Stage 2 covers losses of eligible crops, trees, bushes, and vines for which a producer did not have crop insurance or NAP coverage, as well as losses that were insured or covered by NAP but not severe enough to trigger an indemnity. OFSCLP provides payments to eligible producers who suffered uncompensated losses of harvested commodities stored in on-farm structures as a result of wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze, including a polar vortex, smoke exposure, qualifying drought, and related conditions that occurred in calendar year 2023 or 2024. MLP provides payments to eligible dairy operations for milk that was dumped or removed without compensation from the commercial milk market due to wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions that occurred in calendar year 2023 or 2024. This rule specifies the administrative provisions, eligibility requirements, and payment calculations for these programs. It also announces deadlines and adds quality loss assistance provisions for SDRP Stage 1. This rule also extends the deadlines for the Emergency Livestock Relief Program (ELRP) 2023 and 2024 and ELRP 2023 and 2024 Flood and Wildfire (FW).

DATES: This rule is effective on November 18, 2025.

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SUPPLEMENTARY INFORMATION:

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I. Background

Title I of the Disaster Relief Supplemental Appropriations Act, 2025 (Division B of the American Relief Act, 2025; Pub. L. 118–158; referred to as ‘‘the Act’’ in this document) provides ‘‘$30,780,000,000, to remain available until expended, for necessary expenses related to losses of revenue, quality or production of crops (including milk, on-farm stored commodities, crops prevented from planting, and harvested adulterated wine grapes), trees, bushes, and vines, as a consequence of droughts, wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze, including a polar vortex, smoke exposure, and excessive moisture occurring in calendar years 2023 and 2024 under such terms and conditions as determined by the Secretary of Agriculture. . .’’.

FSA is using the funding provided in the Act to assist eligible producers through several programs.[1]

This final rule announces the deadline for all SDRP applications, including applications for Stage 1 losses addressed in the previous final rule[2], and specifies how FSA will implement assistance for SDRP Stage 1 quality losses. It amends the SDRP regulations to add information about eligibility requirements, the application process, and payment calculations for SDRP Stage 2. This final rule also amends the regulations for OFSCLP and MLP to update information about eligibility requirements, the application process, and payment calculations for assistance authorized under the Act.

II. SDRP

SDRP is using approximately $16.09 billion of the authorized $30.78 billion in funding to assist producers who suffered losses of crops, trees, bushes, or vines due to qualifying disaster events. FSA is administering SDRP in two stages. On July 10, 2025, FSA announced SDRP Stage 1, which uses a streamlined process with pre-filled application forms for eligible losses of crops, trees, and vines for which a producer received a Federal crop insurance indemnity under certain policies or a NAP payment.[3]

This rule amends the Stage 1 provisions in 7 CFR part 760, subpart V, to provide program deadlines and additional assistance for eligible quality

[1] FSA previously announced the Emergency Livestock Relief Program (ELRP) 2023 and 2024, which provides assistance to livestock producers for losses due to qualifying drought and qualifying wildfire on federally managed land (90 FR 22614), and ELRP 2023 and 2024 Flood and Wildfire (FW), which provides assistance for losses due to floods and wildfires on non-federally managed land (90 FR 44299). FSA also previously announced the Supplemental Disaster Relief Program (SDRP) Stage 1, which provides assistance to producers who suffered indemnified crop, tree, and vine losses due to qualifying disaster events (90 FR 30561).

[2] See 90 FR 30561.

[3] See 90 FR 30561.

losses for certain crops previously included in Stage 1. This rule also adds provisions for Stage 2 to subpart V. Stage 2 provides payments for eligible crops, trees, and vines that were covered by Federal crop insurance or NAP but had losses that were not severe enough to result in an indemnity or NAP payment, referred to as ''shallow'' losses. The Stage 2 payment calculations for those crops are similar to the calculations used for Stage 1, which were based on the calculation specified in the crop's insurance or NAP policy and used an SDRP factor that varied based on the crop insurance or NAP coverage level. Stage 2 also provides payments for losses of eligible crops, trees, bushes and vines that were not covered by Federal crop insurance or NAP. The payment calculations for uninsured crops, trees, bushes, and vines are similar to the previous 2017 Wildfires and Hurricanes Indemnity Program (2017 WHIP) and the Wildfires and Hurricanes Indemnity Program Plus (WHIP+) (see 7 CFR part 760, subpart O). This rule also makes minor clarifications to existing provisions throughout the subpart where needed to clarify their applicability to Stage 1 and Stage 2.

The Stage 1 final rule published on July 10, 2025, provided the general administrative and eligibility provisions that apply to all SDRP payments, including producer eligibility criteria (7 CFR 760.2203). As provided in § 760.2202, qualifying disaster events for SDRP include wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions that occurred in calendar year 2023 or 2024. Qualifying drought means an area within the county that was rated by the U.S. Drought Monitor as having a D2 (severe drought) intensity for at least 8 consecutive weeks in the applicable calendar year, or D3 (extreme drought) or higher intensity for any period of time during the applicable calendar year.

As explained in the July 10, 2025 final rule, all SDRP payments, including those announced in this rule, will be combined for the purpose of applying the payment limitations in § 760.2215.[4] The requirement to purchase crop insurance or NAP coverage for the next 2 available crop years applies to all SDRP payments as provided in § 760.2216.[5]

[4] See 90 FR 30565.

[5] See 90 FR 30566.

A. Stage 1 Quality Loss Payment Eligibility

This rule amends the provisions of SDRP Stage 1 to provide additional assistance for quality losses, referred to as ''Stage 1 quality loss payments'' in this rule, for certain crops that suffered losses previously included in Stage 1 (§ 760.2204(e) and (f)). Stage 1 quality loss payments will only be issued for crops for which the producer has:

- Received an indemnity under an Actual Production History (APH) or a yield-based Federal crop insurance plan or a NAP payment; and
- Submitted a complete FSA–526, Supplemental Disaster Relief Program (SDRP) Stage 1 Application.

Crop losses that were indemnified under Federal crop insurance plans other than APH or yield-based insurance are not eligible for Stage 1 quality loss payments because the crop insurance plan already addresses quality losses for those crops (for example, through price decline for dollar plans and other revenue plans), and the original Stage 1 payment was based on the producer's underlying Federal crop insurance plan.

Eligibility criteria for Stage 1 quality losses are generally consistent with those used for the previous Quality Loss Adjustment (QLA) Program, which used a similar approach to pay for crop quality losses (see 7 CFR part 760, subpart R). The following are not eligible for Stage 1 quality loss payments:

- Value-loss crops;[6]
- Maple sap;
- Honey;
- Crops for which the producer received a Federal crop insurance indemnity, NAP payment, or Stage 1 payment specified in § 760.2208 based on the quantity of the crop's production that was considered unmarketable;
- Crops for which the producer previously received a Federal crop insurance indemnity, NAP payment, or Stage 1 payment specified in § 760.2208 for which the crop production was reported as salvage value or secondary use;
- Crops that were destroyed;
- Crops that were prevented from being planted;
- Losses that could have been mitigated through reasonable and available measures;
- Crops that were previously adjusted for a quality loss under NAP;
- The portion of quality adjustment previously included in a crop insurance indemnity;
- Trees, bushes, and vines;
- Sugar beets for which a member of a cooperative processor received a payment for the same loss through a block grant or cooperative agreement; and
- Crops that were unharvested.

[6] Value loss crops are crops for which losses are calculated based on the value of a producer's inventory before and after a disaster event, rather than based on a yield expressed as a unit of production per acre. Stage 1 payments for value loss crops in the previous rule are based on the difference in the value of the crop before and after the disaster event.

B. Stage 1 Quality Loss Payment Calculation

Stage 1 quality loss payments will be calculated by applying a quality loss percentage to the producer's production on file with Risk Management Agency (RMA) or FSA that was used to calculate the producer's Stage 1 payment announced in the final rule published on July 10, 2025. The quality loss percentage for forage crops is the percentage of loss calculated for a reduction in the nutritional value of the crop based on applicable nutrient factors, such as relative feed value (RFV). The quality loss percentage for all other crops is based on the reduction in value based on applicable grading factors, such as protein or damage. The quality loss percentage is calculated separately for crops based on the crop type, intended use, certified organic or conventional status, county, and crop year.

To determine the quality loss percentage for forage crops, FSA will first determine the acceptable high and low nutritional values, as well as the resulting range determined by subtracting the low nutritional value from the high nutritional value. For example, FSA may determine that the high RFV is 185 and the low RFV is 130; the resulting range is then 55. The producer will submit a verifiable test to FSA that indicates the nutritional value for the impacted production. To be considered verifiable, FSA must be able to verify the test through an independent source. The producer will calculate their quality loss by subtracting the nutritional value from their verifiable test from the high nutritional value determined by FSA, and then will compute the percentage difference by dividing the calculated quality loss by the range determined by FSA. The producer will then calculate the quality loss percentage by taking 100 percent minus that percentage difference. For example, suppose the producer's verifiable test indicates an RFV of 150. The producer subtracts 150 from 185 (the high value determined by FSA), which equals 35, and then divides 35 by 55 (the range determined by FSA), which equals 64 percent. The quality loss percentage is 36 percent (100 percent minus 64 percent).

If a producer has production that was not impacted by quality or impacted at a different level, the quality loss percentage must be weighted to account for differing extents of quality loss across all of the producer's production. To determine the weighted quality loss percentage, the producer will first calculate the percent production impacted by quality loss by dividing the impacted production by the total production. Then, the producer determines the weighted quality loss percentage by multiplying the percent impacted production by the quality loss percentage.

As an example, suppose a producer's total hay production was 500 tons. Of that amount, 100 tons were impacted with a 36 percent quality loss as calculated above, 100 tons were impacted with a 50 percent quality loss, and 300 tons were unimpacted with no quality loss. The producer divides 100 tons by 500 tons, which equals 20 percent of production impacted by a quality loss. Twenty percent impacted production multiplied by 36 percent (from above) equals a 7.2 percent weighted quality loss percentage. Twenty percent impacted production multiplied by 50 percent equals a 10 percent weighted quality loss percentage. To determine the total weighted quality loss percentage, the producer adds 7.2 percent plus 10 percent, which equals a 17.2 total weighted quality loss percentage. The producer must enter their total weighted quality loss percentage on the FSA–526Q.

For crops other than forage, the producer will calculate the quality loss percentage by calculating the total reduction for all discounts and then dividing that total reduction for discounts by the expected price the producer would have received at the point of sale if not for the quality discounts. As an example, suppose a crop had a protein discount of $0.24 and a broken kernels discount of $0.03, for a total reduction for discounts of $0.27. The elevator price was $5.40. The ''percent SDRP quality loss'' percentage would be $0.27 divided by $5.40, which equals 5 percent and is certified by the producer on the FSA–526Q.

For producers with an APH or yield-based plan, the next step involves comparing the RMA-calculated quality loss percentage and the ''percent SDRP quality loss'' calculated above. For Stage 1 quality loss payments for crops insured under APH and yield-based plans, RMA will provide the total revenue to count that was used in the calculation of the Stage 1 payment in accordance with § 760.2208(c). RMA will provide the production to count before quality adjustments and the percentage loss that was used to determine the production to count adjusted for quality. If the producer's certified ''percent SDRP quality loss'' is less than or equal to the RMA quality loss percentage, FSA will not issue a Stage 1 quality loss payment. If it is greater than the RMA quality percentage, FSA will calculate the difference between the two percentages and apply that percentage to the total revenue to count provided by RMA to calculate the Stage 1 quality loss payment.

For NAP-covered yield-based crops, FSA will provide the total revenue to count that was used in the Stage 1 calculation in accordance with § 760.2208(d). The applicant will certify the quality loss percentage on the FSA–526Q. FSA will calculate the Stage 1 quality loss payment by multiplying the revenue to count by the ''percent SDRP quality loss,'' times the producer's share.

All calculated Stage 1 quality loss payment amounts will be multiplied by 35 percent to ensure that total payments do not exceed the available funding.

FSA will issue payments as applications are processed and approved. All SDRP payments are subject to the availability of funding. If additional funding is available after all eligible SDRP applications have been processed and payments have been issued, FSA may issue additional SDRP payments, not to exceed the maximum amount allowed by law.

C. Stage 2 Eligible and Ineligible Losses

SDRP Stage 2 provides assistance for eligible losses of eligible crops, trees, bushes, and vines not covered under Stage 1 (§ 760.2205). Stage 2 covers situations in which the producer had:

- Non-indemnified losses, including quality, under a Federal crop insurance policy;
- A loss covered by a Federal crop insurance policy in Puerto Rico, excluding plantain plants and banana plants insured under Puerto Rico crop insurance provisions;
- NAP coverage, but did not receive a NAP payment, excluding crops with an intended use of grazing;
- Production or quality losses of eligible crops that were uninsured and not covered under NAP;
- An indemnified loss under a Federal crop insurance Annual Forage policy that was ineligible for SDRP Stage 1 because the unit included acreage that was intended for grazing, but also included acreage intended for forage or grain; or
- An indemnified loss under a Rainfall Index Apiculture policy or Pasture, Rangeland, and Forage policy that was ineligible for SDRP Stage 1 because the producer entered a county located in Connecticut, Hawaii, Maine, or Massachusetts [7] on their application but the unit also includes land physically located in another state.

As under Stage 1, the loss of the eligible crop, tree, bush, or vine must have been caused, in whole or in part, by a qualifying disaster event.

If a producer has both a NAP policy and a Federal crop insurance policy that address the same potential crop loss, the producer cannot receive a Stage 2 payment based on both the crop insurance policy and the NAP policy. Rather, the producer must elect whether to receive the Stage 2 payment based on the data associated with their Federal crop insurance policy or their NAP policy.

Stage 2 does not cover the following:

- Losses of all crops covered under a Whole Farm Revenue Protection policy for which the producer received an indemnity;
- Quality losses covered under Stage 1 Quality Loss provisions;
- Losses for which the producer received an ERP 2022 Track 1 payment for the 2023 crop year or an ERP 2022 Track 2 payment for which their allowable gross revenue for the 2023 tax year was used as the disaster year revenue;

[7] FSA is excluding crop, tree, bush, and vine losses in Connecticut, Hawaii, Maine, and Massachusetts from SDRP to avoid compensating producers twice for the same loss. The Act authorized $220,000,000 to provide block grants to eligible States to provide compensation to producers for necessary expenses related to crop, timber, and livestock losses, including on-farm infrastructure, as a consequence of any weather event in 2023 or 2024 that a State, in its sole discretion, determines warrants such relief. The Act specifies that eligible States are those States with a net farm income for 2023 of less than $250,000,000, as recorded in the data in the Economic Research Service publication ''Farm Income and Wealth Statistics'' as of December 3, 2024, and fewer than eight thousand farms and an average farm size of fewer than one thousand acres per farm, as recorded in the National Agricultural Statistics Service publication ''Farms and Land in Farms 2023 Summary (February, 2024).'' The states that meet those criteria are Alaska, Connecticut, Hawaii, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. As directed by the Act, FSA has worked with eligible States on any necessary terms and conditions for block grants. Connecticut, Hawaii, Maine, and Massachusetts have indicated that the assistance they provide through block grants will cover crop, tree, bush, and vine losses that would otherwise be covered by SDRP. The other eligible states have determined that their block grants will not duplicate crop loss assistance provided through SDRP.

• Sugar beet losses for which a member of a cooperative processor received a payment through a cooperative agreement; and

• Losses of crops, trees, bushes, and vines that were physically located in Connecticut, Hawaii, Maine, or Massachusetts, because those losses will be compensated through block grants with the State departments of agriculture.

These provisions ensure that producers do not receive duplicate benefits for the same loss.

In addition, Stage 2 does not cover:

• Prevented planting losses for crops covered by Federal crop insurance or NAP, regardless of whether the acres were determined ineligible under the terms of the Federal crop insurance plan or NAP provisions, as applicable, because these would already have been included in Stage 1 if they were eligible to be indemnified or paid under NAP;

• Losses of crops that occur after harvest, although such losses may be eligible for OFSCLP, as provided in this rule;

• Losses for which FSA or RMA previously disapproved a notice of loss for the crop and disaster event, unless that notice of loss was disapproved solely because it was filed after the applicable deadline.

Stage 2 also excludes certain losses as provided in § 760.2205(d), such as losses due to poor management decisions or poor farming practices and losses of volunteer crops and crops not intended for harvest. These exclusions are consistent with the intent of the program, which is to provide assistance for losses of commercially produced crops and trees, bushes, and vines used for commercial production of a crop due to qualifying disaster events. Excluding these crops and losses is also consistent with 2017 WHIP and WHIP+.

In addition to general eligibility for Stage 2, certain crops are ineligible for use of a quality loss percentage in the Stage 2 payment calculation (§ 760.2205(e)), such as value loss crops and crops that were destroyed or prevented from being planted. These criteria are consistent with the criteria for eligibility with Stage 1 quality loss payments discussed above.

D. Stage 2 Eligible Crops

For Stage 2, eligible crops include crops, including aquacultural species,[8] for which a Federal crop insurance policy or NAP coverage was available for the 2023, 2024, or 2025 crop year.[9] To be eligible, the crop must have been produced in the United States as part of a farming operation and intended to be commercially marketed. Livestock, timber, and crops for grazing are excluded from eligible crops. FSA is amending the definition of ''eligible crop'' in § 760.2202 to align with this policy. These changes do not affect the eligibility of crops previously included under Stage 1, which already was in alignment with those provisions due to the requirement to have had NAP coverage or Federal crop insurance under a plan specified in § 760.2204(a).

E. Stage 2 Eligible Acres

As described below, Stage 2 payment calculations for some crops will be based on a producer's eligible acres of an eligible crop. For crops insured under APH or yield-based plans and insured crops in Puerto Rico, the eligible acres will be those acres that were considered eligible under the applicable insurance policy, including the policy's provisions for initial acreage, double cropping, and subsequently planted crops. For all other eligible crops, the provisions below regarding eligible acreage apply.

For all other eligible crops, eligible acreage will be based on the acres reported on the FSA–578, or the lesser of the reported acres or determined acres, which are the acres established by FSA, if determined acres are available.

Initial crop acreage will be the eligible acreage used to calculate Stage 2 payments, unless the provisions for subsequent crops discussed below are met. Subsequently planted or prevented planted acreage is considered eligible acreage under this subpart only if it meets the requirements discussed below. All plantings of an annual or biennial crop are considered the same as a planting of an initial crop in tropical regions as defined for NAP (7 CFR part 1437, subpart F).

In cases where there is double cropped acreage, such as winter wheat followed by soybeans, each crop may be included in the acreage only if the specific crops are approved by FSA as eligible double cropping practices. Except for insured crops, which follow provisions of their applicable insurance policy, participants with double cropped acreage of crops that are not approved by FSA may have such acreage included in the acreage for more than one crop only if the participant submits verifiable records establishing a history of carrying out a successful double cropping practice.

If a participant had multiple plantings of the same crop on the same or different acres, such as peas, the participant may receive payments for each planting only if the planting meets the requirements of 7 CFR 1437.

For SDRP Stage 2, the 2023, 2024, and 2025 crop year uninsured prevented planting acres are eligible acres if they meet all requirements of this subpart. The 2023, 2024, and 2025 crop year insured and NAP-covered prevented planting acres are not eligible acres. For prevented planting, the provisions that are generally applicable to other FSA programs (7 CFR part 718) and NAP (7 CFR par 1437) that specify what is considered prevented planting and how it must be documented and reported, apply. As under 2017 WHIP, WHIP+, and NAP, crops located in tropical regions are not eligible for prevented planting. FSA will use the most accurate data available when determining planted and prevented planted acres and disregard acreage of a crop produced on land that is not eligible for Federal crop insurance or NAP coverage.

In cases where crops were insured by a Federal crop insurance area plan, producers must calculate the percentage of eligible acreage by comparing total acreage insured under the respective area plan as shown as RMA acres provided on the FSA–504 and the total acres reported for the eligible crop on the FSA–578. This percentage excludes acres of grazed crops covered by an Annual Forage policy of insurance.

F. Eligible Production

Stage 2 payment calculations will use the producer's net production for a crop and unit, which includes harvested, appraised, and assigned production, after any applicable production and quality adjustments. This production is referred to as the producer's ''production to count.'' For some producers, production to count will be pre-filled based on information previously reported to RMA or FSA as described below.

The harvested production of eligible crop acreage that is harvested more than once in a crop year includes the total harvested production from all the harvests in the crop year.

If a crop is appraised and subsequently harvested for the intended use, the actual harvested production

[8] Federal crop insurance is available for clams and oysters in certain counties. NAP coverage is available for aquatic organisms grown as food for human consumption as determined by the Commodity Credit Corporation, fish raised as feed for other fish that are consumed by humans, and ornamental fish propagated and reared in an aquatic medium. See 7 CFR 1437.303(a).

[9] The 2025 crop year is included because a qualifying disaster event occurring in the 2024 calendar year may cause a loss of a crop during the 2025 crop year based on how ''crop year'' is defined in 7 CFR 760.2202, which is consistent with Federal crop insurance and NAP provisions for eligible crops.

must be taken into account to determine payments. FSA will determine whether a participant's evidence of actual production represents all that could or would have been harvested.

For all crops eligible for loan deficiency payments or marketing assistance loans (see 7 CFR parts 1421 and 1434) with an intended use of grain but harvested for another use such as silage, ensilage, or hay the production will be converted to a whole grain equivalent using conversion factors previously established by FSA. This also applies to commodities that are cracked, rolled, or crimped.

If a participant does not receive compensation based upon the quantity of the commodity delivered to a purchaser but has an agreement or contract for guaranteed payment for production, the determination of the production will be the greater of the actual production or the guaranteed payment converted to production as determined by FSA.

Often producers will commingle production for a variety of reasons. This commingling includes various situations including those in which production from more than one farm and production from more than one crop year are commingled. To be eligible for a payment under this program, the producer must provide evidence that substantiates losses for eligible commodities. The producer is responsible for identifying production that is commingled between crop years, units, ineligible and eligible acres, or different practices. If the producer cannot provide evidence that adequately identifies such production, FSA may deny the application for payment or prorate such production to each respective crop year, unit, type of acreage, or practice, respectively. Commingled production may be attributed to an applicable unit, if prior to commingling, the producer has documented the production by unit and:

- Provides copies of verifiable documents showing that production of the commodity was purchased, acquired, or otherwise obtained from beyond the unit;
- Had the production measured in a manner approved by FSA; or
- Had the crop year's production appraised in a manner approved by FSA.

FSA will assign production for the unit as provided in § 760.2211(f). FSA will establish a county disaster yield that reflects the amount of production producers would have produced considering the eligible disaster events in the county or area for the same crop. The county disaster yield will be used when:

- Unharvested acreage has not been appraised by FSA or a company reinsured by the Federal Crop Insurance Corporation (FCIC); or
- Acceptable production records for harvested acres are not available from any source, except in cases where the applicant has indicated a quality loss percentage.

In no case will the production amount of any applicant be less than the producer's certified loss.

Production for eligible adulterated wine grapes will be adjusted for quality deficiencies due to a qualifying disaster event in a manner consistent with the previous 2017 WHIP and WHIP+ (§ 760.2211(i)).

G. Stage 2 Payment Calculations

SDRP Stage 2 uses several calculations to determine the amount of a Stage 2 payment (§§ 760.2218–760.2231). The specific calculation used depends on whether the producer had Federal crop insurance or NAP coverage for the eligible crop, tree, bush, or vine. Similar to Stage 1, for insured crops, the calculation will also depend on the type of crop insurance policy obtained by the producer. The specific calculations are described in more detail below.

Each Stage 2 payment calculation uses an SDRP factor based on the level of Federal crop insurance or NAP coverage the producer had obtained, as specified in the following table. These factors for insured and NAP-covered crops, trees, and vines are consistent with the factors previously established for Stage 1. The SDRP factor for uninsured crops, trees, bushes, and vines will be 70 percent.[10]

Type of coverage	Coverage level	SDRP factor (percent)
None	Not applicable	70.0
Crop insurance	Catastrophic coverage	75.0
	More than catastrophic coverage but less than 55 percent	80.0
	At least 55 percent but less than 60 percent	82.5
	At least 60 percent but less than 65 percent	85.0
	At least 65 percent but less than 70 percent	87.5
	At least 70 percent but less than 75 percent	90.0
	At least 75 percent but less than 80 percent	92.5
	At least 80 percent	95.0
NAP	Catastrophic coverage	75.0
	50 percent	80.0
	55 percent	85.0
	60 percent	90.0
	65 percent	95.0

All calculated Stage 2 payment amounts will be multiplied by a final payment factor of 35 percent to ensure that total payments do not exceed the available funding. FSA will issue payments as applications are processed and approved. All SDRP payments are subject to the availability of funding. If additional funding is available after all eligible SDRP applications have been processed and payments have been issued, FSA may issue additional SDRP payments, not to exceed the maximum amount allowed by law.

1. Insured and NAP-Covered Crops

To be consistent with Stage 1, Stage 2 payments for insured and NAP-covered crops will be based on data already on file with RMA and FSA when available.[11] For Stage 2, payments will be calculated in a similar manner

[10] For a discussion of how SDRP factors were established, see 90 FR 30564–30565.

[11] For a discussion of how FSA has calculated Stage 1 payments for insured and NAP-covered crops, see 90 FR 30565.

to Stage 1; however, producers will have the ability to certify revised crop information for certain items that are pre-filled on the FSA–504 because the data on file was not used to calculate an indemnity or NAP payment and may require revision. These items may be adjusted by FSA when necessary to reflect the amount supported by the producer's required documentation.

For NAP-covered crops and units without an application for payment on file and insured crops and units, excluding those under area-based plans, the Stage 2 calculation also includes the determination of a potential insured or NAP-covered payment. For example, a producer had NAP coverage for green beans and suffered loss due to an adverse weather event which would have qualified them for assistance under NAP; however, the producer failed to file a notice of loss or application for payment on their green beans. The payment that would have been received represents the amount a producer could have received under the insurance plan or NAP coverage that was obtained for the crop and unit. This amount is excluded from the producer's Stage 2 payment because the intent of SDRP is to provide an additional amount of assistance for insured and NAP-covered crops beyond what was already covered, not the entire amount of assistance up to the SDRP factor. Stage 2 will only pay for the amount calculated beyond the liability under Federal crop insurance or NAP.

As under Stage 1, the Stage 2 calculations also allow producers to certify their quality loss percentage for crops covered under APH and yield-based plans that have eligible quality losses as described above for Stage 1. This provides consistency between Stage 1 and Stage 2 for insured and NAP-covered crops.

The specific payment calculations are provided in §§ 760.2218–760.2221, 760.2223–760.2226, and 760.2230–760.2231. As an example, the following illustrates the Stage 2 payment calculation for a loss of an insured crop under an APH plan (§ 760.2218).

a. Calculated loss = SDRP liability − (production × (1 − quality loss percentage) × price used by RMA to calculate the liability)

b. Potential insured indemnity = (SDRP liability/SDRP factor) × coverage level − (production × price used by RMA to calculate the liability × price election)

c. SDRP Stage 2 payment = (Calculated loss − potential insured indemnity + premium + administrative fee) × 35 percent

To illustrate how this calculation applies to a specific producer's loss, suppose a producer had 100 acres of soybeans that were insured under an APH plan with a 65 percent coverage level with a price election of 100 percent. The producer's yield is 55 bushels per acre, their production was 2,550 bushels, and they had a quality loss of 3 percent (calculated as explained above for Stage 1 quality losses). The SDRP liability provided by RMA is $48,269.30, which is the crop's expected value based on the producer's crop insurance plan multiplied by the SDRP factor of 87.5 percent. The price used by RMA to calculate the liability is $10.03 per bushel. The producer paid a premium of $1,500 and an administrative fee of $100 for their insurance coverage.

a. $48,269.30 − (2,550 bushels × (1 − 0.03) × $10.03) = $23,460.17

b. ($48,269.38/0.875) × 0.65 − (2,550 bushels × $10.03 × 1.00) = $10,280.75

c. ($23,460.17 − $10,280.75 + $1,500 + $100) × 0.35 = $5,172.80

Insured crop losses in Puerto Rico were excluded from Stage 1 because information for those policies is not transmitted through RMA's standardized Policy Acceptance and Storage System. Therefore, pre-filled applications could not be automatically generated at the time Stage 1 was announced. FSA has now obtained the necessary data to generate pre-filled applications for insured crops in Puerto Rico for both indemnified losses (§ 760.2230) and non-indemnified shallow losses (§ 760.2231. Losses for those crops will be included in Stage 2, except, as noted above, for plantain plants and banana plants.

2. Uninsured Crops

Stage 2 payments for yield-based crop losses will be calculated based on all acreage of the crop in a unit. Adjustments will be applied to the Stage 2 payment calculation based on whether the crop was prevented from being planted or unharvested to account for expenses that were not incurred.

Similar to Stage 1, the Stage 2 payment calculation uses an SDRP liability, which will be based on the county expected yield for uninsured crops, or 65 percent of the county expected yield for crops planted on native sod. The participant's production for the crop year which suffered the loss is based on their acceptable production records for that crop year, as specified in § 760.2207(f). Participants who do not have acceptable records will have their payments limited to the lower of either:

- The actual loss certified by the producer and determined acceptable by FSA; or
- The county disaster yield, as established by FSA.

The following illustrates the Stage 2 payment calculation for a loss of an uninsured yield-based crop:

a. SDRP liability = Eligible acres × county expected yield × average market price × SDRP factor of 70 percent

b. Calculated loss = (SDRP liability − (production × (1 − quality loss percentage) × average market price × unharvested or prevented payment factor if applicable) − salvage value) × the producer's share

c. SDRP Stage 2 payment = Calculated loss × 35 percent

As an example, suppose a producer had 50 acres of watermelons with a 100 percent share. The county expected yield for watermelons was 371.67 cwt/acre with an average market price of $22.94 per cwt. The producer's production was 12,500.00 cwt with a quality loss of 3 percent. The producer harvested the crop and received no salvage value for the crop.

a. 50 acres × 371.67 cwt/acre × $22.94 × 0.70 = $298,413.84

b. $298,413.84 − (12,500.00 cwt × (1 − 0.03) × $22.94) × 1.00 = $20,266.34

c. $20,266.34 × 0.35 = $7,093.22

Assessing loss for value loss crops, such as ornamental nursery and aquaculture, is significantly different than for yield-based crops. The participant's inventory of a typical value loss crop may fluctuate from week to week, sometimes rapidly, in the course of normal business operations for reasons that may be unrelated to a disaster. As a result, Stage 2 payments for value loss crops are based on inventory before and after the qualifying disaster event.

The Stage 2 payment calculation for an uninsured value loss crop is as follows:

SDRP Stage 2 payment = (((Dollar value before disaster × SDRP factor of 70 percent) − Dollar value after disaster) × unharvested payment factor if applicable − salvage value) × producer's share × 0.35

As an example, suppose a producer had a nursery crop with a dollar value immediately before the disaster of $70,000, and a value immediately after the disaster of $20,000. The producer received no salvage value for the crop and has a 100 percent share. The payment would be calculated as follows:

(($70,000 × 0.70) − $20,000) × 1.00 × 0.35 = $10,150

NAP provisions for value loss crops (7 CFR part 1437, subpart D) and tropical crop eligibility (7 CFR part 1437, subpart F) apply to SDRP Stage 2. Nursery stock of trees, bushes, and vines are considered value loss crops rather than a tree, bush, or vine loss for SDRP payment calculations.

3. Trees, Bushes, and Vines

Payments for tree, bush, and vine losses will be determined separately for different growth stages, as determined by FSA. FSA will determine an associated price and damage factor for each growth stage to determine the value lost when a tree, bush, or vine is damaged and requires rehabilitation but is not completely destroyed. Insured and uninsured tree, bush, and vine losses will use the same calculation; however, applications for insured losses will be pre-filled with data already on file with RMA.

Stage 2 payments for tree, bush, and vine losses will be calculated as follows:

a. Expected value = (Number of trees destroyed + number of trees damaged) × price determined by FSA
b. Actual value = Expected value − (Number of trees destroyed × price determined by FSA) − (number of trees damaged × damage factor × price determined by FSA)
c. SDRP Stage 2 payment = (((Expected value × SDRP factor) − actual value − salvage value) × producer's share + insurance premium and administrative fees if applicable) × 0.35

FSA will adjust the number of damaged and destroyed trees, bushes, or vines, if it determines that the number of damaged or destroyed trees, bushes, or vines certified by the participant is inaccurate.

H. How To Apply

To apply for SDRP, a producer must submit an SDRP application to any FSA county office by the close of business on April 30, 2026. This deadline applies to SDRP applications for payments announced in the prior final rule, as well as applications and documentation required for Stage 1 quality loss payments and Stage 2 payments as described below. Producers must submit separate applications for each crop year. The date to apply for payments under this program may, at the sole discretion of FSA, be extended. If FSA makes that decision, the extended date will be set forth at *https://www.fsa.usda.gov/resources/programs/supplemental-disaster-relief-program.* Producers may also obtain that information from any FSA county office.

To apply for a Stage 1 quality loss payment, producers must submit a completed FSA–526Q, Supplemental Disaster Relief Program (SDRP) Stage 1 Quality Loss Application. For Stage 2, producers must submit FSA–504, Supplemental Disaster Relief Program (SDRP) Stage 2 Application. FSA will pre-fill some items on the FSA–526Q with information already on file with RMA and FSA. FSA will also pre-fill some items on the FSA–504 for producers who had Federal crop insurance or NAP coverage for a crop and unit. Due to the need to pre-fill data and to develop software corresponding to the different parts of the FSA–504, FSA is processing the data and generating pre-filled forms in stages. As a result of the need to pre-fill applications and develop software to process multiple parts of the FSA–504 for different categories that reflect the application payment calculation for a crop and unit, sign up will begin at different times, in the following anticipated order:

- Stage 2 applications for:
  - Insured crops and NAP-covered crops, excluding insured crops in Puerto Rico; and
  - All uninsured crops;
- Stage 2 applications for insured and uninsured trees, bushes, and vines;
- Stage 1 quality loss applications; and
- Stage 2 applications for insured crops in Puerto Rico.

FSA intends to announce the beginning dates for the application period for each group by press release, and the specific dates will be set forth at *https://www.fsa.usda.gov/resources/programs/supplemental-disaster-relief-program-sdrp.* Producers may also obtain that information from any FSA county office. The application period for the first group will begin on November 24, 2025.

For Stage 1 quality loss payments, the pre-filled FSA–526Q will include the producer's State and county codes, unit numbers, other crop information, and production to count [12] on file with RMA or FSA. It will also include a calculated quality loss percentage provided by RMA for producers who received Federal crop insurance indemnities including a quality adjustment. Producers must enter their certified quality loss percentage as described above.

For Stage 2 payments, the FSA–504 will include pre-filled information only for insured and NAP-covered crops. Producers must enter any additional data required for the applicable part of the form that corresponds to their crop and unit. For uninsured crops, no data will be pre-filled and producers must provide all required data needed to calculate a payment, as specified in the instructions for the FSA–504.

As under Stage 1, FSA's creation and transmission of a pre-filled FSA–526Q or FSA–504 does not indicate that a producer is eligible for SDRP. For example, some entities with members who are not U.S. citizens or resident aliens may have received Federal crop insurance indemnities. The process of transferring data from RMA to FSA may result in the creation of a pre-filled application for those entities; however, those entities are not eligible for an SDRP payment. Also, FSA's creation and transmission of a pre-filled application does not indicate that a crop and unit listed on the application suffered an eligible loss due to a qualifying disaster event. For example, a crop may have suffered a loss due to drought, but the county did not meet the criteria for qualifying drought as defined in § 760.2202. The producer would not be eligible for payment for those losses under SDRP.

All producers must certify on the FSA–526Q or FSA–504 that they will meet the requirement to purchase Federal crop insurance or NAP coverage for the next 2 available crop years according to § 760.2216. If multiple crops and units are listed on an application, and the producer only agrees to purchase Federal crop insurance or NAP coverage for only some of the crops and units, an SDRP payment will be issued only for those crops and units for which the producer agrees to purchase Federal crop insurance or NAP coverage for the next 2 available crop years.

As under Stage 1, a pre-filled FSA–526Q or FSA–504 for an insured crop and unit will list the primary policy holder and all producers with a substantial beneficial interest (SBI) who have a record established with FSA. Inclusion of an SBI on the application does not mean that the SBI is considered to be an eligible producer; to be considered an eligible producer, an SBI must individually share in the risk of producing the crop and ownership of the crop. If one or more producers with an SBI had a share in a crop, the primary policy holder must update the application to show the share in the

[12] Production to count is the total amount of harvested, appraised, and assigned production, as determined by the applicable Federal crop insurance policy or NAP provisions.

crop for each of those producers in addition to the primary policy holder. If the producer(s) are determined to be eligible for an SDRP payment, payments will be issued to the primary policy holder and to any eligible producers with an SBI based on their ownership share of the crop. To receive a payment, each person or entity listed as having a share of the payment for a crop and unit must sign the application and agree to purchase Federal crop insurance or NAP coverage for that crop and unit in each of the next 2 available crop years.

Producers applying for Stage 1 quality loss payments and Stage 2 payments must also submit acceptable documentation to support their certified quality loss percentage, production, dollar value before and after the qualifying disaster event, and total damaged or destroyed trees, bushes, and vines, as required by § 760.2207 by April 30, 2026. The records that are considered acceptable are consistent with requirements in other FSA programs. FSA is requiring all producers to submit this information as part of their complete application to ensure program integrity. FSA may also require the producer to submit any additional information necessary to support the producer's certifications or determine a producer's eligibility, including but not limited to certification of citizenship status on the CCC–902, Farm Operating Plan, and CCC–901, Member Information for Legal Entities (if applicable), and documentation of the qualifying disaster event and the producer's ownership share and risk in the crop. If FSA requests additional information, the producer must submit the requested information within 60 days or the producer's application will be disapproved and the producer must refund the payment, if previously issued.

For Stage 2, producers must also submit the FSA–578, Report of Acreage, prior to the application deadline for all crops for which payment is requested, with the exception of crops insured under APH or yield-based plans and insured crops in Puerto Rico. Many producers will have previously filed the FSA–578 for the applicable crop years due to their participation in other FSA programs. Producers who have not previously reported their acreage for the applicable crop year may file the FSA–578 even though the deadlines applicable to other FSA programs have passed. Because SDRP is based on a producer's prior year crop year acreage and those eligible commodities have already been harvested, producers who submit late-filed acreage reports for SDRP eligibility will not be required to pay the cost of a farm inspection and measurement applicable to other FSA programs. If requested by FSA, a producer must also submit additional documentation supporting the late-filed acreage report such as seed receipts, chemical and fertilizer receipts, precision planting records, harvesting records, geospatial data or maps, and published weather data. Producers must submit any required additional documentation within 60 days of the request. Acreage reports that are late-filed for SDRP eligibility will not be used to determine eligibility for other FSA programs for which these reports are required and the deadline applicable to the other programs has passed.

To receive an SDRP payment, producers, including any producers with an SBI who have a risk and share in a crop as indicated on the application, must also have the following forms on file with FSA by the deadline announced by FSA:

- CCC–902, Farm Operating Plan, for an individual or legal entity;
- CCC–901, Member Information for Legal Entities, if applicable; and
- AD–1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification, for the producer and applicable affiliates as provided in 7 CFR part 12.

Most producers will already have these forms on file with FSA due to participation in other FSA programs.

In addition to the forms listed above, producers and members of legal entities who are requesting the increased payment limitations described below may submit the FSA–510, Request for an Exception to the $125,000 Payment Limitation for Certain Programs, including the certification from a certified public accountant or attorney that the person or legal entity has met the requirements to be eligible for the increased payment limitation. FSA will continue to accept the FSA–510 until the deadline announced by FSA. If the FSA–510 and the accompanying certification is filed after the SDRP Stage 1 payment is issued but before the deadline to submit the FSA–510, FSA will process the FSA–510 and issue any resulting additional payment amount.

III. OFSCLP

FSA will provide assistance for losses of harvested commodities stored in on-farm structures through OFSCLP using up to $5 million of the $30,780,000,000 that was authorized by the Act. The $5 million funding allocation is based on prior program demand, taking into account funding limitations. Most crop insurance policies do not cover crop loss after harvest, unless a supplemental policy has been purchased. Many producers who suffered losses while their commodity was stored in an on-farm structure would benefit from this program. The anticipated number of participants is expected to be fewer than the 2018 and 2019 On-Farm Storage Loss Program as on-farm stocks in calendar years 2023 and 2024 were lower than in calendar years 2018 and 2019.

This program is similar to the previous On-Farm Storage Loss Program that provided assistance for losses due to disaster events occurring in the 2018 and 2019 calendar years. OFSCLP will provide payments to eligible producers who suffered losses of eligible commodities, while these commodities were stored in on-farm structures, due to qualifying disaster events that occurred in calendar year 2023 or 2024. Qualifying disaster events for OFSCLP include wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze, including a polar vortex, smoke exposure, qualifying drought, and related conditions that occurred in calendar year 2023 or 2024.

A. Eligible Commodities

Eligible commodities include wheat, oats, barley, corn, grain sorghum, long grain rice, medium grain rice, seed cotton, pulse crops, soybeans, other oilseeds, peanuts, and all hay. These commodities must be produced, harvested, and stored on a farm in the United States. These commodities are typically stored for a period of time before they are marketed or used on the farm for feeding or forage use. Losses of grazed commodities are not included in the OFSCLP.

Eligible commodities must have been harvested and stored in structures, which, under normal circumstances, would have protected and maintained the quality of the commodity for an extended period of time—from harvest to marketing. The damage incurred must have resulted directly from a qualifying disaster event or related condition which made the commodity useless, unsuitable for full value sale, or for reduced salvage value. Losses related to excessive moisture, which happens when a commodity is stored but not dried sufficiently, are not included in this program as it is expected that proper drying should occur as a part of harvest and storage. Quality losses are also not included in this program because these losses are due to preharvest conditions.

Commodity storage structures must have been located on the farm and used for storage of eligible commodities produced and stored on farm until the commodity is marketed or delivered, or intended for private use on the farm. Commodities stored in commercial storage facilities, wrapped in plastic or other material and left in fields, uncovered by another structure, are not included in the program.

Eligible producers will certify their loss on the FSA–878 application form. As required by 7 CFR 760.1611(f), producers of commingled commodities must submit separate applications for their ownership share to cover all losses.

The following is an example of commingled storage:

- Producers A and B are relatives who harvest corn on neighboring farms but use Bin 1, belonging to Producer A, to store their harvested corn.
- Producer A stored 5,000 bushels of corn and producer B stored 2,000 bushels of corn in Bin 1. Bin 1 was destroyed by a flood.
- Producer A will submit an FSA–878 for a 100 percent share of 5,000 bushels of corn.
- Producer B will submit an FSA–878 for a 100 percent share of 2,000 bushels of corn.
- Both producers will indicate in the remarks section on the FSA–878 that the corn was commingled in Bin 1.

B. Eligible Producers

To be eligible for OFSCLP, a producer must be a:

- Citizen of the United States;
- Resident alien, which for purposes of OFSCLP means ''lawful alien'' as defined in 7 CFR part 1400;
- Partnership organized under State law consisting solely of citizens of the United States or resident aliens;
- Corporation, limited liability company, or other organizational structure organized under State law consisting solely of citizens of the United States or resident aliens; or
- Indian Tribe or Tribal organization, as defined in section 4(b) of the Indian Self Determination and Education Assistance Act (25 U.S.C. 5304).

These requirements align with the eligibility criteria for SDRP (7 CFR 760.2203) and ELRP 2023 and 2024 FW (7 CFR 760.2103), and MLP as provided in this rule.

C. How To Apply

FSA will accept OFSCLP applications beginning on November 24, 2025.

To apply for OFSCLP, affected producers must submit a completed FSA–878, On-Farm Stored Commodity Loss Program (OFSCLP) Application, as well as all other information required to be furnished under the regulation at the time of application, by the close of business on January 23, 2026. Additional loss information or additional producer signatures will be reported on the FSA–878 Continuation form. The date to apply for payments under this program may, at the sole discretion of FSA, be extended. If FSA makes that decision, the extended date will be set forth at *https://www.fsa.usda.gov/resources/programs/farm-stored-commodity-loss-program-ofsclp.* Producers may also obtain that information from any FSA county office.

Applicants must also submit the following items by January 23, 2027, for each applicable program year, to be eligible for payment:

- Form AD–2047, Customer Data Worksheet, for new customers or existing customers who need to update their customer profile;
- Form CCC–901, Member Information for Legal Entities, if applicable;
- Form CCC–902, Farm Operating Plan for an individual or legal entity as provided in 7 CFR part 1400;
- Form AD–1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification, for the OFSCLP applicant and applicable affiliates as provided in 7 CFR part 12; and
- Form FSA–510, Request for an Exception to the $125,000 Payment Limitation for Certain Programs, accompanied by a certification from a certified public accountant or attorney as to that person's or legal entity's certification, for participants and members of legal entities to be eligible for the increased payment limitation of $250,000, if applicable.

The OFSCLP program year is equivalent to the calendar year. Payment will not be issued if required documentation is not on file.

If requested by FSA, the affected producer must provide additional documentation that establishes the affected producer's eligibility for OFSCLP. If supporting documentation is requested, the documentation must be submitted to FSA within 60 days from the date of the request or the application will be disapproved by FSA and the producer must refund the payment, if previously issued.

D. Payment Calculation

FSA will establish one rate for each eligible disaster year (2023 or 2024) per eligible on-farm stored commodity based on the National Agricultural Statistics Service (NASS) established national Market Year Average (MYA) price, or a rate determined by FSA based on RMA pricing if the NASS MYA price is not available. The NASS MYA price provides the most accurate benchmark to value on-farm stocks for most grains.

The OFSCLP payment rate uses a factor of 75 percent of the NASS MYA price (or price determined by FSA, as applicable), meaning that the producer must absorb 25 percent of the loss. The 75 percent payment factor is consistent with the payment calculation used under the previous On-Farm Storage Loss Program and the previous MLP. Additionally, Livestock Indemnity Program payment rates are based on 75 percent of the average fair market value of the national price. The 75 percent factor is not a payment reduction factor applied to remain within available funding, which will be discussed subsequently.

The 75 percent payment rate is then multiplied by the producer's share of the quantity lost while in storage. The dollar value of any compensation received such as salvage or insurance will be deducted from the calculated payment amount.

OFSCLP payments are expected to be additionally factored because program demand is anticipated to exceed the amount of funding available. FSA cannot determine the total number of eligible applicants and resulting program demand for OFSCLP until eligible producers apply for assistance. Due to the need to evaluate program demand, FSA will not issue payments at the onset of the application period. However, during the application period, FSA will evaluate program demand and if the additional payment factor (separate from the 75 percent) can be established, payments may begin to be processed.

On-Farm Storage Loss Program referenced an RMA-determined price in calculating program assistance in the September 2019 program announcement; however, the NASS price is the basis for payments. NASS MYA prices are calculated as a weighted average of the monthly prices collected during the marketing year. This price is FSA's best approximation of the year in which a loss occurred.

An example of the OFSCLP calculation is shown below, given a corn NASS MYA price of $3.60 per bushel, a 1,000-bushel volume, and a $500 payment received from a salvage grain buyer.

($3.60/bushel × 75 percent OFSCLP factor) × 1,000 bushels less $500 salvage worth = $2,200

If FSA determines that the total amount of payments for all eligible applicants exceeds the funding allocated to this program, an additional factor will then be applied, reducing the original amount of $2,200. This additional factor will be applied to all OFSCLP payments.

E. Payment Limitation

As required by the Act, OFSCLP is subject to payment limitations consistent with 7 CFR 760.1507, as in effect on December 21, 2024. Separate payment limitations apply to each program year (2023 and 2024). The payment limitation for OFSCLP is determined by the person's or legal entity's average adjusted gross farm income. Specifically, a person or legal entity, other than a joint venture or general partnership, cannot receive, directly or indirectly, more than $125,000 in payments for each year if their average adjusted gross farm income is less than 75 percent of their average adjusted gross income (AGI) for the applicable base period.[13] If at least 75 percent of the person's or legal entity's average AGI is average adjusted gross farm income and the participant provides the required certification and documentation, as discussed below, the person or legal entity, other than a joint venture or general partnership, is eligible to receive, directly or indirectly, up to $250,000 for each year.

The determination of average adjusted gross farm income and attribution of payments will apply for OFSCLP payments in the same manner as SDRP. See 90 FR 30565–30566 [14] for an explanation of how FSA determines average adjusted gross farm income and attributes payments to legal entities through four levels of ownership.

For consistency in the administration of the payment limitations with other programs authorized by the Act, FSA is adding the definitions of ''average adjusted gross farm income'', ''average AGI'', ''base period'', ''farming operation'', ''income derived from farming, ranching, and forestry operations'', ''legal entity'', ''ownership interest'', ''production inputs'', and ''production services'' in § 760.1602, and updating the provisions of § 760.1608.

F. Miscellaneous Changes

FSA is amending the provisions of 7 CFR part 760, subpart P, to update the applicable OFSCLP program years and qualifying disaster events, consistent with the Act, throughout the subpart. This rule also removes terms from § 760.1702 that are no longer used in the regulations.

IV. MLP

MLP will provide payments to dairy operations for milk that was dumped or removed without compensation from the commercial milk market in calendar (program) years 2023 and 2024 due to qualifying disaster events, including dairy operations partially compensated by the Federal Marketing Milk Order (FMMO) regional dairy pools for milk dumped or removed, using up to $1,650,000 of the $30,780,000,000 that was authorized by the Act. The funding allocation was determined based on a combination of limited funding and expected demand based on participation in previously administered MLPs. MLP has provided vital support to affected farmers by compensating for dumped milk due to severe weather events. Consistent with FSA's administration of the program in prior years, the milk loss base period is the first full month of milk production before the dumping or removal of milk first occurred due to a qualifying disaster event. Base period milk production is used to determine the average daily milk production from the cows in the dairy operation. The average daily milk production calculation includes the number of cows, the pounds of milk marketed for the month, and the number of days in the month.

The claim period for milk loss is each calendar month that milk was dumped or removed from the commercial market due to a qualifying disaster event. Each milk loss application covers the loss in a single calendar month. Milk loss that occurs in more than one calendar month due to the same qualifying disaster event requires a separate application for each month. For example, if the loss occurs at the end of a month and crosses over into the next month (say, August 28 through September 3), the producer must file two separate applications—one for August and one for September. The days that are eligible for indemnification begin on the date the milk was removed or dumped, and continue through the last consecutive day milk was removed or dumped. Once the dairy operation returns to the normal marketing of milk, the dairy operation is no longer eligible for assistance for milk removed or dumped due to that qualifying disaster unless, after the commercial marketing of milk has been restarted, additional milk is removed or dumped due to the same qualifying disaster event. For MLP, the duration of yearly claims is limited to 30 days per year for each of calendar years 2023 and 2024.

The fair market value of removed or dumped milk for the days milk was dumped and not marketed, reflects the dollar value the dairy operation would have received if it had commercially marketed such milk. The dairy operation's milk marketing statement from the claim period will be used to determine the fair market value of the removed or dumped milk, based on the net dollar value received for milk marketings from the applicable month of the claim period, and to verify the days milk was not marketed.

A. Affected Farmer Eligibility

To be eligible for MLP, an affected farmer must be a:

- Citizen of the United States;
- Resident alien, which for purposes of MLP means ''lawful alien'' as defined in 7 CFR part 1400;
- Partnership organized under State law consisting solely of citizens of the United States or resident aliens;
- Corporation, limited liability company, or other organizational structure organized under State law consisting solely of citizens of the United States or resident aliens; or
- Indian Tribe or Tribal organization, as defined in section 4(b) of the Indian Self Determination and Education Assistance Act (25 U.S.C. 5304).

These requirements align with the eligibility criteria for SDRP (7 CFR 760.2203), ELRP 2023 and 2024 FW (7 CFR 760.2103), and OFSCLP as provided in this rule.

B. How To Apply

USDA will accept MLP applications beginning November 24, 2025. To apply for MLP, affected farmers in a dairy operation must submit a complete FSA–376, Milk Loss Program Application, with applicable milk marketing statements and a detailed written statement of circumstances of the milk removal, at the time of application, by January 23, 2026. The date to apply for payments under this program may, at the sole discretion of FSA, be extended. If FSA makes that decision, the extended date will be set forth at *https://www.fsa.usda.gov/resources/programs/milk-loss-program-mlp.* Producers may also obtain that information from any FSA county office. Applicants must also submit all of the following items by January 23, 2027, if not previously filed with FSA:

(1) Form AD–2047, Customer Data Worksheet, for new customers or existing customers who need to update their customer profile;

[13] The base period is 2019, 2020, and 2021 for the 2023 program year; and 2020, 2021, and 2022 for the 2024 program year.

[14] On July 10, 2025, FSA announced the Supplemental Disaster Relief Program (SDRP) Stage 1 available at *https://www.federalregister.gov/documents/2025/07/10/2025-12803/supplemental-disaster-relief-program-sdrp-stage-1.*

(2) Form CCC–901, Member Information for Legal Entities, if applicable;

(3) Form CCC–902, Farm Operating Plan, for an individual or legal entity as provided in 7 CFR part 1400;

(4) Form FSA–510, Request for an Exception to the $125,000 Payment Limitation for Certain Programs, accompanied by a certification from a certified public accountant or attorney as to that person's or legal entity's certification, for participants and members of legal entities to be eligible for the increased payment limitation of $250,000, if applicable; and

(5) Form AD–1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification, for the MLP applicant and applicable affiliates as provided in 7 CFR part 12.

If requested by FSA, the affected farmer must provide additional documentation that establishes the affected farmer's eligibility for MLP. If supporting documentation is requested, the documentation must be submitted to FSA within 60 days from the date of the request or the application will be disapproved by FSA and the producer must refund the payment, if previously issued.

C. Payment Calculation

Consistent with the previous administration of MLP, the payment calculation is as follows:

((Base period pounds per cow average daily milk production × number of milking cows in claim period × number of days milk was removed or dumped in claim period) ÷ 100 [15]) × per hundredweight pay price.

The per hundredweight pay price is calculated as follows:

Gross pay price from claim period milk marketing statement − the hauling rate [16] − $0.15 promotion fee = per hundredweight pay price.

For the 2023 and 2024 calendar years, the final MLP payment is determined by factoring the MLP payment by 75 percent for all participants, meaning that the producer has to absorb 25 percent of the loss. Use of a 75 percent factor is consistent with the factor used for most FSA disaster programs. This factor is not a payment factor applied to remain within available funding, which will be discussed subsequently.

Dairy operations that apply for MLP will provide, at the time of application:

- The milk marketing statement for the month prior to the month that the milk was removed or dumped;
- The milk marketing statement for the affected month; and
- A detailed written statement of the circumstances of the milk removal, including the type and geographic scope of the weather event, what transportation limitations occurred, and any information on what was done with the removed milk production.

In addition, any other pertinent information that further describes the reason why milk was removed or dumped should be included to provide FSA the necessary information to determine eligibility for MLP, as well as all other information required to be furnished in the regulation. This information must be provided prior to the application deadline. FSA county offices can assist dairy operations in completing the MLP application.

MLP payments are expected to be factored because program demand is anticipated to exceed the amount of funding available. FSA cannot determine the total number of eligible applicants and resulting program demand for MLP until eligible producers apply for assistance. Due to the need to evaluate program demand, FSA will not issue payments at the onset of the application period. However, during the application period, FSA will evaluate program demand, and FSA may begin to process payments depending on whether an additional payment factor is needed.

D. Payment Limitation

As required by the Act, MLP is subject to payment limitations consistent with 7 CFR 760.1507, as in effect on December 21, 2024. A separate payment limitation is applicable to MLP for each program year.

The payment limitations are determined by the person's or legal entity's average adjusted gross farm income. Specifically, a person or legal entity, other than a joint venture or general partnership, cannot receive, directly or indirectly, more than $125,000 in payments if their average adjusted gross farm income is less than 75 percent of their average adjusted gross income (AGI) for the applicable base period. If at least 75 percent of the person's or legal entity's average AGI is average adjusted gross farm income and the participant provides the required certification and documentation, as discussed below, the person or legal entity, other than a joint venture or general partnership, is eligible to receive, directly or indirectly, up to $250,000 for each program year.

The determination of average adjusted gross farm income and attribution of payments will apply for MLP payments in the same manner as SDRP. See 90 FR 30565–30566 [17] for an explanation of how FSA determines average adjusted gross farm income and attributes payments to legal entities through four levels of ownership.

For consistency in the administration of the payment limitations with other programs authorized by the Act, FSA is revising the definitions of ''average adjusted gross farm income'' and ''average adjusted gross income'' and adding definitions of ''farming operation'', ''legal entity'', ''production inputs'', and ''production services'' in § 760.1702, and updating the provisions of § 760.1709.

E. Miscellaneous Changes

FSA is amending the provisions of 7 CFR part 760, subpart Q, to update the appliable MLP program years and qualifying disaster events, consistent with the Act, throughout the subpart. This rule also removes terms from § 760.1702 that are no longer used in the regulations.

V. ELRP

This final rule extends the deadlines for ELRP 2023 and 2024 and ELRP 2023 and 2024 FW. The deadlines for these programs were announced in a final rule published on September 15, 2025.[18] FSA is amending § 760.2004(a) to specify that the deadline to have an approved LFP application on file for the applicable year (2023 or 2024) for ELRP 2023 and 2024 eligibility is November 21, 2025. FSA is also amending § 760.2107(a) to specify that November 21, 2025, is the deadline to submit FSA–970, Emergency Livestock Relief Program 2023 and 2024 Flood and Wildfire Application, for the applicable year (2023 or 2024), and supporting documentation that verifies the producer's livestock inventories reported on the FSA–970.

VI. Regulatory Analyses

A. Notice and Comment and Effective Date

The Administrative Procedure Act (APA, 5 U.S.C. 553(a)(2)) provides that the notice and comment and 30-day delay in the effective date provisions do not apply when the rule involves specified actions, including matters relating to benefits or contracts. This rule governs disaster assistance payments to agricultural producers and

[15] The amount is divided by 100 to convert to hundredweight.

[16] The hauling rate is obtained from the producer's milk marketing statement submitted at the time of application.

[17] See footnote 13.

[18] See 90 FR 44299.

therefore falls within the benefits exemption.

This rule is exempt from the regulatory analysis requirements of the Regulatory Flexibility Act (5 U.S.C. 601–612), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA) because it involves matters relating to benefits. The requirements for the regulatory flexibility analysis in 5 U.S.C. 603 and 604 are specifically tied to the requirement for a proposed rule by section 553 or any other law; in addition, the definition of rule in 5 U.S.C. 601 is tied to the publication of a proposed rule.

The Office of Management and Budget (OMB) found this rule meets the criteria in 5 U.S.C. 804(2) of the Congressional Review Act (CRA), which would ordinarily necessitate delaying its effective date for 60 days (5 U.S.C. 801(a)(3)(A)). However, the CRA, at 5 U.S.C. 808(2), allows an agency to make such regulations effective immediately if the agency finds there is good cause to do so. USDA has determined that such good cause exists here. The beneficiaries of this rule are agricultural producers who have been significantly impacted by disaster events, which resulted in losses due to the impact of disaster events in calendar years 2023 and 2024, and this assistance is necessary to help those producers sustain their normal business operations. To mitigate further harm to those producers for losses due to qualifying events that were beyond their control, USDA finds that notice and public procedure are contrary to the public interest Therefore, USDA is not required to delay the effective date for 60 days from the date of publication to allow for Congressional review. Accordingly, this rule is effective upon publication in the **Federal Register**.

B. Executive Orders 12866, 13563, and 14192

Executive Order 12866, ''Regulatory Planning and Review,'' and Executive Order 13563, ''Improving Regulation and Regulatory Review,'' direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasized the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. Executive Order 14192, ''Unleashing Prosperity Through Deregulation,'' announced the Administration policy to significantly reduce the private expenditures required to comply with Federal regulations to secure America's economic prosperity and national security and the highest possible quality of life for each citizen and to alleviate unnecessary regulatory burdens placed on the American people. In line with the Executive Order requirements, the Agency chose this regulatory approach, which is consistent with policy for similar previous programs where appropriate for SDRP, OFSCLP, and MLP, and uses pre-filled data for SDRP when that information is already on file with USDA, to maximize benefits and minimize burden on American producers. This rule is not an Executive Order 14192 regulatory action because it does not impose any more than de minimis regulatory costs.

The Office of Management and Budget (OMB) designated this rule as economically significant under Executive Order 12866, section 3(f)(1), and therefore, OMB has reviewed this rule. The costs and benefits of this rule are summarized below. The full CBA is available on *regulations.gov.*

C. Cost Benefit Analysis Summary

The three components of this rule are all independent of one another in terms of expected outlays, which are expected to total to $2.71 billion:

- FSA is using $16.09 billion of the $30.78 billion authorized by the American Relief Act, 2025, to implement SDRP. SDRP Stage 1 covered those producers who received a NAP or certain RMA indemnities. SDRP Stage 2, the focus here, covers eligible producers who suffered an eligible loss in the following categories: (1) those who did not participate in certain RMA (Federal crop insurance) programs or NAP; (2) those with ''shallow'' losses too small to trigger an RMA or NAP payment; and (3) those with quality losses that were not covered by RMA or NAP policies and quality losses where the producer did not have Federal crop insurance or NAP coverage. SDRP Stage 2 accounts for 27 percent of total estimated gross SDRP payments, which are estimated at $2.7 billion after factoring to stay within allocated funding limits.
- OFSCLP will provide payments to eligible producers who suffered uncompensated losses of harvested commodities stored in on-farm structures due to wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze, including a polar vortex, smoke exposure, and qualifying drought that occurred in the 2023 and 2024 calendar years. Payments are capped at $5 million, the limitation imposed due to funding constraints.
- The Milk Loss Program will provide payments to eligible dairy operations for milk that was dumped or removed without compensation from the commercial milk market due to droughts, wildfires, hurricanes, floods, derechos, tornadoes, excessive moisture, excessive heat, winter storms, freeze, including a polar vortex, and smoke exposure that occurred in the 2023 and 2024 calendar years. Outlays are capped at $1.65 million due to budget constraints.

ESTIMATED COSTS OF THREE PROGRAMS

Program	2023 and 2024 estimated gross payments	Estimated factor (percent)	Total payments (with factor, if needed)
SDRP Stage 2	$7.6 billion	35	$2.7 billion
On-Farm Storage (using Scenario #3)	16.1 million	31	5.0 million
Milk Loss	3.3 million	50	1.65 million
Total			2.71 billion

D. Environmental Review

The environmental impacts have been considered in a manner consistent with the provisions of the National Environmental Policy Act (NEPA, 42 U.S.C. 4321–4347) and the USDA regulation for compliance with NEPA (7 CFR part 1b).

The purpose of SDRP is to provide payments to eligible producers who suffered eligible crop, tree, bush, and vine losses due to qualifying disaster events that occurred in calendar year 2023 or 2024. OFSCLP will provide payments to eligible producers who suffered uncompensated losses of harvested commodities stored in on-farm structures as a result of qualifying disaster events that occurred in calendar year 2023 and 2024. MLP will provide payments to eligible dairy operations for milk that was dumped or removed without compensation from the commercial milk market due to qualifying disaster events in calendar year 2023 and 2024. The limited discretionary aspects of these programs do not have the potential to impact the human environment as they are administrative. Accordingly, these discretionary aspects are covered by the FSA Categorical Exclusions specified in 7 CFR 1b.4(c)(16)(viii) that apply to individual farm participation in FSA programs where no ground disturbance or change in land use occurs as a result of the proposed action or participation, and 7 CFR 1b.(c)(16)(ix) that applies to safety net programs.

No Extraordinary Circumstances (§ 1b.3(f)) exist because these are administrative payment programs. As such, the implementation of and participation in SDRP, OFSCLP, and MLP do not constitute major Federal actions that would significantly affect the quality of the human environment, individually or cumulatively. Therefore, FSA will not prepare an environmental assessment or environmental impact statement for this action and, consistent with § 1b.3(g), this document serves as the programmatic finding of applicability and no extraordinary circumstance (FANEC) for this Federal action.

E. Executive Order 13175

This rule has been reviewed in accordance with the requirements of Executive Order 13175, ''Consultation and Coordination with Indian Tribal Governments.'' Executive Order 13175 requires Federal agencies to consult and coordinate with Tribes on a Government-to-Government basis on policies that have Tribal implications, including regulations, legislative comments or proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

USDA has assessed the impact of this rule on Indian Tribes and determined that this rule does not, to our knowledge, have Tribal implications that required Tribal consultation at this time. If a Tribe requests consultation, the USDA Farm Service Agency will work with the Office of Tribal Relations to ensure meaningful consultation is provided.

F. Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA, Pub. L. 104–4) requires Federal agencies to assess the effects of their regulatory actions of State, local, and Tribal governments or the private sector. Agencies generally must prepare a written statement, including cost benefit analysis, for proposed and final rules with Federal mandates that may result in expenditures of $100 million or more in any 1 year for State, local or Tribal governments, in the aggregate, or to the private sector. UMRA generally requires agencies to consider alternatives and adopt the more cost effective or least burdensome alternative that achieves the objectives of the rule. This rule contains no Federal mandates, as defined in Title II of UMRA, for State, local and Tribal governments or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

G. Paperwork Reduction Act Requirements

The Paperwork Reduction Act of 1995 (44 U.S.C. Chap. 35; see 5 CFR part 1320), requires that OMB approve all collections of information by a Federal agency from the public before they can be implemented. Respondents are not required to respond to any collection of information unless it displays a current valid OMB control number. The information collection request has been approved by OMB under the control number of 0503–0028; Expiration Date: 10/31/2027. FSA will issue payments to producers using the following forms: CCC–901, CCC–902E, CCC–902I, AD–1026, AD–2047, FSA–578 and FSA–510. In addition, for the information collection under 0503–0028; Expiration Date: 10/31/2027, the agency is seeking to use FSA–878, FSA–878 Cont., FSA–376, FSA–504, and FSA–526Q with this data collection.

The AD–1026 is exempt.[19] The FSA–878, FSA–878 Cont., FSA–376, FSA–504, and FSA–526Q are the only new data collection activities associated with this request. The total annual burden hours for this information collection is 118,131 (117,693 SDRP + 242 OFSCLP + 196 MLP). See tables below for the breakout. This final rule is a one-time announcement of Federal financial assistance funding for SDRP Stage 1 quality loss assistance, SDRP Stage 2, OFSCLP, and MLP.[20]

For Further Information Contact: Requests for additional information or copies of this information collection should be directed to:

- For SDRP, Kathy Sayers; telephone: (202) 720–6870; or email: *Kathy.Sayers@usda.gov;*
- For OFSCLP, Shayla Watson; telephone: (202) 690–2350; or email: *Shayla.Watson@usda.gov;* and
- For MLP, Douglas E. Kilgore; telephone: (717) 887–0963; or email: *Douglas.E.Kilgore@usda.gov.*

Title: Agricultural Disaster Indemnity Programs.

Form Numbers: CCC–901, CCC–902E, CCC–902I, AD–1026, AD–2047, FSA–376, FSA–504, FSA–510, FSA–526Q, FSA–578, FSA–878, FSA–878 Cont.

OMB Number: 0503–0028.

Expiration Date: 10/31/2027.

Type of Request: Revision to Generic Information Collection.

Abstract: As authorized by Section 2102 of Division B of Title I of the American Relief Act, 2025 (''the Act''; Pub. L. 118–158), FSA is administering this rule to provide assistance for eligible quality losses under Stage 1 of the Supplemental Disaster Relief Program (SDRP) and to implement Stage 2 of SDRP, the On-Farm Stored Commodity Loss Program (OFSCLP), and the Milk Loss Program (MLP). SDRP 2 will use up to $2.7 billion in funds; OFSCLP will use up to $5 million in funds; and MLP will use up to $1.65 million in funds. Due to limited funding, payments may be factored.

The PRA section of this rule will be discussed in three separate components: Supplemental Disaster Relief Program Stage 1 Quality Loss Assistance and Stage 2, On-Farm Stored Commodity Loss Program, and Milk Loss Program.

[19] This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113–79, Title II, Subtitle G, Funding and Administration).

[20] OMB previously approved the information collection requests for ELRP 2023 and 2024 (90 FR 46319) and ELRP 2023 and 2024 FW (90 FR 44306). The OMB control number for these requests is 0503–0028. There is no change to the estimated respondents or burden hours for those programs as a result of this final rule.

Component 1: Supplemental Disaster Relief Program Stage 1 Quality Loss Assistance and Stage 2

FSA is administering SDRP to provide assistance to producers for losses of crops, trees, bushes, and vines due to wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions that occurred in calendar year 2023 and 2024. SDRP will use approximately $16.09 billion in funds. FSA is administering SDRP in two stages, referred to as Stage 1 and Stage 2. Stage 1 was announced in a final rule published on July 10, 2025 (90 FR 30561), and the information collection for Stage 1 was approved at the time of rule publication. FSA is now announcing additional assistance for quality losses for certain crops that were previously included in Stage 1, as well as Stage 2 assistance for uninsured crops, trees, bushes, and vines; losses that were insured but did not have a loss that was severe enough to result in an indemnity; and indemnified losses in Puerto Rico.

Producers who suffered eligible Stage 1 quality losses are required to submit FSA–526Q, SDRP Stage 1 Application for Quality Losses, and producers who suffered eligible losses under Stage 2 are required to submit FSA–504, SDRP Stage 2 Application. Applicants will submit a separate FSA–526Q or FSA–504 for each application crop year (2023, 2024, 2025) by the application deadline. Applicants must also submit documentation to support the certified quality loss percentage, amount of crop production or inventory, and number of damaged or destroyed trees, bushes, or vines, as applicable for their application. Stage 2 applicants must also submit FSA–578, Report of Acreage, if not already on file for the applicable crop year. Other forms required are the CCC–902, Farm Operating Plan, for an individual or legal entity as provided in 7 CFR part 1400; CCC–901, Member Information for Legal Entities, if applicable; AD–1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification, for the participant and applicable affiliates; and FSA–510, Request for an Exception to the $125,000 Payment Limitation for Certain Programs, for participants and members of legal entities to be eligible for the increased payment limitation of $250,000, as applicable.

Affected Public: Farms or businesses for profit (Agricultural producers).

Estimated Number Respondents: 72,106.

Estimated Number of Responses per Respondent: 3.54277758.

Estimated Number of Total Annual Responses per Respondent: 255,456.

Estimated Time per Respondent: 0.46071759 hours.

Estimated Total Annual Burden on Respondents: 117,693 burden hours.

Burden activity or form	Number of respondents	Number of responses per respondent	Total annual responses	Hours per response	Total hours per year
Application Process					
FSA–526Q, SDRP Stage 1 Application for Quality Losses	23,500	1.2	28,200	0.5	14,100
FSA–504, SDRP Stage 2 Application	48,606	1.3	63,188	0.75	47,391
CCC–901, Member Information for an Entity	486	1	486	0.5	243
CCC–902E, Farm Operating Plan for an Entity	2,430	1	2,430	0.5	1,215
CCC–902I , Farm Operating Plan for an Individual	2,430	1	2,430	0.5	1,215
FSA–510, Request for an Exception to the $125,000 Payment Limitation for Certain Programs	1,944	1.3	2,527	0.0835	211
AD–1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification	972	1	972	0.0835	EXEMPT
FSA–578, Report of Acreage	14,582	1.3	18,957	0.5	9,478
Documentation of crop, tree, bush, and vine losses	72,106	1	72,106	0.5	36,053
Subtotal	72,106	2.652977561	191,296	0.574535803	109,906
Compliance Process					
Initial Notification Letter—Compliant	38,885	1	38,885	0.0835	3,247
Initial Notification Letter—May Request Review	9,721	1	9,721	0.0835	812
Gather information and respond to FSA	5,833	1	5,833	0.5	2,916
Second Notification Letter—Determination	9,721	1	9,721	0.0835	812
Subtotal	48,606	1.32	64,160	0.121363636	7,787
Total Estimates	72,106	3.54277758	255,456	0.46071759	117,693

There are 72,106 respondents anticipated for this data collection. The "Number of Respondents" column is not a sum. It represents the same respondents submitting responses related to different activities for this data collection; therefore, these respondents are not double counted.

The FSA–504 and FSA–578 must be filed for each applicable crop year for which the producer is applying for payment. The FSA–510 must also be filed for each applicable crop year for which the producer is requesting an exception to the $125,000 payment limitation. Because some producers will apply for multiple years, the average number of responses per respondent is 1.3 for those forms.

Component 2: On-Farm Stored Commodity Loss Program

OFSCLP provides payments to eligible producers who suffered uncompensated losses of harvested commodities stored in on-farm structures as a result of wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze, including a polar vortex, smoke exposure, qualifying drought, and related conditions that occurred in calendar year 2023 or 2024.

To apply for the OFSCLP, producers must submit a complete FSA–878, On-Farm Stored Commodity Loss Program

(OFSCLP) Application, as well as all other information required to be furnished under the regulation at the time of application. If the producer has additional losses or if signatures are required in excess of what can be provided on the FSA–878, the producer(s) must complete and sign the FSA–878 Continuation form. The FSA–878 and FSA–878 Continuation are the only new data collection activities associated with this request.

Affected Public: Farms or businesses for profit (Agricultural producers).

Estimated Number Respondents: 550.

Estimated Number of Responses per Respondent: 1.90909091.

Estimated Number of Total Annual Responses per Respondent: 1,050.

Estimated Time per Respondent: 0.2304762 hours.

Estimated Total Annual Burden on Respondents: 242 burden hours.

Burden activity or form	Number of respondents	Number of responses per respondent	Total annual responses	Hours per response	Total hours per year
FSA–878, On-Farm Stored Commodity Loss Program Application	550	1	550	0.25	138
FSA–878 Continuation, On-Farm Stored Commodity Loss Program Application	50	1	50	.25	13
CCC–901, Member Information for an Entity	50	1	50	0.5	25
CCC–902E, Farm Operating Plan for an Entity	50	1	50	0.5	25
CCC–902I, Farm Operating Plan for an Individual	50	1	50	0.5	25
FSA–510, Request for an Exception to the $125,000 Payment Limitation for Certain Programs	100	1	100	0.0835	8
AD–2047, Customer Data Worksheet	100	1	100	0.835	8
AD–1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation Certification (WC)	100	1	100	0.0835	EXEMPT
Subtotal Estimates	550	1.909090	1,050	0.2304762	242

There are 550 respondents anticipated for this data collection. The ''Number of Respondents'' column is not a sum, it represents the same respondents participating in different activities for this data collection; therefore, these respondents are not double counted.

Component 3: Milk Loss Program

FSA is administering MLP to provide payments to affected farmers in a dairy operation for milk that was dumped or removed without compensation from the commercial milk market due to wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions that occurred in calendar year 2023 or 2024.

Affected farmers in a dairy operation who suffered eligible milk losses are required to submit FSA–376, Milk Loss Program Application. Applicants must also provide milk marketing statements and a detailed written statement of the circumstances of the milk removal as documentation. Other forms required are the CCC–902, Farm Operating Plan, for an individual or legal entity as provided in 7 CFR part 1400; CCC–901, Member Information for Legal Entities, if applicable; AD–1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification, for the participant and applicable affiliates; AD–2047, Customer Data Worksheet and FSA–510, Request for an Exception to the $125,000 Payment Limitation for Certain Programs, for participants and members of legal entities to be eligible for the increased payment limitation of $250,000, as applicable. The FSA–376 and milk marketing statements are the only new data collection activities associated with this request.

Affected Public: Farms or businesses for profit (Agricultural producers).

Estimated Number Respondents: 250.

Estimated Number of Responses per Respondent: 4.8.

Estimated Number of Total Annual Responses per Respondent: 1200.

Estimated Time per Respondent: 0.1633 hours.

Estimated Total Annual Burden on Respondents: 196 burden hours.

Burden activity or form	Number of respondents	Number of responses per respondent	Total annual responses	Hours per response	Total hours per year
FSA–376, Milk Loss Program Application	250	1	250	0.25	63
Milk Marketing Statements for Base and Claim Period	250	2	500	0.0835	42
CCC–901, Member Information for an Entity	50	1	50	0.50	25
CCC–902E, Farm Operating Plan for an Entity	50	1	50	0.50	25
CCC–902I, Farm Operating Plan for an Individual	50	1	50	0.50	25
FSA–510, Request for an Exception to the $125,000 Payment Limitation for Certain Programs	100	1	100	0.0835	8
AD–2047, Customer Data Worksheet	100	1	100	0.0835	8
AD–1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation Certification (WC)	100	1	100	0.0835	Exempt
Subtotal Estimates	250	4.80	1200	0.163333	196

There are 250 respondents anticipated for this data collection. The ''Number of Respondents'' column is not a sum, it represents the same respondents participating in different activities for this data collection; therefore, these respondents are not double counted.

The FSA–376 must be filed by each affected farmer applying for payment. The FSA–510 must also be filed for each applicable year for which the affected farmer is requesting an exception to the $125,000 payment limitation. Because some affected farmers will apply for multiple years, the average number of responses per respondent is 0.1633 hours for those forms.

Grand Totals

In total, FSA estimates this rule will require 72,906 respondents and a total of 118,131 burden hours. There is a minimal number of producers, less than 10, anticipated to apply to more than one of the programs. Once this request has been approved by OMB, the agency plans to publish another notice in the **Federal Register** announcing OMB approval. There is no recordkeeping or third-party burden on the respondents.

H. E-Government Act Compliance

FSA is committed to complying with the E-Government Act of 2002, to promote the use of the internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

Federal Assistance Programs

The titles and numbers of the Federal assistance programs, as found in the Assistance Listing, to which this document applies are 10.986—Emergency Livestock Relief Program 2023 and 2024, 10.987—Emergency Livestock Relief Program (ELRP) 2023 and 2024 Flood and Wildfire (FW), 10.988—Supplemental Disaster Assistance Program; 10.989—On-Farm Stored Commodity Loss Program, and 10.965—Milk Loss Program.

List of Subjects in 7 CFR Part 760

Acreage allotments, Dairy products, Indemnity payments, Pesticides and pest, Reporting and recordkeeping requirements.

For the reasons discussed above, The Farm Service Agency amends 7 CFR part 760 as follows:

PART 760—INDEMNITY PAYMENT PROGRAMS

■ 1. The authority citation for part 760 continues to read as follows:

Authority: 7 U.S.C. 4501 and 1531; 16 U.S.C. 3801, note; 19 U.S.C. 2497; Title III, Pub. L. 109–234, 120 Stat. 474; Title IX, Pub. L. 110–28, 121 Stat. 211; Sec. 748, Pub. L. 111–80, 123 Stat. 2131; Title I, Pub. L. 115–123, 132 Stat. 65; Title I, Pub. L. 116–20, 133 Stat. 871; Division B, Title VII, Pub. L. 116–94, 133 Stat. 2658; Title I, Pub. L. 117–43, 135 Stat. 356; and Division N, Title I, Pub. L. 117–328, 136 Stat. 4459; Division B, Title I, Pub. L. 118–158, 138 Stat. 1722.

Subpart P—On-Farm Stored Commodity Loss Program

■ 2. Revise the heading of subpart P to read as set forth above.

■ 3. Revise § 760.1600 to read as follows:

§ 760.1600 Applicability.

(a) This subpart specifies the terms and conditions for the On-Farm Stored Commodity Loss Program (OFSCLP). The On-Farm Stored Commodity Loss Program will provide payments to eligible producers who suffered uncompensated losses of harvested commodities stored in on-farm structures as a result of wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze, including a polar vortex, smoke exposure, qualifying drought, and related conditions that occurred in calendar year 2023 or 2024.

(b) The regulations in this subpart are applicable to crops of wheat, oats, barley, corn, grain sorghum, long grain rice, medium grain rice, seed cotton, pulse crops, soybeans, other oilseeds, peanuts, and all hay stored in on-farm structures.

■ 4. Amend § 760.1601 as follows:

■ a. Revise paragraphs (a), (b) and (d);

■ b. Remove paragraphs (e) through (g).

The revisions read as follows.

§ 760.1601 Administration.

(a) The On-Farm Stored Commodity Loss Program will be administered under the general supervision and direction of the FSA Administrator and will be carried out in the field by FSA State and county committees, respectively.

(b) State and county committees, and representatives and their employees, do not have authority to modify or waive any of the provisions of the regulations set forth in this part.

* * * * *

(d) No provision or delegation to an FSA State or county committee will preclude the FSA Administrator, the Deputy Administrator, or a designee, from determining any question arising under this subpart, or from reversing or modifying any determination made by an FSA State or county committee.

■ 5. Amend § 760.1602 as follows:

■ a. In the introductory text, remove the second sentence;

■ b. Add the definition of ''Average adjusted gross farm income'', ''Average AGI'', and ''Base period'' in alphabetical order;

■ c. Remove the definitions of ''CCC'' and ''COC'';

■ d. Add the definitions of ''Commercial storage'', and ''Commingled'' in alphabetical order;

■ e. Remove the definitions of ''Covered commodity'' and ''Crop year'';

■ f. Add the definitions of ''Eligible on-farm stored commodity'', ''Farming operation'', ''Income derived from farming, ranching, and forestry operations'', ''IRS'', ''Legal entity'', ''Market Year Average (MYA) Price'', ''NASS'', ''Ownership interest'', ''Production Inputs'', and ''Production services'' in alphabetical order;

■ g. Revise the definition of ''Qualifying disaster event'';

■ h. Add the definition of ''Qualifying drought'' in alphabetical order;

■ i. Remove the definition of ''Recording FSA County Office'';

■ j. Revise the definition of ''Related condition'';

■ k. Remove the definition of ''STC''; and

■ l. Add the definition of ''U.S. Drought Monitor'' in alphabetical order.

The additions and revisions read as follows.

§ 760.1602 Definitions.

* * * * *

Average adjusted gross farm income means the average of the person's or legal entity's adjusted gross income derived from farming, ranching, or forestry operations, including losses, for the base period.

(1) If the resulting average adjusted gross farm income derived from paragraphs (1) through (12) of the definition for ''income derived from farming, ranching, and forestry operations'' in this section is at least 66.66 percent of the average adjusted gross income of the person or legal entity, then the average adjusted gross farm income may also take into consideration income or benefits derived from the following:

(i) The sale, trade, or other disposition of equipment to conduct farm, ranch, or forestry operations; and

(ii) The provision of production inputs and services to farmers, ranchers, foresters, and farm operations.

(2) For legal entities not required to file a Federal income tax return, or a person or legal entity that did not have taxable income in one (1) or more of the tax years during the base period, the average gross farm income will be the adjusted gross farm income, including losses, averaged for the base period, as determined by FSA. For a legal entity created during the base period, the adjusted gross farm income average will include only those years of the base

period for which it was in business; however, a new legal entity will not be considered ''new'' to the extent it takes over an existing operation and has any elements of common ownership interest and land with the preceding person or legal entity from which it took over. When there is such commonality, income of the previous person or legal entity will be averaged with that of the new legal entity for the base period. For a person filing a joint tax return, the certification of average adjusted gross farm income may be reported as if the person had filed a separate Federal tax return, and the calculation is consistent with the information supporting the filed joint return.

Average AGI means the average of the adjusted gross income as defined under 26 U.S.C. 62 or comparable measure of the person or legal entity for the base period.

Base period means:

(1) 2019, 2020, and 2021 for the 2023 program year; and

(2) 2020, 2021, and 2022 for the 2024 program year.

Commercial storage means any activity using storage structure for hire, for persons other than the program applicant, except for family members and tenants or landlords sharing the crop storage. Any facility that shares a physical address, equipment, or other business products and services with any commercial storage operation is not included in the OFSCLP.

Commingled means any grain commodity stored in the same non-commercial storage structure with grain owned by another individual or entity. The nature of the storage allows for blending, making it necessary to identify the owner of the grain by share.

* * * * *

Eligible on-farm stored commodity means any of the following commodities that were produced, harvested, and stored on a farm in the United States: wheat, oats, barley, corn, grain sorghum, all hay, long grain rice, medium grain rice, seed cotton, pulse crops, soybeans, other oilseeds, and peanuts. Grazed commodities are not included in the OFSCLP.

Farming operation means a business enterprise engaged in the production of agricultural products, commodities, or livestock, operated by a person, legal entity, or joint operation. A person or legal entity may have more than one farming operation if the person or legal entity is a member of one or more legal entities or joint operations.

* * * * *

Income derived from farming, ranching, and forestry operations means income of an individual or entity derived from:

(1) Production of crops, specialty crops, and unfinished raw forestry products;

(2) Production of livestock, aquaculture products used for food, honeybees, and products derived from livestock;

(3) Production of farm-based renewable energy;

(4) Selling (including the sale of easements and development rights) of farm, ranch, and forestry land, water or hunting rights, or environmental benefits;

(5) Rental or lease of land or equipment used for farming, ranching, or forestry operations, including water or hunting rights;

(6) Processing, packing, storing, and transportation of farm, ranch, forestry commodities including renewable energy;

(7) Feeding, rearing, or finishing of livestock;

(8) Payments of benefits, including benefits from risk management practices, crop insurance indemnities, and catastrophic risk protection plans;

(9) Sale of land that has been used for agricultural purposes;

(10) Payments and benefits authorized under any program made available and applicable to payment eligibility and payment limitation rules;

(11) Income reported on IRS Schedule F or Form 4835; and

(12) Wages or dividends received from a closely held corporation, and IC–DISC or legal entity comprised entirely of family members when more than 50 percent of the legal entity's gross receipts for each tax year are derived from farming, ranching, or forestry activities as defined in this part.

IRS means the Department of the Treasury, Internal Revenue Service.

Legal entity, as used in this subpart:

(1) Means an entity that is created under Federal or State law and that:

(i) Owns land or an agricultural commodity; or

(ii) Produces an agricultural commodity; and

(2) Includes corporations, joint stock companies, associations, limited partnerships, limited liability companies, irrevocable trusts, estates, charitable organizations, general partnerships, joint ventures, and other similar organizations created under Federal or State law including any such organization participating in a business structure as a partner in a general partnership, a participant in a joint venture, a grantor of a revocable trust, or as a participant in a similar organization. A business operating as a sole proprietorship is considered a legal entity.

Market Year Average (MYA) Price means the national average price received by producers during the 12-month marketing year established by NASS.

NASS means the USDA National Agricultural Statistics Service.

* * * * *

Ownership interest means to have either a legal ownership interest or a beneficial ownership interest in a legal entity. For the purposes of administering this subpart, a person or legal entity that owns a share or stock in a legal entity that is a corporation, limited liability company, limited partnership, or similar type entity where members hold a legal ownership interest and shares in the profits or losses of such entity is considered to have an ownership interest in such legal entity. A person or legal entity that is a beneficiary of a trust or heir of an estate who benefits from the profits or losses of such entity is considered to have a beneficial ownership interest in such legal entity.

Production inputs mean material to conduct farming operations, such as seeds, chemicals, and fencing supplies.

Production services mean services provided to support a farming operation, such as custom farming, custom feeding, and custom fencing.

Qualifying disaster event means a wildfire, hurricane, flood, derecho, excessive heat, tornado, winter storm, freeze, including a polar vortex, smoke exposure, qualifying drought, and related conditions, that occurred in calendar year 2023 or 2024.

Qualifying drought means an area within the county was rated by the U.S. Drought Monitor as having a:

(1) D2 (severe drought) intensity for at least 8 consecutive weeks in the applicable calendar year; or

(2) D3 (extreme drought) or higher intensity for any period of time during the applicable calendar year.

Related condition means damaging weather and adverse natural occurrences that occurred concurrently with and as a direct result of a specified qualifying disaster event. Related conditions include, but are not limited to:

(1) Excessive wind that occurred as a direct result of a derecho;

(2) Silt and debris that occurred as a direct and proximate result of flooding;

(3) Excessive wind, storm surges, tornadoes, tropical storms, and tropical depressions that occurred as a direct result of a hurricane; and

(4) Excessive wind and blizzards that occurred as a direct result of a winter storm.

* * * * *

U.S. Drought Monitor means the system for classifying drought severity according to a range of abnormally dry to exceptional drought reported by the National Drought Mitigation Center at *http://droughtmonitor.unl.edu.* It is a collaborative effort between Federal and academic partners, produced on a weekly basis, to synthesize multiple indices, outlooks, and drought impacts on a map and in narrative form.

■ 6. Revise § 760.1603 to read as follows:

§ 760.1603 Eligible producers.

(a) To be eligible for payment under this subpart, a producer must be a:

(1) Citizen of the United States;

(2) Resident alien, which for purposes of OFSCLP means ''lawful alien'' as defined in 7 CFR part 1400;

(3) Partnership organized under State law consisting solely of citizens of the United States or resident aliens;

(4) Corporation, limited liability company, or other organizational structure organized under State law consisting solely of citizens of the United States or resident aliens; or

(5) Indian Tribe or Tribal organization, as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

(b) Members of legal entities, who do not individually share in the risk of producing the crop and ownership of the crop are not considered producers and are not eligible to apply for OFSCLP; in those instances, the entity is considered the applicant.

(c) To be eligible for OFSCLP, a producer must be in compliance with the provisions of 7 CFR part 12, ''Highly Erodible Land and Wetland Conservation,'' and the provisions of 7 CFR 718.6, which address ineligibility for benefits for offenses involving controlled substances.

(d) A receiver or trustee of an insolvent or bankrupt debtor's estate, an executor or an administrator of a deceased person's estate, a guardian of an estate of a ward or an incompetent person, and trustees of a trust are considered to represent the insolvent or bankrupt debtor, the deceased person, the ward or incompetent, and the beneficiaries of a trust, respectively. The production of the receiver, executor, administrator, guardian, or trustee is considered to be the production of the person or estate represented by the receiver, executor, administrator, guardian, or trustee. On-Farm Stored Commodity Loss Program documents executed by any such person will be accepted by FSA only if they are legally valid and such person has the authority to sign the applicable documents.

(e) A minor who is otherwise an eligible producer is eligible to receive a program payment only if the minor meets one of the following requirements:

(1) The right of majority has been conferred on the minor by court proceedings or by statute;

(2) A guardian has been appointed to manage the minor's property and the applicable program documents are signed by the guardian;

(3) Any program application signed by the minor is cosigned by a person determined by FSA to be financially responsible.

■ 7. In § 760.1604, revise paragraph (a) and add paragraph (c) to read as follows:

§ 760.1604 Eligible commodities.

(a) Commodities eligible to be compensated for loss under this subpart are eligible on-farm stored commodities as defined in this subpart.

* * * * *

(c) To be eligible for payment under this subpart, the eligible on-farm stored commodity must have been:

(1) Stored in an on-farm structure that under normal circumstances would have maintained the quality of the commodity throughout harvest until marketing or feed if not for the qualifying disaster event;

(2) At the time of loss, physically located in or under a structure and not left in a field baled or held together with netting, twine, or plastic as the only cover;

(3) Not stored in a commercial structure; and

(4) Properly dried prior to harvest—losses resulting from excessive moisture due to the commodity not being dried properly prior to storage are not eligible.

§ 760.1605 [Amended]

■ 8. In § 760.1605(a), remove the words ''a financial'' and add the words ''an ownership'' in their place.

■ 9. Revise § 760.1606 to read as follows:

§ 760.1606 General provisions.

(a) Losses will be determined by the total production of an eligible on-farm stored commodity in storage at time of loss. Eligibility and payments will be based on physical location of storage. Payments will be made on eligible commodities that were completely lost or destroyed while in storage due to the qualifying disaster event.

(b) The amount received from the salvage of the damaged facility and the amount of any insurance indemnity received with respect to the damage of the facility will be deducted from the calculated payment amount determined in accordance with § 760.1612.

■ 10. Revise § 760.1607 to read as follows:

§ 760.1607 Availability of funds and timing of payments.

On-Farm Stored Commodity Loss Program payments will be prorated, with all producers receiving payments based on the sum of all eligible payments and available funds. FSA will not disburse On-Farm Stored Commodity Loss Program payments at the beginning of the application period. During the application period, FSA may evaluate program demand and begin issuing payments if an initial payment factor can be established to ensure that payments do not exceed available funding. After the application deadline, a final payment factor will be determined and applied, which may or may not provide an additional or final payment, depending upon the factor.

■ 11. Revise § 760.1608 to read as follows:

§ 760.1608 Payment limitation and AGI.

(a) Per program loss year, a person or legal entity, other than a joint venture or general partnership, is eligible to receive, directly or indirectly, payments under this subpart of not more than:

(1) $125,000 if less than 75 percent of the person's or legal entity's average AGI is average adjusted gross farm income; or

(2) $250,000 if 75 percent or more of the person's or legal entity's average AGI is average adjusted gross farm income.

(b) To be eligible to receive payments based on the limitation in paragraph (a)(2) of this section, a person or legal entity must submit FSA–510, Request for an Exception to the $125,000 Payment Limitation for Certain Programs, accompanied by a certification from a certified public accountant or attorney as to that person's or legal entity's certification.

(c) If a producer requesting the $250,000 payment limitation is a legal entity, all members of that entity must also complete FSA–510 and provide the required certification according to the direct attribution provisions in 7 CFR 1400.105. If a legal entity would be eligible for the $250,000 payment limitation based on the legal entity's average adjusted gross farm income but a member of that legal entity either does not complete an FSA–510 and provide the required certification or is not eligible for the $250,000 payment limitation, the payment to the legal entity will be reduced for the limitation applicable to the share of the OFSCLP 2023 or 2024 payment attributed to that member.

(d) If a producer or member of a legal entity files FSA–510 and the accompanying certification after their payment is issued but before the deadline specified in § 760.1611(g), FSA will recalculate the payment and issue the additional calculated amount.

(e) The direct attribution provisions in § 1400.105 of this chapter apply for payment limitation and determining average AGI as defined and used in this subpart.

(f) If an individual or legal entity is not eligible to receive OFSCLP payments due to the individual or legal entity failing to satisfy payment eligibility provisions, the payment made either directly or indirectly to the individual or legal entity will be reduced to zero. The amount of the reduction for the direct payment to the producer will be commensurate with the direct or indirect ownership interest of the ineligible individual or ineligible legal entity.

■ 12. Revise § 760.1609 to read as follows:

§ 760.1609 Qualifying disaster events.

(a) The On-Farm Stored Commodity Loss Program will provide a payment to eligible producers who suffered losses of harvested eligible on-farm stored commodities while such commodities were stored in on-farm structures as a result of wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze, including a polar vortex, smoke exposure, qualifying drought, and related conditions that occurred in calendar year 2023 or 2024.

(b) A producer must provide supporting documentation that substantiates that the loss of the commodity was reasonably related to a qualifying disaster event as specified in this subpart and meets all other eligibility conditions. Supporting documentation may include climatological data from a reputable source or other information substantiating the claim of loss due to a qualifying disaster event.

■ 13. Amend § 760.1610 as follows:

■ a. In paragraph (b) introductory text, remove the word ''Storage'' and add the words ''Stored Commodity'' in its place; and

■ b. Revise paragraph (c).

The revision reads as follows.

§ 760.1610 Eligible and ineligible losses.

* * * * *

(c) The following types of loss, regardless of whether they were the result of a qualifying disaster event, are not eligible losses:

(1) Losses to crops that have not been harvested;

(2) Losses to crops not intended for harvest;

(3) Losses caused by improper storage;

(4) Losses caused by the application of chemicals;

(5) Losses caused by theft;

(6) Losses due to quality loss; and

(7) Losses caused by excessive moisture.

■ 14. Amend § 760.1611 as follows:

■ a. In paragraph (a), remove the words ''a date that will be announced by the Deputy Administrator'' and add ''January 23, 2026'' in their place;

■ b. In paragraph (c) remove the word ''Storage'' and add the words ''Stored Commodity'' in its place; and

■ c. Add paragraphs (f) through (h).

§ 760.1611 Application for payment.

* * * * *

(f) Producers of commingled commodities must designate their appropriate share of the commodity when applying for payment.

(g) Applicants must also submit all of the following items by January 23, 2027, if not previously filed with FSA:

(1) Form AD–2047, Customer Data Worksheet, for new customers or existing customers who need to update their customer profile;

(2) CCC–902, Farm Operating Plan, for an individual or legal entity;

(3) CCC–901, Member Information for Legal Entities, if applicable;

(4) AD–1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification, for the producer and affiliated persons as provided in 7 CFR part 12; and

(5) FSA–510, Request for an Exception to the $125,000 Payment Limitation for Certain Programs, for producers and members of legal entities who are requesting an increased payment limitation.

(h) The date to apply for payments under this program may, at the sole discretion of FSA, be extended. If FSA makes that decision, the extended date will be set forth at *https://www.fsa.usda.gov/resources/programs/farm-stored-commodity-loss-program-ofsclp.* Producers may also obtain that information from any FSA county office.

■ 15. Revise § 760.1612 to read as follows:

§ 760.1612 Calculating payments for on-farm stored commodity losses.

(a) Payments made under this subpart for eligible on-farm stored commodities are calculated by:

(1) Multiplying the NASS Market Year Average Price or FSA determined price for the eligible on-farm stored commodity by 75 percent;

(2) Multiplying the result from paragraph (a)(1) of this section by the eligible quantity of the eligible on-farm stored commodity adjusted by applicable shares of the producer;

(3) Reducing the calculated amount by subtracting any payment received from an insurance indemnity or salvage buyer; and

(4) Applying a payment factor based on the total calculated payments for all applications if the total calculated payments exceed the available funding.

Subpart Q—Milk Loss Program

§ 760.1700 [Amended]

■ 16. Amend § 760.1700 as follows:

■ a. Add the words ''tornadoes, excessive moisture,'' after ''derechos,'';

■ b. Remove the years ''2020, 2021, and 2022'' and add ''2023 and 2024'' in their place; and

■ c. Remove the last sentence of the paragraph.

■ 17. Revise § 760.1701 to read as follows:

§ 760.1701 Administration.

(a) The Milk Loss Program will be administered under the general supervision and direction of the FSA Administrator and will be carried out in the field by FSA State and county committees, respectively.

(b) State and county committees, and representatives and their employees, do not have authority to modify or waive any of the provisions of the regulations set forth in this subpart.

(c) The State committee will take any action required by the regulations of this subpart that the county committee has not taken. The State committee will also:

(1) Correct, or require a county committee to correct, any action taken by such county committee that is not in accordance with the regulations of this subpart, or

(2) Require a county committee to withhold taking any action that is not in accordance with this subpart.

(d) No provision or delegation to an FSA State or county committee will preclude the FSA Administrator, the Deputy Administrator, or a designee, from determining any question arising under this subpart, or from reversing or modifying any determination made by an FSA State or county committee.

■ 18. Amend § 760.1702 as follows:

■ a. In the definition of ''Affected farmer'', add the word ''disaster'' after ''qualifying'';

■ b. In the definition of ''Application period'', remove the years ''2020, 2021, and 2022'' and add ''2023 and 2024'' in their place;

■ c. Revise the definitions of ''Average adjusted gross farm income'' and ''Average adjusted gross income'';

■ d. Remove the definition of ''Beginning farmer or rancher'';

■ e. Add the definition of ''Farming operation'' in alphabetical order;

■ f. Remove the definition of ''Limited Resource farmer or rancher'';

■ g. Add the definition of ''Legal entity'' in alphabetical order;

■ h. In the definition of ''Milk marketing organization'', remove the words ''weather related'' and add ''disaster'' in their place;

■ i. Add the definitions of ''Production inputs'' and ''Production services'' in alphabetical order;

■ j. Revise the definition of ''Qualifying disaster event'';

■ k. Add the definitions of ''Qualifying drought'' and ''Related condition'' in alphabetical order; and

■ l. Remove the definitions of ''Same loss'', ''Secretary'', and ''Socially disadvantaged farmer or rancher'', ''Underserved farmer or rancher'', and ''Veteran farmer or rancher''.

The revisions and additions read as follows.

§ 760.1702 Definitions.

* * * * *

Average adjusted gross farm income means the average of the person's or legal entity's adjusted gross income derived from farming, ranching, and forestry operations, including losses, for the 3 taxable years preceding the most immediately preceding complete taxable year.

(1) If the resulting average adjusted gross farm income derived from paragraphs (1) through (13) of the definition for ''income derived from farming, ranching, and forestry operations'' in this section is at least 66.66 percent of the average adjusted gross income of the person or legal entity, then the average adjusted gross farm income may also take into consideration income or benefits derived from the following:

(i) The sale, trade, or other disposition of equipment to conduct farm, ranch, or forestry operations; and

(ii) The provision of production inputs and services to farmers, ranchers, foresters, and farm operations.

(2) For legal entities not required to file a Federal income tax return, or a person or legal entity that did not have taxable income in 1 or more of the tax years during the 3 taxable years preceding the most immediately preceding complete taxable year, the average gross farm income will be the adjusted gross farm income, including losses, averaged for the base period, as determined by FSA. For a legal entity created during the base period, the adjusted gross farm income average will include only those years of the base period for which it was in business; however, a new legal entity will not be considered ''new'' to the extent it takes over an existing operation and has any elements of common ownership interest and land with the preceding person or legal entity from which it took over. When there is such commonality, income of the previous person or legal entity will be averaged with that of the new legal entity for the base period. For a person filing a joint tax return, the certification of average adjusted gross farm income may be reported as if the person had filed a separate Federal tax return, and the calculation is consistent with the information supporting the filed joint return.

(3) The relevant tax years are:

(i) For the 2023 program year, 2019, 2020, and 2021; and

(ii) For the 2024 program year, 2020, 2021, and 2022.

Average adjusted gross income means the average of the adjusted gross income as defined under 26 U.S.C. 62 or comparable measure of the person or legal entity for the relevant tax years, which are:

(1) For the 2023 program year, 2019, 2020, and 2021; and

(2) For the 2024 program year, 2020, 2021, and 2022.

* * * * *

Farming operation means a business enterprise engaged in the production of agricultural products, commodities, or livestock, operated by a person, legal entity, or joint operation. A person or legal entity may have more than one farming operation if the person or legal entity is a member of one or more legal entities or joint operations.

* * * * *

Legal entity, as used in this subpart:

(1) Means an entity that is created under Federal or State law and that:

(i) Owns land or an agricultural commodity; or

(ii) Produces an agricultural commodity; and

(2) Includes corporations, joint stock companies, associations, limited partnerships, limited liability companies, irrevocable trusts, estates, charitable organizations, general partnerships, joint ventures, and other similar organizations created under Federal or State law including any such organization participating in a business structure as a partner in a general partnership, a participant in a joint venture, a grantor of a revocable trust, or as a participant in a similar organization. A business operating as a sole proprietorship is considered a legal entity.

* * * * *

Production inputs mean material to conduct farming operations, such as seeds, chemicals, and fencing supplies.

Production services mean services provided to support a farming operation, such as custom farming, custom feeding, and custom fencing.

Qualifying disaster event means droughts, wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions that occurred in calendar year 2023 or 2024.

Qualifying drought means an area within the county was rated by the U.S. Drought Monitor as having a:

(1) D2 (severe drought) intensity for at least 8 consecutive weeks in the applicable calendar year; or

(2) D3 (extreme drought) or higher intensity for any period of time during the applicable calendar year.

Related condition means damaging weather and adverse natural occurrences that occurred concurrently with and as a direct result of a specified qualifying disaster event. Related conditions include, but are not limited to:

(1) Excessive wind that occurred as a direct result of a derecho;

(2) Silt and debris that occurred as a direct and proximate result of flooding;

(3) Excessive wind, storm surges, tornadoes, tropical storms, and tropical depressions that occurred as a direct result of a hurricane; and

(4) Excessive wind and blizzards that occurred as a direct result of a winter storm.

* * * * *

■ 19. Revise § 760.1704, paragraph (a) introductory text, to read as follows:

§ 760.1704 Payments to dairy farmers for milk.

(a) A milk loss payment will be made to an affected farmer who is in compliance with this subpart in the amount equal to 75 percent of the fair market value of the farmer's normal marketings for the application period, less:

* * * * *

§ 760.1708 [Amended]

■ 20. In § 760.1708, remove the words ''of the designated deadline announced by the Secretary for 2020, 2021, and 2022 losses'' and add ''on January 23, 2026, for 2023 and 2024 losses'' in their place.

■ 21. Revise § 760.1709 to read as follows:

§ 760.1709 Payment limitation and AGI.

(a) Per program year, a person or legal entity, other than a joint venture or general partnership, is eligible to receive, directly or indirectly, payments under this subpart of not more than:

(1) $125,000 if less than 75 percent of the person's or legal entity's average adjusted gross income is average adjusted gross farm income; or

(2) $250,000 if not less than 75 percent of the person's or legal entity's average adjusted gross income is average adjusted gross farm income.

(b) To be eligible to receive payments based on the limitation in paragraph (a)(2) of this section, a person or legal entity must submit FSA–510, accompanied by a certification from a certified public accountant or attorney as to that person's or legal entity's certification.

(c) If a producer requesting the $250,000 payment limitation is a legal entity, all members of that entity must also complete FSA–510 and provide the required certification according to the direct attribution provisions in 7 CFR 1400.105. If a legal entity would be eligible for the $250,000 payment limitation based on the legal entity's average adjusted gross farm income but a member of that legal entity either does not complete an FSA–510 and provide the required certification or is not eligible for the $250,000 payment limitation, the payment to the legal entity will be reduced for the limitation applicable to the share of the payment attributed to that member.

(d) If a producer or member of a legal entity files FSA–510 and the accompanying certification after their payment is issued but before the deadline, FSA will recalculate the payment and issue the additional calculated amount.

(e) The direct attribution provisions in § 1400.105 apply for payment limitation and determining average adjusted gross income as defined and used in this subpart.

(f) If an individual or legal entity is not eligible to receive Milk Loss Program payments due to the individual or legal entity failing to satisfy payment eligibility provisions, the payment made either directly or indirectly to the individual or legal entity will be reduced to zero. The amount of the reduction for the direct payment to the producer will be commensurate with the direct or indirect ownership interest of the ineligible individual or ineligible legal entity.

■ 22. Amend § 760.1710 as follows.

■ a. Revise paragraph (a);

■ b. In paragraph (b) introductory text, remove ''within 60 days from the date of the Milk Loss Program application deadline'' and add ''by January 23, 2027'' in its place;

■ c. Remove paragraph (b)(2);

■ d. Redesignate paragraphs (b)(3) through (6) as paragraphs (b)(2) through (5);

■ e. Revise newly redesignated paragraph (b)(4);

■ f. In newly redesignated paragraph (b)(5), add the word ''applicant'' after the word ''Program'';

■ g. In paragraph (d), remove the years ''2020, 2021, and 2022'' and add ''2023 and 2024'' in their place; and

■ h. Add paragraph (f).

The revisions and addition read as follows.

§ 760.1710 Time and method of application.

(a) A completed FSA–376, Milk Loss Program Application, must be submitted at the time of application along with the information listed in § 760.1707 to any FSA county office by the close of business on January 23, 2026.

(b) * * *

(4) Form FSA–510, Request for an Exception to the $125,000 Payment Limitation for Certain Programs, for producers and members of legal entities who are requesting an increased payment limitation; and

* * * * *

(f) The date to apply for payments under this program may, at the sole discretion of FSA, be extended. If FSA makes that decision, the extended date will be set forth at *https://www.fsa.usda.gov/resources/programs/milk-loss-program-mlp.* Producers may also obtain that information from any FSA county office.

■ 23. Revise § 760.1719 to read as follows:

§ 760.1719 Availability of funds and timing of payments.

(a) Payments under this subpart will be prorated based on the sum of all payments to eligible affected farmers and available funds.

(b) FSA will not disburse Milk Loss Program payments at the beginning of the application period. However, during the application period, FSA may evaluate program demand and begin issuing payments if an initial payment factor can be established to ensure that payments do not exceed available funding. After the application deadline, a final payment factor will be determined and applied, which may or may not provide an additional or final payment, depending upon the factor.

■ 24. In § 760.1720, revise paragraph (a)(4) to read as follows:

§ 760.1720 Calculating payments for milk losses.

(a) * * *

(4) Multiplied by a program factor of 75 percent.

* * * * *

Subpart T—Emergency Livestock Relief Program 2023 and 2024

■ 25. Revise § 760.2001 to read as follows:

§ 760.2001 Administration.

(a) The Emergency Livestock Relief Program 2023 and 2024 will be administered under the general supervision and direction of the FSA Administrator and will be carried out in the field by FSA State and county committees, respectively.

(b) State and county committees, and representatives and their employees, do not have authority to modify or waive any of the provisions of the regulations set forth in this subpart.

(c) The State committee will take any action required by the regulations of this subpart that the county committee has not taken. The State committee will also:

(1) Correct, or require a county committee to correct, any action taken by such county committee that is not in accordance with the regulations of this subpart; or

(2) Require a county committee to withhold taking any action that is not in accordance with this subpart.

(d) No provision or delegation to an FSA State or county committee will preclude the FSA Administrator, the Deputy Administrator, or a designee, from determining any question arising under this subpart, or from reversing or modifying any determination made by an FSA State or county committee.

■ 26. Amend § 760.2004 as follows:

■ a. In paragraph (a), remove the date ''October 31, 2025'' and add ''November 21, 2025'' in its place; and

■ b. Add paragraph (c).

The addition reads as follows.

§ 760.2004 Required forms and deadlines.

* * * * *

(c) The date to apply for payments under this program may, at the sole discretion of FSA, be extended. If FSA makes that decision, the extended date will be set forth at *https://www.fsa.usda.gov/resources/programs/emergency-livestock-relief-program-elrp.* Producers may also obtain that information from any FSA county office.

§ 760.2006 [Amended]

■ 27. In § 760.2006, remove the first paragraph (e).

Subpart U—Emergency Livestock Relief Program 2023 and 2024 Flood and Wildfire

■ 28. Revise § 760.2101 to read as follows:

§ 760.2101 Administration.

(a) The Emergency Livestock Relief Program 2023 and 2024 Flood and Wildfire will be administered under the general supervision and direction of the FSA Administrator and will be carried out in the field by FSA State and county committees, respectively.

(b) State and county committees, and representatives and their employees, do not have authority to modify or waive any of the provisions of the regulations set forth in this subpart.

(c) The State committee will take any action required by the regulations of this subpart that the county committee has not taken. The State committee will also:

(1) Correct, or require a county committee to correct, any action taken by such county committee that is not in accordance with the regulations of this subpart; or

(2) Require a county committee to withhold taking any action that is not in accordance with this subpart.

(d) No provision or delegation to an FSA State or county committee will preclude the FSA Administrator, the Deputy Administrator, or a designee, from determining any question arising under this subpart, or from reversing or modifying any determination made by an FSA State or county committee.

■ 29. Amend § 760.2107 as follows:

■ a. In paragraph (a) introductory text, remove the date ''October 31, 2025'' and add ''November 21, 2025'' in its place; and

■ b. Add paragraph (f).

The addition reads as follows.

§ 760.2107 Application process.

* * * * *

(f) The date to apply for payments under this program may, at the sole discretion of FSA, be extended. If FSA makes that decision, the extended date will be set forth at *https://www.fsa.usda.gov/resources/programs/emergency-livestock-relief-program-elrp.* Producers may also obtain that information from any FSA county office.

§ 760.2109 [Amended]

■ 30. In § 760.2109, remove and reserve paragraph (e).

Subpart V—Supplemental Disaster Relief Program

■ 31. In § 760.2200, add paragraph (d) to read as follows:

§ 760.2200 Applicability.

* * * * *

(d) SDRP Stage 2 provides assistance for eligible losses of eligible crops, trees, bushes, and vines for which a producer:

(1) Had Federal crop insurance or NAP coverage but did not receive a Federal crop insurance indemnity or NAP payment for the applicable crop year; or

(2) Did not have Federal crop insurance or NAP coverage for the applicable crop year.

■ 32. Revise § 760.2201 to read as follows:

§ 760.2201 Administration.

(a) The Supplemental Disaster Relief Program will be administered under the general supervision and direction of the FSA Administrator and will be carried out in the field by FSA State and county committees, respectively.

(b) State and county committees, and representatives and their employees, do not have authority to modify or waive any of the provisions of the regulations set forth in this part.

(c) The State committee will take any action required by the regulations of this subpart that the county committee has not taken. The State committee will also:

(1) Correct, or require a county committee to correct, any action taken by such county committee that is not in accordance with the regulations of this subpart; or

(2) Require a county committee to withhold taking any action that is not in accordance with this subpart.

(d) No provision or delegation to an FSA State or county committee will preclude the FSA Administrator, the Deputy Administrator, or a designee, from determining any question arising under this subpart, or from reversing or modifying any determination made by an FSA State or county committee.

■ 33. Amend § 760.2202 as follows:

■ a. Revise the definition of ''Administrative fee'';

■ b. Add the definitions of ''Affected production'', ''APH and yield-based plans'', ''Approved yield'', ''Area plans'', ''Average market price'', ''County disaster yield'', and ''County expected yield'' in alphabetical order;

■ c. Revise the definitions of ''Coverage level'' and ''Crop year'';

■ d. Add the definitions of ''Damage factor'', ''Determined acres'', ''Dollar plans and other revenue plans'', ''Dollar value after disaster'', and ''Dollar value before disaster'' in alphabetical order;

■ e. Revise the definition of ''Eligible crop'';

■ f. Add the definitions of ''Eligible acreage percentage'', ''Expected price'', ''Federal Crop Insurance Act'', ''Final planting date'', ''Forage crop'', ''Grading factor'', ''Harvested'', ''Insurable crop'', ''Multiple planting'', ''Native sod'', and ''Nutrient factor'' in alphabetical order;

■ g. Revise the definition of ''Premium'';

■ h. Add the definitions of ''Prevented planting'', ''Prevented Planting payment factor'', ''Price election'', ''Production'', ''Production to count'', ''Quality loss'', ''Reliable production record'', ''Salvage value'', ''SDRP factor'', ''Stage 1 quality loss payment'', ''Secondary use'', and ''Share-adjusted'' in alphabetical order;

■ i. In the definition of ''Tree'', remove the word ''syrup'' and add the word ''sap'' in its place; and

■ j. Add the definitions of ''Tropical region'', ''Unharvested payment factor'', ''Uninsured'', ''Unit of measure'', ''USDA'', ''Value loss crop'', ''Verifiable'', and ''Yield'' in alphabetical order.

The revisions and additions read as follows.

§ 760.2202 Definitions.

* * * * *

Administrative fee means the amount an insured producer paid for catastrophic risk protection, and additional coverage for each crop year as specified in the applicable crop insurance policy. It does not include administrative fees for supplemental policy endorsements based on county- or area-level losses when purchased with a base policy.

Affected production means the producer's ownership share of harvested production of an eligible crop, adjusted to standard moisture as established by the U.S. Grains Standards Act, a State regulatory agency, or industry standard, that had a quality loss due to a qualifying disaster event.

APH and yield-based plans means the following plans of Federal crop insurance: Yield Protection (YP), Revenue Protection (RP), Revenue Protection with Harvest Price Exclusion (RP–HPE), Actual Production History (APH), Production Revenue History—Yield Protection (PRH–YP), Production Revenue History Plus (PRH-Plus), Actual Production History—Price Component (APH-Price Component), and Production Revenue History—Revenue (PRH-Revenue).

Approved yield means the amount of production per acre, computed as specified in FCIC's Actual Production History (APH) Program in part 400, subpart G of this title that were in effect for the applicable crop year or, for crops not included in the regulations of part 400, subpart G of this title in effect for the applicable crop year, the yield used to determine the guarantee. For crops covered under NAP, the approved yield is established according to part 1437 of this title.

Area plans means the following plans of Federal crop insurance: Actual Yield Protection (AYP), Area Revenue Protection (ARP), Area Revenue Protection with Harvest Price Exclusion (ARPHPE), Stacked Income Protection Plan-Revenue Protection (STXRP), Stacked Income Protection Plan-Revenue Protection with Harvest Price Exclusion (STAX–RP–HPE), and Rainfall Index (RI–13).

* * * * *

Average market price means the average market price per unit of measure established by FSA according to 7 CFR 1437.12.

* * * * *

County disaster yield means the average yield per acre calculated for a county or part of a county for the applicable crop year based on disaster events, and is intended to reflect the amount of production that a participant would have been expected to make based on the eligible disaster conditions in the county or area, as determined by FSA.

County expected yield means the yield determined according to § 1437.102(b) of this title.

Coverage level means the percentage determined by multiplying the elected yield percentage under a crop insurance policy or NAP coverage by the elected price percentage. It does not include coverage under a supplemental policy endorsement based on county- or area-level losses when purchased with a base policy.

Crop year means:

(1) For insurable crops, trees, and vines, the crop year as defined according to the applicable Federal crop insurance policy;

(2) For NAP-eligible crops, the crop year as defined in 7 CFR 1437.3; and

(3) For uninsurable trees, bushes, and vines, the calendar year in which the qualifying disaster event occurred.

Damage factor means a percentage of the value lost when a tree, bush, or vine is damaged and requires rehabilitation but is not completely destroyed, as determined by FSA.

* * * * *

Determined acres means acreage established by a representative of FSA by use of official acreage, digitizing areas on the photographic image, or computations from scaled dimensions or ground measurements.

Dollar plans and other revenue plans means the following Federal crop insurance plans: Dollar Amount of Insurance, Fixed Dollar, Yield Based Dollar Amount Insurance, Pecan Revenue, and ARH (Actual Revenue History).

Dollar value after disaster means the crop inventory immediately after the qualifying disaster event multiplied by the established price for the value loss crop.

Dollar value before disaster means the crop inventory immediately before the qualifying disaster event multiplied by the established price for the value loss crop.

Eligible crop means a crop:

(1) Including aquacultural species, for which a Federal crop insurance policy or NAP coverage was available for the 2023, 2024, or 2025 crop year, excluding crops for grazing;

(2) That was produced in the United States as part of a farming operation and was intended to be commercially marketed; and

(3) That was not livestock or timber.

Eligible acreage percentage means the percentage of acreage that is eligible for SDRP under the respective area plan compared to the total acreage insured.

Expected price means a verifiable published price either for sale or loan on a specific crop and year or the price established by FSA for a crop and year.

* * * * *

Federal Crop Insurance Act means the legal authority codified in 7 U.S.C. 1501–1524.

Final planting date means the latest date, established by RMA for each insurable crop or FSA for NAP-covered crops, by which the crop must initially be planted in order to be insured for the full production guarantee or amount of insurance per acre.

Forage crop means a plant grown and used to feed livestock that is harvested and processed into forms like hay, silage, or green chop. It excludes crops for grazing.

Grading factor means a factor that describes the physical condition or a feature that is evaluated to determine the quality of the production, such as broken kernels and low-test weight.

Harvested means:

(1) For insurable crops, harvested as defined according to the applicable Federal crop insurance policy;

(2) For NAP-eligible single harvest crops, that a crop has been removed from the field, either by hand or mechanically;

(3) For NAP-eligible crops with potential multiple harvests in 1 year or harvested over multiple years, that the producer has, by hand or mechanically, removed at least 1 mature crop from the field during the crop year; and

(4) For mechanically harvested NAP-eligible crops, that the crop has been removed from the field and placed in a truck or other conveyance, except hay is considered harvested when in the bale, whether removed from the field or not.

* * * * *

Insurable crop means an agricultural crop (excluding livestock and crops intended for grazing) for which the producer on a farm is eligible to obtain a policy or plan of insurance under the Federal Crop Insurance Act.

* * * * *

Multiple planting means the planting for harvest of the same crop in more than one planting period in a crop year on different acreage.

* * * * *

Native sod means land on which the natural state plant cover before tilling was composed principally of native grasses, grass-like plants, forbs, or shrubs suitable for grazing and browsing and is land that has never been tilled as determined by USDA.

Nutrient factor means a factor determined by a test that measures the nutrient value of a crop to be fed to livestock. Examples include, but are not limited to, relative feed value and total digestible nutrients.

* * * * *

Premium means the premium paid by the producer for crop insurance coverage or NAP buy-up coverage levels. It does not include premiums for supplemental policy endorsements based on county- or area-level losses when purchased with a base policy.

Prevented planting means the inability to plant an insured crop with proper equipment during the planting period as a result of an insured cause of loss, as determined by FSA.

Prevented planting payment factor means a percentage established by FSA for a crop and applied in a payment formula to reduce the payment for reduced expenses due to prevented planting of the crop.

Price election means the percentage of the crop insurance price for insured crops or average market price for NAP covered crops the producer elects for their individual coverage.

Production means quantity of the crop produced, which is expressed in a specific unit of measure such as bushels or pounds.

* * * * *

Production to count means the net production which includes harvested, appraised, and assigned production after production and quality adjustments, if applicable. For insured and NAP-covered crops, production to count is determined by the applicable Federal crop insurance policy or NAP provisions.

* * * * *

Quality loss means:

(1) For crops other than forage, a decrease in value based on discounts provided at the point of sale due to the physical condition of the crop indicated by an applicable grading factor; and

(2) For forage crops, a reduction in an applicable nutrient factor for the crop.

Reliable production record means evidence provided by the participant that is used to substantiate the amount of production reported when verifiable records are not available, including copies of receipts, ledgers of income, income statements of deposit slips, register tapes, invoices for custom harvesting, and records to verify production costs, contemporaneous measurements, truck scale tickets, and contemporaneous diaries that are determined acceptable by FSA. To determine whether the records are acceptable, FSA will consider whether they are consistent with the records of other producers of the crop in that area.

* * * * *

Salvage value means the dollar amount or equivalent for the quantity of the commodity that cannot be marketed or sold in any recognized market for the crop.

SDRP factor means:

(1) For insured and NAP-covered crops, the factor in Table 1 to § 760.2208(b), which is based on the Federal crop insurance or NAP coverage level for a crop and unit that was elected by the SDRP participant for the applicable crop year; and

(2) For uninsured producers, a factor of 70 percent.

Stage 1 quality loss payment means a payment calculated according § 760.2209(d) and (e).

Secondary use means the harvesting of a crop for a use other than the intended use.

Share-adjusted means the adjustment of RMA producer certified production provided by RMA or SDRP producer certified production from the producer by the percent of insurable interest on the FSA–504.

* * * * *

Tropical region means Hawaii, Puerto Rico, American Samoa, Guam, the U.S. Virgin Islands, the Commonwealth of Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

Unharvested payment factor means a percentage established by FSA for a crop and applied in a payment formula to reduce the payment for reduced expenses incurred because commercial harvest was not performed.

Uninsured means a crop that was not covered by Federal crop insurance or NAP for the crop year for which a payment is being requested under this subpart.

* * * * *

Unit of measure means:

(1) For insurable crops, the FCIC-established unit of measure; and

(2) For NAP-eligible crops, the established unit of measure used for the NAP price and yield.

USDA means the U.S. Department of Agriculture.

* * * * *

Value loss crop means crops for which losses are calculated based on the value of a producer's inventory before and after a disaster event, rather than based on a yield expressed as a unit of production per acre. The term ''value loss crop'' has the meaning specified in subpart D of part 1437 of this title, and includes the following crops: aquaculture, including ornamental fish, Christmas trees, floriculture, ginseng root, mushrooms, nursery crops, and turfgrass sod.

Verifiable means FSA is able to verify evidence through an independent source.

* * * * *

Yield means unit of production, measured in bushels, pounds, or other unit of measure, per area of consideration, usually measured in acres.

■ 34. In § 760.2203, revise paragraph (d) to read as follows:

§ 760.2203 Eligible producers.

* * * * *

(d) FSA's creation and mailing or other transmission of a pre-filled application does not indicate that the person or legal entity listed on the application is eligible for an SDRP Stage 1 or Stage 2 payment.

■ 35. In § 760.2204, add paragraphs (e) and (f) to read as follows.

§ 760.2204 Stage 1 eligible and ineligible losses.

* * * * *

(e) To be eligible for an SDRP Stage 1 quality loss payment, a producer must have:

(1) Received a Federal crop insurance indemnity under an APH or yield-based plan or a NAP benefit for the crop and unit; and

(2) Submitted an application for SDRP Stage 1 benefits in accordance with § 760.2206(a).

(f) The following are ineligible for an SDRP Stage 1 quality loss payment:

(1) Value-loss crops;

(2) Maple sap;

(3) Honey;

(4) Crops for which the producer received a Federal crop insurance indemnity, NAP payment, or Stage 1 payment specified in § 760.2208 based on the quantity of the crop's production that was considered unmarketable;

(5) Crops for which the producer previously received a Federal crop insurance indemnity, NAP payment, or Stage 1 payment specified in § 760.2208 for which the crop production was reported as salvage value or secondary use;

(6) Crops that were destroyed;

(7) Crops that were prevented from being planted;

(8) Losses that could have been mitigated through reasonable and available measures;

(9) Crops that were previously adjusted for a quality loss under NAP;

(10) The portion of quality adjustment previously included in a crop insurance indemnity;

(11) Trees, bushes, and vines;

(12) Sugar beets for which a member of a cooperative processor received a payment for the same loss through a block grant or cooperative agreement; and

(13) Crops that were unharvested.

■ 36. Add § 760.2205 to read as follows.

§ 760.2205 Stage 2 eligible and ineligible losses.

(a) For SDRP Stage 2, eligible losses include production, quality, and revenue losses of eligible crops and losses of eligible trees, bushes, and vines for which the producer had:

(1) Non-indemnified losses under a Federal crop insurance policy that was included in Stage 1;

(2) A loss covered by a Federal crop insurance policy in Puerto Rico, excluding plantain plants and banana plants insured under Puerto Rico crop insurance provisions;

(3) NAP coverage but did not receive a NAP payment, excluding crops with an intended use of grazing;

(4) Production or quality losses of eligible crops that were uninsured;

(5) An indemnified loss under a Federal crop insurance Annual Forage policy that was ineligible for SDRP Stage 1 because the unit included acreage that was intended for grazing, but also included acreage intended for forage or grain; or

(6) An indemnified loss under a Rainfall Index plan for Apiculture or Pasture, Rangeland, and Forage that was ineligible for SDRP Stage 1 because the producer entered a county located in Connecticut, Hawaii, Maine, or Massachusetts on their application but the unit also includes land physically located in a state other than Connecticut, Hawaii, Maine, or Massachusetts.

(b) To be eligible for SDRP Stage 2, the loss described in paragraph (a) of this section must have been caused, in whole or in part, by a qualifying disaster event. FSA's creation and transmission of a pre-filled application for producers with data on file with FSA or RMA does not indicate that a crop, tree, bush, or vine loss included on that application is eligible for an SDRP Stage 2 payment.

(c) If a producer has both a NAP policy and a Federal crop insurance policy that address the same potential crop loss, the producer cannot receive a Stage 2 payment based on both the crop insurance policy and NAP policy. The producer must elect whether to receive the Stage 2 payment based on the data associated with their Federal crop insurance policy or their NAP policy.

(d) The following losses are not eligible for SDRP Stage 2:

(1) Losses covered under Stage 1, including losses:

(i) For all crops covered under a Whole Farm Revenue Protection policy for which the producer received an indemnity; and

(ii) Quality losses for all crops covered under Stage 1 Quality Loss provisions;

(2) Losses for which the producer received an:

(i) ERP 2022 Track 1 payment for the 2023 crop year; or

(ii) ERP 2022 Track 2 payment for which their allowable gross revenue for the 2023 tax year was used as the disaster year revenue;

(3) Prevented planting losses for crops covered by Federal crop insurance or NAP, regardless of whether the acres were determined ineligible under the terms of the Federal crop insurance plan or NAP provisions, as applicable;

(4) Losses of sugar beets for which a member of a cooperative processor received a payment through a block grant or cooperative agreement;

(5) Losses of crops that occur after harvest;

(6) Losses for which FSA or RMA have previously disapproved a notice of loss for the crop and disaster event, unless that notice of loss was disapproved solely because it was filed after the applicable deadline;

(7) Losses due to any of the following causes:

(i) Poor management decisions, poor farming practices, or drifting herbicides;

(ii) Failure of the participant to re-seed or replant to the same crop in a county where it is customary to re-seed or replant after a loss before the final planting date;

(iii) Water contained or released by any governmental, public, or private dam or reservoir project if an easement exists on the acreage affected by the containment or release of the water; or

(iv) Failure of a power supply or brownout;

(8) Losses of the following, regardless of whether they were the result of an eligible disaster event:

(i) Production that could not be marketed merely because of a loss of market demand that was not associated with the quality of the crop;

(ii) Aquacultural species that were compensated under ELAP;

(iii) Volunteer crops;

(iv) Crops not intended for harvest;

(v) By-products resulting from processing or harvesting a crop, such as, but not limited to, cotton seed, peanut shells, wheat or oat straw, or corn stalks or stovers;

(vi) Crops, trees, bushes, and vines in home gardens;

(vii) First year seeding for forage production, or immature fruit crops;

(viii) Tobacco in areas where Federal crop insurance is not available;

(ix) Crops, trees, bushes, and vines that were physically located in Connecticut, Hawaii, Maine, or Massachusetts; or

(x) Trees, bushes, and vines that were abandoned or were not in use or intended for commercial operation at the time of loss; and

(9) Losses for honey, when the honey production by colonies or bees was diminished, if caused by:

(i) Unavailability of equipment or the collapse or failure of equipment or apparatus used in the honey operation;

(ii) Improper storage of honey;

(iii) Bee feeding;

(iv) Application of chemicals;

(v) Theft;

(vi) Movement of bees by or for the producer; or

(vii) Disease or pest infestation of the colonies, unless approved by FSA.

(e) Quality losses for the following are ineligible for SDRP Stage 2:

(1) Crops insured under area plans;

(2) Quality losses compensated under Stage 1;

(3) Value loss crops;

(4) Maple sap;

(5) Honey;

(6) Trees, bushes, and vines;

(7) Crops that were destroyed;

(8) Crops that were prevented from being planted;

(9) Losses that could have been mitigated through reasonable and available measures;

(10) Production that cannot be marketed merely because of a loss of market demand that is not associated with the quality of the crop; and

(11) Crops for which the production was already reduced for quality losses under NAP.

■ 37. Amend § 760.2206 as follows:

■ a. In paragraph (a), remove the words ''the deadline announced by FSA'' and add ''April 30, 2026'' in their place;

■ b. Redesignate paragraph (e) as paragraph (g);

■ c. Add paragraphs (c) through (f);

■ d. In newly redesignated paragraph (g), remove the words ''the deadline announced by FSA'' and add ''April 30, 2027'' in their place; and

■ e. Add paragraph (h).

The additions read as follows.

§ 760.2206 Time and method of application.

* * * * *

(c) For SDRP Stage 1 quality loss payments, FSA will generate a pre-filled FSA–526Q, Supplemental Disaster Relief Program (SDRP) Stage 1 Quality Loss Application, which includes the producer's information that is already on file with USDA. Producers must contact their FSA county office to obtain their pre-filled FSA–526Q. Producers applying for a SDRP Stage 1 quality loss payment may not alter pre-filled data in FSA–526Q. In addition to FSA–526Q, producers must also submit documentation required by § 760.2207 for all producer-certified quality loss percentages, and failure to submit that documentation will result in disapproval of the producer's FSA–526Q. Producers must submit FSA–526Q and the required documentation to any FSA county office by April 30, 2026.

(d) For SDRP Stage 2, producers must submit the following to any FSA county office by April 30, 2026:

(1) A completed FSA–504, Supplemental Disaster Relief Program (SDRP) Stage 2 Application;

(2) FSA–578, Report of Acreage, for all acreage of any crop for the applicable crop year for which payments under this subpart are requested, with the

exception of crops insured under APH or yield-based plans and insured crops in Puerto Rico; and

(3) Required documentation specified in § 760.2207 for the information entered on FSA–504. Producers are not required to provide additional documentation to support pre-filled values on FSA–504.

(e) FSA will pre-fill data for items on FSA–504 for crops insured under certain Federal crop insurance policies or covered by NAP when that data is already on file with RMA or FSA. Producers of those crops must contact their FSA county office to obtain their pre-filled FSA–504. Producers must review any pre-filled data and, if inaccurate, enter the correct data on FSA–504 in the items provided for producer-certified data.

(f) A producer must apply for a crop and unit on the part of FSA–504 that corresponds to the type of insurance or NAP coverage obtained for the crop and unit, if applicable. A producer cannot apply for a crop and unit as an uninsured loss if the crop and unit were covered by Federal crop insurance or NAP, including acreage that was deemed ineligible. Applications for crops and units entered in the wrong part on FSA–504 will be disapproved.

* * * * *

(h) The date to apply for payments under this program may, at the sole discretion of FSA, be extended. If FSA makes that decision, the extended date will be set forth at *https://www.fsa.usda.gov/resources/programs/supplemental-disaster-relief-program.* Producers may also obtain that information from any FSA county office.

■ 38. Amend § 760.2207 as follows:

■ a. In paragraph (b), remove the words ''the deadline announced by FSA'' and add ''April 30, 2026'' in their place; and

■ b. Add paragraphs (c) through (n).

The additions read as follows.

§ 760.2207 Required documentation and verification.

* * * * *

(c) Producers who apply for a Stage 1 quality loss payment must submit documentation specified in paragraph (e) of this section to substantiate the certified SDRP quality loss percentage. Documentation of pre-filled information on FSA–526Q is not required unless requested by FSA.

(d) Producers who apply for Stage 2 must submit documentation as specified in this section to support any of the following entered by the producer on FSA–504: Quality loss percentage; production; dollar value before disaster event; dollar value after disaster event; the number of trees, bushes, and vines destroyed; and the number of trees, bushes, and vines damaged. Documentation of pre-filled information on FSA–504 is not required unless requested by FSA.

(e) Producers must submit documentation to support the producer-certified quality loss percentage entered on FSA–526Q or FSA–504.

(1) The following documentation is required:

(i) For eligible crops other than forage crops, verifiable documentation of the total dollar value loss and corresponding grading factors due to quality and acceptable production records to determine the amount of eligible production; and

(ii) For forage crops, verifiable documentation of the nutrient factors for the affected production, and acceptable production records to determine the amount of eligible production. The nutrient factors that must be documented for a crop will be determined by FSA based on the standard practice for the crop in that county.

(2) The documentation must be dated and contain all information required to substantiate the applicant's certification to the satisfaction of FSA. Verifiable documentation is required to substantiate the total dollar value loss, affected production, grading factors, and nutritional factors. FSA may verify the records with records on file at the warehouse, gin, or other entity that received or may have received the reported production.

(3) To be considered acceptable, verifiable documentation for grain crops that were sold may come from any time between harvest and sale of the affected production, unless FSA determines the record is not representative of the condition within 30 days of harvest. For all other crops other than forage, the verifiable documentation must come from tests or analysis completed within 30 days of harvest, unless FSA determines that the record is representative of the condition of the affected production at time of harvest. Examples of acceptable records include, but are not limited to:

(i) Warehouse grading sheets;

(ii) Settlement sheets;

(iii) Sales receipts showing grade and price or disposition to secondary market due to quality; and

(iv) Laboratory test results.

(f) To support any production entered on FSA–504, the producer must submit acceptable documentation that substantiates the certification to the satisfaction of FSA. If the eligible crop was sold or otherwise disposed of through commercial channels, an acceptable production record of that disposition must be provided to FSA with the certification. Producers must account for the total amount of unit production for the crop, whether or not records reflect this production, and provide all records for any production of a crop that is grown with an arrangement, agreement, or contract for guaranteed payment. If a producer does not have acceptable production records, the county disaster yield will apply as provided in § 760.2211(g), except in cases where the applicant has indicated a quality loss percentage. Acceptable production records include the following:

(1) RMA or NAP records, if accurate and complete;

(2) Commercial receipts;

(3) Settlement sheets;

(4) Warehouse ledger sheets or load summaries;

(5) Appraisal information from a loss adjuster acceptable to FSA; and

(6) For eligible crops that were farm-stored, sold, fed to livestock, or disposed of by means other than verifiable commercial channels:

(i) Truck scale tickets;

(ii) Appraisal information from a loss adjuster acceptable to FSA;

(iii) Contemporaneous reliable diaries; and

(iv) Other documentary evidence, such as contemporaneous reliable measurements, determined acceptable by FSA.

(g) Under Stage 2, participants requesting payments for losses to adulterated wine grapes must submit verifiable sales tickets that document that the reduced price received was due to adulteration due to a qualifying disaster event. For adulterated wine grapes that have not been sold, participants must submit verifiable records obtained by testing or analysis to establish that the wine grapes were adulterated due to a qualifying disaster event and the price they would receive due to adulteration.

(h) For value loss crops, producers must provide acceptable records to substantiate the dollar value before and after the qualifying disaster event. The producer will determine the dollar value before disaster and dollar value after disaster. Acceptable inventory records should include relevant dates (such as planting, seeding, or harvest), quantity, sizes, and location for the inventory.

(1) Acceptable inventory records include but are not limited to the following:

(i) FCIC records for insured crops, such as RMA appraisal worksheets or Inventory Valuation Reports;

(ii) An appraisal by a NAP loss adjuster;

(iii) Planting records that include date of purchase and date of planting, such as seed receipts or original inventory purchase receipts;

(iv) Sales records that include dates and the quantity of inventory sold, including receipts;

(v) Monthly records of inventory maintained by producers; and

(vi) The producer's beginning inventory extrapolated from FSA-established mortality rates based on size, age, and days of growth, if applicable.

(2) [Reserved]

(i) The dollar value before disaster and dollar value after disaster are determined by multiplying the inventory for each size or age category of the crop by the average market price, and adding the values for all categories. For example, the FSA-established average market prices for bald cypress are $4.68 for a 1-gallon size, and $17.88 for a 3-gallon size. The producer's inventory records indicate 20 of each crop prior to the event. The inventory value is: $93.60 (calculated as 20 × $4.68) + $357.60 (calculated as $17.88 × 20) = $451.20.

(j) For tree, bush, and vine losses, if physical evidence of the lost or damaged trees, bushes, or vines no longer exists, the producer must provide acceptable evidence to substantiate that the eligible trees, bushes, or vines existed and support the number of trees, bushes, or vines lost for each stand due to a qualifying disaster event. Acceptable evidence includes but is not limited to the following:

(1) Receipts for the original purchase of the eligible trees, bushes, or vines;

(2) Documentation of labor and equipment used to plant or remove the eligible trees, bushes, or vines that were lost or damaged;

(3) Chemical, fertilizer, or other related receipts to substantiate the existence of the eligible trees, bushes, or vines;

(4) FCIC records, such as an RMA pre-acceptance inspection report or an appraisal worksheet;

(5) Maps with aerial photography that clearly identify damaged or destroyed trees, bushes, or vines;

(6) Photographic evidence of the loss with the date the image was taken;

(7) Evidence provided with a Tree Assistance Program or Emergency Conservation Program application for the same acreage; and

(8) Certifications of tree, bush, or vine losses by third parties, such as consultants, Cooperative Extension Service, universities, or government personnel, but only if there is no other documentation available.

(k) Producers are responsible for retaining, providing, and summarizing, at time of application and whenever required by FSA, the best available verifiable records for the crop. Producers must provide the information in a manner that can be easily understood by FSA.

(l) Participants must provide all records for any production of a crop that is grown with an arrangement, agreement, or contract for guaranteed payment.

(m) Determinations of acceptability with respect to this paragraph (m) will take into account, as appropriate, the ability for FSA to review and verify or compare the evidence against the similarity of the evidence or reports or data received by FSA for the crop or similar crops. Other factors deemed relevant by FSA may also be taken into account. FSA may verify the production evidence submitted with records on file at the warehouse, gin, or other entity that received or may have received the reported production.

(n) FSA may also require the producer to submit any additional information necessary to support the certifications on the FSA–504 or determine a producer's eligibility, including but not limited to documentation of the qualifying disaster event and the producer's ownership share and risk in the crop. If FSA requests additional information, the producer must submit the requested information within 60 days or the producer's application will be disapproved and the producer must refund the payment, if previously issued.

■ 39. Add § 760.2209 to read as follows.

§ 760.2209 Quality loss percentage calculation.

(a) Stage 1 quality loss payments and some Stage 2 payment calculations are calculated using a quality loss percentage. The quality loss percentage is the percentage of loss calculated for a reduction in the total dollar value of the crop due to reduction in the physical condition of the crop indicated by an applicable grading factor or applicable nutrient factor for the crop. The quality loss percentage is based on the weighted quality reduction of impacted production compared to the total overall production and calculated separately for crops based on the crop type, intended use, certified organic or conventional status, county, and crop year.

(b) For forage crops, a quality loss percentage will be established using the following steps:

(1) FSA will determine:

(i) Acceptable high and low nutritional values; and

(ii) The range determined by subtracting the low nutritional value from the high nutritional value;

(2) The producer will submit a verifiable test to FSA that indicates the nutritional value for the impacted production;

(3) To calculate the quality loss, the producer will:

(i) Calculate the quality loss by subtracting the nutritional value from the verifiable test from the high nutritional value determined by FSA;

(ii) Calculate the percentage difference by dividing the quality loss by the range specified in paragraph (b)(1)(ii) of this section; and

(iii) Calculate the quality loss percentage by taking 100 percent minus the percentage difference in paragraph (b)(3)(ii) of this section.

(4) The quality loss percentage will be specific and weighted to the impacted production. If there is production that was not impacted by quality or impacted at a different level, the quality loss percentage must be weighted against the respective impacted production. The producer must calculate their weighted quality loss percentage as follows:

(i) Calculate the percent production impacted by quality loss by dividing the impacted production by the total production; and

(ii) Calculate the weighted quality loss percentage by multiplying the percent production impacted by quality loss by the quality loss percentage.

(iii) If more than one quality loss percentage applies, calculate the total weighted quality loss percentage by adding the separate calculated weighted quality loss percentages determined in paragraph (b)(4)(ii) of this section.

(c) For crops other than forage, the producer will calculate the quality loss percentage by:

(1) Calculating the total reduction in value due to quality; and

(2) Calculating the quality loss percentage by dividing total reduction in value due to quality by the expected price the producer would have received at the point of sale if not for the quality discounts.

(d) For Stage 1 quality loss payments for crops insured under APH and yield-based plans, RMA will provide the total revenue to count that was used in the calculation of the Stage 1 payment in accordance with § 760.2208(c). RMA will provide the production to count before quality adjustments and the percentage loss that was used to determine the production to count adjusted for quality. The applicant will certify the percent SDRP quality loss on FSA–526Q as provided in this section. If the producer's certified SDRP quality loss percentage is:

(1) Less than or equal to the RMA quality loss percentage, FSA will not issue a Stage 1 quality loss payment; or

(2) Greater than the RMA quality loss percentage, FSA will calculate the difference between the two percentages, and apply that percentage to the total revenue to count provided by RMA. The resulting value will equal the Stage 1 quality loss payment.

(e) For Stage 1 quality loss payments for NAP-covered yield-based crops, FSA will provide the total revenue to count that was used in the calculation for Stage 1 in accordance with § 760.2208(d). The applicant will certify the percent quality loss on the FSA–526Q as provided in this section. FSA will calculate the Stage 1 quality loss payment as follows:

(1) FSA will multiply the revenue to count by the SDRP quality loss percentage;

(2) The result of paragraph (d)(1) of this section will be multiplied by the producer's share, and then multiplied by 35 percent to stay within available funding. The resulting value will constitute the quality loss payment.

■ 40. Add §§ 760.2211 and 760.2212 to read as follows:

§ 760.2211 Eligible Stage 2 production.

(a) The production to count for a crop and unit is the net production, which includes harvested, appraised, and assigned production, after any applicable production and quality adjustments. For insured and NAP-covered crops, production to count is determined by the applicable Federal crop insurance policy or NAP provisions. Total harvested production of eligible crop acreage includes all the harvests in the crop year and is not limited to one harvest in a crop year.

(b) If a crop is appraised and subsequently harvested for the intended use, the actual harvested production must be taken into account to determine payments. FSA will determine whether a participant's evidence of actual production represents all that could or would have been harvested.

(c) For all crops eligible for loan deficiency payments or marketing assistance loans (see parts 1421 and 1434 of this title) with an intended use of grain but harvested for another use such as silage, ensilage, or hay the production will be converted to a whole grain equivalent based on conversion factors as previously established by FSA. This also applies to commodities that are cracked, rolled, or crimped.

(d) If a participant does not receive compensation based upon the quantity of the commodity delivered to a purchaser but has an agreement or contract for guaranteed payment for production, the determination of the production will be the greater of the actual production or the guaranteed payment converted to production as determined by FSA.

(e) The producer is responsible for identifying production that is commingled between crop years, units, ineligible and eligible acres, or different practices. If the producer cannot provide evidence that adequately identifies such production, FSA may deny the application for payment or prorate such production to each respective crop year, unit, type of acreage, or practice, respectively. Commingled production may be attributed to an applicable unit, if prior to commingling, the producer has documented the production by unit and does any of the following:

(1) Provides copies of verifiable documents showing that production of the commodity was purchased, acquired, or otherwise obtained from beyond the unit;

(2) Had the production measured in a manner approved by FSA; or

(3) Had the crop year's production appraised in a manner approved by FSA.

(f) FSA will assign production for the unit, except in cases where the applicant has indicated a quality loss percentage, when FSA determines that:

(1) The participant has failed to provide adequate and acceptable production records;

(2) The loss to the crop is because of a disaster condition not covered by this subpart, or circumstances other than natural disaster, and there has not otherwise been an accounting of this ineligible cause of loss;

(3) The participant carries out a practice, such as multiple cropping, that generally results in lower yields than the established historic yields;

(4) A crop was late-planted;

(5) Unharvested acreage was not timely appraised; or

(6) Other appropriate causes exist for such assignment as determined by FSA.

(g) FSA will establish a county disaster yield that reflects the amount of production producers would have produced considering the eligible disaster events in the county or area for the same crop. The county disaster yield for the county or area will be expressed as either a percent of loss or yield per acre. The county disaster yield will apply when:

(1) Unharvested acreage has not been appraised by FSA or a company reinsured by FCIC; or

(2) Acceptable production records for harvested acres are not available from any source.

(h) In no case will the production amount of any applicant be less than the producer's certified loss.

(i) Under Stage 2, production for eligible adulterated wine grapes will be adjusted for quality deficiencies due to a qualifying disaster event. Wine grapes are eligible for production adjustment only if adulteration occurred prior to harvest and as a result of a qualifying disaster event or as a result of a related condition (such as application of fire retardant). Losses due to all other causes of adulteration (such as addition of artificial flavoring or chemicals for economic purposes) are not eligible for Stage 2. Production will be eligible for quality adjustment if, due to a qualifying disaster event, it has a value of less than 75 percent of the average market price of undamaged grapes of the same or similar variety. The value per ton of the qualifying damaged production and the average market price of undamaged grapes will be determined on the earlier of the date the damaged production is sold or the date of final inspection for the unit. Grape production that is eligible for quality adjustment will be reduced by:

(1) Dividing the value per ton of the damaged grapes by the value per ton for undamaged grapes; and

(2) Multiplying this result (not to exceed 1.000) by the number of tons of the eligible damaged grapes.

§ 760.2212 Stage 2 eligible acres.

(a) For eligible crops insured under an APH or yield-based plans and insured crops in Puerto Rico, the eligible acres for Stage 2 payment calculation will be the eligible acres as specified in the applicable insurance provisions.

(b) For eligible crops other than those covered under an APH or yield-based plan or insured in Puerto Rico, eligible acres will be determined based on the following provisions:

(1) Eligible acreage will be calculated using the lesser of the reported or determined acres shown to have been planted or prevented from being planted to a crop.

(2) Initial crop acreage will be the acreage used to calculate payments under this subpart, unless the provisions for subsequent crops in this section are met. Subsequently planted or prevented planted acreage is considered acreage under this subpart

only if the provisions of this section are met. All plantings of an annual or biennial crop are considered the same as a planting of an initial crop in tropical regions as defined in part 1437, subpart F, of this title.

(3) In cases where there is double cropped acreage, each crop may be included in the acreage only if the specific crops are approved by FSA as eligible double cropping practices.

(4) Except for insured crops, participants with double cropped acreage not meeting the criteria in paragraph (b)(3) of this section may have such acreage included in the acreage for more than one crop only if the participant submits verifiable records establishing a history of carrying out a successful double cropping practice on the specific crops for which payment is requested.

(5) Participants having multiple plantings may receive payments for each planting only if the planting meets the requirements of part 1437 of this title.

(c) For prevented planting, the provisions of parts 718 and 1437 of this title specifying what is considered prevented planting and how it must be documented and reported apply. Crops located in tropical regions are not eligible for prevented planting.

(d) For SDRP Stage 2:

(1) 2023, 2024, and 2025 crop year uninsured prevented planting acres are eligible acres if they meet all requirements of this subpart; and

(2) 2023, 2024, and 2025 crop year insured and NAP-covered prevented planting acres are not eligible acres.

(e) FSA will:

(1) Use the most accurate data available when determining planted and prevented planted acres; and

(2) Disregard acreage of a crop produced on land that is not eligible for Federal crop insurance or NAP.

(f) In cases where crops were insured by an area plan, producers must provide the eligible acreage percentage to FSA for payment. This represents the percentage of eligible acreage of eligible crops compared to the total acreage insured under the respective Area Plan. It is determined by the producer based on a comparison of RMA acres provided on the FSA–504 and total acres reported for the eligible crop on the FSA–578. This percentage excludes acres of grazed crops covered by an Annual Forage policy. This percentage will also exclude acreage that was physically located in a county in Connecticut, Hawaii, Maine, or Massachusetts.

§ 760.2215 [Amended]

■ 41. In § 760.2215, remove and reserve paragraph (d).

§ 760.2216 [Amended]

■ 42. In § 760.2216(d), remove the words ''a Stage 1 payment'' and add ''an SDRP payment'' in their place, and remove the words ''under SDRP Stage 1'' and add ''under SDRP'' in their place.

■ 43. Amend § 760.2217 as follows:

■ a. In paragraph (a), add the words ''or Stage 2'' after ''Stage 1''; and

■ b. Add paragraph (j).

The addition reads as follows.

§ 760.2217 Miscellaneous provisions.

* * * * *

(j) To ensure that SDRP payments do not exceed available funding, all calculated Stage 1 and Stage 2 payments are multiplied by a factor of 35 percent as provided in the payment calculations in this subpart. If funding remains available after SDRP payments are issued, FSA may issue additional SDRP payments under this subpart.

■ 44. Add §§ 760.2218 through 760.2231 to read as follows:

§ 760.2218 Stage 2 payment calculation for insured crops with APH and yield-based plans.

(a) Stage 2 payments for eligible crops and units that were insured under APH or yield-based plans but not indemnified for a loss will be calculated according to this section.

(b) For the purpose of calculating payments under this section:

(1) The quality loss percentage is the percentage determined according to § 760.2209(b) and (c), subject to any adjustment by FSA based on the documentation submitted by the producer;

(2) The production is the share-adjusted producer-certified production entered on the FSA–504, subject to any adjustment by FSA based on the documentation submitted by the producer, unless share-adjusted production is pre-filled on FSA–504 and the producer does not enter producer-certified production;

(3) The price is the price used by RMA to calculate the liability; and

(4) The SDRP liability is the share-adjusted amount provided by RMA based on data already on file for Federal crop insurance purposes, which is equal to the expected crop value multiplied by the SDRP factor.

(c) To calculate the Stage 2 payment, FSA will:

(1) Determine the calculated loss by:

(i) Converting the quality loss percentage to a decimal and subtracting that amount from 1;

(ii) Multiplying the production by the result of paragraph (c)(1)(i) of this section, and then by the price; and

(iii) Subtracting the result of paragraph (c)(1)(ii) of this section from the SDRP liability specified in paragraph (b)(4) of this section;

(2) Determine the potential insured indemnity by:

(i) Dividing the SDRP liability by the SDRP factor, and multiplying the result by the producer's coverage level under the APH or yield-based plan;

(ii) Multiplying the production by the price, multiplied by the producer's price election under the APH or yield-based plan; and

(iii) Subtracting the result of paragraph (c)(2)(ii) of this section from the insured liability, which is specified in paragraph (c)(1)(i) of this section;

(3) If the amount of the calculated loss minus the potential insured indemnity is greater than zero, calculate the Stage 2 payment by:

(i) Subtracting the potential insured indemnity from the calculated loss, and adding the premium and administrative fees for the crop and unit; and

(ii) Multiplying the result of paragraph (c)(3)(i) of this section by 35 percent to stay within available funding; and

(4) If the amount of the calculated loss minus the potential insured indemnity is equal to or less than zero, determine that the Stage 2 payment amount is zero.

(d) If an applicant designates shares for SBIs on FSA–504, the payment amounts for the primary policy holder and SBIs will be multiplied by the applicable share.

§ 760.2219 Stage 2 payment calculation for insured crops with area-based plans.

(a) Stage 2 payments for eligible crops and units that were insured under area-based plans that were not indemnified for a loss or were disapproved under Stage 1 will be calculated according to this section.

(b) For the purpose of calculating payments under this section:

(1) The estimated SDRP payment is calculated by RMA in accordance with 760.2208 and provided to FSA; and

(2) The percent of eligible acres is the percentage of the total acres of the crop in the unit that are eligible for SDRP Stage 2.

(c) To calculate the Stage 2 payment, FSA will:

(1) Multiply the estimated SDRP payment by the eligible acreage percentage; and

(2) Multiply the result of paragraph (c)(1) of this section by 35 percent to remain within available funding.

(d) If an applicant designates shares for SBIs on FSA–504, the payment amounts for the primary policy holder and SBIs will be multiplied by the applicable share.

§ 760.2220 Stage 2 payment calculation for insured crops with dollar plans and other revenue plans.

(a) Stage 2 payments for eligible crops and units that were insured under a dollar plan or other revenue plans but were not indemnified for a loss will be calculated according to this section.

(b) For the purpose of calculating payments under this section:

(1) FSA will adjust the production if necessary to reflect the amount substantiated by the producer's documentation;

(2) The SDRP liability is equal to the eligible acres, multiplied by the county expected yield, multiplied by the average market price, and multiplied by the applicable SDRP factor; and

(3) The quality loss percentage is the percentage determined according to § 760.2209(b) and (c), subject to any adjustment by FSA based on documentation submitted by the producer.

(c) To calculate a Stage 2 payment for an eligible crop and unit that was insured under a dollar plan or other revenue plan, FSA will:

(1) Determine the calculated loss by:

(i) Converting the quality loss percentage to a decimal and subtracting from 1;

(ii) Multiplying the production by the result of the paragraph (c)(1)(i) of this section and then by the average market price;

(iii) Multiplying the result of paragraph (c)(1)(ii) of this section by the unharvested payment factor;

(iv) Multiplying the result of paragraph (c)(1)(iii) of this section by the producer's share; and

(v) Subtracting the result of paragraph (c)(1)(iv) of this section from the SDRP liability;

(2) Determine the potential insured indemnity by:

(i) Dividing the SDRP liability by the SDRP factor, and multiplying the result by the producer's coverage level under the dollar based or other revenue insurance plan;

(ii) Multiplying the production by the average market price;

(iii) Multiplying the result from paragraph (c)(2)(ii) of this section by the producer's price election under the dollar based or other revenue insurance plan;

(iv) Multiplying the result from paragraph (c)(2)(iii) of this section by the producer's share; and

(v) Subtracting the result of paragraph (c)(2)(iv) of this section from the insured liability, which is specified in paragraph (c)(2)(i) of this section;

(3) If the amount of the calculated loss minus the potential insured indemnity is greater than zero, determine the factored gross Stage 2 payment by:

(i) Subtracting the potential insured indemnity from the calculated loss, and adding the premiums and administrative fees for the crop and unit; and

(ii) Multiplying the result of paragraph (c)(3)(i) of this section by 35 percent to stay within available funding; and

(4) If the calculated loss minus the potential insured indemnity is equal to or less than zero, determine that the Stage 2 payment amount is zero.

(d) If an applicant designates shares for SBIs on FSA–504, the payment amounts for the primary policy holder and SBIs will be multiplied by the applicable share.

§ 760.2221 Stage 2 payment calculation for insured value loss crops.

(a) Stage 2 payments for eligible crops and units that were insured under a value loss crop plan but were not indemnified for a loss will be calculated according to this section.

(b) To calculate a Stage 2 payment for an eligible crop and unit that was insured under a value loss policy, FSA will:

(1) Determine the calculated loss by:

(i) Multiplying the dollar value before the disaster by the SDRP factor;

(ii) Subtracting the dollar value after the disaster from the result of paragraph (b)(1)(i) of this section and multiplying by the unharvested factor;

(iii) Subtracting the salvage value from the result of paragraph (b)(1)(ii) of this section; and

(iv) Multiplying the result of paragraph (b)(1)(iii) of this section by the producer's share;

(2) Determine the potential insured indemnity by:

(i) Multiplying the dollar value before the disaster by the producer's coverage level under their insurance plan, then subtracting the dollar value after the disaster, and then multiplying by the unharvested factor;

(ii) Subtracting salvage value from the result of paragraph (b)(2)(i) of this section; and

(iii) Multiplying the result of paragraph (b)(2)(ii) of this section by the producer's share;

(3) If the amount of the calculated loss minus the potential insured indemnity is greater than zero, determine the factored gross Stage 2 payment by:

(i) Subtracting the potential insured indemnity from the calculated loss, and adding the administrative fees and premiums for the crop and unit; and

(ii) Multiplying the result of paragraph (b)(3)(i) of this section by 35 percent to stay within available funding; and

(4) If the amount of the calculated loss minus the potential insured indemnity is equal to or less than zero, determine that the payment amount is zero.

(c) If an applicant designates shares for SBIs on FSA–504, the payment amounts for the primary policy holder and SBIs will be multiplied by the applicable share.

§ 760.2222 Stage 2 payment calculation for trees, bushes, and vines.

(a) Payments for tree, bush, and vine losses will be calculated separately based on the growth stage of the trees, bushes, or vines, as determined by FSA.

(b) For the purpose of calculating payments under this section:

(1) The price is determined by FSA based on the species of tree, bush, or vine and its growth stage;

(2) The expected value of the tree, bush, or vine is determined by multiplying the total number of trees, bushes, or vines that were damaged or destroyed by a qualifying disaster event by the price;

(3) The actual value is determined by:

(i) Multiplying the number of trees, bushes, or vines damaged by a qualifying disaster event by the damage factor;

(ii) Adding the result of paragraph (b)(3)(i) of this section and the number of trees, bushes, or vines destroyed by a qualifying disaster event;

(iii) Multiplying the result of paragraph (b)(3)(ii) of this section by the price; and

(iv) Subtracting the result of paragraph (b)(3)(iii) of this section from the expected value specified in paragraph (b)(2) of this section;

(4) The SDRP liability is determined by multiplying the expected value of the tree, bush, or vine by the SDRP factor.

(c) To calculate the Stage 2 payment, FSA will:

(1) Subtract the actual value of the tree, bush, or vine from the SDRP liability;

(2) Subtract the salvage value from the result of paragraph (c)(1) of this section;

(3) Multiply the result of paragraph (c)(2) of this section by the producer's share;

(4) Add premiums and fees for insured trees or vines if the calculated loss is greater than zero; and

(5) Multiply the result of paragraph (c)(4) of this section by 35 percent to remain within available funding.

(d) FSA will adjust the number of damaged and destroyed trees, bushes, and vines used to calculate a Stage 2 payment if it determines that the number of damaged or destroyed trees, bushes, or vines certified by the participant is inaccurate.

(e) If an applicant designates shares for SBIs on FSA–504, the payment amounts for the primary policy holder and SBIs will be multiplied by the applicable share.

§ 760.2223 Stage 2 payment calculation for NAP-covered yield-based crops with an approved NAP application for payment.

(a) Stage 2 payments for eligible NAP-covered crops and units with an approved NAP application for payment with a calculated NAP payment amount of zero will be calculated according to this section.

(b) For the purpose of calculating payments under this section:

(1) The SDRP liability equals the expected crop value multiplied by the SDRP factor and uses FSA data already on file for NAP purposes;

(2) Because NAP service fees and premiums are not calculated individually by crop and unit, the service fee and premium amount used to calculate a payment under this section will be zero if the producer has already received a payment for a NAP-covered crop under Stage 1.

(c) To calculate a Stage 2 payment, FSA will:

(1) Determine the calculated loss by:

(i) Converting the quality loss percentage to a decimal and subtracting the amount from 1;

(ii) Multiplying the production by the result of paragraph (c)(1)(i) of this section, and then multiplying by the average market price; and

(iii) Multiplying the result of paragraph (c)(1)(ii) of this section by the unharvested payment factor, if applicable;

(iv) Subtracting the salvage value from the result of paragraph (c)(1)(iii) of this section;

(v) Multiplying the result of paragraph (c)(1)(iv) of this section by the producer's share; and

(vi) Subtracting the result of paragraph (c)(1)(v) of this section from the SDRP liability specified in paragraph (b)(1) of this section;

(2) If the calculated loss is greater than zero, determine the factored gross Stage 2 payment by adding the premium and service fees to the result of paragraph (c)(1) of this section, and multiply the result by 35 percent to stay within available funding; and

(3) If the calculated loss is equal to or less than zero, determine that the payment amount is zero.

§ 760.2224 Stage 2 payment calculation for NAP-covered yield-based crops without an approved NAP application for payment.

(a) Stage 2 payments for eligible NAP-covered yield-based crops and units without an approved NAP application for payment will be calculated according to this section.

(b) For the purpose of calculating payments under this section:

(1) FSA will adjust the amount of production if necessary to reflect the amount substantiated by the producer's documentation; and

(2) The SDRP liability is equal to the eligible acres, multiplied by the producer's approved yield, multiplied by the average market price, multiplied by the SDRP factor; and

(3) Because NAP service fees and premiums are not calculated individually by crop and unit, the service fee and premium amount used to calculate a payment under this section will be zero if the producer has already received a payment for a NAP-covered crop under Stage 1.

(c) To calculate the Stage 2 payment, FSA will:

(1) Determine the calculated loss by:

(i) Converting the quality loss percentage to a decimal and subtracting the amount from 1;

(ii) Multiplying the result of paragraph (c)(1)(i) of this section by the production, and then by the average market price;

(iii) Multiplying the result of paragraph (c)(1)(ii) of this section by the unharvested payment factor, if applicable, and then subtracting the salvage value from the result;

(iv) Multiplying the result of paragraph (c)(1)(iii) of this section by the producer's share; and

(v) Subtracting the result of paragraph (c)(1)(iv) of this section from the SDRP liability;

(2) Determine the potential NAP payment by:

(i) Dividing the SDRP liability by the SDRP factor, and multiplying the result by the producer's coverage level under NAP;

(ii) Multiplying the production by the average market price, and then subtracting that amount from the result of paragraph (c)(2)(i) of this section;

(iii) Multiplying the result of paragraph (c)(2)(ii) of this section by the price election under NAP, and then by the unharvested payment factor;

(iv) Subtracting the salvage value from the result of paragraph (c)(2)(iii) of this section and multiplying the result by the producer's share;

(3) If the calculated loss minus the potential NAP payment is greater than zero, determine the factored gross Stage 2 payment by:

(i) Subtracting the potential NAP payment from the calculated loss, and adding the NAP administrative fees and premiums; and

(ii) Multiplying the result of paragraph (c)(3)(i) of this section by 35 percent to stay within available funding; and

(4) If the amount of the calculated loss minus the potential NAP payment is equal to or less than zero, determine that the payment amount is zero.

§ 760.2225 Stage 2 payment calculation for NAP-covered value loss crops with an approved NAP application for payment.

(a) Stage 2 payments for eligible NAP-covered value loss crops and units with an approved NAP application for payment with a calculated payment amount of zero will be calculated according to this section.

(b) To calculate the Stage 2 payment, FSA will:

(1) Calculate the amount specified in § 760.2208(d); and

(2) Multiply the result of paragraph (b)(1) of this section by 35 percent to stay within available funding.

§ 760.2226 Stage 2 payment calculation for NAP-covered value loss crops without an approved NAP application for payment.

(a) Stage 2 payments for eligible NAP-covered value loss crops and units without an approved NAP application for payment will be calculated according to this section.

(b) To calculate the Stage 2 payment, FSA will:

(1) Determine the calculated loss by:

(i) Multiplying the dollar value before disaster by the SDRP factor;

(ii) Subtracting the dollar value after disaster from the result of paragraph (b)(1)(i) of this section; and

(iii) Multiplying the result of paragraph (b)(1)(ii) of this section by the unharvested payment factor, if applicable, and subtracting the salvage value from the result; and

(iv) Multiplying the result of paragraph (b)(1)(iii) of this section by producer's share.

(2) Determine the potential NAP payment by:

(i) Multiplying the dollar value before the disaster by the coverage level, and subtracting the dollar value after the disaster from the result;

(ii) Multiplying the result of paragraph (b)(2)(i) of this section by the unharvested payment factor, if applicable, and subtracting the salvage value from the result;

(iii) Multiplying the result of paragraph (b)(2)(ii) of this section by the price election; and

(iv) Multiplying the result of paragraph (b)(2)(iii) of this section by the producer's share.

(3) If the calculated loss in paragraph (b)(1) of this section minus the potential NAP payment in paragraph (b)(2) of this section is greater than zero, determine the factored gross Stage 2 payment by:

(i) Subtracting the potential NAP payment from the calculated payment specified in paragraph (c) of this section, and adding service fees and premiums; and

(ii) Multiplying the result of paragraph (b)(3)(i) of this section by the producer's share, and then multiplying by 35 percent to stay within available funding.

(4) If the calculated loss in paragraph (b)(1) of this section minus the potential NAP payment in paragraph (b)(2) of this section is equal to or less than zero, determine that the payment amount is zero.

§ 760.2227 Stage 2 payment calculation for uninsured yield-based crops.

(a) Stage 2 payments for yield-based uninsured eligible crops will be calculated according to this section.

(b) For the purpose of calculating payments under this section:

(1) The SDRP liability is equal to the eligible acres multiplied by the average market price, times the SDRP factor, times:

(i) 65 percent of the county expected yield for crops planted on native sod; or

(ii) 100 percent of the county expected yield for all other crops;

(2) Eligible acres are the eligible acres reported on the FSA–578; and

(3) The quality loss percentage is the percentage determined according to § 760.2209(b)and (c).

(c) A producer will provide SDRP producer-certified production on the FSA–504, and FSA may adjust the amount of production if necessary to reflect the amount substantiated by the producer's documentation.

(d) Stage factors will be used to calculate payments for crops produced with significant and variable production and harvesting expenses that are not incurred because the crop acreage was prevented planted, or planted but not harvested, as determined by FSA. The use of stage factors is based on whether the crop acreage was unharvested or prevented planted, not whether a participant actually incurs or does not incur expenses. Stage factors are generally applicable to all similarly situated participants and are not established in response to individual participants. A crop that is intended for mechanical harvest, but subsequently grazed and not mechanically harvested, will have an unharvested payment factor applied.

(e) To calculate a Stage 2 payment for an eligible uninsured yield-based crop, FSA will:

(1) Determine the calculated loss by:

(i) Converting the quality loss percentage to a decimal and subtracting the amount from 1;

(ii) Multiplying the production specified in paragraph (c) of this section by the result of paragraph (e)(1)(i) of this section, and then multiplying by the average market price; and

(iii) Multiplying the result of paragraph (e)(1)(ii) of this section by the stage factor, if applicable, and subtracting the salvage value from the result; and

(iv) Subtracting the result of paragraph (e)(1)(iii) of this section from the SDRP liability, and then multiplying by the producer's share;

(2) If the calculated loss in paragraph (e)(1) of this section is greater than zero, determine the factored gross Stage 2 payment by multiplying the result of paragraph (e)(1) of this section by 35 percent to stay within available funding; and

(3) If the calculated loss in paragraph (e)(1) of this section is equal to or less than zero, determine that the payment amount is zero.

§ 760.2228 Stage 2 payment calculation for uninsured value loss crops.

(a) Stage 2 payments for eligible crops that were uninsured for value loss crops will be calculated according to this section.

(b) To calculate a Stage 2 payment for an uninsured eligible value loss crop and unit, FSA will:

(1) Determine the calculated loss by:

(i) Multiplying the dollar value before disaster by the SDRP factor; and

(ii) Subtracting the dollar value after disaster from the result of paragraph (b)(1)(i) of this section; and

(iii) Multiplying the result of paragraph (b)(1)(ii) of this section by the unharvested payment factor, if applicable, and subtracting the salvage value from the result, and then multiplying the result by the producer's share; and

(2) If the calculated loss in paragraph (b)(1) of this section is greater than zero, determine the factored gross Stage 2 payment by:

(i) Multiplying the result in paragraph (b)(1) of this section by 35 percent to stay within available funding; and

(3) If the calculated loss in paragraph (b)(1) of this section is equal to or less than zero, determine that the payment amount is zero.

§ 760.2229 [Reserved]

§ 760.2230 Stage 2 payment calculation for indemnified insured crops in Puerto Rico.

(a) Payments for indemnified insured crops in Puerto Rico will be calculated according to this section.

(b) For the purpose of calculating a payment under this section:

(1) The quality loss percentage is the percentage determined according to § 760.2209(b) and (c), subject to any adjustment by FSA based on the documentation submitted by the producer;

(2) The production is the share-adjusted production that was used by RMA to calculate the indemnity and is pre-filled on the FSA–504;

(3) The price is the price provided by RMA used to calculate the liability and indemnity; and

(4) The SDRP liability is the share-adjusted amount provided by RMA based on data already on file for Federal crop insurance purposes, which is equal to the expected crop value multiplied by the SDRP factor.

(c) To calculate a Stage 2 payment for an eligible crop and unit that was insured under a production-based plan in Puerto Rico and indemnified for a loss under that plan, FSA will:

(1) Determine the calculated loss by:

(i) Converting the quality loss percentage to a decimal and subtracting from 1;

(ii) Multiplying the production by the result of paragraph (c)(1)(i) of this section, and then by the price; and

(iii) Subtracting the result of paragraph (c)(1)(ii) of this section from the SDRP liability;

(2) If the calculated loss in paragraph (c)(1)(iii) of this section minus the Federal crop insurance indemnity is greater than zero, determine the factored gross Stage 2 payment by:

(i) Subtracting the indemnity from the calculated loss, and adding the premium and administrative fees;

(ii) Multiplying the result of paragraph (c)(3)(i) of this section by 35 percent to stay within available funding; and

(3) If the calculated loss in paragraph (c)(1) of this section minus the Federal crop insurance indemnity is equal to or less than zero, determine that the payment amount is zero.

(d) If an applicant designates shares for SBIs on FSA–504, the payment amounts for the primary policy holder and SBIs will be multiplied by the applicable share.

§ 760.2231 Stage 2 payment calculation for non-indemnified insured crops in Puerto Rico.

(a) Payments for eligible insured crops in Puerto Rico that were not indemnified for a loss under the Federal crop insurance plan will be calculated according to this section.

(b) For the purpose of calculating a payment under this section:

(1) The quality loss percentage is the percentage determined according to § 760.2209(b) and (c) and is subject to any adjustment by FSA based on the documentation submitted by the producer;

(2) The production is the share-adjusted producer-certified production entered on FSA–504, subject to any adjustment by FSA based on the documentation submitted by the producer;

(3) The price is the price provided by RMA used to calculate the liability; and

(4) The SDRP liability is the share-adjusted amount provided by RMA based on data already on file for Federal crop insurance purposes, which is equal to expected crop value multiplied by the SDRP factor.

(c) To calculate a Stage 2 payment for an eligible insured crop in Puerto Rico that was not indemnified for a loss under the Federal crop insurance plan, FSA will:

(1) Determine the calculated loss by:

(i) Converting the quality loss percentage to a decimal and subtracting from 1;

(ii) Multiplying the production by the result of paragraph (c)(1)(i) of this section, and then by the price; and

(iii) Subtracting the result of paragraph (c)(1)(ii) of this section from the SDRP liability;

(2) Determine the potential insured indemnity by:

(i) Dividing the SDRP liability by the SDRP factor, and multiplying the result by the crop's insurance coverage level;

(ii) Multiplying the production by the price, multiplied by the producer's price election under the insurance plan; and

(iii) Subtracting the result of paragraph (c)(2)(ii) of this section from the insured liability, which is specified in paragraph (c)(2)(i) of this section;

(3) If the calculated loss minus the potential insured indemnity is greater than zero, determine the factored gross Stage 2 payment by:

(i) Subtracting the potential insured indemnity from the calculated loss, and adding the premium and administrative fees;

(ii) Multiplying the result of paragraph (c)(3)(i) of this section by the producer's share, and by 35 percent to stay within available funding; and

(4) If the calculated loss in paragraph (c)(1) of this section minus the potential insured indemnity in paragraph (c)(2) of this section is equal to or less than zero, determine that the payment amount is zero.

William Beam,

Administrator, Farm Service Agency.

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