



Ag Disaster Program for Specialty Crop Producers **(Vegetables, Pecans, others) – 11.17.2018**

Improving the Wildfire and Hurricanes Indemnity Program (2017 WHIP) to address Agricultural Losses in 2018

If WHIP 2017 is the starting point for a program to address agricultural losses from weather and other events in 2018, changes MUST be made to the program to better assist specialty crop growers. This document reflects GFVGA and GPGA requested reforms to the program:

Payment Calculation

The calculation from the WHIP 2017 program is:

$$\text{(Expected Value of Crop) X (WHIP Factor) – (Value of Crop Harvested) – (Insurance Indemnity)}$$

Requested Changes to the Payment Calculation due to Uniqueness of Specialty Crop Production:

1. **Increasing the WHIP Factor floor** – The base WHIP factor in 2017 is 65% and goes as high as 95% based on the level of crop insurance purchased. The higher the WHIP factor, the higher the payment would be when all other calculations are equal. In light of the fact that most specialty crop producers do not have crop insurance available and that NAP is of little value when compared to cost, the WHIP factor has to be higher. Due to the dire situation facing specialty crop growers this year, the WHIP factor should be increased to deliver a higher level of support at this critical juncture.
2. **Flexibility in determining the value of the crop** – The value of the crop is basically the crop yield multiplied by price that would have been received for the crop. The rules from the previous program were pretty rigid in determining the yield. One option may be allowing farmers to provide individual yield records instead of relying on county yields or a 10-year Average Production History (APH). Or using USDA prices at the time of the storm, or other means that are more reflective of this year's yield rather than historical yields. **The program should be designed to account for a true expected value for this year's crop and not be based on other factors such as a rigid APH factor that may bring the expected value down in the calculation.** Some alternatives or flexibility regarding the price in the calculation is necessary.

3. **Payment limits** – The devastation from this year’s hurricanes was significant and the losses producers are facing are staggering. Due to the high input costs for specialty crop producers, many will have issues with the payment limit. Payment limits have to be adjusted to accommodate the losses incurred because most specialty crop growers are organized as a single entity unlike commodities with federal farm programs.

Specialty Crop Block Grant Disaster Program – A program to address citrus losses in Florida in 2017 was included as part of the 2017 WHIP program to help producers endure loss of income while new citrus groves were being established. A version of this program should also be included in any newly developed disaster package to address infrastructure losses and future crop production losses. This is critically needed by vegetable and pecan growers.

Timeliness of Payment – the new program must be designed to run as efficiently as possible. Farmers impacted by these storms are in a precarious financial position and need help immediately.

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