



Supplemental Disaster Relief Program (SDRP) for Crop Insurance Policyholders

Stage 1 — Producers That Received a Crop Insurance Indemnity

Overview

Authorized by the American Relief Act, 2025, the Supplemental Disaster Relief Program (SDRP) provides disaster relief payments to eligible producers who suffered revenue, quality, or production losses to crops, trees, bushes, or vines due to qualifying disaster events in calendar years 2023 and 2024.

USDA's Farm Service Agency (FSA) is delivering SDRP assistance to eligible producers in two stages. Producers can receive payments in both stages, if applicable, and for one or both years, depending on losses. FSA is establishing block grants with Connecticut, Hawaii, Maine, and Massachusetts that will cover crop losses; therefore, producers with losses in these states will not be eligible for SDRP program payments.

Stage 1: Indemnified Losses	Leverages existing Federal Crop Insurance or Noninsured Crop Disaster Assistance Program (NAP) data as the basis for calculating payments.
Stage 2: Uncovered Losses	Provides payments to eligible producers for losses of crops, trees, bushes, and vines that were not indemnified. These losses are also known as uncovered or shallow losses.

The signup period for Stage 1 opened on July 10, 2025. Details regarding Stage 2 will be provided at a later date.

Background

SDRP Stage 1 will include producers that received a crop insurance indemnity for a qualifying disaster event that occurred in the 2023 or 2024 calendar year. Coverage and

claim data reported to USDA's Risk Management Agency (RMA) by the Approved Insurance Providers (AIPs) is used to calculate the SDRP payment amount for each insured unit. The SDRP payment calculation generally follows the type of crop insurance coverage purchased but replaces the elected coverage level with a higher "SDRP" coverage level (i.e., SDRP factor). The recalculated indemnity is then reduced by the net indemnity paid to the producer (e.g., total indemnity less producer premium and administrative fees). In other words, SDRP covers a portion of the crop insurance deductible while also reimbursing producer premium and administrative fees.

With few exceptions, primary policyholders that received an indemnity and have claim records indicating a date of damage in 2023 or 2024 calendar year will receive a letter from FSA. The letter will include a pre-filled application (FSA-526) for each crop year that will provide information on the crop(s), physical location(s), and unit(s) potentially eligible for assistance. For each unit, the application will provide an estimated SDRP payment. The general concept behind the estimated SDRP payment calculation is as follows:

$$\begin{aligned} \text{Estimated SDRP Payment} = & (\text{Expected Value} \times \text{SDRP Factor} \\ & - \text{Actual Value}) \\ & \times \text{Share} \\ & - \text{Indemnity Amount} \\ & + \text{Producer Premium} \\ & + \text{Administrative Fees} \end{aligned}$$

This amount does not reflect the amount producers will be paid. FSA will determine the final payment amount which will include multiplying the estimated SDRP payment by a payment factor of 35%,¹ determination of payment limitations, and any other adjustments that may be subsequently applied by FSA.

¹ The payment factor may be increased (or additional payments issued) if funding remains after all eligible SDRP applications have been processed and paid.



The application will include the substantial beneficial interest (SBIs) associated with the primary policyholder as reported to RMA by the AIPs. The application requires producers to input their percentage share of the crop and associated estimated SDRP payment and, if applicable, SBI share(s). The application also requires all producers (i.e., primary policyholder and SBIs) with a reported share to agree to purchase crop insurance (i.e., linkage) for the two crop years following receipt of an SDRP payment. Producers must also identify the qualifying disaster event on the application. Importantly, causes of loss reported on the producer's notice of loss records or crop insurance claim records are not reported on the application and are not used to pre-determine producer eligibility. SDRP applications listing Whole Farm Revenue Protection or Micro-Farm also require producers, for the purposes of administering payment limitations, to certify to the percentage of expected revenue from specialty and high value crops. Documentation to support the certification is required at the time of the application. Producers can submit their completed application in person at their local service center or by mail, email, facsimile, or other methods announced by FSA.

The crop insurance data used to calculate the estimated SDRP payment and pre-fill the application is based on data electronically transmitted to RMA by 8:00 p.m. central time on June 6, 2025, and must have been accepted by RMA's policy acceptance and storage system. Crop insurance data on the pre-filled application or that was used to calculate the estimated SDRP payment cannot be manually adjusted by the producer, FSA, or RMA. Producers questioning the crop insurance data used to calculate their estimated SDRP payment should contact their crop insurance agent to ensure their crop insurance data was properly recorded and reported. In addition, crop insurance agents may find it beneficial to verify with the AIP that the correct data was transmitted and accepted by RMA. Any errors or discrepancies that are allowed or required by the crop insurance policy to be corrected should be corrected. However, any changes will not be immediately reflected in SDRP Stage 1. FSA will request additional data updates to account for corrections and to include additional records for claims that were not settled or reported in time for the initial file. The timing of future data refreshes is yet to be determined.

Additional Details

Qualifying Disaster Event

Wildfires, hurricanes (including excessive wind, storm surges, tropical storms, and tropical depressions that occurred as a direct result of a hurricane), floods (including silt and debris that occurred as a direct and proximate result of flooding), derechos (including excessive wind that occurred as a direct result of a derecho), excessive heat, tornadoes, winter storms (including excessive wind and blizzards that occurred as a direct result of a winter storm), freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions occurring in calendar year 2023 and 2024. "Related conditions" means damaging weather and adverse natural occurrences that occurred concurrently with and as a direct result of a specified qualifying disaster event. "Qualifying drought" means an area within the county in which the loss occurred was rated by the U.S. Drought Monitor as having a drought intensity of D2 (severe drought) for eight consecutive weeks or D3 (extreme drought) or higher for any period during the 2023 or 2024 calendar year. A list of counties that experienced a qualifying drought in calendar year 2023 and 2024 is available through local FSA service centers and on [the FSA website](#).

Cross Agency Matching

For a producer to receive a letter and pre-filled application, the primary policyholder tax identification number, as reported by the AIP, must match with data on file with FSA. Similarly, for an SBI to be listed on the application, the SBI tax identification number must match data on file with FSA. The match is solely based on tax identification numbers reported and not any other data such as name.

Policy Exceptions

Producers with policies in Connecticut, Hawaii, Maine, and Massachusetts are being covered by block grants and are not included in the SDRP payment calculations. Additionally, producer policies under the following plans of insurance

or endorsements are not included in the SDRP payment calculations and are not provided to FSA:

- Controlled Environment Crop Provisions
- Cottonseed Endorsement
- Dairy Revenue Protection
- Downed Rice Endorsement
- Enhanced Coverage Option
- Forage Seeding Crop Provisions
- Hurricane Insurance Protection – Wind Index (including Tropical Storm option)
- Livestock Gross Margin
- Livestock Risk Protection
- Margin Protection Plan
- Post-Application Coverage Endorsement
- Rainfall Index Pasture Rangeland Forage Crop Provisions, intended use of grazing
- Stacked Income Protection Plan purchased with a base policy
- Supplemental Coverage Option
- Sugarcane Crop Replacement Endorsement
- Weaned Calf Revenue Protection

Producers whose only claim record(s) was a replant payment or raisin reconditioning payment are not included in the SDRP payment calculations.

Data transformations:

Given the need to minimize the number of records for a given producer, crop insurance data was generally aggregated to the insured unit level. This necessitated the creation of unit numbers for purposes of the SDRP application. The following table outlines how unit numbers were derived for the SDRP application:

Unit Type	SDRP Application “Unit”
Enterprise ¹	EU-00001000
Enterprise by Irrigation Practice ¹	EP-00001 + irrigation practice code (e.g., EP-00010002)
Enterprise by Cropping Practice ¹	EC-00001 + cropping practice code (e.g., EC-00010019)
Enterprise by Type ¹	ET-00001 + type code (e.g., ET-00010012)
Basic Unit ²	BU-basic unit number + 0000 (e.g., BU-00020000)
Optional Unit ³	OU-basic unit number + optional unit number (e.g., OU-00010004)

Unit Division Option ³	UD-basic unit number + optional unit number (e.g., UD-00010003)
Written Unit Agreement ³	UA-basic unit number + optional unit number (e.g., UA-00010007)
Whole Farm Unit ¹	WU-00000000
Whole Farm Revenue Protection/Micro Farm	-00000000
Area-based plans excluding Annual Forage ³	- + basic unit number + optional unit number (e.g., -00010009)
Annual Forage	When crop year is 2023 and practice code is 660, 661, 678, or 679: - + basic unit number + optional unit number (e.g., -00010009) Otherwise: - 00000 + practice code (e.g., -00000705)

¹ reported basic unit number and optional unit number not used.

² reported optional unit not used.

³ reported basic unit number and optional unit number used.

For the whole farm unit structure (WU unit structure code), the crop insurance data for all crops under the WU were combined and the SDRP application will list “Whole Farm Unit” as the crop.

For policies with multi-county enterprise units, crop insurance data for the secondary county is combined with the primary county. The SDRP application does not provide the secondary county.

SDRP Payment Factor

The following table provides the SDRP payment factor associated with a given level of crop insurance coverage:

Crop Insurance Coverage Level	SDRP Factor
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

In the basic case, the crop insurance coverage level is established as the coverage level percent multiplied by the price election percent (e.g., 75% × 90% equals 67.5% and results in an 87.5% SDRP factor). Unlike other recent disaster assistance programs, supplemental coverages (e.g., SCO) are not included in the determination of the crop insurance coverage level or the estimated SDRP payment.



SDRP Payment Calculations

The general calculation for all plans except area-based policies is:

$$\text{SDRP Payment} = (\text{Expected Value} \times \text{SDRP Factor} - \text{Actual Value}) \times \text{Share} \times \text{Multiple Commodity Factor} - \text{Indemnity Amount} + \text{Producer Premium} + \text{Administrative Fees}$$

Expected value is derived from data reported on the loss record and is adjusted to reflect 100% of the price election (as applicable). For example, expected value for APH (90) is calculated as: $(\text{Loss Guarantee Amount} \times \text{Price Election}) / (\text{Coverage Level Percent} \times \text{Price Election Percent})$.

Actual value is derived from data reported on the loss record and is adjusted to reflect 100% of the price election (as applicable). For example, actual value for APH (90) is calculated as $\text{Production to Count} \times \text{Price Election}$. For YP (01) or RP (02), actual value equals the Revenue to Count reported on the loss record.

Multiple commodity factor is the 65% reduction applied (0.35 factor) when first crop/second crop rules apply.

Indemnity amount and producer premium do not include any amounts for supplemental coverages associated with that crop-unit.

Administrative fees are generally assessed at the crop-policy level, however, the SDRP application reports estimated SDRP payments by crop-unit. Given this, administrative fees associated with the crop are applied to only one unit on the application.

For Area Risk Protection Insurance (ARPI), Rainfall Index (RI), and standalone Stacked Income Protection Plan (STAX) policies, the SDRP payment factor was used to recalculate what the area-based payment factor for production losses would have been under the given plan. The formulas for these vary by plan but, as an example, the RI calculation is:

$$\text{SDRP Payment} = \text{Expected Value} \times \text{SDRP Factor} \times \text{Modified Payment Factor} \times \text{Share} \times \text{Multiple Commodity Factor} - \text{Indemnity Amount} + \text{Producer Premium} + \text{Administrative Fees}$$

Purchase Requirement or “Linkage”

As a condition of receiving a Stage 1 payment for a given crop and unit, producers must agree to purchase crop insurance (or NAP) for the next two available crop years at the 60/100 coverage level (e.g., 60 percent of approved yield covered at 100 percent of the price) or greater. The next two available crop years will be based on the date the producer receives their SDRP payment in relation to the crop insurance sales closing (or NAP signup date) for the given crop.

Producers receiving a Stage 1 payment under the Pasture, Rangeland, Forage policy; Annual Forage policy; or Whole Farm Revenue Protection (including Micro-Farm) policy must purchase the same type of policy or a combination of individual crop policies for those crops that have covered losses under SDRP.

Noninsured Crop Disaster Assistance Program

The SDRP Stage 1 application will also include crop-units for producers who received a NAP payment. While NAP is not covered in this paper, it is important to note that a producer cannot receive a Stage 1 payment based on their crop insurance coverage and a Stage 1 payment based on their NAP coverage for the same loss. In these cases, the producer must elect whether to receive a Stage 1 payment based on their crop insurance coverage or NAP coverage but not both.

More Information

USDA launched the [2023/2024 Supplemental Disaster Assistance](#) public landing page where the status of USDA disaster assistance and block grant rollout timeline can be tracked.