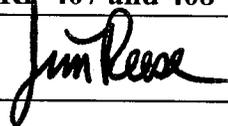


For: County Offices

Supplement to Notices CRP-407 and 408

Approved by: State Executive Director



1 Overview

A  
Background

Notice CRP-407 authorized 18 states to release CRP for haying and grazing purposes because of widespread drought conditions. The specific State Committee had the authority to release the entire state or limit the area of release within the state. Livestock needs, and the prospect for donation of haying and grazing privileges, could be considered in this determination. The State Committee authorization to emergency hay and graze must document a compelling need.

B  
Purpose

The purposes of this notice are to:

- announce the Oklahoma State FSA Committee's determination on release of counties for emergency haying and grazing and
- provide questions and answers to help administer the emergency haying and grazing provisions.

Disposal Date:  
August 1, 2003

Distribution:  
County Offices

## OK Notice CRP-534

### 2 State Committee Actions

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**A**  
**STC Determination**

Based on the criteria of Notice CRP-407, the State Committee has determined that each individual county, that has a compelling need for CRP emergency haying and grazing, shall submit a well-documented request for approval from the County Committee, with concurrence by the District Director, to the SED for State Committee delegated action. The documentation of compelling need does not require that the county meet a 40 percent moisture loss; however, it must provide adequate justification for approval. Hay supplies, current crop and pasture conditions, livestock sales, weather data, local news articles, and tools, such as the drought monitor, are examples of what could be included in a request.

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**B**  
**Notices CRP-407 and 408 Intent**

Notice CRP-407 allows that CRP haying and grazing privileges may be donated. Notice CRP-408 provides further guidance on donation. Notice CRP-407 allows the hay to be sold. The State Committee has emphasized that the “intent” of the notice provisions on donation and sales shall be conveyed to producers, and COCs and CEDs shall not approve requests that attempt to circumvent the “intent” of the notice provisions on donation and selling privileges. Exhibit 1, Questions and Answers, shall be utilized to administer the emergency haying and grazing provisions.

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**C**  
**Sale/Donation**

Hay taken from CRP acres cannot be sold on the open market. A livestock producer, with a compelling need, that hay has been sold to, cannot resell the hay.

The State Committee has stipulated that a producer, receiving donated or sold hay, must be identified, the compelling need stated, and their signature be on the bottom of the second page of Exhibit 2 in Notice CRP-407. This provides the county office an opportunity to explain the program provisions to the CRP participant and the eligible producer, receiving donated or sold hay, and of the consequences if non-compliance is discovered.

An eligible producer is one that resides in a county approved for emergency haying and grazing, has livestock, and has a compelling need.

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**D**  
**Questions and Answers**

Exhibit 1 provides questions and answers to be utilized in administering the emergency haying and grazing provisions.

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**Questions and Answers**  
**2002 Special Emergency Haying and Grazing of CRP Acreage**

**Most questions deal with the donation provisions of Notice CRP-407. Subparagraph 3 A, of the notice, states the COC shall determine whether hay or the haying or grazing privilege is being donated to a producer with a compelling need for feed or forage to determine whether a payment reduction should apply.**

1. Can a producer who uses the haying and grazing of CRP for his own needs qualify for a waiver of the rental reduction?

No, the provisions in Notice CRP-407, subparagraph 3 A only apply to donations to others with a compelling need. You cannot donate to yourself.

2. Can neighbors, relatives, or friends, etc. decide to donate their CRP hay to each other in order to avoid the rental rate reduction?

A producer may not be both a donor and a recipient. How could a COC determine a producer has compelling need as a recipient when they gave all their hay away to someone else? In these cases, it is not a donation if you get anything in return such as your neighbor's hay. A donation generally means you get nothing in return.

3. How do we document compelling need and donation for a COC determination?

Use the bottom of Notice CRP-407, Exhibit 2, page 2, for documentation. The documentation shall include the name of the donor and recipient, and what their compelling need is, such as number of livestock, feed on hand, and feed needed to make it through the drought. Each COC can use these or decide their own criteria. The donor recipient shall sign the Exhibit 2. This also applies to hay sold. Refer to subparagraph 2 C of the notice.

4. Notice CRP-407, subparagraph 2 A, ninth bullet, provides CRP participants, who do NOT own or lease livestock, may rent or lease the haying or grazing privileges to an eligible livestock producer in another county or state. Does this mean CRP cannot be leased to a producer within our own county?

You can still rent or lease haying or grazing rights to livestock producers within your county. You are not restricted to only your county. The haying and grazing lease could go to an eligible producer from another approved state or county.

5. Can grazing leased, according to Notice CRP-400, and haying leased according to Notice CRP-404, be changed to donation according to Notice-407?

Yes, Notice CRP-408, subparagraph 1 D, made allowance for this to occur. We should have the CRP producer complete a new Exhibit 2 from Notice CRP-407. The donor recipient shall sign the Exhibit 2 (See Question 3).

**Questions and Answers**  
**2002 Special Emergency Haying and Grazing of CRP Acreage (Continued)**

6. Secretary Veneman's press release states hay harvested from CRP acreage may not be sold. Notice CRP-407, subparagraph 1 C, states CRP participants may donate, rent, or lease haying or grazing privileges, or sell hay to any livestock producer in need. Can they sell hay or not?

Yes, they can sell CRP hay, but only to an eligible livestock producer in need. It cannot be sold and then resold. It cannot be sold to a hay dealer who will resell the CRP hay.

7. Notices CRP-400 and CRP-404 had restrictions on leasing the haying and grazing rights to no more than rental reduction rate. Notice CRP-407 does not contain any restrictions on leasing rates or selling prices for hay. Are there restrictions on what CRP acres can be rented for or sale prices for hay?

No. There are no restrictions under the new terms and conditions.

8. Notice CRP-407, subparagraph 6 A, Step 5, states: Require all participants on CRP-1 to sign Exhibit 2, agreeing to the terms and conditions and the payment reduction before haying and grazing begins, unless the required reduction is paid in advance. Does this mean that no one has to sign the terms and conditions if they pay in advance or does that mean only one person needs to sign the terms and conditions if they pay in advance?

Only one producer on CRP-1 must sign Notice CRP-407, Exhibit 2, if paid in advance.

9. The terms and conditions in Notice CRP-407, Exhibit 2, states that the participant is to notify the office if they hay or graze more or less acres than intended. Paragraph 5 of the notice states participants must report the number of acres hayed or grazed by September 3, 2002. Do they only report if there are changes or are they required to report in all cases?

Follow Notice CRP-407, paragraphs 5 and 6. Participants must report the number of acres hayed or grazed by September 3, 2002, on DF-25 included on Exhibit 3.

10. Must participant's signature be on revised plan and that plan COC approved before the CRP is hayed or grazed?

Yes.

11. I share in a CRP contract 50/50 with my landlord. Can the landlord donate their 50% share of the CRP to myself as the operator; and therefore, no payment reduction apply?

No, Notice CRP-408 states haying or grazing privileges may be donated to any livestock producer in which they do not have any interest.

**Questions and Answers**  
**2002 Special Emergency Haying and Grazing of CRP Acreage (Continued)**

12. Should a payment reduction apply if a father wants to donate to son?

A payment reduction will be applied unless these are two completely separate operations. The son cannot have an interest in the CRP, and the father cannot have any interest in the livestock operation. If the father has a livestock operation, it must be completely separate from that of the son's. A payment reduction will apply to hay donated from one spouse to another or a minor child to a parent.