

For: State and County Offices

**Refunding Payment Reduction for 2002 Emergency
Haying and Grazing of CRP Acreage**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

Notices CRP-400 and CRP-404 provided authority for 2002 emergency haying and grazing of CRP acreage. A 25 percent payment reduction applied to all participants who hayed or grazed CRP acreage.

Notice CRP-407 provided authority for certain States to allow CRP participants to donate either of the following:

- hay
- haying or grazing privileges with no payment reduction.

Notice CRP-408 provided that payment reductions collected for haying or grazing privileges would be refunded, provided the participant donated hay or the haying or grazing privilege. Producers who donated hay or the haying or grazing privilege, and who prepaid the payment reduction, must be refunded the payment reduction originally collected.

B

Purpose

This notice provides instructions for refunding payment reductions previously collected for acreage hayed or grazed for producers who:

- donated hay or the haying or grazing privilege
- prepaid the payment reduction.

<p>Disposal Date</p> <p>April 1, 2003</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices and NRCS State Offices</p>
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Notice CRP-420

2 Instructions

A

Refunding Payment Reduction

Participants who donated hay or the haying or grazing privileges, and who prepaid the payment reduction, shall have the payment reduction refunded through the disbursement/check writing function.

B

Processing the Refund

County Offices must:

- issue payments through the accounting application
- follow procedures in 1-FI
- use program code "XXHAYGRZ".

Note: The "XX" represents the program year of CRP-1 to record the payment in the System 36.

3 Action

A

State Office Action

State Offices shall ensure that:

- County Offices receive a copy of this notice
 - payments are made promptly.
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B

County Office Action

County Offices shall refund any payments made to participants who had payment reductions collected for the donated hay or haying or grazing privileges.
