

For: CO, NE, SD, and WY State and County Offices

2002 Cattle Feed Program (CFP)

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

Severe drought conditions have significantly reduced grazing and available feed in many areas of the United States, with losses especially severe in Colorado, Nebraska, South Dakota, and Wyoming. By mid-August, at least 75 percent of the pasture and range crops in these 4 States were rated as poor with nearly 50 percent of those acres rated as very poor.

On August 12, 2002, Agriculture Secretary Ann M. Veneman announced that \$150 million for feed assistance was being made available to provide much needed relief to farmers and ranchers with foundation beef herds in Colorado, Nebraska, South Dakota, and Wyoming. Funding authority for this assistance is provided under Section 32 of the Act of August 24, 1935, as amended. Eligible producers will be provided feed credits for use at a participating feed supplier of their choice. Feed suppliers will be reimbursed for feed made available for livestock producers for manufactured feed suitable to be fed to the foundation beef herd.

Continued on the next page

Disposal Date March 1, 2003	Distribution Above State Offices, State Offices relay to applicable County Offices
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Notice DAP-136

1 Overview (Continued)

B

Purpose

This notice provides:

- provisions of the 2002 Cattle Feed Program (CFP)
 - definitions of terms used in CFP in Exhibit 1
 - instructions for completing FSA-551, Cattle Feed Program Application, in Exhibit 2
 - questions and answers in Exhibit 3.
-

2 Cattle Feed Program Provisions

A

Application Period

The application period begins August 28, 2002, and ends the earlier of depletion of funds or December 2, 2002.

FSA-551's received in the County Office after December 2, 2002, will **not** be considered eligible.

B

Definitions

Definitions for CFP are in Exhibit 1.

C

Eligible States and Locations

CFP is limited to eligible livestock that, on August 12, 2002, were physically located in:

- any of the following 4 States:
 - Colorado
 - Nebraska
 - South Dakota
 - Wyoming
-

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Notice DAP-136

2 Cattle Feed Program Provisions (Continued)

C

Eligible States and Locations (Continued)

- owned or leased pastures or feeding facilities in an eligible State.

Notes: Eligible livestock that are moved to alternate locations, such as commercial feed lots, for the purpose of herd maintenance because of loss of grazing are eligible, providing the locations are within 1 of the eligible States.

Eligible livestock placed in commercial feed lots for weight gain purposes are **not** eligible for feed credit.

D

Eligible Livestock

Eligible livestock for CFP is defined as a **foundation beef herd** that:

- consists of all owned or cash leased:
 - beef cows for breeding purposes
 - bulls retained for breeding the beef cows
- replacement beef heifers bred to calve during the 2003 calving season, not to exceed 15 percent of the foundation cow numbers

Exception: If the foundation beef herd was liquidated or was partially liquidated before August 12, 2002, replacement heifer numbers may be equal to but not exceed the average number of heifers retained in the herd during the previous 3 years.

- on or before May 12, 2002, has been owned, cash leased, or subject to a purchase contract by the applicant
 - were located in 1 of the eligible States on August 12, 2002, the date CFP was announced.
-

Continued on the next page

2 Cattle Feed Program Provisions (Continued)

E

Ineligible Livestock

The following are considered ineligible livestock for CFP:

- all other forms of bovine animals, such as buffalo, beefalo, and dairy cattle
- cattle added to the foundation beef herd after May12, 2002
- neutered beef cattle
- cattle sold or died before August 12, 2002
- calves produced on a calf-crop share basis
- calves that are too young to breed and calve in the 2003 calving season
- foundation beef herds located in a State other than 1 of the eligible States on August 12, 2002.

Note: See Exhibit 3 for questions and answers.

F

Eligible Producer

An eligible producer is an entity or individual who shares in the income from the sale of the offspring from the eligible foundation beef herd which is either owner, under cash lease agreement, or subject to a purchase contract for the foundation livestock.

The following provisions are **not** applicable to CFP:

- gross revenue limitation
 - payment limitation
 - conservation compliance.
-

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Notice DAP-136

2 Cattle Feed Program Provisions (Continued)

G

CFP Application Form

The information provided by the producer on FSA-551 will be used to determine eligibility for CFP and to calculate the amount of feed credit.

Each eligible producer shall complete FSA-551 in the administrative County Office where the farm records are located by:

- certifying the number of livestock and percent share interests of each entity involved in the foundation herd, with the sum of the percent share interests to equal 100 percent
- identifying the location, pasture type, and number of acres grazed by the foundation herd in 2002
- certifying the location of all other beef cattle interests that are not included in the application
- selecting the name and address of the participating feed supplier from the list available through the Intranet at the County Office.

Producers with separate livestock operations in 1 or more counties or 1 or more of the eligible States shall file in each administrative County Office.

H

Report of Eligible Livestock Sold or Died

If the number of eligible livestock that were sold or died exceeds 5 percent of the eligible foundation beef herd listed on the application, the producer must report to the County Office the number of eligible livestock that were sold or died:

- between date of application and the **earlier** of the following:
 - the end of the feeding period
 - December 2, 2002

Note: The feeding period is defined as “40 days after the date of FSA-551 approval”.

- the date the livestock were sold or died.
-

Continued on the next page

2 Cattle Feed Program Provisions (Continued)

H

Report of Eligible Livestock Sold or Died (Continued)

Eligible producers are **not** required to report the information or refund any amount if the:

- number of head sold or died is 5 percent or less of the total number of eligible livestock
- sale or death occurred after the end of the feeding period.

See subparagraph 3 J for determining amount of refund due when the total eligible head is reduced by more than 5 percent during the 40-day feeding period according to this subparagraph.

I

Feed Credit

The amount of feed credit:

- is determined by multiplying the number of eligible beef cattle times \$23.00
- is not limited to a total dollar amount or livestock numbers
- cannot be sold.

The automated application process will generate a document showing the approved dollar amount of feed credit available to the producer. The producer will provide that document and acceptable identification to the selected participating feed supplier in exchange for eligible feed.

Feed credits, which are expected to be issued beginning September 9, 2002, shall be used **only** to exchange for manufactured feed suitable to be fed to the foundation beef herd.

Note: Eligible livestock normally using pasture located in both eligible and ineligible States must be prorated so that feed credit is provided only for livestock that are physically located in the eligible State.

Example: An operation consists of 400 head of foundation beef cattle. The 400 head normally graze on 8,000 acres of land in South Dakota and 9,000 acres of adjoining land in Montana. Total grazing land equals 17,000 acres. The prorated number of cattle eligible for feed credit is 188 head. (8,000 acres divided by 17,000 acres = .4706 x 400 head = 188 head. 188 head times \$23.00 feed credit = \$4,324 for feed purchases).

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2 Cattle Feed Program Provisions (Continued)

J

Participating Feed Suppliers

At the national level, CCC will enter into a contract with participating feed suppliers for the purpose of either of the following:

- purchase nonfat dry milk to be used to manufacture feed for eligible beef cattle
- provide feed to approved eligible producers.

A list of more than 2000 participating feed suppliers, identified by a 4-digit code, is available in the County Office through the Intranet address at http://intranet.fsa.usda.gov/daco/feed_program.htm.

The information on the approved FSA-551 will be transmitted to KCCO from the County Office. KCCO will transmit the application data and amount to participating feed suppliers.

3 County Office Action

A

Notifying Producers

County Offices in the eligible States shall immediately notify producers of the availability of CFP and the provisions of this notice using all available media sources.

B

Application Process

Administrative County Offices shall:

- beginning August 28, 2002, accept manual FSA-551 from livestock producers
- accept FSA-551 by FAX, mail, or in person

Reminder: A valid FSA-237 must be on file to accept FSA-551 by FAX.

- assist producers in completing FSA-551 according to Exhibit 2

Note: Producers shall indicate on FSA-551, Remarks section, if they have applied for CFP in another county or State for a separate livestock operation.

Continued on the next page

Notice DAP-136

3 County Office Action (Continued)

B

Application Process (Continued)

- ensure a valid power of attorney is on file for producers signing in a representative capacity
- provide the list of participating feed suppliers to the producer for selection of a feed supplier.

Note: A **separate** FSA-551 must be completed by **each** producer if eligible livestock are jointly owned for his or her share of the livestock to be eligible for the respective share of feed credit.

- provide the applicant with a copy of the completed FSA-551
- mail the applicant a copy of the COC-approved FSA-551.

COC or designee shall approve or disapprove FSA-551 requests for CFP.

C

Selecting Feed Supplier

The producer shall select **only 1** feed supplier from the participating feed supplier list for feed credit.

If the producer requests a feed supplier who is **not** on the list, County Offices shall obtain the name and telephone number of the feed supplier and contact DACO through the State Office.

Producer should wait to complete FSA-551 to see if the requested feed supplier is going to participate.

D

Issuance of Feed Credit

Information concerning approved feed credits are scheduled to be released to each applicable participating supplier by KCCO beginning September 9, 2002.

E

Spot Checks

Spot checks shall be performed to verify the number of eligible livestock in the foundation beef herd and location of the herd as certified by the producer.

Complete spot checks:

- within 60 calendar days after date of FSA-551 approval
- on not fewer than 5 percent of the CFP applications approved for feed credit using the random selection method.

No fewer than 5, nor no more than 60 CFP applications, are required to be reviewed per county.

Continued on the next page

3 County Office Action (Continued)

F

Farm Visits

When farm visits are made to verify the certified number of eligible livestock and location, document on FSA-551, Remarks section, any differences found. In some cases, a complete verification is not possible because of the inaccessibility of the livestock.

Example: Fifty cows are scattered over a 500 acre heavily wooded area. The field reporter should make a notation to this effect, and COC may accept the producer's certification as accurate if there is no reason to question the report. This method of verification should only be used in very unusual cases.

Note: If cattle are located in an alternate temporary location, verify the producer's inventory of livestock by using available records, such as billing records, health certificates, brand inspections, etc.

G

**Spot Check
Discrepancies**

Spot checks shall be performed to determine the accuracy of the certified number of eligible livestock in the foundation beef herd. Discrepancies that result in changes in the certified number of eligible livestock as a result of a spot check shall be handled according to this table.

Continued on the next page

Notice DAP-136

3 County Office Action (Continued)

**G
Spot Check
Discrepancies
(Continued)**

IF the number of eligible livestock determined at spot check is...	THEN COC...
<p>within 5 percent or less than certified number of livestock</p>	<ul style="list-style-type: none"> • may determine good faith without an explanation from the producer • shall use the certified number of livestock for payment purposes, if good faith is determined • shall not require a refund.
<p>more than 5 percent less, but is within 15 percent less than certified number of livestock</p>	<ul style="list-style-type: none"> • may determine good faith after the producer has been notified of the discrepancy and the producer has provided a satisfactory explanation for the inaccuracy or inaccuracies • shall use the smaller of the determined or certified number of eligible livestock for payment purposes, if good faith is determined <p>Note: If the determined amount is the smaller number, the producer shall refund an amount of feed credit per head times the difference between the certified and the determined number of head if the amount exceeds \$35.00.</p> <ul style="list-style-type: none"> • shall provide producer applicable appeal/mediation rights according to 1-APP.
<p>exceeds 15 percent less than the certified number of livestock</p>	<ul style="list-style-type: none"> • shall determine the producer ineligible for CFP benefits • shall require a refund of the entire amount of feed credit • shall provide applicable appeal/mediation rights according to 1-APP • shall follow instructions in subparagraph I.
<p>is any amount of difference from the certified number of livestock and good faith is not determined</p>	<ul style="list-style-type: none"> • shall determine the producer ineligible for CFP benefits and document the basis for the determination in the COC minutes • shall require a refund of the entire amount of feed credit • shall follow instructions in subparagraph I.

For amounts due CCC, County Offices shall establish a receivable according to 67-FI. The accounting code will be provided in a future notice.

Continued on the next page

Notice DAP-136

3 County Office Action (Continued)

**H
Additional Spot
Checks When
Discrepancies
Are Found**

Select additional applications for spot check according to this table. Determine discrepancies according to subparagraph G.

IF the number of applications with 1 or more discrepancies...	THEN...
exceeds 25 percent of all applications spot-checked	select an additional 10 percent of all applications for spot check.
is 25 percent or less of all applications spot-checked	no additional spot checks are required.

**I
CFP Ineligibility**

Follow 4-CP, paragraph 146, if COC suspects that an unacceptable, incorrect, or false certification is related to, or the result of, a misrepresentation, scheme, or device.

For ineligible producers for which COC has no reason to believe the certification is related to, or the result of, a misrepresentation, scheme, or device:

- COC shall provide producer applicable appeal/mediation rights according to 1-APP
- COC may submit a request for relief to STC.

Note: STC shall approve the request for relief only if it can be determined that extenuating circumstances prevented the producer from certifying the eligible number of livestock accurately.

**J
Determine
Amount Due for
Livestock Sold or
Died**

Producers who have eligible livestock that were sold or died after the date of application must report to the County Office the:

- number of head sold or died that exceeds 5 percent
 - date the livestock were sold or died.
-

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Notice DAP-136

3 County Office Action (Continued)

J

**Determine
Amount Due for
Livestock Sold or
Died (Continued)**

County Offices shall enter the reported numbers on FSA-551, Remarks section.

A refund of feed credit will be required in cases where the total eligible head is reduced by more than 5 percent during the 40-day feeding period. The refund will be prorated to reflect the number of days that the feed credit was issued for ineligible livestock. The price per head per day to feed a beef cow is \$0.58.

Example: 150 head x \$23.00 + \$3,450 feed credit approved
150 head x 5 % = 8 head.

Producer sells 20 head 30 days after FSA-551 approval date. Refund is calculated as follows:

40 days feed credit
- 30 days sale occurs
10 days x 20 head x .58 price per head per day = \$116 refund amount.

Definitions Applicable to 2002 Cattle Feed Program

Agency The agency is the Farm Service Agency and its employees.

Applicant Applicant is the individual or business entity applying for assistance.

Beef Cattle Beef cattle are bovine livestock produced for the sole purpose of providing meat for human consumption.

Breeding Bull Breeding bull is a male bovine of adequate age to be used for breeding purposes and is included in a foundation beef herd.

Brood Cow Brood cow is a female bovine that has delivered 1 or more offspring and is part of a foundation beef herd.

Business Entity Business entity is a corporation, partnership, joint operation, trust, limited liability company, or cooperative.

Deputy Administrator or DAFP Deputy Administrator or DAFP means the Deputy Administrator of Farm Programs, FSA, or a designee.

Eligible Livestock Eligible livestock are foundation beef livestock that have been owned, or cash leased by the applicant for 3 or more months before August 12, 2002. Foundation livestock subject to a contract for purchase by the applicant that was negotiated before May 12, 2002, are eligible livestock.

Eligible State Eligible State is Colorado, Nebraska, South Dakota, or Wyoming.

Continued on the next page

Definitions Applicable to 2002 Cattle Feed Program (Continued)

Eligible Feed Supplier	<u>Eligible feed supplier</u> is a feed supplier or dealer who has signed a contract with CCC to participate in the 2002 Cattle Feed Program and has been assigned a 4-digit numeric ID code by CCC.
Foundation Livestock	<u>Foundation livestock</u> is a herd of beef cattle kept for the sole purpose of breeding and reproduction of beef cattle. A foundation herd consists of brood cows, replacement bred heifers (not to exceed 15 percent of the number of brood cows in the foundation beef herd) and breeding bulls (not to exceed one bull per 15 head of brood cows and replacement bred heifers).
Ineligible Livestock	<u>Ineligible livestock</u> are buffalo; beefalo; dairy cattle; cattle added to the foundation beef herd after May 12, 2002; neutered beef cattle; and foundation livestock that died or were sold by the applicant before August 12, 2002. All other bovine livestock that are not foundation livestock or beef cattle are ineligible.
Replacement Bred Heifer	<u>Replacement bred heifer</u> is a pregnant female bovine that has not borne any offspring.
Application Period	<u>Application period</u> begins August 28, 2002, through the earlier of depletion of funds or December 2, 2002.
Eligible Producer	<u>Eligible producer</u> is an individual or business entity who shares in the income from the sale of the calf crop from the eligible foundation herd through ownership, cash lease agreement, or subject to a contract for the livestock to be purchased by the applicant.
Feed Credit	<u>Feed credit</u> is the amount determined by multiplying the number of eligible beef cattle times \$23.00 for future manufactured feed purchases.
Eligible Feed	<u>Eligible feed</u> is the manufactured feed that is suitable to be fed to beef cows, bulls, and replacement heifers, and made available from the eligible feed supplier to be exchanged for feed credit.

FSA-551, Cattle Feed Program Application

A
Completing FSA-551 Complete FSA-551 according to these instructions.

Item	Instruction
1	Enter the name and address of the individual or entity requesting feed credit assistance.
2A	Enter the identification number for the applicant that was entered in item 1.
2B	Enter the telephone number for the applicant that was entered in item 1.
3	Enter the name, address, and telephone number of the administrative County FSA Office. Note: The application must be filed in the County Office where the farm records are located.
4A	Enter: <ul style="list-style-type: none"> • the name of applicant that was entered in item 1 • name(s) and address(es) of all other owners of eligible livestock in the applicant's operation, if applicable. Notes: " Other Owner " information is required only if the applicant is not the sole owner of all eligible livestock in the livestock operation. Any " Other Owner " in the operation must file a separate application.
4B	Enter the total number of eligible livestock for the applicant entered in item 1, or if applicable, for the entire livestock operation that are physically located in an eligible State.
4C	Enter the percent share of the total number of owned or leased eligible livestock for the applicant entered in item 1, and each " other owner " listed under item 4, if applicable. Note: Sum of all shares must equal 100 percent.
4D	Enter the product of item 4B times item 4C for the applicant, which is the applicant's total number of eligible livestock.
4E	Enter the location (State/States, county/counties, and Farm Serial Numbers) of any other foundation beef herd interests of the applicant or persons listed that are not included in the application.
5B	Enter the amount from item 4D.
5C	Enter payment rate of \$23.00.

Continued on the next page

FSA-551, Cattle Feed Program Application (Continued)

**A
Completing
FSA-551
(Continued)**

Item	Instruction
5D	Enter the product of 5B times 5C.
6A	Enter the type of pasture, such as native or improved and irrigated or nonirrigated. Note: If cattle have been removed from pasture, also enter type of feeding facility and type of feed cattle that are currently being fed.
6B	Enter the location and/or legal description of the pasture, or other feeding facility, identified in item 6A.
6C	Enter the number of grazing acres identified in item 6A used to support eligible livestock for this application.
6D	Check the box “owned” or “leased” as applicable to the acres identified in item 6C.
7A	Enter the name and address of the one feed supplier selected from the participating feed supplier list, available in the County Office.
7B	Enter the ID code for the feed supplier entered in item 7A.
7 C	Enter the telephone number of the feed supplier in item 7A.
8A	Enter number of eligible livestock included on this application that died or were sold.
8B	Enter number of cows in the herd.
8C	Enter number of replacement heifers in the herd (cannot exceed 15 percent of cow number).
8D	Enter number of breeding bulls in the herd.
8E	Enter the sum of cows, replacement heifers, and breeding bulls; must equal item 4B.
9A, B	Producer shall sign and enter date.
10	COC or designee shall check appropriate box.
11 A-C	COC or designee shall sign, enter title of signor, and date.
12 Remarks	County Office Entry: If applicable, enter the following changes that occur between the date of application and December 2, 2002:

Continued on the next page

FSA-551, Cattle Feed Program Application (Continued)

B

Copy of FSA-551 This is a copy of FSA-551.

This form is available electronically. Form Approved - OMB No. 0560-0222

1. NAME AND ADDRESS OF APPLICANT FILING APPLICATION		FSA-551 U.S. DEPARTMENT OF AGRICULTURE (08-28-02) Farm Service Agency CATTLE FEED PROGRAM (CFP) APPLICATION				
2A. IDENTIFICATION NUMBER	2B. TELEPHONE NO. (Area Code)	3. COUNTY FSA OFFICE NAME AND ADDRESS (including Zip Code)				
		TELEPHONE NUMBER (including area code):				
4. List names and address of all persons sharing ownership in foundation beef herd, their share and the location of any other foundation beef herd.						
A. NAME AND ADDRESS	B. NUMBER OF ELIGIBLE LIVESTOCK	C. PERCENT SHARE	D. ELIGIBLE NUMBER OF HEAD	E. OTHER FOUNDATION BEEF HERD INTERESTS		
				STATE	COUNTY	FARM NO.
NAME OF APPLICANT		X % =				
OTHER OWNER						
ID NO.			%			
OTHER OWNER						
ID NO.			%			
OTHER OWNER						
ID NO.			%			
OTHER OWNER						
ID NO.			%			
TOTAL PERCENT (Must equal)		100 %				

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995 as amended. The authority for requesting the following information is Section 32 of the Act of August 24, 1935. The information will be used to determine eligibility in accordance with the requirements of the Federal Register Notice for applicants who are requesting Cattle Feed Program benefits. Furnishing the requested information is voluntary; however, failure to furnish the requested information will result in a determination of ineligibility for Cattle Feed Program Payment Program benefits. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 266, 287, 371, 641, 851, 1001 and 1004; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0222. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.

The U. S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (800) 720-2900 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Western Building, 1400 Independence Avenue, SW, Washington, D. C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

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FSA-551, Cattle Feed Program Application (Continued)

B
Copy of FSA-551
(Continued)

FSA-551 (08-28-02) (Page 2)				
5A. KIND / TYPE	5B. ELIGIBLE NO. OF HEAD	5C. PAYMENT PER HEAD	5D. TOTAL AMOUNT	
Beef Cow, Bulls and Replacement Heifers	X	\$23.00	= \$	
6. List current year owned or leased grazing acreage used to support foundation beef herd.				
A. TYPE OF GRAZING	B. LOCATION	C. ACRES	D. CHECK EITHER	
			OWNED	LEASED
7A. NAME AND ADDRESS OF FEED SUPPLIER		7B. ID CODE	7C. PHONE NO. (Area Code)	
8. LIVESTOCK OWNER ENTRIES				
A. Number of Eligible Livestock Included on This Application That Died or Were Sold	B. Number of Cows in the Herd	C. Number of Replacement Heifers in the Herd (Cannot Exceed 15% of Number of Cows in Item 8B)	D. Number of Breeding Bulls in the Herd	E. Sum of Cows, Replacement Heifers, and Breeding Bulls (Number Must Equal Item 4B on Page 1 of This Form)
9. PRODUCER'S CERTIFICATION				
<p><i>I certify that all the information entered on this application and documents attached are true and correct, and all documents provided are true copies of the transaction reported. Providing a false certification to the government is punishable by imprisonment, fines and other penalties. All information provided herein is subject to verification by the Commodity Credit Corporation. The provisions of criminal and civil fraud statutes that apply to this certification, includes 18 USC 286, 287, 371, 641, 651, 1001 and 1004; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.</i></p>				
9A. PRODUCER'S SIGNATURE			9B. DATE (MM-DD-YYYY)	
10. COC DETERMINATION: <input type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED				
11A. SIGNATURE OF COC OR DESIGNEE		11B. TITLE	11C. DATE (MM-DD-YYYY)	
12. REMARKS (FOR COUNTY FSA OFFICE USE ONLY). If applicable, enter the following changes that occurred between the date of application and December 2, 2002:				

Questions and Answers on 2002 Cattle Feed Program

Q 1. A producer cash leases a foundation beef herd and receives the income from the herd, can this producer apply for CFP and receive feed credit for these livestock?

A1. Yes. If the cattle are 100 percent cash leased and the lessee pays all expenses and in return receives all the income, the lessee would make application for 100 percent of the feed credit.

Q 2. A producer normally grazes the foundation beef herd in Utah during the summer and brings the livestock back to Wyoming for the winter, is this producer eligible for CFP?

A 2. No. If the foundation beef herd was not located in Wyoming on August 12, 2002, the livestock would not be eligible for CFP.

CFP was made available only to producers who have eligible livestock physically located in 1 of the 4 eligible States at the time of CFP announcement on August 12, 2002.

Q 3. A producer resides in South Dakota and, because of the drought, moved the foundation beef herd to Minnesota where there was pasture available for grazing. This is not the producer's normal grazing pattern. Is this producer eligible for CFP?

A 3. No, not unless the herd was brought back and located in South Dakota at the time CFP was announced on August 12, 2002.

Q 4. A producer lives in and operates a farm in Kansas. Pasture land is located in Kansas and Nebraska. The producer had the livestock grazing on both the Kansas pasture and Nebraska pasture at the time of CFP announcement on August 12, 2002. Is the producer eligible for feed credit for all of the eligible livestock grazing in both States?

A 4. No. The producer is eligible only for feed credit for the number of eligible livestock grazing on the Nebraska pasture beginning August 12, 2002.

Q 5. One producer owns a ranch in Montana, has no livestock, but has available pasture for grazing. A producer in Colorado has a ranch and livestock but pasture is not suitable for grazing. The Colorado producer rents the pasture in Montana and grazes his eligible livestock there. Is the Colorado producer eligible for feed credit on his eligible livestock grazing in Montana?

A 5. No. Although the producer resides in and has a ranch in Colorado and has an eligible foundation beef herd, the producer is not eligible for feed credit on the eligible livestock grazing in Montana if the eligible livestock were not or are not in Colorado after August 12, 2002.

Continued on the next page

Questions and Answers on 2002 Cattle Feed Program (Continued)

Q 6. Is there a specific allocation of CFP funds for each State?

A 6. No.

Q 7. Are yearlings considered eligible livestock in a foundation beef herd?

A 7. The replacement beef heifers must be old enough to be bred to calve in the 2003 calving season.

Q 8. If a producer has eligible replacement beef heifers that would calve in the fall of 2002, are these heifers eligible for CFP?

A 8. Yes.

Q 9. A producer has other livestock not eligible for CFP but are located in the same pasture as the eligible foundation beef herd and would possibly eat some of the feed obtained through the feed credit. Does the producer have to separate the ineligible livestock from the eligible livestock for CFP or prorate a portion of the feed used?

A 9. No. The feed credit is based on the eligible number of head in the foundation beef herd. The producer does not have to separate the ineligible and eligible livestock or prorate the feed used; however, the feed based on the numbers in the foundation beef herd would not last the 40 days. If selected for spot check, the producer would have to be able to account for the certified number of eligible head in the foundation beef herd.
