

For: State and County Offices

**Clarifying Risk Management Purchase Requirement Waiver for  
Livestock Forage Disaster Program (LFP) for Calendar Year 2008**

Approved by: Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

The Food, Conservation, and Energy Act of 2008 (2008 Act), Pub. L. 110-246, was enacted June 18, 2008. The 2008 Act created several new disaster programs under the title Supplemental Agricultural Disaster Assistance, which includes LFP. To be eligible for LFP, livestock producers **must** purchase a policy or plan of insurance for insurable grazing land or file the required paperwork and pay the administrative fee for noninsurable grazing land by the applicable State application closing date for NAP for the **grazing land** incurring losses for which assistance is being requested. Sales closing dates and application closing dates have passed for calendar year 2008 for nearly all insurable and noninsurable grazing land. A waiver has been authorized in the 2008 Act to allow producers to pay, within 90 calendar days of enactment (September 16, 2008), a “buy-in” fee to be eligible for LFP for grazing lands for which they did not timely purchase crop insurance or NAP coverage for calendar year 2008.

Notice DAP-285 informed State and County Offices of the disaster programs subject to the Risk Management Purchase Requirement waiver and provided guidelines for the Risk Management Purchase Requirement Waivers for calendar year 2008.

**B Purpose**

This notice provides further clarification and additional guidance specifically for the LFP Risk Management Purchase Requirement Waiver for calendar year 2008.

<b>Disposal Date</b>  January 1, 2009	<b>Distribution</b>  State Offices; State Offices relay to County Offices
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## Notice DAP-290

### 2 Risk Management Purchase Requirement for LFP

#### A General Eligibility Requirements

For producers to be eligible for assistance under LFP, producers **must**, for the grazing land incurring losses for which assistance is being requested, do either of the following:

- obtain a policy or plan of insurance
- file the required paperwork and pay the administrative fee by the applicable State application closing date for NAP.

This means that the livestock producer must have timely applied for and obtained, if available, either crop insurance, including pilot programs implemented by the Risk Management Agency such as the Pasture, Rangeland, Forage (PRF) Pilot Program, or coverage under NAP on the rangeland or grazing lands incurring losses for which assistance is being requested.

**Note:** Livestock producers **are not required** to purchase pilot program insurance if they purchase NAP to be eligible for LFP.

#### B Waiver of “Buy-In” Fee for Socially Disadvantaged, Limited Resource, or Beginning Farmers or Ranchers

See Notice DAP-285 for provisions for waiving the “buy-in” fee for socially disadvantaged, limited resource, or beginning farmers or ranchers.

### 3 Waiver for Calendar Year 2008 for LFP

#### A Overview

Generally, producers are eligible for LFP only if they have obtained either crop insurance or NAP coverage for the grazing land incurring losses for which assistance is being requested.

However, for calendar year 2008 **only**, those producers who suffered losses on insurable or noninsurable grazing lands but did not meet the crop insurance or NAP coverage criteria can “buy-in” or be “waived” to be eligible for LFP.

#### B Deadline

To be considered to have met the Risk Management Purchase Requirement, producers must pay a “buy-in” fee in an amount equal to the applicable CAT fee and/or NAP fee for those grazing lands that currently do not have either a crop insurance policy or NAP coverage by **COB September 16, 2008**. For this purpose, producers with the exception of those who meet the waiver requirements for socially disadvantaged, limited resource, or beginning farmer or rancher, must visit their administrative County Office to pay the applicable “buy-in” fees and complete CCC-752 or CCC-753, as applicable, according to Notice DAP-285.

## Notice DAP-290

### 3 Waiver for Calendar Year 2008 for LFP (Continued)

#### C Producers with RMA Pasture, Rangeland, Forage Vegetative Index (PRF-VI) Pilot Program Coverage

The PRF-VI pilot program policy, offered in only selected States and counties, covers multiple perils and is based upon a measure of vegetation greenness that correlates to forage condition and productive capacity. A producer who elects coverage under a PRF-VI policy on any acreage of the crop in the unit is not eligible to obtain NAP coverage for the same intended use on any of the acreage of the crop not covered under the PRF-VI policy, because the same perils are covered by both products.

**Note:** Producers can obtain NAP coverage on forage intended for grazing and PRF-VI policy on forage intended for hay, or vice versa, because they are considered separate crops by both RMA and NAP.

Therefore, a producer that purchases a PRF-VI policy for any of the grazing land acres in the NAP unit:

- is **not** eligible to participate in NAP on any of the acreage intended for grazing in the unit
- is only eligible for LFP on those grazing land acres covered under the PRF-VI policy.

**Exception:** For 2008 only, a producer who elected coverage for grazing under a PRF-VI policy will be allowed to pay the NAP “buy-in” fee to cover any of the grazing acres not covered under the PRF-VI policy.

**Example:** In 2008, Producer has 500 acres of native grass intended for grazing. The producer has PRF-VI coverage on 250 acres of native grass intended for grazing. Can the producer pay the NAP “buy-in” fee on the remaining 250 acres of native grass intended for grazing to be eligible for LFP on the total 500 acres of native grass intended for grazing?

**Answer:** Yes. An exception has been made for 2008 only to allow the producer to pay the NAP “buy-in” fee to be eligible for LFP on the remaining 250 acres of native grass intended for grazing that was not included under the PRF-VI policy.

**Note:** A future notice will provide guidance for 2009 PRF-VI.

## Notice DAP-290

### 3 Waiver for Calendar Year 2008 for LFP (Continued)

#### D Producers with RMA Pasture, Rangeland, Forage Rainfall Index (PRF-RI) Pilot Program Coverage

The PRF-RI pilot program policy, offered in only selected States and counties, only covers losses because of drought. Because PRF-RI does not cover all perils, NAP has to be made available to producers on the same acres covered by the PRF-RI policy to provide coverage for losses resulting from other eligible NAP conditions, such as flood, fire, and freeze.

A producer that obtains PRF-RI on their grazing lands (some or all acres) to cover drought, and NAP coverage on the same acres to cover all other perils will be ineligible for a NAP payment if the producer receives an PRF indemnity payment.

For calendar year 2008, if a producer purchased a PRF-RI policy on some, but not all of their grazing land acres, the producer would be eligible to pay the “buy-in” fee for NAP to make the grazing land acres not included under the PRF-RI policy in the unit eligible for LFP.

**Example:** PRF-RI coverage is available in the county in 2008. Producer reports 1000 acres native grass intended for grazing. Producer has 500 acres of native grass intended for grazing covered under PRF-RI. NAP coverage was not purchased to cover the other perils in 2008. Can the producer pay the “buy-in” fee to make the remaining 500 acres of native grass intended for grazing that were not included under the PRF-RI policy eligible for LFP?

**Answer:** Yes. Because NAP coverage was available for the other perils, the producer can pay the “buy-in” fee to make the remaining 500 acres of native grass intended for grazing that was not included under the PRF-RI policy eligible for LFP.

#### E Accepting and Processing Crop Insurance and NAP “Buy-In” Fees

Notice DAP-285, paragraph 4 shall be followed for accepting and processing crop insurance and NAP “buy-in” fees for grazing lands under LFP.

## Notice DAP-290

### 4 Action

#### A State Office Action

SED's shall ensure that:

- the contents of this notice is adequately publicized by all available means
- County Offices:
  - are immediately informed of the contents of this notice
  - immediately publicize the contents of this notice using all available means
  - are accepting CCC-752's and CCC-753's and applicable "buy-in" fees according to this notice and Notice DAP-285
  - timely schedule producer appointments, if needed, to ensure that all interested producers pay the "buy-in" fees by **COB September 16, 2008**.

#### B County Office Action

All County Offices shall:

- immediately publicize the contents of this notice by all available means
- ensure that producer appointments are timely scheduled, if needed. so that all interested producers pay the applicable "buy in" fees by **COB September 16, 2008**.