

For: State and County Offices

Eligibility of Grain Insured for FCIC and GRAZE-OUT

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

The Agricultural Risk Protection Act of 2000 (ARPA) provides GRAZE-OUT payments instead of loan deficiency payments (LDP's), for the 2001 crop year to eligible producers who use acreage planted to wheat, barley, or oats, for grazing by livestock and agree to forgo any other harvesting of the commodity on such acreage.

Notice LP-1775 provides program policy and procedures for implementing the 2001 GRAZE-OUT payment program.

Several questions have been asked about producer eligibility for 2001 GRAZE-OUT payments, if the producer has the wheat, barley, or oats insured for grain.

B

Purpose

This notice informs County Offices of producer eligibility for GRAZE-OUT payment when producer also has the same acres insured for grain.

<p>Disposal Date</p> <p>January 1, 2002</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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2 Clarification

A
Eligibility
Criteria

Small grain acreage reported for Federal crop insurance is **not** eligible to receive GRAZE-OUT payment except in either of the following cases:

- in counties where “short rates” apply and the producer pays the “short rate” on the acreage for which a GRAZE-OUT payment is applied for.
- for insured producers who:
 - obtain a release on an insured crop
 - do not receive an indemnity on the crop, including prevented planting
 - met all other GRAZE-OUT requirements identified in this Notice.

Short Rate coverage is an FCIC policy option that allows producers to pay a reduced premium rate on reported acreage, if they destroy the acreage (usually by grazing) and notify the insurance company by a specified date on the county actuarial document. This option is available in certain counties for the following States and crops: CO, KS, MO, NE, NM, OK and TX for **wheat**; NM, OK, and TX for **barley**; and OK and TX for **oats**.

B
Revised
CCC-633
Grazing

CCC-633 Grazing has been revised to add the following questions:

- Part A, “ Did you request a GRAZE-OUT payment on acres covered by FCIC?”
- “Have you made or will you request an indemnity payment on the GRAZE-OUT acres?”

Note: Additional language to Part C, the Producer’s Certification.

See Exhibit 1 for instructions on completing CCC-633 Grazing. The PSD website is <http://www.fsa.usda.gov/dafp/psd> and the FFAS Intranet website is <http://intranet.fsa.usda.gov/dam/ffasforms/forms.html>. State Offices shall locally reproduce CCC-633 Grazing, as applicable.

C
Spot Check

All applications selected for spot-check must be compared to reported RMA acreage to ensure that the GRAZE-OUT acreage is not insured for grain.

A future notice will be issued with spot check procedures.

CCC-633 Grazing, Grazing Payment Program Application

**A
Completing
CCC-633
Grazing**

Complete CCC-633 Grazing according to this table, if the producer is **requesting GRAZE-OUT** at the County Office. CCC-633 Grazing shall be completed by FSN and crop.

All persons who share in the grazed acreage must be included on one CCC-633 Grazing.

Item	Instructions
Items 1 through 5 are completed by the County FSA Office.	
1	No entry is needed.
2	Enter FSN and the application number assigned by APSS after CCC-633 Grazing has been recorded in APSS. (County Office use)
3	Enter the name and address of the applicable County Office.
4	Enter the applicable State code. (County Office use)
5	Enter the applicable county code. (County Office use)
Part A, items 6 through 15 are completed by the producer.	
6	Enter the producer's name, address, and telephone number. This will be the contact producer if more than 1 producer shares in the grazed acreage.
7	Check the type of commodity grazed.
8	Enter the class, as applicable.
9 through 12	Check the applicable box in response to each question.
13 A and B	If the producer answers "YES", the producer is not eligible
14	Enter the actual or estimated grazing period. Example: March 1, 2001, through May 1, 2001.
15 A	Enter the requested acres that have been or will be grazed.
15 B	Enter the corresponding tract/field location.

Continued on the next page

CCC-633 Grazing, Grazing Payment Program Application (Continued)

A
Completing
CCC-633
Grazing
(Continued)

Item	Instructions
Part B, items 16 through 22 are completed by the County FSA Office.	
16	Enter the total acreage requested from item 14 A. County Offices shall ensure that the tract/field location certified on FSA-578 is equal to the tract/field location requested by the producer in item 14 B.
17	Enter the yield, as applicable. This is the higher of the county average yield or the established farm yield.
18	Enter the result of item 15 multiplied times item 16.
19	Enter the county where the commodity was grazed if different than the Administrative FSA County Office.
20	Enter the date the request is completed.
21	Enter the payment rate applicable to the date in item 19.
22	Enter the result of item 17 multiplied times item 20.
Part C, item 23 is to be completed by the producer.	
23	After reading the certification statement, all producers shall sign, provide ID number, date, and indicate share, as applicable.
Item 24 is to be completed by the FSA County Office.	
24	<p>COC or designee shall approve or disapprove CCC-633 Grazing, sign, provide title, and date, as applicable.</p> <p>Note: Do not approve if producer is not in compliance. Provide a copy to the producer, as applicable.</p>

Continued on the next page

CCC-633 Grazing, Grazing Payment Program Application (Continued)

B
Example of
CCC-633
Grazing

The following is an example of CCC-633 Grazing.

REPRODUCE LOCALLY. Include form number and date on all reproductions.

CCC-633 GRAZING (04-02-01)		USDA CCC	ITEMS 1 THROUGH 5 ARE COMPLETED BY THE FSA OFFICE			
GRAZING PAYMENT PROGRAM APPLICATION		1. PROGRAM YEAR 2001	2A. FSN NO.	2B. APPLICATION NO.		
		3. FSA COUNTY OFFICE NAME & ADDRESS (Including ZIP Code)				
		4. STATE CODE		5. COUNTY CODE		
		See Reverse Side for Privacy Act.				
NOTE: The authority for collecting the following information is Pub. L. 106-224. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995.						
PART A - ELIGIBILITY (ITEMS 6 THROUGH 15B ARE FILLED OUT BY THE PRODUCER)						
6. CONTACT PRODUCER'S NAME AND ADDRESS			7. TYPE OF COMMODITY (Please check type of crop below) <input type="checkbox"/> Wheat <input type="checkbox"/> Barley <input type="checkbox"/> Oats			
TELEPHONE NUMBER: () - - -			8. CLASS (For Wheat Only)			
Check "YES" or "NO" in the applicable box in items 9 through 13B:						
9. Do you agree to forgo any mechanical harvest on this acreage?					YES	NO
10. Do you understand that the grazed acres requested for payment must equal the actual grazed acres?						
11. Do you understand that if you are out of compliance, you may be ineligible for payment?						
12. Do you understand that payments will be made after you have certified all your crop acreage?						
13A. Did you request a GRAZE-OUT payment on acres covered by FCIC?						
13B. Have you made or will you request an indemnity payment on the GRAZE-OUT acres?						
14. GRAZING PERIOD (Actual or Estimate)		15. REQUESTED GRAZED ACRES				
		A. Requested Acres		B. Tract/Field Location		
PART B - PAYMENT INFORMATION AND CALCULATION (ITEMS 16 THROUGH 22 ARE FILLED OUT BY FSA OFFICE)						
16. Total Actual Grazed Acres	17. Yield (EY-ACY)	18. Total Quantity (Item 16 times Item 17)	19. County Where Acres Grazed	20. Request Date	21. Payment Rate	22. Payment Amount (Item 18 times Item 21)
				- -	\$	\$
PART C - PRODUCER'S CERTIFICATION						
I certify that all information entered on this application is true and correct and all persons involved in the share of grazing acres for livestock in lieu of any harvest have included their share of acres grazed for livestock from the farm. I further certify that the acres requested for this payment are not insured for grain. I understand that by completing this application I agree to forgo any other type of harvest on acreage planted to 2001 crop wheat, barley, or oats for the purpose of grazing livestock only. I further understand that: (1) this payment is in lieu of a loan deficiency payment; (2) all eligibility requirements must be met under the marketing assistance loan program before payment can be made except for beneficial interest, which must be maintained through the grazing period; (3) this payment will be ineligible if I have received or requested a FCIC Indemnity payment on the same acreage for grain; and (4) to ensure that all program eligibility requirements are met for this payment, my application may be selected for spot check. If my application is selected for spot check, I may be required to provide supporting documentation to determine payment eligibility. 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 Farm Service Agency. The provision of criminal and civil fraud statutes that apply to this certification, includes 18 USC 286, 297, 371, 641, 651, 1001, and 1014; USC 714m, and 31 USC 3729.						
23A. SIGNATURE OF PRODUCER		23B. PRODUCER'S IDENTIFICATION NUMBER		23C. DATE	23D. SHARE	
				- -	%	
				- -	%	
				- -	%	
FOR FSA OFFICE USE ONLY						
24A. SIGNATURE OF FSA APPROVING OFFICIAL			24C. ACTION			
			<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved			
24B. TITLE			24D. DATE			
			- -			