

For: State and County Offices

Grazed 2001 Wheat, Barley, or Oats (GRAZE-OUT) Questions and Answers

Approved by: Acting Deputy Administrator, Farm Programs



1 Clarifying 2001 GRAZE-OUT Program

A

Background

Notices LP-1775 and LP-1778 provided program policy and procedures for implementing the 2001 GRAZE-OUT payment program. On March 7, 2001, several questions were raised during the conference calls held with State Offices. This notice provides additional information regarding the 2001 GRAZE-OUT program and addresses questions about this program.

B

Purpose

This notice provides clarifications in a question and answer format (Exhibit 1) on the following topics:

- eligible producers
- eligible cropland
- insurance clarifications
- miscellaneous.

<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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2001 GRAZE-OUT Questions and Answers

A

**Eligible
Producers**

A producer had beneficial interest in the crop, leases a field of the crop for grazing to a second person, and the second person grazes livestock on this crop. Has the first producer lost beneficial interest?

According to Notice LP-1775, the first producer:

- **lost beneficial interest in the crop if the leasing arrangement was a cash rent basis or if the crop was leased on a flat per acre rate**
 - **would not lose beneficial interest in the crop if the lease was on a gain per month or a per head per month basis.**
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Does the farm, cropland, or the producer need to have a PFC contract to be eligible for the graze-out program?

Under GRAZE-OUT, the farm(s) must be enrolled with a PFC contract. This is the same requirement as for commodity loan and LDP eligibility. The producer must be shown as receiving a share of the commodity produced on the acreage on FSA-578 and be a producer on CCC-633 GRAZING.

Does the acreage certified on FSA-578 and the acreage requested on CCC-633 GRAZING have to be the same?

Yes.

Is a successor-in-interest eligible for the GRAZE-OUT program and payment when a producer buys a farm and the standing crop?

No. If a producer does not have beneficial interest in the crop from the time of planting, the producer is not eligible for the GRAZE-OUT program.

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2001 GRAZE-OUT Questions and Answers (Continued)

**B
Eligible
Cropland**

What are the guidelines for determining eligibility for double cropping?

COC's must determine:

- **if it is normal for either the producer or the county to harvest a subsequent crop after the initial crop is grazed out or mechanically harvested**
- **that the producer did not double crop for the sole purpose to take advantage of the GRAZE-OUT program.**

The subsequent crop cannot be the same crop as the initial crop such as spring wheat following winter wheat or spring barley following winter barley.

Is acreage from an expired CRP contract considered cropped in the last 3 years for GRAZE-OUT?

Yes, according to 2-CRP.

What is the definition of land cropped in the last 3 years for GRAZE-OUT?

Consider land as cropland if the land has been:

- **cropped in at least 1 of the last 3 years**
 - **in a CRP contact each of the last 3 years.**
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Is acreage covered by a NAP forage loss eligible for the GRAZE-OUT program?

No. Producers cannot receive NAP and GRAZE-OUT payments on the same crop acreage if the crop acreage is reported as grain or both forage and grain.

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2001 GRAZE-OUT Questions and Answers (Continued)

B**Eligible
Cropland
(Continued)**

Is a producer eligible for GRAZE-OUT if the producer does any of the following:

- over seeds wheat into Bermuda sod or other grass
- plants wheat, barley, or oats as a nurse crop for alfalfa
- plants wheat, barley, or oats as a conservation practice for future planning of commodities?

Several conditions must be met before the producer could be determined eligible. COC must determine all of the following:

- **the land has been cropped in at least 1 of the last 3 years**
 - **the land is classified as cropland**
 - **the planting of a cover crop or seeding of wheat into Bermuda or other grass did not occur as a result of the announcement of the GRAZE-OUT program**
 - **the overseeding is a normal practice for the producer**
 - **the wheat, barley, or oats could have been mechanically harvested and used to obtain any type of LDP**
 - **the acreage was grazed to the extent the live plants are consumed by livestock for the normal period of time for grazing out a commodity in the area**
 - **all other eligibility requirements are met.**
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C**Insurance
Clarifications**

Can STC require that the Average County Yield be the same for CDP, NAP, and small grain grazing?

No. According to Notice LP-1775, the yield for the GRAZE-OUT program is the higher of the farm's established yield or the Average County Yield.

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2001 GRAZE-OUT Questions and Answers (Continued)

D**Miscellaneous**

Will a waiver be considered for extending the end of signup for counties whose first day of mechanical harvest will not be before August 31?

No. August 31, 2001, is the final date to apply for GRAZE-OUT.

Is the mechanical harvest date, that COC needs to establish, the date that grain harvest normally occurs in the county?

No. It is the first date in the county for the 2001 crop year that COC determines the commodity will be harvested as silage, green chop, or hay. Separate dates should be established for wheat, barley, and oats if, for 2001, the beginning of mechanical harvest would begin at different times for each commodity.

Should the State Office spot check COC-established beginning mechanical harvest dates?

No. However, the State Office should maintain a record of all mechanical harvest dates by county for the State.

Can CCC-633 GRAZING be withdrawn once it is requested by the producer?

No, once it is requested, CCC-633 GRAZING cannot be withdrawn.

Can a producer receive a GRAZE-OUT payment based on the 2000 crop loan rate?

No. GRAZE-OUT payment rates will be determined based upon the day of the request once the 2001 loan rates have been announced.

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2001 GRAZE-OUT Questions and Answers (Continued)

D**Miscellaneous
(Continued)**

Is the producer eligible for LDP under the provisions for commodities harvested as other than grain if the producer:

- certifies the crop for grazing
- does not complete CCC-633 GRAZING
- grazes the acreage for a period of time
- later cuts the crop for hay?

Yes. If FSA-578 was certified for grazing has been modified to reflect the commodity was cut for hay and is eligible for a commodity harvested as other than grain, and only if CCC-633 GRAZING was never requested.

If a producer requests CCC-633 GRAZING and later harvested the same acreage as grain instead of grazing, can the producer receive the GRAZE-OUT payment or be eligible for marketing assistance loans and LDP's?

No. The producer is ineligible for both the GRAZE-OUT payment and marketing assistance loans and LDP's on the harvested production from the crop acreage included on the grazing application.

Do the late-filed acreage report provisions apply to the GRAZE-OUT program?

Yes. Follow the provisions in 2-CP.

Continued on the next page

2001 GRAZE-OUT Questions and Answers (Continued)

D**Miscellaneous
(Continued)**

Is a producer eligible for GRAZE-OUT when oats is overseeded into wheat?

No. Mixed grain is not eligible for commodity loans, LDP's, or the grazing program.

To be eligible grain, commodities must meet the grain standards. For the acreage to be considered:

- **wheat, the mixture must contain more than 50 percent wheat and not more than 10 percent of oats, a commodity for which a grain standard has been established**
 - **oats, the mixture must contain more than 50 percent of oats and not more than 25 percent of wheat, a commodity for which a grain standard has been established.**
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What GRAZE-OUT payment rates are applicable if a producer has a farm that consists of land physically located in 2 counties?

Use the GRAZE-OUT payment rates applicable to the Administrative County. This is consistent with the provisions applicable to CCC-709 LDP's and provides for 1 application to be filed for grazing in both counties.

Are volunteer stands of wheat, barley, or oats eligible for the GRAZE-OUT program?

No. The wheat, barley, or oats must be planted for the 2001 crop year.

Several tracts of wheat will be grazed out. Must all tracts be included on one CCC-633 GRAZING, or can a separate request be completed on each tract?

All tracts must be included on one CCC-633 GRAZING application as the application is by the farm.

When should the GRAZE-OUT spot check selections be made?

Make GRAZE-OUT selections and complete spot checks as the applications are being filed.

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2001 GRAZE-OUT Questions and Answers (Continued)

D**Miscellaneous
(Continued)**

Is the producer eligible for the GRAZE-OUT payment if the 2001 wheat, barley, or oats is completely grazed out before the CCC-633 GRAZING request is filed?

The producer would be eligible for the grazing payment provided COC determines the following:

- **the producer has met all the eligibility requirements for the GRAZE-OUT program**
 - **the producer maintained beneficial interest in the commodity through the last day the commodity was grazed.**
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What if the producer has livestock grazing the acreage when the CCC-633 GRAZING request is filed?

COC must determine the following:

- **the producer has met all the eligibility requirements for the GRAZE-OUT program**
 - **the producer maintained beneficial interest through the day the CCC-633 GRAZING request was filed.**
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