

For: State and County Offices

Clarifying GRAZE-OUT Provisions for 2002 Through 2007 Crop Years

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The Farm Security and Rural Investment Act of 2002 (the Act) provides for GRAZE-OUT payments for 2002 through 2007 crop years to eligible producers.

Notice LP-1852 provided policies about the 2002 through 2007 crop years GRAZE-OUT payment program included in the Act.

Several State Offices have requested additional guidance on policies included in Notice LP-1852.

B Purpose

- This notice:
- clarifies the 2002 through 2007 crop years GRAZE-OUT payment program
 - includes questions and answers (Exhibit 1) that clarify policies that were included in Notice LP-1852
 - provides instructions for completing revised CCC-633 GRAZING (Exhibit 2).

C 2002 Through 2007 Crop Years GRAZE-OUT

- The 2002 Act provides for GRAZE-OUT payments to eligible producers who:
- elect to use acreage planted to wheat, barley, oats, or triticale, for the grazing by livestock
 - agree to forgo any other harvesting of the commodity on this acreage during the applicable crop year.

Disposal Date	Distribution
June 1, 2003	State Offices, State Office relay to County Offices

2002 Through 2007 Crop Year GRAZE-OUT Questions and Answers

What LDP rate will be used for commodities grazed before the application date?

The LDP rate is the rate in effect on the date the producer requested a GRAZE-OUT payment.

What is the final availability date for GRAZE-OUT payments?

The final availability date end on March 31 of the calendar year following the year the crop is normally harvested.

Producers that have requested a 2002 crop GRAZE-OUT payment on a non-PFC must complete FSA-578 to eligible for LDP. Can the producer late-file FSA-578?

Yes. County Offices shall follow procedure in 2-CP for accepting late-filed acreage reports. Producers are required to pay the late file fee. Producers will be required to provide proof of planting, when this can't be determined. Acceptable proof consists of seed and fertilizer receipts associated with that commodity.

Are producers who timely filed a 2002 FSA-578 with the intended use for "grain" eligible for a 2002 GRAZE-OUT payment?

Yes. County Offices shall make a manual "pen and ink" change to FSA-578 indicating the change from "grain to "grazing".

Are owners who cash lease such land eligible for GRAZE-OUT payments?

No. Owners who received cash for the lease of their land will not be eligible for GRAZE-OUT.

Are producers who have crop insurance eligible for GRAZE-OUT if they received an indemnity payment?

Yes, however, producers who receive an indemnity payment will not receive the GRAZE-OUT payment until they refund the FCIC or NAP and provides proof of the refund to the County Office. Proof of the refund must be provided at the time of the request in order to receive the LDP rate in effect on the date of request.

CCC-633 GRAZING

A

**Completing
CCC-633
GRAZING**

Complete CCC-633 GRAZING according to the following 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 FSA County Office.	
1	Enter the applicable crop year.
2 A and 2B	Enter FSN and the application number assigned by APSS after CCC-633 GRAZING has been recorded in APSS. Note: County Office use only.
3	Enter the name and address of the applicable County Office.
4	Enter the applicable State code. Note: County Office use only.
5	Enter the applicable county code.
Part A, items 6 through 15 are completed by the producer.	
6	Enter the producer's name, address, and telephone number. Note: 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 13	Check the applicable box in response to each question.
14	Enter the actual or estimated grazing period for the farm. Example: March 1, 2002, through May 1, 2002.
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 (Continued)

A
Completing
CCC-633
GRAZING
(Continued)

Item	Instructions
Part B, items 16 through 22 are completed by the FSA County Office.	
16	Enter the total acreage requested from item 15 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 15 B.
17	Enter the yield, as applicable. This is the payment yield used for PFC/DCP for the farm or similar farms.
18	Enter the result of item 16 multiplied times item 17.
19	Enter the county where the commodity was grazed if different than the FSA Administrative County Office.
20	Enter the date the request is completed.
21	Enter the payment rate applicable to the date in item 20.
22	Enter the result of item 18 multiplied times item 21.
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 of the grazed crop, 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 (Continued)

B
Example of
CCC-633
GRAZING

The following is an example of CCC-633 GRAZING.

This form is available electronically.

<p>CCC-633 GRAZING (07-29-02)</p> <p style="text-align: center;">GRAZING PAYMENT PROGRAM APPLICATION</p> <p><i>See Page 2 for Privacy Act.</i></p> <p><small>NOTE: The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995.</small></p>	<p style="text-align: center;">USDA CCC</p> <p style="text-align: center;"><small>ITEMS 1 THROUGH 6 ARE COMPLETED BY THE FSA OFFICE</small></p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:33%;">1. PROGRAM YEAR</td> <td style="width:33%;">2A. FSN NO.</td> <td style="width:33%;">2B. APPLICATION NO.</td> </tr> <tr> <td colspan="3">3. FSA COUNTY OFFICE NAME & ADDRESS (Including ZIP Code)</td> </tr> <tr> <td>4. STATE CODE</td> <td colspan="2">5. COUNTY CODE</td> </tr> </table>	1. PROGRAM YEAR	2A. FSN NO.	2B. APPLICATION NO.	3. FSA COUNTY OFFICE NAME & ADDRESS (Including ZIP Code)			4. STATE CODE	5. COUNTY CODE	
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3. FSA COUNTY OFFICE NAME & ADDRESS (Including ZIP Code)										
4. STATE CODE	5. COUNTY CODE									
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 <input type="checkbox"/> Triticale									
	8. CLASS (For Wheat Only)									
TELEPHONE NUMBER (Area Code):										
<small>Check "YES" or "NO" in the applicable box in Items 9 through 13:</small>										
9. Do you agree to forgo any mechanical harvest on this acreage?	YES NO									
10. Do you understand that the acres requested for payment must actually be grazed?	YES NO									
11. Do you understand that if you are out of compliance, you may be ineligible for payment?	YES NO									
12. Do you understand if you do not report all the acres on the farm before the final reporting date, you will be required to refund the GRAZE-OUT payments?	YES NO									
13. Do you understand if you received either a FCIC or NAP indemnity payment on the same grain acres, you must refund the amount received and provide proof of the refund to be eligible for a GRAZE-OUT payment?	YES NO									
14. GRAZING PERIOD (Actual or Estimate)	15. REQUESTED GRAZED ACRES									
	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; text-align: center;">A. Requested Acres</td> <td style="width:50%; text-align: center;">B. Tract/Field Location</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </table>	A. Requested Acres	B. Tract/Field Location							
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										
<small>I certify that all information entered on this application is true and correct and 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, 287, 371, 641, 651, 1001, and 1014; USC 714m; and 31 USC 3729.</small>										
23A. SIGNATURE OF PRODUCER	23B. PRODUCER'S IDENTIFICATION NUMBER	23C. DATE (MM-DD-YYYY)	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 (MM-DD-YYYY)							

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CCC-633 GRAZING (Continued)

B
Example of
CCC-633
GRAZING
(Continued)

CCC-633 GRAZING (07-29-02) Page 2

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the following information is the Farm Security and Rural Investment Act of 2002, Pub. L. 107-171. The information will be used to determine eligibility in accordance with the requirements of the regulation for applicants who are requesting Grazing Payments in Lieu of Loan Deficiency Payment Program benefits. Furnishing the requested information is voluntary, however, failure to furnish the requested information will result in a determination of ineligibility for Grazing In Lieu of Loan Deficiency 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 that apply to this certification, includes 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.*

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