

**For:** AL, CO, ID, ND, PA, SC, and TX State and County Offices

**Pasture, Rangeland, and Forage – Rainfall Index (PRF-RI) Pilot Policy and NAP Coverage**

**Approved by:** Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

In 2008, RMA offered a PRF-RI pilot policy to producers in select Alabama, Colorado, Idaho, North Dakota, Pennsylvania, South Carolina, and Texas counties. The PRF-RI pilot policy was limited to the single peril of drought. As a result, NAP coverage was available in the same counties for all perils covered by NAP, except drought.

1-NAP (Rev. 1), paragraph 197 provides procedure outlining the interaction between PRF-RI and NAP, including that producers who earn an indemnity under a PRF-RI policy are ineligible for a NAP payment on any acres covered by NAP for the same intended use.

Based on recent inquiries, it appears that producers may not have been fully aware that earning a PRF-RI indemnity would result in no NAP payment for the same intended use on that unit.

**B Purpose**

This notice:

- notifies State and County Offices that FSA, in coordination with RMA, will determine where payments for the same loss exist between PRF-RI and NAP and allow producers the option to choose the benefit of highest value
- outlines procedures that State and County Offices shall follow to identify producers that meet **all** of the following:
  - earned a PRF-RI indemnity corresponding to the 2008 NAP coverage year

**Disposal Date**

December 1, 2009

7-1-09

**Distribution**

State Offices; State Offices relay to County Offices

## Notice NAP-124

### 1 Overview (Continued)

#### B Purpose (Continued)

- timely filed a 2008 NAP notice of loss and application for payment for the same crop and intended use covered by their PRF-RI policy
- estimated NAP loss payment is greater than their earned PRF-RI indemnity for the same crop and intended use.

FSA and RMA will use this information:

- to determine whether further actions are warranted for the producers identified

**Note:** If appropriate, producers may have the option to refund their earned PRF-RI indemnity and/or receive the NAP payment.

- as part of a review process to improve the interrelationship between NAP and PRF-RI, and other FSA and RMA interrelated programs.

### 2 RMA Report of Producers Who Earned PRF-RI Indemnity Payments

#### A RMA Report

An RMA report titled, “Producers With Earned PRF-RI Indemnity” (RMA Report), identifies all producers who earned a PRF-RI indemnity, by crop type.

The RMA Report provides the producer’s total earned PRF-RI indemnity by county and RMA crop type. The RMA crop types for PRF-RI are:

- “hayland” and “grazingland”
- identified on RMA Report as “HAYLD” for “hayland” and “GRZLD” for “grazingland.”

The RMA crop type:

- “hayland” is equivalent to FSA intended use of forage (FG)
- “grazingland” is equivalent to FSA intended use of grazing (GZ).

County Offices shall:

- be provided the RMA Report through the State Office using an encrypted file
- use the RMA Report to complete the actions in paragraph 3.

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### 2 RMA Report of Producers Who Earned PRF-RI Indemnity Payments (Continued)

#### B Handling Possible Duplicates on RMA Report

Some producers may be listed on the RMA Report more than once for the same crop type because of differences in mailing address or the spelling of the producer's name.

**Example:** Jane Doe is listed with an address of PO Box 670 and again with a mailing address of Box 670 because that is how her data was reported to RMA. The different addresses results in Jane Doe being listed twice on the RMA Report for the same county and crop type.

For producers listed on the RMA Report more than once for the same crop type, County Offices shall add the PRF-RI indemnity amounts, by crop type, for the producer before determining whether the estimated NAP payment is greater than the indemnity amount. See paragraph 3.

### 3 Action

#### A State Office Action

SED's shall:

- ensure all applicable County Offices are aware of the contents of this notice
- ensure applicable County Offices complete the actions in subparagraph 3 B, by **COB July 17, 2009**
- provide oversight and assistance to County Offices
- compile all County Offices reports into a single report, by county, using an encrypted Microsoft Excel spreadsheet
- by no later than **COB July 24, 2009**, e-mail the single report to the following:
  - Amy Roeder, RMA at [amy.roeder@rma.usda.gov](mailto:amy.roeder@rma.usda.gov)
  - Scotty Abbott, Livestock Program Manager at [scotty.abbott@wdc.usda.gov](mailto:scotty.abbott@wdc.usda.gov).

**Negative reports are required.**

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**3 Action (Continued)**

**B County Office Action**

County Offices shall take the actions in the following table.

<b>Step</b>	<b>Action</b>
1	<p>Identify all producers that meet <b>both</b> of the following:</p> <ul style="list-style-type: none"> <li>• are listed on the RMA Report</li> <li>• timely filed a 2008 NAP notice of loss and application for payment for the same crop and intended use covered by their PRF-RI policy.</li> </ul> <p><b>Example:</b> Jane Doe is listed on the RMA Report as having an earned PRF-RI Indemnity for crop type “GRZLD”. She also timely filed a 2008 NAP notice of loss and application for payment for Mountain Brome grass and Native grass, both with an intended use of grazing. Accordingly, Jane Doe meets the requirements of this step.</p>
2	<p>If the same producer name is listed on the RMA Report:</p> <ul style="list-style-type: none"> <li>• more than once for the same crop type, go to step 3</li> <li>• is listed only once for the same crop type, go to step 5.</li> </ul> <p><b>Example:</b> Jane Doe is listed on the RMA Report twice for crop type “GRZLD”. She is listed once with an address of PO Box 670 and again with a mailing address of Box 670. County Offices shall go to step 3 to determine whether the multiple listing is the same producer and calculate a total PRF-RI indemnity.</p> <p style="text-align: center;"><b>Note:</b> If Jane Doe was listed only once for crop type “GRZLD”, the County Office would skip steps 3 and 4.</p>
3	<p>When the same producer name is listed on the RMA Report more than once for the same crop type, County Offices shall determine whether the multiple listing is the same person or different persons with the same name.</p> <p>If the County Office determines that the multiple listing is:</p> <ul style="list-style-type: none"> <li>• the same person, go to step 4</li> <li>• <b>not</b> the same person, go to step 5.</li> </ul>

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**3 Action (Continued)**

**B County Office Action (Continued)**

<b>Step</b>	<b>Action</b>						
4	<p>When the County Office determines that the multiple listing is the same person, the County Office shall add the “Earned PRF-RI Indemnity” amounts listed for the producer for the same crop type.</p> <p>The calculated total earned indemnity amount is the amount the County Office shall use in step 5.</p> <p><b>Example:</b> Jane Doe is listed on the RMA Report twice for crop type “GRZLD”. She is listed once with an address of PO Box 670 and again with a mailing address of Box 670. The County Office determined that the 2 listings of Jane Doe is the same person, but was listed twice because of a difference in how her mailing address was recorded. The 2 “Earned PRF-RI Indemnity” amounts listed for Jane Doe for crop type “GRZLD” are \$2,000 and \$500.</p> <p>The County Office adds the 2 “Earned PRF-RI Indemnity” amounts listed for Jane Doe for crop type “GRZLD” for a total earned indemnity amount of \$2,500 (\$2,000 + \$500). The County Office shall use the amount “\$2,500” in step 5.</p>						
5	<p>For each producer identified in step 1, determine whether that producer’s estimated NAP loss payment by intended use is greater than the earned PRF-RI indemnity by crop type. Use the producer’s “Earned PRF-RI Indemnity” provided on the RMA Report or the total earned indemnity amount calculated in step 4, as applicable, to compare to the estimated NAP loss payment.</p> <p><b>Note:</b> FSA uses the term “intended use” to identify grazing/forage and RMA uses the term “crop type” to identify grazing/forage. See subparagraph 2 A.</p> <p><b>Example:</b> Jane Doe’s estimated NAP loss payment for Mountain Brome grass with an intended use of grazing is \$500, and her NAP loss payment for Native grass with an intended use of grazing is \$2,200. Her earned PRF-RI Indemnity amount for grazing land, RMA crop type of “GRZLD”, is \$2,500. Accordingly, Jane Doe’s estimated NAP loss payment is greater than her earned PRF-RI indemnity amount.</p>						
	<table border="1"> <thead> <tr> <th data-bbox="370 1465 834 1541"><b>IF the producer’s estimated NAP loss payment is...</b></th> <th data-bbox="834 1465 1476 1541"><b>THEN...</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="370 1541 834 1682">less than the producer’s earned PRF-RI Indemnity amount</td> <td data-bbox="834 1541 1476 1682"> <ul style="list-style-type: none"> <li>• no further action is required</li> <li>• do <b>not</b> include the producer on the Microsoft Excel spreadsheet to be sent to the State Office.</li> </ul> </td> </tr> <tr> <td data-bbox="370 1682 834 1787">more than the producer’s earned PRF-RI Indemnity amount</td> <td data-bbox="834 1682 1476 1787">include the producer and other required information on the spreadsheet to be sent to the State Office according to step 6.</td> </tr> </tbody> </table>	<b>IF the producer’s estimated NAP loss payment is...</b>	<b>THEN...</b>	less than the producer’s earned PRF-RI Indemnity amount	<ul style="list-style-type: none"> <li>• no further action is required</li> <li>• do <b>not</b> include the producer on the Microsoft Excel spreadsheet to be sent to the State Office.</li> </ul>	more than the producer’s earned PRF-RI Indemnity amount	include the producer and other required information on the spreadsheet to be sent to the State Office according to step 6.
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3 Action (Continued)

B County Office Action (Continued)

Step	Action
6	<p>For each producer whose estimated NAP loss payment is greater than their earned PRF-RI indemnity payment, list the following information on a Microsoft Excel spreadsheet in the following order:</p> <ul style="list-style-type: none"><li>• producer's name</li><li>• producer's full mailing address on file with FSA</li><li>• producer's tax ID number</li><li>• intended use of crop</li><li>• estimated NAP loss payment, by intended use</li><li>• total acres in the county, by intended use, in which the producer had an interest.</li></ul> <p><b>Important:</b> Provide the total acres in the county in which the producer had an interest, by intended use, not just the total acres in any given unit.</p>
7	<p>Submit the completed Microsoft Excel spreadsheet to the State Office no later than <b>COB July 17, 2009</b>, using file encryption.</p> <p><b>Negative reports are required.</b></p>