

For: AL, AZ, CA, CO, ID, FL, GA, KS, MO, MT, NC, ND, NE, NM, NY, OK, OR, PA, SC, SD, TX, UT, VA, and WY State and County Offices

Rainfall Index Pasture, Rangeland, and Forage (RI-PRF) and Vegetative Index Pasture, Rangeland, and Forage (VI-PRF) Pilot Policies and NAP Coverage

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Between the years of 2008 through 2010, RMA offered RI-PRF pilot policy to producers in select Alabama, Colorado, Idaho, Kansas, Montana, New York, North Carolina, North Dakota, Oklahoma, Pennsylvania, South Carolina, Texas, and Virginia counties. The RI-PRF 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, paragraph 197 provides procedure outlining the following:

- interaction between RI-PRF and NAP, including that producers who earn an indemnity under RI-PRF policy are ineligible for a NAP payment on any acres covered by NAP for the same intended use
- interaction between VI-PRF and NAP, including that producers whose crop is eligible for VI-PRF are required to elect either VI-PRF policy or NAP coverage by intended use, but not both, because the same perils are covered by both products.

Further analysis has been conducted to determine whether the RI-PRF and VI-PRF pilot policies cover the same crop loss as is covered under NAP. RI-PRF losses are determined based on a lack of rainfall, measured by a reduction in moisture from the norm. VI-PRF losses are a measure of vegetation greenness against the norm used to estimate plant condition and not a direct measure of production. NAP covers production losses; therefore, RI-PRF and VI-PRF pilot policies and NAP do **not** cover the same crop losses on the same acres for the same intended use.

Disposal Date	Distribution
February 1, 2011	Above State Offices; State Offices relay to County Offices

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1 Overview (Continued)

B Purpose

This notice:

- notifies State and County Offices of the revised 2011 policy that producers can earn a PRF indemnity and NAP payment on the same acres for the same intended use
- outlines procedures that State and County Offices shall follow for issuing NAP payments to those producers who timely filed a 2008, 2009, or 2010 CCC-576 for the same crop and intended use covered by their RI-PRF policy
- obsoletes Notice NAP-137, because Utah was missing from the list of applicable States.

2 NAP Coverage and RMA RI-PRF and VI-PRF Pilot Insurance Program Coverage

A Overview

PRF provides producers the ability to purchase insurance for losses of forage produced for grazing or mechanically harvested for hay. PRF does **not** offer coverage for seed. CAT coverage is **not** available under the pilot PRF programs.

Section 196(a)(2)(A) of the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act) provides that commercial crops or other agricultural commodities, except livestock, which is produced for food or fiber for which CAT coverage is **not** available through RMA, shall be an eligible crop under NAP. NAP currently provides benefits for forage crop losses; therefore, NAP will continue to be available to producers in those counties covered by the pilot PRF programs.

Section 196(h)(3) of the 1996 Act provides that producers who are eligible to receive benefits under NAP, and are also eligible to receive assistance for the same loss under any other program administered by the Secretary, shall be required to elect whether to receive benefits under NAP or under the other program, but not both. Payments for the same loss, under the statute, would be payments for which there is any duplicate coverage, such as that it would cover all or part of the same period on all or part of the same acres.

B 2011 and Subsequent Years NAP Coverage and RMA PRF Pilot Insurance Program Coverage Policy

For 2011 and subsequent years, a producer can obtain either RI-PRF or VI-PRF policy and NAP coverage on the same acres for the **same intended use**, and still remain eligible to earn a PRF indemnity payment and NAP payment on the same acres for the **same intended use**.

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2 NAP Coverage and RMA RI-PRF and VI-PRF Pilot Insurance Program Coverage (Continued)

C Issuing NAP Payments to Producers With RI-PRF Coverage for 2008, 2009, and 2010

County Offices are authorized to issue NAP payments to producers who for 2008, 2009, and/or 2010:

- obtained RI-PRF policy and NAP coverage on the same acreage for the same intended use
- timely filed CCC-576 according to 1-NAP for the applicable year of loss

Note: Applications for coverage, late-filed notices of loss, and late-filed applications for payment will not be accepted for 2008, 2009, or 2010.

- met all other eligibility requirements of 1-NAP.

Note: Prompt payment interest will apply to payments **not** issued within 30 calendar days of the issuance of this notice.

3 Action

A State Office Action

SED's shall ensure that:

- all applicable County Offices are aware of the contents of this notice
- applicable County Offices complete the actions in subparagraph 2 C immediately upon receiving this notice
- County Offices immediately notify producers of the change in policy effective for 2011 in subparagraph 2 B.

B County Office Action

CED's shall ensure that:

- actions in subparagraph 2 C are completed immediately upon receiving this notice
- producers are immediately notified by all available means of the change in policy effective for 2011 in subparagraph 2 B.