



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

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BULLETIN NO.: MGR-14-025

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Brandon C. Willis /s/ *Brandon Willis* 12/8/2014
Administrator

SUBJECT: Rainfall Index and Vegetation Index Pasture, Rangeland, Forage - Special Provisions Statement Addition

BACKGROUND:

A Special Provision statement was released in August 2014 effective for 2015 Crop Year Rainfall Index and Vegetation Index Pasture, Rangeland, Forage policies, requiring policyholders who insure non-irrigated hay in Colorado and New Mexico to, upon request, substantiate that the acreage is suitable for haying. An Office of Inspector General (OIG) Audit found that several producers appeared to insure grazing land as hay land in these States.

ACTION:

For the 2015 crop year, all Approved Insurance Providers (AIP) are required to request policyholders who report non-irrigated acreage as hay land for insurance under the Pasture, Rangeland and Forage policy in Colorado and New Mexico, to provide documentation verifying the acreage has been hayed previously, or obtain a written determination by a local agricultural expert that the acreage is suitable for haying.

AIPs may use the Grid Locator Tool on the RMA website, or agent knowledge and awareness, to identify if acres reported are irrigated or non-irrigated. If the AIP determines the acreage reported as hay land is non-irrigated, a determination that the acreage is suitable for haying according to the policy provisions outlined in section 4(b) of the Pasture, Rangeland and Forage policy must be made prior to releasing any indemnity payment to the insured.

Documentation required will vary and may include, but is not limited to:

- Traditional hay records such as number of bales removed from the acreage by year;
- Photos of mowed and cured forage from the acreage which includes an identifiable landmark. More than one photo may be needed to clearly show the landmark and mowed and cured forage;

- Statement from Natural Resources Conservation Service (NRCS) that the productivity and terrain is suitable to mow;
- NRCS Soil Survey information which indicates the productivity of the soils would provide production sufficient to be practical to mow; etc.

Documentation from agriculture experts should reflect land productivity in a normal precipitation year and not reflect conditions created by drought or other temporary conditions.

AIPs may consider the verification of policies reporting acreage as non-irrigated hay land as part of the 3 percent Spot Check requirements and must maintain documentation of the verification for possible RMA or OIG review. Only one spot check is required for the crop year on the non-irrigated acreage, not for each index interval release that may trigger.

DISPOSAL DATE:

December 31, 2015.