



United States
Department of
Agriculture

July 22, 2014

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

Beacon Facility
Mail Stop 0801
P.O. Box 419205
Kansas City,
MO 64141-6205

INFORMATIONAL MEMORANDUM: PM-14-030

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

FROM: Tim B. Witt /s/ *Tim B. Witt*
Deputy Administrator

SUBJECT: Annual Forage and Noninsured Crop Disaster Assistance Program (NAP)

BACKGROUND:

The Agricultural Act of 2014 (2014 Farm Bill), was enacted on February 7, 2014. Section 12305(b)(1)(B) of the 2014 Farm Bill included the following:

PROHIBITION ON CATASTROPHIC RISK PROTECTION – Section 508(b) of the FCIA is amended by striking paragraph (1) and inserting the following:
(1)(B) EXCEPTION – Coverage described in subparagraph (A) shall not be available for crops and grasses used for grazing.

Annual Forage (AF) is a private product, submitted to and approved by the Federal Crop Insurance Corporation Board of Directors under section 508(h) of the Federal Crop Insurance Act. AF was approved with catastrophic (CAT) level coverage and grazing is just one of several intended uses of annual forage covered under the terms of the AF policy. The AF policy covers annually planted crops for livestock feed and fodder, which are either mechanically harvested, grazed or a combination of mechanically harvested and grazed. The AF policy was available for the 2014 crop year.

AF is available in the following six states:

- Kansas
- Nebraska
- North Dakota
- Oklahoma
- South Dakota
- Texas

The 2014 Farm Bill provided that CAT coverage for grazing is not allowable, but does continue to allow CAT level coverage for annually planted crops for mechanically harvested livestock feed. For example, a producer plants Triticale for an intended use of haying. Since the intended use is haying, the producer can obtain CAT level coverage and

NAP is not available. If a producer plants Triticale with the intent to graze Triticale, AF CAT level coverage is not available, but NAP coverage is available.

ACTION:

For the 2015 crop year, RMA added the following Special Provision statement to remove CAT coverage for the intended use of grazing only:

“In addition to 5(a) of the crop provisions, CAT level coverage is not available for crops and grasses intended or used for grazing.”

NAP will be offered for any crop planted with an intended purpose that includes grazing. Producers cannot obtain both NAP coverage and AF at a buy up level for the intended use of grazing.

RMA will share AF policy data with the Farm Service Agency to assure producers do not obtain NAP coverage on the same acreage insured by the AF policy.

DISPOSAL DATE:

December 31, 2015