

United States Department of Agriculture

**BULLETIN NO: MGR-05-021** 

Risk Management Agency

1400 Independence Avenue, SW

Washington, D.C. 20250-0801

TO: All Reinsured Companies

All Risk Management Agency Field Offices

All Other Interested Parties

FROM: Eldon Gould /s/ Eldon Gould 11/15/2005

Administrator

SUBJECT: Acreage Report Procedure on Leased Land for Group Risk Plan (GRP)

Rangeland Pilot Program for the 2006 and Succeeding Crop Years

## **BACKGROUND:**

Starting with the 2006 Crop Year for GRP Rangeland, the sales closing date is September 30 and the acreage reporting date is November 15.

When the program was developed, these dates appeared to be appropriate. Since the GRP Rangeland Pilot Program has been released for sale, the Risk Management Agency (RMA) has discovered that some producers who have leases with the Bureau of Indian Affairs (BIA), Bureau of Land Management (BLM), Forest Service, State, Tribal or other lessors may not know whether the leases will be renewed for the next grazing season until after the acreage reporting date. This will likely result in producers reporting acreage currently under lease on their acreage report only to have some of that acreage not be renewed under the lease. Producers pay premium based on the acreage reported on their acreage report. Therefore, these producers will be paying premium on acreage that they no longer have under lease and the right to graze.

RMA has determined such a result is inequitable because the determination of whether the producer can lease the land is outside the control of the producer. Given that this situation was generally unknown to have existed prior to the release of the new pilot program for sale, RMA is allowing revisions to the acreage report for the 2006 crop year only. The policy provisions will be revised for the 2007 crop year.



## **ACTION:**

- I. Companies should advise new and existing policyholders that they must:
  - A. Report all rangeland acreage in which they have a share within the county including BIA, BLM, Forest Service, State, Tribal and other lessors on or before the acreage reporting date.
  - B. Show the acreage associated with each lease in the remarks section of the acreage report.
  - C. If leases have not been renewed, submit a revised acreage report that removes the acreage associated with any such lease along with a copy of the notification of lease non-renewal (or similar document) from the lessor as soon as they receive the notification, but no later than April 15, 2006.
- II. The producer is not permitted to revise the acreage report to:
  - A. Increase the amount of acreage after the acreage reporting date;
  - B. Decrease reported acreage if the lease was discontinued by the insured; or
  - C. Decrease reported acreage unless they have documentation from the lessor showing that their lease was not renewed by the lessor.
- III. Companies are authorized to reduce the GRP Rangeland acreage for policyholders whose leases were not renewed with BIA, BLM, Forest Service, State, Tribal and other lessors after verification that the revised acreage reports from those policyholders are correct. Instructions will be provided in the Appendix III Handbook for reporting this reduction in acreage through the Data Acceptance System.

## **DISPOSAL DATE:**

This Managers Bulletin will expire June 30, 2006.