

SUMMARY OF CHANGES FOR THE GROUP RISK PLAN – RANGELAND CROP PROVISIONS (06-048)

The following is a brief description of changes to the crop provisions that will be effective for the 2006 crop year. Please refer to the crop provisions for more complete information.

Section 1 – Definitions

- Added definition for “Established” as that term is used in Section 3 c.
- Added definition of “Grazing” as that term is used in definitions of “Harvest”, “Rangeland”, and “Grazing value”, and other areas of the provisions.
- Removed the word “actual” from the definition of “Total hay production.

Section 3 b. – Changed the language to make clear when the AUM factor to be used in determining acres.

Section 3 c. – Changed the language to eliminate reference to seeding and use the term “established.”

Section 6 – Eliminated references to the 2005 crop year.

**UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
GROUP RISK PLAN - RANGELAND CROP PROVISIONS**

This pilot risk management program is insured under the authority of the Federal Crop Insurance Act, as amended.

If a conflict exists among the policy provisions, the order of priority is as follows: (1) the Special Provisions; (2) these Crop Provisions; (3) the Catastrophic Risk Protection Endorsement, if applicable; and (4) the Group Risk Plan Common Policy with (1) controlling (2), etc.

1. Definitions

AUM – Animal unit month, a standardized measure of the feed requirements of livestock.

Base period – The years (beginning in 1964) used to estimate the county base production, premium rates, and other information for the GRP Rangeland program.

Basic Provisions – The Group Risk Plan Common Policy, published at 7 CFR 407.9.

County base production – The sum of the historical net hay production for the years in the base period divided by the number of years in the base period, expressed in tons.

County base revenue per acre – FCIC's estimate, as stated in the actuarial documents, of the productivity of acreage harvested for hay (measured in AUM) multiplied by the grazing value.

Coverage level – A percentage of the county base production equal to 65 percent for Catastrophic Risk Protection, and 70 to 90 percent (in five percentage point increments) as selected by you for additional coverage GRP policies.

CRP – The Conservation Reserve Program administered by the U.S. Department of Agriculture (USDA).

CRP hay – The estimated quantity of hay in tons produced on land that is under contracts with the CRP in those years that such harvesting is authorized by USDA.

Dollar amount of protection per acre – In lieu of the definition contained in the Basic Provisions, the amount calculated in accordance with section 4 (a).

Established – Where native grasses, grass like plants, forbs, and shrubs, including introduced or domesticated plant species or a combination thereof are generally healthy and vigorous and provide vegetation for grazing by livestock.

Expected county yield – (see county base production).

Grain hay – The estimated quantity of hay in tons produced on land that was planted to wheat, barley, or other small grain for the crop year.

Grazing – The process of livestock feeding on herbaceous plants such as grass.

Grazing value – The estimated private grazing fee rate for rangeland in a state (in dollars per acre per month) for one AUM, as reported by NASS.

Hay – Vegetation that is mowed and cured for use as fodder.

Harvest – With respect to hay production, mowing and curing vegetation. With respect to rangeland, grazing of the rangeland vegetation.

Historical net hay production – The estimated yield of non-irrigated hay in each year during the base period multiplied by the lesser of the actual harvested acres of non-irrigated hay or the average harvested acres of non-irrigated hay during the base period (adjustments to acres may be made in some counties to account for the effect of trend). The estimated yield of non-irrigated hay may be adjusted to reflect production of CRP hay and grain hay.

Net hay production – The estimated quantity of non-irrigated hay produced for the crop year calculated as stated in the Special Provisions.

Payment yield – In lieu of the definition provided in the Basic Provisions, net hay production.

Pound – Sixteen ounces avoirdupois.

Price election percentage – A percentage factor selected by you that is 45 percent for Catastrophic Risk Protection GRP policies and may be between 60 and 100 percent for additional coverage GRP Policies.

Rangeland – Land on which native grasses, grass-like plants, forbs, shrubs, or introduced or domesticated plant species, or a combination thereof, provide vegetation for grazing by livestock, including forested land that contains similar vegetation. Rangeland also may be denoted as pasture.

Ton – 2,000 pounds avoirdupois.

Total hay production – The yield of non-irrigated hay per acre in tons multiplied by the harvested acres.

Trigger yield – In lieu of the definition contained in the Basic Provisions, the coverage level percentage selected by you multiplied by the county base production.

2. Crop Insured

In addition to the requirements of section 2 of the Basic Provisions, the insured crop shall be all rangeland:

- (a) Located in the county or counties identified in the accepted application;
- (b) Reported by you on our form on or before the acreage reporting date;
- (c) Intended for harvest during the crop year; and
- (d) Not grown with another crop.

3. Insurable Acreage

- (a) In addition to the provisions of section 3 of the Basic Provisions, only acreage intended for harvest by grazing is insurable.

- (b) When the number of acres under a lease instrument cannot be otherwise determined and the lease states a number of AUM that may be grazed, the insurable number of acres will be determined by dividing that number of AUM by the rangeland productivity factor shown on the actuarial documents (Example: lease states that you may graze 500 AUM; the rangeland productivity factor is 0.33; thus, the insurable number of acres equals 500 divided by 0.33 = 1,515 acres.).
- (c) In lieu of section 3(b) of the Basic Provisions, rangeland must be established on or before the acreage reporting date, and must be physically in the county listed on your accepted application to be insured. Rangeland or acreage physically located in another county must be reported and insured separately. All other provisions of section 3(b) apply to GRP Rangeland.

4. Policy Protection

- (a) In lieu of the provisions of section 4(a) of the Basic Provisions, the dollar amount of protection per acre for Catastrophic Risk Protection GRP policies will be the county base revenue per acre multiplied by the coverage level and price election percentage applicable to Catastrophic Risk Protection GRP policies. For additional coverage GRP policies, the dollar amount of protection per acre will be equal to the coverage level percentage selected by you multiplied by the county base revenue per acre multiplied by the price election percentage you selected.
- (b) In lieu of the provision of section 4(b) of the Basic Provisions, the policy protection for each county, type, and practice will be equal to the dollar amount of protection per acre multiplied by the number of insured acres and by your share.

5. Payment

- (a) Payment yields will be determined prior to May 1 following the crop year, and we will issue any payment to you prior to the May 31 immediately following FCIC's determination of the payment yield.
- (b) The payment will be equal to the payment calculation factor, determined in section 6 of the Basic Provisions, if that result is a positive number, multiplied by your policy protection.
- (c) The payment will not be recalculated under any circumstances, including revisions to the payment yield in subsequent years.

6. Program Dates

- (a) The Cancellation Date is September 30 preceding the crop year;
- (b) The Termination Date is December 31 preceding the crop year; and
- (c) The Contract Change Date is June 30 preceding the crop year.

7. Annual Premium

In lieu of the provisions of section 8(f) of the Basic Provisions, the annual premium is earned and payable on the acreage reporting date. You will be billed for your share of the premium and the administrative fees no later than the billing date specified in the Special Provisions. Interest will begin to accrue if you do not remit your share of the premium, the administrative fee, and any other amount owed to us so that it is received by us on or before the first day of the month following the billing date.

8. Written Agreements

In lieu of the provisions of section 9 of the Basic Provisions, written agreements may not be issued for GRP Rangeland.