



United States
Department of
Agriculture

Risk
Management
Agency

1400 Independence
Avenue, SW
Stop 0801
Washington, D.C.
20250-0801

BULLETIN NO: MGR-05-005

TO: All Reinsured Companies
All Risk Management Field Offices
All Other Interested Parties

FROM: Ross J. Davidson, Jr. /s/ Ross J. Davidson, Jr. 04/11/2005
Administrator

SUBJECT: Group Risk Plan – Rangeland: Insurable Acres

BACKGROUND:

Clarification has been requested regarding paragraph 3(b) of the Group Risk Plan – Rangeland Crop provisions (05-048) for the 2005 and succeeding crop years. The specific question is when should the acreage-determination method specified in paragraph 3(b) be used. That paragraph reads as follows:

“The insurable number of acres under a lease instrument that states a number of AUM that may be grazed 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.)”

The purpose of the quoted paragraph is to provide an acreage-determination method when no other acceptable method is available. It is not needed, for example, when there is no lease (i.e., insured-owned land), when the lease specifies the number of acres, or when the number of acres have already been objectively determined by an independent entity such as the Farm Service Agency (FSA) or a land measurement service firm.

ACTION:

1. For acreage covered by a lease that specifies the number of acres to be grazed, use that number of acres for acreage reporting.
2. For acreage covered by a lease that does not specify the number of acres to be grazed but for which the number of acres has been independently and objectively determined (e.g., by FSA or land measurement service firm), use that number of acres for acreage reporting.
3. For acreage covered by a lease that does not specify the number of acres and for which the number of acres has not been independently and objectively determined (e.g., by FSA or land measurement service firm), use the procedure specified in paragraph 3 (b) for acreage reporting.

DISPOSAL:

Bulletin will remain active until incorporated into the Group Risk Plan - Rangeland Crop Provisions.



The Risk Management Agency Administers
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation

An Equal Opportunity Employer