Livestock Indemnity and Livestock Forage Disaster Programs

ICA Fact Sheet

June 2014

Overview

With the passage of the 2014 Farm Bill, federal financial support to livestock producers that suffered losses due to adverse weather conditions was restored. Any losses that incurred from the program's termination on September 30, 2011 now have retroactive authority. As of April 15, 2014 producers can apply for the four federal disaster aid programs. Sign up will run through **January 30, 2015** for losses that occurred in 2011, and through 2014. *The Iowa Cattlemen's Association lobbied for the inclusion of these programs in the 2014 Farm Bill and has a vested interest to ensure all Iowa cattle producers are aware of the programs and that producers meet program eligibility.*

Livestock Indemnity Program (LIP) - compensates producers for livestock death losses that occur in excess of normal mortality resulting from adverse weather or attacks from wildlife protected under federal law. Death must have occurred on or after October 1, 2011. Eligible adverse weather events include: tornadoes, floods, lightning, winter storms/blizzards, extreme heat or cold. Eligible livestock include: adult/non-adult beef/dairy cattle, equine, goats, sheep, poultry, and swine. Livestock maintained for reasons other than commercial use, such as exhibition or recreation, are ineligible.

LIP national payment rate for eligible livestock owners is based on 75% of the average fair market value of the livestock. Death has to occur no later than 60 calendar days from the ending of a qualifying weather event. Livestock mortality has to be a direct result of adverse weather.

Applying for LIP – entails producers submitting a manual notice of loss and application for payment (CCC-852) to the county FSA office no later than January 30, 2015. Documentation of initial inventory the day of the weather event, proof of death, and Adjusted Gross Income statement (AGI) must accompany the application. Third party certification is allowed if producer can't provide verifiable or reliable records for proof of death.

Verifiable proof of death records include rendering truck receipts, veterinary records, records assembled for tax or property tax purposes, production records, FEMA records, private insurance documents, written contracts, purchase records, and bank or other loan documents.

Reliable proof of death records will be used as evidence alongside verifiable beginning and ending inventory records. They include producer records existing at time of event, Dairy Herd Improvement records, vaccination/branding records, brand inspection records, pictures with a date, or other similar reliable documents.

Livestock Forage program (LFP) - offers compensation to eligible producers who suffered grazing losses for covered livestock due to drought conditions on or after October 1, 2011. Losses must have occurred during the normal grazing period: May 1 through October 31. To qualify for LFP a county or portion of a county must have been labeled, at minimum, a D2 status by the U.S. drought monitor for at least 8 consecutive weeks within the normal grazing period. Eligible livestock include adult and non-adult beef/dairy cattle / buffalo (excluding animals under 500 lbs. on the beginning date of drought designation). Alpacas, deer, elk, emus, equine, goats, lamas, poultry, reindeer, sheep, and swine also qualify. Livestock maintained for reasons other than commercial use are ineligible.

Fact Sheet prepared by Justine Hosch Stevenson, ICA Director of Government Relations and Public Policy in April, 2014. Modified from FSA's Livestock Indemnity Program and Livestock Forage Disaster Program Fact Sheets.

In order for a situation to qualify as eligible grazing type, fields must be certified by your local FSA office as intended use code "GZ" on the FSA-578 form. Eligible fields are as follows:

- Improved pasture- 2 acres/Animal Unit (AU)
- Native pasture- 4 acres/AU
- Forage sorghum-2 acres/AU
- Long season small grains (winter wheat, winter rye, triticale, etc.)-4acres/AU
- Short season small grains (oats, spring wheat, barley, etc.)- 4acres/AU

Grazing lands such as state or federal lands leased on a long term basis with lessee contributions, leased grazing land, or privately owned or leased grazing land are eligible for LFP. Ineligible acres include: acres enrolled in CRP, irrigated crops/pastures, acres intended for gran production, and small grains intended for harvest as forage/seed.

Payment rates for LFP are based on the field or grazing program utilized. All LFP monthly payment rates will be based on an amount equal to 60% of:

- Monthly feed cost for all covered livestock, using a feed grain equivalent.
- Monthly feed cost calculated using the normal carrying capacity by year determined by the State Committee on the specific grazing land types.

Applying for LFP - requires producers to have ownership of livestock for at least 60 days prior to the beginning of the drought designation. Eligible producers need to certify grazing losses with an LFP application (CCC-853) through the administrative FSA county office. An acreage report (FSA-578) for grazing lands incurring the losses and AGI (CCC-941) for the applicable year must accompany the LFP application.

LFP NEWS

Through ICA's grassroots producer connections it was brought to our attention that applications were not qualifying for LFP payments. Some Iowa tenants may compensate labor, equipment use, a percentage calves, etc., in lieu of writing a check for pasture acres. The federal FSA recently deemed such tenants eligible for LFP payments because they meet the pasture ownership/lease requirement of LFP. Producer tenants in such circumstances need to simply provide information to the county FSA office related to their "barter" arrangement.

Also, the federal FSA office recently provided flexibility to acres certified as haying and grazing. Previously these applications were considered ineligible due to FSA considering only one practice of intended use for each parcel. Producers now can provide the number of hay cuttings made, production history, and explain the reason for the oversight when the land was originally certified. Provided this information the county FSA committee can decide whether or not to allow LFP funding of those acres. *This is a significant change in the method in which applications were originally being processed brought to you by the Iowa Cattlemen's Association.*

Other LIP and LFP Information

Sequestration will NOT apply to claims submitted prior to **September 30, 2014**; however, if payments are issued after this date there will be an applicable 7.2% sequestration rate. **If livestock losses occurred in 2011, 2012, or 2013, apply immediately with your local FSA office.**

Beginning October 1, 2011 a person or legal entity with an average Adjusted Gross Income exceeding $900,000 is not eligible for LFP or LIP benefits. A cap of $125,000 exists for funding from federal disaster programs.

Visit http://www.fsa.usda.gov/ for more information or contact your county FSA office. Call the ICA with questions on new programmatic changes at 515.296.2266, or email justine@iabeef.org.

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