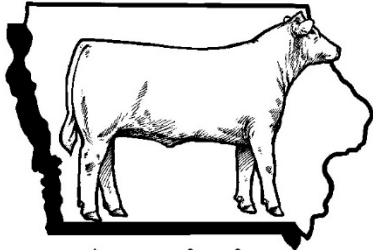


Iowa Cattlemen's



Association

Livestock Indemnity and Livestock Forage Disaster Programs

ICA Fact Sheet

April 2015

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 (September 30, 2011) and in the current are eligible for payment. For losses that occurred in 2012 and 2013 applications submitted prior to **January 30, 2015** were eligible for payment. *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 - To be eligible, the Notice of Loss must be submitted 30 calendar days of when the loss of livestock is apparent to the producer. Additionally an Application for Payment must be submitted before January 30 of the following calendar year in which the loss of livestock occurred. 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) - 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, lambs, poultry, reindeer, sheep, and swine also qualify. Livestock maintained for reasons other than commercial use are ineligible.

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 grain 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. For 2015 and subsequent calendar years, producers must provide a completed application for payment and required supporting documentation to their FSA office within **30 calendar days after the end of the calendar year** in which the grazing loss occurred.

LFP Changes

Through ICA's grassroots producer connections it was brought to our attention that applications were not qualifying for LFP payments. Some Iowa tenants 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 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

Over 18,000 Iowa cattlemen received \$80,400,000 of LFP payments in 2012. In 2013, 8,192 producers collected over \$12,000,000 in LFP payments. This sizeable payout provided some reprieve to losses incurred during the droughts of 2012 and 2013. 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 programmatic changes at 515.296.2266, or email justine@iabeef.org.