Farm Service Agency

May 2006



Overview

USDA Farm Service Agency's (FSA) Feed Indemnity Program (FIP) will provide payments to eligible livestock owners and cash lessees who suffered feed losses or increased feed costs due to 2005 Hurricanes Dennis, Katrina, Ophelia, Rita, and Wilma. FIP funding is authorized by Section 32 of the Agricultural Adjustment Act of August 24, 1935. The Act allows the Secretary of Agriculture to use funds to re-establish purchasing power for farmers, ranchers and producers.

Eligible Counties

Only those counties receiving a presidential or secretarial disaster designation as a primary county are eligible counties under FIP. FIP assistance is not available for contiguous counties.

A list of the eligible counties, located in Alabama, Florida, Louisiana, Mississippi, North Carolina, and Texas, is available online at: <u>http://www.fsa.usda.gov/pas/publications/facts/html/hurrcounties06.htm</u>.

Eligible Producers

An eligible livestock producer is one who:

 Owned or cash-leased (but not both for the same livestock) eligible livestock on the beginning date of the applicable disaster period;

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- Suffered a feed loss or an increased feed cost during the applicable disaster period as a direct result of an eligible hurricane. The feed must have been for the eligible livestock; and
- Is a citizen of, or legal resident alien in, the United States.

Eligible Livestock

Eligible livestock categories are:

Beefalo;

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- Beef cattle;
- Buffalo;
- Dairy cattle;
- Deer;
- Goats;
- Horses; and
- Sheep.

To be eligible, the livestock must:

- Have been physically located in an eligible county on the beginning date of the applicable disaster period; and
- Have been maintained for commercial use as part of a farming operation on the beginning date of the applicable disaster period.

The following livestock are not eligible:

- Livestock produced and maintained for reasons other than commercial use as part of a farming operation, including but not limited to wild freeroaming animals or animals used for recreational purposes, such as pleasure, hunting, pets, or for show; and
- Non-adult beefalo, beef cattle and buffalo that weighed less than 500 pounds on the beginning date of the applicable disaster period.

Payments

To calculate program payments, FSA will multiply the national payment rate established for each livestock type by the number of applicable eligible livestock. The payment rate represents the cost of corn needed to maintain one animal for a specified period of time.

FIP payments will be issued once the application is approved and the applicant submits all required documentation.

National Payment Rates

The per-head payment rate for each type of livestock is:

Type of Livestock	Per Head Rate
Adult beef cattle, buffalo and	
beefalo (cows and bulls)	\$6.80
Adult dairy cattle (cows and bu	lls) \$17.69
Non-adult beef, dairy, buffalo,	
beefalo 500 pounds or more	\$5.10
Deer (all)	\$1.70
Goats (all)	\$1.70
Horses (all)	\$5.04
Sheep (all)	\$1.70

Payment Limitations

No "person" may receive more than \$80,000 in FIP payments. An individual or entity whose average adjusted gross income exceeds \$2.5 million is ineligible for FIP benefits, unless 75 percent or more of their income is derived from farming, ranching, and/or forestry.

Sign-up

FIP sign-up will begin on May 17, 2006, at local FSA offices.

For More Information

The FIP assistance is part of a \$4.5 billion USDA package of aid to help agricultural producers and rural communities recover from the 2005 Gulf Coast hurricane season. For more information on FIP and other USDA disaster aid programs, visit your local FSA office and FSA's Web site at: <u>http://</u> <u>disaster.fsa.usda.gov/fsa.asp</u>.

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