

For: State and County Offices**Issuing LFP Payments to Eligible Livestock Producer
for Same Covered Livestock Grazing in Multiple Counties****Approved by:** Acting Deputy Administrator, Farm Programs**1 Overview****A Background**

7 CFR 760.307(a) and 1-LDAP, subparagraph 182 B provide that total LFP payments to an eligible livestock producer in a calendar year for grazing losses because of a qualifying drought will **not** exceed 3 monthly payments for the same livestock.

1-LDAP, subparagraph 182 D provides that an eligible producer can only receive a maximum of 3 monthly payments for the same covered livestock during the calendar year regardless of how many different drought intensity ratings the county receives or how many different counties a livestock producer may operate in or conduct operations. The maximum payment an eligible livestock producer can receive under LFP in a calendar year cannot exceed 3 times the same covered livestock's feed cost times 60 percent.

Situations exist where a livestock producer's **same** covered livestock graze eligible grazing land during the normal grazing period in more than 1 county at different times during the year. While the **same** covered livestock were grazing specific grazing land in each county during the normal grazing period, each county qualified for LFP because of drought. In this situation, the livestock producer may qualify for LFP payments on specific eligible livestock in 1 or more of the counties; however, the maximum payment the producer can receive in all counties combined under LFP in a calendar year for the **same** covered livestock cannot exceed 3 monthly payments.

Current LFP payment software allows for processing LFP payments by administrative county, by physical location. LFP payment software does **not** have the capability of identifying particular and/or specific animals. In a situation where the eligible livestock producer files FSA-925 because of drought in more than 1 qualifying administrative county for the **same** covered livestock, the LFP payment software **does not** limit an eligible livestock producer's payments to 3 monthly payments.

Disposal Date

March 1, 2012

Distribution

State Offices; State Offices relay to County Offices

1 Overview (Continued)

B Purpose

This notice:

- notifies State and County Offices that current LFP payment software does **not**:
 - have the capability of identifying particular and/or specific animals
 - limit an eligible livestock producer's payment to 3 monthly payments in situations where the eligible livestock producer files FSA-925 because of drought in more than 1 qualifying administrative county for the **same** covered livestock
- provides County Offices with instructions for making manual adjustments to LFP payment amounts to ensure that eligible livestock producer's payments for the **same** covered livestock do **not** exceed 3 monthly payments when the eligible livestock producer files FSA-925 because of drought in more than 1 qualifying administrative county for the **same** covered livestock.

2 Issuing LFP Payments to Eligible Livestock Producer for Same Covered Livestock Grazing in Multiple Counties

A Limiting LFP Payments for Same Covered Livestock Grazing in Multiple Counties

Current LFP payment software does **not** limit an eligible livestock producer's payments for specific livestock to 3 monthly payments when:

- the livestock producer's **same** covered livestock graze in more than 1 county at different times during the year
- the eligible livestock producer files FSA-925 because of drought and receives payment in more than 1 qualifying administrative county for the **same** covered livestock.

According to instructions in this notice, County Offices shall make manual adjustments to LFP payment amounts according to subparagraph B to ensure that an eligible livestock producer's payments for specific eligible livestock do **not** exceed 3 monthly payments in any calendar year.

2 Issuing LFP Payments to Eligible Livestock Producer for Same Covered Livestock Grazing in Multiple Counties (Continued)

B Adjusting LFP Payments for Same Covered Livestock Grazing in Multiple Counties

The administrative County Office, before issuing the LFP payment to an eligible livestock producer, shall follow the steps in this table to determine whether the eligible livestock producer's LFP payment needs to be adjusted to ensure that the LFP payments issued to the eligible livestock in the calendar year for grazing losses because of drought will **not** exceed 3 monthly payments for the **same** covered livestock. The steps in this table shall be performed for **all multi-county** livestock producers who file FSA-925's.

Step	Action
1	The administrative County Office, before issuing payment, shall print the LFP Estimated Calculated Payment Report (ECPR) and Payment History Report – Summary for all counties in which the eligible livestock producer has an interest. LFP ECPR and Payment History Report – Summary shall be printed for all counties the producer is linked to SCIMS.
2	<p>Using the Payment History Report – Summary, determine the total number of monthly LFP payments the eligible livestock producer was paid in the other administrative County Offices for the same livestock kind, type, and weight range of covered livestock that have grazed in more than 1 county at different times during the year for which the eligible livestock producer filed FSA-925.</p> <p>Example: Jim Black's 100 head of adult beef cows grazed native pasture during the normal grazing period in Colusa County, California, from January 1, 2011, through March 15, 2011. Colusa County was rated a D3 on February 1, 2011. LFP ECPR, Part E shows a drought intensity factor of 2 for native pasture. A drought intensity factor of 2 was used in calculating the total net calculated payment amount of \$4,148 for the 100 head of adult beef cows.</p> <p>Jim Black received 2 monthly payments in the amount of \$4,148 for the 100 head of adult beef cows on native pasture in Colusa County.</p>

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2 Issuing LFP Payments to Eligible Livestock Producer for Same Covered Livestock Grazing in Multiple Counties (Continued)

B Adjusting LFP Payments for Same Covered Livestock Grazing in Multiple Counties (Continued)

Step	Action
3	<p>Use LFP ECPR, Part E, “Drought Intensity Factor”, to determine the number of LFP monthly payments, by pasture type, used to calculate the total net calculated payment amount for the same specific livestock by kind, type, and weight range of covered livestock that:</p> <ul style="list-style-type: none"> grazed in more than 1 county at different times during the year for which the eligible livestock producer filed FSA-925 received LFP payments because of drought in other administrative counties. <p>Example: Jim Black grazed 100 head of adult beef cows on native pasture in Moduc County, California, during the normal grazing period from March 16, 2011, through July 15, 2011. The same 100 head of adult beef cows grazed in Colusa County, California, from January 1, 2011, through March 15, 2011, in which the eligible livestock producer was paid 2 monthly payments. Moduc County was rated a D3 for 1 day on April 15, 2011.</p> <p>LFP ECPR, Part E shows a drought intensity factor of 2 for native pasture in Moduc County. Two monthly payments have been used to calculate Jim Black’s total net calculated payment amount for the 100 head of adult beef cows on native pasture in Moduc County.</p>
4	<p>Determine the number of monthly payments remaining to be issued by subtracting the number of monthly payments issued for the same covered livestock by kind, type, and weight range in all other administrative County Offices in step 2 from 3 monthly payments. If negative, consider the result zero.</p> <p>Example: Jim Black received 2 monthly payments on 100 head of adult beef cows grazing native pasture in Colusa County, California, totaling \$4,148. He filed FSA-925 in Moduc County, California, for the same 100 head of adult beef cows that grazed native pasture in Moduc County at a different time during the year. He is only eligible to receive a 1-month payment on the same 100 head of adult beef cows in Moduc County.</p> <p>3 monthly payments – 2 monthly payments issued (Colusa County) = 1 monthly payment remaining to be issued (Moduc County)</p>

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2 Issuing LFP Payments to Eligible Livestock Producer for Same Covered Livestock Grazing in Multiple Counties (Continued)

B Adjusting LFP Payments for Same Covered Livestock Grazing in Multiple Counties (Continued)

Step	Action
5	<p>Compare the number of monthly payments remaining to be issued for the same covered livestock by kind, type, and weight range in step 4 to the number of monthly payments calculated to be issued for the same covered livestock by kind, type, and weight range in step 3. If the number of monthly payments remaining to be issued in step 4 is:</p> <ul style="list-style-type: none"> equal to the number of monthly payments calculated to be issued in step 3, no adjustment needs to be made to the number of monthly LFP payments to be issued for the same covered livestock by kind, type, and weight range that received payment in other administrative counties (go to step 7) <p>Example: Sam Sneed's 100 head of adult beef cows grazed on native pasture in Floyd County, Texas, during the normal grazing period from March 16, 2011, through July 15, 2011. Floyd County was rated a D2 drought intensity on June 15, 2011. The same 100 head of adult beef cows grazed in Hale County, Texas, from January 1, 2011, through March 15, 2011, in which Sam Sneed was paid 2 monthly payments.</p> <p>LFP ECPR in Floyd County for Sam Sneed used a drought intensity factor of 1 to calculate the total net calculated payment amount on the 100 head of adult beef cows.</p> <p style="text-align: center;">3 monthly payments – 2 monthly payments issued (Hale County) = 1 monthly payment remaining</p> <p>When comparing the 1 monthly payment remaining to be issued to the 1 monthly payment calculated to be paid on the 100 head of adult beef cows in Floyd County for Sam Sneed, they are equal. Therefore, no adjustment needs to be made in the number of monthly payments to be made for the 100 head of adult beef cows in Floyd County.</p>

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2 Issuing LFP Payments to Eligible Livestock Producer for Same Covered Livestock Grazing in Multiple Counties (Continued)

B Adjusting LFP Payments for Same Covered Livestock Grazing in Multiple Counties (Continued)

Step	Action
5 (Cntd)	<ul style="list-style-type: none"> less than the number of monthly payments calculated to be issued in step 3, but greater than zero, subtract step 4 from step 3 to determine the number of months the eligible livestock producer's calculated payment amount needs to be adjusted for the same covered livestock by kind, type, and weight range that received payment in other administrative counties (go to step 6) <p>Example: Sarah Smith's 100 head of adult beef cows grazed on native pasture in Floyd County, Texas, during the normal grazing period from March 16, 2011, through July 15, 2011. Floyd County was rated a D3 drought intensity for 1 day on June 15, 2011. The same 100 head of adult beef cows grazed in Hale County, Texas, from January 1, 2011, through March 15, 2011, in which Sarah Smith was paid 2 monthly payments.</p> <p>LFP ECPR in Floyd County for Sarah Smith used a drought intensity factor of 2 to calculate the total net calculated payment amount on the 100 head of adult beef cows.</p> <p style="padding-left: 40px;">3 monthly payments – 2 monthly payments issued (Hale County) = 1 monthly payment remaining</p> <p>When comparing the 1 monthly payment remaining to be paid to the 2 monthly payments calculated to be paid on the 100 head of adult beef cows in Floyd County for Sarah Smith, the calculated payment amount will need to be adjusted for the 100 adult beef cows by 1 monthly payment.</p> <p style="padding-left: 40px;">2 monthly payment calculated payment amounts – 1 monthly payment remaining to be issued = 1 month (number of months LFP calculated payment amount on the 100 adult beef cows in Floyd County needs to be adjusted)</p>

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2 Issuing LFP Payments to Eligible Livestock Producer for Same Covered Livestock Grazing in Multiple Counties (Continued)

B Adjusting LFP Payments for Same Covered Livestock Grazing in Multiple Counties (Continued)

Step	Action
5 (Cntd)	<ul style="list-style-type: none">equal to zero, the number of months the eligible livestock producer's calculated payment amount needs to be adjusted for the same covered livestock by kind, type, and weight range that received payment in other administrative counties is equal to the number of months used to calculate the total net calculated payment amount for the same covered livestock by kind, type, and weight range in step 3 (go to step 6). <p>Example: Bobby Gentry's 600 head of adult beef cows grazed on native pasture in Knox County, Texas, during the normal grazing period from March 16, 2011, through July 15, 2011. Knox County was rated a D3 drought intensity for 1 day on June 15, 2011. Of the 600 head of adult beef cows, 100 head of the same adult beef cows grazed in Haskell County, Texas, from January 1, 2011, through March 15, 2011, in which Bobby Gentry was paid 3 monthly payments.</p> <p>When comparing the zero monthly payments remaining to the 2 monthly payments calculated to be paid on the 100 head of adult beef cows previously paid in Haskell County, the eligible livestock producer's calculated payment amount shall be adjusted for the 100 head of adult beef cows by a 2-month payment.</p>

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2 Issuing LFP Payments to Eligible Livestock Producer for Same Covered Livestock Grazing in Multiple Counties (Continued)

B Adjusting LFP Payments for Same Covered Livestock Grazing in Multiple Counties (Continued)

Step	Action
6	<p>To adjust an eligible livestock producer's LFP payment for the same covered livestock by kind, type, and weight range when the total net calculated monthly payment rate is based on:</p> <ul style="list-style-type: none"> • livestock monthly feed cost, multiply the result of step 5 times the number of same covered livestock by kind, type, and weight range for which payments are to be adjusted times the payment rate per head times the producer's share times 60 percent to obtain the LFP payment adjustment amount <p>Note: Manually enter the LFP payment adjustment amount on FSA-925, item 41. Load the LFP payment adjustment amount according to 1-LDAP, paragraph 363 in the web-based software on the Producer Summary Screen in the "Other Compensation" field. Go to step 7.</p> <p>Example: Jim Black received a 2-month payment on 100 head of adult beef cows grazing native pasture in Colusa County, California, in 2011 totaling \$4,148. His payment was based on livestock monthly feed cost. He files a 2011 FSA-925 in Modoc County, California, for 605 adult beef cows that are grazing native pasture at a different time during the year. 100 head of the 605 adult beef cows grazing in Modoc County earned a 2-month payment in Colusa County. Modoc County is rated a D3 drought intensity for 1 day during the normal grazing period for native pasture. LFP ECPR, Part E for Jim Black in Modoc County shows a total net calculated 2-month payment amount for the 605 head of adult beef cows of \$25,098. The total net calculated payment amount is based on livestock monthly feed costs.</p> <p>Jim Black's LFP payment in Modoc County must be adjusted for the 100 head of adult beef cows by an amount equal to 1 monthly payment because the same covered livestock received a 2-month payment in Colusa County as follows.</p> <p style="padding-left: 40px;">2 monthly payments calculated to be issued for 100 head of adult beef cows – 1 monthly payment remaining to be issued for 100 head of adult beef cows times 100 head of adult beef cows times \$34.57 per head payment rate times 100 percent producer share times 60 percent = \$2,074 (LFP payment adjustment amount)</p>

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2 Issuing LFP Payments to Eligible Livestock Producer for Same Covered Livestock Grazing in Multiple Counties (Continued)

B Adjusting LFP Payments for Same Covered Livestock Grazing in Multiple Counties (Continued)

Step	Action
6 (Cntd)	<p>\$2,074 shall be manually entered in FSA-925, item 41 and loaded in the web-based software on the Producer Summary Screen in the “Other Compensation” field for Jim Black’s 2011 LFP application in Moduc County.</p> <p style="text-align: right;">$\\$25,098 - \\$2,074$ LFP payment adjustment amount = \$23,024 LFP payment to be issued in Moduc County</p> <ul style="list-style-type: none"> • carrying capacity monthly feed cost, multiply the result of step 5 times the result of dividing the total carrying capacity feed cost by the total livestock feed cost and multiply the number of same livestock by kind, type, and weight range for which payments are to be adjusted times the payment rate per head times the producer’s share times 60 percent to obtain the LFP payment adjustment amount. <p>Note: Manually enter the LFP payment adjustment amount on FSA-925, item 41. Load the LFP payment adjustment amount according to 1-LDAP, paragraph 363 in the web-based software on the Producer Summary Screen in the “Other Compensation” field. Go to step 7.</p> <p>Example: Tom Flores received a 2-month payment on 100 head of adult beef cows grazing native pasture in Bernalillo County, New Mexico, in 2011 totaling \$4,148. His payment was based on livestock monthly feed costs.</p> <p>Tom Flores files a 2011 FSA-925 because of drought in Sandoval County, New Mexico, for 100 adult beef cows, 20 head of nonadult beef calves over 500 pounds, and 2 head of horses grazing on native pasture at a different time during the year. The 100 head of adult beef cows earned a 2-month payment in Bernalillo County. Sandoval County is rated a D3 drought intensity rating for 1 day during the normal grazing period for native pasture. LFP ECPR, Part E for Tom Flores in Sandoval County shows a total net calculated 2-month payment amount of \$4,000, based on carrying capacity feed costs for the 100 head of the adult beef cows, 20 head of nonadult beef calves, and 2 head of horses.</p>

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2 Issuing LFP Payments to Eligible Livestock Producer for Same Covered Livestock Grazing in Multiple Counties (Continued)

B Adjusting LFP Payments for Same Covered Livestock Grazing in Multiple Counties (Continued)

Step	Action
6 (Cntd)	<p>Tom Flores LFP payment in Sandoval County shall be adjusted for the 100 head of adult beef cows by an amount equal to 1 monthly payment because the same covered livestock have already received a 2-month payment in Bernalillo County, as follows.</p> <p>2 monthly payments calculated to be issued for 100 head of adult beef cows – 1 monthly payment remaining to be issued for 100 head of adult beef cows times \$4,000 carrying capacity feed cost/\$4,148 livestock monthly feed cost rounded to 4 decimal places times 100 head of adult beef cows times \$34.57 per head payment rate times 100 percent producer share times 60 percent = \$2,000 (LFP payment adjustment amount)</p> <p>\$2,000 shall be entered in FSA-925, item 41 and loaded in the web-based software on the Producer Summary Screen in the “Other Compensation” field for Tom Flores 2011 LFP application in Sandoval County.</p> <p>\$4,000 - \$2,000 LFP payment adjustment amount = \$2,000 LFP payment to be issued in Sandoval County</p>
7	<p>Reprint FSA-925 and have the producer sign and date. Enter the producer’s signature date in FSA-925 software according to 1-LDAP, paragraph 363. LFP payment software will automatically reprocess the payment.</p>

3 Action

A County Office Action

CED's shall ensure that instructions in this notice are followed for making manual adjustments to LFP payment amounts to ensure that eligible livestock producer's payments for the **same** covered livestock that graze in more than 1 county at different times during the year do **not** exceed 3 monthly payments when the eligible livestock producer files FSA-925 because of drought and receives payment in more than 1 qualifying administrative county for the **same** covered livestock.

Note: Finality provisions are **not** applicable to any overpayments determined from steps in subparagraph 2 B. Livestock producers are charged with notice of regulations governing LFP that specify that a livestock producer can only receive a maximum of 3 monthly payments for the same covered livestock during a calendar year. The livestock producer knows or has reason to know if the livestock producer has sought or been paid LFP payments in excess of the 3-month limitation on the same livestock.

B State Office Action

State Offices shall ensure that County Offices are immediately notified of the contents of this notice.