

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Notice LDAP-67**

**For:** State and County Offices

**LIP Sequestration Action**

**Approved by:** Deputy Administrator, Farm Programs



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**1 Overview**

**A Background**

The Budget Control Act passed by Congress in 2011 **requires** USDA to implement reductions of 7.3 percent to LIP in the new FY that begins October 1, 2014.

Producers who have suffered eligible LIP losses on or after September 30, 2011, through September 30, 2014, must complete **all applicable LIP program payment requirements** before October 1, 2014, or congressionally mandated payment reductions will apply. No county register or producer online self-service tool is available for these programs. LIP applications must be fully completed and approved by the COC **before** October 1, 2014, to avoid the congressionally mandated payment reductions. Producers are encouraged to contact their FSA County Office to begin the application process as soon as possible for these programs.

**B Purpose**

This notice advises State and County Offices:

- of the LIP program requirements that must be met on or before September 30, 2014, to avoid the 7.3 percent payment sequester
- that if LIP applications are not approved by the COC by COB September 30, 2014, the sequestration reduction rate of 7.3 percent is applicable to all applications approved on or after October 1, 2014.

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<b>Disposal Date</b>	<b>Distribution</b>
January 1, 2015	State Offices; State Offices relay to County Offices

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## **2 Producer Requirements**

### **A LIP Program Requirements Before October 1, 2014**

To avoid sequestration of LIP payments for livestock death losses that occurred on or after October 1, 2011, and before October 1, 2014, producers must provide to their administrative County Office the following, no later than COB September 30, 2014:

- signed CCC-852
- proof of death documentation, including documentation from APHIS, Federal and State DNR's or other sources as determined by the Deputy Administrator, to document eligible attacks by animals and avian predators
- copy of contract grower contracts
- proof of normal mortality documentation
- livestock inventory reports for open range operations.

## **3 Required Action**

### **A State Office Action**

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

### **B County Office Action**

To avoid sequestration of LIP payments for losses that occurred on or after October 1, 2011, through September 30, 2014, County Offices shall:

- immediately inform producers of the required action to be completed before October 1, 2014, as provided in subparagraph 2 A
- by October 1, 2014, act on all completed and signed LIP applications for losses that occurred on or after October 1, 2011, through September 30, 2014.