

Producer's Guide to the Ewe Lamb Replacement & Retention Payment Program

Background

The U.S. sheep industry has experienced a continual drop in profitability and loss in equity. On January 27, 2004, the Secretary of Agriculture announced that USDA will provide the U.S. lamb industry with \$18 million in payments to sheep and lamb producers to encourage the replacement and retention of ewe lamb breeding stock. Through the Ewe Lamb Replacement and Retention Payment Program (ELRRPP), producers will receive direct payments for ewe lambs purchased or retained during August 1, 2003, through July 31, 2004, to help relieve economic injuries suffered by the domestic lamb and sheep industry.

Program Eligibility

Eligible Sheep and Lamb Operations

An eligible sheep and lamb operation may include any of the following entities that are engaged in an operation that raises sheep and lamb in the United States for sale:

- an individual that:
 - has a beneficial interest in a sheep and lamb operation,
 - has a financial risk in the sheep and lamb operation,
 - is a citizen of, or legal resident alien in, the United States,
 - a corporation, partnership, joint operation, estate, association, cooperative, other business enterprise, or other legal entity and, whenever applicable, a State, political subdivision of a State, or any agency thereof, and whose members are a citizen of, or legal resident alien in, the United States
 - Indian tribe of the Indian Self-Determination and Education Assistance Act
 - Indian organization or entity chartered under the Indian Reorganization Act
 - economic enterprise under the Indian Financing Act of 1974.

Ewe Lamb and Sheep Operation Requirements

To be eligible for a ewe lamb payment, the sheep and lamb operation must:

- have purchased or retained ewe lambs for breeding purposes between August 1, 2003, and July 31, 2004,
- have retained the qualifying ewe lambs in the herd for at least 1 complete offspring lambing cycle,
- be engaged in the business of producing and marketing agricultural products at the time of filing the application,
- not have received funds under the Lamb Meat Adjustment Assistant Program (LMAAP) for the same ewe lamb,
- certify that the ewe lamb met all the qualifying characteristics at the same time during at least part of the base period,
- apply for payment during the application period.

Ewe Lamb Requirements

To be eligible for a ewe lamb payment, the qualifying ewe lamb during at least part of the base period must:

- not have been older than 18 months
- not have produced an offspring
- be in compliance with all requirements relating to scrapie, as described by APHIS according to their State identification requirements.

In addition, at the time of certification on FSA-384 and spot check, the qualifying ewe lamb must not possess or must not have possessed during the base period any of the following characteristics:

- parrot mouth
- foot rot
- scrapie.

Purchased Ewe Lamb

Purchased ewe lambs may be eligible for ELRRPP benefits if they were acquired anytime during August 1, 2003, through July 31, 2004, from a seller for a determined money value or equivalent. Possession and delivery of the qualifying ewe lambs must have taken place at the time of the monetary exchange.

Note: No marketing agreements for future delivery of lambs purchased after July 31, 2004, will be accepted even if partial or full payment was received before July 31, 2004.

Retained Ewe Lamb

Retained ewe lambs eligible for ELRRPP are considered qualifying ewe lambs kept in the possession of the sheep and lamb operation during the base period through 1 complete offspring lambing cycle.

Program Guidelines

Base Period

August 1, 2003, through July 31, 2004.

Ineligible Ewe Lambs

All ewe lambs that were born before February 1, 2002, are ineligible for ELRRPP benefits.

Offspring Exception

Sheep and lamb operations that purchased or retained ewe lambs for breeding purposes and that have since produced an offspring before the availability of ELRRPP are eligible for payment as long as the ewe lamb had not produced an offspring at some point during the base period and at the same time met all other requirements. County Offices may review farm management and breeding records to verify the producer's certification.

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Ewe Lamb Death Loss

Sheep and lamb producers who receive payment for ewe lambs that die before completing the eligibility requirements must refund the payments for those lambs when the total deaths exceed 10 percent per program year.

Example: A producer purchased and/or retained 500 ewe lambs on various dates. A total of 100 lambs died before the end of 2003, which exceeds 50 lambs or 10 percent in this example. The producer must refund a total of \$900 for the lambs that were in excess of 10 percent. Documentation must be maintained of any death loss of qualifying lambs.

Sold Ewe Lambs

Ewe lambs sold before the availability of ELRRPP are eligible for benefits if:

- all eligibility requirements were met during at least part of the base period
- evidence of ewe lambs can be provided to County Committee satisfaction to validate that the qualifying ewe lambs met all eligibility requirements.

Lambing Cycle

To be eligible for payment, ewe lambs must have been maintained in the herd for 1 complete offspring lambing cycle. One complete offspring lambing cycle is the period from birth to weaning of the offspring produced by the qualifying ewe lamb. Approximate time frames during a lambing cycle are as follows:

- conception (1-5 months),
- gestation (5-6 months),
- weaning (3-5 months).

Compliance with Scrapie Requirements

Scrapie

Scrapie is a degenerative and eventually fatal disease affecting the central nervous system of sheep and goats. Infected flocks that contain a high percentage of susceptible animals can experience significant production losses making flocks economically unviable. Animals sold from infected flocks spread scrapie to other flocks.

For all qualifying ewe lambs, eligible sheep and lamb operations must have been in compliance with all requirements relating to scrapie disease. Federal regulations at 9 CFR Part 79 can be located on the USDA website at www.aphis.usda.gov/vs/nahps/scrapie/9cfr_79.pdf.

Identification Requirements for Replacement Ewes

According to 9 CFR Part 79 requirements, replacement ewe lambs are required to be identified when entering interstate commerce, including when the:

- ewe leaves the State,
- buyer or seller resides outside the State,
- ewe moves through a market that engages in interstate commerce,
- ewe is exhibited at an interstate show.

Identification Requirements for Breeding and Replacement Ewes

Requirements regarding consistent State provisions, breeding and replacement sheep, with limited exceptions, are required to be identified on change of ownership by consistent States.

Full Scrapie Compliance

To be in full compliance with scrapie provisions, qualifying ewe lambs must have official scrapie program identification, unless the ewe lamb had **not** done either of the following:

- changed ownership since birth except as allowed under a State exemption,
- moved in interstate commerce other than as allowed for grazing without change of ownership.

Scrapie Program Information

If you would like additional information on scrapie program requirements please contact your local APHIS Veterinary Services Area Office by calling 1-866-USDA-TAG (873-2824). For additional information on ear tags, you may contact your USDA APHIS Area Office in Kentucky at www.aphis.usda.gov/vs/area_offices.htm.

Current information on scrapie is also available at the following websites:

- www.aphis.usda.gov/vs/scrapie.htm,
- www.animalagriculture.org/scrapie.

Applying for Benefits

Application Period & Deadline

Acceptance of FSA-384's will begin on October 25, 2004. An ending date has not yet been established. You may file an application for benefits any time during the signup period. Producers shall file applications for benefits in the county where the sheep and lamb operation is physically located.

To be considered eligible for ELRRPP benefits, all ELRRPP applications must be completed correctly, signed, and submitted to the applicable County Office by close of business on the signup end date (TBA).

Payment Rates and Calculations

Funding and Availability

Producers of sheep and lambs may receive up to a total of \$18 million in direct payments to encourage the replacement and retention of ewe lamb breeding stock during the period of August 1, 2003, through July 31, 2004.

National Payment Rate

The maximum amount a qualifying operation can receive for each qualifying ewe lamb retained or purchased for breeding purposes will be \$18 and is subject to the availability of funds. The payment rate may be adjusted lower if necessary in the event that all eligible and approved applications would result in exceeding the amount funds available for the program. If necessary, available funds will be prorated by a national factor to reduce the expected payments to be made by the amount available.

Ewe Lamb Documentation

A sheep and lamb operation applying for ELRRPP must provide documentation, such as:

- sales receipts as proof of purchase and retention, or sale,
- farm management records kept through normal production practices,
- breeding records as proof of ewe lamb age or lambing,
- veterinarian certifications as proof of ewe lamb characteristics,
- scrapie program forms as proof of compliance such as:
 - tag order forms for premise identification
 - tag receipts.

The documentation provided must disclose the following:

- date of lamb purchase
- date of lamb birth
- date of lamb death, if applicable
- date of lambing, if applicable
- lamb identification and control information
- number of ewe lambs purchased
- identification with APHIS-approved scrapie program
- date of sale, if lamb has been sold.

Ewe Lambs Not Maintained

If it is determined that ewe lambs were not maintained in the herd for at least 1 complete offspring lambing cycle, the sheep and lamb operation must refund the payments for those lambs that were not properly maintained according to the producer's certification.

Applying for Benefits

To apply for ELRRPP benefits, applicants must use a FSA-384. FSA-384's are available electronically at <http://forms.sc.egov.usda.gov/forms/mainervlet>. FSA-384's may also be obtained in person, by mail, by telephone, or by fax.

**For more information about ELRRPP visit your local FSA office or view the web site at
www.fsa.usda.gov/dafp/psd.**