

**For:** State and County Offices

**2002 Livestock Compensation Program (LCP)**

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



**1 Overview**

**A**

**Background**

On September 19, 2002, the Secretary announced LCP. LCP will provide assistance to certain livestock producers experiencing severe 2001 and 2002 crop year feed and pasture losses because of drought. LCP is available only in counties that are either of the following:

- named as primary counties on or after January 1, 2001, under a Secretarial disaster designation
- have been requested by a Governor, no later than September 19, 2002, and are subsequently approved.

Funding authority for this assistance is provided under Section 32 of the Act of August 24, 1935, as amended.

**B**

**Purpose**

This notice:

- announces LCP
- announces county eligibility provisions
- provides State and County Offices with initial program parameters
- informs State and County Offices that signup for LCP will begin on October 1, 2002
- informs State and County Offices that additional LCP procedure and guidelines will be provided in future notices.

<b>Disposal Date</b>	<b>Distribution</b>
March 1, 2003	State Offices; State Offices relay to County Offices

## Notice DAP-139

### 2 Program Provisions

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#### A

##### Application Period

Signup for LCP will begin October 1, 2002, and will continue until an ending date is announced. FSA-553 is the application form. Application and payment software is expected to be released to County Offices soon after October 1, 2002. Manual applications will be taken until software is received.

**Note:** FSA-553 will be available for signup by October 1, 2002.

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#### B

##### Eligible Counties

A county must be either of the following:

- approved as a primary county between January 1, 2001, and September 19, 2002, under a Secretarial disaster for damages and losses because of drought
- included in a pending request for a Secretarial disaster designation that was received by the Secretary no later than September 19, 2002.

**Note:** A county named in a pending request must be subsequently approved by the Secretary to be eligible for LCP.

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#### C

##### Payment Processing

Payment processing software is scheduled to be released to the field as soon as possible after October 1, 2002.

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#### D

##### Eligible Livestock

The following are eligible livestock:

- beef cattle
  - dairy cattle
  - buffalo and beefalo when maintained on the same basis as beef cattle
  - sheep
  - goats.
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**2 Program Provisions (Continued)**

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**E**

**Payment Per Head**

Follow this table for the payment per head.

<b>Type of Livestock</b>	<b>Payment Per Head</b>
<b>Adult</b> beef cattle, buffalo, and beefalo (cows and bulls)	\$18
Beef, dairy, buffalo, and beefalo replacement heifers (500 lbs. and over)	\$13.50
<b>Adult</b> dairy cattle (cows and bulls)	\$31.50
Beef, dairy, buffalo, and beefalo steers (500 lbs. and over)	\$13.50
Nonbreeding beef, dairy, buffalo, and beefalo heifers (500 lbs. and over)	\$13.50
Beef, dairy, buffalo, and beefalo bulls (500 lbs. and over)	\$13.50
Sheep (All)	\$4.50
Goats (All)	\$4.50

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**F**

**Livestock Eligibility Requirements**

The following are livestock eligibility requirements:

- livestock must have been owned for a minimum of 90 calendar days
- June 1, 2002, must be within the 90-calendar-day ownership period.

Livestock meeting both of these eligibility requirements and that have been sold or have died before signup would still be eligible for payment.

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**2 Program Provisions (Continued)**

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**G**

**Ineligible Livestock**

Ineligible livestock include the following:

- swine
  - equine animals
  - poultry
  - packer owned
  - livestock kept for recreation or for use in recreational activities or recreational businesses, even if they are also maintained for use in a controlled breeding program
  - any other livestock not included in subparagraph E
  - all beef and dairy cattle, and buffalo and beefalo that weigh less than 500 pounds.
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**H**

**Payment Limitation**

A \$40,000 payment limitation applies to each “person” for benefits received under LCP.

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**I**

**Gross Revenue Limit**

A person earning benefits under LCP must have a qualifying gross revenue of \$2.5 million or less for the preceding tax year.

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**J**

**Offsets**

Offsets are applicable to LCP.

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**K**

**Assignments**

Assignments are applicable if filed after September 19, 2002.

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**L**

**Additional Provisions**

Additional program provisions will be provided in a future notice.

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