



United States
Department of
Agriculture

FARM SERVICE AGENCY

Montana State
Producer Handbook

October 2009

Fact Sheet
**Livestock Forage
Disaster Program (LFP)-
According to the 2008 Farm Bill**



Background

The 2008 Farm Bill created several new disaster programs under the title "Supplemental Agricultural Disaster Assistance". One of the programs created is the Livestock Forage Disaster Program (LFP). This program provides compensation to eligible livestock producers that have suffered grazing losses due to a qualifying drought or fire on or after January 1, 2008, and before October 1, 2011, during the calendar year in which the loss occurs. Fire losses must have occurred on federally managed lands.

**2008 Calendar Year Losses
Signup Period**

Signup for 2008 calendar year losses began September 14, 2009. Applications and supporting documentation must be filed by December 10, 2009, to be considered timely filed. There are no late-file provisions.

**2009 and Subsequent Years
Signup**

Applications and supporting documentation must be filed no later than 30 calendar days after the end of the calendar year in which the grazing loss occurred. Losses must occur in the calendar year the application is being filed.

Triggers for Drought

Producers are eligible for LFP if:

- Located in a county with droughts designated on the

U.S. Drought Monitor as one of the following:

- 1) D2 Drought – severe
- 2) D3 Drought – extreme
- 3) D4 Drought – exceptional

The drought must occur during the normal grazing period for the specific type of grazing land.

Triggers for Fire

Eligible livestock producers may receive assistance for grazing losses due to fire on Federally managed land if:

- The grazing loss is on rangeland managed by a Federal agency such as the Forest Service, Bureau of Land Management, Bureau of Indian Affairs or Tribal government;
- The eligible producer is prohibited by the Federal agency from grazing the normal permitted livestock and/or normal permitted days.

Signup for Drought Benefits

A county will be eligible for grazing losses due to drought when the drought reaches one of the following intensity levels on the U.S. Drought Monitor:

- D2: 8 consecutive weeks in any area of the county during the normal grazing period
- D3: any area of a county at any time during the normal grazing period
- D3 for four weeks: any area in the county during the normal grazing period
- D4: any area in the county at any time during the normal grazing period

Counties will be notified by the National FSA office when a qualifying drought has occurred. The beginning date of drought will be the first day of the D2, D3, or D4 intensity rating.

Producers must certify that they have a grazing loss due to drought or fire. There is no minimum loss percentage required by the producer.

Payment for Drought

Producers who suffer grazing losses on grazing lands located in a county due to drought will receive an amount equal to 60 percent of the lesser of either the monthly feed cost for all covered livestock or the monthly feed cost calculated using the normal carrying capacity for the specific type of grazing in the county. The payment will be:

- 1 months payment when the county is rated as having a D2 (severe) intensity for at least eight consecutive weeks during the grazing season;
- 2 months payment when the county is rated a D3 (extreme) intensity at anytime during the grazing season;
- 3 months payment when the county is rated a D3 for at least four weeks (do not have to be consecutive) in any area of the county or D4 (exceptional) intensity at any time during the grazing season in any area of the county;

Note: Three monthly payments is the maximum for the same livestock.

The monthly payment rate for one adult beef cow for 2008 = \$29.96
($29.96 \times .60 = 17.98$)

The drought monthly payment rate is equal to 60 percent of the lesser of the monthly feed cost for all covered livestock using a feed grain equivalent **or** the monthly feed cost calculated using the normal carrying capacity for the grazing land.

The feed grain equivalent is determined by the National Office for the various types of livestock based on the number of pounds of corn using an adult cow as the base. The corn price per pound is arrived at by dividing the 12 month national average corn price by 56 pounds.

Partial Compensation for Drought

An eligible livestock producer that sold or otherwise disposed of eligible livestock due to drought conditions in 1 or both of the 2 production years preceding the current production year will be paid at 80 percent of the monthly payment rate.

Payment for Fire

Producers who suffer grazing losses on grazing lands managed by a Federal agency due to a fire, will receive a payment:

- equal to 50% of the monthly feed cost for the total number of livestock reduced, beginning on the date the agency excludes grazing and ending on the last day of the grazing lease, not to exceed 180 days per year.

Note: Livestock producers may elect to receive assistance for grazing losses due to drought, or fire on Federally managed land, but **not both** for the same loss. Producers must provide something in writing from the Federal Agency which states that they are prohibiting them from grazing

either partially or entirely prohibiting grazing.

Eligible Livestock

Livestock must be owned, leased or purchased by an eligible producer during the 60 days prior to the beginning date of a qualifying drought or fire. Covered livestock include:

- Livestock that were entered into a contract to purchase
- In the possession of an eligible contract grower
- Sold or otherwise disposed of due to qualifying drought conditions during the current production year or one or both of the two preceding production years.

NOTE: Covered livestock does not include livestock that were or would have been in a feed lot on the beginning date of the qualifying drought or fire, as part of the eligible livestock producer's normal business operation.

Eligible Livestock Types

- Adult beef cattle
- Non-adult beef cattle above 500 pounds
- Adult dairy cattle
- Non-adult dairy cattle above 500 pounds
- Adult buffalo and beefalo
- Non-adult buffalo and beefalo above 500 pounds
- Equine used for the commercial use of the operation
- Elk
- Reindeer
- Deer
- Sheep
- Alpacas
- Emus
- Swine
- Goats
- Llamas
- Poultry

Note: Only livestock that **normally graze** are considered eligible livestock

Eligible Grazing

Eligible grazing types are:

- Native or tame pastureland with permanent vegetative cover
- Crops planted specifically for the purpose of grazing (small grain, forage sorghum)
- Irrigated pasture intended for grazing is only eligible if it meets the cause of loss provisions for drought according to current Non-insured Crop Disaster Assistance Program (NAP) provisions or is not irrigated during the current production year.

Note: Grazing losses on land used for haying or grazing under CRP are not eligible under LFP.

Eligibility Requirements

To be eligible for assistance under LFP, producers must provide an FSA-925 (LFP application for payment) in their administrative FSA county office along with required supporting documents by no later than:

- December 10, 2009, for 2008 calendar year losses;
- 30 calendar days after the end of the calendar year for which the grazing loss occurred for 2009 and subsequent years grazing losses. Late filed applications will **NOT** be accepted.

NOTE: Supporting documents must be completed and on file in the FSA county office before the FSA-925 will be approved.

Supporting Documentation

Supporting documentation includes but is not limited to:

- CCC-502 (Leased or Owned Land) for 2008
- CCC-901 (Legal entities for 2009 and subsequent years)
- AD-1026 (Highly Erodible Land and Wetland Determination)
- CCC-526 (AGI determination for 2008)

- CCC-926 (AGI compliance for 2009 and subsequent years)
- Copy of contract grower contract
- Report of acreage for the grazing land incurring losses
- Written evidence that the grazing land is owned or leased
- have timely applied for and obtained either Crop insurance; or
- Non-insured Crop Disaster Assistance (NAP) coverage on the pasture or grazing land which suffered an eligible loss. The deadline to file a NAP application for coverage on grazing for 2010 is March 15, 2010; or
- for 2008 only, timely purchased Buy-in by September 16, 2008
- Be an owner, cash or share lessee, or contract grower of covered livestock that provides pastureland or grazing land for the livestock;
- Provide pastureland or grazing land that is physically located in a county affected by drought or fire on Federally managed land.

Payment Limitation

LFP will pay up to \$100,000 annually including any benefits received from Supplemental Revenue Assistance Program (SURE), Livestock Indemnity Program (LIP) and Emergency Assistance for Livestock Honey Bees, and Farm-Raised Fish (ELAP).

Adjusted Gross Income (AGI)

- 2008 – \$2.5 Million
- 2009 and future years - \$500,000 Non-Farm AGI- (Persons or legal entities that have an average adjusted gross non-farm income that exceeds \$500,000, are not eligible for LFP).

Definitions

U.S. Drought Monitor – a system for classifying drought severity will be used to determine if a county qualifies for LFP.

Covered Livestock – livestock of an eligible producer that were owned, leased or purchased within 60 days prior to the beginning date of a qualifying drought or fire. Covered livestock also includes livestock of an eligible producer that were entered into a contract to purchase, a contract grower, or sold or otherwise disposed of due to qualifying drought conditions during the current production year or one or both of the two preceding production years as part of the eligible livestock producer's normal business operation 60 days prior to the beginning date of a qualifying drought or fire.

Mitigated Livestock – mitigated livestock includes livestock that were sold in the current production year, or in either one or both of the previous two production years due to a qualifying drought condition.

For Additional Information

Additional information may be obtained at local FSA offices or through the Montana FSA Web site at www.fsa.usda.gov/mt/