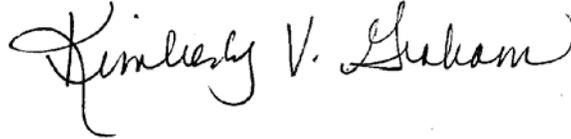


UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

| | |
|---|--------------------|
| Livestock Disaster Assistance Programs for 2011 and Subsequent Years 1-LDAP (Revision 1) | Amendment 9 |
|---|--------------------|

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 901 A has been amended to correct program names.

Subparagraph 901 G has been added to provide information about how an ELAP payment factor affects the available shared payment limitation for ELAP, LFP, and LIP.

| Page Control Chart | | |
|---------------------------|------------------------------------|----------------|
| TC | Text | Exhibit |
| 9 | 11-3, 11-4 11-4.5, 11-4.6 (add) | |

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Section 1 General Payment Provisions

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900 General Payment Provisions for Web-Based ELAP Payments (Continued)**H Payment Due Date (Continued)**

If the payment is **not** issued within 30 calendar days after the later of the dates in this subparagraph, then prompt payment interest is payable to the producer. County Offices shall:

- manually determine the payment due date based on the factors identified in this subparagraph
- follow the provisions of 61-FI for issuing the interest payment.

901 Payment Limitation**A Payment Limitation Amount**

*--The payment limitation for ELAP is \$125,000 per program year. The \$125,000 program year payment limitation is shared with the following programs for:

- 2011 program year:
 - LFP
 - LIP
 - SURE
- 2012 and subsequent program years:
 - LFP
 - LIP.--*

B Effect of AGI on Payment Limitation for Entities

If a member of an entity is **not** eligible because of average AGI provisions, the payment limitation for the entity is reduced by the ineligible member's ownership share in the operation.

Example: ABC Corporation has 2 members, each with a 50 percent share. Member 1 does **not** meet average AGI provisions. The corporation has a \$100,000 payment limitation, but since Member 1 does **not** meet average AGI provisions, the payment limitation for the corporation is reduced by 50 percent and the maximum payment that can be issued to the corporation is \$50,000.

Note: Other payment eligibility provisions, such as conservation compliance, fraud, etc., do **not** affect the payment limitation for the entity because average AGI is the **only** payment eligibility that is checked for members of entities.

901 Payment Limitation (Continued)

***--C How an ELAP Factor Affects Payment Limitation**

Because ELAP has a set amount of funding, the payment amount may be factored when the predetermined gross total amount of ELAP payments for a program year exceeds the total funding amount. Applying a factor to the payment amount ensures that ELAP payments do not exceed the funding for ELAP.

If a factor applies to the ELAP payment, then that same factor will be applied to the payment limitation amount for the producer and/or member.

Although ELAP, LFP, and LIP payments share the \$125,000 payment limitation amount, the factor for ELAP is **not** applied to the payments or shared payment limitation for LFP and LIP.

As a result of ELAP payments and payment limitation being factored, the available payment limitation determinations for ELAP, LFP, and LIP will function according to the following table.

| IF payment being processed is for... | THEN the starting payment limitation is... | Determining Available Payment Limitation | |
|---|---|--|---|
| LFP or LIP | \$125,000. | Determine the available payment limitation for LFP and LIP by subtracting all prior ELAP, LFP, and LIP payments from the starting payment limitation amount. | |
| | | IF... there is a remaining payment limitation amount | THEN the... LFP or LIP payment can be issued, not to exceed the remaining payment limitation amount. |
| | | the total prior payments are \$125,000 | producer cannot receive the LFP or LIP payment. |

--*

901 Payment Limitation (Continued)

*--C How an ELAP Factor Affects Payment Limitation (Continued)

| IF payment being processed is for... | THEN the starting payment limitation is... | Determining Available Payment Limitation | |
|--|--|--|---|
| ELAP | the result of \$125,000 times the ELAP factor. | Step | Action |
| | | 1 | Total all prior ELAP, LFP, and LIP payments. |
| | | | IF the total prior payments are... |
| | | | THEN... |
| | | \$125,000 | the producer cannot receive an ELAP payment. |
| | | less than \$125,000 | proceed to step 2. |
| | | 2 | Total prior ELAP payments. |
| | | | IF the total prior payments... |
| | | | THEN... |
| | | equal the starting ELAP payment limitation amount | the producer cannot receive an ELAP payment. |
| | | already issued are less than the starting ELAP payment limitation amount | proceed to step 3. |
| | | 3 | Determine the available payment limitation balance for ELAP, LFP, and LIP by subtracting: |
| | | <ul style="list-style-type: none"> • \$125,000, minus • accumulated prior payments for ELAP, LFP, and LIP. | |
| 4 | Determine the available balance for ELAP by subtracting: | | |
| <ul style="list-style-type: none"> • starting ELAP payment limitation amount, minus • prior ELAP payments. | | | |
| 5 | Available ELAP payment limitation balance for the producer or member is the lesser of the result of step 3 or 4. | | |
| 6 | Producer can be paid the lesser of: | | |
| <ul style="list-style-type: none"> • amount of payment being processed, or • result of step 5. | | | |

--*

902 Payment Eligibility

A Determining Payment Eligibility

The payment process reads the web-based eligibility system for the applicable year to determine whether a producer or member of a joint operation is eligible to be paid. If the producer or member is ineligible to be paid, then the individual or entity will be listed on the Nonpayment Report with the applicable message. Eligibility values must be updated before the producer or member can be paid.

B Eligibility Values

The following identifies web-based eligibility determinations applicable to ELAP and how the system will use the web-based subsidiary eligibility data for payment processing.

| Eligibility Determination | Value | Eligible for ELAP Payment |
|--|----------------------------------|----------------------------------|
| AD-1026 | Certified | Yes |
| | Not Filed | No |
| | Good Faith Determination | Yes |
| | COC Exemption | Yes |
| | Awaiting Affiliate Certification | No |
| | Affiliate Violation | No |
| AGI - 2014 Farm Bill Note: Applicable for 2012 and subsequent years. | Compliant | Yes |
| | Compliant- Producer | Yes |
| | Compliant - SED | Yes |
| | Exempt | Yes |
| | Failed Verification | No |
| | Not Compliant | No |
| | Not Filed | No |
| | Not Met - Producer | No |
| | Not Met - SED | No |