



Livestock Indemnity Program 2005-2007

Overview

The U.S. Department of Agriculture's Farm Service Agency (FSA) Livestock Indemnity Program 2005-2007 (LIP) provides benefits to livestock producers for livestock deaths caused by natural disasters that occurred between Jan. 1, 2005, and Dec. 31, 2007, including losses because of blizzards that started in 2006 and continued into January 2007.

The "U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007" (2007 Act) authorizes LIP. President Bush signed the bill into law on May 25, 2007. The 2007 Act provided LIP benefits for livestock producers who suffered livestock losses between Jan. 1, 2005, and Feb. 28, 2007. On Dec. 26, 2007, President Bush signed the Consolidated Appropriations Act, 2008, which extends LIP payments to eligible ranchers who suffered livestock losses throughout the 2007 crop year before Dec. 31, 2007.

LIP provisions are similar to those of other livestock indemnity programs implemented by FSA in recent years.

Eligible Counties

To be eligible for LIP, an owner or contract grower's livestock must have been located in a county or contiguous county designated a natural disaster by the president or declared by the U.S. secretary of agriculture between Jan. 1, 2005, and Dec. 31, 2007. Also, producers in counties and contiguous counties that received an approved Administrator's Physical Loss Notification (APLN), when the APLN is directly associated to a natural disaster designated by President Bush, are eligible.

A list of counties eligible for LIP may be found at: <http://disaster.fsa.usda.gov>.

Livestock producers incurring livestock losses in more than one of the 2005, 2006 and 2007 calendar years may only select one year in which to receive assistance.

Eligible Livestock Owners

To be eligible for LIP, a livestock producer must have legally owned the eligible livestock on the day the livestock died.

Owners of the following types of livestock may be eligible for LIP:

- adult beef bulls;
- adult beef cows;
- adult buffalo or beefalo bulls;
- adult buffalo or beefalo cows;

- adult dairy bulls;
- adult dairy cows;
- catfish;
- chickens, broilers, pullets;
- chickens, chicks;
- chickens, layers, roasters;
- crawfish;
- deer;
- ducks;
- ducks, ducklings;
- equine;
- geese, goose;
- geese, gosling;
- goats, bucks;
- goats, does;
- goats, slaughter goats/kids;
- non-adult beef cattle;
- non-adult buffalo/beefalo;
- non-adult dairy cattle;
- reindeer;
- sheep, ewes;
- sheep, lambs;
- sheep, rams;
- swine, feeder pigs under 50 pounds;
- swine, lightweight barrows and gilts 50 to 150 pounds;
- swine, sows, boars, barrows, gilts 151 to 450 pounds;
- swine, sows, boars over 450 pounds;
- turkeys, poults; and
- turkeys, toms, fryers, and roasters.

To be eligible for LIP, an owner's livestock must have also met the following conditions. The livestock must:

- have died in an eligible county as a direct result of an eligible disaster event(s):

- after Jan. 1, 2005, and before Dec. 31, 2007;
- no later than 60 calendar days from the ending date of the applicable disaster period(s) but before Dec. 31, 2007; and
- in the calendar year for which benefits are requested.
- have been maintained for a commercial farming operation on the day they died; and
- not have been produced for reasons other than commercial farming. This includes wild free roaming animals or animals used for recreational purposes, such as hunting, pets, roping or for show.

Eligible Livestock of Contract Growers

To be eligible for LIP, a contract grower must have had the following on the day the livestock died: a written agreement with the eligible livestock owner setting the specific terms, conditions and obligations of the parties involved regarding the production of livestock; and control of the eligible livestock on the day the livestock died.

Contract growers of the following types of livestock may be eligible for LIP:

- chickens, broilers, pullets;
- chickens, layers, roasters;
- geese, goose;
- swine, boars, sows;
- swine, feeder pigs;
- swine, lightweight barrows, gilts;
- swine, sows, boars, barrows, gilts; and
- turkeys, toms, fryers, roasters.

To be eligible for LIP, a contract grower’s livestock also must have met the following conditions. The livestock must:

- have been poultry or swine (as defined above);
- have died in an eligible county as a direct result of an eligible disaster event(s);
 - after Jan. 1, 2005, and before Dec. 31, 2007;
 - no later than 60 calendar days from the ending date of the applicable disaster period(s) but before Dec. 31, 2007; and
 - in the calendar year for which benefits are requested.
- have been maintained for commercial use as part of a farming operation on the day they died; and
- not have been produced for reasons other than commercial farming. This includes wild free roaming animals or animals used for recreational purposes, such as hunting, pets or for show.

Payments

USDA calculates LIP payments by multiplying the national payment rate for each livestock category by the number of eligible livestock in each category. National payment rates are found at the end of this fact sheet.

USDA bases the LIP national payment rate for eligible livestock owners on 26 percent of the average fair market value of the livestock.

USDA bases the LIP national payment rate for eligible livestock contract growers on 26 percent of the average income loss sustained by the contract grower with respect to the dead livestock.

USDA will reduce an owner or contract grower’s LIP payment by the amount they received through similar livestock and aquaculture disaster aid programs administered by USDA in recent years. USDA also will reduce a contract grower’s LIP payment by the amount of monetary compensation they received from their contractor for the loss of income suffered from the death of livestock under contract.

Producers may receive a maximum of \$80,000 in LIP benefits. Also, an individual or entity whose average adjusted gross income exceeds \$2.5 million for the three years immediately preceding the calendar year for which benefits are requested is ineligible for LIP benefits unless 75 percent or more of their income is from agriculture.

Sign-up

Producers may apply to receive LIP benefits at local FSA service centers beginning Sept. 10, 2007.

Applying for LIP

Producers should submit completed LIP applications to the local FSA service center that maintains the farm records for their business. The producer should include a copy of the grower contract if they are a contract grower and any other supporting documents required for

determining eligibility. Supporting documents must show evidence of loss, current physical location of livestock in inventory, and location of the livestock at the time of death.

Payments may be made for eligible losses suffered by an eligible producer who is now deceased or for a dissolved entity if a currently authorized representative signs the application for payment. Proof of authority to sign for a deceased individual or dissolved entity must be provided. If a producer is a dissolved entity, all former members at the time of dissolution or their duly authorized representative(s) must sign the application for payment.

A minor child may apply for program benefits if all eligibility requirements are met and one of the following conditions exists:

- the right of majority has been conferred upon the minor by court proceedings or statute;
- a guardian has been appointed to manage the minor's property and the applicable program documents are executed by the guardian; or
- a bond is furnished under which a surety guarantees any loss incurred for which the minor would be liable had the minor been an adult.

Applicants must provide adequate proof that the eligible livestock deaths occurred in an eligible county as a direct result of an eligible disaster event during the applicable disaster period. The quantity and kind of livestock that died as a direct result of the eligible disaster event may be documented

by: purchase records, veterinarian records, bank or other loan papers, rendering truck receipts, Federal Emergency Management Agency records, National Guard records, written contracts, production records, Internal Revenue Service records, property tax records, private insurance documents, and similar documents.

FSA will accept certifications of livestock deaths by third parties if the following conditions are met:

- the livestock owner or livestock contract grower, as applicable, certifies in writing:
 - that there is no other documentation of death available;
 - the number of livestock were in inventory at the time of the disaster; and
- the third party provides their telephone number, address and a written statement containing:
 - specific details about their knowledge of the livestock deaths;
 - their affiliation with the livestock owner; and
 - the accuracy of the deaths claimed by the livestock owner.

FSA will use data furnished by the applicant to determine eligibility for program benefits. Furnishing the data is voluntary; however, without all required data program benefits will not be approved or provided.

National Payment Rates

The following provides LIP per head payment rates by livestock category for eligible owners. (See chart on pages 4 and 5 of this fact sheet.)

The following provides per head payment rates by livestock category for eligible livestock contract growers. (See chart on page 5 of this fact sheet.)

For More Information

For more information about FSA and its programs, visit your local USDA Service Center or online at: <http://www.fsa.usda.gov>.

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LIP Per Head National Payment Rates by Category for Eligible Livestock Owners				
Kind	Type	Weight Range	2005 Payment Per Head	2006/2007 Payment Per Head
Beef	Nonadult	Less than 400 pounds	\$132.03	\$130.08
		400 pounds or more	\$173.07	\$167.20
	Adult	Cow	\$260.33	\$244.46
		Bull	\$338.43	\$317.80
Dairy	Nonadult	Less than 400 pounds	\$117.00	\$112.78
		400 pounds or more	\$234.00	\$225.55
	Adult	Cow	\$468.00	\$451.10
		Bull	\$468.00	\$451.10
Buffalo/ Beefalo	Nonadult	Less than 400 pounds	\$79.22	\$78.05
		400 pounds or more	\$129.80	\$125.40
	Adult	Cow	\$156.20	\$146.68
		Bull	\$390.00	\$390.00
Swine	Boars/Sows	Over 450 pounds	\$56.37	\$45.19
	Sows/Boars/Barrows/Gilts	151 to 450 pounds	\$27.68	\$24.36
	Lightweight Barrows/Gilts	50 to 150 pounds	\$21.77	\$19.21
	Feeder Pigs	Under 50 pounds	\$15.86	\$14.07
Sheep	Rams		\$11.73	\$8.99
	Ewes		\$11.73	\$8.99
	Lambs		\$28.60	\$24.36

Chart for LIP Per Head National Payment Rates by Category for Eligible Livestock Owners continues on the next page.

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Goats	Bucks		\$23.45	\$17.97
	Does		\$23.45	\$17.97
	Slaughter goats/kids		\$28.60	\$24.36
Chickens	Layers/Roasters		\$1.68	\$1.95
	Broilers/Pullets		\$0.61	\$0.55
	Chicks		\$0.05	\$0.06
Turkeys	Toms/Fryers/Roasters		\$3.28	\$3.52
	Poults		\$0.29	\$0.29
Ducks	Ducks		\$0.97	\$0.97
	Ducklings		\$0.16	\$0.16
Geese	Goose		\$4.48	\$4.42
	Gosling		\$0.94	\$0.93
Deer			\$140.40	\$140.40
Equine			\$195.00	\$195.00
Reindeer			\$169.00	\$169.00

LIP Per Head National Payment Rates by Category for Eligible Livestock Contract Growers				
Kind	Type	Weight Range	2005 Payment Per Head	2006/2007 Payment Per Head
Chickens	Layers/Roasters		\$0.10	\$0.12
	Broilers/Pullets		\$0.07	\$0.06
Turkeys	Toms/Fryers/Roasters		\$0.36	\$0.39
Ducks	Ducks		\$0.11	\$0.11
Geese	Goose		\$0.49	\$0.49
Swine	Boars/Sows	Over 450 pounds	\$23.17	\$18.57
	Sows/Boars/Barrows/Gilts	151 to 450 pounds	\$4.16	\$3.66
	Lightweight Barrows/Gilts	50 to 150 pounds	\$3.27	\$2.89
	Feeder Pigs	Under 50 pounds	\$1.80	\$1.60