

For: State and County Offices

**Eligible Purchases of Additional Livestock Feed Under ELAP**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

1-LDAP, subparagraph 251 E provides that to be considered an eligible feed loss resulting from the additional costs of purchasing additional livestock feed above normal quantities, the additional feed must be purchased during the eligible adverse weather event or loss condition.

The National Office has received several inquiries from State Offices concerning what is considered eligible purchases of additional livestock feed, above normal quantities, for livestock feed losses under ELAP. To date, the National Office has reiterated that to be eligible for livestock feed losses under ELAP, purchases of additional livestock feed, above normal quantities, required to maintain the livestock during an eligible adverse weather event or loss condition, must be feed that is purchased during the applicable eligible adverse weather event or loss condition. Therefore, to date, additional livestock feed purchased after an eligible adverse weather event or loss condition has **not** been considered an eligible purchase of additional livestock feed for livestock feed losses under ELAP.

Based on input from State Offices, the National Office has re-evaluated program policy and procedure with respect to eligible purchases of additional livestock feed for 2010 and 2011 livestock feed losses under ELAP.

<b>Disposal Date</b>  April 1, 2011	<b>Distribution</b>  State Offices; State Offices relay to County Offices
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### 1 Overview (Continued)

#### B Purpose

This notice:

- announces revised policy and procedure, effective for 2010 and subsequent calendar year livestock feed losses, for determining eligible purchases of additional livestock feed, above normal quantities, as described in subparagraph 2 A
- provides State Offices with approval to extend the 2010 ELAP signup deadline in the State to no later than **March 1, 2011**, if the revised policy change, described in paragraph 2, affects livestock producers in the State.

### 2 Revised Policy and Procedure for Livestock Feed Losses – Additional Feed Purchases

#### A Eligible Purchases of Additional Livestock Feed

To be considered eligible purchases of additional livestock feed for livestock feed losses, the feed must be:

- purchased during or after an eligible adverse weather event or loss condition until additional feed becomes available
- feed that is fed above normal quantities to maintain the eligible livestock until additional livestock feed becomes available, as determined according to subparagraph B
- purchased above normal quantities to maintain livestock in the county where the eligible adverse weather event or loss condition occurred.

**Important:** The value of additional feed purchased shall **not** exceed the value of the livestock feed needs during the eligible adverse weather event or loss condition, as determined according to subparagraph C.

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**2 Revised Policy and Procedure for Livestock Feed Losses – Additional Feed Purchases (Continued)**

**B Determining Value of Eligible Additional Feed Costs**

For 2010 and 2011 livestock feed losses resulting from the additional costs incurred for purchasing additional feed, above normal quantities required to maintain the livestock until additional feed becomes available, the County Office shall calculate the value of eligible additional feed costs according to this table.

<b>Step</b>	<b>Action</b>
1	Request original receipts or summary purchase receipts for the forage or feed stuffs that were purchased by the producer during the timeframe from the beginning date of the eligible adverse weather event or loss condition until the date additional livestock feed becomes available.  <b>Note:</b> Livestock feed losses resulting from additional feed costs shall be claimed in the calendar year the eligible adverse weather event or loss condition occurred.
2	Request original receipts or summary purchase receipts for the forage or feed stuffs that were purchased by the producer during the same or similar timeframe described in step 1 for the <b>preceding calendar year</b> .  <b>Note:</b> The County Office shall determine whether a similar timeframe is reasonably close to the timeframe determined in step 1.
3	Determine whether the feed purchased above normal quantities was feed that was fed to maintain livestock in the county where the eligible adverse weather event or loss condition occurred.
4	Determine whether the receipts provided meet all requirements to be acceptable and used to determine the value of the additional feed costs, as provided in 1-LDAP, subparagraph 253 C.
5	Add the cost of the feed purchased provided on receipts collected in step 2.
6	Add the cost of the feed purchased provided on receipts collected in step 1.
7	Subtract the result in step 5 from the result in step 6. If the value is negative, no livestock feed loss occurred as the result of additional feed purchased above normal quantities.  <b>Important:</b> This result is <b>not</b> the value of eligible purchases of additional livestock feed to be entered on FSA-918-1. See subparagraph D.

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### 2 Revised Policy and Procedure for Livestock Feed Losses – Additional Feed Purchases (Continued)

#### B Determining Value of Eligible Additional Feed Costs (Continued)

**Example:** The normal grazing period in County A is March 1 through September 30. Producer C's land is located in County A. Producer C claims that he or she purchased additional hay in April 2010 above what he or she normally would have purchased because of the flood that occurred April 2 through April 10, 2010. Producer C was able to put his or her livestock back in the flood-affected pasture on April 10, 2010.

Producer C is eligible for livestock feed losses resulting from the costs of purchasing additional livestock feed, above normal quantities, required to maintain the livestock from the beginning date of the flood, April 2, 2010, through the ending date of the flood, April 10, 2010.

On April 3, 2010, Producer C purchased 35 bales of hay, at a total cost of \$1,400, to feed his or her 100 adult beef cows during the flood. The feed receipts meet all requirements in 1-LDAP, subparagraph 253 C.

On March 31, 2009, the immediately preceding calendar year, Producer C purchased 5 round bales of hay at a total cost of \$400 to feed his or her adult beef cows. Producer C provides the County Office original receipts for the hay he or she purchased on March 31, 2009, and they meet all requirements in 1-LDAP, subparagraph 253 C. The County Office determines that March 31, 2009, is reasonably close to the beginning date of the April 2010 flood for the immediately preceding calendar year.

The County Office determines Producer C's value of the additional feed cost incurred in April 2010, before applying the limitation in subparagraph C, to be \$1,000 calculated as follows.

\$1,400 (total cost of hay purchased from April 2-10, 2010) minus \$400 (total cost of hay purchased from March 31, 2009 through April 10, 2009) = \$1,000

**Important:** The value of additional livestock feed in the amount of \$1,000 is **not** the value of eligible purchases of additional livestock feed to be entered on FSA-918-1. See subparagraph D.

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**2 Revised Policy and Procedure for Livestock Feed Losses – Additional Feed Purchases (Continued)**

**C Determining Livestock Feed Needs**

Livestock feed losses resulting from the additional costs of purchasing additional livestock feed, above normal quantities, required to maintain the eligible livestock until additional livestock feed becomes available, shall **not** exceed the value of the feed needs of the livestock during the eligible adverse weather event or loss condition. For each livestock kind/type and weight range, calculate the livestock feed needs during the eligible adverse weather event or loss condition, according to this table.

<b>Step</b>	<b>Action</b>
1	Complete FSA-918-1, Part A for the livestock that was fed the additional feed purchased above normal quantities because of an eligible adverse weather event or loss condition.
2	Determine the number of days grazing was lost because of the eligible adverse weather event or loss condition.
3	Determine the 90-calendar-day feed cost for the livestock from FSA-918-1, item 13.
4	Calculate the daily feed cost for the livestock by dividing: <ul style="list-style-type: none"> <li>• the 90-calendar-day feed cost for the livestock determined in step 3, by</li> <li>• 90 calendar days.</li> </ul>
5	Calculate the value of the feed needs of the livestock during the eligible adverse weather event or loss condition by multiplying: <ul style="list-style-type: none"> <li>• daily livestock feed cost, determined in step 4, times</li> <li>• number of days of the eligible adverse weather event or loss condition, determined in step 2.</li> </ul>

**Example:** The April 2010 flood prevented Producer C’s livestock from grazing for 8 calendar days. The 90-calendar-day feed cost for Producer C’s 100 adult beef cows is \$8,987, as determined in FSA-918-1, item 13. Therefore, the daily feed cost for the 100 adult beef cows is \$100, calculated by dividing:

- \$8,987, 90-calendar-day feed cost for the 100 adult beef cows, by
- 90 calendar days.

The value of the feed needs for the 100 adult beef cows during the April 2010 flood is \$800, calculated by multiplying:

- \$100, daily feed cost for the 100 adult beef cows, times
- 8 calendar days, the number of days the April flood prevented the 100 adult beef cows from grazing.

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### 2 Revised Policy and Procedure for Livestock Feed Losses – Additional Feed Purchases (Continued)

#### D Determining the Value of Eligible Purchases of Additional Livestock Feed

For livestock feed losses resulting from the purchase of additional feed, above normal quantities, required to maintain livestock until additional feed becomes available, the value of eligible purchases of additional feed shall be the smaller of either of the following:

- producer's value of additional feed costs, determined in subparagraph B
- value of the livestock feed needs during the eligible adverse weather event or loss condition, determined in subparagraph C.

**Important:** For each livestock kind/type and weight range, this result shall be entered in FSA-918-1, item 69.

**Example:** Producer C's value of additional feed costs in April 2010 is \$1,000.

The value of the feed needs of the 100 adult beef cows during the April 2010 flood is \$800.

Producer C is eligible to receive \$800 of livestock feed losses resulting from the additional cost of purchasing additional livestock feed, above normal quantities required to maintain the 100 adult beef cows during the April 2010 flood.

\$800 is the value of eligible purchases of additional livestock feed to be entered in FSA-918-1, item 69.

#### E Additional Spot Checks

2-CP, subparagraph 322 C provides that State and County Offices may spot check any producer **not** identified on the national producer selection list if there is reason to question the producer's compliance with the revised policy in this notice.

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### 3 Extending 2010 ELAP Signup Deadline for Livestock Producers

#### A Extending Signup Deadline for Applications for Payment

Because of the revised policy change outlined in this notice, State Offices may extend the ELAP signup deadline in their State for 2010 calendar year livestock feed losses until COB March 1, 2011, for only those participants who meet **both** of the following:

- have owned, cash-leased, purchased, entered into a contract to purchase, or been a contract grower of eligible livestock during the 60 calendar days before the beginning date of the eligible adverse weather event or loss condition
- suffered a livestock feed loss resulting from the additional cost incurred for purchasing additional feed, above normal quantities, required to maintain livestock during an eligible adverse weather event or loss condition until additional feed becomes available.

#### B Accepting Late-Filed Notices of Loss

If a State Office determines to extend the signup deadline according to subparagraph A, late-filed notices of loss for only those applicants with 2010 livestock feed losses who meet the criteria in subparagraph A, may be accepted as timely filed for ELAP purposes if filed by no later than COB March 1, 2011.

### 4 Action

#### A State Office Action

State Offices shall:

- determine whether there is a need for the State Office to extend the 2010 ELAP signup deadline in the State for livestock producers for the reasons outlined in this notice
- notify the National Office ASAP, through e-mail to Amy Mitchell, Special Programs Manager, at [amy.mitchell1@wdc.usda.gov](mailto:amy.mitchell1@wdc.usda.gov) if it has determined to extend 2010 ELAP signup deadline for livestock producers in the State until COB March 1, 2011
- immediately publicize the State's 2010 ELAP signup extension to all livestock producers in the State by all available means
- ensure that County Offices are notified of the following:
  - content of this notice
  - State's determination to extend or **not** to extend 2010 ELAP signup in the State for livestock producers for the reasons outlined in this notice.

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### **4 Action (Continued)**

#### **B County Office Action**

County Offices shall:

- accept applications and notices of loss as timely filed from only those participants meeting the criteria in subparagraph 3 A, if notified by the State Office that the ELAP signup deadline will be extended for livestock producers in the State
- follow the content of this notice, as applicable.