

For: State and County Offices**Completing CCC-853 for Producers with Livestock Grazing Multiple Pasture Types****Approved by:** Deputy Administrator, Farm Programs

1 Overview**A Background**

Guidance in 1-LDAP (Rev. 1), subparagraph 421 D provides that the LFP monthly payment rate for losses because of qualifying drought are calculated at 60 percent of the smaller of:

- the monthly feed cost for all covered livestock that is calculated by multiplying the monthly feed cost payment rate for each specific kind, type, and weight range of livestock from the table in 1-LDAP (Rev. 1), subparagraph 421 C, times the number of head of eligible covered livestock for each specific kind, type, and weight range of livestock and totaling the result
- the monthly feed cost based on the normal carrying capacity of the eligible grazing land that is calculated by dividing the number of eligible grazing land or pastureland acres of the specific type of grazing land by the normal carrying capacity of the specific type of the eligible grazing land or pastureland, times 30 calendar days, times the daily feed cost.

7 CFR Part 1416.207(g) provides that an eligible livestock producer **cannot** receive more than a 5-month payment for the same covered livestock during the calendar year regardless of the number of drought intensity ratings the county receives; that is, the maximum payment an eligible livestock producer may receive under LFP in a calendar year **cannot** exceed 60 percent of 5 times the same covered livestock's monthly feed costs.

LFP software does **not** have the capability to determine when the same covered livestock are grazing multiple pasture types; therefore, it is possible that the same covered livestock that are grazing multiple pasture types could receive more than the maximum of 5 monthly payments resulting in a producer being overpaid. A manual process has been developed to assist County Offices in providing guidance to livestock producers in distributing the same covered livestock on CCC-853 between the multiple pasture types. The participant shall make distribution of the eligible livestock at the time CCC-853 is filed.

Disposal Date	Distribution
March 1, 2015	State Offices; State Offices relay to County Offices

1 Overview (Continued)

B Purpose

This notice:

- informs State and County Offices:
 - that LFP software does **not** have the capability to determine when the same covered livestock are grazing multiple pasture types; therefore, it is possible that the same covered livestock that are grazing multiple pasture types could receive more than the maximum of 5 monthly payments resulting in a producer being overpaid
 - about instructions for providing guidance to eligible livestock producers for distributing livestock between the multiple grazing land and/or pastureland types that are being grazed by the same covered livestock on CCC-853 at the time the participant files CCC-853
 - that this notice is **not** applicable when the total value of the carrying capacity monthly feed costs for the multiple pasture types being grazed in Estimated Calculated Payment Report, Part C is less than the total value of the livestock monthly feed cost associated to the multiple pastures being grazed in Estimated Calculated Payment Report, Parts A and B for the multiple grazing land and/or pastureland types being grazed by the same covered livestock
- obsoletes Notice LDAP-56 to clarify that the participant is **not** required to distribute the same covered livestock on CCC-853, if the County Office determines that the total value of the carrying capacity monthly feed costs for the multiple pasture types being grazed in Estimated Calculated Payment Report, Part C is less than the total value of the livestock monthly feed cost associated to the multiple grazing land and/or pasture types being grazed in Estimated Calculated Payment Report, Parts A and B for the multiple grazing land and/or pastureland types being grazed by the same covered livestock.

2 Procedure for Handling Livestock Grazing Multiple Pasture Types

A Limiting LFP Payments for Covered Livestock Grazing Multiple Pasture Types

LFP software does **not** have the capability to determine when the same covered livestock are grazing multiple pasture types. As a result, it is possible that the same covered livestock that are grazing multiple pasture types could receive more than the maximum of 5 monthly payments resulting in a producer being overpaid.

According to instructions in this notice, County Offices shall provide guidance to livestock producers to distribute eligible livestock on CCC-853, as follows:

- at the time the participant files CCC-853
- between the multiple grazing land and/or pastureland types according to subparagraph B

2 Procedure for Handling Livestock Grazing Multiple Pasture Types (Continued)

A Limiting LFP Payments for Covered Livestock Grazing Multiple Pasture Types (Continued)

- to ensure that an eligible livestock producer's payments for specific eligible livestock that are grazing multiple pasture types are **not** overpaid and do **not** receive more than 5 monthly payments.

B Distributing Eligible Livestock on CCC-853 When Covered Livestock Are Grazing Multiple Pasture Types

The following table provides instructions to County Offices for distributing eligible livestock between the multiple grazing land and pastureland types being grazed by the same covered livestock on CCC-853 at the time the participant files CCC-853.

Step	Action
1	<p>When the eligible livestock producer indicates in CCC-853, Part D, item 21 that the same covered livestock are grazing multiple pasture types listed in item 22, County Offices shall encourage eligible livestock producers to distribute eligible livestock between the multiple pasture types so that the maximum animal units that the specific pasture type can sustain is not exceeded.</p> <p>County Offices shall determine the maximum animal units that each pasture type can sustain by dividing the acres being grazed in item 23 of that pasture type by the carrying capacity in item 24 for that pasture type.</p> <p>Example: Alfred Register's 300 head of adult beef cows are grazing 2,739.8 acres of native pasture with a carrying capacity of 10.0 acres per animal unit and 863.2 acres of improved pasture with a carrying capacity of 5.0 acres per animal unit (no fence exists between the 2 pasture types). To determine the maximum animal units that each pasture type can sustain, the County Office performs the following calculations for Mr. Register:</p> $2,739.8 \text{ acres native pasture} \div 10.0 \text{ acres per animal unit} = 273.98 = 273 \text{ maximum animal units native pasture can sustain.}$ $863.2 \text{ acres improved pasture} \div 5.0 \text{ acres per animal unit} = 172.64 = 172 \text{ maximum animal units improved pasture can sustain.}$ <p>Based on these calculations, Mr. Register's 2,739.8 acres of native pasture can sustain 273 animal units and his improved pasture can sustain 172 animal units. The multiple pasture types can sustain a total of 445 animal units. Mr. Register has 300 head of adult beef cows and has no current year mitigated livestock. Mr. Register is considered understocked and must distribute the same covered livestock between the multiple pasture types. Estimated Calculated Payment Report, Part C would not be less than Parts A and B for the multiple pastures being grazed by the same covered livestock.</p>

2 Procedure for Handling Livestock Grazing Multiple Pasture Types (Continued)

B Distributing Eligible Livestock on CCC-853 When Covered Livestock Are Grazing Multiple Pasture Types (Continued)

Step	Action																		
2	<p>After the County Office calculates the maximum animal units that each specific pasture type can sustain, then the livestock producer will select the number of head of animals to distribute between each specific pasture type ensuring that the number distributed does not exceed the number that each pasture type can sustain.</p> <p>Example: In step 1, it was determined that Alfred Register’s 2,739.8 acres of native pasture with a carrying capacity of 10 acres per animal unit could sustain 273 maximum animal units and his 863.2 acres of improved pasture with a carrying capacity of 5 acres per animal unit could sustain 172 maximum animal units. Mr. Register decided to distribute 170 adult beef cows to the native pasture acreage of 2,739.8 acres and the remaining 130 adult beef cows to the 863.2 acres of improved pasture grazing land.</p> <p>Note: County Offices can use CCC-853-1 to assist producers in determining the most beneficial payment, as long as the producer does not distribute more than the maximum number of animal units between each of the specific pasture types.</p> <p>Example: Mr. Register, in this example, could not distribute more than 273 adult beef cattle to the native pasture and 28 adult beef cattle to the improved pasture or more than 172 adult beef cattle to the improved pasture and 128 adult beef cattle to the native pasture.</p>																		
3	<p>After the producer has selected the number of head of livestock to distribute between each specific pasture type, the livestock producer will complete CCC-853, by selecting the number of head of livestock to be entered in items 14, 15, and 16 that will be associated with each livestock kind, type, and weight entered in item 13. The automated system will match the specific pasture type in item 22 with the livestock number in item 21. The livestock number or numbers from item 12 are used for livestock distributed for the specific type of pasture.</p> <p>Example:</p> <table><tr><th><u>Item 12</u></th><th><u>Item 13</u></th><th><u>Item 14</u></th><th><u>Item 21</u></th><th><u>Item 22</u></th><th><u>Item 23</u></th></tr><tr><td>1</td><td>Adult Beef Cows</td><td>170</td><td>1</td><td>Native Pasture</td><td>2,739.8</td></tr><tr><td>2</td><td>Adult Beef Cows</td><td>130</td><td>2</td><td>Improved</td><td>863.2</td></tr></table>	<u>Item 12</u>	<u>Item 13</u>	<u>Item 14</u>	<u>Item 21</u>	<u>Item 22</u>	<u>Item 23</u>	1	Adult Beef Cows	170	1	Native Pasture	2,739.8	2	Adult Beef Cows	130	2	Improved	863.2
<u>Item 12</u>	<u>Item 13</u>	<u>Item 14</u>	<u>Item 21</u>	<u>Item 22</u>	<u>Item 23</u>														
1	Adult Beef Cows	170	1	Native Pasture	2,739.8														
2	Adult Beef Cows	130	2	Improved	863.2														
4	Livestock producer completes CCC-853 remaining sections according to 1-LDAP (Rev. 1), paragraph 442.																		

Notice LDAP-57

2 Procedure for Handling Livestock Grazing Multiple Pasture Types (Continued)

C Situations Where Participant Is Not Required to Distribute Livestock on CCC-853

The following is an example of when the participant is **not** required to distribute livestock on CCC-853.

Example: Jim Black's 42 head of adult beef cows and 103 head of nonadult beef cattle weighing 500 pounds or more are grazing 47.9 acres of native pasture with a carrying capacity of 20.4 acres per animal unit and 259.54 acres of improved pasture with a carrying capacity of 4.1 acres per animal unit (no fence exists between the 2 pasture types). Based on the calculations completed in subparagraph 2 B, step 1, Mr. Black's 47.9 acres of native pasture can sustain 2 animal units and the 259.54 acres of improved pasture can sustain 63 animal units. Mr. Black is considered overstocked and the total value in Estimated Calculated Payment Report, Part C is less than Parts A and B. Mr. Black is **not** required to distribute livestock on CCC-853 in this example.

Example Estimated Calculated Payment Report						
Part A - Livestock Information - Drought - Current Year Inventory and Current Year Mitigated						
Livestock Number	Livestock Kind Type and Weight Range	Current Year Inventory	Current Year Mitigated	Number of Livestock	Share	Livestock Monthly Feed Cost
1	Beef Adult Cows and Bulls	42	0	42	100.00 %	\$51.81
2	Beef Non-adult 500 pounds or more	103	0	103	100.00 %	\$38.86
Total Livestock Monthly Feed Cost - Current Year						\$6,179
Part B - Livestock Information - Drought - Mitigated Livestock From Prior Years						
Livestock Number	Livestock Kind Type and Weight Range	Number of Livestock	Share	Payment Rate	Mitigated Partial Compensation Factor	Livestock Monthly Feed Cost
1	Beef Adult Cows and Bulls	0	100.00 %	\$51.81	80%	\$0
2	Beef Non-adult 500 pounds or more	0	100.00 %	\$38.86	80%	\$0
Total Livestock Monthly Feed Cost - Prior Year Mitigated Livestock						\$0
Part C - Forage Information - Drought - Owned or Cash Leased Land						
Livestock Number	Pasture Type	Acres	Carrying Capacity	Maximum AU's	Monthly Value of Forage	Carrying Capacity Monthly Feed Cost
1, 2	Native Pasture	47.9	20.4	2.35	\$51.81	\$122
1, 2	Improved Pasture	259.54	4.1	63.30	\$51.81	\$3,280

The total value of the carrying capacity monthly feed cost in Estimated Calculated Payment Report, Part C for the native pasture and improved pasture being grazed is \$3,402 (\$122 native pasture feed cost + \$3,280 improved pasture feed cost), which is less than the \$6,179 livestock monthly feed cost (\$6,179 Part A + \$0 Part B) for the eligible livestock grazing the native and improved pastures; therefore, the livestock producer is **not** required to redistribute livestock between the 2 pasture types according to this notice.

3 Action

A State Office Action

State Offices shall ensure that County Offices are immediately notified of the contents of this notice.

B County Office Action

CED's shall ensure that County Offices follow instructions for distributing livestock between the multiple grazing land and/or pastureland types that are being grazed by eligible covered livestock on CCC-853 at the time the participant files CCC-853.