

For: State and County Offices

**Using FSA-915, Estimated Livestock Indemnity Program (LIP) Loss Calculation Worksheet**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

The 2008 Farm Bill authorized LIP. LIP provides compensation to eligible livestock producers who have incurred livestock death losses in excess of normal mortality, on or after January 1, 2008, and before October 1, 2011. Eligible losses as a result of adverse weather, as determined by the Secretary during the calendar year, include: blizzards, disease, extreme cold, extreme heat, floods, hurricanes, and wildfires.

Signup began on July 13, 2009, for livestock owners and contract growers who suffered livestock losses during 2008 and 2009. The web-based LIP payment software will not be available until a later date. An interim manual payment process has been developed and County Offices may begin issuing manual LIP payments on or about July 20, 2009. A loss calculation worksheet has been developed to assist County Offices in calculating LIP payment amounts for eligible livestock producers until the automated payment process is deployed.

**B Purpose**

This notice

- informs State and County Offices that FSA-915, Estimated Livestock Indemnity Program (LIP) Loss Calculation Worksheet:
  - shall be used by County Offices to calculate LIP payment amounts for eligible livestock producers until the automated payment process is deployed
  - will be provided to State Offices in the form of an Excel spreadsheet and will include livestock mortality rates and livestock payment rates by kind/type and weight range.

**Note:** Additional instructions will be forthcoming.

- provides instructions for completing manual FSA-915.

<b>Disposal Date</b>  May 1, 2010 7-17-09	<b>Distribution</b>  State Offices; State Offices relay to County Offices
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## Notice LDAP-8

### 2 Completing FSA-915

#### A Using FSA-915

FSA-915 has been developed to assist County Offices in calculating LIP payment amounts for eligible livestock producers until the automated payment process is deployed. FSA-915 shall be used by County Offices to calculate LIP payment amounts for eligible livestock producers until the automated payment process is deployed.

A new FSA-915 shall be completed for an eligible livestock producer each time a subsequent adverse weather event results in eligible livestock death losses for which benefits may be earned.

FSA-915 will also be provided to State Offices in the form of an Excel spreadsheet.

#### B Completion Instructions

FSA-915 shall be completed according to the following table.

Item	Instructions
1	Enter County Office name. This is the administrative County Office where the participant's farm records are maintained
2	Enter the calendar year in which the livestock death losses occurred.
3a	Enter the participant's name.
3b	<p><b>For 2008</b>, an entry is <b>only required</b> if the participant identified in Item 3a is a general partnership or joint venture with a permanent taxpayer identification number. A separate FSA-915 shall be completed for each member of the general partnership and/or joint venture. Items 4 through 16 for each member will be calculated based on information entered for the general partnership or joint venture. Items 17 through 21 will be calculated based on information pertaining to each specific member of the general partnership or joint venture.</p> <p><b>For 2009 and subsequent years</b>, an entry is required for all general partnerships and joint ventures with a permanent taxpayer identification number, and legal entities. A separate FSA-915 shall be completed for each member of the general partnership, joint venture, or legal entity. Items 4 through 16 for each member will be calculated based on information entered for the general partnership, joint venture, or legal entity. Items 17 through 21 will be calculated based on information pertaining to each specific member of the general partnership, joint venture, or legal entity.</p>
3c	<p>Enter the share of the member of the general partnership, joint venture, or legal entity, if applicable.</p> <p><b>Note:</b> Member share is only required if a member is required to be entered in Item 3b.</p>

## Notice LDAP-8

### 2 Completing FSA-915 (Continued)

#### B Completion Instructions (Continued)

Item	Instructions
4	Enter the applicable livestock kind/type(s) and weight range from FSA-914, Item 14.
5	<p>Enter the number of livestock in inventory for each livestock kind/type and weight range from FSA-914, Item 15.</p> <p><b>Note:</b> If an entry is entered in FSA-914, Item 18, "Adjusted Inventory", then COC adjusted inventory entry in Item 18 for the specific livestock kind/type and weight range shall be used instead of the entry in Item 15.</p> <p>This is the number of livestock owned or, if a contract grower, in the possession of the contract grower, for the applicable livestock kind/type and weight range, on the day the livestock deaths occurred.</p>
6	Enter the normal mortality rate, established by STC, for the applicable livestock kind/type and weight range.
7	<p>Enter the loss threshold by entering the result of multiplying Item 5 (Inventory on Date of Adverse Weather Event) times Item 6 (Normal Mortality rate). Round to the nearest whole number.</p> <p><b>Example:</b> 100 adult beef cows in inventory Normal Mortality Rate = 2 percent</p> <p style="text-align: center;">Loss Threshold = 100 head x 2% = 2 head</p>
8	<p>Enter the number of livestock lost because of normal mortality for each livestock kind/type and weight range of livestock from FSA-914, Item 17.</p> <p><b>Note:</b> If an entry is entered in FSA-914, Item 20, "Adjusted Number Lost Due to Normal Mortality", then COC "Adjusted Number Lost Due to Normal Mortality" entry in Item 20 for the specific livestock kind/type and weight range shall be used instead of the entry in Item 17.</p>
9	Enter the result of subtracting Item 7 (loss threshold) from Item 8 (Number Lost Due to Normal Mortality). This is the "Net Loss Threshold". If the result is negative, Enter "0".

**Notice LDAP-8**

**2 Completing FSA-915 (Continued)**

**B Completion Instructions (Continued)**

<b>Item</b>	<b>Instructions</b>
10	<p>Enter the total number of livestock lost because of adverse weather for each livestock kind/type and weight range of livestock from FSA-914, Item 16.</p> <p><b>Note:</b> If an entry is entered in FSA-914, Item 19, “Adjusted Number Lost Due to Adverse Weather”, then COC “Adjusted Number Lost Due to Adverse Weather” entry in Item 19 for the specific livestock kind/type and weight range shall be used instead of the entry in Item 16.</p>
11	<p>Enter the result of subtracting Item 9 (Net Loss Threshold) from Item 10 (Total Number of Death Losses Due to Adverse Weather). The result is the eligible number of livestock by kind/type and weight range that are eligible for payment.</p> <p><b>Note:</b> If the result is less than or equal to zero, enter zero and STOP. The producer is not due a LIP payment.</p>
12	Enter the payment rate for the applicable livestock kind/type and weight range.
13	Enter the gross estimated calculated payment amount for each livestock kind/type and weight range by multiplying Item 11 (eligible number of livestock for payment) times Item 12 (payment rate).
14	Enter the “total” of all the entries in Item 13 by kind/type and weight range. This is the “Gross Estimated Calculated Payment Amount”.
15	Enter the amount of monetary compensation received by the participant from their contractor for the loss of income suffered from the death of the livestock under contract (for contract growers only from FSA-914, Item 23).
16	Enter dollar amount of compensation received from other disaster assistance programs for the same livestock losses from FSA-914, Item 24.

**Notice LDAP-8**

**2 Completing FSA-915 (Continued)**

**B Completion Instructions (Continued)**

<b>Item</b>	<b>Instructions</b>
17	<p>Enter the total net estimated calculated payment amount determined before application of the payment limitation as follows:</p> <p>(Item 14 minus Item 15 minus Item 16) times (Item 3c, if applicable).</p> <p>If the result is negative, enter "0". This is the total net estimated calculated payment amount before payment limitation.</p> <p><b>Notes:</b> For 2008, Loss Calculation Worksheets shall be completed for individual members of general partnerships and joint ventures with permanent taxpayer identification numbers. In these instances, the total net estimated calculated payment amount before payment limitation will be multiplied by each member's share in item 3c.</p> <p><b>Example 1:</b> Individual A's gross estimated calculated payment is \$1000, other compensation is \$0, and other reduction is \$0.</p> <p style="padding-left: 40px;"><math>\\$1000 - \\$0 - \\$0 = \\$1000</math> (Total Net Estimated Calculated Payment Amount Before Payment Limitation)</p> <p><b>Example 2:</b> Partner B has a 50 percent interest in Partnership AB. The gross estimated calculated payment for the partnership is \$5000, other compensation for the partnership is \$0, and other reductions for the partnership is \$0.</p> <p style="padding-left: 40px;"><math>(\\$5000 - \\$0 - \\$0) \times 50\% = \\$2500</math> (Total Net Estimated Calculated Payment Amount Before Payment Limitation for Individual B).</p> <p>For 2009, Loss Calculation Worksheets shall be completed for individual members of general partnerships and joint ventures with permanent taxpayer identification numbers, and legal entities. In these instances, the total net estimated calculated payment amount before payment limitation will be multiplied by each member's share in Item 3c.</p>

**Notice LDAP-8**

**2 Completing FSA-915 (Continued)**

**B Completion Instructions (Continued)**

<b>Item</b>	<b>Instructions</b>
18	<p>Enter the maximum payment amount that can be received in ELAP, LFP, LIP, and SURE payments, combined. Reductions to the \$100,000 maximum payment limitation should be made for any ineligible share in an entity because of AGI, controlled substance, fraud provisions, conservation compliance, etc.</p> <p><b>Note:</b> \$100,00 is the maximum payment that a “person”, as determined under the provisions in 7 CFR part 1400 as in effect for 2008 may receive for 2008 under ELAP, LFP, LIP, and SURE combined.</p> <p>\$100,00 is the maximum payment that a person or legal entity, (excluding a joint venture or general partnership) as determined under the provisions in 7 CFR Part 1400 as in effect for 2009 and subsequent years, may receive, directly or indirectly, per program year total under ELAP, LFP, LIP, and SURE combined. Both direct and indirect benefits are counted by attribution.</p> <p>If an entry is made in Item 3A and 3B, then reduction in the maximum payment limitation will be made at the member level.</p>
19	<p>Enter for:</p> <ul style="list-style-type: none"> <li>• 2008 calendar year losses, the total amount of previous 2008 program year payments issued to the “person”, including combined persons under ELAP, LFP, LIP, and SURE</li> <li>• 2009 and subsequent calendar year losses, the total amount of program year payments issued to the person or legal entity, directly or indirectly under ELAP, LFP, LIP, and SURE.</li> </ul>
20	<p>Enter the available payment limitation by subtracting Item 19 from Item 18.</p>

## Notice LDAP-8

### 2 Completing FSA-915 (Continued)

#### B Completion Instructions (Continued)

Item	Instruction
21	Enter the LIP estimated payment amount to be issued by entering the smaller of Item 17 or Item 20.  <b>Note:</b> For members of general partnerships and joint ventures with a permanent taxpayer identification numbers, and legal entities for 2009 and subsequent years, total the LIP estimated payment amounts for all members of the general partnership or joint venture and manually enter the total in item 21 on a summary worksheet for the applicable general partnership, joint venture, or legal entity. The worksheets for the members of the general partnership, joint venture, or legal entity shall be attached to the applicable summary worksheet.
22a	Preparer of form shall sign.
22b	Preparer of form shall enter title.
22c	Preparer of form shall enter date form is prepared.
23a	Party conducting second party review shall sign form when second party review is complete.
23b	Second party reviewer shall enter date second party review is completed.

Notice LDAP-8

2 Completing FSA-915 (Continued)

C Example of FSA-915

This form is available electronically.

<b>FSA-915</b> (07-17-09)  <b>ESTIMATED LIVESTOCK INDEMNITY PROGRAM (LIP) LOSS CALCULATION WORKSHEET</b>	U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency		1. Farm Service Agency County Office Name	2. Calendar Year
	3A. Participant Name			
	3B. Member Name (If Applicable)		3C. Member Share (If Applicable)	
4. Enter applicable Livestock Kind/Type(s) by Weight Range from Form FSA-914, Item 14.	A. Livestock Kind/Type, Weight Range	B. Livestock Kind/Type, Weight Range	C. Livestock Kind/Type, Weight Range	
5. Inventory on Date of Adverse Weather Event, (FSA-914, Item 15 or Item 18).				
6. Mortality Rate for Applicable Livestock Kind/Type, Weight Range.				
7. Loss Threshold (Item 5 x Item 6, round to nearest whole number).				
8. Number Lost Due to Normal Mortality (FSA-914, Item 17 or Item 20).				
9. Net Loss Threshold (Item 7 minus Item 8. If the result is negative, enter 0).				
10. Total Number of Death Losses Due to Adverse Weather (FSA-914, Item 16 or Item 19).				
11. Eligible Number of Livestock for Payment (Item 10 minus Item 9. If the result is less than or equal to zero, enter 0 and STOP).				
12. Payment Rate for Applicable Livestock Kind/Type and Weight Range.				
13. Gross Estimated Calculated Payment Amount by Livestock Kind/Type and Weight Range (Item 11 x Item 12). Round to whole dollars.				
14. Total Gross Estimated Calculated Payment Amount (Total all entries in Item 13).			\$	
15. Other Compensation (Contact Growers)			\$	
16. Other Reductions			\$	
17. Total Net Estimated Calculated Payment Amount Before Payment Limitation (Item 14 minus Item 15 minus Item 16) x (Item 3C, if applicable). If the result is negative, enter 0. Round to whole dollars.			\$	
18. Maximum Payment Limitation for Payments Combined under ELAP, LIP, LFP, and SURE.			\$	
19. Total Previous Payments Issued Under ELAP, LIP, LFP, and SURE.			\$	
20. Available Payment Limitation (Item 18 minus Item 19).			\$	
21. LIP Estimated payment to be Issued. (Enter the smaller of Item 17 or Item 20).			\$	
22A. Signature of Preparer	22B. Title of Preparer		22C. Date (MM-DD-YYYY)	
23A. Signature of Second Party Reviewer			23B. Date (MM-DD-YYYY)	

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## Notice LDAP-8

### 3 Action

#### A County Office Action

CED's shall ensure that FSA-915's are used to calculate LIP payments until the automated payment process is deployed.

#### B State Office Action

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