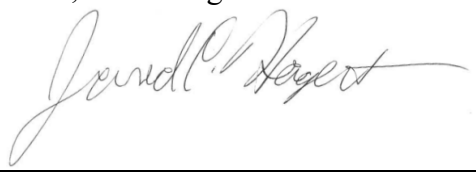
UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice LFP-8

For: State and County Offices

Implementing The Working Families Tax Cuts Act (WFTCA) Updates for LFP Program Year 2026 and Subsequent Years

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The WFTCA (Pub. L. 119-21) mandates updates to the U.S. Drought Monitor (USDM), D2 (Severe Drought) intensity criteria and payment factors for LFP. The final rule implementing those updates can be found at https://www.federalregister.gov/documents/2026/07/09/2026-13878/supplemental-disaster-assistance-programs-marketing-assistance-loans-and-sugar-provisions.https://www.federalregister.gov/documents/2026/07/09/2026-13878/supplemental-disaster-assistance-programs-marketing-assistance-loans-and-sugar-provisions. The final rule published on July 9, 2026, modifies qualifying drought thresholds during the normal grazing period, as determined by the USDM , for program year 2026 and subsequent years as follows:

- D2 drought intensity for 4 consecutive weeks: 1-month payment factor
- D2 drought intensity for 7 of the previous 8 consecutive weeks: 2-month payment factor.

Before rule publication, State and County Offices were authorized to accept and approve 2026 LFP applications (CCC-853's) using the legacy D2 drought threshold of 8 consecutive weeks to determine 2026 program and payment eligibility. Implementing WFTCA updates mid-program year will automatically trigger an additional 1-month payment to approved 2026 CCC-853's, upon rule publication, that previously qualified for a 1-month payment under legacy D2 drought criteria.

This update will revise the "Date of Qualifying Drought" on many 2026 CCC-853's potentially impacting eligibility determinations and payment calculations. The updated drought criteria applies to the entire 2026 program year, which may result in differing qualifying dates and eligibility determinations compared to CCC-853's approved before rule publication.

Additionally, the final rule established separate covered livestock categories for water buffalo, clarifying their eligibility.

Disposal Date	**Distribution**
January 1, 2027	State Offices; State Offices relay to County Offices

1 Overview (Continued)

B Purpose

This notice informs State and County Offices of policy updates regarding:

- water buffalo definitions
- D2 drought intensity criteria and payment factors
- 2026 mid-year implementation of updated drought criteria authorized by WFTCA.

2 Covered Livestock Updates for Program Year 2026 and Subsequent Years

A Definitions

For program year 2026 and subsequent years, CCC is adding separate covered livestock categories for water buffalo. Water buffalo were previously considered eligible under the category of buffalo/bison. This update improves clarity of eligible covered livestock. The following are the definitions added to eligible covered livestock for LFP.

Adult water buffalo bull means a male animal of that breed that was used for breeding purposes and was at least 2 years old before the beginning date of the qualifying drought or fire.

Adult water buffalo cow means a female animal of that breed that had delivered one or more offspring before the beginning date of the qualifying drought or fire. A first-time bred water buffalo heifer is also considered an adult water buffalo cow if it was pregnant by the beginning date of the qualifying drought or fire.

Non-adult water buffalo means a weaned animal of that breed that on or before the beginning date of the qualifying drought or fire does not meet the definition of adult water buffalo cow or bull.

B Payment Rates and Mid-Year Program Year Implementation

New covered livestock categories for adult and non-adult water buffalo have been added to the LFP application software, maintaining the same payment rates as buffalo. No retroactive adjustments are required for applications using buffalo categories instead of water buffalo. Applicants and County Offices must use the correct categories when applying and administering LFP applications.

3 D2 (Severe Drought) Intensity Updates

A LFP Program Year 2025 and Prior Years

For program year 2025 and prior years, eligible grazing losses due to drought must occur on land physically located in a county rated D2 (Severe Drought) intensity by the USDM for at least 8 consecutive weeks during the normal grazing period for the applicable pasture type of grazing land or pastureland.

B LFP Program Year 2026 and Subsequent Years

For program year 2026 and subsequent years, eligible grazing losses due to drought must occur on land physically located in a county that, during the normal grazing period for the applicable pasture type of grazing land or pastureland, is rated by the USDM as having either of the following:

- D2 drought intensity for 4 consecutive weeks
- D2 drought intensity for 7 of the previous 8 consecutive weeks.

Note: D3 and D4 drought intensity triggers remain unchanged.

4 Drought Intensity Payment Factors and Drought Beginning Dates

A LFP Program Year 2025 and Prior Years

Eligible drought intensities and payment factors for LFP program year 2025 and prior years are as follows.

Drought Monitor - LFP County Eligibility		
Drought Monitor Category	**Duration (during grazing season)**	**Drought Intensity Payment Factor (# Payment Months)**
D2 - Severe Drought	8 consecutive weeks	1
D3 - Extreme Drought	1 day	3
D3 - Extreme Drought	4 non-consecutive weeks	4
D-4 Exceptional Drought	1 day	4
D-4 Exceptional Drought	4 non-consecutive weeks	5

4 Drought Intensity Payment Factors and Drought Beginning Dates (Continued)

B LFP Program Year 2026 and Subsequent Years

Updated drought intensities and payment factors for LFP program year 2026 and subsequent years are as follows.

Drought Monitor -UPDATED LFP County Eligibility		
Drought Monitor Category	Duration (during grazing season)	Drought Intensity Payment Factor (# Payment Months)
D2 - Severe Drought	4 ~~8~~ consecutive weeks	1
D2 - Severe Drought	7 of 8 consecutive weeks	2
D3 - Extreme Drought	1 day	3
D3 - Extreme Drought	4 non-consecutive weeks	4
D-4 Exceptional Drought	1 day	4
D-4 Exceptional Drought	4 non-consecutive weeks	5

C Determining Beginning Date of Qualifying Drought

The beginning date of a qualifying drought is used to determine producer, livestock, and grazing land eligibility according to 1-LFP. For program year 2026 and subsequent years, the beginning date of a qualifying drought for the specific pasture type of grazing land or pastureland is the earliest date of:

- the **last day** of the 4 consecutive week period during the normal grazing period for the specific pasture type physically located in a county rated D2 by the USDM
- the **last day** of the 7 out of 8 consecutive week period during the normal grazing period for the specific pasture type physically located in a county rated D2 by the USDM
- the **first day** a county was rated D3 or D4 by the USDM during the normal grazing period for the specific pasture type physically located in that county.

5 2026 Mid-Year Implementation of Updated D2 Drought Criteria

A 2026 Mid-Year Implementation

Mid-year rule publication and implementation of WFTCA creates misalignment between previously processed CCC-853's. CCC-853's submitted before rule publication used the legacy D2 drought eligibility criteria to determine program and payment eligibility. The 2026 LFP application software became available on March 6, 2026. On April 16, 2026, payment rates were released, and COC determinations and payment software were enabled. Under the final rule, 2026 CCC-853's using legacy D2 drought criteria for program eligibility will now have a revised "Date of Qualifying Drought".

5 2026 Mid-Year Implementation of Updated D2 Drought Criteria (Continued)

A 2026 Mid-Year Implementation (Continued)

As a result, many 2026 CCC-853's approved before rule publication may now contain inaccurate:

- date of qualifying drought
- eligibility determinations
- monthly payment factors and payment amounts.

B Initial Action Steps Upon Rule Publication

Upon rule publication, the National Office will:

- provide national training to State and County Offices and will be available at https://usdagcc.sharepoint.com/sites/FPAC-FSA-FPAC-FSA-LFPStateProgramSpecialists/SitePages/Home.aspx

- generate updated 2026 LFP Eligibility Report from USDM data using the updated WFTCA D2 drought criteria

- provide reports for State Offices at https://usdagcc.sharepoint.com/sites/FPAC-FSA-FPAC-FSA-LFPStateProgramSpecialists/SitePages/Home.aspx identifying 2026 applications with updated qualifying drought dates and payment factors by application status

- provide information regarding producer notifications to all applicants of impacted 2026 CCC-853's in approved and enrolled status.

- update the 2026 LFP application software with the updated LFP Eligibility Report using the drought criteria authorized by WFTCA which will include:

    - any pasture type in any county that may now be eligible using the drought criteria of 4 consecutive weeks or 7 out of 8 consecutive weeks at D2 drought intensity during the normal grazing period

    - updated date of qualifying drought, as applicable

    - updated payment factors, as applicable.

State and County Offices must review the updated 2026 LFP Eligibility Report to identify any additional counties and pasture types that may now be eligible using the updated D2 drought criteria. Program information and eligibility data is available to the public at https://www.fsa.usda.gov/resources/disaster-recovery/livestock-forage-disaster-program-lfp.

5 2026 Mid-Year Implementation of Updated D2 Drought Criteria (Continued)

C Maintaining All COC Approved CCC-853's Before Rule Publication and Optional Revisions

All 2026 CCC-853's that were approved before the date of rule publication on July 9, 2026, will remain in approved status using the legacy drought criteria, with no required revision by the applicant or County Office. Dates of qualifying drought and monthly payment factors will be updated automatically in the software. Applicants may revise their CCC-853 before the program deadline of March 1, 2027, if the updated date of qualifying drought is advantageous to the producer such as increased eligible covered livestock inventory or shifts in land eligibility.

Example: Tate County, Mississippi was determined by the USDM of experiencing D2 (Severe Drought) conditions beginning on March 3, 2026. The county triggered for 2026 LFP 8 consecutive weeks later on April 27, 2026, the date of qualifying drought. Joe Rancher applied for 2026 LFP in Tate County on June 15, 2026, providing his covered livestock inventories and pastureland as of April 27, 2026. The COC reviewed and determined Mr. Rancher's CCC-853 met all producer, livestock, and pastureland eligibility requirements as of the date of qualifying drought and approved his CCC-853.

Tate County issued Mr. Rancher an 2026 LFP payment based off of his livestock inventories due to having adequate pastureland acres to support his livestock inventories. Upon rule publication, Tate County's date of qualifying drought is updated, after 4 consecutive weeks at D2, to March 30, 2026. Mr. Rancher elected to update his 2026 CCC-853 due to the fact that he had risk and control of an additional 50 head of stockers (Beef Cattle – Non Adult 500 pounds or more) on March 30, 2026 along with his previously reported livestock inventory. Mr. Rancher has enough pastureland to support the additional 50 head; therefore, he was determined eligible by the COC for an additional payment based on his increased livestock inventory.

D Actions Required on CCC-853's in Enrolled and Initiated Status with a Change in Date of Qualifying Drought Upon Rule Publication

All enrolled applicants or their representative in the case of deceased applicants, will be notified that their application is subject to the new provisions, upon rule publication, in 7 CFR Part 1416 Subpart A and C for program and payment eligibility determinations. Enrolled applications include CCC-853's signed by producers including signed CCC-853's not loaded in the LFP application software. Applicants are required to review these applications, revise if applicable, and sign a new CCC-853's with the updated date of qualifying drought. This will ensure that the COC's can make accurate producer, livestock, and land eligibility determination. These revisions may include adjustments to livestock inventory and land eligibility, requiring the review of leasing or ownership dates according to the updated date of qualifying drought. Any revisions must occur within 60 days from the date notification.

5 2026 Mid-Year Implementation of Updated D2 Drought Criteria (Continued)

D Actions Required on CCC-853's in Enrolled and Initiated Status with a Change in Date of Qualifying Drought Upon Rule Publication (Continued)

All CCC-853's not revised by the applicant by the deadline, require the COC to act upon the CCC-853 as originally submitted and the eligibility determinations will be made as of the updated date of qualifying drought. COC adjustments may include land eligibility if the producer did not have risk and control of the land as of the updated date of qualifying drought (4 weeks prior). COC's must adjust the eligible pastureland and rangeland, accordingly, providing notification to the producer of the adjustment and provide applicable appeal rights. The producer would have an additional 30 days after notification to provide any additional documentation that would support the claim that the COC errored in their original determination.

County Offices must recognize and inform producers when completing all initiated 2026 LFP applications that some applicants may be affected by revised date of qualifying drought. This will require the producer to finalize their CCC-853 using the updated date of qualifying drought for all the producer, livestock, and land eligibility used for COC determinations, as applicable.

Upon rule publication, State and County Offices must apply all provisions in 7 CFR Part 1416 Subpart A and C for program and payment eligibility determinations for all new 2026 LFP applications and revisions.

E Additional Payments on Approved CCC-853's After WFTCA Updates

Updated D2 drought intensity payment factors and payment amounts will be processed automatically through the LFP payment software when the updated 2026 LFP Eligibility Report is uploaded in the software. LFP payments are processed nightly and will continue to be reprocessed as changes are made to CCC-853's. County Offices are required to review all payments in NPS for accuracy, sign, and certify those payments in NPS as applicable, according to 1-FI.

If there is an issue with an LFP application or payment, the State Office specialist should update the application information on the Program Delivery Division SharePoint site for LFP at https://usdagcc.sharepoint.com/sites/fsa-dafp-disaster/Payment_Issues/SitePages/Home.aspx.

Note: The PDD Software Issues SharePoint site is only for State Office specialists and the National Office. County Offices must not request access.

6 Action

A State Office Action

State Offices must:

- ensure that County Offices are aware of the contents of this notice
- assist County Offices with questions about this notice
- contact the following with specific questions regarding:
  - LFP policy, Kelly Breinig by email at Kelly.breinig@usda.gov
  - LFP application software, Wes Jennings by email at Wes.Jennings@usda.gov
  - LFP payment software, Barry TerHark by email at Barry.Terhark@usda.gov.

B County Office Action

County Offices must:

- review the contents of this notice
- contact the DD or State Office, as applicable, with questions about this notice.