



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.



DISASTER ASSISTANCE Livestock Indemnity Program

Overview

The Agriculture Improvement Act of 2018 (the 2018 Farm Bill) authorized the Livestock Indemnity Program (LIP) to provide benefits to eligible livestock owners or contract growers for livestock deaths in excess of normal mortality caused by eligible loss conditions, including eligible adverse weather, eligible disease and attacks by animals reintroduced into the wild by the federal government or protected by federal law, including wolves and avian predators. In addition, LIP provides assistance to eligible livestock owners that must sell livestock at a reduced price because of an injury from an eligible loss condition.

LIP is administered by the **U.S. Department of Agriculture (USDA) Farm Service Agency (FSA)**. The occurrence of an eligible loss condition in and by itself - does not determine eligibility for eligible livestock losses. The livestock owner or contract grower must provide evidence acceptable to FSA that the eligible cause of loss not only occurred but directly caused loss or death.

LIP payments for owners are based on national payment rates that are 75 percent of the market value of the applicable livestock as determined by the USDA's Secretary of Agriculture. Rates for contract growers of poultry or swine will not exceed the rates for owners but are based on 75 percent of national average input costs for the applicable livestock.

The 2018 Farm Bill amended certain provisions related to LIP effective in 2019. Those amendments included:

- livestock death losses due to extreme cold are considered eligible losses without regard to vaccination protocol, or lack of vaccination; and
- providing for compensation for livestock death losses due to diseases that are caused or transmitted by a vector and are not controlled by vaccination or an acceptable management practice. These diseases were previously covered under ELAP.



Eligible Livestock Owners

To be eligible for LIP:

- A livestock owner must have legally owned the livestock on the day the livestock died and/or were injured by an eligible loss condition
- An owner's livestock must have either:
 - died in excess of normal mortality as a direct result of an eligible loss condition,
 - or been injured as a direct result of an eligible loss condition and were sold at a reduced price.

Eligible livestock must:

- Have been maintained for commercial use for livestock sale as part of a farming operation on the day they died; and
- Not have been produced or maintained for reasons other than commercial use as part of a farming operation. Excluded livestock includes wild free-roaming animals, horses or other animals used or intended for racing or wagering, consumption by owner, and animals producers or maintained for hunting.

The following types of livestock may be eligible for LIP:

CATTLE	POULTRY	SWINE	OTHER
Adult Beef Bulls	Chickens, Broilers, Pullets (regular size) (4.26 to 6.25 pounds)	Suckling/Nursery Pigs (less than 50 pounds)	Alpacas
Adult Beef Cows	Chickens, Chicks Chickens, Layers	Swine, Lightweight Barrows, Gilts (50 to 150 pounds)	Deer
Adult Buffalo/Bison/Water Buffalo Bulls	Chickens, Pullets/Cornish Hens (small size) (Less than 4.26 pounds)	Swine, Sows, Boars, Barrows, Gilts (151 to 450 pounds)	Elk
Adult Beefalo Bulls	Roasters (6.26 to 7.75 pounds)	Swine, Sows, Boars, Barrows, Gilts (151 to 450 pounds)	Emus
Adult Beefalo Cows	Super Roasters/Parts (7.76 pounds or more)	Swine, Sows, Boars (over 450 pounds)	Equine
Adult Buffalo/Bison/Water Buffalo Cows	Ducks, Ducklings		Goats, Bucks Goats, Nannies
Adult Dairy Bulls	Ducks, Ducks		Goats, Slaughter Goats/Kids
Adult Dairy Cows Non-Adult Beef Cattle	Geese, Goslings		Llamas
Non-Adult Buffalo/Bison/Water Buffalo	Geese, Goose		Ostriches
Non-Adult Beefalo	Turkeys, Poult		Reindeer
Non-Adult Dairy Cattle	Turkeys, Toms, Fryers, Roasters		Caribou
			Sheep, Rams
			Sheep, Ewes
			Sheep, Lambs

Eligible Livestock Contract Growers (Poultry and Swine)

Poultry and swine are the only kinds of livestock for which contract growers can be eligible under LIP.

To be eligible for LIP, in addition to meeting all other eligibility requirements for loss, a poultry or swine contract grower must have had the following:

- Possession and control of the eligible livestock; and
- A written agreement with the eligible livestock owner setting the specific terms, conditions and obligations of the parties involved regarding the production of livestock.

Contract growers are not eligible for losses under LIP for injured livestock that were sold at a reduced price due to an eligible loss condition.

Eligible Loss Conditions

An eligible loss condition includes any of the following that occur in the calendar year for which benefits are requested:

- Eligible adverse weather event;
- Eligible disease; and
- Eligible attack.

Eligible adverse weather event means extreme or abnormal damaging weather that is not expected to occur during the loss period for which it occurred, which directly results in eligible livestock losses.

An eligible adverse weather event must occur in the calendar year for which benefits are requested. Eligible adverse weather events include, but are not limited to, as determined by the FSA Deputy Administrator of Farm Programs or designee, earthquake; hail; lightning; tornado; tropical storm; typhoon; vog, if directly related to a volcanic eruption; winter storm, if the winter storm lasts for three consecutive days and is accompanied by high winds, freezing rain or sleet, heavy snowfall and extremely cold temperatures; hurricanes; floods; blizzards; wildfires; extreme heat; extreme cold; and straight-line winds. Drought is not an eligible adverse weather event except when associated with anthrax, a condition that occurs because of drought and results in the death of eligible livestock.

Eligible disease means a disease that is exacerbated by an eligible adverse weather event that directly results in eligible livestock losses, including, but not limited to, anthrax, cyanobacteria, (beginning in 2015 calendar year), larkspur poisoning (beginning in 2015 calendar year) and Mycoplasma Bovis in Bison (beginning in 2021). In addition, eligible disease means a disease that is caused and/or transmitted by vectors and vaccination or acceptable management practices are not available, whether or not they were or were not implemented, that directly result in death of eligible livestock in excess of normal mortality, including but not limited to Blue Tongue, EHD, CVV, and Theileria Orientalis.

Eligible attack means an attack by animals reintroduced into the wild by the Federal Government or protected by Federal law, including wolves and avian predators, that directly results in either injured livestock sold at a reduced price or death of eligible livestock, in excess of normal mortality.

Payments

Livestock Death Losses

LIP payments for livestock death losses, adjusted for normal mortality, are calculated by multiplying the national payment rate for the applicable livestock category by the number of eligible livestock in that category times the producer's share. Current year national payment rates are found at the end of this fact sheet.

The LIP national payment rate for eligible livestock owners is based on 75 percent of the average fair market value of the livestock, as provided in Table 1.

The LIP national payment rate for eligible livestock contract growers is based on 75 percent of the average income loss sustained by the contract grower with respect to the dead livestock, as provided in Table 2.

A contract grower's LIP payment will be reduced by the amount of monetary compensation received from the owner for the loss of income suffered from the death of livestock under contract.

Injured Livestock

For eligible livestock owners, LIP payments for injured livestock that are sold at a reduced price due to an eligible adverse weather event or eligible attack are calculated by multiplying the national payment rate for the applicable livestock category minus the amount that the livestock owner received for the eligible livestock in that category times the livestock owner's share. If injured eligible livestock are sold for more than the national payment rate for the applicable livestock category, there is no payment.

Payment Limitations and Adjusted Gross Income (AGI)

For the 2017 and subsequent program years, there is no per person or legal entity program year payment limitation.

In evaluating average adjusted gross income, an individual or entity is ineligible for payment under LIP if the average AGI of the individual or entity exceeds \$900,000.

Direct attribution provisions apply to LIP. Under direct attribution, AGI provisions apply to the person or legal entity applying for payment as well as to those persons or legal entities with an interest in the legal entity or in a sub-entity.

For more information on payment limitations, visit www.fsa.usda.gov/limits.

Applying for LIP

Owners or contract growers may apply to receive LIP benefits at local FSA offices.

Owners or contract growers who suffer livestock losses due to an eligible cause of loss must submit a notice of loss and an application for payment to the local FSA office that serves the physical location county where the livestock losses occurred. All of the owner's or contract grower's interest in inventory of eligible livestock in that county for the calendar year must be accounted for and summarized when determining eligibility.

An owner or contract grower must file a notice of loss within 30 calendar days of when the loss of livestock is first apparent as well as file an application for payment within 60 calendar days after the end of the calendar year in which the eligible loss condition occurred.

For 2024 LIP losses, livestock owners and contract growers may apply for 2024 LIP benefits in the physical location county where the loss occurred.

The following table provides the final dates to file a notice of loss and application for payment:

DATE OF LIVESTOCK DEATH AND/OR INJURY	FINAL DATE TO FILE NOTICE OF LOSS	FINAL DATE TO SUBMIT AN APPLICATION FOR PAYMENT
Calendar year 2019 and all subsequent years	by 30 calendar days of when the loss is first apparent to the participant.	60 days after the calendar year in which the eligible loss condition occurred
Calendar year 2023 and all subsequent years	60 days after the calendar year in which the eligible loss condition occurred	60 days after the calendar year in which the eligible loss condition occurred

Applications from eligible livestock owners for losses due to livestock injured due to an eligible loss condition will be processed and acted on as specified in this fact sheet.

Contract growers of poultry or swine must submit a copy of the grower contract and any other supporting documents required for determining eligibility. Similar to requirements for owners, supporting documents must show evidence of loss, current physical location of livestock in inventory and location of the livestock at the time of death.



Livestock Loss Documentation

Livestock owners and contract growers must record all pertinent information (including the number and kind) of all livestock and those adversely impacted by an eligible loss condition resulting in either death losses or injury and sales of injured livestock at reduced price.

Owners who sold injured livestock for a reduced price because the livestock were injured due to an eligible adverse weather event or eligible attack, must provide verifiable evidence of the reduced sale of the livestock. The injured livestock must be sold to an independent third party (such as sale barn, slaughter facility, or rendering facility).

Documents that may provide verifiable evidence of livestock sold at a reduced price include but are not limited to:

- sales receipts from a livestock auction, sale barn or
- other similar livestock sale facilities
- rendering facility receipts
- processing plant receipts

The documentation for injured livestock sales must have the price for which the animal was sold as well as information on livestock kind, type, and weight sold.

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

LIP Decision Tool

The newly launched LIP Decision Tool assists livestock producers who suffered losses from eligible adverse weather events and other causes of loss as well as cooperators who are helping disaster-impacted livestock producers navigate available federal disaster assistance programs. To establish eligibility for LIP benefits, the optional decision tool gives producers clear guidance on what is needed to gather and submit required loss documentation, reducing the amount of time needed to complete applications and enabling FSA county office staff to deliver much-needed assistance faster.

Through use of the LIP tool, livestock producers can provide to FSA county offices the supporting documentation, inventory numbers, and loss numbers at their initial visit, which will help the office serve customers more effectively and efficiently. The tool is available at farmraise.com/usda-fsa.

For More Information

This fact sheet is for informational purposes only; other eligibility requirements or restrictions may apply. To find more information about FSA disaster assistance programs, visit farmers.gov or contact your local FSA office.

To find your local FSA office, visit
farmers.gov/service-center-locator.

TABLE 1: LIP PAYMENT RATES FOR ELIGIBLE LIVESTOCK OWNERS
(rates have been reduced by the required 75%)

KIND	TYPE	WEIGHT RANGE	2024 PAYMENT RATE PER HEAD
Alpacas			\$443.99
Beef	Adult	Bull	\$1904.81
		Cow	\$1465.24
	Non-Adult	Less than 400 pounds	\$627.86
		400 to 799 pounds	\$984.12
		800 pounds or more	\$1640.19
Beefalo	Adult	Bull	\$1865.17
		Cow	\$1474.98
	Non-Adult	Less than 400 pounds	\$602.73
		400 to 799 pounds	\$1074.63
		800 pounds or more	\$1642.06
Buffalo/Bison/ Water Buffalo	Adult	Bull	\$1799.10
		Cow	\$1491.23
	Non-Adult	Less than 400 pounds	\$600.90
		400 to 799 pounds	\$1225.49
		800 pounds or more	\$1645.16
Caribou	All		\$599.56
Chickens	Broilers/ Pullets (Regular Size)	4.26 to 6.25 pounds	\$3.00
	Chicks		\$0.27
	Layers		\$5.40
	Pullets/ Cornish Hens (Small size)	Less than 4.26 pounds	\$2.02
	Roasters	6.26 to 7.75 pounds	\$3.82
	Super Roasters/Parts	7.76 pounds or more	\$5.02
Dairy	Adult	Bull	\$1417.99
		Cow	\$1321.88
	Non-Adult	Less than 400 pounds	\$330.47
		400 to 799 pounds	\$660.94
		800 pounds or more	\$1079.53

TABLE 1: LIP PAYMENT RATES FOR ELIGIBLE LIVESTOCK OWNERS
(rates have been reduced by the required 75%)

KIND	TYPE	WEIGHT RANGE	2024 PAYMENT RATE PER HEAD
Deer	All		\$599.56
Ducks	Ducklings		\$0.74
	Ducks		\$4.61
Elk			\$832.24
Emus			\$239.16
Equine			\$1016.42
Geese	Goose		\$52.48
	Gosling		\$11.02
Goats	Bucks		\$181.80
	Nannies		\$123.49
	Slaughter Goats/Kids		\$70.76
Llamas			\$358.89
Ostriches			\$796.14
Reindeer			\$599.56
Sheep	Ewes		\$169.21
	Lambs		\$179.26
	Rams		\$577.14
Swine	Suckling Nursery Pigs	Less than 50 pounds	\$39.65
	Lightweight Barrows, Gilts	50 to 150 pounds	\$73.13
	Sows, Boars, Barrows, Gilts	151 to 450 pounds	\$99.00
	Boars, Sows	450 pounds or more	\$185.62
Turkeys	Poults		\$2.60
	Toms, Fryers, Roasters		\$26.53

TABLE 2: LIP PAYMENT RATES FOR ELIGIBLE LIVESTOCK CONTRACT GROWERS
(rates have been reduced by the required 75%)

KIND	TYPE	WEIGHT RANGE	2024 PAYMENT RATE PER HEAD
Chickens	Broilers, Pullets (regular size)	4.26 to 6.25 pounds	\$0.33
	Chicks		\$0.22
	Layers		\$0.32
	Pullets, Cornish Hens (small size)	Less than 4.26 pounds	\$0.22
	Roasters	6.26 to 7.75 pounds	\$0.42
	Super Roasters/Parts	7.76 pounds or more	\$0.55
Ducks	Ducks		\$0.51
	Ducklings		\$0.51
Geese			\$5.77
Swine	Suckling Nursery Pigs	Less than 50 pounds	\$4.50
	Lightweight Barrows, Gilts	50 to 150 pounds	\$10.98
	Sows, Boars, Barrows, Gilts	151 to 450 pounds	\$14.87
	Boars, Sows	451 pounds or more	\$76.28
Turkeys	Poults		\$0.29
	Toms, Fryers, Roasters		\$2.92