
2014 Farm Bill—Livestock Provisions

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Farm Bill Update

- The Food, Conservation, and Energy Act of 2008 authorized three standing disaster programs for livestock producers.
 - Livestock Forage Disaster Program (LFP).
 - Livestock Indemnity Program (LIP).
 - Emergency Assistance for Livestock, Honey Bees, Farm-Raised Fish Program (ELAP).
- The programs are administered through FSA.
- Programs exist under Supplemental Ag Disaster Assistance program within Title I (Commodity Programs)
- **The programs expired at the end of Sept. 2011 when the 2008 Farm Bill expired.**

Farm Bill Update II

- **Agricultural Act of 2014 refunded these disaster programs, retroactively starting October 2011.**
- **Beginning on April 15, 2014, producers will be able to claim livestock losses experienced back to October 2011.**
- Claims made at local FSA service center.
- Livestock disaster programs are made permanent under new Farm Bill.
- Total amount of disaster assistance payments received by person or legal entity (excluding a joint venture or general partnership) may not exceed \$125,000 for any crop year.

Farm Bill Update III

- Livestock Forage Disaster Program (LFP)
 - Provides compensation to eligible livestock producers who suffered grazing losses due to qualifying drought or fire on federally managed land.
- Livestock Indemnity Program (LIP)
 - Provides compensation to eligible livestock owners for livestock death loss in excess of normal mortality due to adverse weather or attacks by animals re-introduced into the wild by Federal Government or protected by Federal law, including wolves and avian predators.

Farm Bill Update IV

- Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP).
 - Provides compensation to eligible producers of livestock, honey bees, and farm-raised fish for losses due to blizzards or fire (on private land). Only covers losses not covered under LFP and LIP.

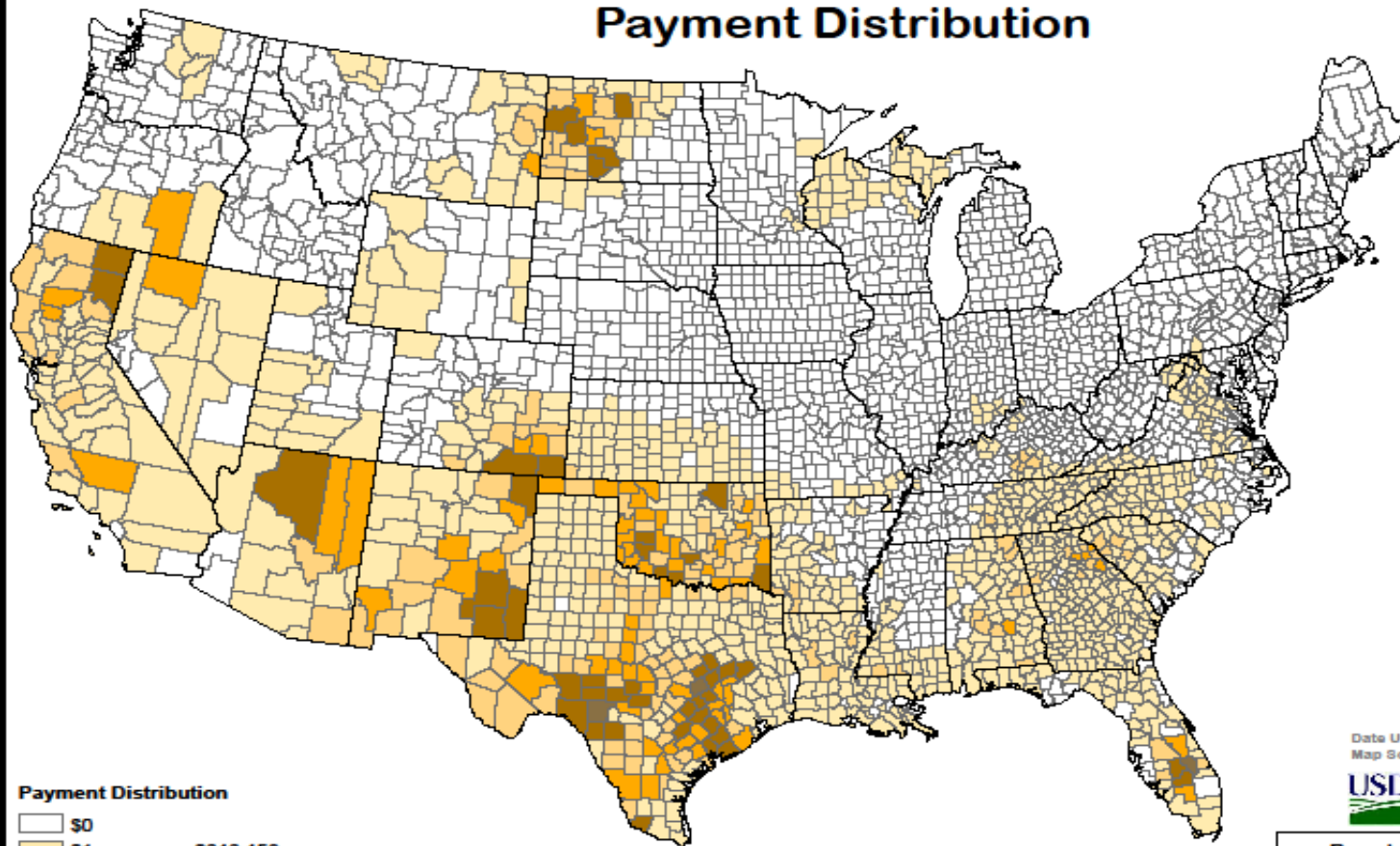
Annual Livestock Disaster Assistance Payment Amounts, by program type (2008-2011) in \$ millions

	Year				
Program	2008	2009	2010	2011	Total
LFP	166.3	101.0	34.8	265.4	567.4
LIP	25.8	63.7	17.8	42.4	149.7
ELAP	10.8	11.9	9.4	8.1	40.2
Total	202.8	176.6	62.0	315.9	757.3

Source: Farm Service Agency

LFP

2008 - 2011 LFP Payment Distribution



Date Updated - 07/02/13
Map Scales Vary



Payment Distribution

\$0	
\$1	\$646,453
646454	\$1,247,424
\$1,247,425	\$2,090,707
\$2,090,708	\$4,296,967
\$4,296,968	\$10,666,068

NOTE: Payment Distribution Classification Ranges may vary each week.

LFP Operational Details

- LFP provides compensation for grazing losses due to qualifying drought or fire on federally managed land.
- Program is made permanent.
- No risk management purchase requirement.
- Payment amount is based on drought intensity (as measured by U.S. Drought Monitor).
- Payment amount up to 5 months.
- Payment rate is equal to:
 - 60% of payment amount for lost feed due to drought.
 - 80% of payment amount for lost feed due to drought for 2 years preceding current production year.
 - 50% of payment amount for lost feed due to fire on federally managed land.

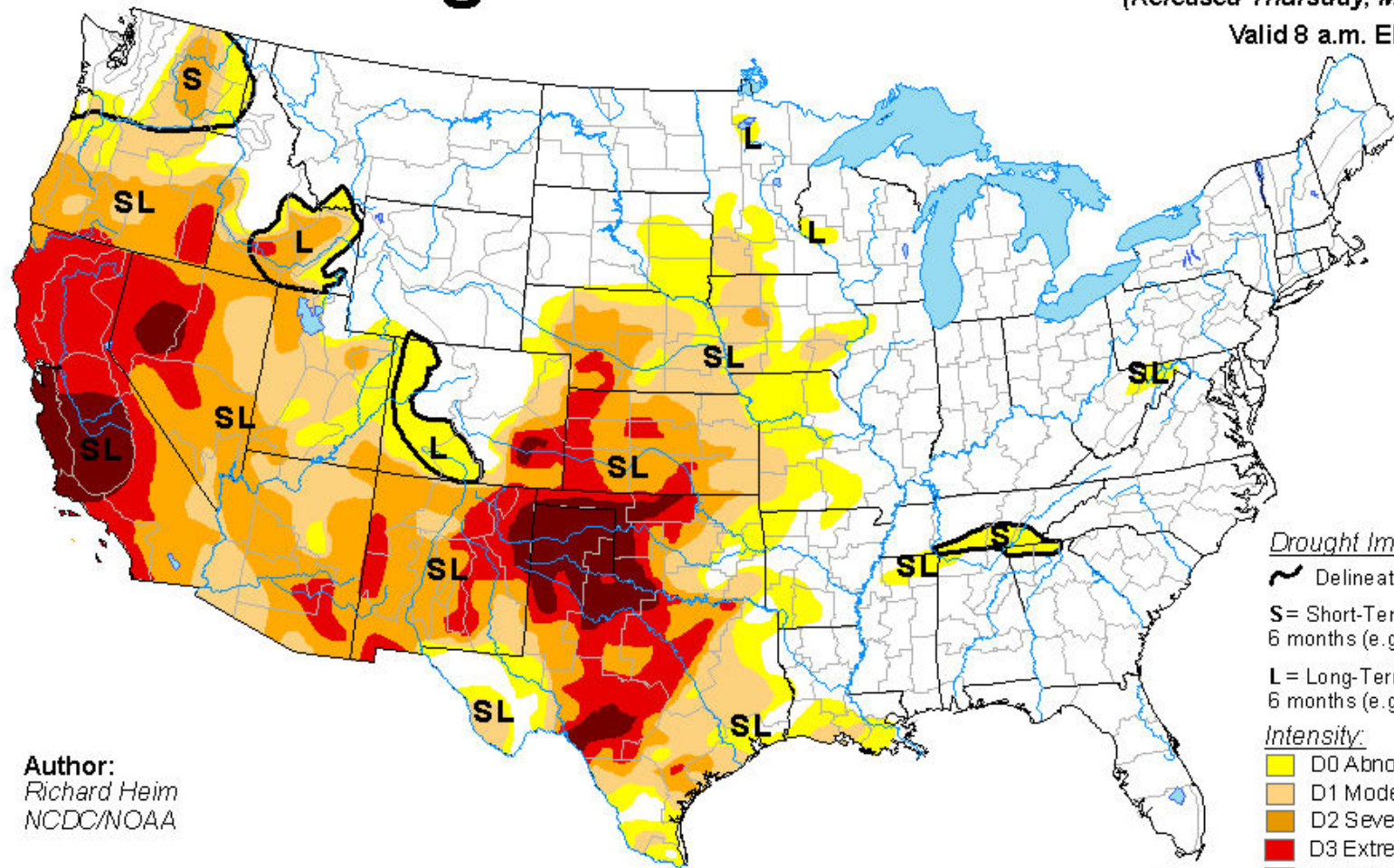
Changes from 2008 FB are in red.

U.S. Drought Monitor

April 29, 2014


(Released Thursday, May 1, 2014)

Valid 8 a.m. EDT








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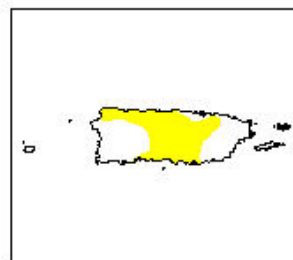
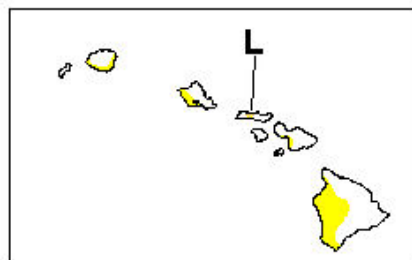
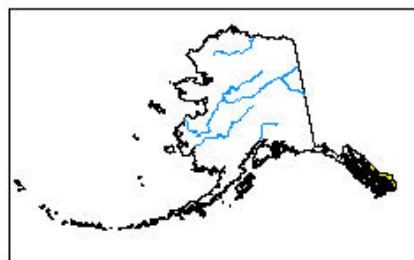
Drought Impact Types:

-  Delineates dominant impacts
- S** = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L** = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

-  D0 Abnormally Dry
-  D1 Moderate Drought
-  D2 Severe Drought
-  D3 Extreme Drought
-  D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.



<http://droughtmonitor.unl.edu/>

Payments and Drought Intensity

- 1 Monthly Payment
 - Within a county rated as D2 (severe drought) for at least 8 consecutive weeks.
- 3 Monthly Payments
 - Within a county rated as D3 (extreme drought) at any time.
- 4 Monthly Payments
 - Within a county rated as D3 (extreme drought) for at least 4 weeks.
 - Within a county rated as D4 (exceptional drought) at any time.
- 5 Monthly Payments
 - Within a county rated as D4 (exceptional drought) for at least 4 weeks.

Note: Must be within typical grazing period (as defined by FSA).

Payment Rates

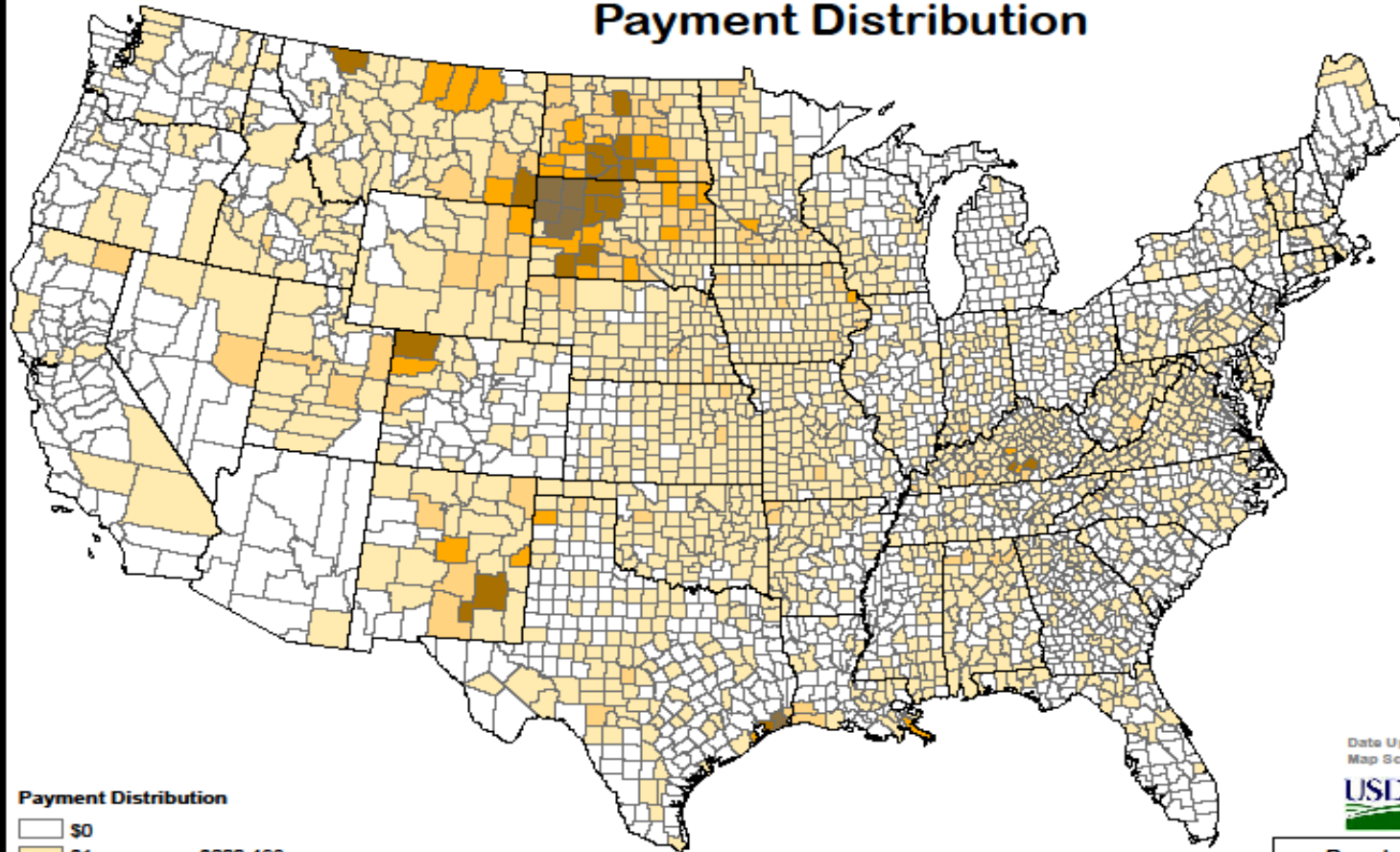
- Monthly payment rates are based on the lesser of the two:
 - Estimated monthly feed costs for all covered livestock owned or leased by the eligible livestock producer.
 - Estimated monthly feed costs by using the normal carrying capacity of the eligible grazing land.
- Feed Costs assume the following:
 - 30 days of production.
 - In the case of an adult cow, the feed equivalent of 15.7 lbs. of corn per day.
 - Corn price is based on national average corn price.
 - Adjusted to the higher of 12-month or 24-month average, as of March 1.

Payments From Fire

- Payments also made on losses due to fire on federally managed land.
- Equal to 50% of the monthly feed cost for the number of days the producer was prohibited from grazing.
- Payment not to exceed 180 calendar days (6 month).
- Grazing losses must have occurred on or after October 1, 2011.

LIP

2008 - 2011 LIP Payment Distribution

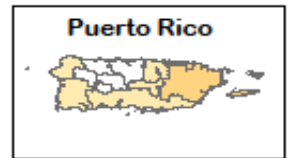


Payment Distribution

	\$0	
	\$1	\$200,498
	\$200,499	\$490,966
	\$490,967	\$1,074,868
	\$1,074,869	\$2,178,896
	\$2,178,897	\$3,973,595

NOTE: Payment Distribution Classification Ranges may vary each week.

Date Updated - 07/02/13
Map Scales Vary



LIP Operational Details

- LIP provides compensation to eligible livestock producers who have suffered livestock death losses in excess of normal mortality due to:
 - Adverse weather.
 - Attacks by animals reintroduced into the wild by the federal government or protected by federal law, including wolves and avian predators.
 - Program is made permanent.
 - Payments are equal to 75% of the market value of the applicable livestock on the day before the date of death.

Changes from 2008 FB are in red.

Livestock Death Documentation

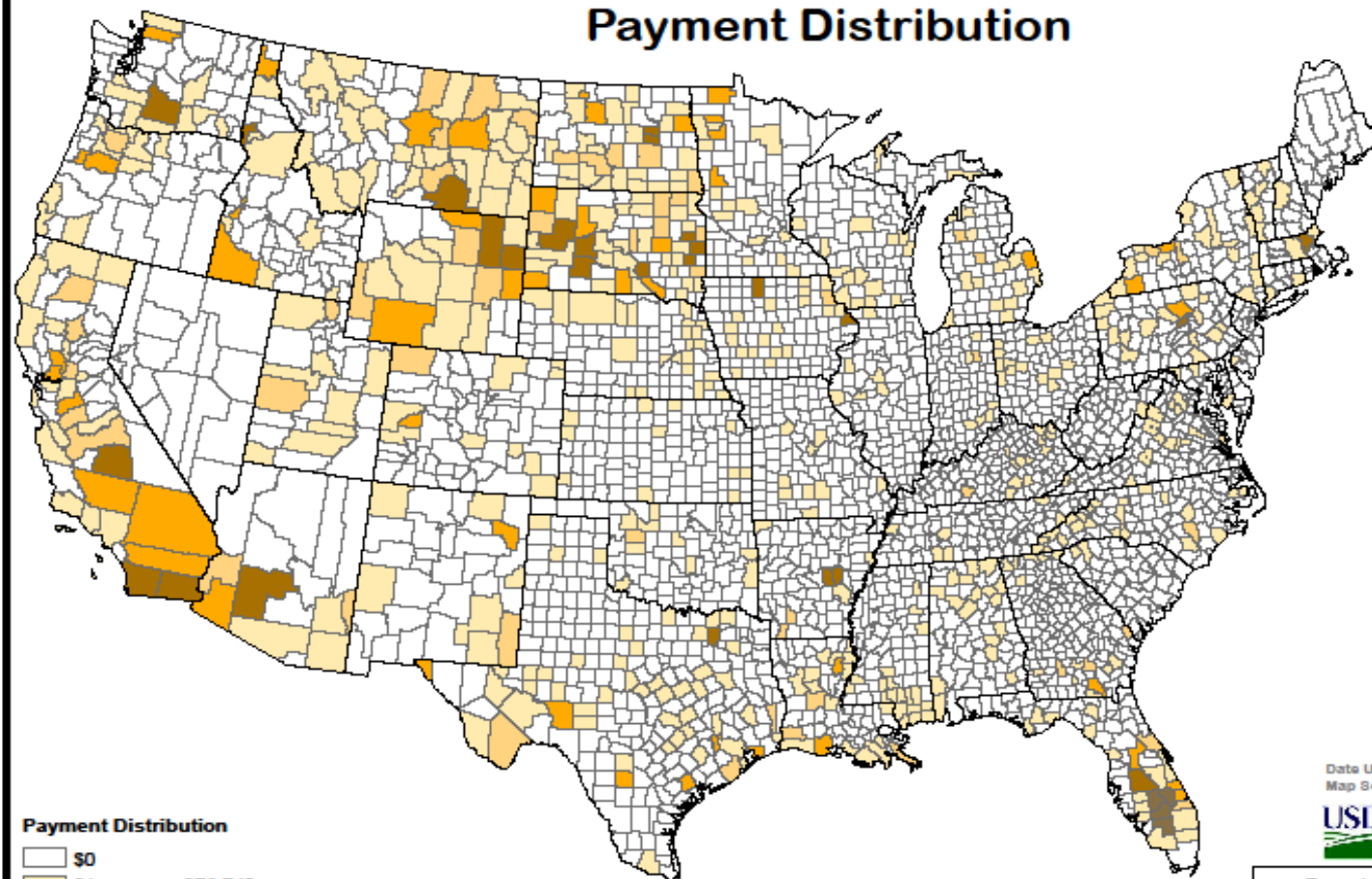
- Documentation of the number and kind of livestock that have died, supplemented if possible by such items as:
 - Photographs or video records to document the loss, dated if possible.
 - Purchase records, veterinarian records, production records, bank, or other loan documents.
 - Written contracts, records assembled for tax purposes, private insurance documents, and other similar reliable documents.
- Producers should be advised to contact their local FSA office in regards to documentation that was considered acceptable for previous year programs.

Eligibility

- An eligible livestock owner must have legally owned the eligible livestock on the day the livestock death loss occurred.
- Eligible contract growers must be in possession of the eligible livestock at the time death occurred.
- Eligible livestock include:
 - Beef cattle
 - Dairy cattle
 - Bison
 - Poultry
 - Sheep
 - Swine
 - Horses
 - Other livestock

ELAP

2008 - 2011 ELAP Payment Distribution



Payment Distribution

	\$0	
	\$1	\$79,740
	\$79,741	\$156,257
	\$156,258	\$290,148
	\$290,149	\$643,635
	\$643,636	\$1,813,256

NOTE: Payment Distribution Classification Ranges may vary each week.

Date Updated - 07/02/13
Map Scales Vary



Puerto Rico



ELAP Operational Details

- Provides emergency relief to eligible producers of livestock, honey bees, and farm-raised fish.
- Losses can be due to disease, adverse weather, or other conditions (e.g. blizzards and wildfire on private land), as determined by the Secretary of Agriculture.
- Provides aid for losses not covered under LIP or LFP.
- Program is made permanent.
- No risk management purchase requirement.
- Annual funding limited to \$20M per fiscal year.

Changes from 2008 FB are in red.

Examples Of Losses Eligible Under ELAP

- Losses in honey production due to colony collapse disorder.
- Additional costs incurred to purchase feed for livestock or lost feed due to flooding.
- Grazing losses due to grasshoppers.
- Grazing losses due to fire on privately managed land.

Thank You — Comments? Questions?

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