Livestock Programs Disaster Training

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Livestock Programs Disaster Training

Programs Included:

• Livestock Indemnity Program (LIP)

• Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP)

Livestock Indemnity Program

Benefits

LIP provides benefits to livestock owners and contract growers for:

• livestock deaths in excess of normal mortality and
• injured livestock sold at a reduced price

caused by eligible adverse weather
LIP – Forms

- CCC-852 – LIP NOL & Application for Payment
- CCC-856 – Livestock Beginning Inventory History for Unweaned Livestock
- CCC-854 – Third Party Certification

Livestock Indemnity Program

Records
Participants must maintain any books, records, and accounts supporting application information for 3 years following the end of the year for which request for payment was submitted.

Livestock Indemnity Program

Signup Period
Livestock owners or contract growers must file, in the service center responsible for the physical location county where the loss occurred:

- Notice of Loss – within 30 calendar days of when the loss is first apparent (December 15th – January 14, 2022)
- Application for Payment – within 60 calendar days after the end of the CY in which the losses occurred (March 1, 2022)
Eligible Livestock

Eligible Livestock Under LIP

Livestock must meet all of the following to be eligible for LIP:

• Been owned by an eligible livestock owner or be in possession of an eligible contract grower on the day of the eligible loss condition and when the livestock died

• Been owned by an eligible livestock owner on the day of the eligible loss condition that caused injury to the livestock

• Been produced or maintained for commercial use for livestock sale or for the production of livestock products such as milk or eggs as part of a farming operation on the day the livestock died or were injured
Eligible Livestock

Eligible Livestock Under LIP (Continued)

• Die in excess of normal mortality as a direct result of an eligible loss condition

• Injured due to an eligible loss condition and was sold through an independent third party no later than 30 calendar days after the ending date of the applicable eligible loss condition

• Independent 3rd Parties include but not limited to:
  • Sale barn
  • Slaughter facility
  • Rendering facility

• Die no later than 30 calendar days after the ending date of the applicable eligible loss condition

• The death of an animal within 30 days of the date of an occurrence of an eligible loss condition will not be presumed to be an eligible loss. Evidence and documentation must be submitted to FSA and FSA must be satisfied that the death of the animal was the direct result of the eligible loss condition.

• Only animals that are/were born and were alive at the time of the eligible loss condition are potentially eligible for LIP

• Unborn animals or animals that are not born alive (aborted or stillborn) at the time of an eligible loss condition are not eligible livestock under LIP.
Eligible Livestock

Eligible Livestock Under LIP (Continued)

- Be 1 of the following:
  - Adult or nonadult beef cattle
  - Adult or nonadult beefalo/bison
  - Adult or nonadult buffalo
  - Adult or nonadult dairy cattle
  - Elk
  - Alpacas
  - Caribou
  - Deer
  - Emus
  - Equine animals

Eligible Livestock

Eligible Livestock Under LIP (Continued)

- Be 1 of the following:
  - Goats
  - Llamas
  - Poultry, including egg-producing poultry
  - Reindeer
  - Sheep
  - Swine

Eligible Livestock

Definition of Unweaned Livestock

Unweaned livestock means an animal not weaned from mothers' milk or milk replacement to other nourishment.
Eligible Livestock
Eligibility for Unweaned Livestock

Unweaned livestock death losses will be considered a nonadult for the specific livestock kind, type, and weight range, due to an eligible loss condition if all the following apply:

- Are expected to survive under normal conditions
- The death was directly caused by an eligible loss condition

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Eligible Livestock
Eligibility for Unweaned Livestock (Continued)

The following livestock kind/types/weight ranges may be considered unweaned if notated on the LIP application by the producer:

- non-adult beef, dairy, beefalo, buffalo/bison, <400 lbs. and 400-799 lbs.
- Goats/Kids
- Sheep/Lambs
- Swine/Suckling/Nursery Pigs, < 50 lbs.
- All other livestock categorized as "All" (alpacas, caribou, deer, elk, equine, llamas, and reindeer)

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Ineligible Livestock
Ineligible Livestock Under LIP

Any animal produced or maintained for reasons other than commercial use as part of a farming operation, including but not limited to:

- Recreational purposes
- Consumption by owner
- Hunting
- Pets
- Pleasure
- Roping
- Show
Ineligible Livestock

Ineligible Livestock Under LIP (Continued)

- All animals that died due to management decisions
- Stillborn livestock
- Unborn Livestock

Example: A pregnant adult beef cow died before the birth of the calf. Only the pregnant cow may be considered eligible for payment. The unborn calf is not eligible livestock and must be excluded from beginning inventory.

- Any wild free roaming livestock, including equine and deer

Commercial Use and Farming Operation

Livestock Maintained For Commercial Use

Commercial use, for LIP is defined as, used in the operation of a business activity engaged in as a means of livelihood for profit.

Farming operation, for LIP is defined as, a business enterprise engaged in producing agricultural products.
Commercial Use and Farming Operation

Livestock Maintained For Commercial Use

For livestock to be eligible for LIP, the livestock must have been produced or maintained for commercial use for livestock sale or for the production of livestock products, such as milk or eggs, as part of a farming operation on the day the livestock died or were injured.

LIP Eligible Livestock Owner

Eligible livestock owner means one who, as of the day of the eligible loss condition and day the eligible livestock died or were injured:

• had production and market risk associated with the agricultural production of livestock
• had legal ownership of eligible livestock for which benefits are requested
Eligible Livestock Producer

Definition of Livestock Owner (Continued)

Is any of the following:

• A U.S. Citizen or legal resident alien in the U.S.
• A partnership comprised of U.S. citizens or legal resident aliens in the U.S.
• A corporation, limited liability corporation or company, or other organization structure established under State law
• An Indian tribe or tribal organization (as those terms are defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)

Eligible Livestock Producer

Eligible Livestock Owner

Meets all of the following:

• Meets definition of Livestock Owner
• Assumes the production and risks associated with production of livestock

Eligible Livestock Producer

Eligible Livestock Owner (Continued)

Meets all of the following:

• Is producing livestock for commercial use as part of a farming operation
• Had legal ownership of the livestock on the day of the eligible loss condition and the day the livestock died or were injured
Eligible Livestock Producer

Eligible Livestock Owner (Continued)

• The owner of the livestock does not have to be listed on a farm in Farm Records
• The producer, in Business Partner, only has to be associated to the physical location county where the loss condition occurred.

Eligible Livestock Producer

Eligible Livestock Contract Grower

A person or entity whose interest in poultry or swine is not as owner but whose interest on the day of the eligible loss condition and day the eligible livestock died had all of the following:

• A written agreement with the owner; setting specific conditions, terms and obligations of the parties regarding the production of livestock
Eligible Livestock Producer

Eligible Livestock Contract Grower (Continued)

• Control of the eligible livestock; and
• Risk of loss in the eligible livestock

Contract growers are not eligible for LIP losses due to injured livestock sold at a reduced price.

Required Documentation

To be eligible for LIP, must have proof of BOTH:

• Death/Injury documentation
• Beginning inventory documentation
Required Documentation

Proof of Death/Injury

- Must prove the death/injury occurred as a direct result of an eligible loss condition

Proof of Death/Injury of Livestock

Acceptable Death Loss/Injury Records

- provided for BOTH:
  - normal mortality
  - adverse death loss or injury
- Acceptable beginning Inventory records still required

Acceptable Proof of Death

Types of Acceptable Records

- rendering truck receipts or certificates
- FEMA records
- National Guard records
- veterinary records
- records assembled for tax purposes
- private insurance documents
- bank or other loan documents
Acceptable Proof of Death

Types of Acceptable Records

- Contemporaneous producer records existing at the time of the event
- Pictures with a date
- Brand inspection records
- Herd improvement records

Proof of Injured Livestock Sold for Reduce Price

Verifiable Records

- Documents the amount received for sale of injured livestock
- Documents 3rd party buyer
- Documents must contain:
  - Weight
  - Kind
  - Type
  - Price received

Proof of Injured Livestock Sold for Reduce Price

Types of Verifiable Records

- Sales receipt from a livestock auction, sale barn or other similar livestock sales facility
- Private insurance documents
- Processing plant receipt
Proof of Death – 3rd Party Certification
When Acceptable Proof of Death Is Not Available

• May be used with acceptable beginning inventory
• Form CCC-854 – 3rd Party Certification

Beginning Inventory
Types of Acceptable Records

• veterinary records (precalving vaccination)
• canceled check documentation
• balance sheets
• inventory records filed with tax filings
• loan records
• bank statements
• farm credit balance sheets
• property tax records (records filed with the tax authority)
• brand inspection records
• sales and purchase receipts
• private insurance documents
• chattel inspections

Beginning Inventory
Types of Acceptable Records cont’d.

• contemporaneous producer records existing at the time of the event
• brand inspection records
• docking records
• shearing records
• ear tag records
• trucking and/or livestock hauling records
• other similar reliable documents
Unweaned Livestock - Acceptable Beginning Inventory

Calves

- COC may accept a combination of both of the following:
  - Acceptable beginning inventory of adult livestock (adjusted based on the applicable livestock stocking rate)
  - Results from a pregnancy check or ultrasound conducted by a third party

Unweaned Livestock - Proof of Reasonableness of Beginning Inventory

Calves

- COC determines the reasonableness of the livestock inventory and claimed losses based on:
  - 90% calving rate

Flowchart
Livestock Death Loss Required Documentation

- Does the producer have acceptable death loss documentation?
  - Yes: Producer must provide acceptable beginning inventory documentation
  - No: Does the producer have acceptable death loss documentation or third-party certification of death?
    - Yes: Producer must provide acceptable beginning inventory documentation
    - No: Producer is ineligible for LP benefits
Flowchart
Injured Livestock
Required Documentation

Does the producer have verifiable proof of injured livestock sold at a reduced price?

Yes
Producer must provide acceptable beginning inventory documentation

No
Producer is ineligible for LIP benefits

Third Party Certification
Only accept when all the following are met

• No other form of proof of death or injury is available
• Producer provides acceptable documentation that supports the reasonableness of the number of livestock when the deaths or injury occurred
• Specific details about how the third party has knowledge of the animal death or injury
• Third party must be an independent source not affiliated with the farming operation (not an employee or family member)
• Enough details for COC and DD to determine that the certification is acceptable

LIP
Notice of Loss and Application for Payment
Livestock Indemnity Program

Notice of Loss and Application for Payment

- Livestock Units
- Filing Notices of Loss
- Filing Application for Payment (Revised CCC-852)

Livestock Units

Notice of Loss

- Notice of Loss – CCC-852 Parts A and B
- Must be filed by livestock unit
- Filed separately for each livestock unit by physical location county where the losses or injury occurred
- One notice of loss must be filed for units with more than one associated producer (Example: Livestock unit 200)

Livestock Units

Application for Payment

- Application for Payment – CCC-852 Parts D through J
- Must be filed by:
  - Livestock units
  - By physical location
  - For all livestock units that suffered livestock losses in the calendar year
  - Each producer with an interest in the livestock unit
Filing Notice of Loss

• CCC-852 Parts A & B
• Within 30 calendar days of when the loss or injury becomes apparent (by January 14th)
• Only one producer with a share of the unit must file
• Filed in the Service Center County Office responsible for the physical location county where the livestock death/injury occurred.

Filing Notice of Loss (Continued)

• Not required to be filed for:
  • Normal mortality losses
  • If a previous Notice of Loss was filed for the same covered livestock

Alternative Methods to File Notice of Loss

• Alternative methods include:
  • Telephone
  • FAX
  • Email
• Producer not required to sign CCC-852 if filed by alternative method
Filing Application for Payment

- CCC-852 Parts D through J (Signed and dated)
- Within 60 calendar days after the end of the calendar year in which the losses occur (March 1, 2022)
- Must be an eligible livestock owner or livestock contract grower

Filing Application for Payment

- Must have a completed notice of loss (Parts A & B)
- Filed by livestock unit in the service center responsible for the physical location county where the death loss or injury occurred
- Separate automated application for payment for each producer with a share in the livestock for the unit

Filing Application for Payment

Continued

- Applications for payments are based on a calendar year basis
- A separate CCC-852 is required when any of the following is different:
  - Physical location where losses occurred
  - Calendar year in which losses condition occurred
  - Participant is different
- Producers can file multiple applications for payment within a year
Filing Application for Payment

Supporting Documentation

• Supporting documentation must be on file to be considered a complete application for payment
• Must be provided by application for payment deadline
• All producers associated to the livestock unit must use the SAME supporting documentation
• Lack of supporting documentation may be a reason for disapproval as determined by COC

Signing and Certifying CCC-852

• Producer is certifying all information is true and correct including:
  • Claimed livestock died or were injured as a result of an eligible loss condition
  • Injured livestock were sold within 30 days
  • Physical location of claimed livestock
  • Current inventory
  • Names and shares of all producers that had an interest
  • No compensation was received

(Continued)

• Authorizes FSA officials to:
  • Inspect and verify livestock and deaths/injuries
  • Review and verify information provided
  • Contact other agencies/organizations to verify data provided by participant or a third-party

Participants who receive assistance are required to keep records for 3 years following the year in which application for payment was filed
• Follow 1-CM for signature requirements
LIP Payment Calculations

Payment Calculations

Topics Covered
- Payment Rates for Eligible Owners and Contract Growers
- Livestock Death Loss Payment Calculations
- Livestock Injured and Sold Payment Calculations
- Payment Reductions
- General Payment Information

LIP Payment Rates

Payment Rates for Eligible Livestock Owners
- Payment rates for livestock owners are based on 75 percent of a fair market value of the livestock as determined by CCC, for the specific livestock kind/type and weight range.
Payment Rates for Eligible Livestock Owners

<table>
<thead>
<tr>
<th>Kind</th>
<th>Type</th>
<th>Weight Range</th>
<th>Payment Rate/Head</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>Adult</td>
<td>Bull</td>
<td>$1,195.31</td>
</tr>
<tr>
<td></td>
<td>Cow</td>
<td></td>
<td>$919.47</td>
</tr>
<tr>
<td>Nonadult</td>
<td>Less than</td>
<td>250 lbs</td>
<td>$163.15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>250 – 399 lbs.</td>
<td>$441.56</td>
</tr>
<tr>
<td></td>
<td></td>
<td>400 – 799 lbs.</td>
<td>$609.53</td>
</tr>
<tr>
<td></td>
<td></td>
<td>800 lbs or more</td>
<td>$1,015.88</td>
</tr>
</tbody>
</table>

Payment Rates for Eligible Livestock Contract Growers

- Payment rates for livestock contract growers are based on 75 percent of the national average income loss of the livestock, as determined by CCC, by the contract grower with respect to the dead livestock.

Payment Calculations

Livestock Death Loss Payment Calculation

- Number of livestock that died due to an eligible loss condition, minus normal mortality threshold, times
- Payment rate, times
- Producers share, minus
- Other compensation and reductions, if applicable.
Payment Calculations

Kansas Approved Normal Mortality %

<table>
<thead>
<tr>
<th>Description</th>
<th>Weight Range</th>
<th>Mortality Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef Adult Cow</td>
<td>1.1%</td>
<td></td>
</tr>
<tr>
<td>Beef Adult Bull</td>
<td>1.1%</td>
<td></td>
</tr>
<tr>
<td>Beef Nonadult Less Than 250lbs</td>
<td>4.0%</td>
<td></td>
</tr>
<tr>
<td>Beef Nonadult 250 – 399 lbs</td>
<td>2.7%</td>
<td></td>
</tr>
<tr>
<td>Beef Nonadult 400 – 799 lbs</td>
<td>1.9%</td>
<td></td>
</tr>
<tr>
<td>Beef Nonadult 800 lbs or more</td>
<td>1.1%</td>
<td></td>
</tr>
</tbody>
</table>

Payment Calculations

General Payment Information

The following must be on file before a LIP payment can be issued:
- CCC-902 on file for the participant, according to 6-PL
- CCC-901 on file for legal entities, according to 6-PL
- AD-1026 on file, according to 6-CP
- CCC-941 and other acceptable documents, according to 6-PL
- Not be in violation of fraud provisions according to 1-CM and 3-PL
- Be in compliance with controlled substance provisions according to 1-CM

Questions???