



Livestock Indemnity Program (LIP)

OVERVIEW

The Agricultural Act of 2014 (2014 Farm Bill) authorized the Livestock Indemnity Program (LIP) to provide benefits to livestock producers for livestock deaths in excess of normal mortality caused by adverse weather. In addition, LIP covers attacks by animals reintroduced into the wild by the federal government or protected by federal law, including wolves and avian predators. LIP payments are equal to 75 percent of the market value of the applicable livestock on the day before the date of death of the livestock as determined by the Secretary.

ELIGIBLE LIVESTOCK OWNERS

To be eligible for LIP, a livestock producer must have legally owned the eligible livestock on the day the livestock died.

Owners of the following types of livestock in the table below may be eligible for LIP:

To be eligible for LIP, an owner's livestock must:

- Have died as a direct result of an eligible adverse weather event occurring;
 - On or after Oct. 1, 2011, and;

Cattle	Poultry	Swine	Other
Adult Beef Bulls	Chickens, Broilers, Pullets (regular size)	Swine, Feeder Pigs (less than 50 pounds)	Alpacas, Deer, Elk, Emus, Equine, Goats, Bucks, Goats, Nannies, Goats, Slaughter, Goats/Kids, Llamas, Reindeer, Sheep, Ewes, Sheep, Lambs, Sheep, Rams
Adult Beef Cows	Chickens, Chicks	Swine, Sows, Boars, Barrows, Gilts (50 to 150 pounds)	
Adult Buffalo, Beefalo Bulls	Chickens, Layers, Pullets/ Cornish Hens (small size)	Swine, Sows, Boars, Barrows, Gilts (151 to 450 pounds)	
Adult Buffalo, Beefalo Cows	Ducks	Swine, Sows, Boars (over 450 Pounds)	
Adult Dairy Bulls	Ducks, Ducklings		
Adult Dairy Cows	Geese, Goose		
Non-Adult Beef Cattle	Geese, Goslings		
Non-Adult Buffalo/Beefalo	Turkeys, Poults		
Non-Adult Dairy Cattle	Turkeys, Toms, Fryers, Roasters		

The 2014 Farm Bill makes LIP a permanent program and provides retroactive authority to cover eligible livestock losses back to Oct. 1, 2011.

LIP is administered by the Farm Service Agency (FSA) of the U.S. Department of Agriculture.

- No later than 60 calendar days from the ending date of the applicable adverse weather event, and;
- In the calendar year for which benefits are requested.

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- Have been maintained for commercial use as part of a farming operation on the day they died and;
- Not have been produced for reasons other than commercial use as part of a farming operation. Excluded livestock includes wild free roaming animals, pets or animals used for recreational purposes, such as hunting, roping or for show.

ELIGIBLE LIVESTOCK CONTRACT GROWERS

To be eligible for LIP, a contract grower must have had the following on the day the livestock died:

- 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.

In addition to the requirements listed for livestock owners above, the only eligible livestock of contract growers under LIP are poultry and swine.

PAYMENTS

LIP payments are calculated by multiplying the national payment rate for each livestock category by the number of eligible livestock in each category. National payment rates are found at the end of this fact sheet.

LIP national payment rate for eligible livestock owners are based on 75 percent of the average fair market value of the livestock.

The LIP national payment rate for eligible livestock contract growers are based on 75 percent of the average income loss sustained by the contract grower with respect to the dead livestock.

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

PAYMENT LIMITATIONS AND ADJUSTED GROSS INCOME (AGI)

For 2012 and subsequent program years, no person or legal entity, excluding a joint venture or general partnership, may receive directly or indirectly, more than \$125,000 total in payments under LFP, ELAP, and LIP combined.

For 2011, no person or legal entity, excluding a joint venture or general partnership, may receive directly or indirectly more than \$125,000 total in the 2011 program year in payments under the LFP, ELAP, LIP, and Supplemental Revenue Assistance Payments (SURE) program, when at least \$25,000 of such total 2011 program payments is from LFP or LIP, for losses from October 1, 2011, through December 31, 2011.

In applying the limitation on 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 for 2011 and subsequent years. Under direct attribution, any payment to a legal entity also will be considered for payment limitation purposes to be a payment to persons or legal entities with an interest in the legal entity or in a sub-entity.

APPLYING FOR LIP

Producers may apply to receive LIP benefits at local FSA offices.

Producers who suffer livestock death losses should submit a notice of loss and an application for payment to the local FSA office maintains their farm records.

To be eligible, the notice of loss must be submitted the earlier of:

- 30 calendar days of when the loss of livestock is apparent to the producer; or
- 30 calendar days after the end of the calendar year in which the loss of livestock occurred.

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

Date of Livestock Death	Final Date to File Notice of Loss	Final Date to Submit an Application for Payment
Oct. 1, 2011 to Dec. 31, 2014	Jan. 30, 2015	Jan. 30, 2015
Calendar Years 2015- and subsequent years	30 days after death is apparent	Jan. 30 of each year

The producer must include a copy of the grower contract if he/she is a contract grower and any other supporting documents required for determining eligibility. Supporting documents must show evidence of loss, current physical location of livestock in inventory and location of the livestock at the time of death.

Payments may be made for eligible losses suffered by an eligible producer who is now deceased or for a dissolved entity if a currently authorized representative signs the application for payment. Proof of authority to sign for a deceased individual or dissolved entity must be provided. If a producer is a dissolved entity, all former members at the time of dissolution or their duly authorized representative(s) must sign the application for payment.

LIVESTOCK DEATH LOSS DOCUMENTATION

Documentation requirements for livestock deaths that occurred after Oct. 1, 2011 through Dec. 31, 2014 have been relaxed from the rules outlined below. Contact a local FSA county office for additional information.

Livestock owners should record all pertinent information of livestock death losses due to adverse weather and attacks by animals reintroduced into the wild by the federal government or protected by federal law.

Documentation of the number and kind of livestock that have died, supplemented if possible by such items as, but not limited to:

- 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.

Applicants must provide adequate proof that the eligible livestock deaths occurred as a direct result of an eligible adverse weather event or eligible attack by an eligible animal or avian predator in the calendar year for which benefits are being requested. The quantity and kind of livestock that died as a direct result of the eligible event may be documented by:

- Purchase records;
- Veterinarian records;
- Bank or other loan documents;
- Rendering truck receipts or certificates;
- Federal Emergency Management Agency records;
- National Guard records;
- Written contracts;
- Production records;
- Records assembled for tax purposes;
- Property tax records;
- Private insurance documents;
- Similar documents.

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If adequate verifiable proof of death records documentation is not available, FSA will accept reliable records in conjunction with verifiable beginning and ending inventory records as proof of death. Reliable records may include, but are not limited to;

- Contemporaneous producer records existing at the time of the adverse weather event;
- Pictures(s) with a date;
- Brand inspection records;
- Dairy herd improvement records; and
- Similar reliable documents.

FSA will accept certifications of livestock deaths by third parties on form CCC-854 along with verifiable beginning and ending inventory documentation if the following conditions are met:

- The livestock owner or livestock contract grower, as applicable, certifies in writing:
 - That there is no other documentation of death available;
 - The number of livestock in inventory at the time of the adverse weather event.
- The third party provides their telephone number, address and a written statement containing:
 - Specific details about their knowledge of the livestock deaths;
 - Their affiliation with the livestock owner;
 - The accuracy of the deaths claimed by the livestock owner.

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

MORE INFORMATION

To find more information about FSA programs, contact your local FSA office or USDA Service Center, or visit FSA online at www.fsa.usda.gov

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Table 1: LIP Payment Rates for Eligible Livestock Owners (rates have been reduced by the required 75%)						
Kind	Type	Weight Range	Payment Rate Per Head			
			2011	2012	2013	2014
Alpacas			\$280.53	\$262.50	267.87	270.00
Beef	Adult	Bull	\$971.03	\$1,369.17	\$1,381.63	\$1,590.49
		Cow	\$746.95	\$1,053.21	\$1,062.79	\$1,223.45
	Nonadult	Less than 400 pounds	\$336.04	\$460.96	\$454.46	\$553.77
		400 to 799 pounds	\$490.68	\$669.14	\$641.18	\$748.34
800 pounds or more		\$766.03	\$972.47	\$967.99	\$1,149.39	
Buffalo/ Beefalo	Adult	Bull	\$1,232.82	\$1,738.30	\$1,754.12	\$2,019.28
		Cow	\$657.50	\$927.09	\$935.53	\$1,076.95
	Nonadult	Less than 400 pounds	\$319.24	\$437.91	\$431.73	\$526.08
		400 to 799 pounds	\$466.15	\$635.68	\$609.12	\$710.92
800 pounds or more		\$727.73	\$923.84	\$919.59	\$1,091.92	
Chickens	Broilers, Pullets (regular size)		\$2.39	\$2.42	\$2.60	\$2.60
	Chicks		\$0.23	\$0.21	\$0.22	\$0.22
	Layers		\$11.42	\$13.63	\$14.49	\$15.14
	Pullets, Cornish Hens (small size)		\$1.72	\$1.70	\$1.83	\$1.83
	Roasters		\$2.81	\$3.15	\$3.41	\$3.41
Dairy	Adult	Bull	\$997.50	\$1,087.50	\$1,035.00	\$1,080.00
		Cow	\$997.50	\$1,087.50	\$1,035.00	\$1,080.00
	Nonadult	Less than 400 pounds	\$249.38	\$271.88	\$258.75	\$270.00
		400 to 799 pounds	\$498.75	\$543.75	\$517.50	\$540.00
800 pounds or more		\$766.03	\$878.37	\$835.96	\$872.31	
Deer			\$412.50	\$412.50	\$420.93	\$429.53
Ducks	Ducklings		\$0.61	\$0.66	\$0.66	\$0.66
	Ducks		\$3.82	\$4.15	\$4.12	\$4.12
Elk			\$572.59	\$572.59	\$584.29	\$596.23
Emus			\$150.00	\$150.00	\$153.07	\$171.34
Equine			\$637.50	\$637.50	\$650.53	\$728.18
Geese	Goose		\$19.35	\$12.88	\$21.31	\$21.31
	Gosling		\$4.06	\$2.70	\$4.47	\$4.47
Goats	Bucks		\$89.91	\$121.17	\$121.97	\$125.58
	Nannies		\$68.15	\$98.51	\$98.54	\$105.55
	Slaughter Goats/Kids		\$58.89	\$66.72	\$46.72	\$80.25
Llamas			\$210.00	\$210.00	\$214.29	\$217.50
Reindeer			\$412.50	\$412.50	\$420.93	\$429.53
Sheep	Ewes		\$117.39	\$175.98	\$104.86	\$119.83
	Lambs		\$126.84	\$143.70	\$100.63	\$172.85
	Rams		\$116.04	\$173.96	\$136.33	\$140.19
Swine	Feeder Pigs	Less than 50 pounds	\$48.12	\$43.90	\$42.60	\$68.76
	Lightweight Barrows, Gilts	50 to 150 pounds	\$67.73	\$67.73	\$73.93	\$88.70
		151 to 450 pounds	\$87.33	\$104.61	\$105.25	\$108.64
	Boars, Sows	450 pounds or more	\$201.03	\$221.80	\$234.38	\$292.11
Turkeys	Poults		\$1.14	\$1.10	\$1.13	\$1.15
	Toms, Fryers, roasters		\$12.20	\$14.45	\$13.49	\$13.68

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Table 2: LIP Payment Rates for Eligible Livestock for Livestock Contract Growers (rates have been reduced by the required 75%)						
Kind	Type	Weight Range	Payment Rate Per Head			
			2011	2012	2013	2014
Chickens	Broilers, Pullets (regular size)		\$0.26	\$0.27	\$0.29	\$0.29
	Layers		\$0.69	\$0.82	\$0.82	\$0.91
	Pullets, Cornish Hens (small size)		\$0.19	\$0.19	\$0.20	\$0.20
	Roasters		\$0.31	\$0.35	\$0.38	\$0.38
Ducks			\$0.42	\$0.46	\$0.45	\$0.45
Geese			\$2.84	\$1.89	\$3.12	\$3.12
Swine	Feeder pigs	Less than 50 pounds	\$5.47	\$4.99	\$4.84	\$7.81
	Lightweight Barrows, Gilts	50 to 150 pounds	\$10.17	\$11.15	\$11.10	\$13.32
	Sows/Boars/Barrows, Gilts	151 to 450 pounds	\$13.11	\$15.71	\$15.81	\$16.32
	Boars, Sows	450 pounds or more	\$82.61	\$91.15	\$96.32	\$120.04
Turkeys	Toms, Fryers, Roasters		\$.34	\$1.59	\$1.48	\$1.50