DISASTER ASSISTANCE

Livestock Indemnity Program

Overview

The Livestock Indemnity Program (LIP) provides 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. The Working Families Tax Cuts Act made several policy updates including expanding eligibility to unborn livestock losses, allowing for producer specific alternative market values, and increasing the payment rate for predation losses.

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.

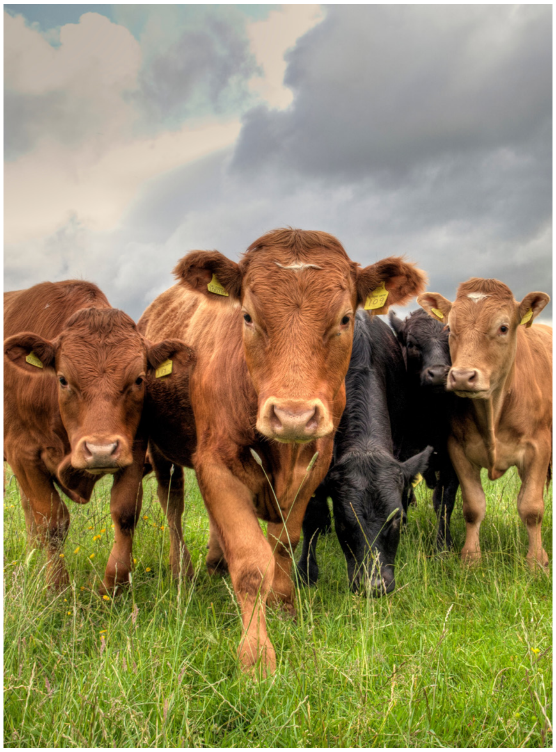
LIP payments for livestock owners are based on highest of the following:

- National average market value by livestock kind, type, and weight class at the beginning of the program year, based on prior-year market data as determined by the Secretary
- National average market value by livestock kind, type, and weight class at the end of the program year, based on current-year market data as determined by the Secretary
- The producer's verifiable market value for the same livestock kind, type, and weight class specific to the producer's operation and program year, not to exceed 145 percent of the higher of the national average market values, established by the Secretary.

National market values for for contract growers are based on the average income loss sustained by the contract grower.

Death loss and injury losses are calculated using the determined market value times the following payment factors depending on the type of loss:

Loss Type	Coverage
Predation Losses	100%
All Other Losses	75%



The Working Families Tax Cuts Act amended certain LIP provisions, including:

- Losses due to predation will be compensated at 100 percent effective for 2026 and subsequent years.
- Losses of eligible livestock that were gestating at the time will receive additional benefits for unborn livestock for 2024 and subsequent years.
- Producer prices that exceed the average fair market value or average input costs for applicable livestock can be used to determine a producer's LIP payment for 2026 and subsequent years. A producer's alternative market value cannot exceed 145% of the national average market value.

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)	Adult Alpacas
Adult Beef Cows	Chickens, Chicks Chickens, Layers	Lightweight Barrows and Gilts (50 to 150 pounds)	Non-Adult Alpacas
Adult Buffalo/Bison	Chickens, Pullets/Cornish Hens (small size) (Less than 4.26 pounds)	Barrows and Boars (151 to 450 pounds)	Adult Caribou/Reindeer
Adult Water Buffalo Bulls	Roasters (6.26 to 7.75 pounds)	Gilts and Sows (151 to 450 pounds)	Non-Adult Caribou/Reindeer
Adult Beefalo Bulls	Super Roasters/Parts (7.76 pounds or more)	Barrows and Boars (over 450 pounds)	Adult Deer
Adult Beefalo Cows	Ducks, Ducklings	Gilts and Sows (over 450 pounds)	Non-Adult Deer
Adult Buffalo/Bison	Geese, Goslings		Adult Elk
Adult Water Buffalo Cows	Turkeys, Poults		Non-Adult Elk
Adult Dairy Bulls	Turkeys, Toms, Fryers, Roasters		Emus
Adult Dairy Cows			Adult Equine
Non-Adult Beef Cattle			Non-Adult Equine
Non-Adult Buffalo/ Bison			Adult – Goat Bucks
Non-Adult Water Buffalo			Adult – Goat Nannies/Does
Non-Adult Beefalo			Non-Adult – Slaughter Goats/Kids
Non-Adult Dairy Cattle			Adult Llamas
			Non-Adult Llamas
			Ostriches
			Adult – Sheep Rams
			Adult – Sheep Ewes
			Non-Adult – 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, larkspur poisoning and Mycoplasma Bovis in Bison. 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 Orentalis.

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

Payment Rates

The average fair market values for livestock owners and the average income loss sustained by contract growers are evaluated at the beginning of the program year based on prior years market data. The same average fair market values and average income loss sustained is also evaluated at the end of the program year based on current program year market data. Producers can also prove an alternative price based on market data specific to their operation. The LIP payment rates for 2026 and subsequent years for a producer will be based on the higher of the following:

- Beginning of the year average fair market values or the average income loss
- End of the year average fair market values or average income loss
- Producer proven alternative price not to exceed 145% of determined national market value

Producers applying for benefits during the program year will be paid at the higher of the beginning of the year payment rate or the producer's alternative price. An additional payment will be issued to producers after the end of the year average fair market value or average income loss have been determined when the rates are higher than the initial payment rate.

The LIP market values are annually announced between February and April and are available at www.fsa.usda.gov/resources/disaster-recovery/livestock-indemnity-program-lip.

Payment Factor

The payment factors for LIP are as follows:

- Predation losses payment factor is 100%
- Non-predation losses payment factor is 75%

Livestock Death Losses Payment

LIP payments for livestock death losses, adjusted for normal mortality, are calculated by multiplying the determined market value for the applicable livestock category by the number of eligible livestock in that category times payment factor times the producer's share.

LIP payments for unborn livestock are based on the adult livestock that were gestating at the time of the loss above normal mortality. Normal mortality is determined for the adult livestock gestating at the time of loss above normal mortality times 85% of the payment rate for the lowest livestock category for the kind, type and weight of livestock times birthing factor times the payment factor (75% or 100%) times producer share. The birthing factors are as follows:

Livestock Kind	Birthing Factor
Sheep, Goats, Deer	2
Swine	12
All other livestock	1

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 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.

Producers are exempt from the $900,000 Average Gross Income cap for ELAP if at least 75% of their average gross income is from farming, ranching, or silviculture, including agri-tourism, direct-to-consumer sales, and certain equipment sales. Producers must complete the CCC-943, 75% of Average Gross Income from Farming, Ranching or Forestry Certification, to be eligible for the AGI exception.

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**.

LIP payment rates are announced annually in April and can be found at **fsa.usda.gov/lip**.

Applying for LIP

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

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, an application for payment, and supporting documents by March 1 following the calendar year in which the eligible loss condition 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 2024 and subsequent years	March 1* following the calendar year the loss condition occurred	March 1* following the calendar year the loss condition occurred

**If March 1 falls on a Saturday or Sunday the deadline is the following Monday.*

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 within 30 calendar days of the end date of the eligible loss condition, 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.

Documentation for a producer's alternative price must provide verifiable evidence of the alternative price specific to the operation for the kind, type, and weight of livestock lost on the application. Producers who do not have verifiable evidence specific to their operation in the program year for the kind, type and weight of livestock lost can use local market data if they can support that market data is from their normal marketplace by providing historical verifiable records within the previous 12 months.

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.

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**.