



# Livestock Indemnity Program (LIP)

Farm  
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Agency

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# LIP Presenter

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# Livestock Indemnity Program (LIP)

## 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.
- 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.

# Livestock Indemnity Program (LIP)

## Overview (Cont.)





- **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:**
  - unweaned livestock death losses due to extreme cold are considered eligible losses without regard to any management practice, 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.

# Livestock Indemnity Program (LIP)

## 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 subsequently sold within 30 days at a reduced price.
  - Have been maintained for commercial use 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, pets or animals used for recreational purposes, such as hunting, roping or for show.

# Livestock Indemnity Program

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

# Livestock Indemnity Program (LIP)

## 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.

# Livestock Indemnity Program (LIP)

## 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.



# Livestock Indemnity Program (LIP)

## Eligible Loss Conditions (cont.)

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.

# Livestock Indemnity Program (LIP)

## Eligible Disease

- 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) and larkspur poisoning (beginning in 2015 calendar year). 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 and CVV.

## Eligible Attack

- 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.

# Livestock Indemnity Program (LIP)

## 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 prior table.

# Livestock Indemnity Program (LIP)

## Livestock Death Losses

- 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.

# Livestock Indemnity Program (LIP)

## Injured Livestock

For eligible livestock owners, LIP payments for injured livestock that are sold within 30 days of the date of an eligible loss condition 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.

# Livestock Indemnity Program (LIP)

## 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).

# Livestock Indemnity Program (LIP)

## Livestock Loss Documentation

- 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.

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