



Livestock Indemnity Program

Overview

USDA Farm Service Agency's (FSA) Livestock Indemnity Program (LIP) provides partial reimbursements to eligible livestock owners for livestock losses suffered due to a natural disaster or other emergency.

Program Availability

FSA announces program sign-ups through national press releases, located on FSA's Web site at: <http://www.fsa.usda.gov/pas/news/releases/index.htm>. Eligible producers should apply for LIP assistance at their local FSA office.

Currently, \$500,000 in LIP funding is authorized for Southern California wildfires that occurred in the fall of 2003 and for the 2002 McNally fire. For the fall 2003 fires, LIP is available in Los Angeles, Riverside, San Bernardino, San Diego, and Ventura counties. For the McNally fire, LIP is available in Kern and Tulare counties.

Eligible Producers

Eligible producers are those who:

- suffered a loss of eligible livestock that is the direct or related result of the disaster event for which LIP funding is authorized;
- owned and have financial risk the eligible livestock at the time of the loss; and
- are citizens of, or legal resident aliens in, the United States.

Producers must provide FSA with documentation to support loss claims.

Producers with qualifying gross annual revenue exceeding \$2.5 million are ineligible for LIP benefits.

Eligible Livestock Categories

Eligible livestock categories are:

- beef and dairy cattle;
- sheep;
- goats;
- swine;
- poultry, including egg-producing poultry;
- equine animals used for food or the production of food; and
- buffalo and beefalo, when maintained on the same basis as cattle.

Payment Calculation

FSA determines LIP payments based on the applicable market value for each livestock category during the disaster period, minus normal mortality rates, as determined by FSA. If the total calculated payments under all approved applications exceed the amount allocated, FSA applies a uniform reduction to each producer's payment.

Each producer is limited to \$50,000 in LIP payments.

Other Compensation Conditions

FSA does not reduce LIP payments when an eligible producer receives indemnities from a private insurance source. This is to encourage producers to seek private means of minimizing their livestock production loss risk.

However, FSA does reduce LIP payments if the producer has received other USDA compensation for the livestock loss.

For More Information

More information on LIP is available at local FSA offices and on FSA's Web site at: www.fsa.usda.gov.

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