DISASTER ASSISTANCE

ELAP - LIVESTOCK ASSISTANCE / Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program

Overview

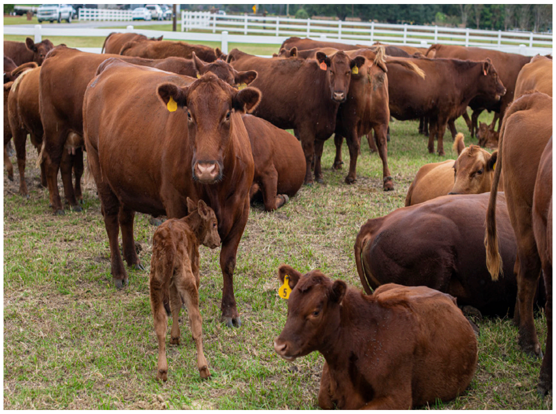
The Agriculture Improvement Act of 2018 (the 2018 Farm Bill) amended the 2014 Farm Bill which authorized the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP). ELAP provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish. It covers losses due to an eligible adverse weather or loss condition, including blizzards, disease (including cattle tick fever), water shortages and wildfires, as determined by the Secretary. ELAP covers losses that are not covered under other disaster assistance programs such as the Noninsured Crop Disaster Assistance Program, Livestock Forage Disaster Program (LFP) and the Livestock Indemnity Program (LIP). The 2018 Farm Bill, enacted Dec. 20, 2018, amended certain provisions related to ELAP effective with the 2019 program year.

Those amendments included:

- providing reimbursement of 90 percent of the cost of losses for socially disadvantaged, limited resource, or beginning or veteran farmer or rancher.
- removing ELAP from the combined ELAP and LFP maximum per person and legal entity payment limitation for the 2019 and subsequent program years (as discussed in this fact sheet)
- in addition to covering the cost related to gathering livestock to treat for cattle tick fever, ELAP will now cover the cost related to gathering livestock to inspect for cattle tick fever;
- no longer covering 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. The 2018 Farm Bill authorizes these diseases to be covered under LIP.
- ELAP is administered by the Farm Service Agency (FSA) of the U.S. Department of Agriculture (USDA).

Policy Enhancement

In response to ongoing drought conditions across the U.S., USDA expanded ELAP to help drought-stricken ranchers cover above normal costs of hauling water and feed or hauling livestock to forage or other feeding location. ELAP livestock and feed hauling assistance is retroactive for 2021 and will be available for losses in 2022 and subsequent years.



How it Works

There are six categories of livestock losses covered by ELAP, described in greater detail within this fact sheet:

- Grazing losses that are not due to drought or wildfires on federally managed lands;
- Livestock feed losses caused by eligible loss condition that result in purchased or mechanically harvested feed being destroyed, additional feed purchased above normal, and additional expenses for transporting feed;
- Losses resulting from the additional cost of transporting water to livestock due to an eligible drought;
- Losses resulting from above normal costs of hauling feed to livestock due to an eligible drought;
- Losses resulting from above normal costs of hauling livestock to forage or other feeding location due to an eligible drought; and
- Losses resulting from the additional cost associated with gathering livestock for treatment and inspection related to cattle tick fever.

What Is Eligible?
Livestock Feed and Grazing Losses

Eligible Livestock

For livestock feed and grazing losses, livestock must be:

- Grazing animals that are weaned, such as alpacas, adult or non-adult dairy cattle, adult or non-adult beef cattle, adult or non-adult buffalo, adult or non-adult beefalo, deer, elk, emus, equine, goats, llamas, reindeer and sheep;
- Livestock that would normally have been grazing the eligible grazing land or pastureland during the normal grazing period for the specific pasture type of grazing land or pastureland in the county where the eligible adverse weather or loss condition occurred;
- Owned, cash-leased, purchased, under contract for purchase or been raised by a contract grower or an eligible livestock producer, during the 60 calendar days prior to the beginning date of the eligible adverse weather or loss condition; and
- Maintained for commercial use as part of the producer's farming operation on the beginning date of the eligible adverse weather or loss condition.

Eligible Producer

An eligible producer is a person or legal entity who, in addition to satisfying other payment eligibility requirements, is an owner or contract grower of livestock that shares in the livestock or the risk of producing the livestock who:

- During the 60 calendar days before the beginning date of the eligible adverse weather or loss condition, owned, cash-leased, purchased, entered into a contract to purchase or been a contract grower of eligible livestock;
- Suffered a loss resulting from and eligible loss condition:
  - A grazing loss on land that is either:
    - Native or improved pastureland with a permanent vegetative cover; or
    - Planted to a crop specifically for the purpose of providing grazing for covered livestock; and
    - Provided pastureland or grazing land during the normal grazing period to eligible livestock, including cash-leased pastureland or grazing land for livestock that is physically located in the county where the eligible adverse weather or loss condition occurred during the normal grazing period.
  - A feed loss for:
    - Eligible winter storm;
    - Flood;
    - Hurricane;
    - Lightning;
    - Tidal surge;
    - Tornado;
    - Volcanic eruption; or
    - Wildfire on non-federal land.

Drought and wildfire on federally managed land are not eligible adverse weather or loss conditions for livestock feed and grazing losses under ELAP. These conditions are covered by LFP.

Eligible Grazing Losses

Eligible grazing losses must be incurred on eligible grazing lands physically located in the county where the eligible adverse weather or loss condition occurred and because of an eligible adverse weather or loss condition. The daily livestock payment rates per head for eligible livestock grazing losses for 2021 is $1.58.

Eligible Feed Losses

Eligible feed losses under ELAP are losses:

- Of purchased forage or feedstuffs;
- Of mechanically harvested forage or feedstuffs;
- Resulting from the additional costs incurred for transporting feed to eligible livestock because of an eligible adverse weather or loss condition; and
- Resulting from the additional costs of purchasing additional feed, above normal quantities, required to maintain eligible livestock during an eligible adverse weather or loss condition, until additional livestock feed becomes available.

Eligible feed losses must not exceed 150 days of lost feed.

Eligible Transportation Losses

To be eligible for ELAP assistance, livestock must be intended for grazing in a county suffering and eligible drought and producers must have incurred feed or livestock transportation costs on or after Jan. 1, 2021. Although producers will self-certify losses and expenses to FSA, producers are encouraged to maintain good records and retain receipts and related documentation in the event these documents are requested for review by the local FSA County Committee.

An eligible drought, meaning that any area of the county has been rated by the U.S. Drought Monitor as having a D2 (severe drought) intensity for at least 8 consecutive weeks or D3 (extreme drought) or D4 (exceptional drought) intensity for the specific type of eligible grazing land or pastureland for the county that directly impacts water availability at any time during the normal grazing period.

Grazing Loss Payments, Excluding Wildfire on Non-Federal Land

Payments for eligible grazing losses, except grazing losses due to wildfires on non-federal land, will be calculated based on a minimum of 60 percent of the lesser of the total value of:

- The feed cost for all covered livestock owned by the eligible livestock producer based on the number of grazing days lost, not to exceed 150 days of daily feed cost for all covered livestock; or
- Grazing lost for eligible livestock based on the normal carrying capacity of the eligible grazing land of the eligible livestock producer for the number of grazing days lost, not to exceed 150 days of lost grazing.

Payments for eligible livestock producers for losses suffered because of a wildfire on non-federal land will be calculated based on a minimum of 60 percent of:

- The result of dividing the number of acres of grazing land or pastureland acres affected by the wildfire by the normal carrying capacity of the specific type of eligible grazing land or pastureland, multiplied by;
- The daily value of grazing multiplied by;
- The number of days grazing was lost due to the wildfire, not to exceed 180 calendar days.

Livestock Feed Payment Calculations

Payment calculations for feed losses will be based on a minimum of 60 percent of the producer's actual cost for:

- Livestock feed that was purchased or mechanically harvested forage or feedstuffs intended for use as feed for the producer's eligible livestock that was physically damaged or destroyed due to an eligible adverse weather or loss condition;
- The additional costs incurred for transporting livestock feed to eligible livestock due to an eligible adverse weather or loss condition; and
- The additional cost of purchasing additional livestock feed above normal to maintain the eligible livestock during an eligible adverse weather or loss condition until additional livestock feed becomes available.

FSA will calculate ELAP payments for an eligible livestock producer for livestock feed and grazing losses for no more than 150 calendar days.

Livestock and Forage Transportation Payment Calculations

USDA will reimburse eligible ranchers 60% of livestock or feed transportation costs above what would have been incurred in a normal year. Producers qualifying as underserved (socially disadvantaged, limited resource, beginning or military veteran) will be reimbursed for 90% of the livestock or feed transportation cost above what would have been incurred in a normal year.

USDA uses a national cost formula to determine reimbursement costs that will not include the first 25 miles and distances exceeding 1,000 transportation miles. The calculation will also exclude the normal cost to transport livestock, hay or feed if the producer normally purchases some feed or normally transports livestock. For 2022, the initial cost formula of $6.44 per mile will be used (before the percentage is applied).

Losses Resulting from Additional Cost of Transporting Water

Eligible Livestock

For losses resulting from the additional cost of transporting water, eligible livestock that are weaned must be:

- Alpacas, adult or non-adult dairy cattle, adult or non-adult beef cattle, adult or non-adult buffalo, adult or non-adult beefalo, deer, elk, emus, equine, goats, llamas, reindeer and sheep;
- Owned, cash-leased, purchased, under contract for purchase or been raised by a contract grower or an eligible livestock producer, during the 60 calendar days prior to the beginning date of the eligible adverse weather or loss condition;

- Livestock that are grazing eligible pastureland or grazing land during the normal grazing period for the specific pasture type of grazing land or pastureland that:
  - Are physically located in the county where the eligible adverse weather or loss condition occurred;
  - Had adequate livestock watering systems or facilities before the eligible adverse weather or loss condition occurred; and
  - Do not normally require the transport of water by the producer; and
- Maintained for commercial use as part of the producer's farming operation on the beginning date of the eligible adverse weather or loss condition.

Livestock that were or would have been in a feedlot are not eligible for livestock losses resulting from transporting water under ELAP.

Eligible Producer

For losses resulting from transporting water, producers must have, during the 60 calendar days before the beginning date of the eligible adverse weather or loss condition, owned, cash-leased, purchased, entered into a contract to purchase or been a contract grower of eligible livestock.

Payments for Losses from Transporting Water

Payments for losses due to transporting water will be based on a minimum of 60 percent of the lesser of:

- The total value of the cost to transport water to eligible livestock for 150 days, based on the daily water requirements for the eligible livestock; or
- The total value of the cost to transport water to eligible livestock for the program year, based on the actual number of gallons of water the eligible producer transported to eligible livestock for the program year.

The national average price per gallon to transport water $.07 for all methods of transport. A state or regional price may be established based on the recommendation and documentation by the FSA State Committee.

Eligible Producer

For losses resulting from transporting water, producers must have, during the 60 calendar days before the beginning date of the eligible adverse weather or loss condition, owned, cash-leased, purchased, entered into a contract to purchase or been a contract grower of eligible livestock.

Eligible Adverse Weather or Loss Condition

Eligible adverse weather for losses resulting from the additional cost of transporting water to eligible livestock includes an eligible drought, meaning that any area of the county has been rated by the U.S. Drought Monitor as having a D2 (sever drought) intensity for at least 8 consecutive weeks or D3 (extreme drought) or D4 (exceptional drought) intensity for the specific type of eligible grazing land or pasture land for the county intensity that directly impacts water availability at any time during the normal grazing period.

Eligible Losses from Transporting Water Eligible losses due to the additional costs of transporting water under ELAP are losses that:

- Are due to an eligible drought;
- Are for the additional cost of transporting water to eligible livestock, including, but not limited to, costs associated with water transport equipment fees, labor and contracted water transportation fees; and
- Do not include the cost of the water itself.

Losses Related to Treatment and Inspection for Cattle Tick Fever

Eligible Livestock

For losses resulting from the additional cost to treat and/or inspect for cattle tick fever, eligible livestock that are weaned must be:

- Adult or non-adult dairy cattle, adult or non-adult beef cattle, adult or non-adult buffalo and adult or non-adult beefalo;
- Owned, cash-leased, purchased, under contract for purchase or been raised by a contract grower or an eligible livestock producer, during the 60 calendar days prior to the beginning date of the eligible adverse weather or loss condition; and
- Maintained for commercial use as part of the producer's farming operation on the beginning date of the eligible adverse weather or loss condition.

Livestock that were or would have been in a feedlot are not eligible for livestock losses resulting from the additional cost to treat for cattle tick fever under ELAP.

Eligible losses include those losses resulting from the additional cost associated with gathering livestock to treat and/or inspect for cattle tick fever. To be considered an eligible loss, acceptable records that provide the number of livestock treated and/or inspected for cattle tick fever and the number of treatments given during the program year must be on file with the USDA Animal and Plant Health Inspection Service (APHIS).

Payments for Losses for Gathering Livestock to Treat and/or Inspect for Cattle Tick Fever

Payments for losses resulting from the additional cost associated with gathering livestock to treat and/or inspect for cattle tick fever will be equal to the sum of the following for each treatment:

- A minimum national payment factor of 60 percent multiplied by;
- The number of eligible livestock treated and/or inspected by APHIS for cattle tick fever, multiplied by;
- The average cost to gather livestock, per head, as established by FSA.

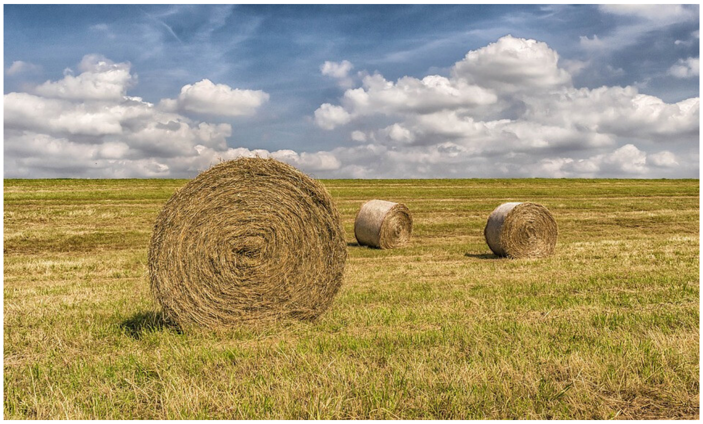
Socially Disadvantaged, Limited Resource, Beginning, or Veteran Farmers and Ranchers

With respect to the national payment rates referenced above, an eligible livestock producer who certifies they are socially disadvantaged, limited resource or a beginning or veteran farmer or rancher will receive 90 percent of the payment rate for livestock losses under ELAP.

Payment Limitations

The 2018 Farm Bill removed ELAP from the combined $125,000 payment limitation under ELAP and LFP. Therefore, for 2019 and subsequent program years, payment limitation does not apply to ELAP benefits. The average adjusted gross income (AGI) limitation on payments for persons or legal entities, excluding joint ventures and general partnerships, with certain levels of average AGI will apply. Specifically, a person or legal entity with an average AGI (as defined in 7 CFR Part 1400) that exceeds $900,000 will not be eligible to receive ELAP payments.

Direct attribution provisions also apply to ELAP. Under direct attribution, any payment to a legal entity will also 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. For more information on payment limitations, visit **fsa.usda.gov/limits**.



How to Apply

Producers can apply to receive ELAP assistance at local FSA service centers. The ELAP application period ends Dec. 31 of each calendar year.

In addition to submitting an application for payment, producers who suffered livestock losses should submit a notice of loss to the local FSA office that maintains their farm records.

The following table provides the final dates to file a notice of loss and application for payment for livestock losses.

Date of Livestock Loss	Final Date to File Notice of Loss	Final Date to Submit an Application for Payment
Within the program year Jan. 1 – Dec. 31	30 days after loss is first apparent	Program year in which the loss occurred.

The producer must include a copy of the grower contract if they are 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 evidence that grazing land or pastureland is owned or leased.

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

This fact sheet is for informational purposes only; other restrictions may apply. For more information about ELAP, visit **fsa.usda.gov/ELAP** or contact your local FSA office. To find your local FSA office, visit **farmers.gov**.

Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

DISASTER ASSISTANCE

Noninsured Crop Disaster Assistance Program

Overview

The Noninsured Crop Disaster Assistance Program (NAP) administered by the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA), provides financial assistance to producers of non-insurable crops to protect against natural disasters that result in lower yields or crop losses, or prevents crop planting.

Who Is Eligible?

Eligible Producers

An eligible producer is a landowner, tenant or sharecropper who shares in the risk of producing an eligible crop and is entitled to an ownership share of that crop. An individual's or entity's average adjusted gross income (AGI) cannot exceed $900,000 to be eligible for NAP payments. Also, NAP payments received, directly or indirectly, will be attributed to the applicable individual or entity and limited to $125,000 per crop year, per individual or entity for crops with basic (catastrophic) coverage. Any NAP payments received directly or indirectly for crops with additional (buy-up) coverage, will be attributed to the applicable individual or entity and limited to $300,000 per crop year, per individual or entity. (To learn more, visit **fsa.usda.gov/limits**.)

Eligible Crops

Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available and be any of the following:

- Crops grown for food;
- Crops planted and grown for livestock consumption, such as grain and forage crops, including native forage; Crops grown for fiber, such as cotton and flax (except trees);
- Crops grown in a controlled environment, such as mushrooms and floriculture;
- Specialty crops, such as honey and maple sap;
- Sea oats and sea grass;
- Sweet sorghum and biomass sorghum;
- Industrial crops, including crops used in manufacturing or grown as a feedstock for renewable biofuel, renewable electricity or biobased products;
- Value loss crops, such as aquaculture, Christmas trees, ginseng, ornamental nursery and turf-grass sod; and
- Seed crops where the propagation stock is produced for sale as seed stock for other eligible NAP crop production.

Producers should contact a crop insurance agent for questions regarding insurability of a crop in their county. For further information on whether a crop is eligible for NAP coverage, producers should contact the FSA county office where their farm records are maintained.

What Is Eligible?

Eligible Causes of Loss

Eligible causes of loss include the following natural disasters:

- Damaging weather, such as drought, freeze, hail, excessive moisture, excessive wind or hurricanes;
- Adverse natural occurrences, such as earthquake or flood; and
- Conditions related to damaging weather or adverse natural occurrences, such as excessive heat, plant disease, volcanic smog (VOG) or insect infestation.

The damaging weather or adverse natural occurrence must occur during the coverage period, before or during harvest, and must directly affect the eligible crop.

How It Works

Coverage Levels

NAP provides basic coverage equivalent to the catastrophic level risk protection plan of insurance coverage, which is based on the amount of loss that exceeds 50 percent of expected production at 55 percent of the average market price for the crop. The 2018 Farm Bill re-authorizes higher levels of coverage ranging from 50 to 65 percent of production, in 5 percent increments, at 100 percent of the average market price. Additional (buy-up) coverage must be elected by a producer by the application closing date. Producers who elect additional coverage must pay a premium in addition to the service fee. Crops intended for grazing are not eligible for additional coverage.

Applying for Coverage

Eligible producers can apply for coverage using form CCC-471, "Application for Coverage," and pay the applicable service fee at the FSA office where their farm records are maintained. Underserved producers will be eligible for basic NAP coverage anytime a valid CCC-860 certification is completed. The CCC-860 form will serve as the NAP application for coverage. If a producer chooses not to participate in NAP, they must opt out on the CCC-860 form.

The application and any applicable service fee must be filed by the application closing date. Application closing dates vary by crop and are established by the FSA State Committee. Contact your local FSA office to verify application closing dates.

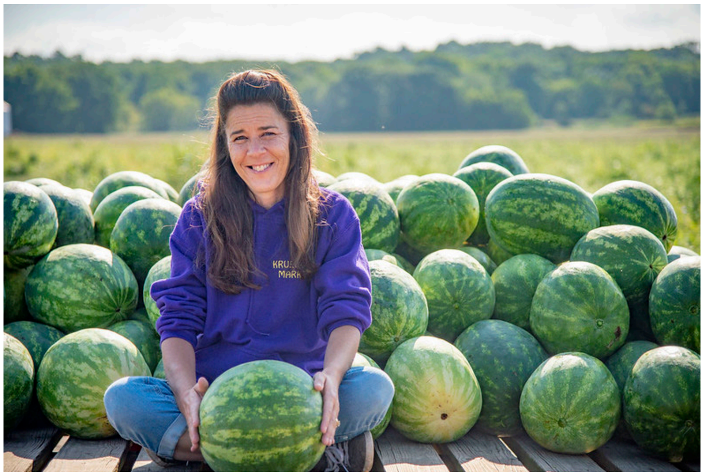
Producers who apply for NAP coverage acknowledge that they have received the NAP Basic Provisions, available at FSA county offices and at **fsa.usda.gov/nap**.

Service Fees and Premiums

For all coverage levels, the NAP service fee is the lesser of $325 per crop or $825 per producer per administrative county, not to exceed a total of $1,950 for a producer with farming interests in multiple counties.

Producers who elect higher levels of coverage must also pay a premium equal to:

- The producer's share of the crop; times
- The number of eligible acres devoted to the crop; times
- The approved yield per acre; times
- The coverage level; times
- The average market price; times
- A 5.25 percent premium fee.



For value loss crops, premiums will be calculated using the maximum dollar value selected by the producer on form CCC-471, "Application for Coverage."

The maximum premium for a person or legal entity that is a NAP covered producer is $15,750 (the maximum payment limitation times a 5.25 percent premium fee) for an application for basic coverage only. If the NAP covered producer is a joint operation, the maximum premium is based on the number of multiple persons or legal entities comprising the joint operation. Beginning, limited resource, socially disadvantaged and qualifying veterans farmers or ranchers are eligible for a waiver of the service fee and a 50 percent premium reduction when they file form CCC-860, "Socially Disadvantaged, Limited Resource, Veteran, or Beginning Farmer or Rancher Certification." To be eligible for a service fee waiver or premium reduction, the NAP covered producer must qualify as one of the following:

Beginning farmer or rancher – a person or legal entity who:

- Has not operated a farm or ranch for more than 10 years; and
- Materially and substantially participates in the operation.

For legal entities to be considered a beginning farmer, all members must be related by blood or marriage and must be beginning farmers.

Limited resource farmer or rancher – a person or legal entity that:

- Earns no more than $177,300 in each of the two calendar years that precede the complete taxable year before the program year, to be adjusted upwards in later years for inflation; and
- Has a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income for both of the previous two years.

Limited resource producer status may be determined using the USDA Limited Resource Farmer and **Rancher Online Self Determination Tool**. The automated system calculates and displays adjusted gross farm sales per year and the higher of the national poverty level or county median household income.

For legal entities requesting to be considered Limited Resource Farmer or Rancher, the sum of gross sales and household income must be considered for all members.

Socially disadvantaged farmer or rancher – a farmer or a rancher who is a member of a group whose members have been subject to racial, ethnic or gender prejudice because of their identity as members of a group without regard to their individual qualities. Groups include:

- American Indians or Alaskan Natives;
- Asians or Asian Americans;
- Blacks or African Americans;
- Native Hawaiians or other Pacific Islanders;
- Hispanics; and
- Women.

For legal entities to be considered socially disadvantaged, the majority interest must be held by socially disadvantaged individuals.

Veteran farmer or rancher – a farmer or rancher who has served in the Armed Forces (as defined in 38 U.S.C. 101) and who:

- has operated a farm or ranch for less than 10 years, or
- first obtained status as a veteran during the most recent 10-year period.

Coverage Period

The coverage period for NAP varies depending on the crop. The coverage period for an annual crop begins the later of:

- The date after the application for coverage is filed and the applicable service fees have been paid; or
- The date the crop is planted (cannot exceed the final planting date).

The coverage period for an annual crop ends the earlier of the:

- Date the crop harvest is completed;
- Normal harvest date for the crop;
- Date the crop is abandoned; or
- Date the entire crop acreage is destroyed.

The coverage period for a perennial crop, other than a crop intended for forage, begins no later than 30 calendar days after the application closing date and ends the earlier of:

- 10 months from the application closing date;
- The date the crop harvest is completed;
- The normal harvest date for the crop;
- The date the crop is abandoned; or
- The date the entire crop acreage is destroyed.

Contact a local FSA office for information on the coverage periods for perennial forage crops, controlled-environment crops, specialty crops and value loss crops.

Information Required to Remain Eligible for NAP

To be eligible for NAP assistance, the following crop acreage information must be reported:

- Name of the crop (lettuce, clover, etc.);
- Type and variety (head lettuce, red clover, etc.);
- Location and acreage of the crop (field, sub-field, etc.);
- Share of the crop and the names of other producers with an interest in the crop;
  Type of practice used to grow the crop (irrigated or non-irrigated);
- Date the crop was planted in each field; and
- Intended use of the commodity (fresh, processed, etc.).

Producers must report crop acreage shortly after planting (early in the risk period) to ensure reporting deadlines are not missed and coverage is not lost. In addition, producers with NAP coverage must provide the following production information:

- The quantity of all harvested production of the crop in which the producer held an interest during the crop year;
- The disposition of the harvested crop, such as whether it is marketable, unmarketable, salvaged or used differently than intended; and
- Verifiable or reliable crop production records (when required by FSA).

When those records are required, producers must provide them in a manner that can be easily understood by the FSA county committee. Producers should contact the FSA office where their farm records are maintained for questions regarding acceptable production records.

Failure to report acreage and production information for NAP-covered crops may result in reduced or zero NAP assistance. Be aware that acreage reporting and final planting dates vary by crop and by region.

Producers should contact the FSA office where their farm records are maintained for questions regarding local acreage reporting and final planting dates.
For aquaculture, floriculture and ornamental nursery operations, producers must maintain records according to industry standards, including daily crop inventories. Unique reporting requirements apply to beekeepers and producers of Christmas trees, turf-grass sod, maple sap, mushrooms, ginseng and commercial seed or forage crops. Producers should contact the FSA office where their farm records are maintained regarding these requirements.

Reported Acreage and Production

FSA uses acreage reports to record the location and number of acres covered by the application. Acreage and the production reports are used to calculate the approved yield (expected production for a crop year). The approved yield is an average of a producer's actual production history (APH) for a minimum of 4 to a maximum of 10 crop years (5 years for apples and peaches). To calculate APH, FSA divides a producer's total production by the producer's crop acreage.
A producer's approved yield may be calculated using substantially reduced yield data if the producer does not report production for a crop with NAP coverage, or reports fewer than 4 years of crop production.

Providing Notice of Loss and Applying for Payment

When a crop or planting is affected by a natural disaster, producers with NAP coverage must notify the FSA office where their farm records are maintained and complete Part B (the Notice of Loss portion) of form CCC-576, "Notice of Loss and Application for Payment." This must be completed within 15 calendar days of the earlier of:

- A natural disaster occurrence;
- The final planting date if planting is prevented by a natural disaster;
- The date that damage to the crop or loss of production becomes apparent; or
- The normal harvest date.

Producers of hand-harvested crops and certain perishable crops must notify FSA within 72 hours of when a loss becomes apparent. The crops subject to this requirement will be listed in the NAP Basic Provisions.

To receive NAP benefits, producers must complete form CCC-576, "Notice of Loss and Application for Payment," Parts D, E, F and G, as applicable, within 60 days of the last day of coverage for the crop year for any NAP covered crop in the unit. The CCC-576 requires acceptable appraisal information.
Producers must provide evidence of production and note whether the crop was marketable, unmarketable, salvaged or used differently than intended.

Defining a NAP Unit

The NAP unit includes all the eligible crop acreage in the county where the producer has a unique crop interest. A unique crop interest is either:

- 100 percent interest; or
- A shared interest with another producer.

Information FSA Uses to Calculate Payment

The NAP payment is calculated by unit using:

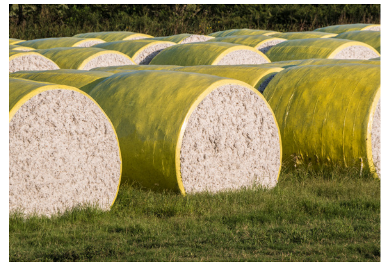
- Crop acreage;
- Approved yield;
- Net production;
- Coverage level elected by the producer;
- An average market price for the commodity established by the FSA state committee; and
- A payment factor reflecting the decreased cost incurred in the production cycle for a crop that is not harvested or prevented from being planted.

For value loss crops with additional coverage, payments will be calculated using the lesser of the field market value of the crop before the disaster or the maximum dollar value for which the producer requested coverage at the time of application.

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. To find your local FSA office, visit **farmers.gov/service-center-locator**.

Marketing Assistance Loans and Loan Deficiency Payments



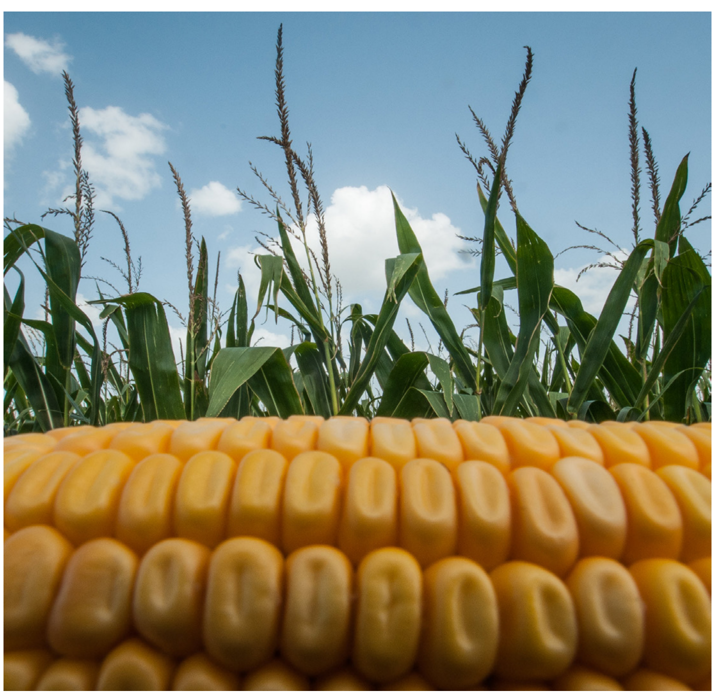
Overview

Marketing assistance loans (MALs) and loan deficiency payments (LDPs) are marketing tools available during harvest or shearing.

Marketing assistance loans provide interim financing at harvest time to help agricultural producers meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. This enables producers to delay selling the commodity until more favorable market conditions emerge. Storing production at harvest (or at shearing for wool and mohair) allows more orderly commodity marketing throughout the year.

How it Works

A nonrecourse marketing assistance loan can be redeemed by repayment, or by delivering the agricultural commodity that was pledged as collateral to the Commodity Credit Corporation (CCC) as full payment for the loan upon maturity.



Recourse marketing assistance loans are also available for commodities that may be of lower quality due to an element such as high moisture, commodities harvested as other than grain, or for contaminated commodities that are still within merchantable levels of tolerance. Recourse MAL's can only be repaid at principal plus accrued interest.

Under certain circumstances, producers may repay at less than the loan rate (principal) plus accrued interest and other charges.

Alternatively, LDP provisions specify that in lieu of securing a MAL, producers may elect to receive an LDP. An LDP is the difference the producer would have received if a loan was repaid at the lower market price, a direct benefit that does not need to be repaid.
MAL repayment and LDP provisions are intended to minimize potential delivery, storage, and related costs of agricultural commodities to CCC. The provisions also are designed to avoid discrepancies in marketing loan benefits across states and counties and to allow U.S. produced commodities to be marketed freely and competitively.

Who is Eligible?

To be eligible for a MAL or LDP, a producer must:

- Comply with conservation and wetland protection requirements;
- Submit an acreage report for all cropland on all farms as applicable;
- Have and retain beneficial interest in the commodity until the MAL is repaid or CCC takes title to the commodity; and
- Meet adjusted gross income limitations (described in a later section).

Eligible Commodities

Eligible commodities include wheat, corn, grain sorghum, barley, oats, upland cotton, extra-long staple cotton (eligible for MAL only), long grain rice, medium grain rice, soybeans, other oilseeds (including sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe and sesame seed), dry peas, lentils, small chickpeas, large chickpeas, graded and nongraded wool, mohair, unshorn pelts (eligible for LDP only), honey and peanuts.

Commodities harvested as other than grain may also be eligible for a LDP.

The commodity must:

- Have been produced, mechanically harvested or shorn from live animals by an eligible producer and be in storable condition;
- Be merchantable for food, feed or other uses, as determined by CCC; and
- Meet specific CCC minimum grade and quality standards for MALs.

Beneficial Interest

A producer retains beneficial interest in the commodity if the producer retains both:

- Control of the commodity - the producer retains the ability to make all decisions affecting the commodity, including movement, sale and the request for a MAL or LDP.
- Title to the commodity - the producer has not sold or delivered the commodity or warehouse receipt to the buyer. If delivered, the title may be considered as transferred before the producer receives payment for the commodity. For example, title is considered transferred if a producer executes an option to purchase without a provision stating that title and control remain with the producer until the buyer exercises the option to purchase, and the option to purchase expires at the earlier of:

1. The maturity of any CCC loan secured by such commodity;
2. The date CCC claims title to such commodity; or
3. Another date provided in the option.

Once beneficial interest in the commodity is lost, the commodity loses eligibility for a MAL or LDP and remains ineligible even if the producer later regains beneficial interest.

If the commodity is delivered to a buyer, processor, feedlot or mill that rejects the commodity because minimum standards are not met, beneficial interest shall not be considered lost if the commodity is returned to the producer. The commodity is not considered rejected if the producer receives a reduced contract price.

Availability Dates

Producers may obtain MALs or receive LDPs on all or part of their eligible production anytime during the loan availability period which runs from when the commodity is normally harvested (or sheared) until dates specified in **Table 1.**

Marketing Assistance Loans

Loan Rates

The 2018 Farm Bill sets national loan rates at the levels shown in **Table 2.**

County and regional loan rates are based on each commodity’s national loan rate, and:

- Vary by county or region, and;
- Are based on the average prices and production of the county or region where the commodity is stored.

Loan Premiums and Discounts

Loan premiums and discounts are determined according to the grade and quality of a specific quantity of the commodity pledged as loan collateral. Premium and discount schedules vary by commodity and are applied to the loan rate in the county where the commodity is stored. On a per-unit basis, premiums are added to and discounts are subtracted from the loan rate only when the MAL is forfeited to CCC. This is for all loan commodities except cotton and peanuts for which premiums and discounts are applied at the time a loan is made.

Interest

The interest rate charged on a commodity loan is set at one percentage point above CCC's cost of borrowing on Jan. 1.

Accrued interest is the amount of interest that accumulates while a loan is outstanding, starting with the day the loan is made. Accrued interest is calculated by multiplying: (i) the applicable interest rate times, (ii) the ratio of the number of days under loan (starting with the initial day and continuing through the day prior to the day a loan is repaid) to the number of days in a year (i.e., 365) times, (iii) the loan principal. **Table 3** provides an example of how accrued interest is calculated.

Loan Repayment

MALs mature on the last day of the ninth calendar month following the month in which the MAL is approved, except all seed cotton loans mature on May 31 the year following when the cotton was planted. A producer may repay an outstanding MAL:

- Before maturity period by repaying the MAL, or;
- Upon maturity by settling or forfeiting the commodity to CCC. The commodity is transferred to CCC to repay the loan.

For all loan-eligible commodities except extra-long staple (ELS) cotton or any recourse loan, a producer may repay a MAL any time during the loan period at the lesser of the:

- Loan rate plus accrued interest and other charges, or;
- Alternative loan repayment rate as determined by CCC.

For wheat, feed grains and oilseeds, the CCC-determined alternative loan repayment rate is often referred to as the posted county price (PCP). PCPs are established and available at each local USDA Service Center. PCPs are based upon market prices at appropriate U.S. terminal markets, adjusted to reflect quality and location. PCPs are announced daily for wheat, feed grains, soybeans, canola, flaxseed and sunflower seed, and weekly for other oilseeds.

For peanuts, CCC determines national posted prices (NPP) for four types of peanuts and announces them weekly. For dry peas and lentils, CCC determines and announces regional posted prices weekly. For wool and large and small chickpeas, CCC determines and announces an NPP weekly. For honey, CCC determines and announces the national survey price monthly. For long and medium grain rice and upland cotton, a producer may repay a MAL any time during the loan period at the lesser of the:

- Loan rate plus accrued interest and other charges, or;
- Adjusted world price (AWP).

The AWP is the prevailing world market price adjusted to U.S. quality and location. Separate AWPs for long grain, medium grain rice and upland cotton are announced weekly.

Commodity Certificate Exchange

Commodity certificates are available to producers to exchange collateral pledged to CCC for a MAL. Commodity certificates will be available for sale at USDA Service Centers to producers with outstanding nonrecourse MALs. The exchange rate will be the AWP for upland cotton or rice, the NPP for peanuts, or the PCP for other commodities, as applicable on the date the commodity certificate is purchased. Realized gains from the certificate exchange gains equal the amount by which the loan rate exceeds the repayment rate.

For further information, see the Commodity Certificate Exchange (CCE) fact sheet at **www.fsa.usda.gov/factsheets**, contact a local USDA service center or visit the FSA website at **www.fsa.usda.gov/pricesupport.**

Marketing Loan Gains

A producer receives a marketing loan gain if the MAL is repaid at less than the loan principal. The marketing loan gain rate equals the amount by which the applicable loan rate exceeds the MAL repayment rate.

Commodity loan gains received from the commodity certificate exchange are not subject Adjusted Gross Income (AGI) provisions.

Loan Deficiency Payment

A producer who is eligible to obtain a MAL, but who agrees to forgo the MAL, may obtain an LDP under certain market conditions. The LDP rate equals the amount by which the applicable loan rate where the commodity is stored exceeds the effective MAL repayment rate for the respective commodity. The LDP amount equals the LDP rate times the quantity of the commodity for which the LDP is requested. **Table 4** provides an example of how MLGs and LDPs are calculated.

Other Requirements

Production Evidence

A producer who repays a MAL at less than the loan rate plus accrued interest and other charges, or receives an LDP, may be subject to a spot check and must provide production evidence acceptable to CCC, such as evidence of sales, warehouse receipts, or load summary or assembly sheets.

Adjusted Gross Income Limitation

Producers or legal entities whose average AGI exceeds $900,000 are not eligible for marketing loan gains or LDP payments; but are eligible for MALs that must be repaid at principal plus interest to repay the loan or exchanged with a commodity certificate exchange if the lower alternative repayment rate is below the established loan rate.

Payment Limitations

LDPs and marketing loan gains available for crop years 2019 through 2023 are not subject to payment limitation, including actively engaged in farming.

More Information

To learn more about commodity certificates, visit **fsa.usda.gov/pricesupport** or contact your local FSA office. To find your local FSA office, visit **farmers.gov/service-center-locator**.

Table 1. Final Loan/LDP Availability Dates by Commodity

Final Loan/LDP Availability Date	Commodity
Jan 31	Peanuts, Wool, Mohair and LDP only for Unshorn Pelts
March 31	Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Seed Cotton, Sesame seed and Wheat
May 31	Corn, Cotton (bales), Dry peas, Grain sorghum, Lentils, Mustard seed, Long grain rice, Medium grain rice, Safflower, Small chickpeas, Large chickpeas, Cotton, Soybeans and Sunflower seed

Table 2. National Loan Rates, 2019-2023 Crops (per production unit)

Commodity	Production Unit	2019 -2023
Wheat	bushel	$3.38
Corn	bushel	$2.20
Grain Sorghum	bushel	$2.20
Barley	bushel	$2.50
ELS Cotton	pound	$0.9500
Upland Cotton	pound	*
Oats	bushel	$2.00
Long Grain Rice	cwt	$7.00
Medium Grain Rice	cwt	$7.00
Soybeans	bushel	$6.20
Other Oilseeds	cwt	$10.09
Dry Peas	cwt	$6.15
Lentils	cwt	$13.00
Small Chickpeas	cwt	$10.00
Large Chickpeas	cwt	$14.00
Wool, graded	pound	$1.15
Wool, nongraded	pound	$0.40
Honey	pound	$0.69
Peanuts	ton	$355.00
Mohair	pound	$4.20

* The upland cotton loan rate is the simple average of the adjusted prevailing world price for the 2 immediately preceding marketing years, but not more than 52 cents per pound nor less than 45 cents per pound, and may not equal less than 98 percent of the loan rate for the base quality of upland cotton for the preceding year. The loan rate for the 2020 crop year was announced October 9, 2019, at 52 cents per pound.

Table 3. Accrued Interest Calculation Examples

Facts	Accrued Interest for Loan A		
Applicable Interest	2.250%		
Loan Principal	$1,000		
	Scenario 1	*Scenario 2*	*Scenario 3*
Days Loan Outstanding	90	120	150
Days in a Year	365	365	365
Accrued Interest	$5.55	$7.40	$9.25

Table 4. Marketing Loan Gain/Loan Deficiency Payment Examples

County A	MAL Repayment Rate Scenario ($ per bushel)		
Loan Rate	1.95		
	Scenario 1	*Scenario 2*	*Scenario 3*
Loan Rate Plus Interest	1.98	1.98	1.98
Effective Posted County Price (PCP)	2.05	1.90	1.98
MLG or LDP Rate	0.00	0.05*	0.00

*Does not include accrued interest of $0.03.

Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

DISASTER ASSISTANCE

LFP - Livestock Forage Disaster Program

Overview

The Livestock Forage Disaster Program (LFP) provides payments to eligible livestock owners and contract growers who have covered livestock and who are also producers of grazed forage crop acreage (native and improved pastureland with permanent vegetative cover, including rangeland managed by a federal agency, or certain crops planted specifically for grazing) that have suffered a loss of grazed forage due to a qualifying drought during the normal grazing period for the county.

LFP also provides payments to eligible livestock owners or contract growers that have covered livestock and who are also producers of grazed forage crop acreage on rangeland managed by a federal agency if the eligible livestock producer is prohibited by the federal agency from grazing the normal permitted livestock on the managed rangeland due to a qualifying fire.

The qualifying drought and qualifying grazing losses, and/or notification of prohibition to graze Federal land due to fire, must have occurred in the grazing period and crop year. For grazing losses on rangeland managed by a federal agency, an eligible livestock producer may elect to receive assistance for losses due to drought conditions or fire conditions, if applicable, but not both.

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

Eligible Counties for Drought

An eligible livestock owner or contract grower who, as a grazed forage crop producer, owns or leases grazing land or pastureland physically located in a county rated by the U.S. Drought Monitor as having a:

- D2 (severe drought) intensity in any area of the county for at least eight consecutive weeks during the normal grazing period is eligible to receive assistance in an amount equal to one monthly payment;
- D3 (extreme drought) intensity in any area of the county at any time during the normal grazing period is eligible to receive assistance in an amount equal to three monthly payments;
- D3 (extreme drought) intensity in any area of the county for at least four weeks during the normal grazing period or is rated a D4 (exceptional drought) intensity at any time during the normal grazing period is eligible to receive assistance in an amount equal to four monthly payments; or
- D4 (exceptional drought) in a county for four weeks (not necessarily four consecutive weeks) during the normal grazing period is eligible to receive assistance in an amount equal to five monthly payments.

A map of eligible counties for LFP drought can be found at **fsa.usda.gov/programs-and-services/disaster-assistance-program/livestock-forage/index**.

Eligible Livestock

Eligible livestock are grazing animals that satisfy the majority of net energy requirement of nutrition via grazing of forage grasses or legumes and include such species as alpacas, beef cattle, buffalo/bison, beefalo, dairy cattle, deer, elk, emus, equine, goats, llamas, reindeer or sheep.

Within those species animals that are eligible include those that are or would have been grazing the eligible grazing land or pastureland:

- During the normal grazing period for the specific type of grazing land or pastureland for the county; or
- When the federal agency prohibited the livestock owner or contract grower from having livestock graze the normally permitted livestock on the managed rangeland due to fire.

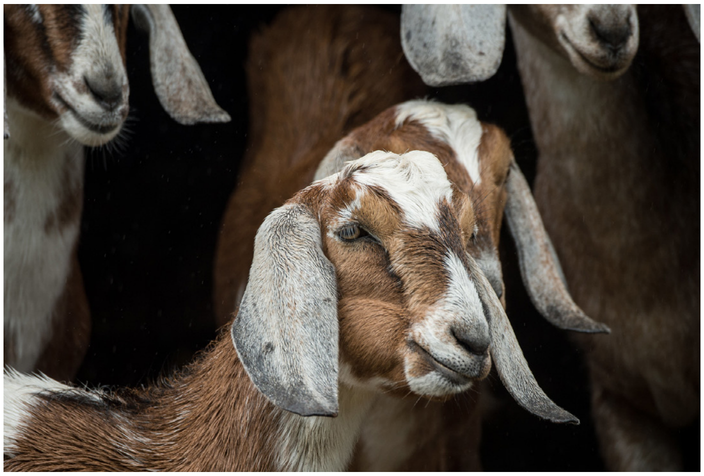
Eligible Livestock must:

- Have been owned, leased, purchased, entered into a contract to purchase, or held by a contract grower during the 60 days prior to the beginning date of a qualifying drought or fire condition;
- Have been sold or otherwise disposed of due to a qualifying drought condition during the current production year or up to two production years immediately preceding the current production year if there is a systemic drought condition.
- Have been maintained for commercial use as part of a farming operation on the beginning date of the eligible drought or fire condition;
- Not have been produced and maintained for reasons other than commercial use as part of a farming operation (such excluded uses include, but are not limited to, wild free-roaming animals or animals used for recreational purposes such as pleasure, hunting, pets, roping or for show); and
- Not have been livestock that were or would have been in a feedlot on the beginning date of the qualifying drought or fire as part of the normal business operation of the livestock owner or contract grower.

Eligible Producers

To be eligible for LFP, persons or legal entities must be a U.S. citizen, resident alien, partnership of U.S. citizens, a legal entity organized under State law, or an Indian tribe or tribal organization defined in the Indian Self-Determination and Education Assistance Act that:

- Own, cash or share lease, or be a contract grower of covered livestock during the 60 calendar days before the beginning date of a qualifying drought or fire;
- Provide pastureland or grazing land for covered livestock, including cash-rented pastureland or grazing land as of the date of the qualifying drought or fire that is either:
    - Physically located in a county affected by a qualifying drought during the normal grazing period for the county; or
    - Rangeland managed by a federal agency for which the otherwise eligible livestock producer is prohibited by the federal agency from grazing the normally permitted livestock because of a qualifying fire.
- Certify that they have suffered a grazing loss because of a qualifying drought or fire; and
- Timely file an acreage report for all grazing land for which a grazing loss is being claimed.



Payments

FSA will calculate LFP payments for an eligible livestock producer for grazing losses because of a qualifying drought equal to payment factors of one, three, four or five times the LFP monthly payment rate (see table below for payment rates). The LFP monthly payment rate for drought is equal to 60 percent of the lesser of either the monthly feed cost

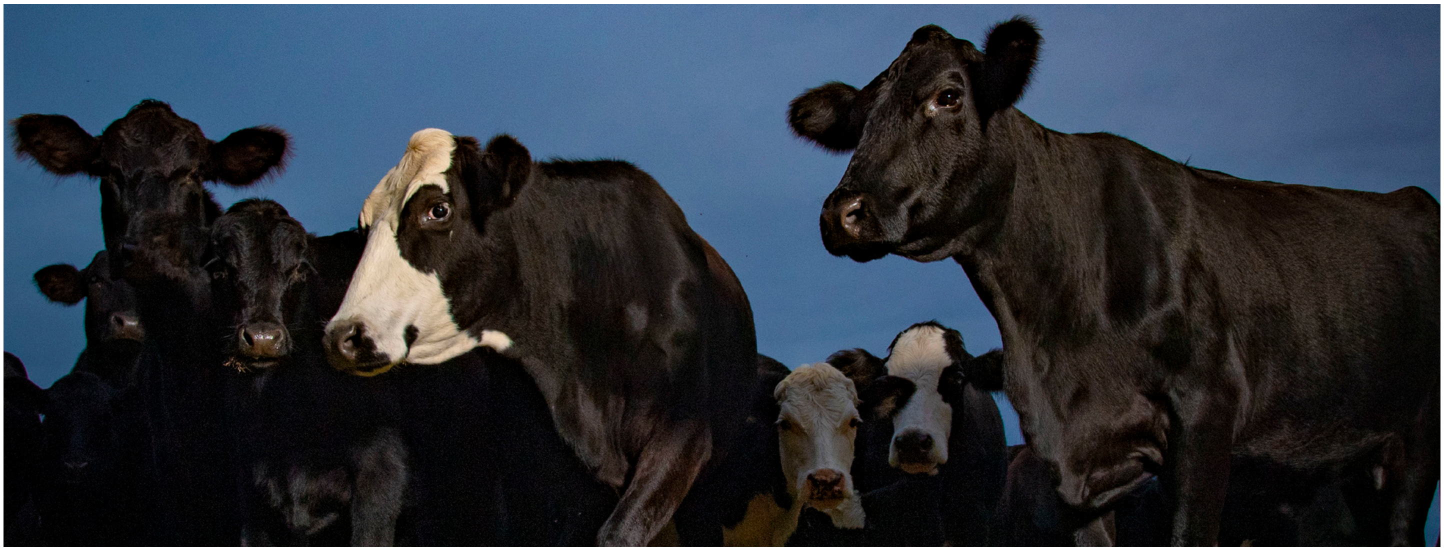
- For all covered livestock owned or leased by the eligible livestock producer; or
- Calculated by using the normal carrying capacity of the eligible grazing land of the eligible livestock producer.

Total LFP payments to an eligible livestock owner or contract grower in a calendar year for grazing losses will not exceed five monthly payments for the same kind, type, and weight range of livestock.

In the case of an eligible livestock owner or contract grower who sold or otherwise disposed of livestock because of drought conditions in one or both of the two previous production years immediately preceding the current production year, the payment rate will equal 80 percent of the monthly payment rate.

FSA will calculate LFP payments for eligible livestock owners or contract growers for losses suffered because of a qualifying fire on federally managed rangeland

for which the producer is prohibited from grazing the normally permitted livestock. The payment begins on the first day the permitted livestock are prohibited from grazing the eligible rangeland and ending on the earlier of the last day of the federal lease of the eligible livestock producer or the day that would make the period a 180 calendar-day period. The payment rate is 50 percent of the monthly feed cost for the number of days the owner or contract grower is prohibited from having livestock graze the managed rangeland because of a qualifying fire, not to exceed 180 calendar days.



Payments Limitation

The Agriculture Improvement Act (2018 Farm Bill) established a maximum annual per person and legal entity payment limitation for LFP (without regard to any other program) of $125,000.

Therefore, for 2019 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. The average adjusted gross income (AGI) limitation relating to limits on payments for persons or legal entities, excluding joint ventures and general partnerships, with certain levels of AGI will apply. Specifically, a person or legal entity with an AGI (as defined in 7 CFR Part 1400) that exceeds $900,000 will not be eligible to receive LFP payments.

Direct attribution provisions apply to LFP. Under direct attribution, any payment to a legal entity will also 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. To learn more, visit the Payment Eligibility and Payment Limitations fact sheet at **fsa.usda.gov/payment-limitations**.

Enrollment

Eligible livestock producers who are also producers of grazed forage crop acreage must provide a completed application for payment and required supporting documentation to their FSA office within 30 calendar days after the end of the calendar year in which the grazing loss occurred.

Contract growers must include a copy of the grower contract and any other supporting documents required for determining contract grower eligibility.

Supporting documents must show evidence of loss and that grazing land or pastureland is owned or leased. If a loss of grazing was due to a fire that the eligible livestock producer was prohibited by the federal agency from having livestock graze the normal permitted livestock on the managed rangeland due to a fire supporting documentation received from that federal agency must be provided.

FSA will use data provided by the applicant to determine eligibility for program benefits. Without all required supporting documentation and data, the application will not be able to be approved and benefits cannot be 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. To find your local FSA office, visit **farmers.gov/service-center-locator**.

LIVESTOCK PAYMENT RATES

KIND	TYPE	WEIGHT RANGE	PAYMENT RATE PER HEAD				
			2018	2019	2020	2021	2022
Beef	Adult	Bulls, Cows	$28.07	$29.34	$31.89	$31.18	$47.29
	Non-Adult	500 pounds or more	$21.05	$22.01	$23.92	$23.38	$35.47
		Less than 500 pounds		$14.67	$15.94	$15.59	$23.64
Dairy	Adult	Bulls, Cows	$72.98	$76.29	$82.91	$81.07	$122.95
	Non-Adult	500 pounds or more	$21.05	$22.01	$23.92	$23.38	$35.47
		Less than 500 pounds		$14.67	$15.94	$15.59	$23.64
Beefalo	Adult	Bulls, Cows	$28.07	$29.34	$31.89	$31.18	$47.29
	Non-Adult	500 pounds or more	$21.05	$22.01	$23.92	$23.38	$35.47
		Less than 500 pounds		$14.67	$15.94	$15.59	$23.64
Buffalo/ Bison	Adult	Bulls, Cows	$28.07	$29.34	$31.89	$31.18	$47.29
	Non-Adult	500 pounds or more	$21.05	$22.01	$23.92	$23.38	$35.47
		Less than 500 pounds		$14.67	$15.94	$15.59	$23.64
Sheep	All		$7.02	$7.34	$7.97	$7.79	$11.82
Goats	All		$7.02	$7.34	$7.97	$7.79	$11.82
Deer	All		$7.02	$7.34	$7.97	$7.79	$11.82
Equine	All		$20.77	$21.71	$23.60	$23.07	$34.99
Elk	All			$15.85	$17.22	$16.84	$25.54
		Less than 400 pounds	$6.18				
		400 to 799 pounds	$11.51				
		800 pounds or more	$15.16				
Reindeer	All		$6.18	$6.46	$7.02	$6.87	$10.42
Alpacas	All		$23.12	$24.17	$26.27	$25.68	$38.95
Emus	All		$14.37	$15.02	$16.32	$15.96	$24.20
Llamas	All		$10.25	$10.71	$11.64	$11.38	$17.26

NOTE: A grazing animal is defined as those species of livestock that, from a nutritional and physiological perspective, satisfy more than 50 percent of their net energy requirement through the consumption of growing forage grasses and legumes, regardless whether or not they are grazing or are present on grazing land or pastureland. Unweaned livestock are not considered a grazing animal and are ineligible for LFP.

The LFP monthly payment rate for losses because of a qualifying drought is calculated at 60 percent of the smaller of the monthly feed cost payment rate per head in the table above or the monthly feed cost based on the normal carrying capacity of the eligible grazing or pastureland acres.

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