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Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP): Montana

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Background:

The Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) was authorized under the Food, Conservation and Energy Act of 2008 (the 2008 Farm Bill).

ELAP provides emergency assistance to eligible producers of livestock, honeybees, and farm-raised fish who have losses due to disease, adverse weather, or other conditions, including losses due to blizzards or wildfire, as determined by the Secretary of Agriculture.

ELAP assistance is for losses **not covered** under other Supplemental Agricultural Disaster Assistance Payment programs established in the 2008 Farm Bill; specifically, the Livestock Forage Disaster Program (LFP), the Livestock Indemnity Program (LIP), and the Supplemental Revenue Assistance Program (SURE).

Sections 12033 and 15101 of the Farm Bill define the scope of ELAP. They authorize the Secretary of Agriculture to provide payments to producers of livestock, honeybees, or farm-raised fish to aid in the reduction of losses due to disease, adverse weather, or other conditions such as blizzards and wildfires.

ELAP **covers** some species, loss conditions and losses that are **not eligible for other disaster assistance programs.** For instance ELAP covers honeybee colony collapse disorder and wildfires on non-Federal grazing land.

Some General Provisions:

As with the other standing disaster programs, ELAP payments are annually limited to a maximum of $100,000 per person or legal entity, a combined limit applicable to the sum of all payments from LIP, LFP, SURE and ELAP. For 2009 through 2011, a person or legal entity with an average adjusted nonfarm gross income that exceeds $ 500,000 for the relevant period will not be eligible to receive ELAP payments.

ELAP has a risk management purchase requirement. To be eligible for ELAP payments, eligible producers on a farm must have purchased insurance for each insurable commodity**, excluding grazing land**. "Insurable commodities" are those for which a plan of insurance can be obtained from the USDA's Risk Management Agency. Coverage for "noninsurable" commodities is generally available through the Noninsured Crop Disaster Assistance Program (NAP) run by the USDA's Farm Service Agency. To be eligible for ELAP assistance producers must have obtained an RMA policy or plan of insurance or NAP coverage for all of their crops **except for grazing land**.

Producers who do not obtain the required RMA insurance or NAP coverage are not eligible for ELAP payments unless an exception applies.

"Socially disadvantaged farmers and ranchers," as well as "limited resource farmers" or "beginning farmers or ranchers" are exempt from the risk management purchase requirement. There is also an "equitable relief" provision under which the Secretary of Agriculture may provide equitable relief on a case-by-case basis from the risk management purchase requirement.

Specific Provisions for ELAP:

The 2008 Farm Bill provides for up to $50,000,000 per year to provide emergency relief under ELAP to producers of livestock, honeybees and farm-raised fish. The 2008 Farm Bill specifies that ELAP is for losses due to "disease, adverse weather, or other conditions, such as blizzard or wildfires, as determined by the Secretary (of Agriculture)." Under the rule, eligible adverse loss conditions include disease, adverse weather, and other conditions and will be determined by the Farm Service Agency Deputy Administer on behalf of the Secretary (of Agriculture)." In general, adverse weather includes, but is not limited to, events such as hurricanes, floods, blizzards, wildfires, extreme heat, and extreme cold.

ELAP is being implemented to fill in the gap and provide assistance under other conditions as the Deputy Administrator (of FSA) determines are appropriate.

ELAP is intended to provide broad coverage of losses not covered by the other standing disaster programs. **Eight different types of losses have been identified** (as of September 11, 2009) as examples and are briefly explained:

1. **Livestock producers** are eligible for ELAP if they have **eligible grazing losses due to eligible adverse weather or eligible loss conditions, on eligible grazing lands** that are physically located in a county that experience such eligible adverse weather or eligible loss conditions. Eligible adverse weather and eligible loss conditions may include, but are not limited to blizzards, floods, hurricanes, wildfires on non-federal grazing lands, and hail.

2. **Livestock producers of forage or feedstuffs** intended for feed for the producer's livestock are eligible for ELAP if the **feed is damaged or destroyed when the feed is located in the county that experienced the eligible adverse weather or loss condition**.

3. **Livestock producers** are eligible for ELAP to cover a portion of the **loss related to additional costs incurred in transporting livestock feed to eligible livestock** due to an eligible adverse weather or loss condition.

4. **Livestock producers** are eligible for ELAP to cover a portion of the **loss related to the cost of purchasing additional livestock feed above normal quantities** to maintain the eligible livestock due to an adverse weather or eligible loss condition until additional livestock feed become available. The additional feed must be fed to livestock in the county where the eligible adverse weather or eligible loss condition occurred.

5. **Livestock producers** are eligible for ELAP if they have **losses due to livestock death in excess of normal mortality** due to an eligible loss condition that is **not** an eligible adverse weather event under LIP**. ELAP covers livestock death losses due to other eligible loss conditions.**

6. **Honeybee or farm-raised fish producers** are eligible for ELAP if they have losses **of feed that was intended as feed for honeybees or farm-raised fish.** The feed loss must have occurred in the county where the eligible adverse weather or eligible loss condition occurred.

7. **Honeybee producers** are eligible for ELAP if they have **honeybee colony or honeybee hive losses due to** eligible adverse weather or loss conditions including, but not limited to**, colony collapse disorder,** earthquakes, floods, hurricanes, tornadoes, and volcanic eruptions that occurred in the county where losses were incurred. In the case of colony collapse, the collapse must be certified or otherwise documented by a competent third party.

8. **Producers of farm-raised bait fish and game fish** are eligible for ELAP if they have **fish death losses due to eligible adverse weather or loss conditions** including but not limited to: earthquake, floods, hurricanes, tidal surges, tornadoes, and volcanic eruptions.

Note, however, that:

Livestock, honeybee and farm-raised fish losses that are **not** related to eligible adverse weather or loss conditions, as determined by the Deputy Administrator of the Farm Service Agency, **are not covered.**

ELAP Payment Calculations:
Payments for eligible **livestock feed losses**, that the producer incurred in a calendar year will be based on **60 percent of the producer's cost of:** replacing livestock feed that was damaged or destroyed; or, the additional cost incurred for providing or transporting livestock feed; or, the additional cost of purchasing additional livestock feed above normal quantities. If the feed was raised by the livestock producer, the county-level Farm Service Agency committee will determine its fair market value.

Payments for **grazing losses,** not to exceed 90 days, for reasons other than drought or wildfires will be based on **the lesser of 60 percent 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; or, the total value of grazing lost for all eligible livestock based the carrying capacity of the eligible grazing land for the number of grazing days lost. Payments for **grazing losses due to wildfires on non-Federal grazing lands** will be based on **50 percent of the value of the lost grazing** based on the carrying capacity of the eligible grazing land, not to exceed 180 days of lost grazing.

Payments for livestock death losses due to eligible loss conditions will equal **75 percent of the market value** of the eligible livestock lost in excess of the normal mortality. Market values used for such compensation will be consistent with those specified for LIP payments.

Payments for honeybee or farm-raised fish feed losses for the honeybee or fish feed that was damaged or destroyed will be based on **60 percent** of the raised feed's fair market value, as determined by the county-level Farm Service Agency Committee.

Payments for honeybee colony or hive loss will be based on **60 percent of the producer's actual replacement costs.**

Payments for producers of farm-raised game or sports fish who have losses due to fish death will be based on **60 percent** of the producer's **actual replacement costs** for the game or sport fish that died.

Example Payment Calculations:

<u>*Example 1.*</u> A livestock producer in northeast Montana runs his livestock on native rangeland that he owns. An early summer lightning-caused range fire that occurred on May 15th burned 2,000 acres of rangeland on this Roosevelt County ranch, destroying all of the grazing for the season.

The rancher did not carry rangeland insurance or have NAP coverage on his grazing land. But the rancher did carry crop insurance on his feed barley and alfalfa hay, the only two crops produced on the ranch.

The usual grazing period in Roosevelt County is from May 1 through November 15, a 199-day period. The fire caused loss of 184 grazing days on non-irrigated native grass rangeland with a rating of 19.50 acres per animal unit. Based on recent LFP values, the feed compensation rate for mature beef animals was $40.04 per head per month, or $1.3347 per day.

The calculation for the compensation of grazing loss due to fire is:

[(Number of Acres Impacted by Fire)/ (Normal Carrying Capacity of the Specific Type of Grazing Land)] x [Number of Grazing Days Lost] x [Daily Value of Grazing] x [0.50, the compensation portion] x [Producer's Share] = Compensation for Grazing Loss.

For this particular loss the calculation is: [(2,000 acres)/(19.5 acres per animal unit)] x [(184 lost grazing days)] x [$1.3347 per day] x [0.50] x [1.00] = $12,594.

However ELAP payments for loss due to five are limited to 180 days, so the maximum payment will be [2,000 acres)/19.5 acres per animal unit) x [(180 day maximum)] x [$1.3347 per day] x [0.50] x [1.00] = $12,320.

<u>*Example 2.*</u> A Montana-based honeybee operator has a pollinator business that is operated in both Montana and California. At the beginning of the Montana pollination season, the producer has 1,000 colonies of honeybees. At the end of the Montana season, the producer has only 200 colonies because he suffered a loss of 800 colonies lost due to colony collapse disorder. Documentation is provided that confirms that the producer spent $48,000 to replace the 800 lost colonies, or $60 per colony. ELAP compensation for the lost honeybee colonies will be:

[Replacement Cost] x [0.60] x [Producer's Share] = Compensation for Colony Collapse,

Where 0.60 is the proportion of the replacement cost that will be compensated under ELAP.

For this particular loss, the payment calculation is: [$48,000] x [0.60] x [1.00] = $28,800.

Summary:

ELAP is one of the five standing disaster assistance programs. The program is for losses **not covered** by LIP, LFP, and SURE.

There is a risk management purchase requirement for ELAP. To be eligible for program payments under ELAP, eligible producers must have purchased RMA crop insurance or NAP coverage for each crop **except grazing land**.

Eight different types of losses have been identified by USDA as possible qualifying for disaster assistance to livestock, honeybee and farm-raised fish producers. Types of losses of high interest in Montana include grazing losses due to fire on non-Federal grazing lands and losses due to honey bee colony collapse.

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