

USDA Farm Service Agency
2006 Livestock Assistance Grant Program

Administered by the
Montana Department of Agriculture

PROGRAM FACT SHEET

Overview

In August 2006, U.S. Department of Agriculture Secretary Mike Johanns announced the availability of drought assistance funding for counties within states that have experienced D-3 or D-4 drought conditions based on U.S. Drought Monitor maps published between March 7, 2006 and August 31, 2006. Seven Montana counties qualify for the 2006 Livestock Assistance Grant Program based on criteria established by USDA Farm Service Agency. The eligible counties are Big Horn, Carbon, Carter, Custer, Fallon, Powder River and Rosebud. Montana was allocated \$933,443 and was directed by USDA to distribute these funds to eligible livestock producers who suffered forage related losses during the 2006 drought.

Examples of forage losses eligible for financial assistance under this grant include direct forage loss, the cost of additional supplemental feed, cost of relocating livestock to new feed supplies, increased feed transportation cost, emergency water supply cost, or other losses specifically related to the forage losses caused by drought. Receipts for expenditures will not be required during the application process, however, receipts may be required if an audit is conducted.

The program will provide economic assistance in the form of a check distributed by the State of Montana and coordinated through the Montana Department of Agriculture. These funds are being provided for the sole purpose of assisting with the reestablishment of livestock producers' purchasing power.

Eligibility

The amount of aid a livestock producer will be eligible to receive will be determined by the percentage of forage loss within an eligible county and on the number of the producer's foundation herd stock (breeding stock) of cattle, bison, sheep and horses on an Animal Unit (AU) basis. For the purposes of this program, AUs will be considered as follows:

- cattle, bison and horses: 1 AU per head
- sheep: 1 AU per 5 head

Eligible livestock numbers will be based on maximum herd size between March 7, 2006 and August 31, 2006. An animal may only be claimed once. If a claim is made for an animal in one county, it cannot be claimed in another county. If a claim is made for an animal in another state, it cannot be claimed in Montana. Assistance may only be provided to livestock producers who suffered forage losses as a part of a farming/ranching operation. Assistance may not exceed the amount of forage or related losses suffered by the producer as a result of drought in 2006. Feedlot animals and free ranging (unmanaged) herds of bison or horses are not eligible for this program.

Eligible livestock numbers consist of:

- all pregnant or lactating beef cows, bison and sheep;
- the appropriate number of sires to service the size of the female herd;
- the number of foundation horses used in a seed-stock business; and
- the appropriate number of horses used in a livestock operation (e.g.: 1 horse per 50 head of cattle).

Payment Limitations

There is a \$10,000 payment limitation per producer as defined in the Livestock Assistance Grant Program Agreement between the Farm Service Agency and the State of Montana. If the producer is a partnership or corporation, payment will be made pursuant to direction in the Livestock Assistance Grant Program Agreement. If applying for assistance in another state under this program, you will be required to list all of those states on the application.

Application Process

Applications for this program must be complete, accurate and signed to be considered valid. In addition, a signed Producer Release and Indemnification Agreement must accompany the application. All applications and release forms must be submitted to the Extension office in which the livestock reside. Applications will be reviewed by the extension agent prior to forwarding to the department for processing. The department will process the applications and distribute grant monies as directed by USDA. The department will not be able to calculate the per-head payment amount until the application deadline has passed and herd numbers are verified.

Appeals

There is an appeals process for this program. Items that cannot be appealed include the distribution formula and eligibility provisions required by the USDA in its program agreement with the state. Appeals must be submitted in writing to the Director of the Montana Department of Agriculture by 5:00 pm on Friday, December 8, 2006. The Director's decision on all appeals will be final.

Appeals may be addressed to:

Nancy K. Peterson
Director
Montana Department of Agriculture
PO Box 200201
Helena MT 59620-0201
Phone: (406) 444-3156
Fax: (406) 444-5409
Email: agr@mt.gov

**APPLICATIONS MUST BE SUBMITTED TO THE EXTENSION AGENTS NO LATER THAN
5:00 P.M. ON TUESDAY, NOVEMBER 28, 2006.**

DO NOT SUBMIT APPLICATIONS DIRECTLY TO DEPARTMENT.

October 12, 2006