



**UNITED STATES DEPARTMENT OF AGRICULTURE  
FEDERAL CROP INSURANCE CORPORATION  
LIVESTOCK POLICIES FARM BILL AMENDMENT**

(This is a Continuous Amendment)

This amendment modifies the provisions of the Livestock Gross Margin for Cattle Insurance Policy Basic Provisions (LGM Cattle), Livestock Gross Margin for Dairy Cattle Insurance Policy Basic Provisions (LGM Dairy), Livestock Gross Margin for Swine Insurance Policy Basic Provisions (LGM Swine), and Livestock Risk Protection Insurance Policy Basic Provisions (LRP) for the 2016 and succeeding crop years.

The changes to the above policies are required as the result of changes mandated by the Agricultural Act of 2014 (commonly referred to as the 2014 Farm Bill), enacted on February 7, 2014, and consistent with the changes made in the Interim Rule effective in the Federal Register on June 30, 2014.

The revised provisions are as follows:

<b>In addition to section:</b>	<b>The following provisions have been added:</b>
1 – LGM Dairy 1 - LRP	<b>Beginning farmer or rancher</b> – An individual who has not actively operated and managed a farm or ranch in any state, with an insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than five crop years, as determined in accordance with FCIC procedures. Any crop year’s insurable interest may, at your election, be excluded if earned while under the age of 18, while in full-time military service of the United States, or while in post-secondary education, in accordance with FCIC procedures. A person other than an individual may be eligible for beginning farmer or rancher benefits if all of the substantial beneficial interest holders qualify as a beginning farmer or rancher.
2(j) – LGM Cattle	(13) A determination made in section 2(j)(10)(B) exhausts all administrative remedies for purposes of termination.
2(j)(2) – LGM Dairy 2(j)(2) – LGM Swine	(iv) A determination made in section 2(j)(2)(iii)(B) exhausts all administrative remedies for purposes of termination.
3(j) – LRP	(11) A determination made in section 3(j)(7)(ii) exhausts all administrative remedies for purposes of termination.
5 – LGM Dairy	<p>(f) If you qualify as a beginning farmer or rancher, your premium subsidy will be 10 percentage points greater than the premium subsidy that you would otherwise receive, unless otherwise specified in the Special Provisions.</p> <p>(g) Effective for any policies with a sales closing date on or after July 1, 2015, you will be ineligible for any premium subsidy paid on your behalf by FCIC for any policy issued by us if:</p> <ul style="list-style-type: none"> <li>(1) USDA determines you have committed a violation of the highly erodible land conservation or wetland conservation provisions of 7 CFR part 12 as amended by the Agricultural Act of 2014; or</li> <li>(2) You have not filed form AD-1026, or successor form, with FSA by June 1 prior to the sales closing date to be properly identified as in compliance with the applicable conservation provisions specified in section 5(g)(1).</li> </ul> <p>(i) Notwithstanding section 5(g)(2), if you demonstrate you are a beginning farmer or rancher who has not previously had an insurable interest in a crop or livestock and began farming for the first time after June 30 prior to the sales closing date, you fail to file form AD-1026 or successor form with the FSA, by June 1 after you make application for insurance.</p> <p>(ii) To be eligible for premium subsidy paid on your behalf by FCIC, it is your responsibility to assure you meet all the requirements for:</p> <ul style="list-style-type: none"> <li>(A) Compliance with the conservation provisions specified in section 5(g)(1) of this section; and</li> <li>(B) Filing form AD-1026, or successor form, to be properly identified as in compliance with the conservation provisions specified in section 5(g)(1) of this section.</li> </ul>

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(JUNE 2014)

In addition to section:	The following provisions have been added:
5 – LRP	<p>(e) If you qualify as a beginning farmer or rancher, your premium subsidy will be 10 percentage points greater than the premium subsidy that you would otherwise receive, unless otherwise specified in the Special Provisions.</p> <p>(f) Effective for any policies with a sales closing date on or after July 1, 2015, you will be ineligible for any premium subsidy paid on your behalf by FCIC for any policy issued by us if:</p> <ol style="list-style-type: none"> <li>(1) USDA determines you have committed a violation of the highly erodible land conservation or wetland conservation provisions of 7 CFR part 12 as amended by the Agricultural Act of 2014; or</li> <li>(2) You have not filed form AD-1026, or successor form, with FSA by June 1 prior to the sales closing date to be properly identified as in compliance with the applicable conservation provisions specified in section 5(f)(1).               <ol style="list-style-type: none"> <li>(i) Notwithstanding section 5(f)(2), if you demonstrate you are a beginning farmer or rancher who has not previously had an insurable interest in a crop or livestock and began farming for the first time after June 30 prior to the sales closing date, you fail to file form AD-1026 or successor form with the FSA, by June 1 after you make application for insurance.</li> <li>(ii) To be eligible for premium subsidy paid on your behalf by FCIC, it is your responsibility to assure you meet all the requirements for:                   <ol style="list-style-type: none"> <li>(A) Compliance with the conservation provisions specified in section 5(f)(1) of this section; and</li> <li>(B) Filing form AD-1026, or successor form, to be properly identified as in compliance with the conservation provisions specified in section 5(f)(1) of this section.</li> </ol> </li> </ol> </li> </ol>
23 – LGM – Dairy 23 – LGM – Swine	<p><b>23. Correction of Errors</b></p> <p>(a) In addition to any other corrections allowed in your policy subject to section 23(b), we may correct:</p> <ol style="list-style-type: none"> <li>(1) Within 60 days after the sales closing date, any incorrect information on your application or provided by the sales closing date, including identification numbers for you and any person with an substantial beneficial interest in the you, to ensure that the eligibility information is correct and consistent with information reported by you to any USDA agency;</li> <li>(2) Within 30 days after the acreage reporting date, information reported to reconcile errors in the information with correct information that has been determined by any USDA agency;</li> <li>(3) Within 30 days of any subsequent correction of data by FSA, erroneous information corrected as a result of verification of information; and</li> <li>(4) At any time, any incorrect information if the incorrect information was caused by electronic transmission errors by us or errors made by any agency within USDA in transmitting the information provided by you for purposes of other USDA programs.</li> </ol> <p>(b) Corrections may be made but will not take effect for the current crop year if the correction would allow you to:</p> <ol style="list-style-type: none"> <li>(1) Avoid ineligibility requirements for insurance or obtain a disproportionate benefit under the crop insurance program or any related program administered by the Secretary;</li> <li>(2) Obtain, enhance, or increase an insurance guarantee or indemnity if a cause of loss exists or has occurred before any correction has been made, or avoid premium owed if no loss is likely to occur; or</li> <li>(3) Avoid an obligation or requirement under any Federal or State law.</li> </ol>
24 – LGM – Cattle 24 – LRP	<p><b>24. Correction of Errors</b></p> <p>(a) In addition to any other corrections allowed in your policy subject to section 24(b), we may correct:</p> <ol style="list-style-type: none"> <li>(1) Within 60 days after the sales closing date, any incorrect information on your application or provided by the sales closing date, including identification numbers for you and any person with an substantial beneficial interest in the you, to ensure that the eligibility information is correct and consistent with information reported by you to any USDA agency;</li> </ol>

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(JUNE 2014)

In lieu of section:	The following provisions will apply:
<p>(Continued) 24 – LGM – Cattle 24 – LRP</p>	<p>(2) Within 30 days after the acreage reporting date, information reported to reconcile errors in the information with correct information that has been determined by any USDA agency;</p> <p>(3) Within 30 days of any subsequent correction of data by FSA, erroneous information corrected as a result of verification of information; and</p> <p>(4) At any time, any incorrect information if the incorrect information was caused by electronic transmission errors by us or errors made by any agency within USDA in transmitting the information provided by you for purposes of other USDA programs.</p> <p>(b) Corrections may be made but will not take effect for the current crop year if the correction would allow you to:</p> <p>(1) Avoid ineligibility requirements for insurance or obtain a disproportionate benefit under the crop insurance program or any related program administered by the Secretary;</p> <p>(2) Obtain, enhance, or increase an insurance guarantee or indemnity if a cause of loss exists or has occurred before any correction has been made, or avoid premium owed if no loss is likely to occur; or</p> <p>(3) Avoid an obligation or requirement under any Federal or State law.</p>
<p>2(j)(10) – LGM Cattle</p>	<p>Once the policy is terminated, it cannot be reinstated for the current crop year unless:</p> <p>(A) The termination was in error;</p> <p>(B) The Administrator of the Risk Management Agency, at his or her sole discretion, determines that the following are met:</p> <p>(1) In accordance with 7 CFR part 400, subpart U and FCIC issued procedures, you provide documentation that your failure to pay your debt is due to an unforeseen or unavoidable event or an extraordinary weather event that created an impossible situation for you to make timely payment;</p> <p>(2) You remit full payment of the delinquent debt owed to us or FCIC with your request submitted in accordance with section 2(j)(10)(B)(3); and</p> <p>(3) You submit a written request for reinstatement of your policy to us no later than 60 days after the termination date or the missed payment date of a previously executed written payment agreement, or the due date specified in the notice to you of the amount due, if applicable.</p> <p>(i) If authorization for reinstatement is granted, your policies will be reinstated effective at the beginning of the crop year for which you were determined ineligible, and you will be entitled to all applicable benefits under such policies, provided you meet all eligibility requirements and comply with the terms of the policy; and</p> <p>(ii) There is no evidence of fraud or misrepresentation; or</p> <p>(C) We determine that, in accordance with 7 CFR part 400, subpart U and FCIC issued procedures, the following are met:</p> <p>(1) You can demonstrate:</p> <p>(i) You made timely payment for the amount of premium owed but you inadvertently omitted some small amount, such as the most recent month's interest or a small administrative fee;</p> <p>(ii) The amount of the payment was clearly transposed from the amount that was otherwise due (For example, you owed \$832 but you paid \$823); or</p> <p>(iii) You made the full payment of the amount owed but the payment was delayed and postmarked by no more than 7 calendar days after the termination date or the missed payment date of a previously executed written payment agreement, or the due date specified in the notice to you of the amount due, as applicable.</p> <p>(2) You remit full payment of the delinquent debt owed to us; and</p> <p>(3) You submit a written request for reinstatement of your policy to us in accordance with 7 CFR part 400, subpart U and applicable procedures no later than 30 days after the termination date or the missed payment date of a previously executed written payment agreement, or the due date specified in the notice to you of the amount due, if applicable; and</p> <p>(4) There is no evidence of fraud or misrepresentation.</p>

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(JUNE 2014)

In lieu of section:	The following provisions will apply:
<p>2(j)(2)(iii) – LGM Dairy 2(j)(2)(iii) – LGM Swine</p>	<p>Once the policy is terminated, it cannot be reinstated for the current crop year unless:</p> <p>(A) The termination was in error;</p> <p>(B) The Administrator of the Risk Management Agency, at his or her sole discretion, determines that the following are met:</p> <p>(1) In accordance with 7 CFR part 400, subpart U and FCIC issued procedures, you provide documentation that your failure to pay your debt is due to an unforeseen or unavoidable event or an extraordinary weather event that created an impossible situation for you to make timely payment;</p> <p>(2) You remit full payment of the delinquent debt owed to us or FCIC with your request submitted in accordance with section 2(j)(2)(iii)(B)(3); and</p> <p>(3) You submit a written request for reinstatement of your policy to us no later than 60 days after the termination date or the missed payment date of a previously executed written payment agreement, or the due date specified in the notice to you of the amount due, if applicable.</p> <p>(i) If authorization for reinstatement is granted, your policies will be reinstated effective at the beginning of the crop year for which you were determined ineligible, and you will be entitled to all applicable benefits under such policies, provided you meet all eligibility requirements and comply with the terms of the policy; and</p> <p>(ii) There is no evidence of fraud or misrepresentation; or</p> <p>(C) We determine that, in accordance with 7 CFR part 400, subpart U and FCIC issued procedures, the following are met:</p> <p>(1) You can demonstrate:</p> <p>(i) You made timely payment for the amount of premium owed but you inadvertently omitted some small amount, such as the most recent month's interest or a small administrative fee;</p> <p>(ii) The amount of the payment was clearly transposed from the amount that was otherwise due (For example, you owed \$832 but you paid \$823); or</p> <p>(iii) You made the full payment of the amount owed but the payment was delayed and postmarked by no more than 7 calendar days after the termination date or the missed payment date of a previously executed written payment agreement, or the due date specified in the notice to you of the amount due, as applicable.</p> <p>(2) You remit full payment of the delinquent debt owed to us; and</p> <p>(3) You submit a written request for reinstatement of your policy to us in accordance with 7 CFR part 400, subpart U and applicable procedures no later than 30 days after the termination date or the missed payment date of a previously executed written payment agreement, or the due date specified in the notice to you of the amount due, if applicable; and</p> <p>(4) There is no evidence of fraud or misrepresentation.</p>
<p>3(j)(7) – LRP</p>	<p>Once the policy is terminated, it cannot be reinstated for the current crop year unless:</p> <p>(i) The termination was in error;</p> <p>(ii) The Administrator of the Risk Management Agency, at his or her sole discretion, determines that the following are met:</p> <p>(A) In accordance with 7 CFR part 400, subpart U and FCIC issued procedures, you provide documentation that your failure to pay your debt is due to an unforeseen or unavoidable event or an extraordinary weather event that created an impossible situation for you to make timely payment;</p> <p>(B) You remit full payment of the delinquent debt owed to us or FCIC with your request submitted in accordance with section 3(j)(7)(ii)(C); and</p> <p>(C) You submit a written request for reinstatement of your policy to us no later than 60 days after the termination date or the missed payment date of a previously executed written payment agreement, or the due date specified in the notice to you of the amount due, if applicable.</p>

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(JUNE 2014)

In lieu of section:	The following provisions will apply:
<p>(Continued) 3(j)(7) – LRP</p>	<p>(1) If authorization for reinstatement is granted, your policies will be reinstated effective at the beginning of the crop year for which you were determined ineligible, and you will be entitled to all applicable benefits under such policies, provided you meet all eligibility requirements and comply with the terms of the policy; and</p> <p>(2) There is no evidence of fraud or misrepresentation; or</p> <p>(iii) We determine that, in accordance with 7 CFR part 400, subpart U and FCIC issued procedures, the following are met:</p> <p>(A) You can demonstrate:</p> <p>(1) You made timely payment for the amount of premium owed but you inadvertently omitted some small amount, such as the most recent month's interest or a small administrative fee;</p> <p>(2) The amount of the payment was clearly transposed from the amount that was otherwise due (For example, you owed \$832 but you paid \$823); or</p> <p>(3) You made the full payment of the amount owed but the payment was delayed and postmarked by no more than 7 calendar days after the termination date or the missed payment date of a previously executed written payment agreement, or the due date specified in the notice to you of the amount due, as applicable.</p> <p>(B) You remit full payment of the delinquent debt owed to us; and</p> <p>(C) You submit a written request for reinstatement of your policy to us in accordance with 7 CFR part 400, subpart U and applicable procedures no later than 30 days after the termination date or the missed payment date of a previously executed written payment agreement, or the due date specified in the notice to you of the amount due, if applicable; and</p> <p>(D) There is no evidence of fraud or misrepresentation.</p>
<p>9(a) – LGM Cattle 9(a) – LGM Dairy 9(a) – LGM Swine 14(a) – LRP</p>	<p>Remove the phrase “, any portion thereof,” from this section</p>