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Ahead of the Storm: A Livestock Producer's Guide to Disaster Risk

Drought creeps in quietly, stealing moisture from pastures over weeks and months. Wildfires move fast, taking everything in their path with little warning. Blizzards bury calves before help can arrive. Any one of these events can bring a livestock operation to its knees in a single season. The question isn't really if disaster will come, it's when, and whether you'll be ready.

For livestock producers, it helps to think about disaster protection in two buckets. The first bucket is coverage you put in place before the loss. The second bucket is assistance that may help after the loss has already happened. No single program covers everything, but together these tools give producers a real set of options for managing production risk and recovering when things go wrong.



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How Much Risk is Right for You?

Before Disaster Strikes:

Pre-Loss Coverage and Risk Tools

The first line of defense is coverage. You must put most of these in place before a disaster happens.

Pasture, Rangeland, Forage (PRF) insurance is one of the most widely used tools for livestock

producers. PRF uses a rainfall index based on National Oceanic and Atmospheric Administration (NOAA) climate data for roughly 17-by-17-mile grid areas. It pays based on whether rainfall in your grid falls below your coverage level, not on what your rain gauge reads. Producers choose coverage levels from 70% to 90% and select the two-month intervals most critical to their operation. The sales closing date is December 1st for the 2025 crop year and beyond.

Annual Forage insurance works similarly but is designed for producers who plant annual forage crops for grazing, hay, silage, or green chop. Sales closing dates vary by crop and location, with major dates on May 1, July 15, and July 31. Check with your local crop insurance agent for availability and the dates that apply to your operation.

Noninsured Crop Disaster Assistance Program (NAP), administered by Farm Service Agency (FSA), fills the gap where traditional crop insurance is not available, including certain native grasses and other forage crops not eligible for standard policies. Basic NAP coverage protects 50% of approved yield at 55% of average market price, with buy-up options available up to 65% of approved yield at 100% of price.

Whole-Farm Revenue Protection (WFRP) covers all commodities on a farm under one policy and is available in every county nationwide. It is especially valuable for diversified operations and direct marketers with both crop and livestock revenue streams, and current RMA guidance says it is tailored for farms with up to \$17 million in insured revenue.

For price and margin risk, *Livestock Risk Protection (LRP)* protects against declines in livestock prices with coverage periods from 13 to 52 weeks. *Livestock Gross Margin (LGM)* goes a step further by protecting gross margin rather than just sale price and is available for fed cattle, dairy cattle, and swine. These are not disaster programs, but they can be critical when a drought, fire, or blizzard forces a different marketing plan than expected.

After the Loss: Federal Disaster Assistance Programs

The 2014 Farm Bill permanently authorized several FSA disaster assistance programs that can provide an important financial safety net when a qualifying event occurs.

The *Livestock Indemnity Program (LIP)* pays for livestock deaths above normal mortality rates caused by extreme weather events. Payments are based on 75% of fair market value. For losses in 2024 and later years, the notice of loss and application for payment are due by March 1 following the calendar year in which the loss occurred. Note that a separate 30-day deadline applies specifically to the sale of injured livestock after an eligible event -- act quickly on those.

The *Livestock Forage Disaster Program (LFP)* helps when grazing forage is lost due to drought or fire. Payments are calculated on a per-head basis and can cover up to 180 grazing days. For drought, a county must be designated D2 or higher on the U.S. Drought Monitor and that designation must persist for at least eight consecutive weeks to trigger one monthly payment. D3 and D4 designations trigger larger payment factors. A single brief appearance on the Drought Monitor does not automatically qualify.

The *Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish (ELAP)* program covers losses not addressed by LIP or LFP, including feed and water shortages, as well as water hauling costs during drought. Payments cover up to 75% of approved market value for eligible losses.

The *Emergency Conservation Program (ECP)* is often overlooked but can be critical after wildfire, flood, or severe drought. ECP can help with debris removal, restoring permanent fences, restoring conservation structures, and emergency water conservation measures. Cost-share assistance runs up to 75% of approved costs, and up to 90% for limited-resource producers in eligible situations.

Emergency Farm Loans can help operations in disaster-designated counties, covering costs such as replacing livestock or equipment, production expenses, and refinancing certain debts. Applications must generally be submitted within eight months of the disaster designation date. With many operations currently facing tight cash flow despite strong land equity, talking with your lender early, before making large recovery purchases, is more important than ever.

Watch for temporary supplemental programs as well. The *Emergency Livestock Relief Program (ELRP)*, authorized under the American Relief Act, provided supplemental assistance for drought, wildfire, or flood losses in calendar years 2023 and 2024. This is not part of the permanent baseline set of livestock disaster programs. Check with your local FSA office for any new supplemental programs, as Congress periodically passes similar relief packages.

One important note: producers must have an *AD-1026 Conservation Compliance Form* on file with FSA before they can receive disaster assistance payments. Make sure yours is current.

Beyond FSA: Other Recovery Resources

USDA's Natural Resources Conservation Service (NRCS) also has programs worth knowing about. The *Environmental Quality Incentives Program (EQIP)* can provide cost-share

After Disaster Strikes: A Quick-Action Checklist

Acting quickly and keeping good records can be the difference between a full payment and getting nothing at all.

Immediately (within 24 to 72 hours)

Photograph and document all damage: pastures, fences, feed and livestock losses • Contact your crop insurance agent for any active RMA policies (PRF, LRP, LGM, WFRP, etc.) • Contact your local FSA office immediately to report losses and confirm filing deadlines • For LIP losses in 2024 and later years, the notice of loss and application are due by March 1 after the calendar year of loss • If injured livestock are sold at a reduced price, those animals must be sold within 30 calendar days of the end date of the eligible loss condition

Within the First Two Weeks

Document livestock inventory before and after the event using purchase receipts, sale records or prior tax filings • Obtain veterinary documentation or rendering receipts for animal deaths • Record all emergency expenses: feed, water hauled, hay, extra labor, equipment rental • Note U.S. Drought Monitor designations for your county, including how long the designation has been in place (D2 must persist at least eight consecutive weeks to trigger LFP payments) • Confirm your AD-1026 conservation compliance form is on file at FSA

Ongoing Through Recovery

Keep a running inventory of all livestock moves, sales, and deaths • Save all receipts for disaster-related expenses • Track grazing days lost and forage acres affected for LFP documentation • If drought is part of the problem, ask FSA whether emergency haying or grazing of eligible CRP acres is available in your county before starting any activity • Consult your tax advisor about weather-related livestock sale deferrals and disaster loss deductions • Talk with your lender before making large recovery purchases or herd liquidation decisions • Check [FARMERS.GOV](https://www.farmers.gov) for the Disaster Assistance Discovery Tool and for updates on any new supplemental programs • Hold a brief daily check-in with family members and employees during the recovery period; fatigue and stress build quickly and staying connected helps catch problems before they get worse

Key Contacts

USDA FSA: [WWW.FSA.USDA.GOV](https://www.fsa.usda.gov) | USDA RMA: [WWW.RMA.USDA.GOV](https://www.rma.usda.gov) | USDA NRCS: [WWW.NRCS.USDA.GOV](https://www.nrcs.usda.gov) | Disaster Assistance Discovery Tool: [FARMERS.GOV](https://www.farmers.gov) | LIP and ELAP Decision Tools: [FARMERS.GOV](https://www.farmers.gov) protection-recovery/livestock | RightRisk Analytics: [RIGHTRISK.ORG/RISKANALYTICS](https://www.rightrisk.org/riskanalytics)



assistance for recovery and resilience work on the land, including practices that reduce future vulnerability to drought, fire, and flood. The *Emergency Watershed Protection (EWP) program*, delivered through eligible local sponsors, can help address watershed damage from natural disasters. Finally, **FARMERS.GOV** offers a *Disaster Assistance Discovery Tool* along with interactive decision tools for LIP and ELAP that can help producers identify which programs fit their situation. These are free resources and a good starting point when you are not sure where to begin.

Consider contacting other sources for assistance beyond the federal offices. Depending on the event and the area affected, state departments of agriculture, Extension offices, conservation districts, grazing associations, breed and commodity groups, local community foundations, and

lenders may also help connect producers to donated hay lists, temporary pasture leads, fencing help, bridge financing, or other recovery assistance. A short local call list can make recovery faster.

Tax Considerations

When drought forces unplanned livestock sales, or when a large insurance payment arrives, it can create an unexpected tax burden. Cash basis farmers in a federally declared disaster area may be able to defer income from weather-related livestock sales to the following tax year. Breeding, dairy, and draft animals sold due to adverse weather may also qualify for favorable reinvestment treatment under IRS rules. Consult your tax professional for guidance specific to your situation.

Using RightRisk Tools to Evaluate Your Options

Knowing what programs exist is one thing. Knowing which combination makes sense for your operation takes more work and that is where RightRisk Analytics tools can help.

The *Risk Scenario Planner (RSP)* helps producers compare the costs and benefits of risk management decisions under uncertainty. It produces a probability distribution showing the range of possible financial outcomes from a given strategy, useful for evaluating whether a PRF premium is worth it or for comparing options like buying hay versus selling calves early during a drought. For longer-run recovery questions like rebuilding a cow herd, replacing fencing and water systems, or reseeding forage, the *Multi-Temporal Risk Analyzer (MTRA)* is a better fit because it is built for decisions that play out over multiple years. The full RightRisk Analytics toolbox is available free at [RIGHTRISK.ORG/RISKANALYTICS](https://www.RightRisk.org/RiskAnalytics).

Final Thoughts

Disaster programs can help keep a bad year from becoming a fatal year for the business. But no program makes every producer whole and no payment chooses the best recovery strategy for you.

One thing disaster recovery plans often overlook is people. A blizzard, fire, or drought puts stress on everyone in the operation: family, hired hands, and contractors alike. Before making the next big move, take a moment to check in with the people around you. Fatigue and high stress are real hazards during recovery, and keeping communication open can prevent costly mistakes and keep good workers from walking away.

The strongest response comes from layering tools: coverage in place before the event, fast documentation after the event, and careful comparison of alternatives before making the next big move. That is practical risk management, both before and after the storm.

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AG LABOR UPDATE - MARCH 18 | RIGHTRISK

2025-Q3 BLS Agricultural Wages: County Level in CO, NE and WY

The BUREAU OF LABOR STATISTICS compiles data on the number of establishments, monthly employment, and quarterly wages. Reports for NAICS agricultural sector codes have recently been compiled and released, providing county-level data for Colorado-Q3, Nebraska-Q3, and Wyoming-Q3 ...

PODCAST - MARCH 11 | RIGHTRISK (7 MIN.)

Human Risk Meets Technology: Are they Substitutes or Complements?

OVER THE LAST several decades, our team has attended conferences across the U.S. and internationally on farm management, applied economics, and animal production. The rapid advertising and adoption of precision livestock technologies has been one consistent trend that has stood out. These technologies include virtual fence, health monitoring, optimized feed delivery, inventory systems with many now advertising the incorporation of artificial intelligence ...

NEWS RELEASE - MARCH 5 | RIGHTRISK

Federal Reserve Beige Book Summary on the Ag Sector

OVERALL ECONOMIC activity increased at a slight to moderate pace in seven of the twelve Federal Reserve Districts, while the number of Districts reporting flat or declining activity increased from four in the prior period to five in the current period ... Among reporting Districts, agricultural conditions were mostly flat, and energy activity grew modestly on balance ...



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Contributing authors:

- Elliott Dennis, Livestock Marketing Specialist - University of Nebraska-Lincoln, elliott.dennis@unl.edu
- John Hewlett, Ranch/Farm Management Specialist - University of Wyoming, hewlett@uwyo.edu
- Jay Parsons, Risk Management Specialist - University of Nebraska-Lincoln, jparsons4@unl.edu
- Jeff Tranel, Ag and Business Management Specialist - Colorado State University, Jeffrey.Tranel@ColoState.edu

Editing and Layout: John Hewlett, hewlett@uwyo.edu

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