Nebraska's Senator Ben Nelson announced recently that Nebraska cattle producers will get fairer prices for cattle lost in extreme weather thanks to new reimbursement calculations the USDA is making for its Livestock Indemnity Program.

"I applaud the USDA for stepping forward to help Nebraska's livestock producers, and others, who suffered losses from unusually harsh weather," said Senator Nelson.

"The USDA's decision to change its reimbursement methodology is the right thing to do because it will help support our vital livestock industry during a difficult economy."

The USDA announced it is changing the methodology and calculations for reimbursements under the Livestock Indemnity Program, which Nelson and other Midwestern senators had sought.

"I'm pleased that the USDA has revised its criteria so that this new program provides reasonable reimbursements to Nebraska cattle producers," Nelson said.

The LIP program was created in 2008 to provide timely reimbursements to livestock producers in the event of herd loss due to extreme weather disasters such as floods, blizzards, and extreme heat.

On July 13, 2009, the USDA announced its methodology for determining LIP payments. The standards fell short of covering the Congressionally-mandated 75 percent of market value for animals if the animals were above 400 pounds and close to market weight.

The USDA announced the addition of a separate reimbursement rate for animals above 800 pounds.

The Farm Service Agency has estimated 4,000 animals statewide may have been lost in Nebraska due to extreme heat this summer.

Since USDA announced its original reimbursement criteria in July, Senator Nelson has been working to ensure cattle producers are properly reimbursed under the new LIP program.

In early August, Nelson was successful in getting the Senate to adopt a resolution he introduced that called on Secretary of Agriculture Tom Vilsack to work with livestock producers to establish a methodology to calculate more specific payments to offset the cost of loss for each animal as was intended by Congress in the original LIP bill.

In late July, Senator Nelson joined a bipartisan group of Midwestern senators sending a letter to Secretary Vilsack raising similar issues.

Others who signed the letter included senators Mike Johanns, Chuck Grassley, Tom Harkin, Pat Roberts, Sam Brownback, Tim Johnson and John Thune.