



LIVESTOCK RISK PROTECTION (LRP)

Livestock Risk Protection (LRP) is designed to provide protection on fed cattle, feeder cattle, swine, and lamb against a price decline during the policy coverage period.

LRP is priced and available for sale continuously throughout the year. Coverage is determined by multiplying the number of livestock to be marketed times the market weight times the coverage price times the insured share. Coverage prices range from 70 to 100 percent of the expected ending value. **NEW FOR THE 2021 CROP YEAR:**

COVERAGE LEVEL

PREVIOUS SUBSIDY RATE

REVISED SUBSIDY RATE

95-100% 25% 35%
90-94.99% 30% 40%
85-89.99% 35% 45%
80-84.99% 35% 50%
70-79.99% 35% 55%

This information is intended for informational purposes only. Nothing contained herein can or should be interpreted to take precedence over policy language, Federal Crop Insurance Corporation/Risk Management Agency regulation, and Underwriting or Loss Adjustment rules.

LIVESTOCK GROSS MARGIN (LGM)

Livestock Gross Margin (LGM) is a federal risk-management program designed to protect against a decrease in margin caused by a drop in livestock prices or an increase in feed costs.

LGM can be a good fit for any farm size as it has no head limitations. This product continues to become more attractive with the addition of premium subsidies on cattle and swine, as well as a potential change to more frequent sales periods.

DAIRY REVENUE PROTECTION (DRP)

Dairy Revenue Protection (DRP) is an area-based product that pays when revenue drops because of lower prices, reduced production or both. **DRP fills a gap in existing risk coverage for dairy producers by addressing milk basis and variability in milk production by region.**

ENDORSEMENT

- A quarterly coverage endorsement gives you flexibility in your guarantees without having to change the underlying policy. You can purchase up to five quarters into the future on any sales closing date.
- Premium is not attached to the policy until you fill out a quarterly coverage endorsement.

PRICING OPTIONS

- The class pricing option uses your specified percentage of futures market Class III and Class

IV milk prices (equal to 100).

- **The component pricing option uses a combination of butterfat, protein and other solids values based on your declared butterfat and protein tests.**

AVAILABILITY

- **DRP is available in all states.**

COVERAGE LEVEL

- **80%, 85%, 90%, 95% of revenue guarantee.**

PROTECTION FACTOR

- **Between 1.00 and 1.50, in .05 increments**
- **It is used to calculate the policy protection and impacts both premium and indemnity.**

OTHER COVERAGES

- **You can have other livestock insurance policies, such as Livestock Gross Margin for Dairy, for all or part of the same period, as long as they do not cover the same milk.**
- **USDA premium subsidies apply, as in crop insurance, ranging from 55% on 80% coverage, to 44% on 95% coverage.**
- **Qualified Beginning Farmers and Ranchers and Veteran Farmers and Ranchers receive an additional 10% premium subsidy.**