










Livestock Gross Margin (LGM) - Quick Reference

Categories	 LGM Dairy Cattle	 LGM Cattle	 LGM Swine
What's Covered – <i>Decline in “Gross Margin”</i>	... in a dairy operation, defined as market value of milk minus feed costs	... in either: 1. A calf finishing operation 2. Yearling finishing operation	... in either: 1. A farrow to finish operation 2. Feeder pig operation 3. Segregated Early Weaned (SEW)
Available States	All counties in the contiguous 48 states	CO, IL, IN, IA, KS, MI, MN, MO, MT, NE, NV, ND, OH, OK, SD, TX, UT, WV, WI, and WY	All counties in the contiguous 48 states
Sales Period	Begins every Thursday and ends on the following Friday morning at 9:00 am CST		
Insurance Period Available	Each crop year has 12 insurance periods; each period covers 11 months Coverage begins on the 1st day of the 2nd month after the closing month		Each crop year has 12 insurance periods; each period covers 6 months Coverage begins on the 1st day of the 2nd month after the closing month
Premium Billing Date	Billing is the 1st business day of the month following the last month of the insurance period in which you have target marketings		
Reference Prices Markets Quoting	Milk Value – Based on Class III milk prices traded on CME Feed Cost Equivalents Corn – Based on CBOT corn futures Soybean – Based on CBOT SM futures Quoting – Quotes may be obtained by using the RMA Cost Estimator	Cattle Prices – Based on futures traded on CME Feed Cost (corn equivalent) – Based on CBOT corn future	Hog Prices – Based on futures traded on CME Feed Cost Equivalents Corn – Based on CBOT corn futures Soybeans – Based on CBOT SM futures
Deductibles	\$0 to \$2 per cwt. in 10¢ increments	\$0 to \$150 per head in \$10 increments	\$0 to \$20 per head in \$2 increments

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Premium Subsidy Target Marketing <i>Required for at least 2 months</i>	Deductible	Subsidy	Deductible	Subsidy	Deductible	Subsidy	Deductible	Subsidy
	\$1.10-\$2.00	50%	\$0.50	28%	\$0.00	18%	\$0.00	18%
	\$1.00	48%	\$0.40	25%	\$10.00	20%	\$2.00	21%
	\$0.90	43%	\$0.30	23%	\$20.00	23%	\$4.00	25%
	\$0.80	38%	\$0.20	21%	\$30.00	27%	\$6.00	30%
	\$0.70	34%	\$0.10	19%	\$40.00	31%	\$8.00	37%
	\$0.60	31%	\$0.00	18%	\$50.00	36%	\$10.00	47%
				\$60.00	43%	\$12-\$20	50%	
				\$70-\$150	50%			
Default Feed Conversion Values	Corn = 1/2 bu. (0.014 tons) per cwt. of milk Soybean Meal = 4 lbs. (0.002 tons) per cwt. of milk				N/A		N/A	
Target Marketings Report	Shows the insured's determination as to the: 1. Cwt. of milk to insure in each month of the insurance period 2. Number of tons of corn (or equivalent) that will be fed in each month of the insurance period (default values available) 3. Number of tons of soybean meal (or equivalent) that will be fed in each month of the insurance period (default values available)				1. Shows the number of slaughter-ready cattle expected to be sold in each month of the insurance period 2. Feed costs determined by formulas depending on whether it is a calf-finishing or a yearly-finishing operation		1. Shows the number of swine producer elects to insure in each month of the insurance period 2. Feed costs determined by formulas depending on whether it is a farrow-to-finish, feeder pig or S.E.W. operation	
Actual Marketings Report <i>Due within 15 days of receipt of Notice of Probable Loss</i>	1. Shows the actual amount of milk sold in each month of the insurance period Need copies of sales receipts as proof				1. Shows the number of slaughter-ready cattle sold in each month of the insurance period 2. Proof of sale needed to verify ownership and approved marketings		1. Shows the number of swine actually marketed in each month of the insurance period 2. Proof of sale needed to verify ownership and approved marketings	

On all LGM Policies, the following rules apply:

1. Not covered: death losses, decreases in production, increases of feed usage, and price changes that occur beyond the coverage period.
2. See <http://www.rma.usda.gov> for rates, values, and other information
3. Coverage ends on the last day of the insurance period in which you have target marketings unless that's a Saturday, Sunday, or a holiday. If so, it is the day prior. For a complete listing of all current Federal and Market Holidays, please see the link above.
4. When determining prices for months with a contract, view the LGM Commodity Exchange Endorsement for the applicable commodity.
5. Must market a minimum of 75% of the total targeted marketings for the insurance period. If short, indemnities will be reduced by the same % in which they were short of the market.