



Livestock Risk Protection

Fed Cattle

Revised July 2007

General Background

Livestock Risk Protection (LRP)-Fed Cattle is designed to insure against declining market prices. Beef producers may select from a variety of coverage levels and insurance periods that correspond with the time their market-weight cattle would normally be sold.

LRP-Fed Cattle may be purchased throughout the year from approved livestock insurance agents. Premium rates, coverage prices, and actual ending values are posted online daily.

Coverage Availability

Beef producers submit a one-time application for LRP-Fed Cattle coverage. After the application is accepted, Specific Coverage Endorsements (SCE) may be purchased for up to 2,000 head of heifers and steers, weighing between 1,000 and 1,400 pounds, that will be marketed for slaughter near the end of the insurance period. The Annual Limit for LRP-Fed Cattle is 4,000 head per producer per crop year. All insured cattle must be located in a State approved for LRP-Fed Cattle at the time insurance is purchased.

The length of insurance coverage available for each SCE is 13, 17, 21, 26, 30, 34, 39, 43, 47, or 52 weeks.

LRP-Fed Cattle is now available to producers with fed cattle in 37 States, including Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Ohio, Oklahoma, South Dakota, Texas, Utah, West Virginia, Wisconsin, and Wyoming, with the States of Alabama, Arizona, Arkansas, California, Florida, Georgia, Idaho, Kentucky, Louisiana, Mississippi, New Mexico, North Carolina, Oregon, South Carolina, Tennessee, Virginia, and Washington added to the program as of July 1, 2007.

Coverage Levels, Prices, and Rates

Beef producers may now select coverage prices ranging from 70 to 100 percent of the expected ending value. At the end of the insurance period, if the actual ending value is below the coverage price, the producer will be paid an indemnity for the difference between the coverage price and actual ending value.

RMA Web Site Information

To obtain "Daily LRP Coverage Prices, Rates, and Actual Ending Values," visit: <http://www.rma.usda.gov/tools/livestock.html>

To calculate premiums, visit: <http://www.rma.usda.gov/tools/premcalc.html>

To locate an approved livestock agent in your area, visit: <http://www.rma.usda.gov/tools/agent.html>

For related AMS online livestock reports, visit: http://marketnews.usda.gov/portal/lg?paf_dm

The LRP-Fed Cattle program's coverage prices, rates, actual ending values, and per hundredweight cost of insurance may be viewed on the RMA Web site. The actual ending values are based on weighted prices reported by USDA's Agricultural Marketing Service. Actual ending values will be posted on the RMA Web site at the end of the insurance period.

About the Application Process

LRP-Fed Cattle insurance must be purchased through a livestock insurance agent. An application can be filled out at any time;

however, insurance does not attach until an SCE is purchased. Multiple SCEs may be purchased with one application. Insurance coverage starts the day an SCE is purchased and approved by RMA.

There are funding limitations for all livestock programs; therefore, RMA tracks total policy sales against available underwriting capacity using a real-time web-based program and sales will cease when the underwriting capacity is reached.

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