



October 23, 2012

United States  
Department of  
Agriculture

**INFORMATIONAL MEMORANDUM: PM-12-051**

Farm and Foreign  
Agricultural Service

TO: All Approved Insurance Providers  
All Risk Management Agency Field Offices  
All Other Interested Parties

Risk  
Management  
Agency

FROM: Tim B. Witt /s/ *Tim B. Witt*  
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SUBJECT: Fiscal Year 2013 Underwriting Capacity for Livestock Gross Margin for Dairy Cattle

**BACKGROUND:**

Section 523(b)(10) of the Federal Crop Insurance Act limits the amount that can be expended on livestock plans of insurance to \$20 million. The Risk Management Agency (RMA) is authorized to allocate this underwriting capacity to the various livestock insurance plans. Livestock expenses considered for underwriting capacity purposes include administrative and operating subsidy, and premium subsidy.

RMA plans to make available for the October 26, 2012, sales period \$14.9 million in underwriting capacity for Livestock Gross Margin for Dairy Cattle (LGM-Dairy).

**ACTION:**

LGM-Dairy will be available for sale on October 26, 2012, and all \$14.9 million in funding will be made available for this sales period. Approved Insurance Provider's should notify their agents who sell LGM-Dairy, and advise those agents to alert dairy producers who may have an interest in purchasing LGM-Dairy for the October 26 sales period and the available funding.

**DISPOSAL:**

November 1, 2012



The Risk Management Agency Administers  
And Oversees All Programs Authorized Under  
The Federal Crop Insurance Corporation

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