SUMMARY OF CHANGES FOR THE LIVESTOCK GROSS MARGIN FOR SWINE COMMODITY EXCHANGE ENDORSEMENT
(Released April 2024)

- Added language that clarifies that this endorsement attaches to the Livestock Gross Margin for Swine Insurance Policy.
- Calculations for expected and actual prices are modified, and examples are provided.
UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
LIVESTOCK GROSS MARGIN FOR SWINE
COMMODITY EXCHANGE ENDORSEMENT

In return for your payment of premium, this Livestock Gross Margin for Swine, Commodity Exchange Endorsement will be attached to and made part of the Livestock Gross Margin (LGM) for Swine Insurance Policy subject to the terms and conditions described therein.

This endorsement contains an explanation of the manner in which the data from CME Group are used to set expected and actual prices for Livestock Gross Margin (LGM) for Swine.

**Expected Prices**

Expected prices are calculated as described below.

(a) Lean Hog
   (i) For insurance months February, April, May, June, July, August, October and December:
       • Preliminary CME lean hog futures daily settlement prices for the contract month that is equal to the insurance month, observed on the effective date.
   (ii) For insurance month of January:
       • Preliminary CME lean hog futures daily settlement prices for the contract month of February, observed on the effective date.
   (iii) For insurance month of March:
       • Preliminary CME lean hog futures daily settlement prices for the contract month of April, observed on the effective date.
   (iv) For insurance month of September:
       • Preliminary CME lean hog futures daily settlement prices for the contract month of October, observed on the effective date.
   (v) For insurance month of November:
       • Preliminary CME lean hog futures daily settlement prices for the contract month of December, observed on the effective date.

(b) Corn
   (i) For insurance months March, May, July, September, and December:
       • Preliminary CME corn futures daily settlement prices for the contract month that is equal to the insurance month, observed on the effective date.
   (ii) For insurance months of January and February:
       • Preliminary CME corn futures daily settlement prices for the contract month of March, observed on the effective date.
   (iii) For insurance month of April:
       • Preliminary CME corn futures daily settlement prices for the contract month of May, observed on the effective date.
   (iv) For insurance month of June:
       • Preliminary CME corn futures daily settlement prices for the contract month of June, observed on the effective date.
   (v) For insurance month of August:
       • Preliminary CME corn futures daily settlement prices for the contract month of September, observed on the effective date.
   (vi) For insurance months of October and November:
       • Preliminary CME corn futures daily settlement prices for the contract month of December, observed on the effective date.

(c) Soybean Meal
   (i) For insurance months January, March, May, July, August, September, October, and December:
       • Preliminary CME soybean meal futures daily settlement prices for the contract month that is equal to the insurance month, observed on the effective date.
   (ii) For insurance month of February:
• Preliminary CME soybean meal futures daily settlement prices for the contract month of
March, observed on the effective date.

(iii) For insurance month of April:
• Preliminary CME soybean meal futures daily settlement prices for the contract month of
May, observed on the effective date.

(iv) For insurance month of June:
• Preliminary CME soybean meal futures daily settlement prices for the contract month of
July, observed on the effective date.

(v) For insurance month of November:
• Preliminary CME soybean meal futures daily settlement prices for the contract month of
December, observed on the effective date.

Actual Prices

Actual prices are calculated as described below.

(a) Lean Hog

(i) For insurance months February, April, May, June, July, August, October and December:
• Simple average of final CME lean hog futures daily settlement prices for the contract month
that is equal to the insurance month, observed over seven trading days prior to the contract
last trade date.
• For example, for July 2025, the last trade date is July 15, 2025. Actual price is the simple
average of daily settlement prices for July 3rd, July 7th – 11th, and July 14th, 2025.

(ii) For insurance month of January:
• Simple average of final CME lean hog futures daily settlement prices for the contract month
of February, observed over seven trading days following January 8th.
• For example, for January 2025, February 2025 lean hog futures, simple average of daily
settlement prices for January 9th – 10th and January 13th – 17th, 2025.

(iii) For insurance month of March:
• Simple average of final CME lean hog futures daily settlement prices for the contract month
of April, observed over seven trading days following March 8th.
• For example, for March 2025, April 2025 lean hog futures, simple average of daily settlement
prices for March 10th – 14th and March 17th – 18th, 2025.

(iv) For insurance month of September:
• Simple average of final CME lean hog futures daily settlement prices for the contract month
of October, observed over seven trading days following September 8th.
• For example, for September 2025, October 2025 lean hog futures, simple average of daily
settlement prices for September 9th – 12th and September 15th – 17th, 2025.

(v) For insurance month of November:
• Simple average of final CME lean hog futures daily settlement prices for the contract month
of December, observed over seven trading days following November 8th.
• For example, for November 2025, December 2025 lean hog futures, simple average of daily
settlement prices for November 10th – 14th and November 17th – 18th, 2025.

(b) Corn

(i) For insurance months March, May, July, September, and December:
• Simple average of final CME corn futures daily settlement prices for the contract month that
is equal to the insurance month, observed over three trading days prior to the contract first
notice date.
• For example, for July 2025, the first notice date is June 30, 2025. The actual price is the simple
average of daily settlement prices for June 25th, 26th, and 27th, 2025.

(ii) For insurance month of January:
• Simple average of final CME corn futures daily settlement prices for the contract month of
March, observed over three trading days prior to January 1st.
• For example, for January 2025, March 2025 corn futures, simple average of daily settlement
prices for December 27th, 30th, and 31st, 2024.

(iii) For insurance month of February:
• Simple average of final CME corn futures daily settlement prices for the contract month of
March, observed over three trading days prior to February 1st.
For example, for February 2025, March 2025 corn futures, simple average of daily settlement prices for January 29th, 30th, and 31st, 2025.

(iv) For insurance month of April:
- Simple average of final CME corn futures daily settlement prices for the contract month of May, observed over three trading days prior to April 1st.
- For example, for April 2025, May 2025 corn futures, simple average of daily settlement prices for March 27th, 28th, and 31st, 2025.

(v) For insurance month of June:
- Simple average of final CME corn futures daily settlement prices for the contract month of July, observed over three trading days prior to June 1st.
- For example, for June 2025, July 2025 corn futures, simple average of daily settlement prices for May 28th, 29th, and 30th, 2025.

(vi) For insurance month of August:
- Simple average of final CME corn futures daily settlement prices for the contract month of September, observed over three trading days prior to August 1st.
- For example, for August 2025, September 2025 corn futures, simple average of daily settlement prices for July 29th, 30th, and 31st, 2025.

(vii) For insurance month of October:
- Simple average of final CME corn futures daily settlement prices for the contract month of December, observed over three trading days prior to October 1st.
- For example, for October 2025, December 2025 corn futures, simple average of daily settlement prices for September 26th, 29th, and 30th, 2025.

(viii) For insurance month of November:
- Simple average of final CME corn futures daily settlement prices for the contract month of December, observed over three trading days prior to November 1st.
- For example, for November 2025, December 2025 corn futures, simple average of daily settlement prices for October 29th, 30th, and 31st, 2025.

(c) Soybean Meal

(i) For insurance months January, March, May, July, August, September, October, and December:
- Simple average of final CME soybean meal futures daily settlement prices for the contract month that is equal to the insurance month, observed over three trading days prior to the contract first notice date.
- For example, for July 2025, the first notice date is June 30, 2025. The actual price is the simple average of daily settlement prices for June 25th, 26th, and 27th, 2025.

(ii) For insurance month of February:
- Simple average of final CME soybean meal futures daily settlement prices for the contract month of March, observed over three trading days prior to February 1st.
- For example, for February 2025, March 2025 soybean meal futures, simple average of daily settlement prices for January 29th, 30th, and 31st, 2025.

(iii) For insurance month of April:
- Simple average of final CME soybean meal futures daily settlement prices for the contract month of May, observed over three trading days prior to April 1st.
- For example, for April 2025, May 2025 soybean meal futures, simple average of daily settlement prices for March 27th, 28th, and 31st, 2025.

(iv) For insurance month of June:
- Simple average of final CME soybean meal futures daily settlement prices for the contract month of July, observed over three trading days prior to June 1st.
- For example, for June 2025, July 2025 soybean meal futures, simple average of daily settlement prices for May 28th, 29th, and 30th, 2025.

(v) For insurance month of November:
- Simple average of final CME soybean meal futures daily settlement prices for the contract month of December, observed over three trading days prior to November 1st.
- For example, for November 2025, December 2025 soybean meal futures, simple average of daily settlement prices for October 29th, 30th, and 31st, 2025.

Offer Availability

Available insurance months are determined by the closing month of the policy. The closing month is
determined by the month of the first day of the sales period. For example, if LGM for Swine has sales periods that begin on January 7, 14, 21, and 28, the closing month of all of these sales periods is January. Table 1 presents the information on insurable months based on the closing month (in Column 1). The closing month determines the insurance period (in Column 2). Within each insurance period, the insurance months are shown in Column 3 with the relevant hog and feed months shown in Columns 4-9 (Columns 4-6 for farrow-to-finish operations, Columns 7-9 for finishing operations).

The sales period begins on the Thursday of the week when the coverage prices and rates are posted on the RMA website and ends at 8:25 AM Central Time of the following calendar day. Sales will not be available for purchase if the Thursday of the sales period is a CME market holiday or if USDA Hogs and Pigs report will be released on that day. If the expected gross margins are not available on the RMA website, LGM for Swine will not be offered for sale for that insurance period.
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