

PRODUCT MANAGEMENT BULLETIN: PM-23-022

DATE April 28, 2023

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

FROM: Richard H. Flournoy, Deputy Administrator /s/ Richard H. Flournoy 4/28/2023

SUBJECT: Livestock Risk Protection, Livestock Gross Margin, and Dairy Revenue Protection -
Modifications Effective for 2024 and Succeeding Crop Years

Background

The Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) approved revisions to the Livestock Risk Protection (LRP)-Fed Cattle plan of insurance under section 508(h) of the Federal Crop Insurance Act on February 17, 2023, and April 19, 2023. The FCIC Board also approved revisions to the Livestock Gross Margin (LGM) plans of insurance under section 508(h) of the Federal Crop Insurance Act on May 19, 2022, and April 19, 2023. Updates were also made to the Dairy Revenue Protection (DRP) program. The following revisions are applicable for the 2024 and succeeding crop years:

Livestock Risk Protection changes include:

- Modified the end of the sales period to 8:25 AM Central Time; and
- For LRP-Fed Cattle, modified the price series to "Over 80% Choice."

Gross Margin changes include:

- Allowed producers to sign application for coverage ahead of sales period;
- Revised premium billing date to clarify multiple endorsements are purchased;
- Clarified policy terms (i.e., removed obsolete terms, added a definition for "declared share" to clarify insurable interest, converted the "approved target marketings" and "target marketings report" to "cumulative target marketings" and "specific coverage endorsement"), respectively;
- For LGM-Dairy, increased requirement for actual marketings from 75% to 85% of cumulative target marketings to match the Dairy Revenue Protection program; and
- For LGM Cattle & Swine, modified the end of the sales period to 8:25 AM Central Time.

Dairy Revenue Protection changes include:

- Updated form standards to conform with the required statements contained in the FCIC 24040 Document and Supplemental Standards Handbook (DSSH) requiring due process/ineligibility notification letters be sent to both the transferee and transferor.

Action

The following documents will be available by close of business today on the RMA website via the Livestock page at: www.rma.usda.gov/Topics/Livestock:

- Livestock Risk Protection Insurance Policy (24-LRP Basic)
- Livestock Risk Protection-Fed Cattle Specific Coverage Endorsement (2024 LRP Fed Cattle)
- Livestock Risk Protection Insurance Standards Handbook (20010)
- Livestock Gross Margin for Swine Policy (24-LGM Swine)
- Livestock Gross Margin for Swine Commodity Exchange Endorsement (24-LGM Swine-CEE)
- Livestock Gross Margin for Swine Insurance Standards Handbook (20020)
- Livestock Gross Margin for Dairy Policy (24-LGM Dairy Cattle)
- Livestock Gross Margin for Dairy Insurance Standards Handbook (20080)
- Livestock Gross Margin for Cattle Policy (24-LGM Cattle)
- Livestock Gross Margin for Cattle Commodity Exchange Endorsement (24-LGM Cattle-CEE)
- Livestock Gross Margin for Cattle Insurance Standards Handbook (20060)
- Dairy Revenue Protection Insurance Standards Handbook (20400U)

Approved insurance providers must notify policyholders of these changes at least 30 days prior to the cancellation date, as required by the policy.

If you have any questions, please contact RMA at rma.kc.livestock@usda.gov.

DISPOSAL DATE:

December 31, 2023