

**LIVESTOCK GROSS MARGIN (LGM)  
LIABILITY/PREMIUM CALCULATIONS**  
Edit Description

**Livestock Gross Margin (LGM)  
(Insurance Plan Code 82)**

**GROSS MARGIN GUARANTEE**

EXPECTED GROSS MARGIN = (TARGET\_MARKET\_2 \* EXP\_GROSS\_MARGIN\_2) +  
(Internal) (field 7) (field 12)

(TARGET\_MARKET\_3 \* EXP\_GROSS\_MARGIN\_3) + (TARGET\_MARKET\_4 \*  
(field 8) (field 13) (field 9)

EXP\_GROSS\_MARGIN\_4) + (TARGET\_MARKET\_5 \* EXP\_GROSS\_MARGIN\_5) +  
(field 14) (field 10) (field 15)

(TARGET\_MARKET\_6 \* EXP\_GROSS\_MARGIN\_6)  
(field 11) (field 16)

GROSS\_MARGIN\_GUAR = EXPECTED GROSS MARGIN \* COVERAGE\_LEVEL  
(field 17) (Internal) (Internal)

**LIABILITY**

LIABILITY = GROSS\_MARGIN\_GUAR  
(field 18) (field 17)

**SIMULATED LOSSES**

SIMULATED GROSS MARGINS(i) =  
(internal)

(SECOND MONTH GROSS MARGIN DRAW(i) \* TARGET\_MARKET\_2) +  
(field 7)

(THIRD MONTH GROSS MARGIN DRAW(i) \* TARGET\_MARKET\_3) +  
(field 8)

(FOURTH MONTH GROSS MARGIN DRAW(i) \* TARGET\_MARKET\_4) +  
(field 9)

(FIFTH MONTH GROSS MARGIN DRAW(i) \* TARGET\_MARKET\_5) +  
(field 10)

(SIXTH MONTH GROSS MARGIN DRAW(i) \* TARGET\_MARKET\_6)  
(field 11)

**Note: (i) = 1,2,...., 5000**

SIMULATED\_LOSSES =  $\sum$  (MAX (GROSS\_MARGIN\_GUAR - SIMULATED GROSS MARGINS(i), 0))  
(field 19) (field 17) (Internal)

**Note: only use simulated gross margins greater than zero in calculation**

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**TOTAL PREMIUM**

TOTAL\_PREMIUM = 1.03 \* (1/5,000) \* SIMULATED LOSSES  
(field 20) (field 19)

**PRODUCER PREMIUM**

PRODUCER\_PREMIUM = TOTAL\_PREMIUM  
(field 26) (field 20)

**Note: Subsidy not applicable for LGM.**

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<b>Tag</b>	<b>No.</b>	<b>Picture</b>	<b>Rounding</b>	<b>Description</b>
<TARGET_MARKET_2>	7	9(05)	whole number	Number of swine the insured expects to market in the second month of the insurance period.
<EXP_GROSS_MARGIN_2>	12	( + / - ) 9999.9999	per ADM	Expected Gross Margin per swine for Second Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.
<TARGET_MARKET_3>	8	9(05)	whole number	Number of swine the insured expects to market in the third month of the insurance period.
<EXP_GROSS_MARGIN_3>	13	( + / - ) 9999.9999	per ADM	Expected Gross Margin per swine for Third Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.
<TARGET_MARKET_4>	9	9(05)	whole number	Number of swine the insured expects to market in the fourth month of the insurance period.
<EXP_GROSS_MARGIN_4>	14	( + / - ) 9999.9999	per ADM	Expected Gross Margin per swine for Fourth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.
<TARGET_MARKET_5>	10	9(05)	whole number	Number of swine the insured expects to market in the fifth month of the insurance period.
<EXP_GROSS_MARGIN_5>	15	( + / - ) 9999.9999	per ADM	Expected Gross Margin per swine for Fifth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.
<TARGET_MARKET_6>	11	9(05)	whole number	Number of swine the insured expects to market in the sixth month of the insurance period.
<EXP_GROSS_MARGIN_6>	16	( + / - ) 9999.9999	per ADM	Expected Gross Margin per swine for Sixth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.
<EXPECTED GROSS MARGIN>	Internal	9(10).99	dollars and cents	Sum of (Target Marketings by month times Expected Gross Margins by month).

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<COVERAGE_LEVEL>	Internal	9.999999	NA	Coverage level submitted under the crop policy section.
<GROSS_MARGIN_GUAR>	17	9(10).99	dollar and cents	Expected Gross Margin times Coverage Level.
<LIABILITY>	18	9(10)	nearest whole dollar	Gross Margin Guarantee to nearest whole dollar.
SECOND MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 999.999	per ADM	Second Month Gross Margin Draw from ADM L Suffix C.
THIRD MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 999.999	per ADM	Third Month Gross Margin Draw from ADM L Suffix C.
FOURTH MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 999.999	per ADM	Fourth Month Gross Margin Draw from ADM L Suffix C.
FIFTH MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 999.999	per ADM	Fifth Month Gross Margin Draw from ADM L Suffix C.
SIXTH MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 999.999	per ADM	Sixth Month Gross Margin Draw from ADM L Suffix C.
SIMULATED GROSS MARGINS(i)	Internal	9(10).99	dollars and cents	Five month Simulated Gross Margins(i) is the sum of (Gross Margin Draws(i) times Target Marketings by month).
<SIMULATED_LOSSES>	19	9(10).99	dollars and cents	Sum of (MAX (Gross Margin Guarantee minus Simulated Gross Margins(i)), 0).
<TOTAL_PREMIUM>	20	9(10)	nearest whole dollar	The result of 1.03 times (1/5,000) times Simulated Losses.
<PRODUCER_PREMIUM>	26	9(10)	nearest whole dollar	Producer Premium equals Total Premium.

**Note: (i) = 1,2,...., 5000**