PM-20-048: Livestock Gross Margin for Cattle, Dairy, and Swine, Revisions for the 2021 and Succeeding Crop Years

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Date

July 20, 2020

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 7/20/2020

Subject

Livestock Gross Margin for Cattle, Dairy, and Swine, Revisions for the 2021 and Succeeding Crop Years

Background

The Federal Crop Insurance Corporation Board of Directors (Board) approved revisions to the Livestock Gross Margin (LGM) plan of insurance for Cattle, Dairy, and Swine, under section 508(h) of the Federal Crop Insurance Act, on June 23, 2020. The following revisions are applicable for the 2021 and succeeding crop years:

- Allow premium to be paid at the end of the endorsement period for LGM Cattle;
- Add premium subsidy to LGM Cattle and Swine. Premium subsidy will be based on the deductible selected by the livestock producer.
    - LGM Cattle: Subsidy will range from 18% with 0 deductible up to 50% with a deductible of $70 or greater
    - LGM Swine: Subsidy will range from 18% with 0 deductible up to 50% with a deductible of $12 or greater

- Other minor editorial revisions to make the policies consistent with each other.

Action

The following materials will be available by close of business today on the RMA website at www.rma.usda.gov:

- 21 LGM Cattle policy
- 21 LGM Dairy Cattle policy
- 21 LGM Swine policy
- 21-LGM Dairy Q&A
- 21-LGM Cattle Q&A
- 21-LGM Cattle Underwriting Rules
- 21-LGM-Cattle Prem Calc
- 21-LGM Swine Underwriting Rules
- 21-LGM Swine Q&A
- 21-LGM-Swine Prem Calc
- LGM Fact Sheet Cattle
- LGM Fact Sheet Swine

If you have any questions, please contact Michael Ciliege or Cody Lovercamp, Product Administration and Standards Division at (816) 926-7730.

DISPOSAL DATE
December 31, 2020