

PM-19-024: Expansion and Modifications to Head Limits for the Livestock Risk Protection for Feeder Cattle, Fed Cattle, and Swine plans of insurance

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Date

April 22, 2019

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flourney, Deputy Administrator /s/ Richard H. Flourney 4/22/2019

Subject

Expansion and Modifications to Head Limits for the Livestock Risk Protection for Feeder Cattle, Fed Cattle, and Swine plans of insurance

Background

The Federal Crop Insurance Corporation's (FCIC) Board of Directors (Board) approved revisions of the Livestock Risk Protection for Feeder Cattle, Fed Cattle, and Swine plans of insurance on May 24, 2018. The revisions were requested by Applied Analytics Group, the owners of the LRP plans of insurance. The Board approved the following revisions for the 2020 crop year starting July 1st:

Adjustment to Price Adjustment Factor for LRP Feeder Cattle: Modify the Price Adjustment Factor for Predominately Dairy to 50% for both weight ranges.

Expansion: The LRP for Feeder Cattle, Fed Cattle and Swine will be expanded to all remaining states.

Increased Premium subsidy rate: The subsidy will increase from the current 13% for all coverage levels to a range from 20% to 35% based on the coverage level selected.

Per Endorsement Head and Annual Head Limit Modification: Fed Cattle and Feeder Cattle: 3,000 head per endorsement and 6,000 head annually;

Swine: 20,000 per endorsement and 75,000 annually

Trading Requirements: Updated the trade requirements on when offers can be made. Currently, LRP endorsements can only be offered if there was a daily volume of five traded contracts.

Other Changes: RMA made some minor corrections and clarifications in the LRP Basic Provisions.

Action

The following 2020 reinsurance year LRP materials will be available by close of business and may be accessed on the RMA website via the Livestock page at:

<http://www.rma.usda.gov/livestock/>

Material

Fed Cattle

- 20 LRP Fed Cattle SCE
- 20 LRP Fed Cattle Premium Calculation
- 20 LRP Fed Cattle Underwriting Rules

Feeder Cattle

- 20 LRP Feeder Cattle SCE
- 20 LRP Feeder Cattle Premium Calculation
- 20 LRP Feeder Cattle Underwriting Rules

Swine Cattle

- 20 LRP Swine SCE
- 20 LRP Swine Premium Calculation

- 20 LRP Swine Underwriting Rules

Other Documents:

- 20 LRP Basic Provision

Interested producers should contact a crop insurance agent for further information. A list of agents can be found on the Risk Management Agency (RMA) website at www.rma.usda.gov/.

DISPOSAL DATE:

December 31, 2020