

PM-22-028

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Date

April 29, 2022

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 4/29/2022

Subject

Livestock Gross Margin Changes Effective for the 2023 and Succeeding Crop Years

Background

The Federal Crop Insurance Corporation's Board of Directors (Board) approved revisions to the Livestock Gross Margin (LGM) plans of insurance, under section 508(h) of the Federal Crop Insurance Act, on February 17, 2022. The following revisions are applicable for the 2023 and succeeding crop years:

- Expand LGM Cattle, Dairy, and Swine coverage availability to all 50 states.
- Allow an insured to have both an LRP and LGM policy; however, an insured may not insure the same class of livestock with the same end month or have the same insured livestock insured under multiple policies.
- Modify the premium offset language to allow an insured the choice to receive indemnities without a reduction to offset premium on any endorsements that have not ended.

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/about-crop-insurance/managing-farm-risk/insurance-plans.

- Livestock Gross Margin for Swine Policy (23-LGM Swine)
- Livestock Gross Margin for Dairy Policy (23-LGM Dairy Cattle)
- Livestock Gross Margin for Cattle Policy (23-LGM Cattle)
- Livestock Gross Margin for Swine Fact Sheet
- Livestock Gross Margin for Dairy Fact Sheet
- Livestock Gross Margin for Cattle Fact Sheet

The following handbooks will be released at a later date:

- Livestock Gross Margin for Swine Handbook (20020)
- Livestock Gross Margin for Dairy Handbook (20080)
- Livestock Gross Margin for Cattle Handbook (20060)

Approved insurance providers must notify policyholders of these changes at least 30 days prior to the cancellation date, as required by the policy. Interested producers should contact a crop insurance agent for further information. A list of agents can be found on the RMA website at www.rma.usda.gov/tools-reports/agent-locator.

If you have any questions, please contact the Product Administration and Standards Division Livestock Specialists at rma.kc.livestock@usda.gov.

DISPOSAL DATE

December 31, 2023