

## **PM-26-024: Livestock Risk Protection, Livestock Gross Margin, and Dairy Revenue Protection - Modifications Effective for 2027 and Succeeding Crop Years**

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Date

April 30, 2026

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

Subject

Livestock Risk Protection, Livestock Gross Margin, and Dairy Revenue Protection - Modifications Effective for 2027 and Succeeding Crop Years

### **BACKGROUND:**

The Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) approved revisions to the Livestock Risk Protection (LRP), Livestock Gross Margin (LGM), Dairy Revenue Protection (DRP) plans of insurance under section 508(h) of the Federal Crop Insurance Act. The following revisions are applicable for the 2027 and succeeding crop years:

Uniform changes across LRP, LGM, and DRP:

- Add clarifications regarding subsidy capture to address off-exchange contracts.
- Revise the definition of beginning farmer or rancher and update the subsidy percentages to conform with the One Big Beautiful Bill Act.

- Allow concurrent coverage between similar livestock programs.
- Require policies not earning premium for 3 consecutive years to be cancelled.
- Clarify when coverage can be transferred.
- Aligned dispute resolution provisions with Removal of Regulatory Overreach and Federal Crop Insurance Policy Provisions ([91 FR 16151](#)) and corrected the deadline for filing for judicial review to align with the Federal Arbitration Act;
- Updates to be consistent with other RMA policies.

LRP changes include:

- Add additional guidelines to the forage disaster exemption for extended drought, natural disasters, and also added grazing dates in which the forage disaster can apply.
- Increase the max weight for the Fed Cattle types.
- Expand Cull Cow coverage for up to 52 weeks.
- Add Unborn Bulls and Heifers Weight 2, Unborn Brahman Weight 2, and Unborn Dairy Weight 2 types for Feeder Cattle with a weight range of 6.0 cwt to 9.0 cwt.

DRP changes include:

- Update the sales period to end the following calendar day to be consistent with other livestock programs.

LGM Cattle changes include:

- Increase the max weight for the LGM Cattle to 1,800 lbs.
- Increase the maximum allowed target weight for feeder cattle from 9 to 12 cwt for yearling finishing operations, and stipulate that the difference between target live cattle weight and target feeder cattle weight must not exceed 6 cwt for yearling finishing operations and 10 cwt for calf finishing operations.
- In the definition of “share” for LGM Cattle, require that the producer own the calves for a minimum of 5 months for yearling finishing or 8 months for calf finishing.

- Increase the maximum allowed target weight for live cattle from 15 to 18 cwt for yearling finishing operations and 13 to 16 cwt for calf finishing operations.

## **ACTION:**

The following documents will be available by April 30, 2026, on the Risk Management Agency (RMA) website via the [Livestock Insurance Plans](#) page:

- Livestock Risk Protection Insurance Policy (27-LRP Basic)
- Livestock Risk Protection-Fed Cattle Specific Coverage Endorsement (27 LRP Fed Cattle)
- Livestock Risk Protection-Feeder Cattle Specific Coverage Endorsement (27 LRP Feeder Cattle)
- Livestock Risk Protection-Swine Specific Coverage Endorsement (27 LRP Swine)
- Livestock Risk Protection Handbook (27-LRP-Handbook)
- Livestock Gross Margin for Swine Policy (27-LGM Swine)
- Livestock Gross Margin for Swine Commodity Exchange Endorsement (27-LGM Swine-CEE)
- Livestock Gross Margin for Swine Handbook (27-LGM Swine-Handbook)
- Livestock Gross Margin for Dairy Policy (27-LGM Dairy Cattle)
- Livestock Gross Margin for Dairy Commodity Exchange Endorsement (27-LGM Dairy-CEE)
- Livestock Gross Margin for Dairy Handbook (27-LGM Dairy-Handbook)
- Livestock Gross Margin for Cattle Policy (27-LGM Cattle)
- Livestock Gross Margin for Cattle Commodity Exchange Endorsement (27-LGM Cattle-CEE)
- Livestock Gross Margin for Cattle Handbook (27-LGM Cattle-Handbook)
- Dairy Revenue Protection Insurance Policy (27-DRP)
- Dairy Revenue Protection Commodity Exchange Endorsement (27-DRP-CEE)
- Dairy Revenue Protection Handbook (27-DRP-Handbook)

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](mailto:rma.kc.livestock@usda.gov).

## **DISPOSAL DATE:**

December 31, 2026