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LIVESTOCK GROSS MARGIN FOR CATTLE (LGM-CATTLE) INSURANCE STANDARDS HANDBOOK

2026 and Succeeding Crop Years

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM PRODUCTION AND CONSERVATION
RISK MANAGEMENT AGENCY

TITLE: LIVESTOCK GROSS MARGIN FOR CATTLE (LGM-CATTLE) INSURANCE STANDARDS HANDBOOK	**NUMBER: FCIC-20060** **OPI: Product Administration & Standards Division**
EFFECTIVE DATE: 2026 and Succeeding Crop Years	**ISSUE DATE: April 30, 2025**
SUBJECT: **Provides the procedures and instructions for administering the Livestock Gross Margin for Cattle (LGM-Cattle) Plan of Insurance.**	**APPROVED:** ***/s/ John W. Underwood* for** **Deputy Administrator for Product Management**

REASON FOR ISSUANCE

This handbook is being issued to provide procedures and instructions for administering the Livestock Gross Margin for Cattle Plan of Insurance. This handbook replaces FCIC-20060 Livestock Gross Margin for Cattle (LGM-Cattle) Insurance Standards Handbook, dated May 24, 2024. This handbook is effective upon approval for the 2026 and succeeding crop years until obsoleted.

SUMMARY OF CHANGES

Listed below are the changes to the 2026 FCIC-20060 Livestock Gross Margin for Cattle Insurance Standards Handbook with significant content change. All changes and additions are highlighted. Minor changes and corrections are not included in this listing. *** used throughout the handbook indicate where major deletions occurred.

Reference	Description of Change
Para. 21 H	Added examples regarding termination for delinquent debt on the policy.
Para. 21 I (1)	New paragraph added to address situations where a clear and obvious error is made in any offers of insurance.
Para. 21 G	New paragraph added to specify marketing records requirements when actual marketings exceed target marketings.
Para. 22	New section providing guidance regarding access to brokerage records in case USDA initiates a review related to potential violation of prohibition of subsidy capture.
Exhibit 2	Added definitions: subsidy capture. Modified definitions: premium billing date, summary of coverage.
Exhibit 3	Added language to provided flexibility for an indemnity payment to be issued to a single party if all assignees and you agree in writing.;
Exhibit 4	Insured and Agent certified statements against subsidy capture are new substantive fields.

TABLE OF CONTENTS

PART 1: GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose and Objective

This handbook provides procedures for administering the LGM plan of insurance in accordance with the LGM for Cattle Insurance Policy.

If there is a conflict between this handbook and the GSH or other FCIC approved handbook, this handbook controls. If there is a conflict between this handbook and the policy, the policy controls.

B. Source of Authority

The LGM is a privately-developed product submitted and approved by the FCIC Board of Directors in accordance with section 508(h) of the Federal Crop Insurance Act.

C. Title VI of the Civil Rights Act of 1964

The USDA prohibits discrimination against its customers. Title VI of the Civil Rights Act of 1964 provides that "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." Therefore, programs and activities that receive Federal financial assistance must operate in a non-discriminatory manner. Also, a recipient of RMA funding may not retaliate against any person because they opposed an unlawful practice or policy, or made charges, testified or participated in a complaint under Title VI.

It is the AIPs' responsibility to ensure that standards, procedures, methods, and instructions, as authorized by FCIC in the sale and service of crop insurance contracts, are implemented in a manner compliant with Title VI. Information regarding Title VI of the Civil Rights Act of 1964 and the program discrimination complaint process is available on the USDA public website at www.usda.gov/oascr. For more information on the RMA Non-Discrimination Statement, see the DSSH.

D. AIP Option to Offer

In accordance with Section II. (a)(3) of the LPRA, AIPs are not required to offer LGM to producers. Accordingly, each AIP must determine whether it will offer the LGM in the approved area. AIPs that elect to offer the LGM must offer all LGM products to all eligible producers in the approved area and must administer the program according to the policies approved and issued by FCIC, procedures in this handbook and the provisions of Section II. (a)(3) of the LPRA.

E. Related Handbooks

The following table provides handbooks related to this handbook.

Handbook	Relation/Purpose
GSH	This handbook provides the official FCIC-approved standards for policies administered by AIPs under the General Administrative Regulations; Common Crop Insurance Policy Regulations Basic Provisions, including the Catastrophic Risk Protection Endorsement; the Area Risk Protection Insurance Regulations Basic Provisions; the Stacked Income Protection Plan of Insurance; the Rainfall Index Plan; and the Whole-Farm Revenue Protection Pilot Policy.
DSSH	This handbook provides the official FCIC-approved form standards and procedures for use in the sale and service of any eligible Federal crop insurance policy; required statements and disclosures; and the standards for submission and review of non-reinsured supplemental policies in accordance with the SRA.
ITS	This handbook provides the official FCIC-approved standards for use in reporting, administering, and maintaining the Ineligible Tracking System, identifying and notifying ineligible persons and implementing RMA and AIP reinstatement.

2 Responsibilities

A. Insured's Responsibilities

To be eligible for LGM, the insured must comply with all terms and conditions of the LGM for Cattle Insurance policy.

B. AIP Responsibilities

AIPs must use standards, procedures, methods, and instructions as authorized by FCIC in the sale and service of crop insurance contracts. Each AIP is responsible for using FCIC approved procedure. AIPs should report any program issues or concerns to RMA's Product Administration and Standards Division.

3-20 Reserved

PART 2: INSURABILITY

21 LGM for Cattle Underwriting Rules

The LGM for Cattle Insurance Policy provides insurance against the loss of gross margin (market value of cattle minus feed and feeder cattle costs) on the cattle described on the Application or SCE.

A. Basic Principles

(1) These underwriting rules ("Rules") govern the LGM for Cattle Insurance Policy as offered by the FCIC under the authority of Section 523(b) of the Federal Crop Insurance Act, as amended (7 U.S.C. 1523(b)).

(2) The LGM for Cattle Insurance Policy is a livestock insurance product covered under the federal crop insurance program and is reinsured by the FCIC.

(3) The provisions of the Policy may not be waived or varied in any way by the crop insurance agent, field representative, or any other agent or employee of FCIC or the AIP.

(4) If any portion of these Rules is inconsistent with the LGM for Cattle Insurance Policy, then the rights and obligations of the insured and of the Company will be determined in accordance with the LGM for Cattle Insurance Policy.

B. Eligibility

(1) Only agricultural producers ("Producers") of cattle fed in all 50 states are eligible for the LGM for Cattle Insurance Policy.

(2) Eligibility for the LGM for Cattle Insurance Policy is determined exclusively by federal law and regulations promulgated, and as interpreted, by the FCIC and its Administrator, the USDA-RMA.

(3) The insured may not obtain insurance for cattle under any other FCIC reinsured livestock plan of insurance for any month for which the insured has target marketings. The insured may also not have another LGM for Cattle Insurance policy for the same state for the crop year.

C. Application

(1) LGM is a continuous policy and will remain in effect for each crop year following the acceptance of the original application until cancelled or terminated by the insured or AIP in accordance with the terms of the policy.

(2) The application can be submitted at any time during the crop year. It must be completed by the insured and received by the agent not later than the SCD for which coverage is requested under an SCE.

C. **Application (Continued)**

(3) An application is required to purchase LGM Cattle coverage under an SCE.

(a) The application establishes eligibility for insurance.

(b) An SSN and EIN Reporting Form showing those with an SBI shall be attached to the application. This form shows the social security numbers, employer identification numbers, and share of those with a 10 percent interest or more in the insured person. The SBI Form is used to establish eligibility and to account for insurance limits.

(c) No insurance coverage attaches to the application until the producer submits an SCE.

(d) Additional applications are necessary for each different SBI arrangement and for each state where the livestock is located and will be insured.

(4) The producer must complete the application before electing coverage under the SCE to ensure the producer is eligible to participate in the crop insurance program.

(5) Early completion of an application allows time for the AIP to confirm whether the producer is compliant with the conservation provisions and, if applicable, qualifies as a beginning farmer or rancher or veteran farmer or rancher (BFR/VFR). These determinations may impact the producer's coverage decisions. According to GSH para. 303, if the BFR/VFR application is received and accepted before any SCEs are purchased, then the BFR/VFR benefits would be applicable for all SCEs for the entire crop year. If the BFR/VFR application is received during a crop year after SCEs are purchased, then the BFR/VFR benefits would not be applicable to any SCEs purchased before the BFR/VFR application is received but would apply for any SCEs purchased after the BFR/VFR application is received and accepted.

(6) Instructions for information to be entered on the application:

(a) Crop year. The crop year is the twelve-month period beginning July 1 and ending the following June 30 and designated by the calendar year in which the period ends. The crop year in which the effective date falls will determine the crop year for an SCE.

(b) State and county where the livestock are located. Only one application is required per state and all the insurable livestock within a state is covered under this policy provided the SBI(s) are the same.

(c) Crop. The crop is Cattle (0803).

(d) Plan of insurance. The plan of insurance is LGM (82).

D. Specific Coverage Endorsement

(1) The LGM for Cattle Insurance Policy provides insurance only for the difference between the Gross Margin Guarantee and the Actual Total Gross Margin based on a Producer's Target Marketings and futures prices prior to and during the insurance period. This Policy does not insure against death or other loss or destruction of cattle.

(2) There are twelve insurance periods in each calendar year. Each insurance period runs 11 months, and no cattle can be insured during the first month of any insurance period. Coverage begins on the insured's cattle one full calendar month following the SCD, unless otherwise specified in the SP. For example, for the contract with an SCD in January, coverage will begin on March 1.

(3) Coverage does not attach until the insured submits an SCE. A new SCE must be submitted for each subsequent insurance period in the crop year.

(4) The producer must elect the number of cattle to be insured during the Insurance Period (with the exception of the first month of any insurance period). This will be the producer's Target Marketings. Round Target Marketings to the nearest whole number. The producer can also elect the target corn, feeder cattle and live cattle weight. The target corn weight, measured in bushels of corn per head, is restricted to be within the range of 50 and 85 bushels per head for yearling finishing operations and within the range of 50 to 75 bushels per head for calf finishing operations. The target feeder cattle weight must fall within the range of 6 to 9 cwt for yearling finishing operations and 4 to 6 cwt for calf finishing operations. The target live cattle weight must fall within the range of 12 to 15 cwt for yearling finishing operations and 11 to 13 cwt for calf finishing operations.

(5) All cattle will be insured at 100% share.

(6) The Date of End of Insurance is 11 months after sales closing.

(7) The producer may choose deductible amounts from $0 per head to $150 per head in $10 increments. Each SCE can have a different deductible.

(8) The producer is only eligible for premium subsidy if they target market two (2) or more months of an insurance period. This is calculated for each SCE.

(9) Coverage may not be available in instances of a news report, announcement, or other event that occurs during or after trading hours that is believed by the Secretary of Agriculture, RMA Administrator, or other designated staff of the RMA to result in market conditions significantly different than those used to rate the LGM for Cattle program. In these cases, coverage will no longer be offered for sale on the RMA Website. LGM for Cattle Insurance policy sales will resume, after a halting or suspension in sales, at the discretion of the RMA Administrator.

D. Specific Coverage Endorsement (Continued)

(10) Unless the insured chooses target corn, feeder cattle and live cattle weight, cattle insured in a yearling finishing operation will be assumed to weigh 750 pounds (7.5 cwt) when they enter the feedlot, to weigh 1,250 pounds at slaughter (12.5 cwt), and to consume 50 bushels of corn. Cattle insured in a calf finishing operation will be assumed to weigh 550 pounds (5.5 cwt) when they enter the feedlot, to weigh 1,150 pounds at slaughter (11.5 cwt), and to consume 52 bushels of corn.

(11) To obtain coverage on the Cattle, an insured must submit an SCE during the sales period.

(a) Any properly executed SCE provided to an agent before the sales period will not be considered submitted until the sales period has begun.

(b) The insured may revise or withdraw the SCE at any time up to 1:30 PM Central Time on the effective date. Withdrawal must be documented in writing. Revisions should be documented by completing a new SCE and writing in the remarks "This SCE replaces the SCE signed on mm/dd/year."

(c) After the start of the sales period, the SCE may not be revised and will be presumed to be the election of the insured.

(d) The insured's signature can be obtained up to 14 calendar days prior to the end of the sales period of the effective date provided all the substantive items regarding insured information, crop information and required statements are completed on the SCE. The date must be the calendar date when the form is signed by the insured.

(e) The agent's signature can be obtained up to 14 calendar days prior to the end of the sales period of the effective date provided all the substantive items are completed on the SCE. The date must be the calendar date when the form is signed by the agent.

(12) The SCE must contain the following information:

(a) the practice/insurance period;

(b) the effective date of coverage;

(c) the deductible; and

(d) by month, the target marketings in head by Yearling Finishing or Calf Finishing type of operation.

D. Specific Coverage Endorsement (Continued)

(13) The SCE must be received by the AIP's information technology system by 8:25 AM Central Time, the end of the sales period.

(a) The AIP will accept a signed SCE if received by the AIP's information technology system after the end of the sales period provided:

(i) the SCE was signed by the agent and the insured during the sales period, and proof of time of signature is provided;

(ii) the information from the SCE was keyed into the AIP's information technology system and that SCE's data received at the AIP by the end of the sales period; and

(iii) the AIP receives a copy of the completed, signed SCE no later than 10:30 AM Central Time immediately following the end of the sales period.

(b) The AIP may accept the SCE if received by the AIP's information technology system after 10:30 AM Central Time immediately following the end of the sales period provided:

(i) all criteria in 13(a)(i) and 13(a)(ii) are met;

(ii) the AIP receives a copy of the completed, signed SCE no later than 12:00 PM (Noon) Central Time immediately following the end of the sales period; and

(iii) the AIP can document a valid reason for the delay.

(c) Beyond 12:00 PM (Noon) Central Time, no exceptions are allowed.

(14) LGM Cattle will not be offered for a sales period:

(a) if CME live cattle futures decline on the effective date by the maximum allowed by the exchange, or CME corn futures or CME feeder cattle futures increase on the effective date by the maximum allowed by the exchange (the daily price limits and the expanded price limits are subject to change, and the latest values can be found at www.cmegroup.com/trading/price-limits.html);

(b) on days on which USDA releases the Cattle on Feed report (USDA report release calendar can be found at www.nass.usda.gov/Publications/Reports_by_Release_Day/index.php);

(c) if for any reason LGM for Dairy Cattle offer prices are not published in the actuarial documents by 4:30 PM Central Time on the effective date.

E. Offset of Premium from Indemnities

If the producer is entitled to an indemnity under the LGM for Cattle Insurance policy or any other agricultural commodity policy insured with the AIP and it is:

(1) prior to the premium billing date or for any SCE that has not yet ended, the producer may request the premium and administrative fees to be offset from any indemnity or prevented planting payment due the producer; or

(2) on or after the premium billing date or for any SCE that has ended, the producer's premium and administrative fees will be offset from any indemnity payment due to the producer. If there are multiple endorsements with amounts due past the premium billing date, then the indemnity must be credited first to endorsements with earliest premium billing dates.

F. Indemnity Reduction

If for any month for which the insured has target marketings and the insured's actual marketings are less than 85 percent of the cumulative target marketings for the month, the indemnities will be reduced as follows:

(1) If insured's actual marketings for the month are at or above 85 percent of the cumulative target marketings for the month, then the market factor for the month equals 1, even if insured's actual marketings for the month are lower than the cumulative target marketings for the month; or

(2) If insured's actual marketings for the month are less than 85 percent of the cumulative target marketings for the month, then the market factor for the month equals the insured's actual marketings divided by 85 percent divided by cumulative target marketings.

(3) The market factor for the endorsement is calculated as a weighted average of market factors for months in which the insured has target marketings, proportional to the target marketings. Indemnity calculated under section 7(b) of the LGM for Cattle Insurance Policy will be prorated by the market factor.

(4) Livestock unable to be marketed due to seizure, quarantine, or destroyed as ordered by any state or federal government authority, including as part of foreign animal disease related restrictions, will be counted as marketed for the purpose of calculating the market factor.

(5) For example, an insured purchases an SCE for the May - March insurance period and declares target marketings of 10,000 head in June and 10,000 head in July. The insured markets only 8,500 head in June and 7,500 head in July. The market factor for June is 1, and the market factor for July is (7,500 ÷ 0.85) ÷ 10,000 = 0.882. The market factor for the endorsement is ((10,000 × 1) + (10,000 × 0.882)) ÷ 20,000 = 0.941. If the difference between the gross margin guarantee and the actual gross margin is positive, the indemnity paid will be that difference multiplied by 0.941.

G. Marketing Records

(1) Insured may report as actual marketings in a particular month only sales that occurred not earlier than fifteen days prior to the start of that month and not later than fifteen days after the end of that month, as supported by dates on packer sales receipts that provide supporting records.

(2) If actual marketings in a particular month exceed target marketings for that month, the insured may choose to provide only marketing records that verify that actual marketings are not lower than target marketings. For example, an insured has 1,000 head covered for July, and their actual marketings are 10,000 head for July. The insured only has to provide marketing records for 1,000 head.

H. Cancellation and Termination

(1) The insured may cancel the policy after the initial crop year by providing written notice to the AIP on or before June 30.

(2) AIP may only cancel the policy with express written consent from FCIC unless provided differently in the Basic Provisions.

(3) A delinquent debt for any policy will make the insured ineligible to obtain an LGM policy for any subsequent crop year and result in termination of their LGM policy in accordance with section 2(h)(2) of Basic Provisions. Delinquent debt on the LGM policy will make the insured ineligible to obtain crop insurance authorized under the Act for any subsequent crop year. Termination will be effective:

(a) for an LGM policy with unpaid premiums, such policy will terminate for the current crop year even if insurance attached prior to the termination date. Such termination will be considered effective as of the prior crop year's cancellation date and no insurance will be considered to have attached for the current crop year and no indemnity will be owed.

Example: For the 2026 crop year, an insured purchased an LGM Insurance Policy with a termination date of August 31, 2027, and they do not pay the premium by the termination date. Their LGM policy will terminate for the current crop year (2028) retroactive to the cancellation date of the prior crop year (2027) which is June 30, 2027, even if insurance has already attached for the current crop year. The effective date of ineligibility would be June 30, 2027.

(b) for an LGM policy with other amounts due, the cancellation date immediately following the date the insured has a delinquent debt.

H. Termination and Cancellation (Continued)

Example: Insured owes reimbursement of an overpaid indemnity on an SCE purchased on June 30, 2026 (crop year 2026), with SCE target marketings in September and October 2026. The endorsement had a claim that was paid on November 15, 2026. In January 2027, the AIP discovered they have overpaid for the indemnity and have sent a notice to the insured to repay the overpaid amount by March 1, 2027. The insured failed to pay the amount due and is determined ineligible as of March 1, 2027. The insured will not be allowed to buy any new SCEs on their LGM policy after March 1, 2027. The debt remained delinquent at the next cancellation date, June 30, 2027. The policy is not renewed for crop year 2028.

(c) for delinquent debt on any other policy that is issued under the authority of the Act, the LGM policy will terminate on the cancellation date that coincides with the ineligibility date for the policy with the delinquent debt or, if there is no coincidental cancellation date, the cancellation date immediately following the date the insured becomes ineligible. No new SCEs will be approved for the LGM policy after the ineligibility date.

Example: Insured purchased a Federally reinsured corn policy on March 15, 2025, but failed to pay the premium due by the crop year 2025 termination date, March 15, 2026. The insured is ineligible for crop insurance as of March 15, 2026. The insured also purchased an SCE on their LGM policy on January 8, 2026, with SCE target marketings in March and April 2026. The LGM cancellation date does not coincide with the ineligibility date, so the LGM policy will be terminated on the cancellation date immediately following March 15, 2026, i.e., June 30, 2026, if the debt on the corn policy remains delinquent. The insured will not be allowed to buy any new SCEs on their 2026 LGM policy after March 15, 2026. If any indemnity is owed to the insured on SCEs purchased before March 15, 2026, they will remain owed.

Note: For termination for other policies issued by the AIP which issued the LGM policy with delinquent debt, refer to termination provisions in basic provisions for those respective policies.

(d) for an LGM policy with a written payment agreement and failure to make any scheduled payment, the cancellation date for the crop year prior to the crop year in which the insured failed to make the scheduled payment.

H. Termination and Cancellation (Continued)

Example: Insured executed a written payment agreement for crop year 2026 before the termination date of August 31, 2027, to pay the premium by December 15, 2028. Insured fails to make the scheduled payment by December 15, 2028. The crop year in which they failed to make the scheduled payment is 2029. Their crop year 2029 policy is terminated effective June 30, 2028, the cancellation date for the crop year 2028 policy.

I. Correction of Errors

(1) If RMA is notified there has been a clear and obvious error made in any offers of insurance, such as premiums announced that are significantly lower than those for any previous offer, and the error is discovered after acceptance of the SCE endorsement by the RMA system:

(a) within 5 business days, AIPs must inform insureds who have properly and timely executed SCEs affected by the error. If notice is not provided by electronic means, the date the notice is mailed must be within 5 business days of the date when AIP was notified by RMA of the error.

(b) the insured must notify the AIP within 5 business days after receiving the notice, and confirm they wish to maintain coverage under corrected terms. If the correction does not affect any information presented on the SCE, AIP may accept any communication from the insured as sufficient notice that the insured wishes to retain previously purchased coverage. For example, the AIP SCE form contains expected prices, but not premium. If originally issued actuarial records result in incorrect premium, but expected prices are unaffected by the error, then the SCE form, as originally signed by the insured, does not contain any errors, and does not need to be executed again. If any information presented on the SCE is affected by the error, then SCE must be executed again with corrected information within 5 business days after the insured received the notice of the error, even if information affected is not a substantive field on the SCE form.

(2) Any correction to a SCE that would affect the premium, liability or record requirements, such as changes to target marketings, must be made within 14 calendar days after the effective date, and the request must be accompanied by the timely signed SCE and supporting documentation, dated before the end of the SCE sales period, that demonstrates a clear and inadvertent error was made.

(3) Correction of transmission errors made by the AIP may be submitted to RMA at any time the transmission error is discovered, and must be accompanied by the timely signed SCE matching the correction requested.

22 Prohibition of Subsidy Capture

A. Abusive Subsidy Capture Practices

(1) Any activity by the insured to derive financial gain through subsidy capture is considered abuse of the program.

(2) Section 23 of LGM Basic Provisions provides a list of activities which will be considered to be conducted for the purpose of subsidy capture. Other activities may be determined by USDA to be subsidy capture if a compliance investigation conclusively determines the insured exploited the difference between premium owed by the insured and the cost of a privately traded livestock contract for the primary purpose of deriving the financial gain to the insured.

B. Request for Brokerage Records

Regarding requesting brokerage records, the AIP must:

(1) not request brokerage records unless expressly requested to do so by the RMA.

(2) provide the insured an option to submit the brokerage records in such a way that the agent serving the policy does not have access to those brokerage records or names of the insured's brokers or other applicable persons.

(3) assist the RMA in obtaining brokerage records, as specified by the RMA, for the insured and their SBI holders, and any entity in which those SBIs have a substantial beneficial interest.

(4) request the full text of any private contract not traded on regulated commodity exchanges under which the insured or their SBI persons directly or through entities in which those SBIs have a substantial beneficial interest promise to pay to the counterparty an amount equal to or calculated based on the indemnities received under any SCEs.

(5) inform the RMA if the insured has refused to provide names of their brokers or applicable persons, or has otherwise failed to cooperate with providing the brokerage records. If the RMA determines and informs the AIP that the insured has failed to cooperate with the review, the AIP must deny indemnity to the insured for all SCEs for which the notice of probable loss would be sent after the date the RMA determination is made.

23-99 (Reserved)

EXHIBITS

Exhibit 1 Acronyms and Abbreviations

The following table provides approved acronyms and abbreviations used in this handbook.

Approved Acronym/Abbreviation	Term
AIP	Approved Insurance Provider
CME	Chicago Mercantile Exchange Group
CWT	Hundredweight
DSSH	Document and Supplemental Standards Handbook
FCIC	Federal Crop Insurance Corporation
GSH	General Standards Handbook
ITS	Ineligible Tracking System Handbook
LGM	Livestock Gross Margin
LPRA	Livestock Price Reinsurance Agreement
RMA	Risk Management Agency
SBI	Substantial Beneficial Interest
SCD	Sales Closing Date
SCE	Specific Coverage Endorsement
SP	Special Provisions
USDA	United States Department of Agriculture

Exhibit 2 Definitions

The following are definitions of terms used in this handbook.

<u>Actual cattle price</u>: For the months of February, April, June, August, October, and December, the actual cattle price is the simple average of the daily settlement prices in the last three trading days prior to the contract first notice date for the CME live cattle futures contracts. For the months of January, March, May, July, September, and November, the actual cattle price is the simple average of the daily settlement prices for the first succeeding contract month in the last three trading days prior to the end of the target month.

<u>Actual corn price</u>: For months in which a CME corn futures contract expires, the actual corn price is the simple average of the daily settlement prices in the last three trading days prior to the contract first notice date for the CME corn futures contract for that month expressed in dollars per bushel. For months when there is no expiring CME corn futures contract, the actual corn price is the simple average of the daily settlement prices for the first succeeding contract month in the last three days prior to the start of the month.

<u>Actual cost of feed per head</u>: The actual cost of feed for each month equals target corn weight multiplied by the actual corn price for that month.

<u>Actual feeder cattle price</u>: For months in which a CME feeder cattle futures contract expires, the actual feeder cattle price is the simple average of the daily settlement prices in the last three trading days prior to the contract expiration date, expressed in dollars per cwt. For other months, the actual feeder cattle price is the simple average of the daily settlement prices for the first succeeding contract month in the last three trading days prior to the start of the month. For example, the actual feeder cattle price in February is the simple average of the daily settlement prices in the last three trading days of January for the March futures contract.

<u>Actual gross margin per head</u>: For yearling finishing operations, the actual gross margin per head equals the actual cattle price for the month cattle are marketed multiplied by the target weight of the cattle at marketing, minus the actual cost of feed per head two months prior to that month, minus the actual feeder cattle price five months prior to that month multiplied by the target weight of feeder cattle. For calf finishing operations, the actual gross margin per head equals the actual cattle price for the month cattle are marketed multiplied by the target weight of the cattle at marketing, minus the actual cost of feed per head four months prior to that month, minus the actual feeder cattle price eight months prior to that month multiplied by the target weight of feeder cattle.

<u>Actual gross margin per month</u>: The actual gross margin per head of cattle for a particular month multiplied by the target marketings for that month.

Actual marketings: The total number of slaughter- ready cattle sold by the insured for slaughter for human or animal consumption in each month of the insurance period and for which the insured has proof of sale. Actual marketings are used to verify ownership of cattle.

Actual total gross margin: The target marketings for each month of an insurance period multiplied by the actual gross margin per head for each month of that insurance period and totaled.

Actuarial documents: The information for the crop year which is available for public inspection in the insured's agent's office and published on RMA's website which shows available crop insurance policies, coverage levels, information needed to determine amounts of insurance, prices, premium adjustment percentages, practices, particular types of the insurable crop, and other related information regarding crop insurance in the state.

Application: The form required to be completed by the insured and accepted by the AIP before any SCE can be submitted and insurance coverage commences.

Assignment of indemnity: A transfer of policy rights, made on our form, and effective when approved by us in writing, whereby the insured assigns their right to an indemnity payment for the crop year only to creditors or other persons to whom the insured has a financial debt or other pecuniary obligation.

Beginning farmer or rancher: An individual who has not actively operated and managed a farm or ranch in any state, with an insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than five crop years, as determined in accordance with FCIC procedures. Any crop year's insurable interest may, at the insured's election, be excluded if earned while under the age of 18, while in full-time military service of the United States, or while in post-secondary education, in accordance with FCIC procedures. A person other than an individual may be eligible for beginning farmer or rancher benefits if there is at least one individual SBI holder and all individual SBI holders qualify as a beginning farmer or rancher.

Calf finishing operation: A type of farm operation that purchases calves and feeds them until slaughter.

Cancellation date: The calendar date specified in the actuarial documents on which coverage will automatically renew unless canceled in writing by either the insured or the AIP or terminated in accordance with the policy terms.

Cattle: Any species of domesticated mammal of the family *Bos Taurus or Bos Indicus* commonly grown for beef production. Also referred to as steer or heifer or cow.

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Commodity Exchange Endorsement for Cattle: An endorsement that contains the exchange prices that is used to set the expected and actual prices for LGM Cattle.

Company: The insurance company identified on, and issuing, the insured's summary of coverage.

Consent: Approval in writing by the AIP allowing the insured to take a specific action.

Contract change date: The calendar date contained in the actuarial documents by which changes to the policy, if any, will be made available in accordance with section 20(d) of the LGM for Cattle Insurance Policy.

Coverage: The insurance provided by this policy against insured loss of gross margin as shown on the insured's summary of coverage.

Crop year: The twelve-month period, beginning July 1, and ending the following June 30, which is designated by the calendar year in which it ends.

Cumulative target marketings: Target marketings for each specific month in the insurance period, summed over all SCEs in all crop years when the month was insurable. For example, if February 2025 is insured under three different Specific Coverage Endorsements, then the target marketings for February 2025 under each of those SCEs are totaled to determine the cumulative target marketings for February 2025. This is done for each month in the insurance period.

Date coverage begins: The calendar date the insurance provided by this policy begins.

Days: Calendar days.

Deductible: The portion of the expected gross margin that the insured elects not to insure. Allowable deductible amounts range from zero to $150 per head in $10 per head increments.

Delinquent debt: Has the same meaning as the term defined in 7 CFR part 400, subpart U.

Effective date: The date coverage begins, as shown in the SCE. The effective date will always be the date the prices were published on the RMA website. If the SCE was purchased and the AIP approved it on the day following the date the prices were published on the RMA website, the effective date is still the date that the prices were published on the RMA website.

End of insurance period, Date of: The date upon which the insured's insurance provided by this policy ceases.

Expected cattle price: Expected cattle prices for months in an insurance period are determined using settlement prices on CME live cattle futures contracts. Given the differences in contract structure for CME live cattle futures contracts, only the February, April, June, August, October, and December CME live cattle futures are used in LGM price calculations. For months with unexpired live cattle futures contracts, the expected cattle price is the daily settlement price for the CME cattle futures contract for that month on the effective date expressed in dollars per cwt. For example, for a sales period beginning on February 28, the expected cattle price for August equals the daily settlement price on the CME August live cattle futures contract on February 28. For months without a live cattle futures contract, the futures prices used to calculate the expected cattle price is the futures price for the first succeeding contract month on the effective date. For example, for a sales period beginning on February 28, the expected cattle price for November equals the daily settlement price on the CME December live cattle futures contract on February 28. See the LGM for Cattle Commodity Exchange Endorsement for additional detail on exchange prices.

<u>Expected corn price</u>: Expected corn prices for months in an insurance period are determined using settlement prices on CME corn futures contracts. For months with unexpired corn futures contracts, the expected corn price is the daily settlement price for the CME corn futures contract for that month on the effective date expressed in dollars per bushel. For example, for a sales period beginning on April 28, the expected corn price for July equals the daily settlement price on the CME July corn futures contract on April 28. For months with expired corn futures contracts, the expected corn price is the simple average of daily settlement prices for the CME corn futures contract for that month expressed in dollars per bushel in the last three trading days prior to first notice date. For example, for a sales period beginning on April 28, the expected corn price for March is the simple average of the daily settlement prices on the CME March corn futures contract over the last three trading days prior to the first notice date. For months without a corn futures contract, the futures prices used to calculate the expected corn price is the futures price for the first succeeding contract month on the effective date. For example, for a sales period beginning on April 28, the expected corn price for June equals the daily settlement price on the CME July corn futures contract on April 28. See the LGM for Cattle Commodity Exchange Endorsement for additional detail on exchange prices.

<u>Expected cost of feed per head</u>: The expected cost of feed for each month equals the target corn weight multiplied by the expected corn price for that month.

<u>Expected feeder cattle price</u>: Expected feeder cattle prices for months in an insurance period are determined using daily settlement prices on CME feeder cattle futures contracts. For months with unexpired feeder cattle futures contracts, the expected feeder cattle price is the daily settlement price for the CME feeder cattle futures contract for that month on the effective date expressed in dollars per cwt. For example, for a sales period beginning on April 28, the expected feeder cattle price for May for a yearling finishing operation equals the daily settlement price on the CME May feeder cattle futures contract on April 28. For months with expired feeder cattle futures contracts, the expected feeder cattle price is the simple average of daily settlement prices for the CME feeder cattle futures contract for that month expressed in dollars per cwt in the last three trading days prior to contract expiration. For example, for a sales period beginning on April 28, the expected feeder cattle price for March for a calf finishing operation is the simple average of the daily settlement prices on the CME March feeder cattle futures contract over the last three trading days prior to contract expiration. For months without a feeder cattle futures contract, the futures prices used to calculate the expected feeder cattle price is the futures price for the first succeeding contract month. For example, for a sales period beginning on April 28, the expected feeder cattle price for July for a calf finishing operation equals the daily settlement price on the CME August feeder cattle futures contract on April 28. See the LGM for Cattle Commodity Exchange Endorsement for additional detail on exchange prices.

<u>Expected gross margin per head</u>: For yearling finishing operations, expected gross margin per head is equal to the expected cattle price for the month cattle are marketed multiplied by the target weight of the cattle at marketing, minus the expected cost of feed per head two months prior to that month, less the expected feeder cattle price five months prior to that month multiplied by the target weight of feeder cattle. For calf finishing operations, expected gross margin per head is equal to the expected cattle price for the month cattle are marketed multiplied by the target weight of the cattle at marketing, minus the expected cost of feed per head four months prior to that month, less the expected feeder cattle price eight months prior to that month multiplied by the target weight of feeder cattle.

Expected gross margin per month: The expected gross margin per cattle multiplied by the target marketings for each month of an insurance period.

Expected total gross margin: The sum of target marketings multiplied by the expected gross margin per head for each month of the insurance period.

Federal Crop Insurance Corporation: A wholly owned Government Corporation administered by RMA within USDA.

Gross margin guarantee: The gross margin guarantee for an insurance period is the expected total gross margin for an insurance period minus the deductible multiplied by the total of target marketings.

Insurance period: The 11-month period designated in the summary of coverage to which the SCE is applicable. Cattle are not insurable in the first month of any insurance period. See the LGM for Cattle Commodity Exchange Endorsement for additional detail on insurance periods.

Insured: The person shown on the summary of coverage as the insured. This term does not extend to any other person having a share or interest in the animals (for example, a partnership, landlord, or any other person) unless also specifically indicated on the summary of coverage as the insured.

Liability: The maximum amount payable on an insurance period under this policy.

Limit movement: The maximum price change based on the CME group current daily price limit for commodity futures.

Limited resource farmer or rancher: Has the same meaning as the term defined by USDA at lrftool.sc.egov.usda.gov/LRP_Definition.aspx or successor website.

Livestock acceptance system: A computer system that accepts livestock applications and endorsements.

Marketing report: A report submitted by the insured on the AIP's form showing for each month the insured's actual marketings of cattle insured under this policy. The marketing report must be accompanied by copies of packer sales receipts that provide records of the actual marketings shown on the marketing report. You may report as actual marketings in a particular month only sales that occurred not earlier than fifteen days prior to the start of the month and not later than fifteen days after the end of the month, as supported by dates on packer sales receipts that provide supporting records.

Notice of probable loss: The AIP's notice to the insured of a probable loss on the producer's insured cattle.

Offset: The act of deducting one amount from another amount.

Person: An individual, partnership, association, corporation, estate, trust, or other legal entity, and wherever applicable, a State or a political subdivision or agency of a State. "Person" does not include the United States Government or any agency thereof.

Policy: The agreement between the insured and the AIP consisting of the LGM for Cattle Insurance Policy, the SP, the summary of coverage, the Commodity Exchange Endorsement, the SCE and the applicable regulations published in 7 CFR Chapter IV.

Premium: The amount the insured owes the AIP for this insurance coverage based on the information contained in the insured's SCE in accordance with section 5 of the LGM for Cattle Insurance Policy.

Premium billing date: The earliest date upon which the insured will be billed for insurance coverage based on the information contained in the insured's SCE. The premium billing date for each SCE is the earlier of the first day of the second month following the last month of the insurance period in which the insured has target marketings on that SCE or the billing date published in the actuarial documents. For example, if the insurance period is April-February, and on March 16, 2026, the insured purchases two SCEs, one with declared target marketings for June and July 2026, and another SCE with declared target marketings for August and September 2026, then the premium billing date for the SCE covering June and July would be September 1, and the premium billing date for the SCE coverage August and September is November 1.

Producer premium: The total premium minus the premium subsidy paid by FCIC.

Risk Management Agency: The Risk Management Agency, which operates the Federal crop insurance program on behalf of FCIC.

RMA's website: A website hosted by RMA and located at www.rma.usda.gov or a successor website.

Sales closing date: The effective date of the SCE.

Sales period: The period that begins on Thursday of each week when the coverage prices and rates are posted on RMA's website and ends on the following calendar day at 8:25 AM Central Time. Coverage will not be available for purchase if the Thursday of the sales period is a federal holiday. The calendar date for Thursday of the sales period will be shown as the effective date in the actuarial documents.

Share: The lesser of the insured's percentage interest in the insured livestock as an owner at the time insurance attaches and at the time of sale. Persons who lease or hold some other interest in the livestock other than as an owner are not considered to have a share in the livestock.

Special provisions: The part of the policy that contains specific provisions of insurance for each insured crop that may vary by geographic area.

Specific coverage endorsement: An endorsement to the policy purchased by the insured during the crop year necessary to provide coverage that includes information about the insurance period, coverage options and target marketings in accordance with Para. 21 D.

Subsidy Capture: The practice of exploiting the differences between premium owed by the insured for an SCE, and the cost of a privately traded livestock contract such as a put option, for the purpose of deriving financial gain.

Substantial beneficial interest: An interest held by any person of at least ten percent in the insured (e.g., there are two partnerships that each have a 50 percent interest in the insured and each partnership is made up of two individuals, each with a 50 percent share in the partnership. In this case, each individual would be considered to have a 25 percent interest in the insured, and both the partnerships and the individuals would have an SBI in the insured. The spouses of the individuals would not be considered to have an SBI unless the spouse was one of the individuals that made up the partnership. However, if each partnership is made up of six individuals with equal interests, then each would only have an 8.33 percent interest in the insured and although the partnership would still have an SBI in the insured, the individuals would not for the purposes of reporting in section 2 of the LGM for Cattle Insurance Policy). The spouse of any individual applicant or individual insured will be presumed to have an SBI in the applicant or insured unless the spouses can prove they are legally separated or otherwise legally separate under the applicable State dissolution of marriage laws. Any child of an individual applicant or individual insured will not be considered to have an SBI in the applicant or insured unless the child has a separate legal interest in such person.

Summary of coverage: The AIP's statement to the insured, based upon the information contained in the SCE, specifying the insured, the cattle, the target marketings, the gross margin guarantee, and the premium for the insurance period covered by the SCE.

Target corn weight: The anticipated weight of the corn fed per head. Target weight must fall within the range of 50 to 85 bushels per head for yearling finishing operations, and within the range of 50 to 75 bushels per head for calf finishing operations.

Target feeder cattle weight: The anticipated weight of feeder cattle at purchase time. Target weight must fall within the range of 6 to 9 cwt for yearling finishing operations, and within the range of 4 to 6 cwt for calf finishing operations.

Target live cattle weight: The anticipated weight of live cattle at marketing. Target weight must fall within the range of 12 to 15 cwt for yearling finishing operations, and within the range of 11 to 13 cwt for calf finishing operations.

Target marketings: The insured's determination as to the number of cattle they elect to insure in each month during the insurance period. The insured can only report the number of cattle in which they have a share.

Termination date: The calendar date upon which the insured's insurance ceases to be in effect because of nonpayment of any amount due the AIP under the policy, including premium.

<u>Veteran farmer or rancher</u>:

(1) An individual who has served active duty in the United States Armed Forces, including the Air Force, Army, Coast Guard, Marine Corps, Navy, Space Force, and their reserve components; was discharged or released under conditions other than dishonorable; and:

(i) Has not operated a farm or ranch;

(ii) Has operated a farm or ranch for not more than 5 years; or

(iii) First obtained status as a veteran during the most recent 5-year period.

(2) A person, other than an individual, may be eligible for veteran farmer or rancher benefits if all SBI holders qualify as a veteran farmer or rancher in accordance with paragraph (1) of this definition; except in cases in which there is only a married couple, then a veteran or non-veteran spouse is considered a veteran farmer or rancher.

<u>Void</u>: When the policy is considered not to have existed for an insurance period as a result of concealment, fraud, or misrepresentation.

<u>Yearling finishing operation</u>: A type of farm operation that purchases yearling steers and heifers and feeds them until slaughter.

AIPs can use existing application and related forms for LGM for Cattle. The elements required on application and related forms for LGM are similar to the elements on such forms for other policies. The required elements on the application for LGM are effective crop year, state, county, crop, and plan of insurance. Coverage level, price, etc., are not required on the LGM for Cattle application, as these elements are part of the SCE form. The duties and responsibilities identified on the DSSH and GSH apply to LGM except as otherwise noted in this handbook.

A. DSSH Applicability

(1) See DSSH, Exhibit 16 for application form standards.

(2) See DSSH, Exhibit 19 for BFR application form standards.

(3) See DSSH, Exhibit 20 for policy cancellation form standards.

(4) See DSSH, Exhibit 21 for policy transfer/application form standards.

(5) See DSSH, Exhibit 22 for policy change form standards.

(6) See DSSH, Exhibit 23 for social security number and employer identification number reporting form standards.

(7) See DSSH, Exhibit 26 for policy confirmation (policy declaration) form standards.

(8) See DSSH, Exhibit 27 for power of attorney form standards.

(9) See DSSH, Exhibit 28 for assignment of indemnity form standards.

(10) DSSH Exhibit 39 is amended as follows, adding the new D subparagraph and updating the existing subparagraphs D and E, to E and F.

A. DSSH Applicability (Continued)

D. Terms and Conditions

Item #	Element	Substantive/ Non-Substantive
1	"The Insured or any of the Assignees may cancel this Single Payee Agreement. Cancellation of this Single Payee Agreement by the Insured or any of the Assignees during the crop year stated above will be accepted by the Approved Insurance Provider only upon notification in writing."	Substantive
2	"This Single Payee Agreement is automatically canceled when the Assignment of Indemnity is canceled or terminated."	Substantive
3	"If the number of Assignee(s) changes during the crop year stated above, this Single Payee Agreement is effectively canceled. If the Insured and all Assignee(s) want to have a single payee, a new Single Payee Agreement must be executed with all parties."	Substantive
4	"If the Insured or Assignee(s) want to change who the payee is that is stated in this Single Payee Agreement, it must be canceled, and a new Single Payee Agreement must be executed naming the new payee."	Substantive
5	"It is understood that if this Single Payee Agreement is canceled for any reason, any indemnity payment issued after cancellation will be a joint check."	Substantive

B. GSH Applicability

(1) For the purpose of LGM only, the GSH Para. 852 and DSSH Exhibit 28, Assignment of Indemnity is amended as follows:

The second sentence in opening paragraph "The assignment(s) applies for all acreage of the crop covered by the policy" is replaced with "The assignment(s) applies for all liability remaining on the livestock covered by the policy at the time the assignment is accepted by the AIP and any additional liability added for the crop year. An assignment cannot be executed for a single, specific SCE (e.g., not by practice)."

(2) GSH 852A(1) is amended as follows:

digitally signed by the insured or creditor, the witness requirement is waived. The AIP still has the option to request proof of debt or other pecuniary obligation before the Assignment of Indemnity is accepted.

B. GSH Applicability (Continued)

(3) GSH 852G is amended as follows:

After the execution of an Assignment of Indemnity, an indemnity payment may be made to a single payee if all assignees and the insured agree in writing. The Assignment of Indemnity - Single Payee Agreement form (DSSH Exh. 39) must be completed before any payment is issued where a single payee is preferred.

The Single Payee Agreement is effective from the date the AIP accepts the Single Payee Agreement until:

(a) the Assignment of Indemnity ends (see Subpara. E);

(b) the number of assignees changes (see Subpara. C);

If the number of assignees changes during the crop year, a new Single Payee Agreement must be completed with all parties before any payment is issued where a single payee is preferred. If the new assignee(s) do not agree or will not execute a Single Payee Agreement, any indemnity payment made after the change in assignee(s) must be made by joint check.

(c) the Single Payee Agreement is canceled; or

The Single Payee Agreement may be canceled by the insured or any of the assignees by notifying the AIP in writing. If the Single Payee Agreement is canceled, any indemnity payment issued after the cancellation must be by joint check.

(d) the Insured and all Assignees want to change the payee in the Single Payee Agreement.

If the insured and all assignees want to change who the single payee is, a new Single Payee Agreement must be executed before a payment may be made to a new payee.

Exhibit 4 LGM For Cattle Specific Coverage Endorsement

The SCE is required to determine the deductible and target marketings by month. The standards below represent all SCE data elements to establish coverage according to the LGM for Cattle Insurance policy.

A. Insured Information

Item #	Element	Substantive/ Non-Substantive
1	"Insured's Name"	Substantive
2	"Insured's Authorized Representative"	Substantive
3	"Street and/or Mailing Address"	Substantive
4	"City and State"	Substantive
5	"Zip Code"	Substantive
6	"Insured's Telephone Number"	Substantive
7	"Policy Number"	Substantive
8	"Identification Number"	Substantive
9	"Identification Number Type"	Substantive
10	"Person Type"	Substantive
11	"Spouse's Name"	Substantive
12	"Spouse's Identification Number"	Substantive

B. Crop Information

Item #	Element	Substantive/ Non-Substantive
1	"Crop Year"	Substantive
2	"Crop"	Substantive
3	"State and County"	Substantive
4	"Plan of Insurance"	Substantive
5	"Effective Date"	Substantive
6	"Insurance Period"	Substantive
7	"Deductible ($/cwt)"	Substantive
8	"Target Marketings by Month (Enter Month)"	Substantive
9	"Month 2 – Month 11"	Substantive
10	"Type of Operation" **Note:** Heading for Yearling Finishing or Calf Finishing.	Substantive
11	"Yearling Finishing"	Substantive
12	"Calf Finishing"	Substantive
13	"Target Corn Weight"	Substantive
14	"Target Feeder Cattle Weight"	Substantive
15	"Target Live Cattle Weight"	Substantive

C. Required Statements

Item #	Element	Substantive/ Non-Substantive
1	USDA Multiple Benefit Certification Statement **Note:** See DSSH, Para. 504.	Substantive
2	Certification Statement **Note:** See DSSH, Para. 502.	Substantive
3	Privacy Act Statement **Note:** See DSSH, Para. 501.	Substantive
4	Non-Discrimination Policy Statement **Note:** See DSSH, Para. 503.	Substantive
5	Insured's Certification Against Subsidy Capture. "I certify that I will not offset any insurance provided under this specific coverage endorsement through livestock contracts traded on commodity exchanges or with other means for the purpose of subsidy capture, and I acknowledge that if I violate this certification, I may be subject to administrative, civil or criminal sanctions."	Substantive
6	Agent's Certification Against Subsidy Capture. "I certify that I have not advised or assisted in any way with the purchase of any livestock contracts to offset insurance provided under this specific coverage endorsement for the purpose of subsidy capture, and I acknowledge that if I violate this certification, I may be subject to administrative, civil or criminal sanctions."	Substantive

D. Required Signatures

Item #	Element	Substantive/ Non-Substantive
1	"Insured's Printed Name, Signature, and Date" **Note:** Proof of time of signature is substantive for SCE received by the AIP after the end of the sales period.	Substantive
2	"Agent's Printed Name, Signature, and Date" **Note:** Proof of time of signature is substantive for SCE received by the AIP after the end of the sales period.	Substantive
3	"Remarks"	Substantive

Exhibit 5 LGM for Cattle Marketings Report Form

The Marketings Report Form is required to be completed by the insured at the time of loss to provide the actual marketings by month. The standards below represent the data elements to establish actual marketings according to the LGM for Cattle Insurance policy.

A. Insured Information

Item #	Element	Substantive/ Non-Substantive
1	"Insured's Name"	Substantive
2	"Street and/or Mailing Address"	Substantive
3	"City and State"	Substantive
4	"Zip Code"	Substantive
5	"Insured's Telephone Number"	Substantive
6	"Policy Number"	Substantive
7	"Identification Number"	Substantive
8	"Identification Number Type"	Substantive
9	"Person Type"	Substantive
10	"Spouse's Name"	Substantive
11	"Spouse's Identification Number"	Substantive

B. Crop Information

Item #	Element	Substantive/ Non-Substantive
1	"Crop Year"	Substantive
2	"Crop"	Substantive
3	"State and County"	Substantive
4	"Plan of Insurance"	Substantive
5	"Effective Date"	Substantive
6	"Insurance Period"	Substantive
7	"Deductible ($/cwt)"	Substantive
8	"Actual Marketings by Month (Enter Month)"	Substantive
9	"Month 2 – Month 11"	Substantive
10	"Type of Operation" **Note:** Heading for Yearling Finishing or Calf Finishing.	Substantive
11	"Yearling Finishing"	Substantive
12	"Calf Finishing"	Substantive
13	"Copies of all marketing receipts and claim statements for the applicable marketing period must be attached to this marketing report."	Substantive

C. Required Statements

Item #	Element	Substantive/ Non-Substantive
1	Certification Statement **Note:** See DSSH, Para. 502.	Substantive
2	Privacy Act Statement **Note:** See DSSH, Para. 501.	Substantive
3	Non-Discrimination Policy Statement **Note:** See DSSH, Para. 503.	Substantive

D. Required Signatures

Item #	Element	Substantive/ Non-Substantive
1	"Insured's Printed Name, Signature, and Date"	Substantive
2	"Remarks"	Substantive

The notice of probable loss is used to notify the insured of a probable loss after all LGM data necessary to calculate an indemnity for the selected practice are released by RMA. The insured should return the notice of probable loss to the AIP with the marketing report form and the marketing records. The AIPs may combine the marketing report form and the notice of probable loss into one form provided all the "substantive" items are included. These forms may include multiple SCEs in effect for the same practice.

A. General Information

Item #	Element	Substantive/ Non-Substantive
1	"According to our records, you may be entitled to an indemnity under this policy endorsement based on the information presented below. The calculation of the indemnity is shown in the indemnity section below. In order to receive an indemnity, your signed Marketings Report and marketing receipts are required to certify that the terms and conditions of the policy have been met. Please contact your livestock insurance agent if the information on this form is incorrect or you have any questions." **Note:** This paragraph may be revised by the AIP to reflect their procedures.	Substantive
2	"Insured's Name"	Substantive
3	"Insured's Authorized Representative"	Substantive
4	"Street and/or Mailing Address"	Substantive
5	"City and State"	Substantive
6	"Zip Code"	Substantive
7	"Insured's Telephone Number"	Substantive
8	"Policy Number"	Substantive
9	"Claim Number"	Non-Substantive
10	"Identification Number"	Substantive
11	"Identification Number Type"	Substantive
12	"Person Type"	Substantive
13	"Spouse's Name"	Substantive
14	"Spouse's Identification Number"	Substantive
15	"Assignment of Indemnity Yes □ No □"	Substantive
16	"Transfer of Coverage and Right to an Indemnity Yes □ No □"	Substantive
17	"Date Notice of Probable Loss Issued"	Substantive
18	"Agent's Name"	Substantive
19	"Agent's Street and/or Mailing Address"	Substantive
20	"Agent's City and State"	Substantive
21	"Agent's Zip Code"	Substantive
22	"Agent's Phone Number"	Substantive

B. Crop Information

Item #	Element	Substantive/ Non-Substantive
1	"Crop Year"	Substantive
2	"Crop"	Substantive
3	"State and County"	Substantive
4	"Plan of Insurance"	Substantive

C. Indemnity Calculation

Item #	Element	Substantive/ Non-Substantive
1	"If the actual gross margin is less than the expected gross margin, an indemnity is due."	Substantive
2	"Insurance Period"	Substantive
3	"Effective Date"	Substantive
4	"Target Marketings by Month (Enter Month)"	Substantive
5	"Month 2 – Month 11"	Substantive
6	"Type of Operation" **Note:** Heading for Yearling Finishing or Calf Finishing.	Substantive
7	"Yearling Finishing"	Substantive
8	"Calf Finishing"	Substantive
9	"Deductible"	Substantive
10	"Gross Margin Guarantee"	Substantive
11	"Actual Gross Margin"	Substantive
12	"Probable Indemnity"	Substantive

Exhibit 7 Transfer of Coverage and Right to an Indemnity Form

Use a Transfer of Coverage and Right to an Indemnity to transfer insurance coverage and the right to any subsequent indemnity from one insured person to another person. The transfer is used when a transfer of part or all the ownership/share of the insured livestock commodity occurs before the end of the insurance period. A transfer is allowed at an individual SCE level. See the GSH for additional coverage transfer procedural details.

A. Transferor Information

Item #	Element	Substantive/ Non-Substantive
1	"Transferor's Name"	Substantive
2	"Transferor's Street and/or Mailing Address"	Substantive
3	"City and State"	Substantive
4	"Zip Code"	Substantive
5	"Policy Number"	Substantive

B. Crop Information

Item #	Element	Substantive/ Non-Substantive
1	"Crop(s)"	Substantive
2	"Crop Year"	Substantive
3	"Endorsement Number"	Non-Substantive
4	"Type"	Substantive
5	"Practice"	Substantive
6	"Effective Date"	Substantive
7	"Is the entire insured livestock commodity and the entire insured share on the listed type and practice being transferred? Yes □ No □"	Substantive
8	Statement (a) below may be used alone. If both statements are used the form should indicate "Choose one of the boxes." (a) "□ Make check payable jointly to insured and transferee(s). Check will be mailed to the insured's address (unless an assignment of indemnity is on file)"; or (b) "□ Make checks payable to transferee(s) only. Check will be mailed to address shown for the transferee."	Substantive

C. Transferee Information

Item #	Element	Substantive/ Non-Substantive
1	"Transferee's Name"	Substantive
2	"Transferee's Street and/or Mailing Address"	Substantive
3	"City and State"	Substantive
4	"Zip Code"	Substantive

C. Transferee Information (Continued)

Item #	Element	Substantive/ Non-Substantive
5	"Policy Number"	Substantive
6	"Transferee's Identification Number"	Substantive
7	"Transferee's Identification Number Type"	Substantive
8	"Person Type"	Substantive
9	"Share Transferred"	Substantive
10	"Effective Date of Transfer"	Substantive
11	"Nature of Transfer"	Substantive

D. Terms and Conditions

Item #	Element	Substantive/ Non-Substantive
1	"Acceptance by the Approved Insurance Provider of the above-described transfer shall transfer the insured's right to an indemnity to the above-named transferee subject to:" (a) "Receipt by the Approved Insurance Provider of satisfactory evidence that said transfer occurred before the end of the calendar date for the end of insurance period for the type and practice being transferred, as determined by the Approved Insurance Provider." (b) "The terms of the above-identified insurance contract, including any outstanding assignment of indemnity made by the transferor prior to the date of transfer."	Substantive
2	"The Approved Insurance Provider shall not be liable for any more indemnity than existed before the transfer occurred."	Substantive
3	"The insurance policy of the transferor covers the share hereby transferred only to the end of the insurance period for the current crop year."	Substantive
4	"The "Transferee" and the "Transferor" shall be jointly and severally liable for any unpaid premium earned for the current crop year on the livestock commodity and share transferred."	Substantive
5	"$_____ Total premium on this type and practice"	Substantive
6	"$_____ Premium on type and practice transferred"	Substantive
7	"$_____ Premium on retained type and practice"	Substantive
8	"$_____ Premium paid with transfer"	Substantive

E. Required Statements

Item #	Element	Substantive/ Non-Substantive
1	This statement must appear above the signature line: "I, [INSERT TRANSFEREE'S NAME], the Transferee, understand that all billing statements will only be issued to [INSERT TRANSFEROR'S NAME], the Transferor. Due process/Ineligibility notification letters will be issued to both the transferee and transferor. Any unpaid premium on the termination date of the policy will make both the transferee and the transferor ineligible for the crop insurance program."	Substantive
2	Certification Statement **Note:** See DSSH, Para. 502.	Substantive
3	Privacy Act Statement **Note:** See DSSH, Para. 501.	Substantive
4	Nondiscrimination Policy Statement **Note:** See DSSH, Para. 503.	Substantive

F. Required Signatures

Item #	Element	Substantive/ Non-Substantive
1	"Transferor's Printed Name, Signature, and Date"	Substantive
2	"Transferee's Printed Name, Signature, and Date"	Substantive
3	"Agent's Printed Name, Signature, Code Number, and Date"	Substantive