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

2027 and Succeeding Crop Years

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

TITLE: LIVESTOCK GROSS MARGIN FOR DAIRY CATTLE (LGM-DAIRY CATTLE) INSURANCE STANDARDS HANDBOOK	NUMBER: FCIC-20080 OPI: Product Administration & Standards Division
EFFECTIVE DATE: 2027 and Succeeding Crop Years	ISSUE DATE: April 30, 2026
SUBJECT: Provides the procedures and instructions for administering the Livestock Gross Margin for Dairy Cattle (LGM-Dairy Cattle) Plan of Insurance.	APPROVED: <i>/s/ John W. Underwood for</i> 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 Dairy Cattle Plan of Insurance. This handbook replaces FCIC-20080 Livestock Gross Margin for Dairy Cattle (LGM-Dairy Cattle) Insurance Standards Handbook, dated April 30, 2025. This handbook is effective upon approval for the 2027 and succeeding crop years until obsoleted.

SUMMARY OF CHANGES

Listed below are the changes to the 2027 FCIC-20080 Livestock Gross Margin for Dairy 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 B	Other insurance is prohibited only if obtained from another insurance provider.
Para. 21C	Applications and policy transfers or cancellations must be processed in PASS within 30 days.
Para. 21 F	Indemnity reduction guidance extended to overlapping coverage under both LGM and Dairy Revenue Protection.
Para. 21 H	AIP must cancel any policy with no premium earned for three consecutive crop years.
Para. 22	Modified guidance regarding access to off-exchange contracts in case USDA initiates a review related to potential violation of prohibition of subsidy capture.
Exhibit 2	Added definitions: brokerage record, cancellation, FAA, off-exchange contract, termination. Modified definitions: beginning farmer or rancher, cancellation date, and cumulative target marketings.
Exhibit 3	Added DSSH reference to anti-rebating certification; removed references to GSH and DSSH language that is now contained in those handbooks.
Exhibit 7	Included guidance on when a TOC can be completed to be consistent with policy changes.

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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 Dairy 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.

1 General Information (Continued)

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; CCIP-BP, including the Catastrophic Risk Protection Endorsement; the ARPI-BP; STAX; RI; and WFRP.
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 policy.

B. AIP Responsibilities

AIPs must use standards, procedures, methods, and instructions 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 Dairy Cattle Underwriting Rules

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

A. Basic Principles

- (1) These underwriting rules (“Rules”) govern the LGM for Dairy 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 Dairy 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 Insurance Policy, then the rights and obligations of the insured and of the Company will be determined in accordance with the LGM for Dairy Cattle Insurance Policy.

B. Eligibility

- (5) Only agricultural producers (“Producers”) of milk in all 50 States are eligible for the LGM for Dairy Cattle Insurance Policy.
- (6) Eligibility for the LGM for Dairy Cattle Insurance Policy is determined exclusively by **Federal** law and regulations promulgated, and as interpreted, by the FCIC and the Administrator of the USDA-RMA.
- (7) The insured **must** not obtain insurance for dairy cattle or milk **from another insurance provider** under any other FCIC reinsured livestock plan of insurance for any month for which the insured has target marketings. This restriction applies to dairy cattle only against overlapping coverage related to milk production, and does not restrict the use of other FCIC reinsured plans of insurance that offer coverage against reduction in cattle prices. The insured may also not have another LGM for Dairy Cattle 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 Dairy 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. 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) To ensure timely administration, all applications and policy transfers or cancellations must be processed in PASS within 30 days.
- (7) 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 Dairy Cattle (0847).

C. Application (Continued)

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

D. Specific Coverage Endorsement

- (1) The LGM 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 dairy cattle, production loss of milk, or unexpected changes in feed rations.
- (2) There are twelve insurance periods in each calendar year. Each insurance period runs 11 months and no milk can be insured the first month of any insurance period. Coverage begins on the insured's milk 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 cwt of milk to be insured and the number of tons of corn and soybean meal to be fed during the insurance period (with the exception of the first month of any insurance period). This will be the producer's target marketings and feed. Round target marketings to the nearest whole number. The number of tons of corn per month is restricted to be between 0.00364 and 0.0381 tons per cwt of milk. The number of tons of soybean meal per month is restricted to be between 0.000805 and 0.013 tons per cwt of milk. Default values of 0.014 tons (0.5 bushels) of corn and 0.002 tons (4 pounds) of soybean meal per cwt of milk can be used if producers do not wish to choose feed amounts.
- (5) All milk 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 cwt to \$2.00 per cwt in \$0.10 increments. Each SCE can have a different deductible.
- (8) The producer is only eligible for premium subsidy if they target market in 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 program. In these cases, coverage will no longer be offered for sale on the RMA Website. LGM sales will resume, after a halting or suspension in sales, at the discretion of the RMA Administrator.

D. Specific Coverage Endorsement (Continued)

- (10) To obtain coverage on the Dairy 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 other substantive items are completed on the SCE. The date must be the calendar date when the form is signed by the agent.
- (11) The SCE must contain the following information:
- (a) the practice/insurance period;
 - (b) the effective date of coverage;
 - (c) the deductible;
 - (d) by month, the target marketings in hundredweight of milk; and
 - (e) the tons of corn, tons of soybean meal, and other substantial elements required in [Exhibit 4](#).

D. Specific Coverage Endorsement (Continued)

- (12) The SCE must be received by the AIP's information technology system by 9:00 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 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 12(a)(i) and 12(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.
- (13) LGM for Dairy Cattle will not be offered for a sales period:
- (a) if CME Class III milk futures decline on the effective date by the maximum allowed by the exchange, or CME corn futures or CME soybean meal 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 Milk Production, the Cold Storage or the Dairy Products report (USDA release calendar can be found at [www.nass.usda.gov/Publications/Reports by Release Day/index.php](http://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 AD 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 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 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 or prevented planting 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. If the insured purchased DRP QCEs covering the same month, then one third of milk pounds covered under such QCEs will be included in the cumulative target marketings for the month.
- (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 Dairy Cattle Insurance Policy will be prorated by the market factor.
- (4) For example, an insured purchases a Specific Coverage Endorsement for May - March insurance period, and declares target marketings of 10,000 cwt in June and 10,000 cwt in July. The insured markets only 8,500 cwt in June and 7,500 cwt in July. The insured also purchased a Dairy Revenue Protection QCE with 9,000 cwt for July-September. Cumulative target marketings are 10,000 cwt for June, and 13,000 cwt for July. Market factor for June is 1, and the market factor for July is $7,500 \div 0.85 \div 13,000 = 0.679$. Market factor for the endorsement is $(10,000 \times 1 + 10,000 \times 0.679) \div 20,000 = 0.840$. If the difference between the gross margin guarantee and the actual gross margin is positive, the indemnity paid will be that difference multiplied by 0.840.

G. Marketing Records

Acceptable records are milk marketing records that provide the following information from the producer payroll report. This report is a supporting statement which shall show:

- (1) The name, address, and payroll number or similar identifier of the producer; and
- (2) The monthly or daily aggregated to monthly total pounds received from that producer.

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.

(4) AIP must cancel any policy, without the need for advanced notification, at the end of the third consecutive crop year in which no premium was earned on the policy.

Note: Mandatory cancellation for lack of earned premium over three consecutive crop years will first be applied if no premium is earned in crop years 2025, 2026, and 2027.

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.

21 LGM for Dairy Cattle Underwriting Rules (Continued)

Correction of Errors (Continued)

- (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 **or off-exchange contracts**, the AIP must:

- (1) Not request brokerage records **or off-exchange contracts** unless expressly requested to do so by the RMA.
- (2) Provide the insured an option to submit the brokerage records **and off-exchange contracts** 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 **and off-exchange contracts**, 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) 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
ACT	The Federal Crop Insurance Act (7 U.S.C. 1501 et seq.)
AD	Actuarial Documents
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
ITSH	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

The following are definitions of terms used in this handbook.

Actual corn price: For months in which a CME corn contract expires, the simple average of the daily settlement prices in the last three trading days prior to the first notice date for the CME corn futures contract for the month, expressed in dollars per bushel. For other months, 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 target month. (See the Commodity Exchange Endorsement for more information.)

Actual cost of feed: The actual cost of feed for each month equals the target corn (or corn equivalent) to be fed multiplied by 2,000 ÷ 56 (to convert tons to bushels) multiplied by the actual corn price for that month, plus the target soybean meal (or soybean meal equivalent) to be fed multiplied by the actual soybean meal price for that month.

Actual gross margin per month: Actual revenue less the actual cost of feed for the month.

Actual marketings: The total amount of milk sold by the insured in each month of the insurance period and for which the insured has proof of sale. Actual marketings are used to verify ownership of milk. ***

Actual milk price: Class III Price for the month, published by USDA AMS, Market Information Branch in the report titled the *Announcement of Class and Component Prices*, available on the Internet at mymarketnews.ams.usda.gov/viewReport/2991. (See the Commodity Exchange Endorsement for more information.)

Actual milk revenue: The actual milk price for a month multiplied by target marketings for the month.

Actual soybean meal price: For months in which a CME soybean meal contract expires, the simple average of the daily settlement prices during the last three days prior to the first notice date for the CME soybean meal contract for the month. For other months, the simple average of the daily settlement prices for the first succeeding contract month for the three days prior to the start of the target month. (See the Commodity Exchange Endorsement for more information.)

Actual total gross margin: The sum of actual gross margins per month across all months of the insurance period.

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**.

AMS: Agricultural Marketing Service of the USDA or a successor agency.

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 the AIP's form, and effective when approved by the AIP 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 10 crop years. An individual's insurable interest in any crop year may be excluded at the request of the individual if the interest was held by the individual while: (1) under the age of 18; (2) in full-time military service of the United States; or (3) in post-secondary education. A person other than an individual may be eligible for beginning farmer or rancher benefits if there is at least one individual substantial beneficial interest holder and all individual substantial beneficial interest holders qualify as a beginning farmer or rancher.

Brokerage record: Any document, statement, confirmation, or electronic record maintained by or obtained from a broker or other registered intermediary, that reflects transactions in commodity futures or options contracts, including but not limited to trade confirmations, account statements, position reports, and order records, for any account in which the insured or any person with a substantial beneficial interest in the insured holds a direct or beneficial interest.

Cancellation: When the policy is no longer in effect as of the cancellation date.

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

Company: The insurance company reinsured by FCIC that is identified on, and issuing, the insured's summary of coverage.

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

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

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

Corn equivalent: The amount of corn equivalent to the energy content of the dairy ration used by the producer. Suggested conversion rates for dairy feeds are given in the Commodity Exchange Endorsement.

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.

Exhibit 2 Definitions (Continued)

Cumulative target marketings: Target marketings for each specific month in the insurance period, **under this and all other livestock insurance plans**, summed over all SCEs in all crop years when the month was insurable. For example, if February 2023 is insured under three different Specific Coverage Endorsements, then the target marketings for February 2023 under each of those SCEs are totaled to determine the cumulative target marketings for February. 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 total gross margin that the insured elects not to insure. Per cwt deductible amounts range from zero to \$2.00 per cwt in 10 cent increments. The deductible equals the selected per cwt deductible multiplied by the sum of target marketings across all months of the insurance period.

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 the insurance provided by this policy ceases.

Expected corn price: For months in which a CME corn contract expires, the settlement price for the CME corn futures contract for the month on the effective date. For other months, the daily settlement price for the first succeeding contract month on the effective date. (See the Commodity Exchange Endorsement for more information.)

Expected cost of feed: The expected cost of feed for each month equals the target corn (or corn equivalent) to be fed multiplied by 2,000 ÷ 56 (to convert tons to bushels) multiplied by the expected corn price for that month, plus the target soybean meal (or soybean meal equivalent) to be fed multiplied by the expected soybean meal price for that month.

Expected gross margin per month: Expected revenue less the expected cost of feed for the month.

Expected milk price: The daily settlement prices of the CME Class III milk futures contract for the month on the effective date. (See the Commodity Exchange Endorsement for more information.)

Expected milk revenue: The expected milk price for a month multiplied by target marketings for the month.

Expected soybean meal price: For months in which a CME soybean meal contract expires, the daily settlement price of the CME soybean meal futures contract for the month on the effective date. For other months, the daily settlement price for the first succeeding contract month on the effective date. (See the Commodity Exchange Endorsement for more information.)

Expected total gross margin: The sum of expected gross margins per month across all months of the insurance period.

FAA: The Federal Arbitration Act found at 9 U.S.C. § 1 et seq.

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.

Insurance period: The eleven-month period designated in the summary of coverage to which the SCE is applicable. See the Commodity Exchange Endorsement for additional detail on insurance periods.

Insured: The person as 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 for that month of milk insured under this policy. The marketing report must be accompanied by copies of sales receipts that provide records of the actual marketings shown on the marketing report.

Milk: Milk produced from any species of domesticated mammal of the family Bovidae commonly grown for production of dairy products, also referred to as dairy cows.

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

Off-Exchange Contract: Any bilateral agreement, whether written or oral, between the insured or any person with a substantial beneficial interest in the insured and a counterparty, that is not executed on or cleared through a regulated commodity exchange, under which one or more payments are contingent upon or derived from the price of insured or related commodities, the value of commodity futures or options, or the amount of any potential or realized indemnity under this policy. The term includes, but is not limited to, over-the-counter put or call options, forward contracts with embedded optionality, swap agreements, and any arrangement that replicates or approximates the payoff structure of an exchange-traded option.

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 government agency.

Exhibit 2 Definitions (Continued)

Policy: The agreement between the insured and AIP consisting of the LGM for Dairy 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 accordance with section 5 of the LGM for Dairy 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 AD. 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 at 9:00 AM Central Time of the following calendar day in which the insured can purchase SCEs. 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 AD.

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

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.

Soybean meal equivalent: The amount of soybean meal equivalent to the protein content of the dairy ration used by the producer. Suggested conversion rates for dairy feeds are given in the Commodity Exchange Endorsement.

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

Target corn to be fed: The insured's determination as to the number of tons of corn or corn equivalent that they will feed for each month.

Target protein meal to be fed: The insured's determination as to the number of tons of soybean meal or protein meal equivalent they will feed each month.

Target marketings: The insured's determination as to the number of cwt of milk they elect to insure in each month during the insurance period.

Termination: When the policy is no longer in effect as of the date specified in the policy.

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.

Veteran farmer or rancher:

- (1) An individual who has served active duty in the United States Armed Forces, including the Air Force, Army, Coast Guard, Marine Corps, Navy, or 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 and non-veteran spouse are considered a veteran farmer or rancher.

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

Exhibit 3 LGM For Dairy Cattle Plan Application Related Forms

AIPs can use existing application and related forms for LGM for Dairy 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 Dairy 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 6 for Anti-Rebating Certification form standards.**
- (2) See DSSH, Exhibit 16 for application form standards.
- (3) See DSSH, Exhibit 19 for BFR application form standards.
- (4) See DSSH, Exhibit 20 for policy cancellation form standards.
- (5) See DSSH, Exhibit 21 for policy transfer/application form standards.
- (6) See DSSH, Exhibit 22 for policy change form standards.
- (7) See DSSH, Exhibit 23 for social security number and employer identification number reporting form standards.
- (8) See DSSH, Exhibit 26 for policy confirmation (policy declaration) form standards.
- (9) See DSSH, Exhibit 27 for power of attorney form standards.
- (10) See DSSH, Exhibit 28 for assignment of indemnity form standards.

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).”

B. GSH Applicability (Continued)

(2) The GSH Para. 853 Transfer of Coverage and Right to an Indemnity is amended as follows:

If the insured fails to submit the executed transfer form to the AIP within 30 days of the transfer of the insured's share, or by the end of the quarterly insurance period, whichever is later, transfer of coverage will be denied, and the insured will still be responsible for any premiums owed.

If the transferee is not eligible for livestock insurance for any reason, the AIP's approval for transfer of coverage will be rescinded. The insured's coverage rights and obligations under this policy, including eligibility for indemnity and liability for premium, will continue as if no transfer had been approved.

(3) The GSH Part 6: Mediation, Arbitration, and Judicial Reviews of AIP Determinations is not applicable to LGM Dairy. See LGM Dairy Basic Provisions Section 19 Mediation, Arbitration, Appeal, Reconsideration, and Administrative and Judicial Review.

Exhibit 4 LGM For Dairy Cattle Specific Coverage Endorsement

The SCE is required to determine the deductible, target marketings and feed by month. The standards below represent all SCE data elements to establish coverage according to the LGM for Dairy Cattle 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 and Feed by Month (Enter Month)"	Substantive
9	"Month 2 – Month 11"	Substantive
10	"Hundredweight of Milk"	Substantive
11	"Tons of Corn"	Substantive
12	"Tons of Protein Meal"	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	Nondiscrimination 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 Dairy 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 Dairy Cattle 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	"Hundredweight of Milk"	Substantive
11	"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	Nondiscrimination 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

Exhibit 6 LGM for Dairy Cattle Notice of Probable Loss Form

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 milk 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	<p>“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.”</p> <p>Note: This paragraph may be revised by the AIP to reflect their procedures.</p>	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 <input type="checkbox"/> No <input type="checkbox"/> ”	Substantive
16	“Transfer of Coverage and Right to an Indemnity Yes <input type="checkbox"/> No <input type="checkbox"/> ”	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	"Hundredweight of Milk"	Substantive
7	"Deductible"	Substantive
8	"Gross Margin Guarantee"	Substantive
9	"Actual Gross Margin"	Substantive
10	"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. **If the insured failed to submit the executed transfer form to the AIP within 30 days of the transfer of their insured share, the transfer may only be approved for those SCEs with target marketings in months ending on or after the date when the executed transfer form was submitted to the AIP.** 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 <input type="checkbox"/> No <input type="checkbox"/> ”	Substantive
8	Statement (a) below may be used alone. If both statements are used the form should indicate “Choose one of the boxes.” (a) “ <input type="checkbox"/> 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) “ <input type="checkbox"/> 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

C. Transferee Information (Continued)

Item #	Element	Substantive/ Non-Substantive
4	"Zip Code"	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	<p>"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:"</p> <p>(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."</p> <p>(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."</p>	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