

# LIVESTOCK

## RISK PROTECTION

Single Peril Risk Protection Against Market Decline

## LRP-Fed Cattle

LRP is a federally-reinsured livestock product that provides single peril risk protection against the decline in fed cattle price over the insurance period. LRP does not insure against death, loss or poor performance. At the end of the insurance period, if the actual ending value is below the coverage price, an indemnity will be paid for the difference.

- Select from a variety of coverage levels and insurance periods
- Premium rates, coverage prices, and actual ending values are posted online **daily**
- Protection can be purchased throughout the year
- Ownership of insured cattle certified by the producer

## Availability

A producer only needs to submit a **one-time application** for LRP-Fed Cattle coverage. Producers can insure up to 3,000 head per SCE with a limit of 6,000 head per crop year. Coverage may be purchased after the price is posted by the RMA and before 9:00 a.m. CT of the following day. A producer's coverage starts the day Specific Coverage Endorsement (SCE) is purchased and approved by the RMA.

## Length of Coverage

The length of insurance coverage available for each specific coverage endorsement is 13, 17, 21, 26, 30, 34, 39, 43, 47, or 52 weeks.

Steers and heifers are:

- Expected to grade select or higher
- Expected to have a yield grade of one to three
- Expected to weigh 10 to 14 cwt (live weight)

**AgriPrime**  
Livestock | Pasture | Crop

# Sales Period & Coverage Attachment

A producer can complete an application for Livestock Risk Protection coverage at any time throughout the year. However, the coverage will not start until a SCE is purchased and approved by the Risk Management Association (RMA). At the time of application, the producer can select multiple endorsements. Premium must be paid in full at the end of the endorsement period.

## Subsidy Levels

25% | 95-100% Coverage

35% | 80-89% Coverage

30% | 90-94% Coverage

35% | 70-79% Coverage

## Coverage Prices

Between 70% and 100% of the expected ending value

## COVERAGE EXAMPLE

Fed Cattle Coverage | Steers and Heifers

### *Indemnity Calculation*

Effective Date	11/1/2019
Endorsement Length	26 weeks
Number of Head	1,000
Target Weight	14.00 cwt
Coverage Price (98.6%)	\$122.95
Share	100%
Insured Value	\$1,721,300.00
Premium Rate	0.045824
Total Premium	\$78,877.00
Subsidy (20%)	\$15,775.00
Producer Premium	\$63,102.00
Producer Cost/cwt	\$4.51
Producer Cost/Head	\$63.10

End Date	5/1/2020
Actual Ending Value	\$102.63
Indemnity (\$/cwt)	\$20.32
Total Indemnity	\$284,480.00
Indemnity (\$/head)	\$284.48

LRP Actual Ending Values | <https://public.rma.usda.gov/livestockreports/main.aspx>



[www.agri-prime.com](http://www.agri-prime.com) | [info@agri-prime.com](mailto:info@agri-prime.com) | 817.908.4347

AgriPrime Insurance Agency, LLC is an equal opportunity provider and employer.