



Livestock Program

Tired of the guessing game of an unstable market? Ranchers and livestock producers can protect their profitability from market volatility by using one of two insurance policy options supported by the **Federal Livestock Program: Livestock Risk Protection (LRP)** and **Livestock Gross Margin (LGM)**. Take a closer look at each policy and see which is the best fit for your operation.

LIVESTOCK RISK PROTECTION (LRP)

WHAT IT COVERS

A decline in the market price (based on USDA's Agricultural Market Service)

Available for: Fed cattle, feeder cattle, swine, lambs

HOW IT WORKS

Producers secure a floor market price (based on CME Group feeder cattle future prices) for a certain number of head and for a specified period. If, at the end of the period, the Risk Management Agency (RMA) determines the ending value is below your policy's floor price, you may be eligible for an indemnity payment.

LIVESTOCK GROSS MARGIN (LGM)

WHAT IT COVERS

Losses insured against expected gross margin versus actual gross margin

Available for: Beef cattle, dairy cattle, swine

HOW IT WORKS

Dairy producers: Provides protection if feed costs rise, or milk prices drop

Cattle/swine: Calculated by the market value minus feed costs

ADVANTAGES TO PRODUCERS



Peace of mind



Tailored



Flexible



Timely



Cost-effective

	Peace of mind	Tailored	Flexible	Timely	Cost-effective
LRP	Confidence that you've secured a minimum price lock for your marketable animals while leaving the upside price potential open	<ul style="list-style-type: none"> » No minimum head limits » Large maximum head limits. Visit ProAg.com/LRP for the full breakdown 	<ul style="list-style-type: none"> » Coverage levels range from 70% to 100% of the expected ending value of the covered animals » Premiums can be paid at the end of the endorsement period 	<p>OFFERED: DAILY Producers can also sell livestock 60 days prior to the policy end date (previously 30 days)</p>	<ul style="list-style-type: none"> » Typically costs less than other available coverage options » Federal subsidies are available up to 55% » No brokerage fee required
LGM	Confidence that you've secured a minimum margin for your marketable animals	<ul style="list-style-type: none"> » No minimum or maximum head limits 	<ul style="list-style-type: none"> » Provides the ability to adapt your feed rates to your feeding strategy to optimize your margin protected » Producers can target specific months to market in 	<p>OFFERED: WEEKLY Updated from the previous one-time monthly offering</p>	<ul style="list-style-type: none"> » Federal subsidies are available up to 50% » No margin calls or brokerage fee required

Visit us at ProAg.com/LivestockProgram for more information and to protect your operation!

DID YOU KNOW

While producers can lock in prices through the futures market, using the futures market requires a contract for a sizable number of animals or pounds. On the other hand, **both LRP and LGM offer price protection with no minimum head limits.**

RECENT POLICY CHANGES

Livestock Risk Protection (LRP)



SUBSIDY RATES

Recently increased federal subsidy rates based on selected coverage ranges are available for fed/feeder cattle and swine

- » 35% for coverage levels at 95-100%
- » 40% for coverage levels at 90-94.99%
- » 45% for coverage levels at 85-89.99%
- » 50% for coverage levels at 80-84.99%
- » 55% for coverage levels at 70-79.99%

ADDED FLEXIBILITY

- » Premiums can now be paid at the end of the endorsement period
- » Producers are now allowed to sell livestock 60 days prior to the policy end date (previously 30 days)



Livestock Gross Margin (LGM)



SUBSIDY RATES

Federal subsidy rates are available to producers based on the level of coverage elected

LGM - Swine: 18% with zero deductible up to 50% with a deductible of \$12 or greater

LGM - Cattle: 18% with zero deductible up to 50% with a deductible of \$70 or greater

LGM - Dairy: 18% with zero deductible up to 50% with a deductible of \$1.10 or greater

WEEKLY PURCHASE OPTIONS

For more effective risk management, coverage can be purchased weekly (previously monthly)



3 REASONS TO PARTNER WITH PROAG

1

We are proudly focused on agriculture

2

Our customer service is second to none

3

Our claims process is founded on speed and accuracy



Access your policy within our easy-to-use myProAg™ policyholder portal.

Direct deposit / Online bill pay / Notice of loss entry / Claim status tracker / Weather event notifications

► Sign up at ProAg.com/myProAg

Visit ProAg.com/LivestockProgram or give us a call at (800) 366-2767 to protect your operation.



GROW WITH CONFIDENCE



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