

Coverage prices, rates, actual ending values, premium calculation instructions and all policy materials can be accessed at: <http://www2.rma.usda.gov/livestock/>

Approved livestock insurance agents can be found at: <http://www3.rma.usda.gov/tools/agents/companies/indexLPI.cfm>

At the above website click on “Clickable National Map” and select “Iowa”, then “Agent Locator”.

Select Specialty: “Livestock Price Insurance”, Click “Go”, And Select For Sales In: “Iowa”, Click “Go”. Enter Zip Code desired and click “Submit Search”. A list of agents will be shown.

These directions are subject to change without notice.

The “National Weekly Slaughter Sheep Review” report is available at: http://www.ams.usda.gov/mnreports/lm_lm352.txt

Example of Livestock Risk Protection (LRP-Lamb).

Coverage Length*	Expected Ending Value	Coverage Price	Coverage Level	Premium Rate
13 weeks	\$106.51	\$101.18	95%	1.997%
13 weeks	\$106.51	\$ 85.21	80%	0.077%
26 weeks	\$110.43	\$104.91	95%	3.644%
26 weeks	\$110.43	\$ 88.34	80%	0.497%
39 weeks	\$113.64	\$107.96	95%	4.782%
39 weeks	\$113.64	\$ 90.91	80%	0.899%

*Other coverage lengths, prices, and levels are available.

Projected sales are for 100 head marketed in 26 weeks at a live target weight of 1.30 cwt., with 100% insured share and a 95% coverage level is chosen.

Insured Value = Number of head x target weight x coverage price x insured share

Insured Value = 100 head x 1.30 cwt x \$104.91 x 100% = \$13,638

Total Premium = Insured Value x Premium Rate

Total Premium = \$13,638 x 3.644% = \$497

The Subsidy = Total Premium x 13% USDA Subsidy

The Subsidy = \$497 x 13% = \$65

The Producer Premium = Total Premium – The Subsidy

The Producer Premium = \$497 - \$65 = \$432

Indemnity Payment Calculation

Indemnity Payment = Number of head x target weight x (coverage price – actual ending value)

Example with indemnity paid

a. The actual ending value at the end of the 26 week period is \$98.00. Since the actual ending value (\$98.00) is less than the coverage price (\$104.91), **indemnity will be paid.**

Indemnity payment = 100 head x 1.30 cwt. x (\$104.91 – \$98.00) = \$898.30

Example with no indemnity paid

b. The actual ending value at the end of the 26 week period is \$105.00. Since the actual ending value (\$105.00) is more than the coverage price (\$104.91), **no indemnity will be paid.**

... and justice for all

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