



LRP



LIVESTOCK RISK PROTECTION

Crop Insurance for Ranchers - Feeder and Fed Cattle

Livestock Risk Protection (LRP) is a subsidized policy available throughout the year that insures against declining market prices for feeder and fed cattle. It provides the producer with options on coverage levels and insurance periods that correspond with the time their feeder and fed cattle would normally be marketed.

Insurable Feeder Cattle

Coverage is available in two weight ranges

- Steers 1, less than 6.0 cwt / Steers 2, 6.0-9.0 cwt
- Heifers 1, less than 6.0 cwt / Heifers 2, 6.0-9.0 cwt
- Predominantly Brahman 1, less than 6.0 cwt / Brahman 2, 6.0-9.0 cwt
- Predominantly Dairy 1, less than 6.0 cwt / Dairy 2, 6.0-9.0 cwt
- Unborn Calves, less than 6.0 cwt

Our Commitment to Excellence

With 40 years of industry experience, we take pride in researching and implementing the latest in technology and risk management services for our clients. Through our commitment to excellence, we have become one of the largest crop insurance agencies in the nation. Our specialized agents and customer service staff look forward to working with you to protect your valuable investment. We work hard to keep you growing. Let us show you how!

Carden & Associates, Incorporated - We keep you growing...



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Description of Coverage

Current Crop Year

COVERAGE LEVELS	Producers can elect 70 to 100% of the Expected Ending Value. This is reported as the CME Feeder Cattle Reported Index, multiplied by the Prime Adjustment Factor for the type of feeder cattle.
SPECIFIC COVERAGE ENDORSEMENTS (SCE's)	Endorsements are 13, 17, 21, 26, 30, 34, 39, 43, 47 or 52 weeks.
TARGET WEIGHT	The average expected weight for all covered livestock at the end of the endorsement

Subsidies

Current subsidy levels are:

Elected Coverage Level	Subsidy
70 - 79.99%	55%
80 - 84.99%	50%
85 - 89.99%	45%
90 - 94.99%	40%
95 - 100%	35%

Premium Calculation Example

(1.00 Percent Share)

An operation has 100 head of Steers I in a 13-week endorsement with a target weight of 5.5 cwt. The Expected Ending Value is \$160.639 cwt. The producer elects 99.86 percent coverage.

- 100 head x 5.5 cwt = 550 cwt
- Coverage Price = \$160.42 cwt
- Insured Value = \$88,231.00 (550 cwt x \$160.42)
- Total Premium = \$3,447.00
- Total Producer Premium = \$2,241.00
- Producer Premium per Pound = 4.0745 cents/pound

Indemnity Calculation

The same operation with an actual ending value of \$155.00 cwt

$$\begin{array}{r} \$160.42 \text{ Coverage Price} \\ - \$155.00 \text{ Expected Ending Value} \\ \hline \$5.42 \text{ cwt} \end{array}$$

$$550 \times \$5.42 = \$2,981.00 \text{ Indemnity}$$

Differences in Fed Cattle

- Actual Ending Values are based on weighted prices from USDA's Agricultural Marketing Services
- Types - Steers and Heifers
- Weight Range - 1,000-1,400 pounds

Contact our agents to insure your Feeder or Fed Cattle today!

888.296.7533 | info@cardeninsurance.com

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