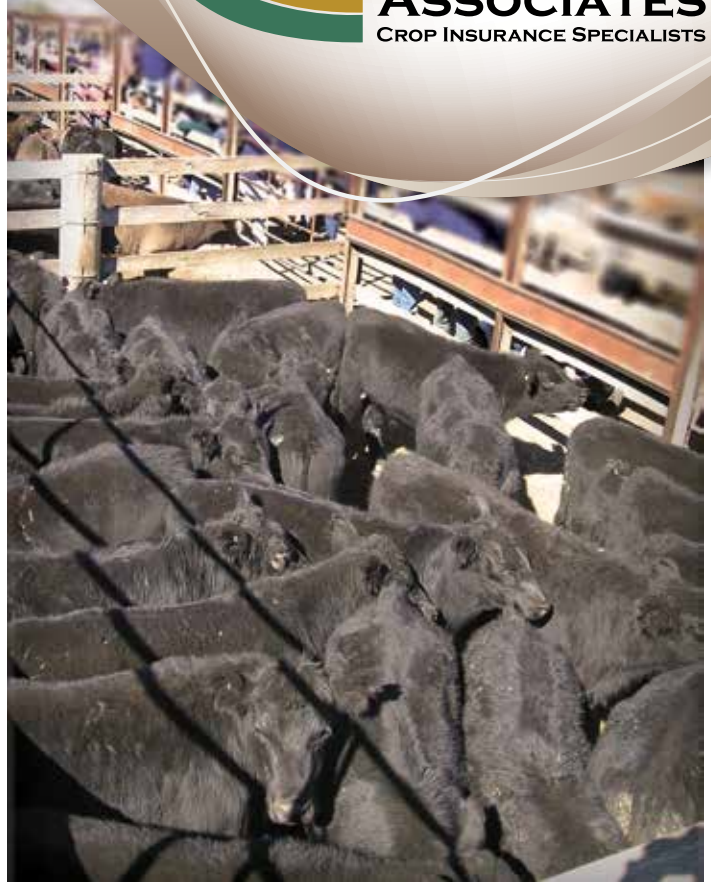




Livestock Risk Protection Insurance



WHAT IS LRP?

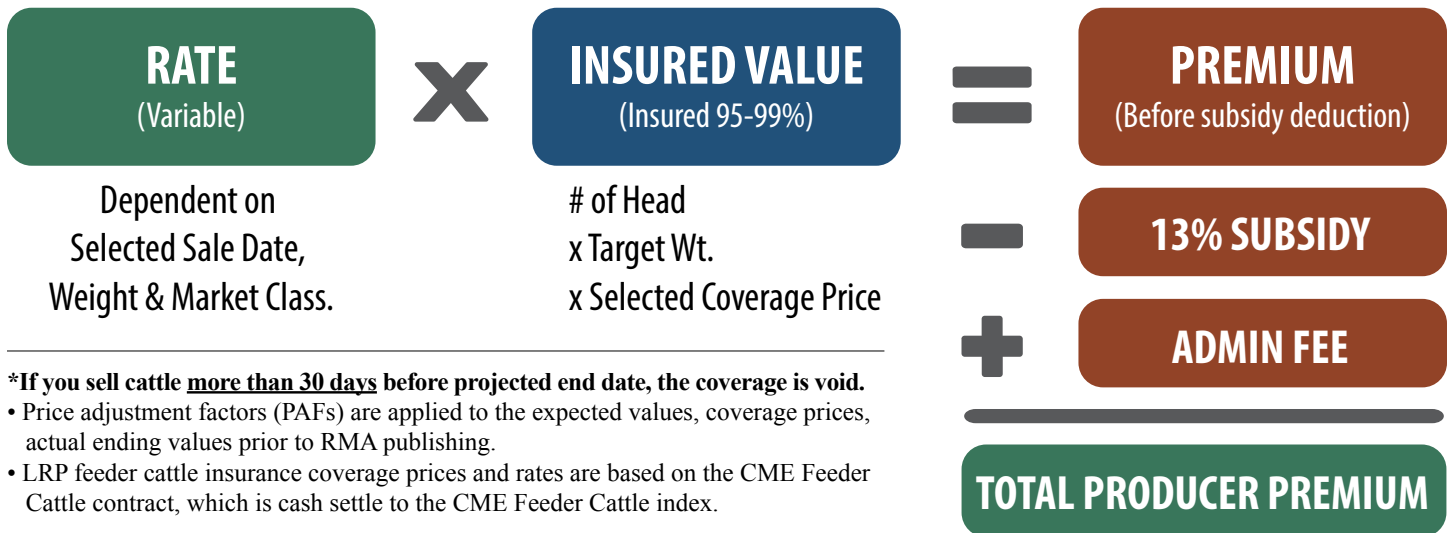
LRP is a simple mechanism to lock in a price floor. It provides protection against a decline in the CME Feeder Cattle Price Index on your selected end date. It is very similar to a 'put option', but can be purchased on as few as one head or as many as 2,000 feeder cattle or 4,000 fed cattle per year. The producer may retain ownership of feeder cattle at the end of the coverage period.

FACTORS TO CONSIDER:

- Record high prices on cattle
- Price needed to stay profitable
- Flexible policy for producers

HOW LRP WORKS:

- Purchase LRP insurance for a particular set of cattle (# of head and expected ending weight.)
- Choose coverage price and ending date.
- Pay your premium at the time of writing coverage.
- At the end of the coverage period, if the actual ending value determined by RMA (CME Feeder Cattle Index) is below the coverage price, the producer may be paid an indemnity for the difference.



VISIT RMA.USDA.GOV ⇒ information browser ⇒ cost estimator ⇒ quick estimate



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