



Livestock Risk Protection

Swine

Revised July 2007

General Background

Livestock Risk Protection (LRP)-Swine is designed to insure against declining market prices. Pork producers may select from a variety of coverage levels and insurance periods to correspond with the time their hogs would normally be marketed.

LRP-Swine may be purchased throughout the year from approved livestock insurance agents. Premium rates, coverage prices, and actual ending values are posted online daily.

Coverage Availability

Pork producers submit a one-time application for LRP-Swine coverage. After the application is accepted, Specific Coverage Endorsements (SCE) may be purchased for up to 10,000 head of hogs that are expected to reach market weight near the end of the insurance period. The annual limit for LRP-Swine is 32,000 head per producer for each crop year (July 1 to June 30). All insured swine must be located in a State approved for LRP-Swine at the time insurance is purchased.

RMA Web Site Information

To obtain "Daily LRP Coverage Prices, Rates, and Actual Ending Values," visit: <http://www.rma.usda.gov/tools/livestock.html>

To calculate premiums, visit: <http://www.rma.usda.gov/tools/premcalc.html>

To locate an approved livestock agent in your area, visit: <http://www.rma.usda.gov/tools/agent.html>

Related AMS online swine reports
http://marketnews.usda.gov/portal/lg?paf_dm

The length of insurance coverage available for each SCE is 13, 17, 21, or 26 weeks.

LRP-Swine is now available to producers with market hogs in 37 States, including Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Ohio, Oklahoma, South Dakota, Texas, Utah, West Virginia, Wisconsin, and Wyoming with the States of Alabama, Arizona, Arkansas, California, Florida, Georgia, Idaho, Kentucky, Louisiana, Mississippi, New Mexico, North Carolina, Oregon, South Carolina, Tennessee, Virginia, Washington, added to the program as of July 1, 2007.

Coverage Levels, Prices, and Rates

Pork producers may now select coverage prices ranging from 70 to 100 percent of the expected ending value. At the end of the insurance period, if the actual ending value is below the coverage price, the producer will be paid an indemnity for the difference between the coverage price and the actual ending value.

The LRP-Swine program's coverage prices, rates, actual ending values, and per hundredweight cost of insurance may be viewed on the RMA Web site. Actual ending values are calculated from price series data reported by USDA's Agricultural Marketing Service. Actual ending values will be posted on the RMA Web site at the end of the insurance period.

About the Application Process

LRP-Swine insurance must be purchased through a livestock insurance agent. An application can be filled out at any time; however, insurance does

not attach until an SCE is purchased. Multiple SCEs may be purchased with one application. Insurance coverage starts the day an SCE is purchased and approved by RMA.

There are funding limitations for all livestock programs; therefore, RMA tracks total policy sales against available underwriting capacity using a real-time web-based program and sales will cease when the underwriting capacity is reached.

Contact Us

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