



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

January 13, 2004

BULLETIN NO: MGR-04-001

TO: All Reinsured Companies
All Risk Management Field Offices
All Other Interested Parties

FROM: Ross J. Davidson, Jr. /s/ *Ross J. Davidson, Jr.*
Administrator

SUBJECT: Livestock Gross Margin (LGM) Insurance Policy Changes

BACKGROUND:

Livestock Gross Margin (LGM) was approved under section 508(h) and 523(b) of the Federal Crop Insurance Act by the Federal Crop Insurance Corporation Board of Directors (Board) for sale in 2002. On July 30, 2003, the Board approved several changes to the LGM insurance policy that will be effective for sales in July of 2004. At the December 17, 2003 Board meeting, a Sense of the Board was expressed stating that the Risk Management Agency (RMA) shall immediately discontinue new sales of the LGM plan of insurance consistent with the authorities expressed in section 508(b)(8) and (c)(9) of the Act. In addition, the Board directed RMA to work with the submitter to address the concerns of the Board for subsequent insurance periods. The Sense of the Board may be reviewed in its entirety on the RMA website <http://www.rma.usda.gov/aboutrma/fcic/>.

ACTION:

RMA hereby provides notice that, no new applications for the LGM plan of insurance will be accepted by the underwriting capacity manager system during the January 15-31, 2004, sales period.

Nothing herein affects current policyholders of LGM. Policyholders having an LGM policy in force for the 2004 crop year will still be able to purchase LGM coverage during the January 15-31, 2004 sales period.

DISPOSAL DATE:

This bulletin is for transmitting information and the expiration date is June 30, 2004.



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The Risk Management Agency Administers and Oversees
All Programs Authorized Under the Federal Crop Insurance Corporation

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