



Livestock Risk Protection

Feeder Cattle

Revised July 2007

General Background

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

LRP-Feeder Cattle 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

Cattle producers submit a one-time application for LRP-Feeder Cattle coverage. After the application is accepted, Specific Coverage Endorsements (SCE) may be purchased for up to 1,000 head of feeder cattle that are expected to weigh up to 900 pounds at the end of the insurance period. The annual limit for LRP-Feeder Cattle is 2,000 head per producer per crop year. All insured calves and cattle must be located in a State approved for LRP-Feeder Cattle at the time insurance is purchased.

The length of insurance coverage available for each SCE is 13, 17, 21, 26, 30, 34, 39, 43, 47, or 52 weeks.

Coverage is available for calves, steers, and heifers, including predominantly Brahman and predominantly dairy cattle. Feeder cattle producers may choose from two weight ranges: under 600 pounds and 600-900 pounds.

LRP-Feeder Cattle insurance is now available to producers with feeder steers 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, and Washington added to the program as of July 1, 2007.

Coverage Levels, Prices, and Rates

Cattle 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 actual ending value.

The LRP-Feeder Cattle 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 based on weighted average prices as reported in the Chicago Mercantile Exchange Feeder Cattle Index. Actual ending values will be posted on the RMA Web site at the end of the insurance period.

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>

For related USDA Agricultural Marketing Service online livestock reports, visit: http://marketnews.usda.gov/portal/lg?paf_dm

About the Application Process

LRP-Feeder Cattle 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

USDA/RMA

1400 Independence Ave., SW, Stop 0801

Washington, D.C. 20250-0801

RMA Web site: <http://www.rma.usda.gov>

E-mail: Rma.mail@rma.usda.gov

Download Copies from the Web

Visit our online publications/fact sheets page at:
<http://www.rma.usda.gov/pubs/rme/fctsht.html>

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination write to: USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.