



# Livestock Risk Protection

## Lamb

July 2007

### General Background

Livestock Risk Protection (LRP)-Lamb is designed to insure against unexpected declines in market prices. Sheep producers may select from a variety of coverage levels and periods of insurance to correspond with general feeding, production, and marketing practices.

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

### Coverage Availability

Sheep producers submit a one-time application for LRP-Lamb coverage. After the application is accepted, Specific Coverage Endorsements (SCE) may be purchased. The number of lambs insured under an SCE is limited to 7,000 head. The annual limit for LRP-Lamb is 28,000 head per producer per crop year. All insured lambs must be located in a State approved for LRP-Lamb at the time insurance is purchased.

The length of insurance available for each SCE is 13, 26, or 39 weeks.

LRP-Lamb is available to sheep producers with lambs located in the following States: Arizona, California, Colorado, Idaho, Indiana, Illinois, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, New Mexico, Nevada, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Texas, Utah, Virginia, West Virginia, Wisconsin, and Wyoming.

### Coverage Levels, Prices, and Rates

Sheep producers may now select coverage prices ranging from 80 to 95 percent of the expected ending value. At the end of the insurance period, if the actual ending value is below the coverage price, an indemnity will be paid for the difference between the coverage price and actual ending value.

The LRP-Lamb program's coverage prices, rates, actual ending values, and per hundredweight cost of insurance may be viewed on the RMA Web site. The actual ending values are based upon the weekly average prices for "Formula Live Lambs" as 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.

### RMA Web Site Information

To access coverage prices, rates, actual ending values, and all policy materials, including premium calculation instructions, visit: <http://www.rma.usda.gov/livestock/>

To locate an approved livestock agent in your area, visit: <http://www3.rma.usda.gov/tools/agents/companies/indexLPI.cfm>

For related AMS online livestock reports, visit: [http://marketnews.usda.gov/portal/lg?paf\\_dm](http://marketnews.usda.gov/portal/lg?paf_dm)

### About the Application Process

LRP-Lamb 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. Sales will cease when the underwriting capacity is reached.

### Contact Us

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