



# Livestock Risk Protection

## Swine

Revised May 2009

### 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 that match 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 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.

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

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

### Coverage Levels, Prices, and Rates

Pork producers may 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 Risk Management Agency's 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 Risk Management Agency's 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 a specific coverage endorsement

### RMA Web Site

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

Premium Calculator:  
<http://www.rma.usda.gov/tools/premcalc.html>

Approved livestock agents and insurance companies:  
<http://www.rma.usda.gov/tools/agent.html>

Related AMS online swine reports:  
[http://marketnews.usda.gov/portal/lg?paf\\_dm](http://marketnews.usda.gov/portal/lg?paf_dm)

is purchased. Multiple specific coverage endorsements may be purchased with one application. Insurance coverage starts the day a specific coverage endorsement is purchased and the purchase is approved by Risk Management Agency.

There are funding limitations for all livestock programs; therefore, Risk Management Agency tracks total policy sales against available underwriting capacity using a real-time, Web-based program. Sales will cease when underwriting capacity is reached.

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