Livestock Gross Margin (LGM)  
(Insurance Plan Code 82)  
(Cattle and Swine)

**TOTAL GROSS MARGIN (ACTUAL)**

\[
\text{TOT\_GROSS\_MARGIN} = ((\text{TARGET MARKET 2} \times \text{ACT\_GROSS\_MARGIN\_2}) + \text{ACT\_GROSS\_MARGIN\_3}) + (\text{TARGET MARKET 4} \times \text{ACT\_GROSS\_MARGIN\_4}) + (\text{TARGET MARKET 5} \times \text{ACT\_GROSS\_MARGIN\_5}) + (\text{TARGET MARKET 6} \times \text{ACT\_GROSS\_MARGIN\_6}) + (\text{TARGET MARKET 7} \times \text{ACT\_GROSS\_MARGIN\_7}) + (\text{TARGET MARKET 8} \times \text{ACT\_GROSS\_MARGIN\_8}) + (\text{TARGET MARKET 9} \times \text{ACT\_GROSS\_MARGIN\_9}) + (\text{TARGET MARKET 10} \times \text{ACT\_GROSS\_MARGIN\_10}) + (\text{TARGET MARKET 11} \times \text{ACT\_GROSS\_MARGIN\_11}))
\]

**MARKET FACTOR and ADJUSTED INDEMNITY FLAG**

\[
\text{MARKET FACTOR} = \frac{\text{TOT\_ACTUAL\_MARKET}}{\text{TOT \_TARGET \_MARKET}}
\]

Note: If Market Factor < .750 set Adjusted Indemnity Flag (field 24) to ‘Y’; else, default Market Factor to 1.000 and set Adjusted Indemnity Flag to ‘N’.

**INDEMNITY**

\[
\text{INDEMNITY\_AMOUNT} = (\text{GROSS MARGIN GUAR} - \text{TOT\_GROSS\_MARGIN}) \times \text{MARKET FACTOR}
\]

\[
\text{INDEMNITY\_REDUCT} = 1.000 - \text{MARKET FACTOR}
\]

Note: An indemnity is calculated and payable if Total Gross Margin is less than Gross Margin Guarantee.
<table>
<thead>
<tr>
<th>Tag</th>
<th>No.</th>
<th>Picture</th>
<th>Rounding</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>TARGET MARKET 2</td>
<td>Internal</td>
<td>9(06)</td>
<td>whole number</td>
<td>Target Marketings for Second Month reported on premium for swine or cattle.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_2&gt;</td>
<td>13</td>
<td>( + / - ) 9(08),9999</td>
<td>per ADM</td>
<td>Actual Gross Margin per swine or cattle for Second Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.</td>
</tr>
<tr>
<td>TARGET MARKET 3</td>
<td>Internal</td>
<td>9(06)</td>
<td>whole number</td>
<td>Target Marketings for Third Month reported on premium for swine or cattle.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_3&gt;</td>
<td>14</td>
<td>( + / - ) 9(08),9999</td>
<td>per ADM</td>
<td>Actual Gross Margin per swine or cattle for Third Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.</td>
</tr>
<tr>
<td>TARGET MARKET 4</td>
<td>Internal</td>
<td>9(06)</td>
<td>whole number</td>
<td>Target Marketings for Fourth Month reported on premium for swine or cattle.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_4&gt;</td>
<td>15</td>
<td>( + / - ) 9(08),9999</td>
<td>per ADM</td>
<td>Actual Gross Margin per swine or cattle for Fourth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.</td>
</tr>
<tr>
<td>TARGET MARKET 5</td>
<td>Internal</td>
<td>9(06)</td>
<td>whole number</td>
<td>Target Marketings for Fifth Month reported on premium for swine or cattle.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_5&gt;</td>
<td>16</td>
<td>( + / - ) 9(08),9999</td>
<td>per ADM</td>
<td>Actual Gross Margin per swine or cattle for Fifth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.</td>
</tr>
<tr>
<td>TARGET MARKET 6</td>
<td>Internal</td>
<td>9(06)</td>
<td>whole number</td>
<td>Target Marketings for Sixth Month reported on premium for swine or cattle.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_6&gt;</td>
<td>17</td>
<td>( + / - ) 9(08),9999</td>
<td>per ADM</td>
<td>Actual Gross Margin per swine or cattle for Sixth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.</td>
</tr>
<tr>
<td>TARGET MARKET 7</td>
<td>Internal</td>
<td>9(06)</td>
<td>whole number</td>
<td>Target Marketings for Seventh Month reported on premium for cattle. Not applicable for swine.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_7&gt;</td>
<td>18</td>
<td>( + / - ) 9(08),9999</td>
<td>per ADM</td>
<td>Actual Gross Margin per cattle for Seventh Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable. Not applicable for swine.</td>
</tr>
<tr>
<td>Tag</td>
<td>No.</td>
<td>Picture</td>
<td>Rounding</td>
<td>Description</td>
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<tr>
<td>---------------------</td>
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<td>---------</td>
<td>----------</td>
<td>------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>TARGET MARKET 8</td>
<td>Internal</td>
<td>9(06)</td>
<td>whole number</td>
<td>Target Marketings for Eighth Month reported on premium for cattle. Not applicable for swine.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_8&gt;</td>
<td>19</td>
<td>( + / - ) 9(08).9999</td>
<td>per ADM</td>
<td>Actual Gross Margin per cattle for Eighth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable. Not applicable for swine.</td>
</tr>
<tr>
<td>TARGET MARKET 9</td>
<td>Internal</td>
<td>9(06)</td>
<td>whole number</td>
<td>Target Marketings for Ninth Month reported on premium for cattle. Not applicable for swine.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_9&gt;</td>
<td>20</td>
<td>( + / - ) 9(08).9999</td>
<td>per ADM</td>
<td>Actual Gross Margin per cattle for Ninth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable. Not applicable for swine.</td>
</tr>
<tr>
<td>TARGET MARKET 10</td>
<td>Internal</td>
<td>9(06)</td>
<td>whole number</td>
<td>Target Marketings for Tenth Month reported on premium for cattle. Not applicable for swine.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_10&gt;</td>
<td>21</td>
<td>( + / - ) 9(08).9999</td>
<td>per ADM</td>
<td>Actual Gross Margin per cattle for Tenth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable. Not applicable for swine.</td>
</tr>
<tr>
<td>TARGET MARKET 11</td>
<td>Internal</td>
<td>9(06)</td>
<td>whole number</td>
<td>Target Marketings for Eleventh Month reported on premium for cattle. Not applicable for swine.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_11&gt;</td>
<td>22</td>
<td>( + / - ) 9(08).9999</td>
<td>per ADM</td>
<td>Actual Gross Margin per cattle for Eleventh Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable. Not applicable for swine.</td>
</tr>
<tr>
<td>&lt;TOT_GROSS_MARGIN&gt;</td>
<td>23</td>
<td>( + / - ) 9(10)</td>
<td>whole number</td>
<td>Sum of (Target Marketings by month times Actual Gross Margin by month) for the insurance period. Only the negative symbol ( - ) will appear if applicable.</td>
</tr>
<tr>
<td>&lt;TOT_ACTUAL_MARKET&gt;</td>
<td>12</td>
<td>9(06)</td>
<td>whole number</td>
<td>Total of Actual Marketings for insurance period.</td>
</tr>
<tr>
<td>TOT TARGET MARKET</td>
<td>Internal</td>
<td>9(06)</td>
<td>whole number</td>
<td>Total of Target Marketings for insurance period reported on premium.</td>
</tr>
</tbody>
</table>
## LIVESTOCK GROSS MARGIN (LGM) INDEMNITY CALCULATIONS

<table>
<thead>
<tr>
<th>Tag</th>
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<th>Picture</th>
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</thead>
<tbody>
<tr>
<td>MARKET FACTOR</td>
<td>Internal</td>
<td>9.999</td>
<td>3 decimal places</td>
<td>Result of (Total Actual Marketings divided by Total Target Marketings) if less than .750, else default to 1.000.</td>
</tr>
<tr>
<td>GROSS MARGIN GUAR</td>
<td>Internal</td>
<td>9(10)</td>
<td>whole number</td>
<td>Gross Margin Guarantee for insurance period reported on premium.</td>
</tr>
<tr>
<td>&lt;INDEMNITY_AMOUNT&gt;</td>
<td>25</td>
<td>9(10)</td>
<td>whole number</td>
<td>Indemnity is the result of (Gross Margin Guarantee – Total Gross Margin) times Market Factor. Will be zero if total actual marketings is zero.</td>
</tr>
<tr>
<td>&lt;INDEMNITY_REDUCT&gt;</td>
<td>26</td>
<td>9.999</td>
<td>3 decimal places</td>
<td>Indemnity Reduction factor is the result of (1.000 – Market Factor).</td>
</tr>
</tbody>
</table>

Note: An indemnity is calculated and payable if Total Gross Margin is less than Gross Margin Guarantee.
Livestock Gross Margin (LGM)
(Insurance Plan Code 82)
(Dairy)

**ACTUAL FEED COST**

\[
\text{ACTUAL FEED COST } 2 = \text{(CORN EQUIVALENT } 2 * \frac{2000}{56} \times \text{CORN PRICE } 2) \\
\text{(Internal)}\text{(Internal)}
\]

\[
+ \text{(SOYBEAN MEAL EQUIVALENT } 2 \times \text{SOYBEAN MEAL PRICE } 2) \\
\text{(Internal)}\text{(Internal)}
\]

\[
\text{ACTUAL FEED COST } 3 = \text{(CORN EQUIVALENT } 3 * \frac{2000}{56} \times \text{CORN PRICE } 3) \\
\text{(Internal)}\text{(Internal)}
\]

\[
+ \text{(SOYBEAN MEAL EQUIVALENT } 3 \times \text{SOYBEAN MEAL PRICE } 3) \\
\text{(Internal)}\text{(Internal)}
\]

\[
\text{ACTUAL FEED COST } 4 = \text{(CORN EQUIVALENT } 4 * \frac{2000}{56} \times \text{CORN PRICE } 4) \\
\text{(Internal)}\text{(Internal)}
\]

\[
+ \text{(SOYBEAN MEAL EQUIVALENT } 4 \times \text{SOYBEAN MEAL PRICE } 4) \\
\text{(Internal)}\text{(Internal)}
\]

\[
\text{ACTUAL FEED COST } 5 = \text{(CORN EQUIVALENT } 5 * \frac{2000}{56} \times \text{CORN PRICE } 5) \\
\text{(Internal)}\text{(Internal)}
\]

\[
+ \text{(SOYBEAN MEAL EQUIVALENT } 5 \times \text{SOYBEAN MEAL PRICE } 5) \\
\text{(Internal)}\text{(Internal)}
\]

\[
\text{ACTUAL FEED COST } 6 = \text{(CORN EQUIVALENT } 6 * \frac{2000}{56} \times \text{CORN PRICE } 6) \\
\text{(Internal)}\text{(Internal)}
\]

\[
+ \text{(SOYBEAN MEAL EQUIVALENT } 6 \times \text{SOYBEAN MEAL PRICE } 6) \\
\text{(Internal)}\text{(Internal)}
\]

\[
\text{ACTUAL FEED COST } 7 = \text{(CORN EQUIVALENT } 7 * \frac{2000}{56} \times \text{CORN PRICE } 7) \\
\text{(Internal)}\text{(Internal)}
\]

\[
+ \text{(SOYBEAN MEAL EQUIVALENT } 7 \times \text{SOYBEAN MEAL PRICE } 7) \\
\text{(Internal)}\text{(Internal)}
\]

\[
\text{ACTUAL FEED COST } 8 = \text{(CORN EQUIVALENT } 8 * \frac{2000}{56} \times \text{CORN PRICE } 8) \\
\text{(Internal)}\text{(Internal)}
\]

\[
+ \text{(SOYBEAN MEAL EQUIVALENT } 8 \times \text{SOYBEAN MEAL PRICE } 8) \\
\text{(Internal)}\text{(Internal)}
\]
ACTUAL FEED COST 9 = (CORN EQUIVALENT 9 * (2000/56) * CORN PRICE 9) + (SOYBEAN MEAL EQUIVALENT 9 * SOYBEAN MEAL PRICE 9)

ACTUAL FEED COST 10 = (CORN EQUIVALENT 10 * (2000/56) * CORN PRICE 10) + (SOYBEAN MEAL EQUIVALENT 10 * SOYBEAN MEAL PRICE 10)


GROSS MARGIN GUARANTEE

ACT_GROSS_MARGIN_2 = TARGET MARKET 2 * MILK PRICE - ACTUAL FEED COST 2

ACT_GROSS_MARGIN_3 = TARGET MARKET 3 * MILK PRICE 3 - ACTUAL FEED COST 3

ACT_GROSS_MARGIN_4 = TARGET MARKET 4 * MILK PRICE 4 - ACTUAL FEED COST 4

ACT_GROSS_MARGIN_5 = TARGET MARKET 5 * MILK PRICE 5 - ACTUAL FEED COST 5

ACT_GROSS_MARGIN_6 = TARGET MARKET 6 * MILK PRICE 6 - ACTUAL FEED COST 6

ACT_GROSS_MARGIN_7 = TARGET MARKET 7 * MILK PRICE 7 - ACTUAL FEED COST 7 - ACTUAL FEED COST 7

ACT_GROSS_MARGIN_8 = TARGET MARKET 8 * MILK PRICE 8 - ACTUAL FEED COST 8
LIVESTOCK GROSS MARGIN (LGM)
INDEMNITY CALCULATIONS

ACT_GROSS_MARGIN_9 = TARGET MARKET 9 * MILK PRICE 9 - ACTUAL FEED COST 9
(field 20) (Internal) (Internal) (Internal)

ACT_GROSS_MARGIN_10 = TARGET MARKET 10 * MILK PRICE 10 - ACTUAL FEED COST 10
(field 21) (Internal) (Internal) (Internal)

ACT_GROSS_MARGIN_11 = TARGET MARKET 11 * MILK PRICE 11 - ACTUAL FEED COST 11
(field 22) (Internal) (Internal) (Internal)

TOT_GROSS_MARGIN = \sum (ACT_GROSS_MARGIN 2 thru 11)
(field 23)

MARKET FACTOR and ADJUSTED INDEMNITY FLAG

MARKET FACTOR = TOT_ACTUAL_MARKET / TOT TARGET MARKET
(field 12) (Internal) (Internal)
(Note)

Note: If Market Factor < .750 set Adjusted Indemnity Flag (field 24) to ‘Y’; else, default Market Factor to 1.000 and set Adjusted Indemnity Flag to ‘N’.

INDEMNITY

INDEMNITY_AMOUNT = (GROSS MARGIN GUAR - TOT_GROSS_MARGIN) * MARKET FACTOR
(field 25) (Internal) (field 23) (Internal)

INDEMNITY_REDUCT = 1.000 - MARKET FACTOR
(field 26)

Note: An indemnity is calculated and payable if Total Gross Margin is less than Gross Margin Guarantee.
## LIVESTOCK GROSS MARGIN (LGM) INDEMNITY CALCULATIONS

### Description

**CORN PRICE**
- Tag: Internal
- No.: 999.99 per ADM
- Picture: From ADM L Suffix B Ind A.

**SOYBEAN MEAL PRICE**
- Tag: Internal
- No.: 999.99 per ADM
- Picture: From ADM L Suffix B Ind A.

**CORN EQUIVALENT**
- Tag: Internal
- No.: 9999.9(06)
- Picture: NA
- Description: Corn or corn equivalent in tons that was reported for premium by month for the insurance period.

**SOYBEAN MEAL EQUIVALENT**
- Tag: Internal
- No.: 9999.9(06)
- Picture: NA
- Description: Soybean meal or soybean meal equivalent in tons that was reported for premium by month for the insurance period.

**ACTUAL FEED COST**
- Tag: Internal
- No.: ( + / - ) 9999.99 dollars and cents
- Picture: Actual Feed Cost is the result of (corn equivalent times (2000/56) times corn price) plus (soybean meal equivalent times soybean meal price) by month.

**MILK PRICE**
- Tag: Internal
- No.: 999.99 per ADM
- Picture: From ADM L Suffix B Ind A.

**TARGET MARKET 2**
- Tag: Internal
- No.: 9(06)
- Picture: whole number
- Description: Target Marketings for Second Month reported on premium for dairy.

**<ACT_GROSS_MARGIN_2>**
- Tag: 13
- No.: ( + / - ) 9(08).9999 dollars and cents
- Description: Actual Gross Margin for dairy is the result of target marketings times milk price minus actual feed cost for the second month. Only the negative symbol ( - ) will appear if applicable.

**TARGET MARKET 3**
- Tag: Internal
- No.: 9(06)
- Picture: whole number
- Description: Target Marketings for Third Month reported on premium for dairy.
LIVESTOCK GROSS MARGIN (LGM) INDEMNITY CALCULATIONS

<table>
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<th>Description</th>
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<tbody>
<tr>
<td>&lt;ACT_GROSS_MARGIN_3&gt;</td>
<td>14</td>
<td>( + / -)</td>
<td>9(08).9999 dollars and cents</td>
<td>Actual Gross Margin for dairy is the result of target marketings times milk price minus actual feed cost for the third month. Only the negative symbol (- ) will appear if applicable.</td>
</tr>
<tr>
<td>TARGET MARKET 4</td>
<td>Internal</td>
<td>9(06)</td>
<td>whole number</td>
<td>Target Marketings for Fourth Month reported on premium for dairy.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_4&gt;</td>
<td>15</td>
<td>( + / -)</td>
<td>9(08).9999 dollars and cents</td>
<td>Actual Gross Margin for dairy is the result of target marketings times milk price minus actual feed cost for the fourth month. Only the negative symbol ( - ) will appear if applicable.</td>
</tr>
<tr>
<td>TARGET MARKET 5</td>
<td>Internal</td>
<td>9(06)</td>
<td>whole number</td>
<td>Target Marketings for Fifth Month reported on premium for dairy.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_5&gt;</td>
<td>16</td>
<td>( + / -)</td>
<td>9(08).9999 dollars and cents</td>
<td>Actual Gross Margin for dairy is the result of target marketings times milk price minus actual feed cost for the fifth month. Only the negative symbol ( - ) will appear if applicable.</td>
</tr>
<tr>
<td>TARGET MARKET 6</td>
<td>Internal</td>
<td>9(06)</td>
<td>whole number</td>
<td>Target Marketings for Sixth Month reported on premium for dairy.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_6&gt;</td>
<td>17</td>
<td>( + / -)</td>
<td>9(08).9999 dollars and cents</td>
<td>Actual Gross Margin for dairy is the result of target marketings times milk price minus actual feed cost for the sixth month. Only the negative symbol ( - ) will appear if applicable.</td>
</tr>
<tr>
<td>TARGET MARKET 7</td>
<td>Internal</td>
<td>9(06)</td>
<td>whole number</td>
<td>Target Marketings for Seventh Month reported on premium for dairy.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_7&gt;</td>
<td>18</td>
<td>( + / -)</td>
<td>9(08).9999 dollars and cents</td>
<td>Actual Gross Margin for dairy is the result of target marketings times milk price minus actual feed cost for the seventh month. Only the negative symbol ( - ) will appear if applicable.</td>
</tr>
<tr>
<td>Tag</td>
<td>No.</td>
<td>Picture</td>
<td>Rounding</td>
<td>Description</td>
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<tr>
<td>-------------------</td>
<td>-----</td>
<td>---------</td>
<td>------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>TARGET MARKET 8</td>
<td>-</td>
<td>Internal 9(06)</td>
<td>whole number</td>
<td>Target Marketings for Eighth Month reported on premium for dairy.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_8&gt;</td>
<td>19</td>
<td>$(+/-)$ 9(08).9999</td>
<td>dollars and cents</td>
<td>Actual Gross Margin for dairy is the result of target marketings times milk price minus actual feed cost for the eighth month. Only the negative symbol ($-$) will appear if applicable.</td>
</tr>
<tr>
<td>TARGET MARKET 9</td>
<td>-</td>
<td>Internal 9(06)</td>
<td>whole number</td>
<td>Target Marketings for Ninth Month reported on premium for dairy.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_9&gt;</td>
<td>20</td>
<td>$(+/-)$ 9(08).9999</td>
<td>dollars and cents</td>
<td>Actual Gross Margin for dairy is the result of target marketings times milk price minus actual feed cost for the ninth month. Only the negative symbol ($-$) will appear if applicable.</td>
</tr>
<tr>
<td>TARGET MARKET 10</td>
<td>Internal</td>
<td>9(06)</td>
<td>whole number</td>
<td>Target Marketings for Tenth Month reported on premium for dairy.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_10&gt;</td>
<td>21</td>
<td>$(+/-)$ 9(08).9999</td>
<td>dollars and cents</td>
<td>Actual Gross Margin for dairy is the result of target marketings times milk price minus actual feed cost for the tenth month. Only the negative symbol ($-$) will appear if applicable.</td>
</tr>
<tr>
<td>TARGET MARKET 11</td>
<td>-</td>
<td>Internal 9(06)</td>
<td>whole number</td>
<td>Target Marketings for Eleventh Month reported on premium for dairy.</td>
</tr>
<tr>
<td>&lt;ACT_GROSS_MARGIN_11&gt;</td>
<td>22</td>
<td>$(+/-)$ 9(08).9999</td>
<td>dollars and cents</td>
<td>Actual Gross Margin for dairy is the result of target marketings times milk price minus actual feed cost for the eleventh month. Only the negative symbol ($-$) will appear if applicable.</td>
</tr>
<tr>
<td>Tag</td>
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<tr>
<td>&lt;TOT_GROSS_MARGIN&gt;</td>
<td>23</td>
<td>(+ / - )9(10)</td>
<td>whole number</td>
<td>Sum of actual gross margin by month for the insurance period. Only the negative symbol (-) will appear if applicable.</td>
</tr>
<tr>
<td>&lt;TOT_ACTUAL_MARKET&gt;</td>
<td>12</td>
<td>9(06)</td>
<td>whole number</td>
<td>Total of Actual Marketings for insurance period.</td>
</tr>
<tr>
<td>TOT TARGET MARKET</td>
<td>Internal</td>
<td>9(06)</td>
<td>whole number</td>
<td>Total of Target Marketings for insurance period reported on premium.</td>
</tr>
<tr>
<td>MARKET FACTOR</td>
<td>Internal</td>
<td>9.999</td>
<td>3 decimal places</td>
<td>Result of (Total Actual Marketings divided by Total Target Marketings) if less than .750, else default to 1.000.</td>
</tr>
<tr>
<td>GROSS MARGIN GUAR</td>
<td>Internal</td>
<td>9(10)</td>
<td>whole number</td>
<td>Gross Margin Guarantee for insurance period reported on premium.</td>
</tr>
<tr>
<td>&lt;INDEMNITY_AMOUNT&gt;</td>
<td>25</td>
<td>9(10)</td>
<td>whole number</td>
<td>Indemnity is the result of (Gross Margin Guarantee – Total Gross Margin) times Market Factor. Will be zero if total actual marketings is zero.</td>
</tr>
<tr>
<td>&lt;INDEMNITY_REDUCT&gt;</td>
<td>26</td>
<td>9.999</td>
<td>3 decimal places</td>
<td>Indemnity Reduction factor is the result of (1.000 – Market Factor).</td>
</tr>
</tbody>
</table>

**Note:** An indemnity is calculated and payable if Total Gross Margin is less than Gross Margin Guarantee.