



United States
Department of
Agriculture

Risk
Management
Agency

Beacon Facility
P.O. Box 419205
Kansas City,
MO 64141-6205

April 18, 2008

INFORMATIONAL MEMORANDUM: PM-08-019

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Tim B. Witt /s/*Tim B. Witt*
Deputy Administrator

SUBJECT: Availability of Revised Livestock Gross Margin Swine and Cattle, and
Livestock Risk Protection-Lamb Insurance Policy Materials

BACKGROUND:

Livestock Gross Margin (LGM) uses a state basis to adjust futures prices for swine, cattle and corn. The state cash prices used to calculate the state basis are provided by National Agricultural Statistics Service (NASS) and published annually in February. Iowa Agricultural Insurance Innovations updates the state basis numbers annually for LGM and they are released in the applicable Commodity Exchange Endorsement (CEE).

The LGM policies have been revised to incorporate non-significant clarifications recommended by approved insurance providers (AIP) and an insurance services organization. The Frequently Asked Questions (FAQ) have been updated to reflect the policy revisions, and the CEE updated to include the state basis numbers by month for LGM cattle, corn, and swine.

Livestock Risk Protection-Lamb (LRP-Lamb) provides insurance against a decline in lamb price. LRP Lamb policy materials have been revised to clarify that insured lambs are those intended for eventual, not necessarily immediate, slaughter. Revised policy materials will be effective beginning July 1, 2009 for the LRP 2009 reinsurance year.

ACTION:

The following updated LGM materials will be available on the RMA website by close of business today and may be accessed from the Livestock page at:

<http://www.rma.usda.gov/livestock/>



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

An Equal Opportunity Employer

LGM Swine

- Basic Policy (2009)
- Commodity Exchange Endorsement (2009)
- FAQ (2009)

LGM Cattle

- Basic Policy (2009)
- Commodity Exchange Endorsement (2009)
- FAQ (2009)

LRP Lamb

The following updated LRP materials will be available on the RMA website by close of business today and may be accessed from the Livestock page at:

<http://www.rma.usda.gov/livestock/>

- Basic Policy (2008)
- Lamb Specific Coverage Endorsement (SCE) (2009)
- Lamb Premium Calculation Instructions (2009)
- Lamb Underwriting Rules (2009)
- Lamb Questions and Answers (2009)
- LRP Handbook (Slipsheeted) (2009)

Additional livestock materials may be found at:

Draft Manual 13 Requirements

<http://www.rma.usda.gov/data/m13/>

Special Provisions

<http://www3.rma.usda.gov/apps/docbrowser/>

DISPOSAL DATE:

This Informational Memorandum is for the purpose of transmitting information and its disposal date is December 31, 2008.