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CAPITAL MARKETS

LRP- Swine

Livestock Risk Protection

The LRP Insurance Program is designed to protect swine producers from adverse market conditions. NEW FRONTIER CAPITAL MARKETS is now a registered agent able to offer LRP through the USDA's Risk Management Agency.

LRP offers coverage ranging from 70 to 100 percent of the expected ending value of each endorsed policy. At the end of the period, if the actual ending value is below the coverage price, you may receive an indemnity payment for the difference between the coverage price and actual ending value.

Availability

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By submitting a one-time application for the LRP- Swine coverage, you may buy specific coverage endorsements for up to 70,000 hogs that are expected to reach market weight near the end of each insurance period. The annual limit for LRP- Swine is 750,000 head per producer per crop year (July 1- June 30). Coverage lengths are for endorsement periods of 13, 17, 21, 26, 30, 34, 39, 43, 47 or 52 weeks. Policy prices updated daily reflecting CME closing prices.

Buying a Policy

The LRP- Swine Insurance Policies can be purchased through NFCM's Agent, Matthew Huston. By filling out an application today you will have the ability to act at the time that best suits your operation including multiple endorsements throughout the crop year. Insurance coverage does not begin until specific endorsement coverage is purchased. Insurance coverage begins the day your operation buys a specific coverage endorsement and RMA approves the purchase.

Give us a call today!
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LGM- Swine

Livestock Gross Margin

The LGM Insurance Program is designed to protect swine producers against loss of gross margin (market value of livestock minus feed costs) on swine.   NEW FRONTIER CAPITAL MARKETS is now a registered agent able to offer LGM through the USDA's Risk Management Agency (RMA).

LGM uses futures prices to determine the expected gross margin and actual gross margin. The premium subsidy is available for those policies that insure multiple months during the insurance period. The subsidy amount is determined by a dollar deductible of your choosing (ranging from $0 to $20 per head in $2 increments). If you choose a $0 deductible, you receive a lower premium subsidy (18 percent) and if you choose $20 you receive a higher premium subsidy (50 percent). The premium is not due until the end of the coverage period. LGM premiums depend on your marketing plan, coverage you choose, deductible level, and futures and price volatility.

Availability

LGM- Swine is available in all counties in all states to all swine producers. Covered operations include, Farrow-to-Finish, Feeder Pig-Finish and Segregated Early Wean (SEW).

Buying a Policy

You may purchase coverage each week for the swine you expect to market. Each insurance period is six months in length and overlaps over insurance periods. Coverage begins one month after you buy a policy, meaning this coverage is only available for the last five months of the period.

The insurance policy is continuous and automatically renews. LGM Swine is sold on the Thursday of the week when the coverage prices and rates are posted on the RMA website and ends at 9AM CST the following day. Premium payments are due at the end of the insurance period. If expected gross margins are not available on the RMA website, LGM- Swine will not be offered for sale during that insurance period.

Causes for Loss

LGM-Swine covers the difference between the gross margin guarantee and the actual gross margin. LGM- Swine does not insure against swine death or any other loss or damaged swine.

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