



HUDSON
INSURANCE GROUP®

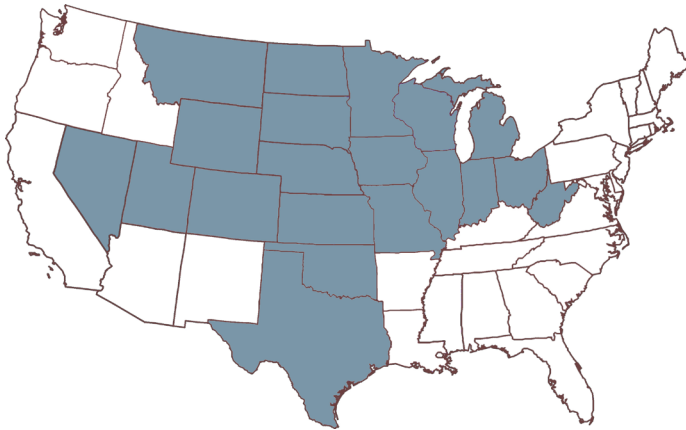
LIVESTOCK GROSS MARGIN

FED CATTLE

Livestock Gross Margin (LGM) - Fed Cattle is a federally-reinsured livestock product that provides protection against the loss of gross margin (market value of cattle less feeder cattle and feed costs) on fed cattle (yearling and calf). The LGM insurance policy uses futures prices to determine the expected gross margin and the actual gross margin. The RMA monitors capacity levels, and when the funding limit has been reached, sales for this product will cease. LGM does not insure against death, loss, or any other loss or damage to the producer's cattle. LGM - Fed Cattle is a bundled option that covers both the cost of feeder cattle and the cost of feed. This effectively insures the producer gross margin (difference between the gross margin guarantee and the actual gross margin at the end of the 11-month insurance period).

Availability

Ownership of insured cattle must be certified by the grower and may be subject to inspection and verification by Hudson Insurance Company.



Insurable Livestock

Producers can insure up to 5,000 head per insurance period with a limit of 10,000 head per crop year.

Probable Loss

A Notice of Probable Loss will be sent to the insured if the Actual Gross Margin is less than the Gross Margin Guarantee. The insured must submit a marketing report and sales receipts, showing evidence of actual marketings, within 15 days of receipt of the Notice of Probable Loss.

Loss payments will be prorated if the actual marketings fall below 75% of the expected targeted marketings. The price at which you actually sell the cattle does not affect the loss payment.

DEDUCTIBLE

\$0 to \$150 per head in increments of \$10

INSURANCE PERIODS

12 overlapping periods per calendar year each with a rolling 11-month insurance cycle

COVERAGE

Insurance coverage begins on the first day of the second calendar month following the month of the sales closing date.

SALES PERIOD

The sales period begins on the last business Friday of the month after the price guarantee is posted to the RMA site and before 8:00 p.m. CT the following day.

If expected gross margins are not available on the RMA website, LGM - Fed Cattle will not be offered for sale that insurance period.

ELIGIBLE OPERATION TYPES

Calf Finishing Operation - a feeding operation that purchases 550 pound calves and feeds them until slaughter

Yearling Finishing Operation - a feeding operation that purchases yearling steers and heifers and feeds them until slaughter

By the Numbers

GUARANTEE / PREMIUM	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEPT.	OCT.	TOTAL
YEARLING FINISHING	0	100	100	100	100	0	0	0	0	0	
CALF FINISHING	0	0	0	0	0	0	0	0	0	0	
EXPECTED GROSS MARGIN	\$ 114.25	\$ 142.79	\$ 162.25	\$ 181.02	\$ 217.78	\$ 179.13	\$ 272.12	\$ 284.12	\$ 319.81	\$ 331.85	
EXPECTED GROSS MARGIN	-	\$ 14,270	\$ 16,225	\$ 18,102	\$ 21,778	-	-	-	-	-	\$ 70,384
DEDUCTIBLE (\$10/HEAD)	-	-	-	-	-	-	-	-	-	-	\$ 4,000
GROSS MARGIN GUARANTEE	-	-	-	-	-	-	-	-	-	-	\$ 66,384
TOTAL PREMIUM		\$ 12,876									
SUBSIDY		-									
PRODUCER PREMIUM		\$ 12,876									

LOSS/INDEMNITY	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEPT.	OCT.	TOTAL
YEARLING FINISHING	0	100	100	100	100	0	0	0	0	0	
CALF FINISHING	0	0	0	0	0	0	0	0	0	0	
EXPECTED GROSS MARGIN	\$ 114.25	\$ 142.79	\$ 162.25	\$ 181.02	\$ 217.78	\$ 179.13	\$ 272.12	\$ 284.12	\$ 319.81	\$ 331.85	
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GROSS MARGIN GUARANTEE	-	-	-	-	-	-	-	-	-	-	\$ 66,384
TOTAL PREMIUM		\$ 12,876									
SUBSIDY		-									
PRODUCER PREMIUM		\$ 12,876									
ACTUAL GROSS MARGIN	\$ 150.01	\$ 199.54	\$ 143.03	\$ 86.87	\$ 128.93	\$ 95.18	\$ 168.75	\$ 162.76	\$ 153.09	\$ 116.28	
ACTUAL GROSS MARGIN	-	\$ 19,954	\$ 14,303	\$ 8,687	\$ 12,893	-	-	-	-	-	\$ 55,837
INDEMNITY											\$ 10,547

NON DISCRIMINATION STATEMENT: Hudson Insurance Company is an equal opportunity provider. The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees and applicants for employment on the basis of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or a part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases apply to all programs and/or employment activities.)



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