



Livestock Gross Margin What to Expect in a Loss

When the RMA releases the Actual Gross Margins (AGM) during the first business week of applicable LGM sale months, Hudson Crop will determine if the AGM is less than the LGM guarantee and compare the target marketings vs. actual marketings submitted by the producer. If the AGM is less than the LGM guarantee, an indemnity is due.

SUPPORTING DOCUMENTS

The marketing report, showing the producer’s actual marketings (for each month) of the commodity insured (milk/swine/cattle) under the LGM policy, must be accompanied by copies of sales (or packer sales) receipts that prove the actual marketings shown on the submitted marketing report.

IMPORTANT

- In the case of a payable loss, Hudson will send a Notice of Probable Loss to the producer approximately 10 days after all applicable AGM are released. The producer must then submit a marketing report within 60 days, otherwise no indemnity will be paid.
- If the total actual marketings are less than 75% (85% for LGM-Dairy Cattle) of the total targeted marketings for the insurance period, indemnities will be reduced by the percentage of the total actual marketings that fell below the total targeted marketings.
- Coverage ends the earliest of the last month of the insurance period the producer has target marketings or as otherwise specified in the policy. If the end date falls on a Sat., Sun. or federal holiday, or if the report is not available for that day or any other day of the ending period, the actual ending value is based on the most recent reports prior to that date.

STEP 1

Actual Gross Margins Released

- The RMA will post the AGM for LGM by the end of the first full business week of the following months: February, April, June, August, October and December.

STEP 2

Was a Loss Identified? (*Actual Gross Margin < LGM Guarantee = Indemnity*)

- If no, a non-loss letter will be sent to the producer by Hudson.
- If yes, a loss letter and LGM Notice of Probable Loss and Marketing Report will be sent to the producer with instructions and required documentation for verification of livestock in order to verify and determine payable loss. (Gather your receipts.)

STEP 3

If “Yes” in Step 2...

- The producer must provide to Hudson Crop copies of sales receipts that support the actual marketings identified on the Marketing Report.

STEP 4

Complete & Submit Documentation

- Complete, sign and return the provided claim form with supporting documents (within 60 days following Notice of Loss) to Hudson’s mailing address below or via email to LivestockClaims@HudsonInsGroup.com.

For assistance, please contact your agent or our livestock support team:
Livestock@HudsonInsGroup.com or (913) 378-2928.

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Hudson Crop

7300 West 110th Street, Suite 400 | Overland Park, KS 66210
T 866 450-1445 | F 913 345-1671 | HudsonCrop.com

