



Properly filing the AD-1026 form (for compliance with the Highly Erodible Land Conservation (HELC) and Wetland Conservation) with the FSA office is required to qualify for a premium subsidy under LRP.



www.naucountry.com

Our commitment to you

We take pride in being a customer-focused organization through our expertise, engagement, and insight. Our commitment to service has never wavered and with our parent company, QBE Insurance Group, we can provide the best financial stability.

For more information about the process described in this brochure, contact your NAU Country Agent today!

- LRP will be unavailable if the program reaches the national maximum underwriting capacity, as established by FCIC.
- Sales periods run on non-holiday weekdays from the time market closes in the afternoon until 9:00 a.m. (CT) the following morning.

NAU Country Insurance Company

7333 Sunwood Drive | Ramsey, MN 55303
1.888.NAU.MPCI

© 2022 NAU Country Insurance Company. All rights reserved. NAU Country Insurance Company is an equal opportunity provider. QBE and the links logo are registered service marks of QBE Insurance Group Limited. NAU and NAU Country are registered service marks of NAU Country Insurance Company.

In accordance with Federal law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating on the basis of race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs).



Livestock Risk Protection - Cattle & Swine

Protection against unexpected future declines in the market value of cattle and swine.

Livestock Risk Protection (LRP)

The only peril covered under LRP is unexpected future decline in market value of cattle and swine. A drop in a sale price that a producer receives personally will not create an indemnity under LRP.

LRP coverage sales are typically offered every market trading day. These begin around 4:30 p.m. (CT), shortly after market close, and run until 9:00 a.m. (CT) the following morning.

Coverage is purchased via one-time transactions called Specific Coverage Endorsements (SCE). Multiple SCEs can be purchased throughout the year. Terms of coverage indicated on the SCE include: the number of head being covered, CWT/head anticipated at the end of the term, the length of coverage (in weeks), expected value of the livestock in the future, the level of that expected value the producer wishes to insure and the rate of insurance that corresponds with the selected length, and level of coverage.

Coverage is available for Feeder Cattle and Swine unborn livestock*, as long as the livestock are born before the SCE end date.

***Unborn Livestock Definition:** Livestock not born on the effective date, but expected to be marketed before the end date.

Eligibility and Requirements

To qualify for LRP, you must have an ownership share in eligible livestock in a licensed state. LRP is available in all 50 states.

Feeder Cattle

Four different types of Feeder Cattle are identified under LRP. There are two weight classes for each of the four types. Terms will vary depending on the type and weight selected. The four available types of Feeder Cattle are Steers 1 & 2, Heifers 1 & 2, Brahman 1 & 2, and Dairy 1 & 2.

The market utilized to determine if losses have occurred on a LRP Feeder Cattle policy is the Chicago Mercantile Exchange (CME).

The CME Index is based on 600 - 1000 cwt steers. Any other type/weight chosen will be adjusted in value.

TYPE	CWT Range	% Adjustment from CME
Steer Wt 1	100 - 599	110%
Steer Wt 2	600 - 1000	100%
Heifers Wt 1	100 - 599	100%
Heifers Wt 2	600 - 1000	90%
Brahman Wt 1	100 - 599	100%
Brahman Wt 2	600 - 1000	90%
Dairy Wt 1	100 - 599	50%
Dairy Wt 2	600 - 1000	50%

Fed Cattle

Unlike Feeder Cattle, there is no subtype identified under Fed Cattle.

The market utilized to determine if losses have occurred on an LRP Fed Cattle policy is the Agricultural Marketing Service (AMS). Fed Cattle is expected to carry a yield grade of 1 - 3 and grade select or higher.

Swine

The market utilized to determine if losses have occurred on a LRP Swine policy is the Chicago Mercantile Exchange (CME).

Swine is considered on a lean (carcass) weight basis. Meaning, we utilize a factor of 74% of the live weight of the animal when selecting terms of coverage.

Indemnity Example

Cattle coverage is calculated using a live hundredweight (cwt) : # of livestock × live cwt × price × share.

For the examples below, assume the insured owns all the livestock.

Cattle

Coverage 500 × 10 cwt × \$175 = \$875,000
 Actual value 500 × 10 cwt × \$170 = (\$850,000)
 Indemnity \$25,000

Swine

Coverage 2000 × 19 cwt × \$122 = \$463,600
 Actual value 2000 × 19 cwt × \$119 = (\$452,200)
 Indemnity \$11,400

Mike Kurtz

Crop Insurance
Specialist



mkurtz@agquest.net

cell phone ● 419.552.6455
 phone ● 507.249.4015
 toll free ● 866.259.3666
 fax ● 507.249.3187

AgQuest Insurance Agency is an equal opportunity provider.

Ins. ID# 40430511

	Coverage Levels Potentially Available *	Coverage Lengths Potentially Available **	Maximum Number of Head per SCE/Year	Targeted Weight at end of Coverage
Feeder Cattle, Weight 1	70% - 100	13, 17, 21, 26, 30, 34, 39, 43, 47, 52	12,000 / 25,000	100 - 599 cwt.
Feeder Cattle, Weight 2	70% - 100%	13, 17, 21, 26, 30, 34, 39, 43, 47, 52	12,000 / 25,000	600 - 1000 cwt.
Fed Cattle	70% - 100%	13, 17, 21, 26, 30, 34, 39, 43, 47, 52	12,000 / 25,000	1000 - 1600 cwt.
Swine	70% - 100%	13, 17, 21, 26, 30, 34, 39, 43, 47, 52	70,000 / 750,000	140 - 260 lean cwt.

* Not all coverage levels are guaranteed to be available during each sales period. **Not all contract lengths are guaranteed to be available during each sales period.