LRP Policy Details

- Available for Feeder Cattle, Fed Cattle, Swine, and Lambs
- Available for Heifers and Steers
- Producers can select Coverage Levels of 70 to 100%.
- Premiums are subsidized at 13% by the federal government
- Coverage periods of 13, 17, 21, 26, 30, 34, 39, 43, 47, or 52 weeks
- Available in 38 states
- Coverage on a per head basis

LRP is a very simple and cost effective way of locking in a minimum price floor for your livestock.
Call us today at 660-433–6300 so we can explain this program and its benefits to you and your operation.

This Agency has been making a difference for Ag Operators of every size with tailored, professional risk management programs for over 28 years. With margins as tight as they are, our service means so much to many people whose future is linked to the land. Our commitment is real !!!!! Please stop in to see us in Tipton or give us a call at

800-411-3972 Or 660-433-6300

Gibson Insurance Group, Inc.

"The Risk Management Specialists"

P.O. Box 795
337 East Highway 50
Tipton, MO 65081

Phone: 660-433-6300
800-411-3972
www.gibsoninsurancegroup.com

Livestock Risk Protection

Gibson Insurance Group, Inc.

Livestock Risk Protection

Create a price floor with unlimited upside price potential

Do you feel like you need to be an expert in future contracts and options in order to protect your investment in your livestock? Does the thought of margin calls scare you?

The Livestock Risk Protection (LRP) program is designed to protect livestock producers against declining prices while letting them take advantage of a rising market. This product is available for feeder cattle, fed cattle, swine, and lambs.

LRP covers an insured class of livestock against a decline in price over a specific period of time. <u>It does not cover</u> death loss, poor performing livestock, or sickness. Like crop insurance, the price guaranteed may not be exactly what the farmer actually receives for his product. The guarantee is for the price of that type of livestock during the insured period based on the CME (Chicago Mercantile Exchange) feeder cattle index or similar index with regard to hogs.

How does it work for cattle?

A producer will have to make 4 choices to create his protection.

1. What type of livestock to cover?
2. What is your target weight for your livestock?
3. What percentage of the coverage price to cover?
4. What length of time to cover that price?

Premiums are based on these factors.

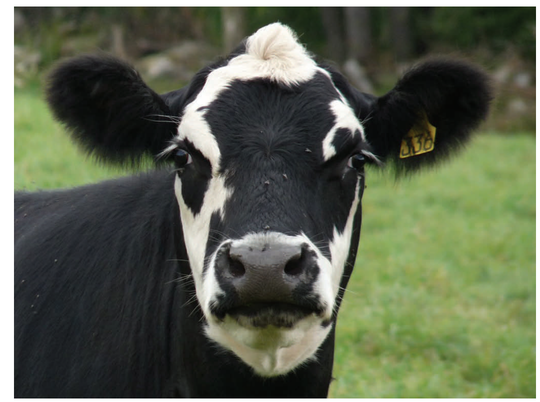
The sales price (per cwt.) is based on the underlying CME futures contract for the period when the coverage will end.

When the coverage period ends, the elected coverage price is compared to the actual ending value. Actual ending values are based on Chicago Mercantile Exchange Group Feeder Cattle Index for the day that your coverage ends.

If the actual ending value is below the coverage level, the producer will be paid the difference between the coverage price and the actual ending value.

The process for swine and lamb work much the same way. Actual ending values for lambs is based upon the weekly average prices for "Formula Live Lambs" as reported by USDA's Agricultural Marketing Service

Actual ending values for swine are calculated from price series data reported by USDA's Agricultural Marketing Service.



What is the CME Feeder Cattle Index? How is it figured?

The CME Feeder Cattle Index is figured each day using a representative sample of regional cattle sales for that day. By using a weighted average of the sale price of each class of cattle for that particular day, the ending actual value is created.