USDA Livestock Insurance Programs Available in Vermont

January 2018

Livestock Gross Margin – Dairy Cattle

(RMA program) LGM-Dairy provides protection against loss of gross margin (market value of milk minus feed costs) on milk produced from dairy cows. LGM-Dairy uses the Chicago Mercantile Exchange Group futures prices for corn, soybean meal, and class III milk to determine the expected gross margin and the actual gross margin. Producer premium subsidy is available for the LGM-Dairy plan of insurance and is determined by the deductible amount chosen by the producer.

Livestock Gross Margin – Swine

(RMA program) LGM-Swine provides protection against the loss of gross margin (market value of livestock minus feed costs) on swine. LGM-Swine uses futures prices to determine the expected gross margin and the actual gross margin. The price you receive at the local market is not used in these calculations. You can choose insurance deductibles between $0 and $20 per head in $2 increments. Operations that are covered by LGM-Swine are:

- Farrow-to-Finish Operations;
- Feeder Pig-Finishing Operations;
- Segregated Early Weaned (SEW) Operations.

Whole-Farm Revenue Protection

(RMA program) The Whole-Farm Revenue Protection program provides a risk management safety net for all commodities on the farm under one insurance policy. Farms can get WFRP with only one commodity or with multiple commodities. This insurance plan is tailored for any farm with up to $8.5 million in insured revenue, including farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets, wholesale or retail. (RMA program)

Margin Protection Program – Dairy (MPP-D)

(FSA program) The Margin Protection Program is a revenue protection program based on the difference between the price of milk and the cost of feed. The Margin Protection Program offers dairy producers catastrophic coverage, at no cost to the producer above the annual $100 administrative fee; it also provides various levels of buy-up coverage. Catastrophic coverage provides payments to participating producers when the national dairy production margin is less than $4.00 per hundredweight (cwt). The national dairy production margin is the difference between the all-milk price and average feed costs. Producers may purchase buy-up coverage that provides payments when margins are between $4.00 and $8.00 per cwt. To participate in buy-up coverage, a producer must pay a premium that varies with the level of protection the producer elects.

Pasture, Rangeland, Forage Program

(RMA program) The Pasture, Rangeland, Forage (PRF) Insurance Program is designed to provide insurance coverage on your pasture, rangeland, or forage acres. This insurance coverage is for a single peril, lack of precipitation. This program is based on precipitation, Rainfall Index. The program is designed to give you the ability to buy insurance protection for losses of forage produced for grazing or harvested for hay, which result in increased costs for feed, destocking, depopulating, or other actions. Coverage is based on the experience of the entire grid.

Livestock Indemnity Program (LIP)

(FSA program) The Livestock Indemnity Program provides benefits to livestock producers for livestock deaths in excess of normal mortality caused by adverse weather. In addition, LIP covers attacks by animals reintroduced into the wild by the federal government or protected by federal law, including wolves and avian predators.

Apiculture

(RMA program) Like PRF, the Apiculture program covers one peril: lack of precipitation. Commodity covered is honey. Coverage is based on Rainfall Index for the entire grid.

Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP)

(FSA program) ELAP is another program available through FSA and it covers losses due to an eligible adverse weather or eligible loss condition, including blizzards, disease (including cattle tick fever), water shortages and wildfires. ELAP covers losses that are not covered under other Supplemental Agricultural Disaster Assistance Payment programs established by the 2014 Farm Bill, specifically the Livestock Forage Disaster Program (LFP) and the Livestock Indemnity Program (LIP). There are four categories of livestock losses covered by ELAP:

- Livestock death losses caused by an eligible loss condition;
- Livestock feed and grazing losses that are not due to drought or wildfires on federally managed lands;
- Losses resulting from the additional cost of transporting water to livestock due to an eligible drought;
- Losses resulting from the additional cost associated with gathering livestock for treatment related to cattle tick fever.

For more information:

- Contact an insurance agent licensed by USDA to sell crop insurance in Vermont. You can locate an agent at the RMA web site: http://www.rma.usda.gov/tools/agent.html
- contact Jake Jacobs, Vermont Crop Insurance Coordinator, University of Vermont
  jake.jacobs@uvm.edu phone 802-656-7356

This material is funded in partnership with USDA, Risk Management Agency, under award number RM17RMETS524005. Any reference to commercial products, trade names, or brand names is for information only, and no endorsement or approval is intended. Issued in furtherance of Cooperative Extension work, Acts of May 8 and June 30, 1914, in cooperation with the United States Department of Agriculture. University of Vermont Extension, Burlington, Vermont. University of Vermont Extension, and U.S. Department of Agriculture, cooperating, offer education and employment to everyone without regard to race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or familial status.