

Commodity Exchange Endorsement for Livestock Gross Margin for Cattle

This endorsement contains the exchange prices and basis values that are used to set expected and actual prices for LGM for Cattle. To find the relevant commodity exchange prices for LGM for Cattle, choose a closing date (in Column 1). The closing date determines the insurance period (in Column 2). Within each insurance period, the insurance months are shown in Column 3, and the relevant cattle and feed months are shown in Columns 4-9 (Columns 4-6 for yearling finishing operations, Columns 7-9 for calf finishing operations). Commodity exchange contract months are shown in **bold**. All cattle prices are expressed in dollars per hundredweight; all corn prices are expressed in dollars per bushel.

For example, given the closing date of January 31, the insurance period runs from February to December. This insurance period contains the insurance months of February, March, April, May, June, July, August, September, October, November, and December. The month of February is the first month of the insurance period but no marketings will be insured in February. You will not be allowed to insure cattle the first month of any insurance period. Coverage begins on your cattle one full calendar month following the sales closing date, unless otherwise specified in the Special Provisions, provided the premium for the coverage has been paid in full.

For the contract with a sales closing date of January 31, coverage will begin on March 1. For the March insurance month, the expected cattle price is the March cattle price. Because March does not have a Live cattle futures contract, the expected March cattle price is one-half times the simple average of the CME February cattle futures prices on the last three business days of January plus one-half times the simple average of the CME April cattle futures prices on the last three business days of January plus the March cattle basis. The expected feeder cattle price for yearling finishing operations for the March insurance month is the October feeder cattle price. Because October feeder cattle futures have expired, the expected feeder cattle price for the March insurance month is the simple average of daily settlement prices for the CME feeder cattle futures contract for October on the last three trading days prior to the day the contract expires plus the October feeder cattle basis. The expected corn price for yearling finishing operations for the March insurance month is the January corn price. Because January does not have a CBOT corn futures contract, the expected January corn price is two-thirds times the simple average of the CBOT December corn futures prices on the last three business days of December prior to contract expiration plus one-third times the simple average of the CBOT March corn futures prices on the last three business days of January plus the January corn basis.

For the July insurance month (continuing the January 31 closing date example), the expected cattle price is the July cattle price. Because July does not have a Live cattle futures contract, the expected July cattle price is one-half times the simple average of the CME June cattle futures prices on the last three business days of January plus one-half times the simple average of the CME August cattle futures prices on the last three business days of January plus the July cattle basis. The expected feeder cattle price for yearling finishing operations for the July insurance month is the February feeder cattle price. Because February does not have a CME feeder cattle futures contract, the expected February feeder cattle price is one-half times the simple average of the daily settlement prices for the CME feeder cattle futures contract for January on the last three trading days prior to the day the contract expires plus one-half times the simple average of the CME March feeder cattle prices on the last three business days of January plus the February feeder cattle basis. The expected corn price for yearling finishing operations for the July insurance month is the May corn price. Because May has a CBOT corn futures contract the expected corn price for May is the simple average of daily settlement prices for the CBOT corn futures contract for May on the last three trading days of January plus the May corn basis.

The sales period that begins on the last business day of the month after validation of prices and rates and ends on the following day at 9:00 AM central time. If the expected gross margins are not available on the RMA website, LGM for Cattle will not be offered for sale for that insurance period.

Table 1. Cycles within the insurance periods for LGM for Cattle Insurance								
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
Sales Closing Date	Insurance Period	Insurance Month	Yearling Finishing				Calf Finishing	
			Live Cattle Price	Feeder Cattle Price	Corn Price	Live Cattle Price	Feeder Cattle Price	Corn Price
January 31	February-December	March	March	October	January	March	July	November
		April	April	November	February	April	August	December
		May	May	December	March	May	September	January
		June	June	January	April	June	October	February
		July	July	February	May	July	November	March
		August	August	March	June	August	December	April
		September	September	April	July	September	January	May
		October	October	May	August	October	February	June
		November	November	June	September	November	March	July
		December	December	July	October	December	April	August
February 28	March-January	April	April	November	February	April	August	December
		May	May	December	March	May	September	January
		June	June	January	April	June	October	February
		July	July	February	May	July	November	March
		August	August	March	June	August	December	April
		September	September	April	July	September	January	May
		October	October	May	August	October	February	June
		November	November	June	September	November	March	July
		December	December	July	October	December	April	August
March 31	April-February	January	January	August	November	January	May	September
		May	May	December	March	May	September	January
		June	June	January	April	June	October	February
		July	July	February	May	July	November	March
		August	August	March	June	August	December	April
		September	September	April	July	September	January	May
		October	October	May	August	October	February	June
		November	November	June	September	November	March	July
		December	December	July	October	December	April	August
January	January	January	January	August	November	January	May	September
February	February	February	February	September	December	February	June	October

Table 1. continued								
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
Sales Closing Date	Insurance Period	Insurance Month	Finishing Yearlings				Finishing Calves	
			Live Cattle Price	Feeder Cattle Price	Corn Price	Live Cattle Price	Feeder Cattle Price	Corn Price
April 30	May-March	June July August September October November December January February March	June July August September October November December January February March	January February March April May June July August September October November December	April May June July August September October November December	June July August September October November December January February March	October November December January February March April May June July August September	February March April May June July August September October November December January
May 31	June-April	July August September October November December January February March April August	July August September October November December January February March April August	February March April May June July August September October November December	May June July August September October November December January February March	July August September October November December January February March April August	November December January February March April May June July August September	March April May June July August September October November December January
June 30	July-May	August September October November December January February March April May	August September October November December January February March April August	March April May June July August September October November December	June July August September October November December January February March	August September October November December January February March April August	December January February March April May June July August September	April May June July August September October November December January

Table 1. continued

Sales Closing Date	Insurance Period	Insurance Month	Finishing Yearlings			Finishing Calves		
			Live Cattle Price	Feeder Cattle Price	Corn Price	Live Cattle Price	Feeder Cattle Price	Corn Price
July 31	August-June	September	September	April	July	September	January	May
		October	October	May	August	October	February	June
		November	November	June	September	November	March	July
		December	December	July	October	December	April	August
		January	January	August	November	January	May	September
		February	February	September	December	February	June	October
		March	March	October	January	March	July	November
		April	April	November	February	April	August	December
		May	May	December	March	May	September	January
		June	June	January	April	June	October	February
		July	July	February	May	July	November	March
September 30	October-August	November	November	June	September	November	March	July
		December	December	July	October	December	April	August
		January	January	August	November	January	May	September
		February	February	September	December	February	June	October
		March	March	October	January	March	July	November
		April	April	November	February	April	August	December
		May	May	December	March	May	September	January
		June	June	January	April	June	October	February
		July	July	February	May	July	November	March
		August	August	March	June	August	December	April

Table 2. Example Cattle Basis (\$/cwt)

State	January	February	March	April	May	June	July	August	September	October	November	December
Colorado	0.52	-1.26	1.04	1.32	2.86	3.79	3.46	4.03	2.58	1.39	2.21	2.38
Illinois	-2.24	-3.19	-1.21	-0.35	0.46	0.61	-1.96	-2.00	-3.60	-4.18	-2.11	-1.94
Indiana	-12.15	-13.10	-11.12	-10.26	-9.45	-9.30	-11.87	-11.91	-13.51	-14.09	-12.02	-11.85
Iowa	-2.76	-3.33	-2.39	-1.44	-2.08	-0.63	-2.88	-1.92	-4.11	-4.95	-2.68	-2.47
Kansas	-1.25	-1.86	-0.10	-0.22	0.03	0.99	-0.25	-0.06	-1.48	-1.83	-0.38	-0.90
Michigan	-17.41	-17.46	-15.91	-15.51	-13.36	-11.42	-12.79	-13.22	-16.77	-20.06	-19.31	-17.87
Minnesota	-9.38	-9.89	-8.34	-7.04	-5.95	-5.52	-6.29	-6.92	-9.14	-10.85	-9.61	-8.76
Missouri	-4.90	-4.69	-2.99	-2.03	-1.01	1.30	2.77	2.41	-1.17	-4.21	-4.28	-5.81
Montana	-0.26	-1.08	-0.59	-2.23	-9.20	-10.90	-9.02	-0.58	0.69	2.06	0.17	-2.44
Nebraska	-1.21	-2.31	0.18	0.66	0.96	1.40	-0.12	0.36	-1.62	-1.62	0.04	1.14
Nevada	-6.07	-5.76	-3.75	-2.89	-1.31	-0.25	-0.89	-1.10	-4.97	-7.79	-7.22	-5.98
North Dakota	-0.17	-1.26	-0.86	-3.50	-8.56	-14.12	-16.12	-5.52	-2.36	-2.43	-5.14	-5.04
Ohio	-7.60	-8.05	-6.47	-5.04	-3.48	-2.83	-4.57	-4.78	-7.01	-9.12	-8.05	-8.12
Oklahoma	0.66	0.44	1.03	0.64	1.70	4.80	6.00	4.92	1.60	-1.59	-0.74	1.91
South Dakota	-0.06	-0.42	0.34	-0.69	-1.93	-1.97	-4.71	-0.55	0.45	3.68	0.25	-4.23
Texas	-2.14	-2.80	-1.53	-1.18	-0.92	-0.02	-0.65	-0.71	-3.50	-5.88	-3.67	-2.45
Utah	-3.08	-3.25	-1.30	-0.80	-0.02	1.15	0.58	0.95	-1.01	-2.94	-2.10	-1.68
West Virginia	-26.37	-24.11	-20.17	-17.07	-18.30	-16.57	-15.95	-15.57	-16.28	-19.12	-21.30	-26.10
Wisconsin	-21.86	-21.67	-20.45	-19.27	-17.61	-16.28	-17.29	-17.91	-20.99	-24.22	-23.42	-22.83
Wyoming	0.54	0.40	0.64	1.29	0.46	3.28	6.86	9.01	6.94	1.98	-2.90	-2.18

Table 3. Example Yearling Basis (\$/cwt)

State	January	February	March	April	May	June	July	August	September	October	November	December
Colorado	-4.44	-4.60	-1.80	-2.20	-3.64	-5.66	-7.58	-8.53	-8.04	-6.33	-4.26	-4.59
Illinois	-8.41	-7.39	-4.70	-4.61	-6.76	-9.44	-13.44	-14.87	-14.49	-13.02	-10.56	-10.31
Indiana	-9.29	-8.27	-5.58	-5.49	-7.64	-10.32	-14.32	-15.75	-15.37	-13.90	-11.44	-11.19
Iowa	-6.69	-6.08	-5.00	-4.89	-7.67	-9.96	-13.54	-13.93	-14.18	-12.79	-9.44	-9.07
Kansas	-6.81	-5.75	-3.33	-3.90	-6.62	-9.37	-12.02	-13.20	-12.31	-10.26	-8.34	-8.86
Michigan	-16.45	-14.19	-12.27	-12.82	-14.47	-15.38	-18.33	-19.92	-20.65	-21.40	-20.15	-19.21
Minnesota	-11.63	-10.32	-7.85	-7.37	-9.49	-11.80	-14.67	-16.59	-16.34	-15.31	-13.49	-12.75
Missouri	-1.76	0.08	2.13	2.81	1.76	0.87	-0.07	-2.01	-3.47	-4.94	-4.53	-3.44
Montana	1.48	1.64	2.44	1.94	0.00	-0.99	-2.64	-4.25	-4.06	0.25	1.05	1.38
Nebraska	-7.12	-6.21	-3.06	-3.25	-5.98	-8.37	-11.43	-12.24	-12.23	-10.08	-7.77	-6.76
Nevada	-1.50	-0.25	1.77	0.90	-1.09	-2.49	-5.19	-6.62	-6.63	-5.66	-3.58	-2.48
North Dakota	-1.28	-1.63	-0.65	-1.13	-3.34	-6.67	-9.38	-6.53	-5.07	-2.90	-2.22	-1.13
Ohio	-11.29	-9.78	-7.50	-6.82	-8.28	-10.56	-13.71	-15.16	-15.32	-15.23	-13.66	-13.80
Oklahoma	-0.95	-0.61	0.01	-0.87	-2.47	-0.77	-0.59	-1.96	-2.73	-2.99	-1.42	0.44
South Dakota	0.07	-0.57	-0.22	-1.07	-3.77	-5.16	-8.94	-8.64	-6.62	-0.90	-0.55	-1.54
Texas	-6.37	-5.01	-2.81	-3.21	-5.70	-7.88	-10.34	-11.80	-11.79	-11.47	-8.96	-7.92
Utah	-7.36	-5.65	-3.18	-3.38	-5.82	-7.48	-9.54	-10.58	-10.05	-9.39	-8.31	-8.24
West Virginia	-12.18	-10.39	-8.87	-7.30	-7.72	-8.79	-9.89	-12.01	-13.46	-15.02	-15.26	-14.53
Wisconsin	-12.61	-11.24	-8.69	-8.58	-10.49	-11.80	-15.12	-16.68	-16.52	-16.50	-13.98	-14.08
Wyoming	0.66	0.42	1.40	0.70	-0.29	1.20	0.79	-1.23	-0.85	1.22	2.22	2.54

Table 4. Example Calf Basis (\$/cwt)

State	January	February	March	April	May	June	July	August	September	October	November	December
Colorado	13.80	15.53	18.78	18.15	15.94	13.45	12.21	10.70	8.63	6.89	7.96	12.24
Illinois	22.03	25.64	29.40	30.07	28.67	24.93	22.82	21.79	20.65	19.55	19.00	18.35
Indiana	-1.57	2.04	5.80	6.47	5.07	1.33	-0.78	-1.81	-2.95	-4.05	-4.60	-5.25
Iowa	7.35	8.54	11.21	12.06	10.05	8.96	4.14	3.83	5.11	1.98	2.09	4.10
Kansas	15.07	17.97	20.00	19.47	17.50	16.21	17.05	13.34	10.81	10.65	12.24	13.76
Michigan	-3.20	4.07	5.65	8.27	8.20	6.51	1.77	-0.26	-1.29	-3.91	-4.65	-4.10
Minnesota	2.54	4.56	8.31	10.82	8.33	5.64	-0.57	-0.47	-0.74	-3.21	-6.13	-1.95
Missouri	8.91	12.06	14.88	15.07	12.55	10.53	9.99	6.99	4.82	2.32	3.72	6.86
Montana	13.20	14.77	16.18	14.34	12.29	9.57	8.05	10.32	8.31	6.94	7.42	10.52
Nebraska	16.33	16.96	20.02	19.57	17.16	16.03	13.58	13.73	10.92	10.76	11.06	16.95
Nevada	14.43	16.11	18.65	16.84	13.05	10.11	8.76	7.06	6.71	6.95	10.10	13.48
North Dakota	8.48	9.03	11.76	10.80	7.68	8.29	8.26	6.12	3.99	3.75	4.70	6.50
Ohio	-1.04	2.73	5.94	5.20	3.04	1.38	-3.98	-3.61	-6.41	-9.62	-7.76	-7.30
Oklahoma	10.29	14.13	16.80	16.12	12.16	10.62	9.13	6.99	4.89	4.49	7.69	10.38
South Dakota	15.10	14.37	16.70	16.33	14.41	16.83	13.29	13.52	12.33	11.30	12.03	13.72
Texas	11.24	16.04	19.16	18.35	14.59	12.47	11.57	10.80	9.30	6.82	8.10	10.16
Utah	10.26	13.89	17.78	15.92	10.21	8.59	8.87	9.31	8.64	5.41	6.62	7.21
West Virginia	-7.63	-3.65	0.66	1.63	-0.74	-4.07	-7.14	-8.51	-9.52	-11.11	-11.15	-10.89
Wisconsin	35.32	38.86	41.37	41.71	41.62	37.05	20.34	22.65	23.03	21.52	20.82	21.16
Wyoming	15.63	19.09	19.18	17.42	15.45	14.83	15.50	14.56	14.55	12.48	12.19	15.87

Table 5. Example Corn Basis (\$/bushel)

State	January	February	March	April	May	June	July	August	September	October	November	December
Colorado	-0.08	-0.10	-0.12	-0.13	-0.12	0.01	0.14	0.05	0.09	-0.05	-0.05	-0.03
Illinois	-0.10	-0.10	-0.10	-0.12	-0.14	-0.11	-0.10	-0.08	-0.13	-0.16	-0.13	-0.01
Indiana	-0.06	-0.08	-0.07	-0.06	-0.10	-0.08	-0.07	-0.03	-0.13	-0.22	-0.16	-0.02
Iowa	-0.25	-0.25	-0.26	-0.28	-0.31	-0.28	-0.26	-0.23	-0.21	-0.28	-0.25	-0.18
Kansas	-0.10	-0.10	-0.10	-0.12	-0.14	-0.08	-0.02	-0.06	-0.07	-0.06	-0.04	-0.04
Michigan	-0.18	-0.21	-0.18	-0.19	-0.20	-0.15	-0.10	-0.09	-0.06	-0.23	-0.25	-0.19
Minnesota	-0.35	-0.37	-0.38	-0.37	-0.42	-0.36	-0.34	-0.34	-0.33	-0.38	-0.35	-0.30
Missouri	-0.09	-0.09	-0.08	-0.10	-0.12	-0.04	-0.06	-0.08	-0.18	-0.24	-0.16	-0.09
Montana	-0.25	-0.24	-0.22	-0.22	-0.32	-0.14	-0.12	-0.11	-0.10	-0.19	-0.21	-0.18
Nebraska	-0.19	-0.21	-0.22	-0.23	-0.25	-0.18	-0.16	-0.15	-0.18	-0.20	-0.19	-0.16
Nevada	-0.08	-0.10	-0.12	-0.13	-0.12	0.01	0.14	0.05	0.09	-0.05	-0.05	-0.03
North Dakota	-0.41	-0.40	-0.38	-0.38	-0.48	-0.30	-0.28	-0.28	-0.26	-0.36	-0.37	-0.34
Ohio	-0.08	-0.08	-0.09	-0.10	-0.11	-0.04	-0.02	0.01	-0.08	-0.22	-0.17	-0.06
Oklahoma	0.06	0.06	0.06	0.04	0.02	0.08	0.14	0.09	0.09	0.10	0.12	0.12
South Dakota	-0.40	-0.39	-0.39	-0.37	-0.42	-0.30	-0.33	-0.32	-0.37	-0.46	-0.46	-0.36
Texas	0.12	0.11	0.17	-0.17	0.03	0.17	0.02	0.03	0.14	0.18	0.15	0.17
Utah	0.51	0.50	0.48	0.47	0.48	0.60	0.74	0.64	0.69	0.55	0.55	0.57
West Virginia	0.30	0.28	0.26	0.26	0.32	0.36	0.42	0.43	0.33	0.12	0.14	0.26
Wisconsin	-0.26	-0.26	-0.26	-0.25	-0.31	-0.19	-0.19	-0.18	-0.14	-0.24	-0.24	-0.19
Wyoming	0.04	0.02	0.00	-0.01	0.00	0.13	0.26	0.17	0.21	0.08	0.08	0.09