

05-LGM-CEE

Commodity Exchange Endorsement for Livestock Gross Margin

To find the relevant commodity exchange prices for Livestock Gross Margin, 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 with the relevant hog and feed months shown in Columns 4-9 (Columns 4-6 for farrow-to-finish operations, Columns 7-9 for finishing operations). Commodity exchange contract months are shown in **bold**.

For example, given the closing date of January 31, the insurance period runs from February to July. This insurance period contains the insurance months of March, April, May, June, and July. The month of February is the first month of the insurance period and no marketings will be insured in February. You will not be allowed to insure swine the first month of any insurance period. Coverage begins on your swine one full calendar month following the sales closing date, unless otherwise specified in the Special Provisions, provided premium for the coverage has been paid in full. For example for the contract with a sales closing date of January 31st, coverage will begin on March 1st. For the March insurance month, the expected hog price is the March hog price. Since March does not have a hog futures contract, the expected March hog price is the weighted average of expected hog prices for two surrounding contract months (February and April). The expected corn price for farrow-to-finish operations for the March insurance month is the December corn price. Since December corn futures have expired, the expected corn price for the March insurance month is the simple average of final daily settlement prices for the CBOT corn futures contract for December expressed in dollars per bushel in the last three trading days prior to the day that the contract expires. The expected soybean meal price for farrow-to-finish operations for the March insurance month is the December soybean meal price. Since December soybean meal futures have expired, the expected soybean meal price for the March insurance month is the simple average of final daily settlement prices for the CBOT soybean meal futures contract for December expressed in dollars per bushel in the last three trading days prior to the day the contract expires.

For the July insurance month (continuing the January 31 closing date example), the expected hog price is the July hog price. Since July does have a hog futures contract, the expected July hog price is the simple average of final daily settlement prices for the CME lean hog futures contract for July expressed in dollars per hundredweight over the last three trading days in January. The expected corn price for farrow-to-finish operations for the July insurance month is the April corn price. Since there are no corn futures contracts that expire in April, the April expected corn price is the weighted average of expected corn prices for surrounding contract months (March and May). The expected soybean meal price for farrow-to-finish operations for the July insurance month is the April soybean meal price. Since there are no soybean meal futures contracts that expire in April, the April expected soybean meal price is the weighted average of expected soybean meal prices for surrounding contract months (March and May).

The sales period 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 will not be offered for sale for that insurance period.

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
Sales			<i>Farrow-to-Finish</i>			<i>SEW/Finishing</i>		
Closing Date	Insurance Period	Insurance Month	Hog Price	Feed Price		Hog Price	Feed Price	
				Corn	Soymeal		Corn	Soymeal
January 31 No Coverage Month - February	February - July	March April May June July	March April May June July	December January February March April	December January February March April	March April May June July	January February March April May	January February March April May
February 28 No Coverage Month - March	March - August	April May June July August	April May June July August	January February March April May	January February March April May	April May June July August	February March April May June	February March April May June
March 31 No Coverage Month - April	April - September	May June July August September	May June July August September	February March April May June	February March April May June	May June July August September	March April May June July	March April May June July
April 30 No Coverage Month - May	May - October	June July August September October	June July August September October	March April May June July	March April May June July	June July August September October	April May June July August	April May June July August
May 31 No Coverage Month - June	June - November	July August September October November	July August September October November	April May June July August	April May June July August	July August September October November	May June July August September	May June July August September
June 30 No Coverage Month - July	July - December	August September October November December	August September October November December	May June July August September	May June July August September	August September October November December	June July August September October	June July August September October

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
Sales			<i>Farrow-to-Finish</i>			<i>SEW/Finishing</i>		
Closing Date	Insurance Period	Insurance Month	Hog Price	Feed Price		Hog Price	Feed Price	
				Corn	Soymeal		Corn	Soymeal
July 31 No Coverage Month - August	August - January	September October November December January	September October November December January	June July August September October	June July August September October	September October November December January	July August September October November	July August September October November
August 31 No Coverage Month - September	September - February	October November December January February	October November December January February	July August September October November	July August September October November	October November December January February	August September October November December	August September October November December
September 30 No Coverage Month - October	October - March	November December January February March	November December January February March	August September October November December	August September October November December	November December January February March	September October November December January	September October November December January
October 31 No Coverage Month - November	November - April	December January February March April	December January February March April	September October November December January	September October November December January	December January February March April	October November December January February	October November December January February
November 30 No Coverage Month - December	December - May	January February March April May	January February March April May	October November December January February	October November December January February	January February March April May	November December January February March	November December January February March
December 31 No Coverage Month - January	January - June	February March April May June	February March April May June	November December January February March	November December January February March	February March April May June	December January February March April	December January February March April