

LIVESTOCK GROSS MARGIN (LGM-DAIRY) INSURANCE



<https://bit.ly/UI DairyRM>

PROGRAM OVERVIEW

Protects against loss of Gross Margin

GROSS MARGIN = Milk Price - Feed Costs

- LGM-Dairy Protects when Gross Margin Drops: **MILK PRICES Drop and/or FEED COSTS Rise**

*LGM does **NOT** protect against cattle death loss or any other cause of production loss.

HOW IT WORKS

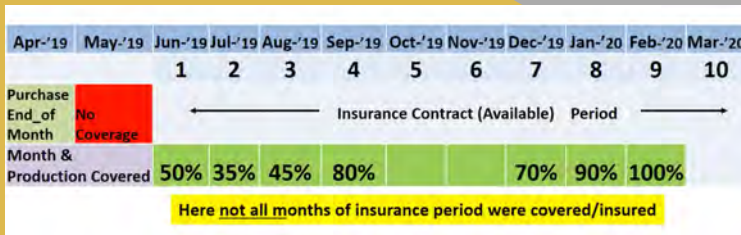
LGM Dairy uses daily futures - Dairy uses daily futures prices from Chicago Mercantile Exchange (CME) to determine **Gross Margin**

- Class III for Milk
- Corn
- Soybean

Sets a **FLOOR** for Milk Price and a **CEILING** for feed costs

PURCHASING CRITERIA

It can be purchased up to 12 times a year. Each insurable contract's period is for milk production that markets over the following 11 months rolling period, though it covers 10 months or less. For example, insuring milk at end of April 2019



Each contract is purchased on the last business Friday of every month.

A report detailing the target marketings of milk, the corn, and soybean meal equivalents (to produce that milk in cwt) must be submitted to the LGM insurance agent.

TO FIND MORE INFORMATION VISIT:
[HTTPS://BIT.LY/UI DAIRYRM](https://bit.ly/UI DairyRM)

