



Conservation Compliance

Properly filing the AD-1026 form (for compliance with the Highly Erodible Land Conservation (HELC) and Wetland Conservation) with the FSA office is required to qualify for a premium under LRP.

Eligibility and Requirements

To qualify for LRP, you must have an ownership share in eligible livestock in a licensed state. LRP is available in all 50 states.

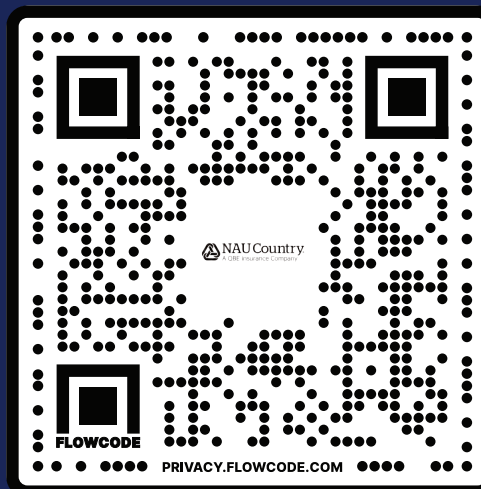
To receive an indemnity the insured must provide proof of ownership, sales records, and number of head insured.

Sales Periods

Premium rates, coverage prices, and actual ending values are posted online daily.

- LRP will be unavailable if the program reaches the national maximum underwriting capacity, as established by FCIC.
- Sales periods run on non-holiday weekdays from the time market closes in the afternoon until 8:25 a.m. CT the following morning.

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Our commitment to you

We take pride in being a customer-focused organization through our expertise, engagement, and insight. Our commitment to service has never wavered and with our parent company, QBE Insurance Group, we can provide the best financial stability.

For more information about the process described in this brochure, consult your NAU Country Agent or policy provisions today!

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This brochure is only an overview of the described product. It does not include all features, exclusions, or limitations.

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Livestock Risk Protection - Cattle & Swine

Protection against unexpected future declines in the market of cattle and swine.

Livestock Risk Protection (LRP)

The only peril covered under LRP is unexpected future decline in market value of cattle and swine. A drop in a sale price that a producer receives personally will not create an indemnity under LRP.

LRP coverage sales are typically offered every market trading day. These begin in the afternoon, shortly after market close, and run until 8:25 a.m. CT the following morning.

Coverage is purchased via one-time transactions called Specific Coverage Endorsements (SCE). Multiple SCEs can be purchased throughout the year. Terms of coverage indicated on the SCE include: the number of head being covered, CWT/head anticipated at the end of the term, the length of coverage (in weeks), expected value of the livestock in the future, the level of that expected value the producer wishes to insure and the rate of insurance that corresponds with the selected length, and level of coverage.

Coverage is available for Feeder Cattle and Swine unborn livestock*, as long as the livestock are born before the SCE end date.

***Unborn Livestock Definition:** Livestock not born on the effective date, but expected to be marketed before the end date.

Feeder Cattle

Four different types of Feeder Cattle are identified under LRP. There are two weight classes for each of the four types. Terms will vary depending on the type and weight selected. The four available types of Feeder Cattle are Steers 1 & 2, Heifers 1 & 2, Brahman 1 & 2, and Dairy 1 & 2.

The market utilized to determine if losses have occurred on a LRP Feeder Cattle policy is the Chicago Mercantile Exchange (CME). The CME Index is based on 6.0 - 9.0 cwt steers.

Fed Cattle

Unlike Feeder Cattle, there is no subtype identified under Fed Cattle.

The market utilized to determine if losses have occurred on an LRP Fed Cattle policy is the Agricultural Marketing Service (AMS). Fed Cattle is expected to carry a yield grade of 1 - 3 and grade select or higher.

Swine

The market utilized to determine if losses have occurred on a LRP Swine policy is the Chicago Mercantile Exchange (CME).

Swine is considered on a lean (carcass) weight basis. Meaning, we utilize a factor of 74% of the live weight of the animal when selecting terms of coverage.

Subsidy Factors

Subsidy Percentages					
LRP - Feeder Cattle LRP - Fed Cattle LRP - Swine					
Coverage Level	70% - 79.99%	80% - 84.99%	85% - 89.99%	90% - 94.99%	95% - 100%
Subsidy	55%	50%	45%	40%	35%

Indemnity Example**

Cattle coverage is calculated using a live hundred-weight (cwt): # of livestock × live cwt × price × share.

For the examples below, assume the insured owns all the livestock.

Cattle

Coverage	500 × 10 cwt × \$175 = \$875,000
Actual value	500 × 10 cwt × \$170 = (\$850,000)
Indemnity	\$25,000

Swine

Coverage	2000 × 1.9 cwt × \$122 = \$463,600
Actual value	2000 × 1.9 cwt × \$119 = (\$452,200)
Indemnity	\$11,400

****Reminder:** Proof of ownership, sales records, and number of head insured documentation is required.

	Coverage Levels Potentially Available ^a	Coverage Lengths Potentially Available ^c	Maximum Number of Head per SCE/Year	Targeted Weight at end of Coverage
Feeder Cattle, Weight 1 ^a	70% - 100%	13, 17, 21, 26, 30, 34, 39, 43, 47, 52	12,000 / 25,000	1.00 - 5.99 cwt
Feeder Cattle, Weight 2	70% - 100%	13, 17, 21, 26, 30, 34, 39, 43, 47, 52	12,000 / 25,000	6.00 - 10.00 cwt
Fed Cattle	70% - 100%	13, 17, 21, 26, 30, 34, 39, 43, 47, 52	12,000 / 25,000	10.00 - 16.00 cwt
Cull Cows	70% - 100%	13	12,000 / 25,000	8.00 - 15.00 cwt
Unborn Calves	70% - 100%	13, 17, 21, 26, 30, 34, 39, 43	12,000 / 25,000	0.60 - 0.99 cwt
Swine ^a	70% - 100%	13, 17, 21, 26, 30, 34, 39, 43, 47, 52	70,000 / 750,000	1.40 - 2.60 lean cwt

^a - Includes Unborn Types.

^b - Not all coverage levels are guaranteed to be available during each sales period.

^c - Contract lengths may not be available for all types. Not all contract lengths are guaranteed to be available during each sales period.