



Livestock Risk Protection (LRP) for Dairy

Whether you raise dairy-beef cross calves, sell them as day-olds, or you're looking to protect the price on your cull cows, LRP is now applicable for your dairy operation.

What is LRP?

LRP protects against a decrease in beef cattle prices while keeping the top side open. Expected prices are derived from the CME Feeder Cattle Futures and ending values are derived from the CME Feeder Index. LRP protects national market price volatility and does not cover basis risk.

Feeder Cattle Futures - Quotes

MONTH	OPTIONS	CHART	LAST	CHANGE
AUG 2025 GFQ5	OPT		325.800	+3.525 (+1.09%)
SEP 2025 GFU5	OPT		325.900	+3.525 (+1.09%)
OCT 2025 GFV5	OPT		324.075	+3.600 (+1.12%)

Feeder Cattle

View daily price data for the CME Group Feeder Cattle Index used to settle CME Group Feeder Cattle futures and options. Posted daily in the U.S. afternoon with a lag of one business day.

DATE	PRICE
Ju1 10 2025	323.37
Ju1 09 2025	321.84
Ju1 08 2025	316.76

For live Feeder Cattle Futures prices scan code or visit:
www.cmegroup.com



LRP Specifics:

- Daily offers are available when the CME is open except for Cattle on Feed Report days
 - Coverage must be placed prior to 7:25 am MT the following morning

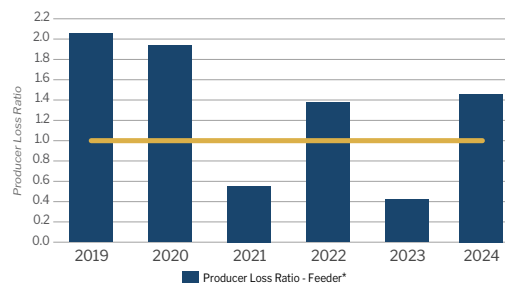
Coverage Level	Subsidy Level (Reducing your cost)
95%-100%	35%
90%-94.9%	40%
85%-89.9%	45%
80%-84.9%	50%
75%-79.9%	55%

- Coverage levels range from 75% to 100%
- Premiums are **subsidized** and due approximately 2 months **after** the LRP end date.
- Minimum number under one endorsement per type: **1 head**
- Maximum number insured for any crop year per type: **25,000 head** (i.e. 25k Feeder & 25k Fed)

How has LRP Performed?

- 119M** net returned to producers in 2024 RY
- *Producer Loss Ratio: Total Indemnities/Producer Paid Premium. If the loss ratio is higher than 1, on average producers net benefitted

Producer Net Benefit - Feeder Cattle



Credit: RMA

Scan for more information about LRP or other crop insurance products



The following 3 hypothetical examples utilize an LRP sales date of **6/10/25** and an end date of **9/9/25** and apply the appropriate Price Adjustment Factor (PAF). The example assumes a market drop of 10% from the Steer Weight 2 price of **\$312.88** as derived from the CME Feeder Cattle Futures.

Raising Dairy-Beef Cross Calves				Steers Weight 2 Example		
Feeder Cattle Types	Target Weight	PAF	Endorsement Lengths (week)		Per CWT	Per Head
Unborn Bulls & Heifers (2)	6-9 cwt	.95	30, 34, 39, 43, 47, 52	Guarantee Price Elected	\$ 323.92	\$ 2,267
Unborn Bulls & Heifers (1)	< 6 cwt	1.05	13,17,21,26, 30, 34, 39, 43, 47, 52	Producer Premium	\$ 7.76	\$ 54
Heifers Weight 1	< 6 cwt	1		Net Guarantee	\$ 316.16	\$ 2,213
Heifers Weight 2	6-10 cwt	0.9		Hypothetical Ending Value	\$ 291.53	\$ 2,041
Steers Weight 1	< 6 cwt	1.1		Net Indemnity	\$ 24.63	\$ 172
Steers Weight 2	6-10 cwt	1				
Target Lbs Elected			700			
Price Adjustment Factor			100%			

- Must have ownership of calves at least 60 days prior to end date, and you can maintain ownership after end date

Day-Old Dairy-Cross Calves				Unborn Calves Example		
Feeder Cattle Types	Target Weight	PAF	Endorsement Lengths (week)		Per CWT	Per Head
Unborn Calves	.6-99 cwt	*400%	13,17,21,26,30,34,39,43	Target Lbs Elected	90	
<small>*Each end month will have it's own PAF that will be updated monthly</small> <small>Credit: Bozic LLC</small> Price Ratio: Feeder Dairy Calves - Beef Cross / CME Feeder Cattle Index				Price Adjustment Factor	400%	
				Guarantee Price Elected	\$ 1,251.52	\$ 1,126
				Producer Premium	\$ 30.76	\$ 28
				Net Guarantee	\$ 1,220.76	\$ 1,099
				Hypothetical Ending Value	\$ 1,126.37	\$ 1,014
				Net Indemnity	\$ 94.39	\$ 85

- Must sell day-old calves no earlier than 30 days prior to end date and no later than 30 days after the end date and within 2 weeks of birth
- Dairy-on-Dairy calves are not eligible for this type

Dairy Cull Cows				Cull Cows Examples		
Feeder Cattle Types	Target Weight	PAF	Endorsement Lengths (week)		Per CWT	Per Head
Cull Cows	8-17 cwt	*0.45	13, 17, 21, 26, 30, 34, 39, 43, 47, 52	Target Lbs Elected	1500	
<small>*Each end month will have it's own PAF that will be updated annually</small> <small>Credit: Bozic LLC</small> LRP Cull Cows Seasonal Price Adjustment Factor				Price Adjustment Factor	45%	
				Guarantee Price Elected	\$ 140.80	\$ 2,112
				Producer Premium	\$ 3.46	\$ 52
				Net Guarantee	\$ 137.34	\$ 2,060
				Hypothetical Ending Value	\$ 126.72	\$ 1,901
				Net Indemnity	\$ 10.62	\$ 159

- Must market cull cows no earlier than 60 days before the end date and no later than 60 days after the end date