



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 GFQS	OPT		312.675	+1.025 (+0.33%)
SEP 2025 GFUS	OPT		312.100	+1.400 (+0.45%)
OCT 2025 GFVS	OPT		309.875	+1.500 (+0.49%)

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
Jun 06 2025	310.46
Jun 05 2025	306.16
Jun 04 2025	304.86

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%

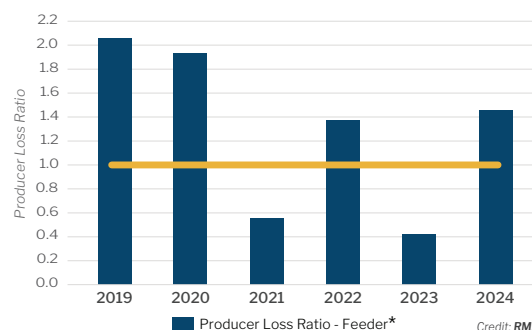
- Coverage options range from 75% to 100%
- Premiums are **subsidized** and due approximately 2 months **after** the LRP end date.
- Minimum number under one endorsement per type: **1 head**
- Maximum number insured for any crop year per type: **25,000 head** (i.e. 25k Feeder & 25k Fed)

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



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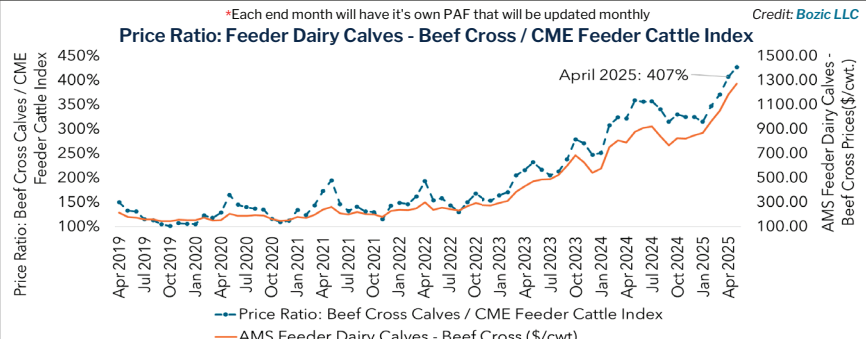
Scan for more information about LRP or other crop insurance products



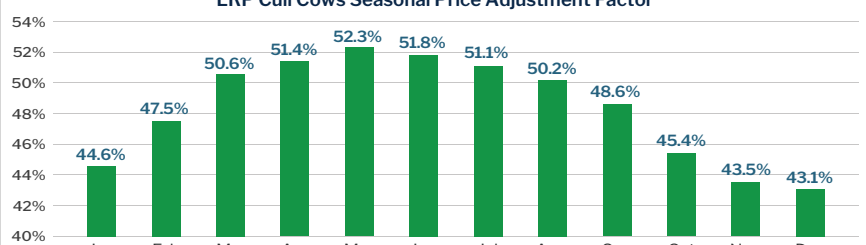
The following 3 hypothetical examples utilize an LRP sales date of **6/10/25** and an end date of **9/9/25** and apply the appropriate Price Adjustment Factor (PAF). The example assumes a market drop of 10% from the Steer Weight 2 price of **\$312.88** as derived from the CME Feeder Cattle Futures.

Raising Dairy-Beef Cross Calves				Steers Weight 2 Example		
Feeder Cattle Types	Target Weight	PAF	Endorsement Lengths (week)	Target Lbs Elected	700	
Unborn Bulls & Heifers	<5.99 cwt	1.05	13,17,21,26,30, 34,39,43,47,52	Price Adjustment Factor	100%	
Heifers Weight 1	<6 cwt	1			Per CWT	Per Head
Heifers Weight 2	6-10 cwt	0.9		Guarantee Price Elected	\$ 312.88	\$ 2,190
Steers Weight 1	<6 cwt	1.1		Producer Premium	\$ 7.69	\$ 54
Steers Weight 2	6-10 cwt	1		Net Guarantee	\$ 305.19	\$ 2,136
				Hypothetical Ending Value	\$ 281.59	\$ 1,971
			Net Indemnity	\$ 23.60	\$ 165	

- 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)	Target Lbs Elected		
Unborn Calves	.6-.99 cwt	*400%	13,17,21,26,30, 34,39	Price Adjustment Factor	400%	
<p>*Each end month will have it's own PAF that will be updated monthly</p> <p>Price Ratio: Feeder Dairy Calves - Beef Cross / CME Feeder Cattle Index</p>  <p>April 2025: 407%</p> <p>Price Ratio: Beef Cross Calves / CME Feeder Cattle Index</p> <p>AMS Feeder Dairy Calves - Beef Cross (\$/cwt.)</p>					Per CWT	Per Head
				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)	Target Lbs Elected		
Cull Cows	8-15 cwt	*0.45	13	Price Adjustment Factor	45%	
<p>*Each end month will have it's own PAF that will be updated annually</p> <p>LRP Cull Cows Seasonal Price Adjustment Factor</p>  <p>Jan: 44.6%, Feb: 47.5%, Mar: 50.6%, Apr: 51.4%, May: 52.3%, Jun: 51.8%, Jul: 51.1%, Aug: 50.2%, Sep: 48.6%, Oct: 45.4%, Nov: 43.5%, Dec: 43.1%</p>					Per CWT	Per Head
				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