

## Commodity Exchange Endorsement for Livestock Gross Margin for Cattle

This endorsement contains the exchange prices that are used to set expected and actual prices for LGM for Cattle. The relevant exchange prices are determined by the closing month of the policy. The closing month is determined by the month of the first day of the sales period. For example, if LGM for Cattle has sales periods that begin on January 7, 14, 21, and 28, the closing month of all of these sales periods is January. To find the relevant commodity exchange prices for LGM for Cattle, choose a closing month (in Column 1). The closing month determines the insurance period (in Column 2). Within each insurance period, the insurance months are shown in Column 3, and the relevant cattle and feed months are shown in Columns 4-9 (Columns 4-6 for yearling finishing operations, Columns 7-9 for calf finishing operations). Commodity exchange contract months are shown in **bold**. All cattle prices are expressed in dollars per hundredweight; all corn prices are expressed in dollars per bushel.

For example, given a sales period beginning January 28, the closing month is January and the insurance period runs from February to December. This insurance period contains the insurance months of February, March, April, May, June, July, August, September, October, November, and December. The month of February is the first month of the insurance period but no marketings will be insured in February. You will not be allowed to insure cattle the first month of any insurance period. Coverage begins on your cattle one full calendar month following the sales closing date, unless otherwise specified in the Special Provisions, provided the premium for the coverage has been paid in full.

Continuing the example with a sales period beginning January 28, coverage will begin on March 1. For the March insurance month, the expected cattle price is the March cattle price. Because March does not have a Live Cattle futures contract, the expected March cattle price is one-half times the simple average of the CME Group February cattle futures prices during the expected price measurement period which is the three trading days prior to and including January 28, plus one-half times the simple average of the CME Group April cattle futures prices during the same period. The expected feeder cattle price for yearling finishing operations for the March insurance month is the October feeder cattle price. Because October feeder cattle futures have expired, the expected feeder cattle price for the March insurance month is the simple average of daily settlement prices for the CME Group feeder cattle futures contract for October on the last three trading days prior to the day the contract expires. The expected corn price for yearling finishing operations for the March insurance month is the January corn price. Because January does not have a CME Group corn futures contract, the expected January corn price is two-thirds times the simple average of the CME Group December corn futures prices on the last three business days of December prior to contract expiration plus one-third times the simple average of the CME Group March corn futures prices during the expected price measurement period.

For the July insurance month (continuing the January 28 sales period example), the expected cattle price is the July cattle price. Because July does not have a Live Cattle futures contract, the expected July cattle price is one-half times the simple average of the CME Group June cattle futures prices during the expected price measurement period which is three trading days prior to and including January 28, plus one-half times the simple average of the CME Group August cattle futures prices during the same expected price measurement period. The expected feeder cattle price for yearling finishing operations for the July insurance month is the February feeder cattle price. Because February does not have a CME Group feeder cattle futures contract, the expected February feeder cattle price is one-half times the simple average of the daily settlement prices for the CME Group feeder cattle futures contract for January on the last three trading days prior to the day the contract expires plus one-half times the simple average of the CME Group March feeder cattle prices during the expected price measurement period. The expected corn price for yearling finishing operations for the July insurance month is the May corn price. Because May has a CME Group corn futures contract the expected corn price for May is the simple average of daily settlement prices for the CME Group corn futures contract for May during the expected price measurement period.

The sales period begins on the Thursday of the week when the coverage prices and rates are posted on the RMA website and ends at 9:00 AM Central Time of the following calendar day. Sales will not be available for purchase if the Thursday of the sales period is a federal holiday. If the expected gross margins are not available on the RMA website, LGM for Cattle will not be offered for sale for that insurance

period.

Table 1. Cycles within the insurance periods for LGM for Cattle Insurance

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9		
Sales Closing Month	Insurance Period	Insurance Month	Yearling Finishing			Calf Finishing				
			Live Cattle Price	Feeder Cattle Price	Corn Price	Live Cattle Price	Feeder Cattle Price	Corn Price		
January	February-December	March	March	<b>October</b>	January	March	July	November		
		April	<b>April</b>	<b>November</b>	February	<b>April</b>	<b>August</b>	<b>December</b>		
		May	May	December	<b>March</b>	May	<b>September</b>	January		
		June	<b>June</b>	<b>January</b>	April	<b>June</b>	<b>October</b>	February		
		July	July	February	<b>May</b>	July	<b>November</b>	<b>March</b>		
		August	<b>August</b>	<b>March</b>	June	<b>August</b>	December	April		
		September	September	<b>April</b>	<b>July</b>	September	<b>January</b>	<b>May</b>		
		October	<b>October</b>	<b>May</b>	August	<b>October</b>	February	June		
		November	November	June	<b>September</b>	November	<b>March</b>	<b>July</b>		
		December	<b>December</b>	July	October	<b>December</b>	<b>April</b>	August		
		February	March-January	April	<b>April</b>	<b>November</b>	February	<b>April</b>	<b>August</b>	<b>December</b>
				May	May	December	<b>March</b>	May	<b>September</b>	January
June	<b>June</b>			<b>January</b>	April	<b>June</b>	<b>October</b>	February		
July	July			February	<b>May</b>	July	<b>November</b>	<b>March</b>		
August	<b>August</b>			<b>March</b>	June	<b>August</b>	December	April		
September	September			<b>April</b>	<b>July</b>	September	<b>January</b>	<b>May</b>		
October	<b>October</b>			<b>May</b>	August	<b>October</b>	February	June		
November	November			June	<b>September</b>	November	<b>March</b>	<b>July</b>		
December	<b>December</b>			July	October	<b>December</b>	<b>April</b>	August		
January	January			<b>August</b>	November	January	<b>May</b>	<b>September</b>		
March	April-February			May	May	December	<b>March</b>	May	<b>September</b>	January
				June	<b>June</b>	<b>January</b>	April	<b>June</b>	<b>October</b>	February
		July	July	February	<b>May</b>	July	<b>November</b>	<b>March</b>		
		August	<b>August</b>	<b>March</b>	June	<b>August</b>	December	April		
		September	September	<b>April</b>	<b>July</b>	September	<b>January</b>	<b>May</b>		
		October	<b>October</b>	<b>May</b>	August	<b>October</b>	February	June		
		November	November	June	<b>September</b>	November	<b>March</b>	<b>July</b>		
		December	<b>December</b>	July	October	<b>December</b>	<b>April</b>	August		
		January	January	<b>August</b>	November	January	<b>May</b>	<b>September</b>		
		February	<b>February</b>	<b>September</b>	<b>December</b>	<b>February</b>	June	October		

Table 1. continued

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9		
Sales Closing Month	Insurance Period	Insurance Month	Yearling Finishing			Calf Finishing				
			Live Cattle Price	Feeder Cattle Price	Corn Price	Live Cattle Price	Feeder Cattle Price	Corn Price		
April	May-March	June	<b>June</b>	<b>January</b>	April	<b>June</b>	<b>October</b>	February		
		July	July	February	<b>May</b>	July	<b>November</b>	<b>March</b>		
		August	<b>August</b>	<b>March</b>	June	<b>August</b>	December	April		
		September	September	<b>April</b>	<b>July</b>	September	<b>January</b>	<b>May</b>		
		October	<b>October</b>	<b>May</b>	August	<b>October</b>	February	June		
		November	November	June	<b>September</b>	November	<b>March</b>	<b>July</b>		
		December	<b>December</b>	July	October	<b>December</b>	<b>April</b>	August		
		January	January	<b>August</b>	November	January	<b>May</b>	<b>September</b>		
		February	<b>February</b>	<b>September</b>	<b>December</b>	<b>February</b>	June	October		
		March	March	<b>October</b>	January	March	July	November		
		May	June-April	July	July	February	<b>May</b>	July	<b>November</b>	<b>March</b>
				August	<b>August</b>	<b>March</b>	June	<b>August</b>	December	April
September	September			<b>April</b>	<b>July</b>	September	<b>January</b>	<b>May</b>		
October	<b>October</b>			<b>May</b>	August	<b>October</b>	February	June		
November	November			June	<b>September</b>	November	<b>March</b>	<b>July</b>		
December	<b>December</b>			July	October	<b>December</b>	<b>April</b>	August		
January	January			<b>August</b>	November	January	<b>May</b>	<b>September</b>		
February	<b>February</b>			<b>September</b>	<b>December</b>	<b>February</b>	June	October		
March	March			<b>October</b>	January	March	July	November		
April	<b>April</b>			<b>November</b>	February	<b>April</b>	<b>August</b>	<b>December</b>		
June	July-May			August	<b>August</b>	<b>March</b>	June	<b>August</b>	December	April
				September	September	<b>April</b>	<b>July</b>	September	<b>January</b>	<b>May</b>
		October	<b>October</b>	<b>May</b>	August	<b>October</b>	February	June		
		November	November	June	<b>September</b>	November	<b>March</b>	<b>July</b>		
		December	<b>December</b>	July	October	<b>December</b>	<b>April</b>	August		
		January	January	<b>August</b>	November	January	<b>May</b>	<b>September</b>		
		February	<b>February</b>	<b>September</b>	<b>December</b>	<b>February</b>	June	October		
		March	March	<b>October</b>	January	March	July	November		
		April	<b>April</b>	<b>November</b>	February	<b>April</b>	<b>August</b>	<b>December</b>		
		May	May	December	<b>March</b>	May	<b>September</b>	January		

Table 1. continued

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9		
Sales Closing Month	Insurance Period	Insurance Month	Yearling Finishing			Calf Finishing				
			Live Cattle Price	Feeder Cattle Price	Corn Price	Live Cattle Price	Feeder Cattle Price	Corn Price		
July	August-June	September	September	<b>April</b>	<b>July</b>	September	<b>January</b>	<b>May</b>		
		October	<b>October</b>	<b>May</b>	August	<b>October</b>	February	June		
		November	November	June	<b>September</b>	November	<b>March</b>	<b>July</b>		
		December	<b>December</b>	July	October	<b>December</b>	<b>April</b>	August		
		January	January	<b>August</b>	November	January	<b>May</b>	<b>September</b>		
		February	<b>February</b>	<b>September</b>	<b>December</b>	<b>February</b>	June	October		
		March	March	<b>October</b>	January	March	July	November		
		April	<b>April</b>	<b>November</b>	February	<b>April</b>	<b>August</b>	<b>December</b>		
		May	May	December	<b>March</b>	May	<b>September</b>	January		
		June	<b>June</b>	<b>January</b>	April	<b>June</b>	<b>October</b>	February		
		August	September-July	October	<b>October</b>	<b>May</b>	August	<b>October</b>	February	June
				November	November	June	<b>September</b>	November	<b>March</b>	<b>July</b>
December	<b>December</b>			July	October	<b>December</b>	<b>April</b>	August		
January	January			<b>August</b>	November	January	<b>May</b>	<b>September</b>		
February	<b>February</b>			<b>September</b>	<b>December</b>	<b>February</b>	June	October		
March	March			<b>October</b>	January	March	July	November		
April	<b>April</b>			<b>November</b>	February	<b>April</b>	<b>August</b>	<b>December</b>		
May	May			December	<b>March</b>	May	<b>September</b>	January		
June	<b>June</b>			<b>January</b>	April	<b>June</b>	<b>October</b>	February		
July	July			February	<b>May</b>	July	<b>November</b>	<b>March</b>		
September	October-August			November	November	June	<b>September</b>	November	<b>March</b>	<b>July</b>
				December	<b>December</b>	July	October	<b>December</b>	<b>April</b>	August
		January	January	<b>August</b>	November	January	<b>May</b>	<b>September</b>		
		February	<b>February</b>	<b>September</b>	<b>December</b>	<b>February</b>	June	October		
		March	March	<b>October</b>	January	March	July	November		
		April	<b>April</b>	<b>November</b>	February	<b>April</b>	<b>August</b>	<b>December</b>		
		May	May	December	<b>March</b>	May	<b>September</b>	January		
		June	<b>June</b>	<b>January</b>	April	<b>June</b>	<b>October</b>	February		
		July	July	February	<b>May</b>	July	<b>November</b>	<b>March</b>		
		August	<b>August</b>	<b>March</b>	June	<b>August</b>	December	April		

Table 1. continued

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
Sales Closing Month	Insurance Period	Insurance Month	Yearling Finishing			Calf Finishing		
			Live Cattle Price	Feeder Cattle Price	Corn Price	Live Cattle Price	Feeder Cattle Price	Corn Price
October	November-September	December	<b>December</b>	July	October	<b>December</b>	<b>April</b>	August
		January	January	<b>August</b>	November	January	<b>May</b>	<b>September</b>
		February	<b>February</b>	<b>September</b>	<b>December</b>	<b>February</b>	June	October
		March	March	<b>October</b>	January	March	July	November
		April	<b>April</b>	<b>November</b>	February	<b>April</b>	<b>August</b>	<b>December</b>
		May	May	December	<b>March</b>	May	<b>September</b>	January
		June	<b>June</b>	<b>January</b>	April	<b>June</b>	<b>October</b>	February
		July	July	February	<b>May</b>	July	<b>November</b>	<b>March</b>
		August	<b>August</b>	<b>March</b>	June	<b>August</b>	December	April
		September	September	<b>April</b>	<b>July</b>	September	<b>January</b>	<b>May</b>
November	December-October	January	January	<b>August</b>	November	January	<b>May</b>	<b>September</b>
		February	<b>February</b>	<b>September</b>	<b>December</b>	<b>February</b>	June	October
		March	March	<b>October</b>	January	March	July	November
		April	<b>April</b>	<b>November</b>	February	<b>April</b>	<b>August</b>	<b>December</b>
		May	May	December	<b>March</b>	May	<b>September</b>	January
		June	<b>June</b>	<b>January</b>	April	<b>June</b>	<b>October</b>	February
		July	July	February	<b>May</b>	July	<b>November</b>	<b>March</b>
		August	<b>August</b>	<b>March</b>	June	<b>August</b>	December	April
		September	September	<b>April</b>	<b>July</b>	September	<b>January</b>	<b>May</b>
		October	<b>October</b>	<b>May</b>	August	<b>October</b>	February	June
December	January-November	February	<b>February</b>	<b>September</b>	<b>December</b>	<b>February</b>	June	October
		March	March	<b>October</b>	January	March	July	November
		April	<b>April</b>	<b>November</b>	February	<b>April</b>	<b>August</b>	<b>December</b>
		May	May	December	<b>March</b>	May	<b>September</b>	January
		June	<b>June</b>	<b>January</b>	April	<b>June</b>	<b>October</b>	February
		July	July	February	<b>May</b>	July	<b>November</b>	<b>March</b>
		August	<b>August</b>	<b>March</b>	June	<b>August</b>	December	April
		September	September	<b>April</b>	<b>July</b>	September	<b>January</b>	<b>May</b>
		October	<b>October</b>	<b>May</b>	August	<b>October</b>	February	June
		November	November	June	<b>September</b>	November	<b>March</b>	<b>July</b>