

MGR-20-014

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Date

May 27, 2020

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Martin R. Barbre, Administrator

Subject

Livestock Risk Protection for Lamb Data Series Change and Suspension of Sales

Background

The Agricultural Marketing Service (AMS) has suspended reporting of the National Weekly Slaughter Sheep Review (LM_LM352) formula price to comply with confidentiality requirements. Without the formula price being released by AMS, the Risk Management Agency (RMA) is unable to publish Actual Ending Values (AEV) on any active LRP-Lamb endorsements in a manner that reflects current market conditions to appropriately compensate insureds for the coverage purchased prior to the market impacts of COVID-19, which ultimately led the discontinuance of the National Weekly Slaughter Sheep Review (LM_LM352) formula price.

Action

On May 21, 2020, the Federal Crop Insurance Corporation Board of Directors suspended sales of the Livestock Risk Protection for Lamb due to data being unavailable to make offers and settle existing insurance contracts. Effective immediately, RMA will publish AEVs for active endorsements by replacing the National Weekly Slaughter Sheep Review (LM_LM352) formula price with the

comprehensive price when the formula price is not available. The comprehensive price includes formula price transactions in addition to negotiated prices and is designed by AMS to allow price reporting to continue during periods when the formula price report is suspended. Because the comprehensive price includes formula price transactions, it closely follows the formula price.

For any active LRP Lamb endorsements, when AMS has not published the formula price for the ending date of the endorsement and the previous four weeks, RMA will use the National Weekly Slaughter Sheep Review (LM_LM352) comprehensive price to calculate the actual ending value instead of the formula price. RMA will continue to use the formula price to determine the AEVs, as outlined in the policy, if AMS publishes the formula price on the ending date of the endorsement and the previous four weeks.

DISPOSAL DATE:

December 31, 2021