

# LGM-DAIRY

*at a glance.*



Livestock Gross Margin for Dairy Cattle (LGM Dairy) is a tool to help protect dairy farmers against the loss of gross margin between milk revenue and feed costs. Futures prices for Class III milk, corn and soybean meal are used to determine expected and actual gross margins. The actual price the producer receives for milk or pays for feed is not a factor.

*\*\* Note that producers cannot have LGM Dairy and Dairy Revenue Protection coverage in place within the same quarter.*

## AVAILABILITY

LGM Dairy is now available each week starting on Thursday afternoon until 9:00 a.m. CST the following Friday morning unless a holiday falls on that Thursday.

## DETERMINING COVERAGE

Producers choose which months to insure milk within the 10-month policy period and how much milk to insure for each month that they decide to cover. There are no minimum or maximum amounts that may be covered and the amount covered can vary from month to month. They will also need to determine the number of tons of corn and soybean meal to include in the margin calculation. Feed levels must fall within the minimum and maximum allowable ranges for the policy.



## DEDUCTIBLES AND PREMIUM SUBSIDIES

LGM Dairy is a subsidized insurance program. The subsidy level is determined by the deductible chosen. In order to receive the premium subsidy a minimum of two months must be covered.

Subsidy levels are as follows:

Deductible Amount (per cwt)	Subsidy
\$0.00	18%
\$0.10	19%
\$0.20	21%
\$0.30	23%
\$0.40	25%
\$0.50	28%
\$0.60	31%
\$0.70	34%
\$0.80	38%
\$0.90	43%
\$1.00	48%
\$1.10 - \$2.00	50%

## INSURANCE PERIODS

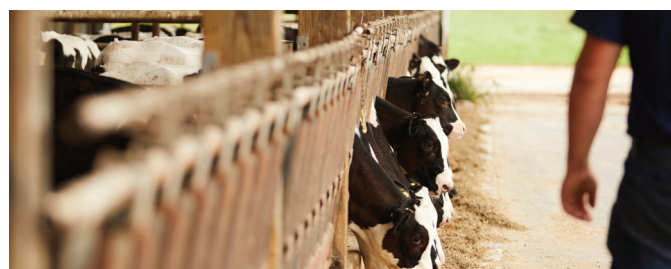
The chart below shows which months are available to cover during each sales closing month.

No Coverage Provided												Coverage Provided											
Calendar year		2022					2023												2024				
Sales closing month	Practice code	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Jul 2022	908																						
Aug 2022	909																						
Sep 2022	910																						
Oct 2022	911																						
Nov 2022	912																						
Dec 2022	901																						
Jan 2023	902																						
Feb 2023	903																						
Mar 2023	904																						
Apr 2023	905																						
May 2023	906																						
Jun 2023	907																						

## HOW TO CALCULATE YOUR GROSS MARGIN WITH LGM DAIRY

Milk Revenue		Feed Costs
Your Milk Production	-	Your Ration in Corn and SBM Equivalents
x		x
CME Class III Milk Price		CME Corn and SBM Prices

**GROSS MARGIN**  
(Milk Revenue - Feed Costs)



### TO LEARN MORE:

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[pages.compeer.com/text-message-consent.html](https://pages.compeer.com/text-message-consent.html)

## CAUSES OF LOSS

LGM Dairy provides coverage only for the difference between the actual gross margin and the gross margin guarantee resulting from unavoidable natural occurrences in market prices. This policy does not insure against death or other loss or destruction of your dairy cattle, or against any unexpected decline in milk production or other loss or damage of any kind whatsoever.

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