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Contact: Jo Lynne Seufer, 509-228-6320; [jo.lynne.seufer@rma.usda.gov](mailto:jo.lynne.seufer@rma.usda.gov)  
US Dept. of Agriculture Risk Management Agency

## Encouraging Participation Numbers in First Year of Pacific Northwest Livestock Risk Protection Program

SPOKANE, WASHINGTON, June 16, 2008 -- In June, 2007, Risk Management Agency (RMA) Spokane Regional Office announced the availability of the Livestock Risk Protection (LRP) program in all counties in Idaho, Oregon and Washington. LRP plans of insurance include Fed Cattle, Feeder Cattle, Lamb and Swine.

"Interest for the first year has been positive and we are encouraged by the participation of Pacific Northwest livestock producers." Dave Paul, Director of RMA's Spokane Regional Office stated, "RMA is committed to providing farmers and ranchers with quality risk management tools and we are excited to offer LRP again for the 2009 crop year, beginning July 1, 2008."

Current participation for the 2008 crop year (ending June 30, 2008) covers 117,059 head of livestock with \$17,740,380 in total coverage. To date, a total of \$108,530 in losses has been paid under the program in the Northwest.

LRP covers a change in price peril, protecting the policyholder against downward price risk during the insurance period. It does not cover any other peril (e.g., mortality, condemnation, physical damage, disease, individual marketing decisions, local price deviations, or any other cause of loss).

There are two steps involved in obtaining LRP coverage: 1) producers must submit an application. Once the application is approved, the livestock crop insurance provider will assign a policy number; and 2) the producer activates coverage at any time by applying for a Specific Coverage Endorsement (SCE). No insurance coverage is provided until the producer submits an SCE. Insurance will attach immediately upon RMA's confirmation of acceptance of the SCE.

Premiums are due on the day LRP insurance endorsement is purchased and includes a 13 percent USDA subsidy of the LRP premium. To determine a premium, the insured will select the appropriate insurance period corresponding to the expected sell or slaughter date; choose a coverage price based on the chosen coverage period; provide the number of livestock expected to be ready for sale or slaughter at the end date and the target weight at time of slaughter; and the percentage share of ownership in livestock to be insured.

Sales for the 2009 crop year will begin July 1, 2008 and continue through June 30, 2009 (or until the maximum underwriting capacity [as established by the Federal Crop Insurance Corporation] is reached). Cattle, swine and lamb producers are encouraged to contact a local livestock insurance agent to learn additional details. Federal crop insurance program policies are sold and delivered solely through private crop and livestock insurance companies. A list of livestock crop insurance agents is available at all USDA Service Centers throughout the U.S. or at the RMA Web site address: <http://www3.rma.usda.gov/tools/agents>