

**LIVESTOCK GROSS MARGIN (LGM)  
LIABILITY/PREMIUM CALCULATIONS**  
Edit Description

**Livestock Gross Margin (LGM)  
(Insurance Plan Code 82)**

**GROSS MARGIN GUARANTEE**

$$\begin{aligned}
 \text{EXPECTED GROSS MARGIN} &= (\text{TARGET\_MARKET\_2} * \text{EXP\_GROSS\_MARGIN\_2}) + \\
 &\quad (\text{Internal}) \qquad \qquad \qquad (\text{field 7}) \qquad \qquad \qquad (\text{field 17}) \\
 &+ (\text{TARGET\_MARKET\_3} * \text{EXP\_GROSS\_MARGIN\_3}) + (\text{TARGET\_MARKET\_4} * \\
 &\quad (\text{field 8}) \qquad \qquad \qquad (\text{field 18}) \qquad \qquad \qquad (\text{field 9}) \\
 &+ \text{EXP\_GROSS\_MARGIN\_4}) + (\text{TARGET\_MARKET\_5} * \text{EXP\_GROSS\_MARGIN\_5}) + \\
 &\quad (\text{field 19}) \qquad \qquad \qquad (\text{field 10}) \qquad \qquad \qquad (\text{field 20}) \\
 &+ (\text{TARGET\_MARKET\_6} * \text{EXP\_GROSS\_MARGIN\_6}) + (\text{TARGET\_MARKET\_7} * \\
 &\quad (\text{field 11}) \qquad \qquad \qquad (\text{field 21}) \qquad \qquad \qquad (\text{field 12}) \\
 &+ \text{EXP\_GROSS\_MARGIN\_7}) + (\text{TARGET\_MARKET\_8} * \text{EXP\_GROSS\_MARGIN\_8}) + \\
 &\quad (\text{field 22}) \qquad \qquad \qquad (\text{field 13}) \qquad \qquad \qquad (\text{field 23}) \\
 &+ (\text{TARGET\_MARKET\_9} * \text{EXP\_GROSS\_MARGIN\_9}) * (\text{TARGET\_MARKET\_10} * \\
 &\quad (\text{field 14}) \qquad \qquad \qquad (\text{field 24}) \qquad \qquad \qquad (\text{field 15}) \\
 &+ \text{EXP\_GROSS\_MARGIN\_10}) + (\text{TARGET\_MARKET\_11} * \text{EXP\_GROSS\_MARGIN\_11}) \\
 &\quad (\text{field 25}) \qquad \qquad \qquad (\text{field 16}) \qquad \qquad \qquad (\text{field 26})
 \end{aligned}$$

$$\text{GROSS\_MARGIN\_GUAR} = \text{EXPECTED GROSS MARGIN} - (\text{DEDUCTIBLE} * \\
 (\text{field 28}) \qquad \qquad \qquad (\text{Internal}) \qquad \qquad \qquad (\text{field 27})$$

$$\text{TOTAL TARGET MARKETINGS)} \\
 (\text{Internal})$$

**Note: Gross margin guarantee can be negative.**

**LIABILITY**

$$\text{LIABILITY} = \text{AVG CME PRICE} * 12.5 * \text{TOTAL TARGET MARKETINGS} \\
 (\text{field 29}) \qquad (\text{Internal}) \qquad \qquad \qquad (\text{Internal})$$

**LIVESTOCK GROSS MARGIN (LGM)  
LIABILITY/PREMIUM CALCULATIONS**  
Edit Description

**SIMULATED LOSSES**

SIMULATED GROSS MARGINS(i) =  
(Internal)

(SECOND MONTH GROSS MARGIN DRAW(i) \* TARGET\_MARKET\_2) +  
(Internal) (field 7)

(THIRD MONTH GROSS MARGIN DRAW(i) \* TARGET\_MARKET\_3) +  
(Internal) (field 8)

(FOURTH MONTH GROSS MARGIN DRAW(i) \* TARGET\_MARKET\_4) +  
(Internal) (field 9)

(FIFTH MONTH GROSS MARGIN DRAW(i) \* TARGET\_MARKET\_5) +  
(Internal) (field 10)

(SIXTH MONTH GROSS MARGIN DRAW(i) \* TARGET\_MARKET\_6) +  
(Internal) (field 11)

(SEVENTH MONTH GROSS MARGIN DRAW(i) \* TARGET\_MARKET\_7) +  
(Internal) (field 12)

(EIGHTH MONTH GROSS MARGIN DRAW(i) \* TARGET\_MARKET\_8) +  
(Internal) (field 13)

(NINTH MONTH GROSS MARGIN DRAW(i) \* TARGET\_MARKET\_9) +  
(Internal) (field 14)

(TENTH MONTH GROSS MARGIN DRAW(i) \* TARGET\_MARKET\_10) +  
(Internal) (field 15)

(ELEVENTH MONTH GROSS MARGIN DRAW(i) \* TARGET\_MARKET\_11)  
(Internal) (field 16)

**Note: (i) = 1,2,...., 5000**

SIMULATED\_LOSSES =  $\sum$  (MAX (GROSS\_MARGIN\_GUAR - SIMULATED GROSS MARGINS(i), 0))  
(field 30) (field 28) (Internal)

**Note: Negative simulated gross margins will be included.**

**TOTAL PREMIUM**

TOTAL\_PREMIUM = 1.03 \* (1/5,000) \* SIMULATED\_LOSSES  
(field 31) (field 30)

**PRODUCER PREMIUM**

PRODUCER\_PREMIUM = TOTAL\_PREMIUM  
(field 37) (field 31)

**Note: Subsidy not applicable for LGM.**

**LIVESTOCK GROSS MARGIN (LGM)  
LIABILITY/PREMIUM CALCULATIONS**  
Edit Description

<b>Tag</b>	<b>No.</b>	<b>Picture</b>	<b>Rounding</b>	<b>Description</b>
<TARGET_MARKET_2>	7	9(05)	whole number	Number of swine or cattle the insured expects to market in the second month of the insurance period.
<EXP_GROSS_MARGIN_2>	17	( + / - ) 9999.9999	per ADM	Expected Gross Margin per swine or cattle for Second Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.
<TARGET_MARKET_3>	8	9(05)	whole number	Number of swine or cattle the insured expects to market in the third month of the insurance period.
<EXP_GROSS_MARGIN_3>	18	( + / - ) 9999.9999	per ADM	Expected Gross Margin per swine or cattle for Third Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.
<TARGET_MARKET_4>	9	9(05)	whole number	Number of swine or cattle the insured expects to market in the fourth month of the insurance period.
<EXP_GROSS_MARGIN_4>	19	( + / - ) 9999.9999	per ADM	Expected Gross Margin per swine or cattle for Fourth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.
<TARGET_MARKET_5>	10	9(05)	whole number	Number of swine or cattle the insured expects to market in the fifth month of the insurance period.
<EXP_GROSS_MARGIN_5>	20	( + / - ) 9999.9999	per ADM	Expected Gross Margin per swine or cattle for Fifth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.
<TARGET_MARKET_6>	11	9(05)	whole number	Number of swine or cattle the insured expects to market in the sixth month of the insurance period.
<EXP_GROSS_MARGIN_6>	21	( + / - ) 9999.9999	per ADM	Expected Gross Margin per swine or cattle for Sixth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.
<TARGET_MARKET_7>	12	9(05)	whole number	Number of cattle the insured expects to market in the seventh month of the insurance period. Not applicable for swine.

**LIVESTOCK GROSS MARGIN (LGM)  
LIABILITY/PREMIUM CALCULATIONS**  
Edit Description

<b>Tag</b>	<b>No.</b>	<b>Picture</b>	<b>Rounding</b>	<b>Description</b>
<EXP_GROSS_MARGIN_7>	22	( + / - ) 9999.9999	per ADM	Expected Gross Margin per cattle for Seventh Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable. Not applicable for swine.
<TARGET_MARKET_8>	13	9(05)	whole number	Number of cattle the insured expects to market in the eighth month of the insurance period. Not applicable for swine.
<EXP_GROSS_MARGIN_8>	23	( + / - ) 9999.9999	per ADM	Expected Gross Margin per cattle for Eighth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable. Not applicable for swine.
<TARGET_MARKET_9>	14	9(05)	whole number	Number of cattle the insured expects to market in the ninth month of the insurance period. Not applicable for swine.
<EXP_GROSS_MARGIN_9>	24	( + / - ) 9999.9999	per ADM	Expected Gross Margin per cattle for Ninth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable. Not applicable for swine.
<TARGET_MARKET_10>	15	9(05)	whole number	Number of cattle the insured expects to market in the tenth month of the insurance period. Not applicable for swine.
<EXP_GROSS_MARGIN_10>	25	( + / - ) 9999.9999	per ADM	Expected Gross Margin per cattle for Tenth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable. Not applicable for swine.
<TARGET_MARKET_11>	16	9(05)	whole number	Number of cattle the insured expects to market in the eleventh month of the insurance period. Not applicable for swine.

**LIVESTOCK GROSS MARGIN (LGM)  
LIABILITY/PREMIUM CALCULATIONS**  
Edit Description

<b>Tag</b>	<b>No.</b>	<b>Picture</b>	<b>Rounding</b>	<b>Description</b>
<EXP_GROSS_MARGIN_11>	26	( + / - ) 9999.9999	per ADM	Expected Gross Margin per cattle for Eleventh Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable. Not applicable for swine.
EXPECTED GROSS MARGIN	Internal	9(10).99	dollars and cents	Sum of (Target Marketings by month times Expected Gross Margins by month).
<DEDUCTIBLE>	27	9(04)	NA	Deductible submitted.
TOTAL TARGET MARKETINGS	Internal	9(05)	NA	Sum of Target Marketings by month.
<GROSS_MARGIN_GUAR>	28	( + / - ) 9(10).99	dollar and cents	Expected Gross Margin minus (Deductible times Total Target Marketings). Symbols apply and only the negative symbol ( - ) will appear if applicable.
AVG CME PRICE	Internal	999.99	NA	3-Day Avg CME Cwt Price from ADM L Suffix P.
<LIABILITY>	29	9(10)	nearest whole dollar	The result of Avg CME Price times 12.5 times Total Target Marketings rounded to the nearest whole dollar.
SECOND MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 9999.99	per ADM	Second Month Gross Margin Draw from ADM L Suffix C.
THIRD MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 9999.99	per ADM	Third Month Gross Margin Draw from ADM L Suffix C.
FOURTH MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 9999.99	per ADM	Fourth Month Gross Margin Draw from ADM L Suffix C.
FIFTH MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 9999.99	per ADM	Fifth Month Gross Margin Draw from ADM L Suffix C.

**LIVESTOCK GROSS MARGIN (LGM)  
LIABILITY/PREMIUM CALCULATIONS**  
Edit Description

<b>Tag</b>	<b>No.</b>	<b>Picture</b>	<b>Rounding</b>	<b>Description</b>
SIXTH MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 9999.99	per ADM	Sixth Month Gross Margin Draw from ADM L Suffix C.
SEVENTH MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 9999.99	per ADM	Seventh Month Gross Margin Draw from ADM L Suffix C. Not applicable for swine.
EIGHTH MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 9999.99	per ADM	Eighth Month Gross Margin Draw from ADM L Suffix C. Not applicable for swine.
NINTH MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 9999.99	per ADM	Ninth Month Gross Margin Draw from ADM L Suffix C. Not applicable for swine.
TENTH MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 9999.99	per ADM	Tenth Month Gross Margin Draw from ADM L Suffix C. Not applicable for swine.
ELEVENTH MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 9999.99	per ADM	Eleventh Month Gross Margin Draw from ADM L Suffix C. Not applicable for swine.
SIMULATED GROSS MARGINS(i)	Internal	9(10).99	dollars and cents	Simulated Gross Margins(i) is the sum of (Gross Margin Draws(i) times Target Marketings by month).
<SIMULATED_LOSSES>	30	9(10).99	dollars and cents	Sum of (MAX (Gross Margin Guarantee minus Simulated Gross Margins(i)), 0).
<TOTAL_PREMIUM>	31	9(10)	nearest whole dollar	The result of 1.03 times (1/5,000) times Simulated Losses.
<PRODUCER_PREMIUM>	37	9(10)	nearest whole dollar	Producer Premium equals Total Premium.

**Note: (i) = 1,2,...., 5000**