

**LIVESTOCK GROSS MARGIN (LGM)  
INDEMNITY CALCULATIONS**  
Edit Description

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

**TOTAL GROSS MARGIN (ACTUAL)**

$$\begin{aligned}
 \text{TOT\_GROSS\_MARGIN} &= ((\text{TARGET MARKET 2} * \text{ACT\_GROSS\_MARGIN}_2) + \\
 &\quad (\text{field 23}) \qquad \qquad \qquad (\text{Internal}) \qquad \qquad \qquad (\text{field 13}) + \\
 &\quad (\text{TARGET MARKET 3} * \text{ACT\_GROSS\_MARGIN}_3) + (\text{TARGET MARKET 4} * \\
 &\quad \qquad \qquad (\text{Internal}) \qquad \qquad \qquad (\text{field 14}) \qquad \qquad \qquad (\text{Internal}) \\
 &\quad \text{ACT\_GROSS\_MARGIN}_4) + (\text{TARGET MARKET 5} * \text{ACT\_GROSS\_MARGIN}_5) + \\
 &\quad \qquad \qquad (\text{field 15}) \qquad \qquad \qquad (\text{Internal}) \qquad \qquad \qquad (\text{field 16}) \\
 &\quad (\text{TARGET MARKET 6} * \text{ACT\_GROSS\_MARGIN}_6) + (\text{TARGET MARKET 7} * \\
 &\quad \qquad \qquad (\text{Internal}) \qquad \qquad \qquad (\text{field 17}) \qquad \qquad \qquad (\text{Internal}) \\
 &\quad \text{ACT\_GROSS\_MARGIN}_7) + (\text{TARGET MARKET 8} * \text{ACT\_GROSS\_MARGIN}_8) + \\
 &\quad \qquad \qquad (\text{field 18}) \qquad \qquad \qquad (\text{Internal}) \qquad \qquad \qquad (\text{field 19}) \\
 &\quad (\text{TARGET MARKET 9} * \text{ACT\_GROSS\_MARGIN}_9) + (\text{TARGET MARKET 10} * \\
 &\quad \qquad \qquad (\text{Internal}) \qquad \qquad \qquad (\text{field 20}) \qquad \qquad \qquad (\text{Internal}) \\
 &\quad \text{ACT\_GROSS\_MARGIN}_{10}) + (\text{TARGET MARKET 11} * \text{ACT\_GROSS\_MARGIN}_{11})) \\
 &\quad \qquad \qquad (\text{field 21}) \qquad \qquad \qquad (\text{Internal}) \qquad \qquad \qquad (\text{field 22})
 \end{aligned}$$

**MARKET FACTOR and ADJUSTED INDEMNITY FLAG**

$$\begin{aligned}
 \text{MARKET FACTOR} &= \text{TOT\_ACTUAL\_MARKET} / \text{TOT TARGET MARKET} \\
 &\quad (\text{Internal}) \qquad \qquad \qquad (\text{field 12}) \qquad \qquad \qquad (\text{Internal}) \\
 &\quad (\text{Note})
 \end{aligned}$$

**Note: If Market Factor < .750 set Adjusted Indemnity Flag (field 24) to 'Y'; else, default Market Factor to 1.000 and set Adjusted Indemnity Flag to 'N'.**

**INDEMNITY**

$$\begin{aligned}
 \text{INDEMNITY\_AMOUNT} &= (\text{GROSS MARGIN GUAR} - \text{TOT\_GROSS\_MARGIN}) * \text{MARKET FACTOR} \\
 &\quad (\text{field 25}) \qquad \qquad \qquad (\text{Internal}) \qquad \qquad \qquad (\text{field 23}) \qquad \qquad \qquad (\text{Internal})
 \end{aligned}$$

$$\begin{aligned}
 \text{INDEMNITY\_REDUCT} &= 1.000 - \text{MARKET FACTOR} \\
 &\quad (\text{field 26})
 \end{aligned}$$

**Note: An indemnity is calculated and payable if Total Gross Margin is less than Gross Margin Guarantee.**

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<b>Tag</b>	<b>No.</b>	<b>Picture</b>	<b>Rounding</b>	<b>Description</b>
TARGET MARKET 2	Internal	9(05)	whole number	Target Marketings for Second Month reported on premium for swine or cattle.
<ACT_GROSS_MARGIN_2>	13	( + / - ) 9999.9999	per ADM	Actual 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	Internal	9(05)	whole number	Target Marketings for Third Month reported on premium swine or cattle.
<ACT_GROSS_MARGIN_3>	14	( + / - ) 9999.9999	per ADM	Actual 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	Internal	9(05)	whole number	Target Marketings for Fourth Month reported on premium swine or cattle.
<ACT_GROSS_MARGIN_4>	15	( + / - ) 9999.9999	per ADM	Actual 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	Internal	9(05)	whole number	Target Marketings for Fifth Month reported on premium swine or cattle.
<ACT_GROSS_MARGIN_5>	16	( + / - ) 9999.9999	per ADM	Actual 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	Internal	9(05)	whole number	Target Marketings for Sixth Month reported on premium swine or cattle.
<ACT_GROSS_MARGIN_6>	17	( + / - ) 9999.9999	per ADM	Actual 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	Internal	9(05)	whole number	Target Marketings for Seventh Month reported on premium for cattle. Not applicable for swine.
<ACT_GROSS_MARGIN_7>	18	( + / - ) 9999.9999	per ADM	Actual Gross Margin per cattle for Seventh Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable. Not applicable for swine.

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TARGET MARKET 8	Internal	9(05)	whole number	Target Marketings for Eighth Month reported on premium for cattle. Not applicable for swine.
<ACT_GROSS_MARGIN_8>	19	( + / - ) 9999.9999	per ADM	Actual 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	Internal	9(05)	whole number	Target Marketings for Ninth Month reported on premium for cattle. Not applicable for swine.
<ACT_GROSS_MARGIN_9>	20	( + / - ) 9999.9999	per ADM	Actual 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	Internal	9(05)	whole number	Target Marketings for Tenth Month reported on premium for cattle. Not applicable for swine.
<ACT_GROSS_MARGIN_10>	21	( + / - ) 9999.9999	per ADM	Actual 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	Internal	9(05)	whole number	Target Marketings for Eleventh Month reported on premium for cattle. Not applicable for swine.
<ACT_GROSS_MARGIN_11>	22	( + / - ) 9999.9999	per ADM	Actual Gross Margin per cattle for Eleventh Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable. Not applicable for swine.
<TOT_GROSS_MARGIN>	23	9(10)	whole number	Sum of (Target Marketings by month times Actual Gross Margin by month) for the insurance period.
<TOT_ACTUAL_MARKET>	12	9(05)	whole number	Total of Actual Marketings for insurance period.
TOT TARGET MARKET	Internal	9(05)	whole number	Total of Target Marketings for insurance period reported on premium.

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<b>Tag</b>	<b>No.</b>	<b>Picture</b>	<b>Rounding</b>	<b>Description</b>
MARKET FACTOR	Internal	9.999	3 decimal places	Result of (Total Actual Marketings divided by Total Target Marketings) if less than .750, else default to 1.000.
GROSS MARGIN GUAR	Internal	9(10)	whole number	Gross Margin Guarantee for insurance period reported on premium.
<INDEMNITY_AMOUNT>	25	9(10)	whole number	Indemnity must be greater than zero and the result of (Gross Margin Guarantee – Total Gross Margin) times Market Factor.
<INDEMNITY_REDUCT>	26	9.999	3 decimal places	Indemnity Reduction factor is the result of (1.000 – Market Factor).

**Note: An indemnity is calculated and payable if Total Gross Margin is less than Gross Margin Guarantee.**