April 22, 2008

INFORMATIONAL MEMORANDUM: PM-08-019.1

TO: All Approved Insurance Providers
    All Risk Management Agency Field Offices
    All Other Interested Parties

FROM: Tim B. Witt /s/Rodger M. Matthews, for.
      Deputy Administrator

SUBJECT: Availability of Revised Livestock Gross Margin Swine and Cattle, and
         Livestock Risk Protection-Lamb Insurance Policy Materials

BACKGROUND:

Livestock Gross Margin (LGM) uses a state basis to adjust futures prices for swine, cattle
and corn. The state cash prices used to calculate the state basis are provided by National
Agricultural Statistics Service (NASS) and published annually in February. Iowa
Agricultural Insurance Innovations updates the state basis numbers annually for LGM and
they are released in the applicable Commodity Exchange Endorsement (CEE).

The LGM policies have been revised to incorporate non-significant clarifications
recommended by approved insurance providers (AIP) and an insurance services
organization. The Frequently Asked Questions (FAQ) have been updated to reflect the
policy revisions, and the CEE updated to include the state basis numbers by month for
LGM cattle, corn, and swine.

Livestock Risk Protection-Lamb (LRP-Lamb) provides insurance against a decline in lamb
price. LRP Lamb policy materials have been revised to clarify that insured lambs are those
intended for eventual, not necessarily immediate, slaughter. Revised policy materials will
be effective beginning July 1, 2008 for the LRP 2009 reinsurance year.

ACTION:

The following updated LGM materials will be available on the RMA website by close of
business today and may be accessed from the Livestock page at:
http://www.rma.usda.gov/livestock/
LGM Swine

- Basic Policy (2009)
- Commodity Exchange Endorsement (2009)
- FAQ (2009)

LGM Cattle

- Basic Policy (2009)
- Commodity Exchange Endorsement (2009)
- FAQ (2009)

LRP Lamb

The following updated LRP materials will be available on the RMA website by close of business today and may be accessed from the Livestock page at:
http://www.rma.usda.gov/livestock/

- Basic Policy (2008)
- Lamb Specific Coverage Endorsement (SCE) (2009)
- Lamb Premium Calculation Instructions (2009)
- Lamb Underwriting Rules (2009)
- Lamb Questions and Answers (2009)
- LRP Handbook (Slipsheeted) (2009)

Additional livestock materials may be found at:

DISPOSAL DATE:

This Informational Memorandum is for the purpose of transmitting information and its disposal date is December 31, 2008.