

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

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

**GROSS MARGIN GUARANTEE**

EXPECTED GROSS MARGIN = (TARGET\_MARKET\_1 \* EXP\_GROSS\_MARGIN\_1) +  
(internal) (field 19) (field 25)

(TARGET\_MARKET\_2 \* EXP\_GROSS\_MARGIN\_2) + (TARGET\_MARKET\_3 \*  
(field 20) (field 26) (field 21)

EXP\_GROSS\_MARGIN\_3) + (TARGET\_MARKET\_4 \* EXP\_GROSS\_MARGIN\_4) +  
(field 27) (field 22) (field 28)

(TARGET\_MARKET\_5 \* EXP\_GROSS\_MARGIN\_5) + (TARGET\_MARKET\_6 \*  
(field 23) (field 29) (field 24)

EXP\_GROSS\_MARGIN\_6)  
(field 30)

GROSS\_MARGIN\_GUAR = EXPECTED GROSS MARGIN \* COVERAGE\_LEVEL  
(field 32) (internal) (field 31)

**LIABILITY**

LIABILITY = GROSS\_MARGIN\_GUAR  
(field 33) (field 32)

**SIMULATED LOSSES**

SIMULATED GROSS MARGINS(i) = (FIRST MONTH GROSS MARGIN DRAW(i) \*  
(internal)

TARGET\_MARKET\_1) + (SECOND MONTH GROSS MARGIN DRAW(i) \*  
(field 19)

TARGET\_MARKET\_2) + (THIRD MONTH GROSS MARGIN DRAW(i) \*  
(field 20)

TARGET\_MARKET\_3) + (FOURTH MONTH GROSS MARGIN DRAW(i) \*  
(field 21)

TARGET\_MARKET\_4) + (FIFTH MONTH GROSS MARGIN DRAW(i) \*  
(field 22)

TARGET\_MARKET\_5) + (SIXTH MONTH GROSS MARGIN DRAW(i) \*  
(field 23)

TARGET\_MARKET\_6)  
(field 24)

**Note: (i) = 1,2,..., 25000**

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$$\text{SIMULATED\_LOSSES (field 34)} = \sum (\text{MAX (GROSS\_MARGIN\_GUAR (field 32) - SIMULATED GROSS MARGINS(i), 0)})$$

**Note: only use simulated gross margins greater than zero in calculation**

**TOTAL PREMIUM**

$$\text{TOTAL\_PREMIUM (field 35)} = 1.03 * (1/25,000) * \text{SIMULATED LOSSES (field 34)}$$

**PRODUCER PREMIUM**

$$\text{PRODUCER\_PREMIUM (field 41)} = \text{TOTAL\_PREMIUM (field 35)}$$

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

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Tag	No.	Picture	Rounding	Description
<TARGET_MARKET_1>	19	9(05)	whole number	Number of swine the insured expects to market in the first month of the insurance period (Feb. or Aug.).
<EXP_GROSS_MARGIN_1>	25	( + / - ) 9999.9999	per ADM	Expected Gross Margin per swine for First Month from ADM L Suffix P. This is a signed field. Only the negative symbol ( - ) will appear if applicable.
<TARGET_MARKET_2>	20	9(05)	whole number	Number of swine the insured expects to market in the second month of the insurance period (Mar. or Sept.).
<EXP_GROSS_MARGIN_2>	26	( + / - ) 9999.9999	per ADM	Expected Gross Margin per swine for Second Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.
<TARGET_MARKET_3>	21	9(05)	whole number	Number of swine the insured expects to market in the third month of the insurance period (Apr. or Oct.).
<EXP_GROSS_MARGIN_3>	27	( + / - ) 9999.9999	per ADM	Expected Gross Margin per swine for Third Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.
<TARGET_MARKET_4>	22	9(05)	whole number	Number of swine the insured expects to market in the fourth month of the insurance period (May or Nov.).
<EXP_GROSS_MARGIN_4>	28	( + / - ) 9999.9999	per ADM	Expected Gross Margin per swine for Fourth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.
<TARGET_MARKET_5>	23	9(05)	whole number	Number of swine the insured expects to market in the fifth month of the insurance period (June or Dec.).
<EXP_GROSS_MARGIN_5>	29	( + / - ) 9999.9999	per ADM	Expected Gross Margin per swine for Fifth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.

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<TARGET_MARKET_6>	24	9(05)	whole number	Number of swine the insured expects to market in the sixth month of the insurance period. (July or Jan.)
<EXP_GROSS_MARGIN_6>	30	( + / - ) 9999.9999	per ADM	Expected Gross Margin per swine for Sixth Month from ADM L Suffix P. Only the negative symbol ( - ) will appear if applicable.
<EXPECTED GROSS MARGIN>	internal	9(10).99	dollars and cents	Sum of (Target Marketings by month times Expected Gross Margins by month).
<COVERAGE_LEVEL>	31	9.999999	NA	Valid coverage Levels are 0.800000, 0.850000, 0.900000, 0.950000, 1.000000. Within a practice (insurance period) the coverage level is by type without regards to county.
<GROSS_MARGIN_GUAR>	32	9(10).99	dollar and cents	Expected Gross Margin times Coverage Level.
<LIABILITY>	33	9(10)	nearest whole dollar	Gross Margin Guarantee to nearest whole dollar.
FIRST MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 999.999	per ADM	First Month Gross Margin Draw from ADM L Suffix C.
SECOND MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 999.999	per ADM	Second Month Gross Margin Draw from ADM L Suffix C.
THIRD MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 999.999	per ADM	Third Month Gross Margin Draw from ADM L Suffix C.
FOURTH MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 999.999	per ADM	Fourth Month Gross Margin Draw from ADM L Suffix C.
FIFTH MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 999.999	per ADM	Fifth Month Gross Margin Draw from ADM L Suffix C.
SIXTH MONTH GROSS MARGIN DRAW(i)	Internal	( + / - ) 999.999	per ADM	Sixth Month Gross Margin Draw from ADM L Suffix C.
SIMULATED GROSS MARGINS(i)	Internal	9(10).99	dollars and cents	Six month Simulated Gross Margins(i) is the sum of (Gross Margin Draws(i) times Target Marketings by month).

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<SIMULATED_ LOSSES>	34	9(10).99	dollars and cents	Sum of (MAX (Gross Margin Guarantee minus Simulated Gross Margins(i)), 0).
<TOTAL_PREMIUM>	35	9(10)	nearest whole dollar	The result of 1.03 times (1/25,000) times Simulated Losses.
<PRODUCER_PREMIUM>	41	9(10)	nearest whole dollar	Producer Premium equals Total Premium.

**Note: (i) = 1,2,..., 25000**