



News for Immediate Release

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New Swine Insurance Program Available for Pennsylvania Producers

First Monthly Enrollment Period Oct. 28-29

Harrisburg – A new risk management tool is available for Pennsylvania swine producers who want to protect their gross margin on swine sold for slaughter.

Livestock Gross Margin, or LGM, insurance for swine provides protection against unexpected declines in the gross margin, or the market value of swine sold for commercial or private slaughter minus feed costs.

The first enrollment period for the program is expected to be Oct. 28-29.

“Never before have Pennsylvania swine producers been able to take advantage of this type of risk management,” said Agriculture Secretary George Greig. “More than ever, producers need insurance because of increased financial risk, including rising feed costs and market volatility. LGM insurance can help swine producers ease the burden or narrowing margins and remain viable through difficult times.”

Policies are available on a month-to-month basis to insure some or all swine from one to five months each enrollment period. Producers pay varied premiums for deductibles from zero to \$2 per head, depending on the desired level of coverage. Prices are announced the last business Friday of each month and producers have until 9 p.m. the following evening to purchase a policy based on those prices.

A loss payment results when the expected gross margin exceeds the actual gross margin. Expected and actual gross margins are based on the market and actual values of the swine minus feed costs, including corn and soybean meal equivalents, using Chicago Mercantile Exchange futures and actual prices.

Producers should contact their crop insurance agent before the Oct. 28-29 enrollment deadline to purchase insurance. A list of agents can be found at www3.rma.usda.gov/apps/agents/.

For more information on Pennsylvania’s crop insurance education program, call 717-705-9511 or visit www.agriculture.state.pa.us and search “crop insurance.”

Media contact: Nicole L. C. Bucher, 717-787-5085

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