



**Dairy Insurance Product Update:
USDA Expands Dairy Insurance Program To Producers In Kentucky, New Mexico,
Tennessee, and Washington**

Source: USDA news release

USDA has expanded the Livestock Gross Margin insurance program for dairy cattle to producers in Kentucky, New Mexico, Tennessee and Washington, bringing the total number of states where this program is available to 33.

"Livestock Gross Margin provides convenience to producers who can sign up for the insurance 12 times per year and insure all their milk production they expect to market over a rolling 11-month insurance period," said RMA Acting Administrator William J. Murphy. "This is a customized product and can be tailored to any size farm and is considered a bundled option insurance, similar to buying both a call option to limit higher feed costs and a put option to set a floor on milk prices."

Livestock Gross Margin provides producers with protection against loss of gross margin -- market value of milk minus feed costs -- on milk produced from dairy cows. Livestock Gross Margin-Dairy uses the Chicago Mercantile Exchange Group futures prices for corn, soybean meal, and class III milk to determine the expected gross margin and the actual gross margin.

These policies will be available for sale for the 2010 crop year starting July 31, 2009. The Federal Crop Insurance Corporation Board of Directors approved the changes to the policy at its March 12, 2009, board meeting.

Other states where these policies are available include: Arizona, Colorado, Connecticut, Delaware, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Dakota, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin, and Wyoming.

For more information about the Livestock Gross Margin insurance policy for dairy cattle, see the RMA Web site at <http://www.rma.usda.gov>. For more information about the Federal Crop Insurance Corporation, see the RMA Web site at <http://www.rma.usda.gov/fcic>.