

Farm Planning

FOR THE FUTURE: LIVESTOCK INSURANCE

There are many types of livestock insurance, from those that protect large feedlots to policies that cover a 4-H project lamb headed to the local show. Careful planning and a meeting with your insurance agent can help you choose the policy that best suits your needs. Livestock insurance covers travel, death, feedlots and pastures, ocean travel, swine confinement, poultry, and even exotic animals, like elk, bison, llamas and alpacas.



Travel Insurance

Travel insurance covers basic damages to your animals that happen during travel. Common causes of damage include overturned trailers, hail, fire, lightning and wind. Additional coverage can also be purchased to cover load refusal endorsement (shipping fees if your load is refused). This insurance covers live animals, but also semen, embryos and related supplies.

Animal Mortality Coverage

Animal mortality coverage covers animal death from usual circumstances, like fire, wind, hail, theft, drowning and accidental shooting by someone other than the farm owner or his/her employee. Every policy is different. The same causes of death covered by your policy may not be the same as the causes of death covered under your neighbors' policies.

Major medical coverage can also be purchased for an additional price to cover veterinary expenses and surgeries. Other policies are available that cover surgery, colic surgery for horses and loss of use.

Feedlot and Pasture Insurance

This insurance covers things that may occur in a feedlot or pasture. This includes debris from falling aircraft, bridge and building collapse, attacks by wild dogs and electrocution. Additional policies are available that cover animals that die due to exposure to cold or the measles. In addition, there are policies that cover losses in the event animals are purchased and later found out to have been stolen or mortgaged.

Swine Confinement/Poultry Coverage

Swine or poultry insurance can be valuable to producers. It can cover power interruption, mechanical breakdown, reproductive impairment and loss of income.

Equine Insurance

Horses can have unique needs and insurance coverage is available to fit their needs. Equine insurance covers stallion infertility from accident, sickness and disease, stallion first season 60 percent infertility coverage, foal in-utero coverage, mare guaranteed conception and loss of use.



Livestock Insurance

This insurance is also available through the Federal Crop Insurance Program. There are two kinds: livestock risk protection and livestock gross margin.

Livestock risk protection covers risk of price decline for feeder cattle, fed cattle, lambs and swine. It provides producers an indemnity (payment from your insurance policy) if a regional or national cash price index falls below the insured coverage price. This insurance does not cover loss from death or lack of performance. Some benefits to having this insurance are:

- No minimum number of head needed to be insured
- No commission costs or brokers
- Guaranteed pricing

Livestock risk protection insures against declining prices only. It will not cover sick calves, severe cold, drought or an infertile bull.

Livestock gross margin insurance offers protection against a decline in the feeding margin for beef cattle, dairy cattle and swine. An indemnity is paid if the insured gross margin is greater than the total actual gross margin at the end of the insurance period. It does not offer protection if the margin is lost due to increases in livestock purchase price or labor. Swine policies come in three forms: farrow to finish, feeder pig and segregated early weaning (SEW).

When combined with crop insurance and farm insurance, livestock insurance can be an important part of protecting your farm and agribusiness.

Resources

Livestock insurance, when part of a comprehensive farm plan, can help alleviate the financial stress and strain caused by disasters. Livestock insurance is offered by the Federal government through independent insurance agents. For more information on livestock insurance, visit the USDA website on crop and livestock insurance at **www.usda.gov**. Type “USDA crop and livestock insurance” in the search box or call your regular farm property insurance provider.

The Small Farm Center, under the WVU Extension Service, was founded in 2009 and strives to increase the farmer’s bottom line by helping him/her retain more of the dollar spent on food in his/her community. Information specific to livestock insurance in West Virginia is available through the Small Farm Center at **<http://smallfarmcenter.ext.wvu.edu/cropinsurance>**. They can also be reached at **304-293-2642**.

More information is available through the Extension service at **http://anr.ext.wvu.edu/farm_management/livestock_risk_protection** or by contacting your local extension office. The USDA Risk Management Agency (the agency that offers the federal crop insurance program) offers up-to-date information including an agent or company locator, fact sheets, and a cost estimator. Visit **www.rma.usda.gov** or call **202-690-2803**.



West Virginia University

West Virginia AgrAbility is supported by the USDA Cooperative State Research, Education and Extension Service Special Project #2009-41590-05437.
All printed materials are available in braille, electronic format, CD and large print.
WVU is an Affirmative Action/Equal Opportunity Institution. 3/2012