Get the Most from Livestock Gross Margin for Dairy Insurance

With relatively stable production, uncertainty in milk and feed prices represent a major source of business risk in any dairy farm.

Available since 2008, Livestock Gross Margin for Dairy Cattle Insurance offers US dairy producers a way to help protect a defined level of income over feed cost.

Researchers at the University of Wisconsin have developed an optimization model to help producers choose the best strategy to incorporate Livestock Gross Margin for Dairy Insurance and help manage variability in net farm income. The use of the **least cost premium calculator** will save premium cost to the farmer at a defined level of farm's target income over feed cost.

Here it is how it works:

Example

Most important decision: Farmer determines farm's **target** milk income over feed cost	A farm needs at least **$5/cwt** of milk income over feed cost to break even other farm costs
↓	↓
Target milk income over feed cost is used with the **least cost premium calculator** optimization model	Farmer uses the least cost premium calculator found at: DairyMGT.uwex.edu, or Futures.aae.wisc.edu
↓	↓
The model will find the farm's monthly percentage of coverage to reach the target income over feed cost at the **minimum premium price**	The model **saves farmer 35%** of premium costs by using an optimized contract design of the Livestock Gross Margin for Dairy Insurance

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