LRP USAGE ACROSS TOP FEEDER CATTLE STATES: WHAT IS BEING USED AND WHERE?

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Jioh Park
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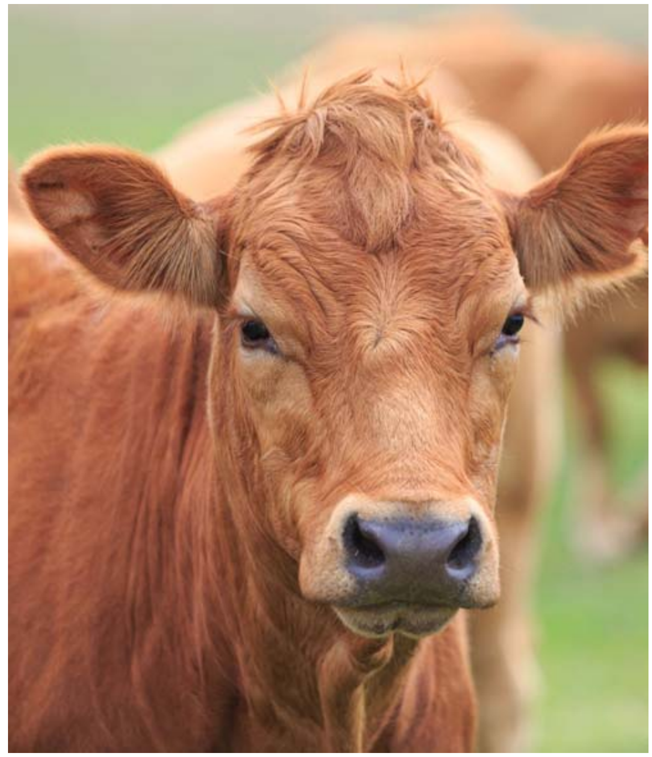
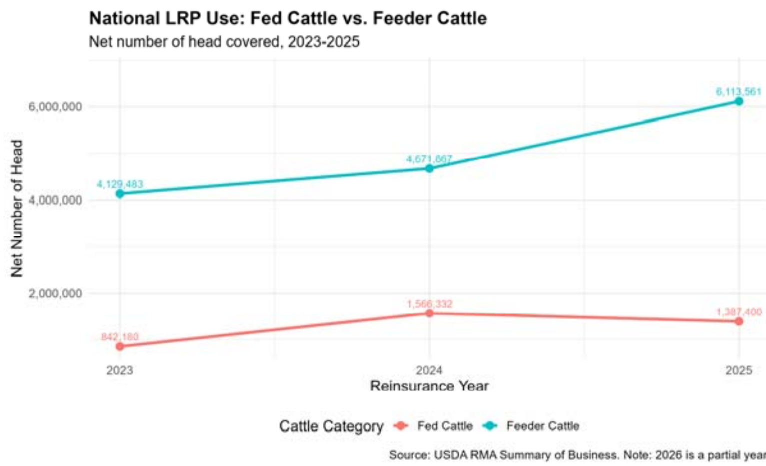


WHAT LRP IS DESIGNED TO PROTECT

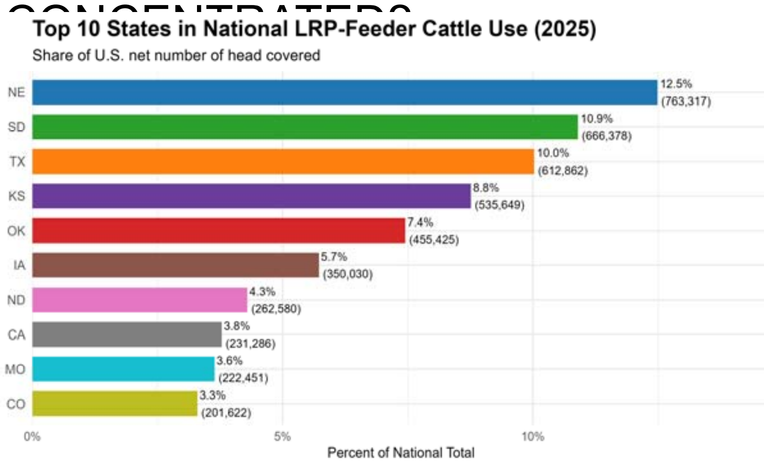
- LRP protects against downside price risk
- **Main idea:**
- Livestock Risk Protection helps establish a price floor
- Producers pay a premium for coverage
- Coverage applies to a selected number of animals
- Producers choose the coverage level and endorsement length
- If the market declines enough, LRP may generate an indemnity payment

FED CATTLE VS. FEEDER CATTLE USE

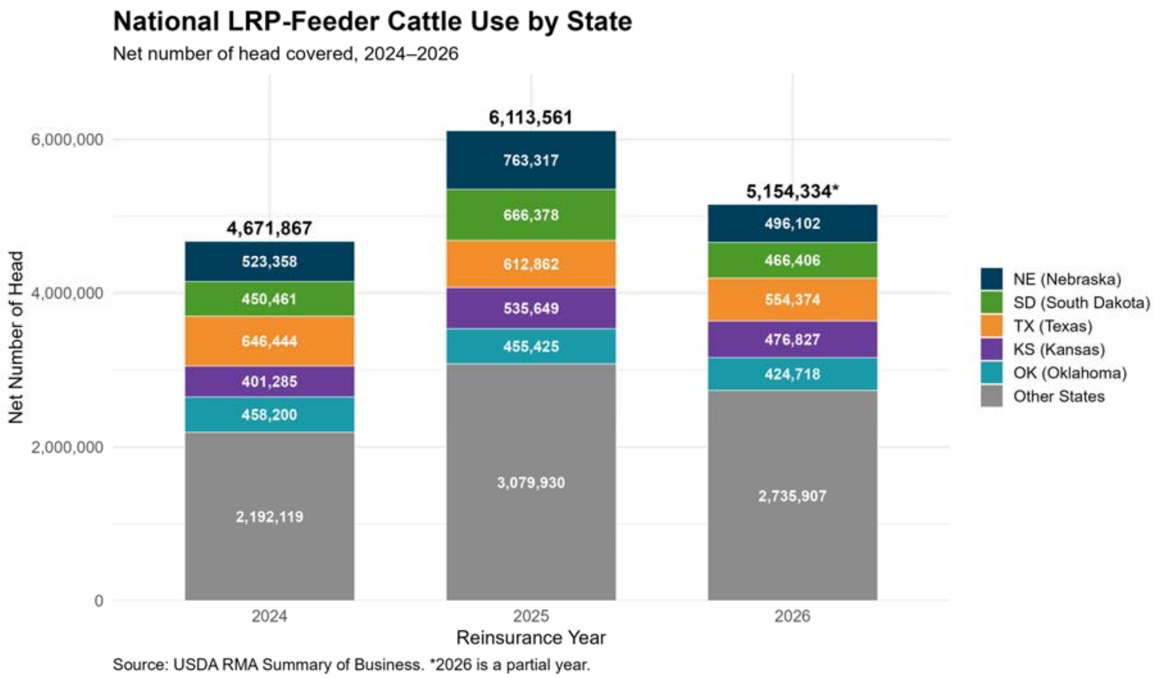
- Feeder cattle is the dominant LRP cattle category
- National feeder cattle coverage increased from 4.13 million head in 2023 to 6.11 million head in 2025
- Fed cattle coverage is much smaller than feeder cattle coverage
- Fed cattle increased in 2024, then declined slightly in 2025



WHERE IS LRP-FEEDER CATTLE USE CONCENTRATED?



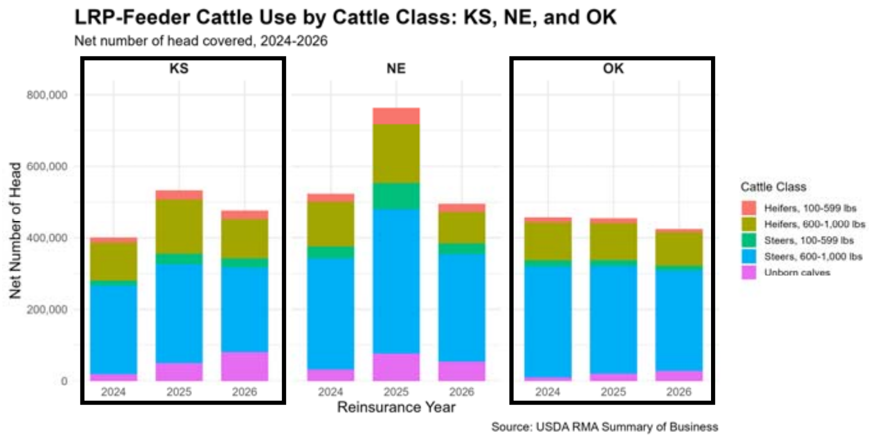
- LRP-Feeder Cattle use is concentrated in major cattle-producing states
- Nebraska, South Dakota, Texas, Kansas, and Oklahoma are top five states among the leading states (49.6%)
- These states provide a useful comparison group for understanding regional LRP use
- Redacted records are excluded from the state ranking



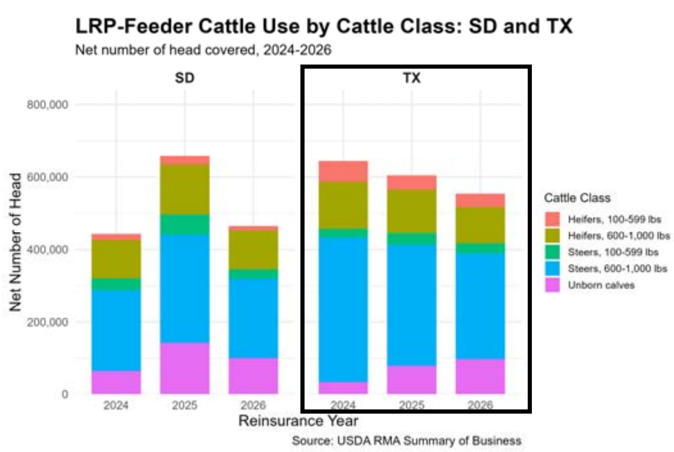
TYPES OF FEEDER CATTLE ARE BEING INSURED

- **LRP-Feeder Cattle coverage can be grouped by cattle class**
- **Main groups used in this analysis:**
- Steers, 600–1,000 lbs
- Heifers, 600–1,000 lbs
- Steers, 100–599 lbs
- Heifers, 100–599 lbs
- Unborn steers and heifers

LRP-FEEDER CATTLE USE BY CATTLE CLASS



LRP-FEEDER CATTLE USE BY CATTLE CLASS

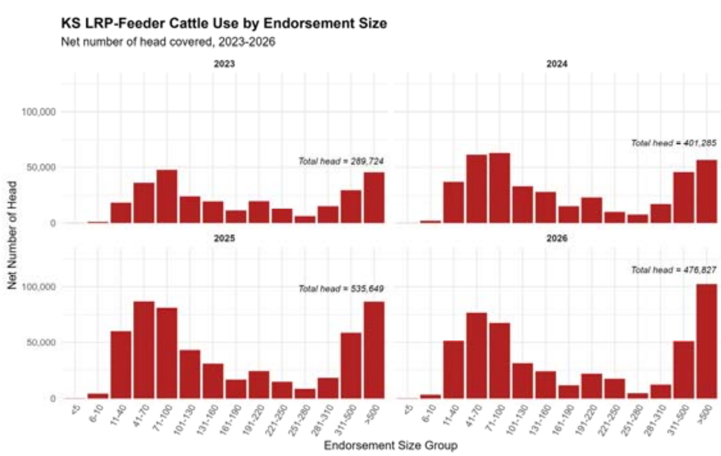


ENDORSEMENT SIZE: HOW IS LRP BEING USED?

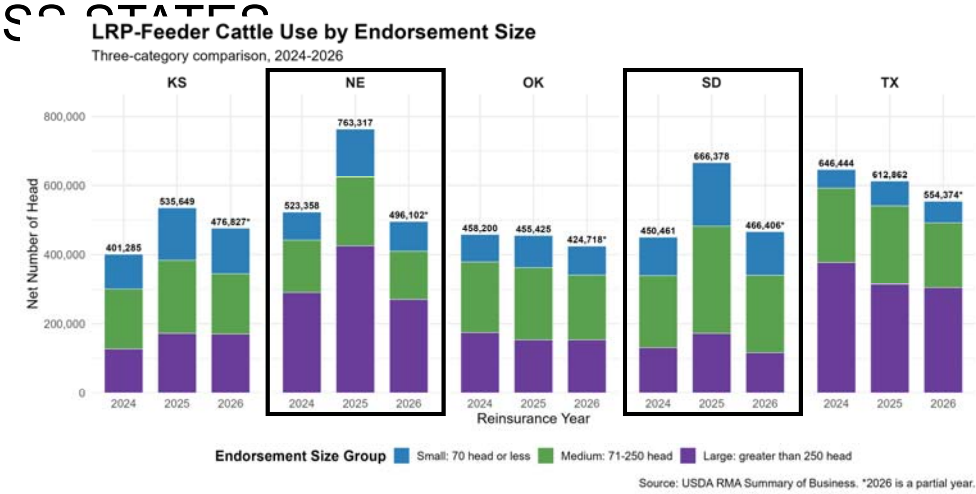
- Endorsement size shows the number of head covered in a single LRP purchase
- Smaller endorsements may reflect smaller marketing groups
- Smaller endorsements do not necessarily mean small operations
- Larger operations may use multiple smaller endorsements across different sale dates
- Endorsement size helps show how producers match LRP coverage to marketing decisions

ENDORSEMENT SIZE IN KANSAS

- Kansas use is spread across many endorsement-size groups
- Mid-size groups, especially 41–70 and 71–100 head, account for substantial coverage
- The 311–500 and greater than 500 head groups also represent large shares of net head
- Smaller endorsement sizes do not necessarily mean small operations



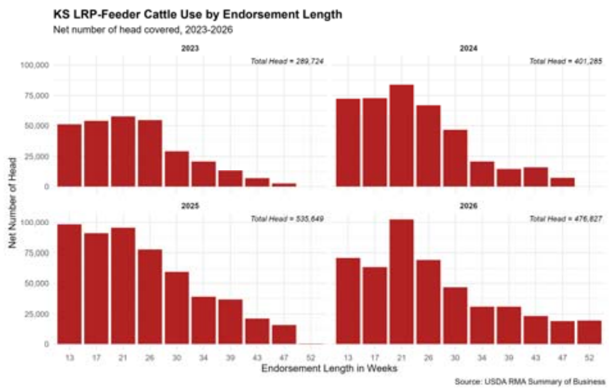
ENDORSEMENT SIZE PATTERNS DIFFER ACROSS STATES



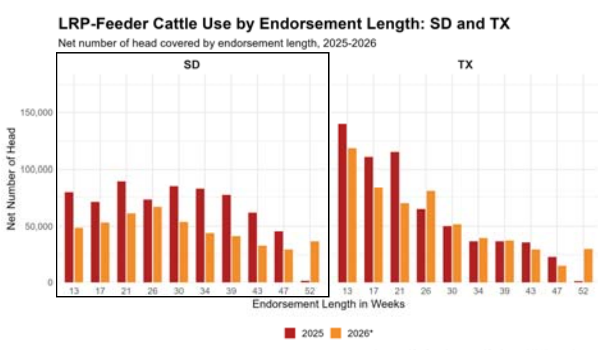
COVERAGE TIMING AND COVERAGE LEVEL

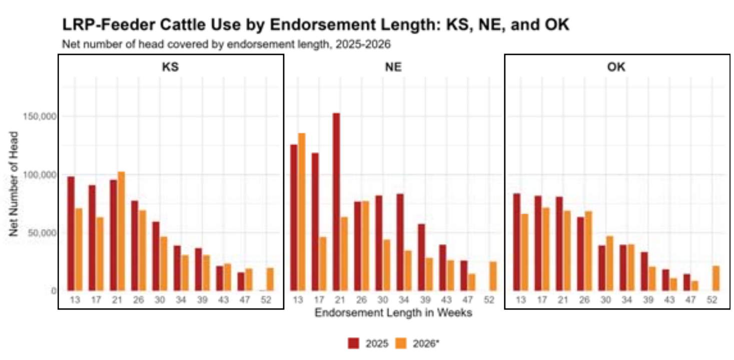
- Producers choose both coverage length and coverage level
- Endorsement length shows how far ahead producers protect cattle
- Coverage level shows how much of the expected price is protected
- These choices show marketing timing, risk tolerance, and premium cost
- They show how producers tailor LRP to their sale plans

ENDORSEMENT LENGTH SHOWS MARKETING TIMING

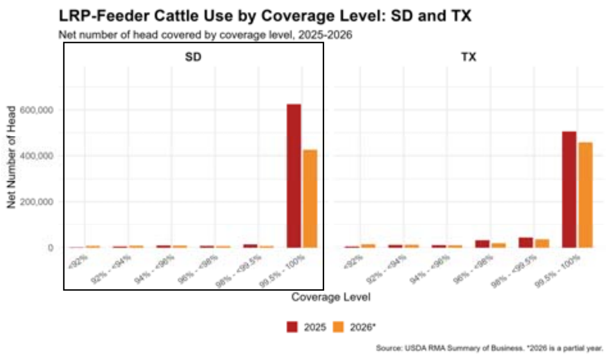


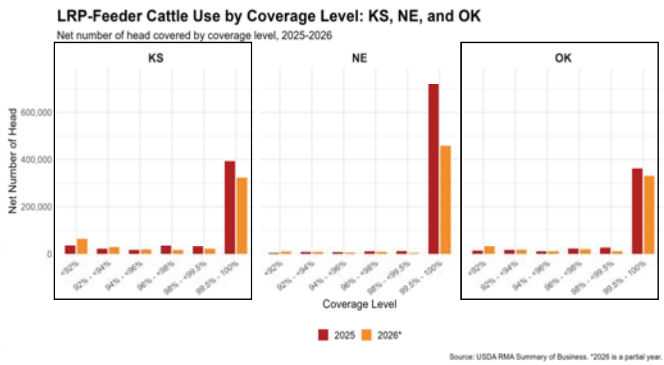
- Kansas producers use multiple endorsement lengths
- Coverage is concentrated in shorter and intermediate lengths
- The 13, 17, 21, and 26 week endorsement are concentrated
- Longer endorsements are used less heavily
- This suggests many producers buy protection closer to expected marketing





COVERAGE LEVEL CHOICES



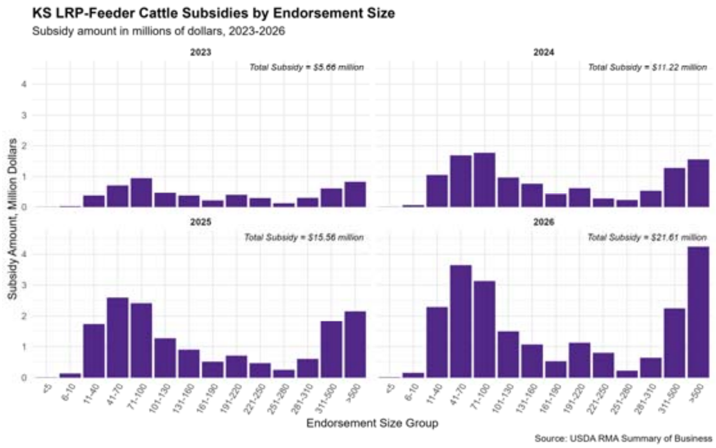


Most LRP-Feeder Cattle coverage is purchased at high coverage levels
The 99.5%–100% category dominates in most states

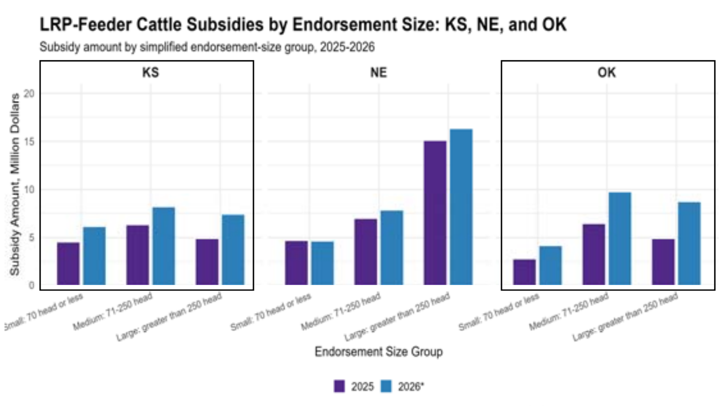
SUBSIDIES BY ENDORSEMENT SIZE

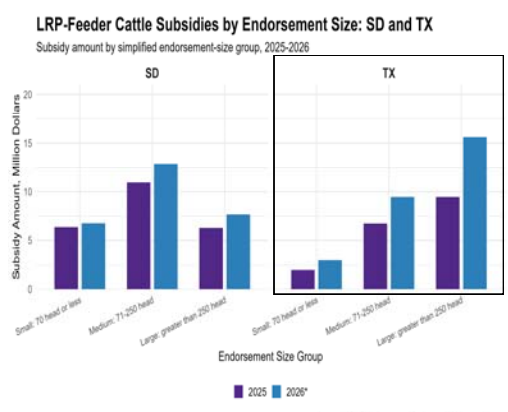
- Subsidies are spread across many endorsement-size groups
- Smaller and mid-size endorsements receive a meaningful share of total subsidy dollars
- Large endorsements also account for a substantial subsidy share
- Subsidy distribution reflects how producers structure LRP coverage

SUBSIDIES BY ENDORSEMENT SIZE



- Kansas LRP subsidy dollars increased from 2023 to 2026
- Subsidies are spread across many endorsement-size groups
- Small endorsements size receive a meaningful share of subsidy dollars
- The 311–500 and greater than 500 head groups also receive large subsidy shares





SUBSIDIES BY ENDORSEMENT SIZE

MAIN TAKEAWAYS

- LRP-Feeder Cattle use increased sharply after 2020
- Use is concentrated in major cattle-producing states
- The leading states are Texas, Nebraska, Kansas, South Dakota, and Oklahoma
- Most coverage is for 600–1,000 lbs steers and heifers
- Unborn calf coverage has become more visible in recent years
- Producers commonly choose shorter endorsement lengths and high coverage levels
- Subsidies are an important part of the recent growth in LRP use

QUESTIONS

REFERENCES

References

Brian K. Coffey, Jennifer Ifft, and Yifei Zhang (2026). Use of Feeder Cattle Livestock Risk Protection Insurance in Kansas. ARPC White Paper 2026–04. Agricultural Risk Policy Center, North Dakota State University. https://doi.org/10.22004/ag.econ.391398

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