



WATTS AND ASSOCIATES

Lamb

Federal Insurance
Program
Development for
Lamb Producers:
A Feasibility Study

2023

Background

The Federal Crop Insurance Program (FCIP) is today recognized as a fundamental component of the U.S. food safety net. The program has been increasingly utilized by livestock producers to offer stability during times of uncertainty. The USDA Risk Management Agency (RMA) has historically provided lamb producers with risk management options, but due to changes in the marketplace the Livestock Risk Protection (LRP) for Lamb that was previously offered was discontinued. Nevertheless, recognizing that lamb producers are in need of more risk mitigation tools, a research effort was commissioned to explore all viable insurance options.

Where are we now?



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Tasked with providing stability to the agricultural sector, the Federal Crop Insurance Corporation (FCIC) oversees the federal insurance program by approving federal support for new innovations in agricultural insurance. Over the last three decades, the FCIP has grown tremendously. In 2022, the program reached an estimated \$18.4B in premium, shattering all-time records and reflecting the value producers place in the coverages offered.

The RMA manages FCIC to bring these new innovative programs to producers in cooperation with Approved Insurance Providers through a public-private partnership.

To explore possible new forms of insurance plan development, RMA contracted Watts and Associates (W&A), a Billings MT-based economic consulting firm, to gather data, perform analysis, and develop a marketable and viable pilot insurance policy.



Data and Information Gathering

The approved plan of development includes listening sessions with industry leaders, producers, insurance personnel, university researchers, and other stakeholders in the lamb production domain. W&A will collect and compile data sources that could support a lamb insurance offering from all interested and supporting parties. These data sources will be documented from meetings, meeting participants, and follow-up conversations and referenced in a research report detailing possible forms of a new insurance program.



These sessions will allow our researchers at W&A to listen to the needs of a variety of stakeholders, and gather the info needed for the program to be developed



Where will Listening Sessions be held?

Tentatively:

Boise, Idaho

Belle Fourche, South Dakota

San Angelo, Texas

Nationwide Virtual Session

What are some of the research questions the report hopes to answer?

- What are the types of risks faced by lamb producers? “What keeps these producers up at night?”. Which, if any, of these risks may be appropriate for insurance coverage?
- Are there potential futures market and forward contracting opportunities for the lamb industry? Are there any other data sources that could be used to establish a market-based price projection?
- What are the good management practices that would be required to offer production-based insurance coverage? Are these practices widely adopted?
- What are the relevant units of exposure, types, practices, insurance dates, initial insurability requirements, pilot counties, insured causes of loss, uninsured causes of loss, loss triggers, and adjustment procedures.

We ask that you register for the sessions that you'd like to attend! Please see registration information below.



Lamb Listening Session Registration Information

Please register for the session you'd like to attend using the link or QR code below.

[Click here to register](#)



Registration is completely free, we only ask for basic contact info so we can share updates and ensure that you are notified of any changes if they occur. You will receive an email after registering, that will contain all information related to the session you chose, and additional contact info for the Watts and Associates team.

If you'd like to register over the phone, or have any additional questions please call :
406-831-6932

For more information, to provide research support, or to schedule a meeting, please contact the project coordinators below.

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