

Use of Feeder Cattle Livestock Risk Protection Insurance in Kansas

ARPC White Paper 2026-04

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February 6, 2026

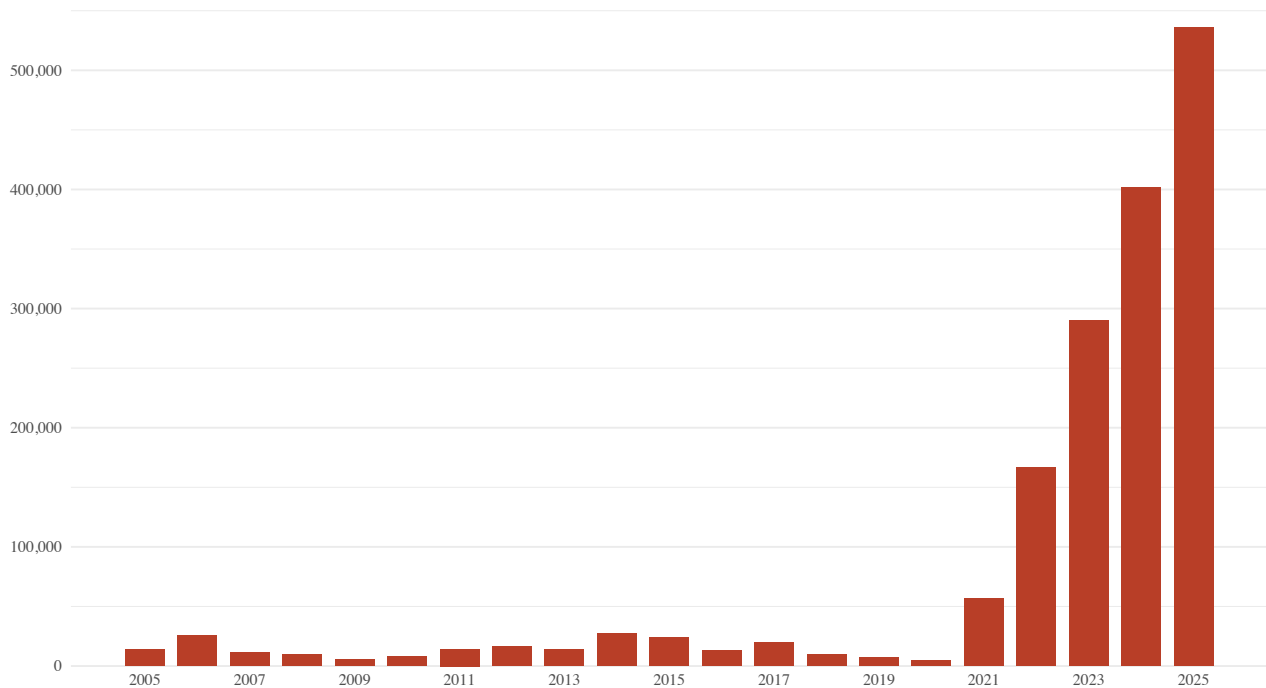
Key Insights

- ⇒ **LRP–Feeder Cattle use in Kansas increased substantially after 2020, with feeder cattle remaining the most widely insured class.** Summary of Business data show marked growth in LRP use following subsidy increases in 2019 and 2020. Among feeder cattle, fed cattle, and swine, LRP–Feeder Cattle accounts for the largest share of participation in Kansas. In 2024, more than 410,000 feeder cattle were covered under LRP, increasing to over 540,00 head in 2025.
- ⇒ **LRP–Feeder Cattle participation in Kansas is concentrated in specific cattle classes and weight ranges.** The majority of feeder cattle insured under LRP in Kansas are beef steers and heifers with sale weights between 600 and 1,000 pounds. Since its introduction in 2023, the unborn calf option has increased in use but accounted for fewer than 50,000 head in 2025, representing less than 10% of total insured head. Endorsements for dairy and Brahman cattle remain limited.
- ⇒ **Most LRP endorsements in Kansas are for relatively small numbers of animals, reflecting flexible contract sizing.** Most endorsements cover 70 or fewer head, consistent with the absence of minimum head or weight requirements in LRP contracts. This pattern contrasts with standardized feeder cattle futures contracts, which cover fixed quantities of live weight. Smaller endorsement sizes have become more common over time, although endorsement size does not directly correspond to operation size.
- ⇒ **Shorter endorsement lengths account for most insured heads in Kansas.** LRP–Feeder Cattle offers endorsement lengths ranging from 13 to 52 weeks. Since 2022, approximately 80% of net head insured in Kansas has been covered under endorsements with lengths of 30 weeks or less, indicating concentration in shorter coverage horizons.
- ⇒ **Coverage level selections are concentrated at high coverage rates.** Most feeder cattle insured under LRP in Kansas are covered at coverage levels of 98% or higher. As a result, most endorsements have a 35% premium subsidy. Lower coverage levels are used much less frequently over the period examined.
- ⇒ **LRP has grown to cover a substantial share of Kansas feeder cattle.** The market share of LRP can be approximated using data on the Kansas calf crop, cattle inventories, and cross-state cattle movement. LRP may have covered up to half of all eligible feeder cattle in 2025, up from around 31-38% in 2024.
- ⇒ **Kansas accounts for a consistent share of national LRP–Feeder Cattle use.** Since 2022, Kansas has represented approximately 10% of all LRP–Feeder Cattle endorsements nationwide and about 8% of total net head insured, based on Summary of Business data.

Background

Livestock Risk Protection (LRP) insurance provides sellers of feeder cattle, fed cattle, and swine the opportunity to pay a premium to establish a price floor for a specified number of animals. Users can choose between several levels of price coverage and time frames of protection. LRP has been available to producers from United States Department of Agriculture Risk Management Agency (USDA RMA) since 2004 but usage increased markedly after subsidy rates were increased in 2019 and 2020. Prices and market volatility have also been relatively high since this time. Usage for feeder cattle, fed cattle, and swine LRP has increased, but Livestock Risk Protection Feeder Cattle (LRP-Feeder Cattle) continues to be most widely used of the three. In Kansas, over 400,000 feeder cattle were covered by LRP in 2024, with 535,649 head covered in 2025. The map in the appendix shows the net head covered at the county level.

Figure 1: Net Head Covered in Kansas by LRP-Feeder Cattle.



Note: Net Head = Total Head Covered × Percentage Coverage Level.

Source: USDA Risk Management Agency (RMA), Summary of Business (downloaded February 04, 2026).

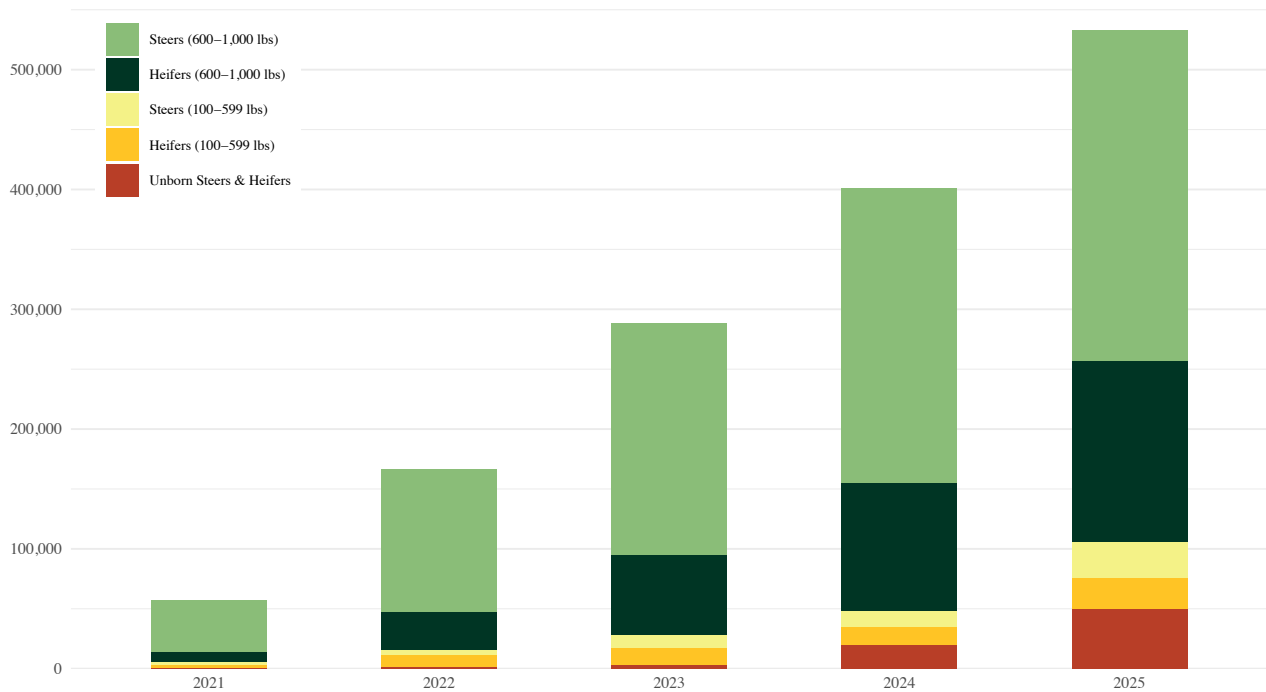
LRP-Feeder Cattle can be offered in many variations. How producers actually use LRP provides important guidance for future decisions about program subsidization and policy attributes. This paper uses publicly

available USDA RMA summary of business data to examine the last four years of LRP-Feeder Cattle usage in Kansas.

LRP Use Across Classes of Feeder Cattle

LRP-Feeder Cattle is available for several types of cattle. Producers can insure unborn calves; beef steers or heifers; predominantly dairy steers or heifers; or predominantly Brahman steers or heifers. Producers insuring steers or heifers can choose a weight class of either 100 to 599 pounds or 600 to 1,000 lbs.

Figure 2: Net Head Covered in Kansas by LRP-Feeder Cattle.



Note: Net Head = Total Head Covered × Percentage Coverage Level.

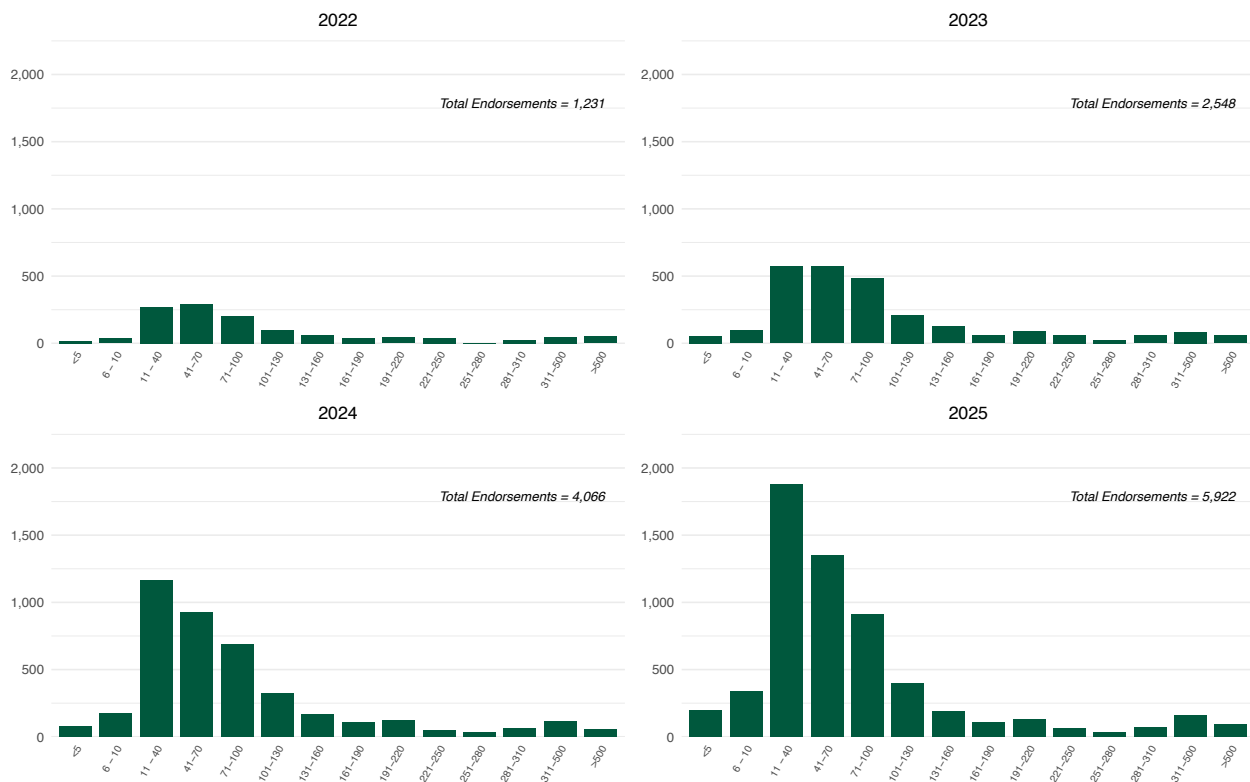
Source: USDA Risk Management Agency (RMA), Summary of Business (downloaded February 04, 2026).

The majority Kansas feeder cattle covered by LRP have been 600 to 1,000-pound beef steers and heifers. Since its introduction in 2023, the unborn calf option has increased in use but accounts for only 50,000 head in 2025, which is less than 10% of total head covered. There are options for dairy and Brahman cattle, but there have been only a handful of endorsements for these classes sold in Kansas.

LRP Use Across Endorsement Size

LRP-Feeder Cattle became more attractive to producers as subsidies increased but has other attributes that make it a useful tool for some operations. For example, the size of LRP contracts is more flexible than options on futures contracts, which also allow sellers to establish a price floor. Specifically, there is no minimum head or weight requirement with LRP. Producers can insure a single animal. Kansas producers have taken advantage of this flexibility, with most LRP endorsements covering 70 or fewer animals. The number of 70 head offers an interesting comparison: if a producer were using options on feeder cattle futures, one option is for 50,000 pounds of live weight. Assuming the producer wanted to protect the sale of 750-pound animals, one option would cover about 67 feeder calves. As noted earlier, the majority of head covered (and endorsements) are for steers and heifers weighing 600 to 1,000 pounds. Taken together, this shows producers are using LRP to cover lots that would otherwise be overhedged using one option on the feeder cattle futures contract.

Figure 3: LRP-Feeder Cattle Endorsements in Kansas by Endorsement Size, 2022–2025.



Note: Endorsement Size is measured in Net Head. Net Head = Total Head Covered × Percentage Coverage Level

Source: USDA Risk Management Agency (RMA), Summary of Business (downloaded February 04, 2026).

LRP use among larger operations is also substantial. Though there are fewer operations in Kansas that wish to insure the sale price of more than 200 feeder cattle, and therefore fewer endorsements of such a large size, these operations account for a large share of total head insured. These larger endorsement sizes actually accounted for the majority of head insured in 2022. Since then, smaller endorsement sizes have become much more common. Smaller endorsement sizes, however, do not necessarily correspond to small operations.

Figure 4: Net Head Covered in Kansas by LRP-Feeder Cattle by Endorsement Size, 2022–2025.

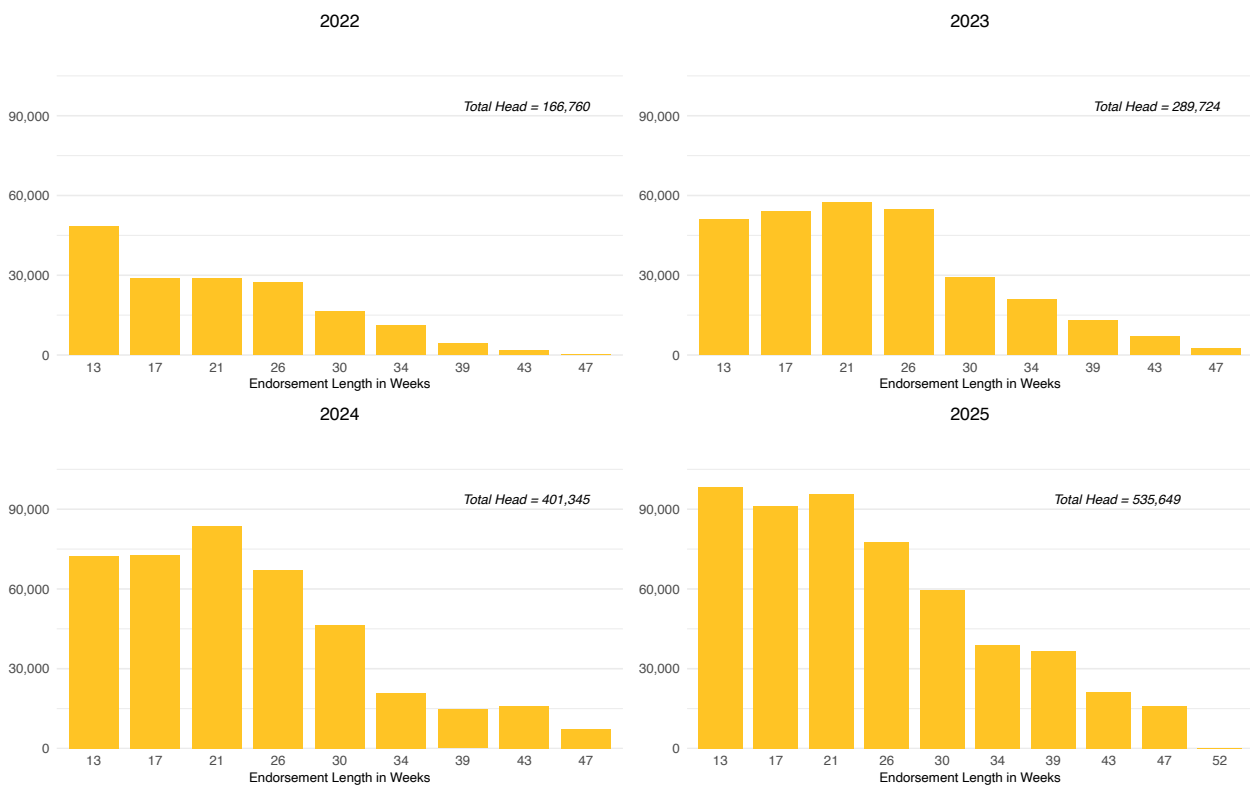


Note: Endorsement Size is measured in Net Head. Net Head = Total Head Covered × Percentage Coverage Level
 Source: USDA Risk Management Agency (RMA), Summary of Business (downloaded February 04, 2026).

LRP Use Across Coverage Time

LRP can be purchased for varying time horizons. Users can select to insure the sale of feeder cattle 13, 17, 21, 26, 30, 34, 39, 43, 47, or 52 weeks in the future. This option gives producers flexibility regarding when to establish a price floor and only pay premiums based on the length of time they wish to be insured. Since 2022, shorter horizon options have been most popular, with 80% of head insured for 30 weeks or less.

Figure 5: Net Head Covered by LRP-Feeder Cattle in Kansas by Endorsement Length, 2022–2025.



Note: Net Head = Total Head Covered × Percentage Coverage Level

Source: USDA Risk Management Agency (RMA), Summary of Business (downloaded February 04, 2026).

LRP Use Across Coverage Levels

LRP can also be purchased at varying coverage levels ranging from 75% to 100% of the current calculated price. This gives producers flexibility to establish an effective price floor based on the current calculated price (i.e., 100% coverage) or pay a less expensive premium to establish a lower price floor. This attribute is akin to the availability of various strike prices in the market for options on futures contracts, but strike prices at the equivalent of the lower coverage levels of LRP may be very thinly traded, if available at all.

Figure 6: Net Head Covered by LRP-Feeder Cattle in Kansas by Coverage Level, 2022–2025.



Note: Net Head = Total Head Covered × Percentage Coverage Level

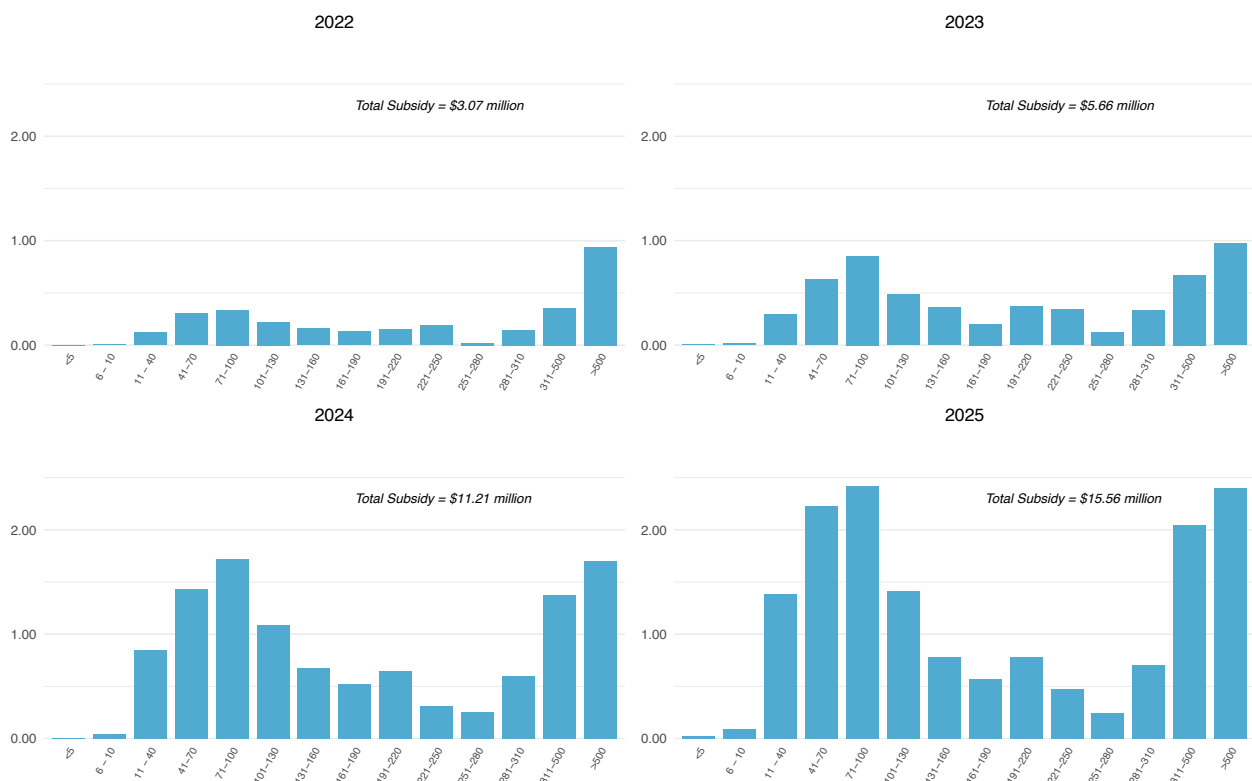
Source: USDA Risk Management Agency (RMA), Summary of Business (downloaded February 04, 2026).

The overwhelming majority of feeder cattle covered under LRP in Kansas are covered under policies insuring 98% or more of the LRP calculated price. As most feeder cattle were insured at, or near 100% coverage, the majority of subsidies went to those coverage levels. Conceptually, the 100% coverage level is the same as using an at-the-money put option. Over the last four years, Kansas feeder cattle producers using LRP preferred to insure at, or near, full market price.

LRP Subsidies Across Endorsement Size

USDA RMA reports premiums for each endorsement purchased, the amount of subsidy provided, and the final premium paid by users. In 2025, about half of the total subsidies provided were for endorsement sizes of 130 head or less. In the same year, 29% of subsidies were connected to endorsements for 311 or more head. As shown in previous charts, LRP-Feeder Cattle is attractive for producers wishing to protect a wide range of herd sizes.

Figure 7: Subsidies Applied to Kansas LRP-Feeder Cattle Policies by Endorsement Size, 2022–2025.



Note: All subsidy amounts are in millions of dollars. Endorsement Size is measured in Net Head. Net Head = Total Head Covered \times Percentage Coverage Level.

Source: USDA Risk Management Agency (RMA), Summary of Business (downloaded February 04, 2026).

Proportion of Feeder Cattle in Kansas Covered by LRP

While trends in Livestock Risk Protection (LRP) participation provide useful information about program growth and attributes valued by producers, understanding the importance of LRP to the cattle industry requires placing participation numbers in the context of the proportion of eligible head insured. In other words, what is the market share of LRP for feeder cattle? This can be estimated for 2024 using a combination of publicly available data and industry expertise.

Approximately 400,000 feeder cattle were covered by LRP in 2024. To estimate the total number of eligible feeder cattle, we consider three components: (1) beef calves born in Kansas that are not retained as replacement heifers, (2) net imports of cattle into Kansas that face feeder cattle price risk, and (3) eligible dairy calves.

The 2024 Kansas calf crop was approximately 1.3 million head. Assuming a proportional split between beef and dairy calves based on cow inventories, about 1.1 million were beef calves. With an assumed heifer retention rate of 25%, this implies roughly 833,000 beef calves born in Kansas that were potentially insurable.

The Kansas Department of Agriculture estimates net imports of about 320,000 head of cattle for feeding purposes in 2024. Consultation with industry experts suggests that approximately 80% of these net imports were eligible for LRP–Feeder Cattle coverage, adding roughly 256,000 eligible head.

Dairy calves are typically sold shortly after birth unless retained as replacement heifers. However, beef–dairy cross calves have increased rapidly in recent years. These calves generally have strong meat yields, are fed out, and are sold commercially, making them eligible for LRP–Feeder Cattle coverage. Industry estimates suggest that about 50% of dairy calves in 2024 were beef–dairy crosses. Based on the calf crop and dairy cow inventories, we estimate approximately 90,000 dairy calves were LRP-eligible in 2024.

Taken together, these three components imply approximately 1.18 million head of feeder cattle eligible for LRP in 2024. This estimate relies on several assumptions. In addition to those described above, feeder cattle may be enrolled in more than one LRP contract within a calendar year, calves may be insured even when ownership is retained, and holding periods may vary across operations and over time.

Allowing for a $\pm 10\%$ margin of error yields a plausible range of 1.05 to 1.30 million LRP-eligible feeder cattle. Based on this range, the implied LRP market share in 2024 was approximately 31% to 38%.

While complete 2025 data are not yet available, there is little evidence that the number of LRP-eligible feeder cattle increased materially. Assuming eligibility remained relatively stable, this suggests an LRP market share of approximately 42% to 51% in 2025, based on 2025 LRP participation numbers.

LRP-Feeder Cattle in Kansas

USDA RMA summary of business data provide a snapshot of how LRP is being used in Kansas. Kansas producers are major users of LRP-Feeder Cattle. Each year since 2022, Kansas has accounted for about 10% of all LRP-Feeder Cattle endorsements and 8% of net head covered. As with other states that utilize LRP, usage in Kansas has grown dramatically since 2020. Producers are taking advantage of the unborn calf option, but not to the degree of use for other classes. Beef bred steers and heifers with sale weights between 600 and 1,000 pounds are the most popular class of animals insured. Most endorsements are for time horizons of 30 weeks or less. In terms of number of endorsements, the majority are for lots of feeder with 70 or fewer head. In terms of net head covered, about half the feeder cattle insured with LRP are included in endorsements for 70 or fewer head. Larger endorsements are also substantial, with 30% of net head covered in 2025 insured using endorsements for 311 or more head. Use of LRP-Feeder Cattle is increasingly common among Kansas producers. Our analysis suggests that between 42% and 51% of LRP-eligible Kansas feeder cattle were insured using LRP in 2025. Analysis of usage data across endorsement sizes and selected policy attributes suggests it appeals to users with diverse herd sizes and risk management goals.

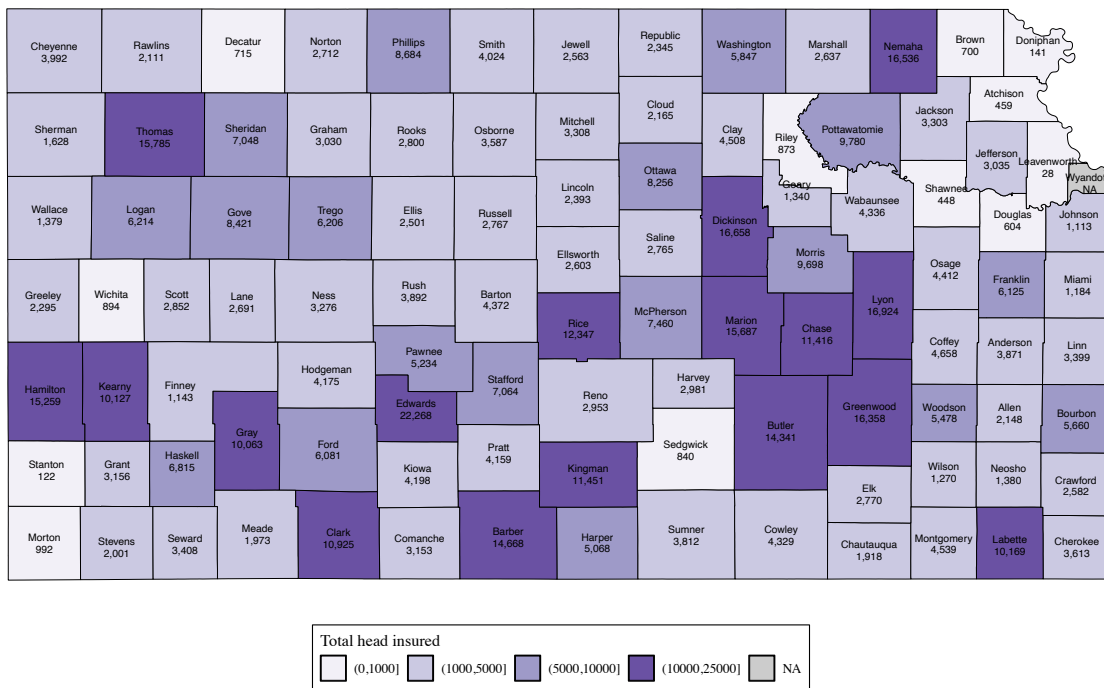
Notes about the Data

All LRP data used in this brief are publicly available via USDA RMA at: [USDA RMA Summary of Business \(Livestock and Dairy Participation\)](#). Data for this report were accessed on February 04, 2025. We use all transactions that were reported as occurring in Kansas. However, in each year, there are roughly 15% to 20% of transactions where the state is redacted due to confidentiality. We have no way of knowing in which state any, all, or none of those transactions occurred. Therefore, the numbers we report for Kansas should be viewed as a minimum and not exact. We also use the reported measure of 'net head'. This is the number of animals a producer wishes to insure times the coverage level chosen. However, in data we focused on for 2022 to 2025, 98% of all endorsements were for a coverage level of 0.90 or higher. Converting from net head to actual head covered would have very little impact on the numbers reported.

Estimates of LRP-eligible feeder cattle used data from, USDA NASS (<https://quickstats.nass.usda.gov/>), Kansas Department of Agriculture, and expert opinion collected by the authors.

Appendix

Figure A1: Kansas County Map of Total Net Head Insured under LRP, 2025.



Note: Counties are shaded by total net head insured in 2025. County labels report the county name and total net head insured.
 Source: USDA Risk Management Agency (RMA), Summary of Business (downloaded February 04, 2026).

Recommended Citation Format

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.

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