



Cattle Price Risk Insurance Program

The Cattle Price Risk Insurance Program (CPRIP) is an insurance program designed to help Ontario cattle farmers offset losses caused by low commodity prices. This program is offered as recognition that Production Insurance has not been made available to cattle farmers, even though it was promised to them at the time of signing the original APF I agreement. Under the proposed program, farmers will pay premiums equivalent to 30% of the long run cost of the program. The federal and provincial governments will share the remaining cost on their traditional 60/40 split.

This program has three separate elements, one each for cow-calf, backgrounding, and feedlot producers.

A. Cow-Calf Program

Who can participate?

To be eligible to participate in this program farmers must reside in Ontario. Only production in Ontario is covered. Producers must be enrolled in AgriStability to enroll in this program.

What must be enrolled?

To be eligible, producers must commit to cover all of their cattle production of at least one class.

How is support calculated?

The **support price** will be calculated annually by OCA's Cow Calf Committee and OMAFRA. The **payment** is calculated twice yearly, May 31st and November 30th, depending on fall or spring calving and is based on calves sold, with adjustments down if weights are below the target weight of 550 pounds. Baseline support is the difference between the Keady average price for a **special sale 550 pound steer or heifer**, and the support price. Up to 700 pounds, the support can be adjusted for weight on a per pound basis, in a linear fashion. The program covers 100% for all who participate in it, and is based on pounds of calves sold. There is no specific coverage for mortalities.

Is the program mandatory?

Participation in the program is voluntary. However, to move the industry forward, there are production practices which are mandatory for all participants. These are:

- Attend VBP workshop.
- Cow herd vaccinated with modified live vaccine annually.
- Calves vaccinated with MLV at least 30 days prior to sale.
- Vet client patient relationship established.
- Premise ID must be registered.
- Calves age verified, castrated and de-horned.

How does this fit with AgriStability?

We support retaining AgriStability, and similar to the G&O RMP, we expect the better of either the provincial portion of AgriStability or CPRIP.

Are any animals excluded from the program?

This program does not apply to animals sold as breeding stock, and only beef breeds are eligible for coverage. As well, animals which are not owned by the enrolled producer for at least 75 days are not covered.

B. Backgrounding Program

Who can participate?

To be eligible to participate in this program farmers must reside in Ontario. Only production in Ontario is covered. Producers must be enrolled in AgriStability to enroll in this program.

What must be enrolled?

To be eligible, producers must commit to cover all of their cattle production of at least one class.

How is support calculated?

The **support price** will be calculated annually by OCA's Feedlot Committee, and OMAFRA.

The **payment** is calculated weekly as the difference between the weekly average price for 8 weight steers, and the support price established the week the cattle were placed on feed, times the weight sold. There will be a management committee comprised of members of the OCA feedlot committee and OMAFRA, and this committee will set the support price at the beginning of the week for cattle to be placed on feed during that week. The program covers 100% for all who participate in it, and is based on pounds sold to a maximum of 1000 pounds. There is no specific coverage for mortalities.

Is the program mandatory?

Participation in the program is voluntary. However, to move the industry forward, there are production practices which are mandatory for all participants. These are:

- Attend VBP workshop.
- Vet client patient relationship established.
- Premise ID must be registered.
- No payout on cattle over 1000 pounds

How does this fit with AgriStability?

We support retaining AgriStability, and similar to the G&O RMP, we expect the better of either the provincial portion of AgriStability or CPRIP.

Are any animals excluded from the program?

Only beef breeds are eligible for coverage. As well, animals which are not owned by the enrolled producer for at least 75 days are not covered.

C. Feedlot Program

Who can participate?

To be eligible to participate in this program farmers must reside in Ontario. Only production in Ontario is covered. Cattle exported from Ontario are covered for their gain in Ontario. Producers must be enrolled in AgriStability to enroll in this program.

What must be enrolled?

To be eligible, producers must commit to cover all of their cattle production of at least one class.

How is support calculated?

The **support price** will be calculated annually by OCA's Feedlot Committee and OMAFRA.

The **payment** is calculated weekly as the difference between the weekly average price for finished steers, and the support price established the week the cattle were placed on feed, times the weight sold. There will be a management committee comprised of members of the OCA feedlot committee and OMAFRA, and this committee will set the support price at the beginning of the week for cattle to be placed on feed during that week. The program covers 100% for all who participate in it, and is based on pounds sold. There is no specific coverage for mortalities.

Is the program mandatory?

Participation in the program is voluntary. However, to move the industry forward, there are production practices which are mandatory for all participants. These are:

- Attend VBP workshop.
- Vet client patient relationship established.
- Enroll in and take a course on hedging using option strategies.
- Premise ID must be registered.

How does this fit with AgriStability?

We support retaining AgriStability, and similar to the G&O RMP, we expect the better of either the provincial portion of AgriStability or CPRIP.

Are any animals excluded from the program?

Only beef cattle under thirty months of age are eligible for coverage. As well, animals which are not owned by the enrolled producer for at least 75 days are not covered.