



Manage your farm risk



Ontario's Risk Management Program (RMP) helps producers manage risks beyond their control, like fluctuating costs and market prices. The program is available for the cattle, edible horticulture, grain and oilseed, hog, sheep and veal sectors.

The Risk Management Program complements AgriStability and Production Insurance. AgriStability was designed to stabilize whole farm income, and Production Insurance was created to mitigate production loss.

This handbook outlines what you need to know about the livestock plans, how to enrol, and your responsibilities as a participant.

For full particulars of RMP terms and conditions, please refer to the guidelines listed below:

- 2011/2012 Cattle Guidelines
- 2011/2012 Veal Guidelines
- 2011/2012 Hog Guidelines
- 2011/2012 Sheep Guidelines
- Order-in-Council No. 1309/2011 (Ontario Risk Management Program)
- Order-in-Council No. 1310/2011 (Business Risk Management Review Committee)

Where there is any conflict between the *2012 Handbook – RMP for livestock* and the provisions specifically set out in the provincial guidelines, the guidelines take precedence. To obtain copies of these documents, please contact the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA).

About this handbook

This handbook provides details about the 2012 Risk Management Program (RMP) plans for livestock:

- RMP: Cattle
- RMP: Hogs
- RMP: Sheep
- RMP: Veal

By signing the application, participants agree to abide by the terms of the program as set out in the program guidelines. Please take time to read and understand the terms of the program found on page 37.

The handbook outlines what you need to know, what you need to do, and when you need to do it. Inside you'll find:

- A breakdown of the complete program by each livestock sector, including how it works
- Your responsibilities as a participant
- Information explaining how program payments are calculated
- Premium rates for 2012
- Sample payment calculations
- Market price and cost of production details
- Definitions of important terms

New

Program information that is new or different for 2012 will be highlighted throughout the handbook to help participants who participated in 2011 find out what's new this year.

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What is RMP for livestock?

The Risk Management Program (RMP) for livestock plans were designed in consultation with representatives of the cattle, hog, sheep and veal industry in Ontario as part of the risk management package offered to Ontario producers.

These plans work like insurance to help Ontario producers offset losses caused by low commodity prices and rising production costs. Participants pay premiums based on their annual anticipated livestock sales and chosen coverage level. Program payments are made if the market prices for enrolled livestock fall below the support level.

There are four livestock plans. Each plan, except sheep, covers several categories of livestock as shown below. Participants can enrol in one or more plans and can choose single or multiple categories within each plan.

Plan	Categories
Cattle	<ul style="list-style-type: none">• Cow-calf• Backgrounder• Feedlot
Hogs	<ul style="list-style-type: none">• Early wean• Feeder• Grower/finisher
Sheep	<ul style="list-style-type: none">• Lamb
Veal	<ul style="list-style-type: none">• Grain-fed• Milk-fed

What's new for 2012 New

RMP for livestock was launched as a new program in 2011. If you participated in 2011, you will notice a few changes in the program for 2012, which are summarized below:

- Program deadlines have changed
- You have a choice of coverage levels
- You must pay a premium
- You must participate in AgriStability
- You must submit regular sales reports (quarterly or semi-annually)
- Program payments, if triggered, are issued quarterly or semi-annually
- The payment rate is based on the support level minus the market price

Eligibility

To be eligible for RMP in 2012 you must:

- Produce at least one eligible category of livestock in Ontario
- Enrol all of your eligible projected sales within a plan category
- Pay the premium for your enrolled sales
- Participate in AgriStability for the corresponding program year
- Provide a valid premises identification number (for more information, see "Participate in premises identification" on page 6)

To remain eligible for RMP, you must pay your premium and submit your livestock sales reports by the program deadlines. Even if you had no sales during the reporting period, you must report zero sales. Failure to pay your premium or submit a sales report may result in cancellation of your coverage.

How to apply

If you participated in RMP in 2011, you will receive a renewal form in February 2012. See "Existing participants" on page 5 for information about what you need to do to renew your coverage for 2012.

If you are new to RMP, or if you wish to enrol in a new RMP plan, you need to submit a 2012 application to Agricornp by March 16, 2012. In some circumstances new participants may enrol in RMP after March 16, 2012. See "New participants" on page 5 for more information.

To obtain an application, visit agricorp.com any time or call Agricornp between 7 a.m. and 5 p.m. For greater convenience, ease of reporting and timely processing of your application, you may apply online at agricorp.com using the electronic form available. If not applying online, you may submit a paper application by mail or fax. Please submit your application only once using just one submission method.

You can apply as an individual, sole proprietorship, unincorporated association, corporation, trust, cooperative, communal organization, partnership, limited partnership or estate. For partnerships and limited partnerships, you should submit only one application per partnership, signed by all partners. Do not submit a separate application for each partner. If you are applying online, signatures are not required.

Existing participants New

The livestock categories and sales you enrolled and reported in the fall of 2011 will be automatically renewed for 2012 at the 100 per cent coverage level, but you can make changes. When you receive your renewal package, review your projected livestock coverage for 2012 to ensure it accurately reflects your operation's projected sales for the upcoming year.

Your projected sales are based on the sales you reported on your 2011 application. See Section D of your renewal form to review the specific details of your sales projections and to make any changes where applicable (e.g., to change the number of head to be sold, average sale weights, average purchase weights).

To change your enrolled categories, your projected sales or your coverage levels, and to choose your payment schedule, you must notify Agricornp by March 16, 2012 using one of the following methods:

- Complete the coverage change request included at the back of your renewal notice and mail or fax it to Agricornp
- Submit the online coverage change request available on agricorp.com, using the login information provided in your renewal package
- Call Agricornp at 1-888-247-4999

Adding a new category

If you are already enrolled in a livestock plan, you may add new categories to that plan at renewal time. For example, if you have calves enrolled in RMP: Cattle, you can also add coverage under the backgrounder and feedlot categories. To add new categories to your existing plan, simply submit the coverage change request or call Agricornp.

Adding a new plan

If you want to enrol in a new plan, you must contact Agricornp first to find out if you are eligible and how to apply. For example, if you have calves enrolled in RMP: Veal and you want to enrol in RMP: Cattle, contact Agricornp. If your livestock is eligible, you will need to submit a 2012 application form. The deadline to apply will depend on your situation as explained under "New participants" below.

New participants

New participants include:

- Existing RMP participants who are enrolling new livestock commodities (meaning, newly produced commodities that generated zero farm income last year)
- Producers who are not currently participating in any of the RMP for livestock plans

As a new participant, you may enrol in RMP after the March 16, 2012 application deadline has passed, provided you apply before the end of the first reporting period in which you have eligible production. You must meet all eligibility criteria; however, if the deadline to apply for AgriStability has already passed, the requirement to participate in AgriStability will be waived for the first year of your RMP participation only.

Your responsibilities

To be covered under RMP for livestock, you must:

Meet all 2012 program deadlines New

- | | |
|-------------------------|--|
| March 16, 2012 | Submit completed application for new participants (In some cases, new participants may enrol after March 16, 2012. See "New participants" above.)
Submit 2012 coverage changes and choose payment schedule for existing participants (e.g., categories, coverage levels, projected sales) |
| April 30, 2012 | Pay premium in full or pay first quarterly instalment (all categories except cow-calf and sheep)
Report first quarter sales (all categories except cow-calf and sheep)
Apply for AgriStability as a new participant if not already enrolled |
| July 31, 2012 | Pay second quarterly premium instalment and report second quarter sales (all categories except cow-calf and sheep)
Pay premium in full or pay first semi-annual instalment and report first semi-annual sales (cow-calf and sheep) |
| October 31, 2012 | Pay third quarterly premium instalment and report third quarter sales (all categories except cow-calf and sheep) |
| January 31, 2013 | Pay fourth quarterly premium instalment and report fourth quarter sales (all categories except cow-calf and sheep)
Pay second semi-annual premium instalment and report second semi-annual sales (cow-calf and sheep) |

Note: Sales reporting and premium deadlines are quarterly for all livestock categories except cow-calf and sheep, which are semi-annual.

✔ Participate in AgriStability and provide your AgriStability PIN

New

Agricorp needs your most up-to-date AgriStability PIN to process payments. If you already participate in AgriStability, provide the PIN on your application form. If you do not currently participate in AgriStability, contact Agricorp to apply. The deadline to apply for AgriStability as a new participant is April 30, 2012.

✔ Abide by the terms of the program

You can find the terms of the program on page 37. For complete terms and conditions of RMP, you may also refer to the program guidelines and Order-in-Council Nos. 1309/2011 and 1310/2011.

✔ Report any changes to your business structure or farming operation

If you make changes during the program year, including significant expansion or decrease of your farming operation or changes to name, address or shareholders, you must report them to Agricorp as they occur.

✔ Participate in premises identification

You must have a valid premises identification number. Your application cannot be processed until this number is provided to us. If you have more than one premises ID, provide the number for your home or main farm location in Ontario.

If you provided your premises ID last year, Agricorp will use the same number this year. If your farm location has changed, please provide Agricorp with the correct premises ID for the new farm location.

To obtain your premises ID, contact OnTrace at 1-888-388-7223 or register online at www.ontrace.ca. You will need to provide OnTrace with your property tax assessment roll number (ARN) from the Municipal Property Assessment Corporation. If you cannot provide an ARN, you will need to provide either latitude and longitude from a Global Positioning System, municipal address of all premises to be registered, or lot and concession numbers of all premises to be registered.

How the program works

As with other insurance-like programs delivered by Agricorp, you receive a payment when you incur a loss. RMP payments are made if the average market price for the payment period and livestock category falls below the support level. The support level is the cost of production multiplied by your coverage level for that livestock category. You can choose a coverage level of 80, 90 or 100 per cent of the cost of production.

Payments are based on the difference between the support level and the average market price. Refer to the individual livestock sections to see how payments are calculated.

Premiums

New

Premiums are based on your chosen coverage level and projected sales for the year. For all program categories, premiums are calculated at the beginning of each program year and can be paid in full or in instalments upon receipt of invoice. Instalments are quarterly or semi-annual, depending on your livestock category. The premium must be paid before a payment is issued. Failure to pay the premium may result in cancellation of your coverage.

Premium rates are calculated annually for each category based on program payments over the long-term, which is the long-term differences between support levels and market prices. This difference is then multiplied by 12 per cent (Ontario's traditional 40 per cent times 30 per cent – a factor proposed by industry so that participants cover 30 per cent of the long-term program costs). Refer to the individual livestock sections to see the premium rates and calculations for your livestock category.

Your projected annual premium will be included on your Renewal notice.

Premium adjustments

Each year, your premium is based on your projected sales for the program year. If your actual sales differ from your projected sales (either up or down) over the course of the year, your premium may be adjusted as shown in the following table.

If production differs by:	Premium adjustments
5% or less	No premium adjustments are made.
5 to 25%	Premiums are automatically adjusted by Agricorp; you will receive either a premium rebate or an invoice.
More than 25%	You must notify Agricorp about the expected change in sales and provide a business reason in the reporting period before you report your actual sales; your coverage and premiums are adjusted accordingly. If you fail to report this change in advance and your actual sales: <ul style="list-style-type: none"> • Increase – your payment may be based on your projected sales only. You may not be paid for the higher number of actual sales. • Decrease – your premium may not be rebated.

Paying your premium

You must pay your premium by the deadline shown on your invoice using one of these options:

- Pay by Internet or telephone banking
- Pay at your financial institution with the invoice
- Mail a cheque payable to:

Agricorp – Risk Management Program

Box 4685, Stn A
Toronto, ON
M5W 6B3

Support level

The support level is based on the industry average cost of production multiplied by your chosen coverage level. The Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) calculates the cost of production for each livestock category using a method that was developed in consultation with representatives of the livestock industry.

The cost of production for all livestock plans is based on relevant farm, cost and production data including livestock purchase costs, feed costs and yardage, which includes a return to labour factor. For most livestock categories, the cost of production is updated regularly throughout the year; for cow-calf and sheep, cost of production is calculated annually at the beginning of the year. For more details about the data used for determining cost of production, see Appendix I.

As RMP payments are issued throughout the year, Agricorp will provide the livestock support levels used to calculate your payment in your payment calculation summary.

Market prices

Market prices for each livestock category are collected weekly and calculated by OMAFRA. Data is aggregated over the reporting period for each livestock category to determine an average market price for the livestock category's payment period. For more details about the data and methodology used for determining market prices, see Appendix II.

As RMP payments are issued throughout the year, Agricorp will provide the livestock market prices used to calculate your payment in your payment calculation summary.

Terms of payment

Payments to participants are triggered when the average market price for the payment period and livestock category falls below the support level.

RMP payments are considered income for income tax purposes. Agricorp issues AGR-1 statements for income tax annually.

You may not assign program payments to a third party.

Individual RMP payments of less than \$10 will not be paid out.

OMAFRA and Agricorp have absolute discretion to refuse or withhold any payments to any participant.

Most agricultural risk management programs are fully funded by the federal and provincial governments on a 60/40 basis. However, RMP is only provincially funded, meaning the Ontario government funds its traditional 40 per cent share. The 40 per cent funding is reflected in the payment calculation and premium rates.

Linkage with AgriStability

RMP and AgriStability work together to create an effective risk management program for Ontario producers. Because each program addresses different risks, participating in both allows you to take full advantage of the protection available from government risk management programs.

RMP payments are counted as an advance on the provincial portion of your AgriStability payment for the corresponding program year. You keep the greater of either the RMP payment or the provincial portion of the AgriStability payment. Because RMP is provincially funded, it has no impact on the federal portion of AgriStability payments.

RMP payment *greater* than provincial AgriStability payment

If your total RMP payment for the program year is *greater than* the provincial portion of your AgriStability payment for the corresponding year, you will:

- Receive the full RMP payment
- Receive the full federal portion of the AgriStability payment
- Not receive the provincial portion of the AgriStability payment.

Example:

Assume you are a producer whose total RMP: Cattle payment is \$4,500. Assume you are also eligible to receive an AgriStability payment of \$5,000, made up of a provincial portion of \$2,000 and a federal portion of \$3,000.

Because the total RMP: Cattle payment is greater than the provincial portion of the AgriStability payment, you will receive a total of \$7,500 from both programs – the total RMP: Cattle payment of \$4,500, plus the federal share of the AgriStability payment of \$3,000.

RMP payment *less than* provincial AgriStability payment

If your total RMP payment for the program year is *less than* the provincial portion of your AgriStability payment for the corresponding year, you will:

- Receive the full RMP payment,
- Receive the full federal portion of the AgriStability payment
- Receive the remainder of the provincial AgriStability payment (total provincial AgriStability minus RMP payment).

Example:

Assume you receive an RMP: Cattle payment of \$4,500. Assume you are also eligible for an AgriStability payment of \$20,000, which includes a provincial portion of \$8,000 and a federal portion of \$12,000.

Because the total RMP: Cattle payment is less than the provincial portion of the AgriStability payment, you will receive a total of \$20,000 from both programs – the total RMP: Cattle payment of \$4,500 plus the adjusted AgriStability payment of \$15,500 as shown below.

Adjusted AgriStability payment

$$\begin{aligned}
 &= \text{federal portion} + \left(\begin{array}{l} \text{provincial portion} \\ - \text{total RMP: Cattle payment} \end{array} \right) \\
 &= \$12,000 + (\$8,000 - \$4,500) \\
 &= \$15,500
 \end{aligned}$$

RMP payments from *more than one* plan

If you participate in more than one RMP plan, the sum of all RMP payments will be offset against AgriStability.

Example:

Assume you receive a total RMP payment of \$4,500, but split among three plans (RMP: Cattle, RMP: Hogs and RMP: Grains and Oilseeds). Assume you are also eligible to receive an AgriStability payment of \$5,000, made up of a provincial portion of \$2,000 and a federal portion of \$3,000.

You will receive a total of \$7,500 from both programs – the total payment of \$4,500 from all three RMP plans, plus the \$3,000 federal portion of the AgriStability payment.

In this example, because your total RMP payment for all three plans is *greater than* the provincial portion of your AgriStability payment, you will:

- Receive the full RMP payment
- Receive the full federal portion of the AgriStability payment
- Not receive the provincial portion of the AgriStability payment.

Off-calendar year-ends

Depending on your year-end, the AgriStability program year may not coincide directly with the RMP year as shown below.

Your farm business year-end	RMP year	Corresponding AgriStability year
September 1 – December 31, 2012	2012	2012
January 1 – August 31, 2013	2012	2013

For producers with multiple farms with off-calendar years, the earliest year-end is used to determine the link to AgriStability.

Payment caps

RMP payments for each livestock category are capped at \$1.2 million per participant, per program year, where participant refers to a sole proprietor, partnership, corporation, etc. For example, if you participate in the cow-calf and the feedlot categories under RMP: Cattle and the grower/finisher category under RMP: Hogs, your payment for each of the three categories is capped at \$1.2 million. The cap is applied to each category's total payment for the entire program year before calculating adjustments for AgriStability.

Balances owed to the Crown

Agricorp is required to recover outstanding amounts owed to the Crown, including any RMP overpayments that may occur. Overpayments can occur as a result of program advances, clerical errors, application or reporting errors or changes in your farm operation.

Overpayments from other programs will be recovered from RMP payments according to the recovery policy in force at the time the recovery is made.

Your RMP payment calculation summary will show any recoveries made from your RMP payment.



Continuous participation

If you were enrolled in a category in 2011 but do not wish to participate in that category in 2012, you may cancel your coverage. You will still be eligible to enrol in that category again in 2013. However, beginning in 2012, once you pay a premium to participate in a livestock category and then voluntarily cancel that category once enrolled, you will not be eligible to apply for that category again for the current year plus the next two years. For example, if you enrol in a category in 2012 and then choose not to enrol in that category in 2013, you will be ineligible for that category for the next two program years (2014 and 2015).

New

The coverage you select each year will be automatically rolled over for the next program year using your reported sales information, your enrolled categories, and your selected coverage levels. You will have the opportunity to change your coverage levels, your chosen categories and your projected sales at renewal time each year.

For more program terms and conditions, please refer to page 37.

Cattle



RMP: Cattle

In this section:

- Selecting coverage
- Eligible cattle
- Payment calculations
- Coverage in multiple categories
- Requests for payment without sale
- Example payment calculations
- Reporting your information
- Calculating your premium

Selecting coverage

Each year, you may choose to enrol in one or more of the following categories of cattle, depending on your operation:

- Cow-calf
- Backgrounder
- Feedlot

RMP: Cattle covers the eligible cattle that you sell during the current program year. To receive full coverage for all of your cattle production, you must:

- Enrol all the eligible cattle you expect to market throughout the program year; do not simply enrol your entire inventory
- Enrol in all the categories you plan to raise your sold cattle through

For example, if you have a cow-calf to feedlot operation, you should choose all three categories in order to be paid for all the eligible weight gain from birth to slaughter. If you only sell heifer calves up to 500 pounds, then choose the cow-calf category and enrol the number of calves you expect to sell.

Please be aware that by selecting a category for coverage, you are required to enrol, pay premium and report all of your eligible cattle sales within that category. You will be eligible for payment only under your chosen categories.

You can apply for RMP: Cattle as a new or existing participant.

- If you are enrolling in the Cattle plan for the first time, you must fill out a *2012 Application – RMP for livestock*. See “Completing the RMP for livestock application” for more information.
- If you already participate in the Cattle plan, you will receive a *2012 Renewal notice – RMP for livestock*. You must review your coverage, choose your payment schedule and make any coverage changes if necessary. See “Existing participants” on page 5 for more information.

New participants

Completing the RMP for livestock application

When completing the *2012 Application – RMP for livestock* to enrol your cattle, follow these steps:

1. Select RMP: Cattle in Section G of your application.
2. Choose the specific cattle categories you wish to enrol in and your desired coverage level for each category. Consider how many animals you typically sell, their average sale weights, and how much of that weight you produced. If you typically sell cattle at 1,500 pounds and raise them from birth, you would enrol in all three categories. If you usually sell cattle at 1,500 pounds but purchase them at 900 pounds, you would enrol in the feedlot category only.
3. Complete the Projected cattle sales report by entering your anticipated sales for the year for each of your chosen categories. To determine average sale weight for each category, take the total weight for all cattle you expect to sell and divide by the number of head. The average sale weight should closely correspond to the weight ranges shown under “Eligible cattle” on page 12.

Coverage and support levels New

You may choose a coverage level of 80, 90 or 100 per cent for each livestock category. You may choose a different coverage level for each category. Your support level is the industry average cost of production for the livestock category multiplied by your chosen coverage level.

Eligible cattle

All cattle that meet all of the following requirements are eligible.

- Must be sold in 2012*
- Must be produced and owned by you in Ontario for a minimum of 120 consecutive days (this 120 day ownership can span multiple categories)
- Must be 30 months of age or less
- Cannot be used for breeding purposes (for the backgrounder and feedlot categories only)**
- Cannot be enrolled and have sales reported under the RMP plan for veal

* Breeding stock enrolled in the cow-calf category may qualify for a cow-calf payment without being sold. See “Requests for payment without sale” on page 13 for more information.

** For the cow-calf category, calves may be sold or retained for future breeding purposes and still be eligible. Breeding stock are eligible for payment under the cow-calf category only.

Cattle may be enrolled in any of the following three production categories. Remember, you must enrol all of your eligible cattle sales in each category you choose.

Cattle category	Steer production (live weight)	Heifer production (live weight)
Cow-calf	Up to 550 lb.	Up to 500 lb.
Backgrounder	Over 550 – 900 lb.	Over 500 – 850 lb.
Feedlot	Over 900 – 1,500 lb.	Over 850 – 1,400 lb.

Cattle that fall outside of these weight ranges may still be enrolled; however, payments are based only on the maximum weights listed above. For example, a heifer calf weighing 600 pounds will only be paid for weight gain up to 500 pounds in the cow-calf category. A feedlot steer weighing 1,650 pounds will only be paid for weight gain up to 1,500 pounds. Any additional weight gain beyond the maximum will be covered in the next weight category, if enrolled.

For the cow-calf category:

- Calves must weigh more than 350 pounds at time of sale to be eligible for payment.
- Calves must be raised from birth to be eligible for payment under the cow-calf category. Calves that have been purchased are not eligible for payment under cow-calf, but may be eligible for payment under the other two categories.

Payments

RMP payments are issued for your sold cattle when the average market price falls below the support level during the payment calculation period. The average market price and support level are calculated separately for each cattle category. Each category also has a separate payment calculation and payment schedule.

Payments are issued at the end of each sales reporting period after your sales report is processed.

Cow-calf category

In the cow-calf category:

- Payments are calculated and issued twice per year after each sales report is processed
- The support level remains constant for the program year
- Market prices are calculated twice per year, after the periods of January 1 to June 30 and July 1 to December 31

Backgrounder and feedlot categories

In the backgrounder and feedlot categories:

- Payments are calculated every week and accumulated into a single payment after each quarter
- Payments are issued four times per year after each quarterly sales report is processed
- Both the support levels and the market prices are calculated every week, and will vary from week to week depending on fluctuating commodity prices. The support level and market price are based on the reported date of sale. If you are enrolled in multiple categories, the support levels and market prices are calculated back the appropriate number of weeks to match the production period of your enrolled program categories.

Payment calculation summary

Category	Support level calculation	Market price calculation	Payment calculation period	Payment schedule
Cow-calf	Annual	Semi-annual for: • January – June • July – December	Semi-annual for: • January – June • July – December	Semi-annual: • September • March
Backgrounder Feedlot	Weekly, retroactive from date of sale	Weekly, retroactive from date of sale	Weekly and compiled into quarterly payments	Quarterly: • June • September • December • March

Additional details on the support level (cost of production times coverage level) and market prices are available in Appendix I and II.

Payment calculations

Payment rates are based on the difference between the support level and the average market price for the payment calculation period. 2012 payments are calculated for each category as shown below.

Cow-calf category

RMP payment

$$\begin{aligned} &= (\text{support level} - \text{market price}) \\ &\quad \times \text{number of eligible calves sold} \\ &\quad \times \text{Ontario's 40\% share} \end{aligned}$$

The cow-calf category operates on a per-head basis; however, calves weighing less than the maximum weight (500 pounds for heifers and 550 pounds for steers) will have payments prorated based on their actual weight, down to a minimum of 350 pounds. Calves sold at less than 350 pounds are not eligible for payment.

Backgrounder and feedlot categories

RMP payment

$$\begin{aligned} &= (\text{support level} - \text{market price}) \\ &\quad \times \text{lb. of eligible weight gain within the category} \\ &\quad \times \text{Ontario's 40\% share} \end{aligned}$$

The backgrounder and feedlot categories operate on a per-pound basis. Payments are calculated only up to the maximum live weight in each category. Any reported weight above the maximum is not eligible for payment in that category.

Conversion from rail weight to live weight

Sales reported as rail weight will be converted to live weight as shown below:

- For heifers, rail weight is calculated as 58.5 per cent of live weight
- For steers, rail weight is calculated as 60 per cent of live weight

Coverage in multiple categories

If you enrol in multiple categories because your cattle production spans more than one category during your ownership, your payment will be calculated based on all categories in which you have enrolled.

For example, if you raise calves from birth and sell them at 800 pounds, your payment calculation will

cover the weight gain within both the cow-calf and the backgrounder categories, provided you select both categories on your application or renewal form. If you raise calves from birth and sell them at 1,500 pounds, your payment calculation will cover the weight gain under all three categories – cow-calf, backgrounder and feedlot – provided you select all three categories on your application or renewal form.

Payment calculations are triggered for all eligible categories when the animal is ultimately sold. In limited circumstances, calves in the cow-calf category may be eligible for a payment without being sold (see “Requests for payment without sale”).

Requests for payment without sale New

Calves enrolled in the cow-calf category that are not being sold may qualify for a payment without sale if they are being kept for breeding purposes. These animals are not eligible for coverage under the backgrounder or feedlot categories.

You may request a payment calculation for these calves when they reach the maximum eligible weight in the cow-calf category (500 pounds for heifers and 550 pounds for bulls). To request payment, you must submit a *Payment without sale* report to Agricorp along with your Agricorp reporting form. This report is available online from Agricorp and includes the following information:

- Approximate date calves reached their maximum weight
- Number of heifer calves to be retained or sold for breeding
- Number of bull calves to be retained or sold for breeding
- Average weight and age for heifers and bulls
- Your signature
- Canadian Cattle Identification Agency (CCIA) tag number of each animal

Example payment calculations New

Examples are for illustration purposes only and do not necessarily reflect actual program payment rates, support levels or market prices for 2012.

The payment rate used to calculate your payment will be shown on your payment calculation summary.

Cow-calf category

The following example illustrates the payment calculation for the first six months of the year.

In these six months, assume you sell 50 steer calves at an average weight of 550 pounds each. Assume the following support level and market price:

- a) Support level per calf: \$1,000.00
- b) Market price per calf: \$750.00
- c) Total eligible calves: 50

First semi-annual payment

$$\begin{aligned} &= (a - b) \times c \times 40\% \\ &= (\$1,000.00 - \$750.00) \times 50 \times 0.40 \\ &= \$250 \times 50 \times 0.40 \\ &= \$5,000 \end{aligned}$$

If your steer calves weigh less than 550 pounds, the per-head payment is prorated. For example, if the calves were sold at 425 pounds, the per-head payment would be reduced from \$100 to approximately \$77, when multiplied by the 40 per cent (425 is 77.27 per cent of 550, so the payment rate would be at 77.27 per cent). The payment would total \$3,863.50 for all 50 steer calves.

You would receive this program payment following the six-month period in which the animals were sold. This payment calculation will be repeated for the second half of the year. The payment will vary depending on how many calves you sold, their weight, and the average market price over the second payment period.

Backgrounder category

The following example illustrates the payment calculation for one week of the year.

Assume in one week you sell 50 steers. The steers have an average starting weight of 550 pounds and are sold at an average sale weight of 900 pounds, for an average weight gain of 350 pounds per head. Assume the following support level and market price:

- a) Support level per pound: \$1.40/lb. (for the week)
- b) Market price per pound: \$1.30/lb. (for the week)
- c) Total eligible weight gain: 17,500 lb. (50 x 350 lb.)

Program payment for the week

$$\begin{aligned} &= (a - b) \times c \times 40\% \\ &= (\$1.40 - \$1.30) \times 17,500 \times .40 \\ &= \$0.10 \times 17,500 \times .40 \\ &= \$700 \end{aligned}$$

This payment calculation will be repeated for each week of the quarter and the weekly payments will be compiled into one quarterly payment. The weekly payments will vary depending on how many backgrounders you sell and the support level and market price over the week.

You would receive your quarterly payment following the quarter in which the animals were sold.

Feedlot category

The following example illustrates the payment calculation for one week of the year.

Assume in one week you sell 100 heifers at an average sale weight of 1,400 pounds. They were purchased at an average weight of 850 pounds, for an average weight gain of 550 pounds per head. Assume the following support level and market price:

- a) Support level per pound: \$1.25/lb. (for the week)
- b) Market price per pound: \$1.10/lb. (for the week)
- c) Total eligible weight gain: 55,000 lb. (100 x 550 lb.)

Program payment for the week

$$\begin{aligned} &= (a - b) \times c \times 40\% \\ &= (\$1.25 - \$1.10) \times 55,000 \times .40 \\ &= \$0.15 \times 55,000 \times .40 \\ &= \$3,300 \end{aligned}$$

This payment calculation will be repeated for each week of the quarter and the weekly payments will be compiled into one quarterly payment. The weekly payments will vary depending on how many animals you sell and the support level and market price over the week.

You would receive your quarterly payment following the quarter in which the animals were sold.

Example accumulated payments

The following examples show how weekly or semi-annual calculations are rolled up into a quarterly or semi-annual payment.

Semi-annual cow-calf payment: Period 1 (January 1 to June 30)			
Week of sale	Animals sold	Payment rate (support level – market price) x 40% (\$/head)	Payment
March 4 – 10	40	95.00	\$3,800.00
June 10 – 16	20	95.00	\$1,900.00
Total payment for period 1			\$5,700.00

Quarterly backgrounder/feedlot payment: Q1 (January 1 to March 31)				
Week of sale	Animals sold in the week	Average eligible weight gained per animal	Payment rate (support level – market price) x 40% (\$/lb.)	Payment
Jan 1 – 7	15	375 lb.	0.1200	\$675.00
Jan 22 – 28	10	410 lb.	0.1111	\$455.51
Feb 19 – 25	30	370 lb.	0.0000	\$0.00
Mar 4 – 10	100	400 lb.	0.0500	\$2,000.00
Total payment calculated for Q1				\$3,130.51

Reporting your information

Submit your sales report to Agricornp according to the schedule below. To remain eligible for all enrolled categories, you must submit a sales report even if you have zero sales. Report actual sales and submit *Payment without sale* reports for eligible cattle only.

- Report the actual sale weight as shown on the sales/slaughter receipt. Report the weights as either “live” or “rail” – do not convert the weights yourself.
- Report each animal sold only once at the final sale weight. For example, a 1,500 pound steer you raised from cow-calf to feedlot would only be reported once, as a feedlot sale. You would also indicate that you raised the animal from birth.

Please read the reporting form carefully and do not report a sale more than once.

Cow-calf category – Sales reporting schedule		
Sales reporting period	Deadline to report	Information to report each period
January 1 to June 30	July 31, 2012	<ul style="list-style-type: none"> • Number of steer calves sold, their average sale weight, and the primary point of sale • Number of heifer calves sold, their average sale weight, and the primary point of sale
July 1 to December 31	January 31, 2013	<ul style="list-style-type: none"> • Date of sale • If applicable – Payment without sale reports for calves retained for breeding purposes (these calves will not be eligible for backgrounder or feedlot payment)

Backgrounder and feedlot categories – Sales reporting schedule

Sales reporting period	Deadline to report	Information to report each period
January 1 to March 31	April 30, 2012	<ul style="list-style-type: none"> • Number of steers sold, their average sale weight, and the primary point of sale • Number of heifers sold, their average sale weight, and the primary point of sale
April 1 to June 30	July 31, 2012	<ul style="list-style-type: none"> • Origin of all sold animals (e.g., the number raised from birth, the number purchased and if purchased, average purchase weight and purchase date)
July 1 to September 30	October 31, 2012	<ul style="list-style-type: none"> • Date of sale/slaughter
October 1 to December 31	January 31, 2013	

Receipts

Copies of sales/slaughter and purchase receipts must be available upon request to help Agricornp verify program payments.

When sales receipts are requested, they must clearly show the following:

- Weight (live or dressed) by certified scale – if a certified scale weight is not available, the receipt must show the estimated weight and be signed by both the seller and the buyer or the packer that slaughtered the animals
- Number of heifers and steers
- Date of sale
- Name of seller and buyer
- Transaction value

Changes of more than 25 per cent

New

During the course of the year, if you expect your actual sales to differ from your projected sales by more than 25 per cent in the next reporting period, you must notify Agricornp by the deadline for the current sales reporting period. Otherwise your coverage may not be adjusted and you may be cancelled from the program. You may also have to provide a reason for the change (for example, purchased a new farm).

Calculating your premium **New**

You are required to pay RMP premiums each year to enrol your cattle. Premiums are based on your chosen coverage level and projected sales for the year.

The premium is calculated as follows:

Cow-calf category

Premium

= premium rate per head x number of calves (projected to be sold)

Backgrounder and feedlot categories

Premium

= premium rate per lb. x total eligible weight gain (projected to be sold)

2012 Premium rates		
Category	Coverage level	Producer premium rate
Cow-calf	100%	\$42.59 per head
	90%	\$30.65 per head
	80%	\$18.98 per head
Backgrounder	100%	\$0.0336 per lb.
	90%	\$0.0111 per lb.
	80%	\$0.0021 per lb.
Feedlot	100%	\$0.0484 per lb.
	90%	\$0.0185 per lb.
	80%	\$0.0034 per lb.



The minimum annual premium per cattle category is \$25. Premium rates have been adjusted to reflect the 40 per cent provincial funding.

Paying your premium

Each year at renewal time, you can choose to pay your premium in full or in instalments as shown below:

- If you participate in the cow-calf category only, premiums may be paid in two semi-annual instalments.
- If you participate in the backgrounder and feedlot categories, premiums may be paid in four quarterly instalments

After you submit your application or any changes to your renewal notice, you will receive an invoice based on your chosen payment schedule. If you choose to pay in instalments, your premium payment will be due at the same time as your sales report.

For instructions on how to pay your premium, see page 7.

Hogs



RMP: Hogs

In this section:

- Selecting coverage
- Eligible hogs
- Payment calculations
- Coverage in multiple categories
- Example payment calculations
- Reporting your information
- Calculating your premium

Selecting coverage

Each year, you may choose to enrol in one or more of the following categories of hogs, depending on your operation:

- Early wean
- Feeder
- Grower/finisher

RMP: Hogs covers the eligible hogs that you sell during the current program year. To receive full coverage for all of your hog production, you must:

- Enrol all the eligible hogs you expect to market throughout the program year; do not simply enrol your entire inventory
- Enrol in all the categories you plan to raise your sold hogs through

For example, if you have a farrow to finish operation, you would need to enrol in all three categories in order to be paid for all eligible production from birth to slaughter.

Please be aware that by selecting a category for coverage, you are required to enrol, pay premium and report all of your eligible hog sales within that category. You will be eligible for payment only under your chosen categories.

You can apply for RMP: Hogs as a new or existing participant.

- If you are enrolling in the Hog plan for the first time, you must fill out a *2012 Application – RMP for livestock*. See “Completing the RMP for livestock application” below for more information.
- If you already participate in the Hog plan, you will receive a *2012 Renewal notice – RMP for livestock*. You must review your coverage, choose your payment schedule and make any coverage changes if necessary. See “Existing participants” on page 5 for more information.

New participants

Completing the RMP for livestock application

When completing the *2012 Application – RMP for livestock* to enrol your hogs, follow these steps:

1. Select RMP: Hogs in Section G of your application.
2. Choose the specific hog categories that you wish to enrol in and your desired coverage level for each category.
3. Complete the Projected hog sales report by entering your anticipated sales for the year for each of your chosen categories. To determine average sale weight for the grower/finisher category, take the total weight for all finishers you expect to sell and divide by the number of head. The average sale weight should roughly fall within 87.5 to 159 kilograms live weight. If it doesn't, contact Agricorp to ensure you are enrolling in the correct categories.

Coverage and support levels

New

You may choose a coverage level of 80, 90 or 100 per cent for each livestock category. You may choose a different coverage level for each category. Your support level is the industry average cost of production for the livestock category multiplied by your chosen coverage level.

Eligible hogs

All hogs that meet all of the following requirements are eligible.

- Must be sold in 2012
- Must not be enrolled in the same category more than once
- Must be produced and owned by you in Ontario for a minimum length of time as shown below
- Grower/finisher hogs must be sold for slaughter to be eligible for payment in the grower/finisher category
- Must not have been bred*

* Hogs may be sold for future breeding purposes and still be eligible for coverage under the early wean and feeder categories only. For more information, refer to the sections on off-type animals on page 20.

Hogs may be enrolled in any of the following three weight categories. Remember, you must enrol all of your eligible hogs in each category you choose.

Hog category	Weight range (live weight)	Days owned by producer ³
Early wean	Up to 7 kg	A minimum of 15 days
Feeder	Up to 25 kg ¹	A minimum of 35 days
Grower/finisher (slaughter only)	87.5 kg up to 159 kg ²	A minimum of 70 days

Notes:

1. Also includes off-type animals (e.g., barbecue pigs sold between 25 kilograms and 87.5 kilograms live weight and breeding hogs sold above 25 kilograms).
2. Hogs must weigh at least 87.5 kilograms to be eligible for payment in the grower/finisher category, but payment is based on eligible weight gain starting from 25 kilograms.
3. Ownership requirements are cumulative. For a farrow to finish operation, you must own the hogs for 120 days to be eligible under all three categories (15 + 35 + 70 = 120).

Hogs sold outside of these weight ranges may still be enrolled; however, payments are based only on the maximum weights listed above. If a hog is sold above the maximum weight range for a category, the animal remains eligible for payment under that category, provided it meets all other eligibility criteria.

For early wean and feeders:

- Payment is made on a per-head basis, whether or not the animal exceeds the maximum weight. The payment rate is based on the average cost of raising the animal to the maximum weights listed above. For example, an early wean sold at 9 kilograms is still eligible for the early wean per-head payment as long as you owned it for at least 15 days. A feeder sold at 35 kilograms is still eligible for the feeder payment as long as you owned it for at least 35 days.

For the grower/finisher category:

- Only hogs over 87.5 kilograms live weight that are sold for slaughter are eligible for payment in this category.
- Payment is made on a weight gain basis, up to a maximum of 159 kilograms (live weight). For example, a hog weighing 175 kilograms will only be paid for weight gain up to 159 kilograms. Any additional weight gain beyond the maximum will not be covered.

Payments

RMP payments are issued for your sold hogs when the average market price falls below the support level during the payment calculation period. The average market price and support level are calculated separately for each hog category. Each category also has a separate payment calculation.

Payments are issued at the end of each sales reporting period after your sales report is processed.

For all three hog categories:

- Payments are calculated every week and accumulated into a single payment after each quarter
- Payments are issued four times per year (June, September, December and March)
- Both the support levels and the market prices are calculated every week, and will vary from week to week depending on fluctuating commodity prices. The support level and market price are based on the reported date of sale. If you are enrolled in multiple categories, the support levels and market prices are calculated back the appropriate number of weeks to match the production period of your enrolled program categories.

Additional details on the support level (cost of production times coverage level) and market prices are available in Appendix I and II.

Payment calculations

Payment rates are based on the difference between the support level and the average market price for the payment calculation period. 2012 payments are calculated for each category as shown below.

Early weans and feeders (including off-type animals)

Early wean and feeder payments are calculated on a per-head basis. Off-type animals include breeding hogs over 25 kilograms and hogs sold for barbecue between 25 and 87.5 kilograms live weight. These animals are treated as feeders for the purpose of your sales reporting and payment calculation.

RMP payment

$$= (\text{support level} - \text{market price}) \times \text{number of hogs sold} \times \text{Ontario's 40\% share}$$

Growers/finishers (slaughter sales above 87.5 kilograms live weight only)

Grower/finisher payments are calculated on a per-kilogram weight gain basis, up to a maximum of 134 kilograms weight gain per hog (the maximum load average weight of 159 kilograms live weight minus the deemed starting weight of 25 kilograms).

RMP payment

$$\begin{aligned} &= (\text{support level} - \text{market price}) \\ &\quad \times \text{total eligible weight gain for hogs slaughtered} \\ &\quad \times \text{Ontario's 40\% share} \end{aligned}$$

The minimum eligible sale weight to trigger a payment in the grower/finisher category is 87.5 kilograms live weight. Grower/finisher hogs weighing less than 87.5 kilograms (e.g., barbecue pigs) and breeding stock may be eligible for payment under the feeder category. See "Early weans and feeders (including off-type animals)" above for more information.

Conversion from dressed weight to live weight

Sales reported as dressed weight will be converted to live weight as shown below:

- When the head remains with the carcass, dressed weight is 80 per cent of live weight
- When the head is removed from the carcass, dressed weight is 74 per cent of live weight

Coverage in multiple categories

If you enrol in multiple categories because your hog production spans more than one category during your ownership, your payment will cover all categories in which you have enrolled. Payment will be made for all eligible categories when the animal is ultimately sold.

Raising hogs from birth

If you raise hogs from birth for sale, you may be eligible for payment in one or more categories as shown below, depending on the sale weight of the hogs sold.

- If you raise early weans for sale, you may be eligible for the early wean category only.
- If you have a farrow to feeder operation, you may be eligible for the early wean and feeder categories.
- If you have a farrow to finish operation, you may be eligible for all three categories: early wean, feeder and grower/finisher.
- If you sell off-type hogs (i.e., breeding hogs and barbecue pigs) raised from birth, you may be eligible for the early wean and feeder categories.

Purchasing hogs

If you purchase hogs and raise them for sale, you may be eligible for the feeder or the grower/finisher category, or both, depending on the purchase and sale weight of the hogs sold.

- If you purchase early weans to raise for slaughter, you may be eligible for both the feeder and grower/finisher categories.
- If you purchase early weans to sell as feeders, you may be eligible for the feeder category only.
- If you purchase feeders to raise for slaughter, you may be eligible for the grower/finisher category only.

Example payment calculations New

Examples are for illustration purposes only and do not necessarily reflect actual program payment rates, support levels or market prices for 2012.

The payment rate used to calculate your payment will be shown on your payment calculation summary.

Early wean category

The following example illustrates the payment calculation for one week of the year.

Assume in one week you sell 100 early weans at an average weight of 7 kilograms each. Assume the following support level and market price:

- a) Support level: \$40.00/head
- b) Market price: 36.50/head
- c) Number of early weans sold: 100

Program payment for the week

$$\begin{aligned} &= (a - b) \times c \times 40\% \\ &= (40.00 - 36.50) \times 100 \times .40 \\ &= \$140.00 \end{aligned}$$

This payment calculation will be repeated for each week of the quarter and the weekly payments will be compiled into one quarterly payment. The weekly payments will vary depending on how many animals you sell and the support level and market price over the week.

You would receive your quarterly payment following the quarter in which the animals were sold.

Feeder category – Example 1

The following example illustrates the payment calculation for one week of the year:

Assume in one week you sell 100 feeder hogs at 25 kilograms each. Assume the following support level and market price:

- a) Support level: \$60.00/head
- b) Market price: \$57.90/head
- c) Number of feeders sold: 100

Program payment for the week

$$\begin{aligned} &= (a - b) \times c \times 40\% \\ &= (60.00 - 57.90) \times 100 \times .40 \\ &= \$84.00 \end{aligned}$$

This payment calculation will be repeated for each week of the quarter and the weekly payments will be compiled into one quarterly payment. The weekly payments will vary depending on how many animals you sell and the support level and market price over the week.

You would receive your quarterly payment following the quarter in which the animals were sold.

Feeder category – Example 2 (off-type animals)

The following example illustrates the payment calculation for one week of the year:

Assume in one week you sell 50 breeding gilts at 100 kilograms each and 50 barbecue pigs at 60 kilograms each, live weight. These off-type sales will be treated as feeder sales and will have the same program rates as regular feeder sales. Assume the following feeder support level and feeder market price:

- a) Support level: \$60.00/head
- b) Market price: \$57.90/head
- c) Number of off-type animals sold: 100 (50 breeding gilts and 50 barbecue pigs)

Program payment for the week

$$\begin{aligned} &= (a - b) \times c \times 40\% \\ &= (60.00 - 57.90) \times 100 \times .40 \\ &= \$84.00 \end{aligned}$$

This payment calculation will be repeated for each week of the quarter and the weekly payments will be compiled into one quarterly payment. The weekly payments will vary depending on how many animals you sell and the support level and market price over the week.

You would receive your quarterly payment following the quarter in which the animals were sold.

Grower/finisher category

The following example illustrates the payment calculation for one week of the year:

Assume in one week you sell 100 finished hogs at 122 kilograms live weight per head for an average weight gain of 97 kilograms per head (122 kg – 25 kg). Assume the following support level and market price:

- a) Support level per kilogram gain: \$2.10/kg
- b) Market price per kilogram gain: \$1.90/kg
- c) Total eligible weight gain: 9,700 kg (100 x 97 kg)

Program payment for the week

$$\begin{aligned} &= (a - b) \times c \times 40\% \\ &= (2.10 - 1.90) \times 9,700 \times .40 \\ &= \$776.00 \end{aligned}$$

This payment calculation will be repeated for each week of the quarter and the weekly payments will be compiled into one quarterly payment. The weekly payments will vary depending on how many animals you sell and the support level and market price over the week.

You would receive your quarterly payment following the quarter in which the animals were sold.

Example accumulated payments

The following examples show how weekly calculations are rolled up into quarterly payments.

Quarterly early wean payment: Q1 (January 1 to March 31)			
Week of sale	Animals sold in the week	Payment rate (support level – market price) x 40% (\$/head)	Payment
Jan 1 – 7	200	2.00	\$400.00
Jan 22 – 28	400	1.00	\$400.00
Feb 5 – 11	350	0.00	\$0.00
Mar 4 – 10	210	1.11	\$233.10
Total payment calculated for Q1			\$1,033.10

Quarterly feeder payment: Q1 (January 1 to March 31)			
Week of sale	Animals sold in the week	Payment rate (support level – market price) x 40% (\$/head)	Payment
Jan 1 – 7	200	0.50	\$100.00
Jan 22 – 28	400	0.00	\$0.00
Feb 5 – 11	350	0.88	\$308.00
Mar 4 – 10	210	1.00	\$210.00
Total payment calculated for Q1			\$618.00

Quarterly grower/finisher payment: Q1 (January 1 to March 31)				
Week of sale	Animals sold in the week	Average eligible weight gained per animal	Payment rate (support level – market price) x 40% (\$/kg)	Payment
Jan 1 – 7	150	95 kg	0.0800	\$1,140.00
Jan 22 – 28	200	103 kg	0.0500	\$1,030.00
Feb 5 – 11	350	100 kg	0.0000	\$0.00
Mar 4 – 10	275	97 kg	0.1111	\$2,963.59
Total payment calculated for Q1				\$5,133.59

Reporting your information

Submit your sales report to Agricornp according to the schedule below. To remain eligible for all enrolled categories, you must submit a sales report even if you have zero sales. Report only hogs that are sold and eligible for the program.

- Off-type animals: For barbecue pigs sold between 25 and 87.5 kilograms live weight, and breeding hogs sold above 25 kilograms live weight, report these sales as feeder sales.
- Live or carcass weight: Report the actual sale weight as shown on the sales receipt – do not convert the sale weight. Also indicate whether the weight is live or carcass, head on or head off, as specified on the sales receipt.
- Report each animal sold only once at the final sale weight. For example, a 120 kilogram market hog you raised from farrow to finish would only be reported once, as a grower/finisher sale. You would also indicate that you raised the animal from birth.

Please read the reporting form carefully and do not report a sale more than once.

Early wean category – Sales reporting schedule		
Sales reporting period	Deadline to report	Information to report each period
January 1 to March 31	April 30, 2012	<ul style="list-style-type: none"> • The number of hogs sold • Their average sale weight • The primary point of sale • Date of sale
April 1 to June 30	July 31, 2012	
July 1 to September 30	October 31, 2012	
October 1 to December 31	January 31, 2013	

Feeder and grower/finisher categories – Sales reporting schedule		
Sales reporting period	Deadline to report	Information to report each period
January 1 to March 31	April 30, 2012	<ul style="list-style-type: none"> • The number of hogs sold • Their average sale weight (be sure to record weights in the appropriate row for live or carcass weight) • The primary point of sale • The origin of all sold animals (e.g., the number raised from birth and the number purchased) • Date of sale/slaughter • Report any off-type hog sales (barbecue pigs or breeding hogs) as feeder sales
April 1 to June 30	July 31, 2012	
July 1 to September 30	October 31, 2012	
October 1 to December 31	January 31, 2013	

Receipts

Copies of sales/slaughter and purchase receipts must be available upon request to help Agricornp verify program payments.

When sales receipts are requested, they must clearly show the following:

- Weight (live or carcass) by certified scale – if a certified scale weight is not available, the receipt must show the estimated weight and be signed by both the buyer and the seller
- Number of head
- Date of sale
- Name of seller and buyer
- Transaction value

Changes of more than 25 per cent

New

During the course of the year, if you expect your actual sales to differ from your projected sales by more than 25 per cent, you must report the new projected sales to Agricornp before the deadline for the next sales reporting period. Otherwise your coverage may not be adjusted and you may be cancelled from the program. You may also have to provide the reason for the change (for example, purchased a new farm).

Calculating your premium New

You are required to pay RMP premiums each year to enrol your hogs. Premiums are based on your chosen coverage level and projected sales for the year.

The premium is calculated as follows.

Early wean

Premium

= premium rate x number of head to be sold

Feeder (includes breeding hogs and barbecue pigs)

Premium

= premium rate x number of head to be sold

Grower/finisher (for slaughter sales above 87.5 kilograms only)

Premium

= premium rate x total eligible weight gain for hogs to be sold

2012 Premium rates		
Category	Coverage level	Producer premium rate
Early wean	100%	\$0.41 per head
	90%	\$0.24 per head
	80%	\$0.12 per head
Feeder	100%	\$0.25 per head
	90%	\$0.08 per head
	80%	\$0.02 per head
Grower/finisher	100%	\$0.0254 per kg of gain
	90%	\$0.0109 per kg of gain
	80%	\$0.0030 per kg of gain

The minimum annual premium per hog category is \$25. Premium rates have been adjusted to reflect the 40 per cent provincial funding.

Paying your premium

Each year at renewal time, you can choose to pay your premium in full or in four quarterly instalments. After you submit your application or any changes to your renewal notice, you will receive an invoice based on your chosen payment schedule. If you choose to pay in instalments, your premium payment will be due at the same time as your sales report.

For instructions on how to pay your premium, see page 7.



Sheep



RMP: Sheep

In this section:

- Selecting coverage
- Eligible lambs
- Payment calculations
- Example payment calculation
- Reporting your information
- Calculating your premium

Selecting coverage

When enrolling in the RMP plan for sheep, you are required to enrol, pay premium and report all of your eligible lamb sales. You must also estimate the average number of ewes in your breeding flock for the year, and indicate if you purchase lambs for further finishing.

RMP: Sheep covers the eligible lambs that you sell during the current program year. You must enrol all of the lambs you expect to market throughout the program year.

You can apply for RMP: Sheep as a new or existing participant.

- If you are enrolling in the Sheep plan for the first time, you must fill out a *2012 Application – RMP for livestock*. See “Completing the RMP for livestock application” below for more information.
- If you already participate in the Sheep plan, you will receive a *2012 Renewal notice – RMP for livestock*. You must review your coverage, choose your payment schedule and make any coverage changes if necessary. See “Existing participants” on page 5 for more information.

New participants

Completing the RMP for livestock application

When completing the *2012 Application – RMP for livestock* to enrol your sheep, follow these steps:

1. Select RMP: Sheep in Section G of your application.
2. Choose your desired coverage level.
3. Complete the Projected sheep sales report by entering your anticipated lamb sales for the year. To determine average sale weight, take the total weight for all lambs you expect to sell and divide by the number of head. The average sale weight must fall within 30 to 126 pounds.

Coverage and support levels

New

You may choose a coverage level of 80, 90, or 100 per cent. Your support level is the industry average cost of production for the livestock category multiplied by your chosen coverage level.

Eligible lambs

To be eligible for payment lambs must:

- Be sold in 2012
- Be produced and owned by you in Ontario for a minimum of 30 days
- Weigh 30 to 126 pounds (live weight) at time of sale
- Be less than one year of age
- Not be pregnant*

* Lambs may be sold for future breeding purposes and still be eligible for program coverage.

Payments

RMP payments are issued for your sold lambs when the average market price falls below the RMP support level during the payment calculation period. RMP payments for lambs are calculated on a per-pound basis for eligible weight gain. The RMP support level is based on the average market price of a 75 pound lamb.

Payments are issued at the end of each sales reporting period after your sales report is processed.

For lambs:

- Payments are calculated six times per year following each two-month payment period, and accumulated into semi-annual payments
- Payments are issued twice per year (September and March)
- Market prices are collected weekly and averaged for each payment period
- RMP support levels are calculated prior to the program year and remain constant for the program year

Payment calculation summary			
Support level calculation	Market price calculation	Payment calculation period	Payment schedule
Annual	<ul style="list-style-type: none"> Weekly and averaged for each two-month payment period 	Six times a year for: <ul style="list-style-type: none"> January-February March-April May-June July-August September-October November-December 	Semi-annual: <ul style="list-style-type: none"> September March

Additional details on the support level (cost of production times coverage level) and market prices are available in Appendix I and II.

Conversion from dressed weight to live weight

Sales reported as dressed weight will be converted to live weight as shown below:

- When the head remains with the carcass, dressed weight is 56 per cent of live weight
- When the head is removed from the carcass, dressed weight is 53 per cent of live weight

Payment calculations

Payment rates are based on the difference between the RMP support level and the average market price for the payment period. Payments are calculated as shown below.

RMP payment

$$= (\text{support level} - \text{market price}) \\ \times \text{total eligible weight gain for lambs sold} \\ \times \text{Ontario's 40\% share}$$

Note: For lambs born and raised on the farm, the eligible weight gain will be the sale weight. For lambs purchased, the eligible weight gain will be the sale weight minus the average purchase weight.

Lambs weighing from 30 pounds up to 115 pounds live weight will have a payment calculation based on their actual live weight.

Lambs weighing more than 115 pounds up to 126 pounds live weight will have a payment calculation based on 115 pounds; weight exceeding 115 pounds will not be included in payment calculations.

Payments will not be made for lambs weighing less than 30 pounds or more than 126 pounds live weight.

Example payment calculation New

This example is for illustration purposes only and does not necessarily reflect actual program payment rates, support levels or market prices for 2012.

The payment rate used to calculate your payment will be shown on your payment calculation summary.

Semi-annual payment

The following example illustrates the payment calculation for one two-month production period:

In March, assume you sell 70 lambs at an average weight gain of 75 pounds per head. Assume the following RMP support level and OSMA market price:

- Support level per pound: \$3.00/lb.
- Average market price per pound for March-April period: \$2.75/lb.
- Total weight gain: 5,250 lb. (70 x 75 lb.)

Program payment for the period

$$= (a - b) \times c \times 40\% \\ = (3.00 - 2.75) \times 5,250 \times .40 \\ = \$525.00$$

This payment calculation will be repeated for each two-month production period and the calculated payments for the first three production periods will be compiled into the first semi-annual payment. The payments will vary depending on how many animals you sell and the market price over the production period.

You would receive your first semi-annual payment following the reporting deadline for the first six months of the year.

You would receive your second semi-annual payment following the reporting deadline for the last six months of the year.

Example accumulated payment

The following example shows how bi-monthly calculations are rolled up into semi-annual payments.

Semi-annual payment: Period 1 (January 1 to June 30)				
Bi-monthly period of sale	Animals sold in the period	Average eligible weight gained per animal	Payment rate (support level – market price) x 40% (\$/lb.)	Payment
Jan – Feb	15	115 lb.	0.1700	\$293.25
Mar – Apr	20	105 lb.	0.0000	\$0.00
May – Jun	10	100 lb.	0.2110	\$211.00
Total payment for period 1				\$504.25

Reporting your information

Submit your sales report to Agricornp according to the schedule below. To remain eligible, you must submit a sales report even if you have zero sales. Report only lambs that are sold and eligible for the program.

For live or carcass weight, report the actual sale weight as shown on the sales receipt – do not convert the sale weight. Also indicate whether the weight is live or carcass, head on or head off, as specified on the sales receipt.

Sales reporting schedule		
Sales reporting period	Deadline to report	Information to report each period
January 1 to June 30	July 31, 2012	<ul style="list-style-type: none"> The number of lambs sold Their average sale weight
July 1 to December 31	January 31, 2013	<ul style="list-style-type: none"> The primary point of sale The origin of all sold animals (e.g., the number raised from birth, the number purchased and if purchased, average purchase weight) Date of sale

Receipts

Copies of sales/slaughter and purchase receipts must be available upon request to help Agricornp verify program payments.

When sales receipts are requested, they must clearly show the following:

- Weight (live or carcass, head-on or head-off) by certified scale – if a certified scale weight is not available, the receipt must show the estimated weight and be signed by both the buyer and the seller
- Number of head
- Date of sale
- Name of seller and buyer
- Transaction value

Changes of more than 25 per cent New

During the course of the year, if you expect your actual

sales to differ from your projected sales by more than 25 per cent, you must report the new projected sales to Agricornp before the deadline for the next sales reporting period. Otherwise your coverage may not be adjusted and you may be cancelled from the program. You may also have to provide the reason for the change (for example, purchased a new farm).

Calculating your premium New

You are required to pay RMP premiums each year to enrol your lambs. Premiums are based on your chosen coverage level and projected sales for the year.

The premium is calculated as follows.

Premium

= premium rate x total eligible weight gain for lambs to be sold

2012 Premium rates	
Coverage level	Producer premium rate
100%	\$0.15 per lb.
90%	\$0.11 per lb.
80%	\$0.07 per lb.

The minimum annual premium is \$25. Premium rates have been adjusted to reflect the 40 per cent provincial funding.

Paying your premium

Each year at renewal time, you can choose to pay your premium in full or in two semi-annual instalments. After you submit your application or any changes to your renewal notice, you will receive an invoice based on your chosen payment schedule. If you choose to pay in instalments, your premium payment will be due at the same time as your sales report.

For instructions on how to pay your premium, see page 7.



Veal



RMP: Veal

In this section:

- Selecting coverage
- Eligible veal calves
- Payment calculations
- Example payment calculations
- Reporting your information
- Calculating your premium

Selecting coverage

Each year, you may choose to enrol in one or both of the following categories of veal, depending on your operation:

- Milk-fed veal calves
- Grain-fed veal calves

RMP: Veal covers the eligible veal calves that you sell during the current program year. To receive full coverage for all your veal sales, you must enrol all of the veal calves you expect to market throughout the program year.

Please be aware that by selecting a category for coverage, you are required to enrol, pay premium and report all of your eligible veal sales within that category. You will be eligible for payment only under your chosen categories.

You can apply for RMP: Veal as a new or existing participant.

- If you are enrolling in the Veal plan for the first time, you must fill out a *2012 Application – RMP for livestock*. See “Completing the RMP for livestock application” below for more information.
- If you already participate in the Veal plan, you will receive a *2012 Renewal notice – RMP for livestock*. You must review your coverage, choose your payment schedule and make any coverage changes if necessary. See “Existing participants” on page 5 for more information.

New participants

Completing the RMP for livestock application

When completing the *2012 Application – RMP for livestock* to enrol your veal calves, follow these steps:

1. Select RMP: Veal in Section G of your application.
2. Choose the specific veal categories that you wish to enrol in and your desired coverage level for each category.
3. Complete the Projected veal sales report by entering your anticipated sales for the year for each of your chosen categories.

Coverage and support levels New

You may choose a coverage level of 80, 90 or 100 per cent for each livestock category. You may choose a different coverage level for each category you enrol. Your support level is the industry average cost of production for the livestock category multiplied by your chosen coverage level.

Eligible veal calves

To be eligible for payment, veal calves must be:

- Sold for slaughter in 2012
- Produced and owned by you in Ontario for a minimum of 90 days
- Within the weight ranges shown below (sales receipts for grain-fed veal must show individual live weights)

Veal calves may be enrolled in either of the following two categories. Remember, you must enrol all of your eligible veal calves in each category you choose.

Veal category	Weight range (live weight)
Grain-fed	Between 600 and 752 lb. at time of sale (individual weight)*
Milk-fed	Between 340 and 675 lb. at time of sale

* Grain-fed veal calves sold on a group weight basis are not eligible for payment.

Grain-fed veal calves weighing more than 725 pounds

Grain-fed veal calves that weigh more than 725 pounds are considered overweight, but may still be eligible for partial payment as long as they weigh less than 752 pounds. You will be eligible for a payment calculation on one overweight grain-fed veal calf (over 725 pounds up to 752 pounds) for every 10 eligible grain-fed veal calves sold at 725 pounds or less.

For example, if you have 50 eligible grain-fed veal calves that weigh 720 pounds and 10 grain-fed veal calves that weigh 750 pounds, your payment will be calculated as follows:

- Full payment rate for the 50 calves weighing 720 pounds (individual live weight)
- Full payment rate for 5 calves (10% of 50) weighing 750 pounds (individual live weight)
- No payment for the other 5 calves weighing 750 pounds (individual live weight)

If the number of overweight animals for the quarter exceeds the 1:10 ratio, the first reported sales will be used until the maximum has been reached. These animals will be paid at the payment rate for the week they were sold. Using the above example, the first five animals sold in the quarter will be paid at the payment rate for the week they were sold. All animals will need to be weighed individually to be eligible.

Calves that are ineligible for RMP: Veal due to weight may be eligible for the RMP: Cattle plan. For more information, see "RMP: Cattle" on page 11.

Payments

Payments are issued for your sold veal calves when the average market price falls below the support level during the payment calculation period. The average market price and support level are calculated separately for each veal category. Each category also has a separate payment calculation.

Payments are issued at the end of each sales reporting period after your sales report is processed.

For both grain-fed and milk-fed veal:

- Payment rates are calculated every week and accumulated into a single payment after each quarter
- Payments are issued four times per year (June, September, December and March)
- Both the support levels and the market prices are calculated every week, and will vary from week to week depending on fluctuating commodity prices. The support level and market price are based on the reported date of sale.

Additional details on the support level (cost of production times coverage level) and market prices are available in Appendix I and II.

Payment calculations

Payment rates are based on the difference between the support level and the average market price for the payment calculation period. Payments are calculated for each category as shown below.

Milk-fed and grain-fed

RMP payment

$$= (\text{support level} - \text{market price}) \\ \times \text{number of calves sold} \\ \times \text{Ontario's 40\% share}$$

Conversion from rail weight to live weight

Sales reported as rail weight will be converted to live weight as shown below:

- For grain-fed veal, rail weight is calculated as 54.5 per cent of live weight
- For milk-fed veal, rail weight is calculated as 58.5 per cent of live weight

Example payment calculations New

Examples are for illustration purposes only and do not necessarily reflect actual program payment rates, support levels or market prices for 2012.

The payment rate used to calculate your payment will be shown on your payment calculation summary.

Grain-fed veal category

The following example illustrates the payment calculation for one week of the year:

Assume in one week you sell 20 grain-fed veal calves, each with an individual weight of 725 pounds or less. Assume the following support level and market price:

- Support level: \$800/head (for the week)
- Market price: \$600/head (for the week)
- Number of calves sold: 20

Program payment for the week

$$= (a - b) \times c \times 40\% \\ = (\$800 - \$600) \times 20 \times .40 \\ = \$200 \times 20 \times .40 \\ = \$1,600$$

This payment calculation will be repeated for each week of the quarter and the weekly payments will be compiled into one quarterly payment. The weekly payments will vary depending on how many animals you sell and the support level and market price over the week.

You would receive your quarterly payment following the quarter in which the animals were sold.

Milk-fed veal category

The following example illustrates the payment calculation for one week of the year:

Assume in one week you sell 20 milk-fed veal calves at an average weight of 475 pounds each. Assume the following support level and market price:

- a) Support level: \$920/head (for the week)
- b) Market price: \$750/head (for the week)
- c) Number of calves sold: 20

Program payment for the week

$$\begin{aligned}
 &= (a - b) \times c \times 40\% \\
 &= (\$920 - \$750) \times 20 \times .40 \\
 &= \$170 \times 20 \times .40 \\
 &= \$1,360
 \end{aligned}$$

This payment calculation will be repeated for each week of the quarter and the weekly payments will be compiled into one quarterly payment. The weekly payments will vary depending on how many animals you sell and the support level and market price over the week.

You would receive your quarterly payment following the quarter in which the animals were sold.

Example accumulated payments

The following examples show how weekly calculations are rolled up into a quarterly payment.

Quarterly grain-fed veal payment: Q1 (January 1 to March 31)						
Week of sale	Right-weighted veal sold in the week	Overweight veal sold in the week (725-752 lb.)	Eligible overweight veal	Total eligible veal	Payment rate (support level – market price) x 40% (\$/head)	Payment
Jan 1 – 7	30	5	5	35	75.00	\$2,625.00
Jan 22 – 28	15	0	0	15	63.29	\$949.35
Feb 19 – 25	30	6	6	36	29.60	\$1,065.60
Mar 4 – 10	100	16	6	106	93.32	\$9,891.92
Total eligible	175	27	17	192		
Total payment calculated for Q1						\$14,531.87

Quarterly milk-fed veal payment: Q1 (January 1 to March 31)			
Week of sale	Animals sold in the week	Payment rate (support level – market price) x 40% (\$/head)	Payment
Jan 1 – 7	70	53.00	\$3,710.00
Jan 22 – 28	50	45.29	\$2,264.50
Feb 5 – 11	25	0.00	\$0.00
Mar 4 – 10	11	71.28	\$784.08
Total payment calculated for Q1			\$6,758.58

Reporting your information

Submit your sales report to Agricornp according to the schedule below. To remain eligible for all enrolled categories, you must submit a sales report even if you have zero sales. If applying online, you will receive a confirmation number when you click Submit. Please write this number on your sales records and send them to Agricornp.

Report the actual sale weight as shown on the sales/slaughter receipt. Report the weights as either “live” or “rail” – do not convert the weights yourself.

Grain-fed veal – Sales reporting schedule		
Sales reporting period	Deadline to report	Information to report each period
January 1 to March 31	April 30, 2012	<ul style="list-style-type: none"> • The number of calves sold by live weight in each of the following weight ranges (based on individual weight sales receipts): <ul style="list-style-type: none"> - From 600 to 725 lb. - Over 725 lb. up to 752 lb. • The number of calves sold by rail weight in each of the following weight ranges (based on individual weight sales receipts): <ul style="list-style-type: none"> - From 327 to 396 lb. - Over 396 lb. up to 410 lb. • Copies of your slaughter records or auction market invoices showing individual animal weights. • Date of sale or slaughter
April 1 to June 30	July 31, 2012	
July 1 to September 30	October 31, 2012	
October 1 to December 31	January 31, 2013	

Milk-fed veal – Sales reporting schedule		
Sales reporting period	Deadline to report	Information to report each period
January 1 to March 31	April 30, 2012	<ul style="list-style-type: none"> • The number of eligible calves sold according to their weight type: <ul style="list-style-type: none"> - From 340 to 675 lb. live weight - Up to 396 lb. rail weight • Copies of your slaughter/ transaction records or auction market invoices showing animal weights (group or individual weights). • Date of sale or slaughter
April 1 to June 30	July 31, 2012	
July 1 to September 30	October 31, 2012	
October 1 to December 31	January 31, 2013	

Receipts

Copies of purchase receipts for bob calves or preconditioned calves must be available upon request to help Agricornp verify program eligibility (e.g., minimum ownership of 90 days).

Sales/slaughter receipts are always required for both grain-fed and milk-fed veal calves and must clearly show the following:

- Individual live or rail weight
- Number of head
- Date of sale
- Name of seller and buyer

Changes of more than 25 per cent

New

During the course of the year, if you expect your actual sales to differ from your projected sales by more than 25 per cent, you must report the new projected sales to Agricornp before the deadline for the next sales reporting period. Otherwise your coverage may not be adjusted and you may be cancelled from the program. You may also have to provide the reason for the change (for example, purchased a new farm).

Calculating your premium New

You are required to pay RMP premiums each year to enrol your veal calves. Premiums are based on your chosen coverage level and projected sales for the year.

The premium is calculated as follows.

Milk-fed and grain-fed

Premium

= premium rate x number of head to be sold

The minimum annual premium per veal category is \$25.

2012 Premium rates		
Category	Coverage level	Producer premium rate
Grain-fed	100%	\$10.78 per head
	90%	\$4.84 per head
	80%	\$1.56 per head
Milk-fed	100%	\$27.88 per head
	90%	\$16.22 per head
	80%	\$5.97 per head

The minimum annual premium per veal category is \$25. Premium rates have been adjusted to reflect the 40 per cent provincial funding.

Paying your premium

Each year at renewal time, you can choose to pay your premium in full or in four quarterly instalments. After you submit your application or any changes to your renewal notice, you will receive an invoice based on your chosen payment schedule. If you choose to pay in instalments, your premium payment will be due at the same time as your sales report.

For instructions on how to pay your premium, see page 7.



Terms and conditions for RMP for livestock

This section outlines the other terms and conditions of your participation in the RMP plans for livestock for 2012.

Bankruptcy or death

In the event of bankruptcy or the death of the participant in 2012, the RMP coverage is terminated at the end of the program year.

Farm sale

If you sell all of your farming operation, your participation in RMP is cancelled as of the date of sale. If you sell only part of the farming operation, that portion of your coverage is cancelled while the unsold portion remains active.

Collecting and protecting your information

Information collected under 2012 RMP for livestock is collected and used by Agricorp to administer the program on behalf of OMAFRA. Information collected may be used and disclosed for the purpose of administering, auditing and evaluating the program. This includes sharing information with OMAFRA. Agricorp may also use information collected under the program for the purpose of administering and/or auditing shared cost programs and provincially or federally subsidized programs. Social insurance numbers (SIN) and business identification numbers (BIN) are collected and used by Agricorp only for the purpose of making payments under this program and will be shared with the Canada Revenue Agency (CRA) for the purpose of issuing tax receipts for payments and, where necessary, for the purpose of auditing and collection of overpayments. Questions about the collection of this information can be directed to Agricorp's Freedom Of Information-Privacy Coordinator, Box 3660, Stn. Central, Guelph, ON N1H 8M4, 1 888 247-4999.

Any information may be disclosed by OMAFRA or Agricorp as obligated under the *Freedom of Information and Protection of Privacy Act*, R.S.O 1990, c. F.31, by an order of a court or tribunal, or pursuant to a legal proceeding.

Retaining records

You must retain all invoices, receipts and production records relating to the livestock covered by the program for a period of six years. You will have to make these invoices and records available to Agricorp in the event of an investigation or to determine any matter relating to the RMP plans for livestock.

Right of access

When you enrol in RMP for livestock, you accept that Agricorp has the right to access your production and financial records, as well as records held by third parties, including commodity boards, associations and organizations, grain elevators and processors.

Agricorp also has the right of reasonable entry to all lands or facilities you use, own or lease, or have otherwise control and direction over, in order to survey, audit, inspect, estimate and examine your:

- Eligible livestock
- Inventory and production
- Other information that is or should be in your records.

Requesting a review

If you disagree with a decision about your file, a payment or your eligibility for any of the RMP plans for livestock, please contact Agricorp. You have three months from receiving a payment or notice from Agricorp to raise the issue. For full particulars involved in requesting a review, refer to Order-in-Council Nos. 1309 and 1310 as well as the program guidelines.

Agricorp will then review and assess the issue. If Agricorp's assessment is not satisfactory, you may request a review by the Business Risk Management Review Committee (BRMRC). Your written request must be submitted within 90 calendar days of receiving the written assessment from Agricorp. This request must contain the following:

- The nature of the request for review. The request for review must set out the decision that you want the BRMRC to review;
- The ground(s) which you intend to rely upon during the request for review; and
- The information and documentation that you will rely upon during the request for review.

An Agricorp representative can provide you with information on how to make a request to the BRMRC.

Consequences of non-compliance and misconduct

If you do not meet the requirements of RMP: Cattle, RMP: Hogs, RMP: Sheep or RMP: Veal, your coverage will be cancelled.

You will also have to repay any or all payments you received under RMP that are not in accordance with the eligibility requirements set out in the application material and this handbook, and/or laws of Ontario and Canada. Repayments are due within 30 calendar days of the date of Agricorp's notice to you. Failure to make repayment creates a debt to the Crown that can be recovered against any money the Crown owes to you.

Participation in the program may be cancelled if you in any way:

- Give false or misleading information
- Fail to meet the program requirements
- Commit fraud

If your participation in the program is cancelled for any reason, you will not be eligible to apply again for the current year plus the following two years.

Definitions

AgriStability	A program delivered by Agricorp in Ontario, which covers margin declines, on a whole-farm basis, caused by any combination of production losses, adverse market conditions, or increased costs. If a producer's margin falls below 85 per cent of their recent average, AgriStability helps to offset the difference.
BRMRC	The Business Risk Management Review Committee, established under an order-in-council pursuant to the royal prerogative. The BRMRC reviews files for producers requesting a review of an Agricorp decision about RMP provided they've included valid grounds and information to warrant the review.
Cattle	A bovine of a beef-type breed raised primarily for meat and produced in Ontario for at least 120 days. Includes calves, steers and heifers.
Cost of production	The estimated cost of producing an eligible category of livestock (cattle, hogs, sheep or veal) within a production period as determined by the Ontario Ministry of Agriculture, Food and Rural Affairs.
Coverage level	The percentage of the program cost of production that will be covered for a livestock category. Participants may choose a coverage level of 80, 90 or 100 per cent for each enrolled livestock category.
Dressed weight	<p>Cattle: The carcass or rail weight of a slaughtered steer or heifer. For heifers, dressed weight is 58.5 per cent of live weight; for steers, dressed weight is 60 per cent of live weight.</p> <p>Hogs: The carcass weight of a slaughtered hog. Dressed weight is 80 per cent of the live weight with the head on, and 74 per cent of live weight with the head off.</p> <p>Sheep: The carcass weight of a slaughtered eligible lamb. Dressed weight is 56 per cent of the live weight with the head on, and 53 per cent of live weight with the head off.</p> <p>Veal: The carcass weight of a slaughtered veal calf. Dressed weight is typically 54.5 per cent of the live weight for a grain-fed veal calf and 58.5 per cent of the live weight for a milk-fed veal calf.</p>
Eligible production	The allowable production or weight gain of Ontario grown livestock within the eligible weight ranges of a program category.
Live weight	The actual or calculated weight of an animal that has not been slaughtered.
Market price	The average sale price for an animal within an eligible livestock category, gathered over the production or sales period. This is compared to the support level and used to calculate any eligible program payments.
New participant	Either an existing RMP participant who is enrolling new livestock commodities or a producer (new or existing farmer) who is enrolling in RMP for livestock for the first time. For a commodity to be considered new, the producer must have had zero farm income from that commodity in the previous year.
OCA	Ontario Cattlemen's Association

Definitions

Ontario Pork	Ontario Pork Producers Marketing Board
OnTrace	An industry-led, not-for-profit corporation established to develop a traceability framework for the agriculture and food sectors in Ontario, including the premises identification program (see “Premises identification” below). You can contact OnTrace at 1-888-388-7223 or online at www.ontrace.ca to obtain your premises ID.
OSMA	Ontario Sheep Marketing Agency
OVA	Ontario Veal Association
Premium	The amount of money a participant is required to pay for a specific coverage level for a specific livestock category for the program year based on projected sales. Starting in 2012, premiums are required for all livestock categories.
Premises identification	A program offered by OnTrace Agri-food Traceability that assigns a unique identifying number to your parcel of land associated with agri-food activities. Premises ID provides advantages, including effective emergency responses, reliable location verification of shipments and deliveries and quick traceability of suspect materials or products. Premises ID numbers are required for coverage under all RMP plans for livestock (cattle, hogs, sheep and veal). To obtain your premises ID, contact OnTrace at 1-888-388-7223 or register online at www.ontrace.ca .
Production period	The maximum time period for which cost of production is calculated and applied within a program category. The production periods vary by livestock category.
Program year	The calendar year from January 1 to December 31.
Projected sales	An estimate of the total eligible sales that are anticipated during the upcoming program year. For existing participants, projected sales are based on reported eligible sales from the previous program year, and may be adjusted by the participant at renewal time. Your projected sales are used to determine your annual premium.
Reporting period	The timelines when actual livestock sales must be reported in order to calculate a program payment. The reporting periods vary by livestock category.
Return to labour factor	A calculated amount used to determine the labour cost associated with raising livestock. This factor is based on the 2009 average earnings of a skilled equipment operator.
Support level	The cost of production for livestock within a livestock category multiplied by the participant’s chosen coverage level.
100% formula price	The weekly average hog price calculated using the Ontario base price formula as reported by Ontario Pork. The Chicago Mercantile Exchange (CME) constructed price and the Bank of Canada exchange rate use simple daily averages (Monday to Friday).

Appendix I: Cost of production data

Cost of production data is taken from both industry records and the Agricorn database. Farms in the Agricorn database are included in the sample if they:

- Participated in AgriStability for 2010.
- Earned at least 80 per cent of their AgriStability allowable income from the sale of applicable livestock.
- Submitted all required income, expense and inventory information to AgriStability for the applicable years.

The highest cost producers (with production costs in the top 30 per cent) on a per unit basis are removed from the sample, which is consistent with how cost of production is calculated for many supply-managed commodities in Ontario.

Support levels

Support levels are equal to the cost of production multiplied by the coverage level of 80, 90 or 100 per cent. The payment calculation summaries mailed to producers will show the individual support levels for the calculation period.

For full particulars on the cost of production, please refer to the program guidelines.

Cattle plan

Livestock purchase costs

Purchase costs of replacement animals are determined separately for each livestock category.

For cow-calf, purchase cost data is taken from the 2010 AgriStability database indexed forward to 2012 using changes in the Eastern Canada Animal Production Farm Input Price Index. For backgrounder and feedlot cattle, purchase cost is based on the cost of purchasing an average size steer or heifer using the average of weekly CANFAX prices for Alberta, Saskatchewan and Manitoba for 24 to 28 weeks before the payment period plus a transportation cost of \$0.0978 per pound.

Feed costs

For cow-calf, feed cost data is taken from the 2010 AgriStability database indexed forward to 2012 using changes in the Eastern Canada Animal Production Farm Input Price Index.

For backgrounders, feed costs are based on a cost of \$0.5955 per pound gained on pasture and \$0.5834 per pound gained on feed (assuming 133 days on pasture and feed with 94 per cent corn silage and 6 per cent

concentrate). It is assumed that steers gain 1.9 pounds per day on pasture and consume 42 pounds of feed per day at 46 days on feed. It is assumed that heifers gain 1.7 pounds per day on pasture and consume 39 pounds of feed per day at 65 days on feed.

For feedlot *steers*, the cost of feed is based on the average cost over 26 weeks to feed 1802.4 pounds of corn silage, 3715.4 pounds of corn, 964.9 pounds of distillers dried grain and 272.4 pounds of concentrate to take a steer from 900 to 1,500 pounds at 3.25 pounds of gain per day. For feedlot *heifers*, the cost of feed is based on the average cost over 26 weeks to feed 1817 pounds of corn silage, 3749 pounds of corn, 974 pounds of distillers dried grain, and 275 pounds of concentrate to take a heifer from 850 to 1,400 pounds at 3.01 pounds of gain per day.

The price of corn silage is based on the weekly number 2 yellow Chatham Ontario corn price as reported by Ridgetown Campus's *Farm Market News* adjusted to include a \$15 per tonne transportation cost multiplied by 0.1616 to represent the value of corn silage on a weekly basis. The weekly corn silage price is then averaged over the appropriate weeks on feed for the respective cattle category.

The price of corn is based on the weekly number 2 yellow Chatham Ontario corn price as reported by Ridgetown Campus's *Farm Market News* adjusted to include a \$15 per tonne transportation cost. The weekly corn price is then averaged over the appropriate weeks on feed for the respective cattle category.

The price of distillers dried grain is based on the weekly distillers dried grain price as reported by Ridgetown Campus's *Farm Market News* adjusted to include a \$30 per tonne transportation cost. The weekly distillers dried grain price is then averaged over the appropriate weeks on feed for the respective cattle category.

The price of concentrate is based on the weekly soymeal price as reported by Ridgetown Campus's *Farm Market News* multiplied by 1.43. The weekly soymeal price is then averaged over the appropriate weeks on feed for the respective cattle category.

Hog plan

Livestock purchase costs

Purchase costs of replacement animals are calculated separately for each livestock category.

For hogs, purchase cost is based on the average cost of purchasing a 7 kilogram early wean or a 25 kilogram feeder, calculated weekly.

Feed costs

For early wean hogs, feed costs are based on 1,100 kilograms of feed on an as-fed basis per sow consisting of 78.55 per cent corn, 16.06 per cent soymeal and 5.39 per cent premix.

For feeders, costs are based on 32 kilograms of feed on an as-fed basis per hog consisting of 63.95 per cent corn, 22.74 per cent soymeal, and 13.31 per cent premix.

For finishers, costs are based on a feed conversion of 2.8 and the Ontario average market dressed weight for the week converted to live weight less the 25 kilograms starting weight per grower/finisher on an as-fed basis consisting of 78.95 per cent corn, 17.65 per cent soymeal, and 3.4 per cent premix.

The price of corn is based on Ontario feed corn prices as reported by Ridgeway Campus's *Farm Market News* on a weekly basis. The weekly corn price is then averaged over the appropriate weeks on feed for the applicable hog category.

The price of soymeal is based on the soymeal price as reported by Ridgeway Campus's *Farm Market News* on a weekly basis plus a \$20 per tonne transportation cost. The weekly soymeal price is then averaged over the appropriate weeks on feed for the applicable hog category.

Sheep plan

Livestock purchase costs

For sheep, purchase cost data is taken from the 2010 AgriStability database indexed forward to 2012 using changes in the Eastern Canada Animal Production Farm Input Price Index.

Feed costs

For lambs, feed cost data is taken from the 2010 AgriStability database indexed forward to 2012 using changes in the Eastern Canada Animal Production Farm Input Price Index.

Veal plan

Livestock purchase costs

Purchase costs of replacement animals are calculated separately for each livestock category.

For veal, purchase cost is based on the average weekly price of fancy to good calves from the Ontario Live Auction Report, 32 weeks prior to sale for finished grain-fed veal, and 20 weeks prior to sale for finished milk-fed veal.

Feed costs

For grain-fed veal, feed costs are based on the average cost over 32 weeks to feed a calf 745 kilograms of corn, 28.25 kilograms of milk replacer formula and 246.25 kilograms of starter and supplement formula.

For milk-fed veal, feed costs are the same as for grain-fed veal plus three hundred dollars per calf.

The price of corn is based on the weekly number 2 yellow Chatham Ontario corn price adjusted to include a \$15 per tonne transportation cost. The weekly corn price is then averaged over the appropriate number of weeks on feed for the veal category. The price of concentrate is based on the weekly soymeal price as reported by Ridgeway Campus's *Farm Market News* multiplied by 1.43, then averaged over the appropriate number of weeks on feed for the veal category.

Yardage

Yardage consists of the non-animal and non-feed costs incurred by a farmer in producing livestock. The yardage calculation includes all expenses claimed by a farmer for income tax purposes other than livestock purchases, feed purchases, family labour costs, inventory adjustments and direct crop production costs. Yardage costs are taken from the 2010 AgriStability database indexed forward to 2012 using changes in the Eastern Canada Animal Production Farm Input Price Index.

Yardage also includes a per animal labour cost based on the earnings of a skilled equipment operator for a full-time farm of a typical representative size for each livestock category.

Appendix II: Market price data

Market prices for each livestock category are collected and calculated by OMAFRA using the frequency and data sources shown below under each livestock plan.

The payment calculation summaries mailed to producers will show the livestock market prices for the calculation period.

For full particulars of market price data, please refer to the program guidelines.

Cattle plan		
Cattle category	Frequency	Data source
Cow-calf	Twice per year: • Jan 1 - June 30 • July 1 to Dec 31	For steers and heifers, the sum of: • Weighted average of the weekly 500-599 lb. large and medium frame steer price and heifer price (as reported by the OCA for these two periods in the program year) • A \$25 per head adjustment to reflect cattle sold at higher value sales
Backgrounder	Weekly, at end of business day each Friday	For steers: • Weekly weighted average 900-999 lb. large and medium frame steer price* For heifers: • Weekly weighted average 800-899 lb. large and medium frame heifer price*
Feedlot	Weekly, at end of business day each Friday	For steers: • Weekly weighted average large and medium frame 1250+ lb. steer price* For heifers: • Weekly weighted average large and medium frame 1000+ lb. heifer price*

*As reported by the Ontario Cattlemen's Association (OCA) for each week of the program year.

Hog plan		
Hog category	Frequency	Data source
Early wean	Weekly, determined on sale date	Calculated using the following formula weighted equally (1/3, 1/3, 1/3): 1. Per cent of cost of production for producing an early wean pig to 7 kg for the week x 100% formula price* x seasonal factor 2. 26% of the 100% formula price* 3. USDA early wean pig value (US\$/pig) minus \$2 per animal for transportation converted to Canadian dollars
Feeder	Weekly, determined on sale date	Calculated using the following formula weighted equally (1/3, 1/3, 1/3): 1. Per cent of cost of production for producing a feeder hog to 25 kg for the week x 100% formula price* x seasonal factor 2. 41.25% of the 100% formula price* 3. USDA 40 lb. pig value (US\$/pig) plus (\$0.35 x 15 lb.) minus \$3.50 per animal for transportation, converted to Canadian dollars
Grower/finisher	Weekly, determined on slaughter date	Calculated using: 100% formula price* x 1.095 index x Ontario average market dressed weight for the week

*100% formula price means the weekly average price calculated using the Ontario Base Price Formula as calculated by Ontario Pork.

Market prices for operations with multiple categories

For operations with more than one category (e.g., farrow to finish, early wean to finish, or farrow to feeder), market prices for the categories prior to the sale category will be determined as follows:

- For farrow to feeder operations, the early wean price will be seven weeks prior to the feeder sale date
- For early wean to finish operations, the feeder price will be 13 weeks prior to the slaughter date
- For farrow to finish operations, the early wean price will be 20 weeks prior to the slaughter date, and the feeder price will be 13 weeks prior to the slaughter date

Sheep plan

Market prices for lambs will be collected weekly and calculated by OMAFRA six times per year following each two-month payment period. The market price for lambs is calculated using the following steps:

1. Obtain the weekly prices for a 100 pound lamb.

Use the reported Ontario Sheep Marketing Agency (OSMA) weekly weighted average market price for the 65-79 pound category that is reported in hundredweight (based on the Ontario Stockyards Inc., Ontario Livestock Exchange, Brussels Livestock and Embrun Livestock Exchange Ltd.).

2. Calculate the weekly prices for a 75 pound lamb.

Multiply the weekly prices obtained in step 1 by 75 per cent to get the price for a 75 pound lamb.

3. Determine the market price for the two-month payment period.

Total all the weekly prices from step 2 for the two-month payment period and divide by the number of weeks to obtain the average weekly price for each two-month payment period (e.g., Jan-Feb, Mar-Apr, etc.).

Veal plan		
Veal category	Frequency	Data source
Grain-fed	Weekly	The average over 600 lb. price from the Ontario Veal Association Weekly Market Information Report
Milk-fed	Weekly	The weekly simple average of milk-fed veal as found on the website of the Fédération des producteurs de bovines du Québec

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