

2014 Handbook addendum

RMP for livestock Cattle • Hogs • Sheep • Veal



Manage your farm risk



This addendum works with the *2013 Handbook – RMP for livestock* to provide all the information you need to participate in RMP for 2014. The program deadlines and premium rates in this addendum replace those published in the 2013 handbook. This addendum also contains any new terms for the 2014 program year that were not part of the 2013 handbook. Where there is any conflict between this addendum and the 2013 handbook, this addendum takes precedence.

For full program details including eligibility requirements and your responsibilities as a participant, refer to your 2013 handbook. The handbook was mailed to 2013 participants and is available on agricorp.com or by contacting Agricorp.

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. Payments are triggered when the average market price falls below the support level. \$100 million in annual government funding is available through RMP.

Premium rates

Premium rates are based on:

- Your insured production (anticipated sales for the year)
- The level of coverage you choose: 80, 90 or 100 per cent

Calculating your premium

Your annual premium is calculated using one of two formulas, depending on the livestock category:

premium rate x number of head enrolled

OR

premium rate x total eligible weight gain enrolled

In addition to the \$100 million available from the province, all RMP premiums will go into an industry-managed fund that may be used to supplement program payments in years when producers need it most. These premium fund payments will be issued from the Farmer's Risk Management Premium Fund, which is managed by representatives of the participating commodity groups.

Payments

You will receive payments if the average market price for your livestock falls below your support level during the payment calculation period.

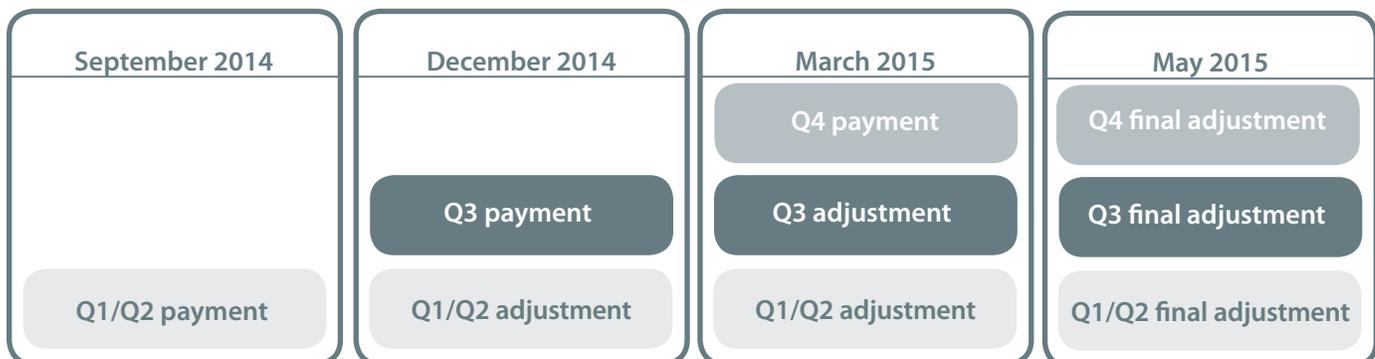
Payments are calculated using an interim rate, so producers who trigger payments at different times during the year have same access to funding. As the program year progresses, the interim payment rate may be adjusted.

Payments are based on:

- The difference between market prices and support levels at the 40 per cent provincial share
- Available funding for the Risk Management Program

The *Payment schedule* below shows the payments and adjustments you may be eligible to receive.

2014 Payment schedule



Note: The Farmer's Risk Management Premium Fund may also issue payments in addition to the program payments set out above.

Deadlines

The following deadlines replace the deadlines in the *2013 Handbook – RMP for livestock* and must be met to obtain and maintain coverage for the 2014 program year.

Responsibilities	2014 Deadlines
Submit application or coverage changes	April 1
Enrol in AgriStability and pay the fee	April 30
Report first quarter sales*	April 30
Pay premium in full or pay first semi-annual premium instalment	July 31
Report second quarter sales	July 31
Report first semi-annual sales	July 31
Report third quarter sales*	October 31
Pay second semi-annual premium instalment	January 31
Report fourth quarter sales	January 31
Report second semi-annual sales	January 31

* excludes cow-calf and sheep producers

2014 Rates

2014 RMP: Cattle premium rates

Category	Unit	Coverage level		
		80%	90%	100%
Cow-calf	\$/head	\$7.21	\$11.66	\$16.18
Backgrounder	\$/lb. of gain	\$0.0005	\$0.0035	\$0.0115
Feedlot	\$/lb. of gain	\$0.0024	\$0.0096	\$0.0213

2014 RMP: Hog premium rates

Category	Unit	Coverage level		
		80%	90%	100%
Early wean	\$/head	\$0.06	\$0.13	\$0.23
Feeder	\$/head	\$0.06	\$0.12	\$0.24
Grower/finisher	\$/kg of gain	\$0.0014	\$0.0050	\$0.0124

2014 RMP: Sheep premium rates

Category	Unit	Coverage level		
		80%	90%	100%
Lamb	\$/lb	\$0.0382	\$0.0574	\$0.0769

2014 RMP: Veal premium rates

Category	Unit	Coverage level		
		80%	90%	100%
Grain-fed	\$/head	\$1.05	\$3.20	\$6.64
Milk-fed	\$/head	\$3.09	\$8.39	\$14.59

Ontario Corn Fed Beef Ledger Account program

The Ledger Account program is a new risk management tool offered by the Ontario Cattle Feeders' Association (OCFA). The program will help stabilize pricing for participating cattle producers, encouraging further growth in the sector.

How the Ledger Account program and RMP work together:

- Producers can enrol in both programs.
- Cattle sold through the Ledger Account program are not eligible for RMP feedlot category payments.
- The Ledger Account program does not impact eligibility for RMP cow-calf and backgrounder category payments.
- Participants need to report all eligible cattle sales on their sales report, including those sold through the Ledger Account program. All cattle need to be accounted for by RMP to maintain accurate insured production.

For more information on the Ledger Account program, contact OCFA at 519-539-6623 or visit ontariocornfedbeef.com.

Joint venture livestock feeding arrangements

When a livestock owner and feeder operation share the production and marketing risks of livestock, each party may report their share of eligible sales.

- Each party's eligible sales reported in RMP should correspond with the eligible sales they reported in AgriStability.
- Each party's share of allowable income should correspond to the share of allowable expenses they reported in AgriStability.
- Each party jointly shares the cost of death loss in relation to their share of the arrangement.
- No interest, commissions or fees are charged between parties.

Retaining records

Agricorp may ask you for additional documentation in order to verify that the reported sales meet the minimum ownership requirements. This could include inventory tracking records, tagging records, close outs etc. Failure to provide the required information may result in the reported sales being ineligible for payment.

Definitions

This section contains additional or updated definitions as it relates to RMP for livestock. For a complete list of definitions, refer to the 2013 handbook.

Eligible production	The production or weight gain of Ontario grown livestock within the allowable weight ranges of a category sold during the year, and covered by the program. This should align with the eligible production you report for AgriStability.
Eligible sale	A commercial transaction where the right of possession of an animal is transferred. Sales must take place within the current program year. Eligible sales do not include the transfer of condemned animals or dead stock. Transfer of title (legal ownership) for the purpose of security of interest is not considered an eligible sale.
Ownership	The right of possession of livestock and their associated risks. Agricorp considers ownership, price risk and production risk in determining eligibility for program purposes, in alignment with AgriStability. Possession of title for the sole purposes of security of interest does not assign program eligibility.
Live weight	The actual weight of an animal not yet slaughtered (before any deductions are applied) or the converted weight of a carcass after program dressed weight percentages are applied. Participants must report actual carcass weights or live weights shown on the sales receipt.
Raised from birth	Livestock having been weaned in a cow-calf, farrow, or lambing production system.
Payment without sale	Calves enrolled in the cow-calf category that are not being sold may qualify for a payment without sale if they are kept for breeding purposes. Date of eligibility must occur within the current program year.

For full particulars of RMP terms and conditions, refer to the guidelines and orders-in-council listed below:

- RMP: Cattle, RMP: Hog, RMP: Sheep, RMP: Veal 2014 guidelines
- Order-in-Council No. 1309/2011, as amended (Ontario Risk Management Program)
- Order-in-Council No. 1309/2011, as amended (Business Risk Management Review Committee)

Where there is any conflict between the guidelines, the handbook and the handbook addendum, the guidelines take precedence.

Contact us

1-888-247-4999

TTY: 1-877-275-1380

Fax: 519-826-4118

agricorp.com

contact@agricorp.com

7 a.m. to 5 p.m., Monday to Friday

As an agency of the Government of Ontario, Agricorp works with government and industry partners to contribute to a vibrant and sustainable agricultural industry. Agricorp delivers risk management programs to help producers across all sectors manage all kinds of risk including financial, environmental and market security. The agency was established in 1997 by the provincial government under the authority of the *AgriCorp Act, 1996*. Agricorp administers RMP for livestock on behalf of the Ontario Ministry of Agriculture and Food.

Notice: Information collected is used by Agricorp to administer RMP for livestock. This information may be used and disclosed for the purpose of administering, auditing and evaluating the program, as well as other programs administered by Agricorp. This includes sharing information with the Ontario Ministry of Agriculture and Food and any other entity as required to administer the program and to make payments. Agricorp collects social insurance numbers for the purpose of making payments under this program and for the purposes of tax, auditing and collection of overpayments. This information will be shared with the Canada Revenue Agency and may also be shared with the Farmer's Risk Management Premium Fund for the purpose of issuing tax receipts for payments. Questions about the collection and disclosure of this information can be directed to Agricorp's FOI-Privacy Advisor, Box 3660, Stn. Central, Guelph, ON N1H 8M4, 1-888-247-4999.





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.

RMP complements AgriStability and Production Insurance. AgriStability is designed to stabilize whole farm income, and Production Insurance helps 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 Ontario Risk Management Program guidelines listed below:

- RMP: Cattle 2013 Guidelines
- RMP: Hog 2013 Guidelines
- RMP: Sheep 2013 Guidelines
- RMP: Veal 2013 Guidelines
- Order-in-Council No. 1309/2011, as amended (Ontario Risk Management Program)
- Order-in-Council No. 1310/2011, as amended (Business Risk Management Review Committee)

Where there is any conflict between the *2013 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 and Food (OMAF).

About this handbook

This handbook provides details about the 2013 Risk Management Program (RMP) plans for livestock:

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

By participating in RMP, customers 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 29.

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 2013
- Market price and target price details
- Definitions of important terms

Each RMP plan has its own section so that you can find the information you need quickly and easily.

New

Sections that contain information that is new or different for 2013 are highlighted throughout the handbook.

Table of contents

What is RMP for livestock?	4
Eligibility	4
Your responsibilities	5
How the program works	6
Terms of payment	7
Linkage with AgriStability	7
Payment caps	8
Balances owed to the Crown	8
Continuous participation	8
RMP: Cattle	9
RMP: Hogs	15
RMP: Sheep	21
RMP: Veal	25
Terms and conditions for RMP for livestock	29
Definitions	31
Appendix I: Cost of production data	33
Appendix II: Market price data	35

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.

These plans work like insurance to help Ontario producers offset losses caused by fluctuating commodity prices and production costs. Participants pay premiums based on their insured production and their chosen coverage level.

Insured production represents your anticipated livestock sales for the year.

Program payments are made if the market prices for sold livestock fall below the support level. The support level is based on the industry average cost of producing livestock (referred to as target price).

There are four livestock plans. Each plan, except sheep, includes several categories of production 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 2013

If you participated in 2012, you will notice a few changes in the program for 2013, which are summarized below:

- \$100 million in annual government funding is available through RMP.
- You can choose to pay premiums annually or semi-annually. (Premiums are no longer paid quarterly). Customers whose annual premium is less than \$200 will automatically be invoiced annually.
- RMP premiums will be collected by Agricorp and managed separately by each participating commodity group. The commodity groups will use the funds to supplement payments in years of greater need.

- The calculation that is used to determine premium rates has been modified to reflect the changes made to the program.
- To ensure the funding is not exceeded, payments may be prorated. Payment rates are still based on the difference between support levels and market prices.
- Program payments are issued semi-annually for the cow-calf and sheep categories and three times a year for all other livestock categories.
- Target price – a new term that represents the industry average cost of producing livestock. This was formerly referred to as cost of production.
- Insured production – represents your anticipated livestock sales for the year.

Eligibility

To be eligible for RMP for livestock in 2013 you must:

- Produce at least one eligible category of livestock in Ontario
- Be able to demonstrate livestock ownership
- Enrol all of your eligible production within a plan category
- Pay the premium for your insured production
- Participate in 2013 AgriStability
- Participate in premises identification (new participants)

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 a reporting period, you must contact Agricorp and report zero sales. Failure to pay your premium or submit a sales report may result in cancellation of your coverage.

How to renew – Existing participants

If you participated in RMP for livestock in 2012, you will receive a renewal form in March 2013. You do not need to re-apply.

When you receive your renewal package, review the categories, coverage levels and insured production outlined on page 1 of your renewal. This information has been rolled over from 2012 and represents your coverage for the 2013 program year. If your coverage needs will be different in 2013, you can update your coverage by changing your:

- Enrolled categories
- Coverage level
- Insured production (which reflects your anticipated livestock sales in 2013).

To make changes to your coverage, you must notify Agricorp using one of the following methods:

- Submit the online coverage change request available on agricorp.com.
- Complete the coverage change request form on page 3 of your renewal notice and mail or fax it to Agricorp.
- Call Agricorp 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. Similarly, if you have hogs enrolled in the early-wean category, you can also add coverage under the feeder and grower/finisher categories. To add new categories to your existing plan, simply complete and submit the coverage change request form or call Agricorp.

Adding a new plan

If you wish to enrol in a new plan, contact Agricorp first to find out if you are eligible and how to apply. For example, if you are enrolled in RMP: Sheep and you want to enrol in RMP: Cattle, contact Agricorp. If your livestock is eligible, you will need to submit a 2013 application form.

How to apply – New participants

If you are new to RMP, or if you wish to enrol in a new RMP plan, you need to submit a 2013 application to Agricorp.

For greater convenience and timely processing, submit your completed application form online. If not applying online, contact Agricorp and request an application. Paper applications can be submitted by mail or fax. Please submit your application once using one submission method.

You can apply as a sole proprietor, 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.

New entrant to farming

If you are a new entrant to farming – meaning the commodity you want to enrol had zero farm income in the previous year – you can enrol after the application deadline has passed, provided you apply before the end of the first reporting period in which you have eligible production. In addition, if you are a new entrant and 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 obtain and maintain coverage for 2013, you must:

1. Read the entire handbook

To understand the details of RMP for livestock and your responsibilities.

2. Meet all program deadlines

- | | |
|-------------------------|---|
| April 1, 2013 | Submit completed application for new participants (See “How to apply – New participants” on page 5.) |
| April 30, 2013 | Submit 2013 coverage changes for existing participants. (e.g., enrolled categories, coverage levels, insured production and payment schedule)
Report first quarter sales (all categories except cow-calf and sheep)
Enrol in 2013 AgriStability and pay the fee |
| July 31, 2013 | Pay premium in full or pay first semi-annual premium instalment (all categories)
Report second quarter sales (all categories except cow-calf and sheep)
Report first semi-annual sales (cow-calf and sheep) |
| October 31, 2013 | Report third quarter sales (all categories except cow-calf and sheep) |
| January 31, 2014 | Pay second semi-annual premium instalment (all categories)
Report fourth quarter sales (all categories except cow-calf and sheep)
Report second semi-annual sales (cow-calf and sheep) |

3. Participate in AgriStability

To be eligible for RMP for livestock, you must participate in 2013 AgriStability. If you do not currently participate in AgriStability, contact Agricorp to apply. The deadline to apply and pay the fee for AgriStability is April 30, 2013.

4. Abide by the terms of the program

You can find the terms of the program on page 29. For complete terms and conditions of RMP, you can also refer to the program guidelines and Order-in-Council Nos. 1309/2011 and 1310/2011, as amended.

5. Report any changes to your business structure or farming operation as they occur

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.

6. Report changes to your insured production in excess of 25 per cent

During the course of the year, if you expect your annual sales to change by more than 25 per cent, you are required to notify Agricorp. This means your actual sales for the year will be more than 25 per cent higher or lower than your original insured production. You must notify Agricorp of the change prior to the deadline for the next reporting period. Otherwise, your coverage may not be adjusted and you may be cancelled from the program.

7. Participate in premises identification

You must have a valid premises identification number to participate in RMP for livestock. If you are an existing participant, Agricorp will use the same premises ID you provided last year. If your farm location has changed, please provide Agricorp with the correct premises ID for the new farm location.

For new participants, your application cannot be processed until your premises ID is provided to us and verified. If you have more than one premises ID, provide the ID for your home or main farm location in Ontario.

To obtain your premises ID, contact the Provincial Premises Registry at 1-855-697-7743 or visit www.ontariopr.ca. You will need to provide the Provincial Premises Registry with your property tax assessment roll number (ARN) from the Municipal Property Assessment Corporation.

How the program works

As with other insurance-like programs, you receive a payment when you incur a loss. RMP payments are made if the average market price for the payment calculation period and livestock category falls below your support level. Your support level is the target price multiplied by your chosen coverage level for that livestock category.

The target price represents the industry average cost of producing a livestock category covered by the program.

You may choose a coverage level of 80, 90 or 100 per cent of the target price.

Payments are based on the difference between your support level and the average Ontario market price.

Premiums New

Premiums are based on your chosen coverage level and insured production (which represents your anticipated 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 semi-annually upon receipt of invoice. Customers whose annual premium is less than \$200 will automatically be invoiced annually. The premium must be paid before a payment is issued. Failure to pay the premium may result in cancellation of your coverage.

The calculation that is used to determine premium rates has been modified to reflect the changes made to the program.

RMP premiums will be collected by Agricorp and managed separately by each participating commodity group. The commodity groups will use the funds to supplement payments to producers in years of greater need. For more information, please contact your commodity group.

Premium adjustments

Each year, your premium is based on your insured production for the program year. If your actual sales differ from your insured production over the course of the year (either an increase or a decrease), your premium may be adjusted as shown in the following table.

If reported sales differ from insured production by:	Premium adjustment
5% or less	No premium adjustments are made.
Over 5% to 25%	Premiums are automatically adjusted by Agricorp; you will receive either a premium rebate (if your sales decreased) or an invoice (if your sales increased).
More than 25%	Contact Agricorp if you expect your annual sales to increase or decrease by more than 25%. You must notify Agricorp of the change prior to the deadline for the next reporting period. Otherwise, your coverage may not be adjusted and you may be cancelled from the program.

Paying your premium

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

- Pay using online 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 target price multiplied by your chosen coverage level. The Ontario Ministry of Agriculture and Food (OMAF) calculates the target price for each livestock category using a methodology developed in consultation with representatives of the livestock industry.

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

Market prices

Market prices for each livestock category are collected weekly and calculated by OMAF. 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.

Target price

A new term that represents the industry average cost of producing livestock. This was formerly referred to as cost of production.

Terms of payment

New

Payments to participants are triggered when the average market price for the payment period and livestock category falls below the support level. \$100 million in annual government funding is available to producers through RMP.

To ensure funding is not exceeded, payments may be issued on a prorated basis. Payments are issued semi-annually for cow-calf and sheep producers and three times a year for all other livestock categories. An additional payment may be made, if applicable, depending on remaining funding.

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.

OMAF 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 effective risk management for Ontario producers.

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.

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

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, 2013	2013	2013
January 1 – August 31, 2014	2013	2014

For producers with multiple farms with year-ends that do not coincide with the calendar year, the farm business with 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.

In instances where the payment cap for a participant is reached, the participant may be entitled to a partial refund of their premium.

Balances owed to the Crown

Agricorp is required to recover balances owed to the Crown, including any RMP overpayments that may occur. Overpayments may occur as a result of incomplete program applications, processing errors, changes to farm operations and the nature of advance payments to producers in financial distress.

If you have a balance owing, you must repay the balance, including interest, within three years of the date you were notified of the debt. You must also submit a repayment plan outlining how you plan to repay the debt. Interest will be charged on any outstanding balance owing for more than 30 days.

Agricorp also recovers overpayments from any program payments you may be eligible to receive. As such, RMP overpayments may be recovered from other program payments and overpayments from other programs may be recovered from your RMP payment.

Continuous participation

Once you have completed a year of participation, cancelling would make you ineligible to apply again for the current year plus the next two years. For example, if you participated in 2012 and choose to not participate in 2013, you would not be eligible for the program in 2014 or 2015, but could enrol again in 2016. Also, if you enrol, pay premium and meet all requirements for 2013, but then cancel voluntarily, you would also not be eligible again until 2016.

The coverage you select each year will be automatically rolled over for the next program year using your enrolled categories, insured production and your selected coverage levels. You will have an opportunity to make changes to your coverage every year when you renew.

In years when you are not producing a particular livestock category, continuous participation may be maintained by reporting zero production in that category. After three consecutive years of reporting zero eligible production in a category, the requirement to maintain continuous participation will lapse for that category.

For more program terms and conditions, please refer to page 29.

Cattle



RMP: Cattle

In this section:

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

Selecting coverage

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

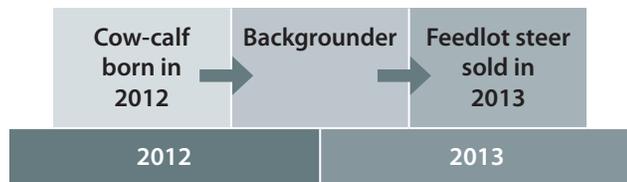
- Cow-calf
- Backgrounder
- Feedlot

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 sell throughout the program year. Your expected sale date must fall between January 1, 2013 and December 31, 2013. 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 sell only heifer calves up to 500 pounds, then choose the cow-calf category and enrol the number of calves you expect to sell.

When to enrol your cattle



If you produce calves which were born in early 2012 and you raise them to sell in 2013, you should enrol for full coverage in all three cattle categories in the **2013 program year**.

Payments – if triggered – are issued for all of the categories in which you are enrolled when the cattle are sold.

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 *2013 Application – RMP for livestock*. See “Completing the RMP for livestock application” below for more information.
- If you already participate in the cattle plan, you will automatically receive a *2013 Renewal – RMP for livestock*. Review the categories, coverage levels and insured production outlined on page 1 of your renewal and make coverage changes if necessary. See “How to renew – Existing participants” on page 4 for more information.

New participants

Completing the RMP for livestock application

When completing the application, follow these steps:

1. **Select plan** – Select RMP: Cattle in Section G of your application.
2. **Select category** – Choose the specific cattle categories you wish to enrol in. 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. **Select your coverage level** – 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 target price for the livestock category multiplied by your chosen coverage level.
4. **Record your projected sales** – Complete the projected sales chart by entering your anticipated cattle 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 11.

Eligible cattle

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

- Must be sold in 2013*
- Must be produced and owned by you in Ontario for a minimum of 120 consecutive days (this 120-day period 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.

** Agricorp considers ownership, price risk and production risk in determining eligibility for program purposes.

*** 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. Use the weight ranges shown below to help you determine which categories you should enrol in. Payments are made on weight gain within these ranges.

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 sold outside of these weight ranges may still be enrolled; however, payments are based only on the weight ranges listed above. Any additional weight gain beyond the maximum will be covered in the next weight category, if enrolled.

For example, a heifer calf weighing 600 pounds will only be paid for weight gain up to 500 pounds in the cow-calf category and can be paid for 100 pounds if enrolled in the backgrounder category as well. A feedlot steer weighing 1,650 pounds will only be paid for weight gain up to 1,500 pounds.

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 a 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. Individual steer and heifer payment calculations will be blended to arrive at a common payment rate.

Cow-calf category

In the cow-calf category:

- Payments are calculated twice per year after each sales report has been submitted and processed.
- The support level remains constant for the program year.
- Market prices are calculated twice per year, after January 1 to June 30 and after July 1 to December 31.
- Steer and heifer payment rates are blended (50/50) to form a common payment rate.

Backgrounder and feedlot categories

In the backgrounder and feedlot categories:

- Payments are calculated every week and compiled after each sales report has been submitted and 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 (see page 33).
- Steer and heifer payment rates are blended (64/36) to form a common payment rate.

Additional details on the support level (target price multiplied by your coverage level) and market prices are available in Appendices I and II.

Payment schedule

Payments are issued:

- After your Q1 and Q2 or first semi-annual sales reports have been processed
- After your Q3 sales report has been processed (backgrounder and feedlot categories only)
- After your Q4 or second semi-annual sales report has been processed

An additional payment may be made, if applicable, depending on remaining funding.

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.

To ensure annual funding is not exceeded, payments may be prorated. Prorating may be applied to each payment over the year, and final payments may include an adjustment to reflect total funds available for RMP payments.

Cow-calf category

The cow-calf category insures production 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. Calves sold at less than 350 pounds are not eligible for payment.

A payment is calculated 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 and feedlot categories

The backgrounder and feedlot categories insure production on a per-pound basis. Payments are calculated 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

Agricorp will convert sales reported as rail weight 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

Note: Report the weights as either “live” or “rail” – as they appear on your receipt – do not convert the weights yourself.

Coverage in multiple categories

If you enrol in multiple categories because your cattle production spans more than one category under 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 have enrolled in both categories. 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 have enrolled in all three categories.

Payment calculations for all eligible categories are triggered 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

Calves enrolled in the cow-calf category that are not being sold may qualify for a payment if they are being kept for breeding purposes.

You may request a payment without sale 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. This report is included with your sales report and is also available on agricorp.com. It 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
- Approximate date of birth
- Your signature
- Canadian Cattle Identification Agency (CCIA) tag number of each animal

Animals submitted for payment without sale are not eligible for coverage under the backgrounder or feedlot categories.

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. To report zero sales, you may indicate zero sales on your sales report and submit online or contact Agricornp. Report your actual sales and/or submit a *Payment without sale* report 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, 2013	<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, 2014	<ul style="list-style-type: none"> • Date of sale • If applicable – <i>Payment without sale</i> reports for calves retained for breeding purposes

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, 2013	<ul style="list-style-type: none"> • Number of steers or heifers sold, their average sale weight, and the primary point of sale
April 1 to June 30	July 31, 2013	<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) • Date of sale/slaughter
July 1 to September 30	October 31, 2013	
October 1 to December 31	January 31, 2014	

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

During the course of the year, if you expect your annual sales to change by more than 25 per cent, you are required to notify Agricornp. This means, your actual sales for the year are more than 25 per cent higher or lower than your original insured production (refer to your *Policy renewal notice* or *Policy notice* to see your insured production). You must notify Agricornp of the change prior to the deadline for the next 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 (e.g., purchased a new farm).

Calculating your premium

You are required to pay RMP premiums each year to enrol your cattle. Premiums are based on your chosen category, coverage level and insured production for the year.

The premium is calculated as follows:

Cow-calf

Premium

= premium rate × number of calves enrolled

Backgrounder and feedlot

Premium

= premium rate × total eligible weight gain enrolled



2013 Premium rates				
Category	Unit	Coverage level		
		80%	90%	100%
Cow-calf	\$/head	\$4.62	\$7.55	\$10.60
Backgrounder	\$/lb. of gain	\$0.0004	\$0.0026	\$0.0083
Feedlot	\$/lb. of gain	\$0.0012	\$0.0061	\$0.0141

The minimum annual premium per cattle category is \$25. The calculation that is used to determine premium rates has been modified to reflect the changes made to the program.

Paying your premium

You can choose to pay your premium in full or in two semi-annual instalments and you will receive an invoice based on your chosen payment schedule. If your annual premium is less than \$200, you will automatically be invoiced annually.

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

Hogs



RMP: Hogs

In this section:

- Selecting coverage
- Eligible hogs
- Payments
- Coverage in multiple categories
- 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 sell throughout the program year. Your expected sale date must fall between January 1, 2013 and December 31, 2013. 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 *2013 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 automatically receive a *2013 Renewal – RMP for livestock*. Review the categories, coverage levels and insured production outlined on page 1 of your renewal and make coverage changes if necessary. See “How to renew – Existing participants” on page 4 for more information.

New participants

Completing the RMP for livestock application

When completing the application, follow these steps:

1. **Select plan** – Select RMP: Hogs in Section G of your application.
2. **Select category** – Choose the specific hog categories that you wish to enrol in.
3. **Select your coverage level** – 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 target price for the livestock category multiplied by your chosen coverage level.
4. **Record your projected sales** – Complete the projected sales chart by entering your anticipated hog 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.

Eligible hogs

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

- Must be sold in 2013
- 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 on page 17*
- Grower/finisher hogs must be sold for slaughter to be eligible for payment in the grower/finisher category
- Must not have been bred**

* Agricorp considers ownership, price risk and production risk in determining eligibility for program purposes.

** 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 17.

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. Use the weight ranges shown on page 17 to help you determine which categories you should enrol in. Remember, payments are made on weight gain within these ranges.

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)	Over 25 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 on the weight ranges 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, regardless of actual weight. The payment rate is based on the average cost of raising the animal to the weights listed above. For example, an early wean sold at 9 kilograms is eligible for the early wean per-head payment if you owned it for at least 15 days. A feeder sold at 35 kilograms is eligible for the feeder payment if 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 an eligible maximum of 159 kilograms (live weight). For example, a hog weighing 175 kilograms can 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.

For all three hog categories:

- Payments are calculated every week and accumulated after each sales report has been submitted and 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 your reported date of sale. If you are enrolled in multiple categories, the support levels and market prices are calculated back a number of weeks corresponding to each program category.

Additional details on the support level (target price multiplied by your coverage level) and market prices are available in Appendices I and II.

Payment schedule

Payments are issued:

- After your Q1 and Q2 sales reports have been processed
- After your Q3 sales report has been processed
- After your Q4 sales report has been processed

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.

To ensure annual funding is not exceeded, payments may be prorated. Prorating may be applied to each payment over the year, and final payments may include an adjustment to reflect total funds available for RMP payments.

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.

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).

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

Agricorp will convert sales reported as dressed weight 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

Note: Report weights as either 'carcass' or 'live' as they appear on your receipt – do not convert the weights yourself.

Coverage in multiple categories

If you enrol in multiple categories because your hog production spans more than one category under your ownership, your payment will cover all categories in which you have enrolled. Payment will be calculated 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.

Reporting your information

Submit your sales report to Agricorp according to the schedule on page 19. To remain eligible for all enrolled categories, you must submit a sales report even if you have zero sales. To report zero sales, you may indicate zero sales on your sales report and submit online or contact Agricorp. 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 sold animal 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, 2013	<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, 2013	
July 1 to September 30	October 31, 2013	
October 1 to December 31	January 31, 2014	

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, 2013	<ul style="list-style-type: none"> • The number of hogs sold • Their average sale 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, 2013	
July 1 to September 30	October 31, 2013	
October 1 to December 31	January 31, 2014	

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

During the course of the year, if you expect your annual sales to change by more than 25 per cent, you are required to notify Agricornp. This means, your actual sales for the year are more than 25 per cent higher or lower than your original insured production (refer to your *Policy renewal notice* or *Policy notice* to see your insured production). You must notify Agricornp of the change prior to the deadline for the next 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 (e.g., purchased a new farm).

Calculating your premium

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

The premium is calculated as follows.

Early wean

$$\text{Premium} = \text{premium rate} \times \text{number of head enrolled}$$

Feeder (includes breeding hogs and barbecue pigs)

$$\text{Premium} = \text{premium rate} \times \text{number of head enrolled}$$

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

$$\text{Premium} = \text{premium rate} \times \text{total eligible weight gain enrolled}$$

2013 Premium rates				
Category	Unit	Coverage level		
		80%	90%	100%
Early wean	\$/head	\$0.0625	\$0.1355	\$0.2293
Feeder	\$/head	\$0.0104	\$0.0417	\$0.1511
Grower/finisher	\$/kg of gain	\$0.0018	\$0.0059	\$0.0135

The minimum annual premium per hog category is \$25. The calculation that is used to determine premium rates has been modified to reflect the changes made to the program.

Paying your premium

You can choose to pay your premium in full or in two semi-annual instalments and you will receive an invoice based on your chosen payment schedule. If your annual premium is less than \$200, you will automatically be invoiced annually.

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



Sheep



RMP: Sheep

In this section:

- Selecting coverage
- Eligible lambs
- Payments
- 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. To receive full coverage for all of your lamb production, you must enrol all the eligible lambs you expect to sell throughout the program year. Your expected sale date must fall between January 1, 2013 and December 31, 2013.

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 *2013 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 automatically receive a *2013 Renewal – RMP for livestock*. Review the coverage levels and insured production outlined on page 1 of your renewal and make coverage changes if necessary. See “How to renew – Existing participants” on page 4 for more information.

New participants

Completing the RMP for livestock application

When completing the application, follow these steps:

1. **Select plan** – Select RMP: Sheep in Section G of your application.
2. **Select category** – Lambs is the only category available in the sheep plan.
3. **Select your coverage level** – You may choose a coverage level of 80, 90 or 100 per cent. Your support level is the target price for the livestock category multiplied by your chosen coverage level.
4. **Record your projected sales** – Complete the projected sales chart 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.

Eligible lambs

To be eligible for payment lambs must:

- Be sold in 2013
- 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**

* Agricorp considers ownership, price risk and production risk in determining eligibility for program purposes.

** 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.

For lambs:

- Payments are calculated six times per year following each two-month payment period, and accumulated after each semi-annual sales report has been submitted and processed.
- Market prices are collected weekly and averaged for each payment period.
- The support level remains constant for the program year.

The payment calculation is repeated for each two-month production period and the calculated payments for the first three production periods are 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.

Payment schedule

Payments are issued:

- After your first semi-annual sales report has been processed
- After your second semi-annual sales report has been processed

An additional payment may be made, if applicable, depending on remaining funding.

Additional details on the support level (target price multiplied by your coverage level) and market prices are available in Appendices I and II.

Conversion from dressed weight to live weight

Agricorp will convert sales reported as dressed weight 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

Note: Report the weights as either 'carcass' weight or 'live' weight as they appear on your receipt – do not convert the weights yourself.

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.

To ensure annual funding is not exceeded, payments may be prorated. Prorating may be applied to each payment over the year, and final payments may include an adjustment to reflect total funds available for RMP payments.

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.

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 average sale weight minus the average purchase weight.

Reporting your information

Submit your sales report to Agricorp according to the schedule below. To remain eligible, you must submit a sales report even if you have zero sales. To report zero sales, you may indicate zero sales on your sales report and submit online or contact Agricorp. 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, 2013	<ul style="list-style-type: none"> • The number of lambs sold • Their average sale weight
July 1 to December 31	January 31, 2014	<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 Agricorp 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

During the course of the year, if you expect your annual sales to change by more than 25 per cent, you are required to notify Agricorp. This means, your actual sales for the year are more than 25 per cent higher or lower than your original insured production (refer to your *Policy renewal notice* or *Policy notice* to see your insured production). You must notify Agricorp of the change prior to the deadline for the next 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 (e.g., purchased a new farm).

Calculating your premium

You are required to pay RMP premiums each year to enrol your lambs. Premiums are based on your chosen coverage level and insured production for the year. The premium is calculated as indicated on the right.

Premium

$$= \text{premium rate} \times \text{total eligible weight gain enrolled}$$

2013 Premium rates				
Category	Unit	Coverage level		
		80%	90%	100%
Lamb	\$/lb.	\$0.0478	\$0.0713	\$0.0951

The minimum annual premium is \$25. The calculation that is used to determine premium rates has been modified to reflect the changes made to the program.

Paying your premium

You can choose to pay your premium in full or in two semi-annual instalments and you will receive an invoice based on your chosen payment schedule. If your annual premium is less than \$200, you will automatically be invoiced annually.

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



Veal



RMP: Veal

In this section:

- Selecting coverage
- Eligible veal calves
- Payments
- 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 sell throughout the program year. Your expected sale date must fall between January 1, 2013 and December 31, 2013.

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 *2013 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 automatically receive a *2013 Renewal – RMP for livestock*. Review the categories, coverage levels and insured production outlined on page 1 of your renewal and make coverage changes if necessary. See “How to renew – Existing participants” on page 4 for more information.

New participants

Completing the RMP for livestock application

When completing the application, follow these steps:

1. **Select plan** – Select RMP: Veal in Section G of your application.
2. **Select category** – Choose the specific veal categories that you wish to enrol in.
3. **Select your coverage level** – 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 target price for the livestock category multiplied by your chosen coverage level.

4. **Record your projected sales** – Complete the projected sales chart by entering your anticipated veal sales for the year for each of your chosen categories.

Eligible veal calves

To be eligible for payment, veal calves must be:

- Sold for slaughter in 2013
- 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)

* Agricorp considers ownership, price risk and production risk in determining eligibility for program purposes.

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 at time of sale)
Grain-fed	Between 600 – 752 lb. (individual weight)*
Milk-fed	Between 340 – 675 lb.

* 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 five calves (10% of 50) weighing 750 pounds (individual live weight)
- No payment for the other five 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.

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.

For both grain-fed and milk-fed veal:

- Payment rates are calculated every week and accumulated into a single payment issued three times a year.
- 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 levels and market prices are based on the reported date of sale.

Additional details on the support levels (target price multiplied by your coverage level) and market prices are available in Appendices I and II.

Payment schedule

Payments are issued:

- After your Q1 and Q2 sales reports have been processed
- After your Q3 sales report has been processed
- After your Q4 sales report has been processed

An additional payment may be made, if applicable, depending on remaining funding.

Payment calculations

Payment rates are based on the difference between the support level and the average market price for the payment calculation period.

To ensure annual funding is not exceeded, payments may be prorated. Prorating may be applied to each payment over the year, and final payments may include an adjustment to reflect total funds available for RMP payments.

Conversion from rail weight to live weight

Agricorp will convert sales reported as rail weight 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

Note: Report the weights as either 'live' or 'rail' as they appear on your receipt – do not convert the weights yourself.

Reporting your information

Submit your sales report to Agricorp according to the schedule below. To remain eligible for all enrolled categories, you must submit a sales report even if you have zero sales. To report zero sales, you may indicate zero sales on your sales report and submit online or contact Agricorp. 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 Agricorp. Report only veal calves that are sold and eligible for the program.

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. Sales receipts must accompany all sales reports for grain-fed veal.

Grain-fed veal – Sales reporting schedule

Sales reporting period	Deadline to report	Information to report each period
January 1 to March 31	April 30, 2013	<ul style="list-style-type: none"> • The number of calves sold by live weight in each of the following weight ranges: <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: <ul style="list-style-type: none"> - From 327 to 396 lb. - Over 396 lb. up to 410 lb. • Date of sale or slaughter • Copies of receipts showing individual animal weights must accompany your sales report.
April 1 to June 30	July 31, 2013	
July 1 to September 30	October 31, 2013	
October 1 to December 31	January 31, 2014	

Milk-fed veal – Sales reporting schedule		
Sales reporting period	Deadline to report	Information to report each period
January 1 to March 31	April 30, 2013	<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, 2013	
July 1 to September 30	October 31, 2013	
October 1 to December 31	January 31, 2014	

Receipts

Copies of purchase receipts for bob calves or preconditioned calves must be available upon request to help Agricorn 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:

- Live or rail weight (must show individual weight for grain-fed veal)
- Number of head
- Date of sale
- Name of seller and buyer

Changes of more than 25 per cent

During the course of the year, if you expect your annual sales to change by more than 25 per cent, you are required to notify Agricorn. This means, your actual sales for the

year are more than 25 per cent higher or lower than your original insured production (refer to your *Policy renewal notice* or *Policy notice* to see your insured production). You must notify Agricorn of the change prior to the deadline for the next 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 (e.g., purchased a new farm).

Calculating your premium

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 veal calves

Premium

$$= \text{premium rate} \times \text{number of head enrolled}$$

2013 Premium rates				
Category	Unit	Coverage level		
		80%	90%	100%
Grain-fed	\$/head	\$1.22	\$3.95	\$8.21
Milk-fed	\$/head	\$3.74	\$10.35	\$17.91

The minimum annual premium per veal category is \$25. The calculation that is used to determine premium rates has been modified to reflect the changes made to the program.

Paying your premium

You can choose to pay your premium in full or in two semi-annual instalments and you will receive an invoice based on your chosen payment schedule. If your annual premium is less than \$200, you will automatically be invoiced annually.

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 2013.

Bankruptcy or death

In the event of bankruptcy or the death of the participant in 2013, contact Agricorp.

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 RMP for livestock is collected and used by Agricorp to administer the program on behalf of OMAF. Information collected may be used and disclosed for the purpose of administering, auditing and evaluating the program. This includes sharing information with OMAF and any other entity required to administer the program. 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 numbers (BN) 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 OMAF 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 must make these invoices, receipts and records available to Agricorp in the event of an investigation, inspection, audit 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, but not limited to, 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. 1309/2011 and 1310/2011, as amended, 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
- The information and documentation that you will rely upon during the request for review.

The BRMRC will make non-binding recommendations to Agricorp regarding your review. Agricorp may accept the recommendations in full or in part, or may decline to follow the recommendations. There is no further right of review process of Agricorp's final decision through the program.

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, the guidelines, 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 may 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 protects whole farms against large margin declines caused by any combination of production losses, adverse market conditions or increased costs.
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.
Coverage level	The percentage of the target price that will be covered for a livestock category, which determines the support level. 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 or rail weight of a slaughtered veal calf. Dressed weight is 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 production or weight gain of Ontario grown livestock within the allowable weight ranges of a category, and covered by the program.
Insured production	An estimate of the total eligible production (per category), that the participant plans to sell during the program year. For existing participants, insured production on your renewal is based on your coverage from the previous program year, which is to be reviewed and adjusted (if necessary) by the participant at renewal time. Your insured production is used to determine your annual premium. You can change your insured production throughout the program year.
Live weight	The actual weight of an animal that has not been slaughtered or the converted weight of a carcass after program dressed weight percentages are applied.
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	Producers who are not currently participating in any of the RMP plans for livestock.

Definitions

OCA	Ontario Cattlemen's Association
Ontario Pork	Ontario Pork Producers Marketing Board
OSMA	Ontario Sheep Marketing Agency
OVA	Ontario Veal Association
Ownership	The right of possession of livestock and their associated risks which must be demonstrated by participants upon request in order to be eligible for program payments. Determining ownership under the program will align with application of ownership under AgriStability.
Premises identification	A program offered by the Provincial Premises Registry that assigns a unique identifying number to your parcel of land associated with agri-food activities. Premises ID numbers are required for coverage under all RMP plans for livestock (cattle, hogs, sheep and veal).
Premium	The amount a participant is required to pay for coverage of their livestock.
Production period	The maximum time period for which the target price 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.
Prorating	A percentage applied to payment calculations that is based on available funds and estimated industry need.
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.
Support level	The target price for a livestock category multiplied by the participant's chosen coverage level.
Target price	The industry average cost of producing an eligible category of livestock (cattle, hogs, sheep or veal) within a specific production period as determined by the Ontario Ministry of Agriculture and Food.

Appendix I: Calculating target price

The target price is based on cost of production data and is taken from both industry records and AgriCorp's AgriStability database. Farms in the AgriStability database are included in the sample if they:

- Participated in AgriStability for 2011.
- 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 the cost of producing is calculated for many supply-managed commodities in Ontario.

Support levels

Support levels are equal to the target price (average cost to produce the animal) 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 calculating the target price, 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 2011 AgriStability database indexed forward to 2013 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 \$0.0894 per pound.

Feed costs

For cow-calf, feed cost data is taken from the 2011 AgriStability database indexed forward to 2013 using changes in the Eastern Canada Animal Production Farm Input Price Index.

For backgrounders, steers assumes 133 calendar days on pasture at 1.9 pounds per calendar day of gain and a cost of \$0.556 per pound gained plus feed costs assuming 42 pounds of feed per calendar day based on an as fed intake with 94% corn silage and 6% concentrate and 46 calendar days on feed. For backgrounder heifers assume 133 calendar days on pasture at 1.7 pounds per calendar day of gain and a cost of \$0.556 per pound gained plus feed costs assuming 39 pounds of feed per calendar day based on an as fed intake with 94% corn silage and 6% concentrate and 65 calendar 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.

Feed prices

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 Ridgetown 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 Ridgetown 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 2011 AgriStability database indexed forward to 2013 using changes in the Eastern Canada Animal Production Farm Input Price Index.

Feed costs

For lambs, feed cost data is taken from the 2011 AgriStability database indexed forward to 2013 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, the cost of feed is indexed forward from the costs used by the ASRA Veal program twice annually, in July and again in April, using the change in the price of the milk replacer as provided by the OVA.

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 Ridgetown 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 2011 AgriStability database indexed forward to 2013 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 OMAF 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 - 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) • \$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 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 \times 100% formula price* \times 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 \times 100% formula price* \times seasonal factor 2. 41.25% of the 100% formula price* 3. USDA 40 lb. pig value (US\$/pig) plus (\$0.35 \times 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* \times 1.095 index \times 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 OMAF 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 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

No liability to the Crown: Her Majesty the Queen in right of Ontario is not liable to you, your agent, employees or associates for any damage, injury, claim or loss whatsoever and regardless of cause, arising out of the risk management programs for livestock and participation in any of the following plans: RMP: Cattle, RMP: Hogs, RMP: Sheep or RMP: Veal.





An agency of the Government of Ontario
Un organisme du gouvernement de l'Ontario

Contact us

1-888-247-4999

TTY: 1-877-275-1380

Fax: 519-826-4118

agricorp.com

contact@agricorp.com

7 a.m. to 5 p.m., Monday to Friday

Version française disponible

As an agency of the Government of Ontario, Agricorp works with government and industry partners to contribute to a vibrant and sustainable agricultural industry. Agricorp delivers risk management programs to help producers across all sectors manage all kinds of risk including financial, environmental and market security. The agency was established in 1997 by the provincial government under the authority of the *AgriCorp Act, 1996*. Agricorp administers RMP for livestock on behalf of the Ontario Ministry of Agriculture and Food (OMAF).

