LIVESTOCK PRICE INSURANCE – CALF

Livestock Price Insurance (LPI) for cow-calf producers is a voluntary, producer-funded insurance program that protects against unforeseen declines in calf prices over a defined period of time. There are two regions (premium tables) to voluntarily select from to help best reflect your marketing risk.

Customized Coverage to Protect Your Operation

- **Market Driven:** LPI directly reflects the risks of feeding and owning cattle in Western Canada.
- **Flexible:** LPI offers a range of coverage levels for a variety of policy lengths for calves.
- **Coverage:** Based on current market conditions.
- **Risk Management Tool:** Data collected from Western Canadian auction markets to protect producers from price, basis and currency risk.
- **Easy to Understand:** The program is simply designed to be insurance.

LPI has a tailored insurance product for every aspect of the beef production chain.

Visit our website, **www.LPI.ca**, for more information including:

- how to sign up for daily email alerts;
- up-to-date premiums and settlements;
- weekly market information; and
- Calendar of Insurance.

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Features of LPI - Calf Price Insurance

- **Program:** The program is based on the Alberta and Saskatchewan/Manitoba cash market. From forecasting to settlement, we manage risks affecting Western Canadian producers.
- **Coverage:** Coverage is impacted where feeder cattle futures are trading, where the Canadian dollar is trading, and by the basis estimation from our feeder program. We also take into account the current and historical price spread between feeder and calf prices, and the price of barley.
- **Purchase:** Tuesday, Wednesdays, and Thursdays between February and the second week of June, for settlement from September to February.
- **Weight:** Policies are purchased based on expected sale weight of the calves, in terms of hundredweight (cwt). One hundredweight is equal to 100 pounds. There are no weight minimums required to complete a purchase. By matching insurance to the weight of cattle intended to be sold and the expected time of marketing the calves, producers can choose from a range of coverage options to protect their downside risk.
- **Claim:** The claim window is the last four weeks of the policy.* There are no weight minimums to file a claim, so a producer has the flexibility to claim a portion of the insured weight in each of the four weeks of the claim window. There is no obligation to sell the cattle to make an insurance claim, although the intention of the program is to match policy length and claims to actual cattle sales.
- **Settlement:** Indemnities are owed if the settlement index settled against is less than the coverage purchased. If a settlement index is below the insured price of the policy, then a claim can be made for all or some of the insured weight on that policy, with no obligation to sell the cattle. If for any reason all of the insured weight is not specifically claimed, the policy will automatically expire at the end of the last week of the policy and the settlement index relevant to that week will be used. Data is gathered from auction markets across the province for settlement calculations.
- **Policy:** Policy lengths range from 16 to 36 weeks. For each policy length, a range of coverage levels are offered, which correspond to a premium. Coverage levels are available up to 95 per cent of the expected forward price for each policy length, changing on a daily basis in relation to various market factors. Producers have the option to insure any portion of their calves to allow for greater flexibility and allow them to control the overall price of protection.

**Not all policies guaranteed a four week claim window. Check the Calendar of Insurance to be sure.*

Questions? Need More Information?

- *Browse www.LPI.ca for more information or phone your provincial contact line:*
  1.844.782.5747 (BC) • 1.877.899.2372 (AB) • 1.888.935.0000 (SK) • 1.844.782.5747 (MB)

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