

LPI Policy Work Pad

USE TO CALCULATE AN EXAMPLE PURCHASE

*Note: this does not replace the use of a LPI Request to Purchase form. This is only for scenario purposes.

	SCENARIO 1	SCENARIO 2	SCENARIO 3	
Number of head to insure:	A: _____ <i>*Account for Death loss</i>	A: _____ <i>*Account for Death loss</i>	A: _____ <i>*Account for Death loss</i>	
Expected weight at time of sale:	B: _____ lbs. <i>*Consider gender, expected gain, etc.</i>	B: _____ lbs. <i>*Consider gender, expected gain, etc.</i>	B: _____ lbs. <i>*Consider gender, expected gain, etc.</i>	
Weight calculation: A x B = total poundage	A: _____ x B: _____ = _____ lbs.	A: _____ x B: _____ = _____ lbs.	A: _____ x B: _____ = _____ lbs.	
Total pounds/ 100 = hundredweight (cwt) Total hundredweight for insurance:	_____ lbs. / 100 = C: _____ cwt <i>*no 1/2 cwt offered</i>	_____ lbs. / 100 = C: _____ cwt <i>*no 1/2 cwt offered</i>	_____ lbs. / 100 = C: _____ cwt <i>*no 1/2 cwt offered</i>	
Coverage level:	\$ _____/cwt	\$ _____/cwt	\$ _____/cwt	
Premium:	D: \$ _____/cwt	D: \$ _____/cwt	D: \$ _____/cwt	
Premium Calculation: C x D = total premium	C: _____ cwt x D: \$ _____/cwt = \$ _____ Premium	C: _____ cwt x D: \$ _____/cwt = \$ _____ Premium	C: _____ cwt x D: \$ _____/cwt = \$ _____ Premium	
Premium Per head: Premium divided by number of Head	\$ _____ Premium / A: _____ = \$ _____ Premium per Head	\$ _____ Premium / A: _____ = \$ _____ Premium per Head	\$ _____ Premium / A: _____ = \$ _____ Premium per Head	
Total Coverage: Total cwt multiplied by coverage level	C: _____ cwt x \$ _____/cwt = \$ _____ Total Coverage	C: _____ cwt x \$ _____/cwt = \$ _____ Total Coverage	C: _____ cwt x \$ _____/cwt = \$ _____ Total Coverage	
Coverage by Head:	\$ _____ Total Coverage / A: _____ = \$ _____ Coverage by Head	\$ _____ Total Coverage / A: _____ = \$ _____ Coverage by Head	\$ _____ Total Coverage / A: _____ = \$ _____ Coverage by Head	
Policy Claim Window:	_____	_____	_____	
Expiration date:				
Program and Option:	Calf and Feeder Policy select: <input type="checkbox"/> Alberta <i>or</i> <input type="checkbox"/> SaskMan	Fed Policies based on: <input type="checkbox"/> Price	Calf and Feeder Policy select: <input type="checkbox"/> Alberta <i>or</i> <input type="checkbox"/> SaskMan	Fed Policies based on: <input type="checkbox"/> Price
Purchase Date:				
Expected Sales date/ time frame:	_____	_____	_____	
Best expiry date fit:	_____ weeks	_____ weeks	_____ weeks	

LPI Coverage Overview

	Calf	Feeder	Fed
Class of Cattle	Un-weaned calves 550-650 pounds	Weaned cattle for backgrounding/grass NOT intended for finish 750-950 pounds	Finished
Coverage Components	LPI-Feeder forecasts, calf-to-feeder spread, barley	CME Feeder Cattle futures, Canadian dollar, cash-to-futures basis	CME Live Cattle futures, Canadian dollar, cash-to-futures basis
Availability	Purchase in spring for fall settlement	Year round	Year round
Policy Lengths	16-36 weeks	12-36 weeks	12-36 weeks

LPI Settlement

	Calf	Feeder	Fed
Date Source	Auction Markets, TEAM & DLMS (44 Across the program)		Canfax: Producer reported
Sex	Steers only		60-40 ratio steers to heifers
Weight Range	550-650lbs (average 600lb)	750-950lbs (average 850lbs)	Finish weight
Adjustments	None – generally based on a 600lb steer calf	Slide adjusted to 850lbs	Producers capped to 20% of index yield; ratios used to convert Rail-to-Live
Outlier Rule	1&2 head dropped +/- 12% of daily mean	1&2 head dropped +/- 10% of daily mean	+/- \$4 of average is examined

Questions? Need more information?

Information and examples along with application forms can be found at LPI.ca. Questions can be directed to the AFSC Client Service Centre at 1.877.899.2372 or your nearest AFSC Branch Office.