Business Risk Management What are You Doing to Protect Your Farm?

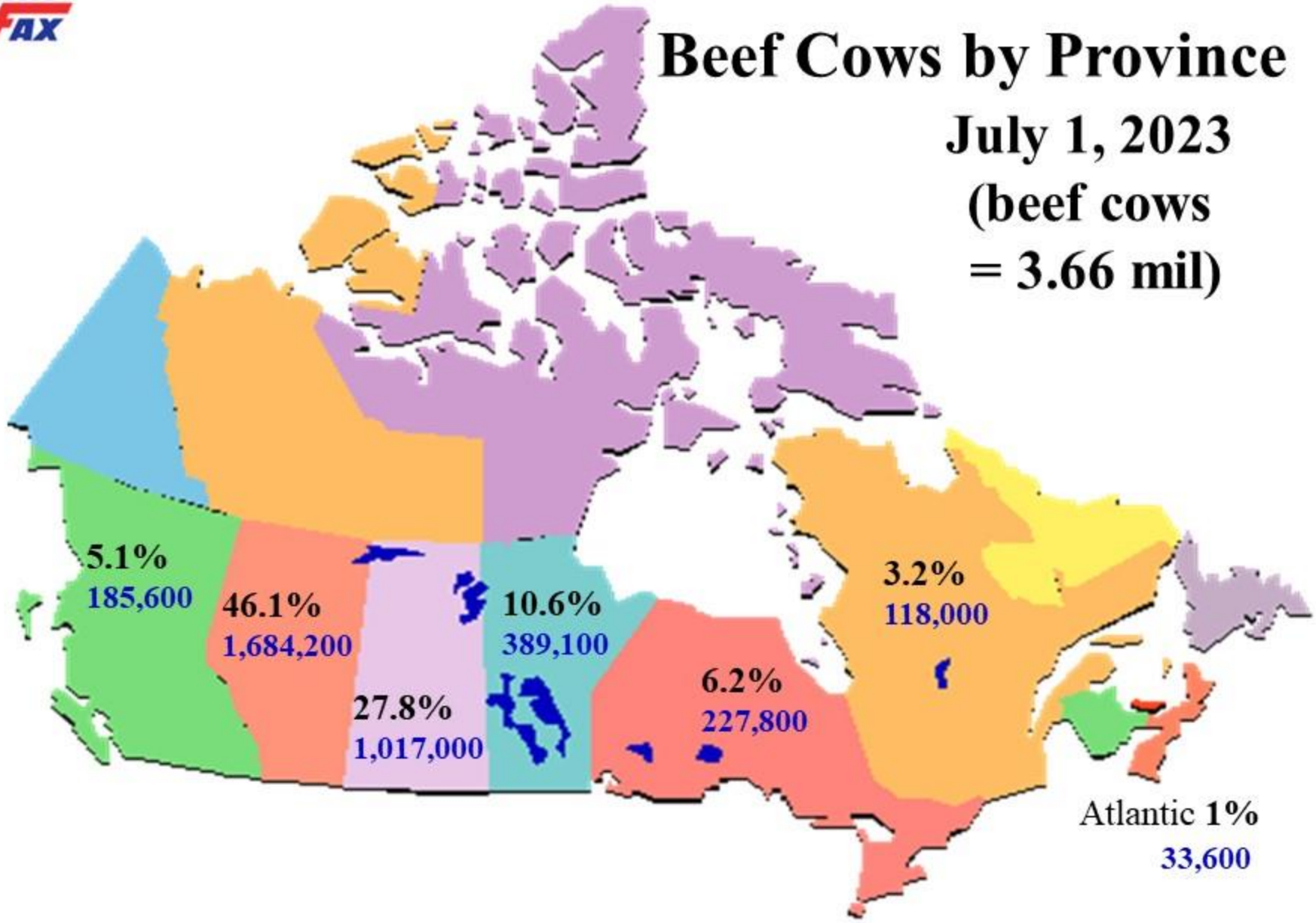
Ben Hamm, P.Ag.
Farm Management Specialist
Manitoba Agriculture

February 2024

Manitoba

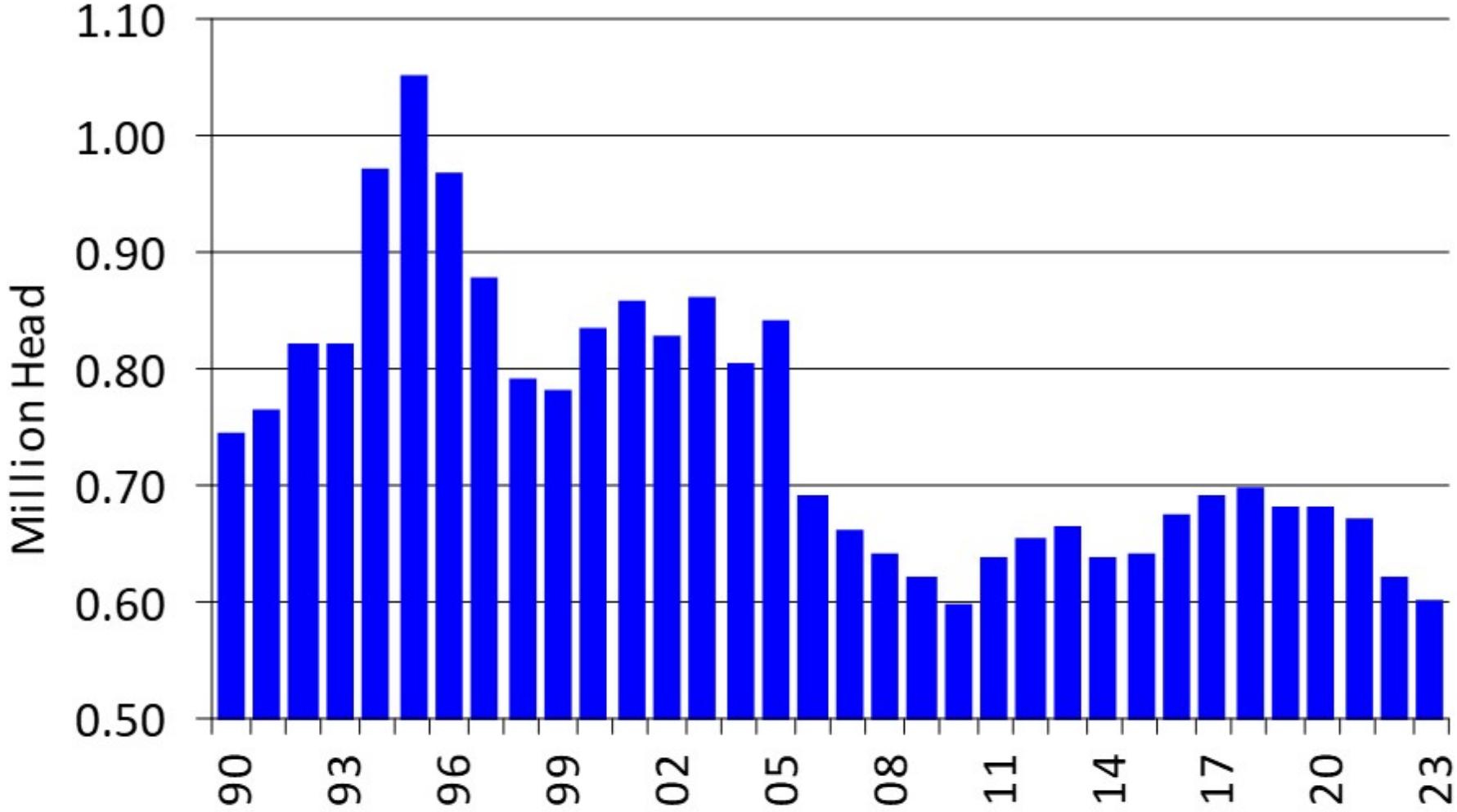
Beef Cows by Province

July 1, 2023 (beef cows = 3.66 mil)



Source: Statistics Canada

Canadian Beef Heifers (Breeding)
July 1

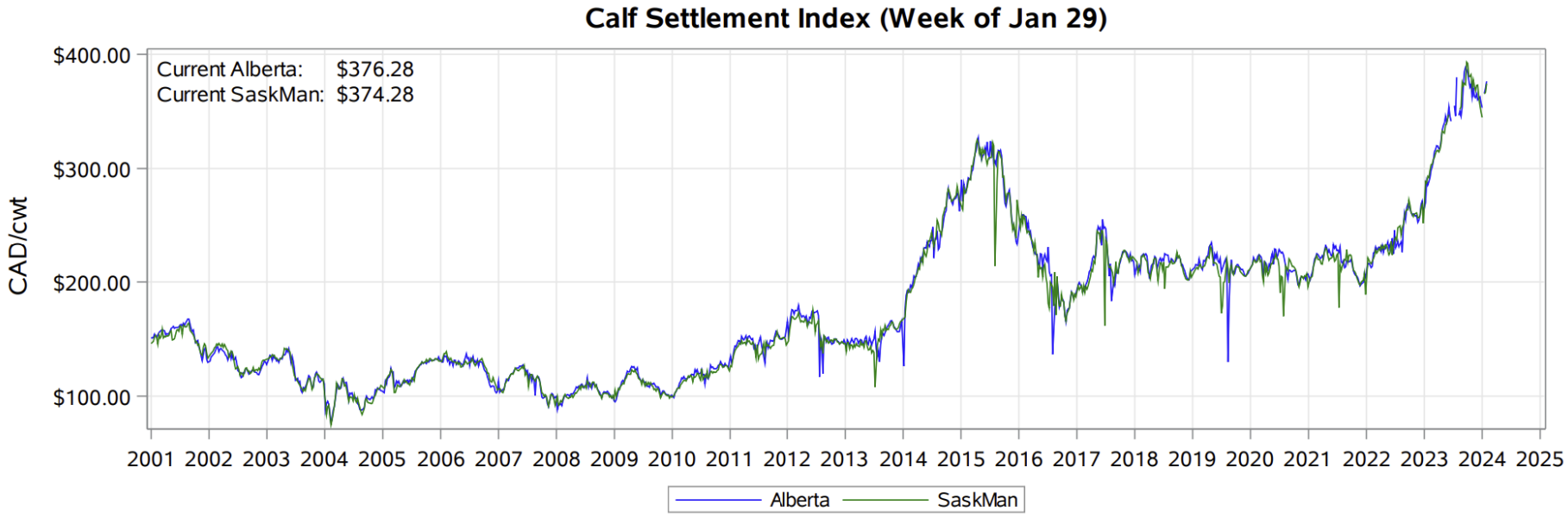


Source: Statistics Canada

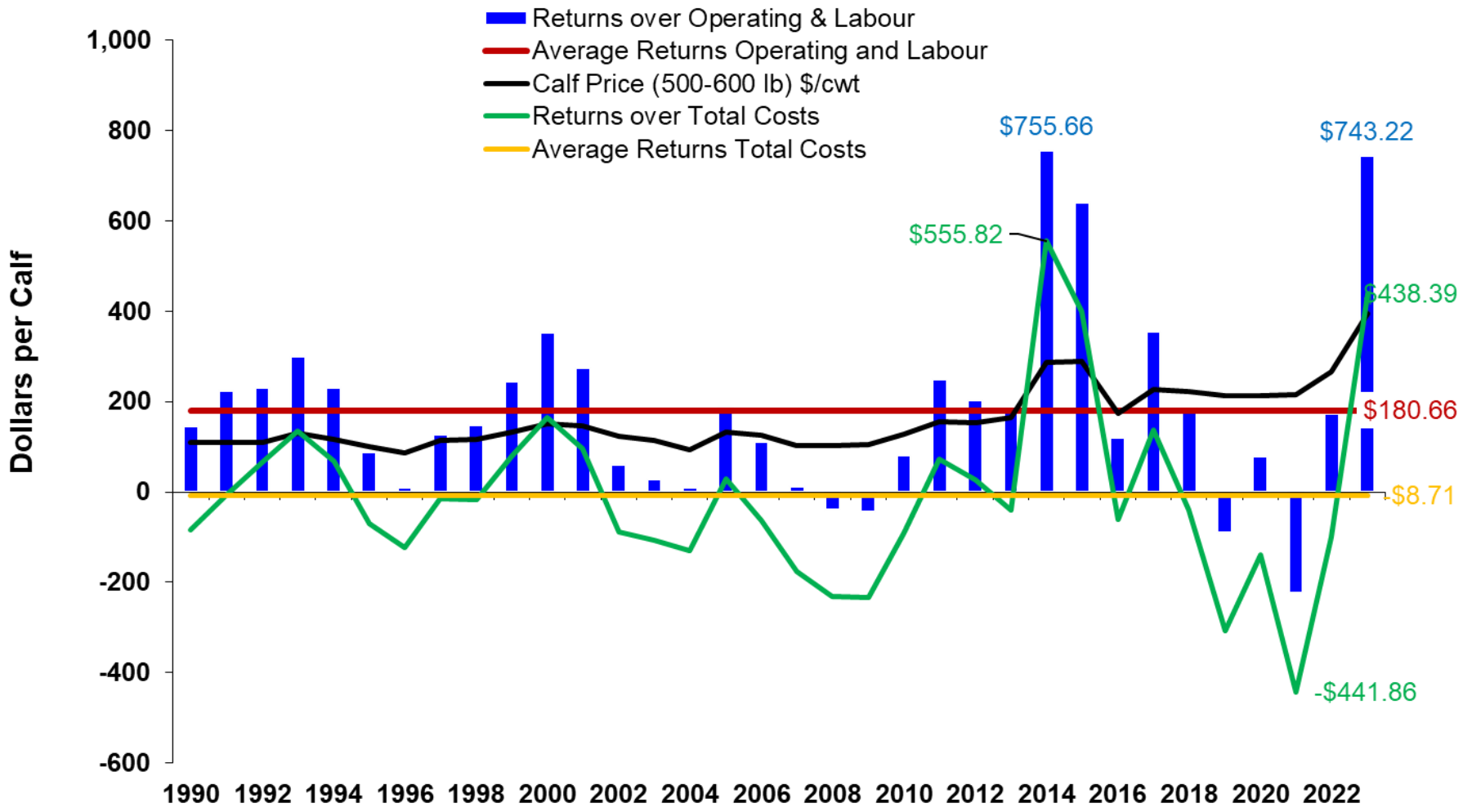
Table 1. Top Ten Beef Cow States, 2024 Inventory, change from 2023 and 2019.

Top Ten States	Rank	Beef Cows, 2024	2023-2024 Change	2019-2024 Change
		1000 Head	1000 Head	1000 Head
Texas	1	4115	-185	-540
Oklahoma	2	1922	-69	-228
Missouri	3	1840	-116	-219
Nebraska	4	1637	-67	-304
South Dakota	5	1502	-31	-316
Kansas	6	1264	-51	-265
Montana	7	1251	-20	-197
Kentucky	8	907	+12	-110
Florida	9	862	-26	-52
North Dakota	10	860	-16	-115
Top Ten	Sub-Total	16160	-569	-2346
U.S.	Total	28223	-716.3	-3467.7

Livestock Price Insurance Settlement Index



Manitoba Cow-Calf Estimated Returns Covering Operating & Labour, 1990-2023



Data Source: Canfax, Manitoba Agriculture

Manitoba Agriculture, Foresight and Analysis, 2023-12-18

Manitoba

2024 Cost of Production

Beef Cow-Calf

300 Cow Herd - Corn Silage Ration

Manitoba

Cow-Calf Production Costs - September, 2023
Based on a 300 Cow Herd

A. Operating Costs	Cost/Cow	Total Cost	Your Cost
1. Feed Costs			
Grain and Concentrates	$95.72	$28,717	
Forages	$311.02	$93,305	
Salt & Minerals	$42.09	$12,627	
Extended Grazing Forages	$41.65	$12,496	
Total Feed Cost	**$490.49**	**$147,145**	

Winter Feed Ration Economics

Pre Calving - Cows														
	Ration Number			#1	#2	#3	#4	#5	#6	#7	#8	#9	Total lbs /cow	Total Cost /cow[2]
	Days on Feed			0	0	135	0	0	0	0	0	0		
Feed Type	**$/unit**	**lbs/Unit**	**$/lb**	**Ration - Feed Per Day (lbs based on 1400 lb cow)**										
Alfalfa Hay	$160.00	2,000	0.080	0	0	0	0	0	0	0	0	0	0	$0.00
Alfalfa Grass Hay	$120.00	2,000	0.060	35	0	0	0	16	0	10	0	0	0	$0.00
Grass Hay	$80.00	2,000	0.040	0	0	0	0	0	0	0	0	0	0	$0.00
Barley Straw	$70.00	2,000	0.035	0	17	19	23	0	23	15	23	0	2,473	$86.57
Barley Greenfeed	$120.00	2,000	0.060	0	0	0	0	19	0	0	0	0	0	$0.00
Corn Silage	$45.00	2,000	0.023	0	0	47	0	0	0	32	0	0	6,118	$137.66
Barley Silage	$55.00	2,000	0.028	0	48	0	0	0	0	0	0	0	0	$0.00
Barley Grain	$6.00	48	0.125	0	0	0	11	0	10	0	0	0	0	$0.00
32% Feedlot Suppl.	$550	2,205	0.249	0	0.5	0.5	1	0	0	0	0	0	65	$16.24
32% Liquid Suppl.	$475	2,205	0.215	0	0	0	0	0	2.9	0	0	0	0	$0.00
20% Grain Pellets	$350	2,205	0.159	0	0	0	0	0	0	0	14	0	0	$0.00
1:1 Mineral	$50.00	55	0.909	0.12	0	0.00	0	0	0	0	0	0	0	$0.00
2:1 Mineral	$50.00	55	0.909	0	0.06	0.06	0.06	0.12	0.2	0.2	0.06	0	8	$7.10
Limestone	$20.00	55	0.364	0	0	0.00	0	0	0.2	0	0.2	0	0	$0.00
Blue Salt	$10.00	55	0.182	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0	9	$1.66
			$/head/day	**$2.22**	**$2.11**	**$1.91**	**$2.50**	**$2.22**	**$2.95**	**$2.04**	**$3.17**	**$0.00**		**$249.23**

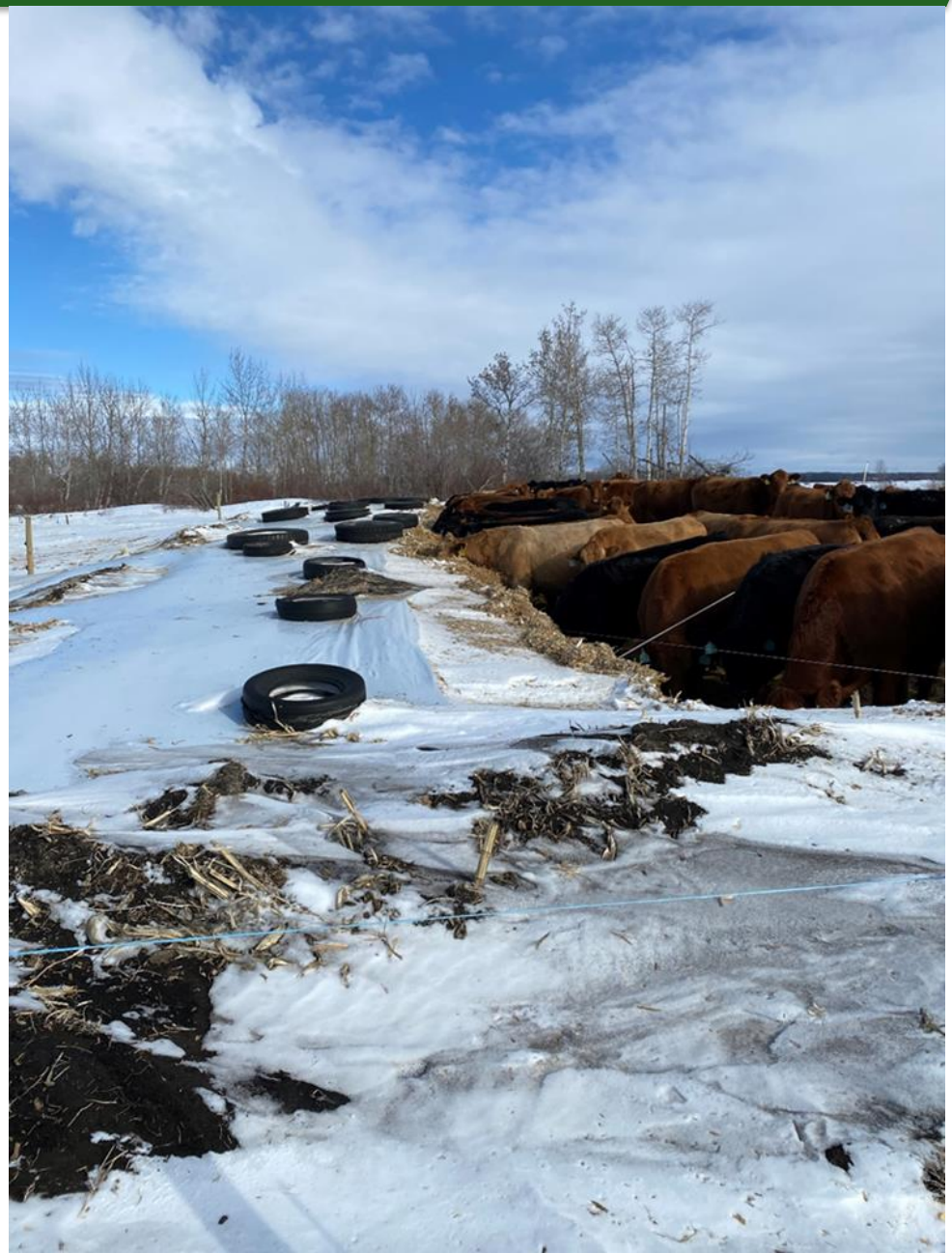
Manitoba

Extended Grazing Options - Costs				
	Corn Grazing	Stockpiled Forage	Swath Grazing	Crop Residue
Standing Forage Cost ($/lb)	**n/a**	**$0.025**	**n/a**	**$0.015**
Input Costs ($/acre)				
Seed	**$96.00**		**$32.00**	
Fertilizer (incl. applic.)	**$209.00**		**$114.00**	
Herbicide	**$16.00**		**$16.00**	
Custom tillage	**$12.00**		**$12.00**	
Custom seeding	**$25.00**		**$25.00**	
Custom spraying	**$9.00**		**$9.00**	
Miscellaneous	**$7.75**		**$7.75**	
Land taxes	**$10.00**		**$10.00**	
Land Costs	**$71.26**		**$71.26**	
Labour	$20.25		$20.25	
Subtotal	**$476.26**	**$50.00**	**$317.26**	**$7.50**
Fencing Costs				
Estimated miles of fence required	0.350	2.950	0.588	11.550
Fence Investment Cost/acre	$1.31	$1.31	$1.31	$1.31
Fence Depreciation Cost/acre	$1.64	$1.64	$1.64	$1.64
Total cost per acre	**$479.21**	**$52.95**	**$320.21**	**$10.45**

Extended Grazing Options - Yields & Cost Comparison				
Grazing Yield (wet tons/acre)	**15.00**	**1.00**	**7.50**	**0.25**
% moisture	**50**	**10**	**40**	**8**
Yield (tons dry matter/acre)	7.5	0.9	4.5	0.23
Total # cow grazing days/acre	370.4	44.4	222.2	11.4
Acres Req'd for Option	**28**	**236**	**47**	**924**
Total Extended Grazing Cost	**$13,417.90**	**$12,496.41**	**$15,049.91**	**$9,656.61**
Cost per cow	**$44.73**	**$41.65**	**$50.17**	**$32.19**
Cost/cow/day (based on 35 days)	**$1.28**	**$1.19**	**$1.43**	**$0.92**

Corn Grazing Vs Silage Pile Feeding

		Corn Grazing		Corn Pile Grazing
Input Costs ($/acre)				
	Seed	**$96.00**		**$96.00**
	Fertilizer (incl. applic.)	**$209.00**		**$209.00**
	Herbicide	**$16.00**		**$16.00**
	Custom tillage	**$12.00**		**$12.00**
	Custom seeding	**$25.00**		**$25.00**
	Custom spraying X 2	**$18.00**		**$18.00**
	Miscellaneous	**$7.75**		**$7.75**
	Land taxes	**$10.00**		**$10.00**
	Land Costs	**$71.26**		**$71.26**
	Plastic	**$0.00**		**$15.00**
	Custom Harveset	**$0.00**		**$120.00**
	Straw	$0.00		$0.00
	Subtotal	**$465.01**		**$600.01**
Fencing Costs				
	Estimated miles of fence required	1.350		0.100
	Fence Investment Cost/acre	$1.07		$0.54
	Fence Depreciation Cost/acre	$1.64		$0.82
Total cost per acre		**$467.72**		**$601.37**
Grazing Yield (wet tons/acre)		**15.00**		**15.00**
% moisture		**50**		**50**
	Yield (tons dry matter/acre)	7.5		7.5
	Total # cow grazing days/acre	370.4		750.0
	Acres Req'd for Option	**145.8**		**72**
Straw for feeding				**$8,500.00**
Total Extended Grazing Cost		**$68,193.58**		**$51,798.28**
Labour		**$1,560.00**		**$780.00**
Cost per cow		**$232.51**		**$175.26**
Cost per cow per hd per day		**$1.29**		**$0.97**



2. Other Operating Costs

Straw	$70.00
Veterinary Medicine & Supplies	$21.90
Breeding Costs	$53.51
Fuel, Maintenance & Repairs	$42.39
Utilities	$9.48
Marketing & Transportation	$37.76
Death Loss	$21.88
Manure Removal	$10.84
Insurance	$12.51
Herd Replacement	$85.80
Pasture Rental	$0.00
Pasture Operating	$27.44
Labour - Hired	$52.00
Miscellaneous	$3.33
Subtotal Operating Costs	$945.83
Operating Interest	$36.65
Total Operating Costs	**$982.48**

B. Fixed Costs	
Livestock	$64.47
Buildings	$23.49
Machinery & Equipment	$94.31
Pasture Land & Fencing	$68.47
Total Fixed Costs	**$250.75**
C. Owners - Labour & Living	**$162.00**
Total Cost of Production	**$1,602.86**

Marginal Returns per Acre

Profitability and Breakeven Analysis			
Estimated Farmgate	**Per Cow**	**Total**	**Per Acre**
Price ($ per cwt)	**$356.09**		
Calf weight (lbs)	**575**		
Gross Revenue / cow	**$1,945.14**	**$583,542**	**$406**
Operating Expense Ratio	**61.2%**		
Marginal Returns			
Over Feed Costs	**$1,455**	**$436,397**	**$304**
Over Operating Costs	**$755**	**$226,509**	**$158**
Over Operating & Fixed Costs	**$504**	**$151,285**	**$105**
Over Total Costs (Net Profit)	**$342**	**$102,685**	**$72**
Breakeven (Lb. weaned calf)	**Price ($/cwt)**		
Over Feed & Operating Costs	**$218**		
Over Feed, Operating & Fixed Costs	**$264**		
Over Total Costs	**$293**		

Business Risk Management Analysis

- Increased volatility in all aspect of agriculture
- Business Risk Management Programs can help to take out the risk of these volatile issues
  - Commodity prices
  - Input prices – feed, fertilizer, and fuel
  - Environment – drought to flood
- Other Risks to manage
  - Interest rates
  - Land values
  - Equipment prices and increased maintenance costs

Available BRM Programs

- Business Risk Management (BRM) programs address a variety of risks:
  - **AgriStability**: large margin declines from commodity price declines, production losses and/or input cost increases
  - **AgriInvest**: smaller income declines
  - **AgriInsurance**: crop and forage production losses
  - **AgriRecovery**: extraordinary costs from disasters
  - **Livestock Price Insurance:** Commodity price protection

- Currently, government priorities are to:
  - Improve AgriStability
  - Link programs to environmental outcomes

Available programs

- Winter feed production risk – Agri insurance (Forage and greenfeed)
- Summer feed production risk – Agri insurance (pasture days insurance)
- Price Protection – Liveestock price insurance
- Production insurance for livestock – Agristability only option

Agristability

- AgriStability provides whole-farm coverage.
- AgriStability provides coverage for losses caused by rising input costs and declining commodity prices, in addition to production risks.
- AgriInsurance covers 100 per cent of loss below the guaranteed yield, whereas AgriStability pays 80 per cent of the decline greater than 30 per cent of reference margin.
- AgriInsurance payments are allowable income in AgriStability, helping maintain and stabilize a producer's reference margin. Because producers do not pay the full cost of AgriInsurance premiums, over time continuous participation in AgriInsurance tends to increase AgriStability reference margins.
- AgriInsurance claims are paid after harvest, whereas AgriStability claims are paid after the end of the fiscal year.
- Both AgriInsurance and AgriStability can be used as security for cash advances under the Advance Payment Program.
- AgriInsurance provides coverage against prevented planting due to excess moisture, reseeding benefit, forage establishment insurance, forage restoration benefit, and forage and pasture insurance.
- **2024 Signup Deadline April 30, 2024**

- **Agristability quick calculator**
- **https://ase-eas.agr.gc.ca/ASE-EAS/quickEstimator/form/en**

AgriStability

- Compensation rate will increase from 70% to 80%
- Administrative changes are proposed to make AgriStability more:
  - Simple
  - Timely
  - Predictable

BPU Calcultions

- Very important to properly code productive units
- Acres, Cows that calved, Calves Backgrounded etc
- Used to calculate structure changes

Manitoba

CANADIAN COW-CALF COST OF PRODUCTION

cop NETWORK

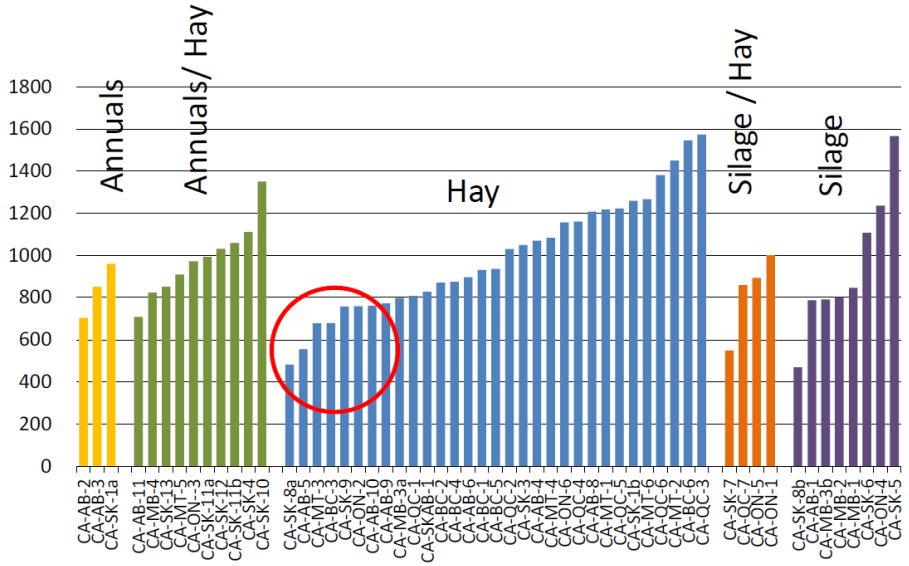
CANADIAN COW-CALF COST OF PRODUCTION NETWORK

Brought to you by:
Canfax Research Services and
the Provincial Coordinators

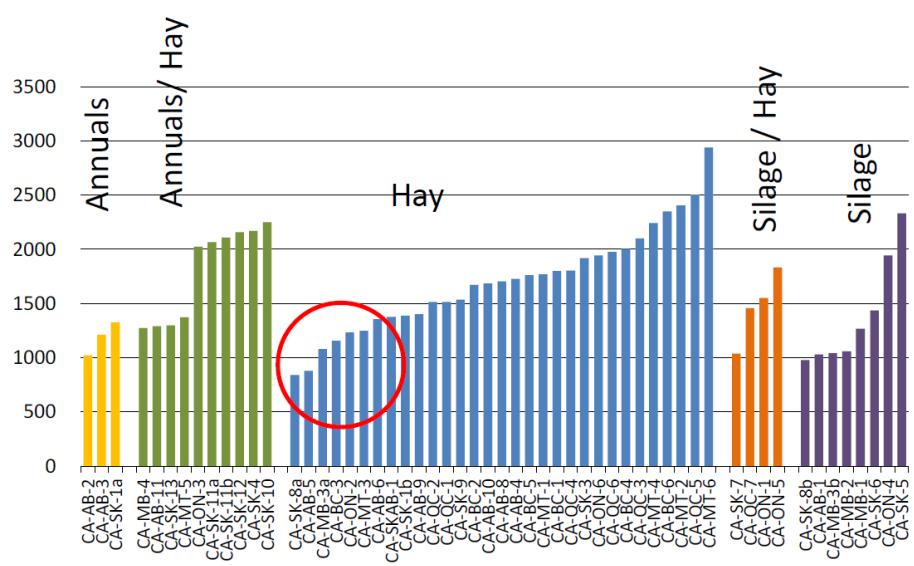
Can be high or low cost with any winter feed

Hay is still the most widely used across Canada

Cash Cost per cow, 2022



Total Cost per cow, 2022



Agri-Insurance Forage – 2024 DATA

AgriInsurance Analysis

MASC Forage Region Map | MASC Forage Insurance

	Forage Region 6 / Risk Area 14	Basic Hay 80% Coverage		Alfalfa Grass - Select Hay				Alfalfa - Select Hay				Greenfeed
				More Than 4 Year Stand		4 Years or Less Stand		More Than 4 Year Stand		4 Years or Less Stand		
	Based on 2022 MASC data	Low - $67/tonne	High - $111/tonne	70% Coverage	80% Coverage	70% Coverage	80% Coverage	70% Coverage	80% Coverage	70% Coverage	80% Coverage	80% Coverage
A.	**Hay Acres**	160	160	160	160	160	160	160	160	160	160	160
Coverage												
B.	Probable Yield - IC (tons/acre)	1.551	1.551	1.378	1.378	2.148	2.148	1.798	1.798	2.432	2.432	1.996
C.	Probable Yield (1,500 lb. bales/ac)	2.07	2.07	1.84	1.84	2.86	2.86	2.40	2.40	3.24	3.24	2.66
D.	Prob. Total No. of 1,500 lb. Bales	331	331	294	294	458	458	384	384	518	518	426
E.	Premium ($/Acre)	**$5.68**	**$9.22**	**$13.56**	**$19.74**	**$13.56**	**$19.74**	**$22.23**	**$32.17**	**$22.23**	**$32.17**	**$17.60**
F.	Premium (Total $) = A x C	**$909**	**$1,475**	**$2,170**	**$3,158**	**$2,170**	**$3,158**	**$3,557**	**$5,147**	**$3,557**	**$5,147**	**$2,816**
G.	Premium Cost (% of Insured) = E/M	7.1%	6.9%	7.9%	10.1%	5.1%	6.5%	8.2%	10.4%	6.1%	7.7%	7.9%
Coverage Calculation												
H.	Coverage (tons/acre) = B x %	1.241	1.241	0.965	1.102	1.504	1.718	1.259	1.438	1.702	1.946	1.597
I.	Coverage ($/ton)	$64.41	$107.05	$176.90	$176.90	$176.90	$176.90	$214.10	$214.10	$214.10	$214.10	$139.00
J.	Coverage (1,500 lb. bales/acre)	1.65	1.65	1.29	1.47	2.01	2.29	1.68	1.92	2.27	2.59	2.13
K.	Coverage No. of 1,500 lb. Bales	265	265	206	235	321	367	269	307	363	415	341
L.	Coverage ($/bale)	$48.31	$80.29	$132.68	$132.68	$132.68	$132.68	$160.57	$160.57	$160.57	$160.57	$104.25
M.	Coverage ($/acre) = H x I	**$79.93**	**$132.85**	**$170.71**	**$194.95**	**$266.06**	**$303.92**	**$269.55**	**$307.87**	**$364.39**	**$416.63**	**$221.98**
N.	Coverage (Total $) = A x M	**$12,789**	**$21,255**	**$27,314**	**$31,191**	**$42,570**	**$48,627**	**$43,127**	**$49,259**	**$58,303**	**$66,661**	**$35,517**

Forage Coverage Calculation

AgriInsurance Analysis

MASC Forage Region Map | MASC Forage Insurance

	Forage Region 6 / Risk Area 14	Basic Hay		Alfalfa Grass - Select Hay				Alfalfa - Select Hay				Greenfeed
		80% Coverage		More Than 4 Year Stand		4 Years or Less Stand		More Than 4 Year Stand		4 Years or Less Stand		
	Based on 2024 MASC data	Low - $67/tonne	High - $111/tonne	70% Coverage	80% Coverage	70% Coverage	80% Coverage	70% Coverage	80% Coverage	70% Coverage	80% Coverage	80% Coverage
A.	**Hay Acres**	160	160	160	160	160	160	160	160	160	160	160
Indmenity Calculation												
O.	Avg. Forage Yield (bales/acre)	1.00		(0.75 tons/acre)								
P.	Avg. Total No. of 1,500 lb. Bales	160	160	160	160	160	160	160	160	160	160	160
Q.	Percent of Probable Yield	48%	48%	54%	54%	35%	35%	42%	42%	31%	31%	38%
R.	Forage Indemnity (bales/acre) = J - O	0.65	0.65	0.29	0.47	1.01	1.29	0.68	0.92	1.27	1.59	1.13
S.	Forage Indemnity (tons/acre) = H - O	0.491	0.491	0.215	0.352	0.754	0.968	0.509	0.688	0.952	1.196	0.847
T.	Forage Indemnity (% of coverage)	39.6%	39.6%	22.3%	31.9%	50.1%	56.3%	40.4%	47.8%	55.9%	61.5%	53.0%
U.	Est. Forage Indemnity ($/acre) = I x S	**$31.63**	**$52.56**	**$38.03**	**$62.27**	**$133.38**	**$171.24**	**$108.97**	**$147.30**	**$203.82**	**$256.06**	**$117.73**
V.	Estimated Forage Indemnity = A x U	**$5,060**	**$8,410**	**$6,085**	**$9,963**	**$21,341**	**$27,398**	**$17,436**	**$23,568**	**$32,611**	**$40,969**	**$18,837**
Hay Disaster Benefit Calculation												
X.	Significant MB hay yield loss	Yes		(more than 20% of the producers insured by AgriInsurance have less than 50% of their long-term probable yield)								
Y.	Est. HDB ($/acre) = S x $39.92/ton	**$19.60**	**$19.60**	**$8.58**	**$14.05**	**$30.10**	**$38.64**	**$20.32**	**$27.46**	**$38.00**	**$47.74**	n/a
Z.	Est. Hay Disaster Benefit = A x Y	**$3,136**	**$3,136**	**$1,373**	**$2,248**	**$4,815**	**$6,182**	**$3,251**	**$4,394**	**$6,080**	**$7,638**	n/a
Total Indemnity + HDB												
AA.	Est. Indemnity + HDB ($/acre) = U + Y	**$51.22**	**$72.16**	**$46.62**	**$76.32**	**$163.48**	**$209.88**	**$129.29**	**$174.76**	**$241.82**	**$303.80**	**$117.73**
AB.	Est.Indemnity + HDB = V + Z	**$8,196**	**$11,545**	**$7,459**	**$12,211**	**$26,157**	**$33,581**	**$20,687**	**$27,962**	**$38,691**	**$48,608**	**$18,837**

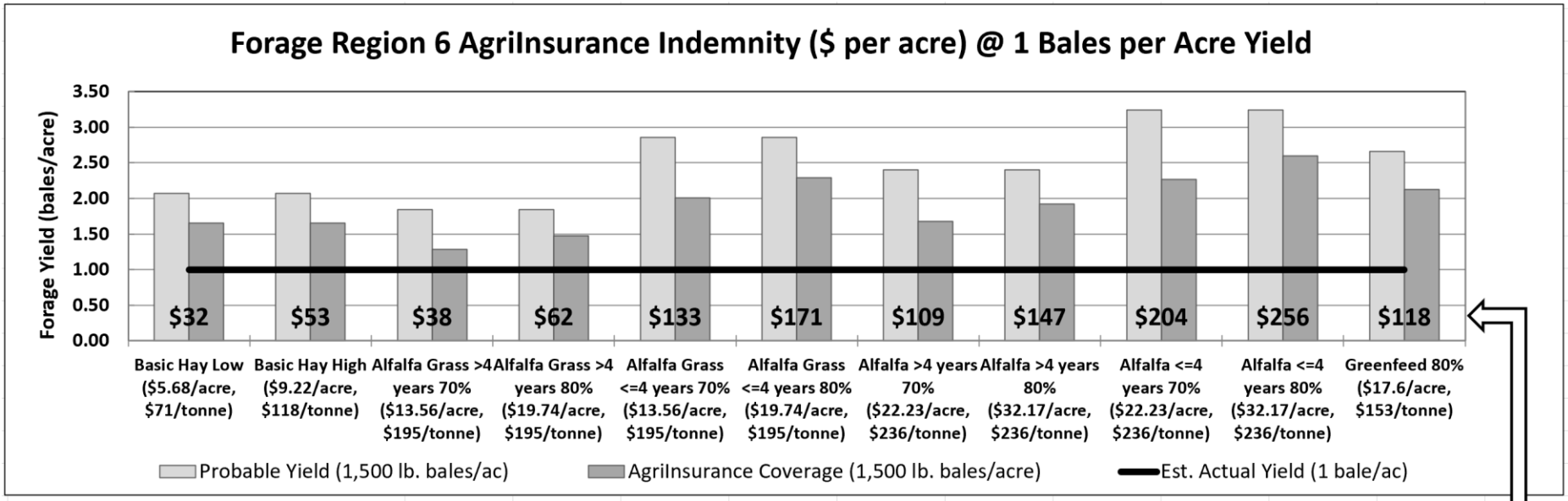
Costs not Covered By Agri Insurance

AgriInsurance Analysis

MASC Forage Region Map | MASC Forage Insurance

Forage Region 6 / Risk Area 14	Basic Hay		Alfalfa Grass - Select Hay				Alfalfa - Select Hay				Greenfeed
	80% Coverage		More Than 4 Year Stand		4 Years or Less Stand		More Than 4 Year Stand		4 Years or Less Stand		
Based on 2024 MASC data	Low - $67/tonne	High - $111/tonne	70% Coverage	80% Coverage	70% Coverage	80% Coverage	70% Coverage	80% Coverage	70% Coverage	80% Coverage	80% Coverage
A. **Hay Acres**	160	160	160	160	160	160	160	160	160	160	160
Costs Not Covered By AgriInsurance											
Operating Costs	$110.73	$57.82	$19.95	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Operating & Fixed Costs	$246.61	$193.69	$155.83	$131.59	$60.48	$22.62	$116.38	$78.06	$21.54	$0.00	$135.87
Total Costs	**$279.01**	**$226.09**	**$188.23**	**$163.99**	**$92.88**	**$55.02**	**$148.78**	**$110.46**	**$53.94**	**$1.70**	**$176.37**
AgriInsurance Risk Ratio	(AgriInsurance Coverage / Cost)										
Operating Costs	42%	70%	90%	102%	140%	159%	108%	123%	146%	167%	100%
Total Costs	22%	37%	48%	54%	74%	85%	64%	74%	87%	100%	56%

Payment with 1 Bale per Acre Yield



Agri Insurance Silage 2024 DATA

AgriInsurance Analysis

MASC Forage Region Map | MASC Forage Insurance

	Forage Region 6 Risk Area 14 *Based on 2022 MASC data*	Barley Silage	Corn Silage	Alfalfa Grass Silage					
				Basic Hay option		Select Hay option			
				80% Coverage		More Than 4 Year Stand		4 Years or Less Stand	
		80% Coverage	80% Coverage	Low - $23/tonne	High - $38/tonne	70% Coverage	80% Coverage	70% Coverage	80% Coverage
A.	**Silage Acres**	**160**	**160**	**160**	**160**	**160**	**160**	**160**	**160**
Coverage									
B.	Probable Yield - IC (tons/acre)	5.129	13.900	3.029	3.029	2.638	2.638	4.199	4.199
C.	Premium ($/Acre)	**$20.35**	**$34.22**	**$5.28**	**$8.46**	**$19.26**	**$17.78**	**$19.26**	**$17.78**
D.	Premium (Total $) = A x C	**$3,256**	**$5,475**	**$845**	**$1,354**	**$3,082**	**$2,845**	**$3,082**	**$2,845**
E.	Premium Cost (% of Insured) = C/H	8.7%	3.5%	7.3%	7.0%	12.7%	10.3%	8.0%	6.4%
Coverage Calculation									
F.	Coverage (tons/acre) = B x %	4.103	11.120	2.423	2.423	1.847	2.110	2.939	3.359
G.	Coverage ($/ton)	$56.83	$88.02	$30.04	$49.77	$82.06	$82.06	$82.06	$82.06
H.	Coverage ($/acre) = F x G	**$233.18**	**$978.78**	**$72.82**	**$120.64**	**$151.54**	**$173.19**	**$241.25**	**$275.72**
I.	Coverage (Total $) = A x H	**$37,309**	**$156,605**	**$11,651**	**$19,302**	**$24,246**	**$27,710**	**$38,600**	**$44,115**

Silage AgriInsurance Analysis

AgriInsurance Analysis

MASC Forage Region Map | MASC Forage Insurance

	Forage Region 6 Risk Area 14	Barley Silage	Corn Silage	Alfalfa Grass Silage					
				Basic Hay option		Select Hay option			
				80% Coverage		More Than 4 Year Stand		4 Years or Less Stand	
	Based on 2024 MASC data	80% Coverage	80% Coverage	Low - $23/tonne	High - $38/tonne	70% Coverage	80% Coverage	70% Coverage	80% Coverage
A.	**Silage Acres**	**160**	**160**	**160**	**160**	**160**	**160**	**160**	**160**
Coverage									
B.	Probable Yield - IC (tons/acre)	4.654	13.158	3.138	3.138	2.788	2.788	4.347	4.347
C.	Premium ($/Acre)	**$17.60**	**$28.02**	**$5.68**	**$9.22**	**$13.56**	**$19.74**	**$13.56**	**$19.74**
D.	Premium (Total $) = A x C	**$2,816**	**$4,483**	**$909**	**$1,475**	**$2,170**	**$3,158**	**$2,170**	**$3,158**
E.	Premium Cost (% of Insured) = C/H	7.9%	3.2%	7.1%	6.9%	7.9%	10.1%	5.1%	6.5%
Coverage Calculation									
F.	Coverage (tons/acre) = B x %	3.723	10.526	2.510	2.510	1.952	2.230	3.043	3.478
G.	Coverage ($/ton)	$59.62	$82.00	$31.84	$52.91	$87.44	$87.44	$87.44	$87.44
H.	Coverage ($/acre) = F x G	**$221.96**	**$863.13**	**$79.93**	**$132.85**	**$170.64**	**$195.02**	**$265.99**	**$303.99**
I.	Coverage (Total $) = A x H	**$35,513**	**$138,101**	**$12,789**	**$21,255**	**$27,302**	**$31,203**	**$42,558**	**$48,638**

Manitoba

AgriInsurance Analysis

MASC Forage Region Map | MASC Forage Insurance

	Forage Region 6 Risk Area 14	Barley Silage	Corn Silage	Alfalfa Grass Silage					
				Basic Hay option		Select Hay option			
				80% Coverage		More Than 4 Year Stand		4 Years or Less Stand	
	Based on 2024 MASC data	80% Coverage	80% Coverage	Low - $23/tonne	High - $38/tonne	70% Coverage	80% Coverage	70% Coverage	80% Coverage
A.	**Silage Acres**	160	160	160	160	160	160	160	160
Indmenity Calculation									
J.	Avg.Silage Yield (tons/acre)	1.75							
K.	Avg. Total No. of tons	280	280	280	280	280	280	280	280
L.	Percent of Probable Yield	38%	13%	56%	56%	63%	63%	40%	40%
M.	Forage Indemnity (tons/acre) = F - J	1.973	8.776	0.760	0.760	0.202	0.480	1.293	1.728
N.	Forage Indemnity (% of coverage)	53.0%	83.4%	30.3%	30.3%	10.3%	21.5%	42.5%	49.7%
O.	Est. Forage Indemnity ($/acre) = G x M	**$117.63**	**$719.63**	**$24.20**	**$40.21**	**$17.66**	**$41.97**	**$113.06**	**$151.10**
P.	Estimated Forage Indemnity = A x O	**$18,820**	**$115,141**	**$3,872**	**$6,434**	**$2,826**	**$6,715**	**$18,090**	**$24,175**
Hay Disaster Benefit Calculation									
Q.	Significant MB hay yield loss	Yes		(more than 20% of the producers insured by AgriInsurance have less than 50% of their long-term probable yield)					
R.	Est. HDB ($/acre) = M x $19.73/ton	n/a	n/a	**$14.99**	**$14.99**	**$3.99**	**$9.47**	**$25.51**	**$34.09**
S.	Est. Hay Disaster Benefit = A x R	n/a	n/a	**$2,399**	**$2,399**	**$638**	**$1,515**	**$4,082**	**$5,455**
Total Indemnity + HDB									
T.	Est. Indemnity + HDB ($/acre) = O + R	**$117.63**	**$719.63**	**$39.19**	**$55.21**	**$21.65**	**$51.44**	**$138.57**	**$185.19**
U.	Est.Indemnity + HDB = P + S	**$18,820**	**$115,141**	**$6,271**	**$8,833**	**$3,464**	**$8,231**	**$22,171**	**$29,630**

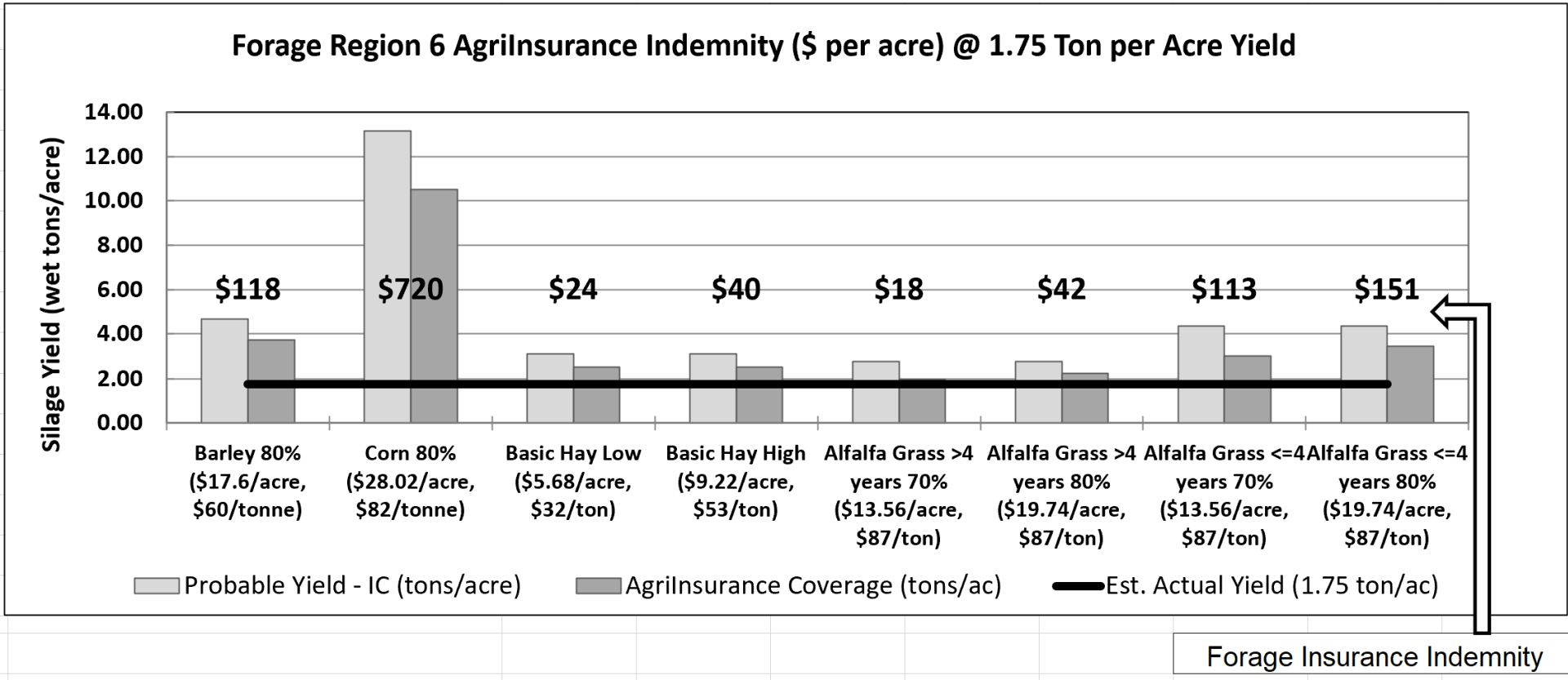
Costs not Covered by AgriInsurance

AgriInsurance Analysis

MASC Forage Region Map | MASC Forage Insurance

	Forage Region 6 / Risk Area 14	Barley Silage	Corn Silage	Alfalfa Grass Silage					
				Basic Hay option		Select Hay option			
				80% Coverage		More Than 4 Year Stand		4 Years or Less Stand	
	Based on 2024 MASC data	80% Coverage	80% Coverage	Low - $23/tonne	High - $38/tonne	70% Coverage	80% Coverage	70% Coverage	80% Coverage
A.	**Silage Acres**	160	160	160	160	160	160	160	160
Costs Not Covered By AgriInsurance									
	Operating Costs	$6.13	$0.00	$114.00	$61.09	$23.30	$0.00	$0.00	$0.00
	Operating & Fixed Costs	$149.47	$0.00	$257.34	$204.43	$166.64	$142.26	$71.29	$33.29
	Total Costs	**$190.83**	**$0.00**	**$281.83**	**$228.92**	**$191.13**	**$166.75**	**$95.78**	**$57.78**
AgriInsurance Risk Ratio				(AgriInsurance Coverage / Cost)					
	Operating Costs	97%	220%	41%	68%	88%	101%	137%	157%
	Total Costs	54%	144%	22%	37%	47%	54%	74%	84%

Summary of Indemnity Payments



Summer Feed Production Risk
Pasture Days Insurance

Pasture Days Insurance Calculator

Printed: 2024-01-30

*** Enter/select changes to items in BLUE only ***

Coverage

Historic grazing period or Individual 10-year average	134	days	or	4.47	months	
Coverage Level of of Normal AU days	90%					
Date livestock placed on pasture (enter M/DD)	May 15	(coverage would last until		September 13	, or 121 days)	
Historical grazing period end date (134 days)	September 26					
Dollar Coverage per Animal Unit for each AU day	$2.25					
Premium Rate	4.70%					
Premium share (producer)	40%					

Pasture Land

800 acres

Animal Inventory

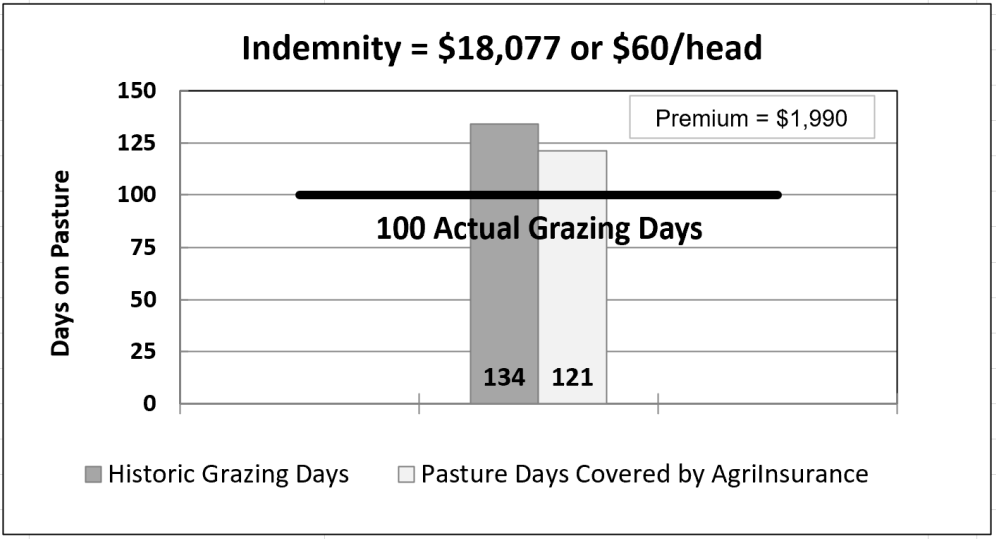
Step #1	Step #2 - Select Category	Number of Head	Animal Unit (AU)
Cows	Bulls, Bred Cows, Cow/Calf pairs = 1.3 A.U.	300	390
(Select Animal Type)		0	0
(Select Animal Type)		0	0
(Select Animal Type)		0	0
(Select Animal Type)		0	0
(Select Animal Type)		0	0
Total		300	390

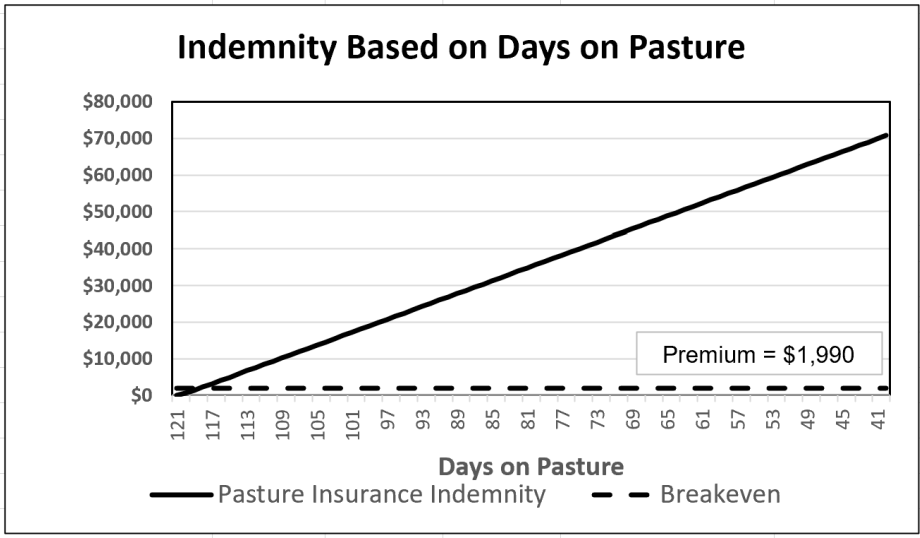
Pasture Insurance Calculations

Coverage Calculation		
Animal Unit Days (390 AU x 134 days)	**52,260**	AU Days
Pasture Guarantee (52,260 x 90% or 121 days)	**47,034**	AU Days
Estimated Dollar Coverage (47,034 AU Days x $2.25 per AU)	**$105,826.50**	
Est. Avg. Coverage ($/head/season) = ($105,827 ÷ 300 head)	**$352.76**	
Est. Avg. Coverage ($/head/day) = ($352.76 ÷ 134 days)	**$2.63**	
Premium Calculation		
Premium = Expected number of Grazing Days x Animal Units x coverage Level x Insurable Value x Premium Rate %		
Premium = (134 x 390 X 90% x $2.25 x 4.7%)	**$4,973.85**	
Estimated Producer Premium = ($4,973.85 x 40%)	**$1,989.54**	(1.88 % of insured)
Est. Premium ($/Acre) = ($1,989.54 ÷ 800 acres)	**$2.49**	
Est. Premium ($/head/season) = ($1,989.54 ÷ 300 head)	**$6.63**	
Est. Premium ($/head/day) = ($6.63 ÷ 134 days)	**$0.0495**	
Indemnity Calculation		
Date livestock removed from pasture (enter M/DD)	**August 23**	
Calculated actual days on pasture before removal	**100**	days (21 days of pasture coverage)
Actual Animal Unit Days (390 AU x 100 days)	**39,000**	AU Days
Pasture Shortfall (47,034 - 39,000)	**8,034**	AU Days
Estimated Indemnity (8,034 AU Days x $2.25)	**$18,076.50**	
Est. Indemnity ($/Acre) = ($18,077 ÷ 800 acres)	**$22.60**	
Est. Indemnity ($/head/season) = ($18,077 ÷ 300 head)	**$60.26**	
Est. Indemnity ($/head/day) = ($60.26 ÷ 21 days)	**$2.87**	

Summer Feed Production Risk
Pasture Days Insurance

Pasture Insurance Indemnity (based on 300 Head and 800 Acres @ 134 days historic grazing period)





Operating Loans

- Increasing interest rates
  - Take out cost by utilising Advance Payment Program or Cash Advance
  - Participate in Agristability, Agri insurance or LPI

LoanPlan - Loan Calculator

Printed: 2022-12-15

***** Enter changes to BLUE numbers only *****

Basic Loan Information

Amount	**$250,000**	Annual Interest Rate	**8.000%**
Start Date of Loan	**01-Jan-23**	Length of Loan, Years	**1**
		Payments Per Year	**annual**

Payment Information

			1
Calculated Payment	$270,000.00	Total Payments	1
Entered Payment	**$0.00**		

Summary Information

Total Paid	$270,000.00	Accelerated Principle Paid	$0.00
Interest Paid	$20,000.00	Interest Saved	$0.00
		Number of Payments Reduced	0

Pmnt #	Start of Period	Scheduled Balance	Actual Balance	Payment	Interest	Principal	Additional Principal Paid
1	01-Jan-23	$250,000.00	$250,000.00	$270,000.00	$20,000.00	$250,000.00	**$0.00**

Livestock Cash Advance

2024 Program year begins April 1, 2024. The interest free limit is $100,000.00.

Producers can access up to $1,000,000.00 in total advance amounts.

***Average Processing time for a new advance is 7 to 10 business days.**

Manitoba Livestock Cash Advance (MLCA) was established in 2007 to administer the ADVANCE PAYMENTS PROGRAM (APP) for Cattle producers in Manitoba and Saskatchewan. Sheep/Lamb producers in Manitoba, Saskatchewan, and Alberta. Goat producers in Manitoba, Saskatchewan, Alberta and British Columbia and Bison producers nationally. Beginning in 2015, MLCA began offering cash advances on a select number of crops in Manitoba and Saskatchewan.

The Advance Payments Program (APP) is a Federal loan guarantee program that helps producers meet their financial obligations and benefit from the best market conditions by improving their cash flow throughout the production period.

To be eligible producers must be a Canadian citizen or permanent resident. A corporation, cooperative, or partnership of which the majority interest is held by Canadian citizens or permanent residents.

Producers must also meet the security requirements. Cattle producers are now able to use Livestock Price Insurance (LPI) as the Business Risk Management program for the Cattle cash advance, please see the FACT SHEET for more information.

2023 Administration fee of $250.00 per application, ($300.00 for all Bison Applications and LPI applications) $75.00 for subsequent advances.

Have any questions? We'd love to help....contact us at 1-866-869-4008

IMPORTANT DATES:

***Beginning January 2023 MLCA will be transitioning to email for statements and letters for Producers.**

- 2023 Production Period
- Rates Effective April 1, 2023

- Manitoba Cattle Advance Rates
- Feeder calf (400-700lbs) $994.86/head (MB)
- Feeder cattle (700-900lbs) $1,025.33/head (MB)
- Finished cattle (up to 1250lbs) $1,154.23/head (MB)
- Finished cattle (over 1250lbs) $1,503.18/head (MB)

Manitoba

Contact Information

- For more information on the Advance Payments Program
- Call MLCA : 1-866-869-4008
- Email: mlca.cashadv@mymts.net
- Website: manitobalivestock.com

Photo Credit: Nicole Ridder

Livestock Price Insurance Calf -2024

LPI - Decision Calculator

*** Enter changes to values to items in BLUE only ***

Step #1: LPI Premium Table

Click here to go to User Guide

Premium Table as of: February 1

$ / cwt

Insured Index ($/cwt)	$390	$388	$386	$384	$382	$380	$378	$376	$374	$372	$370	$368	$366	$364	$362
Premium ($/cwt)	$11.93	$11.03	$9.68	$8.78	$7.69	$6.72	$5.84	$4.96	$4.20	$3.49	$3.31	$3.07	$2.89	$2.74	$2.64

Step#2: LPI - Insured Calves on Your Farm

Insured Weight	575 lbs	Estimated Settlement Price	$215 $/cwt
Number of Calves	100 head	Click here to enter your cow-calf production costs	
Total Insured Weight	57,500 lbs		

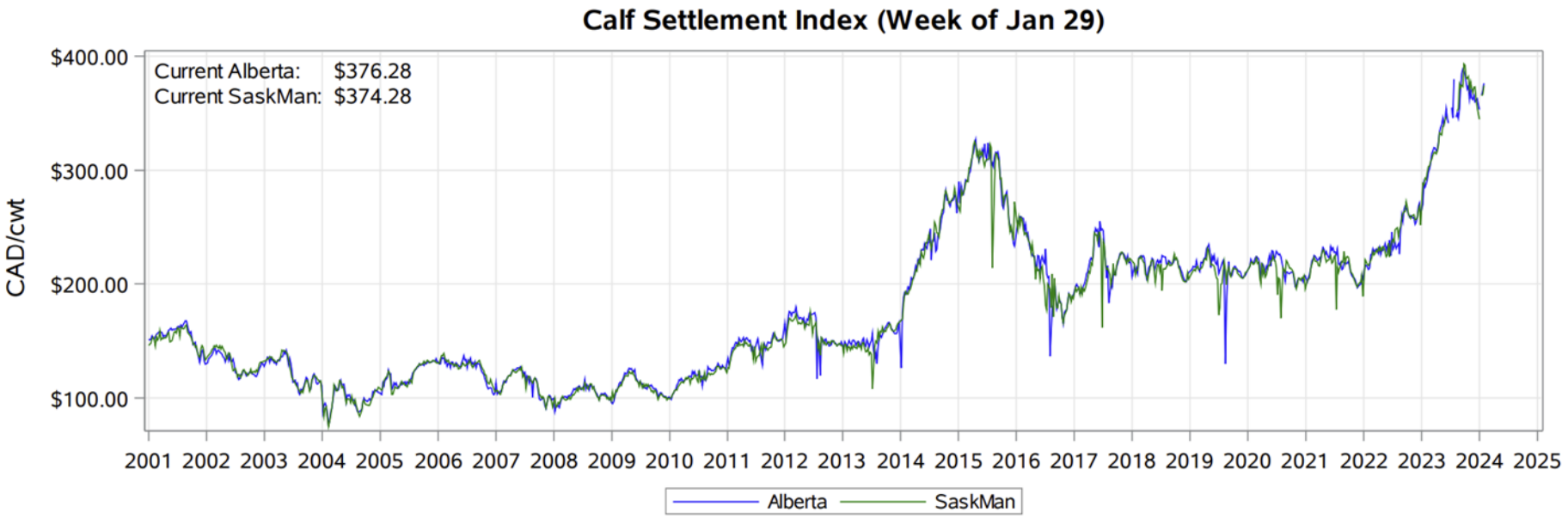
Step#3: LPI Analysis - Premiums & Insured Value

Premium Cost ($/head @ 575 lbs)	$68.60	$63.42	$55.66	$50.49	$44.22	$38.64	$33.58	$28.52	$24.15	$20.07	$19.03	$17.65	$16.62	$15.76	$15.18
Insured Value ($/head @ 575 lbs)	$2,243	$2,231	$2,220	$2,208	$2,197	$2,185	$2,174	$2,162	$2,151	$2,139	$2,128	$2,116	$2,105	$2,093	$2,082
Premium Cost (% of Insured Value)	3.06%	2.84%	2.51%	2.29%	2.01%	1.77%	1.54%	1.32%	1.12%	0.94%	0.89%	0.83%	0.79%	0.75%	0.73%
Total Premium (100 calves)	$6,860	$6,342	$5,566	$5,049	$4,422	$3,864	$3,358	$2,852	$2,415	$2,007	$1,903	$1,765	$1,662	$1,576	$1,518
Total Insured Value (100 calves)	$224,250	$223,100	$221,950	$220,800	$219,650	$218,500	$217,350	$216,200	$215,050	$213,900	$212,750	$211,600	$210,450	$209,300	$208,150
Incremental Coverage Cost (compared to next lower level)															
Cost per $1 of Increased Coverage	$0.45	$0.68	$0.45	$0.55	$0.49	$0.44	$0.44	$0.38	$0.36	$0.09	$0.12	$0.09	$0.08	$0.05	

Livestock Price Insurance

Step#4: Estimated LPI Payments & Production Costs Not Covered Analysis															
LPI Payment at Estimated Settlement Price = $350/cwt															
LPI ($ per Head)	**$230**	**$219**	**$207**	**$196**	**$184**	**$173**	**$161**	**$150**	**$138**	**$127**	**$115**	**$104**	**$92**	**$81**	**$69**
Total LPI ($ per 100 calves)	**$23,000**	**$21,850**	**$20,700**	**$19,550**	**$18,400**	**$17,250**	**$16,100**	**$14,950**	**$13,800**	**$12,650**	**$11,500**	**$10,350**	**$9,200**	**$8,050**	**$6,900**
Costs per Head (incl. LPI Premium) Not Covered By the LPI Insured Value															
Operating Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating & Labour Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating & Fixed Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Step#5: Profitability Analysis															
Marginal Returns (based on Est. Settlement Price @ $350/cwt + LPI Payment per head)															
Over Operating Costs	$984	$977	$974	$967	$962	$956	$950	$943	$936	$929	$918	$908	$898	$887	$876
Over Operating & Labour Costs	$822	$815	$812	$805	$800	$794	$788	$781	$774	$767	$756	$746	$736	$725	$714
Over Operating & Fixed Costs	$733	$727	$723	$717	$711	$706	$699	$693	$686	$678	$668	$657	$647	$636	$625
Over Total Costs (Net Profit)	**$571**	**$565**	**$561**	**$555**	**$549**	**$544**	**$537**	**$531**	**$524**	**$516**	**$506**	**$495**	**$485**	**$474**	**$463**

Livestock Price Insurance Program Market Information & Outlook
LPI - Calf Jan 29 , 2024



Summary

- Take out the risk with risk management programs
- Agri Insurance (forage and pasture)
- Livestock Price Insurance
- Agristability (whole farm)
- Manitoba livestock cash advance (operating interest)
- Watch deadlines – Agri insurance March 31, Agristability April 30 2024

Other tools to help manage risk

- Livestock price insurance calculator
- Forage/ silage agri insurance analyser in forage cost of production
- Pasture days insurance calculator
- Feed purchase decision calculator
- Forage moisture conversion calculator
- Agristability Quick Calculator
- https://www.gov.mb.ca/agriculture/farm-management/production-economics/cost-of-production.html

Manitoba

calculators.masc.mb.ca

MASC Online Calculators

Machinery

- Farm Machinery Custom and Rental Guide

Land, Fence & Buildings

- RentPlan Cropland Rental Rate Calculator
- Pasture Rental Rate Calculator
- FencePlan Cost Calculator
- Grain Bin and Farm Building Rental Cost Planner

Forage

- FeedPlan Feed Ingredient Cost Calculator
- Pasture Rental Rate Calculator
- Standing Hay Cost Calculator
- Standing Corn Cost Calculator
- Standing Greenfeed Cost Calculator
- Straw Cost Calculator
- Forage Price Moisture Conversion Calculator
- Forage Yield Moisture Conversion Calculator

Crops

- RentPlan Cropland Rental Rate Calculator
- Seeding Rate and Cost Calculator
- FertPlan Fertilizer Cost And Requirement Calculator
- Crop Reseeding Decision Tool
- Crop Disease Break Even Calculator
- Sclerotinia Treatment Decision Calculator (Canola)
- Sclerotinia Treatment Decision Calculator (Sunflowers)
- Grain Drying Cost Calculator
- Straw Cost Calculator

Livestock

- Beef Cow Overwinter Cost Calculator
- FeedPlan Feed Ingredient Cost Calculator
- LPI Decision Calculator (Calf)
- LPI Decision Calculator (Feeder)
- Calf Creep Feed Calculator

Questions?

Contact me:

Ben Hamm

Farm Enterprise Management Specialist

204-392-9350

benjamin.hamm@gov.mb.ca