



# WEANED CALF RISK PROTECTION

Training Slides



Confidential - Not for Distribution



[For Training Use]

October 2023

# Weaned Calf Risk Protection (WCRP) Training Topics

- WCRP & Industry Overview
- Commodity Provisions & Special Provisions
- Actuarials
- Pricing Overview & Commodity Exchange Price Provisions
- Insurance Standards Handbook/Underwriting
- Loss Adjustment Standards Handbook/Claims
- Timeline





A herd of black and brown cows is grazing on a grassy hillside. The cows are scattered across the slope, with some in the foreground and others further up the hill. The background shows a blue sky and some trees on the left side of the hill. The overall scene is a rural, agricultural landscape.

# WCRP & Industry Overview

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# Objective

Provide beef cow-calf producers with revenue protection for their calves up to weaning age.

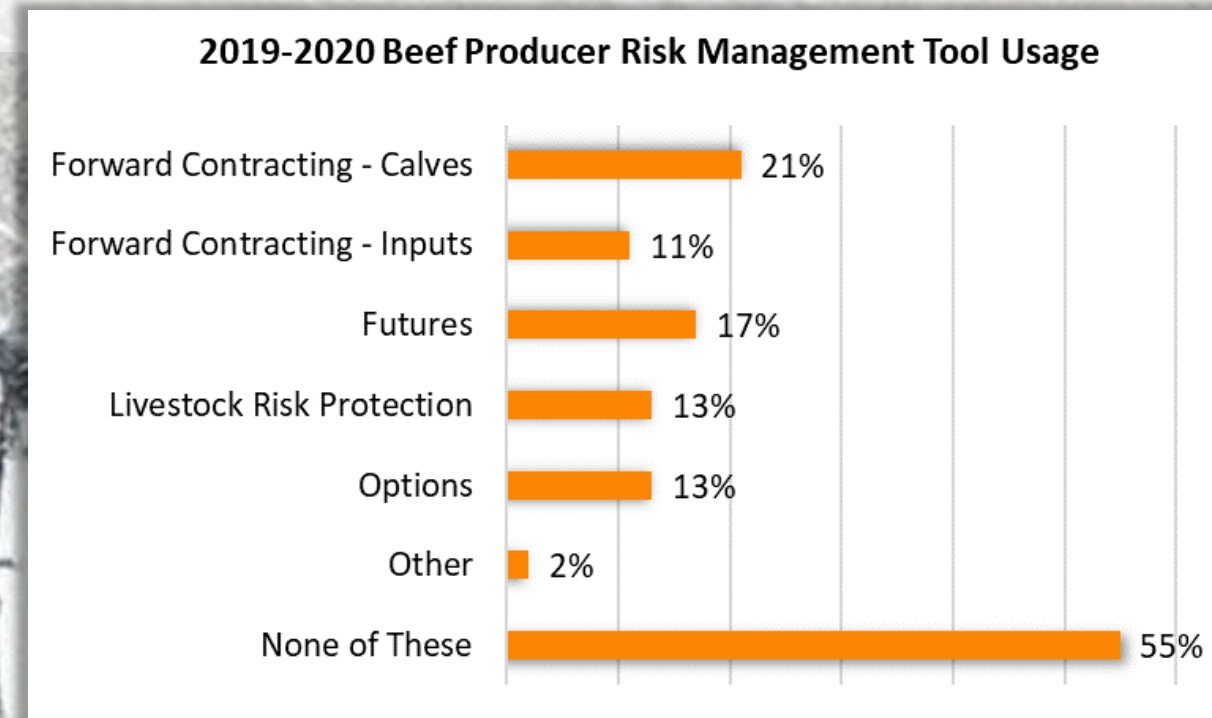


Photo Source: Beef Magazine



# Need for the Program

- Cattle producers are vulnerable to significant economic loss.
- Comparable coverage is unavailable for decreases from yield & revenue expectations.
- Current risk management options for cow-calf producers are limited.



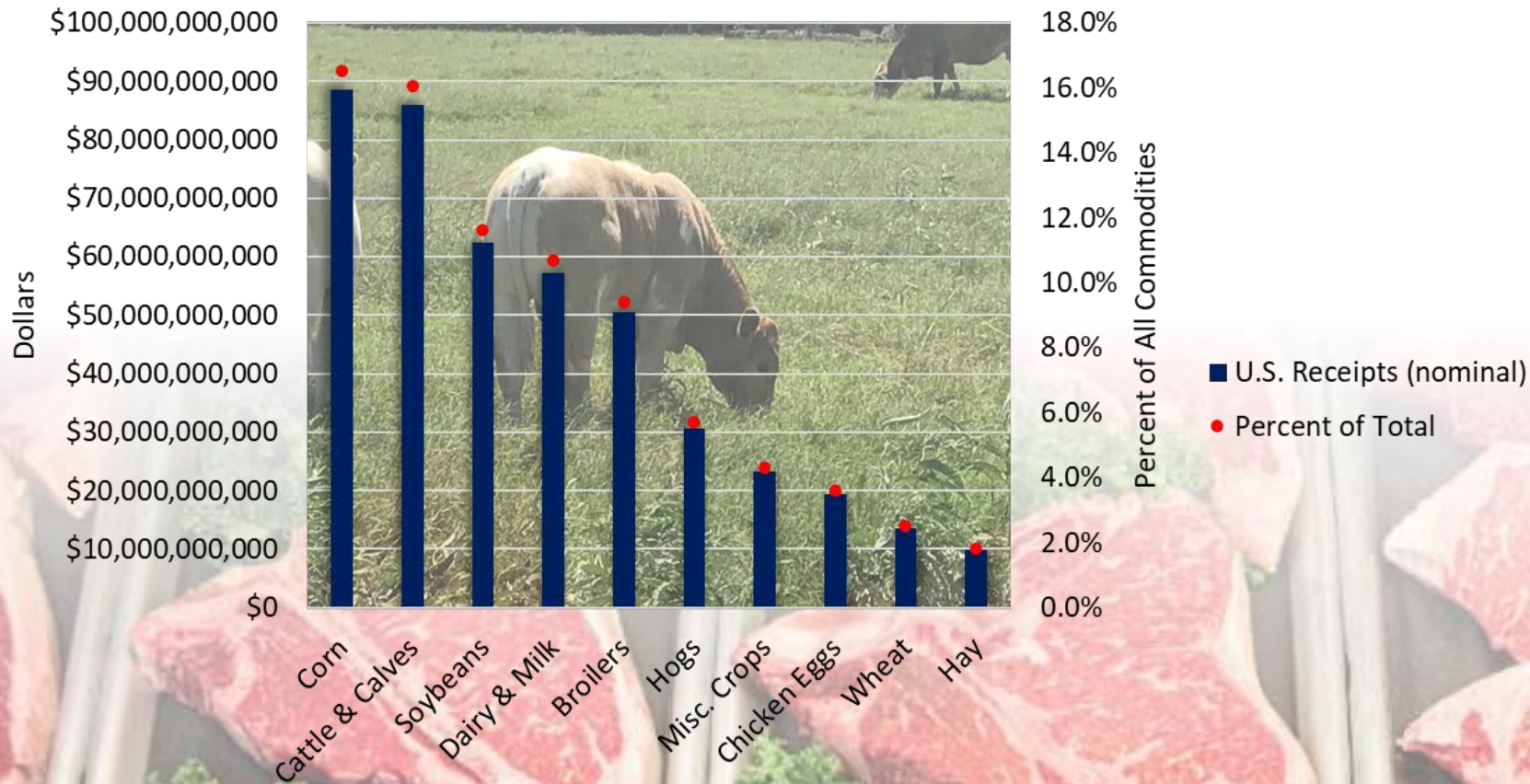
Data Source: 2019 Beef Magazine Annual State of the Industry Survey





# U.S. Cattle Industry Statistics

Nominal Cash Receipts – Top 10 U.S. Commodities, 2022



\$86 billion in cash receipts (≈16% of all U.S. commodities) 2022

World's largest producer of beef (20.6%) 2023

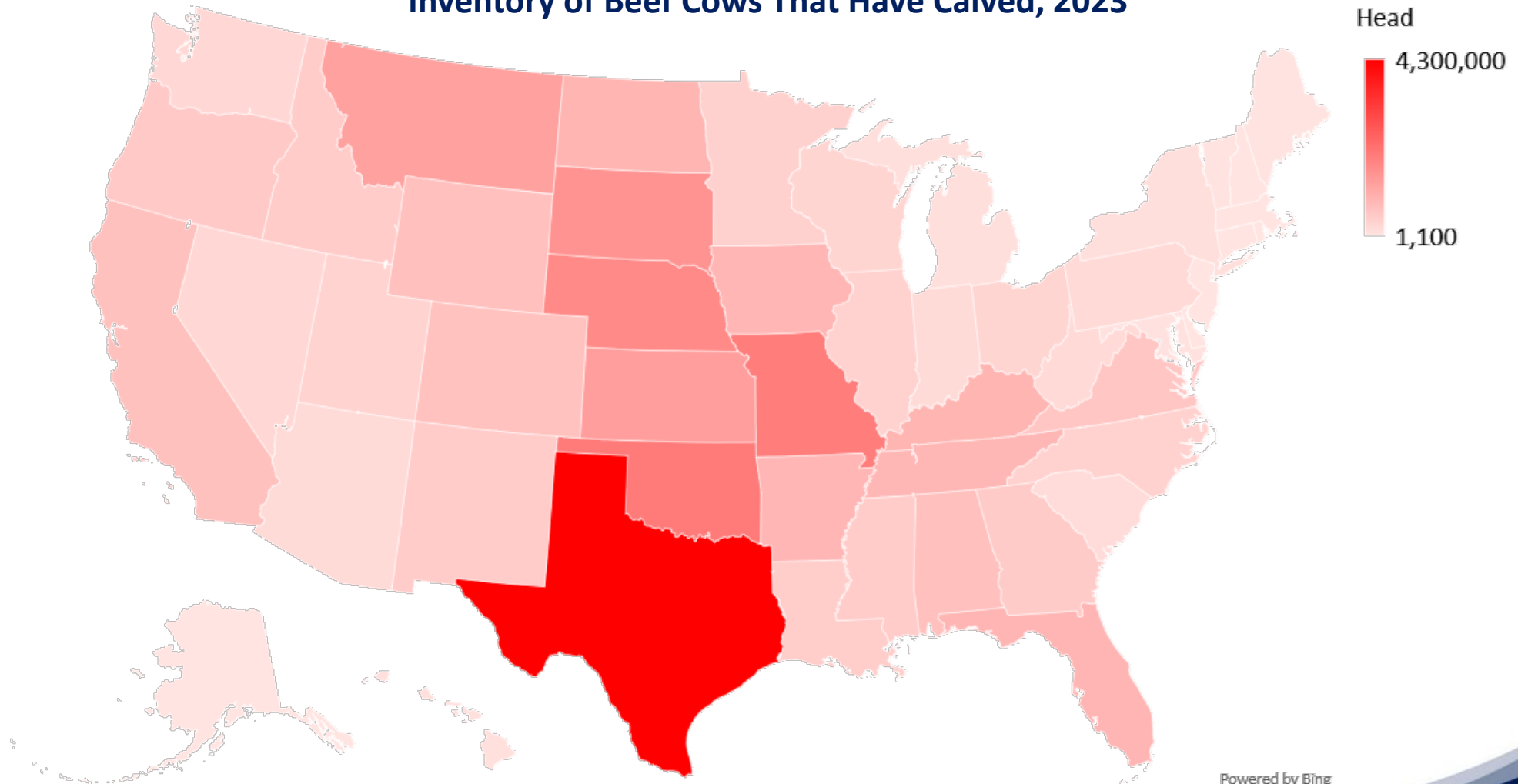
Economic impacts: feed grain production, animal health, transportation, meat processing.....

Data Sources (as of 9/1/23): USDA ERS; Progressive Cattle  
Photo Source: iStock, It's What's For Dinner



# U.S. Beef Cow Distribution

## Inventory of Beef Cows That Have Calved, 2023



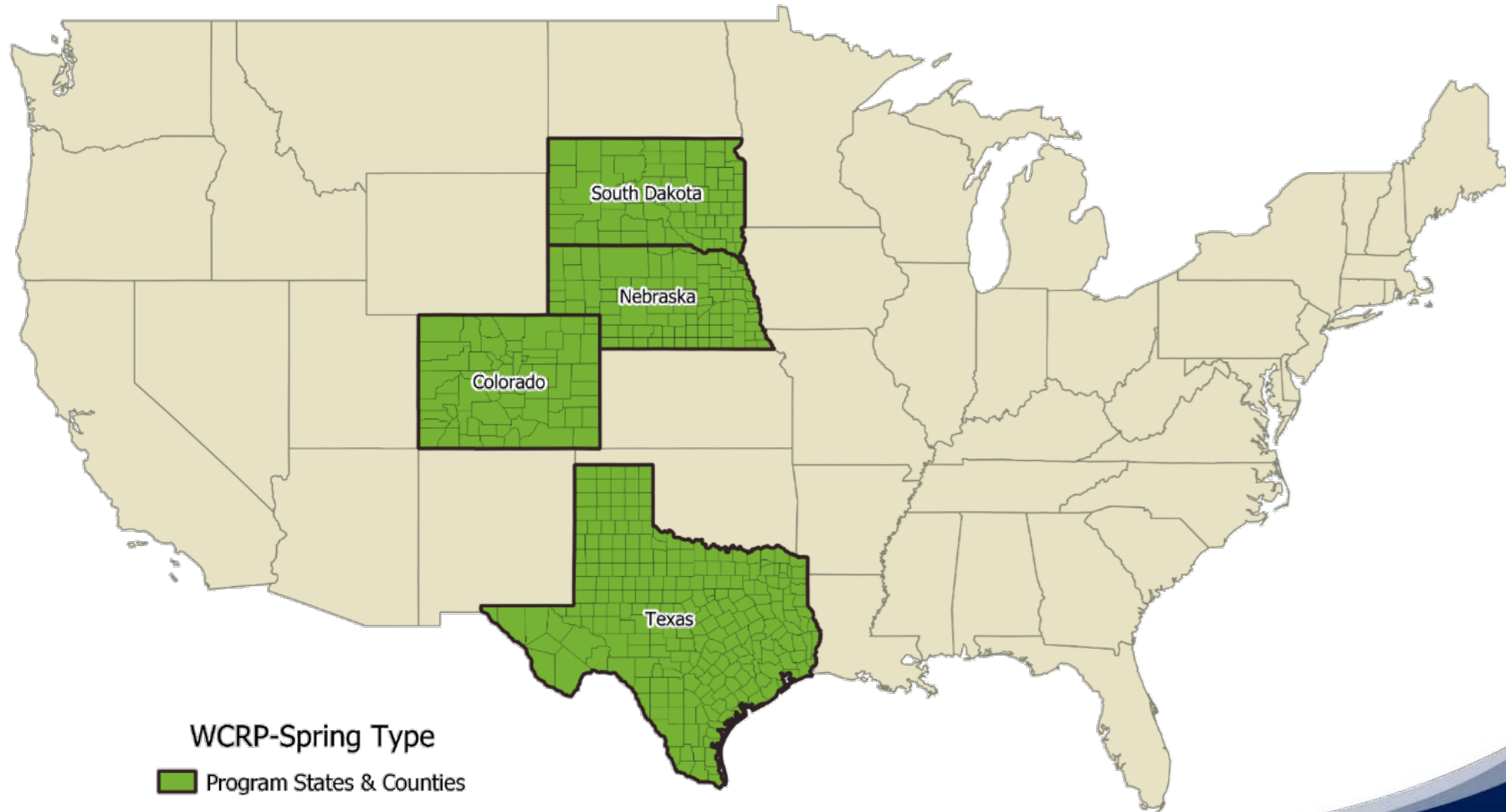
Data Source: USDA NASS as of 1/31/23

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# WCRP Initial Coverage Area

WCRP will initially be available for spring calves in the 4 highlighted states

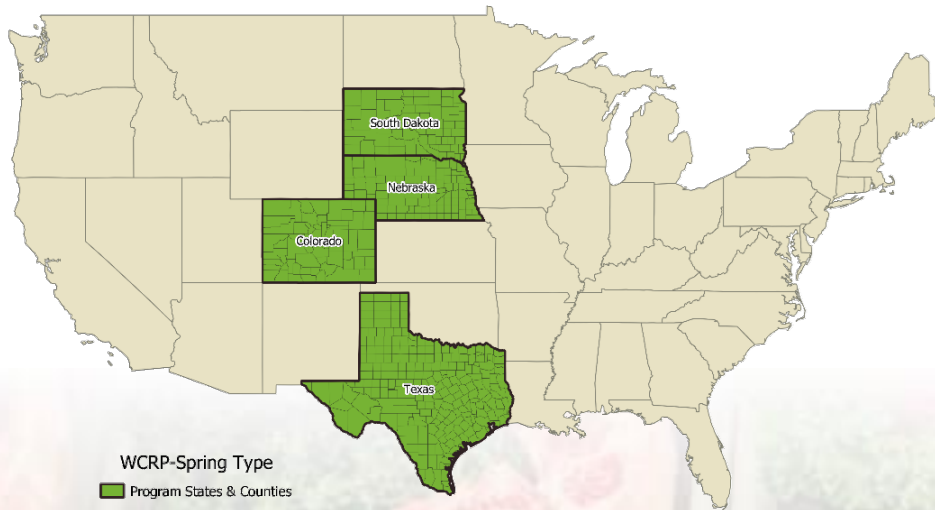


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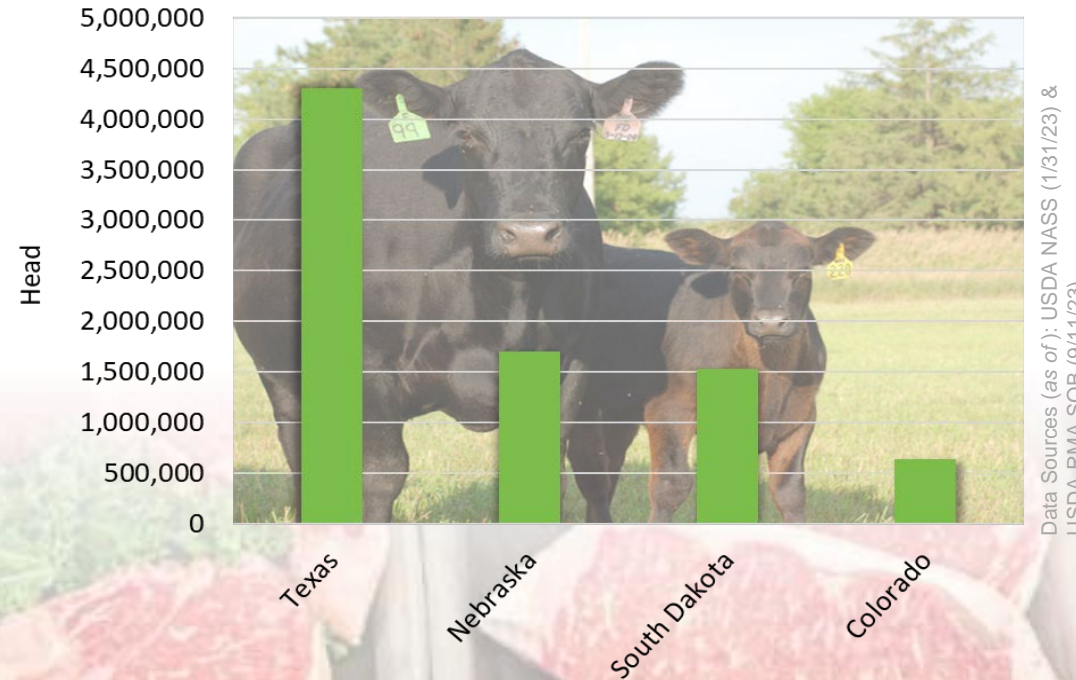


# WCRP

## Approved Initial Coverage Area



WCRP State Inventory of Beef Cows That Have Calved, 2023



8,178,000 hd. Total beef cow inventory  
 (~19.8% of U.S. beef cows – spring only)  
 2023

Total state inventories of at least 642,000 beef cows  
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Accounts for:  
 ≈27% of U.S. PRF premium  
 ≈28% of U.S. PRF liabilities  
 2022

# Policy Documents

## WCRP Specific:

- WCRP Commodity Provisions (CP)
- WCRP Commodity Exchange Price Provisions (CEPP)
- WCRP Special Provisions (SP)
- WCRP Actuarial Documents (AD)
- WCRP Insurance Standards Handbook (ISH)
- WCRP Loss Adjustment Standards Handbook (LASH)
- WCRP Price Factor Methodology

## FCIC Documents:

- Basic Provisions (BP)
- Crop Insurance Handbook (CIH)
- Loss Adjustment Manual (LAM)
- Other related procedures contained in the Document and Supplemental Standards Handbook (DSSH), & General Standards Handbook (GSH).



# WCRP Timeline (Spring Calves)

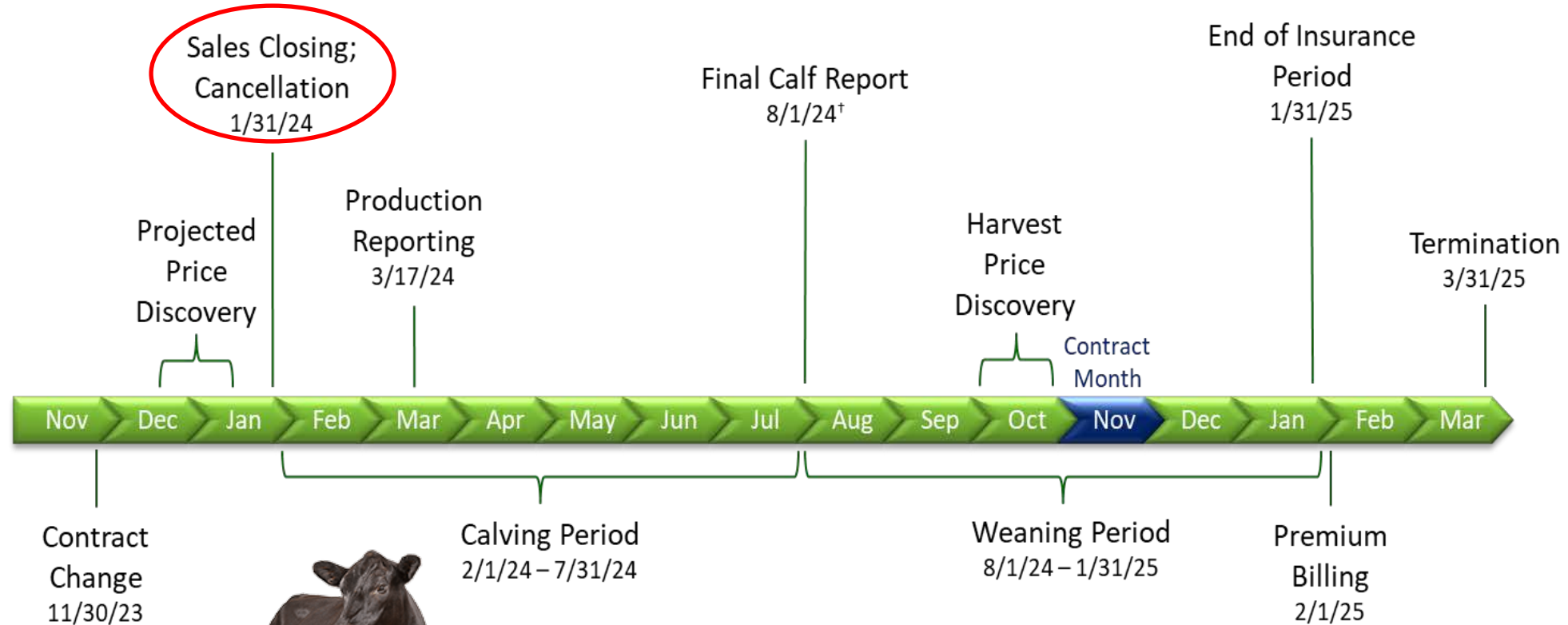


Photo Source: NC State Extension

<sup>†</sup>Coverage begins with submission of the Calf Report submitted by the insured. The Calf Report may be revised as often as required to report the birth of additional calves during the 60-day period after the date calving begins except that the Calf Report may not be revised after the earlier of the insured's Calf Reporting Date for the type and unit or the Final Calf Reporting Date for the type specified in the actuarial documents.

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# Application

- The producer lists the county where they intend to raise calves
  - **IMPORTANT NOTE: LIST ONLY ONE COUNTY PER APPLICATION.**
- Elect applicable coverage level, share, & plan of insurance (RP, RP-HPE, YP)
- Only Basic Units
- Cannot elect LRP Feeder cattle (*except for Dairy/Unborn Dairy*) with WCRP
- Complete the Producer Pre-Acceptance Worksheet (PAW)
  - Completed annually (self-certification allowed following year of application) before the applicable SCD
  - Amended/Revised PAW required if any changes that would alter the number of cows in the applicable location



# Application Guidance

- Insureds should list **only one county per application** to facilitate policy processing and ensure equitable treatment.
- Counties will be treated independently. For applications including more than one county, the AIP will submit a **P14 for each county**.
- Calf movement during the insurance period will be recorded and the highest applicable premium rate will be charged as stated in the policy.



A herd of black and brown cows is grazing on a grassy hillside. The cows are scattered across the slope, with some in the foreground and others further up the hill. The background shows a blue sky and some trees on the left side of the hill. The overall scene is a peaceful rural landscape.

# Commodity Provisions & Special Provisions

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# Definitions

- **Backgrounding** - The practice of growing calves from weaning until they enter the feedlot for finishing or until they are delivered for sale.
- **Basic unit** - In lieu of the definition in section 1 of the Basic Provisions, a basic unit will be all the insurable commodity in the county on the date coverage begins for the crop year:
  - (a) In which you have 100 percent share; or
  - (b) Which is owned by one person and operated by another person on a share basis. (Example: If, in addition to the commodity you own, you share in the commodity with three persons on a separate share basis, you would be entitled to four units; one for each commodity share and one for the commodity you own.)
- **Calf report** – The calf report, including any revised reports, submitted by you by the earlier of the calf reporting date or the final calf reporting date. The calf report is a summary record of all live calves born at different times from the beginning of calving to the calf reporting date or the final calf reporting dates. The calf report functions as an acreage report.



# Definitions

- **Calf reporting date** - The date determined for the type and unit and equal to 60 days after the date calving begins and contained in a notice required in section 6(a)(1)(iv) of the Commodity Provisions for the applicable type and unit. However, if the calf reporting date as established above is after the final calf reporting date, the calf reporting date is the final calf reporting date and is the date your calf report must be submitted.
- **Commodity** - See agricultural commodity as defined in the Basic Provisions. The term commodity will have the same meaning as crop when referenced in applicable sections of the Basic Provisions, the Commodity Provisions, and applicable approved FCIC procedures.
- **Crop year** - The period beginning with the sales closing date for the type of the insured commodity and extending through the calendar date for the end of the insurance period for the type. It is designated by the calendar year the crop year begins. For example, the 2024 crop year begins January 31, 2024, for the spring type and ends January 31, 2025.



# Definitions

- **Final calf reporting date** – The commodity reporting date contained in the actuarial documents for the type by which your calf report must be submitted. Such report may not be revised after this date except in accordance with applicable provisions of section 6 of the Basic Provisions (e.g., editorial revisions, etc.) and section 6 of the Commodity Provisions.
- **Harvest price** - In lieu of the definition contained in the Basic Provisions, the prices determined for the insured commodity type in accordance with the Commodity Exchange Price Provisions and used to:
  - (a) Establish the applicable value for determining the applicable protection guarantee based on the applicable approved yield; and
  - (b) Value production to count for revenue protection based on the applicable average weaning weight per calf determined on a unit basis.
- **Pound** - Sixteen ounces avoirdupois.
- **Production guarantee (per weaned calf)** - In lieu of the definition of production guarantee (per acre) contained in the Basic Provisions, the number of pounds determined by multiplying the approved yield per weaned calf by the coverage level percentage you elect.



# Definitions

- **Projected price** - In lieu of the definition contained in the Basic Provisions, the prices for the insured commodity type determined in accordance with the Commodity Exchange Price Provisions and used to:
  - (a) Establish the applicable value for determining the applicable protection guarantee based on the applicable approved yield; and
  - (b) Value production to count for yield protection based on the applicable average weaning weight per calf determined on a unit basis.
- **Revenue protection guarantee (per weaned calf)** - In lieu of the definition of revenue protection guarantee (per acre) contained in the Basic Provisions, for revenue protection only, the amount determined by multiplying the production guarantee (per weaned calf) by the greater of your applicable projected price or harvest price. If the harvest price exclusion is elected, the production guarantee (per weaned calf) is only multiplied by your applicable projected price.
- **Share** - In lieu of the definition in section 1 of the Basic Provisions, your share will include all your insurable interest in the insured commodity. However, only for the purpose of determining the amount of indemnity, your share will not exceed your share at the earlier of the time of loss or the beginning of weaning of any of the insured commodity.



# Definitions

- **Spring type** - Calves born from February 1 to July 31 of the crop year.
- **Type** - A category of weaned calves identified as a type in the Special Provisions.
- **Weaned (weaning)** - Removing the calf from the brood cow.
- **Weaned calf (calves)** - Calves included in the beef class, as specified in the Special Provisions and reported on your calf report.
- **Weaning date** - The date calves are removed from the brood cows (see section 11(a)(5) of the Commodity Provisions).
- **Yield protection** - In lieu of the definition contained in the Basic Provisions, a plan of insurance that only provides protection against a production loss and is available only for the commodity for which revenue protection is available.
- **Yield protection guarantee (per weaned calf)** - In lieu of the definition of yield protection guarantee (per acre) contained in the Basic Provisions, when yield protection is selected for the commodity, the amount determined by multiplying the production guarantee (per weaned calf) by your applicable projected price.

# WCRP

## General Illustration Slide (RP)

### Guarantee

$$\text{calves reported} \times \frac{\text{approved yield}}{\text{(historical average weaning weight per calf)}} \times \frac{\text{greater of projected price}^\dagger \text{ or harvest price}}{\text{}} \times \text{coverage level}$$

### Value of Production to Count

$$\text{calves weaned} \times \text{actual average weaning weight per calf} \times \text{harvest price}$$



<sup>†</sup>The projected price is always used for premium calculation.

$$\text{Guarantee} - \text{Value of Production to Count} = \text{Indemnity}$$



# Excluded Coverages

**The following coverages and options contained in the Basic Provisions, or specified plans of coverage are not available:**

- Livestock Risk Protection (see the Special Provisions);
- Section 9. Insurable Acreage;
- Section 13. Replanting Payment;
- Section 15. Production Included in Determining an Indemnity and Payment Reductions [except section 15(a), (c), and (j)];
- Section 16. Late Planting;
- Section 17. Prevented Planting;
- Section 18. Written Agreements;
- Section 34. Units
- Section 36. Yield Options; and
- Section 37. Organic Farming Practices.



# Special Provisions

**Special Provisions**  
2024 and Succeeding Crop Years

Year: 2024      Commodity: Weaned Calves (0805)      State: Texas (48)  
 Date: 9/28/2023      Plan: Yield Protection (01)      County: Brazos (041)  
                                  Revenue Protection (02)  
                                  Revenue Prot with Harvest Price Exclusion (03)

**Program Dates for Insurable Types and Practices**

Sales Closing Date	Earliest Planting Date	Final Planting Date	End of Late Planting Period Date	Commodity Reporting Date	Premium Billing Date	End of Insurance Date		
1/31/2024				8/1/2024	2/1/2025	1/31/2025		
TP	Type			Practice				
T/P 1	Spring Calving 801			No Practice Specified 997				
Type Information				Practice Information				
TP	Commodity Type	Class	Sub Class	Intended Use	Irrigation	Cropping	Organic	Interval
T/P 1	Calving 800	Spring 053	No Subclass Specified 997	No Intended Use Specified 997	No Irrigation Practice Specified 997	No Cropping Practice Specified 997	No Organic Practice Specified 997	No Interval Specified 997

**General**  
 Contact your agent regarding possible premium discounts, options, and/or additional coverage that may be available.

**Date**  
 For Weaned Calf Risk Protection (WCRP) the Commodity Reporting Date is the same as the Final Calf Reporting Date.

**Insurance Availability**  
 In accordance with applicable standards contained in the United States Standards for Grades of Feeder Cattle (<https://www.ams.usda.gov/grades-standards/feeder-cattle-grades-and-standards>), breeds or cross breeds of cattle that would typically produce calves grading Inferior, Small Frame, or Number 3 or 4 thickness grade are excluded and not insurable.

Breeds not explicitly raised for beef production and all dairy cattle are excluded and not insurable.

LRP Feeder Cattle types ineligible or excluded from WCRP when LRP is elected in the county:

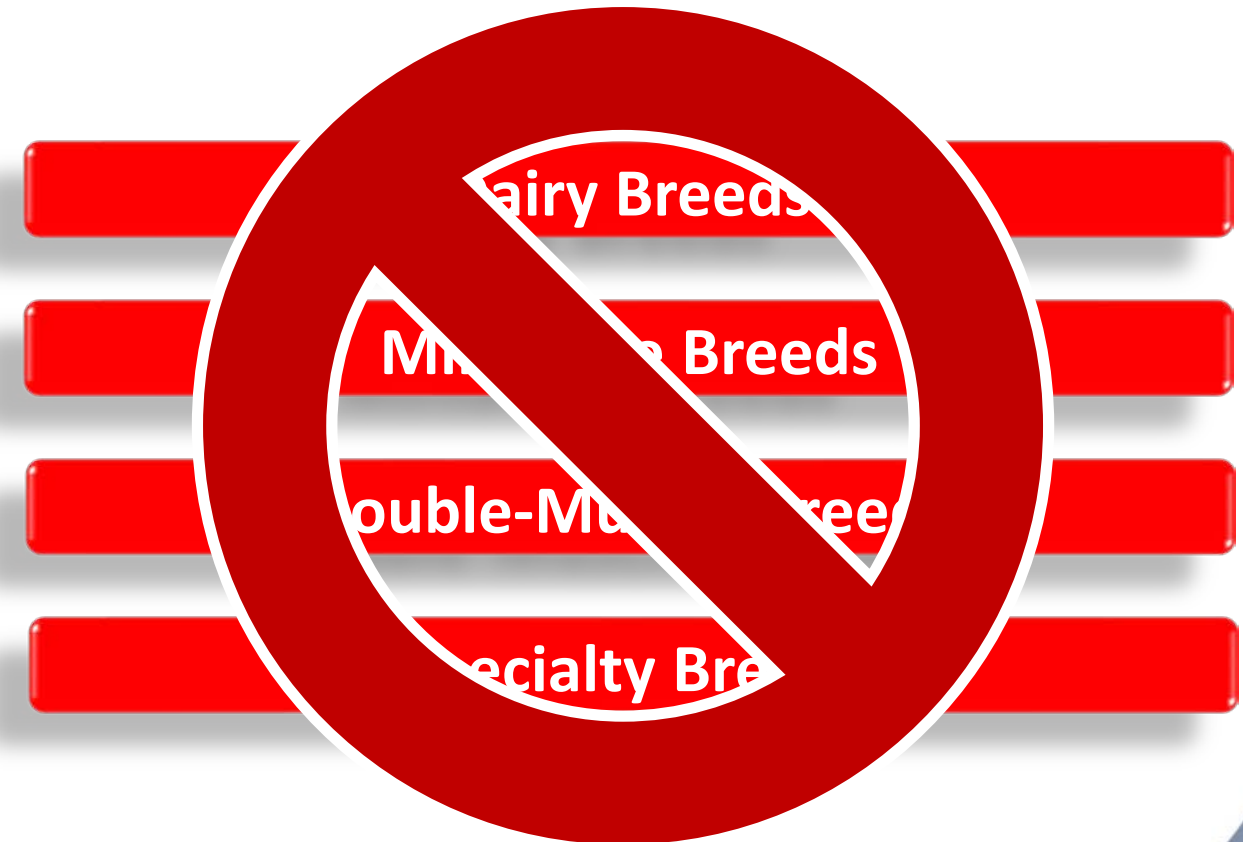
Type	Commodity Type	Class	Excluded from WCRP
Steers Weight 1 809	Steers 809	Weight 1 031	Yes
Steers Weight 2 810	Steers 809	Weight 2 032	Yes
Heifers Weight 1 811	Heifers 810	Weight 1 031	Yes
Heifers Weight 2 812	Heifers 810	Weight 2 032	Yes
Brahman Weight 1 813	Brahman 811	Weight 1 031	Yes
Brahman Weight 2 814	Brahman 811	Weight 2 032	Yes
Dairy Weight 1 815	Dairy 812	Weight 1 031	Ineligible for WCRP
Dairy Weight 2 816	Dairy 812	Weight 2 032	Ineligible for WCRP
Unborn Steers & Heifers 817	Steers & Heifers 820	Unborn 033	Yes
Unborn Brahman 818	Brahman 811	Unborn 033	Yes
Unborn Dairy 819	Dairy 812	Unborn 033	Ineligible for WCRP



# Special Provisions-Insurable Types

## Examples of Insurable Breeds/Crossbreeds

Angus	Limousin
Beefmaster	Red Angus
Braford	Red Brangus
Brahman	Santa Gertrudis
Brangus	Shorthorn
Braunvieh	Simbrah
Charolais	Simmental
Chianina	
Gelbvieh	
Hereford	



# Special Provisions-LRP Exclusion

**An insured CAN NOT elect the following LRP Feeder Cattle Types in conjunction with WCRP:**

- Steers Weight 1
- Steers Weight 2
- Heifers Weight 1
- Heifers Weight 2
- Brahman Weight 1
- Brahman Weight 2
- Unborn Steers & Heifers
- Unborn Brahman



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# Actuarials

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# Types-Practices

Types / Practices		Unit Structure	Prices	T-Yield	Dates	Rates	Subsidy Factors	Special Provisions	Links
1 of 1   100%   Find   Next									
<b>Types/Practices Selection Criteria</b>									
Year: 2024		Commodity: Weaned Calves (0805)			State: Texas (48)				
Data: Released		Plan: Revenue Protection (02)			County: Brazos (041)				
Type / Practices	T/P 1								
Type	Spring Calving 801								
Practice	No Practice Specified 997								
Commodity Type	Calving 800								
Class	Spring 053								
Sub Class	No Subclass Specified 997								
Intended Use	No Intended Use Specified 997								
Irrigation Practice	No Irrigation Practice Specified 997								
Cropping Practice	No Cropping Practice Specified 997								
Organic Practice	No Organic Practice Specified 997								
Interval	No Interval Specified 997								





# Unit Structure

Types / Practices | **Unit Structure** | Prices | T-Yield | Dates | Rates | Subsidy Factors | Special Provisions | Links

1 of 1 | Whole Page | Find | Next

**Unit Structure Selection Criteria**

Year: 2024    Commodity: Weaned Calves (0805)    State: Texas (48)  
 Data: Released    Plan: Revenue Protection (02)    County: Brazos (041)

Types / Practices	T/P 1
Type	Spring Calving 801
Practice	No Practice Specified 997
Commodity Type	Calving 800
Class	Spring 053
Sub Class	No Subclass Specified 997
Intended Use	No Intended Use Specified 997
Irrigation Practice	No Irrigation Practice Specified 997
Cropping Practice	No Cropping Practice Specified 997
Organic Practice	No Organic Practice Specified 997
Interval	No Interval Specified 997
Unit Availability	
Optional Unit Allowed Flag	N
<b>Basic Unit Allowed Flag</b>	<b>Y</b>
Enterprise Unit Allowed Flag	N
Whole Farm Unit Allowed Flag	N

# Prices

Types / Practices | Unit Structure | **Prices** | T-Yield | Dates | Rates | Subsidy Factors | Special Provisions | Links

Navigation: 1 of 1 | Refresh | Back | 100% | Save | Print | Find | Next

**Prices Selection Criteria**

Year: 2024    Commodity: Weaned Calves (0805)    State: Texas (48)  
 Data: Released    Plan: Revenue Protection (02)    County: Brazos (041)

No Type/Practices Data

**Prices - Base County**

Contract Price Code	
---------------------	--

No Base County Prices Data

- To be published following price discovery:**
- Base Weight
  - Projected Price Adjustment Factor
  - Harvest Price Adjustment Factor
  - Projected Price
  - Harvest Price
  - Price Volatility Factor



# T-Yield



Types / Practices | Unit Structure | Prices | **T-Yield** | Dates | Rates | Subsidy Factors | Special Provisions | Links

1 of 1 | 100% | Find | Next

**T-Yield Selection Criteria**

Year: 2024      Commodity: Weaned Calves (0805)      State: Texas (48)  
 Data: Released      Plan: Revenue Protection (02)      County: Brazos (041)

Types / Practices	T/P 1
Type	Spring Calving 801
Practice	No Practice Specified 997
Commodity Type	Calving 800
Class	Spring 053
Sub Class	No Subclass Specified 997
Intended Use	No Intended Use Specified 997
Irrigation Practice	No Irrigation Practice Specified 997
Cropping Practice	No Cropping Practice Specified 997
Organic Practice	No Organic Practice Specified 997
Interval	No Interval Specified 997

Transitional Yields		
Sub County	Year	LBS
	2024	579.00
	2023	579.00
	2022	587.00
	2021	611.00
	2020	581.00
	2019	572.00
	2018	577.00
	2017	573.00
	2016	594.00
	2015	577.00
	2014	587.00
	2013	602.00
	2012	596.00
	2011	537.00
	2010	572.00
	2009	568.00
	2008	574.00
	2007	600.00
	2006	554.00
	2005	595.00
	2004	584.00
	2003	570.00
	2002	571.00
	2001 and Prior	582.00

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# Dates

Types / Practices | Unit Structure | Prices | T-Yield | **Dates** | Rates | Subsidy Factors | Special Provisions | Links

1 of 1 | 100% | Find | Next

**Dates**  
Selection Criteria

Year: 2024    Commodity: Weaned Calves (0805)    State: Texas (48)  
Data: Released    Plan: Revenue Protection (02)    County: Brazos (041)

Types / Practices	T/P 1
Type	Spring Calving 801
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Irrigation Practice	No Irrigation Practice Specified 997
Cropping Practice	No Cropping Practice Specified 997
Organic Practice	No Organic Practice Specified 997
Interval	No Interval Specified 997

Base County Dates	
Sales Closing Date	01/31/2024
Cancellation Date	01/31/2024
<b>Commodity Reporting Date</b>	<b>08/01/2024</b>
Premium Billing Date	02/01/2025
End Of Insurance Date	01/31/2025
Termination Date	03/31/2025
Contract Change Date	11/30/2024
Production Reporting Date	03/17/2024

**Statement**

**Statements** ←

For Weaned Calf Risk Protection (WCRP) the Commodity Reporting Date is the same as the Final Calf Reporting Date.

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# Rates



Types / Practices | Unit Structure | Prices | T-Yield | Dates | **Rates** | Subsidy Factors | Special Provisions | Links

1 of 1 | 100% | Find | Next

**Rates**  
Selection Criteria

Year: 2024    Commodity: Weaned Calves (0805)    State: Texas (48)  
Data: Released    Plan: Revenue Protection (02)    County: Brazos (041)

Types / Practices		T/P 1
Type		Spring Calving 801
Practice		No Practice Specified 997
Commodity Type		Calving 800
Class		Spring 053
Sub Class		No Subclass Specified 997
Intended Use		No Intended Use Specified 997
Irrigation Practice		No Irrigation Practice Specified 997
Cropping Practice		No Cropping Practice Specified 997
Organic Practice		No Organic Practice Specified 997
Interval		No Interval Specified 997

Base County Rates	
Coverage Level Percent	0.65
Unit Of Measure	LBS
Reference Yield	579.00
Exponent Value	-0.414
Reference Rate	0.0080
Fixed Rate	0.0060

Base County Differentials	
Coverage Level	
0.50	0.225000000
0.55	0.391000000
0.60	0.638000000
0.65	1.000000000
0.70	1.493000000
0.75	2.188000000
0.80	3.087000000
0.85	4.145000000

Unit Structure Discount Factor	
Basic Unit	1.000

**Statement**

**Statements**  
Rates and Base Rate Factors for uninsured states (to be used when calves are moved from insured to uninsured counties during the insurance period):

Base County Rates

Coverage Level Percent	0.65
Unit Of Measure	LBS
Reference Amount	376
Exponent Value	-0.414
Reference Rate	0.033
Fixed Rate	0.021

Base County Differentials

Coverage Level	
CAT	0.192
0.5	0.385
0.55	0.545
0.6	0.742
0.65	1
0.7	1.32
0.75	1.708
0.8	2.177
0.85	2.719

CAT coverage is only available for Yield Protection.



# Subsidy Factors

Types / Practices   Unit Structure   Prices   T-Yield   Dates   Rates   **Subsidy Factors**   Special Provisions   Links

1 of 1   100%   Find | Next

**Subsidy Factors Selection Criteria**

Year: 2024   Commodity: Weaned Calves (0805)   State: Texas (48)  
 Data: Released   Plan: Revenue Protection (02)   County: Brazos (041)

Subsidy Factors		0.50	0.55	0.60	0.65	0.70	0.75	0.80	0.85
Coverage Level									
Subsidy Factor	Basic Unit	0.670	0.640	0.640	0.590	0.590	0.550	0.480	0.380



A herd of black and brown cows is grazing on a grassy hillside. The cows are scattered across the slope, with some in the foreground and others further up the hill. The background shows a blue sky and some trees on the left side of the hill.

# Pricing Overview & Commodity Exchange Price Provisions

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# Price Discovery

## Chicago Mercantile Exchange (CME) Feeder Cattle Contract:

Type	Contract Month	Projected Price Discovery Period		Harvest Price Discovery Period	
		Beginning Date	Ending Date	Beginning Date	Ending Date
Spring	November	December 15	January 15	October 1	October 31

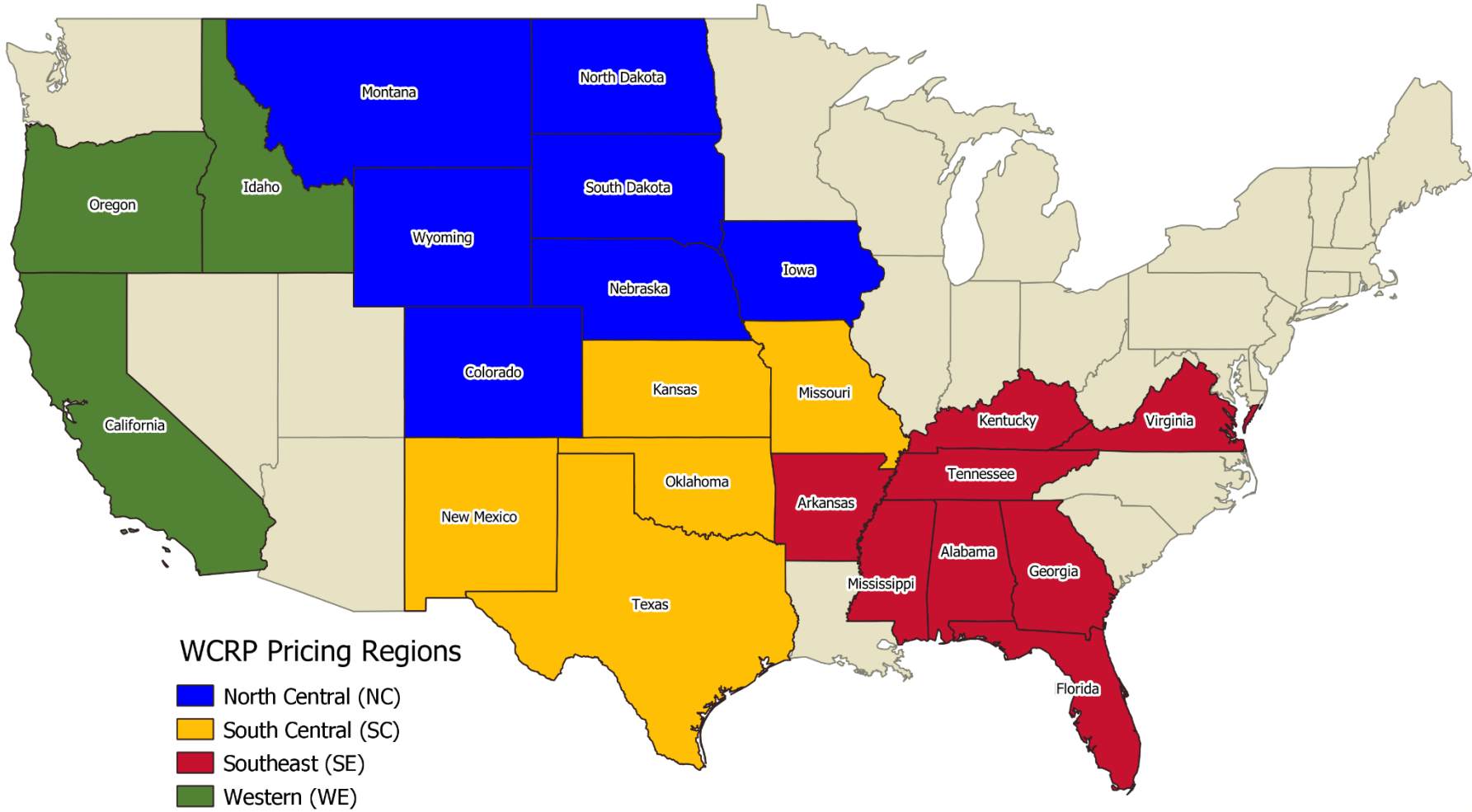
**Regional Factor:** Adjusts futures price to the regional price for a 650-pound calf

**Base Weight:** 650 pounds

**Price Adjustment Factors (*Projected & Harvest*):** Used to adjust for select weight of calves



# WCRP Pricing Regions *(by AMS Pricing Region)*




WCRP Pricing Regions

- North Central (NC)
- South Central (SC)
- Southeast (SE)
- Western (WE)

# AMS Auction Reports

- The AMS price series consists of daily auction data compiled into weighted average monthly prices for the respective regions



**Nebraska Weekly Livestock Auction Summary**  
**AMS Livestock, Poultry, & Grain Market News**  
 Nebraska Dept of Ag Mrkt News

**STEERS - Medium and Large 1-2 (Per Cwt / Actual Wt)**

<u>Head</u>	<u>Wt Range</u>	<u>Avg Wt</u>	<u>Price Range</u>	<u>Avg Price</u>
5	349	349	297.00	297.00
18	381-391	385	291.00-325.00	300.89
29	412-445	428	306.00-342.50	329.18
20	492	492	312.00	312.00
47	523-545	526	300.00-310.00	308.00
56	566-586	583	271.25-277.50	272.23
21	600-638	616	260.00-267.50	262.43
59	650-690	670	252.00-268.50	259.48

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# Pricing - Regional Factors

- The Regional Factor (RF) is calculated by dividing the weighted average price for a 650-pound calf within a respective region by the corresponding feeder cattle futures price, noted as:

$$\text{Regional Factor: } RF = \left( \frac{y_{\text{Region}P_1}}{y_{\text{Futures}P_1}} \right)$$

$$\text{Regional Base Price: } y_{\text{RegBase}P_1} = RF * y_{\text{Futures}P_1}$$

- Example: CME November Feeder Cattle \* North Central Regional Factor  
\$2.55 /lb. \* 1.02 = \$2.60 /lb. base weight price

# Price Adjustment Factors

- Calf prices depend on the weight of the cattle with lightweight calves typically having the highest price per pound and lower prices for heavier calves.
- Measure of the amount of price adjustment as weight changes from a base weight

$$\text{Weight Differential: } \hat{y}_{\text{RegD}_1} = \left( \left( \frac{y_{\text{RegMAX}(300-400)_1}}{y_{\text{Reg650P}_1}} \right) - 1 \right) / (650 - 300)$$

$$\text{Price Adjustment Factor: } \hat{y}_{\text{RegPAF}_1} = \left( \hat{y}_{\text{RegD}_1} / y_{\text{RegBaseP}_1} \right)$$

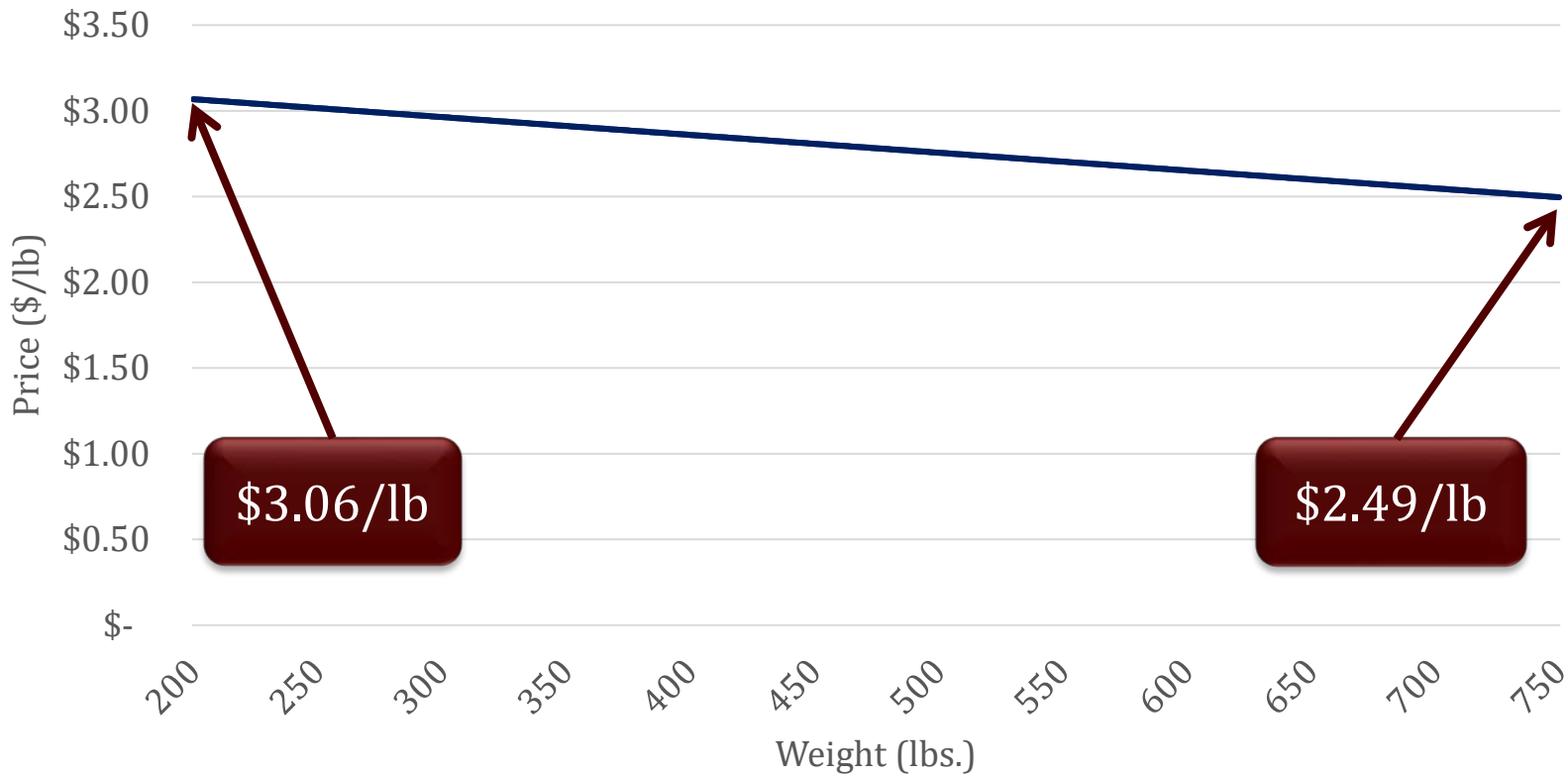
- Example:  $((300 \text{ lbs. Price} \div 650 \text{ lbs. Price}) - 1) \div 350 \text{ lbs.}$   
 $((\$3.00 \div \$2.60) - 1) \div 350 \text{ lbs.} = 0.0004 \text{ or } 0.04\% \text{ "price slide"}$



# Price Example

\$2.60/lb.  
Projected Price

0.0004 Projected Price  
Adjustment Factor



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# Projected Price Calculations

## Formulated Producer Projected Price:



## Adjusted Producer Projected Price:





# Harvest Price Calculations

## Formulated Producer Harvest Price:



## Adjusted Producer Harvest Price:



# What Price Do I Use?

Plan of Insurance	Formulated Producer Projected Price	Adjusted Producer Projected Price	Formulated Producer Harvest Price	Adjusted Producer Harvest Price
YP	Production Guarantee	Production-to-Count	-	-
RP	Production Guarantee (If PP > HP)	-	Production Guarantee (If PP < HP)	Production-to-Count
RP-HPE	Production Guarantee	-	-	Production-to-Count



A herd of black and brown cows is grazing on a grassy hillside. The cows are scattered across the slope, with some in the foreground and others further up the hill. The background shows a blue sky and some trees on the left side of the hill.

# **Insurance Standards Handbook/Underwriting**

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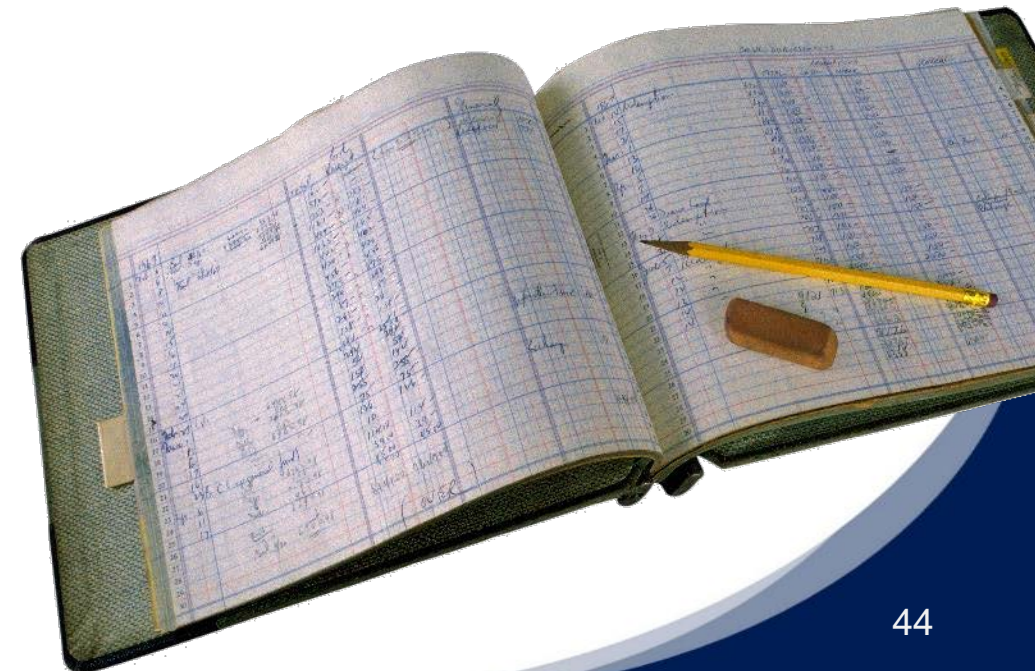
# Record Requirements

## For New Insureds:

- Application
- Weaning Weight Records from last four to ten years (*if applicable and if deemed acceptable*)
- Producer Pre-Acceptance Worksheet (PAW)  
(*Pre-Acceptance Inspection Report will be completed by the AIP*)

## After the Initial Year of Coverage:

- Policy continues until canceled
- Self-Certification of PAW
- Retain records in accordance with Para. 1404 of the CIH





# What are “Acceptable Records”

## Sale Records

- Crop/Commodity
- Quantity and Weight of Calves Sold (*at weaning time*)
- Name of Insured
- Date of Transaction
- Name of Buyer/Sale Barn
- Unit Number/Location
- Practice/Type of Crop/Commodity
- Crop Year Produced
- Calving Period

## Unacceptable Records

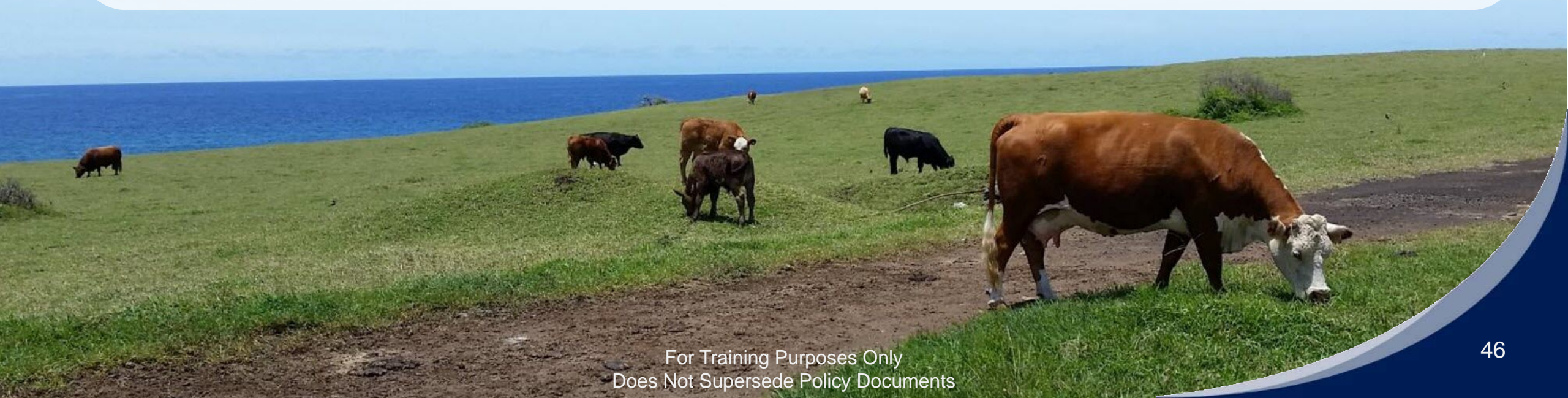
- Estimates
- Do not identify commodity, number, or weight
- Not verifiable records (napkins, etc.)

## Certified Scale Weight Records

- Name of Insured
- Name of Crop/Commodity
- Date Weaned & Weighed
- Unit Number/Location
- Practice/Type of Crop/Commodity
- Crop Year
- Quantity & Weight of Calves Weighed

# Producer Pre-Acceptance Worksheet (PAW)

- Completed annually by the Applicant or Insured by the Sales Closing Date
- Triggers a PAIR when:
  - Damage to pastures or related feed or water sources due to drought, fire, etc.
  - When significant changes in practices or production methods occur
  - Any “No” or “None” responses to PAW elements 16-19





# PAW Elements

## Items 1-8

Applicant/Insured/Agent Information

## Items 9-10

Legal Description (section, township, range, ranch/pasture number, other)

## Item 11

Prior year damage affecting pastures, feed sources, or water sources

## Items 12-13

Applicable commodity (Weaned Calves) & Type (Spring)

## Items 14-15

Total acres & total/estimated number of cows on acreage

# PAW Elements (continued)

## Item 16

Is there a plan in place to ensure sufficient water, forage, feed, & mineral sources are available which is consistent with BQA & extension guidelines for the area?

## Item 17

Is there a plan in place to ensure proper insect prevention & control measures consistent with BQA & extension guidelines for the area are implemented when warranted?

## Item 18

Is there a herd health plan in place including protocols regarding disease prevention, management, treatment, & handling practices for sick, disabled, & deceased cattle which is consistent with BQA & extension guidelines?



# PAW Elements (continued)

## Item 19

Enter all vaccinations given to calves prior to weaning  
(EX: Clostridial, Bovine Respiratory Disease Complex, Dewormer, Mannheimia/Pasteurella, etc.)

## Item 20

Approximate starting month & day of calving season

## Items 21-22

Changes in practices or production methods & Notes pertaining to operation's certification  
(EX: Description of cattle; revisions made to PAW due to significant changes, etc.)

## Items 23-24

Applicant/Insured & AIP Representative Signatures

# Pre-Acceptance Inspection Report (PAIR)

- Completed by Approved Insurance Providers (AIPs) & used to determine application acceptance
- Must inspect all cattle & all location(s) for the application county
- Completed within 30 days of the Sales Closing Date
- Initiated:
  - For new applicants or insureds transferring coverage from another AIP
  - When significant changes in cattle operation occur (shift in number of cows, expansion of acres, management practice change, etc.)
  - To assess pasture/range conditions or when prior year damage to pasture or water resources occur due to drought/fire/etc.
  - Any “No” or “None” responses to PAW elements (*items 16-19*)
  - When initiated at the discretion of the AIP



# PAIR Elements

## Items 1-2

Applicant Information

## Item 3

Cattle manager's information *(if not managed by applicant/insured)*

## Item 4

Location of Cattle

## Items 5-6

Unit number & Type *(Spring)*

# PAIR Elements (continued)

## Item 7

Acres occupied/available to the cows

## Item 8

Total/Estimated number of cows

## Item 9

Determine general body condition score (BCS) of cows

**Unacceptable if more than 25% of cows are below a BCS of 5, are disabled, or have visible genetic defects**



# Determining Cow Condition

---



# PAIR Elements (continued)

## Item 10

Can the land sustain the cattle? Is the land suitable to raise calves?  
(Adequate stocking rates, grazing management plan, no significant signs of overgrazing, etc.)

## Items 11-12

Is there adequate quantity & quality of forage or feed available?  
Is there adequate quantity & quality of water available?

## Items 13-15

Verify applicable PAW elements  
(Insect Control Plan; Herd Health Plan; Disease Control Measures)

## Items 16-21

Result of inspection, remarks, recommendation, & inspector information



# Are Cattle Located in an Area Suitable to Raise Calves?





# Acceptable/Unacceptable Operations





# Acceptable/Unacceptable Operations

---



# Determining Production Guarantee

## For New Insureds:

- T-Yields available
- Verifiable actual weaning weight records
- Actual records capped at 125% of the T-Yield

## After the Initial Year of Coverage:

- Actual, third-party verified records are utilized (*no cap*) as long as WCRP coverage continues

## Acceptable records must:

- 1) Be verifiable;
- 2) Include the number of head and weight; &
- 3) Align with applicable requirements found in Part 4 of the WCRP ISH and Part 14 of the CIH

**NOTE: The insured must report by the production reporting date any changes in practices or other circumstances that may reduce the expected yield below the yield upon which the insurance guarantee is based. Yields may be reduced by the AIP based on changes in practices, if necessary.**



# 125% T-Yield Cap Example



T-Yield in Example = 500 lbs. for each commodity year  
 (500 lbs. × 125% = 625 lbs. cap)

Commodity Year	Average Yield Per Calf Records	2024 WCRP Yield Per Calf	2025 WCRP Yield Per Calf	2026 WCRP Yield Per Calf
2015	725 lbs.	X 625 lbs.	X 625 lbs.	
2016	609 lbs.	609 lbs.	609 lbs.	609 lbs.
2017	615 lbs.	615 lbs.	615 lbs.	615 lbs.
2018	578 lbs.	578 lbs.	578 lbs.	578 lbs.
2019	628 lbs.	X 625 lbs.	X 625 lbs.	X 625 lbs.
2020	571 lbs.	571 lbs.	571 lbs.	571 lbs.
2021	714 lbs.	X 625 lbs.	X 625 lbs.	X 625 lbs.
2022	667 lbs.	X 625 lbs.	X 625 lbs.	X 625 lbs.
2023	600 lbs.	600 lbs.	600 lbs.	600 lbs.
2024	670 lbs.	670 lbs.	670 lbs.	670 lbs.
2025	582 lbs.	582 lbs.	582 lbs.	582 lbs.
<b>Approved Yield</b>		<b>608 lbs.</b>	<b>614 lbs.</b>	<b>610 lbs.</b>

New Applicant Records

WCRP Program Records

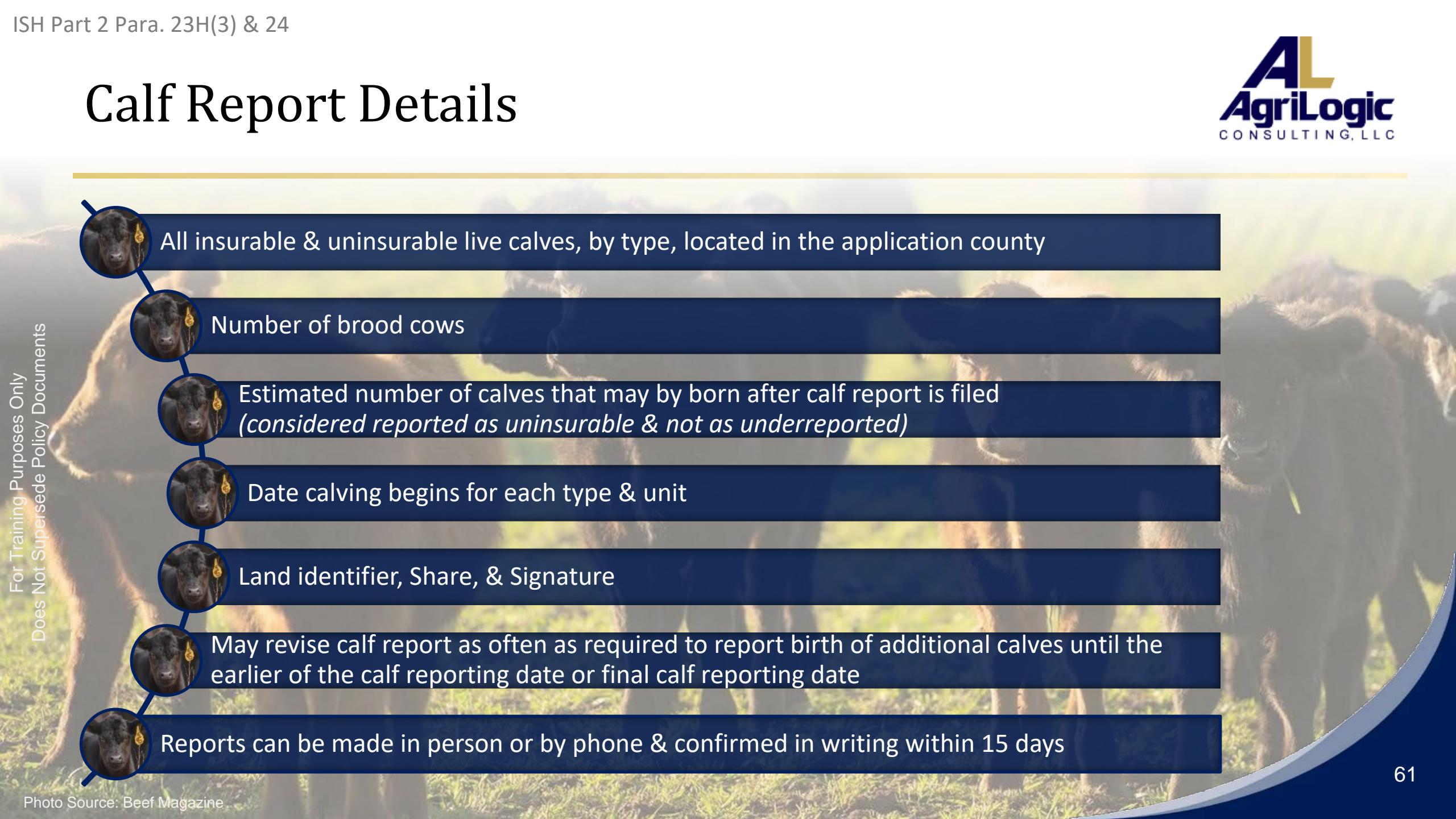
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# Calf Reporting

- Must provide notice within 72 hours of the date calving begins
- The **calf report** is a summary record of all live calves born at different times from the beginning of calving to the calf reporting date or final calf reporting date
- The **calf reporting date** is the date determined for the type & unit equal to the earlier of 60 days after the date calving begins or the final calf reporting date
- The **final calf reporting date** is the date contained in the AD for the type by which the calf report must be submitted (*August 1<sup>st</sup> for Spring Calves*)
- Insurance attaches **only** to calves reported on the calf report
- Must submit a zero-calf report if you don't have insured calves in the county for the crop year.



# Calf Report Details

- 
- All insurable & uninsurable live calves, by type, located in the application county
  - Number of brood cows
  - Estimated number of calves that may be born after calf report is filed  
*(considered reported as uninsurable & not as underreported)*
  - Date calving begins for each type & unit
  - Land identifier, Share, & Signature
  - May revise calf report as often as required to report birth of additional calves until the earlier of the calf reporting date or final calf reporting date
  - Reports can be made in person or by phone & confirmed in writing within 15 days

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# Moving Calves

## **Moving to Another Insurable County:**

- Must give immediate notice & obtain consent from AIP
- Premium for the calves being moved will be based on the higher of the premium rate for the county listed on application or the premium rate for the county where the calves are being moved to

## **Moving to a County in an Uninsured State:**

- Must give immediate notice & obtain consent from AIP
- The higher of the premium rate for the county listed on the application or premium rate for the uninsured state contained in the AD will apply to the calves being moved

## **Moving to Another Country (e.g., Canada, Mexico):**

- Must give notice within 72 hours prior to the date the calves are moved
- Coverage ends once the calves are moved
- Premium will be based on the premium rate for the county listed on application

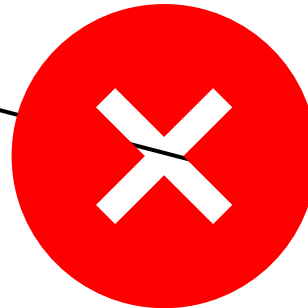


# Moving Scenarios

County Listed on Application

Calf Movement

County A  
100 head  
Rate: 7%



County Z  
20 head  
(Uninsured County)

Applicable Premium Rate: 7%

# Moving Scenarios

## County Listed on Application

County A  
100 head  
Rate: 7%

## Calf Movement

Scenario 1: 20 head

County B  
20 head  
6%

Scenario 2: 20 head

County C  
20 head  
8%

Scenario 3: 20 head

County D  
20 head  
12% Uninsured state rate  
(in AD)







Scenario 4: 20 head

Another Country  
20 head  
(Coverage ENDS)

- Scenario 1 Premium Rate: 7%
- Scenario 2 Premium Rate: 8%
- Scenario 3 Premium Rate: 12%
- Scenario 4 Premium Rate: 7% & Coverage Ends



# Moving Cattle Notice Requirements

-  Reason the calves are being moved
-  County from which the calves are moved
-  County to which the calves are moved
-  Number of calves being moved
-  Number of calves remaining at the current location
-  Expected date of the arrival of the calves at the new county location

A herd of black and brown cows is grazing on a grassy hillside. The background shows a hazy, blue sky and distant hills. The text "Loss Adjustment Standards Handbook/Claims" is overlaid in the center of the image.

# Loss Adjustment Standards Handbook/Claims

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# Covered Perils

**Adverse weather conditions**

**Fire**

**Wildlife**

**Earthquake**

**Volcanic eruption**

**Disease, but not damage due to insufficient or improper application of disease control measures**

**Other causes directly damaging pastures and other forms of grazing (e.g., insects provided acceptable control measures were followed, etc.)**









**Calf death due to a covered peril occurring during the insurance period (e.g., disease, freezing temperatures, flood, fire, hail, predation, etc.)**

**Change in harvest price from projected price (RP & RPHPE)**

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Photo Source: NBC Montana

# NOT Covered Perils

- NOT COVERED** • Aborted pregnancies 
- NOT COVERED** • Stillborn calves 
- NOT COVERED** • Calves that die before the insured's calf report is submitted 
- NOT COVERED** • Failed conception 
- NOT COVERED** • Calves the insured is required to destroy by order of official governmental authority (e.g., quarantine order for destruction) 
- NOT COVERED** • Calves seized or quarantined & are not released during the insurance period 
- NOT COVERED** • Calf death due to any cause while the calves are under quarantine 
- NOT COVERED** • Calves that die while in transit 

For Training Purposes Only  
Does Not Supersede Policy Documents

Photo Source: NBC Montana



# Insured Duties in Case of Damage/Loss

- Protect the commodity from further damage by providing sufficient care

## **For calf death:**

- Establish that any death occurred during insurance period
- Such death was due to an insured cause of loss
- Provide acceptable documentation of death (*picture, carcass, etc.*)

## **Obtain Consent from AIP Before:**

- Destroying any of the insured commodity
- Putting the insured commodity to an alternative use (*backgrounding*)
- Abandoning any of the insured commodity
- Selling any of the insured commodity prior to the date the calves would normally be weaned
- Selling any of the commodity other than to an auction, sale barn, or other established sale facility or buyer



# Determining Production to Count

**NOTE: The insured must give notice at least 72 hours prior to the date they intend to wean any calves.**

- Calves must be weighed by a disinterested third party unless transported directly to auction, sale barn, or other established sale facility or buyer (*where weight can be established based on acceptable sales records*).
- Must report for each weaning date the number of calves weaned & applicable weight on the Weaning Weight Report (WWR)
- If calves are backgrounded before sale or weight can be obtained, complete the Background Adjustment Report (BAR)
- All production to count will include:
  - Appraised production
  - Production lost due to uninsured causes
  - Potential production on the commodity the AIP gives consent for abandonment, destruction, backgrounding, or early sale.



# Appraised Production

## Use applicable production guarantee (per calf) for the insured commodity:

- That is abandoned
- Put to another use without AIP consent
- Damaged solely by uninsured causes
- For which the insured fails to provide acceptable production records
- For which the insured fails to give required notice to the AIP:
  - Before calving, weaning, or moving calves
  - To obtain consent to destroy commodity, put commodity to alternative use, abandon commodity, sell commodity prior to normal weaning time, or sell commodity other than to an auction, sale barn, or other established sale facility or buyer
  - If insured doesn't intend to sell or put to other use any of the insured commodity within the insurance period (*due at end of insurance period*)
  - When any of the commodity will be seized, quarantined or destroyed by order of any governmental authority (*due within 72 hours of subject notice*)

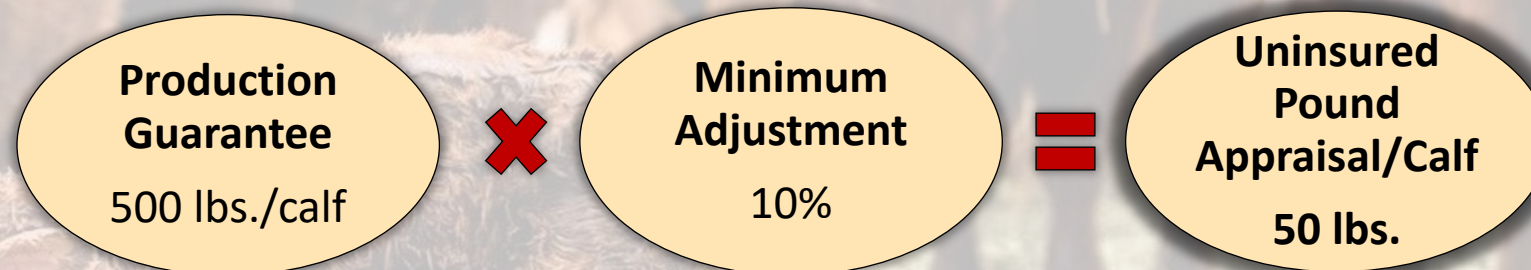


# Appraised Production (continued)

Use a minimum of 10% of the applicable production guarantee (per calf) if the amount of weight loss due to uninsured causes cannot be determined:

- **Example:**

- Producer has 100 calves with 500-pound approved production guarantee per calf
- Five calves injured due to fertilizer-related nitrate poisoning but do not die
- Appraisal is delayed until condition of calves can be accurately determined
- **NOTE: Assistance from third-party experts may be used to confirm & determine insurable or uninsurable causes of loss**

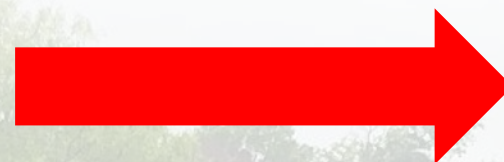




# Potential Appraisals

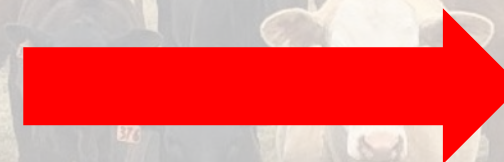
**Based on production conditions:**

**Adverse Conditions**  
*(drought, fire, etc.)*



**No potential assessed; Use actual weight**

**Favorable Conditions**  
*(selling calves early for marketing gain)*



**Approved Yield – Third-Party weight = Assessed potential**

# Appraisal Worksheet

- Separate Appraisal Worksheets must be completed for each unit appraised

**Items 1-7**

- Insured's Information
- Claim Number
- Calves Appraised

<b><u>Solely Uninsured Causes</u></b> <i>(Dead calves due to Uninsured Causes)</i>	<b><u>Uninsured Damage Appraisals</u></b> <i>(Partially Uninsured Causes)</i>
<b><u>Potential Appraisals</u></b> <i>(Early Sale under Adverse Production Conditions)</i>	<b><u>Potential Appraisals</u></b> <i>(Early Sale Under Favorable Production Conditions)</i>

**Items 18-20**

- Signatures
- Date
- Page Numbers



# Appraisal Worksheet-Items 8-17

## Solely Uninsured Causes

- **Item 8 – Sample Number:** NO ENTRY
- **Item 9 – Field ID:** Field or Sub-field identification symbol (*if applicable*)
- **Item 10 – Appraisal Date:** Enter the date of the appraisal

Item 11 – Weight/Calf  
NO ENTRY

Item 12 – No. of Calves  
Sold/Backgrounded/etc.  
NO ENTRY

Item 13 – No. of Calves Partially  
Damaged  
NO ENTRY

Item 14 – No. of Calves Solely  
Uninsured Damaged  
Enter the number of calves damaged  
by solely uninsured causes on the  
appraisal date

Item 15 – Production  
Guarantee/Calf  
Enter production guarantee/calf in  
whole pounds for the unit & type

Item 16 – Pound Loss/Calf Due to  
Solely Uninsured Damage  
Column 15

Item 17 – Uninsured Pound Appraisal/Calf  
Column 16

# Appraisal Worksheet-Items 8-17

## Partially Uninsured Causes

- **Item 8 – Sample Number:** NO ENTRY
- **Item 9 – Field ID:** Field or Sub-field identification symbol (*if applicable*)
- **Item 10 – Appraisal Date:** Enter the date of the appraisal

Item 11 – Weight/Calf  
NO ENTRY

Item 12 – No. of Calves Sold/Backgrounded/etc.  
NO ENTRY

Item 13 – No. of Calves Partially Damaged  
Enter the number of partially damaged calves on the appraisal date

Item 14 – No. of Calves Solely Uninsured Damaged  
NO ENTRY

Item 15 – Approved APH Yield/Calf  
Enter Approved APH Yield/Calf in whole pounds for the unit/type

Item 16 – Pound Loss/Calf Due Partial Damage  
Enter appraised weight loss/calf if the weight can be determined OR  
Column 15 × 10%

Item 17 – Uninsured Pound Appraisal/Calf  
Column 16



# Appraisal Worksheet-Items 8-17

## Potential Appraisal-Adverse Conditions

- **Item 8 – Sample Number:** NO ENTRY
- **Item 9 – Field ID:** Field or Sub-field identification symbol (*if applicable*)
- **Item 10 – Appraisal Date:** Enter the date of the appraisal

**Item 11 – Weight/Calf**

Third-Party Determined Weight in whole pounds/calf from the WWR

**Item 12 – No. of Calves Sold/Backgrounded/etc.**

Number of calves sold/backgrounded

**Item 13 – No. of Calves Partially Damaged**

NO ENTRY

**Item 14 – No. of Calves Solely Uninsured Damaged**

NO ENTRY

**Item 15 – Approved APH Yield/Calf**

NO ENTRY

**Item 16 – Pound Loss/Calf Due Partial Damage**

NO ENTRY

**Item 17 – Uninsured Pound Appraisal/Calf**

NO ENTRY

# Appraisal Worksheet-Items 8-17

## Potential Appraisal-Favorable Conditions

- **Item 8 – Sample Number:** NO ENTRY
- **Item 9 – Field ID:** Field or Sub-field identification symbol (*if applicable*)
- **Item 10 – Appraisal Date:** Enter the date of the appraisal

**Item 11 – Weight/Calf**

Third-Party Determined Weight in whole pounds/calf from the WWR

**Item 12 – No. of Calves Sold/Backgrounded/etc.**

Number of calves sold/backgrounded

**Item 13 – No. of Calves Partially Damaged**  
NO ENTRY

**Item 14 – No. of Calves Solely Uninsured Damaged**  
NO ENTRY

**Item 15 – Approved APH Yield/Calf**  
Enter the Approved APH Yield/Calf in whole pounds for the unit /type

**Item 16 – Potential Pounds/Calf Damage**  
Column 15 – Column 11

**Item 17 – Potential Pound Appraisal/Calf**  
Column 16



# Appraisals-Example

**March 1 – April 30**

- Report 100 insurable calves; APH is 500 lbs/calf; Elect coverage at 75% coverage level

**May 15**

- 10 cow/calf pairs (insurable calves @ 220 lbs/calf) sold during favorable conditions  
*Potential Appraisal – Early Sale Under Favorable Production Conditions*

**May 25**

- 2 cows with insured calves die  
*Partially uninsured causes*

**June 1**

- 3 calves get out of the pasture and ran over by a truck  
*Solely Uninsured Causes*

**August 15**

- Severe drought causes 87 (85 + 2 from May 25) calves (410 lbs/calf) to be sold early  
*Potential Appraisal – Early Sale Under Adverse Production Conditions*

# Appraisals-Example

Appraisal Date 10	Weight/Calf (in pounds) 11	No. of Calves Sold/ Backgrounded 12	No. of Calves Partially Damaged 13	No. of Calves Solely Uninsured Damaged 14	Approved APH Yield/Calf OR Production Guarantee/Calf (in pounds) 15	Potential Pounds/Calf OR Pound Loss/Calf Due Partial/ to Solely Uninsured Damage (in pounds) 16	Potential Pound Appraisal/ Calf OR Uninsured Pound Appraisal/ Calf (in pounds) 17
05/15/23	220	10	-	-	500	280	280
05/25/23	-	-	2	-	500	50	50
06/01/23	-	-	-	3	375	375	375
08/15/23	410	87	-	-	-	-	-



# Production Worksheet

- Progressive form containing all notices of damage occurring during the insurance period (including “No Indemnity Due” claims) on a unit
- Records all appraisals and all weaned calf production for the unit
- The adjuster is responsible for determining if any of the insured’s requirements have not been met
- All weaned calf production must be third-party verified through utilizing the Weaning Weight Report (WWR)

# Production Worksheet Elements-General

## Items 1 - 3

Crop, Unit, & Location Description

## Items 4 - 6

Date(s), Cause(s), and Cause % of Damage

## Items 7 - 12

Agency, Insured, Claim, Policy, Crop Year, and Additional Unit Information

## Item 13

Approved yield of ALL non-loss units for the commodity at final inspection

## Item 14

Notice of Loss Date(s)

## Item 15

Do other shareholders of unit have a WCRP policy?



# Production Worksheet Elements-Section 1

## Determined Calves Appraised, Production, and Adjustments

Separate line entries for varying classes/types/practices, APH yields, appraisals, stages, or shares

### Item 16

Field ID

### Item 17

No entry

### Items 18 - 20

Reported Calves, Determined Calves, and Interest in Calves

### Items 21 - 28

Three-digit codes for applicable risk, type, class, use, practice, etc.

# Production Worksheet Elements-Section 1 (continued)

**Items 29 - 30**

Codes for Stage and Use of Calves

**Item 31**

Appraised Potential per calf from Appraisal Worksheet

**Items 32, 33, 35, 40, and 41**

No Entry

**Items 34 and 36**

Determined calves × Appraised Potential

**Item 37**

Uninsured pound appraisal per calf from Appraisal Worksheet

**Items 38, 39, and 42**

Applicable Totals



# Production Worksheet Elements-Narrative

**Item a**

No calves are released

**Item b**

Uninsured causes, unusual cases, etc.

**Item c**

Hail/Fire Indemnity per calf

**Item d**

Actual appraisal date

**Item e**

“No other fire insurance”

**Items f and g**

Explain errors or commingled calves

**Item h**

Explain if “NO” checked in item 44

**Item i**

Difference in inspection and signature dates

**Item j**

Other accompanying adjusters/supervisors

**Items k and l**

No indemnity due or delayed notice/claims

**Item m**

Method to determine calves

**Items n and o**

Evidence for disease or death claims

# Production Worksheet Elements-Section 2

## Determined Harvested Production

Account for all harvested production

### Item 43

Date sold, destroyed, put to other use, combination thereof, or end of insurance period

### Item 44

Damage similar to other farms in area?

### Items 45 - 46

Assignment of Indemnity/Transfer of Right to Indemnity

### Item 47

a) Share and b) Field ID



# Production Worksheet Elements-Section 2 (continued)

Items 48, 57 – 60, 64 – 65

No Entry

Items 49 - 55

Name and Address of Sale Facility, Feedlot, and Insured if Calves are Backgrounded

Item 56 and 61

Pounds of Production

Item 62

Net production not to count

Items 63 and 66

Pounds of production – Net production not to count

Item 67

Total of Item 63

# Production Worksheet Elements-Totals and Signatures



**Items 68 and 69**

Section II and I totals

**Item 70**

Item 68 + Item 69

**Item 71**

Any allocated production

**Item 72**

Item 70 – (Item 37 total + Item 71)

**Items 73 and 74**

Insured and Adjuster Signature

**Page**

Applicable page numbers



# Weaning Weight Report

- Completed by insured & verified by an acceptable, disinterested third-party
- Weights must be determined within five business days after weaning
- Third-party verifier must be present at time the calves are weighed
- Scales must meet applicable requirements
- A representative sample of the calves must be weighed to determine the total weaning weight of calves being weaned on each weaning date. The minimum sample will be 20% of the number of calves being weaned not to exceed 30 calves
  - **NOTE: While the adjuster or AIP representative does NOT have to be present at the time of weighing, the adjuster or AIP representative has the final say in number of calves weighed & other loss adjustment procedures**

# Acceptable WCRP Third-Party Verifiers

**Auction, Sale Barn, Livestock Exchange, etc.**

**AIP Loss Adjuster**

**Livestock Commission Representative**

**County Agricultural & Natural Resources Extension Agent**

**Licensed Veterinarian**

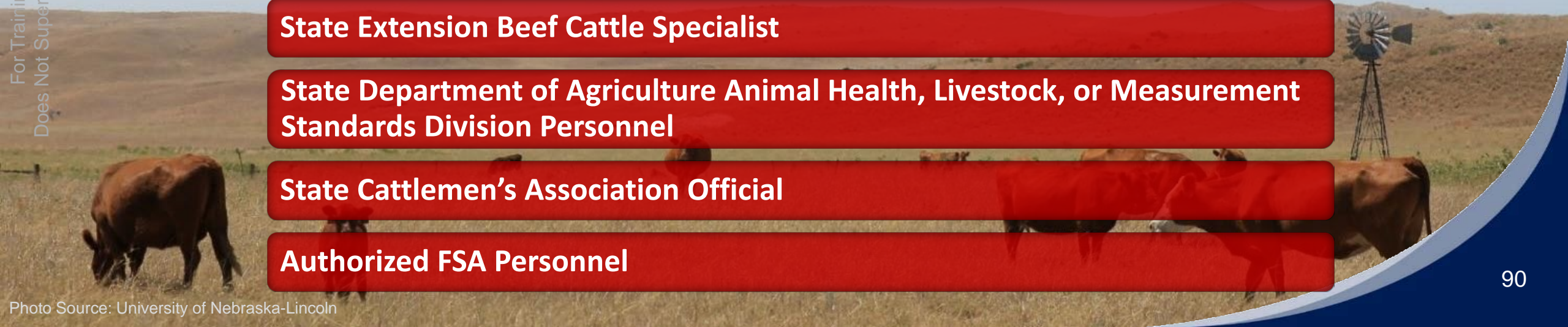
**State Extension Beef Cattle Specialist**

**State Department of Agriculture Animal Health, Livestock, or Measurement Standards Division Personnel**

**State Cattlemen's Association Official**

**Authorized FSA Personnel**

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Does Not Supersede Policy Documents





# WWR Elements

## Items 1 - 7

Insured & Policy Information

## Item 8

Notice of Damage or Loss

## Items 9 - 13

Dates, number, & weight of calves by weaning date

## Item 14

Are weight records available & attached?

# WWR Elements (continued)

## Items 15 - 20

Third Party & Scale Owner Information

## Items 21 - 22

Total number & weight of calves across weaning dates

## Items 23 - 24

Items 21 & 22 with reported uninsurable calves excluded

## Items 25 - 27

Remarks, signatures, & dates



# WWR Example

100  
Head

70 head sell  
at Sale Barn  
(40,250 lbs)

30 head are  
retained;  
weigh 6 for  
sample  
(15,750 lbs)

40,250 lbs  
+ 15,750 lbs  
**= 56,000 lbs**

56,000 lbs  
÷ 100 head  
**560 lbs/calf**

# Background Adjustment Report (BAR)

- Completed by insured
- Used to document calculations in adjusting average weaning weight of calves backgrounded after being weaned & before obtaining a weaning weight
- Information on BAR is used for the WWR
- Sale or weight documentation **MUST** be included
- Weight must occur within five business days of the end of insurance for the applicable type



# BAR Elements

## Items 1 - 8

Applicant & Policy Information

## Items 9 - 11

Background Days = Date Weighed – Date Weaned

## Items 12 - 13

Background Adjustment = Background Days × 1.5 pounds/day

## Items 14 - 16

Total, Number, & Average Weight of Calves

# BAR Elements (continued)

## Items 17 - 18

Adj. Calf Weaning Weight = Average Calf Weight – Background Adjustment

## Item 19

Weight Records

## Items 20-22

Remarks, Signature, & Date



# BAR Calculation

Producer weans **50** calves but wants to background them prior to selling. The producer lives in an area where local scales are unavailable, and a weaning weight cannot be obtained.

Wean Date  
October 1st

Date Weighed  
November 30th

Total Weight  
32,000 lbs

## Step 1: Determine Number of Background Days

Date Weighed – Date Weaned

November 30th – October 1st = 60 Days

## Step 2: Calculate Background Adjustment

Step 1 × 1.5 Background Adjustment/Day

60 Days × 1.5 lbs = 90 lbs

## Step 3: Determine Average Calf Weight

Total Weight ÷ Number of Head

32,000 lbs ÷ 50 calves = 640 lbs/calf

## Step 4: Adjusted Calf Weaning Weight

Step 3 – Step 2

640 lbs/calf – 90 lbs = 550 lbs/calf

## Step 5: Adjusted Total Weaning Weight

Step 4 × Number of Head

550 lbs/calf × 50 calves = 27,500 lbs

# WCRP Example-YP

Producer elects WCRP Yield Protection coverage

- **600 lb. approved yield (per calf)**
- **75% coverage level**
- **450 lbs. production guarantee (per calf)**  
*(600 × 75%)*
- **100 reported calves**
- **100% share & price election**
- **0.05 premium rate**
- **362 lbs. actual weaning weight/calf** *(loss due to insurable causes)*

Price	Weight	\$/lb
Formulated Producer Projected Price	600	\$1.64
Adjusted Producer Projected Price	362	\$1.83

### Liability

100 calves × 450 lbs. production guarantee/calf × \$1.64 projected price = **\$73,800 liability**

### Premium

\$73,800 liability × 0.05 premium rate = **\$3,690 premium**



# WCRP Example-YP (continued)

## Indemnity Calculation

### Steps 1 & 2:

Calves × Yield Protection Guarantee/Calf  
 $100 \times 450 \text{ lbs.} \times \$1.64/\text{lb.} = \mathbf{\$73,800}$

### Steps 3 & 4:

Total Production to Count × Price  
 $100 \times 362 \text{ lbs.} \times \$1.83/\text{lb.} = \mathbf{\$66,246}$

### Step 5:

Step 2 – Step 4  
 $\$73,800 - \$66,246 = \mathbf{\$7,554}$

### Step 6:

Step 5 × Share  
 $\$7,554 \times 100\% = \mathbf{\$7,554 \text{ Indemnity}}$

Price	Weight	\$/lb
Formulated Producer Projected Price	600	\$1.64
Adjusted Producer Projected Price	362	\$1.83

# WCRP Example-RP

Producer elects WCRP Revenue Protection coverage

- **600 lb. approved yield (per calf)**
- **75% coverage level**
- **450 lbs. production guarantee (per calf)**
- **100 reported calves**
- **100% share & price election**
- **0.11 premium rate**
- **2 calves die due to insurable causes (98 remain)**
- **362 lbs. actual weaning weight/calf (loss due to insurable causes)**

Price	Weight	\$/lb
Formulated Producer Projected Price	600	\$1.64
Formulated Producer Harvest Price	600	\$1.55
Adjusted Producer Harvest Price	362	\$1.76

## Liability

100 calves × 450 lbs. production guarantee/calf × \$1.64 projected price = **\$73,800 liability**

## Premium

\$73,800 liability × 0.11 premium rate = **\$8,118 premium**



# WCRP Example-RP (continued)

## Indemnity Calculation

### Steps 1 & 2:

Calves × Yield Protection Guarantee/Calf  
 $100 \times 450 \text{ lbs.} \times \$1.64/\text{lb.} = \mathbf{\$73,800}$

### Steps 3 & 4:

Total Production to Count × Price  
 $98 \times 362 \text{ lbs.} \times \$1.76/\text{lb.} = \mathbf{\$62,438}$

### Step 5:

Step 2 – Step 4  
 $\$73,800 - \$62,438 = \mathbf{\$11,362}$

### Step 6:

Step 5 × Share  
 $\$11,362 \times 100\% = \mathbf{\$11,362 \text{ Indemnity}}$

Price	Weight	\$/lb
Formulated Producer Projected Price	600	\$1.64
Formulated Producer Harvest Price	600	\$1.55
Adjusted Producer Harvest Price	362	\$1.76

# WCRP Example-RP-HPE

Producer elects WCRP Revenue Protection-Harvest Price Exclusion coverage

- **600 lb. approved yield (per calf)**
- **75% coverage level**
- **450 lbs. production guarantee (per calf)**
- **100 reported calves**
- **100% share & price election**
- **0.08 premium rate**
- **2 calves die due to insurable causes (98 remain)**
- **362 lbs. actual weaning weight/calf (loss due to insurable causes)**

Price	Weight	\$/lb
Formulated Producer Projected Price	600	\$1.64
Adjusted Producer Harvest Price	362	\$1.99

## Liability

100 calves × 450 lbs. production guarantee/calf × \$1.64 projected price =  
**\$73,800 liability**

## Premium

\$73,800 liability × 0.08 premium rate = **\$5,904 premium**



# WCRP Example-RP-HPE (continued)

## Indemnity Calculation

### Steps 1 & 2:

Calves × Yield Protection Guarantee/Calf  
 $100 \times 450 \text{ lbs.} \times \$1.64/\text{lb.} = \mathbf{\$73,800}$

### Steps 3 & 4:

Total Production to Count × Price  
 $98 \times 362 \text{ lbs.} \times \$1.99/\text{lb.} = \mathbf{\$70,597}$

### Step 5:

Step 2 – Step 4  
 $\$73,800 - \$70,597 = \mathbf{\$3,203}$

### Step 6:

Step 5 × Share  
 $\$3,203 \times 100\% = \mathbf{\$3,203 \text{ Indemnity}}$

Price	Weight	\$/lb
Formulated Producer Projected Price	600	\$1.64
Adjusted Producer Harvest Price	362	\$1.99

A herd of black and brown cows is grazing on a grassy hillside. The cows are scattered across the slope, with some in the foreground and others further up the hill. The background shows a blue sky and some trees on the left side of the hill. The word "Timeline" is overlaid in the center of the image.

# Timeline

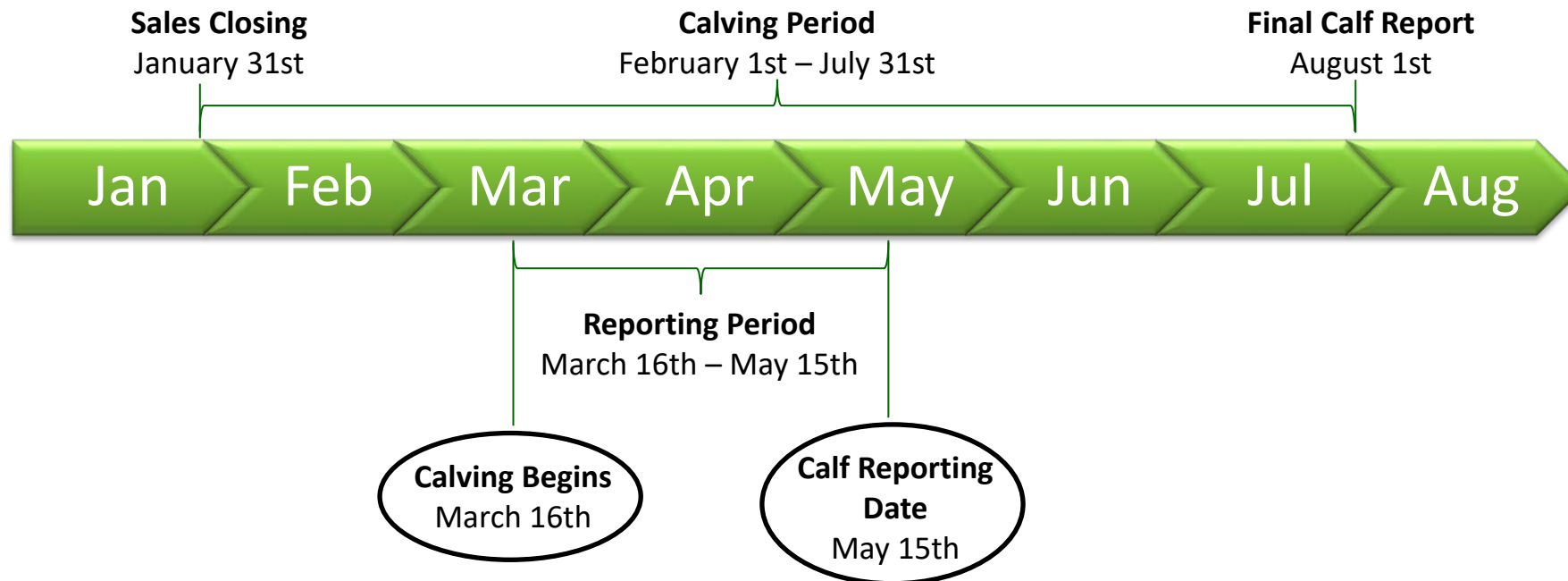
For Training Purposes Only  
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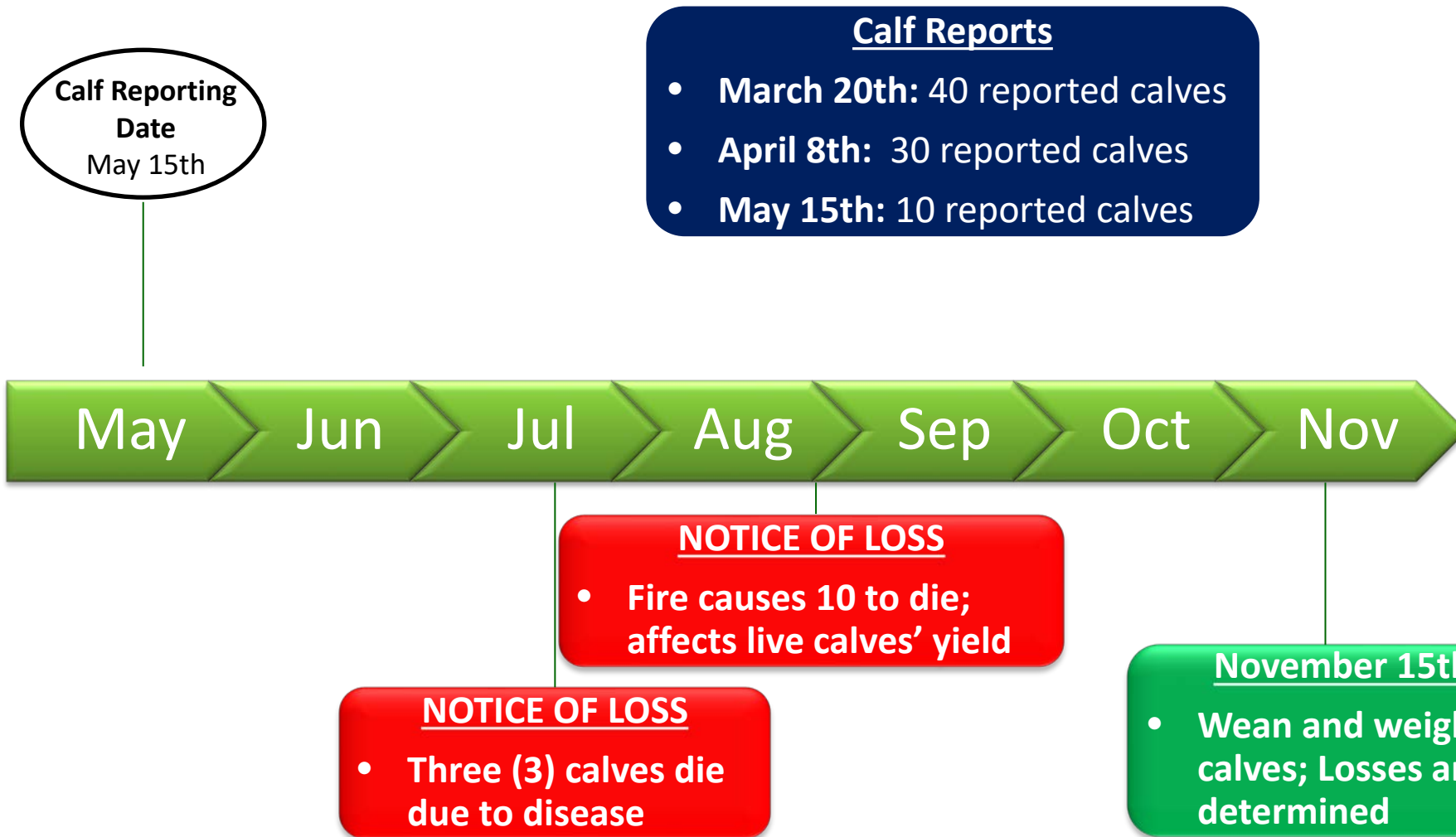
# Timeline Example 1-Calf Report

## Calf Reports

- **March 20th:** 40 reported calves
- **April 8th:** 30 reported calves
- **May 15th:** 10 reported calves



# Timeline Example 1-Insurance Period





# Timeline Example 1-Indemnity, Premium, and Production Reporting

**November 15th**

- Wean and weigh calves; Losses are determined

**Contract Change**  
November 30th

**Termination**  
March 31st



**Premium Billing**  
February 1st

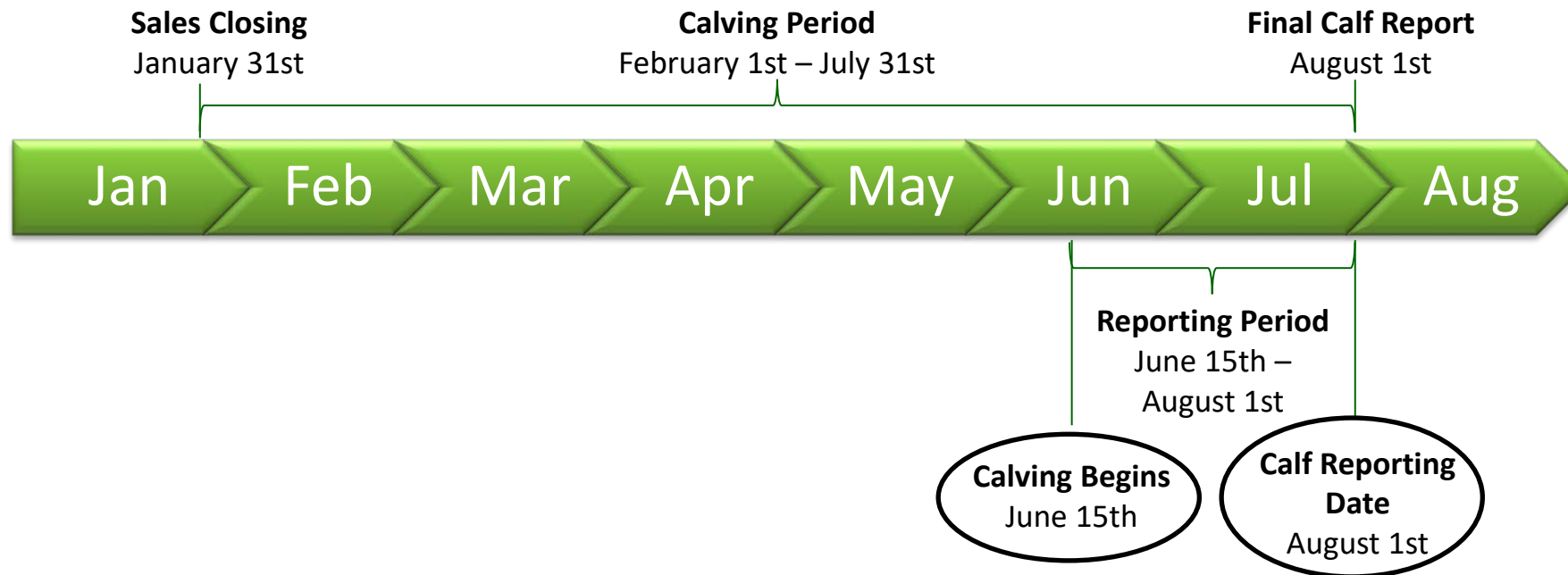
**Production Reporting**  
March 17th



# Timeline Example 2-Calf Report

## Calf Reports

- **August 1st:** 65 reported calves
- **August 1st:** Estimated 20 more calves will be born after August 1st





# Timeline Example 2-Insurance Period

**Calf Reporting Date**  
August 1st

**Calf Reports**

- **August 1st:** 65 reported calves
- **August 1st:** Estimated 20 more calves will be born after August 1st

**Contract Change**  
November 30th



**NOTICE OF LOSS**

- **Lightning kills two (2) calves**

**NOTICE OF LOSS**

- **Severe blizzard kills five (5) calves; affects live calves' yield**

**December 1st**

- **Wean and background calves; scales unavailable**

**January 31st**

- **Weigh calves and adjust using BAR; Losses are determined**

# Timeline Example 2-Indemnity, Premium, and Production Reporting

**January 31st**

- Weigh calves and adjust using BAR; Losses are determined

Termination  
March 31st



Premium Billing  
February 1st

Production Reporting  
March 17th





A herd of black and brown cows is grazing on a grassy hillside. The cows are scattered across the slope, with some in the foreground and others further up the hill. The background shows a blue sky and some trees on the left side of the hill.

# Frequently Asked Questions

For Training Purposes Only  
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# WCRP FAQs

- **Question:** Will my operation have to be inspected?
- **Answer:** An inspection must be performed for all new applicants, insureds transferring coverage to a different AIP, any changes in the cattle operation, to determine if there is evidence of overgrazing/poor/deteriorating pasture, to verify adequate level of resources and management, when triggered by the PAW, or when initiated by the AIP.





# WCRP FAQs

- **Question:** Are fall born calves included?
- **Answer:** No, only spring-born beef calves will be insurable for the 2024 commodity year.



# WCRP FAQs

- **Question:** Are dairy-cross calves (e.g., Angus x Jersey crossbred calves) insurable?
- **Answer:** Yes, since the cross is utilized for beef production and meet the other requirements in the Special Provisions, the calves would be insurable.





# WCRP FAQs

- **Question:** Are calves I buy (e.g., cow-calf pairs) insurable?
- **Answer:** No, any calves purchased are not insurable. The WCRP Program only covers calves born on your operation.



# WCRP FAQs

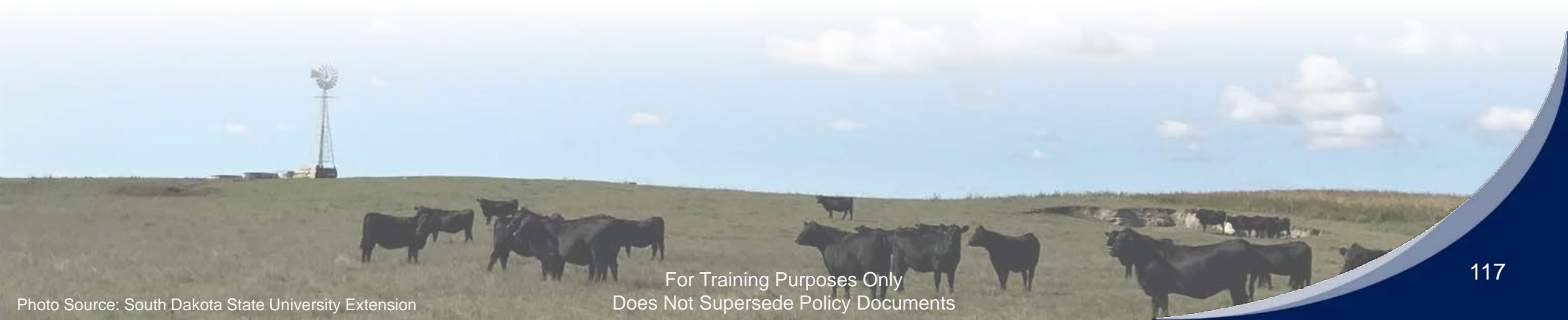
- **Question:** Am I required to cover both steers and heifers even if heifers will be kept as replacements?
- **Answer:** Yes, all of the insurable commodity in the county in which you have a share must be covered. Heifers cannot be excluded regardless of their end purpose.





# WCRP FAQs

- **Question:** If an entity has operations in multiple counties, do all calves have to be insured under WCRP?
- **Answer:** No, WCRP is elected on a county basis.



# WCRP FAQs

- **Question:** When will insurance be in effect?
- **Answer:** Insurance attaches on the date reported only to calves reported on an insured's calf report for each type and unit (including any revisions) by the applicable reporting date.





# WCRP FAQs

- **Question:** Will backgrounding be covered?
- **Answer:** No, coverage ends on the insured calves once they are weaned.



# WCRP FAQs

- **Question:** Are unborn calves covered?
- **Answer:** No, insurance attaches only to live-born calves reported and submitted on the calf report.





# WCRP FAQs

- **Question:** Can I elect LRP with WCRP?
- **Answer:** No, Steers (Weight 1 and 2), Heifers (Weight 1 and 2), Brahman (Weight 1 and 2), Unborn Steers and Heifers, and Unborn Brahman LRP Feeder Cattle types cannot be insured under both programs in the same county. The exclusion does not apply to LRP Fed Cattle.



# WCRP FAQs

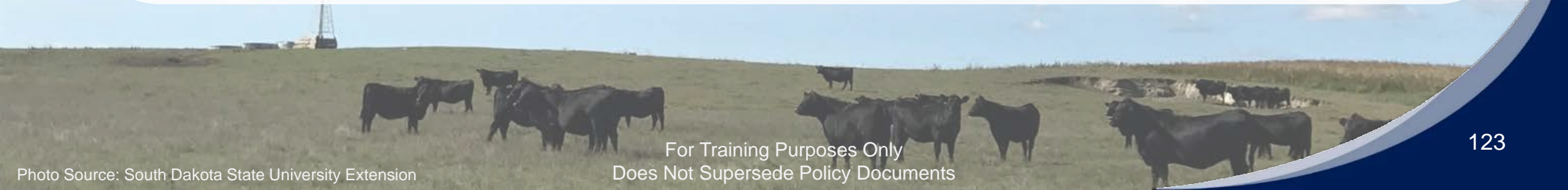
- **Question:** Do I report calves born after my calf reporting date?
- **Answer:** Yes, report these calves to your AIP. These calves will be reported as uninsurable and will not be considered underreported.





# WCRP FAQs

- **Question:** I have 100 calves born in County A, all insured under WCRP. I move 25 of the calves to County B. How does the WCRP Program handle this?
- **Answer:** Insurance coverage will be based on the county where the calves were originally reported in. Therefore, coverage (e.g., coverage level, approved yield, price) will be based on County A for the entire insurance period for all 100 calves born and reported in County A. The highest applicable premium rate will apply. The 25 calves that were moved will be subject to the County B rate if it is higher than the County A rate.



# WCRP FAQs

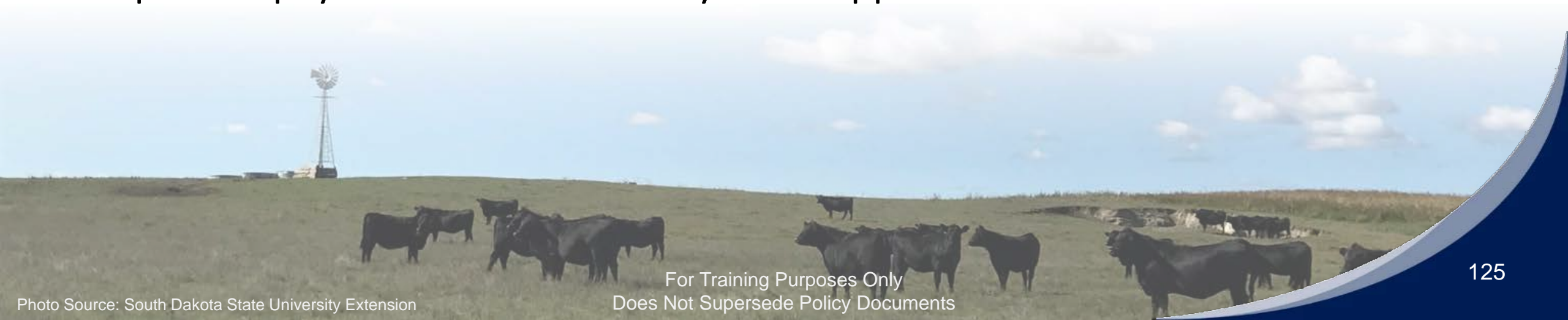
- **Question:** I typically begin calving around mid-February. However, I start calving prior to February 1<sup>st</sup>. When do I notify the AIP that I have started calving?
- **Answer:** Since calves born prior to February 1<sup>st</sup> are considered uninsurable as spring born calves, you must notify the AIP within 72 hours of when the first eligible spring calves (those born on or after February 1<sup>st</sup>) are born.





# WCRP FAQs

- **Question:** Will I receive an indemnity due to calf death caused by insurable causes of loss?
- **Answer:** An indemnity under WCRP is paid when the production to count is below your insurance guarantee. Therefore, calf death would lower the production to count which could cause an indemnity to be due. However, a per calf payment due to mortality is not applicable under WCRP.



# WCRP FAQs

- **Question:** When must I weigh the calves?
- **Answer:** Weighing must occur within five business days of the date the calves were weaned. If the calves will be backgrounded and a weight cannot be obtained, weighing must occur within five business days of the date the insurance period ends and be adjusted using the Background Adjustment Report.





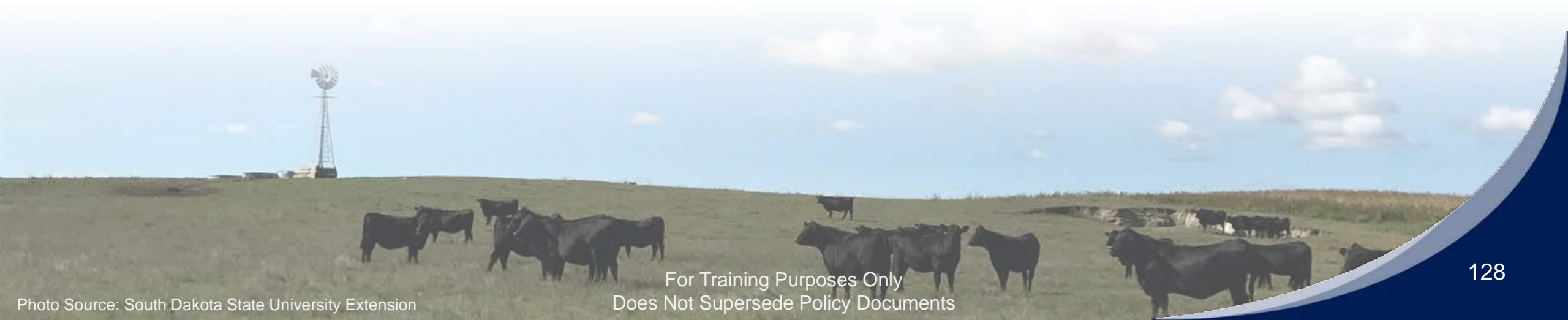
# WCRP FAQs

- **Question:** Can I use my own farm scales to weigh?
- **Answer:** Yes, provided your scale meets the applicable requirements contained in the LAM, Paragraph 1002B, C, and E.



# WCRP FAQs

- **Question:** Who must be present for weighing the calves?
- **Answer:** An acceptable disinterested third party that meets the qualifications outlined in the Weaning Weight Report must be present for weighing the calves with oversight/administration provided by the AIP loss adjuster or other AIP representative.





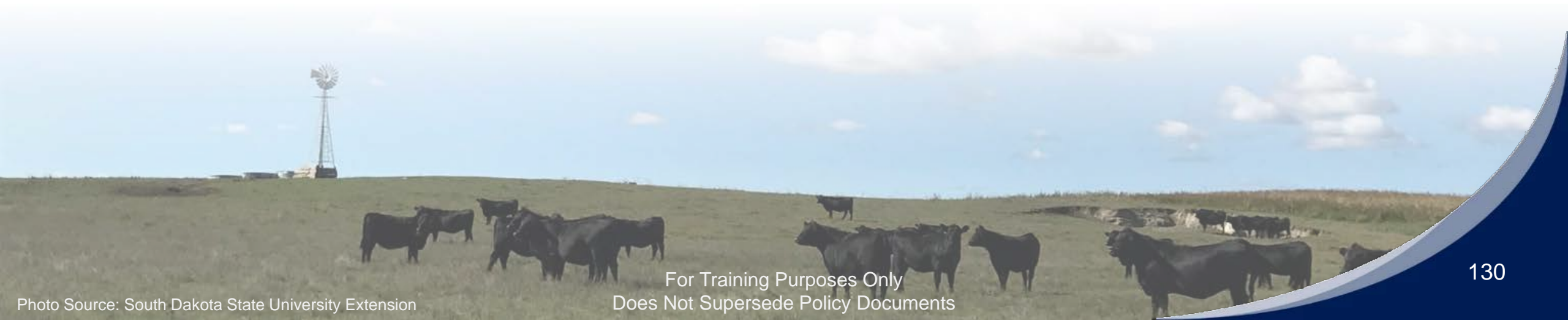
# WCRP FAQs

- **Question:** Do I have to weigh all of my insurable calves?
- **Answer:** No, a representative sample of the calves being weaned on each applicable weaning date will be used to determine the total weaning weight. The minimum sample will be 20 percent of the total number of calves not to exceed 30 calves. The adjuster or other AIP representative will select the representative sample and may require a larger sample if warranted due to significant variation in the weight of the calves.



# WCRP FAQs

- **Question:** Is there a price difference between bulls, steers, and heifers?
- **Answer:** No, there will not be a price difference based on gender.





# WCRP FAQs

- **Question:** I raise calves in County A and County B. Should I list both counties on the same application?
- **Answer:** No, each county should be listed on a separate application. There will be a separate policy for each county with the respective premium rate for each county being applicable.





Photo Source: Stock.XCHNG, Case IH, & USDA ARS



**Clif Parks** • President & CEO



**Keith Schumann** • Senior Vice President



**Bill Smith** • Vice President, Policy and Procedure



**Dave Clauser** • Senior Underwriter



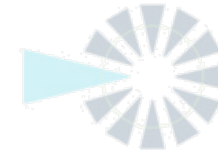
**Brandon McDonald** • Senior Policy Analyst



**Kelly Deterding** • President, Windmark Insurance



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**Ethan Bredemeyer** • Policy Analyst