

# Western Livestock Price Insurance Program

Dear Cattle Feeder,

Re: Supplemental Data Collection for the WLPIP-Fed Program

The Western Livestock Price Insurance Fed program began in Alberta in 2009, and is delivered to producers within provincial bodies through to Agriculture Financial Services Corporation (AFSC). This program was created by industry and third party consultation in response to the devastation during BSE. At the time of creation, the fed cattle industry was a lot different than what it is today. Industry consolidation and shifts in marketing have evolved through the years creating a different risk management dynamic.

In 2017, the Western Livestock Price Insurance Program (WLPIP) conducted a third party review of all programs, gathering valuable program feedback from stakeholders and producers.

A common producer concern that was observed in the review was with thinning in the Fed cash market data reported to WLPIP, and the potential of resulting delays in settlement prices. These delays could be short and only affect the current week, or long – lasting for a few weeks, if the data remains thin.

Currently, collected Fed program data used to determine the local Fed index settlement is electronically transmitted from Canfax to AFSC. (For further details on Fed settlement methodology, review <https://www.wlpip.ca/cattle/wcpip-fed/wcpip-fed-insurance>)

The Alberta Cattle Feeders Association reached out to AFSC to research the possibility of voluntary price reporting direct to AFSC in order to capture as much of the cash market sales as possible. An industry advisory working group was created that consisted of six active cattle feeders.

A pilot project of voluntary price reporting was conducted and ran for 18 consecutive weeks. Ultimately, the pilot was deemed very successful, as all members actively participated each week. An increase in data available to WLPIP was observed. Encouraged by the additional data received, WLPIP is continuing with this initiative to collect producer reported cash prices for finished cattle. The next step is for WLPIP to collect producer cash data from all willing producers across all four western provinces.

## Action item

All current WLPIP- Fed subscribers are invited and encourage to report weekly cash prices through an anonymous online data collection site that will directly benefit the WLPIP settlement and sustainability of the program in general. To be included in WLPIP's data collection, please provide your email to [cattle@wlpip.ca](mailto:cattle@wlpip.ca). By providing your email, you will start receiving weekly emails containing a specific link to direct you to the data collection page. Time required each week to complete the report, will be five minutes or less, and will significantly increase the value of the program over time.

All reported data will be analyzed for program enhancements specific to the WLPIP program, but most crucial to our operations will be data that falls within our definition of a cash price. WLPIP defines the Fed cash price as, "expected delivery within 30 days of price negotiation; live or rail." After sufficient analysis is complete on reported data, WLPIP will notify subscribers when it will be included in the settlement index.

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Canfax has been, and remains an essential part of the WLPIP-Fed program. If you report to Canfax, please continue to do so. Canfax remains a valuable resource for WLPIP therefore we will continue to work with them receiving weekly settlement data.

WLPIP is pleased to continue providing a risk management option to cattle feeders in western Canada, and plan to continue to do so for years to come. We appreciate your support of this initiative, and invite you to pose any questions or concerns you have to [cattle@wlpip.ca](mailto:cattle@wlpip.ca) or by calling 1-877-899-2372.

Sincerely,

The WLPIP Team.

