

Supporting Livestock Producers through the Western Livestock Price Insurance Program

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WLPIP premiums have increased significantly since the end of February, due to the uncertainty of COVID-19. To address this, the Government of Saskatchewan is taking action to temporarily reduce the cost of purchasing livestock price insurance through WLPIP. The provincial government will provide 40 per cent of the increased premium costs, dating back to February 25, 2020. These premium rebates will be in place until September 1, 2020, at which time the provincial government will review and reassess. More information on how the Government of Saskatchewan is supporting livestock producers during COVID-19 can be found at: <https://www.saskatchewan.ca/government/news-and-media/2020/may/14/supporting-livestock-producers>

How does the policy work? There is a premium associated with each coverage option. Producers can choose the coverage option that best fits their livestock operation. Once the coverage is selected, the producer has now set a floor price on the regional market (premium table selected) over a defined period. At the end of the policy, if the insured price is higher than the market price, the producer can file a claim and receive a payment for the difference.

WLPIP offers four types of price insurance programs. Three of these programs are tailored to the different sectors of the cattle industry; calf, Feeder and Fed. There is also a hog program for market ready hogs.

The Feeder and Fed programs and hog program are available to purchase year-around. The calf program is seasonal and the deadline to purchase these policies has been extended from May 28, 2020 to June 18, 2020.

Here are some important things to know about WLPIP:

- WLPIP is time sensitive.
- Coverage and premiums are offered every Tuesday, Wednesday and Thursday from 2:00 PM - 5:30 PM MST.
- Coverage and premiums can change each day.
- Settlements are only published on Mondays from 1:30pm-7pm MST.
- The claim window is the final four weeks of a calf price insurance policy.
- There is a one-time enrolment.
- Sign up is free with no obligation to purchase a policy.

Here are some tips to optimize the utilization of the WLPIP:

- Watch the premium tables regularly. Sign up for weekly emails at wlpip.ca.
- Know your production cost and operational break-even point.
 - This will assist with making timely decisions.
- Make decisions based on accurate market information.

- WLPPI may be utilized for a variety of reasons including protecting profit, managing break-evens and limiting losses.
- Year over year, the rationale for using the program will change.

In 2019, SCIC announced new enhancements to WLPPI. Take advantage of convenient options like Payment on Account and over the phone purchasing.

The Western Livestock Price Insurance Program (WLPPI) began as a producer-driven initiative, originally developed under the guidance of Alberta Beef Producers. The aim of the program was to enhance beef producers' ability to manage price and basis risk. When introduced, this was the first program of its kind in Canada to supply a range of coverage and policy options to help producers manage price risk - with an insurable 'floor' price on cattle.

WLPPI soon caught the attention of producers in the other western provinces. Realizing the value of this program, governments expanded it to British Columbia, Alberta, Saskatchewan and Manitoba in 2014. WLPPI now continues under the Canadian Agricultural Partnership which is a federal-provincial policy framework agreement. The Saskatchewan Crop Insurance Corporation (SCIC) is responsible for the delivery of WLPPI in Saskatchewan.

WLPPI is a western Canadian market-driven risk management program designed to protect against market volatility. The Program reflects fluctuations in future price, basis and currency. A range of market factors, including the Chicago Mercantile Exchange (CME), are monitored daily. The fluctuations in the CME cattle & hog futures prices are then reflected in coverage options. For instance, when cattle future prices are highly volatile, WLPPI coverage and premiums will reflect that. When volatility is high, premiums will be more expensive. When the future's market is quiet and prices are relatively stable, premiums will be lower.

For more information on the Western Livestock Price Insurance Program, contact SCIC at 1-888-935-0000 or visit wlpip.ca.