

CATTLE COUNTRY



Strike a pose! This cow-calf pair were photographed soaking up the spring sun. (Photo courtesy Julie W.)

AgriStability Changes Provide Better Protection for Producers

BY ANGELA LOVELL

If there has ever been a year for beef producers to consider enrolling in the AgriStability program, it's this year, given the high-risk environment and uncertainty around the potential threat of 25 per cent tariffs on beef and livestock exports into the United States.

The federal government has made changes to AgriStability to reflect some of these trade risks and make it more responsive, including increasing the compensation rate from 70 to 80 per cent (which is a permanent change, not just for this year). The government is also discussing increasing the compensation rate further to 90 per cent, and increasing the program cap from its current \$3 million to \$6 million for 2025, but none of those changes have been approved at time of writing.

"For cow-calf producers, the change in compensation rate is quite meaningful," says Tyler Fulton, Manitoba Beef Producers Director and President of the Canadian Cattle Association. "It's a significant increase

that, if producers trigger a payment, will cover more of their loss. Margins are excellent in the cow-calf business today and even if producers don't think they would trigger a payment this year, it's an opportunity to start building their reference margin that will make it easier to trigger in future years if there is a downturn, or they are exposed to a big risk."

Easier to apply and cash options

The deadline to register has also been extended to July 31, making it easier for producers to sign up, and they can also choose whether they want to opt to report on a cash or accrual basis. If they choose the cash option, they won't need to provide the five years of inventory information that is required for the accrual option, but will just need to submit their allowable income and expenses for 2025 (although first-time participants will need to submit inventory information for 2025 at the end of the year).

For some producers, though, the decision about whether to opt for the cash or accrual program option is not an easy one and takes some work to figure out.

"Everyone has to make that calculation and see if they would be better to go on a cash basis or not," says Ben Hamm, a farm management specialist (forage and livestock) with Manitoba Agriculture. "In some cases, accruals help increase their reference margin, and for others if they decide go on a cash basis it could reduce their margins if they have had positive accrual adjustments in those reference years."

It's definitely an easier decision for producers who are already enrolled in the program and have a few years of data to consult.

"If they are in the program already, they receive a calculation of program benefits that spells out the answer for them," Hamm says. "They can look at their cash margin on the five-year program view sheet and that will tell them what their cash margin is and what their accrual margin is. If it is higher on the cash, then certainly they could opt in for the cash option, but they need to take a look at it."

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Running a SMALL BUSINESS means staying agile, and when opportunities arise, timing is everything.

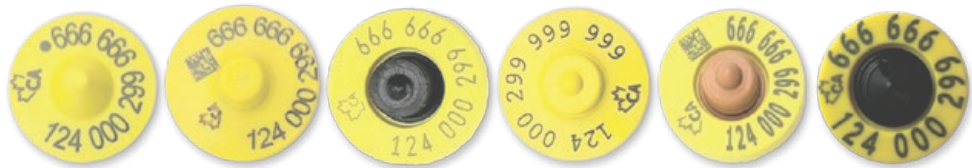
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RETENTION MATTERS



RETENTION MATTERS—USING THE RIGHT TOOLS

Tag retention starts with proper application. Each manufacturer designs its tags and applicators as a matched set, working like a key and lock—only the correct combination ensures proper function. A bent applicator pin will misalign with the stud tip, while an incorrect pin diameter can also cause issues: too small, and the stud may fall off; too large, and it may not release properly, increasing the risk of ear tearing.



PIN COMPARISON

- All pins are different. Use the pin for the applicator it was made for.
- Differences can be found in length, diameter, tip and attachment design.

PROPER PAIRING AND FIT

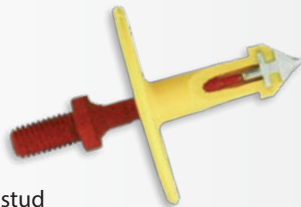
- Stud base is flush with base of the applicator pin for support.
- Applicator pin tip seated in stud tip for optimal application of force to penetrate the ear and not exit out the side of the shaft.



Destron pin + Destron stud



Allflex pin + Y-Text stud

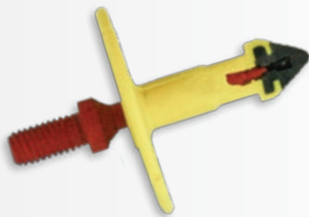


PIN DOESN'T FIT STUD TIP

- Applicator pin is not seated into the base of the stud. Stud will be unstable and/or fall off the pin.
- Applicator pin is not seated into the tip of the tag. The pin will slip off and protrude through the shaft of the stud and the male-female portions will fail to lock.

PIN LENGTH INCORRECT

- Although the pin partially seats into the tip, it isn't stable and will slip out through the shaft as pressure is applied.
- The stud may penetrate the ear but it may slip off and exit through the shaft. The pin doesn't fit properly: no support at the base. The pin becomes stuck in the stud.



Allflex pin + ComfortEar stud



Y-Text pin + Y-Text stud



UNIQUE STUD TIP DESIGN

- The Y-Text stud design is a mirror image of other approved tag studs.
- The applicator pin is hollow, allowing it to act as a stable sleeve over the stud tip.

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Don't forget to check the manufacturer recommendations and best practices for the applicator and indicators that you are using. Proper indicator placement is key to increasing retention.

CCIA is led by industry to help you make informed decisions toward traceability to better protect your investment.

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AgriStability Changes

Important to understand how the program works

What's important is that producers fully understand the program and what it can do for them before making a determination about whether – and how – to enroll, Hamm adds.

"They shouldn't just sign up for AgriStability because people are saying it's a good idea, they need to know why it's a good idea," he says. "They need to understand that they are covering their own personal margin, and what the calculation of program benefits mean when it's sent out to them. How do they read it, what's their coverage, how do they identify what exactly is happening on their farm and why they didn't get paid. Don't just say, 'I didn't get paid, the program is garbage' because that's not how it works. If they didn't get paid out, that's good, that means their margin increased, or didn't decrease far enough to trigger a payment. Which means they are building for the next year."

It's also one of the cheapest insurance options that producers can buy when compared to other programs like AgriInsurance and Livestock Price Insurance (LPI), in some cases about a tenth of the cost.

"AgriStability is significantly cheaper and the protection is broad, on everything from allowable income to allowable expenses and whatever happens on the other side," Hamm says. "If you have a reduction in income, no matter the cause, you are covered, whereas LPI is only on price reduction, and AgriInsurance is only on production, so AgriStability is a nice gap filler."

Hamm notes that the AgriStability program still suffers from an image problem in the minds of some producers who remember past issues with the program such as overpayments, which are all perfectly explainable, Hamm says.

"A lot of that had to do with inventories," he says. "And that is crucial for this program. Producers do need to take a look at last year's inventory and compare it to the current year's inventory and make sure they can understand why there's an increase or decrease in bulls, cows, calves, or forage inventories, because if AgriStability is red flagging a reduction or missing income, they are going to ask questions."

As an example, producers need to have information on hand about things like cattle fatalities because the program doesn't know about them unless producers report them.

Hamm encourages producers to enroll in AgriStability because he believes it offers excellent protection against risk to their bottom line.

"I don't think people understand the power of AgriStability and making this insurance their own and totally understanding it," Hamm says. "It is a bit complex, and it does take some time, but it is a well-rounded program, and takes everything into account. Cattle prices are high right now, but those are the times that you want to get enrolled in the program so that you are protecting future years."

