

Farm Income Stabilization Insurance Program (ASRA)
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LAMBS

2021

GENERAL PRINCIPLES

Insurance year: January 1 to December 31.

Compensation: program intervention when the selling price is lower than the stabilized income.

Compensation = Stabilized income - Average selling price

Stabilized income: production cost of a specialized farm type, including 90% of the wages of the operator-owner. It excludes earnings on equity, farm insurance contributions and contributions for other risk management programs.

Selling price: weighted average of the prices having prevailed in Québec during the insurance year for the lamb groups determined in the farm type.

Compensation payments made in the framework of the ASRA program take into account payments granted under the AgriStability and AgriInvest programs.

ASRA compensation payments for those who do not participate in AgriStability are reduced by 40%.

ELIGIBILITY

- Be domiciled in Québec.
- Be the owner of the animals that were raised in Québec, and have the insurable interest, i.e. assume the risks related to lower market prices or higher production costs.
- Marketed lambs must have been born in Québec and be the offspring of the female breeders owned by the participant at the time of lambing.
- Insure all insurable lambs that the participant owns.
- Cumulate a minimum of 1,015 eligible kilograms of lambs sold on a live basis annually, even if the producer enrolls in or withdraws from the program during the insurance year.
- Participate in the program for the product Lambs for a period of five years.
- No enrolment deadline. However, the date that marks the beginning of the enrolment period corresponds to the date that all documents required for registration are received.

CROSS COMPLIANCE MEASURES

The program sets out eligibility conditions and cross compliance measures related to environmental standards in effect.

Participants who do not comply with these conditions or measures will lose the benefits to which they are entitled or see them reduced.

CONDITIONS FOR PARTICIPATION

The participant must identify, by the deadlines, his ovine breeding herd and lambs, using numbered tags intended for ovine production, recognized under the Regulation respecting the identification and traceability of certain animals. At no time may participants remove the tag of an animal already identified.

In accordance with the regulation and the deadlines set by La Financière agricole, the participant must provide Agri-Traçabilité Québec (ATQ)¹ with the following required traceability information at the time of birth, purchase, sale or mortality of animals: tag number, date of birth, sex, dates of entry, exit or death, for all animals and for the entire breeding herd.

The participant must market his heavy lambs under the supervision and direction of Les Éleveurs d'ovins du Québec in accordance with the "*Règlement sur la vente en commun des agneaux lourds au Québec*".

The participant who market breeding subjects must own 10% of the purebred female breeders registered with the Canadian Livestock Records Corporation. In addition, he must participate in the GenOvis home test program from the Centre d'expertise en production ovine du Québec (CEPOQ).

INSURABLE VOLUME EVALUATION

To determine the insurable volume, La Financière agricole uses information held by the ATQ and transmitted in the framework of the agreement reached for that purpose.

The information is used to determine the insurable volume based on the number of lambs kept to establish the insurable kilograms of lambs sold and the number of kilograms sold based on the actual weight or an estimated weight as per age using the following farm type groups marketed:

- Milk-fed lambs
13.6 à 27.2 kg of live weight; 32 à 77 days old
- Light lambs
27.21 à 36.28 kg of live weight; 78 à 108 days old
- Heavy lambs
36.29 à 59 kg of live weight; 109 à 183 days old
- Breeding subjects:
 - Breeding ewe lambs
109 à 365 days old
 - Rams
109 à 548 days old

¹ Since December 2, 2020, Agri-Traçabilité Québec (ATQ) has changed its name for Attestra.

For breeding subjects, estimated weights are set at 40 kg (88 lb) or 48.2 kg (106 lb) based on the age stratum at the time of the sale. Insurable breeding subjects must be evaluated in the GenOvis genetic evaluation program. In addition to being evaluated in the program, young rams must be purebred and registered.

For the purpose of determining the kilograms of lambs sold, a lamb may be considered sold only once and associated with a single participant. An animal cannot be considered both on the basis of kilograms of lambs sold and as a female breeder in inventory for a same participant.

For the purpose of evaluating the insurable volume, the following animals are not eligible:

- ♦ Lambs and kilograms of lambs sold associated with any animal subject to a transaction for the purpose of herd replacement by a participant or an operation related to the participant;
- ♦ Lambs and kilograms of lambs sold associated with any animal born on the farm that was sold and bought back by the same participant or an operation related to the participant for the purpose of breeding.

Only the information relating to the actual weight obtained from a source recognized by FADQ and agreed upon by the ATQ is considered to determine the insurable volume; otherwise, the weight is estimated.

The minimum weight required for a lamb to be eligible is 13.6 kg (30 lb). The maximum actual or estimated weight allowable for an insurable heavy lamb is limited to 59 kg (130 lb).

Animals slaughtered for contract in a local slaughterhouse, those marketed on a live basis directly to consumers and those whose entire carcass is condemned are not insurable.

The information sent by the ATQ serves to establish the number of female breeders in inventory by age groups:

- Females of over 365 days old;
- Replacement females from 240 to 365 days old.

La Financière agricole may, at any time, conduct a verification of the insurable volume. All the information gathered during such a verification will be used over any other information received.

When, after verification, it is found that the number of insurable units evaluated based on information from an outside agency is different from the units held or marketed by the farming operation or that the information or documents of proof required by La Financière agricole are not sent by the

deadlines set, the insurance will cover the insurable units resulting from this verification. The participant must pay, as an administrative fee, an amount equal to the share of the contribution due on the units in default observed. This administrative fee also applies when participants do not insure their entire annual production.

GENERAL

Financing of the Premium

One third of the premium comes from the participants and two thirds of the premium comes from La Financière agricole.

Participant Contribution

The participant's required contribution is deducted from the first compensation advance or recovered, at the latest, prior to the final payment for the insurance year in question.

Discount for aspiring farmers

Any farm operator qualifying a participant for an establishment or start-up grant under the Financial Support Program for Aspiring Farmers makes it possible for that participant to benefit from a 25% reduction in their contributions, up to \$50,000 annually for all insured products. The reduction applies for three consecutive years under certain conditions.

Administrative Fees

Annual administrative fees apply for each insured product or category of product in accordance with the "*Règlement sur les frais exigibles par La Financière agricole du Québec*".

These fees may be indexed annually.

Breakdown of Compensation

The compensation calculated for the farm type is broken down as follows:

- 50% based on the eligible kilograms of lamb sold;
- 50% on the number of lambs sold.

Compensation

The final compensation is paid no later than May 31 following the end of the insurance year.

La Financière agricole may pay compensation advances throughout the insurance year and may deduct, from compensation payments it makes, the contributions due by participants to their joint plan.

This summary, in effect for the 2021 insurance year, in no way takes precedence over the provisions of the program or of any policy of La Financière agricole. Please visit the section Insurance and Income Protection on our website for more information.

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