



# WEANED CALF RISK PROTECTION

2025 Updates



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[For Training Use]

December 2024

Photo Source: Texas A&M AgriLife Extension-Steve Byrns

# Weaned Calf Risk Protection (WCRP)

## Presentation Topics

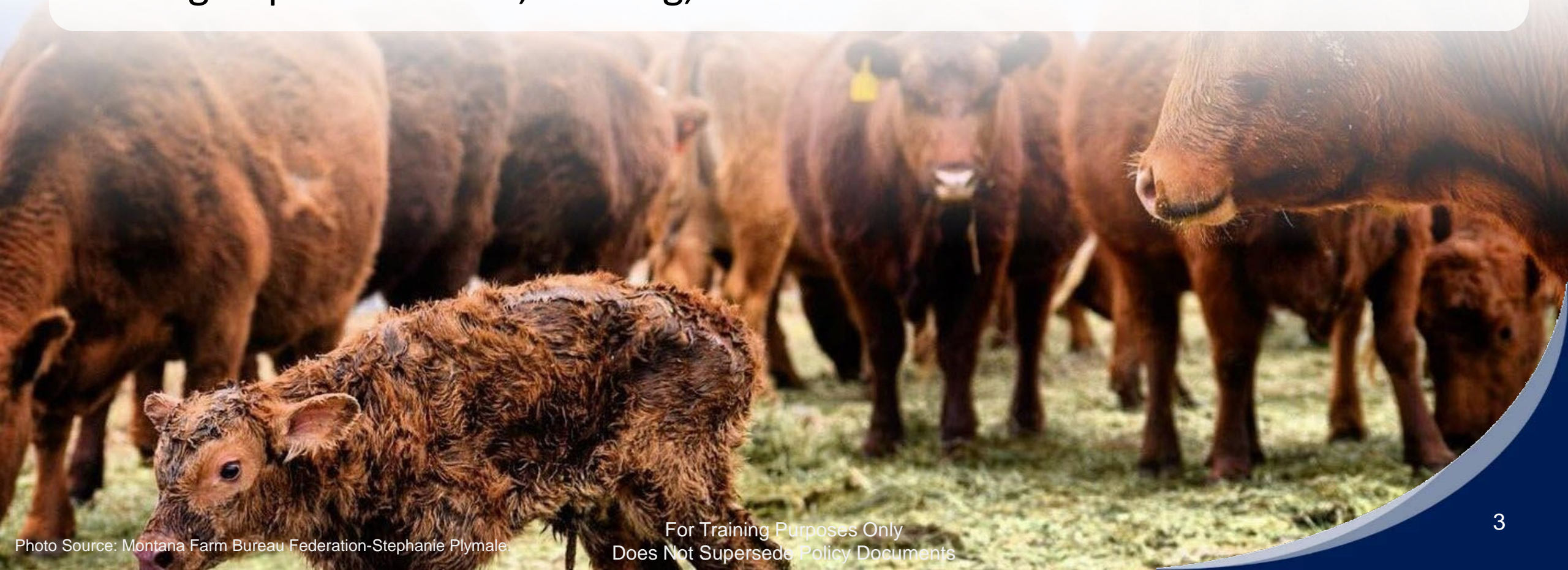


- 2025 Program Modifications/Updates
- WCRP Overview



# Objective of Recent Updates

Refine the WCRP Program based on producer & industry feedback during implementation, training, & initial release.



# Program Modifications

## Summary

- Revised calf reporting period from 60 to 90 days
- Extended the Pre-Acceptance Inspection Report (PAIR) inspection period from 30 to 60 days
- Changed the Projected Price Discovery Period end date to January 14<sup>th</sup> from January 15<sup>th</sup> for consistency with other programs (i.e., 31-day period)
- Stated that only one county should be listed on an application per RMA directive to AIPs
- Updated Weaning Weight Report (WWR) and Background Adjustment Report (BAR) instructions/duties
- Refined policy language related to cattle movement & applicable premium rate
- Updated language regarding appraised production
- Incorporated various clarifications, corrections, & minor editorial updates

# Program Modifications

## Program Materials Updated

- WCRP Commodity Provisions (CP)
- WCRP Insurance Standards Handbook (ISH)
- WCRP Loss Adjustment Standards Handbook (LASH)
- WCRP Commodity Exchange Price Provisions (CEPP)



25-0805  
(Released November 2024)

UNITED STATES DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation  
WEANED CALF RISK PROTECTION COMMODITY PROVISIONS

In return for your payment of premium and administrative fees for the coverage, these Weaned Calf Risk Protection Commodity Provisions and corresponding Commodity Exchange Price Provisions will be attached to and made part of the Common Crop Insurance Policy, Basic Provisions (Basic Provisions) subject to the terms and conditions described in your policy.

**1. 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.

(1) In which you have 100 percent share, or

(2) Which is owned by 1 person and operated by another person on a share basis. (For example: if, in addition to the commodity you own, you share in the commodity with 3 persons on a separate share basis, you would be entitled to 4 units, 1 for each commodity share and 1 for the commodity you own.)

**Call report** - The call report, including any revised reports, submitted by you by the earlier of the call reporting date or the final call reporting date. The call report is a summary record of all live calves born at different times from the beginning of calving to the call reporting date or the final call reporting date. The call report functions as an acreage report.

**Call reporting date** - The date determined for the type and unit and equal to 90 days after the date calving begins and contained in a notice required in section 6(a)(1)(iv) for the applicable type and unit. However, if the call reporting date as established above is after the final call reporting date, the call reporting date is the final call reporting date and is the date your call 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, these 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 2025 crop year begins January 31, 2025, for the spring type and ends January 31, 2026.

**Final call reporting date** - The commodity reporting date contained in the actuarial documents for the type by which your call report must be submitted. Such report may not be revised after this date except in accordance with applicable provisions of section 9 of the Basic Provisions (for example, editorial revisions, etc.) and section 6.

**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:

(1) Establish the applicable value for determining the applicable protection guarantee based on the applicable approved yield; and

(2) Value production to count for revenue protection based on the applicable average weaning weight per calf determined on a unit basis.

**Round** - 16 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.

**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:

(1) Establish the applicable value for determining the applicable protection guarantee based on the applicable approved yield; and

(2) 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.

**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 call report.

**Weaning date** - The date calves are removed from the brood cows (see section 11(a)(5)).

**Yield protection** - In lieu of the definition contained in the Basic Provisions, a plan of insurance that only provides protection against production loss and is available only for the commodity for which revenue protection is

(1 of 6)

USDA  
United States Department of Agriculture  
FCIC  
Federal Crop Insurance Corporation  
FCIC-20805U (12-2024)

## WEANED CALF RISK PROTECTION INSURANCE STANDARDS HANDBOOK

### 2025 and Succeeding Crop Years

USDA  
United States Department of Agriculture  
FCIC  
Federal Crop Insurance Corporation  
FCIC-20805L (12-2024)

## WEANED CALF RISK PROTECTION LOSS ADJUSTMENT STANDARDS HANDBOOK

### 2025 and Succeeding Crop Years

25.CEPP-0805  
(Released November 2024)

UNITED STATES DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation  
Commodity Exchange Price Provisions (CEPP)  
Section II - Weaned Calf Risk Protection  
2025 and Succeeding Crop Years

The Commodity Exchange Price Provisions (CEPP) are an extension of the Common Crop Insurance Policy Basic Provisions and the Area Risk Protection Insurance Basic Provisions, along with the Crop Provisions, for Weaned Calf Risk Protection.

The CEPP has two sections. Section I - General Information, contains information relevant for all applicable crops, including definitions and common policy material. Section II contains crop-specific projected and harvest price definitions and specifications, including commodity exchanges, contracts, and discovery yields and is used in conjunction with Section I - General Information. There is a separate Section II document for each crop. This is the Section II document for Weaned Calf Risk Protection.

**Section II: Price Definitions**

**Bounded Actual Yield** - The greater of 200 pounds or the actual yield, not to exceed 750 pounds. The bounded actual yield is only used to determine the applicable price for WCRP.

**Bounded Approved Yield** - The greater of 200 pounds or the approved yield, not to exceed 750 pounds. The bounded approved yield is only used to determine the applicable price for WCRP.

**Base Weight** - 650 pounds.

**Projected Price Adjustment Factor** - The WCRP projected price and rates are based on the Chicago Mercantile Exchange's (CME) Feeder Cattle Contract, which is cash settled to the CME Feeder Cattle Index. The CME Feeder Cattle Contract and the CME Feeder Cattle Index are only based on the price series for steers weighing 700 to 899 pounds. Because the CME Feeder Cattle futures prices are for steers of a certain type and weight, the WCRP insurance plan uses a Projected Price Adjustment Factor to calculate the Adjusted Projected Price and Formulated Harvest Price to adjust for selected weights of calves. The method used for calculating the Projected Price Adjustment Factor will be available at [www.rma.usda.gov/cm/Policy-and-Procedure/InsurancePlans/WeanCalfInsurancePlans](http://www.rma.usda.gov/cm/Policy-and-Procedure/InsurancePlans/WeanCalfInsurancePlans).

**Harvest Price Adjustment Factor** - The WCRP harvest price and rates are based on the CME Feeder Cattle Contract, which is cash settled to the CME Feeder Cattle Index. The CME Feeder Cattle Contract and the CME Feeder Cattle Index are only based on the price series for steers weighing 700 to 899 pounds. Because the CME Feeder Cattle futures prices are for steers of a certain type and weight, the WCRP insurance plan uses a Harvest Price Adjustment Factor to calculate the Adjusted Harvest Price and Formulated Harvest Price to adjust for selected weights of calves. The method used for calculating the Harvest Price Adjustment Factor will be available at [www.rma.usda.gov/cm/Policy-and-Procedure/InsurancePlans/WeanCalfInsurancePlans](http://www.rma.usda.gov/cm/Policy-and-Procedure/InsurancePlans/WeanCalfInsurancePlans).

**Projected Price** - The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the tables below, adjusted to the base weight, multiplied by a regional factor, and rounded to the nearest whole cent. The projected price will be released no later than three business days following the end of the projected price discovery period. The method used for calculating the regional factor will be available at [www.rma.usda.gov/cm/Policy-and-Procedure/InsurancePlans/WeanCalfInsurancePlans](http://www.rma.usda.gov/cm/Policy-and-Procedure/InsurancePlans/WeanCalfInsurancePlans).

**Harvest Price** - The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the tables below, adjusted to the base weight, multiplied by a regional factor, and rounded to the nearest whole cent. The harvest price will be released no later than three business days following the end of the harvest price discovery period. The method used for calculating the regional factor will be available at [www.rma.usda.gov/cm/Policy-and-Procedure/InsurancePlans/WeanCalfInsurancePlans](http://www.rma.usda.gov/cm/Policy-and-Procedure/InsurancePlans/WeanCalfInsurancePlans).

**Weaned Calves (8005) Spring Type**

**Adjusted Producer Projected Price** - The price for each type of weaned calf corresponding to the price for a similar weighted calf as determined by AMS auction data in the appropriate region. It is determined as follows:  

$$[(\text{Base Weight} - \text{Bounded Actual Yield}) \times \text{Projected Price Adjustment Factor} + 1] \times \text{Projected Price} = \text{Adjusted Producer Projected Price}$$

**Formulated Producer Projected Price** - The price for each type of weaned calf corresponding to the price for a similar weighted calf as determined by AMS auction data in the appropriate region. It is determined as follows:  

$$[(\text{Base Weight} - \text{Bounded Approved Yield}) \times \text{Projected Price Adjustment Factor} + 1] \times \text{Projected Price} = \text{Formulated Producer Projected Price}$$

**Adjusted Producer Harvest Price** - The price for each type of weaned calf corresponding to the price for a similar weighted calf as determined by AMS auction data in the appropriate region. It is determined as follows:

(1 of 2)

# Program Modifications

## Commodity Provisions (Refer to Summary of Changes for Complete List)

- Section 1 – Calf reporting date definition revised to allow 30 additional days for reporting (i.e., 60 to 90 days)
- Section 6 – Incorporated clarifications related to only listing 1 county per application, expanded calf reporting period, & cattle movement
- Section 7 – Incorporated clarifications related to only listing 1 county per application & the applicable premium rate
- Section 8 – Stated that each county must be listed on a separate application
- Section 11 – Clarified notification requirements, especially related to weighing & backgrounding
- Section 12 – Clarified circumstances in which production would be appraised
- Other non-substantive editorial revisions

# Program Modifications

ISH (Refer to Summary of Changes for Complete List)

- Para. 24 – Revised to clarify a separate application is required for each county & updated examples to reflect expanded calf reporting period
- Para. 25 – Revised & clarified notice requirements related to weaning, backgrounding, & cattle movement
- Para. 32 – Specified a separate application is required for each county
- Para. 37 – Added Production Report to the list of required forms
- Para. 52 – Clarified the use of T-Yields
- Exhibit 2 – Calf reporting date definition revised to allow 30 additional days for reporting (i.e., 60 to 90 days)
- Exhibit 4 – Extended PAIR inspection period from 30 to 60 days
- Exhibit 5 – Clarified how the WWR is to be used & sample size determinations
- Exhibit 6 – Clarified how the BAR is to be used

# Program Modifications

LASH (Refer to Summary of Changes for Complete List)

- Para. 11 – Clarified a separate application is required for each county
- Para. 16 - Revised & clarified notice requirements related to weaning, backgrounding, & cattle movement
- Para. 21 – Clarified a minimum appraisal equal to 10% of approved yield will be applied on a per calf basis when weights can't be determined
- Exhibit 2 – Calf reporting date definition revised to allow 30 additional days for reporting (i.e., 60 to 90 days)
- Exhibit 5 – Clarified how the WWR is to be used & sample size determinations
- Exhibit 6 – Clarified how the BAR is to be used



# Program Modifications

## CEPP

- Revised Projected Price Discovery Period ending date to January 14 for consistency with Harvest Price Discovery Period length.



# Program Overview



Coverage for beef calves (spring type)



Provides coverage for decline in price (RP & RPHPE) & lost yield (weaning weight) similar to other existing revenue protection crop insurance programs



Production records used to determine APH (average weaning weight per calf); T-Yields are available



RP, RPHPE, or YP; 50% to 85% buyup coverage levels with standard premium subsidies; CAT Endorsement available



Report calves until the earlier of ~~60~~ 90 days after calving begins or the Final Calf Report date (August 1<sup>st</sup>)



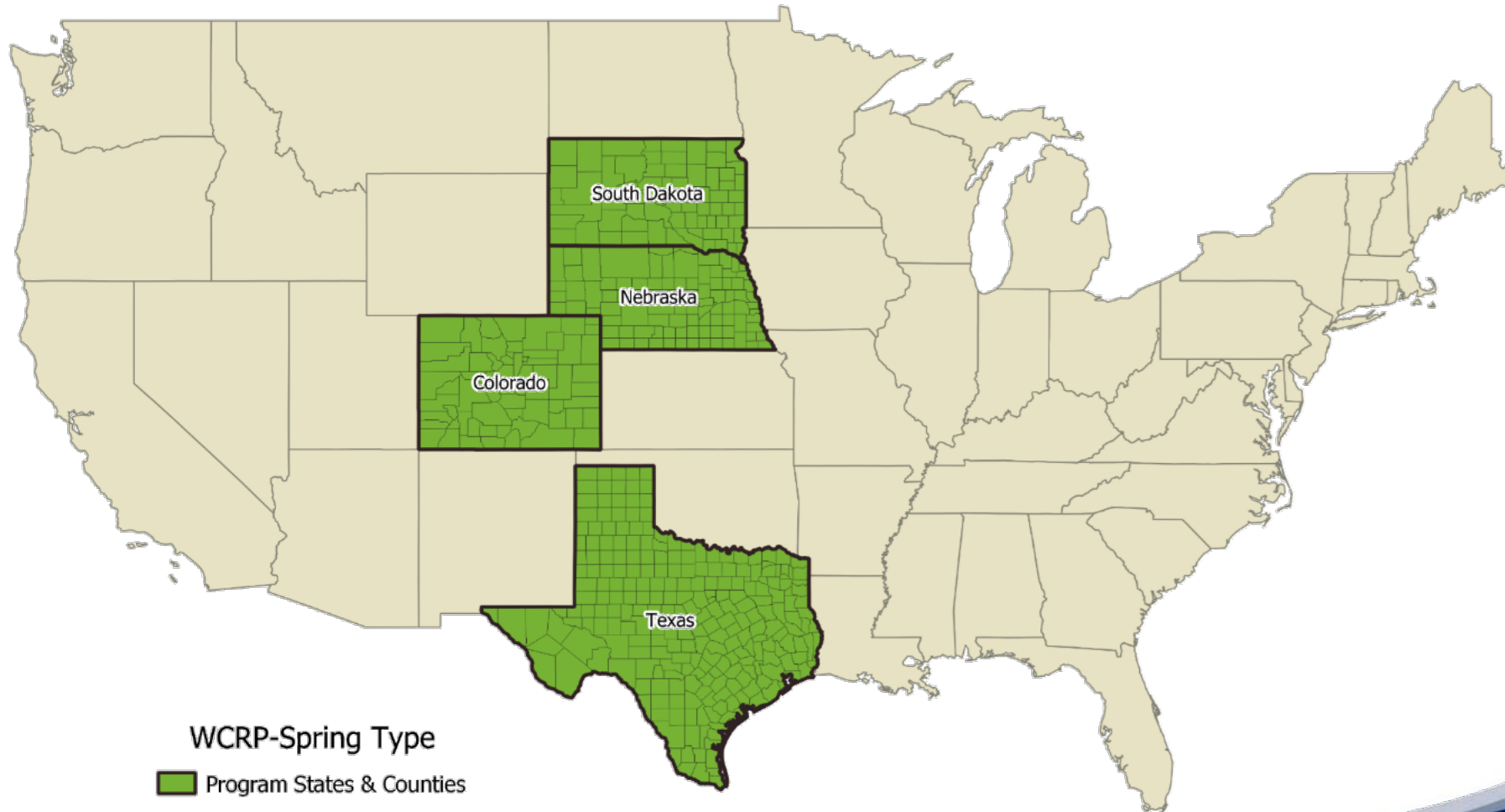
May revise calf report as often as required to report birth of additional calves until the earlier of the calf reporting date or final calf reporting date



Notice of loss required (e.g., adverse weather, calf death)

# WCRP Coverage Area

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



# WCRP Timeline (Spring Calves)

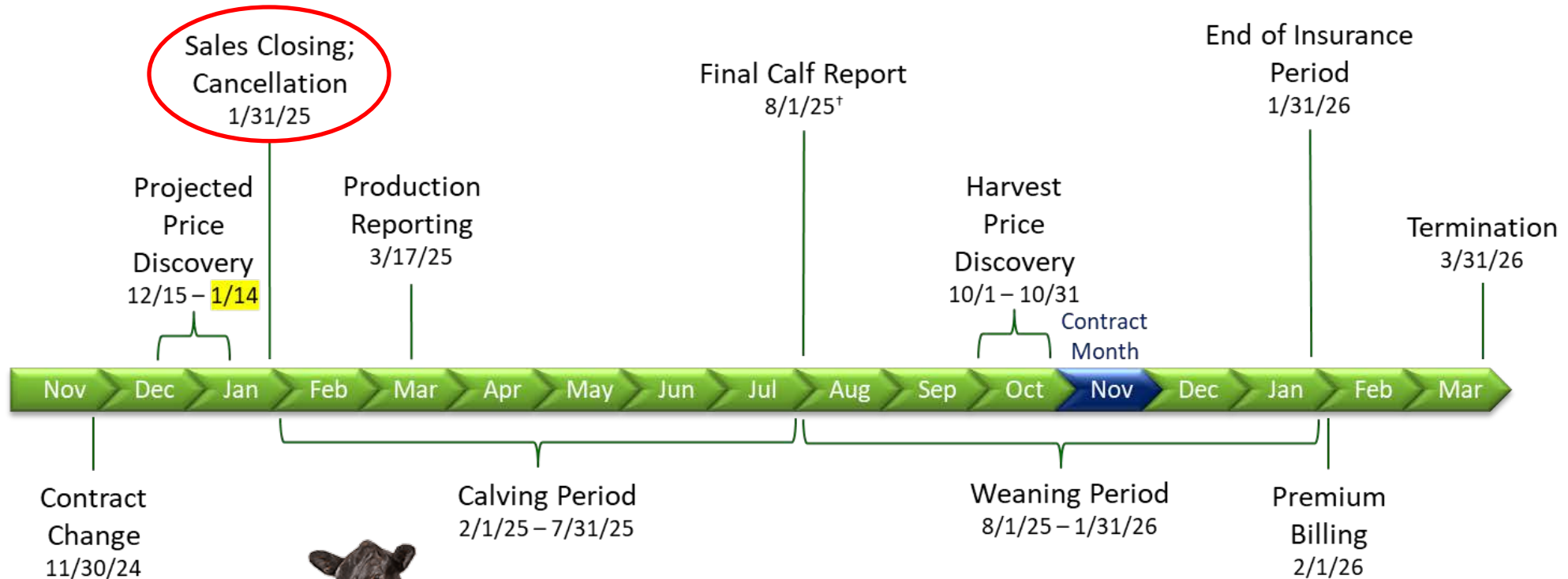


Photo Source: NC State Extension

<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 90-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.

# 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.)**

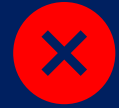
**Calf death due to a covered peril occurring during the insurance period (e.g., disease, freezing temperatures, flood, fire, hail, wildlife, etc.)**

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

# NOT Covered Perils

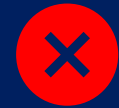
**NOT COVERED**

• Aborted pregnancies



**NOT COVERED**

• Stillborn calves



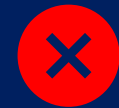
**NOT COVERED**

• Calves that die before the insured's calf report is submitted



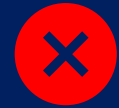
**NOT COVERED**

• Failed conception



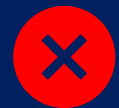
**NOT COVERED**

• Calves the insured is required to destroy by order of official governmental authority (e.g., quarantine order for destruction)



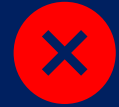
**NOT COVERED**

• 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



# WCRP

## General Illustration Slide (RP)

### Guarantee

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

### 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.

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



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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



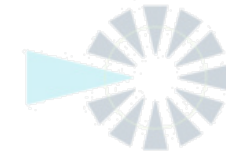
Brandon McDonald • Senior Policy Analyst



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