

# AgriStability Reference Margin Coverage Calculator Guide

## Who can use this calculator?

This calculator is intended to provide participants with an estimated reference margin and benefit trigger point for the **2024** program year. The calculator will work for all fiscal years ending in 2024, for both the 2023 and 2024 production years.

## Information about this worksheet

For the calculator to work properly you must accept the disclaimer message and enable macros before you begin.

- Data can only be entered into green cells.
- The “tab” key will move you from cell to cell.
- The participant and AFSC ID cells on the summary sheet are optional.
- If you own less than 100% of the farming operation you can adjust the percentage at the top of the **Summary Sheet** to include only your share however, all values entered in the workbook should be at 100% and the percentage will adjust accordingly.
- If you are a new participant and have less than 5 years of tax and accrual information, enter a “Y” in the “Last 3 Years” cell on the summary sheet.
- If you have your 2023 COPB, select “Yes” on the summary tab, otherwise select “No”.

<b>Participant:</b>		<b>Reference Margin Coverage Calculator</b>					18-Dec-2024
AFSC ID:	870	Program Year	2024			<input type="button" value="Print All"/>	<input type="button" value="Clear All"/>
Ownership %	100	Election: Accrual Adjusted Reference Margin					
Last 3 Years	N	2019	2020	2021	2022	2023	Is prior year COPB available?
Production Margin per Schedule 4							<input type="button" value="No"/>

If you select “Yes” on the above toggle box, only two tabs will be visible in the workbook, if you select “No” there will be five tabs that are visible in the workbook. If you do not have a COPB for the prior year, be sure to enter all relevant information into the 5 tabs to ensure the most accurate estimate.

- The “**Clear All**” button on the top right of the summary sheet will clear all pages in the workbook.
- The “**Print All**” button on the top right of summary sheet will print all pages in the workbook.
- There is a “**Clear Page**” button on the top right of all sheets except for the summary sheet. The “**Clear Page**” buttons will only clear the sheet you are working on.

## What information will you need to use this calculator?

You will need a copy of your 2023 Calculation of Program Benefits Package (COPB) if available, along with a copy of the 2023 Structural Change Adjustments Report. The Structural Change Adjustments Report can be obtained by requesting a copy from the AFSC Client Care Center at 1-877-899-2372 or via email at [info@afsc.ca](mailto:info@afsc.ca).



If your 2023 COPB is **not** available, you will need the 2022 COPB as well as the following documents;

- Copy of your 2023 crop and livestock worksheets
- 2023 tax and accrual information
- Access to AFSC's published prices, available at [www.afsc.ca](http://www.afsc.ca) or through the link located on the top of the crop and livestock worksheets.

## BEFORE YOU BEGIN

Gather the required information and use a highlighter to highlight the 2019-2023 year headings on Schedule 4 of the 2023 COPB and the 2023 Structural Change Adjustments Report.

If you do not have a 2023 COPB highlight the 2019-2022 year headings on the 2022 COPB as well as the 2022 Program Year Ending (\$) amounts on Schedule 1a/1b/1c, the 2022 Ending Inventory and Ending Price amounts on Schedule 2 & 3 and the 2019-2022 year headings on the Structural Change Adjustments Report.

### The calculator will not work in the following circumstances:

- If you have multiple farm operations with varying ownership percentages.
- If you were not a participant in the 2022 or 2023 Program Years

## SUMMARY SHEET TAB with 2023 COPB

The information required for the **Summary Sheet** will be different depending on whether or not you have a 2023 COPB. If you do not have a 2023 COPB but have a 2022 COPB proceed to the instructions “**Summary Sheet Tab with 2022 COPB**” below.

If you have a 2023 COPB you can select “**Yes**” to the question “Is the prior year COPB available?” the top portion of the **Summary Sheet** should look like this:

Participant:		Reference Margin Coverage Calculator					18-Dec-2024
AFSC ID:	870	Program Year	2024			<input type="button" value="Print All"/>	<input type="button" value="Clear All"/>
Ownership %	100	Election: Accrual Adjusted Reference Margin					
Last 3 Years	N						Is prior year COPB available?
		2019	2020	2021	2022	2023	<input type="text" value="Yes"/>
Production Margin per Schedule 4							
Total Allowable Income							
Private Insurance Adjustment							
AgriRecovery Program Payment Adjustment							
Total Allowable Expenses							
<b>ACCRUAL ADJUSTMENTS</b>							
Net Increase/(Decrease): In Deferred Income							
Net (Increase)/Decrease: In Unpaid Expenses							
Net Increase/(Decrease): In Purchased Inputs							
Net Increase/(Decrease): In Crop Inventory							
Net Increase/(Decrease): In Livestock Inventory							

### 1. Add Historical Production Margin Information

Using Schedule 4 from your COPB, enter the 2019-2023 production margin amounts on line 7 of the **Summary Sheet**. The production margin amounts can be found near the bottom of Schedule 4. *Note, be sure to use the gross production margin amounts at 100% rather than the adjusted amounts shown under the “Your Share of Farm Operations”.*

PRODUCTION MARGIN						
All Farm Operations						
Production Margin (a - b + c)	\$58,985	\$101,939	\$111,453	\$102,143	\$128,850	\$164,726

### 2. Add Private Insurance Adjustment – if applicable

Proceeds from some types of private insurance, such as private hail (including AFSC Straight Hail) or Global Ag Risk Solutions (GARS), are treated as non-allowable income in a program year, but allowable income in the reference period.

If you received private insurance proceeds in 2023, and the amounts were coded as private insurance proceeds for tax purposes, the proceeds will not be included in allowable income for the 2023 program year on the 2023 COPB. To properly include these amounts in the 2023 production margin once it becomes



a reference year, a private insurance proceeds adjustment should be added to the 2023 margin. The example below outlines the calculation of the private insurance adjustment for a reference year.

Participant A had a private hail insurance claim in 2023. They received proceeds totaling \$60,000; \$40,000 of this was received during the 2023 fiscal year and \$20,000 was received in the subsequent fiscal year. The private insurance adjustment for the 2023 reference year would be calculated as follows:

2023 Private Insurance reported for tax purposes	\$40,000
Add: ending accounts receivable	20,000
Deduct: opening accounts receivable	<u>0</u>
Accrual adjusted program payment adjustment	<u>\$ 60,000</u> <i>enter this amount into the template</i>

	2019	2020	2021	2022	2023
Production Margin per Schedule 4					
Total Allowable Income					
Private Insurance Adjustment					60,000
AgriRecovery Program Payment Adjustment					

*Private insurance tax codes:*

407 – Private hail insurance

661 – private insurance proceeds for allowable commodities (production/price/margin insurance)

667 – Livestock price insurance

For additional information about private insurance see the RC4060 Guide – Farming Income and the AgriStability and AgriInvest Program Guide.

### 3. Add AgriRecovery Program Payment Adjustment, if applicable

AgriRecovery and other program payments are generally included as allowable income in a program year and non-allowable income in the reference period. An example, of an AgriRecovery program payment is the 2023 Canada-Alberta Drought Livestock Assistance Program (CADLA). For a full listing of program payments and their impact on the calculation of production margins see the Program payment list A and B in the RC4060 – Farming Income and the AgriStability and AgriInvest Programs Guide.

If you received an AgriRecovery program payment in 2023 that is included in total allowable income (either as reported on tax or as an ending accounts receivable), this amount needs to be removed from the 2023 production margin for the calculation of the 2024 reference margin. An example of the calculation is shown below:

Participant A has an October 31<sup>st</sup> fiscal year-end. They applied for CADLA and received a program payment in the amount of \$20,000 in November 2023. The calculation of the AgriRecovery Program Payment Adjustment is as follows.



2023 CADLA reported for tax purposes	\$ -
Add: CADLA ending accounts receivable	20,000
Deduct: CADLA accounts receivable	<u>0</u>
Accrual adjusted program payment adjustment	<u>\$ 20,000</u> <i>enter this amount into the template</i>

The \$20,000 adjustment calculated above would be entered in the AgriRecovery Program Payment Adjustment cell under the 2023 reference year. The adjustment can be entered simply as \$20,000 as shown below and the workbook will remove this amount from allowable income.

Total Allowable Income	
Private Insurance Adjustment	
AgriRecovery Program Payment Adjustment	20,000

Once you have completed these steps on the Summary Tab, you can go directly to the instructions for the Structural Change tab.

### SUMMARY SHEET TAB with 2022 COPB

If you have a 2022 COPB but don't have a 2023 COPB you can select “**No**” to the question “Is the prior year COPB available?” and the top portion of the **Summary Sheet** should look like this:

<b>Participant:</b>	<b>Reference Margin Coverage Calculator</b>					18-Dec-2024
AFSC ID: 870	Program Year 2024		<input type="button" value="Print All"/>		<input type="button" value="Clear All"/>	
Ownership % 100	Election: Accrual Adjusted Reference Margin					
Last 3 Years N						
	2019	2020	2021	2022	2023	Is prior year COPB available?
Production Margin per Schedule 4						No
Total Allowable Income						
Private Insurance Adjustment						
AgriRecovery Program Payment Adjustment						
Total Allowable Expenses						
<b>ACCRUAL ADJUSTMENTS</b>						
Net Increase/(Decrease): In Deferred Income						0
Net (Increase)/Decrease: In Unpaid Expenses						0
Net Increase/(Decrease): In Purchased Inputs						0
Net Increase/(Decrease): In Crop Inventory						0
Net Increase/(Decrease): In Livestock Inventory						0

#### 1. Add Historical Production Margin Information

Using Schedule 4 from your COPB, enter the 2018-2022 production margin amounts on line 7 of the **Summary Sheet**. The production margin amounts can be found near the bottom of Schedule 4. *Note, be sure to use the gross production margin amounts at 100% rather than the adjusted amounts shown under the “Your Share of Farm Operations”.*



PRODUCTION MARGIN						
All Farm Operations						
Production Margin (a - b + c)	\$58,985	\$101,939	\$111,453	\$102,143	\$128,850	\$164,726

## 2. Add 2023 allowable income and expense amounts

Using your Statement A, enter the Total Commodity sales and program payments amount (Total A) into the total allowable income cell.

Using your Statement A, enter the combined total of Commodity purchases and repayment of program benefits amount (Total C) and Allowable expenses (Total D) into the total allowable expenses cell.

	2019	2020	2021	2022	2023
Production Margin per Schedule 4					
Total Allowable Income					
Private Insurance Adjustment					
AgriRecovery Program Payment Adjustment					
Total Allowable Expenses					

## 3. Private insurance and/or AgriRecovery Adjustments

If you have private insurance or AgriRecovery amounts reported on your tax and/or AgriStability supplementary information for 2023, an additional adjustment will need to be made to the 2023 margin. For additional information about these adjustments see Step 2 and 3 under the instructions for how to use the template with a 2023 COPB.

*Note, if you have private insurance or AgriRecovery payments in the 2022 program year, you will need to manually adjust your allowable income for the 2022 reference year to either addback private insurance or deduct AgriRecovery program payment amounts.*

## 4. Enter information into Schedule 1a, b, c tab

Use this tab to enter your farm accruals. Farm accruals include deferred income (accounts receivable), unpaid expenses (accounts payable) and purchased inputs (prepaid expenses).

- Using the information from your 2022 COPB, enter the “**Program Year Ending (\$)**” descriptions and amounts from Schedules 1a, b and C into the “**Starting (\$)**” column.

- Using your 2023 financial information, enter any ending accrual information into the “**Ending (\$)**” column.

## 5. Enter information into the Crop Inv tab, if applicable

This tab is where crop inventory amounts are entered for the **2023** reference year. When opening and closing quantities, along with corresponding prices, are entered the worksheet will calculate a change in the value of inventory for the **2023** reference year. AFSC uses published prices for most commodities.

### HELPFUL TIP

The inventory descriptions you see on Schedules 2 & 3 of your COPB package **do not** need to be entered as they are displayed on the report. For instance: “*Peas, Field Commercial Feed \* Bushel*” can simply be described as *Peas* in the worksheet along with the corresponding price for the unit of measure you are using (bushel, tons, tonnes).

1. Using the information from your **2022** COPB, enter the crop description along with the “**Ending Inventory**” and “**Ending Price**” amounts from Schedule 2 into the “**Starting Inventory**” and “**Starting Price (\$)**” columns.
2. Using your own inventory information for **2023**, enter any ending crop inventory into the “**Ending Inventory**” column. You can find the corresponding prices on our website at [www.afsc.ca](http://www.afsc.ca) or use the hyperlink on the top of the crop worksheet. The AFSC published price\*\* can be entered into the “**Ending Price**” column.

*\*\*Note – Select the monthly price that matches your year end.*

## 6. Enter information into the Livestock Inv tab, if applicable

This tab is where livestock inventory amounts are entered for the **2023** reference year. When opening and closing quantities, along with corresponding prices, are entered the worksheet will calculate a change in the value of inventory for the **2023** reference year.

### HELPFUL TIP

Livestock inventory lines that have \*\* beside the “change in value” column on the right-hand side of Schedule 3 of the COPB are breeding livestock and should be entered into the breeding livestock portion of the Livestock Inv tab. All other livestock (not marked with \*\*) is considered marketable livestock.

1. Using the information from your **2022** COPB, enter the livestock description along with the **“Ending Inventory”** and **“Ending Price”** amounts from Schedule 3 into the **“Starting Inventory”** and **“Starting Price (\$)”** columns. Note the breeding livestock will *not* need an opening price, only an ending price.
2. Using your own information for **2023**, enter any ending livestock inventory into the **“Ending Inventory”** column. You can find the corresponding prices on our website at [www.afsc.ca](http://www.afsc.ca) or use the hyperlink on the top of the livestock worksheet. The AFSC published price\*\* can be entered into the **“Ending Price”** column.
3. Once you have the information entered, verify that the change in livestock inventory in the worksheet agrees to the change in livestock inventory on your COPB.

*\*\*Note – Select the monthly price that matches your year end.*

## STRUCTURAL CHANGE TAB

Structural change adjustments are a part of the reference margin calculation. The adjustments, if applied, adjust the historical margins up or down based on the size of the farming operation in the program year so that the reference margin is relative to the current size of the farm. If your farm size has changed enough, and structural change adjustments are applicable, they will transfer to the summary sheet automatically. If no amounts transfer to the summary sheet, your farm size has not changed enough to adjust the margins. If you have been continuously filing AgriStability, you can obtain your historical production units from the Structural Change Adjustments Report. If your farm has recently undergone a reorganization (i.e. rolling from a partnership to a corporation) you may see productive units on two different pages of the report.

Disclaimer: The structural change calculator is intended to *estimate* structural change. When structural change is calculated on your final **2024** benefit calculation, the results may differ from this calculator. If the structural change adjustments produce an anomalous result, the Administrator may apply an alternate method of structural change. Anomalous results can occur when there is a significant shift from one commodity to another or when there is a significant amount of new productive units added to the farming operation. For more information about structural change, see Technical Information Circular #6 – Structural Change at [www.afsc.ca](http://www.afsc.ca).

The structural change tab is where structural change amounts are calculated.

1. Select the applicable crop year from the drop-down menu
2. Select your County/MD, this should be the location of your main farmstead and will be displayed on the Structural Change Adjustment Report.
3. Using the information from your **2022 or 2023** Structural Change Adjustments Report (whichever is applicable), enter the **2019-2022** or **2019-2023** production units from the report into the worksheet by selecting the drop-down descriptions under the headings **“Crop and Forage Basket”, “Beef”, “Market Hogs”** or **“Specialty Crops, Greenhouse and Other Livestock”**.





4. If your 2023 COPB is not available, use your **2023** productive unit information from your 2023 supplementary forms, to enter your productive units into the **2023** column.
5. Add **2024** production units into the **2024** column.
6. Go to the **Summary Tab**, if a structural change is applied, you will see the adjustments automatically pull across to line 24.

Additional notes about entering the structural change information:

Enter productive units for 100% of the farm. If you only own a portion of the farming operation it will be prorated by the percentage you have entered on the summary tab.

**Crop and Forage Basket information**

- The productive unit for crop basket is number of seeded acres.
- Crop basket includes canola, wheat, barley, oats, peas, flax
- Silage and greenfeed acres should be included in crop basket.
- Ensure that landlord share of acres are excluded.
- Forage acres productive units is acres, excluding acres used for pasture.
- For both forage and crop ensure that you are correctly entering the information in as dryland or irrigated.

**Beef information**

- Beef feeders/fats owned productive units are normally the number of head sold over 750 lbs in a given Program Year. The number of head sold should not include breeding stock sold (culls, bred cows, bulls).
- If your Structural Change Adjustments Report includes a line for both feeders and fats, the units can be combined for purposes of this calculation.
- Custom fed animals are the number of head days. You can calculate this number as follows;  
(number of animals on feed x number of days on feed) / 365

**Market hog information**

- For all categories, the production unit is the number of hogs sold.

**Specialty Crops, Greenhouse and Other Livestock information**

If you have production units other than crop, forage, beef or hogs, you can select the commodity from the specialty crops, greenhouse and other livestock list. Productive units for specialty crops are as follows;

Commodity	Productive Units
Crops	Acres
Forage	Acres
Cow/calf – beef and bison	Calves born
Beef and bison feeders	Eligible animals sold
Hogs	Marketed hogs
Greenhouse	Productive sq. footage
Dairy	HL sold
Poultry	Birds/kg sold
Eggs	Dozen sold
Honey	Productive hives



## SUMMARY SHEET TAB

Now that all of your information is entered, you can go back to the Summary Sheet to view the results. The Estimated Reference margin and Estimated Benefit Trigger Point are shown on the bottom of the spreadsheet. AgriStability program benefits are not calculated until the program year margin has dropped 30% or more relative to the reference margin. In the example, below that means that the program year margin would need to fall below \$301,000 before benefits would be paid, subject to the overall minimum payment amount of \$250.

Estimated Reference Margin	430,000
Estimated benefit trigger point (70% of the reference margin)	301,000

For additional information about margins and benefit calculations view the Sustainable CAP AgriStability Handbook on our website at [www.afsc.ca](http://www.afsc.ca).

If you need assistance with this calculator, please contact an insurance relationship manager at your preferred [AFSC branch office](#), call the Client Care Centre at [1.877.899.2372](tel:1.877.899.2372) or email [info@afsc.ca](mailto:info@afsc.ca)