

Changes to How the Productive Capacity of Feeder Livestock Operations is Measured

To respond to the needs of livestock operations affected by BSE, a change has been made to how feeder livestock operations report their productive capacity under CAIS. This change is in effect for the *2005 Interim Application*, and will also be reflected on the *2004 CAIS Supplementary Form*.

Previously, the productive capacity of feeder livestock operations was determined by the number of animals sold in the fiscal year. This is an accurate way to determine farm size in years when market conditions are normal. However, it may not accurately measure a farm's size (income potential) in years when market conditions have deteriorated.

To ensure that decreased sales due to poor market conditions do not incorrectly give the appearance of a structural change, the manner in which productive capacity is measured has been changed. On **Table 1: Production Indicators, Section B** of the *2005 Interim Application*, **feeder livestock operations are now required to report the number of animals fed**, rather than the number of animals sold. Measuring the number of animals fed ensures that the farm's total capacity is captured and is a better reflection of farm size.

This new way of measuring productive capacity does not mean producers will have to change all the information they have already submitted to the CAIS Administration in prior years. Because the number of animals sold and the number of animals fed should be relatively equal in most years, producers only need to report using the new method for years in which they have not already supplied information. Although producers are not required to re-submit information already supplied, they have the option to re-supply their historical information for all years on *Table 1: Production Indicators* using the number of animals fed.

2005 interim applications are currently available to producers in British Columbia, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador, and the Yukon.

For more information, please contact the CAIS Administration toll free at **1-866-367-8506**. Interim Applications are also available for download on the program Web site at www.agr.gc.ca/caisprogram.