The Cattle Feeder Associations Loan Guarantee Regulations, 1989

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NOTE:
This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.
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Appendix
CHAPTER F-8.001 REG 1
The Farm Financial Stability Act

Title
1. These regulations may be cited as The Cattle Feeder Associations Loan Guarantee Regulations, 1989.

Interpretation
2(1) In these regulations:
   (a) “Act” means The Farm Financial Stability Act;
   (b) “cattle” means the following animals of the genus species Bos taurus or Bos indicus, but does not include animals acquired for breeding or calving purposes:
       (i) heifers and steers that have been weaned from their dams;
       (ii) feeder cows;
   (b.1) “community pasture” means a pasture operated by either the Government of Saskatchewan or the Government of Canada;
   (c) “custom feeder” means:
       (i) a custom operator who is authorized by the provincial supervisor to grow or finish cattle on a fee-for-service basis in a custom feedlot; or
       (ii) an operator who grows or finishes cattle on a lease basis;
   (d) “feeder” means:
       (i) a producer who is a member of a feeder association; and
       (ii) in the case of a producer that is a corporation, a producer whose majority of shareholders are residents of Saskatchewan;
   (e) “feeder agreement” means a producer agreement between a feeder and a feeder association regarding the growing or finishing of cattle;
   (f) “feeder association” means a producer association that:
       (i) is formed for the purpose of growing and finishing cattle; and
       (ii) either:
           (A) at any time during the association’s fiscal year, has 10 or more members who are parties to a feeder agreement; or
           (B) has the prior written approval of the provincial supervisor to conduct business with fewer than 10 members who are parties to a feeder agreement;
(g) “licensed dealer” means a dealer who holds a valid and subsisting licence issued pursuant to The Animal Products Act;


(i) “subsequent advance” means an advance to purchase cattle on behalf of a feeder made to a feeder association while any part of any other advances made on behalf of that feeder remain outstanding.

(2) In subsection 46(1) of the Act, “loan” means all unpaid advances by a lender to a feeder association made pursuant to an agreement between the feeder association, the lender and Saskatchewan, and includes all unpaid interest on those advances.

(3) In subsection 46(1) of the Act and subsection 4(2.1) of these regulations, “loan” means all unpaid advances by a lender to a feeder association made on or after July 1, 1996 pursuant to an agreement between the feeder association, the lender and Saskatchewan, and includes all unpaid interest on those advances.

Commodity prescribed

2.01 Cattle are prescribed as a commodity for the purposes of clause 41(c) and subsection 59.1(6) of the Act.


Prescribed lending institutions

2.1 For the purposes of clause 41(f) of the Act, the following are prescribed lending institutions:

(a) Farm Credit Canada;

(b) Peace Hills Trust Company.


Information required

3(1) A feeder association that applies for a guarantee pursuant to section 45 of the Act shall provide the provincial supervisor with:

(a) a list of the names and addresses of the feeders who are members of the feeder association, the date of the first advance to the feeder association on behalf of each feeder and evidence, satisfactory to the minister, of age and Saskatchewan residency for each feeder;

(b) a declaration of whether a loan guaranteed pursuant to the Act has been taken on behalf of a member of the association; and

(c) the name and address of the lender that will be used by the association for the purpose of obtaining loans on behalf of its members.


Loan guarantee


(2.1) Pursuant to subclause 61(d)(i) of the Act, for the purposes of subsection 46(1) of the Act, the prescribed maximum amount of a loan that may be guaranteed is an amount equal to 25% of the least of:

(a) the amount outstanding on the loan at the time of a first default on any advance following the issuance of the guarantee with respect to the loan, plus accrued interest as of the time that payment is to be made on the guarantee;

(b) the amount allowed by subsection (4); and

(c) the amount provided for by clause 46(2)(b) of the Act.

(2.2) **Repealed.** 30 Dec 2005 SR 143/2005 s4.

(2.3) **Repealed.** 30 Dec 2005 SR 143/2005 s4.

(2.4) **Repealed.** 30 Dec 2005 SR 143/2005 s4.

(2.5) For the purposes of subsection (2.1), the time of a first default is a date determined by the provincial supervisor and the lender, when:

(a) there are unresolved arrears;

(b) part or all of the inventory is missing and no payment is made; or

(c) inventory is sold and there will be a shortfall in payment.

(2.6) Subject to subsection (2.7), for the purposes of section 47.1 of the Act, the Minister of Finance may provide a second guarantee to a lender if:

(a) a producer has defaulted on a loan;

(b) the producer has a reasonable chance to repay the loan in the opinion of the lender and the minister; and

(c) total defaults do not exceed 35% of the total loans for all producers in that producer’s feeder association.

(2.7) The prescribed maximum amount of advances that may be guaranteed pursuant to subsection (2.6) is an amount equal to 60% of the amount outstanding on the advances at the time of the default.

(2.8) The guarantee provided pursuant to subsection (2.6) expires when the defaulted loans are paid in full.
(3) The loan on which a guarantee is provided shall be used by the association only for the purchase of cattle to be grown or finished by its members:

(a) on member farms;
(b) with custom feeders; or
(c) at any location authorized in writing by the provincial supervisor.

(3.1) No feeder cows purchased by a feeder association with a guaranteed loan are to be finished on community pasture.

(4) Subject to subsection (6), for the purposes of subsections 46(1) and (2) of the Act, no feeder association shall borrow in excess of:

(a) $100,000 with respect to any individual feeder and $300,000 with respect to any feeder that is a corporation if that feeder:
   (i) has not previously had a loan guaranteed pursuant to the Act taken on that feeder’s behalf by the feeder association; and
   (ii) has been a member of the feeder association for less than one year;
(b) $300,000 with respect to any individual feeder and $900,000 with respect to any feeder that is a corporation if that feeder:
   (i) has been a member of the feeder association for at least one year but less than two years; and
   (ii) has grown or finished cattle during the period of membership;
(c) $400,000 with respect to any individual feeder and $1,200,000 with respect to any feeder that is a corporation if that feeder:
   (i) has been a member of the feeder association for at least two years but less than three years; and
   (ii) has grown or finished cattle during each year of membership;
(d) $500,000 with respect to any individual feeder and $1,500,000 with respect to any feeder that is a corporation if that feeder:
   (i) has been a member of the feeder association for at least three years; and
   (ii) has grown or finished cattle during each year of membership; and
(e) a total of $6,000,000 with respect to all feeders.
(5) Notwithstanding clauses (4)(a) to (d), but subject to subsection (6), for the purposes of subsections 46(1) and (2) of the Act, the provincial supervisor may approve up to $500,000 for any individual feeder or up to $1,500,000 for any feeder that is a corporation.

(6) If a feeder belongs to both a cattle feeder association and a cattle breeder association, the maximum amount that the associations may borrow on behalf of:

(a) an individual feeder is $500,000; and

(b) a feeder that is a corporation is $1,500,000.

Repayment of advances

5(1) If a feeder association purchases heifers or steers for a feeder, the association must:

(a) repay any advances for the purchase of those heifers or steers on behalf of that feeder within 12 months after the day on which the first advance for the heifers or steers was made; or

(b) repay each advance for the purchase of those heifers or steers on behalf of that feeder within 12 months after the day on which that advance was made if the provincial supervisor is satisfied that the cattle purchased with that advance are in the association's inventory of cattle.

(2) Where the provincial supervisor is satisfied that compliance with subsection (1) would result in reduced returns to a feeder association due to insufficient finishing or current market conditions, the provincial supervisor may extend the period within which repayment for heifers and steers is to be made by not more than six months.

(3) Where a feeder association purchases feeder cows for a feeder, the association shall repay the advance for the purchase of those cows on behalf of that feeder:

(a) within 180 days after the day on which the advance for those cows was made; or

(b) within 12 months after the day on which the first advance was made to the association for the purchase of feeder cows on behalf of that feeder;

whichever is earlier.

(4) Where the provincial supervisor is satisfied that compliance with clauses (3)(a) and (b) would result in reduced returns to a feeder association because of current market conditions, the provincial supervisor may extend the period within which repayment for feeder cows is to be made by not more than three months.
Purchase through licensed dealers

6(1) For the purpose of subsection 50(1) of the Act, cattle are prescribed as a commodity that is required to be purchased through a licensed dealer.

(2) The provincial supervisor may authorize a feeder association to purchase cattle from a person who is not a licensed dealer.

29 Dec 89 cF-8.001 Reg 1 s6.

Purchases from member producers

7(1) In this section, “market price” means the market price for that kind of cattle in that part of Saskatchewan, as set by the minister.

(2) In setting the market price pursuant to subsection (1), the minister shall consider information respecting market values as provided to the minister by the feeder association.


(4) For the purposes of section 51 of the Act, a feeder association may purchase cattle from a member producer to be fed by that producer only if the price of the cattle does not exceed 100% of their market price.


Prohibition on purchase by breeder association

7.1 Where a cattle feeder association is also a cattle breeder association, feeder cows owned by the feeder association cannot be purchased by the breeder association.


Inspection exemption on purchases

7.2 The provincial supervisor may authorize a cattle feeder association that is also a cattle breeder association to purchase cattle as described in subclause 2(1)(b)(i) from a cattle breeder association without an inspection pursuant to The Livestock Inspection and Transportation Regulations, 1978.


Cattle to be sold

8(1) If a feeder association must repay the advance pursuant to clause 5(1)(a), the feeder association shall cause those heifers or steers, and any subsequent heifers or steers purchased for that feeder, to be sold:

(a) within 12 months after the day on which the association purchased the first heifers or steers, if any part of the advance made to purchase those heifers or steers or any subsequent advance then remains outstanding; or

(b) within any greater period authorized by the provincial supervisor, but not more than 18 months after the day on which the association purchased the first heifers or steers.
(1.1) If a feeder association must repay the advance pursuant to clause 5(1)(b) that was used to purchase heifers or steers for a feeder, the feeder association must cause those heifers or steers to be sold:

(a) within 12 months after the day on which the association purchased the heifers or steers, if any part of the advance made to purchase those heifers or steers remains outstanding; or

(b) within any greater period authorized by the provincial supervisor, but not more than 18 months after the day on which the association purchased the heifers or steers.

(2) Where a feeder association purchases feeder cows for a feeder, the feeder association shall cause those cows, and any subsequent feeder cows purchased for that feeder, to be sold:

(a) within 180 days after the day on which the association purchased the feeder cows; or

(b) within 12 months after the day on which the association purchased the first feeder cows for that feeder, if any part of any advance used to purchase feeder cows for that feeder remains outstanding;

whichever is earlier.

(3) Where the provincial supervisor is satisfied that compliance with clauses (2)(a) and (b) would result in reduced returns to a feeder association because of current market conditions, the provincial supervisor may extend the period within which the feeder cows shall be sold to not more than 15 months after the day on which the association purchased the first feeder cows.


Purchase and sale by feeder in name of feeder association

8.1(1) Before a feeder purchases cattle on behalf of a feeder association, the feeder shall notify the feeder association of the intended purchase in the manner designated by the feeder association.

(2) Where a feeder purchases cattle on behalf of a feeder association, the feeder shall ensure that the purchase documents for the cattle name the feeder association as owner of the cattle and identify the name of the feeder.

(3) Before a feeder sells cattle purchased on behalf of a feeder association, the feeder shall notify the feeder association of the intended sale in the manner designated by the feeder association.
(4) Where a feeder sells cattle purchased on behalf of a feeder association, the feeder shall ensure that the following conditions are complied with:

(a) the sales documents for the cattle must be in the name of the feeder association and identify the feeder;

(b) the purchaser shall pay for the cattle by way of a cheque or other process of payment that is made payable to the feeder association and that identifies the feeder.

(4.1) Where a feeder sells cattle purchased on behalf of a feeder association, the proceeds from the sale are to be applied in priority of payment:

(a) first to any advance used to purchase the cattle; and

(b) second to the feeder in accordance with any feeder agreement.

(5) Subsections (3), (4) and (4.1) do not apply to cattle if the feeder association has transferred ownership of the cattle to the feeder and issued a signed transfer of ownership form respecting that transfer to the feeder.

(6) A feeder association may deduct from any payment made to a feeder pursuant to clause (4.1)(b):

(a) any amount owing to the feeder association by the feeder, including any amount owing to the association by the feeder pursuant to:

   (i) a cattle breeder agreement, as defined in *The Cattle Breeder Associations Loan Guarantee Regulations, 1991*;

   (i.1) a bison breeder agreement, as defined in *The Bison Breeder Associations Loan Guarantee Regulations*;

   or

   (ii) a bison feeder agreement, as defined in *The Bison Feeder Associations Loan Guarantee Regulations*; and

(b) any costs, fees or expenses incurred by the feeder association with respect to that feeder.

Marking of cattle

9(1) All heifers and steers purchased by a feeder association, and any offspring of those heifers owned by that feeder association, are to be marked in a permanently legible manner with a registered mark, as defined in *The Animal Identification Act*, that is to contain:

(a) the mark shown in Part I of the Appendix; and

(b) directly above the mark mentioned in clause (a), any other mark that distinguishes that feeder association from other feeder associations.
(2) All feeder cows purchased by a feeder association, and any offspring of those feeder cows owned by that feeder association, are to be marked in a permanently legible manner with a registered mark, as defined in *The Animal Identification Act*, that is to contain:

(a) the mark shown in Part II of the Appendix; and

(b) directly above the mark mentioned in clause (a), any other mark that distinguishes that feeder association from other feeder associations.

(3) Before completing a feeder agreement, the local supervisor shall inspect the cattle to ensure that the cattle have been marked in accordance with subsection (1) or (2), as the case may be.


Reports by feeder association

10 For the purpose of section 56 of the Act, every feeder association shall include in the report required pursuant to that section a record of:

(a) the cattle currently owned by the association;

(b) the transactions, including sale and purchase, of the cattle owned by the association;

(c) the cattle lost by the association; and

(d) with respect to each member of the association:

(i) the cattle placed with a custom feeder;

(ii) the name and location of the custom feeder with whom the cattle are placed;

(iii) payment of custom feeding bills; and

(iv) the amount of the member’s deposit in the association’s feeder assurance fund.

29 Dec 89 cF-8.001 Reg 1 s10; 24 Dec 92 SR 153/92 s8; 21 May 99 SR 29/1999 s10.

Submission of report

10.1 Notwithstanding section 10, where heifers or steers are fed on a community pasture, the information prescribed in subclause 10(d)(iii) is not required until the first report submitted after the close of the community pasture season.


Reports by lenders

11 For the purposes of section 56 of the Act, every lender shall include in the report required pursuant to that section a record of:

(a) all advances made to feeder associations;

(b) the names of the feeder associations to which the advances were made and the dates of those advances;

(c) the loan balance outstanding with respect to each feeder association that has received an advance;
(d) the accrued interest on those advances;

(e) with respect to each member for which a feeder association has received an advance from that lender, the amount of the loans authorized to be guaranteed pursuant to these regulations with respect to that member; and

(f) the total amount of assurance funds on deposit for each feeder association.

29 Dec 89 cF-8.001 Reg 1 s11; 24 Dec 92 SR 153/92 s9; 21 May 99 SR 29/1999 s11.

Deposits to feeder assurance fund

12(1) For the purposes of section 59 of the Act but subject to subsection (2) of this section, when a feeder association borrows money for the purchase of cattle for a feeder, the feeder shall deposit with the association’s feeder assurance fund an amount equal to 5% of the money borrowed.

(2) Subject to subsection (4), if, at the time the feeder association borrows money on behalf of a feeder, any amount stands to the credit of the feeder in the association’s feeder assurance fund in excess of 5% of the advances outstanding for that feeder, including interest, that amount may be applied to the 5% deposit required pursuant to subsection (1).

(3) Before entering into any new feeder agreements after a payment is made out of the association’s feeder assurance fund for the purpose mentioned in clause 59(2)(b) of the Act, a feeder association shall require all of its feeder members to deposit sufficient funds with the association’s feeder assurance fund to replenish the assurance fund to 5% of all outstanding advances for all feeder members.

(4) Subsection (2) does not apply where:

(a) a feeder wishes to enter into new feeder agreements with the feeder association after a payment is made out of the association’s feeder assurance fund for the purpose mentioned in clause 59(2)(b) of the Act; and

(b) the feeder association or the lender requires the feeder to make a deposit to the association’s feeder assurance fund in accordance with subsection (1) with respect to all new advances for the feeder, until all advances outstanding at the time the feeder association recommences operations have been paid.

21 May 99 SR 29/1999 s12.

Refund of deposits

13(1) In this section, “prorated share” means an amount based on the amount of a feeder’s deposit in the association’s feeder assurance fund:

(a) as a proportion of the total deposits to the assurance fund; and

(b) calculated at the time the claim against the assurance fund is made.

(2) For the purposes of subsection 59(4) of the Act but subject to subsections (3) and (4) of this section, where a feeder resigns from a feeder association and is not in default with respect to any advance, the feeder association shall refund to the feeder, within the period prescribed in subsection (6), the deposits made by the feeder pursuant to subsection 12(1) less any amount deducted pursuant to subsection (7).
(3) No feeder association that has a due or an overdue account with a lender shall refund to the feeder the deposits made by the feeder pursuant to subsection 12(1).

(4) Where a feeder who is not in default with respect to any advance resigns from a feeder association that has paid a due or an overdue account to a lender out of the association’s feeder assurance fund, the feeder association shall refund to the feeder, within the period prescribed in subsection (6), an amount equal to that feeder’s prorated share at the time of resignation, less any amount deducted pursuant to subsection (7).

(5) Subject to subsections (3) and (4), where a feeder who is not in default with respect to any advance remains a member of a feeder association but has been inactive in the affairs of the feeder association for 90 days or more, the feeder association may refund to that feeder the deposits made by that feeder pursuant to subsection 12(1), less any amount deducted pursuant to subsection (7), any time after the expiration of the 90-day period.

(5.1) Subject to subsections (3) and (4), if a feeder association must repay the advance pursuant to clause 5(1)(b) for a feeder who is not in default with respect to any advance, who remains a member of a feeder association and has outstanding feeder agreements with the feeder association, and where the feeder association, on behalf of that feeder, has repaid any advance or advances made pursuant to one or more feeder agreements, the feeder association may refund to that feeder, any time after 90 days from the date the advance was repaid, the deposits made by that feeder pursuant to subsection 12(1) relating to those repaid advances, less:

(a) any deposit applied to new advances in accordance with subsections 12(2) and (4); and

(b) any amount deducted pursuant to subsection (7).

(6) Subject to subsections (6.1) and (6.2), if a feeder association makes a refund pursuant to subsection (2) or (4), the feeder association shall make the refund not less than 90 days after nor more than 105 days after the day on which the feeder resigns.

(6.1) Subject to subsection (6.2), if a feeder was inactive in the feeder association immediately before resigning, the feeder association must reduce the number of days mentioned in subsection (6) by the number of days that the feeder was inactive.

(6.2) Any reduction in the number of days pursuant to subsection (6.1) must not:

(a) result in a negative number of days; or

(b) give the feeder association less than 15 days from the day the feeder resigns to make the refund.
(7) Where a feeder association makes a refund pursuant to this section, the feeder association may deduct from the refund:

(a) any amount owing to the feeder association by the feeder, including any amount owing to the association by the feeder pursuant to:

(i) a cattle breeder agreement, as defined in *The Cattle Breeder Associations Loan Guarantee Regulations, 1991*;

(i.1) a bison breeder agreement, as defined in *The Bison Breeder Associations Loan Guarantee Regulations*;

(ii) a bison feeder agreement, as defined in *The Bison Feeder Associations Loan Guarantee Regulations*; and

(b) any costs, fees or expenses incurred by the feeder association with respect to that feeder.


Prorating among agreements

13.1(1) In this section:

(a) “breeder agreement” means a breeder agreement as defined in *The Cattle Breeder Associations Loan Guarantee Regulations, 1991*;

(b) “cattle” includes breeding stock as defined in *The Cattle Breeder Associations Loan Guarantee Regulations, 1991*.

(2) A feeder association may prorate cattle, or the proceeds of the sale of cattle, among different feeder agreements and breeder agreements where the cattle that are the subject of a feeder agreement:

(a) have been kept with cattle that are the subject of other feeder agreements or breeder agreements with the feeder association; and

(b) in the feeder association’s opinion, are not uniquely identified to any particular feeder agreement or breeder agreement:

(i) by way of an association brand that is different from the association brand on other cattle; or

(ii) by way of one or more Arabic numerals located under the association brand.

21 May 99 SR 29/1999 s12.
Appendix

PART I

[Clause 9(1)(a)]

Mark on Heifers and Steers

PART II

[Clause 9(2)(a)]

Mark on Feeder Cows
