The Cattle
Breeder Associations
Loan Guarantee
Regulations, 1991

being

Chapter F-8.001 Reg 5 (effective January 24, 1991)  
as amended by Saskatchewan Regulations 85/91, 154/92,  
34/93, 98/93, 4/95, 45/95, 26/96, 48/96, 75/96, 15/98, 28/1999,  

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 5
The Farm Financial Stability Act

Title
These regulations may be cited as The Cattle Breeder Associations Loan Guarantee Regulations, 1991.

Interpretation
2(1) In these regulations:
(a) “Act” means The Farm Financial Stability Act;
(b) “breeder” means:
(i) a producer who is a member of a breeder association; and
(ii) in the case of a producer that is a corporation, a producer whose majority of shareholders are residents of Saskatchewan;
(c) “breeder agreement” means a producer agreement that:
(i) is between a breeder and a breeder association of which the breeder is a member or shareholder; and
(ii) concerns the purchase of breeding stock and production and growing of the offspring of the breeding stock;
(d) “breeder association” means a producer association that:
(i) is formed for the purpose of purchasing breeding stock and producing or growing the offspring of that breeding stock; and
(ii) either:
(A) at any time during the association’s fiscal year, has 10 or more members who are parties to a breeder 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 breeder agreement;
(e) “breeding stock” means pregnant cattle:
(i) of the genus species Bos taurus or Bos indicus;
(ii) none of which exceed 60 months in age when purchased; and
(iii) that are to be used as breeding stock;
and includes non-pregnant cattle that meet the criteria prescribed in subclauses (i) to (iii) and that have an unweaned calf;

(f) “custom feeder” means:
   (i) a custom operator who is authorized by the provincial supervisor to produce, grow or finish cattle on a fee-for-service basis in a custom feedlot; or
   (ii) an operator who produces, grows or finishes cattle on a lease basis;

(g) Repealed. 21 May 99 SR 28/1999 s4.

(h) “licensed dealer” means a dealer who holds a valid and subsisting licence issued pursuant to *The Animal Products Act*;


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

(3) In subsection 46(1) of the Act and subsection 5(2.1) of these regulations, “loan” means all unpaid advances by a lender to a breeder association made on or after July 1, 1996 pursuant to an agreement between the breeder association, the lender and Saskatchewan, and includes all unpaid interest on those advances.

Commodities prescribed

3 Breeding stock and the offspring of breeding stock are prescribed as commodities for the purposes of clause 41(c) and subsection 59.1(6) of the Act.


Prescribed lending institutions

3.1 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

4(1) A breeder 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 breeders who are members of the breeder association, the date of the first advance to the breeder association on behalf of each breeder and evidence, satisfactory to the minister, of age and Saskatchewan residency for each breeder;

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

(c) the name and address of the lender that will be used by the breeder 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.


(2.5) 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 breeder 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 breeding stock to be produced or grown by its members:

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

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

(a) $100,000 with respect to any individual breeder and $300,000 with respect to any breeder that is a corporation if that breeder:

   (i) has not previously had a loan guaranteed pursuant to the Act taken on that breeder’s behalf by the breeder association; and

   (ii) has been a member of the breeder association for less than one year;

(b) $200,000 with respect to any individual breeder and $600,000 with respect to any breeder that is a corporation if that breeder:

   (i) has been a member of the breeder association for at least one year but less than two years; and

   (ii) has produced or grown breeding stock during the period of membership;

(c) $300,000 with respect to any individual breeder and $900,000 with respect to any breeder that is a corporation if that breeder:

   (i) has been a member of the breeder association for at least two years but less than three years; and

   (ii) has produced or grown breeding stock during each year of membership;
(d) $500,000 with respect to any individual breeder and $1,500,000 with respect to any breeder that is a corporation if that breeder:

(i) has been a member of the breeder association for at least three years; and

(ii) has produced or grown breeding stock during each year of membership; and

(e) a total of $6,000,000 with respect to all breeders.

(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 breeder or up to $1,500,000 for any breeder that is a corporation.

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

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

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

Where any breeding stock of a breeder dies or is culled and the breeding stock was covered by a loan guaranteed pursuant to these regulations, the breeder association shall require the breeder, at the breeder’s option:

(a) to continue to make payments to retire the loan that the breeder would be required to pay if the breeding stock had not died or been culled and to secure replacement breeding stock of the equivalent value of the breeding stock that died or was culled; or

(b) to pay out the pro-rated amount of the loan for the breeding stock that died or was culled.

If a breeder association purchases breeding stock for a breeder who is a party to a breeder agreement, the breeder association shall repay the advance used to purchase the breeding stock:

(a) within 60 months after the day on which it purchased the breeding stock; and

(b) in annual payments of 20% of the amount of the initial advance, plus interest, on or before the anniversary date of the advance.
(2) Subject to subsection (3), if a breeder association prepays a portion of the advance mentioned in subsection (1), the breeder association may, for the remaining term of the advance:

(a) continue to repay the advance in annual payments as set out in clause (1)(b); or

(b) repay the advance in annual payments equalized over the remaining term of the advance, plus interest, on or before the anniversary date of the advance.

(3) The provincial supervisor may authorize an association to establish one or two dates for the annual payments for all advances made on behalf of a breeder.

Extension of repayment period

8(1) If the provincial supervisor is satisfied that the circumstances warrant it, the provincial supervisor may do either or both of the following:

(a) subject to subsection (2), extend the period within which all or any annual repayment is to be made;

(b) vary the amount of any annual repayment.

(2) The provincial supervisor shall not grant an extension pursuant to clause (1)(a) that is greater than 24 months.

Purchase through licensed dealer

9(1) For the purpose of subsection 50(1) of the Act, breeding stock are prescribed as a commodity that is required to be purchased through a licensed dealer.

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

Purchase price

9.01(1) In this section and in section 9.02, “market price” means the market price for that kind of breeding stock 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 breeder association.

(3) The purchase price of all breeding stock purchased by a breeder association is not to exceed the market price, as at the date of purchase, for that breeding stock.
Purchases from member producers


(2) For the purposes of section 51 of the Act, a breeder association may purchase pregnant heifers from a member producer for the purpose of growing offspring of that breeding stock by that producer only if the price of the pregnant heifers does not exceed 100% of their market price.


Purchase and sale by breeder in name of breeder association

9.1(1) Before a breeder purchases breeding stock on behalf of a breeder association, the breeder shall notify the breeder association of the intended purchase in the manner designated by the association.

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

(3) Before a breeder sells breeding stock purchased on behalf of a breeder association or offspring of those breeding stock, the breeder shall notify the breeder association of the intended sale in the manner designated by the breeder association.

(4) Where a breeder sells breeding stock purchased on behalf of a breeder association or offspring of those breeding stock, the breeder shall ensure that the following conditions are complied with:

(a) the sales documents for the breeding stock or offspring must be in the name of the breeder association and identify the breeder;

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

(4.1) Where a breeder sells breeding stock purchased on behalf of a breeder association or offspring of those breeding stock, the proceeds from the sale are to be applied in priority of payment:

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

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

(5) Subsections (3), (4) and (4.1) do not apply to breeding stock or offspring of those breeding stock if the breeder association has transferred ownership of the breeding stock or offspring to the breeder and issued a signed transfer of ownership form respecting that transfer to the breeder.
(6) A breeder association may deduct from any payment made to a breeder pursuant to clause (4.1)(b):

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

(i) a cattle feeder agreement, as defined in *The Cattle Feeder Associations Loan Guarantee Regulations, 1989*;

(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 breeder association with respect to that breeder.

9.2 The provincial supervisor may authorize a cattle breeder association that is also a cattle feeder association to purchase breeding stock as defined in clause 2(1)(e) from a cattle feeder association without an inspection pursuant to *The Livestock Inspection and Transportation Regulations, 1978*.

10 Where a breeder association purchases breeding stock for a breeder who is a party to a breeder agreement and the yearly payment on the loan respecting the breeding stock has not yet been made by the breeder in accordance with the terms of the loan, the breeder association shall cause the offspring of the stock to be sold:

(a) on or prior to the first anniversary date of the advance used to purchase the breeding stock; or

(b) within a greater period authorized by the provincial supervisor, but not more than nine months after the anniversary date mentioned in clause (a).

11(1) Subject to subsection (2), where a breeder association purchases breeding stock for a breeder who is a party to a breeder agreement, the breeder shall wean all calves from the breeding stock no later than the December 31 of the year in which the calf was born.

(2) On the application of the breeder association, the provincial supervisor may extend the period by which calves are to be weaned from the breeding stock to not later than the June 30 of the year following the year in which the calf was born.
Marking of breeding stock

12(1) All breeding stock purchased by a breeder association and the offspring of those breeding stock 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 the Appendix to these regulations; and

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

(2) Before completing a breeder agreement, a local supervisor shall inspect the cattle to ensure that the cattle have been marked in accordance with subsection (1).

(3) All offspring from breeding stock required to be marked as prescribed in subsection (1) shall be marked as required before being moved to pasture or before reaching three months of age, whichever is earlier.

(4) Notwithstanding subsection (1), the offspring of breeding stock need not be marked where:

(a) before the time mentioned in subsection (3), the breeder association has:

(i) prepaid the annual payment on the loan respecting the breeding stock in accordance with section 7; or

(ii) received authorization in writing from the provincial supervisor to tag the offspring with radio frequency identification (RFID) tags; and

(b) the local supervisor has confirmed the inventory of breeding stock.

1 Feb 91 cF-8.001 Reg 5 s12; 24 Dec 92 SR 154/92 s7; 21 May 99 SR 28/1999 s10; 5 Jly 2013 SR 57/2013 s5.

Reports of breeder associations

13(1) For the purpose of section 56 of the Act, every breeder association shall include in the report required pursuant to that section a record of:

(a) the breeding stock and its offspring currently owned by the breeder association;

(b) the transactions, including sale and purchase, of the breeding stock and its offspring owned by the breeder association;

(c) the breeding stock and its offspring lost by the breeder association; and

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

(i) the breeding stock placed with a custom feeder;

(ii) the name and location of the custom feeder with whom the breeding stock are placed;
(iii) payment of custom feeding bills;
(iv) an annual physical inventory; and
(v) the amount of the member’s deposit in the associations’s breeder assurance fund.

(2) Notwithstanding subsection (1), where breeding stock are fed on a community pasture, the information prescribed in subclause (1)(d)(iii) is not required until the first report submitted after the close of the community pasture season.

Reports by lender

14 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 breeder associations;
(b) the names of the breeder associations to which the advances were made and the dates of those advances;
(c) the loan balance outstanding with respect to each breeder association that has received an advance;
(d) the accrued interest on those advances;
(e) with respect to each member for which a breeder 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) total amount of assurance funds on deposit for each breeder association.

Deposits to breeding stock assurance fund

15(1) For the purposes of section 59 of the Act but subject to subsection (2) of this section, when a breeder association borrows money for the purchase of breeding stock for a breeder, the breeder shall deposit with the association’s breeding stock assurance fund an amount equal to 10% of the money borrowed.

(2) Subject to subsection (4), if, at the time the breeder association borrows money on behalf of a breeder, any amount stands to the credit of the breeder in the association’s breeding stock assurance fund in excess of 10% of the advances outstanding for that breeder, including interest, that amount may be applied to the 10% deposit required pursuant to subsection (1).
(3) Before entering into any new breeder agreements after a payment is made out of the association's breeding stock assurance fund for the purpose mentioned in clause 59(2)(b) of the Act, a breeder association shall require all of its breeder members to deposit sufficient funds with the association's breeding stock assurance fund to replenish the assurance fund to 10% of all outstanding advances for all breeder members.

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

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

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

21 May 99 SR 28/1999 s12.

Refund of deposits

16(1) In this section, “prorated share” means an amount based on the amount of a breeder’s deposit in the association’s breeding stock 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 breeder resigns from a breeder association and is not in default with respect to any advance, the breeder association shall refund to the breeder, within the period prescribed in subsection (7), the deposits made by the breeder pursuant to subsection 15(1) less any amount deducted pursuant to subsection (8).

(3) No breeder association that has a due or an overdue account with a lender shall refund to the breeder the deposits made by the breeder pursuant to subsection 15(1).

(4) Where a breeder who is not in default with respect to any advance resigns from a breeder association that has paid a due or an overdue account to a lender out of the association’s breeding stock assurance fund, the breeder association shall refund to the breeder, within the period prescribed in subsection (7), an amount equal to that breeder’s prorated share at the time of resignation, less any amount deducted pursuant to subsection (8).
(5) Subject to subsections (3) and (4), where a breeder who is not in default with respect to any advance remains a member of a breeder association but has been inactive in the affairs of the breeder association for 90 days or more, the breeder association may refund to that breeder the deposits made by that breeder pursuant to subsection 15(1), less any amount deducted pursuant to subsection (8), any time after the expiration of the 90-day period.

(6) Subject to subsections (3) and (4), where a breeder who is not in default with respect to any advance remains a member of a breeder association and has outstanding breeder agreements with the breeder association, and where the breeder association, on behalf of that breeder, has repaid any advance or advances made pursuant to one or more breeder agreements, the breeder association may refund to that breeder, any time after 90 days from the date the advance was repaid, the deposits made by that breeder pursuant to subsection 15(1) relating to those repaid advances, less:

(a) any deposit applied to new advances in accordance with subsections 15(2) and (4); and

(b) any amount deducted pursuant to subsection (8).

(7) Subject to subsections (7.1) and (7.2), if a breeder association makes a refund pursuant to subsection (2) or (4), the breeder association shall make the refund not less than 90 days after nor more than 105 days after the day on which the breeder resigns.

(7.1) Subject to subsection (7.2), if a breeder was inactive in the breeder association immediately before resigning, the breeder association must reduce the number of days mentioned in subsection (7) by the number of days that the breeder was inactive.

(7.2) Any reduction in the number of days pursuant to subsection (7.1) must not:

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

(b) give the breeder association less than 15 days from the day the breeder resigns to make the refund.

(8) Where a breeder association makes a refund pursuant to this section, the breeder association may deduct from the refund:

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

(i) a cattle feeder agreement, as defined in The Cattle Feeder Associations Loan Guarantee Regulations, 1989;

(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 breeder association with respect to that breeder.
Prorating among agreements

16.1(1) In this section:

(a) “feeder agreement” means a feeder agreement as defined in The Cattle Feeder Associations Loan Guarantee Regulations, 1989;

(b) “cattle” means breeding stock and cattle as defined in The Cattle Feeder Associations Loan Guarantee Regulations, 1989.

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

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

(b) in the breeder association’s opinion, are not uniquely identified to any particular breeder agreement or feeder 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 28/1999 s12.

Appendix

MARKS ON BREEDING STOCK

[Section 12]

(other distinguishing mark)

1 Feb 91 cF-8.001 Reg 5.