

*The
Sheep Feeder
Associations Loan
Guarantee
Regulations*

being

[Chapter F-8.001 Reg 11](#) (effective April 14, 1999) as amended by Saskatchewan Regulations [81/2002](#), [106/2003](#), [23/2006](#) and [96/2008](#).

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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CHAPTER F-8.001 REG 11
The Farm Financial Stability Act

Title

1 These regulations may be cited as *The Sheep Feeder Associations Loan Guarantee Regulations*.

Interpretation

2(1) In these regulations:

- (a) **“Act”** means *The Farm Financial Stability Act*;
 - (b) **“custom feeder”** means a custom operator who is authorized by the provincial supervisor to grow or finish sheep on a fee-for-service basis in a custom feedlot;
 - (c) **“feeder”** means a producer who is a member or shareholder of a feeder association;
 - (d) **“feeder agreement”** means a producer agreement between a feeder and a feeder association regarding the growing or finishing of sheep;
 - (e) **“feeder association”** means a producer association that:
 - (i) is formed for the purpose of growing and finishing sheep; 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;
 - (f) **“licensed dealer”** means a dealer who holds a valid licence issued pursuant to *The Animal Products Act*;
 - (g) **Repealed.** 17 Oct 2003 SR 106/2003 s3.
 - (h) **“sheep”** means ewe lambs or wethers, of the genus species *Ovis aries*, but does not include sheep kept for breeding purposes;
 - (i) **“subsequent advance”** means an advance to purchase sheep 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 and subsection 6(1) of these regulations, **“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.

Commodity prescribed

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

6 Sep 2002 SR 81/2002 s3.

Additional lenders prescribed

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

- (a) Farm Credit Canada;
- (b) Peace Hills Trust Company.

24 Oct 2008 SR 96/2008 s3.

Information required

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

(2) **Repealed.** 6 Sep 2002 SR 81/2002 s4.

(3) **Repealed.** 6 Sep 2002 SR 81/2002 s4.

23 Apr 99 cF-8.001 Reg 11 s5; 6 Sep 2002 SR 81/2002 s4; 17 Oct 2003 SR 106/2003 s4.

Loan guarantee

6(1) 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 (3); and
- (c) the amount provided for by clause 46(2)(b) of the Act.

(1.1) For the purposes of subsection (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.

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- (2) The loan on which a guarantee is provided shall be used by the feeder association only for the purchase of sheep to be grown or finished by its members:
- (a) on member farms; or
 - (b) with custom feeders.
- (3) For the purposes of subsections 46(1) and (2) of the Act, no feeder association shall borrow in excess of:
- (a) \$35,000 with respect to any individual feeder:
 - (i) who has not previously had a loan guaranteed pursuant to the Act taken on his or her behalf by the feeder association; and
 - (ii) who has been a member of the feeder association for less than one year;
 - (b) \$70,000 with respect to any individual feeder:
 - (i) who has been a member of the feeder association for at least one year but less than two years; and
 - (ii) who has grown or finished sheep during the period in which the individual feeder was a member;
 - (c) \$100,000 with respect to any individual feeder:
 - (i) who has been a member of the feeder association for at least two years; and
 - (ii) who has grown or finished sheep during each of the years in which the individual feeder was a member; and
 - (d) a total of \$4,000,000 with respect to all feeders.

23 Apr 99 cF-8.001 Reg 11 s6; 31 Mar 2006
SR 23/2006 s3; 24 Oct 2008 SR 96/2008 s4.

Repayment of advances

7(1) Where a feeder association purchases sheep for a feeder, the feeder association shall repay the advances for the purchase of sheep on behalf of that feeder within nine months after the day on which the first advance was made if any part of the first or any subsequent advance then remains outstanding.

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

23 Apr 99 cF-8.001 Reg 11 s7; 17 Oct 2003 SR
106/2003 s5; 31 Mar 2006 SR 23/2006 s4.

Purchase through licensed dealers

8(1) For the purpose of subsection 50(1) of the Act, sheep 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 sheep from a person who is not a licensed dealer.

23 Apr 99 cF-8.001 Reg 11 s8.

Purchases from member producers

9(1) In this section, “**market price**” means the market price for that kind of sheep in that part of Saskatchewan, as set by the minister.

(2) In setting the market price pursuant to subsection (1), the minister shall consider:

- (a) market values as determined by the Sheep Development Board; and
- (b) information respecting market values as provided to the minister by the feeder association.

(3) **Repealed.** 31 Mar 2006 SR 23/2006 s5.

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

23 Apr 99 cF-8.001 Reg 11 s9; 31 Mar 2006 SR 23/2006 s5; 24 Oct 2008 SR 96/2008 s5.

Purchase and sale by feeder in name of feeder association

10(1) Before a feeder purchases sheep 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 sheep on behalf of a feeder association, the feeder shall ensure that the purchase documents for the sheep name the feeder association as owner of the sheep and identify the name of the feeder.

(3) Before a feeder sells sheep 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 sheep purchased on behalf of a feeder association, the feeder shall ensure that the following conditions are complied with:

- (a) the sales documents for the sheep must be in the name of the feeder association and identify the feeder;
- (b) the purchaser shall pay for the sheep by way of a cheque or other process of payment that is made payable to the feeder association and that identifies the feeder.

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(5) Where a feeder sells sheep 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 sheep; and
- (b) second to the feeder in accordance with any feeder agreement.

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

(7) A feeder association may deduct from any payment made to a feeder pursuant to clause (5)(b):

- (a) any amount owing to the feeder association by the feeder, including any amount owing pursuant to a breeder agreement as defined in *The Sheep Breeder Associations Loan Guarantee Regulations*; and
- (b) any costs, fees or expenses incurred by the feeder association with respect to that feeder.

23 Apr 99 cF-8.001 Reg 11 s10; 17 Oct 2003 SR
106/2003 s6.

Time of sale of sheep

11 Where a feeder association purchases sheep for a feeder, the feeder association shall cause those sheep and any subsequent sheep purchased for that feeder to be sold:

- (a) within nine months after the day on which it purchased the first sheep if any part of the advance made to purchase those sheep or any subsequent advance then remains outstanding; or
- (b) within a greater period authorized by the provincial supervisor, but not more than 12 months after the day on which it purchased the first sheep.

23 Apr 99 cF-8.001 Reg 11 s11; 17 Oct 2003 SR
106/2003 s7; 31 Mar 2006 SR 23/2006 s6.

Marking of sheep

12(1) All sheep purchased by a feeder association, and all offspring of those sheep owned by the feeder association, are to be marked and tagged:

- (a) in a permanently legible manner with a registered mark as defined in *The Animal Identification Act* that distinguishes that feeder association from other feeder associations; and
- (b) with an ear tag that distinguishes that feeder association from other feeder associations and that is approved by the provincial supervisor.

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

(3) All offspring of sheep required to be marked and tagged in accordance with subsection (1) shall be marked and tagged as required before being moved to pasture or before reaching three months of age, whichever is earlier.

23 Apr 99 cF-8.001 Reg 11 s12.

Reports by feeder association

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

- (a) the sheep currently owned by the feeder association;
 - (b) the transactions, including sale and purchase, of the sheep owned by the feeder association;
 - (c) the sheep lost by the feeder association; and
 - (d) with respect to each member of the feeder association:
 - (i) the sheep placed with a custom feeder;
 - (ii) the name and location of the custom feeder with whom the sheep are placed;
 - (iii) payment of custom feeding bills; and
 - (iv) the amount of the member's deposit in the association's feeder assurance fund.
- (2) Notwithstanding subsection (1), where sheep 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.

23 Apr 99 cF-8.001 Reg 11 s13.

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 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.

23 Apr 99 cF-8.001 Reg 11 s14.

Deposits to feeder assurance fund

15(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 sheep for a feeder, the feeder shall deposit with the association's feeder assurance fund an amount equal to 5% of the money borrowed.

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- (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.

23 Apr 99 cF-8.001 Reg 11 s15.

Refund of deposits

- 16(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 15(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 15(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 15(1), less any amount deducted pursuant to subsection (7), any time after the expiration of the 90-day period.

(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 pursuant to a breeder agreement as defined in *The Sheep Breeder Associations Loan Guarantee Regulations*; and
- (b) any costs, fees or expenses incurred by the feeder association with respect to that feeder.

23 Apr 99 cF-8.001 Reg 11 s16; 17 Oct 2003 SR
106/2003 s8; 31 Mar 2006 SR 23/2006 s7.

Prorating among agreements

17(1) In this section:

- (a) **“breeder agreement”** means a breeder agreement as defined in *The Sheep Breeder Associations Loan Guarantee Regulations*;
- (b) **“sheep”** includes breeding stock as defined in *The Sheep Breeder Associations Loan Guarantee Regulations*.

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

- (a) have been kept with sheep 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, by way of a mark or tag, to any particular feeder agreement or breeder agreement.

23 Apr 99 cF-8.001 Reg 11 s17.