

# *The Short-term Hog Loan Regulations, 2008*

*being*

[Chapter F-8.001 Reg 34](#) (effective January 10, 2008) as amended by Saskatchewan Regulations [117/2008](#) and [107/2009](#).

## **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 34**  
*The Farm Financial Stability Act*

**Title**

- 1 These regulations may be cited as *The Short-term Hog Loan Regulations, 2008*.

**Interpretation**

- 2 In these regulations:

- (a) **“Act”** means *The Farm Financial Stability Act*;
- (b) **“breeding hog”** means a boar or gilt that:
  - (i) is owned and fed in Saskatchewan by the participant who applies for a loan;
  - (ii) weighs a minimum of 90 kilograms live weight;
  - (iii) is sold for breeding purposes; and
  - (iv) has not previously been included as a breeding hog by any participant on an application for a loan pursuant to these regulations;
- (c) **“consolidated loan amount”** means the total of the remaining principal amount of the loan and any outstanding accrued interest as at:
  - (i) April 30, 2009; or
  - (ii) in the case of a loan for which a participant was granted an extension pursuant to section 7.1 or 8.1, April 30, 2011;
- (d) **“delivered”** means:
  - (i) in the case of a slaughter hog, delivery to a processing plant;
  - (ii) in the case of a breeding hog or weanling hog, delivery in accordance with the terms of the sale contract;
- (e) **“hog”** means any member of the genus species *Sus scrofa* L., domestic or wild;
- (f) **“mature hog”** means:
  - (i) a breeding hog; or
  - (ii) a slaughter hog;
- (g) **“participant”** means:
  - (i) an individual who:
    - (A) is 18 years of age or more;
    - (B) resides in Saskatchewan and can provide evidence satisfactory to the minister of the individual’s Saskatchewan residency;

- (C) is a producer of hogs in Saskatchewan;
  - (D) markets hogs during the relevant period;
  - (E) is not an undischarged bankrupt;
  - (F) is not subject to any outstanding judgments for which suitable payment arrangements are not in effect; and
  - (G) is not in default on any loans or debt payments owed to the Government of Saskatchewan or any agent of the Government of Saskatchewan; or
- (ii) a corporation, co-operative or partnership that:
- (A) has its head office in Saskatchewan and, in the minister's opinion, carries on business principally in Saskatchewan;
  - (B) is a producer of hogs in Saskatchewan;
  - (C) markets hogs during the relevant period;
  - (D) is not an undischarged bankrupt;
  - (E) is not subject to any outstanding judgments for which suitable payment arrangements are not in effect; and
  - (F) is not in default on any loans or debt payments owed to the Government of Saskatchewan or any agent of the Government of Saskatchewan;
- (h) **“relevant period”** means the period commencing on October 1, 2007 and ending on May 2, 2008;
- (i) **“Saskatchewan average index”** means the grade received by Saskatchewan hog producers on slaughter hogs marketed through SPI;
- (j) **“Saskatchewan market price”** means the weekly average price per 100 kilograms for Index 108 slaughter hogs, as reported by SPI;
- (k) **“slaughter hog”** means any hog, other than a boar or sow, that:
- (i) is owned and fed for a minimum of 100 days by the participant who applies for a loan; and
  - (ii) is sold to a processing plant;
- (l) **“SPI”** means the hog marketing group incorporated in Saskatchewan as SPI Marketing Group Inc.;
- (m) **“weanling hog”** means any hog that:
- (i) is farrowed in Saskatchewan by a sow owned by the participant who applies for a loan;
  - (ii) weighs less than 40 kilograms live weight;
  - (iii) is sold for further feeding; and
  - (iv) has not previously been included as a weanling hog by any participant on an application for a loan pursuant to these regulations.

**Application**

3(1) A participant who wishes to apply for a loan pursuant to these regulations must submit to the minister, in the form required by the minister:

- (a) an application that is completed in all respects, including signing any declarations that the minister may require;
  - (b) any loan and security agreements that the minister considers necessary to ensure the repayment of any loan that may be made to the participant pursuant to these regulations;
  - (c) a signed undertaking to comply with:
    - (i) subsection 6(2); and
    - (ii) if applicable, subsection 7(5);
  - (d) if the participant markets hogs through SPI, a signed statement authorizing SPI to deduct and remit any loan repayments for the purposes of subsection 7(4); and
  - (e) any other information that the minister may require to consider whether or not to approve the application.
- (2) All applications must be received by the minister on or before June 10, 2008.

18 Jan 2008 cF-8.001 Reg 34 s3.

**Loan amount and terms of loan**

4(1) Subject to subsections (2) and (3), if the minister receives an application pursuant to section 3 and is satisfied that the participant has complied with these regulations, the minister may make a loan to the participant:

- (a) for each mature hog delivered by the participant during the relevant period, in an amount equal to the amount P calculated in accordance with the following formula:

$$P = [(\$140 - S) \times 90\%]$$

where S is the Saskatchewan market price for the week in which the mature hog was delivered.

- (b) \$10 for each weanling hog delivered by the participant in any week during the relevant period that the Saskatchewan market price is less than \$140 per 100 kilograms.
- (2) The minister may impose any terms and conditions respecting a loan made pursuant to subsection (1), including terms and conditions respecting repayment, that the minister considers appropriate or necessary, and the participant shall comply with those terms and conditions.
- (3) The maximum amount of a loan for which a participant may apply pursuant to these regulations is \$5,000,000.

18 Jan 2008 cF-8.001 Reg 34 s4.

**Interest rates**

- 5(1) Subject to subsection (3), every loan made pursuant to these regulations and every consolidated loan amount is to bear interest at a floating rate determined at the beginning of each month by the Minister of Finance to represent the cost of borrowing by the Government of Saskatchewan for that month.
- (2) Interest on amounts advanced pursuant to section 6 is to be computed from the date that the amount was advanced to the participant.
- (3) If a participant is in default, as set out in section 10, on a loan made pursuant to these regulations, the loan, together with accrued interest, is to bear interest at the rate mentioned in subsection (1) plus 2%.

18 Jan 2008 cF-8.001 Reg 34 s5.

**Advances**

- 6(1) The minister may make periodic advances to a participant on any loan approved pursuant to these regulations.
- (2) To be eligible to receive periodic advances:
- (a) a participant who markets hogs through SPI during the relevant period shall authorize SPI to provide the minister with any information that the minister may require respecting hogs marketed by that participant; and
  - (b) a participant who markets hogs otherwise than through SPI during the relevant period shall provide the minister directly with any information that the minister may require respecting hogs marketed by that participant.
- (3) If a participant is in default, as set out in section 10, on a loan made pursuant to these regulations the minister may discontinue making advances on the loan to that participant.
- (4) No advance made to a participant pursuant to these regulations binds the minister to make further advances to that participant.

18 Jan 2008 cF-8.001 Reg 34 s6.

**Repayments - participant marketing mature hogs**

- 7(1) During the period commencing on May 3, 2008 and ending on November 15, 2008, when the Saskatchewan market price exceeds \$140 per 100 kilograms, every participant who received a loan for mature hogs pursuant to these regulations shall begin repaying the participant's loan amount with interest from each sale of mature hogs at the rate of one-third of the difference between:
- (a) the Saskatchewan market price; and
  - (b) \$140 per 100 kilograms.
- (2) Subject to section 7.1 and subsection (3), effective April 30, 2009, participants who received a loan for mature hogs pursuant to these regulations shall repay their consolidated loan amounts with interest in periodic installments as determined by the minister, with the first installment required to be paid on May 31, 2009.
- (3) Subject to section 7.1, all loan amounts and interest payable pursuant to this section must be paid in full on or before April 30, 2012.

(4) A participant mentioned in subsection (1) who markets mature hogs through SPI shall authorize SPI to deduct repayments weekly from the participant's hog sale proceeds and remit the repayments to the minister.

(5) A participant mentioned in subsection (1) who markets mature hogs otherwise than through SPI shall:

- (a) submit to the minister a monthly report of the participant's market hog sales, in a form acceptable to the minister; and
- (b) submit periodic repayments directly to the minister at periods determined by the minister.

18 Jan 2008 cF-8.001 Reg 34 s7; 28 Nov 2008  
SR 117/2008 s4.

**Extension of repayment re initial instalment**

7.1(1) A participant who received a loan for mature hogs pursuant to these regulations and who wishes to apply for an extension of the initial instalment date set pursuant to subsection 7(2) shall, on or before April 30, 2010:

- (a) submit to the minister the accrued interest owing on the loan for the period commencing on the date the first amounts under the loan were advanced pursuant to subsection 4(1) and ending on March 31, 2010; and
- (b) provide a written notice to the minister stating that the participant wishes to repay the participant's consolidated loan amount pursuant to this section.

(2) If the minister receives an application pursuant to subsection (1) and is satisfied that the participant has complied with these regulations, the minister may grant an extension in accordance with the terms and conditions set out in subsections (3) and (4).

(3) Subject to subsection (4), effective April 30, 2011, participants who are granted an extension pursuant to subsection (2) shall repay their consolidated loan amounts with interest in periodic instalments as determined by the minister, with the first instalment required to be paid on May 31, 2011.

(4) All loan amounts and interest payable pursuant to subsection (3) must be paid in full on or before April 30, 2014.

28 Nov 2008 SR 117/2008 s5; 11 Dec 2009 SR  
107/2009 s4.

**Repayment - participants marketing weanling hogs**

8(1) Subject to section 8.1, every participant who received a loan for weanling hogs pursuant to these regulations shall repay the participant's consolidated loan amount with interest in periodic installments as determined by the minister, beginning on May 31, 2009.

(2) Subject to section 8.1, a participant mentioned in subsection (1) must pay the participant's consolidated loan amount with interest in full on the earlier of:

- (a) three years from the date on which the participant is to begin repaying the consolidated loan amount; and
- (b) April 30, 2012.

18 Jan 2008 cF-8.001 Reg 34 s8.

**Extension of repayment re initial instalment**

8.1(1) A participant who received a loan for weanling hogs pursuant to these regulations and who wishes to apply for an extension of the initial instalment date set pursuant to subsection 8(1) shall, on or before April 30, 2010:

- (a) submit to the minister the accrued interest owing on the loan for the period commencing on the date the first amounts under the loan were advanced pursuant to subsection 4(1) and ending on March 31, 2010; and
  - (b) provide a written notice to the minister stating that the participant wishes to repay the participant's consolidated loan amount pursuant to this section.
- (2) If the minister receives an application pursuant to subsection (1) and is satisfied that the participant has complied with these regulations, the minister may grant an extension in accordance with the terms and conditions set out in subsections (3) and (4).
- (3) Subject to subsection (4), effective April 30, 2011, participants who are granted an extension pursuant to subsection (2) shall repay their consolidated loan amounts with interest in periodic instalments as determined by the minister, with the first instalment required to be paid on May 31, 2011.
- (4) All loan amounts and interest payable pursuant to subsection (3) must be paid in full on or before April 30, 2014.

28 Nov 2008 SR 117/2008 s7; 11 Dec 2009 SR 107/2009 s5.

**Repayment - participants who cease production**

9(1) Notwithstanding sections 7 to 8.1, a participant who received a loan pursuant to these regulations but who ceases producing hogs and does not market hogs for a period of more than four consecutive months shall repay the participant's consolidated loan amount with interest in periodic installments as determined by the minister, beginning within 30 days after the expiration of that four-month period.

- (2) A participant mentioned in subsection (1) must pay the participant's consolidated loan amount with interest in full on the earlier of:
- (a) three years from the date on which the participant is to begin making repayments of the consolidated loan amount pursuant to subsection (1); and
  - (b) if the participant:
    - (i) has not been granted an extension pursuant to section 7.1 or 8.1, April 30, 2012; or
    - (ii) has been granted an extension pursuant to section 7.1 or 8.1, April 30, 2014.

18 Jan 2008 cF-8.001 Reg 34 s9; 28 Nov 2008 SR 117/2008 s8; 11 Dec 2009 SR 107/2009 s6.

**Default**

- 10(1)** A participant is in default on a loan made pursuant to these regulations if:
- (a) the participant defaults with respect to any payment of principal or interest due on the loan;
  - (b) the participant fails to comply with any term or condition imposed on the loan by the minister;
  - (c) the participant fails to submit to the minister the information required pursuant to:
    - (i) clause 6(2)(b); or
    - (ii) if applicable, subsection 7(5);
  - (d) after giving the participant an opportunity to be heard, the minister determines that the participant knowingly made a false or misleading statement on the application for the loan or on any form or in any information or document provided to the minister pursuant to these regulations; or
  - (e) any bankruptcy, receivership, reorganization, compromise, arrangement, insolvency or liquidation proceedings, or any other actions by or for the benefit of creditors, are instituted by or against the participant.
- (2)** If a participant is in default pursuant to subsection (1):
- (a) the principal remaining on the loan, together with accrued interest:
    - (i) becomes immediately due and payable to the Government of Saskatchewan; and
    - (ii) bears interest at the rate mentioned in subsection 5(3); and
  - (b) in addition to the powers given to the Government of Saskatchewan pursuant to *The Financial Administration Act, 1993*, the Government of Saskatchewan may take any action authorized at law that it considers necessary:
    - (i) to effect collection of the principal and interest owing;
    - (ii) to obtain any additional security;
    - (iii) to realize on its security; or
    - (iv) to effect any compromise with, or grant any concession to, any participant or to any other person to the extent that it considers advisable.

18 Jan 2008 cF-8.001 Reg 34 s10.

**Waiver of default**

- 11** If a participant is in default, as set out in section 10, on a loan made pursuant to these regulations and if the minister considers that it is not contrary to the public interest to do so, the minister may waive the default on any terms and conditions that the minister considers appropriate.

18 Jan 2008 cF-8.001 Reg 34 s11.

**Early repayment**

**12** Notwithstanding any other provision of these regulations or any term or condition of the loan, a participant may repay a loan and interest in a greater amount or at an earlier time than that required by these regulations or the terms and conditions of the loan.

18 Jan 2008 cF-8.001 Reg 34 s12.

**Determination of installment periods**

**13** If the minister determines installment periods in which loans must be repaid pursuant to these regulations, the minister shall cause participants to be informed of those installment periods by any means the minister considers appropriate.

18 Jan 2008 cF-8.001 Reg 34 s13.

**Coming into force**

**14** These regulations come into force on the day on which they are filed with the Registrar of Regulations.

18 Jan 2008 cF-8.001 Reg 34 s14.