

## Loan Limits and Conditions

### Bison Feeder Option:

- Eligible livestock include bison feeder bulls and feeder heifers under two years of age.
- Loans must be repaid within 18 months from the date of purchase, or when the bison are sold, whichever comes first.
- The maximum loan limit\* per member is:
  - 1<sup>st</sup> year - \$25,000
  - 2<sup>nd</sup> and 3<sup>rd</sup> years - \$50,000
  - 4<sup>th</sup> and following years - \$100,000
- The maximum loan limit per feeder association is \$5,000,000.

\*Member loan limits are subject to association, lender and government approval.

### Other Program Options Available

#### Association Programs

Loans are to the association on behalf of each member.

- *Cattle Feeder and Breeder Options* – for the purchase of feeder heifers and steers, feeder cows, pregnant females under five years of age, and non-pregnant females under five years of age with a calf at foot.
- *Enhanced Cattle Feeder Option* – for the purchase of feeder heifers, steers and feeder cows by associations comprised of one feedlot member and a minimum of 10 individual members.

- *Sheep Feeder and Breeder Options* - for the purchase of feeder wethers or ewe lambs, pregnant females under four years of age, and non-pregnant females under four years or age with lamb(s) at foot.

#### Individual Programs

Loans are provided directly to the producer.

- *Individual Cattle Feeder Option* – for the purchase of feeder heifers and steers by individual feedlots.
- *Feedlot Construction Program* -- Loans are provided directly to producers for construction or expansion of feedlot facilities in feeding of cattle, bison or sheep.

#### For more information contact:

Financial Programs Branch  
Saskatchewan Agriculture and Food  
Room 329, Walter Scott Building  
3085 Albert Street  
Regina, Saskatchewan S4S 0B1  
P: (306) 787-5275 F: (306) 798-3042

Agriculture Business Centre  
3830 Thatcher Avenue  
Saskatoon, Saskatchewan S7K 2H6  
P: (306) 933-5745 F: (306) 933-6729



Saskatchewan  
Agriculture  
and Food



Saskatchewan  
Agriculture  
and Food

# Livestock Loan Guarantee Program

## Bison Feeder Option



## Livestock Loan Guarantee Program

The Livestock Loan Guarantee (LLG) program facilitates growth of Saskatchewan's livestock industry, including cattle, bison and sheep. The program provides producers with alternative financing options for livestock purchases and, in some cases, may be used as a management tool to generate cash flow through retained ownership of the livestock by producer associations.

## Bison Feeder Option

The Bison Feeder Option assists Saskatchewan residents to establish production associations for the purpose of purchasing bison feeder animals on behalf of association members. The association borrows money on the strength of its assurance fund and a government guarantee to the lender, and uses the funds to purchase bison feeder animals to be fed or pastured on members' farms, or in custom feedlots or pastures on behalf of the members. Where bison are custom fed, the custom feeding location must be approved by the association and indicated on the purchase agreement.



## Producer Benefits

Key benefits to the producer include:

- Provides a reliable source of credit at competitive interest rates.
- Livestock and assurance fund deposit are the only required loan security.

- Minimal assurance fund deposit allows members to purchase during times of limited cash flow.
- Improves cash flow management through retained ownership options.
- Associations are producer-controlled.

## Overview

Producers apply for membership in a bison feeder association or can inquire about starting a new association. Once approved, the association may begin to borrow funds from a lender to purchase feeder bison on behalf of the member, subject to the following terms and conditions:

- Members must maintain an assurance fund deposit equal to at least 5% of the outstanding loans taken by the association on the member's behalf. This deposit is refundable, provided it has not been used to offset a loan default.
- Members may sell their own bison feeder heifers and bulls to the association for 75% of fair market value to generate operating capital while maintaining the benefits of ownership (some restrictions apply).
- All bison purchased by the association on behalf of individual members are owned by the association and must be tagged with the association's registered ear tag, a Federal Health of Animals ear tag, and a Canadian Cattle Identification Agency ear tag.
- The lender takes security on the bison purchased by the association, and also relies on the association's assurance fund and a 25% government guarantee.
- Members are responsible for repaying in full any loan(s) taken out by the association on their behalf.

- All bison are sold in the name of the association on behalf of the member. The association makes the required payment on the member's account and returns any excess to the member.

## Government Guarantee

The Government of Saskatchewan guarantees the lender repayment of 25% of the amount outstanding on loans at the time of first default. In the case of a default, the association repays loans from the assurance fund before any payment is made under the government guarantee. Producers continue to be responsible for repayment of loans should a guarantee payment be made to the lender.

## Eligibility

Residents of Saskatchewan who are at least 18 years of age are eligible for the Bison Feeder Option, subject to association, lender and government approval. Associations and/or lenders may establish additional criteria.

