

Loan Limits and Conditions

Cattle Feeder Option:

- Eligible livestock include feeder heifers, steers and feeder cows.
- Loans for feeder heifers and steers must be repaid within 12 months from the date of purchase or when the cattle are sold, whichever comes first.
- Loans for feeder cows must be repaid within 180 days from the date of purchase or when the cows are sold, whichever comes first.
- The maximum loan limit* per member is:
 - 1st year - \$50,000
 - 2nd year - \$100,000
 - 3rd year - \$150,000
 - 4th and following years - \$200,000
- The feeder option loan limit is \$6,000,000.

Breeder Option:

- Eligible cattle include pregnant females under 60 months of age and non-pregnant females under 60 months of age with an unweaned calf at foot.
- Breeder loans must be repaid within five years from date of purchase, with 20% annual payments due on the anniversary date or when calves are sold, whichever comes first.
- The maximum loan limit* per member is:
 - 1st year - \$50,000
 - 2nd year - \$75,000
 - 3rd and following years - \$125,000
- The breeder option loan limit is \$6,000,000.

*Member loan limits are subject to association, lender and government approval. A member may enroll in both options and borrow up to the maximum allowed in either option. The maximum a member may borrow under both options is \$225,000.

Other Program Options Available

Association Programs

Loans are to the association on behalf of each member.

- *Enhanced Cattle Feeder Option* – for the purchase of feeder steers, feeder heifers 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 of age with lamb(s) at foot.
- *Bison Feeder Option* – for the purchase of bison feeder bulls and feeder heifers under two years of age.

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:

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Livestock Loan Guarantee Program

Cattle Feeder and Breeder Options



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.

Cattle Feeder and Breeder Options

The Cattle Feeder and Breeder Options assist Saskatchewan residents to establish production associations for the purpose of purchasing feeder and/or breeder cattle 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 feeder cattle or female breeding cattle to be fed or pastured on members' farms, or in custom feedlots or pastures on behalf of members. Where cattle 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 pledged as 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 feeder and/or breeder association or can inquire about starting a new association. Once approved, the association may begin to borrow funds from a lender to purchase feeder or breeder cattle on behalf of the member, subject to the following terms and conditions:

- Members must maintain an assurance fund deposit equal to at least 5% (feeder) or 10% (breeder) 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 feeder heifers and steers, or bred heifers to the association at fair market value to generate operating capital while maintaining the benefits of ownership (some restrictions apply).
- All cattle purchased by the association on behalf of a member, and any offspring, are owned by the association and must be branded with the association's registered brand.
- The lender takes security on the cattle 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 cattle 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 program, subject to association, lender and government approval. Associations and/or lenders may establish additional criteria. Some restrictions apply to membership in more than one association.

