

The Livestock Drought Loan Program Regulations

being

[Chapter A-8.1 Reg 4](#) (effective August 14, 2002) as amended by Saskatchewan Regulations [106/2002](#), [119/2002](#) and [95/2004](#).

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 A-8.1 REG 4

The Agricultural Credit Corporation of Saskatchewan Act

Title

1 These regulations may be cited as *The Livestock Drought Loan Program Regulations*.

Interpretation

2(1) In these regulations:

- (a) **“Act”** means *The Agricultural Credit Corporation Act of Saskatchewan Act*;
- (b) **“approved loan”** means a loan approved by a lender pursuant to subsection 5(4);
- (c) **“breeder association”** means:
 - (i) a cattle breeder association within the meaning of *The Cattle Breeder Associations Loan Guarantee Regulations, 1991*; or
 - (ii) a sheep breeder association within the meaning of *The Sheep Breeder Associations Loan Guarantee Regulations*;
- (d) **“domestic game farm animal”** means a domestic game farm animal as defined in *The Domestic Game Farm Animal Regulations*;
- (e) **“drought region”** means a drought region within the meaning of *The Drought Relief (Herd Retention) Program Regulations*;
- (f) **“eligible livestock”** means:
 - (i) bred females of any of the following species of livestock:
 - (A) cattle;
 - (B) horses;
 - (C) sheep;
 - (D) goats;
 - (E) llamas;
 - (F) alpacas;
 - (G) domestic game farm animals;
 - (H) bison; and

(ii) males of any of the following species of domestic game farm animals that are at least two years old and used for antler velvet production:

- (A) elk;
- (B) caribou;
- (C) reindeer;
- (D) white-tailed deer;
- (E) mule deer;

(g) **“eligible loan”** means a loan that meets the requirements set out in section 4;

(h) **“entity”** means a corporation, co-operative, partnership or communal organization;

(i) **“farm land”** means land owned or leased by a participant that is used by the participant for the production of hay, greenfeed, chaff, straw or silage for consumption by the participant’s eligible livestock;

(j) **“Indian band”** means a band as defined in the *Indian Act* (Canada), and includes the council of a band;

(k) **“participant”** means:

(i) an individual who:

- (A) is 18 years of age or more;
- (B) either:

(I) is named in a valid Saskatchewan Health Services card issued for the purposes of *The Saskatchewan Medical Care Insurance Act*; or

(II) maintains eligible livestock in Saskatchewan, resides outside Saskatchewan and files an income tax return respecting farm income in Saskatchewan; and

- (C) owns or leases eligible livestock;

(ii) an entity that:

- (A) carries on business in Saskatchewan and:

(I) has filed an income tax return respecting farm income in Saskatchewan in the year preceding the year for which an application for a loan is made; or

(II) has filed or will file an income tax return respecting farm income in Saskatchewan in the year for which the application is made; and

- (B) owns or leases eligible livestock; or

- (iii) an Indian band that:
 - (A) is situated in Saskatchewan; and
 - (B) owns or leases eligible livestock;
- (l) **“prime rate of interest”** means:
 - (i) in the case of a lender, the prime lending rate compounded monthly and expressed as an annual rate of interest that is charged by the lender on Canadian dollar commercial loans made in Canada to the lender’s most credit-worthy customers; or
 - (ii) in the case of the corporation, the prime lending rate expressed as an annual rate of interest that is charged by the Bank of Montreal on Canadian dollar commercial loans made in Canada to the bank’s most credit-worthy customers.
- (2) For the purposes of these regulations, eligible livestock are deemed to be owned by a participant if the participant:
 - (a) manages and cares for the eligible livestock for a breeder association; and
 - (b) is a member of that breeder association.
- (3) A participant, as defined in these regulations, is designated as a participant for the purposes of the Act and these regulations.
- (4) For the purposes of these regulations, **“lender”** includes:
 - (a) any credit union or any branch of any credit union to which the *Credit Union Act* (Alberta) applies; and
 - (b) any credit union or caisse populaire or any branch of any credit union or caisse populaire to which *The Credit Unions and Caisse Populaires Act* (Manitoba) applies.

30 Aug 2002 cA-8.1 Reg 4 s2; 6 Dec 2002 SR
106/2002 s3.

Livestock drought loan program established

- 3(1)** The livestock drought loan program is established.
- (2) The purpose of the program is to assist participants in obtaining eligible loans to maintain eligible livestock and, for that purpose, approved loans are deemed to be loans governed by sections 9 to 12 and 14 to 15.1 of the Act.

30 Aug 2002 cA-8.1 Reg 4 s3.

Eligible loans

4(1) A loan from a lender to a participant is an eligible loan for the purposes of these regulations if:

- (a) the participant owns or leases at least 80 acres of farm land in a drought region;
 - (b) the loan is made for the purpose of assisting or enabling the participant to maintain the participant's eligible livestock;
 - (c) the maximum amount of the loan that the lender makes to the participant pursuant to these regulations does not exceed the applicable maximum amount set out in subsection (3);
 - (d) the eligible livestock that are included in the participant's loan application have not been included by any participant in any previous loan application pursuant to these regulations;
 - (e) the maximum annual interest rate to be charged by a lender to the participant pursuant to the loan is the lender's prime rate of interest; and
 - (f) the participant declares that he or she will continue to own or lease the eligible livestock included in the loan application until at least May 1, 2003.
- (2) The total amount of all loans for which a participant applies pursuant to these regulations must equal a minimum of \$500.
- (3) The maximum amount of a loan that a lender may make to a participant pursuant to these regulations is an amount equal to the sum of:
- (a) for cows or bison, the product of:
 - (i) \$50; and
 - (ii) the number of the participant's eligible livestock included in the loan application that are:
 - (A) beef cattle carrying their second or subsequent calf;
 - (B) dairy cattle carrying their second or subsequent calf; and
 - (C) bison;
 - (b) for heifers, the product of:
 - (i) \$40; and
 - (ii) the number of the participant's eligible livestock included in the loan application that are bred beef heifer cattle and bred dairy heifer cattle;
 - (c) for horses, the product of:
 - (i) \$60; and
 - (ii) the number of the participant's eligible livestock included in the loan application that are horses;

- (d) for goats, mountain goats, alpacas or sheep, including all species of sheep that are domestic game farm animals, the product of:
 - (i) \$10; and
 - (ii) the number of the participant's eligible livestock included in the loan application that are goats, mountain goats, alpacas and sheep;
- (e) for antelope, caribou, reindeer, llamas or deer, including all species of deer that are domestic game farm animals, the product of:
 - (i) \$12.50; and
 - (ii) the number of the participant's eligible livestock included in the loan application that are antelope, caribou, reindeer, llamas or deer; and
- (f) for elk or moose, the product of:
 - (i) \$35; and
 - (ii) the number of the participant's eligible livestock included in the loan application that are elk or moose.

30 Aug 2002 cA-8.1 Reg 4 s4; 6 Dec 2002 SR
106/2002 s4.

Loan application

- 5(1) A participant who wishes to apply to a lender for an eligible loan must apply on the form supplied by the corporation or on a form that is substantially similar to that form.
- (2) Subject to subsection (2.1), a participant must apply to a lender for an eligible loan on or before December 31, 2002.
- (2.1) A participant must apply to a lender for an eligible loan on or before February 28, 2003 if the application is with respect to one of the following drought regions:
 - (a) The Rural Municipality of Dufferin No. 190;
 - (b) The Rural Municipality of Ituna Bon Accord No. 246;
 - (c) The Rural Municipality of Emerald No. 277;
 - (d) Muskowekwan Indian Reserve No. 85-31.
- (3) A participant must:
 - (a) complete the loan application, including the signing of any declarations that may be required;
 - (b) sign any loan agreement that the corporation considers necessary to ensure the repayment of any eligible loan that may be made by the lender to the participant;
 - (c) provide the lender and the corporation with any other information that the corporation may require to consider the loan application;
 - (d) specify in the loan application the number and species of eligible livestock with respect to which the eligible loan is to be made;

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(e) declare in the loan application that the participant acquired the eligible livestock included in the loan application by purchase or lease on or before August 1, 2002; and

(f) specify in the loan application where the eligible livestock included in the loan application will be kept from November 1, 2002 to May 1, 2003.

(4) On approval by a lender of a loan application in accordance with this section, the lender shall provide to the corporation a copy of the loan application and any additional information or documents that the corporation requires to verify the terms, conditions and statements of the loan application.

30 Aug 2002 cA-8.1 Reg 4 s5; 10 Jan 2003 SR 119/2002 s2.

Eligibility for payment of loss of lender

6 On receipt of an approved loan application from a lender pursuant to subsection 5(4), the corporation may determine that, if the lender suffers a loss pursuant to subsection 10(1), the lender is eligible to receive payment from the corporation of the amount of the lender's loss, determined in accordance with subsection 10(6), if the corporation is satisfied that the lender has complied with these regulations and section 11 of the Act.

30 Aug 2002 cA-8.1 Reg 4 s6.

Repayment

7(1) Every participant shall repay an approved loan made by a lender with interest and in instalments, beginning not later than December 31, 2005.

(2) A lender may establish the frequency of instalment payments on an approved loan made to a participant.

(3) Notwithstanding subsection (2), during the first year of an approved loan, interest shall accrue and the accrued interest during that first year shall be paid periodically to the lender in accordance with the terms of the approved loan:

(a) by the participant; or

(b) by the corporation on behalf of the participant pursuant to clause 9(1)(b).

(4) Notwithstanding subsection (2), from the date that is one year from the date of the approved loan to the date on which a participant begins to repay an approved loan pursuant to subsection (1), interest shall accrue and the accrued interest shall be paid periodically to the lender in accordance with the terms of the approved loan by the participant.

(5) Subject to subsection (6), after the date on which a participant begins to repay an approved loan pursuant to subsection (1), a participant shall repay the principal amount of the participant's approved loan with interest:

(a) in instalments determined by the lender pursuant to subsection (2); and

(b) in an amount for each instalment that is equal to the sum of:

(i) the principal amount of the approved loan divided by the number of instalments to be made by December 31, 2006; and

(ii) the accrued interest on the approved loan that remains unpaid.

(6) After an approved loan has been made, a lender may amend the terms of an approved loan to provide that after the date established pursuant to subsection (1) for repayment of an approved loan, a participant shall repay the principal amount of the participant's approved loan with interest:

- (a) in instalments determined by the lender pursuant to subsection (2); and
- (b) in an amount for each instalment that is equal to the sum of:
 - (i) the principal amount of the approved loan divided by the number of instalments to be made by December 31, 2007; and
 - (ii) the accrued interest on the approved loan that remains unpaid.

(7) If a participant has defaulted with respect to any payment of principal or interest due on an approved loan, a lender may amend the terms of an approved loan pursuant to subsection (6) to provide that a participant is not in default with respect to any payment of principal or interest on the approved loan.

22 Oct 2004 SR 95/2004 s2.

Corporation's powers

8(1) For the purposes of administering these regulations, the corporation may specify:

- (a) the terms and conditions pursuant to which an approved loan is subject; and
 - (b) the security that the lender is required to obtain for an approved loan.
- (2) The corporation shall notify the lender and the participant, in writing, of:
- (a) any terms and conditions specified by the corporation pursuant to clause (1)(a); and
 - (b) any security specified by the corporation pursuant to clause (1)(b).

30 Aug 2002 cA-8.1 Reg 4 s8.

Grant re first year's interest

9(1) If a lender has made an approved loan to a participant, the corporation may:

- (a) make a grant to the participant in an amount equal to the accrued interest on the participant's approved loan for the first year of that loan; and
- (b) pay the amount of the grant directly to the lender on behalf of the participant.

(2) A participant shall:

- (a) apply to the corporation for the grant pursuant to this section on or before December 31, 2002; and
- (b) provide to the corporation any information the corporation requires to determine:
 - (i) if a grant is payable; and
 - (ii) the amount of the grant.

30 Aug 2002 cA-8.1 Reg 4 s9.

Payment of losses on an approved loan

10(1) For the purposes of section 11 of the Act, if a participant defaults with respect to any payment of principal or interest due on an approved loan:

(a) the principal remaining on the approved loan, together with accrued interest, becomes immediately due and payable to the lender; and

(b) on the date of the corporation's payment to the lender pursuant to this section, the lender is deemed to have suffered a loss.

(2) Notwithstanding subsection (1), if a participant defaults with respect to any payment of principal or interest due on an approved loan, the lender, at the lender's sole option, may elect from time to time not to have the principal remaining on the approved loan, together with accrued interest, become immediately due and payable, and, in that event, the lender is not deemed to have suffered a loss pursuant to subsection (1).

(3) A lender is not deemed to have suffered a loss pursuant to subsection (1) until the principal remaining on an approved loan, together with accrued interest, has become immediately due and payable pursuant to subsection (1) or (2).

(4) If a participant will be in default for more than 90 days with respect to any payment of principal or interest due on an approved loan, the lender must receive the prior written authorization of the corporation before the lender makes an election pursuant to subsection (2).

(5) If a lender fails to comply with subsection (4):

(a) the corporation may determine that the lender is not deemed to have suffered a loss pursuant to subsection (1); and

(b) subsection (6) shall not apply.

(6) The corporation shall pay to a lender the total amount of principal and accrued interest owing under an approved loan but not paid by or on behalf of the participant by the date of the corporation's payment to the lender pursuant to this section if the lender:

(a) informs the corporation in writing of its loss; and

(b) provides to the corporation any information the corporation requires to verify the amount of the loss.

(7) For the purposes of subsection (6), the lender shall provide the corporation with the information on the form provided by the corporation.

(8) If the corporation makes a payment to a lender pursuant to this section and, as a result, is subrogated as against the participant to all the rights, powers, remedies and securities of the lender with respect to the approved loan, any reference in the terms of the approved loan to the lender's prime rate of interest in determining the interest rate chargeable on amounts in default means an annual rate of interest equal to the sum of:

- (a) the corporation's prime rate of interest; and
- (b) 2%.

30 Aug 2002 cA-8.1 Reg 4 s10.

Coming into force

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

30 Aug 2002 cA-8.1 Reg 4 s11.

