Feeder Associations

New Regulations and Documents

SESSION 5
SELLING LIVESTOCK

SESSION 5 SELLING LIVESTOCK

- Sales to Members
- Sale to Others
- Partial Sales

Selling of Livestock – Reminder

- The feeder member shall contact and advise the Supervisor of their intentions to sell the livestock or pay off the financial obligations.
 - Where
 - When
 - To whom (sale to the member)
 - Manual 6.10
 - Member Agreement 5.4

Selling of Livestock – Reminder

 All proceeds from the sale of feeder association livestock must come to the association (in the name of the association on account of the member)

- Manual 6.10 b
- Member Agreement 5.4

5.1 Selling of Livestock To the Member

The purchase price payable by the member for the livestock shall be the total amount of the member's obligations, plus GST (if applicable) for the "Supply Period".

Manual 6.10

Member Agreement 5.1

5.1 Selling of Livestock To the Member

The Association shall:

- Provide the Member with a bill of sale with respect to the livestock purchase, transferring the livestock to the member free and clear of the Association's and lender's security
- This will satisfy the obligation of the member with respect to the specific "Supply Period".

5.2 Selling some of the Livestock to the Member

- The Member shall identify the livestock he wishes to purchase.
 - The local supervisor and the Association's board will determine the livestock's value.
- The Association's board may refuse any sale
 - If the sale will prejudice the Association's ability to recover the Member's financial obligations

Manual 6.10

Member Agreement 5.2

5.2 Selling some of the Livestock to the Member

The Association shall:

 Provide the Member with a bill of sale with respect to the livestock purchase, transferring the livestock to the member free and clear of the Association's and lender's security

5.2 Selling some of the Livestock to the Member

The payment of this purchase price shall reduce the Member's obligations by the amount thereof with respect to this "Supply Period".

No Warranty

 All livestock purchased by the member from the Association are purchased on an "as is where is" basis.

5.3 Sale of the Livestock by the Member on behalf of the Association

- Can sell through a duly licensed public livestock market (ensure prior notice)
- Other means acceptable by the Association

- All sales proceeds go to the Association
- Manual 6.10

5.4 Selling Livestock – Partial Sales

New program option if approved by association

 Member elects to sell a portion of the supplied livestock in a given supply period or contract

5.4 Selling Livestock – Partial Sales

 A maximum of 80% of the net sales proceeds be paid to the Member if:

- The remainder of the proceeds is applied to the "Supply Period" loan balance
 - The Fair market value of the remaining livestock exceed the remaining contract balance.

Partial Sales - Example

400 head contract

Average cost at purchase: \$750

Partial Sale

100 head sold for \$1000 average per head

Gross Proceeds \$ 100,000

Cost of 100 head - \$ 75,000

Interest <u>- \$ 1,000</u>

\$24,000 Net Proceeds

Partial Sales Example

\$24,000 net proceeds

\$4,800 applied to contract (20%)

\$19,200 to Member (80%)

5.5 Selling Livestock – Equity Loans

• Ensure all "Equity Loans" have been accounted for when calculating final payment to the Member for the specific "Supply Period".

- Net Proceeds
 - = Sales Total Monetary Obligation

5.6 Manifesting Livestock

Manifest

 The association must be identified as the livestock owner

 The Member will be identified in the "Account of" section

Manual 6.10

Member Agreement 5.4

This information is collected for the purposes of the Livestock identification and Commerce Act and is governed by the Freedom of Information and Protection of Privacy Act. For further information contact. LIS at 109, 264 Midpark Way SE Calgary, Alberta 12X 1J6 or by phone at: (403) 509-2086 or (866) 509-2088

LIVESTOCK IDENTIFICATION SERVICES LTD.

ALBERTA LIVESTOCK MANIFEST

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• Questions or comments?