

Feeder Associations

New Regulations and
Documents

SESSION 5

SELLING LIVESTOCK

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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* *Member Agreement 5.4*

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
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Cost of 100 head	- \$ 75,000
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Interest	<u>- \$ 1,000</u>
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\$24,000 Net Proceeds

Partial Sales Example

\$24,000 net proceeds

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graph TD; A["$24,000 net proceeds"] --> B["$4,800 applied to contract (20%)"]; A --> C["$19,200 to Member (80%)"];
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\$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

Part A - Purpose of Manifest
 Transport Only Transport for Sale by Owner Dealer on Behalf of Owner

 Check if Livestock Security Interest Declaration is by Separate Document
Part B - Transportation and Sale Details
 Pen or Lot Number _____ Date **2009/01/01**

 Owner or Dealer Name (Print Clearly & Press Hard) **John Smith** Phone # **403-222-3333**

 Owner or Dealer Address **Box 123 Anywhere, Alberta, T1A 1A1**

On Account Of _____

Pay To (if Other Than Owner) _____ Address _____

 Transport From Address **Somewhere, Alberta** Premises ID _____

 Transport To Name **Alberta Auction Market**

 Transport To Address **Somewhere, Alberta**
Description of Livestock

Number	Colour	Kind	Brand(s) / Identifier(s)	Loc.	AV	Other Information
4	RWF	Cons	A-A	RR	N	
10	MIX	Calves	NVB		Y	
					YN	
					YN	
					YN	
					YN	
					YN	
					YN	

Part C - Parts A and B Certification
 Total **14** I CERTIFY THAT PARTS "A" AND "B" ARE TRUE
 John Smith of Owner or (if Permitted) Owner's Agent
Part D - Inspector

Adj Total _____ Inspector Signature _____ Inspector # _____ Client # _____

Inspection Site # _____ Assur. Fund # Eligible _____ Check-off # Eligible _____ Livestock Permit # _____

Part E - Transporter
 Transporter's Name (Print) **Acme Trucking Company** Trailer # **AAA-123**

 Transporter's Signature **Bob Doe** Phone # _____ Trucking Charges **\$400.00**
Part F - Livestock Security Interest Declaration (If Sale by Owner)
 Name and Address of Holder of Livestock Security Interest in the Livestock **Alberta Banking Company 123-4 Street SE Calgary, Alberta T2T 3T3**

 I CERTIFY THAT THIS DECLARATION IS TRUE Date **2009/01/01**
 John Smith of Owner
Part G - Destination
 Date and Time Received **2009/01/01 11:00 AM** Count **14 hd** Placed in Pen # **123**

 Received and Counted By: (Print Name) / Signature **Sue Taylor SA Taylor** Premises ID **AB111AYQT**

⦿ Questions or comments?