



FAA Newsletter

December 13, 2024



We hope this Newsletter finds you well and enjoying the festive season ahead!

Winter finds us looking at some strong markets and a range of weather to keep us on our toes.. We continue to focus on streamlining process and improving policies to drive efficiency and deliver a strong product line. It is our intention to keep you informed of relevant information through your Zone Directors, priority emails and periodic publications, like this one. Later in this publication you will see exciting enhancements including a new Website and reporting improvements.

Upcoming Dates to be aware of:

AGM: Save the Date! January 30th, 31st and February 1st, 2025. Packages have been mailed out the LFA's and more details will be available on our website in the coming week!

Holiday Schedule: Our office will be closed from December 25 until January 2.

WeCAP:

- In-production crop advances must be repaid no later than January 31, 2025.
- Post-Production crop reports must be into the WeCAP office no later than December 31, 2024, for producers wishing to roll their advances into a stored crop advance.
- Required documentation includes:
 - Crop Insurance production declaration.
 - 2024 Post-Production/Stored Commodity Advance worksheet, which can be found on our website.
 - Copy of all-risk/multi-peril insurance on the stored commodity for at least the value of the advance.
- Please contact the WeCAP office with questions.



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- Producers with Livestock Price Insurance securing their feeder calves and/or feeders are required to notify the WeCAP office *prior* to the expiry date of the LPI whether the feeders will be sold and repaid or a new LPI policy will be purchased. Without this notification Producers are expected to repay their advance within 30-days. With notification, Producers will have a *maximum* of 60-days to repay their advance and provide proof of sale.
- A reminder that all livestock repayments require a proof of sale and repayments are to be made within 30-days of sale, in order to avoid penalties.

ABFI:

- June 15/December 15 payments: Please be aware of your options for your annual payments in relation to branding calves. For example, you have the option to make the December payment by the June 15th prepayment date to avoid branding the calves.

Provincial Board News

- Our Directors have been on the road attending all the individual LFA AGMs they can. We have seen some well attended meetings with strong producer engagement which is very encouraging. Our ability to do the best we can for the Producer hinges on your feedback and involvement.
- The Provincial Guarantee continues to be fully utilized. There is a formal request for an increase in the Provinces hands however we have no information as to the status or timing of any potential approval. We recognize the seriousness of this situation and are focused on seeing that through.

AGM

- The date of the AGM and Conference will soon be upon us. The Red Deer Resort and Casino will again be hosting us, and we will be using the new Convention Center space for the first time.
- Dianne Finstad will MC this year's event and Chair the AGM. We will hear from the likes of Mat Makens, Cam Camden, Brian Perillat and a host of other Industry Professionals.
- Please be sure and register for this great event. It's an excellent opportunity to meet with producers, take in meaningful sessions and have your voice heard and your vote counted.



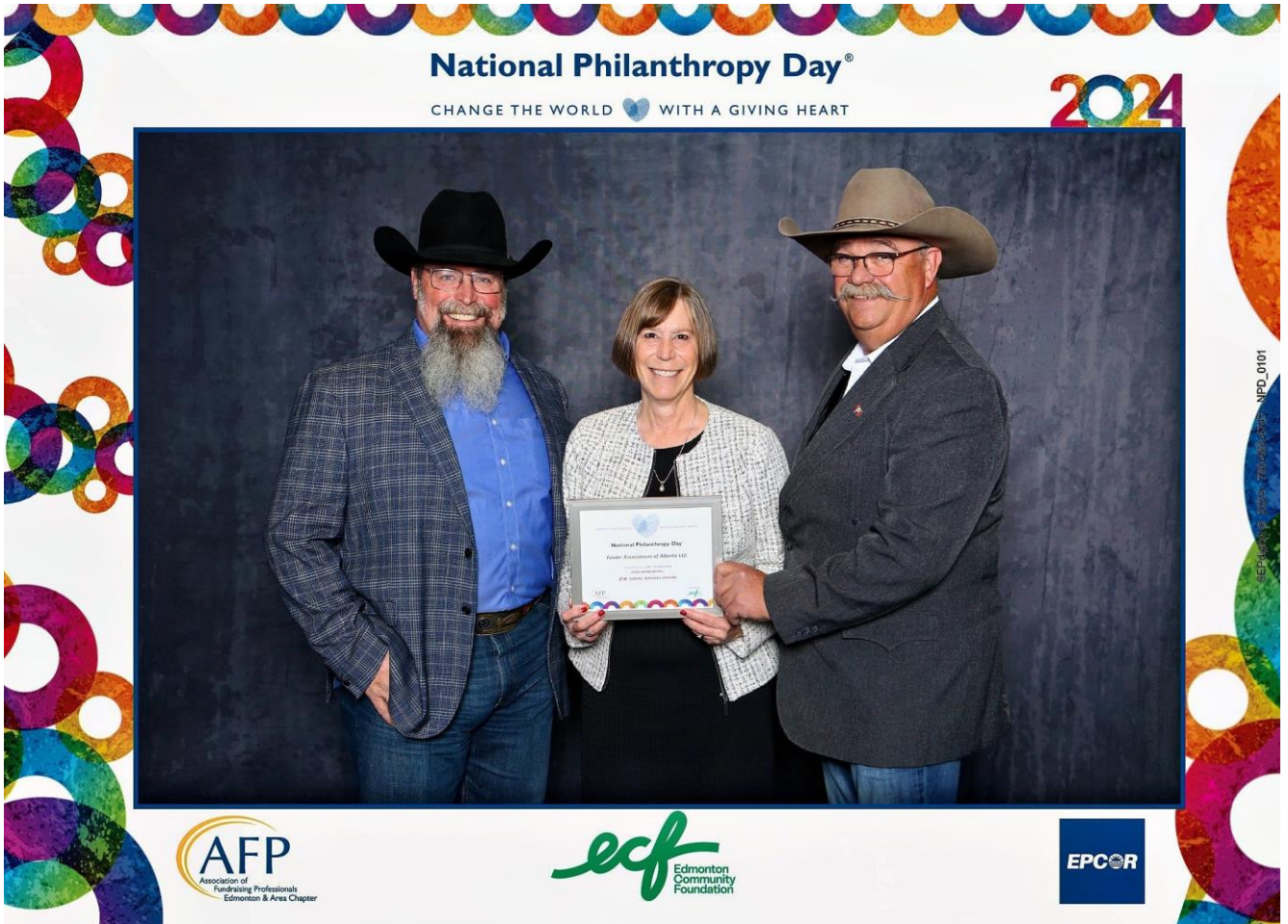
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Stars



- Pictured (L-R) are Executive Director Craig Guthrie, Stars CFO Linda Dalgety and Chairman George L'Heureux.
- FAA was recognized at the National Philanthropy Day and received an award recognizing the years of support we have given Stars and the \$760,000 raised to date. There were over 650 attendees at the event which saw 137 groups and individuals recognized.



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Program Updates

Postal Strike

- We have all felt the impact of the ongoing postal strike and we are working with producers and Auction Marts and Dealers alike to enhance the use of electronic methods of payment.
- Where possible we are also providing statements in information requests via email to ensure timely delivery.
- Please ensure that when funds are deposited directly at a bank or sent electronically you include information so that we can track the source of funds. Often we see a deposit with no way to know who it's from or where it needs to be applied resulting in a great deal of work to track that information down.
- If Producers provide us with their banking information we can move funds directly to their account which is a tremendous time savings for all of us even in the absence of the Postal Strike.

Website

- We are very pleased with the new website that was recently launched. It has an updated look and streamlines where we find information and relevant forms. There is also a great interactive map for FAA and ABFI that assists you in finding the closest LFA to your operation.

ABFI - We have some very exciting advancements to our product line this past year!

Bull Program

- o We will require the producer to have at least 20 cows on contract for each bull financed.
- o Maximum 2-year amortization.
- o 20% deposit required.
- o Per head limit set and adjusted with market in mind. Current limit at \$8,500 per head.
- o Bulls are required to be branded and semen tested.
- o Full repayment not to exceed the 2-year maximum amortization and no later than the final payment on the last remaining cow contract.



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- **Youth Program**

- Available to youths 14-18 years old.
- 20 cow cap on financing.
- If they take advantage of the full 20 cow purchase option they are eligible for the Bull Program
- Requires co-signature from an adult. Cosigner does not have to be a previous member, nor do they have to be related to the youth.
- Normal program individual and yard maximums will apply to the cosigner which is to include the Youth Program financed amount.

- **Cull Sales**

- Proceeds from cull sales will be made available to the producer provided that the balance outstanding is under 40% of the originally contracted loan amount on active contracts.
- Release of funds is subject to the approval of the Supervisor and inventory numbers are to be verified by inspection that is no older than 6 months.

- **Replacements**

- ABFI financed cows can be culled and replaced with purchased or existing owned cows.
- The cost of the replacement is the producer's expense.
- The replacement is to be ABFI branded.
- Cull sale proceeds are to be paid to producer if the original cow is replaced.
- We will hold cull sales proceeds for a maximum of 3 weeks prior to applying to the outstanding principal. This allows time for replacements to be put in place.
- In the case of a Self-Purchase to replace a cull cow, updated waivers and searches are required.

- **Program Limits increased from the current \$250K/\$500K up to \$500K/\$1,000K.**



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- **ABFI Reminders**

- For those LFA's that are not currently using ABFI or those that would like to use it to a greater degree please feel free to reach out to us anytime to learn more.
- With the December 15th payment deadline looming, remember that you may utilize a WeCAP advance to make that payment allowing you to hold on to the calves to sell when the market is in your favour.
- Over the course of the year, we were very pleased to add Alberta Choice Feeder Cooperative, Barrhead Feeder Association and Raven Feeder Association to the list of LFA's offering ABFI. Congratulations and Welcome to All!
- After significant discussion and review we have decided to remove Sheep financing from ABFI. In the end there are credit risks that we are not comfortable managing and feel that our resources are better positioned supporting the other services we offer. ATB has offered to meet with any of our Sheep producers for one on one discussions and of course there are options for financing through WeCAP and LFA's that offer feeder financing on Sheep.
- A combination of the policy and program improvements, seasonal buying and a strong market have seen the ABFI desk processing the largest volume of business in years. It creates a hectic pace, but staff are stepping up to the challenge as best we can. We look for further internal process improvement to continue to refine our offering here.

- **WeCAP Cash Advance**

- WeCAP delivers cash advances on livestock using either LPI or Agri-Stability as security, but we ALSO can advance on a variety of crops including hay and alfalfa using either Production Insurance or Agri-Stability. By bundling all your commodity cash advances with WeCAP you can deal with one dedicated administrator and use sale proceeds from one agricultural product to pay off a different agricultural product without penalty.
- We continue to see strong interest in the program primarily up to the \$250,000 Interest free limit set for this program year.
- Producers are also taking advantage of the exceptional rate of **P-.5%** which is a market leader on the Interest Bearing portion available. It is unlikely that your operation has access to lower priced cash flow financing, so we encourage you to take advantage of this opportunity.
- LFA's can earn \$75 for each application they assist their members with!
- We continue to work on refining the Statements in the program and hope you see the value going forward.
- For the 2024 program year we have seen a flurry of advances and repayments putting the current balance at \$35M.



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- **Interest Rebate**

- The Rebates are very valuable to members as this year's high cattle prices and interest rates impact producers. Year over year we see significant increase in producers taking advantage of this excellent program. 2022 there were 384 applications increasing to 473 in 2023. 2024 is currently at 221 and open for applications to March 31, 2025.
- For an indicator in the Program Year 2022 we were able to rebate \$1,491,915 over 354 producers.
- LFA's please have your eligible members sign an Interest Rebate application at the start of their Feeder Loans to ensure eligibility for maximum benefit and send into the Leduc office.
- We have been diligently working on refinement of our internal processes to see improvement on the timelines for submissions and we expect these improvements to make a real difference over the upcoming year. 2023 Rebates and 2024 Rebates will both be processing simultaneously, so a few producers may see their 2024 rebate prior to their 2023 as we work on getting 2023 caught up and 2024 close to current.

- **FAA**

- 23/24 Fiscal Year there were 412,247 head of Cattle financed vs. 395,918 the previous year.
- For Sheep we had 5,929 head financed this year vs. 2,154 head last year.
- The Provincial Guarantee continues to be fully allocated and we look forward to being able to open discussions with the province surrounding this soon. We anticipate the current hearings the province has undertaken to culminate shortly, and this will allow us to resume the work we do on your behalf with respect to policy, governance and access to guaranteed funds.

- **LIT**

- Death loss last year was .694% and had an increase this year to .795%. We feel that this is a manageable number given the type of year it has been.
- As of December 1, 2024, we have 15 associations participating in LIT.
- We are seeing a couple of localized incidences of higher mortality. We are monitoring those closely and providing support to the affected LFA's.



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Industry Partners

- Over the year FAA has renewed efforts with fellow industry organizations to support a cohesive industry where all the sectors can work more closely together.
- Our directors have attended meetings with Alberta Beef Producers, Alberta Cattle Feeders, and Western Stock Growers.
- We have also had directors from industry groups consistently attend our board meetings as guests.
- We want to continue to mutually share knowledge for the benefit of the industry as a whole and see support of our industry partners as a meaningful way to achieve this.

General Comments

As always we serve you the membership and feel honoured to do so. This year's AGM/Convention planning is well underway, and we look forward to putting together a valuable event. While there have been big strides made in the last couple of years we certainly have not taken our eyes off the improvement we expect in our family of companies so that we can deliver the best products we can to our membership.

Craig Guthrie
Executive Director



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