



## FAA Newsletter

March 26, 2025



I'm not certain that Spring has "sprung" but it's getting there for sure. Seems like a crazy time with both Canadian and International politics dominating the news. I suppose the upside is there is no shortage of things to talk about when we gather. Our team has been hopping since the last newsletter with everything from Convention/AGM to program enhancements and Industry work.

Exciting times!

### Upcoming Dates to be aware of:

#### **ABFI:**

- LFA Inspection Reports have been emailed to both the Administrators and Supervisors.
- Producer Annual Payment Notices will be coming out mid-April.
- Prepayment of December annual payment or June annual payments are due by June 15, 2025.
- 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 15<sup>th</sup> prepayment date to avoid branding the calves.

#### **WeCAP:**

- Producer forms for the 2025 cash advance are located on the FAA website.
- 2025 Program Year Interest-free limit of \$250,000. Cash Advances > \$250,000 at Prime – 0.50%. Application fee of \$300 + GST.
- June 20, 2025, is the last day for pre-production advances with Intended Seeding Report.

#### **Interest Rebate:**

- 2025 Program Year opens April 1, 2025



Phone 587.635.5669 Toll-free: 1.844.333.3377 Fax 587.635.5672

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100-5908 50 St, Leduc, AB T9E 0R6



### Provincial Board News

- Our Directors have been on the road attending various industry meetings. Among those we had a contingent at the Alberta Beef Industry Conference in Calgary. This is an excellent event that brings a number of Industry groups and producers together to hear from good speakers and share issues and ideas. Your board was represented at Ag Expo and were pleased that AG Minister Sigurdson spoke positively about the Feeder Program. Our Directors met with College/University students and similar visits are planned to further engage youth in our industry.
- The Provincial Guarantee continues to be fully utilized. There is a formal request for an increase in the Province's 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.



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### King Charles III Coronation Medal Winner!

- March 17, 2025, Bruce Downey (Zone 3 Director) was recognized by our Alberta Agriculture and Irrigation Minister, the Honourable RJ Sigurdson and Deputy Minister Jason Hale. He was awarded the King Charles III's Coronation Medal. Beside him were 9 of some of the most respected farmer and rancher leaders in agriculture. The award was given for being involved in Alberta Agriculture for personal contributions in advocating and giving back to this incredible industry. Congratulations to Bruce and family!



- Pictured (L-R) are Deputy Minister Jason Hale, Minister RJ Sigurdson, Heide and Bruce Downey and Chief of Staff Mikayala Janssen.



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### Picture Butte Feeders Co-op

- The industry has been abuzz with some wild and crazy tales regarding the status of our largest Feeder Association. There are some real whoppers out there that are not adding value to the situation. A few articles have come out as well and there are also court documents that share some information.
- What we can share at this point is FAA was able to act as a conduit between the Minister and PBFC from the early stages and we continue to support the Receiving Officer (RO) in his court ordered mandate.
- This is an interesting role for FAA as we do not hold oversight or a governance role for the LFA's but rather act as advocates for the program and the membership while liaising with Government and Industry.
- We are now able to share this link to the RO's website [Picture Butte Feeder Cooperative | Alvarez & Marsal | Management Consulting | Professional Services.](#)
- If you follow this link, you can review the legal documents as well as the Member Updates that have been provided to the members of PBFC. I encourage you to take a look.
- Under the Member Updates tab, located on the left of the landing page, you can see the communication to date that gives a pretty good picture of where we are.
- Under that Member Communication tab, you will also find a Job Listing for a Full Time Contract Administrator position that closes April 11<sup>th</sup>. Any candidates should reach out to the RO.
- Staffing is being addressed on both a temporary and permanent basis and a Town Hall Meeting for members of PBFC is being planned for April 1<sup>st</sup>.
- The RO is staffing the office and communications are monitored.
- I think you will see that there is significant progress on the path to seeing PBFC fully operational in the very near term. From the PBFC Board seeing the RO appointed by the Court to the Inventory and Contract Audit having been substantially completed. Very big steps.
- Of particular interest is the fact that the audit was completed with the assistance of LIS and the Ministry and has confirmed that the cattle and deposits are on hand to support all contracts. There is no evidence of any shortfall. That provides real comfort to all involved and supports the process to return to operations.
- Instances where Top-up Equity payments are due to producers are the current priority and The RO is working diligently with Senior Lenders to see this happen.
- Following that next steps will be to release security deposits and the resumption of lending.
- The goal as far as a timeline for these is the first or second week in April.
- In no way does FAA want to downplay the potential significance of the impact to the Feeders Association Loan Guarantee Program. We do however have a high degree of confidence that PBFC will return to operation shortly and that the provincial program as a whole is not at risk.



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## Resolutions from AGM

At this year's AGM we had 11 Resolutions brought forward for consideration. Of those, a few require additional lobby of the Government and Industry to see implementation. The following updates on this are as follows:

- The requirement to rebrand cattle that are sold from one LFA to another should be removed for a number of reasons. While this did come forward as a resolution at the AGM the FAA Board had been working on this prior to AGM. We believe the original LFA Brand should be sufficient to establish ownership and maintain a security interest for the second LFA with the proper process followed. FAA has had meetings with LIS and Regulatory Services on the matter and has sought a legal opinion on how this change could be implemented. This information has now been presented to the Regulatory Services as well as LIS and we look forward to further discussions on how we might move this initiative forward.
- The quarterly FAA Newsletter is to be distributed to the general membership via email. Currently we do have a bit of a client list and distribute the Newsletter there as well as to the Administrator, Supervisor and Chair of each LFA. We are investigating ways to utilize our website for this as well as the best way to maintain a subscribers list so that we are providing information to those that want it and not to those that prefer not to receive it.
- The 90 day hold on deposits was discussed as being too long in today's business environment. The direction was to see it reduced to as low as 15 days but certainly not more than 45 days. This request has been sent to the Ag Minister and we look forward to further discussions there.
- FAA has a youth program within ABFI and it was requested that a similar program be instituted at the Feeder level. FAA has also submitted this request to the Ag Minister for consideration.

## Identifier Brands for LFA's

- We know that many LFA's have long been using identifier characters added to their brand to assist in differentiating ownership of cattle that are house together or in close proximity to each other. While the practice has been accepted and appreciated by the Brand Inspectors it has never been formalized with LIS.
- We have prepared a submission for LIS and shared that document with our industry partners ABP, ACFA and WSG, requesting letters of support for the initiative. Once we have those letters in hand we will formally request the policy update from LIS.



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## Program Updates

### **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!

- **Online access for ABFI via website Portal.**
  - o We are currently beta testing a Portal on the website! Launch is anticipated very shortly and will see LFA's have access to individual and portfolio reporting and Producers having individual access to a wealth of information about their contracts and accounts.
  - o More information to come with the official launch!
- **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 \$9,500 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.
- **Youth Program**
  - o Available to youths 14-18 years old.
  - o 20 cow cap on financing.
  - o If they take advantage of the full 20 cow purchase option, they are eligible for the Bull Program
  - o Requires co-signature from an adult. Cosigners do not have to be a previous member, nor do they have to be related to the youth.
  - o Normal program individual and yard maximums will apply to the cosigner which is to include the Youth Program financed amount.
- **Cull Sales**
  - o 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.
  - o 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.



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#### - 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.

- This is double the available cap from historical levels.

#### - 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 June 15<sup>th</sup> 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!
- 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

- The 2025 Program Year kicks of April 1<sup>st</sup> and we are pleased to share that the new forms are on the website and contain improved usage structure. We will have funds available for the start of the program year!
- 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.



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- 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!

#### - Interest Rebate

- The Rebates are very valuable to our Feeder members. Year after year we see significant increase in producers taking advantage of this excellent program. 2022 there were 384 applications increasing to 475 in 2023. 2024 is currently at 446 with over \$65,778,000 in eligible funds entered. 2024 Program Applications can be signed up until March 31, 2025. The 2025 Program year applications will be available April 1<sup>st</sup> on the website as well as emailed to our local administrators. Per head rates have increased again this year for the 2025 rebate calculations and will be sent out with the new applications.
- 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 by the following month.
- 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 producers may see their 2024 rebate prior to their 2023 as we work on getting 2023 caught up and 2024 and 2025 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 23/24 year vs. 2,154 head the previous year.
- Halfway through the 24/25 fiscal year we have financed 240,130 head of cattle and 3,607 sheep.



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- **LIT**

- We currently have 15 associations participating in LIT.
- Death loss in the 22/23 fiscal year was .694% and had an increase to .812% in the 23/24 fiscal year. This was a manageable number given the type of year it had been. The 24/25 fiscal year we are currently at 0.857% of loss halfway through the year.
- We are seeing a couple of localized incidences of higher mortality. We are monitoring those closely and providing support to the affected LFA's.
- Surplus rebates will be calculated and made to LFAs in June and may be dialed back with the cost of claims to date this year.

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. As they say the only constant is change and our industry and our country are both feeling that. We do our best to work with what we can control and provide support and services where it makes sense. Wishing you all the best.

Have a good one!

Craig Guthrie  
Executive Director

\*If you would like to have your email address removed from this mail out please let our office know and we will be happy to assist.



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