



FAA Newsletter

June 30, 2025



We are all happy to see rainfall blessing many of our producers and if you haven't seen your share I hope its on the way. The markets continue to top our coffee shop talk and there's no shortage of events on the world and political stage. Our team has been hopping since the last newsletter with everything from Convention/AGM to program enhancements and Industry work.

As always we are embracing the challenge!

Upcoming Dates to be aware of:

FAA Conference and AGM:

- Save the dates! **February 5,6,7 2026** has been set for this year's meetings. We are working hard on contracts and content to ensure we provide a strong event for the membership and continue to add value to the industry.

ABFI:

- We have received some prepayments (June 15th deadline) and those particulars will be communicated to the LFA's in the coming weeks.
- For those producers that have not made a prepayment the spring inspection reports are due.
- A reminder for those producers that do not prepay or brand the calves, a non-branding penalty will be charged at a rate of 1.5% per month on the annual payment amount so let's make sure we stay ahead of that.
- 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.



Phone 587.635.5669 Toll-free: 1.844.333.3377 Fax 587.635.5672

Web www.feederassoc.com Email info@feederassoc.com

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



WeCAP:

- July 31st is the last day to receive 2nd installments for in-production crop advances subject to actual seeded report from crop insurance.
- There is no deadline for livestock (cattle and sheep) advances during program year.
- All livestock advance repayments must be made within 30 days of selling the commodity with supporting proof of sale.

LIT

- June 30th LIT surplus rebates sent out to LFAs
- Interest Rebate – Now accepting 2025 Applications.

Provincial Board News

- Our Directors have been on the road attending various industry meetings with more to come this summer. Among those is the Alberta Beef Industry Summit in Calgary where we have joined the organizing committee this year to add support. It's an excellent event that brings together a large group of politicians, producers and industry groups. There have been productive connections with AG Minister Sigurdson and his team as well our Directors met with College/University students and similar visits are planned to further engage youth in our industry.
- Zone meetings in the month of June saw strong producer support and we had great conversations on a number of issues. The FAA board will see some changes, long time Director's stepped down in two Zones. Philipp Lammerding in Zone 1 and Jim Bowhay in Zone 2. Both of these gentlemen have been of great service to this organization and the industry as a whole. They leave with our thanks for their leadership and service over the years and best wishes moving forward. Once the transition is completed Zone 1 will be represented by Dale Snow and Zone 2 will be represented by Skyler McBride. We welcome both to the FAA Board and look forward to working with them in the future.
- 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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Picture Butte Feeders Co-op

- There have been a number of articles and commentaries in the media, some well-intended and others missing the mark. Our group has focused on achieving results. Our goal has been to see PBFC return to full operations and protect the program for both PBFC and FAA's general membership as a whole.
- FAA was able to act as a conduit between the Minister and PBFC from the early stages and we continue to support the Restructuring Officer (RO) in the 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.
- Any interested party should follow 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.
- 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.



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- Recently the RO added their report that will be part of the June 30th update they are providing to the Court. Details on progress and costs are included. I encourage you to take a look.
- Cody McBride is settling into the Supervisor role and we are encouraged to see him take on this role given his experience and history. The Administrator position has been filled as well with an early July start date.
- There have been two Town Hall meetings for PBFC members that FAA has participated in that provided feedback on operations, progress and next steps. The events have been attended by producers, the RO team as well as representatives of the Province and FAA
- I think you will see that there is significant progress on the path to seeing PBFC fully operational in the very near term. 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 being dealt with in a timely manner. Lending has resumed and Deposits that are due to be released to paid out members will be processed in the coming weeks.
- Next steps in the process will see Bylaws, Board Governance, policy and procedures all reviewed so the incoming board will walk into a situation that is well defined and set up for success. Once in place a call will go out from the RO for interested parties to put forward their names and that will lead to a process for the PBFC membership to vote on a new Board of Directors. Oversight from the RO will remain in place for a time but this is a key piece to the governance of PBFC normalizing.
- In no way does FAA want to downplay the 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 and that the provincial program as a whole is not at risk. We encourage the boards of all LFA's to review your responsibilities and ensure you are making solid decisions for your members as we all do our part to ensure success.
- There have been a number of calls for any responsible parties to be held to account. FAA does not have any teeth in this process. This falls to the Government of Alberta and the RCMP so we remain focused on the future of the program and how we might better it moving forward.



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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 Provincial Supervisor 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 investigated Service providers to assist but while pretty slick the costs are prohibitive. At this point we will keep this in house look to expand our mail out list. If you receive unwanted email from us please just reply requesting we unsubscribe you and we will remove the address from future notifications. We want to ensure 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 prepared a submission for LIS and shared that document with our industry partners ABP, ACFA and WSG. We received Letters of Support from each and submitted the package to LIS for consideration.



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Program Updates

Website

- We are very pleased with the new website that was launched this year. 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.**
 - 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.
 - More information to come with the official launch!
- **Bull Program**
 - We will require the producer to have at least 20 cows on contract for each bull financed.
 - Maximum 2-year amortization.
 - 20% deposit required.
 - Per head limit set and adjusted with market in mind. Current limit at \$9,500 per head.
 - Bulls are required to be branded and semen tested.
 - 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**
 - 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. Cosigners do 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.



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- **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.**
 - 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.
 - FYI, remember that you may utilize a WeCAP advance to make that early payment allowing you to avoid branding and 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.



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- **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.
- Producer forms for the 2025 cash advance are located on the FAA website or contact wecap@feederassoc.com for assistance.
- LFA's can earn \$75 for each application they assist their members with!
- Quarterly account statements will be mailed out at the beginning of July.

- **Interest Rebate**

- The Rebates are very valuable to our Feeder members. We are seeing a notable increase in producer applications every program year taking advantage of this beneficial program .
- The 2024 Program Year had 493 Applicants and over \$73 million in eligible loan funds to rebate.
- For an indicator of value, in the Program Year 2022 we were able to rebate over \$1.5 million in interest back to 356 producers.
- 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.
- The 2025 Program year applications opened April 1st. 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.



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- **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.
- Nine months into the 24/25 fiscal year we have financed 308,560 head of cattle and 5,445 sheep.

- **LIT**

- We currently have 15 associations participating in LIT.
- The program had a substantial claim paid out in Plan D. A strong reminder of the value this program can hold and the cooperative nature that supports our members and LFAs.
- Surplus rebates were calculated and made to LFAs at the end of June with holdbacks on Plan D to rebuild the trust account.

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.
- We are represented at LIS and have been able to effectively work with them on the great work they provide our industry. The importance Brand Inspection as a whole cannot be overstated. As a reminder, the changes LIS made to how they deliver private treaty and non-arm's length inspections include the requirement for the producer to pay with cash or cheque on site to avoid any delay in receiving the manifest.
- 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.



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General Comments

As always, we serve you the membership and feel honoured to do so. It was great connecting with many of you at the recent Zone meetings. 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



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