



**PAYMENT OF SALE PROCEEDS
WHEN THERE IS A LIVESTOCK SECURITY INTEREST
(in the livestock or the dam of the livestock)**

Livestock security interests

A “livestock security interest” is a security interest registered under the *Personal Property Security Act* or under the *Bank Act* (Canada), and

- taken or reserved in livestock to secure payment of all or part of the purchase price of the livestock,
- taken in livestock by a person who gave value for the purpose of enabling the owner of the livestock to acquire rights in the livestock, to the extent that the value was applied to acquire rights in the livestock, or
- taken in livestock and other property by a person who gave value for the purpose of enabling the owner of the livestock to acquire rights in the livestock, to the extent that the value was applied to acquire rights in the livestock.

Livestock security interest declaration – owner’s obligation

The owner of the livestock is required to complete a livestock security interest declaration at the time cattle, horses or sheep are supplied or offered for sale. Only “livestock security interests” have to be disclosed on this declaration. This declaration is provided:

- by the owner of the livestock,
- at or before the time the livestock is supplied or offered for sale, and
- to the person who owes the sale proceeds to the owner of the livestock.

Form of the Declaration

There is no prescribed form for the livestock security interest declaration however it must be in writing and

- identify the owner of the livestock,
- identify the livestock being sold,
- disclose whether or not livestock or the dam of the livestock being sold is subject to a livestock security interest,
- if there is a livestock security interest, identify the name and address of the holder of the livestock security interest,
- if there is no livestock security interest, a statement that there is none,
- be dated, and
- be signed by the owner of the livestock (which includes a member of the feeder association and a borrower with a private lender or financial institution).

This declaration can be provided

- as part of the livestock manifest, or

- as a stand-alone document (either as a separate document, as part of a bill of sale or as part of a written agreement between the owner of the livestock and the person who will be paying the sale proceeds to the owner when the livestock is sold).

Livestock security interest declaration – purchaser/livestock dealer’s obligation

The person who owes the sale proceeds to the owner of the livestock must:

- Obtain the declaration from the owner before paying the sale proceeds, and
- If there is a livestock security interest in the livestock – pay the sale proceeds to the owner of the livestock and the holder of the livestock security interest in accordance with the following policy.

Payment of the sale proceeds

When there is livestock security interest in the livestock or the dam of the livestock, the sale proceeds are to be paid as follows:

- for livestock security interests held by a feeder association (under the *Feeder Association Guarantee Act* R.S.A. 2000 c. F-11) – to the feeder association on account of the member;
- for livestock security interests held by a private lender (i.e. FCC Alliance Partner, Viterra, breeder co-operatives) - to the private lender on account of the borrower; and
- for livestock security interests held by a financial institution (i.e. bank, credit union, ATB etc) with whom the seller has a deposit account – to the financial institution and the owner of the livestock.

Sample livestock manifests (Parts A, B and F) are attached showing how Parts A, B and F of the livestock manifest are to be completed in each of these situations.

Note: A cheque payable to a feeder association on account of a member or a cheque payable to a private lender on account of a producer must be delivered to the feeder association or the private lender. A cheque payable to a financial institution and a producer must be cashed or deposited at that financial institution.

Questions

If you have any questions you may contact

- your feeder association,
- your account manager or loan officer at your private lender,
- your account manager or loan officer or your financial institution, or
- the Calgary office of Livestock Identification Services Ltd. at (403) 509-2088 or 1-866-509-2088.

Livestock Security Interest Declaration as part of the livestock manifest or as a stand-alone document – where livestock is sold by owner

The livestock security interest declaration can be provided on the livestock manifest or as a separate document.

As part of the livestock manifest: The livestock security interest declaration is Part F of the Livestock Manifest and is as follows:

| Part F - Livestock Security Interest Declaration (If Sale by Owner) | |
|---|----------------|
| Name and Address of Holder of Livestock Security Interest In the Livestock or in the Dam of the Livestock or if None Indicate "NONE" | |
| I CERTIFY THAT THIS DECLARATION IS TRUE | Date |
| <input checked="" type="checkbox"/> Signature of Owner | YYYY / MM / DD |

As a stand-alone declaration: If a stand-alone livestock security interest is provided, the person transporting the livestock for sale must complete part A of the livestock manifest by checking off the box in the second row of Part A. If this box is checked off, Part F of the livestock manifest does not have to be completed.

| Part A - Purpose of Manifest | |
|---|---|
| <input type="checkbox"/> Transport Only | Transport for Sale by <input type="checkbox"/> Owner <input type="checkbox"/> Dealer on Behalf of Owner |
| Check if Livestock Security Interest Declaration is by Separate Document <input type="checkbox"/> | |

The following is a copy of the stand-alone livestock security interest declaration that is provided at the back of the new Alberta Livestock Manifest Book:

LIVESTOCK SECURITY INTEREST DECLARATION

| Owner of the Livestock | | | | | | |
|---|--------|------|--------------------------|---------------------|---------|-------------------|
| Pen or Lot Number | | | | Date YYYY / MM / DD | | |
| Owner Name | | | | | Phone # | |
| Owner Address | | | | | | |
| Declaration Provided To | | | | | | |
| Name | | | | | | |
| Address | | | | | | |
| Description of Livestock | | | | | | |
| Number | Colour | Kind | Brand(s) / Identifier(s) | Loc. | AV | Other Information |
| | | | | | Y/N | |
| | | | | | Y/N | |
| | | | | | Y/N | |
| Livestock Security Interest Declaration | | | | | | |
| Name and Address of Holder of Livestock Security Interest In the Livestock or in the Dam of the Livestock or if None Indicate "NONE" | | | | | | |
| I CERTIFY THAT THIS DECLARATION IS TRUE | | | | | | Date |
| <input checked="" type="checkbox"/> Signature of Owner | | | | | | YYYY / MM / DD |
| Person Owing the Sale Proceeds to the Owner of the Livestock | | | | | | |
| Date YYYY / MM / DD | | | | | | |
| Received by (Print name) | | | | Signature | | |

Livestock financed by an Alberta feeder association (under the Feeder Association Guarantee Act)

| <p>Purpose of manifest: The member will note the purpose of the manifest is to transport for sale by owner.</p> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="background-color: #cccccc;">Part A - Purpose of Manifest</th> </tr> <tr> <td style="width: 25%;"><input type="checkbox"/> Transport</td> <td style="width: 25%;"><input type="checkbox"/> Transport</td> </tr> <tr> <td style="width: 25%;"><input type="checkbox"/> Owner</td> <td style="width: 25%;"><input type="checkbox"/> Dealer on Behalf of Owner</td> </tr> <tr> <td colspan="2"> Check if Livestock Security Interest Declaration is by Separate Document <input type="checkbox"/> </td> </tr> <tr> <th colspan="2" style="background-color: #cccccc;">Part B - Transportation and Sale Details</th> </tr> <tr> <td>Pen or Lot Number</td> <td>Date YYYY / MM / DD</td> </tr> <tr> <td colspan="2">Owner or Dealer Name (Print Clearly & Press Hard) Phone #</td> </tr> <tr> <td colspan="2">Owner or Dealer Address</td> </tr> <tr> <td colspan="2">On Account Of</td> </tr> <tr> <td>Pay To (If Other Than Owner)</td> <td>Address</td> </tr> <tr> <td>Transport From Address</td> <td>Premises ID</td> </tr> <tr> <td colspan="2">Transport To Name</td> </tr> <tr> <td colspan="2">Transport To Address</td> </tr> </table> | Part A - Purpose of Manifest | | <input type="checkbox"/> Transport | <input type="checkbox"/> Transport | <input type="checkbox"/> Owner | <input type="checkbox"/> Dealer on Behalf of Owner | Check if Livestock Security Interest Declaration is by Separate Document <input type="checkbox"/> | | Part B - Transportation and Sale Details | | Pen or Lot Number | Date YYYY / MM / DD | Owner or Dealer Name (Print Clearly & Press Hard) Phone # | | Owner or Dealer Address | | On Account Of | | Pay To (If Other Than Owner) | Address | Transport From Address | Premises ID | Transport To Name | | Transport To Address | |
|---|---|---|--|--|------------------------------------|---|--|---|----------------|--|--|-------------------|---------------------|---|--|-------------------------|--|---------------|--|------------------------------|---------|------------------------|-------------|-------------------|--|----------------------|--|
| Part A - Purpose of Manifest | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Transport | <input type="checkbox"/> Transport | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Owner | <input type="checkbox"/> Dealer on Behalf of Owner | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Check if Livestock Security Interest Declaration is by Separate Document <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Part B - Transportation and Sale Details | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pen or Lot Number | Date YYYY / MM / DD | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Owner or Dealer Name (Print Clearly & Press Hard) Phone # | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Owner or Dealer Address | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| On Account Of | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pay To (If Other Than Owner) | Address | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transport From Address | Premises ID | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transport To Name | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transport To Address | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Owner: The name of the <u>feeder association</u> will be entered as the owner of the livestock.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>On account of: The name of the <u>member</u> of the feeder association will be entered in the "on account of" row.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Part F: The name and address of the <u>feeder association</u> will be entered as the holder of the livestock security interest.</p> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="background-color: #cccccc;">Part F - Livestock Security Interest Declaration (If Sale by Owner)</th> </tr> <tr> <td colspan="2" style="text-align: center;">Name and Address of Holder of Livestock Security Interest In the Livestock or in the Dam of the Livestock or if None Indicate "NONE"</td> </tr> <tr> <td colspan="2">I CERTIFY THAT THIS DECLARATION IS TRUE Date</td> </tr> <tr> <td><input checked="" type="checkbox"/> Signature of Owner</td> <td>YYYY / MM / DD</td> </tr> </table> | Part F - Livestock Security Interest Declaration (If Sale by Owner) | | Name and Address of Holder of Livestock Security Interest In the Livestock or in the Dam of the Livestock or if None Indicate "NONE" | | I CERTIFY THAT THIS DECLARATION IS TRUE Date | | <input checked="" type="checkbox"/> Signature of Owner | YYYY / MM / DD | | | | | | | | | | | | | | | | | | |
| Part F - Livestock Security Interest Declaration (If Sale by Owner) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Name and Address of Holder of Livestock Security Interest In the Livestock or in the Dam of the Livestock or if None Indicate "NONE" | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| I CERTIFY THAT THIS DECLARATION IS TRUE Date | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input checked="" type="checkbox"/> Signature of Owner | YYYY / MM / DD | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <p>Signature: The member of the feeder association signs and dates the declaration.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | |

Payee of the sale proceeds

As the sale proceeds are to be used pay off the livestock security interest, the purchaser or livestock dealer must make the cheque out in the name of the **feeder association on account of** the member of the feeder association. In the alternative, the sales proceeds can be electronically deposited with the feeder association on account of the member.

Cashing the cheque

If the sale proceeds are paid by cheque either the member of the feeder association, the purchaser or the livestock dealer must forward the cheque to the feeder association. The feeder association will cash the cheque and credit the funds to the account of the member.

Note: A cheque payable to the feeder association on account of the member cannot be cashed or deposited at the member's bank or financial institution.

Livestock financed by private lender (FCC Alliance Partners, Viterra, breeder co-operatives)

| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|--|--|---|--|------|---|----------------|---|--|-------------------|---------------------|---|--|-------------------------|--|---------------|--|------------------------------|---------|------------------------|-------------|-------------------|--|----------------------|--|
| <p>Purpose of manifest: The member will note the purpose of the manifest is to transport for sale by owner.</p> | <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td colspan="2" style="background-color: #cccccc;">Part A - Purpose of Manifest</td></tr><tr><td><input type="checkbox"/> Transport</td><td><input type="checkbox"/> Transport for Sale by <input type="checkbox"/> Owner</td></tr><tr><td colspan="2" style="text-align: right;"><input type="checkbox"/> Dealer on Behalf of Owner</td></tr><tr><td colspan="2">Check if Livestock Security Interest Declaration is by Separate Document <input type="checkbox"/></td></tr><tr><td colspan="2" style="background-color: #cccccc;">Part B - Transportation and Sale Details</td></tr><tr><td>Pen or Lot Number</td><td>Date YYYY / MM / DD</td></tr><tr><td colspan="2">Owner or Dealer Name (Print Clearly & Press Hard) Phone #</td></tr><tr><td colspan="2">Owner or Dealer Address</td></tr><tr><td colspan="2">On Account Of</td></tr><tr><td>Pay To (If Other Than Owner)</td><td>Address</td></tr><tr><td>Transport From Address</td><td>Premises ID</td></tr><tr><td colspan="2">Transport To Name</td></tr><tr><td colspan="2">Transport To Address</td></tr></table> | Part A - Purpose of Manifest | | <input type="checkbox"/> Transport | <input type="checkbox"/> Transport for Sale by <input type="checkbox"/> Owner | <input type="checkbox"/> Dealer on Behalf of Owner | | Check if Livestock Security Interest Declaration is by Separate Document <input type="checkbox"/> | | Part B - Transportation and Sale Details | | Pen or Lot Number | Date YYYY / MM / DD | Owner or Dealer Name (Print Clearly & Press Hard) Phone # | | Owner or Dealer Address | | On Account Of | | Pay To (If Other Than Owner) | Address | Transport From Address | Premises ID | Transport To Name | | Transport To Address | |
| Part A - Purpose of Manifest | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Transport | <input type="checkbox"/> Transport for Sale by <input type="checkbox"/> Owner | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Dealer on Behalf of Owner | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Check if Livestock Security Interest Declaration is by Separate Document <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Part B - Transportation and Sale Details | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pen or Lot Number | Date YYYY / MM / DD | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Owner or Dealer Name (Print Clearly & Press Hard) Phone # | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Owner or Dealer Address | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| On Account Of | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pay To (If Other Than Owner) | Address | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transport From Address | Premises ID | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transport To Name | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transport To Address | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Owner: Unless the financing agreement provides otherwise, the name of the producer who borrowed the money from the private lender will be entered as the owner of the livestock. However, if the private lender is the owner under the financing agreement, the name of the private lender will be entered as the owner of the livestock.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>On account of: If the private lender is listed as the owner, the name of the producer will be entered in "on account of".</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Part F: Regardless of who is the owner of the livestock, the name and address of the <u>private lender</u> will be entered as the holder of the livestock security interest.</p> | <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td colspan="2" style="background-color: #cccccc;">Part F - Livestock Security Interest Declaration (If Sale by Owner)</td></tr><tr><td colspan="2" style="text-align: center;">Name and Address of Holder of Livestock Security Interest in the Livestock or in the Dam of the Livestock or if None Indicate "NONE"</td></tr><tr><td>I CERTIFY THAT THIS DECLARATION IS TRUE</td><td style="text-align: right;">Date</td></tr><tr><td><input checked="" type="checkbox"/> Signature of Owner</td><td style="text-align: right;">YYYY / MM / DD</td></tr></table> | Part F - Livestock Security Interest Declaration (If Sale by Owner) | | Name and Address of Holder of Livestock Security Interest in the Livestock or in the Dam of the Livestock or if None Indicate "NONE" | | I CERTIFY THAT THIS DECLARATION IS TRUE | Date | <input checked="" type="checkbox"/> Signature of Owner | YYYY / MM / DD | | | | | | | | | | | | | | | | | | |
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| Name and Address of Holder of Livestock Security Interest in the Livestock or in the Dam of the Livestock or if None Indicate "NONE" | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| I CERTIFY THAT THIS DECLARATION IS TRUE | Date | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input checked="" type="checkbox"/> Signature of Owner | YYYY / MM / DD | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <p>Signature: The producer signs and dates the declaration.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | |

Payee of the sale proceeds

As the sale proceeds are to be used to pay off the livestock security interest, the purchaser or livestock dealer must make the cheque out in the name of the **private lender on account of** the producer who borrowed the funds from the private lender. In the alternative, the sales proceeds can be electronically deposited with the private lender on account of the producer.

Cashing the cheque

If the sale proceeds are paid by cheque either the producer, the purchaser or the livestock dealer must forward the cheque to the private lender. The private lender will cash the cheque and credit the funds to the account of the producer/borrower.

Note: A cheque payable to the private lender on account of the producer cannot be cashed or deposited at the producer's bank or financial institution.

**Livestock financed by a financial institution where the
producer has an account and does business**
(bank, credit union, ATB etc.)

| | | |
|--|--|----------------------------|
| <p>Purpose of manifest: The member will note the purpose of the manifest is to transport for sale by owner.</p> | <p>Part A - Purpose of Manifest</p> <input type="checkbox"/> Transport <input type="checkbox"/> Transport <input type="checkbox"/> Owner <input type="checkbox"/> Dealer on Behalf of Owner <small>For sale by</small> | |
| | <p>Check if Livestock Security Interest Declaration is by Separate Document <input type="checkbox"/></p> | |
| <p>Owner: The producer will enter his name as the owner of the livestock.</p> | <p>Part B - Transportation and Sale Details</p> | |
| | <p>Pen or Lot Number</p> | <p>Date YYYY / MM / DD</p> |
| <p>On account of: This line will not be filled out.</p> | <p>Owner or Dealer Name (Print Clearly & Press Hard) Phone #</p> | |
| | <p>Owner or Dealer Address</p> | |
| <p>On Account Of</p> | | |
| <p>Pay To (If Other Than Owner)</p> | | <p>Address</p> |
| <p>Transport From Address</p> | | <p>Premises ID</p> |
| <p>Transport To Name</p> | | |
| <p>Transport To Address</p> | | |
| <p>Part F: The name and address of the <u>financial institution</u> will be entered as the holder of the livestock security interest.</p> | <p>Part F - Livestock Security Interest Declaration (If Sale by Owner)</p> | |
| | <p>Name and Address of Holder of Livestock Security Interest In the Livestock or in the Dam of the Livestock or if None Indicate "NONE"</p> | |
| <p>I CERTIFY THAT THIS DECLARATION IS TRUE</p> | | <p>Date</p> |
| <p>X Signature of Owner</p> | | <p>YYYY / MM / DD</p> |
| <p>Signature: The producer signs and dates the declaration.</p> | | |

Payee of the sale proceeds

As the sale proceeds are to be used to pay off the livestock security interest, the purchaser or livestock dealer must make the cheque out in the name of the owner of the livestock and the financial institution. In the alternative, the sales proceeds could be electronically deposited in the producer's account with the financial institution.

Cashing the cheque

If the sale proceeds are paid by cheque, the producer must take the cheque to the financial institution named as the payee of the funds on the cheque, along with the producer, and have the sale proceeds deposited into his account at that financial institution.