

Assurance of Payment and Protections for Sellers of Livestock FAQs

Livestock Assurance Fund

What is the Livestock Assurance Fund?

The Livestock Assurance Fund will be the continuation of the Livestock Patrons' Assurance Fund. The fund will continue to protect sellers from non-payment by licensed dealers (including auction markets and packing plants). The Fund will allow sellers to recover 80% of the value of the sale price.

How will levies be collected?

Sellers are required to pay a levy each time they sell livestock. Typically, auction markets will remit the levy on behalf of the seller and deduct the levy from the payment for the livestock. Licensed dealers will remit levies at the beginning of each year based on the estimated volumes of transactions from the Statutory Declaration form that dealers currently file with LIS as part of their licence application. Dealers exceeding their estimate will be required to notify the Fund and pay additional levies.

Will participation in the Fund be mandatory?

The program is voluntary. However, in order to be eligible, you must have paid levies on all transactions. If you do not want to participate in the Fund, you need to send a notice to LIS. You will be required to continue to pay levies, but you can apply for a refund of the levies at the end of each year.

How will claims be processed?

Claims will continue to be reviewed by the Livestock Patron's Claims Review Tribunal, which will be renamed as the Livestock Assurance Funds Tribunal. The Tribunal is comprised of representatives from Alberta cattle associations.