

Livestock Transactions

What is a statutory bar to conversion?

A statutory provision will be included in the legislation to protect buyers of Alberta livestock from claims by previous owners or security interest holders.

A buyer who has actual knowledge of the seller's security interest in the livestock or who did not issue payment according to the lien declaration on the manifest will not be eligible.

Also, if the Act requires the livestock to be inspected, the inspection must occur in order to be eligible for the protection.

Will the lien-security declaration on the manifest be mandatory?

The lien-security declaration on the manifest will be mandatory. A seller will be required to identify the lender holding a lien or security in the livestock. As part of their due diligence, buyers are expected to pay according to the manifest including making the cheque payable jointly to the owner of the registered brand and lender holding the security interest when a lien is declared.