



LIVESTOCK
IDENTIFICATION SERVICES INC.

Livestock Identification and Commerce Act



Livestock Identification Services (LIS)
and Agriculture and Food (AF)

Facilitating fair commerce, protecting personal property and promoting the integrity of marketing within the livestock industry are the goals of the Livestock Identification and Commerce Act.

The Livestock Identification and Commerce Act was developed with extensive industry consultation, and addresses industry concerns like increasing buyer protection, clarifying definitions, and standardizing documentation.

We'll continue to work with industry and those affected by the proposed legislation to ensure the legislation will work for them.

New Legislative Framework for Livestock Identification and Marketing

Agriculture and Food (AF) and Livestock Identification Services (LIS) are providing this fact sheet to update stakeholders on recent developments regarding the *Livestock Identification and Commerce Act* and next steps planned in the legislative review process. This fact sheet provides a status report and explains the features of the *Livestock Identification and Commerce Act*.



Summary

The *Livestock Identification and Commerce Act* was developed to reflect the goals of the government and industry representatives to facilitate fair commerce in the livestock industry in a new legislative framework.

The *Livestock Identification and Commerce Act* acknowledges changes in the livestock industry over the past few decades and addresses specific industry concerns, such as increasing financial protection for livestock buyers and standardizing documentation. The new legislation will help facilitate fair commerce, protect personal property and promote

the integrity of marketing in the livestock industry.

The Act will consolidate and revise the provisions of three existing acts: the *Brand Act*, the *Livestock Identification and Brand Inspection Act*, and the *Livestock and Livestock Products Act*. Bringing these three Acts together allows for a more effective and efficient legislative framework for industry.

This legislation will help the day-to-day commerce of the livestock industry operate in a more transparent, harmonized and predictable manner.

Legislative Process

In 2003, AF and LIS formally commenced an industry consultation process to modernize Alberta's livestock identification and commerce laws.

The Minister of AF introduced Bill 38, the *Livestock Identification and Commerce Act*, in the Legislative Assembly of Alberta on April 25, 2006. Bill 38 proposed to consolidate and revise provisions of the *Brand Act*, the *Livestock Identification and Brand Inspection Act*, and the *Livestock and Livestock Products Act*. The Bill proceeded through the legislative process and received Royal Assent on May 24, 2006. Bill 38 is now enacted,

but will not come into force until proclaimed. Proclamation is tentatively targeted for Spring 2007. However, this date is merely an estimation of the time required to develop the regulations that will be enacted pursuant to the new Act. The Act and the regulations will come into force simultaneously.

The next step in this process is to develop the regulations to further define livestock identification and marketing policies. Provisions to be implemented through the regulations will be formulated with industry policy direction in mind.

This document is published by Livestock Identification Services (LIS) Ltd. in consultation with Agriculture and Food (AF).

Additional information is available online at LIS' Livestock Identification and Commerce Act webpage located at www.lis-alberta.com/lica

Key Features

- **Livestock Identification and Ownership** - The Act confirms that placing brands on livestock continues to create a presumption of ownership and that the inspection process is to assist in ownership determination.
- **Acceptance of Other Livestock Identifiers** - The Act broadens the types of identifiers that can be used to identify livestock to include identification devices used under other industry programs, such as Canadian Cattle Identification Agency (CCIA) tags.
- **Bills of Sale** - The Act establishes mandatory content for a bill of sale. Sellers and dealers will be allowed to customize the form of their bills of sale to meet their needs and practices.
- **Security Interest and Lien Declaration** - The Act sets out a mandatory requirement that sellers disclose security interest(s) in the livestock they are selling.
- **Prompt Payment for Livestock** - The Act requires all purchasers of cattle and horses to pay within two business days after possession or price discovery, whichever is later.
- **Protection of Seller's Sale Proceeds being Held by a Dealer** - The Act requires dealers receiving money from the sale of someone else's livestock to deposit those sale proceeds in a trust account to protect the seller's money.
- **Buyer's Protection against Conversion Lawsuits** - The Act bars lawsuits against buyers who follow the requirements of the Act, pay in accordance with the manifest, and otherwise engage in bona fide transactions.
- **Standardized Documentation** - The Act lays the foundation for standardized documents commonly used in livestock transactions, including transportation documents.
- **Purpose and Procedures for Inspection** - The Act clarifies that the purpose of a livestock inspection is to confirm that the person possessing the livestock is the owner or the owner's agent. It is also to determine that the sale proceeds are flowing to the correct party.
- **Inspection Sites** - The Act confirms that inspections are required prior to transportation out of Alberta and on arrival at inspection sites. Inspection sites will be described in the regulations and will include auction markets, feedlots, and packing plants.
- **Dealer Licensing** - The Act confirms the obligations of dealers to be licensed and bonded.
- **Livestock Assurance Fund** - The Act continues to protect sellers of livestock against non-payment through the Livestock Assurance Fund, formerly the Patron's Assurance Fund.