

BACKGROUNDER

SHORT-TERM HOG LOAN PROGRAM AND CATTLE LOAN PROGRAM

Total loans of \$90 million are anticipated to be made, with \$30 million being accessed by the hog industry and \$60 million by the cattle industry.

The features of the loan programs will be as follows:

- For cattle, a loan of \$75 per head for calves, feeders, and bred heifers based on August 1, 2007, inventory.
- For market hogs, a loan for market hogs marketed in any week between October 1, 2007, and May 2, 2008, based on 90 per cent of the difference between \$140 per hundred kilograms (ckg) and the Saskatchewan weekly pooled price for market hogs.
- For weanlings, a loan of \$10 per head for weanlings sold in any week between October 1, 2007, and May 2, 2008, when the price for market hogs is less than a \$140 per ckg.
- Loans are low-interest (government's cost of borrowing).
- Cattle or hogs owned by Saskatchewan producers are eligible for these loans.
- Maximum loan is \$5 million.
- To qualify for the loans, the producers cannot be in bankruptcy, have unresolved judgments against them, and must have suitable arrangements in place on any funds owed to the provincial government.

Loan repayment terms:

- Market hogs – for the period of May 3, 2008, to April 30, 2009, in any week where the market price exceeds \$140 per ckg, one third of the difference will be applied to the loan. On May 3, 2009, the remaining balance will be termed out over three years.
- Weanlings – loans made will be termed out over three years starting May 1, 2009.
- Cattle – loans made will be termed out over three years, starting January 15, 2009.

Program application deadline is June 10, 2008, for the hog program, and March 31, 2008, for the cattle program.

More information is available on the Ministry web site, at www.agriculture.gov.sk.ca.

Producers with questions on the programs are invited to call toll-free 1-877-874-5365.