



The national check-off is a mandatory levy of \$2.50 per head collected on cattle sales to fund research and marketing activities on behalf of the entire industry. It is collected from cattle producers when they market their cattle by provincial organizations, using their existing collection systems involving auction markets, order buyers, brand inspectors and others who handle cattle sales.

The goal of the national check-off is twofold — to increase sales of domestic and export beef and to find better, more efficient methods of producing beef and beef cattle. The national check-off generates over \$8 million annually and is a critical source of revenue to fund initiatives that will advance the industry and build strong markets for Canadian cattle and beef.

The national check-off solely funds research and marketing activities and does not provide any funding to the Canadian Cattlemen's Association which is funded separately through provincial organizations.

The national check-off provides industry funding for the Beef Cattle Research Council responsible for the industry's national research program as well as funding for Canada Beef and their work in domestic and U.S. marketing and market development in Mexico, Asia, and more recently Russia and the Middle East.

An independent study evaluating economic benefits from the national check-off shows that Canadian beef cattle producers' funding of research and marketing activities has delivered strong return on investment — and compared to other commodities falls squarely within the range of values reported for other regions and commodities and is higher in some cases.

While the national check-off provides the core industry funding for research and marketing, it does not fully cover the costs of all programs and activities. Supplementary funding is obtained by leveraging the national check-off, attracting \$6 for every \$1 of producer check-off funds. The national check-off provides "industry funds" used as the basis to access matching dollars from other sources.

At the present time, Canada's beef cattle check-off does not apply to live animals exported from Canada, nor does the levy apply to imported cattle and beef products. It is estimated that application of the national check-off to imported product would generate an additional \$800,000 annually.



SCA PLANS AND REGULATIONS

Saskatchewan producers and livestock dealers have been paying a provincial and federal levy since April 2012. The levy or check-off, as it is also known, is collected by SCA on the sale of cattle in Saskatchewan.

The \$5.25 check-off is used to finance the operations of SCA and to help achieve the objectives outlined in the National Beef Strategy. Of the \$5.25 collected, \$2.50 is a non-refundable national levy paid to the Canadian Beef Cattle Check-Off agency while the remaining \$2.00 funds SCA's operations including research, advocacy and communications.



SCA LEVY COLLECTION ORDER

The collection of the levy is authorized by [The Cattle Development Plan Regulations](#) and the details for the collection of the levy are set out in the Commission Order that has been recently amended to reflect the increase in the provincial levy.

Every cattle producer will continue to be required to pay a levy on every head of cattle that the cattle producer sells in Saskatchewan; and every head of cattle raised or fed in Saskatchewan that the cattle producer delivers for sale outside of Canada, e.g. to the United States.

WHEN CATTLE ARE SOLD IN SASKATCHEWAN

A cattle producer who sells cattle in intra-provincial trade (within the province) in Saskatchewan is required to pay SCA a levy in the amount of \$5.25 per head of cattle sold by that producer. Cattle are sold in intra-provincial trade when both the seller and the purchaser reside in Saskatchewan. When cattle are sold, the



buyer is required to deduct the levy from the money payable to the cattle producer and forward the amount deducted to SCA. If the buyer does not deduct the levy from the sale proceeds, both the buyer and the cattle producer are liable to SCA for the amount of the levy. A buyer is a person who buys cattle and includes a livestock dealer, a livestock agent and an abattoir.

WHEN CATTLE ARE DELIVERED FOR SALE OUTSIDE OF CANADA

When a cattle producer delivers cattle raised or fed in Saskatchewan for sale outside Canada, the cattle producer is required to pay SCA a levy in the amount of \$5.25. If a livestock dealer or livestock agent licensed in Saskatchewan is involved in the transaction that dealer or agent is required to deduct the levy from the money payable to the cattle producer and forward the amount deducted to SCA.

CANADA BEEF INC.

In July of 2011 the Canadian Beef Cattle Research, Market Development and Promotion Agency (the National Agency), the Beef Information Centre and Canada Beef Export Federation consolidated to form one national beef cattle research, marketing and promotion agency known as Canada Beef Inc. Canada Beef Inc. is a continuation of the National Agency and is a promotion research agency established under the federal Farm Products Agencies Act.

Canada Beef Inc. is authorized by Proclamation to promote the marketing and production of beef cattle, beef and beef products for the purposes of inter-provincial and import trade and to conduct and promote research activities related to those farm products. The SCA appoints a producer to represent the Saskatchewan producers on the Board of Directors of Canada Beef Inc.

The operations of Canada Beef Inc. are financed by the charging and collection of a non-refundable federal levy imposed by the Beef Cattle Research, Market Development and Promotion Levies Order and by contributions from each of the provincial cattle associations. The national levy portion of the SCA levy is Saskatchewan's contribution to Canada Beef Inc. for national beef cattle promotion, marketing and research.

REMITTANCE OF THE SCA LEVY OR FEDERAL LEVY

The Saskatchewan resident purchaser or livestock dealer who is responsible for deducting and remitting the SCA Levy or the federal levy is required to remit the amount deducted to SCA by the 25th day of the next month following the month in which the cattle were sold in Saskatchewan. A livestock dealer licensed in Saskatchewan (regardless of where the livestock dealer resides) who is responsible for deducting and remitting the SCA Levy on cattle delivered for sale outside of Canada, is required to remit the amount



deducted to SCA within that same time period. For example, if cattle were sold in Saskatchewan or delivered for sale outside Canada on August 15th, the money deducted would have to be remitted to SCA by September 25th.

PROVINCE OF ORIGIN

Remitters must provide a breakdown of the number of head of cattle for which a levy has been deducted and remitted by province of origin. On the Statement of Levy Deductions, the province of origin and head count is determined by the residence of the seller. It has been agreed between the provincial cattle associations and Canada Beef Inc. that the province of residence is determined by the address of the cattle producer selling the cattle. For example, if a livestock dealer is making a cheque out to a producer from Alberta, that dealer will report those cattle as being from Alberta.

Buyers are required to identify the province of origin of producers selling cattle in inter-provincial trade to enable Canada Beef Inc. to pay the fee to each of the respective provincial cattle associations.

COLLECTION FEE

Buyers will continue to be able to deduct a collection fee of 5 cents per head for each levy deducted and remitted to SCA.

BUYER AUDITS

Ensuring the levy collection process meets the regulatory requirements is a responsibility of the SCA. As such, the SCA will conduct random audits to ensure that all buyers are properly collecting and remitting the SCA levy and the federal levy to SCA.

SASKATCHEWAN CATTLE PRODUCERS SELLING IN ANOTHER PROVINCE

When a Saskatchewan cattle producer delivers cattle for sale to another province in Canada, the purchaser or livestock dealer in that province will be deducting and remitting the federal levy payable in that province. If a Saskatchewan cattle producer sells cattle in Alberta or Manitoba, the Federal Levy is \$5.25.

Under the Federal Levies Order the purchaser or dealer is required to remit the federal levy to the provincial cattle association where the purchaser or livestock dealer resides. A livestock dealer licensed in two provinces could, depending on the transaction, be carrying on business in one province or the other province.

DEDUCTION REQUIREMENTS



When a buyer (which includes a purchaser, livestock dealer, livestock agent and abattoir) deducts the SCA levy, or the federal levy, as the case may be, the buyer is required to provide the cattle producer with a document that clearly shows:

- the number of head of cattle sold
- the amount of the levy deducted
- the buyer's name, address and phone number
- the date of the transaction.

FEDERAL LEVIES ORDER

Under the Beef Cattle Research, Market Development and Promotion Levies Order (the Federal Levies Order) every person who sells beef cattle in inter-provincial trade is required to pay to Canada Beef Inc., for each head of beef cattle sold, a federal levy in the amount prescribed by the Order. The amount of the federal levy payable on the sale of beef cattle sold in inter-provincial trade in Saskatchewan is \$5.25 per head of beef cattle sold to match the Saskatchewan levy. Interprovincial trade occurs when beef cattle are sold outside the seller's province of residence. **ONLY ONE CHECK-OFF IS PAID**

When cattle are sold in Saskatchewan, either the SCA levy or the federal levy is collected, not both. The SCA levy of \$5.25 is collected on cattle sold within Saskatchewan or outside of Canada. The federal levy of \$5.25 is collected on cattle sold in inter-provincial trade in Saskatchewan.

LIVESTOCK DEALERS SELLING CATTLE OWNED FOR NOT MORE THAN 7 DAYS

The requirement to pay the levies does not apply to livestock dealers and livestock agents who, in the ordinary course of business as a livestock dealer or agent, feed or own cattle for a period of not more than 7 days