

Growing Your Herd with a Manitoba Livestock Associations Loan Guarantee

Four years ago, Allen Rawluk began with a herd of eight Black Angus heifers. This spring, he and his brother Jake calved out 180 near Moosehorn, Manitoba, and they plan to expand the herd further.

Their plans are based on the essentials of raising livestock in Manitoba: hard work, attention to detail and taking advantage of available support.

"We first heard of the Baldy Mountain Feeders Associations Co-op by word-of-mouth from one of the members," said Rawluk.

Feeder and breeder associations in Manitoba are overseen by the Association of Manitoba Feeder Co-operatives (AMFC). They act as intermediaries between banks and livestock producers.

"The association helped fast-track our operation to get up and running" – Allen Rawluk

"Producers can borrow up to \$500,000 from their association, and use the cattle they purchase as collateral," said Sherry Rozecki, president of the AMFC. The maximum lending limit for an individual association is \$8 million.

The Manitoba Agricultural Services Corporation (MASC) proudly supports their efforts through the Manitoba Livestock Associations Loan Guarantee (MLALG) Program.

The MLALG gives members the benefit of lower costs associated with more favourable financing terms than they would be able to access individually. Members also benefit from reduced handling costs because of the association's higher sales volume. MASC guarantees funds borrowed by the association from participating lenders to purchase eligible livestock.

"The idea was to roll the heifers into a breeder contract," said Rawluk.

Like Rawluk, some producers are members of both a feeder association and a breeder association. If you've raised heifers through the first year, you can roll them over to a breeder contract. In this situation, the breeder association can lend money to the producer to pay off the feeder association contract.

For their services and administration, feeder associations require members to deposit five per cent in the association's assurance fund. Breeder associations require a 10 per cent deposit.

The Rawluk brothers run separate herds, but both see the advantages of association membership.

"There's the ease of it," said Allen Rawluk. "Your association application and financing is reviewed by the association, and all aspects of your operation are looked at. If you need to know something about the business, someone from the association is there to help. It's a good feeling knowing the guy you talk to knows what you're talking about."

"Being young, it's a good environment to grow up with," said Jake Rawluk, Allen's younger brother.

Now, after four years of membership, the circle of mentorship has turned. Each of the Rawluks' Black Angus herd can be traced genetically, ranked by weight, health, consumption, disposition and so on, all stored digitally. Allen, now a board member of his association, can advise on and demonstrate cutting edge practices for pasturing, calving and more.

"It's a friendly fraternity. There's trust involved," said Sherry Rozecki. "You're dealing with people on common ground. Shared ownership means that members want each other to succeed."



Jake Rawluk, Allen Rawluk, Paul Gobin (MASC)

With 51 members, Central Plains Cattle Breeders Co-Op is the largest breeder association in Manitoba, but Allen Rawluk sees growth in the association's future, from inside and out.

"We want new members," he said. "and we want to grow the operations of our existing members."

Rozecki agrees with the continued growth of associations.

"If we get more awareness about this program, membership will only go up."

For more information about Manitoba's feeder and breeder associations, visit the Association of Manitoba Feeders Co-operatives website at www.amfc.biz.

For more information about the Manitoba Livestock Associations Loan Guarantee Program, visit the MASC website at www.masc.mb.ca or contact MASC's Guarantee Program Specialist at 204-239-3244.

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