



Regulation 54 - Beef Cattle Marketing Act Frequently Asked Questions

Q. Who has to pay the Ontario check-off?

Regulation 54 of the Beef Cattle Marketing Act states that by law, every cattle seller has an obligation to pay the \$4.00/head check-off. Breeding stock, cull dairy cows, bob calves and veal calves are included. Exemptions only exist for:

- a. cattle sold for the production of milk
- b. cattle that are owned by a person who does not reside in Ontario

Q. Isn't the check-off collected only when cattle are sold for slaughter?

No. The \$4.00/head check-off is payable whenever cattle are sold, subject to the exemptions cited above.

Q. Who is responsible for collecting the check-off?

Both the buyer and seller are responsible for collecting check-off. Regulation 54 of the Beef Cattle Marketing Act requires that auction market operators, packing plant operators and livestock dealers deduct the \$4.00/head check-off from the proceeds payable to cattle sellers and remit them to Beef Farmers of Ontario (BFO). If cattle are sold by private treaty, the seller is responsible for remitting the \$4.00/head check-off on cattle sold.

Q. How do I remit check-off and when is payment due?

In the vast majority of cattle transactions, it is the responsibility of the buyer to deduct the \$4.00/head check-off from the proceeds payable to the cattle seller. Firms which deduct check-off are required to remit the fees to BFO by the 15th day of the following month. A seller must remit the check-off accruing from private treaty transactions directly to BFO by the 15th day of the following month with a statement showing their name and complete address, and the number of head sold.

Q. Are check-off fees subject to HST?

Yes, check-off fees are subject to 13% HST.



Q. I do not live in Ontario, but I sold cattle to an Ontario licensed dealer. Am I required to pay check-off?

Yes. Every province in Canada has a prescribed check-off rate. The buyer of the cattle is required to deduct and remit check-off in the amount regulated by the province in which the seller resides.

Q. I live in Ontario, but I sold cattle out of province. Am I required to pay check-off BFO?

Yes. The buyer of the cattle is required to deduct and remit check-off in the amount of \$4.00 per head regulated by Ontario's Beef Cattle Marketing Act.

Q. Does BFO provide a reporting commission for auction market operators, packing plant operators and livestock dealers?

Yes. To cover administrative costs, BFO will compensate auction market operators, packing plant operators and livestock dealers for deducting and submitting BFO check-off along with providing the names and addresses of the sellers.

If the monthly remittance before HST is:

- 1) Less than \$200, the commission is \$15
- 2) \$200 or over and less than \$1,000, the commission is \$35
- 3) \$1,000 or over, the commission is three cents per head, minimum \$70.

Q. Does BFO provide a reporting commission on private treaty sales?

No, BFO does not provide a reporting commission on private treaty sales.

Q. What is the Seven Day Dealer Exemption?

The Seven Day Dealer Exemption applies to a livestock dealer who sells cattle within seven business days of having purchased them. The livestock dealer may apply to BFO for a rebate with proper documentation.

Q. What is the proper documentation required to qualify for the Seven Day Dealer Exemption?

By law, the Beef Cattle Marketing Act requires that on or before the 15th day of each month the livestock dealer must provide a statement to BFO that indicates the number of head of cattle sold within seven business days of having purchased the cattle. The livestock dealer must also provide the date on which the cattle were purchased and sold, the class of cattle and the name of the purchaser.

Q. Why does BFO require the names and addresses of the buyers and sellers?

By law, the Beef Cattle Marketing Act requires that on or before the 15th day of each month that every person who deducts check-off must forward a statement to BFO showing their full name, address, postal code and telephone number. It also requires the full name, address and postal code of each seller to be forwarded to BFO.

This information populates the BFO membership listing and provides a means to communicate with our membership on important industry issues or in the case of an emergency situation.



Q. Does BFO share its membership list with outside organizations?

BFO is committed to protecting the privacy and security of our members' personal information in compliance with the Personal Information Protection and Electronic Documents Act (PIPEDA).

Personal information collected by BFO is used solely for the purposes of conducting the business of the organization. We do not share personal information with organizations not part of BFO's normal business practice without membership consent. BFO will only share non-public personal information in the following manner:

- In an emergency such as a disease outbreak, up-to-date membership lists may be provided to the Canadian Food Inspection Agency and/or other appropriate regulatory authorities.
- With a party representing you, such as your accountant, farm business advisor, feed company representative, veterinarian, lawyer or other third parties, with your written consent.
- When permitted or required by law, such as in response to a subpoena or other legal process.
- Under circumstances where disclosure of personal information may be justified or permitted under a legal duty or right, BFO will not disclose more information than is required.

Q. How are my check-off dollars spent?

Check-off dollars are very important and valued by the organization. The provincial portion of the check-off (\$3.00) remains in possession of BFO to fund programs and activities, and to maintain daily operations. The remaining portion of the check-off (\$1.00) is a mandatory national levy collected to fund research and marketing activities on behalf of the entire industry. The goal of the national check-off is two-fold: i) to increase sales of domestic and export beef; and ii) to find better and more efficient methods of producing beef and beef cattle.

BFO is actively engaged in a range of issues and supports its membership in the following ways:

- Advocating on federal and provincial beef related issues and initiatives
- Policy planning
- Development of industry programs and services
- Industry sustainability
- Market information and analysis
- Production and marketing research
- Promotion of beef
- Industry communication through various mediums

To see a full report on BFO's activities, visit www.ontariobeef.com to view our Report Card.

