

The Agri-Food Equity Fund Regulations

Repealed
by Saskatchewan Regulations 53/97
(effective September 22, 1997).

Formerly
Chapter A-8.1 Reg 3 (effective June 29, 1994) as amended by
Saskatchewan Regulations 73/96.

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER A-8.1 REG 3

The Agricultural Credit Corporation of Saskatchewan Act

Title

- 1** These regulations may be cited as *The Agri-Food Equity Fund Regulations*.

Interpretation

- 2** In these regulations:

- (a) “**Act**” means *The Agricultural Credit Corporation of Saskatchewan Act*;
- (b) “**Agri-Food Equity Fund**” means the division of the corporation known as the Agri-Food Equity Fund;
- (c) “**committee**” means the Investment Review Committee established by resolution of the corporation;
- (d) “**designated agricultural enterprise**” means an undertaking or enterprise that meets the criteria set out in section 3;
- (e) “**equity**” means any combination of the following that, when acquired, result in the corporation having a role in the decision-making activities of the designated agricultural enterprise that issued them:
 - (i) shares;
 - (ii) unsecured bonds, debentures and other securities.

8 Jly 94 cA-8.1 Reg 3 s2.

Agricultural enterprises designated

- 3(1)** Undertakings or enterprises that meet all of the following criteria are designated as a category of agricultural enterprise within the meaning of clause 2(a) of the Act:

- (a) the undertaking or enterprise is registered as a corporation pursuant to Part II of *The Business Corporations Act* or as a cooperative pursuant to *The Cooperatives Act, 1989*;
- (b) the undertaking or enterprise, at the time of the initial investment by the corporation:
 - (i) intends to commence operations within the next 12 months; or
 - (ii) intends, within the next 12 months to expand its operations;
- (c) if the undertaking or enterprise has commenced operations at the time of the initial investment by the corporation, its average gross annual sales during the time it has been operating or during the previous three years, whichever is less, are or are projected to be less than \$10,000,000;
- (d) the undertaking or enterprise has its head office in Saskatchewan;

- (e) subject to subsection (2), the undertaking or enterprise has not accepted, and does not intend to accept, a loan or combination of loans in excess of 49% of its total borrowing from any of the following or any combination of the following:
 - (i) the Government of Saskatchewan;
 - (ii) any agency of the Government of Saskatchewan;
 - (iii) any Saskatchewan Crown Corporation;
 - (f) the undertaking or enterprise has not sold, and does not intend to sell, shares in excess of 49% of its total shares issued to any government, government agency or crown corporation, or any combination of governments, government agencies or crown corporations;
 - (g) the undertaking or enterprise is engaged in the business, or proposes to be engaged in the business, of:
 - (i) processing primary agricultural products into secondary agricultural products;
 - (ii) producing or supplying non-traditional primary agricultural products or supplying products or providing services necessary to facilitate the processing or manufacturing of non-traditional primary agricultural products into secondary agricultural products;
 - (iii) marketing and distributing secondary agricultural products produced from primary agricultural products; or
 - (iv) supplying products or services to persons engaged in the production of primary agricultural products or the processing or manufacturing of secondary agricultural products.
- (2) Undertakings or enterprises that meet both of the following criteria are designated as a category of agricultural enterprise within the meaning of clause 2(a) of the Act:
- (a) the undertaking or enterprise must meet the criteria set out in clauses (1)(a) to (d) and (f) and (g);
 - (b) the undertaking or enterprise must have total borrowings of less than \$100,000.

8 Jly 94 cA-8.1 Reg 3 s3; 11 Oct 96 SR 73/96
s3.

Corporation may acquire shares

- 4(1)** The acquisition of equity in designated agricultural enterprises that are in the early stages of operation or expansion is a prescribed purpose for which the corporation may acquire shares, bonds debentures and other securities within the meaning of section 5.1 of the Act.
- (2) Subject to the other provisions of this section, for the purpose set out in subsection (1), the corporation may acquire, by purchase or otherwise:
- (a) equity in a designated agricultural enterprise; and

- (b) secured bonds, secured debentures and other securities in a designated agricultural enterprise if acquired in combination with equity to offset the risk of investment by the corporation.
- (3) The corporation may only acquire equity pursuant to subsection (2) with the approval of the committee.
- (4) In deciding whether to approve an acquisition of equity, the committee will consider:
 - (a) whether the proposed acquisition will allow the corporation to have a role in the decision-making activities of the designated agricultural enterprise;
 - (b) whether, in the opinion of the committee, the designated agricultural enterprise has the potential to be economically viable; and
 - (c) whether, in the opinion of the committee, the proposed acquisition will result in the corporation having a risk equal to or less than that of the other investors in the designated agricultural enterprise.
- (5) Subject to subsection (6), the maximum amount of the common voting shares of a designated agricultural enterprise that the corporation may hold is an amount equal to 49% of the issued common voting shares of the designated agricultural enterprise.
- (6) The maximum investment that the corporation may make in the equity of a designated agricultural enterprise is \$1,000,000.
- (7) Notwithstanding subsections (5) and (6), the corporation may acquire, by purchase or otherwise, additional equity in the designated agricultural enterprise that would result in the corporation exceeding the totals imposed by subsections (5) and (6) if:
 - (a) the corporation is of the opinion that it is in danger of losing its investment in a designated agricultural enterprise in which the corporation already holds equity if the acquisition is not made; and
 - (b) the acquisition is recommended by the committee and approved by the board.

8 Jly 94 cA-8.1 Reg 3 s4; 11 Oct 96 SR 73/96
s4.

Restrictions on use of moneys

- 5(1) The corporation may use moneys advanced to the corporation for use in the Agri-Food Equity Fund for the purposes set out in these regulations, or repay the unused portion of those moneys to the Government of Saskatchewan, and may not use those moneys for any other purpose.
- (2) When the corporation sells or otherwise disposes of or realizes on any equity acquired pursuant to these regulations, the corporation may use any proceeds realized by the corporation for purposes set out in these regulations, or pay the proceeds to the Government of Saskatchewan, and may not use the proceeds for any other purpose.

8 Jly 94 cA-8.1 Reg 3 s5.

