The purpose of The Farm Machinery and Equipment Act is to provide Manitoba farmers with warranty and repossession protection on farm machinery and equipment purchased or leased in Manitoba. It provides statutory requirements on length of warranty, replacement parts and service, replacement rentals, repossession procedures, sales contracts and financing arrangements. The act is administered and enforced by the Manitoba Farm Industry Board.

This fact sheet will answer some commonly asked questions about the act. For a complete copy of The Farm Machinery and Equipment Act, contact:

The Manitoba Farm Industry Board
812-401 York Avenue
Winnipeg, MB R3C 0P8
Ph: 204-945-3856 or
toll free in Manitoba 1-800-282-8069

Frequently Asked Questions (FAQs)

How am I protected under the act? The act sets out:
- the minimum terms of the warranty you should receive from your dealer when buying new farm machinery or equipment
- the fact that repair parts will be readily available
- the way in which repossession procedures are to be carried out
- conditions for the negotiations of disputes/disagreements concerning the purchase, warranty or repossession of farm machinery and other farm equipment, when necessary.

What machinery is covered under the act? The act applies to all sales, leases and lease-purchases of new farm machinery and equipment used for the production of food for off-farm-site consumption.

Is my truck covered under the act? No. The act does not cover your automobile, farm truck, jeep, snowmobile or all-terrain vehicle.

Does the act cover such things as new milking equipment, feed processing or hay-handling equipment? Yes. The act applies to all new farm machinery and equipment used in the production of food.

Does the act control the price of farm machinery or repair parts in Manitoba? No. The act does not provide for price controls. It does, however, require that when requested, every manufacturer or supplier must provide lists of retail prices of farm machinery and parts to the Manitoba Farm Industry Board.
Who is the “dealer” referred to in the act?
In every case, the “dealer” is the original selling or leasing dealer, and must be located in Manitoba.

What protection do I have if my dealer goes out of business?
The act states that repair parts must be available to you for a period of 10 years from the date of purchase of a new machine, and for the term of the machinery lease. If the dealer goes out of business, the parts must be provided by the vendor (manufacturer or distributor), who is also responsible for repair and warranty services.

Machines are often similar in design from year to year. How do I know the year of manufacture?
The model year of farm machinery and equipment means the manufacture year as designated by the manufacturer. Where there is no designation, the model year of machinery or equipment manufactured between September 1 and August 31 of the following year, shall be the calendar year of that following year. The vendor must ensure the model year is imprinted on the serial number plate or label of the farm machinery and equipment.

Does the act set specific payment arrangements on my finance contract?
If your contract has been arranged through a finance company or lending institution, your payments must be made directly to that institution. If the contract is with the dealer, but they have assigned it to a financial institution or lending institute, the institution must notify you by registered mail within 30 days. You are then responsible for making direct payment to that finance company or lending institute.

Parts and Service

Does the act ensure I will be able to get repair parts within a reasonable length of time?
Yes. Where the original purchaser orders repair parts for new machinery and equipment, the dealer and vendor will ensure those repair parts are available within 14 days after the date of the order.

During combining, seeding or other operations, I am not able to wait 14 days for repair parts. What happens then?
Provision must be made for the supply of emergency repair parts. In “emergency situations,” repair parts for equipment must be provided within 72 hours from the time you place the order, providing the reason for non-availability is not beyond the control of the dealer or vendor (ex: a strike). This requirement includes parts for haying, seeding, harvesting, feed processing, feeding and milking equipment, as well as tractors used for seeding, haying, harvesting or tilling operations. The time period does not include Saturdays, Sundays or holidays.

What is an “emergency situation”?
An emergency situation is when a machine or piece of equipment breaks down during the season it is used.
- April 15 to June 30 – machinery or equipment used in connection with spring seeding and tilling
- August 15 to October 31 – machinery or equipment used in connection with fall seeding and tilling
- June 1 to September 15 – machinery or equipment used in connection with silage and haying
- August 1 to October 31 – machinery or equipment used in connection with harvesting any crop or produce, including straw baling
- All year – machinery or equipment used in connection with milking and on-farm storage, and handling of milk or cream
- All year – machinery or equipment used in connection with livestock feed processing
- All year – for machinery or equipment used in connection with the mechanical feeding of livestock

How do I get emergency repair services?
Notify the dealer that the machine has broken down and specifically tell the dealer to order parts on an emergency basis. You should receive a copy of the order showing the date and time the order was placed with the dealer.
What happens if I have a breakdown and the dealer is closed for the day?
According to the act, the buyer can order emergency repair parts from the dealer at any time during the dealer’s normal business hours during the appropriate season of use.

What happens when I order repair parts and the dealer fails to have these parts available within the time limits stated in the act?
Provided that failure to supply is not beyond the dealer’s/vendor’s control, they must provide you with an alternate machine for which you must pay one-half of the rental rate established by the Manitoba Farm Industry Board. The rental fee is charged only for the time the machine is actually used – between the time the repair parts should have been available at the dealer’s place of business, and the time the parts become available. A list of rental rates is available from the Manitoba Farm Industry Board.

What happens when a strike, transportation problem, or some other factor beyond the control of the dealer, delays delivery of repair parts?
In such a case, the dealer or vendor is not held responsible for the delay.

Warranty

Should I receive a warranty from my dealer when I purchase or lease new machinery or other agricultural equipment?
Yes. The act states that all farm machinery and equipment must be covered by a one-year warranty, from the date of first use of the farm machinery and equipment. The warranty protects you against serious defects in material and workmanship. The warranty must be a part of the new contract for the sale, or lease, of new farm machinery and equipment.

If a part fails on a new machine through defective material or workmanship during the warranty period, what are the legal responsibilities of the dealer?
The dealer or vendor must replace this part, and any other parts that have been damaged through progressive damage (over time). The replacement of the part must include the cost of the part, labour, and transportation, up to a distance of 80 kilometres (50 miles) from the dealership, if the machine cannot or should not be driven.

What is the warranty on replacement parts installed during the original one-year warranty period?
The replacement parts are subject to warranty against defects in materials and workmanship for the remainder of the warranty period of the farm machinery, or farm equipment, on which the parts are replaced.

Are there any times when the dealer or vendor does not have to provide replacement parts free of charge?
The dealer is not responsible for any damage caused by neglect or through normal wear. In cases where there is disagreement over the cause of the equipment failure, the Manitoba Farm Industry Board may be asked to step in to assess the situation.

Are any parts of farm machinery and equipment excluded from warranty or subject to special warranty provisions?
Parts excluded from warranty by the regulation are:
- ignition parts
- lubricants and oils
- chemical liquids
- spark plugs
- fuses
- light bulbs
- filters

Parts and accessories subject to the original manufacturer’s warranty are:
- tires
- batteries
- communication equipment
- audio equipment
- parts that are not essential to, or required for, any of the intended purposes of the farm machinery or farm equipment
What is the warranty on purchased repair parts?
Purchased repair parts must have a warranty against defective workmanship or materials for 90 days from the first day of use in the first season of use.

The Contract

When I buy or lease new machinery or equipment, should I receive a copy of the sales contract?
Yes. The dealer is required, by the act, to use a standard contract form. A signed and accepted copy must be provided by the dealer at the time the contract is to be completed, or it must be forwarded to you by registered mail. You should also receive a brochure that outlines the warranty, and emergency service procedure to follow, when ordering repair parts in an emergency situation.

What information does this standard contract contain?
Most importantly, it shows:
- serial number of equipment purchased
- value of equipment purchased
- market and trade-in value
- borrowing costs (as defined by The Consumer Protection Act)
- sales terms, including amounts and dates of payments
- delivery and waiver agreement

It will also contain the lien note and repayment schedule if the unpaid balance is financed.

NOTE: Before signing the contract, be sure you fully understand it, and that all the parts are filled in. Pay particular attention to the agreed purchase price and the waiver clause. Remember, once the contract is properly completed and signed, it immediately becomes a legal and binding document.

When a delivery date is set down in the contract, and my dealer fails to deliver by that date, what happens?
If your dealer cannot meet the specified delivery date, they must contact you either by registered mail, or through a personally delivered written notice – at least five days before the promised delivery date. Should this happen, you are free to cancel the contract.

If I decide to accept late delivery, what happens?
In this case, the dealer must provide you with comparable equipment while you wait, or pay for the rental, using rates set by the Manitoba Farm Industry Board. The dealer only has to pay for the actual time the equipment is used – from the promised delivery date to the actual delivery date.

Can my dealer cancel the contract?
Yes. However, cancellation is only permitted if machines or equipment are not available. Any cancellation must be done 15 days before the specified delivery date, and all money, or used machinery given as payment toward the purchase price, must be returned to you.

If the dealer is unable to return the machinery you traded in, the dealer must pay you the fair market value as set out in the contract. The dealer may charge you for repairs done on this trade-in equipment.

Does the contract protect me if the new machinery does not operate the way I expected after delivery?
Yes. The functions of the new machinery must be set out in the contract. You have a minimum trial period of 50 hours of use for new machinery, with an hour meter; or 10 consecutive days starting on the first day of use, for new machinery that does not have an hour meter to determine if it performs as stated in the contract, or as normally intended.

If it does not perform satisfactorily, you must notify the dealer in writing. The dealer has seven days to correct the failure. If it cannot be corrected, you can refuse the new machinery or equipment by giving notice to the dealer. This must be done in writing, within three days after the initial seven-day period. This does not apply if there is evidence of negligence by the producer.
Repossession Procedure

If I am unable to make payments on the machinery or equipment that I have purchased, can the dealer repossess it?
Yes. Any lien holder (the dealer or someone who has taken over the lien against the equipment) can repossess the equipment, but only with the approval of the Manitoba Farm Industry Board, or with your written consent (voluntary release). You only need to give your written consent if you are willing to voluntarily give up the machinery or equipment.

What information does the Manitoba Farm Industry Board take into consideration before making a decision to repossess?
The board considers all relevant information supplied by the farmer and the lien holder. In all cases, a decision is based on the:
- purchase price
- depreciation
- farmer’s equity in the machinery
- interest rate
- amount in default
- length of time the farmer has been behind in payments
- location and condition of the equipment
- the farmer’s ability to pay at a future date
- any other relevant information that the board is informed of by either party

Should the lien holder notify me when an application is made to the Manitoba Farm Industry Board for repossession?
Yes. A copy of the application must be mailed to you at the same time application is made to the board.

Should I get in touch with the Manitoba Farm Industry Board when I receive this application?
Yes. You should contact the board office right away. If you are in a position to pay the arrears/debt, the application will be withdrawn when you pay. If you are unable to make the full payment, the board may be able to negotiate a repayment schedule that is satisfactory to the lender and to you.

When will I be notified of the board’s decision?
The Manitoba Farm Industry Board will normally consider an application for repossession within five weeks of the application.

Should the lienholder formally notify me if the equipment is repossessed?
Yes. Within 48 hours after repossession (not including Saturdays, Sundays or holidays), you should receive written notice. It should state:
- the repossession date
- the amount required to redeem the equipment
- a breakdown of this amount
- the date by which the equipment may be redeemed
- the place where the equipment is being kept
- the name and address of the person to contact if you wish to redeem the equipment
How long do I have to redeem the equipment, if I wish to do so?
The lienholder must keep the machinery or equipment in safe storage for a period of 10 days (not including Saturdays, Sundays or holidays) from the date of repossession.

During this time, you can redeem the equipment by making any payments in default, plus any additional interest payments past due. You must also pay the expenses incurred by the lienholder in taking and keeping the equipment.

If you fail to receive a notice of repossession, the lienholder must keep the equipment for 20 days instead of 10 (not including Saturdays, Sundays or holidays).

Is there any other option available to me after I receive the Farm Industry Board’s repossession decision?
Yes. You should immediately contact an attorney. Within 10 days (not including Saturdays, Sundays and holidays) after the decision is made, you can apply to the Court of the Queen’s Bench for an order to revoke/cancel the board’s decision. It will then be reviewed by the court, and a ruling will be passed on whether the board’s decision will stand or be changed.

Is my debt completely erased when the farm machinery or equipment is repossessed?
Yes. When a lienholder repossesses the farm machinery or equipment, they cannot collect any amount still owing on that equipment.

For more information
You may contact the Manitoba Farm Industry Board at:

**Manitoba Agriculture, Food and Rural Development**
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