



2017-2018 Advance Payments Program Application

Apples in Nova Scotia, New Brunswick & Newfoundland and Labrador

To apply for a 2017-2018 APP account please complete the forms in this document as well as the **form packet for farm set-up (Corporation/Partnership/Individual)** which can be found on our website at www.agricommodity.ca.

Please read and keep this front page as a “cheat sheet” of important information regarding the 2017-2018 APP program:

Apples

- Advances are available:
 - **April 1, 2017 – September 30, 2017** during production
 - **October 1, 2017 – March 31, 2018** on stored product
- **Crop Insurance** and/or **AgriStability** are used as security. Crop Insurance must be used first if available.
 - Both programs allow for an advance of up to 100% of your insured value at the time of application.
- Advances **cannot exceed \$400,000.00, your full production calculation** (# of pounds X advance rate), **or 100% of your BRM limit** (AgriStability or Crop Insurance), whichever is less
 - If your AgriStability Reference Margin is lower than your production calculation please call. There is an additional calculation we can do that may increase your margin.
- **Repayments are due as the crops are sold**, at the rate of advance (# of pounds X advance rate), along with proof of sale.
 - **Proof of sale** must include date, quantity sold, buyer’s name and seller’s name.
 - Payments must be received by ACMA within **30 calendar days of receipt of payment or 60 calendar days from delivery to buyer**, whichever is earlier.
- If you chose to store your product for sale at a later date a **Storage Report** must be submitted by **December 31, 2017. Failure to provide this will result in penalties.** The same repayment rules as above apply once a stored product is sold.
- Full loan **repayment**, including interest, must be received no later than **September 30, 2018.**
- **Penalties** will be applied for late payments, payments without proof of sale or other violations to the program. Please contact ACMA regarding any changes to your operation, such as inventory changes, to avoid these penalties.
- **Please watch your email** (our primary contact if an address was provided) **or fax, for reminders of these deadlines.**

If you have any questions on these, or any of our forms, please contact our office at 902-895-0581. We can help you over the phone or we can set up a time for you to come in so we can help you complete the application!

****Pages 9 & 10 are only required if an entity (i.e. a bank) holds your crop as security on a loan. We will run a search and let you know if this is necessary if you are unsure.**

****Page 11 is if you would like your buyer to pay us directly at the repayment rate rather than you submitting a cheque yourself. This is completely optional.**

**ADVANCE PAYMENTS PROGRAM (APP)
APPLICATION & REPAYMENT AGREEMENT: PRODUCT IN PRODUCTION**

PART 2B1

PROTECTED "A" ONCE COMPLETED

Name of producer	APP ID
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INSTRUCTIONS – 1st INSTALMENT – AGRICULTURAL PRODUCT IN PRODUCTION

- ✓ Use the Advance Rate provided by the Administrator.
- ✓ If the agricultural product for which the Producer is requesting an Advance does not receive a final report from Production Insurance (PI) and if the Administrator has the provision in the Advance Guarantee Agreement to issue only one instalment, complete sections 2.1 through 2.7 for the entire Advance.
- ✓ The Producer must first use their PI (multi-risks coverage is required under APP) coverage to guarantee an Advance before using their AgriStability coverage or coverage from another program.
- ✓ Concerning PI, under section 2.3, you must indicate the insured value for each product or for the basket of products insured. This value compared with the calculation of the Advance based on the anticipated production, will determine the maximum eligible Advance amount.
- ✓ If, to guarantee the Advance, the Producer chooses to use:
 - only Production Insurance (PI), complete only sections 2.1, 2.2, 2.3 and 2.7
 - only AgriStability, complete only sections 2.1, 2.2, 2.4 and 2.7
- ✓ If the producer chooses to use more than one program to guarantee an Advance, complete sections 2.1 and 2.2 and the sections that pertain to the relevant programs (2.3 to 2.5) as well as sections 2.6 and 2.7.
- ✓ The Producer must submit their final seeded acreage report (or any document providing the information on anticipated final production) accompanied by a completed 2nd instalment form (section 2.10 to 2.16) to the Administrator prior to **August 31, 2017** so as to not be considered in default.

2.1 AGRICULTURAL PRODUCT INFORMATION	2.2 ELIGIBLE ADVANCE BASED ON ANTICIPATED PRODUCTION	2.3 ELIGIBLE ADVANCE BASED ON PRODUCTION INSURANCE
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Agricultural product	Advance rate per unit (a)	Anticipated production		Advance based on the anticipated production per product (a x b) (A)	PI Contract #		(C) Maximum eligible advance per product (lesser of A or B)
		Quantity (b)	Unit of measure		Insured value		
PI coverage per product							
Apples – Fresh	\$ 0.09		Per Pound	\$			\$
Apples – Processing	\$ 0.05		Per Pound	\$			\$
				\$			\$
Sub-total				A1	\$	B1	\$
						C1	Total of (C) for all products \$

PI coverage per basket (single coverage including more than one product)								
	\$			\$			Maximum eligible advance for all of those products (lesser of A2 or B2)	
	\$			\$				
Sub-total				A2	\$	B2	\$	
Total				A	(A1 + A2) \$	B	(B1 + B2) \$	
Maximum eligible advance through PI (total of C1 + C2)							D	\$

2.4 ELIGIBLE ADVANCE BASED ON AGRISTABILITY

AgriStability PIN					
	Reference Margin			E	\$
AgriStability Reference Margin Calculation	Three Years Used to Calculate Reference Margin <small>(for below, use the values from the 3 years that contain a value in row G of your AgriStability Reference Margin chart)</small>			Average (\$)	
Allowable income	\$	\$	\$	F	\$
Allowable expenses	\$	\$	\$	G	\$

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Positive Margin Calculation (use this calculation only if your AgriStability Reference Margin is a <i>positive number or zero</i>)			
Calculate Producer's Positive Margin Coverage	E x 49%	H	\$
Calculate Producer's Positive Margin Coverage	G x 70%	I	\$
Estimated AgriStability Coverage for the purpose of APP	H + I	J	\$
Maximum AgriStability security before adjustments	(greater of E or J)	K	\$
Negative Margin Calculation (use this calculation only if your AgriStability Reference Margin is a <i>negative number</i>)			
Calculated Producer's Negative Margin Coverage (Drop the negative on B and use the absolute value of D-B)	G - E	L	\$
Maximum AgriStability security before adjustments	L x 70%	M	\$
Reference Margin Adjustments			
AgriStability Interim Payments Received to Date		N	\$
Maximum AgriStability Security Available (K or M) - N		O	\$
Maximum Eligible Advance (lesser of A or O)		P	\$
2.5 ELIGIBLE ADVANCE BASED ON USING 2 PROGRAMS TO GUARANTEE AN ADVANCE			
Maximum security available through PI and AgriStability (B+P)		Q	\$
Maximum eligible Advance is the lesser of A or of Q		R	\$
2.6 MAXIMUM ELIGIBLE ADVANCE			
<ul style="list-style-type: none"> ✓ The Advance can be issued in one instalment (i.e. 100%) if the seeded acreage can be confirmed prior to requesting the Advance. ✓ If the Advance is issued in two instalments, the 1st Advance cannot exceed 60% of the maximum Eligible Advance. ✓ During a Program Year, the Producer must not have received more than \$400,000 in Advances, and may not have more than \$400,000 outstanding at any given time, including the overlap period between Program Years. ✓ The interest free Advance is limited to the first \$100,000 issued per Program Year. Any Advance issued above that limit shall be interest bearing. 			
Maximum Eligible Advance calculated based on BRM program security and/or PI Calculation (Select D, P, or R)			\$
Proportion of advance attributed to 1 st instalment (to be filled in by the administrator)	X		%
1 st INSTALMENT OF ADVANCE ON AGRICULTURAL PRODUCT IN PRODUCTION	=		\$
2.6.1 ADVANCE REQUESTED BY PRODUCER		2.6.2 ADVANCE ISSUED BY ADMINISTRATOR	
\$		\$	
2.7 TERMS AND CONDITIONS OF THE REPAYMENT AGREEMENT			
In consideration of the Administrator granting an Advance pursuant to the provisions of the Advance Payments Program, the parties hereunto agree as follows:			
1. Important Terms			
1.1. "AAFC" means Agriculture and Agri-Food Canada.			
1.2. "Administrator" means Agri-Commodity Management Association (ACMA) .			
1.3. "Terms and Conditions" means the content of section 2.7 of this application.			
1.4. "Repayment Agreement" means the completed Application and these Terms and Conditions signed by the Producer and an authorized representative of the Administrator.			
1.5. "AMPA" means <i>Agricultural Marketing Programs Act</i> .			
1.6. "Minister" means the Minister of Agriculture and Agri-Food Canada or any person authorized to act on his or her behalf.			
1.7. "APP" means the Advance Payments Program.			
1.8. "SCAP" means the Spring Credit Advance Program.			
1.9. "ESCAP" means the Enhanced Spring Credit Advance Program.			
1.10. "Her Majesty" means Her Majesty the Queen in Right of Canada.			
1.11. "Producer" means the individual or Corporation/Cooperative/Partnership identified in Part 1 of this application.			
1.12. "Advance" means an Eligible Advance based on expected or actual production, as applicable, of an eligible Agricultural Product as per Subsections 1.13 and 1.15 of these Terms and Conditions.			

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<p>1.13. "Non-storable Agricultural Product" means the Agricultural Product listed in either section 2.1 or section 2.10 of this application, as applicable.</p> <p>1.14. "Advance Rate on Non-storable Agricultural Product" means the rate of issuance applicable to Advances issued prior to September 30, 2017.</p> <p>1.15. "Storable Agricultural Product" means the Agricultural Product listed in either section 2.10 or 2.19 of this application, as applicable.</p> <p>1.16. "In Production" means the Agricultural Product listed in either section 2.1 or section 2.10 of this application, as applicable, which is not yet produced.</p> <p>1.17. "Post Production" means the Agricultural Product listed in section 2.19 of this application, which has been produced.</p> <p>1.18. "Advance Rate on Storable Agricultural Product" means the rate of issuance applicable to Advance on Storable Agricultural Product issued prior to March 31, 2018.</p> <p>1.19. "Eligible Advance" means the Advance the Producer is entitled to as stated in either section 2.6, section 2.16 or section 2.19 of this application, as applicable.</p> <p>1.20. "Final Production Insurance Report" means a Production Insurance Agency report wherein the Producer identifies the amount of the Agricultural Product currently in production in order to calculate final entitlements for an Advance.</p> <p>1.21. "Eligible BRM program" means an eligible Business Risk Management program, as listed in the <i>AMPA</i> schedule is used by the Producer as security for an Advance on a Non-storable Agricultural Product.</p> <p>1.22. "BRM Program Coverage Report" means a report from the Agency responsible for the administration of the BRM program used as security, wherein the Producer identifies the amount of security available under the BRM program.</p> <p>1.23. "Production Period" is the period defined in 7.1 of these Terms and Conditions.</p> <p>1.24 " Program Year" is the period defined in 7.2 of these Terms and Conditions</p>	
<p>2. Issuance of the Advance</p>	
<p>2.1. The Administrator shall make an instalment of the percentage of the estimated Eligible Advance on an Agricultural Product as specified in section 2.6 of this application and using the Advance Rate on the Agricultural Product, upon the execution of this Repayment Agreement by the Administrator. In cases where the Producer can identify, upon the execution of this Repayment Agreement by the Administrator, the amount of the Agricultural Product currently in production, then the Administrator shall make an instalment of the entire estimated Eligible Advance on the Agricultural Product as stated in section 2.6 of this application and using the Advance Rate on the Non-storable Agricultural Product, upon the execution of this Repayment Agreement by the Administrator. In all instances, the Producer must provide a BRM Program Coverage Report and have sufficient security available related to the Agricultural Product to justify the Eligible Advance in accordance with the amount stated in section 2.5 of this application and using the Advance Rate on the Non-storable Agricultural Product.</p> <p>2.2. Before August 31, 2017, Producers securing the Advance with Production Insurance shall provide a copy of a Final Production Insurance Report, confirming the actual acres planted or other current production as applicable. For producers using another eligible BRM program as security, where a Final Production Insurance Report is not available, they must provide a signed declaration confirming the actual acres planted or other current production as applicable and consent to an inspection at the discretion of the Administrator.</p> <p>2.3. Based on the information contained in the document required under Subsection 2.2 of these Terms and Conditions, the Administrator shall recalculate the Eligible Advance in accordance with sections 2.10 to 2.16 of this application, and issue a second instalment to the Producer equal to the recalculated Eligible Advance less the instalment referred to in Subsection 2.1 of these Terms and Conditions, and any other Advance under the APP from any other Administrator for the same Agricultural Product. In cases where the Producer did not receive an Advance as stipulated under Subsections 2.1 of these Terms and Conditions and is compliant to Subsection 2.2 of these Terms and Conditions, the Administrator shall issue to the Producer the recalculated Eligible Advance less any other Advance under the APP from any other Administrator for the same Agricultural Product.</p> <p>2.4. Should the documents required under Subsection 2.2 of these Terms and Conditions demonstrate that the acreage seeded or planted is not sufficient to justify the outstanding Advance to the Producer or, through no fault of the Producer, the coverage amount under the eligible BRM program or the value of the Agricultural Product once produced, are not sufficient to justify the outstanding Advance, the Administrator shall notify the Producer that they have thirty (30) calendar days to repay the part of the outstanding amount of the Advance that exceeds the reduced coverage amount by more than ten thousand dollars (\$10,000) or ten percent (10%) or, if eligible, make application for an Advance on another commodity and have the proceeds applied to the deficit. Failing this, the Producer will be declared in default.</p> <p>2.5. Where an Advance on a storable Agricultural Product – in Production, issued as stipulated under Subsections 2.1 and/or 2.3 of these Terms and Conditions, is outstanding under the APP, the Producer shall submit a Post-Production Report confirming the actual production held in storage by the Producer on or before 2017-12-31 (YYYY-MM-DD), or otherwise be declared in default.</p> <p>2.6. Should the Post-Production Report demonstrate that the Agricultural Product in storage is not sufficient to justify the Advance issued to the Producer when the Product was in Production, the Administrator shall notify the Producer that they have thirty (30) calendar days to repay the part of the outstanding amount of the Advance that exceeds the reduced coverage amount by more than ten thousand</p>	

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<p>dollars (\$10,000) or ten percent (10%) or, if eligible, make application for an Advance on another commodity and have the proceeds applied to the deficit. Failing this, the Producer will be declared in default.</p> <p>2.7. Where applicable, the Administrator shall issue an Advance on a Storable Agricultural Product - Post-Production calculated in accordance with section 2.19 of this application and using the Advance rate specific to that Storable Agricultural Product - Post-Production. The Producer must have sufficient Agricultural Product in storage to justify the Eligible Advance.</p> <p>2.8. Any Advance on all eligible Non-storable Agricultural Product or any instalment on such an Advance shall be issued as per the date specified in Subsection 1.14, 1.20, and 1.21 of these Terms and Conditions, as applicable.</p> <p>3. Repayment of the Advance</p> <p>3.1. The Producer shall repay the amount of the Advance as specified in this Repayment Agreement to the Administrator by the end of the Production Period:</p> <p>3.1.a. where an Agricultural Product in respect of which the Advance is made is sold to a Buyer named by the Administrator, by authorizing each Buyer to withhold from such proceeds, in respect of each sold unit of Agricultural Product, an amount at the Advance rate in effect at the time the Advance was issued, and remit to the Administrator such amounts withheld until all the Advances made to the Producer and the interest payable by the Producer on those Advances are repaid;</p> <p>3.1.b. where the Producer otherwise sells or disposes of that portion of Agricultural Product in respect of which the Advance is made, by paying directly to the Administrator for each unit of Agricultural Product within thirty (30) calendar days of receipt of payment or within sixty (60) calendar days of delivery to the Buyer, whichever is earlier, an amount at the Advance rate in effect at the time the Advance was issued until all the Advances made to the Producer and the interest payable by the Producer on those Advances are repaid. Each repayment should be supported by proof of sale;</p> <p>3.1.c. by assigning to the Administrator amounts payable to the Producer under an eligible BRM program which the Administrator will apply to repay the Advance within five (5) calendar days of receipt of such amounts until all the Advances made to the Producer and the interest payable by the Producer on those Advances are repaid. The Administrator will reimburse any amount received from a BRM program in excess of the outstanding Advance to the producer within seven (7) calendar days of receipt.</p> <p>3.2. In addition to the mandatory payments under paragraphs 3.1.a, 3.1.b or 3.1.c, above, the Producer may choose to reimburse the Advance:</p> <p>3.2.a. by making a cash payment without proof of sale prior to or on the last day of the production period up to the greater of \$10,000 or ten percent (10%) of the total amount of the Advance issued on the date the cash repayment is taking place. If the Producer chooses to repay in cash an amount in excess of such amounts without proof of sale of the Agricultural Product, the Producer will be charged interest at the rate outlined in section 6.3 of this Agreement, on the excess amount from the day the Advance was issued to the day the repayment was made. The producer has thirty (30) calendar days to repay the interest.</p> <p>3.2.b. by paying directly to the Administrator any amount received by the Producer under an eligible BRM program.</p> <p>3.2.c. by paying directly to the Administrator any amount received by the Producer, not exceeding the proceeds evidenced by proof of sale.</p> <p>3.2.d. notwithstanding subclause 3.2.a of this Agreement, a repayment without proof that the Agricultural Product has been sold can be made if the Administrator is satisfied that the Agricultural Product in respect of which the Advance has been made has not been disposed of by the Producer at the time of the repayment. As such, third party verification will need to be provided or an inspection will be conducted, and may be at the expense of the Producer.</p> <p>3.2.e notwithstanding subclause 3.2.a of this agreement, a repayment without proof that the Agricultural Product has been sold can be made to repay an Advance taken on the Products listed in Section 2 above from the beginning of the Production Period until January 31, 2018 or until the end of the production period, whichever is earlier, provided that the Producer is able to confirm the units in production to the satisfaction of the Administrator.</p> <p>3.3. In the event that the Producer repays the amount of the Advance to the Administrator by selling the Agricultural Product or part of the Agricultural Product in the manner described in paragraph 3.1.a of these Terms and Conditions, the Producer shall:</p> <p>3.3.a. indicate in writing to the Administrator to which Buyer, named by the Administrator, the Agricultural Product will be sold, prior to selling the said product to such Buyer; and</p> <p>3.3.b. notify the Administrator immediately upon receiving any information to the effect that the named Buyer is not promptly remitting to the Administrator the amount so withheld; and</p> <p>3.3.c. remain liable to the Administrator for repayment of any part of the Advance where the said Buyer has failed to remit to the Administrator that part of the Advance withheld by it pursuant to its Agreement with the Administrator.</p> <p>3.4 The Producer agrees that the full amount of repayments received by the Administrator will be applied to the portion of the Advance on which the Minister pays the interest, before the portion of the advance on which the Producer pays the interest.</p> <p>4. Security Interests</p> <p>4.1 The Producer hereby grants a continuing security interest in his Agricultural Product, in any Agricultural Product produced in a subsequent production period by the producer and all proceeds, to the Administrator to secure repayment of his debt owing to the</p>	

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<p>Administrator arising from this Repayment Agreement. The Producer declares that the Administrator's security interest in the Agricultural Product shall rank prior to the interest of any other secured creditor. The Producer confirms that he has obtained signed priority agreements from all secured creditors who have or may be entitled to have a security interest in the Agricultural Product. The Producer agrees that upon default, the Administrator has the right to seize the Producer's Agricultural Product wherever situated, sell the Agricultural Product as it sees fit and use the sales proceeds to reduce his debt owing to the Administrator arising from this Repayment Agreement, including interest and any legal costs.</p>	
<p>4.2 The Producer hereby irrevocably assigns his current and future BRM Program payments to the Administrator to secure repayment of his debt owing to the Administrator arising from this Repayment Agreement. The producer agrees that all BRM Program payments will be paid automatically to the Administrator until his debt owing to the Administrator arising from this Repayment Agreement is repaid in full. The Producer declares that the assignment of his BRM Program payments to the Administrator takes priority over any other security interest. The producer confirms that he has obtained all necessary signed priority agreements with any secured creditor such that the Administrator's security interest shall rank in priority to any other interests. The Producer agrees and understands that the Administrator may register financing statement(s) at such provincial Property Security registries as the Administrator determines advisable. The Producer hereby waives all rights to receive from the Administrator a copy of any financing statement or confirmation statement issued at any time respecting the Administrator's security interests.</p>	
<p>5. Default</p>	
<p>5.1. The Producer is in default if the Producer has not met all their obligations under the Repayment Agreement at the end of the production period for which the advance was made.</p>	
<p>5.2. The Administrator shall declare a Producer in default and immediately inform the Producer of the same, if the Producer:</p>	
<p>5.2.a. has not met all of the obligations under the Repayment Agreement within twenty one (21) calendar days after the day on which the Administrator mails or delivers a notice to the Producer stating that the Producer has had, in the opinion of the Administrator, adequate opportunity to meet the obligation, and requesting that the Producer meet it;</p>	
<p>5.2.b. at any time breaches irremediably any substantial obligation under the Repayment Agreement; or</p>	
<p>5.2.c. provides false or misleading information to the Administrator for the purpose of obtaining a guaranteed Advance, or evading compliance with an undertaking to repay it.</p>	
<p>5.3. Upon default, the Producer is liable to the Administrator for:</p>	
<p>5.3.a. the outstanding amount of the guaranteed Advance;</p>	
<p>5.3.b. the interest at the rate specified in Subsection 6.2 of these Terms and Conditions on the outstanding amount of the Advance, calculated from the date the Advance was issued until the Advance is repaid;</p>	
<p>5.3.c. costs incurred by the Administrator to recover the outstanding amount and interest, including legal costs approved by the Minister.</p>	
<p>5.4. If the Producer is declared in default and the Minister makes payment under the guarantee, the Minister is subrogated to all rights of the Administrator against the defaulted Producer and against any other persons liable under this Repayment Agreement. The Producer is, in addition to the amounts stated in Subsection 5.3 of these Terms and Conditions, liable to the Minister for interest at the rate specified in Subsection 6.2 of these Terms and Conditions on the amount of the Producer's liability under Subsection 5.3 of these Terms and Conditions and the costs incurred by the Minister to recover the amount, including legal costs.</p>	
<p>5.5. For the purpose of this repayment Agreement, an ineligibility period of six (6) months may be applied against the Producer by the Administrator once the Producer has repaid his default in full.</p>	
<p>6. Interest Rate</p>	
<p>6.1. The interest payable by the Producer during the Program Year while in compliance with the AMPA and this Agreement will be:</p>	
<p>6.1.a. 0 percent on the amount up to \$100,000; and</p>	
<p>6.1.b. Prime less ¼ percent on the amount over \$100,000. The interest rate negotiated with the CIBC is different than what is charged by the ACMA. The difference is used to cover administrative costs.</p>	
<p>6.2. In the event that the Producer is declared in default, the interest payable by the Producer will be:</p>	
<p>6.2.a. Prime plus 1 percent on the amount of the outstanding balance from the date the Advance was issued to the date the Producer was declared in default; and</p>	
<p>6.2.b. Prime plus 3 percent on the amount of the outstanding Producer's liability from the date of default until the Advance, interest and all costs of collection are repaid in full.</p>	
<p>6.3. In the event that the Producer chooses to repay an amount in excess of the limits outlined in 3.2.a. of this agreement without proof of sale of the Product, the interest payable by the Producer will be Prime plus 1 percent on the on the amount in excess of the limit from the date the Advance was issued to the day the repayment was made.</p>	
<p>7. General Provisions</p>	
<p>7.1. The production period for the Agricultural Product commences on 2017-04-01 (YYYY-MM-DD) and terminates on 2018-09-30 (YYYY-</p>	

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<p>MM-DD).</p> <p>7.2 The Program Year means the period used to manage program limits as per Subsections 9(1) and 20 (1) of the AMPA and, for the purpose of this Repayment Agreement, this period commences on 2016-11-01 (YYYY-MM-DD) and terminates on 2019-03-31 (YYYY-MM-DD).</p> <p>7.3. The Eligible Advance under these Terms and Conditions is deemed to have been received on that portion of the Producer's Agricultural Product first sold. The Producer shall not dispose of any other part of this Agricultural Product, in any manner, before disposing of that portion of the Agricultural Product for which the Advance was received.</p> <p>7.4. This Repayment Agreement shall commence upon approval and execution of this Agreement by the Administrator, and shall terminate upon repayment of all amounts provided for in this Agreement.</p> <p>7.5. The Administrator or its authorized agent has the right to inspect the Agricultural Product and perform a credit check on the Producer or any of the Producer's Partners/Shareholders/Members at any time during the term of this Repayment Agreement.</p> <p>7.6. The Producer shall give immediate notice to the Administrator of any material loss, destruction or damage to the Non-storable Agricultural Product.</p> <p>7.7. If the Agricultural Product or a portion of the Agricultural Product for which an Advance was made ceases to be in marketable condition, through no fault of the Producer, the Producer shall immediately inform the Administrator and the Producer becomes liable to the Administrator for the portion of the guaranteed Advance, together with the outstanding interest on the interest bearing portion from the date of the Advance, that is attributable to the unmarketable portion of the Agricultural Product. This amount shall be repaid within thirty (30) calendar days.</p> <p>7.8. The Producer shall respect the terms of the BRM program used as security and shall ensure that any payments from the designated BRM program are forwarded to the Administrator up to the extent of the Eligible Advance and the Producer must notify the Administrator if further requests for an assignment of the BRM program proceeds are made, granted or registered.</p> <p>7.9. This Repayment Agreement shall be interpreted in accordance with the laws of the province of Nova Scotia, Canada.</p> <p>7.10. The Producer shall have insurance on the entire Agricultural Product for which the Advance was made, to the full extent of the Advance, for all insurable perils, until the Producer's liability is repaid. The Producer further agrees that any payout of this insurance will first be used to repay any outstanding Advance.</p> <p>7.11. Whenever the singular or masculine is used throughout this Repayment Agreement, it shall be construed as including the plural, feminine or neutral whenever the context and/or the parties hereto require.</p> <p>7.12. In the event that any part of this Repayment Agreement is found to be invalid by a court of law, then the Producer agrees to be bound by the terms and provisions of the balance of this Repayment Agreement.</p> <p>7.13. This Repayment Agreement shall not terminate by reason of death or disability of the Producer, but shall continue to be binding upon personal representatives to execute any instruments which may be necessary or proper to carry out the purpose and intent of this Agreement.</p> <p>7.14. The Producer agrees to provide the Administrator with any information requested by the Administrator to substantiate the statements made within this application to further satisfy eligibility requirements. Failure to provide such documentation as requested by the Administrator may result in a rejection of the application or in being declared in default if the Advance has been issued.</p> <p>7.15. For the purposes of giving effect to any of the Producer's undertakings under the Repayment Agreement, notably concerning the priority Agreement, the security and assignment of rights, the Producer shall make, execute and deliver to the Administrator any documents or Agreements as the Administrator may reasonably request, including security Agreements, assignments and financing statements.</p> <p>7.16. Where the Administrator determines that the Producer is insolvent, bankrupt, or has recently filed a notice of intention to make a proposal or has made a proposal under the <i>Bankruptcy and Insolvency Act</i> or is seeking protection under any other insolvency or bankruptcy related statute such as the <i>Companies' Creditors Arrangement Act</i> and the <i>Farm Debt Mediation Act</i> the Producer's application must be rejected.</p> <p>7.17. No amendment to this Agreement which may result in the reduction of the value of the security pursuant to section 4.0 of these Terms and Conditions, other than an amendment to correct a clerical or mathematical error, shall be made without written permission of the Minister, except under the following circumstances:</p> <p>7.17.a. the value of the Agricultural Product produced has decreased through no fault of the Producer to the extent that it has made it more beneficial to feed the Agricultural Product to the Producer's animals than to sell it;</p> <p>7.17.b. the cost of feed has increased to the point where it is more beneficial to feed the Agricultural Product to the Producer's animals than to purchase feed.</p> <p>7.18. Unless authorised by the Minister, any amendment to the Repayment Agreement as per Subsection 7.17 of these Terms and Conditions will not be retroactive and will come into force on the day that the amendment is signed and will substantially conform with Appendix 17 – Amendment of the Repayment Agreement. The Parties recognize that any interest benefit received as a result of paragraph 6.1.a of this Agreement before the coming into force of the amendment does not need to be reimbursed.</p> <p>7.19. All parties herein agree that should there be any discrepancies between this Agreement and the AMPA and its regulations, the AMPA and its regulations will supersede this Agreement.</p>	

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**ADVANCE PAYMENTS PROGRAM (APP)
BUSINESS RISK MANAGEMENT PROGRAM PROCEEDS - ASSIGNMENT AGREEMENT
STORABLE AND NON-STORABLE AGRICULTURAL PRODUCTS**

APPENDIX 2A

PROTECTED "B" ONCE COMPLETED

1.1 PRODUCER AND ADMINISTRATOR INFORMATION

AGREEMENT DATE: _____(YYYY-MM-DD).

Between _____ (Individual/Partner/Corporation/Cooperative), hereinafter referred to as the 'Assignor' and **Agri-Commodity Management Association (ACMA)**, hereinafter referred to as the 'Administrator'.

This Assignment Agreement is for all proceeds, up to the amount set in Part 1.3 below, payable to the Assignor under _____ (BRM program name) contract number _____ and is being used to secure Advances issued under the APP Repayment Agreement between the Producer and the Administrator dated _____(YYYY-MM-DD) and pursuant to the Advance Payments Program and the Agricultural Marketing Program Act (AMPA). Advances have been issued on the following Agricultural Product(s):

Product #1	Product #2	Product #3	Product #4	Product #5	Product #6
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1.2 DEFINITIONS AND ASSIGNMENT AGREEMENT

"Advance" means the money borrowed by the Producer through the APP.

"BRM" means the Business Risk Management program(s) listed in the Agricultural Marketing Programs Act that can be used to secure an advance under the APP.

"Default" means, when used in relation to a Producer, that a Producer is considered in default under a Repayment Agreement according to section 21 of the AMPA.

"Repayment Agreement" means the agreement signed by the Producer and the Administrator outlining the terms and conditions of the Producer's Advance under the APP.

"Producer" means the individual, partnership, corporation or cooperative that applied for an advance under the Advance Payments Program.

1.3 THE PARTIES HERETO AGREE THAT:

The Assignor hereby transfers, assigns and sets over to the Administrator all of his/her/their right, title and interest in the proceeds to be received from the _____ (name the BRM program) in the current year and all future years until such a time as the Advance, in the amount of \$_____ and for which this BRM program has been used as security, has been paid in full, and a liability to the Administrator no longer exists. This assignment of proceeds is not affected should the Producer become in Default under the Repayment Agreement. For the purposes of giving effect to any of the Assignor's undertakings under this Agreement, the Assignor shall make, execute and deliver to the BRM administrator or the Administrator, any documents or agreements as the BRM administrator may reasonably request.

1.4 SIGNATURES

Sealed, delivered and attested to by:

_____	_____
Name and title of Producer	Signature of Producer
_____	_____
Name and title of Producer	Signature of Producer
_____	_____
Name and title of Producer	Signature of Producer
_____	_____
Name and title of Producer	Signature of Producer
_____	_____
Name and title of Administrator	Signature of Administrator

The information on this form is collected under the authority of section 10 of the *Agriculture Marketing Programs Act*. Any personal information provided by the Administrator to Agriculture and Agri-Food Canada (AAFC) will be used to administer the APP in accordance with the *Privacy Act*. The information may also be used for statistical or evaluation purposes. Individuals have the right to request access and correction to their personal information. Should you have any questions concerning your Privacy, please contact: Agriculture and Agri-Food Canada's Access to Information and Privacy Director, Floor 10, 1341 Baseline Road, Tower 7, Ottawa ON K1A 0C5 or by email at AAFC.Privacy-vieprivee.AAC@AGR.GC.CA and reference AAFC's personal information bank *Agriculture Marketing Programs Act: Advance Payments Program, PPU 140*.

**ADVANCE PAYMENTS PROGRAM (APP)
PRIORITY AGREEMENT WITH A SECURED CREDITOR**

PROTECTED "A" ONCE COMPLETED

1.1 BASIC INFORMATION

Producer Name (the "Producer")			APP ID		
List of Agricultural Products (herein referred to as the "Agricultural Product(s)"):					
Product #1	Product #2	Product #3	Product #4	Product #5	Product #6

1.2 DEFINITIONS

BRM means the Business Risk Management program(s) listed in the *Agricultural Marketing Programs Act* that can be used to secure an Advance.

1.3 BANK INFORMATION

PART 1 – Complete this part if the Creditor HAS a lien or security on the Agricultural Product(s) or the BRM Program Proceeds related to the Agricultural Product(s).

Name of Bank or Lending Institution or Secured Party _____ located at _____ (herein referred to as the "Creditor"), does hereby consent that:

In consideration of an advance being issued under the APP by **Agri-Commodity Management Association (ACMA)** (herein referred to as the "Administrator") to the Producer, the Administrator and the Creditor agree that the security interest in the Agricultural Product(s) listed above for which the advance was issued, or the BRM program payment(s) related to the aforementioned Agricultural Product(s) as required for the Producer's advance, now held or to be held by the Administrator, shall rank prior to any lien or security on the said Agricultural Product(s) or any BRM program payment(s) given by the Producer to the Creditor, whether such security was given under the authority of the *Bank Act* or under the authority of a personal property security legislation in force in the province or by operation of any other law, but only to the extent of securing repayment to the Administrator of the advance payment up to the lesser of the principal amount of \$400,000 or the amount of \$ _____, as set out in the Repayment Agreement entered into between the Producer and Administrator on _____ (YYYY-MM-DD), plus interest on that amount and any potential collection and legal costs. Any BRM program proceeds payable to the Producer from the date this Agreement is signed until full payment of the above-mentioned amounts shall be sent to the Administrator.

Notwithstanding the priorities set out in this Agreement, the Administrator acknowledges that the Producer will operate bank accounts with the Creditor into which proceeds of property subject to the Administrator's security interest may be deposited. With the exception of any monies deposited in any accounts designated as trust accounts by the Producer for the benefit of the Administrator, the Creditor shall have no obligation to the Administrator with respect to any monies in any other account of the Producer maintained with the Creditor, or any monies that may be deposited therein or disbursed from any such other accounts, except for monies deposited therein after the Creditor has received notice from the Administrator and that the Administrator is thereafter exercising its rights in and to proceeds of the property subject to its security.

Prior to proceeding to enforce its security, the Administrator or the Creditor, as the case may be, shall provide reasonable prior written notice of such enforcement to the other of them.

For the purposes of giving effect to any of the Producer's undertakings under this Priority Agreement, the Producer shall make, execute and deliver to the Creditor or the Administrator, any documents or Agreements as the BRM program administrator may reasonably request.

The Creditor has has not (please check one) taken an assignment of the Producer's **AgriStability and/or Production Insurance** (name of BRM Program) payments related to the Agricultural Product(s).

Where the Creditor has a lien or security on the Agricultural Product(s) and/or the BRM program proceeds related to the Agricultural Product(s), this Agreement is subject to the condition that the above mentioned advance, less any amounts legally held as an administrative fee, be payable:

A) Jointly to the Producer and the Creditor and be remitted to the Creditor forthwith by the Producer and shall be applied in total or in part by the Creditor to reduce the Producer's indebtedness to the Creditor; or

B) To the Producer.

If neither options are selected, the parties are deemed to have agreed that the advance payment is to be made jointly in accordance with Option A

This Agreement shall continue in full force and effect until the date upon which all advances referred to herein and interest outstanding on these advances are repaid to the Administrator by the Producer.

In the case of a Lender: Lending Institution: _____ Transit: _____

The information on this form is collected under the authority of section 10 of the *Agriculture Marketing Programs Act*. Any personal information provided by the Administrator to Agriculture and Agri-Food Canada (AAFC) will be used to administer the APP in accordance with the *Privacy Act*. The information may also be used for statistical or evaluation purposes. Individuals have the right to request access and correction to their personal information. Should you have any questions concerning your Privacy, please contact: Agriculture and Agri-Food Canada's Access to Information and Privacy Director, Floor 10, 1341 Baseline Road, Tower 7, Ottawa ON K1A 0C5 or by email at AAFC.Privacy-vieprivee.AAC@AGR.GC.CA and reference AAFC's personal information bank *Agricultural Marketing Programs Act: Advance Payments Program, PPU 140*.



PART 2 – Complete this part if the Creditor DOES NOT have a lien or security on either the Agricultural Product(s) or the BRM Program Proceeds related to the Agricultural Product(s)

_____ located at _____ (herein referred to as the “Creditor”), hereby consents that:
Name of Bank or Lending Institution or Creditor

In consideration of an advance being issued by **Agri-Commodity Management Association (ACMA)** (herein called the “Administrator”) to the Producer, the Creditor confirms that it does not have any lien or security pursuant to section 427 of the *Bank Act*, or pursuant to any other law of Canada or of the provinces, related to the Agricultural Product(s) or to the BRM Program payment(s) related to the Agricultural Product(s) for the above mentioned Producer. However, this does not affect the Creditor's right to extend future credit and obtain security in support of same to the Producer at the Creditor's discretion.

Lending Institution: _____ Transit: _____

PART 3 – To be signed by all Creditors regardless of security interest or lien, by the Administrator and by the Producer.

This Agreement shall be governed by and interpreted in accordance with the laws of the province of **Nova Scotia**.

IN WITNESS WHEREOF all parties hereunto set their hands

Name of the **Creditor**

Name and Title of Authorized Officer of Creditor

Signature of Authorized Officer of Creditor Date(YYYY-MM-DD)

Agri-Commodity Management Association
Name of the **Administrator**

Name and Title of the Authorized Officer of Administrator

Signature of Authorized Officer of Administrator Date(YYYY-MM-DD)

Name of the **Producer**

Signature of Producer or its Authorized Officer Date(YYYY-MM-DD)

Witness (where Producer is an individual) Date(YYYY-MM-DD)

The information on this form is collected under the authority of section 10 of the *Agriculture Marketing Programs Act*. Any personal information provided by the Administrator to Agriculture and Agri-Food Canada (AAFC) will be used to administer the APP in accordance with the *Privacy Act*. The information may also be used for statistical or evaluation purposes. Individuals have the right to request access and correction to their personal information. Should you have any questions concerning your Privacy, please contact: Agriculture and Agri-Food Canada’s Access to Information and Privacy Director, Floor 10, 1341 Baseline Road, Tower 7, Ottawa ON K1A 0C5 or by email at AAFC.Privacy-vieprivee.AAC@AGR.GC.CA and reference AAFC’s personal information bank *Agricultural Marketing Programs Act: Advance Payments Program, PPU 140*.

**ADVANCE PAYMENTS PROGRAM (APP)
PRODUCER AUTHORIZATION TO BUYER**

APPENDIX 4

PROTECTED "A" ONCE COMPLETED

I/The, _____, herein referred to as the "Producer", have been given an advance by Agri-Commodity Management Association (ACMA), herein referred to as the "Administrator", for the amount of \$_____ (dollars) on _____, herein referred to as the "Agricultural Product(s)" at a rate of \$_____ (dollars) per _____ (unit of measure), hereby authorize and direct you:

Name of Buyer 1: _____

Name of Buyer 2: _____

Name of Buyer 3: _____

to withhold from the amount payable to me/it the most current advance rate per unit applicable to the above-mentioned Agricultural Product(s) according the Advance Guarantee Agreement signed between the Administrator and AAFC in respect to each unit of Agricultural Product(s) sold to you, and to remit such amount withheld to the Administrator. The current advance rate is equal to the amount mentioned above and it is the responsibility of the Administrator to inform the Buyer(s) of any change in such an amount.

IN WITNESS WHEREOF I hereunto set my hand and seal

Dated at _____, _____.

Date (YYYY-MM-DD)

Print name of Producer or Authorized Officer

Signature of Producer or Authorized Officer