



**Advance Payments Program (APP)  
Application for 2018  
Individual – Livestock**

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**1.1 BASIC INFORMATION**

**APP ID** \_\_\_\_\_

**First, Middle, Last Name** \_\_\_\_\_

**Date of Birth** \_\_\_\_\_

**Cell Phone Number** \_\_\_\_\_

**Legal Name of Business** (if applicable) \_\_\_\_\_

**CRA Business Number** (if applicable) \_\_\_\_\_

**Residential Mailing Address** \_\_\_\_\_

**Business Mailing Address** (if different) \_\_\_\_\_

**Business Phone:** \_\_\_\_\_ **Business Fax:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**Authorized Person(s) to Release Info to:**  
(other than shareholders) \_\_\_\_\_

**1.2 DECLARATION OF BANKRUPTCY**

**Circle Your Answer**

Have you declared bankruptcy within the past 7 years? **YES** **NO**

Are you currently seeking financial protection from creditors? **YES** **NO**

**1.3 DECLARATION OF APP ADVANCES(S) RECEIVED FROM OTHER PRODUCER ORGANIZATIONS**

**Circle Your Answer**

Do you have an outstanding advance with another APP administrator? **YES** **NO**

Have any been declared in default with another APP Administrator as a sole proprietor, corporation, cooperative or partnership? **YES** **NO**

**IF YOU ANSWERED "YES" TO EITHER QUESTION - COMPLETE THE INFORMATION BELOW**

Name of APP Administrator	Commodity Type	Program Year	Advance Amount

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**1.4 DECLARATION OF RELATED MARKETING TRADE NAMES**

Other than the Legal Business Name on this application, list any marketing or trade names used to sell your commodity in the last five years. This includes any other business names selling the same commodity that any shareholder(s) has an ownership interest in, any business name changes or any business sales/acquisitions for which the same commodity was, or is, produced.

TRADE NAME	RELATIONSHIP

**1.5 PRIMARY FINANCIAL INSTITUTION**

Attach a copy of a VOID cheque for Direct Deposit of any approved advance amount.  
If a VOID cheque is already on file only attach a new one if your banking information has changed.

<b>Name of Primary Financial Institution</b>		<b>Contact Name</b>	
<b>Street Address</b>		<b>City/Town</b>	<b>Province</b>
			<b>Postal Code</b>
<b>Phone Number (Ext)</b>	<b>Business Fax</b>	<b>Email Address</b>	

**1.6 RELATED PRODUCER DELCARATION**

- ✓ Producers are related if they do not deal with each other at arm's length.
- ✓ In the absence of proof to the contrary, producers are presumed to be related to another producer in any of the following circumstances:
  - ✓ One of the producers is the spouse or common-law partner of the other producer;
  - ✓ One of the producers owns at least 25% of the voting shares of the other producer;
  - ✓ One of the producers owns at least 25% of the voting shares of a corporation that directly or through any other corporation owns 25% of the voting shares of the other producer;
  - ✓ One of the producers is entitled to 25% or more of the profits or revenues of the other producer.
  - ✓ The producer shares any management and administrative services, equipment, facilities or overhead expenses of a farming operation with the other producer, but is not in partnership with that other producer; or
  - ✓ Any other circumstances set out in the *Agricultural Marketing Programs Act*.
- ✓ Relatedness affects the applicant's eligibility to receive an advance, as well as the amount of an advance.

**Answer the following questions:**

- |   |     |    |
|---|-----|----|
| 1. According to the above definition are you related to another producer? (if no, proceed to section 1.7) | Yes | No |
| 2. Has a related producer participated in the APP Program this year or any other year?                    | Yes | No |
| 3. Are any related producers currently in default under APP, SCAP or ESCAP?                               | Yes | No |

**1.6.1 RELATED PRODUCER DECLARATION**

If you answered "YES" to any of the questions in Section 1.6 then you must complete Section 1.6.1 and 1.6.2

Name of Related Producer	APP ID	Name of Related Producer	APP ID



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**1.6.2 REBUTTAL OF RELATEDNESS BETWEEN 2 INDIVIDUAL PRODUCERS**

- ✓ Answer the questions below for each related producer listed in section 1.6.1.
- ✓ If you responded "no" to any of the questions below, you have not rebutted the presumption of relatedness with the producer in question.
- ✓ If you responded "yes" to all the statements below, you have established that you deal at arm's length with the producer(s) in question, and the Administrator may request the appropriate documentation to support your responses, such as articles of incorporation, financial statements, leases, receipts, etc.
- ✓ Attach a separate sheet if required.

**1. Name of the related Producer:**

- |  |     |    |
|--|-----|----|
| a. You and the related producer file separate tax returns and/or produce separate financial statements.  | Yes | No |
| b. You and the related producer are not employees or do not act as agents of the other.  | Yes | No |
| c. You and the related producer conduct all business transactions (e.g. sharing of equipment and/or land) at fair market value and such transactions are documented. | Yes | No |

**2. Name of Related Producer**

- |  |     |    |
|--|-----|----|
| a. You and the related producer file separate tax returns and/or produce separate financial statements.  | Yes | No |
| b. You and the related producer are not employees or do not act as agents of the other.  | Yes | No |
| c. You and the related producer conduct all business transactions (e.g. sharing of equipment and/or land) at fair market value and such transactions are documented. | Yes | No |

**3. Name of Related Producer**

- |  |     |    |
|--|-----|----|
| a. You and the related producer file separate tax returns and/or produce separate financial statements.  | Yes | No |
| b. You and the related producer are not employees or do not act as agents of the other.  | Yes | No |
| c. You and the related producer conduct all business transactions (e.g. sharing of equipment and/or land) at fair market value and such transactions are documented. | Yes | No |

**1.7 TRADE REFERENCES**

Please provide the contact information for three current trade references.

Name:	Location	Phone Number

**1.8 INSURANCE**

**Please indicate which type(s) of insurance coverage you carry on your farm and include a copy the summary page(s) from your policy with your application.**

Property Coverage    Y    N                      Livestock Coverage    Y    N                      Fire Coverage                      Y    N



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**2.0 ADVANCE REQUEST CALCULATION**

**GENERAL INFORMATION**

- ✓ Use the Administrator's Advance Rate for the calculation of this worksheet.
- ✓ Advances should only be issued on Livestock the Producer expects to be market by the end of the Production Period.
- ✓ The Producer must not have more than \$400,000 outstanding in Advances including the overlap between Program Years.
- ✓ The interest free Advances are limited to the first \$100,000 issued per Program Year.
- ✓ Advances issued above that \$100,000 in a Program Year shall be interest bearing.
- ✓ The Producers must **always** provide AgriStability documentation to prove program participation.
- ✓ Producers must **always** maintain security coverage until the APP Advance has been repaid in full.

**FOR CONTINUOUS FLOW OPERATIONS**

Only one twelve (12) month Continuous Flow Operation cycle is allowed per program year.

Standard Operation

Continuous Flow

2.0.1 AGRICULTURAL PRODUCT INFORMATION		2.0.2 ELIGIBLE ADVANCE BASED ON ANTICIPATED PRODUCTION		
Type of Livestock	Advance Rate per Unit (a)	Unit of Measure	Quantity (b)	Maximum Eligible Advance based per Group (a x b)
Calf – Feeder (400-700 lbs)	\$ 95.00	CWT		\$
Cattle – Feeder (700-900lbs)	\$ 75.00	CWT		\$
Cattle – Finished (Less than 1250 lbs)	\$ 57.00	CWT		\$
Cattle – Finished (More than 1250 lbs)	\$ 57.00	CWT		\$
Hog – Market	\$ 80.00	Head		\$
Hog – Weanlings	\$ 24.00	Head		\$
Lambs (45-60 lbs)	\$ 55.00	Head		\$
Lambs (61-79 lbs)	\$ 70.00	Head		\$
Lambs (80-109 lbs)	\$ 90.00	Head		\$
Lambs (More than 110 lbs)	\$ 110.00	Head		\$
<b>Total Maximum Eligible Advance based on Anticipated Production (A)</b>				<b>\$</b>



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**2.0.3 BUSINESS RISK MANAGEMENT (BRM) PROGRAM INFORMATION**

BRM Program Name **AgriStability** PIN:

**2.0.5 MAXIMUM ELIGIBLE ADVANCE**

2.0.5.1 Advance Requested by Producer	2.0.5.2 Advance Issued by Administrator
\$	\$

**Where and how do you market your agricultural product/inventory?**  
(I.E. direct market, auction house, feed lot, local market – list buyer names where known and applicable.)

---

**Approximately when do you anticipate marketing your inventory?**  
(Indicate date range sales typically happen for your product.)

---

**I declare that the above information is true and accurate at the time of completion and agree to repay the Administrator any difference where applicable.**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Print name of Producer clearly**

\_\_\_\_\_  
**Signature of Producer**

\_\_\_\_\_  
**Print name of Witness clearly**

\_\_\_\_\_  
**Signature of Witness**

\_\_\_\_\_  
**Name of Administrator**

\_\_\_\_\_  
**Signature of Administrator**



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**3.0 BUSINESS RISK MANAGEMENT PROGRAM PROCEEDS - ASSIGNMENT AGREEMENT (LIVESTOCK)**

**3.0.1 Producer and Administrator Information**

Agreement Date: \_\_\_\_\_

Between \_\_\_\_\_ (Individual/Partnership/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 3.0.3 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 Producer and Administrator dated  
\_\_\_\_\_ (YYYY-MM-DD) and pursuant to the Advance Payments Program and the Agricultural Marketing  
Programs Act (AMPA). Advances have been issued on the following Agricultural Product(s):

Product 1	Product 2	Product 3	Product 4	Product 5	Product 6

**3.0.2 Definitions and Assignment Agreement**

"APP Electronic Delivery System" means the on-line system which electronically enables the submission of data relating to the delivery of the APP between AAFC and Administrators;

"Business Risk Management Program" or "BRM Program" refers to any program listed in the schedule of the AMPA, that can be used to secure an advance;

"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.

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

"Livestock" means cattle, sheep, swine and bison.

**3.0.3 The Parties Hereto Agree That:**

Should the Producer become in default under the repayment Agreement signed on \_\_\_\_\_ (date), the Assignor hereby agrees to transfer, assign and set over to the Administrator all of his/her/their right, title and interest in the proceeds to be received from the BRM program in the current year and all future years until such a time as the Producer's liability under the defaulted advance(s), has been paid in full, and a liability to the Administrator no longer exists. 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.

**3.0.4 Signatures**

**Sealed, delivered and attested to by:**

(Must be signed by all shareholders/partners/cooperative members, make additional copies of this page if necessary.)

\_\_\_\_\_  
Name of Producer

\_\_\_\_\_  
Name of Producer

\_\_\_\_\_  
Name of Producer

\_\_\_\_\_  
Name of Producer

\_\_\_\_\_  
Name of Administrator

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature



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**6.0 DECLARATION OF PRODUCER ATTESTATION**

Sign and date the declaration below attesting that the information provided on the application is complete and accurate. Providing false or misleading information will result in an automatic default with the loss of all benefits related to the Advance Payments Program.

**Signature of Application and Repayment Agreement for Individual Producer:**

I declare that I have completed and signed an Advance Payments Program Application and Repayment Agreement.

I declare that the above information is true and accurate at the time of completion and agree to repay the Administrator any difference, where applicable, as stated above.

I agree to comply with all of the terms and conditions included in the Advance Payments Program Application and Repayment Agreement.

\_\_\_\_\_  
Signature of Producer

\_\_\_\_\_  
Date (YYYY-MM-DD)

**6.0.3 Administrator Attestation**

I declare having taken all necessary steps, in accordance with the AMPA, its Regulations, the Advance Guarantee Agreement and the APP Administrator Guidelines, to ensure, to the best of my abilities, that the current Application and Repayment Agreement by the Producer is accurate and complete before granting the abovementioned advance.

\_\_\_\_\_  
Signature of Administrator

\_\_\_\_\_  
Date (YYYY-MM-DD)

**7.0 CONSENT OF ADMINISTRATOR REQUIREMENTS**

Please include the following documents with your application

- **Required Every Year:**
  - Your most recently completed financial statements ("Statement A" from you tax return is acceptable no financial statements)
  - A copy of any insurance coverage on the farm as indicated in section 1.8
  - Your 2018 AgriStability Enrollment Notice (front and back)
- **Required only if we don't have the most current copy on file from a previous year's application**
  - A VOID cheque for direct deposit
  - Proof of Canadian Residency (Passport, Birth Certificate or Permanent Resident Card)

I, the undersigned applicant, hereby declare that all information provided herein is to the best of my knowledge true, complete and accurate. I understand that the provided information will be used by ACMA in determining credit worthiness and consent to ACMA making any inquires they deem necessary to reach a decision on this application. I consent to the disclosure of credit information about me from any credit reporting agency or anyone with whom I have financial dealings.

I further understand that there may be an inspection to validate the production inventories indicated on this application as part of the Advance Payments Program (APP) requirements. I hereby confirm that my agricultural product inventories are of marketable quality and are being maintained adequately in order to remain of that same quality. I declare that I am the owner of this company and the owner of the inventory being marketed and assigned to this APP loan.

I further agree to all terms and conditions included in this application and any additional counterparts required to approve an advance. I agree to inform the administrator if I enter into any agreement after this application which may affect ACMA maintaining first priority on the agricultural product indicated on this application.

\_\_\_\_\_  
Print name of applicant clearly

\_\_\_\_\_  
Signature of applicant

\_\_\_\_\_  
Print name of witness clearly

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of Administrator

\_\_\_\_\_  
Signature of Administrator



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**8.0 TERMS AND CONDITIONS**

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. "Advance" means an Eligible Advance based on inventory of an eligible Livestock.
- 1.4. "Advance Cycle" means a period of up to twelve (12) months that starts when the producer is issued an Advance and ends no later than the end of the Production Period.
- 1.5. "Advance Rate on Livestock" means the rate of issuance applicable to Advances issued prior to March 31, **2020**.
- 1.6. "AMPA" means *Agricultural Marketing Programs Act*.
- 1.7. "APP" means the Advance Payments Program.
- 1.8. "BRM Program Coverage Report" means a report from the Agency responsible for the administration of the BRM program used as security in case of default, wherein the Producer demonstrates their participation in the BRM program.
- 1.9. "Continuous flow operation" means a farming operation where Livestock that are sold are constantly replaced by new ones so that the number of head of Livestock in inventory remains constant.
- 1.10. "Eligible BRM program" means an eligible Business Risk Management program, as listed in the Schedule of AMPA for which the producer declared being a participant and that is used by the Producer as security for an Advance in case of default on a Livestock Advance.
- 1.11. "Eligible Advance" means the Advance the Producer is entitled to as stated in section 2.5.0.2 of this application.
- 1.12. "ESCAP" means the Enhanced Spring Credit Advance Program.
- 1.13. "Her Majesty" means Her Majesty the Queen in Right of Canada.
- 1.14. "Livestock" means cattle, hogs, goats, sheep and/or bison as listed in section 2.0.1 of this application.
- 1.15. "Minister" means the Minister of Agriculture and Agri-Food Canada or any person authorized to act on his or her behalf.
- 1.16. "Repayment Agreement" means the completed Application and these Terms and Conditions signed by the Producer and an authorized representative of the Administrator.
- 1.17. "SCAP" means the Spring Credit Advance Program.
- 1.18. "Terms and Conditions" means the content of section 8.0 of this application.
- 1.19. "Producer" means the individual or Corporation/Cooperative/Partnership identified in Section 1.1 of this application.
- 1.20. "Production Period" is the period defined in 7.1 of these Terms and Conditions.
- 1.21. "Program Year" is the period defined in 7.2 of these Terms and Conditions

**2. Issuance of the Advance**

- 2.1 The Administrator shall issue an Advance under this Agreement in accordance with section 2.5.0.2 of this application and using the Advance Rate on the Livestock, upon the execution of this Repayment Agreement by the Administrator. The Producer must provide a BRM Program Coverage Report demonstrating participation in an eligible BRM Program.
- 2.2 Any Advance on all eligible Livestock, standard or continuous flow, or any instalment on such an Advance shall be issued as per the date specified in Subsections 1.5 of these Terms and Conditions, as applicable.

**3. Repayment of the Advance**

- 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:
  - 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;
  - 3.1.b. **For a Standard Advance**, 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;
  - 3.1.c. **For a Continuous Flow Advance**, 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 twelve (12) months from the date the Advance was made but no later than the end of the Production Period, an amount at least 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. The total repayment should be supported by proof of sale.
- 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:
  - 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 Product, the Producer will be charged





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- 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.
- 3.2.b by paying directly to the Administrator any amount received by the Producer under an eligible BRM program.
- 3.2.c by paying directly to the Administrator any amount received by the Producer, not exceeding the proceeds evidenced by proof of sale.
- 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.
- 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:
- 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;
- 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
- 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.
- 3.4 Through no fault of the Producer, should the quantity of the Agricultural Product used to secure the Advance not be 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. Failing this, the Producer will be declared in default. Upon reimbursement of the part of the outstanding amount of the Advance that exceeds the reduced coverage, if the producer was under the Continuous Flow Operation, the producer remains eligible to the Continuous Flow Operation terms and conditions for the outstanding balance of the Advance.
- 3.5 Should the quantity of the Agricultural Product used to secure the Advance be reduced, through an act of the producer, and not be 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. Failing this, the Producer will be declared in default. If the producer was under the Continuous Flow Operation, the Administrator should also notify the producer of the loss of the benefits of the Continuous Flow Operation and that the reimbursement of the outstanding Advance will have to be made with every subsequent sale.

#### **4. Security Interests**

- 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 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.
- 4.2 The Producer hereby irrevocably assigns his current and future BRM Program payments to the Administrator upon default to secure repayment of his debt owing to the Administrator arising from this Repayment Agreement. The producer agrees that once in default 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.
- 4.3 **For a Continuous flow operation**, the level of inventory on which the Advance was calculated must be the minimum inventory maintained throughout the Advance Cycle.

#### **5. Default**

- 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.
- 5.2. The Administrator shall declare a Producer in default and immediately inform the Producer of the same, if the Producer:
- 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;
- 5.2.b. at any time breaches irremediably any substantial obligation under the Repayment Agreement; or
- 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.
- 5.3. Upon default, the Producer is liable to the Administrator for:
- 5.3.a. the outstanding amount of the guaranteed Advance;



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- 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;
- 5.3.c. costs incurred by the Administrator to recover the outstanding amount and interest, including legal costs approved by the Minister.
- 5.4. The Producer agrees to assign to the Administrator amounts payable to the Producer under an eligible BRM program as identified in section 2.2 of this application for the repayment of the amount of the Eligible Advance plus interest costs provided for in this repayment Agreement. Such assignment becomes effective and will be registered only when the Producer becomes in default.
- 5.5. 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.
- 5.6. 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.

**6. Interest Rate**

- 6.1. The interest payable by the Producer during the Program Year while in compliance with the AMPA and this Agreement will be:
  - 6.1.a. 0 percent on the amount under \$100,000; and
  - 6.1.b. **Prime less one quarter (¼)** percent on the amount over \$100,000. The interest rate negotiated with the [lender name] is different than what is charged by the [administrator name]. The difference is used to cover administrative costs.
- 6.2. In the event that the Producer is declared in default, the interest payable by the Producer will be:
  - 6.2.a. **Prime plus one (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
  - 6.2.b. **Prime plus three (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.
- 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 one (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.

**7. General Provisions**

- 7.1 The production period for the Agricultural Product commences on **2018-04-01** (YYYY-MM-DD) and terminates on **2019-09-30** (YYYY-MM-DD) for all livestock producers except Cow/Calf to Finish operations. The production period for Cow/Calf to Finish operations commences on **2018-04-01** (YYYY-MM-DD) and terminates on **2020-03-31** (YYYY-MM-DD). (Note: Non-Cow/Calf to Finish operations may choose to keep their cattle past the **2019-09-30** payment deadline to allow for better sales **ONLY** if ACMA is notified and verification is completed to the satisfaction of ACMA **PRIOR** to **2019-09-30**.)
- 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 **2017-11-01** (YYYY-MM-DD) and terminates on **2020-03-31** (YYYY-MM-DD).
- 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. In cases where the Producer can provide proof of identification, supported by appropriate records, allowing for the identification of each unit of Livestock subject to the Advance, then the Eligible Advance under these Terms and Conditions is deemed to have been received on that portion of the Producer's Agricultural Product being identified to be subject to the Advance.
- 7.4 This Repayment Agreement shall commence upon approval and execution of this application by the Administrator and shall terminate upon repayment of all amounts provided for in this application.
- 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.
- 7.6 The Producer shall give immediate notice to the Administrator of any material loss, destruction or damage to the Agricultural Product.
- 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 guarantee Advance, together with outstanding interest on the interest bearing portion of the Advance, 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**.
- 7.8 The Producer shall respect the terms of the Eligible BRM program and, should the Producer be declared in default by the Administrator, shall ensure that any payments from the Eligible BRM are assigned 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.
- 7.9 This Repayment Agreement shall be interpreted in accordance with the laws of the province of **Nova Scotia**, Canada.
- 7.10 The Producer shall have insurance covering the entire Agricultural Product to the extent available, 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.



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- 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.
- 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.
- 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.
- 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.
- 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.
- 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 *Bankruptcy and Insolvency Act* or is seeking protection under any other insolvency or bankruptcy related statute such as the *Companies' Creditors Arrangement Act* and the *Farm Debt Mediation Act* the Producer's application must be rejected.
- 7.17 No amendment to this Repayment 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.
- 7.18 Unless authorized 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. 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.
- 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 Repayment Agreement.



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**9.0 DECLARATION OF PRODUCER & REPAYMENT AGREEMENT**

The Advance Payments Program (APP) is a Government of Canada program which supports the provision of cash advances to Producers across Canada. Under the APP, Agriculture and Agri-Food Canada (AAFC) provides funding to guarantee advances taken by Producers through farm organizations and covers the interest on the first \$100,000 in advances taken by each Producer under the program.

- 1) I am applying as an individual for an advance payment pursuant to the Advance Payments Program (APP).
- 2) I am of the age of majority and a Canadian Citizen or a permanent resident.
- 3) I am the Producer of the Agricultural Product for which this Application is made.
- 4) No other person has an interest in the Agricultural Product with respect to which this Application is made and the Agricultural Product will be sold in my name.
- 5) I am not required by the *Income Tax Act* to report income from other farming operations or other corporations carrying on a farm business, other than the one named in this Application and Repayment Agreement, otherwise I have listed in Section 1.6.1 all other farming operations and corporations carrying on farm operations in which I have an interest.
- 6) Neither I, nor any of the farming operations listed in section 1.6.1 of this Application and Repayment Agreement are in default under any repayment Agreement pursuant to the *Advance Payments for Crops Act* (APCA), the *Prairie Grain Advance Payments Act* (PGAPA), the Spring Credit Advance Program (SCAP), the Enhanced Spring Credit Advance Program (ESCAP) or the *Agricultural Marketing Programs Act* (AMPA).
- 7) I am not ineligible under a repayment agreement made pursuant to the *Agricultural Marketing Programs Act* (AMPA), the Spring Credit Advance Program (SCAP) or the Enhanced Spring Credit Advance Program (ESCAP).
- 8) I have made an application for Production Insurance and/or am participating in an eligible Business Risk Management program as outlined in Section 2.0 and its subsections of this Application and Repayment Agreement and declare having submitted a duly completed BRM Assignment Agreement (Section 30) as required for the specific class of Agricultural Product.
- 9) If I am requesting an advance on a Storable Agricultural Product in Post-production or Livestock, I have sufficient Agricultural Product in storage to justify the amount advanced as outlined in Section 2.0 and its subsections of this Application and Repayment Agreement.
- 10) I declare having submitted the duly completed priority Agreements required for every secured creditor that has an assignment on the proceeds of the Business Risk Management (BRM) program(s) used to secure the advance, as applicable, and/or that holds a lien or encumbrance on the Agricultural Products listed in Section 2.0 and its subsections of this Application and Repayment Agreement.
- 11) I agree that a credit check and an inspection of the Agricultural Product may be performed at any time while the advance is outstanding.
- 12) I acknowledge that, in the event of a default, I may be denied access to other federal agricultural support programming or, alternatively the Minister of Agriculture and Agri-Food Canada reserves the right to off-set from such support a sum equal to the outstanding amount and related interest charges and recovery costs.
- 13) I declare that this Application is consistent with the purpose of the APP.
- 14) I certify that all of the information provided in this Application is true and correct in every respect.
- 15) I understand that failing to comply with application requirements may delay the processing of the application or may render me ineligible for receiving an advance under the Program.
- 16) I agree that if I reside in a province where the legislation allows for the extension of the limitation period, to extend the limitation period and to take any necessary steps as determined by the Administrator to ensure that the limitation period for seeking a remedial order for claims arising from this application shall be extended from the date the Administrator knew, or in the circumstances, ought to have known, of the claim. Where possible according to the provincial legislation, I further agree that the extended limitation period should be of six years.
- 17) I have read the following privacy notice informing me of AAFC's use of my personal information submitted as part of the APP application process.

APP is a federal program delivered by Administrators which collect and use the personal information you submit to administer the program on AAFC's behalf. AAFC routinely receives a small portion of the personal information you submit however, in the event you enter into default, AAFC will receive your entire application file.

The personal information contained in, with, or pursuant to this Application and Repayment Agreement is collected under the authority of the *Agricultural Marketing Programs Act*. AAFC may use the information to verify and/or assess the Application and Repayment Agreement, as well as to administer, audit, analyze, and evaluate the APP. AAFC may also convey the information contained in this Application and Repayment Agreement, as well as associated documentation, both personal and otherwise, to other organizations administering the APP, for the purposes of verifying benefits under the APP.

Individuals have the right to request access to, and correction of, 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



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10, 1341 Baseline Road, Tower 7, Ottawa ON K1A 0C5 or by email at [AAFC.Privacy-vieprivee.AAC@AGR.GC.CA](mailto:AAFC.Privacy-vieprivee.AAC@AGR.GC.CA) and reference AAFC's personal information bank *Agricultural Marketing Programs Act: Advance Payments Program, PPU 140*. Protected "A" once completed

All non-federal government organizations are obligated to protect personal information in accordance with the *Personal Information Protection and Electronic Documents Act* (PIPEDA) or under legislation applicable within their jurisdiction.

I authorize **Agri-Commodity Management Association (ACMA)** (Administrator) to:

- a) Collect the personal information contained in, with, or pursuant to this Application and Repayment Agreement.
  - b) Convey the information contained in this Application and Repayment Agreement, as well as associated documentation, both personal and otherwise, to provincial governments and their agencies, for the purposes of verifying APP entitlements, verification, assignment and realization of security
  - c) Convey the information contained in this Application and Repayment Agreement, as well as associated documentation, both personal and otherwise, to other organizations administering the APP, for the purposes of verifying benefits under the APP. For further information regarding the use of your personal information by the APP Administrator or to make a formal request for access to your personal information, please contact Administrator through which you are applying.
- 18) I have read all the Terms and Conditions of the Repayment Agreement which are attached to and form part of this application and I agree to comply with such Terms and Conditions.
  - 19) If I am a current or former public office holder, public servant or Member of the House of Commons, I am not prohibited to derive benefits from the APP under any applicable federal conflict of interest or ethical principles and I am in compliance with applicable federal conflict of interest or ethical principles, rules and obligations.
  - 20) I acknowledge that, in cases where the applicant is declared in default and the Minister makes payment under the guarantee, the Minister is subrogated to the Administrator's rights against the applicant in default and against persons who may be personally liable under this Repayment Agreement.
  - 21) I declare that I: have not recently filed a notice of intention to make a proposal or made a proposal under the *Bankruptcy and Insolvency Act*, am not subject to a receiving order under that act, am not bankrupt or seeking protection under any other insolvency or bankruptcy related statute such as the *Companies' Creditors Arrangement Act* and the *Farm Debt Mediation Act*.
  - 22) I declare that in the case of agricultural product that is: storable, non-storable, or livestock, it is of marketable quality and will remain so until disposed of in accordance with the repayment agreement.
  - 23) I understand that the Advance Rate per unit used to calculate my Eligible Advance was obtained by subtracting the Administrator's percentage of **3.34** from 100% and applying this factor to the maximum advance rate per production unit as determined by the Minister in accordance with 19 (2) of the AMPA.
  - 24) I acknowledge that when the Administrator receives a payment in accordance with the Terms and Conditions of this Repayment Agreement, the Administrator must first reduce the portion on which the Minister pays the interest.