

**Advance Payments Program (APP)
Application for 2019
Individual – Storable/Non-Storable Products**

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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) _____

Civic Address of Farm _____

Mailing Address of Farm (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.

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

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 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

INSTRUCTIONS – 1st Installment – 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 2.0.1 through 2.0.5 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.
- ✓ If, to guarantee the Advance, the Producer chooses to use:
 - only Production Insurance (PI), complete only sections 2.0.1, 2.0.2, and 2.0.5
 - only AgriStability, complete only sections 2.0.1, 2.0.2, 2.0.3, and 2.0.5
- ✓ If the producer chooses to use more than one program to guarantee an Advance, complete sections 2.0.1, 2.0.2, 2.0.3, 2.0.4 and 2.0.5.
- ✓ The Producer must submit their final seeded acreage report (or any document providing the information on anticipated final production) accompanied by a completed 2nd Post-Production Application (application due only if additional installment is requested) to the Administrator prior to **August 31, 2019** so as to not be considered in default.

Use the 2019 APP Rate Sheet from our website to fill in your products and their current advance rate.

<http://agricommodity.ca/app/>

2.0.1 AGRICULTURAL PRODUCT INFORMATION		2.0.2 ELIGIBLE ADVANCE BASED ON ANTICIPATED PRODUCTION		
Agricultural Product	Advance Rate per Unit (a)	Anticipated Production		Maximum Eligible Advance based on Anticipated Product per Product (a x b)
		Unit of Measure	Quantity (b)	
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
Total Maximum Eligible Advance based on Anticipated Production (A)				\$

The information on this form is collected under the authority of section 10 of the Agriculture Marketing Programs Act. Any personal and business 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 and Access to Information Act. The information may also be used for statistical and reporting purposes or to evaluate the scope, direction and effectiveness of agricultural programming. 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@CANADA.CA and reference AAFC's personal information bank Agricultural Marketing Programs Act: Advance Payments Program, PPU 140. (2019).

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2.0.3 CALCULATION OF MAXIMUM AGRISTABILITY

INSTRUCTIONS:

AgriStability PIN: _____

If the Producer has provided:

- The final Reference Margin go to Section A, then Section C or D.
- The current year's Enrolment Notice, go to Section B, then Section C or D.

Note: All AgriStability Information must be from the current program year

A. Producer's Reference Margin – if Provided

AgriStability Reference Margin (if not known enter \$0.00)

B	\$
----------	----

AgriStability Allowable Expenses

C	\$
----------	----

B. Calculations Required when estimating AgriStability Coverage from the producer's Enrolment Notice

AgriStability Reference Margin Calculate using the Olympic Average Information:

(the values from the 3 years that contain a value in row G of your AgriStability Enrolment Reference Margin Chart.)

Average (\$)

Program Year Margin (PYM)

\$	\$	\$
----	----	----

B	\$
----------	----

Allowable Expenses (AE)

\$	\$	\$
----	----	----

C	\$
----------	----

C. Use this Calculation if the Reference Margin (B) is Positive (0 or greater)

Estimate AgriStability Positive Margin Coverage $B \times 49\%$

D	\$
----------	----

Estimate AgriStability Negative Margin Coverage $C \times 70\%$

E	\$
----------	----

Estimated Total AgriStability Coverage $D + E$

F	\$
----------	----

AgriStability Coverage Limit Used to Calculate the APP Advance (greater of B or F)

H	\$
----------	----

D. Use this Calculation if the Reference Margin (B) is Negative (less than 0)

Calculated AgriStability Negative Margin Coverage $B + C$

F	\$
----------	----

AgriStability Coverage Limit Used to Calculate the APP Advance $F \times 70\%$

H	\$
----------	----

E. Reference Margin Adjustments

AgriStability Interim Payments Received to-date (if none enter \$0.00)

I	\$
----------	----

Maximum AgriStability Security Available to Secure an APP Advance ($H - I$)

J	\$
----------	----

Maximum Eligible APP Advance (lesser of H or J)

K	\$
----------	----

2.0.4 ELIGIBLE ADVANCE BASED ON USING 2 PROGRAMS TO GUARANTEE ADVANCE

Maximum Security based on Production/Crop Insurance Calculation (determined by internal form completed by ACMA based on Production/Crop Insurance documents provided)

L	\$
----------	----

Maximum security available through PI/CI and AgriStability ($K + L$)

M	\$
----------	----

Maximum Eligible Advance is the lesser of A or M

N	\$
----------	----

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2.0.5 MAXIMUM ELIGIBLE ADVANCE

- ✓ 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.

Enter Maximum Eligible Advance from N \$

Proportion of Advance attributed to 1st instalment %

1st INSTALMENT OF PRODUCTION 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**

_____ **Name of Administrator**

_____ **Signature of Administrator**

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3.0 BUSINESS RISK MANAGEMENT PROGRAM PROCEEDS - ASSIGNMENT AGREEMENT (STORABLE & NON-STORABLE)

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

- "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.

3.0.3 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 of BRM program) in the current year and all future years until such a time as the Advance, in the amount of \$ _____ and for which the 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.

The Assignor hereby authorizes _____ as the BRM Program administrator to disclose my information, including personal Information within the meaning of The Freedom of Information and Protection of Privacy Act, to the Administrator and AAFC for the purpose of AAFC's Advance Payments Program. The information collected may include insurance information such as coverage levels, production/inventory reports, claims and income/expenses related to my business or farming operation.

- A) The BRM Program administrator may collect my information, including personal information within the meaning of the Freedom of Information and Protection of Privacy Act, from the Administrator and AAFC for the purpose of AAFC's Advance Payments Program;
- B) AAFC and the Administrator may use this information to verify and assess the Application and Repayment Agreement, as well as to administer, audit, analyze, and evaluate the Advance Payments Program;

The Assignor acknowledges the BRM Program administrator may also collect and disclose corporate information for these purposes.

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

Signature

Name of Producer

Signature

Name of Producer

Signature

Name of Administrator

Signature



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4.0 PRODUCER AUTHORIZATION TO BUYER

Required for Ranch Raised Fur Production

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 to 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

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6.0 DECLARATION OF PRODUCER & REPAYMENT AGREEMENT

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.

Print name of Authorized Signing Officer clearly

Signature of Authorized Signing Officer

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 if no financial statements)
 - A copy of any insurance coverage on the farm as indicated in section 1.8
 - Your 2019 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 inquiries 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 shareholder, member or partner clearly

Signature of shareholder, member or partner

Name of Administrator

Signature of Administrator

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8.0 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. "Advance" means an Eligible Advance based on expected or actual production, as applicable, of an eligible Agricultural Product as per Subsections 1.16 and 1.23 of these Terms and Conditions.
- 1.4. "Advance Rate on Non-Storable Agricultural Product" means the rate of issuance applicable to Advances issued prior to **August 31, 2019 for Cranberries; October 31, 2019 for Christmas Trees, Greenhouse (Potted Plants, Cut Flowers & Vegetables); September 30, 2019 for all other Non-Storable Products.**
- 1.5. "Advance Rate on Storable Agricultural Product" means the rate of issuance applicable to Advance on Storable Agricultural Product issued prior to **June 30, 2019 for Maple Syrup; April 30, 2020 for Ranch Raised Furs; March 31, 2020 for all other Storable Products.**
- 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, wherein the Producer identifies the amount of security available under the BRM program.
- 1.9. "Eligible Advance" means the Advance the Producer is entitled to as stated in either section 2.0.5 of this application, as applicable.
- 1.10. "Eligible BRM program" means an eligible Business Risk Management program, as listed in the *AMPA* schedule is used by the Producer as security for an Advance on a Non-Storable Agricultural Product.
- 1.11. "ESCAP" means the Enhanced Spring Credit Advance Program.
- 1.12. "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.
- 1.13. "Her Majesty" means Her Majesty the Queen in Right of Canada.
- 1.14. "In Production" means the Agricultural Product listed in either section 2.0.1 of this application, as applicable, which is not yet produced.
- 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. "Non-storable Agricultural Product" means the Agricultural Product listed in either section 2.0.1 of this application, as applicable.
- 1.17. "Post-Production" means the Agricultural Product listed in section 2.0.1 of this application, as applicable, which has been produced.
- 1.18. "Producer" means the individual or Corporation/Cooperative/Partnership identified in Section 1.1 of this application.
- 1.19. "Production Period" is the period defined in 7.1 of these Terms and Conditions.
- 1.20. "Program Year" is the period defined in 7.2 of these Terms and Conditions.
- 1.21. "Repayment Agreement" means the completed Application and these Terms and Conditions signed by the Producer and an authorized representative of the Administrator.
- 1.22. "SCAP" means the Spring Credit Advance Program.
- 1.23. "Storable Agricultural Product" means the Agricultural Product listed in either section 2.0.1 of this application, as applicable.
- 1.24. "Terms and Conditions" means the content of section 8.0 of this application.

2. Issuance of the Advance

- 2.1. The Administrator shall make an instalment of the percentage of the estimated Eligible Advance on an Agricultural Product as specified in section 2.0.5 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 2.0.5 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 2.0.4 of this application and using the Advance Rate on the Non-Storable Agricultural Product.
- 2.2. Before **August 31, 2019**, 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.
- 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 2.0, including subsections, of this application, as applicable, 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.

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- 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.
- 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 **2019-12-31** (YYYY-MM-DD), or otherwise be declared in default.
- 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 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.
- 2.7. Where applicable, the Administrator shall issue an Advance on a Storable Agricultural Product - Post-Production calculated in accordance with section 2.0.5 of this application, as applicable, 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.
- 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 1.4 and 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. 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. 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.
- 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 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;
 - 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;
 - 3.2.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, **2020** (YYYY) 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.
- 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; and
 - 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.

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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.

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 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.

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;
 - 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 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 a default under this Repayment Agreement, the following ineligibility period requirements will be applied by the Administrator:
- 5.6.a. **No ineligibility period** where the defaulted Advance is repaid within six (6) months of being declared in default;
 - 5.6.b. An ineligibility period of **one (1) year from the date of full repayment** where the defaulted Advance is repaid beyond six (6) months of being declared in default;
 - 5.6.c. An ineligibility period of **two (2) years from the date of full repayment** where the Producer has defaulted twice within the last three (3) years that the Producer has participated in the program;
 - 5.6.d. An ineligibility period of **three (3) years from the date of full repayment** to AAFC where the defaulted file has been paid under the guarantee by the Minister;
 - 5.6.e. An ineligibility period of **six (6) years from the date of recovery** of the debt in accordance with the terms and compromise settlement;
 - 5.6.f. An ineligibility period of **three (3) years from the date of full repayment** where the Minister has had to write off the Producer's debt under the program; or
 - 5.6.g. An ineligibility period of **seven (7) years from the date of discharge** where the Producer has declared bankruptcy under the *Bankruptcy and Insolvency Act*, or under any other insolvency or bankruptcy related statute such as the *Companies' Creditors Arrangement Act*.

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6. Interest Rate

- 6.1. The interest payable by the Producer during the Program Year while in compliance with the AMPA and this Repayment Agreement will be:
- 6.1.a. 0 percent on the amount up to \$100,000; and
 - 6.1.b. **Prime less one-quarter (¼)** percent on the amount over \$100,000. The interest rate negotiated with **RBC** [lender name] is different than what is charged by **Agri-Commodity Management Association (ACMA)** [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 Repayment Agreement without proof of sale of the Product, the interest payable by the Producer will be **Prime plus one (1)** percent on the amount in excess of the limit from the date the Advance was issued to the day the repayment was made.
- 6.4. In the event where the Producer is declared in default, the Minister makes payment under the guarantee, and the Minister is subrogated the rights of the Administrator, the prime rate referenced in Paragraph 6.2.b will change from the prime rate of the Administrator's Lender to the average aggregated prime rate ("Prime business" rate) as published in the Daily Digest on the website of the Bank of Canada.

7. General Provisions

- 7.1. The production period for the Agricultural Product commences on **2018-11-01 for Greenhouse (Potted Plants, Cut Flowers & Vegetables), Maple Syrup and Winter Wheat ; 2019-02-01 for Christmas Trees, 2019-05-01 for Ranch Raised Fur; 2019-04-01 for all other Storable/Non-Storable Products** (YYYY-MM-DD) and terminates on **2019-12-31 for Non-Storable Berries (Fresh), 2020-01-31 for Non-Storable Cranberries (Fresh); 2020-04-30 for Christmas Trees and Greenhouse (Potted Plants, Cut Flowers & Vegetables); 2020-10-31 for Ranch Raised Fur; 2020-09-30 for all other Storable/Non-Storable Products** (YYYY-MM-DD).
- 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 **2018-11-01** (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.
- 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.
- 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 Non-Storable 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 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**.
- 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.
- 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 multi-peril insurance coverage on their farming operation which includes the entire Agricultural Product for which the Advance was made. This coverage must be sufficient to cover the full extent of the Advance until the Producer's liability is repaid. If the Agricultural Product is stored off-farm at a commercial facility, the Producer must ensure that the commercial facility has such insurance.
- 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

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- 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 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:
- 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;
- 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.
- 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.
- 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.
- 7.20 Administration fees will be charged to Producers as follows:
- 7.20.1 On the initial advance of each program year an Admin Fee will be charged of 3% of the total advance, with a minimum of \$350 and maximum of \$1,300, plus HST
- 7.20.2 An Admin Fee of \$150 plus HST will be charge on each installment requested and approved
- 7.21 An appeal process is in place for cases where the Application is rejected. The appeal will be reviewed by knowledgeable program staff who did not participate in the initial decision to reject the Application. The appeal process concerns only program eligibility. Producers will not be able to appeal the advance amount(s) it is determined that they are eligible to receive under the program.

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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) Pursuant to Section 23(4) of the AMPA, the Producer agrees that if they reside in a province where the legislation allows for the extension of the limitation period, to extend the limitation period of six (6) years from the day on which the Minister is subrogated as per section 5 the Terms and Conditions of the Application and Repayment Agreement for the purpose of initiating actions or proceedings to recover any amounts owed to the Crown.
- 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,

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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*.

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.