

2017-2018 Advance Payments Program Application

Please read and keep the section for your commodity as a “cheat sheet” of important information regarding the 2017-2018 APP program year.

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

Cattle in Nova Scotia, New Brunswick & Newfoundland and Labrador

There are two types of Cattle advances, Standard or Continuous Flow. **Continuous Flow** operations are feedlots or similar set-ups where the producer is constantly buying and selling animals throughout the year but maintains a certain inventory level year round. This constant inventory level is what the advance can be calculated on, not the maximum animals a producer could have. **Standard** operations are for any producer who does not maintain an inventory, for example Cow-Calf productions.

Cattle – Both Standard and Continuous Flow

- Advances are available **April 1, 2017 – March 31, 2018**.
- Enrollment in **AgriStability** is required but the animal itself is used as security.
- Advance rates are calculated on **carcass weight at the time of sale**.
- Advances **cannot exceed \$400,000.00 or your full production calculation** (# of animals X advance rate).
- **Priority Agreements are required** from any entity that has a lien on your current herd. As part of the AMPA (the Act) the administrator (ACMA) must have first access to any proceeds to repay your loan before repaying any other debtor. We will run a security registry search to see if any priority agreements are necessary as part of the approval process.
- **Sales slips must be submitted along with payment**. Sales slips must contain the date of sale, quantity sold, name of buyer and name of seller.
- **Penalties** will be applied for late payments, payments without proof of sale or other violations of the program. Please stay in contact with ACMA for any changes to your operation, such as inventory changes, to avoid these penalties.
- **Please watch your email** (this will be used first if provided) **or fax, for reminders of these deadlines**.

Cattle – Continuous Flow only

- **Repayment**, along with proof of sale, **is due 12 months** from the date of advance, however cannot be paid any later than **September 30, 2018**, even if this date is less than 12 months from the date of advance, because this is the end of the APP program production cycle.

Cattle – Standard Operation

- **Repayment**, along with proof of sale, **is due within 30 calendar days of receipt of payment or 60 calendar days of delivery to buyer**, whichever is earlier.
- **Most advances must be repaid no later than September 30, 2018**. For producers who finish cattle the final date may be extend to March 31, 2018 but this discussion must be had with ACMA at the time of application.

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

****Pages 10 & 11 are only required if an entity (i.e. a bank) holds your crop as security on a loan. We will run a search and let you know if this is necessary if you are unsure.**



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Hogs and Weaners in Nova Scotia, New Brunswick & Newfoundland and Labrador

- Advances are available **April 1, 2017 – March 31, 2018**
- Enrollment in **AgriStability** is required but the animal itself is used as security.
- Advances **cannot exceed \$400,000.00 or your full production calculation** (# of animals X advance rate).
- **Priority Agreements are required** from any entity that has a lien on your current crop. As part of the AMPA (the Act) the administrator (ACMA) must have first access to any proceeds to repay your loan before repaying any other debtors. We will run a registered securities search to see if any priority agreements are necessary as part of the approval process.
- **Repayment**, along with proof of sale, **is due 12 months** from the date of advance however cannot be paid any later than **September 30, 2018**, even if this date is less than 12 months from the date of advance, since this is the end of the APP program production cycle.
 - **Proof of sale** must contain the date of sale, quantity sold, name of buyer and name of seller.
- **Penalties** will be applied for late payments, payments without proof of sale or other violations of the program. Please stay in contact with ACMA for any changes to your operation, such as inventory changes, to avoid these penalties.
- **Please watch your email** (this will be used first if provided) **or fax, for reminders of these deadlines.**

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Sheep in Nova Scotia, New Brunswick & Newfoundland and Labrador

There are two types of Sheep advances, Standard and Continuous Flow. **Continuous Flow** operations are feedlots or similar set-ups where the producer is constantly buying and selling animals throughout the year but maintains a certain inventory level year round. This constant inventory level is what the advance can be calculated on, not the maximum animals a producer could have. **Standard** operations are for any producers that do not maintain an inventory, for example producer who raise their own lambs to market weight. This is the most common operation.

Sheep – Both Standard and Continuous Flow

- Advances are available **April 1, 2017 – March 31, 2018**
- Enrollment in **AgriStability** is required but the animal itself is used as security.
- Advance rates are calculated on **weight at the time of sale**.
- Advances **cannot exceed \$400,000.00 or your full production calculation** (# of animals X advance rate).
- **Priority Agreements are required** from any entity that has a lien on your current crop. As part of the AMPA (the Act) the administrator (ACMA) must have first access to any proceeds to repay your loan before repaying any other debits. We will run a registered securities search to see if any priority agreements are necessary as part of the approval process.
- **Sales slips must be submitted along with payment.** Sales slips must contain the date of sale, quantity sold, name of buyer and name of seller.
- **Penalties** will be applied for late payments, payments without proof of sale or other violations of the program. Please stay in contact with ACMA for any changes to your operation, such as inventory changes, to avoid these penalties.
- **Please watch your email** (this will be used first if provided) **or fax, for reminders of these deadlines.**

Sheep – Continuous Flow

- **Repayment**, along with proof of sale, **is due 12 months** from the date of advance however cannot be paid any later than **September 30, 2018**, even if this date is less than 12 months from the date of advance, because this is the end of the APP program production cycle.

Sheep – Standard Operation

- **Repayment**, along with proof of sale, **is due within 30 calendar days of receipt of payment or 60 calendar days of deliver to buyer**, whichever is earlier.
- Final repayment must be received by **September 30, 2018**.

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

****Pages 10 & 11 are only required if an entity (i.e. a bank) holds your crop as security on a loan. We will run a search and let you know if this is necessary if you are unsure.**

Please one or the other:

Standard Continuous Flow

**ADVANCE PAYMENTS PROGRAM (APP)
APPLICATION & REPAYMENT AGREEMENT**

Part 2C - Livestock

PROTECTED "A" ONCE COMPLETED

| | |
|--------------------------|----------------|
| NAME OF PRODUCER: | APP ID: |
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INSTRUCTIONS

GENERAL INFORMATION

- ✓ Use the Advance Rate provided by the Administrator.
- ✓ To avoid cash repayments without proof of sale, an Advance should only be taken for the inventory of animal that is reasonably expected to be sold by the end of the Production Period.
- ✓ A completed copy of this worksheet must be maintained in the Producer's file with appropriate documentation confirming BRM program participation.
- ✓ The Producer must not have more than \$400,000 outstanding in Advances including the overlap 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.
- ✓ Provide the appropriate Business Risk Management (BRM) documentation and enrolment information.

FOR CONTINUOUS FLOW OPERATIONS

- ✓ Continuous Flow Operation means a farming operation where the producer maintains a constant minimum animal inventory during the Advance cycle through the continuous rotation of animals (i.e., those sold are replaced by new ones within days). Only one twelve (12) month Continuous Flow Operation cycle is allowed per program year.

2.1 ELIGIBLE ADVANCE BASED ON LIVESTOCK INVENTORY

| Type of Livestock | Advance rate (e.g. \$ / head) | Inventory (e.g. 100 head) | | Permanent Inventory/ 12 month period (e.g. 100 head) | | Total (\$) |
|--|----------------------------------|------------------------------|--------------------|--|--------------------|------------|
| | | Quantity | Unit of measure | Quantity | Unit of measure | |
| Feeder Calf (400-700 lbs) | \$ 93.70 / CWT | | | | | \$ |
| Feeder Calf (700-900 lbs) | \$ 69.35 / CWT | | | | | \$ |
| Finished Cattle (up to 1250 lbs) | \$ 56.85 / CWT | | | | | \$ |
| Finished Cattle (over 1250 lbs) | \$ 56.85 / CWT | | | | | \$ |
| Hog – Weaned piglets (5-10kg) | \$ 24.00 / head | | | | | \$ |
| Hog – Market (105-112 kg) | \$ 78.50 / head | | | | | \$ |
| Lamb > 110 lbs | \$ 100.00 / head | | | | | \$ |
| Lamb 80-109 lbs | \$ 80.00 / head | | | | | \$ |
| Lamb 61-79 lbs | \$ 60.00 / head | | | | | \$ |
| Lamb 45-60 lbs | \$ 50.00 / head | | | | | \$ |
| Maximum Eligible Advance based on livestock inventory | | | | | | \$ |

2.2 BUSINESS RISK MANAGEMENT (BRM) PROGRAM INFORMATION

| | |
|-------------------------|-------------------------|
| BRM Program Name | BRM Program ID # |
|-------------------------|-------------------------|

2.3 ADVANCE REQUESTED BY PRODUCER

2.4 ADVANCE ISSUED BY ADMINISTRATOR

| | |
|----|--|
| \$ | |
|----|--|

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Agriculture and Agri-Food Canada's Access to Information and Privacy Director, Floor 10, 1341 Baseline Road, Tower 7, Ottawa ON K1A 0C5 or by email at AAFC.Privacy-vieprivee.AAC@AGR.GC.CA and reference AAFC's personal information bank *Agriculture Marketing Programs Act: Advance Payments Program, PPU 140*.

Please one or the other:

Standard Continuous Flow

**ADVANCE PAYMENTS PROGRAM (APP)
APPLICATION & REPAYMENT AGREEMENT**

Part 2C - Livestock

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| NAME OF PRODUCER: | APP ID: |
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2.5 TERMS AND CONDITIONS OF THE REPAYMENT AGREEMENT

In consideration of the Administrator granting an Advance pursuant to the provisions of the Advance Payments Program, the parties hereunto agree as follows:

1. Important Terms

- 1.1 "AAFC" means Agriculture and Agri-Food Canada.
- 1.2 "Administrator" means **Agri-Commodity Management Association (ACMA)**.
- 1.3 "Terms and Conditions" means the content of section 2.5 of this application.
- 1.4 "Repayment Agreement" means the completed Application and these Terms and Conditions signed by the Producer and an authorized representative of the Administrator.
- 1.5 "AMPA" means *Agricultural Marketing Programs Act*.
- 1.6 "Minister" means the Minister of Agriculture and Agri-Food Canada or any person authorized to act on his or her behalf.
- 1.7 "APP" means the Advance Payments Program.
- 1.8 "SCAP" means the Spring Credit Advance Program.
- 1.9 "ESCAP" means the Enhanced Spring Credit Advance Program.
- 1.10 "Her Majesty" means Her Majesty the Queen in Right of Canada.
- 1.11 "Producer" means the individual or Corporation/Cooperative/Partnership identified in Part 1 of this application.
- 1.12 "Livestock" means cattle, hogs, sheep and/or bison as listed in section 2.1 of this application.
- 1.13 "Advance" means an Eligible Advance based on inventory of an eligible Livestock.
- 1.14 "Advance Rate on Livestock" means the rate of issuance applicable to Advances issued prior to March 31, **2018**.
- 1.15 "Eligible Advance" means the Advance the Producer is entitled to as stated in section 2.4 of this application.
- 1.16 "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.
- 1.17 "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.
- 1.18 "Production Period" is the period defined in 7.1 of these Terms and Conditions.
- 1.19 "Program Year" is the period defined in 7.2 of these Terms and Conditions
- 1.20 "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.
- 1.21 "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.

2. Issuance of the Advance

- 2.1 The Administrator shall issue an Advance under this Agreement in accordance with section 2.4 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 1.14 and 1.21 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.

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Please one or the other:

Standard Continuous Flow

**ADVANCE PAYMENTS PROGRAM (APP)
APPLICATION & REPAYMENT AGREEMENT**

Part 2C - Livestock

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2.5 TERMS AND CONDITIONS OF THE REPAYMENT AGREEMENT

- 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 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.

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Please one or the other:

Standard Continuous Flow

**ADVANCE PAYMENTS PROGRAM (APP)
APPLICATION & REPAYMENT AGREEMENT**

Part 2C - Livestock

PROTECTED "A" ONCE COMPLETED

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| NAME OF PRODUCER: | APP ID: |
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2.5 TERMS AND CONDITIONS OF THE REPAYMENT AGREEMENT

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 2.2 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 ¼** percent on the amount over \$100,000. The interest rate negotiated with the **CIBC** is different than what is charged by the **ACMA**. The difference is used to cover administrative costs.
- 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 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 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 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 **2017-04-01** (YYYY-MM-DD) and terminates on **2018-09-30** (YYYY-MM-DD) for all livestock producers except cow/calf to finish operations. The production period for Cow/Calf to Finish operations commences on **2017-04-01** (YYYY-MM-DD) and terminates on **2019-03-31** (YYYY-MM-DD) – non cow/calf to finish operations may choose to keep their cattle past September 30, 2017 to allow for better sales options only if ACMA is notified prior to September 30, 2017 and verification is completed to the satisfaction of ACMA. Non-cow/calf to finish producers may have their September 30, 2018 deadline extended, with prior approval by ACMA, if they choose to keep their cattle to a higher weight than originally applied for.
- 7.2 The Program Year means the period used to manage program limits as per Subsections 9(1) and 20 (1) of the AMPA and, for the purpose of this Repayment Agreement, this period commences on **2016-11-01** (YYYY-MM-DD) and terminates on **2019-03-31** (YYYY-MM-DD).
- 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

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Standard Continuous Flow

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Part 2C - Livestock

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2.5 TERMS AND CONDITIONS OF THE REPAYMENT AGREEMENT

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.
- 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.
- 7.14 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.
- 7.15 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.
- 7.16 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.
- 7.17 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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**ADVANCE PAYMENTS PROGRAM (APP)
BUSINESS RISK MANAGEMENT PROGRAM PROCEEDS
ASSIGNMENT AGREEMENT LIVESTOCK**

APPENDIX 2B

PROTECTED "A" ONCE COMPLETED

1.1 PRODUCER AND ADMINISTRATOR INFORMATION

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

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

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

| Product #1 | Product #2 | Product #3 | Product #4 | Product #5 | Product #6 |
|------------|------------|------------|------------|------------|------------|
| | | | | | |

1.2 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.

1.3 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.

1.4 SIGNATURES

Sealed, delivered and attested to by:

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

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

Appendix 1

PROTECTED "A" ONCE COMPLETED

| 1.1 BASIC INFORMATION | | | | | |
|--|------------|------------|------------|------------|------------|
| Producer Name (the "Producer") | | | APP ID | | |
| List of Agricultural Products (herein referred to as the "Agricultural Product(s)"): | | | | | |
| Product #1 | Product #2 | Product #3 | Product #4 | Product #5 | Product #6 |
| 1.2 DEFINITIONS | | | | | |
| BRM means the Business Risk Management program(s) listed in the <i>Agricultural Marketing Programs Act</i> that can be used to secure an Advance. | | | | | |
| 1.2 BANK INFORMATION | | | | | |
| PART 1 – Complete this part if the Creditor HAS a lien or security on the Agricultural Product(s) or the BRM Program Proceeds related to the Agricultural Product(s). | | | | | |
| <p>_____ located at _____ (herein referred to as the "Creditor"), does hereby consent that: Name of Bank or Lending Institution or Secured Party</p> <p>In consideration of an advance being issued under the APP by Agri-Commodity Management Association (ACMA) (herein referred to as the "Administrator") to the Producer, the Administrator and the Creditor agree that the security interest in the Agricultural Product(s) listed above for which the advance was issued, or the BRM program payment(s) related to the aforementioned Agricultural Product(s) as required for the Producer's advance, now held or to be held by the Administrator, shall rank prior to any lien or security on the said Agricultural Product(s) or any BRM program payment(s) given by the Producer to the Creditor, whether such security was given under the authority of the <i>Bank Act</i> or under the authority of a personal property security legislation in force in the province or by operation of any other law, but only to the extent of securing repayment to the Administrator of the advance payment up to the lesser of the principal amount of \$400,000 or the amount of \$_____, as set out in the Repayment Agreement entered into between the Producer and Administrator on _____ (YYYY-MM-DD), plus interest on that amount and any potential collection and legal costs. Any BRM program proceeds payable to the Producer from the date this Agreement is signed until full payment of the above-mentioned amounts shall be sent to the Administrator.</p> <p>Notwithstanding the priorities set out in this Agreement, the Administrator acknowledges that the Producer will operate bank accounts with the Creditor into which proceeds of property subject to the Administrator's security interest may be deposited. With the exception of any monies deposited in any accounts designated as trust accounts by the Producer for the benefit of the Administrator, the Creditor shall have no obligation to the Administrator with respect to any monies in any other account of the Producer maintained with the Creditor, or any monies that may be deposited therein or disbursed from any such other accounts, except for monies deposited therein after the Creditor has received notice from the Administrator and that the Administrator is thereafter exercising its rights in and to proceeds of the property subject to its security.</p> <p>Prior to proceeding to enforce its security, the Administrator or the Creditor, as the case may be, shall provide reasonable prior written notice of such enforcement to the other of them.</p> <p>For the purposes of giving effect to any of the Producer's undertakings under this Priority Agreement, the Producer shall make, execute and deliver to the Creditor or the Administrator, any documents or Agreements as the BRM program administrator may reasonably request.</p> <p>The Creditor <input type="checkbox"/> has <input type="checkbox"/> has not (please check one) taken an assignment of the Producer's AgriStability and/or Production Insurance (name of BRM Program) payments related to the Agricultural Product(s).</p> <p>Where the Creditor has a lien or security on the Agricultural Product(s) and/or the BRM program proceeds related to the Agricultural Product(s), this Agreement is subject to the condition that the above mentioned advance, less any amounts legally held as an administrative fee, be payable:</p> <p style="margin-left: 40px;"> <input type="radio"/> A) Jointly to the Producer and the Creditor and be remitted to the Creditor forthwith by the Producer and shall be applied in total or in part by the Creditor to reduce the Producer's indebtedness to the Creditor; or <input type="radio"/> B) To the Producer. </p> <p>If neither options are selected, the parties are deemed to have agreed that the advance payment is to be made jointly in accordance with Option A</p> <p>This Agreement shall continue in full force and effect until the date upon which all advances referred to herein and interest outstanding on these advances are repaid to the Administrator by the Producer.</p> <p>In the case of a Lender: Lending Institution: _____ Transit: _____</p> | | | | | |

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