

# Manitoba Livestock Cash Advance Inc.

Standard Advance 2010-2011

212-530 Century St. Wpg MB R3H0Y4  
Toll free: 1-866-869-4008  
Fax: 204-774-1720

## CONTINUOUS FLOW ADVANCE (GOATS)

Listed below is what is required in order for our staff to process your application quickly and efficiently.

If you are applying as an individual please fill in the following:

- Producer information: Part 1A (pg. 1, 2)
- Producer Attestation: Part 3A (pg. 4)

If you are applying as a Corporation/ Cooperative/Partnership please fill in the following:

- Producer(s) information Part 1B (pg. 5)
- Guarantee Declaration or Joint and Several Guarantee. (pg. 6)
- Producer Attestation Part 3B (pg. 8 ) (Partnership Only)
- Producer Attestation Part 3B (pg. 8) (Corporation / Coop Only)

Please ensure that these documents are signed, dated and witnessed where required.

- Producer advance calculation based on inventory. Part 2A1 (pg.9 & 10)
- Signed BRM Assignment Agreement: Appendix 2B(pg. 13 )
- Signed Producer Authorization To Buyer: Appendix 4 (pg. 14)
- Signed Priority Agreement: Appendix 1 (pg. 15 & 16)

Please enclose the following with the application form:

- A "VOID" cheque
- 2010 AgriStability enrolment notice. (Reference margin calculations included)
- Photocopy of Passport or Driver's licence
- In the case of legal partnerships/Cooperative/Corporation, a copy of partnership agreements/articles of incorporation / or business registration forms.

Toll Free #: 1-866-869-4008 or visit our website: [www.manitobalivestock.com](http://www.manitobalivestock.com) for additional information and/or applications.

Return Finished Application to:

Manitoba Livestock Cash Advance Inc.  
212-530 Century St.  
Winnipeg, MB  
R3H 0Y4

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Toll free: 1-866-869-4008  
Fax: 204-774-1720

\*Please note that advances are limited to a maximum of \$400,000.00, with the federal government paying the interest on the first \$100,000.00 of the advance.(includes all APP advances with other organizations) Administration fees plus a one percent hold back portion that will be deducted from your loan advance. Contact our office for more information.

## Standard App Advance: Goats

- Advance is calculated based on a percentage of your AgriStability reference margin versus your inventory amount. (whichever is less).
- Sale proceeds of Goats must go directly on the advance.
- Proof of sale must be provided or the penalty is prime plus 0%
- Repayments are to be made to MLCA within 7 calendar days of receipt of payment from the buyer or 45 calendar days of deliver to the buyer whichever is earlier.

## Continuous Flow Advance 12 Month Advance: Goats (i.e.: Feedlots or revolving inventory)

- Proof of sale is required by maturity date, based on the number of heads that were originally pledged, or the penalty is prime plus 0%
- Repayments are calculated using the rate per unit in effect at the time of repayment.
- No tags required.

## NO ADVANCE CAN EXCEED THE DATE OF SEPT 30-2011

Please put the heads into the category of their anticipated selling weight. Breeding inventory are not eligible for advance.

\*\*\*The advance rates are 50% of the market value and are subject to change.

<b>MB, SK, AB, BC Goat</b>	<b>Advance Rates</b>
<u>West Goat Kids (under 50 lbs)</u>	<u>\$29.00/head</u>
<u>West Goat Kids (50 - 70 lbs).</u>	<u>\$50.05/head</u>
<u>West Goatlings ( over 70 lbs).</u>	<u>\$63.21/head</u>

\*Please note that the advance is calculated based on a percentage of your AgriStability reference margin versus your inventory amount (whichever is less).



ADVANCE PAYMENTS PROGRAM (APP) APPLICATION & REPAYMENT AGREEMENT – INDIVIDUAL PRODUCER INFORMATION

PROTECTED "A" ONCE COMPLETED

1.1 DOCUMENTATION MLCA-CONTINUOUS FLOW ANIMAL ADVANCE 2010-2011

Administrators must request documentation from the Producer.

Identity verified (Photo identification required, i.e. drivers license. Medicare card cannot be accepted.)

Type of documentation provided:

1.2 BASIC INFORMATION

Identify the individual applying for the advance and indicate their existing APP ID number or assign a new ID if they are a new applicant.

Table with 5 columns: APP ID, First Name, Middle Name, Last Name, Date of Birth (yyyy/mm/dd)

Residential Mailing Address of producer:

Table with 4 columns: Street Address, City/Town, Province, Postal Code

Table with 3 columns: Home Phone #, Cellular Phone #, Fax #

Business Mailing Address of producer, if different from above:

Table with 4 columns: Street Address, City/Town, Province, Postal Code

Table with 2 columns: Business Phone # (Ext.), Business Fax #

1.3 LENDER INFORMATION

Name of Lending Institution

Table with 4 columns: Street Address, City/Town, Province, Postal Code

Table with 2 columns: Business Phone #, Business Fax #

1.4 DECLARATION OF APP ADVANCE RECEIVED FROM OTHER PRODUCER ORGANISATIONS

- List all advances issued by other organizations for this production period... List all outstanding advances from previous production periods... Attach a separate sheet if required.

Table with 4 columns: Name of Producer Organization from which an advance was received, Agricultural Product for which an advance was received, Production Period, Amount of Advance Received

Attach VOID cheque here:



ADVANCE PAYMENTS PROGRAM (APP)  
APPLICATION & REPAYMENT AGREEMENT – INDIVIDUAL PRODUCER INFORMATION

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1.5 RELATED PRODUCERS		MLCA-CONTINUOUS FLOW ANIMAL ADVANCE 2010-2011	
<ul style="list-style-type: none"> <li>✓ Related Producers are producers with whom the applicant <b>does not</b> deal at arm's length. These can include: siblings, parents or children (by blood, marriage or adoption); spouses (including common-law); OR individuals with whom the applicant is cohabitating.</li> <li>✓ Relatedness affects the applicant's eligibility to receive an advance, as well as the amount of an advance.</li> <li>✓ If you answer "yes" to questions 1 or 2 below, either complete section 1.5.1 which is a declaration of relatedness OR section 1.5.2 which may allow you to rebut the presumption of relatedness.</li> <li>✓ If you answer "yes" to question 3, you may not be eligible to receive an APP advance, unless you are able to rebut the presumption of relatedness.</li> </ul>			
1. Do you share the reporting of income or losses of any other farming operation with a related producer?		YES	NO
2. Has a related producer a) applied for an APP advance in this production period or b) have an outstanding APP advance from a previous production period?		YES	NO
3. Is any related producer ineligible as a result of a default under APP, SCAP or ESCAP?		YES	NO
1.5.1 RELATED INDIVIDUAL PRODUCER DECLARATION			
<ul style="list-style-type: none"> <li>✓ List all related individual producers who received an advance for this or previous production periods, including advances issued by other APP Administrators.</li> <li>✓ Attach a separate sheet if required.</li> </ul>			
Name of the related individual producer that received an advance	APP ID	Name of Administrator which issued the advance	Production period
			20
			20
			20
			20
1.5.2 REBUTTAL OF RELATEDNESS			
<ul style="list-style-type: none"> <li>✓ Answer the questions below for each related producer listed in section 1.5.1.</li> <li>✓ If you responded "no" to any of the questions below, you have not rebutted the presumption of relatedness with the producer in question.</li> <li>✓ If you responded "yes" to <u>all</u> 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.</li> <li>✓ Attach a separate sheet if required.</li> </ul>			
1. Name of the related individual producer that received an advance:			
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 the related individual producer that received an advance:			
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 the related individual producer that received an advance:			
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
4. Name of the related individual producer that received an advance:			
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



ADVANCE PAYMENTS PROGRAM (APP)  
APPLICATION & REPAYMENT AGREEMENT – DECLARATION & ATTESTATION

PROTECTED "A" ONCE COMPLETED

3.1 DECLARATION OF THE APPLICANT

MLCA-CONTINUOUS FLOW ANIMAL ADVANCE 2010-2011

- 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 principally occupied in the farming operation.
- 4) I am the producer of the Agricultural Product for which this Application is made, or I am entitled to the Agricultural Product as Landlord, Vendor, Mortgagee or Hypothecary Creditor.
- 5) 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.
- 6) 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 Part 1A Section 1.4 all other farming operations and corporations carrying on farm operations in which I have an interest.
- 7) Neither I, nor any of the farming operations listed in Section 1.4 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)*.
- 8) I am not ineligible under an advance guarantee agreement made pursuant to the *Agricultural Marketing Programs Act (AMPA)*, the Spring Credit Advance Program (SCAP) or the Enhanced Spring Credit Advance Program (ESCAP).
- 9) I have made an application for Production Insurance and/or am participating in an eligible Business Risk Management program as outlined in Part 2 of this Application and Repayment Agreement and declare having submitted a duly completed BRM Assignment Agreement (Appendix 2A or 2B) as required for the specific class of Agricultural Product.
- 10) I am requesting an advance on a Storable Agricultural Product in Post-production or Livestock that is not subject to an Emergency Advance, have sufficient Agricultural Product in storage to justify the amount advanced as outlined in Part 2 of this Application and Repayment Agreement.
- 11) Except in the case of Emergency Advances for "severe economic hardship" where the following does not apply, 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 program(s) used to secure the advance, as applicable, and/or that holds a lien or encumbrance on the Agricultural Products listed in Part 2 of this Application and Repayment Agreement.
- 12) I agree that a credit check and an inspection of the Agricultural Product may be performed at any time while the advance is outstanding.
- 13) 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.
- 14) I declare that this Application is consistent with the purpose of the APP.
- 15) I certify that all of the information provided in this Application is true and correct in every respect.
- 16) 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.
- 17) I agree that if I reside in a province where the legislation allows for the extension of the limitation period, to extend the limitation period and to take any necessary steps as determined by the Administrator to ensure that the limitation period for seeking a remedial order for claims arising from this application shall be extended from the date the Administrator knew, or in the circumstances, ought to have known, of the claim. Where possible according to the provincial legislation, I further agree that the extended limitation period should be of six years.
- 18) I authorize **Manitoba Livestock Cash Advance Inc.** (Administrator) and AAFC to :
  - a) Collect the information contained in, with, or pursuant to this Application and Repayment Agreement. 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. The personal information provided will be protected under the federal *Privacy Act* and the provisions of the federal *Access to Information Act*. The personal information retained by AAFC will be held in Personal Information Bank PPU140. 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. A Producer may access their personal information held by AAFC by making a formal request under the *Privacy Act* in writing or by completing a Personal Information Request Form which is available through Info Source or at Web Site [http://www.tbs-sct.gc.ca/tbsf-fsct/350-58\\_e.asp](http://www.tbs-sct.gc.ca/tbsf-fsct/350-58_e.asp). Requests should be mailed to: Agriculture and Agri-Food Canada, Access to Information and Privacy Coordinator, 1341 Baseline Road, Tower 5, 4<sup>th</sup> Floor, Ottawa, Ontario, K1A 0C5, Tel. 613 773-1386, Fax: 613 773-1380.
  - 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.
- 19) 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.
- 20) 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.
- 21) 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.
- 22) 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*.



ADVANCE PAYMENTS PROGRAM (APP)
APPLICATION & REPAYMENT AGREEMENT – DECLARATION & ATTESTATION

PROTECTED "A" ONCE COMPLETED

3.2 PRODUCER ATTESTATION

MLCA-CONTINUOUS FLOW ANIMAL ADVANCE 2010-2011

✓ 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 this Advance Payments Program Application and Repayment Agreement.

Signature of Producer

Date (YYYY-MM-DD)

3.3 ADMINISTRATOR ATTESTATION

\*\*\*\*OFFICE USE ONLY\*\*\*\*

I declare having taken all necessary steps, in accordance with the AMPA, its Regulations, the Advance Guarantee Agreement and APP administrations 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 above mentioned advance.

Signature of Administrator

Date (YYYY-MM-DD)

Please list below any persons you wish to have authorization to information on your behalf:

Name

Relation to Producer

Name

Relation to Producer



**ADVANCE PAYMENTS PROGRAM (APP)  
APPLICATION & REPAYMENT AGREEMENT – CORPORATION/COOPERATIVE/PARTNERSHIP INFORMATION  
PROTECTED “A” ONCE COMPLETED**

**1.1 DOCUMENTATION** **MLCA-CONTINUOUS FLOW ANIMAL ADVANCE 2010-2011**

Administrators must request documentation from the Shareholders, Members or Partners.

**Identity verified** (Photo identification required, i.e. driver's license. Medicare card cannot be accepted.)  
Type of documentation provided: \_\_\_\_\_

**Certificate of Incorporation / Proof of Partnership**

**1.2 BASIC INFORMATION**

Identify the legal name of the Corporation/Cooperative/Partnership applying for the advance and indicate the type.  
 List all Shareholders, Members or Partners of the Corporation/Cooperative/Partnership. Attach a separate sheet if required.  
 If the ownership structure has changed from the previous application please attach the new Incorporation/Cooperative/Partnership document that reflects the correct ownership structure.

**Legal Name of Business:** \_\_\_\_\_ **APP ID of Corporation/Cooperative/Partnership:** \_\_\_\_\_

Indicate type of business:  Corporation  Cooperative  Partnership  Other:

APP ID	First Name	Last Name	Address	Phone Number	Date of Birth (yyyy/mm/dd)	% Interest in Operation
						%
						%
						%
						%

**Mailing Address of Corporation/Cooperative/Partnership:**

**Street Address** \_\_\_\_\_ **City/Town** \_\_\_\_\_ **Province** \_\_\_\_\_ **Postal Code** \_\_\_\_\_

**Business Phone # (Ext.)** \_\_\_\_\_ **Business Fax #** \_\_\_\_\_

**1.3 DECLARATION OF APP ADVANCE RECEIVED FROM OTHER PRODUCER ORGANIZATIONS**

Outstanding advances previously issued or attributed to any Shareholder, Member or Partner will affect the amount of the advance the applicant may be eligible to receive.  
 List all advances issued by other organizations for this production period and previous production periods to each Shareholder, Member or Partner of the business, including advances attributed by percentage of ownership in any Corporation/Cooperative/Partnership.  
 Attach a separate sheet if required.

Name of Shareholder, Member or Partner	Name of Producer Organization from which an advance has been received	Agricultural Product for which an advance has been received	Production Period	Amount of Advance Received
			20	\$
			20	\$
			20	\$
			20	\$

**1.4 LENDER INFORMATION**

**Name of Lending institution** \_\_\_\_\_

**Street Address** \_\_\_\_\_ **City/Town** \_\_\_\_\_ **Province** \_\_\_\_\_ **Postal Code** \_\_\_\_\_

**Phone # (Ext.)** \_\_\_\_\_ **Business Fax #** \_\_\_\_\_

**Attach VOID Cheque here:**



ADVANCE PAYMENTS PROGRAM (APP)  
APPLICATION & REPAYMENT AGREEMENT – CORPORATION/COOPERATIVE/PARTNERSHIP INFORMATION  
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**1.5 GUARANTEE DECLARATION MLCA-CONTINUOUS FLOW ANIMAL ADVANCE 2010-2011**

**PERSONAL GUARANTEE (for Corporation with sole shareholder)**

I, being the sole shareholder of the Corporation stated in Section 1.2 of this Application for an Advance in consideration of an advance being made to it by the Administrator, for the amount stated in Part 2 of this Application for an Advance, for the 2010-2011 APP production period and the Minister of Agriculture and Agri-Food Canada guaranteeing the repayment of such advance and interest thereon, do hereby agree to be personally liable to the Administrator or the Minister of Agriculture and Agri-Food Canada for any amount owing by the Corporation, under the APP.

**By signing this document, you understand and agree that action may be taken against you personally to be liable under Section 5.0 of the Terms and Conditions of the Repayment Agreement and to repay the full amount of any defaulted advance.**

IN WITNESS WHEREOF I hereunto set my hand and seal

Dated at \_\_\_\_\_

Location

Date (YYYY-MM-DD)

\_\_\_\_\_  
Print name of shareholder clearly

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Print name of witness clearly (Must not be a relative)

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

**JOINT AND SEVERAL GUARANTEE (for Cooperative, Partnership or Corporation with multiple shareholders)**

We, being Shareholders, Members or Partners, as the case may be, of the Corporation, Cooperative or Partnership as stated in Section 1.2 of this Application for an Advance, in consideration of an advance being made to the Corporation, Cooperative or Partnership, as the case may be, by the Administrator for the amount stated in Part 2 of this Application for an Advance, for the 2010-2011 APP production period and the Minister of Agriculture and Agri-Food Canada guaranteeing the repayment of such advance and interest thereon, do hereby agree to be jointly and severally liable to the Administrator, or the Minister of Agriculture and Agri-Food Canada, for any amount owing by the Corporation, Cooperative or Partnership, as the case may be, pursuant to the APP.

**By signing this document, you understand and agree that action may be taken against you personally to be liable under Section 5.0 of the Terms and Conditions of the Repayment Agreement to repay the full amount of any defaulted advance.**

IN WITNESS WHEREOF I hereunto set my hand and seal

Dated at \_\_\_\_\_

Location

Date (YYYY-MM-DD)

\_\_\_\_\_  
Print name of shareholder, member or partner clearly

\_\_\_\_\_  
Signature of shareholder, member or partner

\_\_\_\_\_  
Print name of witness clearly (Must not be a relative)

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

\_\_\_\_\_  
Print name of shareholder, member or partner clearly

\_\_\_\_\_  
Signature of shareholder, member or partner

\_\_\_\_\_  
Print name of witness clearly (Must not be a relative)

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

\_\_\_\_\_  
Print name of shareholder, member or partner clearly

\_\_\_\_\_  
Signature of shareholder, member or partner

\_\_\_\_\_  
Print name of witness clearly (Must not be a relative)

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



ADVANCE PAYMENTS PROGRAM (APP)  
APPLICATION & REPAYMENT AGREEMENT – CORPORATION/COOPERATIVE/PARTNERSHIP INFORMATION  
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3.1 DECLARATION OF THE APPLICANT	MLCA-CONTINUOUS FLOW ANIMAL ADVANCE 2010-2011
<p>1) As it applies:</p> <p>a. I am applying, on behalf of the Corporation/Cooperative which I represent, for an advance payment pursuant to the Advance Payments Program (APP).</p> <p>b. We, being all the Partners of the Partnership stated in Part 1B of this Application (herein referred to as the "Partners"), apply for an advance payment pursuant to the APP.</p> <p>2) At least one of the Partners/Shareholders/Members is of the age of majority and is a Canadian Citizen or a permanent resident.</p> <p>3) At least one of the Partners/Shareholders/Members is principally occupied in the farming operation.</p> <p>4) At least one of the Partners/Shareholders/Members is the producer of the Agricultural Product for which this Application is made, or one of the Partners/Shareholders/Members, is entitled to the Agricultural Product as Landlord, Vendor, Mortgagee or Hypothecary Creditor.</p> <p>5) 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 the name of the Corporation/Cooperative/Partnership for which this Application is made.</p> <p>6) Partners/Shareholders/Members who have an interest in the entity are listed in Part 1B of this Application and Repayment Agreement.</p> <p>7) Neither the Corporation/Cooperative/Partnership or any of the Partners/Shareholders/Members listed in this Application and Repayment Agreement are in default under any repayment agreement pursuant to the <i>Advance Payments for Crops Act (APCA)</i>, the <i>Prairie Grain Advance Payments Act (PGAPA)</i>, the Spring Credit Advance Program (SCAP), the Enhanced Spring Credit Advance Program (ESCAP) or the <i>Agricultural Marketing Programs Act (AMPA)</i>.</p> <p>8) The Corporation/Cooperative/Partnership that I represent is not ineligible under an advance guarantee agreement made pursuant to the <i>Agricultural Marketing Programs Act (AMPA)</i>, the Spring Credit Advance Program (SCAP) or the Enhanced Spring Credit Advance Program (ESCAP).</p> <p>9) As indicated in Section 1.2 of Part 1B of this application:</p> <p>a. The Corporation/Cooperative that I represent has made an application for Production Insurance and/or is participating in an eligible Business Risk Management program as outlined in Part 2 of this Application and Repayment Agreement and I, being authorized to certify on behalf of the Corporation/Cooperative, declare having submitted a duly completed BRM Assignment Agreement (Appendix 2A or 2B) as required for the specific class of Agricultural Product.</p> <p>b. We, the Partners, have made an application for Production Insurance and/or are participating in an eligible Business Risk Management program as outlined in Part 2 of this Application and Repayment Agreement and we further certify having submitted duly completed BRM Assignment Agreements (Appendix 2A or 2B) as required for the specific class of Agricultural Product.</p> <p>10) The Corporation/Cooperative/Partnership that I/we represent, as the case may be, that is requesting an advance on a storable Agricultural Product in post-production or Livestock that is not subject to an Emergency Advance, have sufficient Agricultural product in storage to justify the amount advanced as outlined in Part 2 of this Application and Repayment Agreement.</p> <p>11) Except in the case of Emergency Advances for "severe economic hardship" where the following does not apply, I or the Partners, as applicable, 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 program(s) used to secure the advance, as applicable, and/or that holds a lien or encumbrance on the Agricultural Products listed in Part 2 of this Application and Repayment Agreement.</p> <p>12) I or the Partners, as applicable, agree that a credit check and an inspection of the Agricultural Product may be performed at any time while the advance is outstanding.</p> <p>13) I or the Partners, as applicable, acknowledge that, in the event of a default, the Corporation/Cooperative/Partnership or its Shareholders/Members/Partners 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.</p> <p>14) I or the Partners, as applicable, declare that this Application is consistent with the purpose of the APP.</p> <p>15) I or the Partners, as applicable, certify that all of the information provided in this Application is true and correct in every respect.</p> <p>16) I or the Partners, as applicable, understand that failing to comply with Application requirements may delay the processing of the Application or may render me or the Corporation/Cooperative/Partnership that I represent, ineligible for receiving an advance under the Program.</p> <p>17) I or the Partners, as applicable, agree, that I/we reside in a province where the legislation allows for the extension of the limitation period, to extend the limitation period and to take any necessary steps as determined by the Administrator to ensure that the limitation period for seeking a remedial order for claims arising from this application shall be extended from the date the Administrator knew, or in the circumstances, ought to have known, of the claim. Where possible according to the provincial legislation, I/we further agree that the extended limitation period should be of six years.</p> <p>18) I or the Partners as applicable, authorize <b>Manitoba Livestock Cash Advance Inc.</b> (Administrator) and AAFC to :</p> <p>a. collect the information contained in, with, or pursuant to this Application and Repayment Agreement. AAFC may use the information to verify and/or assess the Application, as well as to administer, audit, analyze, and evaluate the APP. The personal information provided will be protected under the federal <i>Privacy Act</i> and the provisions of the federal <i>Access to Information Act</i>. The personal information retained by AAFC will be held in Personal Information Bank PPU140. All non federal government organizations are obligated to protect personal information in accordance with the <i>Personal Information Protection and Electronic Documents Act (PIPEDA)</i> or under legislation applicable within their jurisdiction. A Producer may access your personal information held by AAFC by making a formal request under the <i>Privacy Act</i> in writing or by completing a Personal Information Request Form which is available through Info Source or at Web Site <a href="http://www.tbs-sct.gc.ca/tbsf-fsct/350-58_e.asp">http://www.tbs-sct.gc.ca/tbsf-fsct/350-58_e.asp</a>. Requests should be mailed to: Agriculture and Agri-Food Canada, Access to Information and Privacy Coordinator, 1341 Baseline Road, Tower 5, 4<sup>th</sup> Floor, Ottawa, Ontario, K1A 0C5, Tel. 613 773-1386, Fax: 613 773-1380.</p> <p>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.</p> <p>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.</p> <p>19) I or the Partners, as applicable, have read all the Terms and Conditions of the Repayment Agreement which are attached to and form part of this application and agree to comply with such Terms and Conditions.</p> <p>20) If I am or any of the Partners/Shareholders/Members is, as applicable, a current or former public office holder, public servant or member of the House of Commons, I am or one of the Partners is, as applicable, 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.</p> <p>21) I or the Partners, as applicable, 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.</p> <p>22) I declare that I, or the Partners/Shareholders/Members, or the Partnership/Corporation/Cooperative as applicable: have not recently filed a notice of intention to make a proposal or made a proposal under the <i>Bankruptcy and Insolvency Act</i>; are not subject to a receiving order under that act; are not bankrupt or seeking protection under any other insolvency or bankruptcy related statute such as the <i>Companies' Creditors Arrangement Act</i> and the <i>Farm Debt Mediation Act</i>.</p>	



**ADVANCE PAYMENTS PROGRAM (APP)**  
**APPLICATION & REPAYMENT AGREEMENT – CORPORATION/COOPERATIVE/PARTNERSHIP INFORMATION**  
**PROTECTED “A” ONCE COMPLETED**

**3.2 PRODUCER ATTESTATION** **MLCA-CONTINUOUS FLOW ANIMAL ADVANCE 2010-2011**

- ✓ All Partners listed in Part 1B, Section 1.2 must 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.
- ✓ The authorized signing officer for the Corporation and Cooperative Signature must sign and date the declaration found on the next page.

**Signature of Application and Repayment Agreement for a Partnership:**

We, being all the Partners listed in Part 1B, Section 1.2, are authorized to sign this Application and Repayment Agreement on behalf of the Partnership:

- hereby agree that the information provided in this Application and Repayment Agreement is true and accurate based on our knowledge at the time of the application;
- hereby agree that we have completed and signed an Advance Payments Program Application and Repayment Agreement;
- hereby agree to comply with all of the terms and conditions included in this Advance Payments Program Application and Repayment Agreement.

Print name of partner clearly	Signature of partner
Print name of witness clearly (Must not be a relative)	Signature of witness
Print name of partner clearly	Signature of partner
Print name of witness clearly (Must not be a relative)	Signature of witness
Print name of partner clearly	Signature of partner
Print name of witness clearly (Must not be a relative)	Signature of witness

**3.2 PRODUCER ATTESTATION**

**Signature of Application and Repayment Agreement for Corporation or Cooperative:**

I, being authorized to sign this Application and Repayment Agreement on behalf of the Corporation or as stated in Part 1B, Section 1.2 of this Application and Repayment Agreement:

- hereby agree that the information provided herein is true and accurate based on my knowledge at the time of the application;
- hereby agree that I have completed and signed an Advance Payments Program Application and Repayment Agreement;
- hereby agree that the Corporation/Cooperative will comply with all of the terms and conditions included in this Advance Payments Program Application and Repayment Agreement.

Print name of Authorized Signing Officer clearly	Signature of partner
Print name of witness clearly (Must not be a relative)	Signature of witness

**3.3 ADMINISTRATOR ATTESTATION**

**\*\*\*\*OFFICE USE ONLY\*\*\*\***

I declare having taken all necessary steps, in accordance with the AMPA, its Regulations, the Advance Guarantee Agreement and the APP Administration 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 above mentioned advance.

Signature of Administrator	Date (YYYY-MM-DD)
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<b>INSTRUCTIONS – 1<sup>st</sup> CYCLE</b>	
✓	This form is for an advance for a Continuous Flow Operation which means a farming operation where the animal inventory remains constant during a production cycle through the continuous rotation of animals (i.e. those sold are replaced by new ones within days).
✓	This form should not be used for animals defined as “livestock” in the AMPA, meaning cattle, sheep, swine and bison.
✓	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 animals 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 coverage.
✓	At no point in time can the Producer receive more than \$400,000 in advances, including the overlap period between production periods.
✓	The interest free advance is limited to the first \$100,000 issued per production period. Any advance issued above that limit shall be interest bearing.
✓	If, to guarantee the advance, the Producer chooses to use: <ul style="list-style-type: none"> <li>○ <u>only AgriStability</u>, complete only Sections 2.1 and 2.2</li> <li>○ <u>only l’Assurance stabilisation des revenus agricoles (ASRA)</u>, complete sections 2.1 and 2.3</li> </ul>
✓	If the producer chooses to use <u>more than one program</u> to guarantee an advance, complete sections 2.1, 2.2, 2.3 and 2.4.

**2.1 ELIGIBLE ADVANCE BASED ON ANIMAL INVENTORY**

Type of Animal	Advance rate (e.g. \$ / head)	x	Constant Inventory (e.g. 100 head)		=	Total (\$)
			Quantity	Unit of measure		
	\$					\$
	\$					\$
	\$					\$
	\$					\$
	\$					\$
<b>Maximum Eligible Advance based on animal inventory</b>						<b>A</b> \$

**2.2 ELIGIBLE ADVANCE BASED ON AGRISTABILITY**

- ✓ AgriStability replaces the Canadian Agricultural Income Stabilization (CAIS) program. The maximum Eligible Advance is determined using AgriStability positive and negative reference margins as security
- ✓ To calculate the positive and negative reference margins, enter the most current information (and corresponding year) provided by AgriStability in the Reference Margin Calculation into the table below.
- ✓ The *Advance based on Positive Margin* is calculated by subtracting the average *Allowable expenses* from the average *Allowable income* and multiplying this total by 66.5%. The value in box “D” cannot be negative. If the value is less than zero, enter zero.
- ✓ The *Advance based on Negative Margin* is calculated by multiplying the average *Allowable expenses* by 60% as per AgriStability.

<b>AgriStability PIN</b>	<b>Government portion of producer’s coverage</b>								<b>66.5%</b>	
<b>AgriStability Reference Margin Calculation</b>	<b>Reference Period</b>								<b>Total Average (\$)</b>	
	<b>Year 1:</b>		<b>Year 2:</b>		<b>Year 3:</b>		<b>Year 4:</b>			<b>Year 5:</b>
<b>Allowable income</b>	\$		\$		\$		\$		\$	<b>B</b> \$
<b>Allowable expenses</b>	\$		\$		\$		\$		\$	<b>C</b> \$
<b>Margin Calculation</b>										
<b>Maximum AgriStability security based on Positive Margin (B - C x 66.5%)</b> If the value is less than zero, enter zero										<b>D</b> \$
<b>Maximum AgriStability security based on Negative Margin (C x 60%)</b>										<b>E</b> \$
<b>AgriStability Interim Payments Received To Date</b>										<b>F</b> \$
<b>Anticipated ASRA payments during the production period (Quebec only)</b>										<b>G</b> \$
<b>Maximum AgriStability security available (D + E - F - G)</b>										<b>H</b> \$
<b>Maximum eligible Advance based on AgriStability (lesser of A or H)</b>										<b>I</b> \$

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<b>2.3 ELIGIBLE ADVANCE BASED ON L'ASSURANCE STABILISATION DES REVENUS AGRICOLES (ASRA) – QUÉBEC ONLY</b>										
<b>ASRA PIN</b>										
<b>If the Producer participates in ASRA and AgriStability</b>	<b>Stabilized income</b>	X	100%	X	<b>Quantity</b>	<b>units of measure</b>	-	<b>ASRA Payments received to-date</b>	=	<b>Maximum ASRA security available</b>
	\$							\$	J	\$
<b>If the Producer ONLY participates in ASRA</b>	<b>Stabilized income</b>	X	60%	X	<b>Quantity</b>	<b>units of measure</b>	-	<b>ASRA Payments received to-date</b>	=	<b>Maximum ASRA security available</b>
	\$							\$	K	\$
<b>Maximum ASRA security available (J or K depending on participation of the producer in AgriStability)</b>									L	\$
<b>Maximum eligible advance based on ASRA (lesser of A or L)</b>									M	\$
<b>2.4 ELIGIBLE ADVANCE BASED ON USING 2 PROGRAMS TO GUARANTEE AN ADVANCE</b>										
<b>Maximum security available through AgriStability and ASRA – Québec only (I + J)</b>								N	\$	
<b>Maximum eligible advance based on AgriStability and ASRA (lesser of A or N)</b>								O	\$	

<b>2.5 MAXIMUM ELIGIBLE ADVANCE</b>	
<b>The maximum eligible advance is calculated based on the BRM program(s) chosen as security Select I, M, or O</b>	\$
<b>2.5.1 ADVANCE REQUESTED BY PRODUCER - 1<sup>ST</sup> CYCLE :</b>	<b>2.5.2 ADVANCE ISSUED BY ADMINISTRATOR - 1<sup>ST</sup> CYCLE :</b>
\$	\$

<b>2.6 TERMS AND CONDITIONS OF THE REPAYMENT AGREEMENT</b>
In consideration of the Administrator granting an advance pursuant to the provisions of the Advance Payments Program, the parties hereunto agree as follows:
<p><b>1. Important Terms</b></p> <p>1.1. "AAFC" means Agriculture and Agri-Food Canada.            1.2. "Administrator" means <b>Manitoba Livestock Cash Advance Inc.</b>            1.3. "Terms and Conditions" means the content of Section 2.6 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. "Non-storable Agricultural Products" means the livestock categories listed in Section 2.1 of this application.            1.13. "Continuous flow operation" means a farming operation where animals that are sold are constantly replaced by new ones so that the number of head of animals in inventory remains constant.            1.14. "Advance on non-storable Agricultural Product" means an Eligible Advance based on expected production of an eligible Non-Storable Agricultural Product as per Subsection 1.12 of these Terms and Conditions.            1.15. "Advance Rate on Non-Storable Agricultural Product" means the rate of issuance applicable to advances issued prior to <b>March 31, 2011</b>.            1.16. "Eligible Advance" means the advance the Producer is entitled to as stated in either Section 2.5 or Section 2.11 of this application, as applicable.            1.17. "Eligible BRM program" means an eligible Business Risk Management program, as listed in the AMPA schedule that is used by the Producer as security for an advance on a non-storable Agricultural Product.            1.18. "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.            1.19. "Advance Cycles" means cycles of <b>12 month</b> period that start and end on fixed dates and follow each other. The first advance cycle commences on <b>April 1, 2010</b> and the second advance cycle commences on <b>September 30, 2011</b>.            1.20. "Production Period" is the period defined in 7.1 of these Terms and Conditions.            1.21. "Administrator's percentage of liability" means <b>1.00% percent</b> according to Section 5(1)(6) of AMPA.            1.22. "Administrator Holdback" means the percentage of the eligible advance that the Administrator withholds until the advance is repaid. The holdback should not exceed the Administrator's percentage of liability.</p> <p><b>2. Issuance of the Advance</b></p> <p>2.1. The Administrator may issue an advance under this agreement for a Non-storable Agricultural Product for each advance cycle specified in Subsection 1.19 of these Terms and Conditions. The Administrator may not issue an advance for the second advance cycle before the Producer has repaid in full the advance made for the first advance cycle.</p> <p>2.2. The Administrator shall make an instalment of the estimated Eligible Advance on a Non-storable Agricultural Product in accordance with Sections 2.5 of this application for the first advance cycle and using the Advance Rate on the non-storable Agricultural Product, upon the execution of this Repayment Agreement by the Administrator. The Producer must provide a BRM Program Coverage Report and have sufficient security available related to the Agricultural Product to</p>



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justify the Eligible Advance in accordance with Section 2.5 of this application and using the Advance Rate on the non-storable Agricultural Product. Subject to Subsection 2.1 of these Terms and Conditions, the Administrator may further issue an instalment of the estimated Eligible Advance on a Non-storable Agricultural Product in accordance with Section 2.11 of this application for the second advance cycle.

- 2.3. Should the coverage amount under the eligible BRM program, through no fault of the producer, or the value of the Agricultural Products 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 six thousand dollars (\$6,000) 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.
- 2.4. Any advance on all eligible Non-storable Agricultural Products or any instalment on such an advance shall be issued as per the dates specified in sub-sections 1.15 and 1.19 of these Terms and Conditions.
- 2.5. The Administrator may deduct the Administrator Holdback of **1.00%** percent from the advance.

**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 to the time of repayment, 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 fifteen (15) calendar days following the **12 month** period from the date the advance was made but no later than the end of the Production Period, an amount at at least the advance rate in effect at the time of repayment until all the advances made to the Producer and the interest payable by the Producer on those advances are repaid;
- 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 three (3) 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) 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 \$1,000 or ten percent (10%) of the total amount of the advance. 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 of **Prime +0%** percent, on the excess amount from the day the advance was issued to the day the repayment was made.
- 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.

**4. Security Interests**

- 4.1. The Producer agrees to grant a security interest on the Producer's Agricultural Product as collateral to the Administrator in the amount of the Eligible Advance plus interest and costs provided for in this Repayment Agreement. The Producer further agrees that the Administrator's interest shall rank prior to the interest of any other creditor or security holder and shall obtain any and all priority agreements to achieve this end. The Producer also agrees that upon default, the Administrator has the right to seize the Producer's Agricultural Product and any subsequent Agricultural Product produced by the Producer for the amount and until the full repayment of the Producer's liability provided in Subsection 5.3 of these Terms and Conditions, wheresoever situated and to sell the Agricultural Product as it sees fit in order to realize upon any amount outstanding under this Repayment Agreement including interest and any legal costs of seizure, and other enforcement. The level of inventory on which the advance was calculated must be maintained at any point during each advance cycle and not change by more than stipulated in the AMPA regulations section 6.1(1)(b) otherwise, the Producer is obligated to repay the advance for any difference in inventory.
- 4.2. In the case of an advance on a Non-storable Agricultural Product, the Producer agrees to grant a security interest on the proceeds of an eligible BRM program as identified in Section 2.2, 2.3, 2.8 and/or Section 2.9 of this application as collateral to the Administrator in the amount of the Eligible Advance plus interest and costs provided for in this Repayment Agreement. The Producer further agrees that the Administrator's interest shall rank prior to the interest of any other creditor or security holder and shall obtain any and all priority agreements to achieve this end. The level of security of the BRM program must be maintained at any point during each advance cycle as stipulated in the AMPA regulations section 6.1(1)(b), otherwise the Producer is obliged to repay the advance for any different in the coverage.

**5. Default**

5.1. The Producer is in default if the Producer:

- 5.1.a. has not met all their obligations under the Repayment Agreement by the end of the production period;
- 5.1.b. files a notice of intention to make a proposal or makes a proposal under the *Bankruptcy and Insolvency Act*, is subject to a receiving order under that Act, becomes bankrupt or seeks protection under any other insolvency or bankruptcy related statute; or
- 5.1.c. is otherwise declared in default by the Administrator in accordance with this Repayment Agreement.

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 any of the obligations under the Repayment Agreement within twenty (20) 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. 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.

5.5. For the purpose of this repayment agreement, an ineligibility period of **12 months** should be applied once a producer has repaid his default in full.

**6. Interest Rate**

6.1. The interest payable by the Producer during the production period while in compliance with the AMPA and this Repayment Agreement will be:

- 6.1.a. 0% on the amount under \$100,000; and
- 6.1.b. **Prime -0.25% percent** on the amount over \$100,000.



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6.2. In the event that the Producer is declared in default, the interest payable by the Producer will be:

6.2.a. **Prime +3% 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 +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.

**7. General Provisions**

7.1. The production period for the Agricultural Product commences on **April 01, 2010** and terminates on **September 30, 2011**.

7.2. The Eligible Advance under these Terms and Conditions is deemed to have been received on that portion of the Producer's Agricultural Product first sold. The Producer shall not dispose of any other part of this Agricultural Product, in any manner, before disposing of that portion of the Agricultural Product for which the advance was received. In cases where the Producer can provide proof of identification, supported by appropriate records, allowing for the identification of each unit of Non-storable Agricultural Product 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.

7.3. 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.

7.4. 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.

7.5. The Producer shall give immediate notice to the Administrator of any material loss, destruction or damage to the Agricultural Product.

7.6. 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 interest on it from the date of the advance, that is attributable to the unmarketable portion of the Agricultural Product.

7.7. 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.

7.8. This Repayment Agreement shall be interpreted in accordance with the laws of the province of **Manitoba**, Canada.

7.9. The Producer shall have insurance on the entire Agricultural Product for which the advance was made, to the full extent of the advance, for all insurable perils, until the Producer's liability is repaid. The Producer further agrees that any payout of this insurance will first be used to repay any outstanding advance.

7.10. 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.

7.11. 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.

7.12. 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.

7.13. 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 7.16 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.

7.18. 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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**INSTRUCTIONS – 2<sup>nd</sup> CYCLE**

- ✓ This form is for an advance for a Continuous Flow Operation which means a farming operation where the animal inventory remains constant during a production cycle through the continuous rotation of animals (i.e. those sold are replaced by new ones within days).
- ✓ 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 animals 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 the AgriStability Reference Margin Calculation sheet attached.
- ✓ At no point in time can the Producer receive more than \$400,000 in advances, including the overlap period between production periods.
- ✓ The interest free advance is limited to the first \$100,000 issued per production period. Any advance issued above that limit shall be interest bearing.
- ✓ If, to guarantee the advance, the Producer chooses to use:
  - only AgriStability, complete only Sections 2.7 and 2.8
  - only l’Assurance stabilisation des revenus agricoles (ASRA), complete sections 2.7 and 2.9
- ✓ If the producer chooses to use more than one program to guarantee an advance, complete sections 2.7, 2.8, 2.9 and 2.10.

**2.7 ELIGIBLE ADVANCE BASED ON ANIMAL INVENTORY**  
(fill table below only if 1<sup>st</sup> advance cycle information has changed)

I declare that my animal inventory has not changed since the advance I received in the 1<sup>st</sup> advance cycle.

Type of Animal	Advance rate (e.g. \$ / head)	Constant Inventory (e.g. 100 head)		Total (\$)	
		Quantity	Unit of measure		
	\$	x		=	\$
	\$				\$
	\$				\$
	\$				\$
	\$				\$
<b>Maximum Eligible Advance based on animal inventory</b>				<b>A</b>	\$

**2.8 ELIGIBLE ADVANCE BASED ON AGRISTABILITY**  
(fill table below only if 1<sup>st</sup> advance cycle information has changed)

- ✓ AgriStability replaces the Canadian Agricultural Income Stabilization (CAIS) program. The maximum Eligible Advance is determined using AgriStability positive and negative reference margins as security
- ✓ To calculate the positive and negative reference margins, enter the most current information (and corresponding year) provided by AgriStability in the Reference Margin Calculation into the table below.
- ✓ The *Advance based on Positive Margin* is calculated by subtracting the average *Allowable expenses* from the average *Allowable income* and multiplying this total by 66.5%. The value in box “D” cannot be negative. If the value is less than zero, enter zero.
- ✓ The *Advance based on Negative Margin* is calculated by multiplying the average *Allowable expenses* by 60% as per AgriStability.

AgriStability PIN	Government portion of producer’s coverage								66.5%	
AgriStability Reference Margin Calculation	Reference Period								Total Average (\$)	
	Year 1:	Year 2:	Year 3:	Year 4:	Year 5:					
Allowable income	\$	\$	\$	\$	\$			<b>B</b>	\$	
Allowable expenses	\$	\$	\$	\$	\$			<b>C</b>	\$	
<b>Margin Calculation</b>										
Maximum AgriStability security based on Positive Margin (B - C x 66.5%) <small>If the value is less than zero, enter zero</small>								<b>D</b>	\$	
Maximum AgriStability security based on Negative Margin (C x 60%)								<b>E</b>	\$	
AgriStability Interim Payments Received To Date								<b>F</b>	\$	
Anticipated ASRA payments during the production period (Quebec only)								<b>G</b>	\$	
Maximum AgriStability security available (D + E – F - G)								<b>H</b>	\$	
Maximum eligible Advance based on AgriStability (lesser of A or H)								<b>I</b>	\$	

**2.9 ELIGIBLE ADVANCE BASED ON L’ASSURANCE STABILISATION DES REVENUS AGRICOLES (ASRA) – QUÉBEC ONLY**  
(fill table below only if 1<sup>st</sup> advance cycle information has changed)

Any personal information provided to Agriculture and Agri-Food Canada will be protected under the provisions of the **Privacy Act** and will be stored in Personal Information Bank AAFC-PPU-140.



**ADVANCE PAYMENTS PROGRAM (APP)  
APPLICATION & REPAYMENT AGREEMENT – CONTINUOUS FLOW OPERATION  
(DOES NOT APPLY TO LIVESTOCK)**

PROTECTED “A” ONCE COMPLETED

<b>ASRA PIN</b>										
<b>If the Producer participates in ASRA and AgriStability</b>	<b>Stabilized income</b>	<input checked="" type="checkbox"/>	<b>100%</b>	<input checked="" type="checkbox"/>	<b>Quantity</b>	<b>units of measure</b>	<b>-</b>	<b>ASRA Payments received to-date</b>	<b>=</b>	<b>Maximum ASRA security available</b>
	\$							\$	<b>J</b>	\$
<b>If the Producer ONLY participates in ASRA</b>	<b>Stabilized income</b>	<input checked="" type="checkbox"/>	<b>60%</b>	<input checked="" type="checkbox"/>	<b>Quantity</b>	<b>units of measure</b>	<b>-</b>	<b>ASRA Payments received to-date</b>	<b>=</b>	<b>Maximum ASRA security available</b>
	\$							\$	<b>K</b>	\$
<b>Maximum ASRA security available (J or K depending on participation of the producer in AgriStability)</b>									<b>L</b>	\$
<b>Maximum eligible advance based on ASRA (lesser of A or L)</b>									<b>M</b>	\$
<b>2.10 ELIGIBLE ADVANCE BASED ON USING 2 PROGRAMS TO GUARANTEE AN ADVANCE</b>										
<b>Maximum security available through AgriStability and ASRA – Québec only (I + J)</b>									<b>N</b>	\$
<b>Maximum eligible advance based on AgriStability and ASRA (lesser of A or N)</b>									<b>O</b>	\$
<b>2.11 MAXIMUM ELIGIBLE ADVANCE</b>										
<input checked="" type="checkbox"/> If Section 2.7 to 2.9 above needed to be completed for the 2nd advance cycle, the maximum eligible advance must be recalculated. <input checked="" type="checkbox"/> In any other case, insert the maximum Eligible Advance that was calculated when you received your advance in the 1 <sup>st</sup> advance cycle.										
<b>The maximum eligible advance is calculated based on the BRM program(s) chosen as security</b>										\$
<b>Select I, M, or O</b>										\$
<b>2.11.1 ADVANCE REQUESTED BY PRODUCER – 2<sup>ND</sup> CYCLE :</b>										
\$										
<p>I declare that I have fully repaid the advance from the 1st Advance Cycle before requesting the aforementioned advance for the 2nd cycle.</p> <p>I declare that I have completed and signed an Application and Repayment Agreement.</p> <p>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.</p> <p>I agree to comply with all of the Terms and Conditions included in this Application and Repayment Agreement.</p>										
_____ Signature of Producer						_____ Date (YYYY-MM-DD)				
<b>2.11.2 ADVANCE ISSUED BY ADMINISTRATOR – 2<sup>ND</sup> CYCLE :</b>										
\$										
<p>I declare that the Producer has repaid the advance from the 1st advance cycle before issuing the aforementioned advance for the 2nd cycle.</p> <p>I declare that I have taken the necessary steps, in accordance with the AMPA, its regulations, the Advance Guarantee Agreement and the APP Administration Guidelines, to ensure, to the best of my ability, that the current application is complete and accurate before granting the aforementioned advances.</p>										
_____ Signature of Administrator						_____ Date (YYYY-MM-DD)				



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

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 Manitoba Livestock Cash Advance Inc., hereinafter referred to as 'Administrator'.

This assignment agreement is for all proceeds, up to the amount set in Part 1.2.2 below, payable to the Assignor under Agri-Stability or AFSC (BRM program name) and is being used to secure advances issued under the Repayment Agreement (i.e., APP Application) 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):

Table with 6 columns: Product #1, Product #2, Product #3, Product #4, Product #5, Product #6

1.2 DEFINITIONS AND ASSIGNMENT AGREEMENT

1.2.1 DEFINITIONS AND INTERPRETATIONS:

"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.

1.2.2. 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 BRM program in the current year and all future years until such a time as the advance, in the amount of \$\_\_\_\_\_ and for which this BRM program is 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 amount of the advance(s) will be confirmed to the BRM Administrator by AAFC via the APP Electronic Delivery System or an alternative method agreed upon by AAFC and the BRM Administrator.

The Assignor allows the BRM administrator to share information with AAFC and the Administrator via the APP Electronic Delivery System or an alternative method agreed upon by AAFC and the BRM Administrator.

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



ADVANCE PAYMENTS PROGRAM (APP)
PRODUCER AUTHORIZATION TO BUYER

PROTECTED "A" ONCE COMPLETED

I/The, \_\_\_\_\_ (Name of Producer) have been given an advance by Manitoba Livestock Cash Advance Inc. (Name of Administrator) for the amount of \$ \_\_\_\_\_ (dollars) on \_\_\_\_\_ (Agricultural Product) 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 according the Advance Guarantee Agreement signed between the Administrator and AAFC in respect to each unit of agricultural product sold to you, and to remit such amount withheld to the above-named 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

\_\_\_\_\_. Print name of Producer or Authorized Officer

\_\_\_\_\_. Signature of Producer or Authorized Officer

\_\_\_\_\_. Print name of Producer or Authorized Officer

\_\_\_\_\_. Signature of Producer or Authorized Officer

\_\_\_\_\_. Print name of Producer or Authorized Officer

\_\_\_\_\_. Signature of Producer or Authorized Officer



ADVANCE PAYMENTS PROGRAM (APP)
PRIORITY AGREEMENT WITH A SECURED CREDITOR
(Do not use for emergency advances or on livestock)

PROTECTED "A" ONCE COMPLETED

1.1 BASIC INFORMATION

Producer Name (the "Producer"): APP ID:

List of Agricultural Products (the "Agricultural Product(s)"):

Table with 6 columns: Product #1, Product #2, Product #3, Product #4, Product #5, Product #6

1.2 DEFINITIONS

"Business Risk Management Program" or "BRM" means any program listed in the schedule of the Agricultural Marketing Programs Act that can be used to secure an advance;

1.3 BANK INFORMATION

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

\_\_\_\_\_ located at \_\_\_\_\_ (herein referred to as the "Creditor"), does hereby consent that:

Name of Bank or Lending Institution or Secured Party

In consideration of an advance being issued under APP by Manitoba Livestock Cash Advance Inc. (herein called 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 made, or the Business Risk Management (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 given by the Producer to the Creditor, whether such security was given under the authority of the Bank Act or under the authority of a Personal property security legislation in force in the province or by operation of any other law, but only to the extent of securing repayment to the Administrator of the advance payment up to the lesser of the principal amount of \$400,000 or the amount of \$\_\_\_\_\_, as set out in the Repayment Agreement entered into between the Producer and Administrator on-\_\_\_\_\_ (date), plus interest on that amount. Any BRM Program proceeds payable to the Producer from the date this agreement is signed until full payment of the above-mentioned amounts shall be sent to the Administrator.

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

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

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

The Creditor [ ] has [ ] has not (please check one) taken an assignment of the applicant's Agri Stability or AFSC (name of BRM Program) payments related to the Agricultural Product.

Where the Creditor has a lien or security on the Agricultural Product(s) 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:

O 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 O B) To the producer. If neither of the above options is selected, the parties are deemed to have agreed that the advance payment is to be made jointly in accordance with option A. This Agreement shall continue in full force and effect until the date upon which all advances referred to herein and interest outstanding on these advances are repaid to the Administrator by the Producer.

In the case of a Lender: Lending Institution: \_\_\_\_\_ Transit: \_\_\_\_\_



ADVANCE PAYMENTS PROGRAM (APP)
PRIORITY AGREEMENT WITH A SECURED CREDITOR
(Do not use for emergency advances or on livestock)

PROTECTED "A" ONCE COMPLETED

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

\_\_\_\_\_ located at \_\_\_\_\_ (herein referred to as the "Creditor"), hereby consents that:

Name of Bank or Lending Institution or Creditor

In consideration of an advance being issued By Manitoba Livestock Cash Advance Inc. (herein called the "Administrator") to the Producer, the Creditor confirms that it does not have any lien or security pursuant to Section 427 of the Bank Act, or pursuant to any other law of Canada or of the provinces, related to the Agricultural Product or to the BRM Program payment(s) related to the Agricultural Product for the above mentioned Producer. However, this does not affect the Creditor's right to extend future credit and obtain security in support of same to the Producer at the Creditor's discretion.

Lending Institution: \_\_\_\_\_ Transit: \_\_\_\_\_

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

This agreement shall be governed by and interpreted in accordance with the laws of the province of \_\_\_\_\_.

IN WITNESS WHEREOF all parties hereunto set their hands

Name of the Creditor : \_\_\_\_\_

Name and Title of Authorized Officer of Creditor : \_\_\_\_\_

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

Name of the Administrator: \_\_\_\_\_

Name and Title of the Authorized Officer of Administrator: \_\_\_\_\_

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

Name of the Producer: \_\_\_\_\_

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

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

Name of the Producer: \_\_\_\_\_

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

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

Name of the Producer: \_\_\_\_\_

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

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