



Agriculture Producers

Question: *How do we assist the Ag industry access meaningful financing at reasonable terms and conditions?*

We have a suite of products that can work on a standalone basis or in concert. All are best in market for equity requirements and ease of approval. New Entrants, expanding Producers and existing operations can all participate. Below is a breakdown of the three lines we offer and some pertinent details for each.

FAA

- Our 45 Local Feeder Associations (LFA) operate on 88 years of history in Alberta funding an estimated \$13 billion to date.
- Eligible members apply for approval at the LFA provided they are at least 18 years of age, a Farmer and own or lease land in AB.
- Favorable lending terms are negotiated by the LFA based on the large borrowing pool and support of the Provincial Government 15% Guarantee. These terms are passed on to the producer at terms and approval criteria very favorable to what is available elsewhere in the market.
- Members must Brand the livestock and maintain a 5% security deposit with the LFA and repay within 1 year.
- Advances are currently capped at \$3 Million per Corporation or Individual.
- Interest Rebate available on up to \$250,000.

ABFI

- Eligible Livestock: Heifer calves, Bred Heifers, Bred Cows, Cow-Calf Pairs and Bulls.
- 100% Value Financing for up to 6 year terms* (Costs include: branding, pregnancy testing, commissions and clearing charges, excluding trucking)
- Maximum per head limits adjusted periodically to support the market and the program.
- 10% Security Deposit required (Pooled Deposit) or use the Equity that you have in your own Cattle. (20% for Bull Program)
- Loan Max of \$500,000 per operation, on exception to a maximum of \$1,000,000 (additional credit assessment)
- Interest Rate of Prime + 0.90%



Phone 587.635.5669 Toll-free: 1.844.333.3377 Fax 587.635.5672

Web www.feederassoc.com Email info@feederassoc.com

100-5908 50 St, Leduc, AB T9E 0R6



ABFI Cont.

- **Bull Program**
 - We will require the producer to have at least 20 cows on contract for each bull financed.
 - Maximum 2-year amortization.
 - 20% deposit required.
 - Per head limit set and adjusted with market in mind. Current limit at \$7,000 per head.
 - Bulls are required to be branded and semen tested.
 - Full repayment not to exceed the 2-year maximum amortization and no later than the final payment on the last remaining cow contract.

- **Youth Program**
 - Available to youths 14-18 years old.
 - 20 cow cap on financing.
 - If they take advantage of the full 20 cow purchase option they are eligible for the Bull Program
 - Requires co-signature from an adult. Cosigner does not have to be a previous member, nor do they have to be related to the youth.
 - Normal program individual and yard maximums will apply to the cosigner which is to include the Youth Program financed amount.

- **Program Limits**
 - \$500,000 per operation and up to \$1,000,000 with additional assessment.

WeCAP

- The limits set by the federal Government for this program year are \$250,000 Interest Free with an overall limit of \$1,000,000.
- Repayment terms of 24 months on Cattle and 18 months on Grains.
- WeCAP delivers cash advances on livestock using either LPI or Agri-Stability as security, but we ALSO can advance on a variety of crops including hay and alfalfa using either Production Insurance or Agri-Stability. By bundling all your commodity cash advances with WeCAP you can deal with one dedicated administrator and use sale proceeds from one agricultural product to pay off a different agricultural product without penalty.
- We continue to see strong interest in the program primarily up to the \$250,000 Interest free limit set by the federal government for this program year.
- Producers are also taking advantage of the exceptional rate of **P-.5%** which is a market leader on the Interest Bearing portion available. It is unlikely that your operation has access to lower priced cash flow financing, so we encourage you to take advantage of this opportunity.



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Where does that leave us?

These programs have been developed over years and we are constantly striving to see them improve to the benefit of our producers. While any of these offerings can stand on their own we see synergies where producers utilize them as part of a package.

Eg. A producer could take out a WeCAP advance to support cash flow after Calving, then as that year's calves move through the operation the producer repays the advance with a Feeder Association Loan which could provide additional cash flow. As those animals again move through the operation the producers could repay that feeder loan with the sale of the Steers and take out an ABFI loan on the Heifers for the next 5 years. (6 years depending on the age of the Heifer). Add to that if a producer does not want to brand each year's calf crop to meet the ABFI stipulation they could take out a WeCAP advance to make the June 15th prepayment option rather than branding calves and making the annual payment by December 15th of that year. This would allow the producer to market those calves when it suits them without having to brand.



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