

Interest Rebate

Effective April 1, 2022

Application

(Need to receive within 30-days of their first purchase or their file will be deemed ineligible)

Part 1:

- Complete all the information; this information is required to create their ID#.
 - * If you know their APP ID# you can fill it in, but that is not necessary, as we can search for it.
 - * It is mandatory to provide the Producer Business Number (BN#) on the application form.

Part 2:

- Information based on their purchases:
 - * Ex. – (A) Cattle 700-900lbs, (B) amount the loan is for, (C) advance rate
 - * If this section is left blank, the lowest rate will be applied.
 - * **2021 Rates** ***Rates change February 1st each year (or at anytime by AAFC) ***
 - ◇ Cattle - Feeder (700—900 lbs) 870.75/head
 - ◇ Cattle - Finished (Less than 1250 lbs) 970.00/head
 - ◇ Cattle - Finished (More than 1250 lbs) 1,263.25/head
 - ◇ Lambs (61—79 lbs) 91.75/head
 - ◇ Lambs (80—109 lbs) 115.50/head
 - ◇ Lambs (More than 110 lbs) 144.00/head

Part 3/4:

- Declaration and terms and conditions

Part 5:

- Producer needs to answer to questions 1-3
If there is a related producer then complete 5.1, 5.2 if applicable

Part 6:

- Complete if they have an advance through the Western Cash Advance or Canola Growers etc.
 - * If they do, the amount they have advanced will be deducted from their eligible amount for interest rebate

On the last page we need their signature and the application to be dated

- The application will need to be accompanied by the Alberta Feeder Association Livestock Supply Form, and we will need to receive all the additional supply forms at a minimum monthly.
- ***Program years run from April 1st – March 31st of the following year.***
 - * If a producer has already reached their \$100,000 maximum for the year but you have supply forms from Jan 1-Mar 31, we can apply those to the new program year; we will need a new application signed and the supply forms will be dated in our system as April 1st (the interest will start accumulating).

Application Fee

*****LFA's no longer have the responsibility to collect the application fee*****

- Application fee is **\$225.00 + GST**
 - * Out of the application fee, your association receives \$100.00 (only on initial application)
- ***Producers will only be charged the application fee if they are eligible for a rebate***
 - * If their total rebate falls below the application fee, it will not be submitted for payment, and they will not be charged the fee.
- ***Fees are only applied to the first rebate***
 - * If a producer did not reach the full \$100,000 for the program year, they are able to submit a second rebate and will not be charged an application fee, as they paid it with the first rebate.
- Once payment is received back from Ottawa:
 - * WeCAP will deduct the application fee from the producer's total rebate and will send the remaining amount to the LFA, along with the allotted amount for the LFA.
 - * It is then the LFA's responsibility to distribute the funds to the producers within 7 days of receipt.

Deadlines

If any of the following are received after the deadline, file will be deemed ineligible

Application:

- Within 30-days of the first contract date
- Must be accompanied by initial Supply Form
- Only send with initial supply form, please do not send again

Supply Forms:

- As received or monthly
- At minimum send monthly
- Send all which is received for eligible producers

Bank Statements:

- Only when contract is paid out
- Send as received or monthly
- **Must be received within 30-days of the month end in which the contract was paid out**
- Must have the initial advance date and amount, interest rate, interest amount paid, repayment date including the final date and payout of loan and number of head
 - * Must confirm the system matches the bank statements, not supply forms
 - * Sometimes there are a day or two variances between the date on the supply form and when the funds were disbursed to the producer
- Bank statements (including the details above) must be accompanied by a form stating the amount of cattle sold per repayment

Examples

Listed below are 4 examples, showing the minimum amount of time the producer would have to collect interest prior to them being eligible for a rebate that is above the application fee:

****All examples are based on the Cattle Feeder, 700-900 lbs rate of \$764.00/head with 2019 Interest Rates***

****Application fee with the GST is \$236.25***

- \$20,000 (28hd * 764 = 21,392)
- April 1 – August 31st
- 4 months until the interest rate is above the fee cost
The rebate for this example is \$285.07 (this is calculated through our interest rebate calculator)
- \$50,000 (69hd)
- April 1 – May 31
2 months; interest rebate would be \$356.25
- \$70,000 (96hd)
- April 1 – May 15
1.5 months; interest rebate would be \$374.15
- \$100,000 (137hd)
- April 1 – April 30
1 month; interest rebate would be \$356.35