



Western Cash Advance Program Inc.

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Agriculture and Agri-  
Food Canada's Advance  
Payments Program



## Western Cash Advance Program Inc.

### Advance Payments Program Application and Repayment Agreement for 2019/20

#### For Sole Proprietors in Alberta and Saskatchewan

Eligible commodities:

Cash advances are available under Agriculture and Agri-Food Canada's Advance Payments Program for 44 different commodities in Alberta and 38 different commodities in Saskatchewan including cereals and coarse grains, oilseed crops, pulses, specialty crops, hay and grasses, cattle, sheep, lambs and goats. A complete list of eligible commodities can be found on page 4 of this application form or at [www.feederassoc.com](http://www.feederassoc.com).

Summary of Important Deadlines:

The following are important deadlines for applications, supporting documentation and account repayment. Producers who receive a cash advance under the APP are solely responsible for meeting all program deadlines. If you have asked a third party such as your crop insurance agency or your grain elevator to submit any type of documentation to WeCAP on your behalf, it is your responsibility to ensure that information is received in our office on time.

<b>April 1, 2019</b>	Accepting applications for 2019/2020 Advances for all Eligible Agricultural Products
<b>June 20, 2019</b>	Last date to apply for Advances for Agricultural Product in Production (Intended Seeding Advance)
<b>July 31, 2019</b>	Last date to provide the actual Seeded Acreage Report
<b>Dec 31, 2019</b>	Last date to file a Post-Production Report. Filing a Post-Production Report converts Advances to an Advance for Agricultural Product in Post-Production
<b>January 31, 2020</b>	Last date to repay Advance for Agricultural Product in Production if Post-Production Report is not filed by December 31, 2019. Proof of sale documents required for all Agricultural Product in Post-Production
<b>March 15, 2020</b>	Last date to apply for 2019/2020 APP Advances
<b>Sept 30, 2020</b>	Last date to repay 2019/2020 Advance for Agricultural Product in Post-Production (in Storage), goats, sheep and lambs
<b>March 31, 2021</b>	Last date to repay 2019/2020 Advances for cattle and bison and for Continuous Flow operations

Email, fax or mail your completed application to:

**Western Cash Advance Program Inc.**  
PO Box 4638  
Barrhead, AB. T7N 1A5  
Email applications to: [wecap@feederassoc.com](mailto:wecap@feederassoc.com)  
Fax: 1-888-840-8107 or 780-674-2845

For questions or inquiries:

Toll-free: 1-844-333-3377  
[www.feederassoc.com](http://www.feederassoc.com)

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<sup>1</sup> All applicable Schedules including Advance Worksheets, Assignments, Consents and Authorizations must be completed, signed and enclosed with this Application and Repayment Agreement. This Application need only be completed once for the 2019/20 Program. Advance Worksheets submitted after your first Advance Worksheet will be automatically added to your Application pursuant to the deemed amendment provisions of the Repayment Agreement.

## A. Preamble: Important Information for Producers

The following is provided as background information for producers.

The Advance Payments Program	<ul style="list-style-type: none"> <li>The Advance Payments Program (“APP”) is established under Canada’s <i>Agricultural Marketing Programs Act</i>, the Regulations under this Act, and APP Administration Guidelines and policy bulletins issues by Agricultural and Agri-Food Canada.</li> <li>Western Cash Advance Program Inc. (“WeCAP”) is an authorized APP Administrator.</li> </ul>
Cash Advance Limits	<ul style="list-style-type: none"> <li>The APP allows eligible producers to obtain cash advances for a portion of the expected average market value of their commodities. After May 29, 2019 Advances to producers are limited to a maximum of \$1,000,000.00 in each Program Year, with the Federal Government paying the Interest on the first \$100,000.00 of the advance and preferential Interest rates on advance amounts over \$100,000.00. In the 2019/2020 Program Year the Federal Government will pay Interest on the first \$500,000.00 of the advance for canola only and preferential Interest Rates on advance amounts over \$500,000.00 Eligible producers can take advances on multiple agricultural producers within the same Program Year, however producers cannot have more than \$1,000,000.00 in advances outstanding at any one time under the Program</li> </ul>
Eligibility	<ul style="list-style-type: none"> <li>APP eligibility is limited to Canadian citizens or permanent residents; corporations, a majority of whose voting shares are held by Canadian citizens or permanent residents; cooperatives, a majority of whose members are Canadian citizens or permanent residents, and partnerships or other associations of persons where partners or members, who are Canadian citizens or permanent residents, are entitled to at least 50% of the profits of the partnership or association. Some other limits on eligibility apply, including limits for producers are “related producers” as defined by the APP.</li> </ul>
Production Periods and Production Years	<ul style="list-style-type: none"> <li>Under APP, “production periods” and “production years” are established for different agricultural products. Advances may be issued on an agricultural production from the start of production. Production periods and production years may overlap, provided that producers may not have any more than \$400,000.00 outstanding under the Program at any time.</li> </ul>
Repayment	<ul style="list-style-type: none"> <li>Repayment must be made by producers as they sell or dispose of the commodities upon which their advances were based. Proof of sale showing the type and volume of profits sold and the amount paid must accompany each payment. In addition, final deadlines must be met for the repayment of all advances. Producer repayment obligations are set out in the repayment.</li> </ul>
Producer Liability	<ul style="list-style-type: none"> <li>All applicants are jointly and severally liable for the repayment of all advances. If the producer is a partnership, a business corporation, a cooperative or other association persons, all partners, voting shareholders and members are also jointly and personally liable. Shareholder of corporations and members of cooperatives sign personal guarantees.</li> </ul>
Security Agreements	<ul style="list-style-type: none"> <li>The APP requires all producers to grant security, including security against the agricultural product in which their advance was based. If the producer has other creditors who hold security in the same products, these creditors will be required to sign a Priority Agreement, postponing their security to the security Interest of the APP Administrator. Security and Priority Agreement requirements are set out in the Repayment Agreement.</li> </ul>
Yield Verification and Inspections	<ul style="list-style-type: none"> <li>A yield and/or inventory inspection may be required to verify compliance with the repayment and security agreement.</li> </ul>
Fees and Penalties	<ul style="list-style-type: none"> <li>Fees, including application and administration fees will be charged in relation to this application and the administration of the APP Program. Penalties will be assessed for a Default under the APP Program. These fees and penalties are set out in the Repayment Agreement.</li> </ul>

## ADVANCE RATES FOR COMMODITIES

Advance rates are effective **April 1, 2019** but are subject to change during the applicable production period.

Go to [www.feederassoc.com](http://www.feederassoc.com) or call 1-844-333-3377 to obtain the most recent advance rates.

<b>FIELD CROPS</b>	<b>ALBERTA RATE/MT</b>	<b>SASKATCHEWAN RATE/MT</b>	<b>LIVESTOCK</b>	<b>ALBERTA RATE/HD</b>	<b>SASKATCHEWAN RATE/HD</b>
Barley	\$82.45	\$82.45	Cattle Feeder Calf (400-700 lbs)	\$668.33	\$664.20
Canola	\$227.95	\$227.95	Cattle Feeder (700-900 lbs)	\$741.08	\$729.44
Corn	\$2.27 Bushel	\$2.27 Bushel	Cattle Finished (over 900 lbs and less than 1250 lbs)	\$808.01	\$808.01
Durum	\$111.55	\$111.55	Cattle Finished (More than 1250 lbs)	\$1,052.45	\$1,052.45
Fababeans	\$92.15	\$92.15	Heifers – Breeding Calf	\$824.50	\$824.50
Flax	\$225.04	\$225.04	Heifers – Breeding – Bred	\$1,139.75	\$1,139.75
Lentils	\$192.06	\$192.06	Cow – Breeding – Mature has calved	\$1,176.12	\$1,176.12
Mustard	\$277.42	\$277.42	Bull – Breeding – Mature Less than 2 yrs.	\$1,940.00	\$1,940.00
Oats	\$77.60	\$77.60	Bull – Breeding – Mature More than 2 yrs.	\$2,231.00	\$2,231.00
Peas – Dry	\$116.40	\$116.40			
Rye – Spring	\$87.30	\$87.30	Goats Kids (less than 50 lbs)	\$37.34	\$37.34
Rye – Fall	\$92.15	\$92.15	Goats Kids (50 – 70 lbs)	\$69.11	\$69.11
Wheat – Feed	\$87.30	\$87.30	Goats Goatlings (more than 70 lbs)	\$87.05	\$87.05
Wheat	\$111.55	\$111.55	Goats – Breeding Mature Doe	\$131.43	\$131.43
Winter Wheat	\$101.85	\$101.85	Goats – Breeding – Mature Buck	\$216.31	\$216.31
<b>FORAGE/HAY</b>	<b>RATE/MT</b>	<b>RATE/MT</b>	Lambs (61 to 79 lbs)	\$76.87	\$76.87
Alfalfa	\$82.45	\$82.45	Lambs (80 to 109 lbs)	\$97.00	\$97.00
Hay	\$63.05	\$63.05	Lambs (more than 110 lbs)	\$121.00	\$121.00
			Sheep – Ewe and Yearling Ewe – Breeding	\$171.20	\$171.20
			Sheep – Breeding Ram	\$249.77	\$249.77
<b>GRASS SEED</b>	<b>RATE/LB</b>				
Clover Seed – Alisike	\$0.630	NA	Bison Feeder (650 – 750 lbs)	\$1,290.10	\$1,290.10
Clover – S.C. Red	\$0.436	NA	Bison Finished (900 – 1050 lbs)	\$1,938.78	\$1,938.78
Fescue Seed – Creeping Red	\$0.436	NA			
Fescue – Sheeps	\$0.582	NA			
Alfalfa Seed	\$0.776	NA			
Bromes Grass – Smooth Seed	\$0.679	NA			

**B. APP Application**

Please attach the following when submitting your application:

- √ **Copy of Government Issued Photo Identification**
- √ **VOID Cheque if you wish to have the funds direct deposits**
- √ **The Advance Worksheet Forms with respect to the commodities related to your application, including all associated forms (listed in Table of Contents)**

**PART 1 – PRODUCER INFORMATION**

**Section 1.1 – Individual Producer Information**

Producer Information (the “Producer”)			
Full Legal Name: First, Middle, Last		Common Name	
Date of Birth (YYYY-MM-DD)	CRA Business/GST Number	APP ID #	
*Trade Name or other name used when selling commodities (if applicable)			
Mailing Address			
Street Address	City/Town	Province	Postal Code
Location of Residence: Section- Township- Range- Meridian		Email Address	
Primary Phone #	Alternate Phone #	Fax #	

**Section 1.2 – Producer Identification Document**

Select the appropriate box below to indicate the type of government issued photo ID submitted by the Producer in support of this Application
<input type="checkbox"/> Canadian Driver’s License <input type="checkbox"/> Canadian Passport/Permanent Resident Card <input type="checkbox"/> Canadian Birth Certificate <input type="checkbox"/> Canadian Citizenship Card

**Section 1.3 – Authorized Individuals**

Authorized Person(s) to exchange account information (Optional): The Producer authorizes WeCAP to disclose information in respect of this Application and the Producer’s account to the below individuals		
Full Legal Name	Relationship to Producer	Telephone #
Producer Signature		Date

**Section 1.4 – Direct Deposit Authorization**

If you wish to have any Advances directly deposited into your bank account, please attach a VOID cheque for the relevant account and sign and date the section below. If you already use direct deposit with WeCAP and you intend to use the same account, you do not need to complete this section. If your financial institution requires the advance to be issued jointly, direct deposit is not possible.

Producer Signature	Date
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**Section 1.5 – Declaration of Bankruptcy and Litigation**

Please select the applicable response below

The Producer hereby declare that the Producer: (a) is not within seven years from the date of this Application filed a notice of intention to make a proposal OR made a proposal under the <i>Bankruptcy and Insolvency Act</i> , (b) is not subject to a receiving order under that <i>Act</i> , and (c) is not bankrupt or are 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> .	Agree
	Disagree
The Producer is not a party to any claims, disputes or lawsuits	Agree
	Disagree

**Section 1.6 –Declaration of Advances Received from other Advance Payment Program Administrators**

Please select the applicable response below

Does the Producer have any outstanding advances with another Advance Payment Program Administrator?	Yes
	No
Has the Producer been declared in Default with another Advance Payment Program Administrator either as a in his or her personal capacity, or as a shareholder, partner, member of another Producer?	Yes
	No

**Section 1.7 –Declaration of Advances Received from other Advance Payment Program Administrators**

*If you answered yes to any of the above questions under section 1.6, please complete the following*

Name of Advance Payment Program Administrator	Commodity Type	Program Year	Advance Amount

**Section 1.8 – Producer Declaration**

Under the *Agriculture Marketing Programs Act (AMPA)*, the *Spring Credit Advance Program (SCAP)*, *Enhanced Spring Credit Advance Program (ESCAP)*, *Advance Payments Program (APP)* and the *New Advance Payments Program (NAPP)*, the Producer is responsible for ensuring that all individual producers, related producers, associates with Interest in the Agricultural Product in question and associated advances are clearly identified. For the purposes of applying as an individual producer, I am not required by the *Income Tax Act (Canada)* to report income from other farming operations or other corporations carrying on a farm business, other than the one named in this Application.

I certify the above to be true and correct. I agree to report any future changes in the Producer's structure (as applicable). I am aware that to make a false statement is a criminal offence.

Producer Signature

Date

**PART 2 – DECLARATION OF RELATEDNESS**

**Section 2.1 – Related Producers**

Relatedness affects an applicant’s eligibility to receive an advance, as well as the amount of an advance.

Producers are related if they do not deal with each other at arm’s length. Producers are presumed to be related to another producer in any of the following circumstances:

1. One of the producers is the spouse or Common-Law Partner of the other producer;
2. One of the producers owns at least 25% of the voting shares of the other producer;
3. One of the producers owns at least 25% of the voting shares of a corporation that directly or through any other corporation owns 25% of the voting shares of the other producer;
4. One of the producers is entitled to 25% or more of the profits or revenues of the other producer;
5. The producer shares any management services, administrative services, equipment, facilities or overhead expenses of a farming operation with the other producer, but is not in partnership with that other producer; or
6. Any other circumstances set out in the Agricultural Marketing Programs Act.

**“Common-Law Partner”** means an individual who has been cohabiting with a producer in a conjugal relationship for a period of at least one year.

In order to assess whether you are related to any other producers, please answer the following questions:

According to the above description of a Related Producer, is the Producer named in this Application related to another producer? (if no, you may skip the remainder of this Part 2)	Yes
	No
If the Producer named in this Application is related to another producer(s), has a related producer participated in the Advanced Payment Program (APP) this Program Year or does the related producer have an outstanding Advanced Payment Program Advance from a previous Program Year?	Yes
	No
Are any related producers currently in Default under the Advanced Payment Program, Spring Credit Advance Program (SCAP) or Enhanced Spring Credit Advance Program (ESCAP)?	Yes
	No

If you answered “Yes” to any of the above questions, then you must complete the below Sections 2.2. If you wish to rebut the presumption of Related Producers complete Rebuttal to Relatedness under section 2.3.

**Section 2.2 – Listing of Related Producers**

List all Related Producers who are related to the Producer named in this Application who received an Advance for this or previous Program Years, including Advances issued by other Advance Payment Program Administrators. Attach a separate sheet if required.

1.) Related Producer Disclosure			
Full Legal Name of Related Producer			Mailing Address
Name of Administrator	APP ID #	Program Year	Telephone #



**2.) Related Producer Disclosure**

Full Legal Name of Related Producer			Mailing Address
Name of Administrator	APP ID #	Program Year	Telephone #

**3.) Related Producer Disclosure**

Full Legal Name of Related Producer			Mailing Address
Name of Administrator	APP ID #	Program Year	Telephone #

**Section 2.3 – Related Producer Rebuttal**

Answer the questions below for each Related Producer listed in the Related Producer section above. Attach a separate sheet if required to list additional Related Producers rebuttals.

If you “DISAGREE” to any of the questions below, you have not rebutted the presumption of relatedness with the producer in question.

If you “AGREE” to the statements below, you have established that you deal at arm’s length with the producer(s) in question, and WeCAP may request the appropriate documentation to support your responses, such as articles of incorporation, financial statements, leases, receipts, etc.

**1.) Related Producer Rebuttal**

Full Legal Name of Related Producer	
The Producer and the Related Producer list above file separate tax returns and/or produce separate financial statements	Agree
	Disagree
The Producer and the Related Producer list above are not employees or do not act as agents of the other.	Agree
	Disagree
The Producer and the Related Producer list above conduct all business transactions (e.g. sharing of equipment and/or land) at fair market value and such transactions are documented.	Agree
	Disagree

**2.) Related Producer Rebuttal**

Full Legal Name of Related Producer	
The Producer and the Related Producer list above file separate tax returns and/or produce separate financial statements	Agree
	Disagree
The Producer and the Related Producer list above are not employees or do not act as agents of the other.	Agree
	Disagree

The Producer and the Related Producer list above conduct all business transactions (e.g. sharing of equipment and/or land) at fair market value and such transactions are documented.	Agree
	Disagree
<b>3.) Related Producer Rebuttal</b>	
Full Legal Name of Related Producer	
The Producer and the Related Producer list above file separate tax returns and/or produce separate financial statements	Agree
	Disagree
The Producer and the Related Producer list above are not employees or do not act as agents of the other.	Agree
	Disagree
The Producer and the Related Producer list above conduct all business transactions (e.g. sharing of equipment and/or land) at fair market value and such transactions are documented.	Agree
	Disagree

**PART 3 – SUMMARY OF PRODUCER’S ADVANCE REQUEST**

APP Advances will only be made based on Approved Advance Rates for Eligible Agricultural Products a Producer is producing (also called “Non-Storable”) or has produced (called “Storable” and “Livestock”).

Advance Worksheets setting out a detailed description of the Eligible Agricultural Products on which your request for an Advance is made must be completed, signed and attached to this Application together with completed and signed copies of all related postponements, assignments, authorizations and consents.

The following is a summary of the commodities on which your request for an Advance is made, and the Advance you are seeking (check off the applicable Advance Worksheet). The total Advance must not exceed \$1,000,000.00 from the Administrator (WeCAP) and all other administrators. Please check the Advance Worksheets you are enclosing with this Application and fill in all of the applicable amounts below:

	<u>Amount</u>
<input type="checkbox"/> Advance Worksheet for Agricultural Product in Production: Spring Advance for Field Crops, Forage, Hay & Grass Seeds	\$ _____
<input type="checkbox"/> Advance Worksheet for Agricultural Product in Post-Production: Post Harvest/Fall Advance for Field Crops, Forage, Hay & Grass Seeds (Storable)	\$ _____
<input type="checkbox"/> Advance Worksheet for Livestock Advance: Western Livestock Price Insurance Program (“WLPIP Option”) OR Advance Worksheet for a Livestock Advance: WLPIP Renewal	\$ _____
<input type="checkbox"/> Advance Worksheet for Livestock Advance: AgriStability Option OR Advance Worksheet for Livestock Advance: AgriStability Option Renewal	\$ _____
Less:	
Outstanding Advances to the Administrator, and other APP administrators	\$ _____
<b>Total Advance Requested by the Producer</b>	<b>\$ _____</b>

The following is a list of the completed and signed postponements, assignments, consents and authorizations I have attached to the applicable Advance Worksheets provided above, for the purpose of this Application. Please check (“√”) the documents you are providing:

- Input Supplier Postponements
- AFSC Assignment of Indemnity
- SCIC Assignment of Indemnity
- Global AG Risk Solutions Loss Payable Assignment
- WLPIP Assignment ( Alberta)
- WLPIP Consent (Alberta)
- WLPIP Assignment ( Saskatchewan)
- WLPIP Authority Form (Saskatchewan)
- Business Risk Management (“BRM”) Program Proceeds Assignment.

The following is a list of all banks, financial institutions and others to whom I have provided security (other than Crop Input Suppliers). Priority agreements provided by these banks, institutions and others are attached to Part 5 of this Application:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

If I am a Saskatchewan resident I have also completed and attach to Part 6 of this Application a Waiver of Exemption Protection for Specific Chattels.

**PART 4 - PRIORITY AGREEMENT (additional priority agreements have been printed, completed and signed if there is more than one creditor)**

**Basic Information**

Producer Name (the "Producer")	APP ID #
--------------------------------	----------

**Bank Information**

Name of Bank or Lending Institution or Secured Party (the "Creditor")	Transit #	Phone #	Fax #
Address	Town/City	Province	Postal Code

The undersigned Creditor of the Producer acknowledges that the Creditor has been advised by the Producer that the Producer wishes to make an application to Western Cash Advance Program Inc. (the "Administrator") for a cash advance (an "Advance") pursuant to the Advance Payments Program ("APP") established pursuant to the *Agricultural Marketing Programs Act* (the "Act") in the 2019/2020 Program Year and that the Producer will only qualify for an Advance under the APP if the Producer grants the Administrator a first charge security in the following collateral:

1. The Producer's present and after-acquired Agricultural Product<sup>2</sup> being the Agricultural Products described in any Advance Worksheet prepared by the Producer for an Advance under the APP<sup>3</sup>, and all similar Agricultural Products in future APP Production Periods<sup>4</sup> (collectively the "Secured Agricultural Products").
2. All proceeds, including accounts from, or relating to the Secured Agricultural Products, or from any sale, use, transfer or other disposition of Secured Agricultural Products including proceeds from any Production Insurance and Business Risk Management Coverage described below (collectively referred to herein as "Production Insurance/BRM Coverage"), and any insurance or other payments resulting from the loss or damage of the Secured Agricultural Products and all proceeds and support payments with respect to the Secured Agricultural Products.

all of which are referred to herein as the "Collateral".

The following Production Insurance Programs/BRM Coverage have or may hereafter be assigned by the Producer to the Administrator as security for all Advances now or hereafter made under the APP in the above Program Year:

- Annual and Perennial Crop Insurance Programs administered by Agricultural Financial Services Corporation ("AFSC").
- Contracts of Insurance issued by the Saskatchewan Crop Insurance Corporation ("SCIC").
- Global Ag Risk Solutions and/or Northbridge General Insurance Company ("GARS").
- Western Livestock Price Insurance Program ("WLPIP").
- AgriStability.

The undersigned Creditor hereby consents to the Producer's Application for an Advance under APP, and hereby subordinates the security Interest of the undersigned Creditor to the security Interest of the Administrator in the Collateral, including any proceeds of Production Insurance/BRM Coverage assigned by the Producer to the Administrator. This subordination applies to all security held by the Creditor, including security held pursuant to the *Personal Property Security Act* (Alberta), the *Personal Property Security Act* (Saskatchewan) and the *Bank Act* (Canada)<sup>5</sup>.

IN WITNESS, WHEREOF an authorized representative or officer of the Creditor has signed this Priority Agreement.

Signature of Authorized Representative or Officer of Creditor	Date		
Printed Name	Title	Phone #	Fax#

Information requested from Creditor

**Above named Producer has been dealing with your institution for \_\_\_\_\_ years. If new Producer \_\_\_\_\_ months.**

**Above named Producer is in good standing: (please circle one)      YES      NO**

The Creditor requests that the net amount of the above Advance be payable

- Jointly to the Producer and the Creditor to be applied by the Creditor to reduce the Producer's indebtedness to the Creditor, or
- To the Producer.

If neither of the above options is selected, payment will be made jointly to the Producer and the Creditor.

<sup>2</sup> By virtue of the provisions of the Act, an "Agricultural Product" is an animal or a plant or a product, including any food or drink, that is fully or partly derived from an animal or a plant. For the purposes of this Priority Agreement, is an Agricultural Product are Agricultural Products of the Producer.

<sup>3</sup> Pursuant to the APP, each Producer must prepare one or more Advance Worksheets which include a description of the Agricultural Products on which the Producer is seeking an Advance. The above named Producer must prepare Advance Worksheets in this regard and must submit them with their Application for an Advance.

<sup>4</sup> A Production Period with respect to an Agricultural Product means a period of up to eighteen (18) months or any longer period that is fixed by the Minister pursuant to the Act. The Production Period for the purposes of this Priority Agreement commences on April 1, 2019 and is set out in further detail in the Application and Repayment Agreement signed by the Producer in relation to the Advance requested by the Producer.

<sup>5</sup> The Creditor must complete this Priority Agreement even if the Creditor does not currently have any security against the Collateral to ensure that future security taken by the Creditor does not affect the Administrator's first charge.

The information on this form is collected under the authority of section 10 of the *Agricultural Marketing Programs Act*. Any personal and business information provided by the Administrator to Agriculture and Agri-Food Canada (AAFC) will be used to administer the APP in accordance with the *Privacy Act* and *Access to Information Act*. The information may also be used for statistical and reporting purposes or to evaluate the scope, direction and effectiveness of agricultural programming. Individuals have the right to request access and correction to their personal information. Should you have any questions concerning your Privacy, please contact: Agriculture and Agri-Food Canada's Access to Information and Privacy Director, Floor 10, 1341 Baseline Road, Tower 7, Ottawa ON K1A 0C5 or by email at AAFC.privacy-vieprivee.AAC2CANADA.ca and reference AAFC's personal information *Agricultural Marketing Programs Act*: Advance Payments Program, PPU 140 (2019).

**PART 6 - WAIVER OF EXEMPTION FOR PROTECTION OF SPECIFIC CHATTELS (Saskatchewan residents only)**

[Clause 68(3)(a) of *The Saskatchewan Farm Security Act*]

I, \_\_\_\_\_

pursuant to clause 68(3) of *The Saskatchewan Farm Security Act*, permanently waive and revoke all right or entitlement to my exemption protection under subsection 68(1) of *The Saskatchewan Farm Security Act* with respect to the following specific chattel(s)”:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

for the purposes of using the above noted chattel(s) to secure the following specific debt, \_\_\_\_\_

(stated as a principal sum)

together with Interest and costs, until such time as the above noted specific debt has been fully paid.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature

## C. Repayment Agreement

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

### 1.0 DEFINITIONS

In this Agreement, the following words have the following meanings:

- 1.1 "AAFC" means Agriculture and Agri-Food Canada.
- 1.2 "Act" means the *Agricultural Marketing Programs Act* (Canada), as amended from time to time.
- 1.3 "Administrator" means Western Cash Advance Program Inc., also known as "WeCAP".
- 1.4 "Advance" means an Eligible Advance approved and made by the Administrator to the Producer based on the actual or expected production of an Eligible Agricultural Product.
- 1.5 "Advance Indebtedness" means the total amount payable by the Producer to the Administrator for Advances, Interest, Fees, Penalties and Costs from time to time, pursuant to this Agreement.
- 1.6 "Advance Rate" means the rate required to be used under the APP to calculate the Eligible Advance applied for by the Producer in the Application and under this Agreement for Agricultural Product in Production, Agricultural Product in Post-Production and Livestock, as the case may be.
- 1.7 "Advance Worksheet" means the form used to calculate the Advance requested by the Producer for purposes of the APP.
- 1.8 "AFSC" means Agriculture Financial Services Corporation.
- 1.9 "Agreement" means this Repayment Agreement, the above Preamble and Application, the Advance Worksheets and postponements, assignments, consents and authorities provided with this Application, and any subsequent Advance Worksheets, postponements, indemnities, assignments, authorities and consents hereafter provided by the Producer to the Administrator, which are approved by the Administrator. In the event of any inconsistency between this Repayment Agreement, the above Preamble and any Advance Worksheets, this Repayment Agreement shall apply.
- 1.10 "Agricultural Product" means an animal or plant of the Producer, including any product, food or drink that is wholly or partly derived from an animal or plant.
- 1.11 "Agricultural Product in Production" means an Eligible Agricultural Product that has not yet been produced or is in the course of being produced.
- 1.12 "Agricultural Product in Post-Production" means a Storable Eligible Agricultural Product that has been harvested.
- 1.13 "APP" means the Advance Payments Program established under the Act and the Regulations.
- 1.14 "APP Electronic Delivery System", which is also referred to as "APPEDS" is the on-line system that electronically enables the submission of data relating to the delivery of APP, between AAFC and the Administrator.
- 1.15 "Application" means the Producer's above Application.
- 1.16 "BRM Program" means a Business Risk Management Program listed in the Schedule of the Act that can be used to secure an Advance and includes AgriStability.
- 1.17 "BRM Coverage Report" means a report from the agency responsible for the administration of the BRM Program used as security for an Advance under this Agreement.
- 1.18 "Collateral" means the collateral as defined and described in Subsection 5.2 of this Agreement.
- 1.19 "Common-Law Partner" means an individual who has been cohabiting with a Producer in a conjugal relationship for a period of at least one (1) year.
- 1.20 "Continuous Flow Operation" means a farming operation where the Eligible Agricultural Products that are sold are constantly replaced by new ones so that the number and/or quantity of Eligible Agricultural Products in inventory remains constant and sufficient to provide adequate security for outstanding Advance Indebtedness.
- 1.21 "Costs" means all costs, including legal costs, payable by the Producer to the Administrator pursuant to this Agreement.

- 1.22 "Default" means a Default under this Agreement by the Producer as defined in clause 6.1 of this Agreement.
- 1.23 "ESCAP" means the Enhanced Spring Credit Advance Program.
- 1.24 "Eligible Advance" means the Advance the Producer is entitled to apply for as requested by the Producer as calculated and requested by the Producer in an Advance Worksheet, subject to the APP and review and approval by the Administrator.
- 1.25 "Eligible Agricultural Product" means Agricultural Product in Production, Agricultural Product in Post-Production, and Livestock, with respect to which the Producer may seek an Eligible Advance under this Agreement.
- 1.26 "Eligible Producer" means a producer of an Eligible Agricultural Product who continually owns this Eligible Agricultural Product, is responsible for marketing it and either is or was producing it, and who meets the eligibility requirements under the Act and the Regulations to apply for an Eligible Advance.
- 1.27 "Fees" means all fees payable by the Producer to the Administrator pursuant to this Agreement including all administration fees, inspection fees and fees payable for NSF payments.
- 1.28 "Final Date for Payment" means the following dates on which the outstanding balance on the Advance Indebtedness under this Agreement must be paid in full:
- (a) January 31, 2020 for Agricultural Product in Production, in the event a Post-Production Report acceptable to the Administrator is not provided to the Administrator before December 31, 2019;
  - (b) September 30, 2020 for Agricultural Product in Production (which becomes Agricultural Product in Post-Production if a Post-Production Report acceptable to the Administrator is provided to the Administrator before December 31, 2019), and for Agricultural Product in Post-Production, goats, sheep and lamb;
  - (c) March 31, 2021 for cattle, bison and for Continuous Flow Operations.
- 1.29 "Global Ag Risk Solutions" or "GARS" means the private sector production cost insurance administered by Global Ag Risk Solutions, which can be used to secure an Advance.
- 1.30 "Government of Canada" means Her Majesty the Queen in Right of Canada.
- 1.31 "Interest" means all Interest payable by the Producer to the Administrator pursuant to this Agreement, including additional Interest payable when a Producer is in Default.
- 1.32 "Livestock" means cattle, hogs, bison, sheep, lambs and goats.
- 1.33 "Minister" means the Minister of Agriculture and Agri-Food Canada or any person authorized to act on his or her behalf.
- 1.34 "Non-Storable Agricultural Product" means an Eligible Agricultural Product that is not Livestock, or a Storable Agricultural Product. An Agricultural Product is deemed to be a Non-Storable Agricultural Product if it is identified by such in the APP Electronic Delivery System.
- 1.35 "Overpayment" means:
- (a) Where an Advance is secured by a BRM Program, or a Production Insurance Program, and the coverage amount thereunder payable to the Producer is reduced, that part of the outstanding amount of the Advance that exceeds the reduced coverage amount; and
  - (b) Where an Advance is with respect to an Eligible Agricultural Product, and the value of the Eligible Agricultural Product (including value after harvest) is reduced, that part of the outstanding amount of the Advance that exceeds the reduced value of the Eligible Agricultural Product; and
  - (c) In the case where both paragraphs (a) and (b) apply to an Advance, Overpayment means the amount calculated in accordance with paragraph (b).
- 1.36 "Penalties" means all penalties, including Interest penalties, payable by the Producer to the Administrator pursuant to this Agreement.
- 1.37 "Post-Production Report" means the report issued by the Production Insurance Agency that confirms the quality and quantity of an Eligible Agricultural Product that has been harvested and is held in storage and inventory. Where no such report is available it means a Producer's declaration confirming, to the satisfaction of the Administrator, the quantity of Eligible Agricultural Product that has been harvested or produced and how much is held in storage and inventory.
- 1.38 "PPSA" means the *Personal Property Security Act* (Alberta) as amended from time to time, if the Producer indicates that the Producer is an Alberta resident in the Application, and the *Personal Property Security Act* (Saskatchewan) if the Producer indicates that the Producer is a Saskatchewan resident.

- 1.39 "Prime Rate of Interest" means the prime rate of Interest charged from time to time by the Toronto-Dominion Bank.
- 1.40 "Producer" the Producer who has completed and signed the Application, one or more Application Worksheets, and this Agreement, and who has represented and declared that the Producer is an Eligible Producer.
- 1.41 "Production Insurance" means a production insurance program or any program that may replace it, and includes insurance programs established by AFSC, SCIC, Global Ag Risk Solutions and WLPIP.
- 1.42 "Production Insurance Agency" means the organization that has entered into a Production Insurance contract, with the Producer, or has issued a Production Insurance policy to the Producer, in the province in which the Eligible Agricultural Product is located.
- 1.43 "Production Period" is the period that commences on April 1, 2019 for all Eligible Agricultural Products, and which ends on the following dates:
- (a) September 30, 2020 for Agricultural Products in Production which have been converted to Agricultural Products in Post-Production by providing the Administrator with a Post-Production Report in accordance with this Agreement, Agricultural Products in Post-Production, goats, sheep and lamb;
  - (b) March 31, 2021 for cattle, bison and Continuous Flow Operations.
- 1.44 "Production Unit" is the unit of production of an Eligible Agricultural Product, as described in the Advance Rate for that product.
- 1.45 "Program Year" means 2019/2020.
- 1.46 "Proof of Sale" means documentation confirming the sale of the Producer's Eligible Agricultural Product that is provided, or verified, by a third party. An acceptable proof of sale must contain the information required under this Agreement.
- 1.47 "Regulations" means the Agricultural Marketing Programs Regulations, as amended from time to time.
- 1.48 "Related Producers" are producers who do not deal with each other at arm's length and, in the absence of proof to the contrary, are presumed to be related to one another in any of the following circumstances:
- (a) The Producer controls, directly or indirectly in any manner, the other producer;
  - (b) The Producer is controlled, directly or indirectly in any manner, by the same person or group of persons as the other producer;
  - (c) The Producer carries on a farming operation in partnership with the other producer;
  - (d) The Producer shares any management services, administrative services, equipment, facilities or overhead expenses of a farming operation with the other producer, but is not in partnership with that other producer;
  - (e) One of the Producers is a spouse or Common-Law Partner of the other producer;
  - (f) One of the Producers owns at least 25% of the voting shares of the other producer;
  - (g) One of the Producers owns at least 25% of a corporation that directly or through any other corporation owns 25% of the voting shares of the other producer;
  - (h) One or more of the Producers is entitled to 25% or more of the profits or revenues from the other producer.
- 1.49 "SCAP" means the Spring Credit Advance Program.
- 1.50 "SCIC" means the Saskatchewan Crop Insurance Corporation.
- 1.51 "Sales Repayment Schedule" means a schedule of pre-authorized payments or debits which coincide with the Producer's anticipated marketing dates for an Eligible Agricultural Product.
- 1.52 "Seeded Acreage Report" means a Production Insurance Agency Report wherein the Producer identifies the amount of Eligible Agricultural Product currently in production, or a BRM Coverage Report acceptable to the Administrator, which is used in order to calculate entitlements for an Advance on Agricultural Product in Production.
- 1.53 "Storable Agricultural Product" means an Eligible Agricultural Product that, once in its produced state, may be kept in good marketable condition in inventory, until it is sold. An Agricultural Product is deemed to be a Storable Agricultural Product if it is identified as such in the APP Electronic Delivery System.
- 1.54 "WLPIP" means the Western Livestock Price Insurance Program.



## **2.0 ISSUANCE OF THE ADVANCE**

### **2.1 Administrator's Discretion to Review Applications**

- (a) The Producer acknowledges that the APP requires the Administrator to verify that the Producer is an Eligible Producer, that the Producer is creditworthy, that the Producer has calculated the Producer's claim for an Eligible Advance in accordance with the APP and is otherwise in compliance with the APP, and that all Advances are adequately secured. The Producer agrees that the Administrator shall have the discretion to refuse to make an Advance, or an Advance in the amount claimed by the Producer, if the Administrator is not satisfied that these conditions have been met.
- (b) The Administrator may, in accordance with the APP, request the Producer to provide further information with respect to the Producer's creditworthiness, perform a credit check, and inspect the Eligible Agricultural Product and may refuse the Producer's application, or an Advance, if this information is not provided, or if the Administrator is not satisfied that the Producer is creditworthy.

### **2.2 Advances with respect to Agricultural Products in Production**

- (a) Subject to Subsection 2.1, upon the execution of this Agreement by the Administrator and the Administrator's receipt of verification of adequate Production Insurance and/or BRM Coverage to secure the Eligible Advance requested by the Producer with respect to Agricultural Products in Production, the Administrator shall pay an instalment of 60% of the Eligible Advance with respect to Agricultural Product in Production in an amount approved by the Administrator based on the Advance Worksheet and using the Advance Rate for Agricultural Product in Production.
- (b) By July 31, 2019, Producers with Production Insurance as security for this Advance shall provide a copy of a verified Seeded Acreage Report confirming the actual acres planted and other relevant production.
- (c) By July 31, 2019, Producers who use BRM Coverage as security for this Advance must provide a signed and sworn declaration confirming the acres planted, a BRM Coverage Report, and consent to an inspection at the discretion of the Administrator.
- (d) Based on the information contained in the documents referred to in Subsection 2.2(b) and 2.2(c), the Administrator is authorized to and shall recalculate this Advance in accordance with the Advance Worksheet and issue a second instalment to the Producer equal to the recalculated Eligible Advance less the instalment referred to in Subsection 2.1(a), and any other Advance under the APP from any other administrator.
- (e) Should the Eligible Advance as calculated in Subsection 2.2(b) or 2.2(c) be insufficient to justify the initial Advance made to the Producer under Subsection 2.2(a) the Administrator shall notify the Producer that the Producer must repay any Overpayment in accordance with section 3.6 of this Agreement.
- (f) The Producer must provide the Administrator with a Post-Production Report with respect to Agricultural Product in Production by no later than December 31, 2019. If the Producer fails to do so, the Advance must be repaid in full by no later than January 31, 2020. If a Post-Production Report is provided, and the information contained in this Report indicates that the harvested Agricultural Product in Production is not sufficient to justify the initial Advance made to the Producer under Subsection 2.2(a) and any subsequent Advance, the Administrator shall notify the Producer that the Producer must repay the Overpayment in accordance with Section 3.6 of this Agreement.
- (g) If the Producer fails to comply with the Producer's obligations under Subsection 2.2(a), (b), (c), (e) or (f), the Administrator may declare the Producer to be in Default under this Agreement.
- (h) Subject to Subsection 2.2(f), in the event a Post-Production Report is provided to the Administrator on or before December 31, 2019, the harvested Agricultural Product in Production will be treated as Agricultural Product in Post-Production for all purposes under this Agreement from the date the Post-Production Report is received, including provisions regarding repayment of the Advance and provisions applying to sale and proof of sale.

### **2.3 Advances with respect to Agricultural Product in Post-Production**

- (a) Subject to Subsection 2.1, upon the execution of this Agreement by the Administrator and the Administrator's receipt of verification of any required assignments of Production Insurance and/or BRM Coverage to secure the eligible Advance requested by the Producer with respect to Agricultural Product in Post-Production the Administrator shall pay an Advance to the Producer with respect to the Agricultural Product in Post-Production, in an amount approved by the Administrator, based on the Advance Worksheet and using the Advance Rate for Agricultural Product in Post-Production.
- (b) The Producer may, on or before December 31, 2019, submit an Advance Worksheet for Agricultural Product in Post-Production to the Administrator with respect to Agricultural Product in Production which has been harvested and is in Storage, provided that any Advance approved by the Administrator with respect to this Advance Worksheet shall only be for the amount (if any) that the Requested Advance, exceeds the outstanding Advance for the Agricultural Product in Production made by the Administrator or any other APP administrator, using the Advance Rate at the time the request for the Advance is made.

### **2.4 Advances with respect to Livestock**

- (a) Subject to Subsection 2.1 of this Agreement, upon the execution of this Agreement by the Administrator, and upon receipt of verification of adequate Production Insurance and/or BRM Coverage acceptable to the Administrator to secure an Eligible Advance requested by the Producer with respect to Livestock, the Administrator shall pay an Advance on Livestock in an amount approved by the Administrator based on the Advance Worksheet and using the Advance Rate for Livestock;
- (b) If the value of the Livestock is not sufficient to justify the Advance made to the Producer, the Administrator shall notify the Producer to pay the Overpayment in accordance with Section 3.6 of this Agreement. In the event this payment is not received, the Administrator may declare the Producer to be in Default under this Agreement.

### **3.0 REPAYMENT OF THE ADVANCE**

#### **3.1 Amount Required to be Repaid**

The Producer agrees to pay to the Administrator by the dates and in accordance with the terms of this Agreement:

- (a) The total amount of all Advances made by the Administrator to the Producer pursuant to this Agreement.
- (b) All Interest payable pursuant to this Agreement.
- (c) All Fees, Penalties and Costs payable pursuant to this Agreement.

The total amount of the above amounts owing by the Producer to the Administrator, from time to time, is herein collectively referred to as the "Advance Indebtedness".

#### **3.2 Application of Payments Received by Administrator**

3.2.1 All payments received by the Administrator pursuant to this Agreement shall be applied as follows:

- (a) Firstly, to repay all Advances on which the Government of Canada pays Interest pursuant to the APP;
- (b) Secondly, on all other Advances and on all Interest;
- (c) Thirdly, on any outstanding Penalties payable to the Administrator; and
- (d) Finally, to pay any Fees and Costs which have not already been paid.

3.2.2 Every repayment made from the sale of an Agricultural Product must be applied to repay the first outstanding amount from the oldest Advance issued during the earliest Program Year, before being applied to the most recent Advance;

#### **3.3 Summary of Repayment Deadlines**

The Producer shall pay the Advance Indebtedness by the following dates for each Eligible Agricultural Product for which an Advance is made:

- (a) By the deadlines for Eligible Agricultural Product which are sold or disposed of, as set forth in subclause 3.4 below;
- (b) For Production Insurance and BRM Coverage payments, by the dates referred to in clause 3.5 below;
- (c) For all payments due as a result of the failure of the Producer to maintain marketable quality, Production Insurance and BRM Coverage, by the dates referred to in clause 3.7 below;
- (d) For all Overpayments, by the dates referred to in clause 3.6 below;
- (e) The balance, if any, by the Final Date for Payment for each Eligible Agricultural Product.

#### **3.4 Payments Which Must be Made when Agricultural Products are Sold or Disposed of**

- (a) Payment Deadlines for Sales and Disposals: The Producer shall make payments to the Administrator as the Eligible Agricultural Products on which the Advances were made are sold or disposed of, and within thirty (30) calendar days of payment or disposal, and sixty (60) calendar days after delivery to the buyer, whichever is sooner.

These payments shall be made from the sale proceeds of the Eligible Agricultural Products which are sold, or shall be based on the fair market value of Eligible Agricultural Products which are not sold, but which are disposed of.

- (b) Minimum Payment and Method of Payment: The minimum amount to be paid by the Producer when Eligible Agricultural Products on which an Advance has been made are sold or disposed of shall be no less than the Advance Rate for the Eligible Agricultural Product in effect at the time the Advance was issued to the Producer multiplied by the number of Production Units sold or disposed of. Repayment can be made by a combination of one or more of the following methods:

- (i) Sale Proceeds Required to be Paid by a Buyer: Where the Producer sells the Eligible Agricultural Product for which the Advance was made, to a buyer or buyers named by the Administrator, the Producer must authorize and direct each buyer to withhold from an amount they pay to the Producer from each Production Unit sold, an amount determined in accordance with a Sales Repayment Schedule specified in an agreement with the buyer which authorizes this amount to be deducted from the sale proceeds and paid to the Administrator, provided that the payments cannot be less than the minimum payment amounts stipulated in clause 3.4(b) above, and that the payments must be made within the times specified in subclause 3.4(a) above. The buyer's failure to make these payments shall not release the Producer from the Producer's obligation to pay the Advance Indebtedness;
  - (ii) Payments made by Buyers at the Request of the Producer: A Producer may voluntarily request a buyer or buyers to agree to withhold and pay to the Administrator the payments referred to in subclause 3.4(b)(i) above;
  - (iii) Direct Payment by Producer: The Producer may make direct payment from the sale proceeds of Eligible Agricultural Products, or in amounts equivalent to the market value of disposed Eligible Agricultural Products, in an amount no less than the minimum payment referred to in clause 3.4(b) above, and within the time periods stipulated in clause 3.4(a) above;
- (c) Proof of Sale Documents: Unless a Producer satisfies the Repayment without the Proof of Sale Exemption permitted under subclause 3.4(d) below, the Producer shall provide the Administrator with proof of sale from the sale of all Eligible Agricultural Products with respect to which Advances were made under this Agreement at any time prior to the termination of the Production Period for the Eligible Agricultural Product. The proof of sale documents must include the date of sale, name of seller, buyer, type of Eligible Agricultural Product sold, quantity of Eligible Agricultural Product sold, amount received, and such other documents as may be required by the Administrator.
- (d) Exemption From Proof of Sale Requirements: Proof of sale is not required in the following circumstances:
- (i) For sale proceeds of Agricultural Product in Production made between the beginning of the Production Period and January 31, 2020, if the Agricultural Product in Production is not converted to Agricultural Product in Post-Production by providing the Administrator with a Post-Production Report before December 31, 2019;
  - (ii) To the extent the Producer makes a payment of \$10,000.00, or 10% of the total amount of the Advance, whichever is greater, provided that the payment is made by no later than twenty one (21) days before the end of the Production Period for the Eligible Agricultural Product;
  - (iii) For Continuous Flow Operations, Producers who receive an Advance for a Continuous Flow Operation are not required to make repayments from the sale proceeds of Livestock or to provide proof of sale for their Livestock, so long as they maintain the permanent inventory set out in their Application Worksheet, provided that if there is a reduction in the permanent inventory which is not immediately replaced:
    - (A) if the reduction in permanent inventory is not attributable to a decision of the Producer to reduce their inventory, the Producer shall pay the amount of the Overpayment together with Interest on that portion from the date of the Advance (other than the portion on which Interest has been paid by the Government of Canada) within thirty (30) days of the date notice is provided to the Producer requiring the Overpayment to be made. If payment is not made, the Administrator may declare the Producer in Default, and
    - (B) if the reduction in permanent inventory is made as a result of a decision of the Producer to sell or dispose of or otherwise reduce their permanent inventory, the Producer shall no longer be a Continuous Flow Operation, and shall provide Proof of Sale with respect to all Livestock sold or disposed of in relation to the reduction in permanent inventory, and also provide Proof of Sale for all future sales in accordance with this Agreement. The amount of the Overpayment shall be paid to the Administrator within thirty (30) one days from the date notice is provided by the Administrator to the Producer to do so, failing which the Administrator may declare the Producer in Default;
  - (iv) For Livestock other than Livestock subject to Continuous Flow Operations;
  - (v) If a Producer becomes deceased or is mentally incapable of making decisions; or
  - (vi) The Administrator, in the Administrator's discretion, is satisfied through inspection or third party verification that the Eligible Agricultural Product in respect of which the Advance was made has not been sold or disposed of by the Producer, provided that all costs of the inspection or third party verification must be paid by the Producer;
- (e) Penalty for Repayment Without Proof of Sale: In the event the Producer fails to provide proof of sale as required by this Agreement, the Producer shall pay an Interest penalty from the date of the Advance to the date of repayment of the Advance Indebtedness in full at the rate of 1% per annum above the Interest rate otherwise payable by the Producer pursuant to this Agreement calculated on the excess of the Advance over any payment made pursuant to subclause 3.4(d)(ii) above to the date of repayment;
- (f) Repayment with Proceeds from Another Commodity: The Producer may use products from the sale of one Eligible Agricultural Product on which an Advance has been issued to the Producer, with proceeds from a different Eligible Agricultural Product on which an Advance has been issued to the Producer, and where both advances were made through the Administrator in the same Program Year, subject to the following conditions:

- (i) Proof of sale for the Eligible Agricultural Product which was used to make the payment must be provided in accordance with this Agreement;
- (ii) If the Producer does not specify how the payment is to be applied, the Administrator may apply the payment to the Eligible Agricultural Product with the earliest ending Production Period, subject to this Agreement and in particular subclause 3.2;

The penalty referred to in subclause 3.4(e) do not apply, to the extent an Advance is paid with the proceeds of another Eligible Agricultural Product.

### 3.5 Payment of Production Insurance and BRM Coverage to the Administrator

The Producer shall immediately transfer and pay to the Administrator the full amount of all Production Insurance and BRM Coverage which have been received by the Producer, and which has been assigned by the Producer to the Administrator as security for an Advance. This payment, and any similar payments received by the Administrator, shall be applied as set out in subclause 3.2, subject to the following conditions:

- (a) If the payment relates to Production Insurance to reseed an Agricultural Product in Production, and the Administrator can verify there is sufficient time to reseed the Agricultural Product in respect of which the Advance was granted and there is sufficient time to sufficiently secure the Advance with newly seeded acres, the Administrator may forward the payment to the Producer for the purpose of reseeding;
- (b) If the payment satisfies the Advance Indebtedness for an outstanding Advance with respect to an Eligible Agricultural Product, and there are other Advance Indebtedness with respect to other Eligible Agricultural Products, the Administrator may use the payment to satisfy the Producer's liability with respect to the Advance Indebtedness for other Eligible Agricultural Product;
- (c) If the Administrator, in the Administrator's discretion, is satisfied that there is other security which is sufficient to pay all Advance Indebtedness, the Administrator may remit some or all of the payment to the Producer.

### 3.6 Repayment of Overpayments

3.6.1 Subject to subsection 3.6.2, the Producer shall pay the full amount of any Overpayment subject to the following conditions:

- (a) The Producer shall not be required to repay an Overpayment which is not greater than \$10,000.00 or 10% of the total Advances, whichever is greater. The only Overpayment payable by the Producer is the amount which exceeds this limit;
- (b) The Overpayment amount payable by the Producer shall include all Interest, and need not be accompanied by proof of sale or any Penalties for failing to provide proof of sale;
- (c) The amount of any Overpayment may be reduced by the value of security granted by the Producer to the Administrator which is acceptable to the Administrator, over other Agricultural Products which are not subject to existing security granted to the Administrator or any third party provided, that the Administrator is granted a first charge against the additional security;
- (d) In the event the Producer fails to pay the Overpayment or provide adequate additional security, the Administrator may declare the Producer in Default;
- (e) An Overpayment shall not arise with respect to an Advance made for Agricultural Products in Post-Production (in storage).

3.6.2 All Overpayments which occur without the fault of the Producer shall be repaid by the Producer to the Administrator within thirty (30) calendar days after the date that the Administrator mails or delivers to the Producer a written notice requiring the Producer to repay the Overpayment. If the Overpayment occurs at the fault of the Producer, the Producer shall pay the entire amount of the outstanding Advance Indebtedness within thirty (30) days' notice to do so.

### 3.7 Obligation to Maintain Marketable Quality, Production Insurance and BRM Coverage

- (a) The Producer shall ensure that all Storable Agricultural Product with respect to which an Advance has been made pursuant to this Agreement:
  - (i) is of marketable quality and is stored so as to remain of marketable quality until disposed of in accordance with this Agreement, or
  - (ii) if it is in the course of being produced or is not yet produced, either the amount of the Advance is covered by BRM Coverage or Production Insurance and that all amounts that may be received thereunder are assigned in the amount of the Advance in accordance with this Agreement,
- (b) The Producer shall ensure that all Non-Storable Agricultural Product with respect to which an Advance has been made pursuant to this Agreement:

- (i) is of marketable quality and maintained so as to remain of marketable quality until disposed of in accordance with this Agreement and that either the amount of the Advance is covered by BRM Coverage or Production Insurance in the amounts that may be received thereunder are assigned in accordance with this Agreement, or
  - (ii) if it is in the course of being produced or is not yet produced, either in the amount of the Advance is covered by a BRM Program or Production Insurance and that the amounts may be received thereunder are assigned, or that the amount of the Advance is covered under other security required by this Agreement;
- (c) Notwithstanding subsections (a) and (c), in the case of Livestock, the Producer shall ensure that the Livestock is of marketable quality, and is maintained so as to remain of marketable quality until disposed of in accordance with this Agreement.
- (d) The Producer shall ensure that WLPPI coverage provided as security for Livestock is maintained and remains in effect until the Advance Indebtedness is for the Advance is repaid in full. If the Producer fails to reinstate full WLPPI coverage within 30 days of the date upon which the Administrator provides the Producer with notice of such requirement, the Administrator may declare the Producer in Default.
- (e) If the Producer breaches any of the provisions in this subsection 3.7(a) to (d), the Administrator may declare the Producer in Default.
- (f) If an Eligible Agricultural Product for which an Advance is made ceases, in whole or in part, to be marketable through no fault of the Producer, the Producer is liable to pay the Administrator within twenty one (21) days of the date of Default, the portion of the Advance that is attributable to the unmarketable portion of the Eligible Agricultural Product, together with Interest thereon from the date of the Advance to the date the Advance Indebtedness is repaid in full, other than Interest which has been paid by the Minister.
- (g) If the Eligible Agricultural Product for which an Advance is made ceases, in whole or in part, to be marketable as a result of the fault of the Producer, the Producer shall, within twenty one (21) days, pay the full amount of the Advance Indebtedness related to the Advance for the unmarketable Agricultural Product plus Interest.

#### **4.0 INTEREST, FEES, PENALTIES AND LEGAL COSTS**

- 4.1 Basic Interest Rate: The Producer shall pay the Administrator Interest at the following rates on the outstanding balance of all Advances made by the Administrator to the Producer pursuant to this Agreement from the date of each Advance until all Advances, Interest, Penalties and Costs are paid in full:
- (a) Subject to clause 4.2 below, Interest at 0% shall be payable:
    - (i) on the first \$100,000.00 of the Advances on which Interest is paid by the Government of Canada; and
    - (ii) an additional \$400,000.00 on the first \$500,000.00 of the Advances on which interest is paid by the Government of Canada with respect to the actual or expected production of canola only in the 2019/2020 Crop Year, whether the canola is an Agricultural Product in Production or an Agricultural Product in Post-Production ;and
  - (b) Interest at Prime shall be paid on all other Advances.
- 4.2 Lender's Rate: If the Interest rate payable by the Administrator to the Toronto Dominion Bank is less than Prime, the difference will be used to cover the Administrator's costs in administering the APP.
- 4.3 Loss of Interest-Free Benefit: The Producer shall lose the Interest-free benefit referred to in clause 4.1(a) above, and shall be required to pay Interest on all portions of the Advance which would otherwise be Interest-free after the date the Producer is in Default.
- 4.4 Default Interest: If the Producer is in Default, Interest shall be payable by the Producer on the outstanding balance of all Advances as follows:
- (a) From the date of each Advance to the date of Default Interest at Prime plus 1% per annum;
  - (b) From the date of Default to the date of payment Advance Indebtedness in full, Interest at prime plus 2% on the outstanding balance of all Advances until payment in full is received.
- 4.5 Legal Costs: In the event a Producer is in Default of the Producer's obligations under this Agreement, the Producer shall pay the full amount of all legal costs incurred by the Administrator in recovering, or attempting to recover the Advance Indebtedness hereunder and in protecting and enforcing the security granted hereunder on a solicitor and client full indemnity basis.
- 4.6 Penalty for Failure to Provide Proof of Sale: In the event the Producer fails to provide proof of sale as required by Subsection 3.4 of this Agreement, the Producer shall pay the Penalty Interest stipulated in Subsection 3.4(e).
- 4.7 Administrator's Fees: The Producer shall pay the following fees to the Administrator:
- (a) A non-refundable enrolment fee of \$200.00 plus GST which may be deducted by the Administrator and paid from the first Advance;

- (b) A fee of \$50.00 plus GST for each Advance made pursuant to the Application, after the first two Advances, and which may be deducted by the Administrator and paid from these Advances;
- (c) The following inspection fees for inspections with respect to any Advance requested by the Producer or the Administrator at the amount charged by the inspector, plus the inspector's mileage at \$0.52 per km plus GST:
  - (i) Inspections with respect to an Advance requested by the Producer or the Administrator at the amount charged by the inspector;
  - (ii) An inspection fee for Advances requested for Agricultural Product in Production and Agricultural Product in Post-Production at the rate charged by the inspector in accordance with the inspection rates of AFSC , SCIC, or any other qualified inspector;
  - (iii) A fee of \$25.00 for any repayment which is returned or rejected for "Non-Sufficient Funds" ("NSF");
- (d) A management fee of 3% on all Advances, if the Producer is in Default and the Advance Indebtedness is not paid in full within forty five (45) days of the date the Administrator demands payment.

## **5.0 SECURITY AGREEMENT**

5.1 The Producer acknowledges that pursuant to the APP, the Producer is required to provide and to maintain as first charge security in favour of the Administrator, at minimum, the following security for all Advance Indebtedness:

- (a) For Agricultural Product in Post-Production, the Agricultural Product in Production for which the Advance is issued and any similar Agricultural Product produced in subsequent Production Periods; and
- (b) For Agricultural Product in Production and Livestock:
  - (i) The Agricultural Product in Production or Livestock for which the Advance is issued and all similar Agricultural Product in Production and Livestock for all subsequent Production Periods; AND
  - (ii) One or a combination of the following for at least the amount of the Advance:
    - (A) an assignment of any amount that may be received from Production Insurance or BRM Program Coverage, or both, or
    - (B) an acceptable Letter of Guarantee from the Producer's financial institution guaranteeing the Advance.

5.2 As general and continuing security for the payment of the Advance Indebtedness and the payment and performance of all other debts, liabilities and obligations of the Producer to the Administrator under this Agreement, both present and future, absolute and contingent, direct and indirect, matured or not, and whether the Producer be bound alone, or jointly or severally with others (the "Secured Indebtedness"), the Producer hereby assigns and grants a mortgage, pledge, charge and security Interest to and in favour of the Administrator in the following:

- (a) The Producer's present and after-acquired Eligible Agricultural Product, including the Eligible Agricultural Product described in any Advance Worksheet for that product, and all similar Agricultural Products in any future APP Program Production Period (collectively, the "Secured Agricultural Products");
- (b) All proceeds, including all accounts from or relating to the Secured Agricultural Products, or from any sale, use, transfer or other disposition of the Secured Agricultural Products;
- (c) Proceeds from any Production Insurance or BRM coverage which has been assigned to the Administrator with respect to Secured Agricultural Products, and any insurance or other payments arising from the loss or damage to the Secured Agricultural Product, and all proceeds and support payments with respect to the Secured Agricultural Product;

all of which is herein referred to as the "Collateral".

5.3 The Producer covenants and agrees that the security granted by the Producer pursuant to this Agreement is a first charge against the Collateral which ranks in priority to the Interest of all other creditors of the Producer, and that the Producer has obtained, and has provided to the Administrator priority agreements, postponements and waivers signed by all entities who have or may be entitled to claim an Interest in the Collateral which ranks in priority to the security Interest of the Administrator.

5.4 The Producer covenants and agrees to keep the Collateral granted by the Producer under this Agreement clear of all taxes, mortgages, charges, claims, liens (including Animal Keeper's Liens), encumbrances and security interests which rank in priority to the security interest of the Administrator.

## **6.0 DEFAULT**

6.1 Event of Default: The Producer shall be in Default under this Agreement if any one of the following events occur:



- (a) The Producer has breached any of their obligations under the Agreement, or has otherwise failed to meet any of their obligations under the Agreement, within twenty one (21) days after the day on which the Administrator mails or delivers a notice to the Producer declaring that the Producer has had, in the Administrator's opinion, an adequate opportunity to meet the obligations or satisfy the obligations and requesting the Producer to do so; or
- (b) Whether or not notice is provided, if:
  - (i) the Producer has not met all of the Producer's obligations under this Agreement by the Final Date for Payment for which an Advance was made,
  - (ii) the Producer has not met all of the Producer's obligations under this Agreement by the day on which:
    - (A) the Producer files an assignment under the *Bankruptcy & Insolvency Act* (Canada) or a bankruptcy order is made under this Act against the Producer;
    - (B) the Producer seeks protection under the *Companies' Creditors Arrangement Act* (Canada);
    - (C) the Producer makes an application under s. 5 of the *Farm Debt Mediation Act* (Canada);
    - (D) a receivership order is made with respect to the Producer or the Producer's property.
  - (iii) provides false or misleading information to the Administrator for the purpose of obtaining an Advance or evading a compliance with an undertaking to repay an Advance;
  - (iv) the Producer breaches an obligation under the Agreement which, in the Administrator's opinion, cannot be remedied if a notice to remedy the breach is provided to the Producer;
  - (v) if the Producer is, in the Administrator's opinion, at fault in causing or contributing to a decrease in the value of the security taken by the Administrator under this Agreement to the extent that the value of the security is less than the outstanding amount of the Advance Indebtedness;

## 6.2 Remedies on Default:

- (a) The Producer shall pay the full amount of the Advance Indebtedness without further notice to the Administrator including the Administrator's Costs; and
- (b) The security Interest of the Administrator shall immediately become enforceable, and the Administrator shall have the following remedies in addition to any other remedies available under the *Personal Property Security Act* (Alberta), the *Personal Property Security Act* (Saskatchewan), at law, equity or any other statute or under any other agreement between the Producer and the Administrator, all of which remedies shall be independent and cumulative:
  - (i) Entry into the lands or premises where the Collateral may be located;
  - (ii) Seizure and possession of the Collateral by any method permitted by law;
  - (iii) Sale of the Collateral;
  - (iv) The collection and realization of any proceeds, including Production Insurance proceeds and BRM Coverage proceeds;
  - (v) The appointment by instrument in writing or by proceedings in any Court of competent jurisdiction, of a receiver or a receiver and manager of either the Producer, or all or any part of the Collateral, or both. Insofar as responsibility for the acts of such receiver or receiver and manager so appointed are concerned, the receiver or receiver and manager shall be deemed to be the agent of the Producer, and not the Administrator.

6.3 Subrogation: In the event the Producer is in Default, and the Minister makes payment of the Advance indebtedness in accordance with APP, the Minister shall be subrogated to all of the rights of the Administrator against the Producer, and against any other persons who have guaranteed the Producer's obligations to the Administrator provided that the Producer shall remain liable to the Administrator for any portion of the Advance Indebtedness which is not paid by the Minister.

6.4 Reservation of Administrator's Rights: In the event of a subrogation, the Producer shall remain liable to the Administrator for all unpaid Fees, Penalties and Costs. In the event the Minister has recovered the outstanding Advances and Interest from the Producer in full or in part, through settlement, and if Fees, Penalties or Costs are still owing to the Administrator, the Administrator shall be entitled to recover the same from the Producer.

6.5 Interest Rate After Subrogation: In the event the Producer is in Default, the Minister makes payment under the guarantee granted pursuant to APP and the Minister is subrogated to the rights of the Administrator, the prime rate payable by the Producer shall be changed from the Prime rate of the Toronto Dominion Bank to the average aggregated prime rate as published in the Daily Digest on the website of the Bank of Canada.

## 7.0 REPRESENTATIONS AND WARRANTIES

7.1 The Producer represents and warrants to the Administrator as follows:

- (a) If the Producer is a corporation, cooperative, society, or partnership, the organizational structure (including, without limitation, as applicable, the particulars of all shareholders, partners, or members and residency of each such shareholders, partners, or members ) set out in or provided in connection with the Application is complete and accurate as of the date of the Application;
- (b) If the Producer is one (or more) individuals, each Producer is a Canadian Citizen or Permanent Resident, as such term is defined in Section 2 of the Immigration and Refugee Protection Act;
- (c) The Producer, in respect of the Collateral granted as security to the Administrator under this Agreement, is/are:
  - (i) the owner of the said Collateral and no other person holds an Interest, legal or equitable, in such Collateral, and will maintain the said Collateral free and clear of all liens, charges, encumbrances and security Interests which stand in priority to the security Interest of the Administrator;
  - (ii) has a good right and lawful authority to grant, convey, assign, transfer, hypothecate, mortgage, pledge and charge its assets as provided in the Agreement any security provided in connection therewith;
  - (iii) responsible for marketing Eligible Agricultural Product(s); and
  - (iv) producing or has produced Eligible Agricultural Product(s);
- (d) The Producer is not required by the Income Tax Act (Canada) to report income from other farming operations or other corporations carrying on a farm business, other than the one(s) named in the Application, in the event that the Producer is required to report such income, the Producer has provided to the Administrator a complete and accurate list of all other farming operations and corporations carrying on farm operations in which the Producer has an Interest;
- (e) Neither the Producer nor any Related Producers have any outstanding Eligible Advances from previous Production Periods for any Agricultural Products, that have not been identified in this application, and neither the Producer nor any Related Producers are in Default under any Repayment Agreement pursuant to the Act, *Advance Payments for Crops Act (APCA)*, the *Prairie Grain Advance Payments Act*, SCAP, ESCAP, or the *Agricultural Products Marketing Act (AMPA)* or;
- (f) The Producer is not ineligible under an Advance Guarantee Agreement made pursuant to AMPA, the SCAP or the ESCAP;
- (g) The Eligible Agricultural Product listed or pledged as security in this Agreement is/are of marketable quality and shall be stored or maintained, as such, until disposed of in accordance with the terms of this Agreement;
- (h) If the Producer, or any of its shareholders, members, or partners (as applicable), is/are current or former public office holder, public servant or Member of the House of Commons, the producer such shareholders, members, or partners are not prohibited to derive benefits from the APP under any applicable federal conflict of Interest or ethical principles, and the Producer and such shareholders, members, or partners are in compliance with applicable federal conflict of Interest or ethical principles, rules and obligations;
- (i) The Producer has not filed a notice of intention to make a proposal or made a proposal under the Bankruptcy and Insolvency Act, is not subject to a receiving order under that Act, and is not bankrupt or seeking protection under any other insolvency or bankruptcy related statute such as the Companies' Creditors Arrangement Act or the Farm Debt Mediation Act;
- (j) The Producer has made all appropriate income tax filings when due and has paid all income taxes due thereunder.
- (k) There are no outstanding judgments or awards against the Producer;
- (l) The contents of all documents furnished to the Administrator by or on behalf of the Producer to induce the Administrator to advance the monies hereunder are true and correct and accurately set out all the facts contained therein;
- (m) If applicable, the Producer has full power, authority and capacity to execute and deliver this Agreement and the security contemplated therein and to carry out the transactions contemplated herein and therein, all of which have been duly and validly authorized by all necessary corporate proceedings and that the documents hereinbefore referred to have been duly executed and delivered by the Producer and are in full force and effect and constitute legal, valid and binding obligations of the Producer; and
- (n) If applicable, the Producer is and shall be during the time that any Advance remains outstanding, a body corporate duly incorporated, properly organized, validly existing in good standing and qualified to do business under the laws of the jurisdictions within which it is carrying on business.

## 8.0 PRIVACY

8.1 Obtaining the Producer's Personal Information: The Producer hereby authorizes and consents to each of the Administrator and AAFC (and each of their respective agents, representatives, and employees) obtaining and using personal, credit, business and financial information,



including, without limiting the generality of the foregoing, information relating to credit history, bureaus and reports, financial information, and supply/inventory levels from or through various agencies, banks, credit unions, trust companies, financial institutions, creditors, guarantors, lenders, grain elevators, producer organizations, suppliers of the Producer, government ministries, departments and agencies (federal, provincial or territorial) and such other entities as the Administrator or AAFC may deem necessary (collectively, "Providers") for the purposes of (i) assessing the eligibility and entitlements of the Producer under the APP; (ii) monitoring the continuing eligibility for Advances under the APP (including, without limitation, the verification of inventory levels, sales information, and buyers of Eligible Products); (iii) verifying and determining the status of Advances; (iv) facilitating any assignment or realizing upon any security provided by the Producer or any Guarantors in respect of the Agreement; (v) verifying, determining, and assessing the indebtedness and creditworthiness of Producers and/or Guarantors, (v) obtaining and or registering security over the property of the Producer or Guarantors, (vi) administering any priority agreements or other security contemplated within the Agreement, (vii) facilitating and ensuring the repayment of all Advances under the Act; (viii) statistical and evaluation purposes; and (ix) as otherwise required for the proper administration of the APP and the carrying out of the Administrator's obligations under the Act (collectively, the "Purpose"). The Producer authorizes the Administrator and AAFC (and each of their respective agents, representatives, and employees) to contact any Providers for such Purpose. Without limiting the generality of the foregoing, the Producer agrees that a credit check and an inspection of the Agricultural Products may be performed by the Administrator (respective any of its agents, representatives, and employees) at any time while an Application is pending or during the period in which any Advance is outstanding.

- 8.2 Disclosing the Producer's Personal Information to Providers: The Producer consents to the collection, use and disclosure of personal, financial, business and commercial information about Producer(s) and Guarantor(s) for the Purpose by the Administrator to any such Providers, and by such Provider to the Administrator. The Producer acknowledges that a copy of this Agreement may be provided to such Providers as the Producer's authority to make any such disclosures of information contemplated herein.
- 8.3 Retention of Producer's Personal Information: The Producer acknowledges and agrees that the Administrator and AAFC will retain information provided by the Procedure in connection with any Application or Advance for at least six years after the date of full repayment of said Advance by the Producer; provided that in the event of a default by the Producer, such information will be retained for a minimum of ten years from the day on which the payment is made by AAFC under the Act and the rights of the Administrator are subrogated to AAFC. Such information will be retained by AAFC for a period of at least six years after repayment of the Advance, the last financial transaction, or the last action taken to recover the Advance, whichever occurs last.
- 8.4 Producer's Right to Request Access to Information: The information on this form is collected under the authority of the Act. Any personal information provided by AAFC will be used to administer the APP in accordance with the Privacy Act. The information may also be used for statistical or evaluation purposes. Individuals have the right to request access and correction to their personal information. Should you have any questions concerning your Privacy, please contact: Agriculture and Agri-Food Canada's Access to Information and Privacy Director, Floor 10, 1341 Baseline Road, Tower 7, Ottawa ON K1A 0C5 or by email at AAFC.Privacy-vieprivee.AAC@AGR.GC.CA and reference AAFC's personal information bank Agricultural Marketing Programs Act: Advance Payments Program, PPU 140. (2019).
- 8.5 Release of Information to Governments and Lenders: The Producer authorizes the Administrator and AAFC to convey the information contained in, or provided in connection with, this Application and Agreement, as well as associated documentation, both personal and otherwise, to the Government of Canada and Provincial Governments and their respective agencies and the Toronto Dominion Bank for the purposes of verifying APP entitlements, administering the APP, and any assignment or realization of security.
- 8.6 Release of Information to BRM Program Agencies: The Producer authorizes the Administrator and AAFC and organizations administering any Eligible BRM Programs to convey the information contained in, or provided in connection with, this Application and 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 and administering the APP.
- 8.7 Consent to Contact Agents and Employees: The Producer consents to the right of the Administrator and AAFC, and each of their respect agents and employees, to contact the Producer, or in the case of a producer who is a Corporation, Partnership, Cooperative, or Partnership, its employees, agents, shareholder, or members (as applicable) for purposes of evaluating and administering the Act.
- 8.8 Consent to Contact Other Creditors: That in order to determine the Producer's financial situation, the Producer authorizes the Administrator, its agents, or its Credit Bureau, to disclose and obtain from the Producer's suppliers or from other financial institutions and from references the Producer has provided in this Agreement. The Producer authorizes the information provided in this Agreement may be given to the Producer's suppliers or financial institutions to whom it does business with. If the Producer has given the Administrator the Producer's personal information, the Administrator may treat it as information to be used as an aid to identify the Producer with the credit bureau and other parties. The Producer agrees to the collection and release of information by the Administrator at their discretion and waive our rights under *The Personal Information Protection and Electronic Documents Act* (Canada).
- 8.9 Authorization to Collect and Disclose Information: AFSC, SCIC, Global Ag Risk Solutions, WLPIP, and AAFC may disclose my information, including personal information within the meaning of The Freedom of Information and Protection of Privacy Act, to the Administrator and AAFC for the purpose of the APP. The information collected may include, but is not limited to, crop insurance information, AgriStability information, and income and expenses related to my business or farming operation.
- (a) AFSC, SCIC, Global Ag Risk Solutions, WLPIP, and AAFC may collect my information, including personal information within the meaning of The Freedom of Information and Protection of Privacy Act, from the Administrator and AAFC for the purpose of the APP
- (b) AAFC and the Administrator may use this information to verify and assess the Application and Repayment Agreement, as well as to administer, audit, analyze, and evaluate the APP.
- (c) The Producer acknowledges that AFSC, SCIC, Global Ag Risk Solutions, WLPIP, and AAFC may also collect and disclose corporate information for these purposes.

## 9.0 GENERAL PROVISIONS

- 9.1 Limitations of Actions: Pursuant to Section 23(4) of the Act, the Producer agrees that if the Producer resides in a province in which provincial legislation allows for an extension of a limitation period, to extend the limitation period for a period of six (6) years from the day on which the Minister is subrogated to the rights of the Producer pursuant to this Agreement for the purpose of initiating actions or proceedings to recover any monies owing to the Government of Canada.
- 9.2 APP Ineligibility Following Default: The Producer acknowledges and agrees that in the event the Producer defaults under this Agreement by failing to pay an Advance, in whole or in part, by a date required by this Agreement, the Producer shall not be eligible to apply for or to receive future Advances from the Administrator for the following ineligibility periods:
- (a) No ineligibility period where the Advance in Default is repaid within six (6) months from the date of Default;
  - (b) An ineligibility period of one (1) year from the date of full payment, where the Advance in Default is repaid in full within six (6) months of the date of Default;
  - (c) An ineligibility period of two (2) years from the date of full payment where the Producer has defaulted twice within a period of three (3) years;
  - (d) An ineligibility period of three (3) years from the date of full payment by the Producer to the Minister, where the amount in Default has been paid by the Minister to the Administrator, or where the Minister has waived a portion of a Producer's obligation to pay the Advance indebtedness pursuant to APP;
  - (e) An ineligibility period of six (6) years from the date of full payment if this ineligibility period is agreed to pursuant to the terms of a compromise settlement agreement;
  - (f) An ineligibility period of seven (7) years from the date the Producer has been discharged from bankruptcy if the Producer has declared bankruptcy under the *Bankruptcy & Insolvency Act* or following the completion of any compromise or settlement of the Producer's indebtedness pursuant to a proposal under this Act or the *Companies' Creditors Arrangement Act*.
- 9.3 Attribution: The Producer acknowledges and agrees that the Producer's eligibility to an Advance under the APP may be reduced if the Producer is a Related Producer to another producer and that the amount of the reduction shall be the amount determined under the APP.
- 9.4 Effective Date: This Agreement shall not take effect until it has been signed by the Producer and the Administrator.
- 9.5 Right to Inspect: The Producer acknowledges and agrees that an authorized representative of the Administrator shall have the right to enter the property where the Eligible Agricultural Product is being produced, maintained or stored to inspect the Eligible Agricultural Product, where the Administrator believes that there may be a need to verify Eligible Agricultural Product inventories or values.
- 9.6 Notice of Loss, Destruction or Damage: The Producer shall immediately provide the Administrator with written notice of any material loss, destruction or damage to the Agricultural Product, or if any portion of the Agricultural Product ceases to be in unmarketable condition, whether or not this has occurred through the fault of the Producer.
- 9.7 Insurance: The Producer shall have and maintain multi-peril insurance coverage on their farming operation which includes the entire Eligible Agricultural Product for which all Advances were made. This coverage must be sufficient to cover the full extent of the Advances until the Producer's liability is repaid. If the Eligible Agricultural Product is stored off-farm at a commercial facility, the Producer must ensure that the commercial facility has such insurance.
- 9.8 Appeal Process: The Administrator has established an appeal process for cases in which an Application is rejected on the basis of eligibility. The appeal will involve the review of the Application by employees of the Administrator who have a good knowledge of APP, and who did not participate in the initial decision to reject the Producer's Application. The decision of the Administrator's employees who review the Application will be binding, and will not be subject to a further review or appeal. The appeal will only involve issues concerning eligibility. Decisions with respect to the amount of the Advance a Producer is entitled to are not subject to appeal or review.
- 9.9 AgriStability, Product Insurance Payments and Insurance Payments Received by Producer: In the event the Producer receives any AgriStability payments, Product Insurance Payments which have been provided as security for an Advance in relation to an Agricultural Product, the Producer shall immediately remit these payments to the Administrator, to the extent required by the Administrator to pay the Advance Indebtedness. In the event the Producer receives other insurance proceeds, these proceeds shall also be remitted to the Administrator to the extent required by the Administrator to pay the outstanding Advance Indebtedness.
- 9.10 Amendments: The following provisions apply to all corrections, changes and amendments proposed or made after this Agreement is signed by the Producer:
- (a) The Repayment Agreement shall be amended if, and only if, the amendments are agreed to in writing by the Administrator;
  - (b) This Agreement shall be automatically amended to include any additional Advances made by the Producer by submitting additional Advance Worksheets, and related postponements, assumptions, consents and authorizations, if the request is approved by the Administrator; and

- (c) Corrections, changes and amendments may be made to the Application and any Advance Worksheets after they have been signed by the Producer and before or after this Agreement is signed by the Administrator if they have been requested and agreed to by both the Administrator and the Producer. The Producer's request and agreement shall be conclusively established by a text, email, facsimile or other written or oral verification acceptable to the Administrator, without the correction, change or amendment being signed or initialled by the Producer. The Administrator if authorized to insert the corrections, changes and amendments thereby requested and agreed to by the Producer in the Application and the Advance Worksheets, and the Administrator's agreement is conclusively established by the initials thereto by an authorized representative of the Administrator.

- 9.11 Time: Time is of the essence of this Agreement.
- 9.12 Entire Agreement: This Agreement, the Application, and the Schedules referred to herein constitute the entire agreement between the Producer and the Administrator relating to the subject matter of this Agreement and supercede all prior or contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, provided that the APP may be referred to, to interpret this Agreement, and both the Administrator and the Producer shall be bound by their obligations under the Act.
- 9.13 Plural and Gender/Joint and Several Liability: Where the singular or masculine is used in this Agreement, the same shall be construed as including the plural or feminine or a body corporate, as the context may require, and whether this Agreement is signed by two Producers, or by a partnership or joint venture, the obligations of each Producer, partner and joint venturer shall be joint and several.
- 9.14 No Assignment/No Set-Off by Producer: The Producer may not assign this Agreement or the Producer's rights hereunder. The Producer will not have or claim any right of set-off or any counterclaim with respect to any Advance indebtedness payable by the Producer under this Agreement.
- 9.15 Severability: If any provision of this Agreement is determined by a Court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect.
- 9.16 Waiver of Receipt of Copies/PPSA Legislation: The Producer hereby expressly waives the right to receive a copy of any financing statements, and statements confirming the registration of financing statements, that may be registered under the PPSA in connection with any security Interest created under this Agreement. All words and phrases which are defined in the PPSA and not otherwise defined in this Agreement shall have the meaning set forth in the PPSA unless the context requires otherwise.
- 9.17 Captions: The captions in this Agreement have been inserted for reference and as a matter of convenience only, and in no way define, limit or enlarge the scope of meaning of this Agreement.
- 9.18 Enurement: This Agreement shall enure to the benefit of and be binding upon the personal representatives, executors, administrators and successors of the Producer and the successors and assigns of the Administrator.
- 9.19 Receipt of Copy of this Agreement: The Producer acknowledges receipt of a copy of this Agreement.
- 9.20 Applicable Law: This Agreement shall be governed in accordance with the law of the Province in which the Producer resides. Residence shall be conclusively established by the Producer's address set out in this Application. The Producer agrees that any suit or proceeding with respect to any matters arising out of or in connection with this Agreement may be brought in courts of the Province of Alberta and the Producer agrees to attorn to the same.
- 9.21 Counterpart: This Agreement may be executed in several counterparts each of which when so executed shall be deemed to be an original, and such counterparts shall constitute the one and same instrument and notwithstanding their date of execution shall be deemed to bear date as of the date of this Agreement. This Agreement may be delivered by facsimile or electronic transmission.
- 9.22 Other Consequences of Default: The Producer acknowledges that in the event of a Default, the Producer may be denied access to other federal agricultural support programs and that the Government of Canada has the right to set-off from any other federal agricultural support programs any outstanding Advance indebtedness payable by the Producer, if the Producer is in Default under this Agreement.

**D. Producer's Declaration and Signature for Application and Repayment Agreement**

I/We the undersigned Producer(s) hereby certify and declare to the Administrator as follows:

1. This Declaration is delivered pursuant to the above Applicant and the above Repayment Agreement. The terms used in this Declaration have the meanings given to them in the Repayment Agreement.
2. I/we am applying to the Administrator for an Advance pursuant to the APP as an individual Producer or Producers or a sole proprietor.
3. I/we understand that I/we am/are solely responsible for ensuring compliance with all deadlines set out in the Repayment Agreement and under the APP, and to ensure that all documents, information, and funds required to be submitted in connection with the Application and the Repayment Agreement are completed and delivered to the Administrator within such deadlines, failing which I acknowledge that I may lose my eligibility to apply under APP, or that I/we will be in Default under the Repayment Agreement.

4. All of the information provided in the above Application, the attachments hereto, or otherwise provided to the Administrator are complete, accurate, true and correct in every respect, and I/we acknowledge and understand that providing false or misleading information may result in my Default under the Repayment Agreement, and the loss of all benefits related to the APP.
5. I/we further declare that I/we have multi-peril insurance coverage on my/our farming operation which includes the entire Eligible Agricultural Product for which all Advances are made and that if this Agricultural Product is stored off-farm at a commercial facility, that the commercial facility also has this insurance.
6. I/we understand that the failure to provide all information required for the Application may delay the processing of the Application or may render me/us ineligible to receive Advances under the APP for the denial of an Advance under the APP.

By signing below, I/we confirm that I/we have made the above Application under the APP including the Worksheets attached hereto, and that I/we have provided all assignments, consents, authorizations, waivers and priority agreements required by the Administrator in connection with APP. By signing below I also agree to the terms of the above Repayment Agreement.

\_\_\_\_\_  
 Insert trade name, if any

\_\_\_\_\_  
**Signature of Producer**

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
**Signature of Co-Applicant Producer (if any)**

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

The above Application is hereby accepted by the Administrator, Western Cash Advance Program Inc. on \_\_\_\_\_, 20\_\_.

**Western Cash Advance Program Inc.**

\_\_\_\_\_  
 Signature of authorized representative

Printed name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE 1**  
**ADVANCE WORKSHEETS**  
**(See Attached)**

**SCHEDULE 2**  
**ASSIGNMENTS, CONSENTS AND AUTHORIZATIONS**  
**(See Attached)**