



## New Market Opportunity Loans Program

**Purpose:** To encourage farmers to capitalize on new market opportunities by offering financing alternatives through the Nova Scotia Farm Loan Board that are not available at commercial institutions.

**Available to:** Nova Scotia producers who are currently involved in an agricultural activity.

**Definition:** Under this program, “New Market Opportunities” refers to:

(a) A market development that will generate additional economic activity for Nova Scotia producers and food processors. The goal of this program is to encourage new and additional activity rather than sustain present production levels.

(b) An identifiable, market driven, and sustainable opportunity which will result in improving the profitability of Nova Scotia farmers.

The New Market Opportunity Loans Program will support short-term pilot programs of a similar nature as outlined below in the Beef Development Loan Pilot Program. The continuation of such loan pilot programs will be determined after review of changes to market dynamics and loan program utilization. All short-term loan pilot programs will be subject to an annual review and evaluation. Future loan program availability will be determined accordingly.

### Program guidelines for Beef Development Pilot Program

#### New Market Opportunity:

Expanded opportunities exist in the beef sector as a result of market initiatives identified through improved quality and product continuity. Specifically an opportunity has developed through Co-Op Atlantic’s initiative in the Atlantic Branded Beef Program.

#### Purpose of Program:

Provide Nova Scotia beef farmers the opportunity to finance the purchase of beef breeding stock or feeder cattle for herd expansion with flexible repayment terms through the Nova Scotia Farm Loan Board.

#### Who Qualifies for this Program:

Applicants must be nineteen years of age and currently maintain a beef herd of a minimum of 15 cows/bred heifers and/or a minimum of 50 feeder cattle. Applicants without the minimum livestock requirements may receive consideration upon the submission of an acceptable business plan. Applicants must demonstrate that sufficient resources exist within their operation for the proper care and control of the livestock .

#### Program Guidelines:

(a) The minimum number of cows and/or bred heifers or feeder cattle to be purchased at any one time will be 10 animals.

(b) Cows and/or Bred Heifers to be purchased will be accompanied by a certificate provided by a veterinarian. This certificate will confirm the cattle to be purchased are bred and are in good health. Final disbursement of funds will not occur until this certificate is provided.

(c) Contractual obligations to market the livestock may be requested. A business plan identifying market risk and access may be required.

(d) Effective December 31, 2000, all cattle financed will be required to be identified by either a tag or a tattoo. Identification numbers are to be provided when loan funds are disbursed. Purchased cattle may be subject to on-farm verification.

(e) The maximum available loan for an individual will be \$150,000. For partnerships or corporations, the maximum loan will be \$150,000 per partner or shareholder (to a maximum of three partners/shareholders).

(f) Order in Council approval may apply in some cases.

**Financing Guidelines:**

Two financing alternatives are available. The guidelines of these alternatives are as follows:

***Financial Alternative A***

i) The repayment period will be a maximum of eight years.

ii) Repayment will be based on blended principal and interest payments.

iii) Financing will be available for up to 80% of the lesser of the purchase or market price of the cattle. Security consideration in excess of 80% and up to 90% may be granted based on additional available security and risk assessment by the Board. All security will be registered under the Personal Properties Security Act (PPSA) by way of a Chattel Mortgage or Personal Property Security Act Agreement.

iv) Annual prepayment options will be available at 10% of original principal balance each year without penalty. The loan can be paid out in five years. Early payout of the loan other than on the fifth year will result in interest penalties.

***Financial Alternative B***

i) Loans to purchase cattle will not exceed eight years.

ii) Financing will be based on payments of 5% of the original principal per year plus interest.

iii) Financing will be available for up to 80% of the lesser of the purchase price or market value of the livestock. Security consideration in excess of 80% and up to 90% may be granted based on additional available security and risk assessment by the Board. All security will be registered under the Personal Properties Security Act (PPSA) by way of a Chattel Mortgage or Personal Property Security Act Agreement.

iv) A minimum additional payment on principal based on the original principal will be due each year based on a "Market Premium". This "Market Premium" will be due based on the sales average of the final four months of the calendar year. The "Market Premium" payment is considered to be part of the optional principal prepayment each year. This additional payment will be due and payable each year on the anniversary date of the loan and calculated as of ***December 31<sup>st</sup>*** of each year and based on the following table:

<b>"Market Premium" Additional Principal Payment (as percent of original principal balance)</b>	<b>Average Feeder Price Maritime Cattle Market (\$/cwt)</b>
<b>9.0%</b>	\$120 and over
<b>7.5%</b>	between \$110 and under \$120

"Market Premium" Additional Principal Payment (as percent of original principal balance)	Average Feeder Price Maritime Cattle Market (\$/cwt)
5.0%	between \$100 and under \$110
2.5%	between \$85 and under \$100
0.0%	less than \$85

v) An additional optional principal prepayment will also be available. The amount of prepayment will be based on the difference between the optional principal prepayment (10%) and the "Market Premium" percent. The total maximum optional prepayment including "Market Premium" cannot exceed ten percent of the original loan principal without penalty interest being charged. The optional prepayment may be made at any time during the calendar year and is non-cumulative.

vi) All outstanding loan principal will be due at the completion of the loan as a balloon payment.

**Additional Information:**

1) Loans to be secured by the livestock being financed will be secured under the Personal Properties Security Act (PPSA) by way of a Chattel Mortgage or Personal Property Security Act Agreement.

2) Application fees will apply in the same manner as outlined in Board regulations (1/4 of 1%) to a minimum of \$300 and a maximum of \$1,000 plus PPSA registration and/or legal fees.

3) Minimum interest rates will be based on the Board's lowest long term rates (currently 7.95%) SAC.

4) Life and fire insurance may be required and will be determined by the Board.

5) Loan applications will be assessed on an individual basis. Loan decisions will be based on debt servicing ability, security considerations and a credit reference check on the individual or business operation.

6) All loans are subject to the Nova Scotia Farm Loan Board Regulations made under Section 8 of the *Agriculture and Rural Credit Act R.S.N.S. 1989, c.7*, O.I.C. 92-1162, N. S. Reg. 248/92 as amended by O.I.C. 97-254, N. S. Reg. 44/97.

For further information contact:

**TRURO:**

Nova Scotia Farm Loan Board  
137 College Road  
PO Box 550  
Truro, Nova Scotia  
B2N 5E3  
Office: 902-893-6506  
Fax: 902-895-7693

**KENTVILLE:**

Nova Scotia Farm Loan Board  
Agricultural Centre  
32 Main Street  
Kentville, Nova Scotia  
B4N 1J5  
Office: 902-679-6008  
Fax: 902-679-4997

<http://agri.gov.ns.ca/flb>

# General Application Information

Please complete the application and return it to your Loan Officer. Applications are processed on the basis of program requirements and the information contained in the application.

The following information may assist in completing the application.

1. **Sole Proprietor:** The signature of the individual providing the management and labour for the direct, daily operation of the operation is required. Insurance may be provided to that individual only under the terms of the Group Policy.
2. **Partnership:** A formal, legal Partnership Agreement is required. All partners will be included in loan documents.
3. **Incorporated Business:** A Certificate of Status from the Registrar of Joint Stock Companies, an authorized borrowing resolution, a list of shareholders and share ownership, a list of Directors and signing officers of the Company must be provided to the Board. The application must be signed by the signing officers. A copy of the Shareholders Agreement must be attached.

4.

**Service Fees:**

➡ <b>LOANS:</b>
1. ¼ of 1% of the amount of loan with a minimum fee of \$300 and a maximum fee of \$1,000

5. **The Application:** Please complete all areas personally. You may also wish to attach a personal statement of your plans or provide any information you wish to assist in the processing of the application. You will be notified of the Board's decision after the application has been reviewed.

**Loan Application**

**Commodity** Beef

**\*It is important that you include both your mailing address and civic address as some cheques are forwarded by Courier.**

Surname		First		Second	
Farm Name					
Street #/Civic Address *					
R.R./Mailing Address *					
Postal Code		Telephone Number		Date of Birth - Month-Day-Year	
Social Insurance Number			↓ Circle ↓ Married    Single    Common Law    Other		↓ Specify ↓
Spouse ↓ Name ↓		↓ Date of Birth - Month-Day-Year ↓		# Dependent Children	
				M    F	

**Education/Special Training**

Describe Formal education and any special training acquired related to the Agricultural Industry	

**Farm and Work Experience**

Describe work and farm experience and period of employment	

**Personal Assets**

Cash/Savings	\$	Other Real Estate	\$
Stock, Bonds & RRSP's	\$	Other	\$

**References**

Name	Address	Occupation	Telephone

*Applicant No. 2*

**\*It is important that you include both your mailing address and civic address as some cheques are forwarded by Courier.**

Surname		First		Second	
Farm Name					
Street #/Civic Address *					
R.R./Mailing Address *					
Postal Code		Telephone Number		Date of Birth - Month-Day-Year	
Social Insurance Number			↓ Circle ↓ Married    Single    Common Law    Other		↓ Specify ↓
Spouse ↓ Name ↓		↓ Date of Birth - Month-Day-Year ↓		# Dependent Children	
				M    F	

*Education/Special Training*

Describe Formal education and any special training acquired related to the Agricultural Industry

*Farm and Work Experience*

Describe work and farm experience and period of employment

*Personal Assets*

Cash/Savings	\$	Other Real Estate	\$
Stock, Bonds & RRSP's	\$	Other	\$

*References*

Name	Address	Occupation	Telephone

<b><i>Purpose of Loan - New Market Opportunity</i></b>				
<b>Purpose</b> - finance purchase of beef breeding stock or feeder cattle for herd expansion, please provide details of purchase:				
<input type="checkbox"/> Beef - No. Purchasing ▶		<input type="checkbox"/> Bred Heifers - No. Purchasing ▶		<input type="checkbox"/> Feeder - No. Purchasing ▶
Identified Market Opportunity ▶				
Description of Project	Project Cost	Other Funds		Loan Required
		Source	Amount	
	\$		\$	\$
			<b>Legal Fees ▶</b>	\$
			<b>Total Loan Applied For ▶</b>	\$
<b><i>Financial Alternative A - <input type="checkbox"/></i></b>		<b><i>Choose A or B and Fill in Terms</i></b>		
<b>Term - Years</b>	1 ; 2 ; 3 ; 4 ; 5 ; 6 ; 7 ; 8 (circle one)	<b>Method of Payment</b>	<input type="checkbox"/> PAD ; or <input type="checkbox"/> On Account	
<b>Repayment</b>	<input type="checkbox"/> Monthly ; <input type="checkbox"/> Semi-Annual ; <input type="checkbox"/> Annual	<b>First Payment Due</b>	Month ▶	Yr. ▶
<b><i>Financial Alternative B - <input type="checkbox"/></i></b>				
<b>Term - Years</b>	1 ; 2 ; 3 ; 4 ; 5 ; 6 ; 7 ; 8 (circle one)	<b>Method of Payment</b>	<input type="checkbox"/> PAD ; or <input type="checkbox"/> On Account	
<b>Repayment</b>	<i>As set out below: i ; ii ; iii (circle one)</i>	<b>First Payment Due</b>	Month ▶	Yr. ▶
<b>i) Annual - 5% of original principal; ii) Annual - Market Premium - as set out in program guidelines; iii) Outstanding principal balloon payment due at end of loan term</b>				

**Disbursement of Loan**

I/We hereby acknowledge that loan funds may not be disbursed until the following conditions are met:

- |   |
|---|
| 1. Cows and/or Bred Heifers to be purchased must be accompanied by a health certificate provided by a veterinarian.   |
| 2. Contractual obligations to market the livestock may be requested. A business plan identifying market risk and access may be required.  |
| 3. Effective December 31, 2000, all cattle financed will be required to be identified by either a tag or tattoo. Identification numbers to be provided at time of loan funds disbursement. Purchased cattle may be subject to on-farm verification. |

<b>I/we hereby authorize the exchange of credit, and production information on the applicant by the Nova Scotia Farm Loan Board with any agency or commodity board providing credit with whom the applicant has, or propose to have financial or marketing arrangements with during the period of time the applicant has a loan with the Board. All information on the loan will be subject to the disclosure and protection of privacy provisions of the Nova Scotia Freedom of Information and Protection of Privacy Act. The consent is irrevocable during the period of time the applicant has financial arrangements with the Board.</b>
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Date:  \_\_\_\_\_ Signed:  \_\_\_\_\_  
 Applicant  
 \_\_\_\_\_  
 Applicant

<b><i>Livestock Program</i></b>
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<b>Description of present livestock program</b>	

**A copy of last year's statement of farming Income and expenses or federal tax return must accompany every loan application. Interim financial statements and/or a financial plan/budget may also be required.**

<b>Comments regarding impact of loan and future development plans.</b>

***Farm Assets***



Cash, Bank Deposits	\$	Products (Milk, Eggs, etc)	\$
Accounts Receivable	\$	Other	\$

**Livestock**

Description	No.	\$ /Head	Total Value
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
<b>Total No. Livestock ▶</b>		<b>Livestock Total ▶</b>	\$

**Crop/Feed/Supplies Inventory**

Description	Unit	\$ /Unit	Total Value
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
<b>Total ▶</b>			\$

**Machinery and Equipment**

Year	Item/Make/Model	Serial No.	Est. Value
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*Real Estate*

*Land* ▾

Nova Scotia Farm Loan Board Security			
Type	Acres	\$ /Acre	Total \$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
<b>Total Acres ▶</b>		<b>Land Total ▶</b>	\$

Not Held as Nova Scotia Farm Loan Board Security			
Type	Acres	\$ /Acre	Total \$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
<b>Total Acres ▶</b>		<b>Land Total ▶</b>	\$



**Liabilities**

Creditor Name and Address	Purpose of Loan and Security	Year Incurred	Term	P'mt Schedule & Int. Rate	Amount Borrowed	Balance Owning
<b>Current - Repayment terms less than 12 months</b>					Max.	
Operating Loan					\$	\$
Accounts Payable					\$	\$
					\$	\$
					\$	\$
<b>Total Current Liabilities ▶</b>						\$
<b>Intermediate - Repayment terms of 1 to 10 years</b>						
					\$	\$
					\$	\$
					\$	\$
<b>Total Intermediate Liabilities ▶</b>						\$
<b>Long Term - Repayment terms over 10 years</b>						
					\$	\$
					\$	\$
					\$	\$
					\$	\$
<b>Total Long Term Liabilities ▶</b>						\$

**Liabilities Total ▶** \$

I Certify that this statement of liability and security provided is accurate and complete

✕

(signed ▲) Date ▶ ✕

**Group Life Insurance**

The insurance premium is .20¢/\$1,000./month. Your loan (upon approval) will be life insured to a maximum on all Board loan balances of \$250,000. You may apply for optional insurance coverage on any applicant to a maximum loan balance of \$500,000. If additional insurance is requested, please check **yes** below and request an application form from your loan officer. **Please** note that the optional coverage must be approved by Clarica. You will be advised of their decision following Clarica's review of your application.

Please note: spousal insurance coverage is available upon request.

**If yes, please advise on whom and the amount of additional insurance requested.**

Name of Person to be Insured	Amount of Insurance Requested
	\$
	\$
	\$

<b>I (we) request the optional life insurance on the loan</b>	<b>Yes</b> .....	<b>No</b> .....
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Previous Loan/s Insured - if yes ↓			Yes	No
<b>Loan Balance/s</b>	\$	\$	\$	\$

I understand and agree that if the loan applied for is granted, and until it has been repaid, I will be covered under the terms of a Group Life Insurance Policy. Premiums will be applied by the Board to principal and interest payments. Should the Group Policy be discontinued for any reason, the payments referred to in this paragraph will cease until such time as the Board arranges a new Group Policy.

**X**  
 \_\_\_\_\_  
 Dated

Signed **X**  
 \_\_\_\_\_

***FIRE INSURANCE*** (if applicable)

I understand that if my application is approved, I am required to arrange fire insurance coverage as follows, with loss, if any, assigned to the Nova Scotia Farm Loan Board

Existing Buildings:

House	\$
	\$
	\$
	\$
	\$
	\$

**SOLICITOR OF CHOICE**

<b><i>Solicitor of Choice</i></b>		Name ▶	
Firm/Address ▶			
Postal Code ▶	Phone No. ▶	Fax No. ▶	
<b>Note:</b> I/we are responsible for all legal fees associated with this loan		Yes	No

***Board Security***

I have disclosed all environmental issues that impact on the securities provided to and held by the Board.

Signed **X** \_\_\_\_\_

Witness

DATE: \_\_\_\_\_, 200\_\_

DATE: **X** \_\_\_\_\_, 200\_\_

Loan Application Check List			Please Check One	
			Yes	N/A
<i>Company/Partnership Shareholders</i>				
	%	No. Shares		
-1				
-2				
-3				
-4				
<i>Signing Officers</i>				
-1				
-2				
-3				
Insurance Form(s) completed and signed including social insurance number(s)				
Non-compliance minimum livestock - Business Plan Required				
Demonstrates sufficient resources for care and control of livestock				
Veterinarian Health Certificate Received				
Identification Numbers Provided				
Statement of Farm Income and Expenses attached				
Cash Flow if requested				
Business Plan if requested				
<i>Additional Comments:</i>				



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# PRE-AUTHORIZED PAYMENTS FOR YOUR LOAN ACCOUNT

## Here's how pre-authorized payments work

It's a modern, easy method to make those recurring bill payments without the inconvenience of cheque writing and the cost of postage or that trip to pay your bills

### It's Convenient

The pre-authorized payment method eliminates the need for you to write cheques each month for your regular payments. It is also easier than post dated cheques.

### It's Economical

One authorization is all that is required for a series of payments to be made automatically through your bank or financial institution chequing account. This means reduced costs (postage, travel, time, etc.). We charge no fee for this service.

### It's Secure

With pre-authorized payments there are no cheques to get lost or stolen. You avoid the embarrassment of missed payments, and the interest charged on late payments as a result. You may stop payment at any time if you feel the necessity to do so.

### It's Assured

If you are away on vacation, out of town on business or sick, your payments will be made on time. Even postal disruptions will not prevent your bill payments from reaching their destinations on time.

### *Answers to some of the questions you may ask*

1. Should an incorrect amount be processed against your account, it will be corrected when you advise us.
2. If a payment processed against your account is not in accordance with the authorization, because you cancelled the authorization in writing to us, because an authorization was not provided to us for the payment processed, or because the payment was in error and posted to the wrong account, or there was some other error, then you can call us to correct the error. If you are not satisfied with our response then you can contact your bank by writing to your branch manager any time up to 90 days after your account is debited for the payment, to return the payment to you.
3. Should you move your account from one bank or branch to another, advise us of the change and we will arrange a new agreement with you so payments can continue uninterrupted.
4. You continue to have control just as with cheques you have written. You can instruct the branch to stop payment before it goes through your account and you can discontinue payment altogether, if desired, by advising us in writing.

### What about your records?

Your payments are recorded automatically and individually on your monthly bank statement or passbook. You can also continue to enter your pre-authorized payments in your personal cheque record book as if you had written and mailed a cheque.

### What about our records?

Here's where we need your help. Please complete the information required on the authorization form on the back of this brochure and return it to us along with one of your personal cheques marked **VOID**. Please take 30 seconds and do it right now. From then on it's good-bye to writing cheques.

**PRE-AUTHORIZED PAYMENT  
Authorization Form**

**To: The Nova Scotia Department of Agriculture & Marketing (NSDAM)**

<b>Client Name(s):</b> _____	<b>Loan Number:</b> _____
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<b>Address:</b> _____		
<b>City:</b> _____	<b>County:</b> _____	<b>Postal Code:</b> _____

**Please attach a VOID cheque.**

<p><b>I/We (the above noted client) authorize the NSDAM to debit my/our account indicated above, in the amount of</b></p> <p><b>\$ _____ on the _____ day of each month; (choose one of the following two options);</b></p> <p style="padding-left: 40px;"><b>_____ Until my loan is paid out or I/we request a change (recommended for loans)</b></p> <p><b>OR</b></p> <p style="padding-left: 40px;"><b>_____ for _____ months,</b></p> <p><b>effective for payments dated _____, 20____, or later.</b></p>
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**If you currently have post dated cheques with us please check here \_\_\_\_\_.**

Note that this notification must be received at least 1 (one) week before the effective date. If you are not certain that it will reach us before then, please enclose a cheque for your next payment.

Each payment will be the same as if I/we had personally issued a cheque authorizing the bank to pay the NSDAM as indicated and to debit the amount specified to my/our account.

I/We will notify the NSDAM promptly in writing if I/we move the account from one bank or branch to another, or if there is any other change in the account.

I/We understand that the bank is not responsible for verifying where these payments are properly debited to my/our account.

This authorization may be cancelled at any time upon written notice by me/us to the NSDAM, I/we understand that if I/we cancel this authorization, it does not mean that my contract obligations to the NSDAM are ended.

Any delivery of this authorization to the NSDAM constitutes delivery by me to the bank.

I/We am/are all the persons who are required to sign the above account.

Date: \_\_\_\_\_ Client Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Client Signature: \_\_\_\_\_