



2006-07

**Enhanced
Spring Credit
Advance Program
After Harvest
*ESCAP***

**Country
Elevator
Guide**



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About the cash advance program

The *Enhanced Spring Cash Advance Program (ESCAP)* is an Agricultural and Agri-food Canada program whose objective is to increase credit availability to assist applicants in making production and/or marketing decisions.

See pages 27 to 65 for step-by-step instructions on completing an advance.

Important information

The 2006-07 ESCAP/After-harvest program runs from September 1, 2006 to September 30, 2007. Application deadline is May 31, 2007 or sooner. The CWB will notify your company if an earlier deadline will be in effect.

Applicants can receive up to \$100,000 per crop year (interest-free) for all crops (not just wheat, durum and barley) regardless of the number of farming operations in which the applicant has a financial interest. The advance is interest-free until repaid or September 30, 2007, providing the advance is not placed in default.

The \$100,000 maximum issuance amount is reduced by the issued amount (not the outstanding amount) of any previous advance issued under the Spring Credit Advance Program or ESCAP Pre-harvest or After-harvest programs.

Outstanding amounts under 2006-07 Agricultural Marketing Programs Act (AMPA), or where there is a transfer from the 2005-06 AMPA program where default has been stayed, must be shown in Paragraph 1 on the ESCAP/After-harvest application. The amounts outstanding under AMPA or transferred under a stay of default will reduce the value of stocks available for an ESCAP/After-harvest advance.

Producers may apply for \$100,000 interest free under ESCAP and still qualify for the maximum advance amounts under AMPA. However, stocks must be available to cover all advances issued under ESCAP or AMPA.

Note: ESCAP AH cash advance payments on feed barley may not be available after the close of the first pool period (January 31, 2007). The CWB will consider offering advances after the closing date if the market value for feed barley warrants.

2006-07 SCAP advances

Farmers who received 2006-07 SCAP advances have been notified that they will receive the benefits of the ESCAP program. Therefore for this guide, SCAP will be included in references to ESCAP/After-harvest. The ESCAP/After-harvest will be referred to as the ESCAP-AH.

2006-07 Pre-delivery Top-up Contract Program

This program will be available for the 2006-07 crop year and has been extended to include not only wheat, but durum. Farmers can top up their cash advance on wheat and durum with an additional amount per tonne from the CWB. It is called a Pre-Delivery Top Up because farmers can get these extra dollars before their wheat and durum is delivered. Farmers must have an approved cash advance to cover the tonnage they are applying for.

2006-07 Advance payment rates (per tonne)

Wheat	\$80
Durum	\$75
Barley	\$35
Designated Barley	\$60

Repayment

Applicants must repay their advance by delivering wheat, durum and barley. Deductions on 2006-07 ESCAP AH advances are taken at the same rate the advance was issued (see rates on the table on page 20). The rates per tonne shown on the table have been established by the federal government. Applicants can repay, in cash, without interest penalty.

The CWB introduced a telephone/Internet/ATM bill payment service enabling farmers to repay their outstanding CWB cash advances. Read more about the automated bill payment service on page 22.

In order to deduct and report advance refunds to the CWB, feed mills, grain dealers and fuel ethanol plants must apply in writing to the CWB for an Advance Payment Deduction Agreement. Where an agreement with the CWB is held, the required deductions will be made from grain deliveries and remitted to the CWB. Where an agreement with the CWB is not held, it is the applicant's responsibility to submit the necessary advance refund to the CWB, with receipts, and make the appropriate grain delivery entry into the permit book.

Default date

Applicants will be placed in default if they have not met all of the obligations of their advance application on or before **September 30, 2007**. (Applicants whose defaulted AMPA advances are repaid after August 31, 2006 are not eligible for a 2006-07 cash advance under ESCAP AH (see page 10).

Fees

Your grain company charges \$75.00 (plus GST if advised by your head office) per application to cover their administrative costs.

Related producers – all applicants must complete

All applicants must answer either "Yes" or "No" to the questions in the section regarding related producers. Failure to complete this section may result in delay or rejection of the advance application and/or advance payments from being processed or issued.

If the applicant answers **YES** to either of the following questions shown in this section on the advance application then the applicant must complete the *Related Producers' Declaration* form:

- Do you appear in other CWB delivery permit books as an individual or as a member of a corporation, cooperative, partnership or other business enterprise?
- Do you share the reporting of income or losses from this or any other farming operation with anyone else for the purposes of the *Income Tax Act* (Canada)?

Submitting and correcting forms

To assist in processing and to provide faster service to farmers, please staple supporting documents to the back of the advance application and fold the advance application with the calculations to the outside.

If a document needs to be amended before the applicant can receive payment this can be done by fax. The CWB will fax its copy to the elevator so that it can be amended. The fax number is (204) 983-8031. The farmer and elevator manager must initial all the changes. The CWB will approve the advance based on the fax copy returned. The original corrected fax copy is kept at the elevator and must be held on file for six years and be available upon request. If for some reason, the original amended fax copy cannot be kept at the elevator, they may be mailed to the CWB for storage.

In addition, the CWB will accept faxed copies of *Priority Agreement* forms if the original, signed copy is either forwarded to us or held on file at the elevator.

Priority Agreement

Where a lien exists, the advance cash ticket can be issued jointly or to the applicant, as directed by the Lender on the *Priority Agreement* form.

Accessing account information

E-services

CWB agents can access farmers' cash advance account information through e-services on the CWB Web site.

E-advances will enable farmers and CWB agents to:

- view cash account balances and transaction details on-line;
- project interest amounts owing and create cash payment scenarios; and
- recalculate the account balance with a payment the CWB has not yet received (in-transit payment).

If your company has not yet signed up for e-services, please call your head office to ask when you will receive access.

Interactive Voice Response (IVR)

Advance account balances are also available through the CWB's Business Centre. Using a touchtone phone, you can access account balances through the IVR system 24 hours a day by calling **1-800-275-4292**. Callers with rotary dial phones are referred to a CWB representative.

The IVR service offers the following information to both grain company representatives and individual farmers:

- the current cash advance balance (separate balances are provided for accounts under ESCAP and AMPA);
- the per diem interest (if applicable);
- a reference number; and
- the last five refunds applied to the account.

IVR system access

Callers to 1-800-275-4292 will be offered a menu of options which will include the option to press 3 for Self Service. From this point, callers will be prompted to press 2 for IVR.

- You can access the information by providing a nine-digit delivery point code and the farmer's 10-digit identification (ID) number.
- Information may be requested for an unlimited number of accounts during one phone call by pressing the number two (2) key to enter each new ID number. To speak to a Business Centre Representative, press the zero (0) key at any time during the call.

Note: if you enter a wrong delivery point code or ID number, you are asked to re-enter the information. If after two attempts the correct information has not been entered, the call is transferred to a CWB representative.

- Farmers need to provide their 10-digit permit ID number and their PIN.

When checking the account balance of an interested party, use the interested party ID number (full 10 digits) and not the permit book number.

An advance account transferred due to a change in the farming operation remains in our system under the original ID number. Both ID numbers should be checked to ensure all advances have been repaid.

If the applicant's farming operation has changed, contact the CWB at 1-800-275-4292. Hours of operation: 7 a.m. to 6 p.m. Central time.

What the IVR system does not provide

The IVR cannot provide advance account information if:

- one is inquiring about a farmer's eligibility to apply for an advance. For example, even though a farmer's advance has been repaid, the farmer may still be ineligible due to related producer appearances, late payment of a defaulted advance or three defaults under AMPA, SCAP or ESCAP. This information can be obtained from the CWB or E-services.
- the account is in legal, judgement or bankruptcy status. The call is transferred directly to a CWB Cash Advance Services representative.
- the account has been transferred to Agriculture and Agri-Food Canada (AAFC). The caller is given the AAFC toll-free number (1-800-282-6249). Transferred balances apply to accounts in default where farmers do not have a repayment agreement in good standing with the CWB. To avoid delays and the inconvenience of calling the wrong number to obtain an account balance, please ask the farmer if their account has been transferred.

Note: the CWB receives weekly account updates from AAFC on transferred accounts. The CWB can provide these updated account balances (which include assessed interest) but not the details on individual account transactions.

Questions? Call the CWB Business Centre

Call the CWB at 1-800-275-4292 if you need assistance completing the cash advance application. Please have the following information available:



- tonnes of wheat, durum, barley and selected barley in storage;
- accepted *Selected Barley Storage and Delivery Contract* numbers, if applicable;
- tonnes to be delivered on an accepted *Selected Barley Storage and Delivery Contract*;
- amount of money received under other programs;
- grain to be:
 - used for seed,
 - fed on farm,
 - delivered to offset the cost of seed purchases;
- total advance payments applied for or received in the 2006-07 crop year by anyone named in the permit book (include any amounts outstanding under ESCAP, SCAP or AMPA);
- tonnes of wheat, durum, barley and selected barley delivered, sold or used on farm for 2006-07 by anyone named in the permit book;
- unpaid balance of any previous 2006-07 advance payments applied for or received by the applicant under the permit book for wheat, durum, barley and selected barley, including any amounts outstanding under *ESCAP*, *SCAP* and the 2006-07 *AMPA* program, or the 2005-06 *AMPA* program where default has been stayed;
- all of the applicant's permit appearances and advances (including those of any related producers);
- if applicable, number of seeded acres under irrigation

Outstanding cash advances

Outstanding cash advances must be entered in the applicant's *2006-07 Delivery Permit Book* to ensure that the proper deductions are taken.

Instructions:

- Transfer all outstanding cash advances taken under the *AMPA*, *Prairie Grain Advance Payment Act (PGAPA)*, *SCAP* or *ESCAP* to pages 4-8 of the *2006-07 Delivery Permit Book* for both actual producers and interested parties.
- List separately on pages 4-8 each producer named in the delivery permit book who has an outstanding balance transferred from the *2005-06 Delivery Permit Book*.
- If default has been stayed on the applicant's 2005-06 *AMPA* cash advance balance, show the transferred balance as a 2006-07 cash advance.
- Show the crop year of the advance and the type of advance (*AMPA*, *SCAP* or *ESCAP*) together with your company name, date and outstanding balance in the appropriate columns for each farmer and initial the entry.
- Take and record deductions for all farmers listed until the advance plus any accrued interest, legal costs and other collection costs are paid in full.

Transferring a *SCAP* or *ESCAP/Pre-harvest* cash advance balance

If the applicant received a cash advance under *SCAP* or *ESCAP/Pre-harvest*, the outstanding amount must be entered into the *2006-07 Delivery Permit Book*.

Endorsing delivery permit books for 2006-07 *ESCAP* AH advances

Issuance

- On the day the advance application is completed, endorse the applicant's delivery permit book for the total amount of the advance. If the advance has been issued, include your elevator company's \$75.00 administration fee (plus GST if advised by your head office) and if applicable, the CWB's fee of \$125.00 (plus GST). Refer to page 18.
- Each applicant is responsible for the repayment of his or her advance.

Default

- When an applicant is placed in default, E Services will be amended to show the change in status. Endorse any delivery permit books issued in substitution and notify the CWB of any additional permit books that have been endorsed.

Transfer of accounts to AAFC

When an account has been transferred to AAFC, you should continue to endorse delivery permit books for transferred amounts. Refer to the CWB Web site E-services link at www.cwb.ca to confirm that the account has been transferred to AAFC. Contact AAFC directly at 1-800-282-6249 for refund details and current balances. The CWB's Business Centre can provide balances, which are updated weekly by AAFC.

Related producers

- Related producers are not eligible for a new advance until the defaulted account is repaid. Deductions are not required.
- Once the account is paid in full, related producers are eligible for a cash advance.

Examples of permit book endorsement after default

Example 1

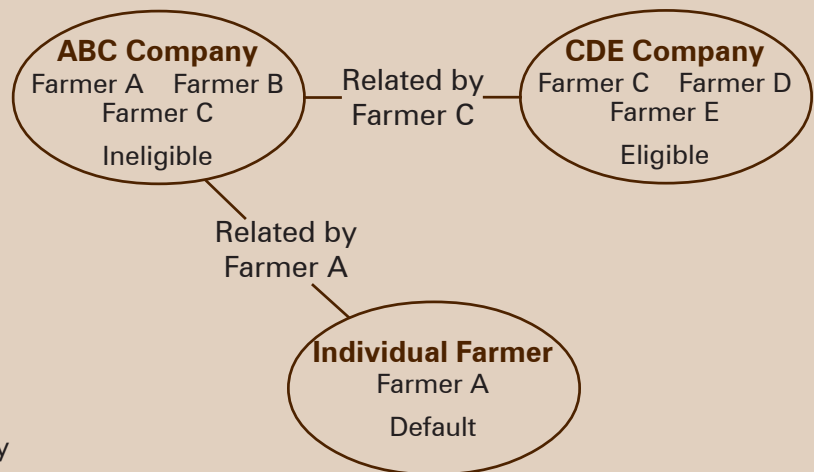
Farmer A has an advance under an individual ID.

Farmer A goes into default.

Because farmer A is also a part of ABC Company, ABC Company cannot receive an additional advance.

Farmer A's book is endorsed for Farmer A's outstanding defaulted advance. Deductions are required from Farmer A's deliveries only.

CDE Company's book is NOT endorsed, nor is CDE Company affected in any way by Farmer A's default.



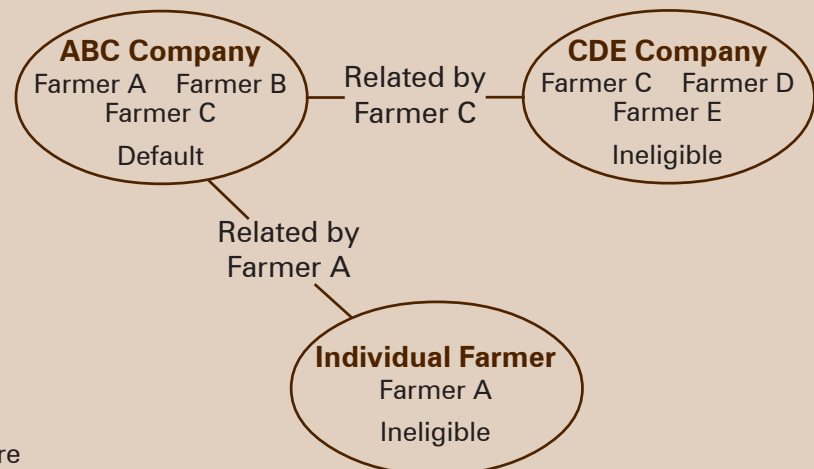
Example 2

ABC Company has an advance and goes into default.

Because Farmer A is also a part of ABC Company, Farmer A cannot receive an additional advance.

Because CDE Company is related to ABC Company through Farmer C, CDE Company cannot receive an additional advance.

ABC Company's book is endorsed for ABC Company's advance. Deductions are required from ABC Company's deliveries only.



Applicant's eligibility

An applicant is eligible for a cash advance if the following apply:

- the applicant must be the actual producer of the grain or be entitled to a share of the grain as a landlord, vendor or mortgagee (interested party).
- the applicant must not have outstanding cash advances from previous crop years under *AMPA*, *PGAPA* or the *Advance Payments for Crops Act (APCA)*.
- if default has been stayed on the applicant's 2005-06 *AMPA* cash advance, the applicant is eligible.
- if the applicant's *AMPA* cash advance was defaulted, it must have been repaid on or before August 31, 2006. Applicants who have defaulted under *AMPA*, *SCAP* or *ESCAP* in three separate program years are not eligible to participate in the advance program for the balance of the program year the defaulted advance was repaid plus one additional program year. This applies to all farming operations in which the applicant has an interest.
- the applicant must not have related producers with outstanding defaulted accounts.
- the applicant must have reached the age of majority, which is 18 in Manitoba, Saskatchewan and Alberta and 19 in British Columbia.
- if the applicant is a corporation, partnership (includes joint producers), cooperative, colony or other business enterprise, at least one of the shareholders, partners, or members must have reached the age of majority and must be principally occupied in the farming operation.
- if the applicant is an individual, he or she must be a Canadian citizen or permanent resident of Canada.
- the applicant must not be a Member of the House of Commons or a current or former public office holder who is prohibited under any applicable federal conflict of interest or ethical principles, rules and obligations from deriving any benefit under the advance payment program.

An applicant who provides false or misleading information is guilty of an offense under the Criminal Code.

Non-residents

Corporations, partnerships (includes joint producers), cooperatives or other associations having participants who are non-residents can apply for an advance if:

Corporation	A majority of the voting shares are held by Canadian citizens or permanent residents.
Partnership (includes joint producers)/Other business enterprise	At least 50 per cent of the profits belong to Canadian citizens or permanent residents
Cooperative	A majority of members must be Canadian citizens or permanent residents of Canada.

Repayment of outstanding or defaulted accounts

An applicant's eligibility for a 2006-07 cash advance is affected by previous advances:

For eligible applicants, if the outstanding advance was paid by a non-certified cheque, contact the CWB to confirm that the cheque has cleared the bank before issuing the advance.

Note: If the applicant is applying for another advance and is repaying a previous advance by cheque, the cheque must be certified.

Applicants with outstanding, non-defaulted 2006-07 ESCAP/SCAP advances and no previous defaulted unpaid AMPA advances.

The applicant is eligible. The amount issued under *SCAP* or *ESCAP* will reduce the maximum amount eligible under AMPA AH.

1997-1998 through 2005-06 defaulted accounts that are repaid on or before August 31, 2006.

The applicant is eligible.

1997-1998 through 2005-06 defaulted accounts that are not repaid on or before August 31, 2006.

The applicant is not eligible for a new cash advance for the 2006-07 crop year. Related producers become eligible once the defaulted account is repaid in full.

Applicants who have outstanding 2005-06 non-defaulted advances due to outstanding selected barley contracts.

The applicant is eligible for a cash advance once the grain has been delivered and settled for and the 2005-06 non-defaulted cash advance has been repaid in full.

Applicants with an outstanding 2005-06 AMPA advance where default has been stayed.

The applicant is eligible. The balance outstanding will reduce the value of stocks available under the *ESCAP AH* program.

Outstanding defaulted advances issued prior to the 1997-98 crop year.

The applicant and any related producers become eligible once the defaulted account is repaid in full.

Applicants who default under *AMPA*, *SCAP* or *ESCAP* in three separate program years, beginning with the 1997-98 program year, are not eligible to participate in the advance program for the balance of the program year the defaulted advance was repaid plus one additional program year. This applies to all farming operations in which the applicant has an interest.

Related producers

The *Related Producers' Provision* requires applicants who have a financial interest in other farming operations to identify all of those farming operations when applying for a cash advance by completing a *Related Producers' Declaration* form.

Who is a related producer?

- **applicants who appear in more than one delivery permit book**, either as individuals, or as shareholders, partners or members of corporations, partnerships, cooperatives or other business enterprises. Applicants who appear in other delivery permit books must list all of their actual producer or interested party ID numbers on a *Related Producers' Declaration*.
- **applicants who, for income tax purposes, share with anyone else the reporting of income or losses from their or any other farming operation.**

Applicants have a legal obligation to disclose all *delivery permit book* appearances and all farming operations in which they have a financial interest.

Examples:

- A** Spouses Joe and Mary Farmer farm separately and have individual delivery permit books. They file separate income tax returns and do not claim income or losses from each other's farming operations. Joe and Mary do share some farm machinery, however the grain produced on the lands described in their individual delivery permit books is delivered in their own names. Joe and Mary Farmer **are not** affected by the Related Producers' Provision.
- B** Spouses Bob and Beth Canada farm separately and have individual delivery permit books. Bob and Beth also farm another parcel of land together as Canada Farms Ltd. Bob and Beth Canada and Canada Farms Ltd. **are all affected** by the Related Producers' Provision because:
- 1 Bob and Beth appear in more than one delivery permit book as individuals or company members;
 - 2 Bob and Beth report income or losses from more than one farming operation for income tax purposes.
- C** Brothers Gord and James West farm together under a joint delivery permit book. Neither Gord nor James appear in any other delivery permit book nor have a financial interest in any other farming operation. Gord and James report their shares of the farm income separately for income tax purposes. Gord and James **do not** have to complete a *Related Producers' Declaration*. However, all cash advance applications for Gord and James must be completed under their joint permit book number. The maximum advance available for Gord and James under *ESCAP* for wheat or barley and all other crops is \$100,000, which is interest-free.

Landlords

A Landlord/Tenant lease agreement **does not** make the landlord and tenant related producers.

Company participants who are **not involved** in any other farming operation do not need to complete a *Related Producers' Declaration*. However, you must attach a note confirming this when submitting the advance application.

Attribution

The amount issued to related producers can affect an applicant's eligibility and the amount that can be issued to that applicant. Since advance limits are determined by applicant and not by delivery permit book, the maximum any applicant may receive under *ESCAP* for advances on all crops is \$100,000, interest free.

This maximum is regardless of the number of farming operations in which the applicant has a financial interest as an individual or as a member of a corporation, partnership, cooperative or other business enterprise.

Determining attribution

Advances to related producers are attributable to the applicant as follows:

If the related producer is a(n):	Amount attributable to the applicant is:
Individual	100 per cent.
Corporation	based on the applicant's percentage of voting shares.
Partnership (includes joint producers)/Business enterprise	based on the percentage of profits to which the applicant is entitled.

Example:

Three farmers are partners and the partnership applies for a \$100,000 advance. None of the partners have a previous advance. Each is entitled to a third of the profits, so each is attributed a third of the \$100,000 maximum. Each farmer is attributed \$33,333.33.

Farmer A has his own permit book and wants to receive the total \$100,000 for which he is eligible, so he applies for the balance (\$100,000 - \$33,333 = \$66,667) through his own delivery permit book. In total, Farmer A is attributed or is eligible to receive:

	Maximum
Through partnership	\$ 33,333
As an individual	<u>\$ 66,667</u>
TOTAL	\$100,000

Amounts issued under SCAP and ESCAP PH will reduce the total eligible amount under ESCAP AH.

Example 1:

Farmer C has a \$10,000 spring advance issued under ESCAP pre harvest

Farmer C is applying for a 2006-07 ESCAP after harvest advance

\$100,000.00	Maximum interest-free benefit
<u>- 10,000.00</u>	Amount of ESCAP PH advance
\$90,000.00	Remaining interest free benefit

Example 2:

FG Corporation (two equal shareholders) has a \$10,000 advance issued under SCAP. Shareholder F is applying under his own farming operation.

\$100,000.00	Maximum interest-free benefit
<u>- 5,000.00</u>	Amount attributed to Share-holder F
\$ 95,000.00	Remaining interest free benefit

Amount of eligible advance

Advances are administered by applicant, not by delivery permit book.

The maximum advance available under *ESCAP* for wheat, durum, barley and all other crops is \$100,000, interest-free, regardless of how many farming operations in which the applicant has a financial interest. Any monies issued under 2006-07 *ESCAP* or *SCAP* program reduces the applicant's maximum advance.

The maximum advance that an applicant can receive is based on:

- the amount of wheat, durum, barley and selected barley in storage on farm. This grain must:
 - be eligible for delivery to an elevator. The grain cannot be out of condition.
 - not be intended for use as seed, fed on farm or delivered for seed purchases. Grain to be used for seed, fed on farm or delivered for seed purchases must be identified on the application.
- for selected barley, the applicant must:
 - have an accepted *Selected Barley Storage and Delivery Contract*, with sufficient outstanding tonnes to cover the stocks declared on the advance application.
 - have received a letter from the CWB confirming acceptance.

Under *ESCAP*, no applicant can receive more than \$100,000.

If a cash advance is issued on barley that is later accepted on a *Selected Barley Storage and Delivery Contract*, the applicant can apply for the balance of the eligible amount. The applicant must complete a second application, and indicate the "accepted" tonnes and the *Selected Barley Storage and Delivery Contract* number.

- the amount of the cash advance attributed to the applicant for advances applied for or received by related producers.

Joint producers

Joint producers are not affected by the Related Producers' Provision unless one or more producers has a financial interest in other farming operations. If affected, a *Related Producers' Declaration* must be completed by each joint producer to track permit book appearances and advances to ensure the maximum entitlement is not exceeded.

Applicants who are joint producers must take out the cash advance under the joint producer permit book number. A refund must be deducted from any deliveries made under either the joint permit book number or under their individual numbers.

Elevator issuance limitation

Seeded acreage limits

The seeded acres on the cash advance application must match the seeded acres listed in the delivery permit book.

The maximum advance that can be issued without prior approval by the CWB for dry land production is:

\$60.00 x seeded acres to wheat, durum and barley

less wheat, durum, barley and selected barley previously delivered, sold or used on the farm by anyone named in the permit book;

less all outstanding 2006-07 program year wheat, durum and barley advances received through the permit book by anyone named in the permit book including amounts outstanding under *AMPA, SCAP or ESCAP*.

The maximum advance that can be issued without prior approval by the CWB for irrigated production is:

\$180.00 x seeded acres to wheat and durum

\$120.00 x seeded acres to barley

less wheat, durum, barley and selected barley previously delivered, sold or used on the farm by anyone named in the permit book;

less all outstanding 2006-07 program year wheat, durum and barley advances received through the permit book by anyone named in the permit book including amounts outstanding under *AMPA, SCAP or ESCAP*.

If the advance requested exceeds the seeded acreage limitation, you can issue an amount up to the seeded acreage limitation immediately (subject to the advance payment limitation of \$50,000). The remainder of the advance requested requires CWB approval before issuance.

Interested parties

If more than one party (for example, the permit book holder and a landlord) is applying for an advance through the same permit book, the issuance limitation is on a first come, first served basis. Since the issuance limitation is based on the total seeded acreage shown in the permit book, once the issuance limitation has been used, all additional advances must be sent to the CWB for verification.

Example: Based on the seeded acre calculation, if the elevator issuance limitation is \$40,000 and the permit book holder receives \$40,000, if a landlord later applies for an advance, the application must be sent to the CWB for approval.

CWB verification of stocks

When applications are sent to the CWB for approval, the following factors are considered when determining if stocks claimed on the application are reasonable:

- average yields in the applicant's area;
- current seeded acres in the permit book;
- delivery records;
- advances issued to other producers under the same permit book; and
- number of acres claimed on *Application For Irrigation Rate* form.

Advance payment limitation

A maximum of \$50,000 or up to the Elevator Issuance Limitation can be issued for the first payment. This amount includes all 2006-07 advances issued to the applicant through the permit book (includes amounts issued under *SCAP or ESCAP*). If the applicant is applying for more than \$50,000, you can issue up to \$50,000 immediately (subject to the seeded acre limitation). Corporations, partnerships (includes joint producers), cooperatives or other business enterprises require an approved *Declaration and Guarantee* form. Colonies require an approved *Guarantee* form. Both these forms may be pre-approved. See pages 41 and 58 for further details. Send the application to the CWB for approval of the balance. Once CWB approval is received by fax, issue the second payment.

Continuing Declaration and Guarantee forms for SCAP and AMPA **cannot** be used for the *ESCAP AH* program.

Example 1: If an applicant has sufficient seeded acres to qualify for a \$62,000 cash advance and requests the entire amount, you are limited to issuing a first payment of \$50,000. The application must be sent to the CWB for approval before the \$12,000 balance can be issued as a second payment.

Example 2: An applicant received \$30,000 on his first advance and is now applying for an additional \$30,000. You can only issue \$20,000. The application must be sent to the CWB for approval and the balance (\$10,000) issued as a second payment, once approved.

Example 3: If an applicant has 445 irrigated wheat acres and 320 dry land acres of wheat, the seeded acres limitation is \$99,300 (box 3 a. on the advance application form – transferred from calculations made on the *Application for Irrigation Rate* form)

$$\begin{array}{r} (445 \times \$180 = \$80,100) \\ (320 \times \$60 = \$19,200) \\ \hline \$99,300 \end{array}$$

Your issuance limitation is \$50,000.

You can issue \$50,000 as a first payment.

The application must be sent to the CWB for approval before the balance of \$49,300 is issued.

Corporations, partnerships, cooperatives or business enterprises –

the application must be signed as follows:

1. the official name of the organization must be printed;
2. the person with signing authority must sign; and
3. the signing officer must indicate authority to sign.
(President, Vice-President, Farm Manager, etc.)

When the party signing on behalf of the company is not an official member of the company (e.g. Farm Manager), documentation must be provided verifying that the signing party is authorized to sign a money debt.

<u>ABC CORPORATION</u>	
Signature(s) of Applicant(s)	
<u>F.A. Somebody PRESIDENT</u>	<u>Sept. 20 2006</u>
Actual Producer's signature if not the applicant	Date

Colonies – the application must be signed as follows:

1. the company name must be printed;
2. the person(s) with signing authority must sign; and
3. the signing officer(s) must indicate positions held. (Secretary, Treasurer, etc.)

<u>Hitt Beth Church of a Colony</u>	
Signature(s) of Applicant(s)	
<u>W.B Pearson, secretary treasurer</u>	<u>Sept. 20 2006</u>
Actual Producer's signature if not the applicant	Date

Signature of interested parties (landlords, vendors and mortgagees):

If the applicant is an interested party, ensure the interested party makes the declaration and signs the application. Advances issued to interested parties must be signed in the same manner as advances issued to the actual producer. The actual producer must sign in the space provided.

<u>John Paul Landlord</u>	
Signature(s) of Applicant(s)	
<u>Jane Alice producer</u>	<u>Sept. 20 2006</u>
Actual Producer's signature if not the applicant	Date

Read the *Notice to Elevator Manager* on the application form.

Ensure all provisions have been met before sending the application to the CWB.

Issuing cash tickets

The advance payment cash ticket must be made payable to the applicant as listed on the application form. If the applicant is a corporation, partnership (includes joint producers), cooperative or other business enterprise, the cash ticket must be made out in the name of the business.

- If there is a lien or other security on the applicant's grain, issue all cash tickets in the manner requested by the Lender as set out in the *Priority Agreement* (i.e. jointly or to the applicant).
- Ensure the cash ticket includes the date, company number, station code, delivery point name, six-digit advance application number, applicant's name, and the applicant's ID number.
- Report cash tickets using the pool code "FA".

Grain company administration fee

Your grain companies charges a \$75.00 fee (plus GST if advised by your head office) to cover the administration costs of issuing cash advances. This fee is deducted from the cash ticket. Consult with your head office for further details. The applicant is responsible for repayment of the entire amount of the cash ticket.

CWB fees

If the applicant applies for and receives one or more cash advances that total over \$50,000 (including amounts from 2006-07 *ESCAP* and *SCAP*), a \$125.00 (plus GST) fee will be assessed to cover the additional expense of validation and approval. Other CWB administrative costs will be covered by the pool accounts.

Instructions:

- deduct the CWB fee (plus GST);
- deduct your grain company administration fee if not previously deducted for the advance (plus GST if applicable);
- report the gross value to the CWB;
- endorse the delivery permit book for the gross value (total amount paid to the applicant plus the CWB fee and your grain company fee).

If you have questions, call the CWB at 1-800-275-4292.

Applications requiring CWB approval

The CWB must verify the following applications before a cash ticket can be issued:

- requests over \$50,000 (including previous advances).
- requests that exceed the elevator issuance limitation.
- corporations, companies, partnerships (includes joint producers), cooperatives, other business enterprises (including Colonies) that have not been pre-approved.

Once CWB approval is received by faxed letter:

- issue the advance cash ticket within 30 days of CWB approval.
- submit the CWB copy of the advance cash ticket to your head office.

Example 1:

Company A with pre-approved Declaration and Guarantee

\$80,000.00 advance applied for [gross amount endorsed in permit book]

- 79.50 grain co. fee (includes GST)

-132.50 CWB fee (includes GST)

\$79,788.00 paid to applicant

\$49,920.50 1st cash ticket

\$29,867.50 2nd cash ticket (after CWB approval)

Example 2:

Applicant A applies for 2 advances that total more than \$50,000

\$25,000.00 1st advance applied for [gross amount endorsed in delivery permit book]

- 79.50 grain co. fee (includes GST)

\$24,920.50 paid to applicant

\$32,000.00 2nd advance applied for [gross amount endorsed in delivery permit book]

- 79.50 grain co. fee (includes GST)

- 132.50 CWB fee (includes GST)

\$31,788.00 paid to applicant

Total Endorsement \$57,000.00 (\$25,000 + \$32,000)

Bin inspections

Bin inspections were introduced by the federal government to assist in ensuring program integrity. The grain pledged on the advance application is the security on which the cash advance is based. The CWB has a responsibility to ensure the grain exists. By signing the cash advance application form, applicants agree to bin inspections.

Bin inspections are conducted by agents appointed by the CWB. The inspectors contact the applicant to make arrangements to measure the bins and determine the amount of grain each bin contains. The report the inspector submits to the CWB is compared to the advance application to determine if the applicant has sufficient grain to repay the advance at the advance issuance rate.

There are two types of bin inspections:

1. Pre-issuance

Bin inspections are required before an advance can be issued, when stocks claimed on the advance application exceed the area average yield (accounting for applicants who have irrigated acres and completed the *Application for Irrigation Rate* form). The applicant must have enough grain to cover the amount of the advance requested at the advance payment rate.

Applicants who refuse the inspections are not eligible for an advance. If the applicant reduces the amount of advance requested to the area average yield, an inspection will not be required.

2. Post-issuance

Bin inspections can be done at any time during the year after an advance has been issued. Post-issuance inspections are either done at random or for selected applicants who are considered high risk based on their advance payment history.

Failed bin inspections

Applicants' accounts will be placed in default if:

- they fail or refuse a bin inspection;
- the shortfall upon inspection is more than 10 per cent of the issued amount calculated at the advance rate.

An applicant can contact the CWB to appeal a failed bin inspection. If an applicant disagrees with the inspection report or thinks the inspector did not inspect all relevant bins, a re-inspection may be granted after CWB review. Appeals should be requested immediately after the failed bin inspection was conducted.

Questions about bin inspections

If you or the applicant have questions about a bin inspection, call the CWB at 1-800-275-4292.

Repayments

By signing the cash advance application, the applicant agrees to deliver grain when delivery opportunities allow until the advance is repaid in full.

Only the applicant is responsible for repayment of the advance. Deductions are not taken from related producers or other parties appearing in the permit book.

A permit book is required to obtain a cash advance.

The CWB has a continuing security interest in the grain pledged against the advance.

Deductions for cash advances must be made:

- before any other deductions (does not include deductions for freight and handling or any other charges or levies prescribed by law);
- on all deliveries of wheat, durum, barley and selected barley made by the applicant to the CWB, off-Board market, an authorized feed mill or a railway car;
- until the advance and any interest, plus legal and collection costs if applicable, is repaid in full;
- whether or not the grain being delivered was pledged in the advance.
- advance refunds deducted from grain deliveries will be applied to advances in order of issuance, with the oldest advance being retired first

By signing the advance application, the applicant authorizes you to take these deductions.

Call 1-800-275-4292 for advance repayment rates before the 1993-94 crop year.

Deductions for oats
Take deductions from deliveries of oats for producers who have outstanding advances from the 1988-89 crop year or earlier.

Advance repayment rates

(dollars per tonne)

Crop year	Wheat	Durum	Barley	Sel Bly
2006-07 (ESCAP AH/AMPA)	\$80.00	\$75.00	\$35.00	\$60.00
2006-07 (SCAP/ESCAP PH)	\$70.00	\$70.00	\$35.00	\$60.00
2005-06 (SCAP)	\$65.00	\$70.00	\$35.00	\$60.00
2005-06 (AMPA)	\$70.00	\$75.00	\$35.00	\$60.00
2004-05 (AMPA)	\$80.00	\$75.00	\$40.00	\$63.00
2004-05 (SCAP)	\$70.00	\$70.00	\$40.00	\$63.00
2003-04 (AMPA)	\$70.00	\$75.00	\$40.00	\$70.00
2003-04 (SCAP)	\$80.00	\$90.00	\$45.00	\$70.00
2002-03 (AMPA)	\$85.00	\$95.00	\$60.00	\$75.00
2002-03 (SCAP)	\$80.00	\$95.00	\$55.00	\$75.00
2001-02 (AMPA)	\$80.00	\$90.00	\$50.00	\$75.00
2001-02 (SCAP)	\$80.00	\$75.00	\$45.00	\$75.00
2000-01 (AMPA)	\$65.00	\$70.00	\$40.00	\$65.00
2000-01 (SCAP)	\$65.00	\$70.00	\$40.00	\$65.00
1999-2000	\$60.00	\$65.00	\$35.00	\$60.00
1998-99	\$60.00	\$65.00	\$35.00	\$60.00
1997-98	\$70.00	\$80.00	\$43.00	\$70.00
Repayment rates 1996-97 to 1993-94				
Crop year	Wheat	Barley	Oats	
1996-97	\$ 80.00	\$ 65.00	N/A	
1995-96	\$ 70.00	\$ 50.00	N/A	
1994-95	\$ 55.00	\$ 43.00	N/A	
1993-94	\$ 55.00	\$ 43.00	N/A	

Repayment rate 2006-07 advances

Payment should not exceed the net returns for the grain at the elevator, factoring in:

- grade of the grain;
- tough and damp discounts;
- provincial commission fees where applicable; and
- handling and transportation costs.

ESCAP AH advances issued for the 2006-07 crop year are repaid at the same rate at which they were issued. For example, if an advance was issued for wheat at \$80.00 per tonne, a deduction of \$80.00 is made for every tonne of wheat delivered.

Every producer certificate reported to the CWB is checked to determine whether the proper deduction has been taken. **Ensure that the proper repayments are made. If repayments are missed or are insufficient, your company will be held liable.**

Farmers may repay the advance at a higher rate if they request to do so. This decision must be made at the time of settlement.

1997-98 and later crop year AMPA advances

When a 1997-98 or later program year advance is outstanding in a later program year, the repayment rate is the greater of:

- the rate at which the advance was issued; or,
- the current advance rate.

Example: If the applicant's advance issued at \$80.00 per tonne for wheat is outstanding in the next program year, and the new rate for wheat is \$60.00 per tonne, deductions are taken at \$80.00 per tonne. If the rate for wheat in the next program year is \$85.00 per tonne, deductions are taken at \$85.00 per tonne.

Deliveries to feed mills, grain dealers, and ethanol plants

Feed mills, grain dealers and ethanol plants must have an "Advance Payment Deduction Agreement" in order to deduct and report any refunds from feed grain deliveries to their facilities. If such an agreement is signed, and the grain is delivered under a delivery permit book that has an endorsement, the required advance deduction is made and immediately remitted to the CWB on a Form GDFMEP91 (available from the CWB). The refund and delivery details must be entered in the farmer's 2006-07 delivery permit book.

Deliveries of feed grain by farmers to these facilities are not subject to delivery calls.

Where a feed grain delivery is made to a feed mill, grain dealer or fuel ethanol plant who do not have an Advance Payment Deduction Agreement with the CWB, it is the farmer's responsibility to submit the necessary advance refund to the CWB within seven days of settlement and to make the appropriate grain delivery entry into the permit book.

Report cash payments representing wheat or barley farm to farm sales, feed lot deliveries or missed refunds to the CWB as pool code O/C - (Other Cash).

For all advances (1997 and later), the repayment rate is the rate at which the advance was issued or any later crop year rate (whichever is greater).

Inform the CWB and your head office if an applicant's status changes. This includes breaching any of the terms and conditions, death, land transactions, address changes and any other information that may assist in recovering the advance.

Cash refund interest does not apply to cash repayments of ESCAP advances.

Automated bill payment service

The CWB introduced a telephone/internet/ATM bill payment service enabling farmers to repay their outstanding CWB cash advances. To use this service, farmers must contact their own financial institution to arrange for them to set up this automated bill payment system.

The CWB does not charge any fee for automated payments; however, the farmer's financial institution may charge a transaction fee for this service.

To make automated bill payments, farmers will be asked to provide their CWB account number which is the 10-digit producer ID number. The Pool Code for these payments is BT (Bank Transfer). Call 1-800-275-4292 for more information.

When feed barley is selected

If an advance is taken at the feed barley rate and the barley is later accepted under a *Selected Barley Storage and Delivery Contract*, the repayments must be deducted at the selected barley rate. Applicants whose feed barley is selected may apply for an additional advance payment.

When selected barley is rejected

If an advance was taken on selected barley that was accepted by the selector and the grain is later rejected and offered as feed barley, deductions must still be taken at the selected barley rate to ensure the advance is repaid in full.

Out-of-condition grain

If grain pledged against an advance goes out of condition before it can be delivered, the applicant must make a cash repayment to the CWB immediately for the amount of grain out of condition at the advance rate. The applicant must also pay interest at the prime rate on that portion of the advance. Failure to do so may result in default.

Deliveries to facilities where deductions cannot be made

If grain is delivered to a facility where a deduction cannot be made by an authorized agent, the applicant must submit the appropriate deduction (tonnes x rate) to the CWB within seven days of settlement with copy of receipt. Failure to do so may result in default.

Note: Elevator managers should report cash refunds representing farm to farm sales, feed lot deliveries or missed refunds to the CWB as pool code O/C (Other Cash).

Exemptions for deliveries to purchase seed

Deductions are not required on grain delivered under CWB authorization to purchase seed. Refer to page 26 of the *2006-07 Delivery Permit Book* for more details.

Important: Applicants should indicate grain set aside for this purpose on the Advance Application under Section 1.ii.

Finalizing interest-bearing accounts

You can get the updated balance by accessing CWB E-services, providing your company has signed up for this service.

Reporting repayments on the cash ticket

On the cash ticket, report the deduction as a CWB refund.

Recording repayments in the delivery permit book

Record repayments for wheat, durum and barley advances on pages 4-8 of the *2006-07 Delivery Permit Book*.

Statements to farmers

On advances with accrued interest, a statement outlining principal, interest, repayments and the balance outstanding is sent to farmers each month.

When cash payments are sent to the CWB, statements are also sent to applicants. The statement serves as a receipt for the cash payment. A statement is sent to the farmer when the advance is repaid. Account statements will be sent to all farmers with cash advances, on a quarterly basis in October, January, April and July.

Outstanding PGAPA advances

For outstanding PGAPA advances issued in the 1996-97 crop year or earlier, make deductions at the rate at which the advance was issued (see page 20). Record the deductions on pages 4-8 of the *2006-07 Delivery Permit Book*.

Applicants who have participated in more than one cash advance

Each separate 10-digit ID number must be checked to determine each outstanding balance.

When checking the account balance of an interested party, use their interested party ID number (full 10 digits) and not the permit book holder's number.

Deliveries of wheat, durum and barley to the CWB and the off-Board market must be recorded in the delivery permit book.

Defaults

An account is placed in default and any interest-free benefits are forfeited when the applicant:

Applicants who have defaulted in three separate crop years on their cash advances are ineligible to receive a cash advance in the program year following the program year the defaulted advance was repaid. This applies to advances issued in or after the 1997-98 program year, under *AMPA*, *SCAP* and *ESCAP*.

- has not met all of the obligations of this application on or before September 30, 2007.
- has not taken advantage of delivery opportunities. The CWB will send a letter requiring repayment within 20 days;
- provides false or misleading information or evades repayment;
- does not comply with the Terms and Conditions of the repayment agreement;
- fails or refuses a bin inspection after the advance has been issued (shortfall is more than 10 per cent over the issued amount, calculated at the advance payment rate);
- files for bankruptcy or a receiving order is made against the applicant;
- has not applied for a delivery permit book by October 15th of the next crop year where default has been stayed.

Consequences of default

- Applicants with defaulted advances issued after the 1996-97 program year are not eligible for a new advance in the program year in which the advance is repaid. For example, if a defaulted 1997-98 through 2005-06 advance issued through *AMPA* is repaid in full after August 31, 2006, the applicant will not be eligible for another advance until 2007-08.
- When an applicant is defaulted, all related producers are ineligible to receive an advance until the defaulted account is repaid in full.
- After a defaulted account is repaid, the next application the applicant or related producer makes may require approval by the CWB before issuance. A bin inspection may also be required. If CWB approval is required prior to an advance being issued, a notification sticker will be sent to the elevator manager who issued the current permit book.
- Applicants who default in three separate program years (starting with 1997-98 program year), under *AMPA*, *SCAP* or *ESCAP* are ineligible to participate in the advance program for the balance of the program year the defaulted advance was repaid plus one additional program year. This applies to all the farming operations in which the applicant has an interest.
- Deductions can be taken from any future CWB payments.
- Deductions can be taken from any payments the applicant receives from other Agriculture and Agri-Food Canada (AAFC) programs.
- Applicants with defaulted accounts where no repayment agreement is reached with the CWB will be notified when their accounts are forwarded to AAFC for collection.

Stay of default

If delivery opportunities have been limited during the crop year, the CWB will request that the Minister of Agriculture and Agri-Food Canada stay default into the next advance crop year until applicants have had sufficient delivery opportunities to repay their advances.

Repayment

Upon default, the applicant must repay:

- outstanding principal;
- outstanding interest;
- default interest charges compounded from the date of the advance cash ticket; and
- any legal and collection costs.

All shareholders, partners or members of a corporation, partnership (includes joint producers), cooperative or other business enterprise are individually and collectively responsible for the outstanding amount in the event of default.

Interest

Interest-free advance

The 2006-07 *ESCAP AH* advance is interest-free to September 30, 2007 or until the account is defaulted. The interest is paid by the federal government. The \$100,000 interest-free portion includes amounts issued to related producers. Refer to pages 11 and 12.

Default interest

Crop years 2006-07 to 1997-98 (including *SCAP* and *ESCAP*)

- Interest is assessed from the date the advance cash ticket was issued, on the principal outstanding at the time of default, until the advance is repaid.
- Interest is assessed at the applicable rate identified in the table below, set at the beginning of each month, calculated daily and compounded monthly.

Crop years 1996-97 to 1989-90

- Interest is assessed from the date of default on the principal and any interest outstanding until the advance is repaid.
- Interest is assessed at the applicable rate identified in the table below, set at the beginning of each month, calculated daily and compounded monthly.

Crop year	Default interest rate
2000-01 through 2006-07 (<i>AMPA</i> , <i>SCAP</i> and <i>ESCAP</i>)	Prime plus three per cent
1999-2000, 1998-99	Prime plus five per cent
1997-98, 1996-97	Prime plus three per cent
1995-96 - 1989-90	Prime plus one and one-half per cent

For rates before 1989-90, call 1-800-275-4292.

Forms

Instructions

To use this guide effectively, you must first determine what type of applicant you are assisting:

- individual;
- corporation, partnership (includes joint producers), cooperative, business enterprise; or
- colony;

and whether or not they are affected by the Related Producers' Provision.

Applicant

Forms Required

Individual who is not affected by the Related Producers' Provision - see Pages 29-33	<ul style="list-style-type: none">• Advance Application• Priority Agreement
Individual who is affected by the Related Producers' Provision - see Pages 34-40	<ul style="list-style-type: none">• Advance Application• Priority Agreement• Related Producers' Declaration
Corporations, Partnerships (includes joint producers), Cooperatives or other business enterprises that are not affected by the Related Producers' Provision - see Pages 41-47 Example with outstanding SCAP advance	<ul style="list-style-type: none">• Advance Application• Priority Agreement• Declaration and Guarantee *
Corporations, Partnerships (includes joint producers), Cooperatives or other business enterprises that are affected by the Related Producers' Provision - see Pages 48-57	<ul style="list-style-type: none">• Advance Application• Priority Agreement• Declaration and Guarantee *• Related Producers' Declaration• Participants' Calculation Worksheet
Colonies that are not affected by the Related Producers' Provision - see Pages 58-64	<ul style="list-style-type: none">• Advance Application• Priority Agreement• Guarantee for Colonies *
Colonies that are affected by the Related Producers' Provision - see Page 65	<ul style="list-style-type: none">• Advance Application• Priority Agreement• Guarantee for Colonies *• Related Producers' Declaration• Participants' Calculation Worksheet

* Company applicants and colonies who have been pre-approved DO NOT have to complete a new *Declaration and Guarantee* or *Guarantee for Colonies* form.

The Application For Irrigation Rate is required when the applicant has grain produced under irrigation and wants to receive the benefit of the higher elevator issuance limitation. The elevator issuance limitation rate for wheat and durum produced under irrigation is \$180.00 per seeded acre and for barley produced under irrigation is \$120.00 per seeded acre.

An example and step-by-step instructions for completing the form are shown on page 28.

Note: A First Nations band applying for an advance requires a band council resolution. Please contact the CWB at 1-800-275-4292 for further information.

How to complete an *Application for Irrigation Rate* form

The elevator issuance limitation rate for wheat and durum grown under irrigation is three times the dry land rate per seeded acre; for barley grown under irrigation, the rate is twice the dry land rate per seeded acre.

To be eligible for the irrigation rate:

- the applicant must have a water services agreement in effect for the acres identified as under irrigation.
 - all the wheat, durum and barley grown under irrigation must be identified by class on the form.
 - documentation confirming water services agreements and crop insurance records must be provided if requested by the CWB.
- Record the applicant's personal information as it appears on the 2006-07 *Advance Application* form. Include the applicant's 10-digit ID number as well as the 6-digit *Advance Application* number, imprinted in the box on the top-centre of page two on the *Advance Application* form.
 - Have the applicant answer the question on crop insurance. Record the contract number (if a contract exists) in the box provided.
 - Have the applicant indicate the type of water services agreement they have. Record the full name and phone number of the organization with whom the agreement exists. **Note:** If the agreement is with a water services district, indicate the full name of the district.
 - Enter the applicant's crop information. Under the headings, Wheat and Durum Acres and Barley Acres, indicate the class of grain under irrigation. Enter the land description (as shown in the applicant's 2006-07 *Delivery Permit Book*) that corresponds to the class of grain indicated, the acres under irrigation in that parcel, and the yield (in tonnes) per acre.
 - Enter the total wheat and durum acres under irrigation in Box (A). Enter the total barley acres under irrigation in Box (B).
 - Multiply the amount in Box (A) by \$180.00 and enter the result in Box (C).
 - Multiply the amount in Box (B) by \$120.00 and enter the result in Box (D).
 - Multiply the applicant's total wheat, durum and barley acres not under irrigation (Box (N) of the applicant's 2006-07 *Delivery Permit* minus Box (A) & (B) above) by \$60.00 and enter the result in Box (E).
 - Add Boxes (C), (D) and (E). Enter the total. Transfer this amount to the box on line 3(a) of the applicant's *Advance Application*.
 - Have the applicant sign and date the form.

APPLICATION FOR IRRIGATION RATE

To be eligible for the irrigation rate, the applicant must have a water services agreement in effect for the acres identified as under irrigation. All information contained on this form is subject to verification. Documentation confirming water services agreements must be provided if requested by the CWB.

Applicant's Name: Producee Don Advance Application Number: 456789
 Applicant's CWB I.D. No. 1010101918181717
 Do you have crop insurance confirming the acreage of wheat, durum and barley grown under irrigation? Yes No
 If yes, please indicate crop insurance contract number: 900000
 My water services agreement is Private or is with: A District Phone No. 403 555-5151
 Name of service provider, including district, if applicable

Land Under Irrigation	Land Description						Seeded Acres Under Irrigation	Yield Tonne/Acre
	PART	SEC	TP	R	SE			
*Wheat and Durum Acres								
		<u>SE</u>	<u>18</u>	<u>12</u>	<u>7</u>	<u>6</u>	<u>160</u>	<u>2.7</u>
Total wheat and durum acres under irrigation							<u>160</u>	(A)
Barley Acres								
		<u>SE</u>	<u>18</u>	<u>12</u>	<u>7</u>	<u>6</u>	<u>300</u>	<u>2.6</u>
Total barley acres under irrigation							<u>300</u>	(B)

*Indicate crop grown by using (CWRS, CPSR, CPSW, CWES, CWSWS, CWRW, CWHMS, CWAD and Non-Registered Varieties)

Total acres of wheat and durum under irrigation (Box A above) 160 x \$180.00 = \$ 28,800 (C) Elevator issuance limitation for wheat and durum grown under irrigation.

Total acres of barley under irrigation (Box B above) 300 x \$120.00 = \$ 36,000 (D) Elevator issuance limitation for barley grown under irrigation.

Total acres of wheat, durum and barley not under irrigation (Box N of permit application subtract Box A & B above) 100 x \$60.00 = \$ 6,000 (E) Elevator issuance limitation for land not under irrigation.

Total (C+D+E) = \$ 70,800 Transfer amount to 3.a) on Advance Application.

I declare that the information provided is true and complete. I understand that knowingly providing false or misleading information is an offence under the Criminal Code and, for advances issued under the Agricultural Marketing Programs Act (AMPA), an offence under that Act.

Producer D Sept. 20/06

Issuing an advance

Individual (not affected by the Related Producers' Provision)

Forms required

- Application form.
- Additional *Priority Agreement* form(s) - if required.
- Application For Irrigation Rate form - if applicable (see page 28).

Under *ESCAP* the maximum an individual or joint applicant can receive is \$100,000. (This includes any amount issued on the 2006-07 *ESCAP* pre-harvest or *SCAP*).

Instructions for completing the *Advance Application*

Have applicants read page one of the advance application. Advise applicants that by signing the application, they are agreeing to the terms and conditions outlined in these documents.

Complete the applicant and delivery point information section of the form.

- Enter your station fax number to receive faxes of documents for correction and authorization where a second payment is requested.

Enhanced Spring Credit Advance Program (ESCAP)/After-harvest						
(Program runs from September 1, 2006 to September 30, 2007. Application deadline is May 31, 2007 or sooner.)					123456	
TO THE ELEVATOR MANAGER: before this application is completed, ensure that you and the applicant read and understand "Applicant's eligibility" in the 2006-07 <i>ESCAP</i> advance payments for wheat, durum and barley country elevator guide.						
Do not issue a cash ticket(s) to a corporation, partnership (includes joint producers), cooperative or individual(s) conducting business under a business name, or a colony, until the application has been verified or you have received pre-approval of the <i>ESCAP</i> Declaration and Guarantee or Guarantee for Colonies from the CWB.						
Applicant Information This form must be completed in ink						
Applicant's Last Name PRODUCER	First Name ARNOLD	Middle Name LAWRENCE	Applicant's CWB Identification Number 0,0,0,0,3,4,5,6,7,8	Day 2	Month 0	Year 0,9,0,6
Applicant's Address Box 1 Someplace, SK S0K 0Z0			Permit Number 0,0,0,0,3,4,5,6,7,8	Company/Delivery Point Code 0,9,9,7,9,9,9,9,0,1		
Date of birth (DD/MM/YY) 15 02 55			Reference Number	Station Name Any Station		
Applicant's Telephone No. (306) 123-4567		Applicant's Fax No. (306) 123-4568	Declaration and Guarantee/Guarantee No.	Station Telephone No. (306) 555-3832	Station Fax No. (306) 555-3833	

For the section regarding related producers, the applicant is not affected by the Related Producers' Provision and should check the box "NO". The applicant does not require a *Related Producers' Declaration* form.

Important:
Complete this section accurately – failure to do so will delay application approval.

ALL APPLICANTS MUST COMPLETE THIS SECTION by answering "Yes" or "No"

Complete the following questions by answering "yes" or "no". Answer "yes" if either statement (or both) is true. If you answer "yes", complete the *Related Producers' Declaration* form and attach it to this advance application.

- Do you appear in other CWB delivery permit books as an individual or as a member of a corporation, cooperative, partnership, or other business enterprise? Yes No
- Do you share the reporting of income or losses from this or any other farming operation with anyone else for the purposes of the *Income Tax Act* (Canada)?

Eligible amount

- Enter the applicant's total tonnage in storage on the farm including carryover stocks and current crop year production in column i.
 - Only include the applicant's stocks of grain.
 - For selected barley, include only outstanding tonnage under a *Selected Barley Storage and Delivery Contract* that has been accepted by a selector. Include the contract number(s) in the box(es) provided. A CWB letter confirming acceptance must have been received.
- Record tonnages to be used for seed, fed on farm and deliveries to purchase seed in column ii.
- Calculate the tonnage eligible for delivery to the CWB, column iii, by subtracting column ii from column i.
- Multiply column iii by the rate per tonne, column iv, to complete the eligible amount, column v.
- Add the eligible amounts for each grain together and record the total under 1(e).
- Record the amount of the applicant's unpaid balance of previous 2006-07 wheat, durum and barley advances received under *ESCAP* or *SCAP* through this permit book in 1(f). Record the amount of the applicant's previous unpaid advances for wheat, durum and barley applied for or received under this delivery permit book for the 2006-07 program year under *AMPA* in 1(g). Include the unpaid balance from the 2005-06 *AMPA* program where default has been stayed.
- Enter the result in Box (A) **Total Eligible Amount**.

If transferring an advance from an inactive permit book, attach a note identifying the inactive ID number.

Grain	i Applicant's Total Farm Stored Grain (under this permit book) ①	ii Grain Not Eligible For An Advance Payment Grain To Be Used For Seed, Fed on Farm, or Delivered for Seed Purchases ②	iii Tonnage Eligible for Delivery to CWB (Column i subtract Column ii) ③	Maximum Advance Payment Based On Inventory	
				iv Rate Per Tonne	v Eligible Amount (Column iii multiplied by Column iv) ④
a) Wheat	5 2 8	1 0 0	4 2 8	\$ 80.00	\$ 3 4 2 4 0
b) Durum				\$ 75.00	\$
c) Barley	2 9		2 9	\$ 35.00	\$ 1 0 1 5
d) Sel Bly	1 0 3		1 0 3	\$ 60.00	\$ 6 1 8 0
List accepted selected barley contract numbers.		456780	CWB letter confirming acceptance must have been received. Only selected barley that has been accepted by a selector under contract is eligible.		
e) Maximum advance payment based on inventory (add a, b, c and d of column v)					41,435 ⑤
f) Applicant's unpaid balance of previous 2006-07 wheat and barley advances received under this permit book through <i>ESCAP</i> or <i>SCAP</i>					0 ⑥
g) Applicant's unpaid balance (including interest) of previous 2006-07 wheat and barley advances applied for or received under this permit book through <i>AMPA</i> (include unpaid balance of amounts previously transferred from the 2005-06 <i>AMPA</i> program where default has been stayed).					4,150
h) Subtract (f)+(g) from (e) and enter the total in box A					37,285 A ⑦

Maximum advance

- Calculate the maximum cash advance by subtracting the total of 2(b), 2(c) from 2(a).
- Enter the amount in Box (B) Maximum Cash Advance.

2. Maximum Advance <small>If you are an individual affected by the Related Producers' Provision, please complete a Related Producers' Declaration before completing the rest of this form. Companies must complete paragraph 2 before filling out the Related Producers' Declaration.</small>	
a) Maximum 2006-07 advance under E SCAP	\$ 100,000
b) Applicant's previous 2006-07 wheat and barley advances applied for or received through E SCAP or SCAP	0
c) Applicant's total previous advances applied for or received through all appearances under E SCAP or SCAP from all other organizations on all other crops	0
d) Subtract (b) + (c) from (a) and enter the total in box B Maximum Cash Advance	100,000 B

Elevator issuance limitation

For applications sent to the CWB for approval before issuance of a cash ticket, do not complete this section of the application form. However, have the applicant answer the irrigation form question. If the applicant has irrigated wheat, durum and/or barley check the "yes" box and complete an *Application For Irrigation Rate* form (see page 28).

- For applicants without irrigated acres, record **all** seeded acres that appear in Box (N) of the applicant's 2006-07 *Delivery Permit Book* in the space provided in 3(a).
- Multiply the total seeded acres by the seeded acre rate (\$60.00) and enter the result in 3(a). For applicants who are applying for the irrigated rate, transfer the amount from the *Application For Irrigation Rate* form (Total (C+D+E)) to Box 3(a) on the application form.
- List the tonnes of wheat, durum wheat, barley and selected barley that have been delivered, sold or used on the farm by anyone named in the delivery permit book. Multiply each by the rate and enter the results in the spaces provided. When determining the number of tonnes delivered, do not include storage deliveries from a previous crop year settled this crop year. Add the amounts for 3(b) through to 3(e) and enter the total in 3(f).
- In 3(g), list the total previous 2006-07 wheat and barley advances outstanding on this permit book through SCAP, ESCAP and AMPA by anyone named in this delivery permit book.
- Subtract 3(f) and 3(g) from 3(a) and enter the result in Box (C)

Elevator Issuance Limitation.

Deduct for grain delivered, sold or used on farm in the 2006-07 crop year.

Important: Complete this section accurately. Failure to do so may result in the advance being rejected to your company if yield information indicates the applicant is overpaid.

3. Elevator Issuance Limitation - Cannot exceed \$50,000	
I have completed the <i>Application For Irrigation Rate</i> form for grain produced under irrigation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<small>For applications sent to the CWB for approval before issuance of a cash ticket, do not complete this section of the application form.</small>	
Seeded Acres <small>(from box N of applicant's 2006-07 Delivery Permit)</small>	
a) Wheat + Durum + Barley = 570 acres x \$ 60..... =	34200
Record grain delivered, sold or used on the farm in 2006-07 by anyone named in the permit book	
b) Wheat 10 tonnes x \$80.00=	\$ 800
c) Durum 5 tonnes x \$75.00=	\$ 375
d) Barley 5 tonnes x \$35.00=	\$ 175
e) Sel. Bly. 0 tonnes x \$60.00=	\$ 0
f) Add b, c, d and e TOTAL	975
g) Total previous 2006-07 wheat and barley advances (include amounts outstanding under E SCAP or SCAP or AMPA) under this permit book by anyone named in this permit book	4,150
h) Subtract (f) + (g) from (a) and enter total in box C Elevator Issuance Limitation	29,075 C

The advance payment

- Record the amount the applicant is requesting in Box (D). Ensure that the applicant's request does not exceed the amounts in Boxes (A) or (B).
- Determine the amount you can issue as a first payment. That amount cannot exceed the elevator issuance limitation Box (C) or \$50,000. The \$50,000 limit includes all previous advances that have been applied for or issued through the permit book by the applicant, including amounts issued on 2006-07 SCAP or ESCAP. Enter the amount in Box (E).
- Subtract the amount issued in the first payment Box (E) from the amount requested Box (D) and enter the remainder in Box (F). For applications sent to the CWB for approval before cash ticket issuance, indicate NIL in Box (E).
- When verification is received from the CWB, issue the second payment for the approved amount Box (F).

Important:

Box D must equal the total of the first (Box E) and second (Box F) payment. Ensure the first (Box E) and the second (Box F) payment amounts are completed. If there is no second payment requiring verification by the CWB before issuance, indicate NIL in Box F.

4. The Advance Payment	
a) Total advance applied for, must equal first and second payment (cannot exceed box A or B or, if applicable, Box 6 of the <i>Participants' Calculation Worksheet</i>)	37,285 D
b) FIRST PAYMENT paid by elevator manager at date of application (cannot exceed box C or \$50,000) For applications sent to CWB for approval before cash ticket issuance, INDICATE NIL in Box E	29075 E
c) SECOND PAYMENT to be paid by elevator manager only after verification by CWB (box D subtract box E) If no second payment, INDICATE NIL in Box F	8,210 F

If total cash advance requested (box D) exceeds box C or \$50,000, CWB approval is required prior to issuing the second payment cash ticket (box F). The \$50,000 limitation includes any previous ESCAP or SCAP advance payment(s) issued to the applicant through this permit book.

Amounts exceeding \$50,000

If the total applied for Box (D) on the advance application exceeds \$50,000:

- issue a cash ticket for the first payment of \$50,000 Box (E) (cannot exceed Box (C));
- send the application and first payment cash ticket to the CWB through your head office; and
- when verification is received from the CWB, issue the second payment for the approved amount Box (F).

Priority Agreement

A *Priority Agreement* is an agreement between the CWB and financial institutions and secured parties that gives the CWB's lien against an applicant's grain priority over any other security. Financial institutions include: banks, credit unions, Caisse Populaires or cooperative credit societies, trust companies and the Province of Alberta Treasury Branch. A *Priority Agreement* must be completed by:

- every financial institution with which the applicant deals, whether or not there is a lien on the grain;
- every financial institution or secured party that has a security interest or lien on the grain described in the advance.

A secured party may be any person or business organization with a lien on the applicant's grain.

The advance application includes a *Priority Agreement*. The advance application must be completed to the end of paragraph 4 "The Advance Payment", before the applicant takes the agreement to the financial institution(s) or secured party(ies). There are separate *Priority Agreement* forms with your supplies if more than one is required.

These separate forms are identical to the forms on the application, except that the financial institution or secured party must indicate the date on the application.

An advance cannot be issued until the applicant's financial institution(s) and all secured parties listed on the advance application have completed a *Priority Agreement*.

Failure to complete the necessary Priority Agreement(s) could result in default.

Instructions:

1. Once the application is completed to the end of paragraph 4, ask the applicant to list all applicable financial institutions and secured parties.
2. Instruct the applicant to have every financial institution and secured party complete a separate *Priority Agreement*.
3. Advise the applicant that failure to disclose all financial institutions and secured parties is an offense under *AMPA* and the *Criminal Code*.
4. If the applicant refuses to have the *Priority Agreement* completed, contact the CWB using the toll-free number.
5. Attach all additional completed *Priority Agreement(s)* to the completed application.

The declaration section must be fully completed.

Incorrectly completed priority agreements

Incorrectly completed priority agreements will be faxed for correction if the advance requires CWB approval before issuance. Forms not correctly completed delay CWB approval and increase administration.

Declaration

Have the applicant read and sign the *Declaration* section of the application form.

Please read "Signature Requirements" on page 16-17.

Read the *Note to Elevator Manager* on the application form. **Ensure all provisions have been met before sending the application to the CWB.**

The advance application form consists of three copies:

- Send the white copy to the CWB as indicated below.
- Keep the yellow copy for your records.
- Give the green copy to the applicant.

The CWB must verify the following applications before a cash ticket is issued:

- Requests for a second payment or subsequent advance (where the applicant has exceeded the \$50,000 or elevator issuance limits).

If applicable, issue the cash ticket. **Please read "Issuing cash tickets" on page 18.**

The package you are preparing for your head office should include the CWB's copies of:

- the completed and signed *Advance Application* (white copy);
- completed and signed *Priority Agreement(s)*;
- completed and signed *Application For Irrigation Rate* form (if applicable); and
- cash ticket (if the advance was issued).

Individual (affected by the Related Producers' Provision)

Forms required

- Advance Application form
- Additional Priority Agreement form(s) - if required
- Related Producers' Declaration form(s)
- Application for Irrigation Rate form - if applicable (see page 28)

Instructions for completing the advance application

Have applicants read page one of the *Advance Application*. Advise applicants that by signing the application, they are agreeing to the terms and conditions outlined in these documents.

Complete the applicant and delivery point information section of the form.

- Enter your station fax number to receive faxes of documents for corrections and authorization where a second payment is requested.

Enhanced Spring Credit Advance Program (ESCAP)/After-harvest						
(Program runs from September 1, 2006 to September 30, 2007. Application deadline is May 31, 2007 or sooner.)					234567	
TO THE ELEVATOR MANAGER: before this application is completed, ensure that you and the applicant read and understand "Applicant's eligibility" in the 2006-07 ESCAP advance payments for wheat, durum and barley country elevator guide.						
Do not issue a cash ticket(s) to a corporation, partnership (includes joint producers), cooperative or individual(s) conducting business under a business name, or a colony, until the application has been verified or you have received pre-approval of the ESCAP Declaration and Guarantee or Guarantee for Colonies from the CWB.						
Applicant Information This form must be completed in ink						
Applicant's Last Name	First Name	Middle Name	Applicant's CWB Identification Number	Day	Month	Year
PRODUCER CHARLES	FREEMAN		00,00,034,567	2	0	9
Applicant's Address			Permit Number	Company/Delivery Point Code		
Box 1			00,00,034,567	099799901		
Someplace, SK S0K 0Z0			Reference Number	Station Name		
Date of birth (DD/MM/YY)			Any Station			
19 12 46						
Applicant's Telephone No.	Applicant's Fax No.	Declaration and Guarantee/Guarantee No.		Station Telephone No.	Station Fax No.	
(306) 123-4567	(306) 123-4568			(306) 555-3832	(306) 555-3833	

For the section regarding related producers, the applicant is affected by the Related Producers' Provision and should check the box "YES". The applicant requires a *Related Producers' Declaration* form.

ALL APPLICANTS MUST COMPLETE THIS SECTION by answering "Yes" or "No"

Complete the following questions by answering "yes" or "no". Answer "yes" if either statement (or both) is true. If you answer "yes", complete the *Related Producers' Declaration* form and attach it to this advance application.

- Do you appear in other CWB delivery permit books as an individual or as a member of a corporation, cooperative, partnership, or other business enterprise? Yes No
- Do you share the reporting of income or losses from this or any other farming operation with anyone else for the purposes of the *Income Tax Act* (Canada)?

Eligible amount

1. Enter the applicant's total tonnage in storage on the farm including carryover stocks and current crop year production in column i.

- Only include the applicant's stocks of grain.
- For selected barley, include only outstanding tonnage under a *Selected Barley Storage and Delivery Contract* that has been accepted by a selector. Include the contract numbers in the boxes provided. A CWB letter confirming acceptance must have been received.

2. Record tonnages to be used for seed, fed on farm and deliveries to purchase seed in column ii.
3. Calculate the tonnage eligible for delivery to the CWB (column iii) by subtracting column ii from column i.
4. Multiply column iii by the rate per tonne, column iv, to complete the eligible amount, column v.
5. Add the eligible amounts for each grain together and record the total under 1(e).
6. Record the amount of the applicant's unpaid balance of previous 2006-07 wheat, durum and barley advances received under *ESCAP* or *SCAP* through this permit book in 1(f). Record the amount of the applicant's previous unpaid advances for wheat, durum and barley applied for or received under this delivery permit book through 2006-07 *AMPA* in 1(g). Include the unpaid balance for advances transferred from the 2005-06 *AMPA* program where default has been stayed under this permit book.
7. Enter the result in Box A **Total Eligible Amount**.

1. Eligible Amount (indicate amounts in whole dollars and whole tonnes)

Grain	i Applicant's Total Farm Stored Grain (under this permit book)	ii Grain Not Eligible For An Advance Payment Grain To Be Used For Seed, Fed on Farm, or Delivered for Seed Purchases	iii Tonnage Eligible for Delivery to CWB (Column i subtract Column ii)	Maximum Advance Payment Based On Inventory	
				iv Rate Per Tonne	v Eligible Amount (Column iii multiplied by Column iv)
a) Wheat	21 4		21 4	\$ 80.00	\$ 1 7 1 2 0
b) Durum				\$ 75.00	\$
c) Barley	2 9		2 9	\$ 35.00	\$ 1 0 1 5
d) Sel Bly	1 0 3	Accepted selected barley contract numbers must be indicated below.	1 0 3	\$ 60.00	\$ 6 1 8 0

List accepted selected barley contract numbers. 456780

CWB letter confirming acceptance must have been received. Only selected barley that has been accepted by a selector under contract is eligible.

e) Maximum advance payment based on inventory (add a, b, c and d of column v)	24,315
f) Applicant's unpaid balance of previous 2006-07 wheat and barley advances received under this permit book through <i>ESCAP</i> or <i>SCAP</i>	0
g) Applicant's unpaid balance (including interest) of previous 2006-07 wheat and barley advances applied for or received under this permit book through <i>AMPA</i> (include unpaid balance of amounts previously transferred from the 2005-06 <i>AMPA</i> program where default has been stayed)	0
h) Subtract (f)+(g) from (e) and enter the total in box A	24,315 A

Related Producers' Declaration

Complete the *Related Producers' Declaration* up to "Current Advance attributed or applied for in this application" (instructions on page 38).

- List all permit book appearances and previous *ESCAP* or *SCAP* advances for the applicant and all related producers.
- If the applicant had a previous *ESCAP* advance in 2006-07, please refer to the previous *Related Producers' Declaration* to assist you in completing information regarding previous advances.

Maximum advance

- Enter the total from line 1 of the Related Producer's Declaration on line 2(b) of the application. Enter the total from line 3 of the Related Producer's Declaration on line 2(c) of the application form.
- Calculate the maximum cash advance by subtracting the total of 2(b), and 2(c) from 2(a). Enter the amount in Box (B) **Maximum Cash Advance**.

2. Maximum Advance <small>If you are an individual affected by the Related Producers' Provision, please complete a Related Producers' Declaration before completing the rest of this form. Companies must complete paragraph 2 before filling out the Related Producers' Declaration.</small>		<input type="text" value="\$100,000"/>
a) Maximum 2006-07 advance under E SCAP		<input type="text"/>
b) Applicant's previous 2006-07 wheat and barley advances applied for or received through E SCAP or SCAP		<input type="text"/>
c) Applicant's total previous advances applied for or received through all appearances under E SCAP or SCAP from all other organizations on all other crops		<input type="text" value="0"/>
d) Subtract (b) + (c) from (a) and enter the total in box B	Maximum Cash Advance	<input type="text" value="100,000"/> B

Elevator issuance limitation

For applications sent to the CWB for approval before issuance of a cash ticket, do not complete this section of the application form. However, have the applicant answer the irrigation form question. If the applicant has irrigated wheat, durum and/or barley check the "yes" box and complete an *Application for Irrigation Rate* form (see page 28).

- For applicants without irrigated acres, record **all** seeded acres that appear in Box (N) of the applicant's *2006-07 Delivery Permit Book* in the space provided in 3(a).
- Multiply the total seeded acres by the seeded acre rate (\$60.00) and enter the result in 3(a). For applicants who are applying for the irrigated rate, transfer the amount from the *Application For Irrigation Rate* form (Total (C+D+E)) to Box 3(a) on the application form.
- List the tonnes of wheat, durum, barley and selected barley that has been delivered, sold or used on the farm by anyone named in the delivery permit book. Multiply each by the rate and enter the results in the spaces provided. When determining the number of tonnes delivered, do not include storage deliveries from a previous crop year settled this crop year. Add the amounts for 3(b) through to 3(e) and enter the total in 3(f).

Deduct for grain delivered, sold or used on farm in the 2006-07 crop year.

- In 3(g), list the total previous 2006-07 wheat and barley advances outstanding on this permit book through *SCAP*, *ESCAP* and *AMPA* by anyone named in this delivery permit book.
- Subtract 3(f) and 3(g) from 3(a) and enter the result in Box (C)
Elevator Issuance Limitation.

3. Elevator Issuance Limitation - Cannot exceed \$50,000

I have completed the *Application For Irrigation Rate* form for grain produced under irrigation Yes No
For applications sent to the CWB for approval before issuance of a cash ticket, do not complete this section of the application form.

Seeded Acres (from box N of applicant's 2006-07 Delivery Permit)
 a) Wheat + Durum + Barley = 320 acres x \$ 60..... =

Record grain delivered, sold or used on the farm in 2006-07 by anyone named in the permit book

b) Wheat _____ tonnes x \$80.00= \$ _____
 c) Durum _____ tonnes x \$75.00= \$ _____
 d) Barley _____ tonnes x \$35.00= \$ _____
 e) Sel. Bly. _____ tonnes x \$60.00= \$ _____

f) Add b, c, d and e **TOTAL**

g) Total previous 2006-07 wheat and barley advances (include amounts outstanding under *E SCAP* or *SCAP* or *AMPA*) under this permit book by anyone named in this permit book

h) Subtract (f) + (g) from (a) and enter total in box C Elevator Issuance Limitation **C**

The advance payment

- Record the amount the applicant is requesting in Box (D). Ensure that the applicant's request does not exceed the amounts in boxes (A) or (B).
- Determine the amount you can issue as a first payment. That amount cannot exceed the elevator issuance limitation Box (C) or \$50,000. The \$50,000 limit includes all previous advances that have been applied for or issued through the permit book by the applicant, including amounts issued under 2006-07 *ESCAP* or *SCAP*. Enter the amount in Box (E).
- Subtract the amount issued in the first payment Box (E) from the amount requested Box (D) and enter the remainder in Box (F). For applications sent to the CWB for approval before cash ticket issuance, indicate NIL in Box (E).
- When verification is received from the CWB, issue the second payment for the approved amount Box (F).

4. The Advance Payment

a) Total advance applied for, must equal first and second payment (cannot exceed box A or B or, if applicable, Box 6 of the *Participants' Calculation Worksheet*) **D**

b) FIRST PAYMENT paid by elevator manager at date of application (cannot exceed box C or \$50,000)
For applications sent to CWB for approval before cash ticket issuance, INDICATE NIL in Box E **E**

c) SECOND PAYMENT to be paid by elevator manager only after verification by CWB (box D subtract box E)
If no second payment, INDICATE NIL in Box F **F**

If total cash advance requested (box D) exceeds box C or \$50,000, CWB approval is required prior to issuing the second payment cash ticket (box F). The \$50,000 limitation includes any previous *E SCAP* or *SCAP* advance payment(s) issued to the applicant through this permit book.

Amounts exceeding \$50,000

If the total applied for Box (D) on the advance application exceeds \$50,000:

- issue a cash ticket for the first payment of \$50,000 Box (E) (cannot exceed Box (C));
- send the application and first payment cash ticket to the CWB through your head office;
- when verification is received from the CWB, issue the second payment for the approved amount Box (F).

Complete the remainder of the *Related Producers' Declaration* form(s).

How to complete the *Related Producers' Declaration*

For the purposes of this form, shareholders, partners (including joint producers) and members of corporations and other business enterprises are referred to as "participants". The individual applicant or participant must identify all farming operations the individual applicant or participant is involved with for the 2006-07 crop year. Include all 2006-07 *ESCAP or SCAP* advances applied for or issued where the individual applicant or participant has a financial interest, including those of all related producers.

Company participants who are not involved in any other farming operation do not need to complete the *Related Producers' Declaration* form. **However, the elevator manager must attach a note confirming this when submitting the advance application.**

Instructions:

1. Enter the complete name of the individual applicant or company participant. Do not enter the company name.
2. If the applicant is applying as an individual, record the 10-digit ID number. For company participants, enter the last 8 digits of their producer ID number (if available). If the participant does not have an ID number, we will issue one when the application is received.
3. Enter the 6-digit *ESCAP AH Application number*, imprinted in the box on the top-centre of page 2 on the *ESCAP AH* application form.
4. If the advance is for a company, partnership or other business enterprise indicate the name and the ID number.
5. List all 2006-07 farming operations for the individual applicant or participant and all related producers.
6. Enter the 10-digit producer CWB ID number for each farming operation. For joint producers, use the joint ID number, not the individual joint producer ID number (this number is assigned for delivery purposes only). For corporations, partnerships or other business enterprises, use the company CWB ID number, not the shareholders number (this number has been assigned for identification purposes only).
7. Indicate the percentage interest that the participant has in each farming operation.
Individuals – 100 per cent
Corporations – percentage of voting shares
Partnerships (including joint producers)/
Business Enterprises – percentage of profits to which each is entitled.
8. Record the dates and amounts of all wheat, durum and barley *ESCAP or SCAP* advances previously applied for or received in the 2006-07 crop year through all farming operations. Enter the total amount(s) on line (1).
9. Record the date(s) and amount(s) of all *ESCAP or SCAP* advances for all other crops previously applied for or received for the 2006-07 crop year through all farming operations. Enter the total amount on line (2).
10. Enter the total of line (1) plus line (2) on line (3). This represents the total amount of spring advances attributed to date for all crops.
11. **If the applicant is an individual:**
On line (4), enter the total amount currently applied for from paragraph 4(a) of the *ESCAP AH*.
If the applicant is a company:
On line (4), enter the total amount attributed for each participant from Part III of the *Participants' Calculation Worksheet*.
12. Enter the total of line (3) plus line (4) on line (5), which represents total spring advances to date.
13. Have the producer sign and date the form and give them their copy of the form for their records.

Priority Agreement

1. Once the application is completed to the end of paragraph 4, ask the applicant to list all applicable financial institutions and secured parties.
2. Instruct the applicant to have every financial institution and secured party complete a separate *Priority Agreement*.

Read about *Priority Agreements* on pages 32-33.

Declaration

Have the applicant read and sign the *Declaration* section of the application form.

Please read "Signature Requirements" on pages 16-17.

Read the *Notice to Elevator Manager* on the application form. **Ensure all provisions have been met before sending the application to the CWB.**

The advance application form consists of three copies:

- Send the white copy to the CWB as indicated below.
- Keep the yellow copy for your records.
- Give the green copy to the applicant.

The CWB must verify the following applications before a cash ticket is issued:

- Requests for a second payment or subsequent advance (where the applicant has exceeded the \$50,000 or elevator issuance limits).

If applicable, issue the cash ticket.

Please read "Issuing cash tickets" on page 18.

The package you are preparing for your head office should include the CWB's copies of:

- the completed and signed *Advance Application* (white copy);
- completed and signed *Priority Agreement(s)*;
- completed and signed *Related Producers' Declaration(s)*;
- completed and signed *Application For Irrigation Rate* form (if applicable); and
- cash ticket (if the advance was issued).

The declaration section must be fully completed.

Corporations, partnerships (includes joint producers), cooperatives or other business enterprises (not affected by the Related Producers' Provision)

Forms required

ESCAP AH Application form
Additional *Priority Agreement* form(s) – if required
Continuing Declaration and Guarantee form

Corporations, partnerships (includes joint producers), cooperatives or business enterprises must have their *Declaration and Guarantee* (D & G) form approved by the CWB before receiving a cash advance.

Note: D & G forms completed for the AMPA and SCAP programs cannot be used for the 2006-07 Enhanced Spring Credit Advance Program.

The maximum a corporation, partnership (including joint producers), cooperative or business enterprises can receive is \$100,000, which is interest free.

Pre-approval

Corporations, partnerships (including joint producers), cooperatives or other business enterprises can apply for pre-approval of their 2006-07 *ESCAP D&G* form. Once you have received an authorization letter from the CWB, the applicant can receive the cash advance payment when the *Enhanced Spring Advance Application* and *Priority Agreement(s)* have been completed.

Only one D & G form is required for each corporation, partnership (including joint producers), cooperative or business enterprise for all advances applied for in the 2006-07 crop year and future crop years, under the farming operation, provided the structure of the company and shareholders, partners, members or owners does not change.

Note: If changes are made to the corporation, partnership (including joint producers), cooperative or business enterprise after the first payment is issued, a new D & G form must be completed and approved before issuance of any additional payments. Farmers whose defaulted cash advances have been forwarded to AAFC for collection will be required to complete a new D & G form when they apply for their next advance. Contact the CWB prior to issuing an advance if unsure whether the D & G form is still valid.

Pre-approval process

1. Ensure that the applicant has a valid *2006-07 Delivery Permit Book*.
2. Complete the D & G in full using the instructions that follow.
 - Send the white copy to the CWB.
 - Give the green copy to the applicant.
 - Keep the yellow copy for your records. You will need it when you complete the advance application form.
3. The CWB reviews the D & G and sends a letter to you and to the applicant confirming that the D & G has been pre-approved. Keep this letter, as you will need it to complete the advance application.
4. When the applicant completes the application form, you can issue the first payment immediately.

Important
Under the advance payment programs, joint producers are considered a partnership and as a result, must complete *Delcaration and Guarantee* forms.

When pre-approval has not been applied for

If the applicant completes the D & G form when applying for an advance, **submit only the CWB copies of all documents** to the CWB for approval before issuing a cash ticket (see pages 42-43 for instructions on completing this form).

How to complete a *Continuing Declaration and Guarantee* form

Each corporation, partnership (includes joint producers), cooperative or other business enterprise must complete a *Continuing Declaration and Guarantee* (D & G) form.

Only one D & G form is required for each corporation, partnership (includes joint producers), cooperative or business enterprise for all advances applied for in the 2006-07 crop year under all farming operations and continuing into future crop years. If the structure of the company or the shareholders, members, partners (includes joint producers) or owners changes, a new D & G form must be completed.

Note: Continuing D & G forms completed for the AMPA and SCAP programs **cannot** be used for the 2006-07 *Spring Credit Advance Program*.

Instructions:

1. Record the applicant's full name.
2. Enter the applicant's ID number. If no ID number exists, one will be issued by the CWB when the documents are processed. (Please allow at least 2 weeks for processing of D & G forms.)
3. Enter the 9-digit delivery point code of your elevator.
4. Enter your elevator and your station telephone and fax number.
5. Indicate if applicant is a corporation, partnership (includes joint producers) or cooperative.

Part 1 – Declaration

6. List ALL shareholders, partners (includes joint producers), members or owners of the corporation, partnership, cooperative or business enterprise.
7. For each shareholder, partner, member or owner, list:
 - full name
 - complete mailing address and phone number;
 - CWB ID number* for each individual (if available);
 - position held in company;
 - per cent interest in the company.

Crop Year 20_06_07 Instructions and Important Information are on the REVERSE

Continuing Declaration and Guarantee Form (This form must be completed in ink)

TO KNOWINGLY MAKE ANY MISREPRESENTATION OR WILLFULLY FURNISH ANY FALSE OR MISLEADING INFORMATION WITH RESPECT TO THIS DOCUMENT IS AN OFFENCE UNDER THE CRIMINAL CODE AND FOR FALL ADVANCES UNDER THE AGRICULTURAL MARKETING PROGRAMS ACT (AMPA).

Name of company, partnership, cooperative, business enterprise (applicant): Fg CORPORATION ①

CWB Identification Number: 00099665666 ②

Delivery Point Phone Number: (123) 456-7890 ④

Delivery Point Code: 9979 999 0 ③

Delivery Point Fax Number: (123) 456-7892 ⑤

All applicants must indicate whether they are a: (check only one) Corporation Partnership Cooperative ⑤

Note: Non-residents are eligible for an advance if: for a corporation, a majority of the shareholders are Canadian citizens or permanent residents; for a partnership or other association, at least fifty per cent of the profits belong to Canadian citizens or permanent residents; for a cooperative, the majority of members are Canadian citizens or permanent residents.

PART 1 - DECLARATION

List all shareholders, partners, members or owners of the corporation, partnership, cooperative or business enterprise:

Name Last	First	Middle	Complete Address	Individual's CWB Identification Number	Position in Company	Per cent Interest in Company
FARMER	JOHN	DOE	R.R. 1 Somewhere, SK S0K 0Z0	00 00006543	President	50
PRODUCER	GEORGE	DAVID	R.R. 1 Somewhere, SK S0K 0Z0	01 00003456	Treasurer	50

I and each of us as an individual or as a shareholder, partner, member or owner of any corporation, partnership, cooperative or business enterprise have have not participated in a previous crop year advance which is still outstanding. If any of those listed have received or participated in a previous crop year advance which is still outstanding, complete this section:

Name of Producer on Outstanding Advance	I.D. No(s).	Crop Year(s) in which Advance Payment(s) was/were Issued
FARMER JOHN DOE	00 00006543	2006-07

I/We, the undersigned declare that:

- a) at least one of the shareholders, partners, members or owners has attained the age of majority in the province where the farming operation is located and, where the applicant is the actual producer, is principally involved in that operation;
- b) all shareholders, partners, members or owners of the corporation, partnership, cooperative or business enterprise are listed above;
- c) if applicable, each of us will/has complete(d) a Related Producers' Declaration, identifying all permit appearances and advances, including those of all related producers, knowing that no advance shall be issued until all declarations are completed.

PART 2 - GUARANTEE (This Guarantee will constitute a continuing guarantee for all advances issued to the applicant under all permit books in which the applicant appears now and in the future)

In consideration of advance payments being made to Fg CORPORATION ⑨ (applicant), I/we, the undersigned, jointly and severally guarantee that if the applicant is in default of any advance payments now or hereafter issued under the Spring Credit Advance Program (SCAP), AMPA or the Enhanced Spring Credit Program (ESCAP), I/we and each of us, will pay to the Canadian Wheat Board (CWB) the outstanding amount of the advance payment(s) on the date of default and interest accruing from the date the advance payment(s) was/were issued at the rate specified on the advance application(s), plus collection costs, until the balance is paid in full.

Without requiring any further consent or any notice (same being expressly waived) I/we assent and agree, and without discharging or in any way affecting our joint and several liability, that the CWB may:

- i) grant extensions of time, renewals and indulgences to the applicant;
- ii) take securities from and give up the same to the applicant;
- iii) abstain from taking securities from, or perfecting securities of the applicant, and accept composition from or otherwise deal with the applicant and all other persons including the undersigned or any one of us as the CWB sees fit.

⑩

***Note:** when we receive the application, we will issue ID numbers for those individuals who appear on the form but do not currently have an assigned ID number.

8. Have the applicant read and complete the rest of Part 1 - *Declaration*.

Part 2 – Guarantee

9. Enter the applicant's full name.

10. Have the applicant read Part 2 - *Guarantee*.

Part 3 – Signatures

11. Ensure all members of the corporation, partnership (includes joint producers), cooperative or business enterprise, as listed on the form, sign their full names, record their date of birth and date signed. Ensure those at a rural address list the section, the township, range and meridian of their home quarter.

- Initials are not accepted.
- Do not indicate company name.
- **Do not include the person's position in the company or affix the company seal.**

Part 4 - Certificate of Notary Public (Alberta residents only)

12. List the complete names of all individuals named in Part 1 that reside in Alberta. List the town or city where they live.

13. List the complete names of all individuals named in Part 1 that reside in Alberta.

14. The individuals who sign this portion must be the same individuals who signed the *Signatures* section (Part 3) for those who reside in Alberta.

- Initials are not accepted.
- Do not indicate company name.
- **Do not include the person's position in the company or affix the company seal.**

15. Ensure that a **Notary Public**, not a Commissioner for Oaths, completes this section. **Seal of office must be provided.**

There are three copies of this form:

- send the first copy to the CWB;
- give the second copy (green) to the applicant;
- keep the third copy (yellow) for your records.

iv) deem that all other dividends, compensations and monies received by the CWB from the applicant or from other persons or estates capable of being applied by the CWB in reduction of the debt or liability hereby guaranteed shall be considered payment in gross, and the CWB shall be entitled to prove against the estate of the applicant upon insolvency or winding up in respect of the whole of the said debt and liability and I/we shall have no right to be subrogated to the CWB in respect of any such proof until the CWB has received from such estate payment in full of the CWB's claim.

The CWB shall not be bound to exhaust its recourse against the applicant or other parties or the securities it may hold or to exercise its right under any lien, statutory or otherwise, before being entitled to payment from me/us under this guarantee. The Minister of Agriculture and Agri-Food Canada or any authorized agent shall proceed with collection action until the account is paid in full.

This guarantee shall continue to be binding upon me/us and my/our heirs, executors, administrators and assigns.

20501

PART 3 - SIGNATURES

I/WE, THE UNDERSIGNED DECLARANT(S) AND GUARANTOR(S), SOLEMNLY DECLARE THAT I/WE HAVE READ, UNDERSTAND AND AGREE TO BE BOUND BY ALL TERMS OF THIS DECLARATION AND GUARANTEE AND THAT ALL INFORMATION SET FORTH IN THIS FORM IS TRUE, CORRECT AND COMPLETE.

And I/we make this solemn declaration and guarantee conscientiously knowing that it is of the same force and effect as if made under oath. The Declaration and Guarantee must be personally signed by the Guarantor(s) named in the Declaration (Part 1) and not by the Company. The Company name or seal must not be affixed to this signature.

Signature of each Guarantor Declarant (Do not include company name or position held)	Home Quarter (Residence)			Date
	Date of birth (DD MM YY)	Part	Sec TP R M	
Farmer John Doe	21 03 60	NE	20 13 22 3	Sept 1/06
Producer George David	18 02 40	NE	18 31 22 3	Sept 1/06

Note: A new Declaration and Guarantee form must be completed if changes are made to the company structure or to the shareholders, members, partners or owners.

PART 4 - CERTIFICATE OF NOTARY PUBLIC - ALBERTA RESIDENTS ONLY

THE CERTIFICATE OF NOTARY PUBLIC MUST BE COMPLETED IF ANY GUARANTOR(S) OF THE COMPANY APPLYING FOR THE ADVANCE PAYMENT RESIDE IN ALBERTA.

I HEREBY CERTIFY THAT:

FARMER JOHN DOE & GEORGE D. PRODUCER
(List all individuals named in Part 1 who reside in Alberta)

of Somerset, in the Province of Alberta, guarantor(s) whose signature appears in Part 3, made between August 28, 2006

FARMER JOHN DOE & GEORGE D. PRODUCER
(List all individuals named in Part 1 who reside in Alberta)

and the CWB, appeared in person before me and acknowledged to have executed the Guarantee:

STATEMENT OF GUARANTOR(S) I/We am/are the person(s) named in this certificate.

Signature(s) of each Guarantor Declarant (Do not indicate company name or position held)

Farmer John Doe
Producer George David

I satisfied myself by examining the Guarantor(s) that he/she/they has/have read the contents of the Guarantee in Part 2 and understand(s) it.

GIVEN at Any Place

this 1st day of SEPT, 2006

under my hand and seal of office. (Affix Seal)
JOHN NOTARY PUBLIC

My Commission expires: SEPTEMBER 28, YEAR

Instructions for completing the Advance Application

Have applicants read page one of the advance application. Advise applicants that by signing the application, they are agreeing to the terms and conditions outlined in these documents.

Complete the applicant and delivery point information section of the form.

- Enter the *Declaration and Guarantee* form number.
- Enter your station fax number to receive faxes of documents for corrections and authorization where a second payment is requested.

Enhanced Spring Credit Advance Program (ESCAP)/After-harvest					
(Program runs from September 1, 2006 to September 30, 2007. Application deadline is May 31, 2007 or sooner.)					345678
TO THE ELEVATOR MANAGER: before this application is completed, ensure that you and the applicant read and understand "Applicant's eligibility" in the 2006-07 ESCAP advance payments for wheat, durum and barley country elevator guide.					
Do not issue a cash ticket(s) to a corporation, partnership (includes joint producers), cooperative or individual(s) conducting business under a business name, or a colony, until the application has been verified or you have received pre-approval of the ESCAP Declaration and Guarantee or Guarantee for Colonies from the CWB.					
Applicant Information <i>This form must be completed in ink</i>					
Applicant's Last Name	First Name	Middle Name	Applicant's CWB Identification Number	Day	Month Year
	A COMPANY		0000123499	15	1006
Applicant's Address	RR 1		Permit Number	Company/Delivery Point Code	
			00100345678	099799901	
Somerset, SK S0K 0Z0	Date of birth (DD/MM/YY)		Reference Number	Station Name	
	15 02 55			Any station	
Applicant's Telephone No.	Applicant's Fax No.	Declaration and Guarantee/Guarantee No.	Station Telephone No.	Station Fax No.	
(306) 234-5678	306234-8765	00-12345	(306) 555-3834	(306) 555-3835	

For the section regarding related producers, the applicant is not affected by the Related Producers' Provision and should check the box "NO". The applicant does not require a *Related Producers' Declaration* form.

ALL APPLICANTS MUST COMPLETE THIS SECTION by answering "Yes" or "No"

Complete the following questions by answering "yes" or "no". Answer "yes" if either statement (or both) is true. If you answer "yes", complete the *Related Producers' Declaration* form and attach it to this advance application.

- Do you appear in other CWB delivery permit books as an individual or as a member of a corporation, cooperative, partnership, or other business enterprise? Yes No
- Do you share the reporting of income or losses from this or any other farming operation with anyone else for the purposes of the *Income Tax Act (Canada)*?

Eligible amount

1. Enter the applicant's total tonnage in storage on the farm, including carryover stocks and current crop year production, in column i.
 - Only include the applicant's stocks of grain.
 - For selected barley, include only outstanding tonnage under a *Selected Barley Storage and Delivery Contract* that has been accepted by a selector. Include the contract numbers in the boxes provided. A CWB letter confirming acceptance must have been received.
2. Record tonnages to be used for seed, fed on farm and deliveries to purchase seed in column ii.
3. Calculate the tonnage eligible for delivery to the CWB, column iii, by subtracting column ii from column i.
4. Multiply column iii by the rate per tonne, column iv, to complete the eligible amount column v.
5. Add the eligible amounts for each grain together and record the total under 1(e).

6. Record the amount of the applicant's unpaid balance of previous 2006-07 wheat, durum and barley advances received under *ESCAP* or *SCAP* through this permit book in 1(f). Record the amount of the applicant's previous unpaid advances for wheat, durum and barley applied for or received under this delivery permit book through 2006-07 AMPA in 1(g). Include the unpaid balance for advances transferred from the 2005-06 AMPA program where default has been stayed under under this permit book.
7. Enter the result in Box (A) **Total Eligible Amount**.

1. Eligible Amount (indicate amounts in whole dollars and whole tonnes)

Grain	i Applicant's Total Farm Stored Grain (under this permit book) ①	ii Grain Not Eligible For An Advance Payment Grain To Be Used For Seed, Fed on Farm, or Delivered for Seed Purchases ②	iii Tonnage Eligible for Delivery to CWB (Column i subtract Column ii) ③	Maximum Advance Payment Based On Inventory	
				iv Rate Per Tonne	v Eligible Amount (Column iii multiplied by Column iv) ④
a) Wheat	650		650	\$ 80.00	\$ 52,000
b) Durum	295		295	\$ 75.00	\$ 22,125
c) Barley				\$ 35.00	\$
d) Sel Bly		Accepted selected barley contract numbers must be indicated below.		\$ 60.00	\$

List accepted selected barley contract numbers: _____ CWB letter confirming acceptance must have been received. Only selected barley that has been accepted by a selector under contract is eligible.

e) Maximum advance payment based on inventory (add a, b, c and d of column v) **74,125** ⑤

f) Applicant's unpaid balance of previous 2006-07 wheat and barley advances received under this permit book through *ESCAP* or *SCAP* **20,000** ⑥

g) Applicant's unpaid balance (including interest) of previous 2006-07 wheat and barley advances applied for or received under this permit book through AMPA (include unpaid balance of amounts previously transferred from the 2005-06 AMPA program where default has been stayed). _____

h) Subtract (f)+(g) from (e) and enter the total in box A **Total Eligible Amount 54,125** A ⑦

Maximum advance

Important: The amounts of previous advances in 2(b) and 2(c) must be previous advances issued to the company. Do not include advances issued or attributed to company participants under other permit books.

- Calculate the maximum cash advance by subtracting the total of 2(b) and 2(c) from 2(a).
- Enter the amount in Box (B) **Maximum Cash Advance**.

Complete paragraph 2 and skip to paragraph 4, *The Advance Payment* if the applicant does not have a pre-approved *Declaration and Guarantee*.

2. Maximum Advance If you are an individual affected by the Related Producers' Provision, please complete a Related Producers' Declaration before completing the rest of this form. Companies must complete paragraph 2 before filling out the Related Producers' Declaration.

a) Maximum 2006-07 advance under *ESCAP* **\$100,000**

b) Applicant's previous 2006-07 wheat and barley advances applied for or received through *ESCAP* or *SCAP* **20,000**

c) Applicant's total previous advances applied for or received through all appearances under *ESCAP* or *SCAP* from all other organizations on all other crops _____

d) Subtract (b) + (c) from (a) and enter the total in box B **Maximum Cash Advance 80,000** B

Elevator issuance limitation

For applications sent to the CWB for approval before issuance of a cash ticket, do not complete this section of the form. However, have the applicant answer the irrigation form question. If the applicant has irrigated wheat, durum and/or barley, check the "yes" box and complete an *Application for Irrigation Rate* form (see page 28).

- For applicants without irrigated acres, record **all** seeded acres that appear in Box (N) of the applicant's 2006-07 Delivery Permit Book in the space provided in 3(a).
- Multiply the total seeded acres by the seeded acre rate (\$60.00) and enter the result in 3(a). For applicants who are applying for the irrigated rate, transfer the amount from the *Application for Irrigation Rate* form [Total (C+D+E)] to Box 3(a) on the application form.
- List the tonnes of wheat, durum, barley and selected barley that have been delivered, sold or used on the farm by anyone named in the delivery permit book. Multiply each by the rate and enter the results in the spaces provided. When determining the number of tonnes delivered, do not include storage deliveries from a previous crop year settled this crop year. Add the amounts for 3(b) through to 3(e) and enter the total in 3(f).
- In 3(g), list the total 2006-07 wheat and barley advances outstanding on this permit book through *ESCAP, SCAP or AMPA* by anyone named in this delivery permit book.
- Subtract 3(f) and 3(g) from 3(a) and enter the result in Box (C) **Elevator Issuance Limitation.**

3. Elevator Issuance Limitation - Cannot exceed \$50,000

I have completed the *Application for Irrigation Rate* form for grain produced under irrigation Yes No
For applications sent to the CWB for approval before issuance of a cash ticket, do not complete this section of the application form.

Seeded Acres (from box N of applicant's 2006-07 Delivery Permit)

a) Wheat + Durum + Barley = 950 acres x \$60 =

Record grain delivered, sold or used on the farm in 2006-07 by anyone named in the permit book

b) Wheat _____ tonnes x \$80.00= \$ _____

c) Durum _____ tonnes x \$75.00= \$ _____

d) Barley _____ tonnes x \$35.00= \$ _____

e) Sel. Bly. _____ tonnes x \$60.00= \$ _____

f) Add b, c, d and e **TOTAL**

g) Total previous 2006-07 wheat and barley advances (include amounts outstanding under *E SCAP* or *SCAP* or *AMPA*) under this permit book by anyone named in this permit book

h) Subtract (f) + (g) from (a) and enter total in box C **Elevator Issuance Limitation** **C**

The advance payment

- Record the amount the applicant is requesting in Box (D). Ensure that the applicant's request does not exceed the amounts in Boxes (A) or (B).
- Determine the amount you can issue as a first payment. **If the Declaration and Guarantee has been pre-approved**, that amount cannot exceed the **Elevator Issuance Limitation** Box (C) or \$50,000. The \$50,000 limit includes all previous advances that have been applied for or issued through the permit book by the applicant, including amounts issued on 2006-07 *ESCAP* or *SCAP*. Enter the amount in Box (E).
- Subtract the amount issued in the first payment Box (E) from the amount requested Box (D) and enter the remainder in Box (F).
- When verification is received from the CWB, issue the second payment for the approved amount Box (F).

4. The Advance Payment

a) Total advance applied for, must equal first and second payment (cannot exceed box A or B or, if applicable, Box 6 of the *Participants' Calculation Worksheet*) **D**

b) FIRST PAYMENT paid by elevator manager at date of application (cannot exceed box C or \$50,000) **E**
For applications sent to CWB for approval before cash ticket issuance, INDICATE NIL in Box E

c) SECOND PAYMENT to be paid by elevator manager only after verification by CWB (box D subtract box E) **F**
If no second payment, INDICATE NIL in Box F

If total cash advance requested (box D) exceeds box C or \$50,000, CWB approval is required prior to issuing the second payment cash ticket (box F). The \$50,000 limitation includes any previous *E SCAP* or *SCAP* advance payment(s) issued to the applicant through this permit book.

Amounts exceeding \$50,000

If the total applied for, Box (D) on the *Advance Application*, exceeds \$50,000:

- issue a cash ticket for the first payment of \$50,000 Box (E) (cannot exceed Box (C));
- send the application with the first payment cash ticket to the CWB through your head office; and
- wait for verification from the CWB.

Priority Agreement

1. Once the application is completed to the end of paragraph 4, ask the applicant to list all applicable financial institutions and secured parties.
2. Instruct the applicant to have every financial institution and secured party complete a separate *Priority Agreement*.

Read about *Priority Agreements* on pages 32-33.

The declaration section must be fully completed.

Declaration

Have the applicant read and sign the *Declaration* section of the application form, **whether or not you are issuing the advance payment cash ticket.**

Please read "Signature Requirements" on pages 16-17.

Read the *Note to Elevator Manager* on the application form. **Ensure all provisions have been met before sending the application to the CWB.**

The advance application form consists of three copies:

- Send the white copy to the CWB as indicated below.
- Keep the yellow copy for your records.
- Give the green copy to the applicant.

The CWB must verify the following applications before a cash ticket is issued:

- Requests for a second payment or subsequent advance (where the applicant has exceeded the \$50,000 or elevator issuance limits).
- Advances for corporations, partnerships (includes joint producers), cooperatives or other business enterprises (unless they have a pre-approved *Declaration and Guarantee*).

If the applicant does not have a pre-approved *Declaration and Guarantee* form, the cash ticket cannot be issued until you receive approval from the CWB.

You must still endorse the permit book now.

The CWB will fax you a copy of the approval letter when it becomes available. The applicant will also receive a copy of this letter in the mail.

If applicable, issue the cash ticket. Please read "**Issuing cash tickets**" on page 18.

The package you are preparing for your head office should include the CWB's copies of:

- completed and signed *Advance Application* (white copy);
- completed and signed *Priority Agreement(s)*;
- completed and signed *Application For Irrigation Rate* form (if applicable);
- completed and signed *Declaration and Guarantee* form (if not pre-approved);
- cash ticket (if the advance was issued); and
- the CWB approval letter if this is the applicant's first advance and pre-approval was received.

Corporations, partnerships (includes joint producers), cooperatives or other business enterprises (affected by the Related Producers' Provision)

Forms required

ESCAP AH Application form
Additional *Priority Agreement* form(s) – if required
Declaration and Guarantee form
Related Producers' Declaration form(s)
Participants' Calculation Worksheet form

Corporations, partnerships (including joint producers), cooperatives or other business enterprises must have their application and *Declaration and Guarantee* (D & G) form approved by the CWB before receiving a cash advance.

Note: Continuing D & G forms completed for *SCAP and AMPA* **cannot** be used for the 2006-07 *Enhanced Spring Credit Advance Program*.

The maximum a corporation, partnership (include joint producers), cooperative or other business enterprise can receive is \$100,000 which is interest free.

Pre-approval

Corporations, partnerships (including joint producers), cooperatives or other business enterprises can apply for pre-approval of their 2006-07 *ESCAP D & G* form. Once you have received an authorization letter from the CWB, the applicant can receive the first cash advance payment (Box D) when the *Enhanced Spring Advance Application* and other required forms have been completed.

Only one Continuing D & G form is required for each corporation, partnership (includes joint producers), cooperative or business enterprise for all *ESCAP* advances applied for in the 2006-07 crop year and future crop years, under the farming operation, **provided the structure of the company and share holders, partners, members or owners does not change.**

Note: If changes are made to the corporation, partnership (includes joint producers), cooperative or other business enterprise after the first payment is issued, a new D & G form must be completed and approved before issuance of any additional payment. Farmers whose defaulted cash advances have been forwarded to AAFC for collection will be required to complete a new D & G form when they apply for their next advance. Contact the CWB prior to issuing an advance if unsure whether the D & G form is still valid.

Instructions for completing the Advance Application

Have applicants read page one of the advance application. Advise applicants that by signing the application, they are agreeing to the terms and conditions outlined in these documents.

Complete the applicant and delivery point information section of the form.

- Enter the *Declaration and Guarantee* form number.
- Enter your station fax number to receive faxes of documents for corrections and authorization where a second payment is requested.
- If a company participant does not appear in any other permit book and does not have a producer ID number, we will issue one. When completing the D & G form, leave the space for the participant's producer ID number blank. This number will be provided in the advance approval letter.

Enhanced Spring Credit Advance Program (ESCAP)/After-harvest					
(Program runs from September 1, 2006 to September 30, 2007. Application deadline is May 31, 2007 or sooner.)					567890
TO THE ELEVATOR MANAGER: before this application is completed, ensure that you and the applicant read and understand "Applicant's eligibility" in the 2006-07 ESCAP advance payments for wheat, durum and barley country elevator guide.					
Do not issue a cash ticket(s) to a corporation, partnership (includes joint producers), cooperative or individual(s) conducting business under a business name, or a colony, until the application has been verified or you have received pre-approval of the ESCAP Declaration and Guarantee or Guarantee for Colonies from the CWB.					
Applicant Information This form must be completed in ink					
Applicant's Last Name BC CORPORATION	First Name	Middle Name	Applicant's CWB Identification Number 0 0 0 0 0 1 2 3 4 9	Day 1 5 1 0 0 6	Month 1 0 0 6
Applicant's Address RR1	Date of birth (DD/MM/YYYY) 15 02 1955		Permit Number 0 0 0 0 0 1 2 3 4 9	Company/Delivery Point Code 0 9 9 7 9 9 9 9 0 1	
SOMEPLACE, SK S0K 0Z0	Applicant's Telephone No. (306 345-6789)		Reference Number	Station Name Any station	
Applicant's Fax No. (306 345-6788)		Declaration and Guarantee/Guarantee No.	Station Telephone No. (306555-3832)	Station Fax No. 306555-3833	

For the section regarding related producers, the applicant is affected by the Related Producers' Provision and should check the "YES" box. The applicant requires a *Related Producers' Declaration* form.

ALL APPLICANTS MUST COMPLETE THIS SECTION by answering "Yes" or "No"

Complete the following questions by answering "yes" or "no". Answer "yes" if either statement (or both) is true. If you answer "yes", complete the *Related Producers' Declaration* form and attach it to this advance application.

- Do you appear in other CWB delivery permit books as an individual or as a member of a corporation, cooperative, partnership, or other business enterprise? Yes No
- Do you share the reporting of income or losses from this or any other farming operation with anyone else for the purposes of the *Income Tax Act* (Canada)?

Eligible amount

1. Enter the applicant's total tonnage in storage on the farm including carryover stocks and current crop year production in column i.

- Only include the applicant's stocks of grain.
- For selected barley, include only outstanding tonnage under a *Selected Barley Storage and Delivery Contract* that has been accepted by a selector. Include the contract numbers in the boxes provided. A CWB letter confirming acceptance must have been received.

2. Record tonnages to be used for seed, fed on farm and deliveries to purchase seed in column ii.
3. Calculate the tonnage eligible for delivery to the CWB, column iii, by subtracting column ii from column i.
4. Multiply column iii by the rate per tonne, column iv, to complete the eligible amount, column v.
5. Add the eligible amounts for each grain together and record the total under 1(e).
6. Record the amount of the applicant's unpaid balance of previous 2006-07 wheat, durum and barley advances received under *ESCAP* through this permit book in 1(f). Record the amount of the applicant's previous unpaid advances for wheat, durum and barley applied for or received under this delivery permit book through 2006-07 AMPA in 1(g). Include the unpaid balance for advances transferred from the 2005-06 in *AMPA* program where default has been stayed under this permit book.
7. Enter the result in Box (A) **Total Eligible Amount**.

1. Eligible Amount (indicate amounts in whole dollars and whole tonnes)

Grain	i Applicant's Total Farm Stored Grain (under this permit book)	ii Grain Not Eligible For An Advance Payment Grain To Be Used For Seed, Fed on Farm, or Delivered for Seed Purchases	iii Tonnage Eligible for Delivery to CWB (Column i subtract Column ii)	Maximum Advance Payment Based On Inventory	
				iv Rate Per Tonne	v Eligible Amount (Column iii multiplied by Column iv)
a) Wheat	214		214	\$80.00	\$ 17120
b) Durum				\$75.00	\$
c) Barley	29		29	\$35.00	\$ 1015
d) Sel Bly	103	Accepted selected barley contract numbers must be indicated below.	103	\$60.00	\$ 6180

List accepted selected barley contract numbers. 456780

CWB letter confirming acceptance must have been received. Only selected barley that has been accepted by a selector under contract is eligible.

e) Maximum advance payment based on inventory (add a, b, c and d of column v) **24,315**

f) Applicant's unpaid balance of previous 2006-07 wheat and barley advances received under this permit book through *ESCAP* or *SCAP*

g) Applicant's unpaid balance (including interest) of previous 2006-07 wheat and barley advances applied for or received under this permit book through AMPA (include unpaid balance of amounts previously transferred from the 2005-06 AMPA program where default has been stayed).

h) Subtract (f)+(g) from (e) and enter the total in box A **Total Eligible Amount 24,315** **A**

Maximum advance

Important: The amounts of previous advances in 2(b) and 2(c) must be previous advances issued to the company. Do not include advances issued or attributed to company participants under other permit books.

- Calculate the maximum cash advance by subtracting the total of 2(b) and 2(c) from 2(a).
- Enter the amount in Box (B) **Maximum Cash Advance**.

2. Maximum Advance If you are an individual affected by the Related Producers' Provision, please complete a Related Producers' Declaration before completing the rest of this form. Companies must complete paragraph 2 before filling out the Related Producers' Declaration.

a) Maximum 2006-07 advance under *ESCAP* **\$100,000**

b) Applicant's previous 2006-07 wheat and barley advances applied for or received through *ESCAP* or *SCAP*

c) Applicant's total previous advances applied for or received through all appearances under *ESCAP* or *SCAP* from all other organizations on all other crops

d) Subtract (b) + (c) from (a) and enter the total in box B **Maximum Cash Advance 100,000** **B**

Complete paragraph 2 and skip to paragraph 4, *Advance Payment* if the applicant does not have a pre-approved *Declaration and Guarantee*. (If land is under irrigation, answer yes in part 3 and complete irrigation form.)

Complete the *Related Producers' Declaration* up to "Current Advance attributed or applied for in this application". See pages 38-39 for instructions on how to complete a *Related Producers' Declaration*.

- Each company participant must complete a separate *Related Producers' Declaration* form listing all permit book appearances and previous advances and those of all related producers.
- If applicants had a previous cash advance for 2006-07 *ESCAP*, they should produce the previous *Related Producers' Declaration* to assist you in completing information regarding previous advances.

Complete the *Participants' Calculation Worksheet* to assist you in determining the amount of the cash advance payment. See instructions on how to complete this form on pages 52-53.

Elevator issuance limitation

Do not complete this section if the application requires CWB approval before a cash ticket can be issued. However, have the applicant answer the irrigation form question. If the applicant has irrigated wheat, durum and/or barley, check the "YES" box and complete an *Application For Irrigation Rate* form (see page 28).

- For applicants without irrigated acres, record all seeded acres that appear in Box (N) of the applicant's *2006-07 Delivery Permit Book* in the space provided in 3(a).
- Multiply the total seeded acres by the seeded acre rate (\$60.00) and enter the result in 3(a). For applicants who are applying for the irrigated rate, transfer the amount from the *Application For Irrigation Rate* form (Total (C+D+E)) to Box 3(a) on the application form.
- List the tonnes of wheat, durum, barley and selected barley that have been delivered, sold or used on the farm by anyone named in the delivery permit book. Multiply each by the rate and enter the results in the spaces provided. When determining the number of tonnes delivered, do not include storage deliveries from a previous crop year settled this crop year. Add the amounts for 3(b) through to 3(e) and enter the total in 3(f).
- In 3(g), list the total 2006-07 wheat and barley advances applied for or received through this permit book through include amounts outstanding under *SCAP, ESCAP or AMPA* by anyone named in this delivery permit book.
- Subtract 3(f) and 3(g) from 3(a) and enter the result in Box (C)

Deduct for grain delivered, sold or used on farm in the 2006-07 crop year.

Elevator Issuance Limitation.

3. Elevator Issuance Limitation - Cannot exceed \$50,000			
I have completed the <i>Application For Irrigation Rate</i> form for grain produced under irrigation			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<small>For applications sent to the CWB for approval before issuance of a cash ticket, do not complete this section of the application form.</small>			
Seeded Acres (from box N of applicant's 2006-07 Delivery Permit)			
a) Wheat + Durum + Barley =	1017 acres x \$60	=	61,020
Record grain delivered, sold or used on the farm in 2006-07 by anyone named in the permit book			
b) Wheat	_____ tonnes x \$80.00=	\$ _____	
c) Durum	_____ tonnes x \$75.00=	\$ _____	
d) Barley	_____ tonnes x \$35.00=	\$ _____	
e) Sel. Bly.	_____ tonnes x \$60.00=	\$ _____	
f) Add b, c, d and e	TOTAL	→	
g) Total previous 2006-07 wheat and barley advances (include amounts outstanding under <i>E SCAP</i> or <i>SCAP</i> or <i>AMPA</i>) under this permit book by anyone named in this permit book			
h) Subtract (f) + (g) from (a) and enter total in box C	Elevator Issuance Limitation		61,020 C

How to complete a *Participants' Calculation Worksheet*

For the purposes of this form, each shareholder, partner or member is referred to as a "participant". This form determines the amount the company can receive, based on previous advances applied for or attributed to company participants and the financial interest each participant has in the company.

1. Enter the applicant's CWB ID number.
2. Enter the 6-digit *ESCAP AH Advance Application number*, imprinted in the box on the top-centre of the fall advance application form.
3. Enter the full name of each participant in the spaces provided.

No previous advances

If no previous *ESCAP* or *SCAP* advances have been applied for by or attributed to any company participants, you may proceed to Part II - Applicant Maximum, and enter \$100,000 in Box 5.

Part I - Participant Maximums

This section determines each participant's maximum, based on previous advances applied for or attributed, and their financial interest in the company.

Maximum advance

4. Enter the total amount of *ESCAP* or *SCAP* advances previously applied for by or attributed to the participant from line 5 of the *Related Producers' Declaration*.
5. Subtract previous advances from the participant's maximum of \$100,000 and enter the balance on line A.
6. Enter the per cent interest the participant has in the company.
7. Multiply \$100,000 by the participant's per cent interest in the company and enter the result on line B.
8. Enter the lesser of line A or line B in Box 1.
9. Divide Box 1 by the participant's per cent interest in the company. Enter the total in Box C. This represents the maximum allowable advance for which the participant is eligible.

Part II - Applicant maximum

This section calculates the maximum amount the company is eligible to receive.

10. Enter the lesser of Box C, D, E, or F in Box 5.

Part III - Participants' attribution

This section calculates each participant's share of the total advance and the interest-free portion.

11. In Box 6 enter the amount the company is applying for or enter the amount in Box 5, whichever is less. (Cannot exceed Box A or B on the fall advance application form).
12. Multiply the amount applied for by each participant's interest in the company. Enter the result under "total attributed amount" (lines 1, 2, 3 & 4).

Transfer each participant's total attributable amount to line 4 of their *Related Producers' Declaration*.

Complete line 5 of each *Related Producers' Declaration*. Also see the examples on pages 54-55 of the two completed *Related Producers' Declaration* forms showing the individual's total advance and total interest-free amount attributed to date.

Enhanced Spring Credit Advance Program (ESCAP)/After-harvest Participants' Calculation Worksheet

Applicant's CWB Identification No. **1** | Advance Application No. **2**
 0 | 0 | 9 | 9 | 6 | 6 | 5 | 6 | 6 | 6 | 4 | 5 | 6 | 7 | 8 | 0

To be completed if the applicant is a corporation, partnership (includes joint producers), cooperative or other business enterprise. Shareholders, partners or members are referred to as "Participants". If no previous advances have been applied for or attributed to any of the "Participants", enter \$100,000 in Box 5. If there are more than four participants, refer to page xx of the 2006-07 Enhanced Spring Credit Advance Program (ESCAP)/After-harvest Country Elevator Guide for information on completing this document.

PART I - Participant Maximum Maximum Advance

Participant 1 Produce B **3**
 Full Name

Maximum Eligible Amount \$ 100,000
 Subtract previous ESCAP advances (#3 from Related Producers' Declaration) \$ 0 **4**
 Balance Remaining \$ 100,000 **5**
 \$100,000 X 50 **6** (% interest in company) \$ 50,000 **7**

Box 1
 Lesser of A or B **8** ÷ % interest in company **6** = 100,000 **9** C

Participant 2 Produce C
 Full Name

Maximum Eligible Amount \$ 100,000
 Subtract previous ESCAP advances (#3 from Related Producers' Declaration) \$ 0
 Balance Remaining \$ 10,000
 \$100,000 X 50 (% interest in company) \$ 50,000 B

Box 2
 Lesser of A or B ÷ % interest in company = 100,000 D

Participant 3
 Full Name

Maximum Eligible Amount \$ 100,000
 Subtract previous ESCAP advances (#3 from Related Producers' Declaration) \$ _____
 Balance Remaining \$ _____ A
 \$100,000 X _____ (% interest in company) \$ _____ B

Box 3
 Lesser of A or B ÷ % interest in company = _____ E

Participant 4
 Full Name

Maximum Eligible Amount \$ 100,000
 Subtract previous ESCAP advances (#3 from Related Producers' Declaration) \$ _____
 Balance Remaining \$ _____ A
 \$100,000 X _____ (% interest in company) \$ _____ B

Box 4
 Lesser of A or B ÷ % interest in company = _____ F

PART II - Applicant Maximum

Lesser of Box C, D, E or F 100,000 **10** Box 5

PART III - Participants' Attribution

Participant	Amount Applied for (cannot exceed A or B from Adv. App. or Box 5 above)	Per cent (%) Interest in Company (must equal 100%)	Total Attributed Amount
Participant 1	<u>11</u>	x <u>50</u> % 6	= \$ <u>25,000</u> 1
Participant 2	Box 6 \$ <u>50,000</u>	x <u>50</u> % 6	= \$ <u>25,000</u> 2
Participant 3		x _____ %	= \$ _____ 3
Participant 4	(transfer to 4(a) of Advance Application)	x _____ %	= \$ _____ 4

12 must equal Box 6

Transfer the total attributable amount for each participant to line 4 of their Related Producers' Declaration.

Five or more participants

- For more than four participants, use additional Participants' Calculation Worksheet forms.
- Follow the instructions for Part 1 as outlined above for each form required.
- For Part II, Box 5, choose the lesser of all boxes labeled C, D, E or F on all forms.
- For Part III, complete the remainder of each form as outlined above.

The advance payment

- Record the amount the applicant is requesting in box (D). Ensure that the applicant's request does not exceed the amounts in boxes (A) or (B) or Box 6, Part III of the *Participants' Calculation Worksheet*.
- Determine the amount you can issue as a first payment. If the **Declaration and Guarantee has been pre-approved and you have received an authorization letter from the CWB**, that amount cannot exceed the elevator issuance limitation Box (C) or \$50,000. The \$50,000 limit includes all previous advances that have been applied for or issued through the permit book by the applicant, including amounts issued on 2006-07 *ESCAP or SCAP*. Enter the amount in Box (E).
- Subtract the amount issued in the first payment Box (E) from the amount requested Box (D) and enter the remainder in Box (F).
- When verification is received from the CWB, issue the second payment for the approved amount Box (F).

If the *Declaration and Guarantee* form has not been pre-approved, indicate "NIL" as the first payment in Box (E) and show amount applied for Box (D) as the second payment Box (F).

4. The Advance Payment	
a) Total advance applied for, must equal first and second payment (cannot exceed box A or B or, if applicable, Box 6 of the <i>Participants' Calculation Worksheet</i>)	50,000 D
b) FIRST PAYMENT paid by elevator manager at date of application (cannot exceed box C or \$50,000) For applications sent to CWB for approval before cash ticket issuance, INDICATE NIL in Box E	50,000 E
c) SECOND PAYMENT to be paid by elevator manager only after verification by CWB (box D subtract box E) If no second payment, INDICATE NIL in Box F	0 F

If total cash advance requested (box D) exceeds box C or \$50,000, CWB approval is required prior to issuing the second payment cash ticket (box F). The \$50,000 limitation includes any previous *E SCAP* or *SCAP* advance payment(s) issued to the applicant through this permit book.

Amounts exceeding \$50,000

If the total applied for Box (D) on the advance application exceeds \$50,000:

- issue a cash ticket for the first payment of \$50,000 Box (E) (cannot exceed Box (C));
- send the application with the first payment cash ticket to the CWB through your head office;
- when verification is received from the CWB, issue the second payment for the approved amount Box (F).

Complete the remainder of the *Related Producers' Declaration* form(s).

Priority Agreement

- Once the application is completed to the end of paragraph 4, ask the applicant to list all applicable financial institutions and secured parties.
- Instruct the applicant to have every financial institution and secured party complete a separate *Priority Agreement*.

Read about *Priority Agreement(s)* on pages 32-33.

Declaration

Have the applicant read and sign the *Declaration* section of the application form.

Please read "Signature Requirements" on pages 16-17.

The declaration section must be fully completed.

Read the *Notice to Elevator Manager* on the application form. **Ensure all provisions have been met before sending the application to the CWB.**

The advance application form consists of three copies:

- Send the white copy to the CWB as indicated below.
- Keep the yellow copy for your records.
- Give the green copy to the applicant.

The CWB must verify the following applications before a cash ticket is issued:

- Requests for a second payment or subsequent advance (where the applicant has exceeded the \$50,000 or elevator issuance limits).
- Advances for corporations, partnerships (includes joint producers), cooperatives, or other business enterprises (unless they have a pre-approved *Declaration and Guarantee*).

If the applicant does not have a pre-approved *Declaration and Guarantee* form, the cash ticket cannot be issued until you receive approval from the CWB.

You must still endorse the permit book now.

We will fax you a copy of the approval letter when it becomes available.

The applicant will also receive a copy of this letter in the mail.

If applicable, issue the cash ticket. Please read **"Issuing cash tickets" on page 18.**

The package you are preparing for your head office should include the CWB's copies of:

- completed and signed *Advance Application* (white copy);
- completed and signed *Priority Agreement(s)*;
- completed and signed *Related Producers' Declaration(s)*;
- completed and signed *Application for Irrigation Rate* form (if applicable);
- completed and signed *Declaration and Guarantee* form (if not pre-approved);
- cash ticket (if the advance has been issued); and
- the CWB approval letter if this is the applicant's first advance and pre-approval was received.

Colonies (not affected by the Related Producers' Provision)

Forms required

Application form
Additional *Priority Agreement* form(s) – if required
Guarantee for Colonies form – **if not pre-approved**
Contact the CWB and a form will be faxed to you.
Application For Irrigation Rate form – if applicable (see page 28)

Colonies must have their application and *Guarantee* form approved by the CWB before receiving a cash advance.

Note: Continuing *Guarantee for Colonies* forms completed for *AMPA and SCAP* **cannot** be used for the 2006-07 *Enhanced Spring Credit Advance Program*.

The maximum a colony can receive is \$100,000 which is interest-free. This includes any amount issued under 2006-07 *ESCAP*.

Pre-approval

Colonies can apply for pre-approval of their *Guarantee for Colonies* form. Once you have received an authorization letter from the CWB, the applicant can receive the first cash advance payment up to the elevator issuance limitation when the *Advance Application* and *Priority Agreement(s)* forms have been completed.

Colony applicants who have previously completed continuing *Guarantee* forms for *ESCAP* DO NOT have to complete a new *Guarantee*, **provided no changes are made to guarantor company and the shareholders, partners, members or owners do not change.**

Note: If changes are made to the Colony representatives or structure after the first payment is issued, a new *Guarantee* form must be completed and approved before issuance of any additional payments. Colonies whose defaulted cash advances have been forwarded to AAFC for collection will be required to complete a new *Guarantee for Colonies* form when they apply for their next advance. Contact the CWB prior to issuing an advance if unsure whether the *Guarantee* form is still valid.

The *Guarantee for Colonies* form is only available from the CWB and is different from the *Declaration and Guarantee* forms you received with your permit supplies.

Pre-approval process

1. Ensure that the Colony has a valid *2006-07 Delivery Permit Book*.
2. Complete the *Guarantee for Colonies* form in full.
3. The CWB reviews the *Guarantee* and sends a letter to you and the applicant confirming that the *Guarantee* has been pre-approved. Keep this letter, as you will need it to complete the advance application.
4. When the applicant completes the application form, you can issue the first payment immediately.

When pre-approval has not been applied for

If the applicant completes the *Guarantee* form when applying for an advance, **submit only the CWB copies of all documents** to the CWB for approval before issuing a cash ticket (see page 59 for instructions on completing this form).

How to complete a *Guarantee* for Colonies form

1. Enter the applicant's ID number.
2. Enter your delivery point code. **Important:** we need this information as we will send the pre-approval letter back to your elevator.
3. Enter your station name.
4. Insert the applicant's name as it appears on the application form.
5. Enter the name and address of the registered landowner. If there is a company seal, affix it to the form. **Note:** If the Guarantor(s) name does not correspond with the name registered with the Land Titles Office, the application will be returned for correction.
6. Have two individuals of the company (guarantor) sign on behalf of the Colony and indicate their position in the company.

CONTINUING GUARANTEE			
<div style="text-align: center;">1</div> Applicant's CWB Identification Number 0 0 1 0 0 1 2 3 4 9 9	<div style="text-align: center;">2</div> Company/Delivery Point Code 0 9 9 7 9 9 9 9 0 1	<div style="text-align: center;">3</div> Station Name Anystation	Form Number 06-
Station Phone Number (306) 456-7890		Station Fax Number (306) 456-7891	
In consideration of advance payment(s) being made to <u>ABC Colony</u> (applicant), the undersigned company (guarantor company) hereby guarantees that if the applicant is in default of any advance payments now or hereafter issued under the Spring Credit Advance Program (SCAP), the Agricultural Marketing Programs Act (AMPA), or the Enhanced Spring Credit Advance Program (ESCAP), it will pay to the CWB the outstanding amount of the advance payment(s) on the date of default and interest accruing from the date the advance payment(s) was/were issued at the rate specified on the advance application(s), plus collection costs, until the balance is paid in full.			
Without requiring any further consent or any notice (same being expressly waived) the guarantor company assents and agrees, and without discharging or in any way affecting its liability, that the CWB may:			
i) grant extensions of time, renewals and indulgences to the applicant; ii) take securities from and give up the same to the applicant; iii) abstain from taking securities from, or perfecting securities of the applicant, and accept composition from or otherwise deal with the applicant and all other persons including the guarantor company and any other guarantor as the CWB sees fit; iv) deem that all other dividends, compensations and monies received by the CWB from the applicant or from other persons or estates capable of being applied by the CWB in reduction of the debt or liability hereby guaranteed shall be considered payment in gross, and the CWB shall be entitled to prove against the estate of the applicant upon insolvency or winding up in respect of the whole of the said debt and liability and the guarantor company shall have no right to be subrogated to the CWB in respect of any such proof until the CWB has received from such estate payment in full of the CWB's claim.			
The CWB shall not be bound to exhaust its recourse against the applicant or other parties or the securities it may hold or to exercise its right under any lien, statutory or otherwise, before being entitled to payment from the guarantor company under this guarantee.			
The Minister of Agriculture and Agri-Food Canada or any authorized agent shall proceed with collection action until the account is paid in full.			
This Guarantee will constitute a continuing guarantee for all advances issued to the applicant under all permit books in which the applicant appears now and in the future if the structure of the guarantor company and the shareholders, partners, members or owners do not change.			
DATED at <u>Someplace</u> in the Province of <u>Saskatchewan</u> this <u>15</u> day of <u>October</u> , year <u>06</u> .			
IN WITNESS WHEREOF, the said Company has hereunto affixed its seal, attested to by the hands of its proper officers in that behalf, on this day aforesaid.			
Guarantor			
* <u>ABC Holding Company</u> Company name - Registered Land Owner		** <u>A Participant, Manager</u> Signature and position held in company	
<u>Someplace, SK</u> Address		** <u>B Participant, Secretary</u> Signature and position held in company	
* The name to be inserted as guarantor is the company which is the Registered Land Owner. The complete name must be indicated and the company seal (if applicable), must be affixed.			
** Individuals signing on behalf of the guarantor company must indicate their position in the company.			

Instructions for completing the *Advance Application*

Have applicants read page one of the *Advance Application*. Advise applicants that by signing the application, they are agreeing to the terms and conditions outlined in these documents.

Complete the applicant and delivery point information section of the form.

- Enter the *Guarantee* form number.
- Enter your station fax number to receive faxes of documents for corrections and authorizations where a second payment is requested.

Enhanced Spring Credit Advance Program (ESCAP)/After-harvest				(Program runs from September 1, 2006 to September 30, 2007. Application deadline is May 31, 2007 or sooner.)			456700				
TO THE ELEVATOR MANAGER: before this application is completed, ensure that you and the applicant read and understand "Applicant's eligibility" in the 2006-07 ESCAP advance payments for wheat, durum and barley country elevator guide.											
Do not issue a cash ticket(s) to a corporation, partnership (includes joint producers), cooperative or individual(s) conducting business under a business name, or a colony, until the application has been verified or you have received pre-approval of the ESCAP Declaration and Guarantee or Guarantee for Colonies from the CWB.											
Applicant Information <i>This form must be completed in ink</i>											
Applicant's Last Name ABC COLONY			First Name			Middle Name			Applicant's CWB Identification Number 0000123499		
Applicant's Address RR2			Date of birth (DD/MM/YY)			Day 15			Month 10		
Someplace, SK S0K 0E0			Applicant's Fax No. (306 123-4568)			Permit Number 0000123499			Year 06		
Applicant's Telephone No. (306 123-4567)			Declaration and Guarantee/Guarantee No.			Company/Delivery Point Code 0997999901			Reference Number		
						Station Name Any Station			Station Telephone No. 306555-3832		
						Station Fax No. 306555-3833					

For the section regarding related producers, the applicant is not affected by the Related Producers' Provision and should check the box "NO". The applicant does not require a *Related Producers' Declaration* form.

ALL APPLICANTS MUST COMPLETE THIS SECTION by answering "Yes" or "No"

Complete the following questions by answering "yes" or "no". Answer "yes" if either statement (or both) is true. If you answer "yes", complete the *Related Producers' Declaration* form and attach it to this advance application.

- Do you appear in other CWB delivery permit books as an individual or as a member of a corporation, cooperative, partnership, or other business enterprise? Yes No
- Do you share the reporting of income or losses from this or any other farming operation with anyone else for the purposes of the *Income Tax Act* (Canada)?

Eligible amount

1. Enter the applicant's total tonnage in storage on the farm including carryover stocks and current crop year production in column i.
 - Only include the applicant's stocks of grain.
 - For selected barley, include only outstanding tonnage under a *Selected Barley Storage and Delivery Contract* that has been accepted by a selector. Include the contract numbers in the boxes provided. A CWB letter confirming acceptance must have been received.
2. Record tonnages to be used for seed, fed on farm and deliveries to purchase seed in column ii.
3. Calculate the tonnage eligible for delivery to the CWB, column iii, by subtracting column ii from column i.

4. Multiply column iii by the rate per tonne, column iv, to complete the eligible amount, column v.
5. Add the eligible amounts for each grain together and record the total under 1(e).
6. Record the amount of the applicant's unpaid balance of previous 2006-07 wheat, durum and barley advances received under *ESCAP* through this permit book in 1(f). Record the amount of the applicant's previous unpaid advances for wheat, durum and barley applied for or received under this delivery permit book through 2006-07 AMPA in 1(g). Include the unpaid balance for advances transferred from the 2005-06 AMPA program where default has been stayed under this permit book.
7. Enter the result in Box (A) **Total Eligible Amount**.

1. Eligible Amount (indicate amounts in whole dollars and whole tonnes)

Grain	i Applicant's Total Farm Stored Grain (under this permit book)	ii Grain Not Eligible For An Advance Payment Grain To Be Used For Seed, Fed on Farm, or Delivered for Seed Purchases	iii Tonnage Eligible for Delivery to CWB (Column i subtract Column ii)	Maximum Advance Payment Based On Inventory	
				iv Rate Per Tonne	v Eligible Amount (Column iii multiplied by Column iv)
a) Wheat	3 0 0 0		3 0 0 0	\$ 80.00	\$ 24 0 0 0 0
b) Durum	8 5 0		8 5 0	\$ 75.00	\$ 6 3 7 5 0
c) Barley				\$ 35.00	\$
d) Sel Bly		Accepted selected barley contract numbers must be indicated below.		\$ 60.00	\$

List accepted selected barley contract numbers. CWB letter confirming acceptance must have been received. Only selected barley that has been accepted by a selector under contract is eligible.

e) Maximum advance payment based on inventory (add a, b, c and d of column v)

f) Applicant's unpaid balance of previous 2006-07 wheat and barley advances received under this permit book through *ESCAP* or *SCAP*

g) Applicant's unpaid balance (including interest) of previous 2006-07 wheat and barley advances applied for or received under this permit book through AMPA (include unpaid balance of amounts previously transferred from the 2005-06 AMPA program where default has been stayed).

h) Subtract (f)+(g) from (e) and enter the total in box A **Total Eligible Amount** **A**

Maximum advance

- Calculate the maximum cash advance by subtracting the total of 2(b) and 2(c) from 2(a).
- Enter the amount in Box (B) **Maximum Cash Advance**.

Complete paragraph 2 and skip to paragraph 4, *The Advance Payment* if the applicant does not have a pre-approved *Guarantee*. (If land under irrigation, answer yes in Part 3 and complete irrigation form)

2. Maximum Advance If you are an individual affected by the Related Producers' Provision, please complete a Related Producers' Declaration before completing the rest of this form. Companies must complete paragraph 2 before filling out the Related Producers' Declaration.

a) Maximum 2006-07 advance under *ESCAP*

b) Applicant's previous 2006-07 wheat and barley advances applied for or received through *ESCAP* or *SCAP*

c) Applicant's total previous advances applied for or received through all appearances under *ESCAP* or *SCAP* from all other organizations on all other crops

d) Subtract (b) + (c) from (a) and enter the total in box B **Maximum Cash Advance** **B**

Elevator issuance limitation

- Do not complete this section if the application requires pre-approval before a cash ticket can be issued. However, have the applicant answer the irrigation form question. If the applicant has irrigated wheat, durum and/or barley, check the “yes” box and complete an *Application for Irrigation Rate* form (see page 28).
- For applicants without irrigated acres, record **all** seeded acres that appear in Box (N) of the applicant’s *2006-07 Delivery Permit Book* in the space provided in 3(a).
- Multiply the total seeded acres by the seeded acre rate (\$60.00) and enter the result in 3(a). For applicants who are applying for the irrigated rate, transfer the amount from the *Application for Irrigation Rate* form [Total (C+D+E)] to Box 3(a) on the application form.
- List the tonnes of wheat, durum, barley and selected barley that has been delivered, sold or used on the farm by anyone named in the delivery permit book. Multiply each by the rate and enter the results in the spaces provided. When determining the number of tonnes delivered, do not include storage deliveries from a previous crop year settled this crop year. Add the amounts for 3(b) through to 3(e) and enter the total in 3(f).
- In 3(g), list the total previous 2006-07 wheat and barley advances outstanding through this permit book through *SCAP, ESCAP and AMPA* by anyone named in this delivery permit book.
- Subtract 3(f) and 3(g) from 3(a) and enter the result in Box (C), **Elevator Issuance Limitation**.

Deduct for grain delivered, sold or used on farm in the 2006-07 crop year.

3. Elevator Issuance Limitation - Cannot exceed \$50,000			
I have completed the <i>Application For Irrigation Rate</i> form for grain produced under irrigation			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<i>For applications sent to the CWB for approval before issuance of a cash ticket, do not complete this section of the application form.</i>			
Seeded Acres (from box N of applicant's 2006-07 Delivery Permit)			
a) Wheat + Durum + Barley =	6850	acres x \$60	= 411,000
Record grain delivered, sold or used on the farm in 2006-07 by anyone named in the permit book			
b) Wheat	_____	tonnes x \$80.00=	\$ _____
c) Durum	_____	tonnes x \$75.00=	\$ _____
d) Barley	_____	tonnes x \$35.00=	\$ _____
e) Sel. Bly.	_____	tonnes x \$60.00=	\$ _____
f) Add b, c, d and e	TOTAL		0
g) Total previous 2006-07 wheat and barley advances (include amounts outstanding under <i>E SCAP</i> or <i>SCAP</i> or <i>AMPA</i>) under this permit book by anyone named in this permit book			0
h) Subtract (f) + (g) from (a) and enter total in box C	Elevator Issuance Limitation		411,000 C

The advance payment

- Record the amount the applicant is requesting in Box (D). Ensure that the applicant’s request does not exceed the amounts in Boxes (A) or (B).
- Determine the amount you can issue as a first payment. If the **Guarantee has been pre-approved and you have received an authorization letter from the CWB**, that amount cannot exceed the elevator issuance limitation Box (C) or \$50,000. The \$50,000 limit includes all previous advances that have been applied for or issued through the permit book by the applicant, including amounts issued under 2006-07 *ESCAP* or *SCAP*. Enter the amount in Box (E).
- If the *Guarantee* form has not been pre-approved indicate “NIL” as the

first payment in Box (E) and show the amount applied for Box (D) as the second payment Box (F).

- Subtract the amount issued in the first payment Box (E) from the amount requested Box (D) and enter the remainder in Box (F).
- When verification is received from the CWB, issue the second payment for the approved amount Box (F).

Amounts exceeding \$50,000

If the total applied for Box (D) on the advance application exceeds \$50,000:

- issue a cash ticket for the first payment of \$50,000 Box (E) (cannot exceed Box (C));
- send the application and first payment cash ticket to the CWB through your head office;
- when verification is received from the CWB, issue the second payment for the approved amount Box (F).

4. The Advance Payment	
a) Total advance applied for, must equal first and second payment (cannot exceed box A or B or, if applicable, Box 6 of the <i>Participants' Calculation Worksheet</i>)	100,000 D
b) FIRST PAYMENT paid by elevator manager at date of application (cannot exceed box C or \$50,000) For applications sent to CWB for approval before cash ticket issuance, INDICATE NIL in Box E	50,000 E
c) SECOND PAYMENT to be paid by elevator manager only after verification by CWB (box D subtract box E) If no second payment, INDICATE NIL in Box F	50,000 F

If total cash advance requested (box D) exceeds box C or \$50,000, CWB approval is required prior to issuing the second payment cash ticket (box F). The \$50,000 limitation includes any previous *ESCAP* or *SCAP* advance payment(s) issued to the applicant through this permit book.

Priority Agreement

1. Once the application is completed to the end of paragraph 4, ask the applicant to list all applicable financial institutions and secured parties.
2. Instruct the applicant to have every financial institution and secured party complete a separate *Priority Agreement*.

Read about *Priority Agreements* on pages 32-33.

The declaration section must be fully completed.

Declaration

Have the applicant read and sign the *Declaration* section of the application form. Please read "Signature Requirements" on pages 16-17.

Read the *Notice to Elevator Manager* on the application form. **Ensure all provisions have been met before sending the application to the CWB.**

The advance application form consists of three copies:

- Send the white copy to the CWB as indicated below.
- Keep the yellow copy for your records.
- Give the green copy to the applicant.

The CWB must verify the following applications before a cash ticket is issued:

- Requests for a second payment or subsequent advance (where the applicant has exceeded the \$50,000 or elevator issuance limits).
- Advances for colonies where a *Guarantee* form has not been previously approved.

If the applicant does not have a pre-approved *Guarantee* for Colonies form, the cash ticket cannot be issued until you receive approval from the CWB.

You must still endorse the permit book now.

We will fax you a copy of the approval letter when it becomes available. The applicant will also receive a copy of this letter in the mail.

If applicable, issue the cash ticket. **Please read "Issuing cash tickets" on page 18.**

The package you are preparing for your head office should include the CWB's copies of:

- completed and signed *Advance Application* (white copy);
- completed and signed *Priority Agreement(s)*;
- completed and signed *Guarantee* for Colonies form (if not pre-approved);
- completed and signed *Application For Irrigation Rate* form (if applicable);
- cash ticket (if the *Guarantee* for Colonies form was pre-approved);
- the CWB approval letter if this is the applicant's first advance and pre-approval was received.

Colonies (affected by the Related Producers' Provision)

Forms required

Advance Application form
Additional *Priority Agreement* form(s) - if required
Guarantee form - **if not pre-approved**
Related Producers' Declaration form
Participants' Calculation Worksheet form (if applicable)
Application For Irrigation Rate form - if applicable (see page 28)

Instructions for completing the *Advance Application*

For Colonies affected by the Related Producers' Provision, follow the Section titled "Corporations, partnerships (includes joint producers), cooperatives or other business enterprises (affected by the Related Producers' Provision)", beginning on page 48.

If a holding company owns land for more than one colony, a *Related Producers' Declaration* and a *Participants' Calculation Worksheet* (if applicable) must be completed. To determine attribution, the holding company is considered the "participant".

*** Substitute the *Guarantee for Colonies* form where the *Declaration and Guarantee* form is referred to.**

**Instructions on pre-approval of *Guarantee* forms are on page 58.
See How to complete a *Guarantee for Colonies* form on page 59.**

The package you are preparing for your head office should include the CWB's copies of:

- completed and signed *Advance Application* (white copy);
- completed and signed *Priority Agreement*(s);
- completed and signed *Application for Irrigation Rate* form (if applicable);
- completed and signed *Guarantee for Colonies* form (if not pre-approved);
- completed and signed *Related Producers' Declaration* form;
- cash ticket (if the *Guarantee for Colonies* form was pre-approved); and
- if this is the applicant's first advance and pre-approval was received, the CWB copy of the approval letter.

Glossary of terms

Actual producer – person(s) actually engaged in the production of grain or who directs these operations on a custom basis. Includes joint producers or a business enterprise involved in a single farming operation.

AAFC – an abbreviation for Agriculture and Agri-Food Canada.

AMPA – an abbreviation for the federal legislation that enables the cash advance program (Agricultural Marketing Programs Act).

Attribution – an amount assigned to an applicant in accordance with cash advances issued to related producers.

Bin inspections – an inspection of a producer's farm stored grain to ensure compliance with the *AMPA* program (can be conducted before or after the advance is issued).

Business enterprise – one or more individuals carrying on business as a corporation, partnership, cooperative or under a trade name.

Cash refund – Cash refunds are payments made other than from the delivery of wheat, durum or barley.

Default – failure to comply with the terms and conditions of the advance as set out in the terms and conditions contained in the advance application.

Enhanced Spring Credit Advance Program (ESCAP) – the federal government initiative to provide increased credit availability to assist producers in making production and/or marketing decisions.

Individual applicant – a person who makes an application for an advance on their own behalf and not, for example, on behalf of a business enterprise in which they are involved.

Interested party – landlords, vendors or mortgagees who are not actually engaged in the production of the crop but who share in the proceeds of grain sales.

Joint producers – two or more people who are jointly engaged in the production of grain or who are jointly responsible for the farming operation. Joint actual producers can request individual numbers so that deliveries can be made in their separate names. Joint producers are considered a partnership under the advance payment program and require Declaration and Guarantee forms.

Landlord – someone who rents land to an actual producer under a crop-share agreement. People with cash rental agreements are not entitled to a share of the grain grown on the land and their name(s) should not appear on the delivery permit as a landlord.

Lease – agreement between the owner of the land and a producer that allows the producer to farm the land for a specified length of time in return for payment.

Lien/security – a right granted to a creditor over the debtor's property to protect the debt owing to the creditor.

Mortgagee – someone who lends money to a landowner and acquires a charge (mortgage) on the land as security for the loan with a share of the crop as part of the repayment terms.

Partnership – business enterprise where the partners agree to share profits.

Related producer – producers who are deemed not to deal with one another at arm's length. If the applicant is required, for income tax purposes, to report income or losses from another farming operation or shares the reporting of income or losses from the farming operation named in the application with others, the applicant is affected by the related producers' provision. Related producers can include: actual producers, shareholders, partners, members of cooperatives or other business enterprises, spouses, or relatives.

Shareholders – owners of voting shares in the company.

Spring Credit Advance Program (SCAP) – a federal government initiative to provide an interest-free cash advance in the spring to assist farmers with seeding costs.

Stay of Default - If delivery opportunities have been limited during the program year, or marketing conditions warrant, default may be stayed by the federal government into the next advance program year.

Vendors – someone who sells land to an actual producer and who, under the terms of the sale, receives a share of the crop grown on that land as part of the payment.

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Interest rates

Effective date	2006-07 & 2005-06 Non-Default rate	2000-01 through 2006-07 Default rate
August 1, 2006	6 %	9 %
September 1, 2006	_____ %	_____ %
October 1, 2006	_____ %	_____ %
November 1, 2006	_____ %	_____ %
December 1, 2006	_____ %	_____ %
January 1, 2007	_____ %	_____ %
February 1, 2007	_____ %	_____ %
March 1, 2007	_____ %	_____ %
April 1, 2007	_____ %	_____ %
May 1, 2007	_____ %	_____ %
June 1, 2007	_____ %	_____ %
July 1, 2007	_____ %	_____ %

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