

# 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 <i>This form must be completed in ink</i>					
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
Applicant's Address Box 1			Permit Number 0,0,0,0,3,4,5,6,7,8	Year 0	Company/Delivery Point Code 0,9,9,7,9,9,9,9,0,1
Someplace, SK S0K 0Z0		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.

**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	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	5 2 8	② 1 0 0	③ 4 2 8	\$ 80.00	\$ 3 4 2 4 0 ④
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) .....					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 .....					<b>37,285 A</b> 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.

<b>2. Maximum Advance</b> <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>B</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.

<b>3. Elevator Issuance Limitation - Cannot exceed \$50,000</b>	
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>	
<b>Seeded Acres</b> <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 <b>C</b>



## 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 <b>D</b>
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 .....	29,075 <b>E</b>
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 <b>F</b>

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.

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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).