2006 Interim Payments

If your farm income drops during your 2006 fiscal year, consider applying for an interim payment under the Canadian Agricultural Income Stabilization (CAIS) program. Interim payments can provide you with earlier access to your CAIS program benefit. If your estimated income declines by 15 per cent or more relative to your reference margin, you may be eligible.

The 2006 CAIS Interim Payment Application is a simple two-page form and is available on the CAIS Web site at **www.agr.gc.ca/caisprogram**. You can also request an application by calling the CAIS toll-free line at **1 (866) 367-8506**. Once your application is received, our goal is to process it within 30 days.

To be eligible for an interim payment, you must have completed six months of farming activity and a production cycle, and be filing farm income or loss to the Canada Revenue Agency (CRA). However, the six months of farming and production cycle requirements may be waived if they could not be met due to disaster circumstances.

Interim payments represent 50 per cent of the governments' share of your **estimated** CAIS final payment for the 2006 program year.

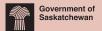
New for 2006 Interims:

• The CAIS Administration will automatically provide you with the highest protection level for 2006. If you do not wish to have your protection level defaulted to the highest level, contact us prior to submitting your 2006 interim application. You can change your protection level at any time up to, but not after, the 2006 protection level selection deadline.

What to Remember When Applying for a 2006 Interim Payment:

• In order to process your 2006 interim application, a detailed breakdown of your 2005 income and expenses is required. When submitting your 2006 interim application, please attach a copy of your 2005 T1273, Statement of Farming Activities (or Statement A) as filed for tax purposes. If you have not yet filed your 2005 income taxes, please complete the "Worksheet for 2005 Reference Year", which requests a breakdown of your 2005 income and expense information. This worksheet is included in the guide.





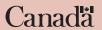














- Because the interim payment is an estimate, there may be situations when your interim payment may be higher than your final CAIS payment. If you receive an overpayment, you will be required to repay the funds.
- If you receive a 2006 CAIS interim payment, you must apply for a final payment. If you don't meet this requirement, you will be required to repay the 2006 interim benefits you received. To apply for a final payment, submit the 2006 T1273 (Harmonized CAIS form) for Individuals or a Statement A for Corporations, Co-operatives and Special Individuals.

Tips on How to Avoid an Overpayment:

- Consult the *Guide to the 2006 CAIS Interim Application*, especially when answering the questions regarding structural change and combining of applications. Your CAIS payment may be significantly affected if your farm has increased or decreased in size through a structural change, or if your application has to be combined with another application. Disregarding these items on the interim application can lead to a very different final payment calculation.
- Provide the most accurate estimate possible for your production. Read the guide carefully to ensure you understand the methods for reporting production.
- Enter all crop insurance and/or un-seeded acreage payments under 'Crop/Production Insurance' on page 2. In addition, the *Guide to the 2006 CAIS Interim Application* includes a list of program payments that should be entered under 'Other Program Payments'.

If you have any questions, or need assistance completing any area of the interim payment application, please call the CAIS toll-free information line at **1-866-367-8506** to speak to a CAIS representative.