

**AGRICULTURAL MARKETING PROGRAMS ACT (AMPA)  
ADVANCE PAYMENTS PROGRAM  
AGREEMENT BETWEEN ADMINISTRATOR AND PRODUCER**

AGREEMENT DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_,

between \_\_\_\_\_

hereinafter referred to as the "Administrator"

and \_\_\_\_\_

hereinafter referred to as the "Producer" (as defined under AMPA)

In consideration of the Administrator granting to the Producer an advance on \_\_\_\_\_ (volume of crop) of the Producer's \_\_\_\_\_ crop, (hereinafter referred to as the "crop"), for the \_\_\_\_\_ crop year pursuant to the provisions of the Advance Payments Program under AMPA, the parties hereto agree as follows:

1. The Administrator shall make an advance at the advance rate of \$\_\_\_\_\_ per \_\_\_\_\_ of crop for a total advance of \$\_\_\_\_\_ to the Producer upon the execution of this Agreement by the both parties.
2. The Producer shall repay the amount of the advance plus interest as specified in this Agreement to the Administrator by the end of the crop year:
  - a) by selling this portion of the crop in respect of which the advance is made to a Buyer or Buyers named by the Administrator, and authorizing each Buyer to withhold from the amount payable to the Producer by that Buyer, in respect of each unit of crop, an amount equal to the advance rate until all the advances made to the Producer and the interest payable by the Producer on those advances is repaid; or
  - b) by selling or otherwise disposing of that portion of the crop in respect of which the advance is made and paying directly to the Administrator for each unit of crop within seven (7) days of receipt of payment or within forty-five (45) days of delivery to the Buyer whichever is earlier, and amount equal to the advance rate until all the advances made to the Producer and the interest payable by the Producer on those advances is repaid; or
  - c) by making a cash payment without sale or disposal of the crop of an amount up to \$\_\_\_\_\_; or
  - d) by a combination of the methods described in sections a), b) and c) above.
3. In the event that the Producer repays the amount of the advance to the Administrator by selling the crop or part of the crop in the manner described in section 2 (a), the Producer shall:
  - a) indicate in writing to the Administrator to which Buyer, named by the Administrator, the crop will be sold, prior to selling the crop to such Buyer; and
  - b) notify the Administrator immediately upon receiving any information to the effect that the named Buyer is not promptly remitting to the Administrator the amount so withheld; and
  - c) remain liable to the Administrator for repayment of any part of the advance where the said Buyer has failed to remit to the Administrator that part of the advance withheld by it pursuant to its Agreement with the Administrator.
4. There shall be a lien in favour of the Administrator on the crop and on any future crops grown by the Producer to the extent of the amount of the Producer's liability as provided in section 12 of the Advance Payments Program under AMPA.
5. The Producer shall be declared in default if the Producer:
  - a) has not met all of the obligations under the Agreement within twenty (20) days after the day on which the Administrator mails or delivers a notice to the Producer stating that the Producer has had, in the opinion of the Administrator, adequate opportunity to meet the obligations, and requesting the Producer to meet them; or
  - b) has not met all of the obligations under the Agreement at the end of the crop year in which the advance was made; or
  - c) has not met all of the obligations under the Agreement when the Producer files an assignment under the Bankruptcy and Insolvency Act or a receiving order is made under that Act against the Producer; or
  - d) at any time breaches any obligation under the Agreement; or
  - e) provides false or misleading information to the Administrator for the purpose of obtaining a guaranteed advance, or evading compliance with an undertaking to repay it.
6. If the Producer is declared in default, the Producer shall be liable to the Administrator for:
  - a) the outstanding amount of the guaranteed advance;
  - b) the interest at the rate specified in this repayment agreement on the outstanding amount of the advance, calculated from the date of the advance; and
  - c) costs incurred by the Administrator to recover the outstanding amount and interest, including legal costs approved by the Minister.
7. If the Producer is declared in default and the Minister of Agriculture and Agri-Food makes payment for the Producer's liability in accordance with the guarantee agreement, the Producer is, in addition to the amounts stated in section 6, liable to the Minister for interest at the rate specified in section 10(b) on the amount of the Producer's liability under section 6 and the costs incurred by the Minister to recover that amount, including legal costs.

AGREEMENT BETWEEN ADMINISTRATOR AND PRODUCER

APPENDIX D

- 8. Where applicable, the applicant agrees that, pursuant to Section 7 of the Limitations Act of Alberta, to the extension of the limitation period for seeking a remedial order for claims arising from this application to six years from the date the Administrator knew, or in the circumstances, ought to have known, of the claim.
9. The interest rate payable by the Producer during the crop year while in compliance with the AMPA and this Agreement will be:
a) 0% on the amount under \$50,000
b) (interest rate) on the amount over \$50,000.
10. In the event that the Producer is declared in default, the interest rate payable by the Producer will be:
a) (interest rate) on the amount of the outstanding balance from the date the advance was issued to the date the Producer was declared in default; and
b) (interest rate) on the amount of the outstanding Producer's liability from the date of default until the advance, interest and all costs of collection are repaid in full.
11. For the purpose of section 5 of AMPA, a crop year for the crop commences on and terminates on.
12. The advance referred to in section 1 is deemed to have been received on that portion of the Producer's crop first sold. The Producer shall not dispose of any other part of this crop, in any manner, before disposing of that portion of the crop for which the advance was received.
13. This Agreement shall commence upon execution by both parties, and shall terminate upon repayment of all amounts provided for in this agreement.
14. The Administrator or its authorized agent has the right to inspect the crop and to perform a credit check on the Producer or any of the Producer's Partners/Shareholders/Members at any time during the term of this Agreement.
15. The Producer shall keep the crop adequately stored so as to remain of marketable quality until disposed of in accordance with the Agreement.
16. Notwithstanding anything to the contrary in this Agreement, the Producer, where the crop upon which the advance has been made, is damaged, in whole or in part, and becomes unmarketable, shall immediately notify the Administrator and pay forthwith directly to the Administrator that portion of the advance attributable to the damaged portion of the crop together with interest on that amount at the rate specified in section 10(a) of this Agreement from the day the advance was made.
17. This Agreement shall be interpreted in accordance with the laws of the province of, Canada.
18. The Producer shall have insurance on all of the crop for which the advance was made, to the full extent of the advance, for all insurable perils, until the Producer's liability is repaid. Such insurance shall show the Administrator's interest "as it may appear".
19. Whenever the singular or masculine is used throughout this Agreement, it shall be construed as including the plural, feminine or neuter whenever the context and/or the parties hereto require.
20. The Producer's application for an advance and declaration form part of this Agreement.

In witness whereof the Administrator has caused its seal to be affixed and attested to by the hands of its duly authorized officers and the Producer has set its hand and seal.

Signed, sealed and delivered by the Producer

this day of

by

Signature lines for Producer Signature, Witness, and Please Clearly Print Name.

Sealed, delivered and attested to for the Administrator

this day of

by

Signature lines for Officer Signature and Position of Officer.

Any personal information provided to Agriculture and Agri-Food Canada will be protected under the provisions of the Privacy Act and will be stored in Personal Information Bank AAFC-PPU-140.

