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**Note: The application is located in the rear of this guide.**

## Introduction and Important Information

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### Introduction

This guide explains how the Canadian Agricultural Income Stabilization (CAIS) interim payment works and provides instruction on how to complete the enclosed application form. It does not contain all program rules or participation requirements. For more detailed information on CAIS, please refer to the *CAIS Program Handbook* or visit the CAIS website at [www.agr.gc.ca/caisprogram](http://www.agr.gc.ca/caisprogram).

### About the Interim Application

The CAIS program is designed to help producers protect their farming operations from both small and large drops in income. The Interim Application is for producers who wish to receive 2004 program year assistance earlier than normally available. As a program participant, you cannot receive your full CAIS payment until your 2004 program year is complete. However, by using the Interim Application, you can estimate your 2004 income and receive a portion of this payment early. If your estimated income (program year margin) declines by 15% or more relative to your reference margin, you may be eligible for an interim payment from CAIS.

### Am I Eligible?

To be eligible to receive assistance through the Interim Application, you must (in the 2004 program year):

- 1) have completed a minimum of six consecutive months of farming activity;
- 2) have completed a production cycle;
- 3) have selected a protection level for the 2004 program year (ranging from 70% to 92%). The level you selected will be used in calculating your interim payment; and
- 4) be farming in Canada and reporting farming income as an individual, a corporation/co-operative, or a trust/communal organization to Canada Revenue Agency.

If you are a **Status Indian** who is farming on a reserve in Canada and do not file tax returns, you are eligible for CAIS provided you submit information you would have otherwise reported for tax purposes for program and reference years.

Requirements 1) and 2) may be waived if, in the opinion of the Administration, they could not be completed for reasons beyond your control and enough information exists to make a reasonable estimate of your income.

For more information on CAIS eligibility criteria, please refer to Section 3.1 of the CAIS Program Handbook.

## ***How Do I Apply?***

Complete and submit your CAIS Interim Application and all required supporting documents to the Administration by **March 1, 2005**.

- If you are involved in **multiple farming operations**, you must assign a number to each operation and complete an application for each operation (all applications should be submitted together).
- **Partners** are eligible to apply to the program as individuals. If you farm as a partnership, each partner who wishes to apply must submit separate forms reporting 100% of the partnership's income and expenses. The Administration will calculate the government contributions to each partner based on their respective share of the partnership.

Submit Interim Applications to:

**CAIS Program Administration  
P.O. Box 3200 Station Main  
Winnipeg, Manitoba  
R3C 5R7**

You must also submit copies of your Statements of Farming Activities as reported to Canada Revenue Agency (CRA) for any of the fiscal years from 1999 through 2003 to the CAIS Program Administration, **unless this information was previously provided to the Net Income Stabilization Account (NISA) program and/or the CAIS program**. If you were not required to report farming income or loss to CRA in one or more of the three years previous to 2004, you must complete the 2004 column of **Table 1: Production Indicators** and submit it with your application.

## ***Important Notes***

- The *2004 CAIS Interim Application* is an optional application. You do not have to apply for a 2004 Interim payment to participate in CAIS for 2004.
- To use the *2004 CAIS Interim Application*, you must have selected a protection level for the 2004 program year (ranging from 70% to 92%). The level you selected will be used in calculating your interim payment.
- As a regular requirement of CAIS, producers who wish to participate for the 2004 program year must open a program account at a participating financial institution and make their required deposit by March 31, 2005.
- Because an interim payment is based on an estimate of your income, it is possible that you will receive more or less money than you are entitled to. If your interim payment is more than you are entitled to, you are required to repay the difference. If it is less than you are entitled to, you will receive the difference at the time that your final information is processed.
- Verifiable adjustments to information submitted on the Interim Application will be accepted for up to 30 days from the date of payment notification or up to the Interim Application deadline, whichever is later.
- You cannot request a review of your Interim Application. You can request a review of your 2004 file once your final 2004 CAIS Program Forms have been processed.

**For further assistance**, contact the CAIS toll-free information line at **1-866-367-8506** (English and French), or visit the CAIS Web site at **[www.agr.gc.ca/caisprogram](http://www.agr.gc.ca/caisprogram)**.

## Introduction and Important Information

### Interim Payment Calculation

Under the CAIS program, the further your program year margin drops relative to your reference year margin, the greater the share of the decline that government contributions will address.

After your Interim Application has been processed, a **Calculation of Interim Benefits** will be sent to you detailing your estimated program year margin and reference margin. Subject to program criteria and eligibility, if your estimated program year margin has declined by 15% or more relative to your reference margin (that is, a margin decline into Tier 2), the Calculation of Interim Benefits will indicate the amount of government contributions you will receive through an Interim payment. If your estimated program year margin declines by less than 15% relative to your reference margin, no government contributions will be available to you through the Interim Application.

At the time of processing of your 2004 final information, if your program year margin has declined relative to your reference margin, some or all of your funds in your CAIS program account will be available for withdrawal. At the same time, you will receive government funds, which will be paid to you directly. **For interim payment purposes, you will receive an advance on government contributions in the amount of 70% of estimated final contributions (62% for Saskatchewan Producers).** You will be required to deposit the funds needed to secure your protection level by the deposit deadline of December 31, 2004. Money on deposit in your CAIS program account to secure your protection level will be withdrawn as applicable when your final information is processed. For more information on managing your CAIS program account please refer to the *CAIS Program Handbook* or visit the CAIS program Web site at [www.agr.gc.ca/caisprogram](http://www.agr.gc.ca/caisprogram).

All applicants qualifying for an interim payment must complete and submit the required 2004 CAIS Program Forms by the established deadline(s). Applicants not meeting this requirement will be required to repay the benefits received through the Interim Application.

#### Step by Step Calculation of Interim Benefits

1) REFERENCE MARGIN - Historic Average	3) ESTIMATED MARGIN DECLINE - Comparison
Allowable Income (average over reference period) – Allowable Expenses (average over reference period) <hr/> = <b>REFERENCE MARGIN</b>	Reference Margin – Estimated Program Year Margin <hr/> = <b>ESTIMATED MARGIN DECLINE (if any)</b> <i>If your estimated margin decline has fallen by 15% or more relative to your reference margin, proceed to step 4.</i>
2) PROGRAM YEAR MARGIN - Current Situation	4) INTERIM PAYMENT
Projected Crop and Livestock Income + Program Payments <hr/> = <b>PROGRAM YEAR INCOME</b> – Program Year Expenses (average over reference period) – Significant Expense Increase Amount(s)* <hr/> = <b>ESTIMATED PROGRAM YEAR MARGIN</b>	Tier 3 Decline Amount (if any) x 80% + Tier 2 Decline Amount x 70% + Tier 1 Decline Amount x 50% + Negative Margin Amount (if any) x 60% <hr/> = Total Estimated Government Contributions x 70% (Interim payment rate) *62% in SK <hr/> = <b>INTERIM PAYMENT</b>

\* As indicated on Part 3 of the Interim Application Form

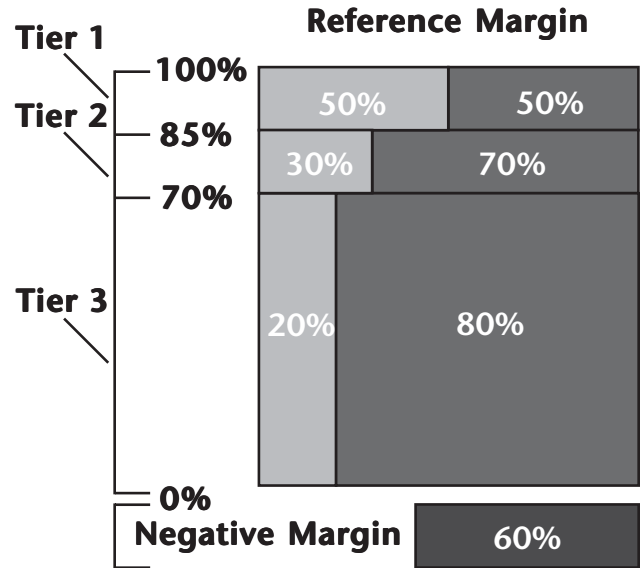
## Introduction and Important Information

The amount of your interim payment is determined by the amount of the decline of your estimated program year margin relative to your reference margin. The further the decline, the larger the amount of government contributions.

**Tier 3:** For a margin decline into Tier 3, you will receive government contributions for 80 percent of the decline within that tier.

**Tier 2:** After covering the portion of the margin decline that falls within Tier 3, you will receive government contributions for 70 percent of the decline within Tier 2.

**Tier 1:** After covering the portion of the margin decline that falls within Tiers 2 and 3, you will receive government contributions for 50 percent of the decline within Tier 1.



**Negative Margin:** For a margin decline into the negative, you will receive government contributions for 60 percent of the decline in the negative. CAIS participants who, where possible, did not insure the majority of their crop acres through Production Insurance at a minimum level (70% for CAIS purposes) will not receive negative margin benefits through the Interim Application.



**I. Applicant Information**

- 4) **Applicant Number:** If you are an Individual applicant, provide your Social Insurance Number. Corporate and co-operative applicants must provide their Business Tax Number. Trusts and communal organization applicants must provide their Trust Taxation Number.
- 5) **Production Insurance:** indicate whether you produced/are producing commodities - insurable under Production Insurance in the

2004 program year, whether you are participating in Production Insurance, and the applicable contract or identification numbers. Only producers who have insured the majority (more than half) of their insurable crop acres at 70% or more are able to receive negative margin benefits through the Interim Application.

- 6) **Partners:** indicate the name, SIN/BN, and percentage share of each partner involved in the partnership.

**II. Whole Farm Information**

II. Whole Farm Information	
a) Based on the criteria set out in the <i>Guide to the 2004 Interim Application</i> , should this operation be combined with another to reflect a whole farm?	<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">1</div> <div style="display: flex; gap: 20px;"> <input type="checkbox"/> Yes                     <input type="checkbox"/> No                 </div> </div>
b) Has your farm increased or decreased in size (productive capacity) during the program year or the previous five years? If "Yes", you must complete and submit <b>Table 1: Production Indicators</b> , as found in the <i>Guide to the 2004 Interim Application</i> .	<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">2</div> <div style="display: flex; gap: 20px;"> <input type="checkbox"/> Yes                     <input type="checkbox"/> No                 </div> </div>

- 1) Question (a) will assist the Administration in determining whether your income and expense information needs to be combined with that of another farming operation which is part of the same whole farm.

In some cases, the combining of operations that report separately for tax purposes is necessary under the CAIS "whole farm" approach. This approach ensures only actual income declines, and not financial accounting procedures, trigger a payment. Two or more operations may be combined under CAIS if, in the opinion of the Administration, they are related persons or entities and if they:

- i) are not legally, financially, or operationally independent of one another; or
- ii) have engaged in transactions not at fair market value.

**If you meet the above criteria you must check "yes" in response to question (a).** Applicants who check "Yes" will be contacted by the Administration for details. Farm financial information for the party(s) they are combined with may be required.

For more information on the combining of operations, please refer to Section 6.7 of the CAIS Program Handbook.

- 2) Structural changes to a farming operation, as measured by an increase or decrease in farm acreage, the amount of livestock sold/produced, or by substantial shifts in the commodities produced, are accounted for in the calculation of a CAIS program payment. This is done to ensure that payments are reflective of an operation's program year productive capacity. Adjustments for structural change may be waived if it can be demonstrated that the change occurred as a direct result of a disaster.

**If you have or expect to have made a structural change during your 2004 program year, you must check "yes" in response to question (b).** Applicants who check "Yes" must complete **Table 1: Production Indicators** and submit it with their application.

For more information on structural changes, please refer to Section 6.6 of the CAIS Program Handbook.



# Completing the Application

## III. Program Year Farming Activity

This section allows the Administration to determine the nature of your income decline, estimate your program year income, and ensure the calculations reflect significant increases in allowable program year expenses.

### III. Program Year Farming Activity

a) If you have experienced a large increase in expenses, check the expense(s) increased and indicate the total estimated amount of that expense for the 2004 program year.

<input type="checkbox"/> Commodity Purchases - Crop	\$	<input type="checkbox"/> Minerals and Salts	\$
<input type="checkbox"/> Commodity Purchases - Livestock	\$	<input type="checkbox"/> Machinery (gasoline, diesel fuel, oil)	\$
<input type="checkbox"/> Commodity Purchases - Feed	\$	<input type="checkbox"/> Electricity	\$
<input type="checkbox"/> Commodity Purchases - Other	\$	<input type="checkbox"/> Freight and Shipping	\$
<input type="checkbox"/> Prepared Feed	\$	<input type="checkbox"/> Heating Fuel	\$
<input type="checkbox"/> Custom Feeding	\$	<input type="checkbox"/> Arm's Length Salaries	\$
<input type="checkbox"/> Containers and Twine	\$	<input type="checkbox"/> Storage/Drying	\$
<input type="checkbox"/> Fertilizer and Lime	\$	<input type="checkbox"/> Veterinary Fees, Medicine, A.I. Fees	\$
<input type="checkbox"/> Pesticides	\$	<input type="checkbox"/> Crop/Hail Insurance Premiums	\$

b) Indicate your estimated program year commodity production (projected to the last day of your fiscal year). Refer to the *Guide to the 2004 Interim Application* for details on how to project your production. Attach an extra sheet if you need more space.

Cattle Fed	# Animal Feed Days	Feeder Hogs	# Animal Feed Days	Poultry	# of kgs produced
Feeder Cattle (owned) up to 900 lbs	2	Grower Hogs (owned) up to 180 lbs	5	Chickens, Broilers	
Finished Cattle (owned) over 900 lbs		Slaughter Hogs (owned) over 180 lbs		Turkeys, Broilers	
Cattle (custom fed) all weights	3	Hogs (custom fed) all weights	6	Egg Production	Dozens Produced
Calves Born	# of head	Hogs Born	# of head	Eggs for Consumption	9
Calves	4	Isoweans (less than 18 lbs)	7	Eggs for Hatching	
		Weanlings (less than 65 lbs)		Depopulation Date (if applicable)	
Other Production	# of Units (specify)	Other Production	# of Units (specify)	Other Production	# of Units (specify)
Specify:		Specify:	10	Specify:	

1) **Increased Expenses:** if you have experienced a large increase in expenses, check each item that has increased and enter the total estimated 2004 program year expense for that item.

2) **Cattle Fed (owned):** the number of **animal feed days** you expect your operation to feed in the 2004 program year, categorized by estimated weight at your year end or time of sale. Animal feed days for cattle weighing 900 pounds or less must be shown in "Feeder Cattle", while those for cattle weighing more than 900 pounds must be shown in "Finished Cattle". Do not include animal feed days for the following: calves born in the 2004

program year (report these as *Calves Born*), calves held over from the previous year that have been sold as calves or you expect to sell as calves, breeding animals, or culls. Animal feed days are calculated as:

*(Number of expected animals) x (Number of expected days each animal will be fed)*

3) **Cattle Fed (custom):** report the total number of **animal feed days** for cattle that you expect your operation to custom feed in the 2004 program year. Animal feed days are calculated as shown in (2) above.



### III. Program Year Farming Activity

- 4) **Calves Born:** the total number of calves born (excluding deaths) and expected in the 2004 program year. Do not include calves held over from the previous year.
- 5) **Hogs Fed (owned):** the number of **animal feed days** you expect your operation to feed in the 2004 program year, categorized by estimated weight at your year end or time of sale. Animal feed days for hogs weighing 180 pounds or less must be shown in “Grower Hogs”, while those for hogs weighing more than 180 pounds must be shown in “Slaughter Hogs”. Do not include animal feed days for the following: weanlings born in the 2004 program year that have been sold as weanlings or you expect to sell as weanlings (report these as *Hogs Born*), weanlings held over from the previous year that have been sold or you expect to sell as weanlings, breeding animals, or culls. Animal feed days are calculated as:
- (Number of expected animals) x (Number of expected days each animal will be fed)*
- 6) **Hogs Fed (custom):** report the total number of **animal feed days** for hogs that you expect your operation to custom feed in the 2004 program year. Animal feed days are calculated as shown in (5) above.
- 7) **Hogs Born:** the total number of expected births (excluding deaths) in the 2004 program year. Report births in either the “Isowean” (must be less than 18 pounds) or “Weanling” (must be less than 65 pounds) categories. Report a birth only once in either of these two categories. Do not include animals born in the 2004 program year that are fed beyond 65 pounds – animal feed days for these hogs should be counted as part of (5) Hogs Fed.
- 8) **Poultry:** the number of kilograms produced (annual quota held), categorized by bird. If you were required to depopulate at the request of the CFIA, please provide your depopulation date.
- 9) **Egg Production:** dozens of eggs produced (annual quota held), categorized by use. Report egg production as either “Eggs for Consumption” or “Eggs for Hatching”. If you were required to depopulate at the request of the CFIA, please provide your depopulation date.
- 10) **Other Production:** other estimated livestock production should be listed in as much detail as possible (for example, list “lambs born” or “wool produced” rather than just “sheep”). If you are a producer of purebred livestock, you must indicate in the description that the livestock is purebred in order to ensure the correct value is assigned to your 2004 program year production. **For commodities not measured by number of head**, report your yield according to the standard unit of measurement for the specific commodity (for example: PMU production should be reported on a per gram basis).

# Completing the Application

## III. Program Year Farming Activity

Office Use	Crop Description with Grade and Protein Level (if applicable)	# of Acres	Estimated Yield/Acre
	<b>11a</b>	<b>11b</b>	<b>11c</b>

c) Please indicate the amount of assistance, if any, you have received/expect to receive from the following related to the 2004 program year:

<b>Crop/Hail Insurance</b>	<b>12</b>	\$
<b>Transitional Industry Support Program</b>		\$
<b>BSE Recovery Program</b>		\$

**11) Crop Production:**

**11a)** Report the type and grade of crop that you harvested. Provide as much detail as possible in describing your crops (for example, specify “Wheat CWRS #1 (14.5%)”, rather than just “Wheat”). Do not report production of feed for on-farm use; only feed produced for sale should be recorded as crop production.

**11b)** Report the number of acres of this crop that were seeded in the program year. If you could not seed any part of your acres due to disaster circumstances, attach a written explanation of why you could not seed these acres, the number of acres affected, and your seeding intention.

**11c)** Estimate your total program year production for this crop, on a yield per acre basis (by bushels per acre or tonnes per acre). If you could not seed/harvest any acres, enter zero in this column and attach a sheet explaining why you could not seed/harvest, and the number of acres affected.

**12) Program Payments:** Report any amounts received, or that you expect to receive related to the 2004 program year. To avoid duplication of government support, crop/hail insurance payments, BSE Recovery Program payments, and Transitional Industry Support Program (TISP) payments will be included as income in the calculation of any interim payment.

