# Colonies

## (not affected by the Related Producers' Provision)

## Forms required

Pre-harvest advance Application form Additional Priority Agreement form(s) - if required Continuing Guarantee for Colonies form

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

## Pre-approval

**Note:** Continuing Guarantee forms completed for the 2000-01 and subsequent crop years can be used for the 2007-08 pre-harvest cash advance program, provided the structure or members of the guarantor company have not changed. Forms completed for the 2001-02 fall AMPA and subsequent crop year programs apply to all farming operations. The Continuing Guarantee for colonies form is only available from the CWB and is different from the Declaration and Guarantee forms.

Colonies can apply for pre-approval of their 2007-08 *Continuing Guarantee* for colonies form. Once you have received an authorization letter from the CWB, the applicant can receive the cash advance payment (Box D of Part 1 or Box J of Part 2) when the pre-harvest advance application and *Priority Agreement*(s) forms have been completed.

Only one 2007-08 *Continuing Guarantee* for Colonies form is required for all advances applied for in the 2007-08 production period and future production periods, under the farming operation, provided no changes are made to the 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 2007-08 *Continuing 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 before issuing an advance if unsure whether the *Guarantee* form is still valid.

# **Pre-approval process**

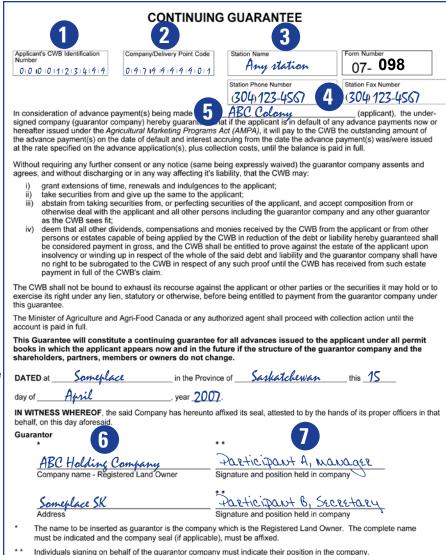
- Enter the CWB ID number. If the applicant does not have a CWB ID number, one will be assigned when the forms are processed by the CWB or you may phone 1-800-275-4292 and a number will be assigned.
- Complete the Guarantee for Colonies form in full. See page 74 for instructions on completing the form. Contact the CWB and a form will be faxed to you.
- 3. The CWB will send 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.
- When the applicant completes the application form, you can issue the applicable payment immediately.

## When pre-approval has not been applied for

If the applicant completes the 2007-08 *Continuing Guarantee* form when applying for an advance, submit all CWB copies of the documents to the CWB for approval before issuing a cash ticket (See instructions below).

# How to complete a Continuing Guarantee for Colonies form

- Enter the applicant's CWB ID number. If no ID number exists, one will be issued by the CWB when the documents are processed.
- Enter your delivery point code. Important: the CWB needs this information to send the preapproval letter back to your elevator.
- 3. Enter your station name.
- 4. Enter your elevator and your station telephone and fax number.
- 5. Insert the applicant's name as it appears on the advance application form.
- 6. 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 *Guarantee* will be returned for correction.
- Have two individuals sign on behalf of the colony and indicate their position in the colony.



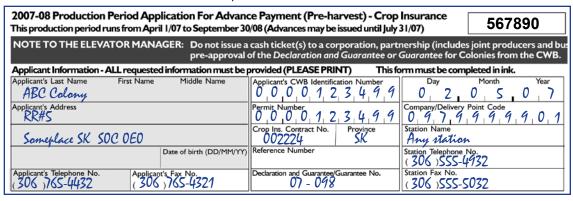
# Instructions for completing the Advance Application

The applicant must read the terms and conditions of the advance application. Advise that by signing the application, the applicant is agreeing to these terms and conditions.

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

- Colony name, address, phone and fax number.
- Applicant's provincial crop insurance number and the province of the crop insurance corporation.
- Continuing Guarantee form number.
- Your station fax number to receive faxes of documents for corrections and authorization where approval is required.

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 Complete the following questions by answering "Yes" or "No". Answer "Yes" if either statement (or both) is true. If you answer "Yes", you are affected by the Related Producers' Provision. Yes No Have you applied for or received an advance under any other farming operations for the 2007-08 production period as an individual or a corporation, partnership (business enterprise) or cooperative? 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)*?

In this example, payment is being applied for on actual seeded acres, based on the applicant's completed provincial crop insurance Seeded Acreage Report. However, the CWB have provided the following instructions on completing Part 1 for your reference.

# Part 1

#### 1. Calculated amount

- 1. Enter the applicant's Anticipated Seeded Acres, by class of grain, in column i.
- 2. Record the applicant's Crop Insurance Coverage, by class of grain, in column ii.
- 3. Calculate the Eligible Tonnes for each class of grain. Multiply column ii by column i and enter the amount in column iii.
- 4. Multiply the Rate Per Tonne in column iv by column iii and enter the result for each class of grain in column v, Calculated amount.
- 5. Add all amounts in column v and enter the total in 1(k).
- 6. The Total Calculated amount in Box A is the result of subtracting (I), the applicant's previous 2007-08 wheat, durum and barley pre-harvest advances applied for or received under this identification number using crop insurance coverage from (k).

Please refer to page 30 for an illustration of the Calculated amount – Part 1.

#### 2. Maximum advance

To calculate the maximum advance for which the applicant is eligible, subtract from 2(a):

- 7. 2(b) the total of all previous advances for wheat, durum and barley for which the applicant has applied for or received under all farming operations; and
- 8. 2(c) the amount applied for or received from all other organizations under all farming operations for all other agricultural products; and
- 9. 2(d) the unpaid principal balance of all 2006-07 wheat, durum and barley advances under all farming operations; and
- 2(e) the unpaid principal balance of all 2006-07 advances received from all other organizations under all farming operations on all other crops; and
- 11. enter this amount in Box B, Maximum Cash Advance.

Please refer to page 39 for an illustration of the Maximum advance – Part 1.

# 3. Advance payment

- 12. Record the amount the applicant is applying for in Box C. Ensure that this amount does not exceed the lesser of Boxes A or B.
- 13. Determine the amount you can issue as a first payment. If the Guarantee for colonies has been pre-approved and you have received an authorization letter from the CWB, that amount cannot exceed 60 per cent of Box C.

Example: \$100,000 Total Advance (Box C) \$100,000 x .6 = \$60,000 (first payment)

If 60 per cent exceeds \$100,000, issue a cash ticket for \$100,000 and send the application to the CWB for approval of the remaining balance.

14. Subtract the amount issued in the first payment, Box D from the amount applied for Box C and enter the remainder in Box E. Submit the white CWB first copy of the application and first payment cash ticket to the CWB through your head office. Retain the yellow (manager's) copy and the blue CWB second copy in case the applicant requests a second payment after seeding is complete.

#### Second payment

If the applicant's provincial crop insurance Seeded Acreage Report
confirms the anticipated seeded acres are the same as actual seeded
acres, the second payment can be issued as shown in Box E. It is
not necessary to submit the blue CWB second copy to the CWB after
issuing the second payment.

If the actual seeded acres do not match anticipated seeded acres, the applicant must complete Part 2 of the advance application before the second payment can be issued.

Please refer to page 40 for an illustration of the Advance payment – Part 1.

# Part 2

#### 4. Calculated amount

Complete this part of the application if:

- the applicant is only applying for an advance payment on actual seeded acres. (Part 1 of the application form does not have to be completed).
   OR
- actual seeded acres do not match anticipated seeded acres (from Part 1).
   (Recalculation on actual seeded acres for second payment).
- Enter the applicant's Actual Seeded Acres, by class of grain, in column i.
   Refer to the applicant's completed provincial crop insurance Seeded Acreage Report(s) the applicant will be filing/has filed with crop insurance.
- Record the applicant's Crop Insurance Coverage, by class of grain, in column ii.
   See pages 12 and 13 for instructions if multiple insurance rates apply to a single class.
- 3. Calculate the Eligible Tonnes for each class of grain. Multiply column ii by column i and enter the amount in column iii.
- 4. Multiply the Rate Per Tonne in column iv by column iii and enter the result for each class of grain in column v, Calculated amount.
- 5. Maximum advance payment (k) is the sum of all Calculated amounts in column v.
- 6. The Total Calculated amount in Box F is the result of subtracting (I) the applicant's previous 2007-08 wheat, durum and barley pre-harvest advances applied for or received under the ID number shown on the pre-harvest advance application from (k). (Do not include any monies issued through Part 1 of this application.)

|          | Grain              | i Applicant's<br>Seeded Acres<br>from Seeded Acreage<br>Report | ii Crop Insurance Coverage (Tonnes per acre) | iii Eligible Tonnes<br>(Column i multiplied by<br>Column ii)<br>in whole tonnes | Rate Per Tonne            | Calculated Amount (Column iii multiplied by Column iv) |
|----------|--------------------|--|--|---|---------------------------|--|
| 1)       | WHEAT<br>CWRS      | 1   1  |  | 1 1 1 1   | \$80                      | \$ , , , , ,   |
| ь)       | cwnws              | 1 1 1 1  |  | 1 1 1 1   | \$80                      | \$ , , , , ,   |
| c)       | CPSR               | 1 0 0 0  | . 8 . 0 .0                                   | 8   0   0   | \$80                      | \$ , 6, 4, 0, 0, 0                                     |
| d)       | CPSW               |  |  |   | \$80                      | \$ , , , , ,   |
| e)       | CWES               |  |  |   | \$80                      | \$   |
| 0        | CWRW               |  |  |   | \$80                      | \$   |
| g)       | cwsws              | 5 0 0  | 1.0 0 0                                      | 5.0.0   | \$80                      | \$ 4,0,0,0,0   |
| h)       | Non Reg<br>Variety |  |  |   | \$80                      | \$   |
| )<br>(i) | DURUM              |  |  |   | \$86                      | \$   |
| j) [     | BARLEY             | 1 1 1 1  |  | 1 1 1 1   | \$50                      | \$   |
|          | Applicant          | s previous 2007-08 whea  | t, durum and barley advand                   |   | under this identification | 104,000  |
|          |                    | ) from k) and enter the  | ,  | · ·   |                           | 104,000  |

#### 5. Maximum advance

To calculate the maximum pre-harvest advance for which the applicant is eligible, subtract from 5(a):

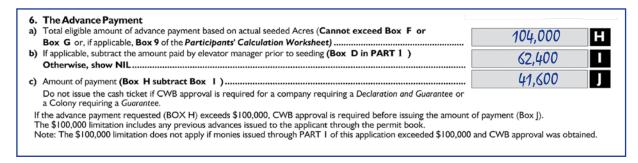
- 7. 5(b) the total of all previous advances for wheat, durum and barley the applicant has applied for or received under all farming operations;
- 8. 5(c) the amount applied for or received from all other organizations under all farming operations for all other agricultural products;
- 9. 5(d) the unpaid principal balance of all 2006-07 wheat, durum and barley advances under all farming operations;
- 10. 5(e) the unpaid principal balance of all 2006-07 advances received from all other organizations under all farming operations on all other crops; and
- 11. enter this amount in Box G, Maximum Cash Advance.

  (Do not include any monies issued through Part 1 of this application.)

| 5.        | Maximum Advance Individual applicants affected by the Related Producers Provision must complete a Related Producers' Declaration now.   |           |   |  |  |  |
|-----------|---|-----------|---|--|--|--|
| <b>a)</b> | Companies must complete this section before completing the Related Producers' Declaration(s)  Maximum advance payment   | \$400,000 |   |  |  |  |
|           | Applicant's total previous 2007-08 wheat, durum and barley advances applied for or received under all farming operations (Do not include any monies issued through <b>PART 1</b> of this application) |           |   |  |  |  |
| c)        | Applicant's total previous 2007-08 advances applied for or received from all other organizations under all farming operations on all other agricultural products (crops and livestock)                |           |   |  |  |  |
| •         | Applicant's unpaid balance of all 2006-07 wheat, durum and barley advances under all farming operations   |           |   |  |  |  |
| e)        | operations  |           |   |  |  |  |
| f)        | From a), subtract b) + c) + d) + e) and enter the total in Box G  | 400,000   | G |  |  |  |

## 6. Advance payment

- 12. Record the amount the applicant is applying for in Box H. Ensure that this amount does not exceed the lesser of Boxes F or G.
- 13. The amount of payment that may be issued is Box H minus Box I. If applicable, show the amount issued as a first payment (Box D of Part 1) in Box I and subtract Box I from the amount requested (Box H) and show the result in Box J.
- 14. If the applicant is applying for a pre-harvest advance payment on actual seeded acres and has not been issued a first payment, indicate NIL in Box I and show the amount applied for (Box H) in Box J.



Note: The maximum amount that can be issued (Box J) without CWB approval is \$37,600. (\$100,000 - 62,400)

# **Priority Agreement**

- Once the application is completed to the end of paragraph 3 (Part 1) or paragraph 6 (Part 2), ask the applicant to list the name and address of all applicable financial institutions and secured parties.
- 2. Instruct the applicant to have every financial institution and secured party complete a separate *Priority Agreement* if a pre-approved *Priority Agreement* has not been signed.

Read about Priority Agreements on pages 34-35.

#### **Declaration**

The applicant must read, sign and date the *Declaration* section of the application form. Please read "Signature Requirements" on pages 17-18.

Read the Notice to Elevator Manager on the application form, whether or not you are issuing the advance payment cash ticket.

Where the applicant has a current delivery permit book, ensure it is endorsed as required.

The advance application form consists of four copies:

 Send the white CWB first copy to the CWB if issuing a first payment on anticipated seeded acres or the entire payment on actual seeded acres.

**Note:** Please staple supporting documents to the back of the application. Please fold the application with the calculations to the outside, to minimize unfolding time during processing.

- Send the blue CWB second copy to the CWB if issuing a second payment on actual seeded acres.
- Keep the yellow (manager) copy for your records.
- Give the green (producer) copy to the applicant, once all payments have been issued.

The CWB must verify advances for colonies (unless they have a pre-approved Continuing Guarantee) before a cash ticket can be issued.

If the applicant does not have a pre-approved Continuing Guarantee form, the cash ticket cannot be issued until you receive approval from the CWB. You must still endorse the current 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 19.

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

- completed and signed Advance Application (white or blue copy);
- completed and signed Priority Agreement(s) (if required);
- completed and signed Continuing Guarantee for Colonies form (if not pre-approved);
- cash ticket (if the Guarantee for Colonies form was pre-approved).