

2007-08 Advance Payments Program After harvest

Advance application forms are available on the Web site and Fax on Demand to reduce travelling time to the elevator before issuance of the advance.

Your first step is to complete the advance application. Then, have a *Priority Agreement* (if a *Continuing Priority Agreement* has not been signed by a Lender) completed by each lending institution and secured party with whom you deal. Next, take the completed *Priority Agreement(s)* and advance application to your elevator for issuance of the advance cash ticket.

Here are instructions to help you complete your application.
More detail is available at 1-800-275-4292 or on our Web site at www.cwb.ca.

- Read all the Terms and Conditions.
- Complete the **Applicant Information** section. **Important: Under Agriculture and Agri-Food Canada guidelines, the personal information requested in the applicant information portion of this form must be provided. This includes the applicant's full name, address, telephone number and date of birth.**
- Answer **YES** or **NO** to the **section regarding related producers**.
 - If you answer **YES** to the above section, **you are required** to complete the *Related Producers' Declaration* form.
- Regarding paragraph 2 – Maximum Advance.** If you are an individual affected by the *Related Producers' Provision*, complete a *Related Producers' Declaration* before completing **paragraph 2**. Companies must complete **paragraph 2** before completing a *Related Producers' Declaration* form.
- (If applicable) Complete a *Declaration and Guarantee (D & G)* form if pre-approval has not been received. If the members of the company have applied for previous advances, a *Participants' Calculation* worksheet should also be completed to help you determine the amount of the advance payment. **Under the Advance Payments Program, joint producers are considered partnerships and must complete D&G forms.**
- Complete a *Priority Agreement* with every lending institution and secured party as required. *Continuing Priority Agreements* can be pre-approved by the Lender.
- Sign and date the advance application form. NOTE: Joint producers must all sign the advance application form.
- See your elevator staff to:**
 - receive an application number to insert on pages 5 of the fax application;
 - issue an advance cash ticket (if pre-approval is not required);
 - endorse your delivery permit book.

PHOTOCOPY THE FORMS TO KEEP A COPY FOR YOUR RECORDS.

We want to process your application as quickly as possible!
Ensure that your application and supporting document(s) contain all of the necessary information.

The Canadian Wheat Board
Farmer Operations
423 Main Street
P.O. Box 816 Station Main
Winnipeg MB Canada
R3C 2P5

Phone: 1-800-275-4292
7 a.m. to 6 p.m. Central Time
Fax: (204) 983-8031
Web site www.cwb.ca

Highlights of the 2007-08 after-harvest cash advance program under AMPA

Under Agriculture and Agri-Food Canada guidelines, the personal information requested in the applicant information portion of this form must be provided. This includes the applicant's full name, address, telephone number and date of birth.

Keep this sheet for future reference

- The 2007-08 *Advance Payments Program (APP)* production period runs from April 1, 2007 to September 30, 2008. After-harvest advances can be issued from September 1, 2007 to March 31, 2008.
- You can receive an advance of up to \$400,000 (with the first \$100,000 interest-free) for all eligible agricultural products offered by all administrators under this program. This maximum applies to all farming operations in which you are involved.
During the six month overlap between production periods (April 1 to September 30), the maximum amount that can be outstanding is \$400,000. This maximum includes any outstanding 2006-07 crop year cash advances for all eligible crops.
- For corporations, partnerships (includes joint producers and business enterprises), or cooperatives, a Continuing Declaration and Guarantee (D&G) form or Guarantee for Colonies form is required. Continuing D&G forms completed for the Spring Credit Advance Program (SCAP), AMPA, and/or the Enhanced Spring Credit Advance Program (ESCAP) can be used for this program. New forms must be completed if the structure of the company, its shareholders, partners, members or owners have changed.
- Your advance must be repaid by delivering wheat, durum or barley. If you repay more than \$1,000 or 10 per cent of the issued value of the advance (whichever is greater) in cash, you will be assessed cash refund interest.
- You must complete a Related Producers' Declaration form if:
 - (1) You appear in more than one CWB delivery permit book.
 - (2) You share with anyone else the reporting of income or losses from this or any other farming operation.
- A **Priority Agreement must be completed by every financial institution you deal with as well as every financial institution and secured party that has a lien upon your grain.** Failure to complete the necessary Priority Agreement(s) could result in default. If pre-approval for the amount applied for has been obtained through the completion of a Continuing Priority Agreement by the lender or secured party, a *Priority Agreement* does not need to be completed at the time the advance application is completed.
- Advances must be repaid by September 30, 2008.

	<u>Rate</u>
First \$100,000 advanced	0%
Over \$100,000 advanced	prime
Default/Cash Refund Interest	prime + 3%

Please refer to the CWB Web site at www.cwb.ca for information on CWB delivery contract deadlines.

Any Questions? The Canadian Wheat Board
Farmer Operations
423 Main Street
P.O. Box 816 Station Main
Winnipeg MB
Canada R3C 2P5

Phone: 1-800-275-4292

**CWB hours are 7:00 a.m. to 6:00 p.m.
(Central Time)**

A self-service option for account balances and information is available 24 hours a day, 7 days a week.

Click: www.cwb.ca

CWB e-services allows you to view cash advance account balances and information online and to conduct repayment scenarios.

TO KNOWINGLY MAKE ANY MISREPRESENTATION OR WILLFULLY PROVIDE ANY FALSE OR MISLEADING INFORMATION WITH RESPECT TO THIS APPLICATION IS AN OFFENCE UNDER BOTH THE AGRICULTURAL MARKETING PROGRAMS ACT (AMPA) AND THE CRIMINAL CODE. ALL INFORMATION PROVIDED BY THE APPLICANT IS SUBJECT TO VERIFICATION. VIOLATORS ARE SUBJECT TO A FINE, IMPRISONMENT OR BOTH.

The applicant agrees,

- a) to make deliveries of grain (wheat, durum, barley or selected barley) when delivery opportunities allow;
- b) **that if sufficient quantities of grain are not contracted with the CWB, that this marketing choice will not affect repayment of this advance;**
- c) to repay the advance and any interest outlined in the Agricultural Marketing Programs Act (AMPA):
 - i) deductions from the initial payment or payment for all deliveries of wheat, durum and barley made to elevators, authorized feed mills or railway cars, at the same rate or any other rate for the production period in which the advance was issued, or the subsequent production period rate, whichever is greater, whether delivered to the CWB or off-Board;
 - ii) cash payments to the CWB, within seven days of settlement, for grain delivered to a facility where no deduction can be made to the CWB, at the same rate or any other rate for the production period in which the advance was issued, or the subsequent production period rate, whichever is greater;
- d) to allow any Gross Revenue Insurance Program Administrator, any personal property security or other public registry or other organization or agency to release to the Minister of Agriculture and Agri-Food Canada (AAFC) or any authorized agent, any information relating to this application or the administration of the advance payment;
- e) to authorize and consent to the collection, use and exchange of personal and credit information about me by the CWB and its agents, Advance Payments Program (APP) administrators, any bank, lending institution, secured party or crop insurance agency from time to time, including the conduct of a personal credit investigation and the sharing and exchange of particulars of my advance and other credit information about me by and between the CWB and its agents, APP administrators, any bank, lending institution, secured party or crop insurance agency from time to time for the purpose of the administration, payment or collection of this advance;
- f) to grant access to the CWB or its agents, at any time, to storage bins or other facilities in which the applicant's grain is stored. Provide, as required, assistance in facilitating the inspection of storage facilities when requested by the CWB or its agents;
- g) to provide his or her delivery permit book(s) or the delivery permit book(s) of related producers or any other information when requested by the CWB;
- h) to store the grain adequately and keep it in marketable condition until delivery. For any grain that is no longer in marketable condition, to immediately repay that portion of the advance plus interest on it, from the date of the advance, calculated daily and compounded monthly, at the prime lending rate established on the first day of each month;
- i) and understands that the CWB may register financing statement(s) at such provincial Property Security registries as the CWB determines advisable. I hereby waive all rights to receive from the CWB a copy of any financing statement or confirmation statement issued at any time respecting the security interests contained in this application;
- j) to apply for a delivery permit book by October 15 in the next production period if the advance and interest is not repaid by the end of the production period in which the advance was issued and the advance is not in default. In the event of a stay of default, the affected balance will be transferred to the next year's program and all terms and conditions of that program will apply. Those terms and conditions are available from the CWB on request;
- k) to use only the delivery permit book endorsed for this advance when making deliveries of the grain pledged in this advance, unless the endorsement is also made in any other delivery permit book issued in substitution;
- l) upon default, to repay the Minister of AAFC for the amount in default, through the administrator, including interest at the rate shown in this application and any collection costs, including legal costs;
- m) that upon default, the CWB can withhold any CWB payments payable to the applicant through any delivery permit book the applicant uses and apply them to the outstanding amount with respect to this agreement, and that this will constitute a discharge of the liability under the Canadian Wheat Board Act to pay the recipient;
- n) that if the applicant resides in the province of Alberta, pursuant to Section 7 of the Limitations Act of Alberta, the limitation period for seeking a remedial order for claims arising from this application shall be six years from the date the CWB knew, or in the circumstances, ought to have known, of the claim.
- o) that if the advance is repaid other than by delivery of grain, to pay to the CWB interest on any cash payments that exceed \$1,000.00 or 10 per cent of the issued value of the advance, whichever is greater. The interest charged will be at three per cent above the prime lending rate, calculated daily and compounded monthly, on the amount above the allowable level, from the date the advance cash ticket was issued to the date of the cash payment.
- p) and acknowledges that the Minister of AAFC may contact the applicant for the purposes of evaluating the program.
- q) I authorize the CWB and AAFC to collect the information contained in, with, or pursuant to this application. AAFC may use the information to verify and/or assess the application, as well as to administer, audit, analyze and evaluate the advance payments program. The personal information provided will be protected under the federal Privacy Act and the provisions of the federal Access to Information Act. The personal information retained by AAFC will be held in Personal Information Bank PPU140. All non-federal government organizations are obligated to protect personal information in accordance with the Personal Information and Electronic Documents Act (PIPEDA) or under legislation applicable within their jurisdiction. You may access your personal information held by AAFC by making a formal request under the Privacy Act in writing or by completing a Personal Information Request Form, which is available through Info Source or at Web site www.tbs-sct.gc.ca/tbsf-fsct/350-58_e.asp. Your request should be mailed to: Agriculture and Agri-Food Canada, Coordinator, Access to Information and Privacy, 930 Carling Ave., Room 282, Ottawa ON K1A 0C5, Tel. 613-759-6602, Fax: 613-759-6547.

This agreement is governed by the laws of the Province of Manitoba.

No current or former public office holder, public servant or Member of the House of Commons shall derive any benefit from this Agreement if prohibited from doing so under any applicable federal conflict of interest or ethical principles, rules and obligations or who is otherwise not in compliance with those applicable conflict of interest or ethical principles, rules and obligations.

Anyone who is subject to and not in compliance with federal conflict of interest guidelines in effect during the term of the Agreement shall not derive a direct benefit from Canada's Contribution under this Agreement.

Any person paid for the purpose of lobbying on behalf of an applicant to the program is required to file a return pursuant to the Lobbyist Registration Act.

Advance Payments Program

The Advance Payments Program is an Agriculture and Agri-Food Canada program that provides farmers with cash flow by advancing money for grain stored on the farm. The Canadian Wheat Board administers this program for wheat, durum and barley grown in Western Canada.

Applying for a Cash Advance

- Valid permit book holders as well as landlords, vendors and mortgagees (interested parties) can apply for a cash advance. Although applications by interested parties must be signed by the actual producer, the interested party remains solely responsible for repayment of the advance.
- Application forms are completed at the elevator.
- Grain shown on the advance application must be in storage on the farm. Grain to be used for seed, fed on farm, or to be delivered to offset the cost of seed purchases is not eligible.
- The total advance payment, including the grain company administration fee and CWB fee, is recorded in the delivery permit book on the day the application is completed whether or not a cash ticket is issued.
- Corporations, partnerships (includes joint producers and other business enterprises), cooperatives and colonies that:
 - have received pre-approval of a Continuing Declaration and Guarantee or Guarantee for Colonies can be issued the first payment from the elevator company upon completion of the application form. These applicants are still subject to the elevator issuance limitation.
 - complete the 2007-08 Declaration and Guarantee or Guarantee for Colonies when applying for the advance, must submit the CWB copy of all documents to the CWB for approval before a cash ticket will be issued.
- Individual applicants must be a Canadian citizen or permanent resident of Canada.

Issuance Limitations

- Elevator managers can issue up to \$80 per seeded acre of wheat, durum and barley listed in the delivery permit book. Requests that exceed this amount must be sent to the CWB for approval. The CWB analyzes all applications to verify that stocks claimed are consistent with average yields in the area.
- If wheat, durum, and barley are grown under irrigation and the applicant has a water services agreement in effect for the acres identified, the elevator manager can issue up to \$240 per seeded acre for wheat and durum and up to \$160 per seeded acre for barley.
- The first \$100,000 advanced is interest-free until the advance is repaid or September 30, 2008, providing the advance is not placed in default.
- Up to \$100,000 can be issued at the elevator. For requests over \$100,000 the balance must be approved by the CWB. Once approved, the elevator manager can issue the second payment cash ticket.
- The \$400,000 maximum and \$100,000 interest-free includes advances for all other agricultural products (such as canola and honey).
- During the six month overlap between production periods (April 1 to September 30), the maximum amount that can be outstanding is \$400,000, which includes any outstanding 2006-07 crop year advances.

Priority Agreement

- A Priority Agreement must be completed by every financial institution the applicant deals with as well as every financial institution and secured party that has a security interest in or lien upon the grain. If there is a lien, the cash ticket must be issued in the manner requested by the lender as set out in the Priority Agreement (i.e. jointly or to the applicant).

If the financial institution or secured party has completed a pre-approved Priority Agreement, they do not need to complete a new Priority Agreement at the time the advance application is completed, providing the amount applied for, taking into consideration previous advances, does not exceed the maximum amount specified on the pre-approved Priority Agreement.

Related Producers

Related Producers are producers with whom the applicant shares a financial interest and can include:

- producers who appear in more than one permit book;
- shareholders, partners (includes joint producers and other business enterprises), or members of cooperatives;
- spouses;
- relatives.

If an applicant shares 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), the applicant is affected by the Related Producers Provision. Advances to related producers are attributable as follows:

If the related producer is a(n):	Amount attributable is:
Individual	100 per cent
Corporation	equal to the percentage of the participant's voting shares
Partnership (includes joint producers and other business enterprises)	equal to the percentage of profits to which the participant is entitled

Repayments

- By taking out an advance, applicants have a legal obligation to repay the advance as soon as there are delivery opportunities.
- On 2007-08 advances, deductions are made from deliveries at the advance payment rate per tonne for the grain that is delivered, except when the advance was originally taken on selected barley that is later rejected and delivered as feed. In this case the selected barley rate is deducted. Deductions are made on all deliveries of grain until the advance is paid in full.
- If the 2007-08 advance is outstanding in any subsequent production period, the rate at which the original advance payment was issued at or the rate in effect in that production period, whichever is greater, will be deducted.
- Advances can be repaid at a higher rate at the applicant's request without penalty.
- For advances in excess of \$100,000, the interest-free portion is retired first and interest is charged until the balance is paid in full.
- Interest is calculated daily at the prime lending rate and compounded monthly. Please call the CWB toll free at 1-800-275-4292 for current interest rates.
- In order to deduct and report advance refunds to the CWB, feed mills, grain dealers and fuel ethanol plants must apply in writing to the CWB for an Advance Payment Deduction Agreement. Where an agreement with the CWB is held, the required deductions will be made from grain deliveries and remitted to the CWB. Where an agreement with the CWB is not held, it is the applicant's responsibility to submit the necessary advance refund to the CWB, with receipts, and make the appropriate grain delivery entry into the permit book.
If grain is sold to a facility where advance deductions cannot be made, a cash repayment accompanied by a copy of the receipt must be submitted to the CWB within seven days of settlement. The receipt must indicate the name and signature of the purchaser, the applicant's name as seller, tonnage, type of grain, the value of the sale and date of delivery. If the repayment is not made the account could be placed in default.
- If grain pledged in the advance becomes unmarketable, that portion of the advance and accrued interest must be repaid immediately.

Fees

If you apply for and receive one or more cash advances that total over \$100,000 (includes pre-harvest advances), a \$125.00 fee plus GST will be assessed by the CWB to cover the additional expense of validation and approval. The CWB fee will be assessed once per production period.

Grain companies charge a separate fee of \$75.00 plus GST per application to cover their administrative costs.

Bin Inspections

- By signing the application form, the applicant agrees to bin inspections and agrees to provide assistance as required to facilitate the inspection.
- The applicant must have enough grain to cover the amount of the outstanding advance at the advance payment rate. If the shortfall is more than 10 per cent of the issued amount of the cash advance, the applicant has failed the bin inspection and will be placed in default.

Default

An account is placed in default and any remaining interest-free benefits are forfeited when the applicant:

- has not met all of the obligations of this application on or before September 30, 2008;
- has not taken advantage of delivery opportunities. The CWB will send a letter requiring repayment within 20 days;
- provides false or misleading information or evades repayment;
- does not comply with the Terms and Conditions of the repayment agreement;
- fails or refuses a bin inspection after the advance has been issued (tonnage shortfall allowed is 10 per cent of the issued amount, calculated at the advance payment rate);
- files for bankruptcy or a receiving order is made against the applicant;
- has not applied for a delivery permit book by October 15th of the next production period where default has been stayed.

Conditions of default

Upon default, interest is charged on the outstanding amount from the date the cash ticket was issued at three per cent above the prime lending rate. Default interest is calculated daily and compounded monthly. Collection costs, including legal fees, may also be charged.

- When an applicant goes into default, the applicant and all related producers are ineligible for new advances.
- Once the defaulted account is repaid, the applicant will be ineligible for advances for the rest of the production period in which the advance was repaid. A bin inspection may be required before the next advance is issued. Related producers are eligible when the defaulted account is repaid.
- Deductions can be made from any CWB payments and any payments received from Agriculture and Agri-Food Canada programs.
- The CWB as the administrator can forward the outstanding balance to Agriculture and Agri-Food Canada for collection.
- If an applicant goes into default in three separate production periods, the applicant will be ineligible for a cash advance in the production period following the production period the defaulted advance was repaid. This applies to all farming operations in which the applicant has an interest.
- In the event of default, the federal government reserves the right to deny the applicant access to other federal agriculture support programming or, alternatively, to off-set from such support a sum equal to the outstanding amount and related interest charges and recovery costs.

No.

2007-08 Production Period Application For Advance Payment For Threshed Grain In Storage

Program runs from April 1/07 to September 30, 2008. After-harvest advances may be issued from September 1, 2007 to March 31, 2008.

TO THE ELEVATOR MANAGER: before this application is completed, ensure that you and the applicant read and understand "Applicant's eligibility" in the 2007-08 Advance Payments Program (After-harvest) country elevator guide.

Do not issue a cash ticket(s) to a corporation, partnership (includes joint producers and business enterprises), cooperative or a colony until the application has been verified or you have received pre-approval of the Declaration and Guarantee or Guarantee for Colonies from the CWB.

Applicant Information *This form must be completed in ink*

Applicant's Last Name	First Name	Middle Name	Applicant's CWB Identification Number	Day	Month	Year
Applicant's Address			Permit Number	Company/Delivery Point Code		
			Reference Number	Station Name		
		Date of birth (DD/MM/YY)	Declaration and Guarantee/Guarantee No.	Station Telephone No. ()		
Applicant's Telephone No. ()			Applicant's Fax No. ()	Station Fax No. ()		

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?
 - 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)?
- Yes No

I. Eligible Amount (indicate amounts in whole dollars and whole tonnes)

Grain	i Applicant's Total Farm Stored Grain (under this permit book)	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				\$90	\$
b) Durum				\$110	\$
c) Barley				\$60	\$
d) Sel Bly				\$80	\$

- e) Maximum advance payment based on inventory (add a, b, c and d of column v)
- f) Applicant's unpaid balance (include interest) of previous 2007-08 wheat, durum and barley advances under this permit book (include 2007-08 pre-harvest and previous after harvest wheat, durum and barley advance balances) and any 2006-07 advance balances under this permit book
- g) From (e) subtract (f) and enter the total in Box A **Total Eligible Amount** **A**

2. Maximum Advance

Individual applicants affected by the Related Producers Provision must complete a Related Producers' Declaration now. Companies must complete this section before completing the Related Producers' Declaration(s).

- a) Maximum advance payment
- b) Applicant's total previous 2007-08 wheat, durum and barley advances (include pre-harvest) applied for or received under all farming operations.
- 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)
- d) Applicant's unpaid balance of all 2006-07 wheat, durum and barley advances under all farming operations
- e) Applicant's unpaid balance of all 2006-07 advances received from all other organizations under all farming operations on all other crops
- f) From a), subtract b) + c) + d) + e) and enter the total in Box B **Maximum Cash Advance** **B**

3. Elevator Issuance Limitation - Cannot exceed \$100,000

For applications sent to the CWB for approval before issuance of a cash ticket, do not complete this section of the application form.

I have completed the Application For Irrigation Rate form for grain produced under irrigation Yes No

Seeded Acres (from "Total Wheat and Total Barley Acres" of applicant's 2007-08 Delivery Permit) =

a) Wheat + Durum + Barley = _____ acres x \$80 =

Record grain delivered, sold or used on the farm in 2007-08 by anyone named in the permit book

b) Wheat _____ tonnes x \$90 = \$ _____

c) Durum _____ tonnes x \$110 = \$ _____

d) Barley _____ tonnes x \$60 = \$ _____

e) Sel. Bly. _____ tonnes x \$80 = \$ _____

f) Add b, c, d and e **TOTAL**

g) Unpaid balance of previous 2007-08 wheat, durum and barley advances issued under this permit book to anyone named in this permit book

h) From (a), subtract (f) + (g) and enter total in Box C **Elevator Issuance Limitation** **C**

4. The Advance Payment

a) **Total advance** applied for (cannot exceed Box A or B or, if applicable, Box 9 of the Participants' Calculation Worksheet) **D**

b) **FIRST PAYMENT** paid by elevator manager at date of application (cannot exceed Box C, Box D, or \$100,000) For applications sent to CWB for approval before cash ticket issuance, INDICATE NIL in Box E **E**

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 **F**

If total cash advance requested (Box D) exceeds Box C or \$100,000, CWB approval is required prior to issuing the second payment cash ticket (Box F). The \$100,000 limitation includes any previous 2007-08 advance payment(s) (including pre-harvest advances).

NOTE: If previous 2007-08 advance payment(s) exceeded \$100,000 and CWB approval was obtained for this production period, the \$100,000 limitation does not apply.

The Advance Application must be completed before completing the Priority Agreement. A Priority Agreement must be completed by every bank or other lending institution with which the applicant currently deals, in addition to any bank or other lending institution or secured party that has a security interest in or lien upon the grain described in the Advance Application. List the name and address of every bank, lending institution or secured party below:

- 1) _____ 2) _____
 3) _____ 4) _____

Complete a separate Priority Agreement for each bank, lending institution and secured party if more than one is listed above and attach it to this Advance Application. Failure by the applicant to have every bank, lending institution and secured party complete a Priority Agreement constitutes an offence under the Agricultural Marketing Programs Act (AMPA) and may result in prosecution.

Name and Branch of Bank or other Lending Institution or secured party (the "Lender")

does does not

have a lien or any security on the grain described in paragraph 1.a) to 1.d) of the application for advance payment given by the Applicant.

In consideration of an advance payment being issued by the Canadian Wheat Board (CWB) (hereinafter called the "Administrator") to the Applicant, the Administrator and the Lender agree that the security interest in the crop for which the advance was made granted to the Administrator at subparagraph (f) of the "Declaration" portion of the advance application shall rank prior to any lien or security interest on the said grain given by the Applicant to the Lender, whether such security interest was given under the authority of the Bank Act or under the authority of a Personal Property Security Act in force in the province or by operation of any other law, but such prior security interest shall only be to the extent of securing repayment to the Administrator of the amount of the Applicant's liability, with respect to the advance as indicated in paragraph 4.a) and any amounts shown in 1.f) of the application for advance payment being made or to be made by the Administrator to the Applicant, plus interest on that amount.

Where the lender has a lien or security on the crop, this agreement is subject to the condition at the discretion of the Lender as identified below, that the above-mentioned advance, less any amounts legally held as an administrative fee or hold back on the Administrator's liability, be payable jointly to the Applicant and the Lender and be remitted to the Lender forthwith by the Applicant and may be applied by the Lender to reduce the Applicant's indebtedness to the Lender.

The Lender does does not require the advance cash ticket to be issued jointly.

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Manitoba.

Dated at _____ the _____ day of _____, _____ (year)

(Position of Authorized Officer of Lender) _____ (Print Name of Authorized Officer) _____ (Signature of Authorized Officer) _____

Telephone No. () _____ Fax No. () _____

Declaration

I, THE UNDERSIGNED APPLICANT, DO SOLEMNLY DECLARE:

- a) I, or a shareholder or partner or member of a corporation, partnership, cooperative or business enterprise of which I am affiliated for the purpose of this application, have reached the age of majority in the province where the farm operates;
- b) If applicable, the members and structure of the corporation or other business enterprise stated in the Declaration and Guarantee or Guarantee for Colonies (if completed before this application) identified in the Applicant Information section of this application, have not changed and are still valid.
- c) If I am the actual producer, I am principally occupied in this farming operation;
- d) No other party has title to or interest in the grain;
- e) Neither I, nor any related producers are in default, and I do not have an outstanding defaulted advance from a previous crop year in respect to the Agricultural Marketing Programs Act (AMPA), the Spring Credit Advance Program (SCAP), the Enhanced Spring Credit Advance Program (ESCAP), the Prairie Grain Advance Payments Act (PGAPA) or the Advance Payments for Crops Act (APCA);
- f) I grant to the CWB a continuing security interest in the crop for which the advance contemplated by this application is made, and all proceeds, of the foregoing and this security interest is intended to be a general and continuing security for the payment and performance of all obligations, indebtedness and liabilities of the applicant to the CWB whether incurred prior to, at the time of or subsequent to the execution of this 7-page application, including without limitation the amount of the applicant's liability under AMPA. There is no existing lien or security interest against the grain secured in this application except those declared in the Priority Agreement(s);

g) If applicable, I have fully completed the Related Producers' Declaration;

- h) I am the owner of and am responsible for delivering the grain pledged in this application to the CWB;
- i) I have read, understood and agree to be bound by all the Terms and Conditions forming part of this Application;

AND I MAKE THIS SOLEMN DECLARATION THAT, TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL OF THE STATEMENTS MADE IN THIS APPLICATION ARE TRUE.

I understand and acknowledge that the CWB or its agents may collect credit and other financially related information about me and may make such enquiries as it deems necessary to verify the information I have given in this application, and to better assess my ability to repay the sums advanced. I hereby consent to such enquiries being made.

Notice to Applicant

Where advances have been issued through other organizations, as shown in Section 2, Maximum Advance (includes unpaid balance of 2006-07 advances), please identify the organization below.

Notice to Elevator Manager

By sending this application to the CWB, you are confirming the following:

- a) I have examined this application with care and am satisfied that all statements made are true.
- b) I have examined the Priority Agreement(s) and am satisfied that all Priority Agreements have been completed and obtained as required.
- c) Where the first payment has been issued as set out in paragraph 4.b), I have approved this application on behalf of the CWB. If this application requires CWB verification, I will immediately upon notification by the CWB that the advance payment has been verified, issue the second payment set out in paragraph 4.c) or as authorized by the CWB.
- d) I have entered the applicant's name in the delivery permit book and have made the required endorsement.
- e) Where a lender has a lien on the applicant's grain, I will issue all cash tickets in the manner requested by the Lender as set out in the Priority Agreement(s) (i.e. jointly or to the applicant).
- f) I am satisfied that the Related Producers' Provision:
 - i) applies to the applicant, and the Related Producers' Declaration is complete and attached;
 - or
 - ii) does not apply to the applicant.

Signature(s) of Applicant(s) _____

Date _____

Actual Producer's Signature if not the Applicant _____