

Issuing an advance

Individual

(not affected by the Related Producers' Provision)

Forms required

Application form.

Additional *Priority Agreement* form(s) - if required.

Application For Irrigation Rate form - if applicable (see page 34).

Instructions for completing the Advance Application

Applicants must read the terms and conditions outlined on the advance application. Advise that by signing the application, the applicant is agreeing to the terms and conditions.

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

- Name, address, date of birth, phone and fax number.
- Your station fax number to receive faxes of documents for correction and authorization where approval is required.

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)					123456
<p>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.</p>					
Applicant Information <i>This form must be completed in ink</i>					
Applicant's Last Name	First Name	Middle Name	Applicant's CWB Identification Number	Day	Month Year
Producers	Arnold	Lawrence	0 0 0 0 3 4 5 6 7 8	1 4	0 9 0 7
Applicant's Address	Box 1 Someplace, SK		Permit Number	Company/Delivery Point Code	
			0 0 0 0 3 4 5 6 7 8	0 9 9 7 9 9 9 9 0 1	
		Date of birth (DD/MM/YY)	Reference Number	Station Name	
		Sok 020 07/11/1980		Any station	
Applicant's Telephone No.			Declaration and Guarantee/Guarantee No.	Station Telephone No.	
(306) 654-3271				(306) 555-3832	
			Applicant's Fax No.	Station Fax No.	
			()	(306) 555-3833	

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.

Important:

Complete this section accurately - failure to do so will delay application approval.

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

Eligible amount

1. Enter the applicant's total tonnage in storage on the farm including carryover stocks and current production in column i.
 - Only include the applicant's stocks of grain.
2. Record tonnages to be used for seed, fed on farm and deliveries to purchase seed in column ii.
3. Calculate the tonnage eligible for delivery to the CWB, column iii, by subtracting column ii from column i.
4. Multiply column iii by the rate per tonne, column iv, to complete the eligible amount, column v.
5. Add the eligible amounts for each grain together and record the total under 1(e).
6. Record the amount of the applicant's unpaid balance of previous 2007-08 wheat, durum and barley advances (include pre-harvest) and any 2006-07 balances through this permit book in 1(f).
7. Subtract 1(f) from 1(e) and enter the result in 1(g) Total Eligible Amount.

If transferring an advance from an inactive permit book, attach a note identifying the inactive ID number.

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	3 1 5		3 1 5	\$90	\$ 2 8 3 5 0
b) Durum	2 0 0		2 0 0	\$110	\$ 2 2 0 0 0
c) Barley				\$60	
d) Sel Bly	4 2 5		4 2 5	\$80	\$ 3 4 0 0 0
e) Maximum advance payment based on inventory (add a, b, c and d of column v)					84,350
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					84,350 A

Maximum advance

To calculate an applicant's maximum cash advance, subtract all previous 2007-08 advances and any outstanding balances remaining on 2006-07 advances through the CWB and all other organizations from the Maximum advance payment of \$400,000.

8. In 2(b), record the applicant's previous 2007-08 wheat, durum and barley advances (include pre-harvest) applied for or received under all farming operations
9. In 2(c), record the total amount of the applicant's previous 2007-08 advances applied for or received from all other organizations under all farming operations on all agricultural products
10. In 2(d), record any unpaid balances on 2006-07 cash advances received from the CWB under all farming operations.
11. In 2(e), record any unpaid balances on 2006-07 cash advances received from all other organizations under all farming operations on all other crops.
12. Subtract 2(b), 2(c), 2(d) and 2(e) from 2(a) to determine the applicant's Maximum Cash Advance, Box B.

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	\$400,000
b) Applicant's total previous 2007-08 wheat, durum and barley advances (include pre-harvest) applied for or received under all farming operations.	<input type="text"/>
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)	<input type="text"/>
d) Applicant's unpaid balance of all 2006-07 wheat, durum and barley advances under all farming operations	<input type="text"/>
e) Applicant's unpaid balance of all 2006-07 advances received from all other organizations under all farming operations on all other crops	<input type="text"/>
f) From a), subtract b) + c) + d) + e) and enter the total in Box B	400,000 B

Elevator issuance limitation

For applications sent to the CWB for approval before issuance of a cash ticket, do not complete this section of the application form. Have the applicant answer the irrigation form question and if required, complete an *Application For Irrigation Rate* form.

13. For applicants without irrigated acres, record all wheat and barley seeded acres in the space provided in 3(a).
14. Multiply the total seeded acres by the seeded acre rate (\$80.00) and enter the result in 3(a). For applicants who are applying for the irrigated rate, transfer the amount from the *Application For Irrigation Rate* form (Total (C+D+E)) to Box 3(a) on the application form.
15. List the tonnes of wheat, durum, barley and selected barley that have been delivered, sold or used on the farm by anyone named in the delivery permit book. Multiply each by the rate and enter the results in the spaces provided. When determining the number of tonnes delivered, do not include storage deliveries from a previous crop year settled this production period. Add the amounts for 3(b) through to 3(e) and enter the total in 3(f).
16. In 3(g), list the total previous 2007-08 wheat and barley advances outstanding on this permit book by anyone named in this delivery permit book. (Include pre-harvest advances)
17. Subtract 3(f) and 3(g) from 3(a) to determine the Elevator Issuance Limitation in Box C.

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 <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Seeded Acres (from "Total Wheat and Total Barley Acres" of applicant's 2007-08 Delivery Permit)	
a) Wheat + Durum + Barley = <u>650</u> acres x \$80	<input type="text" value="52,000"/>
Record grain delivered, sold or used on the farm in 2007-08 by anyone named in the permit book	
b) Wheat <u>15</u> tonnes x \$90 = \$ <u>1,350</u>	
c) Durum _____ tonnes x \$110 = \$ _____	
d) Barley _____ tonnes x \$60 = \$ _____	
e) Sel. Bly. <u>7</u> tonnes x \$80 = \$ <u>560</u>	
f) Add b, c, d and e	TOTAL <input type="text" value="1,910"/>
g) Unpaid balance of previous 2007-08 wheat, durum and barley advances issued under this permit book to anyone named in this permit book	<input type="text"/>
h) From (a), subtract (f) + (g) and enter total in Box C	50,090 C

Important:

Complete this section accurately. Failure to do so may result in the advance being rejected to your company if yield information indicates the applicant is overpaid.

Deduct for grain delivered, sold or used on farm in the 2007-08 crop year.

The advance payment

18. Record the amount the applicant is requesting in Box (D). This amount cannot exceed the amount in Box (A) or Box (B).
19. Determine the amount you can issue as a first payment. That amount cannot exceed the elevator issuance limitation Box (C) or \$100,000. The \$100,000 limit includes all previous advances that have been applied for or issued through the permit book by the applicant, including pre-harvest advances. Enter the amount in Box (E).
20. To determine the second payment (Box F), subtract the first payment Box (E) from the Total Advance requested Box (D). For applications sent to the CWB for approval before cash ticket issuance, indicate NIL in Box (E).

Important:

Box D must equal the total of the first (Box E) and second (Box F) payment. Ensure the first (Box E) and the second (Box F) payment amounts are completed. If there is no second payment, indicate NIL in Box F.

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)	84,350 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	50,090 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	34,260 F
<small>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.</small>	

Amounts exceeding \$100,000

If the total applied for Box (D) on the advance application exceeds \$100,000:

- issue a cash ticket for the first payment of \$100,000 Box (E) (cannot exceed Elevator Issuance Limitation in Box (C));
- send the application and first payment cash ticket to the CWB through your head office; and
- when verification is received from the CWB, issue the second cash ticket.

Priority Agreement

A *Priority Agreement* is an agreement between the CWB and financial institutions and secured parties that gives the CWB's lien against an applicant's grain priority over any other security. Financial institutions include: banks, credit unions, caisse populaires or cooperative credit societies, trust companies and the Province of Alberta Treasury Branch. A secured party may be any person or business organization with a lien on the applicant's grain. A *Priority Agreement* must be completed by:

- every financial institution with which the applicant deals, whether or not there is a lien on the grain; and
- every financial institution or secured party that has a security interest or lien on the grain described in the advance.

The advance application includes a *Priority Agreement*. The advance application must be completed to the end of paragraph 4 "The Advance Payment", before the applicant takes the agreement to the financial institution(s) or secured party(ies) unless a Continuing Priority Agreement has been pre-approved. There are separate *Priority Agreement* forms with your supplies if more than one is required.

Continuing Priority Agreement

Each applicant now has the opportunity to have the lender complete a pre-approved *Priority Agreement* yearly. The pre-approved *Priority Agreement* would be applicable to any cash advance received for a production period and it can be amended by the lender at any time during the production period. If the lender does not wish to enter into a pre-approved Priority Agreement, the current procedure would be followed.

The *Priority Agreement* identifies the maximum amount that can be issued to an applicant through the CWB during the production period without revisiting the lender. If the applicant is applying for more than the pre-approved amount, the applicant must revisit the lender for a new *Continuing Priority Agreement* for the amount being requested. If any information on the form needs to be amended, a new form must be completed, which will replace the previous form.

When issuing a cash advance to an applicant who deals with more than one lender with different pre-approved maximum amounts, only the minimum pre-approved amount can be issued without revisiting that lender for additional approval.

CWB agents can access information relative to pre-approved *Priority Agreements* through E-services on the CWB Web site. E-services enables agents to see if a *Continuing Priority Agreement* has been pre-approved by the lender, the maximum amount that can be issued without revisiting the lender, and whether or not the cash ticket is to be issued jointly or to the applicant only.

The form number will be assigned by the CWB when the form is received in our office, and will be available on E-services.

Failure to complete the necessary *Priority Agreement(s)* could result in default.

Instructions:

1. Once the application is completed to the end of paragraph 4, ask the applicant to list all applicable financial institutions and secured parties.
2. The applicant should ensure that every financial institution and secured party completes a separate *Priority Agreement* if a pre-approved *Priority Agreement* has not been signed by a lender. Failure to disclose all financial institutions and secured parties is an offence under *AMPA* and the *Criminal Code*.
3. Attach all additional completed *Priority Agreement(s)* to the completed advance application.

If the applicant refuses to have the *Priority Agreement* completed, contact the CWB for assistance.

Incorrectly completed priority agreements

Incorrectly completed *Priority Agreements* will be faxed for correction if the advance requires CWB approval before issuance. Incorrect forms will delay CWB approval and increase administration.

Declaration

Have the applicant read and sign the *Declaration* section of the application form.

Under *Notice to Applicant*, have the applicant list all organizations through which previous advances have been issued (include unpaid advances from 2006-07 crop year).

Please read "Signature Requirements" on page 20-21.

Read the Notice to Elevator Manager on the application form. Ensure all provisions have been met before sending the application to the CWB.

The advance application form consists of three copies:

- CWB copy – white;
- Manager's copy – yellow;
- Applicant's copy - green.

The CWB must verify the following applications before a cash ticket is issued:

- Requests for a second payment or subsequent advance (where the applicant has exceeded the \$100,000 or elevator issuance limits).

If applicable, issue the cash ticket. Please read "Issuing cash tickets" on page 22.

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

- the completed and signed *Advance Application* (white copy);
- completed and signed *Priority Agreement(s)*;
- completed and signed *Application For Irrigation Rate* form (if applicable); and
- cash ticket (if the advance was issued).