

# 2007-08 Advance Payments Program (Pre-harvest) using Canadian Agricultural Income Stabilization (CAIS) as coverage

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. Applicants must have 2007 Canadian Agricultural Income Stabilization (CAIS) coverage in place to be eligible for a pre-harvest cash advance using crop insurance coverage.

Your first step is to complete the advance application. Then, have a *Priority Agreement* completed (if a *Continuing Priority Agreement* has not been signed by a Lender) 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](http://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, date of birth and CAIS Personal Identification Number (PIN).**
- 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.

**Complete Part 1 (paragraphs 1 to 3) if applying based on anticipated acres.**

**Complete Part 2 (paragraphs 4 to 6) if applying based on actual seeded acres.**

- Regarding paragraph 2 or 5 – Maximum Advance.** If you are an individual affected by the *Related Producers' Provision*, complete a *Related Producers' Declaration* before completing **paragraph 2 or 5**. Companies must complete **paragraph 2 or 5** 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 3 and 4 of the fax application;
  - issue an advance cash ticket (if pre-approval is not required);
  - endorse your delivery permit book.

**Note: Elevator staff will need to photocopy the advance application form in case it is necessary to complete PART 2 when issuing a second payment.**

**PHOTOCOPY THE FORMS TO KEEP A COPY FOR YOUR RECORDS.**

We want to process your application as quickly as possible!

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. Winnipeg Time  
Fax: (204) 983-8031  
Web site [www.cwb.ca](http://www.cwb.ca)

## Highlights of the 2007-08 Advance Payments Program (Pre-harvest) using Canadian Agricultural Income Stabilization (CAIS) coverage

The *Advance Payments Program (APP)* is an Agriculture and Agri-Food Canada program whose objective is to increase credit availability to assist applicants in making production and/or marketing decisions. The Canadian Wheat Board administers the program to farmers in Western Canada for wheat, durum and barley.

**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, date of birth and CAIS Personal Identification Number (PIN).**

### Eligible Amount

- The 2007-08 *Advance Payments Program (APP)* production period runs from April 1, 2007 to September 30, 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 agricultural products.
- **An applicant can now use CAIS as security on a crop providing the crop is not secured under crop insurance.** The eligible amount is calculated using the lesser of anticipated or seeded acres and the estimated yield **OR** the government's portion of the producer's selected coverage of the CAIS reference margin.

#### Calculation:

Lesser of:

Seeded Acres x Estimated Yield x Advance Payment Rate

**OR**

CAIS Reference Margin x Gov't portion of producer's selected coverage.

Government portion of producer's selected coverage:

minimum coverage = 56%  
medium coverage = 66.5%  
maximum coverage = 70%

- Advances with estimated yields exceeding 1.0 tonne per acre for wheat and durum and 1.25 tonnes per acre for barley must be sent to the CWB for approval.
- Applicants must provide documented proof of their chosen CAIS coverage level and current reference margin. The CAIS 2006 Options Notice can be used to confirm program coverage.
- Advances over \$100,000 must be sent to the CWB for approval of the portion of the advance that exceeds \$100,000. A fee of \$125 plus GST will be assessed by the CWB to cover the additional expense of validation and approval.

### Declaration & Guarantee forms

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.

### Advance Payment Options

- For applications made before seeding, the payment is issued in two installments: 60 per cent at the time of application, and 40 per cent after seeding.
- For applications made after seeding, 100 per cent of the eligible amount is issued at the time of application.

### Repayment

- All applicants are required to repay the advance with the delivery of their harvested grain when delivery opportunities allow. The repayment rate is the greater of: the rate at which the advance was issued, or ANY subsequent repayment rate. Cash payments that exceed the greater of either \$1,000 or 10 per cent of the issued value of the advance will be assessed cash refund interest.
- Your advance must be repaid by September 30, 2008. The CWB may request that you complete an *After Harvest Report* to confirm that you have sufficient grain in inventory, at the advance payment rate, to cover the outstanding amount of your cash advance. The CWB may also require that a bin inspection be conducted.

### CAIS Assignments

- **The federal government or the CWB will register an assignment with CAIS, without further notice, giving the CWB, on behalf of the federal government, priority on any CAIS payouts up to the amount owing on the advance, plus any interest.**
- A *Priority Agreement* must be completed by every financial institution with which the applicant deals, as well as every financial institution and secured party that has a lien on the grain.  
If pre-approval for the amount applied for has been obtained from the lender or secured party, a *Priority Agreement* does not need to be completed at the time the advance application is completed.

**Phone: 1-800-275-4292**

**CWB hours are 7 a.m. to 6 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](http://www.cwb.ca)**

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

## Application For Advance Payment (Pre-harvest) using Canadian Agricultural Income Stabilization (CAIS) coverage

### Terms and Conditions

### 2007-08 Production Period

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 may be subject to a fine, imprisonment or both.

#### The applicant agrees,

- a) to provide documentation as requested confirming the applicant's participation in the CAIS program and to maintain their participation in the CAIS program in good standing;
- b) to make deliveries of grain (wheat, durum and barley) when delivery opportunities allow to repay this advance;
- c) that if sufficient quantities of grain are not contracted with the CWB, that this marketing choice will not affect repayment of this advance;
- d) to repay the advance taken under the 2007-08 *Advance Payments Program (APP)* through:
  - i) deductions from the initial payment or payment for all deliveries of wheat and barley made to elevators, 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;
  - iii) any CAIS payment, to be forwarded to the Administrator **where an assignment has not been registered by the federal government or by the Administrator, for the current or a subsequent production period;**
  - iv) 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.
- e) to allow the CWB to release to and receive from its agents, information required for the administration and/or collection of advance payments;
- f) to allow the CWB and its agents to release to and receive from APP administrators, information required for the administration and/or collection of advance payments;
- g) to allow CAIS, any crop insurance agency, Gross Revenue Insurance Program Administrator, any personal property security or other public registry or other organization or agency to release to and receive from the Minister of Agriculture and Agri-Food Canada (AAFC) or any authorized agent, any information for the purpose of the administration, payment or collection of this advance;
- h) to allow the CWB and its agents to release to and receive from Financial Institutions and Secured Parties, information required for the administration and/or collection of advance payments;
- i) once the grain is produced, 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 from the date of the advance, calculated daily and compounded monthly, at the prime lending rate established on the first day of each month;. If requested by the CWB, to provide the CWB an *After Harvest Report*, confirming that the applicant has sufficient grain in inventory, at the advance payment rate to repay the advance payment. As well, 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;
- j) and understands that the CWB may register financing statement(s) at such provincial personal property security registries as the CWB determines advisable. The applicant hereby waives 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;
- k) to apply for a delivery permit book before January 1, 2008 if the pre-harvest has not been retired before that date;
- l) 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. 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 ;
- m) upon default, to repay the Minister of Agriculture and Agri-Food Canada for the amount in default, through the administrator, including interest at the rate shown in this application and any collection costs, including legal costs. The Minister is, to the extent of any payment made under this agreement, subrogated to the Administrator's rights against the producer in default and against persons who may be personally liable under the repayment agreement;
- n) that upon default, the CWB can withhold any CWB payments payable to the applicant 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;
- o) 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;
- p) that the Administrator, on behalf of Agriculture and Agri-Food Canada, may register a copy of this Application with the CAIS Administration and effective upon such deposit, the applicant will be deemed to have transferred and assigned to such Administrator all of the applicant's indemnities otherwise payable to the applicant under the applicant's contract(s) with such agency for the amount of the advance, plus interest, and any such payments can be made payable only to the Administrator;
- q) that any advance payment monies transferred from the 2006-07 crop year due to a stay of default will lower an applicant's interest-free and total eligible amount under the 2007-08 Production Period;
- r) 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 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;
- s) and acknowledges that the Minister of Agriculture and Agri-Food Canada may contact the applicant for the purposes of evaluating the program;
- t) 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 APP. 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](http://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*.**

#### Applying for a pre-harvest advance under the APP (Pre-harvest)

- Farmers who have made application for CAIS coverage with the CAIS administration can apply for a pre-harvest advance payment based on anticipated or actual seeded acres. Actual producers as well as landlords, vendors and mortgagees (interested parties) can apply for a pre-harvest advance payment. Although applications by interested parties must be signed by the actual producer, the interested party remains responsible for repayment of the advance.
- Application forms are completed at the elevator.
- If the applicant does not have a CWB identification number, call the CWB at 1-800-275-4292 to obtain a number.
- Corporations, partnerships (includes joint producers and business enterprises), cooperatives and colonies that:
  - have received pre-approval of a continuing *Declaration and Guarantee* or continuing *Guarantee* for Colonies, can be issued the applicable payment from the elevator company upon completion of the application form. These applicants are still subject to the issuance limitations.
  - complete the continuing *Declaration and Guarantee* or continuing *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

- 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 additional payment. The \$400,000 maximum and \$100,000 interest-free includes advances for all other agricultural products (such as canola and honey), and 2006-07 advances that have been transferred or are being transferred where a stay of default has been granted.
- 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 with which the applicant deals as well as every financial institution and secured party that has a lien on 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(s)* (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*.

## Assignments

AAFC registers assignments by notifying the CAIS Administration based on information provided by CWB to AAFC. The federal government may, at its discretion, choose to limit registration of assignments with CAIS Administration. CAIS means the Canadian Agricultural Income Stabilization program or any program that replaces it.

## Related Producers

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

- producers who are involved in more than one farming operation;
- shareholders, partners, members of cooperatives or other business enterprises;
- spouses;
- relatives.

If an applicant is required to report income or losses from another farming operation or shares the reporting of income or losses from this farming operation with anyone else for income tax purposes, the applicant is affected by the *Related Producers Provision*. Advances to related producers are attributable to the applicant(s) as follows:

If the related producer is a(n):	Amount attributable is:
<b>Individual</b> .....	100 per cent
<b>Corporation</b> .....	equal to the percentage of the participant's voting shares
<b>Partnership</b> .....	equal to the percentage of profits to which the participant is entitled
<b>(includes joint producers or other business enterprise)</b>	

## Repayments

- By taking out an advance, applicants have a legal obligation to repay the advance with deliveries from their harvested grain, as soon as there are opportunities.
- Deductions are made from deliveries at the advance payment rate per tonne for the grain that is delivered. Deductions must be made on all deliveries of grain after July 31, 2007 until the advance is paid in full.
- If the advance is outstanding in any subsequent production period, the rate at which the original advance payment was issued or any other advance rate for the production period in which the advance was issued, or the subsequent production period rate, whichever is greater, will be deducted.
- For advances in excess of \$100,000, the interest-free principal 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.
- Refunds can be deducted from the applicant's grain deliveries at a higher rate at the applicant's request.
- An applicant is "overpaid" if:
  - the eligible amount based on actual seeded acres of wheat, durum and barley is less than the anticipated amount issued through **PART I** of this application; OR
  - the applicant's final CAIS security level/amount is not sufficient to justify the advance issued; OR
  - the *After Harvest Report* demonstrates that the grain in storage is not sufficient to repay the outstanding amount of the advance.

Applicants who are overpaid must remit payment of the shortfall to the CWB within 30 days of notification by the CWB.

- If grain is sold to a facility where advance deductions cannot be made (for example a feed lot), a cash repayment 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, 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 plus accrued interest must be repaid immediately.

## CAIS Payments

- Any monies received from the CAIS Administration must be applied to outstanding pre-harvest advances even where outstanding prior advances exist.

## Declaration & Guarantee forms

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.

## Default

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

- has not met all of the obligations of this application on or before September 30, 2008;
- has not remitted, within 30 days of notification by the CWB, any shortfall due to overpayment;
- has not taken advantage of delivery opportunities. A letter requiring repayment within 20 days will be sent by the CWB;
- provides false or misleading information or evades repayment;
- fails or refuses a bin inspection (shortfall is more than 10 per cent over the issued amount, calculated at the advance payment rate);
- does not comply with the Terms and Conditions of the repayment agreement;
- declares bankruptcy or a receiving order is made against the applicant.

## Consequences of default

Upon default, interest is charged on the outstanding amount from the date the cash ticket was issued at 3 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. Related producers are eligible when the defaulted account is repaid.
- Deductions can be made from any future CWB payments and any payments received from Agriculture and Agri-Food Canada programs.
- Deductions can be made from any future CAIS payments.
- 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.

## Fees

If you apply for and receive one or more cash advances that total over \$100,000, a \$125.00 fee plus GST will be assessed by the CWB to cover the additional expense of validation and approval.

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

**2007-08 Production Period Application For Advance Payment (Pre-harvest) - CAIS**  
 This production period runs from April 1/07 to September 30/08 (Advances may be issued until July 31/07)

**NOTE TO THE ELEVATOR MANAGER: 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.**

No.

**Applicant Information - ALL requested information must be provided (PLEASE PRINT) 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		
			CAIS Personal Identification No. (PIN)	Station Name		
			Reference Number	Station Telephone No. ( ) ( ) ( ) ( ) ( ) ( )		
Applicant's Telephone No. ( ) ( ) ( ) ( ) ( ) ( )		Applicant's Fax No. ( ) ( ) ( ) ( ) ( ) ( )	Declaration and Guarantee/Guarantee No.		Station Fax No. ( ) ( ) ( ) ( ) ( ) ( )	

**COMPLETE the section regarding related producers before proceeding with this application. Complete PART 1 if applying based on anticipated seeded acres. If applying based on actual seeded acres, complete PART 2.**

**PART 1 Based on Anticipated Seeded Acres and CAIS coverage**

**I. Calculated Amount (indicate amounts in whole dollars)**

Grain	i Applicant's Anticipated Seeded Acres	ii Estimated Yield (Tonnes per acre) * see below	iii Eligible Tonnes (Column i multiplied by Column ii) in whole tonnes	iv Rate Per Tonne	v Calculated Amount (Column iii multiplied by Column iv)
a) WHEAT CWRS		1 . 0 0 0		\$ 80	\$
b) CWHWS		1 . 0 0 0		\$ 80	\$
c) CPSR		1 . 0 0 0		\$ 80	\$
d) CPSW		1 . 0 0 0		\$ 80	\$
e) CWES		1 . 0 0 0		\$ 80	\$
f) CWRW		1 . 0 0 0		\$ 80	\$
g) CWSWS		1 . 0 0 0		\$ 80	\$
h) Non Reg Variety		1 . 0 0 0		\$ 80	\$
i) DURUM		1 . 0 0 0		\$ 86	\$
j) BARLEY		1 . 2 5 0		\$ 50	\$

\*For wheat and durum, cannot exceed 1.000 tonne per acre, and for barley, cannot exceed 1.25 tonnes per acre, without CWB approval.

k) Add a) through j) of column v .....

l) Applicant's previous 2007-08 wheat, durum and barley advances applied for or received under this identification number using CAIS coverage .....

m) Subtract l) from k) and enter the result in Box A ..... **Total Calculated Amount** **A**

i CAIS Reference Margin	ii Govt. portion of producer's selected coverage (minimum 56%, medium 66.5% or maximum 70%)	iii Total CAIS Security (Column i x column ii)	iv CAIS security used for previous 2007-08 wheat, durum and barley advances	v CAIS security used for other agricultural products	CAIS security remaining (subtract column iv and v from column iii and enter in Box B)
\$		\$	\$	\$	\$ <span style="border: 1px solid black; padding: 2px 5px;"><b>B</b></span>

**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 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 C ..... **Maximum Cash Advance** **C**

**3. The Advance Payment**

a) **Total advance** applied for must equal first and second payment (**Cannot exceed Box A, B or C** or, if applicable, **Box 10** of the *Participants' Calculation Worksheet*) ..... **D**

b) **First payment** paid by elevator manager at date of application (**Cannot exceed 60% of Box D**) ..... **E**  
 Do not issue the cash ticket if CWB approval is required for a company requiring a *Declaration and Guarantee* or a *Colony* requiring a *Guarantee*.

c) **Second payment** to be paid by elevator manager after the producer has confirmed that actual seeded acres are equivalent to the anticipated seeded acres shown in column 1.i. (**Subtract Box E from Box D**) ..... **F**

If the First Payment requested (Box E) exceeds \$100,000, CWB approval is required before issuing the amount in excess of \$100,000. The \$100,000 limitation includes any previous advance payments issued to the applicant through the permit book.

If the actual seeded acres DO NOT match the anticipated seeded acres, complete PART 2 of this form before issuing the second payment.

**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)?

**PART 2 Based on Actual Seeded Acres and CAIS coverage**
**COMPLETE IF APPLICANT IS APPLYING FOR ADVANCE PAYMENT ON ACTUAL SEEDED ACRES OR IF ACTUAL SEEDED ACRES DO NOT MATCH ANTICIPATED SEEDED ACRES IN PART 1.**

**4. Calculated Amount (indicate amounts in whole dollars)**

Table with 6 columns: Grain, Applicant's Seeded Acres, Estimated Yield (Tonnes per acre), Eligible Tonnes, Rate Per Tonne, Calculated Amount. Rows include WHEAT CWRS, CWHWS, CPSR, CPSW, CWES, CWRW, CWSWS, Non Reg Variety, DURUM, BARLEY.

\*For wheat and durum, cannot exceed 1.000 tonne per acre, and for barley, cannot exceed 1.25 tonnes per acre, without CWB approval.

k) Add a) through j) of column v ..... **Maximum Advance Payment** [ ]

l) Applicant's previous 2007-08 wheat, durum and barley advances applied for or received under this identification number using CAIS coverage (do not include any monies issued through PART 1 of this Application) ..... [ ]

m) Subtract l) from k) and enter the result in Box G ..... **Total Calculated Amount** [ ] **G**

Table with 5 columns: CAIS Reference Margin, Govt. portion of producer's selected coverage, Total CAIS Security, CAIS security used for previous 2007-08 wheat, durum and barley advances, CAIS security used for other agricultural products. Includes CAIS security remaining (subtract column iv and enter in Box H) [ ] **H**

**5. 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 applied for or received under all farming operations (Do not include any monies issued through PART 1 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) ..... [ ]

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 I ..... **Maximum Cash Advance** [ ] **I**

**6. The Advance Payment**

a) Total eligible amount of advance payment based on actual seeded Acres (Cannot exceed Box G, H or I or, if applicable, Box 10 of the Participants' Calculation Worksheet) ..... [ ] **J**

b) If applicable, subtract the amount paid by elevator manager prior to seeding (Box E in PART 1) Otherwise, show NIL ..... [ ] **K**

c) Amount of payment (Box J subtract Box K) ..... [ ] **L**

Do not issue the cash ticket if CWB approval is required for a company requiring a Declaration and Guarantee or a Colony requiring a Guarantee. If the advance payment requested (BOX J) exceeds \$100,000, CWB approval is required before issuing the amount of payment (Box L). The \$100,000 limitation includes any previous advances issued to the applicant through the permit book. Note: The \$100,000 limitation does not apply if monies issued through PART 1 of this application exceeded \$100,000 and CWB approval was obtained.

**PRIORITY AGREEMENT**      **The Advance Application must be completed before completing the Priority Agreement.**

A separate *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 for which the advance is to be made. List the name and address of every bank, lending institution or secured party below:

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_
- 3) \_\_\_\_\_
- 4) \_\_\_\_\_

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 PART 1 or PART 2 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 granted to the CWB by virtue of subparagraph (f) of the "Declaration" portion of this 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 was given under the *Bank Act* or under a *Personal Property Security Act* in force in the province or by operation of any other law, but only to the extent of securing repayment to the Administrator of an advance payment up to the lesser of the principal amount of four hundred thousand dollars (\$400,000) or the amount of \$ \_\_\_\_\_ which is the maximum amount requested by the Applicant, 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 grain, this agreement is subject to the condition that, at the discretion of the Lender as identified below, the above-mentioned advance, less any amounts legally held as an administrative fee, be payable jointly to the Applicant and the Lender and any other secured party providing a *Priority Agreement*.

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 THAT:
- a) I, or a shareholder or partner or member of a corporation, partnership (includes joint producers and business enterprises) or cooperative 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 except as set out in the *Priority Agreement*;
  - 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 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 will be/am the owner of and am responsible for producing and delivering the grain pledged in this application to the CWB;
  - i) I acknowledge that the federal government will register an assignment with CAIS without further notice, giving the CWB, on behalf of the federal government, priority on any CAIS payouts up to the amount owing on the advance, plus any interest;
  - j) I have read, understood and agree to be bound by all the Terms and Conditions forming part of this 7-page Application;

and I make this solemn declaration conscientiously believing it to be true and KNOWING THAT IT IS OF THE SAME FORCE AND EFFECT AS IF MADE UNDER OATH.

**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 3. or 6., 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 payment set out in paragraph 3. or 6. or as authorized by the CWB.
  - d) Where the Producer has a current permit book, 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.

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.

Signature(s) of Applicant(s) \_\_\_\_\_ Date \_\_\_\_\_  
 Actual Producer's Signature if not the Applicant \_\_\_\_\_