

Individual (affected by the *Related Producers' Provision*)

Forms required

- Pre-harvest advance Application form
- Additional Priority Agreement form(s) - if required
- Related Producers' Declaration form(s)

Instructions for completing the *Advance Application*

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

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

- Name, address, date of birth, phone and fax number.
- Applicant's provincial crop insurance contract number and the province of the crop insurance corporation.
- Your station fax number to receive faxes of documents for correction and authorization where approval is required.

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|--|--|------------------|--|---|-----------------------------------|
| 2007-08 Production Period Application For Advance Payment (Pre-harvest) - Crop Insurance | | | 234567 | | |
| 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 bus pre-approval of the Declaration and Guarantee or Guarantee for Colonies from the CWB. | | | | | |
| Applicant Information - ALL requested information must be provided (PLEASE PRINT) | | | This form must be completed in ink. | | |
| Applicant's Last Name <i>Producers</i> | First Name <i>John</i> | Middle Name | Applicant's CWB Identification Number <i>0000006543</i> | Day <i>15</i> | Month <i>04</i> |
| Applicant's Address <i>RR#1</i> | | | Permit Number <i>0000006543</i> | Company/Delivery Point Code <i>097999901</i> | |
| Date of birth (DD/MM/YY) <i>01/12/50</i> | | | Crop Ins. Contract No. <i>002244</i> | Province <i>SK</i> | Station Name <i>Anystation</i> |
| Applicant's Telephone No. <i>(306) 123-5678</i> | Applicant's Fax No. <i>(306) 123-9876</i> | Reference Number | Station Telephone No. <i>(306) 555-3232</i> | | |
| Declaration and Guarantee/Guarantee No. | | | Station Fax No. <i>(306) 555-3233</i> | | |

For the section regarding related producers, the applicant is affected by the *Related Producers' Provision*, and should check the box "Yes". The applicant requires a *Related Producers' Declaration* form.

ALL APPLICANTS MUST COMPLETE THIS SECTION

Complete the following questions by answering "Yes" or "No". Answer "Yes" if either statement (or both) is true. If you answer "Yes", you are affected by the Related Producers' Provision. Yes No

- Have you applied for or received an advance under any other farming operations for the 2007-08 production period as an individual or a corporation, partnership (business enterprise) or cooperative?
- Do you share the reporting of income or losses from this or any other farming operation with anyone else for the purposes of the *Income Tax Act (Canada)*?

Part 1

1. Calculated amount

1. Enter the applicant's Anticipated Seeded Acres, by class of grain, in column i.
2. Record the applicant's Crop Insurance Coverage, by class of grain, in column ii. See pages 12 and 13 for instructions if multiple rates apply to a single class of grain.
3. Calculate the Eligible Tonnes for each class of grain. Multiply column ii by column i and enter the amount in column iii.
4. Multiply the Rate Per Tonne in column iv by column iii and enter the result for each class of grain in column v, Calculated amount.
5. Add all amounts in column v and enter the total in 1(k).
6. The Total Calculated amount in Box A is the result of subtracting (l), the applicant's previous 2007-08 wheat, durum and barley pre-harvest advances applied for or received under this identification number using crop insurance coverage from (k).

| PART I Based on Anticipated Seeded Acres and Crop Insurance coverage | | | | | |
|---|--------------------------------------|---|--|----------------|--|
| 1. Calculated Amount (indicate amounts in whole dollars) | | | | | |
| Grain | i | ii | iii | iv | v |
| | Applicant's Anticipated Seeded Acres | Crop Insurance Coverage (Tonnes per acre) | Eligible Tonnes (Column i multiplied by Column ii) in whole tonnes | Rate Per Tonne | Calculated Amount (Column iii multiplied by Column iv) |
| WHEAT | | | | | |
| a) CWRS | 400 | 0.80 | 320 | \$80 | \$25600 |
| b) CWHWS | | | | \$80 | \$ |
| c) CPSR | | | | \$80 | \$ |
| d) CPSW | | | | \$80 | \$ |
| e) CWES | | | | \$80 | \$ |
| f) CWRW | | | | \$80 | \$ |
| g) CWSWS | 800 | 1.00 | 800 | \$80 | \$64000 |
| h) Non Reg Variety | | | | \$80 | \$ |
| i) DURUM | 850 | 0.80 | 680 | \$86 | \$58480 |
| j) BARLEY | | | | \$50 | \$ |
| k) Add a) through j) of column v | | | | | 148,080 |
| l) Applicant's previous 2007-08 wheat, durum and barley advances applied for or received under this identification number using crop insurance coverage | | | | | |
| m) Subtract l) from k) and enter the result in Box A | | | | | 148,080 A |

Related Producers' Declaration

Complete the *Related Producers' Declaration* up to "Current Advance attributed or applied for in this application" (Instructions on pages 49 and 50).

- List all farming operations with which the applicant is involved in the 2007-08 production period and previous pre-harvest advances for the applicant and all related producers.
- If the applicant had a previous pre-harvest advance, use his/her

previous *Related Producers' Declaration* to assist you in completing information regarding previous advances.

2. Maximum advance

Enter the total from line (1) of the *Related Producers' Declaration* on line 2(b) of the application. Enter the total from line (3) of the *Related Producers' Declaration* on line 2(c) of the application form.

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

7. 2(b) – the total of all previous pre-harvest advances for wheat, durum and barley the applicant has applied for or received under all farming operations; and
8. 2(c) – the amount applied for or received from all other organizations under all farming operations for all other agricultural products;
9. 2(d) – the unpaid principal balance of all 2006-07 wheat, durum and barley advances under all farming operations;
10. 2(e) – the unpaid principal balance of all 2006-07 advances received from all

| 2. Maximum Advance | |
|---|-------------------------|
| Individual applicants affected by the <i>Related Producers Provision</i> must complete a <i>Related Producers' Declaration</i> now. Companies must complete this section before completing the <i>Related Producers' Declaration(s)</i> . | |
| 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 | 100,000 |
| 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 | 50,000 |
| 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 | 250,000 B |

other organizations under all farming operations on all other crops; and

11. enter this amount in Box B, Maximum Cash Advance.

3. Advance payment

12. Record the amount the applicant is applying for in Box C. Ensure that amount does not exceed the lesser of Boxes A or B.
13. Determine the amount you can issue as a first payment. That amount cannot exceed the issuance limitation of 60 per cent of Box C.

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

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

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

Second payment

- If the applicant's provincial crop insurance Seeded Acreage Report confirms the anticipated seeded acres are the same as actual seeded

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| 3. The Advance Payment | |
| a) Total advance applied for must equal first and second payment (Cannot exceed Box A or Box B or, if applicable, Box 9 of the <i>Participants' Calculation Worksheet</i>) | 148,080 C |
| b) First payment paid by elevator manager at date of application (Cannot exceed 60% of Box C) Do not issue the cash ticket if CWB approval is required for a company requiring a <i>Declaration and Guarantee</i> or a Colony requiring a <i>Guarantee</i> . | 88,848 D |
| 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 D from Box C) If the First Payment requested (Box D) 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. | 59,232 E |

acres, the second payment can be issued as shown in Box E. It is not necessary to submit the blue CWB second copy to the CWB after issuing the second payment.

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

Part 2

4. Calculated amount

Complete this part of the application if:

- the applicant is only applying for an advance payment on actual seeded acres. (Part 1 of the application form does not have to be completed).
- OR
- actual seeded acres do not match anticipated seeded acres (from Part 1). (Recalculation on actual seeded acres for second payment).

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

Please refer to page 32 for an illustration of the Calculated amount – Part 2.

5. Maximum advance

Enter the total from line 1 of the *Related Producers' Declaration* on line 5(b) of the application. Enter the total from line 3 of the *Related Producers' Declaration* on line 5(c) of the application form.

Note: the *Related Producers' Declaration* must be updated if additional monies have been applied for or issued under other farming operations with which the applicant is involved or through other organizations since Part 1 of the application was completed.

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

7. 5(b) – the total of all previous advances for wheat, durum and barley the applicant has applied for or received under all farming operations; and
8. 5(c) – the amount applied for or received from all other organizations under all farming operations for all other agricultural products
9. 5(d) – the unpaid principal balance of all 2006-07 wheat, durum and barley advances under all farming operations;
10. 5(e) – the unpaid principal balance of all 2006-07 advances received from all other organizations under all farming operations on all other crops; and
11. enter this amount in Box G, Maximum Cash Advance.
(Do not include any monies issued through Part 1 of this application.)

| 5. Maximum Advance | |
|---|-------------------------|
| Individual applicants affected by the <i>Related Producers Provision</i> must complete a <i>Related Producers' Declaration</i> now. Companies must complete this section before completing the <i>Related Producers' Declaration(s)</i> . | |
| 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) | 100,000 |
| 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 G Maximum Cash Advance | 300,000 G |

How to complete the *Related Producers' Declaration*

For the purposes of this form, shareholders, partners (including joint producers and business enterprises) and members of corporations are referred to as "participants". The individual applicant or participant must identify all farming operations the individual applicant or participant is involved with for the 2007-08 production period. Include all advances applied for or received where the individual applicant or participant has a financial interest, including those of all related producers.

Company participants who are not involved in any other farming operation do not need to complete the *Related Producers' Declaration* form. **However, the elevator manager must attach a note confirming this when submitting the advance application.**

Instructions:

1. Enter the complete name of the individual applicant or company participant. Do not enter the company name.
2. If the applicant is applying as an individual, record the 10-digit CWB ID number. For company participants, including joint producers, enter the last eight digits of their producer ID number (if available). If the participant does not have a CWB ID number, we will issue one when the application is received.
3. Enter the six-digit *Advance Application* number, imprinted in the box on the top-centre of the advance application form.
4. If the advance is for a company or partnership (includes joint producers and other business enterprises), indicate the name and the ID number.
5. List all 2007-08 farming operations for the individual applicant or participant and all related producers.
6. Enter the 10-digit producer CWB ID number for each farming operation. For joint producers, use the joint ID number, not the individual joint producer ID number (this number is assigned for delivery purposes only). For corporations or partnerships (business enterprises), use the company CWB ID number, not the shareholder's number (this number has been assigned for identification purposes only).
7. Indicate the percentage interest that the applicant has in each farming operation.
Individuals - 100 per cent
Corporations - percentage of voting shares
Partnerships (includes joint producers and business enterprises)
- percentage of profits each is entitled to
8. Record the dates and amounts of all wheat, durum and barley advances previously applied for or received for the 2007-08 production period through all farming operations. Enter the total amount(s) on line (1).
9. Record the date(s) and amount(s) of all advances for all other agricultural products previously applied for or received for the 2007-08 production period through all farming operations. Enter the total amount on line (3).
10. Enter the total of line (1) plus line (3) on line (5). This represents the total amount of pre-harvest advances attributed to date for all crops.
11. If the applicant is an individual:
On line (7), enter the total amount currently applied for from paragraph 3(a) or 6(a) of the Advance Application form.

If the applicant is a company:
On line (7), enter the total amount attributed for each participant from Part III of the Participants' Calculation Worksheet.
12. If the applicant is an individual: On line (8), enter the total interest-free amount currently applied for.

If the applicant is a company: From Part IV of the Participants' Calculation Worksheet, transfer the interest-free amount attributed for each participant to line (8).
13. Enter the total of line (5) plus line (7) on line (9), which represents total pre-harvest advances to date.
14. Enter the total of line (6) and (8) on line (10), which represents total interest-free advances to date.
15. The producer must sign and date the form and give them their copy of the form for their records.

6. The Advance payment

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

Note: Example recalculated because of change in Actual Seeded Acres. Payment remains the same.

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| 6. The Advance Payment | |
| a) Total eligible amount of advance payment based on actual seeded Acres (Cannot exceed Box F or Box G or, if applicable, Box 9 of the <i>Participants' Calculation Worksheet</i>) | 148,080 H |
| b) If applicable, subtract the amount paid by elevator manager prior to seeding (Box D in PART 1) Otherwise, show NIL | 88,848 I |
| c) Amount of payment (Box H subtract Box I) | 59,232 J |

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 H) exceeds \$100,000, CWB approval is required before issuing the amount of payment (Box J). 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.

Note: The maximum amount that can be issued (Box J) without CWB approval is \$11,152. (\$100,000-88,848)

Priority agreement

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

Read about Priority agreements on pages 34-35.

Declaration

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

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

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

The advance application form consists of four copies:

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

Note: Please staple supporting documents to the back of the application.

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

If applicable, issue the cash ticket. Please read "Issuing Cash Tickets" on page 19.

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

- the completed and signed *Advance Application* (white or blue copy);
- completed and signed *Priority Agreement(s)*;
- completed and signed *Related Producers' Declaration(s)*;
- cash ticket (if the advance was issued).