

# Issuing cash tickets

The advance payment cash ticket must be made payable to the applicant as listed on the application form. If the applicant is a corporation, partnership (includes joint producers and other business enterprises) or a cooperative the cash ticket must be made out in the name of the business.

- If there is a lien or other security on the applicant's grain, issue all cash tickets in the manner requested by the lender (i.e. jointly or to the applicant).
- Ensure the cash ticket includes the date, delivery point code, six-digit advance application number, applicant's name, and the applicant's CWB ID number.
- The company who completed the advance application should issue the cash ticket(s).

**Pre-harvest advances must be reported with the pool code "SA".**

## Grain company administration fee

Grain companies charge a \$75 fee (plus GST if advised by your head office) to cover the administration costs of issuing cash advances. This fee is deducted from the cash ticket. The applicant is responsible to repay the entire amount of the cash ticket.

## CWB fees

If the applicant applies for and receives one or more cash advances that total over \$100,000, a \$125 (plus GST) fee will be assessed to cover the additional expense of validation and approval. Other CWB administrative costs will be covered by the pool accounts.

## Instructions:

- deduct from the cash ticket the grain company administration fee (plus GST if applicable) if not previously deducted for the advance;
- deduct from the cash ticket the CWB fee (plus GST);
- report the gross value to the CWB;
- endorse the delivery permit book for the gross value (total amount paid to the applicant, plus the CWB fee and your grain company fee).

Consult with your head office for further details.

## Applications requiring CWB approval

Before a cash ticket can be issued, the CWB must verify applications for corporations, companies, partnerships (includes joint producers and other business enterprises), cooperatives (or colonies) that do not have pre-approved *D & G* forms or *Guarantee* for colonies forms.

Once CWB approval is received by faxed letter:

- issue the advance cash ticket within 30 days of CWB approval.
- submit the applicable CWB copy of the advance cash ticket to your head office.

Advance cash tickets must be issued by July 31, 2007.

Cash tickets issued after July 31, 2007 will not be accepted.

### Example:

\$200,000	advance applied for (gross amount)
x 60/100	endorsed in permit book)
\$120,000	
\$100,000	first payment (first cash ticket cannot exceed \$100,000 limitation)
- 79.50	grain company fee (includes GST)
\$99,920.50	paid to applicant
\$20,000	second cash ticket (after CWB approval)
- 132.50	CWB fee (includes GST)
\$19,867.50	paid to applicant
\$80,000	second payment (after seeding, receive remaining 40%)

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# Repayments

By signing the advance application, applicants agree to deliver their harvested grain when delivery opportunities allow, and have the required deductions taken until the advance is repaid in full.

Only the applicant is responsible for repayment of the advance. Deductions are not taken from related producers or other interested parties.

The CWB has a continuing security interest in the grain pledged against the advance.

Deductions for pre-harvest advances must be made:

- on all grain deliveries after July 31, 2007;
- before any other deductions (does not include deductions for freight and handling or any other charges or levies prescribed by law). Trucking fees are not included in eligible deductions;
- on all deliveries of wheat, durum and barley made by the applicant to the CWB, off-Board market, a feed mill or a railway car;
- until the advance and any interest, plus legal and collection costs if applicable, is repaid in full; and
- whether or not the grain being delivered was pledged in the advance.

## Order of advance repayments

Advance refunds deducted from grain deliveries will be applied to advances in order of issuance, with the oldest advance being retired first.

## Crop insurance and CAIS payouts, and cash payments

Any monies received from provincial crop insurance or CAIS payouts will be applied to outstanding pre-harvest advances, even where older outstanding advances exist.

Cash payments applied to a pre-harvest advance that exceed the greater of either \$1,000 or 10 per cent of the issued value will be assessed cash refund interest, unless the cash payment is to cover an 'overpayment'. See "overpayment" on page 25.

In receiving a pre-harvest advance, applicants agree to forward to the CWB any current or future provincial crop insurance payments made with respect to wheat, durum and barley insured acres, except where the payments are to cover reseeding costs and any CAIS payments.

Where more than one applicant receives a cash advance under one crop insurance policy, crop insurance payments will be applied to the oldest advance first.

CAIS means the Canadian Agricultural Income Stabilization program or any program that replaces it.

## Repayments – missed or insufficient

Every producer certificate reported to the CWB is checked to determine whether the proper deduction has been taken. Ensure that the proper repayments are made. If repayments are missed or are insufficient, your company will be held liable.

### Advance repayment rates

(dollars per tonne)

Production Period	Wheat	Durum	Barley	Sel Bly
2007-08 ( <i>APP PH</i> )	\$80	\$86	\$50	*
Crop year	Wheat	Durum	Barley	Sel Bly
2006-07 ( <i>AMPA/ESCAP AH</i> )	\$80	\$75	\$35	\$60
2006-07 ( <i>SCAP/ESCAP PH</i> )	\$70	\$70	\$35	\$60
2005-06 ( <i>AMPA</i> )	\$70	\$75	\$35	\$60
2005-06 ( <i>SCAP</i> )	\$65	\$70	\$35	\$60
2004-05 ( <i>AMPA</i> )	\$80	\$75	\$40	\$63
2004-05 ( <i>SCAP</i> )	\$70	\$70	\$40	\$63
2003-04 ( <i>AMPA</i> )	\$70	\$75	\$40	\$70
2003-04 ( <i>SCAP</i> )	\$80	\$90	\$45	\$70
2002-03 ( <i>AMPA</i> )	\$85	\$95	\$60	\$75
2002-03 ( <i>SCAP</i> )	\$80	\$95	\$55	\$75
2001-02 ( <i>AMPA</i> )	\$80	\$90	\$50	\$75
2001-02 ( <i>SCAP</i> )	\$80	\$75	\$45	\$75
2000-01 ( <i>AMPA</i> )	\$65	\$70	\$40	\$65
2000-01 ( <i>SCAP</i> )	\$65	\$70	\$40	\$65
1999-2000	\$60	\$65	\$35	\$60
1998-99	\$60	\$65	\$35	\$60
1997-98	\$70	\$80	\$43	\$70
Repayment rates 1996-97 to 1994-95				
Crop year	Wheat	Barley	Oats	
1996-97	\$ 80	\$ 65	N/A	
1995-96	\$ 70	\$ 50	N/A	
1994-95	\$ 55	\$ 43	N/A	

\* to be announced when the 2007-08 *APP (After-harvest)* program begins.

Feed mills, grain dealers and fuel ethanol plants are required to apply in writing to the CWB for an "Advance Payment Deduction Agreement" in order to deduct and report any refunds from feed grain deliveries by producers to their facilities for the repayment of outstanding advances.

Where such an agreement has been signed with the CWB, and a grain delivery is made under a delivery permit book that bears an endorsement, the required deduction will be made and immediately remitted to the CWB on a Form GDFMEP91 (available from the CWB). The refund must be recorded in the applicable cash advance endorsement page (Form AR-C) in the producer's delivery permit book. The delivery details must also be immediately entered in the producer's *2007-08 Delivery Permit Book*.

Call 1-800-275-4292 for advance repayment rates before the 1994-95 crop year.

Take deductions from oat deliveries for producers who have outstanding advances from the 1988-89 crop year or earlier.

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Deliveries of feed grain by producers to feed mills, grain dealers or fuel ethanol plants will not be subject to delivery calls.

Where a feed grain delivery is made to a feed mill, grain dealer or fuel ethanol plant who do not have an *Advance Payment Deduction Agreement* with the CWB, it is the producer's responsibility to submit the necessary advance refund to the CWB and to make the appropriate grain delivery entry into the permit book.

## Automated bill payment service

A telephone/internet/ATM bill payment service is available to enable producers to repay their outstanding CWB cash advances. To use this service, producers must contact their own financial institution to arrange for them to set up this automated bill payment system.

Cash payments applied to a pre-harvest advance that exceed the greater of \$1,000 or 10 per cent of the issued amount are subject to a cash refund interest penalty except where the payment is to cover an 'overpayment'.

To make automated bill payments, producers provide their CWB account number which is the 10-digit producer ID number. The Pool Code for these payments is BT (Bank Transfer). Call 1-800-275-4292 for more information.

Inform the CWB and your head office if an applicant's status changes. This includes breaching any of the terms and conditions, death, land transactions, address changes and any other information that may assist in recovering the advance.

## Repayment rate 2007-08 advances

Pre-harvest 2007-08 advances repaid within the production period are repaid at either the rate they were issued or the after-harvest 2007-08 rate, whichever is greater. For example, if an advance was issued for wheat at \$80 per tonne and the after-harvest rate is set at \$85 per tonne, a deduction of \$85 is made for every tonne of wheat delivered.

Producers can request to repay the advance at a higher rate, without penalty.

When a 2007-08 pre-harvest advance is outstanding in a later production period, the repayment rate for the grain being delivered is the greater of:

- the rate at which the pre-harvest advance was issued;
- any other rate in effect for that production period; or
- the subsequent production period rate.

**Example:** The applicant's pre-harvest advance is issued at \$80 per tonne for wheat. The after-harvest repayment rate is \$85 per tonne for wheat and the subsequent production period rate is \$90 per tonne for wheat. Deductions are taken at \$90 per tonne.

## Out-of-condition grain

If grain pledged against an advance goes out of condition before it can be delivered, the applicant must make a cash repayment to the CWB immediately for the amount of grain out of condition at the applicable advance rate.

The applicant must also pay interest at the prime rate on that portion of the advance. Failure to do so may result in default.

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## **Deliveries to facilities where deductions cannot be made**

If grain is sold to a facility where a deduction cannot be made by an authorized agent, the applicant must submit the appropriate deduction (tonnes x rate) to the CWB within seven days of settlement. Failure to do so may result in default.

## **Exemptions for deliveries to purchase seed**

Deductions are not required on grain delivered under CWB authorization to purchase seed.

## **Finalizing interest-bearing accounts**

You can get the updated balance by accessing CWB e-services or by calling the CWB's IVR number (1-800-275-4292).

## **Reporting repayments on the cash ticket**

On the cash ticket, report the deduction as a CWB refund.

## **Recording repayments in the delivery permit book**

Record repayments for wheat, durum and barley pre-harvest advances on the endorsement pages of the *2007-08 Delivery Permit Book*.

## **Statements to producers**

On advances with accrued interest, a statement outlining principal, interest, repayments and the balance outstanding is sent to applicants each month. Statements are also sent to applicants when cash payments are sent to the CWB. The statement serves as a receipt for the cash payment. A statement is also sent to the producer when the advance is repaid. Account statements will be sent to all producers with cash advances on a quarterly basis in January, April, July and October.

## **Applicants affected by the *Related Producers' Provision* who have participated in more than one cash advance.**

Each separate 10-digit ID number must be checked to determine each outstanding balance.

When checking the account balance of an interested party, use their interested party identification number (full 10 digits) and not the permit book holder's number.

Deliveries of wheat, durum and barley to the CWB and the off-Board market must be recorded in the delivery permit book.