



## ADVANCE PAYMENT PROGRAM (APP) 2017 PROGRAM YEAR CHECKLIST

### COMPULSORY FORMS TO COMPLETE

Please check the box besides each instruction to ensure you have completed/signed/included all of the necessary documents.

#### 1. APPLICATION AND REPAYMENT AGREEMENT (7 pages)

- You must complete **sections 1 to 2.2.**
- In **section 2**, you must choose your operation cycle according to your situation.
  - If you choose the standard cycle operation (degressive), you must check your commitment;
  - You must choose your frequency of your payments.

##### CONTINUOUS CYCLE OPERATION:

- The advance is calculated on a minimal and constant inventory (i.e. the animals sold are quickly replaced by new ones);
- All of the cattle must be sold before the end of the program year;
- Only one 12-month advance cycle for a continuous cycle operation is allowed per program year.

##### STANDARD CYCLE OPERATION (DEGRESSIVE):

- The advance is calculated on the number of head present at the time of the application;
- The producer commits to reimbursing 60% of the advanced amount through equal payments over a maximum of 12 months. To do so, the producer must send to the executing agent a minimum of four (4) post-dated cheques that will be deposited quarterly (or more frequently). To this effect, the producer will receive with the deposit notice a deadline indicating the amount to be reimbursed;
- The remaining balance will be analysed according to the actual sales and will be adjusted accordingly for the last remittances;
- The producer can make another advance application for newly arrived cattle.
- All cattle must be sold before the end of the program year.

You must sign **section 5.1**. In the case of a partnership or a company, **ALL** of the shareholders of the operation must sign.

A **\*WITNESS** must sign **section 5.2** to attest that the signatories of appendixes **A, B, C, D, E, F** and **G** are the applicant producers.

\* The witness must not have any family relationship with the producer(s)/shareholder(s)/associate(s).

#### 2. APPENDIX "A" AGREEMENT BETWEEN THE PBO AND THE PARTICIPATING PRODUCERS (1 page)

You must complete and sign. In the case of a partnership or company, **ALL** of the shareholders/partners must sign.

#### 3. APPENDIX "B" ASSIGNMENT AGREEMENT OF THE BENEFITS FROM A BUSINESS RISK MANAGEMENT (BRM) PROGRAM (2 pages)

➤ This document will be used in the case of a default only

- You must complete **section 1**.
- You must sign **section 2.1**. In the case of a partnership or company, **ALL** of the shareholders/partners of your operation must sign.
- The financial institution/creditor must complete **section 1.1**. and sign **section 1.2**.

\* Attach an additional sheet for each financial institution/creditor

#### 4. APPENDIX "C" BANKING SITUATION (1 page)

- You must complete and sign **section 1**.
- The financial institution/creditor must complete and sign **section 1.1**.

\* Attach an additional sheet for each financial institution/creditor

#### 5. APPENDIX "D" PERSONAL GUARANTEE OR JOINT AND SEVERAL OBLIGATION (1 page)

- In the case of a legal entity with one owner or shareholder, the applicant producer must complete and sign **section 1. Personal guarantee**.
- In the case of a partnership, legal entity with many owners, **ALL** of the shareholders/partners of your operation must complete and sign **section 1.1 Joint and several guarantee**.

#### 6. APPENDIX "E" RELATED PRODUCERS (2 pages)

- You must complete **section 1**. As well as **sections 1.1**. and **1.2**. (as the case may be).
- You must sign **section 2.1**. In the case of a partnership or company, **ALL** of the shareholders/partners of your operation must sign.

#### 7. APPENDIX "F" CHATTEL MORTGAGE (2 pages)

- You must complete **section 1.1**. and **4.2**.
- You must sign **section 9.1**. In the case of a partnership or company, **ALL** of the shareholders/partners of your operation must sign.

#### 8. APPENDIX "G" SECURED CREDITOR AGREEMENT (2 pages)

- You must complete **section 1**.
- You must sign **section 3.2**. In the case of a partnership or company, **ALL** of the shareholders/partners of your operation must sign.
- The financial institution/creditor must complete **section 2**. and sign **section 3.1**.

\* Attach an additional sheet for each financial institution/creditor

**⚠ If you must make a change to correct information already recorded in your forms, please initial beside each correction.**

....Overleaf

## CHECKLISTS (CONTINUED)

Here is a list of the **compulsory documents** to attach to the forms to ensure your application is complete and to accelerate the approval process.

### COMPULSORY DOCUMENTS TO ATTACH TO THE FORMS

#### FOR A FIRST PARTICIPATION TO THE PBO'S APP

In the case where your business is registered or incorporated, you must provide a copy of one of the documents mentioned below on which the **legal name of your business** and the **percentage of shares for each of the shareholders or partners appear**:

- Partnership Contract **OR**;
- Registration Certificate **OR**;
- Incorporation Charter **OR**;
- Annual declaration to the Inspector General of Financial Institutions.

#### You must also provide the following documents:

- Copy of the most recent **financial statements**;
- Proof of multi-risk **insurance coverage** for your farm animals or feeder cattle in inventory on which appears :
  - ✓ The amount of the coverage (proportional to the advance granted);
  - ✓ The deadline;
  - ✓ If your application is accepted, the PBO should be mentioned as creditors.
- Void cheque** from your financial institution, as the APP amount will be paid via a bank transfer;
- Copy of the **Farm Income Stabilization Insurance Program (ASRA)**:
  - ✓ Final payment by the FADQ for the year **2015** and **2016**;
  - ✓ Most recent current statement(s) as proof of participation for the year **2017**.

### COMPULSORY DOCUMENTS TO ATTACH TO THE FORMS

#### PRODUCER WHO HAS PARTICIPATED IN A PREVIOUS PROGRAM

- Copy of the most recent **financial statements**;
- If you have changed financial institutions, attach a new voided cheque, otherwise the one in your file will be used for bank transfers.
- Copy of the **Farm Income Stabilization Insurance Program (ASRA)**:
  - ✓ Final payment by the FADQ for the year **2016**;
  - ✓ Most current statement(s) as proof of participation for the year **2017**.

### ADMINISTRATION FEES - INTEREST DEPOSIT

#### ADMINISTRATION FEES

For the portion from \$0 to \$100,000: 0.60 % of the amount and  
 For the portion above \$100,000\$: 0.30 % of the portion from \$100,000 to \$400,000

**Minimum:** \$ 200

**Maximum:** \$ 1,500

#### INTEREST DEPOSIT

The interest deposit is 4% of the portion of the advances bearing interest;

The year-end surplus, if any, will be reimbursed to the producer and if the program requirements are met. Otherwise, this amount will be applied to the repayment of the amounts due.

#### For more information, do not hesitate to contact the APP Service by:

- ☎ Telephone: **450 679-0540**
- ☎ Fax: **450 463-5223**
- ✉ Email: [ppa-bovins@upa.qc.ca](mailto:ppa-bovins@upa.qc.ca)

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