

## NEW

### WIDER ARRAY OF PRODUCTS

It is now possible to obtain a cash advance for male or female breeding animals that will be sold during the period covered by your advance:

- Gestating or non-gestating heifers
- Cows before calving
- Breeding bulls

### FILLABLE FORM ONLINE

You can now fill your forms directly on the screen. They are more user friendly than before. Download them from our website: [bovin.qc.ca](http://bovin.qc.ca)

### IMPROVEMENTS FOR PRODUCERS WITH MULTIPLE BUSINESSES

For producers who have shares in more than one farming operation, if their percentage of shares is less than 25%, their participation in the business will no longer have an impact on the amounts attributable to advances for that business.

Example: Nicole is the sole owner of **The Good Calf** farm. She also has 20% of the shares of **Southern Beef** farm (her husband Paul owns the remaining 80%). If Nicole obtains a \$100,000 advance without interest for **The Good Calf**, **Southern Beef** could obtain, for its part, a \$400,000 advance, including \$100,000 without interest, which was not the case in the past.



For more information or to apply for advance payments,

contact the APP team at 450 679-0540, ext. 8994

OR

Visit the Federation's website at [bovin.qc.ca](http://bovin.qc.ca) and download the required forms.

### Les Producteurs de bovins du Québec (PBQ)

Maison de l'UPA  
555 Roland-Therrien Boulevard, office 305  
Longueuil (Quebec) J4H 4G2

Telephone: 450 679-0540, ext. 8994  
Fax: 450 463-5223

[bovin.qc.ca](http://bovin.qc.ca)

Les Producteurs  
de bovins du  
Québec



2018

## Advance Payments Program

Financial assistance program from Agriculture and Agri-Food Canada (AAFC) administered by Les Producteurs de bovins du Québec (PBQ)

## Do you need a loan?

Every day, cattle producers take advantage of the APP!

## Why not you?



### A LOAN of up to:

- A maximum of \$400,000 cattle farm
- \$100,000 without interest
- \$300,000 at an advantageous rate



## The APP is profitable!

To participate or for more information:

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Since the beginning of the program in 2008, cattle producers have continued to integrate the Advance Payments Program into the management of their business. Thanks to the cash advances provided by the program, there is a substantially lower risk of lack of liquidity, thus reducing stress.

## HOW TO CALCULATE YOUR ELIGIBLE AMOUNT?

The total amount of the advance is determined according to the number of head of cattle in inventory, multiplied by the unit rate established by AAFC (see Table below). The number of head in inventory must remain sufficient to cover the amount of the advance at all times.

- The maximum eligible advance per producer is \$400,000;
- The first \$100,000 are interest free;**
- The difference of \$300,000 is loaned at an advantageous rate (prime rate), or 3.45% as of March 31<sup>st</sup>, 2018;
- The number of head eligible must be established according to the repayment cycle that you will choose for your advance: **continuous** or **standard (degressive) cycle**:
  - If you choose the **continuous cycle**, you must **continually** have in inventory, until the repayment of your advance, the number of head for which the advance was granted. The advance can be repaid twelve months after being granted;
  - If you choose the **standard cycle (degressive)**, your advance can be granted according to the number of head in inventory at the time the advance is granted. You must then repay the advance as you sell cattle.

Name of the agricultural product	AAFC rate* / Head (A)	Number on your farm (B)	Eligible amount (A x B)
Grain-Fed Calf	\$461		
Milk-Fed Calf	\$542		
Fed cattle - 1250 lb	\$727		
Fed cattle + 1250 lb	\$947		
Feeder calf – 675 lb	\$600		
Feeder calf + 675 lb	\$665		
Young breeding heifers	\$776		
Full breeding heifers	\$1,115		
Adult breeding cow (already calved)	\$1,139		
Breeding bulls (- 2 years)	\$1,845		
Breeding bulls (+ 2 years)	\$2,182		
<b>Total eligible amount:</b>			<b>\$</b>

\*Unit rate as of April 1<sup>st</sup>, 2018 (subject to change without notice).

## WHAT COULD BE YOUR SAVINGS THIS YEAR?

For example, for a business that would have received \$142,050 in advance while producing fed cattle:

Name of the agricultural product	AAFC rate* / Head (A)	Number of cattle on your farm (B)	Eligible amount (A x B)
Fed cattle + 1250 lb	\$947	150	\$142,050

Interest cost for a cash advance of \$142,050 from the APP		Interest cost for a cash advance of \$142,050 using a credit margin (financial institutions)	
From 0 to \$100,000: 0%	\$100,000 x 0% = \$0	*PR + 2% = 5.45%	\$142,050 x 5.45% = <b>\$7,742</b>
Above \$100,000: *PR = 3.45%	\$42,050 x 3.45% = <b>\$1,451</b>		
Total cost: \$1,451		Total cost: <b>\$7,742</b>	
*The prime rate (PR) was 3.45% as of March 31, 2018. A producer who would have received a \$142,050 advance <b>would have saved \$6,291.</b>			

## HOW WILL YOU REPAY YOUR ADVANCE?

- The advance can be repaid in one (1) or several payments according to your repayment cycle: 12 months after receiving your advance in a continuous cycle or as you sell cattle in a degressive cycle.
- The repayment must be accompanied by proof of sale on a number of head at least equal to the one for which the advance was granted. Otherwise, a penalty at prime rate plus 1% for the specified period will be applied to the overpaid amount.

## WHAT ARE THE FEES TO PARTICIPATE IN THE APP?

The administration fees are calculated as follows:

- 0.6% for the first \$100,000 and 0.3% for the portion above \$100,000;
- Minimum of \$350.

For example, if your advance is \$110,000, the amount of the fees that you would have to pay is \$600 on the portion without interest (\$100,000 x 0.6%) plus \$30 on the remaining portion (\$10,000 x 0.3%) for a total of \$630.

The administration fees are withheld by the PBQ on the advance paid.

## IF A PORTION OF YOUR ADVANCE BEARS INTEREST, HOW DO YOU PAY THE INTEREST COSTS?

The PBQ will withhold on the advance paid a deposit of 5% (calculated on the portion of your advance bearing interest) to pay for the interest costs. The overpaid amount will be paid back after your repayment, unless you have not met the program requirements. In such a case, this amount will be applied to the repayment of your advance.

## ARE FINANCIAL INSTITUTIONS IN FAVOUR OF THE APP?

Financial institutions consider the APP as an essential financing tool for producers. They are increasingly in favour of giving up their rank of guarantee on animals, stabilization insurance (ASRA) and any other type of guarantee to allow their clients to take advantage of the Advance Payments Program.