

Check-list

Advance Payments Program (APP) 2019 Program Year

Les Producteurs
de bovins du
Québec



All members of the APP team try their best to meet their current processing times of applications. To not delay the analysis of your file, the following Check-list has been developed for you to ensure that all required information and documents are included with your application.

For additional information, do not hesitate to communicate with the contacts listed at the bottom of the page.

Documents which must be attached to your application

⚠ Missing documents will result in a delay in application processing and in the payment date.

1st application

Provide a copy of:

- 🔗 Certificate of incorporation or proof of partnership showing:
 - Legal name of the business
 - Participating percentage of each shareholder/partner
- 🔗 Your driver's license (proof of identity)
- 🔗 Most recent financial statements
- 🔗 Void cheque from your financial institution
- 🔗 All-risks insurance Policy for your livestock in inventory showing:
 - Amount of the coverage (proportional to the advance requested)
 - Expiry date
 - PBQ should be mentioned as creditors (if your application is accepted)
- 🔗 Farm Income Stabilization Insurance Program (ASRA):
 - 2017 and 2018 final payment explanatory sheets from FADQ
 - Most recent 2019 statements as proof of participation (or certificate of enrolment) from FADQ

If you do not use ASRA:

- 🔗 AgriStability, AgriInvest, Agri-Québec, Agri-Québec Plus programs:
 - Most recent current statements from FADQ

Renewal application

Provide a copy of:

- 🔗 Your driver's license (proof of identity)
- 🔗 Most recent financial statements
- 🔗 Farm Income Stabilization Insurance Program (ASRA):
 - 2018 final payment explanatory sheet from FADQ
 - Most recent 2019 statements as proof of participation (or certificate of enrolment) from FADQ

If you do not use ASRA:

- 🔗 AgriStability, AgriInvest, Agri-Québec, Agri-Québec Plus programs:
 - Most recent current statements from FADQ

⚠ If your business has undergone changes, you **MUST provide the update documentation relating to the changes.**

Fill in according to your color code

⚠ Missing or inaccurate information will result in a delay in application processing and in the payment date.

Applicant producer/ALL shareholders/partners

- 🔗 Applicant producer must fill ALL yellow fields.
- 🔗 ALL shareholders/partners of the business must sign ALL yellow fields provided.

Administrator (PBQ)

- 🔗 Only the Administrator (PBQ) is authorized to fill ALL blue fields.

Financial institution/lender/creditor

- 🔗 Financial institution/lender/creditor must fill ALL pink fields.
- 🔗 Complete a separate appendix B, C, D for EACH financial institution/lender/creditor.

Choose the most suitable operation cycle for your business

Continuous cycle

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

Standard (degressive) cycle

- 🔗 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 in the first twelve (12) months from the issue date of the advance.
- 🔗 The remaining balance will be analysed according to the actual sales and will be adjusted accordingly for the last remittances.
- 🔗 However, the producer can make another advance application for the newly arrived head.
- 🔗 All livestock must be sold before the end of the program year.

Administration fees – 0,55%

0,55% of the eligible advance.

Minimum fee \$250
Maximum fee \$1,800

Holdback for payment of interest – 5%

5% of the eligible advance that the Administrator withholds until the advance is repaid in full, in order to pay, on behalf of the producer, the monthly interest owing on the interest-bearing portion of the advance.

The excess, if any, will be issued to the producer if he has complied with all of the program requirements.

Information

☎ Phone number 450 679-0540
✉ E-mail address ppa-bovins@upa.qc.ca
☎ Fax number 450 463-5223
📍 Mailing address 555, boul. Roland-Therrien, bur. 305
 Longueuil (Québec) J4H 4G2

Contact




Edith Rochon
Nancy Péarron
Michèle de Munck
Ginette Gingras

Extension

8816
8994
8993
8990

Color code

Refer to the table below to understand the meaning of the field color and which box to check on the form.

Color	Meaning
	Must be filled by: <ul style="list-style-type: none">• The applicant producer• ALL shareholders or• ALL partners
	Must be filled by: <ul style="list-style-type: none">• The financial institution• The lender• The creditor
	Must be filled by: <ul style="list-style-type: none">• The Administrator (PBQ)

**Advance Payments Program (APP)
2019 Program Year
Application and Repayment Agreement**

Les Producteurs
de bovins du
Québec



Fill in according to your color code

- Applicant producer/ALL shareholders/partners
- Financial institution/lender/creditor
- Administrator (PBQ)

SECTION 1. – Must be completed by the applicant producer

1.1 Information on the business

Check the box below that apply to your type of business

Individual producer Corporation Partnership

Answer Question 1. below

1- Has the ownership changed from the previous APP application?

1st application Yes No

Yes or 1st application: Please attach the new document that reflects the correct ownership structure (please see the Check-list).

1.2 Information on the business/applicant producer/shareholder(s)/partner(s)

Complete the section below

Attach a separate sheet if necessary

ALL information requested MUST be provided and corrected if needed.

MANDATORY FIELDS **Information on the business**

APP number of the business			
Name of the business			
Address of the business		Telephone number of the business	
City	Postal code	Fax number	
Email			

MANDATORY FIELDS **Information on the applicant producer**

Last name/first name of the applicant producer		Date of birth of the applicant producer	
		%	
Address of the applicant producer		Ownership % of the applicant producer	
City	Postal code	Telephone number of the applicant producer	
Email			

MANDATORY FIELDS **Information on ALL THE OTHER shareholders/partners**

Last name/first name of the shareholder/partner		Date of birth of the shareholder/partner	
		%	
Address of the shareholder/partner		Ownership % of the shareholder/partner	
City	Postal code	Telephone number of the shareholder/partner	
Last name/first name of the shareholder/partner		Date of birth of the shareholder/partner	
		%	
Address of the shareholder/partner		Ownership % of the shareholder/partner	
City	Postal code	Telephone number of the shareholder/partner	
Last name/first name of the shareholder/partner		Date of birth of the shareholder/partner	
		%	
Address of the shareholder/partner		Ownership % of the shareholder/partner	
City	Postal code	Telephone number of the shareholder/partner	
Last name/first name of the shareholder/partner		Date of birth of the shareholder/partner	
		%	
Address of the shareholder/partner		Ownership % of the shareholder/partner	
City	Postal code	Telephone number of the shareholder/partner	

Section 1. (cont'd) on the next page ⇨



1.3 Declaration of bankruptcy/Financial protection

Answer Questions 1. and 2. below

1- Have you, or any of shareholders/partners declared bankruptcy within the past seven (7) years?

Yes No

Complete the table below Question 2. below

Name of the producer who declared bankruptcy	Year

Question 2. below

2- Has either the business or you as an individual producer made an application or seeking for financial protection from your creditors? i.e. a suspension of proceeding during which the creditors cannot begin or continue collection or seizure actions relative to your goods.

Yes, seeker No, not seeker
 Yes, suspension of proceeding No suspension of proceeding

Questions a) et b) below ↓ Section 1.4 below ↓

a) Indicate the year:

b) Describe the steps taken:

1.4 Declaration of APP advance(s) received from the PBQ or other producer organizations

The outstanding advances given to any partner or associate will affect the amount of the advance that the applicant will be entitled to receive.

Answer Question 1. below
 Attach a separate sheet if necessary

1- Do you, or any of shareholders/partners:

a) have an outstanding APP advance received from PBQ or other producer organization? **AND/OR**
 b) has been in default?

Yes No

If Yes, complete the table below If No, Section 1.5 at the bottom of the page

Name of the shareholder/partner who received an APP advance	Name of the organization that granted the advance	Agricultural product for which an advance has been received	Program year	Amount of the advance received (\$)	Balance of advance outstanding (\$)
				\$	\$
				\$	\$
				\$	\$
				\$	\$

1.5 All risks insurance

The totality of the agricultural product targeted by the advance must be insured on behalf of the Administrator against all insurable risks, to the full extent of the advance, until the producer's liability is repaid, as stipulated in section 3 Article 7.12

Answer Question 1. below

1- Are your animals outside at all time?
 Yes No

Section 2. next page ⇒

Table below

<input type="text"/>	<input type="text"/>
Name of the insurance company	Name of the insurance agent/broker
<input type="text"/>	<input type="text"/>
Number of the insurance policy	<input type="text"/>
\$ <input type="text"/>	<input type="text"/>
Amount of the insurance coverage for cattle	Expiry date of the insurance policy

Attach a copy of your insurance policy

Question 2. below

2- Are Les Producteurs de bovins du Québec (PBQ) mentioned as creditors on your insurance policy?

Yes No

Section 2. on the next page ⇒

Renewal: PBQ must stay mentioned as creditors on your insurance policy.
1st application: if your application is accepted, PBQ should be mentioned as creditors on your insurance policy.

SECTION 2. – Must be completed by the applicant producer

2.1 General information

- 2 The maximum amount is established at \$400,000. The first \$100,000 are interest free;
- 2 Only the first \$100,000 of the advance granted for each program year is interest free. Any advance amount exceeding this limit bears interest;
- 2 The producer must not have more than \$400,000 outstanding in advance including the overlap between program years;
- 2 Use the advance rate indicated by the Administrator in the Application and Repayment Agreement;
- 2 To avoid the repayment of cash advances due to no sale, an advance should be taken only for the inventory of animals that are expected to be sold before the end of the program year;
- 2 A copy of the present form duly completed as well as appendices A, B, C, D, E, F, and G must be included in the producer’s file;
- 2 Provide appropriate documentation and information with regard to the participation in a Business Risk Management (BRM) Program.

⇩ Please refer to definitions below ⇩

Continuous Cycle operation

- 2 The form provides for an application to be made for an advance on a continuous cycle operation, i.e. a farming operation where the producer constantly maintains a minimum number of head during an advance cycle through a continual rotation of the animals (namely that the animals sold are quickly replaced by new ones). All livestock must be sold before the end of the program year.
- 2 Only one advance cycle of twelve (12) months in continuous cycle is allowed per program year.

Standard (Degressive) Cycle operation

- 2 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 in the first twelve (12) months from the issue date of the advance. To do so, a payment agreement using postdated cheques between the producer and the Administrator must be negotiated. To this effect, the producer will receive a notice indicating the payable dates and the amounts to be reimbursed.
- 2 The remaining balance will be analysed according to the actual sales and will be adjusted accordingly for the last remittances. However, the producer can make another advance application for the newly arrived head. All cattle must be sold before the end of the program year.

Check the box below that apply to your cycle operation

CONTINUOUS Cycle

STANDARD (Degressive) Cycle



Section 2.2 next page ⇨

Check your commitment below

 **MANDATORY CHECKBOX**

- As part of the payment agreement using postdated cheques which will be negotiated with the Administrator, I commit to pay 60% of the amount advanced in the first twelve (12) months from the issue date of the advance.

Section 2. (cont'd) on the next page ⇨

2.2 Eligible advance based on the inventory of animals to be sold depending on the chosen cycle operation

Complete the table below

Type of livestock	Rate/head (\$)	Number of head requested	Amount requested (\$)	↓ Administrator columns ↓	
				Number of head approved	Amount approved (\$)
Fed cattle + 1,250 lb*	\$975		\$		\$
Fed cattle – 1,250 lb*	\$750		\$		\$
Grain fed-calf*	\$440		\$		\$
Milk fed-calf*	\$518		\$		\$
Feeder calf + 675 lb*	\$685		\$		\$
Feeder calf - 675 lb*	\$625		\$		\$
Young heifer**	\$776		\$		\$
In-calf heifer**	\$1,115		\$		\$
Mature bull**	\$2,182		\$		\$
Young bull**	\$1,845		\$		\$
Mature cow has calved**	\$1,139		\$		\$
Milk lamb*	\$75		\$		\$
Lamb*	\$96		\$		\$
Slaughter lamb*	\$115		\$		\$
Yearling ewe**	\$164		\$		\$
Ram**	\$349		\$		\$
Total amount			\$		\$
Total amount requested			\$		\$
Total amount approved					\$

* The unit rates established by AAFC are revised on February 1st and are subject to change without notice.

** The unit rates for breeding livestock established by AAFC are revised on May 1st, are subject to change without notice and will prevail on rates indicated above.

2.3 Information on the animals

Indicate the address of each location where your animals are being fattened for which you are applying for an APP
 Attach a separate sheet if necessary

➤ Address 1	<input type="text"/>	➤ Address 3	<input type="text"/>
➤ Address 2	<input type="text"/>	➤ Address 4	<input type="text"/>

Section 3. on the next page⇒

RESERVED TO THE ADMINISTRATOR

2.4 Advance granted by the Administrator (PBQ)

 All amounts mentioned in appendices B, C, D and E cannot be greater than the approved amount by the Administrator and prevail any other amount.

Advance granted \$

SECTION 3. - Terms and conditions of the Repayment Agreement

In consideration of the Administrator granting an advance pursuant to the provisions of the Advance Payments Program, the parties hetero agree as follow:

1. Important Terms

- 1.1 « A AFC » means Agriculture and Agri-Food Canada.
- 1.2 « Administrator » means Les Producteurs de bovins du Québec.
- 1.3 « Terms and conditions » means the content of section 3. of this Application and Repayment Agreement.
- 1.4 « Declaration of the applicant » means the content of section 4. of this Application and Repayment Agreement.
- 1.5 « Repayment agreement » means the completed Application and Repayment Agreement, with appendices A, B, C, D, E, F and G as well as these Terms and Conditions signed by the Producer or an authorized representative and an authorized representative of the Administrator.
- 1.6 « AMPA » means the *Agricultural Marketing Programs Act*.
- 1.7 « Minister » means the Minister of Agriculture and Agri-Food Canada or any person authorized to act on his or her behalf.
- 1.8 « APP » means the Advance Payments Program.
- 1.9 « SCAP » means the Spring Credit Advance Program.
- 1.10 « ESPAP » means the Enhanced Spring Credit Advance Program.
- 1.11 « Her majesty » means Her Majesty the Queen in Right of Canada.
- 1.12 « Producer » means the individual producer, the sole owner of the corporation, the shareholders of the corporation or the partners of the partnership identified in section 1.2 of the present application.
- 1.13 a) « Bovine Agricultural Product » means the entire herd of current or future calves, steers and breeding cattle (heifers, bulls and breeding cows) belonging to the Producer as listed in section 2.2 of the present application.
b) « Ovine Agricultural Product » means the entire herd of current or future lambs and breeding lambs (ewes lamb and rams lamb) belonging to the producer as listed in section 2.2 of the present application.
c) « Animal », « Product », « Livestock » and « Agricultural Product » means the entire herd of current or future calves, steers, lambs and breeding cattle/lambs (heifers, bulls, breeding cows, ewes lamb and rams lamb) belonging to the producer as listed in section 2.2 of the present application.
- 1.14 « Advance » means an eligible advance based on the inventory of eligible livestock.
- 1.15 « Rate of the advance on livestock » means the rate of issuance applicable to advances issued prior to March 31, 2020.
- 1.16 « Eligible advance » means the advance the producer is entitled as stated in section 2.4 of the present application, if applicable.
- 1.17 « Eligible BRM program » means an eligible Business Risk Management Program, as listed in the Schedule of AMPA for which the producer declared being a participant and that is used by the producer as security for an advance in case of default on a Livestock advance.
- 1.18 « BRM Program Coverage Report » means a report from the organization responsible for the administration of the BRM program used as security in case of default, wherein the producer demonstrates their participation in the BRM program.
- 1.19 « Production Period » means the period defined in section 3, paragraph 7.1 of the present Terms and Conditions.
- 1.20 « Program year » means the period defined in section 3, paragraph 7.2 of the present Terms and Conditions.
- 1.21 « Advance cycle » means a period of up to twelve (12) months that commences when the producer is issued an advance and ends no later than the end of the Production Period.
- 1.22 « Continuous Cycle Operation » means a farming operation where livestock that are sold are constantly replaced by new head so that the number of head of livestock in inventory remains constant.
- 1.23 « Standard Cycle Operation (degressive) » means that the animal inventory fluctuates during the advance cycle and that advance is repaid as the animals are sold.
- 1.24 « Holdback for payment of interest » means the percentage of the eligible advance that the Administrator withholds until the advance is repaid in full, in order to pay, on behalf of the producer, the interest owing on the interest-bearing portion of the advance. If the producer is declared in default, the Administrator shall apply any unused portion of the holdback against the principal owed by the producer.

2. Payment of the advance

- 2.1 The Administrator shall make an installment of the eligible advance using the advance rate on livestock, as stated in section 2.2 in this Application and Repayment Agreement. The producer must provide a BRM Program Coverage Report confirming participation in an eligible BRM Program.
- 2.2 Any advance on the eligible livestock or any instalment on such an advance must be paid before the date specified in section 3., paragraphs 1.19 and 1.20 of the present Terms and Conditions, as applicable.

3. Repayment of the advance

- 3.1 The producer must repay the amount of the advance to the Administrator before the end of the program year as specified in the present Repayment Agreement:
 - a) When an agricultural product for which the advance was paid is sold to a buyer named by the Administrator, by authorizing each buyer to withhold from the proceeds of the sale, for each unit of the agricultural product sold, an amount equal to the advance rate in effect at the time of the advance, and to give to the Administrator the amounts withheld until the full repayment of all the advances granted to the producer and the interest accrued on these advances.
 - b) For a standard cycle operation (degressive), the producer commits to reimbursing 60% of the advanced amount in the first twelve (12) months from the issue date of the advance. To do so, a payment agreement using postdated cheques between the producer and the Administrator must be negotiated. To this effect, the producer will receive notice indicating the payable dates and the amounts to be reimbursed. The remaining balance will be analysed according to the actual sales and will be adjusted accordingly for the last remittances. However, the producer commits to notifying the Administrator of any discrepancy equal or more than \$10,000 or 10% (the greater being chosen) for each product unit sold between his actual inventory and the one accounted for in the reimbursement(s). The producer can make another advance application for the newly arrived head. All livestock must be sold before the end of the program year. The total repayment should be supported by proof of sale.
 - c) For a continuous cycle operation, when the producer otherwise sells or disposes of that portion of agricultural product in respect of which the advance is made, by paying directly to the Administrator for each unit of agricultural product within twelve (12) months from the date the advance was made but no later than the end of the production period, an amount at least the advance rate in effect at the time the advance was issued until all the advances made to the producer and the interest payable by the producer on those advances are repaid. The total repayment should be supported by proof of sale.
- 3.2 In addition to the mandatory payments under section 3., paragraph 3.1 a), 3.1 b) or 3.1 c) above, the producer may choose to repay the advance:
 - a) By making a payment without proof of sale, no later than the last day of the production period, up to the greater of \$10,000 or 10% (the greater being chosen) of the total amount of the advance paid at the time of making the cash payment. If the producer chooses to repay in cash, without proof of sale, the producer will be charged interest penalty at the prime rate plus 1% at simple interest on the excess amount from the date the advance was issued to the date of repayment. The producer has thirty (30) calendar days to repay the interest. After twenty one (21) days calendar following the end of the production period, if the producer has not sent his proofs of sale or paid the interest on the related penalty, he will be declared in default with regards to the amount of the penalty.
 - b) A producer deceased or declared legally incapable of making decisions will be exempted from attaching proof of sale.
 - c) By paying directly to the Administrator any amount that was paid under an eligible BRM program.
 - d) By paying directly to the Administrator any amount received by the producer not exceeding the amount attested by the proof of sale.
 - e) Notwithstanding paragraph 3.2 a) of this Repayment Agreement, the producer can make a cash payment without proof that the product was sold if the Administrator is convinced that the agricultural product for which the advance was made is stored or remains under the producer's control at the time of repayment. An external audit of the inventory will be required to prove that the product has not been sold. The inventory count will be performed at the producer's expense by a qualified person, either a veterinarian, an agronomist, an agricultural technician or any other qualified officer pre-authorized by the Minister.
- 3.3 In cases where the producer repays the amount of the advance to the Administrator by selling the agricultural product or part of it as described in section 3.1 a) of the present Terms and Conditions, the producer shall:
 - a) Specify in writing to the Administrator to which buyer, appointed by the Administrator, he will sell the agricultural product before selling the said agricultural product to this buyer.
 - b) Notify the Administrator upon reception of any information according to which the appointed buyer does not submit to the Administrator the amount withheld as soon as possible.
 - c) Remain liable to the Administrator for repaying any part of the advance in the event that the appointed buyer omits to submit to the Administrator that portion of the advance withheld by him in accordance with the agreement concluded with the Administrator.
- 3.4 If, through no fault of the producer, the quantity of the agricultural product used to obtain the advance is no longer sufficient to justify the outstanding advance, the Administrator will notify the producer that he has thirty (30) calendar days to repay the outstanding part of the advance that exceeds the reduced protection. If the producer does not repay within the prescribed time, he will be considered to be in default. When the portion of the outstanding amount of the advance that exceeds the reduced protection is repaid, if the producer has a continuous cycle operation, he will remain eligible to the Terms and Conditions applicable to continuous cycle operations regarding the residual portion of the advance.
- 3.5 If the number of agricultural products is reduced by an act of the producer and is no longer sufficient to justify the amount of the advance, the Administrator shall notify the producer that he has thirty (30) calendar days to repay the portion of outstanding amount that exceeds the reduced protection. If the producer does not repay within the prescribed time, he will be considered to be in default. If the producer has a continuous cycle operation, the Administrator shall notify the producer of the loss of advantages associated with continuous cycle operations and indicate that the outstanding advance must be repaid as the animals are sold, as in a standard cycle (degressive) operation. Failing this, the producer's account will be considered to be in default.

Section 3. (cont'd) on the next page ⇨

4. Security Interests

- 4.1** The producer hereby grants a general and continuing security interest on his agricultural product, on agricultural product in subsequent production periods, to the Administrator to secure repayment of his debt owing to the Administrator arising from this Repayment Agreement. The producer declares that the Administrator's security interest on the agricultural product shall have priority over the interest of any other secured creditor. The producer confirms that he has obtained signed priority agreements from all secured creditors who have or may be entitled to have a security interest on the agricultural product. The producer agrees that upon default, the Administrator has the right to seize the Producer's agricultural product wherever situated, sell the agricultural product as it sees fit and use the sale proceeds to reduce his debt owing to the Administrator arising from this Repayment Agreement, including interest and any legal cost. For a continuous cycle, the level of inventory on which the advance was calculated must be equivalent to the minimum inventory maintained throughout the advance cycle.
- 4.2** Once declared in default, the producer irrevocably assigns his benefits from current and future business risk management (BRM) programs to the Administrator in order to guarantee the repayment of his debt to the Administrator resulting from the present Repayment Agreement. The producer agrees that once declared in default, all the BRM program benefits will be automatically paid to the Administrator until his debt to the Administrator resulting from the present Repayment Agreement is entirely repaid. The producer declares that the assignment of his BRM program benefits to the Administrator has priority over any other securities. The producer confirms that he has signed the necessary secured creditor agreements with any other secured creditor so that the Administrator's security interests have priority over any other security interest (appendices C and D). The producer agrees and understands that the Administrator can register a financial statement with a provincial registration office when the Administration deems it appropriate. The producer hereby renounces the right to receive from the Administrator a copy of a financial statement or a declaration of confirmation issued at any time regarding the Administrator's security interest.

5. Default

- 5.1** The producer is in default if the producer has not met all their obligations under the Repayment Agreement at the end of the production period for which the advance was made.
- 5.2** The Administrator shall report a producer in default to the Minister and immediately inform the producer of the same, if the producer:
- Has not met any of the obligations under this Repayment Agreement within twenty one (21) calendar days after the day on which the Administrator mails or delivers a notice to the producer stating that the producer has had, in the opinion of the Administrator, adequate opportunity to meet all obligations, and requesting that the producer meet such obligations.
 - At any time breaches irremediably any substantial obligation under the Repayment Agreement.
 - Provides false, misleading or incomplete information to the Administrator for the purpose of obtaining a guaranteed advance, or evading compliance with an undertaking to repay it.
- 5.3** Upon default, the producer is liable to the Administrator for:
- The outstanding amount of the guaranteed advance;
 - The interest at a rate specified in section 3., paragraph 6.2 of these Terms and Conditions on the outstanding amount of the advance, calculated from the date the advance was issued until the advance is repaid in full;
 - Costs incurred by the Administrator to recover the outstanding amount and interest, including legal costs approved by the Minister;
 - A fixed fee of \$500 for all producer declared in default with which no agreement of reimbursement with the Administrator is agreed, which means that the Minister make a payment to the Administrator under the terms of the guarant.
- 5.4** The producer shall assign to the Administrator the amounts payable to the producer under an eligible BRM program, in accordance with the appendix C of this Repayment Agreement, for the repayment of the amount of the eligible advance plus interest costs provided for in this Repayment Agreement. Such assignment becomes effective and will be registered only when the producer is in default.
- 5.5** If the producer is declared in default and the Minister makes payment under the guarantee, the Minister is subrogated to all rights of the Administrator against the defaulted producer and against any other party liable under this Repayment Agreement. The producer, in addition to the amounts stated in paragraph 5.2 of these Terms and Conditions, is liable to the Minister for interest at the rate specified in section 3., paragraph 6.2 of these Terms and Conditions on the amount of the producer's liability and the costs incurred by the Minister to recover the amount, including legal costs.
- 5.6** For the purpose of a default under this Repayment Agreement, the following ineligibility period requirements will be applied by the Administrator:
- No ineligibility period where the defaulted Advance is repaid within six (6) months of being declared in default;
 - An ineligibility period of one (1) year from the date of full repayment where the defaulted Advance is repaid beyond six (6) months of being declared in default;
 - An ineligibility period of two (2) years from the date of full repayment where the producer has defaulted twice within the last three (3) years that the producer has participated in the program;
 - An ineligibility period of three (3) years from the date of full repayment to AAFC where the defaulted file has been paid under the guarantee by the Minister;
 - An ineligibility period of six (6) years from the date of recovery of the debt in accordance with the terms a compromise settlement;
 - An ineligibility period of three (3) years from the date of full repayment where the Minister has had to write off the Producer's debt under the program; or
 - An ineligibility period of seven (7) years from the date of discharge where the Producer has declared bankruptcy under the *Bankruptcy and Insolvency Act*, or under any other insolvency or bankruptcy related statute such as the *Companies' Creditors Arrangement Act*.

6. Interest Rate – Administration fees - Holdback for payment of interest

- 6.1** The interest payable by the producer during the production period while in compliance with the AMPA and this Repayment Agreement will be:
- Zero (0%) per cent on the amount less than or equal to \$100,000 (combined advances must not exceed the program's annual allowable limit);
 - 0.25% on the amount designated as interest-bearing. If the interest rate negotiated with the National Bank is different than what is charged to the producer by the Administrator, the difference will be used to cover costs of administering the APP.
- 6.2** If the producer is declared in default, the interest payable by the producer will be:
- The prime rate plus 1% on the total amount outstanding without interest from the issue date of the advance until the date the producer is declared in default;
 - The prime rate plus 3% on the amount of the total outstanding advance with or without interest from the date the applicant producer is declared in default until the advance, accrued interest and all collection costs have been repaid in full.
- 6.3** The producer chooses to reimburse in cash, without proof of sale, an amount exceeding the amounts mentioned above, the interest payable by the producer will be: the prime rate plus 1% on the total amount outstanding without interest from the issue date of the advance until the date.
- 6.4** In the event where the Producer is declared in default, the Minister makes payment under the guarantee, and the Minister is subrogated the rights of the Administrator, the prime rate referenced in Paragraph 6.2 b) will change from the prime rate of the Administrator's Lender to the average aggregated prime rate (« Prime business » rate) as published in the Daily Digest on the website of the Bank of Canada.
- 6.5** For any application, the Administrator withholds 0.55% of the eligible advance from the payment of the advance as an administrative fee (minimum fee: \$250 – maximum fee: \$1,800).
- 6.6** The Administrator withholds 5% of the eligible advance from the payment of the advance as a Holdback for payment of interest, until the advance is repaid in full, in order to pay, on behalf of the producer, the monthly interest owing on the interest-bearing portion of the advance. The excess, if any, will be issued to the producer if he has complied with all of the producer requirements.

7. General Provisions

- 7.1**
- The production period for bovine products commences on April 1st, 2019 and terminates on March 31st, 2021.
 - The production period for ovine products commences on April 1st, 2019 and terminates on September 30th, 2020.
- 7.2**
- The program year for bovine products is the period used to manage the limits of the program in accordance with paragraphs 9(1) and 20(1) of the AMPA and that is defined by the beginning date of the first production period and the end date of the last production period. It begins on April 1st, 2019 and ends on March 31st, 2021.
 - The program year for ovine products is the period used to manage the limits of the program in accordance with paragraphs 9(1) and 20(1) of the AMPA and that is defined by the beginning date of the first production period and the end date of the last production period. It begins on April 1st, 2019 and ends on September 30th, 2020.
- 7.3** The eligible advance under these Terms and Conditions is deemed to have been received on that portion of the livestock first sold. The producer shall not dispose of any other part of the livestock, in any manner, before disposing of that portion of the agricultural product for which the advance was received. In cases where the producer can provide proof of identification, supported by appropriate records, allowing for the identification of each unit of livestock subject to the advance, then the eligible advance under these Terms and Conditions is deemed to have been received on that portion of the agricultural product being identified to be subject to the advance.
- 7.4** This Repayment Agreement shall commence upon approval and execution of this application by the Administrator, and shall terminate upon repayment of all amounts provided for in this Application and Repayment Agreement.
- 7.5** The Administrator or his authorized agent has the right to perform a credit check on the producer or any of the producer's partners, shareholders, or members at any time during the term of this Repayment Agreement.
- 7.6** At the end of the period of six (6) months from the date of the advance, the producer with a continuous cycle shall submit a report to the Administrator confirming that his inventory is sufficient to guarantee the amount of the advance. The producer must ensure that he has on his farm at all times, at a minimum, the number of cattle for which the advance was granted. If the producer does not have a sufficient number of cattle in inventory, he will be notified that he has thirty (30) calendar days to reimburse the missing portion of the advance corresponding to the number of head missing in his inventory. If the inventory is due to a decision from the producer, he will have to reimburse the advance as cattle are sold. If the producer does not repay within the prescribed time, he will be declared in default.

Sections 3. (cont'd) and 4. on the next page ⇒

- 7.7 At the end of the period of six (6) months from the date of the advance, the producer with a standard cycle (degressive) shall submit a report to the Administrator confirming that his inventory is sufficient to guarantee the amount of the advance. The producer must ensure that he has on his farm at all times at least the number of cattle for which the advance was granted. If the producer does not have a sufficient number of cattle in inventory, he will have to provide proofs of sale for cattle sold previously, otherwise he will be notified that he has thirty (30) calendar days to reimburse the missing portion of the advance corresponding to the number of head missing in his inventory. If the producer does not repay within the prescribed time, he will be declared in default.
- 7.8 The producer shall give immediate notice to the Administrator of any material loss, destruction or damage to the agricultural product.
- 7.9 If the livestock or a portion of the livestock for which an advance was made ceases to be of marketable quality, through no fault of the producer, the producer shall immediately inform the Administrator and the producer becomes liable to repay to the Administrator that portion of the advance, together with interest thereon from the date the advance was made, that is attributable to the unmarketable portion of the livestock.
- 7.10 The producer shall respect the terms of the BRM program used as security and, should the producer be declared in default by the Administrator, shall ensure that any payments from this program are assigned to the Administrator up to the extent of the eligible advance. The producer must notify the Administrator of any change in the BRM program coverage that is used as security. The producer must notify the Administrator if further requests for an assignment of the BRM program proceeds are made, granted or registered.
- 7.11 This Repayment Agreement shall be interpreted in accordance with the laws of the province of Quebec, Canada.
- 7.12 The Producer shall have multi-peril insurance coverage on their farming operation which includes the entire Agricultural Product for which the Advance was made. This coverage must be sufficient to cover the full extent of the Advance until the Producer's liability is repaid. If the Agricultural Product is stored off-farm at a commercial facility, the Producer must ensure that the commercial facility has such insurance.
- 7.13 An appeal process is in place for cases where the Application is rejected. The appeal will be reviewed by knowledgeable program staff who did not participate in the initial decision to reject the Application. The appeal process concerns only program eligibility. Producers will not be able to appeal the advance amount(s) it is determined that they are eligible to receive under the program.
- 7.14 Whenever the singular or masculine is used throughout this Application and Repayment Agreement, it shall be construed as including the plural, feminine or neutral whenever the context and/or the parties hereto require.
- 7.15 In the event that any part of this Repayment Agreement is found to be invalid by a court of law, the producer agrees to be bound by the Terms and provisions of the balance of this Repayment Agreement.
- 7.16 This Repayment Agreement shall not terminate by reason of death or disability of the producer. The producer further agrees in his name and on behalf of his legal personal representatives to execute any instruments which may be necessary or proper to carry out the purpose and intent of this Repayment Agreement.
- 7.17 The producer agrees to provide the Administrator with any information requested by the Administrator to substantiate the statements made by the producer within this Repayment Agreement or to satisfy eligibility requirements. Failure to provide such documentation as requested by the Administrator may result in a rejection of the application, or in being declared in default if the advance has been issued.
- 7.18 For the purposes of giving effect to any of the producer's undertakings under the Repayment Agreement, notably concerning the priority agreement, the security and assignment of rights, the producer shall make, execute and deliver to the Administrator any documents or agreements as the Administrator may reasonably request, including security agreements, assignments and financial statements.
- 7.19 Where the Administrator determines that the producer is insolvent, has recently filed a notice of intention to make a proposal or has made a proposal under the Bankruptcy and Insolvency Act, is subject to a receiving order under that Act, is bankrupt or seeking protection under any other insolvency or bankruptcy related statute such as the *Companies' Creditors Arrangement Act* and the *Farm Debt Mediation Act*, the producer's application must be rejected.
- 7.20 No amendment to this Repayment Agreement which may result in the reduction of the value of the security pursuant in section 3., paragraph 4 of these Terms and Conditions, other than an amendment to correct a clerical or mathematical error, shall be made without the agreement of the Minister.
- 7.21 Unless authorized by the Minister, any amendment to the Application and Repayment Agreement, as per section 3., paragraph 7.19 of these Terms and Conditions, will not be retroactive and will come into force on the day that the amendment is signed. The parties recognize that any interest benefit received as a result of paragraph 6.1 a) of the section 3. of this Repayment Agreement before the coming into force of the amendment does not need to be reimbursed.
- 7.22 All parties herein agree that should there be any discrepancies between this agreement and the AMPA and its regulations, the AMPA and its regulations will supersede this Repayment Agreement.
- 7.23 The applicant producer agrees to provide the Administrator a copy of the certificate of incorporation or proof of partnership document for a first application, or the new incorporation/partnership document that reflects the correct ownership structure if the ownership structure has changed from the previous application.
- 7.24 The applicant producer agrees to provide the Administrator a copy of his valid photo identification (driver's license) to prove he has reached the age of majority and is a Canadian citizen or a permanent resident.
- 7.25 To avoid any delay that could result in additional interest or your file being in default, the Administrator may ask for one or more postdated cheques. The cheque(s) will be cashed in due time in accordance with the repayment date(s).
- 7.26 Every APP applicant must forward to the Administrator a copy of his financial statements prepared by an outside firm, and fill in appendix B - *Financial Situation* - completed by his banking institution, and agree to a credit check.
- 7.27 To cover his monthly interest fees on advances with interest, the Administrator shall withhold five percent (5%) of the advance issued to the producer. Upon full repayment of the advance, the excess, if any, will be issued to the producer if he has complied with all of the program requirements. In the event of default, the Administrator will apply this fee against repayment of the advance. The interest earned on the five percent (5%) deduction will be used to offset PBQ's APP administration costs.
- 7.28 Appendices A, B, C, D, E, F and G are an integral part of this Repayment Agreement.
- 7.29 As indicated in Section 2.4 of the present Application and Repayment Agreement, all amounts mentioned in appendices B, C, D and E cannot be greater than the approved amount by the Administrator and prevail any other amount.
- 7.30 The present Application and Repayment Agreement can be submitted to the Administrator by e-mail, fax or mail, provided that all parties have signed all documents.
- 7.31 The Administrator will register all advances of \$200,000 or more in the *Register of personal and movable real rights* (RDPRM).

SECTION 4. - Declaration of the applicant producer

The Advance Payments Program (APP) is a program from the Government of Canada that enables Canadian agricultural producers to benefit from cash advances. Under the APP, Agriculture and Agri-Food Canada guarantees repayment of cash advances issued to farmers by the producer organization and pays the interests on the first \$100,000 issued to every participating producer.


1. According to your situation:
 - a) I am applying as an individual for an advance payment pursuant to the APP.
 - b) I am applying as a sole owner of the corporation that I represent for an advance payment pursuant to the APP.
 - c) We, being all the partners of the partnership stated in this Application (herein referred to as the « partners »), are applying for an advance pursuant to the APP.
 - d) We, being all the shareholders of the corporation stated in this Application (herein referred to as the « shareholders »), are applying for an advance pursuant to the APP.
2. I, one of the partners/shareholders/authorized officer am of the age of majority and declare that the partnership or corporation is controlled by a Canadian citizen(s) or a permanent resident(s).
3. I am, or at least one of my partners or shareholders is the producer of the agricultural product for which this application is made.
4. No other person has an interest in the agricultural product for which this application is made and the agricultural product will be sold in my name or the name of the partnership or corporation for which this application is submitted.
5. According to your situation:
 - a) I am not required by the *Income Tax Act* to report income from other farming operations or other corporations, partnerships or cooperatives carrying on a farm business, other than the ones named in this Application and Repayment Agreement, otherwise, I have listed in appendix G all other farming operations and other businesses carrying on farm operations in which I have an interest.
 - b) All of the partners or shareholders having shares in the entity are listed in section 1.2 of the present Application and Repayment Agreement.
6. Neither I, nor the partnership/corporation, nor any of the partners/shareholders, nor any related person listed in this Application and Repayment Agreement are in default under any repayment agreement pursuant to the *Advance Payments for Crops Act* (APCA), the *Prairie Grain Advance Payments Act* (PGAPA), the *Spring Credit Advance Program* (SCAP), the *Enhanced Spring Credit Advance Program* (ESCAP) or the *Agricultural Marketing Programs Act* (AMPA).
7. Neither I, nor the partnership/corporation, nor any of the partner/shareholders, nor any related persons listed in this Application and Repayment Agreement are ineligible under an advance guarantee agreement made pursuant to the *Agricultural Marketing Programs Act* (AMPA), the *Spring Credit Advance Program* (SCAP) or the *Enhanced Spring Credit Advance Program* (ESCAP).
8. As indicated in the present Application and Repayment Agreement:
 - a) I, as an individual producer, have made an application for production insurance and/or am participating in an eligible Business Risk Management (BRM) program, (appendix C) duly completed as required for this specific class of agricultural products.
 - b) The corporation that I represent has made an application for production insurance and/or is participating in an eligible Business Risk Management (BRM) program and I, being authorized to certify on behalf of the corporation/cooperative, declare having submitted a duly completed BRM Assignment Agreement (appendix C) as required for this specific class of agricultural products.
 - c) We, being all the partners, have made an application for production insurance and/or are participating in an eligible Business Risk Management (BRM) program (appendix C) and we, being authorized to certify on behalf of the partnership/corporation/cooperative, declare having submitted a duly completed BRM Assignment Agreement as required for this specific class of agricultural products.
 - d) We, being all the shareholders, have made an application for production insurance and/or are participating in an eligible Business Risk Management (BRM) program (appendix C) and we, being authorized to certify on behalf of the partnership/corporation/cooperative, declare having submitted a duly completed BRM Assignment Agreement as required for this specific class of agricultural products.


9. If this application relates to a livestock product that is not subject to an emergency assistance, I, or the partnership or corporation that I or we represent has a sufficient quantity of agricultural products, as mentioned in section 2.2 of the present Application and Repayment Agreement, to justify the amount of the advance requested.
10. Except for emergency advances for « severe financial difficulties » that are not subject to the following, I, or the partners or shareholders, as the case may be, declare having duly completed and submitted the agreements required by each secured creditor who has concluded, in order to guarantee the advance, an assignment agreement on the benefits of the BMR program(s) and/or that holds a privilege or an easement on the agricultural products listed in section 2.2 of the present Application and Repayment Agreement.
11. I, or all the partners or shareholders, as the case may be, agree that a credit check and an inspection of the livestock may be performed at any time while the advance is outstanding.
12. I, or all the partners or shareholders, as the case may be, acknowledge that, in the event of a default, the partnership, or corporation or its partners or shareholders may be denied access to other federal agricultural support programs or, alternatively, the Minister reserves the right to off-set from such support a sum equal to the outstanding amount and related interest charges and recovery costs.
13. I or we, as the case may be, declare that this Application is consistent with the purpose of the APP.
14. I, or the partners or shareholders, as the case may be, certify that all the information provided in this Application is true and accurate in every respect. I/we acknowledge that providing inaccurate information or omitting to provide information that could be relevant in assessing and approving this APP Application could result in loss of all benefits related to the APP, in legal action, and in my/our exclusion from other AAFC programs. A producer who deliberately provides false or misleading information for the purpose of obtaining a guaranteed advance; or has committed fraud to obtain an advance; or avoids penalty, will be ineligible for receiving an advance under the program for five (5) years. A second offence committed by the producer will result in a permanent period of ineligibility.
15. I, or the partners or shareholders, as the case may be, understand that failing to comply with application requirements may delay the processing of the application or may render me, or the partnership or corporation that I represent, ineligible for receiving an advance under the program.
16. Pursuant to section 23(4) of the AMPA, the Producer agrees that if they reside in a province where the legislation allows for the extension of the limitation period, to extend the limitation period of six (6) years from the day on which the Minister is subrogated as per section 5. the Terms and Conditions of the Application and Repayment Agreement for the purpose of initiating actions or proceedings to recover any amounts owed to the Crown.
17. I have read the following privacy notice informing me of AAFC's use of my personal information submitted as part of the APP application process.
APP is a federal program delivered by Administrators which collect and use the personal information you submit to administer the program on AAFC's behalf. AAFC routinely receives a small portion of the personal information you submit however, in the event you enter into default, AAFC will receive your entire application file.
The information on this form is collected under the authority of section 10. of the *Agriculture Marketing Programs Act*. Any personal and business information provided by the Administrator to Agriculture and Agri-Food Canada (AAFC) will be used to administer the APP in accordance with the *Privacy Act* and *Access to Information Act*. The information may also be used for statistical and reporting purposes or to evaluate the scope, direction and effectiveness of agricultural programming. Individuals have the right to request access and correction to their personal information. Should you have any questions concerning your Privacy, please contact: Agriculture and Agri-Food Canada's Access to Information and Privacy Director, Floor 10, 1341 Baseline Road, Tower 7, Ottawa ON K1A 0C5 or by email at AAFC.Privacy-vieprivée.AAC@CANADA.CA and reference AAFC's personal information bank *Agricultural Marketing Programs Act*. Advance Payments Program, PPU 140. (2019).
All non-federal government organizations are obligated to protect personal information in accordance with the *Personal Information Protection and Electronic Documents Act* (PIPEDA) or under legislation applicable within their jurisdiction.
I or the Partners as applicable, authorize Les Producteurs de bovins du Québec (Administrator) to:
 - a) Collect the personal information contained in, with, or pursuant to this Application and Repayment Agreement.
 - b) Convey the information contained in this Application and Repayment Agreement, as well as associated documentation, both personal and otherwise, to provincial governments and their agencies, for the purposes of verifying APP entitlements, verification, assignment and realization of security.
 - c) Convey the information contained in this Application and Repayment Agreement, as well as associated documentation, both personal and otherwise, to other organizations administering the APP, for the purposes of verifying benefits under the APP. For further information regarding the use of your personal information by the APP Administrator or to make a formal request for access to your personal information, please contact Administrator through which you are applying.
18. The Administrator or its authorized agent has the right to inspect the livestock subject to this Application and Repayment Agreement at any time during the production period. For inspection purposes, the producer shall ensure that his facilities are safe and easy to access.
19. If I am, or one of the partners or shareholders, as the case may be, is a current or former public office holder, public servant or member of the House of Commons, I am or we are not prohibited to derive benefits from the APP under any applicable federal conflict of interest or ethical principles and I am or we are in compliance with applicable federal conflict of interest or ethical principles, rules and obligations.
20. I or we, as applicable, acknowledge that, in cases where the applicant is declared in default and the Minister makes payment under the guarantee, the Minister is subrogated to the Administrator's rights against the applicant in default and against persons who may be personally liable under this Repayment Agreement.
21. I, or the partners or shareholders, as the case may be, declare that I/we have not recently filed a notice of intention to make a proposal or made a proposal under the *Bankruptcy and Insolvency Act*, I/we are not subject to a receiving order under that Act, are not bankrupt or seeking protection under any other insolvency or bankruptcy related statute such as the Companies' Creditors Arrangement Act and the *Farm Debt Mediation Act*.
22. I, or the partners or shareholders, as the case may be, declare that in the case of Agricultural Product, it is of marketable quality and will remain so until disposed of in accordance with the Repayment Agreement.
23. I, or we, understand that the rate of advance per unit used to determine my eligible advance was obtained following a subtraction of the percentage of the Administrator's financial responsibility of 3% on 100% of the maximum amount of the advance, and this is applied on the amount of the rate of the maximum advance per production unit determined by the Minister by virtue of the AMPA.
24. I, or the partners or shareholders, as the case may be, accept that when the Administrator receives payment in accordance with the terms and conditions of the present Application and Repayment Agreement, the Administrator must firstly reduce the portion of the loan for which the Minister pays the interests, in other words, the portion without interest.
25. I, or the partners or shareholders, as the case may be, have read all the terms and conditions of the Repayment Agreement as well as appendices A, B, C, D, E, F, and G, that are attached and that are an integral part of the present Application and Repayment Agreement and I, or the partners or shareholders, as the case may be, agree to comply.


SIGNATURE on the next page ⇒


SECTION 5. – SIGNATURE


5.1 Applicant producer/shareholder(s)/partner(s)


 Any transmission of false or misleading information will automatically be interpreted as non-compliance and will lead to the loss of the benefits associated with the APP.


 In order to certify the completeness and accuracy of the information provided in this form, any partner whose name appears on section 1.2 must sign and date the declaration below

 I, individual producer or sole shareholder of the corporation, or we, partners of the partnership mentioned in section 1.2 of the Application and Repayment Agreement, are authorized to sign the present form.

 I, or we, hereby certify that the information contained in this Application and Repayment Agreement is true and accurate based on my (our) knowledge at the time of completing the form.

 I, or we, hereby certify having completed and signed an Application and Repayment Agreement form as well as Appendices A, B, C, D, E, F, and G.

 I, or we, agree to comply with all terms and conditions included in the Application and Repayment Agreement for the Advance Payments Program.

 In the case of a partnership or company, **ALL** of the shareholders/partners of your business must sign

Date _____

dd/mm/yyyy

Name of the applicant producer (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)


Name of the shareholder/partner (please print)


Name of the shareholder/partner (please print)


Name of the shareholder/partner (please print)


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
Name of the shareholder/partner (please print)

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Signature of the applicant producer


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Signature of the shareholder/partner


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Signature of the shareholder/partner


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Signature of the shareholder/partner


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Signature of the shareholder/partner

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Signature of the shareholder/partner


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Signature of the shareholder/partner

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Signature of the shareholder/partner

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Signature of the shareholder/partner

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Signature of the shareholder/partner

5.2 Administrator (PBQ)

 I, Les Producteurs de bovins du Québec, declare having taken all necessary steps - in accordance with the *Agricultural Marketing Programs Act (AMPA)* and its Regulations, the Advance Guarantee Agreement and APP administration guidelines - to ensure, to the best of my abilities, that the present Application and Repayment Agreement by the producer is accurate and complete before granting the above-mentioned advance.

Name of the authorized representative of the APP


Name of the authorized representative of the APP

Date _____

dd/mm/yyyy

 _____
Signature of the authorized representative of the APP

Signature of the authorized representative of the APP

 **Les Producteurs de bovins du Québec (PBQ) acts as the Administrator for the APP and cannot be held responsible for any damage resulting from the refusal of the Producer’s application, of the delays in granting an advance to a participating producer or of errors in granting advances or loss of a document except in the event of gross negligence.**

APPENDIX A



Advance Payments Program (APP) 2019 Program Year Agreement between the Administrator (PBQ) and participating producers

Must be completed and signed by the applicant producer/shareholder(s)/partner(s)

Complete the section below

Hereby,

Name of the business	
Address	
City	Postal code

Authorize:

1. All lending companies and all suppliers to disclose to the Administrator (PBQ) any information about my (our) credit file(s) deemed necessary for the examination of my (our) advance payments application for this program year.
2. The Administrator or his representative to have access at all times to the production sites to control the quantities for which the Administrator has a lien by virtue of the program.
3. Agri-Traçabilité Québec inc. (ATQ) to provide the Administrator with pertinent information necessary for the examination of my (our) file.
4. Les Producteurs de bovins du Québec's (PBQ) sale agencies to provide the Administrator with pertinent information necessary for the examination of my (our) file.
Les Éleveurs d'ovins du Québec (LEOQ) sale agencies to provide the Administrator with pertinent information necessary for the examination of my (our) file.
5. La Financière agricole du Québec (FADQ), as the BRM Program administrator, to disclose my information, including personal information within the meaning of *The Freedom of Information and Protection of Privacy Act*, to the Administrator and AAFC for the purpose of AAFC's Advance Payments Program. The information collected may include insurance information such as coverage levels, production/inventory reports, claims and income/expenses related to my business or farming operation.
 - a) The BRM Program administrator may collect my information, including personal information within the meaning of *The Freedom of Information and Protection of Privacy Act*, from the Administrator and AAFC for the purpose of AAFC's Advance Payments Program.
 - b) AAFC and the Administrator may use this information to verify and assess the Application and Repayment Agreement, as well as to administer, audit, analyze, and evaluate the Advance Payments Program.
 - c) The Assignor acknowledges the BRM Program administrator may also collect and disclose corporate information for these purposes.
6. The Administrator to disclose, upon request, the balance of the advance to the Producer's lending institutions.
7. The Administrator to disclose, upon request, any information useful or necessary for the examination of my (our) file for the APP.
8. The insurance company that insured my production to pay directly to the Administrator the indemnity in the event of a disaster.

Complete and sign the section below

In the case of a partnership or company, ALL of the shareholders/partners of your business must sign

Date _____
dd/mm/yyyy

Name of the applicant producer (please print)
Name of the shareholder/partner (please print)
Name of the shareholder/partner (please print)
Name of the shareholder/partner (please print)
Name of the shareholder/partner (please print)
Name of the shareholder/partner (please print)
Name of the shareholder/partner (please print)

✍	Signature of the applicant producer
✍	Signature of the shareholder/partner
✍	Signature of the shareholder/partner
✍	Signature of the shareholder/partner
✍	Signature of the shareholder/partner
✍	Signature of the shareholder/partner

The Appendix A is an integral part of the Application and Repayment Agreement.



SECTION 1. – Must be completed and signed by the applicant producer

1.1 Information on the business/applicant producer

✍ Complete and sign the section 1.1 below

Name of the business

Last name/first name of the applicant producer

Address

City

Postal code

Email

Telephone number of the business

Telephone number of the applicant producer

Fax number

Cell number

Amount of the advance requested by the applicant producer as part of the APP

\$

✍ I (We), shareholder(s)/partner(s) as applicable, authorized the financial institution to disclose to the Administrator any information about my (our) credit file that is deemed necessary for the examination of the advance payments application.

Date

dd/mm/yyyy

Name of the applicant producer (please print)

✍ Signature of the applicant producer

SECTION 2. – Must be completed and signed by the financial institution/lender/creditor

2.1 Information on financial institution/lender/creditor

⚠ **Must be the same financial institution/lender/creditor as in appendices C and D.**

✍ Complete the sections 2.1 below and 2.2 on the next page

📎 Attach a separate sheet for EACH financial institution/lender/creditor

Name of the institution

Name and title of the authorized representative

Address

City

Postal code

Email

Transit number

Account number

Telephone number of the institution

Extension number

Fax number


1. Has this client given his BRM program (ASRA/Agris) in guarantee (refer to appendix C)?
2. Has this client given his agricultural production in guarantee (refer to appendix D)?
3. Has the client postponed periodic payments?
4. Credit margin ⚠ Please, fill in with real amounts **(NO figure code)**
 - a) Amount authorized by your financial institution \$
 - b) Current balance \$


Yes

No

Section 2. (cont'd) and SIGNATURE on the next page ⇒

2.2 Accounts and loans

 Please, fill in with real amounts (**NO figure code**)

 You can join a computerized record.


 Complete and sign the section 2.2 below

 Attach a separate sheet for EACH financial institution/lender/creditor

ACCOUNT	1-	2-	3-	4-
Opening date				
Balance	\$	\$	\$	\$
N.S.F. cheque				
Comments				

LOAN	1-	2-	3-	4-
Opening date				
Authorized credit	\$	\$	\$	\$
Balance	\$	\$	\$	\$
Amount of payment	\$	\$	\$	\$
Comments				

LOAN	5-	6-	7-	8-
Opening date				
Authorized credit	\$	\$	\$	\$
Balance	\$	\$	\$	\$
Amount of payment	\$	\$	\$	\$
Comments				

 Complete and sign the section below

Name of the institution

Name and title of the authorized representative (please print)

Date dd/mm/yyyy



Signature of the authorized representative

 **The Appendix B is an integral part of the Application and Repayment Agreement.**

APPENDIX C

Advance Payments Program (APP)
2019 Program Year

Assignment agreement of the benefits from a Business Risk Management (BRM) program

Les Producteurs
de bovins du
Québec



SECTION 1. – Must be completed by the applicant producer

1.1 Information about the applicant producer and the Administrator

Complete the section 1.1 below

Between:

Name of the business

And:

Les Producteurs de bovins du Québec

Administrator

The present assignment agreement targets the overall benefits, up to the amount prescribed, payable to the producer by virtue of a Business Risk Management (BRM) program and aims at guaranteeing the advances paid in accordance with section 3 of the Application and Repayment Agreement concluded between the Producer and the Administrator on the date indicated at section 3 of the present agreement in accordance with the Advance Payments Program (APP) and the *Agricultural Marketing Programs Act (AMPA)* terms.

Amount of the advance requested by the applicant producer as part of the APP

\$

FADQ client number

The advance is for the following agricultural product(s):

⚠ If you do not have a BRM program mentioned below, any other type of security could be assessed.

Check the boxes below that apply to your productions and the BRM programs used

Attach your ASRA/Agris documents (refer to the Check-list)

Livestock ⇨	Bovine							Ovine				
	Fed cattle	Grain-fed calf	Calf Milk-fed calf	Feeder calf	Reproduction			Milk lamb	Lamb Lamb	Slaughter lamb	Reproduction	
⇩ BRM program					Breeding heifer	Breeding bull	Breeding cow				Yearling ewe	Ram
ASRA	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Stability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Québec			<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Québec Plus			<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1.2 Definitions

« Assignor » designates the producer, shareholders or partner as indicated on section 3.2 of the present agreement.

« Administrator » Les Producteurs de bovins du Québec (PBQ).

« Advance » means the money that can be borrowed depending on the admissible livestock inventory.

« Eligible BRM program » means the Business Risk Management program(s) listed in the AMPA appendix that can be used to secure an advance under the APP.

« Default » means, when used in relation to a Producer, that a Producer is considered in default under a Repayment Agreement according to section 21. of the AMPA.

« Repayment Agreement » means the agreement signed by the Producer and the Administrator outlining the terms and conditions of the Producer's Advance under the APP.

« Livestock » means the cattle, all type of calf/lamb and all bovine/ovine reproduction (heifers, bulls, cows, yearling ewes, rams).

1.3 Assignment agreement

The parties here to agree that:

The Assignor hereby transfers, assigns and sets over to the Administrator all of his/her/their right, title and interest in the proceeds to be received from the BRM program as mentioned above in the current year and all future years until such a time as the Advance, on the date indicated in section 3. of the present agreement and for which this BRM program has been used as security, has been paid in full, and a liability to the Administrator no longer exists. This assignment of proceeds is not affected should the Producer become in Default under the Repayment Agreement. For the purposes of giving effect to any of the Assignor's undertakings under this Agreement, the Assignor shall make, execute and deliver to the BRM administrator or the Administrator, any documents or agreements as the BRM administrator may reasonably request.

Section 2. and SIGNATURE on the next page ⇨

SECTION 2. - Must be completed by the financial institution/lender/creditor

2.1 Guarantee/safety on all BRM programs

Must be the same financial institution/lender/creditor as in appendices B and D.

Check the box below corresponding to your situation

Financial institution/lender/creditor who
HAVE
a BRM program in guarantee

Financial institution/lender/creditor transfers all BRM program.

- Check the boxes below that apply to the type of livestock that you have in guarantee
- Write the assignment amount

- Fed cattle
- Grain fed-calf
- Milk-fed calf
- Feeder calf
- Breeding heifer
- Breeding bull
- Breeding cow
- Milk lamb
- Lamb
- Slaughter lamb
- Yearling ewe
- Ram

Assignment amount

\$

↓ SIGNATURE below ↓

Financial institution/lender/creditor who
DO NOT HAVE
a BRM program in guarantee

↓ SIGNATURE below ↓

SECTION 3. – SIGNATURE

3.1 Financial institution/lender/creditor

Complete and sign the section 3.1 below

Name of the institution

Name and title of the authorized representative (please print)

Date
dd/mm/yyyy

Signature of the authorized representative

3.2 Applicant producer/shareholder(s)/partner(s)

Complete and sign the section 3.2 below

In the case of a partnership or company, ALL of the shareholders/partners of your business must sign

Date
dd/mm/yyyy

Name of the applicant producer (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Signature of the applicant producer

Signature of the shareholder/partner

Signature of the shareholder/partner

Signature of the shareholder/partner

Signature of the shareholder/partner

Signature of the shareholder/partner

3.3 Administrator (PBO)

Name of the authorized representative of the APP

Date
dd/mm/yyyy

Signature of the authorized representative of the APP

The Appendix C is an integral part of the Application and Repayment Agreement.

APPENDIX D

Advance Payments Program (APP) 2019 Program Year Secured Creditor Agreement

Les Producteurs
de bovins du
Québec



SECTION 1. - Must be completed by the applicant producer

1.1 Agricultural products list

✍ Complete the section 1.1 below

On behalf of:

Name of the business

Amount of the advance requested by the applicant producer as part of the APP

\$

Check the boxes below that apply to your type of livestock

- | | | | |
|---|---|---|---------------------------------------|
| <input type="checkbox"/> Fed cattle | <input type="checkbox"/> Young heifer | <input type="checkbox"/> Milk lamb | <input type="checkbox"/> Yearling ewe |
| <input type="checkbox"/> Grain-fed calf | <input type="checkbox"/> In-calf heifer | <input type="checkbox"/> Lamb | <input type="checkbox"/> Ram |
| <input type="checkbox"/> Milk-fed calf | <input type="checkbox"/> Bull | <input type="checkbox"/> Slaughter lamb | |
| <input type="checkbox"/> Feeder calf | <input type="checkbox"/> Cow | | |

SECTION 2. - Must be completed by the financial institution/lender/creditor

2.1 Lien/Security on agricultural products

✍ Complete the section 2.1 below

📎 Attach a separate sheet for EACH financial institution/lender/creditor

 **Must be the same financial institution/lender/creditor as in the appendices B et C.**

On behalf of:

Name of the institution

Name of the authorized representative

Address

City

Email

Transit number

Account number

Telephone number of the institution

Extension number

Fax number

Check the box below corresponding to your situation

Financial institution/lender/creditor who
HAVE
a lien or security on the agricultural product(s)

Commitment on the next page ⇒

Financial institution/lender/creditor who
DO NOT HAVE
a lien or security on the agricultural product(s)

Commitment on the next page ⇒

Section 2. (cont'd) and SIGNATURE on the next page ⇒

For all financial institution/lender/creditor who HAVE a lien or security on the agricultural product(s)

Hereby agree to the following:

In consideration for the payment of an advance by virtue of the APP by Les Producteurs de bovins du Québec (hereinafter called the « Administrator ») to the Producer, the Administrator and the financial institution/lender/creditor agree that the security binding the agricultural product(s) for which an advance is granted, that the Administrator has or will have, takes precedence over any other lien or security binding the said agricultural product(s) that the Producer has granted to the creditor, whether it is by virtue of the *Banks Act* or a law on personal property securities in the province, or by virtue of any other law, but only to the extent necessary to the guarantee of the repayment to the Administrator of the capital, as indicated in the Repayment Agreement concluded between the Producer and the Administrator in section 1.1 of the present agreement, in addition to the interest calculated on that amount.

Notwithstanding the priorities established in the present agreement, the Administrator acknowledges that the Producer will use, with the financial institution/lender/creditor, bank accounts in which will be deposited the proceeds of the property subject to the Administrator's security. With the exception of the any amount deposited in any account designated as a trust account by the Producer in favour of the Administrator, the financial institution/lender/creditor will have no obligation toward the Administrator regarding any amount in any other account that the Producer uses with the financial institution/lender/creditor, or any other amount that could be deposited or withdraw from the said accounts, except for the amounts that were deposited after the financial institution/lender/creditor has received a notice from the Administrator and that the party issuing the notice exercises its right to the proceeds of the property subject to the security.

Before enforcing his security, the Administrator or the financial institution/lender/creditor, as applicable, must give to the other a reasonable written notice of any request or enforcement.

In the case where the financial institution/lender/creditor has a lien or a security on the agricultural product(s), the present agreement is subject to the condition that the advance mentioned in section 1.1, after deduction of any amount legally withheld as administration fees, be payable jointly to the producer and the financial institution/lender/creditor, and then repaid immediately to the financial institution/lender/creditor by the Producer, and used by the financial institution/lender/creditor to reduce the producer's debt.


This agreement will continue to be in effect until the date of the full repayment by the producer to the Administrator of the advance mentioned in section 1.1 and the outstanding interest on this advance.

For all financial institution/lender/creditor who DO NOT HAVE a lien or security on the agricultural product(s)

Hereby agree to the following:

In consideration for the payment of an advance by the Administrator to the Producer, the financial institution/lender/creditor does not have any lien or security in accordance with Article 427 on the *Banks Act* or any other federal or provincial act relating to the agricultural product(s) for the above mentioned producer. On the other hand, this does not affect the financial institution/lender/creditor's right to grant a future credit to the Producer and to obtain, at his discretion, the security on this credit.

SECTION 3. – SIGNATURE

 The present agreement must be interpreted and governed in accordance with the laws of the province of Québec, Canada.

IN WITNESS THEREOF, all the parties have signed the present documents:

3.1 Financial institution/lender/creditor

 Complete and sign the section 3.1 below

Name of the institution

Name and title of the authorized representative (please print)

Date

dd/mm/yyyy



Signature of the authorized representative

Transit number

3.2 Applicant producer/shareholder(s)/partner(s)

 Complete and sign the section 3.2 below

 In the case of a partnership or company, **ALL** of the shareholders/partners of your business must sign

Date

dd/mm/yyyy

Name of the applicant producer (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)



Signature of the applicant producer



Signature of the shareholder/partner



Signature of the shareholder/partner



Signature of the shareholder/partner



Signature of the shareholder/partner



Signature of the shareholder/partner

3.3 Administrator (PBO)

Name of the authorized representative of the APP

Date

dd/mm/yyyy



Signature of the authorized representative of the APP

 **The Appendix D is an integral part of the Application and Repayment Agreement.**



**Advance Payments Program (APP)
2019 Program Year
Chattel Mortgage (RDPRM)**

Must be completed by the applicant producer/shareholder(s)/partner(s)

1. Guaranteed obligations

☒ Complete the section 1.1 below

- 1.1 The mortgage provided herein is granted in order to guarantee the repayment of any advance and the fulfillment of obligations, current and future, direct or indirect, absolute or possible, due and not yet due, incurred by the undersigned (the « Producer ») to Les Producteurs de bovins du Québec (the « Administrator ») in capital, interests, charges and accessories hereunder and by virtue of the Application and Repayment Agreement (« Application ») signed by the Producer and an authorized representative of the Administrator in which the Administrator has agreed to grant the Producer a maximum eligible advance of \$ _____ by virtue of the Advance Payments Program established in accordance with the provisions of the Agricultural Marketing Programs Act (AMPA). If the Administrator agrees that the document confirming the advance be renewed or replaced or that the advances be confirmed in another document, these renewals, replacements or other documents would not result in a new agreement and the present document would remain effective.
- 1.2 The mortgage provided herein is also granted to guarantee all other obligations, current and future, direct or indirect, absolute or possible, due and not yet due, incurred by the Producer to Administrator.

2. Mortgage

- 2.1. For good and valuable consideration, the Producer mortgages in favour of the Administrator, for the amount shown in paragraph 1.1 or the highest amount to a maximum of \$400,000, with interest commencing on the date of the present document at a rate of 20% per year, the Producer's current and future goods described below as well as those acquired as replacement (these goods are hereinafter called the « Mortgage Goods »):
- 2.1.1 a) The entire herd of current or future calves, steers and breeding cattle (heifers, bulls and breeding cows) belonging to the Producer;
- 2.1.1 b) The entire herd of current or future lambs and breeding lambs (yearling ewes and rams) belonging to the producer.
- 2.1.2 Any compensation payable to the Producer or that might become payable in accordance with the Farm Income Stabilization Insurance (ASRA) program or any other eligible business risk management (BRM) program, administered by La Financière agricole du Québec.
- 2.2. The following goods, if they are not already included in the description below, are also affected by the mortgage and the security interest by the virtue of the present document. The term Mortgaged Goods also means the following goods:
- 2.2.1 The proceeds from any sale, rental and other provisions of the Mortgaged Goods, any amount receivable resulting from a sale, rental or any provisions of these goods, as well as all the goods acquired to replace them;
- 2.2.2 Any insurance or expropriation benefits payable regarding the Mortgaged Goods;
- 2.2.3 The capital, the fruits and the revenue of the Mortgage Goods as well as all rights attached to the Mortgage Good through titles, documents, registers, invoices and accounts confirming the Mortgaged Goods or related to them.

3. Hypothèque additionnelle

- 3.1 To guarantee any amount due to the Administrator that would exceed the amount of the above mortgage, the Producer mortgages the Mortgage Goods for an additional amount equal to 20% of the amount of the mortgage provided in paragraph 1.1 above.

4. Déclarations

☒ Complete the section 4.2 below

The Producer declares the following to the Administrator:

- 4.1 The Producer is the sole owner of all the Mortgage Goods;
- 4.2 The Producer's domicile (head office if the Producer is a corporation, or domicile if the Producer is a physical person) is at the following address:

- Full address of the business
- 4.3 The Producer operates a business;
- 4.4 If the Producer is a person, he operates one or many businesses and the Mortgage Goods belong to that business or those businesses;
- 4.5 The Mortgage Goods are located in Quebec;
- 4.6 The Producer is a member of the ASRA program or any other eligible BMR program and respects all the eligibility criteria and conditions to benefit from the said program.

5. Engagement

- 5.1 The Producer will inform without delay the Administrator of any changes to his name or the content of the declarations made in article 4.
- 5.2 The Producer will pay when due any amount due and payable regarding the Mortgaged Goods as well as any debt ranking above the mortgage constituted by the present document. Upon request, the Producer will provide the Administrator with the proof that he has made the payments provided in this paragraph;
- 5.3 The Producer will insure the Mortgage Goods and maintain the insurance in force against damage caused by theft or fire and against any other risk that a careful producer would protect, through insurance, for the full insurable value of the Mortgage Goods. The Administrator is hereby designated beneficiary of the indemnities payable by virtue of the policies and the Producer will have this designation included in the policies. The Producer will submit to the Administrator a copy of each policy and, at least thirty (30) days before the expiry date or the cancellation of a policy, he will submit a proof of renewal or replacement;
- 5.4 The Producer will carry out all responsibilities and sign all necessary documents to preserve his rights in the Mortgage Goods and so that the mortgage constituted herein has full effect and be constantly enforceable against third parties in all the jurisdictions where the Mortgage Goods could be located or used;
- 5.5 The Producer will protect and adequately maintain the Mortgage Goods and he will perform his activities in a way to preserve their value. The Producer will comply with the requirements of the laws and regulations applicable in the operation of his business or possession of the Mortgage Goods, including the laws and regulations on the environment;
- 5.6 The Producer will keep books and accounting vouchers that a diligent administrator would keep regarding the Mortgage Goods and he will allow the Administrator to examine them and to obtain copies;
- 5.7 The Producer will not alienate the Mortgage Goods and will not rent them, except in the case of written agreement by the Administrator. Despite the above, the Producer will be able to, as long as he is not in default hereunder, sell or rent his inventory during the regular operations of his business;
- 5.8 The Producer commits to maintaining an inventory of livestock justifying the annual production declared in the Application;
- 5.9 The Producer will not move the Mortgage Goods from the current location, except in the case of written agreement by the Administrator;
- 5.10 If the Producer is a corporation, he will not merge with another corporation and will not undertake procedure to liquidate or dissolve the corporation without the written consent of the Administrator.

6. Administrator's rights

- 6.1 The Administrator will be able, but not required, to fulfill one of the commitments made by the Producers herein;
- 6.2 The Producer can receive the compensations that are part of the Mortgage Goods as long as the Administrator does not withdraw the authorization. If the Administrator withdraws the authorization for the Producer to receive the compensations that are part of the Mortgage Goods, the Administrator will then receive these compensations;
- 6.3 The Administrator may, but not required to, sell the Mortgage Goods in his possession if he believes in good faith that they are likely to decrease in value, depreciate or waste away;
- 6.4 The Producer appoints the Administrator as his irrevocable proxy, with substitution power, for the purpose of executing any act or signing any document necessary or useful to the exercise of the rights conferred to the Administrator by virtue of the present document;
- 6.5 The rights conferred to the Administrator by virtue of Article 6 will be exercisable by the Administrator before or after a breach by the Producer hereunder.

Sections 7. to 9. and SIGNATURE on the next page ⇒

7. Defaults and remedies

- 7.1 The Producer shall be in default in each of the following cases:
 - 7.1.1 If one of the obligations guaranteed by the present document is not fulfilled at the due date;
 - 7.1.2 If one of the declarations in article 4. is erroneous;
 - 7.1.3 If the Producer does not fulfill one of his commitments contained herein;
 - 7.1.4 If the Producer is in default by virtue of any accord or agreement binding him to the Administrator or by virtue of any other mortgage or security interest binding the Mortgage Goods;
 - 7.1.5 If the Producer ceases to operate his business, becomes insolvent or bankrupt, or;
 - 7.1.6 If one of the Mortgaged Goods is seized, or is subject to a taking of possession by a creditor, a receiver or any person performing similar functions.
- 7.2 If the Producer is in default, the Administrator may cease any obligation of giving advances to the Producer and can declare payable all the Producer's obligations that are not yet due. If the Producer is in default, the Administrator may use all remedies given by the law, including rights resulting from the mortgage;
- 7.3 To fulfill his mortgage, the Administrator may use, at the Producer's expense, the premises where are located the Mortgaged Goods as well as the Producer's other goods.

8. Dispositions générales

- 8.1 The mortgage created by virtue of the present document is added and does not replace any other mortgage or security interest held by the Administrator;
- 8.2 This mortgage is a continuous guarantee that will subsist despite the occasional, total or partial payment of the obligations guaranteed herein;
- 8.3 In each of the cases stipulated in paragraph 7.1, the Producer will be in default arising from the passage of time alone without any notice to pay required;
- 8.4 If many people are appointed as « Producer », there will be solidarity between these people and each of them will be responsible for the entire obligations stipulated in the present document;
- 8.5 Any amount received by the Administrator during the exercise of his rights can be withheld by the Administrator as a mortgaged good or be applied to the payment of the obligations guaranteed herein, whether they are due or not. The Administrator will have the choice of application of the payment being made;
- 8.6 The exercise of one of the Administrator's rights will not prevent him from exercising any other right resulting from the present document. The Administrator's non-exercise of one of his rights does not constitute a renunciation of the ulterior exercise of that right. The Administrator can exercise the rights resulting herein without having to exercise other remedies against the Producer or against any other person responsible for the payment of the obligations guaranteed herein and without having to realize on any other security guaranteeing these obligations;
- 8.7 The Administrator has to use reasonable diligence while exercising his rights or the fulfillment of his obligations. In addition, he shall be held liable only for intentional or gross negligence on its part;
- 8.8 The Administrator can delegate to another person the exercise of the rights or the fulfillment of the obligations resulting herein. In such a case, the Administrator is authorized to provide this other person with any information he has about the Producer or the Mortgaged Goods;
- 8.9 The present document shall bind the Producer to the Administrator or any of his successors through mergers or otherwise;
- 8.10 Any notice to the Producer can be submitted to the address mentioned above or at any other address notified in writing to the Administrator;
- 8.11 If one of the provisions is invalid or ineffective, the other provisions of the present document will remain in effect in full;
- 8.12 The present document is governed and interpreted by the right in effect in the province of Quebec. It must also be interpreted in a way so that the Mortgaged Goods located in another jurisdiction have a valid security by virtue of the right in effect in this other jurisdiction.

SECTION 9 – SIGNATURE

9.1 Applicant producer/shareholder(s)/partner(s)

 Complete and sign the section 9.1 below

 **In the case of a partnership or company, ALL of the shareholders/partners of your business must sign**

Date
dd/mm/yyyy

Name of the applicant producer (please print)


Name of the shareholder/partner (please print)


Name of the shareholder/partner (please print)


Name of the shareholder/partner (please print)


Name of the shareholder/partner (please print)


Name of the shareholder/partner (please print)


 Signature of the applicant producer

 Signature of the shareholder/partner

 Signature of the shareholder/partner

 Signature of the shareholder/partner

 Signature of the shareholder/partner

 Signature of the shareholder/partner

9.2 Administrator (PBO)

Name of the authorized representative of the APP

Date
dd/mm/yyyy

 Signature of the authorized representative of the APP

 **The Appendix E is an integral part of the Application and Repayment Agreement.**



Advance Payments Program (APP)
2019 Program Year
**Personal Guarantee – Joint and Several Obligation -
Substitute(s) Guarantor(s)**

SECTION 1. - Must be completed by the applicant producer/shareholder(s)/partner(s)

1.1 Guarantee declaration

Check **one** of the three boxes below corresponding to your situation

Personal Guarantee

Sole shareholder/owner

2 I hereby accept - as sole shareholder of the corporation or sole owner of the business mentioned in section 1.2 of the present advance application, in consideration of an advance granted to me by the Administrator for the current program year, whose amount is entered in section 2.4 of the Application and Repayment Agreement form and for which the Minister of Agriculture and Agri-Food Canada (AAFC) guarantees the repayment and the related interest – to be personally liable to the Administrator and the AAFC Minister of any amount due by the sole shareholder corporation or the sole owner in accordance to the APP.

SIGNATURE on the next page ⇨

Joint and Several Obligation

Multiple shareholders/partners

2 We hereby accept – as shareholders of the corporation or partners of the partnership mentioned in section 1.2 of the present advance application, in consideration of an advance granted to me by the Administrator for the current program year, whose amount is entered in section 2.4 of the Application and Repayment Agreement form and for which the Minister of Agriculture and Agri-Food Canada (AAFC) guarantees the repayment and the related interest – to be jointly and severally liable to the Administrator and the AAFC Minister of any amount due by the corporation or the partnership in accordance to the APP.

SIGNATURE on the next page ⇨

DO NOT COMPLETE THE SECTION BELOW if you checked one of the two boxes above

⚠ You have a possible alternate guarantor who agrees to guarantee the entire advance until its full reimbursement.

⚠ In addition, if a corporation is controlled by an estate administrator/executor, this corporation should have an alternate guarantor.

Substitute(s) Guarantor(s)

2 I (we), being the sole shareholder, authorized officer of the corporation, sole owner of the business, shareholders of the corporation or partners of the partnership mentioned in section 1.2 of this Repayment Agreement, in consideration of an Advance being made to it by the Administrator, for the amount stated in section 2.4 of this Repayment Agreement, for the actual APP program year, do hereby agree **to obtain a letter of guarantee to the Administrator from one of the following two sources.**

⚠ The letter of guarantee must be in accordance with any applicable provincial laws in the province of operation of the Corporation, or Partnership named in section 1.2 of this Repayment Agreement.

Check your commitment and your chosen source

I (we) do hereby agree to obtain a letter of guarantee to the Administrator from one of the following two sources:

An individual or group of individuals that has the financial collateral to guarantee the Advance amount stated in the section 2.4 of this Repayment Agreement until it is fully reimbursed.

A financial institution that will guarantee the Advance amount stated in the section 2.4 of this Repayment Agreement until it is fully reimbursed.

SIGNATURE on the next page ⇨


SECTION 2 – SIGNATURE

2.1 Applicant producer/shareholder(s)/partner(s)

✍ Complete and sign the section 2.1 below

2 By signing this document, I (we) understand and accept that legal action can be taken against me personally to make me repay, in accordance with the section 3. part 5. of the Terms and conditions of the Application and Repayment Agreement, the entire amount of any outstanding advance.

IN WITNESS THEREOF, I put my signature:

 **In the case of a partnership or company, ALL of the shareholders/partners of your business must sign**

Date _____
dd/mm/yyyy

Name of the applicant producer (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Signature of the applicant producer

Signature of the shareholder/partner

Signature of the shareholder/partner

Signature of the shareholder/partner

Signature of the shareholder/partner

Signature of the shareholder/partner

2.2 Administrator (PBO)

Name of the authorized representative of the APP

Date _____
dd/mm/yyyy

Signature of the authorized representative of the APP

 **The Appendix F is an integral part of the Application and Repayment Agreement.**



Advance Payments Program (APP) 2019 Program Year Related producers

SECTION 1. – Must be completed by the applicant producer

1.1 Related producers

- Relatedness affects the applicant's eligibility to receive an advance, as well as the amount of an advance.
- Your answers could affect your eligibility to receive an advance, as well as the amount of an advance, unless you are able to rebut the presumption of relatedness. To this effect, additional documents may be required by the Administrator to prove that you are not related.

To assist you in answering the following questions or to disclose if you or one of the shareholders/partners in your business is related to **another business**, please follow the step by step instructions indicated in the shaded parts under your choices of answer.

Check the boxes below that apply to your situation or to the situation of one of the shareholders/partners of your business

You or one of the shareholders/partners of your business:

- is the spouse of another producer who is shareholder/partner of another business **that has an active APP.**
- is the common-law of another producer who is shareholder/partner of another business **that has an active APP.**
- Under the *Agricultural Marketing Programs Regulations*, a producer is presumed to be related to another producer if he's the spouse or common-law partner of the other producer. If the Administrator makes an advance payment to a producer, the combined amounts lent to both producers must not exceed the allowed limit of either \$100,000 interest-free per program year or \$400,000 for all program years with a remaining unpaid balance.**
- owns at least 25% of the voting shares of another business **that has an active APP.**
- owns at least 25% of the voting shares of a business that directly or through any other business owns 25% of the voting shares of another business **that has an active APP.**
- is entitled to 25% or more of the profits or revenues of another business **that has an active APP.**
- shares any management services, administrative services, equipment, facilities or overhead expenses of a farming operation with another business **that has an active APP.**
- has the same business address as another business **that has an active APP.**
- has the same home address as another shareholder/partner of another business **that has an active APP.**

There may be other circumstances set out in the *Agricultural Marketing Programs Act (AMPA)*.

Answer Question 1. below

1- Have you checked at least one box in the part above?

Yes

No

Section 1.2 below ↓

SIGNATURE on the next page ⇒

1.2 Related producer declaration

Within your business, please indicate for whom you checked the boxes in section 1.1 above

Full name of the producer	is related to this other producer ⇒	Full name of the other producer	Legal name of the other business
		Production type	APP number <input type="checkbox"/> Currently in default
		Year	

Full name of the producer	is related to this other producer ⇒	Full name of the other producer	Legal name of the other business
		Production type	APP number <input type="checkbox"/> Currently in default
		Year	

Full name of the producer	is related to this other producer ⇒	Full name of the other producer	Legal name of the other business
		Production type	APP number <input type="checkbox"/> Currently in default
		Year	

Full name of the producer	is related to this other producer ⇒	Full name of the other producer	Legal name of the other business
		Production type	APP number <input type="checkbox"/> Currently in default
		Year	

Complete the section 1.3 on the next page

Section 1. (cont'd) and SIGNATURE on the next page ⇒

1.3 Rebuttal of relatedness

Based on the answers you provide, it's possible that you have not rebutted the presumption of relatedness with the producer(s) mentioned in section 1.2 on the previous page.

Based on the answers you provide, it's possible that you have established that you deal at arm's length with the producer(s) mentioned in section 1.2 on the previous page. The Administrator may request the appropriate documentation to support your answers, such as articles of incorporation, financial statements, leases, receipt and any other document.

- Answer the questions below for each person mentioned in Section 1.2 on the previous page
- Attach a separate sheet if necessary

Full name of the producer

This Producer:

	True	False
a) files income tax returns separate from your business	<input type="checkbox"/>	<input type="checkbox"/>
b) produces financial statement separate from your business	<input type="checkbox"/>	<input type="checkbox"/>
c) does not act as an agent for your business	<input type="checkbox"/>	<input type="checkbox"/>
d) is not employed by your business	<input type="checkbox"/>	<input type="checkbox"/>
e) documents and executes all business transactions at the fair market value (share of equipment and/or land, etc.)	<input type="checkbox"/>	<input type="checkbox"/>

Full name of the producer

This Producer:

	True	False
a) files income tax returns separate from your business	<input type="checkbox"/>	<input type="checkbox"/>
b) produces financial statement separate from your business	<input type="checkbox"/>	<input type="checkbox"/>
c) does not act as an agent for your business	<input type="checkbox"/>	<input type="checkbox"/>
d) is not employed by your business	<input type="checkbox"/>	<input type="checkbox"/>
e) documents and executes all business transactions at the fair market value (share of equipment and/or land, etc.)	<input type="checkbox"/>	<input type="checkbox"/>

Full name of the producer

This Producer:

	True	False
a) files income tax returns separate from your business	<input type="checkbox"/>	<input type="checkbox"/>
b) produces financial statement separate from your business	<input type="checkbox"/>	<input type="checkbox"/>
c) does not act as an agent for your business	<input type="checkbox"/>	<input type="checkbox"/>
d) is not employed by your business	<input type="checkbox"/>	<input type="checkbox"/>
e) documents and executes all business transactions at the fair market value (share of equipment and/or land, etc.)	<input type="checkbox"/>	<input type="checkbox"/>

Full name of the producer

This Producer:

	True	False
a) files income tax returns separate from your business	<input type="checkbox"/>	<input type="checkbox"/>
b) produces financial statement separate from your business	<input type="checkbox"/>	<input type="checkbox"/>
c) does not act as an agent for your business	<input type="checkbox"/>	<input type="checkbox"/>
d) is not employed by your business	<input type="checkbox"/>	<input type="checkbox"/>
e) documents and executes all business transactions at the fair market value (share of equipment and/or land, etc.)	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 2 – SIGNATURE

2.1 Applicant producer/shareholder(s)/partner(s)

Complete and sign the section 2.1 below

In the case of a partnership or company, **ALL** of the shareholders/partners of your business must sign

Date
dd/mm/yyyy

Name of the applicant producer (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Name of the shareholder/partner (please print)

Signature of the applicant producer

Signature of the shareholder/partner

Signature of the shareholder/partner

Signature of the shareholder/partner

Signature of the shareholder/partner

Signature of the shareholder/partner

Signature of the shareholder/partner

2.2 Administrator (PBO)

Name of the authorized representative of the APP

Date
dd/mm/yyyy

Signature of the authorized representative of the APP