

ADVANCE PAYMENTS PROGRAM (APP) APPLICATION & REPAYMENT AGREEMENT

2019

Part 1

Please remember, when you sell the grain that your advance is based on; the receipts must be in the same name as the Advance Applicant (Individual or Business Name)

PART 1 (A) – PRODUCER INFORMATION – if applying as an Individual Producer									
APP ID#	First Name	Middle Initial	Last Name	Date of Birth (yyyy/mm/dd)	ID Provided				
Residential Mailing Address of applicant:									
Street				Home Phone #/Fax #	Cell Phone #				
City/Town		Province	Postal Code	CRA Business # (if applicable)	Email Address				
PART 1 (B) – BUSINESS INFORMATION – if applying as a Partnership/Corporation/Cooperative. Please provide CRA Business Number if Available.									
Business APP#	Legal Business Name			CRA Business Number					
Legal address of			Business Phone #			Cell Phone #			
City/Town		Province	Postal Code	Business Fax #	Email Address				
Indicate if:									
Partnership <input type="checkbox"/>			Corporation <input type="checkbox"/>			Cooperative <input type="checkbox"/>			
List of all Shareholders/Partners/Members of the Corporation/Partnership/Cooperative complete with full address: (Attach a separate sheet if required):									
APP ID #	First Name	Middle Initial	Last Name	Address	Phone #	Date of Birth (YYYY-MM-DD)	Share %	ID Provided	
PART 1 (C) - DECLARATION OF BANKRUPTCY									
Have you or any of the shareholders in the Corporation/Cooperative/Partnership declared bankruptcy within the past 7 years? Yes No									
Are you or any of the shareholders in the Corporation/Cooperative/Partnership seeking financial protection from creditors? Yes No									
Name of Shareholder/Member/Partner who declared bankruptcy					Name of Shareholder/Member/Partner who declared bankruptcy				
PART 1 (D) – DECLARATION OF APP ADVANCE(S) RECEIVED FROM OTHER PRODUCER ORGANIZATION									
Do any shareholders in the Corporation/Cooperative/Partnership have an outstanding advance with another APP administrator? Yes No									
Have any of the shareholders in the Corporation/Cooperative/Partnership been in default with an APP Administrator? Yes No									
PART 1 (E) – LENDER INFORMATION									
Name of Applicant's Lender				Lender's Email					
Street				City/Town					
Province		Postal Code		Lender's Telephone Number					
PART 2 – SECURITY INFORMATION pertaining to the Agricultural Product under the Advance Payments Program (APP). That is anyone else who may have a security interest in your Agricultural Product (e.g. contracts with elevator, seed or chemical dealer, authorizing deductions on Agricultural Product sold – <i>each one must fill out a separate Priority- Agreement (Appendix1)</i>)									
The following are or will be assignee(s) of my production insurance:									
Name			Address				Amount		
There are _____ (number) lien(s) or encumbrance(s) on the Agricultural Product described herein and the name(s) and address(es) of the lienholder(s) and amount of the lien(s) is (are) as follows:									
Name			Address				Amount		

- 1) As it applies:
 - a) I am applying as an individual or on behalf of the Partnership/Corporation/Cooperative which I represent, for an advance payment pursuant to the APP.
 - b) We, being all the Partners of the Partnership or Shareholder of the Corporation/Cooperative stated in Part 1(B) of this Application (herein referred to as the "Partners" or "Shareholder"), apply for an advance payment pursuant to the APP.
- 2) At least one of the Partners/Shareholders/Members is of the age of majority and is a Canadian Citizen or a permanent resident.
- 3) At least one of the Partners/Shareholders/Members is the Producer of the Agricultural Product for which this Application is made, or one of the Partners/Shareholders/Members, is entitled to the Agricultural Product as Landlord, Vendor, Mortgagee or Hypothecary Creditor.
- 4) No other person has an interest in the Agricultural Product with respect to which this Application is made and the Agricultural Product will be sold in my name or the name of the Partnership/Corporation/Cooperative for which this Application is made.
- 5) Partners/Shareholders/Members that have an interest in the entity are listed in this Application Part 1(B).
- 6) Neither I, nor any of the farming operations listed below, the Partnership/Corporation/Cooperative or any of the Partners/Shareholder/Members listed in this Application, have outstanding advances from previous Agricultural Product years for an Agricultural Product of the same designation and I, nor any of those farming operations, or Partners/Shareholders/Members are in default under any Repayment Agreement pursuant to the *Advance Payments for Agricultural Products 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)* or the Advance Payments Program (APP).
- 7) Neither I, nor the Corporation/Cooperative/Partnership that I represent is ineligible under an advance repayment agreement made pursuant to AMPA/SCAP/ESCAP.
- 8) As indicated in Part 1(A) or (B) of this application I or the Corporation/Cooperative or the Partners that I represent have made an application for Production Insurance as outlined in Part 2(A) of this Application and Repayment Agreement and we further certify having submitted duly completed BRM Assignment Agreement (Appendix 2A).
- 9) I or the Partnership/Corporation/Cooperative that I represent, as the case may be that is requesting an advance on a Storable Agricultural Product in post-production have sufficient Agricultural Product in storage to justify the amount advanced in the post-production period.
- 10) I or the Partners, as applicable, declare having submitted the duly completed priority agreements required for every secured creditor that has an assignment on the proceeds of the Business Risk Management program(s) used to secure the advance, as applicable, and/or that holds a lien or encumbrance on the Agricultural Products listed in Part 2(A) of this Application and Repayment Agreement
- 11) I or the Partners or Shareholders, as applicable, acknowledge that the Manitoba Corn Growers Association, Inc. (MCGA) on behalf of Agriculture and Agri-Food Canada (AAFC) may register an assignment with the Provincial Crop Insurance agency without further notice, giving the MCGA priority on any Production Insurance payouts up to the amount owing on the advance, plus any interest. I also agree that the Provincial Crop Insurance Agency may release information to the MCGA relating to this Advance.
- 12) I, or the Partners or Shareholders, as applicable, agree that a credit check and an inspection of the Agricultural Product may be performed prior to issuing an advance or at any time while the advance is outstanding. We also consent to the Minister of Agriculture contacting us for the purposes of evaluating the Program.
- 13) I or the Partners or Shareholders, as applicable, acknowledge that, in the event of a default, I may, or the Partnership/Corporation/Cooperative may be denied access to other federal agricultural support programming or, alternatively the Minister of Agriculture and Agri-Food Canada reserves the right to off-set from such support a sum equal to the outstanding amount and related interest charges and recovery costs.
- 14) I or the Partners or Shareholders, as applicable, declare that this Application is consistent with the purpose of the APP.
- 15) I or the Partners or Shareholders, as applicable, certify that all of the information provided in this Application is true and correct in every respect.
- 16) I or the Partners or Shareholders, as applicable, understand that failing to comply with Application requirements may delay the processing of the Application or may render me, or the Partnership/Corporation/Cooperative that I represent ineligible for receiving an advance under the Program and may result in our being subject to exclusion from other Agriculture and Agri-Food Canada programs.
- 17) I or the Partners or Shareholders as applicable (the Applicant), agree that 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 of 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.
- 18) I or the Partners or Shareholders, as applicable, authorize the MCGA and AAFC to:
 - a) collect the information contained in, with, or pursuant to this Application and Repayment Agreement. AAFC may use the information to verify and/or assess the Application, as well as to administer, audit, analyze, and evaluate the APP. The personal information provided will be protected under the federal *Privacy Act* and the provisions of the federal *Access to Information Act*. The personal information retained by AAFC will be held in Personal Information Bank PPU 140, you have the right of access to and correction of any of your personal information by contacting the Access to Information and Privacy Coordinator at ATIP-AIPRP@agr.gc.ca and referencing Personal Information Bank, Advance Payments Program PPU 140. All non-federal government organizations are obligated to protect personal information in accordance with the *Personal Information and Electronic Documents Act (PIPEDA)* or under legislation applicable within their jurisdiction.
 - b) convey the information contained in this Application and Repayment Agreement, as well as associated documentation, both personal and business, to the Lender, 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 business, to other organizations administering the APP, for the purposes of verifying benefits under the APP.
- 19) I or the Partners or Shareholders, as applicable, have read and understood all the Terms and Conditions of the Repayment Agreement which are attached to and form part of this Application and Repayment Agreement and agree to comply with such terms and conditions.
- 20) If I am or any of the Partners/Shareholders/ Members is, as applicable, a current or former public office holder, public servant or Member of the House of Commons, I am or one of the Partners is, as applicable, not prohibited to derive benefits from the APP under any applicable federal conflict of interest or ethical principles and I am in compliance with applicable federal conflict of interest or ethical principles, rules and obligations.
- 21) I or the Partners, 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 the Repayment Agreement
- 22) I declare that I, or the Partners/Shareholders/Members, or the Partnership/Corporation/Cooperative as applicable: have not recently filed a notice of intention to make a proposal or made a proposal under the *Bankruptcy and Insolvency Act*; 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*.
- 23) I declare in the case of agriculture product that is; storable, non-storable, or livestock, it is of marketable quality and will remain so until disposed of according to the repayment agreement.
- 24) I understand that the Advance Rate per unit used to calculate my Eligible Advance was obtained by subtracting the Administrators percentage of 3% from 100% and applying this factor to the maximum advance rate per production unit as determined by the Minister in accordance with 19 (2) of the AMPA.

The applicant must ensure that all the information provided on the Application and Declaration is complete and accurate. Providing false or misleading information will result in an automatic default with the loss of all benefits related to the Advance Payments Program.

The Advance Payments Program (APP) is a Government of Canada program which supports the provision of cash advances to Producers across Canada. Under the APP, Agriculture and Agri-Food Canada (AAFC) provides funding to guarantee advances taken by Producers through farm organizations and covers the interest on the first \$100,000 in advances on all commodities and an additional \$400,000 on canola advances only taken by each Producer under the program.

For Individual Applications: I, _____, hereby agree that the information provided in this Application is true and accurate based on my knowledge at the time of the Application.

OR

For Partnerships or Corporations: I, _____, being authorized to sign this Application on behalf of _____,

hereby agree that the information provided in this Application is true and accurate based on my knowledge at the time of the Application.

Signature of Producer or Authorized Officer for Farm Operation

Date

Administrator Attestation

I Declare having taken all necessary steps, in accordance with the AMPA, its Regulation, the Advance Guarantee Agreement and APP Administrations guidelines. to ensure, to the best of my abilities, that the current Application and Repayments Agreement by the producer is accurate and complete before granting above mentioned advance. Signature of Administrator: _____ Date (yyyy/mm/dd): _____

PART 4 - RELATED PRODUCERS (Must be filled out by all sole proprietors)	2019
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- ✓ Producers are related if they do not deal with each other at arm's length.
- ✓ In the absence of proof to the contrary, producers are presumed to be related to another producer in any of the following circumstances:
 - ✓ One of the producers is the spouse or common-law partner of the other producer;
 - ✓ One of the producers owns at least 25% of the voting shares of the other producer;
 - ✓ One of the producers owns at least 25% of the voting shares of a corporation that directly or through any other corporation owns 25% of the voting shares of the other producer;
 - ✓ One of the producers is entitled to 25% or more of the profits or revenues of the other producer.
 - ✓ The producer shares any management and administrative services, equipment, facilities or overhead expenses of a farming operation with the other producer, but is not in partnership with that other producer; or
 - ✓ Any other circumstances set out in the *Agricultural Program Marketing Act*.
- ✓ Relatedness affects the applicant's eligibility to receive an advance, as well as the amount of an advance.
- ✓ If you answer "yes" to question 2, you may not be eligible to receive an APP advance, unless you are able to rebut the presumption of relatedness.

1. According to the above definitions are you related to another producer?	YES	NO
2. Has a related producer(s) participated in the APP Program this year or any other year?	YES	NO
3. Are any related producer(s) ineligible as a result of a default under APP, SCAP or ESCAP?	YES	NO

PART 4.1 RELATED INDIVIDUAL PRODUCER DECLARATION

- ✓ List all related individual producers who received an advance for this or previous program years, including advances issued by other APP Administrators.
- ✓ Attach a separate sheet if required.

Name of the related producer that received an advance	APP ID	Name of Administrator which issued the advance	Program Year (YYYY)
1.			
2.			
3.			
4.			

Part 4.2 REBUTTAL OF RELATEDNESS

- ✓ Answer the questions below for each related producer listed in Part 4.1.
- ✓ If you responded "no" to any of the questions below, you have not rebutted the presumption of relatedness with the producer in question.
- ✓ If you responded "yes" to all the statements below, you have established that you deal at arm's length with the producer(s) in question, and the Administrator may request the appropriate documentation to support your responses, such as articles of incorporation, financial statements, leases, receipts, etc.
- ✓ Attach a separate sheet if required.

1. Name of the related individual producer that received an advance:		
a. You and the related producer file separate tax returns and/or produce separate financial statements.	YES	NO
b. You and the related producer are not employees or do not act as agents of the other.	YES	NO
c. You and the related producer conduct all business transactions (e.g. sharing of equipment and/or land) at fair market value and such transactions are documented.	YES	NO
2. Name of the related individual producer that received an advance:		
a. You and the related producer file separate tax returns and/or produce separate financial statements.	YES	NO
b. You and the related producer are not employees or do not act as agents of the other.	YES	NO
c. You and the related producer conduct all business transactions (e.g. sharing of equipment and/or land) at fair market value and such transactions are documented.	YES	NO
3. Name of the related individual producer that received an advance:		
a. You and the related producer file separate tax returns and/or produce separate financial statements.	YES	NO
b. You and the related producer are not employees or do not act as agents of the other.	YES	NO
c. You and the related producer conduct all business transactions (e.g. sharing of equipment and/or land) at fair market value and such transactions are documented.	YES	NO
4. Name of the related individual producer that received an advance:		
a. You and the related producer file separate tax returns and/or produce separate financial statements.	YES	NO
b. You and the related producer are not employees or do not act as agents of the other.	YES	NO
c. You and the related producer conduct all business transactions (e.g. sharing of equipment and/or land) at fair market value and such transactions are documented.	YES	NO

PART 5 – PERSONAL GUARANTEE (for Corporation with Sole Shareholder)

I, _____ being the sole shareholder of _____
(Corporation) in consideration of an advance being made to it by the **Manitoba Corn Growers Association, Inc.** for the eligible amount in any program year and the Minister of AAFC guaranteeing the repayment of such advance and interest thereon, do hereby agree to be personally liable to the Administrator or the Minister of Agriculture and Agri-Food Canada for any amount owing by the Corporation now or in the future, under the APP.

Please note: By signing this document, you understand and agree that action may be taken against you personally to repay the full amount of any defaulted advance.

IN WITNESS WHEREOF I hereunto set my hand and seal

Dated at _____ the _____ day of _____, 20__

Signature of Shareholder

Print Name Clearly

PART 6 – JOINT AND SEVERAL GUARANTEE (for Cooperative, Partnership of Corporation with multiple shareholders)

We, being the Partners/Shareholders/Members, as the case may be of _____
(Name of Partnership/Corporation/Cooperative),

In consideration of an advance being made to the Partnership/Corporation/Cooperative, as the case may be, by the Administrator for the eligible amount in any program year and the Minister of Agriculture and Agri-Food guaranteeing the repayment of such advance and interest thereon, do hereby agree to be jointly and severely liable to the Administrator, or the Minister of Agriculture and Agri-Food Canada, for any amount owing by the Producer, as the case may be, pursuant to the APP, including the amount advanced, interest, and any collection costs, on any advance made to the Producer now, or in the future.

Please note: By signing this document, you understand and agree that action may be taken against you personally to repay the full amount of any defaulted advance.

IN WITNESS WHEREOF I hereunto set my hand and seal

Dated at _____, the _____ day of _____, 20__

1

Signature of Shareholder

Name of Shareholder (Please Print Clearly)

2

Signature of Shareholder

Name Shareholder (Please Print Clearly)

3

Signature of Shareholder

Name of Shareholder (Please Print Clearly)

4

Signature of Shareholder

Name of Shareholder (Please Print Clearly)

5

Signature of Shareholder

Name of Shareholder(Please Print Clearly)

6

Signature of Shareholder

Name of Shareholder (Please Print Clearly)

In consideration of the Administrator granting an Advance pursuant to the provisions of the Advance Payments Program, the parties hereunto agree as follows:

1.0 Important Terms

- 1.1 "AAFC" means Agriculture and Agri-Food Canada.
- 1.2 "Administrator" means Manitoba Corn Growers Association, Inc.
- 1.3 "Terms and Conditions" means the content of Part 7 of this application.
- 1.4 "Repayment Agreement" means the completed Application and these Terms and Conditions signed by the Producer and an authorized representative of the Administrator.
- 1.5 "AMPA" means *Agricultural Marketing Programs Act*.
- 1.6 "APP" means the Advance Payments Program.
- 1.7 "SCAP" means the Spring Credit Advance Program. 1.8 "ESCAP" means the Enhanced Spring Credit Advance Program.
- 1.9 "Minister" means the Minister of Agriculture and Agri Food Canada or any person authorized to act on his or her behalf.
- 1.10 "Her Majesty" means Her Majesty the Queen in Right of Canada.
- 1.11 "Producer" means the individual or Corporation/ Cooperative/Partnership identified in Part 1 of this application.
- 1.12 "Storable Agricultural Product" means the Agricultural Product listed in section 3 of this application.
- 1.13 "Storable Agricultural Product - Pre-production" means the Agricultural Product listed in either Part 2(A) Section 3 of the Pre- Production Worksheet or Part 2(B) Section 3 of the Final Pre-Production Worksheet of this application, as applicable.
- 1.14 "Post-Production" means Agricultural Product listed in section 3 of this application, which has already been produced and is in storage.
- 1.15 "Advance on Storable Agricultural Product -Pre-production" means an Eligible Advance based on expected production of an eligible Storable Agricultural Product - Pre-production as per sub-section 1.13 of these Terms and Conditions.
- 1.16 "Advance on Storable Agricultural Product - Post-production" means an Eligible Advance based on the volume in inventory of an eligible Storable Agricultural Product – Post-production as per Subsection 1.14 of these Terms and Conditions.
- 1.17 "Advance Rate on Storable Agricultural Product - Pre-production" means the rate of issuance applicable to advance on Storable Agricultural Product Pre-Production issued prior to **September 1, 2019 and not later than October 31, 2019**.
- 1.18 "Advance Rate on Storable Agricultural Product - Post-production" means the rate of issuance applicable to Advance on Storable Agricultural Product – Post-Production issued on or after **September 1, 2019** but before **March 13, 2020**.
- 1.19 "Eligible Advance" means the advance the producer is entitled to as stated in Part 2(A) or Part 2(B), Section 3 of this application for Storable Agricultural Product - Pre-production or Part 2(C) Section 3 of this application for Storable Agricultural Product – Post Production as applicable.
- 1.20 "The Pre-Production, Final Pre-Production and Post-Production Worksheets" means the templates used to calculate the eligible advance for the purposes of the APP
- 1.21 "Post-Production Report" means the report wherein the Producer specifies the amount of Agricultural Product held in storage.
- 1.22 "Production Period" is the period defined in 7.1 of this Application & Repayment Agreement.
- 1.23 "Final Production Insurance Report" means a Production Insurance Agency Report wherein the Producer identifies the amount of the Agricultural Product currently in production in order to calculate final entitlements for an advance on Storable Agricultural Product – Pre-Production.

2.0 Issuance of the Advance

- 2.1 The Administrator shall make an instalment of 60% of the estimated Eligible Advance on a Storable Agricultural Product - pre-production calculated in accordance with the Worksheet and using the Advance Rate on Storable Agricultural Product - pre-production, upon the execution of this Repayment Agreement by the Administrator. The Producer must have sufficient production insurance related to the Agricultural Product to justify the Eligible Advance in accordance with the Worksheet and using the Advance Rate on Storable Agricultural Product - pre-production. An administration fee of \$250 will be deducted from any 1st installment of the advance.
- 2.2 Before **July 31, 2019**, Producers securing the advance with production insurance shall provide a copy of a Final Production Insurance Report, confirming the actual acres planted.
- 2.3 Based on the information contained in the Final Production Insurance Report required in subsection 2.2, the Administrator shall calculate the Eligible Advance in accordance with the Application for an Advance Worksheets, and issue a second instalment to the producer equal to the Eligible Advance less the instalment referred to in Section 2.1 and any other advance under the APP from any Administrator.
- 2.4 Should the Final Production Insurance Report demonstrate that the acreage seeded is not sufficient to justify the outstanding advance to the producer, the Administrator shall, notify the producer that he or she has thirty (30) calendar days to repay the part of the outstanding amount of the advance that exceeds the reduced coverage amount by more than ten thousand dollars (\$10,000) or ten percent (10%) or, if eligible, make application for an advance on another commodity and have the proceeds applied to the deficit, failing this, the producer will be declared in default.
- 2.5 Where an advance on a Storable Agricultural Product – Pre-Production, issued as stipulated under Subsections 2.1 and/or 2.3 of these Terms and Conditions, is outstanding under the APP, the Producer shall submit a Post-Production Worksheet confirming the actual production held in storage by the Producer on or before **December 16, 2019**, or otherwise be declared in default.
- 2.6 Should the Post-Production Worksheet demonstrate that the Agricultural Product in storage is not sufficient to justify the advance issued to the producer when the product was at pre-production, the Administrator shall, notify the producer that he or she has thirty (30) calendar days to repay the part of the outstanding amount of the advance that exceeds the reduced coverage amount by more than ten thousand dollars (\$10,000) or ten percent (10%) or, if eligible, make application for an advance on another commodity and have the proceeds applied to the deficit. Failing this, the producer will be declared in default.
- 2.7 Any Advance on all eligible Agricultural Products or any instalment on such an Advance shall be issued as per the dates specified in subsections 1.16 & 1.17.
- 2.8 Where applicable, the Administrator shall issue an advance on a Storable Agricultural Product – post-production calculated in accordance with the Application for an Advance Worksheet and using advance rate specific to that Storable Agricultural Product - post-production. The Producer must have sufficient Agricultural Product in storage to justify the Eligible Advance.

- 2.9 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.
- 3.0 **Repayment of the Advance**
- 3.1 The Producer shall repay the amount of the eligible advance as specified in this Repayment Agreement to the Administrator by the end of the Program Year:
- where 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 thirty (30) calendar days of receipt of payment or within sixty (60) calendar days of delivery to the Buyer, whichever is earlier, an amount at the Advance rate in effect at the time of repayment accompanied by corresponding receipts (**in the name that is on the advance**), until all the Advances made to the Producer and the interest payable by the Producer and any fees charged, on those Advances are repaid in full.
 - by assigning to the Administrator amounts payable to the Producer under an eligible BRM program which the Administrator will apply to repay the advance within three (3) days of receipt of such amounts until all the advances made to the Producer and the interest payable by the Producer on those Advances are repaid. The Administrator will reimburse any amount received from a BRM program in excess of the outstanding advance to the producer within seven (7) days of receipt.
 - the Producer agrees that the full amount of repayments received by the Administrator will be applied to the portion of the advance on which the Minister pays the interest, before the portion of the advance on which the Producer pays the interest.
- 3.2 In addition to the mandatory payments under paragraphs 3.1.a, or 3.1.b above, the Producer may choose to reimburse the Advance:
- by making a cash payment without proof of sale on (Int. Free & Int. Bearing Advances) prior to or on the last day of the Program Year up to the greater of \$10,000 or ten percent (10%) of the total amount of the Advance(s). If the Producer chooses to repay in cash an amount in excess of such amounts without proof of sale of the Product, the Producer will be charged interest at the rate of **Prime**, on the excess amount from the day the advance(s) were issued to the date of repayment. This repayment must be made within twenty-one (21) days of the end of the production period.
 - by paying directly to the Administrator any amount received by the Producer under an eligible BRM program.
 - by paying directly to the Administrator any amount received by the Producer, not exceeding the proceeds evidenced by proof of sale.
 - Notwithstanding sub clause 3.2a of the Agreement, a repayment without proof that the Agricultural Product has been sold can be made from the beginning of the Production Period until **January 31, 2020**. A repayment can be made without proof that the Agricultural Product has been sold, if the Administrator is satisfied that the Agricultural Product in respect of which the Advance has been made has not been disposed of by the Producer at the time of the repayment. As such, third party verification will need to be provided or an inspection will be conducted, and will be at the expense of the producer.
 - If a Producer becomes Deceased (a copy of Death Certificate/ Obituary) or Incapacitated (copy of Power of Attorney), repayment can be made without proof that the Agricultural Product has been sold.
- 3.3 In the event that the Producer repays the amount of the Advance to the Administrator by selling the Agricultural Product or part of the Agricultural Product in the manner described in paragraph 3.1a of this Terms and Conditions, the Producer shall:
- Indicate in writing to the Administrator to which buyer, named by the Administrator, the Agricultural Product will be sold, prior to selling the said product to such buyer, and
 - Notify the Administrator Immediately upon receiving any information to the effect that the named buyer is not promptly remitting to the Administrator the amount so withheld, and
 - Remain liable to the administrator for repayment of any part of the Advance where the said buyer has failed to remit to the Administrator that part of the Advance withheld by it pursuant to its Agreement with the Administrator.

4.0 Security Interests

- 4.1 The Producer hereby grants a continuing security interest in his Agricultural Product, in any Agricultural Product produced in a subsequent Production Period by the producer and all proceeds, 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 in the Agricultural Product shall rank prior to 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 in 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 sales proceeds to reduce his debt owing to the Administrator arising from this Repayment Agreement, including interest and any legal costs.
- 4.2 The Producer hereby irrevocably assigns his current and future BRM Program payments to the Administrator to secure repayment of his debt owing to the Administrator arising from this Repayment Agreement. The producer agrees that all BRM Program payments will be paid automatically to the Administrator until his debt owing to the Administrator arising from this Repayment Agreement is repaid in full. The Producer declares that the assignment of his BRM Program payments to the Administrator takes priority over any other security interest. The producer confirms that he has obtained all necessary signed priority agreements with any secured creditor such that the Administrator's security interest shall rank in priority to any other interests. The Producer agrees and understands that the Administrator may register financing statement(s) at such provincial Property Security registries as the Administrator determines.

5.0 Default

- 5.1 The Producer is in default if the Producer:
- has not met all their obligations under the Repayment Agreement by the end of the Program Year;
 - files a notice of intention to make a proposal or makes a proposal under the *Bankruptcy and Insolvency Act*, is subject to a receiving order under that act, becomes bankrupt or seeks protection under any other insolvency or bankruptcy related statute; or
 - is otherwise declared in default by the Administrator in accordance with this Repayment Agreement.

- 5.2 The Administrator shall declare a producer in default and immediately inform the producer of the same, if the producer:
- has not met any of the obligations under the 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 the obligation, requesting that the producer meet it;
 - at any time breaches irremediable any substantial obligation under the Repayment Agreement; or
 - provides false or misleading 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 the rate specified in Section 6.0 on the outstanding amount of the Advance, calculated from the date of the Advance was issued until the Advance is repaid;
 - costs incurred by the Administrator to recover the outstanding advance (**a standard Default Management fee rate of 2% will be applied to the outstanding balance as of 45 days after default**), interest charges, and applicable legal costs approved by the Minister.
- 5.4 a) 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 persons liable under this Repayment Agreement. The Producer is, in addition to the amounts stated in subsection 5.2, liable to the Minister for interest at the rate specified in paragraph 6.1(b) on the amount of the Producers' liability under subsection 5.2 and the costs incurred by the Minister to recover the amount, including legal costs.
- b) Where the Administrator has submitted the Producer's file to AAFC for payment by the Minister under the Guarantee and where AAFC has recovered the outstanding debt from the Producer, in full or in part through a compromise settlement, and where there are still Default Management Fees owing to the Administrator by the Producer, the Administrator reserves the right to continue to pursue repayment of these Default Management Fees from the Producer.
- 5.5 Where applicable, the Producer agrees, pursuant to the relevant section of the applicable Provincial legislation relating to the Limitations of Actions, to the extension of the limitation period for seeking a remedial order for claims arising from this Agreement to 6 years from the date the Administrator knew of the claim.
- 5.6 The Administrator must apply the Ineligibility Period requirements as follows:
- 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*.
- 5.7 a) The Administrator may make a request to the Minister to change the Ineligibility Period requirements listed above, including waiving the Ineligibility Period. The request must include a written explanation of the change, including the rationale for making the change. The Minister will review the request and notify the Administrator of whether or not the request has been accepted.
- b) Where the Minister has paid the defaulted advance under the Guarantee, the Administrator may not request a change to the Ineligibility Period requirements as listed directly above.
- 5.8 Should a Producer benefiting from a Stay of Default become in default under the terms of the Stay of Default, the Producer must immediately be considered in default under the Repayment Agreement.

6.0 Interest Rate

- 6.1 The interest payable by the Producer during the program year while in compliance with the AMPA and this Agreement will be:
- 0% on the amount up to \$100,000 on all commodities
 - 0% on the additional amount of up to \$400,000 on canola only
 - Prime – ¼%** on the amount over \$500,000 including canola advances; and on the amount of \$100,000 on all commodities excluding canola advances
 - The interest rate negotiated with Access Credit Union is different than what Manitoba Corn Growers charges to the producer; the difference will be used to cover costs for administering the APP.
- 6.2 In the event that the Producer is declared in default, the interest payable by the producer will be:
- Prime + 1%** on the amount of the outstanding balance from the date the Advance was issued to the date the producer was declared in default; and
 - Prime + 3%** on the amount of the outstanding producers' liability from the date of default until the Advance, interest and all costs of collection are repaid in full.
 - 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.

7.0 General Provisions

- 7.1 The production period for the Agricultural Product commences on **October 2, 2018** and terminates on **September 1, 2020**.
- 7.2 The Program Year means the period used to manage program limits as per Subsections 9(1) and 20(1) of the AMPA and for the purpose of this specified in the Advance Guarantee Agreement and the Repayment Agreement that relates to the Advance, which commences on **October 2, 2018** and terminates on **September 15, 2020**.
- 7.3 The advance referred to in these Terms and Conditions is deemed to have been received on that portion of the Producers' Agricultural Product first sold. The Producer shall not dispose of any other part of this Agricultural Product, in any manner, before disposing of that portion of the Agricultural Product for which the Advance was received.
- 7.4 This Repayment Agreement shall commence upon approval and execution of this Agreement by the Administrator, and shall terminate upon repayment of all amounts provided for in this Agreement.
- 7.5 The Administrator or its authorized agent has the right to inspect the Agricultural Product and perform a credit check on the Producer or any of the Producers' Partners/Shareholders/Members at any time during the term of this Repayment Agreement.
- 7.6 The Producer shall give immediate notice to the Administrator of any material loss, destruction or damage to the Agricultural Product.
- 7.7 If the Agricultural Product or a portion of the Agricultural Product for which an Advance was made ceases to be in marketable condition, through no fault of the producer, the producer shall immediately inform the Administrator and, the producer becomes liable to the Administrator for the portion of the guarantee Advance, together with outstanding interest on the interest bearing portion from the date of the advance, that is attributable to the unmarketable portion of the Agricultural Product. Such outstanding amount shall be repaid within thirty (30) calendar days or the Producer may, instead of repaying the amount owed, if eligible, make application for an advance on another Agricultural product and have the proceeds of the Advance amount applied to the deficit.
- 7.8 The Producer shall respect the terms of the BRM program used as security and shall ensure that any payments from the BRM program related to the Agricultural Product are forwarded to the Administrator up to the extent of the Eligible Advance and the Producer must notify the Administrator if further requests for an assignment of the BRM program proceeds are made, granted or registered.
- 7.9 This Repayment Agreement shall be interpreted in accordance with the laws of the province of Manitoba, Canada.
- 7.10 a) If the Agricultural Product is not stored in a steel bin, the producer shall have insurance on the entire Agricultural Product for which the Advance was made, to the full extent of the Advance, for all insurable perils, until the producer's liability is repaid. The producer further agrees that any payout of this insurance will first be used to repay any outstanding Advance.
b) When producers are taking a livestock or post-production advance, 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.
- 7.11 Whenever the singular or masculine is used throughout this Repayment Agreement, it shall be construed as including the plural, feminine or neutral whenever the context and/or the parties hereto require.
- 7.12 In the event that any part of this Repayment Agreement is found to be invalid by a court of law, then the Producer agrees to be bound by the terms and provisions of the balance of this Repayment Agreement.
- 7.13 This Repayment Agreement shall not terminate by reason of death or disability of the Producer, but shall continue to be binding upon personal representatives to execute any instruments which may be necessary or proper to carry out the purpose and intent of this Agreement.
- 7.14 The Producer agrees to provide the Administrator with any information requested by the Administrator to substantiate the statements made within this application to further 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.
- 7.15 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 financing statements.
- 7.16 Where the Administrator determines that the Producer is insolvent, bankrupt, or has recently filed a notice of intention to make a proposal or has made a proposal under the *Bankruptcy and Insolvency Act* or is seeking protection under any other insolvency or bankruptcy related statute such as the *Companies' Creditors Arrangement Act* or the *Farm Debt Mediation Act* the Producer's application must be rejected.
- 7.17 No amendment to this Agreement, which may result in the reduction of the value of the security pursuant to Section 4.0 of this Agreement, other than an amendment to correct a clerical or mathematical error, shall be made without written permission of the Minister, except under the following circumstances:
a) The value of the produced Agricultural Product has reduced through no fault of the producer to the extent that it has made it more beneficial to feed the Agricultural Product to the producer's animals than to sell it;
b) The cost of feed has increased to the point where it is more beneficial to feed the product to the producer's animals than to purchase feed.
- 7.18 Unless authorized by the Minister, any amendment to the Repayment Agreement as per subsection 7.15 of this Agreement will not be retroactive and will come into force on the day that the amendment is signed and will substantially conform with Appendix A-7 of the Advance Payments Program Administration Guidelines for the **2019/2020** Production Period. The Parties recognize that any interest benefit received as a result of paragraph 6.1(a) of this Agreement before the coming into force of the amendment does not need to be reimbursed.
- 7.19 All parties herein agree that should there be any discrepancies between this agreement and the AMPA and its regulations, the AMPA and its regulation will supersede this agreement.

- 7.20 Authorization to Collect and Disclose Information – Provincial Crop Insurance / AgriStability/ Global Ag Risk Solutions may disclose my information, including personal information within the meaning of The Freedom of Information and Protection of Privacy Act, to Manitoba Corn Growers Association Inc. and AAFC for the purpose of AAFC's Advance Payments Program. The information collected may include, but is not limited to, crop insurance information, AgriStability information, Global Ag Risk information and income and expenses related to my business or farming operation.
- a) Provincial Crop Insurance / AgriStability/ Global Ag Risk Solutions may collect my information, including personal information within the meaning of The Freedom of Information and Protection of Privacy Act, from Manitoba Corn Growers Association Inc. and AAFC for the purpose of AAFC's Advance Payments Program.
 - b) AAFC and Manitoba Corn Growers Association Inc 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 as determined by AAFC or Manitoba Corn Growers Association Inc.
- I acknowledge that Provincial Crop Insurance / AgriStability/ Global Ag Risk Solutions may also collect and disclose corporate information for these purposes.
- 7.21 "Producers agree regarding information collected on all Advanced Payments Program Forms:"
- a) The information collected through its forms is collected under the authority of Section 10 of the *Agricultural Marketing Programs Act*;
 - b) Personal and business information collected by the Administrator may be provided to Agriculture and Agri-Food Canada (AAFC) and will be used to administer the APP in accordance with the *Privacy Act* and *Access to Information Act*;
 - c) The person/business information collected by the Administrator and shared with AAFC may also be used for statistical and reporting purposes or to evaluate the scope, direction and effectiveness of agricultural programming; and
 - d) Per Appendix 3, individuals have the right to request access and correction to their personal information. Should they have questions concerning their information and Privacy, they can contact:
Access to Information and Privacy Director
Agriculture and Agri-Food Canada,
Floor 10, 1341 Baseline Road, Tower 7,
Ottawa, ON K1A 0C5
Email: AAFC.Privacy-vieprivee.AAC@CANADA.CA
- and reference AAFC's personal information bank *Agricultural Marketing Programs Act: Advance Payments Program*, PPU 140. (2019).

PROTECTED "A" ONCE COMPLETED

1.1 PRODUCER AND ADMINISTRATOR INFORMATION

Crop Insurance Contract Number _____.

Between _____ (Individual/Partner/Corporation/Cooperative) hereinafter referred to as the 'Assignor' and the Manitoba Corn Growers Association Inc., hereinafter referred to as 'Administrator'.

This assignment agreement is for all proceeds, up to the amount set in Part 1.2.2 below, payable to the Assignor under Agricultural Product Insurance and is being used to secure advances issued under the Repayment Agreement (i.e., APP Application) between the Producer and the Administrator dated _____ (YYYY-MM-DD) and pursuant to the Advance Payments Program and the *Agricultural Marketing Program Act (AMPA)*. Advances have been issued based on the Storable Agricultural Product listed in the Pre-Production Worksheets.

1.2 DEFINITIONS AND ASSIGNMENT AGREEMENT

1.2.1 DEFINITIONS AND INTERPRETATIONS:

"APP Electronic Delivery System" means the on-line system which electronically enables the submission of data relating to the delivery of the APP, between AAFC and Administrators;

"Business Risk Management Program" or "BRM Program" refers to any program listed in the schedule of the AMPA that can be used to secure an advance;

"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*.

"Producer" means the individual, partnership, corporation or cooperative that applied for an advance under the Advance Payments Program.

1.2.2. THE PARTIES HERETO 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 in the current year and all future years until such a time as the advance, in the amount of the lesser of the principal amount of \$1,000,000 or the amount which has been advanced plus interest on that amount, and for which this BRM program is 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.

1.2.3.

The Assignor hereby authorizes (BRM Program Name) _____ 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.

The amount of the advance(s) will be confirmed to the BRM Administrator by AAFC via the APP Electronic Delivery System or an alternative method agreed upon by AAFC and the BRM Administrator.

The Assignor allows the BRM administrator to share information with AAFC and the Administrator via the APP Electronic Delivery System or an alternative method agreed upon by AAFC and the BRM Administrator.

Sealed, delivered and attested to by:

Name and title of Producer

Signature of Producer

Name and title of Producer

Signature of Producer

Name and title of Producer

Signature of Producer

Name and title of Producer

Signature of Producer

Manitoba Corn Growers Association, Inc
Administrator

Signature for Administrator

RESOLUTION
OF THE BOARD OF DIRECTORS OF

(the "Corporation")

DATED:

WHEREAS the Corporation has applied to the Manitoba Corn Growers Association Inc. ("MCGA") for a loan.

AND WHEREAS the corporation has been approved and is authorized to borrow from the MCGA, the maximum amount of ONE MILLION DOLLARS (\$1,000,000.00).

AND WHEREAS any officer of the Corporation be and is hereby authorized and directed to do all acts and things in his or her opinion necessary or desirable in connection with the foregoing, including the execution and filings of the appropriate form or forms or other documents required in connection therewith.

We, being all the Directors of the above-named Corporation, hereby declare that the foregoing resolutions are unanimously adopted and approved as evidenced by our signatures hereto, that the foregoing resolutions shall have the same validity as if adopted by a formal meeting of the Directors. This resolution may be used in an ongoing basis for loans between the Corporation and MCGA provided there is no change in the officers or directors of the Corporation.

President (Sign)

Secretary (Sign)

President (Print Name)

Secretary (Print Name)