

ADVANCE PAYMENTS PROGRAM (APP)

Toll Free # 1-888-278-8807 ♦ Fax # 519-800-1324 ♦ email to advance@agcreditcorp.ca

Application & Repayment Agreement 2024 - 2025



Join the many producers already taking advantage of this extraordinary opportunity to receive the full \$1,000,000 (1st \$100,000 interest-free, remaining at Prime (preferred interest rates)! That's Ag-Mazing!

Agricultural Credit Corporation delivers the Advance Payments Program (APP), made available by the Government of Canada. The APP provides benefits to Canadian producers by giving them access to short-term financing to a maximum of \$1,000,000 at preferred interest rates. Up to \$100,000 is interest-free! In return, repayments with proof of sales (in the same name of the applicant), must be made as agricultural products for which the advance was issued are sold, or disposed, commencing with your first sales.

ELIGIBILITY REQUIREMENTS:

****Sole Proprietors, Partnerships, Corporations and Cooperatives are all eligible****

Under the *Agricultural Marketing Programs Act (AMPA)*, to be eligible, the Producer must continuously own the Agricultural Product for which the Advance payments will be made; be responsible for marketing it; either have produced or be producing the Agricultural Product; be a Canadian citizen or a permanent resident of Canada; be of the age of majority in the province of operation; demonstrate that they have met and are capable of meeting all obligations under all Repayment Agreements.

For a complete list of available agricultural products, security types required, advance rates and available advance dates, refer to ACC's product & Rate list available on our website at www.agcreditcorp.ca

PLEASE READ ALL TERMS & CONDITIONS INCLUDING IMPORTANT DEADLINES PRIOR TO APPLYING

PART 1

APP APPLICANT INFORMATION

Need Assistance? We can help! Simply call 1-888-278-8807

Section 1. APPLICANT BUSINESS TYPE (COMPLETION REQUIRED)

ACC Customer <input type="checkbox"/> YES <input type="checkbox"/> NO	ACC Customer #	APPID #	<input type="checkbox"/> Sole Proprietor	<input type="checkbox"/> Partnership	<input type="checkbox"/> Corporation	<input type="checkbox"/> Cooperative	Business Number (BN)/HST# (9 digits)
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Section 2. DOCUMENTATION NEEDED TO APPLY

- ✓ **New Applicants:** Please appropriate boxes below to indicate **1)** type of Proof of Canadian Citizenship submitted for the Sole Proprietor and for each Partner of a Partnership. (Health Cards cannot be accepted). **2)** Please submit the following legal structure documents that reflect the number of shares owned, voting shares, or ownership % (i.e. as applicable, Partnership Agreements, Articles of Incorporation documents and any amendments. ACC may request Shareholder Register).
- ✓ **Applicable to:** New applicant(s), applicants out of the program for 2 years, applicants borrowing over \$400,000, and applicants who defaulted or had NSF payments in the past three (3) years, ACC may request your Financial Statements or complete Income Tax Return, including Statement A (as applicable).
- ✓ **Note:** Re-applicants who have previously submitted the following documents and who continue to operate under the same legal name and business/corporate structure are not required to resubmit unless contacted by ACC to do so.

Canadian Birth Certificate Canadian Driver's Licence Canadian Passport Permanent Resident Card Citizenship card/certificate

Articles of Incorporation & Amendments (if any)

Section 3. SELF IDENTIFICATION QUESTIONS

Responses to the questions in this subsection will be shared with Agriculture and Agri-Food Canada and may be used for reporting purposes and to inform future government policies, programs and communication activities. Self identification is voluntary. If you do not wish to provide this information, you can check "Decline to identify" or "Prefer not to answer". Failure to complete the questions will be viewed as choosing "Decline to identify" or "Prefer not to answer". AAFC is committed to the fair and transparent distribution of program funds. Your application will not be deemed ineligible or assessed less favorably based on your responses to these questions or if you decline to identify.

A. Does your farming business's ownership group include significant representation (30% or more) from one or more of the following groups (check all that apply)?

- Indigenous Peoples
Please specify: First Nations Métis Nation Inuit Unknown
- Women
- Gender parity (50% or more women and/or non-binary)
- 2SLGBTQI+
- Visible Minorities
- Persons with Disabilities
- Youth (under 35)
- An official language minority community (French-speaking people outside Quebec or English-speaking people in Quebec)
Please specify: English French
- Not applicable
- Decline to identify

B. If your business's ownership group includes significant representation from an official languages minority group, was your farming business able to obtain APP information and services in the minority language?

- Not applicable (did not check official languages minority in QA)
- No
- Yes
- Prefer not to answer

C. How many years of experience does the ownership group of your farming business have running a farm?

- 0-6 years
- 7-19 years
- 20 years and over
- Prefer not to answer

Section 4 (a). BORROWER'S BASIC INFORMATION

- ✓ Your loan must include your Full Legal Name and Trade Name if you carry on business under a name other than your own personal name or legal corporate name in accordance with the Business Names Act.

If Sole Proprietor: First Name (Legal Name as shown on Birth or Marriage Certificate):	Middle Name (Legal Name)	Last Name (Legal Family Name as shown on Legal Canadian ID)	Date of Birth (yyyy/mm/dd)
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If Partnership/Corporation/Cooperative Full Legal Name of Business (if Corporation, must be same as submitted Articles of Incorporation):

Trade Name (if different from Legal Name. Must be same as Master Business Licence)

Street/911#	Street Name	RR #	City/Town	Province	Postal Code
Home Phone #	Business Phone #	Cell Phone #	Fax #	Email (all communications will be sent to this email address)	
Preferred Communication		Land owned <input type="checkbox"/> Rented <input type="checkbox"/> or Both <input type="checkbox"/>		Farming since? (year)	

PART 1

APP APPLICANT INFORMATION

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Section 4 (b). COMPLETE SECTION BELOW IF PARTNERSHIP, CORPORATION, COOPERATIVE, OTHERWISE LEAVE BLANK

✓ List all Shareholders, Partners, or Members **with voting shares** in the business with individual percentage of voting shares/interest. Attach a separate sheet if required.
Re-Applicants: If ownership structure has changed from previous application, forward legal documents that reflect change and complete Joint & Several Agreement. For those shareholders/partners with valid business number, please provide in table below.

APPID #	Business # (HST#, if available)	First Name (Legal Name)	Middle Name (Legal Name)	Last Name or Company Name (Legal Name)	Complete Mailing Address	Phone #	Date of Birth (yyyy/mm/dd)	Interest/ Shares in Operation
								%
								%
								%
								%
								%
								%

Section 5. FINANCIAL INSTITUTION/CREDIT UNION INFORMATION (ACC will obtain Priority Agreements where security interest exists)

⚠ ATTACH VOID CHEQUE (IF NEW OR CHANGED). All Advances (less applicable fees) will be issued by direct deposit. Please notify ACC if any changes to bank account to avoid repayment return charges. Note: Cheque should reflect same name as on application and (if applicable) Name on Articles of Incorporation.

Name of Financial Institution:		Bank Contact	Bank Account Manager
Transit/Branch# Institution #		Tel #: _____	Name: _____
Bank Account # (Typically 7 Digits)		Extension #: _____	Email: _____

Section 6. ALL APPLICANTS: MINIMUM 2 INPUT SUPPLIERS REQUIRED (ACC will obtain Priority Agreements on your behalf)

	Supplier/Creditor #1	Supplier/Creditor #2
Name of Suppliers/Creditors		
Telephone #		
Name of Account Manager		

Section 7. OPTIONAL: DISCLOSURE OF LOAN INFORMATION TO NON-BORROWER (i.e. family, accountant, lawyer, guarantor) **Consent is given for this program year and all future years until revoked by the applicant.

Full Legal Name	Relationship/Title	Phone #	Email

Section 8. RELATED PRODUCERS

Presumption of Relatedness

Producers are related if they do not deal with each other at arm’s length. This means that their farming operations must be distinctively separate, with separate business addresses and separate properties and must not be sharing equipment, land, or management services. In the absence of proof to the contrary, a **Producer is presumed to be related to another producer if: directly or indirectly in any manner, controls, is controlled by, or is under common control with the producer. This includes:**

1. **Familial Relationships:** blood relations, marriage, common-law, adoption or through;
2. **Business Relationships:** a) corporate control; b) partnerships; c) cooperative, including other groups of persons to the partners, shareholders or members; d) sharing of business resources such as sharing any management services, administrative services, equipment, facilities or overhead expenses of a farming operation with the other producer, but is not in partnership with that other producer; e) one of the producers owns at least 25% of the voting shares of the other producer or of a corporation that directly or through any other corporation owns 25% of the voting shares of the other producer; or f) where one of the producers is entitled to 25% or more of the profits or revenues of the other producer. Any other circumstances set out in the Regulations.

Relatedness affects the Applicant’s eligibility to receive an Advance, as well as the amount of an Advance. When you have related producers who apply or interested in applying for the Advanced Payments Program, please provide their names in the tables below, ACC will consider all the related producers in order to maximize the interest-free benefit among all of them.

Note: Due to the de facto financial partnership resulting from marriage and common law-relationships, a financial gain or loss by one of the partners in a married or common-law couple will indirectly benefit or negatively impact the other partner’s financial situation. Agriculture and Agri-Food Canada’s Financial Guarantee Programs Division (FGPD) considers this to be true regardless of whether or not their farming businesses meet any of the other rules for relatedness under the APP.

To your knowledge, has a related/connected producer per above scenarios; a) applied for an APP Advance in this Program Year or b) have an outstanding APP Advance from a previous Program Year? If you answered “NO”, skip Section 9.

YES NO

Section 9. RELATED PRODUCER DECLARATION

- ✓ List all related producers who received an advance for this or previous program years, including advances issued by other APP Administrators. If you choose to rebut the presumption of relatedness, you must also complete the Rebuttal of Relatedness section below.
- ✓ Attach a separate sheet if required.

Full Legal Name of related producer (who received an Advance)	APPID#	Name of Administrator (who issued Advance)	Program Year (yyyy)	Relationship Type: Please <input checked="" type="checkbox"/> all that apply
1.				<input type="checkbox"/> Familial (100%) <input type="checkbox"/> Voting Shares _____% <input type="checkbox"/> Partnership Ownership _____% <input type="checkbox"/> Entitlement to Profits or Revenues _____% (e.g. Cooperative or Partnership) <input type="checkbox"/> Non-Shares but shared business services (100%)

Rebuttal of Relatedness

- ✓ Answer the questions below for the related producer listed above.
- ✓ 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 ACC 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.

a. Do you and the related producer file separate tax returns and/or produce separate financial statements?	YES <input type="checkbox"/> NO <input type="checkbox"/>
b. Do you agree that you and the related producer are not employees or do not act as agents (i.e. custom farming) of the other?	YES <input type="checkbox"/> NO <input type="checkbox"/>
c. Do 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 <input type="checkbox"/> NO <input type="checkbox"/>

Full Legal Name of related producer (who received an Advance)	APPID#	Name of Administrator (who issued Advance)	Program Year (yyyy)	Relationship Type: Please <input checked="" type="checkbox"/> all that apply
2.				<input type="checkbox"/> Familial (100%) <input type="checkbox"/> Voting Shares _____% <input type="checkbox"/> Partnership Ownership _____% <input type="checkbox"/> Entitlement to Profits or Revenues _____% (e.g. Cooperative or Partnership) <input type="checkbox"/> Non-Shares but shared business services (100%)

Rebuttal of Relatedness

- ✓ Answer the questions below for the related producer listed above.
- ✓ 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 ACC may request the appropriate documentation to support your responses, such as Articles of Incorporation, Financial Statements, Leases, Receipts, etc.

a. Do you and the related producer file separate tax returns and/or produce separate financial statements?	YES <input type="checkbox"/> NO <input type="checkbox"/>
b. Do you agree that you and the related producer are not employees or do not act as agents (i.e. custom farming) of the other?	YES <input type="checkbox"/> NO <input type="checkbox"/>
c. Do 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 <input type="checkbox"/> NO <input type="checkbox"/>

PART 2

DECLARATIONS OF SECURITY & DOCUMENTS REQUIRED

Failure to provide accurate information, misrepresent and/or omit information that may be deemed important to the verification of the information is an offence under the AMPA, and may result in all benefits under the APP being forfeited. The Producer(s) may be subject to prosecution and may be subject to the exclusion from other Agricultural programs.

Section 10. DECLARATIONS OF SECURITY

1. Where did you most recently hear about the Advance Payments Program (APP)?
2. Applicable to Corporations ONLY: Is the Corporation controlled, wholly or in part, by a Trust or a Trustee? For greater clarity, does the Corporation have a Trustee who holds title to the trust property and who acts for the benefit of another (beneficiary)? If yes, an Alternate Guarantor will be required. Refer to page 6 and 7.
3. Does any other person or business have a security interest (i.e. hold your commodity as security), or have rights to your revenues? (i.e. in exchange for custom farming fees, rent, etc.), and/or has registered liens or General Security Agreements on your Agricultural Product, including Livestock for which you are applying under this application and/or have you given promissory notes, transferred title to your crops/livestock grown to other persons. (Persons such as: FCC, Bank, Purchasers, Input Suppliers, Contracts with Elevators, Seed or Chemical Dealers, Custom Farming Arrangements, Buyers, Landlord, etc.)
Business/Contact Name: Email Address: Business Ph. #:
4. Do you continuously own and market all the Agricultural Products being applied for (i.e. all proceeds of sales belong to you)?
5. Does your partnership, corporation, or cooperative include a multi-layer structure?
6. Do you certify this loan advance in its entirety will solely be used only for your own farming operation?
7. Have you transferred or otherwise traded title of your Agricultural Product(s) to anyone else?
8. Have you received advances from other administrators for this current program year, including amounts attributed by percentage of ownership in any Corporation/Cooperative/Partnership, including new request for advances submitted but not yet received? If yes, provide the APP Administrator and amount
9. Do you have outstanding advances from previous program years, including advances attributed by percentage of ownership in any Corporation/Cooperative/Partnership?
10. Has your operation undergone any structural changes in the last two years or since the last APP application? If yes, please explain.
11. Have you the Applicant, including Shareholders or Members of the business made a filing or is/are subject of any filing made under the Bankruptcy and Insolvency Act or any other legislation dealing in any way with insolvency matters and/or the protection of creditor's rights, including the Bankruptcy and Insolvency Act, Companies Creditors Arrangement Act or Farm Debt Mediation Act? Are you or any Related Producer, including Guarantor, party to any claims, disputes or lawsuits? If yes to any of the above, please explain.
12. Penalty for Repayment Without Proof of Sale (RWPS): I acknowledge that I have read the important Repayment Without Proof of Sale (RWPS), including Section 6.0 in the Terms and Conditions. I agree (if applicable) to comply with 1) submitting the required Proof of Sales at time of repayments, 2) ensuring repayments made are within 30 days of receiving payment from the buyer, and 3) ensure repayments coincide with the submitted Proof of Sales, otherwise I/we understand that a Penalty for Repayment Without Proof of Sale will be incurred and added to our loan balance.
13. You certify that you have insurance on the entire Agricultural Product held in storage/inventory for which the Advance request is made to the full extent of the Advance, for all insurable perils. You further agree and acknowledge that any payout of the insurance mentioned above is to be forwarded to ACC per the Security section 7.0 under the Terms & Conditions to repay any outstanding advance with ACC.

COMPLETE # 14 – 15 IF USING PRODUCTION INSURANCE (PI) AS SECURITY, OTHERWISE LEAVE BLANK

14. Production/Crop Insurance (PI) Assignment: The Assignor hereby transfers, assigns any indemnity and sets over to ACC all of his/her/their right, title and interest in the proceeds to be received from the Production/Crop Insurance Program for the current Program Year. **Please provide your Production Insurance (multi-risk coverage) # →**
15. Please **attach your current year Production/Crop Insurance Coverage** (Renewal Notice or Seeded Acreage Report) with your application (required for all Provinces excluding Ontario). **Note: PI needs to be in the same name as Applicant** (i.e. if applying as an Individual, PI should not reflect a Partnership). Note the following documents are required based on commodity type:
- ✓ **For Grapes, Apples and Tender Fruit Applicants:** Copy of your current year Fruit Underwriting and/or Orchard Summary/Vineyard Underwriting.
 - ✓ **For British Columbia Applicants:** Copy of your Statement of Premiums and Coverage. If you do not have this information on file, contact the BC Ministry of Agriculture for copies (Do not forward a copy of your renewal notice when received from B.C Ministry of Agriculture unless requested by our office).
 - ✓ **For Fresh Market Vegetables:** Copy of your Fresh Market Vegetable - Acreage Loss (FMV-AL) Coverage Confirmation.

Acknowledged

PI#	Policy # (if applicable):
PI#	Policy # (if applicable):

COMPLETE #16 – 20 IF USING AGRISTABILITY (AS) AS SECURITY, OTHERWISE LEAVE BLANK

16. Producers must first use Production/Crop Insurance (PI) before using coverage from another program. If you carry Production/Crop Insurance, you must complete the above section.
17. **AgriStability (AS) Assignment:** The Assignor(s) hereby transfers, assigns and sets over to ACC all of his/her/their right, title and interest in the proceeds to be received from the AgriStability program in the current year and all future years until such a time as the loan Advance for which this BRM program is used as security has been paid in full, and a liability to ACC no longer exists and the security is released by ACC. **Please provide your AgriStability PIN # (for each partner if applicable) →**
18. Do you certify that you are enrolled in AgriStability (or ASRA in Quebec) for the current Program Year? **Note:** Your Enrollment Fee Notice must be for the current year and must be paid in full by the deadline. Otherwise, your loan will be immediately placed in default.
19. **Have you applied, or do you intend on applying for an AgriStability Interim Payment, including a Targeted Advance Payment?**
20. **Attach a copy** of your “entire” most recent AgriStability Package for all Partners (PIN# & Reference Margin) including: **A)** Payment Statement Calculation package, **B)** Accrual Adjustment Report, and **C)** Structural Change Report, if applicable; or ASRA Confirmation, and/or Sales Receipts. **For New Participants:** submit your ‘Coverage Confirmation’ with application. ACC “may” request your inventory sales from prior year, to act as a reasonableness test for your inventory or an inspection may be performed.

Acknowledged

AS PIN #:	AS PIN #:
AS PIN #:	AS PIN #:
AS PIN #:	AS PIN #:

YES NO

YES NO

Acknowledged

COMPLETE # 21 – 25 IF USING INVENTORY, INCLUDING LIVESTOCK AS SECURITY, OTHERWISE LEAVE BLANK

21. **For Storable Crop Producers:** **Attach one of the following document:** (i) Grain Elevator Storage Receipts; (ii) Final Yield Report from Crop Insurance Administrator (e.g. Agricorp); (iii) the latest AgriStability Calculation of Program Benefits package; or (iv) inventory sales receipts from last year. **If the aforementioned documents are not available, the Producer(s) may receive an inspection visit.**
22. **For Livestock Producers:** **Attach a copy of your entire most recent AgriStability Package, ASRA Confirmation, and/or Sales Receipts as described above #19.** Any Business Risk Management payments (e.g. AgriStability) for current and future years are only taken if the Producer is declared in default and until the debt is paid in full. *(Private livestock insurance coverage document or an inspection may additionally be requested with the Post Production Report prior to Dec 31 each year for outstanding loans.)* The Assignor(s) hereby transfers, assigns and sets over to ACC all of his/her/their right, title and interest in the proceeds to be received from the AgriStability or ASRA program in the current year and all future years until such a time as the loan Advance for which this BRM program is used as security has been paid in full, and a liability to ACC no longer exists and the security is released by ACC. Producers confirm they are registered for the current year’s AgriStability program, and AgriStability PIN #'s are provided here:
23. Do you declare and certify that you continuously own and sell all the Agricultural Product(s) being applied for and currently have the quantity in storage/inventory and it is and will remain of marketable quality until sold or disposed of?
24. Is any Agricultural Product(s) going into storage for Farm Fed?
25. Do you have any outstanding claims not yet processed for your Production/Crop Insurance or AgriStability that would affect the stored commodities on your loan Advance request? **If yes, forward a copy of your Proof of Loss/Claim to ACC.**

Acknowledged

AS PIN #:	AS PIN #:
AS PIN #:	AS PIN #:

YES NO

YES NO N/A

YES NO

26. COMPLETE, IF USING LIVESTOCK, OTHERWISE LEAVE BLANK

If using Livestock ✓ **appropriate box:** The stock must already be born prior to the application. A Continuous Flow is a farming operation where the Producer maintains a constant minimum animal inventory during the Advance Cycle through the continuous rotation of animals (e.g. those sold/disposed of are immediately replaced by new ones within days).

Standard Continuous Flow

27. Please confirm all commodities listed on the application will not be for farm feeding. **Note: If a portion of your commodities will be farm fed, please advise the acreage breakdown on page 5 (intended seeded acreage). No funds will be released for any acres intended for farm feeding.**

Acknowledged N/A

PART 2

Need Assistance? We can help! Simply call 1-888-278-8807

ANNUAL ADVANCE REQUESTED BY PRODUCER WORKSHEET

Section 11. 2024-2025 PRODUCER ADVANCE REQUEST

(Maximum Allowed is \$1,000,000)

Advance funded will be subject to eligibility and information provided

\$ _____

- Please appropriate box: Issue Maximum funds allowed at 1st and (if applicable) 2nd stage (based on eligibility)
 Issue Eligible amount but not exceeding amount I/we stated above

Section 12. ADVANCE REQUESTED BY PRODUCER - CALCULATION WORKSHEET

WE DO IT ALL FOR YOU!

To simplify the process for you, ACC will do all the calculation work for you as long as you complete the information below and send in your complete Production/Crop Insurance or AgriStability package as we can't do the calculation without it. If you desire to do your own calculation the Production Calculation Worksheet is available on our website and the Advance Rates and formulas you will need are included in the Product & Rate List. If you need assistance, call us, we're here to help!

- Please refer to ACC's Product & Rate List to see the available agricultural product line and security types required. If including a commodity that falls under a grouping, please provide Group # under the Agricultural Product column. Please attach a separate sheet if required. For your convenience, the Product & Rate List is available on our website at www.agcreditcorp.ca.
- Please do not include Agricultural Products (other than horticultural crops, maple syrup, and honey) that will be placed in a marketing pool. Do not include crops that will be used for farm-fed.
- If using inventory as security: Do not include products to be used as security if already pledged as security with a previous loan (i.e. Cattle, Trees, Shrubs), including overlap periods between production periods within the same Program Year with ACC or with other organizations. An inspection may be performed by ACC to ensure that there is sufficient product in storage or inventory to warrant any Advance issued.
- Only one twelve (12) month Continuous Flow Operation Advance Cycle is allowed per Program Year.
- Please refer to the Terms and Conditions.
- Your loan amount will either be issued in two or one instalments based on Subsection 4 of the Terms and Conditions, less a \$1,000 Administration fee.
- Choose Security Types: (PI = Production/Crop Insurance; AS = AgriStability; IN = Inventory/Stored Products; ASRA = Assurance Stabilisation des Revenu Agricole)
- If using Production Insurance Fresh Market Vegetables - Acreage Loss plan, besides providing Intended Seeded Acreage and Estimated Production per acre, please specify Insurable Value for each commodity.

NOTE: Your Loan calculation and advance will be distributed in the order which is listed below, unless specified otherwise.

Agricultural Product	Main Farm Operating Location (Home Farm Full Address)	Security Type (PI, AS, ASRA, IN)	Intended Seeded Acreage/Actual Quantity (if Continuous Flow minimum #)	Guaranteed Production (GP)/Estimated Production per Acre	Units of Measure

INTENDED STORAGE LOCATION FOR HARVESTED CROPS ** COMPLETE IF USING ONTARIO PI, OTHERWISE LEAVE BLANK**

Please indicate below legal address where harvested crops are stored and specify if stored on-farm or off-farm. Attach additional sheet if necessary.
 On-Farm Off-Farm
 Specify location/address where stored: _____

PART 2

For Inquiries on Repayments or Statements call 1-888-278-8807 Ext 601

PRE-AUTHORIZED DEBIT (PAD) REPAYMENT SCHEDULE

Section 13. SALES REPAYMENT SCHEDULE INSTRUCTIONS – Refer to Section 6 of the Terms & Conditions.

1. All Non-Storable products, Cut Flowers, Potted Plants, Trees, Shrubs and Evergreens must be repaid by a scheduled pre-authorized debit, which must coincide with your anticipated marketing dates. AAFC will accept your Sales Repayment Schedule to act as your Proof of Sales as long as you adhere to the Sales Repayment Schedule. It is important that you are accurate in forecasting these repayments, as a change to the Sales Repayment Schedule is subject to an inspection.
2. For a Continuous Flow Advance Due Date: PAD due the earlier of 12 months after the date of issuance or the end of the Production Period.
3. Storable Products (excluding Trees/Shrubs/Evergreens) and for Standard Livestock or Animal Advances the completion of the Sales Repayment Schedule is optional.

SALES REPAYMENT SCHEDULES (must coincide with anticipated marketing/sale dates) - Please attach additional sheet if required.

Product Name/Group # ↓	AUTOMATIC DEBIT DATES (YYYY/MM/DD) (Please Schedule on a Business Day)					TOTAL PAYMENT ↓
LIST WITHDRAWAL AMOUNTS BELOW						
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
TOTAL PAYMENT →	\$	\$	\$	\$	\$	\$

IMPORTANT: Read thoroughly before signing

This form must be completed by all Applicants

Please appropriate box Sole Proprietor Partnership Corporation Cooperative

Name of Producer / Applicant reflected on pg. 1 of Application:

All individuals/shareholders/partners/members who have an interest in the Partnership, Corporation, or Cooperative, are listed below. None of which have an outstanding liability under any previous Advance Payments Program loan advances.

Full Legal Name (first, middle, last) or Company Name	Complete Mailing Address	Phone #	Email Address	Date of Birth (yyyy/mm/dd)	Interest/Shares in Operation
					%
					%
					%
					%
					%
					%

NOTE: An alternate party may now act as Guarantor (“Alternate Guarantor”) in lieu of a personal guarantee from a sole proprietor or joint and several guarantee by shareholders, partners, or members. An Alternate Guarantor must be an individual, group of individuals or financial institution that is willing and has the financial collateral necessary to guarantee the full advance until it is repaid, approved by ACC, and who agrees in writing to be liable for the full amount of the advance as per the guarantee obligations below. The Alternate Guarantor must be resident in the province in which the Producer operates. If the Producer wishes to have an Alternate Guarantor, and the Alternate Guarantor is in agreement, please complete the following information in order to permit ACC to collect and obtain information in accordance with paragraph 34, Part 3 (Privacy & Consent) of the Terms and Conditions attached hereto.

Information about Alternate Guarantor

Full Legal Name of Alternate Guarantor			Date of Birth (yyyy/mm/dd)	
Address		City	Province	Postal Code
Phone #		Fax #	Email	

State Relationship with Producer you are Guaranteeing:

Spouse Parent Sibling Other (if other specify): _____

This Guarantee shall be construed in accordance with the laws of the province/territory where the Producer operates.

In consideration of \$1.00 (the receipt of which is hereby acknowledged and accepted) and in order to induce ACC to extend credit facilities to the Producer(s), the undersigned, together with successors and assigns (collectively or individually the “Guarantor”) hereby guarantee the obligations and repayment of any advances, but not to exceed \$1,000,000.00 at any given time, plus interest, and any costs incurred by ACC to recover the outstanding amount, including legal costs such as costs relating to attorneys, paralegals, legal expenses, expenses for bankruptcy, post-judgement, appeals, court costs, in addition to all other amounts permitted by law and approved by the Minister on a full indemnity basis, hereunder given by, or to, the Producer(s), now or in the future.

The Guarantor shall be considered as primarily liable to ACC and the Minister of Agriculture and Agri-Food Canada. It is hereby acknowledged and agreed that the liability hereunder shall not be limited or reduced by any variation in or departure from the provisions of this Application and Repayment Agreement, nor by ACC or the Minister of Agriculture and Agri-Food Canada granting time, taking or giving up security, accepting proposals or granting releases or discharges or otherwise dealing with the outstanding amounts owing. Neither ACC nor the Minister of Agriculture and Agri-Food Canada shall be bound to exhaust their recourse against the Producer(s) or against any other person or persons before enforcing its rights against the Guarantor.

The Guarantor(s) agree(s) that this Guarantee is a guarantee that shall to be binding upon the undersigned Guarantor(s), collectively or individually. The Guarantor(s) acknowledge(s) that consideration has been given.

No alteration or waiver of this guarantee or any of its terms or conditions shall be binding on ACC, unless expressly made in writing of the Guarantor’s intent to limit this guarantee, in which notice received will only affect subsequent advances after the written notice has been received and acknowledged by Agricultural Credit Corporation.

Should the Producer’s legal business structure or the Advance Payments Program change, this loan agreement shall not terminate. ACC shall obtain a written Amendment to this loan agreement to be acknowledged and signed by the Guarantor(s), collectively or individually.

An Alternate Guarantor, or all Individuals/Shareholders/Partners/Members regardless of the percentage of voting shares that he/she owns in the business, must agree to be 100% personally liable for the advance and must date and sign this document.

The undersigned hereby confirms and agrees that I/We has/have read, understood, and agrees to be bound by the terms and conditions of this Guarantee. Furthermore, by signing this document, I/We further understand and agree that action may be taken against me personally until full repayment of the default debt and applicable costs, and that my/our liability to ACC is unconditional and absolute.

I/We being an authorized individual, Shareholder, Partner, Member of the Sole Proprietor/Partnership/Corporation/Cooperative, or an Alternate Guarantor, as the case may be, hereunto set my/our hand and seal.

Signature	(Please Print Name)	Date
Signature	(Please Print Name)	Date
Signature	(Please Print Name)	Date
Signature	(Please Print Name)	Date
Signature	(Please Print Name)	Date
Signature	(Please Print Name)	Date

This Agreement may be executed by the parties hereto in separate counterparts, including by way of facsimile or electronic signature, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

PART 3

COMPLETION REQUIRED ANNUALLY
IMPORTANT: Read pages 11-18 thoroughly before signing.
DECLARATION OF PRODUCER, BUSINESS RISK MANAGEMENT ASSIGNMENT & REPAYMENT AGREEMENT

Name of Producer / Applicant:

I/We, being an Authorized Officer to legally bind the business (Sole Proprietor/Partnership/Corporation/Cooperative), as the case may be, acknowledge and certify that I/we have received the entire Application and Repayment Agreement (page 1- 18) which includes the Producer’s Declarations, Terms and Conditions, Privacy and Consent Disclosure, Pre-Authorized Debit Agreement and Security Assignment Agreement, attached hereto. I/We declare that the information completed in the entire 2024-2025 Application and Repayment Agreement is true and accurate. This Application & Repayment Agreement shall be construed in accordance with the laws of the province/territory where the Producers operate. This Agreement may be executed by the parties hereto in separate counterparts, including by way of facsimile or electronic signature, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

This Agreement which includes the Business Risk Management Assignment Agreement is for all proceeds, payable to the Assignor under the BRM program name and is being used to secure Advances issued under the Repayment Agreement (i.e. APP Application) between the Producer(s) and the Administrator and pursuant to the Advance Payments Program and the Agricultural Marketing Programs Act (AMPA). As indicated on page 4 and 5 under the Application & Repayment Agreement, the Assignor hereby transfers, assigns any indemnity and sets over to ACC all of his/her/their right, title and interest in the proceeds to be received from the Production/Crop Insurance Program for the current Program Year, and/or in the proceeds to be received from the AgriStability program in the current year and all future years until such a time as the loan Advance for which this BRM program is used as security has been paid in full, and a liability to ACC no longer exists and the security is released by ACC.

I/We further acknowledge, understand, and agree that the signing/execution, as directed below evidences my/our understanding and agreement to be bound by all the terms and conditions and comply with such terms and conditions set out in the Application and Repayment Agreement, including repaying the advance plus interest and all related costs on a full indemnity basis. I/We agree that the application instructions, priority agreement, and all relevant attachments form part of this contract.

If a Sole Proprietor, one Authorized Signature is required. If a Partnership or Cooperative, all Partners or Members must sign. If Corporation, at least one Shareholder with Minimum of 25% Ownership must sign.

Signature of Sole Proprietor/ Shareholder/Partner/Member	(Please Print Name) Sole Proprietor/ Shareholder/Partner/Member	Date
Signature of Sole Proprietor/ Shareholder/Partner/Member	(Please Print Name) Sole Proprietor/ Shareholder/Partner/Member	Date
Signature of Sole Proprietor/ Shareholder/Partner/Member	(Please Print Name) Sole Proprietor/ Shareholder/Partner/Member	Date
Signature of Sole Proprietor/ Shareholder/Partner/Member	(Please Print Name) Sole Proprietor/ Shareholder/Partner/Member	Date
Signature of Sole Proprietor/ Shareholder/Partner/Member	(Please Print Name) Sole Proprietor/ Shareholder/Partner/Member	Date
Signature of Sole Proprietor/ Shareholder/Partner/Member	(Please Print Name) Sole Proprietor/ Shareholder/Partner/Member	Date

FOR ACC USE ONLY- ADMINISTRATOR ATTESTATION

Delivered and attested to for Agricultural Credit Corporation (ACC) --ACC declares having taken all necessary steps, in accordance with the AMPA, its Regulations, the Advance Guarantee Agreement and APP Administration Guidelines, to ensure, to the best of ACC’s abilities, that the current APP Application by the Producer(s) is accurate and complete before granting the above mentioned Eligible Advance.

This _____ day of _____, 20____. Signature of Administrator (authorized representative) X _____

BEFORE YOU SEND... TO Avoid Delays

Please forward documents to ACC by fax 519-800-1324 or email to advance@agcreditcorp.ca

- Loan Application** (Verify all sections completely filled and signed by all parties)
- Security Documents** (e.g., Production/Crop Insurance, AgriStability documents, Refer to pg. 4)
- Financial Statement/Income Tax Return** (If requested by ACC, Refer to pg.1)
- New Applicants: Proof of Canadian Citizenship** (e.g., Canadian Birth Certificate, Driver’s Licence, Refer to pg.1)
- New Applicants or if change: Legal Documents** (e.g., Articles of Incorporation, Refer to pg. 1)
- Void Cheque** (Copy of Void Cheque only applicable if applying for the 1st time or if changed from prior year)

2024-2025

ADVANCE PAYMENTS PROGRAM (APP) REPAYMENT AGREEMENT

Terms and Conditions

(Not required to return. For your reference)

IMPORTANT REPORTING & REPAYMENT DEADLINES

Questions call 1-888-278-8807

In the event there remains an outstanding balance on the repayment deadline, ACC will automatically debit your account in accordance with your Pre-Authorized Debit Agreement and the payment may be considered a Repayment Without Proof of Sale (RWPS).

PROGRAM YEAR COMMENCES ON NOV 1, 2023 AND TERMINATES ON MARCH 31, 2026

AGRICULTURAL PRODUCT GROUP	ADVANCE AVAILABLE "From" and "To" Date (for exclusive list, refer to Product & Rate List)	REPORTING DEADLINE for Final Seeded Acreage Report (FSAR) and Post Production Report	PROOF OF SALES	REPAYMENT DEADLINE Due before the expiry date of the production period for products not sold, as repayments are due as product(s) are sold
Storable Crops	Apr 1, 2024 to Mar 15, 2025 - except for the following: Winter Grains & Oilseeds: Nov 1, 2023 to Oct 15, 2024 Quebec Maple Syrup: - Retail and Organic, Mar 1, 2024 to Dec 15, 2024 - Tap, Feb 1, 2024 to May 15, 2024	FSAR due "prior" to July 31, 2024 (even if not requesting 2 nd Advance) Final Yields or Post Production Report due <u>prior</u> to Dec 31, 2024, otherwise loan due immediately.	No Proof of Sales required for repayments made " <u>prior</u> " to January 31, 2025 OR Never required for sales reported from buyers who provides on your behalf (e.g. Letter of Direction).	Dec 31, 2024 (if not stored) Sept 30, 2025 (if product stored) - except: Winter Grains & Oilseeds: Apr 30, 2025 Quebec Maple Syrup: - Retail and Organic, July 31, 2025 - Tap, July 31, 2024
Standard Livestock	Apr 1, 2024 to Mar 15, 2025	Post Production Report due <u>prior</u> to Dec 31 st each year for outstanding loans (e.g. Cattle), otherwise loan due immediately	Proof of Sales required with all repayments	Cattle: Mar 31, 2026 Hogs, Lambs, Sheep, Goats: Sept 30, 2025
Continuous Flow Livestock	Apr 1, 2024 to Mar 15, 2025	Post Production Report due <u>prior</u> to Dec 31 st each year for outstanding loans (e.g. Cattle), otherwise loan due immediately	Proof of Sales required only if minimum inventory falls below the amount advanced for.	Must be repaid within 12 months of the advance issuance date or the end of the Production Period, (<u>whichever is earlier</u>).
Non-Storable Products Fruits & Vegetables	Apr 1, 2024 to Sept 15, 2024	FSAR due " <u>prior</u> " to July 31, 2024 even if not requesting 2 nd Advance	No, ACC uses Repayment Schedule as Proof of Sale <u>unless</u> not following the pre-approved Repayment Schedule	Dec 31, 2024
Non-Storable – Greenhouse Products, Cut Flowers, Turf Grass and Christmas Trees	Nov 1, 2023 to Oct 15, 2024	N/A	No, ACC uses Repayment Schedule as Proof of Sale <u>unless</u> not following the pre-approved Repayment Schedule	April 30, 2025

REPAYMENT AGREEMENT TERMS & CONDITIONS

In consideration of ACC granting an Eligible Advance pursuant to the provisions of the APP, the parties hereunto agree as follows:

1.0 Important Terms

- 1.1 "AAFC" means Agriculture and Agri-Food Canada;
- 1.2 "ACC" or "Administrator" means Agricultural Credit Corporation (ACC);
- 1.3 "Advance Cycle" means a period of up to twelve (12) months that starts the date the Advance is issued and ends no later than the end of the Production Period;
- 1.4 "Advance Rate" means the rate as set out in ACC's Product & Rate List and used in the Calculation Worksheets for calculating Eligible Advances issued. The Advance Rate represents 50% of the expected average price per production unit, that in the Minister's opinion, will be payable to producers of the Agricultural Product in a particular area, subtracted by ACC's percentage as defined in the Regulations, from 100%. The Minister may re-adjust, from time to time, the average price during the production period; any subsequent request for an advance will be issued based on the new advance rate, if applicable;
- 1.5 "Agricultural Product" means an animal, plant, or a product, including any food or drink, that is wholly or partly derived from an animal or a plant, and includes all after acquired Agricultural Products of the Producer or any proceeds therefore;
- 1.6 "Alternate Guarantor" means an individual, group of individuals or financial institution that is willing and has the financial collateral necessary to guarantee the full advance until it is repaid and who agrees in writing to be liable for the full amount of the advance. An alternate guarantee must be legally binding in the province in which the producer operates. The financial institution must meet the definition in Section 2 of the Bank Act, or be another legal entity that is designated by the Minister of Finance. A letter of guarantee from a producer's financial institution can be used as security of an advance;
- 1.7 "AMPA" means *Agricultural Marketing Programs Act* and its Regulations;
- 1.8 "APP" means the Advance Payments Program;
- 1.9 "Business Risk Management Program" or "BRM" refers to any program listed in the schedule of the Act that can be used to secure an Advance;
- 1.10 "BRM Program Coverage Report" means a report from the Agency responsible for the administration of the BRM Program used as security, wherein the Producer identified the amount of security available under the BRM Program;
- 1.11 "Calculation Worksheets" means the templates used to calculate the Eligible Advance;
- 1.12 "Continuous Flow Operation" means a farming operation where the Producer maintains a constant minimum Livestock inventory during the Advance Cycle through a continuous rotation of Livestock (e.g. those sold are replaced by new ones within days, such as weanling operations). The number of heads of Livestock in inventory cannot fall below the minimum level that is necessary to support the Advance;
- 1.13 "Default" means when used in relation to a producer, that a producer is considered in default under the Repayment Agreement according to Section 21 of the Act;
- 1.14 "Eligible Advance" means the Advance the Producer is entitled to as per the Application and Calculation Worksheets or any amendment thereto;
- 1.15 "Eligible BRM Program" means an eligible Business Risk Management program, as listed in the Schedule of the AMPA to be used as security for an Advance;
- 1.16 "Guarantor" means an individual or group of individuals that has the financial collateral to issue a letter that guarantees an advance until it is fully reimbursed or a financial institution that issues a letter that guarantees an advance until it is fully reimbursed;
- 1.17 "In Production" means the Agricultural Product listed in Section 11 of the Application which is not yet produced or is in the course of being produced;
- 1.18 "Minister" means the Minister of Agriculture and Agri-Food Canada or any person authorized to act on his or her behalf;
- 1.19 "Livestock" means hogs, cattle, lambs, goats, or sheep listed in either the Calculation Worksheets of this APP Application and/or identified as such in ACC's Product & Rate List, as applicable, and listed in Subsection 2(1) of the Act;
- 1.20 "Non-Storable Agricultural Product" means the Agricultural Product listed in the Calculation Worksheets of this Application and identified as such in ACC's Product & Rate List, as applicable, and is an Agricultural Product that once in its produced state, may NOT be kept in good marketable conditions for substantial periods of time in inventory, without excessive storage or maintenance costs, until sold or otherwise disposed of during the Production Period for the purposes of the APP and which is identified as such in APPEDS;
- 1.21 "Post-Production Report" or "Inventory Confirmation Report" means the report wherein the Producer confirms the Agricultural Product held in storage/inventory, or that has been produced;
- 1.22 "Producer" means the Individual or Corporation/Cooperative/Partnership identified and named on page 1 of this APP Application and who meets the definition described under Section 2(1) of the *Agricultural Marketing Programs Act*, <http://laws.justice.gc.ca/eng/acts/A-3.7/page-5.html#h-5>;
- 1.23 "Production Period" is the period defined in Subsection 10.1 of these Terms and Conditions;
- 1.24 "Program Year" is the period defined in Subsection 10.1 of these Terms and Conditions and is used to manage program limits as per the Act;
- 1.25 "Proof of Sale" is a document that contains the date, name of seller and buyer including contact information, type of agricultural product sold, quantity of agricultural product sold, and monies received for sales of the agricultural product advanced on; Proof of Sale must be in the same name of Applicant;
- 1.26 "Reference Margin" has the same meaning as it does under the AgriStability program;
- 1.27 "Repayment Agreement" means the completed Program Application, all Appendices forming part thereof and all Amendments thereto including these Terms and Conditions signed by the Producer and an ACC authorized representative and means the Agreement concluded under Subsection 10(2) of the Act between ACC and the Producer;
- 1.28 "Seeded Acreage Report" or "Certificate of Acres Planted" means a Production/Crop Insurance Agency Report or a report of the same wherein the Producer identified the acres seeded, or other Production Unit, used for the production of an Agricultural Product in order to calculate final entitlements for an Advance;
- 1.29 "Storable Agricultural Product – In Production" means the Storable Agricultural Product listed in either the Calculation Worksheets of this APP Application and identified as such in ACC's Product & Rate List, as applicable, and is an Agricultural Product that is not yet in its produced state, but once produced, may be kept in good marketable conditions for substantial periods of time in inventory, without excessive storage or maintenance costs, until sold or otherwise disposed of during the Production Period for the purposes of the APP and which is identified as such in APPEDS;
- 1.30 "Storable Agricultural Product - Post-Production" means Storable Agricultural Product that is already in its produced state, may be kept in good marketable conditions for substantial periods of time in inventory, without excessive storage or maintenance costs, until sold or otherwise disposed of during the Production Period for the purposes of the APP and which is identified as such in APPEDS;
- 1.31 "Terms and Conditions" means the content of Part 3 of this Application and Repayment Agreement;
- 1.32 All other terms and phrases used in this Application and Repayment Agreement shall have the same meaning and definition as those contained in the Act or Regulations, including but not limited to "Agricultural Product", "Overpayment", "Related Producers" and "Settlement Agreement".

2.0 Credit Evaluation and Inspections

- 2.1 In evaluating the Producer's credit-worthiness (includes Related Producers such as Partners, Shareholders, Members, Guarantors), ACC is required to exercise due diligence in granting an Advance under the AMPA. The Producer must submit financial documents when requested by ACC or its authorized agents, or as requested in the Application Checklist. ACC or its authorized agents have the right to perform a credit check on the Producer or on any of the Producer's Partners/Shareholders/Members at any time during the term of this Repayment Agreement. ACC reserves the right to decline any applicant. If declined, an appeal process is available by a person or persons, not involved in the original decision;
- 2.2 AAFC requires a certain percentage of applicants be inspected prior to and subsequent to issuance of an Advance dependent on the Agricultural Product, security type, and based on loan audits. Examples of loan audits are: Advances ACC believes may be high risk exposures for repayment, default history of Producers, Advances on inventory itself, non-compliance with past repayments, advances repaid the last month before the program deadline, non-compliance with Proof of Sale requirements. Many inspections are also randomly selected to meet AAFC requirements. As AAFC's Administrator, ACC or its authorized agents have the right to inspect the Agricultural Product at any time while the loan is outstanding, and to request the Producer repays shortfalls within thirty (30) calendar days. Refusal of an inspection will result in an immediate default.

3.0 Fees and Interest Charges

- 3.1 A \$1,000 Administration fee will be deducted from the initial Advance of a Program Year for administrative services (e.g. receiving and processing applications, credit checks, lien searches, lien registrations). Non-Sufficient Funds (NSF) payments will be charged a \$100 NSF fee at time of occurrence and added to your loan balance. Any request for mailed documents (statement, application, etc.) will incur a \$5 fee to your total loan balance. Any costs incurred by ACC for couriering documents at your request will be added to your loan balance;
- 3.2 An additional standard **Default Administration fee at the rate of 3% will be applied to the outstanding balance as of thirty (30) calendar days after default** to recover costs related to the recovery of outstanding amounts from the Producer who is in default under the Repayment Agreement. Please refer to Subsections 6.2, Sections 8.0 and 9.0 of these Terms and Conditions for more details on Defaults, Interest Rates including Penalty for Repayments Without Proof of Sales (RWPS);

4.0 Issuance of the Advance

- 4.1 **Issuance of the Advance – Storable and Non-Storable (excludes Livestock):** In all instances, the Producer must provide a BRM Coverage Report and/or have sufficient security available (e.g. Production Insurance, AgriStability, Inventory) related to the Agricultural Product to justify the Eligible Advance in accordance with the amount requested by the Producer. ACC must obtain the Assignment of such security prior to executing this Repayment Agreement. Once confirmed, ACC shall then make an instalment of 60% of the estimated Eligible Advance on the Agricultural Product, as specified in Section 11 of this Application, using the applicable Advance Rate and Calculation Worksheets from ACC's Product & Rate List available on ACC's website @ www.agcreditcorp.ca. ACC shall make a single instalment of the entire estimated Eligible Advance on the Agricultural Product in cases where the Producer can identify, at time of application, the amount of the Agricultural Product currently in production by submitting a report confirming their production acreage and/or inventory such as: a Seeded Acreage Report, established perennials, grape underwriting report; when requesting an Advance for greenhouse and/or fresh market products; or when requesting an Advance for the Agricultural Product itself that is in storage/inventory. Where the Agricultural Product itself is used as security, the Producer must have sufficient Agricultural Product in storage/inventory to justify the Eligible Advance and consent to an inspection at the discretion of ACC. In all instances, the Producer must demonstrate that the Agricultural Product is of marketable quality and stored or maintained as such, until sold or disposed of in accordance with the Repayment Agreement;
- 4.2 The first instalment will be reduced if the Priority Agreements from secured creditors reflects a cap, in addition to being reduced by any applicable Administration fees. Applicants are subject to an inspection and a further review of the Producer's financial statements, or most recent income tax returns as specified in this Application or at ACC's discretion;
- 4.3 **The second (2nd) instalment** (if applicable) can only be issued after the Seeded Acreage Report is received at ACC from Agricornp. For Producers outside of Ontario or if using security other than Production Insurance/Crop Insurance, the Producer must sign a declaration confirming the actual acres planted or other current production as applicable (and consent to an inspection at the discretion of ACC) by completing the "Certificate of Acres Planted" form, included in the Producer's package or found on ACC's website. **The Seeded Acreage Report/Certificate of Acres Planted must be received prior to July 31st, 2024** (even when not requesting a 2nd Advance), so as to not be considered in default. Upon receipt, ACC shall recalculate the Eligible Advance in accordance with the Calculation Worksheets and automatically issue a second instalment to the Producer equal to the recalculated Eligible Advance less the 1st instalment and any other Advance under the APP from any other Administrator; Additional funds advanced at 2nd stage shall become part of this Repayment Agreement;
- 4.4 Should the documents required under Subsection 4.3 of these Terms and Conditions demonstrate that the actual acreage seeded or planted is not sufficient to justify the outstanding Advance to the Producer, or through no fault of the Producer, the coverage amount under the eligible BRM program or the value of the Agricultural Product once produced, are not sufficient to justify the outstanding Advance, ACC shall notify the Producer that they have 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%), whichever is greater; or if eligible, make a new application for an Advance on another commodity and have the proceeds applied to the deficit. Failing this, the Producer will be declared in default;
- 4.5 **Issuance of the Advance – Livestock:** The Producer must have sufficient Livestock in inventory being used as security to justify the Eligible Advance and consent to an inspection at the discretion of ACC. The Producer must also provide a BRM Program Report demonstrating participation in an eligible BRM Program (e.g. AgriStability) for the current Program Year which must be assignable to ACC for use in the event the Producer defaults. Once confirmed, and upon execution of this Repayment Agreement by ACC, ACC shall make an instalment of the estimated Eligible Advance on the Agricultural Product, as specified in Section 11 of this Application, using the applicable Advance Rate and Calculation Worksheets from ACC's Product & Rate List available on ACC's website @ www.agcreditcorp.ca. The Producer must participate in AgriStability or other eligible BRM program up until the reimbursement of such Advance. The Producer's instalment will be reduced if the Priority Agreement from the secured creditor reflects a cap, in addition to applicable Administration fees.

5.0 Post-Production Report – Storable and Livestock Advances (excludes Non-Storable Advances)

- 5.1 A Post-Production Report for any outstanding Advance issued on the Storable Agricultural Product – "In Production", and/or Advances for Livestock/Animals, Trees, Shrubs, Wheat, Maple Syrup, Hay, etc., issued between **November 1st, 2023 and September 30th, 2024 must be completed prior to December 31st, 2024 (and December 31st, 2025 for Cattle Producers)** to declare that the value held in storage or inventory at the Advance Rate is sufficient to cover the remaining outstanding Advance or otherwise be declared in default. The Producer must demonstrate that the Agricultural Product is of marketable quality and stored or maintained, so as to remain of marketable quality, until disposed of in accordance with the Repayment Agreement. The Post-Production Report is available on ACC's website, or you can contact our office at 1-888-278-8807;
- 5.2 Should the Post-Production Report demonstrate that the Agricultural Product in storage/inventory is not sufficient to justify the Advance issued to the Producer when the Agricultural Product was "In Production", ACC shall notify the Producer that they have 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%), whichever is greater or, if eligible, make a new application for an Advance on another commodity and have the proceeds applied to the deficit. Failing this, the Producer will be declared in default.

6.0 Repayment of All Advances and Proof of Sales

ACC is obligated to report (daily) to Agriculture and Agri-Food Canada (AAFC) all Producer repayments and agricultural products to which the repayments relate. For this reason, all repayments must always be accompanied and supported by Proof of Sales at time of repayment, unless otherwise specified below. **AAFC requires the name appearing on the sale match the name of the producer who received the advance.** (For example, a proof of sale issued to a company owned by an individual producer who actually received the advance is not valid.) Proof of Sales can be forwarded to repayment@agcreditcorp.ca, or by fax to 519-800-1306. **Note: All Repayments must be credited to the producer's interest-free account first, regardless of the agricultural product sold.**

- 6.1 **The Producer shall repay the amount of the Advance at the first sale or disposal of the agricultural product for which the advance was received and as specified in this Repayment Agreement to ACC before the expiry of the Production Period:**
 - a) where an Agricultural Product in respect of which the Advance is made is sold to a Buyer named by ACC, and by authorizing each buyer to withhold from the amount payable to the Producer, in respect of each sold unit of Agricultural Product, an amount at the Advance Rate in effect at the time the Advance was issued, and remit to ACC such amounts withheld until all the Advances made to the Producer and the interest payable by the Producer on those Advances are repaid. (A Letter of Direction to Buyer from Producer is available on ACC's website or contact ACC at 1-888-278-8807). The buyer is then to submit the proceeds, along with the completed Letter of Direction within thirty (30) calendar days of the sale directly to ACC towards repayment of the Producer's Advance and any accrued interest. It is the Producer's responsibility to ensure their buyer is submitting payments on time and that each repayment is supported by a Proof of Sale at time of repayment. The name appearing on the Proof of Sale must match the name of the Producer who received the loan Advance. For Producers delivering/selling grain and oilseeds to elevators/buyers, a Pre-Authorized Debit will only be taken after ACC receives a request to do so by the Producer and if a notice of settlement is provided by the Producer or elevators for products on which the Producer received an Advance, unless otherwise specified by the Producer;
 - b) excluding Continuous Flow Operations, where the Producer sells, processes, or disposes of that portion of Agricultural Product in respect of which the Advance is made, by paying directly to ACC for each unit of Agricultural Product, within thirty (30) calendar days of receipt of payment given 1. producer provides valid proof of sale at repayment; 2. producer provides a copy of the basis contract to the administrator; and 3. the producer will not receive payment at time of delivery, whichever is earlier, an amount at 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. **If the Producer's Proof of Sale reflects the repayment was not made within the 30 calendar day rule as mentioned above, Agriculture and Agri-Food Canada requires ACC charge the Producer a Penalty for Repayments Without Proof of Sales (RWPS) at the rate outlined in Section 9 of this Agreement, on the amount from the repayment deadline (30 days from the date on which the producer received payment for their product) to the day the repayment was made. The Producer has twenty-one (21) calendar days to repay the Penalty for Repayments Without Proof of Sales, otherwise be declared in default;**
 - c) by assigning to ACC amounts payable to the Producer under an eligible BRM program (including Targeted Advance or Interim Payments) which ACC will apply to repay the Advance within five (5) calendar 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. ACC will reimburse any amount received from a BRM program in excess of the outstanding Advance to the Producer within seven (7) calendar days of receipt. The Producer must submit Proof of Loss immediately to ACC. These rules also apply to Livestock; with the exception that ACC will only apply BRM payments to the Producer's outstanding balance if the Producer has defaulted;

- d) **for a Continuous Flow Advance**, where the Producer otherwise sells or disposes of that portion of the Agricultural Product in respect of which the Advance is made, by paying directly to ACC for each unit of Agricultural Product **within twelve (12) months** of the Advance being issued (provided they can demonstrate that they have sufficient animals in inventory "throughout" the Advance cycle period to cover the Advance) but no later than the end of the Production Period, an amount of at least the Advance Rate in effect at the time the Advance was issued, per production unit sold, until all the Advances made to the Producer and the interest payable by the Producer on those Advances are repaid. For greater clarity, this means depending on the date the Advance was received, the cycle may be less than twelve months. The total repayment must be supported by Proof of Sales with the name on the Proof of Sale matching the name on the loan Advance if inventory falls below the minimum inventory applied and funded for;
 - e) Repayment can be made via (i) pre-authorized payment at time of application, or by calling or emailing our repayment department; or (ii) through your financial institution online by selecting the payment company "AGRICULTURAL CREDIT CORPORATION" as the payee. For more information, please reach out to our repayment department.
- 6.2 **In addition to the mandatory payments and requirements under Subsection 6.1, the Producer may choose to reimburse the Advance:**
- a) by making a repayment without Proof of Sale up to the greater of **\$10,000 or ten percent (10%)** of the total amount of the Advance. If the Producer chooses to repay an amount in excess of such amounts without Proof of Sale of the Agricultural Product, the Producer will be charged a **Penalty for Repayment Without Proof of Sale (RWPS) at the rate outlined in Section 9 of this Agreement, on the excess amount from the day the Advance was issued to the day the repayment was made (per Program Year). The Producer has twenty-one (21) calendar days to repay the Penalty for Repayment Without Proof of Sale (RWPS)**, otherwise be declared in default;
 - b) by paying directly to ACC any amount received by the Producer under an eligible BRM program before the end of the production period;
 - c) by paying directly to ACC any amount (at a higher rate per unit) received by the Producer, not exceeding the proceeds evidenced by Proof of Sale with the name on the Proof of Sale matching the name of the Producer who received the loan Advance. The decision to repay at a higher rate must be made at time of payment;
 - d) Notwithstanding subclause 6.2 (a) of this Agreement, a repayment **without selling** the Agricultural Product can be made if ACC 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 by the Producer, and prior to the repayment being made, or an inspection will be conducted, and will be at the expense of the Producer;
 - e) Notwithstanding subclause 6.2 (a) of this Agreement, **a repayment without Proof of Sale that the Agricultural Product has been sold can be made on a Storable or Non-Storable Agricultural Product (excluding advances on animals and Livestock) between the start of the production period and January 31st, 2025;**
 - f) **All Non-Storable products, Cut Flowers, Potted Plants, Trees, Shrubs, and Evergreens must be repaid by a scheduled pre-authorized debit which must coincide with the Producer's anticipated marketing dates.** AAFC will accept the Producer's Sales Repayment Schedule to act as Proof of Sales as long as it is adhered to. It is important that the Producer is accurate in forecasting these repayments, as a change to the Sales Repayment Schedule is subject to an inspection and may be at the expense of the Producer. Please refer to the Privacy and Consent to Disclosure of Information - Pre-Authorized Debit;
- 6.3 In the event that the Producer repays the amount of the Advance to ACC by selling the Agricultural Product or part of the Agricultural Product in the manner described in paragraph 6.1 (a) of these Terms and Conditions, the Producer shall:
- a) indicate in writing to ACC to which buyer, named by ACC, the Agricultural Product will be sold prior to selling the Agricultural Product to such buyer;
 - b) notify ACC immediately upon receiving any information to the effect that the named buyer is not promptly remitting to ACC the amount so withheld; and
 - c) remain liable to ACC for repayment of any part of the Advance where the said buyer has failed to remit to ACC that part of the Advance withheld by it pursuant to its agreement with ACC;
- 6.4 In the event there remains an outstanding balance on the repayment deadline, it is the responsibility of the producer to contact ACC to complete the Pre-Authorized Debit request which may be considered a Repayment Without Proof of Sale per Section 6.2. Repayments will first be applied to any outstanding default amounts (if applicable) and then applied on the basis of "oldest advance first", then applied against any interest-free principal portion, regardless of the Agricultural Product first advanced on or sold, then to interest-charges applied (if applicable), then applied to any interest-bearing principal portion of the Advance (if applicable), and lastly applied to fees added after loan advanced;
- 6.5 **The Producer must submit (if applicable) a Seeded Acreage Report prior to July 31st and a Post-Production/Inventory Confirmation Report prior to December 31st as defined in the Repayment Chart found on pg. 9 in this Application & Repayment Agreement, or will be declared in default;**
- 6.6 For Advances issued on Storable Products "Post-Production" (already in storage/inventory) and/or Advances on Livestock: Through no fault of the Producer, should the quantity of the Agricultural Product used to secure the Advance not be sufficient to justify the outstanding Advance, (i.e. ceases to be in marketable condition), ACC shall notify the Producer that they have 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 (\$10,000) dollars or ten percent (10%). Failing this, the Producer will be declared in default. Upon reimbursement of the part of the outstanding amount of the Advance that exceeds the reduced coverage, if the Producer was under the Continuous Flow Operation, the Producer remains eligible to the Continuous Flow Operation Terms and Conditions (e.g. Advance Cycle or end of the production period terms) for the outstanding balance of the Advance;
- 6.7 Should the quantity of the Agricultural Product used to secure the Advance be reduced, through an act of the Producer, and not be sufficient to justify the outstanding Advance, ACC shall notify the Producer that they have thirty (30) calendar days to repay the part of the outstanding amount of the Advance that exceeds the reduced coverage. Failing this, the Producer will be declared in default. If the Producer was under the Continuous Flow Operation terms, ACC will also notify the Producer of the loss of the benefits of the Continuous Flow Operation and that the reimbursement of the outstanding Advance will have to be made with every subsequent sale along with Proof of Sales.

7.0 Security

- 7.1 The Producer hereby grants to ACC a continuing security interest in the Producer's Agricultural Product, in any Agricultural Product produced in a subsequent production period by the Producer and all proceeds, to secure repayment of the Producer's debt owing to ACC arising from this Repayment Agreement and in accordance with Sections 22 and 23 of the Act. The Producer declares that ACC's security interest in the Agricultural Product shall rank prior to the interest of any other secured creditor or security holder and the Producer shall assist ACC in obtaining Priority Agreements from all secured creditors, including input suppliers who have or may be entitled to have a security interest in the Agricultural Product. The Producer agrees and consents to, that upon default, ACC 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 the Producer's debt owing to ACC arising from this Repayment Agreement, including interest and legal costs on a full indemnity basis. For a Continuous Flow Advance, the level of inventory on which the Advance was calculated must be the minimum inventory maintained throughout the Advance Cycle;
- 7.2 Where Production/Crop Insurance (PI) is used as security: The Producer (The Assignor), hereby transfers, assigns any indemnity and sets over to ACC all of his/her/their right, title and interest in the proceeds to be received from the Production/Crop Insurance Program for the current Program Year.
- 7.3 Where AgriStability or ASRA (Assurance Stabilisation des Revenu Agricole, QC only) is used as security: The Producer (Assignor) hereby transfers, assigns and sets over to ACC all of his/her/their right, title and interest in the proceeds to be received from the AgriStability or ASRA program in the current year and all future years until such a time as the loan Advance for which this BRM program is used as security has been paid in full, and a liability to ACC no longer exists and the security is released by ACC or AAFC. I/We or the Partnership/Corporation/Cooperative which I/we represent, as the case may be, acknowledge and hereby agree that this assignment of proceeds is not affected should I/we or the Partnership/Corporation/Cooperative, as the case may be, become in default under the Advance Payments Program 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 ACC, any documents or agreements that may be reasonably requested.
- 7.4 Notification of this Agreement all outlined in Section 7.0 of the Terms & Conditions, and at the BRM Administrator's request, a copy of this assignment will be provided to the BRM Administrator and the BRM Administrator's payment of benefits to producer will be subject to this Assignment Agreement, and benefits payable will be reduced by any amounts requested by ACC to repay Advances issued by ACC to the producer. For greater certainty, this Assignment Agreement is for all of the Assignor(s) right, title and interest in the proceeds payable to the Assignor(s) under any BRM program associated with the Agricultural Product(s) for which any Advances are ultimately used. In the event that Advances are used for Agricultural Product(s) other than those listed in this Assignment Agreement, the details of any applicable policy shall be provided to ACC promptly and such policy shall be deemed to be immediately assigned to ACC in accordance with the terms herein. If the Producer's anticipated crops to be planted changes and the confirmation of planted crops is obtained, the confirmed planted crop used to grant a second loan advance. The Assignor expressly provides ACC with authority to

automatically request the assignment for this crop without written authorization of the Assignor and further provides ACC with the authority to request that the applicable BRM Administrator acknowledge such deemed assignment (e.g. Confirmation of Seeded Crop differs from Anticipated Crop advanced at 1st stage).

- 7.5 The Assignor(s) acknowledge(s) that it/they has/have agreed with the BRM Administrator in program agreements or applications that the BRM Administrator may share information with ACC and AAFC relating to the producer's participation in BRM programs and benefits payable under these programs. The Assignor(s) shall notify ACC and the BRM Administrator of any name change(s) in writing within one (1) business day of any such change(s). For greater certainty, a name change of any Assignor(s) will have no impact whatsoever on the transfer, assignment and setting over of the Assignor(s) right, title and interest in policy proceeds provided for in this Assignment Agreement.
- 7.6 For all Advances (excluding Livestock Advances except where the Livestock Producer defaults), the Producer hereby transfers, irrevocably assigns the Producer's current and future BRM Program payments to ACC to further secure repayment of all monies owing by the Producer to ACC arising from this Repayment Agreement. The Producer acknowledges and agrees that all BRM Program payments (including Interim Payments) will be paid automatically to ACC until the Producer's debt owing to ACC arising from this Repayment Agreement is repaid in full;
- 7.7 If it has not already been done, the Producer(s) authorizes ACC to register or otherwise perfect/publish the security in accordance with the laws and regulations of the province (i.e. PPSA) where the Agricultural Product is located on the Advance issued to the Producer. Should the Producer go into default, the Producer(s) authorizes ACC to register a lien against any future agricultural product to cover the portion of the default and all applicable related costs to recover debt. For greater clarity, the Producer agrees, understands, and authorizes ACC to register financing statements at such provincial Property Security registries. The Producer hereby waives all rights to receive from ACC a copy of any financing statement or confirmation statement issued at any time respecting ACC's security interests;
- 7.8 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;
- 7.9 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 ACC and the Producer becomes liable to ACC for the portion of the guaranteed 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;
- 7.10 For all Advances issued under this Agreement, the Producer must inform ACC of any changes to the security coverage on their Advance. ACC must then recalculate the Maximum Eligible Advance which may be used as a trigger for an Overpayment pursuant to Paragraph 10 (2) (c) of the Act.

8.0 Default

- 8.1 If the Producer defaults on one deadline, the entire loan (all commodities) is declared in default and the interest-free benefit is lost. The Producer is in default if the Producer:
- has not met all their obligations under the Repayment Agreement by the end of the Production Period for which the Advance was made;
 - makes a filing or is the subject of any filing made under the *Bankruptcy and Insolvency Act* or any other legislation dealing in any way with insolvency matters and/or the protection of creditors' rights, including the *Bankruptcy and Insolvency Act*, *Companies' Creditors Arrangement Act* or *Farm Debt Mediation Act*;
 - has not met all relevant obligations under the Repayment Agreement when becoming the subject of proceedings under the *Companies' Creditors Arrangement Act* or has made an application under Section 5 of the *Farm Debt Mediation Act*; or
 - is, in ACC's opinion, at fault for causing or contributing to a decrease in the value of the security taken by ACC under Section 12 of the *Agricultural Marketing Programs Act* and, as a result, the value of the security is less than the value of the outstanding amount of the Advance;
 - is otherwise declared in default by ACC in accordance with this Repayment Agreement;
 - refusal of an inspection;
 - makes any representation, warranty, statement, or disclosure in connection with this APP Application that is false or erroneous in any material respect;
- 8.2 ACC shall declare a Producer in default and immediately inform them of the same, if the Producer:
- has not met all of their obligations under this Repayment Agreement within twenty one (21) calendar days after the day on which ACC provides notice to the Producer setting out the particulars of any obligation the Producer has failed to meet (e.g. Repayment Interest Penalties, Overpayments);
 - at any time, breaches irremediably any substantial obligation under the Repayment Agreement, including breaching the obligation to store the Agricultural Product (where applicable) or to maintain it so that it remains of marketable quality; or
 - provides false or misleading information to ACC for the purpose of obtaining a guaranteed Advance, or evading compliance with an undertaking to repay;
 - benefiting from a Stay of Default becomes in default under the terms of the Stay of Default, then the Producer shall immediately be considered in default under the Repayment Agreement;
 - who requested an Advance and who was obligated to submit reports (if applicable), within the date specified in the APP Application and Repayment Agreement and failed to do so (i.e. Seeded Acreage Report, Post-Production/Inventory Confirmation Report) in accordance with Sections 4.0 and 5.0;
- 8.3 Upon default, the Producer is liable to ACC for:
- the outstanding amount of the guaranteed Advance;
 - the interest at the rate specified in Section 9.0 of these Terms and Conditions on the outstanding amount of the Advance, calculated from the date the Advance was cashed until the Advance is repaid;
 - costs incurred by ACC to recover the outstanding amount and interest including legal costs such as costs relating to attorneys, paralegals, legal expenses, expenses for bankruptcy, post-judgement, appeals, court costs, in addition to all other amounts permitted by law and approved by the Minister on a full indemnity basis; and
 - an additional standard **Default Administration fee at the rate of 3% will be applied to the outstanding balance as of thirty (30) calendar days after default** to recover costs related to the recovery of outstanding amounts from the Producer who is in default under the Repayment Agreement;
- 8.4 For Livestock and Animal applicants, the Producer agrees to assign to ACC (if not already done so) amounts payable to the Producer under current and any future eligible BRM program as identified this APP Application and Repayment Agreement for the repayment of the amount of the Advances plus interest and costs provided for in this Repayment Agreement;
- 8.5 If the Producer is declared in default and the Minister makes payment under the guarantee, the Minister is subrogated to all rights of ACC against the defaulted Producer and against any other persons liable under this Repayment Agreement to the extent that the Minister pays the Producer's outstanding amounts, including interest and related costs. In such a case, the Minister may maintain an action, in the name of ACC or in the name of the Crown, against the Producer. The Producer is, in addition to the amounts stated in Section 7.0 and Subsection 8.3 of these Terms and Conditions, liable to the Minister for interest at the rate specified in Subsection 9.2 on the amount of the Producer's liability under Section 7.0 and Subsection 8.3 of these Terms and Conditions and the costs incurred by the Minister to recover the amount, including legal costs on a full indemnity basis;
- 8.6 If the Producer is in Default, and the Default amount is repaid by the Minister under the Guarantee, becoming a debt to the Crown, the Producer's information, including the amount owed, will be shared with other organizations including credit bureaus by AAFC. Additionally, the debt will show up on the Producer's credit reports and may effect their credit scores.
- 8.7 Producer ineligibility period is set as the following: 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 compromise settlement terms; 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*; A producer that is intentionally providing false information in order to obtain an advance, or obtained an advance through deceit, or avoid penalties will be made ineligible for five (5) years.

9.0 Interest Rates

- 9.1 **The interest payable by the Producer during the Program Year while in compliance with the AMPA and this Repayment Agreement will be:**
- 0% on the amount up to \$100,000;
 - Bank of Nova Scotia Prime rate calculated daily and compounded monthly, on the amount over \$100,000. The interest rate negotiated with Bank of Nova Scotia is different than what is charged by ACC. The difference is used to cover a portion of the APP administrative costs;

- c) Bank of Nova Scotia Prime rate plus 0% on the interest free portion or 1% on the interest-bearing portion on repayments without Proof of Sale in excess of the greater of \$10,000 or ten percent (10%) (per program year, not per repayments) on the excess of such amount, from the day the advance was issued to the day the repayment was made, calculated daily and compounded monthly; and
 - d) Bank of Nova Scotia Prime rate plus 0% on the interest free portion or 1% on the interest-bearing portion on repayments with Proof of Sales that exceed the 30 day deadline described in Section 6.1(b), on the repayment amount from the repayment deadline (30 days from the date on which the producer received payment for their product) to the day the repayment was made, calculated daily and compounded monthly.
- 9.2 **In the event that the Producer is declared in default, the interest payable by the Producer pursuant to paragraph 22 (b) of the Act will be:**
- a) Bank of Nova Scotia Prime rate plus 1%, calculated daily and compounded monthly, on the amount of the outstanding balance from the date the Advance was cashed to the date the Producer was declared in default; and
 - b) Bank of Nova Scotia Prime rate plus 3%, calculated daily and compounded monthly, on the amount of the outstanding Producer's liability from the date of default until the Advances, interest and all costs of collection are repaid in full.

10.0 General Provisions

- 10.1 The Production Period and Program Year is described in the chart on page 9 and also found in the Product and Rate List;
- 10.2 The Advance under these Terms and Conditions is deemed to have been received on that portion of the Producer's Agricultural Product first sold. The Producer shall not dispose of any other part of the Agricultural Product, in any manner, before disposing of that portion of the Agricultural Product for which the Advance was received. In cases of Livestock, 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 Advance under these Terms and Conditions is deemed to have been received on that portion of the Producer's Agricultural Product;
- 10.3 An agricultural product will be considered ineligible under the APP if the product has been subjected to a process that changes the state in which it grew or has been harvested, or which goes beyond what is necessary for storage and prevention of spoilage;
- 10.4 This Repayment Agreement shall automatically become effective, without any further action on the part of the parties, upon approval and execution of this Agreement by ACC, and shall terminate upon repayment of all Advances and any other outstanding amounts provided for in this Agreement;
- 10.5 This Repayment Agreement is a contract made under and shall be governed and construed in accordance with the laws of the province in which the Agricultural Product is produced and the federal laws of Canada applicable therein. The Producer attorns and submits to the non-exclusive jurisdiction of the courts of the Province of Ontario, and all courts competent to hear appeals therefrom, in any action or other proceeding arising out of or relating to this APP Application and Repayment Agreement and the Producer consents to all claims in respect of any such action or other proceeding being heard and determined in such courts;
- 10.6 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;
- 10.7 In the event that any part of this Repayment Agreement is found to be invalid by a court of law, then such part shall be deemed to be severed from this Agreement and the Producer agrees to be bound by the terms and provisions of the balance of this Repayment Agreement;
- 10.8 This Repayment Agreement shall not terminate by reason of death or disability of the Producer, but shall continue to be binding upon the personal representatives who shall execute any instruments which may be necessary or proper to carry out the purpose and intent of this Agreement;
- 10.9 The Producer agrees to provide ACC with any information requested by ACC to substantiate the statements made in this APP Application to further satisfy eligibility requirements. Failure to provide such information as requested by ACC may result in a rejection of the Application or in the Producer's being declared in default if the Advance has been issued;
- 10.10 For the purposes of giving effect to any of the Producer's undertakings under the Repayment Agreement, notably concerning the Priority Agreements, the security and assignment of rights, the Producer shall make, execute and deliver to ACC any documents or Agreements as ACC may reasonably request, including security agreements, assignments and financing statements;
- 10.11 Where ACC 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 and the Farm Debt Mediation Act, or is otherwise not credit worthy as determined at the sole discretion of ACC, the Producer's application must and will be rejected;
- 10.12 No amendment to this Repayment Agreement which may result in the reduction of the value of the security pursuant to Section 7.0 of these Terms and Conditions, 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 Agricultural Product (in the case of Crop Inputs) has decreased 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; or
 - b) the cost of feed has increased to the point where it is more beneficial to feed the Agricultural Product to the Producer's animals than to purchase feed.
- 10.13 Unless authorized by the Minister, any Amendment to the Repayment Agreement as per Subsection 10.12 of these Terms and Conditions will not be retroactive and will come into force on the day that the Amendment is signed and will substantially conform to ACC's Amendment of the Repayment Agreement. The parties recognize that any interest benefit received as a result of Subsection 9.1(a) of this Agreement before the coming into force of the Amendment does not need to be reimbursed;
- 10.14 All parties herein agree that should there be any discrepancies between this Repayment Agreement and the AMPA and its regulations, the AMPA and its regulation will supersede this Agreement.
- 10.15 The information on the Application & Repayment Agreement forms are collected under the authority of section 10 of the Agriculture Marketing Programs Act. Any personal information provided by ACC to Agriculture and Agri-Food Canada (AAFC) will be used to administer the APP in accordance with the Privacy Act. The information may also be used for statistical or evaluation purposes. 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@AGR.GC.CA and reference AAFC's personal information bank Agriculture Marketing Programs Act: Advance Payments Program, PPU 140.

The Producer(s) signing this APP Application hereby declare(s) and certify that they meet all eligibility requirements outlined in [Subsection 10 of the Act](#) and certify that:

- 1) I am applying as an Individual or on behalf of the Partnership/Corporation/Cooperative which I represent, and have authority to make an application for an Eligible Advance pursuant to the Advance Payments Program (APP) and confirm the application reflects the current organizational structure since the previous filing of the Applicant's Declaration, if applicable;
- 2) I am, or at least one of the Partners/Shareholders/Members of the Partnership/Corporation/Cooperative which I represent is of the age of majority and a Canadian citizen or a Permanent Resident of Canada within the meaning of Subsection 2(1) of the Immigration and Refugee Protection Act;
- 3) I am, or at least one of the Partners/Shareholders/Members of the Partnership/Corporation/Cooperative which I represent is the owner of the Agricultural Product(s), and is responsible for marketing the Agricultural Product(s) pledged in this Application and Repayment Agreement;
- 4) No other person has or will be given an interest in the Agricultural Product(s) with respect to which this APP Application is made and the Agricultural Product(s) will be sold in my/our name or the name of the Partnership/Corporation/Cooperative which I/we represent and in the same name as the Applicant;
- 5) For the purpose of applying as a Partnership/Corporation/Cooperative all Partners/Shareholders/Members who have an interest in the entity are listed in this APP Application and Repayment Agreement;
- 6) I/We shall respect the terms of the BRM program used as security as per the Terms and Conditions and shall ensure that any payments from the BRM Program related to the Agricultural Product(s) are forwarded to ACC up to the extent of the Eligible Advance and I/we will notify ACC if further requests for an assignment of the BRM program proceeds are made, granted or registered. I/We or the Partnership/Corporation/Cooperative which I/we represent, as the case may be, acknowledge and hereby further agree that assignment of proceeds is not affected should I/we or the Partnership/Corporation/Cooperative, as the case may be, become in default under the Advance Payments Program Repayment Agreement;
- 7) I/We acknowledge and agree that ACC, may register an assignment with the Business Risk Management Administrators (e.g. Agricorp) without further notice, giving ACC priority on any Production Insurance or AgriStability payouts up to the amount owing on the Advance, plus any interest and fees;

- 8) I/We am/are not required by the Income Tax Act (Canada) to report income from other farming operations or other corporations carrying on a farm business, other than the one(s) named in this APP Application, otherwise I/we have listed in this APP Application all other farming operations and corporations carrying on farm operations in which I/we have an interest;
- 9) Neither I, nor any of the farming operations listed in this APP Application and Repayment Agreement, nor the Partnership/Corporation/Cooperative, or any of the Partners/Shareholders/Members listed in this APP Application and Repayment Agreement, has an outstanding Eligible Advance from previous Production Periods for an Agricultural Product, that has not been identified in this application, and neither I, nor any of those farming operations, nor the Partnership/Corporation/Cooperative which I represent, nor Partners/Shareholders/Members, are in Default under any Repayment Agreement pursuant to the *Advance Payments for Crops Act (APCA)*, the *Prairie Grain Advance Payments Act (PGAPA)*, *SCAP*, *ESCAP*, or *AMPA*;
- 10) Neither I, nor the Partnership/Corporation/Cooperative which I represent, as the case may be, is ineligible under an Advance Guarantee Agreement made pursuant to *AMPA*, the Spring Credit Advance Program (*SCAP*) or the Enhanced Spring Credit Advance Program (*ESCAP*);
- 11) I, or the Partnership/Corporation/Cooperative which I represent, as the case may be, has made an application for an Advance on a Storable Agricultural Product or a Non-Storable Agricultural Product, or on Animal or Livestock inventory, as the case may be, and made an application for Production/Crop Insurance and/or am/are participating in an eligible Business Risk Management program (e.g. AgriStability) as outlined in this APP Application and Repayment Agreement and I, being authorized to certify, including on behalf of the Partnership/Corporation/Cooperative as applicable, am able to declare to having given ACC security assignment on my/our BRM identified in this Application as required for the specific class of Agricultural Product(s);
- 12) I, or the Partnership/Corporation/Cooperative which I/we represent, as the case may be, and who is requesting an Advance on a Storable Agricultural Product in Post-Production, or on Animal or Livestock inventory, that is not subject to an Emergency Advance, declare that I/we have the quantity of Agricultural Product(s) in storage/inventory as declared in the Calculation Worksheets to justify the amount Advanced in this Application and Repayment Agreement;
- 13) Except in the case of Emergency Advances for "severe economic hardship", I/we or the Partners, as applicable, declare having submitted the duly completed Application information for ACC to initiate Priority Agreements required for every secured creditor that has an assignment on the proceeds of Production Insurance and/or AgriStability, or inventory used to secure the Advance, as applicable, and/or holds a lien or encumbrance on the Agricultural Product(s) listed in this Application and Repayment Agreement, as well to be obtained from my/our main input suppliers listed in this Application that has, or could have security interest in or lien on the Agricultural Product(s) for which the Advance is to be made;
- 14) I, or the Partnership/Corporation/Cooperative, as applicable, and Guarantor(s), agree(s) that a credit check and an inspection of the Agricultural Product may be performed at any time prior to the advance or while the Advance is outstanding, and to pay the applicable fees listed in Section 3 of these Terms & Conditions;
- 15) I, or the Partnership/Corporation/Cooperative, as applicable, declare that I/we have read and understand the Application Fees and Interest Charges outlined in the Terms and Conditions and agree that ACC will deduct from the Advance the applicable Administration fees, and add relevant fees to the loan balance as outlined in Section 3 of these Terms & Conditions (e.g. any postage/ mailing, courier related costs, NSF fees, collection/default fees);
- 16) I/We understand that the Advance Rate per unit used to calculate my/our Eligible Advance was obtained by subtracting the Administrator's percentage of 1% from 100%, and applying this factor to the maximum Advance Rate per production unit as determined by the Minister in accordance with Section 19 (2) of the *AMPA*;
- 17) I, or the Partnership/Corporation/Cooperative, as applicable, declare that I/we are aware there could be a change in the Advance Rate any time in the production year to better accommodate current market prices; that any subsequent request(s) for an Advance will be issued based on the new Advance Rate, if applicable;
- 18) I, or the Partnership/Corporation/Cooperative, as applicable, declare that my/our Agricultural Product(s) is/are of marketable quality and stored or maintained, as such, until disposed of in accordance with the Repayment Agreement. I/We further agree, if the Agricultural Product(s) become(s) unmarketable, to notify ACC and to repay the Advance within thirty (30) calendar days, otherwise be declared in default;
- 19) I, or the Partnership/Corporation/Cooperative declare the only liens or encumbrances on the Agricultural Product(s) are those listed in this APP Application;
- 20) In the event of a default, I/we, or the Partnership/Corporation/Cooperative or its Shareholders/Members/Partners, as the case may be, which I/we represent, acknowledge that I/we or the Partnership/Corporation/Cooperative or its Shareholders/Members/Partners 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 all recovery costs;
- 21) I, or the Partnership/Corporation/Cooperative, as the case may be, declare that this APP Application is consistent with the purpose of the APP;
- 22) I, or the Partnership/Corporation/Cooperative, as the case may be, declare and certify that all of the information provided in this APP Application is complete, accurate, true and correct in every respect and acknowledge and understand that providing false or misleading information will result in an automatic default with the loss of all benefits related to the APP;
- 23) I, or the Partnership/Corporation/Cooperative, as the case may be, understand that failing to comply with the APP Application and Repayment Agreement requirements may delay the processing of the APP Application or may render me/us or the Partnership/Corporation/Cooperative which I/we represent ineligible for receiving Eligible Advance(s) under the APP;
- 24) I, or the Partnership/Corporation/Cooperative, as the case may be, declare that we have read, understand and agree to submitting required Proof of Sales (where applicable) at time of repayments, otherwise I/we and the Partnership/Corporation/Cooperative which I/we represent will be subject to interest penalties;
- 25) I/We agree that if I/we reside in the province where the legislation allows for the extension of the limitation period, to extend the limitation period and to take any necessary steps as determined by ACC to ensure that the limitation period of seeking a remedial order for claims arising from this application shall be extended from the date ACC knew, or in the circumstances, ought to have known, of the claim. Where possible, according to the provincial legislation, I/we further agree that the extended limitation period should be of six (6) years;
- 26) If I/we am/are or any Partners/Corporation/Cooperative, as applicable, is a current or former public office holder, public servant or Member of the House of Commons, I/we am/are not prohibited to derive benefits from the APP under any applicable federal conflict of interest or ethical principles and I/we am/are in compliance with applicable federal conflict of interest or ethical principles, rules and obligations;
- 27) I, or the Partnership/Corporation/Cooperative, as the case may be, acknowledge that, in cases where the Producer is declared in default and the Minister makes payment under the Guarantee, the Minister is subrogated to ACC's rights against the Producer in default and against persons who may be personally liable under this Repayment Agreement;
- 28) I, or the Partnership/Corporation/Cooperative, 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 am/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;
- 29) I, or the Partnership/Corporation/Cooperative, as the case may be, have read all the Terms and Conditions which are attached to and form part of this APP Application, including those in this Section and I/we and the Partnership/Corporation/Cooperative which I/we represent agree to comply with all such Terms and Conditions and to provide any additional information required in order to demonstrate to ACC that I/we is/are capable of meeting my/our obligations under the Repayment Agreement;
- 30) I/We acknowledge and agree that I/we am/are solely responsible for meeting all deadlines and will ensure if a third party submits payments or documents on my/our behalf, that it/they is/are received in ACC's office on time. Failing this I/we understand that I/we will be declared in default;
- 31) I, or the Partnership/Corporation/Cooperative, as the case may be, have received, or have had the opportunity to receive independent legal advice with respect to the subject matter of this APP Application, including each of the Appendices attached hereto and each of the Agreements I/we have made in this APP Application;
- 32) I, or the Partnership/Corporation/Cooperative, as the case may be, acknowledge and agree that the execution by the Producer as directed in this Application and Repayment Agreement evidences Producer's agreement to be bound by all Terms and Conditions contained in this Application and each of the Appendices attached hereto, including without limitation in respect of any assignment, undertaking, covenant, agreement, consent, authorization (including authorization for Pre-Authorized Debits), acknowledgement, representation and/or declaration of the Producer's included in this Application and each of the Appendices attached hereto and if applicable, additional documentation required such as Seeded Acreage Reports and Post-Production/Inventory Confirmation Reports;
- 33) I/We authorize ACC to amend sections of the application upon request of my/our, the Applicant's (borrower's), phone recorded verbal consent, and upon ACC obtaining security questions from the borrower without the requirement of a written consent to correct any mistakes, omission, inconsistency as well as give consent such as I/our request to add names to our account for disclosure purposes; adding a commodity or amending a commodity at second stage and obtaining an Assignment on the commodity advanced that is based on our confirmed seeded acreage reports; scheduling a Pre-Authorized Debit payment. Except as specifically provided of what may be amended, the Loan Repayment Agreement shall remain unmodified and in full force and effect. Such amendments may be executed in one or more counterparts all of which shall be considered one and the same agreement and shall be effective when ACC delivers a confirmation of amendments to the applicants email provided on page 1 of the Loan Application & Repayment Agreement.

34) PRIVACY AND CONSENT TO DISCLOSURE OF INFORMATION

Producer(s) and Guarantor(s) hereby authorize(s) and consent(s) to the obtaining by ACC, AAFC and its agent, UpLevel Global, or any other agent that may be selected by ACC, of credit information, including, but not limited to your credit history, a credit report, other financial related information, inventory levels, relating to the Producer(s) and Guarantor(s) from affiliated and subsidiary companies of ACC, credit bureaus, agencies, banks, credit unions, trust companies, financial institutions, creditors, guarantors, lenders, grain elevators, producer organizations, Farm Credit Canada (FCC), suppliers, government ministries, departments and agencies (federal, provincial or territorial) and such other third parties as ACC shall decide upon from time to time (all of the foregoing hereinafter "Third Parties") and to the collection, use and disclosure by ACC to any such Third Party, or by any such Third Party to ACC, of the personal, business and commercial information about Producer(s) and Guarantor(s) for the purpose of: (i) verifying and determining the Producer's eligibility and continuing eligibility for Eligible Advance(s), including verifying inventory levels, sales information, with grain elevators, buyers, producer organizations; (ii) verifying and determining the status of Eligible Advance(s); (iii) assignment and realizing on the security for Eligible Advance(s); (iv) verifying and determining the indebtedness of Producer(s) to Third Parties and/or the creditworthiness of the Producer(s), and (v) obtaining Priority Agreements;

I/We authorize a complete and signed copy of this APP Application and Repayment Agreement can be provided and relied upon by Third Parties as Producer's and Guarantor's authorization and consent for the Third Parties to such disclosures;

Producer(s) and Guarantor(s) hereby authorize(s) and consent(s) to: the collection, use and disclosure by ACC from and to all such persons listed as Producer(s) and Guarantor(s) hereunder and all such persons listed in the authorization form attached hereto ("Authorized Persons") and to AAFC, OMAFRA and Farm Credit Canada (FCC) of the personal, business and commercial information about Producer(s) for the purpose of:

(i) verifying and determining the Producer's eligibility and continuing eligibility for Eligible Advance(s); (ii) verifying and determining the status of Eligible Advance(s); (iii) assignment and realizing on the security for Eligible Advance(s); and, (iv) verifying and determining the indebtedness of Producer(s) to Third Parties and/or the creditworthiness of the Producer(s);

Unless a Producer withdraws consent by notifying ACC by email at advance@agcreditcorp.ca or by calling 1-888-278-8807, the Producer hereby authorizes and consents to the use by ACC of the personal, business and commercial information about the Producer for the purpose of contacting the Producer(s) to provide information in relation to other programs offered or administered by ACC;

Producer(s) and Guarantor(s) hereby authorize(s) and consent(s) to:

- a) the disclosure by AAFC, OMAFRA, AGRICORP and/or other Provincial Insurance/BRM Program agencies to ACC and AAFC to each other of such information regarding Producer(s) as either may have in their respective files, including but not limited to those of any Crop or Production Insurance and BRM Program, Seeded Acreage Reports, Final Yields, Premium Payment Confirmation, Proof of Loss or other claims in which ACC has assignment;
- b) the disclosure by ACC of such information as is contained in or related to this APP Application to AAFC, OMAFRA, AGRICORP and/or other Provincial Insurance/BRM Program agencies and the use of such information by OMAFRA, AGRICORP and/or other Provincial Insurance/BRM Program agencies as authorized by the *Ministry of Agriculture, Food and Rural Affairs Act*, R. S. O. 1990, c. M. 16. as amended or re-enacted from time to time. For the purpose of registering the assignments, Producer(s) consent(s) that ACC will register the assignment and update producer balances with the Business Risk Management Agencies such as AGRICORP, as new transactions occur. Producer(s) acknowledge(s) that information held by OMAFRA, AGRICORP or other Provincial Insurance/BRM Program agencies may be disclosed to Third Parties pursuant to the provisions of the *Freedom of Information and Protection of Privacy Act*. Questions and concerns regarding such collections, use and disclosure by OMAFRA and/or AGRICORP should be directed to: The Director, Farm Assistance Programs Branch, OMAFRA and/or AGRICORP, 1 Stone Road West, Guelph, Ontario (N1G 4Y2);
- c) the obtaining from and disclosure by Third Parties to ACC and AAFC, of the Producer's sales reports; and
- d) the disclosures described in Sections 35 of these Declarations & Attestation hereof.

Producer(s) and Guarantor(s) hereby authorize(s) and consent(s) to ACC and AAFC:

- a) collecting the information contained in, with, or pursuant to this APP Application;
- b) using the information for the purposes of assessing the APP Application, administering, auditing, analyzing and evaluating the APP;
- c) conveying the information contained in this APP Application and associated documentation, both personal and otherwise, to provincial governments and their agencies, insurance agencies, financial institutions, input suppliers, buyers, agents selected by ACC to inspect for the purposes of verifying APP entitlements, inclusive of inventories, sales information, to justify eligibility and continued eligibility for Advance(s), assignment and realization of security; and
- d) conveying the information contained in this APP Application and associated documentation, both personal and otherwise, to other organizations administering the APP, for the purposes of verifying benefits under the APP;
- e) conveying the information contained in this APP Application and associated documentation, both personal and otherwise, to other secured creditors, including input suppliers where the Producer's loan Advance is to be made payable to the Producer and to another business who has security interest;
- f) the Producer(s) agree(s) to allow the Minister the right to contact the Producer(s) for the purposes of evaluating the program;
- g) the Producer(s) agree(s) where the loan is guaranteed by an Alternate Guarantor, that the Alternate Guarantor has rights to have full access to information relating to the Producer(s) loan advance, including, but not limited to, the loan status, balances, interest rate, repayment terms;
- h) ACC and AAFC agree that (i) the personal information provided will be protected under the federal *Privacy Act* and the provisions of the federal *Access to Information Act*; and, (ii) the personal information retained by AAFC will be held in Personal Information Bank PPU 140. Producer(s) and Guarantor(s) may access its/their personal information held by AAFC by making a formal request under the *Privacy Act* in writing or by completing a Personal Information Request Form which is available through Info Source or at Web Site <http://www.tbs-sct.gc.ca/tbsf-fsct/350-58-eng.asp> Alternately, if you are unable to use the online portal, producer(s) request(s) should be mailed to: Agriculture and Agri-Food Canada, Access to Information and Privacy Coordinator, Tower 7, 10th Floor, 1341 Baseline Road, Room 216, Ottawa, Ontario K1A 0C5. Tel. 613-773-0970, Fax: 613-773-1380;
- i) ACC and AAFC hereby give notice that 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. Producer(s) and Guarantor(s) may access its/their personal information held by ACC, obtain a copy of ACC's Privacy Policy or pose questions or concerns regarding privacy issues relating to ACC by contacting ACC's Privacy Compliance Officer at 1-888-278-8807;
- ii) In the event ACC is notified by the holder of a registered Purchase Money Security Interest (PMSI) that it has security from Producer(s) for crop inputs supplied by such holder to Producer(s), the Producer(s) acknowledge(s) and confirm(s) that ACC may, in its uncontrolled and unfettered discretion, include the name of the holder(s) of such PMSI as payee(s) on Eligible Advance(s) advanced by ACC pursuant to this APP Application;
- j) Producer(s) hereby irrevocably authorize(s) and direct(s) ACC to:
 - i) deduct the Administration fee(s) as established by ACC, from the proceeds of the Eligible Advance(s); and,
 - ii) Producer(s) acknowledge(s) and agree(s) that fees listed in Section 3 of the Terms and Conditions are payable to ACC by the Producer(s) and agree(s) that applicable fees shall be automatically applied to the Producer's accounts and withdrawn from the Producer's bank account in accordance with the Pre-Authorized clauses mentioned in the declarations below.
- k) Producer(s) acknowledge(s) and agree(s) that the Producer's total indebtedness and repayment obligation applies to the amount actually advanced plus the Administration fee and all interest thereon;
- k) Producer(s) hereby constitute(s) and irrevocably appoint(s) ACC or any of its officers or directors as the Producer's lawful attorney for the purposes of: making any amendments, deletions or additions to this APP Application that may be required to correct any errors or omissions that may be discovered in same, as well endorsing on Producer's behalf any cheques payable jointly to the Producer(s) and ACC, and shall be the Producer's irrevocable authority for so doing.

35) PRIVACY AND CONSENT TO DISCLOSURE OF INFORMATION (THIRD PARTY SALES REPORTING) AND AUTHORIZATION FOR PRE-AUTHORIZED DEBITS ("PADS")

As part of this Repayment Agreement, ACC may utilize its authority under this Pre-Authorized Debit Agreement executed by the Producer to make repayments including any applicable interest, costs, and fees as detailed in this APP Application.

Sales Repayment Schedule: I/We hereby authorize ACC to debit my/our bank account on the dates specified in the Repayment Schedule and as per the Terms and Conditions, for monies owing, including any applicable interest, costs, and fees as detailed in this APP Application.

Third Party Sales Reports: Some Grain and Oilseeds sales may be reported daily to ACC via a Buyer authorized through a Letter of Direction, and contain the date of settlement from buyers along with the Agricultural Product type and quantity sold, and may contain the Producer's date of receipt of payment (date of cheque issuance) for crops sold to Ontario elevators/dealers.

In connection with Pre-Authorized Debits and repayments, the Producer hereby agrees that ACC may and consent to such action, disclose or receive payment and credit information regarding the Producer to or from any Third Party as defined in the Declarations, Terms and Conditions for the purpose of facilitating notice of: (i) such amounts as are owing by the Producer(s), and (ii) such crop sale payments as are received by the Producer(s), all for purposes of making Pre-Authorized Debits in repayment of amounts

owing by the Producer(s);

As such, I/we consent to ACC receiving a daily sales report from Third Parties and hereby authorize ACC to initiate a Pre-Authorized Debit from my/our bank account, due on the tenth (10) calendar day for the reported grain and oilseeds crop sales that I/we sell to the Ontario elevators/dealers ONLY if the Letter of Direction explicitly provides permission by the applicant to initiate a PAD. Otherwise, we understand that it is our responsibility to notify ACC of any sales and requesting a PAD to be scheduled.

- 36) Outstanding Balance on Repayment Deadline: In the event there remains an outstanding balance on the Repayment Deadline, it is the responsibility of the producer to contact ACC to make repayment arrangements for this balance (including any applicable interest and costs as detailed in this APP Application). In the event the Producer(s) is/are in default, ACC will utilize its authority under the Pre-Authorized Debit Agreement to collect additional Default Administration fee payments.
- 37) Non-Sufficient Funds (NSF): I/We agree that if any payment is dishonoured by my/our bank for any reason, then ACC is authorized to issue another debit in place of the dishonoured payment until my/our payment is honoured. I/We agree that if any payment results with insufficient funds, ACC may re-present the payment for the same amount as the original transaction and agree that ACC will include an NSF service fee of \$100.00.
- 38) Postage/Mailing/Courier Fees: I/We agree and ACC is authorized to issue a debit for any postage, mailing, and courier fees as described under the Fees and Interest Charges section of these Terms and Conditions.
- 39) I/We agree to waive my/our right to receive notice from ACC, of any Pre-Authorized Debit (PAD) of the amount and date of each payment as listed in the Repayment Schedule and as per the Terms and Conditions of the Advance Payments Program Application and Repayment Agreement.
- 40) Prior Notice: For any debit other than those listed in either the Repayment Schedule, Terms and Conditions or for Third Party Sales reported, I/we agree to receive prior notice from ACC of the amounts to be debited from my/our bank account and the date of such debits at least ten (10) calendar days before the date of such debits. I/We agree to have these notices sent to the email address provided in Section 3 (pg.1) of the application.
- 41) Notice to cancel PAD Authorizations: I/We may revoke my/our authorization at any time by providing written notice to ACC of at least ten (10) days before the date my/our wish for the revocation is to take effect. To obtain a sample cancellation form, or for more information about my/our right to cancel this PAD Agreement, I/we may contact my/our financial institution or visit www.cdnpay.ca. I/We have certain recourse rights if any debit does not comply with this Agreement. For example, I/we have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on my/our recourse rights, I/we may contact my/our financial institution or visit www.cdnpay.ca. In the event that ACC debits an unauthorized amount, funds will be re-deposited into the bank account specified under Section 4 (pg.1) of the Application within thirty (30) days of verbal or written notice from me/us to ACC.
- 42) I/we agree to notify ACC at time of application if there are related producers applying or planning on applying for an APP, so that ACC can consider all the relatedness and redistribute advances among related producers to maximize the interest-free benefits among them.