

## FREQUENTLY ASKED QUESTIONS

### What is the Eligibility?

Any individual producer, who is a Canadian citizen or a permanent resident of Canada and who has reached the age of majority in the province of operation, can apply. Corporations, cooperatives and partnerships are also eligible.

If you or any related producer has an outstanding default on a previous or current crop year advance with any APP administrator, you will be ineligible for an advance under the *Agricultural Marketing Programs Act (AMPA)*.

### What are the Advance Limits?

Producers can qualify for up to a maximum of \$400,000 with the first \$100,000 interest free. The interest free provision and maximum advance is cumulative over all organizations under the Advance Payments Program.

The maximum cumulative advance that can be issued to an applicant, including current outstanding advances (2017) and eligible advances for 2018, can at no time exceed \$400,000.

### How do we Receive the Money?

Electronic Funds Transfers to applicants will be issued less applicable application fees and withhold amounts.

### Are There any Administration Fees?

ASBG will charge a \$300.00 administration fee for the first three commodities, \$50.00 per commodity for more than three for application processing which is withheld from the advance payments.

### What are the Current Interest Charges?

Interest bearing advance accounts will have the interest added monthly and shown on their accounts.

Interest Bearing Rate: Prime + 1.00%

Default Rate: Prime + 1.00%

Repayment without Proof of Sale Penalty Rate: Prime

### How do I Make Repayment?

The amount producers must repay to ASBG is the total of the cash advance cheque(s), plus any interest, if owing. Repayments will first be applied to any default amounts outstanding, then be applied against any interest free portion of an advance, and last to any interest-bearing portion of the advance.

Producers are required to repay their advance as the commodity, for which the advance was taken, is sold. Repayment at the advance rate in effect at time of issuance is required within 30 calendar days of receipt of payment or within 60 calendar days of delivery to a buyer, whichever is earlier. The full balance of the advance must be repaid no that than September 30, 2019. Review Section 3.0 of the *Repayment Agreement* for repayment options.

Proof of sale for repayments made directly by a producer to ASBG must be provided within 30 calendar days from the date of the repayment and no later than September 30, 2019. Repayments without proof of sale in excess of the greater of \$10,000 or 10% of the total amount of the advance will be charged an interest penalty at the RBC Prime Rate, as described in 3.0 of the *Repayment Agreement*.

## Inspection, Verification & Right of Refusal?

Each program year ASBG completes verification audits where fields are measured and valued in compliance with your loan to be sure of accuracy.

As administrator, ASBG reserves the right to refuse any applicant.

## What Happens if I go into Default?

The 2018/19 advance must be repaid on or before September 30, 2019. Failure to do so will result in the producer's account being declared in default. If an account is placed into default, the producer will be responsible to pay:

1. The outstanding amount of the advance;
2. Any interest charges on the outstanding advance calculated from the day the advance was issued until the advance is repaid at prime + 1%; and
3. Costs incurred by the Administrator to recover the outstanding advance (a standard rate of 5% will be applied to the outstanding balance as of 45 calendar days after default), interest charges and applicable legal costs.

If the producer defaults during the current APP production period and subsequently repays the defaulted amount, in full, during the current production period, they will not be eligible to receive additional advance funds during the remainder of the current APP production period.

An ineligibility period of 12 months will be applied once a first time default for the producer has occurred and his default has not been repaid, in full, prior to the beginning of a new APP production period.

## IMPORTANT DEADLINE INFORMATION FOR PRODUCERS

The table below outlines important deadlines for subsequent applications, supporting documentation and account repayment. Producers who receive a cash advance under the APP are solely responsible for meeting all program deadlines. If you have asked a third party such as your crop insurance agency to submit any type of documentation to ASBG on your behalf, it is your responsibility to ensure that information is received in our office on time.

April 1, 2018	2018/19 Advances available
June 20, 2018	Last date to apply for Intended Seeded Pre-Harvest Advance
March 1, 2019	Last date to apply for 2018/19 Post-Harvest Advance
Sept 30, 2019	Last date to repay 2018/19 Advance