

## **PORC NB PORK – APP INFORMATION AND CHECKLIST**

### **2009 - 2010 ADVANCE PAYMENTS PROGRAM (APP) – LIVESTOCK**

#### **Information and instructions for Completing Livestock Application Form**

We have entered our application for a new agreement with Agriculture and Agri-Food Canada for the 18 month period of April 1, 2009 to September 30, 2010. Application for an advance may be made anytime up to March 31, 2010. The maximum aggregate APP loan available is \$400,000. You can only access the \$400,000 once in a 12 month period and at no time can a producer have more than \$400,000 outstanding (across all products). The \$100,000 interest free portion is accessible only one time in the 12 month period of April 1, 2009 to March 31, 2010. The interest free portion and maximum advance is cumulative over all commodities. The interest rate for the portion of the advance over \$100,000 will be at the CIBC prime lending rate minus ¼%, calculated daily and compounded monthly.

**Administration Fee:** The administration fee includes costs for applicable credit check(s), lien search(es), lien registration(s) and inspection charges. The administration fee is \$450.00 per application.

**Repayment of the Advance:** See Section 3 of the Application & Repayment Agreement Part 2D1 – Livestock or Application & Repayment Agreement – Continuous Flow Operations Part 2D2 – Livestock

**Holdback:** There is a 1% advance holdback on the Interest Free portion and there is a 6% advance holdback on the Interest Bearing portion in case of default on the program.

**Ownership of Livestock:** Livestock must be owned by the applicant. Contract feeding operations are not eligible unless there is partial ownership (in which case advance would be pro-rated).

#### **Applying For Additional Advances:**

1. You can apply for two advances in a year.
2. You can only access the \$400,000 once in the 12 month period. The \$100,000 interest free portion is accessible only ONE TIME in the 12 month period of April 1, 2007 to March 31, 2008. To access money into the next period, all previous advances must be repaid in full if you are at the Maximum Agristability Security level..

For EXAMPLE:

First Advance:

Maximum AGRISTABILITY Security Available: \$80,000

100 animals X \$10/KG X 100KG = \$100,000

#### **Second or Subsequent Advances:**

Producers can apply for a 2<sup>nd</sup> advance at any time provided they do not surpass the Maximum Agristability Security Available

3. Repayments are based on the number of animals sold.  
EXAMPLE: a \$100,000 advance based on 1,000 animals @\$100 per animal is repaid at \$100 per animal as the animals are sold or, for continuous flow operations, at the end of the 12 month production cycle.

**PLEASE NOTE:** If your First Advance is \$80,000 and your Second Advance is also \$80,000 only the first \$100,000 issued is Interest-Free. In this example the second advance would be \$20,000 Interest-Free and \$60,000 at prime minus ¼%, calculated daily and compounded monthly.

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 commodities. The interest rate for the portion of the advance over \$100,000 will be at the Royal Bank prime lending rate minus ¼%, calculated daily and compounded monthly.

**Form List:**

**Form 5224-E – Part 1A Individual Producer Application** - Complete all the details – 2 pages

**Form 5225-E – Part 1B – Corporation/Cooperative/Partnership Application** - Complete all the details – 3 pages

**Form 5252-E – Application & Repayment Agreement Part 2D1 - Livestock** – Complete if you are “not” a continuous flow operation - all the details – 4 pages

**Form 5253-E – Application & Repayment Agreement –Continuous Flow Operation Part 2D2 - Livestock** – Complete if you “are” a continuous flow operation - all the details – 4 pages

**Form 5231-E – Part 3A Individual Application & Repayment Agreement - Declaration & Attestation** – 2 pages

**Form 5232-E – Part 3B Corporation/Cooperative/Partnership Application & Repayment Agreement – Declaration & Attestation** – 3 pages

**Form 5251-E - Appendix 2B – Business Risk Management Program Proceeds - Assignment Agreement** – 2 pages

**Form 5233-E - Appendix 1 – Priority Agreement with a Secured Creditor** – 2 pages

**Form 5235-E – Agreement Between Administrator and Buyer** – 1 page – if applicable

**Form 5236-E – Producer Authorization To Buyer** – 1 page – if applicable

**Rates to use on the application forms:**

<b><u>Agricultural Product</u></b>	<b><u>Advance Rate per unit</u></b>
Hog – Market (105 – 112 kg)	\$73.42/head
Hog – Feeder Pigs (15-25kg)	\$25.02/head
Hog – Weaned Piglets (5-10kg)	\$18.13/head

**Interest Rates**

**Advance Rate - Prime Rate of CIBC less 0.25%**

**Default Rate – Prime Rate of CIBC plus 1% calculated back to the date of the original advance (i.e. interest free portion is lost in case of default)**

**Complete set of forms for Individuals:**

5224 2 pages  
5231 2 pages  
5252 or 5253 - 4 pages  
5233 2 pages  
5251 2 pages  
5235 1 page if applicable  
5236 1 page if applicable

**Complete set of forms for Corporations:**

5225 3 pages  
5232 3 pages  
5252 or 5253 - 4 pages  
5233 2 pages  
5251 2 pages  
5235 1 page if applicable  
5236 1 page if applicable

**Note: Please complete your entire application form. Incomplete and incorrect items will be returned for correction or completion and will delay processing of the application.**

Enclose a copy of your Agristability document; include the margin calculation page showing last five years of revenue and expenses. Please enclose a cheque payable to NB Pork for \$450.00 for the administration fee.

Once your application is approved, you will receive a copy of the approved application and your advance cheque.

You will be notified to schedule an inspection of your herd.

If you have any questions, please contact our office.

Paul LeBlanc  
Executive Director  
NB Pork  
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