

# Stay of Default for Cattle and Hog Producers

A stay of default has been granted for Cattle and Hog producers who received cash advances under the Advance Payments Program (APP) for the 2008-09 production period. The stay of default was granted with authority under the Agricultural Marketing Programs Act.

The following terms and conditions have been set for this Stay of Default:

1. "Affected producers" are those producers who received either a standard or an emergency advance under the Advance Payments Program (APP) for the production of cattle or hogs during the 2008–2009 production period. The only portion of the outstanding advances that is eligible for the stay is what was received in relation to cattle or hog production.
2. The stay does not apply to Without Guarantee agreements, where advances are guaranteed by another entity and Agriculture and Agri-Food Canada rebates the interest paid on the first \$100,000 advanced.
3. Affected producers are not required to make any repayments to their 2008–2009 APP advances prior to September 30, 2010; however, nothing prohibits affected producers from making repayments before this date.
4. Affected producers must repay 50 per cent of the outstanding amount of their 2008–2009 APP advances (as of September 30, 2010) by October 15, 2010, and the balance by November 15, 2010, or they will automatically be considered in default under their repayment agreements for the 2008–2009 APP. As a reminder, producers who are in default are not eligible to receive any future APP advances until the debt owing has been fully repaid.
5. Producers who are in default owe the outstanding principal from their advances and will be charged interest, at the default penalty rate specified in their 2008–2009 repayment agreements, on the outstanding amounts from the date the advances were issued.
6. Affected producers may repay their outstanding 2008–2009 APP advances through sales proceeds, or by using proceeds from a business risk management program.
7. Despite condition 6 above, producers may repay their outstanding 2008–2009 APP advances through cash repayments without penalty.
8. The Government of Canada will continue to pay the interest on the interest-free portion of outstanding advances related to cattle and hogs until November 15, 2010. Any interest-free advances received in relation to other products are not covered by the stay.
9. Producers will continue to pay the interest on the outstanding interest-bearing portion of their advances at the rate specified in the original repayment agreement.
10. Any repayments received must be applied against the interest-free portion of the outstanding advances first.
11. Producers will continue to be eligible for advances under the 2009–2010 APP provided that they meet all conditions, including having sufficient inventory to secure both 2008–2009 and 2009–2010 advances. As per normal APP program rules, producers are eligible to receive the first \$100,000 of their 2009–2010 advances interest-free.
12. Producers must sign this acknowledgment indicating that they understand and accept the terms of the stay of default, and a copy of this agreement must be maintained in each producer's file.