



Growing Forward

Spring 2010 Newsletter

Manage Your Minor Income Shortfalls with AgrilInvest

AgrilInvest helps you manage small income declines, and provides support for investments to mitigate risks or improve market income. Your AgrilInvest account builds as you make annual deposits based on a percentage of your Allowable Net Sales and receive matching contributions from federal, provincial, and territorial governments.

AgrilInvest Deposits Move to Financial Institutions for 2009

For the 2009 program year, AgrilInvest deposits will be made at participating financial institutions. Your 2009 AgrilInvest Deposit Notice will include information on how to open an AgrilInvest account at a participating financial institution of your choice. Moving AgrilInvest accounts closer to where you live and work gives you the flexibility to keep track of your funds more easily and to earn a competitive rate of interest on your deposits.

The mailing of 2009 AgrilInvest Deposit Notices to producers will start in July 2010 and will include an Account Initiation Form. You must complete and sign the Account Initiation Form and present it to a participating financial institution of your choice to open your new AgrilInvest account. Your financial institution will notify Agriculture and Agri-Food Canada (AAFC) once you've opened an account and any existing AgrilInvest funds will be transferred to your new account.

Participating in AgrilInvest for 2009 is Easy

- **Step 1: Submit your 2009 AgrilInvest application**

Applying to AgrilInvest is easy. The AgrilInvest form is harmonized with the AgriStability form. The same financial information you submit for AgriStability will be used to calculate your AgrilInvest benefit. Forms are available on the program website at www.agr.gc.ca/agriinvest or by calling AAFC toll free at **1-866-367-8506**. The penalty-free deadline to apply is September 30, 2010. Applications will be accepted until December 31, 2010 with a penalty.

- **Step 2: Receive your 2009 AgrilInvest Deposit Notice**

Once your application is processed, you will receive a 2009 AgrilInvest Deposit Notice showing the maximum amount you are entitled to deposit, and your current account balance.

- **Step 3: Visit a participating financial institution to open an AgrilInvest account, and make your 2009 AgrilInvest deposit**

To open an account, bring your Account Initiation Form to any participating Financial Institution. You have 90 days from the date of your Deposit Notice to make a deposit and receive matching



Government of Alberta



Government of Saskatchewan

Manitoba



Ontario Québec



Newfoundland and Labrador



NOVA SCOTIA



New Brunswick



Yukon Canada

Agriculture and Agri-Food Canada
P.O. Box 3200 Station Main
Winnipeg, MB
R3C 5R7





government contributions. After you make your deposit, AAFC will credit your account with matching government contributions.

• **Step 4: Withdraw your AgrilInvest funds when you need it most**

Once your deposit is processed and government contributions are credited to your AgrilInvest account, you can withdraw your AgrilInvest funds at any time through your financial institution.

To learn more about AgrilInvest, visit the program website at www.agr.gc.ca/agriinvest or call AAFC toll free at **1-866-367-8506**.

Availability of Credit is Easier With CALA

Launched on June 18, 2009, the Canadian Agricultural Loans Act (CALA) is a loan guarantee program which supports the renewal of the agriculture sector. CALA replaces the Farm Improvement and Marketing Cooperatives Loans Act (FIMCLA) and is designed to increase the availability of loans to farmers to help them establish, improve and develop farms, and to help co-operative associations process, distribute, or market their farm products.

Enhancements Provide Increased Availability of Credit

The CALA has been improved from the former FIMCLA program:

- Beginning farmers, who were previously ineligible under the FIMCLA, are now eligible under CALA to receive guaranteed loans for up to 90% of the appraised value or purchase price of the asset.
- Agricultural co-operatives with a majority farmer membership (50% + one farmer members) are now eligible for CALA loans, unlike under the FIMCLA which required 100% farmer membership.
- Loan limits have been increased to \$500,000, with \$500,000 available for real property (land and buildings) and \$350,000 available for all other purposes.
- Eligible loan purposes now include loans to help inter-generational transfer of farms to help young farmers take over the family farm more easily.



As of February 8, 2010, 1,622 loans valued at \$80.4 million have been registered under CALA.

Ask Your Lender About CALA

You can access the CALA program through a participating financial institution. When you apply for a loan through a qualified lending institution under the program, your lender will register the loan with CALA for the loan guarantee. For more information, visit the CALA website at www.agr.gc.ca/cala or call toll free at **1-888-346-2511**.

Advance Payments Program - A Cash Advance When You Need it Most

The Advance Payments Program (APP) is a federal loan guarantee program designed to help producers meet their financial obligations and improve their opportunity to sell when prices are most favourable. This is accomplished by providing loan guarantees on cash advances made by lenders to producers. The APP is delivered under the authority of the Agricultural Marketing Programs Act (AMPA). The AMPA was amended in 2007 to make the program available to the livestock sector.

Main Features of the APP

The APP is delivered by Administrators (i.e. third-party organizations - primarily producer organizations) through agreements between them, a lender and AAFC. Generally, the APP agreement starts each April for an 18-month period ending September 30th of the following year.

The limit on cash advances is \$400,000 with the first \$100,000 issued in each production period being interest free. Producers cannot exceed the \$400,000 limit at any time, including the overlapping period between April to September of each year.

Agriculture and Agri-Food Canada guarantees the repayment to the lender of up to 99% of the principle and interest owing. This enables the producer organizations to negotiate preferred interest rates with the lender on behalf of their producers.

Producers are required to repay their advances as they sell their agricultural product; proof of sale is required.





For the 2009-2010 production period, 66 agreements have been signed with administrators with \$1.52 billion advanced to 25,812 producers to date. The 2010-2011 production period is expected to be available to producers in April 2010.

Stay of Default

On January 23, 2009, a stay of default was granted to cattle and hog producers who took advances in 2008-2009, as a result of the market situation. This stay of default allows producers to repay their 2008-2009 APP advances by September 30, 2010 rather than September 30, 2009. In addition, the Government of Canada will continue to pay the interest on the interest-free portion of these advances during the stay.



Business Risk Management Programs

Farmers continue to benefit from Business Risk Management (BRM) programs under Growing Forward. AgriInvest, AgriStability and AgriInsurance work together to provide farmers with support for different types of losses.

Here is a snapshot of how the programs have been working for farmers over the past year. The following statistics are as of February 15, 2010.

AgriInsurance – Also known as Production or Crop Insurance, AgriInsurance continues to be a cornerstone of the BRM suite. The program allows producers to purchase affordable insurance-based coverage against production and asset losses. For the 2008 crop year, 83,364 producers participated in the program purchasing nearly \$12 billion in coverage and receiving close to \$616 million in indemnity payments for their production losses. AgriInsurance is delivered provincially.

AgriInvest – For the 2008 program year, over 66,000 producers have received benefits so far and the value of government contributions deposited into producer accounts exceeds \$128 million. There are currently over 148,000 active AgriInvest accounts which hold more than \$564 million.

AgriStability – For the 2008 program year, over \$571 million has been paid out to date to nearly 14,000 producers.

In addition, the **AgriRecovery** disaster framework gives farmers further protection by allowing the federal and provincial governments to respond quickly when disaster strikes at a regional level and existing programs cannot fully address the situation.

Visit www.agr.gc.ca/brm or call 1-866-367-8506 toll free for more program details.

If you are in British Columbia, Saskatchewan, Alberta, Ontario, Quebec, or Prince Edward Island, AgriStability is delivered provincially. Contact information for AgriInvest and AgriStability can be found on the back page.



Be an E-subscriber

Did you know you can receive the latest program information via email?

If you're not on our e-subscriber mailing list for program updates yet, be sure to visit the AgriInvest and AgriStability websites at www.agr.gc.ca/agriinvest or www.agr.gc.ca/agristability and sign up. Be the first to receive the latest news about AgriInvest, AgriStability and other federal-provincial-territorial programs. E-subscribers receive links to the latest news releases, deadline reminders, forms, fact sheets, information sessions, trade show locations and other information relevant to Business Risk Management programs. Sign up today!



Deadlines

For individual producers, the AgriInvest and AgriStability forms are harmonized with the income tax form. For corporations, co-operatives and special individuals, the AgriInvest and AgriStability application can be obtained through the AgriStability administration in your province. See Contact Information below for websites and telephone numbers for each program in your province.

AgriStability

September 30, 2010 – Deadline to submit the 2009 AgriStability/AgriInvest Harmonized Form without penalty*.

December 31, 2010 – Deadline to submit the 2009 AgriStability/AgriInvest Harmonized Form with penalty.

*If you miss the September 30, 2010 deadline, you can still submit the form until December 31, 2010 with a \$500/month reduction to your AgriStability payment.

These deadlines are only applicable where the federal government delivers AgriStability.

If you are in British Columbia, Alberta, Saskatchewan, Ontario, Quebec or Prince Edward Island, contact your provincial administration for more information on AgriStability deadlines.

AgriInvest

September 30, 2010 – Deadline to submit the 2009 AgriInvest application without penalty*.

December 31, 2010 – Deadline to submit the 2009 AgriInvest application with penalty.

*If you miss the September 30, 2010 deadline, you have until December 31, 2010 to submit the form with penalty; however, your Maximum Matchable Deposit will be reduced by five percent for each month (or each part of the month) that your application was submitted late.

You have 90 days from the date of your Deposit Notice to make a deposit to your account for 2009 AgriInvest.

In Quebec, AgriInvest is delivered by La Financière agricole.

Contact Information

Province	AgriInvest	AgriStability	Phone
Manitoba, Nova Scotia, New Brunswick, Yukon, Newfoundland and Labrador	www.agr.gc.ca/agriinvest	www.agr.gc.ca/agristability	1-866-367-8506
British Columbia		www.agf.gov.bc.ca/agristability	1-877-343-2767
Saskatchewan		www.saskcropinsurance.com	1-866-270-8450
Alberta		www.afsc.ca	1-877-744-7900
Ontario		www.agricorp.com	1-877-838-5144
Prince Edward Island		www.gov.pe.ca	1-902-620-3091
Quebec		www.fadq.qc.ca	1-800-749-3646

