

Outstanding cash advances must be entered into the producer's 2011-12 delivery permit book to ensure the proper deductions are taken.

Instructions:

- Transfer all outstanding cash advances to the endorsement pages of the 2011-12 delivery permit book for both actual producers and interested parties.
- List each producer named in the delivery permit book who has an outstanding balance transferred from the 2010-11 delivery permit book.
- Show the year of the advance and the type of advance (Pre-harvest or After-harvest) together with your company name, date and outstanding balance in the appropriate columns for each producer and initial the entry.
- record deductions for all producers listed until the advance plus any accrued interest, legal costs and other collection costs are paid in full. Each producer is responsible to repay his or her advance.

Transferring an APP Pre-harvest cash advance balance

- If the applicant received a 2011-12 Pre-harvest cash advance, the outstanding amount must be entered into the 2011-12 delivery permit book.

Endorsing delivery permit books for 2011-12 After-harvest advances

- As soon as the advance application is completed, endorse the applicant's delivery permit book for the total amount of the advance, including the grain company's administration fee and if applicable, the CWB's administration fee.

Default

- When a producer is placed in default, the delivery permit book must be endorsed for the outstanding principal and interest. Endorse any delivery permit books issued in substitution and notify the CWB of any additional permit books that have been endorsed.

Defaulted advance and related producers

- Related producers are not eligible for a new advance until the defaulted account is repaid.
- Once the producer's account is paid in full, related producers are eligible to apply for a cash advance, providing the producer has not defaulted in three separate years (starting with the 2004-05 production period/crop year).

See next page for an example of delivery permit book endorsement after default and related producers' eligibility.

Transfer of accounts to AAFC

- When an account has been transferred to AAFC, continue to endorse delivery permit books for the transferred amounts and continue to take the required deductions. Check CWB e-Services to confirm that the account has been transferred to AAFC. Contact AAFC directly at 1-800-282-6249 for refund details and current balances. Call the CWB at 1-800-275-4292 or view e-Services for balances updated weekly.

Examples of delivery permit book endorsement after default and related producers' eligibility

Example 1

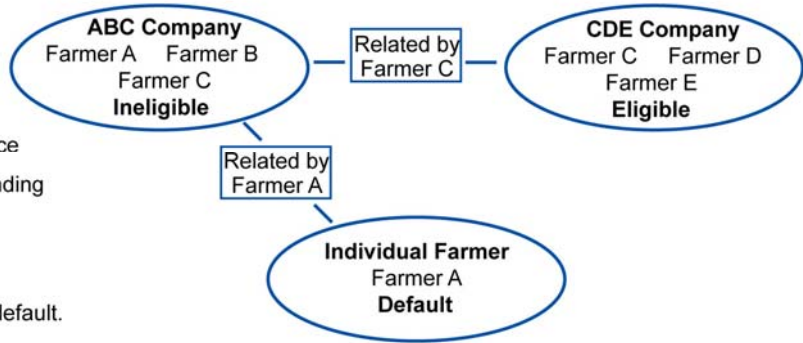
Farmer A has an advance under an individual ID.

Farmer A goes into default.

Farmer A is also a part of ABC Company.
ABC Company cannot receive an additional advance

Farmer A's book is endorsed for Farmer A's outstanding defaulted advance. Deductions are required from Farmer A's deliveries only.

CDE Company's book is NOT endorsed, nor is CDE Company affected in any way by Farmer A's default.



Example 2

ABC Company has an advance and goes into default.

Because Farmer A is also a part of ABC Company, Farmer A cannot receive an additional advance.

Because CDE Company is related to ABC Company through Farmer C, CDE Company cannot receive an additional advance.

ABC Company's book is endorsed for ABC Company's advance. Deductions are required from ABC Company's deliveries only.

