

The interest-free portion of an advance is repaid first.

## Repayments

By signing the cash advance application, the applicant agrees to deliver their harvested grain when delivery opportunities allow and authorizes the elevator agent to take advance refunds until the advance is repaid in full.

- Only the applicant is responsible to repay the advance. Deductions are not taken from related producers or other interested parties.
- The CWB has a continuing security interest in the grain pledged against the advance.

### Deductions for cash advances must be made:

- after July 31, 2011 on all deliveries of wheat, durum, barley and selected barley made by the applicant to the CWB, off-board market, feed mill, grain dealer, ethanol plant or railway car.
- before any other deductions (does not include deductions for freight and handling or any other charges or levies prescribed by law). Trucking fees are not included in eligible deductions.
- until the advance and any interest, plus legal and collection costs if applicable, is repaid in full.
- whether or not the grain being delivered was pledged in the advance.

### Order of advance repayments

Advance refunds deducted from grain deliveries are applied to advances in order of issuance, retiring the oldest advance first.

### Crop insurance and AgriStability payments

- Any monies received from provincial crop insurance or AgriStability payouts will be applied to outstanding pre-harvest advances, even where older outstanding advances exist.
- Where more than one applicant receives a cash advance under one crop insurance policy, crop insurance payments will be applied to the first advance issued.

### Repayment upon default

#### The applicant must repay:

- outstanding principal
- default interest charges - A default interest penalty is assessed on the outstanding principal from the date the advance cash ticket was issued to the date of default, compounded monthly. The default interest penalty rate is three per cent above the prime lending rate for principal that was previously interest-free and three per cent for principal that was previously interest bearing. From the date of default forward, default interest is charged at three per cent above the prime lending rate on the entire default value, calculated daily and compounded monthly.
- any legal and collection costs

### Repayment rate 2011-12 advances

Pre-harvest 2011-12 advances are repaid at either the rate they were issued or the After-harvest 2011-12 rate, whichever is greater. For example, if an advance was issued for wheat at \$80 per tonne and the After-harvest rate is set at \$90 per tonne, a deduction of \$90 is made for every tonne of wheat delivered.

At the time of delivery, producers can request to repay the advance at a higher rate without penalty.

When a 2011-12 Pre-harvest advance is outstanding in a later production period, the repayment rate is the greater of:

- the rate at which the Pre-harvest advance was issued
- any other rate in effect for that production period
- the subsequent production period rate

**Example:** The applicant's Pre-harvest advance is issued at \$80 per tonne for wheat. The After-harvest repayment rate is \$90 per tonne for wheat, and the subsequent production period rate is \$95 per tonne for wheat. Deductions are taken at \$95 per tonne.

### 1996-97 and prior outstanding advances

For outstanding advances issued in the 1996-97 crop year or earlier, make deductions at the rate at which the advance was issued. Record the deductions on the endorsement pages of the 2011-12 delivery permit book.

### Missed or insufficient refunds

Every cash ticket reported to the CWB is checked to determine whether the proper deduction has been taken. If deductions are missed or are insufficient, your company will be held liable.

#### Example 1

Advance issued  
May 15, 2011 for  
\$20,000

Maximum amount that can be paid in cash without interest being assessed is either \$1,000 or 10 per cent of \$20,000 (\$2,000), whichever is greater. Maximum amount is \$2,000.

#### Example 2

Advance issued  
May 15, 2011 for  
\$4,000

Maximum amount that can be paid in cash without interest being assessed is either \$1,000 or 10 per cent of \$4,000 (\$400), whichever is greater. Maximum amount is \$1,000.

Cash payments made as a result of deliveries to a facility where no deduction could be taken will not be assessed cash refund interest provided a receipt is submitted with the payment.

Elevator managers should report cash refunds representing farm-to-farm sales, feed lot deliveries, or missed refunds to the CWB as pool code OC (Other Cash).

A valid receipt must include:

- Name and signature of purchaser
- Seller's name
- Tonnage
- Type of grain
- Value of grain
- Date of sale

## Deliveries to feed mills, grain dealers, and ethanol plants

Feed mills, grain dealers and ethanol plants must have an Advance Payment Deduction Agreement with the CWB in order to deduct and report any refunds from feed grain delivered to their facilities. If such an agreement is signed, and the grain is delivered under a delivery permit book that has an endorsement, the required advance deduction is made and immediately remitted to the CWB on Form GDFMEP91 (available from the CWB). The refund and delivery details must be entered in the producer's 2011-12 delivery permit book. Producer deliveries of feed grain to these facilities are not subject to delivery calls.

## Deliveries to facilities where deductions cannot be made

If grain is sold to a facility where a deduction cannot be made by an authorized agent, the applicant must submit a copy of the receipt with the appropriate deduction (tonnes x rate) to the CWB within seven days of settlement. Failure to do so may result in default.

The receipt must include the name and signature of the purchaser, the applicant's name, tonnage, type of grain, the value of the sale and date of delivery. Scale tickets and receipts issued by the seller are not acceptable. When a producer delivers to a facility where an Advance Payment Deduction Agreement has not been signed, the producer is responsible for submitting the necessary advance refund with receipts to the CWB within seven days of settlement and to make the appropriate grain delivery entry into the delivery permit book.

## Cash refund interest

Cash refunds are payments made against an advance that do not represent deductions from deliveries of wheat, durum or barley. Cash refunds that exceed \$1,000 or 10 per cent of the issued value of the advance (whichever is greater) will be subject to cash refund interest.

## Automated bill payment service

A telephone/Internet/ATM bill payment service is available to producers. Producers must contact their own financial institution to arrange for set up of this automated bill payment system. While the CWB does not charge any fee for automated payments, the producer's financial institution may charge a transaction fee for this service.

Any automated payments over the cash refund interest-free limits (above) are subject to cash refund interest.

## Out-of-condition grain

If grain pledged against an advance goes out of condition before it can be delivered, the applicant must immediately send the CWB a cash payment for the amount of grain out of condition, at the applicable advance rate. The applicant must also pay interest at the prime rate on that portion of the advance. Failure to do so may result in default.

## Exemptions for deliveries to purchase seed

Deductions are not required on grain delivered under CWB authorization to purchase seed.

## Finalizing interest-bearing accounts

You can get the updated balance through e-Services or by calling us at 1-800-275-4292.

## Reporting repayments on the cash ticket

On the cash ticket, report the deduction as a CWB refund.

## Recording repayments in the delivery permit book

Record cash advance repayments on the endorsement pages of the 2011-12 delivery permit book.

## Statements to producers

For advances with accrued interest, we issue a monthly statement to the producer outlining principal, interest, repayments and the balance outstanding. We also send a statement when we receive cash payments, which serves as a receipt. When the advance is repaid, the producer receives a final statement. All producers with cash advances will receive account statements on a quarterly basis in January, April, July and October.

Call  
1-800-275-4292  
for advance  
repayment rates  
before the  
2000-01  
crop year.

## Advance repayment rates (dollars per tonne)

Production period	Wheat	Durum	Barley	Sel Bly
2011-12 (APP PH)	\$137.00	\$147.00	\$85.00	*
2011-12 (WW PH)	\$80.00	N/A	N/A	N/A
2010-11 (APP AH)	\$70.00	\$60.00	\$55.00	\$55.00
2010-11 (APP PH)	\$80.00	\$70.00	\$58.00	\$55.00
2010-11 (WW PH)	\$68.00	N/A	N/A	N/A
2009-10 (APP AH)	\$100.00	\$110.00	\$60.00	\$87.00
2009-10 (APP PH)	\$110.00	\$120.00	\$60.00	\$87.00
2008-09 (APP AH)	\$136.00	\$176.00	\$85.00	\$145.00
2008-09 (APP PH)	\$150.00	\$200.00	\$85.00	\$145.00
2007-08 (APP AH)	\$90.00	\$110.00	\$60.00	\$80.00
2007-08 (APP PH)	\$80.00	\$86.00	\$50.00	\$80.00
Crop year	Wheat	Durum	Barley	Sel Bly
2006-07 (AMPA/ESCAP AH)	\$80.00	\$75.00	\$35.00	\$60.00
2006-07 (SCAP/ESCAP PH)	\$70.00	\$70.00	\$35.00	\$60.00
2005-06 (AMPA)	\$70.00	\$75.00	\$35.00	\$60.00
2005-06 (SCAP)	\$65.00	\$70.00	\$35.00	\$60.00
2004-05 (AMPA)	\$80.00	\$75.00	\$40.00	\$63.00
2004-05 (SCAP)	\$70.00	\$70.00	\$40.00	\$63.00
2003-04 (AMPA)	\$70.00	\$75.00	\$40.00	\$70.00
2003-04 (SCAP)	\$80.00	\$90.00	\$45.00	\$70.00
2002-03 (AMPA)	\$85.00	\$95.00	\$60.00	\$75.00
2002-03 (SCAP)	\$80.00	\$95.00	\$55.00	\$75.00
2001-02 (AMPA)	\$80.00	\$90.00	\$50.00	\$75.00
2001-02 (SCAP)	\$80.00	\$75.00	\$45.00	\$75.00
2000-01 (AMPA)	\$65.00	\$70.00	\$40.00	\$65.00
2000-01 (SCAP)	\$65.00	\$70.00	\$40.00	\$65.00

\* Announced when the 2011-12 APP After-harvest program begins.