
About the Winter Wheat Advance Payments Program (Pre-harvest)

The Winter Wheat Advance Payments Program (Pre-harvest) is a federal government program to assist farmers with their winter wheat seeding costs. The Canadian Wheat Board (CWB) administers programs for wheat, durum and barley grown in Western Canada.

Program Overview

Winter wheat pre-harvest advances are issued from October 1, 2009 to January 31, 2010 and are a component of the Advance Payments Program (APP) 2010-11 production period.

Winter wheat advance forms are only available on-line. From www.cwb.ca, click Farmers > Farmer Payments > Cash advance program. Elevator staff must call the CWB for an advance application number to report the advance.

Crop Insurance and AgriStability can be used as security on a winter wheat pre-harvest advance and separate advance application forms are available for each type of security. To qualify for a 2010-11 winter wheat pre-harvest advance, the applicant must have a 2009-10 crop insurance policy in good standing or proof of participation in the 2009-10 AgriStability program.

Applicants can receive 60 per cent of the total eligible amount based on their seeded acres at the time they complete the advance application. The remaining 40 per cent will be advanced through the APP 2010-11 pre-harvest program which starts on April 1, 2010.

Advances where the first 60 per cent exceeds \$100,000 must be submitted to the CWB for approval of the amount exceeding the \$100,000 limit.

Applicants can receive a maximum amount of \$400,000 on all agricultural products, with the first \$100,000 being interest-free. The program maximum of \$400,000 can only be issued once per production period. The applicant cannot repay the advance and apply for further monies if the maximum for the production period has already been issued. All previous advances applied for or received through all producer organizations must be taken into consideration when determining the maximum advance the producer can receive. This information must be shown on the advance application.

The maximum amount that can be outstanding is \$400,000, which includes the amount issued under 2010-11 winter wheat pre-harvest plus any outstanding 2009-10 and 2008-09 production period advances.

The federal government or the CWB will register an assignment with crop insurance on advances issued using crop insurance as security. The federal government will register an assignment on advances issued using AgriStability as security. An assignment gives the CWB, on behalf of the federal government, priority on any crop insurance or AgriStability payments up to the amount owing on the advance.

Cash payments exceeding the greater of \$1,000 or 10 per cent of the issued amount are subject to a cash refund interest penalty. Cash payments made as a result of an overpayment are not subject to an interest assessment. See page 23 for more details.

**Payment rates
for winter wheat
pre-harvest
advances 2010-11
(per tonne)**

Winter Wheat \$68.00

Important:
Joint producers are considered partnerships under the advance payments program and require Declaration and Guarantee forms.

Related Producers

A related producer can affect the applicant's eligibility to receive an advance as well as the amount of the advance. For the definition of a Related Producer, refer to the Related Producers section on page 11. The applicant must answer the Related Producers questions on the advance application and if necessary, complete the required forms. Applicants who are affected by the Related Producers Provision but deal at arm's length may rebut the presumption of relatedness by completing a Rebuttal of Relatedness form.

Eligibility

Producers (including interested parties such as landlords, vendors and mortgagees) who have current 2009-10 all-risk provincial crop insurance coverage or are enrolled in the 2009 AgriStability program are eligible to apply. Applicants do not require a 2010-11 CWB delivery permit book to receive a winter wheat pre-harvest advance. However, they must apply for one by October 15, 2011 if their winter wheat pre-harvest advance is not repaid by that date. See pages 7 to 11 for eligibility information regarding the applicant or a related producer with a defaulted advance.

Applicants with outstanding advances from other production periods (not in default)

Applicants with outstanding non-defaulted 2008-09 and 2009-10 cash advances can apply for a 2010-11 winter wheat pre-harvest advance. The balance outstanding on the 2008-09 and 2009-10 advances combined with the money issued on the 2010-11 winter wheat pre-harvest advance cannot exceed \$400,000. When the outstanding balance on the 2008-09 and/or the 2009-10 advance is reduced or repaid, the applicant is eligible to apply for additional money on the 2010-11 winter wheat pre-harvest advance (not to exceed \$400,000).

Interest-free benefit

Applicants with an outstanding balance on their 2008-09 and 2009-10 cash advances are eligible for the \$100,000 interest-free benefit under the 2010-11 winter wheat pre-harvest advance program.

Continuing Declaration and Guarantee forms

Continuing Declaration and Guarantee (D & G) forms, and Continuing Guarantee forms (for Colonies) define the structure of a company. Unless the structure or members of the company have changed, D & G forms completed in previous years can be used for the 2010-11 program. (See page xx for more information on Continuing D & G forms.)

Assignments for crop insurance payments

An assignment is an agreement allowing another party (the assignee) to receive payment from monies to which the assignor is entitled. Applicants assign any crop insurance payments to the CWB, to cover repayment of the advance if a payout occurs. Each applicant has the assignee complete a Priority Agreement. This agreement gives the CWB, on behalf of the federal government, priority over any existing and future assignments on provincial crop insurance. The applicant also agrees to forward any future provincial crop insurance payments to the administrator (CWB) if the payments are made with respect to wheat, durum and barley insured acres, except where the payments are to cover reseeding costs. By signing the application, the applicant agrees that the federal government or the CWB can register an assignment with crop insurance.

Assignments for AgriStability payments

By signing the application, the applicant agrees that the federal government or the CWB can register an assignment with AgriStability.

Repayment

Refunds will be deducted from all settlements for deliveries of wheat, durum and barley made to the CWB, the off-Board feed grain market, feed mills, grain dealers and ethanol plants after July 31, 2010.

Applicants with outstanding 2009-10 advance(s) will continue to have deductions taken on all wheat, durum and barley whether delivered to the CWB, off-Board feed grain markets, feed mills, grain dealers and ethanol plants. Please refer to pages 18-21 for more information on cash advance repayment and rates.

Fees

Grain companies charge \$75 (plus GST if advised by your head office) per application to cover their administrative costs. If the applicant applies for and receives one or more cash advances that total over \$100,000, a \$125 fee (plus GST) is applied to cover the additional expense of validation and approval. This fee is assessed once per production period.