

**Call the CWB at
1-800-275-4292
to arrange your
assignment**

What is it?

If you want to reduce your EPO contract obligation, one of your options is to complete an assignment form, available from the CWB. All or part of the contracted tonnage can be assigned. The contract number and tonnage to be transferred must be specified on the form and signed by both you and the producer who is taking over the contract. The form can be faxed or mailed back to the CWB.

When you request an assignment form, we will forward a copy of your contract confirmation and the terms and conditions of the contract to ensure the assignee (the producer taking over the contract) is fully aware of the contract details. You are responsible to provide the assignee with a copy of the contract confirmation and terms and conditions. We will confirm the assignment to both of you once it is processed.

A contract confirmation will be generated and mailed to the assignee. You will also receive an updated contract confirmation, indicating the reduced tonnage. If the contract was completely transferred, you will receive a contract confirmation indicating that the contract has zero tonnes remaining.

The assignment cost is \$15 per transaction and will be charged to you. This administration fee is deducted from future CWB payments.

Example

On August 15, Bob signs an EPO contract for 500 tonnes of CWRS. During harvest, he encounters reduced yields and only has 400 tonnes of CWRS production.

Bob finds a neighbour who wants the benefits of the EPO contract and is willing to sign up 100 tonnes of production.

Bob contacts the CWB to arrange the transfer of 100 tonnes of his EPO contract to his neighbour. The CWB sends the forms to Bob who, along with his neighbour, signs and returns them to the CWB.

The CWB completes the assignment. Bob pays the \$15 administration fee and now has an EPO commitment of 400 tonnes. A contract confirmation for 100 tonnes is created for his neighbour and an updated contract confirmation is created for Bob.

You can initiate a buyout of your Early Payment Option (EPO) contract at any time after making the initial commitment.

80 to 100 per cent EPOs

The buy-out cost is established at sign-up based on market conditions and does not change throughout the crop year. Producers can receive a buy-out quote or execute a buy-out transaction through e-Services or by calling the CWB at 1-800-275-4292 with their CWB 10-digit producer ID number and four-digit PIN.

Buy-out formula:

Discount – time value of money, plus a \$15 per transaction administration fee

Producers are credited back the time value of money portion of the discount when buying out an EPO because costs related to time value of money are not incurred by the CWB.

Example

On September 27, a producer signs up a 100 per cent EPO contract for 90 tonnes of CWRS wheat. The discount is \$10 per tonne and the time value of money portion of the discount is \$3 per tonne.

On January 13, the producer decides to buy out 30 tonnes of the EPO. The buyout cost is calculated as:

$$\begin{aligned} &= (\$10 - \$3) \times 30, \text{ plus a } \$15 \text{ administration fee} \\ &= \$225 \end{aligned}$$

The buy-out cost per tonne does not change throughout the crop year.

125 to 200 per cent EPOs (if offered)

The buy-out is based on daily market conditions.

Per tonne buy-out formula:

Original discount of contracted EPV – current discount of contracted EPV + \$2.50 administration fee

If a negative value, the buy-out is zero.

Example

On September 27, the Pro is \$230 and a producer signs up a 200 per cent EPO for 100 tonnes of Canada Feed wheat. The discount for the \$460 EPV is \$225 per tonne.

On January 13, the producer decides to buy out 30 tonnes of the EPO. The current discount for the \$460 EPV is \$228. The buy-out cost is calculated as:

$$\begin{aligned} &= (\$225 - \$228) + \$2.50 \\ &= -\$0.50 \text{ per tonne} \end{aligned}$$

There is no buy-out assessed.