

ADVANCE PAYMENT PROGRAM (APP)
2017 PROGRAM YEAR

CHECKLIST

COMPULSORY FORMS TO COMPLETE

Please check the box besides each instruction to ensure you have completed/signed/included all of the necessary documents.

1. APPLICATION AND REPAYMENT AGREEMENT (7 pages)

- You must complete **sections 1 to 2.2.**
- In **section 2**, you must choose your operation cycle according to your situation.
 - If you choose the standard cycle operation (degressive), you must check your commitment;
 - You must choose your frequency of your payments.

CONTINUOUS CYCLE OPERATION:

- The advance is calculated on a minimal and constant inventory (i.e. the animals sold are quickly replaced by new ones);
- All of the lambs must be sold before the end of the program year;
- Only one 12-month advance cycle for a continuous cycle operation is allowed per program year.

STANDARD CYCLE OPERATION (DEGRESSIVE):

- The advance is calculated on the number of head present at the time of the application;
- The producer commits to reimbursing 60% of the advanced amount through equal payments over a maximum of 12 months. To do so, the producer must send to the executing agent a minimum of four (4) post-dated cheques that will be deposited quarterly (or more frequently). To this effect, the producer will receive with the deposit notice a deadline indicating the amount to be reimbursed;
- The remaining balance will be analysed according to the actual sales and will be adjusted accordingly for the last remittances;
- The producer can make another advance application for newly arrived lambs.
- All lambs must be sold before the end of the program year.

- You must sign **section 5.1**. In the case of a partnership or a company, **ALL** of the shareholders of the operation must sign.
- A ***WITNESS** must sign **section 5.2** to attest that the signatories of appendixes **A, B, C, D, E, F** and **G** are the applicant producers.
* The witness must not have any family relationship with the producer(s)/shareholder(s)/associate(s).

2. APPENDIX "A" AGREEMENT BETWEEN LEOQ AND THE PARTICIPATING PRODUCERS (1 page)

- You must complete and sign. In the case of a partnership or company, **ALL** of the shareholders/partners must sign.

3. APPENDIX "B" ASSIGNMENT AGREEMENT OF THE BENEFITS FROM A BUSINESS RISK MANAGEMENT (BRM) PROGRAM (2 pages)

- This document will be used in the case of a default only
- You must complete **section 1**.
- You must sign **section 2.1**. In the case of a partnership or company, **ALL** of the shareholders/partners of your operation must sign.
- The financial institution/creditor must complete **section 1.1**. and sign **section 1.2**.
* Attach an additional sheet for each financial institution/creditor

4. APPENDIX "C" BANKING SITUATION (1 page)

- You must complete and sign **section 1**.
- The financial institution/creditor must complete and sign **section 1.1**.
* Attach an additional sheet for each financial institution/creditor

5. APPENDIX "D" PERSONAL GUARANTEE OR JOINT AND SEVERAL OBLIGATION (1 page)

- In the case of a legal entity with one owner or shareholder, the applicant producer must complete and sign **section 1. Personal guarantee**.
- In the case of a partnership, legal entity with many owners, **ALL** of the shareholders/partners of your operation must complete and sign **section 1.1 Joint and several guarantee**.

6. APPENDIX "E" RELATED PRODUCERS (2 pages)

- You must complete **section 1**. As well as **sections 1.1**. and **1.2**. (as the case may be).
- You must sign **section 2.1**. In the case of a partnership or company, **ALL** of the shareholders/partners of your operation must sign.

7. APPENDIX "F" CHATTEL MORTGAGE (2 pages)

- You must complete **section 1.1**. and **4.2**.
- You must sign **section 9.1**. In the case of a partnership or company, **ALL** of the shareholders/partners of your operation must sign.

8. APPENDIX "G" SECURED CREDITOR AGREEMENT (2 pages)

- You must complete **section 1**.
- You must sign **section 3.2**. In the case of a partnership or company, **ALL** of the shareholders/partners of your operation must sign.
- The financial institution/creditor must complete **section 2**. and sign **section 3.1**.
* Attach an additional sheet for each financial institution/creditor

⚠ If you must make a change to correct information already recorded in your forms, please initial beside each correction.

...Overleaf

CHECKLISTS (CONTINUED)

Here is a list of the **compulsory documents** to attach to the forms to ensure your application is complete and to accelerate the approval process.

COMPULSORY DOCUMENTS TO ATTACH TO THE FORMS

FOR A FIRST PARTICIPATION TO LEOQ'S APP

In the case where your business is registered or incorporated, you must provide a copy of one of the documents mentioned below on which the **legal name of your business** and the **percentage of shares for each of the shareholders or partners appear**:

- Partnership Contract **OR**;
- Registration Certificate **OR**;
- Incorporation Charter **OR**;
- Annual declaration to the Inspector General of Financial Institutions.

You must also provide the following documents:

- Copy of the most recent **financial statements**;
- Proof of multi-risk **insurance coverage** for your farm animals or lambs in inventory on which appears:
 - ✓ The amount of the coverage (proportional to the advance granted);
 - ✓ The deadline;
 - ✓ If your application is accepted, LEOQ should be mentioned as creditors.
- Void cheque** from your financial institution, as the APP amount will be paid via a bank transfer;
- Copy of the **Farm Income Stabilization Insurance Program (ASRA)**:
 - ✓ Final payment by the FADQ for the year **2015** and **2016**;
 - ✓ Most recent current statement(s) as proof of participation for the year **2017**.

COMPULSORY DOCUMENTS TO ATTACH TO THE FORMS

PRODUCER WHO HAS PARTICIPATED IN A PREVIOUS PROGRAM

- Copy of the most recent **financial statements**;
- If you have changed financial institutions, attach a new voided cheque, otherwise the one in your file will be used for bank transfers.
- Copy of the **Farm Income Stabilization Insurance Program (ASRA)**:
 - ✓ Final payment by the FADQ for the year **2016**;
 - ✓ Most current statement(s) as proof of participation for the year **2017**.

ADMINISTRATION FEES - INTEREST DEPOSIT

ADMINISTRATION FEES

For the portion from \$ 0 to \$ 100,000: 0.76 % of the amount and
 For the portion above \$ 100,000: 0.30 % of the portion from \$ 100,000 to \$ 300,000 and
 0.15 % for the amount over \$ 300,000




Minimum: \$ 350

Maximum: \$ 1,500

INTEREST DEPOSIT

The interest deposit is 4% of the portion of the advances bearing interest;
 The year-end surplus, if any, will be reimbursed to the producer and if the program requirements are met. Otherwise, this amount will be applied to the repayment of the amounts due.

For more information, do not hesitate to contact the APP Service by:

-  Telephone: **450 679-0540**
-  Fax: **450 463-5223**
-  Email: ppa-bovins@upa.qc.ca

THE APP TEAM	TELEPHONE EXTENSION
Michèle de Munck	8993
Ginette Gingras	8990
Nancy Péarron	8994