

## **Advance Payments Program for Bison Producers**

The Advance Payments Program (APP) provides bison producers a cash advance based on 50% of the value of their bison they will market during a specified period. By improving their cash flow throughout the year, the new APP helps bison producers meet their financial obligations and benefit from the best market conditions.

### **What are the Program Parameters?**

1. The limit on all Advance Payment Program cash advances is \$400,000 of which the first \$100,000 is interest free.
2. Producers have a maximum of up to 18 months (April to September of the following year) to repay their cash advances.
3. The producer must participate in CAIS or enroll in Agri-Stability to participate in the program.
4. The bison listed under the program must be identified with an approved bison RFID tags.

### **Who is Eligible?**

To be eligible for a cash advance under the Advance Payments Program (APP) for bison, you must be:

- a Canadian citizen or permanent resident.
- a corporation, cooperative or partnership of which the majority interest is held by Canadian citizens or permanent residents.

The producer or one of the producer's individual interest holders:

- must be of the age of majority in the province of operation
- must be principally occupied in farming
- must own the agricultural product
- must be responsible for its marketing

### **What Does It Cost To Apply?**

There is an application fee of \$300.00 for the first \$100,000 which is deducted from the advance.

Interest bearing loans will be charged an administration fee of 0.0040% of the loan amount or \$4.00 per \$1,000 or \$400 for a \$100,000 loan.

## **How is the Advance Repaid?**

When bison are sold, the program administrator requires a per head repayment as well as proof of sale. If proof of sale is not provided, the producer will be charged the prime rate on the overpayment from the date of the original advance. A producer may pay back the advance without proof of sale on the greater of \$1,000 or 10% of the original advance. Any cash repayments without proof of sale that exceed 10% of the advance incur an interest penalty.

## **What occurs if the Advance is not Repaid?**

All outstanding cash advances must be repaid to the administrator by September 30, 2009. If the producer has not repaid the outstanding advance through the sale of the agricultural product by the end of the production period, the producer is declared in default. The default interest rate is prime + 3.0% which is payable on the principal outstanding from the original date of the advance.

## **What are the Loan Rates for Bison?**

West - Feeder Bison (650-750 lbs)	\$444.50 per head
West - Finished Bison (900-1050 lbs)	\$590.00 per head

Note: The program will be operational in Quebec and Ontario in the near future.

## **How to Bison Producers Apply?**

The Advance Payment Program for Bison Producers is being managed by Manitoba Livestock Cash Advance Inc.

Bison producers may apply by:

1. Calling toll free 1-866-869-4008
2. Calling 1-204-774-1140
3. Fax: 1-204-774-1720
4. Go to the Website: [www.manitobalivestock.com](http://www.manitobalivestock.com)