

## AGRIINVEST

**2024**

### GENERAL PRINCIPLES

AgriInvest is a federal-provincial program that allows participants to annually deposit an amount into an account and, in turn, to receive a matching government contribution.

Given the similarities and complementarity between the AgriInvest and Agri-Québec programs, the management of the financial information, the issuing of the Deposit Notice and the administration of account operations are undertaken jointly.

The participant's deposit, the government contributions and accrued interest are deposited into an individual account administered by La Financière agricole.

The participant's account has two funds. Fund 1 corresponds to the amounts deposited by the participant. Amounts withdrawn from Fund 1 are not taxable. Fund 2 corresponds to the amounts deposited by La Financière agricole, to which the interest generated by Funds 1 and 2 is added. Amounts withdrawn from Fund 2 are taxable as investment income.

The 2024 participation year concerns the participating operation's fiscal period or periods ending in 2024.

### PARTICIPATION

Operations that are in their first participation year or that want to re-register must contact their service centre in order to enrol, at the latest 12 months after their fiscal year-end.

### ELIGIBILITY CONDITIONS

The participating operation must

- undertake farming activity in Canada and report farm income or loss for the participation year to the Canada Revenue Agency;
- provide a Social Insurance Number (SIN), Québec Business Number (NEQ) or a federal business number (BN), according to the operation's legal status;
- be registered with the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec and provide the operation's registration number (NIM);
- market a product subject to the regulations and conventions in effect;
- submit a valid phosphorus report (cross compliance measures);
- abide by program requirements with regard to deadlines.

### ALLOWABLE PRODUCTS

Most agricultural products are allowable except for:

- products under supply-management;
- forestry products;

- aquacultural products;
- racehorses;
- peat moss;
- cannabis (except for industrial hemp);
- wild animals in their natural environment.

Moreover, the resale of products that do not come from the farming operation and income derived from farming activities carried on outside of Canada are not eligible.

### TRANSMISSION OF FINANCIAL INFORMATION

Participants must transmit their financial information within nine months of the end of their fiscal year or by the deadline specified in the financial data transmission document. When participants send their financial information late, but within three months after the deadline, their maximum allowable deposit is reduced by 5% per month or part of month late. The financial information transmitted by participants will be used for all the AGRI programs in which they participate or to meet the requirements financing

### ALLOWABLE NET SALES (ANS)

ANS correspond to the sales of allowable agricultural products minus the purchases of allowable products. For participating operations that also have supply-managed products, the ANS are calculated as follows:

$$\text{ANS} = \left( \begin{array}{l} \text{SALES} \\ \text{of allowable} \\ \text{and supply-} \\ \text{managed} \\ \text{products} \end{array} - \begin{array}{l} \text{PURCHASES} \\ \text{of allowable} \\ \text{and supply-} \\ \text{managed} \\ \text{products} \end{array} \right) \times \begin{array}{l} \text{PROPORTION} \\ \text{of sales of} \\ \text{eligible products} \end{array}$$

ANS are calculated using an accrual method of accounting, the sales are adjusted to include changes in inventory. In addition, payments from certain other programs that compensate for the loss of an eligible agricultural product are taken into account when calculating ANS (e.g. : crop insurance, private insurance).

### DEPOSIT

Upon receiving a participating operation's financial information, La Financière agricole calculates the ANS and the amount of the maximum deposit to receive the matching government contribution. A combined deposit notice for the Agri-Québec and AgriInvest programs confirms the amounts.

Once participants receive their deposit notice, they can deposit an amount representing 1 % of the operation's ANS, up to \$10,000. To make a deposit, a transfer can be made from money in their account.

The transfer must cover the entire amount the participant wishes to deposit, which is considered a withdrawal from the accounts.

Participating operations may make only one deposit for every Deposit Notice issued, up to 90 days following the date of the notice. The minimum amount that can be deposited is \$250.

Following a deposit, La Financière agricole pays the government contributions into the participant's account and confirms the amount in writing, along with the new balance in the account.

The government contributions are equal to the amount of the participant's deposit, up to a maximum of \$10,000. The calculation of the amount participants can deposit into their account annually is recorded in the table below.

## WITHDRAWAL

At any time, participating operations can withdraw the amount they wish, up to the balance in the account. The minimum amount of a withdrawal is \$75. A withdrawal can, however, be below \$75 if it brings the account balance to zero or allows the participant to pay an amount due to La Financière agricole.

When a withdrawal is made, the amounts are taken from the accounts in the following order:

1. Fund 2 AgriInvest
2. Fund 1 AgriInvest
3. Fund 2 Agri-Québec
4. Fund 1 Agri-Québec

## MAIN DIFFERENCES BETWEEN AGRINVEST AND AGRI-QUÉBEC

	AgrilInvest	Agri-Québec
Eligibility	Farm businesses operating in Canada and filing a tax return with the Canada Revenue Agency.	Farm and aquaculture businesses having operated in Québec. The participant must also be domiciled in Québec.
Government contributions come from...	Government of Canada 60 % Government of Québec 40 %	Government of Québec 100 %
The government contribution is equivalent to the participant's deposit. It is calculated as follows:	<ul style="list-style-type: none"> <li>• 1 % of ANS, up to \$1 million of ANS;</li> <li>• The maximum amount of government contributions is \$10,000 (1 % X \$1 million of ANS).</li> </ul>	<ul style="list-style-type: none"> <li>• 3.2 % of agricultural ANS and 3.9 % of aquacultural ANS up to \$1.5 million of ANS;</li> <li>• 2.0 % of ANS from \$1.5 million to \$2.5 million;</li> <li>• 1.5 % of ANS from \$2.5 million to \$5.0 million;</li> <li>• 1.0 % of ANS over \$5.0 million;</li> <li>• Increases may apply. Please refer to the Agri-Québec program for details.</li> </ul>
For processed products	<ul style="list-style-type: none"> <li>• Nothing specific</li> </ul>	<ul style="list-style-type: none"> <li>• Only the value of allowable products before processing is considered for sales of processed products over \$1.5 million.</li> </ul>

## OTHER INFORMATION

- A list of preparers for the transmission of financial information of participants is available on our website ([www.fadq.qc.ca](http://www.fadq.qc.ca)).
- Participants that wish to make changes in financial information already transmitted for any given participation year can do so within 18 months after the issue of the first Deposit Notice for the year in question.
- Farm Income Stabilization Insurance Program (ASRA) program intervention will be adjusted to take into account any amounts the farm types would have received if they had participated in the AgrilInvest program.

*This summary, valid for 2024, in no way takes precedence over the provisions of the Program Guidelines or of the Federal-Provincial-Territorial Agreement, entitled the "Sustainable Canadian Agricultural Partnership".*

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