

AgriStability is a program based on the whole-farm income offered to all farming operations in Canada. It is a risk management tool designed to stabilize income in the event of a decline in the production margin.

## GENERAL PRINCIPLES

Upon receiving a participating operation's financial information, La Financière agricole calculates program benefits by comparing the reference margin with the participation year production margin. The participation year is the one in which the farming operation's fiscal period or periods end. Where, for a given participation year, the production margin drops by more than 30% in relation to the reference margin, the margin decline is offset in part by a program payment.

## ELIGIBILITY CONDITIONS

The participating farming operation must:

- Have reported farming income or loss to Canada Revenue Agency by December 31 of the year following the participation year.
- Have carried out a minimum of six consecutive months of farming activity in Canada.
- Have completed a production cycle (with matching income and expenses).
- Provide a social insurance number (SIN), or Québec business number (NEQ) and/or federal government business number (BN).
- Be registered with the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec, as stipulated by the Regulation respecting the registration of agricultural operations and the payment of real estate taxes and compensations, and provide the operation's registration number (NIM).
- Market a product subject to the regulations and conventions in effect in the framework of the *Act respecting the marketing of agricultural, food and fish products*.

### N. B:

To benefit from government contributions, the participating operation must fulfill the requirements regarding deadlines for the payment of the contribution and transmission of financial information. Farming operations in their first participation year or that wish to reapply must contact their service centre of La Financière agricole and register by **April 30, 2013**, at the latest.

## ALLOWABLE PRODUCTS

All agricultural products are allowable under the AgriStability program, with the exception of:

- forestry products;
- aquacultural products;
- racehorses;
- peat moss;
- wild animals in their natural environment.

In addition, the resale of products that do not stem from the participating farming operation and income derived from farming activities carried on outside of Canada are not allowable.

## REQUIRED CONTRIBUTION

The AgriStability program requires active participation by participating operations in the form of a contribution payment. A participating operation's contribution represents an amount of \$3.15 for every increment of \$1,000 of their contributive reference margin. The contributive reference margin for the 2013 participation year is established based on information already provided for the 2007-2011 period.

For every participation year, the required contribution (minimum of \$45) and administrative fees of \$55 must be paid by **April 30** of the participation year. If the participating operation does not pay the amount of their contribution by that date, an additional contribution representing 20% of the initial contribution will be billed to them. The participating operation will then have until **December 31** of the participation year to pay its contribution, or else it will not be able to participate in the AgriStability program for that year.

Farming operations that do not meet the eligibility conditions or that do not wish to participate in the AgriStability program for a given participation year must notify La Financière agricole by **April 30** of that participation year. After that date, the farming operation will be considered a participant in the program for the year in question and must pay its contribution and the administration fees for that year.

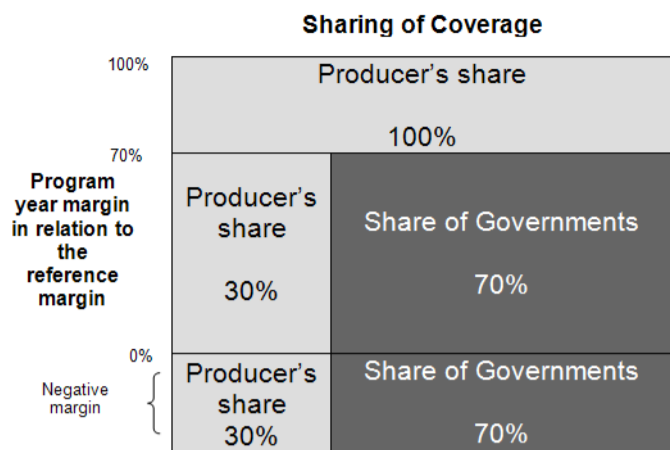
## TRANSMISSION OF FINANCIAL INFORMATION

The participating operation can transmit its financial information as soon as its fiscal period ends and at the latest by **September 30** of the year following the participation year. It is however possible to transmit the information up until **December 31** of that year, although the extra delay will entail a reduction in payment of \$500 a month (or part of month) beyond September 30.

The 2013 participation year concerns the participating operation's fiscal period or periods ending in 2013.

## PROGRAM PAYMENT

Generally speaking, the production margin corresponds to the difference between the participating operation's farming income and its variable expenses. The reference margin corresponds to the average production margin of the previous five-year period, excluding the highest and the lowest years. However, the reference margin cannot exceed the average allowable expenses for these same years. If, for any given participation year, the production margin drops by more than 30% in relation to the reference margin, the margin decline will be offset (70%) by a program payment.



If the participating operation undergoes growth or decline or if there is any structural change, an adjustment may be made by La Financière agricole to its reference margin based on the current year's production capacity.

Participating operations may be combined for the purposes of calculating program benefits, if they are recognized as being part of a whole farm or if their financial information does not reflect transactions at their fair market value.

Under certain conditions, it is possible for a participating operation to request an interim payment for the 2013 participation year. An interim payment makes it possible to receive program payments more quickly, without having to wait for the end of the fiscal period.

#### REQUEST FOR A REVIEW

Any request for a review of a final decision rendered regarding your files must be made in writing, explaining the motives behind the request, and sent to the service centre in charge of your files or delivered in person to a representative of La Financière agricole within 90 days from the date of the decision in question. Note however that program conditions and parameters or program premises may not be subject to a request for a review.

The maximum amount that can be paid to a participating operation for a given year is \$3 million.

The federal government funds 60% of the contribution and the Québec government 40%.

When the reference margin is negative, the entirety of the drop in margin is covered 70% if the margins of two of the three reference years used are positive. Intervention in the case of a negative margin could be reduced if the participating operation opted not to participate in the Crop Insurance Program at a minimum coverage level.

#### DEADLINES FOR PARTICIPATING IN THE AGRISTABILITY PROGRAM

	2012 participation year	2013 participation year
Enrolment of new farming operations	April 30, 2012	April 30, 2013
Payment of the contribution <b>without</b> the additional 20% contribution	April 30, 2012	April 30, 2013
Payment of the contribution <b>with</b> the additional 20% contribution	December 31, 2012	December 31, 2013
Transmission of financial information <b>without</b> a \$500/month reduction in payment	September 30, 2013	September 30, 2014
Transmission of financial information <b>with</b> a \$500/month reduction in payment	December 31, 2013	December 31, 2014

#### OTHER INFORMATION

- In order to gather financial information from participating operations, a network of accredited accountants was set up by La Financière agricole.
- The indemnities received and contributions paid in the framework of the Crop Insurance Program are included when calculating the participating operation's production margins, which will contribute in increasing the AgriStability program support level. The terms of the AgriStability program are such that, to benefit from full coverage, the participating operation must participate in the Crop Insurance Program for all its insurable productions.
- Participating operations that wish to make adjustments in financial information already transmitted for any given participation year can do so within 18 months after the issue of the first Calculation of Benefits Notice for the year in question.
- Estimate of benefits (Calculator): this tool makes it possible to access the same results and validations that staff members at La Financière agricole use to analyse files. Using it can substantially reduce the time it takes to process applications by increasing the conformity and accuracy of the financial information transmitted. This tool can be used when entering the information, but before confirming and transmitting the financial information for the participation year.
- Link with the ASRA program: the Farm Income Stabilization Insurance Program (ASRA) continues to intervene on the basis of the production cost established according to farm types, and in conjunction with the AgriStability program. Operations participating in the AgriStability program that are also covered under ASRA will receive the higher amount between the governments' contributions through ASRA and the payment calculated under the AgriStability program.

*This summary, valid for 2013, in no way takes precedence over the provisions of the Program Guidelines or of the Federal-Provincial-Territorial Agreement "Growing Forward 2".*