

AGRISTABILITY

2016

GENERAL PRINCIPLES

AgriStability is a federal-provincial program aimed at stabilizing income if there is a drop in the production margin.

Under certain circumstances, the Agri-Québec Plus program offers additional financial support to farming operations that participate in the AgriStability program.

Operations that are in their first participation year or that want to re-register must contact their service centre by April 30 of the participation year.

The 2016 participation year concerns the participating operation's fiscal period or periods ending in 2016.

ELIGIBILITY CONDITIONS

The participating operation must:

- Report income or loss participation year to the Canada Revenue Agency by December 31 of the year following the participation year.
- Undertake at least six consecutive months of farming activity in Canada.
- Complete 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 and provide the operation's registration number (NIM).
- Market a product subject to the regulations and conventions in effect.
- Abide by program requirements with regard to deadlines.

ALLOWABLE PRODUCTS

All agricultural products are eligible, except for:

- forestry products;
- aquacultural products;
- racehorses;
- peat moss;
- 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.

REQUIRED CONTRIBUTION

Participants must pay a contribution corresponding to \$3.15 for every increment of \$1,000 of their contributive reference margin. The contributive reference margin for the 2016 participation year is based on the 2010-2014 period.

The required contribution (minimum of \$45) and administrative fees of \$55 must be paid annually, by the deadlines shown in the table on the next page.

Participants who do not wish to participate in the program must notify La Financière agricole by April 30 of the participation year. After that date, they will be considered program participants and must pay their contribution and administration fees for that year.

TRANSMISSION OF FINANCIAL INFORMATION

Participants must send their financial information by the deadlines shown in the table on the next page.

PROGRAM PAYMENT

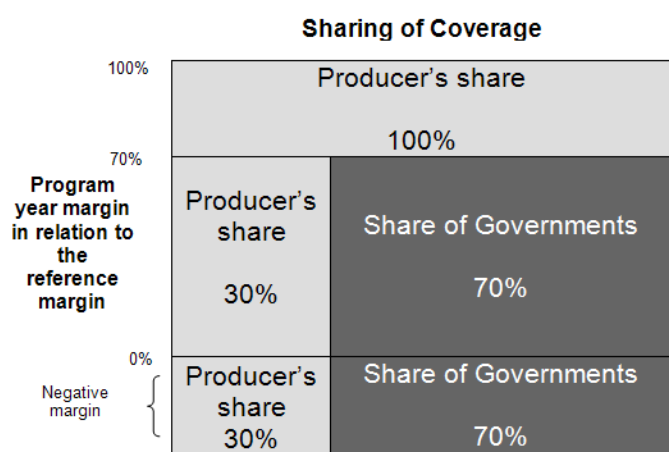
Upon receipt of the participant's financial information, La Financière agricole calculates the program benefits by comparing the reference margin and the production margin for the participation year in question.

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 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.

The Canadian government pays 60% of the contribution and the Québec government 40%.



When the reference margin is negative, the program intervenes only 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 participant opted not to participate in the Crop Insurance Program at a minimum coverage level.

If an operation is in a period of growth or decline or undergoing a structural change, La Financière agricole could make an adjustment in the reference margin, to reflect the production capacity of the participation year.

Under certain circumstances, a participant can ask for an interim payment to receive a part of the program payment more rapidly.

DEADLINES FOR PARTICIPATING IN THE AGRISTABILITY PROGRAM

Terms	2015 participation year	2016 participation year
Enrolment of new farming operations	April 30, 2015	April 30, 2016
Payment of the contribution	April 30, 2015	April 30, 2016
Payment of the contribution with the additional 20% contribution	December 31, 2015	December 31, 2016
Transmission of financial information	September 30, 2016	September 30, 2017
Transmission of financial information with a reduction in payment of \$500/month or part of the month late	December 31, 2016	December 31, 2017

OTHER INFORMATION

- A network of accredited accountants was set up by La Financière agricole, in order to gather financial information from participating operations.
- 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. To benefit from full coverage, the participating operation must participate in the Crop Insurance Program for all its insurable productions.
- Participating that wish to make adjustments in financial information transmitted can do so within 18 months after the issue of the first Calculation of Benefits Notice for the participation year in question.
- Estimate of benefits (Calculator): this tool makes it possible to access results and validations similar to those used by La Financière agricole to analyse files. Using it reduces the time it takes to process applications by increasing the conformity and accuracy of the financial information transmitted.
- Participating operations that also participate in the Farm Income Stabilization Insurance Program (ASRA) will receive the higher amount between the governments' contributions through ASRA and the payment calculated under the AgriStability program.

This summary, valid for 2016, in no way takes precedence over the provisions of the Program Guidelines or of the Federal-Provincial-Territorial Agreement "Growing Forward 2".

1 800 749-3646 | www.fadq.qc.ca