

## TERMS AND CONDITIONS

### 2019 and 2020 BRITISH COLUMBIA AGRISTABILITY ENHANCEMENT PROGRAM

#### DEFINITIONS:

In these Terms and Conditions:

- a. **“National Guidelines”** means the national Consolidated AgriStability Program Guidelines, dated August 8, 2018, for Canadian Agricultural Partnership;
- b. **“Program”** means the British Columbia AgriStability Enhancement Program **established under s. 3.1(1) of the Farm Income Plans Regulation under the British Columbia Farm Income Insurance Act**;
- c. **“AgriStability”** means the **Agristability program established under s. 3(1)(f) of the Farm Income Plans Regulation under the British Columbia Farm Income Insurance Act**.
- d. **“Terms and Conditions”** means the terms and conditions of the British Columbia AgriStability Enhancement Program, as described herein; and
- e. Except to the extent that a word or phrase is defined in these Terms and Conditions, definitions used in the Canadian Agricultural Partnership Agreement apply to these Terms and Conditions.

#### ADOPTION OF NATIONAL GUIDELINES WITH CHANGES

The National Guidelines, including attached Annexes, are adopted with the changes described below as the Terms and Conditions of the Program.

##### A. GENERAL

- a. The following phrases, wherever they occur, are deleted and replaced with the phrase “the Program Year”:
  - i. “a Program Year”,
  - ii. “that Program Year”,
- b. The definition of “Current Program Year” is deleted, and the term “Current Program Year” is deleted and replaced with the term “Program Year” wherever it occurs.
- c. The definition of “Program” is deleted.

##### B. DEFINITIONS

- a. The following sentence is deleted: “Unless otherwise indicated, terms that are defined in the



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Agreement have the same meaning in these Guidelines”.

- b. The definitions of “Claimant”, “Contribution Reference Margin”, “Enrolment Notice”, “Fund 1”, “Fund 2”, and “Program” are deleted.
- c. The definitions of “Administrator”, “Production Margin”, and “Program Year” are deleted and replaced with the following:

**Administrator:** The body or agency appointed by the Province of British Columbia to administer the Program.

**Production Margin:** The difference between allowable income and allowable expenses, as defined by these Terms and Conditions and subject to the adjustments set out in these Terms and Conditions.

**Program Year:** One of two one year periods, ending in either 2019 or 2020 as applicable, for which the participant files a return under the *Income Tax Act (Canada)*, or for participants who are not required to file returns under *the Income Tax Act (Canada)*, the 2019 and 2020 calendar year.

## C. PART 1 – ELIGIBILITY

- a. In clause 1.1, the additional requirements under the fifth bullet point in relation to the province of Quebec are deleted.
- b. Clause 1.4 is deleted and replaced with the following:

A producer who lives and farms in a province or territory other than British Columbia is eligible to participate in the Program if British Columbia is the Province or Territory of the Main Farmstead of the producer.

## D. PART 2 – PROGRAM ACCOUNTS

- a. Clauses 2.1 to 2.3 are deleted.

## E. PART 3 – APPLICATION PROCESS

- a. Clauses 3.1, 3.2, 3.3 and 3.7 are deleted and replaced with:

### 3.2.1 Enrolment of Existing AgriStability Program Participant



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Participants who are currently enrolled in AgriStability for the 2019 Program Year or the 2020 Program Year are automatically enrolled in the Program for that applicable year and are not required to pay any additional fee for the Program.

b. Clauses 3.8 and 3.9 are deleted and replaced with the following:

### **3.8 Payments for Positive Margins**

If the Participant's Reference Margin for a Program Year is greater than zero, and the Participant's Program Year Margin has declined by more than 30 percent compared to the Participant's Reference Margin, the amount payable to the Participant will be 80 percent of the portion of the margin decline that is greater than 30 percent but less than or equal to 100 percent of the Reference Margin.

### **3.9 Payments for Negative Margins**

In addition to any amount payable under clause 3.8, if a Participant's Program Year Margin is less than zero (negative margin), the Participant will be eligible to receive payments for that part of the margin decline that falls within the negative margin providing that, in that Program Year the Participant has:

1. incurred a negative margin resulting from any peril beyond the Participant's control;
2. followed Sound Management Practices;
3. a Reference Margin greater than zero, or had a Production Margin (as determined for the purposes of calculating the Reference Margin) greater than zero in at least two of the three Program Years used in calculating the Reference Margin, including Program Years for which Production Margins were estimated under clause 3.15.2 of the Agreement, but excluding Program Years which were excluded under clause 3.15.1 of the Agreement.

Payments will be calculated based on 80 percent of that part of the Program Year Margin decline that falls within the negative margin, less any amounts adjusted under clause 3.9.1.

c. In the seventh paragraph of clause 3.9.1, the phrase "the province or territory" is deleted and replaced with "British Columbia".

d. In clause 3.10.1, the following sentences are deleted:

- i. "If the enrolment deadline has passed, the participant has confirmed participation in the Program for that Program Year".
- ii. "If the enrolment deadline has not passed and the participant has met the other criteria, the Administrator will consider a request for an Interim Payment as confirmation of participation for the Program Year".



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- iii. “Canada and an individual province or territory may agree on a higher maximum payment rate, not greater than 75 percent, for Interim Payments to some or all of the participants in that province or territory for a Program Year”.
- e. In the fifth paragraph of clause 3.14.1,
- i. The term “AgriStability Administrator” is deleted and replaced with “Administrator”;
  - ii. The phrase “for the purposes of AgriStability” is deleted and replaced with “for the purposes of the Program”; and
  - iii. The remaining instances of the term “AgriStability” are deleted and replaced with “Program”.
- f. Clause 3.14.2 is deleted and replaced with the following:

### **3.14.2 Administrator-Initiated Adjustments to Financial Information**

The Administrator may initiate adjustments to information used in calculating Program benefits for the Program Year (including information used in calculating the Reference Margin for the Program Year) for up to six years after notification of the original Calculation of Program Benefits for the Program Year. Any Administrator-initiated adjustment that is completed after the end of this six year period will not result in a change to program benefits for the Program Year unless:

- the Administrator provided written notice to the Participant before the end of the six year period that an Administrator-initiated adjustment is in progress; or
- the Administrator determines the Participant provided false or misleading information as set out in clause 5.1.

Where the Administrator completes the adjustment and provides an adjusted Calculation of Program Benefits, participant-initiated adjustments related to changes made in that adjusted Calculation of Program Benefits may be made within 90 days after notification of that adjusted Calculation of Program Benefits, or within 18 months of notification of the original Calculation of Program Benefits, whichever is later.

## **F. PART 4 – PROGRAM PARAMETERS**

- a. In clause 4.1, the sentence “A participant must participate in the province or territory of the Main Farmstead” is deleted and replaced the following: “A producer may not participate in the Program unless British Columbia is the Province or Territory of the Main Farmstead of the producer”.



- b. In clause 4.3.1,
  - i. the sentence “The federal government and at least two thirds of the participating provinces or territories concur that the payment should be allowable for both the Program Year Margin and the Reference Margin” is deleted and replaced with “The Administrator determines that the payment should be allowable for both the Program Year Margin and the Reference Margin”.
  - ii. the phrase “Payments from other government income support programs as agreed to bilaterally between the federal government and a province or territory” is deleted and replaced with “Payments from other government income support programs as determined by the Administrator”.
- c. Clause 4.5.3 is deleted.
- d. Clause 4.5.4 is deleted.
- e. In clause 4.6,
  - i. the phrase “in calculating the Production Margin for that Program Year” is deleted and replaced with “in calculating the Production Margin for a year”; and
  - ii. the sentence “Participants changing their year-ends within a Program Year will, for that Program Year, be bound by their fiscal year-end deadlines at the beginning of the Program Year for the purposes of the Enrolment Notice” is deleted and replaced with “Participants changing their year-ends within the Program Year will be bound by their fiscal year-end deadlines at the beginning of the Program Year for the purposes of timelines under these Terms and Conditions that reference the Program Year end”.
- f. In clause 4.7.2, the phrase “all the relevant factors affecting production in the Program Year” is deleted and replaced with “all the relevant factors affecting production in the Program Year or reference year”.
- g. Clause 4.8.3 is deleted and replaced with the following:

#### **4.8.3 Margin and Payment Calculation for Combined Participants**

Where the Administrator determines that farming operations are to be combined in accordance with clause 4.8, the Administrator will limit the combined payment of those farming operations to the \$3 million maximum payment set out in clause 3.4.3.

### **G. PART 5 – PROGRAM MANAGEMENT**

- a. In clause 5.1, the following paragraph is deleted:



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If a participant has provided false information, or has breached a condition of eligibility, the Administrator may deem the participant to be ineligible to participate in the Program for up to two additional years under clause 10.7 of the Agreement. The Administrator must provide notice to the participant and an opportunity to respond before doing so.

- b. In clause 5.3, the sentence “Appeals shall be conducted according to the Common Terms of Reference for Appeals Committees attached to these Guidelines as Annex A” is deleted and replaced with the following:

The AgriStability Program’s “Common Terms of Reference for Appeals Committees”, attached for reference to these Terms and Conditions as Annex A, shall apply to appeals conducted under the Program as though the Program was the AgriStability Program.

## H. PART 6 – FINANCIAL PROVISIONS AND ADMINISTRATIVE COST SHARE

- a. Clauses 6.1 and 6.2 are deleted.
- b. Clauses 6.3 and 6.4.3 are deleted and replaced with the following:

### 6.3 Accounting Principles

1. The reporting cycle for Program-related administrative costs shall be on a fiscal (March 31<sup>st</sup>) rather than on a calendar (December 31<sup>st</sup>) basis.
2. Minimum documentary evidence shall be maintained and made available for audit purposes.

### 6.4.3 Debt Write-Off

Debt Write-Off shall be conducted in accordance with the B.C. Financial Core Policies and Procedures Manual Section 7.2.26.

- c. Clause 6.5 is added:

### 6.5 Limitations on Program Funding

Despite any other provision of these Terms and Conditions, the Province of British Columbia may establish limits on the total amount of funding available for payments of benefits under the Program, and where the Province establishes such limits,

1. any benefit payable to a participant under the Program may be consequentially reduced or terminated; and



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2. the Administrator may make reduced payments or, if applicable, provide refunds to participants, in accordance with any directions given by the Province with respect to how such reduced payments or refunds should be made.

## **I. PART 7 – MANAGEMENT OF GUIDELINES**

- a. Part 7 is deleted and replaced with the following:

7.1 These Guidelines apply to the 2019 and 2020 Program Years.

## **J. ANNEX B: CONDITIONS FOR ESTABLISHING A TARGETED ADVANCE PAYMENT**

- a. Annex B is deleted.



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