

TERMS AND CONDITIONS

BRITISH COLUMBIA AGRISTABILITY ENHANCEMENT PROGRAM

DEFINITIONS:

In these Terms and Conditions,

- a. **“Late Participant”** means a producer who did not enrol in the 2017 AgriStability Program Year on or before April 30, 2017, but who is otherwise eligible to participate in the 2017 AgriStability Program Year;
- b. **“National Guidelines”** means the national Consolidated AgriStability Program Guidelines, dated February 6, 2014, for Growing Forward 2;
- c. **“Participation Fee”** means the fee that is payable by a producer to participate in the Program as a Late Participant;
- d. **“Program”** means the British Columbia AgriStability Enhancement Program;
- e. **“Terms and Conditions”** means the terms and conditions of the British Columbia AgriStability Enhancement Program, as described herein; and
- f. Except to the extent that a word or phrase is defined in these Terms and Conditions, definitions used in the Growing Forward 2 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”,
 - iii. “a previous Program Year”, and
 - iv. “the previous 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.



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B. DEFINITIONS

- a. The following sentence is deleted: “Unless otherwise indicated, terms that are defined in the Agreement have the same meaning in these Guidelines”.
- b. The definitions of “Claimant”, “Contribution Reference Margin”, “Enrollment 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: The period, ending in 2017, 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 2017 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 and replaced with the following:

2.2 Administrative Cost-Share (ACS)

Each participant who is entitled to receive a benefit shall be charged an Administrative Cost Share of \$55. The \$55 charge shall be deducted from the benefit amount when payment is made to the participant. This Administrative Cost Share will not be charged for participants who are currently enrolled in, and paid a similar administrative cost share amount for, the 2017 AgriStability Program Year.



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E. PART 3 – APPLICATION PROCESS

- a. Clauses 3.1 to 3.4, 3.5.2, and 3.7 are deleted and replaced with the following:

3.1 Late Participants

A producer who did not enrol in AgriStability for the 2017 AgriStability Program Year by April 30, 2017, but who is otherwise eligible for the AgriStability Program under Part 1 of the National Guidelines, may enrol in the Program as a Late Participant. If such a participant does not follow the enrolment procedure by April 30, 2018, the participant shall not be eligible to participate in the British Columbia AgriStability Enhancement Program.

3.2 Enrolment for Late Participants

Where a Late Participant seeks to enrol in the Program, a two-step enrolment process will apply:

Step 1: The producer will submit to the Administrator a letter of engagement for Late Participants, which will include a participant information, declaration and authorization form.

Step 2: The Administrator will calculate the participant's Participation Fee in accordance with clause 3.2.2.

3.2.1 Enrolment of Existing AgriStability Program Participant

Participants who are currently enrolled in the 2017 AgriStability Program Year are automatically enrolled in the Program and are not required to pay the Participation Fee for the Program if they have paid their participant contributions for the 2017 AgriStability Program Year.

3.2.2 Calculation of Participation Fee

The Participation Fee of Late Participants shall be calculated in accordance with the following:

1. If a Late Participant
 - a. was issued an "Enrolment Notice", as defined under the National Guidelines, for the 2017 AgriStability Program Year,
 - b. confirmed the Late Participant's participation in the 2017 AgriStability Program Year, and
 - c. did not pay the participant contribution before the final deadline



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described in clause 3.4.3 of the National Guidelines,

the Participation Fee of the Late Participant is the participant contribution amount indicated on the Late Participant's Enrolment Notice.

2. In all other cases, the Administrator will calculate the Participation Fee using the Reference Margin determined under clause 4.5, multiplied by 0.45 percent, multiplied by 70 percent. If the amount calculated as the Late Participant's benefits under the Program minus the Participation Fee is less than \$250, no Participation Fee will be required from the Participant unless the Participant subsequently submits an adjustment that results in an amount more than \$250.

3.2.3 Payment of Participation Fee by Late Participants

Except as provided in the following circumstances, the amount owed by a Late Participant as the Participation Fee will be deducted by the Administrator from the benefits payable to the Late Participant prior to those benefits being paid:

1. If the Late Participant's Participation Fee was calculated in accordance with paragraph 1 of clause 3.2.2 [*Participation Fees for Late Participants who were issued Enrolment Notices, confirmed enrolment in the 2017 AgriStability Program Year, and did not pay participant contributions before the final deadline described in clause 3.4.3 of the National Guidelines*], the Participation Fee must be paid by the Late Participant before the Administrator begins to process any Program Forms.
2. If a Late Participant requests an Interim Payment under clause 3.9, the Administrator will deduct the Participation Fee amount prior to issuing the Interim Payment.

3.5.2 Payment Limitations

The maximum total payment to a participant is \$3 million.

No payment, including any Interim Payment, will be made to a participant unless the total amount payable under the Program to the participant is at least \$250 after deductions have been applied.

3.5.3 Calculation of Benefits Payable to Participants Currently Enrolled in the AgriStability Program

If the Administrator has made a determination or calculation for the purposes of determining an amount payable as a benefit under the AgriStability Program with respect to a participant currently enrolled in the 2017 AgriStability Program Year, the Administrator may adopt those determinations and calculations for the purposes of determining an amount payable as a benefit under the Program.



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3.5.4 Limitations on Benefits Payable to Participants Currently Enrolled in the AgriStability Program

A participant currently enrolled in the 2017 AgriStability Program Year is not eligible for a benefit payable under the Program which the participant is eligible to receive under the AgriStability Program with respect to the 2017 AgriStability Program Year.

3.7 Payments for Positive Margins

If the participant's Reference Margin for the 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.

- b. In clause 3.8, the sentence “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 3.13.2 of the Agreement, but excluding Program Years which were excluded under clause 3.13.1 of the Agreement” is replaced with the following:

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 years used in calculating the Reference Margin, including years for which Production Margins were estimated under clause 4.5, but excluding the highest and lowest margins that were excluded using the Olympic Average.

- c. In the seventh paragraph of clause 3.8.1, the phrase “the province or territory” is deleted and replaced with “British Columbia”.

- d. In clause 3.9.1, 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”.
- iii. “Canada and an individual province or territory may agree on a higher maximum payment rate, not greater than 75%, for Interim Payments to some or all of the participants in that province or territory for a Program Year”.

- e. Clause 3.9.2 is deleted.

- f. In the fifth paragraph of clause 3.13.1,

- i. the term “AgriStability Administrator” is deleted and replaced with “Administrator”,



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- 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”.
- g. Clause 3.13.2 is deleted and replaced with the following:

3.13.2 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



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bilaterally between the federal government and a province is 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. 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”.
- e. 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”.
- f. 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 3.5.2.

G. PART 5 – PROGRAM MANAGEMENT

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

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.



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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 31st) rather than on a calendar (December 31st) 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
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.

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

- a. Annex B is deleted.



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