



ONTARIO PORK

Questions and Answers on Long Term Loans and Advance Payments

Will I be able to keep my Emergency Advance Payment?

Yes, if you do not participate in the long term loan program you can continue to keep your emergency advance payment until September 2010. However, The Long Term Loans are first going to pay off advances made under the Emergency Advance Payment Program (EAPP).

What will be the interest rate on the long term loans?

The new loans will be most likely offered at market interest rates. Producers will have the opportunity to negotiate with lenders and should keep in mind that the loans will have government backing at a yet to be determined level.

Is the amount that the producer is allowed to borrow the same as under the EAPP? Will it be a straight substitution for principal borrowed?

The long term loans are a different program than the emergency advance designed to convert short term debt into a long term loan. The amount of loans that will be available is still under negotiation; however, it is expected that more funds will be available than were taken under the Emergency Advances.

Is there a requirement for the producer to have a reference margin under Agristability?

No the long term loans are not connected to Agristability.

Who will be offering the new loans?

Long term loans will be provided by financial institutions.

Is any interest free money still available?

Yes, producers are free to access the regular Advance Payment Program (APP) loans with the first \$100,000 interest free. The terms and requirements of the regular APP loans differ from the EAPP.

Are 2009 regular APP limited by CAIS/Agristability Reference margins?

No ACC Farmers Financial uses reference margins as one method to verify inventory, however, reference margins do not limit the amount of money available on the program.