CASH ADVANCE | 🍁 Agriculture and Agri-Food Canada · Agriculture et Agroalimentaire Canada · Advance Payments Program · Programme de paiements anticipés

ADVANCE PAYMENTS PROGRAM (APP)
PRIORITY AGREEMENT WITH A SECURED CREDITOR

Producer must have *EACH* Bank, Lending Institution or Secured Party that has a security interest in or lien on the Agricultural Product for which the advance is made, *complete a separate Priority Agreement* in order to be eligible for an advance under the program.

2026 APPENDIX 1

Creditor must fill out Part 1 or Part 2, sign Part 3 and fill out and sign Part 4. Producer or authorized officer for the farm must sign Part 3.

Producer Name		APP #	

PART 1 – *Complete part 1 by Financial Institution - mandatory*

In the name of _____ located at _____ (herein referred to as the "Creditor"), does hereby
<small>Name of Bank or Lending Institution or Secured Party</small>

consent that:

In consideration of an advance being issued by **Manitoba Crop Alliance, Inc.** (herein called the "Administrator"), the Administrator, the Producer and the Creditor agree that the security interest in the agricultural products administered by this Administrator for which the advance was made or the Crop Insurance program payment(s) related to the aforementioned agricultural products now held or to be held by the Administrator, shall rank prior to any lien or security interest on the said crop given by the Producer to the Creditor, whether such security was given under the authority of the *Bank Act* or under the authority of a Personal property security legislation in force in the province or by operation of any other law, but only to the extent of securing repayment to the Administrator of the advance payment up to **the lesser of the principal amount of $1,000,000 or the amount which has been advanced plus interest on that amount.** The amount of the advance shall be established based on the amount of production insurance held by the applicant and/or crop held after harvest. Any Crop Insurance Program proceeds payable to the Producer from the date this agreement is signed until full payment of the above-mentioned amounts shall be sent to the Administrator.

Notwithstanding the priorities set out in this agreement, the Administrator acknowledges that the Producer will operate bank accounts with the Creditor into which proceeds of property subject to the Administrator's security interest may be deposited. With the exception of any monies deposited in any accounts designated as trust accounts by the Producer for the benefit of Administrator, Creditor shall have no obligation to Administrator with respect to any monies in any other account of the Producer maintained with Creditor, or any monies that may be deposited therein or disbursed from any such other accounts, except for monies deposited therein after Creditor has received notice from Administrator and that the Administrator is thereafter exercising its rights in and to proceeds of the property subject to its Security

Prior to proceeding to enforce its security, Administrator or Creditor, as the case may be, shall provide reasonable prior written notice of such enforcement to the other of them.

For the purposes of giving effect to any of the Producer's undertakings under this Priority Agreement, the Producer shall make, execute and deliver to the Creditor or the Administrator, any documents or agreements as the Crop Insurance Administrator may reasonably request.

The Lender and/or Creditor ☐ has   ☐ has not (please check one) taken an assignment of the applicant's crop insurance payments related to the crop.

Where the Creditor has a lien or security on the crop, this Agreement is subject to the condition that the above mentioned advance, less any amounts legally held as an administrative fee, be payable jointly to the Producer and the Creditor and be remitted to the Creditor forthwith by the Producer and shall be applied by the Creditor to reduce the Producer's indebtedness to the Lender.

This Agreement shall continue in full force and effect until the date upon which all advances referred to herein and interest outstanding on these advances are repaid to the Administrator by the Producer.

PART 2 – *Complete this part if the lender and/or Secured Party DOES NOT have a lien or security interest on the crop*

In the name of _____ located at _____ (herein referred to as the "Creditor"), does hereby
<small>Name of Bank or Lending Institution or Secured Party</small>

consent that:

In consideration of an advance being issued by **Manitoba Crop Alliance, Inc.,** (herein called the "Administrator"), the Creditor does not have any lien or security interest pursuant to Section 427 of the *Bank Act*, or pursuant to any other law of Canada or of the provinces, related to the agricultural product or to the BRM Program payment(s) related to the agricultural product for the above mentioned Producer. However, this does not affect the Creditor's right to extend future credit and obtain security in support of same to the Producer at the Creditor's discretion.

PART 3 – *Signatures* of <u>*Lender/Secured Party*</u> *(regardless of security interest or lien),* ***Administrator*** *and* ***<u>Producer</u>***

This agreement shall be governed by and interpreted in accordance with the laws of the province of Manitoba.

IN WITNESS WHEREOF I hereunto set our hands and seals

Name & Title of Authorized Officer of Creditor	Signature	e-mail address	Phone Number	Date

Name of Producer or Authorized Officer for Farm Operation | Signature | Direct Deposit   YES ☐   NO ☐ | Date
Electronic signature not accepted

Manitoba Crop Alliance, Inc. _____
Name of Administrator   Signature   Date

Part 4 – Credit Worthiness (to be filled out by Lender/Secured Party)

The above-mentioned producer has been dealing with our institution for _____ years.

The above-mentioned producer is in good standing with our institution.   ☐ Yes   ☐ No **(please check one)**
Direct Deposit is authorized by the bank if funds deposited to the following account: Please attach void cheque

_____
Signature of Authorized Officer of Lender/Secured Party   **(please check one):**   ☐ **DOES**   ☐ **DOES NOT** require the cheque to be issued jointly

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