



News Release

For immediate release

Crop producers granted extension to repay cash advances

August 15, 2019 – Ottawa, Ontario – Agriculture and Agri-Food Canada

Farmers form the backbone of rural communities across Canada. They are integral to expanding our middle-class and strengthening our economy. The Government of Canada remains committed to growing Canada's agricultural sector by ensuring all farmers have the support they need to manage significant risks that threaten the viability of their farms.

Agriculture and Agri-Food Minister Marie-Claude Bibeau announced today that crop producers impacted by recent market disruptions may now be eligible for an additional six months to repay 2018 cash advances under the Advance Payments Program (APP).

The Stay of Default, which covers advances on grains, oilseeds and pulses, will provide additional flexibility to repay advances for farmers that may be facing lower prices, reduced marketing opportunities or a decrease in farm cash income. The decision comes following recent changes made by the Government of Canada to strengthen the APP by increasing the maximum loan limit for all farmers to \$1 million and the interest-free portion to \$500,000 for canola.

The six-month Stay of Default to March 31, 2020, will provide producers with more time to repay their 2018 outstanding advances. The Stay of Default was granted at the request of nine program administrators. The Government of Canada will also continue to pay interest on the interest-free portion of farmers' outstanding advances until March 31, 2020, for those commodities.

Producers who received a 2018 APP advance from any of the nine participating administrators could be eligible for the Stay of Default and are encouraged to contact their respective administrator for more details.

Participating administrators are the Agri-Commodity Management Association, Alberta Sugar Beet Growers, Alberta Wheat Commission, BC Breeder and Feeder Association, Canadian Canola Growers Association, Manitoba Corn Growers Association Inc., Manitoba Livestock Cash Advance Inc., Producteurs de Grains du Québec and Western Cash Advance Program Inc.

Quote

Our government is working closely with our farmers to meet their needs and is taking many concrete steps to help them deal with the current market turmoil. This Stay of Default will give them more flexibility and the room to maneuver so they can better manage their liquidity. "

- *The Honourable Marie-Claude Bibeau, Minister of Agriculture and Agri-Food*



Quick Facts

- The Advance Payments Program is a financial loan guarantee program that provides producers easy access to credit through cash advances. There were over 21,000 producers who participated in the program in 2018, and the average advance was approximately \$118,000.
- For the 2018 program year, 12,902 grains, oilseed and pulse producers took more than \$1.68 billion in advances, representing a 3% increase in the number of grains, oilseed and pulse producers taking advances under the program, and a 6% increase in the value of advances taken in 2017.
- As of July 31, there have been close to 1,100 new producers who have joined the program in 2019 and there has been approximately 360 producers who have returned to the program after not participating in the last three years.

Additional Links

[Advance Payments Program](#)

[News Release: Government of Canada Implements New Regulations to Enhance Advance Payments Program](#)

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