

2021 Canada-Alberta Hog Recovery Initiative
Terms and Conditions

I. PURPOSE

The purpose of the Program is to provide compensation for the extraordinary feed and destruction and disposal costs incurred by Eligible Participants due to the reduced slaughter capacity at hog processing plants as a result of the COVID-19 global pandemic.

II. DEFINITIONS:

- A. “AAFC”** means Agriculture and AgriFood Canada.
- B. “Administrator”** means AFSC.
- C. “AF”** means the Alberta Ministry of Agriculture and Forestry.
- D. “AFSC”** means Agriculture Financial Services Corporation.
- E. “Application Form”** means the intake form that a proposed participant must complete to be considered for acceptance to the Program.
- F. “Eligible Animals”** means animals that meet all of the criteria described in section III.C;
- G. “Eligible Participant”** means a person who meets all of the criteria described in section III.A.
- H. “Ministers”** means, collectively: (i) the Minister of Agriculture and Agri-Food Canada or his/her representative; and (ii) the Minister of Agriculture and Forestry (Alberta) or his/her authorized representative.
- I. “Program”** means the 2021 Canada-Alberta Hog Recovery Initiative described by these Terms and Conditions.
- J. “Program Website”** means www.AFSC.ca.
- K. “Terms and Conditions”** refers to the contents of this document.

III. ELIGIBILITY

A. Eligible Participants

To be eligible to participate in the Program, a person must meet all of the following criteria:

1. As a matter of legal status, a person must:
 - a. Be an individual who is: (i) at least 18 years of age; (ii) either a Canadian citizen or a permanent resident of Canada; and (iii) resident in Alberta; or
 - b. Be a corporation that is duly registered and actively operating in Alberta;
2. Report farm income and expenses in Alberta for income tax purposes;
 - a. For applicants that are not required to file farm income tax, documentation that demonstrates the production and sale of agricultural commodities must be provided;
3. Be the owner of an Alberta Pork producer number and be responsible for paying the feeding costs of the Eligible Animals located in Alberta; and
4. Agree to be bound by the Terms and Conditions.

B. Non-Eligible Participants

Without limitation, the following are not eligible to participate in the Program:

1. Research stations; and
2. Universities, or any other government-funded organizations.

C. Eligible Animals

To be eligible to participate in the Program, animals must meet all of the following criteria:

1. Finished or market hogs that were scheduled for slaughter at the Olymel hog plant in Red Deer, AB between February 8, 2021 and March 31, 2021;
2. Hogs must be fed in Alberta; and
3. Hogs that were delayed being shipped to market due to a COVID-19 related plant closure.

D. Non-Eligible Animals

Without limitation, the following are not eligible to participate in the Program:

1. Sows and boars; and
2. Hogs that are not market ready.

IV. APPLICATION PROCESS

A. General Intake Process

1. Eligible Participants are required to submit a completed Application Form.
2. Existing AFSC clients will use their existing AFSC ID number; non-AFSC clients will be issued a new AFSC ID number as part of the intake process.

B. Conditions of Application

1. Eligible Participants must sign a declaration confirming that they have met and agree to the Terms and Conditions.
2. Eligible Participants shall not make an application in respect of any Eligible Animals that are already the subject of an application by any other person, including, without limitation: (i) a person who is not at "arm's length", or a person who is a "related person", both as defined by the *Income Tax Act* (Canada); or (ii) a shareholder, member or partner participating with the Eligible Participant in the same livestock operation.
3. Eligible Participants agree to disclose payments or in-kind contributions from industry, federal, provincial or municipal governments that were received in respect of similar activities or objectives of the Program, excepting any payments received under the AgriStability program.
4. Applications must be signed by, or by a person properly authorized to sign on behalf of, an Eligible Applicant. The Minister may require evidence of authorization.
5. Payments will be made by cheque issued to the Eligible Participant.

V. CANADA-ALBERTA HOG MAINTENANCE FEED COMPONENT

A. Scope of the Component

1. Eligible Participants can apply for compensation of their feed costs incurred between February 8, 2021 and March 31, 2021 for Eligible Animals.

B. Application and Conditions for the Component

1. As part of the application process for the Hog Maintenance Feed Assistance Component, Eligible Participants must identify the:
 - a. Premises ID for Eligible Animals;
 - b. Number of Eligible Animals that were delayed from being marketed;
 - c. Scheduled marketing date; and
 - d. Actual or estimated marketing date.
2. The Administrator may request sales data to verify information provided as part of the application process.
3. A minimum of 30 Eligible Animals per Eligible Participant are required for the Hog Maintenance Feed Assistance Component.
4. Eligible Participants consent to Alberta Pork or Olymel hog processing facility any information requested by the Program Administrator for verification purposes.
5. The deadline for submitting completed Application Forms for the Hog Maintenance Feed Assistance Component, including all supporting documents, to the Administrator is March 25, 2021. The Application Forms are to be submitted electronically, through e-mail or the Program Website, as follows:

Email: AgriRecovery@afsc.ca
Subject line: AgriRecovery Hog Recovery Initiative

Eligible Participants may call 1-877-899-2372 for further information.

C. General Payment Matters

1. The minimum payment amount to be issued under the Hog Maintenance Feed Assistance Component will be \$200.00.
2. Eligible Participants cannot assign or defer any payment under the Hog Maintenance Feed Assistance Component.
3. Any tax information slips required by the *Income Tax Act* (Canada) will be issued in the name of the Eligible Participant.

D. Calculation of Hog Maintenance Feed Component

1. Eligible Participants will receive a payment for the number of days that Eligible Animals were fed within the scope of the Program as follows:
 - a. $\$0.95 \times \text{Total number of Eligible Animals} \times (\text{number of days} - 7 \text{ days})$
 - b. Eligible Animals fed prior to being marketed are eligible for a payment up to a maximum number of 23 days payable, or \$21.85 per animal.
 - c. Eligible Participants may be subject to a post payment audit.

VI. CANADA-ALBERTA HOG DESTRUCTION AND DISPOSAL COMPONENT

A. Scope of the Component

1. Eligible Participants can apply for compensation of the extraordinary costs for the destruction and disposal of Eligible Animals incurred between February 8, 2021 and March 31, 2021.

B. Application and Conditions for the Component

1. As part of the application process for the Hog Destruction and Disposal Component, Eligible Participants must identify the:
 - a. Premises ID for Eligible Animals;
 - b. Number of Eligible Animals that were destroyed;

- c. Method of destruction; and
 - d. Method of disposal.
2. The Administrator may require receipts to verify information provided as part of the application process.
3. A minimum of 30 Eligible Animals per Eligible Participant are required for the Hog Destruction and Disposal Component.
4. Eligible Animals must have been part of the Hog Maintenance Feed Assistance Component.
5. The deadline for submitting completed Application Forms for the Hog Destruction and Disposal Component, including all supporting documents, to the Administrator is March 25, 2021. The Application Forms are to be submitted electronically, through e-mail or the Program Website, as follows:

Email: AgriRecovery@afsc.ca
Subject line: AgriRecovery Hog Recovery Initiative

Eligible Participants may call 1-877-899-2372 for further information.

C. General Payment Matters

1. The minimum payment amount to be issued under the Hog Destruction and Disposal Component will be \$200.00.
2. Eligible Participants cannot assign or defer any payment under the Hog Destruction and Disposal Component.
3. Any tax information slips required by the *Income Tax Act* (Canada) will be issued in the name of the Eligible Participant.

D. Calculation of Hog Destruction and Disposal Component

1. Eligible Participants will receive a payment of up to 90% of the extraordinary costs for the humane destruction of Eligible Animals. Eligible costs per Eligible Animal include:
 - a. Transportation to processor (max \$5.00);
 - b. Humane slaughter at Processor or other acceptable methods (max \$50.00);
 - c. Transportation to land fill (max \$15.00); and
 - d. Landfill tipping fee (max \$15.00).
2. Hogs that are disposed of cannot enter the food value chain.
3. Eligible Participants will be required to submit receipts to, and may be subject to a post payment audit by, the Administrator.

VII. OVER PAYMENTS

1. If, after making a payment under the Program, the Administrator determines that:
 - a. A participant is not an Eligible Participant;
 - b. Any participating animals were not Eligible Animals;
 - c. False or misleading information was provided in the Application Form, or in any manner whatsoever, to the Administrator;
 - d. An Eligible Participant breached any of the Terms and Conditions;
or
 - e. The payment was overpaid in any amount for any reason;then the Administrator may require the person who received that payment to repay some or all of it, and the amount of such payment shall be considered to be an overpayment.
2. Until the amount of the overpayment is repaid, such amount will be

considered to be a debt due to the Crown by the recipient of that overpayment and shall be recoverable in the same manner as any other debt due to the Crown.

3. The recipient of an overpayment shall repay such overpayment amounts to the Administrator within 30 days of notice being provided to the recipient by the Administrator.
4. The recipient's failure to refund an overpayment will result in the amount of the overpayment being set off against any amounts owed by the Administrator to the recipient or an Eligible Participant associated with the recipient.
5. Interest will be charged on the amount of the overpayment, commencing from the date that notice is given to the recipient of the overpayment, at an annual interest rate of CIBC prime plus 2%, adjusted quarterly, until the amount of the overpayment, including accrued interest, is fully repaid.

VIII. VERIFICATION

1. Eligible Participants may be required to provide information related to the purchase or sale of any Eligible Animals to the Administrator or its agents for the purpose of administering the Program.
2. As a condition of participation in the Program, an Eligible Participant authorizes the Administrator, or its agents, to obtain information from any government department, agency or third party for the purposes of verifying: (i) the basis of the Program payments; or (ii) any other information provided by the Eligible Participant under the Program.
3. As a condition of participation in the Program, an Eligible Participant consents to the Administrator disclosing any information in the Administrator's possession to any government department, agency, or third party for the purposes of: (i) verifying facts disclosed in the Eligible Participant's application to the Program; or (ii) determining the Eligible Participant's eligibility for the Program.
4. On request, Eligible Participants shall supply the Administrator, or its agents, AF or AAFC, with access to any land, records, books of account, income tax returns or other documentation required to administer, or conduct audits of, the operation of the Program.
5. On request, Eligible Participants shall provide the Administrator, or its agents, with copies of any records, books of account, income tax returns or documentation of: (i) a person who is not at "arm's length", or a person who is a "related person", both as defined by the *Income Tax Act* (Canada); or (ii) a shareholder, member or partner participating with the Eligible Participant in the same livestock operation, for the purposes of verifying or auditing the Eligible Participant's application. If the Eligible Participant fails to provide any of the foregoing within 30 days of the Administrator's request, then the Administrator may require the Eligible Participant to repay any payment received under this Program.

IX. AMENDMENTS TO THE PROGRAM

1. The Ministers may amend these Terms and Conditions and make changes to the Program at any time without notice to anyone. If these Terms and Conditions are amended, the amended Terms and Conditions will be posted to the Program Website.
2. In the event that the Program is changed, any application received after the Program is so changed will be administered according to the conditions applicable as of the date that the application was received.

X. TERMINATION OF THE PROGRAM

The Ministers may terminate this Program any time, without notice to anyone, if:

1. The funds allocated to the Program have been exhausted; or

2. The Ministers, in their sole and unfettered discretion, decide that the Program should be terminated.

XI. LIMITATION OF LIABILITY AND INDEMNIFICATION

1. The Administrator, the Government of Alberta and the Government of Canada, and each of their agents, are not liable to an Eligible Participant, its heirs, administrators or assigns for any personal injury, property damage, or any other manner of injury, damage, claim or loss whatsoever arising out of this Program and the Eligible Participant's participation in it.
2. It is a condition of participation in the Program by an Eligible Participant that the Eligible Participant shall indemnify and hold harmless the Administrator, the Government of Alberta, the Government of Canada, and each of their agents, against any loss, damage, award or costs arising from any demand, claim or proceeding whatsoever that may arise as a result, whether directly or indirectly, as a result of the Eligible Participant's participation in the Program.

XII. STACKING OF ASSISTANCE

1. The Eligible Participant agrees to disclose to the Administrator all other sources of funding in respect of the activities and objectives under the Program over and above any funding received from AgriStability, AgrilInsurance, or AgrilInvest, but including financial contributions from federal, provincial, or municipal governments.
2. In the event a recipient receives payments that provide more than 100% coverage for any Program related amounts, any amounts above 100% coverage shall constitute an overpayment for the purposes of the Program and will be recovered in accordance with the terms and conditions set out under these Terms and Conditions.
3. For AgriStability purposes, any Program payments will be treated as eligible income for the AgriStability program year margin but excluded as income for the AgriStability reference margin years.

XIII. REGISTRATION OF LOBBYISTS

A person lobbying, as defined in the federal *Lobbying Act*, on behalf of a participant must be registered pursuant to that Act. For greater clarity, the *Lobbying Act* excludes from registration, among others, members of the Provincial Legislature or their staffs and employees of the provincial government.