

2021 Canada-Alberta Livestock Feed Assistance Initiative Terms and Conditions

Current as of August 31, 2021

I. Purpose

The purposes of the Program are to: (i) provide compensation for the extraordinary costs incurred by Eligible Participants due to the drought and the extreme high temperatures of 2021; and (ii) support the management and maintenance of Alberta's breeding animals.

II. Definitions:

- A. **"AAFC"** means Agriculture and Agri-Food Canada.
- B. **"Administration"** 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, whether in paper or electronic format, 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 detailed in section III.C herein.
- G. **"Eligible Colonies/Hives"** means colonies/hives that meet all the criteria detailed in section III.E herein.
- H. **"Eligible Expenses"** means expenses as outlined in section III.F herein.
- I. **"Extraordinary Feed Days"** means Normal Grazing Days less Reduced Grazing Days.
- J. **"Eligible Participant"** means a person who meets all of the criteria detailed in section III.A herein.
- K. **"Extraordinary Costs"** means the costs to feed and maintain animals or bees, as the case may be, that, as a result of the drought and extreme high temperature in 2021, are over and above what would occur in a normal year.
- L. **"Feed"** means barley or other feed grains, baled hay, silage, greenfeed, straw and other feedstuffs used to feed Eligible Animals.
- M. **"Livestock Feed Assistance"** comprises an assistance program for animals and an assistance program for bees.
- N. **"Market Animals"** means animals raised for economic purpose that are not bred females or intended to be retained as breeding females.
- O. **"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.

- P.** “**Normal Grazing Days**” means the date Eligible Animals are placed on Pasture to the average/normal date Eligible Animals are removed from Pasture (not to exceed 200 days).
- Q.** “**Pasture**” means land covered with grass and other low plants suitable for grazing animals.
- R.** “**Program**” means the 2021 Canada-Alberta Livestock Feed Assistance Initiative described by these Terms and Conditions.
- S.** “**Program Website**” means www.AFSC.ca.
- T.** “**Proof of Expense**” means records from an Eligible Participant, that in the Administration’s sole and unfettered discretion, are acceptable evidence of Extraordinary Costs incurred between August 6, 2021 and December 31, 2021 by that Eligible Participant that demonstrate the extraordinary costs. Examples include receipts, inventory records, etc.
- U.** “**Reduced Grazing Days**” means the date Eligible Animals were placed on Pasture to the date that Eligible Participants made alterations to their normal grazing practices.
- V.** “**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 whose majority of voting shareholders are resident 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 responsible for the feeding and the primary care of the (i) Eligible Animals or (ii) Eligible Colonies/Hives, as the case may be, located in Alberta;
 - a. For greater clarity, landlords in a cow/calf share arrangement will not be considered Eligible Applicants with respect to those animals.
4. Apply to the Program as specified in these 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 (excluding bees) must meet all of the following criteria:

1. Are breeding females; and
2. Are grazing animals including, but not limited to:
 - a. Horses
 - b. Cows/Bison
 - c. Elk/Yak/Musk Ox
 - d. Deer/Llamas
 - e. Sheep/Goats/Alpacas

D. Non-Eligible Animals

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

1. Hogs, poultry, or dairy cows for commercial milk production;
2. Market Animals;
3. Animals that were, or are, fed for weight gain either on Pasture or in a confined feeding operation;
4. Culled breeding animals, or breeding animals that are intended to be culled, during the period of time the Program is open for applications;
5. Breeding males; and
6. Animals owned in whole or in part by a federally licensed slaughter facility or a provincially licensed slaughter facility.

E. Eligible Colonies/Hives

To be eligible to participate in the Program, the colonies/hives must be part of an operation with a minimum of 100 colonies/hives placed and care for in Alberta.

F. Eligible Expenses

Eligible Expenses that can be claimed as Extraordinary Costs due to drought include, but are not limited to:

1. Feed
2. Temporary water provision (not covered by the CAP Water Program)
3. Temporary fencing
4. Transportation costs related to hauling feed, water or animals
5. Pregnancy Tests
6. Other activities required to secure Feed supplies or maintain the breeding herd.

IV. Application Process

A. General Intake Process

1. Eligible Participants who are applying for Eligible Animals are required to submit completed Application Forms for each of the Initial and Secondary payments.
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 process.

3. Eligible Participants shall not make an application in respect of any Eligible Animals or Eligible Colonies/Hives 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 operation.
4. 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.
5. An Eligible Participant must sign or submit the Application Form to the Administration in the manner specified by the Administration on the Application Form.
6. Only a properly authorized person can sign or submit the Application Form on behalf of an Eligible Participant. The Administration may require evidence of such authorization and retains the unfettered discretion to determine the adequacy of any such evidence of authorization.
7. If the person who signs or submits the Application Form on behalf of an Eligible Participant is not properly authorized to do so, that person will be deemed to have submitted the application in their personal capacity and will be responsible for all amounts paid to them, or for any overpayments owed by them, under the Program.

B. Conditions of Application

1. Eligible Participants must apply through the Administration of the Program. Eligible Participants will need to provide their Social Insurance Number or tax identifier for taxation purposes. Social Insurance Numbers or tax identifiers will only be used internally and for the purposes of reporting payment to Canada Revenue Agency, as required by law. The application to register may also consist of the following information and will be used for the purposes of administration in the Program:
 - a. Contact information and demographics of the Eligible Participants;
 - b. List of Eligible Animals inventory or Eligible Colonies/Hives inventory;
 - c. Other details confirming Program eligibility criteria are met; and
 - d. Agreement to any and all verification processes outlined in these Terms and Conditions.

V. Livestock Feed Assistance

A. Scope of Livestock Feed Assistance

1. Eligible Animals: Initial Payment
 - a. Eligible Participants can apply for a Feed assistance payment based on a minimum of 10 Eligible Animals per category of livestock existing on hand as of August 6, 2021.
2. Eligible Animals: Secondary Payment
 - a. Eligible Participants can apply for a secondary Feed assistance payment based on a feed need calculation, or Proof of Expense for Extraordinary Costs incurred due to drought conditions between June 1, 2021 and December 31, 2021, and a minimum of 10 Eligible Animals per category of livestock existing

on hand as of December 31, 2021.

3. Bee Feed Assistance

- a. Eligible Participants can apply for compensation for Extraordinary Costs due to the drought conditions incurred between June 1, 2021 and December 31, 2021 and for preparing Eligible Colonies/Hives on hand as of August 27, 2021 for winter.

B. Application for Livestock Feed Assistance

1. As part of the application process, Eligible Participants must provide:

a. For Eligible Animals: Initial Payment

- i. The number of Eligible Animals as at August 6, 2021.
- ii. Premises ID.

b. For Eligible Animals: Secondary Payment

- i. The number of Eligible Animals as at December 31, 2021.
- ii. Premises ID.
- iii. Feed Need Calculation
 1. Date that Eligible Animals were initially placed on pasture
 2. Normal date Eligible Participants remove Eligible Animals from Pasture
 3. Date that Eligible Participants made alterations to normal grazing practices. This would include various drought management strategies such as: early weaning, creep feeding calves, feeding stockpiled Feed, Securing additional Pasture/grazing lands such as row crops or hay fields etc.

c. For Eligible Animals: Costs for Eligible Expenses

- i. Proof of costs, such as receipts, for Eligible Expenses (III.F) incurred to manage Eligible Animals impacted by drought conditions.

d. For Eligible Colonies/Hives

- i. Number of Eligible Colonies/Hives as at August 27, 2021
- ii. Proof of costs, such as receipts for extraordinary costs associated with the feeding Eligible Colonies/Hives. The costs must have been incurred between June 1, 2021 and December 31, 2021.

2. A minimum of 10 Eligible Animals per category of livestock or 100 Eligible Colonies/Hives are required to be eligible for payment from the Program.

3. The deadlines for submitting completed Application Forms including all supporting documents, to the Administration are as follows:

- a. For the Livestock Feed Assistance Initial Payment: October 31, 2021
- b. For the Livestock Feed Assistance Secondary Payment: January 31, 2022
- c. For Bee Feed Assistance: January 31, 2022.

4. The Application Forms and supporting documents may be submitted online through AFSC Connect for expedited processing.

Alternatively, paper-based applications can be delivered in person at an AFSC branch office or submitted by fax as follows:

Fax: 1-403-782-8441

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

VI. Payments

A. General Payment Matters

1. The total maximum payment available under the Initial and Secondary Payments for feed purchases is based on the category of Eligible Animals and the animal conversion rates outlined in part 2 of General Payment Matters. The Cows/Bison maximum payment is \$200 per Eligible Animal.
2. The following animal conversion rates will be used to adjust the Initial and Secondary payments relative to beef cows:
 - a. Horses 1.2
 - b. Cows/Bison 1.0
 - c. Elk/Yak/Musk Ox 0.5
 - d. Deer/Llamas 0.25
 - e. Sheep/Goats/Alpacas 0.2
3. Payments issued for Eligible Expenses (per section V.B.1.c. or section V.B.1.d) will be compensated at a rate of 70% of costs incurred.
4. Eligible Participants cannot assign or defer any payment under this Program.
5. Any tax information slips required by the *Income Tax Act* (Canada) will be issued in the name of the Eligible Participant.
6. For the purposes of the AgriStability program, any payments to Eligible Participants that are considered to be eligible AgriStability expenses payments under this Program will be considered allowable income and accrued to the year the expense was incurred. Payment received under the Program will not be considered allowable income for the calculation of reference margins under the AgriStability Program.
7. Program payments will not be allowable revenue for the purposes of the AgriInvest program.

B. Livestock Feed Assistance: Initial Payment

1. Subject to Section III (Eligibility), Eligible Participants will receive the following per head payment for Eligible Animals to assist with the costs incurred due to lost pasture/grazing days; Eligible Animals categories and maximum compensation rates (as per section VI.A.1) are as follows:
 - a. Horses: \$113/head
 - b. Cattle and Bison: \$94/head
 - c. Elk/Yak/Musk Ox: \$47/head
 - d. Deer and Llamas: \$24/head
 - e. Sheep/Goats/Alpacas: \$19/head

2. The eligibility and payment rate related to any animals not specifically mentioned in the definition of Eligible Animals shall be determined and agreed to by Canada's and Alberta's Representatives based on feed equivalents.

C. Livestock Feed Assistance: Secondary Payment

1. Eligible Participants may receive a secondary payment for additional extraordinary costs over and above the Initial Payment. These payments will be based on Eligible Animals on hand as at December 31, 2021. The secondary payment will be calculated based on a feed need calculation, and supplemented by proof costs for Eligible Expenses to the maximum secondary payment (per section VI.C.9).
2. Subject to Section III (Eligibility) where drought has reduced an Eligible Participants leased or owned forage resources, require additional Feed or caused Eligible Participants to alter their normal Pasture grazing practices to continue to support their Eligible Animals until December 31, 2021, a secondary assistance payment will be calculated as follows
 - a. Number of Extraordinary Feed Days (NEFD); multiplied by
 - b. Feed Pounds per Day Required (FPDR) based on Eligible Animal (EA) type and class; multiplied by
 - c. \$0.115 feed costs per pound; equals
 - d. Total Extra Feed Cost per Head (TEFCH); minus
 - e. The Initial Payment (IP) per head as per section VI. B. 1; equals
 - f. Total Secondary Payment (TSP) to a maximum per head payment set out in section VI. C. 9; multiplied by
 - g. Total Number of Eligible Animals (TNEA)

Beef/Bison calculation example:

$$\text{NEFD} \times \text{FPDR} \times \$0.115 \times \text{TEFCH} - \text{IP} (\$94/\text{head}) = \text{TSP}$$

$$\text{TSP (to a max of } \$106/\text{head)} \times \text{TNEA} = \text{Max Secondary Payment}$$

3. The Number of Extraordinary Feed Days will be determined by taking the difference between an Eligible Participant's normal number of days on pasture and the number of days that the Eligible Participant was able to conduct normal grazing practices for 2021.
 - a. Extraordinary Feed Days = Normal Grazing Days – Reduced Grazing Days
4. The amount of extraordinary feed required per Eligible Animal will be:
Number of Extraordinary Feed Days X Pounds per Day
5. The price for feed is based on the estimated average feed cost for Eligible Animals using Alberta forage and grains for a blended feed mix feed and August 2021 price per pound. The blended average price is \$0.115 per pound for feed. The blended feed price includes a mix of alfalfa, mixed, and lowland hay, greenfeed, silage, cereal straw, oats and barley.

6. Eligible Participant may have to provide evidence of alterations to their normal grazing practices to verify their feed need calculation.
7. AgriStability and/or AgriInsurance records may be used to verify some claims.
8. Producers unable to provide this proof of alterations to their normal grazing practices, when necessary, will be required to pay back any funds received under the Program.

Eligible Animal Type	Eligible Animal by Class	Pounds per Day	Cost per day based on \$0.115/lbs
Horse	Brood Mare	44	\$5.06
Beef and Bison	Bred Cow	35	\$4.03
	Bred Heifer	30	\$3.45
Elk/Yak/Musk Ox	Cow	17	\$1.96
Deer	Doe	5	\$0.58
Llamas	Female	5	\$0.58
Sheep	Ewe	5	\$0.58
Goats	Nanny	5	\$0.58
Alpacas	Female(Hembra)	5	\$0.58

9. Maximum Secondary Payments for Eligible Animals by livestock type are as follows:
 - a. Horses: \$127/head
 - b. Cattle and Bison: \$106/head
 - c. Elk/Yak/Musk Ox: \$53/head
 - d. Deer and Llamas: \$27/head
 - e. Sheep/Goats/Alpacas: \$21/head

D. Proof of Expense: Eligible Animals (see Section III.F)

1. Payments to Eligible Participants for Eligible Expenses as a result of drought conditions not included in the feed need calculation will be calculated as follows:
 - a. Up to 70% of Eligible Expenses not exceeding \$106 per Eligible Animal (Cows/Bison) in combination with payments calculated using the feed need model.
2. Eligible Participants will need to provide Proof of Expense. This can be in the form of a receipt or other supporting documentation acceptable to the Administration.
3. For transportation costs not supported by receipts the number of kilometer travelled at a rate of \$0.505/kilometer can be applied.
4. Producers unable to provide Proof of Expense will be required to pay back any funds paid.

E. Proof of Expense: Eligible Colonies/Hives

1. Eligible Participants will receive one payment for up to 70% of the extraordinary costs associated with preparing Eligible Colonies/Hives for winter as follows:
 - a. Up to \$7.50 per hive to assist with the costs to purchase pollen patties and syrup.
2. Eligible Participants will need to provide Proof of Expense. This can be in the form of a receipt or proof of additional expenses for feed (syrup and pollen patties)
3. AgriStability records may be used for to verify claims.
4. Producers unable to provide Proof of Expense will be required to pay back any funds paid.

VII. Set Off of Payments Against Debts Owning by Eligible Participants

The Administration has the right to deduct in full, via set-off, any debt owing by an Eligible Participant to AFSC, the Government of Alberta, or the Government of Canada, from any payment payable to that Eligible Participant under this Program

VIII. Overpayments

1. If, after making a payment under the Program, the Administration determines that:
 - a. A participant is not an Eligible Participant;
 - b. The participating animals were not Eligible Animals;
 - c. The participating hives were not Eligible Colonies/Hives;
 - d. False or misleading information was provided in the Application Form, or in any manner whatsoever, to the Administration;
 - e. An Eligible Participant breached any of the Terms and Conditions; or
 - f. The payment was overpaid in any amount for any reason;

Then the Administration 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 Administration within 30 days of notice being provided to the recipient by the Administration.
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 Administration 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.

IX. Verification

1. The Administration may use any means at its disposal to audit and verify any claims made by Eligible Participants, including, but not limited to, AgriStability records or inventory records.
2. The Administration, or its agents, may conduct on premise verifications at any time for the purpose of verifying eligibility for payment under the Program, and Eligible Participants grant an irrevocable license to the Administration, or its agents, to access all lands owned by the Eligible Participants for such purpose so that any access by the Administration, or its agents, to those lands shall not constitute trespass.
3. As a condition of participation on the Program, an Eligible Participant authorizes the Administration, 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.
4. As a condition of participation on the Program, an Eligible Participant consents to the Administration disclosing any information in the Administration'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.
5. On request, Eligible Participants shall supply the Administration, or its agents, AF or AAFC with access to any land, records, and books of account, income tax returns or other documentation required to administer, or conduct audits of, the operation of the Program.
6. On request, Eligible Participants shall provide the Administration, 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 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 Administration's request, then the Administration may require the Eligible Participant to repay any payment received under the Program.
7. The Administration may, in its discretion reject any application that is inaccurate or incomplete.

X. 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 by the Administration.

XI. 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.

XII. Limitation of Liability and Indemnification

1. The Administration, 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 Administration, 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.

XIII. Stacking of Assistance

The Eligible Participant agrees to disclose to the Administration all other sources of funding in respect of the activities and objectives under this the Program over and above any funding received from AgriStability, AgriInsurance, or AgriInvest, including financial contributions from federal, provincial, municipal governments or industry led initiatives.

XIV. Registration of Lobbyists

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