

2023 Canada-Alberta Drought Livestock Assistance Terms and Conditions

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 2023; and (ii) support the management and maintenance of Alberta's breeding animals.

II. Definitions:

- A. **"AAFC"** means Agriculture and Agri-Food Canada.
- B. **"Administration" or "Administrator"** means AFSC.
- C. **"AFSC"** means Agriculture Financial Services Corporation.
- D. **"AGI"** means the Alberta Ministry of Agriculture and Irrigation.
- 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 the criteria detailed in section III.C herein.
- G. **"Eligible Expenses"** means expenses as outlined in section III.E herein.
- H. **"Extraordinary Feed Days"** means Normal Grazing Days less Reduced Grazing Days.
- I. **"Eligible Participant"** means an applicant who meets all of the criteria detailed in section III.A herein.
- J. **"Extraordinary Costs"** means the costs to feed and maintain animals that, as a result of the drought and extreme high temperature in 2023, are over and above what would occur in a normal year.
- K. **"Feed"** means barley or other feed grains, baled hay, silage, greenfeed, straw, and other feedstuffs (i.e. protein supplements) used to feed Eligible Animals.
- L. **"Market Animals"** means animals raised for economic purpose that are not bred females, mature intact males, or intended to be retained as breeding females or males.
- M. **"Minimum Extraordinary Feed Days"** means a threshold of which the Program may issue payment.
- N. **"Ministers"** means, collectively: (i) the Minister of Agriculture and Agri-Food Canada or his/her representative; and (ii) the Minister of Agriculture and Irrigation (Alberta) or his/her authorized representative.
- O. **"Normal Grazing Days"** means the period of time from the date Eligible Animals are placed on Pasture to the average annual date Eligible Animals are removed from Pasture. The maximum normal grazing day period eligible under the Program is 153 days, beginning on June 1, 2023, and ending on October 31, 2023.
- P. **"Pasture"** means land covered with grass and other low plants suitable for grazing animals.
- Q. **"Program"** means the 2023 Canada-Alberta Drought Livestock Assistance initiative described by these Terms and Conditions.
- R. **"Program Website"** means www.AFSC.ca.
- S. **"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 June 1, 2023, and March 31, 2024, by that Eligible Participant to demonstrate the extraordinary costs. All management decisions identified to prove expenses may be limited to a maximum value as deemed appropriate by the Administrator. Examples include receipts, travel logs, manifests,

attestations, etc.

- T. “Reduced Grazing Days”** means the period of time from the date Eligible Animals were placed on Pasture to the date that Eligible Participants made alterations (as deemed acceptable by administration) to their normal grazing practices due to the drought and the extreme high temperatures of 2023 (not to exceed Normal Grazing Days).
- U. “Terms and Conditions”** refers to the contents of this document.
- V. “Transportation”** means the movement of livestock or feed that is outside of normal practice.

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 Eligible Animals 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.
5. Reside or have pasture (rented, leased, or owned) located within specific drought impacted geographical Program boundaries as determined by the Administrator. Municipalities included in the Program that experienced drought conditions within 2023 are listed within Annex A. Exceptions may be granted at the sole discretion of the Administrator.

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. Are females that have been bred within the 2023 calendar year; and
2. Are grazing animals, being:
 - a. Beef/Bison;
 - b. Horses;
 - c. Water Buffalo;
 - d. Elk/Yak/Musk Ox;
 - e. Deer/Llamas;
 - f. Sheep/Goats/Alpacas;
 - g. Homestead Grazing Pigs (limited to Kunekune breed).

D. Non-Eligible Animals

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

1. Hogs, poultry, dairy cows for commercial milk production;
2. Racehorses, rodeo horses, and horses that are used for recreational purposes;

3. Market Animals;
4. Animals that were, or are, fed for weight gain either on Pasture or in a confined feeding operation and not intended for breeding;
5. Culled breeding animals, or breeding animals that are intended to be culled, during the period of time the Program is open for applications;
6. Animals not yet weaned, or weaned within the Program term intended as replacement breeding animals; and
7. Animals owned in whole or in part by a federally or provincially licensed slaughter facility.

E. Eligible Expenses

Eligible Expenses that can be claimed as Extraordinary Costs are drought based costs as calculated through the livestock feed assistance formula listed in section VI. B.

F. Non-Eligible Expenses

Without limitation, the following are not Eligible Expenses that can be claimed as Extraordinary Costs:

1. Receipted Feed purchases as part of normal practice;
2. Transportation of animals directly to point of sale location;
3. Transportation costs (feed or livestock) as part of normal practice;
4. Costs as a result of fire.

G. Proof of Expenses

All payment provided under the Program is subject to verification and audit. If required by audit or payment verification, all expenses or change of management practices identified by applicant will need to be validated through accepted proof of cost documents as deemed acceptable by the Program Administrator. Including but not limited to the following are acceptable proof of expenses that can be validated as Extraordinary Costs:

1. Purchases of hay/greenfeed bales;
2. Purchase of pitted/bagged silage/haylage;
3. Custom transport of feed or livestock;
4. Self-hauled transport of feed or livestock;
5. Baled additional forage land of owned land (self or custom harvested);
6. Baled cereal crops of owned land (self or custom harvested);
7. Rented additional pasture land between May 1-October 31;
8. Purchased standing hay land for baling (self or custom harvested);
9. Purchased additional hay land for haylage (self or custom harvested);
10. Purchased additional cereal cropped land for silage (self or custom harvested);
11. Modifications to alternative land to be grazing suitable.
12. Usage of on-hand feed as extraordinary measure over and above what would occur in a normal year, to extend pasture grazing

IV. Application Process

A. General Intake Process

1. Eligible Participants who are applying for Eligible Animals 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 process.
3. 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 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.
8. Eligible Participants will only be permitted to apply once.

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 program qualifications to Agriculture and Agri-Food Canada and 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;
 - 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:
 - a. Eligible Participants can apply for a Feed assistance payment based on a feed need calculation, with Proof of Expense available upon request if incurred due to drought conditions between June 1, 2023, and March 31, 2024, and a minimum of 15 Eligible Animals per category of livestock existing on hand as of December 31, 2023.

B. Application for Livestock Feed Assistance

1. As part of the application process, Eligible Participants must provide:
 - a. For Eligible Animals: Feed Need Model
 - i. The number of Eligible Animals as of June 1, 2023, and December 31, 2023;
 1. Payments will be calculated on head reported (expected) on hand at December 31, 2023. A June 1, 2023, inventory record will be used for verification purposes.
 - ii. Premises Identification Number;
 - iii. Feed need calculation factors, including:
 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, additional Pasture/grazing lands such as row crops or hay fields, removing whole herd from Pasture and locating to new grazing source, etc.;
 4. Municipal location of Pasture (used for verification purposes).

2. A minimum of 15 Eligible Animals per category of livestock are required to be eligible for payment from the Program.
3. The deadlines for submitting completed Application Forms to the Administration are as follows:
 - a. January 15, 2024.

The Application Forms may be submitted online through AFSC Connect for expedited processing.

4. Alternatively, paper-based applications can be completed in person at an AFSC branch office or submitted by fax to: 1-403-782-8441.
5. Eligible Participants may call 1-877-899-2372 or email agrirecovery@afsc.ca for further information.

VI. Payments

A. General Payment Matters

1. The total maximum payment available is based on the category of Eligible Animals and the animal conversion rates outlined in VI.A.3. The maximum payment is \$150 per Eligible Animal for all Eligible Expenses combined provided Minimum Extraordinary Feed Days threshold is met.
2. A twenty-one (21) day Minimum Extraordinary Feed Days is required as a minimum threshold to qualify for initiative assistance.
3. The following animal conversion rates will be used to adjust the payments relative to beef/bison:
 - a. Beef/Bison 1.0;
 - b. Horses 1.0;
 - c. Water Buffalo 1.0;
 - d. Elk/Yak/Musk Ox 0.5;
 - e. Deer/Llamas 0.25;
 - f. Sheep/Goats/Alpacas 0.2;
 - g. Homestead pigs (Kunekune) 0.35.
4. Eligible Participants cannot assign or defer any payment under the 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 the 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: Eligible grazing Animals

1. Eligible Participants may receive a payment for Extraordinary Costs. These payments will be based on Eligible Animals on hand as at December 31, 2023. The payment will be calculated based on a feed need calculation to the maximum amount of \$150/head, animal maximums vary (per section VI.B.8).
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, a payment will be calculated as follows:
 - a. Minimum Extraordinary Feed Days required: 21 days

Step 1: Calculate Number of Extraordinary Feed Days above Minimum

Number of Extraordinary Feed Days	-	Number of Minimum Extraordinary Feed Days	=	Number of Extraordinary
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(Normal Grazing Days less Reduced Grazing Days)				Feed Days above minimum
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Step 2: Calculate Total Extra Feed Cost per Head

Number of Extraordinary Feed Days above minimum	X	Feed Pounds per Day Required (based on animal type and class) (see Table 1 – Eligible Animals Feed Equivalencies)	X	\$0.137 feed costs per pound
= TOTAL EXTRA FEED COST PER HEAD (to maximum VI.B.8)				

Step 3: Calculate Payment

Total Extra Feed Cost per Head (to maximum in VI.B.8)	X	Total Number of Eligible Animals (Minimum of 15 per Eligible Animal type)
= MAXIMUM PAYMENT		

3. The amount of extraordinary feed required per Eligible Animal will be:
 - a. Number of Extraordinary Feed Days above minimum X Pounds per Day
4. 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 price per pound. The blended average price is \$0.137 per pound for feed.
5. Eligible Participant may have to provide evidence of alterations to their normal grazing practices to verify their feed need factors.
6. AgriStability and/or AgriInsurance records may be used to verify some claims feed need factors and Proof of Expense submissions.
7. 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 Animals Feed Equivalencies (Table 1)			
Eligible Animal Type	Eligible Animal by Class	Feed Pounds per Day Required	Cost per day based on \$0.137/lbs.
Beef and Bison	Bred Cow	35	\$4.80
	Bred Heifer	30	\$4.11
Horse	Brood Mare	35	\$4.80
Water Buffalo	Cow	35	\$4.80
Elk/Yak/Musk Ox	Cow	17	\$2.33
Deer	Doe	5	\$0.69
Llamas	Female	5	\$0.69
Sheep	Ewe	5	\$0.69
Goats	Nanny	5	\$0.69
Alpacas	Female (Hembra)	5	\$0.69
Pigs	Kunekune Sows	12.5	\$1.71

8. Maximum Payments for Eligible Animals by livestock type are as follows:

- a. Beef and Bison Females: \$150/head
- b. Horses: \$150/head
- c. Water Buffalo: \$150/head
- d. Elk/Yak/Musk Ox: \$75/head
- e. Deer and Llamas: \$37.50/head
- f. Sheep/Goats/Alpacas: \$30/head
 - i. Homestead Pigs (Kunekune): \$52.50/head

C. Proof of Expense

1. Eligible Participants will need to provide Proof of Expense for prepayment and post-payment verifications if selected. This can be in the form of a receipt or other supporting documentation acceptable to the Administration. Refer to section III.G.
2. Producers unable to provide Proof of Expense will be required to pay back all funds paid.
3. The program payment will be based on the feed need model, however, the benefits calculated using the feed need model cannot exceed 70% of the cumulative total from Proof of Expenses for extraordinary costs incurred due to changing management practices. Eligible Participants must be able to provide upon request from the Administrator, evidence of incurred extraordinary costs for verification and/or audit purposes.

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 the Program.

VIII. Overpayments

1. If, after making a payment under the Program, the Administration determines that:
 - a. A payment was made to a participant who does not qualify as an Eligible Participant;
 - b. A payment was made in respect of animals who do not qualify as Eligible Animals;
 - c. A payment was made that exceeds any maximum permitted under these Terms and Conditions;
 - d. False or misleading information was provided in the Application Form, or in any manner whatsoever, to the Administration;
 - e. An Eligible Participant fails to provide sufficient documentation to allow the Administration to verify eligibility for Program payment;
 - f. An Eligible Participant breached any of these Terms and Conditions; or
 - g. 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 information provided by Eligible Participants, including, but not limited to, AgriStability records, AgriInsurance 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, AGI 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 inaccurate or incomplete application.

X. Amendments to the Program

1. These Terms and Conditions may be amended at any time, without notice. If these Terms and Conditions are amended, the amended Terms and Conditions will be posted to the Program Website.
2. Applications will be administered according to the Terms and Conditions in effect as of the date that the Application was received by the Administration.

XI. Termination of the Program

The Program may be terminated any time, without notice, for any reason, including that the funds allocated to the Program have been exhausted.

XII. Limitation of Liability and Indemnification

1. Neither the Administration, the Government of Alberta, nor the Government of Canada, nor their agents, shall be 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 the 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 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.

XV. Conflict of Interest

By submitting an application for the Program, all applicants agree to the following Conflict of Interest Statement

"The 2023 Canada-Alberta Drought Livestock Assistance initiative applicant acknowledges that individuals who are subject to the provisions of the Conflict of Interest Act (S.C. 2006, c. 9, s. 2), the Conflict of Interest Code for Members of the House of Commons, the Ethics and Conflict of Interest Code for Senators, the Values and Ethics Code for the Public Sector or any other conflict of interest and/or values and ethics codes applicable within provincial or territorial governments or specific organizations, shall not derive any direct benefit resulting from this application unless the provision or receipt of such benefit is permitted in such legislation, policy or codes."

Annex A: 2023 CADLA Eligible Municipalities List

Alberta Municipalities Included

Acadia	Lethbridge	Special Area 03
Badlands	Mackenzie	Special Area 04
Birch Hills	Mountain View	Spirit River
Bonnyville	Newell	St. Paul
Camrose	Northern Lights	Starland
Cardston	Northern Sunrise	Stettler
Clear Hills	Paintearth	Taber
Crowsnest Pass	Peace	Vermilion River
Cypress	Pincher Creek	Vulcan
Fairview	Ponoka	Wainwright
Flagstaff	Provost	Warner
Foothills	Ranchland	Waterton Lakes
Forty Mile	Red Deer	Wheatland
Kananaskis	Rocky View	Willow Creek
Kneehill	Saddle Hills	
Lacombe	Special Area 02	