



**Ontario  
Cattlemen's  
Association**

*Committed to Cattlemen*

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August 7, 2013

Don LeDrew  
Executive Director  
Product Management & Development  
Agricultural Credit Corporation  
201-660 Speedvale Ave. W  
Guelph, ON N1K 1E5

Dear Don,

**Re: Ontario Cattle Advanced Payments Program (APP)**

As you are aware, the Ontario Cattlemen's Association (OCA) recently requested that Agriculture and Agri-Food Canada (AAFC) consider including a "*continuous flow operation*" provision within the Ontario cattle Advanced Payments Program (APP). Similar to what is offered to cattle producers in other provinces, the *continuous flow* option would eliminate the burden of reapplying, and repaying, multiple cash advances within the same production cycle.

While we thank ACC for their support of this request, OCA would ask that you consider pursuing the following program amendments which we feel will enhance the program for Ontario cattle producers:

- A cattle producer who would otherwise meet the eligibility criteria for a continuous flow operation were it not for a short period of zero or reduced inventory should be afforded a longer period to re-establish minimum inventory levels required for continuous flow. OCA recommends a 30 day grace period be established that would allow a short term reduction of inventory for operations that would otherwise be deemed continuous flow.
- Many Ontario producers own cattle in other provinces and are forced to apply for advanced payments in two separate jurisdictions. OCA recommends that a process be established that would allow producers to apply under the Ontario APP for cattle owned by Ontario producers in other provinces.
- Even with the addition of a *continuous flow* provision producers will still be required to pay back advances on an annual basis. This becomes burdensome for operations that

frequently utilize the program. A pre-approval process should be established for producers wishing to reapply for the same advance in the next production cycle (year). Producers who qualify could keep the initial advance for an extended period of time (e.g. 24-48 months) provided they maintain a continuous inventory. A simple administrative fee at the end of each production cycle (year) could be applied which would help satisfy the needs of lenders like ACC and would eliminate the burden on the producer to repay the loan at the end of every 12 month production cycle. Implementing this change would simplify the process for frequent users of the program and would eliminate the need for producers to seek short term financing from other sources in between advances.

We believe these changes will provide additional financing options for Ontario beef operations of various size and structure, the result of which is positive for both our members and for your clients and future clients. The Ontario Cattlemen's Association would be pleased to meet with you to further discuss our recommendations and, in the interim, we look forward to your reply.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Dan Darling". The signature is fluid and cursive, with the first name "Dan" and last name "Darling" clearly distinguishable.

Dan Darling  
President

Cc: Agricultural Credit Corporation (ACC)  
OCA Board of Directors  
OCA Feedlot Committee  
Ontario Cattle Feeders Association (OCFA)