

# Interest-Free & Low-Interest Financing

**A guide to cash advances for farmers**





## What is a cash advance?

The Advance Payments Program cash advance from CCGA is a short-term financing tool designed specifically for Canadian farmers.

Every year, more than 10,000 farmers use the flexibility of a cash advance to reduce borrowing costs, provide timely cash flow, and enhance their marketing plans.

**A cash advance offers up to \$1,000,000 in working capital financing:**

- Up to \$250,000 interest-free
- Interest-bearing portion at **prime rate less 0.25%**
- Financing for **50+ commodities**, including field crops, large and small livestock, organic commodities, and honey

# Designed for Farmers



A cash advance is an accessible financing option for Canadian farmers that can help cover costs, manage market fluctuations, and give farmers more time to make business and marketing decisions.

## With a cash advance from CCGA, farmers can:

- ✓ **Reduce short-term financing costs.**

Combining CCGA's low-interest rate with interest-free financing can save on interest costs when compared to other financing options.

- ✓ **Sell when the time and price are best.**

The cash flow from an advance can help take care of short-term financing needs, giving you more time to market your commodities when conditions are best for you.

- ✓ **Increase flexibility.**

Put a cash advance to work in whatever way makes the most sense for your operation, including operating expenses, maintenance, wages, buying inputs, and more.

## An accessible financing tool for young or new farmers.

Just starting to farm? No problem! You can apply as long as you own, store, and sell your inventory separately from others. Pre-harvest crop and livestock advances must be secured by crop insurance or AgriStability.

# How does a cash advance work?



## Apply any time of year

Farmers can take an advance to access cash flow on inventory at any time of year. Livestock advances are available on live animals that will be marketed at a later date. Grain advances are available before seeding, after seeding, and on stored crops.



## Who can apply?

Any size, established or just starting out, all types of farms can apply, whether individuals, partnerships, corporations, or cooperatives. As long as the applicant is a Canadian citizen or permanent resident of Canada, and the age of majority in the province where they farm.

## How much can a farmer receive?

### The eligible advance amount is based on:

- the amount of commodity(s) applied on,
- the advance rate for that commodity,
- adjustment factors like crop insurance or AgriStability coverage, and
- program eligibility limits.

## Repay-As-You-Sell

When it comes to repaying, a cash advance is different than other types of financing. A portion of the cash advance is repaid each time the commodities advanced on are sold.

## Three ways to repay

- 1 Through a CCGA-authorized grain buyer
- 2 Online or in-person at your financial institution
- 3 Mail or drop off a cheque

## Helping Farmers Succeed

Your farm's success is important to us. At CCGA, we've been administering advances since 1984 and continuously seek ways to better serve the needs of farmers in western Canada.



# Need more information?

Our experienced team is available to answer your questions.



Call 1.866.745.2256

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Visit our website at [ccga.ca](http://ccga.ca)

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*The Advance Payments Program is a federal program administered by CCGA. It offers Canadian farmers marketing flexibility through interest-free and low-interest cash advances.*