



May 29, 2008

AGRIINVEST UPDATE

The credit union system, through Credit Union Central of Canada's national Agriculture Committee, continues to be engaged in the Federal Government's consultation process regarding the roll-out of the new AgrilInvest farm financial program.

Currently, agricultural producers are receiving information from the Federal Government which is related to the AgrilInvest "Kick Start" program. This program is the federally-funded, one time payment that is designed to put money into producers' hands as quickly as possible. As was stated in a earlier communications in January and March 2009, credit unions are NOT to open an AgrilInvest account for the Kick Start program. Producers when completing the program application form should be requesting government to issue them a cheque under the program which will then be deposited into an existing deposit account or instrument at their credit union.

The 2007 production year is a transition year for the AgrilInvest program; however the producer deposits will not be required until the spring of 2009.

The following outlines the proposed processes and timelines that will be followed in order to enable producers and credit unions to participate in the new AgrilInvest program.

SEPTEMBER 2008

- In September 2008, producers will receive their "2007 Production Year AgrilInvest Participation Notice" outlining their 2007 Matchable amounts.
- Within 90 days of receiving the Participation Notice, the producer must take their Participation Notice to their financial institution requesting confirmation that funds are available to make a deposit. The financial institution must confirm the producer has the funds available by 'affixing their domicile stamp' to the Participation Notice which will be returned to the government. Although the producer is responsible to ensure the confirmation is returned to the government, the credit union may wish to fax the document on behalf of their member.
- **Credit unions are not to open an AgrilInvest account. The financial institution simply must confirm that funds are available however; there is no requirement to ensure that the funds remain on deposit. Funds available through a line of credit are considered valid to fulfill the requirement of 'funds available'.** The credit union is only required to confirm that funds are available at the time they complete the Participation Notice and **not** required to place a hold on those funds.
- The producer will have the option of withdrawing the matching government contribution or leaving it on deposit with the government. Withdrawal requests for the matching contributions will be sent by the producer directly to the government. Withdrawals will be paid directly to the producer by cheque.

MAY 2009

In May 2009, producers will receive the AgrilInvest "Account Initiation form" which authorizes the opening of an "AgrilInvest Deposit Account" at a financial institution at that time. The government has confirmed that all

participating financial institutions must have the new AgrilInvest deposit account available and meeting the program requirements by June 1, 2009.

At that time, producers will be opening the account and the financial institution will fill in and complete all of the required account information on the Account Initiation form and return it to the government program administration offices on behalf of the producer. Producers will have until July 31/2009 to make the 2007 Production year deposit.

In late July/August 2009 producers will receive notice and information in regard to their 2008 Production year deposit notice and will again have the 90 days to make the 2008 year deposit.

The credit union system, through Credit Union Central of Canada, will remain engaged in the consultation process as the banking system requirements are developed with the government to ensure credit unions are able to offer the AgrilInvest account by the June 2009 date. Credit unions will continue to be updated as more details are finalized on the AgrilInvest program and the associated technical requirements.

If you have any questions from a credit union perspective, please contact Rob Martin at Credit Union Central of Canada, 613-238-6747 ext 327 or by email at: martinr@cucentral.com.

Further details about the AgrilInvest Program can be obtained here:

<http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1200520389215&lang=e>