

List of Available Support for the Ornamental Sector

AgrilInvest

Nursery and floriculture production is typically eligible for AgrilInvest support. For producers who are experiencing cash-flow issues, they are able to access the balances of their AgrilInvest account to assist with immediate needs. This program is provided exactly for situations such as COVID-19 and so producers in dire need should be withdrawing these funds first while waiting for other support.

More than 90% of nursery and floriculture farms have AgrilInvest account with an average balance of \$50k (exact balance varies by producer and depends on how much they have saved).

Advance Payment Program (APP)

The Advance Payments Program (APP) is a federal loan guarantee program that provides agricultural producers with easy access to low-interest cash advances. It allows Canadian farmers to obtain cash advances on the expected value of their commodities. This cash flow helps to provide marketing flexibility so producers can sell their products at the best opportune time.

The maximum advance an eligible producer can receive under the APP is \$1 million, with the first \$100,000 being interest-free. The Government pays the interest on the interest-free portion. APP advances need to be reimbursed as producers sell their products, with up to 18 months for full repayment for advances on most agricultural products. APP advances are made available across Canada through 34 industry organizations (Administrators).

APP Administrators are responsible for the day-to-day delivery of the program. They assess a producer's eligibility, coordinate the application process, determine advance amounts and manage the producer's file until full repayment, while respecting the terms and conditions of their agreements. The Government's (i.e., AAFC) role is to oversee all aspects of the delivery of the program by the APP Administrators including the overall compliance with program requirements and setting program policies.

When producers are facing significant challenges in repaying their APP advances because of a severe event out of their control, and they risk going into payment default, the Minister can implement a "Stay of Default". The *Agricultural Marketing Programs Act* (AMPA), which governs the APP, allows the Minister to delay the repayment of the advances. At the request of an APP administrator, the Minister can order the defaults to be stayed for a specified period. The Minister can only implement a Stay of Default when defaults are impending, which can be assessed 4 months before the repayment deadline.

On March 23, 2020, at the request of the Agricultural Credit Corporation (ACC), an APP Administrator, the Minister granted a Stay of Default on 2019 advances issued by ACC on cut flowers and potted plants. The 2019 cut flowers and potted plants advances had a repayment deadline of April 30, 2020, which the Stay extended to October 31, 2020. There are currently 16 cut flowers and potted plants producers with approximately \$1 million in outstanding advances that could be eligible for the Stay of Default.

APP advances on other ornamental products such as deciduous trees, shrubs, evergreens and turf grass, are also available. I encourage you to visit the APP website (www.agr.gc.ca/app) to learn more about the program, who are the program administrators, and the commodities they issue advances on.

AgriStability

Under the Program Guidelines, producers must have completed 6 months of farming, and at least one production cycle, before they are eligible to apply for interim payments. Administrators may waive the requirement to complete 6 months of farming/one production cycle if the producer was unable to meet the requirements because of circumstances beyond their control. The service standard for processing interim requests is 30 calendar days. For producers in the horticultural sector who receive the majority of their whole-farm revenues in the Spring, and whose perishable product orders have been cancelled, there may be sufficient information in the coming weeks to make an estimate of losses for the purposes of determining eligibility for an interim payment. The Department is actively looking at expediting interim payments even further (fast-tracking payments).

It is important to note that producers must apply individually (deadline is April 30) and provide the necessary information to estimate their program year margin in order to receive an interim payment. Since AgriStability is a whole farm program, producers must provide sufficient information with respect to their entire production, and their estimated program year margin must decline by more than 30 per cent below their estimated reference margin in order to be eligible for an interim. Because AgriStability is individualized to each operation, there is no typical amount.

AgriStability is administered by the province or a crown corporation in many provinces. More information on AgriStability can be found at:

- British Columbia: <https://www2.gov.bc.ca/gov/content/industry/agriculture-seafood/programs/agriculture-income-protection-agristability>
- Alberta: <https://afsc.ca/income-stabilization/agristability/>
- Saskatchewan: <https://www.scic.ca/agristability>
- Ontario: <https://www.agricorp.com//en-ca/programs/agristability/Pages/Overview.aspx>
- Quebec: <https://www.fadq.qc.ca/en/agristability/description/>
- Prince Edward Island: <https://www.princeedwardisland.ca/en/information/agriculture-and-land/agristability-program>
- Where Canada Delivers (Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, and the Yukon): <http://www.agr.gc.ca/eng/?id=1291990433266>

Business Development Bank of Canada (BDC)

On March 18, 2020, the Government of Canada announced additional measures to provide relief for Canadian business, including reduced rates on eligible loans via the Business Development Bank of Canada (BDC). For more information:

https://www.bdc.ca/en/about/mediaroom/news_releases/pages/bdc-announces-additional-measures-provide-relief-canadian-entrepreneurs.aspx

On March 27, 2020, the Government also announced a new Small and Medium-sized Enterprise Loan and Guarantee program that will enable up to \$40 billion in additional lending. The new program is part of a series of measures announced by the Government of Canada to support small and medium-sized businesses dealing with the economic impact of the COVID-19 pandemic.

The program will help Canada's financial institutions provide credit and liquidity options to meet their operational cash flow requirements. To access these loans, business owners must contact their primary financial institution which will assess their situation and deploy the financing as appropriate. For more information: https://www.bdc.ca/en/about/mediaroom/news_releases/pages/new-small-medium-sized-enterprise-loan-guarantee-program-help-ease-access-credit-entrepreneurs-impacted-covid-19.aspx

In order to be eligible, your business must have been impacted directly or indirectly by recent events and have been financially viable prior to the impact from COVID-19.

Farm Credit Canada

On March 23, 2020, Minister Bibeau announced an additional \$5 Billion to Farm Credit Canada's (FCC) lending capacity. Customers and non-customer can apply for an additional credit line up to \$500,000, secured by general security agreements or universal movable hypothec (Québec only).

Businesses applying for FCC lending products will be subject to normal lending due diligence, which considers business viability prior to the impact of COVID-19, credit history, and management experience. Timelines depend on the volume of requests, but in general, it takes a few weeks to receive a loan.

FCC program details can be found at <https://www.fcc-fac.ca/en/covid-19/program-details.html>

Other

- The Government of Canada's announced a new Canada Emergency Business Account that can provide businesses with interest-free loans of up to \$40,000 to small businesses and not-for-profits to help cover their operating costs while revenues have been temporarily reduced due to the economic impacts of the COVID-19 virus.
- Government announced a series of investments to support Canadian businesses from the economic impacts of COVID-19, including deferral of sales tax remittance and new loan programs for businesses. These new investments provide support to financial institutions and allow them to quickly provide credit and liquidity options for a range of businesses. More information can be found at <https://www.canada.ca/en/department-finance/news/2020/03/additional-support-for-canadian-businesses-from-the-economic-impact-of-covid-19.html>