

Advance Payments Program 2026-2027

Interest-free loan on the first \$250,000

Crop seeding has begun and Producteurs de grains du Québec (PGQ) are offering an interest-free loan program to interested producers. **As announced on April 1st 2026, the interest on the first \$250,000, rather than on the first \$100,000** will be paid entirely by a federal program, which is designed to help eligible producers with the marketing of their crops. It guarantees repayment of advances granted to meet farm expenses during the seeding period or at a later date. This Program is managed under the *Agricultural Marketing Programs Act*.

Interest-free limit : \$250,000

The PGQ strongly encourage you to use
the online services offered through the AppGrains application.

(For the moment, this application is only available in French.)

You are already registered with the AppGrains application?

You have access, on your computer, to your personalized file linked to the Producteurs de grains du Québec!

- Access your pre-filled registration form under the menu « **PPA numérique** »;
- Complete the required fields in each section (instructions in red);
- Upload the required documents according to the characteristics of your request;
- Once completed, all calculations are done automatically and your request is processed quickly and efficiently;
- Using notifications received through your farm email, all monitoring of your file continues in your AppGrains environment (appendices to sign, other required documents, notice of filing, etc.).

You are not registered with AppGrains?

Just a few clicks will make it happen!

- Create your account on appgrains.pgq.ca using the activation code previously received (you can use the directions available at: www.pgq.ca/producteurs);
- If you have not received an activation code, please contact Producteurs de grains du Québec by email at ppa@pgq.ca or by telephone at 450 679-0540 Ext. 8743;
- Then proceed according to the logic described above.

You are not using the online services offered via the AppGrains application?

All exchanges of documents will be done by email (no mailing).

- You will receive a pre-filled form or use the one available on our website www.pgq.ca;
- You complete all fields manually and do the required calculations yourself;
- You add the required documents (if documents are missing, the processing of your request will be delayed);
- You send everything by email (no mailing);
- You continue all subsequent exchanges by email unless you subsequently register with AppGrains application for faster processing of your file.

In all cases, the registration form must mention all applications submitted for other agricultural production and the applicant's participation in other agricultural production businesses.

Upon receipt of the duly completed registration form and the required documents, the PGQ send the applicant the documentation including the reimbursement agreement and the appendices allowing the file to be completed. These are transmitted via AppGrains application using notifications or by email and must be signed in front of a witness then returned to the Producteurs de grains du Québec via AppGrains application or by email.

The advance is made in two parts: the first 60% is paid out based on the area you intend to seed and the balance is paid following a confirmation of the areas actually seeded as well as the supporting document from the FADQ, while making any necessary adjustments to the preliminary calculations.

Registration deadline for the seeding component : June 30th, 2026

Eligible amounts

Advances are made only on grain crops destined for market. Grain used on the farm is not eligible, since the Program has been extended to cover animal production as well.

For grain crops destined for market, each applicant **or couple** is eligible for a single interest-free advance of up to \$250,000 and a total advance of \$1,000,000. If an applicant produces more than one agricultural commodity, or is involved in a partnership, company, cooperative or any other association making an application, the total interest-free portion granted to the applicant cannot exceed \$250,000. As an exception for the current program year, advances on canola will be interest-free and will be excluded from the calculation of the \$250,000 interest-free portion.

The amount of the eligible advance is calculated as follows:

Seeded area (ha) x probable yield with every decimals (kg/ha) x unit rate (\$/t)

Example for corn: 71.4 ha x 9.213 kg/ha x \$130/t = \$85,515.07

The calculation must be done individually for each grain and then regrouped in a summary (Appendix A). When the crop is put into storage in the Fall, **the applicant is required to produce a *Post-Harvest Report*, detailing the volumes actually produced, by December 15th, 2026 at the latest.** This report is mandatory in order for us to properly inform the FADQ about our guarantee secured by the producer's Risk Management Program. Another calculation will be necessary using the unit rates in effect on September 1st, 2026 and the participant may be required, within a short time period, to reimburse any excess amount received at seeding time. For farm business not wishing to obtain an advance at seeding time, it is possible to participate in the Program in the Fall of 2026, with regard to harvested and stored grain. The calculation will then be done using the unit rates in effect at that time.

The amount (percentage) granted to a related participant shall be allocated as follows :

- 100 % if the related participant is operating as an individual ;
- percentage of voting shares held (directly or indirectly) if it represents at least 25% of the voting shares issued for the business, in the case of a legal entity, corporation or company ;
- percentage of profit payable to the producer if it represents at least 25% of those parts in the case of a partnership or a cooperative.
- the spouse (married or common-law partner) is considered to be **automatically related** and the total amount is limited to **the couple**, regardless of the percentage of either of them in a legal company/partnership.

The unit rates to be used for advance payments

<u>Admissible crops</u>	<u>Regular or seed</u>	<u>Organic</u>
Oats	\$120	\$230
Seed oats	\$180	--
Food wheat	\$125	\$220
Feed wheat	\$90	\$220
Seed wheat	\$140	--
Camelina	\$310	\$810
Canola	\$300	\$575
Hemp grain	\$750	\$1,000
Beans	\$480	\$950
Flax	\$310	\$620
Corn	\$130	\$225
Barley	\$105	\$250
Seed barley	\$160	--
Dry peas	\$120	\$250
Quinoa	\$900	--
Buckwheat	\$345	\$445
Rye	\$105	\$195
Soybeans	\$255	\$550
Seed soybeans	\$295	--
Triticale	\$110	\$140

- **In the case of food wheat**, an official grading must be provided.
- **In the case of seed grain crops**, a grading certificate issued by the Canadian Seed Grower's Association (CSGA) or a field inspection report issued by the Canadian Food Inspection Agency (CFIA) must be provided as soon as possible.
- **Only grain corn is eligible**; ground ear corn and whole plant silage are not eligible.
- **In the case of organic grains**, a proof of organic certification must be provided.
(for example : Ecocert Canada)

Eligibility criterias

The applicant :

- must be a Canadian citizen or permanent resident;
- must be a recognized agricultural producer and at least one of the partners/shareholders must be 18 years old;
- must be in good standing with Producteurs de grains du Québec for any amount due and UPA membership dues must have been paid;
- must have seeded the crop in 2026 and be responsible for its sale. Grain purchased from another producer is not eligible;
- must have sufficient insurance coverage on inventory farm products and ensure that it is in effect at all times;
- **must demonstrate a good existing financial situation.**
NO ADVANCE WILL BE POSSIBLE in the event of a problematic Equifax credit rating or one that is below federal government requirements.

The crop :

- must be stored in good condition and be destined for market;
- may be sold under contract, but Producteurs de grains du Québec must be informed of the terms and the producer must not have received any advance on the sale;
- any guarantee secured on this crop or on payments to the business by the Risk Management Program must be transferred to Producteurs de grains du Québec by the producer's bank, credit union or other creditor.

Reimbursement of the advance - Method of repayment

Repayment to Producteurs de grains du Québec

Producers must repay their advance as they sell their crop. The repayment must be made by a **designated buyer**. **The producer is responsible to advise the designated buyer to send the total proceeds of the sale to Producteurs de grains du Québec within 14 calendar days following the delivery date.** After receiving this amount from the designated buyer, Producteurs de grains du Québec will deduct the unit rate for the quantities sold and give the balance to the producer.

For advances of more than \$250,000 (bearing interest), repayments will be first applied on the interest-free portion under \$250,000, without regard to the type of grain sold. If the repayment is made directly by the producer, or if the quantity of grain sold is insufficient to cover the advance, interest will be charged starting on the day the advance was granted; it is therefore in the producer's best interest to be conservative in his tonnage estimate.

Designated buyer

During the Summer of 2026, Producteurs de grains du Québec will prepare and then publish a list of designated buyers, by the Fall of 2026. Each buyer must hold a certificate of financial reliability issued by the Régie des marchés agricoles et alimentaires du Québec, or be a recognized producer/consumer with a signed agreement with Producteurs de grains du Québec.

Payments to producers by bank transfer

The balance remaining from the proceeds of grain sales will be deposited by bank transfer to producer's account.

A deposit notice giving details of each transaction will follow in the AppGrains environment or by email.

Repayment deadline - September 30th, 2027

The producer is responsible for the sale of his crop at an opportune time and to ensure that the payment sent by his buyer is received at the office of Producteurs de grains du Québec by **September 30th, 2027** since no extension will be possible. Note that September 30th, 2027 is a federal statutory holiday, the deadline becomes the **previous working day, Tuesday, September 29th, 2027.**

All payments received on October 1st, 2027 or later will be considered as direct repayments, with an interest penalty applied retroactively to the date the initial advance was issued and the producer will automatically be considered in **default and blocked** by Agriculture and Agri-Food Canada, from the first day of delay for an ineligibility period that may range from 1 to 7 years (according to past records) from the date of full payment.

Deposit

Producteurs de grains du Québec will withhold the following amount as a guarantee deposit

On market crops, 7 % of the amount exceeding \$250,000 for payment of monthly interest charges (prime rate minus 0.25%).

For example : \$300,000 (advance)
- \$250,000 (interest free)
\$50,000 (bearing interest) X 7 % = \$3,500 (guarantee deposit)

After the loan has been completely repaid, Producteurs de grains du Québec will return the balance of the deposit to the producer, or conversely, will require the participant to repay any shortfall.

Penalties

The applicant will be considered in default if:

- his Post-Harvest Report is not produced to the Producteurs de grains du Québec by December 15th, 2026;
- he does not honor his commitments;
- he repays his advance directly to the Producteurs de grains du Québec himself;
- he sold his crop without repaying the advance granted;
- he does not sell to a designated buyer;
- the advance has not been fully repaid by the agreed deadline.

➤ The impact of a default can be summarized as follows:

- Default interest is charged at Prime rate plus 1% on the unpaid balance, calculated from the date the advance was issued until the advance has been completely repaid;
 - A one time Default Management Fee of \$100 is charged immediately upon default;
 - Defaulted producers may face an ineligibility period that may range from 1 to 7 years (according to past records) from the date of full payment including fees and interest.
- If an applicant is in default and is engaged in other agricultural operations, such applicant and the other operation will not be eligible for an advance.
- If an applicant in default is in a marital or common-law relationship, his or her spouse will not be automatically in default, but will not be entitled to further advances until the default situation is resolved.

Administration fees

The PGQ will retain the following administration fees on all advances issued: 0.30% minimum \$175

Interest charges

Advance exceeding \$250,000 (bearing interest)
Prime rate minus 0.25%

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