



December 23, 2024

Jasper Munro
President
Bruce County Beef Farmers

Dear Jasper,

Re: *Renewal Process for APP Loan Applications Through ACC - 24-16*

The following resolution was passed at the Beef Farmers of Ontario (BFO) annual general meeting in February and was recently discussed by the BFO Board of Directors:

WHEREAS, the APP loan is an important tool for many beef farmers; and
WHEREAS, businesses use the APP loan as part of their business plan; and
WHEREAS, the lag time between paying it back and renewing a new loan can take upwards of 5 weeks;
THEREFORE, BE IT RESOLVED THAT BFO work with Agricultural Credit Corporation (ACC) to see if there are ways to streamline and speed up the renewal process for APP loan applications.

BFO thanks Bruce County Beef Farmers for bringing this resolution forward. The board recognizes the importance of ensuring a quick and seamless process for renewing loans that allow beef farmers to purchase cattle at the most opportune time for them.

BFO staff have discussed this issue with ACC representatives who were appreciative of making them aware of the issue. From our discussions with ACC leadership, we were informed that in most instances, it takes 10 days for payment to clear on an existing loan and four days for a new loan to be issued for a total of 14 days, or two weeks.

There are instances when this process could be delayed, which include additional time required to obtain information from the credit bureau, or the existence of a bank priority agreement. A bank priority agreement is a document that establishes the order in which debt or collateral claims are ranked. Priority agreements can be used in a variety of situations, including when a producer is using APP.

ACC recognizes this delay can lead to frustration from clients. In response, ACC has been working with Agriculture and Agri-Food Canada (AAFC), who oversees APP, to try and improve the loan turnaround time for clients and minimize the instances when a bank priority agreement is required.

Once we have a more fulsome update to provide regarding ACC's efforts with AAFC to help minimize renewal delays, we will be sure to communicate to Bruce County, and to our local association members more broadly. Please keep our office apprised if members in the area continue to experience significant approval delays during renewal, or if improvements in response time have been reported.

Thank you, again, to Bruce County Beef Farmers for bringing this resolution forward.

Sincerely,



Craig McLaughlin
President

cc: Calvin Anstett (Mover)
Scot Legge (Seconder)
Jarrett Johnson (Advisory Councillor)
Jennifer Legge (Secretary)