Canadian Agricultural Income Stabilization (CAIS) Program
2007 Supplemental Forms
(New Participants)

Are these forms for you?
To be eligible for a program payment, all participants of the Canadian Agricultural Income Stabilization (CAIS) Program are required to complete and submit the supplemental forms by the deadline. The deadline to submit the supplemental forms for the 2007 program (tax) year is within 6 months after the end of your 2007 tax year.

Deadlines for the 2007 Program Year (2007 tax year)

• By September 30, 2007 – Select a Level of Protection.
• By September 30, 2007 - Pay Program Fee.
• By June 30, 2008 – Submit 2007 farming income and expense information.
  • Individuals and partners must file a T1163 “Farming Income and the CAIS Program Joint Forms and Guide” with Canada Revenue Agency for income tax purposes.
  • Corporations and all others must file a Statement A form directly with the CAIS Administration.
• By June 30, 2008 - Submit 2007 Supplemental Forms.

For more information on the CAIS program or if this package is not in the language of your choice, please contact:

CAIS Administration
c/o PEI Agricultural Insurance Corporation
29 Indigo Crescent (Building 19)
P.O. Box 1600
Charlottetown, PE  C1A 7N3
Tel: (902) 620-3091/ Fax: (902) 368-6677
or visit the CAIS Web site: www.gov.pe.ca/go/cais
How to Complete the Forms

Application
The 2007 Supplemental Forms must be completed in full or they will be returned to you.

- **Participant** information (name, address, etc.) – Be sure to include your telephone and/or cell phone numbers; fax number and/or an e-mail address where you can be easily reached if necessary.

- **Contact** Information - Complete this section if you agree to allow CAIS administrators to contact your accountant/bookkeeper/spouse or others directly, to discuss your file. Please contact the CAIS administration (902-620-3091) if you would like to remove a previous contact.

- **Confidential** Information – The information provided on CAIS program forms and attachments is collected by Agriculture and Agri-Food Canada under the authority of the *Farm Income Protection Act* (FIPA). By submitting CAIS program forms, you authorize the Minister of Agriculture and Agri-Food to share the information on your form with provincial ministers of agriculture and with the administrators of other federal/provincial farm programs. This information is used for the purpose of audit, analysis, evaluation, program development and making special assistance payments.

  Your Social Insurance Number (SIN) is collected under the authority of FIPA for matching with information collected under the *Income Tax Act*. You must provide your SIN in order to participate in the CAIS program.

  Personal information on the forms is collected under Canada-Prince Edward Island Implementation Agreement for the Agriculture Policy Framework Agreement and will be used for the purpose of administering programs offered by the Agricultural Insurance Corporation. If you have any questions about this collection of personal information, you may contact the Manager, Farm Income Risk Management/Agricultural Insurance Corporation, PO Box 1600, Charlottetown, PE C1A 7N3 (902) 620-3091. Information may be verified.

Schedule 1 – Statement of Purchased Inputs and Prepaids
This schedule is to be completed for the **program year only**.

- **Use only** if you provide cash statements to Canada Revenue Agency.

- List all purchased inputs (prepared feed, fertilizer, chemicals, fuel, etc.) that were on hand or prepaid at the **start** of the tax year. Include all fall applications of lime or fertilizer.

- List all purchased inputs (prepared feed, fertilizer, chemicals, fuel, etc.) that were on hand or prepaid at the **end** of the tax year. Include all fall applications of lime or fertilizer.
• **Do not** include items for which the amounts do not change from year to year (e.g., prepared feed delivered on a regular three week schedule) or items with a value of $500 or less.

• If you have nothing to report, check the box indicating “nothing to report”.

**Schedule 2a – Perishable Crop Inventory Worksheet**

*Note:* There are two pages for listing crop sales:
- 2a - page 1: crops sales from the 2006 tax year;
- 2a - page 2: crops sales from the 2007 tax year.

• **Use only** if you provide cash statements to Canada Revenue Agency.

• This schedule is to be used for all perishable crops (e.g., potatoes, rutabagas, onions, etc.).

• **Do not** include crops entered in **Schedule 3 - Commodities for Resale** when completing Schedule 2a.

• Attach an additional sheet if necessary.

• If you have nothing to report, check the box indicating “nothing to report”.

The following example is based on a farm producing rutabagas and potatoes with the company having a December 31 tax year end. If you have a calendar year end (December 31), the 2006 crop would be entered into line 1 (seed kept for planting 2007) and columns 2-6 (sales) on Schedule 2a - page 1. The 2007 crop would be entered into line 1 (seed kept for planting 2008 crop) and columns 2-6 (sales) on Schedule 2a - page 2.

**NOTE:** If you have a non-calender year end, the crop years used could be 2005 and 2006 instead of 2006 and 2007. **Please contact the CAIS administration (620-3091) if you have any questions regarding this issue.**
**Schedule 2a - page 1**

**Line (1)** List the quantity of seed from your 2006 crop that you used to plant your 2007 crop. Make sure this figure is included in your beginning inventory for this commodity in Schedule 2b.

**Column (2)** List the dates on which you sold/shipped your 2006 crop.

**Column (3)** List the quantity of crop that was sold/shipped in column (2).

**Column (4)** List the income you received or expect to receive, in dollars, for the quantity sold/shipped in column (3).

**Column (5)** List the dates on which payment was received for the shipments sold/shipped in column (2). If not received, write in “not received yet”. The expected payments for shipments that have not been received must be entered into Schedule 4 - Accounts receivable.

List the quantity of crop that was culled and/or dumped.

---

### All Sales from the *2006 Crop*

<table>
<thead>
<tr>
<th>(2) Date Sold</th>
<th>(3) Quantity Sold (cwt, bu, etc.)</th>
<th>(4) Amount Received/Expected ($)</th>
<th>(5) Date Payment Received/Expected</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2006</td>
<td>9,682 cwt</td>
<td>$72,615.00</td>
<td>not received yet</td>
</tr>
<tr>
<td>January 1, 2007</td>
<td>6,890 cwt</td>
<td>$46,507.50</td>
<td>January 25, 2007</td>
</tr>
<tr>
<td>January 31, 2007</td>
<td>2,849 cwt</td>
<td>$15,669.50</td>
<td>February 15, 2007</td>
</tr>
<tr>
<td>June 31, 2007</td>
<td>10,565 cwt</td>
<td>$79,237.50</td>
<td>not received yet</td>
</tr>
</tbody>
</table>

*Producers who have a non-calendar year end may have to enter the sales from the 2005 crop year. Please contact the CAIS administration if you have any questions.*
**Schedule 2a - page 2**

(1) **Seed from your 2007 crop planted by applicant for 2008 crop.** 400 cwt

<table>
<thead>
<tr>
<th>(2) Date</th>
<th>(3) Quantity Sold</th>
<th>(4) Amount Received/Expected ($)</th>
<th>(5) Date Payment Received/Expected</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOLD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Potatoes, Rutabagas, Onions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>October 21, 2007</td>
<td>625 cwt</td>
<td>$4,306.25</td>
<td>not received yet</td>
</tr>
<tr>
<td>November 22, 2007</td>
<td>1,235 cwt</td>
<td>$7,718.75</td>
<td>January 22, 2008</td>
</tr>
<tr>
<td>January 22, 2008</td>
<td>2,340 cwt</td>
<td>$29,062.00</td>
<td>not received yet</td>
</tr>
</tbody>
</table>

List the Inventory left in the warehouse and amount dumped (include date dumped)

|                   |                   |                                 |                                   |
|--------------------|-------------------|---------------------------------|                                   |
| E1 seed            | 1,265 cwt         |                                 |                                   |
| Foundation Seed    | 2,139 cwt         |                                 |                                   |
| Rutabagas          |                   |                                 |                                   |
| January 17, 2008   | 630 bu            | $3,780.00                       | January 25, 2008                  |

* Producers who have a non-calendar year end may have to enter the sales from the 2006 crop year. Please contact the CAIS administration if you have any questions.

**Line (1)** List the quantity of seed from your 2007 crop that you used to plant your 2008 crop. Make sure this figure is included in your ending inventory for this commodity in Schedule 2b.

**Column (2)** List the dates on which you sold/shiped your 2007 crop.

**Column (3)** List the quantity of crop that was sold/shiped in column (2).

**Column (4)** List the income you received or expect to receive, in dollars, for the quantity you sold/shiped in column (3).

**Column (5)** List the dates on which payment was received for the shipments sold/shiped in column (2). If not received, write “not received yet”. The expected payments for shipments that have not been received must be entered into Schedule 4 - Accounts receivable.

List the quantity, if any, that is yet unsold. If the commodity is potatoes, classify as tablestock, processing and/or class of seed. List the quantity of crop that was culled and/or dumped.
Schedule 2b – Crop Production and Inventory Record

- This schedule must be completed for the program year only.

- **Do not** include crops entered in Schedule 3 - Commodities for Resale.

- You must complete Schedule 2b of the form if you meet any of the following criteria:
  - you produced crops during the program year;
  - you purchased or sold crops in the program year; or
  - you had crops remaining in your inventory from one tax year to another.

- This schedule is used to measure your crop production in the program year and to establish that your farm has completed a production cycle. Refer to your crop production records, sales and feeding records, crop insurance measurements, and inventory records to help you complete this schedule. If you are involved in a partnership, complete this schedule listing the total acres and quantities produced for the partnership. If you are a tenant involved in crop share, list only your share of the acres and quantities produced.

- All types of crops (e.g. round bales, square bales, silage, etc.) should be recorded separately.

- If you have nothing to report, check the box indicating “nothing to report”.

<table>
<thead>
<tr>
<th>(1) Description</th>
<th>(2) Tax Year Beginning Inventory</th>
<th>(3) On-farm Production</th>
<th>(4) Purchases</th>
<th>(5) Sales</th>
<th>(6) Amount Fed, used or Sacked and/or Culled/dumped</th>
<th>(7) Ending Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potato: list by variety: (cwt)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shapely</td>
<td>5,680 cwt</td>
<td>25</td>
<td>7,349 cwt</td>
<td>435 cwt</td>
<td>9,380 cwt</td>
<td>2,000 cwt</td>
</tr>
<tr>
<td>Russet Burbank</td>
<td>14,884 cwt</td>
<td>75</td>
<td>22,020 cwt</td>
<td>1,265 cwt</td>
<td>28,140 cwt</td>
<td>6,000 cwt</td>
</tr>
<tr>
<td>Grains: (metric tonnes)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wheat</td>
<td>200 t</td>
<td>100</td>
<td>112 t</td>
<td>175 t</td>
<td>50 t</td>
<td>87 t</td>
</tr>
<tr>
<td>Forages: (bales R. or Sq.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hay (Round Bales)</td>
<td>100 RB</td>
<td>50</td>
<td>259 RB</td>
<td></td>
<td>276 RB</td>
<td>75 RB</td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rutanagas</td>
<td>174 bu</td>
<td>100</td>
<td>870 bu</td>
<td>414 bu</td>
<td></td>
<td>630 bu</td>
</tr>
</tbody>
</table>

**Column (1)** List all commodities that you produced, purchased, sold or had on hand at the beginning and/or end of your 2007 tax year. List the unit of measurement used. The following is a list of the most common measurements that should be used in this column: pounds, cwt, metric tonnes, dozen, bushels and bales (square and/or round).

**Column (2)** Indicate the quantity of the commodity listed in Column (1), you had on hand at the start of your 2007 tax year.

**Column (3)** Indicate the number of acres of each crop grown.
Column (4) For each crop, indicate the total quantity harvested from acres listed in Column (3).

Column (5) Indicate the quantity of the commodity listed in Column (1) that you purchased in your 2007 tax year. If you have not yet paid for the purchase of the commodity by your 2007 tax year end, the expense should also be reported as an Account Payable on Schedule 5. However, you must still report the quantity you purchased in this column to show the addition to your inventory, unless it is already included in Schedule 1 - Purchased Inputs and Prepaids or Schedule 3 - Commodities Purchased for Resale.

Column (6) Indicate the quantity of the commodity that sold in your 2007 tax year. If you have deferred any income from the sale of inventory, the income should be reported as an Account Receivable on Schedule 4. However, you must still report the quantity you sold in this column to show the reduction in your inventory, unless it is already included in Schedule 3 - Commodities for Resale.

Column (7) Indicate the quantity of the commodity used as seed, used to feed livestock and/or culled/dumped. These items should be added together and put in this column. If you received money for culled potatoes, list it as a sale in Schedule 2a (page 1 or page 2) and 2b.

Column (8) Determine the quantity of each commodity that you had on hand at the end of the 2007 tax year by counting your inventory at the end of your tax year. The quantity of each commodity remaining in your ending inventory must equal the following calculation: Tax year Beginning Inventory (2) + Quantity Produced (4) + Purchases (5) - Sales (6) - Amount Fed, Used as Seed and Culled (7) = Tax Year Ending Inventory (8).

Schedule 2c - Livestock Production and Inventory Record (pages 1 and 2)
- This schedule must be completed for the program year only.
- You must complete Schedule 2c of the form if you meet any of the following criteria:
  - you raised livestock during the program year;
  - you purchased or sold livestock in the program year; or
  - you had livestock remaining in your inventory from one tax year to another.
• List all monies owed to you for the sale of commodities or income deferred (e.g. crop insurance, potatoes shipped but income not received) at the end of the tax year (e.g. December 31). If the sale was for a commodity, list the quantity sold.

This part of the form is used to measure your livestock production in the program year and to establish that your farm has completed a production cycle. Include all livestock on the farm even if they are not kept from one tax year to another (e.g., feeders bought in spring and sold in the fall), except for those listed in Schedule 3 - Commodities for Resale. Refer to your livestock production records, sales and purchase invoices, and inventory records to assist you in completing this schedule. If you are involved in a partnership, complete this Schedule listing the total number of livestock for the partnership.

• Do not include livestock entered in Schedule 3 - Commodities for Resale when completing Schedule 2c.

• If you have nothing to report, check the box indicating “nothing to report”.

<table>
<thead>
<tr>
<th>Description</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
<th>(7)</th>
<th>(8)</th>
<th>(9)</th>
<th>(10)</th>
<th>(11)</th>
<th>(12)</th>
<th>(13)</th>
</tr>
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<tbody>
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</tr>
<tr>
<td>Beef Cattle: Bulls</td>
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<td></td>
<td>1</td>
<td>1400</td>
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<td>2</td>
<td>1000</td>
<td>2</td>
<td>1200</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cows</td>
<td>20</td>
<td>1200</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Bed Heifers</td>
<td>3</td>
<td>1100</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Open Heifers</td>
<td>1</td>
<td>1100</td>
<td></td>
<td>10</td>
<td>350</td>
<td></td>
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<tr>
<td>Calves (under 400 lb)</td>
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<tr>
<td>Light Feeders(401-550 lb)</td>
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<td></td>
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<tr>
<td>Medium Feeders(551-750 lb)</td>
<td>8</td>
<td>700</td>
<td></td>
<td></td>
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<tr>
<td>Heavy Feeders(751-800 lb)</td>
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</tr>
<tr>
<td>Heavy Feeders(&gt;800 lb)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>CATTLE FOR PERSONAL CONSUMPTION</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**Column (1)** List all the livestock that you raised, purchased, sold or had remaining at the beginning and/or end of your 2007 tax year, unless it is already included in Schedule 3 - Commodities for Resale. List each class of livestock separately (e.g., list feeders in the 401-550 lb weight class separately from feeders in the 551-750 lb weight class).

**Column (2)** Indicate the number of head of each class of livestock that you had remaining at the start of your 2007 tax year.

**Column (3)** Indicate the average weight of the calves and feeders listed in Column (2).

**Column (4)** Indicate the number of births.
**Column (5)** Indicate the number livestock in that class that you purchased in the 2007 tax year. If you have not yet paid for the purchase of the livestock by your 2007 tax year end, the expense should also be reported as an Accounts Payable in Schedule 5. However, you must still report the number you purchased on this part as the animals are physically on-hand in your inventory, unless it is already included in Schedule 3 - Commodities for Resale.

**Column (6)** *Indicate the average weight of the calves and feeders listed in Column (5).*

**Column (7)** Indicate the number of livestock in that class that you sold in the 2007 tax year. If you have not received the income from the sale of the inventory, the income should be reported as an Accounts Receivable in Schedule 4. However, you must still report the number of head you sold in this column, as the animals are no longer in your inventory, unless it is already included in Schedule 3 - Commodities for Resale.

**Column (8)** *Indicate the average weight of the calves and feeders listed in Column (7).*

**Column (9)** Indicate the number of deaths in that class of livestock.

**Column (10/11)** Transfers refer to the number of animals in your 2007 tax year that grew or moved from one livestock class into another livestock class. For example, if you start your tax year with 20 Light Feeders (401-550 lb) and they grow to be 850 lb Heavy Feeders by the end of the tax year they would be correctly reported as 20 head transferring “out” of the Light Feeders (401-550 lb), and 20 head transferring “in” to the Heavy Feeders (751-900 lb). Total Transfers in must equal total transfers out.

**Column (10)** Indicate the number of livestock that transferred into the specified livestock class in your 2007 tax year.

**Column (11)** Indicate the number livestock transferred out of the specified livestock class in your 2007 tax year.
Column **(12)** Count the number of head in each class of livestock remaining at the end of the 2007 tax year and place that number in this column. The number of animals in your ending inventory should equal the following calculation: Tax Year Beginning Inventory (2) + Births (4) + Purchases (5) - Sales (7) - Deaths (9) = Tax Year Ending Inventory (10).

Column **(13)** Indicate the average weight of the calves and feeders listed in Column (12).

**Schedule 3 – Commodities Purchased for Resale**
- List all commodities that were purchased for resale.
  - Examples:
    - Potatoes purchased to fill a contract.
    - Cattle purchased that were kept less than 60 days or the animal gained less than 90kg (200lb).
  - If you have nothing to report, check the box indicating “nothing to report”.

**Schedule 4 – Statement of Accounts Receivable and Deferred Income**
This schedule must be completed for the **program year only**.
- **Use only** if you file cash statements to Canada Revenue Agency.
- List purchaser and the commodity sold (e.g. livestock, potatoes, etc.).
- List all monies owed to you for the sale of commodities or income deferred (e.g., crop insurance, potatoes shipped but income not received) at the start of the tax year (e.g., January 1). If the sale was for a commodity, list the quantity sold.
- List all monies owed to you for the sale of goods and services or income deferred (e.g., crop insurance, potatoes shipped but not paid for) at the end of the tax year (e.g., December 31).
• If you have nothing to report, check the box indicating “nothing to report”.

A 2006 accounts receivable that is still outstanding at the end of 2007 must be listed as a 2007 accounts receivable (see 1st example).

<table>
<thead>
<tr>
<th>Purchaser</th>
<th>Description</th>
<th>Quantity (cwt, bushels, #of head)</th>
<th>Opening Receivables and Income Deferred to 2006 ($)</th>
<th>Ending Receivables and 2006 Income Deferred to Future Tax Years ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Farms Inc.</td>
<td>Potatoes</td>
<td>9,682 cwt</td>
<td>$72,615.00</td>
<td>$72,615.00</td>
</tr>
<tr>
<td>Green River Inc.</td>
<td>Potatoes</td>
<td>625 cwt</td>
<td></td>
<td>$4,306.25</td>
</tr>
<tr>
<td>Three Rivers Ltd.</td>
<td>Potatoes</td>
<td>2,340 cwt</td>
<td></td>
<td>$29,062.00</td>
</tr>
</tbody>
</table>

**Schedule 5 – Statement of Accounts Payable and Unpaid Expenses**
This schedule must be completed for the **program year only**.

• **Use only** if you file cash statements to Canada Revenue Agency.

• List all unpaid bills for the purchase of goods at the **start** of the tax year (e.g., January 1).

• List all unpaid bills for the purchase of goods at the **end** of the tax year (e.g., December 31).

• Do not include: bank loans, operating loans, rent, lease payments or the interest portion of the unpaid bills.

• If you have nothing to report, check the box indicating “nothing to report”.

**Schedule 6 – Statement of Historical Production (pages 1 and 2)**
These schedules must be completed for **2002 - 2007**.

• List historical production units for all commodities produced on the farm for the previous five years.

**Schedule 7 – Authorized Release of Information**
Please complete this schedule if you produce potatoes, hogs or a supply managed commodity.

**Schedule 8 – Production (Crop) Insurance Information**
Please complete this schedule if you were enrolled in Production (Crop) Insurance in 2002-2007.