

*Ensemble*

**POUR LA VIABILITÉ  
DE L'INDUSTRIE**

*Together, for a thriving industry*

| Financial support program  
| for shrimp processing activities

**2008 - 2009**



Québec 



## 1 — OBJECTIVE

The *Financial support program for shrimp processing activities*, which provides support in the form of a credit line guarantee, is designed to support businesses affected by the global economic crisis in this sector.

The program seeks to attain the following objectives:

- Adapt financing conditions for Québec's northern shrimp processing businesses to the current market context;
- Assure the continuity of shrimp landings by fishers residing in Québec by maintaining required processing capacities;
- Enable shrimp processing businesses to obtain from financial institutions the credit they need to operate;
- Temporarily support the pursuit of activities by businesses that will likely be able to continue their own development thereafter, with the support of the financial tools available to the fisheries sector.

## 2 — MEANS

To reach these objectives, the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation grants financial aid in the form of a credit line guarantee exclusively limited to shrimp processing activities carried out in 2008.

This guarantee is subordinate to the guarantees the borrower has provided to the lender and the lender cannot require execution of the government guarantee until the other securities it holds have been realised.

## 3 — ELIGIBLE BUSINESSES

Any shrimp processing business with facilities in Québec that holds the permits required for the activities it conducts in Québec is eligible for this program.

## 4 — FINANCIAL SUPPORT

The Ministère offers eligible businesses a maximum guarantee equal to 60% of a credit line of no more than six million dollars (\$6 M) per company. To determine the amount of the guarantee for each company, a calculation will be made based on the company's actual 2007 monthly cash flow budget and its monthly cash flow estimates for 2008. These documents must clearly show the variations in bank advances and the assets given as security or collateral.

The guarantee shall be maintained in the following manner and shall not exceed:

- 60% of short-term advances by the lender for stocks built in 2008, based on the maximum amount for the business as set and accepted by the Ministère, from April 1, 2008 to March 31, 2009;
- 40% of short-term advances by the lender for stocks built in 2008, based on the maximum amount for the business as set and accepted by the Ministère, from April 1, 2009 to June 30, 2009;
- 20% of short-term advances by the lender for stocks built in 2008, based on the maximum amount for the business as set and accepted by the Ministère, from July 1, 2009 to September 30, 2009.

The guarantee will be realised by reimbursing any losses in capital, interest fees and processing charges the lender might incur on a credit line it has granted to an eligible business in the regular course of its business.

## 5 — GENERAL CONDITIONS

**5.1** The onus is on the business to show the credit line guarantee it needs to conduct its 2008 activities. The amount must be validated by the lending financial institution and accepted by the Ministère.

**5.2** These guarantees are granted subject to the following conditions:

**5.2.1** The maximum interest rate applicable on guaranteed loans shall not exceed the lender's prime rate, plus one half of one percent (1/2%);

**5.2.2** The lender shall send the guarantor, every month, an account statement showing the variations in bank advances and assets held as collateral and, if requested to do so, supporting documents associated with any request for payment pursuant to a credit line guarantee;

**5.2.3** These guarantees can be in effect until September 30, 2009;

- 5.2.4 The raw material must be supplied only by Québec fishers and processed at a plant located in one of Québec's maritime regions in compliance with the standards established in the *Food Products Act* (R.S.Q., c. P-29);
  - 5.2.5 The business holds the permits required to process the species involved and the expertise needed to conduct the proposed activities;
  - 5.2.6 The business is solvent and has the financial capacity to conduct the proposed activities; and
  - 5.2.7 The business submits to the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation a monthly credit certificate issued by the creditor.
- 5.3 The specific conditions governing the issue of the guarantee and the obligations of each party shall be set out in a guarantee agreement (terms and conditions, monitoring and administration measures) to be signed by the parties.

## 6 — DURATION OF PROGRAM

This program shall be in effect until March 31, 2009 or until the credits allocated to it have been exhausted, whichever comes first.

N.B.: This English translation is provided as a courtesy to English-speaking parties. For any interpretation purposes, at all times and in all cases, the original French version of this agreement shall have precedence and force of law.







*Agriculture, Pêcheries  
et Alimentation*

**Québec** 

08-0043A