



February 10, 2025

The Honourable Dominic LeBlanc
Minister of Finance and Intergovernmental Affairs
House of Commons
Ottawa, Ontario K1A 0A6

The Honourable Lawrence MacAulay
Minister of Agriculture and Agri-Food Canada
House of Commons
Ottawa, Ontario K1A 0A6

Sent via Email: lawrence.macaulay@parl.gc.ca ; dominic.leblanc@parl.gc.ca

Re: Request to Increase to the Interest-Free Portion Under the Advance Payments Program

Dear Minister LeBlanc and Minister MacAulay,

On behalf of the undersigned, who represent Ontario’s major commodity and general farm organizations and farm members, we write to urge you to immediately consider increasing the interest-free portion under the Advance Payments Program (APP) prior to the start of the next program year, which begins in April.

APP is a critical tool for farmers, particularly new entrants and young farmers, that helps farm operations manage cash flow demands amid rising market volatility and high debt servicing costs. The temporary increases to the interest-free portion of APP since 2022 were very helpful and well-received. However, we once again find ourselves rapidly approaching the end of the temporary increase period that will see the interest-free portion of APP revert back to the \$100,000 limit.

Operating demands that farmers face today require significant investment and risk tolerance that far exceed the operating demands farms had to contend with only a few short years ago. As a result, we find a potential reversion back to the \$100,000 interest-free limit under APP to be untenable given the current operating environment, and a move that would represent a major deterioration in the value and utility APP provides unless immediate changes are made.

In response, we urge you to consider increasing the interest-free portion under APP to \$350,000. Doing so would mirror the recommendations by the House of Commons Standing Committee on

Agriculture and Agri-food in report entitled *Grocery Affordability: Examining Rising Food Costs in Canada*. Specifically:

- ensuring companies have access to short-term, low-cost credit, and
- maintaining the increased threshold for interest-free payments under the Advance Payments Program

By increasing the interest-free portion under the APP, the federal government can demonstrate that it recognizes the needs of farmers who have been facing escalating input costs and increased financing demands. This was precisely what the APP was designed for.

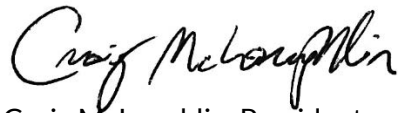
While interest rates may decline, maintaining an adequate level of interest-free support under APP remains essential given rising production costs and financing demands. Doing so will help ensure farmers have year-round financial resources to plan, invest, and make informed decisions ahead of the next production year.

Thank you for your consideration and attention to our request.

Sincerely,



Jaye Atkins, CEO
Agricultural Credit Corporation



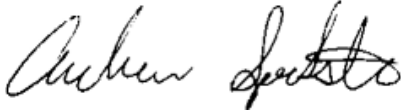
Craig McLaughlin, President
Beef Farmers of Ontario



Ed Scharringa, President
Christian Farmers Federation of Ontario



Crosby Devitt, CEO
Grain Farmers of Ontario



Drew Spoelstra, President
Ontario Federation of Agriculture



Phil Kroesbergen, Chair
Veal Farmers of Ontario



Tara Terpstra, Chair
Ontario Pork



Art Alblas, Chair
Ontario Sheep Farmers



Shawn Brenn, Chair
Ontario Fruit and Vegetable Growers' Association