



April 29, 2024

Jasper Munro  
President, Bruce County Beef Farmers

Dear Jasper,

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**, under the current federal fiscal year, \$350,000 is available to be interest free under the APP program, it will end as of March 31, 2024 and revert to the original amount of \$100,000;

**THEREFORE, BE IT RESOLVED THAT BFO** request that the current amount of \$350,000 interest free under the APP program be sustained and established as a consistent amount going forward and not subjected to a year-by-year decision.

On behalf of the BFO Board of Directors, I would like to thank the Bruce County Beef Farmers for putting forward this resolution. The Board fully supports your resolution that the Advanced Payments Program (APP) interest-free portion be maintained at \$350,000 for the 2024-2025 program year. Over the past number of years, the interest-free portion has been at different levels: 2021 - \$100,000; 2022 - \$250,000; 2023 - \$350,000. All signs from federal officials were pointing towards reverting back to the \$100,000 interest-free level.

In February, BFO signed on to the attached letter with Canadian Cattle Association (CCA) and numerous federal and provincial agriculture organizations to the Honourable Chrystia Freeland, Minister of Finance, to maintain the interest-free portion of the loans under APP at \$350,000. By doing so the federal government would demonstrate it recognizes the needs of producers who have been facing escalating input costs including the cost of raising capital to invest into the next crop or purchase livestock.

On March 25, 2024, the Honourable Lawrence MacAulay, Minister of Agriculture and Agri-Food, announced ahead of the federal budget being tabled that the interest-free limit of the APP would be set at \$250,000 for the 2024-25 program year. This was as a result of producers facing significant challenges, including elevated input prices and interest rates, which have impacted cash flow.

On April 9, 2024, BFO had its annual federal fly-in meetings in Ottawa where Ontario's CCA directors held meetings with Members of Parliament (MP) and Senators, including MP Francis Drouin, the Parliamentary Secretary to the Minister of Agriculture and Agri-Food. During these

meetings, we discussed the importance of the APP program to our members and thanked the government for its recent announcement.

The federal budget was officially announced on April 16, 2024, and it confirmed the interest-free portion of APP for the 2024-25 program year will be \$250,000. While we were disappointed the interest-free portion was not maintained at the \$350,000 level, we were pleased it did not revert back to \$100,000.

Ontario has seen strong demand for APP through the Feeder Finance Program and BFO will be sending a letter to Minister MacAulay thanking him setting the interest free portion of APP at \$250,000 and will take the opportunity to further explain the importance of the program and why the interest-free portion needs to be maintained or increased in future years.

Ensuring the industry has access to predictable, timely, and effective BRM programs continues to be a critical pillar of BFO's government relations priorities. Even though the program guidelines have been set with respect to the APP for the upcoming year, BFO will continue to press this issue with CCA and the federal government as we know the importance of this program to Ontario producers.

Thank you for bringing forward this resolution and for serving the beef farmers in Bruce County.

Sincerely,



Craig McLaughlin  
President

cc: Calvin Anstett (Mover)  
Nicole Blake (Seconder)  
Jarrett Johnson (Advisory Councillor)  
Jennifer Isber-Legge (Secretary)

Hon. Chrystia Freeland, P.C., M.P.  
Department of Finance Canada  
90 Elgin St  
Ottawa, ON K1A 0G5

February 9, 2024

Dear Minister Freeland:

We are writing to you today on behalf of Canada's agriculture groups, who together comprise a significant part of the Canadian economy and who are contributing to domestic and global food security while being integral to the fight against climate change. Specifically, we are writing regarding the interest-free portion of the loans under the Advance Payments Program (APP).

We recognize and support the temporary increases to the interest-free portion of the loans under Budgets 2022 and 2023. Now, unless permanent changes are made, the amount will revert back to \$100,000. This number is unfeasible, does not account for inflation and interest-rate increases, and does not provide adequate support for Canadian producers. We therefore urge the federal government to keep the limit at \$350,000. Doing so would mirror the recommendation by the House of Commons Standing Committee on Agriculture and Agri-food in report entitled *Grocery Affordability: Examining Rising Food Costs in Canada*. Specifically, the committee made the following recommendation:

"The Committee recommends that the Government of Canada support agricultural producers and others in the agri-food industry to mitigate their costs and ensure they have sufficient cash flow during this period of high inflation by:

- 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 maintaining the increase to interest-free portions of loans under the Advance Payments Program, the federal government can demonstrate that it recognizes the needs of producers who have been facing escalating input costs including the cost of raising capital to invest into the next crop. This was precisely what the APP was designed for, and we believe this action will be aligned with not on the needs of farmers but also with the intent of the program. At a time when all producers, and young farmers in particular, require all financial levers at their disposal, maintaining the increase would go a long way in making our sector more economically competitive.

The need to maintain the increase to interest-free portions of loans under APP reflects new economic realities and risks producers have to face. Furthermore, by extending the increase, producers are better able to plan ahead, invest into innovation, and stay financially sustainable.

As Budget 2024 approaches during an unsteady economic environment, we urge you to maintain the increase to the APP and to consider making the increase permanent which will permit greater stability and support to our producers who work tirelessly to increasing Canada's food security and economic competitiveness.

Thank you in advance for considering our request. We would be pleased to discuss with you at your earliest convenience.

Sincerely,





Cc: Hon. Lawrence MacAulay, Minister of Agriculture and Agri-Food