

November 14, 2024

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

Sent via email to: [chrystia.freeland@parl.gc.ca](mailto:chrystia.freeland@parl.gc.ca)

Dear Minister Freeland:

We are writing to you in advance of the Fall Economic Statement on behalf of Canada's agriculture groups who contribute significantly to Canada's economy and domestic and global food security. Today, we are writing regarding the interest-free portion of loans under the Advance Payments Program (APP).

For the last three budgets (2022, 2023, and 2024), we were pleased to see the federal government temporarily increase the portion to \$250,000, \$350,000, and \$250,000 from the statutory minimum of \$100,000. Unless permanent changes are made, the amount in the next budget will revert to the minimum. This number does not account for inflation and increases to interest rates while failing to provide adequate support for Canadian producers. For this reason, we call on the federal government to keep the limit permanent at \$350,000 to reflect ongoing pressures due to inflation and high input costs. In doing so, the government would be following the recommendations set out by the House of Commons Standing Committee on Agriculture and Agri-food in its report entitled *Grocery Affordability: Examining Rising Food Costs in Canada*. In the report, the committee made the following recommendations:

"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."

The APP was designed to help producers meet escalating input costs including the cost of raising capital to invest into the next crop. At a time when all producers, particularly young farmers, require all financial tools at their disposal, maintaining the increase would go a long way in making our sector more economically competitive.

In an unsteady and unpredictable economic environment, we urge you to keep the increase to the interest-free portion of loans under APP permanent to permit greater stability and support for producers who work hard to increasing Canada's food security and economic competitiveness.

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

Sincerely,



cc: Hon. Lawrence MacAulay, P.C., M.P., Minister of Agriculture and Agri-Food