



February 11, 2025

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

Sent via email to: minister-ministre@fin.gc.ca

Dear Minister LeBlanc:

We are writing to you in on behalf of 60,000 beef producers, from cow-calf farmers and ranches to feedlot producers, 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 maximum of \$100,000. Unless changes are made prior to April 1st, the amount will revert to \$100,000. 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.”

Given ongoing trade uncertainty, the federal government maintaining the increase would go a long way in making our sector economically competitive while we go through uncertain times. It would especially help young farmers who require all financial tools at their disposal to meet these costs. With current market prices on cattle, the majority of producers reach the APP limit quickly. Further, APP is an important tool in helping producers meet escalating input costs, particularly the cost of raising capital to invest into the next crop.



In an unsteady and unpredictable economic environment, we urge you to set the interest-free portion of loans under APP permanently to \$350,000 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 a timely manner given the need for a change prior to April 1st. We would be pleased to discuss with you at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Nathan Phinney".

Nathan Phinney
President, Canadian Cattle Association

A handwritten signature in black ink, appearing to read "Will Lowe".

Will Lowe
Chair, National Cattle Feeders' Association

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