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**Written Submission for the Pre-Budget Consultations in Advance of the Fall 2026 Federal
Budget**

By

National Cattle Feeders' Association (NCFA)

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Recommendations

Recommendation #1

Continue to negotiate for an **unimpeded and tariff-free border** to support an **integrated North American beef industry**.

Recommendation #2

Modernize the suite of agricultural business risk management tools to reflect current and future realities of risk, risk thresholds, inflation, farm structure, and the approach of global competitors to risk management.

Recommendation #3

Build and invest in a long-term strategic vision for research and knowledge mobilization to secure Canada's place as a global leader in agriculture and agri-food.

Recommendation #4

Increase incentives for the private-sector to invest in value-added agri-food processing in Canada.

Recommendation #5

As committed in the spring economic statement, **apply an economic lens to government approval systems for innovation** thus allowing Canada to lead, not follow, our global competitors in adopting the competitive benefits of new products, services and technology. And **provide incentives for private-sector investment in innovation** that is developed and/or mobilized in Canada- creating both growth and efficiencies in the sector.

Recommendation #6

Permanently and profoundly change the approach to labour shortages in agriculture while investing in upgrading skills in the current workforce so as to harness rapidly advancing technology – including AI.

Who we are

NCFA is the voice of Canada's cattle feeders and works to improve the growth, sustainability, and competitiveness of cattle production across Canada. Canada's beef industry contributes \$9.7 billion in farm cash receipts annually, contributes \$21.8 billion to national GDP annually and accounts for 347,000 jobs, each one of which supports another 3.9 jobs elsewhere in the economy.

Feedlots remain family operations - often involving multiple family members and generations. They are an important part of the fabric for rural Canada and a lynchpin of the Canadian beef sector.

NCFA respectfully submits the following pre-budget recommendations that will unleash the potential of Canada's agriculture sector while delivering food security and affordability.

Recommendation #1

Continue to negotiate the return of an unimpeded and tariff-free border to support an integrated North American beef industry.

Historically, the Canadian and US beef industries have operated within a single North American market and have enjoyed a relatively unimpeded and tariff-free border. The deeply integrated nature of the industry can result in cattle crossing the border more than once in their lifetime – i.e. born in the US, fed in Canada, processed in the US.

Canada exports \$7 billion of live cattle and beef annually and of that, \$6 billion goes to the US. While we support efforts to diversify trading markets, we must continue to work collaboratively with the US towards a positive outcome for the North American beef sector.

The **challenge of transporting live animals over long distances has fostered a strong interdependence between both the Canadian and US cattle industries.** The integration of the sector also includes the import and export of essential inputs such as feed ingredients and veterinary drugs. Animal care and the affordability of beef products relies on a high functioning and unobstructed border.

As we move into the CUSMA review, NCFA calls upon the government to ensure the best outcome possible for Canadian farmers and consumers including **no tariffs on live cattle, feed ingredients or veterinary products.**

Recommendation #2

Modernize the suite of agricultural business risk management tools to reflect current and future realities of risk, risk thresholds, inflation, farm structure, and the approach of global competitors to risk management.

When modernizing business risk management programs, NCFA encourages the government to acknowledge that :

- **one size does not fit all** commodities;
- **there is a long-standing imbalance** of available tools between livestock and crop production;
- the current programs continue to struggle to be **flexible, straightforward, bankable and timely.**

Modernization can include changes to existing programs but may require new programs entirely. Changes should include:

- Pilot a whole-farm revenue insurance program;
- Increase the Agri-stability cap from \$3 million to \$15 million with regular reviews of the cap in line with the Framework;
- Enhance the Agri-stability payment trigger to 85% of the reference margin;
- Make Livestock Price Insurance a permanent, subsidized and national program;
- Permanently increase the Advance Payment Program interest-free portion to \$350,000.

Specifically, the **Agri-Stability program** serves as one of the only potential tools for Canadian cattle feeders, offering essential support during periods of unforeseen adversities. However, for over 20 years, the Agri-Stability payment cap of \$3 million remained unchanged. NCFA acknowledges that the government's commitment to double the cap to \$6 million for the 2025 program year, but this increase must be significantly larger and permanent to have a meaningful impact.

Feedlots are generally large in size compared to other livestock operations; thus they reach the original \$3 million or temporary \$6 million payment cap very quickly. This leaves farmers shouldering tens of millions of dollars in risk and loss.

A recent study conducted by MNP found that Agri-Stability's relative risk coverage has decreased by two-thirds since 2013. Taking this into account and considering there has been no permanent adjustments to the cap since the start of the program 20 years ago, **NCFA recommends the Agri-Stability cap be increased to \$15 million with a consideration to review the cap in 5 years.**

Recommendation #3

Build and invest in a long-term strategic vision for research and knowledge mobilization to secure Canada's place as a global leader in agriculture and agri-food.

The recent budget cuts to Agriculture and Agri-Food Canada's research initiatives and facilities is gravely concerning to the cattle and beef sector. These cuts directly counter the governments' goal to expand global markets and increase global competitiveness. Global growth is directly linked to investments in research – including meat and forage science.

Reduction in public research capacity slows the development of regionally adapted crop varieties, beneficial production practices and disease management tools that enable Canadian producers to compete effectively in global markets. The beef industry is especially concerned about the loss of meat science research which supports our sector in assessing and improving beef quality attributes, benefiting us in both domestic and export markets.

At this unprecedented moment of challenge and opportunity, a long-term and strategic research vision will ensure:

- Efficiencies in production and processing in order to compete globally;
- Evidence-based decision-making and science-based trade;
- Growth of agriculture despite climatic shifts;
- Canada's potential in innovation and AI is realized;
- National and global food security;
- Reduced risk of catastrophic events due to foreign animal or plant disease.

Recommendation #4

Increase incentives for the private-sector to invest in value-added agri-food processing in Canada.

As noted earlier, the Canadian and U.S. cattle and beef sector is deeply integrated with many of our live cattle moving to the U.S. for processing and then bought back by the Canadian retail and food service industry. Processing capacity in Canada is limited and there is a lack of incentives for both the producers and the processors to shift the dynamic.

But the recent challenges in our trading relationship with the U.S. has highlighted the importance of increasing Canada's ability to process our own agriculture goods.

We encourage the Canadian government to harness the opportunity to expand value-add capacity though 1) financial incentives for food processing companies to locate in Canada and 2) build a business environment where regulatory red tape is reduced, transportation is reliable, labour is available and taxation is favourable to investment.

Increased processing capacity gives Canada increased control over its economic growth while producing jobs, reducing transportation costs/impacts and increasing national food security.

Recommendation #5

As committed in the spring economic statement, apply an economic lens to government approval systems for innovation thus allowing Canada to lead, not follow, our global competitors in adopting the competitive benefits of new products, services and technology. And **provide incentives for private-sector investment in innovation** that is developed and/or mobilized in Canada- creating both growth and efficiencies in the sector.

Agriculture is one of the most innovative sectors, yet the government has been focused on regulating the sector as opposed to providing an **efficient and timely approval process for new innovative products and technology**. Canadian farmers deserve access to innovations which are already providing more cost-efficient and sustainable solutions to global competitors.

NCFA calls upon the government to take immediate and concrete steps to address barriers preventing Canadian access to innovation including veterinary products, feed and water additives, parasiticides and pesticides that help maintain animal health and support essential production of livestock feed.

We call for a whole-of-government approach to deliver on its commitment to **transform** the regulatory environment and serve as **partners – rather than obstacles to the sector**. This will catalyze investment in Canadian agriculture. Maintaining food safety standards and consumer confidence can be done on a parallel track to supporting growth in the sector.

Recommendation #6

Permanently and profoundly change the approach to labour shortages in agriculture while investing in upgrading skills in the current workforce so as to harness rapidly advancing technology – including AI.

It's time to find new solutions to the decades-long chronic labour shortage in the agriculture sector and end the tinkering of existing programs that provide no meaningful solution to the challenge.

Presently, foreign workers are a necessity to maintain and grow the beef sector. The majority of the foreign workers hired by the cattle feeders are for year-round, long-term jobs – not seasonal. With domestic labor unwilling to work in rural locations, feedlots bring in employees through the Temporary Foreign Worker (TFW) program and then move them through the system to permanent residency where they and their families become a productive and integrated part of their rural community. There needs to be a permanent process to effectively move TFWs into permanent residents where they become a part our rural fabric for Canada.

The government and sector must also invest in upgrading the skills of the existing workforce as technology rapidly advances and AI becomes part of our daily lives. In the near future, the skill set required to work in agriculture will have shifted dramatically and support for skills enhancement is a must. This skills shift may also naturally embrace a younger generation of workers.

In addition to labour shortages, the sector is also concerned about labour strife. To be a trusted supplier of agriculture products to both our national and international customers, farmers need

reliable rail and port services. Labour strikes in recent years have eroded confidence in Canada as a consistent export supplier and has put at risk the welfare of animals who rely on the timely delivery of feed. NCFA calls upon government to deem rail and port service in Canada as essential services in order to prevent the profound economic impact of labour strife.

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In closing, the NCFA thanks you for your consideration of these recommendations and looks forward to the opportunity to present these recommendations as a witness before Committee.