



Written Submission for the Pre-Budget Consultations in Advance of the
Upcoming Federal Budget

By: The Canadian Federation of Agriculture

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Canadian Federation of Agriculture Pre-Budget Submission 2025

On behalf of the Canadian Federation of Agriculture (CFA), we appreciate the opportunity to share insight into our member's priorities for Budget 2025. As Canada's largest general farm organization, the CFA represents approximately 190,000 farmers and farm families from coast to coast covering over 62 million hectares of land at the heart of a Canadian agri-food system generating \$150 billion of Canada's gross domestic product (GDP) and employing 2.3 million people.

However, despite the crucial role Canada's agriculture sector plays in the economy and environment, Canadian farmers and the sector at large, capture only a small proportion of total annual budget expenditures relative to our key competitors. This disparity highlights the need for increased support to sustain and enhance the overall competitiveness and sustainability of the sector, particularly when it comes to ensuring that Canadian farmers continue to be recognized as global leaders in sustainable agriculture.

In addition, while Canadian farmers have shown resilience amid global and domestic challenges such as extreme climate events, labor disruptions and shortages, and rising farm input costs, the pace of environmental and digital change is accelerating. At the same time, according to the World Bank, Canada's overall ranking in terms of "ease of doing business" has slipped from 4th in 2006 to 23rd overall in 2020.

As a result, Canada needs a renewed focus on how it approaches disaster risk management, reduces regulatory burden and promotes the adoption of data-driven technology solutions that will support Canada's sustainability objectives while at the same time boosting Canadian productivity and competitiveness

To help address these challenges, the CFA has put forward 20 recommendations for your consideration. The recommendations not only highlight the importance of greater funding for the agricultural sector to ensure a thriving sustainable, competitive, and innovative sector into the future, but also emphasizes the basic supports needed to support the more immediate needs of the sector including investments to boost the supply of large animal veterinarians, support for young farmers as they seek to take over their family farm, and more timely intervention in response to increasing incidents of extreme weather events.

Thank you for the opportunity to submit these budget recommendations as part of the 2025 Pre-Budget Consultations. If you have any questions related to CFA's submission, please contact Brodie Berrigan, Senior Director of Government Relations and Farm Policy (brodie@canadian-farmers.ca).

Recommendations for Action

Making Canadian farms and farm families more competitive, resilient and innovative.

Promote increased competitiveness and food security

Recommendation 1: Make the interest-free limit for advances under the Advanced Payment Program (APP) permanent at \$350,000 beyond the 2024 program year and indexed to the Farm Input Price Index (FIPI) thereafter.

Recommendation 2: Commit to modernizing the *Canada Grain Act* to address key areas of concern to producers while reaffirming the Canadian Grain Commission's mandate to maintain standards and regulate grain handling in the interests of grain producers.

Recommendation 3: Amend existing legislation to allow for provisional registration of feed and pest control products within 90 days of applications, where approvals exist in recognized trusted jurisdictions.

Recommendation 4: Create more choice and competition for Canadian producers and shippers in the grain sector by increasing the extended interswitching distance to 500 km, ensuring that extended interswitching is available to all North American railways, investing in rural infrastructure, including interchange capacity, and extending the pilot for an additional 30 months with a pathway to permanency.

Recommendation 5: Make food security part of Canada's national security by developing a Critical Food and Farm Input Strategy that would prioritize the transportation of agri-food products during labour disruptions and ensure Canadian producers have a long-term, stable source of supply for critical farm inputs including sources of energy, fertilizer, crop protectants, and access to the water needed to produce quality agriculture and agri-food products.

Recommendation 6: Create a more permanent fix to Canada's chronic labour shortages in the agriculture sector by ensuring the Seasonal Agricultural Worker Program is maintained to support farmers' seasonal needs, while at the same time ensuring the Temporary Foreign Worker Program supports pathways to permanent residency for experienced temporary foreign workers in sectors such as agriculture that demonstrate chronic labour shortages.

Recommendation 7: Ensure that the next generation of farmers can afford to take over the family farm by confirming Bill C-208 eligible intergenerational farm transfers in Canada continue to fall under the old one-half inclusion rate under the *Income Tax Act* and that all farms, regardless of whether they're founding a new operation or taking over a multi-generational farm, can access the Canadian Entrepreneur's Incentive.

Recommendation 8: Government work in close collaboration with stakeholders representing the livestock sector, veterinarians, pharmaceutical and alternative product manufacturers, and feed providers to develop an action plan including concrete steps to address barriers preventing Canadian access to veterinary pharmaceuticals, veterinary health products, feed and water additives, vaccines, parasiticides and pesticides that help maintain animal health, and livestock feeds.

Recommendation 9: Embed a competitiveness lens in key Government regulators such as the Pest Management Regulatory Agency and Canadian Food Inspection Agency to ensure a better understanding of the impacts of proposed policy and regulations on the productivity and competitiveness of Canadian farm businesses, reduce regulatory burden, promote better regulatory alignment with key trading partners, and ensure product approvals and service delivery timelines keep pace with business.

Promote environmental sustainability and resilience against extreme weather events

Recommendation 10: Ensure that the Sustainable Agriculture Strategy is inclusive of all agricultural commodities and facilitates the widespread adoption of innovative environmental best management practices (BMPs) by clearly articulating roles and responsibilities, including clear commitments as to how the Government will support progress towards meeting the Strategy's objectives.

Recommendation 11: Recognizing the role that the agriculture sector plays in supporting the health and food security of Canadians and to advance the sustainability and competitiveness of Canadian farmers and ranchers, invest \$2 billion per year, over five years, into the research, extension, and incentive programming required to support producers in their efforts to combat climate change, advance widespread adoption of BMPs and ensure Canadian agriculture continues to be recognized as a global leader in sustainable agriculture.

Recommendation 12: Instead of waiting for the next 5-year agriculture policy framework in 2028, immediately convene an agriculture disaster relief summit with provinces, territories, and producer groups to look at how we can work together to better support farmers dealing with the increasing incidences of extreme weather events.

Recommendation 13: Address the critical shortage in large animal veterinarians required to ensure and maintain the high standards of animal welfare upheld by Canadian farmers by investing in the expansion and enhancement of the Canadian colleges of veterinary medicine to support the recruitment and accreditation of foreign-trained veterinarians.

Recommendation 14: Maintain a resilient domestic agricultural sector that is vital to national food security and long-term sustainable growth by ensuring no additional access to supply-managed sectors in future trade agreements, while continuing to advocate for the elimination

of non-tariff barriers to trade in international trade agreements which are limiting market access to Canadian products.

Recommendation 15: Help farmers and agricultural businesses support their local communities and reduce food waste by implementing a refundable tax credit for food donations and other agricultural products made by all types of agricultural businesses and to ensure that donations to local food banks and other charitable organizations are recognized.

Promote the development and adoption of a data-driven, innovative and technology-oriented agriculture sector

Recommendation 16: In concert with producers and value-chain stakeholders, develop a Pan-Canadian Data Strategy that establishes a common policy framework for public and private investment in research, programming, digital skills and outcome-based measurement and reporting to support Canada's productivity and sustainability objectives.

Recommendation 17: Close the connectivity gap between urban, rural and remote regions of Canada and ensure sufficient in-field connectivity to enable the range of agtech opportunities emerging for farmers. By enhancing high-speed coverage, cellular coverage and 5G, farmers would be better positioned to benefit from instantaneous and automated data transfers, making their job easier and more efficient.

Recommendation 18: Establish programming to support the adoption of connectivity solutions and equipment such as, for example, Low Power Wide Area Networks (LPWAN), portable hotspots, satellite technology, weather monitors, cameras and irrigation controllers and make a legislative commitment to support farm equipment interoperability.

Recommendation 19: Support a three-year pilot project to build capacity for farm groups that are best positioned to protect farmers' rights, as well as investments in standards and greater transparency around data. This should include not only support for data infrastructure and improved governance, but also innovative measurement technologies, education, awareness and new agricultural extension services to support agtech adoption.

Recommendation 20: Give farmers an incentive to upgrade their equipment sooner, where they would otherwise delay investment in machinery due to inflation and cash flow concerns by making the Accelerated Capital Cost Allowance permanent across all classes of farm equipment, allowing producers to depreciate 100% of their capital allocated to purchases of farm equipment in the first year.