



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 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.

Canadian farmers and the broader agri-food sector play a vital role in both the economy and the environment. However, despite its significance, the sector has historically received only a small share of total annual budget expenditures compared to key international competitors. To build a truly sustainable agricultural industry that can drive economic growth during challenging times, the Government of Canada must make strategic investments and take targeted actions to help the sector become more resilient in the face of external threats and reach its full potential.

Canadians are increasingly concerned about the rising costs of essentials such as food, fuel, and other agricultural products they rely on daily. At the same time, Canadian farmers are facing more frequent and severe weather events, as well as ongoing labor disruptions that directly impact farm operations, the broader economy, and Canada's reputation as a reliable exporter. All of these concerns are further compounded by growing trade tensions and tariffs imposed by Canada's most important trading partner, the United States.

To support farmers in navigating these challenges, the CFA proposes 23 key actions under the broad themes of supporting **competitiveness**, **rules-based trade** and **resiliency** that are intended to address both the immediate, short-term needs of farmers across Canada, as well as longer-term structural issues facing the agriculture sector.

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](mailto:brodie@canadian-farmers.ca)).

## Recommendations for Action

### Competitiveness

1. Ensure the competitiveness of the agriculture and agri-food sector by removing the tax for on-farm fuels for which producers have no alternative, immediately repealing the Competition Act's new explicit provisions targeting misleading environmental benefit claims (greenwashing) that were introduced under Bill C-59 and consult with industry on future actions in this area. These amendments have the potential to negatively impact investment and innovation in the Canadian marketplace.
2. Ensure that agriculture and agri-food is considered a national priority by amending the [Cabinet Directive on Regulation](#) to mandate that regulations established under key government regulators like the Pest Management Regulatory Agency (PMRA) and the Canadian Food Inspection Agency (CFIA) reflect the economic and competitiveness interests of Canadian producers, while safeguarding the health and safety of Canadians and the Canadian environment. Immediate consideration should also be given to realigning reporting relationships and responsibilities to ensure they rest with the government department and/or agency best positioned to support these objectives of interest to Canadian agriculture.

In addition, the PMRA and CFIA need to be adequately resourced through a long-term commitment to fulfill core functions that impact these objectives. These include the PMRA's fulfillment of pre-market applications, re-evaluations, minor use registrations, as well as the water monitoring program which are critical activities to support the efficacy and credibility of PMRA decision-making on an ongoing basis. This also includes the CFIA's capacity to provide robust oversight including increased inspections performed in a timely and effective way, mitigation of animal disease outbreaks, enforcement of Canadian labelling and advertising requirements (including compositional standards) to ensure consumer protection, and capacity to guarantee timely feed additive approvals aligned with those of our international partners.

3. Amend existing legislation to allow for provisional registration of feed and feed additives, veterinary products (including vaccines, antimicrobials, etc.) and pest control products within 90 days of applications, where approvals exist in recognized trusted jurisdictions.
4. Address Canada's acute shortage of veterinary healthcare tools by leveraging sections 30.05 and 30.06 under the *Food and Drugs Act* to remove regulatory barriers for necessary products in consultation with stakeholders and enable Canada to rely on decisions made by trusted partners. Government should also work with stakeholders to

identify and resolve additional longstanding systemic barriers preventing access to veterinary healthcare tools and hurting Canadian farmers' competitiveness.

5. In concert with producers and value-chain stakeholders, develop a [Pan-Canadian Data Strategy](#) that establishes a common framework for investment in programming, digital skills, outcome-based measurement and reporting to support Canada's sustainable productivity growth objectives.
6. Introduce a permanent Accelerated Capital Cost Allowance across all classes of farm equipment that would allow producers to depreciate 100% of their capital allocated to purchases of farm equipment for the first fiscal year as an incentive for farmers to upgrade their equipment.
7. Ensure that Canada's trade and domestic transportation infrastructure is world-class by recapitalizing and extending the National Trade Corridor Fund to assist in upgrading aging infrastructure while at the same time prioritizing infrastructure investments that support our capacity to realize timely market diversification objectives in the face of growing uncertainty with our most important trading partner.
8. Support competitiveness in Canada's supply chains by making the extended interswitching pilot permanent, national and accessible to a distance of 500 km.
9. Commit to modernizing the Canada Grain Act (CGA) in consultation with producers to address their key areas of concern while reaffirming the Canadian Grain Commission's mandate to maintain standards and regulate grain handling in the interests of grain producers. Priorities under CGA modernization should include increased export sales market transparency, grain contract modernization and strengthening producer payment protection.
10. Support farm succession in Canada by increasing the Lifetime Capital Gains Exemption (LCGE) on qualified farm property to reflect the significant rise in farm asset values that has occurred since the LCGE was last adjusted in 2015, recognizing the recent commitment to increase the LCGE to \$1.25M fails to adequately account for the significant rise in farm asset values during this period. Permanently reverse the capital gains inclusion rate increase that is on pause until January 2026 for farmers.
11. Establish a [National Soil Strategy](#) with a mandate to protect and conserve Canada's agricultural soils as a strategic asset, without compromising agricultural productivity which is central to food security, while enhancing the resilience of Canada's food and agricultural systems.

### **Rules-based trade**

12. Protect the interests of Canadian farmers by ensuring that the Canada-United States-Mexico Agreement (CUSMA) agreement continues to support open, predictable and rules-based trade, while working with industry stakeholders on an approach to mitigate the impacts of a potential trade war on Canadian producers. It is critical that these mitigation measures be in place immediately following the introduction of any tariffs to ensure the continued viability and competitiveness of Canadian farm businesses.
13. Advocate against the proliferation of non-tariff and technical barriers to trade which are limiting market access of Canadian products. This is particularly important as Canadian producers look to diversify export market opportunities and look to the European Union (EU) where new environmental regulations have the potential to significantly restrict market access (e.g., EU removal/restriction of pest control products and deforestation regulations). At the same time, the CFA recommends that the Government of Canada require that imports meet comparable production standards and food safety requirements and ensure that appropriate enforcement mechanisms are considered, adequately resourced and applied.
14. Remove interprovincial trade barriers that limit economic growth and competitiveness by, for example, aligning packaging and labeling requirements as well as meat inspection regulations and transportation licensing requirements across provinces, thereby improving efficiency across the agriculture sector. As a first step, the CFA recommends an approach modeled after the working groups struck under the Regulatory Cooperation Council to harmonize/align regulatory differences between Provinces where appropriate and facilitate free and unencumbered trade between provinces and territories.
15. Ensure that Canada's trading partners uphold their commitments to rules-based trade agreements, avoiding retaliatory measures; Ensure that Canada preserves its sovereign authority to define and regulate its own agricultural production systems; Oppose any changes to CUSMA that would undermine current market access for Canada's agricultural exporters; and, Oppose any changes to CUSMA that would result in reduction in over-quota tariffs or further market access to supply-managed sectors.
16. Expand trade diversification opportunities inclusive of all agricultural commodities, including fully realizing market access opportunities through existing free trade agreements, as well as pursuing the conclusion of existing free trade negotiations and launching new exploratory discussions with markets that have high growth potential for Canadian agriculture.

### *Resiliency*

17. Permanently increase the Advance Payments Program to \$350,000 with predictable funding and streamlined administration requirements to keep costs down for farmers.

18. Ensure risk management programs remain separate from Canada's sustainability objectives by, for example, removing the environmental risk assessment requirement for AgriInvest. At a time of increased risk for farmers, BRM programs must be inclusive of all agricultural commodities and emphasize accessibility and focus solely on delivering effective risk management support.
19. Take steps to fill a critical gap in Canada's suite of business risk management programs by immediately piloting a new disaster relief program and making further amendments to AgriStability that increase responsiveness, equity and the level of support available to all agricultural commodities including sectors that are currently not eligible for some risk management programs such as the cattle sector, equines, horticulture and aquaculture.
20. In addition, to supplement government risk management programs and keep private insurers at the table, establish a new federal program that is inclusive of all agricultural commodities where the Government of Canada guarantees the payment of claims above a certain level during disaster-related events as a measure to encourage private insurance companies to continue offering insurance products to agriculture industries.
21. Ensuring the agriculture streams of the Temporary Foreign Worker Program (TFWP) are maintained to support farmers' seasonal and temporary needs, while at the same time supporting pathways to permanent residency for experienced temporary foreign workers by making the Agri-Food Pilot permanent and inclusive of all agriculture sectors to help meet the industries' year-round labour needs.
22. Address the critical shortage in veterinarians in both food animal and regulatory medicine required to ensure and maintain the high standards of animal welfare upheld by Canadian farmers in livestock and poultry by investing in the expansion and enhancement of the Canadian colleges of veterinary medicine to support the recruitment and accreditation of foreign-trained veterinarians.
23. Immediately launch consultations with industry representatives and implicated stakeholders to explore options to address the root causes of labour disruptions and prevent the increasing frequency and severity of labour disruptions that are destabilizing the Canadian economy and undermining Canada's reputation as a reliable trading partner.