



**Written Submission for the Pre-Budget Consultations in Advance of the
Fall 2025 Budget
By: The Canadian Federation of Agriculture**

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Canadian Federation of Agriculture Fall 2025 Budget Recommendations

On behalf of the Canadian Federation of Agriculture (CFA), the following submission outlines the policy and regulatory priorities needed to advance Canadian agriculture's competitiveness and resilience heading into the Fall 2025 parliamentary session. As Canada's largest general farm organization, the CFA represents nearly 190,000 farmers and farm families across the country, managing over 62 million hectares of land at the core of a Canadian agriculture and agri-food system that contributes \$150 billion to our gross domestic product (GDP) and supports 2.3 million jobs.

With a sizable agriculture sector and a relatively small population, Canada is well-positioned to make agriculture a strategic driver of economic growth by adding value through market diversification at home and abroad. However, Canadian farmers are being squeezed between rising input costs, ongoing labour shortages, increasingly frequent and severe climate events, and deepening financial pressures. These domestic realities are now compounded by growing global instability: escalating geopolitical tensions, chronic instability and uncertainty in Canada-U.S. trade, as well as punitive tariffs from China on key Canadian exports like canola which continue to undermine the sector's growth potential and Canada's reputation as a reliable supplier in global markets.

Moving forward, we call on the Government of Canada to protect the interests of Canadian farmers by ensuring that the Canada-United States-Mexico Agreement (CUSMA) 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. CFA also strongly supports efforts to diversify and expand markets, which are essential for reducing risk and driving long-term growth. At the same time, we recognize and appreciate the Government's unwavering commitment to protecting Canada's supply management system, which is fundamental to the economic vitality of rural Canada and Canadian food security.

Additionally, while the government's commitment to increase the AgriStability compensation rate from 80% to 90% and permanently double coverage from \$3 million to \$6 million per farm is a meaningful first step toward addressing long-standing gaps in risk management, we recommend that the government undertake an urgent and comprehensive review of the entire Business Risk Management (BRM) program suite, prioritizing robust stakeholder engagement. Such a review is essential to ensure these tools are responsive to the evolving risk landscape facing farmers and provide more equitable and effective support across all types of producers.

The competitiveness of Canada's agriculture sector also depends on reducing the growing burden of regulatory barriers. According to [Canada's Red Tape Report](#), in 2024 alone, the average small business owner lost the equivalent of 32 business days to red tape – a particularly concerning figure for the agriculture sector where at least 99% of businesses are classified as small, according to [ISED](#). The disproportionate regulatory burden on these enterprises stifles their ability to grow, innovate, and compete. The CFA welcomes the Government of Canada's efforts to modernize outdated regulations and reduce red tape, and we reiterate the urgent need to eliminate or streamline regulations that unduly divert critical resources away from farmers' productivity and innovation.

The CFA recognizes the importance of targeted, efficient spending. Accordingly, our recommendations emphasize low- or no-cost policy and regulatory reforms capable of delivering measurable impact by eliminating unnecessary regulatory barriers, enhancing interdepartmental coordination, and optimizing existing program delivery. However, at the same time we cannot dismiss the tremendous financial burden many producers are experiencing across Canada. In 2024, realized net income of Canadian farmers dropped by \$3.3 billion (-25.9%)- the sharpest decline since 2018. One of the key drivers of increased operating costs was rising interest expenses, which grew 28.6% for the second straight year. Despite the Bank of Canada beginning to lower interest rates mid-year, many producers had already taken on significant debt which rose 14.1% in 2024, the largest annual increase since 1981¹.

It is important to recognize Canadian agriculture as an investment, not as an expense. We cannot lose sight of the critical role Canadian agriculture plays in supporting food security and, by extension, Canada's national security, nor the tremendous economic potential of the Canadian agriculture sector. With the right investments in domestic production, value-added processing, productivity and exports, the sector has the potential to more than double and drive upwards of an additional \$100 billion in GDP growth over the next 10 years, totalling up to \$250 billion by 2035. Part of this growth will be dependent on the government partnering with Indigenous communities by treating Indigenous food systems as core national infrastructure, not side projects, in order to develop and unlock this vast agricultural potential.

We look forward to working with the Government of Canada to unlock opportunities for farmers and ranchers that support all Canadians. Should you have any questions, please contact Brodie Berrigan, Senior Director of Government Relations and Farm Policy (brodie@canadian-farmers.ca).

Recommendations for Action

1. Align regulatory frameworks with a growth-oriented agenda—by mandating key regulators to explicitly support Canada's food security and competitiveness objectives. This includes recognizing trusted international reviews to accelerate access to critical farm inputs while maintaining high standards for health, safety, and environmental protection and ensuring the efficient movement of goods across the country and internationally. A detailed set of recommendations on regulatory modernization is included as an **appendix** to this submission.
2. Ensure critical farm inputs are not subject to any potential future countermeasures imposed by the Government in Canada in response to U.S. tariffs on Canadian goods. These products include, but are not necessarily limited to, certain fertilizer products, farm equipment and machinery, seed (including low erucic acid rape or colza seeds) as well as feed ingredients and veterinary products.
3. Ensure that the new \$5-billion Trade Diversification Corridor Fund prioritizes the needs of the agriculture and agri-food sector. Consult with industry stakeholders to ensure projects support the sector's ability to secure and reliably serve new and existing markets in Canada and abroad.

¹ <https://www150.statcan.gc.ca/n1/daily-quotidien/250528/dq250528a-eng.htm>

4. Permanently increase the interest free portion of the Advance Payments Program to \$350,000 and streamline administration requirements. Reverse AAFC's recent changes to their lending policy which requires administrators to classify all clients as "high risk" for four years regardless of their credit standing, thereby placing upward pressure on fees and adding unnecessary delays for farmers.
5. Ensure the agricultural 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. Reintroduce the Agri-Food Pilot, making it permanent and inclusive of all agricultural sectors to help meet the industries' year-round labour needs.
6. Immediately launch consultations with industry representatives and implicated stakeholders to explore options to address the root causes of labour disruptions. Modernize labour laws to establish a clear, transparent, and expedited process for resolving labour disputes, to 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.
7. 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. This will act as an incentive for farmers to adopt innovative technologies, upgrade their equipment and support Canada's productivity objectives.
8. Commit to modernizing the Canada Grain Act (CGA) in consultation with producers to ensure Canada's grain system keeps pace with evolving market needs 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.
9. Mandate Agricultural Impact Assessments (AIAs) for all federal infrastructure projects, including defence-related projects, and federal land claim decisions that may affect the quality or availability of agricultural land in Canada. Agricultural land is essential not only for food security but also for climate resilience, biodiversity, and rural economies. Federal decisions that convert or degrade farmland have long-term, irreversible consequences. Currently, while environmental assessments are required under the Impact Assessment Act, agricultural impacts are not systematically evaluated.

APPENDIX: Regulatory Modernization Recommendations

General

1. Ensure that agriculture and agri-food is considered a national priority by amending the [Cabinet Directive on Regulation](#) to mandate that Government regulations reflect the economic and competitiveness interests of Canadian producers and strengthen Canada's food security by

ensuring a stable, competitive, and sustainable domestic agriculture and agri-food supply chain.

2. Ensure more meaningful and less cumbersome consultations with stakeholders that prioritize communication and industry engagement early in the regulatory development process. All consultations related to agriculture must be cognisant of agriculture's seasonal nature, which affects stakeholders' availability and engagement levels. Adequate timelines need to be established and communicated.
3. Support the concept of regulatory sandboxes that provide a controlled space to test regulatory approaches. Such sandboxes should allow for experimentation and the collection of evidence to assess the effectiveness and applicability of the approach within different sectors, including agriculture. The documentation and publication of the results and recommendations from these experimental approaches would be beneficial to encourage innovation.

Addressing Farm Input Shortages

4. Amend existing legislation to allow for provisional registration of feed and feed additives, including viable microbial strains, as well as pest control products within 90 days of applications, where approvals exist in recognized trusted jurisdictions.
5. Address the critical shortage of veterinary health products in Canada by allowing Canada to recognize and rely on product approvals from trusted international partners using existing authorities under sections 30.05 and 30.06 of the *Food and Drugs Act* to reduce regulatory barriers. This should be done in consultation with industry stakeholders to ensure timely access to essential veterinary tools.

Trade

6. Following the passage of Bill C-5, *An Act to Enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act* ensure that:
 - 6.1. **Meat, fish and seafood inspection:** Any efforts to address internal barriers to trade do not jeopardize Canada's international markets or introduce any undue food safety concerns by ensuring any exporting facilities meet equivalent standards as federally licensed establishments. E.g. national application of the Safe Food for Canadians Act / Safe Food for Canadians Regulations (SFCA/SFCR) where possible.
 - 6.2. **Trucking:** Regulation and enforcement – particularly in the implementation of the National Safety Code and the coordinated management of the national highway system – focus on harmonizing key trucking requirements such as vehicle weight limits, hours of service, and driver training standards to reduce the compliance burden for carriers operating across provincial borders.

Transportation

7. Follow through on the recommendations made under the Rail Review including:

- 7.1. Maintain and update the Maximum Revenue Entitlement (MRE): Protect producers from excessive rates, ensure accurate cost reviews, and continue allocating MRE overages to the Western Grains Research Foundation.
 - 7.2. Expand the Canada Transportation Act's (CTA) own-motion powers: Enable longer investigations, access to Waybill data, and increased authority to act without Ministerial approval—especially on service delays, surcharges, and shipper protections.
 - 7.3. Legislate automatic demurrage penalties: Require penalties for rail service failures (e.g., missed pickups/deliveries), with annual CTA oversight.
 - 7.4. Improve rail contracting transparency: Strengthen mechanisms to challenge surcharges and ensure fair, efficient contracting practices.
 - 7.5. Amend the *Canada Transportation Act* to clarify that railways are subject to the legislation of the province where the railway lands are situated.
8. Support competitiveness in Canada's supply chains by making the extended interswitching pilot permanent, national and accessible to 500 km.

Pest Management (PMRA)

9. Align Maximum Residue Limits (MRL) for imported commodities containing active ingredients that have been fully revoked for use in Canada based on domestic regulatory decisions. This would ensure regulatory consistency, uphold domestic health standards, and support a level playing field for Canadian producers.

Plant and animal health, Food Safety (CFIA)

10. Support plant health and pollination by re-approving the application for the international movement of *Bombus* (bumblebee) queens to support pollination and crop production. Add *Amaranthus palmeri* to the list of prohibited noxious weed seeds under the Weed Seeds Order to prevent its spread in Canada.
11. Fast track the Canadian Food Inspection Agency's (CFIA) implementation of electronic phytosanitary certificates (e-phytos) to modernize and streamline interprovincial trade of plants (e.g. nursery stock) where phytosanitary regulations must be met to ship plants from one province to another.
12. Update the Safe Food for Canadians Regulations (SFCR) to reduce the administrative burden and costs associated with compliance, e.g. for the Specified Risk Material (SRM) Removal Requirements. Establish an investment assistance program to support the financial and administrative burden of facilities in transition to compliance with the SFCR.
13. Review the Health of Animal Act's Maximum Compensation Amounts in the *Compensation For Destroyed Animals and Things Regulations* for laying hens producing eggs for consumption and chickens producing broiler hatching eggs, as the current values are out of date and do not reflect current economic conditions and farming realities. Updating and establishing a

consistent timeframe for future compensation reviews would ensure business continuity of producers whose animals are ordered destroyed, such as farmers impacted by a Highly Pathogenic Avian Influenza (HPAI) outbreak. This would include:

- 13.1. Initiating the review and update the process of compensation values for laying hens producing eggs for consumption and chickens producing broiler hatching eggs with the view of establishing a streamlined, less cumbersome approach that reduces the overall administrative burden and evaluation cost with the evaluation approach.
 - 13.2. Early and meaningful consultation with the relevant industry stakeholders when reviewing and updating the compensation values.
 - 13.3. Establishing pre-determined intervals for the compensation review process so that the values are reflective of the markets.
14. Under the Canadian Organic Standards (COS) and the U.S.-Canada Organic Equivalency Arrangement (USCOEA), explore the alignment of options that improve accountability and reduce Canada-specific barriers, specifically with regards to the exclusion of hydroponic/aeroponic products grown in Canada and sold in the U.S. market. This would ensure that Canadian growers are not uniquely disadvantaged relative to the U.S. and foreign competitors selling into the same market.

Environmental reporting (ECCC)

15. Exempt the agricultural sector from reporting requirements under the Canadian Environmental Protection Act (CEPA) section 46 registries, and more specifically the [Greenhouse Gas Reporting Program](#) and the [Federal Plastics Registry](#).

Canadian Shellfish Sanitation Program (jointly managed by CFIA, ECCC, and DFO)

16. Update the Canadian Shellfish Sanitation Program (CSSP) to be better aligned with the growth and demands of the sector, including setting or modernizing standards with an outcome-based approach and increasing the capacity of the CSSP regulators, which is cited as the biggest impediment to growth for the shellfish farming sector in Canada.