

# **Agriculture and Agri-Food Canada**

## **Quarterly Financial Report For the Quarter Ended June 30, 2025**

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## **Introduction**

Agriculture and Agri-Food Canada (AAFC) is the federal department responsible for the Canadian agriculture and agri-food sector. Agriculture is a shared jurisdiction in Canada, and our department works closely with provincial and territorial governments on the development and delivery of policies and programs. Along with these policies and programs, our research and technology helps farmers, food producers, and processors grow and develop the sector in order to succeed in Canadian and global markets.

Detailed information on Agriculture and Agri-Food Canada's program activities can be found in the [Departmental Plan](#).

This quarterly financial report has been prepared as required by section 65.1 of the *Financial Administration Act* in the form and manner prescribed by the Treasury Board, and should be read in conjunction with AAFC's 2025-26 Main Estimates.

This report has not been subject to an external audit or review.

## **Basis of presentation**

This quarterly report has been prepared using an expenditure basis of accounting. The accompanying statement of authorities includes the Department's spending authorities granted by Parliament, and those used by the Department consistent with the 2025-26 Main Estimates. This quarterly report has been prepared using a special-purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before money can be spent by the Government of Canada. Approvals are given in the form of annually approved limits through appropriation acts, or through legislation in the form of statutory spending authority for specific purposes.

The Department uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

## Agriculture and Agri-Food Canada

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#### Highlights of fiscal quarter and fiscal year-to-date results

This quarterly financial report reflects the results of the current fiscal period in comparison to the authorities approved by Parliament, as well as budget adjustments approved by Treasury Board up to June 30, 2025.

The following table provides a comparison of total authorities available for use and year-to-date expenditures for the first quarter of the current and previous fiscal year.

#### Comparison of total authorities available for use and total year-to-date expenditures for the quarter ended June 30 of fiscal years 2025-26 and 2024-25

All votes and statutory authorities (in millions of dollars)	2025-26	2024-25
Total authorities available for use	3,944	3,858
Total year-to-date expenditures	324	336
Utilization	8%	9%

#### A. Significant changes to authorities

The following table provides a comparison of authorities by Vote for the first quarter of the current and previous fiscal year.

#### Comparison of total authorities as of June 30 of fiscal years 2025-26 and 2024-25

Authorities (in millions of dollars)	2025-26	2024-25	Variances
Vote 1 - Net Operating Authorities	683	665	17
Vote 5 - Capital Authorities	73	67	6
Vote 10 - Grants and Contributions	894	855	39
Budgetary statutory authorities	2,294	2,271	24
<b>Total Authorities</b>	<b>3,944</b>	<b>3,858</b>	<b>87</b>

Note: Totals may not add up due to rounding.

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As of the end of the first quarter of fiscal year 2025-26, authorities of \$3,944 million are 2% or \$87 million higher than the same quarter last year due to the following changes:

- Vote 10 – Grants and Contributions increased by \$39 million, primarily due to \$25 million in re-profiled funding for the Supply Management Transition initiative and \$19 million of higher funding for the Local Food Infrastructure Fund.
- Budgetary statutory authorities increased by \$24 million, mainly due to a \$10 million increase for the Dairy Innovation and Investment Fund, a \$10 million rise in Employee Benefit Plan costs, and a \$9 million increase for Agricultural Marketing Programs.
- Vote 1 - Net Operating Authorities increased by \$17 million, primarily due to an \$11 million funding increase for collective agreements and a \$6 million increase for the Water Infrastructure Divestiture initiative.
- Vote 5 - Capital Authorities increased by \$6 million, mainly attributable to \$7 million in additional funding for the Laboratory Asset Renewal Initiative.

### B. Significant changes in year-to-date expenditures

The following table provides spending comparisons by Vote for the first quarter of the current and previous fiscal year.

#### Comparison of year-to-date expenditures for the quarter ended June 30 of fiscal years 2025-26 and 2024-25

<b>Expenditures (in millions of dollars)</b>	<b>2025-26</b>	<b>2024-25</b>	<b>Variance</b>
Vote 1 - Net Operating expenditures	157	161	(4)
Vote 5 - Capital expenditures	5	4	1
Vote 10 - Grants and Contributions expenditures	88	84	4
Budgetary statutory expenditures	74	87	(13)
<b>Total Net Budgetary Expenditures</b>	<b>324</b>	<b>336</b>	<b>(12)</b>

Note: Totals may not add up due to rounding.

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#### For the quarter ended June 30, 2025

As of the end of the first quarter of fiscal year 2025-26, expenditures of \$324 million are 4% or \$12 million lower than the same quarter last year due to the following changes:

- Budgetary statutory expenditures decreased by \$13 million, primarily reflecting lower interest costs for Agricultural Marketing Programs and lower early-year claim volumes under the AgriInsurance, AgriStability, and AgriInvest programs.
- Vote 10 - Grants and Contributions expenditures increased by \$4 million, mainly due to earlier disbursements under the Supply Management Processing Investment Fund compared to last year and new spending from the School Food Infrastructure Fund.
- Vote 1 - Net Operating Expenditures decreased by \$4 million, primarily driven by \$6 million lower salary expenditure and \$3 million in reduced spending on information technology and legal services, partially offset by a \$5 million drop in vote-netted revenues due to invoicing delays.
- Vote 5 - Capital expenditures increased by \$1 million, mainly reflecting expenditures related to Investment Plan projects at the Charlottetown, Saskatoon, and Sherbrooke Research and Development Centres, as well as costs associated with office consolidation in Winnipeg.

### Risks and uncertainties

Agriculture and Agri-Food Canada continues to exercise prudent management and oversight in implementing its policies and delivering its programs. The Department has established an integrated process to identify, assess, monitor, and respond to a variety of strategic and operational risks to facilitate decision-making and priority setting, and to contribute to more effective delivery and efficient use of resources.

The department continues to remain vigilant and prepare for risks, situations and events impacting its operating environment. Departmental mitigations are in place to manage the risks facing AAFC's people and processes to ensure we can maintain the right balance of staff to workload, and ensure employees are adequately developed, engaged and supported (Our People), as well as to effectively navigate financial pressures and ensure scarce resources are allocated to areas of greatest importance (Prioritization and Oversight).

Departmental mitigations are also in place to manage impacts related to technology and infrastructure, and external events. These include the ability to effectively prevent, detect, contain or respond to cyber security threats that may affect AAFC's operations, systems and information (Cyber Security); ensuring that laboratories and other critical infrastructure can be maintained or recapitalized, in support of leading-edge, sustainable, safe and secure scientific and operational activities (Critical Infrastructure); and, ensuring the department can modernize its digital infrastructure in an appropriate or timely enough fashion to adequately support a

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secure, data-enabled business model and efficient operations (Modernization for Digital and Data-enabled Services and Decisions).

They also include ensuring the ability of AAFC's policy, program solutions and scientific activities to address the climate and environmental threats facing the agricultural sector (Climate and Sustainability); and managing major disruptive industry and market crises across multiple sectors simultaneously (Economic and Market Disruption).

AAFC will continue to closely monitor its environment and operations in order to ensure that resources are being managed effectively to deliver expected results and/or to reallocate resources to key priorities, as necessary.

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**Significant changes in relation to personnel and programs****Personnel**

On April 24, 2025, Alain Lagacé was appointed as Chief Financial Officer and Assistant Deputy Minister of the Corporate Management Branch.

On June 9, 2025, Alec Nicholls was appointed as Director General of Human Resources Branch.

**Programs****Funding to Support Slaughter in Accordance with Kosher or Halal Practices**

To assist the Canadian red meat (beef and veal) sector in addressing challenges associated with slaughter practices that comply with kosher or halal requirements, Agriculture and Agri-Food Canada (AAFC) has been allocated new funding of \$29 million over three years (2025-26 to 2027-28). The Department will utilize existing programs—including the Canadian Agricultural Strategic Priorities Program, AgriAssurance, and AgriMarketing—to deliver this program effectively and support the sector.

**Approval by senior officials**

Approved by:

Original Signed ByLawrence Hanson, Deputy Minister  
Ottawa, CanadaOriginal Signed ByAlain Lagacé, Chief Financial Officer  
Ottawa, Canada

**Agriculture and Agri-Food Canada**  
**Statement of Authorities (unaudited)**  
**For the quarter ended June 30, 2025**  
*(in thousands of dollars)*

	Fiscal year 2025-26			Fiscal year 2024-25		
	Total available for use for the year ending March 31, 2026 <sup>(1)</sup>	Used during the quarter ended June 30, 2025	Year to date used at quarter-end	Total available for use for the year ending March 31, 2025 <sup>(1)</sup>	Used during the quarter ended June 30, 2024	Year to date used at quarter-end
Vote 1 - Net Operating expenditures	682,772	156,878	156,878	665,457	160,876	160,876
Vote 5 - Capital expenditures	73,096	5,058	5,058	66,820	4,267	4,267
Vote 10 - Grants and contributions	893,998	87,784	87,784	854,515	83,870	83,870
Budgetary statutory authorities <sup>(2)</sup>	2,294,310	73,837	73,837	2,270,730	86,805	86,805
<b>Total Budgetary authorities</b>	<b>3,944,175</b>	<b>323,556</b>	<b>323,556</b>	<b>3,857,521</b>	<b>335,817</b>	<b>335,817</b>
<b>Total authorities</b>	<b>3,944,175</b>	<b>323,556</b>	<b>323,556</b>	<b>3,857,521</b>	<b>335,817</b>	<b>335,817</b>

Notes:

Totals may not add due to rounding.

(1) Includes only authorities available for use and granted by Parliament at quarter-end.

(2) Details on budgetary statutory authorities are included in the table below.

**Agriculture and Agri-Food Canada**  
**Departmental Budgetary Expenditures by Standard Object (unaudited)**  
**For the quarter ended June 30, 2025**  
*(in thousands of dollars)*

	Fiscal year 2025-26			Fiscal year 2024-25		
	Planned expenditures for the year ending March 31, 2026	Expended during the quarter ended June 30, 2025	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended June 30, 2024	Year to date used at quarter-end
<b>Expenditures:</b>						
Personnel*	613,412	156,259	156,259	592,803	158,619	158,619
Transportation and communications	9,360	1,531	1,531	7,595	1,798	1,798
Information	10,287	976	976	11,750	1,285	1,285
Professional and special services	125,725	14,639	14,639	115,672	15,272	15,272
Rentals	11,518	3,234	3,234	11,592	5,082	5,082
Repair and maintenance	14,785	2,114	2,114	14,471	1,958	1,958
Utilities, materials and supplies	43,766	5,821	5,821	55,798	6,936	6,936
Acquisition of land, buildings and works	21,776	732	732	24,879	1,574	1,574
Acquisition of machinery and equipment	41,663	3,290	3,290	36,565	2,662	2,662
Transfer payments	3,097,981	134,619	134,619	3,039,680	151,666	151,666
Other subsidies and payments	17,564	7,252	7,252	9,029	237	237
<b>Total gross budgetary expenditures</b>	<b>4,007,837</b>	<b>330,468</b>	<b>330,468</b>	<b>3,919,833</b>	<b>347,088</b>	<b>347,088</b>
<b>Less Revenues netted against expenditures:</b>						
Vote-netted revenues	63,662	6,911	6,911	62,312	11,271	11,271
<b>Total net budgetary expenditures</b>	<b>3,944,175</b>	<b>323,556</b>	<b>323,556</b>	<b>3,857,521</b>	<b>335,817</b>	<b>335,817</b>
Note: Totals may not add due to rounding.						
*: Personnel includes salaries and wages (including students and casuals), overtime and allowances, severance and retroactive pay, and the Department's contributions to Employee Benefit Plans (EBP).						

**Agriculture and Agri-Food Canada**  
**Budgetary Statutory Authorities Breakdown (unaudited)**  
**For the quarter ended June 30, 2025**  
*(in thousands of dollars)*

## APPENDIX A

	Fiscal year 2025-26			Fiscal year 2024-25		
	Planned expenditures for the year ending March 31, 2026	Expended during the quarter ended June 30, 2025	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended June 30, 2024	Year to date used at quarter-end
Contributions to employee benefit plans	80,847	20,212	20,212	71,643	17,753	17,753
Minister of Agriculture and Agri-Food - Salary and motor car allowance	102	17	17	99	25	25
Contribution payments for the AgriStability program	339,658	(16,589)	(16,589)	339,658	(12,983)	(12,983)
Contribution payments for the AgriInsurance program	1,033,783	17,118	17,118	1,033,783	21,992	21,992
Grant payments for the AgriInvest program	153,974	37,295	37,295	153,974	41,059	41,059
Payments in connection with the <i>Agricultural Marketing Programs Act</i>	169,001	9,140	9,140	160,183	16,085	16,085
Grant payments for the AgriStability program	52,063	125	125	52,063	446	446
Contribution payments for the AgriInvest program	19,779	-	-	19,779	1,075	1,075
Loan guarantees under the <i>Canadian Agricultural Loans Act</i>	13,111	-	-	13,111	425	425
Contributions in support of the Assistance to the Pork Industry Initiative	-	(192)	(192)	-	(2,814)	(2,814)
Grants to agencies established under the <i>Farm Products Agencies Act</i>	100	-	-	100	-	-
Contribution payments for the Agricultural Disaster Relief Program (ADRP)/AgriRecovery	118,513	(45)	(45)	158,513	2,533	2,533
Contribution payments for the Livestock Price Insurance program (Farm Income Protection Act)	4,000	-	-	4,000	-	-
Canadian Pari-Mutuel Agency Revolving Fund	872	(678)	(678)	1,848	(386)	(386)
Spending of Amounts Equivalent to Proceeds from Disposal of Surplus Moveable Crown Assets	8,505	1,418	1,418	11,975	1,617	1,617
Grant payments for the Canadian Agricultural Income Stabilization program Inventory Transition Initiative	-	(4)	(4)	-	(5)	(5)
Contribution payments for the Canadian Agricultural Income Stabilization program Inventory Transition	-	(13)	(13)	-	(32)	(32)
Grant Payments Related to the Dairy Direct Payment Program	250,000	-	-	250,000	-	-
Contribution Payments for the Dairy Innovation and Investment Fund	50,000	6,011	6,011	-	-	-
<b>Budgetary statutory authorities</b>	<b>2,294,310</b>	<b>73,837</b>	<b>73,837</b>	<b>2,270,730</b>	<b>86,805</b>	<b>86,805</b>
Note: Totals may not add due to rounding.						