

Agriculture and Agri-Food Canada

Quarterly Financial Report For the Quarter Ended September 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.

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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 September 30, 2025.

The following table provides a comparison of total authorities available for use and year-to-date expenditures for the second 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 September 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	3,972	3,881
Total year-to-date expenditures	1,165	1,157
Utilization (%)	29	30

A. Significant changes to authorities

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

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

Authorities (in millions of dollars)	2025-26	2024-25	Variances
Vote 1 — Net Operating Authorities	703	680	23
Vote 5 — Capital Authorities	80	74	6
Vote 10 — Grants and Contributions	894	855	39
Budgetary statutory authorities	2,296	2,272	24
Total Authorities	3,972	3,881	91

Note: Totals may not add up due to rounding.

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As of the end of the second quarter of fiscal year 2025-26, authorities of \$3,972 million are 2% or \$91 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 increased 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 \$23 million, primarily due to an \$11 million funding increase for collective agreements, a \$6-million increase for the Water Infrastructure Divestiture initiative, and a \$5 million increase in the Operating Budget Carry Forward.
- 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 second quarter of the current and previous fiscal year.

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

Expenditures (in millions of dollars)	2025-26	2024-25	Variance
Vote 1 — Net Operating expenditures	320	327	(7)
Vote 5 — Capital expenditures	21	13	7
Vote 10 — Grants and Contributions expenditures	259	239	21
Budgetary statutory expenditures	564	578	(13)
Total Net Budgetary Expenditures	1,165	1,157	8

Note: Totals may not add up due to rounding.

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As of the end of the second quarter of fiscal year 2025-26, expenditures of \$1,165 million are 1% or \$8 million higher than the same quarter last year due to the following changes:

- Vote 10 — Grants and Contributions increased by \$21 million, mainly due to higher disbursements under the Agricultural Climate Solutions – On-Farm Action initiative, including payments on new projects and larger payments on existing projects compared to the same period last year.
- Budgetary statutory expenditures decreased by \$13 million, primarily reflecting \$13 million lower payments under the Agricultural Marketing Programs Act as interest costs declined. Agrilnsurance payments were also \$11 million lower due to the timing of claims. These decreases were partially offset by \$9 million increased spending under the Dairy Innovation and Investment Fund.
- Vote 5 — Capital expenditures increased by \$7 million, largely due to Investment Plan projects at the Charlottetown, Saskatoon, Morden, St-Hyacinthe and Fredericton research and development centres, as well as office consolidation work in Winnipeg.
- Vote 1 — Net Operating Expenditures decreased by \$7 million, due to \$4 million in reduced spending on information technology services, and \$3 million in lower salary expenses.

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

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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 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.

Significant changes in relation to personnel and programs

Personnel

On July 3, 2025, Dr. Arran McPherson was appointed Assistant Deputy Minister of the Science and Technology Branch, replacing Dr. Gilles Saindon, who has left the department.

On August 28, 2025, Christine Moran was appointed Assistant Deputy Minister of the International Affairs Branch, replacing Kathleen Donohue, who has left the department.

Programs

There have been no significant changes in relation to programs

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Approval by senior officials

Approved by:

Original Signed By

Lawrence Hanson, Deputy Minister
Ottawa, Canada

Original Signed By

Alain Lagacé, Chief Financial Officer
Ottawa, Canada

Agriculture and Agri-Food Canada
Statement of Authorities (unaudited)
For the quarter ended September 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 ⁽¹⁾	Used during the quarter ended September 30, 2025	Year to date used at quarter-end	Total available for use for the year ending March 31, 2025 ⁽¹⁾	Used during the quarter ended September 30, 2024	Year to date used at quarter-end
Vote 1 — Net Operating expenditures	702,858	163,580	320,459	680,350	166,214	327,090
Vote 5 — Capital expenditures	79,637	15,586	20,644	73,901	9,033	13,300
Vote 10 — Grants and contributions	893,998	171,660	259,444	854,515	154,863	238,732
Budgetary statutory authorities ⁽²⁾	2,295,649	490,427	564,263	2,271,899	490,921	577,726
Total Budgetary authorities	3,972,141	841,253	1,164,809	3,880,665	821,031	1,156,848
Total authorities	3,972,141	841,253	1,164,809	3,880,665	821,031	1,156,848

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 September 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 September 30, 2025	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended September 30, 2024	Year to date used at quarter-end
Expenditures:						
Personnel*	630,892	159,564	315,823	607,542	152,486	311,105
Transportation and communications	9,549	2,597	4,128	7,641	2,261	4,059
Information	10,497	1,428	2,405	11,808	959	2,244
Professional and special services	130,997	24,285	38,924	119,650	22,985	38,257
Rentals	11,752	1,611	4,845	11,649	1,330	6,411
Repair and maintenance	15,569	3,694	5,809	17,195	3,241	5,199
Utilities, materials and supplies	45,833	8,740	14,561	57,187	8,551	15,488
Acquisition of land, buildings and works	21,776	6,556	7,829	24,879	4,086	5,660
Acquisition of machinery and equipment	43,029	5,151	8,441	36,672	4,644	7,307
Transfer payments	3,097,981	636,145	770,765	3,039,680	626,167	777,833
Other subsidies and payments	17,928	8,327	15,580	9,074	6,260	6,497
Total gross budgetary expenditures	4,035,803	858,101	1,188,569	3,942,977	832,971	1,180,059
Less Revenues netted against expenditures:						
Vote-netted revenues	63,662	16,848	23,760	62,312	11,939	23,210
Total net budgetary expenditures	3,972,141	841,253	1,164,809	3,880,665	821,031	1,156,848
Note: Totals may not add due to rounding.						
*: Personnel includes salaries and wages (including students and casuals), overtime and allowances, severance and retroactive pay as well as the department's contributions to employee benefit plans.						

Agriculture and Agri-Food Canada
Budgetary Statutory Authorities Breakdown (unaudited)
For the quarter ended September 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 September 30, 2025	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended September 30, 2024	Year to date used at quarter-end
Contributions to employee benefit plans	80,847	20,212	40,424	71,643	17,753	35,506
Minister of Agriculture and Agri-Food —Salary and motor car allowance	102	34	51	99	25	49
Contribution payments for the AgriStability program	339,658	(5,881)	(22,470)	339,658	(11,304)	(24,287)
Contribution payments for the AgriInsurance program	1,033,783	369,630	386,748	1,033,783	375,298	397,290
Grant payments for the AgriInvest program	153,974	61,467	98,763	153,974	59,243	100,302
Payments in connection with the <i>Agricultural Marketing Programs Act</i>	169,001	30,930	40,070	160,183	36,574	52,658
Grant payments for the AgriStability program	52,063	(42)	82	52,063	99	545
Contribution payments for the AgriInvest program	19,779	8,013	8,013	19,779	10,978	12,053
Loan guarantees under the <i>Canadian Agricultural Loans Act</i>	13,111	-	-	13,111	-	425
Contributions in support of the Assistance to the Pork Industry Initiative	-	-	(192)	-	-	(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	4	(41)	118,513	62	2,595
Contribution payments for the Livestock Price Insurance program (Farm Income Protection Act)	4,000	368	368	4,000	358	358
Canadian Pari-Mutuel Agency Revolving Fund	872	413	(265)	1,848	198	(188)
Spending of Amounts Equivalent to Proceeds from Disposal of Surplus Moveable Crown Assets	9,844	2,120	3,539	13,145	1,641	3,258
Refunds of amounts credited to revenues in previous years	-	-	20	-	-	-
Grant payments for the Canadian Agricultural Income Stabilization program Inventory Transition Initiative	-	(1)	(5)	-	(2)	(7)
Contribution payments for the Canadian Agricultural Income Stabilization program Inventory Transition	-	(2)	(15)	-	-	(16)
Grant Payments Related to the Dairy Direct Payment Program	250,000	-	-	250,000	-	-
Contribution Payments for the Dairy Innovation and Investment Fund	50,000	3,162	9,174	-	-	-
Budgetary statutory authorities	2,295,649	490,427	564,263	2,271,899	490,921	577,726
Note: Totals may not add due to rounding.						