



CANADIAN FOOD INSPECTION AGENCY
QUARTERLY FINANCIAL REPORT (Q1)
FOR THE QUARTER ENDED JUNE 30, 2025

RDIMS 22960888

1. Introduction

This quarterly report (Q1) has been prepared by management as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board. This quarterly report should be read in conjunction with the 2025 to 2026 Main Estimates, the 2025 to 2026 Supplementary Estimates and authorities received from Treasury Board central votes. Main and Supplementary Estimates documents can be found on the Government of Canada's [Planned government spending](#) webpage.

A summary description of the program activities of the CFIA can be found in the CFIA's [2025 to 2026 Departmental Plan](#).

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

1.1 CFIA mandate

The Minister of Health is responsible for the CFIA and for the overall direction of the Agency. In addition, the Minister of Agriculture and Agri-Food is responsible for oversight of the Agency's non-food safety agricultural activities, including economic and trade issues, as well as important animal health and plant protection work.

The CFIA is headed by a President, who has the rank and all the powers of a Deputy Head of a Department. The President is also the Chief Executive Officer. The responsibilities of these roles are outlined in the [Canadian Food Inspection Agency Act 1997, c.6](#).

Mitigating risks to food safety is the CFIA's highest priority, and the health and safety of Canadians is the driving force behind the design and development of CFIA programs. The CFIA, in collaboration and partnership with industry, consumers, and federal, provincial and municipal organizations, continues to work towards protecting Canadians from preventable health risks related to food and zoonotic diseases.

In collaboration with its partners in Canada and abroad, the CFIA is applying a One Health approach to many issues encompassed by its

mandate. The One Health approach recognizes the interconnectedness of the health of humans, animals, plants, and the environment and that efforts to address serious global health issues benefit from strong coordination and collaboration between professionals in these fields. The one Health approach also benefits from shared resources and investments.

1.2 Basis of presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities (Annex A) includes the Agency's spending authorities granted by Parliament and those used by the Agency, consistent with the supplies granted for the 2025 to 2026 Main Estimates, the 2025 to 2026 Supplementary Estimates and authorities received from Treasury Board central votes. 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 funding can be spent by the Government. Approvals are given through annual appropriation acts or legislation which provides statutory spending authority for specific purposes. The CFIA was granted its full supply for the 2025 to 2026 fiscal year in June 2025.

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

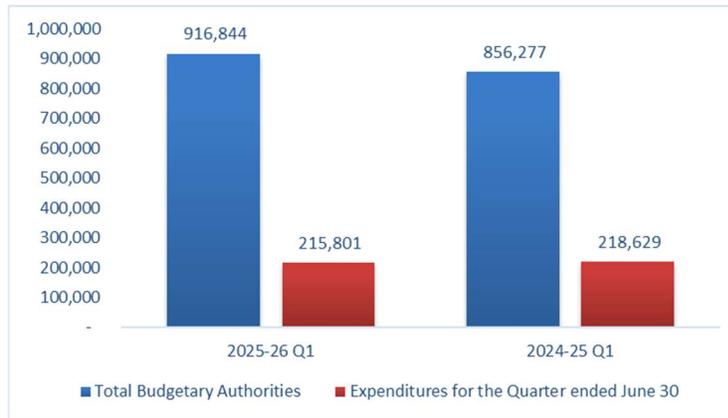
2. Highlights of fiscal quarter and fiscal year-to-date (YTD) results

In line with previously reported variances in the Departmental Results Report and Quarterly Financial Reports, the CFIA determined that variances which are greater than \$5.0 million and represent more than a 10% change, in budget or expenditures from one year to the next, are deemed significant. When both criteria are met, further analysis is always

provided. Further analysis is also provided when the dollar value is deemed significant.

The following graph provides a comparison of total budgetary authorities available for spending and year-to-date expenditures for the first quarter of the current and previous fiscal years.

Graph 1. Comparison of Total Budgetary Authorities and Expenditures for the Quarter Ended June 30 for Fiscal Years 2025 to 2026 and 2024 to 2025



2.1 Significant changes to budgetary authorities

At the end of the first quarter, June 30, 2025 (Q1), the CFIA had \$916.8 million of authorities available for spending, as detailed in Table 1. This represents an overall increase of \$60.6 million (7.1%) compared to the end of the same quarter in 2024 to 2025. Below is a breakdown of the variance.

Table 1: Authorities available for use for the year ending March 31, 2026 and March 31, 2025

(In thousands of dollars)

Authorities	2025-26	2024-25	Variance	%
Vote 1 - Operating expenditures, grants, and contributions	735,988	671,720	64,268	9.6
Vote 5 - Capital expenditures	19,777	37,977	-18,200	-47.9
Budgetary statutory authorities				
Employee benefit plans	95,579	81,080	14,499	17.9
Compensation payments	12,500	12,500	0	0.0
Spending of revenues / Other	53,000	53,000	0	0.0
Total Authorities	916,844	856,277	60,567	7.1

Numbers may not add due to rounding.

The Vote 1 - Operating expenditures and grant and contributions authorities increased by \$64.3 million (9.6%) attributed to the net effect of the following items:

- An **increase of \$32.1 million** for Collective Bargaining Agreement settlements.
- An **increase of \$25.3 million** in funding to support rapid response measures to protect human and animal health from avian influenza (H5N1).
- An **increase of \$17.5 million** to mitigate the public health, animal health and economic risks related to Bovine Spongiform Encephalopathy (BSE).
- An **increase of \$4.9 million** to continue to enhance risk mitigation of Potato Wart (PW) in Prince Edward Island (PEI).
- An increase of **\$4.8 million** for the Canadian Shellfish Sanitation Program (CSSP).

These increases have been partially offset by:

- A **reduction of \$15.0 million** for the sunsetting of funding to build a post pandemic agile workforce and to support long-term digital transformation (Covid Pivot), and
- A **decrease of \$4.7 million** for Refocusing Government Spending.

The Vote 5 – Capital expenditures authorities available for spending **decreased by \$18.2 million** (-47.9%) mainly due to the year-over-year variance in funding to build the new Sidney Centre for Plant Health.

Employee Benefit Plan (EBP) – **total \$14.5 million increase** (17.9%) in EBP can be explained by a variation in the EBP rate set by the Treasury Board Secretariat, and additional cost related to Collective Bargaining Agreement settlements. The EBP rate has increased from 13.8% in 2024 to 2025 to 15.3% in 2025 to 2026.

The fluctuations in authorities available for spending are most notable in the following standard objects (see Annex B for the full listing of budgetary authorities by standard object):

- Personnel: an **increase of \$51.7 million** (7.7%) is mainly due to Collective Bargaining Agreement settlements, the renewal funding

for H5N1, Bovine Spongiform Encephalopathy (BSE), and Potato Wart (PW).

- Acquisition of machinery and equipment: a **decrease of \$18.2 million** (-60.4%) is mainly due to the year-over-year variance in funding for the new Sidney Center for Plant Health.
- Professional and special services: an **increase of \$17.9 million** (25.8%) is mainly related to funding for H5N1, food policy, and Potato Wart (PW).
- Transportation and communications: an **increase of \$5.9 million** (126.0%) is mainly due to increased activities related to H5N1.
- Utilities, materials and supplies: an **increase of \$5.4 million** (20.2%) is mainly associated with activities related to H5N1.

2.2 Significant changes in year-to-date expenditures

At the end of the first quarter for the 2025 to 2026 fiscal year, the CFIA has expenditures of \$215.8 million as outlined in Table 2. This represents an overall decrease of \$2.8 million (-1.3%) compared to the end of the same quarter for the 2024 to 2025 fiscal year. Below is a breakdown of the variance.

Table 2: Year-to-date expenditures used as of June 30, 2025 and June 30, 2024
(In thousands of dollars)

Expenditures	2025-26	2024-25	Variance	%
Vote 1 - Operating expenditures, grants, and contributions	163,989	164,155	-166	-0.1
Vote 5 - Capital expenditures	1,875	2,711	-836	-30.8
Budgetary statutory authorities				
Employee benefit plans	23,895	20,270	3,625	17.9
Compensation payments	18,147	19,738	-1,591	-8.1
Spending of revenues / Other	7,895	11,755	-3,860	-32.8
Total Expenditures	215,801	218,629	-2,828	-1.3

Numbers may not add due to rounding.

Spending of revenues has decreased by \$3.9 million (-32.8%) as compared to the same quarter in 2024 to 2025 mainly due to reduced expenditures for the new Sidney Center for Plant Health.

Compared to the same quarter in 2024 to 2025, the fluctuations in expenditures are most notable in the following standard objects (see Annex B for the full listing of budgetary expenditures by standard object):

- Professional and Special Services: **a decrease of \$5.6 million** (-43.6%) is mainly due to reduced expenditures associated with the construction Sidney Center for Plant Health.
- Personnel: **an increase of \$3.3 million** (1.8%) is mainly due to the settlement of collective bargaining agreements.

3. Risks and uncertainties

The Agency operates in a dynamic and complex environment impacted by interconnected risks in the global trading environment, climate change, and multiple concurrent emergencies. The Agency has established a dedicated emergency reserve to manage the incremental response costs associated with emergencies. This is reviewed every year as part of the Agency's planning process and is subject to ongoing monitoring.

Global trade, climate change, and associated factors (including environmental degradation, natural disasters, and warming global temperatures) have increased the frequency and scale of serious animal diseases and plant pests worldwide. As a result, there is a growing likelihood that the CFIA will be required to respond to more frequent and widespread outbreaks of diseases. Key threats include plant pests like spotted lanternfly and emerald ash borer, and animal diseases like African Swine Fever (ASF) and Food and Mouth Disease (FMD). Animal diseases that pose risks to human health include dog rabies and prion diseases such as chronic wasting disease. The CFIA also continues to manage a multi-year Highly Pathogenic Avian Influenza (HPAI) outbreak affecting poultry, wildlife, and domestic mammals and people, and potential interspecies transmission and broader economic and public health impacts. Individually or concurrently, such emergencies could strain CFIA's capacity to deliver essential services. In response to these risks, the CFIA has advanced its climate change adaptation efforts by implementing targeted measures to strengthen system resilience, while supporting Canada's transition to a sustainable, secure agri-food system.

As the lead authority for safeguarding Canada's food system and the plant and animal resources on which we depend to support the Canadian economy through the trade of Canadian goods, the Agency must respond with prompt action above and beyond normal business activities when these temporary situations arise to safeguard Canadians and

maintain or gain access to export markets. Shifts in the global trade environment may pose risks to Canada's economy and its ability to expand market access and support trade, arising from factors such as supply chain disruptions and increased prevalence of animal and plant diseases and plant pests. Responses to these types of scenarios could result in the implementation of various strategies to prevent market disruptions, safeguard trade continuity and challenge the CFIA's ability to maintain critical operations. To navigate shifting global trade dynamics, the CFIA has enhanced international engagement by collaborating with international food safety authorities and supported market access, helping Canada's agri-food sectors remain resilient and competitive.

4. Significant changes in relation to operations, personnel, and programs

There have been no other significant changes in relation to operations, personnel and programs during this quarter.

Approved by:

Paul MacKinnon
President, CFIA

Stanley Xu, CPA, CGA
Vice-President,
Corporate Management Branch and
Chief Financial Officer, CFIA

Ottawa (Ontario)
Date:

Ottawa (Ontario)
Date:

**Canadian Food Inspection Agency (CFIA)
Quarterly Financial Report (QFR)
For the quarter ended June 30, 2025**

UNCLASSIFIED / NON CLASSIFIÉ

**Annex A
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 ⁽¹⁾	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 ⁽¹⁾	Used during the quarter ended June 30, 2024	Year to date used at quarter-end
Vote 1 - Operating expenditures, grants, and contributions	735,988	163,989	163,989	671,720	164,155	164,155
Vote 5 - Capital expenditures	19,777	1,875	1,875	37,977	2,711	2,711
Budgetary statutory authorities						
Employee benefit plans	95,579	23,895	23,895	81,080	20,270	20,270
Compensation payments	12,500	18,147	18,147	12,500	19,738	19,738
Spending of revenues	53,000	7,892	7,892	53,000	11,741	11,741
Refunds of previous years revenue	0	3	3	0	13	13
Collection agency fees	0	0	0	0	0	0
Spending of proceeds from the disposal of surplus Crown assets	0	0	0	0	0	0
Total Budgetary Authorities	916,844	215,801	215,801	856,277	218,629	218,629

Numbers may not add due to rounding.

(1) Includes only authorities granted by Parliament at quarter-end.

Annex B

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		
	Total available for use for the year ending March 31, 2026 (1)	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 (1)	Used during the quarter ended June 30, 2024	Year to date used at quarter-end
Expenditures:						
Personnel	720,280	181,151	181,151	668,613	177,864	177,864
Transportation and communications	10,660	1,225	1,225	4,718	1,728	1,728
Information	11,993	114	114	11,216	487	487
Professional and special services	87,303	7,320	7,320	69,400	12,972	12,972
Rentals	14,958	2,168	2,168	16,833	444	444
Repair and maintenance	11,860	1,213	1,213	11,850	1,226	1,226
Utilities, materials and supplies	32,135	2,458	2,458	26,742	2,600	2,600
Acquisition of land, buildings and works	0	0	0	0	0	0
Acquisition of machinery and equipment	11,938	1,773	1,773	30,138	1,470	1,470
Transfer payments	13,100	18,147	18,147	14,150	19,960	19,960
Public debt charges	0	0	0	0	0	0
Other subsidies and payments	2,617	232	232	2,617	(122)	(122)
Total gross budgetary expenditures	916,844	215,801	215,801	856,277	218,629	218,629

Numbers may not add due to rounding.

(1) Includes only authorities granted by Parliament at quarter-end.