Agriculture and Agri-Food Canada

2025–26 Departmental Results Report

The Honourable Heath MacDonald, P.C., M.P.
Minister of Agriculture and Agri-Food

Agriculture and Agri-Food Canada
Agriculture et Agroalimentaire Canada
Canada

2025–26 Departmental Results Report

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Agriculture and Agri-Food Canada's 2025-26 Departmental Results Report

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At a glance

This departmental results report details Agriculture and Agri-Food Canada's actual accomplishments against the plans, priorities and expected results outlined in its 2025–26 Departmental Plan

These results align with the priorities outlined in the May 21, 2025, mandate letter from the Prime Minister, as well as with Agriculture and Agri-Food Canada's vision, mission, raison d'être and operating context.

Key priorities

Agriculture and Agri-Food Canada (AAFC) identified the following key priorities for 2025–26:

- Striving to advance the conditions needed for Canadian agriculture and agri-food businesses to meet the evolving and increasingly complex challenges of the domestic and

global marketplace, now and into the future. Efforts supported Government of Canada trade diversification goals, including its mission to strengthen our collaboration with reliable trading partners and allies around the world, as outlined in the first priority of the Prime Minister's May 2025 mandate letter.

- Implementing the Sustainable Canadian Agricultural Partnership (Sustainable CAP), the federal, provincial, and territorial agricultural policy framework for 2023 to 2028. Across its core responsibilities, the department worked to strengthen sector competitiveness through trade advocacy and enhanced market access, market diversification efforts, scientific advancements, the adoption of innovation, and effective risk management tools, ensuring sustainable growth and resilience in agricultural operations. In its third year, Sustainable CAP invested $63.3 million in federal programs to benefit the sector, with funding applications far exceeding available funding. Federal, provincial and territorial governments also invested close to $452.8 million in cost-shared programming.

- Strengthening diversity, equity, inclusion, accessibility, and reconciliation across policies, services, and programming. The department advanced initiatives to build a more inclusive and accessible workplace, support Indigenous participation and partnerships, and improve equitable access to opportunities across the agriculture and agri-food sector.

- Initiating work to develop the Next Policy Framework (NPF) (2028-2033), as successor to the Sustainable CAP, including a Minister-led roundtable that launched national consultations with sector stakeholders. A multi-phase online consultation process is underway to gather input on key challenges and opportunities, which will inform the future direction and priorities of a competitive, resilient, and sustainable sector. AAFC is working closely with provincial and territorial counterparts to support collaborative development of the NPF.

Highlights

- Total actual spending (including internal services): $3,892,710,756
- Total full-time equivalent staff (including internal services): 4,904

For detailed information on AAFC's total spending and human resources, read the Spending and human resources section of this report.

Summary of results

The following provides a summary of the results the department achieved in 2025–26 under its "core responsibilities" (its main areas of activity).

Core responsibility 1: Domestic and International Markets

Actual spending: $781,244,728

Actual human resources: 551

Departmental efforts in 2025–26 served to: defend the interests of the Canadian agriculture sector and promoting rules-based decision making; mitigate risks caused by trade disruptions; address tariff and non-tariff barriers to trade; maintain and increase access to international markets, including through the negotiation and implementation of trade agreements; advocate for a predictable and science-based trade environment; and build sector capacity through collaborative approaches to market development at home and abroad.

Results were delivered through trade policy initiatives, trade advocacy, resolving or mitigating market access barriers, and market development services. Additional activities included the ongoing work of AAFC's international network, the Indo-Pacific Agriculture and Agri-Food Office, the Sector Engagement Tables and the Canadian Agricultural Youth Council, regional stakeholder engagement, and partnerships through AAFC's regional offices, and the AgriMarketing, AgriCompetitiveness, and AgriDiversity programs.

For more information on AAFC's activities related to Domestic and International Markets, read the "Results: What we achieved" section of this report.

Core responsibility 2: Science and Innovation

Actual spending: $882,240,035

Actual human resources: 2,508

In 2025–26, AAFC's Science and Innovation efforts focused on delivering applied, partnership-driven science to support practical outcomes for the agriculture and agri-food sector, while responding to pressing global challenges.

The department pursued research and innovation activities to tackle challenges facing agriculture and to advance a sustainable, resilient, and profitable sector for the future. Through a robust internal review process, AAFC selected innovative science proposals well-aligned with government priorities and continued to invest in research and development to accelerate innovation and enhance economic growth, productivity, adaptability, and sustainability. Digital innovation and data-driven solutions also supported tools for the agriculture and agrifood sector to improve decision-making and competitiveness, alongside collaboration, knowledge transfer, and adoption.

Climate change mitigation and adaptation remained priorities across existing and planned programming, including under the Sustainable Canadian Agricultural Partnership, the Agricultural Climate Solutions Program (ACS), the Agricultural Clean Technology Program (ACT), and the Agricultural Methane Reduction Challenge. Science investments were aligned with long-term departmental and government priorities.

For more information on AAFC's activities related to Science and Innovation, read the "Results: What we achieved" section of this report.

Core responsibility 3: Sector Risk

Actual spending: $2,000,532,878

Actual human resources: 388

In 2025–26, the department, with federal, provincial, and territorial partners, strengthened sector resilience in the face of climate extremes, trade uncertainty, and market volatility. Key achievements included coordinated FPT action on trade, biosecurity, and animal disease preparedness, alongside improvements to Business Risk Management (BRM) programs. Enhancements to AgriStability, AgriInsurance, and the Advance Payments Program, as well as targeted AgriRecovery assistance, improved income protection, cash flow, and responsiveness for producers affected by drought, wildfire, and global disruptions.

AAFC advanced longer-term sustainability and preparedness by assessing how climate risk and readiness can be better integrated into sector programming, piloting incentives for sustainable practices, renewing the FPT emergency management framework for agriculture, and strengthening mental health, labour, and pest management support to the Agriculture and agrifood sector. These actions supported program modernization, producer well-being, and readiness to manage emerging risks across the agriculture and food system.

The sector's market access and consumer confidence were strengthened through support for robust assurance and certification systems aligned with domestic and international requirements. Through the AgriAssurance Program, AAFC supported integration of assurance systems across the value chain and helped small and medium-sized firms obtain certifications needed for export. The Kosher and Halal Investment Program provided targeted support to federally regulated establishments—particularly in the red meat sector—to address operational challenges, improve efficiency, and promote Canada's reputation for safe, high-quality food.

In collaboration with the Canadian Food Inspection Agency, AAFC advanced food safety recognition, enhanced livestock traceability systems, and updated plant and animal biosecurity standards. These efforts improved supply chain integrity, strengthened disease preparedness, and reinforced domestic and international confidence in Canadian agricultural products.

For more information on AAFC's activities related to Sector Risk, read the "Results: What we achieved" section of this report.

From the Minister



The Honourable Heath MacDonald
Minister of Agriculture and Agri-Food

Canada's agriculture and agri-food sector is a cornerstone of our country's food security and economy. In 2025, Canada exported a record $101.2 billion in agriculture and agri-food, fish and seafood products to customers around the world, contributing $158 billion to our country's gross domestic product and supporting 2.3 million jobs. But these achievements did not come without challenges – particularly in a year marked by global trade uncertainty, high input costs, market volatility and extreme climate conditions.

Throughout 2025-2026, Agriculture and Agri-Food Canada (AAFC) worked alongside producers, processors, industry and other stakeholders to help the sector navigate uncertainty, seize new opportunities and strengthen its long-term sustainability – and I am proud to present our department's accomplishments in this report.

A key driver of this work was the Sustainable Canadian Agricultural Partnership, a five-year, federal-provincial-territorial framework that began in 2023, supported by $3.5 billion in investments. In 2025-2026, federal, provincial and territorial governments together invested close to $452.8 million through cost-shared programming to strengthen competitiveness, support the adoption of new technologies, improve environmental sustainability and help manage risk.

International trade remained a major focus throughout the year, driven by our Government's commitment to double non-U.S. trade over the next decade. AAFC worked to defend the interests of Canada's agriculture and agri-food sector, address tariff and non-tariff barriers, maintain and expand access to key markets, and diversify export opportunities. I was proud to lead an industry trade mission to Indonesia, Singapore and the Philippines – some of the fastest-growing markets for Canadian agriculture and food products. These efforts, together with engagement in other markets, helped secure important gains for Canadian exporters, processors and producers, including regaining full access for Canadian beef and securing new access for Canadian pork in Indonesia. In Mexico, we launched Canadian beef products in 42 Costco stores across the country and opened up new export opportunities for Canadian apples.

In China, we supported industry in opening its first-ever meat advocacy office in 2025, followed by a visit by Prime Minister Carney and his Canadian delegation, which included myself and other federal ministers, in 2026. This visit was the first by a Canadian Prime Minister in nearly 10 years. Together, these efforts contributed to suspending retaliatory tariffs on select agriculture and seafood products, reducing anti-dumping duties on canola seed and reinstating market access for Canadian beef.

To help further expand into emerging or high-growth-potential regions such as Africa, the Middle East and the Indo-Pacific, Prime Minister Carney announced a five-year, $75 million expansion of the AgriMarketing Program. This investment also added streams for Canadian industry

associations and small- and medium-sized businesses to help diversify export markets, in response to recent tariffs and trade disruptions.

Science and innovation remained central to the department's efforts to support a productive, sustainable and profitable agriculture and agri-food sector. AAFC researchers continued to work with producers and other partners to accelerate innovative new technologies and practical solutions to sector challenges. Through programs such as AgriScience, AgriInnovate, and the On-Farm Climate Action Fund, AAFC continued to support innovation from discovery through to adoption, ensuring that producers and processors have the tools and resources needed to remain competitive and productive in a changing climate.

The department also took measures to strengthen sector resilience. In collaboration with the Soil Conservation Council of Canada and other sector partners, AAFC advanced the National Agricultural Soil Health Strategy to improve soil health and strengthen the sustainability, productivity and resilience of Canada's agricultural sector. Working closely with provincial and territorial governments, the department enhanced business risk management programs to help producers respond to market volatility, climate uncertainty and trade disruptions. For Canada's supply-managed sectors, we provided funding to dairy, poultry and egg processors to invest in automated equipment and technologies, boosting competitiveness and resilience. We also advanced work to strengthen biosecurity, improve preparedness for animal diseases, enhance emergency management, and support producer mental health and well-being.

The accomplishments outlined in this report for 2025-2026 reflect not only the dedication and hard work of our department, but of the producers, processors, Indigenous Peoples and other stakeholders who worked alongside our committed team at AAFC. Collaborating with provinces and territories, we have begun developing the next policy framework with sector partners to lay the foundations for a competitive and resilient sector beyond 2028. Together, we will continue to strengthen Canada's agriculture and agri-food sector and position it for even greater success at home and around the world.

The Honourable Heath MacDonald, P.C., M.P.
Minister of Agriculture and Agri-Food

Results: What we achieved
Core responsibilities and internal services

- Core responsibility 1: Domestic and International Markets
- Core responsibility 2: Science and Innovation
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- Internal services

Core responsibility 1: Domestic and International Markets

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Description

Agriculture and Agri-Food Canada (AAFC) provides programs and services and works in collaboration with the sector to support its competitiveness at home and abroad. AAFC also works to increase opportunities for the sector to export its products by maintaining and expanding market access and advancing agricultural interests internationally.

Domestic and International Markets is focused on advancing the following departmental results:

- The Canadian agriculture and agri-food sector contributes to growing the economy.
- Access to international markets is increased by resolving or mitigating market barriers and advancing trade positions.

Quality of life impacts

Through the activities outlined in the core responsibility description, Domestic and International Markets contributes to the "Prosperity" domain of the Quality of Life Framework for Canada and, more specifically, the "GDP per capita" indicator.

Progress on results

This section details the department's performance against its targets for each departmental result under Core responsibility 1: Domestic and International Markets.

Table 1 shows the target, the date to achieve the target and the actual result for each indicator under the "The Canadian agriculture and agri-food sector contributes to growing the economy" in the last three fiscal years.

Table 1: The Canadian agriculture and agri-food sector contributes to growing the economy

Departmental result indicators	Target	Date to achieve target	Actual Results
Percentage change in the economic performance of the agriculture and agri-food sector	At least 2.5%[1]	December 2028	2023–24: 1.3% 2024–25: 1.4% 2025–26: 2.2%[2]
Percentage change in agri-food products sold	At least 4.5%	December 2028	2023–25: 6.9% 2024–25: 6.2% 2025–26: 5.7%
Value of agriculture and agri-food exports ($billions)	At least $110 billion	December 2028	2023–24: $99.1 2024–25: $100.3 2025–26: $101.2

Note: Actual results are reported for the fiscal year that data becomes available.

1. Statistics Canada data is subject to revisions at any point, and therefore the reported numbers and target calculations (based on those numbers) may fluctuate from year-to-year and are not comparable to previous calculations. In November 2023, revisions were made from January 2017, resulting in re-based gross domestic product data for this period.
2. In 2025–26, the GDP rebounded, but the Canadian agriculture and agri-food sector continued to face a number of challenges which impacted the GDP growth rate. Challenges included continued trade uncertainty from US tariffs, higher input costs, higher interest rates, and a weakening Canadian dollar, resulting in tighter profit margins for producers. Data collected and calculations are as of May 29, 2026.

Table 2 shows the target, the date to achieve the target and the actual result for each indicator under the "Access to international markets is increased by resolving or mitigating market barriers and advancing trade positions" in the last three fiscal years.

Table 2: Access to international markets is increased by resolving or mitigating market barriers and advancing trade positions

Departmental Result Indicators	Target	Date to achieve target	Actual Results
Degree to which Agriculture and Agri-Food Canada advances the resolution or the mitigation of market access barriers, World Trade Organization disputes and technical trade issues	At least 80%[1]	March 2026	2023–24: 87% 2024–25: 87% 2025–26: 87%
Degree to which Agriculture and Agri-Food Canada advances trade policy through negotiations, agreements and discussions	At least 80%[1]	March 2026	2023–24: 90% 2024–25: 90% 2025–26: 90%

Note: Actual results are reported for the fiscal year that data becomes available.

1. Performance against this indicator and target is self-assessed based on a scale of 0% to 100%. Additional information on the scale and methodology used is available on GC InfoBase.

The Results section of the Infographic for the Agriculture and Agri-Food Canada's program inventory on GC Infobase provides additional information on results and performance related to its program inventory.

Details on results

The following section describes the results for Domestic and International Markets in 2025–26 compared with the planned results set out in AAFC's departmental plan for the year.

Result: The Canadian agriculture and agri-food sector contributes to growing the economy

The global demand for Canadian agriculture and agri-food products remains strong, and AAFC played an important role in supporting the sector to capitalize on opportunities and respond to challenges such as changing market conditions. Departmental performance is measured, in part, by the contributions of the Canadian agriculture and agri-food sector to the growth of the broader Canadian economy, including through agriculture and agri-food exports. In 2025, Canada exported $101.2 billion in agriculture and agri-food, fish, and seafood products globally. In 2025, the sector provided 1 in 9 jobs in the country, employed approximately 2.3 million people, and generated $158 billion of Canada's gross domestic product (GDP).

In 2025–26, AAFC continued to work in partnership with other federal departments, the provinces and territories, and industry stakeholders to identify and pursue opportunities at home and abroad, and support the agriculture and agri-food sector in contributing to economic growth through: market development and trade advocacy; maintain and expand market access; enhance diversification efforts; advance the negotiation and implementation of trade agreements; support for Canada's supply-managed sectors; and ongoing regional and national engagement on critical issues. These efforts represent an essential support system for industry growth and prosperity, enhancing the sector's ability to remain competitive and resilient in evolving global markets, and to benefit from predictable trade and take advantage of global opportunities.

Results achieved

- AAFC's international network of 41 dedicated in-market agri-food Trade Commissioners assisted exporters in identifying and developing new commercial opportunities across 16 markets and 21 missions, delivering more than 4,400 services to Canadian exporters. Officers provided real-time market intelligence, helped companies navigate regulatory systems, and engaged directly with foreign authorities to advance market access. This work contributed to major commercial outcomes in key markets, including seafood sales growth in China, restored poultry access in Taiwan, progress on lentil access in India, and multi-commodity advances in Indonesia.
- Under the Canada Brand, AAFC worked closely with missions abroad, provincial governments, and industry partners to support 66 market development activities across priority markets, including the United States, Mexico, Europe, the Gulf Cooperation Council, and the Indo-Pacific Region. Activities included retail and foodservice promotions, business-to-business (B2B) engagements, e-commerce, digital marketing, non-flagship trade shows, and market readiness. As well, AAFC continued to lead Canada Brand consumer campaigns in Japan and Vietnam, generating $7.9 million in combined sales.
- AAFC showcased Canadian agri-food, fish, and seafood products at 7 flagship trade shows: Food & Hospitality Asia (Singapore), Seafood Expo Global (Spain), Seoul Food & Hotel (South Korea), ANUGA (Germany), China Fisheries & Seafood Expo (China), Gulfood (United Arab Emirates), and FoodEx (Japan). Ten trade associations, 8 provincial governments, and over 320 Canadian businesses participated in this program across industry-leading international events, with companies reporting a combined $208.2 million in on-site sales. AAFC also piloted a small-scale Canada Pavilion at The Saudi Food Show in Saudi Arabia, an emerging and high-growth market, generating over $12 million in on-site and projected 12-month sales. In addition, AAFC continued to coordinate Canada's participation at trade shows with the Association of Southeast Asian Nations, including the World Food Expo in the Philippines, and Food and Hospitality Vietnam, to support export diversification in the Indo-Pacific region, collectively resulting in $6.1 million in on-site sales.
- AAFC's network of regional offices delivered 2,744 client services to agriculture and agri-food businesses through pathfinding, and providing advice on available government programs and initiatives to support the sector. In addition, 230 trade leads were actioned through matchmaking services that connected Canadian suppliers with trade leads and trade commissioners abroad. Regional offices also supported 35 foreign trade delegations, during which trade commissioners connected potential buyers with Canadian suppliers and engaged with businesses to facilitate trade opportunities.
- Through the AgriMarketing Program, the department continued to support a wide range of export promotion, market development, and trade activities while prioritizing applications that increased market diversification. In 2025–26, the program launched its application process for the final 2 years of the Sustainable CAP, and received a total of 54 applications.

- Moreover, Budget 2025 included an additional $75 million over 5 years, starting in 2026–27, to expand the AgriMarketing Program. This funding will support Canadian agriculture, fish, and seafood sectors in diversifying exports to emerging and high-growth potential and non-traditional markets, such as Africa, the Middle East, and the Indo-Pacific Region. The February 2026 launch delivered funding through the program's 2 new Market Diversification streams to support national industry associations, and small and medium-sized enterprises to ensure more stabilized trade opportunities for those most affected by trade barriers.

- Through the AgriCompetitiveness Program, the Canadian Centre of Agricultural Wellbeing (CCAW) developed *In the Know*, a flagship mental health literacy program for farmers, their families, and those supporting the sector. This work strengthened capacity by improving mental health literacy, increasing access to tailored support, and fostering national collaboration. Funding also supported two new crisis specific fact sheets as part of the CCAW's toolkits, helping farmers and farm families cope with events such as tragic loss and structural collapse.

- The Wine Sector Support Program (WSSP) delivered its fourth program year, providing approximately $55 million to 432 Canadian wineries in adapting to ongoing and emerging challenges that impacted the financial resilience and competitiveness of the wine sector.

- Funding for the Local Food Infrastructure Fund (LFIF) supported locally-driven projects that improve community food security through investments in infrastructure and equipment. In 2025–26, AAFC announced up to $30.4 million for 237 approved projects under the fund. This included $17.9 million for 60 Large Scale Projects with multiple infrastructure and equipment needs and partnerships addressing community food security in a more comprehensive manner, and $12.5 million in grant funding for up to 177 Small Scale Projects supporting infrastructure such as a community garden with an irrigation system, a greenhouse with solar panels, or a food forest. Under the LFIF Large Scale Projects component, 70% of the approved funding was awarded to Indigenous-led or Indigenous-focused projects.

- As a complement to the new National School Food Program, the School Food Infrastructure Fund (SFIF) delivered $20.2 million (announced in Budget 2024) to help not-for-profit organizations improve infrastructure and equipment for school food programming across Canada. AAFC also provided funding to 10 initial recipients to deliver school food programming through their network of community organizations.

- AAFC also engaged with industry on critical issues to foster the sector's competitive position and economic growth. The Sector Engagement Tables advanced efforts related to the following priority areas: trade barriers, market access, market diversification, research and innovation, labour, and regulatory agility.

- AAFC's industry-government Agile Regulations Table (ART) focused on red tape reduction efforts and regulatory innovation to determine priorities, and identify areas of opportunity for the sector. The table engaged with stakeholders to understand concerns, identify

targets for lessening cumulative regulatory burden, and explore ways to streamline processes.

- Following the agreement of all major retailers to participate in the industry-led Grocery Sector Code of Conduct, AAFC, along with provinces and territories, provided $1.2 million in short-term funding early in 2025 to establish the Office of the Grocery Sector Code of Conduct. This office will promote collaborative and ethical business practices and ensure that the Canada Grocery Code meets its objectives, including improving supply chain predictability, transparency, and fair dealing. The office became fully implemented as of January 1, 2026.

- Following the Budget 2025 commitment, AAFC announced in March 2026 an investment of up to $27 million over 2 years (2026 to 2028) for the Youth Employment and Skills Program (YESP), including up to $13.47 million in 2026–2027. This funding will help young Canadians gain hands-on experience in the agriculture and agri-food sector and support the development of the next generation of skilled workers.

- AAFC continued to support Canada's supply-managed sectors in its adapting to market changes resulting from recent trade agreements. In total, over $4.8 billion has been committed for Canada's dairy, poultry, and egg producers and processors as detailed below.

Support for Canada's supply-managed sectors

The Supply Management Processing Investment Fund (SMPIF), scheduled to end on March 31, 2028, will provide up to $397.5 million of funding to support dairy, poultry, and egg processors to adapt to market changes resulting from the Comprehensive Economic and Trade Agreement (CETA), Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the Canada-United States-Mexico Agreement (CUSMA). As of March 31, 2026, there were 139 approved projects under SMPIF assisting dairy, poultry, and egg processing sectors to increase their competitiveness and resilience in the face of evolving markets.

The Dairy Innovation and Investment Fund (DIIF) will assist dairy processors through an investment of up to $333 million over 10 years. The fund is administered by the Canadian Dairy Commission, on behalf of AAFC, and aims to support the Canadian dairy sector in investing in innovative solutions to facilitate the processing and utilization of all milk components in Canada.

The Dairy Direct Payment Program (DDPP), also delivered by the Canadian Dairy Commission, supports dairy producers as a result of market access commitments made under current international trade agreements. Since the program launch in 2019, DDPP has delivered over $2.5 billion in payments, supporting an average of 9,296 dairy producers annually. Out of the $250 million made available for the 2025–26 program year, over 8,600 producers have registered (representing 95% of eligible applicants), and more than $244 million in total AAFC funds have been disbursed.

Over a 10 year period until March 31, 2031, the Poultry and Egg On-Farm Investment Program (PEFIP) will provide up to $759 million to help supply-managed poultry and egg producers adapt

to market changes resulting from the CPTPP and CUSMA. As of March 31, 2026, PEFIP has approved more than 3,200 applications, valuing over $440 million. In 2025–26, the program approved 743 applications, valued at over $95 million, to support on-farm investment projects for poultry and egg producers.

Since the program's inception in April 2021, the Market Development Program for Turkey and Chicken (MDPTC) has approved nearly $35 million in funding for 7 projects to support marketing activities undertaken by 2 national industry associations: Chicken Farmers of Canada and Turkey Farmers of Canada. As part of their 2025–26 allocation, a combined $5.24 million in funding was received by these 2 organizations.

Result: Access to international markets is increased by resolving or mitigating market barriers and advancing trade positions

Canada's international market presence is a large factor in the growth and profitability of the agriculture and agri-food sector. Departmental actions centered on ensuring predictable trade by advancing agricultural interests, defending a rules-based international trading system, and supporting market diversification. These efforts, in collaboration with federal, provincial, territorial, industry stakeholders, and international partners, align with the Government of Canada's agenda to increase and diversify trade and investment. Departmental success is measured by efforts to resolve or mitigate market access barriers and advance trade negotiations. In 2025–26, AAFC focused on increasing access to key markets, responded to international trade challenges, reduced obstacles to trade while supporting the sector to capture new trade opportunities, and addressed tariff and non-tariff barriers. Through the Sustainable CAP, AAFC also continued to support Canada's international market presence and export activities.

Results achieved

- The department continued to facilitate regular bilateral and multilateral engagement with key international partners to advance Canada's agricultural trade priorities and support market access. In 2025–26, AAFC participated in the 14th World Trade Organization (WTO) Ministerial Conference, led Canada's participation in the WTO Committee on Agriculture, and supported Canada's participation in the WTO Committees on Technical Barriers to Trade (TBT), and on Sanitary and Phytosanitary Measures (SPS). Furthermore, AAFC engaged with key partners in the G20, the Asia Pacific Economic Cooperation (APEC) forum, the Codex Alimentarius Commission, and hosted the G7 Senior Agricultural Officials Meeting. This engagement provided platforms to advance shared priorities on innovation, open trade, and sustainable agriculture; and supported negotiations on SPS, TBT, and Good Regulatory Practices related issues in Canada's free trade agreements.
- AAFC collaborated with key partners, including the Canadian Food Inspection Agency (CFIA), Global Affairs Canada (GAC), provincial and territorial governments, and industry stakeholders to address trade irritants, respond to trade investigations and market access issues of importance, and to promote agriculture and agri-food trade. For example, AAFC played a key role in consulting with provinces, territories, and stakeholders on the CUSMA

Review and U.S. tariffs imposed on Canadian products. This ensured agriculture stakeholder priorities were well understood ahead of the CUSMA Review, and allowed for gaining a better understanding of the effects of U.S. tariffs on production and domestic supply chains. AAFC also played an important role in Canada's participation in the U.S. International Trade Commission's investigation into the global competitiveness of non-fat milk solids, contributing to 2 written submissions that were made by Canada in support of the interests of Canada's dairy sector.

- Working closely with the CFIA, a Ministerial Mission to Indonesia in July 2025 contributed to Canada gaining full beef access, new pork access in February 2026, and the removal of the 120-day residency requirement for imported cattle processed for exports to Indonesia. Additional results included the European Union (EU) agreeing to terminate the sampling and testing protocol for Canadian flaxseed exports to the EU in March 2026; India's agreement on the systems approach for the export of Canadian lentils in February 2026; and Pakistan restoring market access for Canadian canola seed in October 2025. Further, a Preliminary Joint Arrangement was reached between the two leaders where China suspended retaliatory tariffs on canola meal, peas, lobster, and crab; reduced anti-dumping duties on canola seed; and reinstated market access for Canadian beef in January 2026.
- Under Canada's Indo-Pacific Strategy, the Indo-Pacific Agriculture and Agri-Food Office (IPAAO) strengthened Canada's agri-food trade relationships in 2025–26 through 28 technical outreach missions, 2 inbound technical tours, a buyers' mission to Canada, and more than 100 engagements with government and industry stakeholders. In addition, the office supported 15 federal and 5 provincial ministerial visits, 17 industry events, and conducted advocacy and market intelligence.
- As Canada's first-ever bilateral trade agreement with an Association of Southeast Asian Nations (ASEAN) country, the new Canada-Indonesia Comprehensive Economic Partnership Agreement was signed in September 2025. The implementing legislation for the Agreement (Bill C-18) received Royal Assent on May 6, 2026. This agreement will reduce trade barriers, further two-way trade, and provide broad tariff elimination on products such as beef, pork, canola, and pet food.
- In 2025–26, AAFC continued to work with the CFIA and GAC to support Canada's agriculture sector in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) accession negotiations, seeking improved access for key agricultural exports while defending supply management. Negotiations advanced towards a comprehensive ASEAN-Canada Free Trade Agreement (ACAFTA). Once concluded and in force, the ACAFTA will open new pathways for trade and investment between Canada and ASEAN member states, including the Philippines and Thailand.
- In 2025–26, both Canada and MERCOSUR agreed to intensify trade talks in 2026. With a combined GDP of more than $4 trillion and a population of 282 million, MERCOSUR offers significant potential across a range of sectors that can benefit Canadians.

- Early in 2025, the Canada-Ecuador Free Trade Agreement negotiations between Canada and Ecuador concluded, and the agreement was signed in July 2026. This comprehensive trade agreement will deliver broad tariff elimination for key exports, including grains, oilseeds, meat, pulses, and processed foods.
- In November 2025, Canada and the United Arab Emirates (UAE) launched negotiations toward a Comprehensive Economic Partnership Agreement (CEPA) which successfully concluded in July 2026. The UAE is Canada's top export market in the Middle East, with exports of agricultural goods representing $714 million in 2025. The agreement provides duty-free access for key Canadian exports such as pulses, canola seed, beef, potatoes, and milk powder, while preserving protections for sensitive sectors. It further improves Canada's competitive position in the UAE market through preferential access for wine and sparkling wine.
- Following the announcement of the Canada–Mexico Action Plan 2025–2028 in September 2025, Canada and Mexico committed to strengthening bilateral trade and technical cooperation, particularly in the grain, oilseeds, horticulture, and animal protein sectors. Leveraging the Canada-Mexico Consultative Committee and Agri-Business Working Group, both countries agreed to strengthen collaboration and information exchange focusing on food security, competitiveness, trade expansion, and diversification. Negotiations continued to advance the implementation of the Sanitary and Phytosanitary (SPS) Work Plan for expanding market access. In 2025–2026, Canada improved its access to Mexico for pet food containing bovine meal, implemented electronic phytosanitary certificates for all plant and plant products exported to Mexico. As well, Mexico updated and eased its import requirements for eligible apples from Eastern Canadian provinces.
- In October 2025, AAFC worked closely with GAC and Wines Growers Canada to host the annual World Wine Trade Group (WWTG) meeting in B.C. Fifty government and industry delegates from 10 wine producing countries gathered to discuss and collaborate on important regulatory issues such as winegrowing data, sustainability developments, and facilitating trade of no and low alcohol products.
- In support of broader agricultural trade policy interests, the department continued to advocate for the importance of predictable and transparent rules-based trade with key trading partners. This included the importance of science and risk at the International Standard Setting Bodies, including the WTO, the United Nations Food and Agriculture Organization, the Organisation for Economic Co-operation and Development, the G7, and the G20. In addition, departmental engagement and advocacy focused on science and risk based application of SPS measures that are consistent with trade agreement obligations, and aligned with international standards. In particular, AAFC continued to engage with international organizations to address trade aspects of issues, such as antimicrobial resistance, new plant breeding techniques, genetically modified crops, and regulations pertaining to pesticides.
- Furthermore, AAFC continued to support international standard-setting through funding projects at Codex, the World Organisation for Animal Health, and the International Plant

Protection Convention on avian influenza, electronic phytosanitary certification, and pesticide standards. Moreover, the department contributed funding to the Standards and Trade Development Facility to provide technical assistance and capacity building projects in developing countries that implement food safety, plant, and animal health standards in alignment with the WTO SPS Agreement.

Key risks

Market disruption and uncertainty

The success of the Canadian agriculture and agri-food sector depends heavily on its ability to export to diversified markets. While exports have continued to grow and continue to reach new markets, the sector is exposed to an increasingly complex geopolitical and trade environment, placing unprecedented pressure on the department and the sector to overcome these challenges. Among these are protectionist policies, arbitrary trade actions despite existing agreements, the proliferation of non-science-based trade barriers, high levels of trade-distorting subsidies, supply chain disruptions, labour shortage affecting production and transport, market volatility, climate change and extreme weather events, and the risk of animal and plant diseases.

AAFC continued to support the sector in facing the risks created by this new reality as it pursues opportunities. This included through strategic efforts to expand prospects for exports to new markets (for example, MERCOSUR, ASEAN, India, and the United Arab Emirates); engagement with international bodies and with other multilateral, plurilateral, and bilateral partners to address market access irritants; advancement of Canada's trade policy positions and priorities; advocacy for science-based regulations and a rules-based international trading system; and the development and maintenance of strong assurance systems.

Skills and Workforce Needs

Labour and skills shortages can pose challenges to agricultural supply chains that can lead to limited economic growth, affect rural vitality, and diminish production capacity. Systemic realities, such as rural location, aging demographics, and the seasonality of many jobs, continued to impact labour availability. In 2025–26, the agricultural labour market continued to improve, with job vacancy rates for the sector decreasing and wages increasing. Attracting Canadians to work in agriculture and agri-food, while recognizing that temporary and permanent immigrants play an important part in the workforce, remained crucial for the sector's workforce stability, particularly given the unique labour needs of rural and remote communities.

In 2025–26, AAFC continued to support the industry-led National Workforce Strategic Plan, using the Skills Development Table of the Sector Engagement Tables to identify workforce needs and to expand career pathways for youth, new entrants, Indigenous Peoples and communities, along with other under-represented groups. In July 2025, the Skills Development Table led the creation of the Agricultural Workforce Resource Hub. This hub offers resources and services for employers and job seekers looking to build a career in Canada’s agriculture and agri-food sector, either temporarily or permanently.

Cyber threats

As Canada's agriculture and agri-food sector becomes more digitized and connected across supply chains, the risk of cyber threats has increased. The department implemented foundational tools and resources to build an AAFC Cyber Security Operations Centre and focused efforts on modernizing security assessment and authorization processes to align with Government of Canada (GC) risk management practices. In 2025–26, the department launched a Cyber Security Strategy (2025-2028), setting out AAFC's strategic objectives for the next 3 years. Aligning with the Government of Canada (GC) Enterprise Cyber Security Strategy, it is designed to address both GC-wide and departmental priorities. This strategy supports the department's response to the evolving cyber threat landscape by enhancing cyber security maturity and ensuring the effective and optimized use of AAFC's cyber security investments.

Resources required to achieve results

Table 3 provides a summary of the planned and actual spending and full-time equivalents required to achieve results.

Table 3: Snapshot of resources required for Domestic and International Markets

Resource	Planned	Actual
Spending	$808,901,900	$781,244,728
Full-time equivalents	589	551

The Finances section of the Infographic for AAFC on GC Infobase page and the People section of the Infographic for AAFC on GC Infobase page provide complete financial and human resources information related to its program inventory.

Related government-wide priorities

This section highlights government priorities that are being addressed through this core responsibility.

Gender-based analysis plus

The department will continue to prioritize addressing barriers and creating opportunities in the sector for Indigenous Peoples and other underrepresented and marginalized groups and advancing diversity, equity, inclusion, accessibility, and reconciliation. AAFC continued working with provincial and territorial jurisdictions to increase the participation of Indigenous Peoples and other underrepresented and marginalized groups in the sector, including women, youth, racialized groups, persons with disabilities, 2SLGBTQI+ communities, and official language minority communities. Some efforts in 2025–26 are highlighted below.

- AAFC's "Framework for Supporting Underrepresented and Marginalized Groups in the Agriculture and Agri-Food Sector" and associated Action Plan continued to guide the department's efforts to address barriers, create opportunities, and advance diversity,

equity, inclusion, and accessibility in the sector. In 2025–26, the Year 1 Action Plan report was developed.

- The department continued to reinforce GBA Plus program data collection in support of understanding and removing barriers to participation and further promoting equitable access across all programs.
- The AgriDiversity Program continued to help Indigenous Peoples and other underrepresented and marginalized groups address key issues and barriers to their participation in the agricultural sector. In 2025–26, the program launched its application process for the final 2 years of the Sustainable CAP, and received a total of 73 applications.
- The AgriCompetitiveness Program continued to support industry-led efforts to build capacity and enhance the sector's development; sector-led activities such as producer-oriented seminars and conferences that identify industry best practices and build the capacity of the sector; and provide targeted support to national domestic agricultural fairs and exhibitions. In 2025–26, the program launched its application process, and received a total of 43 project applications.
- AAFC's Sustainable CAP AgriMarketing Program continued to promote greater diversity and inclusive trade by expanding eligibility for an additional cost-share ratio. In 2025–26, the program launched its application process for the final 2 years of Sustainable CAP.
- The Indigenous Pathfinder Service (IPS) continued to connect Indigenous Peoples and communities to programs and resources to help develop opportunities in the agriculture, agri-food, and agri-based product sectors. In 2025–26, the IPS served over 230 Indigenous clients seeking support for agriculture and food systems projects.
- AAFC's Local Food Infrastructure Fund prioritized projects that mainly serve equity-deserving groups. In 2025–2026, over 55% of the projects approved were from organizations that self-identified as Indigenous communities or Indigenous- or Black-led and/or focused. The new School Food Infrastructure Fund component helped not-for-profit organizations invest in infrastructure and equipment to support school food programming across Canada. Projects were prioritized for schools serving children and youth from lower-income families, as well as visible minority and Indigenous communities.
- Diverse representation is an important consideration in the composition of all Sector Engagement Tables (SETs) and councils for supporting the inclusion of a range of perspectives in advice, recommendations, and initiatives. AAFC examined options to reduce barriers for new entrants to the sector, and increase membership from underrepresented, Indigenous, and marginalized groups. For example, the Youth, New Entrants and Underrepresented Groups Working Group continued working to support entry to, and renewal of, Canada's agriculture, agri-food, and food and beverage processing sector.
- The Canadian Agricultural Youth Council (CAYC) continued to engage with the department and industry stakeholders on various initiatives, such as the National Women in Agriculture

and Agri-Food Network Project (led by the Canadian Agricultural Human Resources Council). The CAYC also advanced the implementation of its strategic plan by mapping pathways for youth entering the sector, analyzing barriers and skills required for youth and new entrants to adopt on-farm technologies, and developing relationships with domestic and international peers to increase youth participation in agriculture and agri-food.

- The department continued to support underrepresented and marginalized youth by delivering the Youth Employment and Skills Program. In 2025–26, the YESP committed approximately $12 million towards projects, benefiting around 1,250 youth, including 577 who faced barriers to employment, including Indigenous youth, youths with physical or mental disabilities, youth from low-income households, or youth living in a rural or remote community. In March 2026, the program also launched its application process for the 2026–27 program year.

Further information on the underrepresented and marginalized groups served by AAFC's programs and initiatives can be found in the GBA Plus supplementary information table.

United Nations 2030 Agenda for Sustainable Development and the UN Sustainable Development Goals

Various initiatives under the Domestic and International Markets core responsibility support Canada's efforts to address the United Nations 2030 Agenda and the Sustainable Development Goals (SDGs). For example, Canada's agricultural trade policy encourages open trade and science-based approaches to governing food systems. This helps farmers around the world to reach customers, earn better incomes, and escape poverty and hunger, ultimately contributing to SDG 2: Zero Hunger; SDG 8: Decent Work and Economic Growth; and SDG 12: Responsible Consumption and Production.

More information on AAFC's contributions to Canada's Federal Implementation Plan on the 2030 Agenda and the Federal Sustainable Development Strategy can be found in our Departmental Sustainable Development Strategy and reports on progress.

Program inventory

Domestic and International Markets is supported by the following programs:

- Trade and Market Expansion
- Sector Engagement and Development
- Farm Products Council of Canada
- Supply Management Initiative
- Canadian Pari-Mutuel Agency
- Food Policy Initiatives
- Water Infrastructure Divestiture
- Federal, Provincial, and Territorial Cost-Shared Markets and Trade

Additional information related to the program inventory for Domestic and International Markets is available on the Results page on GC InfoBase.

Core responsibility 2: Science and Innovation

In this section

- Description
- Quality of life impacts
- Progress on results
- Details on results
- Key risks
- Resources required to achieve results
- Related government-wide priorities
- Program inventory

Description

Agriculture and Agri-Food Canada (AAFC) conducts scientific research, develops new knowledge and new technologies, and transfers the results to the agriculture and agri-food sector. AAFC also works with industry and other partners to strengthen the sector's capacity to develop and adopt innovative practices, products, and processes.

Science and Innovation is focused on advancing the following departmental results:

- The Canadian agriculture and agri-food sector knowledge base is increased through AAFC-supported scientific and innovative research.
- The Canadian agriculture and agri-food sector is effective in transforming ideas into new products, processes, or practices.

Quality of life impacts

Through the activities outlined in the core responsibility description, Science and Innovation contributes to the "Prosperity" domain of the Quality of Life Framework for Canada and, more specifically, the "Productivity" indicator. It also contributes to the "Environment" domain, and the indicators on "Air quality" and "Greenhouse gas emissions" through these efforts.

Progress on results

This section details the department's performance against its targets for each departmental result under Core responsibility 2: Science and Innovation.

Table 4 shows the target, the date to achieve the target and the actual result for each indicator under "The Canadian agriculture and agri-food sector knowledge base is increased through AAFC supported scientific and innovative research" in the last three fiscal years.

Table 4: The Canadian agriculture and agri-food sector knowledge base is increased through AAFC supported scientific and innovative research

Departmental result indicator	Target	Date to achieve target	Actual result
Percentage of Agriculture and Agri-Food Canada scientific publications produced through collaboration	At least 75%	March 2028	2023–24: 74% 2024–25: 74 % 2025–26: 75 %
Number of citations as a proportion of Agriculture and Agri-Food Canada scientific publications	at least 15 (citations)[1]	March 2026	2023–24: 25 (citations) 2024–25: 25 (citations) 2025–26: 28 (citations)

Note: Actual results are reported for the fiscal year that data becomes available.

1. Per AAFC peer-reviewed publication over the span of 5 years.

Table 5 shows the target, the date to achieve the target and actual result for each indicator under the Science and Innovation core responsibility in the last three fiscal years.

Table 5: The Canadian agriculture and agri-food sector is effective in transforming ideas into new products, processes or practices

Departmental result indicator	Target	Date to achieve target	Actual result
Number of new technologies, products, practices, processes, or systems that are available for transfer to the sector	At least 860[1]	March 2028	2023–24: 99 2024–25: 103 2025–26: 113
Percentage of revenues generated on farms adopting innovative practices	At least 55%	March 2026	2023–24: Not available 2024–25: 64% 2025–26: Not available[2]
Index of Agri-Environmental Sustainability (water, soil, air quality, biodiversity)	At least 71[3]	March 2030	2023–24: 65 2024–25: Not available 2025–26: 64
Percentage change in the productivity of the agri-food sector	At least 0.2%	December 2028	2023–24: -0.3% 2024–25: -0.2% 2025–26: Not available[4]
Percentage reduction of net GHG emissions in agriculture sector	TBD	March 2030	2025–26: Not available[5]

Note: Actual results are reported for the fiscal year that data becomes available. Results that are "not available" are due to lag times in data availability, including as noted below.

1. Target is cumulative over the span of AAFC's 5-year policy framework (2023-2028) and has data annually to demonstrate progress.
2. Results from the 2025 Farm Financial Survey will be available in 2027.
3. The Agri-Environmental Sustainability Index ranges from 0–100 and is based on sub-indices for water quality, air quality, soil quality, and biodiversity. An index of 71 would indicate a rating of "good" or, that agri-environmental health is at low risk of being significantly degraded.
4. Data from the Statistics Canada Productivity Report were not available in time for 2025-26 reporting.
5. First year of this indicator. Target remains to be determined and to be achieved in 2030.

The Results section of the Infographic for the Agriculture and Agri-Food Canada's program inventory on GC Infobase provides additional information on results and performance related to its program inventory.

Details on results

The following section describes the results for Science and Innovation in 2025–26 compared with the planned results set out in AAFC's departmental plan for the year.

Result: The Canadian agriculture and agri-food sector knowledge base is increased through AAFC-supported scientific and innovative research

Scientific research is fundamental to advancing the knowledge base required to fuel innovation and maintain the long-term sustainability and competitiveness of Canada's agriculture and agri-food sector. The department is home to a network of research centres across Canada with world-class scientific expertise, whose efforts serve to strengthen the sector's productivity and

competitive advantage, mitigate risks, and tackle challenges related to environmental performance.

Departmental results related to knowledge creation from scientific and innovative research are assessed against indicators that measure the level of collaboration involved in departmental scientific publications to demonstrate reach, as well as citations derived from these publications to demonstrate impact. AAFC continued to create opportunities for the sector through agricultural research and innovation, as well as by working with industry, academia, other partners, and smart farms where new technologies are tested and demonstrated.

Results achieved

- Under the Foundational Science and Research Program, AAFC continued to strengthen the sector's knowledge base through targeted, mission-aligned research investments. This included advancing resilient and sustainable cropping systems tailored to diverse production environments, including Northern and Indigenous communities; applying a One Health approach to better understand and mitigate interconnected plant, animal, and human health risks; and developing innovative solutions to reduce waste and enhance value creation across agri-food value chains. Research efforts also prioritized improving soil health and biodiversity through beneficial management practices, enhancing carbon sequestration approaches, and exploring sustainable land-use strategies. In parallel, AAFC continued to expand capacity in data acquisition, integration, and analytics, including the use of artificial intelligence, genomics, and phenomics, to enable more timely, evidence-based decision-making and support the sector's digital transformation.
- Research priorities for 2025–26 emphasize a collaborative approach that integrates expertise across scientific domains and engages non-academic stakeholders, including producers, industry partners, and Indigenous communities. This approach supports a systems-based perspective, for example by combining multiple beneficial management practices to assess cumulative impacts on productivity and emissions, leveraging advanced tools such as environmental DNA (eDNA), unmanned aerial vehicles (UAVs), and machine learning to improve monitoring and prediction, and developing innovative solutions such as plant-based vaccines, soil bioinformatics, and waste-to-value platforms. These efforts are further strengthened through co-development with Indigenous partners, supporting food sovereignty, climate adaptation, and the revitalization and stewardship of Indigenous food systems through initiatives such as traditional plant propagation, composting innovations, and culturally significant crop development.
- Two other notable examples of AAFC research highlight the diversity and breadth of the department's research efforts. First, AAFC research shows that forestry and industrial residues—such as biochar, wood ash, and pulp and paper mill biosolids—can improve poor or acidic soils. Studies found that combining biochar and biosolids enhances soil fertility by supporting beneficial microbes, increasing nutrient availability, and improving root health. Wood ash was especially effective in the short term, reducing soil acidity and boosting key nutrients, leading to higher crop yields. These findings highlight the potential

to recycle organic waste into valuable soil amendments, supporting more sustainable farming and advancing a circular economy.

- Second, scientists worldwide are searching for alternatives to antibiotics as many bacteria have become resistant to commonly used treatments. AAFC researchers have made a breakthrough by identifying key enzymes that allow soybeans to produce glyceollins—natural compounds that stop the growth of harmful microbes. This discovery helps explain how soybeans defend themselves against disease. While more research is needed, the findings open the door to plant-based manufacturing of new antimicrobial treatments and to developing soybean varieties with stronger disease resistance.
- Through the AgriScience Program, the department continued to mobilize partnerships between industry, government, and academia by funding projects that support pre-commercial science activities and research that benefits the agriculture and agri-food sector and Canadians. Continuing in 2025–26, the three priority areas of the program were: climate change and environment; economic growth and development; and sector resilience and societal challenges.
- The department continued to work in partnership with the Social Sciences and Humanities Research Council of Canada (SSHRC) and the Natural Sciences and Engineering Research Council (NSERC) on a sustainable agriculture research initiative (NSERC-SSHRC Sustainable agriculture initiative) to advance efforts contributing to a net-zero agriculture and agri-food economy, including establishing a research network to strengthen collective capabilities across academia, communities, as well as private, public, and non-profit sectors.
- AAFC also continued to focus on increasing the capacity of its science programming to analyze the results of past research and link data with results from provincial, territorial, and industry-led initiatives, to inform and continuously improve program design.

Result: The Canadian agriculture and agri-food sector is effective in transforming ideas into new products, processes, or practices

The department's emphasis on collaborative science and technology strengthens the collective impact of government, industry, and academic expertise by reducing duplication and maximizing research capacities. Through research partnerships, government investments deliver greater value and ensure alignment of the research to Canadian industry. AAFC continued to advance research collaborations by supporting investments in the commercialization and the adoption of innovations, helping translate research outcomes into practical business applications across the sector.

Departmental results in this area evaluate the effectiveness of transforming ideas into practice and producing and adopting new innovations, which, in turn, influences broader outcomes such as sector productivity, revenue, agri-environmental health, and contributes towards the Canada's commitment to achieve a net-zero economy by 2050. To support these results, AAFC continued to

help the sector bridge the gap between research and commercialization, while mitigating the risks associated with applying new technologies at a commercial production scale.

Results achieved

- Through the AgriInnovate program, the department continued to address the gap between research and the application of innovative technologies and practices. The program supported the demonstration, adoption, or commercialization of new technologies or processes in the agriculture and agri-food sector. In 2025–26, 6 projects were approved for a total number of 16 projects funded by the program under the Sustainable Canadian Agricultural Partnership since 2023. Projects in 2025–26, totaled $24.0 million in eligible costs, and covered a wide range of sub-sectors including meat and vegetable processing, farm equipment manufacturing and processing instrumentation and involved both established and emerging innovators.
- Through the Agricultural Climate Solutions (ACS) Program, AAFC implemented a multi-stream program to develop and implement farming practices to tackle climate change. By developing, evaluating, adopting, and surveying agricultural technologies and practices, ACS focuses on sequestering carbon, reducing greenhouse gas emissions, and delivering environmental benefits on soil health, water quality and biodiversity.
    - In 2025–26, the work of the nation-wide network of 14 living labs under the ACS Living Labs stream, a collaborative approach with producers, partners, and scientists, continued to co-design and test beneficial management practices (BMP). In the first two years of the program (2022-2024), over 100 unique BMPs were reported under development and testing on producers' farm lands. These include over 80 being developed or improved that are intended to increase carbon sequestration and over 70 being developed or improved that are intended to reduce GHG emission. However, some BMPs may contribute to both carbon sequestration and GHG emissions reduction. Over 240 field demonstrations, outreach and peer-to-peer learning events were organized through the Living Labs to exchange knowledge on BMPs with over 16,000 producer attendees.
    - The ACS-On-Farm Climate Action Fund (OFCAF) stream continued to help producers to adopt BMPs such as nitrogen management, cover cropping, and rotational grazing. In the first two years of the program (2022–2024), the OFCAF stream has resulted in 8,211 producers implementing new BMPs or expanding BMP adoption on new acres of land; 2.9 million hectares under improved management; 1,847 agrologists, agronomists, or certified crop advisors trained by the project; 1,430 knowledge transfer activities organized; and a reduction of 0.46 megatonnes of CO2e from the adoption of BMPs.
- In addition, efforts were made towards a low-carbon economy and promoting sustainable growth in Canada's agriculture and agri-food sector through the Agricultural Clean Technology Program (ACT). Since program inception in 2021, the ACT Adoption stream has resulted in 634 agricultural clean technologies adopted, over $336 million spent on purchase and installation from Canadian businesses, a 58% reduction in fossil fuel use,

and a 33% reduction in nitrogen fertilizer use under funded projects (as of March 2026). The ACT Research and Innovation stream has funded 84 projects. Of those projects reporting results to date, 163 clean technologies have been developed, 650 knowledge transfer events were organized, and 97 intellectual property (IP) protection received for clean technologies developed under the program.

- Through the Agricultural Methane Reduction Challenge, AAFC supported 13 challenge participants through funding, capacity-building, and tailored mentorship to advance innovative solutions that contribute to the reduction of methane emissions produced by cattle. In 2025–26, challenge participants advanced to the next stages of prototyping and testing.
- In 2025–26, AAFC continued to support the sector in addressing emissions from the application of fertilizers by equipping farmers with the tools and support they need to enhance productivity and profitability through efficient and effective fertilizer application. This includes providing financial support to producers through AAFC programming (OFCAF, ACT, AgriScience, Sustainable CAP) and enhancing research and knowledge exchange through Canada's participation in the international Efficient Fertilizer Consortium and AAFC's contribution to knowledge and expertise to the Canadian Nitrous Oxide Network (CANN2ONet) .
- The Resilient Agricultural Landscape Program (RALP), under the Sustainable CAP, continued in its third year to support the acceleration and adoption of on-farm land use and management practices that maximize ecological goods and services, such as maintaining and restoring grasslands and wetlands, and enhancing riparian and on-farm wildlife areas. Designed and delivered by the provinces and territories, the program continued to help producers conserve and enhance the resiliency of agricultural landscapes while reflecting local conditions and regional needs. In addition, in the third year of Sustainable CAP, RALP funding continued to help implement Beneficial Management Practices (BMPs) that reduced GHG emission, and improved soil, water, air quality and biodiversity.
- In 2025-26, the Canadian Agricultural Strategic Priorities Program approved 9 projects for about $3.7 million that will help equip the sector with supporting tools. For example, the Program approved a project with the Canadian Honey Council (CHC) to address emerging issues that impacting the sector and to increase intra-agency coordination.

Key risks

Climate impacts

The Canadian agriculture and agri-food sector faces a variety of environmental risks every year. Unpredictable weather patterns and extreme weather events significantly affect Canadian agriculture with varying effects across regions. Climate change can affect growing seasons, create more favorable conditions for pest survival and migration, and increase the incidence of diseases. In the years ahead, Canada's agriculture and agri-food sector can expect ongoing challenges posed

by more extreme weather, higher than average temperatures, and changes in precipitation patterns that increase the risk of events such as floods and droughts.

The department continued to mitigate these risks through the design and support of scientific research and by providing programming, jointly with the provinces and territories, which contributes to the agri-environmental resilience of the sector. The department will continue to work towards closing the gaps in research and enhancing the responsiveness of science to the changing environment.

Safeguarding scientific research and intellectual assets

In the rapidly evolving landscape of global research and innovation, AAFC recognizes the paramount importance of safeguarding the integrity and security of scientific endeavors. Open and collaborative research environments are indispensable drivers of innovation and progress. However, intellectual property and research must remain safeguarded from potential misuse and unauthorized applications.

To mitigate these risks, in addition to maintaining its robust cyber security and intellectual property, the department continued work with Shared Services Canada on a project to address long-standing science data storage challenges. The overall objective of the project is to evolve the way AAFC scientists generate, analyze, and manage the data they generate throughout the science data lifecycle. This has improved the research capability of the department, and enhanced the curation of scientific data assets. Furthermore, a portion of this storage space has been configured to provide AAFC researchers with the added benefit of sharing data with external collaborators. By taking a proactive approach, AAFC is minimizing the risk of data loss and future costs to the department.

Through its actions, AAFC continues efforts to build research security awareness within AAFC's scientific community through training and process improvements.

Resources required to achieve results

Table 6 provides a summary of the planned and actual spending and full-time equivalents required to achieve results.

Table 6: Snapshot of resources required for Science and Innovation

Resource	Planned	Actual
Spending	$911,749,091	$882,240,035
Full-time equivalents	2,625	2,508

The Finances section of the Infographic for AAFC on GC Infobase page and the People section of the Infographic for AAFC on GC Infobase page provide complete financial and human resources information related to its program inventory.

Related government-wide priorities

This section highlights government priorities that are being addressed through this core responsibility.

Gender-based analysis plus

AAFC remains committed to ongoing collaboration with stakeholders and rights-holders* to advance diversity, equity and inclusion, and reconciliation within the agriculture and agri-food sector. The department continues to bridge Indigenous and Western knowledge systems and science practices and work in partnership with Indigenous Peoples, to better support the participation of Indigenous Peoples, including as part of efforts under the Science and Innovation core responsibility.

Some examples of key initiatives are highlighted below:

- In 2025-26, AAFC launched the Indigenous Prairie Bison Initiative (IPBI), a 3-year $5 million initiative, jointly funded by AAFC and Indigenous Services Canada through the Strategic Partnerships Initiative, that supports the restoration of bison as an economic, environmental and cultural asset for Indigenous communities across the Prairies. The IPBI applies a Gender-based Analysis Plus (GBA Plus) lens by supporting inclusive, community-led approaches that recognize the distinct needs, capacities, and priorities of Indigenous communities across the Prairie provinces. The initiative promotes equitable participation in the agriculture sector through culturally relevant, land-based opportunities that support youth, community knowledge-sharing, skills development, and long-term economic participation.
- In 2025–26, AAFC initiated the exploration phase to develop and implement an approach for integrating GBA Plus and DEI principles into science research activities. This included the development of guidance materials, standardized templates, tracking and reporting processes and capacity-building resources, for research activities and the Calls for Proposals. This work marked the beginning of a broader effort to support the research community in applying GBA Plus considerations throughout proposal development, review, delivery, and impact assessment while helping identify impacted populations, strengthen inclusive and broad-reaching research outcomes, and support continuous improvement through ongoing monitoring.
- The department's Women in STEM (science, technology, engineering, and mathematics) Network (WiSTEM) continued to promote an environment in science and science-related activities at AAFC that is inclusive and welcoming for women. The Network strives to help make AAFC science professions desirable for women, including by hosting various events and learning opportunities, such as the second annual symposium that attracted 244 participants to highlight women's research in 2025–26.

- AAFC continued to host the 15-member interdepartmental Indigenous Science, Technology, Engineering and Math (I-STEM) Cluster to strengthen relationships, enhance intercultural competencies in the federal public service, and nurture Indigenous STEM talent. In 2025–26, the Cluster developed learning products and tools tailored to the natural sciences in areas such as Indigenous data sovereignty and research ethics and advised on federal policy and program design. These efforts advanced ongoing objectives related to the equitable bridging of Indigenous and western knowledge systems, enhancing regional coordination, and encouraging meaningful international linkages.

* First Nations, Inuit and Métis Nation are rights-holders who require a fundamentally different approach to engagement and collaboration than other underrepresented and marginalized groups. Reconciliation is an ongoing process – it is a journey that requires respect, learning, unlearning, the building of safe spaces and equitable relationships, and the centering of Indigenous perspectives.

Further information on the underrepresented and marginalized groups served by AAFC's programs and initiatives can be found in the GBA Plus supplementary information table.

United Nations 2030 Agenda for Sustainable Development and the UN Sustainable Development Goals

Activities under the Science and Innovation core responsibility support Canada's efforts to address the United Nations 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs). For example, the department continues to modernize its delivery of science and technology initiatives to provide leadership in the growth and development of a competitive, innovative, and sustainable Canadian agriculture and agri-food sector.

The department also embraces the renewal and greening of its research facilities in support of Canada's objective to be a global leader in government operations that are net-zero, resilient, and green. Efforts in these areas contribute toward: SDG 2 Zero Hunger; SDG 6: Clean Water and Sanitation; SDG 7: Affordable and Clean Energy; SDG 8: Decent Work and Economic Growth; SDG 9: Industry, Innovation and Infrastructure; SDG 12: Responsible Consumption and Production; SDG 13: Climate Action; and SDG 15: Life on Land.

More information on AAFC's contributions to Canada's Federal Implementation Plan on the 2030 Agenda and the Federal Sustainable Development Strategy can be found in our Departmental Sustainable Development Strategy and reports on progress.

Program inventory

Science and Innovation is supported by the following programs:

- Foundational Science and Research

- AgriScience
- AgriInnovate
- Environment and Climate Change Programs
- Canadian Agricultural Strategic Priorities Program
- Federal, Provincial, and Territorial Cost-Shared Science, Research, Innovation, and Environment

Additional information related to the program inventory for Science and Innovation is available on the Results page on GC InfoBase.

Core responsibility 3: Sector Risk

In this section

- Description
- Quality of life impacts
- Progress on results
- Details on results
- Key risks
- Resources required to achieve results
- Related government-wide priorities
- Program inventory

Description

Agriculture and Agri-Food Canada (AAFC) provides tools to mitigate the financial impact of risks beyond producers' control that threaten the viability of their operations. AAFC works with the sector to ensure that systems, standards, and tools are developed to support its ability to prevent and control risks and address market demands.

Sector Risk is focused on advancing the following departmental results:

- The agricultural sector is financially resilient.
- The agriculture and agri-food sector is equipped with assurance systems and supporting tools.

Quality of life impacts

Through the activities outlined in the core responsibility description, Sector Risk contributes to the

"Prosperity" domain of the Quality of Life Framework for Canada and, more specifically, the "Protection from income shocks" indicator.

Progress on results

This section details the department's performance against its targets for each departmental result under Core responsibility 3: Sector Risk

Table 7 shows the target, the date to achieve the target and the actual result for each indicator under "The agricultural sector is financially resilient" in the last three fiscal years.

Table 7: The agricultural sector is financially resilient

Departmental result indicators	Target	Date to achieve target	Actual results
Sector's income as a proportion of historical income	At least 85%	March 2026	2023–24: 136% 2024–25: 124% 2025–26: 141%[1]
Percentage of financially healthy farms	At least 90%	March 2026	2023–24: Not available 2024–25: 91% 2025–26: not available[2]

Note: Actual results are reported for the fiscal year that data becomes available. Results that are "not available" are due to lag times in data availability, including as noted below.

1. Result for 2025–26 is based on the 2023 program year.
2. Results from the 2025 Farm Financial Survey will be available in 2027.

Table 8 shows the target, the date to achieve the target and the actual result for each indicator under "The agriculture and agri-food sector is equipped with assurance systems and supporting tools" in the last three fiscal years.

Table 8: The agriculture and agri-food sector is equipped with assurance systems and supporting tools

Departmental result indicators	Target	Date to achieve target	Actual results
Percentage of implementation plans for assurance projects reported to be functioning	At least 80%	March 2028	2023–24: 85% 2024–25: not available 2025–26: not available[1]

Note: Actual results are reported for the fiscal year that data becomes available. Results that are "not available" are due to lag times in data availability, including as noted below.

1. Indicator has a lag time given the long-term nature of this work. Results for the Sustainable CAP (2023–28) will be available in 2029 once all final performance reports have been assessed.

The Results section of the Infographic for the Agriculture and Agri-Food Canada's program inventory on GC Infobase provides additional information on results and performance related to its program inventory.

Details on results

The following section describes the results for Sector Risk in 2025–26 compared with the planned results set out in AAFC's departmental plan for the year.

Result: The agricultural sector is financially resilient

The agriculture and agri-food sector's prosperity reflects the resilience of producers, supported by BRM programming, amid ongoing environmental and market pressures. The sector faces complex risks, including extreme weather events, rising production costs, trade disruptions, and threats from disease outbreaks and pest infestations, underscoring the need for tools to anticipate, mitigate, and respond effectively. In response, AAFC has supported the sector in managing these risks and advancing long-term sustainability.

Through the Sustainable Canadian Agricultural Partnership (Sustainable CAP), AAFC continued to work with provincial and territorial governments to deliver a comprehensive suite of programs that help producers manage risks beyond their control, safeguard business continuity, and support long-term growth. This collaborative approach strengthens the sector's capacity to navigate uncertainty while upholding Canada's reputation for safe, sustainable, and high-quality food. The department also supported industry-led assurance systems that address consumer expectations and public trust, including Soy Canada's Sustainable Canadian Soy Program and the Canadian Cattle Association's National Beef Sustainability Assessment and Certified Sustainable Beef Framework, reinforcing resilience and confidence in the Canadian agricultural supply chain.

Sector resilience is measured using sector income as a proportion of historical income and the share of financially healthy farms. To support progress, AAFC delivered programs and services that equipped producers to manage risks, safeguard livelihoods, and position their operations for sustainable growth and long-term success.

Results achieved

Federal, provincial, and territorial (FPT) Ministers of Agriculture met at their annual conference in September 2025 to advance collaborative efforts to support a resilient, sustainable, and competitive agriculture sector amid dry conditions, wildfire activity, and tariff-related uncertainty. Discussions highlighted the impacts of recent trade actions, the importance of engagement with key trading partners, potential adjustments and future reforms to Business Risk Management (BRM) programs , and efforts to strengthen internal trade, animal disease preparedness, and biosecurity. Ministers also reaffirmed commitments to science- and evidence-based regulation, regulatory modernization, improved service delivery, and addressing food waste.

AAFC continued to deliver a suite of complementary, cost-shared BRM programs under the Sustainable CAP, alongside federal risk management programming, to protect producers from

income disruptions and production challenges and help safeguard farm operations. The department also worked with provincial and territorial partners to modernize BRM programs, ensuring they remain effective and responsive to evolving sector needs. In 2025–26, reviews were undertaken on past initiatives under the AgriRecovery framework and its interaction with other BRM programs, notably AgriStability and AgriInsurance.

2025-26 Changes to Business Risk Management (BRM) programs

AgriInvest

The 2025 program year was the first in which producers with Allowable Net Sales above $1 million were required to have an Agri-Environmental Risk Assessment to receive a matching contribution. This requirement integrates climate risk management, environmental practices, and climate readiness into business risk management programming, supporting producers in responding to climate change.

AgriInsurance

New rebate pilot program for producers adopting Beneficial Management Practices (BMPs) where provinces committed to an approach that rewards farmers with lower insurance premiums for adopting sustainable management practices that deliver environmental benefits while reducing production risks. For example, starting in the 2026 crop year, Manitoba farmers who plant perennial forage crops on marginal land receive a 15% discount on Forage Establishment Insurance premiums.

AgriStability

In response to an uncertain trade environment and unfavorable climate conditions in parts of the country, for the 2025 program year only, the AgriStability compensation rate increased from 80% to 90%, and the maximum payment cap doubled from $3 million to $6 million to provide more equitable protection for large farms and ranches. The interim payment rate was also increased in certain provinces, allowing interest-free payments of up to 75% of anticipated final claims. In early 2026, for the 2025 program year, certain provinces accepted late participants to support producers, including fruit and vegetable growers, facing challenges due to extreme dry conditions. Beginning in the 2026 program year, pasture-related feed costs will be an allowable expense under AgriStability, and provinces and territories will have the option to adopt a new inventory valuation method for inventories intended for farm use. This addition provides more equitable support for producers whose livestock graze on land they do not own.

AgriRecovery

New disaster relief for Newfoundland and Labrador livestock producers: the Canada–Newfoundland and Labrador AgriRecovery Forage Assistance Initiative was announced to support eligible livestock producers affected by widespread drought conditions in 2025, which significantly reduced forage production for livestock feed.

Advance Payments Program

Amid ongoing challenges and global trade uncertainty, the Government of Canada announced that the Advance Payments Program (APP) interest-free limit will be set at $500,000 for all canola

advances for the 2025 and 2026 program years, and $250,000 for all non-canola advances for the 2026 program year.

- AAFC partnered with Alberta, New Brunswick, and Ontario to complete an analysis of the implications of a new alternative AgriInsurance premium cost-sharing mechanism, "Whole-Farm Cost Share." The department also explored the applicability of whole-farm revenue insurance to specific sectors as a tool to address market and production risks at the whole-farm level. In 2025–26, analysis of the cattle sector was completed, and discussions with the fruit and vegetable and hog sectors advanced through environmental scan and data-source assessment phases.
- A project analyzing the impact of climate change on crop production levels, yield volatility, and AgriInsurance program costs was completed for one province in August 2025. Results indicated that while climate change is expected to affect yields, future premium rates will be driven more by technological change than by climate impacts. Provinces advanced sector sustainability efforts, and an AgriInsurance rebate pilot was implemented to support producers adopting specific Beneficial Management Practices (BMPs) identified through FPT technical work.
- Following the *Canadian Agricultural Loans Act* (CALA) Program 2024 internal evaluation, AAFC continued to explore changes to program parameters to increase relevance and uptake among traditionally underrepresented producers, including potential legislative and/or regulatory amendments.
- The Livestock Price Insurance (LPI) program continued to complement the BRM suite by helping cattle and hog producers in British Columbia, Alberta, Saskatchewan, and Manitoba manage downside price risk.
- The Maritime Livestock Price Insurance Pilot Program (MLPIPP), which safeguards producers in New Brunswick, Prince Edward Island, and Nova Scotia against unexpected declines in beef cattle purchase prices, was extended to March 2028.
- In addition to programming support, AAFC promoted integrated, proactive emergency management strategies to plan for, prevent, and mitigate risks and potential supply chain disruptions affecting human, animal, plant, and environmental health. This included collaboration with FPT governments and industry to ensure response plans were current and tested for a potential African swine fever (ASF) outbreak. FPT governments also advanced priority initiatives on animal disease, considering impacts on farmers' mental health, the importance of mitigating trade disruptions through measures such as zoning, and the need for strong collaboration and communication on prevention, surveillance, and response. The department also completed a Food System All-Hazards Preparedness and Response Plan outlining its internal approach to major emergency events. In partnership with provinces and territories, it continued work to renew the FPT Emergency Management Framework for Agriculture in Canada, which defines roles for governments and food system stakeholders and partners during emergencies.

- AAFC continued to support national agricultural mental health initiatives to improve access to counselling, peer and professional support, and tailored wellness resources. The $3 million Producer Mental Wellbeing Initiative, delivered with the Privy Council Office's Impact Canada, launched in March 2025 to develop innovative solutions addressing stigma, isolation, and farm stressors. In December 2025, AAFC announced 20 Stage 1 (Concept Design) semi-finalists, each receiving up to $50,000 to advance their ideas. Semi-finalists are developing proofs of concept for Stage 2, due in summer 2026, with up to 10 finalists to be announced in fall 2026, each receiving up to $100,000. The Initiative is a three-year effort to advance collaborative solutions to improve producer well-being and reduce stigma around mental health in agriculture.
- In parallel, Sustainable CAP supported producer mental health initiatives in Manitoba, New Brunswick, and Saskatchewan. The New Brunswick Farmer Wellness Program, launched in October 2025, provides no-cost counselling and mental health supports for farmers, farm families, and employees. In January 2026, Canada and Manitoba renewed funding for the Manitoba Farmer Wellness Program (MFWP), providing a two-year, $300,000 extension under the Sustainable CAP. Saskatchewan's Farm Stress Line partnership, announced in March 2026, provides $200,000 annually for 2 years to expand crisis-line access and follow-up counselling with agriculture-informed professionals.
- Support for producers' access to crop protection products through the Minor Use Pesticides Program (MUPP) was maintained. In 2025–26, AAFC submitted 38 pesticide packages for review by Health Canada's Pesticides Regulatory Directorate (PRD). MUPP also completed a comparative pesticide residue project to support PRD's regulatory decision on drone-based pesticide application, helping enable access to this technology. The department also continued promoting integrated, systems-based approaches to priority pest issues through the Pesticide Risk Reduction Program.

Result: The agriculture and agri-food sector is equipped with assurance systems and supporting tools

Canada's agriculture and agri-food sector is shaped by evolving consumer expectations, stringent regulatory requirements, and growing demand for transparency in production methods. Assurance systems are instrumental in building trust across the food supply chain by establishing robust practices, standards, processes, and procedures that ensure risks are effectively managed and claims related to production, safety and quality are verifiable. These systems empower producers to demonstrate compliance with specific production methods, regulations, or standards — such as sustainability certifications or organic, halal, and kosher designations — while meeting the rising demand for ethically and environmentally conscious products.

By supporting the development and implementation of assurance systems, AAFC is helping the sector adapt to shifting market and consumer demands, strengthening its global competitiveness, and reinforcing its reputation for producing safe, sustainable, and high-quality food. These efforts contribute to the long-term resiliency of the Canadian agriculture and agri-food sector and its ability to thrive in an increasingly complex global marketplace.

Departmental results in this area are assessed against an indicator measuring the percentage of implementation plans for assurance projects reported to be functioning. To achieve these outcomes, AAFC maintains close collaboration with the agriculture and agri-food sector to ensure that assurance systems, standards and tools are developed and in place to effectively manage risks and ensure food safety, while aligning product quality with market requirements, regulations, and industry standards.

Results achieved

- The department supported the sector through the AgriAssurance Program by advancing systems that meet market and regulatory demands and validate the reputation of Canadian agricultural products with respect to health, safety, and quality standards. The program remained aligned with FPT cost-shared initiatives and continued to focus on developing and adopting sector-led assurance systems across the value chain while helping small and medium-sized Canadian firms acquire the certifications needed to export.
- For example, in 2025–26 the Canadian Veterinary Medical Association was approved for a one-year project to help develop and implement an antimicrobial prescription support system that provides Canada's veterinarians with the necessary tools and information to make prudent decisions on antimicrobial usage.
- In addition, through AgriAssurance support, the Jewish Community Council of Montreal developed the Global Plant Based Certified assurance system, supporting companies in improving production standards, obtaining plant-based certification, and accessing new markets.
- AAFC's AgriAssurance Program also facilitated initiatives in collaboration with Animal Health Canada during 2025–26 to advise on national animal health surveillance priorities and disease patterns through its Canadian Animal Health Surveillance System division, enhance emergency management capabilities for Canada's livestock industry through its Emergency Management division, and lead farm animal care and welfare initiatives through its National Farm Animal Care Council.
- On March 14, 2025, AAFC launched initiatives to address the unique challenges of processing red meat in accordance with kosher and halal practices. This investment provides up to $29 million over 3 years through 3 elements: the Kosher Halal Investment Program ($25 million), the AgriAssurance Program: Kosher and Halal Investment Component ($2 million), and the AgriMarketing Program: Kosher and Halal Investment Component ($2 million). These programs aim to help the Canadian red-meat (beef and veal) sector make facility upgrades, address operational and regulatory challenges, improve production efficiency, and develop credible assurance systems and standards, and supporting marketing and trade development.
- Together, these efforts strengthen the resilience and competitiveness of the kosher and halal red-meat sector, improve market access, and support the availability of meat prepared according to religious requirements. For example, Atlantic Beef Products Inc. was approved for approximately $2.6 million over 2 years to modernize operations, improving

product quality, efficiency, and market offerings, and supporting the growth of the halal market in Atlantic Canada and beyond.

- Beyond industry support, AAFC continued working closely with the Canadian Food Inspection Agency to advance the development and implementation of assurance systems in key areas of focus. This included food safety recognition by strengthening food safety standards to align with regulatory requirements and support markets; livestock traceability by enhancing industry and government traceability systems to improve data quality, data completeness, and disease response, facilitating the signing of the provincial multilateral information-sharing agreement and ensuring provincial system integration into a central Traceability National Information Portal; and plant and animal health and biosecurity by developing and updating national biosecurity standards to protect plant and animal health from emerging risks.

Key risks

Climate impacts

The Canadian agriculture and agri-food sector is increasingly vulnerable to shifting environmental conditions. Rising temperatures, irregular precipitation patterns, and disruptions to traditional growing seasons are placing unprecedented pressures on agricultural production. The increasing frequency and severity of extreme weather events, such as droughts, floods, and wildfires, are reshaping risk landscapes, while warming climates are enabling pests and diseases to expand their range and persist in new regions, threatening crops and livestock.

The department is taking steps to address these challenges by advancing initiatives that help producers implement beneficial management practices. These efforts focus on building farm resilience, reducing greenhouse gas emissions, and adapting to climate change impacts. Complementing this work, BRM programs provide essential support to help producers manage disruptions and protect against income and production losses, safeguarding the long-term stability of their operations. AAFC worked with industry partners to explore avenues to ensure farmers get support quicker and more efficiently in times of need. Since 2024, regions that are nearby to drought, excess moisture or flood conditions may also be prescribed. This ensures those neighbouring farms that may face the same challenges can still benefit from the Livestock Tax Deferral provision.

Skills and Workforce Needs

The Canadian agriculture and agri-food sector continued to face persistent labour challenges, including shortages of high-skilled workers (e.g., veterinarians), ongoing demand to fill lower wage and seasonal positions, and impacts on rural vitality. There is also a need to identify opportunities for youth and other underrepresented and marginalized groups, and new entrants. These issues are further compounded by shifting demographics and an aging population. As noted in the Agricultural Labour Strategy's What We Heard Report, the department continues to engage federal, provincial, and industry partners to develop sector-specific workforce solutions. AAFC's Labour Task Team—a

federal, provincial, and territorial working group under the Sustainable CAP—brings together partners to address labour issues and advance solutions such as automation and technology adoption, targeted skills development, improved working conditions, and enhanced recruitment and retention. In 2025–26, the Task Team facilitated discussions on labour market trends, with a focus on veterinary shortages, immigration pathways, succession planning, and the growing importance of artificial intelligence and digital innovation in agriculture.

The department also addressed these challenges through close collaboration with industry stakeholders. Through Sector Engagement Tables, AAFC worked to better understand career pathways, required skills, innovative and flexible training options, and opportunities for youth, new entrants, and underrepresented groups. In addition, the department, in collaboration with industry, developed an agricultural workforce resource hub offering tools and services for employers and job seekers seeking permanent or temporary opportunities in Canada's agriculture and agri-food sector.

Market disruptions

The agriculture and agri-food sector continued to face economic uncertainty, including volatile commodity markets and evolving input costs, as well as inflationary and interest rate pressures. These challenges are compounded by persistent supply chain disruptions affecting domestic and international trade. The sector also faces increased risks from transboundary animal diseases, which threaten production systems and supply chain stability. At the same time, global market dynamics and geopolitical tensions continue to influence consumer demand, production costs, and producer financial sustainability.

To strengthen sector resilience, producers have access to a suite of Business Risk Management (BRM) programs, enabling them to select strategies that best meet their needs. The department is also enhancing disease prevention and preparedness through programs such as AgriAssurance, supporting both prevention and industry readiness for potential outbreaks while maintaining Canada's strong position in global agricultural markets.

Resources required to achieve results

Table 9 provides a summary of the planned and actual spending and full-time equivalents required to achieve results.

Table 9: Snapshot of resources required for Sector Risk

Resource	Planned	Actual
Spending	$2,035,048,761	$2,000,532,878
Full-time equivalents	405	388

The Finances section of the Infographic for AAFC on GC Infobase page and the People section of the Infographic for AAFC on GC Infobase page provide complete financial and human resources information related to its program inventory.

Related government-wide priorities

This section highlights government priorities that are being addressed through this core responsibility.

Gender-based analysis plus

AAFC is dedicated to fostering diversity, equity, and inclusion within the agriculture and agri-food sector. The department is also committed to advancing reconciliation and supporting the participation of Indigenous Peoples, and under-represented and marginalized groups in the sector. This commitment includes enhancing the participation of Indigenous Peoples and other underrepresented and marginalized groups. Key initiatives under the Sector Risk core responsibility include:

- Demographic Data Collection: Starting in 2025, AAFC began the collection of relevant voluntary demographic data from producers participating in the AgriStability and AgriInvest programs through the "My AAFC Account" Portal. This data could inform the department's work with provincial and territorial partners to finalize a results reporting strategy that will support Gender-Based Analysis Plus BRM programming.
- The AgriAssurance Program's enhancements continued to promote diversity and inclusion by broadening eligibility criteria in the small and medium enterprise stream, including support for domestic market certification for Indigenous-led businesses.

Further information on the underrepresented and marginalized groups served by AAFC's programs and initiatives can be found in the GBA Plus supplementary information table.

United Nations 2030 Agenda for Sustainable Development and the UN Sustainable Development Goals

Activities and programs under the Sector Risk core responsibility support Canada's efforts to address the United Nations 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs), contributing towards SDG 2: Zero Hunger; and SDG 8: Decent Work and Economic Growth. In addition, AAFC, in collaboration with provincial and territorial governments, helps to build and maintain public trust in the agriculture and agri-food sector, and ensures ongoing confidence of Canadians in the agriculture and agri-food supply chain. This could indirectly support SDG 16: Peace, Justice, and Strong Institutions and, specifically, target 16.6, which aims to develop effective, accountable, and transparent institutions at all levels.

More information on AAFC's contributions to Canada's Federal Implementation Plan on the 2030 Agenda and the Federal Sustainable Development Strategy can be found in our Departmental Sustainable Development Strategy and reports on progress.

Program inventory

Sector Risk is supported by the following programs:

- AgriStability
- AgriInsurance
- AgriInvest
- AgriRecovery
- Livestock Price Insurance Program
- Loan Guarantee Programs
- Farm Debt Mediation Service
- Pest Management
- Assurance Program
- Federal, Provincial, and Territorial Cost-Shared Assurance
- Return of Payments
- African Swine Fever Response

Additional information related to the program inventory for Science and Innovation is available on the Results page on GC InfoBase.

Internal services

In this section

- Description
- Progress on results
- Resources required to achieve results
- Risk and compliance process
- Contracts awarded to Indigenous businesses

Description

Internal services are the services that are provided within a department so that it can meet its corporate obligations and deliver its programs. There are 10 categories of internal services:

- Management and Oversight services
- Communications Services
- Legal Services
- Human Resources Management
- Financial Management
- Information Management

- Information Technology
- Real Property
- Materiel
- Acquisitions

Progress on results

This section presents details on how the department performed to achieve results and meet targets for internal services.

Prioritizing diversity, equity, and inclusion (DEI) in our workforce and workplaces

In 2025–26, AAFC continued its efforts to build a workforce that reflects the diversity of Canadians and to foster an inclusive workplace, guided by the Employment Equity Act and the Values and Ethics Code for the Public Sector. These efforts included implementing the recommendations of the Deputy Ministers' Task Team on Values and Ethics Report, in alignment with the Clerk's Call to Action on Anti-racism, Equity, and Inclusion, and encouraging employees to contribute to a more diverse, equitable, and inclusive public service.

The 2026–29 DEI Plan was finalized and launched on April 1, 2026, building on the 2022–25 DEI Strategy and reflecting recruitment constraints resulting from the Comprehensive Expenditure Review. DEI considerations were integrated into workforce adjustment and retention planning, enabling AAFC to maintain representation levels for all employment equity groups and remain above workforce availability estimates for women and Indigenous Peoples. The Plan expanded its focus to address representation gaps at mid- and senior-level positions, equitable access to career and development opportunities, and bias in workplace culture. AAFC also increased Indigenous and Visible Minority representation at the executive level through inclusive staffing practices. Modernized employment equity measures included adding Black and 2SLGBTQIA+ employees as designated groups in the Plan and enhancing self-identification data collection to better identify representation gaps and systemic barriers.

DEI networks and events supported an inclusive workplace in 2025–26. A Black Employee Network was established to support connection and professional development, while 19 DEI-related events and training sessions engaged 1,333 employees. Employee-led initiatives expanded through the creation of a WiSTEM Parent-to-Parent support group, and membership in the WiSTEM, Persons with Disabilities, and Visible Minorities networks increased by 10%. The WiSTEM Network also collaborated with the Research Scientist Promotion Process team to promote more inclusive processes.

Support for a workplace that values both official languages continued through AAFC's 2023–28 Official Languages Strategy. Consideration of Official Language Minority Communities was integrated into departmental processes, including reviews of Memoranda to Cabinet, Treasury Board submissions, and grants and contributions agreements. Feedback from employee networks identified barriers to second official language learning for employment equity and equity-seeking groups. French-language training pilot initiatives were introduced to inform a more inclusive approach to departmental language training under the Strategy.

Enhancing employee wellness and engagement in a modern work environment

In 2025–26, AAFC strengthened its values and ethics framework to support a respectful, transparent, and accountable workplace. Measures to implement recommendations from the Deputy Ministers' Task Team on Values and Ethics promoted ethical leadership, decision-making, and workplace culture. An updated Values and Ethics Code was launched, incorporating inclusive practices and addressing civility, ethical risk management, and the responsible use of artificial intelligence. Training on ethical leadership and decision-making reached over 1,000 employees and introduced tools and learning products to support team discussions. Outreach activities, including awareness campaigns and Values and Ethics Awareness Month initiatives, reinforced key values such as respect, integrity, and responsible conduct. Transparency was enhanced through the publication of the annual report on misconduct and wrongdoing, outlining available supports, reporting mechanisms, and the management of workplace concerns. These efforts contributed to a more ethical, inclusive, and accountable organization in delivering effective service to Canadians.

An updated Hazard Identification and Assessment Methodology, implemented in December 2025, strengthened the data-driven identification of physical and psychological workplace risks and supported more informed health and safety decision-making. AAFC improved accommodation processes and accessibility for employees with disabilities through a coordinated, department-wide approach aligned with government priorities. Efforts increased consistency, awareness, and use of accessibility tools and practices to support employees in their work. The 2025–2027 Accessibility Plan, published December 30, 2025, outlined priorities to address identified barriers and was supported by the Better Accommodations Project, the Accessibility for All initiative, and targeted recruitment and retention pipelines.

Managing departmental assets and real property

Strategic management of buildings, land, equipment, and data continued to support the efficient and sustainable delivery of programs and services. AAFC developed a Real Property Portfolio Strategy, a long-term plan for managing real property assets in support of agricultural programming and mandate delivery, including stewardship of a national network of research and development centres, laboratories, office spaces, greenhouses, test plots, barns, crop storage facilities, and other supporting infrastructure.

Under the Greening Government Strategy, AAFC procured clean electricity, improved energy efficiency, strengthened green procurement and waste management practices, and continued prioritizing the acquisition of zero-emission vehicles. These efforts reduced greenhouse gas emissions from facilities and the fleet by 64.2% as of 2025–26 compared to 2005–06 levels, exceeding the interim target of a 50% reduction by 2030 and advancing progress toward the long-term target of at least 90% by 2050. Additional details are available in the Departmental Sustainable Development Strategy and reports on progress.

Throughout 2025–26, AAFC reviewed procurement and materiel management practices to support efficiency, effectiveness, and alignment with evolving operational needs, while adopting a more strategic lifecycle approach to asset management and service sustainability. Investments under the Laboratory Asset Renewal Initiative supported the rehabilitation and modernization of aging

research facilities and urgent real property infrastructure work at research sites in each region. Under the Initiative, AAFC directed its $115 million investment over five years (2023–24 to 2027–28) to these priorities. Due to inflation-driven cost increases and evolving departmental objectives, 31 of the original 33 projects were prioritized for completion. As of 2025–26, 21 projects had been completed, with the remainder on track for completion within the funding period. AAFC also collaborated with Laboratories Canada and federal science partners through the Regulatory and Security Science Hub on science and technology infrastructure modernization initiatives. These efforts enhanced the safety, functionality, and long-term sustainability of assets supporting departmental research and program delivery.

Strengthening digital service delivery, data analytics and transparency

AAFC expanded digital service delivery and process automation in support of evolving government-wide client service approaches. Clients increasingly accessed services through the "My AAFC Account" portal, while efforts continued to simplify registration, improve usability, and expand its role as a single access point for multiple programs. In 2025–26, new functionality enabled secure two-way messaging and document transmission through attachments. New individual account registrations more than tripled compared with the previous fiscal year, and accounts with representative access increased tenfold. A third-party usability study of the portal was completed to inform future improvements and better meet user needs.

Data management and analytics capabilities supported collaboration and innovation while advancing open government and open science objectives through increased sharing of data and publications via the Federal Open Science Repository of Canada (FOSRC) and the Open Government Portal. FOSRC now provides more than 600 AAFC open-access research publications for the public and research community.

Guided by the AAFC Data Strategy, investments in digital infrastructure, data governance, catalogues, and management platforms improved the findability, accessibility, interoperability, and reusability of data, while policy and operational modernization reflected evolving digital standards. The establishment of the HR Reporting Store expanded workforce analytics for HR advisors and managers through more than 45 self-service reports and tools, improving timely access to information, reducing manual reporting, and supporting more data-driven decision-making across HR and branches.

Cybersecurity measures strengthened protection of departmental systems and information through AAFC's Cyber Security Operation Centre, using upgraded security tools and surveillance to address emerging digital and information technology challenges in alignment with the Government of Canada Policy on Service and Digital. New Governance Risk and Compliance tools improved security assessment of data and risk tracking, while cloud monitoring and data loss prevention initiatives advanced the department's transition toward a Zero Trust environment.

Through the Innovation, Automation and AI Acceleration (i3A) initiative, launched in April 2025, AAFC combined governance, employee upskilling, and hands-on experimentation to support the responsible use of AI. A Centre of Expertise and core enablement team provided expertise and practical AI skills development, while approximately one-third of employees gained access to approved AI tools and participated in learning opportunities and demonstrations. Cross-functional

teams identified business challenges and developed and tested innovative solutions while integrating privacy, security, ethics, and human oversight. These efforts strengthened AAFC's capacity to responsibly adopt AI and automation while improving service delivery and operational efficiency.

Supporting Indigenous initiatives and advancing reconciliation

AAFC continued to advance reconciliation and Indigenous-led agriculture through its internal services and programs, informed by the *United Nations Declaration on the Rights of Indigenous Peoples Act* and the Inuit Nunangat Policy. The Indigenous Policy Framework guided efforts to increase cultural awareness, build organizational capacity, and deepen relationships with Indigenous Peoples. Inclusivity was embedded in policy and programs to promote Indigenous participation in agriculture and food systems.

The Indigenous Support and Awareness Office (ISAO) advanced the integration of Indigenous perspectives across programs, policies, and staffing practices through outreach, learning opportunities, and targeted recruitment. The Indigenous Student Recruitment Initiative hired 60 students, while cultural awareness activities reached 1,563 participants through 41 sessions representing 22 federal organizations. Additional outreach included 111 events at the Mikinàk Lodge involving 1,346 participants and responded to 73 advisory requests in order to integrate Indigenous perspectives into policies, programs, and reports. The Indigenous Network provided a forum for Indigenous employees and hosted three Elder teaching sessions. Key activities included National Indigenous Peoples Day and the opening of the Oshki-giizis (New Moon) Indigenous Meeting Room in Winnipeg.

The I-STEM Cluster continued work on Indigenous data sovereignty, research relationships, and inclusive science programming. In response to the Truth and Reconciliation Commission Call to Action 57, a seven-part workshop series on transforming research and relationships attracted 442 registrants. Work progressed on Phase 2 of the First Nations Information Governance Centre Natural Sciences Module supporting the application of Ownership, Control, Access and Possession principles in federal science activities. International engagement with Australia and South Africa supported knowledge exchange on Indigenous data governance and ethical research practices.

The Indigenous Science Liaison Office (ISLO) advanced data collection standards, science integrity, and distinctions-based research with Indigenous partners. ISLO also facilitated research collaboration and project co-development with Indigenous communities and AAFC, and reviewed agricultural science proposals under the Sustainable CAP framework and internal proposals involving Indigenous partnerships.

Resources required to achieve results

Table 10 provides a summary of the planned and actual spending and full-time equivalents required to achieve results.

Table 10: Resources required for internal services for 2025–26

Resource	Planned	Actual
Spending	$179,970,693	$228,693,115
Full-time equivalents	1,530	1,457

The Finances section of the Infographic for AAFC on GC Infobase and the People section of the Infographic for AAFC on GC Infobase provide complete financial and human resources information related to its program inventory.

Risk and compliance process

The Risk and Compliance Process (RCP) is a self-assessment designed to help deputy heads verify that they have controls and practices in place to meet their accountabilities under legislation and Treasury Board policy, and to effectively manage risks in their organizations.

In 2025-26, Agriculture and Agri-Food Canada completed the RCP self-assessment. The results show that the department demonstrated appropriate practices and controls in the vast majority of areas assessed. Opportunities to strengthen management practices have been identified in Performance Management and Grants and Contributions and the department has developed action plans in response:

- The employee performance management program did not fully meet the compliance target – an issue experienced by a large number of other government organizations. In response to this, AAFC included proactive communications to all employees in advance of the performance management cycle and committed to providing ongoing reports to branch heads to keep them informed of completion rates. AAFC has also been monitoring the completion of Performance Improvement Plans as well as providing advice and guidance to managers to support them, and embedding performance management completion rates in executive performance agreements to increase accountability.
- The number of planned grant and contribution recipient audits completed in 2023-24 was below the established target. That issue has since been fully addressed.

Contracts awarded to Indigenous businesses

Government of Canada departments are required to award at least 5% of the total value of contracts to Indigenous businesses every year.

As shown in Table 11, AAFC awarded 6.0 % of the total value of all contracts awarded to Indigenous businesses for the fiscal year.

Table 11: Total value of contracts awarded to Indigenous businesses[1]

Contracting performance indicators	2025–26 Results
Total value of contracts awarded to Indigenous businesses[2] (A)	$10,869,331

Total value of contracts awarded to Indigenous and non-Indigenous businesses[3] (B)	$181,514,277
Value of exceptions approved by deputy head (C)	$0.00
Proportion of contracts awarded to Indigenous businesses [A / (B−C) × 100][4]	6.0%
Notes For the purposes of the minimum 5% target, Indigenous Services Canada defines "Indigenous businesses" as: • businesses owned and operated by Elders, band and tribal councils • businesses registered in the Government of Canada's Indigenous Business Directory • registered on a modern treaty beneficiary business list A "contract" is a binding agreement for the procurement of a good, service or construction and does not include real property leases. It includes contract amendments and contracts entered into by means of acquisition cards of more than $10,000.	

1. For the purposes of measuring performance against the minimum 5% target for FY 2025–26, the data in this table is based on how Indigenous Services Canada (ISC) defines "Indigenous business", which is one that is owned and operated by Elders, band and tribal councils; registered in the Indigenous Business Directory; or registered on a modern treaty beneficiary business list.
2. Excludes contracts and amendments with Indigenous businesses that were entered into by means of acquisition cards; however, may include subcontracts with Indigenous businesses.
3. Includes contracts and amendments that were entered into by means of acquisition cards.
4. The official report was submitted to Indigenous Services Canada on July 31, 2026. Inclusion of acquisition card data is optional according to Appendix E – Directive on the Management of Procurement.

In its 2026–27 Departmental Plan, Agriculture and Agri-Food Canada estimated that it would award at least 5.0% of the total value of its contracts to Indigenous businesses by the end of 2025–26. The department exceeded this objective by awarding 6.0% of the total value of its contracts to Indigenous businesses, surpassing the Government of Canada's mandatory minimum target of 5.0%.

Progress was achieved through governance, collaboration, and capacity-building activities, including the work of AAFC's Indigenous Procurement Working Group to identify and plan Indigenous set-aside procurements to achieve departmental targets. The department also maintained participation in Indigenous Services Canada interdepartmental committees, tiger teams, and working groups.

AAFC maintained direct engagement with Indigenous suppliers, increasing awareness of procurement opportunities and identifying areas for greater Indigenous supplier participation. The department also shared Indigenous company profiles with business owner networks to highlight procurement opportunities and promote the use of set-aside procurements. Mandatory training on Indigenous procurement considerations for procurement personnel, reinforced through the Community of Practice for Procurement and Materiel Management, supported awareness of the department's Indigenous procurement targets and the Government of Canada's commitment to Indigenous Peoples.

Spending and human resources

In this section

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Spending

This section presents an overview of the department's actual and planned expenditures from 2023–24 to 2028–29.

Budgetary performance summary

Table 12 shows the money that AAFC spent in each of the past three years on its core responsibilities and on internal services.

Table 12: Actual three-year spending on core responsibilities and internal services (dollars)

Core responsibilities and internal services	2025–26 Main Estimates[1]	2025–26 total authorities available for use[2]	Actual spending over three years (authorities used)[3]
Domestic and International Markets	808,901,900	812,365,778	2023–24: 775,574,824 2024-25: 751,310,024 2025-26: 781,244,728
Science and Innovation	911,749,091	948,822,311	2023–24: 829,601,910 2024-25: 906,924,199 2025-26: 882,240,035
Sector Risk	2,035,048,761	2,018,384,778	2023–24: 2,300,585,983 2024-25: 2,125,046,079 2025-26: 2,000,532,878
Subtotal	**3,755,699,752**	**3,779,572,867**	**2023–24: 3,905,762,717** **2024-25: 3,783,280,302** **2025-26: 3,664,017,641**
Internal services	179,970,693	228,878,793	2023–24: 257,678,682 2024-25: 247,220,268 2025-26: 228,693,115
Total	**3,935,670,445**	**4,008,451,660**	**2023–24: 4,163,441,399** **2024-25: 4,030,500,570** **2025-26: 3,892,710,756**

1. Main Estimates figures are as reported in the 2025-26 Main Estimates Expenditures by Program or Purpose.
2. Total authorities reflect 2025-26 Main Estimates and a net total increase of $72.8 million consisting of adjustments to statutory amounts to equal actual spending, Supplementary Estimates and allocations from central votes received during 2025-26, as well as other adjustments and amounts available from previous year, as reported in the Public Accounts of Canada 2026.
3. Actual spending figures represent the actual expenditures incurred during the respective fiscal year, as reported in Public Accounts. In certain cases, where authorized amounts are unspent, they can be reprofiled for use in future years.

Analysis of the past three years of spending

Actual spending was lower in 2024–25 compared to 2023–24 as it reflected a decreased requirement for support under the AgriRecovery and AgriStability programs as well as decreased spending for the Dairy Direct Payment Program. It also reflected spending savings under the refocusing government spending exercise. This was offset by increased spending for the Sustainable Canadian Agricultural Partnership (Sustainable CAP), the AgriInsurance Program, the Agricultural Clean Technology Program, the Supply Management Processing Investment Fund and the Poultry and Egg On-Farm Investment Program.

Actual spending was lower in 2025–26 compared to 2024–25 as it reflected a decreased requirement for support under the AgriInsurance and AgriRecovery programs, decreased spending for the Agricultural Clean Technology Program, the Poultry and Egg On-Farm Investment Program and the Advance Payments Program under the *Agricultural Marketing Programs Act*. It also reflected spending savings under the refocusing government spending exercise. This was offset by increased spending for the Food Policy Initiatives, the Dairy Innovation Investment Fund and the Supply Management Processing Investment Fund.

The Finances section of the Infographic for AAFC on GC Infobase provides more financial information from previous years.

Planned spending for next three years

Table 13 shows AAFC's planned spending for each of the next three years on its core responsibilities and on internal services.

Table 13: Planned three-year spending on core responsibilities and internal services (dollars)

Core responsibilities and internal services	2026–27 planned spending[1]	2027–28 planned spending[1]	2028–29 planned spending[1]
Domestic and International Markets	702,386,337	566,850,187	255,200,371
Science and Innovation	780,408,311	735,732,823	306,369,042
Sector Risk	2,027,326,208	1,983,197,790	814,787,197
Subtotal	**3,510,120,856**	**3,285,780,800**	**1,376,356,610**
Internal services	167,448,303	157,142,512	120,247,367

Core responsibilities and internal services	2026–27 planned spending[1]	2027–28 planned spending[1]	2028–29 planned spending[1]
Total	**3,677,569,159**	**3,442,923,312**	**1,496,603,977**

1. 2026-27 to 2028-29 Planned spending figures are as reported in the 2026–27 Departmental Plan. It does not reflect funding announced in Budget 2026.

Analysis of the next three years of planned spending

The decrease in 2027–28 planned spending reflects the expiry of the Wine Sector Support Program and the Local Food Infrastructure Fund at the end of 2026–27. It also reflects a further statutory forecast decrease for the Advance Payments Program under the *Agricultural Marketing Programs Act*, the winding down of the Supply Management Processing Investment Fund and reduced planned funding for the non-BRM programs under the Sustainable Canadian Agricultural Partnership (Sustainable CAP) and the Dairy Innovation and Investment Fund. It also reflects budget reductions under the Comprehensive Expenditure Review.

The decrease in 2028–29 planned spending reflects the expiry of the current five-year Sustainable Canadian Agricultural Partnership (Sustainable CAP) authorities at the end of 2027–28 which have to be renewed in collaboration with provinces and territories as well as the expiry of the On-Farm Climate Action Stream of the Agricultural Climate Solutions Program, the Supply Management Processing Investment Fund and the Agricultural Clean Technology Program at the end of 2027–28. It also reflects the winding down of Dairy Direct Payment Program and further reduced planned funding for the Poultry and Egg On-Farm Investment Program and the Dairy Innovation and Investment Fund as well as further budget reductions under the Comprehensive Expenditure Review.

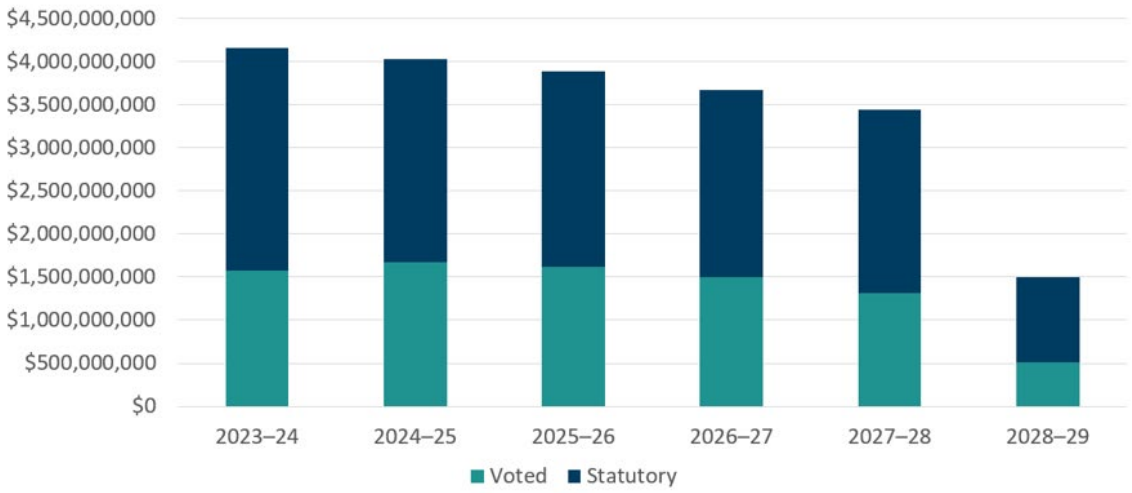
The Finances section of the Infographic for AAFC on GC Infobase provides more detailed financial information related to future years.

Funding

This section provides an overview of the department's voted and statutory funding for its core responsibilities and for internal services.

Graph 1 summarizes the department's approved voted and statutory funding from 2023–24 to 2028–29.

Graph 1: Approved funding (statutory and voted) over a six-year period



The above graph illustrates the actual spending for the years 2023–24 to 2025–26 and the planned spending for the years 2026–27 to 2028–29 broken down by Statutory, Voted and Total Spending.

Fiscal year	Statutory	Voted	Total
2023–24	$ 2,582,802,399	$ 1,580,639,000	$ 4,163,441,399
2024–25	$ 2,354,607,543	$ 1,675,893,027	$ 4,030,500,570
2025–26	$ 2,271,433,253	$ 1,621,277,503	$ 3,892,710,756
2026–27	$ 2,179,243,454	$ 1,498,325,705	$ 3,677,569,159
2027–28	$ 2,130,518,747	$ 1,312,404,565	$ 3,442,923,312
2028–29	$ 984,262,259	$ 512,341,718	$ 1,496,603,977

Analysis of statutory and voted funding over a six-year period

Over the period 2023–24 to 2028–29, spending varies from a high of $4.2 billion spent in 2023–24 to a low of $1.5 billion planned in 2028–29. Agriculture and Agri-Food Canada's programs and initiatives vary from year-to-year in response to changes affecting the agriculture, agri-food and agri-based products sector, as outlined below.

Statutory actual spending was lower in 2024–25 compared to 2023–24 as it reflected a decreased requirement for support under the AgriRecovery and AgriStability programs as well as decreased spending for the Dairy Direct Payment Program. This was offset by increased spending for the AgriInsurance Program.

Statutory actual spending was lower in 2025–26 compared to 2024–25 as it reflected a decreased requirement for support for the AgriInsurance and AgriRecovery programs and a decrease for the Advance Payments Program under the *Agricultural Marketing Programs Act*. This was offset by increased spending for the Dairy Innovation and Investment Fund.

Statutory planned funding decreases in 2026–27 as it reflects a further decreased requirement for support under the AgriInsurance Program and reduced statutory planned funding for the Dairy

Direct Payment Program. This is offset by an increased requirement for support under the AgriRecovery Program, a statutory forecast increase for the Advance Payments Program under the *Agricultural Marketing Programs Act* and increased planned funding for the Dairy Innovation and Investment Fund.

Statutory planned funding decreases in 2027–28 as it reflects a further statutory forecast decrease for the Advance Payments Program under the *Agricultural Marketing Programs Act* and reduced statutory planned funding for the Dairy Innovation and Investment Fund.

Statutory planned funding decreases in 2028–29 as it reflects the expiry of the current five-year Sustainable Canadian Agricultural Partnership (Sustainable CAP) statutory authorities at the end of 2027-28 which have to be renewed in collaboration with provinces and territories. It also reflects the winding down of the Dairy Direct Payment Program and further reduced planned funding for the Dairy Innovation and Investment Fund.

Voted actual spending was higher in 2024–25 compared to 2023–24 as it reflected increased spending for the Sustainable Canadian Agricultural Partnership (Sustainable CAP), the Agricultural Clean Technology Program, the Supply Management Processing Investment Fund and the Poultry and Egg On-Farm Investment Program. The increase was offset by decreased spending under the Food Policy Initiatives and the Wine Sector Support Program as well as spending savings under the refocusing government spending exercise.

Voted actual spending was lower in 2025–26 compared to 2024–25 as it reflected decreased spending for the Agricultural Clean Technology Program and the Poultry and Egg On-Farm Investment Program as well as spending savings under the refocusing government spending exercise. This was offset by increased spending for the Food Policy Initiatives and the Supply Management Processing Investment Fund.

The decrease in 2026–27 voted planned spending reflects reduced planned funding for the Agricultural Clean Technology Program and the Food Policy Initiatives. It also reflects amounts carried forward from 2024–25 to 2025–26, budget reductions under the Comprehensive Expenditure Review, further spending savings under the refocusing government spending exercise as well as the expiry of funding for the Fertilizer Program under the Emissions Reduction Plan.

The decrease in 2027–28 voted planned spending reflects the expiry of the Wine Sector Support Program and the Local Food Infrastructure Fund at the end of 2026–27. It also reflects the winding down of the Supply Management Processing Investment Fund and reduced planned funding for the non-BRM programs under the Sustainable Canadian Agricultural Partnership (Sustainable CAP) as well as further budget reductions under the Comprehensive Expenditure Review.

The decrease in 2028–29 voted planned spending reflects the expiry of the current five-year Sustainable Canadian Agricultural Partnership (Sustainable CAP) voted authorities at the end of 2027–28 which have to be renewed in collaboration with provinces and territories. It also reflects the expiry of the On-Farm Climate Action Stream of the Agricultural Climate Solutions Program, the Supply Management Processing Investment Fund and the Agricultural Clean Technology Program at the end of 2027–28 as well as further reduced planned funding for the Poultry and Egg On-Farm

Investment Program. It also reflects further budget reductions under the Comprehensive Expenditure Review.

Consult the Public Accounts of Canada for further information on AAFC's departmental voted and statutory expenditures.

Financial statement highlights

This section presents AAFC's Financial statements (unaudited) for the year ended March 31, 2026.

Table 14 summarizes the expenses and revenues for 2025–26, which net to the cost of operations before government funding and transfers.

Table 14: Condensed Statement of Operations (unaudited) for the year ended March 31, 2026 (dollars)

Financial information	2025–26 actual results	2025–26 planned results	Difference (actual results minus planned)
Total expenses	3,720,576,000	3,702,003,000	18,573,000
Total revenues	58,892,000	67,865,000	(8,973,000)
Net cost of operations before government funding and transfers	3,661,684,000	3,634,138,000	27,546,000

Analysis of expenses and revenues for 2025–26

Planned expenses for 2025–26 were $3,702.0 million compared to actual expenses of $3,720.6 million, an increase of $18.6 million.

The 2025–26 planned results information is provided in AAFC's Future-Oriented Statement of Operations and Notes 2025–26.

Table 15 summarizes actual expenses and revenues and shows the net cost of operations before government funding and transfers.

Table 15: Condensed Statement of Operations (unaudited) for 2024–25 and 2025–26 (dollars)

Financial information	2025–26 actual results	2024–25 actual results	Difference (2025–26 minus 2024–25)
Total expenses	3,720,576,000	3,786,212,000	(65,636,000)
Total revenues	58,892,000	57,409,000	1,483,000
Net cost of operations before government funding and transfers	3,661,684,000	3,728,803,000	(67,119,000)

Analysis of differences in expenses and revenues between 2024–25 and 2025–26

Total expenses were $3,720.6 million in 2025–26, a decrease of $65.6 million from $3,786.2 million in the previous year. The decrease was primarily due to reduced spending within statutory programs, as there was reduced demand and fewer natural disasters. Reduced spending was also noted within the Agricultural Clean Technology Program and the Poultry and Egg On-Farm Investment. The declines were, partially offset by increased spending within the Food Policy Initiatives.

Total net revenues in 2025-26 were $58.9 million as compared to $57.4 million in 2024–25, an increase of $1.5 million primarily due to higher Crop Reinsurance Fund revenue, partially offset by lower interest revenue and joint project and cost-sharing agreement revenue.

Table 16 provides a brief snapshot of the amounts the department owes or must spend (liabilities) and its available resources (assets), which helps to indicate its ability to carry out programs and services.

Table 16: Condensed Statement of Financial Position (unaudited) as of March 31, 2026 (dollars)

Financial information	Actual fiscal year (2025–26)	Previous fiscal year (2024–25)	Difference (2025–26 minus 2024–25)
Total net liabilities	1,664,762,000	2,028,893,000	(364,131,000)
Total net financial assets	1,575,067,000	1,944,085,000	(369,018,000)
Departmental net debt	89,695,000	84,808,000	4,887,000

Financial information	Actual fiscal year (2025–26)	Previous fiscal year (2024–25)	Difference (2025–26 minus 2024–25)
Total non-financial assets	538,605,000	513,311,000	25,294,000
Departmental net financial position	448,910,000	428,503,000	20,407,000

Analysis of department's liabilities and assets since last fiscal year

Liabilities arising from departmental activities at the end of 2025–26 were $1,664.8 million, a decrease of $364.1 million compared to the previous year's liabilities of $2,028.9 million. The decrease mainly relates to the accrual under the Dairy Direct Payment Program and a reduced accounts payable for statutory programming.

Total net financial assets at the end of 2025-26 were $1,575.1 million, consisting primarily of assets due from the Consolidated Revenue Fund. The decrease relates to the Dairy Direct Payment program and the reduction in demand-driven programs. The department also held non-financial assets totaling $538.6 million on March 31, 2026, an increase of $25.3 million from last year's $513.3 million, relating to tangible capital assets.

Human resources

This section presents an overview of the department's actual and planned human resources from 2023–24 to 2028–29.

Table 17 shows a summary in full-time equivalents of human resources for AAFC's core responsibilities and for its internal services for the previous three fiscal years.

Table 17: Actual human resources for core responsibilities and internal services for the last three years

Core responsibilities and internal services	2023–24 actual full-time equivalents	2024–25 actual full-time equivalents	2025–26 actual full-time equivalents [1]
Domestic and International Markets	551	563	551
Science and Innovation	2,601	2,621	2,508
Sector Risk	414	412	388
Subtotal	**3,566**	**3,596**	**3,447**
Internal services	1,507	1,538	1,457
Total	**5,073**	**5,134**	**4,904**

1. Actual Full-Time Equivalents – Reflect only those Full-Time Equivalents funded through the department's appropriated resources. In addition to the actual Full-Time Equivalents of 4,904 there were 59 full-time equivalents employed by Agriculture and Agri-Food Canada for research funded through collaborative agreements with industry partners and 561 full-time equivalents employed as students.

Analysis of human resources for the last three years

The increase in full-time equivalents from 2023–24 to 2024–25 is due to staffing required to support service delivery improvements and government priorities and increased support for the On-Farm Climate Action Stream of the Agricultural Climate Solutions Program, the Supply Management Processing Investment Fund and the Poultry and Egg On-Farm Investment Program.

The decrease in full-time equivalents from 2024–25 to 2025–26 is due to attrition and vacancy management under the refocusing government spending exercise.

Table 18 shows the planned full-time equivalents for each of AAFC's core responsibilities and for its internal services for the next three years. Human resources for the current fiscal year are forecast based on year to date.

Table 18: Human resources planning summary for core responsibilities and internal services for the next three years

Core responsibilities and internal services	2026–27 planned full-time equivalents[1]	2027–28 planned full-time equivalents	2028–29 planned full-time equivalents
Domestic and International Markets	548	494	471
Science and Innovation	2,460	2,455	2,125
Sector Risk	396	396	396
Subtotal	**3,404**	**3,345**	**2,992**
Internal services	1,397	1,297	1,223
Total	**4,801**	**4,642**	**4,215**

1. Planned full-time equivalents are as reported in the 2026-27 Departmental Plans.

Analysis of human resources for the next three years

The decrease in full-time equivalents in 2027–28 reflects budget reductions under the Comprehensive Expenditure Review and the expiry of the Local Food Infrastructure Fund and the Wine Sector Support Program at the end of 2026–27.

The decrease in full-time equivalents in 2028–29 reflects further budget reductions under the Comprehensive Expenditure Review. It also reflects the expiry of the On-Farm Climate Action Stream of the Agricultural Climate Solutions Program, the Agricultural Clean Technology Program and the Supply Management Processing Investment Fund.

Supplementary information tables

The following supplementary information tables are available on AAFC's website:

- Details on transfer payment programs
- Gender-based Analysis Plus
- Response to Parliamentary committees and external audits

Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The department of Finance Canada publishes cost estimates and projections for these measures each year in the Report on Federal Tax Expenditures. This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs as well as evaluations and GBA Plus of tax expenditures.

Corporate information

Departmental profile

Appropriate minister: The Honourable Heath MacDonald

Institutional head: Lawrence Hanson, Deputy Minister

Ministerial portfolio: Agriculture and Agri-Food Canada

Enabling instrument: *Department of Agriculture and Agri-Food Act* (R.S.C. 1985, c. A-9)

Year of incorporation or commencement: 1994

Departmental contact information

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Website(s): agriculture.canada.ca

Definitions

appropriation (crédit)

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (dépenses budgétaires)

Operating and capital expenditures; transfer payments to other levels of government, departments or individuals; and payments to Crown corporations.

core responsibility (responsabilité essentielle)

An enduring function or role of a department. The departmental results listed for a core responsibility reflect the outcomes that the department seeks to influence or achieve.

Departmental Plan (plan ministériel)

A report that outlines the anticipated activities and expected performance of an appropriated department over a three-year period. Departmental Plans are usually tabled in Parliament in spring.

departmental priority (priorité)

A plan, project or activity that a department focuses and reports on during a specific planning period. Priorities represent the most important things to be done or those to be addressed first to help achieve the desired departmental results.

departmental result (résultat ministériel)

A high-level outcome related to the core responsibilities of a department.

departmental result indicator (indicateur de résultat ministériel)

A quantitative or qualitative measure that assesses progress toward a departmental result.

departmental results framework (cadre ministériel des résultats)

A framework that connects the department's core responsibilities to its departmental results and departmental result indicators.

Departmental Results Report (rapport sur les résultats ministériels)

A report outlining a department's accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

Full-time equivalent (équivalent temps plein)

Measures the person years in a departmental budget. An employee's scheduled hours per week divided by the employer's hours for a full-time workweek calculates a full-time equivalent. For example, an employee who works 20 hours in a 40-hour standard workweek represents a 0.5 full-time equivalent.

Gender-based Analysis Plus (GBA Plus) (analyse comparative entre les sexes plus [ACS Plus])

An analytical tool that helps to understand the ways diverse individuals experience policies, programs and other initiatives. Applying GBA Plus to policies, programs and other initiatives helps to identify the different needs of the people affected, the ways to be more responsive and inclusive, and the methods to anticipate and mitigate potential barriers to accessing or benefitting from the initiative. GBA Plus goes beyond biological (sex) and socio-cultural (gender) differences to consider other factors, such as age, disability, education, ethnicity, economic status, geography (including rurality), language, race, religion, and sexual orientation.

government priorities (priorités pangouvernementales)

For the purpose of the 2025–26 Departmental Results Report, government priorities are the high-level themes outlining the government's agenda as announced in the 2025 Speech from the Throne.

horizontal initiative (initiative horizontale)

A program, project or other initiative where two or more federal departments receive funding to work collaboratively on a shared outcome usually linked to a government priority, and where the ministers involved agree to designate it as horizontal. Specific reporting requirements apply, including that the lead department must report on combined expenditures and results.

Indigenous business (entreprise autochtones)

Requirements for verifying Indigenous businesses for the purposes of the departmental result report are available through the Indigenous Services Canada Mandatory minimum 5% Indigenous procurement target website.

non-budgetary expenditures (dépenses non budgétaires)

Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (rendement)

What a department did with its resources to achieve its results, how well those results compare to what the department intended to achieve, and how well lessons learned have been identified.

performance indicator (indicateur de rendement)

A qualitative or quantitative measure that assesses progress toward a departmental-level or program-level result, or the expected outputs or outcomes of a program, policy or initiative.

plan (plan)

The articulation of strategic choices, which provides information on how a department intends to achieve its priorities and associated results. Generally, a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead to the expected result.

planned spending (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to the amounts presented in Main Estimates. Departments must determine their planned spending and be able to defend the financial numbers presented in their Departmental Plans and Departmental Results Reports.

program (programme)

An Individual, group, or combination of services and activities managed together within a department and focused on a specific set of outputs, outcomes or service levels.

program inventory (répertoire des programmes)

A listing that identifies all the department's programs and the resources that contribute to delivering on the department's core responsibilities and achieving its results.

result (résultat)

An outcome or output related to the activities of a department, policy, program or initiative.

statutory expenditures (dépenses législatives)

Spending approved through legislation passed in Parliament, other than appropriation acts. The legislation sets out the purpose and the terms and conditions of the expenditures.

target (cible)

A quantitative or qualitative, measurable goal that a department, program or initiative plans to achieve within a specified time period.

voted expenditures (dépenses votées)

Spending approved annually through an appropriation act passed in Parliament. The vote also outlines the conditions that govern the spending.