

# **Agriculture and Agri-Food Canada**

**Quarterly Financial Report  
For the quarter ended December 31, 2025**

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**Introduction**

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

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

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

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

**Basis of presentation**

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

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

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

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

This quarterly financial report reflects the results of the current fiscal period compared with the authorities approved by Parliament and budget adjustments approved by Treasury Board up to December 31, 2025.

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

**Comparison of total authorities available for use and total year-to-date expenditures for the quarter ended December 31 of fiscal years 2025–26 and 2024–25**

<b>All votes and statutory authorities (in millions of dollars)</b>	<b>2025–26</b>	<b>2024–25</b>
Total authorities available for use	4,122	4,013
Total year-to-date expenditures	2,214	2,294
Utilization (%)	54	57

**A. Significant changes to authorities**

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

**Comparison of total authorities as of December 31 of fiscal years 2025–26 and 2024–25**

<b>Authorities (in millions of dollars)</b>	<b>2025–26</b>	<b>2024–25</b>	<b>Variances</b>
Vote 1 — Net Operating Authorities	713	708	5
Vote 5 — Capital Authorities	80	74	6
Vote 10 — Grants and Contributions	928	957	(29)
Budgetary statutory authorities	2,401	2,275	127
<b>Total Authorities</b>	<b>4,122</b>	<b>4,013</b>	<b>109</b>

Note: Totals may not add due to rounding.

## Agriculture and Agri-Food Canada

### Quarterly Financial Report

#### For the quarter ended December 31, 2025

As of the end of the third quarter of fiscal year 2025–26, authorities of \$4,122 million are 3% or \$109 million higher than the same quarter last year due to the following changes:

- Budgetary statutory authorities increased by \$127 million, mainly due to a \$109 million forecast increase for the AgriStability program to support the primary agriculture sector and to maintain a viable agriculture industry in Canada as producers face trade measures from the United States and China.
- Vote 10 — Grants and Contributions decreased by \$29 million, primarily due to a \$25 million net decrease in Sustainable Canadian Agricultural Partnership cost-shared initiatives, reflecting a smaller amount of re-profiled funding carried forward from the previous fiscal year.
- Vote 5 — Capital Authorities increased by \$6 million, mainly attributable to \$7 million in additional funding for the Laboratory Asset Renewal Initiative.
- Vote 1 — Net Operating Authorities increased by \$5 million, primarily due to an \$11 million funding increase for collective agreements and a \$5 million increase in the Operating Budget Carry Forward. These increases were partially offset by decreases related to the Refocusing Government Spending exercise.

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

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

#### Comparison of year-to-date expenditures for the quarter ended December 31 of fiscal years 2025–26 and 2024–25

<b>Expenditures (in millions of dollars)</b>	<b>2025–26</b>	<b>2024–25</b>	<b>Variance</b>
Vote 1 — Net Operating expenditures	488	493	(5)
Vote 5 — Capital expenditures	43	26	16
Vote 10 — Grants and Contributions expenditures	420	419	1
Budgetary statutory expenditures	1,263	1,356	(92)
<b>Total Net Budgetary Expenditures</b>	<b>2,214</b>	<b>2,294</b>	<b>(80)</b>

Note: Totals may not add due to rounding.

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#### **For the quarter ended December 31, 2025**

As of the end of the third quarter of fiscal year 2025–26, expenditures of \$2,214 million are 3% or \$80 million lower than the same quarter last year due to the following changes:

- Budgetary statutory expenditures decreased by \$92 million, primarily reflecting \$50 million in lower payments under the Dairy Direct Payment Program because of delays in processing invoices. The decrease also reflects \$28 million lower payments under the Agricultural Marketing Programs Act as interest costs declined. AgriInsurance payments were also \$20 million lower due to the timing of claims.
- Vote 5 — Capital expenditures increased by \$16 million, largely due to Investment Plan projects at the Charlottetown and Saskatoon research and development centres, along with other building systems upgrades.
- Vote 1 — Net Operating expenditures decreased by \$5 million, mainly due to lower salary expenses.
- Vote 10 — Grants and Contributions expenditures were relatively stable, increasing by \$1 million.

### **Risks and uncertainties**

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

The department remains vigilant and continues to prepare for risks, situations and events that affect its operating environment. Departmental mitigations are in place to manage risks related to AAFC's people and processes. This helps AAFC maintain the right balance of staff to workload and ensure employees are adequately developed, engaged and supported (Our People). It also helps the department navigate financial pressures and allocate scarce resources to areas of greatest importance (Prioritization and Oversight).

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

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

AAFC will continue to closely monitor its environment and operations to ensure resources are managed effectively to deliver expected results or to reallocate resources to key priorities as needed.

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

#### **Personnel**

There have been no significant changes in relation to personnel.

#### **Programs**

AgriStability program enhancements: Funding of \$109 million in 2025–26 will support 2025 program year enhancements to AgriStability, including increasing the compensation rate from 80% to 90% and doubling the payment cap to \$6 million per farm.

#### **Approval by senior officials**

Approved by:

Original Signed By

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Lawrence Hanson, Deputy Minister  
Ottawa, Canada

Original Signed By

\_\_\_\_\_  
Alain Lagacé, Chief Financial Officer  
Ottawa, Canada

**Agriculture and Agri-Food Canada**  
**Statement of Authorities (unaudited)**  
**For the quarter ended December 31, 2025**  
*(in thousands of dollars)*

	Fiscal year 2025–26			Fiscal year 2024–25		
	Total available for use for the year ending March 31, 2026 <sup>(1)</sup>	Used during the quarter ended December 31, 2025	Year to date used at quarter-end	Total available for use for the year ending March 31, 2025 <sup>(1)</sup>	Used during the quarter ended December 31, 2024	Year to date used at quarter-end
<b>Vote 1 — Net Operating expenditures</b>	712,950	167,835	488,294	707,947	166,186	493,276
<b>Vote 5 — Capital expenditures</b>	80,164	22,195	42,839	73,923	13,177	26,477
<b>Vote 10 — Grants and contributions</b>	927,942	160,239	419,682	956,612	179,785	418,517
<b>Budgetary statutory authorities<sup>(2)</sup></b>	2,401,344	698,976	1,263,239	2,274,561	777,990	1,355,717
<b>Total Budgetary authorities</b>	4,122,399	1,049,245	2,214,054	4,013,043	1,137,138	2,293,987
<b>Total authorities</b>	<b>4,122,399</b>	<b>1,049,245</b>	<b>2,214,054</b>	<b>4,013,043</b>	<b>1,137,138</b>	<b>2,293,987</b>

**Notes:**

Totals may not add due to rounding.

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

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

**Agriculture and Agri-Food Canada**  
**Departmental Budgetary Expenditures by Standard Object (unaudited)**  
**For the quarter ended December 31, 2025**  
*(in thousands of dollars)*

	Fiscal year 2025–26			Fiscal year 2024–25		
	Planned expenditures for the year ending March 31, 2026	Expended during the quarter ended December 31, 2025	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended December 31, 2024	Year to date used at quarter-end
<b>Expenditures:</b>						
<b>Personnel*</b>	636,547	153,317	469,140	616,746	154,590	465,694
<b>Transportation and communications</b>	9,734	2,629	6,757	8,313	2,524	6,582
<b>Information</b>	10,703	3,006	5,410	12,862	3,409	5,653
<b>Professional and special services</b>	133,445	34,926	73,850	129,688	25,775	64,032
<b>Rentals</b>	11,981	2,087	6,932	12,690	1,287	7,698
<b>Repair and maintenance</b>	15,866	4,598	10,407	18,493	3,874	9,073
<b>Utilities, materials and supplies</b>	43,516	8,885	23,446	63,316	8,750	24,238
<b>Acquisition of land, buildings and works</b>	21,776	7,465	14,754	24,879	6,148	11,808
<b>Acquisition of machinery and equipment</b>	43,556	5,866	14,307	36,694	6,555	13,862
<b>Transfer payments</b>	3,240,652	725,325	1,496,089	3,141,777	786,762	1,564,595
<b>Other subsidies and payments</b>	18,285	111,939	127,519	9,895	152,221	158,717
<b>Total gross budgetary expenditures</b>	<b>4,186,062</b>	<b>1,060,042</b>	<b>2,248,611</b>	<b>4,075,355</b>	<b>1,151,894</b>	<b>2,331,953</b>
<b>Less Revenues netted against expenditures:</b>						
<b>Vote-netted revenues</b>	63,662	10,797	34,556	62,312	14,756	37,966
<b>Total net budgetary expenditures</b>	<b>4,122,399</b>	<b>1,049,245</b>	<b>2,214,054</b>	<b>4,013,043</b>	<b>1,137,138</b>	<b>2,293,987</b>
<b>Notes:</b> Totals may not add due to rounding.						
*: Personnel includes salaries and wages (including students and casuals), overtime and allowances, severance and retroactive pay as well as the department's contributions to employee benefit plans.						

**Agriculture and Agri-Food Canada**  
**Budgetary Statutory Authorities Breakdown (unaudited)**  
For the quarter ended December 31, 2025  
*(in thousands of dollars)*

**Appendix A**

	Fiscal year 2025–26			Fiscal year 2024–25		
	Planned expenditures for the year ending March 31, 2026	Expended during the quarter ended December 31, 2025	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended December 31, 2024	Year to date used at quarter-end
Contributions to employee benefit plans	80,847	20,212	60,635	72,151	35,506	53,259
Minister of Agriculture and Agri-Food —Salary and motor car allowance	102	25	77	99	49	74
Contribution payments for the AgriStability program	431,886	(937)	(23,407)	322,358	(2,060)	(15,043)
Contribution payments for the AgriInsurance program	1,033,783	507,754	894,502	1,033,783	892,620	914,613
Grant payments for the AgriInvest program	153,974	36,168	134,930	162,774	100,059	141,118
Payments in connection with the <i>Agricultural Marketing Programs Act</i>	169,001	16,274	56,344	160,183	67,904	83,989
Grant payments for the AgriStability program	68,563	81	163	52,063	(346)	100
Contribution payments for the AgriInvest program	19,779	6,942	14,955	28,279	18,828	19,904
Loan guarantees under the <i>Canadian Agricultural Loans Act</i>	13,111	-	-	13,111	-	425
Contributions in support of the Assistance to the Pork Industry Initiative	-	-	(192)	-	-	(2,814)
Grants to agencies established under the <i>Farm Products Agencies Act</i>	100	-	-	100	-	-
Contribution payments for the Agricultural Disaster Relief Program (ADRP)/AgriRecovery	118,513	(1,329)	(1,370)	118,513	397	2,930
Contribution payments for the Livestock Price Insurance program (Farm Income Protection Act)	4,000	244	612	4,000	883	883
Canadian Pari-Mutuel Agency Revolving Fund	872	500	235	1,848	1,131	745
Spending of Amounts Equivalent to Proceeds from Disposal of Surplus Moveable Crown Assets	6,811	2,394	5,933	15,298	3,943	5,560
Refunds of amounts credited to revenues in previous years	-	-	20	-	-	-
Grant payments for the Canadian Agricultural Income Stabilization program Inventory Transition Initiative	-	-	(5)	-	(5)	(9)
Contribution payments for the Canadian Agricultural Income Stabilization program Inventory Transition	-	(10)	(25)	-	-	(16)
Grant Payments Related to the Dairy Direct Payment Program	250,000	100,000	100,000	290,000	150,000	150,000
Contribution Payments for the Dairy Innovation and Investment Fund	50,000	10,659	19,832	-	-	-
<b>Budgetary statutory authorities</b>	<b>2,401,344</b>	<b>698,976</b>	<b>1,263,239</b>	<b>2,274,561</b>	<b>1,268,912</b>	<b>1,355,717</b>
<b>Note:</b> Totals may not add due to rounding.						