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# Standing Committee on Agriculture and Agri-Food

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Chair: Michael Coteau





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Thursday, April 23, 2026

• (1145)

[English]

**The Chair (Michael Coteau (Scarborough—Woburn, Lib.)):**  
I call the meeting to order.

I'd like to make a few comments for the benefit of the new witnesses.

Please wait until I recognize you before speaking or before you're asked any question directly by a member.

For those participating by video conference, click the microphone icon to activate your mic, and please mute yourself when you're not speaking. For those on Zoom, at the bottom of your screen, you can select the appropriate channel for interpretation: floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

This is a reminder that all comments should be addressed through the chair.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, September 18, 2025, the committee is resuming its study on business risk management programs in Canada's agriculture sector.

I noticed while reading my comments that there was nothing about the microphones and earpieces. Please keep your earpieces away from the microphones. Try not to speak too close to the microphone. It's to protect the health and well-being of our interpreters, who work so hard. If you have any questions, there is a QR code on the cards.

Are the cards still circulating? I've been referring to the QR codes, but I don't see any. We'll get those back. If you have any questions about the process regarding the microphone, please let me know.

Joining us today, we have Mr. Atkins, CEO of the Agricultural Credit Corporation.

From L'Union des producteurs agricoles we have Charles-Félix Ross, who is the general manager.

From the National Circle for Indigenous Agriculture and Food, we have Chris McKee. He is the senior vice-president of business development.

Each of you will have five minutes for your opening remarks. Then we'll go into rounds of questions with each of the respective parties.

We'll start with Mr. McKee.

**Chris McKee (Senior Vice-President of Business Development, National Circle for Indigenous Agriculture and Food):**  
Good afternoon, everybody. Thank you for the invitation to appear here today.

As mentioned, I'm Chris McKee, senior vice-president of business development for the National Circle for Indigenous Agriculture and Food. We're excited to have this opportunity.

Indigenous peoples represent the fastest-growing demographic in Canada. They're increasingly active in agriculture, food production and land stewardship. Indigenous agriculture has become one of the fastest-growing segments in the sector, yet it remains under-represented in a lot of current BRM programming. As we outlined in a recent submission to the Prime Minister and the Minister of Agriculture and Agri-Food Canada on the next policy framework, there's a clear opportunity and a necessity to ensure that indigenous agriculture is fully included in the next suite of programs.

Today, many indigenous producers face compound risks, climate volatility, limited access to capital, infrastructure gaps and challenges navigating these important program requirements. If the BRM programs are to achieve their intended outcomes, they must reflect the diversity of producers and ensure equitable access and meaningful participation.

I have a few key messages I want to highlight.

First, on indigenous inclusion and equitable access, inclusion must be embedded as a core pillar, not just as an add-on, through a suite of programs designed with indigenous producers, not for them. We recommend dedicated funding streams tailored to indigenous agriculture. This would be a fund that works integrally through all indigenous-led agriculture and food projects, including business acquisition, product expansion, capacity building and supply chain development.

Second, we need climate resiliency and modernization of risk management to make sure we evolve to reflect the realities of climate change and move from reactive compensation towards proactive risk mitigation.

The third piece we want to touch on is market development alongside infrastructure and regional realities. Risks extend beyond production. They're also tied to markets and infrastructure. There's a strong and growing demand for indigenous producers and indigenous-branded products both domestically and internationally. However, these producers are often limited by gaps in processing capacity, cold storage and transportation infrastructure.

The fourth point to highlight is workforce and technology enablement. Workforce and technology are integral to managing risk. Labour shortages continue to impact productivity, particularly in rural and remote regions, where housing and transportation challenges persist. At the same time, inconsistent access to broadband and digital infrastructure limits the adoption of precision agriculture and data systems.

Finally, the fifth thing is strengthening the FPT framework to be more coordinated, transparent and outcomes-driven. We recommend having clearly defined policy outcomes with measurable targets, greater clarity in roles and responsibilities across jurisdictions, and transparent reporting to track progress and impact. It's equally important to ensure indigenous participation in program design and delivery through formalized mechanisms, including FPT indigenous agriculture tables.

In closing, strengthening BRM programs is about more than managing risk. It's about building a more inclusive, resilient and competitive agriculture sector. By embedding indigenous inclusion, modernizing risk management tools and investing in infrastructure and workforce, Canada can position its agriculture sector for long-term success.

Prime Minister Carney established a strategy to position Canada as a global agriculture and food superpower, with the goal of contributing to global food security by 2050. It focuses on expanding food production rather than exporting raw commodities, with a target of adding over \$45 billion to annual GDP over the next decade. Indigenous agriculture is a critical part of meeting that future goal.

The NCIAF stands ready to work with federal, provincial and territorial partners to codesign solutions that advance competitiveness, resilience and reconciliation.

Thank you.

• (1150)

**The Chair:** Thank you, Mr. McKee, for your important presentation. We appreciate it.

We'll next go to Mr. Atkins for five minutes.

**Jaye Atkins (Chief Executive Officer, Agricultural Credit Corporation):** Thank you, Mr. Chair, for the opportunity to address the committee today regarding business risk management programs. My particular focus is on the advance payments program, AgriStability and production insurance.

My name is Jaye Atkins, and for the last 15 years I have been the chief executive officer at the Agricultural Credit Corporation, which most of you know as ACC. We are a not-for-profit organization established in 1992 and led by a board of directors with 22 member organizations.

ACC administers a commodity loan program and the ginseng loan program in Ontario, as well as the advance payments program, which we administer in Ontario, Quebec, British Columbia and parts of Alberta. ACC has administered the advance payments program for over three decades, 34 years, to be exact.

As the second-largest administrator in Canada, we anticipate providing approximately \$1.1 billion in lending for the current year to more than 5,000 producers and ranchers. These funds enable producers to finance critical stages of production, including planning, growing, harvesting and marketing of their commodities in a manner that optimizes financial outcomes.

At ACC, we continue to expand our reach, particularly in the current lending environment, where we see traditional financial institutions are adopting a more cautious approach to agricultural financing. The value of this program is clearly demonstrated through engagement with producers at industry events. Many have indicated that, without access to the advance payments program, their operations would not be viable. This program is also well suited to young and beginning producers, and encourages participation in AgriStability and AgriInsurance, thereby enhancing risk management and financial viability.

Nationwide, the advance payments programs deliver operating capital to nearly 30,000 farmers and ranchers through its 28 administrators, and is certainly an attractive alternative in the current financing marketplace. We at ACC believe, however, that there are key opportunities to strengthen its effectiveness and delivery.

First, we recommend establishing a permanent interest-free threshold of \$350,000 under the program. This proposed adjustment reflects a continuous market increase for input costs, including fertilizer, seed, chemicals, fuel, labour, and equipment maintenance. Making this interest-free threshold permanent would provide much-needed certainty for both producers and administrators, replacing the current annual process, under which the limit reverts to the legislated \$100,000, unless otherwise announced by the Minister of Agriculture.

The current lack of predictability complicates planning and program utilization. Late announcements delay the producer applications as they await a possible announcement, and this delay frequently requires administrators to revisit and revise previously issued loans. At ACC, for example, this can involve reprocessing up to approximately 2,000 loans, resulting in increased administrative costs and delays in delivering funds to producers.

Second, we wish to raise concerns regarding the revised credit guidelines introduced by Agriculture and Agri-Food Canada in 2024. The requirements for these loans now exceed those typically applied when applying at a commercial financial institution, and increase both the complexity and duration of loan processing, without any demonstrable improvement in risk of default outcomes. For instance, the portion of applicants requiring full adjudication for us has increased, at ACC, from approximately 25% to 73%. While intended to strengthen oversight, these changes have instead introduced significant administration burden, with limited or no benefit in terms of reducing default rates.

Finally, we encourage the committee to recognize that administrators rely on assignments over AgriStability and production insurance as security for the advance payments program. Any changes in these programs may have direct implications for our ability to use them effectively as security instruments, and any changes require that careful consideration needs to be taken.

Having said all this, ACC believes that the advance payments program is one of the best programs out there. It is our goal to continue to provide, to as many producers as possible across Canada, this program that allows them continue farming and ranching operations.

Thank you for your consideration, Mr. Chairman. I'd be pleased to respond to any questions the committee has.

• (1155)

**The Chair:** That was perfect timing. You hit five minutes perfectly.

**Jaye Atkins:** Usually with a CEO, you don't want to give him a mic, Mr. Chairman.

**The Chair:** That's impressive. Thank you very much.

We'll go next to Mr. Charles-Félix Ross for five minutes.

[*Translation*]

**Charles-Félix Ross (General Manager, Union des producteurs agricoles):** Mr. Chair and committee members, thank you for giving us the opportunity to contribute to your work on the effectiveness of agricultural risk management programs in an environment marked by increasingly severe climate change and growing geopolitical uncertainties.

I'm speaking today on behalf of the Union des producteurs agricoles, which represents over 42,000 agricultural producers in Quebec. I'm its general manager. Our message is quite simple. To ensure the resilience and sustainability of Canada's agricultural sector, it's necessary to strengthen risk management programs and adapt public tools to current and future realities.

First, let me remind you of a key finding. Public support for agriculture in Canada remains lower than the support observed in a number of comparable countries. While the international average is around 2% of government spending, Canada currently allocates less than 1% of its spending to agriculture. In a period of heightened climate, economic and geopolitical risks, this gap is no longer tenable. We recommend that the federal government commit to gradually increasing its investments in agriculture to 2% of public spending. This increase should serve first and foremost to strengthen risk

management programs, which are producers' first line of defence in the face of shocks.

On that note, the AgriStability program requires significant improvement. The current trigger threshold fails to adequately cover the losses incurred by agricultural businesses. We recommend raising this threshold to 85% of the reference margin. This measure would provide more realistic protection and help businesses weather difficult times without compromising their long-term viability.

Second, the AgriRecovery framework requires a review. Extreme weather events, including droughts and floods, are becoming more frequent. The financial impact is immediate and often devastating. Yet it takes much too long to implement AgriRecovery initiatives. Producers need quick and predictable support tailored to the reality on the ground. We recommend simplifying the response mechanisms and speeding up the compensation payments.

Furthermore, the AgriInsurance program, the crop insurance, must become more flexible. Agricultural realities vary considerably from region to region, in particular as a result of weather conditions, production types and business structures. It's crucial to give the provinces all the leeway necessary to tailor crop insurance coverage to the specific risks faced by their producers. A more flexible approach will help to make the protection provided more relevant and effective.

These adjustments are vital in order to better respond to crises as they arise. However, they must fit into a much broader vision that also includes medium-term and long-term risk prevention. Research and technology transfer play a key role in this area. Climate change calls for extensive adaptations of agricultural practices. These adaptations include improved soil management techniques, diversification of production and innovations in water management.

Initiatives such as the living laboratories initiative are particularly effective tools. They provide a way to test and implement concrete solutions directly on the farm, together with producers. However, these initiatives remain underfunded, especially since the recent cuts to Agriculture and Agri-Food Canada's research budgets. Increased investments in applied research and knowledge transfer remain crucial so that Canada's agricultural sector can adapt to climate challenges.

Lastly, I would like to emphasize the importance of taking into account the regional realities and needs of small and medium-sized farms. These businesses lie at the heart of our agricultural fabric and play a key role in the vitality of our regions. The federal programs must be designed to remain accessible, adapted and effective for all producers, regardless of their size or location.

In conclusion, strengthening the resilience of Canadian agriculture means making clear choices. These choices include investing more, better protecting producers' revenue, improving the speed of crisis responses, providing flexible tools tailored to regional realities and supporting innovation in order to anticipate future challenges.

The agricultural sector is a strategic pillar of our economy, our food security and even our national security. It deserves tools commensurate with the risks that it faces.

Thank you for your attention. I look forward to answering the members' questions.

• (1200)

[*English*]

**The Chair:** Thank you very much.

We'll go to the Conservatives for six minutes.

Mr. Gourde.

[*Translation*]

**Jacques Gourde (Lévis—Lotbinière, CPC):** Thank you, Mr. Chair.

My question is for Mr. Ross from the Union des producteurs agricoles.

Mr. Ross, thank you for joining us.

You referred to budget cuts in research facilities across Canada, and especially in Quebec.

Some cultivars could make farms more profitable in the future, within five to ten years. Researchers have told us that yields could increase by 10% to 15%. I'm talking mainly about forages, but it could be something else. That too is part of risk management.

If we invest less in research, risk management programs may need to pay more in compensation in five or ten years.

Is prevention better than a cure?

**Charles-Félix Ross:** You're absolutely right. We need good risk management programs.

The Food and Agriculture Organization of the United Nations published a report last week stating that global warming was a reality. There will be extreme heat events. There are a number of risks, including floods and droughts. This will result in the loss of 500 billion hours of agricultural work every year. In concrete terms, this means crop losses and yield losses.

Yes, we can work on risk management. We need good programs, but above all we need to work on prevention and adapt to what lies ahead. To do this, we need to invest in research. We need to support farming businesses so that they can invest in new technologies, in innovations, in irrigation systems, in greenhouses or in anything involving soil practices. Quality soils are more resistant soils. We need to think of new approaches. Living laboratories are really a tool to help us adapt to the new reality.

I would say that prevention is better than a cure.

**Jacques Gourde:** Many of the farmers who came to my office complained that the advance payments program wasn't flexible enough and that it was difficult to go through a third party.

Is there any way to make this program more widely available? Less than 30% of Quebec farmers are currently eligible for it. They're required to split their guarantee between the third party and their financial institution.

Wouldn't it be simpler to give the guarantee directly to the financial institution of the farmer's choice? This would make it possible for some farmers to at least benefit from the interest-free portion.

**Charles-Félix Ross:** First, I would like to tell you that I'm also a director for the Agricultural Credit Corporation. I represent the Union des producteurs agricoles. I was invited to sit on the corporation's board of directors. I wanted to let the committee know.

At the Union des producteurs agricoles, our position is more or less the same as the corporation's position. We would like to at least see the interest-free portion maintained at \$350,000 and made a permanent part of the regulations.

If we have stability and we don't make changes every year, it will send a message of stability and predictability to farm businesses. Some businesses will enrol in the program because they think that they can obtain \$350,000 or any other interest-free amount. They'll work with their financial institutions. This predictability will increase the number of enrolments in the program.

The guarantees have always been shared since the program's inception. Financial institutions are often quite reluctant to share the guarantee. That said, when a business stands to gain a significant economic benefit, the banker or bank teller is generally accommodating. This is currently the case. The interest rates are higher. Businesses really stand to benefit from enrolling in the program. However, we need to make it more predictable and stable.

• (1205)

**Jacques Gourde:** The risk management programs don't take production costs into account. In the short term, how could we improve the programs in order to help certain productions that are always, or often, below the cost of production?

**Charles-Félix Ross:** It would be important to establish a threshold for providing support in the AgriStability program. It isn't necessary to guarantee 100% of businesses' production costs. However, a minimum level of support should be guaranteed to cover the business's main expenses.

This brings us to the problem with the AgriStability program. If producers have two or three bad years, for reasons or causes beyond their control—such as climate change or geopolitical tensions—these producers no longer have a reference margin, no longer qualify for support and no longer have any flexibility in terms of revenue.

Through the AgriStability program, would it be possible to guarantee a spending threshold? I would say yes. No program in Canada guarantees 100% of production costs. However, we could have an improved AgriStability program that would guarantee a percentage of production costs. In other words, it would be a minimum, a threshold for providing support.

**Jacques Gourde:** Briefly, would you like to highlight a previous request related to the AgriStability program?

**Charles-Félix Ross:** We would like to see the AgriStability program reinstate the same level of support as in the past. This means guaranteeing 85% of businesses' reference margins and establishing a threshold for providing support.

**Jacques Gourde:** Thank you.

[English]

**The Chair:** Thank you very much.

We'll go to the Liberals and MP Dandurand for six minutes.

[Translation]

**Marianne Dandurand (Compton—Stanstead, Lib.):** Thank you, Mr. Chair.

I would like to thank the witnesses for joining us in our study of business risk management programs.

I would like to start with you, Mr. McKee.

As you said, indigenous people are under-represented in agriculture. As a result, we hear much less about the challenges faced by these communities. I've already heard that the programs are poorly adapted to the reality of farming in an indigenous community.

Could you elaborate on how farming is done in indigenous communities? What are the differences?

[English]

**Chris McKee:** I think the biggest thing is that they're not understood. Oftentimes, we look at primary agriculture as agriculture. In indigenous communities, that may be traditional harvesting. That might be a greenhouse or a community garden, just to get that food security and food sovereignty back in place.

Oftentimes, the programming is fit for conventional financial benchmarks, but those benchmarks don't exist in a lot of communities just due to.... I can think of certain programs that want the financial farming income and expense claim that was submitted for income tax, but nations don't submit those same forms. Therefore, at the first checkbox on eligibility, it's "not eligible" and they just move on.

The more voices that are around the table in the creation of those programs, instead of saying afterward, "By the way, here's a suite of programs that would be great for you to use," and they see from the first three boxes that they're not eligible, or they're seen as not being eligible, and they just move on and it's not looked at.

[Translation]

**Marianne Dandurand:** There are major food security issues in indigenous communities. If risk management programs were improved, would this encourage the communities to invest more in agriculture and agri-food?

[English]

**Chris McKee:** Absolutely. I mean, it's more inclusion in the right suite of tools, and then also looking at what financial stability in those tools is sustainable.

A one-time injection or one conversation is not going to move the dial in that space. It has to be a concerted effort that is stabilized over time, not a one and done. It's more about getting around the table and starting the conversations. Then we can grow the food sector not only for those communities, but for the country as a whole.

There's a real opportunity. We've seen in over 60 projects that we're involved in across the country just the excitement of kids getting their hands back in the dirt. It's invigorating, but also, to meet our goal by 2050, we have to involve all pieces of that puzzle.

[Translation]

**Marianne Dandurand:** Thank you.

I'll now turn to Mr. Ross.

Mr. Ross, you're well versed in the entire suite of business risk management programs, which we're looking into. You spoke of a desire to strengthen the programs.

Some people are talking about major changes.

Do you think that the suite of risk management programs available generally covers all risks and simply needs some fine-tuning, or do you think that major changes are warranted?

● (1210)

**Charles-Félix Ross:** I think that there are some good programs, but that they really need improvement.

As I said, it would really be a good idea to consider establishing a spending threshold in the AgriStability program. For example, a reference margin, which basically amounts to the level of support, wouldn't be allowed to fall below a business's expenses or variable costs.

There should be a way to establish a threshold for providing support within the AgriStability program. This threshold would serve as a guarantee no matter what happens.

In the past, we've tried to tell producers that they should manage risk and be good managers. Producers are good managers. They can manage risk, but they can't manage a war or an exceptional weather event.

One of our requests or demands is the establishment of a threshold for providing support in the AgriStability program. In the past, this program has been criticized for covering profits in very good years. The AgriStability program can have a lower limit, but it can also have an upper limit for providing support. Quebec has the Agri-Québec Plus program, which complements the AgriStability program. The Quebec program guarantees 85% of the reference margin, but sets an upper limit for providing support. In Quebec, over 85% of our farms are enrolled in the AgriStability program, whereas this rate is less than 40% in the rest of Canada. Improved levels of support through complementary programs or the programs themselves result in higher enrolment rates. One of our requests is to improve the AgriStability program.

The AgriRecovery program, as we said, doesn't work. It steps in too late and involves complicated administrative procedures.

**Marianne Dandurand:** Mr. Ross, I have only about 30 seconds left.

You spoke about AgriRecovery. In some cases, for example in British Columbia, the program has been implemented more quickly. I don't know whether you're aware of these cases and whether you can comment on them. However, I must now pass the floor to the next speaker. Perhaps someone will let you answer the question.

[English]

**The Chair:** Maybe you can get that in the next round

We'll go to the Bloc for six minutes.

[Translation]

**Sébastien Lemire (Abitibi—Témiscamingue, BQ):** Thank you, Mr. Chair.

Mr. Ross, first, thank you for accepting our invitation. It's always good to have you here. I would also like to thank you for being particularly clear in your opening remarks.

Agricultural producers are entrepreneurs who take action. We know that, for them, things need to happen. However, the government talks and talks and holds consultations. Yet, in my opinion, your requests have been clear for a long time. The programs must be improved.

Basically, the next sustainable partnership should invest more money in the programs. You said some key words. You spoke about predictability, stability and speed.

What must be done to ensure this predictability, stability and speed?

**Charles-Félix Ross:** We need to start by addressing budgetary issues. As I mentioned in my opening remarks, less than 1% of the federal budget—which now exceeds \$500 billion—is allocated to agriculture. That amounts to less than \$4 billion for agriculture. We've set ourselves the goal of becoming an agricultural and agri-food superpower, yet we provide only half as much support to the agricultural sector as the countries of the Organisation for Economic Co-operation and Development and the United States do.

If we truly want to maintain the international competitiveness of our businesses, government budgets—both federal and provincial—must be increased. These additional funds could be invested

in better programs or in improvements to income security programs, as well as in research, development, technology transfer and support for agricultural and agri-food businesses.

Right now, the agricultural and agri-food sector is seriously underfunded, yet there's been a great deal of discussion with little action. I don't want to discredit the work of parliamentarians in any way, but 15 or 20 years ago, I sat on committees at the Quebec Ministry of Agriculture, Fisheries and Food, and we were having the same discussions then as those taking place today at the Standing Committee on Finance or the committees set up by Agriculture and Agri-Food Canada. We're really going around in circles.

Ultimately, the solution must involve increasing budgets allocated to the agricultural sector. When the necessary financial resources are available, we suddenly become much more creative and far more effective at finding solutions and improving programs.

• (1215)

**Sébastien Lemire:** I like the idea of viewing agriculture as a national sovereignty challenge. In this context, we must recognize agricultural expenditure as expenditure on protecting the population, which could be accounted for when comparing ourselves to other countries.

Mr. Ross, as you know, I worked at the Union des producteurs agricoles for nearly two years before making the leap into politics. I felt—and I don't think I was alone—that many risks are shouldered by farmers. Even today, they are asked to manage risks that go beyond mere weather events using technological tools that are ill-suited to the task.

Back home in Abitibi—Témiscamingue, there are weather stations every 50 kilometres. It felt like a lottery for many producers. Some decided whether or not to join the program, but it was optional. There were plenty of situations where the scheme wasn't needed, yet it was deployed, whereas in situations where it was absolutely essential, it wasn't deployed.

For me, that's a problem. Add to that international conflicts, such as the blockage in the Strait of Hormuz. That's a risk that wasn't necessarily foreseeable, just like the 2023 floods in southern Quebec, the drought in my region or the forest fires. There is always the impression that the support provided by the programs is insufficient and that it isn't available, not to mention the long-term repercussions.

Could you talk to us about this issue? At some point, wouldn't it be necessary to set up an emergency fund for unforeseeable events?

**Charles-Félix Ross:** We often go to the United States to hear from our counterparts at the U.S. Department of Agriculture. Every time the Secretary of Agriculture delivers a speech, he repeats that agriculture is a matter of national security; even Mr. Trump has said so. Feeding our population, feeding Canadians, is a matter of national security. There are currently geopolitical and climate-related challenges that are truly putting our agriculture and agri-food sector at risk.

At the risk of repeating myself, the budgets are clearly insufficient compared with what our competitors are putting in place. We welcomed the Carney government's decision to suspend the excise tax on fuel; the four cents that farmers will save on diesel represent savings of \$11 million for Quebec's agricultural sector. However, if fuel costs rise by 30%, which is currently the case, and fertilizer costs rise by 30%—there's talk of it doubling this fall if the conflict persists—that translates into a \$300 million bill for Quebec's agricultural businesses alone. They do have some room to manoeuvre; however, because there is suddenly an international conflict, farm-level revenues of \$13 billion will now come with an additional cost of \$300 million.

If we really want to maintain a strong and competitive business base and ecosystem, we must help businesses share the risks generated by these conflicts and by climate change.

**Sébastien Lemire:** That's right.

We see a lack of interest and long-term vision in these contexts, particularly given that climate change will have a massive impact on the climate, soil and hours of sunshine, among other things. Consequently, we feel that producers are not necessarily equipped to deal with this under the programs currently in place.

I see that my speaking time is up. I'll come back to you later.

[English]

**The Chair:** Thank you.

We'll go to the Conservatives and Mr. Barlow for five minutes.

**John Barlow (Foothills, CPC):** Thank you very much, Chair. I appreciate everybody's attendance.

Mr. Atkins, you were mainly talking about the APP. We had a farmer here on Tuesday talking about the cumbersome and burdensome process of applying for AgriStability. I think he said the bill from his account was \$7,000 just for the paperwork for AgriStability. You were talking about the changes that were made in 2024.

Is there a better way of doing this that is not putting all the onus in terms of the cost and the paperwork on the producers themselves? That seems to be a significant impediment. For example, AgriStability has an enrolment or subscription rate of about 30%.

• (1220)

**Jaye Atkins:** From our organization, we do everything electronically. We fill out the application with the producer. We go through everything he needs to do other than the AgriStability. He ends up having to apply for that. I think that many of us have gone in and purchased automobiles in the last period of one to three years. You sit there for five minutes, maybe 10, talking to the person. They do a quick credit check. They do a credit score on you and off you go with the car funded. A lot of those cars are a lot of money and close to the size many producers borrow from us.

When we look at having to do adjudication on 75% of loans, where you will have a producer who's borrowed from us since 1993, never missed a payment, never missed paperwork being submitted for receipts, never missed any of the guidelines associated with it and you're having to do a full credit adjudication on this per-

son, it seems unreasonable to me. These are people any one of us in here would write a cheque to help them with their organization.

From our standpoint, it's much more complicated than it has to be. We look at companies. We look at our competitors. We look at all the financial institutions. We look at Farm Credit. We look at credit unions and all the steps they're going through to provide credit. There is no question in my mind that what we're doing today is exorbitant. That results in costs to the producer. I'd love to drop our application fee to zero. It results in time when people are applying. For example, right now, we have about 100 loans a day coming in. Those producers need money. It's time for fertilizer. It's time for chemicals. It's time for seeds. It's time to get on the ground, if it ever gets warm enough. These producers need the cash now, and we need to turn that money around as quickly as possible.

If I could add one thing, we run into a problem with regard to AgriStability around the fact that we do administer in British Columbia the advance payments program, where you look at producers out there and ranchers who have had four years of losses because of drought, smoke, fire, flood. It just keeps going. There has been everything except locusts. Certainly, AgriStability needs to be changed to address those people, because each loss year results in the reduction of your reference margin. We had an example two weeks ago where the gentleman produces a million dollars' worth of product a year and his reference margin is \$2.76.

**John Barlow:** I'm sorry, Mr. Atkins. I only have about a minute left and I want to go to Mr. McKee. Thank you for that.

I'm very proud to represent the Blood Tribe/Káinai in my riding. They've done an amazing job growing their agricultural business. Kainai Forage, for example, is selling forage around the world.

You were talking about access for first nations in terms of getting into agriculture. With their land ownership and how things work, is it difficult or are they able to access some of these BRM programs like AgriStability or even AgriRecovery? Would it be done as chief and council as a whole, or do these programs need to be modified to ensure they have an even opportunity to access these programs?

Maybe for my lack of understanding if you could....

**The Chair:** You have 20 seconds left.

**Chris McKee:** Thank you.

Yes, it is, they don't have the same access points to these programs as traditional producers is the easiest answer. They're not set up for chief and council to look at. They're not set up for economic development to look at and, oftentimes, the land that's being farmed is still titled to the Crown. They're not even titled to the nation themselves. Therefore, they're potentially trying to collect payment on land that actually isn't titled to them.

**John Barlow:** Right.

**The Chair:** Thank you very much.

We now go over to the Liberals.

MP Harrison, you have five minutes.

**Emma Harrison (Peterborough, Lib.):** Thank you.

Thank you, witnesses, for your invaluable knowledge and supporting producers.

Mr. McKee, I represent two first nations, Curve Lake and Hiawatha. In June, I was actually in Curve Lake, and they've created the incredible Curve Lake Aquaponics, where they have tilapia on one side and their beautiful greenhouse on the other. They're producing an incredible amount for their community and have also expanded enough to be able to sell to the outside, so I've seen first-hand.... Also, they're getting our youth back getting their hands into the soil so they can understand nature, respect it and appreciate it. What a vital role indigenous peoples play in that and their understanding of nature, working with it, not against it, and supporting it.

Similar to Mr. Barlow's questioning, would you like to speak more specifically to some recommendations you would like to see in our report that would better support your efforts?

• (1225)

**Chris McKee:** Thank you.

The biggest thing is that we always hear, "consultation, consultation, consultation." There are enough consultations. Let's co-design these programs with those producers around the table so that the voices are there and they can be heard.

There are many examples from the Blood Tribe, to the Hiawatha, to the Membertou. These are nations that have been resilient enough to drive that change. At the end of the day, we need to put things in place to get the ball rolling in a lot of nations on a lot of stuff.

I come from a centennial family farm. I'm a southern Saskatchewan farm kid. My education in agriculture was getting pulled out of bed at 2:30 in the morning because my arm was longer than my dad's and we had a calf to get out. That generational knowledge to be able to do that isn't in a lot of communities.

We talk about business risk management, but without the investment, education and a dedicated fund to actually get off the ground.... We all know what we need. It's land, labour and capital.

There are millions of acres that first nations have access to across the country. It's the fastest-growing demographic. They can't access programs and capital, because they're designed and written for my farm, not for every farm.

**Emma Harrison:** Thank you very much. I really appreciate that.

I was explaining this to one of my colleagues. In the last week, when they were driving here, they were driving by farm fields. They asked, "Where are the rocks? I'm seeing all of these fields. Where are the rocks?"

I grew up on a farm, and I still farm today. I said, "Oh, we pick them." He said, "Pardon?" I said, "You know, your dad drives behind you in the tractor and you pick the rocks." I made a joke that if you throw enough at your siblings, they ask you to stop picking rocks. He said, "They pick rocks." I said, "Yes, where do you think...? My grandparents used horses to pull out the roots from trees to create these fields."

I think a large piece of that is this unknown lifestyle that we are incredibly privileged and grateful to live. It's not understood. You're speaking to all of these....

It's exactly what we need. We have to bring things back and involve our young people and everyone who wants to be involved. Food is national security. That's unequivocal.

This question is for Mr. Ross or Mr. Atkins.

I'm new here to government. Could you speak to some things you'd specifically like to see?

I think we spend a lot of time talking. I'm even taking up too much time talking right now.

Can you give us some specific recommendations that would help your producers? I'd like to give you the floor with an opportunity to speak to any of those.

**Jaye Atkins:** Thank you for that opportunity.

I'll do it really quickly, because Mr. Ross will probably have something he'd like to add.

Certainly we need stability around the advance payments program. We need that. Getting an announcement on April 1 when the date that we're going to kick out \$700 million is April 1 is not a good way to present the program. That's number one. That needs to be fixed. It needs to be permanent. We plan. We provide budgets. Farmers provide budgets. You can't provide that budget when they do go to the bank, because they don't know what they're going to need until that announcement takes place. From our standpoint, that's really important.

Number two, I think the AgriStability program has to be changed to affect more than a single year loss. It has to look at areas where you may have two or three years of losses due to climate, market, politics and a number of different things. That has to be encouraged.

I also think, as Mr. Ross said this morning, that there needs to be investment into that. We don't need to do it halfway; we need to do it all of the way.

We talked about food security here this morning. It's absolutely required.

**The Chair:** Thank you.

We'll go to the Bloc for two and a half minutes.

[*Translation*]

**Sébastien Lemire:** Thank you, Mr. Chair.

Mr. Ross, a few weeks ago, when the Minister of Agriculture and Agri-Food, Mr. MacDonald, appeared before this committee, I raised the issue of the interest-free limit under the advance payments program, which currently stands at \$350,000. We were told that the new amount wouldn't be maintained, as it's an exceptional measure. The limit will therefore revert to a lower amount, namely, \$100,000.

We had recommended maintaining this cap, but that does not appear to be resonating with the government. Are you suggesting that we recommend increasing this amount once again? How important is this program in the current context?

• (1230)

**Charles-Félix Ross:** In fact, I was just about to say that I support all of Mr. Atkins' recommendations and requests. I share his view.

To answer your question, we're asking for the \$350,000 interest-free limit to be maintained. Capital costs and interest rates have risen for all agricultural businesses in recent years, and there are agricultural producers who are renewing their loans. If we take Quebec as an example, a few years ago the interest bill for the total debt, both short-term and long-term, was between \$400 million and \$500 million. Today, the cost of agricultural debt in Quebec stands at \$1.3 billion, which is enormous. A short-term credit through the advance payments program, with an interest-free portion, would truly be an important tool for our businesses.

So, yes, we support maintaining the interest-free amount at \$350,000. This should be formally established by regulation within the advance payments program.

**Sébastien Lemire:** I would like to follow on from my colleague Ms. Harrison, who mentioned that her grandparents had cleared the land and removed the rocks. This is also the case in a region like Abitibi—Témiscamingue, which is only about a hundred years old. When programs relating to drainage, liming and land renewal were implemented, our regions were obviously not at the same level as others, so they did not necessarily have access to these programs at the time.

Should the government put in place specific programs to help northern regions and, in particular, indigenous communities catch up? Should this also be part of the new partnership?

[*English*]

**The Chair:** You can give a really short answer.

[*Translation*]

**Charles-Félix Ross:** Exactly. We're calling for 2% of the federal budget to be allocated to agriculture, which would mean investing \$10 billion a year in agricultural programs. That is the request we're making to the Canadian government. This \$10 billion would support agriculture. We're also in favour of improving income security programs, as well as providing assistance and support for investment by businesses. If we want to keep pace with the competition, we will have to invest. We say yes to risk management, but also to investment support and the transfer—

[*English*]

**The Chair:** I'm going to have to stop you there.

[*Translation*]

**Sébastien Lemire:** Thank you very much.

[*English*]

**The Chair:** I'm sorry. I gave you an extra 30 seconds.

We'll go to the Conservatives and Mr. Bonk for four minutes, and then we'll finish off with the Liberals.

Go ahead.

**Steven Bonk (Souris—Moose Mountain, CPC):** I'd like to talk a bit today about cross compliance and environmental programs. We know there's a lot of overlap between the two. We can take a look at some of the examples from the past. Farmers in general are some of the most environmentally conscious people you'll ever meet because we make our living from the health of our soil. We understand our farms. We understand the climate we operate in.

I can give you a quick example. Grasslands National Park is in my area. Some well-meaning scientists in Ottawa decided that there was overstocking and it was hurting the grasslands. They removed the livestock and everything got worse. With double the amount of livestock, because it's part of the ecosystem and it's how our native prairie soils evolved, things got better.

Mr. Atkins, what are some of the things you're hearing from your clients about cross compliance and how it's hurting them when they're trying to apply for some of these programs?

**Jaye Atkins:** In some of the programs, what we're seeing, as my colleague mentioned this morning, is there are restrictions in place such that you may not fit into that funnel exactly, and those things can force people out of the program extremely quickly.

In regard to cross compliance on them, the programs today do work well as far as business risk management programs work well together, although, as Mr. Ross said, of course the funding could be improved. I think there's an educational component to this that no one's really spoken about this morning, and I think there has to be an opportunity to apply for and allow for exemptions in specific cases. Maybe we all did pick rocks, which was a character builder, but on the other hand, each farm is different, and we need that exemption area.

• (1235)

**Steven Bonk:** If I could jump in quickly here, I'll go back to the reference margin.

I know that you worked at FCC prior to your career here and you understand Saskatchewan and the Palliser Triangle well. Right now, they're in their seventh year of qualifying for these programs. As you know, the reference margin is affected by that. How would you like to see it change so that it could better help the producers who need it?

**Jaye Atkins:** I think there has to be some form of a baseline there. As I mentioned earlier, there are producers in B.C. who have had four loss years. For all intents and purposes, their reference margin is zero. If we're lending on a reference margin, what do we do? How do we adjust for that?

I think there has to be an opportunity.... As I mentioned, we have a gentleman who farms and sells a million dollars' worth of product. His reference margin is \$2.76. When he brings it in and we're lending our reference margin for this gentleman, what do we do with that? He has always been a good producer. In years when the crop is off, when there are losses, it doesn't work. I think for things like catastrophes, for mother nature, there has to be a way around that, because when he came to us, we said we can't do anything. We've talked with the AgriStability folks, and they said they can't do anything because that's just the way the program is.

**Steven Bonk:** I think I have time for just one more question. I'm going to ask very quickly about AgriInvest.

Right now it's at 1% of sales, and we all understand that this is almost useless at the moment. Producers want to look after themselves and not rely on these programs.

There have been suggestions to move it to 3%, but it hasn't moved on that yet. What do you think would be the right amount for that?

**The Chair:** You're 15 seconds over, so give a really short answer, please.

**Jaye Atkins:** I think 3% is a good area to be aiming for, as 1% doesn't do much.

**The Chair:** Thank you so much.

I'm going to go to the Liberals for four minutes.

[*Translation*]

**Sophie Chatel (Pontiac—Kitigan Zibi, Lib.):** Thank you, Mr. Chair.

I'd like to welcome the witnesses and thank them for joining us for this important study. I'd also like to thank them for their advice ahead of the discussions with provincial ministers this summer.

My first question is for Mr. McKee.

Do you have a specific recommendation on how to better include indigenous voices in program development? As you said, we need to ensure that programs help communities before the program is finalized, because after that, it is too late.

Do you have any concrete suggestions? If you have any to share with us today, that would be excellent; if not, we would be grateful if you could send them to us in writing.

[*English*]

**Chris McKee:** Thank you.

I think there's an easy step one. For the last two years, there's been a national organization that has a lot of connection with those communities, and we'd be happy to speak to the programs. Put us around the table and let us reach out and talk to the stakeholders and the ones who are going to be utilizing these programs so that there's actually that common voice around the table as opposed to trying to talk to a nation in B.C., because you're going to get a different answer from a nation in Quebec or Ontario. Agriculture doesn't look the same across the country. We all know that. Well, let's work at being intentional and do it around the table right now, starting today.

[*Translation*]

**Sophie Chatel:** Thank you very much. We'll take note of that.

My next question is for Mr. Atkins and Mr. Ross.

This week, we heard from witnesses who described the AgriStability program as being one of the programs facing the most difficulties. It's the only program within the suite of risk management programs that takes into account global economic disruptions in the supply chain.

An additional tax credit had been proposed to cover the costs incurred in addressing these challenges, which, as we know, will unfortunately persist in the current economic and geopolitical climate. Eligible costs could relate, for example, to changes in crops to cope with the tariff on canola, the construction of new roads, storage, the exploration of new markets, transport and so on.

Any thoughts, gentlemen?

• (1240)

[*English*]

**Jaye Atkins:** Certainly, because of political factors, they are having to adjust and change. AgriStability is there as a whole farm insurance program for the revenues. In some cases, and I'll use the example of canola, that had nothing to do with production. That had everything to do with something that was beyond the farmer's control.

AgriStability certainly provided for that loss in farm income, because expenses still have to be paid whether the crop is in storage or whether the crop is sold. In those cases, there needs to be some form of—I hate calling it an emergency plan—an emergency fund.

Mr. Ross spoke earlier about the fact that farmers and ranchers can only manage so many things. They can't manage what's happening in the Strait of Hormuz and they can't manage what's happening in China, but they can manage what's happening on their farms.

From my standpoint, the AgriStability program needs to allow for those changes and challenges that are outside the farmer's control.

**The Chair:** Thank you so much.  
We've gone 30 seconds over time.

[*Translation*]

**Sophie Chatel:** Mr. Chair, I'd like to ask Mr. Ross to send us a written response.

[*English*]

**The Chair:** Thank you.  
I'd like to take this opportunity to thank our witnesses for joining us here today.

Thank you for making time and adding to this study. We appreciate everything you do for agriculture.

Is it the will of the committee to adjourn the meeting?

**Some hon. members:** Agreed.

**The Chair:** Thank you.

The meeting is adjourned.

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