

February 13, 2023

The Honourable Marie-Claude Bibeau
Minister of Agriculture and Agri-Food Canada
1341 Baseline Road Tower 7, Floor 9, Room 149
Ottawa, Ontario, K1A 0A5

Sent via email to: aafc.minister-ministre.aac@canada.ca

Dear Minister Bibeau,

Re: Changes to the Advanced Payment Program

The Ontario Federation of Agriculture (OFA) is the largest general farm organization in Ontario, proudly representing more than 38,000 farm family members. OFA has a strong voice for our members and the agri-food industry on issues, legislation and regulations administered by all levels of government. We are passionate and dedicated to ensuring that the agri-food sector and rural communities are considered and consulted with for any new or changing legislation that would impact the sustainability and growth of our farm businesses.

On behalf of our members, OFA would like to thank you for your announcement in June 2022 temporarily increasing the interest-free limit under the Advanced Payment Program (APP) from \$100,000 to \$250,000 for the 2022 and 2023 program years. The changes have been well received by those who use the APP program. In conversations about the changes to the APP, OFA has also heard from farmers about other changes to the APP that could help the program better serve farmers. The following are four recommendations that OFA has heard and endorses as ways to continually improve the APP program:

- The issues farmers faced in 2022 from rising input costs to geopolitical disputes are not going away. That is why OFA is urging your ministry to make the temporary increase in the interest-free limit permanent starting in the 2024 program year.
- Currently, farmers are required to provide proof of sales under the program when repaying funds. The value of this is not understood as other loans do not require this, and it creates unnecessary red tape. We ask that this requirement be removed.
- Farmers also need operating funds from the APP as soon as possible in the season so they can purchase all necessary input costs required for production. Currently farmers must wait until April 1st to receive funding to coincide with Agristability enrollment. To help get more funds to farmers when they need it, OFA recommends allowing 60% of funds to be given to farmers on November 1st and the other 40% on April 1st.

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- Over the years the APP administration requirements have grown more complex and the process of completing the application has become increasingly time consuming and frustrating for farmers. When other loan programs have 12-page documents, the APP document is over 134. We ask that your ministry thoroughly review the APP and remove all unnecessary red tape and complexity to make the program more efficient and easier for farmers to access.

We believe that while we represent Ontario, other provinces are supportive of this as well, and have sent a resolution to the Canadian Federation of Agriculture where we will seek their endorsement of these recommend changes to the program. I would welcome the opportunity to meet with you and your staff to discuss the details of our proposed changes at any time.

Sincerely,



Peggy Brekveld
President

cc: The Honourable Lisa Thompson, Ontario Minister of Agriculture, Food and Rural Affairs
Mary Robinson, President, Canadian Federation of Agriculture
OFA Board of Directors