

April 4, 2024

The Honourable Chrystia Freeland  
Deputy Prime Minister and Minister of Finance  
House of Commons  
Ottawa, ON  
K1A 0A6

Dear Deputy Prime Minister Freeland,

**Re: The Interest Free Portion Under The Advanced Payments Program**

The federally-funded Advanced Payment Program (APP) has played an important role in providing financial support to farmers, helping them effectively manage cashflow challenges. The APP has been particularly important over the past several years, helping farmers mitigate the impacts of inflation, supply chain, and trade challenges.

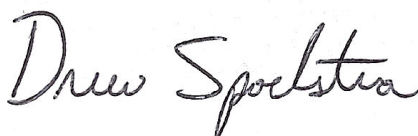
On behalf of the Ontario Federation of Agriculture I want to express our appreciation to you and to Minister Macaulay for increasing the interest free portion of the APP to \$250,000 from \$100,000 for the 2024 program year. This decision was welcome recognition of the sector's challenges and the governments commitment to supporting Canadian farmers.

At the same time, we urge your consideration to make the increase in the interest-free portion a permanent feature of the APP. Farmers continue to face cashflow challenges from high input costs and overall cost of production. The APP program supports all types of farmers from grains and oilseeds to vegetable, livestock, ginseng, hemp and nursery products. In a recent survey of our membership, high farm input costs were identified as the number one issue that Ontario farmers are worried about.

Making the increased interest-free limit a permanent feature of the APP would provide farmers with much-needed business confidence looking ahead, and ease financial pressures as they make necessary investments for future production years.

Again, OFA appreciates your recognition of the importance of the APP program, and also the opportunity to provide our feedback and perspectives on how to continually improve the program. We look forward to working with the federal government to find policy solutions that support the agri-food sector.

Sincerely,



Drew Spoelstra  
President

cc: OFA Board of Directors  
Honourable Lawrence Macaulay, Minister of Agriculture and Agri-Food  
Honourable Lisa Thompson, Minister of Agriculture, Food and Rural Affairs  
Canadian Federation of Agriculture President Keith Currie  
Agricultural Credit Corporation CEO Jaye Atkins