February 23, 2026

The Honourable François-Philippe Champagne
Minister of Finance and Intergovernmental Affairs
House of Commons
Ottawa, Ontario K1A 0A6

The Honourable Heath MacDonald
Minister of Agriculture and Agri-Food
Canada House of Commons
Ottawa, Ontario K1A 0A6

Sent via email: francois-philippe.champagne@parl.gc.ca ; heath.macdonald@parl.gc.ca

Dear Minister Champagne and Minister MacDonald,

Re: Request to increase the interest-free portion of the Advance Payments Program and make it permanent

On behalf of Ontario's beef farmers, I write to urge you to immediately consider increasing and making permanent the interest-free portion under the Advance Payments Program (APP) prior to the start of the next program year, which begins in April.

The Advance Payments Program (APP) is a vital tool for farmers—particularly new entrants and young producers—helping farm operations manage cash flow pressures in an environment marked by rising market volatility and elevated debt servicing costs.

The temporary increases to the interest-free portion of APP introduced in 2022 were both beneficial and well received by our members. However, we are once again nearing the end of this temporary period, after which the interest-free limit will revert to $100,000.

Today's operating environment requires significantly greater investment and risk tolerance than was necessary just a few years ago. Given these realities, a return to the $100,000 interest-free limit would be untenable under current conditions and would substantially diminish the effectiveness and value of the APP unless corrective action is taken.

Accordingly, we urge you to increase the interest-free portion of APP to $350,000 and make the increase permanent. This adjustment would align with the recommendations of the House of Commons Standing Committee on Agriculture and Agri-Food in its report Grocery Affordability: Examining Rising Food Costs in Canada, which called for:

- ensuring companies have access to short-term, low-cost credit; and
- maintaining the increased threshold for interest-free payments under the Advance Payments Program.

Raising the interest-free portion under APP and making it permanent would demonstrate that the federal government recognizes the financial pressures farmers face, including trade uncertainty, escalating input costs and growing financing demands—precisely the circumstances the APP was designed to address.

While interest rates may decline over time, maintaining a meaningful level of interest-free support under APP remains critical in light of ongoing production cost increases and financing pressures. Doing so will help ensure farmers have the year-round financial flexibility needed to plan, invest, and make informed decisions for the upcoming production cycle.

Thank you for your consideration and attention to this request.

Sincerely,



Jason Leblond
President