

Voluntary Report – Voluntary - Public Distribution

Date: March 29, 2023

Report Number: CA2023-0013

Report Name: Canada opens Applications for funding programs under the Sustainable Canadian Agricultural Partnership

Country: Canada

Post: Ottawa

Report Category: National Plan, Policy and Program Announcements

Prepared By: Mihai Lupescu

Approved By: Tyler Babcock

Report Highlights:

On March 6, 2023, the federal government opened applications for six programs under the Sustainable Canadian Agricultural Partnership (SCAP), Canada's new iteration of its five-year farm policy framework. Totaling \$645 million CAD, these are part of the \$1 billion CAD federal-only component under SCAP. Additional programs will be announced for the \$2.5 billion CAD SCAP component in shared federal-provincial spending. Farmers will also continue to have access to a range of federal and provincial Business Risk Management programs.

Sustainable Canadian Agricultural Partnership

As of April 1, 2023, Canadian agricultural producers will have access to a new set of federal and provincial programs under the new \$3.5 billion CAD, five-year [Sustainable Canadian Agricultural Partnership](#) (SCAP). The SCAP is a continuation of the previous five-year federal-provincial support framework, called Canadian Agricultural Partnership (CAP), which ran between April 2018 and March 2023.

In Canada, agriculture falls under a shared jurisdiction between the federal government, and the provincial and territorial governments. Reflective of this shared responsibility, the SCAP includes a \$1 billion CAD federal-only programs component, as well as \$2.5 billion CAD in shared federal-provincial/territorial funding for programs to be developed by provinces and territories. Financing the shared programs will be done according to the traditional 60/40 split (60 percent coming from federal funding, and 40 percent from provincial/territorial funding). Details on these cost-shared programs will become available once provinces and territories have announced their bilateral agreements with the federal government.

SCAP focuses on the five key priority areas agreed upon by the federal, provincial, and territorial agriculture ministers in [The Guelph Statement](#), in November 2021:

- Building sector capacity, growth, and competitiveness
- Climate change and environment
- Science, research, and innovation
- Market development and trade
- Resiliency and public trust

Compared to the previous CAP, the new SCAP includes \$500 million CAD in additional funds, which is a 25 percent increase in the cost-shared (federal-provincial/territorial) funding component.

The March 6, 2023, federal government [announcement](#) marked the opening of applications for six programs under SCAP, totaling \$645 million CAD over five years, out of the \$1 billion CAD federal-only framework component. These are the same six programs that were part of the previous CAP, providing farmers with stability and continuity in funding, grouped under three key areas:

1. **Growing trade and expanding markets**, covering two federally funded programs:
 - a. [AgriMarketing](#), with \$130 million CAD in funding to support the increase and diversification of agricultural exports to international markets, by helping with product visibility abroad, and assisting producers in identifying and seizing market development opportunities.
 - b. [AgriCompetitiveness](#), with \$26 million CAD in funding to support industry stakeholders identify best practices and build sector capacity, and to improve farm business management, and farm safety tools and information.

2. **Innovative and sustainable growth in the sector**, covering two federally funded programs:
 - a. AgriScience, with \$325 million CAD in funding under two components, [Clusters](#), and [Projects](#), meant to accelerate the pace of innovation by supporting pre-commercialization science and research activities directed at improved risk management, competitiveness, and environmental footprint, and the development of new products and markets.
 - b. [AgriInnovate](#), with \$95 million CAD in funding to help accelerate the demonstration, commercialization and adoption of innovative products, technologies, processes, and services.
3. **Supporting diversity and a dynamic, evolving sector**, also covering two federally funded programs:
 - a. [AgriDiversity](#), a \$5 million CAD program supporting under-represented and marginalized groups, including Indigenous Peoples, to increase their leadership capacity, and build entrepreneurial and business skills.
 - b. AgriAssurance, with \$64 million CAD in funding under two components, [National Industry Associations](#), and [Small and Medium-sized Enterprises](#), meant to foster consumer trust by assisting agriculture and agri-food producers in the development and adoption of systems, standards and tools to make credible, and verifiable claims about the health, safety, and quality of their products.

The federal-only SCAP component also includes funding, in the order of \$355 million CAD, for “activities” that benefit producers and processors, addressing priorities identified by the agriculture and agri-food sector during consultations in the development of the policy framework. These federally-funded activities and services may include market information and industry services, activities performed by various agriculture departmental branches, agricultural-related activities performed by other federal departments, general research services, and various food regulatory-related activities and services.

Business Risk Management

In parallel with the federal and provincial programs to be funded under SCAP’s five-year \$3.5 billion CAD umbrella, and in addition to those programs, Canadian agricultural producers will continue to have access to the federal and provincial governments’ ongoing [Business Risk Management](#) (BRM) suite of programs.

BRM programs primarily offer insurance to farmers to protect income or production, and require farmers to enroll and pay premiums, or make financial contributions. These risk management tools include the following programs:

- [AgriStability](#): a cost-shared (federal-provincial) income support program providing assistance when a farmer’s program margin falls below 70 percent of the reference margin; the program margin is calculated based on the allowable income and expenses in a given year, while the reference margin is calculated based on the average program margin for three out of past five years
- [AgriInvest](#): a cost-shared (federal-provincial) program helping producers to manage small income declines and providing support for investments; the producer makes annual deposits

based on a percentage of sales and receives matching contributions from federal and provincial governments which are capped at \$10,000 CAD per year

- [AgriInsurance](#): a cost-shared (federal-provincial) crop production insurance program helping producers to stabilize their income by minimizing the economic effects of production losses caused by natural hazards; the program supports producers pay the insurance premiums
- [AgriRecovery](#): a disaster relief framework for the federal and provincial governments to work towards helping producers cover the extraordinary costs associated with the recovery from natural disaster events
- [Advance Payments Program](#): a federal-only loan guarantee program helping farmers with their cash flow requirements by providing access to low-interest cash advances; producers can access up to \$1 million CAD per year in total advances, with the federal government paying the interest on the first \$100,000 CAD of the advance

As all these programs are demand-driven, they have no pre-allocated annual dollar amounts. Canada periodically notifies to the World Trade Organization (WTO) spending related to its various [domestic support](#) programs.

Attachments:

No Attachments.