



**APAS**

**Unleashing Agriculture for  
CANADA'S GROWTH**

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**Priorities for 2025 Federal Election**

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# Contents

- Preamble – Trade Disruption .....2**
- International Trade and Market Access.....3**
  - TRADE INFRASTRUCTURE.....3**
- Finance and Tax Policy Competitiveness .....4**
  - INCREASE IN THE ADVANCE PAYMENT PROGRAM INTEREST FREE LIMIT .....4**
  - ENHANCE FARM ROLL-OVER TAX PROVISIONS.....4**
  - AGRI-FOOD CARBON TAX EXEMPTION.....5**
  - REINTRODUCE ACCELERATED COST ALLOWANCE .....6**
  - STRENGTHENING THE FOCUS ON COMPETITIVENESS.....6**
  - WITHIN REGULATORY AGENCIES .....6**
- Modernize Canadian Grain Commission Services .....7**
  - MARKET TRANSPARENCY .....7**
  - GRAIN CONTRACT MODERNIZATION .....7**
  - STRENGTHENING PRODUCER PAYMENT PROTECTION .....8**
  - FREIGHT RATE TRANSPARENCY.....9**
  - EXPAND INTERSWITCHING .....9**
- National Supply Chain and Data Strategies..... 10**
  - DEVELOP A NATIONAL DATA STRATEGY ..... 10**
  - PROTECT AND ENHANCE SUPPLY CHAIN ..... 11**
- Addressing Gaps in Animal and Soil Health Policy..... 11**
  - SUPPORT A NATIONAL TESTING CENTRE FOR..... 11**
  - FOREIGN-TRAINED VETERINARIANS..... 11**
  - FINANCIAL SUPPORT FOR SOIL HEALTH ..... 12**

## Preamble – Trade Disruption

- The Canadian agricultural sector operates within a complex and increasingly volatile global trade environment.
- Recent years have witnessed significant shifts in international trade dynamics, notably the trade relationship between major economic powers such as China and the United States.
- The imposition of tariffs and other trade barriers by these key players has created both challenges and opportunities for agricultural producers worldwide, including those in Saskatchewan.
- These global trade tensions are disrupting established market access, influence commodity prices, and impact the competitiveness of Canadian agricultural exports.
- Therefore, it is crucial that the federal government proactively addresses these international trade realities to ensure the continued prosperity and stability of Canada's agricultural sector.

## International Trade and Market Access

### TRADE INFRASTRUCTURE

**Objective:** To highlight the critical importance of efficient transportation and logistics infrastructure in supporting international trade for the agricultural sector.

**Background:** A well-functioning transportation system is essential for moving agricultural products to international markets in a timely and cost-effective manner. Inefficiencies in trade infrastructure can negatively impact the competitiveness of Canadian exports.

**Action:** The federal government should prioritize investments in efficient transportation and logistics infrastructure, including rail, ports, and roads, to support international trade. This should be closely linked to a modernized Rail Freight Policy to ensure a cohesive approach.

**Rationale:** Efficient trade infrastructure reduces transportation costs, improves delivery times, and enhances the overall competitiveness of Canadian agricultural exports in the global marketplace.

**Process:**

1. Conduct a comprehensive review of existing trade-related infrastructure needs.
2. Develop a long-term investment strategy to upgrade and expand transportation and logistics infrastructure.
3. Streamline regulatory processes to facilitate the efficient movement of agricultural goods for export.

## Finance and Tax Policy Competitiveness

### INCREASE IN THE ADVANCE PAYMENT PROGRAM INTEREST FREE LIMIT

**Objective:** To permanently raise the interest-free limit of the Advance Payment Program (APP) to \$350,000 and introduce regulations for a balanced repayment approach.

**Background:** The federal government's fluctuating adjustments to the APP interest-free limit, in response to rising input costs, trade disruption, and other financial pressures on farmers, highlight the need for a stable and increased limit to aid better financial and operational planning in the agricultural sector.

**Action:** Secure increased funding for AAFC and develop regulations for the flexible repayment structure.

**Rationale:** A higher and stable interest-free limit is essential for providing financial flexibility and predictability to farmers, enabling better operational planning.

**Process:**

1. Consult with stakeholders in the agricultural sector to assess the impact of current limits and gather support for the proposed increase.
2. Collaborate with financial experts and policymakers to draft the regulatory changes for loan repayments.
3. Implement the increased interest-free limit and new repayment structure, ensuring farmers are informed and can plan accordingly.

### ENHANCE FARM ROLL-OVER TAX PROVISIONS

**Objective:** To broaden the eligibility of farm roll-over provisions to include aunts, uncles, nieces, and nephews.

**Background:** Current farm rollover rules facilitate tax-efficient transfers of farm assets between farmers and their direct descendants or spouses only. With rising land prices and expansion barriers, many farming enterprises are becoming multigenerational family affairs involving extended family members who are currently ineligible under these provisions.

**Action:** Propose legislative amendments to *The Income Tax Act* to include extended family members in the eligibility criteria for farm asset rollovers.

**Rationale:** Expanding the eligibility criteria reflects the evolving structure of farming enterprises and supports the continuity of farm operations across generations.

**Process:** Consult with agricultural and tax experts to outline potential impacts and refine the proposal.

1. Draft amendments to the existing legislation with proposed new eligibility criteria.
2. Engage stakeholders for feedback and support to facilitate legislative approval.
3. Implement changes and provide guidelines for farms to navigate the new rollover provisions.

## AGRI-FOOD CARBON TAX EXEMPTION

**Objective:** To mitigate the impact of carbon pricing policies on farm businesses, ensuring their competitiveness and sustainability following the removal of the consumer carbon price.

### Background:

- The federal government is eliminating the consumer fuel charge by April 2025 and phasing out consumer carbon prices, yet industrial emitters will still face carbon pricing.
- It's vital to monitor these changes to prevent disproportionate financial strain on the agri-food sector, which has already experienced significant costs like the \$80 million for Saskatchewan grain transport.
- While direct consumer fuel charges will end, the agri-food sector could be indirectly affected by ongoing industrial carbon pricing.
- Programs like the Canada Carbon Rebate and the Farmers Tax Credit will also be phased out, underscoring the importance of assessing the broader financial implications for agriculture.

**Action:** Counteract the secondary effects of industrial carbon pricing on the agri-food sector by:

1. Evaluating and minimizing electricity cost surges for agricultural related processing facilities from carbon pricing.
2. Stopping transporters from passing carbon tax expenses to farmers through increased shipping costs.
3. Engage in federal dialogues on adjusting industrial carbon pricing to protect the agri-food sector from competitive disadvantages and carbon leakage, emphasizing its critical role in ensuring food security.

**Rationale:** To maintain competitiveness and sustainability in the agri-food sector post-consumer carbon price removal, it is important to:

1. Address agricultural producers' indirect costs from industrial carbon pricing.
2. Implement targeted measures for an equitable, sustainable agri-food sector within the updated federal carbon pricing framework.
3. Implement regulations to prevent railways from passing the carbon tax along through increased freight surcharges for producers.
4. Closely evaluate the impact of industrial emissions policies on the agricultural supply chain.

## REINTRODUCE ACCELERATED COST ALLOWANCE

**Objective:** To make immediate expensing of significant investments in agricultural equipment feasible by permanently reinstating the Accelerated Cost Allowance.

**Background:** The previous Accelerated Capital Cost Allowance provided a substantial tax incentive, spurring investments in agricultural technology and equipment, thus boosting productivity and economic growth.

**Action:** Amend the Income Tax Regulations to permanently reintroduce an Accelerated Cost Allowance with a \$1.5 million limit per year.

**Rationale:** The policy encourages modernization in farming, increases competitive capabilities, enhances productivity, and supports environmental sustainability.

**Process:** Implement a regulatory change to re-establish the Accelerated Cost Allowance, making it a standing incentive for investment in the agricultural sector.

## STRENGTHENING THE FOCUS ON COMPETITIVENESS WITHIN REGULATORY AGENCIES

**Objective:** To incorporate “impact on competitiveness” considerations within the Pest Management Regulatory Agency (PMRA) and reposition the Canadian Food Inspection Agency (CFIA) under the authority of the Minister of Agriculture and Agri-Food Canada (AAFC).

**Background:** The PMRA and CFIA, under Health Canada's portfolio, play vital roles in regulating the agricultural sector's safety and health standards without adequately assessing the economic impacts on Canada's agricultural competitiveness.



**Action:** Implement competitiveness directives for the PMRA and transition the CFIA's oversight back to the AAFC.

**Rationale:** Addressing the economic implications of regulatory decisions is key to maintaining Canada's reputation as a top-tier agricultural producer.

**Process:**

1. Develop and enact guidelines that require the PMRA to consider economic competitiveness in its decision-making process.
2. Initiate legislative or administrative measures to transfer CFIA's oversight to the AAFC, fostering greater focus on the sector's economic prosperity and competitiveness.

## Modernize Canadian Grain Commission Services

### MARKET TRANSPARENCY

**Objective:** To advance transparency and information symmetry in Canadian grain markets

**Background:** Since 2019, farm groups, including APAS, have urged the CGC and Agriculture and Agri-Food Canada (AAFC) to establish an export sales reporting program.

**Action:** Develop regulations requiring grain exporters to report current and forward export sales, enabling the CGC to administer an "Export Sales Statistical Reporting Program" utilizing the authority of Section 116 (S.1 Ss.P) of the Canada Grain Act.

**Rationale:** Implementing this program would align with global best practices, provide accessible market data, and level the playing field for market participants, enhancing the competitiveness of Canada's grain sector.

**Process:** Enhanced market transparency will empower producers in their marketing decisions and create efficiency in railways in operational planning.

### GRAIN CONTRACT MODERNIZATION

**Objective:** To create a grain sale contract with balanced terms and conditions.

**Background:** The Canada Grain Commission has authority to specify contract terms through regulation under Section 116 (s.2) of the Canada Grain Act. However, Saskatchewan farm groups favour a collaborative approach, with CGC leadership, to improve balance and transparency without the need for regulatory intervention.

**Action:** Direct the Chief Commissioner of the Canadian Grain Commission to lead the development of the new, clear, and rebalanced model in collaboration with stakeholders.

**Rationale:** A consistent model would promote transparency and equity, addressing the current issues of complexity and bias in grain contracts

**Process:** APAS and other Saskatchewan farms groups engaged to survey producers, examine contracts used in other jurisdictions, and develop a model the CGC could use to initiate discussions between stakeholders.

## STRENGTHENING PRODUCER PAYMENT PROTECTION

**Objective:** To address gaps in the CGC's Safeguards for Grain Producers program.

**Background:** The current system leaves farmers uncompensated or with unsecured creditor status, exacerbating financial losses.

**Action:** Update the producer payment protection program to ensure licensees meet contract payment obligations, guarantee sufficient bonds or securities, and include interest costs for delayed claim processes.

**Rationale:** This would protect grain producers from financial losses due to the insolvency of grain companies, providing stronger safeguards.

**Process:** Direct the Canadian Grain Commission to undertake this initiative.

## Rail Freight Policy

### REVIEW OF RAILWAY COSTS

**Objective:** To revise the rail freight policy to encourage competitive pricing for grain shipments and align the Maximum Revenue Entitlement (MRE) with actual railway costs.

**Background:** Significant productivity improvements in rail operations have not resulted in lower freight costs for grain producers, given the lack of competitive transportation options and the absence of regular railway cost reviews within the MRE framework.

**Action:** Direct the Canadian Transportation Agency (CTA) to undertake a comprehensive and public review of railway costs under the MRE.

**Rationale:** Adjusting the MRE would lower freight rates for producers, reflecting efficiency gains in rail operations and strengthening their international market competitiveness.

**Process:** The Minister of Transport can instruct the CTA to initiate the review, drawing upon their existing data sets and models for a swift and efficient assessment of railway costs. This action is intended to ensure revenue from grain shipments does not exceed what is needed for railway financial viability.

## FREIGHT RATE TRANSPARENCY

**Objective:** To expand the Transportation Information Regulations to include comprehensive freight rate data for grain transportation and mandate the publication of detailed weekly reports.

**Background:** Despite improvements in Transport Canada's Freight Rail Performance Dashboard, there is a need for transparency in freight rate information to aid grain producers in understanding market conditions.

**Action:** Amend the Transportation Information Regulations to require detailed freight rate and tariff reporting for grain.

**Rationale:** Access to freight rate information would enhance market transparency, allowing producers to make informed decisions based on transportation costs and market trends.

**Process:** Initiate a regulatory amendment process to include pricing indicators in the reporting requirements and develop mechanisms for regular publication and dissemination of a weekly freight rate report.

## EXPAND INTERSWITCHING

**Objective:** To enhance rail service competition and accessibility for grain shippers by extending the regulated interswitching zone and improving infrastructure.

**Background:** Interswitching extensions have shown potential benefits for agricultural shippers in Western Canada, especially in Saskatchewan, but its limited range restricts competitive options.

**Action:** Extend the interswitching zone from 160 km to 250 km, make the extended interswitching program permanent, and review and upgrade interswitching locations.

**Rationale:** Expanding the interswitching range would provide grain shippers with competitive service and rate options, improving the logistics of bulk commodity transportation.

**Process:** The review and extension process will involve assessing current interswitching locations, identifying necessary infrastructure upgrades, and revising regulations to make the expanded interswitching zone permanent.

## National Supply Chain and Data Strategies

### DEVELOP A NATIONAL DATA STRATEGY

**Objective:** To create a unified policy framework to guide public and private investment in research, digital skills, and technology for enhancing Canada's agricultural productivity and sustainability.

**Background:** Despite significant productivity improvements, Canada's agricultural sector has experienced a slowdown in productivity growth since 2011. Challenges such as connectivity, high costs of precision agriculture, data ownership, and interoperability are obstacles to continued growth.

**Action:** Develop a comprehensive data strategy that addresses key challenges and leverages recent developments in right to repair legislation.

**Rationale:** Investing in a data-driven approach is crucial for reversing the slowing productivity growth and addressing food security.

**Process:** Gather input from stakeholders across the agricultural sector to identify key needs and obstacles.

1. Collaborate with experts in data management, agriculture technology, and policy to draft the strategy.
2. Implement the strategy with clear guidelines and support mechanisms for enhancing digital skills, research, and technology adoption in agriculture.

## PROTECT AND ENHANCE SUPPLY CHAIN

**Objective:** To formulate a strategy that ensures reliable transportation of agri-food products during labor disruptions and secures a stable supply of essential farm inputs.

**Background:** Canadian agriculture heavily depends on exports and international supply chains for critical farming inputs. Recent years labor disruptions have significantly impacted the flow of these crucial goods, affecting Canadian farmers' reliability as exporters and the overall economy.

**Action:** Prioritize agri-food products in transportation policies during labor disruptions and develop a stable and transparent supply chain for critical farming inputs.

**Rationale:** Minimizing the impact of labor disruptions and securing stable input supplies are essential to maintain Canada's reputation as a reliable exporter.

### Process:

1. Engage with stakeholders from transportation, agriculture, and labor sectors to discuss and draft the strategy.
2. Implement policies that increase transparency, choice, and competition in the farm input market.
3. Establish contingency plans and prioritize agri-food transportation during disruptions.

## Addressing Gaps in Animal and Soil Health Policy

### SUPPORT A NATIONAL TESTING CENTRE FOR FOREIGN-TRAINED VETERINARIANS

**Objective:** To facilitate the faster accreditation of foreign-trained veterinarians in Canada by establishing a national testing centre at the University of Saskatchewan.

**Background:** The Canadian agricultural sector is experiencing a critical shortage of veterinarians, particularly large animal vets, affecting biosecurity and the economic viability of rural communities. Internationally trained veterinarians face delays in licensure due to limited capacity for clinical proficiency examinations (CPE).

**Action:** Establish a national CPE testing centre at the Western College of Veterinary Medicine (WCVI) to significantly increase testing capacity

**Rationale:** Expanding testing capacity is essential to address the veterinarian shortage.

## Process:

1. Secure federal funding of \$50-\$100 million as advocated by APAS, the Dean's Council, and the Canadian Veterinary Medical Association.
2. Develop the infrastructure and operational framework for the national testing centre at WCVM.
3. Promote the centre to internationally trained veterinarians to facilitate their licensure and integration into the Canadian veterinary workforce.

## FINANCIAL SUPPORT FOR SOIL HEALTH

**Objective:** To implement financial incentives to encourage investment in farming practices that improve soil health.

**Background:** The Standing Senate Committee on Agriculture and Forestry's study underscores the need for robust initiatives and incentives on soil health. Despite Saskatchewan farmers being at the forefront of soil conservation, Environment and Climate Change Canada's (ECCC) current carbon offset policy restricts farmers from receiving adequate credits for practices that enhance carbon sequestration.

**Action:** Develop a policy measure within ECCC's budget that provides direct financial support to farmers engaging in soil-enhancing agricultural activities.

**Rationale:** Financial incentives are crucial to promote sustainable soil management practices.

## Process:

1. Amend ECCC's carbon offset policy to align with the recommendations from the Senate Committee's study.
2. Design financial mechanisms to reward both new and early adopters of soil-enhancing practices.
3. Implement and monitor the incentive program, ensuring it effectively supports the adoption and continuation of beneficial soil health practices.



# AGRICULTURAL PRODUCERS ASSOCIATION OF SASKATCHEWAN

## Contact Us



306.789.7774



info@apas.ca



3401A Pasqua Street | Regina, SK | S4S 7K9



apas.ca

**We're there when  
you can't be.**

apas.ca

A photograph of a family of four walking through a field. A man in a blue t-shirt and jeans is holding the hand of a young girl in a blue dress and brown jacket. A woman in a red plaid shirt is carrying a young child in a blue patterned shirt. The background shows a field with cows under a bright sky.

**APAS**