



Agriculture and
Agri-Food Canada

Deputy Minister

Ottawa, Ontario
K1A 0C5

Agriculture et
Agroalimentaire Canada

Sous-ministre

Ottawa (Ontario)
K1A 0C5

June 8, 2020

DMC 258233

Mr. Yves Giroux
Parliamentary Budget Officer
Office of the Parliamentary Budget Officer
99 Bank Street, 9th Floor
Ottawa, ON K1A 0A9

Dear Mr. Giroux,

On behalf of the Honourable Marie-Claude Bibeau, Minister of Agriculture and Agri-Food, please find enclosed Agriculture and Agri-Food Canada’s response to your inquiry regarding COVID-19 measures.

The Department recently announced and launched strategic programs and initiatives to address challenges currently faced by the agricultural sector due to the COVID-19 pandemic. The measures listed below range from exercising flexibilities, including extending program deadlines, to implementing new strategic programs and initiatives to better support producers and processors and keep the food supply chain operational and safe.

Measures taken by AAFC in response to COVID-19

Expanded Programs/Initiatives	Current Status / Program Uptake
Advance Payments Program/Stay of Default	
<p>Announced March 23, 2020</p> <p>All eligible farmers who have an outstanding Advance Payments Program (APP) loan due on or before April 30 will receive a Stay of Default, allowing them an additional six months to repay the loan. This important measure, which represents \$173 million in deferred loans, will help keep more money in farmers’ pockets during these critical months. A Stay of Default is available to provide eligible farmers the flexibility they need to manage their cash flow when facing lower prices or reduced marketing opportunities. In addition, applicable farmers who still have interest-free loans</p>	<p>AAFC is working with the 10 third party program administrators who are participating in the Stay of Default. There were 1,967 eligible farmers with an outstanding loan balance, and all were enrolled in the Stay of Default.</p> <p>The APP has statutory authorities of \$90.3 million for fiscal year 2020-21; authorities are for the combined costs of interest and payment defaults to honour with financial institutions. Estimated costs for fiscal 2020-21 are within this amount, despite the estimated \$2.34 million in additional interest costs, based on the balances due at the start of the</p>

<p>outstanding will have the opportunity to apply for an additional \$100,000 interest-free portion for 2020-2021, if their total APP advances remain under the \$1 million limit.</p>	<p>Stay of Default for 2019 eligible producers and those eligible for the extension of the 2018 Stay of Default.</p> <p>The impact of this measure on defaults in fiscal 2020-21 is negligible, as producers have three years from date of default to repay. AAFC is expecting normal default rates this fiscal, based on current program data.</p>
<p><u>Local Food Infrastructure Fund – Phase III (emergency funding in support of food security)</u></p>	
<p>Announced April 3, 2020</p> <p>The Program provides up to \$100 million in funds to Canadian food banks and local food organizations to help improve access to food for people experiencing food insecurity in Canada due to the COVID-19 pandemic.</p>	<p>At this time, a total of \$70 million in funding has been committed to be distributed amongst five (5) organizations: Food Banks Canada, Salvation Army, Second Harvest, Community Food Centres Canada, and Breakfast Club of Canada. A decision on the remaining \$30 million is expected by the end of June. Additional information is also provided in Annex.</p>
<p><u>Mandatory Isolation Support for Temporary Foreign Workers Program</u></p>	
<p>Announced April 13, 2020</p> <p>Up to \$50 million is available to help farmers, fish harvesters, and all food production and processing employers, put in place the measures necessary to follow the mandatory 14-day isolation period required of all workers arriving from abroad.</p>	<p>Program officials started receiving applications on May 7, 2020 and payments are anticipated to begin in early June.</p>
<p><u>AgriRecovery</u></p>	
<p>Announced May 5, 2020</p> <p>The \$125 million in funding will help producers faced with additional costs incurred due to COVID-19. This includes set-asides for cattle (\$50 million) and hog management (\$50 million) programs to manage livestock backed-up on farms, due to the temporary closure of food processing plants. This new federal funding will help beef and pork producers and processors adapt to a changing market, and help farmers and ranchers keep their animals longer before marketing.</p>	<p>Funding under AgriRecovery is based on needs of producers facing extraordinary costs, which depends on which provinces participate and deliver the program, as well as on producers decision to participate in the Program. AAFC is presently working with provinces on program design and implementation with the goal of having contribution agreements with participating provinces as soon as possible. Program funding will be updated once contribution agreements are signed.</p> <p>The Initiative does not yet have disbursement or results data.</p>
<p><u>Emergency Processing Fund</u></p>	
<p>Announced May 5, 2020</p> <p>This \$77.5 million Fund is intended to incent strategic investments to maintain and increase domestic food</p>	<p>AAFC is currently developing program design and program delivery. The Program is anticipated to launch in early June.</p>

<p>production and processing capacity of goods critical to domestic food security during the COVID-19 pandemic, including supporting food processors manage new challenges and adapt to health protocols that protect the health and safety of workers and respond to emerging pressures from COVID-19.</p>	<p>The Initiative does not yet have disbursement or results data.</p>
<p><u>Surplus Food Rescue Program</u></p>	
<p>Announced May 5, 2020</p> <p>This \$50 million program is designed to help redistribute existing and unsold inventories, which could include products such as potatoes and poultry, to local food organizations who are serving vulnerable Canadians.</p>	<p>AAFC is currently working on program design and program delivery and a decision is expected by the end of June. Additional information will be provided once confirmed.</p> <p>The Initiative does not yet have disbursement or results data.</p>
<p><u>AgriStability</u></p>	
<p>Announced May 5, 2020</p> <p>Program enrollment deadline extended and interim payment rate increased from 50 to 75% in participating provinces.</p>	<p>The deadline extension will help ensure that all producers in need of the program assistance have access to the benefits.</p> <p>Most provinces have indicated their intention to move forward with the 75% interim payments. This will increase the amounts available to producers as the interim payments are made throughout the year.</p>

AAFC will continue to report on the progress of these ongoing and any additional measures to support producers and processors with their challenges related to COVID-19 on a biweekly basis.

I trust that this information meets your needs.

Sincerely,



Chris Forbes

LFIF – Stream 3 Investment Analysis

**Status Report
As of June 1, 2020**

Status	Breakfast Club of Canada		Food Banks Canada		CFCC		Second Harvest		Salvation Army		Total	
	Count	\$	Count	\$	Count	\$	Count	\$	Count	\$	Count	\$
Requested	1,217	\$30,585,772	45	\$10,519,060	427	\$16,817,491	773	\$13,036,523	239	\$6,115,156	2,701	\$77,074,002
Approved	797	\$6,894,354	45	\$10,519,060	422	\$12,030,000	314	\$4,500,111	207	\$5,565,400	1,785	\$39,508,925
On Hold	0	\$0	0	\$0	0	\$0	44	\$660,632	0	\$0	44	\$660,632
Under Review	100	\$1,638,909	0	\$0	5	\$88,723	1	\$500,000	0	\$0	106	\$2,227,632
Not Started	0	\$0	0	\$0	0	\$0	278	\$4,297,005	28	\$544,756	306	\$4,841,761
Rejected	320	\$6,092,847	0	\$0	0	\$0	134	\$2,199,835	0	\$0	454	\$8,292,682
Withdrawn & Unidentified	0	\$0	0	\$0	0	\$0	2	\$20,000	4	\$35,300	6	\$55,300

**sum of statuses may not sum to requested, as not all projects approved at 100%*

Allocation of Investments by Provinces & Territories

Province / Territory	Breakfast Club of Canada	Food Banks Canada	CFCC	Second Harvest	Salvation Army	Total	Proportion
ON	2,127,590	3,587,459	3,960,000	1,517,636	2,589,000	13,781,685	34.9%
BC	684,700	1,199,747	2,650,000	648,200	1,321,300	6,503,947	16.5%
QC	674,552	3,082,961	1,095,000	808,330	199,800	5,860,643	14.8%
AB	653,277	1,035,306	375,000	437,820	770,000	3,271,403	8.3%
SK	940,089	308,389	805,000	253,600	213,000	2,520,078	6.4%
MB	1,086,988	359,104	655,000	260,000	167,100	2,528,192	6.4%
NS	209,640	313,000	645,000	147,800	120,700	1,436,140	3.6%
NL	83,450	163,416	800,000	90,000	75,000	1,211,866	3.1%
NU	189,700	63,200	545,000	70,000		867,900	2.2%
NB	77,548	208,496	265,000	106,100	53,500	710,644	1.8%
NT	114,320	92,649	235,000	68,125	31,000	541,094	1.4%
PE	24,000	42,133		42,500	25,000	133,633	0.3%
YT	28,500	63,200		50,000		141,700	0.4%
All	6,894,354	10,519,060	12,030,000	4,500,111	5,565,400	39,508,925	100.0%

Allocation of Investments by Recipient Type

Recipient Type	Breakfast Club of Canada	Food Banks Canada	CFCC	Second Harvest	Salvation Army	Total	Proportion
Food Bank		6,907,717	325,000	442,100	5,114,400	12,789,217	32.4%
Food Support	909,134	3,611,343	4,035,000	478,225	451,000	9,484,702	24.0%
Community Organization	1,158,585		3,025,000	2,174,616		6,358,201	16.1%
Indigenous Organization	908,390		2,560,000	240,000		3,708,390	9.4%
School/Educational Centre	2,279,882		95,000	78,800		2,453,682	6.2%
Unclassified	1,105,325					1,105,325	2.8%
Religious Organization	49,628		185,000	855,750		1,090,378	2.8%
National Organization	179,600		670,000	42,800		892,400	2.3%
Health/Wellness Centre	262,610		420,000	187,820		870,430	2.2%
Municipality/District	41,200		640,000			681,200	1.7%
Other			75,000			75,000	0.2%
All	6,894,354	10,519,060	12,030,000	4,500,111	5,565,400	39,508,925	100.0%

Allocation of Investments by Investment Type

Investment Type	Breakfast Club of Canada	Food Banks Canada	CFCC	Second Harvest	Salvation Army	Total	Proportion
Food & Meals	1,652,032	10,519,060	4,265,000	2,188,656	5,555,500	24,180,248	61.2%
Food+			6,040,000	1,021,047		7,061,047	17.9%
Unclassified	5,079,242		60,000			5,139,242	13.0%
Financial Assistance	163,080		1,585,000	114,900		1,862,980	4.7%
Wages			80,000	494,625		574,625	1.5%
Transportation / Storage				550,783		550,783	1.4%
Capital Investment				120,100	9,900	130,000	0.3%
PPE				10,000		10,000	0.0%
All	6,894,354	10,519,060	12,030,000	4,500,111	5,565,400	39,508,925	100.0%

Indigenous Investments, by Organisation, by Province / Territory

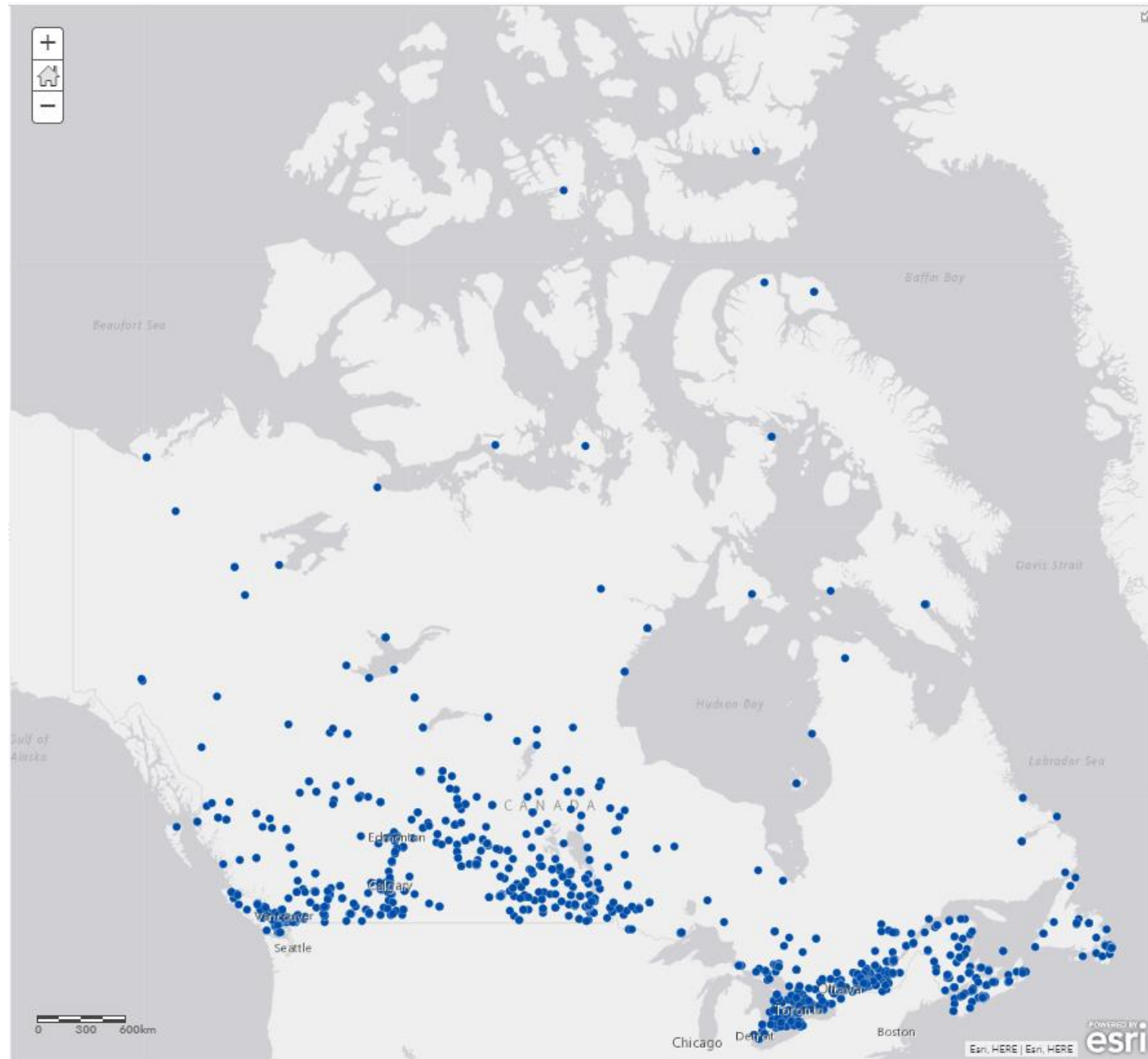
Province / Territory	Breakfast Club of Canada		Food Banks Canada		CFCC		Second Harvest		Salvation Army		All Organisations	
	Total Investment	Indigenous Investment	Total Investment	Indigenous Investment	Total Investment	Indigenous Investment	Total Investment	Indigenous Investment	Total Investment	Indigenous Investment	Total Investment	Indigenous Investment
YT	28,500	8,500	63,200	29,450			50,000	30,000			141,700	67,950
NT	114,320	102,320	92,649	58,899	235,000	195,000	68,125	68,125	31,000	31,000	541,094	455,344
NU	189,700	158,500	63,200	63,200	545,000	545,000	70,000	70,000			867,900	836,700
BC	684,700	101,420	1,199,747		2,650,000	550,000	648,200	344,000	1,321,300		6,503,947	995,420
AB	653,277	279,500	1,035,306	269,721	375,000	30,000	437,820	269,400	770,000		3,271,403	848,621
SK	940,089	794,860	308,389	162,866	805,000	540,000	253,600	236,600	213,000		2,520,078	1,734,326
MB	1,086,988	841,735	359,104		655,000	370,000	260,000	189,000	167,100		2,528,192	1,400,735
ON	2,127,590	235,120	3,587,459		3,960,000	790,000	1,517,636	852,486	2,589,000	29,000	13,781,685	1,906,606
QC	674,552	17,600	3,082,961		1,095,000	100,000	808,330	179,300	199,800		5,860,643	296,900
NB	77,548	9,800	208,496		265,000	195,000	106,100	40,100	53,500		710,644	244,900
NS	209,640	3,600	313,000		645,000	100,000	147,800	80,000	120,700		1,436,140	183,600
PE	24,000		42,133				42,500	42,500	25,000		133,633	42,500
NL	83,450	6,800	163,416		800,000	365,000	90,000	67,500	75,000		1,211,866	439,300
ALL	6,894,354	2,559,755	10,519,060	584,135	12,030,000	3,780,000	4,500,111	2,469,011	5,565,400	60,000	39,508,925	9,452,901

Notes:

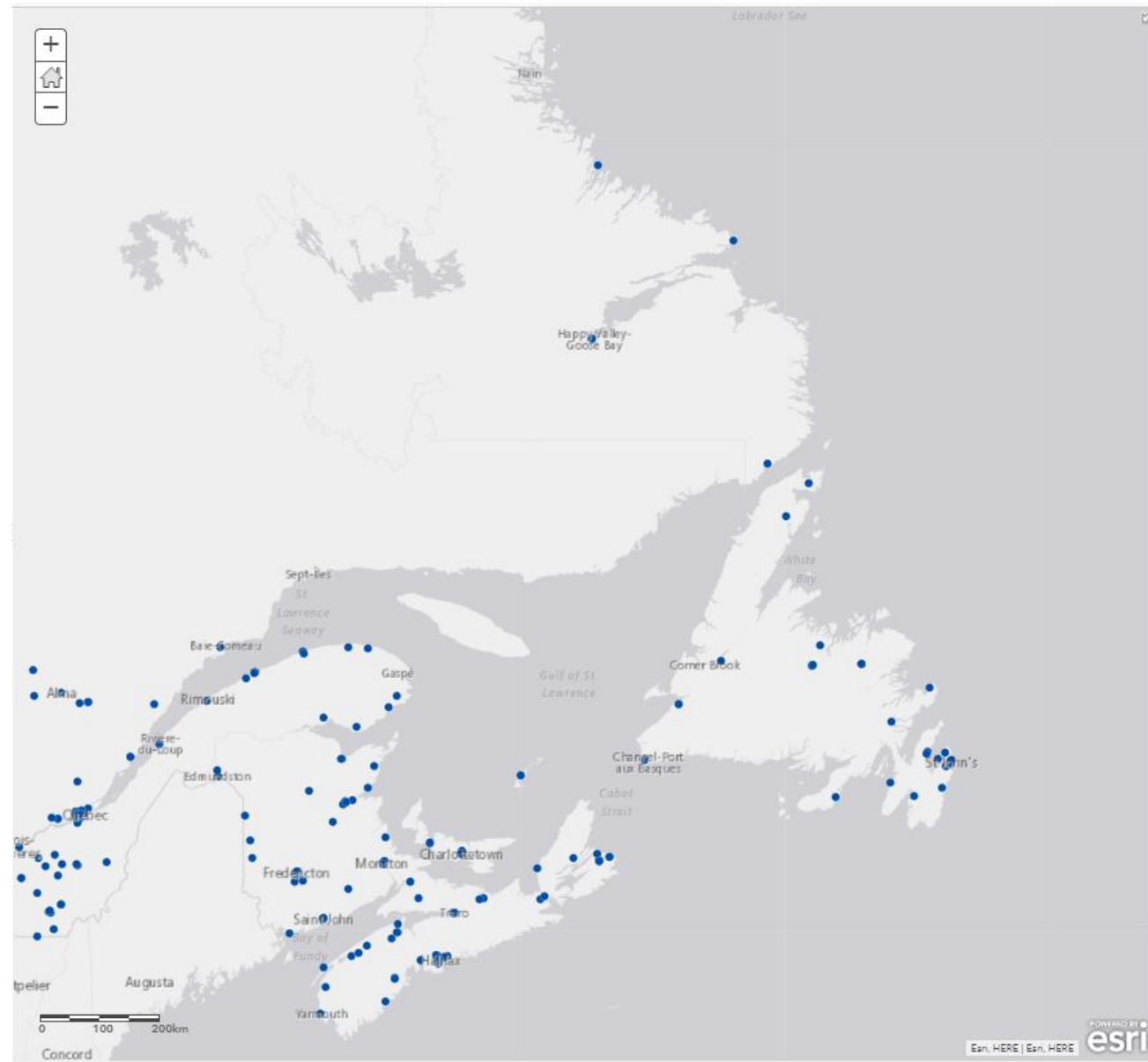
- 1) Food Banks Canada data is generally at the provincial level – local-level / individual recipient data is not reported; thus, Indigenous investments are likely higher than reported
- 2) Overall, these figures are likely a minimum estimate of investments, as some recipients may not be identified as Indigenous, and others may serve Indigenous communities or individuals

Maps of LFIF – Stream 3 Investments

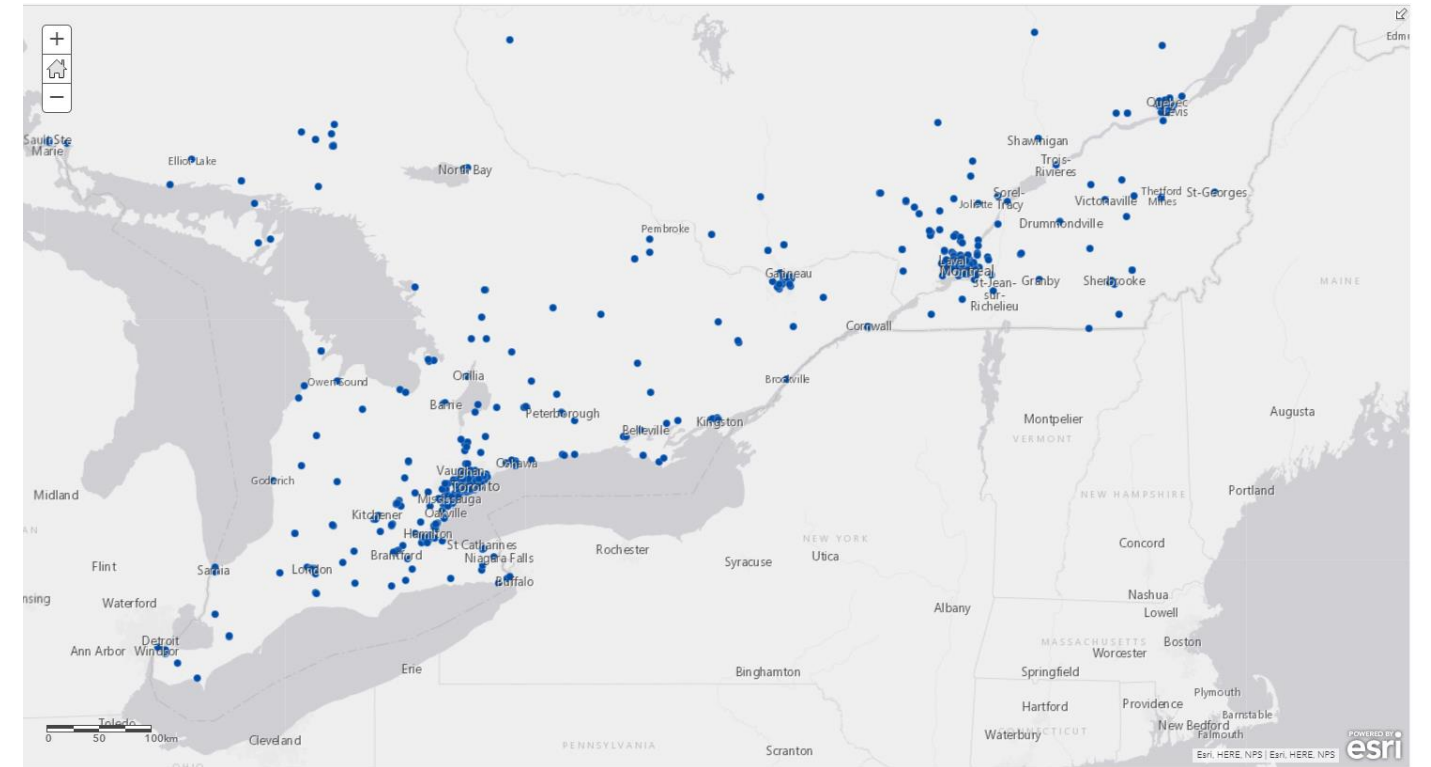
Map1: Canada



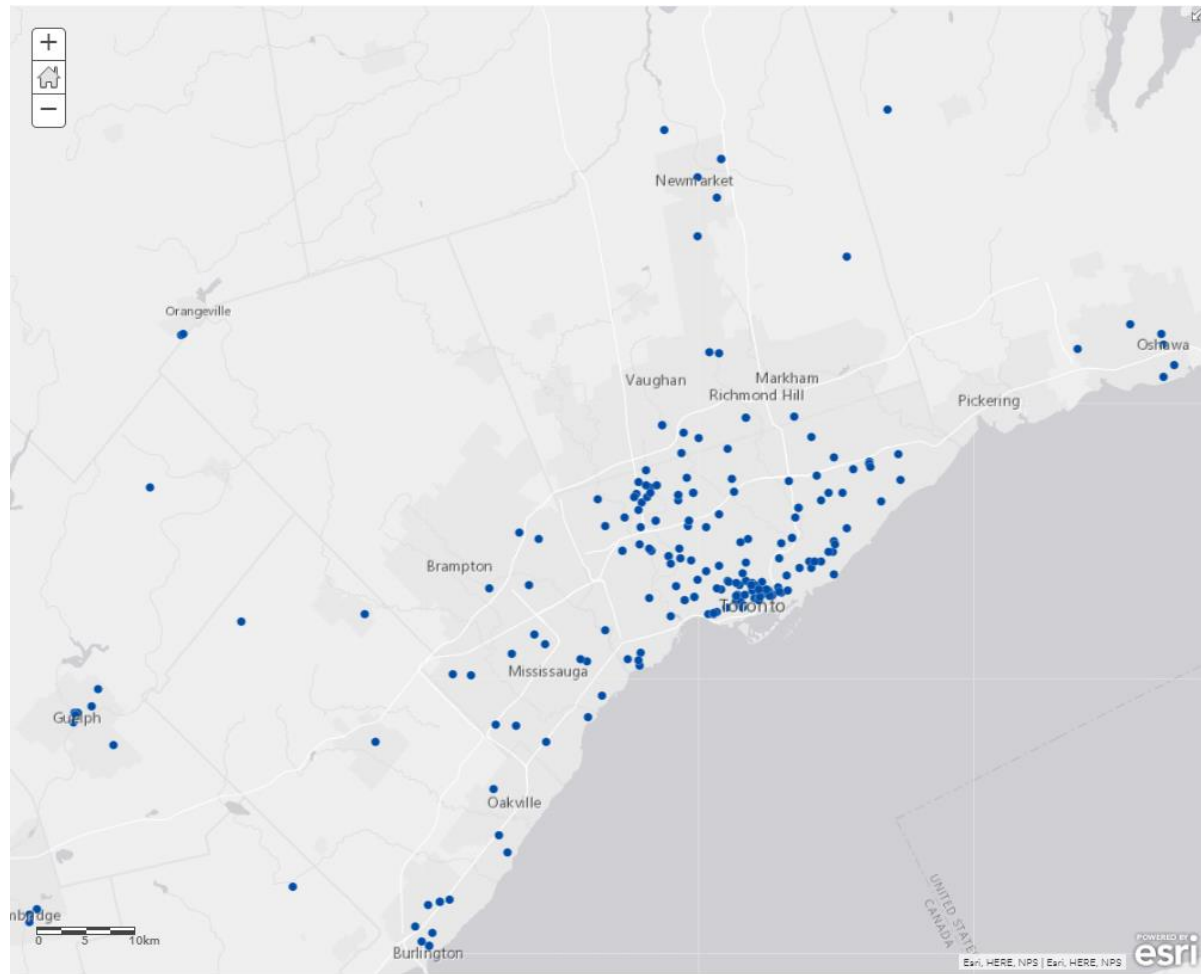
Map 2: Atlantic Region



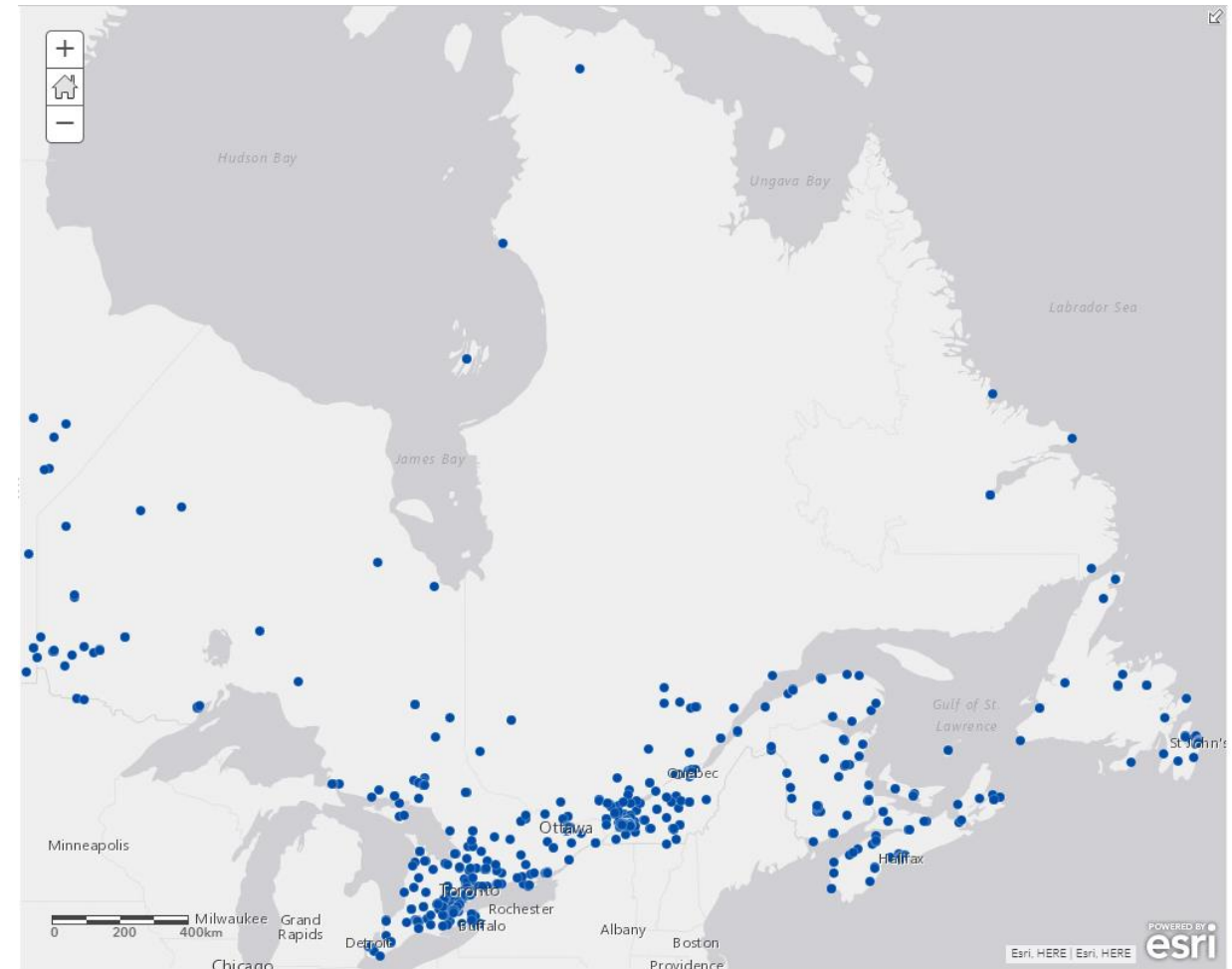
Map 3: Southern Ontario and South-West Québec



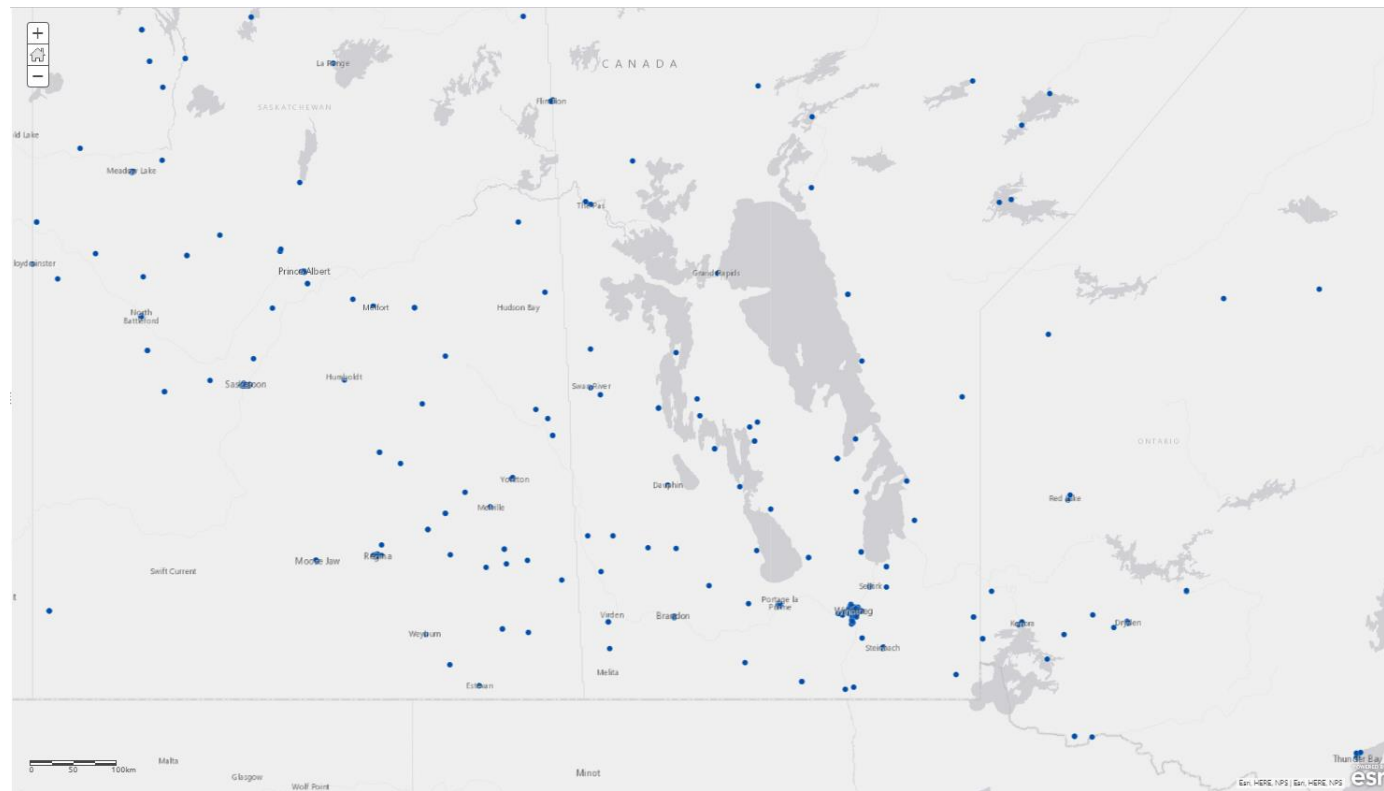
Map 4: Greater Toronto Area



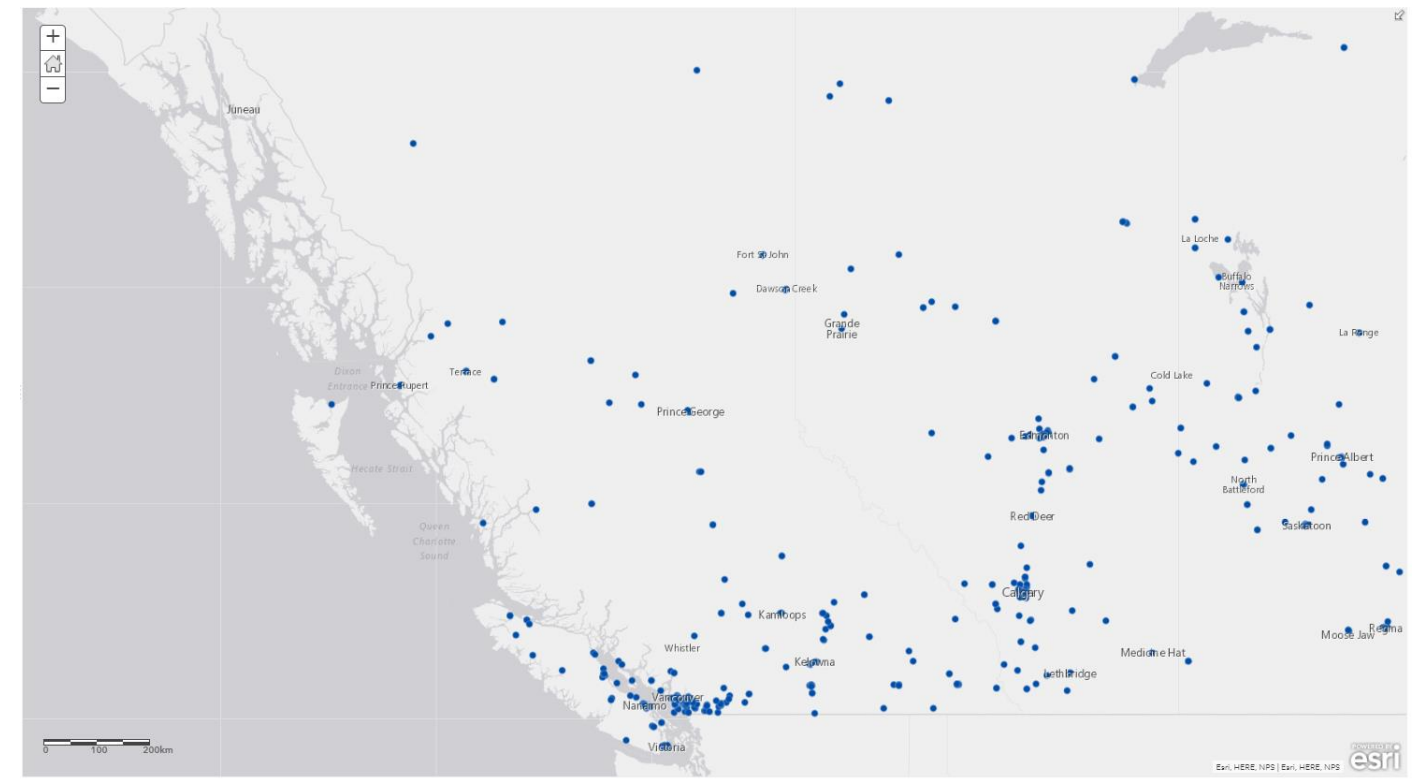
Map 5: Ontario, Québec and Atlantic Region



Map 6: Saskatchewan, Manitoba & North-West Ontario



Map 7: Southern BC, Alberta and Saskatchewan



Map 8: Indigenous Investments across Canada

