

# **Agriculture and Agri-Food Canada**

## **Quarterly Financial Report For the Quarter Ended September 30, 2024**

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## **Introduction**

Agriculture and Agri-Food Canada (AAFC) is the federal department responsible for the Canadian agriculture and agri-food sector. Agriculture is a shared jurisdiction in Canada, and our department works closely with provincial and territorial governments on the development and delivery of policies and programs. Along with these policies and programs, our research and technology helps farmers, food producers, and processors grow and develop the sector in order to succeed in Canadian and global markets.

Detailed information on Agriculture and Agri-Food Canada's program activities can be found in the [Departmental Plan](#).

This quarterly financial report has been prepared as required by section 65.1 of the *Financial Administration Act* in the form and manner prescribed by the Treasury Board, and should be read in conjunction with AAFC's 2024-25 Main Estimates and Supplementary Estimates (A).

This report has not been subject to an external audit or review.

## **Basis of presentation**

This quarterly report has been prepared using an expenditure basis of accounting. The accompanying statement of authorities includes the Department's spending authorities granted by Parliament, and those used by the Department consistent with the 2024-25 Main Estimates, as well as the Supplementary Estimates (A) available for use during the 2024-25 fiscal year. This quarterly report has been prepared using a special-purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before money can be spent by the Government of Canada. Approvals are given in the form of annually approved limits through appropriation acts, or through legislation in the form of statutory spending authority for specific purposes.

The Department uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

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### Highlights of fiscal quarter and fiscal year-to-date results

This quarterly financial report reflects the results of the current fiscal period in comparison to the authorities approved by Parliament, as well as budget adjustments approved by Treasury Board up to September 30, 2024.

The following table provides a comparison of total authorities available for use and year-to-date expenditures for the second quarter of the current and previous fiscal year.

#### Comparison of total authorities available for use and total year-to-date expenditures for the quarter ended September 30 of fiscal years 2024-25 and 2023-24

<b>All votes and statutory authorities (in millions of dollars)</b>	<b>2024-25</b>	<b>2023-24</b>
Total authorities available for use	3,881	3,489
Total year-to-date expenditures	1,157	723
Utilization	30%	21%

#### A. Significant changes to authorities

The following table provides a comparison of authorities by Vote for the second quarter of the current and previous fiscal year.

#### Comparison of total authorities as of September 30 of fiscal years 2024-25 and 2023-24

<b>Authorities (in millions of dollars)</b>	<b>2024-25</b>	<b>2023-24</b>	<b>Variances</b>
Vote 1 - Net Operating Authorities	680	668	12
Vote 5 - Capital Authorities	74	52	22
Vote 10 - Grants and Contributions	855	855	0
Budgetary statutory authorities	2,272	1,913	359
<b>Total Authorities</b>	<b>3,881</b>	<b>3,489</b>	<b>392</b>

Note: Totals may not add up due to rounding.

As of the end of the second quarter of fiscal year 2024-25, authorities of \$3,881 million are 11% or \$392 million higher than the same quarter last year due to the following changes:

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- Statutory funding increased by \$359 million primarily due to \$290 million in new funding for the Dairy Direct Payment Program and the Dairy Innovation and Investment Fund. Additionally, there was a \$45 million funding increase under the *Agricultural Marketing Programs Act* resulting from the increased interest-free loan limit for the Advanced Payments Program.
- Vote 5 – Capital funding increased by \$22 million, mainly due to much higher funding for various real property projects under the Laboratory Asset Renewal initiative.
- Vote 1 – Operating funding increased by \$12 million, driven by a \$40 million increase in collective bargaining obligations, partially offset by a \$13 million funding reduction as part of the Budget 2023 Refocusing Government Spending exercise and an \$11 million funding decrease in the Operating Budget Carry Forward.

### B. Significant changes in year-to-date expenditures

The following table provides spending comparisons by Vote for the second quarter of the current and previous fiscal year.

#### Comparison of year-to-date expenditures for the quarter ended September 30 of fiscal years 2024-25 and 2023-24

Expenditures (in millions of dollars)	2024-25	2023-24	Variance
Vote 1 - Net Operating expenditures	327	316	11
Vote 5 - Capital expenditures	13	12	1
Vote 10 - Grants and Contributions expenditures	239	153	86
Budgetary statutory expenditures	578	242	336
<b>Total Net Budgetary Expenditures</b>	<b>1,157</b>	<b>723</b>	<b>434</b>

Note: Totals may not add up due to rounding.

As of the end of the second quarter of fiscal year 2024-25, expenditures of \$1,157 million are 60% or \$434 million higher than the same quarter last year due to the following changes:

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- Statutory Expenditures increased by \$336 million, primarily due to a \$295 million rise in AgrilInsurance program expenditures. This variance is attributed to the timing of claims received.
- Vote 10 – Grants and Contributions expenditures increased by \$86 million, driven by higher spending in the Poultry and Egg On-Farm Investment Program, Sustainable Canadian Agricultural Partnership, and Agricultural Clean Technology Program. The Poultry and Egg program rose by \$22 million due to earlier payments, while the Sustainable Canadian Agricultural Partnership increased by \$31 million due to claim timing. Agricultural Clean Technology saw a \$13 million rise from higher demand as it nears its final year.
- Vote 1 – Net Operating Expenditures increased by \$11 million, primarily from a \$21 million rise in salary costs from collective bargaining, offset by a \$9 million increase in vote-netted revenue due to the timing of billing.

### **Risks and uncertainties**

Agriculture and Agri-Food Canada continues to exercise prudent management and oversight in implementing its policies and delivering its programs. The Department has established an integrated process to identify, assess, monitor, and respond to a variety of strategic and operational risks to facilitate decision-making and priority setting, and to contribute to more effective delivery and efficient use of resources.

The department continues to remain vigilant and prepare for risks, situations and events impacting its operating environment. Departmental mitigations are in place to manage the risks facing AAFC's people and processes to ensure we can attract, develop and retain a diverse, high-performing, qualified workforce (Our People); adapt our processes and workplace in a way that maximizes the benefits of a hybrid workforce (Our Workplace); as well as effectively navigate financial pressures and ensure scarce resources are allocated to areas of greatest importance (Prioritization and Oversight).

Departmental mitigations are also in place to manage longer-term impacts, including those related to technology and infrastructure, and external events. These include the ability to effectively prevent, detect, contain or respond to cyber security threats that may affect its operations, systems and information (Cyber Security); ensuring that laboratories and other critical infrastructure can be maintained or recapitalized, in support of leading-edge, sustainable, safe and secure scientific and operational activities (Critical Infrastructure); and ensuring the department can modernize its digital infrastructure in an appropriate and timely fashion to adequately support a secure, data-enabled business model and efficient operations (Digital Modernization for Data-enabled Services & Decisions).

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They also include the ability of AAFC's policy directions, program solutions and scientific activities to adequately respond to the climate and environmental threats facing the agricultural sector (Climate and Sustainability); and managing major disruptive industry and market crises (Economic and Market Disruption).

AAFC will continue to closely monitor its environment and operations in order to ensure that resources are being managed effectively to deliver expected results and/or to reallocate resources to key priorities, as necessary.

**Significant changes in relation to personnel and programs**

**Personnel**

On September 9, 2024, Nasser Alsukayri was appointed as Chief Information Officer of AAFC.

**Programs**

There have been no significant changes in relation to programs.

**Approval by senior officials**

Approved by:

Original Signed By

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Lawrence Hanson, Deputy Minister  
Ottawa, Canada

Original Signed By

\_\_\_\_\_  
Marie-Claude Guérard, Chief Financial Officer  
Ottawa, Canada

**Agriculture and Agri-Food Canada**  
**Statement of Authorities (unaudited)**  
**For the quarter ended September 30, 2024**  
*(in thousands of dollars)*

	Fiscal year 2024-25			Fiscal year 2023-24		
	Total available for use for the year ending March 31, 2025 <sup>(1)</sup>	Used during the quarter ended September 30, 2024	Year to date used at quarter-end	Total available for use for the year ending March 31, 2024 <sup>(1)</sup>	Used during the quarter ended September 30, 2023	Year to date used at quarter-end
Vote 1 - Net Operating expenditures	680,350	166,214	327,090	667,819	165,512	315,944
Vote 5 - Capital expenditures	73,901	9,033	13,300	51,844	8,033	11,726
Vote 10 - Grants and contributions	854,515	154,863	238,732	855,473	121,196	153,314
Budgetary statutory authorities <sup>(2)</sup>	2,271,899	490,921	577,726	1,913,447	203,076	241,752
<b>Total Budgetary authorities</b>	<b>3,880,665</b>	<b>821,031</b>	<b>1,156,848</b>	<b>3,488,584</b>	<b>497,817</b>	<b>722,737</b>
<b>Total authorities</b>	<b>3,880,665</b>	<b>821,031</b>	<b>1,156,848</b>	<b>3,488,584</b>	<b>497,817</b>	<b>722,737</b>

Notes:

Totals may not add due to rounding.

(1) Includes only authorities available for use and granted by Parliament at quarter-end.

(2) Details on budgetary statutory authorities are included the table below.

**Agriculture and Agri-Food Canada**  
**Departmental Budgetary Expenditures by Standard Object (unaudited)**  
**For the quarter ended September 30, 2024**  
*(in thousands of dollars)*

	Fiscal year 2024-25			Fiscal year 2023-24		
	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended September 30, 2024	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2024	Expended during the quarter ended September 30, 2023	Year to date used at quarter-end
<b>Expenditures:</b>						
Personnel	607,542	152,486	311,105	586,099	148,462	281,693
Transportation and communications	7,641	2,261	4,059	3,961	2,206	3,851
Information	11,808	959	2,244	12,614	944	2,293
Professional and special services	119,650	22,985	38,257	136,180	24,537	43,090
Rentals	11,649	1,330	6,411	9,826	1,796	7,211
Repair and maintenance	17,195	3,241	5,199	13,220	2,553	3,818
Utilities, materials and supplies	57,187	8,551	15,488	53,242	8,164	14,615
Acquisition of land, buildings and works	24,879	4,086	5,660	39,721	7,427	11,304
Acquisition of machinery and equipment	36,672	4,644	7,307	39,721	7,427	11,304
Transfer payments	3,039,680	626,167	777,833	2,671,177	306,883	362,082
Other subsidies and payments	9,074	6,260	6,497	9,290	1,487	3,345
<b>Total gross budgetary expenditures</b>	<b>3,942,977</b>	<b>832,971</b>	<b>1,180,059</b>	<b>3,548,502</b>	<b>507,725</b>	<b>736,607</b>
<b>Less Revenues netted against expenditures:</b>						
Vote-netted revenues	62,312	11,939	23,210	59,918	9,908	13,870
<b>Total net budgetary expenditures</b>	<b>3,880,665</b>	<b>821,031</b>	<b>1,156,848</b>	<b>3,488,584</b>	<b>497,817</b>	<b>722,737</b>
Note: Totals may not add due to rounding.						



**Agriculture and Agri-Food Canada**  
**Budgetary Statutory Authorities Breakdown (unaudited)**  
**For the quarter ended September 30, 2024**  
*(in thousands of dollars)*

## APPENDIX A

	Fiscal year 2024-25			Fiscal year 2023-24		
	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended September 30, 2024	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2024	Expended during the quarter ended September 30, 2023	Year to date used at quarter-end
Contributions to employee benefit plans	71,643	17,753	35,506	82,485	14,701	29,403
Minister of Agriculture and Agri-Food - Salary and motor car allowance	99	25	49	95	32	47
Contribution payments for the AgriStability program	339,658	(11,304)	(24,287)	339,658	(3,350)	(14,366)
Contribution payments for the AgriInsurance program	1,033,783	375,298	397,290	1,033,783	97,692	102,334
Grant payments for the AgriInvest program	153,974	59,243	100,302	124,463	62,460	93,219
Payments in connection with the <i>Agricultural Marketing Programs Act</i>	160,183	36,574	52,658	113,300	28,982	31,436
Grant payments for the AgriStability program	52,063	99	545	52,063	-	-
Contribution payments for the AgriInvest program	19,779	10,978	12,053	16,711	-	-
Loan guarantees under the <i>Canadian Agricultural Loans Act</i>	13,111	-	425	13,111	-	279
Contributions in support of the Assistance to the Pork Industry Initiative	-	-	(2,814)	-	-	(4,034)
Grants to agencies established under the <i>Farm Products Agencies Act</i>	100	-	-	100	-	-
Contribution payments for the Agricultural Disaster Relief Program (ADRP)/AgriRecovery	118,513	62	2,595	118,513	(94)	(94)
Contribution payments for the Livestock Price Insurance program (Farm Income Protection Act)	4,000	358	358	4,000	-	-
Canadian Pari-Mutuel Agency Revolving Fund	1,848	198	(188)	2,018	535	333
Spending of Amounts Equivalent to Proceeds from Disposal of Surplus Moveable Crown Assets	13,145	1,641	3,258	13,146	2,121	3,202
Grant payments for the Canadian Agricultural Income Stabilization program Inventory Transition Initiative	-	-	-	-	-	-
Contribution payments for the Canadian Agricultural Income Stabilization program Inventory Transition	-	(2)	(7)	-	(1)	(4)
Grant Payments Related to the Dairy Direct Payment Program	290,000	-	-	-	-	-
<b>Budgetary statutory authorities</b>	<b>2,271,899</b>	<b>490,921</b>	<b>577,726</b>	<b>1,913,447</b>	<b>203,076</b>	<b>241,752</b>
Note: Totals may not add due to rounding.						