

Agriculture and Agri-Food Canada

Quarterly Financial Report For the Quarter Ended December 31, 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) and (B).

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) and (B) 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.

Agriculture and Agri-Food Canada
Quarterly Financial Report
For the quarter ended December 31, 2024

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 December 31, 2024.

The following table provides a comparison of total authorities available for use and year-to-date expenditures for the third 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 December 31 of fiscal years 2024-25 and 2023-24

All votes and statutory authorities (in millions of dollars)	2024-25	2023-24
Total authorities available for use	4,013	4,083
Total year-to-date expenditures	2,294	2,206
Utilization	57%	54%

A. Significant changes to authorities

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

Comparison of total authorities as of December 31 of fiscal years 2024-25 and 2023-24

Authorities (in millions of dollars)	2024-25	2023-24	Variances
Vote 1 - Net Operating Authorities	708	717	(9)
Vote 5 - Capital Authorities	74	63	10
Vote 10 - Grants and Contributions	957	890	67
Budgetary statutory authorities	2,275	2,413	(138)
Total Authorities	4,013	4,083	(70)

Note: Totals may not add up due to rounding.

Agriculture and Agri-Food Canada
Quarterly Financial Report
For the quarter ended December 31, 2024

As of the end of the third quarter of fiscal year 2024-25, authorities of \$4,013 million are 2% or \$70 million lower than the same quarter last year due to the following changes:

- Statutory funding decreased by \$138 million, primarily due to a \$187 million reduction in Business Risk Management programs under the Sustainable Canadian Agricultural Partnership. This decrease was partially offset by a \$47 million increase in funding under the Agricultural Marketing Programs Act.
- Vote 10 – Grants and Contributions increased by \$67 million, driven by \$82 million in new funding for Sustainable Canadian Agricultural Partnership programs and \$45 million in new funding for supply-managed producers. These increases were partially offset by reductions in other programs, including a \$24 million decrease in the Wine Industry Support Program, a \$13 million reduction in funding for African Swine Fever Preparedness, a \$12 million decrease from sunseting food policy programs, and an \$11 million reduction in funding for environment and climate change programs.
- Vote 5 – Capital funding increased by \$10 million, primarily due to \$15 million in new funding for the Laboratory Asset Renewal Initiative, partially offset by a \$5 million decrease in the Capital Budget Carry Forward.
- Vote 1 – Operating funding decreased by \$9 million, mainly due to the Budget 2023 Refocusing Government Spending exercise.

Agriculture and Agri-Food Canada
Quarterly Financial Report
For the quarter ended December 31, 2024

B. Significant changes in year-to-date expenditures

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

Comparison of year-to-date expenditures for the quarter ended December 31 of fiscal years 2024-25 and 2023-24

Expenditures (in millions of dollars)	2024-25	2023-24	Variance
Vote 1 - Net Operating expenditures	493	505	(11)
Vote 5 - Capital expenditures	26	22	5
Vote 10 - Grants and Contributions expenditures	419	369	49
Budgetary statutory expenditures	1,356	1,311	45
Total Net Budgetary Expenditures	2,294	2,206	88

Note: Totals may not add up due to rounding.

As of the end of the third quarter of fiscal year 2024-25, expenditures of \$2,294 million are 4% or \$88 million higher than the same quarter last year due to the following changes:

- Vote 10 – Grants and Contributions expenditures increased by \$49 million, driven by \$35 million in additional spending for Sustainable Canadian Agricultural Partnership programs, \$32 million in increased spending on climate initiatives, and \$18 million more for the Poultry and Egg On-Farm Investment Program. These increases were partially offset by a \$17 million reduction in Local Food Infrastructure spending and a \$22 million decline in Wine Industry Support Program expenditures.
- Statutory expenditures increased by \$45 million, primarily due to a \$112 million increase in Business Risk Management program spending, mainly in the AgriInsurance program, where the rise in expenditures reflects the timing of claims received. This increase was partially offset by a \$77 million decrease in Dairy Direct Payment Program expenditures, which resulted from lower budget authority and the timing of payments.
- Vote 1 – Net Operating Expenditures decreased by \$11 million, primarily due to an increase in vote-netted revenue, which reflects fewer delays in funding agreements compared to last year.

Agriculture and Agri-Food Canada

Quarterly Financial Report

For the quarter ended December 31, 2024

- Vote 5 – Capital expenditures increased by \$5 million, primarily due to additional spending under the Laboratory Asset Renewal Initiative.

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 integrated processes 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); manage workforce changes within available space at regional sites while complying with the updated Direction on prescribed presence in the workplace (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 AAFC's 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).

They also include ensuring 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.

Agriculture and Agri-Food Canada
Quarterly Financial Report
For the quarter ended December 31, 2024

Significant changes in relation to personnel and programs

Personnel

There have been no significant changes in relation to personnel.

Programs

There have been no significant changes in relation to programs.

Approval by senior officials

Approved by:

Original Signed By

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 December 31, 2024
(in thousands of dollars)

	Fiscal year 2024-25			Fiscal year 2023-24		
	Total available for use for the year ending March 31, 2025 ⁽¹⁾	Used during the quarter ended December 31, 2024	Year to date used at quarter-end	Total available for use for the year ending March 31, 2024 ⁽¹⁾	Used during the quarter ended December 31, 2023	Year to date used at quarter-end
Vote 1 - Net Operating expenditures	707,947	166,186	493,276	717,202	188,558	504,503
Vote 5 - Capital expenditures	73,923	13,177	26,477	63,452	10,122	21,848
Vote 10 - Grants and contributions	956,612	179,785	418,517	889,684	215,720	369,034
Budgetary statutory authorities ⁽²⁾	2,274,561	777,990	1,355,717	2,412,876	1,068,990	1,310,742
Total Budgetary authorities	4,013,043	1,137,138	2,293,987	4,083,214	1,483,390	2,206,127
Total authorities	4,013,043	1,137,138	2,293,987	4,083,214	1,483,390	2,206,127

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 December 31, 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 December 31, 2024	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2024	Expended during the quarter ended December 31, 2023	Year to date used at quarter-end
Expenditures:						
Personnel	616,746	154,590	465,694	650,507	163,741	445,434
Transportation and communications	8,313	2,524	6,582	4,083	2,650	6,501
Information	12,862	3,409	5,653	54,072	2,045	4,337
Professional and special services	129,688	25,775	64,032	140,424	27,479	70,569
Rentals	12,690	1,287	7,698	10,135	1,247	8,458
Repair and maintenance	18,493	3,874	9,073	13,621	3,625	7,443
Utilities, materials and supplies	63,316	8,750	24,238	57,293	8,283	22,898
Acquisition of land, buildings and works	24,879	6,148	11,808	24,121	4,496	7,801
Acquisition of machinery and equipment	36,694	6,555	13,862	40,383	7,441	18,745
Transfer payments	3,141,777	786,762	1,564,595	3,141,588	1,041,030	1,403,112
Other subsidies and payments	9,895	152,221	158,717	9,589	238,686	242,032
Total gross budgetary expenditures	4,075,355	1,151,894	2,331,953	4,145,633	1,500,723	2,237,330
Less Revenues netted against expenditures:						
Vote-netted revenues	62,312	14,756	37,966	62,418	17,333	31,203
Total net budgetary expenditures	4,013,043	1,137,138	2,293,987	4,083,214	1,483,390	2,206,127
Note: Totals may not add due to rounding.						

Agriculture and Agri-Food Canada
Budgetary Statutory Authorities Breakdown (unaudited)
For the quarter ended December 31, 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 December 31, 2024	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2024	Expended during the quarter ended December 31, 2023	Year to date used at quarter-end
Contributions to employee benefit plans	72,151	35,506	53,259	83,550	14,701	44,104
Minister of Agriculture and Agri-Food - Salary and motor car allowance	99	49	74	95	24	71
Contribution payments for the AgriStability program	322,358	(2,060)	(15,043)	339,658	(118)	(14,484)
Contribution payments for the AgriInsurance program	1,033,783	892,620	914,613	1,033,783	729,944	832,278
Grant payments for the AgriInvest program	162,774	100,059	141,118	183,862	57,533	150,751
Payments in connection with the <i>Agricultural Marketing Programs Act</i>	160,183	67,904	83,989	113,300	32,389	63,824
Grant payments for the AgriStability program	52,063	(346)	100	52,063	-	-
Contribution payments for the AgriInvest program	28,279	18,828	19,904	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)	-	(1)	(4,035)
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	397	2,930	254,713	5,575	5,481
Contribution payments for the Livestock Price Insurance program (Farm Income Protection Act)	4,000	883	883	4,000	-	-
Canadian Pari-Mutuel Agency Revolving Fund	1,848	1,131	745	2,018	496	829
Spending of Amounts Equivalent to Proceeds from Disposal of Surplus Moveable Crown Assets	15,298	3,943	5,560	15,911	1,595	4,796
Grant payments for the Canadian Agricultural Income Stabilization program Inventory Transition Initiative	-	(5)	(9)	-	(3)	(7)
Contribution payments for the Canadian Agricultural Income Stabilization program Inventory Transition	-	-	(16)	-	(8)	(9)
Grant Payments Related to the Dairy Direct Payment Program	290,000	150,000	150,000	300,000	226,863	226,863
Budgetary statutory authorities	2,274,561	1,268,912	1,355,717	2,412,876	1,068,990	1,310,742
Note: Totals may not add due to rounding.						