

Canadian Canola Growers Association

Submission to Finance Canada

Pre-Budget Consultations 2025

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Canadian Canola Growers Association

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Recommendations

Recommendation 1: Remove China's tariffs on Canadian canola seed, oil and meal and maintain tariff free access with the United States. Support a robust domestic biofuels policy with stringent policies against the use of potentially fraudulent imported used cooking oil. Secure long-term funding for the Indo-Pacific Agriculture and Agri-Food Office (IPAAO).

Recommendation 2: Extend Transport Canada's extended interswitching pilot by three years, to include all railways, with a path to permanency. Invest further in critical trade enabling infrastructure and mitigate the impacts of labour disruptions. Protect and uphold the Maximum Revenue Entitlement.

Recommendation 3: Continue to invest in Business Risk Management (BRM) programs and enhance industry collaboration to ensure the suite provides effective, equitable, timely and predictable risk management options for farmers.

Recommendation 4: Modernize the Canada Grain Act and Canadian Grain Commission (CGC) to ensure Canada's grain quality system aligns with the modern grain trading environment.

Recommendation 5: Invest in and support research and innovation of agronomic practices, crop protection, plant breeding, extension training and communications to farmers.

Recommendation 6: Amend the mandates of the Pest Management Regulatory Agency (PMRA) and Canadian Food Inspection Agency (CFIA) to consider food security and the cost of food. PMRA's core work is resourced and prioritized to uphold a risk and science-based approach. Provide funding for a permanent Pan-Canadian Water Monitoring Program housed within the PMRA.

Recommendation 7: Expedite accessible, affordable, and reliable high-speed internet and mobile coverage to rural and remote communities. Promote and support adoption of innovative technologies, including artificial intelligence.

Canadian Canola Growers Association (CCGA) appreciates the opportunity to participate in the House of Commons Standing Committee on Finance's Pre-Budget Consultations in Advance of the Fall 2025 Budget. CCGA is farmer-founded and farmer-led, representing 40,000 canola farmers across Canada on issues that impact their business. The association is also an administrator of Agriculture and Agri-Food Canada's Advance Payments Program.

Canola is the largest crop farm cash receipt, earning Canadian farmers \$12.9 billion in 2024. The value of canola to the Canadian economy has more than doubled in the past decade and now generates an average of \$43.7 billion annually. The canola sector supports an average of 206,000 Canadian jobs and \$16.3 billion in wages. Exports drive canola's success – more than 90% of all canola grown in Canada is exported as seed, oil, or meal: valued at \$14.5 billion in 2024 alone. The following recommendations, if taken, will support farmers' livelihood and contribute to Canada's economy, food and fuel security for decades to come.

Trade

Recommendation 1: Remove China's tariffs on Canadian canola seed, oil and meal and maintain tariff free access with the United States. Support a robust domestic biofuels policy with stringent policies against the use of potentially fraudulent imported used cooking oil. Secure long-term funding for the Indo-Pacific Agriculture and Agri-Food Office (IPAAO).

Canola farmers rely on open, predictable and expansive trade. Maintaining access to our key export markets, particularly the U.S. and China, expanding into new ones and increasing domestic value-added processing capacity is essential for sustained growth and farmers' livelihoods. A significant focus on normalizing trading relationships with major export markets should be prioritized as well as efforts to ensure that Canada's current suite of Free Trade Agreements are fully maximized and leveraged.

The U.S. is Canada's leading market for canola, valued at \$7.7 billion in 2024 and is the top export destination for canola oil and meal. Given the importance of the U.S. market for Canadian canola, increased protectionism, the threat of tariffs, and a Canada-U.S.-Mexico Agreement review set to occur in 2026, it is imperative to maintain our market presence in the U.S.

China is an important market for the Canadian canola industry with exports totaling \$4.9 billion in 2024. The current 75.8% canola seed duty imposed as a preliminary ruling of China's Ministry of Commerce's anti-dumping investigation into Canadian canola seed imports, coupled with the 100% tariffs on canola oil and meal resulting from China's anti-discriminatory investigation against Canada,

has put significant burden on canola farmers, exporters, and the broader industry. These tariffs effectively close the Chinese market to the Canadian canola industry. Ongoing government engagement with China to remove these tariffs and support for farmers and the industry as it deals with the impacts of these actions are essential and needs to be a government priority.

A robust domestic biofuels market is a significant de-risking and market diversification opportunity for the Canadian canola industry that will provide greater marketing choice for farmers, increased investment in value added processing, and support jobs across the Prairies. A robust domestic biofuel policy with stringent policies against the use of fraudulent used cooking oil will help ensure that Canadian farmers and businesses can thrive, compete domestically and internationally, and help mitigate against an increasingly volatile global trading environment.

On-the-ground technical expertise provided through the Indo-Pacific Agriculture and Agri-Food Office (IPAAO) will help our sector manage evolving regulatory requirements and generate market access solutions. The IPAAO needs long-term funding to ensure continuity and the establishment of critical working relationships in the region.

Transportation

Recommendation 2: Extend Transport Canada's extended interswitching pilot by three years, to include all railways, with a path to permanency. Invest further in critical trade enabling infrastructure and mitigate the impacts of labour disruptions. Protect and uphold the Maximum Revenue Entitlement.

Budget 2023 authorized 'extended interswitching' for an 18-month duration in the Prairie provinces that expired in March of 2025. This policy has been long supported by the grain industry and other shippers as it encourages competition between railways in a duopoly environment, supporting better service and access to new routes and continental markets. The government should make-good on their 2025 election platform promise to extend the pilot by three years¹. To ensure equity for all grain elevators and, by extension, farmers, the permanent radius distance should be extended to 500km and applied to crop growing regions of British Columbia.

Over 90% of canola grown in Canada is exported by rail. Farmers are directly impacted by supply chain issues, particularly labour stoppages. Beyond the farm gate, challenges with Canada's

¹ Canada Strong. Mark Carney's Plan Unite. Secure. Protect. Build. Liberal Party of Canada. Page 14. <https://liberal.ca/wp-content/uploads/sites/292/2025/04/Canada-Strong.pdf>

transportation system are impacting our reputation with global customers as a reliable, consistent supplier-leaving us vulnerable to potentially giving up market share to other countries that are able to be consistent suppliers. Investment in infrastructure projects are required to ensure we safeguard and improve the ability to move grain in the future. Government and the private sector need to collaborate on ways to reduce labour stoppages and the impact they have on the Canadian economy, including the grain sector.

The Maximum Revenue Entitlement (MRE) provides an overall mechanism of price protection to Western Canadian farmers, as they are the ones that ultimately bear the cost of the railway service and therefore must be maintained.

Business Risk Management

Recommendation 3: Continue to invest in Business Risk Management (BRM) programs and enhance industry collaboration to ensure the suite provides effective, equitable, timely and predictable risk management options for farmers.

Canola farmers face increased export risk in international markets, volatile commodity prices and weather, as well as high input costs and more debt - indicating a greater need for effective BRM programs. They must remain exclusively a tool to help protect farmers against income and production losses. Current environmental linkages erode the core purpose and can impact participation. Farmers should have a variety of BRM tools available that work effectively for the demands of their farm. This way, they can build a strategy that works for their individual operation. Agriculture and Agri-Food Canada should reach beyond their traditional program advisory committee structure to engage with a broader community of farmers and farm organizations on these programs, to ensure these critical tools remain relevant and effective for farmers as changes are made under current and subsequent policy frameworks.

Canadian Grain Commission

Recommendation 4: Modernize the Canada Grain Act and Canadian Grain Commission (CGC) to ensure Canada's grain quality system aligns with the modern grain trading environment.

It has been over 50 years since a major overhaul of the Canada Grain Act and modernization of CGC activities. AAFC concluded its stakeholder consultation in spring of 2021 on modernization of the Canada Grain Act, yet no next steps have been announced. Further engagement with farmers and subsequent legislative changes should be government priorities. Updates would allow for important changes including defining the "gold standard" for grain assurance, enhancing producer

protections that are past due, and creating a responsive, nimble regulatory framework that aligns with a modern trading environment.

Environment and Access to Innovation

Recommendation 5: Invest in and support research and innovation of agronomic practices, crop protection, plant breeding, extension training and communications to farmers.

Future environmental and production benefits of canola will depend on sustained innovation in plant breeding, variety development, crop protection products, and agronomic practices that support sustainable intensification. These initiatives will create seed varieties, chemistries, beneficial management practices and extension training support to assist canola farmers in adapting to climate change while optimizing inputs. An enabling regulatory environment that promotes commercialization of these products and meaningful partnerships with government to conduct and apply research is essential to ensure farmers get these innovations in a timely manner.

The government must collaborate with farmers when designing programs, establishing incentives, and provide evidence of return on investment regarding the impact of introducing new practices. Government should recognize and reward early adopters of sustainable practices and ensure they are not excluded from available incentives.

Recommendation 6: Amend the mandates of the Pest Management Regulatory Agency (PMRA) and Canadian Food Inspection Agency (CFIA) to consider food security and the cost of food. PMRA's core work is resourced and prioritized to uphold a risk and science-based approach. Provide funding for a permanent Pan-Canadian Water Monitoring Program housed within the PMRA.

Currently, PMRA and CFIA are only mandated to view regulations through a health and safety lens. The government made an election promise to amend their mandates "to consider food security and cost of food in all their regulatory decisions without compromising health and safety."² Mandates must ensure Canada's farmers are not denied products unnecessarily - potentially saving thousands of dollars in lost production or on more expensive products. Having more predictable and accessible access to competitive products will encourage farmers to invest in new crop protection products, seed varieties, and equipment that will enable Canada to reach new heights in its leadership of agricultural production.

² Ibid. 14

Increased resources for PMRA's core work are also required to decrease backlogs and support the delivery of timely, science and risk-based decision making associated with the regulation of crop protection products. A consistent, risk and science-based approach to the regulation of pesticides is also important when Canada advocates for rules-based trade and market access practices internationally.

Additionally, permanent funding for a Pan-Canadian Water Monitoring Program housed within PMRA is required. Without it, the Agency will be forced to rely on increasingly conservative modelling when making regulatory decisions, which affects farmer's access to necessary tools and can negatively impact food production.

Rural Broadband and Adoption of Innovative Technologies

Recommendation 7: Expedite accessible, affordable, and reliable high-speed internet and mobile coverage to rural and remote communities. Promote and support adoption of innovative technologies, including artificial intelligence.

Reliable, fast, and affordable internet and mobile coverage are key to managing modern grain farm operations and adopting new equipment. Rural communities are still behind the rest of Canada in terms of broadband at 50/10 mbps, and mobile LTE.³ Funding for artificial intelligence (AI), pledged in Budget 2024, and further investments in its adoption on farms will also be important to advance the industry. Both will be critical to farmers' ability to stay competitive and sustainable in the global marketplace.

Sincerely,

Original signed by

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Canadian Canola Growers Association

³ Canadian Radio-television and Telecommunications Commission. Broadband Fund Closing the digital divide in Canada. Accessed July 25, 2025. <https://crtc.gc.ca/eng/internet/internet.htm>