



## Financial Support and Programs for Producers

as of March 30<sup>th</sup>, 2020

On March 18, the Government of Canada announced the [Business Credit Availability Program](#), which will allow the [Business Development Bank of Canada \(BDC\)](#) and [Export Development Canada \(EDC\)](#) to provide more than \$10 billion of additional support, largely targeted to small and medium-sized businesses.

Furthermore, the Government of Canada announced on March 23 that all eligible farmers who have an outstanding [Advance Payments Program \(APP\)](#) loan due on or before April 30, 2020 will receive a Stay of Default, allowing them an additional six months to repay the loan.

The new deadlines for outstanding Advance Payments Program loans are:

- September 30, 2020: 2018 cash advances for grains, oilseeds, and pulses.
- September 30, 2020: 2018 cash advances for cattle and bison.
- October 31, 2020: 2019 cash advances on flowers and potted plants.

The Stay of Default will also provide farmers the flexibility they need to manage their cash flow when facing lower prices or reduced marketing opportunities. Farmers who still have interest-free loans outstanding will have the opportunity to apply for an additional \$100,000 interest-free portion for the new 2020 program year starting April 1, 2020, as long as their total APP advances remain under the \$1 million cap.

For small businesses, a [temporary wage subsidy](#) for the next 90 days is available. The Government announced a temporary wage subsidy for employers for a period of 3 months. Eligible employers (individuals - excluding trusts, certain partnerships, non-profit organization, registered charity, or Canadian-controlled private corporation eligible for the small business deduction) who pay salary, wages, or taxable benefits to employees, between March 18, 2020 and June 19, 2020, can reduce payroll remittances of federal, provincial, or territorial income tax by the amount of the subsidy. This measure is only applicable to remittances made to the CRA.

An [Emergency Response Benefit](#) was also announced. It will cover Canadians who have lost their job, are sick, quarantined, or taking care of someone who is sick with COVID-19, as well as working parents who must stay home without pay to care for children who are sick or at home because of school and daycare closures. The CERB would apply to wage earners, as well as contract workers and self-employed individuals who would not otherwise be eligible for Employment Insurance (EI).

The Government of Canada also announced that the near term credit available to farmers and the agri-food sector will also be increased through [Farm Credit Canada \(FCC\)](#). As an agricultural industry leader, FCC will work with other financial institutions to find new ways to work together to support customers, producers and business operators throughout Canada's agriculture and agri-food industry.

Under the [Canadian Agricultural Partnership](#) producers continue to have access to a comprehensive suite of Business Risk Management programs to help them manage significant financial impacts and risks beyond their control.