

# Support measures for agriculture, agri-food, aquaculture and fisheries businesses

This summary outlines the various new measures for employers and employees in the agriculture, agri-food, aquaculture, and fisheries industries. These government programs are in addition to the federal measures announced for all eligible businesses across various industries such as [CEWS](#), [CEBA](#), [CECRA](#) and [BCAP](#).

For additional details on these broader federal measures, please visit [grantthornton.ca](http://grantthornton.ca).

## Expansion of CEBA

Changes to the Canada Emergency Business Account (CEBA) announced on **May 11, 2020**, are expected to increase the accessibility to farmers. The program was originally announced in April as a means to provide small businesses with a quick cash infusion of **\$40,000** in the form of a loan, 25% of which is forgivable if repaid by December 31, 2022. Since it was originally introduced, there have been changes to expand its availability to include more businesses. For example, when originally announced, an employer was required to have payroll between \$50,000 and \$1 million, but this was later expanded to payroll between \$20,000 and \$1.5 million.

The program has expanded to include sole proprietors, businesses that rely on contractors and eligible family-owned corporations. Furthermore, businesses with payroll lower than \$20,000 are also now eligible to apply, provided they meet the following criteria:

- Have a business operating account at a participating financial institution,
- Have a CRA business number,
- Have filed a tax return for 2018 and 2019, and
- Have eligible non-deferrable expenses (e.g., rent, property tax, utilities) between \$40,000 and \$1.5 million.



## Agriculture and agri-food businesses

### Farm Credit Canada

Increased credit availability of **\$5 billion** will be available for businesses in farming and the agri-food sector through [Farm Credit Canada \(FCC\)](#).

Effective immediately, FCC is offering its customers an option to defer their principal and loan payments up to six months. Alternatively, customers can choose to defer their principal payments for 12 months.

Also, subject to eligibility, FCC has expanded its offerings to include the following products:

- **24-month secured credit line:** maximum limit **\$500,000** at a rate of prime +1 percent.
- **A term loan:** maximum limit up to **\$2.5 million**. An interest-only option is available over a 10-year amortization. Funds can be used for working capital and for expenses related to automation and optimization of production facilities and additionally, to consolidate current liabilities. However, the term loan cannot be used to pay out term debt or purchase term assets. FCC may require personal property or real property as collateral for this loan.

More information—including application details—on the payment deferral and these products can be found on the [FCC website](#).

### Agriculture and Food Business Solutions Fund

In partnership with Forage Capital Inc., FCC has launched this **\$100 million fund** intended to provide flexible financing solutions to a maximum of **\$10 million**, to qualifying companies in the agribusiness, agri-food, agri-tech, manufacturing, packaging and distribution sectors.

According to the federal government, the purpose of the fund is to support existing companies that are “proven” and “viable” through the business disruption caused by the pandemic. Companies must demonstrate that they have been significantly impacted by the pandemic (e.g., loss of a key supplier).

Applicants will be assessed on a case by case basis. Further information on eligibility and how to apply can be obtained by contacting [FCC](#) or [Forage Capital](#).



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## Advanced Payment Program

The [Advanced Payment Program \(APP\)](#) is a federal loan guarantee program for agricultural producers. The program offers low-interest cash advances of **up to \$1 million**, with the first **\$100,000** being interest-free and low rates on the remaining amount.

The program has provided an automatic stay of default on loans due on or before April 30, giving producers an additional six months to repay the loan. Revised deadlines are as follows:

- **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 following administrators are participating in the stay of default:

- Agricultural Credit Corporation
- Alberta Sugar Beet Growers
- Alberta Wheat Commission
- BC Breeder and Feeder Association
- Canadian Canola Growers Association
- Manitoba Corn Growers Association Inc.
- Manitoba Livestock Cash Advance Inc.
- PEI Federation of Agriculture
- Western Cash Advance Program Inc.

In addition, producers with balances outstanding can apply for an additional **\$100,000** interest-free loan for 2020-2021, provided the total APP advance remains under the **\$1 million maximum**.

## AgriStability program

The AgriStability program provides support to producers experiencing large margin declines, when the farm's margin for the year is lower by an amount exceeding 30 percent of the farm's reference margin.

Normally, producers who experience these margin declines would be eligible to receive 50 percent of their estimated final payment under the program. However, due to the pandemic, this percentage has been increased and producers will now see an advance payment of **75 percent** of the final payment.

The application deadline has been extended from April 30 to **July 3, 2020**.

The program is delivered by the federal government for Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador, and Yukon. The remaining provinces have their programs administered by separate provincial bodies.

Further information regarding enrollment and benefits is available [here](#).

## AgrilInsurance program

The AgrilInsurance program helps producers mitigate the financial impacts of production losses due to uncontrollable natural hazards, such as drought, flood and uncontrolled disease, to name a few.

The federal and provincial governments are exploring the possibility to expand the AgrilInsurance program to cover labour shortages as an eligible risk for the horticulture sector.

Although this change is still in the initial discussion stages, further information on the program can be found at the [AgrilInsurance program website](#).

## Agri-Food Open for E-Business initiative

The federal and Ontario governments are making **\$2.5 million** available for businesses in the agri-food sector, including food producers, farmers markets, retailers, greenhouses, etc., to expand their reach to online consumers.

The Agri-Food Open for E-Business initiative will be jointly funded by the Canadian Agricultural Partnership.

This initiative has two funding streams:

- 1 A **\$5,000 grant** to establish an online presence for eligible businesses and organizations.
- 2 Up to **\$75,000 for cost-share funding** for eligible businesses, organizations and partnerships/collaborations to develop, enhance and/or implement online business opportunities.

Applications are currently open through the [Ontario Ministry of Agriculture, Food and Rural Affairs](#).

## Agri-food pilot

This three-year pilot program enables eligible non-seasonal workers in specific industries and occupations to apply for permanent residence in Canada.

The aim of the program is to address the labour needs of specific eligible industries in the agri-food sector while at the same time offering experienced individuals who meet certain minimum requirements (e.g., language and education) with a path to permanent residency in Canada.

This pilot program will accept applications from **May 15, 2020 to May 14, 2023**.

Applications are currently open through the [Immigration, Refugees and Citizenship Canada website](#).

## Funding to connect employers with job seekers

The federal and Ontario governments are jointly investing up to **\$1 million** to help connect workers with employers in the agriculture, food processing and grocery retail sectors.

Applications are currently open through the [Ontario Ministry of Agriculture, Food and Rural Affairs](#).

## Canadian Dairy Commission

The federal government has committed **\$200 million** to increase the Canadian Dairy Commission's borrowing limit to **\$500 million**. This will cover the additional costs of storing cheese and butter for an extended time and allow better management of the supply of these dairy products to reduce the amount of wasted product.

Further information regarding this initiative is expected soon.

## Surplus Food Purchase Program

A new Surplus Food Purchase Program will make **\$50 million** available to help redistribute unsold food inventories to local food organizations serving vulnerable Canadians.

Further information regarding this program is expected soon.

## Emergency Processing Fund

This **\$77.5 million** fund was established by the federal government to enable food producers to access more personal protective equipment (PPE) and automate their facilities in response to COVID-19.

Further information regarding eligibility and the application process is expected soon.

## AgriRecovery initiative

This **\$125 million** initiative was launched by the federal government to help farmers with the cost of holding onto livestock for longer periods of time due to closures of food processing plants.

Further information regarding this initiative is expected soon.





## Seafood and fisheries businesses

### Canadian Seafood Stabilization Fund

This additional new funding of **\$62.5 million** for the fish and seafood processing sector is meant to assist with:

- accessing short-term financing for maintenance and inventory costs;
- adding storage capacity for unsold product;
- complying with health and safety measures for workers;
- supporting new manufacturing and automated technologies to improve productivity and quality of finished seafood product; and
- adapting products to respond to changing requirements and new market demands.

These funds will be delivered by the Atlantic Canada Opportunities Agency ([ACOA](#)) for Atlantic Canada, Canada Economic Development for Quebec Regions ([CED](#)) and Western Economic Diversification Canada ([WD](#)). CED has provided details of how to apply.

Further information regarding the application process for both ACOA and WD are expected soon.



for the fish and seafood processing sector available through the **Canadian Seafood Stabilization Fund**

### Fish harvester grant

This grant is intended to provide up to **\$10,000** to self-employed fish harvesters who have a valid fishing license and who are impacted by the pandemic. It will be open to those who are unable to access the Canada Emergency Business Account. The amount of the grant will vary depending on the harvester's historic revenue.

Further information regarding this grant is expected soon.

### Fish harvester benefit

This measure is intended to provide income support to eligible self-employed fish harvesters and sharepersons crew who are unable to access the Canada Emergency Wage Subsidy.

To qualify, the self-employed person must have experienced a decline in fishing income greater than 25 percent in the 2020 tax year, as compared to a reference period that is yet to be determined. The person will be covered for 75 percent of fishing income losses up to a maximum of **\$847 per week**, for up to **12 weeks** (i.e., the same as the maximum subsidy under the CEWS program).

Further information regarding this program and the application process are expected soon.

### EI for self-employed fish harvesters

The federal government is proposing measures to allow self-employed fish harvesters and sharepersons to claim employment insurance benefits based on insurable earnings from previous seasons (winter and summer) rather than the current seasons.

Further information regarding this program is expected soon.

## Measures applicable to multiple industries

### Mandatory Isolation Support for Temporary Foreign Workers Program

The Mandatory Isolation Support for Temporary Foreign Workers Program (MISTFWP) will assist employers in the farming, fish harvesting and food production and processing sectors with costs associated with the mandatory 14-day isolation period imposed on temporary foreign workers entering Canada.

Eligible Canadian employers can receive up to **\$1,500** for each temporary foreign worker. This can be used towards the wages and benefits of the temporary foreign worker during the isolation period, as well as other costs, such as off-site accommodation, food allowances, PPE, etc.

Employers in provinces outside of PEI can apply by visiting the [Government of Canada's website](#). Employers in PEI who wish to apply can do so by visiting the [Government of PEI's website](#).

### BC Agri-Business Planning Program

For BC businesses operating in agriculture, seafood and food processing, funding is being made available through the BC Agri-Business Planning Program to assist these businesses in developing business recovery plans.

Businesses resident in BC whose revenues have decreased by at least 30 percent due to the pandemic are eligible to apply for funding for a qualified business consultant to assist with either of the following:

- the development of an immediate and long-term recovery plan or
- specialized planning in areas such as strategy, cash flow and succession planning, to name a few.

Funding is available as follows: \$5,000 for individuals and \$20,000 for groups.

Applications can be made on the [Government of BC's website](#).

## We are here to help

We understand that you want to be agile and responsive as the situation unfolds. Having access to experts, insights and accurate information as quickly as possible is critical—but your resources may be stretched at this time.

We're here to support you as you navigate through the impacts of coronavirus on your business and your investments.

*Grant Thornton LLP wants to caution that these rules are still new and continue to evolve as the government continues to re-evaluate the economic impact caused by the COVID-19 pandemic. We may still see changes to these measures—as well as new measures—as the government attempts to address the issues that have been raised by us and the tax community. Therefore, any analysis included herein, reflects our knowledge as of the date and time of this email and may no longer be applicable if changes do occur and you should proceed with caution before making any decisions.*

Visit our [COVID-19 Hub](#) for timely information and resources and connect with your [Grant Thornton advisor](#) to learn more.

