



Qs & As

2025 and 2026 Canola Increased Interest-Free Limit

Q1 What is the Advance Payments Program (APP)?

The APP is a federal loan guarantee program which provides agricultural producers with access to low-interest cash advances to help provide marketing flexibility to allow producers to sell their commodity at the most opportune time. Advances are available on over 500 crop and livestock products across Canada.

Producers can access up to \$1,000,000 per program year based on the value of their agricultural product, with the Government of Canada typically paying the interest on the first \$100,000 advanced. In 2025, the interest-free limit was increased from \$100,000 to \$250,000.

APP advances are available through industry associations across Canada. Contact one of our [Advance Payments Program Administrators](#).

Q2 What are the changes to the APP?

The Minister announced a temporary increase to the interest-free limit for canola advances, raising it to \$500,000 for the 2025 and 2026 program years.

Q3 Why is the increased canola interest-free limit not retroactive to the start of the program year?

The APP's interest-free limit is set in the *Agricultural Marketing Programs Regulations*. Until the regulatory amendments are in force, the Minister does not have the legal authority to pay the interest on amounts over \$250,000 for the interest-free portion of advances.

As the date of the regulatory changes coming into force **has not yet been confirmed**, producers will remain responsible for paying interest that accrues on advances over \$250,000 from the day they received the advance until the day before the new canola interest-free limit takes effect. The Government of Canada will begin covering the interest on the additional amounts over \$250,000 up to \$500,000 for existing canola advances as of the effective date, which will be communicated once confirmed.

Q4 Why is the canola interest-free limit increased to \$500,000 for 2025 and 2026?

The interest-free limit for canola was increased to \$500,000 to support canola producers facing cash flow issues resulting from the tariff implemented by China.

Q5 Why are the increases on the canola interest-free limit temporary?

Similar to the measures introduced in 2019, the canola interest-free limit increase for 2025 and 2026 is a temporary measure. It is intended to provide canola producers with some financial certainty in response to the continuing impacts of the tariff implemented by China.



Q6 What do producers already participating in the 2025 APP have to do to take advantage of the canola increased interest-free limit?

Outstanding 2025 canola advance amounts that fall between \$250,000 and \$500,000 will become interest-free, barring the interest accrued on advances up to the effective date of the limit change (**to be confirmed**). Producers will continue to be responsible for paying the interest on canola advance amounts above \$500,000, as well as meeting other program requirements as set out in their repayment agreements. APP Administrators will provide official documentation regarding the implementation of the increase in the coming days.

Q7 When will the canola interest-free limit return to its previous level?

The interest-free limit on canola is currently scheduled to return to the \$100,000 level for the 2027 program year.

Q8 Will the increased \$250,000 interest-free limit remain in place for all other products during the 2025 program year?

Yes. Producers will continue to benefit from the increased \$250,000 interest-free limit for all other commodities throughout the 2025 program year. This temporary measure will expire at the end of that program year.

General APP Information

Q9 Who is eligible for the program?

To be eligible, a producer must be a Canadian Citizen or permanent resident; or a corporation, cooperative or partnership of which the majority interest is held by Canadian citizens or permanent residents. Eligible producers must also be the age of majority in the province where the farm operates; have produced/be producing and own the agricultural product; and be responsible for its marketing. The majority of agricultural products are eligible under the program.

Q10 How do producers apply?

Producers can apply by contacting one of the [Advance Payments Program \(APP\) Administrators](#) across Canada. Their staff will guide producers through the application process. A list of APP administrators can be found on Agriculture and Agri-Food Canada's website at www.agr.gc.ca/app or by calling 1-866-367-8506 (toll-free).

Q11 Who delivers the program?

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Q12 How are the amounts of the advances established?

APP advances are based on the anticipated value of the eligible agricultural products that are either being produced or that are in storage. Producers can receive up to 50% of the expected value of their production.

The advance amounts producers are eligible to receive will be limited by the level of security the producer is able to provide.

Q13 Why is a security required for an advance?

APP advances must be secured to ensure a producer will be able to reimburse their advances. In all instances, the producer must agree to offer up the agricultural product(s) being advanced on as security. Additionally, for pre-production and livestock advances, coverage under one or a combination of the eligible business risk management programs will be required (e.g., AgrilInsurance and AgriStability).

Q14 What are the loan (advance) terms?

Producers are required to make repayments as they sell the agricultural products they received their advance on. The full advance must be repaid within the production period as noted in the repayment agreement signed with the APP administrator. The production period is 18 months for most agricultural products (24 months for cattle and bison).

Q15 How are the advances repaid?

Producers must repay their APP advance as they sell the agricultural products on which the advance was made (within 30 days of a receiving payment from the sale of the agricultural product).

Q16 What is the role of APP Administrators?

APP Administrators sign annual tripartite agreements with their Financial Institution and the Minister of Agriculture, which authorizes them to deliver the program to producers. Once their agreement is signed, APP Administrators become responsible for the day-to-day delivery of the program. They assess a producer's eligibility, coordinate the application process, determine advance amounts and manage the producer's file until full repayment, while respecting the terms and conditions of their agreements.

Q17 What is the role of the Federal Government?

The Federal Government pays the interest on the interest-free portion APP advances. Furthermore, the Government guarantees the total amounts advanced to the producers, which allows APP administrators to charge a low interest rate in the interest-bearing portion of advances. Lastly, the Government provides oversight to help ensure that APP Administrators comply with the requirements of their agreements, as well as the *Agricultural Marketing Programs Act* and its Regulations.