

# Focus: Farmers and Banking

## Focus Sheet

### FAST FACTS

- Banks have longstanding relationships with farmers and other agricultural customers and have helped during significant challenges and financial uncertainties.
- All major banks have dedicated agricultural departments serving farmers and other agricultural customers during all phases of their business.

### The Bottom Line

Banks in Canada are proud of their longstanding business relationships with farmers and agricultural customers. These strong relationships have helped banks work with their customers on the day-to-day issues of running a farm and through the challenges that the industry has had to confront.

### Dedicated Agriculture Departments

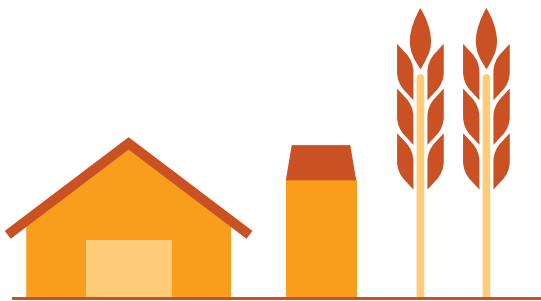
All major banks have dedicated departments serving farmers during all phases of their business and are committed to working with their farm clients to determine the best options to help them manage financial uncertainties.

In addition to business accounts, banks offer products to help farm clients meet their operating, capital improvement and equipment financing needs as well as investment advice and products to manage financial risk and expenses.

Bank agriculture specialists can also offer advisory services with detailed information on economic conditions, business planning, market trends, government policies, and regulatory issues that may impact a farm business.

Banks understand the realities of farmers' busy schedules, particularly during planting and harvesting seasons. Bankers try to be flexible to meet these scheduling demands, and often drive to farms, processing plants and warehouses to provide onsite banking assistance. And many of the banks' products and services are accessible on smartphone apps and through online and telephone banking.

## Supporting Young Farmers and the Rural Community



There has been a resurgence of interest in agriculture by a younger generation of farmers. They play important roles in Canada's agricultural and rural success story. However, sometimes these younger farmers need more support and advice than experienced producers.

Local bank branches in agricultural communities can supply the tools, advice and support young farmers need to succeed. Many branches can provide advice on how to develop a business plan, and they often hold business seminars that provide access to experts in the field.

Banks also support Outstanding Young Farmer Programs, 4-H clubs and university programs that help to young farmers with entrepreneurship, networking opportunities, and scholarships.

In addition, banks work with producers on succession planning to ensure a viable transition to future generations of farmers.



## **AgrilInvest Accounts**

Opening an AgrilInvest account at a participating bank (in Québec, this program is only offered through La Financière agricole du Québec) can help farmers take advantage of the federal government's matching contributions under the AgrilInvest Program to help manage small declines in farm income. To open an account, farmers need only bring in an original government-issued AgrilInvest Account Initiation Form to their local bank. More details about the program are available on the [Agriculture and Agri-Food Canada website](#).

## **Government Support for Your Farm**

All major banks are participating lenders in the federal Canadian Agricultural Loans Act (CALA) program. This is designed to help new farmers establish their farms, in addition to helping more experienced producers improve and develop their farms. Agricultural co-operatives can also access these loans to process, distribute, or market the products of farming. Information on CALA can be found on the Agriculture and Agri-Food Canada website, [agriculture.canada.ca/en](http://agriculture.canada.ca/en).

CALA loans are limited to a maximum of \$500,000 for land and the construction or improvement of buildings, and to \$350,000 for all other loan purposes. Farmers are encouraged to contact their bank's agriculture specialists to determine if they qualify and if this government program can help them acquire or improve the capital assets for their farm.

## **Help with International Expansion**

Banks work to support those farmers and other agricultural clients that directly export their goods and services internationally or participate in global markets. In some cases, banks and their clients will partner with Export Development Canada (EDC) to help clients in the agricultural sector access EDC's range of guarantee,



insurance and finance products to help them grow their businesses internationally.

## Bank websites

- [BMO](#)
- [CIBC](#)
- [Laurentian Bank](#)
- [National Bank](#)
- [RBC](#)
- [Scotiabank](#)
- [TD Canada Trust](#)

The Canadian Bankers Association is the voice of more than 60 domestic and foreign banks that help drive Canada's economic growth and prosperity. The CBA advocates for public policies that contribute to a sound, thriving banking system to ensure Canadians can succeed in their financial goals.

Canadian Bankers Association [\*\*www.cba.ca\*\*](http://www.cba.ca)

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