



Written Submission for Pre-Budget Consultations

For The Government of Alberta

By

Alberta Cattle Feeders' Association (ACFA)

January 2026

Who We Are

The Alberta Cattle Feeders' Association (ACFA) has laid the foundation for a **thriving beef industry that is a vital part of Alberta's economy**. Our industry contributes \$2.9 billion to the provincial economy and employs close to 20,000 people. Almost 70% of Canada's feedlot cattle are located in Alberta.

ACFA respectfully submits the following recommendations to the Government of Alberta ahead of the 2026 provincial budget. These recommendations aim to uphold Alberta's beef sector as a vital economic and employment contributor in rural Alberta while ensuring affordable food for consumers. Our recommendations also support our vital trading relationships with the US.

Summary of Recommendations

- #1 Increase resources to support Alberta's vital relationships with key US trading partners.**
- #2 Champion an increase of the Agri-Stability cap to \$15 million with a review of the cap in 5 years. And continue to expand allowable expenses to more accurately reflect real producer costs and modern production systems.**
- #3 Invest in rural road, bridge and water infrastructure.**

Details of Recommendations

- #1 Increase resources to support Alberta's vital relationships with key US trading partners.**

RECOMMENDED ACTIONS

- Build upon the Alberta government's current engagement with US and state governments to ensure a positive outcome for Alberta from the 2026 review of CUSMA.
- Fund Alberta industry associations to participate in government-led missions to the US to enhance efforts to engage US industry counterparts.
- Plan for potential Alberta government support that will be required to sustain the beef sector if US tariffs are applied before or after the CUSMA review.

WHY THESE RECOMMENDATIONS?

The US accounts for almost 70% of Canadian live cattle and beef exports. Over the last 10 years, these exports have seen tremendous growth, driven largely by demand from the US.

In practicality, the Canada and US beef industries operate within a single North American market with a relatively unimpeded and tariff-free border that benefit both countries. A significant number of live cattle cross in both directions daily. This includes US-born cattle crossing into Canadian feedlots and then back to the US for processing.

A significant portion of live cattle is sent to the US for harvesting. In turn, US processing plants rely on Canadian live cattle to maintain maximum processing efficiency which translate into American jobs. Feed and inputs are also a critical part of this integrated market with the US, again impacting the economies and jobs of both countries.

The beef sector is a vital economic engine of rural Alberta and that engine relies on an unimpeded market between Canada and the US. The Alberta beef industry would not economically sustain a cattle tariff scenario with the US.

ACFA appreciates the ongoing efforts by the Government of Alberta to build and nurture relationships with US politicians and officials both in Washington, DC as well as states that serve as key trading partners. Given the drastic change in 2025 of the relationship between Canada and the US, the Alberta government rightly increased efforts and ensured the importance of agriculture trade was amplified with their US counterparts.

In 2026, CUSMA will undergo a scheduled review by all three countries. The extent of that review is yet to be determined. The Alberta government's engagement in this process will be crucial. First, to ensure that clear direction is communicated to the Canadian negotiators on Alberta priorities and strategies for the CUSMA review. Second, to ensure that Alberta's engagement with Washington and state counterparts is strategically executed to have the greatest impact on the CUSMA review.

#2 Champion an increase of the Agri-Stability cap to \$15 million with a review of the cap in 5 years. And continue to expand allowable expenses to more accurately reflect real producer costs and modern production systems.

RECOMMENDED ACTION

- Serve as a champion amongst federal and provincial counterparts to pursue a permanent increase in the Agri-Stability cap to \$15 million and to expand allowable expenses.

WHY THIS RECOMMENDATION?

The Agri-Stability program serves as a key safety net for Canadian farmers, offering essential support during periods of unforeseen adversities.

Cattle feeders employ various risk mitigation strategies, including hedging, insurance, and foreign exchange management, yet Agri-Stability remains a critical business risk program. Given that 70% of Canada's cattle feeding is located in Alberta, the sector relies on the Government of Alberta to show leadership on this matter.

Until last year, the longstanding \$3 million payment cap for Agri-Stability has remained unchanged for over two decades, despite significant growth and transformation within our industry during this time. In 2025, the federal government announced a temporary increase of the Agri-Stability cap to \$6 million.

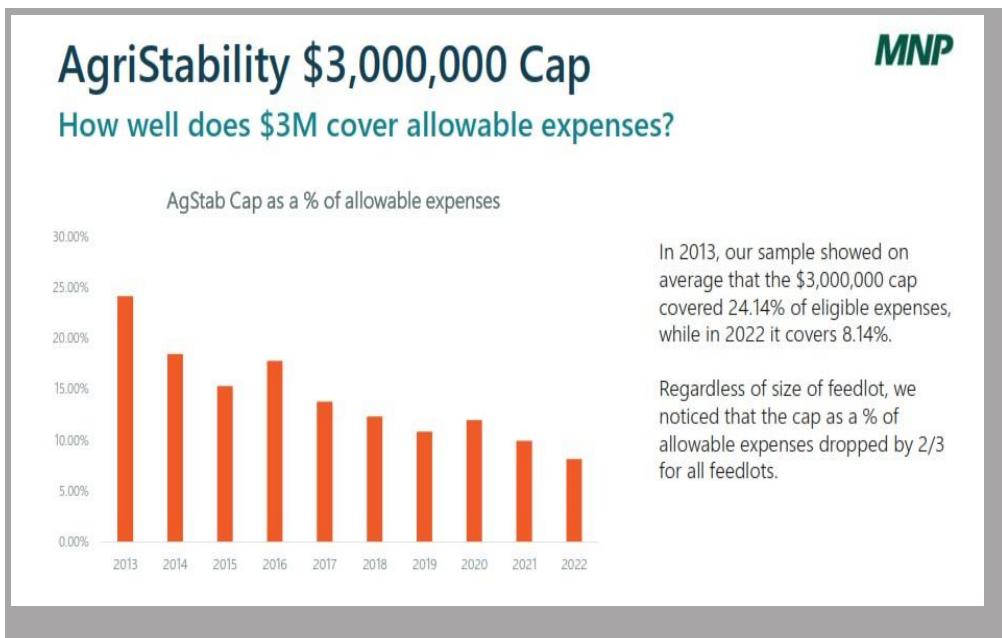
Inflation, input costs and risk are not temporary for agriculture and thus the temporary nature of the increased cap does not reflect the realities of the sector. In addition, while the increase to \$6 million is appreciated, it still does not provide meaningful support, particularly for Alberta farmers who have the largest feedlots in the country.

Payments reach the \$3 million or \$6 million cap very quickly, leaving farmers shouldering losses in the tens of millions of dollars. This program does not reflect the level of risk faced by feedlots. If there was a

significant market correction or production challenge (i.e. trade disputes or disease), there would be substantial losses not covered by Agri-Stability due to the cap.

ACFA recognizes that increasing the cap to \$15 million is a significant request, but it is required because the federal and provincial governments chose to provide no increases to the cap for over two decades.

A 2024 MNP study commissioned by the ACFA confirms this critical decline in Agri-Stability coverage (see chart below). As a result of rising input costs, the Agri-Stability cap that covered 24% of allowable expenses in 2013, now only covers 8%. This is a two-thirds reduction in only one decade, yet the cap has not been adjusted in over two decades. Consequently, ACFA is advocating for a significant increase in the Agri-Stability cap to \$15 million, coupled with a provision for comprehensive cap reviews every five years.



While the scale of feedlot operations has increased, they remain Alberta family operations - often involving multiple family members and generations. BRM programs should not discriminate on operation size or number of producers. Instead, they should focus on the economic volume and value of production by those producers who need the programs.

By heeding this recommendation and reforming the Agri-Stability program, we can protect the livelihoods of Alberta cattle feeders and strengthen our rural communities.

#3 Invest in rural road, bridge and water infrastructure.

RECOMMENDED ACTIONS

We call for the creation of a dedicated infrastructure program that will support rural municipalities in building and maintaining rural roads and bridges that are critical for the growth of Alberta's agriculture sector.

Re-establish and adequately fund targeted water infrastructure programs to support dugouts, pipelines, wells, and off-site watering systems in an accessible and timely manner.

WHY THESE RECOMMENDATIONS?

A reliable transportation supply chain is essential to the economic growth of rural Alberta. This means not only provincial corridors, but also in the roads and bridges that take agriculture products from the farm-gate to provincial, national and international corridors.

Live cattle travel by truck across the province, across the country and to the US. As such, the beef industry depends on provincial transportation corridors, and ongoing investments in these corridors is essential. However, there is a significant funding gap when it comes to the rural roads and bridges required to move agriculture products from the farm-gate to these provincial corridors.

Small rural communities do not have the tax-base to appropriately build and maintain roads and bridges that are critical for the growth of the agriculture sector. Some rural communities in Alberta have implemented 'livestock head taxes' to address the shortfall. This is not the path to rural economic growth as it puts our farmers at a competitive disadvantage. ACFA believes there is a role for the provincial and federal governments to provide joint support to municipalities specifically for transportation infrastructure required for Alberta's agriculture sector to be competitive.

In addition, the past five years have created a moisture shortage in much of Alberta. As a result, stock water sources are critically low or have disappeared entirely. Without access to stock water, producers cannot utilize pasture, forcing herd dispersal and permanent loss of productive capacity. Funding to address this crisis is needed.

Conclusion

ACFA appreciates that due consideration is given to these recommendations. We look forward to continuing to work with the Government of Alberta to harness the tremendous growth opportunities for the province's beef industry.