

CMF GENRE REPORT: SUMMARY



CANADA
MEDIA FUND

FONDS DES MÉDIAS
DU CANADA

SUMMARY REPORT: OVERVIEW

The *CMF Genre Report: Children and Youth and One-Off Documentary* is a research report that stemmed from data and industry calls around the state of children and youth (C and Y) content and one-off documentaries. It examines how and why Canada Media Fund (CMF) participation in these genres has changed and the effects of this change, as well as suggests solutions. Following an analysis of secondary data, a survey was conducted with producers in summer 2024 to identify challenges and explore potential CMF flexibilities.

The report was finalized in September 2024 and **the following summary focuses exclusively on findings related to the C and Y genre**. For detailed information regarding one-off documentaries, please consult the full report, available on the CMF’s website.

In addition, the CMF conducted a separate study directed at Canadian broadcasters of C and Y content. An analysis of that study is included below, along with a comparison of the C and Y findings in both reports.

DISCLAIMER: The research for this report was conducted in summer 2024. At the time, CMF funds could only be triggered by a Canadian broadcaster. In October 2024, after the survey was conducted and the report shared internally, the CMF announced a Distributor Program, which allows financial contributions from eligible Canadian distributors to solely unlock CMF funding.

WHY IT MATTERS

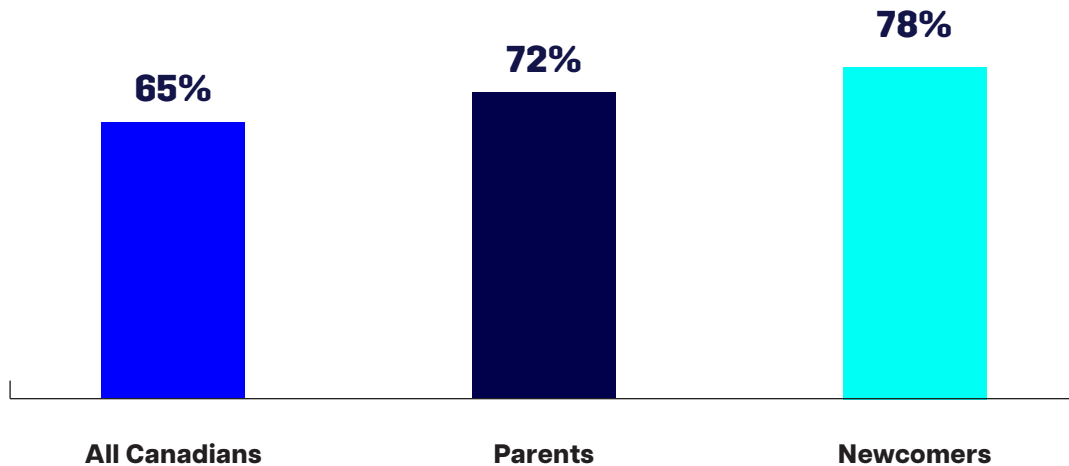
Children and youth content is one of the four genres the CMF is mandated to support by the Department of Canadian Heritage (PCH), reflecting the federal government’s strong belief in the importance of Canadian content for young audiences. At Prime Time 2024, the Minister of Heritage, Pascale St-Onge, underscored this by saying, “it’s really important that we invest in that future generation and that we’re there for them,” emphasizing that access to Canadian content is key to ensuring young Canadians “stay loyal to our cultural community.”

Beyond the PCH mandate, there are four main reasons why better understanding the state of C and Y content matters: national public opinion, global reputation, economic value, and cultural importance.

- **National public opinion:** 65 per cent of Canadians, 72 per cent of parents, and 78 per cent of newcomers, defined as those who have been in the country up to five years, value Canadian-made C and Y content and view it as important.
- **Global reputation:** In 2023, *The Globe and Mail* noted that “kids’ TV has become one of Canada’s best-known exports in the past decade.”
- **Economic value:** \$1 of CMF funding in C and Y production leverages approximately \$6 in production volume.
- **Cultural importance:** 95 per cent of producers view C and Y content as essential to preserving language and reflecting cultural identity.

FIGURE 1

HOW IMPORTANT IS IT TO YOU THAT CANADIAN-MADE CONTENT FOR YOUNG PEOPLE IS AVAILABLE ON TV AND DIGITAL PLATFORMS?



CONTRIBUTING FACTORS TO CHANGES IN THE C AND Y GENRE

Canadian C and Y programs have the potential to become global hits, like *Paw Patrol*. At the same time, viewing habits of the C and Y audience have undergone significant change over the past decade. Regulatory shifts, evolving market dynamics, and funding challenges—underscored by the longer-term trend of audiences shifting from linear broadcast to online platforms—have all played a role in creating the current climate. For the CMF, key factors also include:

- **Declining BDU contributions:** Canada’s broadcasting distribution undertakings (BDUs) allocate a portion of their broadcasting revenues to the CMF. As linear broadcasting declines, BDU contributions have dropped. In 2023–24, they fell to 39.76 per cent of the CMF’s overall budget.
- **Broadcaster licences:** Eligibility to most CMF funding programs requires a broadcast licence,¹ which has become a structural constraint that contributes to systemic vulnerability and limitations.
- **CRTC regulatory shifts:** Starting in 2010, the CRTC introduced group-based licensing (GBL), cancelled daytime exhibition quotas, and eliminated genre specificities, placing emphasis on programs of national interest (PNI), which do not include C and Y.
- **Advertising restrictions:** *The Broadcast Code for Advertising to Children* and a ban on advertising to children in Quebec per the *Consumer Protection Act* disincentivize the commissioning of C and Y content.
- **CMF genre flexibilities:** In 2020, in response to COVID-19 and industry requests, the CMF introduced genre flexibility measures to the Broadcaster Envelopes, which remain in place.

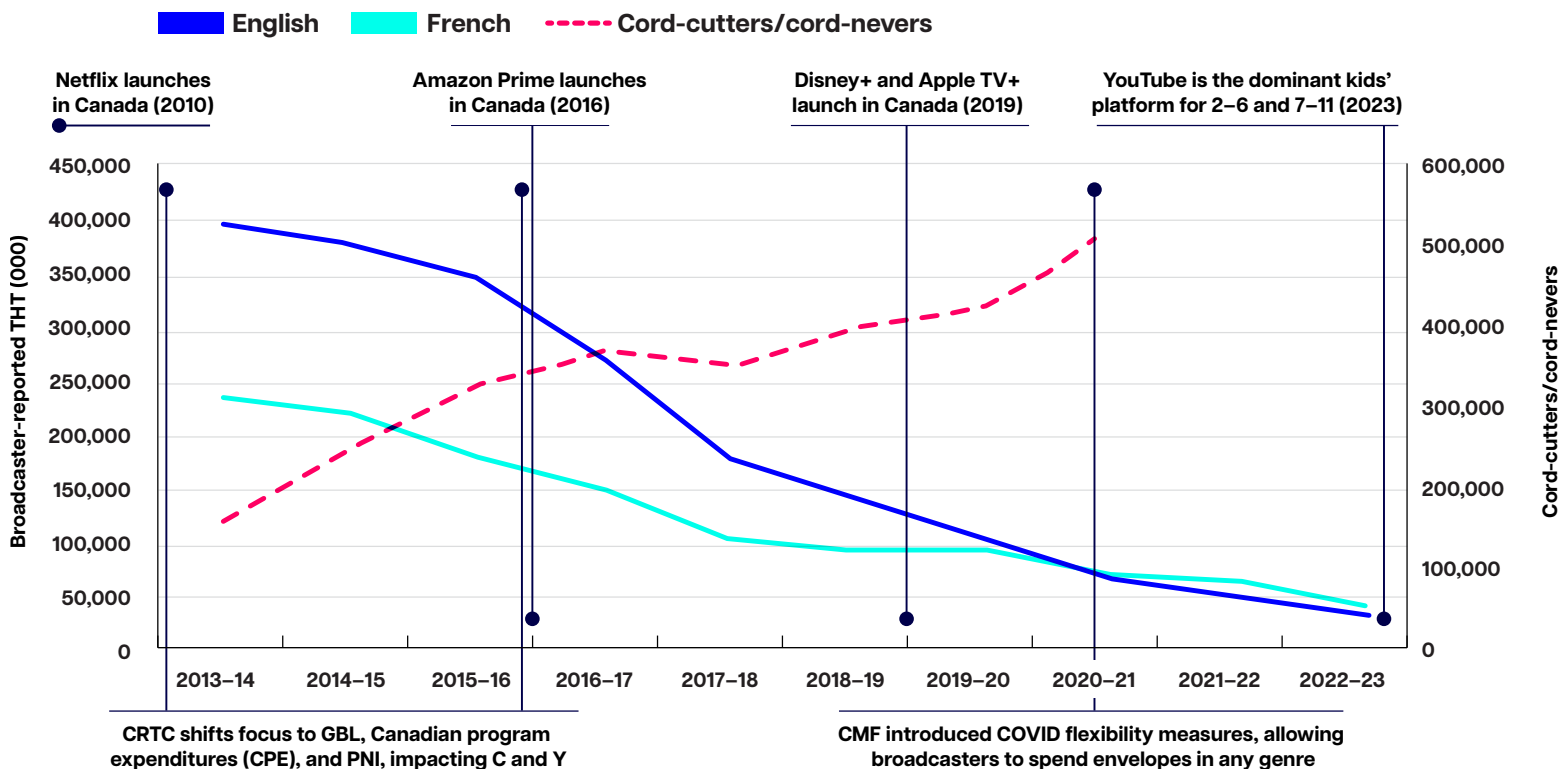
¹ In October 2024, after the final report was written, the CMF announced the Distributor Program, which allows financial contributions from eligible Canadian distributors to solely unlock CMF funding.

THE STATE OF CHILDREN AND YOUTH CONTENT

MARKET REALITIES AND THE EVIDENCE OF A PROBLEM

- **Cord-cutters, cord-nevers:** Between 2013 and 2020, the number of Canadian households that either cut their cable subscriptions or never had one increased by 219 per cent. By the end of 2023, 42 per cent of Canadian households did not have a TV subscription with a traditional provider. It is expected that by 2026 over 50 per cent of households will not have traditional TV.
- **Streaming:** Over 80 per cent of Canadian households subscribe to at least one streaming service. Younger Canadians, including more than half of 12- to 17-year-olds in Quebec and Ontario, have abandoned linear broadcast. In 2024, YouTube was the top destination for kids viewing.
- **CMF vs industry growth:** According to *Profile 2023*, from 2013–14 to 2022–23, the C and Y genre grew 26 per cent, while the CMF’s contribution to it decreased by 29 per cent. Additionally, the number of CMF-supported C and Y hours dropped 43 per cent in the past decade.
- **Declining THT:** The audience-measurement metric Total Hours Tuned (THT), which the CMF uses to calculate Broadcaster Envelopes, has significantly declined over the past decade. From 2013–14 to 2022–23, broadcaster-reported THT for C and Y dropped by 89 per cent overall, with English THT falling 92 per cent and French THT by 84 per cent.

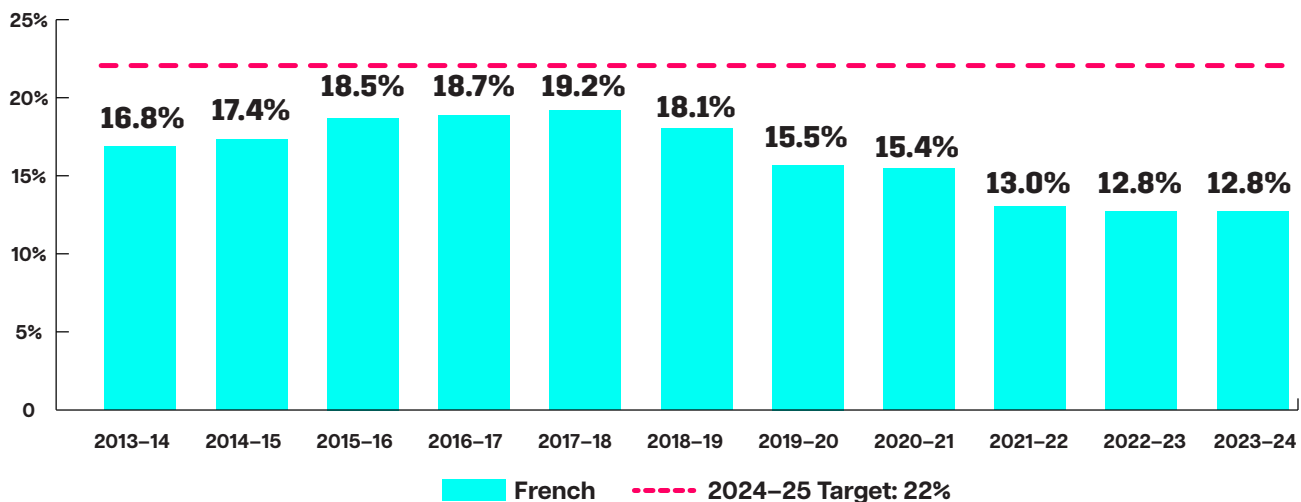
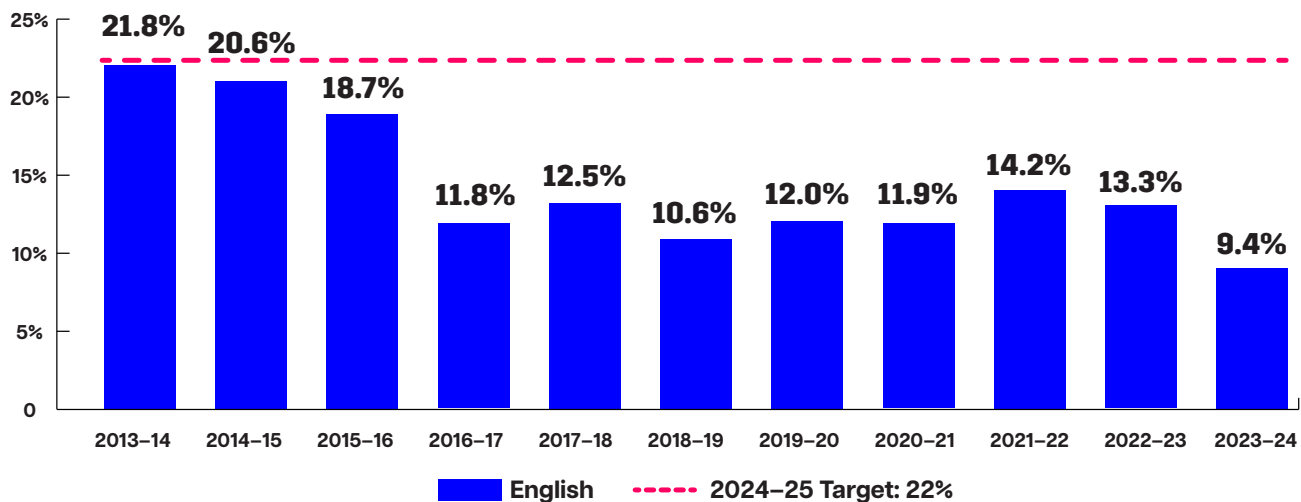
FIGURE 2
BROADCASTER-REPORTED THT (000), CHILDREN AND YOUTH CHANNELS, 2013–14 TO 2022–23; CORD-CUTTERS/CORD-NEVERS IN CANADA, 2013 TO 2020; TIMELINE OF KEY STREAMING EVENTS, 2010 TO 2023



- **Closures of children and youth channels:** In 2023, Bell Media, Groupe TVA, and Corus all announced closures or rebrandings of C and Y channels.
- **Broadcast commissions dropped:** Between 2017 and 2022, half-hour-long episodes of live-action C and Y series decreased 44 per cent and half-hour-long episodes of animation series decreased 85 per cent.
- **CMF genre flexibility impact:** In 2020, mirroring regulatory changes, the CMF lifted per-genre quotas in the envelopes. Between 2013–14 and 2023–24, the CMF’s funding for the C and Y genre decreased by 12.4 percentage points in English and 4.1 percentage points in French. In 2023–24, the CMF’s C and Y target was 21 per cent; however, only 9.4 per cent for English-language content and 12.8 per cent for French-language content was reached.

FIGURE 3

CMF GENRE OUTCOMES VS. 2024–25 TARGET, CHILDREN AND YOUTH, 2013–14 TO 2023–24



RESULTS FROM THE CHILDREN AND YOUTH PRODUCERS SURVEY

“We have a know-how, an expertise that will disappear **if there isn’t a political and economic will to make youth programming a priority.**”

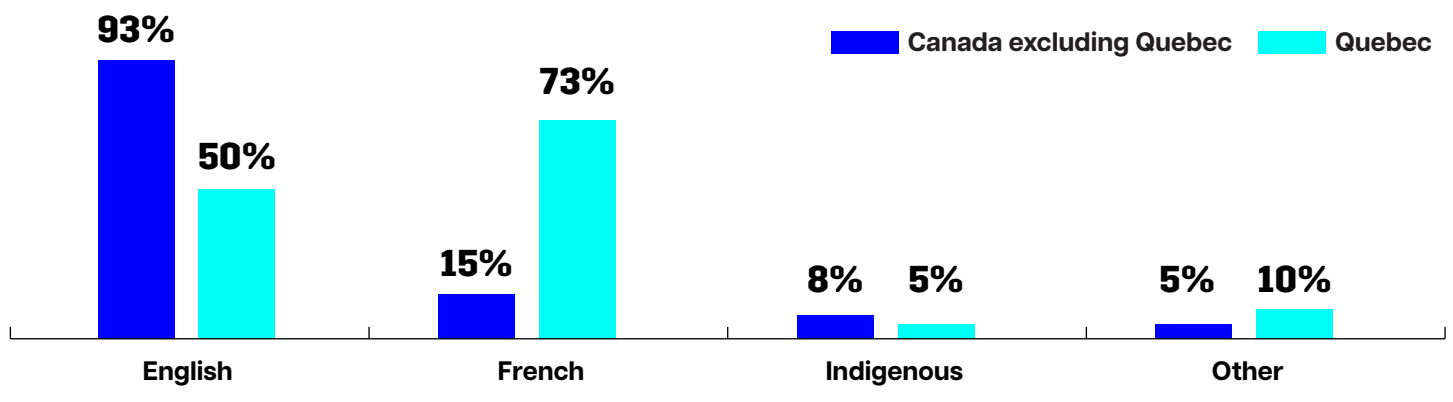
As part of the research, a survey was distributed to C and Y producers listed in the CMF database over the past ten years. The focus of the survey was a series of questions exploring attitudes on financing, specifically the potential expansion of CMF funding eligibility criteria.²

BASIC DATA

- **Distribution:** 578 potential respondents (400 English side, 178 French side), representing approximately 425 companies.
- **Total respondents:** 154 total respondents (114 English side, 40 French side).
- **Response rate:** 27 per cent overall (29 per cent English side, 22 per cent French side).
- **Respondent positions:** CEOs, producers, senior executives, heads of development, showrunners, other.
- **Experience level:** 49 per cent had been producing for 11+ years; 35 per cent had produced 7+ projects.
- **Geographic breakdown:** 27 per cent were from Quebec, 73 per cent were from Canada excluding Quebec.
- **Production languages:** 82 per cent English, 30 per cent French, 7 per cent Indigenous, 6 per cent other languages.
- **Formats produced:** 68 per cent live action, 68 per cent animation, 37 per cent part live action, part animation.

FIGURE 4

IN WHAT PRIMARY LANGUAGE ARE YOUR PRODUCTIONS? PLEASE CHOOSE ALL THAT APPLY.



² The results presented are overall findings unless specified. Notable differences in responses between Quebec and Canada excluding Quebec may have occurred; further details can be found in the full report. In certain cases, the total percentage may exceed 100 per cent, as respondents were able to choose multiple options.

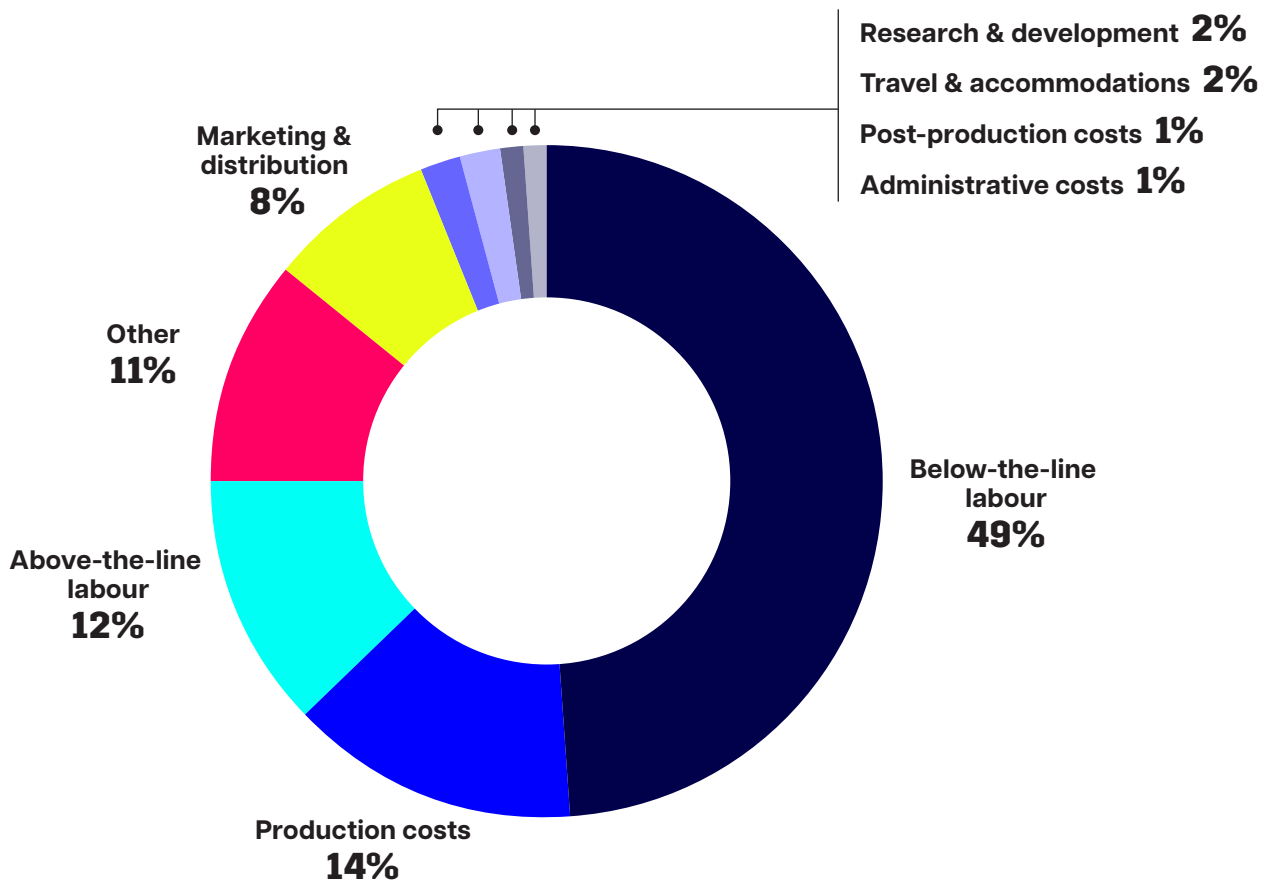
KEY TAKEAWAYS

BUDGETS

- **Budget ranges per half-hour:** 44 per cent under \$300K, 26 per cent between \$300K and \$500K, 21 per cent more than \$500K.³
- **Highest cost increases:** Below-the-line labour (49 per cent), non-labour production costs (14 per cent), above-the-line labour (12 per cent), other (11 per cent, further indicating “everything”).
- **Challenges noted:** The limited number of Canadian broadcasters as triggers, declining linear audiences, creating quality shows to compete globally with lower budgets, and decreasing licence fees paired with high costs.

FIGURE 5

WHERE HAVE YOU SEEN THE HIGHEST INCREASES IN COSTS WHEN MAKING CHILDREN AND YOUTH CONTENT?



“More funding for projects to have better quality to be **competitive in the world market.**”

³ The remaining respondents indicated “not applicable.”

CULTURAL

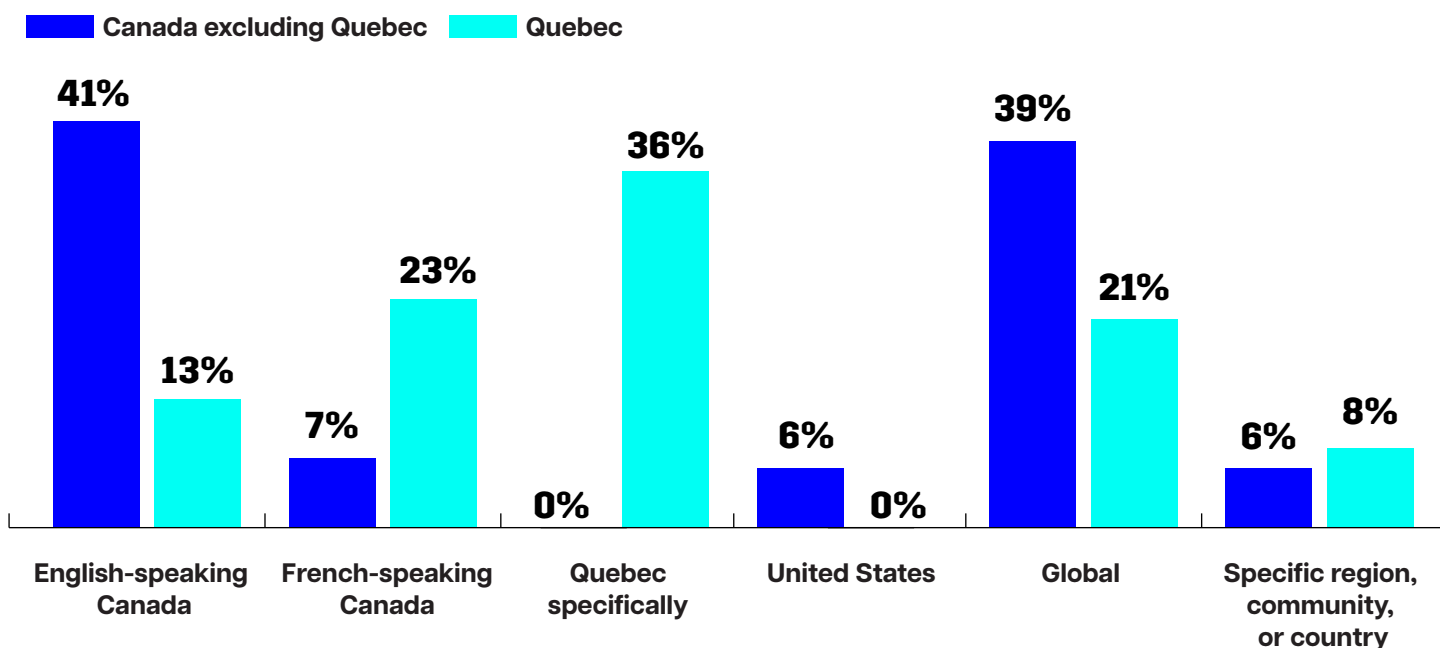
- **C and Y content plays an important role in Canadian culture:** 95 per cent of respondents view C and Y content as essential to preserving language and reflecting cultural identity.
- **Failures of current system:** Respondents noted the current system does not always support a wide range of content, whether due to broadcaster commissioning decisions or policy directives such as 10/10 points on the Canadian Audio-Visual Certification Office (CAVCO) scale.

TARGET AUDIENCES

- **Producing for multiple age groups:** 90 per cent produce for ages 6–11, 62 per cent produce for ages 2–5, 56 per cent produce for ages 12–17.
- **Consistency among target age group:** 72 per cent noted their target audience age group had remained consistent; if not, it was because they were following the market/buyer demand.
- **Main audiences:** 59 per cent of Quebec producers said their main audience was French-speaking Canada or Quebec, while 41 per cent of producers in Canada excluding Quebec indicated English-speaking Canada.

FIGURE 6

PLEASE CHOOSE THE AUDIENCE THAT IS MOST IMPORTANT FOR YOUR CHILDREN AND YOUTH TV PRODUCTIONS



FINANCING AND TRIGGERS

Producers were asked about the advantages and disadvantages of working with Canadian linear broadcasters, Canadian distributors, global streamers, and ungated digital platforms (e.g., YouTube); their priority source for financing; and their top choice if the CMF were to expand triggers.

ADVANTAGES VS. DISADVANTAGES

- **Canadian linear broadcasters:** Helps trigger other sources of financing (78 per cent) vs. limited number of broadcasters (65 per cent); other disadvantages included low licence fees.
- **Canadian distributors:** Helps trigger CMF eligibility (49 per cent) vs. can't solely trigger CMF (36 per cent).⁴
- **Global streamers:** Large global audiences (37 per cent) and more money for projects (35 per cent) vs. possible requirement to sign over copyright (23 per cent) and inability for streamers to trigger CMF (22 per cent).
 - ° Notably, when looking at Quebec specifically, the biggest disadvantages were different: global competition for commissions (25 per cent) and inability to trigger CMF (25 per cent).
- **Ungated platforms:** Direct connection to large audiences (33 per cent) and free, easy access to global distribution (25 per cent) vs. need to self-fund (43 per cent) and finding own audience for monetization (39 per cent).

TOP PRIORITY FOR FINANCING

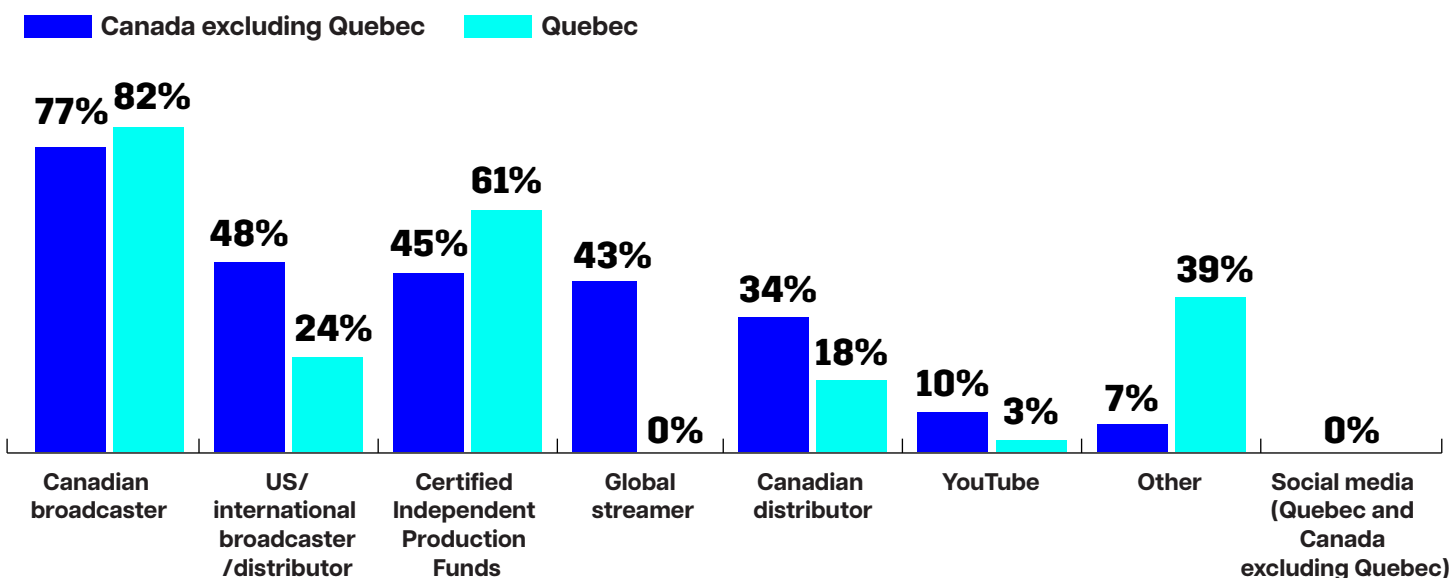
- **Top choice for financing consistent across Quebec and Canada excluding Quebec:** linear broadcasters (78 per cent); second and third choices differed for Quebec and Canada excluding Quebec (see chart below).
 - ° Notably, while not in the top three on either side, 43 per cent of Canada excluding Quebec picked global streamer while 0 per cent of Quebec did.

“[Canadian kids broadcasters] genuinely seem like they have little to no desire to greenlight Canadian productions and, when they do, **the licence fee is so low it becomes incredibly difficult to create a viable financing structure to produce even a ‘green-lit’ series.**”

⁴ In October 2024, after the final report was written, the CMF announced the Distributor Program, which allows financial contributions from eligible Canadian distributors to solely unlock CMF funding.

FIGURE 7

WHICH SOURCES ARE YOUR TOP THREE PRIORITIES FOR SECURING FINANCING FOR YOUR CURRENT OR UPCOMING CHILDREN AND YOUTH PRODUCTIONS, EXCLUDING TAX CREDITS AND THE CMF?⁵



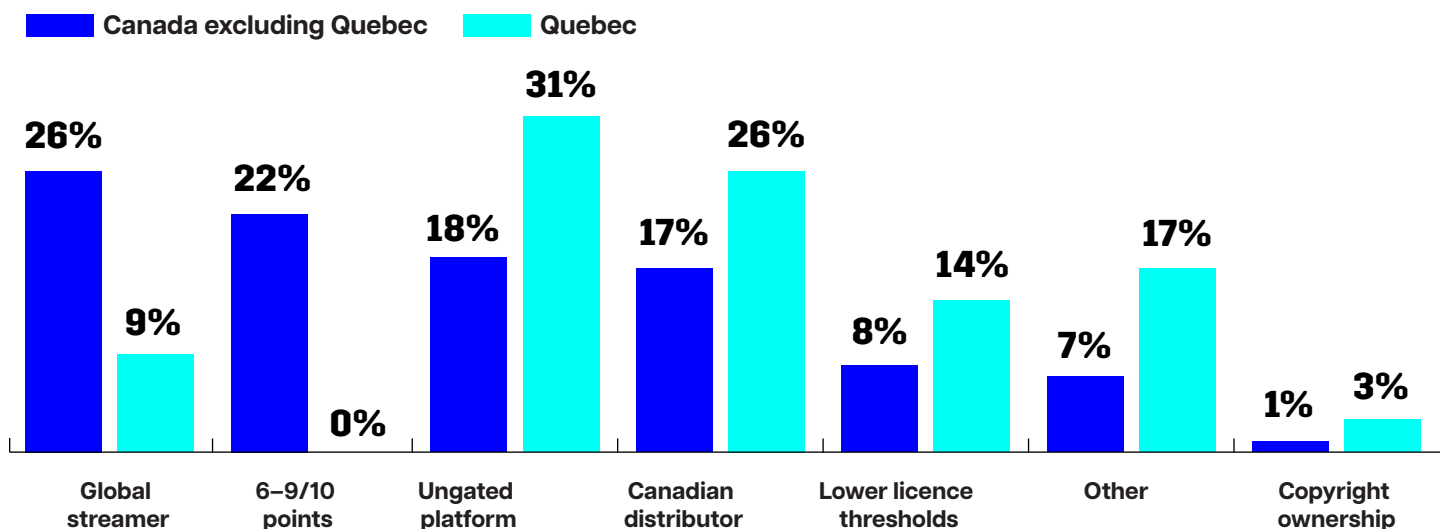
EXPANDING TRIGGERS

• **Top 3 desired trigger expansions:**

- **Quebec top 3:** A launch on an ungated platform (31 per cent), Canadian distributors (26 per cent), and other (17 per cent, including mandating broadcasters to spend on C and Y content and direct access to CMF funds for development).
- **Canada excluding Quebec top 3:** Global streamers (26 per cent), 6 to 9 out of 10 points (22 per cent), and ungated platforms (18 per cent).

FIGURE 8

WHICH POTENTIAL FLEXIBILITY, IN TERMS OF ELIGIBILITY FOR CMF FUNDING, WOULD BE MOST USEFUL FOR YOUR COMPANY'S ABILITY TO DEVELOP OR PRODUCE CHILDREN AND YOUTH PROJECTS?



⁵ Quebec's third choice, "other," emphasized public funding.

COPYRIGHT OWNERSHIP

- **Current ownership level:** 62 per cent reported all C and Y projects are fully owned by Canadians.
- **Projects undertaken without CMF support:** 37 per cent of respondents' projects.
- **Desire for flexibility in copyright ownership low:** Under 2 per cent.
- **View of CMF requirement for copyright ownership:** 56 per cent said advantageous (small or great).

THE CMF

- **Effectiveness at serving C and Y producers:** 48 per cent said the CMF is effective (somewhat or very), 30 per cent said neutral.
- **Main issues with the CMF's effectiveness:** Reliance on broadcasters (54 per cent noted it was a disadvantage that CMF funds can only be triggered by a Canadian broadcaster), eligibility requirements, and the current genre flexibility.⁶
 - "High minimum thresholds mean broadcasters often cannot afford to assign envelope money to a project."
 - "The [eligibility] requirements to access funding are too difficult to meet." [translation]
 - "Because the genre requirements have gone away the number of Canadian broadcasters commissioning kids content has dwindled significantly."
- **The 10/10 CAVCO points requirement:** 45 per cent said disadvantage (small or great).

OTHER SUPPORTS

- **Dedicated C and Y funding:** Many respondents expressed desire for a dedicated C and Y funding program, which would address gaps such as high-cost animation and development.
- **Uphold Canadian content:** Respondents noted the importance of ensuring Canadian funding would maintain authenticity and integrity of Canadian content.

"The lack of a youth content-specific envelope or a dedicated portion of the envelope for broadcasters **poses a serious threat to the creation of high-quality content for Canadian youth audiences.**"

⁶ In October 2024, after the final report was written, the CMF announced the Distributor Program, which allows financial contributions from eligible Canadian distributors to solely unlock CMF funding.

WHAT WE HEARD

The CMF's longtime reliance on broadcasters as the only trigger for funding resulted in a disconnect between the opportunities presented over the past ten years and the funding mechanisms available to Canadian content creators. This disconnect is particularly acute in the C and Y genre where the shift to digital platforms has been most pronounced.

CONSIDERATIONS

- **A dedicated program for Canadian C and Y content:** An initiative outside of the envelope system could provide a structured approach to encourage and support Canadian-made productions.
 - This program might have separate components for development and production and/or might set targets for animation and live action.
 - This program might also consider expanding eligibility triggers as a pilot beyond traditional broadcasters to include Canadian distributors, global streaming platforms, and Canadian-owned YouTube channels with a proven track record.⁷
 - Market incentives or market tests should be considered to ensure that the content produced not only meets high-quality standards but also resonates with C and Y audiences.
- **Alternate financing as a contributor to licence fee thresholds:** The potential to trigger funds or count towards the threshold through other sources (distributors, other financiers) could offer a flexible and modernized approach.
 - Would allow for a diversified market investment, meaning a mix of public and private contributions, and increased participation from the private sector.
 - Could strengthen the financial viability of Canadian productions and reduce the reliance on traditional broadcasters.
 - May support innovation, as private investors like distributors are often motivated by the potential for high-quality content that might sell abroad.

“Platforms like YouTube and TikTok are opening new opportunities to find global viewers. **We need to get ahead of this curve, or at least respond to it effectively.**”

⁷ E.g. A minimum threshold for subscribers or views.

RESULTS FROM THE BROADCASTER SURVEY

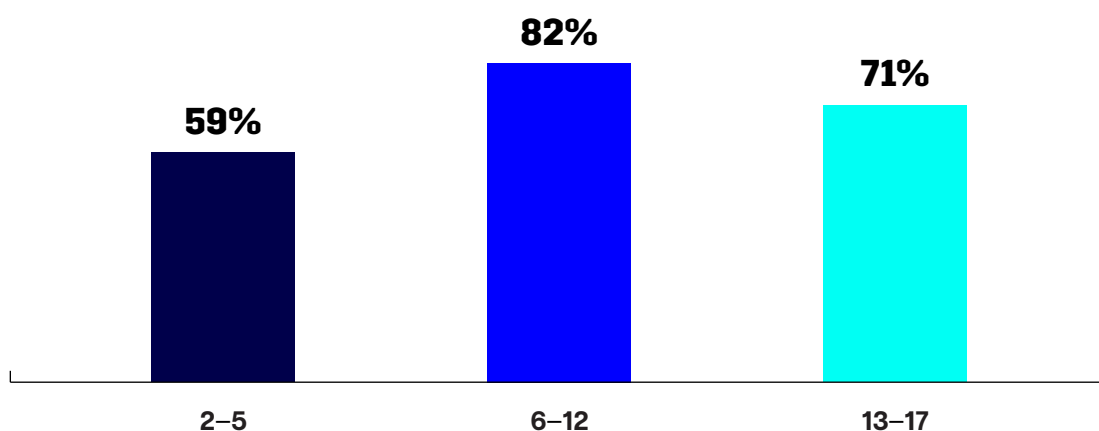
To better understand the C and Y space, a survey was sent to Canadian linear broadcasters of C and Y content in fall 2024.⁸

BASIC DATA

- **Distribution:** 46 potential respondents at 26 linear broadcasters (17 English, 9 French).
- **Total respondents:** 17 total respondents from 17 broadcasters (10 English, 7 French).
- **Response rate per broadcaster:** 65 per cent overall (59 per cent English, 78 per cent French).
- **Experience level:** 41 per cent with 7 or more commissions in past three years, 35 per cent with 1–3 commissions in past three years, 12 per cent with 4–6 commissions in past three years.⁹
- **Primary market:** 53 per cent English-language, 31 per cent French-language, 24 per cent other.
- **Formats produced:** 76 per cent live action; 76 per cent animation; 47 per cent part live action, part animation, and/or part puppetry; 29 per cent puppetry.
- **Primary age target:** 82 percent commissioned for ages 6–12, 71 per cent commissioned for ages 13–17, 59 per cent commissioned for ages 2–5.
- **Budget ranges per half-hour:** 47 per cent between \$300K and \$500K, 41 per cent under \$300K, 12 per cent above \$500K.¹⁰

FIGURE 9

**WHAT AGE RANGE IS YOUR PRIMARY AUDIENCE FOR YOUR CHILDREN AND YOUTH CONTENT?
PLEASE SELECT ALL THAT APPLY.**



⁸ In certain cases, the total percentage may exceed 100 per cent, as respondents were able to choose multiple options.

⁹ The remaining respondents either had none in the last three years or none produced but some in development.

¹⁰ The remaining respondents indicated “not applicable.”

KEY TAKEAWAYS

CULTURAL IMPACT

- **Importance of C and Y content in promoting and reflecting Canadian culture:** 100 per cent agree.

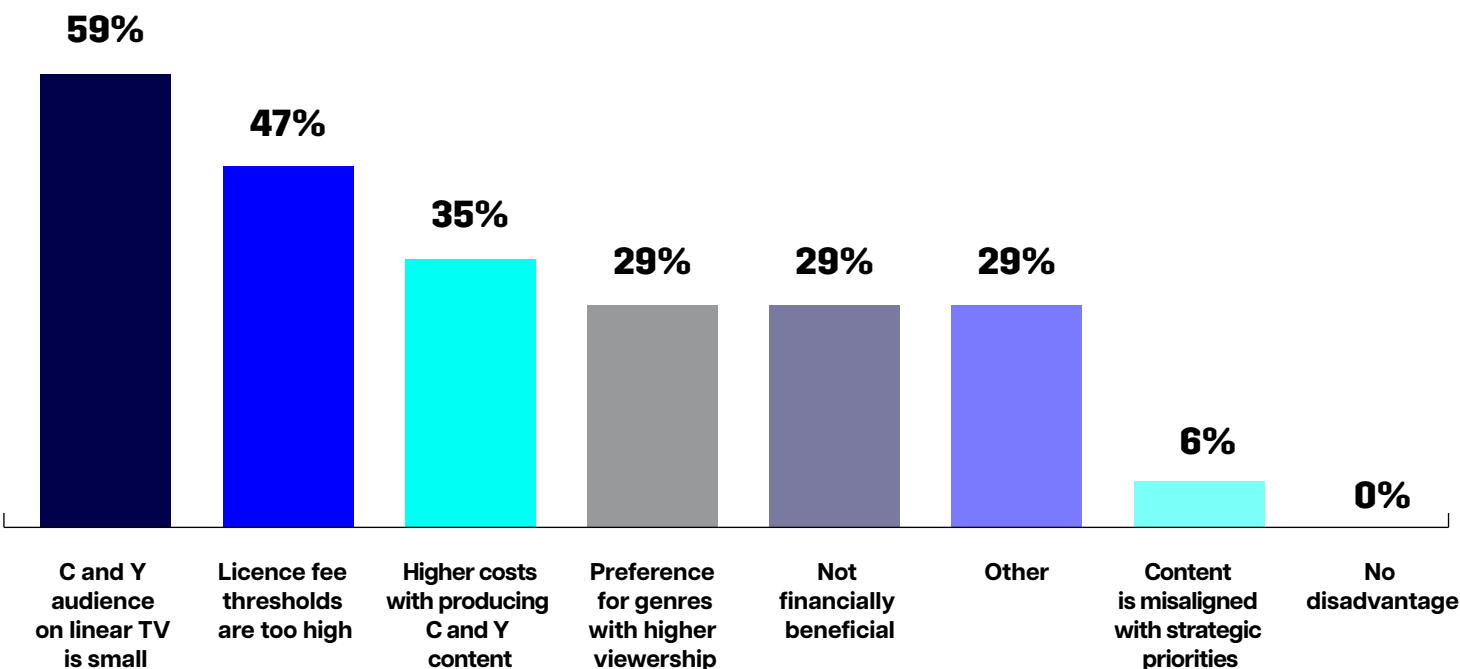
DECLINING COMMISSIONS

Respondents were asked to identify the main challenges of commissioning C and Y content, reasons for declining commissions, and their views on various potential solutions to address the issue.

- **Top 3 disadvantages commissioning C and Y content:** Small linear audiences (59 per cent), high licence fee thresholds (47 per cent), and higher production costs (35 per cent).

FIGURE 10

IN YOUR OPINION, WHAT ARE THE BIGGEST DISADVANTAGES OF COMMISSIONING ORIGINAL CANADIAN CHILDREN AND YOUTH CONTENT? PLEASE SELECT ALL THAT APPLY.



- **Top 3 explanations for declining commissions:** Audiences have shifted to global streamers and ungated platforms (24 per cent), other (24 per cent, including financial pressures and decreasing envelopes), and lower return on investment due to advertising restrictions (18 per cent).¹¹
- **Potential solutions respondents were favourable towards:** Lower licence threshold (76 per cent), lower CAVCO points or change scale (50 per cent).
- **Potential solutions respondents were unfavourable towards:** Expanding triggers to global streamers or ungated platforms (56 per cent), re-enforcing genre quotes (53 per cent).

¹¹ 53 per cent state they are not commissioning less.

“Given that broadcasters do not have the budgets required, **lowering licence fee thresholds and including contributions from alternate sources is a HUGELY positive idea.**”

IMPACT OF POTENTIAL REMEDIES ON BROADCASTERS

Respondents were asked how expanding triggers to include Canadian distributors, global streamers, and ungated platforms, as well as adjusting licence fee thresholds to allow contributions from other sources, would impact them as broadcasters.

EXPANDING TRIGGERS

- **Canadian distributors:** 41 per cent said positive impact, 24 per cent said neutral.
- **Global streamers:** 71 per cent said negative impact.
- **Ungated platforms:** 82 per cent said negative impact.

LICENCE FEE THRESHOLDS

- **Include alternate sources¹² in threshold:** 59 per cent said positive impact, 29 per cent said neutral.

WHAT WE HEARD

CONSIDERATIONS

- Allow Canadian distributors to unlock CMF funding on their own.¹³
- Lower licence fee thresholds.
- Allow foreign entities to contribute to licence fee thresholds.
- Allow 6–9 CAVCO point projects to meet CMF eligibility requirements, or adjust the points scale.¹⁴

BROADCASTERS SURVEY VS. C AND Y PRODUCERS SURVEY

- **Consensus on cultural importance:** Both C and Y producers and broadcasters strongly agree on the importance of C and Y content to preserve Canadian culture.
- **Consensus on CMF eligibility expansion:** Lower licence fee thresholds, allow Canadian distributors to trigger CMF funding, and allow CAVCO points flexibility.
- **Differing views on expanding triggers:** Producers welcomed global streamers and ungated platforms as potential triggers, broadcasters did not.

¹² E.g. Distributors, foreign pre-sales.

¹³ In October 2024, after the final report was written, the CMF announced the Distributor Program, which allows financial contributions from eligible Canadian distributors to solely unlock CMF funding.

¹⁴ Adjusting the eligible points scale may require permission from PCH, given the CMF-PCH Contribution Agreement requirement for 10/10; moreover, changing the points scale may need to follow the CRTC Canadian content hearing decisions, potentially 2026 or beyond.



