

# Agriculture, Food and Rural Development

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## Business Plan 1999-2000 to 2001-02 - restated

### Accountability Statement

*As a result of government re-organization announced on May 25, 1999, the Ministry Business Plans included in Budget '99 have been restated to reflect the new Ministry organizations as at November 17, 1999.*

*The restated Business Plan for the Ministry of Agriculture, Food and Rural Development for the three years commencing April 1, 1999, was prepared in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at February 18, 1999, with material economic or fiscal implications have been considered.*

*The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.*

*For information, the restated Business Plan includes 1999-2000 Second Quarter forecast information that reflects developments that have occurred during the 1999-2000 fiscal year.*

*[original signed]*

Ty Lund  
Minister of Agriculture, Food and Rural Development  
November 17, 1999

# Introduction

- ◆ The agri-food sector continues to be a key contributor to Alberta's economic prosperity:
  - ◆ Farm production is Alberta's largest renewable resource-based industry. In 1997, the primary sector generated \$6.4 billion in farm cash receipts, representing 21.5 per cent of Canada's primary agricultural output. Alberta farmers continue to increase their farm cash receipts relative to other provinces. Alberta averaged 20.1 per cent of Canada's primary output between 1989 and 1993.
  - ◆ Secondary agricultural processing, including food and beverage processing industries, is Alberta's largest manufacturing sector. Shipments also set a new record for output in 1997 at \$7.2 billion. Alberta shipments now represent 12.6 per cent of Canadian food and beverage shipments, up from the average 10.9 per cent over the period 1989 to 1993.
  - ◆ Primary agriculture and the food and beverage manufacturing industry combined were the third largest employer in the province in 1997. Employment in agriculture and food averaged 105,200 people during 1997.
- ◆ The agri-food sector offers significant potential for expansion in the years ahead:
  - ◆ The industry and the Ministry believe there is a global market opportunity for Alberta's industry to grow to \$20 billion in value-added shipments and \$10 billion in farm cash receipts by 2005 to 2010.
  - ◆ Achieving these growth levels would result in a sizable increase in direct employment in primary production and in the food and beverage sector, as well as contributing to the further development of rural Alberta.
- ◆ The Ministry (which includes the department and nine agencies<sup>1</sup>) is committed to working with others to help the industry realize its potential.
- ◆ The Ministry contributes to rural development by encouraging technology adoption, leadership and skill development, economic growth, environmental stewardship, risk management, physical infrastructure and regulations that are aligned with the goals and opportunities of self-reliant communities and industries.
- ◆ This document is the Ministry's sixth, three-year business plan. It outlines further refinements to AFRD's programs, policies and procedures to respond to client needs, while dealing with fiscal realities.
- ◆ AFRD contributes to the government's three core businesses — *People, Prosperity and Preservation*. Our primary focus is on the second core business — working with others to promote prosperity for Alberta through a strong, market-driven agriculture and food industry that is sustainable and environmentally responsible. **Agriculture is Growing More Than Food . . . It's Growing Alberta.**

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<sup>1</sup> The nine agencies reporting to the Minister are Agriculture Financial Services Corporation (AFSC); Alberta Opportunity Company (AOC); Alberta Dairy Control Board (ADCB); Farmers' Advocate; Irrigation Council; Surface Rights Board; Land Compensation Board; Agricultural Products Marketing Council; and Alberta Grain Commission.

# Business Plan Foundation

## Shared Industry/Government Vision

- ◆ AFRD's strategic direction continues to be based on the shared industry/government vision developed through the 1992/93 *Creating Tomorrow* public consultation process and the 1997 renewed public consultation led by the Agriculture and Food Council, which resulted in the following updated vision and goals.

Growing Alberta: Accelerating global competitiveness in food, agriculture and agri-business.

- Goal 1: To increase Alberta's share of world food, agriculture and agri-business markets.
- Goal 2: To improve sustainable resource and environmental management.
- Goal 3: To expand the vision, competency and quality of life of people in the industry.

- ◆ The Agriculture and Food Council was formed as a result of the *Creating Tomorrow* consultation process and includes a broad representation of leaders from industry, government and the educational community. Since 1992/93, the Council has been active in working with Alberta's agriculture and food industry and government to realize the vision.

## Alberta Growth Summit - 1997

- ◆ The development of the Ministry business plan was also strongly influenced by the Premier's Growth Summit held in September 1997. During the last year, AFRD has actively reviewed its goals, strategies and actions against the Summit recommendations and other input. The Ministry believes most of its on-going initiatives relate to one or more of the Summit recommendations. However, some gaps have been noted and a number of new initiatives have been or will be introduced that directly respond to the needs identified by Summit participants.

## Ministry Vision, Mission and Goals

- ◆ Vision: **We are a Ministry of competent and valued staff working together and in partnership with others to achieve a world class industry.**
- ◆ Mission: **We will enable the growth of a globally competitive, sustainable agriculture and food industry through essential policy, legislation, information and services.**
- ◆ Goals:
  1. Improved access to domestic and world market opportunities.
  2. Improved competitiveness of industry commodities, products and services.
  3. Increased amount of value added to industry commodities, products and services.
  4. Increased diversity of markets and industry commodities, products and services.
  5. Increased capability of industry to manage risk.
  6. Improved environmental stewardship.
  7. Continued excellence in food safety resources.
  8. Improved management of the Ministry's resources.

- ◆ This business plan introduces a new goal on food safety. A major risk to Alberta's food production and processing sector is the threat of food borne illnesses that can be traced to animal or plant origin and/or poor processing practices. The identification of a new goal, *continued excellence in food safety*, emphasizes the importance of this issue.
- ◆ In addition to the above, a number of AFRD's agencies have developed their own mission and goals which are compatible with the Ministry's direction.

## Primary Clients

- ◆ AFRD will continue to direct most of its efforts towards its primary clients — defined as: **those people and organizations who are interested in and capable of contributing to a competitive and sustainable agriculture and food industry.**

## Measurable Results

- ◆ The outcomes of Ministry programs impact 18 of the government's 27 core performance measures as identified in the 1997/98 *Measuring Up* document. (*Measuring Up: Fourth Annual Report on the Performance of the Government of Alberta*).
- ◆ In addition, the Ministry's seven overall performance measures reflect change at the macro level. These macro measures with related benchmarks, forecasts and targets are included on pages 47 to 49.

## Core Business and Strategies

- ◆ The mission statement describes the Ministry's core business of enabling industry growth. Key Strategies for application in 1999/2000 to 2001/02 include the following:
  - ◆ Develop and administer essential policy and legislation.
  - ◆ Develop new knowledge and technology through research and development.
  - ◆ Package and transfer knowledge and technology.
  - ◆ Provide opportunities for people in industry and the Ministry to increase essential knowledge, skills and abilities.
  - ◆ Develop and implement opportunities for increased effectiveness and greater efficiencies.
  - ◆ Provide essential financial support and offer unique financial services to help customers fulfil their business goals.
  - ◆ Manage public lands for agricultural, industrial, environmental and public benefit.
  - ◆ Facilitate regional development to maximize comparative advantages.

- ◆ Encourage stronger industry strategic business alliances including value chains.
- ◆ Promote increased investment in Alberta.
- ◆ Enhance public awareness and understanding of the industry.
- ◆ Support and encourage environmental stewardship of Alberta's soil, water and air.
- ◆ Strengthen the knowledge and skills relating to food safety in the agri-food industry.
- ◆ Further specific strategies and actions for 1999/2000 to 2001/02 are included in the department and agency business plans.

## **Business Plan Goals, Key Results, Measures, Strategies and Actions**

- ◆ The following support goals 1 to 8:
  - ◆ key results (what we expect to achieve),
  - ◆ measures (how we will know if we are achieving the goals),
  - ◆ strategies (how we are going to go about achieving the goals), and
  - ◆ actions (what we are going to do specifically to achieve the goals).

◆ Strategies that directly respond to Growth Summit recommendations are designated with a "★". Other strategies and actions are preceded by a "■".

## Goal #1: Improved access to domestic and world market opportunities.

Key Results:	Measures:
<ul style="list-style-type: none"> <li>◆ Improved ability of Alberta's agri-food industry to access and respond to market opportunities.</li> <li>◆ Increased market share in new and existing markets.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Reduction in barriers which limit market access.</li> <li>◆ Changes made in policy and legislative areas where change is wanted or desired.</li> </ul>

### Strategies:

- ★ Increase competitive intelligence, strategic market information and knowledge for use by industry accessing market opportunities.
- ★ Support industries' work in improving market opportunities through trade negotiations.
- ★ Develop and advocate policies that improve market access.
- ★ Strengthen industry capabilities and skills in responding to international trade disputes and/or help overcome trade constraints.

### Actions:

- Encourage greater industry market penetration in priority markets through the provision of strategic market information, including competitive intelligence.
- Encourage industry adoption of international food processing standards and quality assurance programs such as Hazard Analysis Critical Control Point.
- Work with industry partners to lobby the Canadian Wheat Board for a dual market.
- Collect animal health information necessary to support continued access to domestic and international markets.
- Approve loans to Alberta businesses that have viable business proposals through Alberta Opportunity Company, when support is not available from conventional lenders.
- Improve cost-efficiency and growth in Alberta by marketing AFSC expertise to other jurisdictions in Canada and internationally.
- Work with industry and the federal government on trade policy development and issue resolution.
- Work with agri-food industry partners in the development of a united and market-oriented trade policy position for the 1999 World Trade Organization (WTO) agriculture negotiations.

## Goal #2: Improved competitiveness of industry commodities, products and services.

Key Results:	Measures:
<ul style="list-style-type: none"> <li>◆ Improved ability of Alberta's industry to meet its customers' needs.</li> <li>◆ Improved industry cost structure.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Alberta's market share for priority production in priority markets.</li> <li>◆ Production index for priority products.</li> </ul>

### Strategies:

- ★ Improve the transfer of integrated and unbiased technology and knowledge to assist industry to be more competitive and market responsive.
- ★ Work with industry to help set up acceptable supply and value chain linkages.
- ★ Use competitive intelligence to increase the availability of strategic market information for use by industry in assessing opportunities.
- ★ Encourage greater private sector involvement in conducting and funding research and in the delivery of information, technology and services.
- ★ Develop and administer an improved legislative, regulatory and policy environment that enhances competitiveness.

### Actions:

- In partnership with private and public research organizations, encourage and conduct research that will improve crop and livestock production, while sustaining and improving the environment.
- Strengthen value chain development through initiatives such as the Pork Quality Assurance program.
- Together with industry, expand the delivery of the Ministry's extension and business management information on the Internet through continued development of the award winning "Ropin the Web" site (<http://www.agric.gov.ab.ca>).
- In partnership with local municipalities, provide funding, consultation and training to agricultural service boards to enable them to successfully deliver soil conservation, weed and pest control and educational programs.
- Ensure the industry's need for trained agricultural workers is supported through partnering with Alberta Learning, high schools, colleges, universities and industry to deliver the highly successful Green Certificate farm training program.
- In response to client needs expressed in recent surveys, improve industry competitiveness by continuing to provide unbiased, integrated extension services to the agricultural industry through a network of front line specialists.
- Continue to develop the leadership skills of 4-H members and leaders to ensure the future skills of agricultural leaders strengthen Alberta's competitive position.
- Strengthen the Beginning Farmer Loan Program to improve long-term farm viability.
- Work with irrigation districts, producers, the Prairie Farm Rehabilitation Administration and Alberta Environment to improve on-farm water application efficiencies as part of the Year 2000 Review Assessment of Water Allocation in the South Saskatchewan Basin.
- Encourage the development of electronic identification of livestock by supporting the activities of the newly-privatized Livestock Identification Services Ltd. to enhance Alberta's reputation for security in the livestock marketplace.

### Goal #3: Increased amount of value added to industry commodities, products and services.

Key Results:	Measures:
<ul style="list-style-type: none"> <li>◆ Increased quantity of marketable products processed in Alberta.</li> <li>◆ Growth and development of the value-added sector.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Dollars investment in value adding in Alberta.</li> <li>◆ Value of shipments of agriculture and food products within and from Alberta to other provinces and countries.</li> </ul>

#### Strategies:

- ★ Partner with industry in further work in non-food uses of agricultural products.
- ★ Work in partnership with others to develop opportunities, reduce constraints, and encourage new and expanded value-added production in Alberta.
- ★ Develop new value-added technologies for use by Alberta industries.
- ★ Encourage investment in value-added.
- ★ Improve the transfer of integrated and unbiased technology and knowledge to assist industry increase their value-added capabilities.

#### Actions:

- Building on the work of the Alberta Growth Summit, continue to share current information on the importance, trends and opportunities in the expanding agribusiness sector, with all the key players in the value chain — producers, investors, processors, distributors and consumers.
- Improve ability to support research in emerging priority areas.
- Continue to work with the management of AVAC Ltd. to encourage the long-term growth and development of the agri-food and fibre sector.
- Through the Food Processing Development Centre and the Agricultural Value-Added Engineering Centre, partner with industry to conduct research, produce information, and encourage the adoption of new or better value added processes.
- Work with partners to help new value added processors to develop business and marketing plans to support the production of new products.
- In cooperation with Alberta Municipal Affairs and Alberta Infrastructure, support processes for improving municipal infrastructure to accommodate value adding.
- Together with other AFRD partners, identify and match Alberta processors to opportunities for joint ventures, co-packing, private label arrangements, joint marketing or investment alliances.
- Expand market expertise and investment knowledge of AFSC Commercial Financial Services to deliver financial products and services efficiently in key market areas.
- Continue to press the federal government for changes to policies that discourage value adding, including those in the grain sector (for example, establish trade policy that would support value adding through zero-for-zero tariffs in oilseeds products and other manufactured food products).



## Goal #4: Increased diversity of markets and industry commodities, products and services.

Key Results:	Measures:
<ul style="list-style-type: none"> <li>◆ Increased number of marketable commodities grown, raised and processed in Alberta.</li> <li>◆ Growth in the production and sale of non-traditional commodities, products and services.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Distribution of exports among markets.</li> <li>◆ Value of production of non-traditional commodities and products.</li> <li>◆ Value of processing of non-traditional commodities and products.</li> </ul>

### Strategies:

- ★ Continue to encourage more diverse, commercially sustainable production in Alberta.
- Support rehabilitation of irrigation infrastructure and optimal use of water resources allocated to irrigation.
- ★ Improve the transfer of integrated and unbiased technology and knowledge to assist industry increase diversity.
- ★ Encourage development of non-food, nutraceutical and pharmaceutical uses of agricultural products.

### Actions:

- Conduct and fund research and development into diversified crops, livestock and food products.
- Facilitate the development and commercialization of plant biotechnology in Alberta.
- Encourage new crop diversification initiatives in partnership with Agriculture and Agri-Food Canada, and private sector.
- Develop crop insurance for new and emerging crops.
- Support expansion of irrigation to increase opportunities for diversification and value added processing.
- Continue to fund the Municipal Industrial Wastewater Infrastructure Program for Agricultural Processing.
- Review irrigation district rehabilitation proposals and monitor construction projects in support of Irrigation Council's management of the Irrigation Rehabilitation Program.
- Ensure that appropriate financial and risk management instruments are available to support new markets, commodities and products.

## Goal #5: Increased capability of industry to manage risk.

Key Results:	Measures:
<ul style="list-style-type: none"> <li>◆ Increased use of new and existing marketing, processing, production and financial risk management information and tools by the industry.</li> <li>◆ Effective safety net programs compatible with international trade obligations.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Reference margins in Farm Income Disaster Program (FIDP) applications compared to program margins plus program payments.</li> <li>◆ Government program payments as a per cent of farm cash receipts.</li> <li>◆ Variation of net cash income.</li> <li>◆ Results from risk management survey.</li> <li>◆ Resolution of policies and regulations which increase risk or constrain industry's ability to manage risk.</li> </ul>

### Strategies:

- ★ Encourage increased knowledge and skills that develop independence and self-reliance and minimize risk from adverse events.
- Provide Alberta's agri-industry with unique financial services.
- Provide Alberta farmers with an effective and efficient crop insurance program.
- Offer Alberta farmers effective and efficient whole-farm safety net programs.
- ★ Advocate changes to remove policies and regulations that increase risk or constrain the industry's ability to manage risk.

### Actions:

- Develop and implement a plan to increase industry's capability to manage risk.
- Explore the combination of crop insurance and the FIDP as a whole farm program with a premium attached.
- Implement private sector crop reinsurance and monitor results over next three years, and incorporate changes into future negotiations with the private sector.
- Research, develop and evaluate insurance coverage concepts that allow customers greater flexibility to customize insurance protection to their business needs.
- Through the Year 2000 Irrigation Review, improve the capability of irrigation districts to manage water and assess risks associated with potential water shortages.
- Develop an agriculture drought preparedness and response plan in consultation with Alberta Environment, Prairie Farm Rehabilitation Administration, municipalities and industry.
- Negotiate a new set of federal provincial safety net agreements by April 1, 2000.
- Continue to develop unique, specialized financial products and services for the commercialization of new value added businesses.

## Goal #6: Improved environmental stewardship.

Key Results:	Measures:
<ul style="list-style-type: none"> <li>◆ Improved sustainability of soil and water resources.</li> <li>◆ Increased practices that improve and sustain the quality of the public land resource.</li> <li>◆ Increased sustainable use of public lands by agriculture, other industries, the public and wildlife.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Land productivity index.</li> <li>◆ Per cent of tests from a network of monitoring sites in representative agricultural water sheds that meet Alberta/Canada water quality guidelines.</li> <li>◆ Range sustainability: average per cent utilization of allocated grazing capacity.</li> </ul>

### Strategies:

- ★ Increase awareness of potential environmental problems and damage caused by unsound management practices.
- ★ Partner with the agriculture and food industry to improve animal waste management.
- ★ Encourage the agriculture and food industries to incorporate environmental stewardship into their business plans.
- ★ Improve the knowledge and information of the benefits of improved cropping and grazing practices.
- ★ Improve adoption of management practices consistent with regulation and codes of practice.
- ★ Strengthen industry commitment to, and care of, the environment.
- ★ Develop and extend technologies and management practices that protect and enhance soil, water, air and other natural resources.
- ★ Monitor the impact of the agriculture and food industry on soil, water and the larger ecosystem.
- Manage White Area public lands for the long-term benefit of the agriculture industry, other industries and the public, by maintaining a balance of development, use and conservation.
- ★ Enhance public awareness and understanding of improved environmental stewardship.

### Actions:

- Through the ongoing work of the Livestock Expansion and Development Team and other cooperative initiatives, continue research to improve management systems for confinement livestock operations that minimize environmental concerns.
- Implement a new regulatory approach to intensive livestock operations.
- Increase efforts to develop an understanding of the potential impacts of the Kyoto agreement on agriculture in Alberta and develop options for the ability of industry to respond.
- Develop and communicate best management practices for manure and runoff management for feedlot operations and cow-calf wintering sites.
- Work with Alberta Environment and other government departments to implement an Integrated Resource Management program which fosters sustainable resource management.
- Participate in the implementation of government policy resulting from the Agricultural Lease Review Committee's recommendations.

- Collaborate with Alberta Environment to manage public land agricultural dispositions in a manner which assists the sustained development of the agricultural industry, while responding to the needs of other users.
- Work with Alberta Environment, partners and customers to deliver the Special Places Program.

**Goal #7: Continued excellence in food safety resources.**

Key Results:	Measures:
<ul style="list-style-type: none"> <li>◆ Safe food from production to consumption.</li> <li>◆ Increased consumer confidence in the safety of Alberta’s food products.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Incidence of food safety problems.</li> <li>◆ Per cent production of food processing firms that have adopted the Hazard Analysis Critical Control Point (HACCP) program.</li> <li>◆ Total production from farms which have adopted the HACCP program.</li> </ul>

**Strategies:**

- ★ Expand knowledge of food safety.
- ★ Develop new knowledge and technology through research and development.
- ★ Promote adoption of “world class” food safety systems throughout the food chain.
- ★ Communicate to industry and consumers, standards for food safety.
- Quick response to food safety problems.

**Actions:**

- Conduct research into food safety issues that have implications for livestock and crop production.
- Provide animal health, contaminant and residue information that promotes quality and consumer confidence in Alberta food products.
- Encourage the implementation of the HACCP program on farms producing horticultural and special crops, and in food processing plants.
- Maintain and expand the facilities and technical skills to enhance the Ministry’s ability to lead the development of safe food processing.
- Foster the implementation of quality assurance programs from production to retailing.
- Provide international export expertise on food safety and quality issues.
- Participate with the federal, provincial and municipal teams on the development and implementation of an integrated meat inspection system.

## Goal #8: Improved management of the Ministry's resources.

Key Results:	Measures:
<ul style="list-style-type: none"> <li>◆ Competent, versatile employees.</li> <li>◆ Optimal use of financial and capital resources.</li> <li>◆ Client satisfaction with Ministry services and products.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Training days per FTE.</li> <li>◆ Results from Staffspeak.</li> <li>◆ Budget targets met.</li> <li>◆ Results from client survey.</li> </ul>

### Strategies:

- ★ Continue to enhance knowledge and information through Knowledge Management.
- ★ Integrate planning and program development with other Ministries.
- ★ Explore partnership alliances for the better integration of human and fiscal resources.
- Improve:
  - Business planning and implementation.
  - Human resource development planning and programming.
  - Fiscal responsibility and accountability.
- ★ Ensure Ministry's priority activities and outputs are met.
- ★ Provide effective corporate communications to Ministry staff.

### Actions:

- Continue to work with the Agriculture and Food Council and the Alberta Economic Development Authority's Agriculture Committee to integrate strategic plans and policies within the industry's vision and goals.
- Focus the Human Resource Development Plan on the Ministry's future people needs and government-wide priorities by way of the following actions:
  - Emphasize and support continuity of leadership through innovative programs and activities.
  - Foster a continuous learning culture through the sharing and application of information and knowledge.
  - Promote corporate values that reflect the future direction for the Ministry and expectations of employees and managers.
  - Encourage developmental initiatives and training through planning at the employee level and support for priority education and training.
  - Support staff recognition, development and competency learning.
  - Train staff in corporate competencies related to business plan development and implementation.
- Implement Knowledge Management to strengthen the Ministry's efficiency and capability in harvesting, storing, managing and sharing information with the objective of providing better client service.
- Continue to review and manage the public lands revenue sharing agreement with Alberta Environment.

- Re-engineer AFSC service delivery and business processes and leverage information technology investments.
- Rewrite and integrate insurance systems to allow customers to access the systems and to process transactions electronically.
- Reduce the length of application, processing times, and administrative costs for the Farm Income Disaster Program.
- Continue to amalgamate Public Lands, Regional Advisory Services, and AFSC Lending and Insurance offices and assess the feasibility of further office amalgamations with other agricultural agencies.
- Optimize the use of provincial financial resources allocated to irrigation infrastructure rehabilitation by reviewing the formula to allocate provincial cost shared funds to irrigation districts.
- Participate in regulatory reviews with provincial, federal and municipal government agencies to implement the Meat Task Force recommendations and remove duplicate services.
- Examine new ways of structuring the department to use resources more effectively and to reflect growing public interest in environmental and food safety issues.

# Ministry Macro Performance Measures

**Note:** Unless otherwise stated, the 1989-93 benchmarks for all measures are five-year averages for 1989 to 1993. Sources for data are Statistics Canada and Alberta Agriculture, Food and Rural Development. This time period was selected as the most typical period in agriculture relative to overall production and prices for agriculture products.

## 1. Percentage of Canadian Farm Cash Receipts Alberta farmers and ranchers account for.

Income received by farmers and ranchers from the sale of products is called farm cash receipts. Government payments, which make up less than four per cent of receipts, are also included. This measure shows how Alberta farmers and ranchers are doing relative to other Canadian farmers and ranchers they compete against.

### Alberta Farm Cash Receipts

	1989-1993 Benchmark	1996 Actual	1997 Actual	1998 Estimate	1999 Forecast	2000 Forecast	2002 Target
Total Receipts (\$000,000)	4,604	6,460	6,370	6,448	6,635	6,500	6,800
Alberta as a % of Canada	20.1	22.5	21.5	22.1	22.3	21.7	22.2

## 2. Net Cash Income of Alberta farmers and ranchers.

Net Cash Income is derived by subtracting operating expenses (after rebates) from total cash receipts. This is the amount of cash remaining to cover the non-interest part of mortgage payments, purchase capital items, meet living expenses, accumulate savings, and cover other non-farm expenses.

### Net Cash Income

	1989-1993 Benchmark	1996 Actual	1997 Actual	1998 Estimate	1999 Forecast	2000 Forecast	2002 Target
Total Net Cash Income (\$000,000)	1,030	1,768	1,545	1,589	1,713	1,500	1,600
Alberta as a % of Canada	19.5	27.4	22.8	24.4	25.6	22.7	22.9

**3. Percentage contributed by Alberta's food and beverage industry of Canada's total value of shipments.**

Income received by Alberta's agri-business processing and manufacturing firms is called value of shipments. This measure shows how Alberta businesses are doing relative to other Canadian businesses. Alberta processors have to compete with other firms across Canada both in the international marketplace as well as within Canada.

**Alberta Food and Beverage Industries' Value of Shipments**

	<b>1989-1993 Benchmark</b>	<b>1996 Actual</b>	<b>1997 Actual</b>	<b>1998 Estimate</b>	<b>1999 Forecast</b>	<b>2000 Forecast</b>	<b>2002 Target</b>
Total Value of Shipments (\$000,000)	4,867	6,620	7,249	7,500	8,300	9,500	11,000
Alberta as a % of Canada	10.9	12.9	12.6	13.3	14.1	14.6	15.7

**4. Value of shipments of agriculture and food products from Alberta to other provinces and countries.**

This measure is a reflection of the Alberta agriculture and food industry's success in trade, that is their effectiveness in shipping agricultural and food products out of Alberta to other provinces and other countries.

**Value of Out-of-Province Shipments of Agriculture and Food Products**

	<b>1989-1993 Benchmark</b>	<b>1996 Actual</b>	<b>1997 Actual</b>	<b>1998 Estimate</b>	<b>1999 Forecast</b>	<b>2000 Forecast</b>	<b>2002 Target</b>
Total Value of shipments (\$000,000)	4,141	7,447	7,964	7,500	7,600	8,000	9,000

**5. Importance of Alberta agriculture, food and beverage industries relative to Alberta's gross domestic product (GDP).**

Agriculture and food industries constitute the largest of Alberta's renewable resources. The comparison of this sector to other sectors in the Alberta economy illustrates its growth and potential.

**Contribution to Alberta's Gross Domestic Product (GDP)**

	<b>1989-1993 Benchmark</b>	<b>1996 Actual</b>	<b>1997 Actual</b>	<b>1998 Estimate</b>	<b>1999 Forecast</b>	<b>2000 Forecast</b>	<b>2002 Target</b>
% of total GDP	4.8	5.2	4.9	5.1	5.2	5.3	5.4



## 6. Employment in agriculture and food.

This measure illustrates changes in the level of employment. The agriculture, food and beverage manufacturing industry was the third largest employer in the province in 1997.

### Employment (thousands of people)

	1989-1993 Benchmark	1996 Actual	1997 Actual	1998 Estimate	1999 Forecast	2000 Forecast	2002 Target
Primary Agriculture	88.0	96.0	85.9	84.4	88.0	90.0	98.0
Food and Beverage	17.3	20.2	19.3	19.8	21.0	23.0	26.0
<b>Total</b>	105.3	116.2	105.2	104.2	109.0	113.0	124.0

## 7. Alberta land productivity indicator.

This measure records changes in long-term land productivity as indicated by annual crop output. Although year-to-year changes in productivity occur due to variation in the weather, the long-term average is used to show trends.

### Output (tonnes/acre)

	1989-1993 Benchmark	1996 Actual	1997 Actual	1998 Estimate	1999 Forecast	2000 Forecast	2002 Target
Indicator	0.783	0.927	0.924	0.921	0.970	0.972	0.980

(Note: This indicator is the best available proxy for long-term land productivity. Crop production per acre for the various crops grown in the province was converted to a standard base — tonnes per acre of wheat. This conversion allows for the differences in yields of the various crops. Although soil degradation is still a concern on some lands, most producers use sound land management practices that will ensure long-term sustainability of agriculture in Alberta.)

**AGRICULTURE, FOOD AND RURAL DEVELOPMENT**  
**MINISTRY INCOME STATEMENT**  
(thousands of dollars)

	Comparable 1998-99 Actual	Restated 1999-2000 Budget	1999-2000 Forecast	Restated 2000-01 Target	Restated 2001-02 Target
<b>REVENUE</b>					
Internal Government Transfers	-	42,430	42,820	48,320	37,820
Transfers from Government of Canada	113,071	97,852	117,708	63,562	63,044
Investment Income	80,851	78,128	82,625	79,351	82,340
Premiums, Fees and Licences	92,299	89,239	84,847	89,998	91,312
Other Revenue	63,666	53,910	67,592	54,078	54,129
<b>MINISTRY REVENUE</b>	<b>349,887</b>	<b>361,559</b>	<b>395,592</b>	<b>335,309</b>	<b>328,645</b>
<b>EXPENSE</b>					
<b>Program</b>					
Farm Income Support	104,049	136,178	367,532	105,105	105,140
Lending	22,128	28,234	30,366	28,933	29,923
Insurance	144,339	195,591	140,391	201,236	205,284
Ministry Support Services	16,040	16,990	16,990	17,203	16,774
Market Access and Competitiveness	21,718	32,812	33,202	33,393	33,533
Industry Development	38,295	38,204	38,400	38,592	38,862
Sustainable Agriculture	26,926	26,720	26,720	27,054	27,049
Public Lands	9,809	10,440	10,440	9,640	9,640
Infrastructure Assistance	30,230	23,200	25,800	28,700	19,000
Quota Exchange and Restricted Expense	59,705	47,904	59,377	47,904	47,904
Valuation Adjustments	273	1,630	4,130	2,010	2,020
<b>Program Expense</b>	<b>473,512</b>	<b>557,903</b>	<b>753,348</b>	<b>539,770</b>	<b>535,129</b>
<b>Debt Servicing Costs</b>					
Agriculture Financial Services Corporation	51,443	55,135	50,547	56,202	50,920
Alberta Opportunity Company	4,536	4,569	4,800	4,774	4,915
<b>Consolidated Debt Servicing Costs</b>	<b>55,979</b>	<b>59,704</b>	<b>55,347</b>	<b>60,976</b>	<b>55,835</b>
<b>MINISTRY EXPENSE</b>	<b>529,491</b>	<b>617,607</b>	<b>808,695</b>	<b>600,746</b>	<b>590,964</b>
Gain (Loss) on Disposal of Capital Assets	(8)	-	-	-	-
Gain (Loss) on Inventory held for Resale	-	(20)	(20)	(20)	(20)
<b>MINISTRY NET OPERATING RESULT</b>	<b>(179,612)</b>	<b>(256,068)</b>	<b>(413,123)</b>	<b>(265,457)</b>	<b>(262,339)</b>

**AGRICULTURE, FOOD AND RURAL DEVELOPMENT  
CONSOLIDATED NET OPERATING RESULT**

(thousands of dollars)

	Comparable 1998-99 Actual	Restated 1999-2000 Budget	1999-2000 Forecast	Restated 2000-01 Target	Restated 2001-02 Target
Ministry Revenue	349,887	361,559	395,592	335,309	328,645
<i>Inter-ministry consolidation adjustments</i>	-	(42,430)	(42,820)	(48,320)	(37,820)
<b>Consolidated Revenue</b>	<b>349,887</b>	<b>319,129</b>	<b>352,772</b>	<b>286,989</b>	<b>290,825</b>
Ministry Program Expense	473,512	557,903	753,348	539,770	535,129
<i>Inter-ministry consolidation adjustments</i>	(698)	(690)	-	(680)	(680)
<b>Consolidated Program Expense</b>	<b>472,814</b>	<b>557,213</b>	<b>753,348</b>	<b>539,090</b>	<b>534,449</b>
Ministry Debt Servicing Costs	55,979	59,704	55,347	60,976	55,835
<i>Inter-ministry consolidation adjustments</i>	(55,929)	(59,704)	(55,347)	(60,976)	(55,835)
<b>Consolidated Debt Servicing Costs</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated Expense</b>	<b>472,864</b>	<b>557,213</b>	<b>753,348</b>	<b>539,090</b>	<b>534,449</b>
Gain (Loss) on Disposal of Capital Assets	(8)	-	-	-	-
Gain (Loss) on Inventory held for Resale	-	(20)	(20)	(20)	(20)
<b>CONSOLIDATED NET OPERATING RESULT</b>	<b>(122,985)</b>	<b>(238,104)</b>	<b>(400,596)</b>	<b>(252,121)</b>	<b>(243,644)</b>

