

BUDGET 2023

GOVERNMENT OF ALBERTA | 2023-26

Ministry Business Plan Agriculture and Irrigation

Agriculture and Irrigation

Business Plan 2023-26

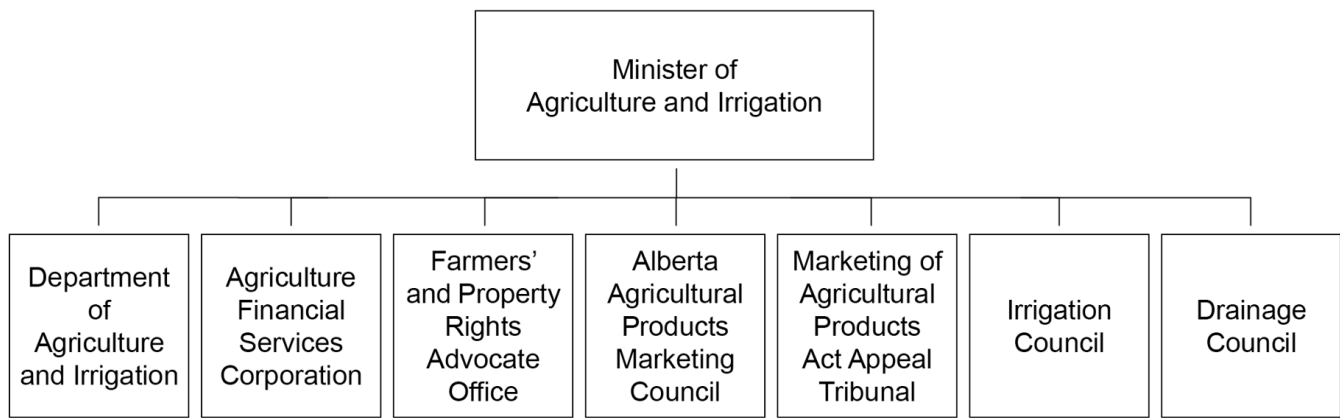
Ministry Fact Sheet – Mandate and Structure

Agriculture and Irrigation (AGI) strengthens Alberta's economy by enabling growth, diversification, sustainability and innovation in the agriculture sector. The ministry also works to ensure that Alberta's rural communities are able to participate in and benefit from the province's economic growth and prosperity. The ministry supports sustainable and resilient agriculture and economic growth by assisting the agricultural and agri-food sectors in addressing evolving challenges of the domestic and global marketplace.

To create new jobs and spur growth in the agriculture sector, the ministry is supporting value-added processing competitiveness, attracting new investment and expanding agri-food trade. These efforts are being supported partially by a five-year investment under the Sustainable Canadian Agricultural Partnership, a federal, provincial and territorial agreement on sustainable growth of agriculture and agri-food production. Other key actions include developing and implementing a competitive agri-food and value-added processing and manufacturing program to incentivize increased capital investment, expanding irrigation capacity to enhance crop production and value-added processing of agricultural products, advocacy to improve market access, and targeted surveillance to protect crop and animal health status and to protect human health. The ministry is providing the Results Driven Agriculture Research organization with \$38.5 million annually to support agricultural research and will continue to fund innovative research to benefit farmers and ranchers for years to come.

The ministry advocates for increased market access opportunities for agri-food products through trade agreements and relations, efficient transportation systems for agricultural products and irrigation investment. The ministry facilitates and manages agribusiness access to capital that supports achievement of their full economic and growth potential, and manages risks of agricultural production through business risk management programs. The ministry is coordinating cross-ministry efforts to promote economic development in rural Alberta. The ministry continues to address opportunities to modernize and expand the efficient irrigation network within Alberta to increase sustainable primary agricultural production capacity and support a diversified value-added processing industry, job creation and land use planning and stewardship.

The ministry maintains assurance systems to protect public health and long-term sustainability of the agriculture industry and rural communities. The ministry participates in several collaborative animal health networks across Canada in support of the province's internationally-recognized animal and crop health systems, including laboratory and diagnostic services, and disease response plans. The ministry leads, develops and allocates public funds to initiatives that are effective at mitigating risks to food safety, animal and crop health. The ministry delivers programs to promote sustainable resource management practices and on-farm water security. The ministry undertakes a range of activities to maintain water infrastructure, including drainage and dam safety to protect public safety, the environment and the economy. Through these actions, the ministry fosters capacity building, transparency and accountability to support economic development of the agriculture sector and rural communities. The ministry is enhancing government services now and for the future, supporting the long-term sustainability of the agriculture sector and seeking ways to ensure rural economies thrive.



The Department of Agriculture and Irrigation is responsible for the policies, legislation, regulations, programs and services that enable Alberta’s agriculture and food sectors to flourish and contribute to Alberta’s economic growth. The department’s role is diverse, ranging from food safety and industry growth and diversification to increasing investment and supporting economic growth in rural Alberta. The department also supports foundational programs like irrigation and agricultural societies that help create strong rural communities and resilient agriculture sectors.

The Agriculture Financial Services Corporation provides producers and agribusinesses with financial and risk management solutions to grow and sustain the agriculture industry in Alberta. It is a diverse corporation with several core business areas, including farm loans, agribusiness loans, crop insurance, livestock price insurance, income stabilization and farm income disaster assistance to mitigate the risks associated with crop production and fluctuations in commodity prices.

The Farmers’ and Property Rights Advocate provides supports for farmers and ranchers including advocacy, energy, utility and surface rights and rural dispute resolution. The organization listens to Albertans' concerns regarding property rights and brings them before government.

The Alberta Agricultural Products Marketing Council is a provincial government regulatory agency established by the *Marketing of Agricultural Products Act* to supervise and advise the Minister of Agriculture and Irrigation on matters relating to Alberta’s 20 agricultural marketing boards and commissions.

The *Marketing of Agricultural Products Act* Appeal Tribunal is a quasi-judicial adjudicative body that hears appeals of orders, directions or decisions made by Alberta’s 20 regulated marketing boards and commissions.

The Irrigation Council establishes policies and approves three-year plans and projects submitted by Alberta’s 12 irrigation districts to ensure accountability of the public’s ongoing cost-shared investment in a strong, efficient and sustainable irrigation industry. The Irrigation Council also acts as an appeal body and makes recommendations to the Minister of Agriculture and Irrigation for matters under the *Irrigation Districts Act*.

The Drainage Council is an adjudicative agency enabled by the *Drainage Districts Act*. The council provides advice and recommendations to the Minister of Agriculture and Irrigation, ensures that drainage districts are maintaining their regulatory obligations per the Act, and hears appeals regarding decisions of drainage district boards of trustees related to drainage rates and construction drainage damages.

A more detailed description of Agriculture and Irrigation and its programs and initiatives can be found at: <https://www.alberta.ca/agriculture-and-irrigation.aspx>.

The Ministry of Agriculture and Irrigation remains committed to regulatory approaches and program delivery that reduces unnecessary government oversight and emphasizes outcomes in order to improve access to government services, attract investment, support innovation and competitiveness and grow Alberta businesses.

Ministry business plans should be considered in conjunction with all budget documents - including the Fiscal Plan, Government Strategic Plan, and Estimates - which work together to provide a complete overview of government’s commitment to responsible fiscal management.

2023-26 Business Plan

Outcome 1

Alberta’s economic growth is supported by increased investments, expanded trade in Alberta’s agriculture sector and by maximizing economic opportunities across Alberta

AGI is committed to improving competitiveness for the agri-food sector, including irrigated agriculture, and supporting rural economic development.

Key Objectives

- 1.1 Provide export and trade services to help Alberta’s agriculture producers and processors expand their exports into existing and new markets.
- 1.2 Attract investment to grow, diversify, and improve competitiveness of the agriculture and value-added agriculture sectors.
- 1.3 Continue to invest in the expansion and improvement of the irrigation network in Alberta to maintain Alberta’s standing as a global leader in food development and distribution, including new irrigation project opportunities.
- 1.4 Provide the next generation of farmers with access to capital through Agriculture Financial Services Corporation lending services to sustain farm operations and agricultural production.

Initiatives Supporting Key Objectives

- In 2023-24, \$16,000 is allocated to support the Lloydminster Food Trade Pilot to address interprovincial trade barriers for individuals and businesses operating in the bi-provincial city of Lloydminster.
- In 2023-24, \$38.5 million is allocated to Results Driven Agriculture Research to make Alberta agriculture profitable and sustainable, and generate direct economic benefits throughout the agri-food value chain.
- In 2023-24, \$33.5 million is allocated to modernize irrigation infrastructure, and increase water storage capacity, allowing increased irrigated acreage within existing water allocations.

Performance Metrics

1.a Performance Measure: Annual total value of investment in the primary and agri-processing sectors facilitated through ministry investment initiatives and the corresponding jobs created.

Measure and targets show the impact of growing investments in the agriculture sector on job creation, which will support economic growth in Alberta. The format for results and targets have changed to annual to outline expected results for each fiscal year. Targets for investment attraction have been set to provide a stable trend in expected results, while actual results can greatly vary from year to year. In 2021-22, the ministry enabled \$597 million in new investment to the primary agriculture and agri-processing industries. This investment resulted in the creation of 870 full and part time jobs.

Targets: Annual Investment Enabled (\$ millions)	2023-24	\$524	2024-25	\$540	2025-26	\$556
Targets: Annual Jobs Created	2023-24	1,019	2024-25	1,029	2025-26	1,040

1.b Performance Measure: Percentage of irrigated agriculture area under efficient irrigation systems within Alberta’s twelve irrigation districts.

This metric tracks how well on-farm water application systems are performing in the twelve irrigated districts. In 2020, 81 per cent of agriculture areas within Alberta’s twelve irrigation districts were irrigated using efficient irrigation systems.

Targets	2023-24	83%	2024-25	84%	2025-26	85%
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1.c Performance Indicator: Value of Alberta’s primary agriculture commodities and value-added agriculture products exports. (\$ in millions)

Performance indicator tracks the diversification of agricultural products exports that drive industry growth, job creation and contribute to the provincial economic growth. In 2021, Alberta’s primary agricultural commodities and value-added agricultural product exports were \$5.9 billion and \$8.2 billion, respectively with a growth of -7.3 and 23.4 per cent from 2020. Results current as at May 2022. Total may not add up due to rounding.

	2017	2018	2019	2020	2021
Primary Agriculture Commodities (\$ millions)	\$6,141	\$5,808	\$5,272	\$6,325	\$5,866
Value-Added Agriculture Products (\$ millions)	\$5,584	\$6,074	\$6,372	\$6,683	\$8,246
Total	\$11,725	\$11,881	\$11,644	\$13,007	\$14,112

Outcome 2

Alberta’s competitive business environment provides a strong foundation for resilient agriculture sectors and rural communities

AGI seeks to create a business environment and improved infrastructure upon which the agriculture sector and rural communities can thrive and achieve their business goals and full economic potential.

Key Objectives

- 2.1 Coordinate government-wide effort on rural economic development.
- 2.2 Deliver agricultural insurance products to give producers tools to reduce agricultural production risks.
- 2.3 Develop and implement a competitive agri-food and value-added processing and manufacturing program that will make Alberta more competitive with competing jurisdictions.
- 2.4 Optimize utilization of the Agri-Value Processing Business Incubator to support growth and diversification in the agri-food sector.
- 2.5 Continue to streamline processes and unnecessary oversight to improve service delivery, enhance competitiveness and support business growth.

Initiatives Supporting Key Objectives

- In 2023-24, \$13.5 million is allocated to the Irrigation Rehabilitation Program to improve water-use efficiency to allow more acres to be irrigated within existing water licences.

Performance Metrics

2.a Performance Measure: Percentage of eligible seeded acres for major crop categories insured under Production Insurance.

Measure and targets indicate success of Agriculture Financial Services Corporation in providing insurance options to offset the risks of agriculture production. In 2021, 77 per cent of seeded acres for annual crops and 30 per cent of seeded acres for perennial crops in Alberta were insured under Production Insurance.

Targets	2023-24	2024-25	2025-26
Annual Crops	82%	82%	83%
Perennial Crops	31%	31%	31%

Outcome 3

Robust assurance systems and effective resource management practices support agriculture sector success and protect public safety in communities across Alberta

AGI assurance systems are designed to manage risks related to humans, animals and plants for which the ministry is accountable and has oversight responsibility.

Key Objectives

- 3.1 Deliver programs and services to support primary producers to improve environmental sustainability on their operations.
- 3.2 Implement programs to mitigate risks to food safety, animal and human health.
- 3.3 Effectively work to mitigate the adverse effects of flood and drought, and manage water supply through government owned or operated water management and monitoring infrastructure.

Initiatives Supporting Key Objectives

- In 2023-24, \$25.8 million in combined operating and capital funding is allocated to water management infrastructure to enable continued supply of safe and secure water for municipalities and irrigated agriculture.

Performance Metrics

3.a Performance Measure: Percentage of water management infrastructure in good, fair and poor status.

Maintaining provincially owned water management infrastructure contributes to water supply and mitigates adverse impacts of flood and drought. Targets reflect maximum acceptable limits. Last actuals (2021-22) were 78.8 per cent good, 16.1 per cent fair and 5.1 per cent poor.

Targets	2023-24	2024-25	2025-26
Fair	≤20.0%	≤20.0%	≤20.0%
Poor	≤5.0%	≤5.0%	≤5.0%

STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable		2023-24 Estimate	2024-25 Target	2025-26 Target
	2022-23 Budget	2022-23 Forecast			
REVENUE					
Transfers of Assets or Liabilities from Related Parties	15,032	15,032	38,032	34,332	34,332
Transfers from Government of Canada	296,059	491,491	479,779	517,126	563,718
Investment Income	112,631	91,009	125,659	130,057	139,237
Premiums, Fees and Licences	377,446	531,307	630,030	700,104	757,917
Other Revenue	3,721	10,833	4,913	4,740	4,644
Ministry Total	804,889	1,139,672	1,278,413	1,386,359	1,499,848
Inter-Ministry Consolidation Adjustment	(15,594)	(15,594)	(38,594)	(34,894)	(34,894)
Consolidated Total	789,295	1,124,078	1,239,819	1,351,465	1,464,954
EXPENSE					
Ministry Support Services	11,490	11,490	11,808	11,909	11,909
Rural Programming and Agricultural Societies	14,601	14,601	21,239	21,252	17,552
Trade, Investment and Food Inspection	34,273	39,023	36,319	36,600	36,400
Primary Agriculture	104,402	105,304	116,845	133,086	136,125
Lending	31,631	33,218	32,306	33,529	34,726
Insurance	403,473	1,357,589	464,855	477,329	485,945
Agriculture Income Support	88,976	256,096	104,980	89,340	89,359
Water Management	59,868	52,882	48,966	50,560	52,356
Sustainable Canadian Agricultural Partnership	46,814	50,470	58,497	58,497	58,497
Debt Servicing Costs	64,425	74,236	83,472	84,456	86,460
Ministry Total	859,953	1,994,909	979,287	996,558	1,009,329
Inter-Ministry Consolidation Adjustment	(67,085)	(76,896)	(87,332)	(87,116)	(89,120)
Consolidated Total	792,868	1,918,013	891,955	909,442	920,209
Net Operating Result	(3,573)	(793,935)	347,864	442,023	544,745
CAPITAL INVESTMENT					
Ministry Support Services	990	335	990	990	990
Trade, Investment and Food Inspection	1,523	2,967	1,028	1,028	1,028
Primary Agriculture	159	601	159	159	159
Lending	555	587	176	408	579
Insurance	3,422	778	3,965	3,708	4,020
Agriculture Income Support	238	65	108	250	355
Water Management	15,032	15,032	43,032	34,332	34,332
Ministry Total	21,919	20,365	49,458	40,875	41,463
Inter-Ministry Consolidation Adjustment	(15,032)	(15,032)	(38,032)	(34,332)	(34,332)
Consolidated Total	6,887	5,333	11,426	6,543	7,131