

BUDGET 2021

GOVERNMENT OF ALBERTA | 2021-24

Ministry Business Plan Agriculture and Forestry

Agriculture and Forestry

Business Plan 2021-24

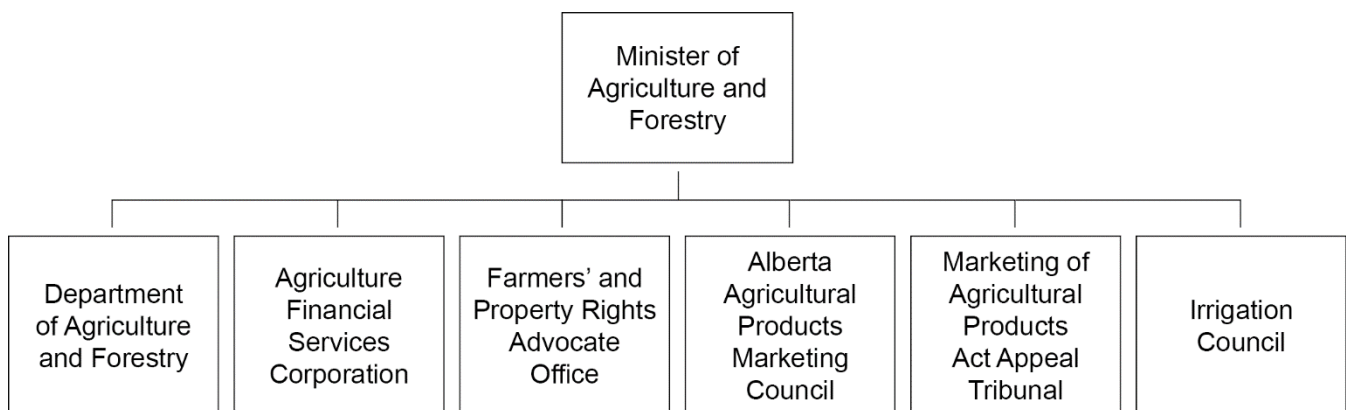
Ministry Fact Sheet – Mandate and Structure

Agriculture and Forestry supports Alberta’s economic recovery by enabling growth, diversification and innovation in the agriculture and forest sectors. The ministry is building value-added processing capacity, expanding irrigation infrastructure, attracting investment and growing trade to create new jobs and support Alberta’s long-term prosperity. The ministry is collaborating with Invest Alberta and the Alberta international offices around the world to enhance market development services, and advocate for improved market access. Working collaboratively with our partners, Agriculture and Forestry is building public confidence in the safety of the province’s food production systems, conducting animal and crop surveillance, protecting Albertans from the risk of wildfires, and managing Crown forests.

Agriculture and Forestry has developed the Agri-food Sector Investment and Growth Strategy to increase the value of the agriculture and agri-processing sector in Alberta’s economy and enable business success. The strategy includes three pillars: investment attraction, increasing exports, and expanding irrigation infrastructure. The goal is to attract \$1.4 billion in investments by 2024 and create 2,000 jobs in the agri-food sector. Agriculture and Forestry is investing \$244.5 million to expand irrigation infrastructure over the next seven years to increase primary production capacity. The Agriculture Financial Services Corporation (AFSC) is contributing to Alberta’s economic recovery by providing lending assistance and insurance programs to support development, growth and competitiveness of the agriculture sector. By 2024, the AFSC borrowing limit will increase to \$3.6 billion to ensure primary producers, agribusinesses, and value-added agri-processors have reliable access to capital. The ministry is providing the Results Driven Agriculture Research (RDAR) organization with \$37 million annually to support agricultural research that reflects the priorities of farmers and ranchers.

The ministry is implementing the Forest Jobs Action Plan to ensure continued access to a sustainable supply of wood fibre. Fibre security will encourage investment in the province’s forest sector and supports stable, good-paying jobs for Albertans. The long-term goal is to increase fibre supply by up to 33 per cent. The ministry is also working to enable continued access to timber resources through Forest Management Agreements that are based on sustainable forest harvesting practices. These agreements effectively balance economic opportunities with the need to manage disturbance and ensure communities and forest resources are protected. Agriculture and Forestry will also access innovative technology to improve the province’s ability to manage the threat of wildfires.

Agriculture and Forestry is removing barriers to industry success, funding rural initiatives, and supporting development and expansion opportunities to increase production and create jobs.



A more detailed description of Agriculture and Forestry and its programs and initiatives can be found at:

<https://www.alberta.ca/agriculture-and-forestry.aspx>

The Ministry of Agriculture and Forestry continues to review programs to ensure Albertans receive efficient and client-focused services from their government. As part of this ongoing review, the ministry is committed to making life easier for hard-working Albertans and job creators by reducing regulatory requirements by one-third by 2023, and eliminating administrative burden through more efficient processes. This work will improve service delivery for Albertans; foster economic growth, innovation and competitiveness; and create a strong and attractive investment climate.

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.

Business Plan – Core

Outcome 1

Increased investments, expanded trade and enhanced business development in Alberta’s agriculture and forest sectors supports economic growth and recovery in Alberta.

This outcome aims to grow the economy and improve competitiveness for the agri-food and forest sectors.

Key Objectives

- 1.1 Provide trade services and prevent market disruptions for Alberta's agriculture and forest sectors.
- 1.2 Provide grants, programs and services to support research, growth and diversification in the agri-food sector.
- 1.3 Ensure long-term access to a sustainable and secure fibre supply by implementing the Forest Jobs Action Plan.
- 1.4 Attract investment and increase value-added product development to support the Agri-food Sector Investment and Growth Strategy.

Initiatives Supporting Key Objectives

- Provide funding to Results Driven Agriculture Research. In 2021-22, \$37 million is allocated.

Performance Metrics

1.a Performance Measure: Cumulative total value of investment in the primary and agri-processing sectors facilitated through ministry investment initiatives, and the corresponding jobs created. (Cumulative investment enabled in \$ millions; cumulative jobs created in number of positions.)

This performance measure shows the enhanced investments in the agriculture sector and the target demonstrates the increased support to economic growth and recovery in Alberta.

In 2019-20, the ministry enabled \$527 million in new investment to the primary agriculture and agri-processing industries. This investment resulted in the creation of 981 full and part time jobs.

Targets: Cumulative Investment Enabled	2021-22	633	2022-23	1,000	2023-24	1,400
Targets: Cumulative Jobs Created	2021-22	927	2022-23	1,445	2023-24	2,000

1.b Performance Measure: Value of Alberta’s primary agriculture commodities and value-added agriculture products exports. (\$ in millions. The goal is to grow primary agriculture commodities by 7.5% annually, and value-added agriculture products by 8.5% annually.)

Measure and targets track diversification of agriculture products exports that drive industry growth, job creation, and contribute to the provincial economic development and recovery.

In 2019, Alberta’s primary agricultural commodities and value-added agricultural product exports were \$5.3 billion and \$6.4 billion, respectively with a growth of -9.4 and 4.8 per cent from 2018.

Targets: Primary Agriculture Commodities	2021-22	6,088	2022-23	6,544	2023-24	7,035
Targets: Value-Added Agriculture Products	2021-22	7,497	2022-23	8,134	2023-24	8,825

Outcome 2

Alberta’s competitive business environment provides a strong foundation for resilient agriculture and forest sectors.

This outcome seeks to create a business environment and improved infrastructure upon which the agriculture and forest sectors can thrive and achieve their business goals and full economic potential.

Key Objectives

- 2.1 Streamline agriculture and forest sector’s regulatory requirements to cut red tape to reduce regulatory burden.
- 2.2 Deliver agricultural insurance products to give producers tools to reduce agricultural production risks.
- 2.3 Expand irrigation infrastructure to increase crop production to support Alberta’s economic recovery plan.
- 2.4 Support socioeconomic development in rural Alberta by maintaining and enhancing rural infrastructure.

Initiatives Supporting Key Objectives

- Irrigation rehabilitation and expansion. In 2021-22, \$42.6 million is allocated.
- AgriInsurance is part of the suite of Business Risk Management programs. In 2021-22, \$347.4 million is allocated.

Performance Metrics

2.a Performance Measure: Percentage net reduction in regulatory requirements faced by the agriculture and forest sectors.

Measure and targets reflect government’s annual performance expectation in a broader commitment to reducing regulatory requirements by one third over four years (by the end of 2022-2023).

In 2019-20, the ministry’s red tape reduction efforts resulted in an 8.2 per cent regulatory reduction.

Targets	2021-22	20%	2022-23	33%	2023-24	No net increase
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Outcome 3

Robust assurance systems and effective resource management practices support agriculture and forest sector success and protect public safety.

This outcome aims to improve systems designed to manage risks related to humans, animals and plants for which the ministry is accountable and has oversight responsibility.

Key Objectives

- 3.1 Support primary producers’ competitiveness through responsible resource management.
- 3.2 Develop and implement effective policies, grants, and innovative technologies for wildfire management.
- 3.3 Implement programs to mitigate risks to food safety, and animal and human health.
- 3.4 Protect and enhance the health of Alberta’s forest resources.

Initiatives Supporting Key Objectives

- Mountain Pine Beetle Management Program. In 2021-22, \$49 million is allocated.

Performance Metrics

3.a Performance Measure: Percentage of wildfires contained before 10 a.m. the day following assessment.

Measure and targets track wildfire containment time to minimize losses and costs from the risk of wildfires.

In 2019, the Ministry contained 95.3 per cent of wildfires before 10 a.m. the day following assessment.

Targets	2021-22	97%	2022-23	97%	2023-24	97%
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STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable			2021-22 Estimate	2022-23 Target	2023-24 Target
	2019-20 Actual	2020-21 Budget	2020-21 Forecast			
REVENUE						
Transfers from Government of Canada	371,219	293,394	351,661	280,008	277,852	264,512
Transfers of Assets or Liabilities from Related Parties	68	-	-	-	-	-
Investment Income	157,607	157,118	157,118	155,652	160,930	166,181
Premiums, Fees and Licences	473,443	465,006	616,356	475,716	451,268	466,837
Other Revenue	19,510	4,808	5,508	3,761	3,717	3,691
Ministry Total	1,021,847	920,326	1,130,643	915,137	893,767	901,221
Inter-Ministry Consolidations	(1,820)	(1,612)	(1,612)	(1,612)	(1,612)	(1,612)
Consolidated Total	1,020,027	918,714	1,129,031	913,525	892,155	899,609
EXPENSE						
Ministry Support Services	13,523	13,334	12,939	11,960	11,789	11,789
Rural Programming and Agricultural Societies	21,146	19,381	28,822	56,067	21,700	19,725
Trade, Investment and Food Management	38,868	37,144	37,085	32,080	31,672	31,672
Primary Agriculture	103,169	84,484	83,208	115,040	122,013	136,013
Lending	47,945	34,122	34,122	30,576	30,518	30,526
Insurance	1,012,492	407,344	782,929	403,745	403,506	403,429
Agriculture Income Support	231,613	89,578	145,940	89,188	89,172	89,175
Forests	639,202	168,955	307,644	183,604	181,822	162,822
Canadian Agricultural Partnership	31,234	30,682	33,682	30,983	30,950	30,950
Debt Servicing Costs	69,496	72,374	72,374	70,566	70,703	70,942
Ministry Total	2,208,688	957,398	1,538,745	1,023,809	993,845	987,043
Inter-Ministry Consolidations	(87,069)	(84,305)	(78,005)	(75,237)	(75,374)	(75,613)
Consolidated Total	2,121,619	873,093	1,460,740	948,572	918,471	911,430
Net Operating Result	(1,101,592)	45,621	(331,709)	(35,047)	(26,316)	(11,821)
CAPITAL INVESTMENT						
Ministry Support Services	28	1,730	1,730	990	990	990
Trade, Investment and Food Management	50	4,524	4,424	1,028	1,028	1,028
Primary Agriculture	13	159	159	159	159	159
Lending	553	1,092	3,001	2,826	1,243	1,381
Insurance	4,434	5,844	3,667	3,593	4,720	4,508
Agriculture Income Support	1,327	637	905	1,154	1,610	1,684
Forests	4,377	11,110	12,145	11,085	10,383	10,430
Ministry Total	10,782	25,096	26,031	20,835	20,133	20,180
Inter-Ministry Consolidations	(68)	-	-	-	-	-
Consolidated Total	10,714	25,096	26,031	20,835	20,133	20,180