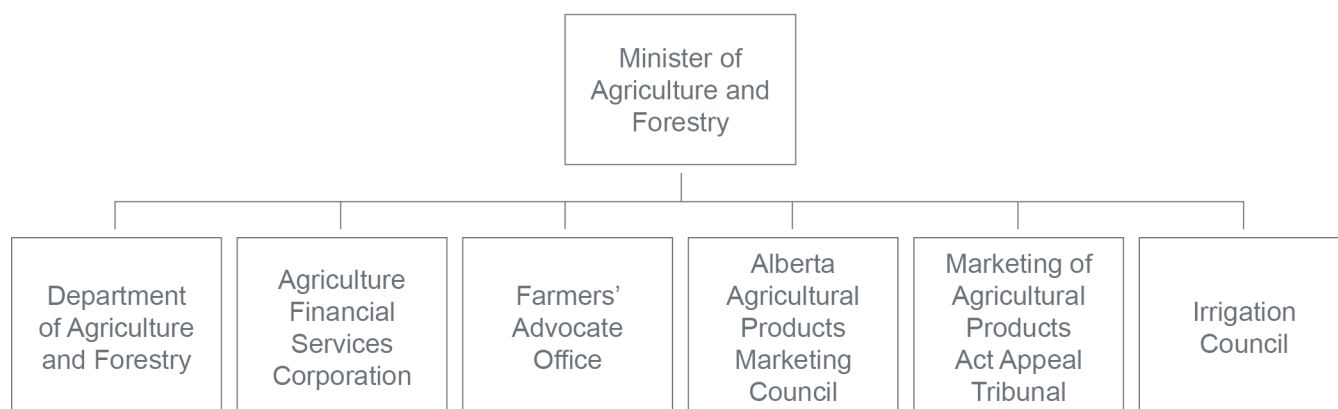


Agriculture and Forestry

Business Plan 2019–23

Ministry Mandate and Structure

The ministry of Agriculture and Forestry is integral in the daily lives of Albertans. It is responsible for legislation, policies, regulations, programs, and services related to the sustainable development of the agriculture and forest sectors. The ministry aims to build public confidence in the safety of the province’s food production systems, protect Albertans from the risk of wildfires, strengthen rural communities and Alberta’s agriculture and forest industries, and manage Crown forests. Agriculture and Forestry also engages in research and extension services geared toward industry development. Working collaboratively with other ministries, industry partners, farmers, ranchers, Indigenous communities, and Albertans, the ministry enables Alberta’s agriculture and forest sectors to grow and prosper.



A more detailed description of Agriculture and Forestry and its programs and initiatives can be found at: www.alberta.ca/agriculture-and-forestry.aspx.

Ministry Outcomes

- Growth and Sustainability of Alberta’s Agriculture and Forest Sectors
- Public Health and Safety
- Responsible Resource Management
- Thriving Rural Communities

Outcome 1

What We Want To Achieve

Growth and Sustainability of Alberta's Agriculture and Forest Sectors

Increase growth and sustainability of the agriculture and forest sectors. The ministry is working to promote Alberta as an attractive option for investment, secure domestic and international market access, create new value-added opportunities, and respond to changing consumer demands.

Agriculture and Forestry invests in business development, innovative approaches, and the adoption of sustainable practices to create growth opportunities in agriculture, value-added processing, and forestry.

Key Objectives

- 1.1 Provide focused trade services for Alberta's agriculture and forest sectors to secure access to current and new growth markets, and advocate on their behalf for fair long-term trade agreements.
- 1.2 Expand the agriculture and forest sectors through research and development to encourage growth and diversification in secondary wood product development, and the food and value-added processing sector.
- 1.3 Identify strategic opportunities to create the environment for business success.
- 1.4 Execute the *Supporting Alberta's Local Food Sector Act* to encourage the development and success of Alberta's local food producers and processors.
- 1.5 Deliver agricultural insurance products to give producers tools to reduce the economic impacts of risks beyond their control that threaten the viability of their farms.
- 1.6 Consult with farmers and ranchers to develop a research and extension plan that ensures producers' needs and views guide key agriculture research priorities.

Initiatives Supporting Key Objectives

- AgriInsurance is part of the suite of Business Risk Management programs provided through the Agriculture Financial Services Corporation to support the agricultural economy by providing insurance coverage to Alberta producers to assist in managing the risks associated with livestock and crop production. In 2019-20, \$408.5 million is allocated.
- The Canadian Agricultural Partnership is a five-year cost-shared agreement between Alberta and Canada. Funding provided from the Government of Canada through the bilateral Canadian Agricultural Partnership Agreement is used to support a profitable and innovative agriculture, agri-food and agri-based industry. In 2019-20, \$42.3 million is allocated.

Performance Metrics

1.a Performance Measure: Number of value-added agriculture products developed and successfully introduced into the market with assistance from Agriculture and Forestry

In 2018-19, 299 value-added agriculture products were developed and successfully introduced into the market with assistance from Agriculture and Forestry.

TARGETS

2019-20:	265
2020-21:	280
2021-22:	295
2022-23:	310

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

In 2018, 71 per cent of seeded acres for annual crops and 28 per cent of seeded acres for perennial crops in Alberta were insured under Production Insurance.

TARGETS

	2019-20	2020-21	2021-22	2022-23
Annual Crops	71%	72%	72%	72.5%
Perennial Crops	29%	30%	30%	30.5%

1.c Performance Indicator: Timber royalties and fees from harvested timber (\$ millions)

In 2018-19, \$125.9 million in provincial revenues was collected from timber royalties and fees from harvested timber on Crown lands.

ACTUALS

	2014-15	2015-16	2016-17	2017-18	2018-19
	57.4	51.3	69.9	139.9	125.9

1.d Performance Indicator: Alberta's agri-food exports by market (\$ millions)

In 2018, Alberta's agri-food exports to the United States reached \$4.34 billion, while exports to the "Rest of the World" totaled \$7.25 billion.

ACTUALS

	2014	2015	2016	2017	2018
United States	3,945 (40%)	3,998 (39%)	4,048 (41%)	4,268 (38%)	4,343 (38%)
Rest of the World	5,809 (60%)	6,183 (61%)	5,945 (59%)	6,969 (62%)	7,252 (62%)

Outcome 2

What We Want To Achieve

Public Health and Safety

Improvement in managing food safety, animal health, and wildfire risks. Agriculture and Forestry is committed to protecting Albertans from the negative impacts of wildfires, and ensuring the regulations and

systems that support food safety and animal health are effective in protecting human health and maintaining public confidence. The ministry continuously adapts and improves its assurance systems and evidence-based policies, and strives to improve its ability to anticipate, recognize, prevent, respond to and recover from wildfires and other health and safety risks to Albertans.

Key Objectives

- 2.1 Continue to implement the provincial FireSmart program to help protect Albertans, their homes and communities, critical infrastructure, and natural resources from the threat of wildfire.
- 2.2 Continue to implement programs that improve agriculture's ability to anticipate and mitigate risks that could affect animal and human health.
- 2.3 Conduct inspection, surveillance and extension activities to ensure food safety.
- 2.4 Develop and implement effective policies and processes for wildfire preparedness and a risk management framework to reduce the risk of wildfires to communities and to promote healthy ecosystems.

Initiatives Supporting Key Objectives

- Wildfire threats are managed and preparedness systems are in place to reduce risk to human life, communities, other values, and promote healthy ecosystems. This initiative includes the FireSmart program. In 2019-20, \$115.8 million is allocated.
- Public safety is protected by conducting surveillance, inspection, and extension to address food safety risks and hazards. In 2019-20, \$14 million is allocated.
- Crop and livestock health monitoring, surveillance and disease investigations reduce risks that may affect animal and human health and crop production systems. This initiative includes development of animal and crop disease control policies, and administration of the *Animal Health Act*, *Agricultural Pest Act*, *Weed Control Act* and other related Acts. In 2019-20, \$18.2 million is allocated.

Performance Metrics

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

In 2018, the Ministry responded to 1,269 wildfires of which 96.9 per cent were contained before 10 a.m. the day following assessment.

TARGETS

2019-20:	97%
2020-21:	97%
2021-22:	97%
2022-23:	97%

2.b Performance Measure: Percentage of active provincial licensed abattoirs that meet provincial slaughter and meat processing requirements

In 2018, 89 per cent of active provincial licensed abattoirs met or exceeded provincial animal slaughter and meat processing requirements at all slaughter and meat processing inspections.

TARGETS

2019-20:	100%
2020-21:	100%
2021-22:	100%
2022-23:	100%

Outcome 3

What We Want To Achieve

Responsible Resource Management

Promote environmental stewardship of the agriculture and forests sectors. Agriculture and Forestry invests in the delivery of programs, research and extension aimed at supporting environmental stewardship and increasing the awareness, understanding and adoption/adaptation of sustainable practices by the agriculture and forest sectors.

The ministry focuses on policy development, knowledge transfer and the dissemination of information that will boost environmentally sustainable practices within water management, bio-economy, agriculture and timber production.

Key Objectives

- 3.1 Assist primary producers and agri-processing companies to adopt environmental stewardship practices as part of improving sustainable resource management through research, policy, extension, programs and services.
- 3.2 Provide support to agricultural producers to reduce the impact of agricultural production on surface water and groundwater supply and quality.
- 3.3 Collaborate with the public, Indigenous communities and industry to build public and consumer trust in Alberta's agriculture, food and forestry systems.
- 3.4 Protect and enhance the health of Alberta's forest resources to provide social, economic, recreational and cultural value to Albertans.
- 3.5 Support forest sector competitiveness by modernizing and streamlining the timber and forest planning process.

Initiatives Supporting Key Objectives

- The Irrigation Rehabilitation Program is an annual cost-shared program that assists Alberta's 13 irrigation districts to improve conveyance infrastructure and management techniques to enable improved water-use efficiency. In 2019-20, \$14 million is allocated.
- Sustainable Crown forest management includes maintaining forest health and productivity through innovative tree breeding programs, and aerial pest assessments. This initiative includes the mountain pine beetle management program, which encompasses detection, monitoring, and control of mountain pine beetle populations across Alberta. In 2019-20, \$56.6 million is allocated.

Performance Metrics

3.a Performance Measure: Average percentage of improved environmentally sustainable agriculture practices adopted by producers (biennial survey)

In 2017-18, the average adoption of environmentally sustainable agriculture practices by producers was 53 per cent.

TARGETS

2019-20:	55%
2020-21:	N/A
2021-22:	57%
2022-23:	N/A

3.b Performance Measure: Sustainable timber harvest by annual allowable cut and harvest (million cubic metres) *(This measure reflects a timber harvest level that will maintain Alberta's healthy forests, and support Alberta's economic development. To achieve this, the volume of timber harvested must be less than or equal to the approved harvest level.)*

The 2017-18 harvest level of 23 million cubic metres was below the annual allowable cut of 32 million cubic metres during the same time period.

TARGETS

2019-20:	Harvest does not exceed the approved harvest level
2020-21:	
2021-22:	
2022-23:	

3.c Performance Measure: Percentage of forest regrowth as a result of reforestation

In 2017-18, the percentage of forest regrowth following timber harvest was 98.5 per cent.

TARGETS

2019-20:	97.7%
2020-21:	97.7%
2021-22:	97.7%
2022-23:	98.0%

Outcome 4

What We Want To Achieve

Thriving Rural Communities

Provide targeted assistance to help primary producers and communities improve their economic conditions. The ministry supports business development initiatives that offer socioeconomic benefits in rural areas. Lending programs from the Agriculture Financial Services Corporation support young farmers, growing and established producers, agribusinesses and food processors to achieve their full economic growth and potential. Rural communities succeed when residents and businesses have the means to adapt to and benefit from a range of opportunities that leads to growth in diverse rural businesses and an improved quality of life.

Key Objectives

- 4.1 Provide grants and services to industry, individuals and communities to enhance the quality of life in rural Alberta.
- 4.2 Execute the Agriculture Financial Services Corporation's lending mandate to support the development and competitiveness of primary agriculture, agribusinesses and value-added agri-processors.
- 4.3 Deliver agriculture and forestry education, knowledge transfer, and training programs and services to build and strengthen rural community capacity.

Initiatives Supporting Key Objectives

- A suite of programs and services are administered to encourage improvement in rural Albertans' quality of life. These initiatives include grant programs such as the Rural Gas and Rural Electric programs, the Remote Area Heating Allowance, and the Agricultural Society Grant program, as well as support for youth development programs such as 4-H. In 2019-20, \$19.5 million is allocated.
- The Agriculture Financial Services Corporation supports the competitiveness of Alberta's primary agriculture, agribusiness, and value-added agri-processing sectors. Through its lending programs, they support young, new, and developing farmers to establish and grow their operations, and entrepreneurs in the value-added and agribusiness sectors to create jobs and economic growth across Alberta. In 2019-20, \$33.2 million is allocated.

Performance Metrics

4.a Performance Measure: Total investment leveraged in rural businesses and agribusinesses facilitated through Agriculture Financial Services Corporation (AFSC) lending services (\$ million)

(AFSC loan authorizations to agribusiness in urban centres have been added to this performance metric to reflect AFSC's revised lending mandate. However, no change was made to the methodology. The 2017-18 result and targets have been updated to reflect the expanded scope of this performance metric.)

In 2018-19, AFSC's direct lending contribution, partnerships and collaboration with stakeholders resulted in \$478 million in investments leveraged in farm, rural businesses and value-added agribusinesses.

TARGETS

2019-20:	637
2020-21:	718
2021-22:	753
2022-23:	800

STATEMENT OF OPERATIONS

(thousands of dollars)

(thousands of dollars)	Comparable		2019-20 Estimate	2020-21 Target	2021-22 Target	2022-23 Target
	2018-19 Budget	2018-19 Actual				
REVENUE						
Internal Government Transfers	-	2,155	-	-	-	-
Transfers from Government of Canada	314,998	279,369	276,666	273,499	272,720	272,188
Investment Income	136,149	137,934	137,332	141,845	148,576	156,804
Premiums, Fees and Licences	484,098	463,330	405,118	428,630	417,395	444,129
Other Revenue	8,856	11,686	6,390	4,812	4,414	4,395
Ministry Total	944,101	894,474	825,506	848,786	843,105	877,516
Inter-Ministry Consolidations	(1,150)	(2,904)	(1,612)	(1,612)	(1,612)	(1,612)
Consolidated Total	942,951	891,570	823,894	847,174	841,493	875,904
EXPENSE						
Ministry Support Services	19,779	18,123	17,388	16,799	16,634	16,469
Rural Programming and Agricultural Societies	19,162	19,888	19,561	18,854	21,304	21,304
Processing, Trade and Intergovernmental Relations	65,253	67,099	36,906	34,006	31,810	30,975
Primary Agriculture	102,330	98,226	93,114	76,907	73,110	72,910
Lending	34,825	28,672	33,196	30,857	31,268	31,210
Insurance	493,330	672,995	410,326	407,344	407,311	407,072
Agriculture Income Support	120,487	89,395	90,405	89,578	89,530	89,514
Forests	198,781	376,338	676,812	168,953	167,415	166,415
Climate Change Initiatives	41,640	36,481	2,500	-	-	-
Canadian Agricultural Partnership	46,630	38,263	42,263	42,254	42,254	42,254
Debt Servicing Costs	70,953	69,250	67,361	68,449	71,837	73,636
Ministry Total	1,213,170	1,514,730	1,489,832	954,001	952,473	951,759
Inter-Ministry Consolidations	(80,903)	(82,221)	(79,292)	(80,380)	(83,768)	(85,567)
Consolidated Total	1,132,267	1,432,509	1,410,540	873,621	868,705	866,192
Net Operating Result	(189,316)	(540,939)	(586,646)	(26,447)	(27,212)	9,712
CAPITAL INVESTMENT						
Ministry Support Services	990	228	990	990	990	990
Processing, Trade and Intergovernmental Relations	631	1,050	1,667	2,131	631	631
Primary Agriculture	706	1,329	1,196	656	656	656
Lending	1,877	1,455	2,031	1,092	877	1,079
Insurance	4,046	1,028	4,861	5,844	6,184	5,615
Agriculture Income Support	1,650	2,998	681	637	512	879
Forests	11,578	11,817	11,673	11,110	10,960	10,960
Ministry Total	21,478	19,905	23,099	22,460	20,810	20,810
Inter-Ministry Consolidations	-	(470)	-	-	-	-
Consolidated Total	21,478	19,435	23,099	22,460	20,810	20,810