ACCOUNTABILITY STATEMENT

This business plan was prepared under my direction, taking into consideration the government’s policy decisions as of February 2, 2011.

original signed by

Jack Hayden, Minister
February 2, 2011

THE MINISTRY

The ministry consists of the Department of Agriculture and Rural Development, Agriculture Financial Services Corporation (AFSC) and Alberta Livestock and Meat Agency Ltd. The ministry is also responsible for the Office of the Farmers’ Advocate, Irrigation Council, Agricultural Products Marketing Council, and Alberta Grains Council.

Agriculture and Rural Development’s mission is to provide the frameworks and services necessary for Alberta’s agriculture and food sector to excel, to inspire public confidence in the quality and safety of food and to lead the collaboration that enables resilient rural communities. Its core businesses are:
• a market-driven, environmentally responsible industry;
• food safety, plant health and animal health and welfare; and
• rural development.

This business plan is aligned with the government’s five goals and supports the government’s core businesses as set out in the Government of Alberta Strategic Plan.

GOALS, PRIORITY INITIATIVES AND PERFORMANCE MEASURES

As a result of the ministry’s review of its goals, environment, opportunities and challenges, a number of priority initiatives have been identified.

Goal One: A competitive, self-reliant industry

Priority Initiatives:
1.1 Support implementation of priority initiatives outlined in the Alberta Livestock and Meat Strategy.
1.2 Advance trade and market access through policy development, advocacy, networking and relationship building.
1.3 Assist agricultural entrepreneurs to identify and realize new opportunities in value-added agricultural products and markets.
1.4 Deliver extension programs and services, research-based information and innovative business tools to encourage industry adoption of technology and best practices.
1.5 Continue implementation of Growing Forward and, in partnership with other governments, develop a Growing Forward 2 framework.
Performance Measures

<table>
<thead>
<tr>
<th>Measure</th>
<th>Last Actual 2009-10</th>
<th>Target 2011-12</th>
<th>Target 2012-13</th>
<th>Target 2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.a Number of value-added products developed and successfully introduced into market with assistance from Agriculture and Rural Development</td>
<td>71</td>
<td>63</td>
<td>64</td>
<td>65</td>
</tr>
<tr>
<td>1.b Research and development investment by collaborators leveraged through ministry resources ($ million)</td>
<td>11.1</td>
<td>7.0</td>
<td>7.5</td>
<td>8.0</td>
</tr>
<tr>
<td>1.c Percentage of eligible seeded acres for major crop categories insured under Production Insurance/AgrilInsurance:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Annual crops</td>
<td>71%</td>
<td>68%</td>
<td>68%</td>
<td>69%</td>
</tr>
<tr>
<td>• Perennial crops</td>
<td>24%</td>
<td>23%</td>
<td>24%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Goal Two: Environmental stewardship

Priority Initiatives:

2.1 In collaboration with all levels of government, develop integrated environmental policy to define and meet climate change, land use, air and water objectives.

2.2 Facilitate adoption of better management practices that protect or enhance the environment through systems and competitive business models that document, verify and recognize excellence.

2.3 Work with irrigation districts, irrigators and government to meet water conservation, efficiency and productivity targets in support of a diversified irrigation industry.

Performance Measure

<table>
<thead>
<tr>
<th>Measure</th>
<th>Last Actual 2009-10</th>
<th>Target 2011-12</th>
<th>Target 2012-13</th>
<th>Target 2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.a Average percentage of improved environmentally sustainable agriculture practices adopted by producers(^1)</td>
<td>58%</td>
<td>59%</td>
<td>n/a</td>
<td>59%</td>
</tr>
</tbody>
</table>

Note:
1 Survey is completed every two years. The next survey will be completed in 2011-12.

Goal Three: Farmed animal health and welfare, plant health, and safe food products

Priority Initiatives:

3.1 Contribute to the development and implementation of national and provincial food safety and farmed animal health and welfare strategies and initiatives.

3.2 Ensure that programs, policies, standards, legislation and regulations align to support plant health, farmed animal health and welfare and safe food production.

3.3 Develop the infrastructure and preparedness that enable government and industry to prevent, detect, respond to and recover from invasive crop pest species and foreign or emerging farmed animal disease incursions.

3.4 Develop and deploy traceability systems for selected livestock species and crops.

3.5 Work collaboratively with government departments to prepare for and respond to all provincial hazards, including those that would adversely impact food security in Alberta.
Performance Measures | Last Actual 2009-10 | Target 2011-12 | Target 2012-13 | Target 2013-14
--- | --- | --- | --- | ---
3.a Percentage of licensed Alberta meat processing facilities that have added a preventative system to their existing food safety system | n/a | 77% | 83% | 89%
3.b Number of food processing facilities participating in the Alberta HACCP Advantage Program | 50 | 54 | 57 | 61

Notes:
1. The result for 2009-10 was determined using a different criterion than that used to establish the forecasted targets for 2011-12 through 2013-14. As such, the forecasted targets are not directly comparable to the 2009-10 result.
2. HACCP is an acronym which means Hazard Analysis Critical Control Point. HACCP is a system which identifies, evaluates, and controls hazards which are significant for food safety.

Goal Four: A vibrant, resilient and sustainable rural Alberta

Priority Initiatives:
4.1 Advance and support enhanced community capacity, adaptation, economic opportunities, innovation, connectivity and rural stewardship in collaboration with other ministries and rural stakeholders.
4.2 Expand rural Alberta’s leadership base by working with youth and rural stakeholders and partnering with educational institutions to facilitate innovative learning and skill development opportunities.
4.3 Strengthen rural utility and community infrastructure.
4.4 Advance key lending products and services to support rural business.

Performance Measures | Last Actual 2009-10 | Target 2011-12 | Target 2012-13 | Target 2013-14
--- | --- | --- | --- | ---
4.a Total investment leveraged in rural businesses facilitated through AFSC lending services ($million) | 565 | 410 | 420 | 430
4.b Percentage of ministry-supported, agricultural-related community activities that focus on leadership development | 31% | 31% | 30% | 30%
4.c Percentage of rural youth and adults participating in ministry-supported programs that report effective learning from those programs | n/a | 90% | 90% | 90%

Note:
1. The result for 2009-10 was determined using different criteria than that used for 2011-12 through 2013-14. The sampling process has been changed to a rotating sampling method, a procedure in which a proportion of the initial survey sample is dropped from each subsequent evaluation wave and replaced with a new sample of equal size.
### STATEMENT OF OPERATIONS
Consolidated on a Fiscal Plan Basis

(Thousands of dollars) Comparable

<table>
<thead>
<tr>
<th></th>
<th>2009-10 Actual</th>
<th>2010-11 Budget</th>
<th>2010-11 Forecast</th>
<th>2011-12 Estimate</th>
<th>2012-13 Target</th>
<th>2013-14 Target</th>
</tr>
</thead>
</table>

#### REVENUE

- **Transfers from Government of Canada**: 376,008 356,799 294,511 **287,015** 341,981 355,504
- **Investment Income**: 99,013 102,870 101,376 **115,585** 138,396 162,402
- **Premiums, Fees and Licences**: 236,050 253,421 273,140 **313,921** 328,587 346,924
- **Other Revenue**: 27,127 12,825 15,617 **11,894** 9,480 8,604

**Total Revenue**: 738,198 725,915 684,644 **728,415** 818,444 873,434

#### EXPENSE

**Program**

- **Ministry Support Services**: 15,716 17,316 16,759 **16,070** 15,823 16,517
- **Agriculture Income Support**: 374,901 293,398 181,327 **152,239** 246,615 248,419
- **Lending**: 32,791 29,554 30,428 **31,977** 33,354 34,604
- **Insurance**: 643,017 417,868 453,849 **474,037** 494,867 522,253
- **Policy and Environment**: 64,830 71,119 67,108 **74,510** 70,486 72,375
- **Rural and Regulatory Services**: 30,247 27,695 30,428 **17,629** 17,629 18,081
- **Industry Development and Food Safety**: 130,911 139,935 145,358 **134,693** 130,045 130,237
- **Livestock and Meat Strategy**: 48,930 47,728 42,859 **40,737** 38,928 43,192
- **Farm Fuel Distribution Allowance**: 33,173 32,500 32,500 **32,500** 32,500 32,500

**Total Program Expense**: 1,374,516 1,077,113 1,007,617 **974,392** 1,080,247 1,118,178

**Debt Servicing**

- **Agriculture Financial Services Corporation**: 51,489 64,562 54,070 **68,030** 80,186 93,598

**Total Expense**: 1,426,005 1,141,675 1,061,687 **1,042,422** 1,160,433 1,211,776

**Gain (Loss) on Disposal of Capital Assets**: (17) - - - - -

**Net Operating Result**: (687,824) (415,760) (377,043) **(314,007)** (341,989) (338,342)

#### CAPITAL INVESTMENT BY PROGRAM

- **Ministry Support Services**: 1,060 100 224 **1,000** 1,000 100
- **Agriculture Income Support**: 2,540 2,731 856 **2,843** 2,879 2,843
- **Lending**: 2,738 2,779 7,030 **2,982** 3,019 2,981
- **Insurance**: 5,988 6,895 3,740 **4,651** 4,046 3,995
- **Policy and Environment**: 293 200 700 **200** 200 200
- **Industry Development and Food Safety**: 1,586 996 1,922 **996** 996 996
- **Livestock and Meat Strategy**: 730 - 6 **-** - -

**Total**: 14,935 13,701 14,478 **12,672** 12,140 11,115