

BUDGET 2022

GOVERNMENT OF ALBERTA | 2022-25

Ministry Business Plan Agriculture, Forestry and Rural Economic Development

Agriculture, Forestry and Rural Economic Development

Business Plan 2022-25

Ministry Fact Sheet – Mandate and Structure

Agriculture, Forestry and Rural Economic Development (AFRED) supports Alberta’s economic recovery by enabling growth, diversification, sustainability and innovation in the agriculture and forest sectors. The ministry also works to ensure that Alberta’s rural communities are able to participate in and benefit from the province’s economic recovery.

To create new jobs and spur growth in the agriculture industry, the ministry is building value-added processing capacity, expanding irrigation infrastructure, attracting new investment and expanding trade. These efforts are guided by the Agri-food Sector Investment and Growth Strategy. Key actions include: investing \$279.8 million to expand irrigation infrastructure between 2021 and 2028 to increase primary production capacity; and collaborating with Invest Alberta and the province’s international offices to develop new markets for Alberta products.

The Forest Jobs Action Plan ensures continued access to the sustainable supply of wood fibre the province’s forest sector relies on. Secure access to fibre will encourage investment and maintain good-paying jobs in the province’s forest sector. The ministry is also working to enable continued access to timber resources through Forest Management Agreements and other forest tenure that effectively balance stewardship practices to achieve environmental, social, and cultural objectives with the use of forests to realize economic opportunities.

To better understand challenges and opportunities for economic development in rural communities, the ministry is engaging rural stakeholders and Indigenous People and is leading the government’s priority on rural economic development. Engagements will inform a new rural economic development plan ensuring all regions benefit from Alberta’s economic recovery and growth.

AFRED also plays a key role in protecting public safety and maintaining public confidence in Alberta’s food system. The ministry works to prevent, manage and respond to wildfires that can threaten Alberta’s communities and forest ecosystems. The ministry also monitors and responds to diseases and pests that can damage Alberta’s agriculture and forest industries.

The Agriculture Financial Services Corporation (AFSC) is contributing to Alberta’s economic recovery by providing lending assistance and insurance programs to support the development, growth and competitiveness of the agriculture sector. By 2024, the AFSC borrowing limit will increase to \$3.6 billion to ensure farmers, 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 and will continue to fund innovative research to benefit farmers and ranchers for years to come.

The ministry is enhancing government services now and for the future, supporting the long-term sustainability of the agriculture and forestry sectors and seeking ways to ensure rural economies thrive.



A more detailed description of Agriculture, Forestry and Rural Economic Development and its programs and initiatives can be found at: <https://www.alberta.ca/agriculture-forestry-and-rural-economic-development.aspx>

The Ministry of Agriculture, Forestry and Rural Economic Development 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 protecting and supporting Albertans and job creators by reducing red tape by one-third by 2023, modernizing regulations, eliminating unnecessary regulatory requirements, and reducing administrative burden through more efficient processes including digital solutions.

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

Alberta’s economic growth and recovery are supported by increased investments, expanded trade in Alberta’s agriculture and forest sectors, and by maximizing economic opportunities across Alberta

This outcome aims to improve competitiveness for the agri-food and forest sectors and support rural economic development.

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.
- 1.5 Develop and implement a Government of Alberta rural economic development plan to help create the conditions for ongoing economic success in rural communities.

Initiatives Supporting Key Objectives

- In 2022-23, \$37 million is allocated to fund Results Driven Agriculture Research.

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

Measure and targets show the impact of growing investments in the agriculture sector on job creation, which will support economic growth and recovery in Alberta. The ministry is on track to achieve the Agri-food Sector Investment and Growth Strategy’s goal of attracting \$1.4 billion in new investments by 2022-23 and creating 2,000 jobs. In 2020-21, the ministry enabled \$359 million in new investment to the primary agriculture and agri-processing industries. This investment resulted in the creation of 1,147 full and part time jobs.

Targets: Cumulative Investment Enabled (\$ millions)	2022-23	1,000	2023-24	1,400	2024-25	1,833
Targets: Cumulative Jobs Created	2022-23	1,445	2023-24	2,000	2024-25	2,591

1.b Performance Indicator: Value of Alberta’s primary agriculture commodities and value-added agriculture products exports (\$ in millions). This metric is reclassified as a performance indicator to acknowledge the many factors, beyond ministry services, that influence Alberta’s agri-food exports performance.

Performance indicator tracks the diversification of agricultural products exports that drive industry growth, job creation, and contribute to the provincial economic development and recovery. In 2020, Alberta’s primary agricultural commodities and value-added agricultural product exports were \$5.8 billion and \$6.7 billion, respectively with a growth of 9.2 and 4.7 per cent from 2019. Results current as at May 2021.

	2016	2017	2018	2019	2020
Primary Agriculture Commodities (\$ millions)	4,957	6,141	5,808	5,272	5,757
Value-Added Agriculture Products (\$ millions)	5,036	5,584	6,074	6,372	6,669

Outcome 2

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

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

Key Objectives

- 2.1 Streamline agriculture and forest sector's regulatory requirements to reduce red tape.
- 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 socio-economic development in rural Alberta by maintaining and enhancing rural infrastructure and realizing new economic opportunities.

Initiatives Supporting Key Objectives

- In 2022-23, \$43.2 million is allocated to irrigation rehabilitation and expansion.

Performance Metrics

2.a Performance Measure: Percentage net reduction of red tape faced by the agriculture and forest sectors

Measure and targets reflect government's annual performance expectation in a broader commitment to reducing red tape by one-third over four years (by the end of 2022-23). In 2020-21, the ministry's red tape reduction efforts resulted in a 12.1 per cent regulatory reduction.

Targets	2022-23	33%	2023-24	No net increase	2024-25	No net increase
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Outcome 3

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

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

- In 2022-23, \$55.9 million is allocated to support the Mountain Pine Beetle Management Program.

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 2020, the ministry contained 99.4 per cent of wildfires before 10 a.m. the day following assessment.

Targets	2022-23	97%	2023-24	97%	2024-25	98%
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STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable			2022-23 Estimate	2023-24 Target	2024-25 Target
	2020-21 Actual	2021-22 Budget	2021-22 Forecast			
REVENUE						
Transfers from Government of Canada	313,430	280,008	579,074	326,586	316,603	339,306
Investment Income	166,193	155,652	138,514	112,631	119,769	125,934
Premiums, Fees and Licences	793,282	475,716	640,086	552,239	580,062	645,110
Other Revenue	9,469	3,761	4,103	3,518	3,492	3,538
Ministry Total	1,282,374	915,137	1,361,777	994,974	1,019,926	1,113,888
Inter-Ministry Consolidations	(1,417)	(1,612)	(1,612)	(1,612)	(1,612)	(1,612)
Consolidated Total	1,280,957	913,525	1,360,165	993,362	1,018,314	1,112,276
EXPENSE						
Ministry Support Services	10,930	11,960	11,960	12,255	12,255	12,255
Rural Programming and Agricultural Societies	30,649	56,067	56,067	23,183	22,183	22,183
Trade, Investment and Food Management	35,334	32,080	32,080	34,698	34,931	34,931
Primary Agriculture	76,336	115,040	127,903	115,977	115,916	138,236
Lending	25,666	30,576	34,822	31,631	30,333	30,174
Insurance	849,955	403,745	2,849,689	403,473	404,370	405,743
Agriculture Income Support	123,663	89,188	547,991	88,976	88,772	88,555
Forests	265,863	183,604	352,957	191,287	163,276	163,276
Canadian Agricultural Partnership	40,701	30,983	35,273	35,239	30,950	30,950
Debt Servicing Costs	69,497	70,566	70,566	64,425	67,145	70,276
Ministry Total	1,528,594	1,023,809	4,119,308	1,001,144	970,131	996,579
Inter-Ministry Consolidations	(83,492)	(75,237)	(75,237)	(68,902)	(71,622)	(74,753)
Consolidated Total	1,445,102	948,572	4,044,071	932,242	898,509	921,826
Net Operating Result	(164,145)	(35,047)	(2,683,906)	61,120	119,805	190,450
CAPITAL INVESTMENT						
Ministry Support Services	102	990	1,107	990	990	990
Trade, Investment and Food Management	786	1,028	3,803	1,523	1,028	1,028
Primary Agriculture	138	159	655	159	159	159
Lending	1,244	2,826	1,411	555	135	135
Insurance	2,549	3,593	1,019	3,422	3,215	3,212
Agriculture Income Support	331	1,154	156	238	70	70
Forests	11,745	11,085	10,312	8,424	10,583	10,580
Consolidated Total	16,895	20,835	18,463	15,311	16,180	16,174

