



Agriculture and Agri-Food Canada

1999–2000
Estimates

Part III – Report on Plans and Priorities

Canada

The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament. The Estimates, which are tabled in the House of Commons by the President of the Treasury Board, consist of three parts:

Part I – The Government Expenditure Plan – provides an overview of federal spending and summarizes both the relationship of the Estimates to the Expenditure Plan (as set out in the Budget) and key elements of the Main Estimates;

Part II – The Main Estimates – directly supports the *Appropriation Act*. The Main Estimates identify the spending authorities (votes) and the amounts to be included in subsequent appropriation bills. Parliament will be asked to approve these votes to enable the government to proceed with its spending plans. Parts I and II of the Estimates are tabled concurrently on or before 1 March; and

Part III – Departmental Expenditure Plans – In April of 1997 the House of Commons approved a motion that split the Part III into two components:

- (1) **Reports on Plans and Priorities (RPPs)** are individual expenditure plans for each department and agency (excluding Crown corporations). These reports provide increased levels of detail on a business line basis and contain information on objectives, initiatives and planned results, including links to related resource requirements over a three-year time horizon. The RPPs also provide details on human resource requirements, major capital projects, grants and contributions, and net program costs. They are tabled in Parliament by the President of the Treasury Board, on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*. These documents are to be tabled on or before 31 March, referred to committees and reported back to the House of Commons pursuant to Standing Order 81(4).
- (2) **Departmental Performance Reports (DPRs)** are individual department and agency accounts of accomplishments achieved against planned performance expectations as set out in respective RPPs. These Performance Reports, which cover the most recently completed fiscal year, are tabled in Parliament in the fall by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*.

These measures stem from the Improved Reporting to Parliament Project which was initiated as part of the revamped Expenditure Management System announced in January 1995. The central objective of this Project was to improve expenditure management information and accountability to Parliament. This was to be accomplished through a focus on results within a more strategic, multi-year perspective on program delivery.

Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of public funds.

As part of its ongoing efforts to streamline reporting requirements, the Treasury Board of Canada Secretariat has requested that Agriculture and Agri-Food Canada and four other departments explore alternative reporting structures to this year's report on plans and priorities. It has, therefore, exempted Agriculture and Agri-Food Canada from having to follow the guidelines for the preparation of this report.

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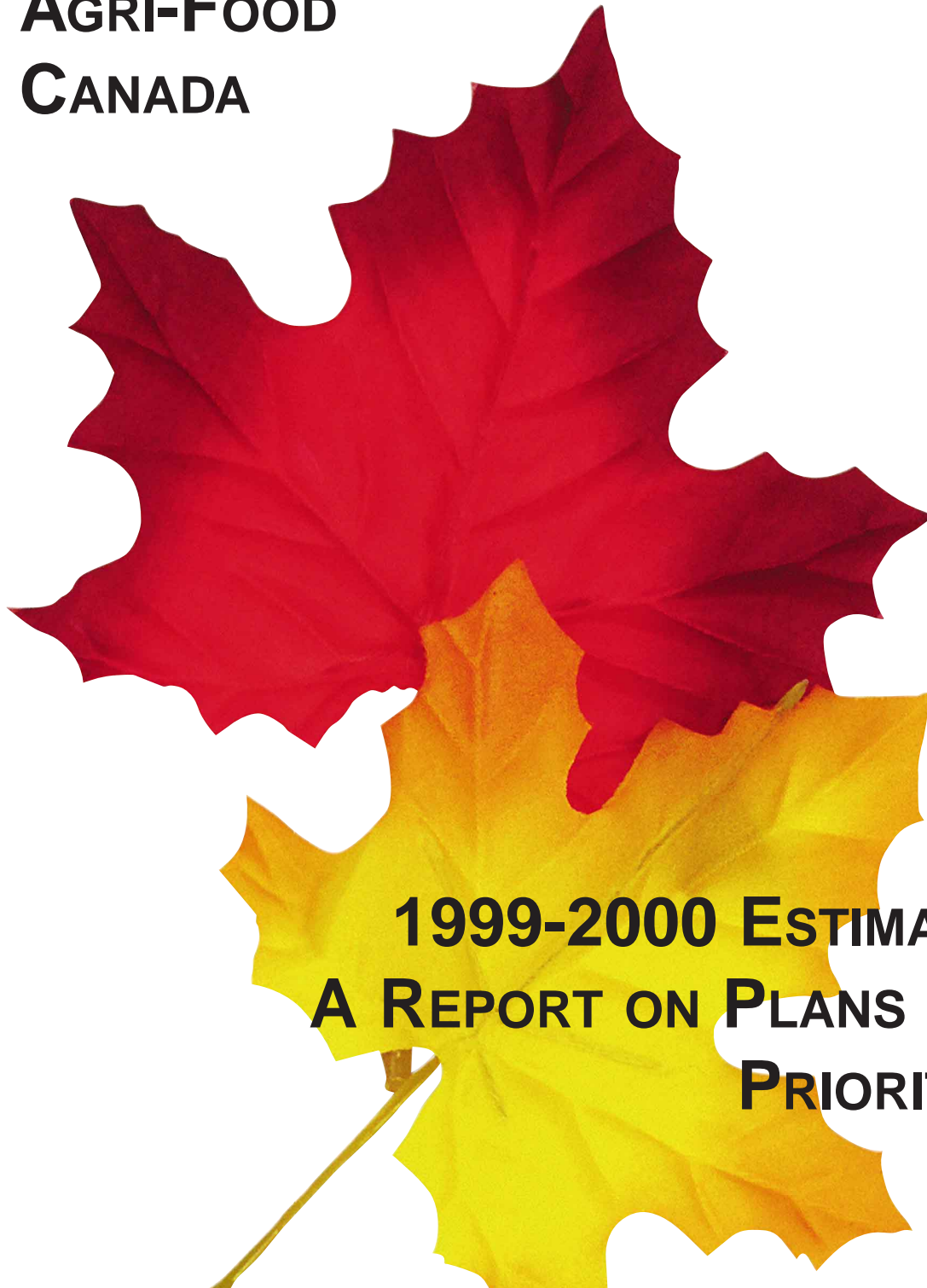
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**AGRICULTURE AND
AGRI-FOOD
CANADA**



**1999-2000 ESTIMATES
A REPORT ON PLANS AND
PRIORITIES**

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Minister's Message



Lyle Vanclief
Minister of Agriculture
and Agri-Food
and Minister Coordinating
Rural Affairs

I am pleased to present the Agriculture and Agri-Food Canada 1999-2000 *Report on Plans and Priorities*, in which I emphasize the Department's directions and associated challenges for achieving stated objectives on behalf of the sector. The report also highlights some of the ways we will be measuring and reporting to Canadians on our progress toward our shared goals.

The ambitious objectives and goals the agri-food sector has set for itself can be described as nothing less than Global Excellence. Global Excellence, for those involved in the agriculture and agri-food world, means a robust domestic economy which can help propel us to higher levels of profitable exports for our agricultural products and processed foods. It means reaping the environmentally sustainable benefits of an aggressive research and innovation effort, both public and private, with a modernized income stabilization system to sustain increased competitiveness. The pursuit of Global Excellence depends, in large part, on international sales, but our success in global markets rests on continued development of world-class products here at home. Canada's domestic markets are our springboard to international success.

The pursuit of Global Excellence helps align AAFC with overall government priorities. These shared growth targets mean more jobs for Canadians in a strong agriculture and agri-food sector. A strong agriculture and agri-food sector is key to a strong nation from coast to coast to coast.

Right now, many Canadian farmers are experiencing a significant decline in their incomes, largely due to low commodity prices. To help deal with the current farm income crisis, the Agricultural Income Disaster Assistance Program was established in December 1998. The Government of Canada will invest up to \$900 million over the next two years matched by up to \$600 million from the provinces to help farmers through the current income crisis. In the first half of 1999, AAFC, in cooperation with the provinces, will be delivering this assistance to agricultural producers who face dramatic declines in net income as a result of factors beyond their own control.

New trade realities demand that we continue to press our interests on the international stage. With the World Trade Organization (WTO) negotiations scheduled to begin in

late 1999, one of our priorities will be to negotiate hard for a level playing field on which the Canadian agriculture and agri-food sector can compete with the world. Our first step will be to ensure that we have developed a consistent and inclusive position that gives us a solid framework on which to conduct negotiations. Input from industry and the Standing Committee on Agriculture and Agri-Food will also be invaluable to us. I want to move carefully towards developing our negotiation positions, based firmly on our international rights and obligations.

I also have the overall responsibility for leading the cooperative interdepartmental efforts to address the federal government's commitment to rural Canada. Spearheaded by AAFC's Rural Secretariat, the department has played, and will continue to play, an active role in engaging citizens in decisions which affect them, bringing a rural perspective to decision-making, encouraging opportunities for youth and connecting the various regions and interests of the country.

Together with the other agencies in the Portfolio, the department is working towards a strong, integrated approach to meet the federal government's objectives for the agriculture and agri-food sector. I invite you to read our *Report on Plans and Priorities* and its companion pieces and judge for yourself the difference that we intend to make to the sector. As the next few years unfold, we will build on our accomplishments. A great deal will continue to depend on our ability to transform ourselves as an industry: to seize opportunities, to maintain our competitive edge, and to build our future through sound environmental stewardship of our land and resources.

A handwritten signature in blue ink, appearing to read 'Lyle Vanclief', with a long horizontal line extending to the right.

Lyle Vanclief

Minister of Agriculture and Agri-Food and
Minister Coordinating Rural Affairs

MANAGEMENT REPRESENTATION

1999-2000 REPORT ON PLANS AND PRIORITIES

We submit, for tabling in Parliament, the 1999-2000 *Report on Plans and Priorities* (RP&P) for Agriculture and Agri-Food Canada.

To the best of our knowledge, the information:

- Accurately portrays the Department's mandate, plans, priorities, strategies and expected key results of the organization;
- Is consistent with Treasury Board policy, instructions, and disclosure principles;
- Is comprehensive and accurate; and
- Is based on sound underlying departmental information and management systems.

We are satisfied as to the quality assurance processes and procedures used for the preparation of the *Report on Plans and Priorities*.

The Planning, Reporting and Accountability Structure (PRAS) on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.



A handwritten signature in black ink, appearing to read "Frank Claydon".

Frank Claydon
Deputy Minister



A handwritten signature in black ink, appearing to read "Michelle Comeau".

Michelle Comeau
Associate Deputy Minister

1. OUR APPROACH TO DOING BUSINESS

1.1 OUR MANDATE

The Minister of Agriculture and Agri-Food and Minister Coordinating Rural Affairs promotes the development, adaptation and competitiveness of the agriculture and agri-food sector through policies and programs that are most appropriately provided by the federal government. The overall goal is to help the sector maximize its contribution to Canada's economic and environmental objectives and achieve a safe, high quality food supply while maintaining a strong foundation for the agriculture and agri-food sector and rural communities. The Minister's role as Minister Coordinating Rural affairs has two major parts — advocacy for Canadians living in rural areas and coordination of activities carried out by individual federal departments and agencies on behalf of rural Canada.

AAFC is a federal trend-setter in providing improved, more innovative, and more responsive services and programs to Canadians. We are a key department in the current government-wide Service and Innovation initiative: AAFC is focussing upon service improvements for rural Canadians. As well, the department has revamped its approach to management planning. By targeting our efforts in four key areas or business lines (see below), we have laid the groundwork for providing better information to Canadians as taxpayers, as citizens, and as clients.

1.2 OUR BUSINESS LINES

In response to the call for all departments to clearly demonstrate how and where our work translates into results, AAFC set out four business lines that precisely define both where we will place our efforts, and how we will achieve our goals. In each business line, we have identified clear targets, and laid out plans and strategies for reaching these targets over the next three years. We have charted the results we expect to achieve, and designed performance measures to help us track our progress, and measure the impact of our work. As a result, AAFC is in a better position to report on its accomplishments and to demonstrate value for Canadian taxpayers' dollars.

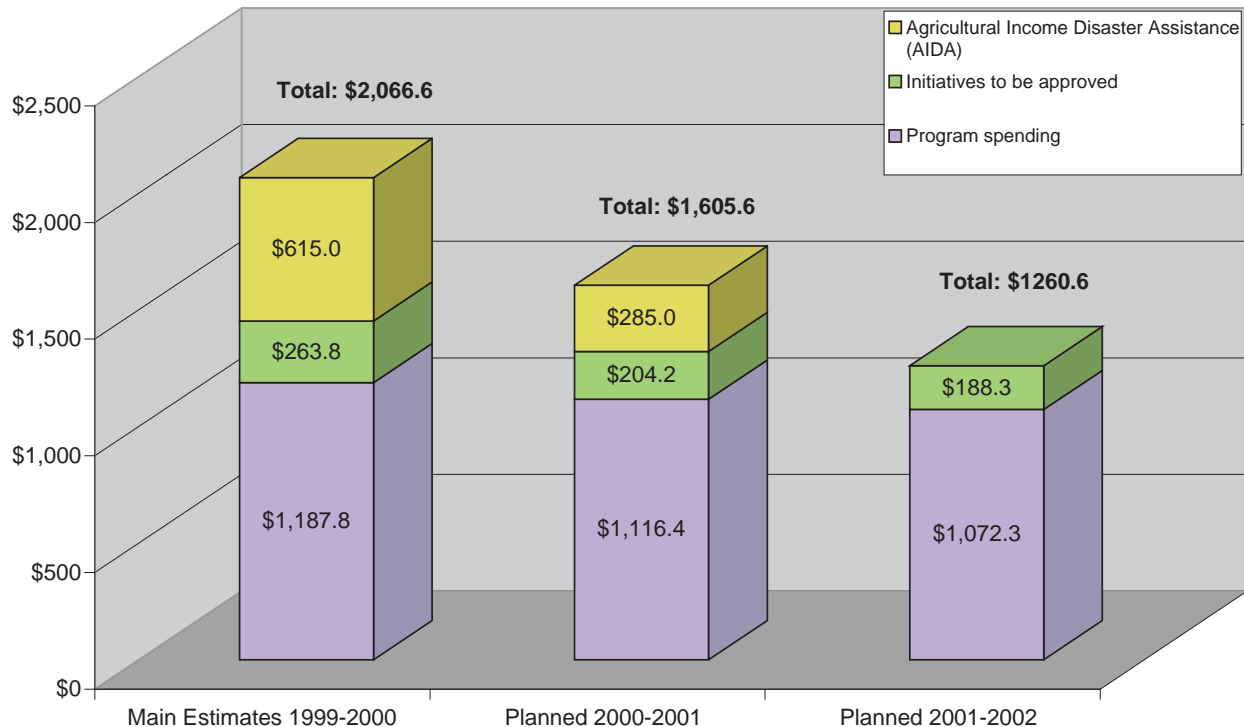
OUR BUSINESS LINES

- Expanding Markets
- Innovating for a Sustainable Future
- Strong Foundation for the Sector and Rural Communities
- Sound Departmental Management

Through the business lines, branches and other departmental partners are linked and reliant on each other. This approach rests on teamwork, and combining forces with our partners, including portfolio agencies, producers, the food industry, academic institutions, the provinces, and other federal departments.

1.3 OUR RESOURCES

AAFC Planned Expenditures (millions of dollars)



Fiscally, the department is staying its course. AAFC is increasingly operating in a stable fiscal environment, where program spending is consistent and predictable over the long-term. The extraordinary federal response to Canada's farm income crisis is reflected in an increase in AAFC expenditures for two fiscal years. A reduction in planned spending for 2001-2002 reflects the completion of both AIDA and the five-year phase out of dairy subsidies.

1.4 OUR PARTNERS



To maximize efficiency, AAFC teams with other **federal departments** to serve a shared client base. For example, as a member of Team Canada Inc, we work with Industry Canada (IC) and Foreign Affairs and International Trade Canada (DFAIT) to deliver the federal government's International Business Development (IBD) Strategy.

As well, AAFC's Rural Secretariat leads the government-wide Canadian Rural Partnership (CRP), to increase opportunities for rural Canadians and to adapt programs to reflect rural realities. AAFC coordinates the work of twenty-six federal departments and agencies, as well as other levels of government and rural stakeholders.

In addition, the Cooperatives Secretariat situated within AAFC works in partnership with other federal agencies and departments to promote cooperatives as a business option for Canadians.

Collaborations between AAFC and the **provinces** will also continue to benefit the sector in many ways. Examples include:

- ▶ promoting Canadian agriculture and agri-food products abroad, and encouraging the expansion and retention of investment in the agri-food sector through a cooperative approach such as the Federal/Provincial Market Development Council and the Federal/Provincial Marketing and Trade Assistant Deputy Ministers' Committee;
- ▶ revising and strengthening the long-term farm safety net agreements through close cooperation between federal and provincial officials; and
- ▶ conducting collaborative research with our provincial counterparts in such areas as the Western Forage/Beef Program (e.g., effects of snow cover on forage quality).

Industry organizations, primary producers, and agri-food firms are instrumental in helping shape government policies and programs. AAFC consults with sectoral partners on key issues such as safety nets, grain marketing and transportation, research priorities, sustainable development, climate change, livestock management systems, cost recovery and orderly marketing.

Coordination and cooperation among **agencies** and **crown corporations** reporting to the Minister of Agriculture and Agri-Food is essential to advancing the sector's interests. In addition to AAFC, the Minister has responsibility for the Canadian Food Inspection Agency, the Canadian Grain Commission, the Farm Credit Corporation, the Canadian Dairy Commission, and the National Farm Products Council. Also, although the Canadian Wheat Board reports to the Minister responsible for the Canadian Wheat Board, AAFC is closely involved, providing support and services to the Minister responsible for the CWB. Portfolio partners and AAFC often work together to address common challenges and ensure a cohesive approach to policy-making for the sector.

1.5 OUR PEOPLE

In 1997, the Government of Canada launched *La Relève*, a major human resource renewal initiative to create a workplace where people are valued, recognized, given opportunities for self-development, and treated in accordance with the core values of the Public Service. These efforts are aimed at rebuilding a vibrant, representative Public Service to serve Canadians.

To meet these challenges, Agriculture and Agri-Food Canada launched its own plan called "Planning For the Future". This plan focuses on building a supportive work environment, training and development, succession planning, career planning, recruitment and staffing, diversity management, accountability agreements and rewards and recognition of our employees. We are seeking a departmental workforce that is representative of the available Canadian workforce.

We have started a dialogue with employees on these issues through the development of a set of departmental values (see below for details), and the undertaking of a benchmark employee

climate survey. The Departmental Management Committee endorsed an aggressive implementation plan to make improvements in many areas identified by employees, such as increased communication between employees and managers, improved human resource and communications skills of managers, investment in learning for employees, and ongoing help for employees to develop career plans.

1.6 OUR VALUES

To that end, Agriculture and Agri-Food Canada endorsed a set of shared core values that reflect what AAFC stands for, and how it does business. The challenge over the coming planning period will be to find ways to integrate these values into our daily activities.

By “living” these values, we will not only better serve our clients in a timely and responsive manner; we will also help create a better working environment for all employees of the department.

AAFC VALUES

Valuing People - We treat each other with dignity, respect and sensitivity; we recognize and appreciate our differences; we seek everyone's contribution and favour teamwork.

Integrity - We adhere to personal and professional values; we place the public interest before our own interest; we are honest with ourselves, our organization, and our clients; we accept ownership and responsibility for our actions, decisions and results.

Excellence - We are individually and collectively dedicated to providing high quality results and to serving our clients in a timely and flexible manner; we encourage the expression of ideas, the expression of creativity and the adoption of best practices.

2. CHALLENGES AND OPPORTUNITIES

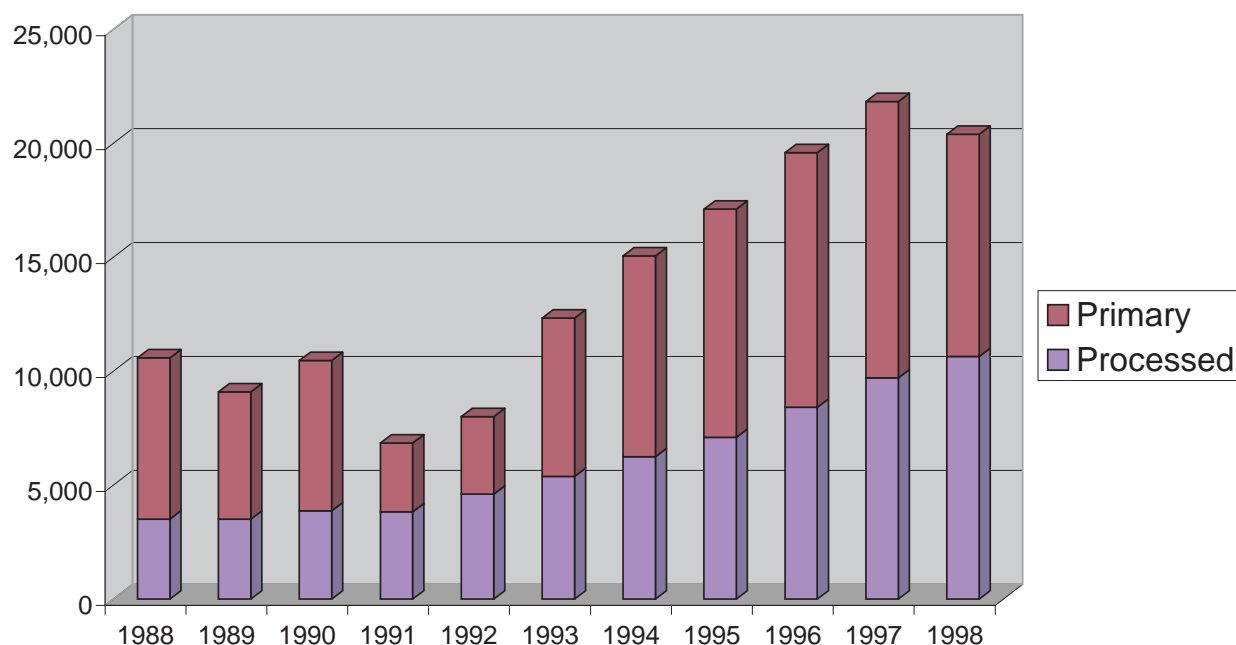
In recent years, the Canadian agriculture and agri-food sector has performed well on a number of fronts including export growth, innovation intensity, contribution to the GDP and employment. There have been dramatic fast-paced changes in what and how farmers produce, particularly in the Prairies.

Although long-term projections for business success are still positive, our sector is confronting an industry downturn, and several other issues require resolution. Important factors in AAFC's operating environment are described below.

2.1 GLOBAL/DOMESTIC ECONOMIC OUTLOOK

Over the last several years, Canadian agriculture and agri-food exports have enjoyed long-term growth, increasing from \$13 billion in 1993 to over \$22 billion in 1997. The preliminary 1998 figure for agriculture and agri-food exports is almost \$21 billion, and the final figures are expected to be somewhat higher. Food processed exports are continuing to perform remarkably well. For instance, canola oil exports rose 69% to \$411 million, boneless fresh beef exports rose 58% to \$720 million, and frozen french fry exports rose 31% to \$462 million. The value of durum and non-durum wheat exports dropped 23% and 50%, respectively. Given the serious economic problems that disrupted global markets, especially those in Asia and Latin America, the performance of the processed sectors exports is very encouraging and has contributed to Canada's overall agricultural and agri-food positive trade surplus.

**Exports of Primary Agricultural Products and Processed Agri-Food Products
in \$Millions, 1988 to 1998**



The Canadian food and beverage sector has an ambitious goal of increasing the processed agricultural exports to 60% of total agriculture and agri-food exports by 2005. The 1998 preliminary figures suggest that the industry is making progress toward that goal, especially with increased exports of processed products to our major trading partner, the United States. Overall, processed food exports in 1998 were up 9% over 1997 to \$10.6 billion. Processed food exports to the U.S. were up to \$8.1 billion, a remarkable increase of 16% over 1997. Trade relations with the U.S. continue to strengthen, 76% of Canadian processed food exports are now sold to the U.S. market compared to 59.5% in 1988.

Increasing exports, especially of processed agricultural products, will help create and keep agriculture and agri-food processing jobs in Canada. The government will continue to work closely with the Canadian industry to increase global market access and to promote Canada's high quality food and beverage products to international consumers.

With the World Trade Organization negotiations on agriculture scheduled to begin in late 1999, our priority will be to advance a coherent national approach in the international forum. This means refining our internal position to ensure it is consistent and inclusive, giving us a solid framework on which to conduct negotiations. Ongoing changes in the world agricultural economy, such as changes in the Common Agricultural Policy of the European Community, will all have to be factored into the development of this framework.

Domestically, the sector is under increasing pressure to produce products that meet the changing needs of consumers. Shifts in demographics, concerns over health and food safety, and environmental issues, are just a few of the agents of change. At the same time, the Canadian industry is faced with greater competition from global exporters. Success will depend on our sector's ability to produce convenient, competitively-priced products of consistently high quality, as well as upon Canada's skill in identifying emerging product opportunities (e.g., nutraceuticals/functional foods). It is increasingly critical that all links in the supply chain work together, if we are to continue to succeed.

2.2 FARM INCOME

In 1998, realized net farm incomes were expected to decline only 7% nationally compared to the average of the previous five years. However, Saskatchewan and Manitoba experienced major reductions in income of 40% and 34%, respectively.

Nationally, there are signs of gradual improvement in 1999. However, the situation is expected to remain particularly serious in the prairie provinces. Realized net income is expected to decline 40% in Manitoba and 80% in Saskatchewan during 1999, compared to 1998. The non-prairie provinces are benefiting from more diversified product mixes, which will mitigate the exposure to weak cereal and hog prices.

To help with the current farm income situation, the federal government announced in December 1998, the Agricultural Income Disaster Assistance (AIDA) program. The federal government has committed up to \$900 million over two years, which, fully cost-shared with the provinces at a 60:40 ratio, will provide up to \$1.5 billion to farmers who have experienced significant income declines over the 1998 and 1999 tax years.

The AIDA program is meant to supplement producers' own risk management strategies. In addition to NISA and crop insurance, producers have several options open to them to manage their usual market and production risks, including hedging, forward pricing and contracting, diversification, and innovative marketing arrangements.

2.3 ENVIRONMENTAL SUSTAINABILITY

Innovative and environmentally sound solutions for land and water management are increasingly providing producers with numerous environmental benefits that afford greater economic security in the long-term. The challenge and opportunity for the sector will be to integrate these and other economic and environmental considerations into all business decisions.

Additionally, there is a need to deepen scientific understanding of agriculture's performance in terms of Green House Gas (GHG) emissions. Under the Kyoto Protocol, Canada is committed to a 6% reduction in GHG emissions by the year 2010. Primary agriculture accounts for about 10% of Canada's GHG emissions. The sector is challenged with reducing its GHG emissions. There are opportunities for the sector to achieve greater operating efficiencies while contributing to lower emissions.

The sector is increasingly being asked by non-farm rural neighbours and other members of the public to demonstrate their sound environmental stewardship of the agricultural landscape. The farm sector is also challenged, both through domestic and international requirements, with developing tools to demonstrate that water, soil, air and species at risk are protected and enhanced.

2.4 RESEARCH CAPACITY AND BIOTECHNOLOGY

Long-term competitiveness depends on innovation and Canada's agriculture and agri-food sector is emerging as one of the most innovative and knowledge-intensive sectors in the marketplace. The agri-food sector spends \$1 billion annually on agri-food research and development with AAFC investing \$353 million of this amount in 1997-1998.

Biotechnology is emerging as a key focus for the sector, and offers many economic, environmental and social benefits. In recent years, however, multinational corporations have been patenting key genes and gene sequences of particular importance to Canadian agriculture. This loss of access to key sequences could hinder critical work which is essential to Canada's competitiveness.

2.5 RURAL CANADA

The Minister of Agriculture and Agri-Food is also the Minister Coordinating Rural Affairs. As such, he leads the government-wide Canadian Rural Partnership (CRP) initiative, designed to ensure that rural Canadians have the opportunity to participate fully in all this country has to offer. The CRP is the Government of Canada's commitment to increase opportunities for rural Canadians and to adapt its programs to reflect rural realities.

AAFC coordinates the CRP, which is an interdepartmental working group with representation from twenty-six federal departments and agencies. It is also leading the development of

approaches to measure and report on the success of this federal initiative.

In addition to helping sponsor programs across the country, CRP is designing a blueprint to help set the direction of future rural policy. The blueprint is based on the outcomes of last year's Rural Dialogue, where we sought input from thousands of rural Canadians.

2.6 YEAR 2000 READINESS

External: The Year 2000 Problem, or Y2K bug, represents a significant challenge for all economic sectors and Canadian citizens. Like other industries, the food supply chain is heavily reliant on basic utilities such as electricity, telecommunications and transportation. To address this issue, the department is actively engaged in a portfolio-wide effort involving other national governments, federal departments, the provinces, producers and agri-food business. Our goal is to raise awareness and to communicate the need for action. The department is assessing the vulnerabilities of the food supply chain and is working to ensure contingency planning is taking place so that Canadians are assured a safe and adequate food supply. The department is also addressing the international commercial implications of Y2K.

Internal: Ensuring the department is ready for the Year 2000 is one of AAFC's most pressing priorities. We are working hard to be certain that our systems, processes and assets used to support the sector are year 2000 compliant (see Chart of Year 2000 initiatives on page 45).

2.7 HUMAN RESOURCES

As a result of downsizing and program expenditure reductions over the last few years, the Public Service has undergone major changes in structure, function and size. While these efforts contributed significantly to restoring fiscal prudence, the Public Service lost a significant number of staff to early or planned retirements.

To deal with these losses and the continuing problem of an aging workforce, AAFC needs to develop innovative recruitment, development and retention strategies. Not only must we ensure that we have an adequate supply of highly trained employees to deliver programs and services to Canadians, we must also build a more representative workforce, to achieve employment equity for all Canadians.

Considerable work is underway across the Public Service, especially in "high risk" communities such as Science and Technology, Executives, and Regulatory/Inspection to better understand and forecast demographic trends, to ensure an appropriate balance between strategic recruitment and retention, and to develop learning investment strategies that build new competencies in our people.

Agriculture and Agri-Food Canada is a key player in all of these efforts as the department strives to rebuild its workforce and restore confidence in the Public Service as an "employer of choice". We want our employees to enjoy coming to work in the morning.

3. BUSINESS LINE PLANS

AAFC has identified four key business lines. The priorities flowing from our business lines will form the department’s strategic focus over the next several years.

The following section details key plans and strategies that will be used to achieve our business line priorities. To help us track our progress, expected results and performance measures have also been identified for each business line priority area. These measures will be used to report back to Canadians on our progress.

Detailed operational plans and activities have not been included in this section. For the reader who requires more information, a list of related Internet sites is provided within each business line section. As well, contacts for departmental publications have been included in the supplementary information.

BUSINESS LINES	PRIORITIES	ORGANIZATIONAL RESPONSIBILITY FOR DELIVERY OF RESULTS	
		PRIMARY	CONTRIBUTING
EXPANDING MARKETS	To improve and secure market access; to enable the agri-food sector to capture opportunities for trade in domestic and export markets, with a focus on processed agricultural products; and to increase domestic and foreign investment in the sector.	Market and Industry Services Branch	Research Branch Policy Branch Canadian Grain Commission
INNOVATING FOR A SUSTAINABLE FUTURE	To work with industry and other partners to support the sector’s efforts to develop and produce competitive products and processes in an environmentally sustainable manner.	Research Branch Prairie Farm Rehabilitation Administration Policy Branch	Market and Industry Services Branch
STRONG FOUNDATION FOR THE SECTOR AND RURAL COMMUNITIES	To work with industry, provinces and other partners to enhance the sector’s economic viability, while strengthening opportunities for rural community economic development.	Policy Branch Prairie Farm Rehabilitation Administration	Research Branch Market and Industry Services Branch
SOUND DEPARTMENTAL MANAGEMENT	To be the best performing organization in the public service.	Corporate Branches ⁽¹⁾ Legal Services Executive Offices	Line Branches

1. Corporate branches includes Corporate Services, Communications, Review, and Human Resources Branches.

3.1 EXPANDING MARKETS



Business Line Priorities

To improve and secure market access; to enable the agri-food sector to capture opportunities for trade in domestic and export markets, with a focus on processed agricultural products; and to increase domestic and foreign investment in the sector.

Canada's agri-food trade performance was remarkable over the mid-1990s. From exports of \$13 billion in 1993, we reached over \$22 billion in 1997. By 1996, we recaptured 3.17% of world agri-food trade. In 1997, the trade surplus for the agriculture, food and beverages sector reached \$6 billion and the total agri-food system contributed 8.5% of Canada's GDP.

For more information on this business line, see

Market and Industry Services Branch at <http://www.agr.ca/misb.html>

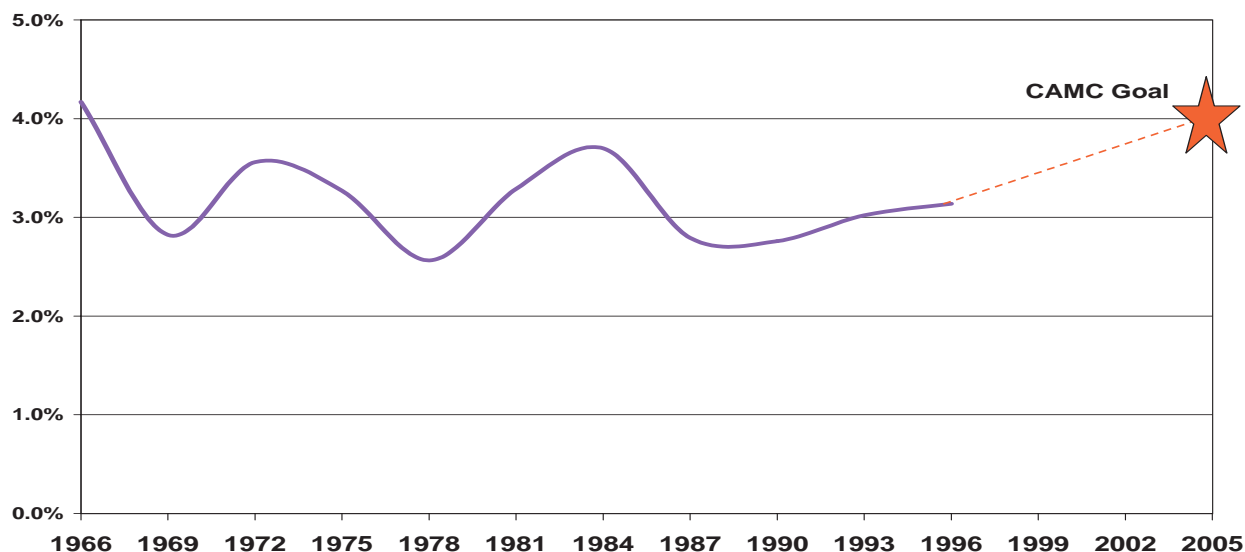
Agri-Food Trade Service (ATS) Online at <http://atn-riae.agr.ca/public/menu-e.htm>

Exportsource at <http://www.exportsource.gc.ca>

CAMC at <http://aceis.agr.ca/policy/epad/english/pubs/adhoc/camc/toc.htm>

Although world economic markets, particularly in Eastern Europe, Asia, and Latin America, have experienced economic downturn over the last two years, a 34% decline in the value of grain and oilseed exports appears to have been counterbalanced by an increase of 8.6% in Canadian processed food and beverage exports. The overall trend to an increase in Canadian agri-food exports that marked the 1991-1997 period is expected to return in 1999. The

Canadian Share of World Agriculture and Agri-food Products Market



domestic market will experience continued, moderate growth.

The Canadian Agri-Food Marketing Council (CAMC), an advisory body to the Minister of AAFC and the Minister of Foreign Affairs and International Trade, set new targets in 1998 aimed to increase Canada's share of world agriculture and agri-food exports to 4%, while increasing processed agricultural products exports to 60% by 2005. The challenge for AAFC will be to strengthen our efforts to assist industry in achieving these ambitious goals in the face of current markets. By so doing, the department will contribute to improving farm income, increasing job opportunities, and enhancing sector growth. Estimates indicate that attaining both of these goals could mean an additional 32,000 jobs in the agricultural sector and 88,000 jobs in the food and beverage sector.

To build on the departmental capacity to support the sector, AAFC has actively responded to a government-wide initiative to increase links between government efforts — the International Business Development (IBD) program. The centrepiece of the IBD program is Team Canada Inc (TCI), a network of service providers led by the three core federal IBD departments (AAFC, DFAIT and Industry Canada (IC)) which now includes 17 new federal partners. This network has joined forces to provide a single-window access to integrated government policies, programs and services designed to help the Canadian exporting community.

To help position the Canadian agri-food sector to meet its objectives, AAFC has identified three areas of business focus: **Market Access**, **Market Development**, and **Investment**.

MARKET ACCESS

EXPECTED RESULT

- ✓ Reduced barriers to domestic and international trade.

PLANS AND STRATEGIES

- ▶ Negotiate trade agreements:
 - ▶ Develop a unified, credible and compelling initial Canadian negotiating position in partnership with the sector and the provinces for the WTO agriculture negotiations prior to the WTO Ministerial meetings beginning November 30, 1999.
 - ▶ Continue to negotiate market access improvements as part of several accessions to the WTO.
 - ▶ Complete negotiations on a Free Trade Agreement between Canada and the European Free Trade Association in 1999.
 - ▶ Renegotiate, starting in 1999-2000, the Canada/Israel Free Trade Agreement to expand and improve market access for Canadian products.
 - ▶ Continue to participate in negotiations to create a Free Trade Agreement of the Americas by 2005.
 - ▶ Capture government and industry trade priorities and issues through the Sectoral Advisory Group on International Trade (SAGIT) and industry consultations.

- Resolve barriers to domestic and international trade:
 - Resolve or reduce international and interprovincial technical and other barriers to trade, with our major agriculture and agri-food trading partners, and in 1999-2000, achieve progress in identifying and addressing priority interprovincial barriers through revisions of the Agricultural and Alcoholic Beverages Chapters of the Agreement on Internal Trade.
 - Implement the December 4, 1998 Canada-U.S. Record of Understanding and Action Plan over the course of 1999-2000 which has established an improved framework for our biggest bilateral agriculture and agri-food trade relationship.
 - Safeguard Canadian market access by defending Canadian rights under trade agreements, using dispute settlement procedures where necessary, like the defence of Canada's classified milk pricing system in 1999, and provide advice on Canada's rights and obligations under those agreements to Canadian industry and policy-makers.

- Advance Canadian trade interests through the activities of international bodies:
 - Maintain agricultural trade reform as a high profile item on international organizations' agendas in consultation with provinces and Canadian industries.
 - Implement Canada's Plan of Action on Food Security (Food and Agriculture Organization (FAO)). In 1999-2000, the department will create a "Bureau" to coordinate implementation of the Plan of Action.
 - Cultivate strategic alliances with like-minded members to press Canadian priorities within international organizations (WTO, Asia-Pacific Economic Cooperation (APEC), Organization for Economic Cooperation and Development (OECD), Cairns, FAO).

MARKET DEVELOPMENT

EXPECTED RESULT

- ✓ More agri-food firms ready to export more products to capture more markets.

PLANS AND STRATEGIES

- Coordinate a strategic federal, provincial and industry partnership approach to export market development:
 - Implement, with our federal partners, the 1999-2000 International Business Development (IBD) Business Plan.
 - Implement, with our provincial partners and in consultation with industry, strategic initiatives contained in Canada's International

MAJOR INTERNATIONAL EXHIBITIONS

- FMI, Chicago, U.S.A. - May 1999
- Hofex, Hong Kong, China - May 1999
- Fancy Food Show, New York, U.S.A. - July 1999
- SIAL/MERCOSUR, Buenos Aires, Argentina - Aug. 1999
- Food China, Beijing, China - Sept. 1999
- ANUGA, Cologne, Germany - Oct. 1999
- FoodEx 2000, Tokyo, Japan - March 2000

Business Development Strategy for Agriculture, Food and Beverages that encompass the strategic goals and directions of the priority and emerging markets for 1999-2000.

- ▶ Provide programs and services to promote growth in export and domestic markets for both products and companies:
 - ▶ Provide services under Agri-food Trade Service (ATS), the agri-food arm of Team Canada Inc, to enhance domestic and export market responsiveness of regional and national clients.
 - ▶ Provide high quality domestic and international market information, intelligence and analysis products, like product and market specific information and intelligence through ATS On-line, ExportSource, InfoHort, Canadian Dairy Information Centre, etc.
 - ▶ Assist regional/national associations in the development of export strategies through processes such as the Agri-Food Industry Market Strategies (AIMS), by increasing agri-food associations' participation by 10% in 1999-2000.
 - ▶ Participate in major international exhibitions to enhance Canada's trade image. Promote Canadian products and enhance business relationships through the coordination of incoming/outgoing missions — like incoming buyers to attend Gourmet International in April 1999, and missions from New Exporters to Border States (NEBS).
 - ▶ Assist in adaptation of Canadian products to foreign markets to help meet CAMC's goal of 60% of agri-food exports as processed agricultural products by 2005.

PRIORITY MARKETS

- ▶ United States
- ▶ Japan
- ▶ European Union
- ▶ China
- ▶ South Korea
- ▶ Taiwan
- ▶ Mexico
- ▶ Brazil

EMERGING MARKETS

- ▶ Singapore
- ▶ The Philippines
- ▶ Russia
- ▶ Colombia

INVESTMENT

EXPECTED RESULTS

- ✓ Increased awareness of Canada as a preferred investment destination.
- ✓ Increased number of investments supported by AAFC.

PLANS AND STRATEGIES

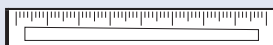
- ▶ Implement priorities identified in the Federal/Provincial Agri-Food Investment Strategy, including image enhancing with a focus on myth busting, a focused foreign outreach program and addressing knowledge gaps.
- ▶ Identify and/or resolve constraints to investment emerging from the government policy/program framework, such as reducing or eliminating selected regulatory barriers to investment.

- ▶ Provide programs and services and support alliances to encourage domestic and international investment in the Canadian agriculture and agri-food sector.
 - ▶ Promote advantages of investing in Canada through targeted information activities like investment promotion at large trade shows such as the annual FoodEx in Japan, ANUGA 1999, SIAL 2000, and other missions and seminars.
 - ▶ Identify potential investment opportunities, through such mechanisms as servicing investment enquiries, promotion at trade shows and missions, and priority and emerging market plans.
 - ▶ Build and maintain senior level contacts in key multi-national enterprises (MNEs), through the Country Champion Program, and aggressively market Canada as the North American investment destination of choice in target countries.
 - ▶ Maintain and expand investment in the agriculture and agri-food sector in collaboration with other government and industry stakeholders through, for example, the use of the “Rapid Response Team” approach.
 - ▶ Identify competitiveness, strengths and emerging competitor challenges through international benchmarking of selected Canadian agri-food industries.

- ▶ Promote strategic alliances between key sub-sectors, like the development of emerging industries such as biotechnology, new ingredients and nutraceutical products.

- ▶ Support the Canadian agri-food sector with a view to increasing its capacity and capability to supply competitive products.
 - ▶ Improve the Canadian business climate for food processors through the promotion of new products and technologies; adoption of new ways of doing business; enhanced accessibility to competitively priced agricultural inputs; improved productivity; and identification and encouragement of the development of Canadian-based agri-food MNEs.
 - ▶ Provide program information in all regions to increase the use of loan guarantee programs under the *Farm Improvement and Marketing Cooperatives Loans Act* (FIMCLA).

EXPANDING MARKETS — MEASURING OUR PERFORMANCE



- Increase in estimated \$ value/volume of market access for Canadian Agriculture and agri-food products as a direct result of departmental work.
- Increase in estimated \$ value/volume of new market opportunities and enhanced supply capability impacted by departmental activities such as outgoing trade missions.
- Estimated \$ value of foreign and domestic investment in the sector resulting from departmental efforts.
- Client satisfaction surveys in relation to our expanding market programs.

3.2 INNOVATING FOR A SUSTAINABLE FUTURE



Business Line Priority

To work with industry and other partners to support the sector's efforts to develop and produce competitive products and processes in an environmentally sustainable manner.

Long-term competitiveness depends on innovation, and the sector is emerging as one of the most innovative and knowledge-intensive in the Canadian economy. Continued investment is critical to maintaining our world-class reputation for innovation. The primary mandate of AAFC agri-food research focusses in areas of national need which the private sector cannot do for a profit. AAFC also

works with private sector partners via the AAFC Matching Investment Initiative (MII) to attract new private sector R&D investment into the sector.

The Canadian Agri-Food Marketing Council (CAMC) growth targets (see Expanding Markets section for details on targets) will challenge the Department to assist producers and processors alike to increase production and develop new products while protecting the resource base in a longer term, sustainable manner. Innovative and environmentally friendly solutions for land and water management provide agricultural producers with numerous environmental benefits while affording greater economic security in the long term. AAFC will be supporting agricultural producers and enterprises to develop and implement innovative solutions for land and water management.

For more information on this business line, see:

Matching Investment Initiative at <http://www.agr.ca/research/mii/desc/miibr-e.html>

Biodiversity Action Plan at <http://www.agr.ca/envire.html>

Research Branch at <http://www.agr.ca/research/branch/indexe.html>

Prairie Farm Rehabilitation Administration at <http://www.agr.ca/pfra/pfintroe.htm>

Sustainable Development Strategy <http://www.agr.ca/envire.html>

Biotechnology is emerging as an important research tool for the department. As a key federal department within the renewed *Canadian Biotechnology Strategy*, AAFC will be playing a role in working towards the shared goals of this strategy which focus on utilizing biotechnological advances while safeguarding the well being of Canadians. Within AAFC, researchers will be applying the techniques of biotechnology for the improvement of agriculture and agri-food products and processes. A central biotechnology focus for the department over the planning period will be the identification of gene sequences of agronomic significance and ensuring access to key genes.

We'll also concentrate on meeting Canada's commitment to international agreements, including the Kyoto Protocol and Canada's Biodiversity Strategy. Under the Kyoto Protocol, Canada is committed to a 6% reduction in Green House Gas (GHG) emissions by the year 2012. Agriculture accounts for about a tenth of Canada's GHG emissions.

INNOVATION — DEVELOPMENT OF NEW TECHNOLOGIES TO HELP KEEP THE AGRI-FOOD SECTOR COMPETITIVE

EXPECTED RESULTS

- ✓ Transfer technologies to reduce costs of producing and processing food.
- ✓ Improved quality and safety of food products.
- ✓ Advanced environmental practices that sustain agricultural production in the long term.
- ✓ Increased knowledge and technology development in Canada.

PLANS AND STRATEGIES

- Complete the evaluation of cryopreservation technology for maintaining fruit crops by 2001-2002.
- Develop a set of decision support tools for environmental assessments of new intensive livestock production facilities by 2000-2001.
- Register a high protein soybean variety in 1999-2000.
- Register a Prairie Spring wheat variety with Fusarium Head Blight resistance by 2000-2001.
- Develop new anaerobic technology to handle manure in an environmentally sustainable manner in 1999-2000.
- Develop new technologies to assure the welfare of farm animals by 2000-2001.
- License a pharmacologically active component of flax in 1999-2000.
- Develop bio-ingredients for the processing industry by 2001-2002.
- Increase the level of collaborative agriculture and agri-food research through the Matching Investment Initiative.
- Increase biotech research by \$17 million over the next three years through funding provided in the 1999 budget.

In 1999-2000, through the Hog Environmental Management Strategy (HEMS), federal and provincial governments will work with industry in finding solutions to environmental issues facing the hog industry.

SUSTAINABLE RESOURCE USE — PROMOTION OF SUSTAINABLE RESOURCE USE IN THE SECTOR

EXPECTED RESULT

- ✓ Increased environmental sustainability of our soil, water and air.

✍ PLANS AND STRATEGIES

- ▶ Designate community pasture lands currently controlled by PFRA in the prairies under the Representative Area Network in 1999-2000. The network designation formally recognizes well managed lands that protect the biological diversity of natural ecosystems.
- ▶ Supply new sources of safe, reliable water to 3000 rural prairie residents and 1250 rural prairie enterprises in 1999-2000.
- ▶ Develop and distribute guidelines for the aeration of surface water supplies to improve water quality in rural areas in 1999-2000.
- ▶ Complete a study that evaluates the potential of growth in the agriculture and agri-food sector on the agricultural resource base in 1999-2000.
- ▶ Develop and distribute information on manure and riparian management and erosion control to agricultural producers in 1999-2000.
- ▶ Provide trees and shrubs to rural people on the prairies for the protection of 24,000 hectares of agricultural lands and for the rehabilitation of 325 hectares of wildlife habitat and the sequestration of carbon in 1999-2000.
- ▶ Develop and demonstrate low elevation spray applications, drip irrigation technology and optimum irrigation scheduling to support improved irrigation efficiency and mitigation of environmental impact in 1999-2000.
- ▶ Meet international commitments for trans-boundary water transfers in southwest Saskatchewan in 1999-2000.

INTEGRATED POLICIES AND DECISION MAKING — INTEGRATION OF ENVIRONMENTAL CONSIDERATIONS INTO DEPARTMENTAL POLICIES AND PROGRAMS

EXPECTED RESULT

- ✓ Adherence to Sustainable Development principles governing all federal departments.

✍ PLANS AND STRATEGIES

- ▶ Fully implement AAFC's biodiversity strategy in 1999-2000.
- ▶ Conduct environmental assessments under the *Canadian Environmental Assessment Act* on projects that we contribute funding to or regulate in 1999-2000.
- ▶ Finalize and report on sectoral agri-environmental indicators in 1999-2000.
- ▶ With the Canadian Pork Council, implement a national technology assessment and transfer initiative to improve industry access to best hog management environmental technologies by 2001-2002.
- ▶ Through the Agriculture and Agri-food Climate Change Table, establish a sectoral strategy to respond to the Kyoto Protocol commitments to reduce sectoral emissions of green house gases by December 1999.
- ▶ Fully implement the AAFC three year "Agriculture in Harmony With Nature: Sustainable Development Strategy" by December 31, 2000.

INNOVATING FOR A SUSTAINABLE FUTURE — MEASURING OUR PERFORMANCE

- Return on Investment for agri-R&D.
- Private sector investment in collaborative research projects measured by the % of increasing dollars matched by industry, # of industry participants, # of completed projects and # of staff hired.
- Improvement of the availability and quality of rural water in the agriculture and agri-food sector.
- Changes in the level of adoption of sustainable management practices in the agriculture and agri-food sector.
- Compliance with legislation requiring environmental assessments of departmental programs and projects.

3.3 STRONG FOUNDATION FOR THE SECTOR AND RURAL COMMUNITIES



Business Line Priority

To work with the sector, provinces and other partners to enhance the sector's economic viability, while strengthening opportunities for rural community economic development.

This business line encompasses safety net and adaptation programming, regulatory policies to boost the competitiveness of the agriculture and agri-food sectors, and the federal government's increasing emphasis on rural development. AAFC's challenge for this planning period is to maintain stability in the sector, while fostering greater self reliance and facilitating the changes required for success in an increasingly global environment. A competitive, growing Canadian industry with healthy domestic markets is the springboard to success on the world stage.

To help deal with the current domestic farm income crisis, the *Agricultural Income Disaster Assistance (AIDA)* program was announced in December of 1998. The Government of Canada will provide up to \$900 million over the next two years, matched by up to \$600 million from provinces to assist farmers through these tough times.

To help mitigate future serious farm income declines and to promote self-reliance, the department is working with federal, provincial and sectoral partners to improve safety net programs. Current consultations on finding the best mechanisms to support farmers' financial well-being will result in a renewed safety net system. Under consideration, along with other proposals, is the possibility of integrating AIDA into the long-term safety net framework.

The Canadian Adaptation and Rural Development (CARD) Fund will begin in 1999 to implement a renewed set of adaptation programs to help the agricultural and agri-food sector enhance its domestic and international competitiveness in the marketplace. The new adaptation programming will address the six priority areas identified in consultations with

For more information on this business line, see

Rural Secretariat at
<http://www.agr.ca/policy/rural/rsmenu.html>

Canadian Adaptation and Rural Development (CARD) at
<http://www.agr.ca/policy/adapt>

Farm Income at
<http://www.agr.ca/cb/income/english.html>

Net Income Stabilization Account at
<http://aceis.agr.ca/nisa/n9608e.html>

Economic Policy and Analysis at
<http://aceis.agr.ca/policy/epad>

Prairie Farm Rehabilitation Administration at
<http://www.agr.ca/pfra>

Cooperatives at
<http://www.agr.ca/policy/coop/contents.html>

industry last year— innovation, marketing, environmental protection, food safety, rural development and human capacity building. The CARD Fund's approach reflects the government's emphasis on sharing responsibility with sectoral partners and on encouraging private participation in program delivery.

In cooperation with its federal, provincial and rural partners, AAFC will enhance its responsiveness to the issues and needs of agricultural/rural communities, consistent with the approach being taken through the federal Canadian Rural Partnership. This means examining AAFC's policies, programs and services with the "rural lens" and, where required, adjusting to enhance economic and community viability and accessibility.

STABILIZATION OF FARM INCOMES AND RISK MANAGEMENT

EXPECTED RESULT

- ✓ Improved stability of farm income.

PLANS AND STRATEGIES

- ▶ Work with provinces and other partners to deliver a national farm income disaster program to provide assistance to agricultural producers who face dramatic declines in net income as a result of factors beyond their control.
- ▶ Continue negotiations to conclude long-term safety net agreements so that, by the year 2000, all provinces and territories will have signed new federal-provincial safety net agreements.
- ▶ By 2000-2001, implement new safety net agreements, monitoring performance and adjusting program design as necessary.

A RENEWED ADAPTATION STRATEGY

EXPECTED RESULT

- ✓ Increased rate of adaptation by the agriculture and agri-food sector to respond to changes in markets, technology, etc.

PLANS AND STRATEGIES

- ▶ Implement a renewed set of adaptation programs in priority areas like the food processing sector, identified in consultation with industry.
- ▶ Build on performance management frameworks to include economic and social environmental indicators to measure short-term results for individual projects, regions, major commodity groups and activity areas.
- ▶ Implement a project database that includes the CARD Fund, the National Soil and Water Program and Companion project information. The database will be used to support the development of the sector level indicators, ensure transparency of all projects to stakeholders and provide a tool to help avoid duplication and overlap.

DEVELOPMENT OF AGRICULTURAL/RURAL ECONOMIES

EXPECTED RESULTS

- ✓ Policies, programs and services that are more targeted and more accessible to the needs of rural Canadians.
- ✓ Strategies and implementation plans supporting prairie clients in building the capacity for rural growth.

PLANS AND STRATEGIES

- Identify and implement the departmental contribution to the cross-government Canadian Rural Partnership initiative. This includes examining AAFC's policies, programs and services for rural Canadians against the priorities identified in the Rural Dialogue and making adjustments to enhance their responsiveness to the needs of rural Canadians.
- Increase the understanding and adoption of value-added production and agricultural diversification among producers on the prairies.
- Improve the capacity of prairie rural clients to plan, implement and manage sustainable development.

MARKET REGULATION

EXPECTED RESULT

- ✓ A market regulation strategy that improves industry growth, competitiveness and self-reliance.

PLANS AND STRATEGIES

- Respond to recommendations from Mr. Justice Estey's comprehensive review of grain and oilseed handling and transportation systems for western grains and oilseeds.
- Implement changes resulting from amendments to the *Canadian Wheat Board Act*.
- Assist the supply management industries to respond to new challenges in the domestic and export marketplace.

POLICY DEVELOPMENT AND ANALYSIS

EXPECTED RESULT

- ✓ A business climate that fosters industry competitiveness and self-reliance, while ensuring environmental and social sustainability.

PLANS AND STRATEGIES

- Enhance AAFC's capacity to conduct research and analysis on the fundamental forces of change facing the sector by strengthening the policy linkages with the external policy

community, universities and other government departments through such mechanisms as the Canadian Agricultural Trade Research Network.

- ▶ Work in collaboration with other federal and provincial jurisdictions and industry to structure new frameworks and continue work on horizontal initiatives such as biotechnology, climate change, pesticides, the environment, endangered species, youth employment and aboriginal negotiations.

CO-OPERATIVES

EXPECTED RESULT

- ✓ Federal policies and programs that facilitate the development of co-operatives.

PLANS AND STRATEGIES

- ▶ Work in partnership with provinces, territories and the co-operative sector to enhance the contribution of co-operatives in addressing economic and social challenges faced by all Canadians.
- ▶ Reach agreements with key federal departments to set in place a policy framework for the development of co-operatives.

STRONG FOUNDATION FOR THE SECTOR AND RURAL COMMUNITIES — MEASURING OUR PERFORMANCE



- Value of the results of projects sponsored under adaptation programs.
- Value to the sector of market regulation improvements.
- Improved federal government responsiveness to rural Canada.
- Client satisfaction surveys measuring service delivery (e.g., NISA) and program delivery.
- Reduction in income variance (measured by comparing the income variation of program participants compared with non-participants).

3.4 SOUND DEPARTMENTAL MANAGEMENT



Business Line Priority

Being the best performing organization in the public service.

Sound management is the AAFC launch pad for achieving our program goals. Our people, knowledge and systems must be the best if we are to serve the sector effectively. The department will strive to be recognized as the best performing department in the public service by providing leadership, a supportive environment, and the necessary working tools to be an employer of choice within the public service.

Our ability to attract and retain top level personnel is critical to our contributions to the sector, from research and policy development to innovation and human resource management. Under the government wide *La Relève* initiative, AAFC will be working with other departments to establish human resource policies and hiring opportunities to attract and keep the best employees for the challenges ahead.

Over the planning period, the challenge will be to continue to pursue the department's goal of excellence. The responsibility for achieving this shared goal is department-wide with all AAFC employees contributing to a well-run organization. Efforts to reach our goal of management excellence will be focussed through four interrelated plans and strategies: shared departmental direction; fostering a motivated, representative and high performance workforce; having a supportive work environment which provides the tools to "get the job done"; and promoting a continuously improving organization.

For more information on this business line, see:

La Relève at
http://lareleve.pwgsc.gc.ca/lareleve_e.html

Agriculture and the Year 2000 Problem at
<http://www.agr.ca/policy/y2k>

Federal government Year 2000 at
http://www.info2000.gc.ca/welcome/stream_e.htm

Comptrollership Modernization at
http://www.tbs-sct.gc.ca/CMO_MFC/contents.htm

SHARED DEPARTMENTAL DIRECTION

EXPECTED RESULT

- ✓ AAFC is the best performing organization in the public service.

The Department has recently set out a series of building blocks for an excellent organization called *The Next Century of Excellence* (see diagram below). These building blocks provide a “game plan” to help make Agriculture and Agri-Food Canada the top performing organization in the Government of Canada.



The building blocks we have set for ourselves include **hearing from our stakeholders** both internal and external; developing **managers as leaders**; being **ready for the future** through integrated planning; ensuring we have information that **supports excellence**; supporting the development of a **high performance workforce**; and being a **responsive organization** that is able to respond quickly to new and better ways of doing business through measuring our **results**. These building blocks will serve as “guide posts” for organizational excellence as we work towards our shared goal of being the best performing organization in the public service.

✍ PLANS AND STRATEGIES

- In the upcoming year, the department will focus its efforts on communicating and promoting the department’s direction and vision through two-way communication throughout the department. Specific strategies include:
 - Hold Departmental Management Committee (DMC) meetings in the regions and include participation by regional staff, beginning April 1999.
 - DMC members to communicate with their staff on an ongoing basis.
 - Hold a Middle Managers’ Council meeting in June 1999.

FOSTERING A MOTIVATED, REPRESENTATIVE AND HIGH PERFORMANCE WORK FORCE

EXPECTED RESULT

- ✓ AAFC is an employer of choice.
- ✓ AAFC has a workforce aligned to meet its business needs.

PLANS AND STRATEGIES

- Implement our three-year employment equity action plan that takes a more aggressive approach to improving the representation of designated group members in our workforce by March 31, 2002.
- Provide diversity training to all managers by December 31, 2000.
- Provide career planning and assistance to all employees who want it by December 31, 2000.
- Continue to invest 4% of the salary budget in employee learning.
- Schedule language training to EX employees by March 31, 2003 to meet policy requirements and to support our goal of a work environment that is conducive to the use of both official languages.
- Continue to review and enhance our corporate rewards and recognition program to strengthen its alignment with, and support of, departmental values.

HAVING THE RIGHT TOOLS AND A SUPPORTIVE ENVIRONMENT IN PLACE

EXPECTED RESULT

- ✓ The right information provided in a timely manner.
- ✓ A supportive work environment.

PLANS AND STRATEGIES

- Implement our new Information Management Strategic Framework in 1999 to better manage our information and knowledge resources.
- Implement SATURN, a new integrated financial and materiel management system in 1999 to resolve the Y2K issues with existing systems and prepare for the government's Financial Information Strategy.
- Implement an enhanced human resource information management system by June 1999 including tools to provide timely and reliable information for managers and staff to make informed decisions.
- AAFC has also made a commitment to being a pilot department in the implementation of the government-wide initiative of modernized comptrollership. Over the planning period, we will be checking our capacity to manage ourselves within the framework of modernized comptrollership and to benchmark ourselves against other federal departments.
- Complete the environmental management review of departmental and regional facilities to identify environmental challenges by December 1999.

- ▶ Embed risk management practices into ongoing financial and strategic planning exercises.
- ▶ Of particular importance to the department and the sector is Year 2000 preparedness. The department has been aggressive in addressing the systems, infrastructure and facilities dimensions of Year 2000 problem, reallocating funds to do so. (See page 45 for details on specific AAFC initiatives and activities).
- ▶ Develop a corporate framework to support managers in meeting requirements for Occupational Health and Safety compliance, training and a new Disability Management Program by March 31, 2000.
- ▶ Continue to promote the use of conflict resolution practices and techniques whenever appropriate.

ENCOURAGING CONTINUOUS IMPROVEMENT

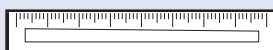
EXPECTED RESULT

- ✓ Improved management practices by responding to feedback.

PLANS AND STRATEGIES

- ▶ Implement a departmental performance measurement strategy in 1999.
- ▶ Implement a Management Information System to improve reporting on financial and non-financial performance by September 1999.
- ▶ Develop service and quality measures to support government-wide quality initiatives.
- ▶ Respond to corporate challenges raised in the 1998 staff survey.
- ▶ Plan and develop a follow-up staff survey for implementation in 2000-2001.
- ▶ Seek ongoing input from departmental stakeholders.

SOUND DEPARTMENTAL MANAGEMENT — MEASURING OUR PERFORMANCE



- Increased employee job satisfaction — measured through surveys.
- Comptrollership capacity self-assessment (providing benchmarks) which measures business planning, control systems, risk management and responsibility framework.
- Departmental Performance Measurement Strategy in place to track key results.

4. FINANCIAL INFORMATION

4.1 FINANCIAL SPENDING PLAN - AGRICULTURE AND AGRI-FOOD CANADA (\$ MILLIONS)

The following table summarizes the financial spending plan of the Department to March 31, 2002.

	Forecast 1998-1999	Main Estimates 1999-2000	Planned 2000-2001	Planned 2001-2002
Gross Program Spending	1,585.4	1,802.8	1,401.4	1,072.3
Less: Revenue Credited to the Vote	88.0	90.0	90.6	90.6
Net Program Spending	1,497.4	1,712.8	1,310.8	981.7
Plus: Initiatives to be Approved ⁽¹⁾	-	263.8	204.2	188.3
Net Planned Expenditures	1,497.4	1,976.6	1,515.0	1,170.0
Less: Revenue Credited to the Consolidated Revenue Fund ⁽²⁾	42.5	40.1	40.3	40.3
Plus: Cost of Services Provided by other Departments	31.5	31.5	31.5	31.5
Net Cost of the Department	1,486.4	1,968.0	1,506.2	1,161.2
Full-Time Equivalents	5,336	5,328	5,332	5,334

- In 1999-2000, once the new initiatives have been approved, the Department may seek up to the amount shown through Supplementary Estimates. These initiatives include:
 - ▶ The remaining three years of a four-year multi-departmental Canadian Rural Partnership Initiative which was announced in the 1998 budget.
 - ▶ The Economic Recovery Assistance Program (1998 Ice Storm).
 - ▶ Safety Net Companion Programs.
 - ▶ Canadian Adaptation and Rural Development.
 - ▶ Youth Employment Strategy.
 - ▶ Biotechnology.
- Revenues credited to the Consolidated Revenue Fund include returns on investment from the Construction of Multi-Purpose Exhibition Buildings, the Farm Credit Corporation and the Canadian Dairy Commission.

4.2 GROSS PROGRAM SPENDING BY BUSINESS LINES (\$ MILLIONS)

	Forecast 1998-1999	Main Estimates 1999-2000 ⁽¹⁾	Planned 2000-2001 ⁽¹⁾	Planned 2001-2002 ⁽¹⁾
Expanding Markets	186.0	193.2	191.2	190.5
Innovating for a Sustainable Future	359.3	310.3	311.2	310.8
Strong Foundation for the Sector and Rural Communities	949.0	1,240.6	830.8	504.3
Sound Departmental Management	91.1	58.7	68.2	66.8
Total	1,585.4	1,802.8	1,401.4	1,072.3

- These amounts do not include initiatives to be approved.

4.3 INITIATIVES TO BE APPROVED BY BUSINESS LINE (\$ MILLIONS)

	1999-2000	2000-2001	2001-2002
Expanding Markets	(0.2)	(0.2)	(0.2)
Innovating for a Sustainable Future	17.4	18.4	17.3
Strong Foundation for the Sector and Rural Communities	246.6	186.0	171.2
Total	263.8	204.2	188.3

4.4 SPENDING AUTHORITIES — MINISTRY SUMMARY (\$ THOUSANDS)

Vote	1999-2000 Main Estimates	1998-1999 Main Estimates
Agriculture and Agri-Food Department		
1 Operating expenditures	369,689	361,286
5 Capital expenditures	28,771	38,545
10 Grants and Contributions	764,052	275,944
(S) Grants to agencies established under the <i>Farm Products Agencies Act</i>	200	200
(S) Payments in connection with the <i>Agricultural Marketing Programs Act</i>	65,500	65,500
(S) Loan guarantees under the <i>Farm Improvement and Marketing Cooperatives Loans Act</i>	4,000	4,000
(S) Payments in connection with the <i>Farm Income Protection Act</i> — Crop Insurance Program	222,600	217,600
(S) Payments in connection with the <i>Farm Income Protection Act</i> — Net Income Stabilization Account	212,600	254,647
(S) Payments in connection with the <i>Farm Income Protection Act</i> — Safety Net Companion Programs	47	122,482
(S) Minister of Agriculture and Agri-Food — Salary and motor car allowance	49	49
(S) Contributions to employee benefit plans	45,780	46,341
(S) Canadian Grain Commission Revolving Fund	(525)	27
(S) Payments in connection with the <i>Farm Income Protection Act</i> — Transition for Red Meats	-	3,153
(S) Payments in connection with the <i>Farm Income Protection Act</i> — Agri-Food Innovation Program	-	30,100
(S) Payments in connection with the <i>Farm Income Protection Act</i> — Canada/Nova Scotia Apple Industry Development Fund	-	130
(S) Payments in connection with the <i>Farm Income Protection Act</i> — 1994 New Brunswick Debt Refinancing Program	-	80
Total Department	1,712,763	1,420,084

4.5 DEPARTMENTAL CONTROLLED CAPITAL SPENDING (\$ MILLIONS)

	Current Estimated Total Cost	Forecast Spending to March 31, 1999	Planned Spending 1999-2000	Planned Spending 2000-2001	Planned Spending 2001-2002	Future Spending
Approved projects over \$5 million						
Lethbridge Alta.- Facility retrofit and upgrade (PPA)	34.6	1.8	4.1	5.5	10.0	13.1
Winnipeg Man. - Facility Retrofit (PPA)	18.6	0.7	1.1	1.0	8.0	7.7
Agassiz B.C - Facility retrofit (PPA)	18.0	1.5	8.2	8.3	-	-
Fredericton N.B. - Facility Retrofit (PPA)	17.0	0.9	1.1	6.0	7.5	1.5
London/Delhi Ont. - Facility Upgrade (EPA)	12.0	9.9	2.2	-	-	-
Guelph - Food Safety and Quality Facility (EPA)	10.0	4.6	5.4	-	-	-
Charlottetown P.E.I. Consolidation of Operations (PPA)	8.4	0.2	0.7	5.4	2.0	-
Lennoxville - New Swine Facility (EPA)	6.3	6.2	0.0*	-	-	-
Saturn Financial System (EPA)	14.3	13.8	0.5	-	-	-
Total Approved projects over \$5 million	-	-	23.4	26.2	27.5	23.3
Total Projects within Minister's approval authority	-	-	5.4	2.1	0.8	-
Total Controlled Capital Projects	-	-	28.8	28.3	28.3	-

NOTES:

1. **PPA: Preliminary Project Approval:** Treasury Board's approval to initiate a project, including the authorization of expenditures to be incurred during the project definition and costing phase.
2. **EPA: Effective Project Approval:** Treasury Board's approval and expenditure authorization for the implementation phase of a project. Sponsoring departments submit for EPA when the scope and cost of the overall project have been well defined.
3. Capital projects valued at over \$5 million require Treasury Board approval.

* Note:

Expenditures in this table are shown in millions of dollars. For this reason, expenditures which cannot be listed in millions of dollars are shown as 0.0. Because expenditures are shown in millions, rounding errors occasionally occur.

4.6 DETAILS OF GRANTS AND CONTRIBUTIONS (\$ MILLIONS)

	Forecast 1998-1999	Main Estimates 1999-2000	Planned 2000-2001	Planned 2001-2002
GRANTS				
(S) Grants to agencies established under the Farm Products Agencies Act	0.0*	0.2	0.2	0.2
Agricultural research in universities and other scientific organizations in Canada	1.0	1.0	1.0	1.0
Grants to organizations whose activities support soil and water conservation and development	0.0*	0.0*	0.0*	0.0*
Grants to organizations to facilitate adaptation and rural development within the agriculture and agri-food sector	25.9	1.6	-	-
Grants to organizations under the Safety Net Companion Programs	43.1	-	-	-
Grants to individuals and organizations in support of grain transportation reform	2.0	-	-	-
Grants to individuals in recognitions of their activities in the national dissemination of federal agricultural information	0.0*	0.0*	-	-
Total Grants	72.0	2.8	1.2	1.2
CONTRIBUTIONS				
(S) Payments in connection with the <i>Agriculture Marketing Programs Act</i>	44.0	65.5	65.5	65.5
(S) Loan guarantees under the <i>Farm Improvement and Marketing Cooperatives Loans Act</i>	4.0	4.0	4.0	4.0
(S) Payments in connection with the <i>Farm Income Protection Act</i> — Transition Programs for Red Meats	3.1	-	-	-
(S) Payments in connection with the <i>Farm Income Protection Act</i> — Agri-Food Innovation Program	10.8	-	-	-
(S) Payments in connection with the <i>Farm Income Protection Act</i> — Crop Insurance Program	217.6	222.6	227.3	227.3
(S) Payments in connection with the <i>Farm Income Protection Act</i> — Canada/Nova Scotia Apple Industry Development Fund	0.1	-	-	-
(S) Payments in connection with the <i>Farm Income Protection Act</i> — 1994 New Brunswick Debt Refinancing Program	0.0*	-	-	-
(S) Payments in connection with the <i>Farm Income Protection Act</i> — Net Income Stabilization Account	254.6	212.6	212.6	212.6
(S) Payments in connection with the <i>Farm Income Protection Act</i> — Safety Net Companion Programs	133.1	0.0*	0.0*	0.0*
(S) Payments in connection with the <i>Farm Income Protection Act</i> —Gross Revenue Insurance Plan	0.1	-	-	-
Contributions under the Agri-Food Trade 2000 Program	13.2	12.8	12.9	12.8
Initiatives under the authority of the Economic and Regional Development Agreements	2.1	1.4	0.6	-
Contribution in respect of the Commodity-Based Loans Program	9.0	2.0	-	-
Contributions in support of organizations associated with agriculture research and development	0.7	0.7	0.7	0.7
Contribution to the Protein, Oil and Starch (POS) Pilot Plant Corporation	2.7	2.5	1.7	1.7
Contributions in support of the National Soil and Water Conservation Program	1.1	1.7	-	-
Contributions to bona fide farmers and ranchers, groups of farmers and small communities in Manitoba, Saskatchewan, Alberta and the Peace River District of British Columbia for the development of dependable water supplies	5.7	5.6	5.6	5.6
Contributions under the Economic Recovery Assistance Program (1998 Ice Storm)	4.5	9.0	-	-
Contributions under the Agriculture and Agri-Food Canada Scholarship Program	0.4	-	-	-

	Forecast 1998-1999	Main Estimates 1999-2000	Planned 2000-2001	Planned 2001-2002
Payments for the benefit of producers for agricultural commodities by the Governor in Council pursuant to the <i>Farm Income Protection Act</i> (Dairy Subsidies)	124.0	76.6	44.6	12.6
Contributions under the National Hazard Analysis and Critical Control Point Adaptation Program	4.3	1.5	-	-
Contributions under the Canadian Agri-Infrastructure Program	34.2	36.1	8.7	-
Contributions for the 4-H Program and the Canadian Agriculture Safety Program	1.5	-	-	-
Contributions under the Canadian Farm Business Management Program	12.2	1.0	-	-
Contributions under the Business Planning for Agri-Ventures Program	2.5	-	-	-
Contributions to facilitate adaptation and rural development with the agriculture and agri-food sector	7.8	10.4	-	-
Contributions to the Canada Safety Council in support of National Farm Safety Week	0.0*	0.0*	0.0*	0.0*
Contributions under the Agri-Food Assistance Program	0.2	-	-	-
Contributions under Agricultural Income Disaster Assistance pursuant to the <i>Farm Income Protection Act</i> ⁽¹⁾	-	600.0	270.0	-
Total Contributions	893.5	1,266.0	854.2	542.8
Total Grants and Contributions	965.5	1,268.8	855.4	544.0

1. The AIDA is an initiative of up to \$900 million. This includes contributions of up to \$600 million in 1999-2000, up to \$270 million in 2000-2001, and \$30 million for administration costs over the two years of the program.

* Note: Expenditures in this table are shown in millions of dollars. For this reason, expenditures which cannot be listed in millions of dollars are shown as 0.0. Because expenditures are shown in millions, rounding errors occasionally occur.

5. SUPPLEMENTARY INFORMATION

5.1 BUILDING STRONGER RURAL COMMUNITIES



Under the Canadian Rural Partnership (CRP), the Rural Secretariat of Agriculture and Agri-Food Canada leads and coordinates the government-wide effort for rural policy development and implementation to respond to the challenges and issues of rural Canadians through partnership initiatives among federal departments and agencies, other levels of government and rural stakeholders.

IMPLEMENTATION STRATEGY

The Government of Canada's vision for rural Canada is one of vibrant communities and a sustainable resource base which contribute to our national identity and prosperity, where rural Canadians can make informed decisions about their own future, share the benefits of the global knowledge-based economy and society, and can take full advantage of opportunities for personal and community development.

The Government of Canada recognizes the values and strengths of rural Canada and the contribution of rural areas to our national economy and identity. The Government is working to build a rural Canada in which rural Canadians have the access to the necessary tools, information, skills, infrastructure and services to maintain and enhance their quality of life and to diversify and sustain their communities.

Priority areas for rural communities, identified by rural citizens through the Rural Dialogue, are being examined at the national and regional level to determine appropriate departmental and cross-government action.

RURAL CANADA LEADERSHIP

Twenty-six departments and agencies are working together under the Canadian Rural Partnership to provide an efficient network of programs and services for rural Canadians: —

- AAFC,
- Atlantic Canada Opportunities Agency,
- Canada Economic Development for Quebec Regions,
- Canada Post Corporation,
- Canadian Heritage,
- Citizenship and Immigration,
- Environment Canada,
- Farm Credit Corporation,
- Finance Canada,
- Fisheries and Oceans,
- Health Canada,
- Human Resource Development,
- Indian Affairs and Northern Development,
- Industry Canada
- Federal Economic Development Initiative for Northern Ontario - FedNor,
- Portfolio Office,
- Aboriginal Business Canada,
- Justice Canada,
- Millennium Bureau of Canada,
- Natural Resources Canada,
- Privy Council Office,
- Public Works and Government Services Canada,
- Revenue Canada,
- Royal Canadian Mounted Police,
- Statistics Canada,
- Transport Canada,
- Treasury Board Secretariat,
- Western Economic Diversification.

Federal Rural Teams, established in every province and territory, are reaching out to work with provincial departments and rural stakeholder groups to provide opportunities for collaboration and partnership at the local community level.

EXPECTED RESULTS

- ✓ Better policy and program decisions at the national and regional level with the input of rural Canadians.
- ✓ Increased awareness of and equitable access to federal programs and services by rural Canadians.

PLANS AND STRATEGIES

- Response to rural issues and concerns through a cross-departmental strategic action plan.
- Active application of the “rural lens” to new and renewed federal policies, programs and services.
- Enhanced response to rural issues and concerns through the implementation of partnership initiatives, between federal departments and agencies, other levels of government and rural stakeholders.
- Testing of new approaches to respond to community development issues and concerns through “pilot projects”.
- Enhanced access to information on federal programs and services through the undertaking of information outreach activities.
- Improved information and knowledge across government on trends and issues in the rural economy.

**BUILDING STRONGER RURAL COMMUNITIES —
MEASURING OUR PERFORMANCE**

- Assessment of the application of the "rural lens" on new and renewed federal policies, programs and services (narrative/review).
- Ongoing dialogue and feedback from rural Canadians on overall government performance (survey, on-line feedback and other mechanisms).
- Assessment of the awareness of rural Canadians of federal government programs and services (survey, specific knowledge around key action areas).

For more information see

Canadian Rural Partnership <http://www.rural.gc.ca>

5.2 CANADIAN GRAIN COMMISSION

KEY STRATEGIES, PLANS AND EXPECTED RESULTS

The CGC conducted an extensive review of its programs and services in 1998-1999 to ensure the current and future needs of the grain industry are met efficiently. The program changes resulting from this review are reflected in our plans for 1999-2000. Highlighted below are the CGC's Key Strategies, Plans and Expected Results by Key Result Area:

KEY EXPECTED RESULTS	PLANS (1999-2002)
SEPARATE REPORTING STATUS	
✓ Formalize the separate reporting status for the CGC's accountability to Parliament.	▶ Submit and receive approval for our first Planning, Reporting and Accountability Structure (PRAS).
GRAIN QUALITY STANDARDS	
✓ Maximize the value of our work in setting and maintaining grain quality standards	<ul style="list-style-type: none"> ▶ Implement a national inspection monitoring system. ▶ Complete ISO registration of identified services. ▶ Conduct statistical studies to understand the variability inherent in grading factors that are visually assessed. ▶ Collaborate with AAFC scientists on improving and developing testing for evaluating new grain varieties. ▶ Rationalize primary and export standards to provide a single standard system.
GRAIN QUALITY AND QUANTITY SERVICES	
✓ Adapt activities and adjust services to meet changing customer needs and technologies.	<ul style="list-style-type: none"> ▶ Centralize inward inspection operations in the major ports. ▶ Improve efficiency of outward services to terminal elevators in port cities by matching staff with client demands. ▶ Examine the feasibility of opening Service Centres in Swift Current, Saskatchewan and Grande Prairie, Alberta. ▶ Implement protein testing as a component of the provisions for Subject to Inspector's Grade and Dockage. ▶ Develop and implement an appeal mechanism for protein applied to wheat on receipt at terminal elevators.
✓ Maintain a cooperative relationship with the grain industry for quality assurance services	▶ Working with industry and the CWB to identify a system through which reliance on kernel visual distinguishability (KVD) can be reduced while maintaining an effective segregation system.

KEY EXPECTED RESULTS**PLANS (1999-2002)****MARKET SUPPORT**

✓ Continue market support activities to reinforce Canada's reputation in world grain markets.

✓ Enhance and strengthen customer service.

▶ Working with industry to develop and implement guidelines for an Identity Preserved system framework.

▶ Develop with soybean shippers a CGC monitoring and documentation system to strengthen buyer confidence in Canada's ability to provide shipments of non-GMO (genetically modified organisms) soybeans.

▶ From 1999 to 2002, work with the CWB and grain handling companies to improve services.

▶ From 1999 to 2002, continue to meet with terminal and transfer elevator managers and operating staff to identify changes in operating procedures and to discuss operation concerns.

COMMUNICATION

✓ Enhance awareness and understanding among producers and the industry of the value of Canada's quality assurance system.

▶ Continue to provide a complaints mechanism to producers, the industry and stakeholders.

▶ Expand media relation efforts related to producer and industry understanding of the quality assurance system.

LEGISLATION AND REGULATION

✓ Increase industry responsibility by adjusting regulatory activities and eliminate outdated regulations provided with have the support of the industry

▶ From 1999 to 2002, conduct a comprehensive review of the *Canada Grain Act*.

▶ If approved by the government, implementing amendments to the *Canada Grain Act* to establish the Special Crops Rural Initiative program.

▶ Transfer the CGC's supervisory authority over the Winnipeg Commodity Exchange to the Manitoba Government.

GRAIN RESEARCH AND TECHNOLOGY

✓ Maintain a leading edge on new grain research and information technology

▶ Contribute to the development of Rapid Instrument Objective Testing (RIOT) methodologies.

▶ Monitor developments in the field of genetically modified organisms to ensure that quality control challenges resulting from those developments are addressed, that we collaborate in related industry initiatives, and that we can respond to the service needs of the grain industry.

▶ Ensure all systems and infrastructure are Year 2000 compliant by April 1999.

5.3 CANADIAN PARI-MUTUEL AGENCY

MANDATE AND KEY RESULT AREAS (STRATEGIC 3 YEAR PLAN)

The Canadian Pari-Mutuel Agency's (CPMA) mandate is to protect the wagering public against fraudulent practices by consistently ensuring the integrity of pari-mutuel betting across Canada, thereby promoting the viability of the horse racing industry.

The Agency's strategic plans for the 1999 to 2002 period, based on government policy and legislation, will focus on:

- ▶ A **regulatory framework** which will ensure the best standards for public protection and industry integrity in both the domestic and foreign markets where globalization and technology advancements are providing new opportunities and challenges.
- ▶ **Efficient supervision and surveillance** techniques to maintain public confidence and pari-mutuel betting integrity.
- ▶ A **corporate structure and management** which provide the information and **performance measurements** concerning pari-mutuel betting activity, industry compliance and the levy sustainability to accomplish CPMA's mandated objectives.

PLAN HIGHLIGHTS (1999 TO 2002)

- ▶ Continue regulatory review and propose amendments, for example to simplify betting and clarify drug control regulations.
- ▶ Research, testing and approval of existing and new pari-mutuel systems and surveillance programs.
- ▶ To ensure efficiency, full review and cost benefit analysis of service contracts and their performance of CPMA's contracted surveillance programs.
- ▶ Continue to improve on the collection and distribution of statistical information on pari-mutuel betting activity, levy and surveillance performance.
- ▶ Investigate partnership with provinces and industry on drug control and other surveillance programs.
- ▶ Enhance and maintain the CPMA web site to provide the public and industry with the latest information pertaining to agency personnel, regulations and proposed changes, statistical information and publications access.

5.4 REGULATORY INITIATIVES

LEGISLATION AND REGULATIONS	EXPECTED RESULTS
▶ Amendments to federal Crop Insurance Regulations	✓ To simplify regulatory requirements for provinces and make necessary changes resulting from ministerial directions for the long term design of Safety Net programs.

5.5 SUSTAINABLE DEVELOPMENT STRATEGY (SDS)

The development of the departmental SDS has had a large impact on how we conduct business. The concept of sustainable development is fully integrated into the department's decision-making capacity. In fact, our departmental business lines align with the four strategic directions of our Sustainable Development Strategy (SDS). Establishing targets for the SDS in each planning period is now done through the business lines planning process.

Examples of the department's expected results or performance targets for many of our SDS commitments can be found below. Included in this summary are objectives undertaken by the Canadian Food Inspection Agency in partnership with AAFC. During the 1999-2000 fiscal year, we will also begin to draft our second sustainable development strategy. The next 3 year action plan will build on the success of our first SDS.

STRATEGIC DIRECTION/SDS OBJECTIVE	EXPECTED RESULTS/TARGETS
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1. INCREASING UNDERSTANDING

- | | |
|---|--|
| <ul style="list-style-type: none"> ▶ Focus and enhance the department's analytical capabilities and provide timely and appropriate information to encourage greater integration of environmental factors into sectoral and departmental decision making. | <ul style="list-style-type: none"> ✓ Completion of a comprehensive agri-environmental indicators report. |
| <ul style="list-style-type: none"> ▶ Integrate environmental sustainability objectives into departmental policies, legislation and programs. | <ul style="list-style-type: none"> ✓ Continue on-going coordination in support of the implementation of the department's responsibilities under the <i>Canadian Environmental Assessment Act</i> (CEAA) and registration of environmental assessments on the Federal Environmental Assessment Index. ✓ Improve the capacity of Prairie rural clients to plan, implement and manage sustainable development. ✓ Continue to amend legislation in consideration of SDS priorities. |

STRATEGIC DIRECTION/SDS OBJECTIVE EXPECTED RESULTS/TARGETS

2. PROMOTING ENVIRONMENTAL AND RESOURCE STEWARDSHIP

- | | |
|---|--|
| <ul style="list-style-type: none"> ▶ Develop mechanisms to encourage adoption of practices that enhance multiple-use benefits and stewardship of natural resources within the agriculture and agri-food sector. | <ul style="list-style-type: none"> ✓ Improve the understanding of the sector's contribution to Green House Gas (GHG) emissions and mitigation practices. ✓ Increase access to safe, reliable water supplies for rural residents, and agricultural enterprises. ✓ Develop and demonstrate technologies that support the application of sustainable irrigation practices by clients on the Prairies. |
| <ul style="list-style-type: none"> ▶ Implementing International Commitments: Work with the sector to represent Canada's agri-environmental interests, to meet Canada's commitments, and to develop means of implementing current environmental agreements. | <ul style="list-style-type: none"> ✓ Assist the sector develop and implement alternatives to methyl bromide so that they may help Canada meet its commitments under the Montreal Protocol. ✓ Develop national, multi-stakeholder positions on climate change for use in negotiations of domestic and international environmental initiatives. ✓ CFIA to facilitate and coordinate the development by industry of a new national standard for organic products and accreditation system. |
| <ul style="list-style-type: none"> ▶ Integrate environmentally responsible approaches into the management of the physical operations of the department. | <ul style="list-style-type: none"> ✓ Purchase and implement an EMS information management system. ✓ Implement the departmental Environment Management (EM) Policy. |

3. DEVELOPING INNOVATIONS AND SOLUTIONS

- | | |
|---|---|
| <ul style="list-style-type: none"> ▶ Through research and development, increase the availability to industry of commercially viable systems and technologies to address on- and off-farm environmental effects of agricultural activities. | <ul style="list-style-type: none"> ✓ Complete project using NBPT, a urease inhibitor, to allow surface application of urea to minimum or zero tillage systems, increasing fertilizer efficiency. ✓ Develop a scald resistant barley variety. ✓ Develop a high-protein soybean variety for Eastern Canada with significant yield. |
|---|---|

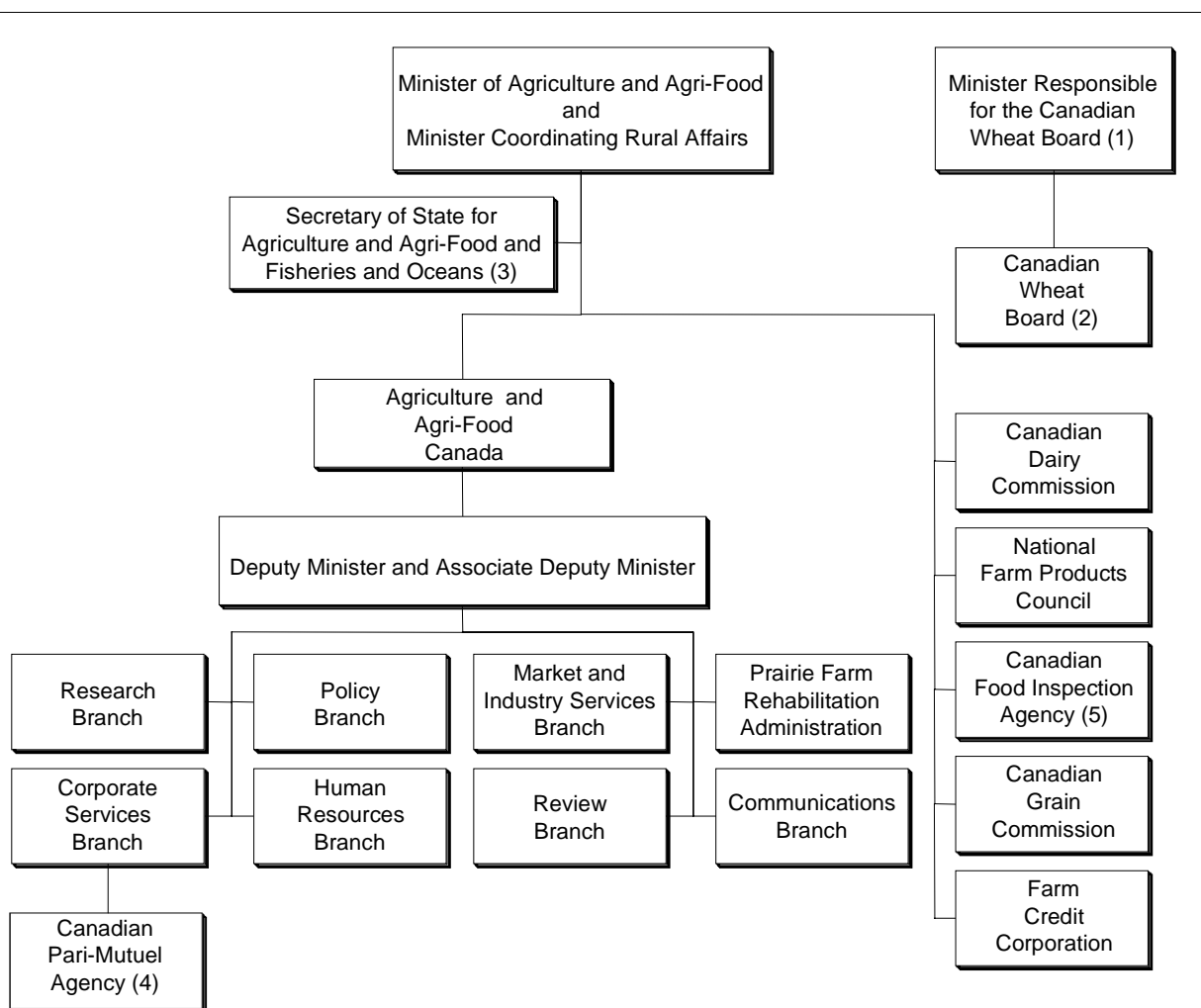
STRATEGIC DIRECTION/SDS OBJECTIVE	EXPECTED RESULTS/TARGETS
<ul style="list-style-type: none"> ▶ Identify areas at most environmental risk. 	<ul style="list-style-type: none"> ✓ Develop a spring wheat with significant improvement in protein content. ✓ Develop an anaerobic digestion technology to handle manure in an environmentally sustainable manner. ✓ Develop carcass pasteurization equipment for application to beef. ✓ CFIA will apply regulations governing the notification and environmental assessments of products like novel feeds, fertilizers, supplements, veterinary biologics, and plants with novel traits. CFIA will conduct pre-release environmental safety assessments and will seek to further amend its legislation for other commodities as required. ✓ Develop and apply technology for treating poor quality water in rural areas. ✓ Develop resource management data bases that support the responsible use of land and water resources used in agricultural production.
4. SEIZING MARKET OPPORTUNITIES	
<ul style="list-style-type: none"> ▶ Increase industry awareness of environmental marketing and trade opportunities and constraints, enabling proactive responses. ▶ Facilitate the demonstration of the environmental quality of products, practices, and services provided by the agriculture and agri-food sector. ▶ Influence domestic and international initiatives in the interests of environmental progress and the Canadian agriculture and agri-food sector. 	<ul style="list-style-type: none"> ✓ Increase the understanding and adoption of value-added production and agricultural diversification opportunities by agricultural producers on the Prairies. ✓ Increased production of vegetable oil-based products for use in environmentally sensitive areas, like lubricants in forestry and biodiesel in mining. ✓ Develop a national, multi-stakeholder position for use in WTO negotiations on allowable environmental programs.

5.6 YEAR 2000 INITIATIVES

The Year 2000 problem, or “Millennium Bug”, represents a significant challenge to Canadians and the agri-food sector. In addressing this Government priority, AAFC is working to ensure the readiness of its operations nation-wide and is providing a leadership role for the sector and rural Canadians by facilitating awareness.

YEAR 2000 INITIATIVES	EXPECTED RESULTS
<p>APPLICATIONS, INFRASTRUCTURE, FACILITIES, AND DESKTOP</p> <ul style="list-style-type: none"> ▶ Conduct inventory and testing of all departmental computer applications, equipment and facilities for Year 2000 compliance. 	<ul style="list-style-type: none"> ✓ Non-compliant applications, equipment, and buildings either converted, replaced, or shut down in advance of Year 2000.
<p>BUSINESS CONTINUITY PLANNING</p> <ul style="list-style-type: none"> ▶ Identify critical business functions and assets, and develop formal business contingency procedures. 	<ul style="list-style-type: none"> ✓ Development of formal business contingency procedures, testing and refinement of plans will ensure delivery of AAFC mandate beyond January 1, 2000.
<p>SECTORAL READINESS</p> <ul style="list-style-type: none"> ▶ Assess the level of sectoral readiness through a survey of national agriculture and agri-food associations. 	<ul style="list-style-type: none"> ✓ Assessment of potential Year 2000 impacts on the agriculture and agri-food sectors. Survey will also raise awareness of the associations contacted.
<p>COMMUNICATIONS PLAN</p> <ul style="list-style-type: none"> ▶ Communications activities targeting the agriculture and agri-food sector and rural Canadians. 	<ul style="list-style-type: none"> ✓ Increased awareness and information concerning potential impacts of Year 2000.
<p>AUDIT</p> <ul style="list-style-type: none"> ▶ Independent audit and verification of testing and conversion efforts; overall project risk assessment. 	<ul style="list-style-type: none"> ✓ Assurance to management that conversion efforts and project management are being performed with due diligence.

5.7 ORGANIZATION CHART OF THE AGRICULTURE AND AGRI-FOOD PORTFOLIO



(1) The Honourable Ralph Goodale is the Minister Responsible for the Canadian Wheat Board.

(2) The Canadian Wheat Board is not part of the Agriculture and Agri-Food Portfolio, but it is strongly linked with AAFC.

(3) The Office of the Secretary of State for Agriculture and Agri-Food and Fisheries and Oceans is funded jointly with Fisheries and Oceans Canada.

(4) On April 1, 1997, the Canadian Pari-Mutuel Agency began reporting through the Corporate Services Branch.

(5) On April 1, 1997, the Food Production and Inspection Branch became part of the Canadian Food Inspection Agency (CFIA).

5.8 LEGISLATION ADMINISTERED BY THE MINISTER OF AGRICULTURE AND AGRI-FOOD

The Minister has sole responsibility to Parliament for the following Acts:

<i>Advance Payments for Crops Act</i> ⁽¹⁾	R.S.C., 1985, c. C-49, as amended
<i>Agricultural Marketing Programs Act</i>	S.C., 1997, c. 20
<i>Agricultural Products Board Act</i> (dormant)	R.S.C., 1985, c. A-4, as amended
<i>Agricultural Products Cooperative Marketing Act</i> ⁽¹⁾	R.S.C., 1985, c. A-5, as amended
<i>Agricultural Products Marketing Act</i>	R.S.C., 1985, c. A-6, as amended
<i>Agriculture and Agri-Food Administrative Monetary Penalties Act</i> ⁽²⁾	S.C., 1995, c. 40, as amended
<i>Animal Pedigree Act</i>	R.S.C., 1985, c. 8 (4th Supp.), as amended
<i>Canada Agricultural Products Act</i> ⁽²⁾	R.S.C., 1985, c. 20 (4th Supp.), as amended
<i>Canada Grain Act</i>	R.S.C., 1985, c. G-10, as amended
<i>Canadian Dairy Commission Act</i>	R.S.C., 1985, c. C-15, as amended
<i>Canadian Food Inspection Agency Act</i> ⁽²⁾	S.C., 1997, c. 6
<i>Canagrex Dissolution Act</i> (dormant)	S. C. 1987, c. 38, S-6
<i>Department of Agriculture and Agri-Food Act</i>	S.C., 1994, c. 38, as amended
<i>Experimental Farm Stations Act</i>	R.S.C., 1985, c. E-16, as amended
<i>Farm Credit Corporation Act</i>	S.C., 1993, c. 14, as amended
<i>Farm Debt Mediation Act</i>	S.C., 1997, c. 21
<i>Farm Improvement and Marketing Cooperatives Loans Act</i>	R.S.C., 1985, c. 25 (3rd Supp.), as amended
<i>Farm Improvement Loans Act</i>	R.S.C., 1985, c. F-3, as amended
<i>Farm Income Protection Act</i>	S.C., 1991, c. 22, as amended
<i>Farm Products Agencies Act</i>	R.S.C., 1985, c. F-4, as amended
<i>Feeds Act</i> ⁽²⁾	R.S.C., 1985, c. F-9, as amended
<i>Fertilizers Act</i> ⁽²⁾	R.S.C., 1985, c. F-10, as amended
<i>Fish Inspection Act</i> ⁽²⁾	R.S.C., 1995, c. F-12, as amended
<i>Grain Futures Act</i>	R.S.C., 1985, c. G-11, as amended
<i>Health of Animals Act</i> ⁽²⁾	S.C., 1990, c. 21, as amended
<i>Livestock Feed Assistance Act</i> (dormant)	R.S.C., 1985, c. L-10, as amended
<i>Meat Inspection Act</i> ⁽²⁾	R.S.C., 1985, c. 25 (1st Supp.), as amended
<i>Plant Breeders' Rights Act</i> ⁽²⁾	S.C., 1990, c. 20, as amended
<i>Plant Protection Act</i> ⁽²⁾	S.C., 1990, c. 22, as amended
<i>Prairie Farm Rehabilitation Act</i>	R.S.C., 1985, c. P-17, as amended
<i>Prairie Grain Advance Payments Act</i> ⁽¹⁾	R.S.C., 1985, c. P-18, as amended
<i>Seeds Act</i> ⁽²⁾	R.S.C., 1985, c. S-8, as amended
<i>Western Grain Transition Payments Act</i>	S.C. 1995, c. 17, Sch. II

The Minister shares responsibility to Parliament for the following Acts:

<i>Consumer Packaging and Labelling Act</i>	R.S.C., 1985, c. C-38, as amended (Minister of Industry)
Criminal Code, Section 204	R.S.C., 1985, c. C-46, as amended (Minister of Justice and Attorney General of Canada)
<i>Department of Foreign Affairs and International Trade Act</i> , Paragraph 10(2)(e)	R.S.C., 1985, c. E-22, as amended (Minister of Foreign Affairs)
<i>Food and Drug Act</i> , Sections 2 and 27	R.S.C., 1985, c. F-27, as amended (Minister of National Health and Welfare)

1. These acts have been repealed by the *Agricultural Marketing Programs Act* (AMPA). However, the sections in the AMPA repealing these acts have not yet come into force. They therefore remain acts for which the Minister is responsible.
2. These acts are the responsibility of the Minister through the Canadian Food Inspection Agency.

5.9 CONTACTS FOR FURTHER INFORMATION AND WEB SITES



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(613) 759-1000

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Telnet: www.agr.ca (login: guest)

Electronic Bulletin Board:

National: 1-800-234-4410

Ottawa: (613) 759-1100

Voice or fax-on-demand

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