



Agriculture and Agri-Food Canada

2001-2002
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 key elements of the Main Estimates to the Expenditure Plan (as set out in the Budget).

Part II – The Main Estimates directly support the *Appropriation Act*. The Main Estimates identify the spending authorities (votes) and 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.

Part III – Departmental Expenditure Plans which is divided 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 period. 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 and referred to committees, which then report 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*.

The 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 thirteen other departments explore alternative reporting structures to this year's *Report on Plans and Priorities*. It has, therefore, exempted the department from the usual guidelines for the preparation of this report.

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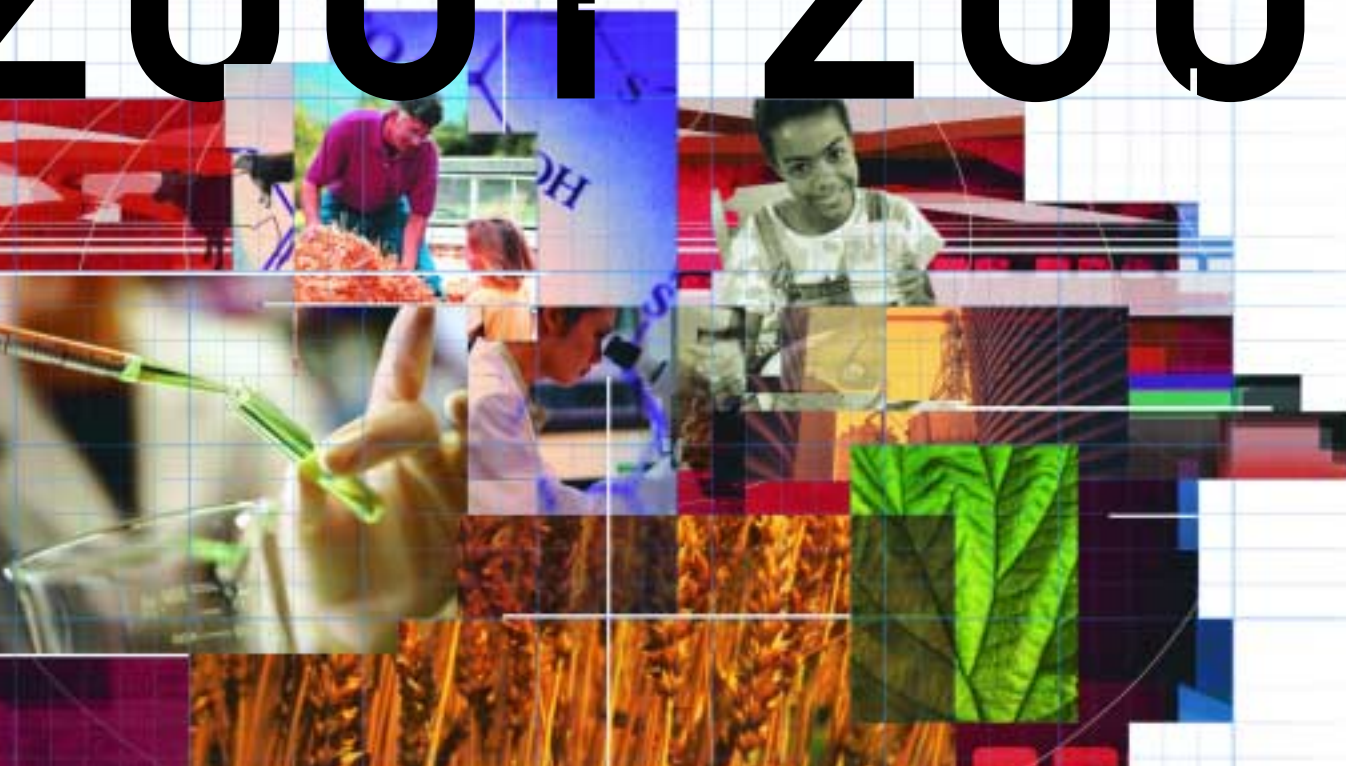


ESTIMATES

AGRICULTURE AND AGRI-FOOD CANADA

2001 2002

REPORT ON
PLANS &
PRIORITIES



Canada 

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Message from the Minister

I am proud to present the Agriculture and Agri-Food Canada (AAFC) *2001-2002 Report on Plans and Priorities*. This document clearly outlines, for the sector and Canadians, what our focus will be for the next 12 months.

This year's report is particularly significant. It is one of the first official documents that features the Department's new business lines: **Security of the Food System, Health of the Environment, and Innovation for Growth.**

Agriculture and agri-food remains one of Canada's most important economic sectors. It provides jobs for one in seven Canadians, accounts for over eight per cent of our Gross Domestic Product, contributes to our trade balance, and is the backbone of many of our rural communities. Farmers and processors are instrumental to economic growth in Canada.

In the 2001 Speech from the Throne, the government made the commitment to help Canada's agricultural sector move beyond crisis management. To achieve this, we will work with the provinces and industry stakeholders on the development of integrated risk management tools. These will be designed to help farmers manage financial, environmental and on-farm food safety risks, and provide them with opportunities for diversification, value-added growth and new investments.

We need these tools for success in the 21st century because the sector is changing. Driven by factors such as globalization, advances in science and technology, e-commerce, and consumer trends, the sector is becoming more than a provider of food.



LYLE VANCLIEF

The sector is improving the quality and safety of traditional food and feed products and making inroads into new domestic and international markets. New products such as nutraceuticals for the pharmaceutical industry, functional foods for the health products industry, ethanol and bio-diesel for the energy industry, high value industrial products for the chemical industry, and wallboard for the construction industry are just a part of the domestic and international economy that will benefit our agricultural and rural areas.

The sector is responding to consumers' demands. Today's consumers are asking for assurances about the safety and quality of the food they eat. They want to know what is in their food and how it was produced. They want food produced in an environmentally responsible manner. At the same time, farmers need the appropriate tools to ensure their financial stability.

It is with these challenges and opportunities in mind that Agriculture and Agri-Food Canada has developed three new and integrated business lines, each focused on specific objectives aimed at helping the sector thrive while responding to consumers.

The *2001-2002 Report on Plans and Priorities* shows how Agriculture and Agri-Food Canada intends to work with the sector, the provinces, and other partners to build an industry that is recognized world-wide as a leader in providing safe, high quality food and other agricultural-based products that are produced in an environmentally responsible, and economically sustainable manner.

The Department is committed to helping the sector successfully meet its challenges, capture business opportunities, and enhance its traditional contribution to a better quality of life for all Canadians.



Lyle Vanclief
Minister of Agriculture and Agri-Food

Message from the Secretary of State for Rural Development

Rural and remote communities in Canada contribute significantly to the overall quality of life Canada offers. Since August 1999, I have had the privilege of acting as a champion for both the rural and co-operatives files on behalf of the federal government. The Rural Secretariat, administratively located in Agriculture and Agri-Food Canada (AAFC), co-ordinates the Canadian Rural Partnership (CRP), which includes 29 federal departments and agencies. Also located in AAFC, the Co-operatives Secretariat plays a coordinating role to facilitate co-operative interaction with the federal government.

In the coming year, we plan to build on the significant accomplishments of 2000-2001.

The highlight of the past year was the National Rural Conference I hosted in April 2000. Almost 500 Canadians, mostly from rural and remote communities in every province and territory, came together to share information and discuss issues that affect their communities. In May, we tabled the first Annual Report to Parliament on rural Canada. *Working Together in Rural Canada* provides details on over 500 federal initiatives that contribute to the development of rural and remote communities.

Based on citizen input at the National Rural Conference, we have developed a Rural Action Plan that will guide our future work. It includes more than 50 examples of actions the government will undertake to address the issues identified by rural Canadians, including such important matters as encouraging youth to take leadership roles and improving telecommunications infrastructure in rural and remote areas.



ANDY MITCHELL

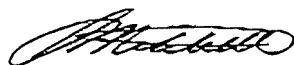
In 2001-2002, we will pursue the renewal of the Canadian Rural Partnership and continue its Rural Dialogue component with four regional conferences and other events across the country, and an expanded *Rural Times* newsletter. We will also table a second Annual Report to Parliament. The Rural Lens has proven to be a powerful tool that improves the ability of the federal government to deliver programs that work well in rural and remote communities.

The 2001 Speech from the Throne indicated that the government will continue to use the Rural Lens to ensure that every community, and every citizen can contribute to building our nation. The government wants to see that all communities, whether urban, rural, northern or remote reap the benefits of our prosperity, as well as have an opportunity to contribute. Innovation, growth and development in all parts of our economy, including our agricultural and resource sectors and our manufacturing and service industries, will be among the government's priorities.

The government will do its best to see that actions and programs are co-ordinated to help build local solutions to local challenges.

The Throne Speech also signalled the government's commitment to ensuring Canadians, including those in rural and remote communities, have the skills they need to succeed in the knowledge economy. In 2001-2002, the Rural Secretariat will continue to contribute to key result commitments of all departments and agencies including AAFC's new business lines. For example, through its linkages to agricultural policies and programs, as well as through its management of the Canadian Agricultural Rural Communities Initiative and of the Canadian Rural Information Service.

This *Report on Plans and Priorities*, combined with the Rural Action Plan, shows how the Government of Canada will work with rural and remote Canadians in 2001-2002 to help them achieve their goals for the future.



Andy Mitchell

Secretary of State (Rural Development)

(Federal Economic Development Initiative for Northern Ontario)

Management Representation

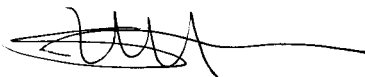
We submit, for tabling in Parliament, the *2001-2002 Report on Plans and Priorities (RP&P)* for Agriculture and Agri-Food Canada.

To the best of our knowledge, the information:

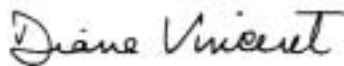
- accurately portrays the Department's mandate, plans, priorities, strategies and expected key results of the organization;
- is consistent with Treasury Board policy, instructions, and disclosure principles;
- is comprehensive and accurate; and
- is based on sound underlying department information and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

We are satisfied with 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.



Samy Watson
Deputy Minister



Diane Vincent
Associate Deputy Minister



SAMY WATSON



DIANE VINCENT



Departmental

WHAT'S NEW

In its January 30, 2001 Speech from the Throne, the government states that it “will help Canada’s agriculture sector move beyond crisis management — leading to more genuine diversification and value-added growth, new investments and employment, better land use, and high standards of environmental stewardship and food safety.”

To fulfill the government’s commitment, and to ensure that our agriculture and agri-food sector remains innovative, competitive and responsive to the changing needs of farmers and consumers, the Department has redefined its business lines and key result commitments to Canadians.

OUR VISION FOR CANADIAN AGRICULTURE AND AGRI-FOOD

To be an innovative and competitive sector, whose partners work in unison to be the world leader in the production of food and other related agricultural products and services to meet global consumer needs in a way that respects the environment and contributes to the best quality of life for all Canadians.

OUR MANDATE

To provide information, research and technology, and policies and programs to achieve security of the food system, health of the environment, and innovation for growth.

OPERATING ENVIRONMENT

The agriculture and agri-food sector is a significant engine of growth and prosperity in Canada. Canadians purchase 100 billion dollars of agri-food products from the sector every year and foreign consumers purchase an additional 20 billion dollars of products annually.

It is the second largest primary and manufacturing industry in the country, accounting for one out of every seven jobs in Canada. The sector provides international customers and 32 million Canadians with safe and environmentally friendly food and other agri-based products.

Canadian farmers produce over 32 billion dollars of agricultural products annually and are the stewards of 68 million hectares of farm land in every region of the country.



Overview

The environment in which the sector operates is changing:

- World markets for new agri-products are growing, providing tremendous opportunities to help farmers and processors diversify their income base and contribute to the sustainability of rural communities through increased economic activity.
- Farmers are seeking innovative ways to manage the financial, environmental, and on-farm food-safety challenges to growth, prosperity, and the ability to respond to high consumer expectations.
- Consumers are requesting specialised products and many want to know where and how their food is grown and processed. They expect food products that meet the highest possible standards of safety and quality.

- Now, more than ever, citizens want the assurance that the environment is being managed not only for today, but for generations to come.

There will always be new challenges facing agriculture, from changing food markets, to weather extremes to ever-changing consumer trends. For the sector to continue to prosper and respond to emerging consumer requirements, we need to develop better ways to help the industry manage financial, environmental, and food safety risk on the farm, and improve our capacity to innovate and develop markets for new products.

Life sciences can help our agriculture and agri-food sector grow and respond to these trends. The life science economy is about using our knowledge of living things to create new bio-based products

and opportunities for farmers. As alternatives to non-renewable fossil fuels, new technologies have created bio-fuels such as ethanol derived from corn, or, more recently, from farm waste, and bio-diesel made from soybeans or canola.

Canadian agriculture is also becoming a growing source for nutraceuticals, bio-pharmaceuticals, building materials, plastics and even household products such as paper made from wheat straw and ink from flax and canola.

Genetic research and rapid advances in life sciences are presenting opportunities to increase productivity, remedy environmental problems, enhance the safety and health benefits of food and respond to new markets.

Embracing new technologies and responding to emerging market opportunities can help farmers and rural Canadians diversify their income base, position the sector for the future, and reduce their vulnerability to inevitable commodity cycles.

AAFC's challenges are to:

- **ensure that farmers have tools to manage risk and that all Canadian food is produced, processed, and distributed in a way that provides consumers with safe and reliable food products;**
- **respond to concerns about agriculture's impact on the environment; and**
- **increase Canada's efforts in producing innovative food and non-food goods based on agricultural products.**

In addressing these challenges, we will be working with the agriculture and agri-food sector — one of Canada's most innovative and dynamic sectors — to contribute to a better quality of life for Canadians.

This means using science to address on-farm food safety and environmental issues

and respond to the increased demand for reliable food safety information.

Agriculture and Agri-Food Canada (AAFC) will implement its second sustainable development strategy in cooperation with stakeholders to enhance environmental awareness and stewardship. This will provide the added assurance to consumers that their food has been produced with minimum impact on the environment and in harmony with the capacity of the resource base.

We will continue to work with provincial and territorial colleagues, farmers, and the agri-food industry, and will engage consumers, citizens, and interest groups to strengthen our markets by branding Canada as a leader in the environmentally responsible production of the most innovative and safe agri-products in the world.

Working in tandem with all stakeholders, the Department is committed to investing

wisely to foster innovation in order to help the sector capture the tremendous opportunities which lie ahead. Strengthening our capacity for innovation and discovery, attracting skilled people and investment, and diversifying products and markets are key priorities.

The Rural Secretariat is providing leadership and horizontal coordination for rural issues. Federal departments and agencies are working with the Secretariat to strengthen the Government's commitment to improve the quality of life for rural Canadians. Similarly, the Co-operatives Secretariat supports, co-ordinates, and implements policies to advance co-operatives in Canada.

The result of our work will be an integrated policy framework in which on-farm financial, environmental, and food safety risk management, as well as trade, marketing, investment, and science strategies are linked to give us a competitive advantage in maintaining our



existing markets and penetrating new ones. By establishing Canada as the world leader in innovation, in food safety and quality, and in environmental responsibility, we can stimulate economic growth and provide a better quality of life for all Canadians.

NEW BUSINESS LINES

Many opportunities exist to tap into consumer trends and break into new markets. A national approach is needed to brand Canada as a world leader in the production of safe food products that are grown and processed in an environmentally responsible manner. Building on our excellent reputation, the Canada brand will give us a competitive advantage in existing, as well as new and expanding domestic and international marketplaces.

To help the sector seize the many opportunities which lie ahead, the Department has reviewed the strategies and key results it plans to achieve.

This work has led to a redefinition of our business lines. These provide the framework within

which our Department reports to Parliament and central agencies on its plans, expenditures, and performance.

The objectives of our business lines have been defined as follows:

- **Security of the Food System** — to make Canada the world leader in producing, processing, and distributing safe and reliable food to meet the needs and preferences of consumers. The overall security of the agriculture and agri-food industry, from sound financial risk management to food safety and consumer confidence, is an area of high priority.
- **Health of the Environment** — to make Canada the world leader in using environmental resources in a manner that ensures their quality and availability for present and future generations.
- **Innovation for Growth** — to foster innovation in order to make Canada the world leader in developing food and other related agricultural products and services that capture opportunities in diversified domestic and global markets.



// WHILE AGRICULTURE HAS A HERITAGE THAT IS INTERWOVEN WITH OUR NATION'S PAST, IT HAS ALWAYS BEEN VERY MUCH AN INDUSTRY ON THE FRONTIER — BUILT NOT ONLY ON BUSINESS ACUMEN AND HARD WORK, BUT ALSO ON A FOUNDATION OF SCIENCE AND NEW TECHNOLOGY. //

LYLE VANCLIEF

OTTAWA LIFE SCIENCES CONFERENCE,
DECEMBER 5, 2000

These business lines form the basis of our Departmental Business Plan and are fully aligned with the government's overall priority of providing the best quality of life for all Canadians. The business lines also provide AAFC with a clear direction and identify priorities by focussing the Department's business on what needs to be accomplished.

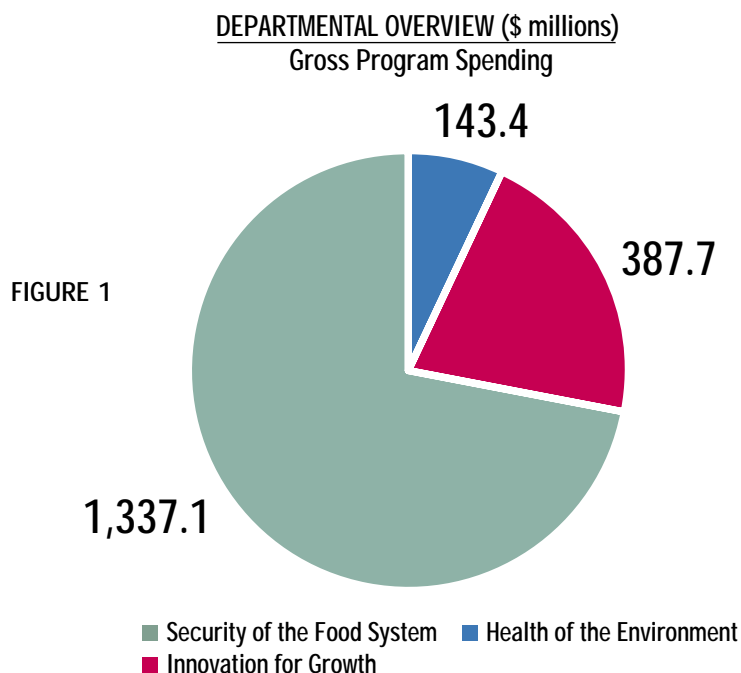
AAFC has identified key result commitments for each of the business lines, as well as strategies to achieve them. Specific activities to achieve these results will be confirmed early in the new fiscal year.

The "best quality of life for all Canadians" can only be achieved through a balance between economic, environmental, and social considerations. Agriculture and Agri-Food Canada is pursuing policies that integrate risk management strategies — for income, environment, and on-farm food safety, — with trade, marketing and investment, and science strategies.

An innovative and competitive sector, whose partners work in unison, will be the world leader in the production of food and other related agricultural products and services. Farmers and processors who meet global consumer needs in a way that respects the environment will contribute to the best quality of life for all Canadians.

The following four graphs¹ provide an overview of the allocation of resources for 2001-2002 against the new business lines. The majority of the Department's 2001-

2002 resources have been allocated to Security of the Food System (71%), followed by Innovation for Growth (21%) and Health of the Environment (8%). Over 90% of the resources of the Security of the Food System business line are transfer payments to other parties, including farmers and Provinces. The majority of the resources of Innovation for Growth and Health of the Environment are in operating costs (68% and 80%, respectively) reflecting the more labour-intensive nature of these lines of business.



¹ These allocations are based on an initial mapping of the department's allocation of resources in future years that will be refined as activities are adjusted in order to achieve the desired results of each business line.

FIGURE 2

SECURITY OF THE FOOD SYSTEM (\$ millions)

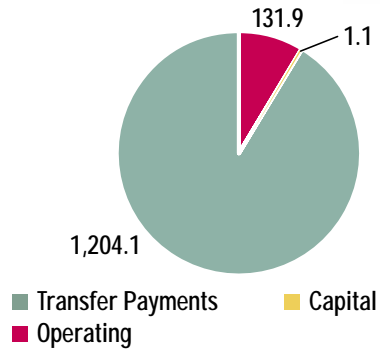


FIGURE 3

HEALTH OF THE ENVIRONMENT (\$ millions)

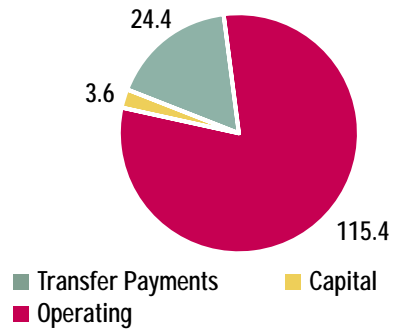
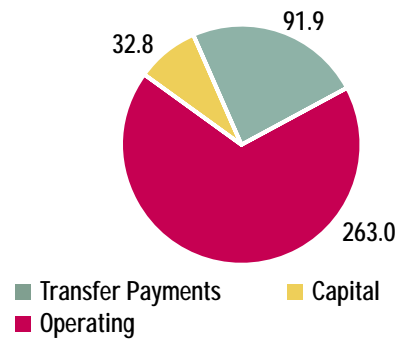


FIGURE 4

INNOVATION FOR GROWTH (\$ millions)



INTEGRATED MANAGEMENT APPROACH

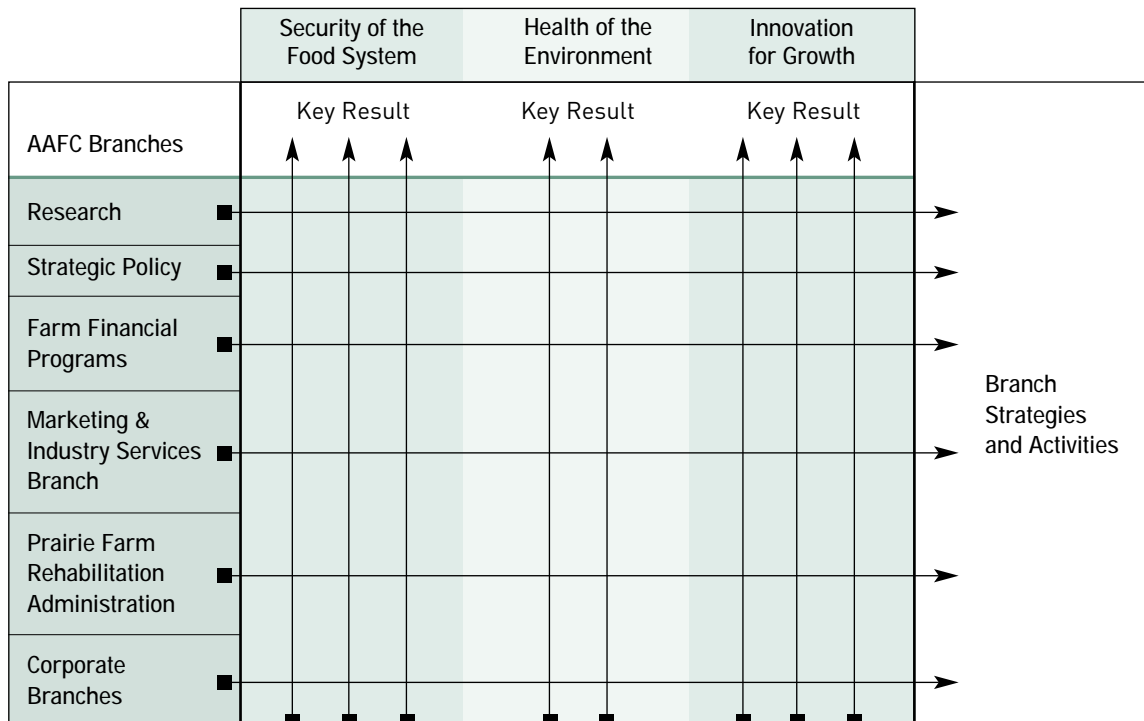
In today's complex and globally competitive environment, few issues can be dealt with unilaterally or in a single-disciplinary fashion. Most issues require an approach that is multi-disciplinary and takes into consideration a broad range of social, environmental, and economic factors.

Furthermore, most issues require the partnership and collaborative efforts of multiple jurisdictions and stakeholders.

In response to this increasingly complex environment in which the department works, AAFC has adopted an integrated, one department approach to managing, planning, and reporting based on its three

core business lines and key result commitments. As illustrated in Figure 5, the AAFC business lines and key result commitments cut across the department's organizational structure and provide a focus for branch strategies and activities.

**FIGURE 5
INTEGRATED, ONE-DEPARTMENT APPROACH**



DEPARTMENTAL PLANNED SPENDING

The following table summarizes the financial spending plan of the Department to March 31, 2004.

(\$ millions)	Forecast Spending 2000-2001	Planned Spending 2001-2002	Planned Spending 2002-2003	Planned Spending 2003-2004
Budgetary Main Estimates (gross)	2,335.9	1,868.2	1,749.5	1,196.7
Less: Respendable revenue	34.2	36.6	37.0	37.0
Total Main Estimates	2,301.7	1,831.6	1,712.5	1,159.7
Adjustments **	186.2	2.0	41.0	39.6
Net Planned Spending	2,487.9*	1,833.6	1,753.5	1,199.3
Less: Non-respendable revenue	25.5	25.5	25.5	25.5
Plus: Cost of services received without charge	33.5	33.2	32.9	32.2
Net cost of Program	2,495.9	1,841.3	1,760.9	1,206.0
Full Time Equivalents	5,412	5,404	5,363	5,363

* Reflects the best forecast of total net planned spending to the end of the fiscal year.

** Adjustments for 2000-2001 reflect Governor General Special Warrants, Supplementary Estimates and Treasury Board Allotment transfers. Adjustments for 2001-2002 to 2003-2004 reflect initiatives for which the Department can seek up to the amount shown through Supplementary Estimates, once approved.

Note: Planned spending reflects funds currently approved in the government fiscal plan.

Departmental Results

SECURITY OF THE FOOD SYSTEM

OBJECTIVE

To make Canada the world leader in producing, processing, and distributing safe and reliable food to meet the needs and preferences of consumers.

STRATEGIES

AAFC is working towards this objective by:

- strengthening the competitiveness of our agriculture and agri-food sector by working with partners to better manage risks through the development and promotion of improved safety nets and other risk management tools;
- enhancing the efficient functioning of the domestic and international marketplace by negotiating fair rules, resolving trade disputes, eliminating market impediments, to maintain market opportunities for the Canadian agriculture and agri-food sector; and

- anticipating, understanding, and integrating consumer attitudes and preferences into policies and programs in order to improve consumer confidence.

INTRODUCTION

The overall security of the agriculture and agri-food industry, from sound financial risk management to food safety and consumer confidence, is an area of high priority.

Canada's agriculture and agri-food sector is recognized as a leader in providing safe, high-quality food that is produced using environmentally responsible farming practices. Furthermore farmers want to continue diversifying in order to take advantage of new consumer trends and break into new markets.

Agriculture and agri-food policies, and production and

processing practices, supported by science and innovation, are required to integrate our approach to manage income, environmental, and on-farm food safety risks. They lead to improved consumer confidence and improved market access for Canadian products.

CHALLENGES

Low commodity prices on international markets mean less income for farmers. To make the marketplace more predictable, and to reduce international market distortions, fair and clear trade rules are needed. Domestically, farmers and processors need policies and market structures that enhance efficiency and fairness.

Income variations are fuelled by weather, disasters, pests, and crop and animal diseases. It is critical to ensure that risk management — production,



Plans, and Activities

financial, and environmental — is improved within the sector, and that on-farm risks to the safety and reliability of food are managed effectively to enhance the safety and security of the agriculture and agri-food system as a whole.

The life sciences economy presents promising opportunities for the development of new food and non-food, bio-based products for intermediate and consumer markets. Using life sciences as a foundation for innovation and growth, our agriculture and agri-food system has the capacity to address the demands of citizens and consumers around the world.

Issues such as pesticide use, intensive livestock production, animal health, and water quality, are causing consumers around the world to raise questions about the food they eat and the impact of agriculture on the

environment. Consumers want to be assured that their food is safe, nutritious, and produced in an environmentally responsible manner.

Many farmers are taking action to address environmental risks on their farms and are implementing on-farm food safety systems.

Government needs to continue its coordinated national approach on regulations. Health Canada, the Canadian Food Inspection Agency, and Environment Canada all have responsibilities for setting national food safety and environmental standards. AAFC will work to enable farmers to meet these national standards. We need on-farm programs which provide detailed information about farm practices and a means of monitoring potential risks in order to take actions to mitigate problems.

Such systems will enable targeted responses to issues and increase the effectiveness of our actions.

In the near future, tracking of a product from its origin, through the processing system, will reassure consumers about the security of the food system. For example, Ontario food soyabean producers access the Japanese market by selling identity preserved products. Some wheat growers receive premium prices by selling identity preserved grain to Warburton bakeries in the U.K.

Risk management, secure markets and consumer confidence — all of which are supported by science — combine to meet these demands.

AAFC RESPONSE

Risk Management —

The desired outcome is an agriculture and agri-food sector that is able to manage financial, supply, market, health, and environmental risks. Competitiveness in the sector is strengthened by working with partners to better manage risks through the development and promotion of improved safety nets and other risk management tools. Actions to achieve this include:

- developing integrated on-farm risk management frameworks that address income, environmental and food safety risks while enhancing our domestic and international competitiveness in the marketplace;
- researching, developing and communicating best practices and risk management tools for use by farmers, processors and consumers; and
- consulting with stakeholders, creating and contributing to strategic alliances which foster and strengthen the risk management capacity of the sector.

Secure Marketplace —

The desired outcome is a secure domestic and international marketplace for Canadian agricultural products. Efficiency in domestic and international markets is enhanced by negotiating fair rules, resolving trade disputes, eliminating market impediments, and maintaining market opportunities for the Canadian agriculture and agri-food sector. Actions to achieve this include:

- identifying and analyzing impediments to the efficient functioning of the domestic and international marketplace;
- advancing Canadian agriculture internationally by building broad-based alliances and support, negotiating fair rules, and resolving trade disputes in order to enhance market opportunities;
- collaborating with domestic partners and stakeholders to eliminate impediments to efficiency in the marketplace; and

- ensure stakeholders are aware of Canada's rights and obligations and engage them in the development and refinement of Canada's position on key issues.

Consumer Confidence —

The desired outcome is to maintain a high level of consumer confidence in the quality, safety and production of Canadian food. Confidence is improved by anticipating, understanding, and integrating consumer attitudes into policies and programs. Actions to achieve this include:

- developing a knowledge of consumer and stakeholder attitudes through focus groups, stakeholder consultations, surveys, media monitoring, and trend analysis;
- developing alliances with broad-based stakeholders and government partners to identify and undertake activities to address key issues; and
- providing, with partners, objective, accurate, and timely information to the public.

PLANNED SPENDING AND FULL TIME EQUIVALENTS

Forecast Spending 2000-2001		Planned Spending 2001-2002		Planned Spending 2002-2003		Planned Spending 2003-2004	
\$ millions	FTE	\$ millions	FTE	\$ millions	FTE	\$ millions	FTE
1,999.1*	1,312	1,337.1	1,269	1,284.0	1,270	743.2	1,270

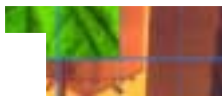
* Reflects the best forecast of total planned spending to the end of the fiscal year.

SUMMARY OF KEY RESULT COMMITMENTS AND STRATEGIES FOR THE SECURITY OF THE FOOD SYSTEM BUSINESS LINE

<p>1) Key Result Commitment – Risk Management An agriculture and agri-food sector that is able to manage financial, supply, market, health, and environmental risks.</p> <p>Strategy Strengthen the competitiveness of the sector by working with partners to better manage risks through the development and promotion of improved safety nets and other risk management tools.</p>	<p>Resources (notional allocation) \$millions</p> <p>1,311.1</p>
<p>Action Plans</p> <ul style="list-style-type: none"> • Develop integrated on-farm risk management frameworks that address income, environmental and food safety risks while enhancing our domestic and international competitiveness in the marketplace. • Research, develop, and communicate best practices and risk management tools for use by farmers, processors, and consumers. • Consult with stakeholders and create and contribute to strategic alliances which will foster and strengthen the risk management capacity of the sector. 	

<p>2) Key Result Commitment – <i>Secure Marketplace</i> A secure domestic and international marketplace for Canadian agricultural products.</p> <p>Strategy Enhance the efficient functioning of the domestic and international marketplace by negotiating fair rules, resolving trade disputes, and eliminating market impediments, to maintain market opportunities for the Canadian agriculture and agri-food sector.</p>	<p>Resources (notional allocation) \$millions</p> <p style="text-align: center;">16.0</p>
<p>Action Plans</p> <ul style="list-style-type: none"> ▪ Identify and analyze impediments to the efficient functioning of the domestic and international marketplace. ▪ Internationally, advance Canadian agricultural interests by building broad-based alliances and support, negotiating fair rules, and resolving trade disputes in order to enhance market opportunities. ▪ Domestically, collaborate with partners and stakeholders to eliminate impediments to the efficient functioning of the marketplace. ▪ Ensure stakeholders are aware of Canada's rights and obligations and engage them in the development and refinement of Canada's position on key issues. 	

<p>3) Key Result Commitment – <i>Consumer Confidence</i> A high level of consumer confidence in the quality, safety, and production of Canadian food.</p> <p>Strategy Anticipate, understand, and integrate consumer perceptions and preferences into policies and programs which will improve consumer confidence.</p>	<p>Resources (notional allocation) \$millions</p> <p style="text-align: center;">10.0</p>
<p>Action Plans</p> <ul style="list-style-type: none"> ▪ Develop a knowledge of consumer and stakeholder attitudes by using focus groups, stakeholder consultations, surveys, media monitoring, and trend analysis. ▪ Lead and develop alliances with broad-based stakeholders and government partners to proactively identify and undertake activities to address key issues. ▪ Provide, with partners, objective, accurate, and timely information to the public through proactive communications planning and issues management. 	



HEALTH OF THE ENVIRONMENT

OBJECTIVE

To make Canada the world leader in using environmental resources in a manner that ensures their quality and availability for present and future generations.

STRATEGIES

AAFC is working towards this objective by:

- providing relevant and accurate environmental information to foster open and informed dialogue, and to help farmers, the agri-food sector, citizens and government, make sound decisions for today's and future generations; and
- realizing environmental benefits and reducing environmental risks through leading the development and implementation of economically sustainable best management practices, within a supportive business climate, for adoption by the agriculture and agri-food industry, the government, and the general public.

INTRODUCTION

Over the past two decades, a number of key studies have deepened our understanding of how the agriculture and agri-food sector interacts with natural resources and the environment.

Although knowledge gaps remain and more scientific study is required, results suggest that over the past 20 years, there has been an overall trend toward improved agricultural soil quality.

This positive trend toward sustainable land management stems in part from the fact that farmers and society gain economic benefits from improved soil health. The ability of farmers to act on this incentive has been facilitated by:

- public investment in soil research and conservation programs;
- the development of economically viable conservation

practices (primarily reduced tillage methods); and

- the creation of local mechanisms to promote conservation, such as soil and crop improvement associations.

The situation is different for natural resources such as surface and groundwater supplies, the atmosphere, and biodiversity.

Nutrient surpluses, risk to water quality, and greenhouse gas emissions are rising and some valuable habitats continue to be degraded or converted to other uses. While the use of environmentally sound farm management practices is improving, the use of these practices can be expanded.

Environmental concerns about agricultural production may continue to grow. The sector will continue to be challenged to respond to demands for a healthy environment.

CHALLENGES

Canada's agricultural policies, and the way in which sector-related institutions deliver programs and services, must enable and encourage farmers and processors to use sustainable practices to produce and market their goods.

In the international arena, environmental agreements (e.g., Kyoto Protocol) are imposing new compliance requirements and structural adjustments on all sectors of the economy, including agriculture and agri-food. Innovative and science-based approaches will help Canadians adjust to these and other challenges.

Growth in the production of agricultural commodities is also being limited in parts of Canada because of potential excess waste by-products. Environmental statements and audits are increasingly required as a prerequisite to accessing capital.

Canadians have expressed public concern and their demand for improved standards of environmental quality is increasing. More and more, consumers are making

informed purchasing decisions regarding environmental impacts from the food chain. The food production, processing, and distribution system is being challenged to keep environmental impacts at levels that ensure the sustainability of Canada's natural resources.

Stakeholders in Canada's food system need to develop and implement concrete strategies that promote a broader understanding of environmental quality, resource use, and social equity issues.

Science can be a key lever. Our research and development efforts need to place increased emphasis on evolving management priorities to protect water, air, soil and biodiversity.

Finally, it is important that farmers have access to the information and integrated risk management tools they require to practice environmentally responsible agriculture, and that they operate in a business climate that

encourages both economic growth and environmental stewardship.

AAFC RESPONSE

Environmental Awareness —

The desired outcome is the provision of relevant and accurate environmental information to foster open and informed dialogue and to help farmers, the agri-food sector, citizens and government make sound decisions for today's and future generations. Actions to achieve this include:

- developing and gathering information to improve the knowledge base of the physical resources and to identifying current and emerging concerns regarding agri-environmental issues;
- analysing and interpreting, environmental, economic, and social information to propose possible solutions; and
- preparing and presenting information that can be easily accessed and understood, emphasizing on-line information.



Environmental Stewardship

— The desired outcome is to realize environmental benefits and reduce environmental risks by leading the development and implementation of economically sustainable best management practices, within a supportive business climate, for adoption by the agriculture and agri-food industry, government and the general public. Actions to achieve this include:

- identifying knowledge and technology gaps to establish priorities;
- conducting research to develop best management practices which protect water, air, soil, and biodiversity;
- developing and linking policies and programs that contribute to environmental sustainability; and
- creating and delivering technology transfer programs that accelerate the adoption of environmentally sound management practices.

To support these efforts, AAFC's Sustainable Development Strategy, required under the Auditor General Act, provides a complementary framework to guide the Department's efforts over the coming years.

PLANNED SPENDING AND FULL TIME EQUIVALENTS

Forecast Spending 2000-2001		Planned Spending 2001-2002		Planned Spending 2002-2003		Planned Spending 2003-2004	
\$ millions	FTE	\$ millions	FTE	\$ millions	FTE	\$ millions	FTE
160.1 *	1,451	143.4	1,459	136.1	1,448	135.8	1,448

* Reflects the best forecast of total planned spending to the end of the fiscal year.

**SUMMARY OF KEY RESULT COMMITMENTS AND STRATEGIES
FOR THE HEALTH OF THE ENVIRONMENT BUSINESS LINE**

<p>1) Key Result Commitment – <i>Environmental Awareness</i> Information is available to promote environmental awareness and serve as a basis for sound decision-making and the resolution of agri-environmental issues.</p> <p>Strategy Provide relevant and accurate environmental information to foster open and informed dialogue to help farmers, the agri-food sector, citizens and government make sound decisions for today’s and future generations.</p>	<p>Resources (notional allocation) \$millions</p> <p>15.8</p>
<p>Action Plans</p> <ul style="list-style-type: none"> ▪ Develop and gather information to improve the knowledge base of the physical resources and to identify current and emerging concerns regarding agri-environmental issues. ▪ Analyse and interpret, environmental, economic and social information to propose possible solutions to issues. ▪ Prepare and present the information in a form which can be easily accessible and understood. 	
<p>2) Key Result Commitment – <i>Environmental Stewardship</i> Environmental benefits are realized and environmental risks are minimized in the agriculture and agri-food sector.</p> <p>Strategy To realize environmental benefits and reduce environmental risks by leading the development and implementation of economically sustainable best management practices, within a supportive business climate, for adoption by the agriculture and agri-food industry, government, and general public.</p>	<p>Resources (notional allocation) \$millions</p> <p>127.6</p>
<p>Action Plans</p> <ul style="list-style-type: none"> ▪ Identify knowledge and technology gaps to establish priorities. ▪ Conduct research to develop best management practices which protect water, air, soil, and biodiversity. ▪ Develop and link policies and programs which contribute to environmental sustainability. ▪ Create and deliver technology transfer programs which accelerate the adoption of environmentally sound management practices. 	



INNOVATION FOR GROWTH

OBJECTIVE

To foster innovation in order to make Canada the world leader in developing food and other related agricultural products and services that capture opportunities in diversified domestic and global markets.

STRATEGIES

AAFC is working toward this objective by:

- leading the development and adoption of new and non-traditional Canadian products, processes, and practices to increase our competitive edge by providing opportunities for diversification and by investing in an environment that encourages discovery and innovation;
- attracting people and investment by building a dynamic business climate by actively supporting knowledge development, entrepreneurship, and infrastructure to capture opportunities in domestic and global markets; and
- leading the capture of market opportunities for innovative Canadian products and services to create economic growth and promote Canada as a world leader in innovation, food safety and quality, and environmental management.

INTRODUCTION

Developed nations are increasingly achieving economic growth through science-based innovation and strategic marketing of high quality products and services. To succeed in the life sciences economy, Canada requires a strong and collaborative effort, from discovery through to the sale of products and services.

Innovation contributes to the development of more value-added chains in the agricultural economy. It encourages on-farm diversification and diversification from traditional commodity production to new customized products for industrial uses. Innovation also provides the foundation for growth in the agriculture and agri-food sector, access to new market opportunities, security of our food system, intensification of farm production, and contributes to the health of the environment. Innovative products and services capture new growth opportunities and new markets. Diversification expands opportunities for farmers and reduces the agricultural sector's dependence on sales of traditional commodities. Ultimately, the success of the sector will be determined by utilization of leading edge knowledge and skills of our farmers,

entrepreneurs, and scientists.

A business climate that encourages incremental domestic and foreign investment is needed to ensure their development.

The sector is dependent on an abundant and healthy natural resource base. Agriculture faces the challenge of ensuring that the food we produce is safe and is produced in a way which will protect and enhance the environment — our air, our soil and our water supplies. The ability to brand Canada as a world leader with a competitive advantage in the global marketplace requires that on-farm environmental and food safety standards are established and met.

Life sciences, through innovation, skills, and investment, and branding Canadian products and services, provide an opportunity for Canada to reduce its dependence on non-renewable resources and to meet consumer desires for consumption of environmentally friendly products.

CHALLENGES

To be the world leader, Canada must strengthen its position as a destination of choice for global investment by developing and implementing strategic investment initiatives, and by promoting comparative advantages in the agriculture and agri-food sector and in the life science economy.

Globalization presents a key challenge where Canadians face international competition in both our export and domestic marketplaces. Worldwide competition for markets demands innovation, risk taking, and the ability to respond to market changes with new products and services.

A major challenge lies in selecting the products and processes for development, and accepting and managing the related risks. Priorities for research and development should be integrated with competitive, private sector knowledge about markets, regulations, science, technology, and demographics.

The share of the total exports of agriculture and agri-food products captured by processed food and beverages has increased significantly over recent years to over 50 percent in 2000. Firms are investigating

opportunities to produce and market value-added products in non-traditional export markets, in order to lessen the impact of commodity cycles and dependence on any one particular market. The agriculture and agri-food sector is less dependent on U.S. markets than most other economic sectors.

Recruitment, retention, and the development of skills to meet the challenges of the rapidly changing life science economy are major issues. To respond to market opportunities, state-of-the-art production, financial, marketing, and human resource management skills need to be further developed.

Identification, adaptation, and adoption of new agronomic techniques and other skills are required by the evolving farm sector. Skill refinement is important to the future of agricultural and rural communities and to encourage the creation of value-added businesses.

AAFC RESPONSE

To meet these challenges, and take advantage of our strengths, we must focus on the key engines of innovation: information technology and life sciences. Many in the sector, government, and academia see a convergence of information technology, agriculture and agri-food, and medicine. They speak about opportunities for new partnerships that will be forged as Canada capitalizes on its potential to be a world leader in the "new economy."

The federal government is making focused and forward-looking investments in education, research, and innovation. AAFC will take a leadership role in working with our partners to: focus our research and development capacity, to take advantage of strategic investment opportunities; develop and market products that address consumer and citizen desires for environmentally responsible and safe food and non-food products. These products will enhance Canada's global competitiveness and help provide the best quality of life for all Canadians.



Innovation and Discovery —

The desired outcome is the development and adoption of new products, processes, technologies, and services to increase our competitive edge, by investing in an environment that encourages discovery and innovation. Actions to achieve this include:

- creating and contributing to alliances with private and public sector partners for collaborative projects;
- identifying food and non-food areas for innovation, examine gaps and opportunities, including policies and programs;
- conducting research and development for the public good;
- developing and promoting the adoption of new technologies and best practices;
- using public sector research infrastructure as a catalyst/incubator for private sector innovation in Canada; and
- ensuring policies and programs promote innovation, discovery and adoption.

Skills and Investment —

The desired outcome is an entrepreneurial and highly skilled workforce, and a strong investment in the sector and in rural Canada. Opportunities

in domestic and global markets can be captured by attracting people and investment and building a dynamic business climate through actively supporting knowledge development, entrepreneurship, and infrastructure. Actions to achieve this include:

- identifying, with partners, skills, examine gaps and an investment and a regulatory environment appropriate to the development of the sector with a particular focus on life sciences;
- creating alliances to deliver identified skills;
- matching emerging ideas and technologies with investors and partners in Canada and internationally;
- encouraging the development of clusters and/or critical mass to stimulate the life science industry;
- marketing Canada as a destination of choice for retaining existing, and attracting new investment and key skills;
- ensuring that rural Canada has equitable access to skills and investment; and
- partnering with citizens to expand and promote co-operatives to attract investment and

develop skills in the new areas of the knowledge economy.

Market Diversification —

The desired outcome is diversified markets captured by Canadian products and services. Leadership to capture market opportunities for innovative Canadian products and services will create economic growth and promote Canada as a world leader in on-farm food safety and quality, and environmental management. Actions to achieve this include:

- researching, identifying, and communicating new market opportunities, including market analysis and forecasts;
- providing information and intelligence on Canadian supply capability in the life science products;
- promoting the branding of Canada as being environmentally responsible and as a producer of the most innovative, high quality, and safe products in the world;
- supporting strategic marketing efforts and providing targeted trade development services; and
- leading and co-ordinating international agriculture and agri-food market expansion.

PLANNED SPENDING AND FULL TIME EQUIVALENTS

Forecast Spending 2000-2001		Planned Spending 2001-2002		Planned Spending 2002-2003		Planned Spending 2003-2004	
\$ millions	FTE	\$ millions	FTE	\$ millions	FTE	\$ millions	FTE
365.2 *	2,649	387.7	2,676	329.3	2,645	317.3	2,645

* Reflects the best forecast of total planned spending to the end of the fiscal year.

SUMMARY OF KEY RESULT COMMITMENTS FOR THE INNOVATION FOR GROWTH BUSINESS LINE

<p>1) Key Result Commitment – <i>Innovation and Discovery</i> Development and adoption of products, processes, technologies, and services.</p> <p>Strategy Lead the development and adoption of new and non-traditional Canadian products, processes, and practices to increase our competitive edge by providing opportunities for diversification and by investing in an environment that encourages discovery and innovation.</p>	<p>Resources (notional allocation) \$millions</p> <p>228.5</p>
<p>Action Plans</p> <ul style="list-style-type: none"> ▪ Identify food and non-food areas for innovation, examine gaps and opportunities, including policies and programs. ▪ Use public sector research infrastructure as a catalyst/incubator for private sector innovation. ▪ Ensure policies and programs promote innovation, discovery and adoption. ▪ Create and contribute to alliances with private and public sector partners for collaborative projects. ▪ Conduct research and development for the public good and promote the adoption of new technologies and best practices. 	



<p>2) Key Result Commitment – <i>Skills and Investment</i> An entrepreneurial and highly skilled workforce and strong investment in the sector and rural Canada.</p> <p>Strategy Attract people and investment by building a dynamic business climate by actively supporting knowledge development, entrepreneurship, and infrastructure to capture opportunities in domestic and global markets.</p>	<p>Resources (notional allocation) \$millions</p> <p>114.2</p>
<p>Action Plans</p> <ul style="list-style-type: none"> ▪ Identify, with partners, skills, gaps and an investment and a regulatory environment appropriate to the development of the sector, with a particular focus on life sciences. ▪ Create alliances to deliver identified skills. ▪ Encourage the development of clusters and/or critical mass to stimulate the life science industry. ▪ Match emerging ideas and technologies with investors and partners in Canada and internationally. ▪ Market Canada as a destination of choice for retaining existing, and attracting new, investment and key skills. ▪ Ensure that rural Canada has equitable access to skills and investment. ▪ Partner with citizens to expand and promote cooperatives to attract investment and develop skills in the new areas of the knowledge economy. 	
<p>3) Key Result Commitment – <i>Market Diversification</i> Diversified markets captured by Canadian products and services</p> <p>Strategy Lead the capture of market opportunities for innovative Canadian products and services to create economic growth and promote Canada as a world leader in innovation, food safety and quality, and environmental management.</p>	<p>Resources (notional allocation) \$millions</p> <p>45.0</p>
<p>Action Plans</p> <ul style="list-style-type: none"> ▪ Researching, identifying, and communicating new market opportunities, including market analysis and forecasts. ▪ Providing information and intelligence on Canadian supply capability in the life science products. ▪ Promoting the branding of Canada as being environmentally responsible and as a producer of the most innovative, high quality, and safe products in the world. ▪ Supporting strategic marketing efforts and providing targeted trade development services. ▪ Leading and co-ordinating international agriculture and agri-food market expansion. 	

Horizontal Ini



CANADIAN RURAL PARTNERSHIP (CRP)

INTRODUCTION:

VISION FOR RURAL CANADA

In the implementation of the Federal Framework for Action in Rural Canada, the Rural Secretariat located administratively in Agriculture and Agri-Food Canada, leads and coordinates the government-wide effort for rural planning, policy and program development and implementation, and reporting. This cross-government effort, carried out through the Canadian Rural Partnership (CRP), responds to the challenges, issues and opportunities of rural Canadians through partnership initiatives among federal departments and agencies, other levels of government, and rural stakeholders.

Cross-government collaboration is driven by a participatory, bottom-up approach for rural

Canada, that is, vibrant communities with a sustainable resource base where citizens are empowered to make informed decisions about their future, while being given an opportunity to participate fully in the new global knowledge-based economy.

This vision for rural Canada is supported by the 2001 Speech from the Throne:

"We must ensure that every region, every province and territory, every community, and every citizen has a strong voice and can contribute to building our nation. To bring the benefits of our prosperity to all communities, whether urban, rural, Northern or remote."

"Canadian communities of all sizes – whether urban or rural, Aboriginal or multicultural – face diverse challenges

and have unique needs. The Government of Canada will strive to ensure that, wherever possible, its actions and programs are co-ordinated to help build local solutions to address diverse local challenges."

CHALLENGES

While many urban and rural communities share similar development challenges (e.g., access to investment capital, unemployment, poverty, need for leadership skill sets, etc.), those facing rural communities stem from unique circumstances and challenges which must be accommodated: geography; distance from urban markets; low population density; and the cyclical nature of resource-based economies.

To understand and effectively address the challenges faced by rural and remote communities

tiatives

in Canada, a national dialogue with rural Canadians took place in 1998. As an outcome of the Rural Dialogue, the Government of Canada established, in 1999, the Federal Framework for Action in Rural Canada which contains a vision for rural Canada, as well as 11 key priorities:

- access to federal government programs and services;
- access to financial resources;
- opportunities for rural youth;
- human resources, leadership development and community capacity building;
- rural infrastructure;
- rural telecommunications and use of the information highway;
- economic diversification;
- access to health care;
- access to education;

- partnerships for community development; and
- promotion of rural Canada.

GOVERNMENT RESPONSE

In addition, the Government tabled the first Annual Report to Parliament on rural Canada in the House of Commons in May 2000. The report contained over 500 initiatives that contribute to rural community development across the country and that are being implemented by federal departments and agencies in response to rural needs and priorities. The second Annual Report to Parliament is expected to be tabled in the fall of 2001.

In its 2000 Annual Report, the Office of the Auditor General commented favourably on its case study of the CRP and management of the horizontal rural file. It noted, in particular, that the CRP has been success-

ful in keeping the lines of communications open with federal partners, in coordinating and integrating management structures, and in providing strong political and bureaucratic leadership.

In April 2000, nearly 500 people from across the country participated in the National Rural Conference in Magog, Quebec. The Conference allowed participants from rural and remote regions to share lessons learned, to hear the activities underway and to become aware of the concerns of other regions. The federal government learned through the conference what still needs to be done and which tools will assist rural communities to access a similar level of service to that enjoyed by other Canadians.

A number of issues emerged from the National Rural Conference and shaped the federal Rural Action Plan.

Each of the areas in The Plan corresponds to specific issues that are being addressed by federal departments and agencies. The Plan, for instance, focuses on the provision of government services on-line, increasing rural youth participation in community development, and providing rural and remote communities with telecommunications infrastructure. It is evident from many of the responses of conference participants that there is a strong desire to have local experience and knowledge reflected in the implementation of the Action Plan. There is also a sense that there needs to be a “by rural for rural” approach.

Despite progress and investments made to date, rural Canadians want and expect to see federal departments and agencies continue working together in partnership with, and on behalf of, rural Canadians to address their issues and priorities. To respond to their pressing need for enhanced cross-government collaboration, the federal government needs to strengthen and renew the key tools of the CRP initiative: Rural Lens and horizontal coordination; rural research data collection

and analysis; regional rural dialogues and Rural Teams (federal and provincial/territorial representatives in each of the provinces and territories); communications/outreach activities; and pilot projects.

The Rural Lens supports integrated, holistic government decision-making in order to ensure that federal policies, programs and services on social, economic and environmental issues are equipped to respond to issues faced by rural Canadians. This will be accomplished through strengthening interdepartmental partnerships and integrated business planning and performance reporting. The application of the Rural Lens has been further strengthened to include both regional and national economic, social, and environmental issues.

Improving rural research, data collection and analysis through collaborative research projects serves to better understand the fundamental causes and implications of rural issues and the interplay between rural and urban issues, as well as demonstrate horizontal policy leadership and develop collaborative responses. For example, a research study is underway

to look at the reasons behind rural youth migration. The Rural and Small Town Canada Analysis Bulletins, published by Statistics Canada, are studying demographic and labour market trends, spending patterns, Internet use and local economic growth.

Continuing a citizen-centred rural development agenda requires a Rural Dialogue that complements national-level discussion with regional and sub-regional activities through consultations, workshops, and regional conferences. This will encourage relevant discussion with rural citizens tailored to the distinct regional issues and priorities facing rural Canadians. Actions are underway for Rural Dialogue workshops and discussions in all provinces and territories, as well as plans for key regional dialogue conferences in 2001.

Thirteen Rural Teams have shown through their on-the-ground presence and community interface that they are a valuable vehicle to satisfy rural citizens' demand for “one government” responsiveness at the local level. Indeed, increasing the capacity of the Rural Teams stimulates innovative and collaborative ways

of improving access to government programs and services, in addition to nurturing a network of rural stakeholders aimed at strengthening rural development at the local level. As a result, federal Rural Teams are including as members other stakeholders from provincial/territorial governments. For 2001, the Rural Teams in each province and territory will be focusing their collaborative approach on addressing key local issues and broadening their scope to engage more rural citizens and organizations.

To ensure that all rural Canadians are aware of the full range of tools and services offered to them by the federal government, there is a need to strengthen its communications and outreach activities (e.g., fairs, exhibits, and information outreach tools). In particular, maintaining visibility of government actions through rural visits and tours helps foster a climate of trust and partnership with rural communities. The Rural Exhibits Program will continue throughout 2001 with planned visits to another 100 rural communities to provide information on federal programs and services. In addition, the rural

web site will be upgraded to maximize its accessibility of key government information to all users.

Experience with the Pilot Projects Initiative has shown that community innovation, learning and problem-solving, in many ways can be enhanced by allowing communities to test, adapt, and even replicate successful pilot projects and lessons learned. A strategic investment of research funds is needed to inform and accelerate sustainable approaches to rural community development and to build a shared understanding of key rural issues.

Through the 1998 Rural Dialogue and subsequent consultations, rural Canadians have made it clear that they want to be empowered and have control over their future. They want to adopt long-term, sustainable rural community development strategies that will strengthen their community's ability to manage change and to capitalize on opportunities for the future.

It has been observed that capacity, including the capacity to engage community interests, community leadership, and the ability to use economic, social,

and environmental assets, is key to successful community development. However, gaps in access to government resources and tools, skill sets, and a knowledge base have made it a challenge for communities to take greater control of their future. A more comprehensive, community-driven approach to building community capacity is required; one that focuses not only on economic development but also on social development.

The federal government has a leadership role, working in partnership with rural communities, other levels of government and other stakeholders, to develop and implement sustainable approaches to rural community development.

The provision of capacity building assistance equips communities with the ability to use tools to make the most of government investments, and, in the case of resource-dependent communities, assists with sector adaptation and transformation. Some examples of community capacity building initiatives include leadership conferences and the development of a community plan.

RURAL PARTNERS

The federal rural file includes 29 federal members of the Interdepartmental Working Group on Rural (IWG) in addition to provincial/territorial and non-government members of the Rural Teams, and rural stakeholders (academic institutions and community organizations). These partners are providing opportunities for collaboration and partnership at the local community level. There are 29 federal departments and agencies working together under the Canadian Rural Partnership umbrella to deliver an efficient network of programs and services for rural Canadians.

EXPECTED RESULTS

- Heightened awareness and responsiveness of rural issues within the Government and among other stakeholders.
- Government policies, programs, and services that are designed to meet the specific needs, and also to be more accessible, to rural Canadians.

PLANS AND STRATEGIES

Cross-governmentally, continue to elaborate on and implement the Federal Framework for Action in Rural Canada.

- Develop an integrated, cross-government business planning framework.
 - Refine and validate cross-government rural performance indicators.
 - Enhance rural access to federal programs and services.
 - Refine and promote the application of the “Rural Lens” to new and renewed government initiatives.
 - Implement horizontal rural initiatives, e.g., CRP Pilot Projects.
 - Continue the Rural Dialogue through heightened participation of communities and stakeholders in regional rural dialogue activities.
- Implement the Rural Action Plan across the federal government.
 - Report on the Government’s accomplishments and future direction on the rural file through the Annual Report to Parliament.





CO-OPERATIVES SECRETARIAT

INTRODUCTION

Co-operatives are important to the Canadian economy, playing a key role in the agriculture and agri-food sector as well as banking, housing and other sectors. They are of particular importance to rural communities and provide essential services to Canadians.

The Co-operatives Secretariat plays a coordinating role to facilitate co-operative interaction with the federal government by working with relevant federal departments, consulting with the co-op sector, provincial officials and others, supporting the Minister's Advisory Committee on Co-operatives, and supporting research activities, collecting statistics, and developing and distributing publications and electronic promotional products.

CHALLENGES

In order to better position co-operatives to address emerging priorities in the new economy, the key challenges are to raise awareness amongst key economic stakeholders and the general public of co-operatives, ensure that relevant

information on co-ops and expert advice are readily available, and explore and test innovative approaches and uses of the model.

GOVERNMENT RESPONSE

The desired outcomes are:

- increased awareness within Government of the co-op model and of the role that cooperatives can play in both social and economic development;
- policies, programs and legislation that support co-op development to achieve federal policy objectives, and greater harmonization of efforts; and
- increased use of the co-op model in new and emerging areas of the economy.

PLANS AND STRATEGIES

Over the coming year, the Co-operatives Secretariat will work within Government and with partners to:

- build awareness within government of the potential of the co-operative model as a business structure and governance model;

- provide information and expert advice on co-operatives to all federal departments and agencies;
- support research and innovation activities that demonstrate the use and value of the co-op model in the new economy; and
- support an Advisory Committee on Co-operatives that advises the Minister on policies, programs and strategies initiated by the federal government which impact on the economic, social and cultural role of co-operatives in Canada; advises the Minister on policies and strategies initiated by the co-operative sector which will require action on the part of the federal government; and suggests initiatives to be taken by the Co-operatives Secretariat in its role of coordinator of government/co-operative sector interaction.

Financial Info

**TABLE 5.1
PLANNING, REPORTING AND ACCOUNTABILITY STRUCTURE — FINANCIAL CROSS WALK
TO THE 2000-2001 MAIN ESTIMATES (NET PLANNED SPENDING)**

(\$ millions)	Security of the Food System	Health of the Environment	Innovation for Growth	Total Approved Reference Levels
Expanding Markets	19.7	0.7	36.2	56.6
Innovating for a Sustainable Future	0.1	99.0	229.1	328.2
Strong Foundation for the Sector and Rural Communities	1,261.4	25.0	108.7	1,395.1
Sound Departmental Management	37.2	3.6	10.9	51.7
Total Approved Reference Levels	1,318.5	128.3	384.8	1,831.6

Note: AAFC is in a state of dynamic change and the values are only notional allocations.

**TABLE 5.2
SUMMARY OF CAPITAL SPENDING BY BUSINESS LINE**

(\$ millions)	Forecast Spending 2000-2001	Planned Spending 2001-2002	Planned Spending 2002-2003	Planned Spending 2003-2004
Security of the Food System	1.1	1.1	1.1	1.1
Health of the Environment	2.9	3.6	3.5	3.6
Innovation for Growth	35.7	32.8	31.7	31.8
Total	39.7	37.5	36.3	36.4



Information

**TABLE 5.3
DETAILS ON MAJOR CAPITAL PROJECT SPENDING**

(\$ millions)	Current Estimated Total Cost	Forecast Spending to March 31, 2001*	Planned Spending 2001-2002	Planned Spending 2002-2003	Planned Spending 2003-2004	Future Year Spending Requirement
Projects over \$5 million						
Innovation for Growth						
Newfoundland (St. John's), Facility retrofit	10.5	0.2	0.9	2.6	5.0	1.7
P.E.I. (Charlottetown), Consolidation operations (S)	6.9	3.7	3.3	0.0	0.0	0.0
N.S. (Kentville), Facility retrofit	10.0	0.0	0.0	0.0	0.5	9.5
N.B. (Fredericton), Facility retrofit (I)	21.7	3.5	6.4	9.5	2.3	0.0
Quebec (Lennoxville), Renovate Dairy facility	6.5	0.1	0.0	1.1	1.3	4.0
Quebec (St-Hyacinthe), Tech. Innovation Centre (S)	8.0	0.8	4.4	2.9	0.0	0.0
Quebec (Ste-Foy), Expansion of facilities	13.0	0.2	0.0	1.1	2.3	9.4
Ontario (London), Facility upgrade (S)	7.5	7.5	0.0	0.0	0.0	0.0
Ontario (Harrow), Facility retrofit	10.0	0.1	0.0	1.0	4.2	4.7
Manitoba (Winnipeg), Facility retrofit (I)	24.0	1.2	0.0	7.1	10.0	5.7
Alberta (Lethbridge), New multi-purpose facility (S)	34.6	9.2	12.9	1.8	0.0	10.8
Alberta (Beaverlodge), Retrofit of farm	7.0	3.2	0.0	0.0	0.9	2.9
B.C. (Agassiz), New office laboratory (S)	18.0	18.0	0.0	0.0	0.0	0.0
Total projects over \$5 million	-	-	27.8	27.1	26.4	48.7

* Forecast Spending to March 31, 2001 includes expenditures incurred in prior years.

(S) denotes a Substantive Estimate

(I) denotes an Indicative Estimate

Note: Planned spending reflects funds currently approved in the government fiscal plan.

TABLE 5.4
SUMMARY OF TRANSFER PAYMENTS

(\$ millions)	Forecast Spending 2000-2001	Planned Spending 2001-2002	Planned Spending 2002-2003	Planned Spending 2003-2004
Grants				
Security of the Food System	5.0	6.9	5.5	5.5
Health of the Environment	9.9	14.7	10.5	10.5
Innovation for Growth	17.4	17.7	17.7	17.7
Total grants	32.3	39.3	33.6	33.6
Contributions				
Security of the Food System	1,840.2	1,197.1	1,143.8	617.2
Health of the Environment	9.7	9.6	10.3	9.6
Innovation for Growth	55.4	74.3	33.4	30.5
Total contributions	1,905.3	1,281.0	1,187.5	657.3
Total Grants and Contributions	1,937.6	1,320.3	1,221.2	690.9

Note: Planned spending reflects funds currently approved in the government fiscal plan.

TABLE 5.5
DETAILS ON TRANSFER PAYMENT PROGRAMS
GRANTS AND CONTRIBUTIONS

<p>Security of the Food System</p> <p>Objective — To bring the decision-maker closer to citizens, a more cost efficient government and the agricultural sector’s desire for more direct involvement in funding decisions will be accomplished through the funding of industry-led initiatives.</p>	<p>Planned Results — An agriculture and agri-food sector that is able to manage financial, supply, market, health, and environmental risks; a secure domestic and international marketplace for Canadian agricultural products; and to maintain a high level of consumer confidence in the quality, safety and production of Canadian food.</p>
<p>Health of the Environment</p> <p>Objective — Provide relevant and accurate environmental information to foster open and informed dialogue, and to help all parties involved to make sound decisions through public investment to protect water, air, soil and biodiversity.</p>	<p>Planned Results — the provision of relevant and accurate environmental information to foster open and informed dialogue and to help citizens and government, farmers, the agri-food sector, make sound decisions for today’s and future generations; and to realize environmental benefits and reduce environmental risks by leading the development and implementation of economically sustainable best management practices, within a supportive business climate, for adoption by the agriculture and agri-food industry, government and the general public.</p>
<p>Innovation for Growth</p> <p>Objective — Fostering innovation to make Canada the world leader in developing food and other related agricultural products and services, developing and promoting the adoption of new technologies and best practices, and use of public sector research infrastructure as a catalyst/incubator for private sector innovation.</p>	<p>Planned Results — the development and adoption of new products, processes, technologies, and services to increase our competitive edge, by investing in an environment that encourages discovery and innovation; an entrepreneurial and highly skilled workforce, and a strong investment in the sector and in rural Canada; and diversified markets captured by Canadian products and services.</p>

TABLE 5.6
SOURCES OF RESPONDABLE AND NON-RESPONDABLE REVENUE
Responsible Revenue

(\$ millions)	Forecast Revenue 2000-2001*	Planned Revenue 2001-2002	Planned Revenue 2002-2003	Planned Revenue 2003-2004
Security of the Food System				
Net Income Stabilization Account				
– Admin. fees	8.5	8.5	8.5	8.5
Canadian Pari-Mutuel Agency Revolving Fund	10.0	10.1	10.4	8.8
	18.5	18.6	18.9	17.3
Health of the Environment				
Community Pastures	13.8	14.1	14.5	14.5
Canadian Pari-Mutuel Agency Revolving Fund	1.0	1.0	1.0	1.5
	14.8	15.1	15.5	16.0
Innovation for Growth				
Canadian Pari-Mutuel Agency Revolving Fund	2.9	2.9	2.7	3.8
Total Responsible Revenue	36.2	36.6	37.0	37.0

* Forecast Revenue for 2000-2001 includes \$2.0 million of additional Vote-netted revenue authority sought through a Treasury Board submission during the fiscal year (added to Main Estimates Vote-netted revenue authority for a total of \$22.3 million). When added to the Revolving Fund revenue of \$13.9 million, total forecast revenue becomes \$36.2 million.

TABLE 5.6 (cont'd)
SOURCES OF RESPONDABLE AND NON-RESPONDABLE REVENUE
Non-respondable Revenue*

(\$ millions)	Forecast Revenue 2000-2001	Planned Revenue 2001-2002	Planned Revenue 2002-2003	Planned Revenue 2003-2004
Security of the Food System				
Privileges, Licenses and Permits	0.0	0.0	0.0	0.0
Proceeds from Sales of Crown Assets	0.0	0.0	0.0	0.0
Service and Service Fees	1.2	1.2	1.2	1.2
Refund of Previous Years' Expenditures	7.0	7.0	7.0	7.0
Other non-tax revenues	2.3	2.3	2.3	2.3
	10.5	10.5	10.5	10.5
Health of the Environment				
Privileges, Licenses and Permits	1.1	1.1	1.1	1.1
Proceeds from Sales of Crown Assets	1.0	1.0	1.0	1.0
Service and Service Fees	0.3	0.3	0.3	0.3
Refund of Previous Years' Expenditures	0.6	0.6	0.6	0.6
Other non-tax revenues	0.4	0.4	0.4	0.4
	3.5	3.5	3.5	3.5
Innovation for Growth				
Privileges, Licenses and Permits	4.3	4.3	4.3	4.3
Proceeds from Sales of Crown Assets	2.6	2.6	2.6	2.6
Service and Service Fees	2.0	2.0	2.0	2.0
Refund of Previous Years' Expenditures	1.7	1.7	1.7	1.7
Other non-tax revenues	1.0	1.0	1.0	1.0
	11.6	11.6	11.6	11.6
Total Non-Respondable Revenue*	25.5	25.5	25.5	25.5
Total Respondable and Non-respondable* Revenue	61.7	62.1	62.5	62.5

* Additional Non-Respondable revenue, not included in the above figures, include revenues related to the Return on Investments (interest on loans) for Construction of Multi-Purpose Exhibition Buildings, the Farm Credit Corporation and the Canadian Dairy Commission amounting, in total, to: \$67.1 million (2000-2001); \$47.7 million (2001-2002); \$35.2 million (2002-2003); and \$22.5 million (2003-2004).

TABLE 5.7
NET COST OF PROGRAM FOR THE ESTIMATES YEAR (2001-2002)

(\$ millions)	Total
Net Planned Spending (Gross Budgetary and Non-budgetary Main Estimates plus Adjustments)	1,833.6
Plus: Services Received without Charge	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	9.6
Contributions covering employees' share of employees' insurance premiums and expenditures paid by TBS	19.7
Workman's compensation coverage provided by Human Resources Canada	2.6
Salary and associated expenditures of legal services provided by Justice Canada	1.3
	33.2
Less: Non-responsible Revenue	25.5
2001-2002 Net cost of Program	1,841.3

TABLE 5.8
CANADIAN PARI-MUTUEL REVOLVING FUND — STATEMENT OF OPERATIONS

(\$ millions)	Forecast 2000-2001	Planned 2001-2002	Planned 2002-2003	Planned 2003-2004
Responsible Revenue	14.1	14.0	14.0	14.0
Expenses				
Operating:				
Salaries and employee benefits	4.3	4.4	4.4	4.4
Depreciation	0.1	0.1	0.1	0.1
Administrative and support services	9.3	9.4	9.4	9.4
Utilities, materials and supplies	0.1	0.2	0.2	0.2
	13.8	14.1	14.1	14.1
Surplus (Deficit)	0.3	(0.1)	(0.1)	(0.1)



TABLE 5.9
CANADIAN PARI-MUTUEL REVOLVING FUND — STATEMENT OF CHANGES IN FINANCIAL POSITION

(\$ millions)	Forecast 2000-2001	Planned 2001-2002	Planned 2002-2003	Planned 2003-2004
Surplus (Deficit)	0.3	(0.1)	(0.1)	(0.1)
Add non-cash items:				
Depreciation / amortization	0.1	0.1	0.1	0.1
Investing activities:				
Acquisition of depreciable assets	(0.1)	(0.2)	(0.1)	(0.1)
Cash surplus (requirement)	0.3	(0.2)	(0.1)	(0.1)

TABLE 5.10
CANADIAN PARI-MUTUEL REVOLVING FUND — PROJECTED USE OF AUTHORITY

(\$ millions)	Forecast 2000-2001	Planned 2001-2002	Planned 2002-2003	Planned 2003-2004
Authority *	2.0	2.0	2.0	2.0
Drawdown:				
Balance as at April 1	0.5	0.8	0.6	0.5
Projected surplus (Drawdown)	0.3	(0.2)	(0.1)	(0.1)
	0.8	0.6	0.5	0.4
Projected Balance at March 31	2.8	2.6	2.5	2.4

* \$2 million is the maximum amount that may be drawn down from the Consolidated Revenue Fund (CRF) at anytime.

Supplementary



NATIONAL FARM PRODUCTS COUNCIL

MANDATE, ROLE AND RESPONSIBILITIES:

The National Farm Products Council (NFPC) is a government agency established in 1972 under the *Farm Products Agencies Act* and reports directly to Parliament through the Minister of Agriculture and Agri-Food. The council's role is to oversee the national orderly marketing systems for poultry and eggs and any national promotion-research agencies that may be established in the future. The council's mandate is defined in the Act as:

- to advise the Minister on all matters relating to the establishment and operation of agencies under this Act with a view to maintaining and promoting an efficient and competitive industry;
- to review the operation

of agencies with a view to ensuring that they carry on their operations in accordance with their objectives;

- to work with agencies in promoting more effective marketing of farm products in interprovincial and export trade and in the case of promotion-research agencies, in promoting marketing in import trade and in connection with research and promotion activities; and
- to consult, on a continuing basis, with the governments of all provinces having an interest in the establishment or the exercise of the powers of any one or more agencies under the Act.

In addition to its formal mandate to approve agency orders and regulations, hear complaints against agency decisions,

enquire into the establishment of new agencies, etc., Council undertakes discretionary activities that aim to promote the strength and enhance the competitiveness of the sectors which Council oversees.

The Council currently consists of one full time Chairperson and seven part time members appointed from across Canada by the Governor-in-Council. These Council members represent all aspects of the poultry and egg sector and other agri-food sectors, from primary production through to the further processing.

Information

EXTERNAL FACTORS INFLUENCING THE OPERATION OF THE COUNCIL

The following represent major external influences upon the policies governing the Council and the operation of Council during the next planning period:

- changes, conflicts and new operational policies within the national orderly marketing systems which Council oversees;
- changing expectations and demands of provincial and territorial governments with respect to the operation of orderly marketing systems and agricultural policies in general;
- developments in the efforts to renew the federal/provincial/territorial agreements

(FPTAs) which are the basis for the national orderly marketing systems for poultry and eggs;

- rapid changes in the poultry and egg industries due to globalization, technological change, shifting market demands, growing export orientation, etc.;
- World Trade Organization (WTO) negotiations and dispute settlement decisions; and
- workload increases as a result of:
 - proposals for establishment of promotion research agencies;

- requests for Council to undertake formal complaint hearings;

- requests from stakeholders for Council to lead initiatives that help to develop export market opportunities, improve system performance, etc.; and

- increased activity in regard to the administration of the *Agricultural Products Marketing Act*

PLANNED SPENDING:

(\$ millions)	Forecast Spending 2000-2001 ¹	Planned Spending 2001-2002	Planned Spending 2002-2003	Planned Spending 2003-2004
Total Main Estimates ²	2.37	2.47	2.47	2.47
Full Time Equivalents (FTE)	17	17	17	17

Notes:

1. Reflects the best forecast of total planned spending to the end of the fiscal year. This figure includes the carry forward \$94.2 K from 1999-2000.
2. These amounts are included in the Votes of Agriculture and Agri-Food Canada.
3. Services provided without charge include:
 - a) Accommodation provided by Public Works and Government Services Canada (PWGSC);
 - b) Contributions covering employer's share of employees' insurance premiums and expenditures paid by TBS;
 - c) Corporate services such as financial systems, security, Human Resource advice and services provided by Agriculture and Agri-Food Canada.

These amounts are not reflected in the program costs.



Key Result Commitments	
Ensure that the national orderly marketing systems work in the balanced interests of all stakeholders and evolve in step with a sound regulatory framework.	
Planned results	Related activities
Efficient, effective, transparent and accountable supervision of the national orderly marketing agencies in accordance with Council's legal mandate	<ul style="list-style-type: none"> ▪ Review and maintain appropriate policies and guidelines for consideration of agency orders and regulations, facilitating resolution of disputes, hearing of complaints, reporting to the Minister, etc.
Improved collaboration with provincial and territorial government partners in the supervision of orderly marketing systems for poultry and eggs	<ul style="list-style-type: none"> ▪ In cooperation with provincial and territorial supervisory boards, lead initiatives to achieve better federal-provincial-territorial coordination and cooperation in the supervision of orderly marketing systems and their adaptation to change ▪ Undertake initiatives to promote the use of alternate dispute resolution mechanisms in the poultry and egg sectors
In co-operation with the provinces/territories and the industry sectors, renewal of the legal instruments underpinning the national orderly marketing systems	<ul style="list-style-type: none"> ▪ In cooperation with provincial and territorial supervisory boards and the national poultry and egg agencies, encourage and facilitate the renewal of the Federal-Provincial-Territorial Agreements and related federal Proclamations establishing the national agencies and their Marketing Plans

Key Result Commitments

In those agri-food sectors for which Council has responsibility, promote their enhanced strength, competitiveness, profitability and ability to respond to domestic and global market.

Planned results

Related activities

Further awareness of export market opportunities and commitment to export market development by the poultry and egg sectors

- Facilitate the work of an Export Working Group to undertake initiatives that will increase export awareness and lead to the development of an export development strategy for the poultry meat industry
- Through Council's Team Canada Inc. membership, work with federal partners to develop export market development programs and services suited to the needs of the poultry and egg sectors
- Facilitate participation by the poultry meat sector in export market awareness missions, trade shows and conferences

Strengthening of the poultry and egg sectors through greater awareness of opportunities to enhance competitiveness, expand markets, improve supply chain coordination, adapt to globalization, etc.

- Undertake studies, organize workshops and generally promote industry awareness of opportunities to reduce costs, adapt new technologies, coordinate market development strategies, etc.

Improved collaboration with AAFC and other federal partners on all policy and program issues affecting sectors for which Council is responsible

- In cooperation with AAFC, continue to explore ways to streamline the processing of delegation orders under the Agricultural Products Marketing Act

Enhanced awareness of trade policy issues and challenges within the sectors under Council's responsibility and effective advice on trade issues to the Minister

- Monitor the WTO negotiations on agriculture and other bilateral and regional negotiations, facilitate industry understanding of trade policy related pressures and opportunities and provide advice to the Minister on trade policy issues of concern to the sector

Greater awareness amongst all agri-food sectors of the opportunity to establish national promotion-research agencies under Part III of the *Farm Products Agencies Act*

- Complete the legislative process to proclaim the Canadian Beef Cattle Research Market Development and Promotion Agency.
- Develop outreach strategies to communicate and promote promotion research agencies as a viable tool for farmers.

Key Result Commitments

In fulfilling its mandate, ensure that Council manages its operations efficiently, transparently and responsibly.

Planned results

Related activities

Improvement of Council operations in such areas as strategic planning, management reporting and accountability, staff training and development and administrative procedures

- Establish an annual workplan and supporting systems based on Council's Strategic Vision
- In cooperation with AAFC, work to improve Council's visibility within the various reporting tools to Parliament and Central Agencies
- Maintain an annual plan for staff training and development

Greater awareness of Council's role, responsibilities and achievements through effective communications with target audiences

- Implement the annual Communications Plan with particular emphasis on website enhancement
- Hold meetings of Council across Canada in conjunction with regional meetings of Council with governments and industry partners



CANADIAN PARI-MUTUEL AGENCY

OBJECTIVE

Enforcement of the Pari-Mutuel Betting Supervision Regulations pursuant to section 204 of the Criminal Code, to protect the wagering public.

KEY RESULT COMMITMENTS

The Canadian Pari-Mutuel Agency (CPMA)'s mandate is to protect the betting public against fraudulent practices by consistently ensuring integrity and standards in the operation of pari-mutuel betting across Canada which also assists in promoting a viable horse racing industry.

CHALLENGES

The CPMA's strategic plans are focused on maintaining the highest standards for pari-mutuel betting and the surveillance of this activity for which the CPMA is known, both domestically and internationally.

CPMA'S RESPONSE

A balanced revolving fund, where the total levy on betting equals CPMA program expenditures while pursuing excellence in an effective surveillance environment.

PLANNED RESULTS

Effective communications.

- CPMA/Industry Workshop (November 1-2, 2001).
- Continued industry/public consultations on regulatory initiatives.
- Statistical reports and information material.

Maintenance of three-year strategic business plans.

- Investigate partnerships and alternative service delivery mechanisms, as required, to meet revenue expenditure.
- Continue consultations with the Pari-Mutuel Working Group (Federal/Provincial/Industry representatives) on business initiatives of the Agency.

Effective and efficient enforcement operations.

- On-site supervision of all live race days and hosted pools at Canadian race tracks.
- Scheduled inspection of other operated betting sites.

- Development of an on-line automated pari-mutuel betting auditing system.

MEASURES

Sound corporate structure and management:

- Information reporting on revenue, expenditure, pari-mutuel activities (monthly).
- Departmental reporting on plans and priorities.
- Performance measurements strategy and reports for compliance, betting activity, revenue sustainability to accomplish CPMA's mandated objectives and non-core activities (quarterly).
- Employee feedback and performance review (annual).
- Consultation and feedback from industry meetings/workshop (annual).

	Planned Spending 2001-2002	Planned Spending 2002-2003	Planned Spending 2003-2004
Revenues/Expenditures ²	\$14 million	\$14 million	\$14 million

² Revenues and Expenditures are dictated by collecting a level of 8/10th of 1 cent on every \$1 bet in Canada.

All the revenue generated, is from the wagering public, there is no cost to the Canadian taxpayer.

SUSTAINABLE DEVELOPMENT STRATEGY (SDS)

In 2001-2002, AAFC will begin implementing its second Sustainable Development Strategy (SDS II), building on the success of the first SDS (SDS I) that guided the department's sustainable development efforts between 1997 and 2000. SDS I helped the department formalize the process of integrating environmental thinking into policies programs, and operations, and in establishing an approach for monitoring and reporting on sustainable development activities. SDS I has been a learning process and the recommendations in the Commissioner of the Environment and Sustainable Development's 1999 and 2000 reports are being addressed in SDS II. For example, in SDS II clear and measurable targets have been established to judge the success of its implementation.

Two fundamental components form the basis of AAFC's approach to sustainable development. First, a new way to work with partners within the food system to better integrate sustainable development considerations in managing financial, production, supply, market, health and environmental risk. Second, the implementation of a sectoral growth strategy that is built on science, innovation and knowledge and the development of new products and services that are more environmentally sustainable. These components are guiding the department's vision for the future of Canadian agriculture.

SDS II also reflects the input of broad consultations with industry stakeholders, government partners, and people from across Canada. While the main focus remains on those areas that most affect the environment, an effort was made to address all three components of sustainable devel-

opment (social, economic, and environmental) in an integrated fashion. Under SDS II, AAFC will continue to help the sector expand its adoption of environmentally sound management practices to be more sustainable through its policies and programs, its research and development activities, and education and awareness. Coordination and integration of SDS II into the Department's management systems will help to ensure success for implementing, monitoring, improving and reporting on sustainable development commitments.

The following framework lays out the four themes or "Strategic Directions" of SDS II, the objectives of each and AAFC's commitments to achieving these objectives. It provides a clear indication of the nature of activities that AAFC will undertake to contribute significantly to the sustainable development of Canadian agriculture.

Strategic Direction / SDS II Objectives	Departmental Commitments
1. Environmental sustainability of our natural resources	
Improve the health of our soils	<ul style="list-style-type: none"> ▪ To work with the sector and with stakeholders to increase the sector's capacity to manage soil resources and adopt conservation practices aimed at the long-term sustainability of agricultural soils in all regions of Canada. ▪ To conduct research and development activities to develop innovative practices, technologies, or management practices, and to increase our understanding of factors affecting soil health. ▪ To engage in education and awareness activities to promote best practices and demonstrate their effectiveness to the sector. Information will be provided to the sector on ways to optimize production and minimize negative impacts on the environment. ▪ To evaluate policy options that could enhance the sector's capacity to manage soil resources.
Improve the health of our water	<ul style="list-style-type: none"> ▪ To work with the sector and with stakeholders, in targeting areas of intensive crop and livestock production in order to enhance their capacity to reduce risks of water contamination by manure or nutrients (nitrogen and phosphorus), and to enhance the capacity of primary agriculture and agri-food processing to manage water resources and achieve more efficient water use. ▪ To conduct research and development activities to develop innovative practices, technologies, or management practices, and to increase our understanding of factors affecting water quality and availability. ▪ To engage in education and awareness activities to promote best practices and demonstrate their effectiveness to the sector. Information will be provided to the sector on ways to optimize production and minimize negative impacts on the environment. ▪ To evaluate policy options that could improve public access to good quality, secure water supplies.

Strategic Direction / SDS II Objectives	Departmental Commitments
1. Environmental sustainability of our natural resources (cont'd)	
Improve the health of our air	<ul style="list-style-type: none"> ▪ To work with the sector and with stakeholders to reduce agricultural emissions that affect air quality, the ozone layer, and climate change. In doing so, we will ensure that the agriculture and agri-food sector contributes its share to meet Canada's targets under the Kyoto Protocol and the Montreal Protocol. ▪ To conduct research and development activities to develop sustainable farming systems based on innovative practices, technologies, or management practices, and to increase our understanding of factors affecting air quality, climate change, and their impact on agriculture. ▪ To engage in education and awareness activities to promote best practices and demonstrate their effectiveness to the sector. Information will be provided to the sector on ways to optimize production and minimize negative impacts on the environment.
Improve agricultural biodiversity	<ul style="list-style-type: none"> ▪ To evaluate policy options that could enhance the sector's capacity to mitigate impacts on air and on the ozone layer, and adapt to climate change. ▪ To work with the sector and with stakeholders to increase the knowledge and understanding of agricultural biodiversity, and to demonstrate the importance of conserving this biodiversity. ▪ To invest in research and development on crop plant genetic resources as an important step in the development of new crops and new uses for traditional crops, as well as in long-term research to increase its knowledge and understanding of the possible impact on agro-ecosystems of plants with novel traits. ▪ To engage in education and awareness activities to improve the conservation, sustainable use, and enhancement of agricultural biodiversity.

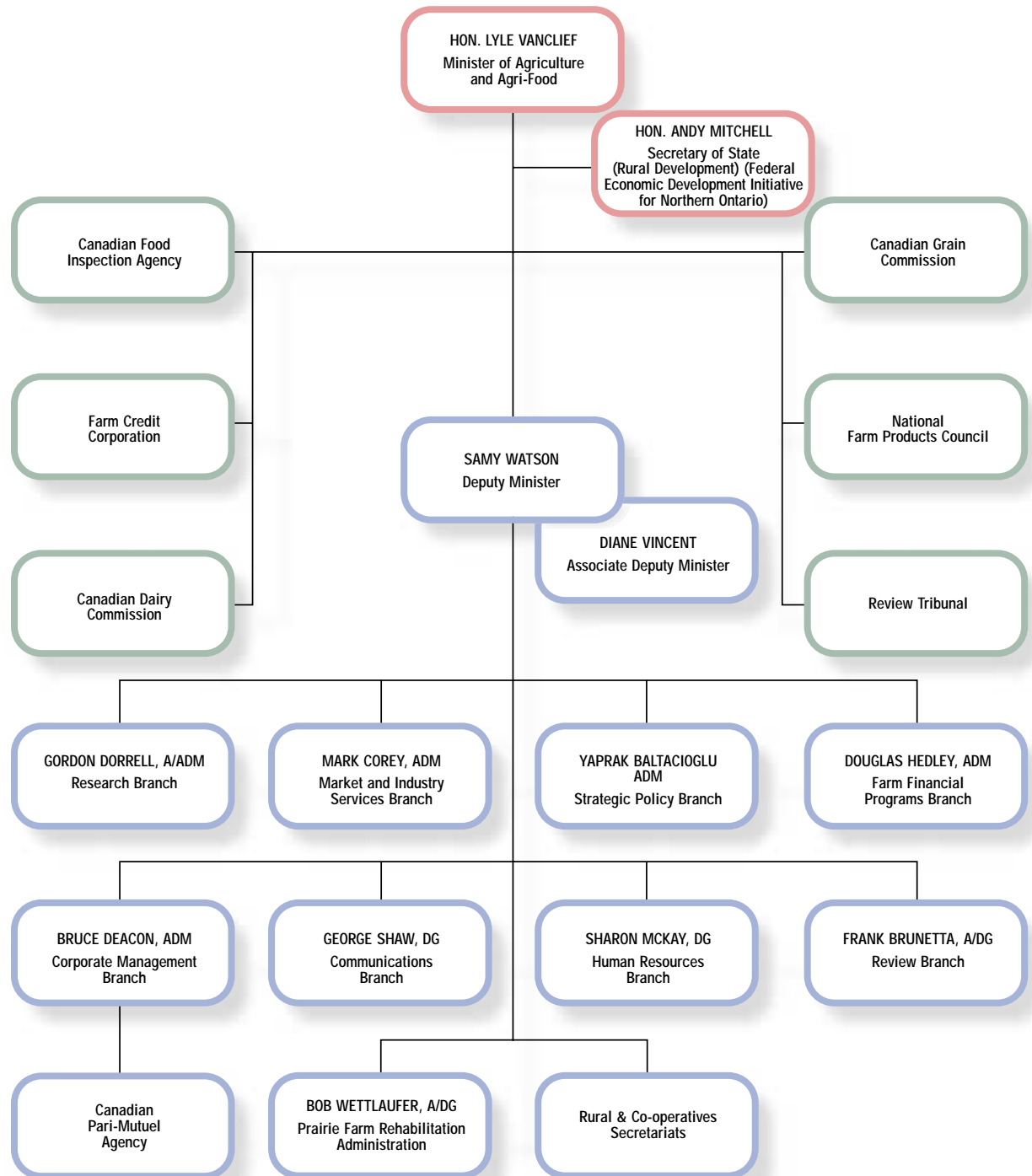
Strategic Direction / SDS II Objectives	Departmental Commitments
1. Environmental sustainability of our natural resources (cont'd)	
Improve the conservation of natural biodiversity	<ul style="list-style-type: none"> ▪ To work collaboratively with the sector, with other federal departments and agencies, with provincial governments, and with other stakeholders to improve the conservation, sustainable use, and enhancement of natural biodiversity, particularly within Canada's agro-ecosystems. ▪ To provide leadership in strengthening Canada's biodiversity science and networking capacity, and in increasing the knowledge, understanding, and awareness of biodiversity of significance to agriculture and to the natural world, and the importance of conserving it. ▪ To take steps to ensure that the information and knowledge gained regarding natural biodiversity is provided to the sector and to the general public.

Strategic Direction / SDS II Objectives	Departmental Commitments
2. Prosperous and viable sector in a sustainable manner	
Improved productivity through eco-efficiency	<ul style="list-style-type: none"> ▪ To partner with other departments, the agriculture and agri-food sector, and other stakeholders to increase understanding and awareness of eco-efficiency and to encourage development and adoption of eco-efficiency management tools, technologies, and practices.
Improved investment, market access and market development for agriculture and agri-food products, technologies and knowledge that contribute to sustainable agriculture.	<ul style="list-style-type: none"> ▪ To assist the sector in achieving a favourable business climate by integrating sustainable development principles into its investment strategy, through the analysis of the sustainable development business climates of selected nations and by addressing barriers to trade. We will work to find the right place in the market for products, technologies, and knowledge that contribute to sustainable agriculture through the development of information and the communication of opportunities to both domestic and foreign investors, and the promotion of the life science economy. ▪ Work to find the right place in the market for products, technologies, and knowledge that contribute to sustainable agriculture through the development of information and the communication of opportunities to both domestic and foreign investors, and the promotion of the life science economy.

Strategic Direction / SDS II Objectives	Departmental Commitments
3. Agriculture and agri-food sector contributes to sustainable communities	
Risk reduction in pest management	<ul style="list-style-type: none"> ▪ To work with the sector and with stakeholders to reduce risk from pest management. ▪ To support research and development activities to develop reduced-risk pest control products or management practices, and to increase our understanding of pest control in agriculture. ▪ To engage in education and awareness activities to promote integrated pesticide management and best practices and demonstrate their effectiveness to the sector. ▪ To evaluate policy options that could enhance the sector's capacity to facilitate the introduction of reduced-risk pest control products.
Informed public dialogue on agri-environmental issues	<ul style="list-style-type: none"> ▪ To work with the sector and with stakeholders to provide information and knowledge for informed land management decision-making. ▪ To provide information on the sector's progress towards sustainable agriculture and agri-food production, and communicate with Canadians to identify and address their concerns related to increased agricultural production.
Healthy innovative products	<ul style="list-style-type: none"> ▪ To work with its partners and with other stakeholders to position Canada as a world leader and centre of excellence in the research, production, and marketing of innovative, safe, high-quality, environmentally friendly and efficacious functional foods and nutraceuticals, and in the facilitation of consumer access to a wide range of products with potential benefits for health.

Strategic Direction / SDS II Objectives	Departmental Commitments
4. Sustainable development integrated in departmental policies, programs and operations	
Sustainable development principles integrated into policy and program development	<ul style="list-style-type: none"> ▪ To educate its policy analysts and senior management about sustainable development to ensure that they have the knowledge, capacity and contacts to consider economic, social and agri-environmental principles when providing policy, program, or legislative advice. ▪ To review departmental policies, programs, and legislation from a sustainable development perspective and coordinate with other departments in integrating sustainable development analysis into policy development. ▪ To produce and publish analyses of key policy options and initiatives, and then review how this information was used to improve the outcomes of sustainable development analysis.
Greening departmental operations	<ul style="list-style-type: none"> ▪ To promote the purchase of environmentally responsible goods and services. ▪ To improve waste management practices. ▪ To improve water conservation and wastewater management. ▪ To improve building energy management and efficiency. ▪ To improve fleet management practices. ▪ To reduce departmental risks and liability from land management.

AAFC ORGANIZATIONAL CHART



LEGISLATION ADMINISTERED BY THE MINISTER OF AGRICULTURE AND AGRI-FOOD

The Minister has sole responsibility to Parliament for the following Acts which are administered by AAFC:

<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 (DORMANT)</i> ⁽¹⁾	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>ANIMAL PEDIGREE ACT</i>	R.S.C., 1985, C. 8 (4 th SUPP.), AS AMENDED
<i>CANAGREX DISSOLUTION ACT (DORMANT)</i>	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 DEBT MEDIATION ACT</i>	S.C., 1997, C. 21
<i>FARM IMPROVEMENT AND MARKETING COOPERATIVES LOANS ACT</i>	R.S.C., 1985, C. 25 (3 rd 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>LIVESTOCK FEED ASSISTANCE ACT (DORMANT)</i>	R.S.C., 1985, C. L-10, 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>WESTERN GRAIN TRANSITION PAYMENTS ACT</i>	S.C. 1995, C. 17, SCH. II

The Minister shares responsibility to Parliament for the following Acts:

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, PARAGRAPH 10(2)</i>	(E) R.S.C., 1985, C. E-22, AS AMENDED (MINISTER OF FOREIGN AFFAIRS)

Legislation Administered by Agencies Outside of AAFC

<i>AGRICULTURE AND AGRI-FOOD ADMINISTRATIVE MONETARY PENALTIES ACT,</i>	1995, C. 40
<i>CANADA AGRICULTURAL PRODUCTS ACT</i>	R.S. 1985, C. 20 , 4 th SUPP.
<i>CANADIAN DAIRY COMMISSION ACT</i>	R.S.C., 1985, C. C-15, AS AMENDED
<i>CANADIAN FOOD INSPECTION AGENCY ACT,</i>	1997, C. 6
<i>CANADIAN GRAIN ACT</i>	R.S.C., 1985,C. G-10,AS AMENDED
<i>CONSUMER PACKAGING AND LABELLING ACT</i>	R.S. 1985, C. C-38
<i>FARM CREDIT CORPORATION ACT</i>	R.S.C., 1993, C. 14, AS AMENDED
<i>FARM PRODUCTS AGENCIES ACT</i>	R.S.C., 1985, C. F-4, AS AMENDED
<i>FEEDS ACT</i>	R.S. 1985, C. F-9
<i>FERTILIZERS ACT</i>	R.S. 1985, C. F-10
<i>FISH INSPECTION ACT</i>	R.S. 1985, C. F-12
<i>FOOD AND DRUGS ACT</i>	R.S. 1985, C. F -27
<i>HEALTH OF ANIMALS ACT 1990,</i>	C. 21
<i>MEAT INSPECTION ACT</i>	R.S. 1985, C. 25 , 1 st SUPP.
<i>PLANT BREEDERS' RIGHTS ACT 1990,</i>	C. 20
<i>PLANT PROTECTION ACT 1990,</i>	C. 22
<i>SEEDS ACT</i>	R.S. 1985, C. S-8

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.

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