



Farm Income, Financial Conditions and Government Assistance

Data Book



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Financial Conditions
and Government Assistance
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Farm Income and Adaptation Policy Directorate
Strategic Policy Branch

March 2001

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ABBREVIATIONS

AIDA	Agriculture Income Disaster Assistance	FSAM	Farm Support and Adjustment Measures
AMPA	Agricultural Marketing Programs Act	GDP	Gross Domestic Product
APCA	Advance Payments for Crops Act	GREPA	Groupe de recherche en économie et politique agricoles
APCMA	Agricultural Products Cooperative Marketing Act	GRIP	Gross Revenue Insurance Plan
ARFAA	Atlantic Region Freight Assistance Act	MFRA	Maritime Freight Rates Act
ASA	Agricultural Stabilization Act	NISA	Net Income Stabilization Account
CFIP	Canadian Farm Income Program	NTSP	National Tripartite Stabilization Program
CIDA	Canadian International Development Agency	PGAPA	Prairie Grain Advance Payment Act
CWB	Canadian Wheat Board	TDP	Taxation Data Program
EDC	Export Development Corporation	WGSA	Western Grain Stabilization Act
FCC	Farm Credit Corporation	WGTA	Western Grain Transportation Act
FIMCLA	Farm Improvement and Marketing Cooperatives Loans Act	WGTPP	Western Grain Transition Payments Program

SYMBOLS

- .. figures not available
- ... figures not appropriate
- x confidential

INTRODUCTION

The purpose of this data book is to provide easy access to key economic and financial indicators for the farm sector and information on government assistance to the agriculture and agri-food sector. The information is prepared in consultation with the provincial Ministries of Agriculture. Assistance is also provided by other members of Agriculture and Agri-Food Canada as well as by officials in other federal and provincial departments.

The data book is divided into four sections. Section A presents information related to farm income. Section B contains information on farm financial conditions. Section C provides data on government expenditures for the agri-food sector. Section D contains information on government transfers to agricultural producers. Notes on the methodology are provided at the end of each section.

This issue provides the most up-to-date key economic and financial indicators, including farm income forecast figures for 2000 and 2001. Electronic updates for certain parts of the Data Book will be provided during the current year on the following tentative dates on the Agriculture and Agri-Food Canada Online website at www.agr.ca/policy/epad. The next hard copy issue will be released in March 2002 and will also be available on the Departmental website.

ELECTRONIC UPDATES FOR 2001

Section A	Farm Income	• Aggregate • Farm Level	July July and October
Section B	Farm Financial Conditions		June and October
Section C	Government Expenditures		June and October
Section D	Government Transfers		June

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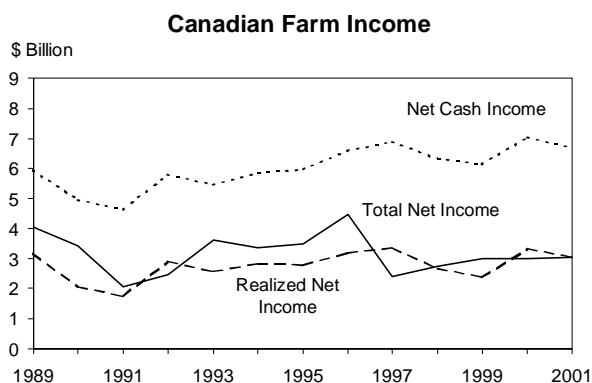
SUMMARY

A. Farm Income

Farm Income - Aggregate Level

- Canada Net Cash Income and Realized Net Income (RNI) are expected to increase in 2000 to a level above the 1995-99 average, as higher livestock receipts and program payments more than offset lower crop receipts and increases in operating expenses. RNI is expected to decline in 2001 from the previous year due mainly to a reduction in program payments but should remain above the five-year average.

- In 2000, all provinces are expected to register higher RNI than the 1995-99 average except Prince Edward Island, Manitoba and Saskatchewan. While the situation is expected to deteriorate further in 2001 for Prince Edward Island and Saskatchewan relative to the five-year average, Manitoba is forecast to move above the average due primarily to improved crop receipts. Alberta RNI is forecast to drop below the average level in 2001 mainly due to lower program payments and higher expenses.



- Provincially for the year 2000 and 2001, crop receipts in the Prairies are forecast to remain below the five-year average. Livestock receipts are expected to be above the average in all provinces, reflecting strong red meat prices. Program payments in Ontario and the Prairie provinces are forecast to be significantly higher than the average.

The key factors in the 2000-01 outlook are:

- The low farm income on the Prairies in 2000 reflects continued weakness in the grains and oilseeds sector. Grain and oilseed prices are low due to an oversupply of these commodities resulting from a number of consecutive large world

crops. While grain prices are showing some improvement as world surpluses are reduced, oilseed prices continue to be weak. Crop receipts are expected to increase in 2001 but to remain slightly below the five-year average. Livestock receipts are expected to grow at a slower rate in 2001 mainly because of declines in hog prices which should be partially offset by higher marketings.

- Operating expenses are expected to increase in 2000 mainly due to higher fuel and fertilizer prices as well as interest expenses. Increased crop area in Western Canada contributed to the trend. Livestock purchases should increase in 2000 primarily due to higher feeder cattle and calf prices as well as higher levels of international imports. Expenses should continue to increase in 2001 as prices and usage of commercial feed and interest expenses go up. Fuel expenses are expected to decrease in 2001 reflecting a drop in crude oil prices. Depreciation charges should begin to decline in 2000 in response to lower sales of new machinery and equipment in recent years.

- Program payments are expected to decrease in 2001 following a strong increase in 2000. The increase is mainly due to higher Net Income Stabilization Account (NISA) withdrawals, crop insurance payments, Agricultural Income Disaster Assistance (AIDA) payments, the one-time Canada-Manitoba and Canada-Saskatchewan adjustment payments, and the Alberta Farm Income Assistance program.

Farm Income - Farm Level

Benchmark farms are based on historical tax data, and forecasts are driven mainly by the results of the aggregate farm income forecast. Consequently, the income changes reflected in the 2001 benchmark farm forecasts assume that operators adjust their production to reflect the changes in direction and magnitude reflected in the provincial aggregate estimates. Average crop yields and livestock production levels are assumed in the forecast period. Furthermore, the farms are designed to increase in size over time to reflect adoption of new technologies and production efficiencies.

- A northwest New Brunswick benchmark potato farm is forecast to experience a 33% increase in Net Cash Income in 2001. Potato sales are 6% lower as a result of both lower expected potato prices and production, and expenses are 2% higher primarily because of increases in fertilizer and interest costs. This is more than offset by higher NISA withdrawals.

- The benchmark hog farm in the Quebec City region has been expanding steadily over the past few years, supported by strong program payments. Following a very high income year in 2000, Net Cash Income is forecast to decline by 28% in 2001. Though hog production is expected to be up slightly, prices are expected to be down about 7% from levels in 2000. Along with production increases, feed costs and interest costs combine to move total expenses up by 7%.

- A southern Ontario benchmark grain and oilseed farm is expected to have slightly better Net Cash Income in 2001, up 1%. Total Cash Receipts are 3% higher, primarily the result of better Other Cash Receipts, though program payments and crop revenues are also up. Wheat prices are expected to be much stronger and corn prices are also up. Conversely, soybean prices are expected to fall. Interest, seed and fertilizer cost increases combine to increase Total Operating Expenses by 3%.

- Grains and Oilseeds Receipts on the Saskatchewan benchmark grains and oilseeds farm are expected to be up by 8% in 2001 on the basis of increased prices for spring wheat, barley and field peas. Interest, fertilizer and livestock costs increase, raising Total Operating Expenses by 2%. Overall, though, Net Cash Income is down by 20% because program payments are less than half of the high levels in 2000.

- Net Cash Income on a southwest British Columbia dairy benchmark farm will be about the same in 2001 as in 2000. Milk Sales will be up by 4%. However, Total Operating Expenses will be up by 6% because feed costs, livestock purchases and interest expenses are higher.

B. Farm Financial Conditions

- In 1999, farm debt in Canada increased by 8.3%. The largest percentage increases occurred in Quebec and Manitoba.

- From 1997 to 1999, the annual farm bankruptcies were practically unchanged. In 1999, there were 243 farm bankruptcies while there were 244 in 1998.

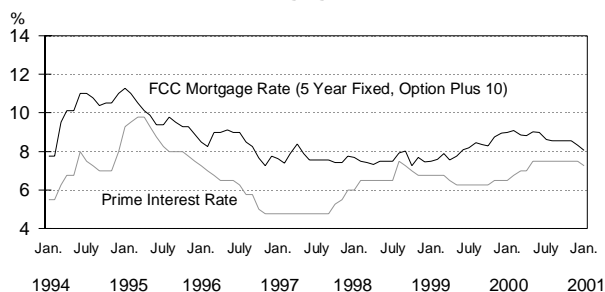
- From 1998-99 to 1999-00, the Farm Credit Corporation increased its total number of loans receivable by 1.9% and the total amount of loans by 7.9%. Although the number of loans approved decreased slightly in 1999-00 from the previous year, the average size of loans approved increased by 4.4%.

- The value of new loans registered under FIMCLA decreased 16.6% between 1998-99 and 1999-00.

- Average assets and net worth of Canadian farms increased between 1997 and 1999.

- Diesel fuel prices across Canada steadily increased during 2000. Based on available data, it increased by approximately 20.0% in the year, and is a continuation of an increasing trend which began in January 1999. Similarly, nitrogen fertilizer prices have also been on an increasing trend since January 2000, even though they are still below prices between 1995 and 1997. Average ammonia (46-0-0) prices in 2000 have increased by 7.0% over 1999.

FCC Farm Mortgage Interest Rate



C. Government Expenditures

- Government expenditures consist of all charges related to the agri-food sector that enter into the calculation of the annual deficit or surplus of federal and provincial governments. They include operating and capital costs as well as payments or contributions under government programs.

- Federal expenditures for 1999-00 are actual data taken mainly from public accounts. Provincial expenditures for 1999-00 are also actual data with the exception of Prince Edward Island, New

Brunswick and Nova Scotia. For 2000-01, government expenditures are taken mainly from 2000 provincial and federal budget documents.

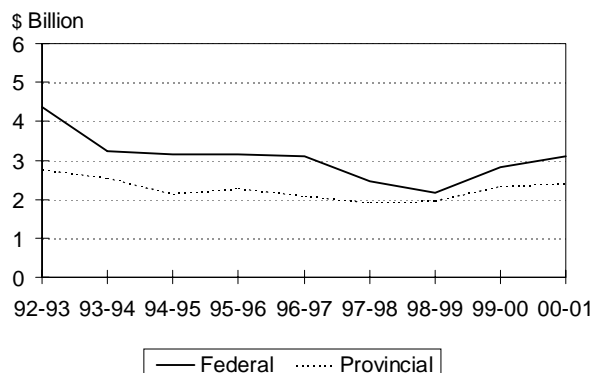
- Federal expenditures increased by 30.6% (\$661 million) over the previous year to reach \$2.82 billion in 1999-2000. This increase brought federal support to the agri-food sector just above the previous five-year average (1994-98) of \$2.81 billion. The largest component of this increase was income support delivered through the Agricultural Income Disaster Assistance (AIDA) program. Federal support is expected to increase 9.8% in 2000-01, to reach \$3.10 billion.

- Program payments, which include for the most part payments made directly to producers, represent 41% and 55% of total federal support to the agri-food sector in 1999-00 and 2000-01, respectively. Research and inspection ranks second with 24% and 20%, respectively. Categories related to food aid, international assistance, regional development and trade combine to represent 20% of federal support in each year.

- Provincial expenditures increased 19.1% (\$374 million) in 1999-00, reaching \$2.33 billion. Increases were reported in Prince Edward Island, New Brunswick, Quebec, Ontario, Manitoba and Alberta. Program payments formed the largest category of support, amounting to 47.5% of expenditures.

- Provincial spending is estimated to increase 2.9% in 2000-01, to reach \$2.40 billion. Newfoundland, Quebec, Ontario and British Columbia project increased expenditures, while in the other provinces reduced expenditures are expected. Program payments are forecast to account for 45.4% of provincial agri-food support in 2000-01.

Agri-Food Expenditures

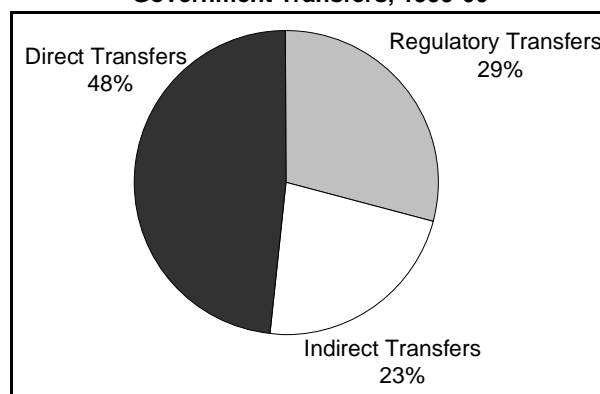


- The federal government is adopting full accrual accounting, scheduled to be fully implemented within the federal government by 2001-02. The impact of this change on calculating Government Expenditures will primarily occur through capitalization of tangible assets. Under modified accrual accounting, the entire amount of a capital acquisition was included in the year acquired. Under full accrual accounting, capital expenditures will reflect the amortization costs of tangible assets over their useful life. Most provincial governments have either adopted or are also moving to this system of accounting.

D. Government Transfers

- Government transfers to producers include direct transfers (from taxpayers to producers), indirect transfers (from taxpayers to agriculture but not directly to producers), and government regulations which offer support indirectly through higher market returns (from consumers to producers).

Government Transfers, 1999-00



- Government transfers to producers for fiscal years 1998-99 and 1999-00, in dollar amounts and percentage terms, are summarized in the following table. Key results are as follows:

- The value of government support to Canadian producers totalled \$4.23 billion in 1999-00, up \$769 million from the previous year.
- The dollar value of government transfers increased in 1999-00 for all provinces except Newfoundland. The largest increase occurred in Saskatchewan (+ \$251 million), followed by Ontario (+\$232 million) and Manitoba (+\$169 million).
- As a percentage of adjusted value of production (AVOP), government transfers amounted to 13.1% in 1999-00, up from

10.7% in 1998-99. Provincially, the largest increase was in Manitoba, where transfers rose by 4.72% of AVOP.

Government Transfers, Canada and Provinces

	1998-99		1999-00	
	\$ (million)	\$/100 AVOP ⁽¹⁾	\$ (million)	\$/100 AVOP
Newfoundland	16	23.2	15	21.6
Prince Edward Island	35	9.1	42	10.2
Nova Scotia	62	16.1	72	19.1
New Brunswick	41	11.1	44	12.4
Quebec	1,012	18.6	1,079	19.9
Ontario	825	12.1	1,057	15.2
Manitoba	230	6.7	399	11.4
Saskatchewan	472	6.8	723	10.5
Alberta	580	8.0	598	8.6
British Columbia	190	14.2	203	14.4
Canada	3,464	10.7	4,233	13.1

NOTE:

- (1) AVOP (adjusted value of production) is the most recent three-year average value of production plus current year direct transfers to producers. For example, the AVOP used in the 1999-00 results equals the three-year average value of production for fiscal years 1997-98 through 1999-00, plus direct transfers during fiscal year 1999-00.

SECTION A
Farm Income

Table A.1: Farm Receipts, Expenses and Income Forecast, Canada and Provinces, 1999-01

	1999	Average	2000	Percent change		2001	Percent change	
		95-99		00/99	00/95-99		01/00	01/95-99
	\$ Million	\$ Million	\$ Million	%	%	\$ Million	%	%
CANADA								
Crop Receipts	13,292	13,764	12,940	-3	-6	13,726	6	0
Livestock Receipts	15,206	14,170	16,932	11	19	17,280	2	22
Total Market Receipts	28,499	27,935	29,872	5	7	31,006	4	11
Program Payments	1,964	1,422	2,841	45	100	2,340	-18	65
Total Cash Receipts	30,462	29,357	32,713	7	11	33,346	2	14
Net Operating Expenses	24,333	22,986	25,660	5	12	26,684	4	16
Net Cash Income	6,129	6,372	7,053	15	11	6,662	-6	5
Realized Net Income	2,391	2,879	3,346	40	16	3,053	-9	6
Total Net Income	2,991	3,228	2,991	0	-7	3,032	1	-6
NEWFOUNDLAND								
Crop Receipts	14	13	15	11	13	15	1	14
Livestock Receipts	64	58	62	-3	7	65	4	11
Total Market Receipts	78	72	77	-1	8	80	4	12
Program Payments	0	3	0	19	-87	0	18	-85
Total Cash Receipts	78	75	78	-1	4	80	4	7
Net Operating Expenses	56	58	57	2	-2	59	2	0
Net Cash Income	22	17	20	-7	23	22	7	32
Realized Net Income	19	13	17	-7	30	19	10	43
Total Net Income	20	13	17	-13	29	19	10	42
PRINCE EDWARD ISLAND								
Crop Receipts	227	185	200	-12	8	188	-6	2
Livestock Receipts	106	111	118	11	6	119	1	7
Total Market Receipts	334	296	318	-5	7	307	-3	4
Program Payments	19	15	21	12	36	21	-1	35
Total Cash Receipts	352	312	339	-4	9	328	-3	5
Net Operating Expenses	263	250	275	4	10	285	3	14
Net Cash Income	89	61	64	-28	4	43	-32	-29
Realized Net Income	60	34	33	-44	-1	13	-60	-60
Total Net Income	55	42	43	-23	1	3	-94	-94
NOVA SCOTIA								
Crop Receipts	140	120	141	1	18	143	2	20
Livestock Receipts	239	240	268	12	11	275	3	14
Total Market Receipts	378	360	409	8	13	418	2	16
Program Payments	15	11	12	-20	3	11	-4	-1
Total Cash Receipts	393	372	420	7	13	429	2	15
Net Operating Expenses	309	297	321	4	8	333	4	12
Net Cash Income	83	74	100	20	35	97	-3	30
Realized Net Income	47	40	62	31	55	58	-6	47
Total Net Income	44	39	63	44	61	58	-8	48

Source: Historical data (1999), Statistics Canada, Catalogue No. 21-603, Agriculture Economic Statistics.
Forecast figures for 2000 and 2001, Agriculture and Agri-Food Canada.

Table A.1: Farm Receipts, Expenses and Income Forecast, Canada and Provinces, 1999-01 (cont'd)

	1999	Average	2000	Percent change		2001	Percent change	
		95-99		00/99	00/95-99		01/00	01/95-99
	\$ Million	\$ Million	\$ Million	%	%	\$ Million	%	%
NEW BRUNSWICK								
Crop Receipts	184	144	177	-4	23	175	-1	21
Livestock Receipts	182	173	205	13	19	213	4	24
Total Market Receipts	367	317	382	4	21	388	2	23
Program Payments	6	10	6	9	-39	12	96	19
Total Cash Receipts	372	327	388	4	19	401	3	23
Net Operating Expenses	287	269	301	5	12	315	5	17
Net Cash Income	86	58	87	2	49	85	-2	46
Realized Net Income	57	31	57	1	83	55	-4	76
Total Net Income	44	33	58	33	78	57	-2	74
QUEBEC								
Crop Receipts	1,270	1,167	1,308	3	12	1,303	0	12
Livestock Receipts	3,236	3,122	3,636	12	16	3,649	0	17
Total Market Receipts	4,507	4,289	4,944	10	15	4,952	0	15
Program Payments	630	487	559	-11	15	447	-20	-8
Total Cash Receipts	5,137	4,776	5,503	7	15	5,399	-2	13
Net Operating Expenses	3,885	3,664	4,017	3	10	4,207	5	15
Net Cash Income	1,252	1,112	1,487	19	34	1,192	-20	7
Realized Net Income	843	738	1,079	28	46	788	-27	7
Total Net Income	837	763	976	17	28	857	-12	12
ONTARIO								
Crop Receipts	3,159	3,004	3,177	1	6	3,255	2	8
Livestock Receipts	3,741	3,654	4,158	11	14	4,204	1	15
Total Market Receipts	6,900	6,658	7,335	6	10	7,459	2	12
Program Payments	342	185	404	18	118	476	18	157
Total Cash Receipts	7,242	6,843	7,739	7	13	7,935	3	16
Net Operating Expenses	5,933	5,570	6,199	4	11	6,440	4	16
Net Cash Income	1,309	1,273	1,541	18	21	1,496	-3	18
Realized Net Income	479	473	734	53	55	716	-2	51
Total Net Income	476	507	579	22	14	762	32	50
MANITOBA								
Crop Receipts	1,428	1,577	1,232	-14	-22	1,459	18	-8
Livestock Receipts	1,333	1,170	1,604	20	37	1,640	2	40
Total Market Receipts	2,761	2,747	2,835	3	3	3,099	9	13
Program Payments	212	124	285	34	129	269	-5	117
Total Cash Receipts	2,972	2,872	3,120	5	9	3,368	8	17
Net Operating Expenses	2,353	2,272	2,552	8	12	2,686	5	18
Net Cash Income	620	600	568	-8	-5	682	20	14
Realized Net Income	269	273	221	-18	-19	347	57	27
Total Net Income	226	316	304	35	-4	287	-6	-9

Source: Historical data (1999), Statistics Canada, Catalogue No. 21-603, Agriculture Economic Statistics.
Forecast figures for 2000 and 2001, Agriculture and Agri-Food Canada.

Table A.1: Farm Receipts, Expenses and Income Forecast, Canada and Provinces, 1999-01 (cont'd)

	1999	Average	2000	Percent change		2001	Percent change	
		95-99		00/99	00/95-99		01/00	01/95-99
	\$ Million	\$ Million	\$ Million	%	%	\$ Million	%	%
SASKATCHEWAN								
Crop Receipts	3,655	4,122	3,537	-3	-14	3,759	6	-9
Livestock Receipts	1,335	1,169	1,377	3	18	1,342	-3	15
Total Market Receipts	4,991	5,291	4,913	-2	-7	5,101	4	-4
Program Payments	467	349	796	70	128	621	-22	78
Total Cash Receipts	5,458	5,640	5,709	5	1	5,722	0	1
Net Operating Expenses	4,271	4,206	4,558	7	8	4,647	2	10
Net Cash Income	1,187	1,434	1,152	-3	-20	1,076	-7	-25
Realized Net Income	307	611	271	-12	-56	224	-17	-63
Total Net Income	605	720	251	-59	-65	141	-44	-80
ALBERTA								
Crop Receipts	2,335	2,639	2,196	-6	-17	2,435	11	-8
Livestock Receipts	3,948	3,531	4,429	12	25	4,617	4	31
Total Market Receipts	6,283	6,169	6,624	5	7	7,052	6	14
Program Payments	232	203	716	209	253	439	-39	117
Total Cash Receipts	6,515	6,372	7,341	13	15	7,492	2	18
Net Operating Expenses	5,469	4,970	5,803	6	17	6,067	5	22
Net Cash Income	1,046	1,402	1,538	47	10	1,425	-7	2
Realized Net Income	71	509	561	686	10	469	-16	-8
Total Net Income	446	639	381	-15	-40	496	30	-22
BRITISH COLUMBIA								
Crop Receipts	879	794	958	9	21	994	4	25
Livestock Receipts	1,022	942	1,076	5	14	1,157	7	23
Total Market Receipts	1,901	1,736	2,034	7	17	2,151	6	24
Program Payments	41	33	41	1	24	41	-1	24
Total Cash Receipts	1,942	1,769	2,075	7	17	2,192	6	24
Net Operating Expenses	1,506	1,428	1,578	5	11	1,647	4	15
Net Cash Income	436	341	497	14	46	545	10	60
Realized Net Income	240	157	310	30	98	362	17	131
Total Net Income	238	156	319	34	105	354	11	127

Source: Historical data (1999), Statistics Canada, Catalogue No. 21-603, Agriculture Economic Statistics.
Forecast figures for 2000 and 2001, Agriculture and Agri-Food Canada.

Table A.2: NISA Forecast, Canada and Provinces, 2000 and 2001

	2000	2001
	(\$)	
CANADA		
Projected Total Withdrawals		
Fund 1	227,248,939	130,106,089
Fund 2	457,831,350	364,986,701
Total	685,080,289	495,092,790
Projected Total Deposits		
Fund 1	343,902,810	332,784,961
Fund 2	342,021,295	331,326,958
Total	685,924,105	664,111,919
Projected Year End Balances		
Fund 1	1,619,856,638	1,814,622,615
Fund 2	1,489,052,720	1,661,621,314
Total	3,108,909,358	3,476,243,929
Potential Withdrawals		
Fund 1	414,374,845	430,345,099
Fund 2	736,833,884	763,631,218
Total	1,151,208,729	1,193,976,317
NEWFOUNDLAND		
Projected Total Withdrawals		
Fund 1	51,790	3,595
Fund 2	102,486	83,992
Total	154,276	87,586
Projected Total Deposits		
Fund 1	129,432	82,215
Fund 2	166,964	137,025
Total	296,397	219,240
Projected Year End Balances		
Fund 1	573,315	624,565
Fund 2	779,331	837,728
Total	1,352,645	1,462,293
Potential Withdrawals		
Fund 1	215,795	248,660
Fund 2	502,673	419,639
Total	718,468	668,299
PRINCE EDWARD ISLAND		
Projected Total Withdrawals		
Fund 1	3,578,384	2,459,975
Fund 2	5,678,117	7,150,530
Total	9,256,500	9,610,505
Projected Total Deposits		
Fund 1	7,064,436	6,819,476
Fund 2	7,064,436	6,819,476
Total	14,128,873	13,638,953
Projected Year End Balances		
Fund 1	24,394,411	28,796,695
Fund 2	21,415,253	24,259,022
Total	45,809,664	53,055,717
Potential Withdrawals		
Fund 1	4,198,601	9,566,447
Fund 2	5,654,543	15,330,775
Total	9,853,144	24,897,223

Table A.2: NISA Forecast, Canada and Provinces, 2000 and 2001 (cont'd)

	2000	2001
	(\$)	
NOVA SCOTIA		
Projected Total Withdrawals		
Fund 1	1,002,181	1,008,945
Fund 2	1,873,790	974,027
Total	2,875,971	1,982,972
Projected Total Deposits		
Fund 1	2,817,152	2,926,847
Fund 2	2,817,152	2,926,847
Total	5,634,304	5,853,693
Projected Year End Balances		
Fund 1	10,439,807	12,503,590
Fund 2	8,990,558	11,645,572
Total	19,430,365	24,149,163
Potential Withdrawals		
Fund 1	2,910,840	1,771,230
Fund 2	3,770,514	3,107,966
Total	6,681,354	4,879,196
NEW BRUNSWICK		
Projected Total Withdrawals		
Fund 1	774,529	1,565,049
Fund 2	1,597,594	3,940,846
Total	2,372,123	5,505,896
Projected Total Deposits		
Fund 1	1,781,054	1,756,476
Fund 2	1,781,054	1,756,476
Total	3,562,107	3,512,952
Projected Year End Balances		
Fund 1	8,861,236	9,388,472
Fund 2	8,714,755	8,317,249
Total	17,575,992	17,705,720
Potential Withdrawals		
Fund 1	1,729,135	4,032,483
Fund 2	3,132,371	6,325,054
Total	4,861,506	10,357,537
QUEBEC		
Projected Total Withdrawals		
Fund 1	3,760,425	941,003
Fund 2	6,774,503	2,461,451
Total	10,534,928	3,402,454
Projected Total Deposits		
Fund 1	8,599,673	8,300,109
Fund 2	8,599,673	8,300,109
Total	17,199,345	16,600,218
Projected Year End Balances		
Fund 1	27,089,521	32,906,624
Fund 2	22,121,414	28,671,732
Total	49,210,935	61,578,355
Potential Withdrawals		
Fund 1	6,162,976	3,866,921
Fund 2	8,428,890	5,009,538
Total	14,591,866	8,876,459

Table A.2: NISA Forecast, Canada and Provinces, 2000 and 2001 (cont'd)

	2000	2001
	(\$)	
ONTARIO		
Projected Total Withdrawals		
Fund 1	56,795,340	26,549,623
Fund 2	106,399,104	66,002,225
Total	163,194,444	92,551,847
Projected Total Deposits		
Fund 1	104,208,152	104,370,501
Fund 2	102,289,105	102,857,689
Total	206,497,256	207,228,190
Projected Year End Balances		
Fund 1	395,411,477	464,780,394
Fund 2	321,678,791	392,036,084
Total	717,090,269	856,816,478
Potential Withdrawals		
Fund 1	92,198,876	86,457,431
Fund 2	143,736,578	144,227,985
Total	235,935,454	230,685,416
MANITOBA		
Projected Total Withdrawals		
Fund 1	33,297,543	19,532,114
Fund 2	58,643,641	57,995,454
Total	91,941,184	77,527,567
Projected Total Deposits		
Fund 1	47,072,499	44,977,913
Fund 2	47,072,499	44,977,913
Total	94,144,999	89,955,826
Projected Year End Balances		
Fund 1	222,319,920	247,913,407
Fund 2	199,091,053	217,659,044
Total	421,410,972	465,572,451
Potential Withdrawals		
Fund 1	59,253,755	71,478,820
Fund 2	93,243,258	121,741,107
Total	152,497,013	193,219,928
SASKATCHEWAN		
Projected Total Withdrawals		
Fund 1	81,438,203	51,166,090
Fund 2	185,851,398	143,892,294
Total	267,289,600	195,058,384
Projected Total Deposits		
Fund 1	105,013,376	99,761,051
Fund 2	105,013,376	99,761,051
Total	210,026,751	199,522,102
Projected Year End Balances		
Fund 1	564,621,480	614,526,154
Fund 2	588,932,905	626,461,522
Total	1,153,554,385	1,240,987,675
Potential Withdrawals		
Fund 1	148,696,472	156,733,988
Fund 2	318,659,338	306,448,934
Total	467,355,810	463,182,922

Table A.2: NISA Forecast, Canada and Provinces, 2000 and 2001 (cont'd)

	2000	2001
	(\$)	
ALBERTA		
Projected Total Withdrawals		
Fund 1	40,940,754	24,331,271
Fund 2	81,432,598	74,362,304
Total	122,373,352	98,693,574
Projected Total Deposits		
Fund 1	58,960,861	55,775,409
Fund 2	58,960,861	55,775,409
Total	117,921,722	111,550,818
Projected Year End Balances		
Fund 1	331,025,821	363,813,343
Fund 2	288,091,612	317,754,837
Total	619,117,434	681,568,180
Potential Withdrawals		
Fund 1	89,334,318	86,323,963
Fund 2	145,519,014	146,749,361
Total	234,853,332	233,073,324
BRITISH COLUMBIA		
Projected Total Withdrawals		
Fund 1	5,609,791	2,548,426
Fund 2	9,478,121	8,123,578
Total	15,087,912	10,672,005
Projected Total Deposits		
Fund 1	8,256,175	8,014,964
Fund 2	8,256,175	8,014,964
Total	16,512,351	16,029,927
Projected Year End Balances		
Fund 1	35,119,649	39,369,372
Fund 2	29,237,048	33,978,524
Total	64,356,697	73,347,896
Potential Withdrawals		
Fund 1	9,674,078	9,865,156
Fund 2	14,186,703	14,270,859
Total	23,860,781	24,136,015

NOTES:

NISA (Net Income Stabilization Account): A voluntary program developed jointly between producers, the Government of Canada and participating provinces. Part of the Canada's farm safety net framework, NISA is designed to help producers achieve long-term farm income stability on an individual basis. Producers deposit money annually into their NISA account and receive matching government contributions. (For more information, visit NISA on the internet at <http://www.agr.ca/nisa/>).

Total Withdrawals: Total funds actually withdrawn by producers under the NISA program in the year indicated.

Fund 1: Fund that holds the participants' matchable and non-matchable deposits under the NISA program.

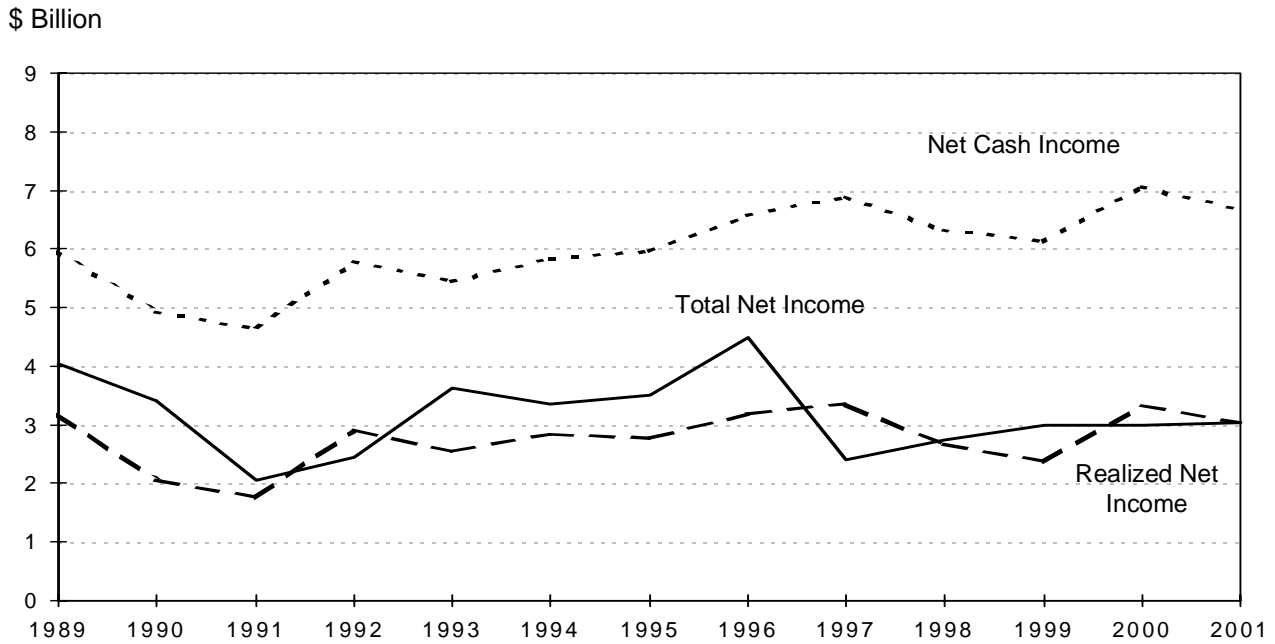
Fund 2: Fund that holds the government contributions (federal and provincial) and all interest earned on both funds, including bonus interest. Withdrawals are first taken from Fund 2. Once Fund 2 is depleted, withdrawals are taken from Fund 1.

Total Deposits: Total participant deposits and government contributions. Participant deposits and government contributions do not equal due to differing Self-Directed Risk Management (SDRM) contribution rates in Ontario.

Year End Balances: Total Fund 1 and Fund 2 balances after considering deposits, accumulated interest and withdrawals for the year indicated.

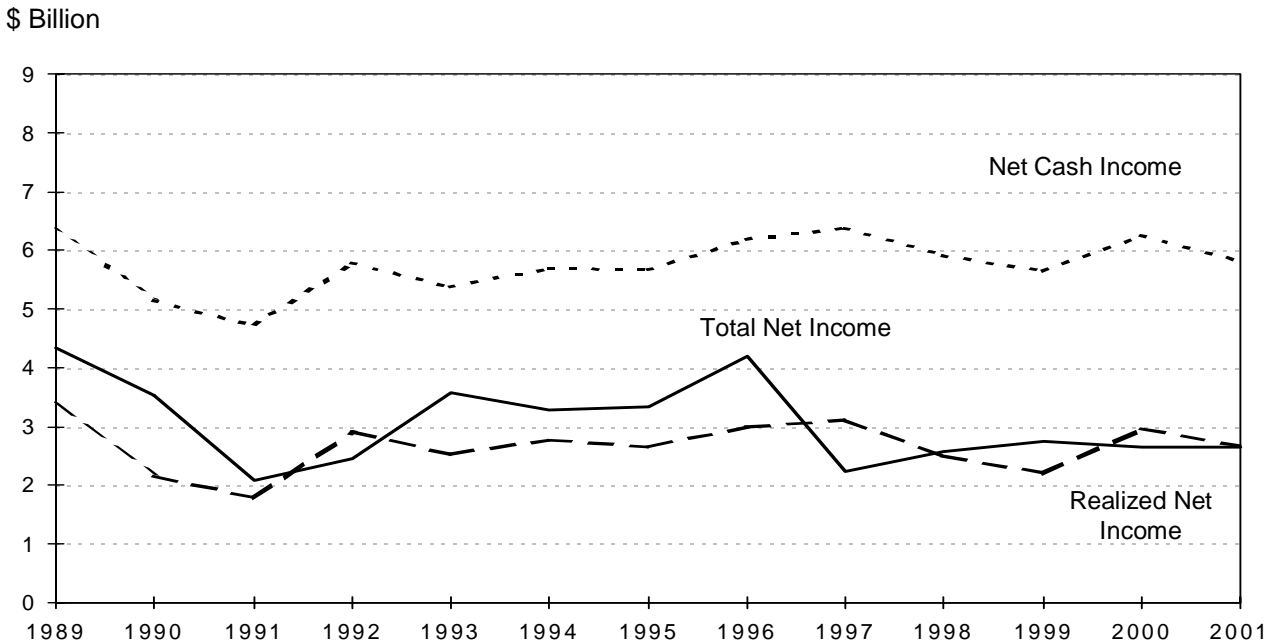
Potential Withdrawals: Total funds available for withdrawal on an annual basis taking into account both fund balances and payments triggered under the program.

Figure A.1(a): Canadian Farm Income (Current Dollars)



Source: Historical data, Statistics Canada, Catalogue No. 21-603, Agriculture Economic Statistics. Forecast figures for 2000 and 2001, Agriculture and Agri-Food Canada.

Figure A.1(b): Canadian Farm Income (1992 Dollars)



Source: Agriculture and Agri-Food Canada calculations based on historical data from Statistics Canada, and the Conference Board of Canada for the GDP deflator. Forecast data from Agriculture and Agri-Food Canada.

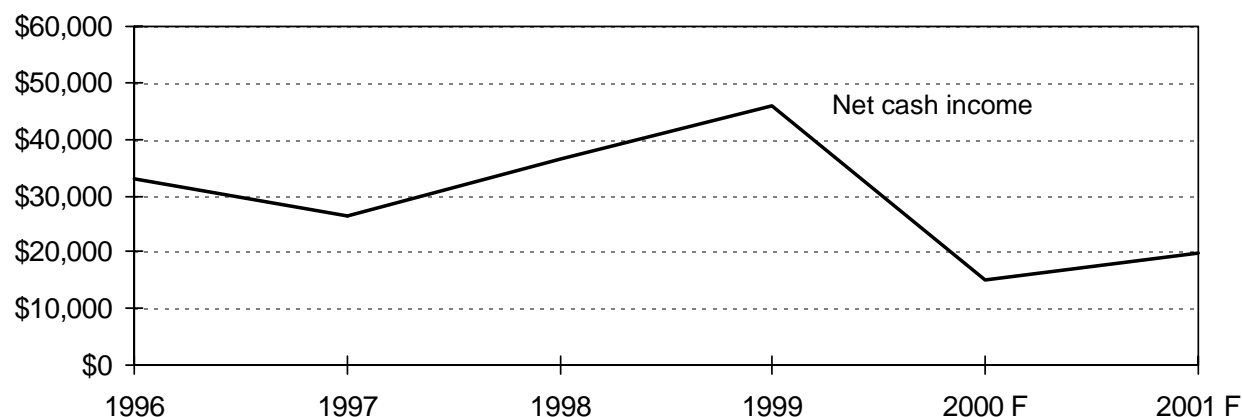
Table A.3: Northwest New Brunswick Benchmark Potato Farm

Cash Basis (\$)	1996	1997	1998	1999	2000F	2001F
Potato Sales	163,786	146,571	144,898	170,717	152,650	143,323
Program Payments (1)	23,391	16,911	25,345	13,028	5,780	22,183
Other Cash Receipts	20,004	24,264	18,333	19,385	19,943	21,332
Total Cash Receipts	207,181	187,746	188,576	203,130	178,373	186,838
Total Cash Expenses	174,082	161,311	152,258	157,115	163,440	166,963
Net Cash Income	33,098	26,435	36,319	46,015	14,933	19,875

Source: Agriculture and Agri-Food Canada, Farm Income and Adaptation Policy Directorate.

(1) All program payments are reported on a gross basis. Premiums are included in Total Cash Expenses.

F Values for 2000 and 2001 are forecasts.

Figure A.2: Northwest New Brunswick Benchmark Potato Farm

Significant Points

- Potato Sales are expected to be down by 6% in 2001, the result of a 2% drop in the price of potatoes and a 4% decline in potato production. Potato prices have been declining since 1999.
- Program Payments are strong throughout the 1996-2001 period. The farm is eligible to make NISA withdrawals during the early part of the period because 5-year average gross margins remain high due to very good income years in the early 1990s. A large NISA withdrawal is taken in 2001 to make up for the low income in 2000.
- Total Cash Expenses are expected to increase in 2001 by 2% primarily because of increases in fertilizer and interest costs.
- Net Cash Income, though up by 33% from 2000, is still well below the previous 5-year average of \$31,300. The upturn in 2001 is the result of higher program payments.

Table A.4: Southeast Quebec Benchmark Hog Farm

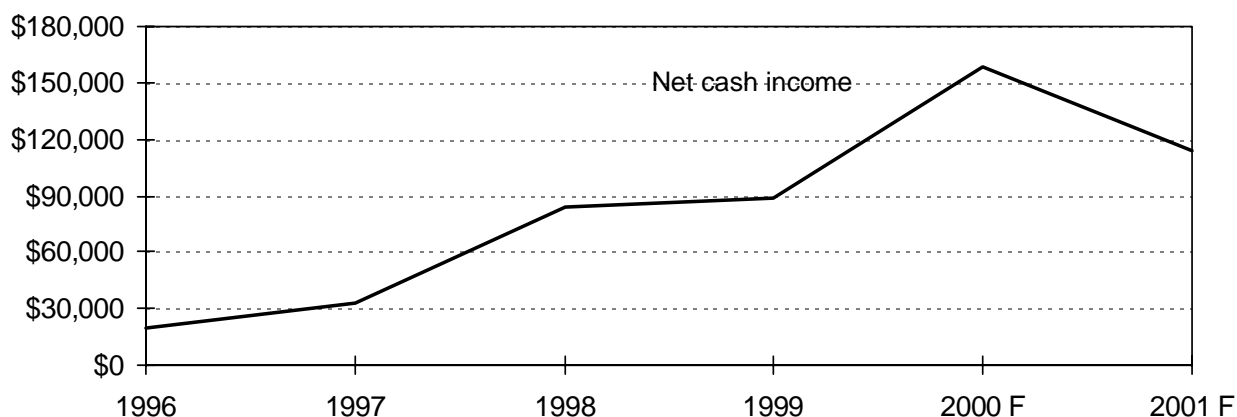
Cash Basis (\$)	1996	1997	1998	1999	2000F	2001F
Hog Sales	271,104	312,121	275,745	303,068	414,214	388,967
Program Payments (1)	33,134	13,154	76,428	56,085	14,425	15,298
Other Cash Receipts	20,031	20,234	37,619	38,424	43,841	44,877
Total Cash Receipts	324,269	345,509	389,792	397,577	472,479	449,142
Total Cash Expenses	304,662	312,322	306,204	309,186	313,980	334,730
Net Cash Income	19,607	33,188	83,588	88,391	158,500	114,412

Source: Agriculture and Agri-Food Canada, Farm Income and Adaptation Policy Directorate.

(1) All program payments are reported on a gross basis. Premiums are included in Total Cash Expenses.

F Values for 2000 and 2001 are forecasts.

Figure A.3: Southeast Quebec Benchmark Hog Farm



Significant Points

- The Quebec farm increases its production of hogs by 1% in 2001. But Hog Sales are expected to be down by 6% in 2001 as hog prices decline by 7% from the previous year. This price declines come after a 37% price increase in 2000. Hog prices have fluctuated widely during the recent period, reaching relative highs in 1996-97 and relative lows in 1998-99.
- Program Payments were high in 1998 and 1999 in an effort to offset the low market prices. Payments are expected to be lower during the later years of the period because of improved hog prices.
- Total Cash Expenses are expected to increase in 2001 by 7% because of increases in feed and interest costs.
- Net Cash Income, though down by 28% from 2000, is still well above the previous 5-year average of \$76,700. The farm has been expanding during this period and program payments have been supporting income during low price years.

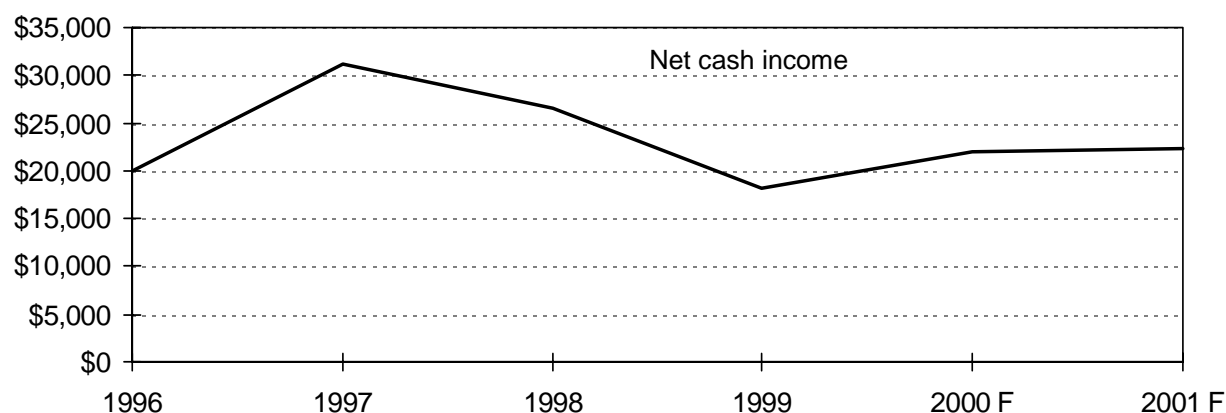
Table A.5: Southern Ontario Benchmark Grain and Oilseed Farm

Cash Basis (\$)	1996	1997	1998	1999	2000F	2001F
Grains and Oilseeds Receipts	116,586	118,024	122,325	112,652	111,618	112,199
Program Payments (1)	5,681	6,976	3,568	9,213	15,596	16,942
Other Cash Receipts	22,026	19,327	21,060	19,948	23,754	26,019
Total Cash Receipts	144,293	144,327	146,953	141,813	150,968	155,160
Total Cash Expenses	124,322	113,157	120,375	123,745	128,889	132,825
Net Cash Income	19,971	31,170	26,579	18,068	22,079	22,335

Source: Agriculture and Agri-Food Canada, Farm Income and Adaptation Policy Directorate.

(1) All program payments are reported on a gross basis. Premiums are included in Total Cash Expenses.

F Values for 2000 and 2001 are forecasts.

Figure A.4: Southern Ontario Benchmark Grain and Oilseed Farm

Significant Points

- Quantities of winter wheat, corn and soybeans marketed are all expected to be down in Ontario in 2001. However, grain and oilseed prices are expected to recover. Wheat and corn prices are expected to be significantly higher while soybean prices will be only slightly down. Overall, Grains and Oilseeds Receipts are forecast to be up marginally in 2001.
- Program Payments should be higher in 2000 and 2001 because of withdrawals from NISA and payments from Ontario's Market Revenue Insurance program. Other income sources such as custom work and rental are relatively important on Ontario grain and oilseed farms, providing about 15-20% of Total Cash Receipts.
- Total Cash Expenses are expected to increase in 2001 by 3%, primarily because of increases in seed, fertilizer and interest costs. These represent the three largest expenses on an Ontario grain and oilseed farm.
- In 2001, Net Cash Income at \$22,300 will be virtually unchanged from 2000. At this level, net income is only slightly below the previous 5-year average of \$23,600.

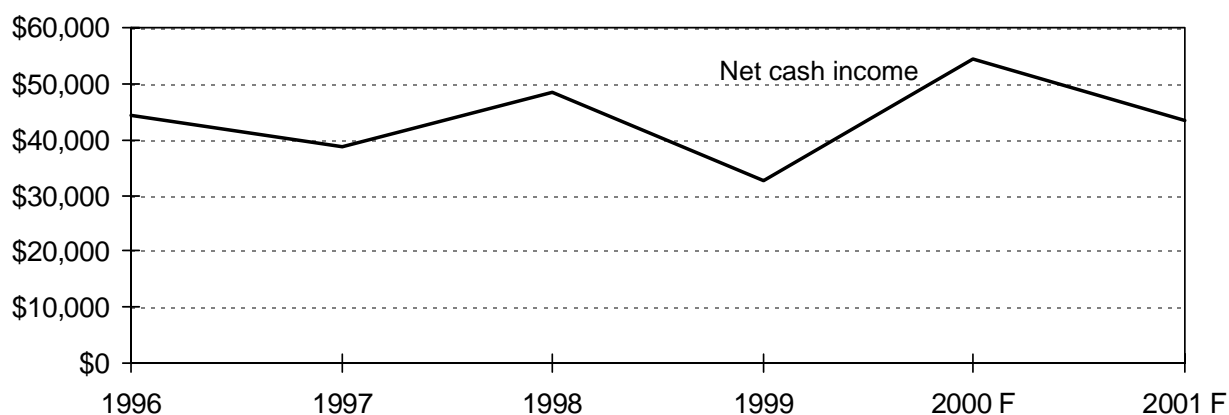
Table A.6: Saskatchewan Brown Soil Benchmark Grain and Oilseed Farm

Cash Basis (\$)	1996	1997	1998	1999	2000F	2001F
Grains and Oilseeds Receipts	107,706	114,493	119,491	103,649	108,417	116,875
Program Payments (1)	13,662	1,860	2,079	5,848	29,151	13,413
Other Cash Receipts	28,444	21,145	29,309	26,668	27,474	26,213
Total Cash Receipts	149,812	137,499	150,879	136,165	165,041	156,501
Total Cash Expenses	105,509	98,809	102,582	103,400	110,686	113,011
Net Cash Income	44,304	38,690	48,297	32,766	54,355	43,491

Source: Agriculture and Agri-Food Canada, Farm Income and Adaptation Policy Directorate.

(1) All program payments are reported on a gross basis. Premiums are included in Total Cash Expenses.

F Values for 2000 and 2001 are forecasts.

Figure A.5: Saskatchewan Brown Soil Benchmark Grain and Oilseed Farm

Significant Points

- Wheat sales, including both spring wheat and durum, make up almost three-quarters of the Grains and Oilseeds Receipts on the brown soil farm. As a result of stronger wheat, barley and field pea prices, Grains and Oilseeds Receipts are forecast to be up by 8% in 2001.
- Program Payments will be higher than average in 2001 because of a \$6,900 NISA withdrawal, but lower than the 2000 level. Payments in 2000 were higher than normal because of a combination of high withdrawals from NISA for the low income of 1999 and the Canada/Saskatchewan Adjustment payment.
- Total Cash Expenses are expected to increase in 2001 by 2%, primarily because of increases in fertilizer costs and costs associated with a small cattle enterprise on the farm.
- Net Cash Income of \$43,500 in 2001 represents a decline of 20% from the previous year and is virtually equal to the recent 5-year average of \$43,700.

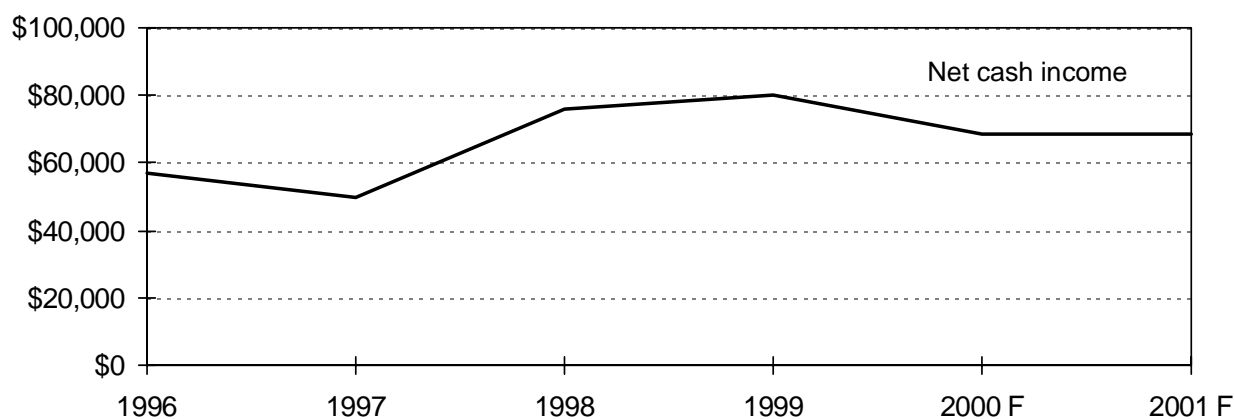
Table A.7: Southwest British Columbia Benchmark Dairy Farm

Cash Basis (\$)	1996	1997	1998	1999	2000F	2001F
Milk Sales	290,659	279,177	324,610	331,017	332,672	345,757
Program Payments (1)	764	1,507	2,087	2,514	529	281
Other Cash Receipts	22,051	23,930	30,792	31,996	33,391	37,297
Total Cash Receipts	313,474	304,614	357,489	365,527	366,593	383,335
Total Cash Expenses	256,262	254,664	281,312	285,322	297,794	314,913
Net Cash Income	57,212	49,949	76,177	80,205	68,799	68,422

Source: Agriculture and Agri-Food Canada, Farm Income and Adaptation Policy Directorate.

(1) All program payments are reported on a gross basis. Premiums are included in Total Cash Expenses.

F Values for 2000 and 2001 are forecasts.

Figure A.6: Southwest British Columbia Benchmark Dairy Farm

Significant Points

- Milk Sales of \$345,800, which include dairy subsidy payments, will be 4% higher in 2001 than 2000, equally due to higher milk prices and milk quantities marketed.
- Program Payments are not significant on the dairy farm. However, the benchmark maintains a small cattle operation that generates steadily increasing sales and provides approximately 10% of the Total Cash Receipts.
- Total Cash Expenses are expected to increase in 2001 by 6%, primarily because of increases in livestock purchases and feed costs. Interest expenses, salaries and custom work are also higher.
- Net Cash Income of \$68,400 in 2001 is down only slightly from the previous year and still above the previous 5-year average of \$66,500.

Table A.8: Gross Direct Payments and Producer Premiums, Canada and Provinces, 1994-99

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
- \$ Million -											
1994											
Crop Insurance (1)	0	2	1	4	40	38	96	174	76	5	435
NISA	0	0	0	0	1	9	4	17	8	1	41
Dairy	0	4	3	3	105	69	8	5	15	10	222
GRIP	0	9	1	1	129	18	162	4	218	2	543
Provincial Stabilization	3	1	2	1	290	0	0	0	0	4	300
Other Payments (2)	2	1	1	0	9	9	43	146	65	7	283
Total Program Payments	5	16	7	9	574	143	314	346	382	30	1,825
Input Rebates	0	0	1	0	96	118	0	37	45	0	296
Total Payments	5	16	8	9	670	262	314	382	427	30	2,121
Producer Premiums	0	5	1	5	160	90	92	169	120	8	652
1995											
Crop Insurance (1)	0	2	0	6	38	26	37	140	73	3	325
NISA	0	0	0	0	0	12	4	24	3	2	46
Dairy	0	4	3	3	102	65	8	5	13	10	214
GRIP	0	4	1	2	66	0	50	0	55	1	179
Provincial Stabilization	3	1	2	0	302	0	0	0	0	0	308
Other Payments (2)	0	16	1	0	2	9	21	143	34	9	234
Total Program Payments	3	27	7	12	511	111	120	312	177	25	1,305
Input Rebates	0	0	0	0	106	115	0	39	16	0	276
Total Payments	3	27	7	12	618	226	120	350	193	25	1,582
Producer Premiums	0	2	1	4	157	35	97	178	108	5	587
1996											
Crop Insurance (1)	0	2	0	8	28	58	20	97	58	3	276
NISA	0	1	1	1	1	30	15	48	14	5	115
Dairy	0	3	3	2	78	54	7	4	12	8	171
GRIP	0	1	0	1	12	1	9	262	8	0	294
Provincial Stabilization	2	1	2	0	296	0	0	0	0	0	301
Other Payments (2)	5	5	7	6	4	1	6	54	60	16	163
Total Program Payments	7	13	13	18	419	144	56	466	152	32	1,319
Input Rebates	0	0	0	0	83	114	0	36	8	0	242
Total Payments	7	13	13	18	502	258	56	502	160	32	1,561
Producer Premiums	0	2	1	4	145	32	75	332	94	4	688

Source: Statistics Canada, Catalogue No. 21-603, Agriculture Economic Statistics.

(1) Excludes private hail insurance.

(2) Other payments include programs such as private hail insurance, GRIP, WGSA, ASA, NTSP and special assistance programs.

Table A.8: Gross Direct Payments and Producer Premiums, Canada and Provinces, 1994-99 (cont'd)

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
- \$ Million -											
1997											
Crop Insurance (1)	0	1	1	3	39	47	33	85	90	13	313
NISA	0	2	1	1	2	34	20	65	23	5	153
Dairy	0	2	4	3	60	53	5	3	9	8	147
GRIP	0	0	0	0	6	0	16	1	21	2	46
Provincial Stabilization	2	1	0	0	169	0	0	0	0	0	172
Other Payments (2)	4	2	4	4	6	2	69	112	74	5	281
Total Program Payments	6	8	9	11	282	137	142	265	218	34	1,111
Input Rebates	0	0	0	0	64	116	0	39	7	0	227
Total Payments	6	8	9	11	346	253	142	304	225	34	1,338
Producer Premiums	0	1	1	2	122	36	57	195	95	2	511
1998											
Crop Insurance (1)	0	1	1	1	17	51	40	95	115	8	330
NISA	0	5	2	1	4	76	30	105	38	9	269
Dairy	0	2	3	2	55	47	4	3	8	8	132
Provincial Stabilization	0	1	8	0	499	0	0	0	0	0	508
Other Payments (2)	0	3	0	1	19	17	18	33	74	9	175
Total Program Payments	0	11	14	6	594	191	92	236	235	34	1 414
Input Rebates	0	0	2	0	67	8	0	36	5	0	119
Total Payments	0	11	17	6	661	200	92	272	240	34	1 533
Producer Premiums	0	1	1	1	128	40	59	171	85	2	487
1999											
Crop Insurance (1)	0	2	1	1	9	29	30	118	66	5	260
NISA	0	6	2	1	5	109	58	188	66	10	445
Dairy	0	1	2	2	43	36	3	2	7	7	104
Provincial Stabilization	0	1	7	0	549	0	0	0	0	0	557
Other Payments (2)	0	8	2	2	24	168	121	160	93	20	598
Total Program Payments	0	19	15	6	630	342	212	467	232	41	1,964
Input Rebates	0	0	2	0	75	8	0	35	4	0	124
Total Payments	0	19	17	6	705	350	212	502	236	41	2,088
Producer Premiums	0	1	2	1	174	35	45	153	84	2	497

Source: Statistics Canada, Catalogue No. 21-603, Agriculture Economic Statistics.

(1) Excludes private hail insurance.

(2) Other payments include programs such as private hail insurance, GRIP, WGSa, ASA, NTSP and special assistance programs.

Table A.9: Farm Receipts, Expenses and Income, Canada and Provinces, 1991-99

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
Crop Receipts											
1991	11	122	86	100	731	2,072	1,015	2,552	1,537	524	8,751
1992	11	101	96	98	808	2,147	953	2,317	1,504	565	8,600
1993	9	123	88	115	821	2,144	1,064	2,594	1,566	566	9,088
1994	11	192	95	128	912	2,536	1,225	3,680	2,169	640	11,589
1995	12	179	105	116	1,015	2,845	1,440	4,084	2,636	730	13,161
1996	14	163	116	122	1,144	2,887	1,638	4,253	3,008	772	14,117
1997	14	156	118	133	1,198	2,990	1,726	4,495	2,687	770	14,288
1998	13	202	120	165	1,205	3,138	1,655	4,123	2,526	817	13,964
1999	14	227	140	184	1,270	3,159	1,428	3,655	2,335	879	13,292
Livestock Receipts											
1991	50	99	224	146	2,552	3,208	761	869	2,257	754	10,917
1992	49	96	211	144	2,440	3,293	826	976	2,558	795	11,389
1993	50	102	216	150	2,611	3,363	936	1,117	2,915	844	12,304
1994	48	99	223	155	2,729	3,419	922	1,034	3,018	874	12,521
1995	50	106	227	160	2,828	3,391	963	1,002	3,136	843	12,707
1996	56	115	249	171	3,147	3,691	1,122	1,039	3,363	907	13,860
1997	58	117	247	173	3,312	3,767	1,208	1,231	3,557	955	14,626
1998	62	109	240	176	3,087	3,679	1,225	1,239	3,650	984	14,452
1999	64	106	239	182	3,236	3,741	1,333	1,335	3,948	1,022	15,206
Total Market Receipts											
1991	60	221	309	246	3,283	5,280	1,776	3,420	3,795	1,278	19,668
1992	61	197	306	242	3,248	5,440	1,779	3,293	4,062	1,360	19,989
1993	59	225	304	265	3,432	5,506	2,000	3,711	4,480	1,410	21,392
1994	58	291	319	283	3,641	5,954	2,147	4,714	5,188	1,514	24,110
1995	63	285	332	276	3,843	6,236	2,403	5,085	5,772	1,573	25,868
1996	70	279	365	293	4,291	6,578	2,760	5,291	6,371	1,679	27,977
1997	72	273	366	306	4,510	6,757	2,934	5,726	6,244	1,726	28,914
1998	75	311	360	341	4,292	6,817	2,880	5,363	6,176	1,801	28,416
1999	78	334	378	367	4,507	6,900	2,761	4,991	6,283	1,901	28,499
Program Payments											
1991	3	23	9	11	568	306	230	709	442	63	2,362
1992	4	31	14	28	624	644	389	1,100	890	67	3,791
1993	3	13	8	17	539	419	387	838	576	42	2,843
1994	5	16	7	9	574	143	314	346	382	30	1,825
1995	3	27	7	12	511	111	120	312	177	25	1,305
1996	7	13	13	18	419	144	56	466	152	32	1,319
1997	6	8	9	11	282	137	142	265	218	34	1,111
1998	0	11	14	6	594	191	92	236	235	34	1,414
1999	0	19	15	6	630	342	212	467	232	41	1,964
Total Cash Receipts											
1991	63	244	318	257	3,851	5,585	2,006	4,130	4,236	1,340	22,030
1992	65	228	321	270	3,872	6,084	2,168	4,393	4,952	1,427	23,779
1993	62	238	312	282	3,971	5,925	2,387	4,548	5,057	1,452	24,235
1994	63	307	326	292	4,214	6,098	2,461	5,060	5,570	1,543	25,935
1995	66	312	339	288	4,354	6,347	2,523	5,397	5,949	1,599	27,174
1996	77	291	378	311	4,710	6,722	2,816	5,757	6,523	1,712	29,296
1997	78	281	374	317	4,792	6,894	3,076	5,991	6,462	1,759	30,025
1998	76	322	374	347	4,886	7,008	2,972	5,598	6,412	1,835	29,830
1999	78	352	393	372	5,137	7,242	2,972	5,458	6,515	1,942	30,462

Source: Statistics Canada, Catalogue No. 21-603, Agriculture Economic Statistics.

Table A.9: Farm Receipts, Expenses and Income, Canada and Provinces, 1991-99 (cont'd)

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
Net Operating Expenses											
1991	55	181	247	204	2,860	4,486	1,636	3,116	3,533	1,069	17,388
1992	55	191	252	208	2,989	4,663	1,710	3,186	3,627	1,110	17,991
1993	54	195	255	212	3,010	4,794	1,806	3,331	3,970	1,163	18,791
1994	57	218	266	234	3,190	5,051	1,989	3,544	4,240	1,307	20,095
1995	60	240	281	246	3,384	5,187	2,090	3,852	4,519	1,364	21,224
1996	63	245	293	258	3,639	5,447	2,256	4,351	4,762	1,401	22,717
1997	57	250	303	275	3,673	5,584	2,318	4,297	4,985	1,408	23,149
1998	56	254	300	277	3,740	5,700	2,343	4,261	5,114	1,459	23,505
1999	56	263	309	287	3,885	5,933	2,353	4,271	5,469	1,506	24,333
Net Cash Income											
1991	8	63	71	53	990	1,100	370	1,014	703	271	4,642
1992	10	37	69	62	883	1,421	458	1,207	1,325	317	5,789
1993	8	43	56	70	961	1,132	581	1,217	1,087	289	5,444
1994	6	90	60	58	1,025	1,047	472	1,516	1,330	237	5,840
1995	6	72	58	41	970	1,161	433	1,545	1,430	235	5,949
1996	14	46	84	53	1,070	1,275	560	1,406	1,761	310	6,579
1997	21	31	71	42	1,120	1,310	758	1,695	1,477	351	6,875
1998	20	68	75	69	1,146	1,309	628	1,337	1,297	376	6,325
1999	22	89	83	86	1,252	1,309	620	1,187	1,046	436	6,129
Realized Net Income											
1991	5	41	39	29	686	395	106	330	-11	144	1,762
1992	7	16	36	38	580	728	195	508	624	185	2,918
1993	5	21	24	47	661	448	316	513	376	151	2,562
1994	3	67	28	34	714	345	191	786	581	88	2,836
1995	3	47	26	16	636	424	134	787	636	72	2,781
1996	11	19	51	26	710	486	243	605	902	129	3,183
1997	18	4	36	15	746	496	432	878	577	162	3,364
1998	17	39	39	42	752	481	289	476	360	183	2,677
1999	19	60	47	57	843	479	269	307	71	240	2,391
Total Net Income											
1991	5	31	37	24	676	397	104	477	153	154	2,058
1992	6	50	35	55	543	457	269	419	464	159	2,460
1993	4	8	25	32	675	576	214	961	977	157	3,629
1994	3	56	28	27	798	476	359	799	684	133	3,363
1995	3	86	29	22	652	438	174	959	1,029	104	3,497
1996	10	27	51	35	839	622	538	1,359	896	107	4,484
1997	18	17	30	22	732	496	298	188	473	138	2,412
1998	17	26	41	40	755	505	343	488	349	192	2,755
1999	20	55	44	44	837	476	226	605	446	238	2,991

Source: Statistics Canada, Catalogue No. 21-603, Agriculture Economic Statistics.

Table A.10: Average Farm Revenues, Operating Expenses and Net Cash Income per Farm, Canada and Provinces, 1997-99

Province	1997	1998	1999 Preliminary ⁽¹⁾
	- Dollars per farm -		
Newfoundland			
Farm revenues	231,752	247,968	278,533
Operating expenses	211,351	231,991	260,263
Net cash income	20,401	15,978	18,270
Prince Edward Island			
Farm revenues	194,809	210,394	239,336
Operating expenses	173,838	181,501	201,835
Net cash income	20,971	28,893	37,501
Nova Scotia			
Farm revenues	172,244	166,791	182,618
Operating expenses	150,971	143,809	152,285
Net cash income	21,272	22,982	30,333
New Brunswick			
Farm revenues	173,174	188,595	198,191
Operating expenses	151,998	160,949	165,258
Net cash income	21,176	27,646	32,933
Quebec			
Farm revenues	175,506	186,887	193,101
Operating expenses	147,026	154,314	158,865
Net cash income	28,480	32,573	34,236
Ontario			
Farm revenues	159,017	167,289	171,677
Operating expenses	135,405	143,550	148,008
Net cash income	23,612	23,738	23,669
Manitoba			
Farm revenues	158,952	152,531	156,553
Operating expenses	130,531	130,456	135,367
Net cash income	28,421	22,075	21,186
Saskatchewan			
Farm revenues	106,343	104,762	103,183
Operating expenses	81,690	82,794	85,999
Net cash income	24,653	21,968	17,184
Alberta			
Farm revenues	161,511	165,637	174,117
Operating expenses	139,843	143,796	153,501
Net cash income	21,667	21,841	20,616
British Columbia			
Farm revenues	176,578	201,765	202,308
Operating expenses	160,527	183,153	179,740
Net cash income	16,051	18,612	22,568
Canada			
Farm revenues	149,550	153,962	158,339
Operating expenses	125,480	130,384	135,581
Net cash income	24,070	23,579	22,758

Source: Statistics Canada, Whole Farm Data Project, Taxation Data Program.

(1) Excludes Hutterite colonies.

Significant Points

- In Canada, average farm revenues rose in 1999 by 2.8% but were more than offset by operating expenses resulting in a decrease of 3.5% in net cash income.
- Prince Edward Island had the highest per farm income in 1999 at \$37,501.
- Saskatchewan recorded the lowest per farm income at \$17,184.

Table A.11: Average Farm Revenues, Operating Expenses and Net Cash Income per Farm by Farm Type, Canada, 1997-99

Farm Type	1997	1998	1999 Preliminary ⁽¹⁾
	- Dollars per farm -		
Dairy			
Farm revenues	215,705	225,223	245,842
Operating expenses	165,991	169,276	182,076
Net cash income	49,714	55,947	63,766
Cattle			
Farm revenues	124,340	134,725	144,701
Operating expenses	117,219	125,883	134,913
Net cash income	7,121	8,842	9,788
Hog			
Farm revenues	425,272	408,421	405,667
Operating expenses	371,337	390,037	379,960
Net cash income	53,935	18,384	25,707
Poultry and Egg			
Farm revenues	504,477	539,553	533,790
Operating expenses	447,186	470,776	464,569
Net cash income	57,291	68,776	69,221
Grain and Oilseed			
Farm revenues	111,481	109,154	107,344
Operating expenses	84,580	84,637	86,392
Net cash income	26,900	24,517	20,952
Potato			
Farm revenues	380,584	452,822	462,850
Operating expenses	330,995	382,446	384,257
Net cash income	49,589	70,376	78,593
Fruit and Vegetable			
Farm revenues	138,414	155,343	165,790
Operating expenses	119,817	133,008	138,273
Net cash income	18,597	22,336	27,517
Greenhouse and Nursery			
Farm revenues	398,894	426,581	484,124
Operating expenses	357,875	372,833	423,715
Net cash income	41,019	53,748	60,409
All Farm Types			
Farm revenues	149,550	153,962	158,339
Operating expenses	125,480	130,384	135,581
Net cash income	24,070	23,579	22,758

Source: Statistics Canada, Whole Farm Data Project, Taxation Data Program.

(1) Excludes Hutterite colonies.

Significant Points

- The average net cash income in 1999 for all farm types decreased by 3.5% to \$22,758.
- Poultry and egg farms reported the highest average revenues in 1999 (\$533,790); however, potato farms had the highest net cash income (\$78,593).
- Cattle farms experienced an increase in 1999 of over 10% in terms of net cash income but still remained significantly lower than other farm types with only \$9,788.

Table A.12: Average Farm Family Income by Source and Income Group, Unincorporated Farms, Canada, 1997

Farm Family Income (before Depreciation)	Number of Families		Off-Farm Employment Income	Investment Income	Pension and Other Off-farm Income	Total Off-farm Income	Net Operating Income	Total Family Income
	Number	% of Total						
All Revenue Classes								
Under \$10,000	9,020	5.6	7,731	1,488	5,305	14,524	-30,888	-16,364
\$10,000 - \$19,999	11,220	6.9	7,755	1,524	7,239	16,517	-762	15,755
\$20,000 - \$29,999	19,040	11.7	9,527	1,748	8,911	20,186	5,162	25,348
\$30,000 - \$39,999	21,850	13.5	13,997	2,384	9,206	25,587	9,717	35,304
\$40,000 - \$49,999	21,350	13.1	18,869	3,008	8,754	30,632	14,745	45,377
\$50,000 - \$99,999	59,530	36.6	32,641	4,163	9,289	46,093	24,617	70,709
\$100,000 +	20,460	12.6	71,361	15,149	12,694	99,204	54,980	154,184
TOTAL	162,450	100.0	27,393	4,542	9,230	41,165	18,029	59,195
Revenues less than \$50,000								
Under \$10,000	4,610	6.2	6,811	1,364	5,149	13,325	-20,971	-7,647
\$10,000 - \$19,999	7,130	9.6	8,598	1,318	8,156	18,072	-2,618	15,453
\$20,000 - \$29,999	11,620	15.6	10,446	2,062	10,696	23,204	2,089	25,293
\$30,000 - \$39,999	11,420	15.4	17,562	3,151	11,737	32,451	2,522	34,973
\$40,000 - \$49,999	9,820	13.2	25,906	4,115	11,080	41,101	3,822	44,923
\$50,000 - \$99,999	23,320	31.4	48,184	5,494	11,786	65,464	3,613	69,077
\$100,000 +	6,360	8.6	114,141	19,018	16,877	150,036	1,203	151,239
TOTAL	74,270	100.0	33,910	4,916	11,191	50,016	905	50,921
Revenues of \$50,000-\$99,999								
Under \$10,000	1,680	5.1	8,597	1,236	4,593	14,426	-23,163	-8,737
\$10,000 - \$19,999	2,380	7.2	5,503	1,037	5,726	12,267	3,876	16,142
\$20,000 - \$29,999	4,320	13.1	8,889	1,447	6,426	16,761	8,472	25,233
\$30,000 - \$39,999	5,350	16.2	10,815	1,773	7,292	19,880	15,267	35,147
\$40,000 - \$49,999	5,330	16.2	16,456	2,544	7,913	26,914	18,764	45,678
\$50,000 - \$99,999	11,180	33.9	32,483	4,772	10,093	47,347	21,518	68,865
\$100,000 +	2,720	8.3	88,589	30,287	15,502	134,378	17,365	151,743
TOTAL	32,960	100.0	24,746	5,145	8,656	38,547	14,465	53,011
Revenues of \$100,000 or more								
Under \$10,000	2,720	4.9	8,753	1,855	6,009	16,616	-52,790	-36,174
\$10,000 - \$19,999	1,700	3.1	7,366	3,070	5,506	15,942	530	16,472
\$20,000 - \$29,999	3,110	5.6	6,972	988	5,683	13,643	12,002	25,645
\$30,000 - \$39,999	5,070	9.2	9,327	1,301	5,523	16,151	20,080	36,231
\$40,000 - \$49,999	6,210	11.2	9,828	1,659	5,802	17,289	28,530	45,819
\$50,000 - \$99,999	25,020	45.3	18,230	2,650	6,603	27,482	45,589	73,071
\$100,000 +	11,380	20.6	43,331	9,368	9,684	62,383	94,011	156,394
TOTAL	55,220	100.0	20,208	3,680	6,934	30,822	43,184	74,006

Source: Statistics Canada, Whole Farm Data Project, Taxation Data Program.

Significant Points

- The average farm family earned 4.2% more income in 1997 than in 1996.
- Families in the under \$10,000 income group showed increased net operating losses.
- A greater percentage of families had incomes of \$30,000 and over in 1997.

Methodology for Farm Income

Farm Income Forecast

The farm income forecast has been prepared by the Department in conjunction with the provincial Departments of Agriculture and with the assistance of Statistics Canada. It provides a comprehensive and up-to-date perspective on farm income at the provincial and national levels. Although forecasts are presented as a single number, each number is in fact the mid-point of a forecast range or confidence interval. The numbers should be interpreted as indicators of the major trends and turning points and not as specific values the forecasts will actually take.

The table below provides the percentage for each income component that can be applied to the forecast numbers to determine the forecast range. For example, in 2000, crop receipts in Canada are forecast at \$12,940 million with an average prediction error of $\pm 1.5\%$, which means that crop receipts could vary between \$12,746 and \$13,134 million.

Average Prediction Errors (RMSPE) - Canada

	2000	2001
Total crop receipts	$\pm 1.5\%$	$\pm 11.8\%$
Total livestock receipts	$\pm 1.2\%$	$\pm 4.2\%$
Total payments	$\pm 9.2\%$	$\pm 34.2\%$
Total cash receipts	$\pm 0.8\%$	$\pm 5.7\%$
Op. exp. after rebates	$\pm 1.6\%$	$\pm 4.9\%$
Net cash income	$\pm 4.3\%$	$\pm 11.2\%$
Realized net income	$\pm 12.2\%$	$\pm 24.0\%$

Source: Agriculture and Agri-Food Canada.

The average prediction error corresponds to the average relative variability of the previous December forecasts compared to the first estimates published by Statistics Canada. We use the root mean square error of the five-year period (1995-99) to establish the average relative variability of the forecast. This has been calculated at the Canada level for the major components of farm income.

Table A.1: Farm Receipts, Expenses and Income Forecast

The forecast is consistent with information available and policies in place as of December 2000. The forecast for 2000 and 2001 is primarily based on input from commodity analysts, provincial representatives and Statistics Canada officials. Canadian macroeconomic projections are taken from the Conference Board of Canada. Farm income forecasts are subject to change as market conditions or costs change even slightly. Income trends may vary from province to province reflecting the different production mix and prices in each province.

Net Cash Income measures farm business cash flow (gross revenue minus operating expenses) generated from the production of agricultural goods. It represents the money available for debt repayment, investment or withdrawal by the owner. *Realized Net Income* measures the financial flows, both monetary (cash income) and non-monetary (depreciation and income-in-kind), of farm businesses. It represents the net farm income in a given year regardless of the year the agricultural goods were produced. *Total Net Income* measures the financial flows and stock changes of farm businesses. It values agriculture economic production during the year that the agricultural goods were produced. It represents the return to owner's equity, unpaid labour, management and risks.

Crop and livestock receipts include only receipts from sales of agricultural products through commercial channels and exclude direct sales between farmers within the same province.

Total program payments include gross payments directly paid to producers under federal, provincial and municipal programs. Program payments represent the amount actually received by producers on a calendar year basis, with the exception of the "Other Payments" category which includes some payments on a fiscal or crop year basis. Program payments are allocated to the year during which they are actually received by producers.

NISA payments only represent the producers' withdrawals from Fund 2 (governments' fund). The large balances accumulated in Fund 1 (producers' fund) and unrealized triggers in Fund 2 are not included. Because of its design (whole farm and individual basis) and the fact that producers are not obliged to withdraw triggered payments from the account, it is very difficult to forecast NISA payments.

Some government support programs are reflected in operating expenses to the extent that they reduce farm input costs, as is the case with provincial credit programs. Also included are producer premiums paid for insurance programs.

Farm operating expenses include all business costs incurred in the production of agriculture commodities, for goods and services bought outside each province's agriculture sector.

Figure A.1(a) and Figure A.1(b): Canadian Farm Income in Current Dollars and in 1992 Dollars

Real income is defined in terms of 1992 dollars using the Gross Domestic Product Implicit Price Deflator (GDP deflator, 1992 = 100).

Benchmark Farms

The benchmark farm models are not intended to be representative of all farms producing a particular commodity in a given province. They serve only as examples of farms with a typical set of characteristics that can be found within a particular commodity sector and selected province. As such, they are not an average. Accounting is done on the cash basis and by calendar year. All benchmark farms are based on historical data obtained from Taxfiler information.

The production levels and product mix for the forecast of benchmark farm income and expenses are based on historical production patterns. The changes in quantities produced on the benchmark reflect the aggregate provincial income estimates. The set of benchmark farms chosen for this publication may differ from those included in previous versions of the Data Book as the selection is varied to reflect the diversity of agricultural production and issues of current interest.

Table A.3 and Figure A.2: Northwest New Brunswick Benchmark Potato Farm

The New Brunswick potato benchmark is constructed from Taxfiler information for potato farms with total sales of \$100,000 - \$249,999. These farms tend to be highly specialized in potato production and approximately 220 of 340 acres are in this crop. The farm also has small acreages of forages and horticulture crops and maintains a small cattle enterprise.

Table A.4 and Figure A.3: Southeast Quebec Benchmark Hog Farm

The highly specialized Quebec hog benchmark farm is constructed from Taxfiler information for hog farms with \$250,000 - \$499,999 in total sales and reflects the typical hog farm in the Chaudière/Appalaches region. The farm currently has about 150 sows and produces about 2,900 hogs annually. The farm has expanded steadily over the past few years.

Table A.5 and Figure A.4: Southern Ontario Benchmark Grain and Oilseed Farm

The Ontario grain and oilseed farm represents southern Ontario corn (130 acres), soybean (235 acres) and winter wheat (70 acres) producers in the \$100,000 - \$249,999 total receipts category. The farm also produces a small amount of coloured and white beans. Grains and oilseeds make up about three-quarters of the total receipts. Miscellaneous revenues such as custom work and rental income are also important, contributing about 15-20% to total revenues.

Table A.6 and Figure A.5: Saskatchewan Brown Soil Benchmark Grain and Oilseed Farm

The 1,700 acre Saskatchewan grain and oilseed farm represents traditional spring wheat and durum producers in the \$100,000 - \$249,999 total receipts category in the brown soil zone. Total wheat area is 750 acres. There are 50 acres of barley, 80 acres of lentils and the crop rotation also includes 585 acres of summerfallow. Grains and oilseeds make up about three-quarters of the

total receipts. Cattle, programs and miscellaneous revenues all contribute an equal proportion of the remaining revenues.

Table A.7 and Figure A.6: Southwest British Columbia Benchmark Dairy Farm

Dairy farms concentrated in the Lower Mainland/Southwest region, which form the basis of this benchmark, fall within the Taxfiler category of \$250,000 - \$499,999 in total receipts. Highly specialized, more than 90% of total revenues typically come from dairy sales and subsidies. The farm has a total of 125 cattle, of which 70 are dairy cows. The rest are dairy heifers and calves.

Table A.8: Gross Direct Program Payments and Producer Premiums

Program payments include gross payments/indemnities directly paid to producers under statutory programs such as NISA as well as provincial income stabilization programs and other special income support programs such as drought assistance. Payments under NISA represent withdrawals from Fund 2 (governments' fund).

Crop insurance payments include only government crop insurance programs; private hail insurance payments are excluded. The latter is included in Other Payments.

Producers also contribute to government programs by paying premiums for programs such as Crop Insurance and provincial stabilization programs.

Table A.9: Farm Receipts, Expenses and Income

See Table A.1 for methodology.

Table A.10 and Table A.11: Average Farm Revenues, Operating Expenses and Net Cash Income Per Farm (A.10) and By Farm Type (A.11)

The Taxation Data Program (TDP) estimates of farm income are derived from a sample of individual taxfilers who reported positive gross farm income or non-zero net farm income on their

income tax returns (Revenue Canada T1 General) as well as those agricultural corporations that reported total sales (gross revenues plus joint venture income) of \$25,000 and over, and for which 51% or more of their sales come from agricultural activities (T2-Corporate). For purposes of statistical tabulations, unincorporated farms with farm revenues below \$10,000 are excluded.

The TDP income estimates differ from the official farm revenue and expense data reported in the Agriculture Economic Statistics, Catalogue No. 21-603, Statistics Canada. For explanation of some of the differences, please refer to Agricultural Financial Statistics, Catalogue No. 21-205, Statistics Canada.

Farm revenues refer to the revenues from the sale of agricultural commodities as well as agricultural government payments and subsidies. Revenues from the sale of forest products and other farm income are also included.

Operating expenses refer to the business costs, before depreciation, incurred by farm operators for goods and services used in the production of agricultural commodities.

In both farm revenues and operating expenses, inter-farm sales and purchases are included.

The farm type classification is based on the percentage of the sales of the major commodity (or commodity group). For example, farms on which 51% or more of the sales of agricultural products are derived from the sales of dairy products are considered dairy farms.

For a detailed description of methodology, please refer to Agricultural Financial Statistics, Statistics Canada, Catalogue No. 21-205.

Table A.12: Average Family Income by Source and Income Group, Unincorporated Farms

Total family income is derived from personal tax returns of each family member. Farm families are identified by linking two source files: the Taxation Data Program's sample of individuals operating unincorporated farms and the T1 Family file which contains family units developed by Small Area and Administrative Data of Statistics Canada.

The following members and/or families are excluded:

- 1) Non-family persons who do not belong to a husband-wife or a lone parent family;
- 2) Families in which members derived all of their farm revenues from non-agricultural sources;
- 3) Families in which members are involved in more than one farming operation,
- 4) Families operating a farm showing a gross operating revenue of less than \$10,000.

Off-farm income estimates are produced by adding the off-farm income components of family members and applying the appropriate family weight to each record which corresponds to a family.

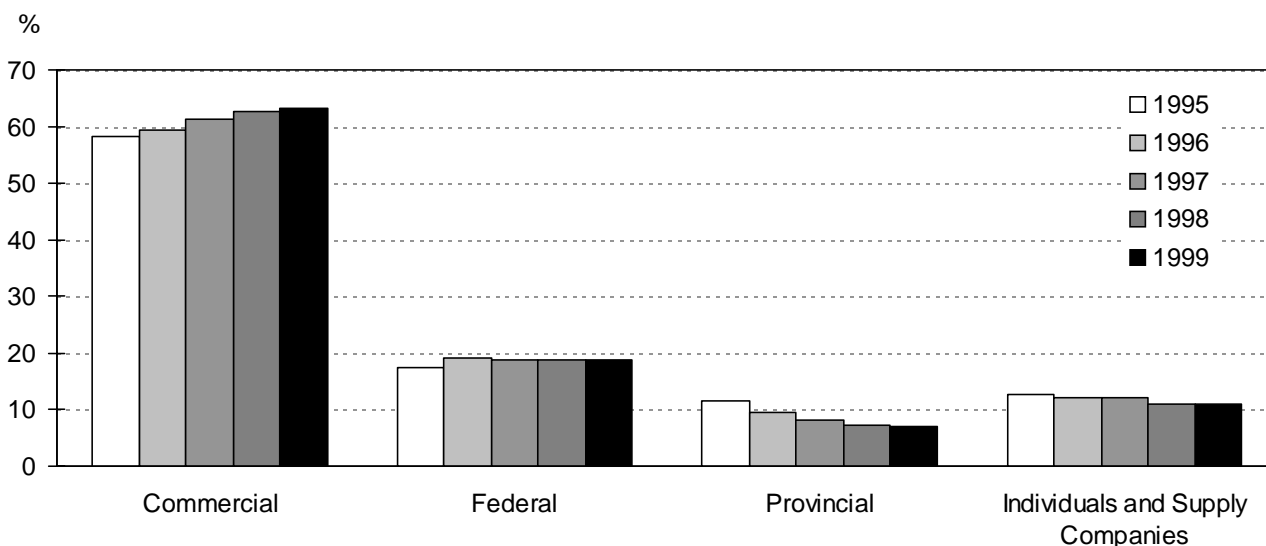
For a detail description of methodology, please refer to Agricultural Financial Statistics, Statistics Canada, Catalogue No. 21-205.

SECTION B
Farm Financial Conditions

Table B.1: Farm Debt, Canada and Provinces, 1981-99

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
1981	16	117	181	181	2,483	4,773	1,570	3,479	4,105	1,375	18,279
1991	37	188	276	226	3,525	4,813	1,989	4,921	6,401	1,155	23,533
1992	37	207	270	231	3,714	4,798	2,058	4,740	6,227	1,101	23,384
1993	35	235	264	231	3,631	4,975	2,020	4,482	6,360	1,177	23,409
1994	39	285	307	231	4,114	5,160	2,217	4,411	6,399	1,298	24,460
1995	40	310	308	271	4,393	5,442	2,422	4,509	6,613	1,368	25,676
1996	42	331	322	298	4,769	5,964	2,569	4,773	6,705	1,456	27,230
1997	40	372	358	327	5,355	6,868	2,814	5,171	7,398	1,608	30,312
1998	43	408	395	348	5,937	7,582	3,124	5,461	7,980	1,775	33,054
1999	48	432	415	374	6,677	8,199	3,565	5,678	8,433	1,985	35,807

Source: Statistics Canada, Catalogue No. 21-603, Agriculture Economic Statistics.

Figure B.1: Lender Shares as a Percentage of Farm Debt, Canada, as of December 31, 1995-99

Source: Statistics Canada, Catalogue No. 21-603, Agriculture Economic Statistics.

Significant Points

- Total farm debt was relatively stable in the early 1990's, and has increased 46% since 1994.
- Commercial lenders accounted for 63% of the farm debt in 1999.
- In 1995, the federal and provincial shares of farm debt were 18% and 11%, respectively. In 1999, the federal share was 19% and the provincial share had declined to 7%. The federal portion of debt includes advance payment programs which facilitate loans sourced through commercial lenders.
- In 1999, debt held by private individuals and supply companies accounted for around 11% of total debt.

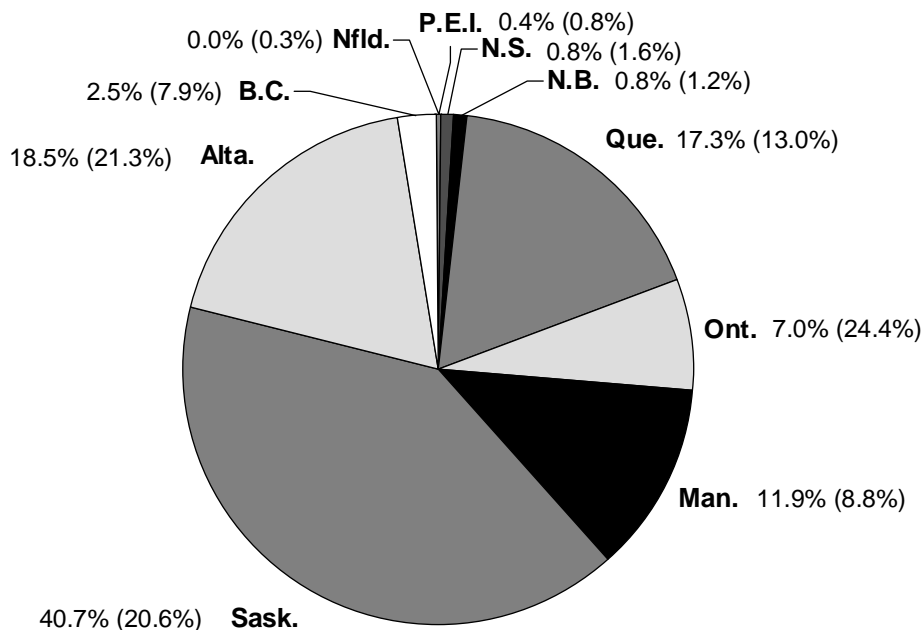
Table B.2: Farm Bankruptcies by Province, 1986-00

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	NWT/ Yukon	Canada
1986	1	4	7	2	103	102	50	45	93	33	0	440
1987	0	2	5	2	67	52	47	85	71	23	0	354
1988	1	0	4	4	54	35	27	115	54	31	0	325
1989	0	2	0	3	61	18	26	152	58	14	0	334
1990	2	5	4	7	73	32	15	189	62	18	0	407
1991	0	3	3	7	82	15	21	224	71	15	0	441
1992	0	2	5	3	63	21	15	191	73	10	0	383
1993	1	7	4	2	49	22	13	166	80	5	0	349
1994	0	3	2	3	67	15	7	132	68	11	0	308
1995	1	0	8	5	33	23	10	94	87	12	0	273
1996	0	0	5	4	54	17	24	95	75	1	0	275
1997	0	4	6	4	54	15	19	76	61	4	0	243
1998	0	1	4	1	47	12	27	92	55	5	0	244
1999	0	1	2	2	42	17	29	99	45	6	0	243
1999*	0	1	0	2	39	15	27	93	39	6	0	222
2000*	0	1	4	1	36	20	18	68	36	14	0	198

Source: Office of the Superintendent of Bankruptcy.

* January 1 to November 30.

Figure B.2: Distribution of Farm Bankruptcies by Province, 1999



Sources: Office of the Superintendent of Bankruptcy and Statistics Canada, 1996 Census of Agriculture.

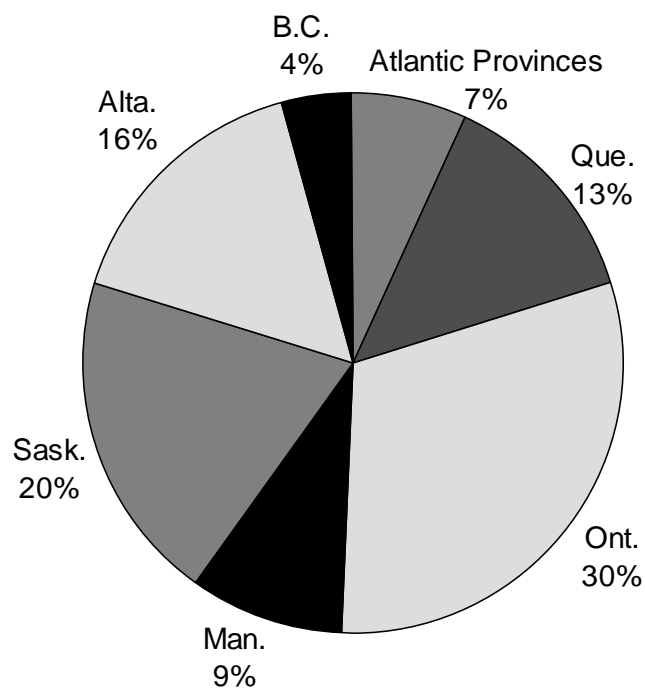
Note: The percent of farms by province in 1996 is indicated in brackets. It is based on the 1996 Census of Agriculture.

Table B.3: Farm Credit Corporation (FCC) Loans Receivable Portfolio, 1994-95 to 1999-00

	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Number of loans receivable	56,760	60,250	65,318	69,846	72,311	73,686
Amount receivable (\$million)	3,536	4,066	4,687	5,319	5,843	6,304
Number of loans approved	6,428	10,193	12,910	15,488	14,880	14,201
Amount of loans approved (\$million)	632	1,033	1,403	1,525	1,617	1,611
Average size of loans approved (\$)	98,308	101,315	108,668	98,473	108,700	113,500

Source: Farm Credit Corporation, Annual Reports, 1997-98 and 1999-00.

Figure B.3: Distribution of the Amount of FCC Loans Receivable, by Province, as of March 31, 2000



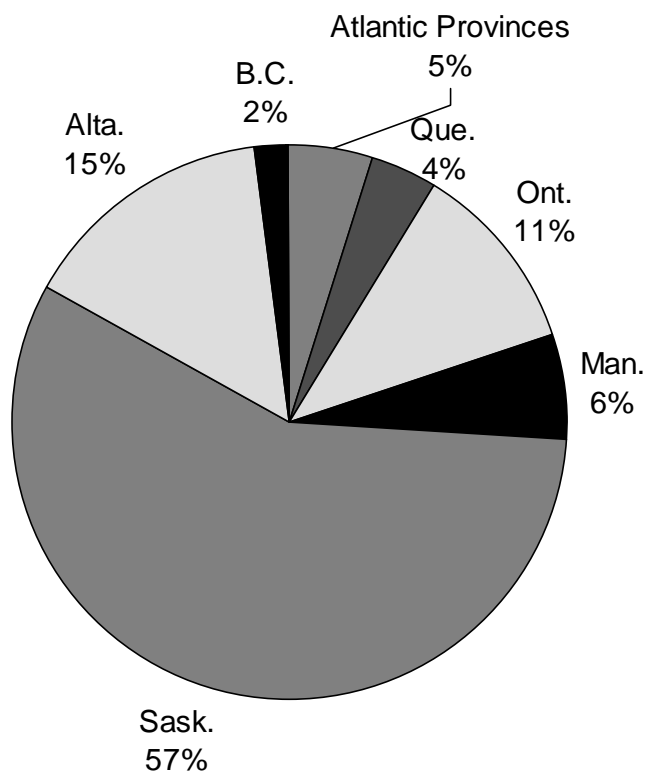
Source: FCC Annual Reports.

Table B.4: New Loans Registered Under the Farm Improvement and Marketing Cooperatives Loans Act (FIMCLA), 1992-93 to 1999-00

	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Number of new loans registered	9 297	15 902	19 702	14 086	16 250	15 946	8 641	7 630
Amount of new loans registered (\$000s)	196 503	423 267	551 500	371 903	488 759	516 885	259 174	216 072
Average size of new loans registered (\$)	21 136	26 617	27 992	26 402	30 077	32 415	29 994	28 319

Source: Agriculture and Agri-Food Canada, 1992-93 to 1993-94 Main Estimates, 1998-99 Agriculture and Agri-Food Canada Performance Report for 1994-95 to 1998-99, and FIMCLA Administration, National Marketing Programs Division, Agriculture and Agri-Food Canada for 1999-00.

Figure B.4: Distribution of the Amount of New Loans Registered under FIMCLA, by Province, 1999-00



Source: FIMCLA Administration, National Marketing Programs Division, Agriculture and Agri-Food Canada for 1999-00.

Table B.5: Average Assets, Liabilities, Net Worth and Net New Investment, by Farm Type, Canada and Provinces, 1995, 1997 and 1999

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
CANADA								
Farm Assets								
- 1995	1,017,771	586,408	807,761	1,298,603	709,620	1,356,023	682,711	733,986
- 1997	1,189,875	626,984	1,009,967	1,345,467	692,811	1,539,601	736,144	777,249
- 1999	1,601,036	684,805	1,336,517	1,770,155	749,045	1,686,234	803,062	896,014
Farm Debt								
- 1995	188,862	74,264	189,633	271,677	111,269	285,757	95,834	113,465
- 1997	227,275	93,908	260,508	269,778	130,171	368,443	106,227	130,822
- 1999	315,609	100,323	412,042	357,683	152,280	441,122	134,968	163,112
Net Worth								
- 1995	828,909	512,144	618,128	1,026,927	598,351	1,070,266	586,877	620,519
- 1997	962,599	533,076	749,459	1,075,689	562,639	1,171,158	629,918	646,426
- 1999	1,285,427	584,482	924,476	1,412,472	596,765	1,245,113	668,093	732,901
Net New Investment								
- 1995	44,315	19,122	48,274	..	..	101,196	30,844	30,237
- 1997	51,782	23,754	87,635	43,384	28,888	82,689	36,000	36,195
- 1999	67,480	18,527	68,735	79,523	35,431	83,714	26,067	32,468

Significant Points

- Net worth increased for all farm types from 1997 to 1999.
- Average net new investment in Canada decreased in 1999.
- Potato and poultry farms had higher levels of net new investment than other farm types.

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
ATLANTIC								
Farm Assets								
- 1995	1,086,968	407,383	620,513	1,217,365	448,766	1,341,959	..	765,298
- 1997	1,241,965	387,199	763,524	1,074,831	416,465	1,482,725	600,156	759,929
- 1999	1,762,587	427,523	729,407	1,419,321	490,501	1,783,279	544,329	937,927
Farm Debt								
- 1995	165,156	35,411	154,085	237,250	54,848	268,211	..	124,008
- 1997	204,383	42,445	197,830	203,193	72,054	355,177	70,703	139,897
- 1999	316,510	49,860	263,039	287,462	94,222	504,626	60,364	193,865
Net Worth								
- 1995	921,811	371,972	466,429	980,115	393,919	1,073,748	..	641,290
- 1997	1,037,582	344,754	565,694	871,638	344,410	1,127,548	..	620,032
- 1999	1,446,076	377,663	466,368	1,131,859	396,280	1,278,653	483,965	744,062
Net New Investment								
- 1995	43,839	..	..	65,543	23,096	96,237	..	36,207
- 1997	52,392	12,416	56,138	39,789	15,169	76,948	26,162	33,373
- 1999	64,844	6,038	29,657	50,301	23,471	99,854	-660	37,146

Significant Points

- Net worth increased between 1997 and 1999 after showing a decline from 1995 to 1997.
- In 1999, average net new investment was highest for potato farms.
- Dairy farms had the highest net worth followed by potato farms in 1999.

Source: Statistics Canada and Agriculture and Agri-Food Canada, Farm Financial Survey.

Table B.5: Average Assets, Liabilities, Net Worth and Net New Investment, by Farm Type, Canada and Provinces, 1995, 1997 and 1999 (cont'd)

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
QUEBEC								
Farm Assets								
- 1995	827,697	367,990	792,506	1,419,331	453,125	947,048	731,349	687,272
- 1997	897,465	361,195	901,388	1,248,480	480,975	905,305	838,562	693,564
- 1999	1,346,622	396,388	1,096,958	1,924,025	617,182	769,120	944,312	935,512
Farm Debt								
- 1995	165,636	63,982	201,257	..	96,476	..	161,722	141,742
- 1997	191,824	65,464	305,932	267,274	132,921	253,219	208,446	162,370
- 1999	297,101	69,239	460,004	388,212	172,503	212,486	207,172	220,794
Net Worth								
- 1995	662,061	304,007	591,249	1,127,050	356,649	702,866	569,627	545,530
- 1997	705,642	295,732	595,456	981,206	348,055	652,086	630,117	531,194
- 1999	1,049,521	327,149	636,955	1,535,813	444,679	556,633	737,140	714,718
Net New Investment								
- 1995	37,644	13,387	..	..	..	..	43,259	32,725
- 1997	39,830	..	66,427	44,782	19,160	..	45,804	31,838
- 1999	67,115	3814	59,469	84,473	26,331	23,372	39,167	42,084

Significant Points

- The average net worth of farms in Quebec increased by almost \$200,000 between 1997 and 1999 after experiencing a slight decrease during the previous period.
- Net new investment was highest for poultry farms, followed by dairy farms.

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
ONTARIO								
Farm Assets								
- 1995	1,154,295	463,729	638,786	1,207,311	801,055	..	682,873	740,280
- 1997	1,369,056	551,799	934,392	1,372,783	790,661	..	700,675	827,222
- 1999	1,698,200	610,163	1,098,846	1,981,359	808,641	1,831,126	847,555	1,001,592
Farm Debt								
- 1995	187,254	50,774	177,647	213,582	..	..	98,274	113,674
- 1997	231,494	69,238	243,859	239,326	146,954	..	95,450	134,222
- 1999	280,004	69,897	317,262	354,705	135,210	427,833	128,527	162,954
Net Worth								
- 1995	967,041	412,955	461,139	993,729	663,810	..	584,598	626,606
- 1997	1,137,562	482,561	690,532	1,133,457	643,707	..	605,225	693,000
- 1999	1,418,196	540,266	781,584	1,626,654	673,431	1,403,294	719,028	838,638
Net New Investment								
- 1995	48,862	10,114	34,931	..	..	..	25,207	24,409
- 1997	51,968	17,000	88,459	39,089	38,847	..	30,334	35,044
- 1999	61,179	15,020	56,170	94,046	36,861	69,935	26,229	36,361

Significant Points

- Average net worth of farms in Ontario increased substantially from 1997 to 1999.
- Net new investment continued to increase from the 1995 level.

Source: Statistics Canada and Agriculture and Agri-Food Canada, Farm Financial Survey.

Table B.5: Average Assets, Liabilities, Net Worth and Net New Investment, by Farm Type, Canada and Provinces, 1995, 1997 and 1999 (cont'd)

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
MANITOBA								
Farm Assets								
- 1995	1,024,172	402,484	1,323,889	..	..	..	675,386	687,697
- 1997	1,216,581	433,877	1,371,434	955,635	..	3,698,365	732,308	716,531
- 1999	1,409,128	509,552	1,704,906	1,297,581	267,193	2,676,078	796,662	785,363
Farm Debt								
- 1995	219,305	46,359	259,958	..	..	..	102,171	108,268
- 1997	290,635	67,663	275,149	136,349	..	938,654	119,385	123,883
- 1999	258,839	89,458	473,653	261,482	38,598	798,846	151,282	158,786
Net Worth								
- 1995	804,868	356,125	1,063,931	..	..	..	573,215	579,428
- 1997	925,946	366,214	1,096,285	819,285	..	..	612,923	592,648
- 1999	1,150,290	420,094	1,231,253	1,036,099	228,595	1,877,231	645,381	626,578
Net New Investment								
- 1995	..	12,600	82,793	..	..	..	30,114	32,470
- 1997	63,307	13,895	121,716	..	..	271,101	40,010	38,864
- 1999	72,988	14,474	70,075	41,602	6,188	125,797	27,865	29,429

Significant Points

- Average net worth of farms in Manitoba increased by almost \$34,000 between 1997 and 1999.
- Net new investment was highest for potato farms, however, these farms showed a significant decrease from 1997.

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
SASKATCHEWAN								
Farm Assets								
- 1995	..	581,369	..	..	..	..	622,068	628,592
- 1997	1,181,460	542,031	1,186,623	..	..	..	672,948	657,868
- 1999	1,464,359	578,918	2,168,436	1,236,658	208,000	..	665,437	665,841
Farm Debt								
- 1995	..	79,745	..	..	..	..	84,660	87,272
- 1997	191,130	81,821	246,050	..	..	..	91,654	92,728
- 1999	313,757	91,750	603,891	299,369	27,000	..	112,998	113,978
Net Worth								
- 1995	..	501,625	..	..	..	..	537,408	541,320
- 1997	990,330	460,211	940,573	..	..	..	581,294	565,140
- 1999	1,150,602	487,168	1,564,545	937,289	181,000	..	552,439	551,863
Net New Investment								
- 1995	..	21,030	..	..	..	..	30,185	29,187
- 1997	..	19,871	150,590	..	..	..	34,984	33,502
- 1999	71843	22,716	228,671	171	36,000	..	20,299	22,573

Significant Points

- The net worth of the average grain farm in Saskatchewan decreased in 1999 after showing a substantial increase in 1997.
- Average net new investment on Saskatchewan farms decreased in 1999.
- Hog farms and dairy farms had the highest net worth in 1999.

Source: Statistics Canada and Agriculture and Agri-Food Canada, Farm Financial Survey.

Table B.5: Average Assets, Liabilities, Net Worth and Net New Investment, by Farm Type, Canada and Provinces, 1995, 1997 and 1999 (cont'd)

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
ALBERTA								
Farm Assets								
- 1995	1,285,044	747,023	941,856	..	..	..	817,621	819,259
- 1997	2,259,251	809,241	1,119,426	..	..	2,567,016	880,799	880,037
- 1999	3,159,919	874,686	2,082,185	1,369,954	4,861,214	2,191,784	1,040,769	1,007,202
Farm Debt								
- 1995	..	100,347	183,469	..	..	..	107,152	113,198
- 1997	405,357	131,492	222,446	..	..	600,715	120,861	137,095
- 1999	602,646	133,982	490,189	323,641	1,597,302	406,531	162,815	165,332
Net Worth								
- 1995	1,017,081	646,676	758,387	..	..	..	710,469	706,061
- 1997	1,853,893	677,748	896,980	..	..	1,966,301	759,938	742,942
- 1999	2,557,273	740,704	1,591,997	1,046,313	3,263,911	1,785,252	877,954	841,869
Net New Investment								
- 1995	..	27,518	..	..	..	..	34,947	34,107
- 1997	..	36,228	83,719	..	..	148,347	38,926	40,844
- 1999	86,550	22,624	77,130	65,373	671,586	129,515	34,838	32,379

Significant Points

- The average net worth of farms in Alberta increased steadily from 1995 to 1999.
- Net new investment was highest for potato farms.
- The net worth for dairy farms and hog farms increased significantly between 1997 and 1999.

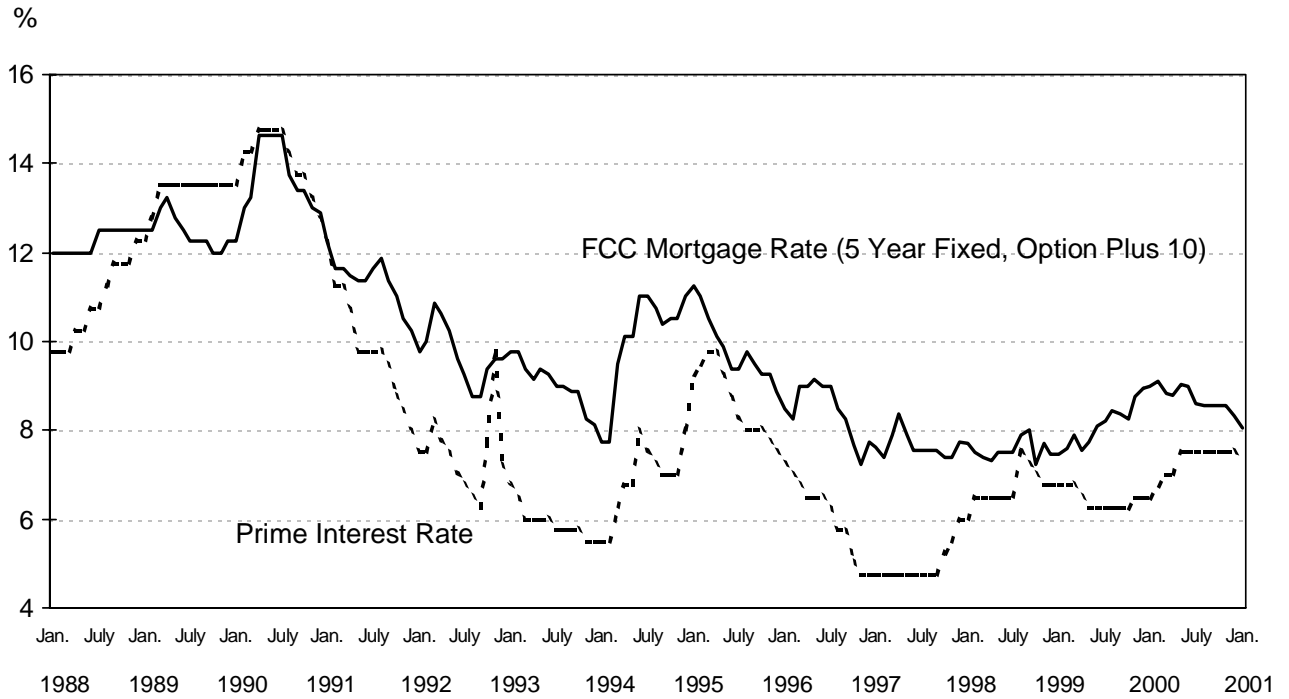
	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
BRITISH COLUMBIA								
Farm Assets								
- 1995	2,065,032	870,049	..	1,642,107	883,449	..	..	1,088,317
- 1997	2,250,119	842,449	958,822	1,712,549	925,693	1,491,359	907,460	1,101,487
- 1999	2,885,975	914,297	1,559,104	1,913,380	834,699	2,320,231	1,003,750	1,139,360
Farm Debt								
- 1995	401,501	82,467	..	..	108,644	..	..	171,363
- 1997	492,504	76,037	236,484	407,152	145,534	..	136,342	199,738
- 1999	727,810	90,972	540,938	427,833	155,433	301,790	173,421	222,205
Net Worth								
- 1995	1,663,531	787,583	..	1,109,948	774,805	..	..	916,954
- 1997	1,757,616	766,411	722,339	1,305,398	780,160	1,325,567	771,118	901,749
- 1999	2,158,164	823,325	1,018,166	1,485,547	679,266	2,018,441	830,329	917,154
Net New Investment								
- 1995	..	27,550	..	..	..	..	..	32,826
- 1997	83,673	22,398	65,742	57,887	33,444	..	22,793	44,773
- 1999	113,868	25,833	64,154	87,782	28,886	89,005	29,481	39,145

Significant Points

- The average net worth of British Columbia farms was higher than in any other province in 1999.
- Average net new investment decreased from 1997 to 1999.

Source: Statistics Canada and Agriculture and Agri-Food Canada, Farm Financial Survey.

Figure B.5: FCC Mortgage Rate and Prime Interest Rate, 1988-01



Sources: Farm Credit Corporation (FCC) and Bank of Canada Review.

Table B.6: Comparison of Selected Average Fertilizer and Fuel Prices Between Manitoba and Minnesota/North Dakota, 2000

	Manitoba		Minnesota/North Dakota	
	May 00	Oct. 00	May 00	Oct. 00
Nitrogen (Cdn\$/tonne)				
Anhydrous Ammonia (82-0-0)	382.35	402.40	335.17	445.13
Urea (46-0-0)	277.70	285.80	286.99	319.36
Phosphate (Cdn\$/tonne)				
MAP (11-52-0)	361.01	349.33	368.68	362.77
Potash (Cdn\$/tonne)				
Potash (0-0-60)	188.71	180.75	218.66	227.02
Fuel (Cdn¢/litre)				
Diesel	44.48	51.57	41.87	51.01
Gasoline (regular unleaded)	51.38	56.13	40.22	n.a.

Source: The Thomsen Corporation.

Table B.7: Comparison of Selected Average Fertilizer and Fuel Prices Between Ontario and Michigan/Ohio/Indiana, 2000

	Ontario		Michigan/Ohio/Indiana	
	June 1/00	Sept. 21/00	June 1/00	Sept. 21/00
Nitrogen (Cdn\$/tonne)				
Anhydrous Ammonia (82-0-0)	417.77	453.01	418.92	463.81
Urea (46-0-0)	296.88	313.48	331.90	350.96
Nitrogen Solution (UAN, 28%)	197.75	200.77	205.60	218.64
Ammonium Nitrate	285.87	294.93	332.63	341.65
Phosphate (Cdn\$/tonne)				
MAP (11-52-0)	390.70	392.12	408.16	391.92
DAP (18-46-0)	391.73	392.93	385.25	366.97
Triple Super (0-46-0)	366.41	367.17	348.86	343.69
Potash (Cdn\$/tonne)				
Potash (0-0-60)	257.26	256.39	257.22	252.72
Fuel (Cdn¢/litre)				
Diesel	49	56	48	53
Gasoline (regular unleaded)	70	72	62	65

Source: Ridgeway College, University of Guelph

Table B.8: Wage Rates Paid to Hired Agricultural Labour, Canada and Provinces, 1997

	General Farm Labour	Operating Machinery	Care of Livestock	Fruit & Vegetable Labour	Supervising	Other Types of Labour	Averages All Types
(Dollars per hour)							
Atlantic	8.03	9.85	9.15	8.19	9.06	9.73	8.35
Quebec	8.72	9.95	10.01	8.02	10.53	10.93	9.14
Ontario	9.28	11.85	10.84	8.24	14.03	8.16	9.62
Manitoba	8.88	9.71	9.42	7.71	13.71	9.91	9.04
Saskatchewan	9.31	9.50	10.79	7.36	12.74	8.32	9.53
Alberta	10.15	11.43	10.73	7.50	14.14	9.40	10.22
British Columbia	10.41	12.11	11.09	8.94	13.80	10.36	10.05
Canada	9.27	10.70	10.38	8.32	13.24	9.45	9.50

Source: Statistics Canada, Agriculture Division.

Table B.9: Agricultural Inputs, Canada, 1995-99

	1995	1996	1997	1998	1999
(\$000)					
Machinery Operating Costs	3,059,454	3,178,558	3,218,381	3,127,684	3,251,716
Commercial Feed	3,125,647	3,651,516	3,858,005	3,718,895	3,543,539
Wages	2,614,165	2,746,443	2,924,611	3,013,382	3,177,363
Fertilizer and Lime	1,859,459	2,007,492	1,975,710	1,969,878	1,884,470
Interest	1,816,225	1,685,126	1,731,246	1,930,992	2,123,570
Rent	996,023	1,065,251	1,096,192	1,130,727	1,149,870
Pesticides	1,095,956	1,223,164	1,305,144	1,337,932	1,368,144
Livestock Purchases	933,756	908,366	837,888	995,679	1,320,687
Commercial Seed	657,215	719,762	793,817	833,109	867,965
Building and Fence Repairs	582,276	634,193	630,211	635,557	651,518
Electricity	562,962	587,558	606,788	594,458	607,967
Property Taxes	481,532	504,086	520,633	518,189	521,580
Crop and Hail Insurance	386,107	430,609	407,712	378,780	343,045
Business Insurance	450,842	461,808	485,611	494,825	506,714
A.I. Fees and Veterinary	435,357	434,374	470,302	479,257	518,846
Other*	2,167,096	2,478,309	2,286,886	2,345,407	2,496,106
Depreciation	3,319,543	3,552,604	3,669,341	3,800,429	3,902,049
Total Expenses	24,543,615	26,269,219	26,818,478	27,305,180	28,235,149

Source: Statistics Canada, Agriculture Division.

Note: Input expenses are net of government rebates.

*Includes: Stabilization premiums; heating fuel; twine, wire and containers; telephone; lime and irrigation; custom work; and other expenses.

Table B.10: Value of New and Used Equipment Purchases, Average for All Farms, by Revenue Class, 1999

	Farm Revenue					
	\$10,000 to \$24,999	\$25,000 to \$49,999	\$50,000 to \$99,999	\$100,000 to \$249,999	\$250,000 and more	All Farms
WESTERN CANADA						
Number of Farms	14,665	19,615	24,135	29,375	14,955	102,745
New Tractors	\$132	\$384	\$1,192	\$1,637	\$8,199	\$2,034
Used Tractors	\$359	\$1,173	\$2,531	\$4,424	\$6,067	\$3,018
New Tillage	\$4	\$56	\$253	\$1,813	\$6,251	\$1,499
Used Tillage	\$93	\$204	\$732	\$1,044	\$1,993	\$813
New Hay Mowers	-	\$198	\$179	\$266	\$1,145	\$324
Used Hay Mowers	\$105	\$157	\$171	\$116	\$360	\$171
New Harvesting	-	\$115	\$160	\$950	\$9,613	\$1,731
Used Harvesting	\$314	\$381	\$1,806	\$4,982	\$8,932	\$3,266
New Balers	-	\$328	\$669	\$425	\$968	\$486
Used Balers	\$34	\$133	\$230	\$369	\$171	\$215
New Other Machinery	\$119	\$434	\$593	\$748	\$6,845	\$1,449
Used Other Machinery	\$114	\$391	\$765	\$903	\$2,889	\$949
Total New Machinery	\$301	\$1,515	\$3,046	\$5,839	\$33,022	\$7,523
Total Used Machinery	\$1,020	\$2,440	\$6,234	\$11,838	\$20,412	\$8,431
EASTERN CANADA						
Number of Farms	11,225	11,355	10,940	18,650	16,180	68,345
New Tractors	\$898	\$670	\$2,587	\$4,271	\$11,647	\$4,595
Used Tractors	\$726	\$1,423	\$1,023	\$2,852	\$3,517	\$2,130
New Tillage	\$33	\$133	\$144	\$1,204	\$2,045	\$863
Used Tillage	\$95	\$241	\$242	\$735	\$869	\$500
New Hay Mowers	\$0	\$123	\$89	\$581	\$995	\$429
Used Hay Mowers	\$54	\$114	\$104	\$129	\$241	\$137
New Harvesting	\$10	\$61	\$157	\$867	\$3,651	\$1,138
Used Harvesting	\$25	\$304	\$331	\$460	\$3,040	\$953
New Balers	-	\$319	\$224	\$522	\$404	\$330
Used Balers	\$104	\$108	\$58	\$213	\$175	\$144
New Other Machinery	\$422	\$464	\$1,393	\$2,727	\$7,520	\$2,894
Used Other Machinery	\$146	\$326	\$546	\$856	\$1,697	\$801
Total New Machinery	\$1,388	\$1,769	\$4,594	\$10,172	\$26,262	\$10,250
Total Used Machinery	\$1,150	\$2,516	\$2,303	\$5,246	\$9,539	\$4,665

Source: Statistics Canada and Agriculture and Agri-Food Canada, 2000 Farm Financial Survey.

Methodology for Farm Financial Conditions

Table B.1: Farm Debt and Figure B.1: Lender Shares as a Percentage of Farm Debt

Farm debt and lender share information is from data published by the Agriculture Division of Statistics Canada in Catalogue No. 21-603, Agriculture Economic Statistics.

Table B.2: Farm Bankruptcies and Figure B.2: Distribution of Farm Bankruptcies

Bankruptcies are only one form of financial failure and the bankruptcy statistics represent a small part of the total number of farmers who leave agriculture because of financial difficulties.

Bankruptcy data are collected and reported monthly by the Office of the Superintendent of Bankruptcy.

Table B.3: Farm Credit Corporation (FCC) Loans Receivable Portfolio and Figure B.3: Distribution of the Amount of FCC Loans Receivable

FCC information on loans receivable and loans approved is from the FCC 1997-98, 1998-99 and 1999-00 Annual Reports.

Table B.4: New Loans Registered Under the FIMCLA and Figure B.4: Distribution of the Amount of New Loans Registered under FIMCLA

Data on new loans registered under the Farm Improvement and Marketing Cooperatives Loans Act (FIMCLA) are from the "Main Estimates for 1996-97" for 1992-93 and 1993-94, the "1998-99 Agriculture and Agri-Food Canada Department Performance Report" for 1994-95 to 1998-99; and from FIMCLA Administration for 1999-00. Data on distribution of new loans registered by province were provided by FIMCLA administration.

Table B.5: Average Assets, Liabilities, Net Worth and Net New Investment, by Farm Type

Per farm information on farm assets, farm debt, net worth, and net new investment is from the 1996, 1998 and 2000 Farm Financial Surveys. The Farm Financial Survey is conducted by Statistics Canada for Agriculture and Agri-Food Canada approximately every two years and collects data from a sample of farms with annual gross revenues over \$10,000.

Net new investment is measured by gross capital investment less capital sales. Net operating income is defined as gross farm receipts less total cash expenses.

Figure B.5: FCC Mortgage Rate and Prime Interest Rate

The prime interest rate in Canada is reported in the Bank of Canada Review (or at www.bank-banque-canada.ca). The FCC five-year fixed mortgage rate (option plus 10) is reported by the Farm Credit Corporation.

Tables B.6 and B.7: Selected Average Fertilizer and Fuel Prices and Table B.8: Wage Rates Paid to Hired Agricultural Labour

The information on fertilizer prices is provided for Manitoba and Ontario along with comparisons to adjacent U.S. states, by private consultants on contract to Agriculture and Agri-Food Canada. The price and wage data were collected by Statistics Canada under a contract with Agriculture and Agri-Food Canada. The wage data was collected from farmers. The survey has been cancelled.

Table B.9: Agricultural Inputs

Operating expenses, net of rebates, are listed. The rebates reduce some farm input costs. Inter-farm purchases are excluded.

For a detailed description of methodology, please refer to Agriculture Economic Statistics, Statistics Canada, Catalogue No. 21-603.

Table B.10: Value of New and Used Equipment Purchases, Average for All Farms, by Revenue Class

Information is based on the 2000 Farm Financial Survey conducted by Statistics Canada for Agriculture and Agri-Food Canada. The survey collected 1999 calendar year data. The value of both new and used machinery purchases is before deduction of the value of equipment trade-ins. The value of purchases is for all farms, including those that did not purchase equipment. Other information is available from this survey, such as purchases by farm type, or by province.

SECTION C

Government Expenditures in Support of the Agri-Food Sector

Table C.1: Federal and Provincial Government Expenditures in Support of the Agri-Food Sector, Canada and Provinces, 1993-94 to 2000-01

Allocated		1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01 Estimates
(\$ 000)									
Nfld.	Federal	8,973	10,194	9,802	8,312	11,803	6,578	8,429	7,856
	Provincial	13,185	16,762	14,274	12,605	21,503	10,425	9,626	10,195
	% Fed.	40.49	37.82	40.71	39.74	35.44	38.69	46.69	43.52
P.E.I.	Federal	47,429	31,280	38,479	32,553	33,550	24,347	27,322	32,286
	Provincial	27,617	19,394	21,427	20,677	18,329	20,816	22,507	20,841
	% Fed.	63.20	61.73	64.23	61.15	64.67	53.91	54.83	60.77
N.S.	Federal	35,456	30,929	31,877	27,190	27,252	24,055	24,883	28,779
	Provincial	58,474	44,512	41,739	40,105	29,896	38,922	35,439	34,423
	% Fed.	37.75	41.00	43.30	40.40	47.69	38.20	41.25	45.53
N.B.	Federal	46,641	33,708	37,022	30,898	35,144	27,458	24,639	24,529
	Provincial	26,561	24,797	24,638	21,807	22,429	21,597	25,464	24,099
	% Fed.	63.71	57.62	60.04	58.62	61.04	55.97	49.18	50.44
Que.	Federal	361,275	333,876	314,256	254,436	342,238	265,544	392,031	374,792
	Provincial	670,801	623,533	639,201	578,433	521,360	524,490	527,436	735,002
	% Fed.	35.00	34.87	32.96	30.55	39.63	33.61	42.64	33.77
Ont.	Federal	381,113	371,565	348,302	355,973	362,653	355,221	421,294	464,278
	Provincial	508,063	466,693	476,249	484,897	469,912	324,654	363,029	480,766
	% Fed.	42.86	44.33	42.24	42.33	43.56	52.25	53.71	49.13
Man.	Federal	387,533	375,048	424,332	343,870	217,627	232,353	351,368	323,853
	Provincial	184,187	181,592	131,911	131,922	137,029	141,458	222,185	156,243
	% Fed.	67.78	67.38	76.29	72.27	61.36	62.16	61.26	67.46
Sask.	Federal	975,856	1,054,594	958,680	1,059,513	655,504	455,095	859,405	757,439
	Provincial	416,242	221,141	385,082	343,546	296,451	451,572	446,788	299,941
	% Fed.	70.10	82.67	71.34	75.51	68.86	50.19	65.79	71.63
Alta.	Federal	575,635	514,551	624,133	598,317	425,323	396,336	480,116	546,985
	Provincial	582,293	471,882	499,337	395,584	346,646	357,507	618,467	561,618
	% Fed.	49.71	52.16	55.55	60.20	55.10	52.58	43.70	49.34
B.C.	Federal	82,949	77,599	82,667	82,718	81,793	87,075	91,508	101,414
	Provincial	48,425	63,022	59,898	65,384	60,249	69,219	63,694	78,901
	% Fed.	63.14	55.18	57.99	55.85	57.58	55.71	58.96	56.24
Others	Federal	334,478	330,111	287,712	307,033	255,607	288,243	142,319	438,533
	Provincial	249	356	386	300	-	-	-	-
	% Fed.	99.93	99.89	99.87	99.90	100	100	100	100
Canada	Federal	3,237,339	3,163,454	3,157,263	3,100,811	2,448,492	2,162,305	2,823,315	3,100,744
	Provincial	2,535,851	2,133,328	2,293,755	2,094,959	1,923,805	1,960,660	2,334,635	2,402,029
	% Fed.	56.08	59.72	57.92	59.68	56.00	52.45	54.74	56.35

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

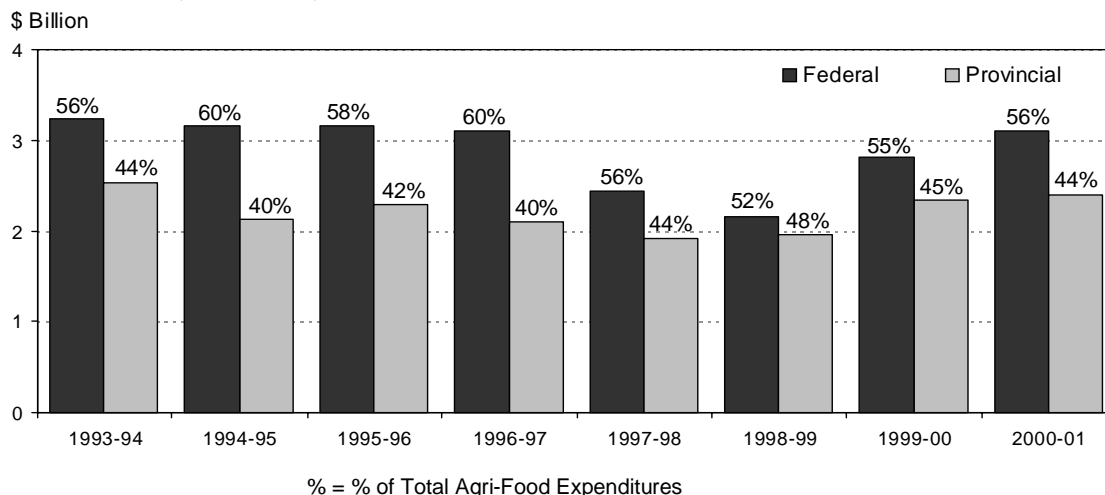
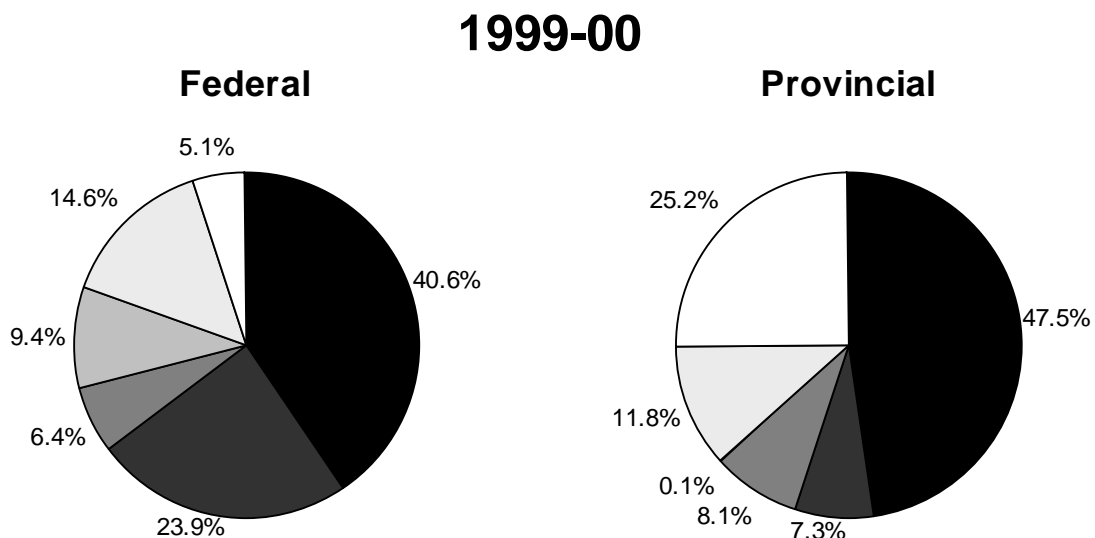
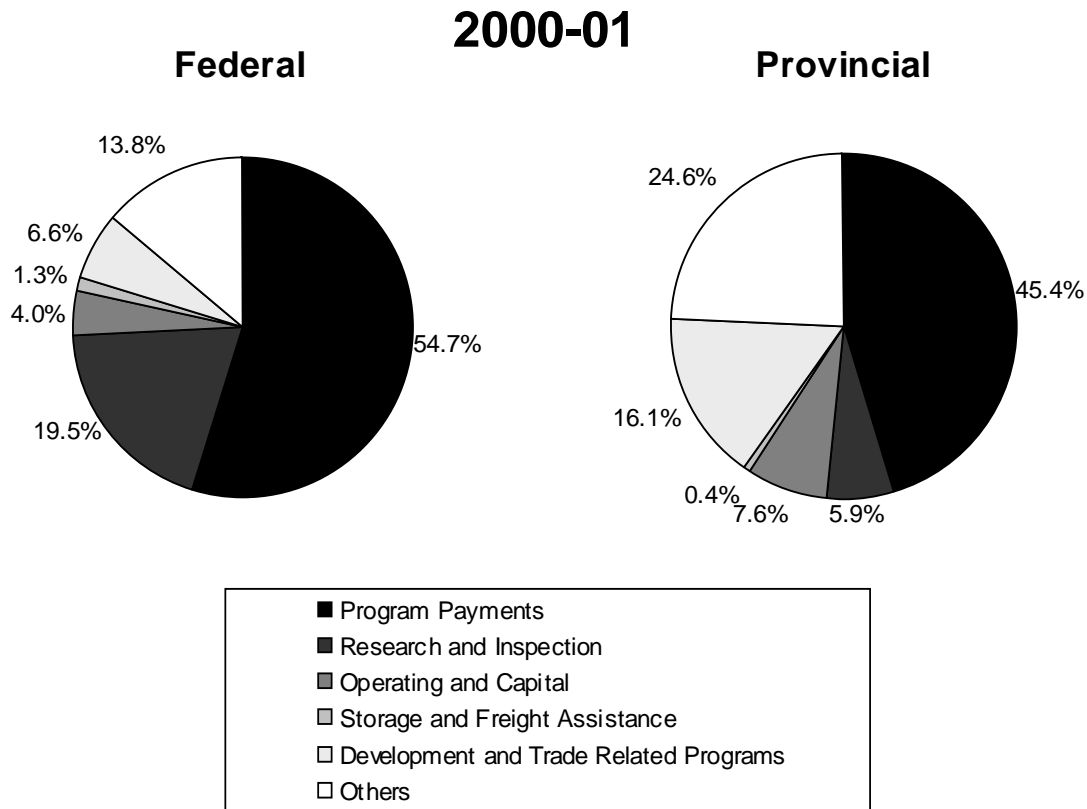
Figure C.1: Federal and Provincial Government Expenditures for the Agri-Food Sector, Canada, 1993-94 to 2000-01

Figure C.2: Federal and Provincial Government Expenditures by Major Category



Program payments include income support and stabilization, ad hoc and cost reduction, crop insurance and financing assistance programs.

Research and inspection include administration (e.g. salaries) and capital expenditures, and grants and contributions.

Operating and capital include general administration and management, policy, information and statistical services.

Storage and freight assistance include program payments for storage and freight.

Development and trade related programs include administration and capital expenditures, and grants and contributions for regional development, marketing and trade and environment.

Others include food aid and international assistance, extension, education and social program payments.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 1997-98 to 2000-01

	PROVINCIAL				FEDERAL			
	1997-98	1998-99	1999-00	2000-01 Estimates	1997-98	1998-99	1999-00	2000-01 Estimates
	(\$000)							
CANADA								
A. Operating Expenditures	481,224	499,107	511,285	515,613	769,514	802,797	883,038	757,705
B. Capital Expenditures	28,912	36,671	28,856	108,895	50,314	47,951	67,645	59,406
C. Program Expenditures	1,045,343	1,195,007	1,579,365	1,539,476	1,686,959	1,347,375	1,924,280	2,323,734
c.1 Income Support & Stabilization	348,959	442,177	701,955	653,212	541,409	327,089	911,471	1,359,476
c.2 Ad hoc and Cost Reduction	43,410	28,749	149,571	125,343	5,416	38,213	7,883	2,043
c.3 Crop Insurance	220,068	235,537	203,723	210,861	384,073	226,880	217,865	228,002
c.4 Financing Assistance	101,013	104,218	101,834	135,381	98,873	55,617	30,454	129,001
c.5 Storage and Freight	2,167	10,436	2,190	10,455	101,548	73,823	270,525	42,295
c.6 Social and Labour	13,054	18,148	29,602	34,246	6,310	4,144	3,408	5,422
c.7 Research	47,827	56,402	68,378	34,870	11,158	14,376	8,687	7,653
c.8 Food Inspection	6,971	11,666	22,432	25,327	8,566	10,365	5,680	4,005
c.9 Food Aid	..	..	..	..	235,919	253,212	139,163	418,524
c.10 Marketing and Trade	22,549	26,212	30,705	22,030	204,814	257,845	237,911	46,747
c.11 Rural and Regional Devt.	63,200	66,149	62,727	91,753	63,793	55,884	79,264	62,471
c.12 Environment	31,339	41,737	61,507	58,493	10,352	10,308	8,499	9,557
c.13 Education	127,606	136,615	128,762	124,831	1,782	3,242	1,527	515
c.14 Extension	17,180	16,961	15,979	12,676	12,946	16,378	1,942	8,024
D. Tax Expenditures	464,080	300,849	314,157	313,306	..	..	..	..
Sub-Total Gross Expenditures	2,019,558	2,031,633	2,433,664	2,477,289	2,506,787	2,198,122	2,874,963	3,140,844
Recoveries	(95,753)	(70,973)	(99,029)	(75,261)	(58,295)	(35,817)	(51,647)	(40,100)
Total Net Expenditures	1,923,805	1,960,660	2,334,635	2,402,029	2,448,492	2,162,305	2,823,315	3,100,744
NEWFOUNDLAND								
A. Operating Expenditures	18,403	7,985	7,412	7,913	1,741	1,818	2,391	1,908
B. Capital Expenditures	713	402	520	471	124	118	400	138
C. Program Expenditures	3,086	2,624	2,216	2,589	10,086	4,733	5,770	5,910
c.1 Income Support & Stabilization	854	100	92	407	121	94	1,464	3,032
c.2 Ad hoc and Cost Reduction	252	285	217	285	..	..	..	6
c.3 Crop Insurance	147	151	209	190	149	67	118	101
c.4 Financing Assistance	923	1,045	782	780	1,521	1,810	..	..
c.5 Storage and Freight	..	..	..	..	6,220	2,028	1,636	275
c.6 Social and Labour	..	..	..	..	339	14	..	980
c.7 Research	..	..	..	..	3	3	3	19
c.8 Food Inspection	..	..	..	..	80	49	2	9
c.9 Food Aid	..	..	..	..	..	..	..	..
c.10 Marketing and Trade	249	320	256	268	9	20	12	36
c.11 Rural and Regional Devt.	..	..	..	..	1,530	391	2,533	1,268
c.12 Environment	..	..	..	..	4	7	..	23
c.13 Education	461	464	464	464	..	..	..	..
c.14 Extension	200	260	195	195	110	250	1	162
D. Tax Expenditures	..	..	..	..	..	..	..	..
Sub-Total Gross Expenditures	22,203	11,012	10,148	10,973	11,952	6,669	8,562	7,956
Recoveries	(700)	(587)	(522)	(778)	(149)	(92)	(132)	(100)
Total Net Expenditures	21,503	10,425	9,626	10,195	11,803	6,578	8,429	7,856

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 1997-98 to 2000-01 (cont'd)

	PROVINCIAL				FEDERAL			
	1997-98	1998-99	1999-00	2000-01 Estimates	1997-98	1998-99	1999-00	2000-01 Estimates
(\$000)								
PRINCE EDWARD ISLAND								
A. Operating Expenditures	7,337	7,902	8,535	8,065	7,707	7,671	11,257	8,329
B. Capital Expenditures	41	..	..	..	491	448	1,137	660
C. Program Expenditures	9,534	12,235	13,919	12,820	25,941	16,590	15,579	23,773
c.1 Income Support & Stabilization	3,341	2,871	5,736	3,896	6,732	6,943	12,259	13,078
c.2 Ad hoc and Cost Reduction	60	87	..	..	..	..	..	7
c.3 Crop Insurance	741	570	771	795	745	562	758	832
c.4 Financing Assistance	15	16	..	..	1,624	1,216	260	1,235
c.5 Storage and Freight	..	15	..	..	7,483	4,075	752	..
c.6 Social and Labour	290	285	174	172	1,022	316	190	48
c.7 Research	1,522	297	1,423	1,742	12	13	14	36
c.8 Food Inspection	105	81	86	588	118	49	11	20
c.9 Food Aid	..	..	..	..	..	..	..	..
c.10 Marketing and Trade	216	1,906	1,845	1,782	42	98	36	159
c.11 Rural and Regional Devt.	165	758	85	85	8,003	2,900	1,292	8,143
c.12 Environment	488	72	868	800	15	221	..	52
c.13 Education	2,591	5,270	2,713	2,714	..	5	2	..
c.14 Extension	..	8	218	247	145	192	5	163
D. Tax Expenditures	1,968	1,968	1,968	1,312	..	..	..	..
Sub-Total Gross Expenditures	18,880	22,106	24,422	22,198	34,139	24,709	27,973	32,762
Recoveries	(551)	(1,290)	(1,915)	(1,357)	(589)	(362)	(651)	(476)
Total Net Expenditures	18,329	20,816	22,507	20,841	33,550	24,347	27,322	32,286
NOVA SCOTIA								
A. Operating Expenditures	16,155	14,570	14,734	9,317	8,738	9,008	10,971	8,700
B. Capital Expenditures	646	376	610	460	614	578	2,037	708
C. Program Expenditures	21,776	24,774	21,483	23,412	18,637	14,922	12,525	19,882
c.1 Income Support & Stabilization	2,313	2,184	2,340	7,477	5,482	5,056	7,507	12,539
c.2 Ad hoc and Cost Reduction	179	296	362	..	..	..	..	7
c.3 Crop Insurance	582	391	448	423	455	467	405	433
c.4 Financing Assistance	1,137	4,408	5,577	6,881	1,389	719	488	501
c.5 Storage and Freight	642	686	617	588	7,124	3,226	1,271	..
c.6 Social and Labour	440	1,370	1,327	207	28	145	..	53
c.7 Research	77	77	157	141	694	592	14	1,026
c.8 Food Inspection	667	613	535	371	118	201	11	28
c.9 Food Aid	..	..	..	..	..	..	..	..
c.10 Marketing and Trade	468	476	465	2,061	173	273	193	173
c.11 Rural and Regional Devt.	205	109	96	..	2,773	3,832	2,628	4,900
c.12 Environment	..	..	..	..	150	216	..	58
c.13 Education	9,235	9,413	5,216	5,062	..	5	2	..
c.14 Extension	5,829	4,750	4,344	200	251	190	5	164
D. Tax Expenditures	1,580	1,234	1,234	1,462	..	..	..	..
Sub-Total Gross Expenditures	40,158	40,954	38,061	34,650	27,988	24,508	25,534	29,290
Recoveries	(10,261)	(2,032)	(2,622)	(227)	(737)	(453)	(651)	(511)
Total Net Expenditures	29,896	38,922	35,439	34,423	27,252	24,055	24,883	28,779

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 1997-98 to 2000-01 (cont'd)

	PROVINCIAL				FEDERAL			
	1997-98	1998-99	1999-00	2000-01 Estimates	1997-98	1998-99	1999-00	2000-01 Estimates
	(\$000)							
NEW BRUNSWICK								
A. Operating Expenditures	18,388	17,987	18,668	18,230	8,590	8,407	9,950	8,461
B. Capital Expenditures	622	1,195	871	1,260	512	491	1,098	661
C. Program Expenditures	6,780	4,835	8,008	7,332	26,656	18,937	14,181	15,884
c.1 Income Support & Stabilization	590	606	1,412	1,329	3,701	3,405	3,679	6,598
c.2 Ad hoc and Cost Reduction	11	..	..	..	7	..	..	7
c.3 Crop Insurance	1,390	1,208	1,329	1,600	4,712	1,990	1,939	1,540
c.4 Financing Assistance	142	..	..	47	2,413	1,055	329	1,565
c.5 Storage and Freight	..	..	..	..	10,551	5,603	137	0
c.6 Social and Labour	1	..	..	..	273	1,344	100	48
c.7 Research	..	..	..	..	13	14	13	36
c.8 Food Inspection	113	88	94	74	135	202	132	26
c.9 Food Aid	..	..	..	..	..	..	1	..
c.10 Marketing and Trade	2,028	2,150	1,767	2,470	47	110	16	160
c.11 Rural and Regional Devt.	1,345	284	624	751	4,420	4,945	7,829	5,683
c.12 Environment	..	..	2,090	..	11	45	..	58
c.13 Education	190	93	244	174	200	5	2	..
c.14 Extension	970	407	448	887	173	219	5	163
D. Tax Expenditures	1,546	1,758	1,500	1,500	..	..	..	..
Sub-Total Gross Expenditures	27,336	25,775	29,048	28,322	35,757	27,835	25,230	25,006
Recoveries	(4,907)	(4,178)	(3,583)	(4,223)	(614)	(377)	(591)	(477)
Total Net Expenditures	22,429	21,597	25,464	24,099	35,144	27,458	24,639	24,529
QUEBEC								
A. Operating Expenditures	147,328	149,650	158,713	154,222	120,189	117,922	137,921	114,070
B. Capital Expenditures	4,129	4,115	2,394	5,763	7,774	7,346	13,268	9,261
C. Program Expenditures	297,711	294,588	281,459	482,743	223,604	146,008	249,290	258,143
c.1 Income Support & Stabilization	169,300	157,385	131,659	308,737	166,198	94,137	193,924	207,908
c.2 Ad hoc and Cost Reduction	14,207	19,671	21,552	13,281	922	..	..	1,499
c.3 Crop Insurance	17,022	16,526	17,207	17,232	16,317	18,314	17,396	18,193
c.4 Financing Assistance	31,420	34,433	33,664	38,461	9,638	3,083	2,764	10,910
c.5 Storage and Freight	..	..	..	..	5,324	2,547	4,406	..
c.6 Social and Labour	2,042	1,435	1,509	2,301	1,550	274	1,449	685
c.7 Research	9,617	9,028	9,817	7,803	193	1,126	325	404
c.8 Food Inspection	4,645	4,529	4,454	4,434	2,961	3,310	1,690	1,880
c.9 Food Aid	..	..	..	..	..	..	2,560	..
c.10 Marketing and Trade	7,567	3,617	7,001	6,422	2,730	6,470	13,466	2,313
c.11 Rural and Regional Devt.	7,212	6,155	3,981	3,312	16,054	13,442	11,215	12,471
c.12 Environment	12,067	19,684	25,685	52,939	145	704	..	887
c.13 Education	16,729	16,715	18,445	20,438	..	110	28	..
c.14 Extension	5,883	5,409	6,485	7,384	1,572	2,492	68	993
D. Tax Expenditures	72,249	76,138	84,871	92,274	..	..	..	..
Sub-Total Gross Expenditures	521,418	524,490	527,436	735,002	351,567	271,276	400,478	381,474
Recoveries	(57)	..	..	..	(9,329)	(5,732)	(8,447)	(6,682)
Total Net Expenditures	521,360	524,490	527,436	735,002	342,238	265,544	392,031	374,792

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 1997-98 to 2000-01 (cont'd)

	PROVINCIAL				FEDERAL			
	1997-98	1998-99	1999-00	2000-01 Estimates	1997-98	1998-99	1999-00	2000-01 Estimates
	(\$000)							
ONTARIO								
A. Operating Expenditures	97,763	99,668	100,568	93,791	160,958	170,164	196,700	162,330
B. Capital Expenditures	..	..	..	80,000	11,198	10,482	16,848	13,166
C. Program Expenditures	185,852	202,330	242,012	284,996	203,934	182,832	219,848	298,281
c.1 Income Support & Stabilization	60,426	68,707	88,687	82,954	121,273	116,915	155,584	236,142
c.2 Ad hoc and Cost Reduction	9,331	2,713	..	..	93	4,697	7,883	79
c.3 Crop Insurance	24,035	33,845	26,032	21,046	26,262	27,227	26,032	26,737
c.4 Financing Assistance	10,310	9,055	9,163	38,511	35,084	6,002	3,134	12,241
c.5 Storage and Freight	..	..	..	..	..	..	..	..
c.6 Social and Labour	3,463	6,180	11,459	25,750	1,040	1,018	1	1,024
c.7 Research	13,296	15,113	8,751	5,328	652	433	361	1,079
c.8 Food Inspection	736	894	11,843	13,900	2,277	3,104	1,364	708
c.9 Food Aid	..	..	..	..	..	..	1,947	..
c.10 Marketing and Trade	2,004	1,866	13,448	1,995	1,626	6,752	13,037	5,483
c.11 Rural and Regional Devt.	7,765	7,865	6,291	44,491	13,045	12,453	8,954	12,424
c.12 Environment	133	128	11,833	128	166	1,000	965	835
c.13 Education	54,112	54,606	54,504	50,893	..	468	489	..
c.14 Extension	240	1,359	..	..	2,416	2,762	97	1,528
D. Tax Expenditures	189,060	24,607	24,068	24,757	..	..	..	..
Sub-Total Gross Expenditures	472,675	326,605	366,647	483,544	376,090	363,478	433,396	473,776
Recoveries	(2,763)	(1,952)	(3,618)	(2,778)	(13,438)	(8,256)	(12,102)	(9,498)
Total Net Expenditures	469,912	324,654	363,029	480,766	362,653	355,221	421,294	464,278
MANITOBA								
A. Operating Expenditures	29,832	32,435	34,029	36,116	78,756	87,090	88,259	80,568
B. Capital Expenditures	579	..	1,442	834	4,806	4,707	6,464	5,968
C. Program Expenditures	75,040	76,843	180,594	87,159	139,723	144,033	261,787	241,218
c.1 Income Support & Stabilization	16,567	18,506	86,884	35,400	35,724	39,506	92,806	150,588
c.2 Ad hoc and Cost Reduction	842	729	40,971	1,200	2,201	645	..	281
c.3 Crop Insurance	35,557	33,006	30,527	31,811	45,220	41,769	38,702	48,831
c.4 Financing Assistance	4,553	3,688	4,719	2,283	8,505	8,357	22,248	23,911
c.5 Storage and Freight	..	..	..	..	4,764	11,259	63,859	7,734
c.6 Social and Labour	407	397	400	413	344	137	..	434
c.7 Research	1,101	1,101	1,101	1,326	1,866	2,345	1,197	1,475
c.8 Food Inspection	491	765	1,745	1,680	825	491	91	303
c.9 Food Aid	..	..	..	..	..	..	470	..
c.10 Marketing and Trade	3,453	6,511	1,744	1,131	29,734	33,860	35,045	1,618
c.11 Rural and Regional Devt.	2,911	2,828	3,481	2,733	5,063	2,464	5,454	3,174
c.12 Environment	1,151	1,069	1,082	1,468	4,284	1,816	1,817	2,141
c.13 Education	7,912	8,122	7,862	7,673	..	40	57	20
c.14 Extension	95	123	79	43	1,192	1,345	41	707
D. Tax Expenditures	35,927	34,564	35,081	35,191	..	..	..	..
Sub-Total Gross Expenditures	141,378	143,842	251,146	159,300	223,285	235,829	356,511	327,754
Recoveries	(4,349)	(2,383)	(28,960)	(3,057)	(5,658)	(3,476)	(5,143)	(3,901)
Total Net Expenditures	137,029	141,458	222,185	156,243	217,627	232,353	351,368	323,853

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 1997-98 to 2000-01 (cont'd)

	PROVINCIAL				FEDERAL			
	1997-98	1998-99	1999-00	2000-01 Estimates	1997-98	1998-99	1999-00	2000-01 Estimates
	(\$000)							
SASKATCHEWAN								
A. Operating Expenditures	25,772	26,745	29,781	29,624	170,274	182,290	190,280	166,368
B. Capital Expenditures	1,706	1,292	1,026	1,346	11,095	10,978	11,375	12,427
C. Program Expenditures	194,654	343,112	331,272	195,957	485,722	268,946	667,470	585,859
c.1 Income Support & Stabilization	41,295	179,996	111,088	40,000	80,675	(24,005)	257,373	421,089
c.2 Ad hoc and Cost Reduction	14,200	2,667	83,050	3,200	2,193	32,870	..	67
c.3 Crop Insurance	67,452	81,605	65,383	72,100	224,412	71,108	68,026	69,670
c.4 Financing Assistance	24,194	23,643	19,946	17,120	21,353	19,174	461	50,251
c.5 Storage and Freight	1,525	9,735	1,573	9,867	33,568	31,747	193,177	26,400
c.6 Social and Labour	94	60	73	79	630	540	216	923
c.7 Research	17,429	15,127	17,861	18,520	6,448	8,508	5,143	2,539
c.8 Food Inspection	214	4,297	3,675	4,281	1,407	1,678	1,247	501
c.9 Food Aid	..	..	..	..	..	..	1,014	..
c.10 Marketing and Trade	3,916	1,223	1,813	1,935	105,401	114,641	108,244	4,224
c.11 Rural and Regional Devt.	19,666	21,125	22,933	24,823	1,244	2,479	27,911	5,331
c.12 Environment	2,797	2,775	2,750	3,158	3,384	3,371	2,724	2,380
c.13 Education	1,203	310	772	499	1,283	2,087	882	455
c.14 Extension	669	550	354	374	3,723	4,749	1,054	2,030
D. Tax Expenditures	120,600	122,200	125,500	115,964	..	..	..	..
Sub-Total Gross Expenditures	342,733	493,349	487,579	342,890	667,090	462,214	869,125	764,654
Recoveries	(46,282)	(41,777)	(40,791)	(42,950)	(11,587)	(7,119)	(9,720)	(7,215)
Total Net Expenditures	296,451	451,572	446,788	299,941	655,504	455,095	859,405	757,439
ALBERTA								
A. Operating Expenditures	85,166	111,093	109,425	119,236	170,218	172,102	184,894	164,228
B. Capital Expenditures	18,197	26,094	18,311	15,244	10,858	10,075	10,872	12,878
C. Program Expenditures	236,740	204,870	474,976	413,528	257,034	222,015	295,405	378,602
c.1 Income Support & Stabilization	51,333	(2,184)	264,258	163,612	107,748	72,535	159,906	262,881
c.2 Ad hoc and Cost Reduction	2,320	289	1,396	100,857	..	..	..	68
c.3 Crop Insurance	68,444	61,826	55,275	58,967	61,115	53,673	56,933	56,962
c.4 Financing Assistance	28,317	27,915	27,983	31,298	14,011	12,721	430	25,857
c.5 Storage and Freight	..	..	..	..	19,988	11,488	5,187	7,790
c.6 Social and Labour	5,100	7,100	14,109	5,000	759	289	27	973
c.7 Research	4,784	15,658	29,268	9	759	848	1,157	786
c.8 Food Inspection	..	..	..	..	286	653	1,081	402
c.9 Food Aid	..	..	..	..	..	..	773	..
c.10 Marketing and Trade	1,062	7,018	518	667	44,903	59,309	56,972	12,355
c.11 Rural and Regional Devt.	22,212	23,520	22,572	12,858	2,619	4,201	9,559	5,992
c.12 Environment	14,702	18,010	17,200	..	1,858	2,352	2,687	2,783
c.13 Education	35,173	41,622	38,541	36,915	298	494	52	39
c.14 Extension	3,294	4,096	3,856	3,346	2,690	3,452	641	1,714
D. Tax Expenditures	32,427	32,224	32,771	33,500	..	..	..	..
Sub-Total Gross Expenditures	372,530	374,281	635,483	581,509	438,110	404,192	491,171	555,707
Recoveries	(25,884)	(16,774)	(17,016)	(19,891)	(12,787)	(7,857)	(11,055)	(8,722)
Total Net Expenditures	346,646	357,507	618,467	561,618	425,323	396,336	480,116	546,985

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 1997-98 to 2000-01 (cont'd)

	PROVINCIAL				FEDERAL			
	1997-98	1998-99	1999-00	2000-01 Estimates	1997-98	1998-99	1999-00	2000-01 Estimates
(\$000)								
BRITISH COLUMBIA								
A. Operating Expenditures	35,078	31,071	29,420	39,096	42,343	46,043	50,414	42,557
B. Capital Expenditures	2,279	3,197	3,683	3,517	2,842	2,730	4,145	3,539
C. Program Expenditures	14,170	28,796	23,427	28,941	40,016	40,396	40,105	57,836
c.1 Income Support & Stabilization	2,940	14,005	9,800	9,400	13,755	12,503	26,969	45,621
c.2 Ad hoc and Cost Reduction	2,008	2,012	2,024	6,520	..	..	..	20
c.3 Crop Insurance	4,699	6,410	6,542	6,696	4,687	11,703	7,556	4,703
c.4 Financing Assistance	..	17	..	..	3,336	1,480	341	2,530
c.5 Storage and Freight	..	..	..	..	6,525	1,849	101	95
c.6 Social and Labour	1,217	1,320	551	324	324	68	1,424	253
c.7 Research	..	..	..	..	99	230	74	246
c.8 Food Inspection	..	399	..	..	358	628	52	126
c.9 Food Aid	..	..	..	..	..	..	466	..
c.10 Marketing and Trade	1,586	1,126	1,847	3,300	1,280	1,832	1,055	887
c.11 Rural and Regional Devt.	1,719	3,506	2,663	2,700	8,643	8,772	1,727	2,646
c.12 Environment	..	..	..	..	335	577	304	314
c.13 Education	..	..	..	..	..	27	11	..
c.14 Extension	..	..	..	..	674	728	25	395
D. Tax Expenditures	8,722	6,156	7,164	7,347	..	..	..	..
Sub-Total Gross Expenditures	60,249	69,219	63,694	78,901	85,202	89,170	94,665	103,932
Recoveries	..	..	..	..	(3,409)	(2,095)	(3,156)	(2,519)
Total Net Expenditures	60,249	69,219	63,694	78,901	81,793	87,075	91,508	101,414

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

Table C.3: Research and Inspection in Support of the Agri-Food Sector, Canada and Provinces, 1997-98 to 2000-01

	PROVINCIAL				FEDERAL			
	1997-98	1998-99	1999-00	2000-01 Estimates	1997-98	1998-99	1999-00	2000-01 Estimates
	(\$000)							
CANADA								
Research Expenditures								
- Operating	33,707	39,306	35,533	34,968	251,260	246,796	239,604	237,705
- Capital	2,123	492	207	336	34,366	32,987	57,553	34,599
- Program	47,827	56,402	68,378	34,870	11,158	14,376	8,687	7,653
Total Research	83,657	96,200	104,118	70,174	296,784	294,159	305,844	279,957
Inspection Expenditures								
- Operating	43,490	42,820	49,130	48,255	303,409	330,544	369,617	308,701
- Capital	854	752	1,257	2,139	9,765	5,466	6,526	19,807
- Program	6,971	11,666	22,432	25,327	8,566	10,365	5,680	4,005
Total Inspection	51,315	55,237	72,818	75,721	321,740	346,376	381,823	332,513
NEWFOUNDLAND								
Research Expenditures								
- Operating	..	..	..	..	642	638	613	590
- Capital	..	..	..	..	85	82	393	85
- Program	..	..	..	..	3	3	3	19
Total Research	..	..	..	..	731	723	1,009	694
Inspection Expenditures								
- Operating	1,142	1,089	1,162	1,123	776	838	952	717
- Capital	22	33	1	..	25	14	5	49
- Program	..	..	..	..	80	49	2	9
Total Inspection	1,164	1,122	1,163	1,123	881	901	960	775
PRINCE EDWARD ISLAND								
Research Expenditures								
- Operating	..	..	361	392	2,538	2,429	3,019	2,821
- Capital	..	..	..	..	337	310	986	407
- Program	1,522	297	1,423	1,742	12	13	14	36
Total Research	1,522	297	1,784	2,134	2,888	2,752	4,018	3,264
Inspection Expenditures								
- Operating	2,021	2,144	2,162	2,221	3,067	3,194	4,571	3,436
- Capital	41	..	..	..	99	54	142	235
- Program	105	81	86	588	118	49	11	20
Total Inspection	2,167	2,225	2,248	2,809	3,283	3,297	4,724	3,692

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

Table C.3: Research and Inspection in Support of the Agri-Food Sector, Canada and Provinces, 1997-98 to 2000-01 (cont'd)

	PROVINCIAL				FEDERAL			
	1997-98	1998-99	1999-00	2000-01 Estimates	1997-98	1998-99	1999-00	2000-01 Estimates
(\$000)								
NOVA SCOTIA								
Research Expenditures								
- Operating	..	..	..	..	3,175	3,135	3,019	3,029
- Capital	..	..	..	..	422	401	1,904	437
- Program	77	77	157	141	694	592	14	1,026
Total Research	77	77	157	141	4,290	4,127	4,937	4,492
Inspection Expenditures								
- Operating	2,658	2,729	2,720	2,651	3,836	4,117	4,680	3,683
- Capital	..	..	..	..	123	69	124	252
- Program	667	613	535	371	118	201	11	28
Total Inspection	3,326	3,342	3,255	3,022	4,077	4,388	4,815	3,964
NEW BRUNSWICK								
Research Expenditures								
- Operating	..	..	..	..	2,646	2,663	2,741	2,826
- Capital	..	..	..	..	352	340	1,005	407
- Program	..	..	..	..	13	14	13	36
Total Research	..	..	..	..	3,010	3,017	3,758	3,269
Inspection Expenditures								
- Operating	..	..	..	..	3,196	3,498	4,241	3,437
- Capital	..	..	..	..	103	59	85	235
- Program	113	88	94	74	135	202	132	26
Total Inspection	113	88	94	74	3,434	3,759	4,458	3,698
QUEBEC								
Research Expenditures								
- Operating	9,978	9,482	8,170	9,728	40,208	39,862	39,188	39,608
- Capital	186	126	3	39	5,342	5,095	12,777	5,710
- Program	9,617	9,028	9,817	7,803	193	1,126	325	404
Total Research	19,781	18,637	17,989	17,570	45,743	46,082	52,289	45,722
Inspection Expenditures								
- Operating	22,101	21,654	22,984	23,236	48,571	52,607	60,524	49,127
- Capital	471	613	404	1,759	1,563	883	375	3,300
- Program	4,645	4,529	4,454	4,434	2,961	3,310	1,690	1,880
Total Inspection	27,217	26,795	27,842	29,429	53,094	56,800	62,589	54,307

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

Table C.3: Research and Inspection in Support of the Agri-Food Sector, Canada and Provinces, 1997-98 to 2000-01 (cont'd)

	PROVINCIAL				FEDERAL			
	1997-98	1998-99	1999-00	2000-01 Estimates	1997-98	1998-99	1999-00	2000-01 Estimates
(\$000)								
ONTARIO								
Research Expenditures								
- Operating	7,136	12,138	12,913	11,983	57,919	56,875	56,142	56,303
- Capital	..	..	..	..	7,696	7,269	13,197	8,117
- Program	13,296	15,113	8,751	5,328	652	433	361	1,079
Total Research	20,432	27,252	21,664	17,312	66,266	64,578	69,700	65,499
Inspection Expenditures								
- Operating	..	..	..	..	69,947	75,552	86,860	71,371
- Capital	..	..	..	..	2,251	1,260	3,485	4,692
- Program	736	894	11,843	13,900	2,277	3,104	1,364	708
Total Inspection	736	894	11,843	13,900	74,476	79,916	91,709	76,771
MANITOBA								
Research Expenditures								
- Operating	..	..	..	..	24,385	24,470	23,859	23,123
- Capital	..	..	..	..	3,240	3,128	5,608	3,334
- Program	1,101	1,101	1,101	1,326	1,866	2,345	1,197	1,475
Total Research	1,101	1,101	1,101	1,326	29,491	29,943	30,664	27,932
Inspection Expenditures								
- Operating	4,082	4,558	4,622	4,962	29,443	33,087	37,335	30,966
- Capital	120	..	597	..	948	542	207	1,927
- Program	491	765	1,745	1,680	825	491	91	303
Total Inspection	4,693	5,323	6,964	6,641	31,216	34,120	37,633	33,195
SASKATCHEWAN								
Research Expenditures								
- Operating	627	738	799	805	49,940	48,202	45,095	42,771
- Capital	148	33	2	32	7,616	7,604	8,670	6,494
- Program	17,429	15,127	17,861	18,520	6,448	8,508	5,143	2,539
Total Research	18,205	15,898	18,662	19,357	64,004	64,314	58,908	51,805
Inspection Expenditures								
- Operating	3,323	2,017	2,399	1,568	60,291	66,063	69,963	60,132
- Capital	143	43	40	..	1,941	1,068	493	3,564
- Program	214	4,297	3,675	4,281	1,407	1,678	1,247	501
Total Inspection	3,680	6,357	6,114	5,849	63,640	68,808	71,703	64,197

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

Table C.3: Research and Inspection in Support of the Agri-Food Sector, Canada and Provinces, 1997-98 to 2000-01 (cont'd)

	PROVINCIAL				FEDERAL			
	1997-98	1998-99	1999-00	2000-01 Estimates	1997-98	1998-99	1999-00	2000-01 Estimates
(\$000)								
ALBERTA								
Research Expenditures								
- Operating	15,967	16,947	13,290	12,059	55,114	53,890	51,285	51,704
- Capital	1,789	333	202	266	7,323	6,888	9,094	7,454
- Program	4,784	15,658	29,268	9	759	848	1,157	786
Total Research	22,540	32,938	42,760	12,334	63,197	61,626	61,536	59,944
Inspection Expenditures								
- Operating	4,796	5,536	9,437	8,795	66,530	72,347	79,760	67,621
- Capital	57	63	215	380	2,142	1,194	1,426	4,308
- Program	..	..	..	..	286	653	1,081	402
Total Inspection	4,853	5,599	9,652	9,175	68,957	74,194	82,267	72,331
BRITISH COLUMBIA								
Research Expenditures								
- Operating	..	..	..	..	14,694	14,633	14,643	14,929
- Capital	..	..	..	..	1,952	1,870	3,920	2,152
- Program	..	..	..	..	99	230	74	246
Total Research	..	..	..	..	16,746	16,733	18,636	17,328
Inspection Expenditures								
- Operating	3,367	3,092	3,644	3,699	17,753	19,241	20,731	18,211
- Capital	..	..	..	..	571	324	182	1,244
- Program	..	399	..	..	358	628	52	126
Total Inspection	3,367	3,492	3,644	3,699	18,682	20,194	20,965	19,582

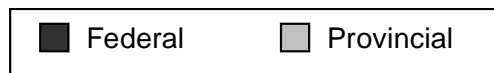
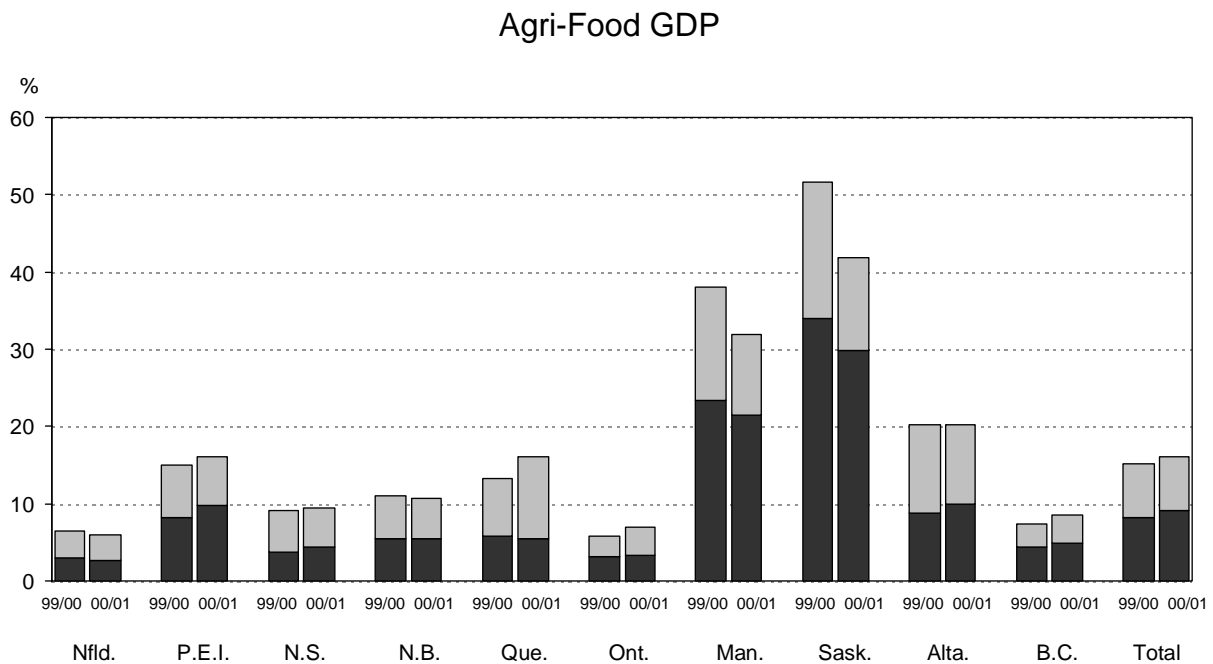
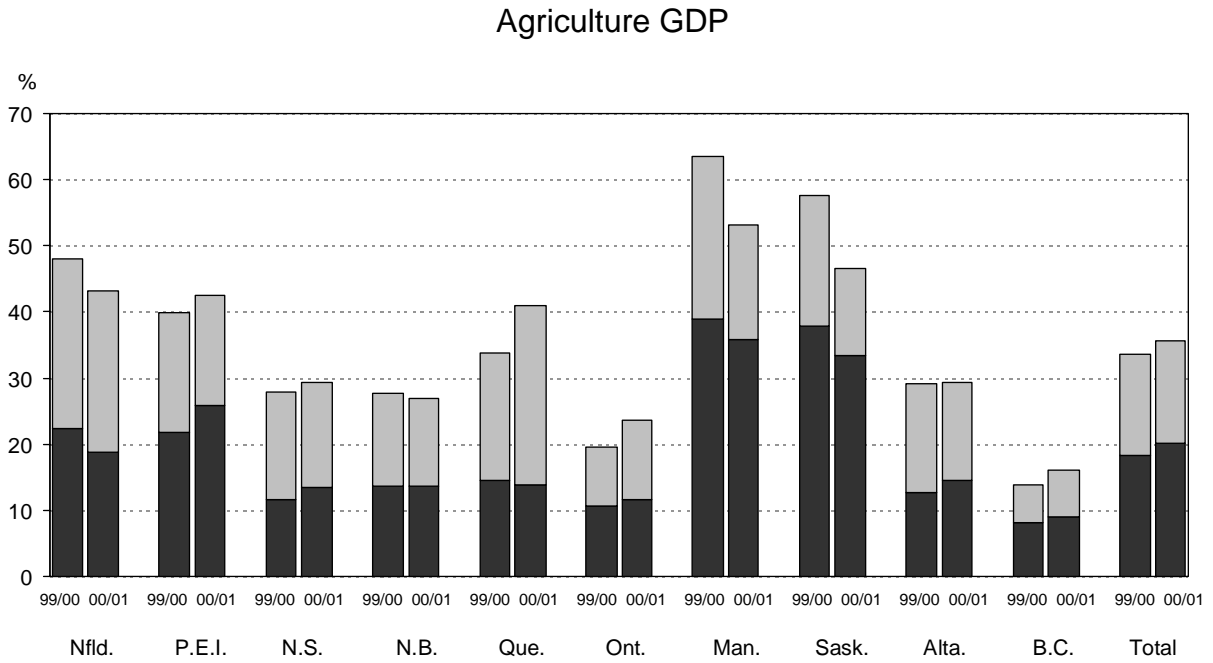
Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

Table C.4: Government Expenditures to the Agri-Food Sector as a Percentage of Agriculture and Agri-Food GDPs, Canada and Provinces, 1997-98 to 2000-01

	Agriculture				Agri-Food			
	1997-98	1998-99	1999-00	2000-01 Estimates	1997-98	1998-99	1999-00	2000-01 Estimates
NEWFOUNDLAND								
Provincial GDP (\$ million)	37.6	35.7	37.7	41.8	224.8	247.3	284.1	306.5
Federal (%)	31.3	18.4	22.4	18.8	5.3	2.7	3.0	2.6
Provincial (%)	59.5	29.9	25.6	24.4	10.0	4.3	3.4	3.3
PRINCE EDWARD ISLAND								
Provincial GDP (\$ million)	121.3	119.7	125.1	132.4	322.8	323.7	332.9	347.4
Federal (%)	27.6	20.3	21.8	25.8	10.4	7.5	8.2	9.7
Provincial (%)	15.2	15.3	18.0	16.7	5.7	5.7	6.8	6.3
NOVA SCOTIA								
Provincial GDP (\$ million)	196.9	203.5	215.5	227.3	654.9	669.3	664.7	671.4
Federal (%)	13.8	11.8	11.5	13.4	4.2	3.6	3.7	4.3
Provincial (%)	15.2	15.1	16.4	16.0	4.6	4.6	5.3	5.2
NEW BRUNSWICK								
Provincial GDP (\$ million)	169.8	175.0	180.9	193.8	425.3	448.0	454.3	525.7
Federal (%)	20.7	15.7	13.6	13.6	8.3	6.1	5.4	5.4
Provincial (%)	13.2	13.0	14.1	13.3	5.3	5.1	5.6	5.3
QUEBEC								
Provincial GDP (\$ million)	2,479.3	2,527.4	2,715.4	2,846.8	6,497.6	6,569.1	6,905.9	7,208.7
Federal (%)	13.8	10.5	14.4	13.8	5.3	4.0	5.7	5.4
Provincial (%)	21.0	20.8	19.4	27.1	8.0	8.0	7.6	10.6
ONTARIO								
Provincial GDP (\$ million)	3,504.8	3,694.6	4,001.7	4,194.4	12,209.7	12,778.4	13,528.5	14,052.9
Federal (%)	10.3	9.6	10.5	11.6	3.0	2.8	3.1	3.4
Provincial (%)	13.4	8.4	9.1	12.0	3.8	2.4	2.7	3.6
MANITOBA								
Provincial GDP (\$ million)	835.8	892.6	904.3	997.8	1,353.8	1,459.7	1,509.6	1,738.7
Federal (%)	26.0	26.0	38.9	35.8	16.1	15.9	23.3	21.5
Provincial (%)	16.4	16.3	24.6	17.3	10.1	9.9	14.7	10.4
SASKATCHEWAN								
Provincial GDP (\$ million)	1,929.1	2,087.6	2,270.4	2,289.1	2,166.2	2,340.8	2,530.4	2,574.1
Federal (%)	34.0	21.8	37.9	33.4	30.3	19.4	34.0	29.9
Provincial (%)	15.3	14.7	19.7	13.2	13.6	13.1	17.7	11.9
ALBERTA								
Provincial GDP (\$ million)	3,169.6	3,259.2	3,779.4	3,882.6	4,552.0	4,695.1	5,443.0	5,756.4
Federal (%)	13.4	12.2	12.7	14.5	9.3	8.4	8.8	10.0
Provincial (%)	10.9	11.6	16.4	14.9	7.6	8.1	11.4	10.3
BRITISH COLUMBIA								
Provincial GDP (\$ million)	1,017.0	1,064.5	1,125.0	1,201.5	1,996.8	2,034.0	2,126.0	2,253.1
Federal (%)	8.0	8.2	8.1	9.0	4.1	4.3	4.3	4.8
Provincial (%)	5.9	6.5	5.7	7.0	3.0	3.4	3.0	3.7
CANADA								
Federal GDP (\$ million)	13,503.2	14,106.3	15,395.2	16,009.4	31,068.2	32,314.6	34,521.2	36,284.1
Federal (%)	18.1	15.3	18.3	20.1	7.9	6.7	8.2	9.0
Provincial (%)	14.3	12.9	15.2	15.6	6.3	5.7	6.9	7.1

Sources: Agriculture and Agri-Food Canada, Strategic Policy Branch and Conference Board of Canada for GDP data.

Figure C.3: Government Expenditures to the Agri-Food Sector as a Percentage of Agriculture and Agri-Food GDPs



Sources: Agriculture and Agri-Food Canada, Strategic Policy Branch and Conference Board of Canada for GDP data.

Table C.5: Total GDP and Total Government Expenditures, Canada and Provinces, 1997-98 to 2000-01

	Total GDP				Total Expenditures			
	1997-98	1998-99	1999-00	2000-01 Estimates	1997-98	1998-99	1999-00	2000-01 Estimates
NEWFOUNDLAND								
Total Provincial (\$ million)	9,297	9,806	10,491	11,922	3,100	3,572	3,727	3,709
Agri-Food GDP as % of Total GDP	2.42	2.52	2.71	2.57				
Agri-Food Exp. as % of Total Exp.					0.69	0.29	0.26	0.27
PRINCE EDWARD ISLAND								
Total Provincial (\$ million)	2,489	2,553	2,737	2,982	800	853	903	883
Agri-Food GDP as % of Total GDP	12.97	12.68	12.16	11.65				
Agri-Food Exp. as % of Total Exp.					2.29	2.44	2.49	2.36
NOVA SCOTIA								
Total Provincial (\$ million)	17,486	18,104	19,390	20,568	3,743	3,762	5,679	3,880
Agri-Food GDP as % of Total GDP	3.75	3.70	3.43	3.26				
Agri-Food Exp. as % of Total Exp.					0.80	1.03	0.62	0.89
NEW BRUNSWICK								
Total Provincial (\$ million)	14,821	15,108	16,039	17,438	3,995	4,830	4,645	4,472
Agri-Food GDP as % of Total GDP	2.87	2.97	2.83	3.01				
Agri-Food Exp. as % of Total Exp.					0.56	0.45	0.55	0.54
QUEBEC								
Total Provincial (\$ million)	164,052	166,883	178,172	191,599	40,819	44,433	47,249	47,249
Agri-Food GDP as % of Total GDP	3.96	3.94	3.88	3.76				
Agri-Food Exp. as % of Total Exp.					1.28	1.18	1.12	1.56
ONTARIO								
Total Provincial (\$ million)	312,331	326,539	358,066	388,474	54,643	57,788	62,067	62,067
Agri-Food GDP as % of Total GDP	3.91	3.91	3.78	3.62				
Agri-Food Exp. as % of Total Exp.					0.86	0.56	0.58	0.77
MANITOBA								
Total Provincial (\$ million)	25,192	26,203	27,426	29,285	6,482	6,749	6,437	6,458
Agri-Food GDP as % of Total GDP	5.37	5.57	5.50	5.94				
Agri-Food Exp. as % of Total Exp.					2.11	2.10	3.45	2.42
SASKATCHEWAN								
Total Provincial (\$ million)	25,157	25,408	26,792	28,658	5,779	6,218	6,785	6,785
Agri-Food GDP as % of Total GDP	8.61	9.21	9.44	8.98				
Agri-Food Exp. as % of Total Exp.					5.13	7.26	6.58	4.42
ALBERTA								
Total Provincial (\$ million)	98,090	97,997	107,542	119,841	15,104	15,751	17,292	17,292
Agri-Food GDP as % of Total GDP	4.64	4.79	5.06	4.80				
Agri-Food Exp. as % of Total Exp.					2.30	2.27	3.58	3.25
BRITISH COLUMBIA								
Total Provincial (\$ million)	97,926	98,775	102,893	109,693	20,367	20,772	24,542	24,542
Agri-Food GDP as % of Total GDP	2.04	2.06	2.07	2.05				
Agri-Food Exp. as % of Total Exp.					0.30	0.33	0.26	0.32
TOTAL - PROVINCIAL								
Total Provincial (\$ million)	766,841	787,376	849,547	920,461	154,831	164,727	179,326	177,337
Agri-Food GDP as % of Total GDP	3.96	4.01	3.98	3.85				
Agri-Food Exp. as % of Total Exp.					1.24	1.19	1.30	1.35
CANADA - FEDERAL								
Total Federal (\$ million)	770,304	790,767	853,204	924,344	160,884	152,787	153,410	156,157
Agri-Food GDP as % of Total GDP	4.03	4.09	4.05	3.93				
Agri-Food Exp. as % of Total Exp.					1.52	1.41	1.84	1.99

Sources: Public Accounts / Main Estimates and Conference Board of Canada for GDP data.

Methodology for Government Expenditures

Definition of Government Expenditures in Support of the Agri-Food Sector

Government expenditures (GE) estimate how much governments spend on the agri-food sector (primary agriculture, agricultural input industries plus food and beverage processing) in a given fiscal year. They consist of charges paid for purchased goods and rendered services and monies paid directly or indirectly to individuals, agencies or other entities in the agri-food sector as part of a transfer payment or existing program by the federal and provincial governments. They also take into account transfer of funds to Crown Corporations, between departments and to other levels of government. The various sources of information, supplemented by officers working in departments, are federal and provincial public accounts, estimates and/or expenditure plans, government transfers calculations, Statistics Canada and other internal reports that cover areas of agri-food programs both inside and outside provincial and federal agriculture ministries.

Transition to accrual accounting: Federal and Provincial governments are adopting full accrual accounting, which conforms with generally accepted accounting principles (GAAP), recognized world-wide as a universal set of standards to record and report financial transactions. It is also in accordance with the Canadian Institute of Chartered Accountants (CICA). The transition to full accrual accounting should be fully implemented by 2001-02. For Government Expenditures, the principal change will be the capitalization of tangible assets. As such, GE capital expenditures will reflect the amortization costs of tangible assets over their useful life.

Treatment of program deficits/surpluses: Program deficits, forgiveness of international food aid debts and/or debt reductions are shown as expenditures in the year in which they are recorded in the public accounts. Current program deficits or defaults not yet recognized by a transfer of funds from governments are excluded from the expenditure estimates. In cases where surpluses generated from government funded programs are returned to both levels of government upon the

termination of a program, the refunds or recoveries for the program are accounted for in the year they are reported in official documents.

Treatment of Crown Corporations: Only transfers of funds by governments to Crown Corporations are included in the expenditure estimates. Crown Corporation expenditures, revenues and outstanding deficits/losses are excluded.

Expenditures outside Canada: Expenditures for food aid and support of international agricultural organizations are included only in the total federal expenditures and are identified as "outside Canada" expenditures. Therefore, the sum of federal expenditures by province does not add up to the total federal expenditure tables. These expenditures "outside Canada" include the purchase of Canadian agricultural commodities for distribution abroad and funds provided to international agricultural organizations.

Treatment of special program accounts: In the case of programs which are operated by a fund with contributions from governments and producers, only the governments' contribution to administration fees and to the funds are included. Producers' share of participation and payouts made to producers are excluded. Examples are Crop Insurance and the Net Income Stabilization Account (NISA).

Treatment of Loans and Advances: Loans and advances made to producers and organizations are not included as they are eventually recovered. However, interest subsidies and defaults on loans as reported in public accounts are included because they represent a cost to governments. The accrual accounting system also allows provisions for doubtful accounts and these valuation allowances are part of the GE estimates. In the same manner, provisions for probable losses on loan guarantees issued by the government are established whenever collectibility is considered doubtful and these valuations are now part of the GE estimates.

Government Recoveries: Government recoveries include revenues from user fees for services, from licenses and permits, leases and rentals, sales and royalties, land sales, transfers from one level of government to another, refunds of previous years' expenditures and previous years'

recoveries including government share of program surpluses, and from other miscellaneous forms of recoveries. These recoveries are deducted from the program expenditures or the total expenditures to generate an estimate of net expenditures. Repayments of loans and advances and return on investments are not included in recoveries.

Treatment of Tax Expenditures: Provincial tax expenditures include fuel tax rebates and property tax rebates as reported in the provincial public accounts and estimates documents. Sales and income taxes are excluded from federal and provincial estimates.

Table C.1 and Figure C.1: Federal and Provincial Government Expenditures in Support of the Agri-Food Sector

The figures included in this table are government expenditures of different departments such as Agriculture and Agri-Food, Health Canada, Transport, Rural Development, Finance.

- Federal expenditures by province are available for some programs only. Where provincial allocations of these federal expenditures are required, the methods explained below are used.
- Program expenditures which are not available from estimates or expenditure plans are projected assuming they are equal to the previous three-year average program expenditures in each province.
- Allocation of federal expenditures. Operating and capital expenditures that were originally identified by province on the basis of administration centre or that were simply assigned to the National Capital Region and transfers to national organizations are allocated provincially as follows:
 - Operating and capital expenditures for the Rural Prairie Rehabilitation, Sustainability and Development Branch and the Market and Industry Services Branch are allocated by province on the basis of program payments made by these organizations in each province. It is assumed that the operating and capital expenditures are proportional to program expenditures;

- All other operating and capital expenditures and transfers to national organizations are allocated by province using a three-year moving average of the provincial distribution of total farm cash receipts and farm cash receipts (FCR) for specific commodities when more appropriate. Relative levels of FCR are therefore used as a proxy for the relative benefits received from these programs in each province. For example, the distribution by province of grains and oilseeds farm cash receipts are used for the allocation by province of the Canadian Grain Commission operating and capital expenditures;
- All transportation expenditures, except expenditures for the Maritime Freight Rates Act (MFRA) and the Atlantic Region Freight Assistance Act (ARFAA), are allocated to provinces on the basis of the volume of rail shipments by province. Expenditures for MFRA and ARFAA are allocated by province based on the 1982 survey on shipment of products and the origins of the shipment done by the Canadian Transport Commission;
- The transfers to the Farm Credit Corporation (FCC) are allocated by province using the value of loans approved and principal not due.
- Others include expenditures to the Yukon, Northwest Territories, Nunavut and those outside Canada for food aid assistance and to international organizations.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category

Operating expenditures include all charges associated with the day-to-day operations of the department including salaries, employee benefits, travel and purchases of goods and services and the cost of administering various programs from different departments. Administration costs for certain programs, e.g. Crop Insurance are included with the program expenditures and therefore do not appear here.

Capital expenditures include charges for acquisition, construction and renovation of buildings and acquisition of physical assets such

as land, property, furniture and large equipment. Also included are amortization costs of tangible assets over their useful life.

Program expenditures include monies paid directly or indirectly to individuals, agencies or other agricultural entities as part of a transfer payment or existing program by the federal and/or provincial departments.

- **Income Support and Stabilization programs** include grants and contributions paid under programs such as NISA, the Dairy Subsidy Program, Safety nets and Companion programs and the Income Stabilization programs at the provincial level.
- **Ad hoc and Cost Reduction programs** include grants and contributions paid under ad hoc programs such as the Farm Support and Adjustment Measures (FSAM), flood and ice storm assistance and other adjustment/transition programs, as well as cost reducing programs such as artificial insemination and land rental assistance. The latter does not cover cost reducing programs included in the categories below, e.g. interest rebate programs.
- **Crop Insurance program** includes government premiums paid to Crop Insurance funds and administration fees for the management of the program.
- **Financing Assistance** includes loan defaults under loan guarantee programs such as the Advance Payments for Crops Act (APCA) and the Prairie Grain Advance Payments Act (PGAPA), credit programs such as the Agricultural Products Cooperative Marketing Act (APCMA), the three latter repealed by Agricultural Marketing Programs Act (AMPA). It also includes the Farm Improvement and Marketing Cooperatives Loans Act (FIMCLA) and interest rebate programs such as Spring Credit Advance program (SCAP). Also includes provisions for doubtful accounts and provisions for probable losses on loan guarantees issued by the government.
- **Storage and Freight programs** include grants and contributions made under transportation assistance programs such as Western Grain Transportation Act (WGTA) and the Transition Payments Program (WGTPP), Canadian Agri Infrastructure Program (CAIP) and storage programs.
- **Social and Labour programs** include grants and contributions to community organizations and for general skills training such as support to agricultural labour.
- **Research programs** are restricted to grants and contributions for research activities including research for improvement of product quality. It does not include administrative costs e.g. researchers' salaries. See Table C.3 for further information on research and inspection expenditures. Matching Investment Initiative (MII) expenditures are included in operating costs of Research Branch and Canadian Food Inspection Agency.
- **Food Inspection programs** are restricted to grants and contributions paid for animal health, veterinary services, product testing, disease and pest control and food quality. This category does not include administrative costs e.g. inspectors' salaries. See Table C.3 for further information on research and inspection expenditures.
- **International Development and Food Aid programs** include grants and contributions for activities for food aid assistance and support paid to international agricultural organizations. Also included in this category is the forgiveness of debts owed by developing countries and negotiated through the Canadian International Development Agency (CIDA). Forgiveness of debts in this category of expenditures is based on loans and lines of credit originally agreed for agriculture and agri-food development projects. This forgiveness of international food aid debts is incorporated in the federal time series of expenditures from 1990-91.
- **Marketing and Trade programs** include grants for activities related to product promotion, product and market development. It also takes into account debt service reduction and/or reduction of the debt owed to the Canadian Wheat Board (CWB) and negotiated at the Paris Club. The debt reduction payments to the CWB are incorporated in the federal time series from 1991-92. It does not include payments made to the Export Development Corporation (EDC) in respect of the Paris Club agreements since these payments covered non-agricultural debt.

- **Rural and Regional Development programs** include grants and contributions for general irrigation projects and community pastures as well as general development projects under Federal/Provincial agreements.
- **Environment programs** include grants and contributions to activities related to the conservation of farm-related resources and wildlife as well as expenditures for securing water supplies and Green Plan initiatives.
- **Education programs** include grants paid to agricultural educational institutions.
- **Extension programs** include grants and contributions paid for activities related to the provision of information, training and services to farmers such as Canadian 4-H Council and management of manure surpluses. It does not include administration in the form of salaries paid to government employees for extension work. These costs are included in operating expenditures.

Tax expenditures: Provincial tax expenditures include fuel tax rebates and property tax rebates as reported in the provincial public accounts and estimates documents. Sales and income taxes are excluded from federal and provincial estimates.

Recoveries include revenues from user fees for services, from licenses and permits, leases and rentals, sales and royalties, land sales, transfers from one level of government to another, refunds of previous years' expenditures and previous years' recoveries including government share of program surpluses, and from other miscellaneous forms of recoveries. These recoveries are deducted from the program expenditures or the total expenditures to generate an estimate of net expenditures. The repayments of loans and advances and return on investments are not included in the recoveries.

Table C.3: Research and Inspection in Support of the Agri-Food Sector

Operating expenditures for research include as a large part researcher salaries, and expenses associated with the day-to-day operations of research branches and centres in support of a competitive agri-food sector such as improving

technology on production and on product attributes. They also include Matching Investment Initiative (MII) expenditures.

Operating expenditures for inspection and regulation of agricultural products include expenses associated with the day-to-day operations of inspection and control branches and centres, maintenance and coordination of network facilities and, as a large part, inspector salaries towards prevention, verification and certification of commercially traded agri-food products.

Capital expenditures for research include expenditures for the acquisition of capital items such as research centres, furniture and large equipment and amortization costs.

Capital expenditures for inspection and regulation include expenditures for the acquisition of capital items such as inspection plants, furniture and large equipment and amortization costs.

Research program expenditures include grants and contributions for scientific and technological development in the agricultural sector provided to universities, scientific organizations and individuals.

Inspection program expenditures include grants and contributions as well as compensation for plant and animal losses, such as the Health of Animals Act, the Pesticides Residue Compensation Act and the Plant Protection Act.

Table C.4 and Figure C.3: Government Expenditures to the Agri-Food Sector as a Percentage of Agriculture and Agri-Food GDPs, and Table C.5: Total GDP and Total Government Expenditures

GDP is the total unduplicated value of the goods and services produced in a country or region during a given period.

GDP data are provided by the Conference Board of Canada in 1992 dollars. These data correspond to GDP data at Factor Cost reported by Statistics Canada. They are expressed in current dollars using the aggregate GDP (implicit price index) deflator also provided by the Conference Board of Canada. GDP data are presented on a quarterly basis and are grouped to obtain a time series on a fiscal year basis.

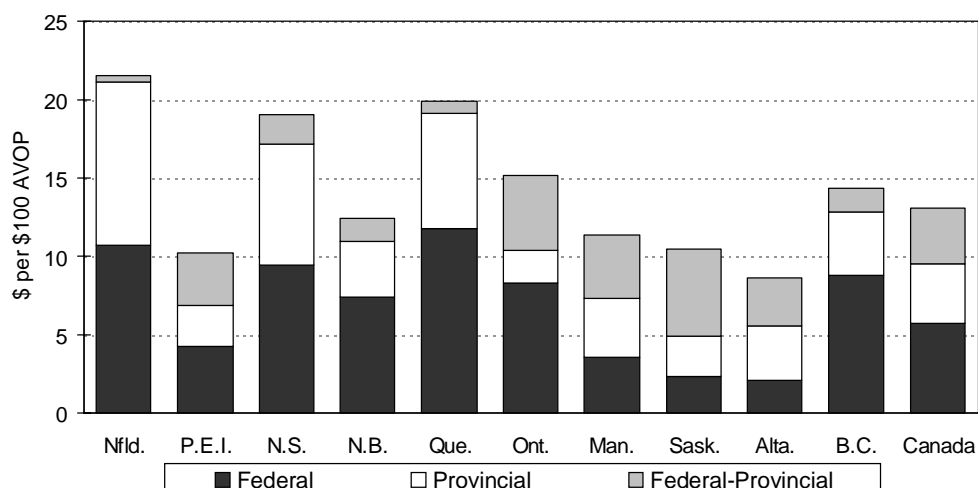
The overall GDP data include all sectors of activities for the total Canadian economy and are available for all provinces and Canada. Primary agriculture GDP data include all Agricultural and related services industries. Food GDP data include all Food industries within the Manufacturing industries. Beverage GDP data include all beverage industries within the manufacturing industries and are only available for Quebec, Ontario and Alberta for confidentiality reasons. Agri-food GDP is defined as the sum of agriculture, food and beverage GDPs. It does not include sectors such as the transportation and storage industries, the wholesale trade industries and the retail trade industries.

The totals for Canada, at the federal level, include the provinces as well as Yukon, Nunavut and Northwest Territories.

SECTION D

Government Transfers to Agricultural Producers

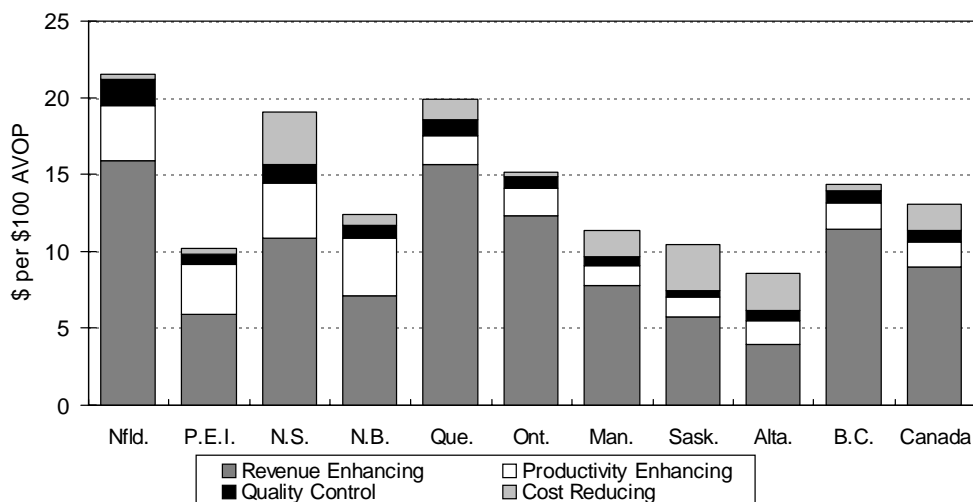
Figure D.1: Government Transfers by Source of Transfer, Canada and Provinces, 1999-00



Significant Points

- Transfers to Canadian producers, including direct, indirect and regulatory government support amounted to \$13.07 per \$100 of production value (AVOP) during 1999-00.
- Provincially, transfer levels ranged from \$8.59/\$100 AVOP in Alberta to \$21.55/\$100 AVOP in Newfoundland.
- Nationally, \$5.73/\$100 AVOP originated from federal programs and policies. Provincial and cost-shared programs provided transfers of \$3.75 and \$3.59/\$100 AVOP, respectively.

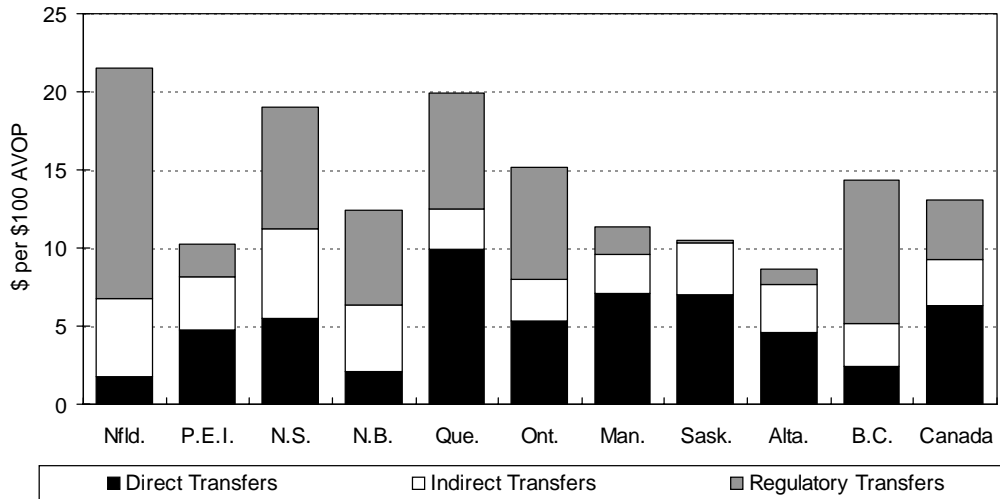
Figure D.2: Government Transfers by Program Objective, Canada and Provinces, 1999-00



Significant Points

- Transfers at the national level were primarily revenue enhancing (\$9.01 per \$100 AVOP), followed by cost reducing (\$1.70), productivity enhancing (\$1.65), and quality control (\$0.70).
- Revenue enhancement was the dominant program objective in all provinces, ranging from \$3.97 per \$100 AVOP in Alberta to \$15.87 per \$100 AVOP in Newfoundland.

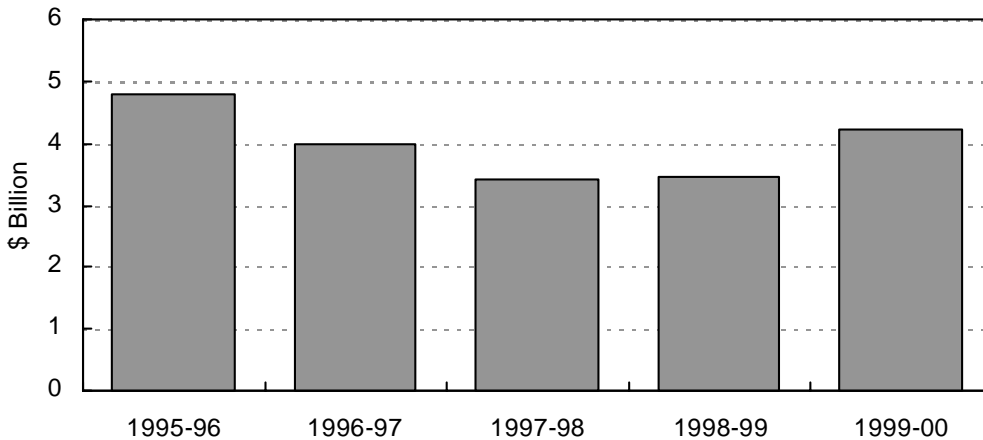
Figure D.3: Government Transfers by Type of Transfer, Canada and Provinces, 1999-00



Significant Points

- Nationally, direct transfers accounted for \$6.31 per \$100 AVOP; indirect transfers accounted for \$2.93 and transfers arising from regulations accounted for \$3.82.
- Direct transfers were highest in Quebec (\$9.92/\$100 AVOP). The highest levels of indirect transfers (\$5.77/\$100 AVOP) and regulatory transfers (\$14.76/\$100 AVOP) were in Nova Scotia and Newfoundland, respectively.

Figure D.4: Government Transfers, Canada, 1995-96 to 1999-00



Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.
 Note: An explanation of the terms used in this section is included in the Methodology notes.

Significant Points

- Government transfers reached a level of \$4.23 billion in 1999-00, an increase of \$769 million over the previous year.
- In 1999-00, transfers rose above the previous five-year average (1994-95 to 1998-99) of \$4.14 billion.

**Table D.1: Government Transfers by Province, Source of Transfer, Program Objective and Type of Transfer, 1998-99 and 1999-00
Canada**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1998-99		1999-00		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	168,951,877	0.52	243,343,768	0.75	74,391,891	0.23
		Indirect	33,829,930	0.10	32,977,161	0.10	(852,769)	(0.00)
		Regulatory	963,845,328	2.98	1,044,572,768	3.23	80,727,440	0.25
	Total	1,166,627,135	3.60	1,320,893,697	4.08	154,266,561	0.48	
	Cost Reducing	Direct	(550,624)	(0.00)	615,321	0.00	1,165,945	0.00
		Indirect	103,379,456	0.32	106,515,313	0.33	3,135,857	0.01
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	102,828,832	0.32	107,130,634	0.33	4,301,802	0.01	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	242,556,788	0.75	241,745,733	0.75	(811,055)	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	242,556,788	0.75	241,745,733	0.75	(811,055)	(0.00)	
	Quality Control	Direct	3,270,729	0.01	1,329,381	0.00	(1,941,348)	(0.01)
		Indirect	101,591,383	0.31	185,961,883	0.57	84,370,500	0.26
Regulatory		0	0.00	0	0.00	0	0.00	
Total	104,862,112	0.32	187,291,264	0.58	82,429,152	0.25		
Total			1,616,874,867	4.99	1,857,061,328	5.73	240,186,460	0.74
Provincial	Revenue Enhancing	Direct	285,489,048	0.88	296,757,072	0.92	11,268,024	0.03
		Indirect	1,614,961	0.00	2,222,995	0.01	608,034	0.00
		Regulatory	267,909,684	0.83	193,840,369	0.60	(74,069,315)	(0.23)
	Total	555,013,694	1.71	492,820,436	1.52	(62,193,258)	(0.19)	
	Cost Reducing	Direct	387,159,771	1.20	394,207,761	1.22	7,047,991	0.02
		Indirect	48,683,006	0.15	48,376,192	0.15	(306,813)	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	435,842,776	1.35	442,583,954	1.37	6,741,177	0.02	
	Productivity Enhancing	Direct	6,517,405	0.02	10,662,809	0.03	4,145,405	0.01
		Indirect	227,474,012	0.70	226,637,517	0.70	(836,495)	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	233,991,416	0.72	237,300,326	0.73	3,308,910	0.01	
	Quality Control	Direct	13,050,109	0.04	16,884,837	0.05	3,834,728	0.01
		Indirect	22,852,240	0.07	23,383,558	0.07	531,318	0.00
Regulatory		0	0.00	0	0.00	0	0.00	
Total	35,902,349	0.11	40,268,395	0.12	4,366,046	0.01		
Total			1,260,750,235	3.89	1,212,973,110	3.75	(47,777,124)	(0.15)
Federal-Provincial	Revenue Enhancing	Direct	539,543,738	1.67	1,076,314,299	3.32	536,770,561	1.66
		Indirect	8,901,965	0.03	29,503,457	0.09	20,601,492	0.06
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	548,445,703	1.69	1,105,817,756	3.41	557,372,053	1.72	
	Cost Reducing	Direct	157,000	0.00	113,000	0.00	(44,000)	(0.00)
		Indirect	1,067,343	0.00	1,320,900	0.00	253,557	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	1,224,343	0.00	1,433,900	0.00	209,557	0.00	
	Productivity Enhancing	Direct	5,439,186	0.02	4,391,912	0.01	(1,047,274)	(0.00)
		Indirect	29,975,476	0.09	51,097,771	0.16	21,122,295	0.07
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	35,414,662	0.11	55,489,683	0.17	20,075,021	0.06	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	1,050,000	0.00	0	0.00	(1,050,000)	(0.00)
Regulatory		0	0.00	0	0.00	0	0.00	
Total	1,050,000	0.00	0	0.00	(1,050,000)	(0.00)		
Total			586,134,708	1.81	1,162,741,339	3.59	576,606,631	1.78
Grand Total			3,463,759,810	10.69	4,232,775,777	13.07	769,015,967	2.37
AVOP (\$'00)			323,886,595		323,879,829		(6,766)	
	Total Direct Transfers		1,409,028,237	4.35	2,044,620,160	6.31	635,591,923	1.96
	Total Indirect Transfers		822,976,560	2.54	949,742,480	2.93	126,765,920	0.39
	Total Regulatory Transfers		1,231,755,012	3.80	1,238,413,137	3.82	6,658,125	0.02
	Total Revenue Enhancing		2,270,086,531	7.01	2,919,531,888	9.01	649,445,357	2.01
	Total Cost Reducing		539,895,952	1.67	551,148,488	1.70	11,252,536	0.03
	Total Productivity Enhancing		511,962,867	1.58	534,535,742	1.65	22,572,875	0.07
	Total Quality Control		141,814,460	0.44	227,559,659	0.70	85,745,199	0.26

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

**Table D.1: Government Transfers by Province, Source of Transfer, Program Objective and Type of Transfer, 1998-99 and 1999-00
Newfoundland**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1998-99		1999-00		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	381,389	0.56	561,637	0.80	180,247	0.24
		Regulatory	5,505,523	8.05	5,638,879	8.06	133,356	0.00
	Total	5,886,912	8.61	6,200,516	8.86	313,603	0.25	
	Cost Reducing	Direct	(53,522)	(0.08)	(78,612)	(0.11)	(25,090)	(0.03)
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	(53,522)	(0.08)	(78,612)	(0.11)	(25,090)	(0.03)	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	558,181	0.82	708,100	1.01	149,919	0.20
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	558,181	0.82	708,100	1.01	149,919	0.20	
Quality Control	Direct	0	0.00	0	0.00	0	0.00	
	Indirect	367,398	0.54	685,689	0.98	318,291	0.44	
	Regulatory	0	0.00	0	0.00	0	0.00	
Total	367,398	0.54	685,689	0.98	318,291	0.44		
Total			6,758,969	9.89	7,515,693	10.74	756,723	0.85
Provincial	Revenue Enhancing	Direct	2,600	0.00	1,600	0.00	(1,000)	(0.00)
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	5,359,263	7.84	4,691,936	6.70	(667,327)	(1.13)
	Total	5,361,863	7.84	4,693,536	6.71	(668,327)	(1.14)	
	Cost Reducing	Direct	540,264	0.79	323,884	0.46	(216,380)	(0.33)
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	540,264	0.79	323,884	0.46	(216,380)	(0.33)	
	Productivity Enhancing	Direct	355,959	0.52	247,299	0.35	(108,660)	(0.17)
		Indirect	1,788,554	2.62	1,473,353	2.10	(315,201)	(0.51)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	2,144,513	3.14	1,720,652	2.46	(423,861)	(0.68)	
Quality Control	Direct	440,216	0.64	509,366	0.73	69,150	0.08	
	Indirect	25,000	0.04	25,000	0.04	0	(0.00)	
	Regulatory	0	0.00	0	0.00	0	0.00	
Total	465,216	0.68	534,366	0.76	69,150	0.08		
Total			8,511,856	12.45	7,272,438	10.39	(1,239,418)	(2.06)
Federal-Provincial	Revenue Enhancing	Direct	167,206	0.24	211,731	0.30	44,524	0.06
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	167,206	0.24	211,731	0.30	44,524	0.06	
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	0	0.00	0	0.00	0	0.00	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	396,807	0.58	86,352	0.12	(310,455)	(0.46)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	396,807	0.58	86,352	0.12	(310,455)	(0.46)	
Quality Control	Direct	0	0.00	0	0.00	0	0.00	
	Indirect	0	0.00	0	0.00	0	0.00	
	Regulatory	0	0.00	0	0.00	0	0.00	
Total	0	0.00	0	0.00	0	0.00		
Total			564,013	0.82	298,083	0.43	(265,931)	(0.40)
Grand Total			15,834,839	23.16	15,086,213	21.55	(748,626)	(1.61)
AVOP (\$'00)			683,730		699,932		16,203	
	Total Direct Transfers		1,452,723	2.12	1,215,268	1.74	(237,456)	(0.39)
	Total Indirect Transfers		3,517,330	5.14	3,540,131	5.06	22,801	(0.09)
	Total Regulatory Transfers		10,864,786	15.89	10,330,815	14.76	(533,971)	(1.13)
	Total Revenue Enhancing		11,415,982	16.70	11,105,782	15.87	(310,200)	(0.83)
	Total Cost Reducing		486,742	0.71	245,272	0.35	(241,470)	(0.36)
	Total Productivity Enhancing		3,099,501	4.53	2,515,104	3.59	(584,397)	(0.94)
	Total Quality Control		832,614	1.22	1,220,055	1.74	387,441	0.53

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

**Table D.1: Government Transfers by Province, Source of Transfer, Program Objective and Type of Transfer, 1998-99 and 1999-00
Prince Edward Island**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1998-99		1999-00		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	1,814,368	0.47	1,365,831	0.34	(448,537)	(0.13)
		Indirect	428,108	0.11	511,229	0.13	83,120	0.01
		Regulatory	6,957,902	1.80	8,032,785	1.97	1,074,883	0.17
	Total	9,200,378	2.38	9,909,844	2.44	709,467	0.05	
	Cost Reducing	Direct	(110,919)	(0.03)	(92,209)	(0.02)	18,710	0.01
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	(110,919)	(0.03)	(92,209)	(0.02)	18,710	0.01	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	4,686,444	1.21	5,499,844	1.35	813,400	0.14
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	4,686,444	1.21	5,499,844	1.35	813,400	0.14	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	1,101,805	0.29	2,116,523	0.52	1,014,718	0.23
		Regulatory	0	0.00	0	0.00	0	0.00
Total	1,101,805	0.29	2,116,523	0.52	1,014,718	0.23		
Total			14,877,708	3.85	17,434,002	4.29	2,556,295	0.43
Provincial	Revenue Enhancing	Direct	1,283,641	0.33	744,524	0.18	(539,117)	(0.15)
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	585,854	0.15	423,475	0.10	(162,379)	(0.05)
	Total	1,869,495	0.48	1,167,999	0.29	(701,496)	(0.20)	
	Cost Reducing	Direct	2,141,440	0.55	1,864,229	0.46	(277,211)	(0.10)
		Indirect	14,734	0.00	14,831	0.00	97	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	2,156,174	0.56	1,879,060	0.46	(277,114)	(0.10)	
	Productivity Enhancing	Direct	318,293	0.08	1,266,164	0.31	947,871	0.23
		Indirect	5,292,081	1.37	5,898,390	1.45	606,309	0.08
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	5,610,374	1.45	7,164,554	1.76	1,554,180	0.31	
	Quality Control	Direct	302,048	0.08	240,684	0.06	(61,364)	(0.02)
		Indirect	113,983	0.03	113,983	0.03	(0)	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
Total	416,031	0.11	354,667	0.09	(61,364)	(0.02)		
Total			10,052,074	2.60	10,566,280	2.60	514,206	(0.01)
Federal-Provincial	Revenue Enhancing	Direct	6,438,864	1.67	13,152,512	3.23	6,713,647	1.57
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	6,438,864	1.67	13,152,512	3.23	6,713,647	1.57	
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	0	0.00	0	0.00	0	0.00	
	Productivity Enhancing	Direct	470,563	0.12	790,432	0.19	319,869	0.07
		Indirect	3,142,025	0.81	(292,098)	(0.07)	(3,434,123)	(0.89)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	3,612,588	0.94	498,334	0.12	(3,114,254)	(0.81)	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
Total	0	0.00	0	0.00	0	0.00		
Total			10,051,453	2.60	13,650,846	3.36	3,599,393	0.75
Grand Total			34,981,235	9.06	41,651,128	10.24	6,669,894	1.18
AVOP (\$'00)			3,860,417		4,067,882		207,465	
	Total Direct Transfers		12,658,298	3.28	19,332,167	4.75	6,673,868	1.47
	Total Indirect Transfers		14,779,181	3.83	13,862,702	3.41	(916,479)	(0.42)
	Total Regulatory Transfers		7,543,756	1.95	8,456,260	2.08	912,504	0.12
	Total Revenue Enhancing		17,508,737	4.54	24,230,355	5.96	6,721,618	1.42
	Total Cost Reducing		2,045,255	0.53	1,786,851	0.44	(258,404)	(0.09)
	Total Productivity Enhancing		13,909,406	3.60	13,162,732	3.24	(746,674)	(0.37)
	Total Quality Control		1,517,836	0.39	2,471,190	0.61	953,354	0.21

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

**Table D.1: Government Transfers by Province, Source of Transfer, Program Objective and Type of Transfer, 1998-99 and 1999-00
Nova Scotia**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1998-99		1999-00		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	3,083,986	0.80	2,191,422	0.58	(892,564)	(0.22)
		Indirect	428,373	0.11	729,387	0.19	301,013	0.08
		Regulatory	24,320,151	6.32	26,606,925	7.02	2,286,774	0.70
	Total	27,832,510	7.23	29,527,733	7.79	1,695,223	0.55	
	Cost Reducing	Direct	(206,610)	(0.05)	(234,771)	(0.06)	(28,161)	(0.01)
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	(206,610)	(0.05)	(234,771)	(0.06)	(28,161)	(0.01)	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	3,851,420	1.00	3,757,298	0.99	(94,122)	(0.01)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	3,851,420	1.00	3,757,298	0.99	(94,122)	(0.01)	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	1,582,647	0.41	2,775,434	0.73	1,192,787	0.32
Regulatory		0	0.00	0	0.00	0	0.00	
Total	1,582,647	0.41	2,775,434	0.73	1,192,787	0.32		
Total			33,059,967	8.59	35,825,694	9.45	2,765,727	0.86
Provincial	Revenue Enhancing	Direct	4,182,178	1.09	4,123,549	1.09	(58,629)	0.00
		Indirect	517,201	0.13	680,395	0.18	163,194	0.05
		Regulatory	5,490,625	1.43	3,034,762	0.80	(2,455,863)	(0.63)
	Total	10,190,004	2.65	7,838,706	2.07	(2,351,298)	(0.58)	
	Cost Reducing	Direct	3,396,243	0.88	9,500,708	2.51	6,104,465	1.62
		Indirect	3,760,756	0.98	3,718,111	0.98	(42,645)	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	7,156,999	1.86	13,218,820	3.49	6,061,821	1.63	
	Productivity Enhancing	Direct	117,100	0.03	155,738	0.04	38,638	0.01
		Indirect	6,056,422	1.57	6,226,042	1.64	169,620	0.07
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	6,173,522	1.60	6,381,780	1.68	208,258	0.08	
	Quality Control	Direct	1,022,664	0.27	1,133,704	0.30	111,040	0.03
		Indirect	650,610	0.17	621,339	0.16	(29,271)	(0.01)
Regulatory		0	0.00	0	0.00	0	0.00	
Total	1,673,274	0.43	1,755,043	0.46	81,769	0.03		
Total			25,193,799	6.55	29,194,348	7.70	4,000,549	1.15
Federal-Provincial	Revenue Enhancing	Direct	1,511,269	0.39	3,869,265	1.02	2,357,996	0.63
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	1,511,269	0.39	3,869,265	1.02	2,357,996	0.63	
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	0	0.00	0	0.00	0	0.00	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	2,360,197	0.61	3,367,565	0.89	1,007,368	0.27
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	2,360,197	0.61	3,367,565	0.89	1,007,368	0.27	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
Regulatory		0	0.00	0	0.00	0	0.00	
Total	0	0.00	0	0.00	0	0.00		
Total			3,871,466	1.01	7,236,830	1.91	3,365,364	0.90
Grand Total			62,125,232	16.15	72,256,873	19.06	10,131,640	2.91
AVOP (\$'00)			3,847,072		3,791,274		(55,798)	
	Total Direct Transfers		13,106,830	3.41	20,739,615	5.47	7,632,786	2.06
	Total Indirect Transfers		19,207,626	4.99	21,875,570	5.77	2,667,944	0.78
	Total Regulatory Transfers		29,810,776	7.75	29,641,687	7.82	(169,089)	0.07
	Total Revenue Enhancing		39,533,783	10.28	41,235,705	10.88	1,701,921	0.60
	Total Cost Reducing		6,950,389	1.81	12,984,049	3.42	6,033,660	1.62
	Total Productivity Enhancing		12,385,139	3.22	13,506,643	3.56	1,121,503	0.34
	Total Quality Control		3,255,921	0.85	4,530,477	1.19	1,274,556	0.35

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

**Table D.1: Government Transfers by Province, Source of Transfer, Program Objective and Type of Transfer, 1998-99 and 1999-00
New Brunswick**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1998-99		1999-00		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	2,334,543	0.64	1,714,828	0.48	(619,715)	(0.16)
		Indirect	420,536	0.11	517,045	0.14	96,509	0.03
		Regulatory	16,621,721	4.53	18,300,919	5.12	1,679,198	0.59
	Total	19,376,800	5.28	20,532,792	5.75	1,155,992	0.46	
	Cost Reducing	Direct	(135,156)	(0.04)	(265,205)	(0.07)	(130,049)	(0.04)
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	(135,156)	(0.04)	(265,205)	(0.07)	(130,049)	(0.04)	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	4,193,829	1.14	3,791,874	1.06	(401,955)	(0.08)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	4,193,829	1.14	3,791,874	1.06	(401,955)	(0.08)	
	Quality Control	Direct	4,821	0.00	0	0.00	(4,821)	(0.00)
		Indirect	1,323,501	0.36	2,424,172	0.68	1,100,671	0.32
		Regulatory	0	0.00	0	0.00	0	0.00
Total	1,328,322	0.36	2,424,172	0.68	1,095,850	0.32		
Total			24,763,795	6.75	26,483,633	7.42	1,719,838	0.66
Provincial	Revenue Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	84,833	0.02	206,120	0.06	121,287	0.03
		Regulatory	4,885,997	1.33	3,123,634	0.87	(1,762,363)	(0.46)
	Total	4,970,830	1.36	3,329,754	0.93	(1,641,076)	(0.42)	
	Cost Reducing	Direct	2,342,276	0.64	2,695,563	0.75	353,288	0.12
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	2,342,276	0.64	2,695,563	0.75	353,288	0.12	
	Productivity Enhancing	Direct	689,104	0.19	1,060,585	0.30	371,481	0.11
		Indirect	5,143,638	1.40	5,232,871	1.47	89,234	0.06
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	5,832,742	1.59	6,293,456	1.76	460,715	0.17	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	92,640	0.03	345,746	0.10	253,106	0.07
		Regulatory	0	0.00	0	0.00	0	0.00
Total	92,640	0.03	345,746	0.10	253,106	0.07		
Total			13,238,487	3.61	12,664,520	3.55	(573,967)	(0.06)
Federal-Provincial	Revenue Enhancing	Direct	1,084,331	0.30	1,782,768	0.50	698,436	0.20
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	1,084,331	0.30	1,782,768	0.50	698,436	0.20	
	Cost Reducing	Direct	157,000	0.04	113,000	0.03	(44,000)	(0.01)
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	157,000	0.04	113,000	0.03	(44,000)	(0.01)	
	Productivity Enhancing	Direct	272,450	0.07	352,527	0.10	80,077	0.02
		Indirect	1,343,753	0.37	2,870,807	0.80	1,527,054	0.44
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	1,616,203	0.44	3,223,334	0.90	1,607,131	0.46	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
Total	0	0.00	0	0.00	0	0.00		
Total			2,857,534	0.78	5,119,102	1.43	2,261,567	0.65
Grand Total			40,859,816	11.14	44,267,254	12.40	3,407,438	1.25
AVOP (\$'00)			3,666,711		3,571,255		(95,456)	
	Total Direct Transfers		6,749,369	1.84	7,454,066	2.09	704,697	0.25
	Total Indirect Transfers		12,602,729	3.44	15,388,635	4.31	2,785,906	0.87
	Total Regulatory Transfers		21,507,718	5.87	21,424,553	6.00	(83,165)	0.13
	Total Revenue Enhancing		25,431,961	6.94	25,645,314	7.18	213,352	0.25
	Total Cost Reducing		2,364,120	0.64	2,543,358	0.71	179,239	0.07
	Total Productivity Enhancing		11,642,774	3.18	13,308,664	3.73	1,665,891	0.55
	Total Quality Control		1,420,962	0.39	2,769,918	0.78	1,348,956	0.39

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

**Table D.1: Government Transfers by Province, Source of Transfer, Program Objective and Type of Transfer, 1998-99 and 1999-00
Quebec**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1998-99		1999-00		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	95,758,727	1.76	189,274,937	3.49	93,516,210	1.73
		Indirect	7,488,434	0.14	7,086,306	0.13	(402,128)	(0.01)
		Regulatory	325,323,401	5.97	364,448,900	6.72	39,125,499	0.75
	Total	428,570,562	7.87	560,810,143	10.34	132,239,581	2.47	
	Cost Reducing	Direct	(1,192,637)	(0.02)	(395,996)	(0.01)	796,641	0.01
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	(1,192,637)	(0.02)	(395,996)	(0.01)	796,641	0.01	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	38,596,363	0.71	41,208,491	0.76	2,612,128	0.05
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	38,596,363	0.71	41,208,491	0.76	2,612,128	0.05	
	Quality Control	Direct	1,903,878	0.03	859,444	0.02	(1,044,434)	(0.02)
		Indirect	19,798,590	0.36	34,005,518	0.63	14,206,928	0.26
Regulatory		0	0.00	0	0.00	0	0.00	
Total	21,702,468	0.40	34,864,962	0.64	13,162,494	0.24		
Total			487,676,756	8.96	636,487,600	11.74	148,810,844	2.78
Provincial	Revenue Enhancing	Direct	278,790,495	5.12	215,595,892	3.98	(63,194,603)	(1.14)
		Indirect	150,409	0.00	484,137	0.01	333,728	0.01
		Regulatory	47,927,956	0.88	34,889,191	0.64	(13,038,765)	(0.24)
	Total	326,868,859	6.00	250,969,220	4.63	(75,899,639)	(1.38)	
	Cost Reducing	Direct	65,277,100	1.20	73,963,984	1.36	8,686,884	0.17
		Indirect	405,325	0.01	2,229	0.00	(403,096)	(0.01)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	65,682,424	1.21	73,966,213	1.36	8,283,789	0.16	
	Productivity Enhancing	Direct	3,495,235	0.06	3,802,504	0.07	307,269	0.01
		Indirect	47,516,197	0.87	48,161,122	0.89	644,925	0.02
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	51,011,432	0.94	51,963,626	0.96	952,194	0.02	
	Quality Control	Direct	11,067,181	0.20	14,734,083	0.27	3,666,902	0.07
		Indirect	8,639,533	0.16	7,081,431	0.13	(1,558,102)	(0.03)
Regulatory		0	0.00	0	0.00	0	0.00	
Total	19,706,713	0.36	21,815,514	0.40	2,108,801	0.04		
Total			463,269,429	8.51	398,714,573	7.35	(64,554,856)	(1.16)
Federal-Provincial	Revenue Enhancing	Direct	53,841,197	0.99	37,862,089	0.70	(15,979,108)	(0.29)
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	53,841,197	0.99	37,862,089	0.70	(15,979,108)	(0.29)	
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	0	0.00	0	0.00	0	0.00	
	Productivity Enhancing	Direct	3,962,758	0.07	2,439,746	0.04	(1,523,012)	(0.03)
		Indirect	3,599,175	0.07	3,845,936	0.07	246,761	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	7,561,933	0.14	6,285,682	0.12	(1,276,251)	(0.02)	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
Regulatory		0	0.00	0	0.00	0	0.00	
Total	0	0.00	0	0.00	0	0.00		
Total			61,403,130	1.13	44,147,771	0.81	(17,255,359)	(0.31)
Grand Total			1,012,349,316	18.59	1,079,349,944	19.90	67,000,628	1.31
AVOP (\$'00)			54,450,886		54,228,713		(222,173)	
	Total Direct Transfers		512,903,933	9.42	538,136,683	9.92	25,232,750	0.50
	Total Indirect Transfers		126,194,025	2.32	141,875,170	2.62	15,681,145	0.30
	Total Regulatory Transfers		373,251,357	6.85	399,338,091	7.36	26,086,734	0.51
	Total Revenue Enhancing		809,280,619	14.86	849,641,452	15.67	40,360,834	0.81
	Total Cost Reducing		64,489,787	1.18	73,570,217	1.36	9,080,430	0.17
	Total Productivity Enhancing		97,169,728	1.78	99,457,799	1.83	2,288,071	0.05
	Total Quality Control		41,409,181	0.76	56,680,476	1.05	15,271,295	0.28

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

**Table D.1: Government Transfers by Province, Source of Transfer, Program Objective and Type of Transfer, 1998-99 and 1999-00
Ontario**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1998-99		1999-00		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	45,142,244	0.66	32,534,186	0.47	(12,608,058)	(0.19)
		Indirect	8,294,577	0.12	8,290,856	0.12	(3,721)	(0.00)
		Regulatory	403,910,677	5.90	435,918,609	6.25	32,007,931	0.35
	Total	457,347,499	6.69	476,743,651	6.84	19,396,152	0.15	
	Cost Reducing	Direct	(3,509,912)	(0.05)	(4,009,209)	(0.06)	(499,297)	(0.01)
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	(3,509,912)	(0.05)	(4,009,209)	(0.06)	(499,297)	(0.01)	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	58,407,594	0.85	62,166,951	0.89	3,759,357	0.04
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	58,407,594	0.85	62,166,951	0.89	3,759,357	0.04	
	Quality Control	Direct	1,228,618	0.02	141,067	0.00	(1,087,552)	(0.02)
		Indirect	24,161,747	0.35	42,837,728	0.61	18,675,981	0.26
Regulatory		0	0.00	0	0.00	0	0.00	
Total	25,390,365	0.37	42,978,795	0.62	17,588,430	0.25		
Total			537,635,546	7.86	577,880,188	8.29	40,244,642	0.43
Provincial	Revenue Enhancing	Direct	542,401	0.01	640,109	0.01	97,709	0.00
		Indirect	800	0.00	0	0.00	(800)	(0.00)
		Regulatory	93,561,860	1.37	65,428,845	0.94	(28,133,015)	(0.43)
	Total	94,105,061	1.38	66,068,954	0.95	(28,036,107)	(0.43)	
	Cost Reducing	Direct	23,857,424	0.35	23,167,844	0.33	(689,580)	(0.02)
		Indirect	705,549	0.01	844,400	0.01	138,851	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	24,562,973	0.36	24,012,244	0.34	(550,729)	(0.01)	
	Productivity Enhancing	Direct	136,380	0.00	2,902,061	0.04	2,765,681	0.04
		Indirect	55,064,536	0.80	45,162,731	0.65	(9,901,805)	(0.16)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	55,200,916	0.81	48,064,792	0.69	(7,136,124)	(0.12)	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	7,890,573	0.12	10,991,572	0.16	3,100,999	0.04
Regulatory		0	0.00	0	0.00	0	0.00	
Total	7,890,573	0.12	10,991,572	0.16	3,100,999	0.04		
Total			181,759,523	2.66	149,137,562	2.14	(32,621,961)	(0.52)
Federal-Provincial	Revenue Enhancing	Direct	101,176,278	1.48	315,006,431	4.52	213,830,153	3.04
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	101,176,278	1.48	315,006,431	4.52	213,830,153	3.04	
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	0	0.00	0	0.00	0	0.00	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	4,645,999	0.07	15,141,838	0.22	10,495,839	0.15
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	4,645,999	0.07	15,141,838	0.22	10,495,839	0.15	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
Regulatory		0	0.00	0	0.00	0	0.00	
Total	0	0.00	0	0.00	0	0.00		
Total			105,822,277	1.55	330,148,269	4.74	224,325,992	3.19
Grand Total			825,217,346	12.06	1,057,166,019	15.16	231,948,673	3.10
AVOP (\$'00)			68,407,571		69,714,511		1,306,940	
	Total Direct Transfers		168,573,433	2.46	370,382,489	5.31	201,809,056	2.85
	Total Indirect Transfers		159,171,376	2.33	185,436,076	2.66	26,264,700	0.33
	Total Regulatory Transfers		497,472,537	7.27	501,347,454	7.19	3,874,916	(0.08)
	Total Revenue Enhancing		652,628,837	9.54	857,819,036	12.30	205,190,199	2.76
	Total Cost Reducing		21,053,061	0.31	20,003,035	0.29	(1,050,026)	(0.02)
	Total Productivity Enhancing		118,254,509	1.73	125,373,581	1.80	7,119,071	0.07
	Total Quality Control		33,280,938	0.49	53,970,367	0.77	20,689,429	0.29

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

**Table D.1: Government Transfers by Province, Source of Transfer, Program Objective and Type of Transfer, 1998-99 and 1999-00
Manitoba**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1998-99		1999-00		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	3,765,087	0.11	2,742,137	0.08	(1,022,950)	(0.03)
		Indirect	2,732,892	0.08	2,573,609	0.07	(159,282)	(0.01)
		Regulatory	44,619,713	1.29	52,647,268	1.50	8,027,555	0.21
	Total	51,117,692	1.48	57,963,014	1.65	6,845,322	0.17	
	Cost Reducing	Direct	2,829,168	0.08	3,882,788	0.11	1,053,620	0.03
		Indirect	19,051,099	0.55	16,802,336	0.48	(2,248,762)	(0.07)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	21,880,267	0.63	20,685,124	0.59	(1,195,142)	(0.04)	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	24,419,327	0.71	25,889,305	0.74	1,469,978	0.03
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	24,419,327	0.71	25,889,305	0.74	1,469,978	0.03	
	Quality Control	Direct	112,763	0.00	6,962	0.00	(105,801)	(0.00)
Indirect		9,624,787	0.28	18,960,253	0.54	9,335,466	0.26	
Regulatory		0	0.00	0	0.00	0	0.00	
Total	9,737,550	0.28	18,967,215	0.54	9,229,665	0.26		
Total			107,154,836	3.10	123,504,659	3.52	16,349,823	0.42
Provincial	Revenue Enhancing	Direct	618,150	0.02	70,161,015	2.00	69,542,865	1.98
		Indirect	773,400	0.02	747,825	0.02	(25,575)	(0.00)
		Regulatory	12,342,902	0.36	10,159,700	0.29	(2,183,202)	(0.07)
	Total	13,734,452	0.40	81,068,540	2.31	67,334,088	1.91	
	Cost Reducing	Direct	39,437,442	1.14	38,171,647	1.09	(1,265,794)	(0.05)
		Indirect	10,326	0.00	10,305	0.00	(21)	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	39,447,768	1.14	38,181,952	1.09	(1,265,815)	(0.05)	
	Productivity Enhancing	Direct	1,110,831	0.03	971,603	0.03	(139,228)	(0.00)
		Indirect	12,925,463	0.37	13,230,757	0.38	305,294	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	14,036,293	0.41	14,202,360	0.40	166,067	(0.00)	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
Indirect		701,372	0.02	537,201	0.02	(164,171)	(0.00)	
Regulatory		0	0.00	0	0.00	0	0.00	
Total	701,372	0.02	537,201	0.02	(164,171)	(0.00)		
Total			67,919,884	1.96	133,990,053	3.82	66,070,169	1.85
Federal-Provincial	Revenue Enhancing	Direct	52,392,057	1.51	133,286,778	3.80	80,894,721	2.28
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	52,392,057	1.51	133,286,778	3.80	80,894,721	2.28	
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	339,100	0.01	338,400	0.01	(700)	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	339,100	0.01	338,400	0.01	(700)	(0.00)	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	2,516,126	0.07	8,024,188	0.23	5,508,062	0.16
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	2,516,126	0.07	8,024,188	0.23	5,508,062	0.16	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
Indirect		0	0.00	0	0.00	0	0.00	
Regulatory		0	0.00	0	0.00	0	0.00	
Total	0	0.00	0	0.00	0	0.00		
Total			55,247,283	1.60	141,649,366	4.04	86,402,083	2.44
Grand Total			230,322,003	6.66	399,144,078	11.37	168,822,075	4.72
AVOP (\$'00)			34,589,647		35,090,937		501,290	
	Total Direct Transfers		100,265,497	2.90	249,222,930	7.10	148,957,433	4.20
	Total Indirect Transfers		73,093,891	2.11	87,114,180	2.48	14,020,289	0.37
	Total Regulatory Transfers		56,962,615	1.65	62,806,968	1.79	5,844,353	0.14
	Total Revenue Enhancing		117,244,200	3.39	272,318,332	7.76	155,074,132	4.37
	Total Cost Reducing		61,667,135	1.78	59,205,477	1.69	(2,461,658)	(0.10)
	Total Productivity Enhancing		40,971,746	1.18	48,115,853	1.37	7,144,107	0.19
	Total Quality Control		10,438,922	0.30	19,504,416	0.56	9,065,494	0.25

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

**Table D.1: Government Transfers by Province, Source of Transfer, Program Objective and Type of Transfer, 1998-99 and 1999-00
Saskatchewan**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1998-99		1999-00		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	2,414,320	0.04	2,056,259	0.03	(358,061)	(0.01)
		Indirect	6,934,959	0.10	6,148,147	0.09	(786,811)	(0.01)
		Regulatory	8,697,994	0.13	949,577	0.01	(7,748,417)	(0.11)
	Total	18,047,273	0.26	9,153,983	0.13	(8,893,289)	(0.13)	
	Cost Reducing	Direct	948,274	0.01	1,331,578	0.02	383,304	0.01
		Indirect	71,823,305	1.04	73,184,157	1.06	1,360,852	0.02
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	72,771,579	1.06	74,515,735	1.08	1,744,156	0.02	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	48,007,452	0.70	51,017,148	0.74	3,009,696	0.04
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	48,007,452	0.70	51,017,148	0.74	3,009,696	0.04	
	Quality Control	Direct	0	0.00	253,071	0.00	253,071	0.00
		Indirect	12,418,052	0.18	25,622,443	0.37	13,204,391	0.19
		Regulatory	0	0.00	0	0.00	0	0.00
Total	12,418,052	0.18	25,875,514	0.38	13,457,462	0.19		
Total			151,244,355	2.20	160,562,380	2.33	9,318,025	0.13
Provincial	Revenue Enhancing	Direct	(229,262)	(0.00)	(37,599)	(0.00)	191,663	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	9,233,787	0.13	7,173,225	0.10	(2,060,562)	(0.03)
	Total	9,004,525	0.13	7,135,626	0.10	(1,868,899)	(0.03)	
	Cost Reducing	Direct	123,061,250	1.79	123,321,705	1.79	260,455	0.00
		Indirect	9,731,247	0.14	9,731,247	0.14	0	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	132,792,497	1.93	133,052,952	1.93	260,455	0.00	
	Productivity Enhancing	Direct	294,503	0.00	256,855	0.00	(37,648)	(0.00)
		Indirect	17,217,696	0.25	35,276,418	0.51	18,058,723	0.26
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	17,512,199	0.25	35,533,273	0.52	18,021,075	0.26	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	372,699	0.01	314,513	0.00	(58,186)	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
Total	372,699	0.01	314,513	0.00	(58,186)	(0.00)		
Total			159,681,920	2.32	176,036,364	2.55	16,354,445	0.23
Federal-Provincial	Revenue Enhancing	Direct	149,014,305	2.16	357,491,813	5.18	208,477,508	3.02
		Indirect	6,308,930	0.09	25,682,037	0.37	19,373,107	0.28
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	155,323,235	2.26	383,173,850	5.56	227,850,615	3.30	
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	423,500	0.01	427,500	0.01	4,000	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	423,500	0.01	427,500	0.01	4,000	0.00	
	Productivity Enhancing	Direct	733,415	0.01	809,207	0.01	75,792	0.00
		Indirect	4,263,028	0.06	1,636,207	0.02	(2,626,821)	(0.04)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	4,996,443	0.07	2,445,414	0.04	(2,551,029)	(0.04)	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
Total	0	0.00	0	0.00	0	0.00		
Total			160,743,178	2.33	386,046,764	5.60	225,303,586	3.26
Grand Total			471,669,453	6.85	722,645,509	10.48	250,976,056	3.63
AVOP (\$'00)			68,878,772		68,969,145		90,373	
	Total Direct Transfers		276,236,805	4.01	485,482,889	7.04	209,246,084	3.03
	Total Indirect Transfers		177,500,867	2.58	229,039,818	3.32	51,538,951	0.74
	Total Regulatory Transfers		17,931,781	0.26	8,122,802	0.12	(9,808,979)	(0.14)
	Total Revenue Enhancing		182,375,033	2.65	399,463,460	5.79	217,088,427	3.14
	Total Cost Reducing		205,987,576	2.99	207,996,187	3.02	2,008,611	0.03
	Total Productivity Enhancing		70,516,094	1.02	88,995,835	1.29	18,479,742	0.27
	Total Quality Control		12,790,751	0.19	26,190,027	0.38	13,399,276	0.19

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

**Table D.1: Government Transfers by Province, Source of Transfer, Program Objective and Type of Transfer, 1998-99 and 1999-00
Alberta**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1998-99		1999-00		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	7,089,395	0.10	5,896,726	0.08	(1,192,669)	(0.01)
		Indirect	5,833,566	0.08	5,349,904	0.08	(483,662)	(0.00)
		Regulatory	43,360,542	0.60	38,206,801	0.55	(5,153,741)	(0.05)
		Total	56,283,503	0.78	49,453,431	0.71	(6,830,072)	(0.07)
	Cost Reducing	Direct	1,532,562	0.02	1,065,659	0.02	(466,903)	(0.01)
		Indirect	14,293,493	0.20	18,162,394	0.26	3,868,901	0.06
		Regulatory	0	0.00	0	0.00	0	0.00
		Total	15,826,055	0.22	19,228,053	0.28	3,401,998	0.06
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	46,533,723	0.65	33,450,608	0.48	(13,083,115)	(0.17)
		Regulatory	0	0.00	0	0.00	0	0.00
		Total	46,533,723	0.65	33,450,608	0.48	(13,083,115)	(0.17)
	Quality Control	Direct	9,771	0.00	68,779	0.00	59,008	0.00
Indirect		25,064,293	0.35	45,200,650	0.65	20,136,357	0.30	
Regulatory		0	0.00	0	0.00	0	0.00	
	Total	25,074,064	0.35	45,269,429	0.65	20,195,365	0.30	
Total			143,717,345	1.99	147,401,520	2.12	3,684,175	0.12
Provincial	Revenue Enhancing	Direct	289,000	0.00	1,396,000	0.02	1,107,000	0.02
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	39,221,816	0.54	28,886,208	0.41	(10,335,608)	(0.13)
		Total	39,510,816	0.55	30,282,208	0.44	(9,228,608)	(0.11)
	Cost Reducing	Direct	119,853,932	1.66	113,243,513	1.63	(6,610,419)	(0.04)
		Indirect	34,055,069	0.47	34,055,069	0.49	0	0.02
		Regulatory	0	0.00	0	0.00	0	0.00
		Total	153,909,001	2.14	147,298,582	2.12	(6,610,419)	(0.02)
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	68,686,866	0.95	57,043,246	0.82	(11,643,620)	(0.13)
		Regulatory	0	0.00	0	0.00	0	0.00
		Total	68,686,866	0.95	57,043,246	0.82	(11,643,620)	(0.13)
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
Indirect		4,019,400	0.06	2,996,686	0.04	(1,022,714)	(0.01)	
Regulatory		0	0.00	0	0.00	0	0.00	
	Total	4,019,400	0.06	2,996,686	0.04	(1,022,714)	(0.01)	
Total			266,126,083	3.69	237,620,722	3.41	(28,505,361)	(0.28)
Federal-Provincial	Revenue Enhancing	Direct	163,043,111	2.26	196,842,195	2.83	33,799,084	0.56
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
		Total	163,043,111	2.26	196,842,195	2.83	33,799,084	0.56
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	295,993	0.00	540,000	0.01	244,007	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
		Total	295,993	0.00	540,000	0.01	244,007	0.00
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	6,774,230	0.09	15,912,140	0.23	9,137,910	0.13
		Regulatory	0	0.00	0	0.00	0	0.00
		Total	6,774,230	0.09	15,912,140	0.23	9,137,910	0.13
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
Indirect		0	0.00	0	0.00	0	0.00	
Regulatory		0	0.00	0	0.00	0	0.00	
	Total	0	0.00	0	0.00	0	0.00	
Total			170,113,334	2.36	213,294,335	3.06	43,181,001	0.70
Grand Total			579,956,762	8.05	598,316,577	8.59	18,359,815	0.55
AVOP (\$'00)			72,052,338		69,614,008		(2,438,330)	
	Total Direct Transfers		291,817,771	4.05	318,512,872	4.58	26,695,101	0.53
	Total Indirect Transfers		205,556,633	2.85	212,710,696	3.06	7,154,063	0.20
	Total Regulatory Transfers		82,582,358	1.15	67,093,009	0.96	(15,489,349)	(0.18)
	Total Revenue Enhancing		258,837,430	3.59	276,577,834	3.97	17,740,404	0.38
	Total Cost Reducing		170,031,049	2.36	167,066,634	2.40	(2,964,414)	0.04
	Total Productivity Enhancing		121,994,819	1.69	106,405,994	1.53	(15,588,825)	(0.16)
	Total Quality Control		29,093,464	0.40	48,266,115	0.69	19,172,651	0.29

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

**Table D.1: Government Transfers by Province, Source of Transfer, Program Objective and Type of Transfer, 1998-99 and 1999-00
British Columbia**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1998-99		1999-00		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	7,549,207	0.56	5,567,442	0.39	(1,981,765)	(0.17)
		Indirect	887,096	0.07	1,209,041	0.09	321,945	0.02
		Regulatory	84,527,704	6.28	93,822,106	6.64	9,294,402	0.35
	Total	92,964,007	6.91	100,598,589	7.12	7,634,582	0.21	
	Cost Reducing	Direct	(651,872)	(0.05)	(588,702)	(0.04)	63,170	0.01
		Indirect	(1,788,440)	(0.13)	(1,633,574)	(0.12)	154,866	0.02
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	(2,440,312)	(0.18)	(2,222,276)	(0.16)	218,036	0.02	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	13,302,455	0.99	14,256,114	1.01	953,659	0.02
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	13,302,455	0.99	14,256,114	1.01	953,659	0.02	
	Quality Control	Direct	10,877	0.00	58	0.00	(10,819)	(0.00)
		Indirect	6,148,563	0.46	11,333,473	0.80	5,184,910	0.34
Regulatory		0	0.00	0	0.00	0	0.00	
Total	6,159,440	0.46	11,333,531	0.80	5,174,091	0.34		
Total			109,985,590	8.18	123,965,958	8.77	13,980,368	0.59
Provincial	Revenue Enhancing	Direct	9,846	0.00	4,131,982	0.29	4,122,136	0.29
		Indirect	88,319	0.01	104,518	0.01	16,199	0.00
		Regulatory	49,299,624	3.67	36,029,393	2.55	(13,270,231)	(1.12)
	Total	49,397,789	3.67	40,265,893	2.85	(9,131,896)	(0.82)	
	Cost Reducing	Direct	7,252,400	0.54	7,954,683	0.56	702,283	0.02
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	7,252,400	0.54	7,954,683	0.56	702,283	0.02	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	7,782,558	0.58	8,932,586	0.63	1,150,028	0.05
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	7,782,558	0.58	8,932,586	0.63	1,150,028	0.05	
	Quality Control	Direct	218,000	0.02	267,000	0.02	49,000	0.00
		Indirect	346,431	0.03	356,087	0.03	9,656	(0.00)
Regulatory		0	0.00	0	0.00	0	0.00	
Total	564,431	0.04	623,087	0.04	58,656	0.00		
Total			64,997,179	4.83	57,776,250	4.09	(7,220,929)	(0.74)
Federal-Provincial	Revenue Enhancing	Direct	10,875,119	0.81	16,808,718	1.19	5,933,599	0.38
		Indirect	2,593,035	0.19	3,821,420	0.27	1,228,385	0.08
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	13,468,154	1.00	20,630,138	1.46	7,161,984	0.46	
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	8,750	0.00	15,000	0.00	6,250	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	8,750	0.00	15,000	0.00	6,250	0.00	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	934,135	0.07	504,836	0.04	(429,299)	(0.03)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	934,135	0.07	504,836	0.04	(429,299)	(0.03)	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	1,050,000	0.08	0	0.00	(1,050,000)	(0.08)
Regulatory		0	0.00	0	0.00	0	0.00	
Total	1,050,000	0.08	0	0.00	(1,050,000)	(0.08)		
Total			15,461,039	1.15	21,149,974	1.50	5,688,935	0.35
Grand Total			190,443,807	14.16	202,892,182	14.36	12,448,374	0.20
AVOP (\$'00)			13,449,452		14,132,172		682,720	
	Total Direct Transfers		25,263,577	1.88	34,141,181	2.42	8,877,604	0.54
	Total Indirect Transfers		31,352,903	2.33	38,899,502	2.75	7,546,599	0.42
	Total Regulatory Transfers		133,827,328	9.95	129,851,499	9.19	(3,975,829)	(0.76)
	Total Revenue Enhancing		155,829,950	11.59	161,494,620	11.43	5,664,670	(0.16)
	Total Cost Reducing		4,820,838	0.36	5,747,408	0.41	926,570	0.05
	Total Productivity Enhancing		22,019,148	1.64	23,693,536	1.68	1,674,388	0.04
	Total Quality Control		7,773,871	0.58	11,956,618	0.85	4,182,747	0.27

Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

Methodology for Government Transfers

The following provides an overview of the concepts and methods used in the calculation of government transfers to agricultural producers, as well as an explanation of the differences between government transfers and government expenditures provided in Section C.

1.0 Concepts

There are two basic concepts involved in the measurement of government transfers. These are briefly discussed below.

1.1 Accounting Approach

Generally, government transfers to producers are defined and measured within an accounting framework. This means that the measured transfers are direct transfers (or their equivalents) to producers and do not represent economic welfare to producers. This approach allows for summing up transfers over all programs and regulations to determine total transfers. An important implication of this accounting approach is that a dollar spent on research or market development is valued in the same way as a dollar spent in the form of a direct payment to producers such as an input rebate. It may be noted that the accounting value of some regulatory measures is not directly measurable. For these, a combination of accounting and partial economic analysis is used.

1.2 Opportunity Cost Principle

For policies which confer transfers to producers by changing domestic market prices, world market prices are taken to represent the opportunity costs of domestic production. That is, in the absence of the policy, domestic opportunity prices are assumed to be equal to comparable world prices adjusted for exchange rates and transportation costs.

2.0 Coverage

2.1 Most government programs and interventions which affect producer incomes in Canada are included within the practical limits of significance and measurability. These include transfers

from taxpayers in terms of direct payments (or foregone revenues), as well as from consumers in terms of higher market returns arising from government regulations. Government transfers are calculated for federal, provincial and cost-shared programs, with the participation of provincial ministries of agriculture.

Measurement of government transfers is confined to primary agriculture; transfers beyond the farmgate (i.e., food processing) are excluded. There are two other restrictions:

- programs that offer assistance to input suppliers, e.g. manufacturers or fertilizer and machinery are not considered;
- general monetary, fiscal, social and environmental policies are not measured, but any offsets to these policies are. For example, the impact of the monetary policy on interest rates is not considered but programs that lower interest costs are measured.

2.2 The scope of the calculation is confined to Canadian domestic and trade policies only. That is, no account is made for the direct or indirect impacts of foreign policies on market returns of Canadian producers. Likewise, spill-over effects across provincial boundaries are not considered. Similar measures are undertaken for member countries by the OECD through the calculation of Producer Subsidy Equivalents (PSE).

3.0 Program Aggregation

Transfers are grouped using three types of classification systems - source of transfer, program objective and type of transfer. The following provides a brief description of these classifications.

- 3.1 The **source of transfer** classification identifies a program as federal, provincial or federal-provincial in accordance with the governmental jurisdiction over the program funding or its implementation and administration.
- 3.2 The **program objective** classification divides programs and policies into four

groups: revenue enhancing, cost reducing, productivity enhancing and quality control.

a) Revenue Enhancing

This category includes programs and policies which are associated with the output market. Within this broad category, the following three sub-categories are included:

-direct output payments, e.g. stabilization payments, drought payments and special adjustment payments;

-programs related to market development activities and

-regulatory measures, e.g. supply management regulations, tariffs and duties. These measures do not involve government expenditures.

b) Cost Reducing

This category includes programs which reduce input costs to producers. The most common examples are subsidized credit, fuel subsidies and transportation subsidies.

c) Productivity Enhancement

This category includes programs designed to enhance long term productivity of the agriculture sector. The transfers may take the following forms:

-funding for the development, transfer and adoption of new technologies; crop varieties and livestock breeds, e.g. research, extension and incentive grants;

-funding for human resource development, e.g. training programs; and

-funding for sustainable agriculture, e.g. Green Plan.

d) Quality Control

This category includes programs that are designed to enhance or maintain product quality, food safety and health of animals. Federal and provincial inspection programs and various animal health improvement programs are examples.

3.3 The **type of transfer** classification separates programs into:

a) Direct Transfers

These include direct non-regulatory payments and foregone revenues which are related to individual commodities or commodity sectors, or to the agriculture sector as a whole.

b) Indirect Transfers

These include non-regulatory programs in which government transfers are provided to the agriculture sector but not directly to producers.

c) Regulatory Transfers

These are comprised of regulatory policies where no government expenditures are involved. Estimation of transfers from these policies may involve partial economic analysis.

4.0 Adjusted Value of Production (AVOP)

Transfers are expressed in dollar amounts and in terms of dollars per \$100 of adjusted value of production. The adjusted value of production is equal to the sum of a three-year moving average value of production and the current year's total direct transfers. This is to avoid fluctuations in the percentages arising from short term changes in market prices or quantities.

Also, the values of production incorporate the impact of the regulatory measures (through changes in market prices) but not of direct transfers. Therefore, direct transfers are added to make the percentage figures comparable across provinces.

5.0 Methods

The general method is to equate transfers with government expenditures or their equivalents. They are measured on a cash basis, i.e., when the producers receive them.

Government transfers involving direct payments correspond to the dollar amount paid by the government net of administration costs, fees and contributions paid by beneficiaries.

A brief overview of methods for the major types of programs and policies is provided below.

- Transfers from stabilization programs, e.g. Crop Insurance (with the exception of the Net Income Stabilization Account - NISA), are equivalent to the governments' share of program payments. Financial transfers for NISA are equal to producer withdrawals from the government account less the producers' share of administration costs.
- Transfers from the Prairie Branchline Rehabilitation program and the Hopper Car Purchase and Lease program are amortized over a number of years. Except for hopper car lease expenditures, all other expenditures were incurred during the 1970's and 1980's. Since these are long-lived assets, it is assumed that they have generated a stream of producer transfers that are spread over a number of years. The following life spans and discount rates are used to measure their transfers.
 - 50 years and 8% for the Prairie Branchline Rehabilitation;
 - 25 years and 5% for the Hopper Car Purchase;

It is assumed that these transportation infrastructure programs have resulted in higher feed grain prices by facilitating the movement of grains out of the Prairies.

- Transfers from programs which reduce producers' input costs in the immediate time period, e.g. fuel tax rebates, are equal to government expenditures or foregone revenues. In the case of interest subsidy programs, these transfers are approximated by taking the difference between a representative market rate and the program rate charged to producers, multiplied by the dollar amount of outstanding loans.
- Regulatory transfers of the supply management policy for dairy, chicken, turkey and eggs are equal to the difference between domestic prices and appropriate reference prices, multiplied by the level of domestic production. Producer levies are deducted from domestic prices, and reference prices are adjusted for currency exchange rates, transportation costs and wholesale margins. This creates a consistent basis of comparison with domestic prices. Regulatory transfers in the form of countervailing duties, import tariffs

and quotas are equal to the impact of the policy on producer prices, multiplied by affected production.

- Transfers to producers from adaptation councils established under the Canadian Adaptation Rural Development Fund (CARD) correspond to federal contributions paid to the councils during the fiscal year.
- Financial transfers associated with companion programs that fall under the terms of Agricultural Safety Net Agreements, are measured according to program type. These programs can be divided into three categories - industry development funds, NISA enhancements and other programs administered by the provinces that do not fall under the first two categories. In the case of industry development funding, transfers correspond to the actual disbursements by the fund. Transfers from NISA enhancements are accounted for when withdrawn by producers, in the same way as the basic NISA program is measured. As for the third category of programs, financial transfers can be direct government payments to producers or equivalent to government expenditures, depending on program type.
- Most programs associated with companion programs are classified as federal-provincial, with the exception of agricultural income stabilization insurance in Quebec. Federal contributions paid to the stabilization insurance fund within companion programs are reported as "federal" in source. To avoid a double counting, the total amount of compensation established under the stabilization insurance program, less the federal contribution, is reported under provincial transfers.

6.0 Comparison Between Government Transfers and Government Expenditures

The purpose of the government transfers calculation is to determine the amount of transfers to producers from the full range of agricultural programs and policies, including regulations, in a given fiscal year. Government expenditures estimate how much governments spend on the agri-food sector in a given fiscal year.

While there is a common component to these two measures, the major differences between the two, in terms of coverage and methods, are presented below.

6.1 Coverage

Government transfers measure all direct and indirect transfers, including regulatory transfers, which affect producers' income by province.

Government expenditures include all expenditures in support of the agri-food sector by province transferred directly to individuals and agencies or indirectly through funds or transfers to other levels of government. Regulatory measures such as countervailing duties, tariffs and quotas are not counted since they do not involve a monetary disbursement from governments.

Unlike government expenditures, government transfers do not include grants to the food processing sector.

Expenditures for food aid and support for international organizations are included in the federal expenditure estimates as expenditures outside of Canada. However, they are not counted in government transfers as no benefits accrue to Canadian producers.

6.2 Methods

Government expenditures are taken directly from data contained in the federal and provincial Public Accounts and Main Estimates reports and are broken down into operating, capital and program expenditures. Operating costs include, among other things, the costs of administering various programs of different departments. Government recoveries are

also reported separately.

Government transfers are derived from Public Accounts and through direct contacts with program administrators. Transfers are adjusted for administration costs and government recoveries to arrive at the amount actually directed toward producers.

Government transfers are measured on a cash basis, i.e., when they are received by farmers. Government expenditures are reported in the year in which the expenditures are made.

Government transfers from stabilization programs, with the exception of NISA, are equivalent to the government's share of program payments. Government expenditures from these programs correspond to the federal and provincial contributions to the stabilization funds in a given year.

Government transfers, which reduce input costs such as capital items over a longer time horizon, are spread over a number years. Discount rates are applied according to the type of assets. No adjustments are made in the case of government expenditures.

Government transfers provided to producers in the form of lower rates are measured as the difference between a calculated representative market rate and the program rate, multiplied by the quantity subsidized. These include programs that reduce interest rates, for example. In the case of government expenditures, direct and indirect expenditures to reduce input costs are included as the total amount of the expenditure.