



Agriculture and
Agri-Food Canada

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Farm Income, Financial Conditions and Government Assistance

Data Book



March 2002

Canada

**Farm Income,
Financial Conditions
and Government Assistance
Data Book**

Farm Income and Adaptation Policy Directorate
Strategic Policy Branch

March 2002

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To obtain additional copies, contact:

Farm Income and Program Analysis Section
Farm Income and Adaptation Policy Directorate
Strategic Policy Branch
Agriculture and Agri-Food Canada
930 Carling Avenue
Ottawa, Ontario
K1A 0C6
Tel: (613) 759-7380
Fax: (613) 759-6556
E-mail: girardl@em.agr.ca

The electronic version of this publication is available on the Internet at: <http://www.agr.gc.ca/spb/fiap/pubse.html>.

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TABLE OF CONTENTS

INTRODUCTION	1
SUMMARY	3
SECTION A	
Farm Income	7
Methodology for Farm Income	31
SECTION B	
Farm Financial Conditions	35
Methodology for Farm Financial Conditions	49
SECTION C	
Government Expenditures in Support of the Agri-Food Sector	51
Methodology for Government Expenditures	69
SECTION D	
Government Transfers to Agricultural Producers	75
Methodology for Government Transfers	91

LIST OF TABLES

SECTION A: Farm Income

Table A.1: Farm Receipts, Expenses and Income Forecast, Canada and Provinces, 2000-02	9
Table A.2: Grain, Oilseed and Special Crop Production by Province	13
Table A.3: NISA Forecast, Canada and Provinces, 2001 and 2002	14
Table A.4: Prince Edward Island Benchmark Potato Farm	18
Table A.5: Southeast Quebec Benchmark Hog Farm	19
Table A.6: Southern Ontario Benchmark Grain and Oilseed Farm	20
Table A.7: Saskatchewan Brown Soil Benchmark Grain and Oilseed Farm	21
Table A.8: West Central Alberta Benchmark Cattle Farm	22
Table A.9: Gross Direct Payments and Producer Premiums, Canada and Provinces, 1995-00.	23
Table A.10: Farm Receipts, Expenses and Income, Canada and Provinces, 1992-00.	25
Table A.11: Average Farm Revenues, Operating Expenses and Net Cash Income per Farm, Canada and Provinces, 1998-00	27
Table A.12: Average Farm Revenues, Operating Expenses and Net Cash Income per Farm by Farm Type, Canada, 1998-00	28
Table A.13: Average Farm Family Income by Source and Income Group, Unincorporated Farms, Canada, 1998.	29

SECTION B: Farm Financial Conditions

Table B.1: Farm Debt, Canada and Provinces, 1991-00.	37
Table B.2: Farm Bankruptcies by Province, 1986-01	38
Table B.3: Farm Credit Canada (FCC) Loans Receivable Portfolio, 1995-96 to 2000-01.	39
Table B.4: New Loans Registered Under the Farm Improvement and Marketing Cooperatives Loans Act (FIMCLA), 1993-94 to 2000-01	40
Table B.5: Average Assets, Liabilities, Net Worth and Net New Investment, by Farm Type, Canada and Provinces, 1995, 1997 and 1999.	41
Table B.6: Comparison of Selected Average Fertilizer and Fuel Prices Between Manitoba and Minnesota/North Dakota, 2001	46
Table B.7: Comparison of Selected Average Fertilizer and Fuel Prices Between Ontario and Michigan/Ohio/Indiana, 2000 and 2001	46
Table B.8: Wage Rates Paid to Hired Agricultural Labour, Canada and Provinces, 1997	47
Table B.9: Agricultural Inputs, Canada, 1996-00.	47
Table B.10: Value of New and Used Equipment Purchases, Average for All Farms, by Revenue Class, 1999.	48

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, 1994-95 to 2001-02	53
Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 1998-99 to 2001-02	55
Table C.3: Research and Inspection in Support of the Agri-Food Sector, Canada and Provinces, 1998-99 to 2001-02	61
Table C.4: Government Expenditures to the Agri-Food Sector as a Percentage of Agriculture and Agri-Food GDPs, Canada and Provinces, 1998-99 to 2001-02	65
Table C.5: Total GDP and Total Government Expenditures, Canada and Provinces, 1998-99 to 2001-02	67

SECTION D: Government Transfers to Agricultural Producers

Table D.1: Government Transfers by Province, Source of Transfer, Program Objective and Type of Transfer, 1999-00 and 2000-01	79
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LIST OF FIGURES

SECTION A: Farm Income

Figure A.1(a): Canadian Farm Income (Current Dollars)	12
Figure A.1(b): Canadian Farm Income (1997 Dollars)	12
Figure A.2: Prince Edward Island Benchmark Potato Farm	18
Figure A.3: Southeast Quebec Benchmark Hog Farm	19
Figure A.4: Southern Ontario Benchmark Grain and Oilseed Farm	20
Figure A.5: Saskatchewan Brown Soil Benchmark Grain and Oilseed Farm	21
Figure A.6: West Central Alberta Benchmark Cattle Farm	22

SECTION B: Farm Financial Conditions

Figure B.1: Lender Shares as a Percentage of Farm Debt, Canada, as of December 31, 1996-00	37
Figure B.2: Distribution of Farm Bankruptcies by Province, 2001	38
Figure B.3: Distribution of the Amount of FCC Loans Receivable, by Province, as of March 31, 2001	39
Figure B.4: Distribution of the Amount of New Loans Registered under FIMCLA, by Province, 2000-01	40
Figure B.5: FCC Mortgage Rate and Prime Interest Rate, 1989-02	45

SECTION C: Government Expenditures in Support of the Agri-Food Sector

Figure C.1: Federal and Provincial Government Expenditures for the Agri-Food Sector, Canada, 1994-95 to 2001-02	53
Figure C.2: Federal and Provincial Government Expenditures by Major Category	54
Figure C.3: Government Expenditures to the Agri-Food Sector as a Percentage of Agriculture and Agri-Food GDPs	66

SECTION D: Government Transfers to Agricultural Producers

Figure D.1: Government Transfers by Source of Transfer, Canada and Provinces, 2000-01	77
Figure D.2: Government Transfers by Program Objective, Canada and Provinces, 2000-01	77
Figure D.3: Government Transfers by Type of Transfer, Canada and Provinces, 2000-01	78
Figure D.4: Government Transfers, Canada, 1995-96 to 2000-01	78

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
AVOP	Adjusted Value of Production	NTSP	National Tripartite Stabilization Program
CFIP	Canadian Farm Income Program	PGAPA	Prairie Grain Advance Payment Act
CIDA	Canadian International Development Agency	TDP	Taxation Data Program
CWB	Canadian Wheat Board	WGSA	Western Grain Stabilization Act
EDC	Export Development Corporation	WGTA	Western Grain Transportation Act
FCC	Farm Credit Canada	WGTPP	Western Grain Transition Payments Program
FIMCLA	Farm Improvement and Marketing Cooperatives Loans Act		

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 2001 and 2002. 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/spb/fiap/publication/databook/2002/db2002_e.htm. The next hard copy issue will be released in March 2003 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		July and October
Section C	Government Expenditures		July and October
Section D	Government Transfers		July

CONTACTS

Farm Income and Government Assistance

Lambert Gauthier
Tel.: 613-759-7414
Fax: 613-759-7236
Internet: gauthil@em.agr.ca

Farm Financial Conditions

Gordon Andrusiak
Tel.: 613-759-7286
Fax: 613-759-7139
Internet: andrusg@em.agr.ca

You may also contact the following persons:

Farm Income - Aggregate Level

Rodney Myer (759-7409)
Internet: myerrod@em.agr.ca

Farm Financial Conditions

Maurice Korol (759-7284)
Internet: korolma@em.agr.ca

Farm Income - Farm Level

Robert Koroluk (759-1889)
Internet: korolur@em.agr.ca

Government Expenditures

Sylvie Derome (759-7465)
Internet: deromes@em.agr.ca

Farm Family Income

Dave Culver (759-1894)
Internet: culverd@em.agr.ca

Government Transfers

Cameron Short (759-7426)
Internet: shortc@em.agr.ca

SUMMARY

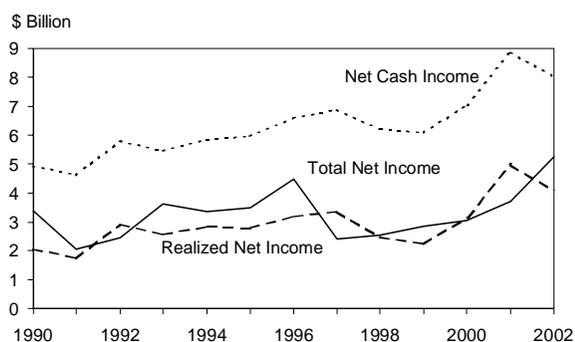
A. Farm Income

Farm Income - Aggregate Level

- Canada Realized Net Income (RNI) in 2001 is expected to be higher than the previous year and the 1996-00 five-year average as higher market receipts, particularly livestock, and program payments more than offset increases in operating expenses. RNI is expected to decline in 2002 over 2001 due mainly to lower program payments, but to remain above the five-year average.

- All provinces are expected to register higher RNI in 2001 than the previous year except Nova Scotia. On a provincial basis in 2002 compared to 2001, RNI is forecast to decrease in Ontario and the Prairie provinces. When compared to the previous five-year average, 2002 RNI should be lower only in Saskatchewan.

Canadian Farm Income



- While the overall farm income situation shows improvement, individual farm operations can vary greatly because of the commodities they produce, the weather in the area and many other factors. This is especially true for the grain and oilseed producers who experienced adverse price conditions in the past few years and extreme weather conditions during summer 2001.

- Despite a dry autumn in 2001, it is assumed that agricultural regions will be subject to average weather beginning in January 2002 through the end of the 2002 growing season. However, even with projected average weather crop yields in Alberta and Saskatchewan are expected to be somewhat below trend due to the serious shortage of sub-soil moisture.

The key factors in the 2001-02 outlook are:

- Canadian crop receipts are forecast to increase in 2001 and 2002. However, they should be below the previous five-year average level in 2001 and above in 2002. Despite poor growing conditions in Western Canada in 2001, grain, oilseed and special crop receipts are expected to increase as price increases should more than offset the decline in marketings. Prices for these commodities were supported by drought-reduced supplies and a weak Canadian dollar. For Eastern Canada, however, crop receipts in 2001 are expected to decrease due to poor growing conditions and continuing relatively low prices for numerous crops, namely corn, soybeans and potatoes.

- Livestock receipts are expected to grow in 2001 as hog and cattle receipts continue to be generally strong due to a combination of marketings and prices. The drought conditions led to higher cattle marketings and to a slowdown in rebuilding cattle herd. Prices for these commodities were supported by a relatively strong demand and declining North American supplies, and by a weak Canadian dollar. In 2002, livestock receipts should remain virtually unchanged. Cattle receipts are expected to stabilize due to lower marketings and moderately higher prices. Hog receipts should decrease slightly as the increase in marketings is more than offset by lower prices. Receipts from all supply-managed commodities are projected to continue to rise in 2001 as prices and production increase. In 2002, more price competition from lower red meat prices are expected to result in slightly lower prices for poultry.

- Program payments in 2001 are expected to exceed year 2000 levels by \$900 million. With drought conditions in many parts of Canada during summer 2001, crop insurance payments are expected to be near record levels with payments being almost twice as high as last year. Program payments in 2001 have increased dramatically because of the one-time emergency assistance payments announced in March 2001, abnormally large drought-induced crop insurance payments which should be paid mostly in 2001, and high income disaster payments which include significant Agricultural Income Disaster Assistance (AIDA) payments relating to income difficulties that occurred in 1998 and 1999 as well as substantial

Canadian Farm Income Program (CFIP) payments related to income difficulties experienced in 2000. Program payments in 2002 are expected to decline, but to be moderately higher than the five-year average with the ending of Emergency Assistance payments and reduced payments under all major support programs.

- Operating expenses should increase in 2001 mainly due to higher fertilizer prices (+19%) and commercial feed prices (+11%). The higher fertilizer prices are due to high natural gas prices and low fertilizer production capacity. Livestock purchases are also projected to increase in 2001 primarily due to higher feeder cattle and hog prices as well as rising feed grain prices. Fuel prices should be similar to last year because they are steadily retreating from very high levels earlier in 2001 as the demand stagnates in response to the weakening US economy. Operating expenses are expected to continue to increase, but at a slower pace in 2002, due to higher commercial feed, labor expenses and crop and hail insurance premiums. Fertilizer expenses are expected to be down in 2002. Depreciation charges are forecast to remain unchanged in 2001 and be slightly higher in 2002.

Farm Income - Farm Level

Benchmark farms are based on historical tax and survey data and forecasts are driven mainly by the results of the aggregate farm income forecast. Consequently, the income changes occurring in the 2002 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. However, significant regional variations, such as widespread crop failures, are considered when these are relevant to the farm being modelled. Furthermore, the farms are designed to increase in size over time to reflect adoption of new technologies and production efficiencies.

- A Prince Edward Island benchmark potato farm is forecast to experience a 67% decrease in Net Cash Income in 2002. Potato Sales are 16% higher, a combined result of higher expected potato prices, though sales are lower. Expenses are slightly lower primarily because of decreases in fertilizer costs.

- 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 23% in 2001 and 13% in 2002. Hog production is expected to be up slightly and prices are expected to be down about 7% from levels in 2001. Along with production increases, feed costs will be higher. However, fuel and animal purchase costs combine to move total expenses down by 1%.

- A southern Ontario benchmark grain and oilseed farm is expected to have significantly lower Net Cash Income in 2002, down 48%. Total Cash Receipts are 10% lower, primarily the result of reduced program payments. Wheat and corn prices are expected to be stronger while soybean prices are expected to fall. Fertilizer cost decreases keep Total Operating Expenses from increasing.

- Grains and Oilseeds Receipts on the Saskatchewan benchmark grains and oilseeds farm are expected to be down 9% in 2002, even though yields return to normal. The 2001 drought is felt through reduced crop carryover sales and lower final payments in 2002. A disaster payment will be triggered but won't be available until the following year. Prices for spring wheat and barley increase while prices for field peas are down. Though fertilizer costs decrease, general cost increases raise Total Operating Expenses by 1%. Overall, Net Cash Income is down 69%.

- Net Cash Income on a west central Alberta cattle farm remains strong in 2002, though dipping 3% from 2001. Total Cash Receipts are virtually unchanged as higher cattle sales offset lower program payments. Total Operating Expenses increase by 1% as a result of higher livestock expenses.

B. Farm Financial Conditions

- In 2000, farm debt in Canada increased by 6.5%. The largest percentage increases occurred in Quebec and New Brunswick.

- The number of farm bankruptcies increased slightly from 213 in 2000 to 220 in 2001. It was still the second lowest level of bankruptcies in over two decades.

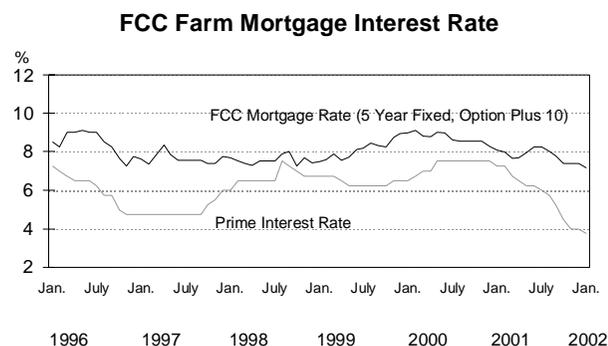
- From 1999-00 to 2000-01, Farm Credit Canada increased its total number of loans receivable by 2.1% and the total amount of loans

receivable by 9.6%. Although the number of loans approved decreased from 1999-00, the average size of loans approved increased by 16.2% in 2000-01.

- The value of new loans registered under FIMCLA decreased by 12.5% between 1999-00 and 2000-01.

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

- There was a large increase in the price of nitrogen fertilizers in both Canada and the United States between the autumn of 2000 and the spring of 2001. The price increase is a result of the cutbacks by nitrogen producers who in turn were responding to the run-up in natural gas prices. Nitrogen prices this fall have eased from the levels of spring 2001. Fuel prices are generally lower than they were in the autumn of 2000.



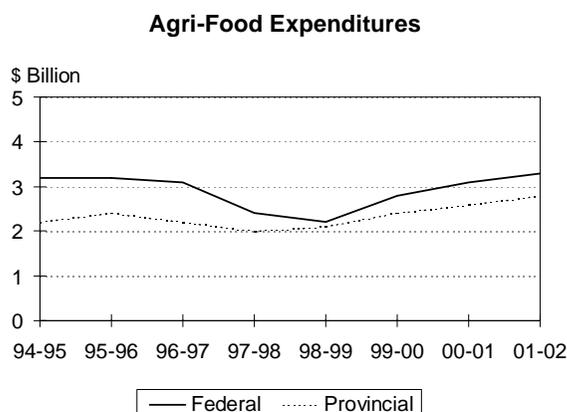
C. Government Expenditures

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

- The amounts shown for the federal government for 2000-01 are actual expenditures taken mainly from public accounts. The amounts shown for provincial governments for 2000-01 are also actual expenditures with the exception of Nova Scotia, Prince Edward Island and New Brunswick which are still estimates. For 2001-02, government expenditures are estimates taken mainly from 2001 provincial and federal budget documents including Supplementary Estimates (A) published by the Treasury Board Secretariat.

- Federal expenditures are forecast to increase by 11.5% (\$324 million) over the previous year to reach \$3.15 billion in 2000-01. This increase will bring federal support to the agri-food sector above the average for the previous five years (1995-96 to 1999-00), \$2.68 billion. Federal support is expected to increase 5.5% in 2001-02, to reach \$3.32 billion. This amount includes the Supplementary estimates for agricultural risk management of \$550 million.

- Program payments—which include, for the most part, payments made directly to producers—represent 55% and 54% of total federal support to the agri-food sector in 2000-01 and 2001-02, respectively. Research and inspection is the second largest category with a share of 23% and 22%, in 2000-01 and 2001-02 respectively. Categories related to food aid, international assistance, regional development and trade combine to represent 17% and 18% of federal support in each year.



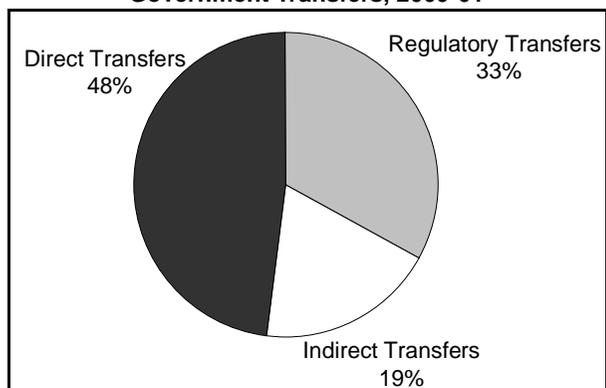
- Provincial expenditures are forecast to increase 7.0% (\$171 million) in 2000-01, reaching \$2.60 billion. Increases are reported in Newfoundland, Prince Edward Island, Quebec, Ontario and British Columbia. Program payments in 2000-01 form the largest category of support, amounting to 45% of expenditures.

- Provincial spending is estimated to increase 6.6% in 2001-02, to \$2.78 billion. Newfoundland, Nova Scotia, Saskatchewan and Alberta project increased expenditures. Program payments are forecast to account for 49% of provincial agri-food support in 2001-02.

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, 2000-01



• Government transfers to producers for fiscal years 1999-00 and 2000-01, 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 \$4.86 billion in 2000-01, up \$310 million from the previous year.
- In 2000-01, an increase in the dollar value of government transfers was noted in six provinces. The greatest increase was recorded in Alberta (+\$140 million), followed by Quebec (\$94 million). The greatest decrease was recorded in Nova Scotia (\$13 million), followed by New Brunswick (\$5 million).
- Nationally, government transfers, in dollars per \$100 of adjusted value of production (AVOP), amounted to \$15.2 in 2000-01, an increase over the \$14.0 figure of 1999-2000. At the provincial level, Quebec and Alberta had the greatest increase, namely \$2.3/ \$100 AVOP. Nova Scotia, meanwhile, had the greatest decrease, \$3.3/\$100 AVOP.

Government Transfers, Canada and Provinces

	1999-00		2000-01	
	\$ (million)	\$/ \$100 AVOP ⁽¹⁾	\$ (million)	\$/ \$100 AVOP
Newfoundland	16	22.6	16	23.6
Prince Edward Island	49	12.0	52	13.1
Nova Scotia	75	19.7	61	16.5
New Brunswick	55	15.5	50	14.1
Quebec	1,164	21.5	1,258	23.8
Ontario	1,116	16.0	1,146	16.6
Manitoba	410	11.7	409	10.2
Saskatchewan	774	11.2	837	12.7
Alberta	658	9.4	798	11.8
British Columbia	233	16.5	231	18.4
Canada	4,550	14.0	4,860	15.2

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 2000-01 results equals the three-year average value of production for fiscal years 1998-99 through 2000-01, plus direct transfers during fiscal year 2000-01.

SECTION A
Farm Income

Table A.1: Farm Receipts, Expenses and Income Forecast, Canada and Provinces, 2000-02

	2000	Average	2001	Percent change		2002	Percent change	
		96-00		01/00	01/96-00		02/01	02/96-00
	\$ Million	\$ Million	\$ Million	%	%	\$ Million	%	%
CANADA								
Crop Receipts	13,114	13,745	13,595	4	-1	14,192	4	3
Livestock Receipts	17,030	15,034	18,746	10	25	18,880	1	26
Total Market Receipts	30,144	28,779	32,341	7	12	33,071	2	15
Program Payments	2,829	1,730	3,729	32	116	2,371	-36	37
Total Cash Receipts	32,973	30,508	36,070	9	18	35,442	-2	16
Net Operating Expenses	25,932	23,953	27,197	5	14	27,419	1	14
Net Cash Income	7,041	6,555	8,873	26	35	8,023	-10	22
Realized Net Income	3,160	2,887	4,985	58	73	4,077	-18	41
Total Net Income	3,054	3,067	3,709	21	21	5,235	41	71
NEWFOUNDLAND								
Crop Receipts	15	14	16	6	12	16	4	17
Livestock Receipts	57	59	60	5	1	65	9	10
Total Market Receipts	72	73	76	5	3	82	8	12
Program Payments	0	3	1	121	-71	1	-23	-77
Total Cash Receipts	73	76	77	6	1	82	7	8
Net Operating Expenses	63	61	65	4	8	67	2	11
Net Cash Income	10	16	11	15	-28	16	37	-1
Realized Net Income	7	12	8	25	-34	12	51	0
Total Net Income	6	12	8	32	-36	12	50	-4
PRINCE EDWARD ISLAND								
Crop Receipts	186	186	152	-18	-18	175	15	-6
Livestock Receipts	119	113	128	8	13	131	3	16
Total Market Receipts	305	299	280	-8	-6	307	9	2
Program Payments	17	13	58	243	331	50	-15	267
Total Cash Receipts	322	313	338	5	8	356	5	14
Net Operating Expenses	281	260	288	3	11	290	0	12
Net Cash Income	41	53	50	22	-5	66	33	26
Realized Net Income	7	23	16	133	-31	31	94	33
Total Net Income	25	28	-49	-294	-274	97	-299	245
NOVA SCOTIA								
Crop Receipts	142	127	121	-15	-5	143	19	13
Livestock Receipts	262	247	281	7	14	283	1	15
Total Market Receipts	404	375	401	-1	7	427	6	14
Program Payments	12	12	18	51	46	10	-46	-21
Total Cash Receipts	415	387	420	1	8	437	4	13
Net Operating Expenses	327	306	343	5	12	347	1	13
Net Cash Income	88	81	77	-13	-5	89	16	11
Realized Net Income	48	44	36	-24	-18	47	31	7
Total Net Income	49	43	35	-29	-19	44	27	3

Source: Historical data (2000), Statistics Canada, Catalogue No. 21-603, Agriculture Economic Statistics.
Forecast figures for 2001 and 2002, Agriculture and Agri-Food Canada.

Table A.1: Farm Receipts, Expenses and Income Forecast, Canada and Provinces, 2000-02 (cont'd)

	2000	Average	2001	Percent change		2002	Percent change	
		96-00		01/00	01/96-00		02/01	02/96-00
	\$ Million	\$ Million	\$ Million	%	%	\$ Million	%	%
NEW BRUNSWICK								
Crop Receipts	165	154	183	11	19	205	12	33
Livestock Receipts	194	179	215	11	20	219	2	22
Total Market Receipts	359	333	398	11	19	424	7	27
Program Payments	6	9	7	27	-21	5	-37	-50
Total Cash Receipts	364	343	405	11	18	429	6	25
Net Operating Expenses	302	280	317	5	13	320	1	14
Net Cash Income	62	63	88	41	39	109	24	73
Realized Net Income	30	34	56	86	62	75	36	120
Total Net Income	41	37	49	21	33	84	71	127
QUEBEC								
Crop Receipts	1,285	1,222	1,244	-3	2	1,360	9	11
Livestock Receipts	3,595	3,268	3,842	7	18	3,875	1	19
Total Market Receipts	4,880	4,489	5,086	4	13	5,235	3	17
Program Payments	565	500	611	8	22	462	-24	-8
Total Cash Receipts	5,445	4,990	5,697	5	14	5,697	0	14
Net Operating Expenses	4,149	3,827	4,364	5	14	4,315	-1	13
Net Cash Income	1,296	1,163	1,333	3	15	1,382	4	19
Realized Net Income	846	761	868	3	14	895	3	18
Total Net Income	751	764	950	26	24	922	-3	21
ONTARIO								
Crop Receipts	3,328	3,096	3,132	-6	1	3,296	5	6
Livestock Receipts	4,138	3,804	4,428	7	16	4,465	1	17
Total Market Receipts	7,466	6,900	7,560	1	10	7,761	3	12
Program Payments	423	248	775	83	213	444	-43	80
Total Cash Receipts	7,889	7,148	8,334	6	17	8,206	-2	15
Net Operating Expenses	6,265	5,795	6,563	5	13	6,618	1	14
Net Cash Income	1,623	1,353	1,771	9	31	1,587	-10	17
Realized Net Income	716	501	869	21	74	671	-23	34
Total Net Income	471	480	732	56	52	906	24	89
MANITOBA								
Crop Receipts	1,282	1,541	1,491	16	-3	1,605	8	4
Livestock Receipts	1,567	1,290	1,812	16	40	1,810	0	40
Total Market Receipts	2,849	2,831	3,304	16	17	3,415	3	21
Program Payments	285	158	371	31	135	157	-58	-1
Total Cash Receipts	3,133	2,989	3,675	17	23	3,572	-3	19
Net Operating Expenses	2,506	2,356	2,632	5	12	2,660	1	13
Net Cash Income	627	633	1,044	67	65	912	-13	44
Realized Net Income	277	296	696	151	135	564	-19	91
Total Net Income	469	370	569	21	54	650	14	76

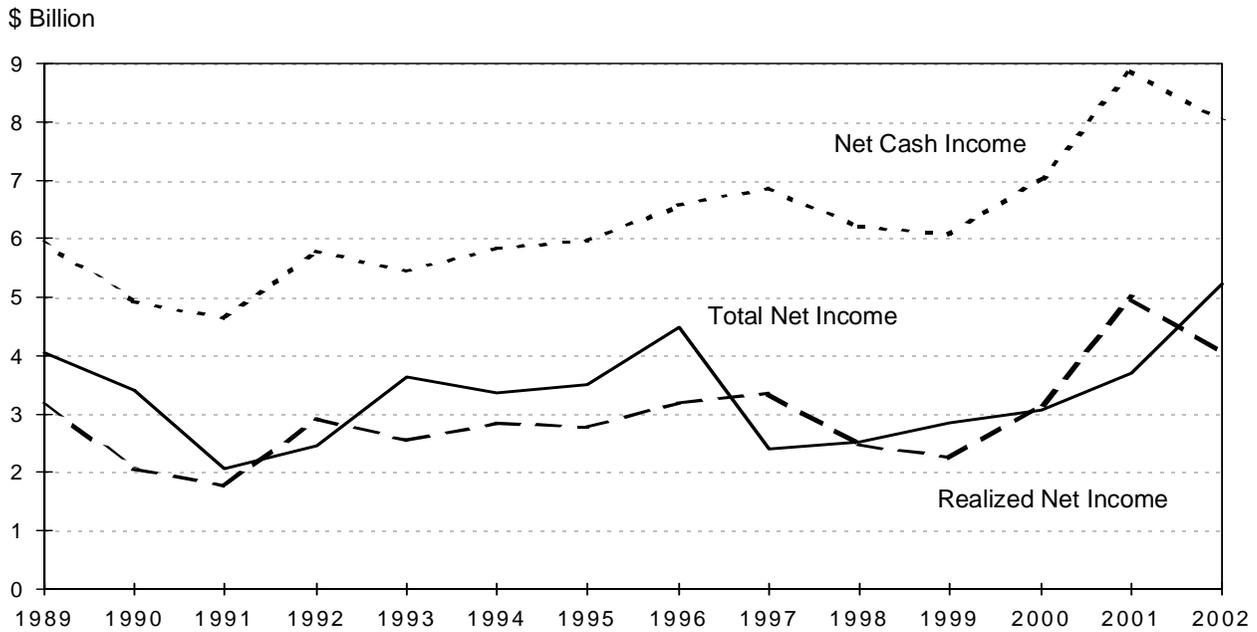
Source: Historical data (2000), Statistics Canada, Catalogue No. 21-603, Agriculture Economic Statistics.
Forecast figures for 2001 and 2002, Agriculture and Agri-Food Canada.

Table A.1: Farm Receipts, Expenses and Income Forecast, Canada and Provinces, 2000-02 (cont'd)

	2000	Average	2001	Percent change		2002	Percent change	
		96-00		01/00	01/96-00		02/01	02/96-00
	\$ Million	\$ Million	\$ Million	%	%	\$ Million	%	%
SASKATCHEWAN								
Crop Receipts	3,474	3,995	3,873	11	-3	3,746	-3	-6
Livestock Receipts	1,568	1,294	1,761	12	36	1,781	1	38
Total Market Receipts	5,043	5,289	5,634	12	7	5,527	-2	5
Program Payments	776	444	963	24	117	708	-26	60
Total Cash Receipts	5,818	5,732	6,597	13	15	6,235	-5	9
Net Operating Expenses	4,523	4,330	4,756	5	10	4,852	2	12
Net Cash Income	1,296	1,402	1,841	42	31	1,383	-25	-1
Realized Net Income	425	555	972	129	75	517	-47	-7
Total Net Income	516	632	153	-70	-76	942	516	49
ALBERTA								
Crop Receipts	2,284	2,572	2,325	2	-10	2,530	9	-2
Livestock Receipts	4,447	3,789	5,069	14	34	5,091	0	34
Total Market Receipts	6,732	6,361	7,394	10	16	7,621	3	20
Program Payments	707	306	862	22	182	489	-43	60
Total Cash Receipts	7,439	6,667	8,256	11	24	8,110	-2	22
Net Operating Expenses	5,943	5,267	6,171	4	17	6,251	1	19
Net Cash Income	1,496	1,400	2,085	39	49	1,859	-11	33
Realized Net Income	506	464	1,090	115	135	849	-22	83
Total Net Income	436	513	892	105	74	1,178	32	130
BRITISH COLUMBIA								
Crop Receipts	953	838	1,058	11	26	1,115	5	33
Livestock Receipts	1,083	989	1,150	6	16	1,159	1	17
Total Market Receipts	2,036	1,827	2,208	8	21	2,273	3	24
Program Payments	39	36	63	63	75	46	-27	28
Total Cash Receipts	2,075	1,863	2,271	9	22	2,319	2	24
Net Operating Expenses	1,572	1,471	1,698	8	15	1,700	0	16
Net Cash Income	503	392	573	14	46	619	8	58
Realized Net Income	299	196	373	25	91	415	11	112
Total Net Income	291	187	371	27	98	400	8	114

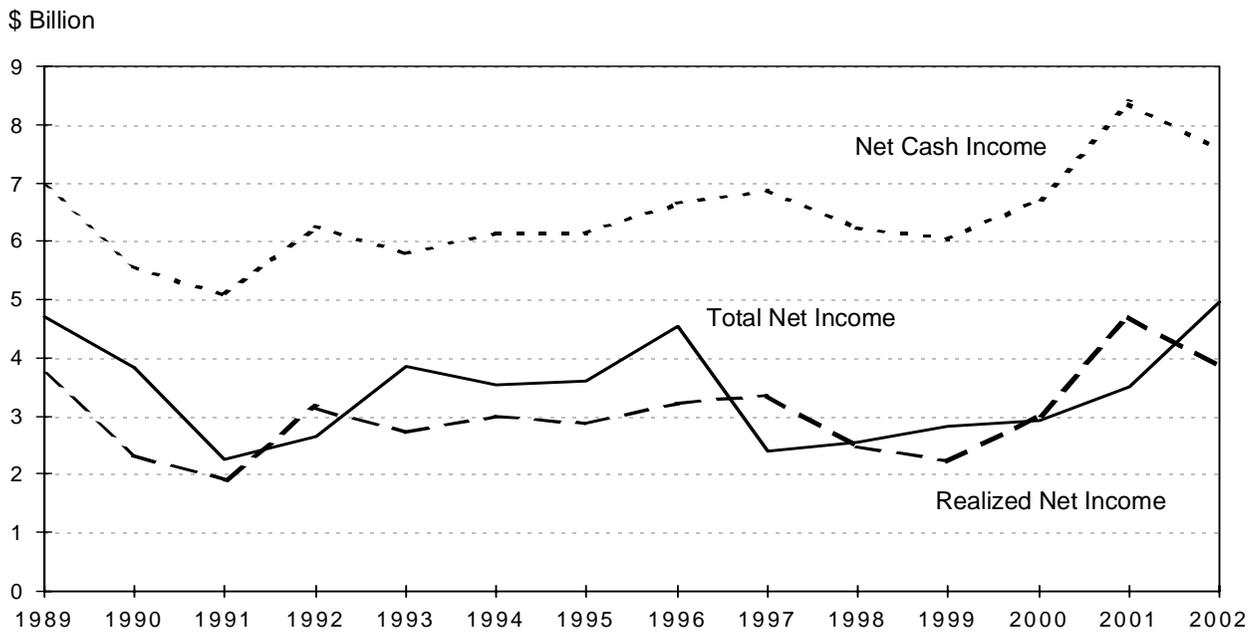
Source: Historical data (2000), Statistics Canada, Catalogue No. 21-603, Agriculture Economic Statistics.
Forecast figures for 2001 and 2002, Agriculture and Agri-Food Canada.

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



Source: Historical data, Statistics Canada, Catalogue No. 21-603, Agriculture Economic Statistics.
Forecast figures for 2001 and 2002, Agriculture and Agri-Food Canada.

Figure A.1(b): Canadian Farm Income (1997 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.2: Grain, Oilseed and Special Crop Production by Province (000 tonnes)

Commodity	Data	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Grand Total
Wheat excl. durum wheat	2000 Actual Production	36.6	9.6	11.0	88.8	1,477.8	4,124.5	8,775.3	6,539.4	93.9	21,156.9
	2001 October Forecast	29.8	8.6	12.3	116.9	1,222.0	3,617.2	7,247.8	5,456.7	79.5	17,790.8
	2001 Current Forecast	24.7	8.5	9.5	116.9	1,222.0	3,485.0	7,670.8	5,606.5	83.6	18,227.5
Durum	2000 Actual Production						141.5	4,757.3	748.4		5,647.2
	2001 October Forecast						33.2	2,367.8	503.5		2,904.5
	2001 Current Forecast						33.7	2,517.4	503.5		3,054.6
Oats	2000 Actual Production	13.9	5.0	23.1	180.0	66.3	1,016.3	1,377.2	657.0	50.6	3,389.4
	2001 October Forecast	7.0	4.3	23.1	210.0	74.0	786.5	1,079.5	601.5	52.4	2,838.3
	2001 Current Forecast	7.1	5.8	18.6	210.0	74.0	771.1	1,033.3	592.2	57.1	2,769.2
Barley	2000 Actual Production	128.8	12.9	56.6	405.0	287.4	1,622.0	5,477.9	5,388.7	88.8	13,468.1
	2001 October Forecast	105.6	7.6	60.9	485.0	387.5	1,328.1	3,614.2	5,007.7	106.7	11,103.3
	2001 Current Forecast	97.2	10.1	54.9	485.0	387.5	1,284.6	3,697.0	5,225.4	113.2	11,354.9
Rye	2000 Actual Production					61.0	55.9	97.8	42.5	0.0	257.2
	2001 October Forecast					54.6	40.1	71.9	45.7	2.0	214.3
	2001 Current Forecast				3.2	54.6	41.9	55.6	34.3	4.3	193.9
Corn	2000 Actual Production		11.3		2,040.0	4,483.3	264.2		27.9		6,826.7
	2001 October Forecast		9.5		2,800.0	4,750.0	172.1		11.0		7,742.6
	2001 Current Forecast		12.1		2,950.0	5,029.4	172.7		6.6		8,170.8
Canola	2000 Actual Production				10.5	31.3	1,487.8	3,379.3	2,154.6	55.2	7,118.7
	2001 October Forecast				10.0	31.3	1,100.0	2,018.5	1,587.6	41.4	4,788.8
	2001 Current Forecast				10.0	31.3	1,145.3	2,109.2	1,723.7	42.5	5,062.0
Flax	2000 Actual Production						205.7	469.9	17.8		693.4
	2001 October Forecast						215.9	468.7	19.1		703.7
	2001 Current Forecast						199.4	482.6	20.3		702.3
Soybeans	2000 Actual Production	4.7			385.0	2,313.3					2,703.0
	2001 October Forecast	8.8			380.0	1,660.1					2,048.9
	2001 Current Forecast	4.4			320.0	1,224.7	32.7				1,581.8
Dry Peas	2000 Actual Production						160.5	2,072.4	620.5	10.9	2,864.3
	2001 October Forecast						168.5	1,448.1	549.8	9.0	2,175.4
	2001 Current Forecast						170.7	1,475.1	541.6	9.0	2,196.4
Total 2000 Actual Production		184.0	38.8	90.7	3,109.3	8,720.4	9,078.4	26,407.1	16,196.8	299.4	64,124.9
Total 2001 October Forecast		151.2	30.0	96.3	4,001.9	8,179.5	7,461.6	18,316.5	13,782.6	291.0	52,310.6
Total 2001 Current Forecast		133.4	36.5	83.0	4,095.1	8,023.5	7,337.1	19,041.0	14,254.1	309.7	53,313.4

Change Since October Forecast:
 2001 compared to 2000:

-11.8%	21.7%	-13.8%	2.3%	-1.9%	-1.7%	4.0%	3.4%	6.4%	1.9%
-27.5%	-5.9%	-8.5%	31.7%	-8.0%	-19.2%	-27.9%	-12.0%	3.4%	-16.9%

- Note:
- October production estimates are taken from Statistics Canada's September production estimates released on October 5, except for corn in Nova Scotia, Manitoba and Alberta, and soybeans in Prince Edward Island.
 - Current production estimates are taken from Statistics Canada's November production estimates released on December 5.
 - Does not include lentils, mustard, canary seed, dry beans, and sunflower seed.

Table A.3: NISA Forecast, Canada and Provinces, 2001 and 2002

	2001	2002
	(\$)	
CANADA		
Projected Total Withdrawals		
Fund 1	271,198,240	133,359,550
Fund 2	498,854,427	353,365,813
Total	770,052,668	486,725,362
Projected Total Deposits		
Fund 1	360,284,827	379,079,985
Fund 2	357,433,030	375,350,651
Total	717,717,857	754,430,636
Projected Year End Balances		
Fund 1	1,764,525,391	2,010,245,826
Fund 2	1,564,992,971	1,792,032,332
Total	3,329,518,362	3,802,278,158
Potential Withdrawals		
Fund 1	510,311,094	398,070,147
Fund 2	988,681,453	696,732,357
Total	1,498,992,547	1,094,802,505
NEWFOUNDLAND		
Projected Total Withdrawals		
Fund 1	55,000	55,000
Fund 2	150,000	150,000
Total	205,000	205,000
Projected Total Deposits		
Fund 1	100,231	135,701
Fund 2	103,385	226,169
Total	203,616	361,870
Projected Year End Balances		
Fund 1	753,374	834,076
Fund 2	1,007,850	1,211,849
Total	1,761,225	2,045,924
Potential Withdrawals		
Fund 1	300,000	300,000
Fund 2	421,991	400,000
Total	721,991	700,000
PRINCE EDWARD ISLAND		
Projected Total Withdrawals		
Fund 1	6,344,175	4,760,999
Fund 2	10,267,511	11,838,674
Total	16,611,686	16,599,673
Projected Total Deposits		
Fund 1	5,395,333	6,475,612
Fund 2	5,395,333	6,475,612
Total	10,790,665	12,951,223
Projected Year End Balances		
Fund 1	24,038,744	25,753,357
Fund 2	20,440,980	19,809,241
Total	44,479,724	45,562,598
Potential Withdrawals		
Fund 1	6,616,567	16,354,587
Fund 2	13,409,984	23,568,233
Total	20,026,551	39,922,819

Table A.3: NISA Forecast, Canada and Provinces, 2001 and 2002 (cont'd)

	2001	2002
	(\$)	
NOVA SCOTIA		
Projected Total Withdrawals		
Fund 1	1,300,797	1,255,486
Fund 2	2,822,134	3,650,103
Total	4,122,931	4,905,589
Projected Total Deposits		
Fund 1	3,363,694	2,889,733
Fund 2	3,363,694	2,889,733
Total	6,727,387	5,779,466
Projected Year End Balances		
Fund 1	13,325,567	14,959,814
Fund 2	11,493,386	12,744,617
Total	24,818,953	27,704,431
Potential Withdrawals		
Fund 1	3,143,545	4,827,086
Fund 2	5,030,219	7,104,666
Total	8,173,763	11,931,752
NEW BRUNSWICK		
Projected Total Withdrawals		
Fund 1	1,205,728	800,000
Fund 2	985,551	750,000
Total	2,191,278	1,550,000
Projected Total Deposits		
Fund 1	2,502,745	2,200,000
Fund 2	2,502,745	2,200,000
Total	5,005,491	4,400,000
Projected Year End Balances		
Fund 1	10,947,888	12,347,888
Fund 2	11,196,019	12,700,000
Total	22,143,907	25,047,888
Potential Withdrawals		
Fund 1	2,632,257	2,100,000
Fund 2	5,052,153	4,800,000
Total	7,684,409	6,900,000
QUEBEC		
Projected Total Withdrawals		
Fund 1	3,362,985	2,001,342
Fund 2	6,057,477	6,079,994
Total	9,420,463	8,081,336
Projected Total Deposits		
Fund 1	8,978,240	8,900,780
Fund 2	8,978,240	8,900,780
Total	17,956,479	17,801,560
Projected Year End Balances		
Fund 1	33,830,130	40,729,568
Fund 2	25,155,320	30,184,933
Total	58,985,450	70,914,500
Potential Withdrawals		
Fund 1	5,872,060	9,613,397
Fund 2	10,871,294	17,264,288
Total	16,743,354	26,877,685

Table A.3: NISA Forecast, Canada and Provinces, 2001 and 2002 (cont'd)

	2001	2002
	(\$)	
ONTARIO		
Projected Total Withdrawals		
Fund 1	67,777,592	43,240,619
Fund 2	117,643,492	113,200,471
Total	185,421,084	156,441,090
Projected Total Deposits		
Fund 1	109,819,608	106,891,026
Fund 2	106,964,656	103,071,225
Total	216,784,264	209,962,251
Projected Year End Balances		
Fund 1	450,051,908	513,702,315
Fund 2	350,794,279	392,345,738
Total	800,846,187	906,048,053
Potential Withdrawals		
Fund 1	104,706,420	123,231,306
Fund 2	191,034,032	220,253,262
Total	295,740,451	343,484,568
MANITOBA		
Projected Total Withdrawals		
Fund 1	38,452,336	10,733,011
Fund 2	70,830,215	26,399,263
Total	109,282,551	37,132,274
Projected Total Deposits		
Fund 1	46,470,025	54,321,224
Fund 2	46,470,025	54,321,224
Total	92,940,050	108,642,447
Projected Year End Balances		
Fund 1	238,239,579	281,827,792
Fund 2	205,312,159	258,270,796
Total	443,551,738	540,098,588
Potential Withdrawals		
Fund 1	81,625,836	35,357,827
Fund 2	146,360,876	53,763,765
Total	227,986,713	89,121,592
SASKATCHEWAN		
Projected Total Withdrawals		
Fund 1	93,020,717	33,281,316
Fund 2	188,272,060	98,700,785
Total	281,292,777	131,982,101
Projected Total Deposits		
Fund 1	104,191,953	114,422,808
Fund 2	104,191,954	114,422,808
Total	208,383,907	228,845,616
Projected Year End Balances		
Fund 1	589,887,067	671,028,559
Fund 2	590,462,181	676,956,698
Total	1,180,349,248	1,347,985,257
Potential Withdrawals		
Fund 1	181,247,242	101,918,845
Fund 2	396,192,832	195,676,367
Total	577,440,074	297,595,211

Table A.3: NISA Forecast, Canada and Provinces, 2001 and 2002 (cont'd)

	2001	2002
	(\$)	
ALBERTA		
Projected Total Withdrawals		
Fund 1	52,316,656	29,071,134
Fund 2	90,893,448	78,151,016
Total	143,210,104	107,222,150
Projected Total Deposits		
Fund 1	70,969,323	74,976,685
Fund 2	70,969,323	74,976,685
Total	141,938,645	149,953,370
Projected Year End Balances		
Fund 1	364,702,870	410,608,422
Fund 2	316,090,117	354,749,548
Total	680,792,988	765,357,969
Potential Withdrawals		
Fund 1	110,576,296	84,006,028
Fund 2	200,625,627	149,304,848
Total	311,201,923	233,310,875
BRITISH COLUMBIA		
Projected Total Withdrawals		
Fund 1	7,362,254	8,160,643
Fund 2	10,932,540	14,445,506
Total	18,294,794	22,606,150
Projected Total Deposits		
Fund 1	8,493,676	7,866,416
Fund 2	8,493,676	7,866,416
Total	16,987,352	15,732,832
Projected Year End Balances		
Fund 1	38,748,264	38,454,036
Fund 2	33,040,679	33,058,913
Total	71,788,943	71,512,949
Potential Withdrawals		
Fund 1	13,590,872	20,361,073
Fund 2	19,682,445	24,596,929
Total	33,273,317	44,958,002

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.

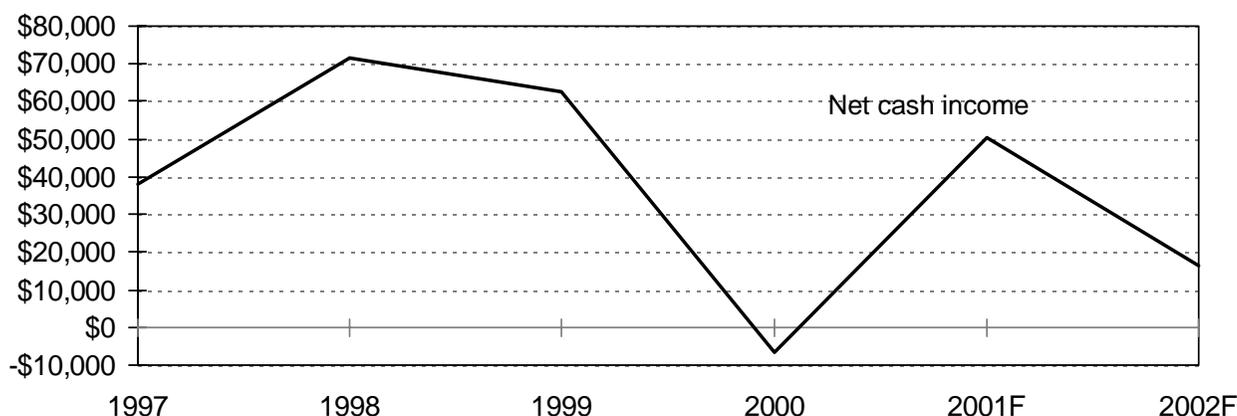
Table A.4: Prince Edward Island Benchmark Potato Farm

Cash Basis (\$)	1997	1998	1999	2000	2001F	2002F
Potato Sales	180,684	303,419	299,466	241,365	187,930	217,733
Program Payments (1)	30,582	29,805	6,830	6,802	118,309	48,952
Other Cash Receipts	46,852	55,244	50,189	52,942	56,841	60,124
Total Cash Receipts	258,118	388,469	356,484	301,109	363,079	326,810
Total Cash Expenses	220,204	317,055	293,755	307,752	312,595	310,372
Net Cash Income	37,914	71,414	62,729	-6,643	50,484	16,438

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 2001 and 2002 are forecasts.

Figure A.2: Prince Edward Island Benchmark Potato Farm

Significant Points

- Potato Sales are expected to be up by 16% in 2002, the combined result of a 23% increase in the price of potatoes and a 6% drop in potato production. Potato prices are up after declining since 1999.
- Program Payments were especially high in 2001 and 2002. In 2001, the Potato Disposal Program paid out \$38,200 while a further \$13,600 came from the provincial disaster program because of the Potato Wart infestation. The disaster program also provides \$18,400 in 2002. The farm was eligible to make NISA withdrawals during the first two years of the period because 5-year average gross margins remained high due to very good income years in the early 1990s. Large NISA withdrawal are taken in 2001 (\$53,800) and 2002 (\$41,600) to make up for the low incomes since 2000.
- Total Cash Expenses are expected to decrease in 2002 by 1% primarily because of decreases in fertilizer costs.
- Net Cash Income, down by 67% from 2001, is well below the previous 5-year average of \$40,200. The upturn that occurred in 2001 was the result of higher program payments no longer available in 2002.

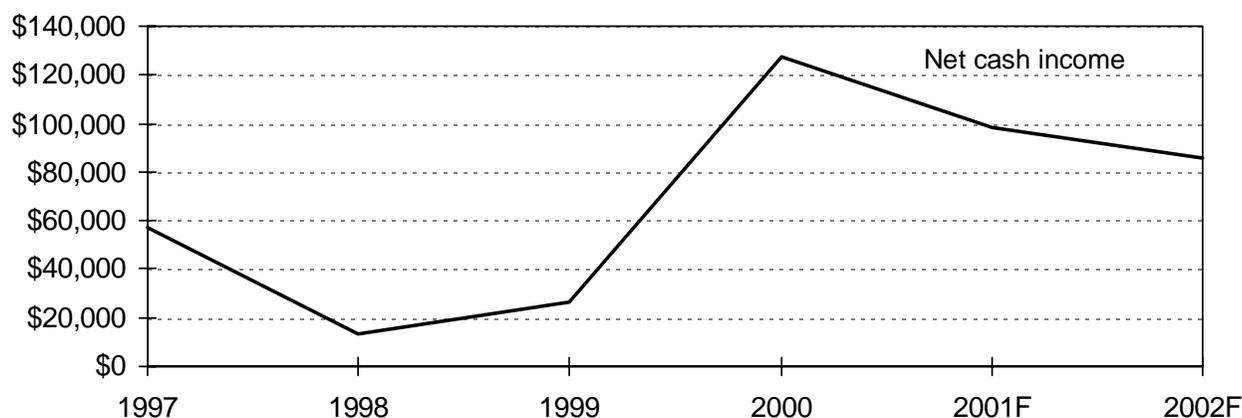
Table A.5: Southeast Quebec Benchmark Hog Farm

Cash Basis (\$)	1997	1998	1999	2000	2001F	2002F
Hog Sales	421,022	349,115	359,772	489,535	547,563	532,791
Program Payments (1)	11,960	40,802	105,958	77,560	30,565	26,424
Other Cash Receipts	27,173	53,089	39,766	39,200	40,621	42,302
Total Cash Receipts	460,155	443,006	505,496	606,295	618,749	601,517
Total Cash Expenses	403,235	430,030	479,202	478,992	520,517	516,097
Net Cash Income	56,920	12,977	26,295	127,303	98,233	85,420

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 2001 and 2002 are forecasts.

Figure A.3: Southeast Quebec Benchmark Hog Farm

Significant Points

- The Quebec hog farm increases its production of hogs by 4% in 2002. Hog Sales are expected to be lower by 3% in 2002 as hog prices decrease by 7% from the previous year. This price decrease follows a 34% price increase in 2000 and an 8% increase in 2001. 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 1999 and 2000 as payments offset the low market prices in 1998 and 1999. Payments are expected to be lower during the later years of the period because of improved hog prices.
- Total Cash Expenses are expected to decrease in 2002 by 1% because of decreases in fuel and animal purchase costs.
- Net Cash Income, though down by 13% from 2001, is still above the previous 5-year average of \$64,300. The farm has been expanding during this period and program payments have been supporting income during low price years.

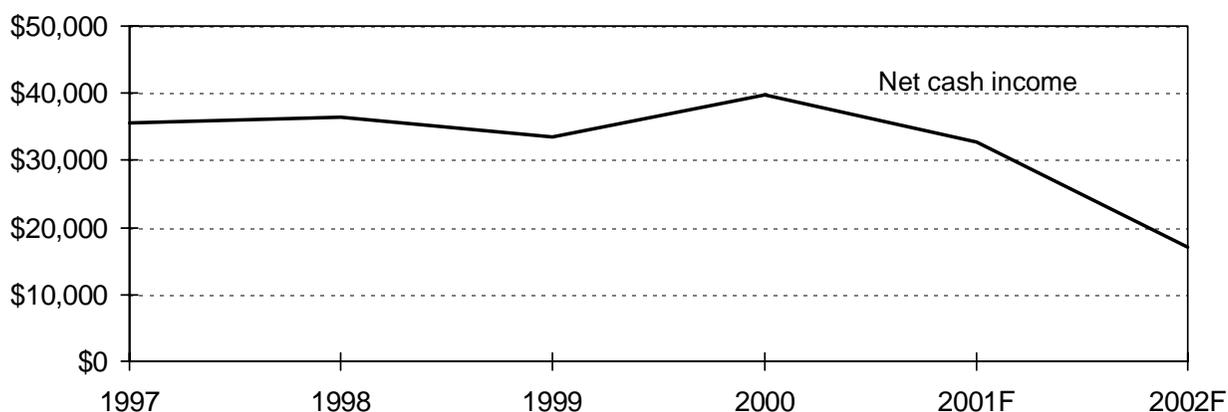
Table A.6: Southern Ontario Benchmark Grain and Oilseed Farm

Cash Basis (\$)	1997	1998	1999	2000	2001F	2002F
Grains and Oilseeds Receipts	118,745	122,325	121,450	122,684	103,856	107,780
Program Payments (1)	6,841	5,964	9,956	19,067	35,118	14,513
Other Cash Receipts	25,565	27,515	27,049	29,423	30,195	30,637
Total Cash Receipts	151,150	155,803	158,455	171,174	169,170	152,930
Total Cash Expenses	115,561	119,458	124,899	131,311	136,472	135,894
Net Cash Income	35,589	36,346	33,556	39,863	32,697	17,036

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 2001 and 2002 are forecasts.

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

Significant Points

- Quantities of winter wheat and corn marketed are expected to be up in Ontario in 2002, though soybean sales will be down. However, grain and oilseed prices are expected to have generally recovered from lows in 1999-2000. Wheat prices in 2002 are expected to be higher by 4% while soybean prices will be down by 5%. Corn prices will also increase by 5%. Overall, Grains and Oilseeds Receipts are forecast to be up by 4% from the weather reduced sales in 2001.
- Program Payments were higher in 2000 and 2001 because of withdrawals from NISA and payments from Ontario's Market Revenue Insurance program. In 2001, the farm also received \$13,700 from the Ontario Grain Stabilization Payment Program and its federal counterpart. Other income sources such as livestock, custom work and rent are relatively important on Ontario grain and oilseed farms, providing about 15-20% of Total Cash Receipts.
- Total Cash Expenses are expected to decrease slightly in 2002, primarily because of decreases in fertilizer costs. Fertilizer represents the largest expense on an Ontario grain and oilseed farm.
- In 2002, Net Cash Income at \$17,000 will be down 48% from 2001. At this level, net income is less than half the previous 5-year average of \$35,600.

Table A.7: Saskatchewan Brown Soil Benchmark Grain and Oilseed Farm

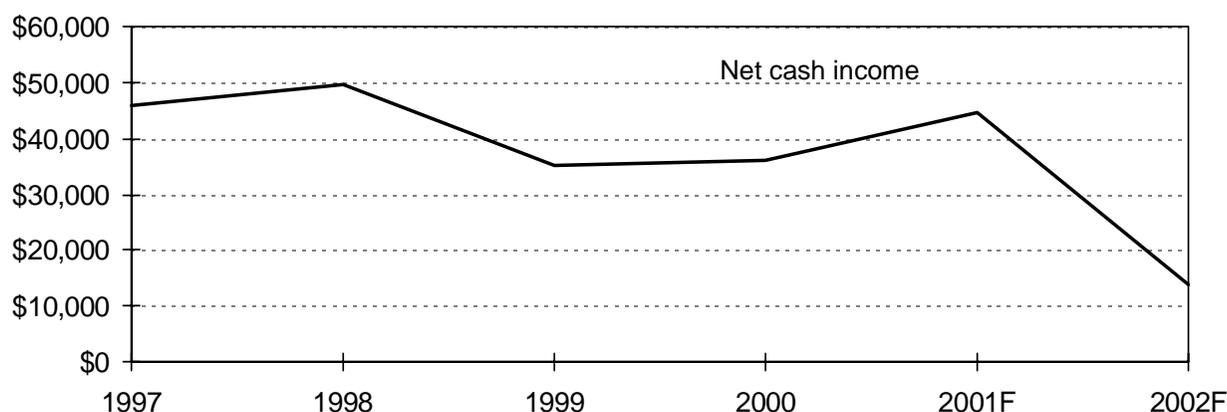
Cash Basis (\$)	1997	1998	1999	2000	2001F	2002F
Grains and Oilseeds Receipts (1)	124,417	124,364	124,089	123,630	130,117	118,831
Program Payments (2)	3,150	3,543	5,573	19,137	24,734	6,655
Other Cash Receipts	21,473	27,980	32,258	30,005	31,609	32,233
Total Cash Receipts	149,040	155,886	161,920	172,771	186,460	157,720
Total Cash Expenses	103,266	106,205	126,763	136,494	141,925	144,034
Net Cash Income	45,774	49,681	35,157	36,277	44,534	13,685

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

(1) Crop yields have been reduced by 40% in 2001 because of weather related losses. This represents a typical yield reduction in the region. Crop yields are assumed to return to normal in 2002.

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

F Values for 2001 and 2002 are forecasts.

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

Significant Points

- Wheat sales, including both spring wheat and durum, generally make up almost three-quarters of the Grains and Oilseeds Receipts on the Brown soil farm. In spite of stronger wheat and barley prices, Grains and Oilseeds Receipts are forecast to decline by 9% in 2002. Though there will be a return to normal yields, 2002 grains sales will be affected by reduced carryovers and lower final payments as a result of the 2001 drought. Total Cash Receipts remained strong in 2001, though, because of high final payments and programs.
- Program Payments in 2000 and 2001 were higher than usual because of a combination of high withdrawals from NISA for the lower incomes of 1999-2000 and the Canada/Saskatchewan Adjustment payments. NISA withdrawals are not triggered in 2002 as 2001 incomes were strong in spite of the drought. A disaster payment will be triggered by the low 2002 income, but this will not be available until 2003.
- Total Cash Expenses are expected to increase in 2002 by 1%, primarily because of general increases in expenses. Fertilizer costs, however, will be lower.
- Net Cash Income of \$13,700 in 2002 represents a decline of 69% from the previous year and is well below the recent 5-year average of \$42,300.

Table A.8: West Central Alberta Benchmark Cattle Farm

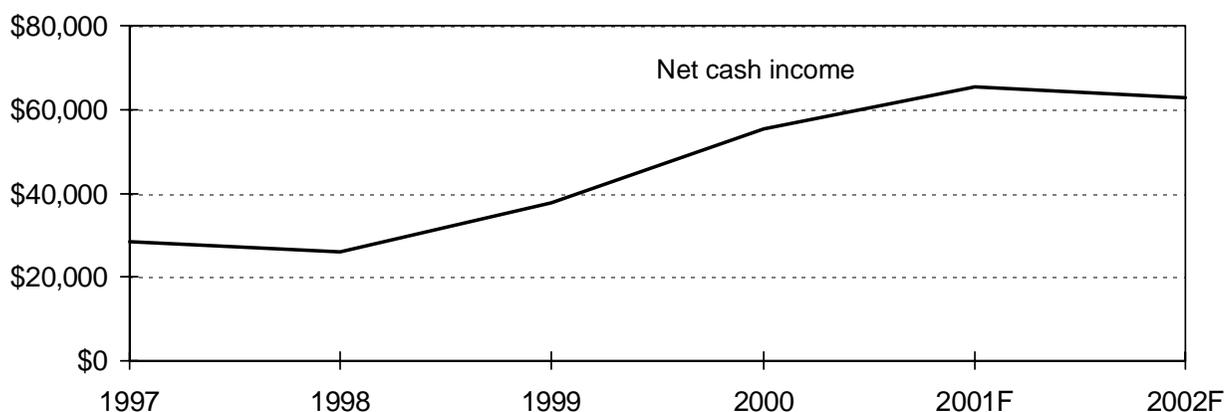
Cash Basis (\$)	1997	1998	1999	2000	2001F	2002F
Cattle Sales	158,599	170,880	173,352	195,083	223,208	224,261
Program Payments (1)	7,514	4,439	3,052	19,327	6,733	2,880
Other Cash Receipts	28,697	31,408	34,673	35,262	38,184	41,346
Total Cash Receipts	194,810	206,726	211,077	249,671	268,125	268,487
Total Cash Expenses	166,180	180,948	173,270	194,330	202,968	205,531
Net Cash Income	28,630	25,778	37,808	55,342	65,157	62,957

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 2001 and 2002 are forecasts.

Figure A.6: West Central Alberta Benchmark Cattle Farm



Significant Points

- Cattle Sales of \$224,300 will be slightly higher in 2002 compared to 2001. Cattle sales have been steadily increasing as the farm expands in size and continues to sell into a strong market. Cattle prices have increased every year since 1996.
- Program Payments are not significant on the cattle farm. However, the benchmark received \$17,600 under the Alberta Farm Income Assistance Program in 2000 and \$5,600 in 2001. The farm has a small grain and oilseed operation that generates steadily increasing sales and provides approximately 10% of the Total Cash Receipts.
- Total Cash Expenses are expected to increase in 2002 by 1%, primarily because of increases in livestock purchases.
- Net Cash Income of \$63,000 in 2002 is down from the previous year. However, net incomes have been steadily rising and 2002 net income is still well above the previous 5-year average of \$42,500.

Table A.9: Gross Direct Payments and Producer Premiums, Canada and Provinces, 1995-00

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
- \$ Million -											
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
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

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, NTSP and special assistance programs.

Table A.9: Gross Direct Payments and Producer Premiums, Canada and Provinces, 1995-00 (cont'd)

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
1998											
Crop Insurance (1)	0	1	1	1	17	51	40	95	103	8	317
NISA	0	5	2	1	4	76	30	105	38	9	270
Dairy	0	2	3	2	55	47	4	3	8	8	132
GRIP	0	0	0	0	0	0	0	0	0	0	0
Provincial Stabilization	0	1	8	0	499	0	0	0	0	0	508
Other Payments (2)	0	2	0	2	19	27	18	33	86	9	196
Total Program Payments	0	11	14	6	594	201	92	236	235	34	1,423
Input Rebates	0	0	2	0	67	8	0	35	5	0	117
Total Payments	0	11	16	6	661	209	92	271	240	34	1,540
Producer Premiums	0	1	1	1	128	40	59	171	92	2	495
1999											
Crop Insurance (1)	0	2	1	1	9	29	30	118	46	5	241
NISA	0	6	2	1	5	109	58	188	66	10	445
Income Disaster	0	8	2	0	0	78	42	114	81	14	340
Dairy	0	1	2	2	43	36	3	2	7	7	103
Provincial Stabilization	0	1	7	0	561	0	0	0	0	0	569
Other Payments (2)	0	1	1	2	24	81	83	54	18	5	268
Total Program Payments	0	19	15	6	642	333	216	476	218	41	1,966
Input Rebates	0	0	3	0	74	8	0	35	4	0	124
Total Payments	0	19	18	6	716	341	216	511	222	41	2,090
Producer Premiums	0	1	2	1	174	35	43	147	82	2	487
2000											
Crop Insurance (1)	0	3	0	1	71	72	54	117	116	8	442
NISA	0	6	2	1	8	110	62	187	72	9	457
Income Disaster	0	6	2	1	5	87	45	109	155	11	422
Dairy	0	1	2	1	30	26	2	2	4	4	72
Provincial Stabilization	0	1	1	0	436	0	0	0	0	0	438
Other Payments (2)	0	0	5	2	15	128	122	361	360	7	999
Total Program Payments	0	17	12	6	565	423	285	776	707	39	2,830
Input Rebates	0	0	0	0	79	6	0	36	9	0	130
Total Payments	0	17	12	6	644	429	285	812	716	39	2,960
Producer Premiums	0	1	1	0	183	32	44	134	63	2	460

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, NTSP and special assistance programs.

Table A.10: Farm Receipts, Expenses and Income, Canada and Provinces, 1992-00

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
Crop Receipts											
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	14	202	121	166	1,208	3,128	1,644	4,083	2,529	818	13,913
1999	14	222	140	186	1,274	3,150	1,415	3,667	2,349	876	13,292
2000	15	186	142	165	1,285	3,328	1,282	3,474	2,284	953	13,114
Livestock Receipts											
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	61	109	240	176	3,069	3,686	1,225	1,243	3,666	983	14,459
1999	63	106	238	182	3,214	3,738	1,329	1,390	3,915	1,019	15,194
2000	57	119	262	194	3,595	4,138	1,567	1,568	4,447	1,083	17,030
Total Market Receipts											
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	361	342	4,278	6,814	2,870	5,327	6,195	1,801	28,372
1999	77	328	378	368	4,488	6,888	2,743	5,057	6,263	1,895	28,485
2000	72	305	404	359	4,880	7,466	2,849	5,043	6,732	2,036	30,144
Program Payments											
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	201	92	236	235	34	1,423
1999	0	19	15	6	642	333	216	476	218	41	1,966
2000	0	17	12	6	565	423	285	776	707	39	2,829
Total Cash Receipts											
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	375	347	4,872	7,015	2,962	5,563	6,430	1,835	29,796
1999	77	347	393	374	5,130	7,221	2,959	5,533	6,482	1,935	30,451
2000	73	322	415	364	5,445	7,889	3,133	5,818	7,439	2,075	32,973

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

Table A.10: Farm Receipts, Expenses and Income, Canada and Provinces, 1992-00 (cont'd)

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
Net Operating Expenses											
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	60	254	301	278	3,755	5,753	2,356	4,251	5,119	1,468	23,594
1999	60	269	307	286	3,918	5,928	2,345	4,228	5,524	1,508	24,373
2000	63	281	327	302	4,149	6,265	2,506	4,523	5,943	1,572	25,932
Net Cash Income											
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	16	68	74	69	1,116	1,262	606	1,311	1,311	367	6,202
1999	17	78	86	88	1,212	1,293	614	1,304	957	428	6,078
2000	10	41	88	62	1,296	1,623	627	1,296	1,496	503	7,041
Realized Net Income											
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	13	38	38	42	713	394	264	443	360	165	2,469
1999	14	48	48	58	789	413	263	425	-25	224	2,257
2000	7	7	48	30	846	716	277	425	506	299	3,160
Total Net Income											
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	13	25	40	40	716	417	319	453	333	174	2,529
1999	15	47	44	48	785	396	227	644	426	224	2,855
2000	6	25	49	41	751	471	469	516	436	291	3,055

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

Table A.11: Average Farm Revenues, Operating Expenses and Net Cash Income per Farm, Canada and Provinces, 1998-00

Province	1998	1999	2000 Preliminary ⁽¹⁾
	- Dollars per farm -		
Newfoundland			
Farm revenues	247,968	274,053	279,008
Operating expenses	231,991	255,590	252,513
Net cash income	15,978	18,463	26,495
Prince Edward Island			
Farm revenues	210,394	238,330	251,657
Operating expenses	181,501	201,440	217,927
Net cash income	28,893	36,890	33,730
Nova Scotia			
Farm revenues	166,791	180,664	185,591
Operating expenses	143,809	150,775	155,658
Net cash income	22,982	29,889	29,933
New Brunswick			
Farm revenues	188,595	208,656	225,452
Operating expenses	160,949	174,216	194,186
Net cash income	27,646	34,441	31,266
Quebec			
Farm revenues	186,887	204,388	223,738
Operating expenses	154,314	168,785	185,807
Net cash income	32,573	35,603	37,931
Ontario			
Farm revenues	167,289	177,095	189,383
Operating expenses	143,550	153,106	163,517
Net cash income	23,738	23,989	25,866
Manitoba			
Farm revenues	152,531	157,410	154,274
Operating expenses	130,456	136,143	133,318
Net cash income	22,075	21,267	20,956
Saskatchewan			
Farm revenues	104,762	103,508	108,731
Operating expenses	82,794	86,287	89,772
Net cash income	21,968	17,221	18,959
Alberta			
Farm revenues	165,637	176,090	194,584
Operating expenses	143,796	155,689	171,950
Net cash income	21,841	20,401	22,634
British Columbia			
Farm revenues	201,765	203,877	217,023
Operating expenses	183,153	182,964	192,152
Net cash income	18,612	20,912	24,871
Canada			
Farm revenues	153,962	161,911	172,796
Operating expenses	130,384	139,240	148,395
Net cash income	23,579	22,671	24,401

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

⁽¹⁾ Excludes Hutterite colonies.**Significant Points**

- Average farm revenues in Canada rose by 6.7% in 2000 offsetting the increase in operating expenses resulting in a 7.6% increase in net cash income.
- Quebec and Prince Edward Island had the highest net farm income at \$37,931 and \$33,730, respectively.
- Alberta recorded the strongest growth in farm revenues at 10.5%.

Table A.12: Average Farm Revenues, Operating Expenses and Net Cash Income per Farm by Farm Type, Canada, 1998-00

Farm Type	1998	1999	2000 Preliminary (1)
	- Dollars per farm -		
Dairy			
Farm revenues	225,223	247,152	259,711
Operating expenses	169,276	183,681	193,755
Net cash income	55,947	63,471	65,956
Cattle			
Farm revenues	134,725	144,632	164,876
Operating expenses	125,883	135,068	153,783
Net cash income	8,842	9,564	11,093
Hog			
Farm revenues	408,421	449,551	522,587
Operating expenses	390,037	424,532	460,521
Net cash income	18,384	25,019	62,066
Poultry and Egg			
Farm revenues	539,553	579,728	531,044
Operating expenses	470,776	506,279	464,822
Net cash income	68,777	73,449	66,222
Grain and Oilseed			
Farm revenues	109,154	108,413	115,175
Operating expenses	84,637	87,464	92,578
Net cash income	24,517	20,949	22,597
Potato			
Farm revenues	452,822	490,190	541,316
Operating expenses	382,446	410,150	455,575
Net cash income	70,376	80,040	85,741
Fruit and Vegetable			
Farm revenues	155,343	170,469	178,612
Operating expenses	133,008	144,413	155,193
Net cash income	22,336	26,056	23,419
Greenhouse and Nursery			
Farm revenues	426,581	520,870	618,916
Operating expenses	372,833	455,770	547,562
Net cash income	53,748	65,100	71,354
All Farm Types			
Farm revenues	153,962	161,911	172,796
Operating expenses	130,384	139,240	148,395
Net cash income	23,579	22,671	24,401

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

(1) Excludes Hutterite colonies.

Significant Points

- Greenhouse and nursery farms ranked first in 2000 in terms of average farm revenues followed by potato farms and poultry and egg farms.
- Hog farms saw significant increases in operating revenues and in net cash income over the previous year due primarily to higher revenues from hog sales.
- Cattle farms also recorded much higher net cash income in 2000 but still remained substantially lower than the other farm types with only \$11,093.

Table A.13: Average Farm Family Income by Source and Income Group, Unincorporated Farms, Canada, 1998

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 Farms								
Under \$10,000	8,970	5.8	7,361	1,453	7,176	15,990	(32,685)	(16,695)
\$10,000 - \$19,999	9,850	6.4	6,238	1,194	8,447	15,879	(317)	15,562
\$20,000 - \$29,999	17,020	11.0	8,545	1,851	10,477	20,873	4,742	25,615
\$30,000 - \$39,999	19,620	12.7	12,893	2,259	11,014	26,166	9,085	35,251
\$40,000 - \$49,999	19,920	12.9	18,087	2,717	12,037	32,841	12,743	45,584
\$50,000 - \$99,999	60,020	38.7	31,544	3,851	12,423	47,819	24,018	71,837
\$100,000 +	19,560	12.6	69,783	15,810	20,481	106,073	54,118	160,191
TOTAL	154,970	100	26,748	4,486	12,443	43,677	17,658	61,335
Small Farms (Revenues \$10,000-\$49,999)								
Under \$10,000	4,090	2.6	5,179	1,185	7,253	13,618	(19,778)	(6,160)
\$10,000 - \$19,999	6,080	3.9	6,141	1,232	9,653	17,026	(1,421)	15,605
\$20,000 - \$29,999	10,700	6.9	9,287	2,077	11,986	23,349	2,171	25,520
\$30,000 - \$39,999	10,830	7.0	15,925	2,778	13,444	32,147	2,469	34,616
\$40,000 - \$49,999	9,580	6.2	24,227	3,288	14,857	42,372	2,670	45,042
\$50,000 - \$99,999	23,590	15.2	47,534	4,603	15,063	67,200	2,669	69,869
\$100,000 +	6,060	3.9	111,945	18,462	27,758	158,164	277	158,441
TOTAL	70,940	45.8	33,300	4,463	14,494	52,256	720	52,976
Medium Farms (Revenues \$50,000-\$99,999)								
Under \$10,000	1,810	1.0	8,498	1,209	6,193	15,899	(27,256)	(11,357)
\$10,000 - \$19,999	1,980	1.3	6,484	1,221	6,437	14,142	1,919	16,061
\$20,000 - \$29,999	3,700	2.4	7,237	1,565	8,186	16,988	8,709	25,697
\$30,000 - \$39,999	4,730	3.1	10,240	2,010	8,815	21,066	14,481	35,547
\$40,000 - \$49,999	5,000	3.2	15,378	2,486	10,878	28,742	16,613	45,355
\$50,000 - \$99,999	12,250	7.9	30,389	5,100	13,748	49,237	20,248	69,485
\$100,000 +	2,630	1.7	89,701	17,470	24,166	131,337	20,167	151,504
TOTAL	32,110	20.7	24,553	4,383	11,907	40,844	13,874	54,718
Large Farms (Revenues \$100,000+)								
Under \$10,000	3,070	2.0	9,593	1,952	7,654	19,199	(53,849)	(34,650)
\$10,000 - \$19,999	1,780	1.2	6,296	1,030	6,566	13,893	1,147	15,040
\$20,000 - \$29,999	2,610	1.7	7,356	1,332	7,535	16,223	10,333	26,556
\$30,000 - \$39,999	4,060	2.6	7,903	1,166	7,103	16,172	21,924	38,096
\$40,000 - \$49,999	5,330	3.4	9,594	1,909	8,056	19,559	28,128	47,687
\$50,000 - \$99,999	24,180	15.6	16,527	2,485	9,177	28,189	47,270	75,459
\$100,000 +	10,880	7.0	41,502	13,932	15,540	70,975	91,591	162,566
TOTAL	51,910	33.5	19,152	4,582	9,971	33,706	44,066	77,772

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

Significant Points

- The average farm family earned 3.6% more income in 1998 than in 1997.
- Families in the under \$10,000 income group showed a slight increase in net operating losses.
- A greater percentage of families had incomes of \$50,000 and over in 1998.

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 2001, crop receipts in Canada are forecast at \$13,595 million with an average prediction error of $\pm 1.4\%$, which means that crop receipts could vary between \$13,405 and \$13,785 million.

Average Prediction Errors (RMSPE) - Canada

	2001	2002
Total crop receipts	$\pm 1.4\%$	$\pm 4.2\%$
Total livestock receipts	$\pm 1.1\%$	$\pm 4.8\%$
Total payments	$\pm 8.5\%$	$\pm 29.6\%$
Total cash receipts	$\pm 0.8\%$	$\pm 3.7\%$
Op. exp. after rebates	$\pm 1.3\%$	$\pm 4.6\%$
Net cash income	$\pm 3.3\%$	$\pm 11.1\%$
Realized net income	$\pm 7.6\%$	$\pm 25.1\%$

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 (1996-2000) 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 2001. The forecast for 2001 and 2002 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 1997 Dollars

Real income is defined in terms of 1997 dollars using the Gross Domestic Product Implicit Price Deflator (GDP deflator, 1997 = 100).

Table A.2: Grain, Oilseed and Special Crop Production by Province

See notes at the end of the table.

Table A.3: NISA Forecast, Canada and Provinces, 2000 and 2001

See notes at the end of the table.

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 or region. 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 revenues and expenses are based on historical production patterns. The changes in quantities produced on the benchmark reflect the aggregate provincial income estimates. However, regional variations, such as widespread crop failures, are considered when relevant to the specific farm being modelled. 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. In addition, the benchmark models are being continually updated in an effort to improve their accuracy.

Table A.4 and Figure A.2: Prince Edward Island Benchmark Potato Farm

The Prince Edward Island potato benchmark is constructed from Taxfiler information for potato farms with total sales of \$250,000 - \$499,999. These farms tend to be highly specialized in potato production and approximately 175 of 425 acres are in this crop. The farm also has 125 acres of grain crops and maintains a small cattle enterprise. The potato farm does not participate in crop insurance as is typically the case.

Table A.5 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 185 sows and produces about 4,200 hogs annually. The farm has expanded steadily over the past few years.

Table A.6 and Figure A.4: Southern Ontario Benchmark Grain and Oilseed Farm

The Ontario grain and oilseed farm represents southern Ontario corn (100 acres), soybean (265 acres) and winter wheat (55 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. Livestock sales and miscellaneous revenues such as custom work and rental income are also important, contributing about 15-20% to total revenues.

Table A.7 and Figure A.5: Saskatchewan Brown Soil Benchmark Grain and Oilseed Farm

The 1,900 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 700 acres. There are 50 acres of barley, 120 acres of lentils and the crop rotation also includes 495 acres of summerfallow. Grains and oilseeds typically make up about three-quarters of the total receipts. On average, cattle sales, programs and miscellaneous revenues all contribute an equal proportion of the remaining revenues.

Table A.8 and Figure A.6: West Central Alberta Benchmark Cattle Farm

Cattle farms concentrated in the Edmonton Red Deer region, which form the basis of this benchmark, fall within the Taxfiler category of \$100,000 - \$249,999 in total receipts. Highly specialized, more than 80% of total revenues typically come from beef cattle sales. The farm has a total of 390 cattle, of which 130 are cows. The rest are fed cattle and calves.

Table A.9: 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.10: Farm Receipts, Expenses and Income

See Table A.1 for methodology.

Table A.11 and Table A.12: Average Farm Revenues, Operating Expenses and Net Cash Income Per Farm (A.11) and By Farm Type (A.12)

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.13: 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.

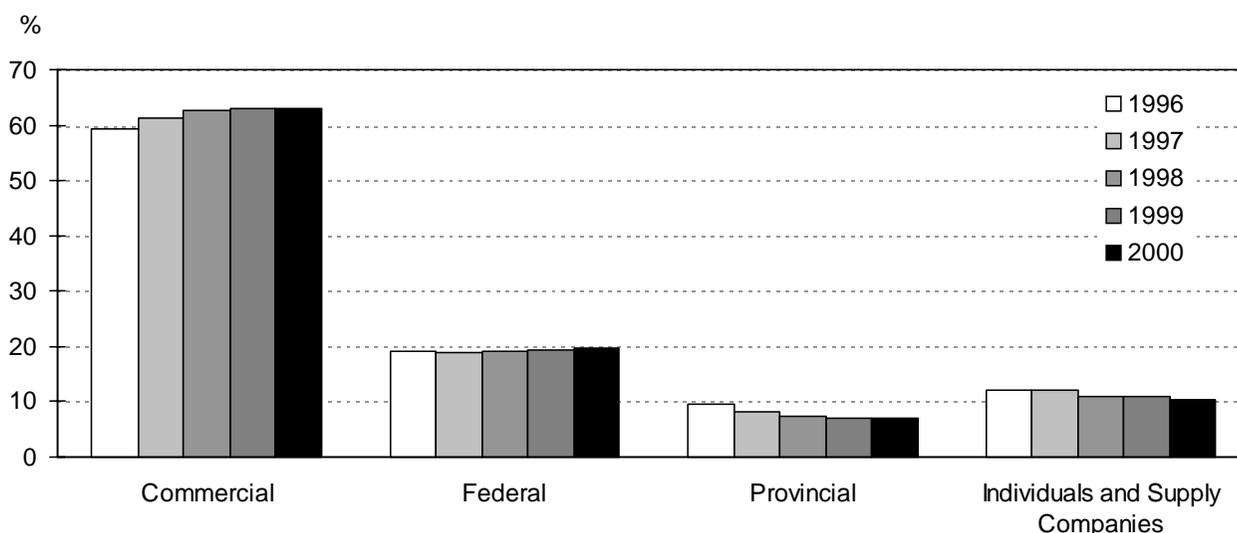
For a detail description of methodology, please refer to Agricultural Financial Statistics, Statistics Canada, Catalogue No. 21-205.

SECTION B
Farm Financial Conditions

Table B.1: Farm Debt, Canada and Provinces, 1991-00

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
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	44	411	395	352	5,944	7,618	3,135	5,492	7,966	1,779	33,165
1999	49	435	416	376	6,705	8,219	3,500	5,726	8,457	1,989	35,871
2000	47	463	457	414	7,460	8,961	3,680	5,807	8,831	2,096	38,216

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, 1996-00

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

Significant Points

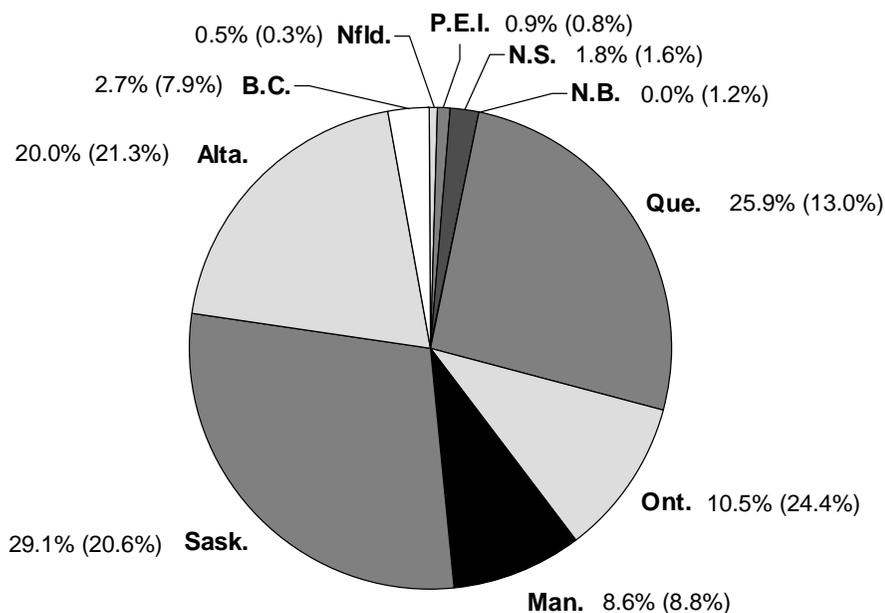
- Total farm debt was relatively stable in the early 1990's, and has increased 56% since 1994.
- Commercial lenders accounted for 63% of the farm debt in 2000.
- In 1996, the federal and provincial shares of farm debt were 19% and 10%, respectively. In 2000, the federal share was 20% and the provincial share had declined to 7%. The federal portion of debt includes advance payment programs which facilitate loans sourced through commercial lenders.
- In 2000, debt held by private individuals and supply companies accounted for around 10% of total debt.

Table B.2: Farm Bankruptcies by Province, 1986-01

	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
2000	0	1	4	2	40	20	18	76	38	14	0	213
2001	1	2	4	0	57	23	19	64	44	6	0	220

Source: Office of the Superintendent of Bankruptcy.

Figure B.2: Distribution of Farm Bankruptcies by Province, 2001



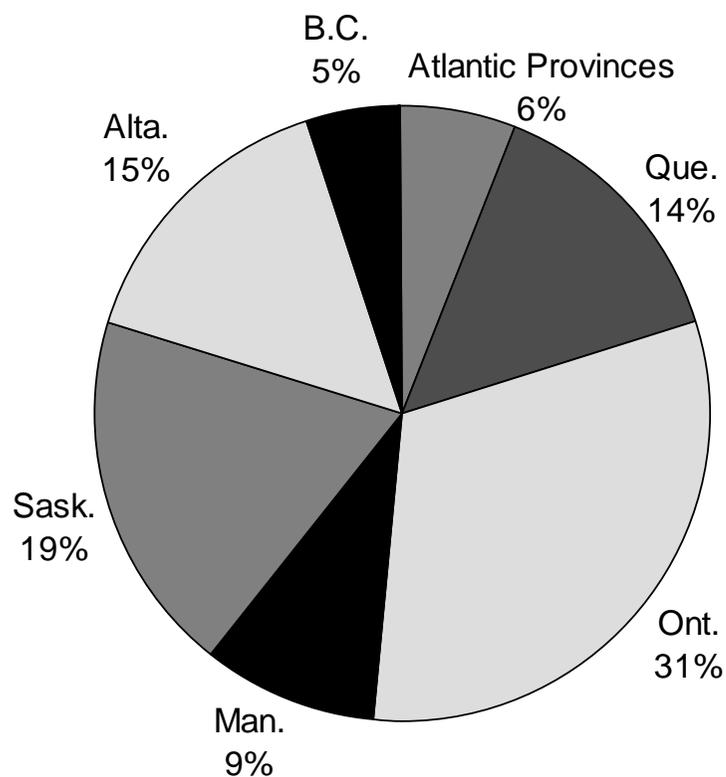
Sources: Office of the Superintendent of Bankruptcy and Statistics Canada, 1996 Census of Agriculture.

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 Canada (FCC) Loans Receivable Portfolio, 1995-96 to 2000-01

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Number of loans receivable	60,250	65,318	69,846	72,311	73,686	75,202
Amount receivable (\$million)	4,066	4,687	5,319	5,843	6,304	6,908
Number of loans approved	10,193	12,910	15,488	14,880	14,201	13,289
Amount of loans approved (\$million)	1,033	1,403	1,525	1,617	1,612	1,753
Average size of loans approved (\$)	101,315	108,668	98,473	108,700	113,500	131,875

Source: Farm Credit Canada (formerly Farm Credit Corporation).

Figure B.3: Distribution of the Amount of FCC Loans Receivable, by Province, as of March 31, 2001

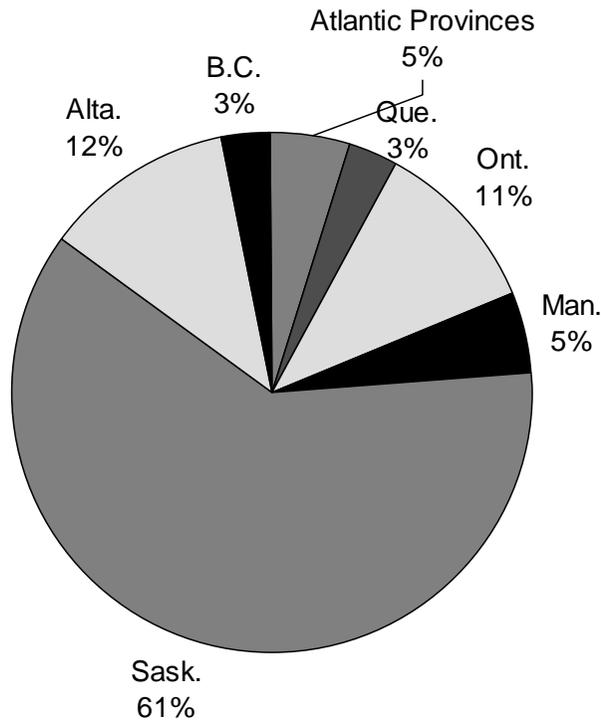
Source: Farm Credit Canada

Table B.4: New Loans Registered Under the Farm Improvement and Marketing Cooperatives Loans Act (FIMCLA), 1993-94 to 2000-01

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Number of new loans registered	15,902	19,702	14,806	16,250	15,946	8,641	7,628	6,305
Amount of new loans registered (\$000s)	423,267	551,500	371,903	488,759	516,885	259,174	215,998	189,086
Average size of new loans registered (\$)	26,617	27,992	26,402	30,077	32,415	29,994	28,316	29,990

Source: For 1993-94, Main Estimates; for 1994-95 to 1999-00, Agriculture and Agri-Food Canada Performance Reports; and for 2000-01, FIMCLA Administration, National Marketing Programs Division, Agriculture and Agri-Food Canada.

Figure B.4: Distribution of the Amount of New Loans Registered under FIMCLA, by Province, 2000-01



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

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.
- The net worth for dairy farms and hog farms increased significantly between 1997 and 1999.
- Net new investment was highest for potato farms.

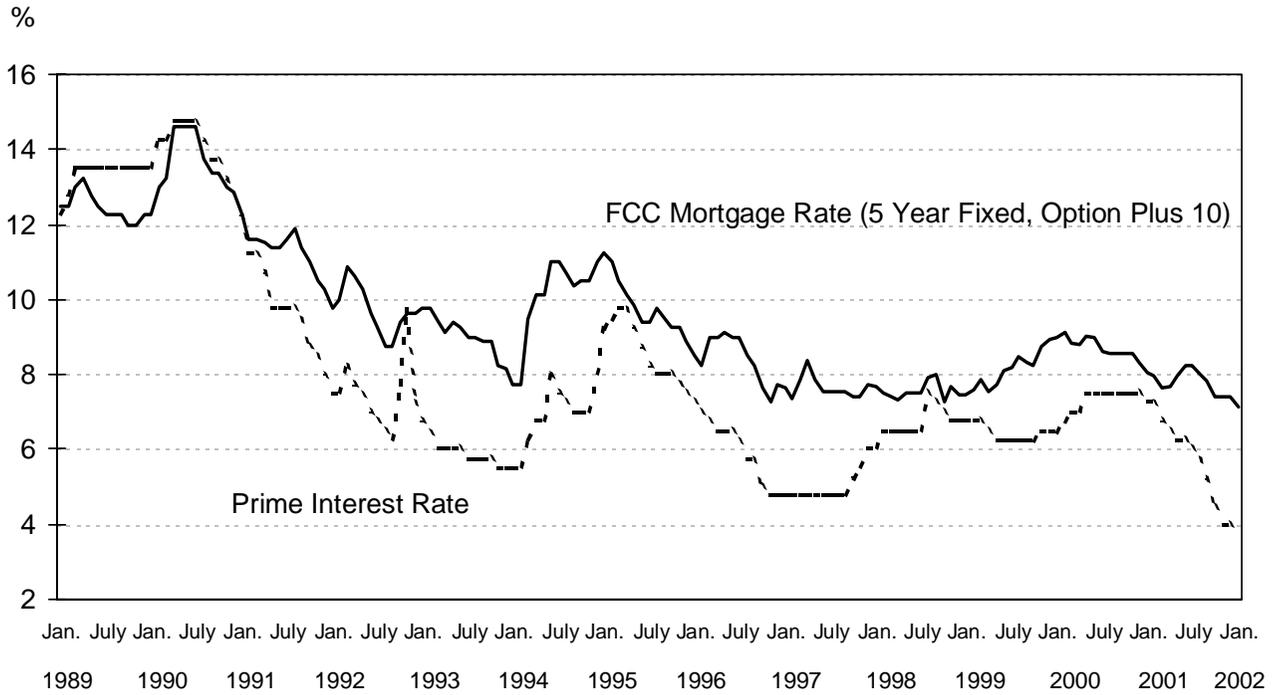
	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
BRITISH COLUMBIA								
Farm Assets								
- 1995	2,065,032	870,049	..	1,642,107	883,449	..	..	1,088,317
- 1997	2,250,119	842,449	958,822	1,712,549	925,693	1,491,359	907,460	1,101,487
- 1999	2,885,975	914,297	1,559,104	1,913,380	834,699	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, 1989-02



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

Table B.6: Comparison of Selected Average Fertilizer and Fuel Prices Between Manitoba and Minnesota/North Dakota, 2001

	Manitoba		Minnesota/North Dakota	
	Oct. 01	June 01	Oct. 01	June 01
Nitrogen (Cdn\$/tonne)				
Anhydrous Ammonia (82-0-0)	390.58	631.32	383.57	592.35
Urea (46-0-0)	286.17	430.44	272.51	431.43
Phosphate (Cdn\$/tonne)				
MAP (11-52-0)	341.14	381.29	363.91	382.50
Potash (Cdn\$/tonne)				
Potash (0-0-60)	187.26	192.89	238.88	237.55
Fuel (Cdn¢/litre)				
Diesel	47.32	47.23	43.30	45.99
Gasoline (regular unleaded)	56.74	55.78	40.57	51.73

Source: The Thomsen Corporation.

Table B.7: Comparison of Selected Average Fertilizer and Fuel Prices Between Ontario and Michigan/Ohio/Indiana, 2000 and 2001

	Ontario		Michigan/Ohio/Indiana	
	Sept. 19/01	Sept. 21/00	Sept. 19/01	Sept. 21/00
Nitrogen (Cdn\$/tonne)				
Anhydrous Ammonia (82-0-0)	623.66	453.01	596.47	463.81
Urea (46-0-0)	399.48	313.48	380.53	350.96
Nitrogen Solution (UAN, 28%)	294.60	200.77	281.33	218.64
Ammonium Nitrate	354.72	294.99	427.38	341.05
Phosphate (Cdn\$/tonne)				
MAP (11-52-0)	409.98	392.12	399.82	391.92
DAP (18-46-0)	410.11	392.93	380.74	366.97
Triple Super (0-46-0)	378.40	367.14	369.43	343.69
Potash (Cdn\$/tonne)				
Potash (0-0-60)	264.20	256.39	263.34	252.72
Fuel (Cdn¢/litre)				
Diesel	51	56	56	53
Gasoline (regular unleaded)	69	72	68	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, 1996-00

	1996	1997	1998	1999	2000
(\$000)					
Machinery Operating Costs	3,178,558	3,218,381	3,128,602	3,221,023	3,608,829
Commercial Feed	3,651,516	3,858,005	3,718,895	3,525,469	3,602,716
Wages	2,746,443	2,924,611	3,013,382	3,172,657	3,305,025
Fertilizer and Lime	2,007,492	1,975,710	1,972,778	1,881,913	1,988,214
Interest	1,685,126	1,731,246	1,937,098	2,113,990	2,451,142
Rent	1,065,251	1,096,192	1,130,727	1,166,224	1,167,598
Pesticides	1,223,164	1,305,144	1,337,932	1,366,976	1,410,695
Livestock Purchases	908,366	837,888	1,068,400	1,439,912	1,655,315
Commercial Seed	719,762	793,817	833,109	872,458	889,114
Building and Fence Repairs	634,193	630,211	635,557	642,205	655,805
Electricity	587,558	606,788	594,458	601,920	616,804
Property Taxes	504,086	520,633	518,189	512,882	514,799
Crop and Hail Insurance	430,609	407,712	385,438	332,702	296,468
Business Insurance	461,808	485,611	494,825	508,154	516,081
A.I. Fees and Veterinary	434,374	470,302	479,257	520,401	542,748
Other*	2,478,309	2,286,886	2,345,426	2,494,143	2,710,507
Depreciation	3,552,604	3,669,341	3,880,283	3,981,797	4,034,095
Total Expenses	26,269,219	26,818,478	27,474,356	28,354,826	29,965,955

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 Canada (FCC) Loans Receivable Portfolio and Figure B.3: Distribution of the Amount of FCC Loans Receivable

FCC information on total loans receivable and loans approved is from the FCC 1997-98, 1998-99 and 1999-00 and 2000-01 Annual Reports. Data on distribution of the FCC loans receivable portfolio by province, number of loans approved, and average loans approved provided by FCC.

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 1993-94, the Agriculture and Agri-Food Canada Department Performance Reports for 1994-95 to 1999-00; and from FIMCLA Administration for 2000-01. 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 Farm Credit Canada.

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

Input expenses are reported net of government rebates. 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, 1994-95 to 2001-02

Allocated		1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02 Estimates
		(\$ 000)							
Nfld.	Federal	10,182	9,776	8,292	11,794	6,573	8,425	6,734	8,752
	Provincial	16,762	14,274	12,605	21,503	10,425	9,626	10,155	12,292
	% Fed.	37.79	40.65	39.68	35.42	38.67	46.67	39.87	41.59
P.E.I.	Federal	31,255	38,435	33,262	35,162	26,534	26,944	34,446	30,826
	Provincial	19,394	21,427	20,677	18,329	20,816	26,169	41,148	30,157
	% Fed.	61.71	64.21	61.67	65.73	56.04	50.73	45.57	50.55
N.S.	Federal	30,924	31,940	27,210	27,175	23,908	24,888	20,899	31,717
	Provincial	44,512	41,739	40,105	29,896	38,922	35,439	35,123	37,109
	% Fed.	40.99	43.35	40.42	47.62	38.05	41.26	37.31	46.08
N.B.	Federal	33,637	36,882	30,757	35,161	27,537	24,658	24,239	32,789
	Provincial	24,797	24,638	21,807	22,429	21,597	32,316	20,655	18,218
	% Fed.	57.56	59.95	58.51	61.05	56.05	43.28	53.99	64.28
Que.	Federal	333,381	313,492	253,399	342,078	265,036	392,047	452,309	417,330
	Provincial	623,533	639,201	578,433	521,360	524,490	527,436	739,315	710,034
	% Fed.	34.84	32.91	30.46	39.62	33.57	42.64	37.96	37.02
Ont.	Federal	371,395	348,140	355,724	362,347	355,969	421,212	460,684	616,219
	Provincial	466,693	476,249	484,897	469,912	324,654	363,029	451,733	434,243
	% Fed.	44.31	42.23	42.32	43.54	52.30	53.71	50.49	58.66
Man.	Federal	375,093	424,390	343,737	217,740	232,345	351,297	436,026	343,506
	Provincial	181,592	131,911	131,922	137,029	141,458	222,186	207,155	164,817
	% Fed.	67.38	76.29	72.27	61.38	62.16	61.26	67.79	67.58
Sask.	Federal	1,054,397	958,387	1,060,767	655,277	453,814	860,113	950,135	681,897
	Provincial	221,141	385,082	343,546	305,569	463,101	450,605	335,329	436,292
	% Fed.	82.66	71.34	75.54	68.20	49.49	65.62	73.91	60.98
Alta.	Federal	515,075	624,922	597,733	424,298	395,292	479,929	491,983	668,700
	Provincial	554,502	581,854	479,271	430,721	440,445	702,307	684,444	860,860
	% Fed.	48.16	51.78	55.50	49.62	47.30	40.60	41.82	43.72
B.C.	Federal	78,002	83,187	82,897	81,773	87,053	91,483	92,065	139,891
	Provincial	63,022	59,898	65,384	60,249	69,219	63,694	79,017	72,755
	% Fed.	55.31	58.14	55.91	57.58	55.71	58.95	53.81	65.79
Others	Federal	330,111	287,712	307,033	255,607	288,243	142,319	178,276	350,529
	Provincial	356	386	300	-	-	-	-	-
	% Fed.	99.89	99.87	99.90	100.00	100.00	100.00	100.00	100.00
Canada	Federal	3,163,454	3,157,263	3,100,811	2,448,411	2,162,305	2,823,315	3,147,795	3,322,157
	Provincial	2,215,948	2,376,272	2,178,646	2,016,998	2,055,127	2,432,807	2,604,073	2,776,776
	% Fed.	58.81	57.06	58.73	54.83	51.27	53.71	54.73	54.47

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

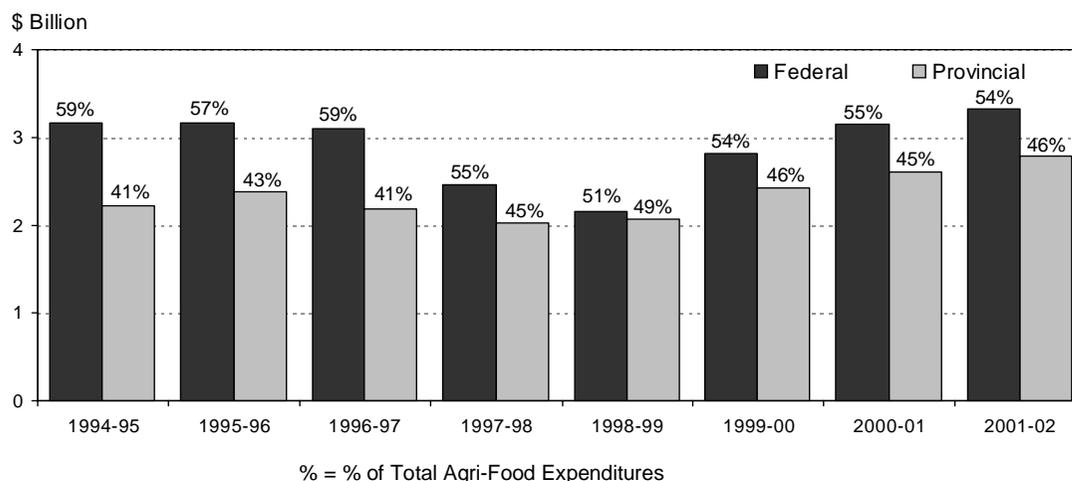
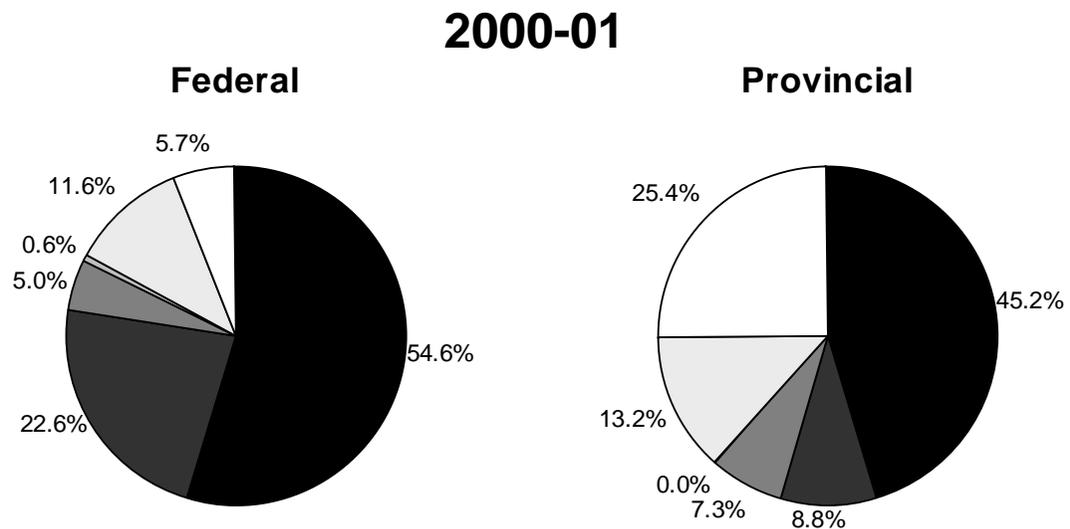
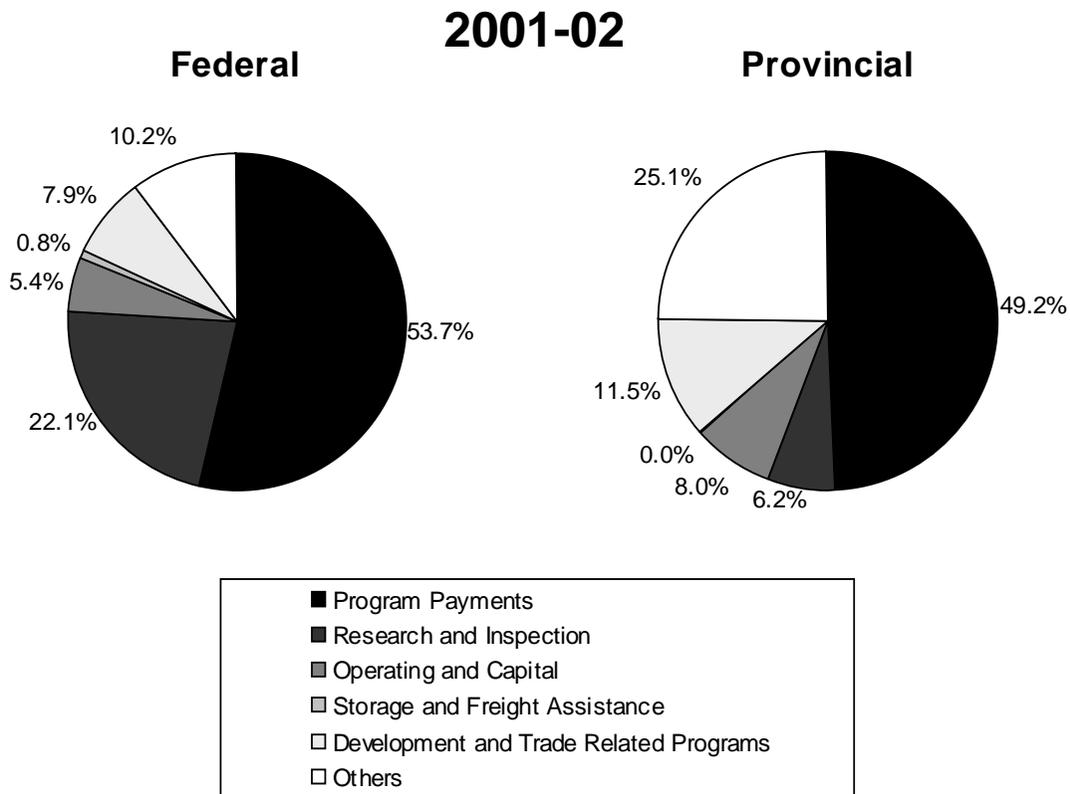
Figure C.1: Federal and Provincial Government Expenditures for the Agri-Food Sector, Canada, 1994-95 to 2001-02

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, 1998-99 to 2001-02

	PROVINCIAL				FEDERAL			
	1998-99	1999-00	2000-01	2001-02 Estimates	1998-99	1999-00	2000-01	2001-02 Estimates
	(\$000)							
CANADA								
A. Operating Expenditures	499,107	516,517	555,758	555,498	802,797	883,038	902,141	945,873
B. Capital Expenditures	36,671	28,866	44,425	79,351	47,951	67,645	49,631	65,268
C. Program Expenditures	1,206,536	1,586,240	1,662,120	1,791,830	1,347,375	1,924,280	2,240,832	2,336,516
c.1 Income Support & Stabilization	442,177	702,655	788,644	1,064,051	327,089	911,471	1,456,723	1,435,975
c.2 Ad hoc and Cost Reduction	28,749	29,676	122,099	26,403	38,213	7,883	14,892	6,029
c.3 Crop Insurance	235,537	203,736	202,638	223,194	226,880	217,865	224,415	228,035
c.4 Financing Assistance	104,218	101,876	100,714	89,390	55,617	30,454	46,060	129,001
c.5 Storage and Freight	21,349	125,475	163	170	73,823	270,525	19,176	26,506
c.6 Social and Labour	18,148	29,715	29,377	46,790	4,144	3,408	3,405	7,440
c.7 Research	56,402	67,656	98,494	69,903	14,376	8,687	4,394	8,811
c.8 Food Inspection	12,282	22,925	21,007	28,426	10,365	5,680	16,782	17,445
c.9 Food Aid	..	..	..	..	253,212	139,163	171,314	327,051
c.10 Marketing and Trade	26,212	32,677	19,079	27,215	257,845	237,911	210,999	57,679
c.11 Rural and Regional Devt.	66,149	63,204	99,453	65,259	55,884	79,264	58,953	71,636
c.12 Environment	41,737	59,080	76,299	45,505	10,308	8,499	6,323	14,550
c.13 Education	136,615	131,162	91,534	92,643	3,242	1,527	1,052	527
c.14 Extension	16,961	16,406	12,618	12,882	16,378	1,942	6,343	5,833
D. Tax Expenditures	383,787	397,961	423,355	424,978	..	..	..	..
Sub-Total Gross Expenditures	2,126,100	2,529,585	2,685,658	2,851,658	2,198,122	2,874,963	3,192,604	3,347,657
Recoveries	(70,973)	(96,778)	(81,585)	(74,882)	(35,817)	(51,647)	(44,808)	(25,500)
Total Net Expenditures	2,055,127	2,432,807	2,604,073	2,776,776	2,162,305	2,823,315	3,147,795	3,322,157
NEWFOUNDLAND								
A. Operating Expenditures	7,985	7,412	7,474	8,812	1,814	2,387	1,960	2,250
B. Capital Expenditures	402	520	616	771	117	400	173	131
C. Program Expenditures	2,624	2,216	2,597	3,480	4,733	5,770	4,709	6,430
c.1 Income Support & Stabilization	100	92	302	391	94	1,464	1,546	2,582
c.2 Ad hoc and Cost Reduction	285	217	138	285	..	..	..	2
c.3 Crop Insurance	151	209	200	204	67	118	127	101
c.4 Financing Assistance	1,045	782	1,000	1,586	1,810	0	9	..
c.5 Storage and Freight	..	..	..	..	2,028	1,636	195	..
c.6 Social and Labour	..	..	..	..	14	0	0	2,390
c.7 Research	..	..	..	..	3	3	3	6
c.8 Food Inspection	..	..	..	..	49	2	..	25
c.9 Food Aid	..	..	..	..	..	..	..	..
c.10 Marketing and Trade	320	256	257	262	20	12	68	40
c.11 Rural and Regional Devt.	..	..	..	..	391	2,533	2,737	1,250
c.12 Environment	..	..	..	..	7	..	..	19
c.13 Education	464	464	464	483	..	0	..	..
c.14 Extension	260	195	235	270	250	1	24	13
D. Tax Expenditures	..	..	..	..	..	..	..	..
Sub-Total Gross Expenditures	11,012	10,148	10,687	13,063	6,664	8,557	6,842	8,811
Recoveries	(587)	(522)	(532)	(771)	(91)	(132)	(108)	(58)
Total Net Expenditures	10,425	9,626	10,155	12,292	6,573	8,425	6,734	8,752

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, 1998-99 to 2001-02 (cont'd)

	PROVINCIAL				FEDERAL			
	1998-99	1999-00	2000-01	2001-02 Estimates	1998-99	1999-00	2000-01	2001-02 Estimates
(\$000)								
PRINCE EDWARD ISLAND								
A. Operating Expenditures	7,902	9,243	9,899	9,298	9,587	10,868	9,172	9,038
B. Capital Expenditures	..	..	23,851	1,000	572	1,124	604	582
C. Program Expenditures	12,235	16,119	15,038	20,240	16,814	15,577	25,169	21,465
c.1 Income Support & Stabilization	2,871	6,156	4,871	9,637	6,943	12,259	5,983	15,238
c.2 Ad hoc and Cost Reduction	87	87	..	..	..	..	14,600	11
c.3 Crop Insurance	570	784	912	918	562	758	1,665	832
c.4 Financing Assistance	16	41	..	..	1,216	259	411	1,235
c.5 Storage and Freight	15	15	..	..	4,075	752	27	..
c.6 Social and Labour	285	287	226	239	317	190	0	51
c.7 Research	297	701	1,742	1,714	16	13	243	28
c.8 Food Inspection	81	89	173	409	49	10	..	65
c.9 Food Aid	..	..	..	..	..	1	..	..
c.10 Marketing and Trade	1,906	1,154	1,749	1,695	191	38	84	184
c.11 Rural and Regional Devt.	758	1,006	85	85	2,900	1,289	2,054	3,678
c.12 Environment	72	530	649	400	330	..	47	86
c.13 Education	5,270	5,270	4,375	4,972	5	2	..	..
c.14 Extension	8	..	257	174	209	5	55	57
D. Tax Expenditures	1,968	1,968	1,968	1,968	..	..	..	..
Sub-Total Gross Expenditures	22,106	27,331	50,756	32,507	26,974	27,568	34,946	31,084
Recoveries	(1,290)	(1,162)	(9,608)	(2,350)	(439)	(625)	(501)	(258)
Total Net Expenditures	20,816	26,169	41,148	30,157	26,534	26,944	34,446	30,826
NOVA SCOTIA								
A. Operating Expenditures	14,570	14,734	8,863	11,576	8,926	10,977	10,466	11,014
B. Capital Expenditures	376	610	302	460	572	2,037	671	709
C. Program Expenditures	24,774	21,483	24,921	25,455	14,860	12,525	10,329	20,309
c.1 Income Support & Stabilization	2,184	2,340	8,141	6,041	5,056	7,507	5,429	14,560
c.2 Ad hoc and Cost Reduction	296	362	..	..	..	..	..	13
c.3 Crop Insurance	391	448	490	467	467	405	459	433
c.4 Financing Assistance	4,408	5,577	6,490	7,997	719	488	165	501
c.5 Storage and Freight	70	70	70	70	3,226	1,271	631	..
c.6 Social and Labour	1,370	1,327	184	662	145	0	175	62
c.7 Research	77	157	130	230	592	14	16	655
c.8 Food Inspection	1,229	1,082	1,106	2,086	201	11	..	104
c.9 Food Aid	..	..	..	..	..	1	..	..
c.10 Marketing and Trade	476	465	3,179	2,174	247	193	1,490	340
c.11 Rural and Regional Devt.	109	96	..	..	3,832	2,628	1,772	3,466
c.12 Environment	..	..	..	..	181	..	132	105
c.13 Education	9,413	5,216	5,028	5,528	5	2	..	..
c.14 Extension	4,750	4,344	104	200	189	5	61	69
D. Tax Expenditures	1,234	1,234	1,234	1,234	..	..	..	..
Sub-Total Gross Expenditures	40,954	38,061	35,320	38,726	24,358	25,539	21,466	32,032
Recoveries	(2,032)	(2,622)	(198)	(1,617)	(451)	(651)	(567)	(315)
Total Net Expenditures	38,922	35,439	35,123	37,109	23,908	24,888	20,899	31,717

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, 1998-99 to 2001-02 (cont'd)

	PROVINCIAL				FEDERAL			
	1998-99	1999-00	2000-01	2001-02 Estimates	1998-99	1999-00	2000-01	2001-02 Estimates
	(\$000)							
NEW BRUNSWICK								
A. Operating Expenditures	17,987	23,208	15,875	11,705	8,482	9,969	9,775	10,236
B. Capital Expenditures	1,195	882	710	321	496	1,099	666	660
C. Program Expenditures	4,835	8,848	6,152	7,737	18,938	14,183	14,319	22,186
c.1 Income Support & Stabilization	606	1,692	1,430	907	3,405	3,679	4,516	13,049
c.2 Ad hoc and Cost Reduction	..	..	..	..	..	..	..	12
c.3 Crop Insurance	1,208	1,330	1,786	1,700	1,990	1,939	1,786	1,540
c.4 Financing Assistance	..	..	47	47	1,055	329	737	1,565
c.5 Storage and Freight	..	..	..	..	5,603	137	..	..
c.6 Social and Labour	..	..	..	..	1,344	100	175	58
c.7 Research	..	..	..	..	14	13	15	31
c.8 Food Inspection	88	37	55	3,102	202	132	3,750	97
c.9 Food Aid	..	..	..	..	..	1	..	..
c.10 Marketing and Trade	2,150	4,430	238	422	111	17	48	200
c.11 Rural and Regional Devt.	284	180	1,605	603	4,945	7,829	3,236	5,471
c.12 Environment	..	..	..	..	44	..	..	98
c.13 Education	93	88	122	122	5	2	..	..
c.14 Extension	407	1,092	868	833	220	5	57	65
D. Tax Expenditures	1,758	1,464	1,642	1,949	..	..	..	..
Sub-Total Gross Expenditures	25,775	34,402	24,379	21,712	27,916	25,250	24,760	33,082
Recoveries	(4,178)	(2,086)	(3,724)	(3,494)	(378)	(592)	(521)	(293)
Total Net Expenditures	21,597	32,316	20,655	18,218	27,537	24,658	24,239	32,789
QUEBEC								
A. Operating Expenditures	149,650	158,713	165,916	172,635	117,450	137,937	139,019	144,509
B. Capital Expenditures	4,115	2,394	3,463	7,610	7,315	13,268	7,105	9,394
C. Program Expenditures	294,588	281,459	480,301	441,529	145,998	249,290	313,602	267,597
c.1 Income Support & Stabilization	157,385	131,659	279,597	284,942	94,137	193,924	275,681	220,337
c.2 Ad hoc and Cost Reduction	19,671	21,552	15,933	12,503	..	..	137	178
c.3 Crop Insurance	16,526	17,207	16,839	19,709	18,314	17,396	17,332	18,193
c.4 Financing Assistance	34,433	33,664	42,492	36,500	3,083	2,764	5,675	10,910
c.5 Storage and Freight	..	..	..	..	2,547	4,406	5	..
c.6 Social and Labour	1,435	1,509	2,558	1,023	274	1,449	636	825
c.7 Research	9,028	9,817	11,329	9,527	1,125	325	214	448
c.8 Food Inspection	4,529	4,454	4,454	4,454	3,310	1,690	2,777	8,124
c.9 Food Aid	..	..	..	..	..	2,560	..	..
c.10 Marketing and Trade	3,617	7,001	5,226	5,208	6,472	13,467	2,502	2,950
c.11 Rural and Regional Devt.	6,155	3,981	2,909	7,315	13,442	11,215	7,661	3,321
c.12 Environment	19,684	25,685	71,032	32,163	697	..	371	1,390
c.13 Education	16,715	18,445	20,781	20,532	110	28	..	..
c.14 Extension	5,409	6,485	7,150	7,653	2,488	68	611	921
D. Tax Expenditures	76,138	84,871	89,634	88,259	..	..	..	..
Sub-Total Gross Expenditures	524,490	527,436	739,315	710,034	270,763	400,495	459,727	421,500
Recoveries	..	..	..	..	(5,726)	(8,448)	(7,418)	(4,170)
Total Net Expenditures	524,490	527,436	739,315	710,034	265,036	392,047	452,309	417,330

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, 1998-99 to 2001-02 (cont'd)

	PROVINCIAL				FEDERAL			
	1998-99	1999-00	2000-01	2001-02 Estimates	1998-99	1999-00	2000-01	2001-02 Estimates
(\$000)								
ONTARIO								
A. Operating Expenditures	99,668	100,568	101,068	109,831	170,872	196,618	200,427	209,404
B. Capital Expenditures	..	..	..	50,000	10,526	16,846	13,827	13,534
C. Program Expenditures	202,330	242,012	333,431	253,897	182,821	219,845	257,082	399,289
c.1 Income Support & Stabilization	68,707	88,687	105,589	95,140	116,915	155,584	205,238	329,830
c.2 Ad hoc and Cost Reduction	2,713	..	91,000	..	4,697	7,883	..	4,843
c.3 Crop Insurance	33,845	26,032	22,451	22,962	27,227	26,032	19,841	26,737
c.4 Financing Assistance	9,055	9,163	6,881	13,556	6,002	3,134	6,774	12,241
c.5 Storage and Freight	..	..	..	..	..	..	..	..
c.6 Social and Labour	6,180	11,459	18,421	33,656	1,018	1	860	1,188
c.7 Research	15,113	8,751	43,593	36,368	435	360	307	1,582
c.8 Food Inspection	894	11,843	9,386	12,824	3,104	1,364	723	3,299
c.9 Food Aid	..	..	..	..	..	1,946	..	..
c.10 Marketing and Trade	1,866	13,448	1,869	10,705	6,771	13,036	8,092	11,009
c.11 Rural and Regional Devt.	7,865	6,291	25,921	13,363	12,453	8,953	13,129	5,227
c.12 Environment	128	11,833	5	3,808	962	965	103	2,006
c.13 Education	54,606	54,504	8,200	11,400	468	489	510	..
c.14 Extension	1,359	..	115	115	2,768	97	1,505	1,327
D. Tax Expenditures	24,607	24,068	22,553	24,145	..	..	..	..
Sub-Total Gross Expenditures	326,605	366,647	457,053	437,873	364,218	433,309	471,335	622,228
Recoveries	(1,952)	(3,618)	(5,319)	(3,630)	(8,250)	(12,096)	(10,651)	(6,008)
Total Net Expenditures	324,654	363,029	451,733	434,243	355,969	421,212	460,684	616,219
MANITOBA								
A. Operating Expenditures	32,435	34,012	36,800	37,774	87,061	88,191	118,750	97,726
B. Capital Expenditures	..	1,442	1,245	1,144	4,703	6,462	4,457	7,138
C. Program Expenditures	76,843	180,611	136,551	93,274	144,058	261,783	317,168	241,146
c.1 Income Support & Stabilization	18,506	86,884	87,284	44,665	39,506	92,806	206,545	143,307
c.2 Ad hoc and Cost Reduction	729	988	1,776	1,234	645	..	..	461
c.3 Crop Insurance	33,006	30,527	29,118	28,466	41,769	38,702	37,688	48,864
c.4 Financing Assistance	3,688	4,719	2,283	1,733	8,357	22,248	27,822	23,911
c.5 Storage and Freight	..	40,000	..	..	11,259	63,859	3,148	4,707
c.6 Social and Labour	397	400	406	408	137	0	14	495
c.7 Research	1,101	1,101	1,326	1,101	2,345	1,197	125	2,867
c.8 Food Inspection	765	1,745	1,507	1,789	491	91	262	1,980
c.9 Food Aid	..	..	..	..	..	469	..	..
c.10 Marketing and Trade	6,511	1,744	1,131	1,131	33,891	35,042	34,381	1,922
c.11 Rural and Regional Devt.	2,828	3,481	2,544	2,815	2,464	5,453	5,080	9,687
c.12 Environment	1,069	1,082	1,463	2,218	1,811	1,817	1,287	2,385
c.13 Education	8,122	7,862	7,673	7,673	40	57	..	7
c.14 Extension	123	79	43	43	1,344	41	816	553
D. Tax Expenditures	34,564	35,081	35,191	35,191	..	..	..	..
Sub-Total Gross Expenditures	143,842	251,146	209,787	167,383	235,822	356,436	440,375	346,010
Recoveries	(2,383)	(28,960)	(2,632)	(2,566)	(3,477)	(5,138)	(4,349)	(2,503)
Total Net Expenditures	141,458	222,186	207,155	164,817	232,345	351,297	436,026	343,506

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, 1998-99 to 2001-02 (cont'd)

	PROVINCIAL				FEDERAL			
	1998-99	1999-00	2000-01	2001-02 Estimates	1998-99	1999-00	2000-01	2001-02 Estimates
	(\$000)							
SASKATCHEWAN								
A. Operating Expenditures	26,745	29,782	29,654	32,972	181,209	191,001	175,217	193,237
B. Capital Expenditures	1,292	1,025	1,506	1,111	10,914	11,399	9,714	14,987
C. Program Expenditures	354,641	335,089	197,252	297,392	268,777	667,481	773,336	478,272
c.1 Income Support & Stabilization	179,996	111,088	46,658	140,000	(24,005)	257,373	530,540	302,378
c.2 Ad hoc and Cost Reduction	2,667	3,050	3,200	3,200	32,870	..	150	196
c.3 Crop Insurance	81,605	65,383	78,799	78,775	71,108	68,026	92,169	69,670
c.4 Financing Assistance	23,643	19,946	17,056	10,194	19,174	461	1,037	50,251
c.5 Storage and Freight	21,264	85,390	93	100	31,747	193,177	10,748	16,162
c.6 Social and Labour	60	73	180	5,083	539	216	1,051	927
c.7 Research	15,127	17,861	16,900	20,953	8,507	5,144	2,571	1,953
c.8 Food Inspection	4,297	3,675	4,326	3,762	1,678	1,248	7,640	1,552
c.9 Food Aid	..	..	..	..	..	1,014	..	..
c.10 Marketing and Trade	1,223	1,813	1,734	2,020	114,483	108,245	108,252	4,919
c.11 Rural and Regional Devt.	21,125	22,933	24,507	25,514	2,479	27,917	14,518	25,206
c.12 Environment	2,775	2,750	3,151	6,916	3,370	2,724	2,555	3,435
c.13 Education	310	772	370	499	2,087	882	542	418
c.14 Extension	550	354	277	374	4,740	1,055	1,563	1,205
D. Tax Expenditures	122,200	125,500	147,767	147,767	..	..	..	..
Sub-Total Gross Expenditures	504,878	491,396	376,179	479,242	460,900	869,881	958,267	686,497
Recoveries	(41,777)	(40,791)	(40,850)	(42,950)	(7,085)	(9,768)	(8,133)	(4,600)
Total Net Expenditures	463,101	450,605	335,329	436,292	453,814	860,113	950,135	681,897
ALBERTA								
A. Operating Expenditures	111,093	109,425	133,329	126,903	171,061	184,703	184,701	212,228
B. Capital Expenditures	26,094	18,311	9,317	13,685	10,004	10,866	9,595	14,392
C. Program Expenditures	204,870	474,976	444,502	620,658	222,051	295,402	307,442	447,764
c.1 Income Support & Stabilization	(2,184)	264,258	245,945	472,428	72,535	159,906	193,554	326,257
c.2 Ad hoc and Cost Reduction	289	1,396	3,537	3,362	..	..	5	242
c.3 Crop Insurance	61,826	55,275	52,043	63,893	53,673	56,933	46,333	56,962
c.4 Financing Assistance	27,915	27,983	24,465	17,776	12,721	430	3,027	25,857
c.5 Storage and Freight	..	..	..	..	11,488	5,187	4,340	5,546
c.6 Social and Labour	7,100	14,109	7,100	5,000	289	27	199	1,124
c.7 Research	15,658	29,268	23,474	9	846	1,157	431	979
c.8 Food Inspection	..	..	..	..	653	1,081	1,530	1,681
c.9 Food Aid	..	..	..	..	..	772	..	..
c.10 Marketing and Trade	7,018	518	667	670	59,358	56,972	48,869	11,611
c.11 Rural and Regional Devt.	23,520	22,572	39,181	12,865	4,201	9,558	6,211	11,966
c.12 Environment	18,010	17,200	..	..	2,349	2,687	1,540	4,169
c.13 Education	41,622	38,541	44,521	41,435	494	52	..	102
c.14 Extension	4,096	3,856	3,569	3,220	3,443	641	1,401	1,269
D. Tax Expenditures	115,162	116,611	116,019	117,118	..	..	..	..
Sub-Total Gross Expenditures	457,219	719,323	703,167	878,364	403,117	490,971	501,738	674,384
Recoveries	(16,774)	(17,016)	(18,723)	(17,504)	(7,824)	(11,042)	(9,756)	(5,684)
Total Net Expenditures	440,445	702,307	684,444	860,860	395,292	479,929	491,983	668,700

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, 1998-99 to 2001-02 (cont'd)

	PROVINCIAL				FEDERAL			
	1998-99	1999-00	2000-01	2001-02 Estimates	1998-99	1999-00	2000-01	2001-02 Estimates
(\$000)								
BRITISH COLUMBIA								
A. Operating Expenditures	31,071	29,420	46,880	33,992	46,053	50,388	52,653	56,060
B. Capital Expenditures	3,197	3,683	3,415	3,249	2,731	4,144	2,818	3,741
C. Program Expenditures	28,796	23,427	21,374	28,167	40,364	40,105	39,398	81,699
c.1 Income Support & Stabilization	14,005	9,800	8,828	9,900	12,503	26,969	27,690	68,437
c.2 Ad hoc and Cost Reduction	2,012	2,024	6,514	5,820	..	..	..	69
c.3 Crop Insurance	6,410	6,542	..	6,100	11,703	7,556	7,015	4,703
c.4 Financing Assistance	17	..	..	..	1,480	341	404	2,530
c.5 Storage and Freight	..	..	..	..	1,849	101	82	91
c.6 Social and Labour	1,320	551	303	719	68	1,424	295	318
c.7 Research	..	..	..	..	230	74	95	261
c.8 Food Inspection	399	..	..	..	628	52	..	518
c.9 Food Aid	..	..	..	..	..	467	..	..
c.10 Marketing and Trade	1,126	1,847	3,030	2,928	1,819	1,056	1,180	1,203
c.11 Rural and Regional Devt.	3,506	2,663	2,700	2,700	8,772	1,727	2,100	2,358
c.12 Environment	..	..	..	..	557	304	287	854
c.13 Education	..	..	..	..	27	11	..	..
c.14 Extension	..	..	..	..	728	25	250	355
D. Tax Expenditures	6,156	7,164	7,347	7,347	..	..	..	..
Sub-Total Gross Expenditures	69,219	63,694	79,017	72,755	89,148	94,637	94,870	141,501
Recoveries	..	..	..	..	(2,095)	(3,155)	(2,805)	(1,610)
Total Net Expenditures	69,219	63,694	79,017	72,755	87,053	91,483	92,065	139,891

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, 1998-99 to 2001-02

	PROVINCIAL				FEDERAL			
	1998-99	1999-00	2000-01	2001-02 Estimates	1998-99	1999-00	2000-02	2001-02 Estimates
	(\$000)							
CANADA								
Research Expenditures								
- Operating	39,306	35,172	35,838	23,242	246,796	239,604	259,215	249,033
- Capital	492	206	3,113	543	32,987	57,553	34,444	34,957
- Program	56,402	67,656	98,494	69,903	14,376	8,687	4,394	8,811
Total Research	96,200	103,034	137,445	93,689	294,159	305,844	298,053	292,801
Inspection Expenditures								
- Operating	42,820	49,251	52,948	52,247	330,544	369,617	396,949	412,617
- Capital	752	1,257	26,173	3,653	5,466	6,526	9,617	15,763
- Program	12,282	22,925	21,007	28,426	10,365	5,680	16,782	17,445
Total Inspection	55,853	73,432	100,128	84,326	346,376	381,823	423,348	445,825
NEWFOUNDLAND								
Research Expenditures								
- Operating	..	..	..	..	636	612	626	568
- Capital	..	..	..	..	81	393	82	79
- Program	..	..	..	..	3	3	3	6
Total Research	..	..	..	..	721	1,008	712	654
Inspection Expenditures								
- Operating	1,089	1,162	1,204	1,142	836	950	916	893
- Capital	33	1	..	..	14	5	84	36
- Program	..	..	..	..	49	2	..	25
Total Inspection	1,122	1,163	1,204	1,142	899	958	1,000	954
PRINCE EDWARD ISLAND								
Research Expenditures								
- Operating	..	..	423	542	3,106	2,899	2,895	2,521
- Capital	..	..	..	..	397	973	380	353
- Program	297	701	1,742	1,714	16	13	243	28
Total Research	297	701	2,165	2,256	3,519	3,885	3,519	2,902
Inspection Expenditures								
- Operating	2,144	2,283	3,844	3,098	4,079	4,411	4,234	3,992
- Capital	..	..	23,600	1,000	69	142	194	160
- Program	81	89	173	409	49	10	..	65
Total Inspection	2,225	2,372	27,616	4,507	4,198	4,564	4,428	4,217

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, 1998-99 to 2001-02 (cont'd)

	PROVINCIAL				FEDERAL			
	1998-99	1999-00	2000-01	2001-02 Estimates	1998-99	1999-00	2000-02	2001-02 Estimates
(\$000)								
NOVA SCOTIA								
Research Expenditures								
- Operating	..	..	..	..	3,106	3,020	3,283	3,074
- Capital	..	..	..	..	397	1,904	431	430
- Program	77	157	130	230	592	14	16	655
Total Research	77	157	130	230	4,094	4,939	3,730	4,159
Inspection Expenditures								
- Operating	2,729	2,720	2,168	1,843	4,079	4,682	4,800	4,843
- Capital	..	..	..	..	69	124	205	195
- Program	1,229	1,082	1,106	2,086	201	11	..	104
Total Inspection	3,958	3,802	3,274	3,928	4,350	4,817	5,006	5,141
NEW BRUNSWICK								
Research Expenditures								
- Operating	..	..	..	..	2,689	2,747	3,012	2,862
- Capital	..	..	..	..	344	1,005	396	400
- Program	..	..	..	..	14	13	15	31
Total Research	..	..	..	..	3,047	3,765	3,423	3,294
Inspection Expenditures								
- Operating	..	..	..	..	3,533	4,248	4,405	4,516
- Capital	..	..	..	115	60	85	238	181
- Program	88	37	55	3,102	202	132	3,750	97
Total Inspection	88	37	55	3,217	3,794	4,465	8,393	4,794
QUEBEC								
Research Expenditures								
- Operating	9,482	8,170	9,173	9,503	39,692	39,192	42,915	40,729
- Capital	126	3	50	251	5,073	12,778	5,638	5,699
- Program	9,028	9,817	11,329	9,527	1,125	325	214	448
Total Research	18,637	17,989	20,551	19,280	45,890	52,295	48,766	46,875
Inspection Expenditures								
- Operating	21,654	22,984	23,493	24,507	52,393	60,530	63,669	65,140
- Capital	613	404	1,893	1,858	879	375	1,017	2,578
- Program	4,529	4,454	4,454	4,454	3,310	1,690	2,777	8,124
Total Inspection	26,795	27,842	29,840	30,820	56,582	62,595	67,463	75,842

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, 1998-99 to 2001-02 (cont'd)

	PROVINCIAL				FEDERAL			
	1998-99	1999-00	2000-01	2001-02 Estimates	1998-99	1999-00	2000-02	2001-02 Estimates
(\$000)								
ONTARIO								
Research Expenditures								
- Operating	12,138	12,913	11,183	..	57,115	56,117	61,615	58,679
- Capital	..	..	..	..	7,300	13,195	8,094	8,210
- Program	15,113	8,751	43,593	36,368	435	360	307	1,582
Total Research	27,252	21,664	54,776	36,368	64,850	69,672	70,016	68,471
Inspection Expenditures								
- Operating	..	..	..	..	75,894	86,826	91,610	95,377
- Capital	..	..	..	..	1,265	3,485	5,086	3,714
- Program	894	11,843	9,386	12,824	3,104	1,364	723	3,299
Total Inspection	894	11,843	9,386	12,824	80,263	91,675	97,418	102,390
MANITOBA								
Research Expenditures								
- Operating	..	..	..	..	24,452	23,838	25,160	24,448
- Capital	..	..	..	..	3,125	5,605	3,305	3,421
- Program	1,101	1,101	1,326	1,101	2,345	1,197	125	2,867
Total Research	1,101	1,101	1,326	1,101	29,922	30,640	28,590	30,736
Inspection Expenditures								
- Operating	4,558	4,622	5,543	5,300	33,086	37,306	49,662	41,459
- Capital	..	597	300	300	542	207	491	1,547
- Program	765	1,745	1,507	1,789	491	91	262	1,980
Total Inspection	5,323	6,964	7,350	7,388	34,118	37,604	50,416	44,987
SASKATCHEWAN								
Research Expenditures								
- Operating	738	800	801	911	47,855	45,318	47,047	44,923
- Capital	33	1	28	26	7,560	8,694	6,572	6,399
- Program	15,127	17,861	16,900	20,953	8,507	5,144	2,571	1,953
Total Research	15,898	18,662	17,729	21,890	63,921	59,155	56,191	53,275
Inspection Expenditures								
- Operating	2,017	2,399	1,356	1,658	65,511	70,260	69,237	79,195
- Capital	43	40	47	..	1,060	493	742	2,843
- Program	4,297	3,675	4,326	3,762	1,678	1,248	7,640	1,552
Total Inspection	6,357	6,114	5,729	5,420	68,248	72,000	77,618	83,590

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, 1998-99 to 2001-02 (cont'd)

	PROVINCIAL				FEDERAL			
	1998-99	1999-00	2000-01	2001-02 Estimates	1998-99	1999-00	2000-02	2001-02 Estimates
(\$000)								
ALBERTA								
Research Expenditures								
- Operating	16,947	13,290	14,259	12,287	53,508	51,226	56,436	55,508
- Capital	333	202	3,035	266	6,839	9,088	7,414	7,766
- Program	15,658	29,268	23,474	9	846	1,157	431	979
Total Research	32,938	42,760	40,768	12,563	61,194	61,470	64,281	64,253
Inspection Expenditures								
- Operating	5,536	9,437	11,634	10,650	71,888	79,682	83,151	92,379
- Capital	63	215	333	380	1,185	1,426	1,109	3,513
- Program	..	..	..	..	653	1,081	1,530	1,681
Total Inspection	5,599	9,652	11,967	11,030	73,726	82,189	85,790	97,573
BRITISH COLUMBIA								
Research Expenditures								
- Operating	..	..	..	..	14,637	14,635	16,224	15,722
- Capital	..	..	..	..	1,871	3,919	2,131	2,200
- Program	..	..	..	..	230	74	95	261
Total Research	..	..	..	..	16,737	18,627	18,451	18,183
Inspection Expenditures								
- Operating	3,092	3,644	3,707	4,049	19,246	20,720	25,266	24,823
- Capital	..	..	..	..	324	182	450	995
- Program	399	..	..	..	628	52	..	518
Total Inspection	3,492	3,644	3,707	4,049	20,199	20,954	25,716	26,337

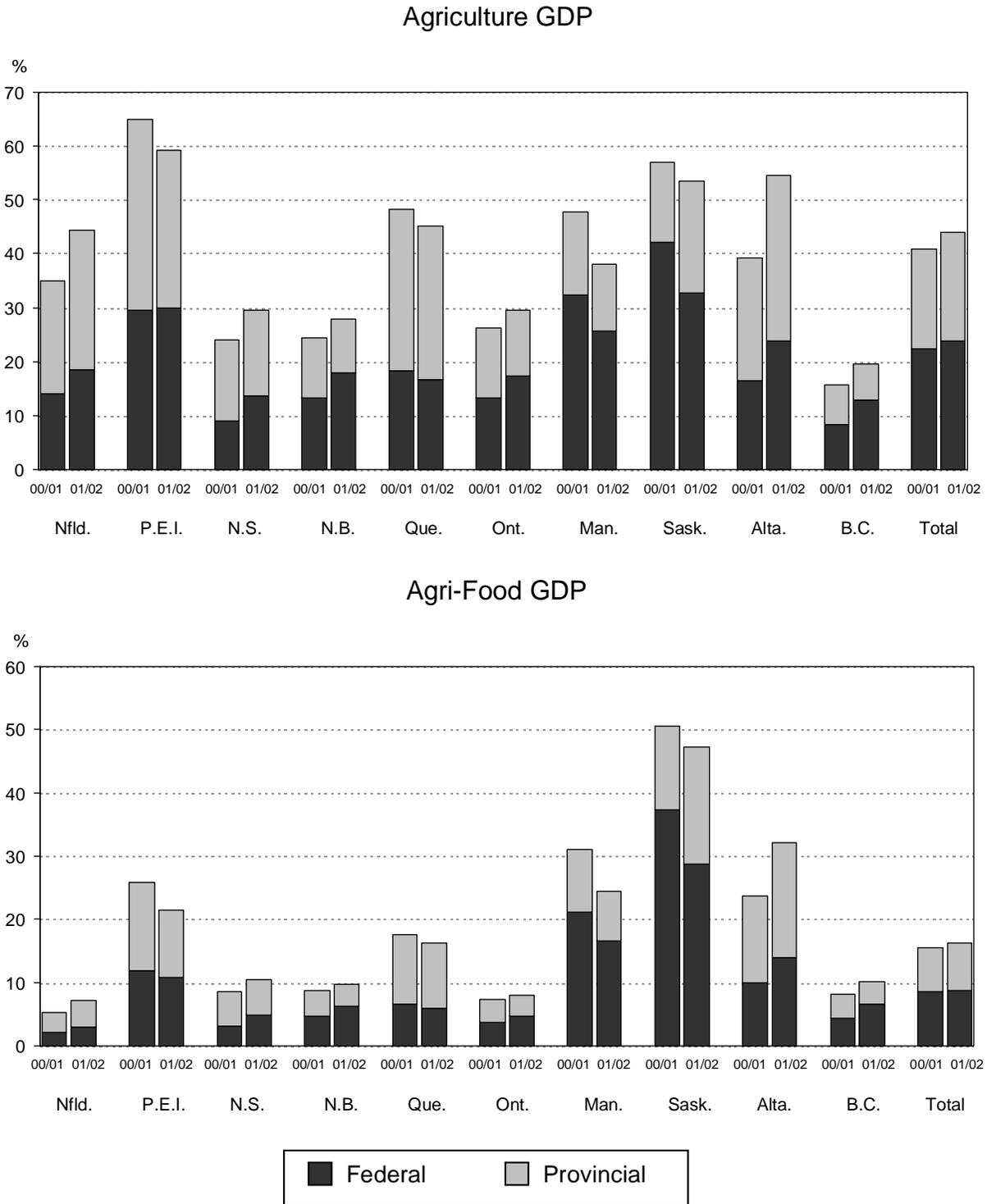
Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

Table C.4: Government Expenditures to the Agri-Food Sector as a Percentage of Agriculture and Agri-Food GDPs, Canada and Provinces, 1998-99 to 2001-02

	Agriculture				Agri-Food			
	1998-99	1999-00	2000-01	2001-02 Estimates	1998-99	1999-00	2000-01	2001-02 Estimates
NEWFOUNDLAND								
Provincial GDP (\$ million)	40.2	43.3	48.1	47.4	238.2	270.8	317.9	295.7
Federal (%)	16.3	19.5	14.0	18.5	2.8	3.1	2.1	3.0
Provincial (%)	25.9	22.2	21.1	25.9	4.4	3.6	3.2	4.2
PRINCE EDWARD ISLAND								
Provincial GDP (\$ million)	111.1	116.3	116.5	103.1	303.2	305.7	292.5	283.3
Federal (%)	23.9	23.2	29.6	29.9	8.8	8.8	11.8	10.9
Provincial (%)	18.7	22.5	35.3	29.3	6.9	8.6	14.1	10.6
NOVA SCOTIA								
Provincial GDP (\$ million)	201.6	222.2	233.2	233.1	645.5	652.2	663.2	663.0
Federal (%)	11.9	11.2	9.0	13.6	3.7	3.8	3.2	4.8
Provincial (%)	19.3	15.9	15.1	15.9	6.0	5.4	5.3	5.6
NEW BRUNSWICK								
Provincial GDP (\$ million)	156.8	172.1	183.5	183.1	422.0	454.0	516.3	526.3
Federal (%)	17.6	14.3	13.2	17.9	6.5	5.4	4.7	6.2
Provincial (%)	13.8	18.8	11.3	9.9	5.1	7.1	4.0	3.5
QUEBEC								
Provincial GDP (\$ million)	2,340.6	2,504.9	2,467.6	2,498.2	6,099.4	6,502.2	6,703.5	6,950.4
Federal (%)	11.3	15.7	18.3	16.7	4.3	6.0	6.7	6.0
Provincial (%)	22.4	21.1	30.0	28.4	8.6	8.1	11.0	10.2
ONTARIO								
Provincial GDP (\$ million)	3,353.0	3,526.5	3,483.9	3,559.1	11,652.0	12,008.6	12,366.6	12,973.6
Federal (%)	10.6	11.9	13.2	17.3	3.1	3.5	3.7	4.7
Provincial (%)	9.7	10.3	13.0	12.2	2.8	3.0	3.7	3.3
MANITOBA								
Provincial GDP (\$ million)	1,162.5	1,234.5	1,347.2	1,338.4	1,726.0	1,862.3	2,063.9	2,074.3
Federal (%)	20.0	28.5	32.4	25.7	13.5	18.9	21.1	16.6
Provincial (%)	12.2	18.0	15.4	12.3	8.2	11.9	10.0	7.9
SASKATCHEWAN								
Provincial GDP (\$ million)	1,970.8	2,259.0	2,255.5	2,087.0	2,220.0	2,523.6	2,539.6	2,368.7
Federal (%)	23.0	38.1	42.1	32.7	20.4	34.1	37.4	28.8
Provincial (%)	23.5	19.9	14.9	20.9	20.9	17.9	13.2	18.4
ALBERTA								
Provincial GDP (\$ million)	2,499.0	2,932.0	3,006.9	2,804.8	3,891.1	4,566.3	4,970.2	4,764.4
Federal (%)	15.8	16.4	16.4	23.8	10.2	10.5	9.9	14.0
Provincial (%)	17.6	24.0	22.8	30.7	11.3	15.4	13.8	18.1
BRITISH COLUMBIA								
Provincial GDP (\$ million)	988.9	1,072.2	1,101.5	1,086.8	1,926.8	2,036.9	2,079.5	2,083.0
Federal (%)	8.8	8.5	8.4	12.9	4.5	4.5	4.4	6.7
Provincial (%)	7.0	5.9	7.2	6.7	3.6	3.1	3.8	3.5
CANADA								
Federal GDP (\$ million)	12,820.5	13,955.2	14,027.9	13,899.0	33,044.5	35,273.7	37,111.8	37,680.3
Federal (%)	16.9	20.2	22.4	23.9	6.5	8.0	8.5	8.8
Provincial (%)	16.0	17.4	18.6	20.0	6.2	6.9	7.0	7.4

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, 1998-99 to 2001-02

	Total GDP				Total Expenditures			
	1998-99	1999-00	2000-01	2001-02 Estimates	1998-99	1999-00	2000-01	2001-02 Estimates
NEWFOUNDLAND								
Total Provincial (\$ million)	10,073	11,035	12,590	12,497	3,572	3,774	4,003	3,361
Agri-Food GDP as % of Total GDP	2.37	2.45	2.53	2.37				
Agri-Food Exp. as % of Total Exp.					0.29	0.26	0.25	0.37
PRINCE EDWARD ISLAND								
Total Provincial (\$ million)	2,562	2,736	2,974	2,964	853	903	961	959
Agri-Food GDP as % of Total GDP	11.83	11.17	9.84	9.56				
Agri-Food Exp. as % of Total Exp.					2.44	2.90	4.28	3.14
NOVA SCOTIA								
Total Provincial (\$ million)	18,735	20,140	21,509	21,480	3,762	4,294	4,236	4,325
Agri-Food GDP as % of Total GDP	3.45	3.24	3.08	3.09				
Agri-Food Exp. as % of Total Exp.					1.03	0.83	0.83	0.86
NEW BRUNSWICK								
Total Provincial (\$ million)	15,655	16,671	18,436	18,280	4,830	4,645	4,472	4,992
Agri-Food GDP as % of Total GDP	2.70	2.72	2.80	2.88				
Agri-Food Exp. as % of Total Exp.					0.45	0.70	0.46	0.36
QUEBEC								
Total Provincial (\$ million)	168,162	180,150	193,791	196,944	44,433	45,396	47,780	51,136
Agri-Food GDP as % of Total GDP	3.63	3.61	3.46	3.53				
Agri-Food Exp. as % of Total Exp.					1.18	1.16	1.55	1.39
ONTARIO								
Total Provincial (\$ million)	329,188	356,898	383,063	392,645	57,788	61,909	61,601	60,433
Agri-Food GDP as % of Total GDP	3.54	3.36	3.23	3.30				
Agri-Food Exp. as % of Total Exp.					0.56	0.59	0.73	0.72
MANITOBA								
Total Provincial (\$ million)	26,829	28,433	30,785	30,886	6,749	6,437	6,615	6,817
Agri-Food GDP as % of Total GDP	6.43	6.55	6.70	6.72				
Agri-Food Exp. as % of Total Exp.					2.10	3.45	3.13	2.42
SASKATCHEWAN								
Total Provincial (\$ million)	26,023	28,082	30,540	29,767	6,218	6,785	6,606	6,303
Agri-Food GDP as % of Total GDP	8.53	8.99	8.32	7.96				
Agri-Food Exp. as % of Total Exp.					7.45	6.64	5.08	6.92
ALBERTA								
Total Provincial (\$ million)	101,782	114,153	130,644	129,451	15,751	17,296	19,038	18,738
Agri-Food GDP as % of Total GDP	3.82	4.00	3.80	3.68				
Agri-Food Exp. as % of Total Exp.					2.80	4.06	3.60	4.59
BRITISH COLUMBIA								
Total Provincial (\$ million)	101,815	107,518	113,747	113,891	20,772	24,554	26,289	24,295
Agri-Food GDP as % of Total GDP	1.89	1.89	1.83	1.83				
Agri-Food Exp. as % of Total Exp.					0.33	0.26	0.30	0.30
TOTAL - PROVINCIAL								
Total Provincial (\$ million)	800,823	865,815	938,080	948,806	164,727	175,994	181,602	181,359
Agri-Food GDP as % of Total GDP	3.64	3.60	3.47	3.48				
Agri-Food Exp. as % of Total Exp.					1.25	1.38	1.43	1.53
CANADA - FEDERAL								
Total Federal (\$ million)	804,318	869,533	942,098	952,870	152,787	153,410	161,442	163,356
Agri-Food GDP as % of Total GDP	4.11	4.06	3.94	3.95				
Agri-Food Exp. as % of Total Exp.					1.42	1.84	1.95	2.03

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.

Accrual accounting: Federal and Provincial governments adopted 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). For Government Expenditures (GE), 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 Canada (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 1997 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

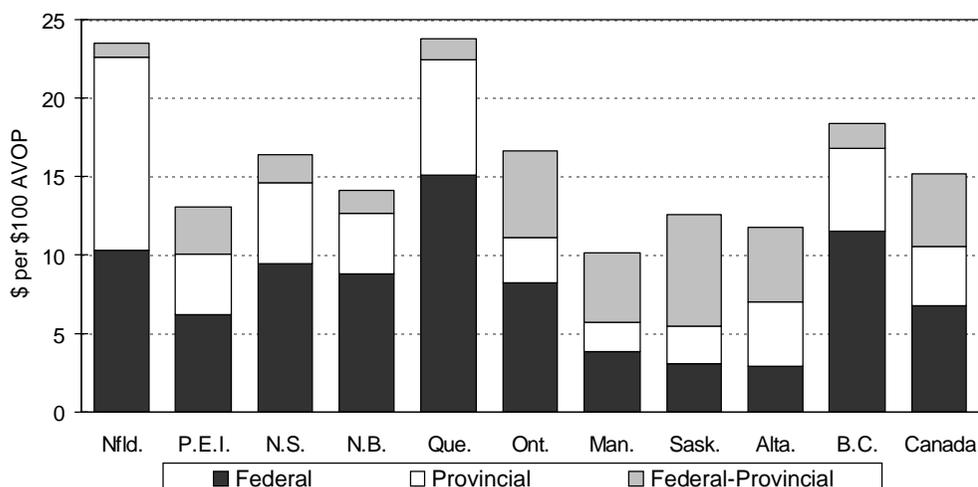
industries and are only available for Quebec, Ontario and Alberta for confidentiality reasons. Agri-food GDP is defined as the sum of agriculture, food and beverage GDPs. It does not include sectors such as the transportation and storage industries, the wholesale trade industries and the retail trade 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

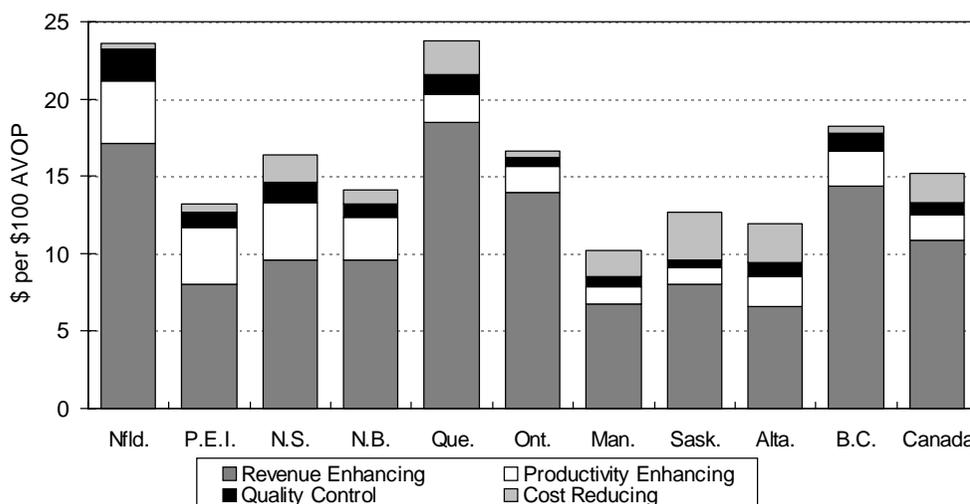
Figure D.1: Government Transfers by Source of Transfer, Canada and Provinces, 2000-01



Significant Points

- Transfers to Canadian producers, including direct, indirect and regulatory government support amounted to \$15.17/\$100 of production value (AVOP) during 2000-01.
- Provincially, transfer levels ranged from \$10.17/\$100 AVOP in Manitoba to \$23.80/\$100 AVOP in Quebec.
- Nationally, \$6.75/\$100 AVOP originated from federal programs and policies. Provincial and cost-shared programs provided transfers of \$3.80 and \$4.62/\$100 AVOP, respectively.

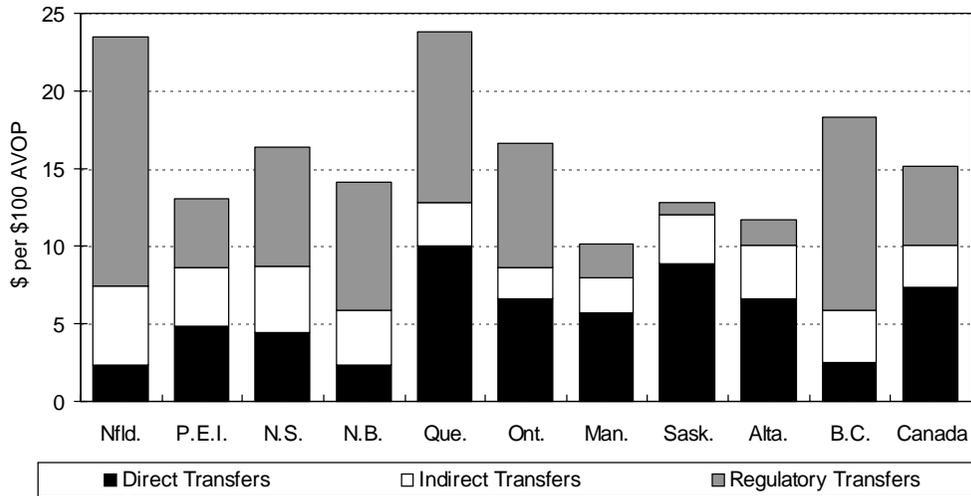
Figure D.2: Government Transfers by Program Objective, Canada and Provinces, 2000-01



Significant Points

- Transfers at the national level were primarily revenue enhancing (\$10.87/\$100 AVOP), followed by cost reducing (\$1.88), productivity enhancing (\$1.65), and quality control (\$0.77).
- Revenue enhancement was the dominant program objective in all provinces, ranging from \$6.56/\$100 AVOP in Alberta to \$18.53/\$100 AVOP in Quebec.

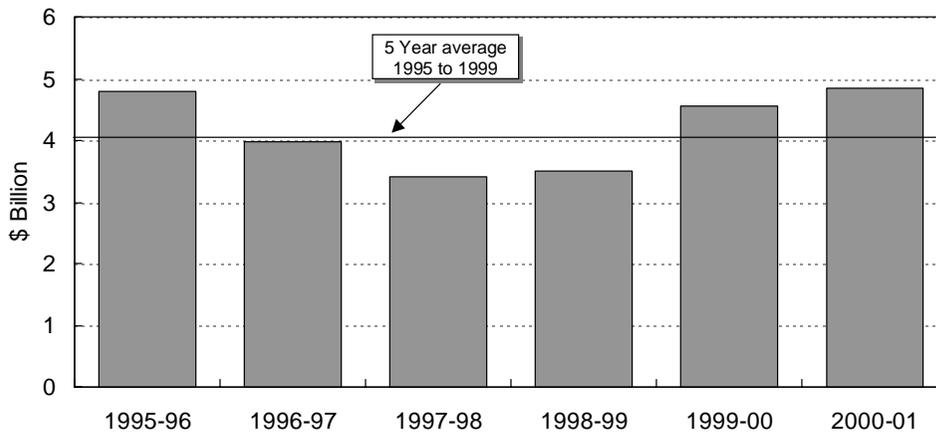
Figure D.3: Government Transfers by Type of Transfer, Canada and Provinces, 2000-01



Significant Points

- Nationally, direct transfers accounted for \$7.26/\$100 AVOP; indirect transfers accounted for \$2.85 and transfers arising from regulations accounted for \$5.06.
- Direct transfers were highest in Quebec (\$9.98/\$100 AVOP). The highest levels of indirect transfers (\$5.11/\$100 AVOP) and regulatory transfers (\$16.14/\$100 AVOP) were in Newfoundland, respectively.

Figure D.4: Government Transfers, Canada, 1995-96 to 2000-01



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 \$4.86 billion in 2000-01, an increase of \$310 million over the previous year.
- Since 1998-99, government transfers have consistently increased. In 2000-01, transfer payments are greater than the average for the preceding five years (1995-96 to 1999-00), which were \$4.05 billion.

**Table D.1: Government Transfers by Province, Source of Transfer, Program Objective and Type of Transfer, 1999-00 and 2000-01
Canada**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1999-00		2000-01		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	243,343,768	0.75	226,822,673	0.71	(16,521,095)	(0.04)
		Indirect	32,924,275	0.10	36,806,259	0.11	3,881,984	0.01
		Regulatory	1,239,614,704	3.82	1,337,465,609	4.17	97,850,905	0.35
	Total		1,515,882,747	4.68	1,601,094,541	5.00	85,211,795	0.32
	Cost Reducing	Direct	(185,977)	(0.00)	5,650,688	0.02	5,836,665	0.02
		Indirect	105,478,586	0.33	103,720,037	0.32	(1,758,549)	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		105,292,609	0.32	109,370,725	0.34	4,078,116	0.02
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	251,584,789	0.78	246,198,408	0.77	(5,386,381)	(0.01)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		251,584,789	0.78	246,198,408	0.77	(5,386,381)	(0.01)
	Quality Control	Direct	1,329,381	0.00	3,940,701	0.01	2,611,320	0.01
Indirect		185,961,883	0.57	202,089,695	0.63	16,127,812	0.06	
Regulatory		0	0.00	0	0.00	0	0.00	
Total		187,291,264	0.58	206,030,396	0.64	18,739,132	0.07	
Total		2,060,051,409	6.35	2,162,694,070	6.75	102,642,661	0.40	
Provincial	Revenue Enhancing	Direct	296,757,138	0.92	143,733,596	0.45	(153,023,542)	(0.47)
		Indirect	2,222,995	0.01	1,911,189	0.01	(311,805)	(0.00)
		Regulatory	280,874,726	0.87	283,196,592	0.88	2,321,866	0.02
	Total		579,854,859	1.79	428,841,378	1.34	(151,013,481)	(0.45)
	Cost Reducing	Direct	396,512,997	1.22	446,899,810	1.39	50,386,814	0.17
		Indirect	52,193,192	0.16	45,439,021	0.14	(6,754,171)	(0.02)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		448,706,189	1.38	492,338,831	1.54	43,632,642	0.15
	Productivity Enhancing	Direct	10,662,809	0.03	34,143,859	0.11	23,481,050	0.07
		Indirect	226,637,517	0.70	222,181,676	0.69	(4,455,841)	(0.01)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		237,300,326	0.73	256,325,535	0.80	19,025,209	0.07
	Quality Control	Direct	16,884,837	0.05	16,084,140	0.05	(800,697)	(0.00)
Indirect		23,383,558	0.07	24,303,738	0.08	920,180	0.00	
Regulatory		0	0.00	0	0.00	0	0.00	
Total		40,268,395	0.12	40,387,878	0.13	119,483	0.00	
Total		1,306,129,769	4.03	1,217,893,622	3.80	(88,236,147)	(0.23)	
Federal-Provincial	Revenue Enhancing	Direct	1,108,700,959	3.42	1,445,966,107	4.51	337,265,149	1.09
		Indirect	18,184,720	0.06	6,842,250	0.02	(11,342,470)	(0.03)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		1,126,885,679	3.48	1,452,808,357	4.53	325,922,679	1.06
	Cost Reducing	Direct	113,000	0.00	130,000	0.00	17,000	0.00
		Indirect	1,049,067	0.00	758,876	0.00	(290,191)	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		1,162,067	0.00	888,876	0.00	(273,191)	(0.00)
	Productivity Enhancing	Direct	4,391,912	0.01	2,499,354	0.01	(1,892,558)	(0.01)
		Indirect	51,097,771	0.16	22,748,019	0.07	(28,349,752)	(0.09)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		55,489,683	0.17	25,247,373	0.08	(30,242,310)	(0.09)
	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		1,183,537,428	3.65	1,478,944,606	4.62	295,407,177	0.97	
Grand Total		4,549,718,606	14.03	4,859,532,297	15.17	309,813,692	1.14	
AVOP (\$'00)		324,218,736		320,379,068		(3,839,668)		
	Total Direct Transfers		2,078,510,823	6.41	2,325,870,929	7.26	247,360,106	0.85
	Total Indirect Transfers		950,718,352	2.93	912,999,167	2.85	(37,719,185)	(0.08)
	Total Regulatory Transfers		1,520,489,430	4.69	1,620,662,201	5.06	100,172,771	0.37
	Total Revenue Enhancing		3,222,623,284	9.94	3,482,744,276	10.87	260,120,992	0.93
	Total Cost Reducing		555,160,865	1.71	602,598,432	1.88	47,437,567	0.17
	Total Productivity Enhancing		544,374,798	1.68	527,771,316	1.65	(16,603,482)	(0.03)
	Total Quality Control		227,559,659	0.70	246,418,274	0.77	18,858,615	0.07

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, 1999-00 and 2000-01
Newfoundland**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1999-00		2000-01		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	561,637	0.80	232,975	0.34	(328,662)	(0.46)
		Regulatory	5,340,259	7.63	5,553,566	8.14	213,307	0.51
	Total	5,901,896	8.43	5,786,541	8.48	(115,355)	0.05	
	Cost Reducing	Direct	(81,288)	(0.12)	(111,745)	(0.16)	(30,457)	(0.05)
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	(81,288)	(0.12)	(111,745)	(0.16)	(30,457)	(0.05)	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	701,192	1.00	579,739	0.85	(121,453)	(0.15)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	701,192	1.00	579,739	0.85	(121,453)	(0.15)	
Quality Control	Direct	0	0.00	0	0.00	0	0.00	
	Indirect	685,689	0.98	802,463	1.18	116,774	0.20	
	Regulatory	0	0.00	0	0.00	0	0.00	
Total	685,689	0.98	802,463	1.18	116,774	0.20		
Total			7,207,489	10.30	7,056,998	10.34	(150,491)	0.05
Provincial	Revenue Enhancing	Direct	1,600	0.00	2,098	0.00	498	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	5,749,384	8.21	5,458,901	8.00	(290,483)	(0.21)
	Total	5,750,984	8.22	5,460,999	8.01	(289,985)	(0.21)	
	Cost Reducing	Direct	323,235	0.46	369,348	0.54	46,113	0.08
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	323,235	0.46	369,348	0.54	46,113	0.08	
	Productivity Enhancing	Direct	247,299	0.35	351,681	0.52	104,382	0.16
		Indirect	1,473,353	2.10	1,655,947	2.43	182,594	0.32
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	1,720,652	2.46	2,007,628	2.94	286,976	0.48	
Quality Control	Direct	509,366	0.73	545,463	0.80	36,097	0.07	
	Indirect	25,000	0.04	25,000	0.04	0	0.00	
	Regulatory	0	0.00	0	0.00	0	0.00	
Total	534,366	0.76	570,463	0.84	36,097	0.07		
Total			8,329,237	11.90	8,408,438	12.33	79,201	0.43
Federal-Provincial	Revenue Enhancing	Direct	215,928	0.31	436,524	0.64	220,596	0.33
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	215,928	0.31	436,524	0.64	220,596	0.33	
	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	86,352	0.12	191,746	0.28	105,394	0.16
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	86,352	0.12	191,746	0.28	105,394	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			302,280	0.43	628,270	0.92	325,990	0.49
Grand Total			15,839,006	22.63	16,093,706	23.59	254,701	0.96
AVOP (\$'00)			699,941		682,184		(17,757)	
	Total Direct Transfers		1,216,140	1.74	1,593,369	2.34	377,229	0.60
	Total Indirect Transfers		3,533,223	5.05	3,487,870	5.11	(45,353)	0.06
	Total Regulatory Transfers		11,089,643	15.84	11,012,467	16.14	(77,176)	0.30
	Total Revenue Enhancing		11,868,808	16.96	11,684,064	17.13	(184,743)	0.17
	Total Cost Reducing		241,947	0.35	257,603	0.38	15,656	0.03
	Total Productivity Enhancing		2,508,196	3.58	2,779,113	4.07	270,917	0.49
	Total Quality Control		1,220,055	1.74	1,372,926	2.01	152,871	0.27

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, 1999-00 and 2000-01
Prince Edward Island**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1999-00		2000-01		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	1,365,831	0.34	863,704	0.22	(502,127)	(0.12)
		Indirect	511,229	0.13	599,098	0.15	87,869	0.02
		Regulatory	14,674,331	3.60	17,103,995	4.28	2,429,664	0.68
	Total	16,551,391	4.07	18,566,797	4.65	2,015,406	0.58	
	Cost Reducing	Direct	(97,001)	(0.02)	(26,605)	(0.01)	70,396	0.02
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	(97,001)	(0.02)	(26,605)	(0.01)	70,396	0.02	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	5,430,001	1.33	4,007,369	1.00	(1,422,632)	(0.33)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	5,430,001	1.33	4,007,369	1.00	(1,422,632)	(0.33)	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	2,116,523	0.52	2,409,684	0.60	293,161	0.08
Regulatory		0	0.00	0	0.00	0	0.00	
Total	2,116,523	0.52	2,409,684	0.60	293,161	0.08		
Total			24,000,914	5.89	24,957,245	6.25	956,331	0.35
Provincial	Revenue Enhancing	Direct	744,524	0.18	616,769	0.15	(127,755)	(0.03)
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	761,859	0.19	807,195	0.20	45,336	0.01
	Total	1,506,383	0.37	1,423,964	0.36	(82,419)	(0.01)	
	Cost Reducing	Direct	1,936,992	0.48	1,905,142	0.48	(31,850)	0.00
		Indirect	14,831	0.00	27,400	0.01	12,569	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	1,951,823	0.48	1,932,542	0.48	(19,281)	0.00	
	Productivity Enhancing	Direct	1,266,164	0.31	2,487,638	0.62	1,221,474	0.31
		Indirect	5,898,390	1.45	8,195,656	2.05	2,297,266	0.60
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	7,164,554	1.76	10,683,294	2.67	3,518,740	0.91	
	Quality Control	Direct	240,684	0.06	1,197,881	0.30	957,197	0.24
		Indirect	113,983	0.03	330,292	0.08	216,309	0.05
Regulatory		0	0.00	0	0.00	0	0.00	
Total	354,667	0.09	1,528,173	0.38	1,173,506	0.30		
Total			10,977,427	2.70	15,567,973	3.90	4,590,546	1.20
Federal-Provincial	Revenue Enhancing	Direct	13,440,700	3.30	11,830,346	2.96	(1,610,354)	(0.34)
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	13,440,700	3.30	11,830,346	2.96	(1,610,354)	(0.34)	
	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	790,432	0.19	291,046	0.07	(499,386)	(0.12)
		Indirect	(292,098)	(0.07)	(295,212)	(0.07)	(3,114)	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	498,334	0.12	(4,166)	(0.00)	(502,500)	(0.12)	
	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			13,939,034	3.42	11,826,180	2.96	(2,112,854)	(0.46)
Grand Total			48,917,375	12.01	52,351,398	13.10	3,434,023	1.09
AVOP (\$'00)			4,071,443		3,996,297		(75,146)	
	Total Direct Transfers		19,688,326	4.84	19,165,921	4.80	(522,405)	(0.04)
	Total Indirect Transfers		13,792,859	3.39	15,274,287	3.82	1,481,428	0.43
	Total Regulatory Transfers		15,436,190	3.79	17,911,190	4.48	2,475,000	0.69
	Total Revenue Enhancing		31,498,474	7.74	31,821,107	7.96	322,633	0.23
	Total Cost Reducing		1,854,822	0.46	1,905,937	0.48	51,115	0.02
	Total Productivity Enhancing		13,092,889	3.22	14,686,497	3.68	1,593,608	0.46
	Total Quality Control		2,471,190	0.61	3,937,857	0.99	1,466,667	0.38

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, 1999-00 and 2000-01
Nova Scotia**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1999-00		2000-01		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	2,191,422	0.58	1,488,368	0.40	(703,054)	(0.18)
		Indirect	729,387	0.19	852,817	0.23	123,430	0.04
		Regulatory	27,330,475	7.21	25,498,208	6.84	(1,832,267)	(0.37)
	Total	30,251,284	7.98	27,839,393	7.46	(2,411,891)	(0.52)	
	Cost Reducing	Direct	(238,545)	(0.06)	(363,286)	(0.10)	(124,741)	(0.03)
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	(238,545)	(0.06)	(363,286)	(0.10)	(124,741)	(0.03)	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	3,657,321	0.96	4,422,493	1.19	765,172	0.22
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	3,657,321	0.96	4,422,493	1.19	765,172	0.22	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	2,775,434	0.73	3,342,237	0.90	566,803	0.16
		Regulatory	0	0.00	0	0.00	0	0.00
Total	2,775,434	0.73	3,342,237	0.90	566,803	0.16		
Total			36,445,494	9.61	35,240,837	9.45	(1,204,657)	(0.17)
Provincial	Revenue Enhancing	Direct	4,123,549	1.09	504,094	0.14	(3,619,455)	(0.95)
		Indirect	680,395	0.18	337,936	0.09	(342,459)	(0.09)
		Regulatory	5,001,403	1.32	3,351,727	0.90	(1,649,676)	(0.42)
	Total	9,805,347	2.59	4,193,757	1.12	(5,611,590)	(1.46)	
	Cost Reducing	Direct	9,474,859	2.50	7,203,481	1.93	(2,271,378)	(0.57)
		Indirect	3,718,111	0.98	0	0.00	(3,718,111)	(0.98)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	13,192,971	3.48	7,203,481	1.93	(5,989,490)	(1.55)	
	Productivity Enhancing	Direct	155,738	0.04	2,974,010	0.80	2,818,272	0.76
		Indirect	6,226,042	1.64	3,866,452	1.04	(2,359,590)	(0.61)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	6,381,780	1.68	6,840,461	1.83	458,682	0.15	
	Quality Control	Direct	1,133,704	0.30	665,693	0.18	(468,011)	(0.12)
		Indirect	621,339	0.16	676,276	0.18	54,937	0.02
		Regulatory	0	0.00	0	0.00	0	0.00
Total	1,755,043	0.46	1,341,969	0.36	(413,074)	(0.10)		
Total			31,135,140	8.21	19,579,669	5.25	(11,555,471)	(2.96)
Federal-Provincial	Revenue Enhancing	Direct	3,869,267	1.02	3,957,071	1.06	87,804	0.04
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	3,869,267	1.02	3,957,071	1.06	87,804	0.04	
	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	3,367,565	0.89	2,640,291	0.71	(727,274)	(0.18)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	3,367,565	0.89	2,640,291	0.71	(727,274)	(0.18)	
	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			7,236,832	1.91	6,597,362	1.77	(639,470)	(0.14)
Grand Total			74,817,466	19.74	61,417,867	16.47	(13,399,598)	(3.27)
AVOP (\$'00)			3,790,978		3,730,109		(60,869)	
	Total Direct Transfers		20,709,994	5.46	16,429,431	4.40	(4,280,563)	(1.06)
	Total Indirect Transfers		21,775,593	5.74	16,138,501	4.33	(5,637,092)	(1.42)
	Total Regulatory Transfers		32,331,878	8.53	28,849,935	7.73	(3,481,943)	(0.79)
	Total Revenue Enhancing		43,925,898	11.59	35,990,221	9.65	(7,935,677)	(1.94)
	Total Cost Reducing		12,954,426	3.42	6,840,195	1.83	(6,114,231)	(1.58)
	Total Productivity Enhancing		13,406,666	3.54	13,903,245	3.73	496,580	0.19
	Total Quality Control		4,530,477	1.20	4,684,206	1.26	153,729	0.06

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, 1999-00 and 2000-01
New Brunswick**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1999-00		2000-01		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	1,714,828	0.48	1,156,068	0.32	(558,760)	(0.16)
		Indirect	517,045	0.14	607,972	0.17	90,927	0.03
		Regulatory	28,464,697	7.96	23,952,379	6.69	(4,512,318)	(1.27)
	Total	30,696,570	8.58	25,716,419	7.18	(4,980,151)	(1.40)	
	Cost Reducing	Direct	(282,516)	(0.08)	(314,549)	(0.09)	(32,033)	(0.01)
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	(282,516)	(0.08)	(314,549)	(0.09)	(32,033)	(0.01)	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	3,720,190	1.04	3,027,956	0.85	(692,234)	(0.19)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	3,720,190	1.04	3,027,956	0.85	(692,234)	(0.19)	
	Quality Control	Direct	0	0.00	1,500	0.00	1,500	0.00
		Indirect	2,424,172	0.68	2,905,510	0.81	481,338	0.13
		Regulatory	0	0.00	0	0.00	0	0.00
Total	2,424,172	0.68	2,907,010	0.81	482,838	0.13		
Total			36,558,416	10.22	31,336,836	8.75	(5,221,580)	(1.47)
Provincial	Revenue Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	206,120	0.06	119,537	0.03	(86,583)	(0.02)
		Regulatory	3,754,747	1.05	5,272,355	1.47	1,517,608	0.42
	Total	3,960,867	1.11	5,391,892	1.51	1,431,025	0.40	
	Cost Reducing	Direct	2,632,086	0.74	3,272,436	0.91	640,349	0.18
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	2,632,086	0.74	3,272,436	0.91	640,349	0.18	
	Productivity Enhancing	Direct	1,060,585	0.30	667,655	0.19	(392,930)	(0.11)
		Indirect	5,232,871	1.46	4,338,979	1.21	(893,893)	(0.25)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	6,293,456	1.76	5,006,634	1.40	(1,286,823)	(0.36)	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	345,746	0.10	367,141	0.10	21,395	0.01
		Regulatory	0	0.00	0	0.00	0	0.00
Total	345,746	0.10	367,141	0.10	21,395	0.01		
Total			13,232,156	3.70	14,038,102	3.92	805,947	0.22
Federal-Provincial	Revenue Enhancing	Direct	2,328,918	0.65	3,238,812	0.90	909,894	0.25
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	2,328,918	0.65	3,238,812	0.90	909,894	0.25	
	Cost Reducing	Direct	113,000	0.03	130,000	0.04	17,000	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	113,000	0.03	130,000	0.04	17,000	0.00	
	Productivity Enhancing	Direct	352,527	0.10	16,872	0.00	(335,655)	(0.09)
		Indirect	2,870,807	0.80	1,661,010	0.46	(1,209,797)	(0.34)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	3,223,334	0.90	1,677,882	0.47	(1,545,452)	(0.43)	
	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			5,665,252	1.58	5,046,694	1.41	(618,558)	(0.17)
Grand Total			55,455,824	15.51	50,421,632	14.08	(5,034,191)	(1.43)
AVOP (\$'00)			3,575,909		3,580,812		4,903	
	Total Direct Transfers		7,919,428	2.21	8,168,793	2.28	249,365	0.07
	Total Indirect Transfers		15,316,951	4.28	13,028,105	3.64	(2,288,846)	(0.65)
	Total Regulatory Transfers		32,219,444	9.01	29,224,734	8.16	(2,994,710)	(0.85)
	Total Revenue Enhancing		36,986,355	10.34	34,347,123	9.59	(2,639,232)	(0.75)
	Total Cost Reducing		2,462,570	0.69	3,087,887	0.86	625,316	0.17
	Total Productivity Enhancing		13,236,980	3.70	9,712,472	2.71	(3,524,509)	(0.99)
	Total Quality Control		2,769,918	0.77	3,274,151	0.91	504,233	0.14

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, 1999-00 and 2000-01
Quebec**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1999-00		2000-01		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	189,274,937	3.49	190,740,498	3.61	1,465,561	0.12
		Indirect	7,086,306	0.13	6,276,339	0.12	(809,968)	(0.01)
		Regulatory	436,409,361	8.05	513,877,673	9.73	77,468,312	1.68
	Total	632,770,604	11.67	710,894,510	13.45	78,123,905	1.79	
	Cost Reducing	Direct	(491,718)	(0.01)	1,961,449	0.04	2,453,167	0.05
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	(491,718)	(0.01)	1,961,449	0.04	2,453,167	0.05	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	38,943,830	0.72	41,711,194	0.79	2,767,364	0.07
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	38,943,830	0.72	41,711,194	0.79	2,767,364	0.07	
	Quality Control	Direct	859,444	0.02	2,044,282	0.04	1,184,838	0.02
Indirect		34,005,518	0.63	41,269,212	0.78	7,263,694	0.15	
Regulatory		0	0.00	0	0.00	0	0.00	
Total	34,864,962	0.64	43,313,494	0.82	8,448,532	0.18		
Total			706,087,678	13.02	797,880,647	15.10	91,792,968	2.08
Provincial	Revenue Enhancing	Direct	215,595,892	3.98	130,721,675	2.47	(84,874,217)	(1.50)
		Indirect	484,137	0.01	285,806	0.01	(198,331)	(0.00)
		Regulatory	50,257,765	0.93	67,523,759	1.28	17,265,994	0.35
	Total	266,337,794	4.91	198,531,240	3.76	(67,806,554)	(1.15)	
	Cost Reducing	Direct	73,963,984	1.36	115,574,304	2.19	41,610,320	0.82
		Indirect	2,229	0.00	0	0.00	(2,229)	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	73,966,213	1.36	115,574,304	2.19	41,608,091	0.82	
	Productivity Enhancing	Direct	3,802,504	0.07	1,500,215	0.03	(2,302,289)	(0.04)
		Indirect	48,161,122	0.89	46,200,456	0.87	(1,960,666)	(0.01)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	51,963,626	0.96	47,700,671	0.90	(4,262,955)	(0.06)	
	Quality Control	Direct	14,734,083	0.27	13,435,103	0.25	(1,298,980)	(0.02)
Indirect		7,081,431	0.13	9,688,796	0.18	2,607,365	0.05	
Regulatory		0	0.00	0	0.00	0	0.00	
Total	21,815,514	0.40	23,123,899	0.44	1,308,385	0.04		
Total			414,083,147	7.64	384,930,114	7.28	(29,153,033)	(0.35)
Federal-Provincial	Revenue Enhancing	Direct	37,739,509	0.70	69,592,782	1.32	31,853,273	0.62
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	37,739,509	0.70	69,592,782	1.32	31,853,273	0.62	
	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	2,439,746	0.04	1,757,436	0.03	(682,310)	(0.01)
		Indirect	3,845,936	0.07	3,663,203	0.07	(182,733)	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	6,285,682	0.12	5,420,639	0.10	(865,043)	(0.01)	
	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			44,025,191	0.81	75,013,421	1.42	30,988,230	0.61
Grand Total			1,164,196,016	21.47	1,257,824,181	23.80	93,628,165	2.34
AVOP (\$'00)			54,226,530		52,838,800		(1,387,730)	
	Total Direct Transfers		537,918,381	9.92	527,327,744	9.98	(10,590,637)	0.06
	Total Indirect Transfers		139,610,509	2.57	149,095,006	2.82	9,484,496	0.25
	Total Regulatory Transfers		486,667,126	8.97	581,401,432	11.00	94,734,306	2.03
	Total Revenue Enhancing		936,847,907	17.28	979,018,531	18.53	42,170,624	1.25
	Total Cost Reducing		73,474,495	1.35	117,535,753	2.22	44,061,258	0.87
	Total Productivity Enhancing		97,193,138	1.79	94,832,504	1.79	(2,360,634)	0.00
	Total Quality Control		56,680,476	1.05	66,437,393	1.26	9,756,917	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, 1999-00 and 2000-01
Ontario**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1999-00		2000-01		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	32,534,186	0.47	22,343,314	0.32	(10,190,872)	(0.14)
		Indirect	8,290,856	0.12	9,128,197	0.13	837,341	0.01
		Regulatory	465,408,932	6.68	460,457,719	6.68	(4,951,213)	0.00
	Total	506,233,974	7.26	491,929,230	7.14	(14,304,744)	(0.12)	
	Cost Reducing	Direct	(4,228,946)	(0.06)	(4,033,682)	(0.06)	195,264	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	(4,228,946)	(0.06)	(4,033,682)	(0.06)	195,264	0.00	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	60,400,702	0.87	51,179,723	0.74	(9,220,979)	(0.12)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	60,400,702	0.87	51,179,723	0.74	(9,220,979)	(0.12)	
	Quality Control	Direct	141,067	0.00	30,651	0.00	(110,416)	(0.00)
		Indirect	42,837,728	0.61	23,967,168	0.35	(18,870,560)	(0.27)
		Regulatory	0	0.00	0	0.00	0	0.00
Total	42,978,795	0.62	23,997,819	0.35	(18,980,976)	(0.27)		
Total			605,384,525	8.68	563,073,090	8.17	(42,311,435)	(0.51)
Provincial	Revenue Enhancing	Direct	640,109	0.01	5,584,076	0.08	4,943,967	0.07
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	95,281,764	1.37	89,662,085	1.30	(5,619,679)	(0.07)
	Total	95,921,873	1.38	95,246,161	1.38	(675,712)	0.01	
	Cost Reducing	Direct	23,167,844	0.33	27,505,064	0.40	4,337,220	0.07
		Indirect	844,400	0.01	805,000	0.01	(39,400)	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	24,012,244	0.34	28,310,064	0.41	4,297,820	0.07	
	Productivity Enhancing	Direct	2,902,061	0.04	25,070,635	0.36	22,168,574	0.32
		Indirect	45,162,731	0.65	42,327,830	0.61	(2,834,902)	(0.03)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	48,064,792	0.69	67,398,465	0.98	19,333,672	0.29	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	10,991,572	0.16	9,206,074	0.13	(1,785,498)	(0.02)
		Regulatory	0	0.00	0	0.00	0	0.00
Total	10,991,572	0.16	9,206,074	0.13	(1,785,498)	(0.02)		
Total			178,990,481	2.57	200,160,764	2.90	21,170,282	0.34
Federal-Provincial	Revenue Enhancing	Direct	316,082,343	4.53	381,231,314	5.53	65,148,972	1.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	316,082,343	4.53	381,231,314	5.53	65,148,972	1.00	
	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	15,141,838	0.22	1,202,743	0.02	(13,939,095)	(0.20)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	15,141,838	0.22	1,202,743	0.02	(13,939,095)	(0.20)	
	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			331,224,181	4.75	382,434,057	5.55	51,209,877	0.80
Grand Total			1,115,599,187	16.00	1,145,667,911	16.62	30,068,724	0.62
AVOP (\$'00)			69,723,073		68,931,452		(791,621)	
	Total Direct Transfers		371,238,664	5.32	457,731,373	6.64	86,492,709	1.32
	Total Indirect Transfers		183,669,827	2.63	137,816,734	2.00	(45,853,093)	(0.63)
	Total Regulatory Transfers		560,690,696	8.04	550,119,804	7.98	(10,570,892)	(0.06)
	Total Revenue Enhancing		918,238,190	13.17	968,406,705	14.05	50,168,515	0.88
	Total Cost Reducing		19,783,298	0.28	24,276,382	0.35	4,493,084	0.07
	Total Productivity Enhancing		123,607,332	1.77	119,780,931	1.74	(3,826,401)	(0.04)
	Total Quality Control		53,970,367	0.77	33,203,893	0.48	(20,766,474)	(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, 1999-00 and 2000-01
Manitoba**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1999-00		2000-01		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	2,742,137	0.08	1,838,304	0.05	(903,833)	(0.03)
		Indirect	2,565,536	0.07	3,484,382	0.09	918,845	0.01
		Regulatory	60,584,178	1.73	72,261,222	1.79	11,677,044	0.07
	Total	65,891,851	1.88	77,583,908	1.93	11,692,056	0.05	
	Cost Reducing	Direct	3,795,231	0.11	9,186,815	0.23	5,391,584	0.12
		Indirect	16,644,839	0.47	19,086,449	0.47	2,441,610	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	20,440,070	0.58	28,273,264	0.70	7,833,194	0.12	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	25,102,598	0.72	26,197,450	0.65	1,094,852	(0.06)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	25,102,598	0.72	26,197,450	0.65	1,094,852	(0.06)	
	Quality Control	Direct	6,962	0.00	285,643	0.01	278,681	0.01
		Indirect	18,960,253	0.54	24,475,083	0.61	5,514,830	0.07
Regulatory		0	0.00	0	0.00	0	0.00	
Total	18,967,215	0.54	24,760,726	0.62	5,793,511	0.07		
Total			130,401,735	3.71	156,815,348	3.90	26,413,613	0.18
Provincial	Revenue Enhancing	Direct	70,161,015	2.00	1,848,808	0.05	(68,312,207)	(1.95)
		Indirect	747,825	0.02	1,011,476	0.03	263,651	0.00
		Regulatory	12,818,516	0.37	14,323,282	0.36	1,504,766	(0.01)
	Total	83,727,356	2.39	17,183,566	0.43	(66,543,790)	(1.96)	
	Cost Reducing	Direct	38,124,254	1.09	39,210,366	0.97	1,086,112	(0.11)
		Indirect	10,305	0.00	10,305	0.00	0	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	38,134,559	1.09	39,220,671	0.97	1,086,112	(0.11)	
	Productivity Enhancing	Direct	971,603	0.03	916,156	0.02	(55,447)	(0.00)
		Indirect	13,230,757	0.38	14,829,491	0.37	1,598,734	(0.01)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	14,202,360	0.40	15,745,647	0.39	1,543,287	(0.01)	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	537,201	0.02	574,500	0.01	37,299	(0.00)
Regulatory		0	0.00	0	0.00	0	0.00	
Total	537,201	0.02	574,500	0.01	37,299	(0.00)		
Total			136,601,476	3.89	72,724,384	1.81	(63,877,091)	(2.08)
Federal-Provincial	Revenue Enhancing	Direct	134,787,436	3.84	175,121,049	4.35	40,333,613	0.51
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	134,787,436	3.84	175,121,049	4.35	40,333,613	0.51	
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	325,070	0.01	0	0.00	(325,070)	(0.01)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	325,070	0.01	0	0.00	(325,070)	(0.01)	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	8,024,188	0.23	4,781,504	0.12	(3,242,684)	(0.11)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	8,024,188	0.23	4,781,504	0.12	(3,242,684)	(0.11)	
	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			143,136,694	4.08	179,902,553	4.47	36,765,859	0.39
Grand Total			410,139,905	11.68	409,442,285	10.17	(697,620)	(1.51)
AVOP (\$'00)			35,104,594		40,260,335		5,155,741	
	Total Direct Transfers		250,588,638	7.14	228,407,141	5.67	(22,181,497)	(1.47)
	Total Indirect Transfers		86,148,572	2.45	94,450,640	2.35	8,302,068	(0.11)
	Total Regulatory Transfers		73,402,694	2.09	86,584,504	2.15	13,181,810	0.06
	Total Revenue Enhancing		284,406,644	8.10	269,888,523	6.70	(14,518,121)	(1.40)
	Total Cost Reducing		58,899,699	1.68	67,493,935	1.68	8,594,236	(0.00)
	Total Productivity Enhancing		47,329,146	1.35	46,724,601	1.16	(604,545)	(0.19)
	Total Quality Control		19,504,416	0.56	25,335,226	0.63	5,830,810	0.07

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, 1999-00 and 2000-01
Saskatchewan**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1999-00		2000-01		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	2,056,259	0.03	1,274,793	0.02	(781,466)	(0.01)
		Indirect	6,118,585	0.09	6,971,814	0.11	853,229	0.02
		Regulatory	31,942,309	0.46	42,272,233	0.64	10,329,924	0.18
	Total	40,117,153	0.58	50,518,840	0.76	10,401,687	0.19	
	Cost Reducing	Direct	1,034,755	0.01	(17,618)	(0.00)	(1,052,373)	(0.02)
		Indirect	72,604,242	1.05	72,207,362	1.09	(396,881)	0.04
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	73,638,997	1.06	72,189,744	1.09	(1,449,254)	0.03	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	50,968,459	0.74	50,197,899	0.76	(770,560)	0.02
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	50,968,459	0.74	50,197,899	0.76	(770,560)	0.02	
	Quality Control	Direct	253,071	0.00	55,390	0.00	(197,681)	(0.00)
		Indirect	25,622,443	0.37	33,288,302	0.50	7,665,859	0.13
Regulatory		0	0.00	0	0.00	0	0.00	
Total	25,875,514	0.37	33,343,692	0.50	7,468,178	0.13		
Total			190,600,124	2.75	206,250,175	3.12	15,650,051	0.37
Provincial	Revenue Enhancing	Direct	(37,533)	(0.00)	(32,480)	(0.00)	5,053	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	7,213,356	0.10	7,327,764	0.11	114,408	0.01
	Total	7,175,823	0.10	7,295,284	0.11	119,461	0.01	
	Cost Reducing	Direct	123,557,618	1.78	122,491,931	1.85	(1,065,687)	0.07
		Indirect	13,548,247	0.20	10,541,247	0.16	(3,007,000)	(0.04)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	137,105,865	1.98	133,033,178	2.01	(4,072,687)	0.03	
	Productivity Enhancing	Direct	256,855	0.00	175,869	0.00	(80,986)	(0.00)
		Indirect	35,276,418	0.51	19,104,770	0.29	(16,171,648)	(0.22)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	35,533,273	0.51	19,280,639	0.29	(16,252,634)	(0.22)	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	314,513	0.00	415,859	0.01	101,346	0.00
Regulatory		0	0.00	0	0.00	0	0.00	
Total	314,513	0.00	415,859	0.01	101,346	0.00		
Total			180,129,474	2.60	160,024,960	2.42	(20,104,515)	(0.18)
Federal-Provincial	Revenue Enhancing	Direct	386,002,982	5.57	461,438,117	6.99	75,435,135	1.41
		Indirect	14,363,300	0.21	6,842,250	0.10	(7,521,050)	(0.10)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	400,366,282	5.78	468,280,367	7.09	67,914,085	1.31	
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	425,725	0.01	423,952	0.01	(1,773)	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	425,725	0.01	423,952	0.01	(1,773)	0.00	
	Productivity Enhancing	Direct	809,207	0.01	434,000	0.01	(375,207)	(0.01)
		Indirect	1,636,207	0.02	1,503,626	0.02	(132,581)	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	2,445,414	0.04	1,937,626	0.03	(507,788)	(0.01)	
	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			403,237,421	5.82	470,641,945	7.13	67,404,524	1.30
Grand Total			773,967,019	11.18	836,917,079	12.67	62,950,060	1.50
AVOP (\$'00)			69,253,648		66,047,937		(3,205,711)	
	Total Direct Transfers		513,933,214	7.42	585,820,001	8.87	71,886,788	1.45
	Total Indirect Transfers		220,878,140	3.19	201,497,081	3.05	(19,381,059)	(0.14)
	Total Regulatory Transfers		39,155,665	0.57	49,599,997	0.75	10,444,332	0.19
	Total Revenue Enhancing		447,659,258	6.46	526,094,491	7.97	78,435,233	1.50
	Total Cost Reducing		211,170,587	3.05	205,646,873	3.11	(5,523,714)	0.06
	Total Productivity Enhancing		88,947,146	1.28	71,416,164	1.08	(17,530,982)	(0.20)
	Total Quality Control		26,190,027	0.38	33,759,551	0.51	7,569,524	0.13

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, 1999-00 and 2000-01
Alberta**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1999-00		2000-01		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	5,896,726	0.08	3,421,768	0.05	(2,474,958)	(0.03)
		Indirect	5,334,849	0.08	7,223,932	0.11	1,889,084	0.03
		Regulatory	64,658,657	0.93	64,981,539	0.96	322,882	0.03
	Total	75,890,232	1.09	75,627,239	1.12	(262,992)	0.03	
	Cost Reducing	Direct	1,021,558	0.01	(32,908)	(0.00)	(1,054,466)	(0.02)
		Indirect	17,844,335	0.26	13,813,658	0.20	(4,030,677)	(0.05)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	18,865,893	0.27	13,780,750	0.20	(5,085,143)	(0.07)	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	48,571,643	0.70	48,618,100	0.72	46,457	0.02
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	48,571,643	0.70	48,618,100	0.72	46,457	0.02	
	Quality Control	Direct	68,779	0.00	1,489,835	0.02	1,421,056	0.02
		Indirect	45,200,650	0.65	55,475,448	0.82	10,274,798	0.17
		Regulatory	0	0.00	0	0.00	0	0.00
Total	45,269,429	0.65	56,965,283	0.84	11,695,854	0.19		
Total			188,597,197	2.71	194,991,372	2.88	6,394,175	0.17
Provincial	Revenue Enhancing	Direct	1,396,000	0.02	3,537,000	0.05	2,141,000	0.03
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	45,260,763	0.65	44,920,002	0.66	(340,761)	0.01
	Total	46,656,763	0.67	48,457,002	0.72	1,800,239	0.05	
	Cost Reducing	Direct	115,377,441	1.66	120,771,258	1.78	5,393,817	0.13
		Indirect	34,055,069	0.49	34,055,069	0.50	0	0.01
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	149,432,510	2.15	154,826,327	2.29	5,393,817	0.14	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	57,043,246	0.82	70,372,692	1.04	13,329,446	0.22
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	57,043,246	0.82	70,372,692	1.04	13,329,446	0.22	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	2,996,686	0.04	2,647,700	0.04	(348,986)	(0.00)
		Regulatory	0	0.00	0	0.00	0	0.00
Total	2,996,686	0.04	2,647,700	0.04	(348,986)	(0.00)		
Total			256,129,205	3.68	276,303,721	4.08	20,174,516	0.40
Federal-Provincial	Revenue Enhancing	Direct	197,109,102	2.83	320,168,235	4.73	123,059,132	1.90
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	197,109,102	2.83	320,168,235	4.73	123,059,132	1.90	
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	294,232	0.00	328,100	0.00	33,868	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	294,232	0.00	328,100	0.00	33,868	0.00	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	15,912,140	0.23	6,642,948	0.10	(9,269,192)	(0.13)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	15,912,140	0.23	6,642,948	0.10	(9,269,192)	(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			213,315,474	3.06	327,139,283	4.83	113,823,808	1.77
Grand Total			658,041,876	9.45	798,434,376	11.79	140,392,500	2.34
AVOP (\$'00)			69,637,576		67,732,082		(1,905,493)	
	Total Direct Transfers		320,869,606	4.61	449,355,188	6.63	128,485,582	2.03
	Total Indirect Transfers		227,252,850	3.26	239,177,647	3.53	11,924,797	0.27
	Total Regulatory Transfers		109,919,420	1.58	109,901,541	1.62	(17,879)	0.04
	Total Revenue Enhancing		319,656,097	4.59	444,252,476	6.56	124,596,379	1.97
	Total Cost Reducing		168,592,635	2.42	168,935,177	2.49	342,542	0.07
	Total Productivity Enhancing		121,527,029	1.75	125,633,740	1.85	4,106,711	0.11
	Total Quality Control		48,266,115	0.69	59,612,983	0.88	11,346,868	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, 1999-00 and 2000-01
British Columbia**

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1999-00		2000-01		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	5,567,442	0.39	3,695,856	0.29	(1,871,586)	(0.10)
		Indirect	1,208,845	0.09	1,428,734	0.11	219,889	0.03
		Regulatory	104,801,505	7.41	111,507,075	8.86	6,705,570	1.45
	Total		111,577,792	7.89	116,631,665	9.27	5,053,873	1.38
	Cost Reducing	Direct	(617,507)	(0.04)	(597,183)	(0.05)	20,324	(0.00)
		Indirect	(1,614,831)	(0.11)	(1,387,432)	(0.11)	227,399	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		(2,232,338)	(0.16)	(1,984,615)	(0.16)	247,723	0.00
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	14,088,853	1.00	16,256,485	1.29	2,167,632	0.30
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		14,088,853	1.00	16,256,485	1.29	2,167,632	0.30
	Quality Control	Direct	58	0.00	33,400	0.00	33,342	0.00
		Indirect	11,333,473	0.80	14,154,588	1.13	2,821,115	0.32
Regulatory		0	0.00	0	0.00	0	0.00	
Total		11,333,531	0.80	14,187,988	1.13	2,854,457	0.33	
Total			134,767,838	9.53	145,091,523	11.53	10,323,685	2.00
Provincial	Revenue Enhancing	Direct	4,131,982	0.29	951,556	0.08	(3,180,426)	(0.22)
		Indirect	104,518	0.01	156,434	0.01	51,916	0.01
		Regulatory	54,775,169	3.88	44,549,522	3.54	(10,225,647)	(0.33)
	Total		59,011,669	4.17	45,657,512	3.63	(13,354,157)	(0.55)
	Cost Reducing	Direct	7,954,683	0.56	8,596,481	0.68	641,797	0.12
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		7,954,683	0.56	8,596,481	0.68	641,797	0.12
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	8,932,586	0.63	11,289,404	0.90	2,356,818	0.27
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		8,932,586	0.63	11,289,404	0.90	2,356,818	0.27
	Quality Control	Direct	267,000	0.02	240,000	0.02	(27,000)	0.00
		Indirect	356,087	0.03	372,100	0.03	16,013	0.00
Regulatory		0	0.00	0	0.00	0	0.00	
Total		623,087	0.04	612,100	0.05	(10,987)	0.00	
Total			76,522,026	5.41	66,155,496	5.26	(10,366,530)	(0.15)
Federal-Provincial	Revenue Enhancing	Direct	17,124,773	1.21	18,951,857	1.51	1,827,084	0.30
		Indirect	3,821,420	0.27	0	0.00	(3,821,420)	(0.27)
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		20,946,193	1.48	18,951,857	1.51	(1,994,336)	0.02
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	4,040	0.00	6,824	0.00	2,784	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		4,040	0.00	6,824	0.00	2,784	0.00
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	504,836	0.04	756,160	0.06	251,324	0.02
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		504,836	0.04	756,160	0.06	251,324	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			21,455,069	1.52	19,714,841	1.57	(1,740,228)	0.05
Grand Total			232,744,933	16.47	230,961,861	18.36	(1,783,072)	1.90
AVOP (\$'00)			14,135,045		12,579,061		(1,555,984)	
	Total Direct Transfers		34,428,431	2.44	31,871,967	2.53	(2,556,465)	0.10
	Total Indirect Transfers		38,739,827	2.74	43,033,297	3.42	4,293,469	0.68
	Total Regulatory Transfers		159,576,674	11.29	156,056,597	12.41	(3,520,077)	1.12
	Total Revenue Enhancing		191,535,654	13.55	181,241,034	14.41	(10,294,620)	0.86
	Total Cost Reducing		5,726,385	0.41	6,618,690	0.53	892,304	0.12
	Total Productivity Enhancing		23,526,275	1.66	28,302,049	2.25	4,775,774	0.59
	Total Quality Control		11,956,618	0.85	14,800,088	1.18	2,843,470	0.33

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 are classified as federal-provincial, with the exception of those that were in place before the assistance programs were introduced. This is, for instance, the case with agricultural income stabilization insurance in Quebec. Federal contributions are reported as "federal" in source, rather than "federal-provincial", and the federal funding to the *fonds d'assurance stabilisation /* stabilization insurance fund is not included in the provincial program, so as to avoid its being counted twice.
- Companion programs can be divided into three categories, industry development, the enhanced NISA, and the other programs administered by the provinces that do not fall under the other two categories. In the case of the industry development funding, transfers correspond to the actual disbursements by the fund. The enhanced NISA does not require any specific calculation, because the information is included in the basic NISA calculations. 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.

- In the case of the adaptation councils, available information indicates the financial transfers correspond to the federal contribution to each of these.

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.