

A PORTRAIT OF THE CANADIAN AGRI-FOOD SYSTEM

A Portrait of the Canadian Agri-Food System

Economic and Policy Analysis Directorate
Policy Branch
August, 1999

Any policy views, whether explicitly stated, inferred or interpreted from the contents of this publication, should not be represented as reflecting the views of Agriculture and Agri-Food Canada.

An internet version is available at:
<http://www.agr.ca/policy/epad>

To obtain additional copies, contact:
Information Production and Promotion Unit
Economic and Policy Analysis Directorate
Policy Branch
Agriculture and Agri-Food Canada
Ottawa, Ontario
K1A 0C5
Tel. (613) 759-7443
Fax. (613) 759-7034
e-mail: ipp@em.agr.ca

ISBN #0-662-27981-6
Publication No. 2011/E

Catalogue #A22-182/1999-1E
Project No. 99023rp

Aussi disponible en français sous le titre:
Portrait du circuit agroalimentaire canadien

Preface

A Portrait of the Canadian Agri-Food System provides a graphical compendium of the Canadian agri-food system. It also compares some of Canada's macro economic performance indicators with those of its main economic peers and other countries that are important to the world agri-food system, either as producers or consumers of agri-food commodities. The intent to the Portrait is to be an "easy to use" source of information for both senior departmental management and analysts with varying interests and requirements. Also, the Portrait provides a convenient starting point for developing annotated "decks" that could have a more specific and narrower focus.

This June 1999 version of *A Portrait of the Canadian Agri-Food system* updates information contained in the December 1998 version where possible. Further, important modifications to this edition include, among others, expanded information regarding Canadian agri-food trade (Section 2), the performance of the agriculture sector (Section 3), and foreign direct investment (Section 6).

Section 2 has expanded to include trade by geographic region and income groupings in an attempt to present developing trade patterns from non-traditional perspectives. The number of graphics in Section 3 has expanded to reflect the work completed by other sections within the Department. The new graphics in Section 3 highlight the Canadian farm financial situation to better illustrate the key indicators of the financial well being of farm families and farm businesses. Finally, Section 6 contains expanded information regarding foreign direct investment to emphasize its importance in relation to trade, economic growth and investment attractiveness.

Care must be taken when using these statistics and charts, as in some cases there can be significant volatility when dealing with continually revised forecasts and data estimates. Future revisions will be posted in an internet version of *A Portrait of the Canadian Agri-Food System* which may be found at <http://www.agr.ca/policy/epad>.

As always, you are encouraged to provide feedback regarding the contents of the Portrait. For further information about *A Portrait of the Canadian Agri-Food System*, please contact Brian Rattray at (613) 759-7384 or by e-mail at rattraybl@em.agr.ca. Alternatively contact Twyla Weimer at (613) 759-7449 or by e-mail at weimert@em.agr.ca.

Table of Contents

Section 1: Agri-Food System: Structure, Significance and Growth

Agri-Food System Value of Production and Sales..	1-1
Agri-Food GDP Growth and Share	1-2
Agri-Food System Employment.....	1-7
Glossary of Terms	

Section 2: Canadian Agri-Food Trade

Agri-Food Trade Overview.....	2-1
Export Intensity	2-5
Agri-Food Trade by Region.....	2-6
Agri-Food Trade by Country Income.....	2-11
Agri-Food Trade by Commodity.....	2-13
Agri-Food Trade by Degree of Processing....	2-15
Glossary of Terms	

Section 3: Agriculture Sector: Structure and Performance

Number and Size of Farms.....	3-1
Farm Income and Number by Farm Type.....	3-4
Farm Cash Market Receipts by Commodity Group.....	3-7
Farm Income.....	3-10
Average Farm Assets and Liabilities per Farm.....	3-12
Gross Capital Investment per Farm.....	3-14
Glossary of Terms	

Section 4: Agri-Food Processing Sector: Structure Significance and Performance

Manufacturing Industries Share of GDP.....	4-1
Value of Shipments.....	4-2
Capital Investment.....	4-3
Profitability Measures....	4-5
Value of Trade.....	4-6

Section 1

Section 2

Section 3

Section 4

Table of Contents (cont'd)

Section 5: Retail and Food Service Sector: Structure and Performance

Retail Stores Overview....	5-1
Commercial Food Service Overview.....	5-4
Glossary of Terms	

Section 6: Performance Indicators: International Comparisons

Business Cost Rankings.....	6-1
GDP.....	6-2
Agricultural Labour.....	6-3
Food Production.....	6-4
Exchange Rates.....	6-5
Trade.....	6-6
Foreign Direct Investment.....	6-8
Glossary of Terms	

Section 7: Government Support of Agri-Food Systems: Canada and Abroad

Farm Net Market Receipts and Total Direct Payments.....	7-1
AAFC Gross Program Spending.....	7-2
Government Expenditures.....	7-3
Producer Subsidy Equivalent.....	7-5
Composition of Support.....	7-9
Glossary of Terms	

Section 5

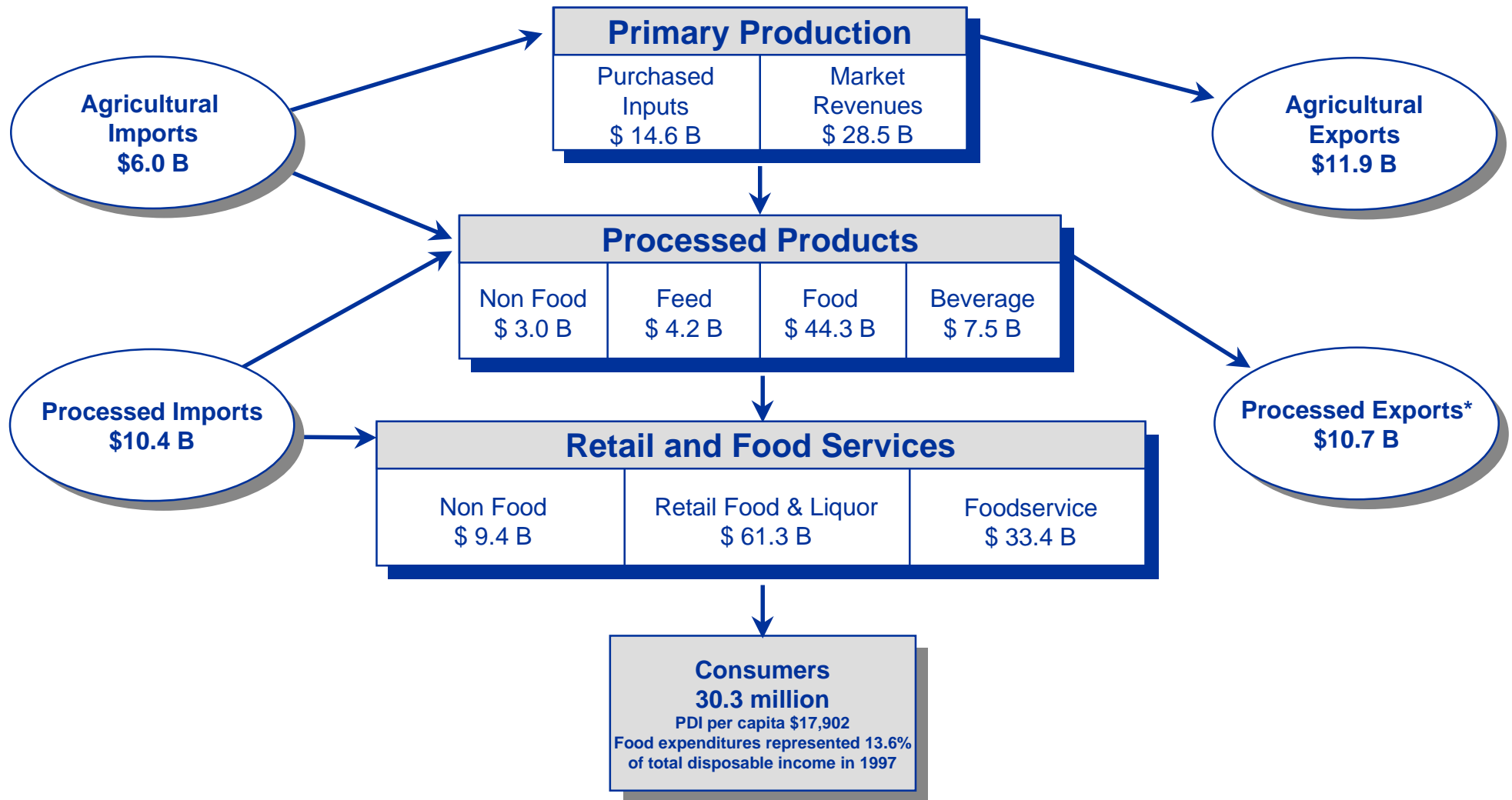
Section 6

Section 7

Agri-Food System: Structure, Significance and Growth

Canada

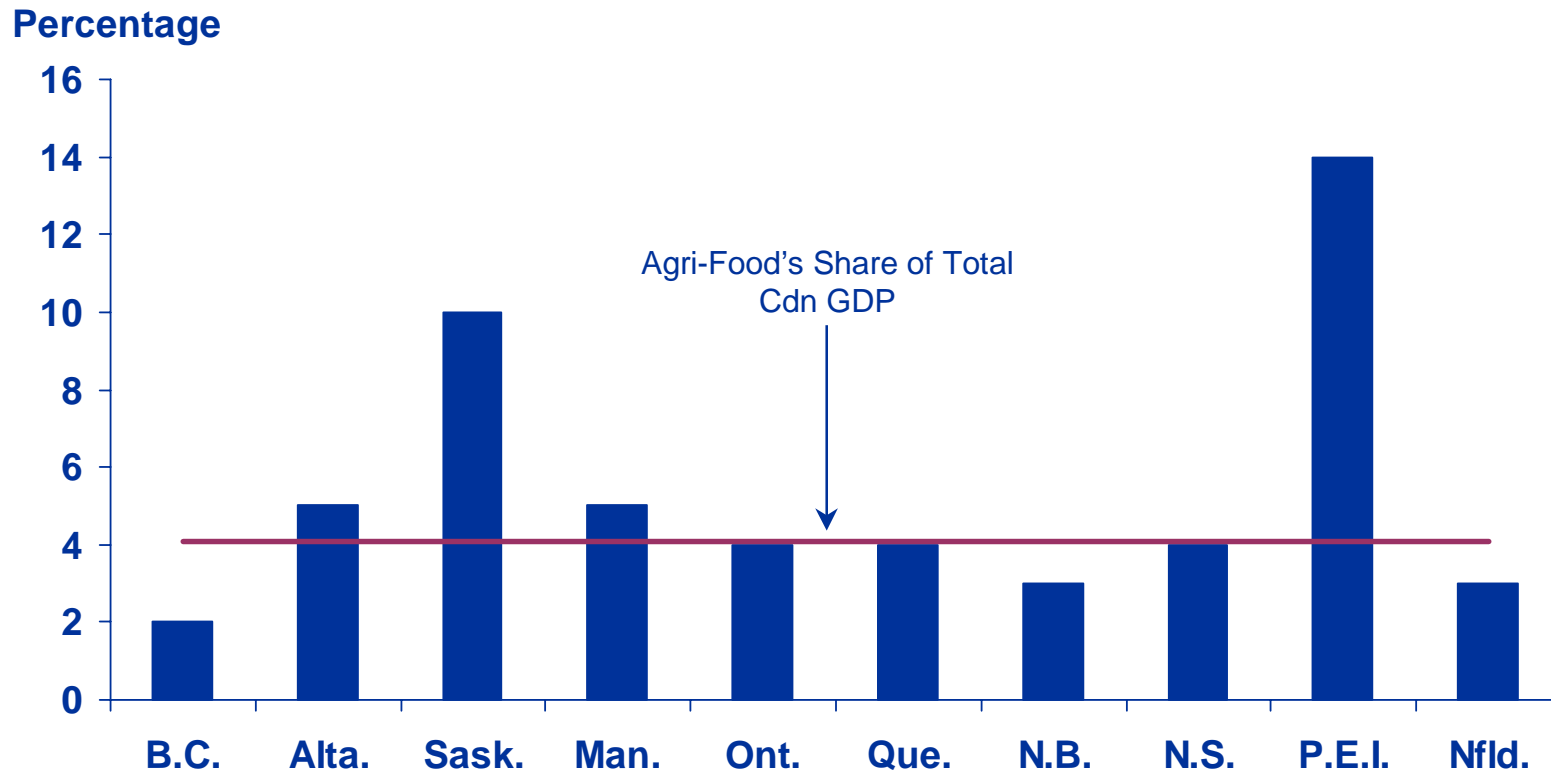
Agri-Food System Value of Production and Sales, 1998*



*Note: All 1998 numbers are estimates. Processed Exports includes a small component of Other Non-Food Exports consisting mainly of ethanol and linseed oil.

Sources: Statistics Canada, Agriculture Economic Statistics, Canadian Restaurant and Foodservices Association, AAFC - Farm Income, Financial Conditions and Government Assistance Data Book, AAFC - Components of the Canadian Agriculture & Agri-food System, 1997, Trade Data Retrieval System.

Agri-Food Share of Provincial GDP, 1998



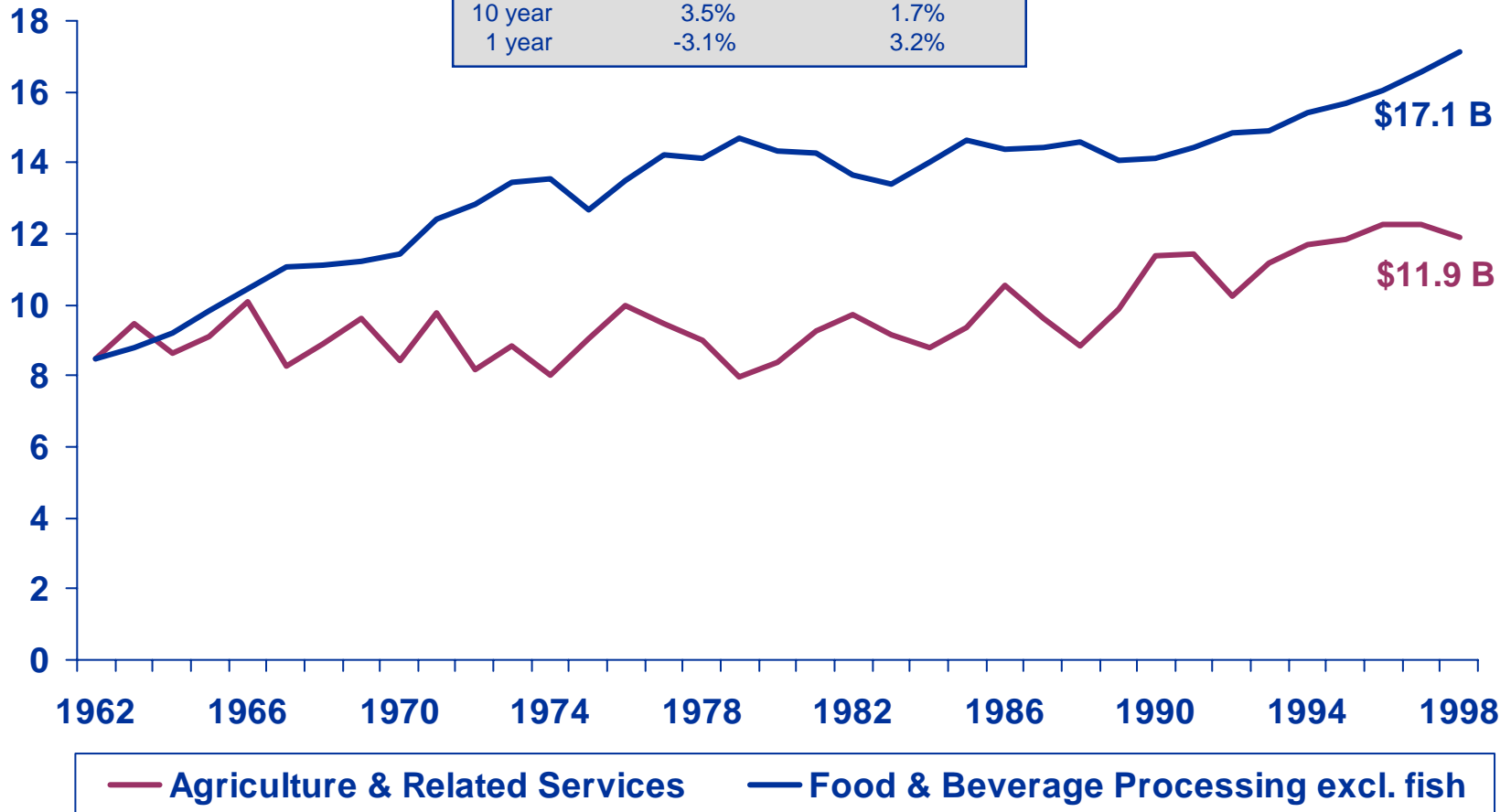
Source: Conference Board of Canada.

Real GDP Growth

Average Annual Growth Rates:

	Agriculture & related Ind.	Food & Bev. Processing
30 year	1.1%	1.8%
10 year	3.5%	1.7%
1 year	-3.1%	3.2%

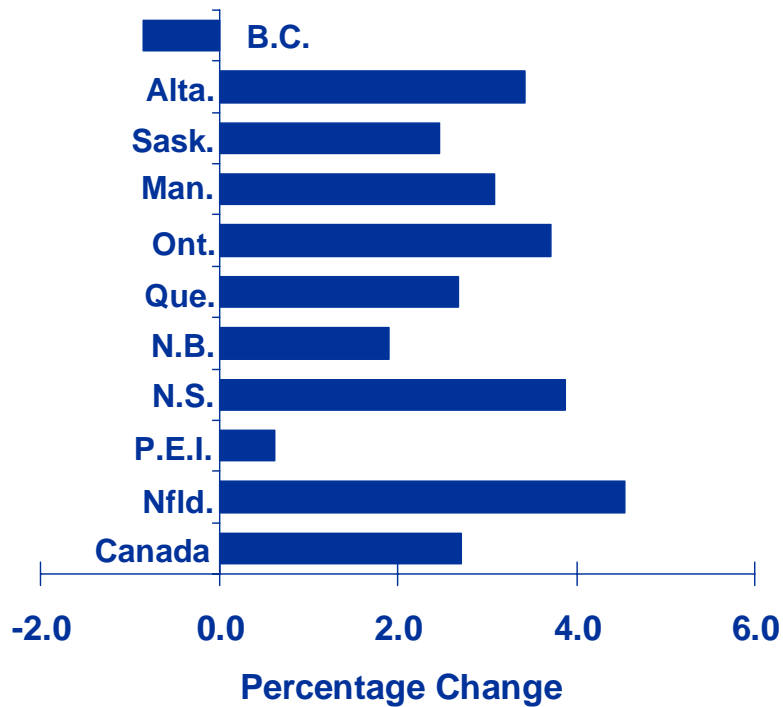
Billions of 1992 \$



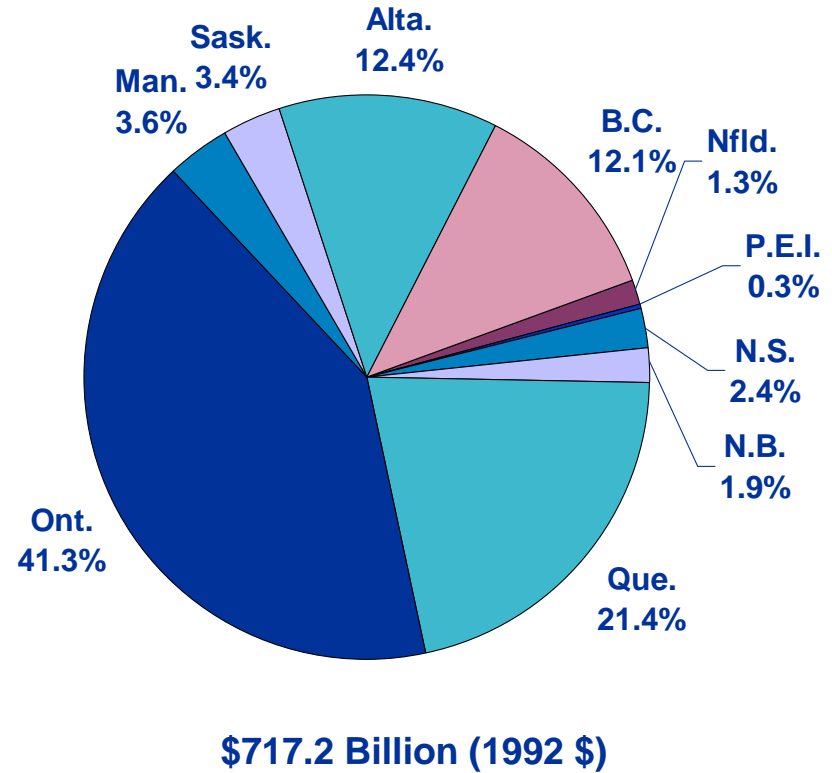
Source: Statistics Canada CANSIM Matrix 4677.

Canada GDP - Total Economy

**Total Economy GDP
Growth since 1997**



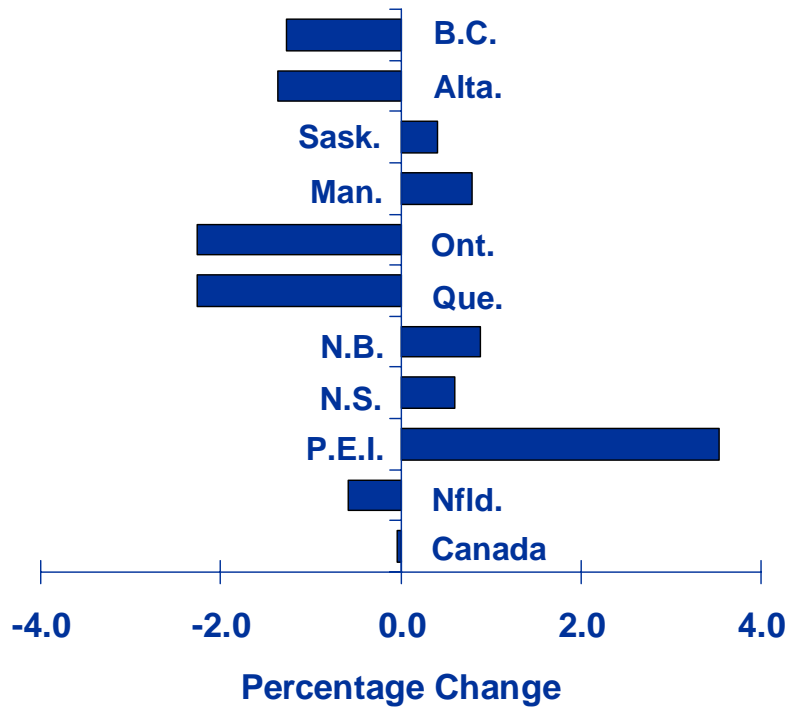
**Provincial Shares of
Total Economy GDP, 1998**



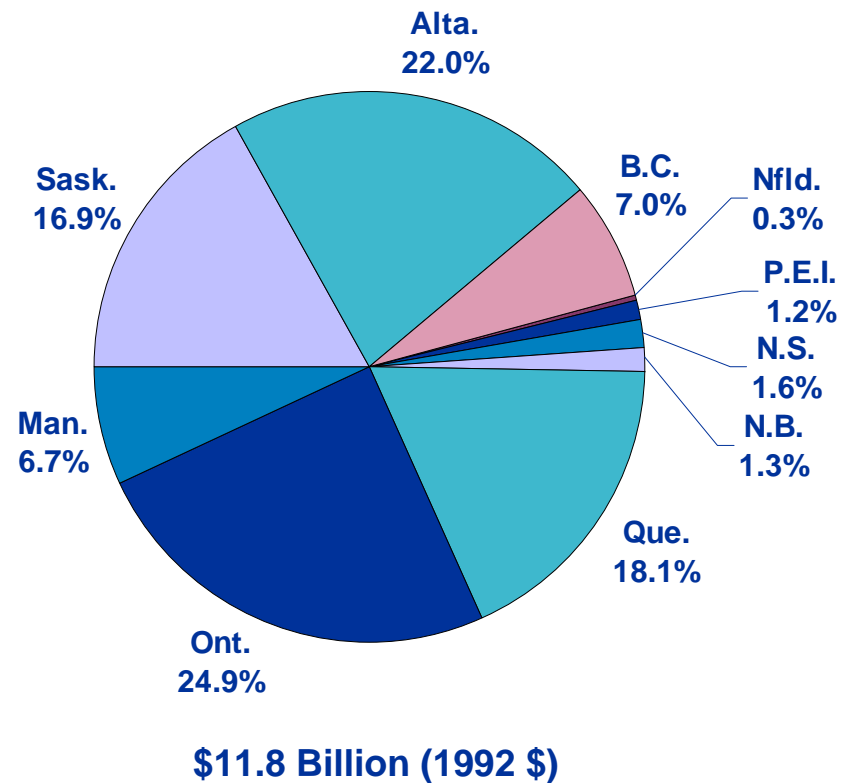
Source: Conference Board of Canada.

Canada Agricultural GDP, 1998

Agricultural GDP Growth since 1997



Provincial Shares of Total Agricultural GDP, 1998

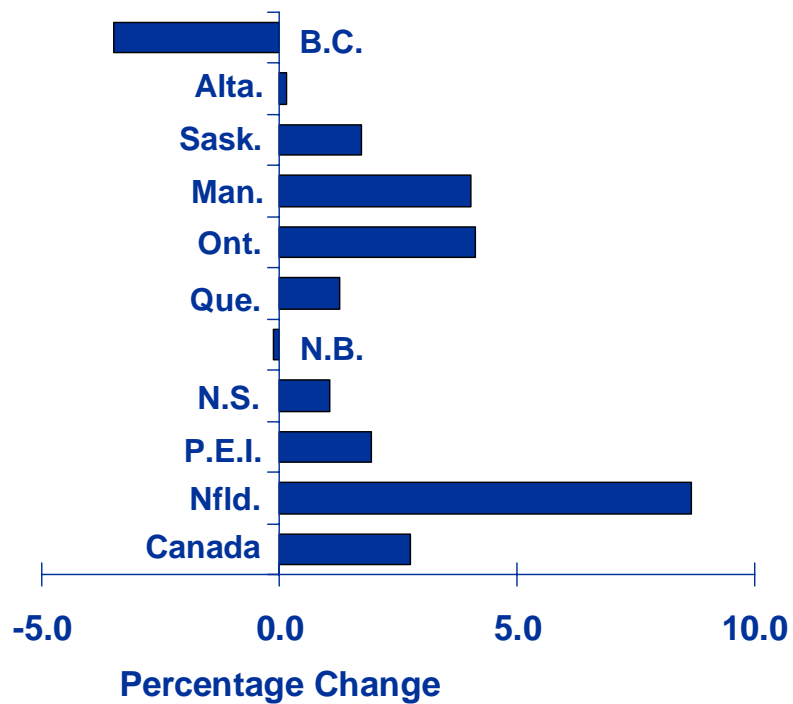


Source: Conference Board of Canada.

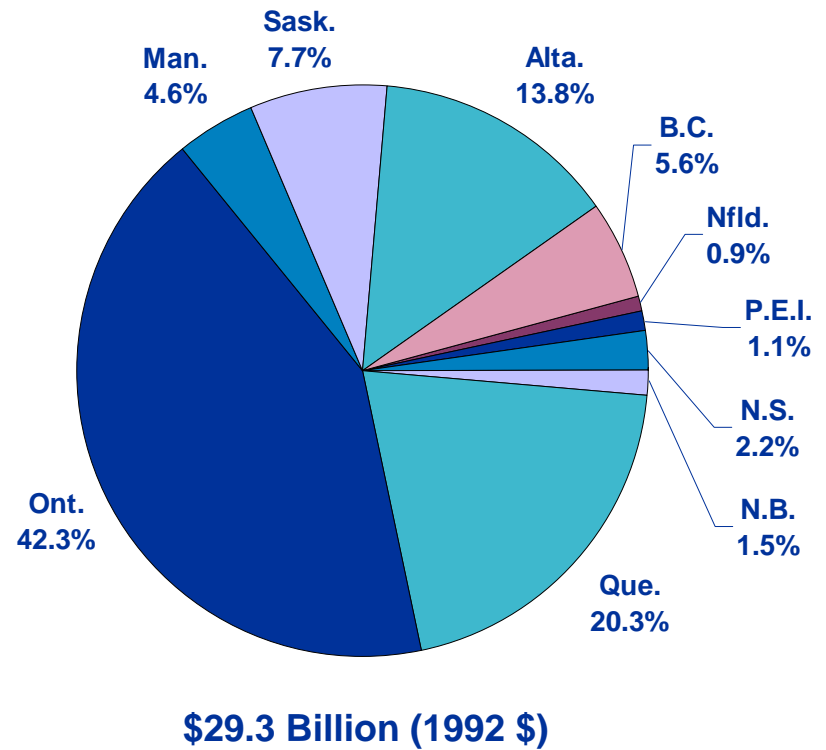
Canada

Agri-Food Processing GDP, 1998

Agri-Food Processing GDP Growth since 1997



Provincial Shares of Total Agri-Food Processing GDP, 1998

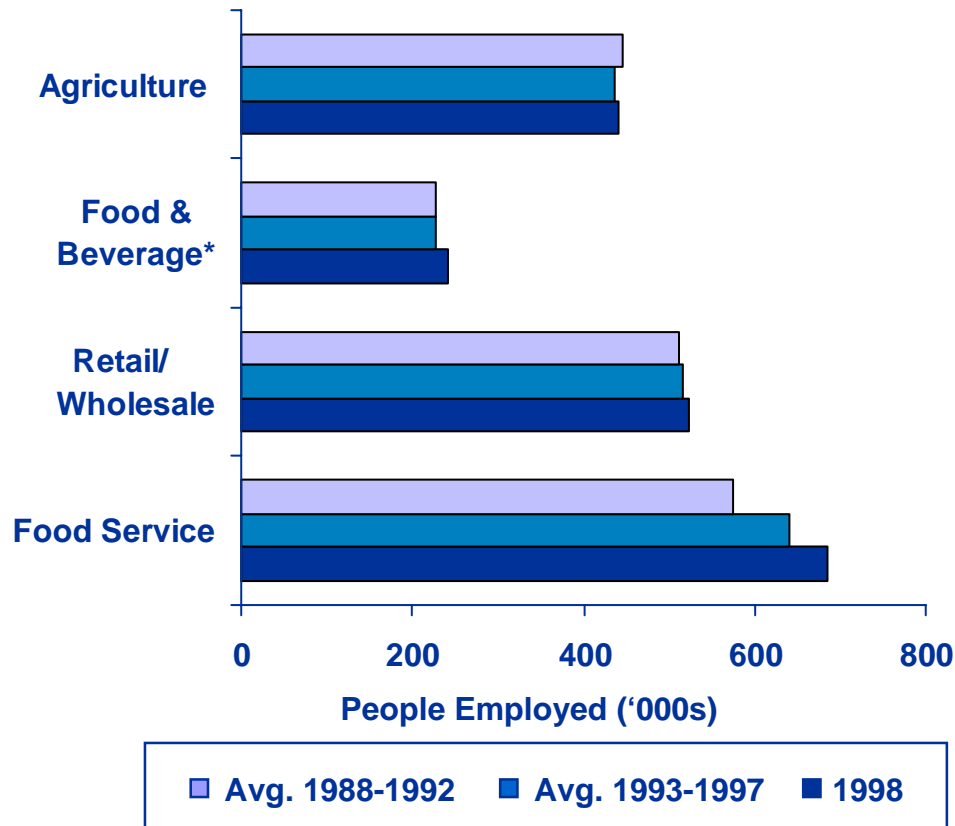


Source: Conference Board of Canada.

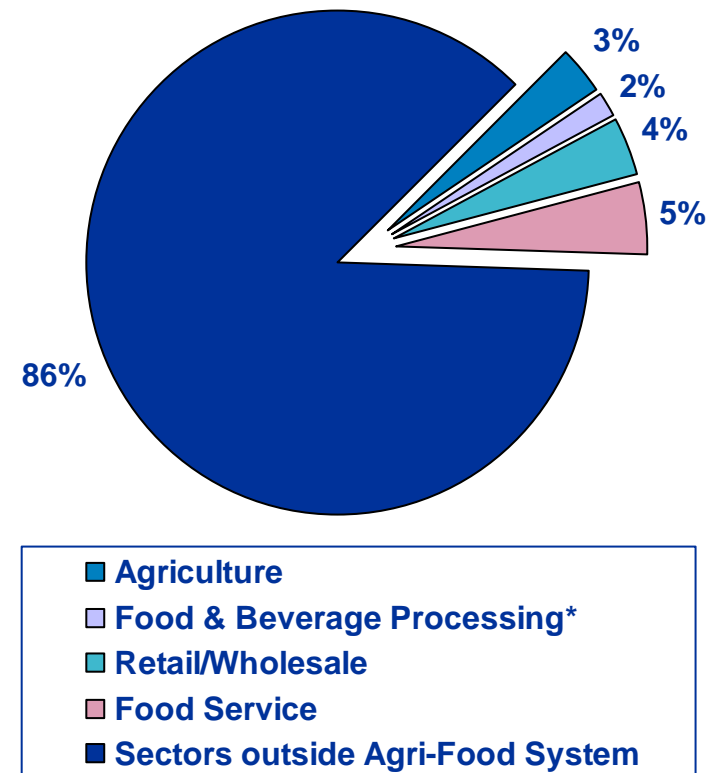
Canada

Agri-Food System Employment

Employment Growth



Agri-Food System Share of Total Employment 1998



*Excludes fish processing.

Source: Statistics Canada, Labour Force Survey.

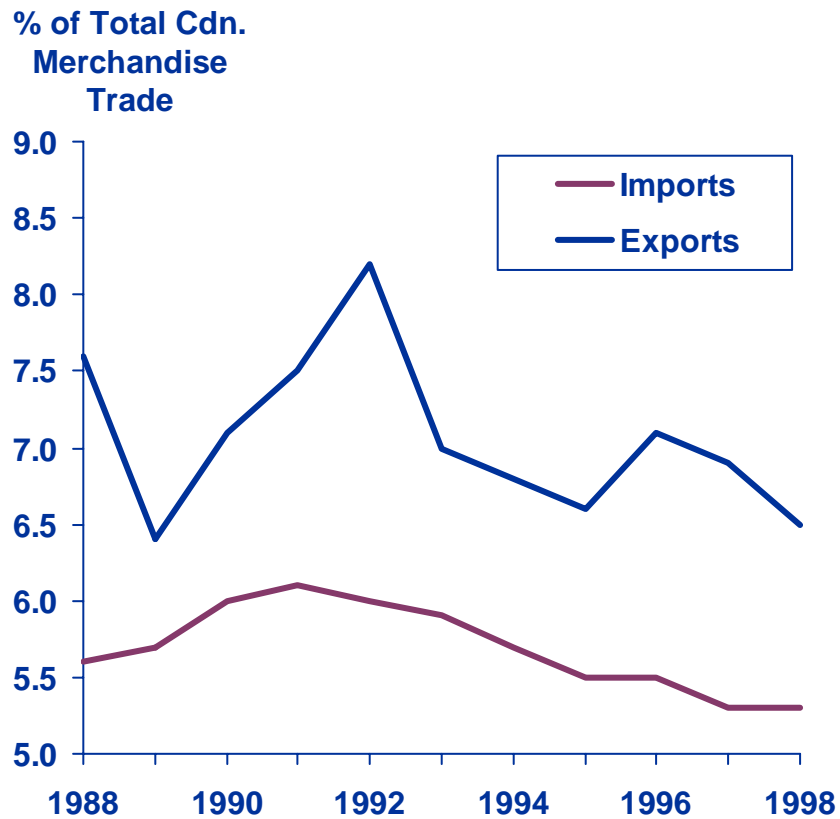
Glossary of Terms

Agri-Food System	Includes the primary agriculture sector, the food & beverage, tobacco & non-food processing sector, the distribution sector and the food services sector.
Agri-Food (Provincial & National GDP comparisons)	Includes agriculture and related service industries and food and beverage processing industries.
GDP (Gross Domestic Product)	Total value of final goods and services produced within a nation's border during a year.
PDI (Personal Disposable Income)	Personal income minus personal taxes. Disposable income is either spent on the consumption of goods and services or saved.

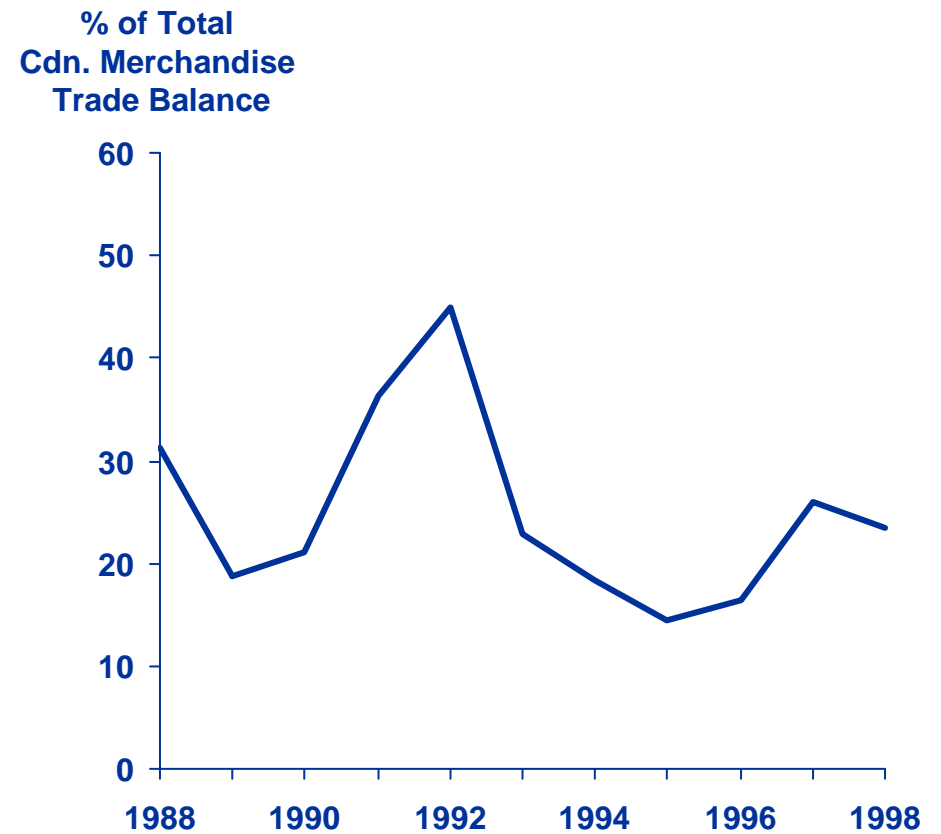
Canadian Agri-Food Trade

Canadian Agri-Food Share of Total Trade

Imports and Exports

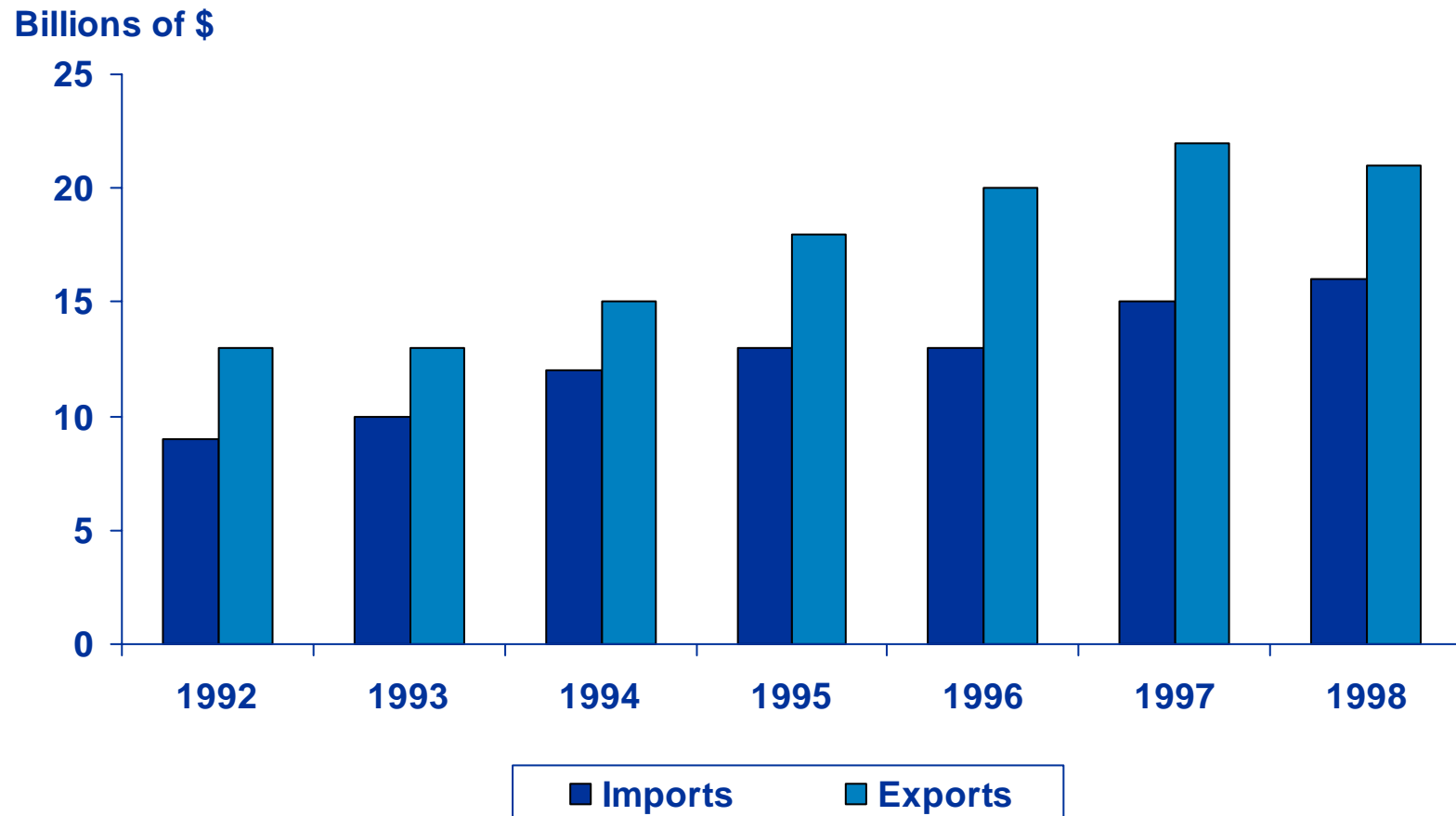


Trade Balance



Source: Statistics Canada, CANSIM Matrices 3651, 3685 and AAFC's Trade Data Retrieval System.

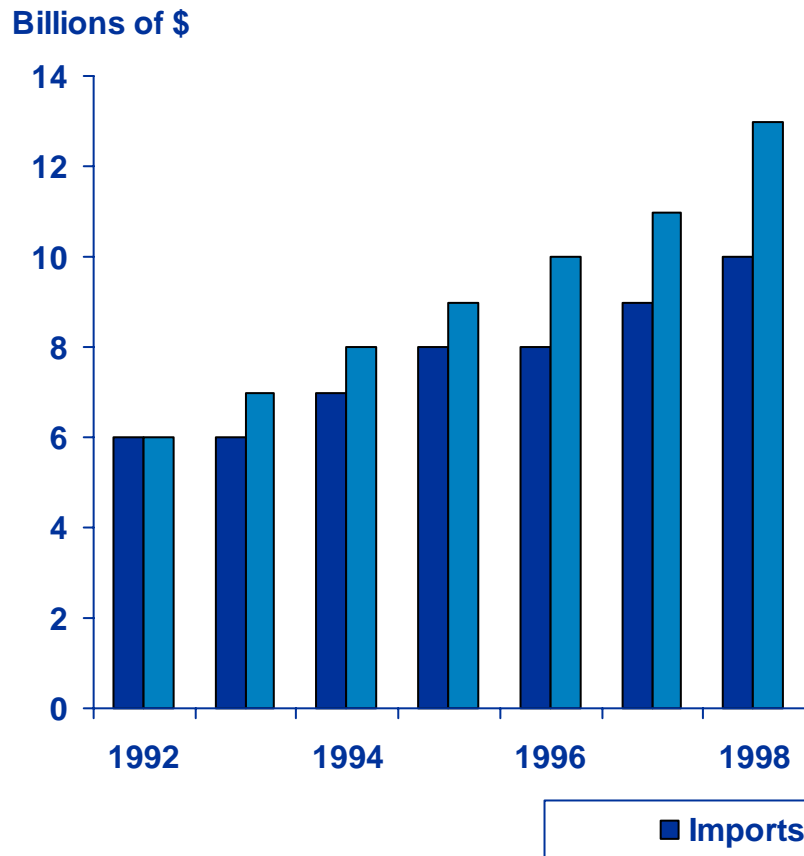
Canadian Agri-Food Trade



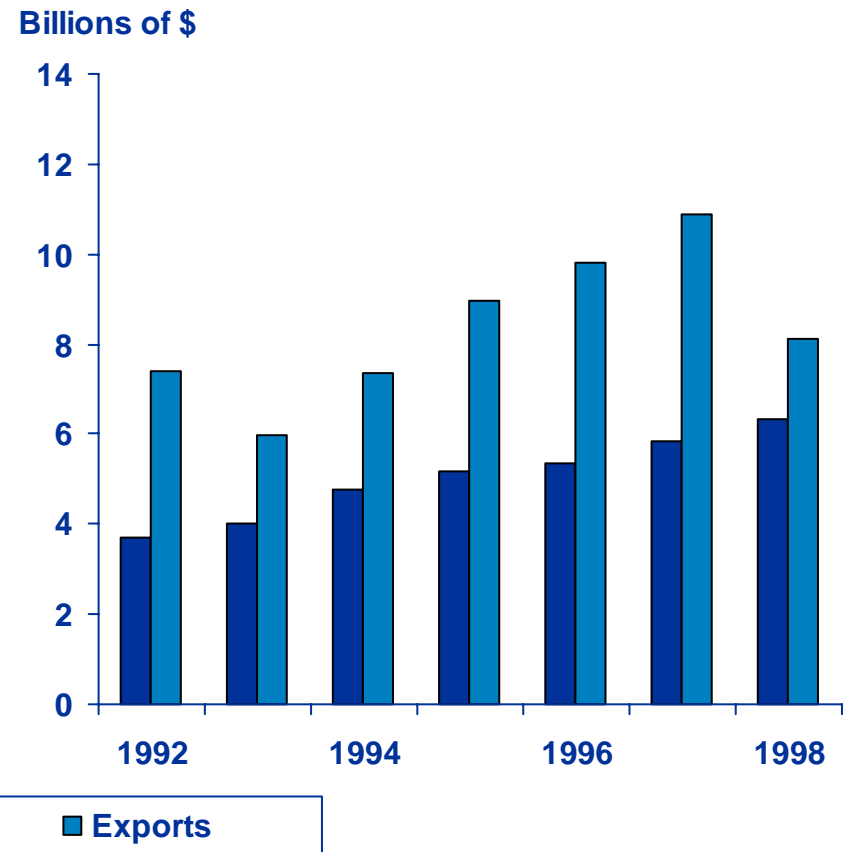
Source: AAFC Trade Data Retrieval System.

Canadian Agri-Food Trade

Trade with the US

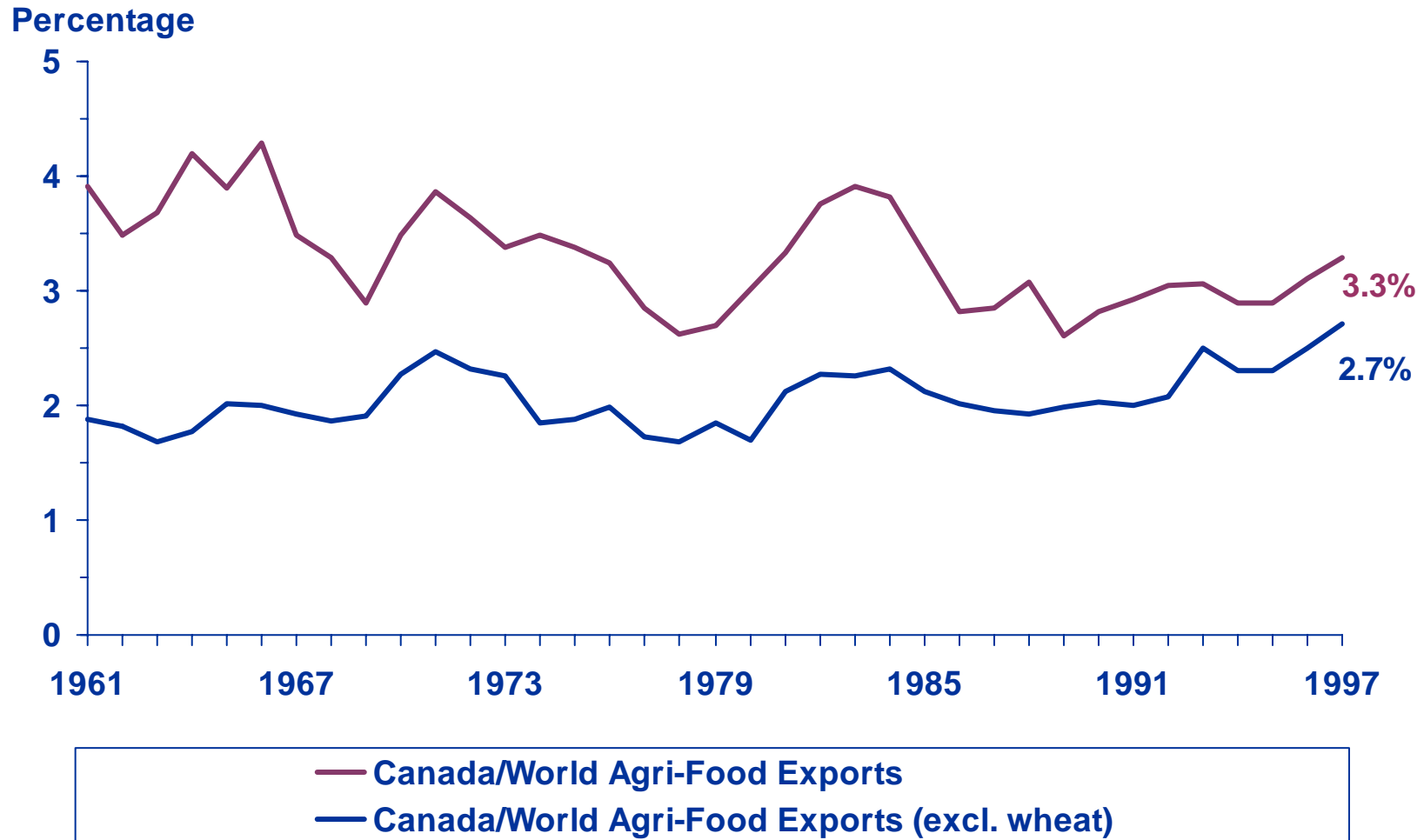


Trade with the Rest of the World



Source: AAFC Trade Data Retrieval System.

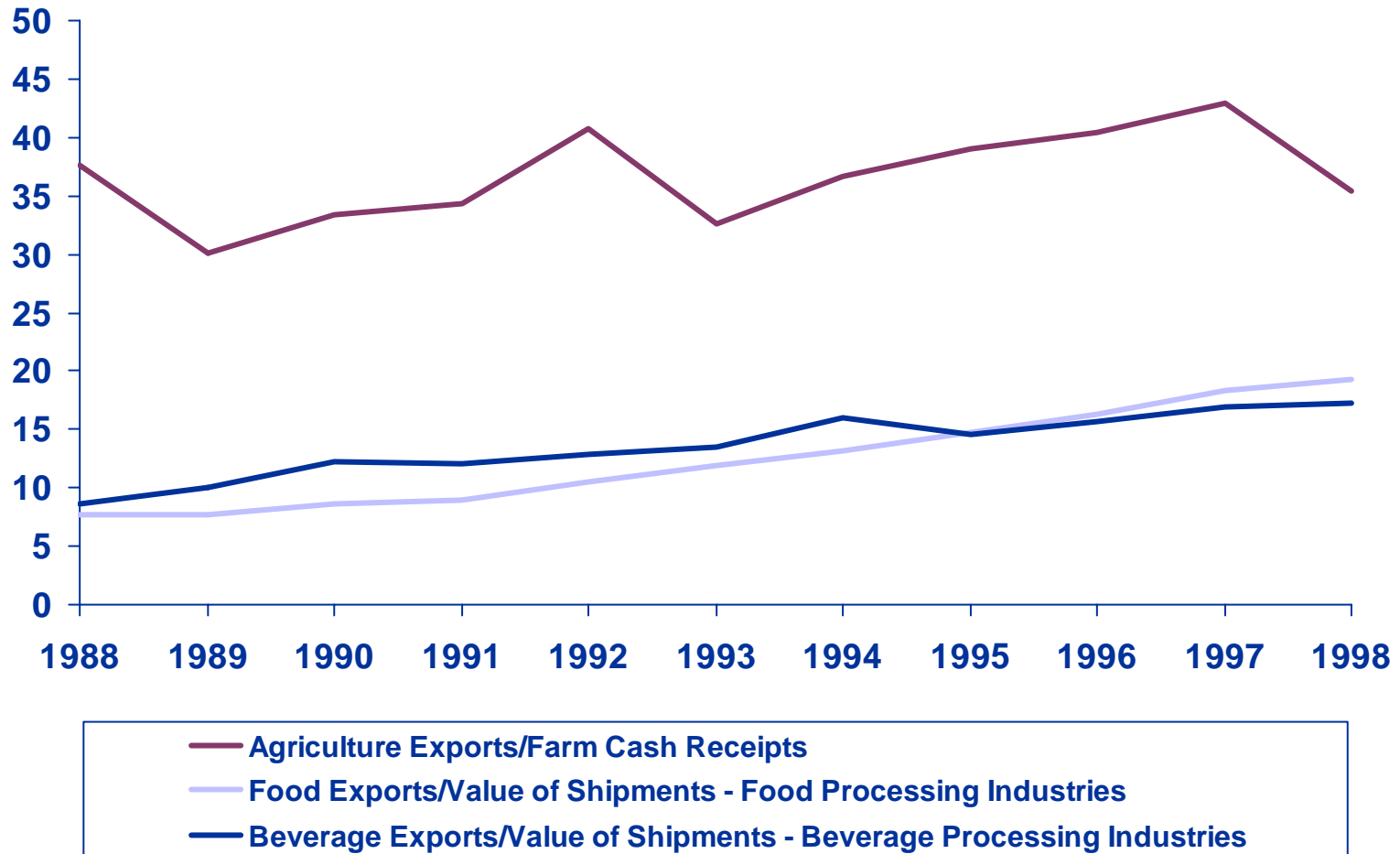
Canadian Agri-Food Exports as a Share of World Agri-Food Exports



Source: FAO Database.

Export Intensity

Percentage

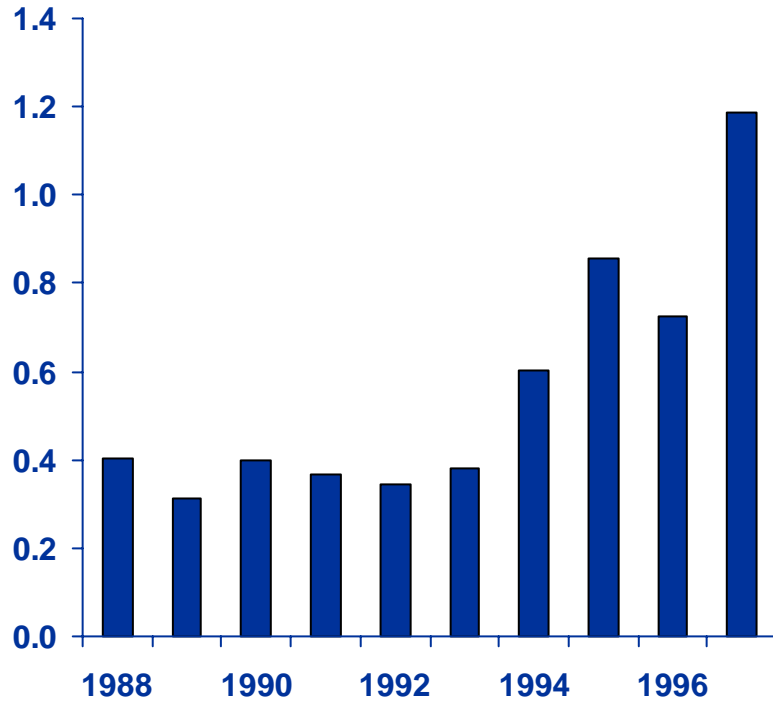


Source: Strategis Trade Data, Statistics Canada CANSIM Matrices 9550 and 9551, Farm Income, Financial Conditions and Government Assistance Databook, March 1999.

Canadian Agri-Food Trade by Region - Africa

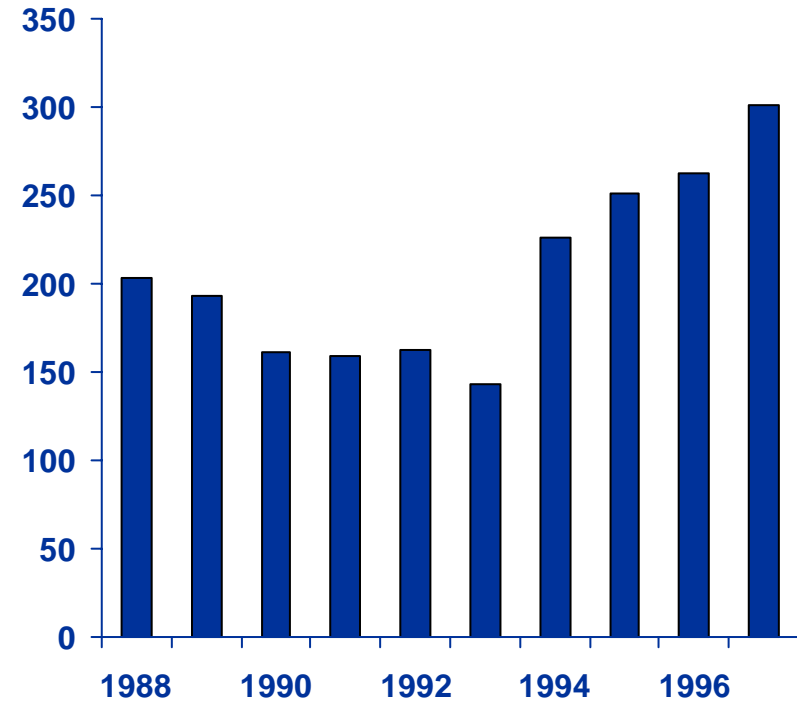
Exports

Billions of CAN \$



Imports

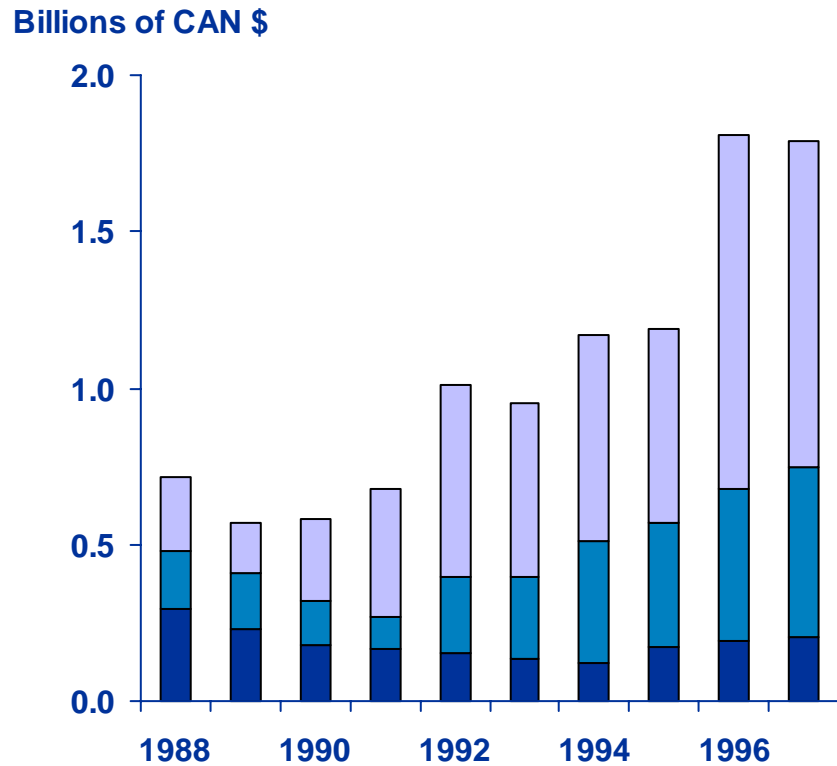
Millions of CAN \$



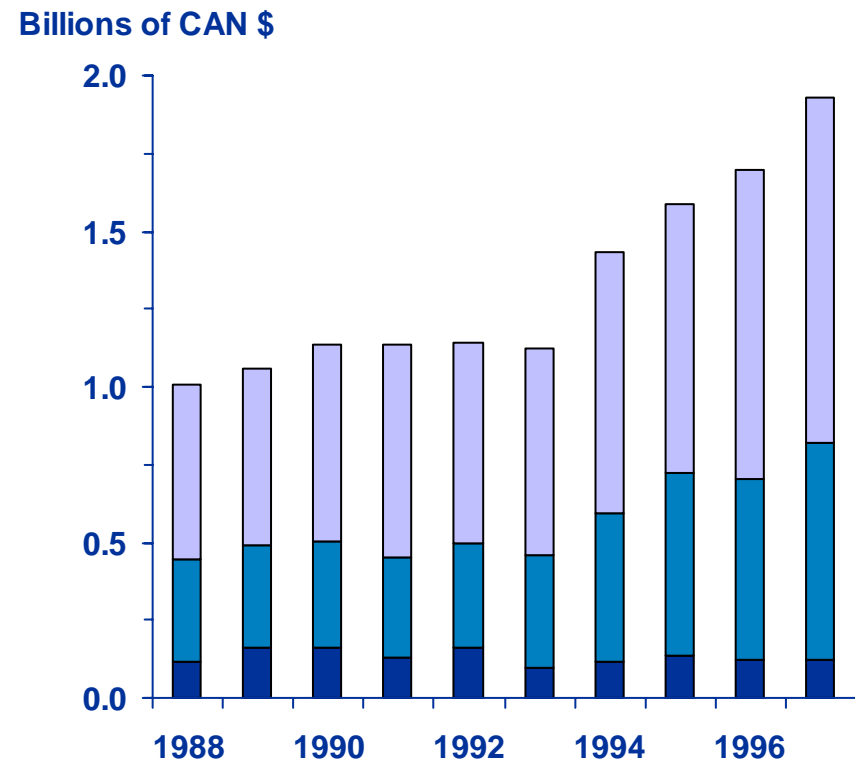
Source: Statistics Canada Merchandise Trade Database.

Canadian Agri-Food Trade by Regions of the Americas (other than the US)

Exports



Imports

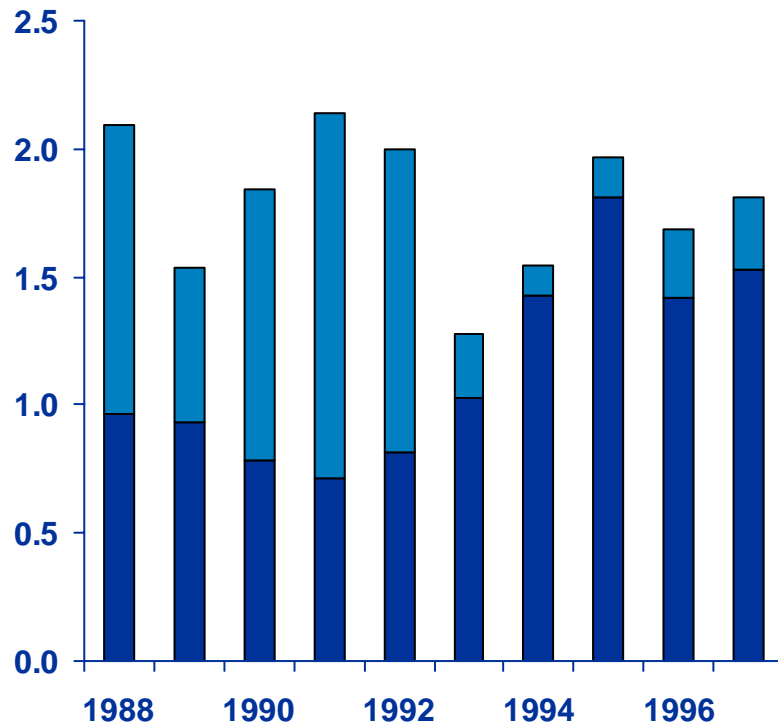


Source: Statistics Canada Merchandise Trade Database.

Canadian Agri-Food Trade by Region - Europe

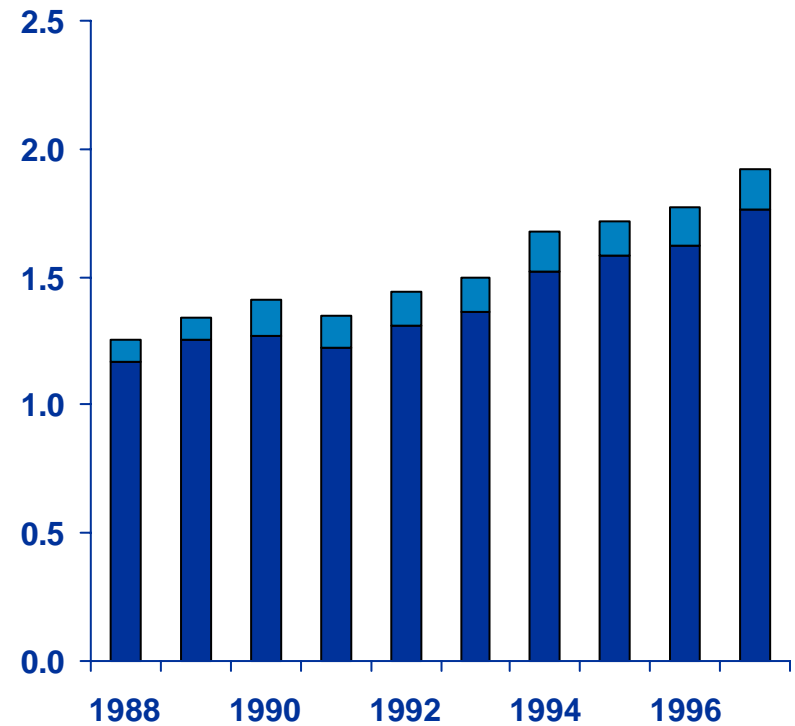
Exports

Billions of CAN \$



Imports

Billions of CAN \$

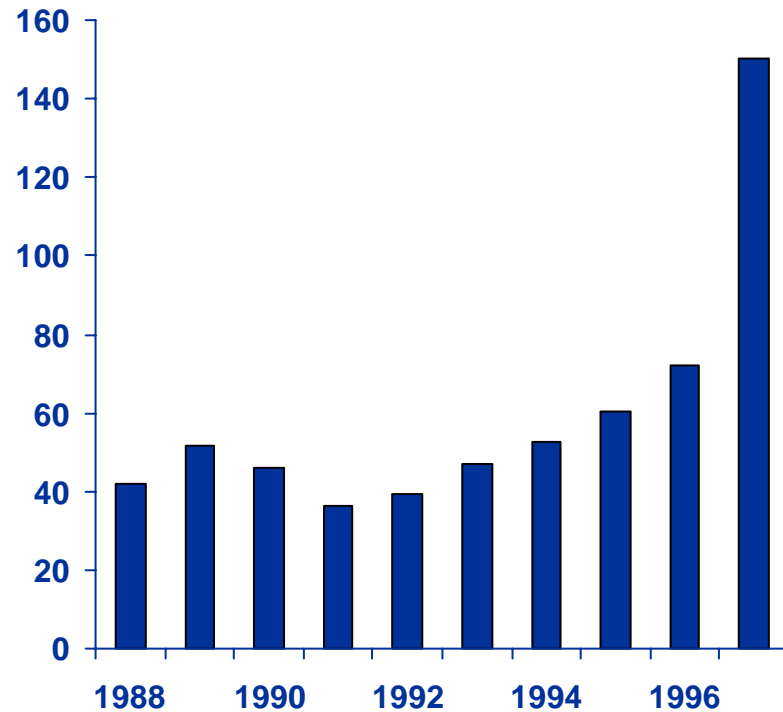


Source: Statistics Canada Merchandise Trade Database.

Canadian Agri-Food Trade by Region - Oceania

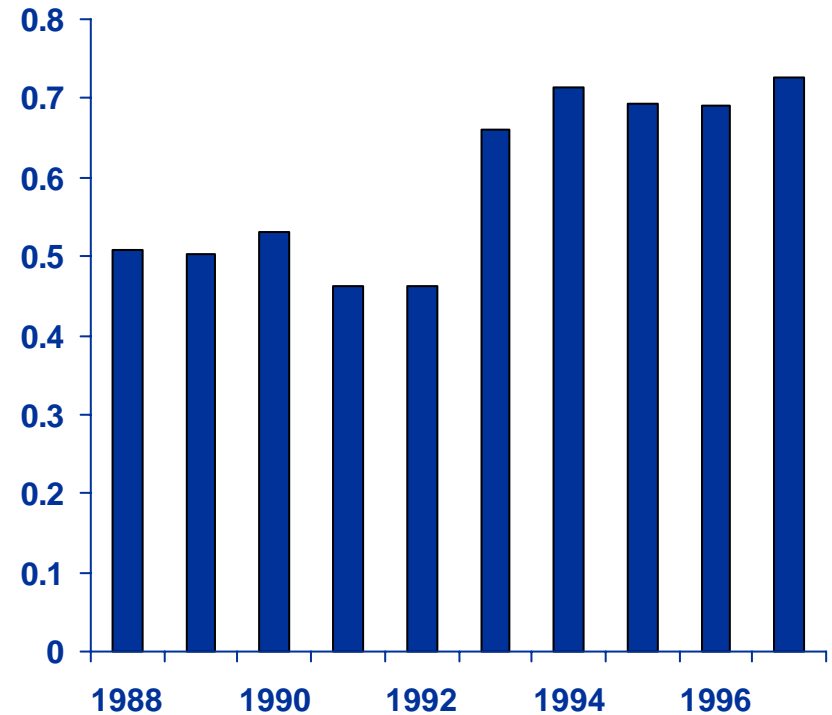
Exports

Millions of CAN \$



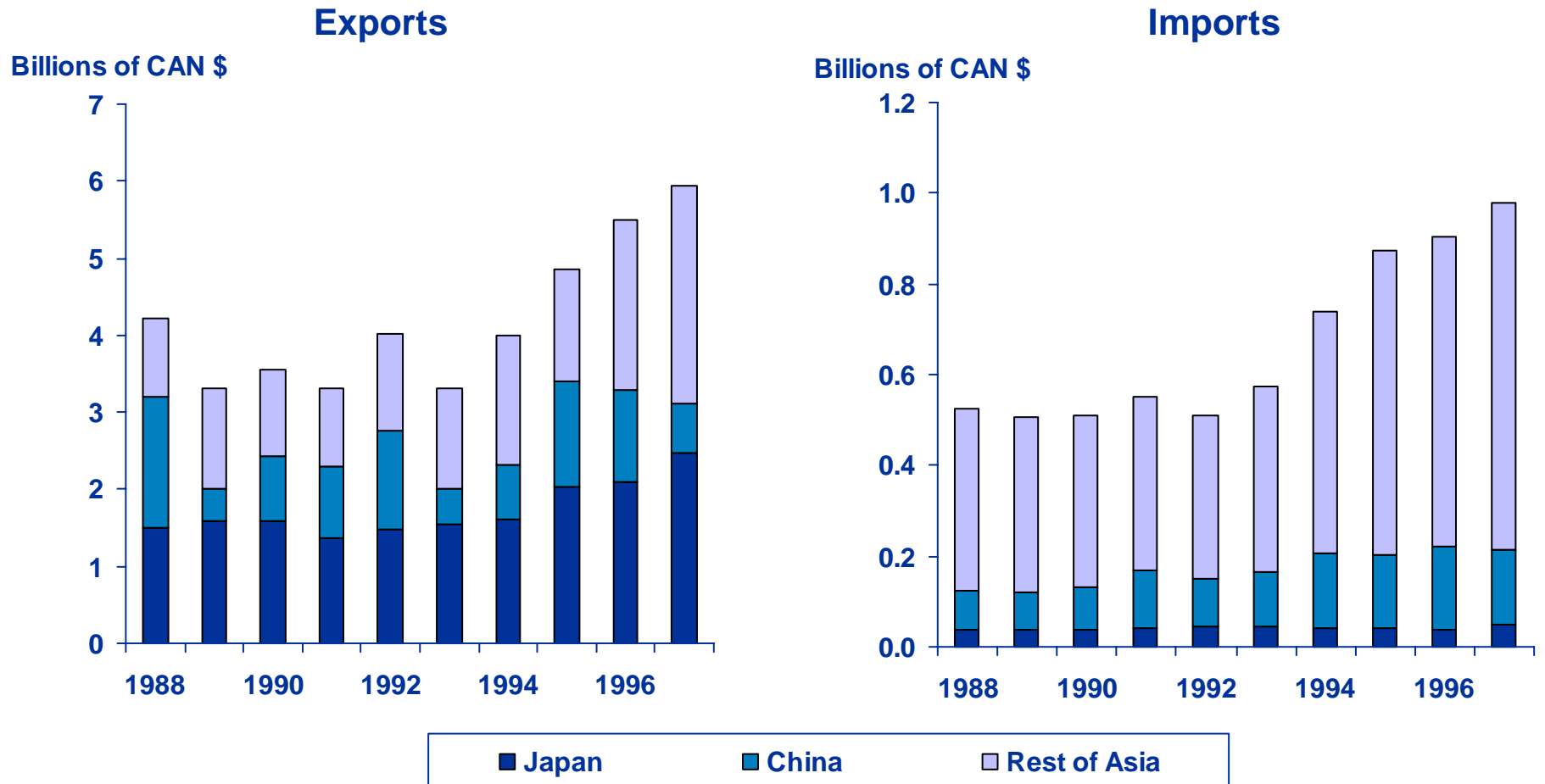
Imports

Billions of CAN \$



Source: Statistics Canada Merchandise Trade Database.

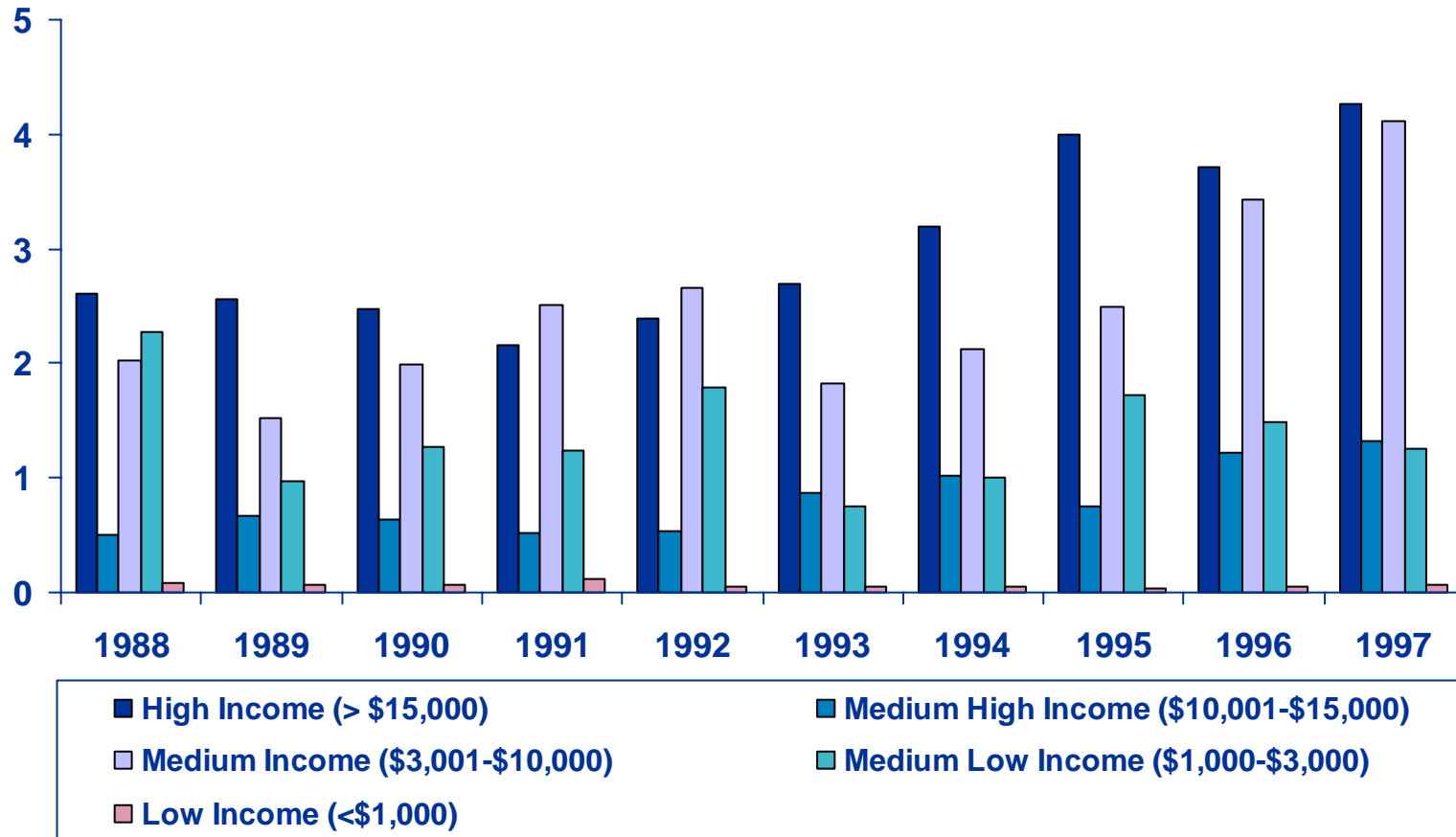
Canadian Agri-Food Trade by Region - Asia



Source: Statistics Canada Merchandise Trade Database.

Canadian Agri-Food Exports Destination Country Income Groupings*

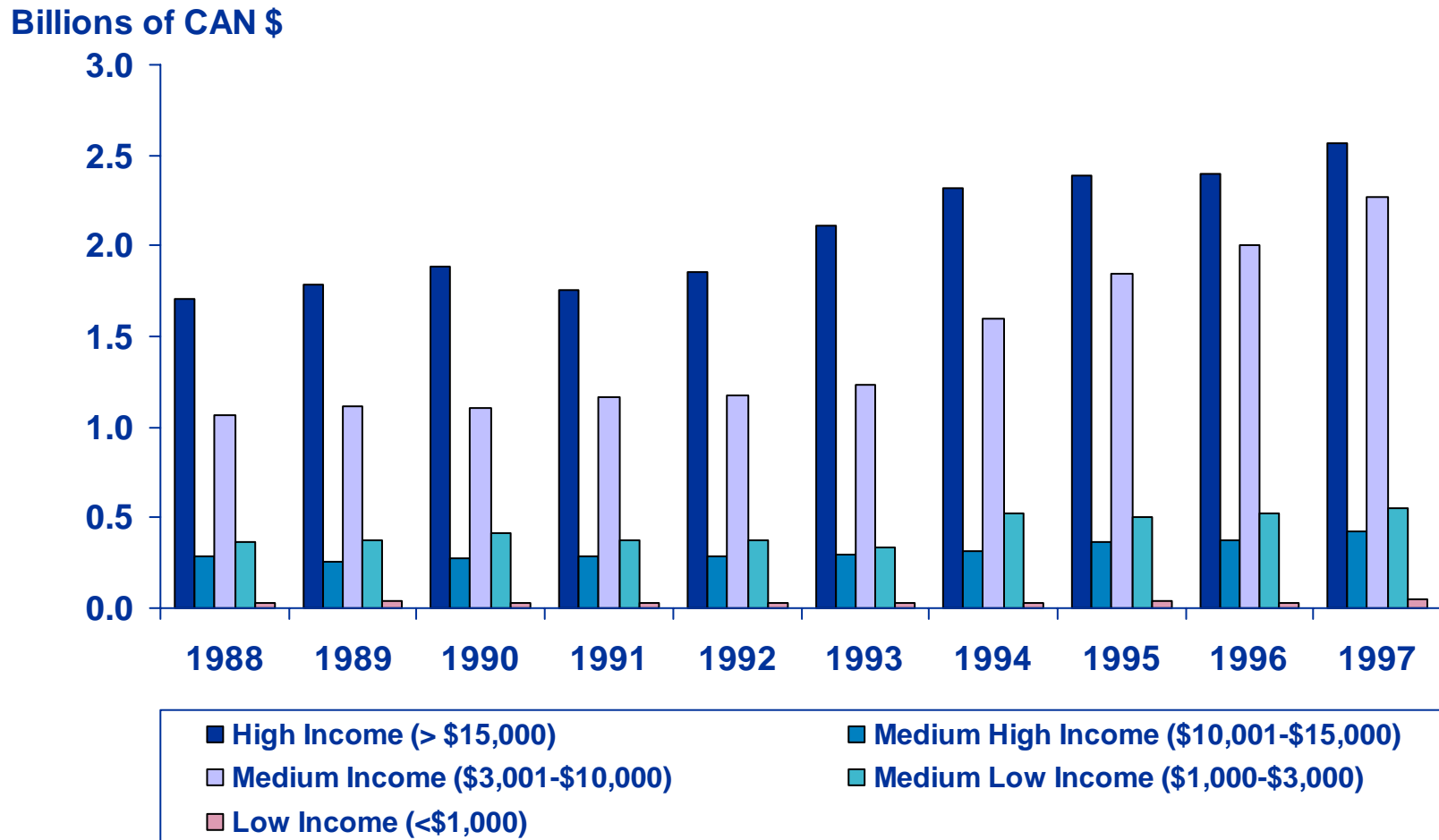
Billions of CAN \$



*Note: GDP per capita converted to US dollars by the use of purchasing power parities used by international organizations and academia. Excludes the United States.

Source: Statistics Canada Merchandise Trade Database.

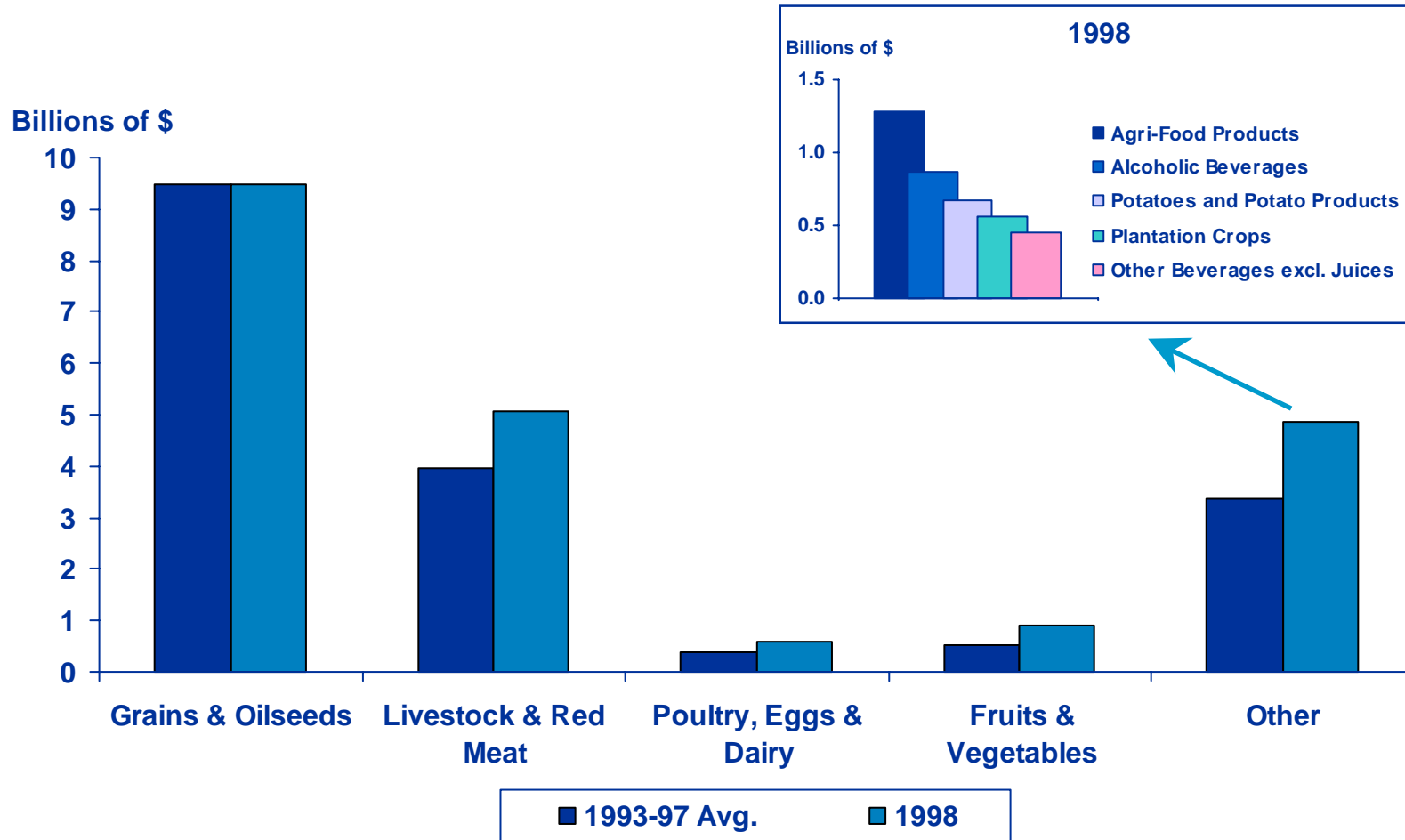
Canadian Agri-Food Imports Origin Country Income Groupings*



*Note: GDP per capita converted to US dollars by the use of purchasing power parities used by international organizations and academia. Excludes the United States.

Source: Statistics Canada Merchandise Trade Database.

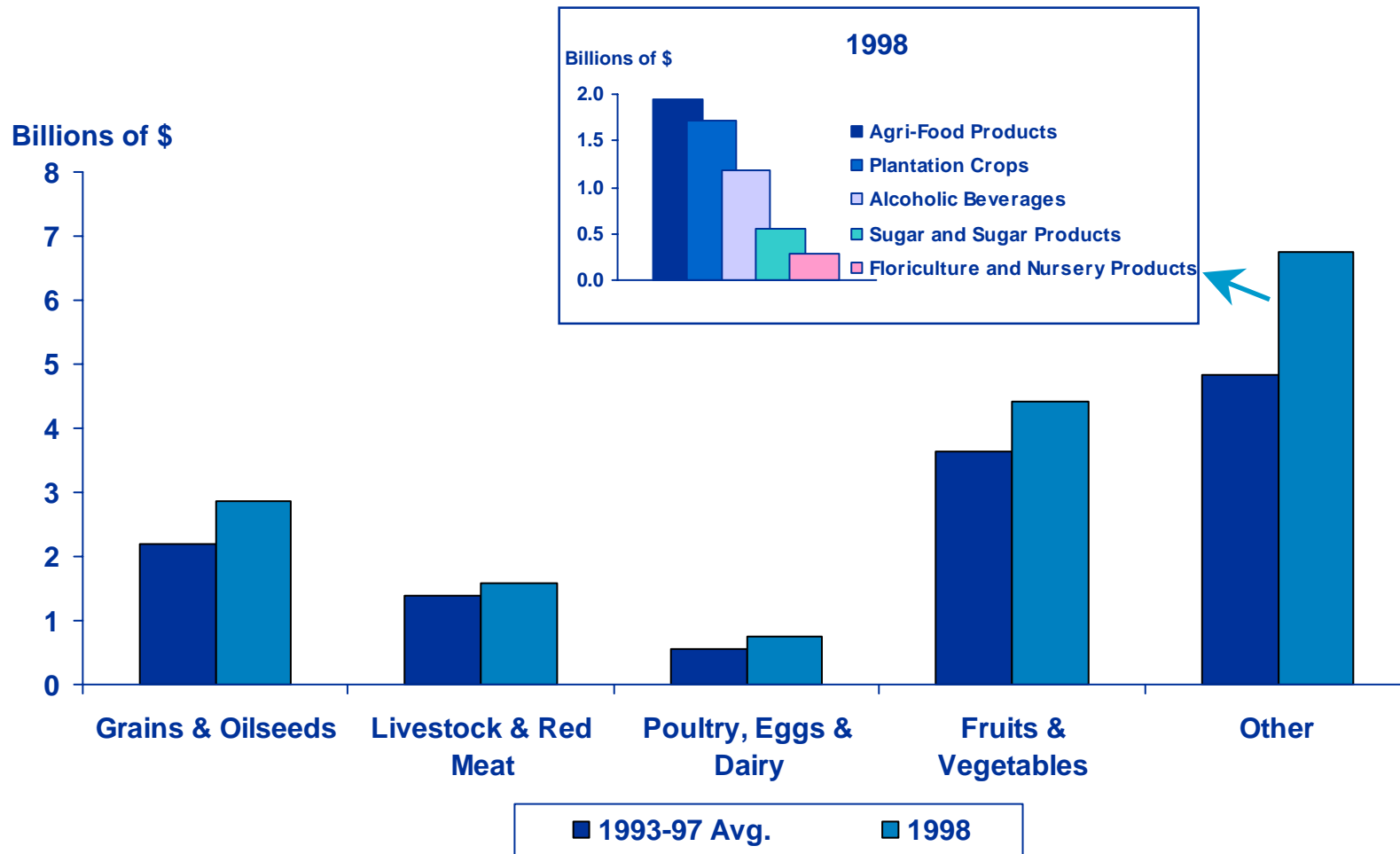
Canadian Agri-Food Exports for Selected Commodity Groups



*Note: Agri-Food Products includes honey, spices, chocolates/sugar confectionery (incl. Nut pastes), food/material for food preps incl. Condiments, and other products not elsewhere specified.

Source: AAFC Trade Data Retrieval System.

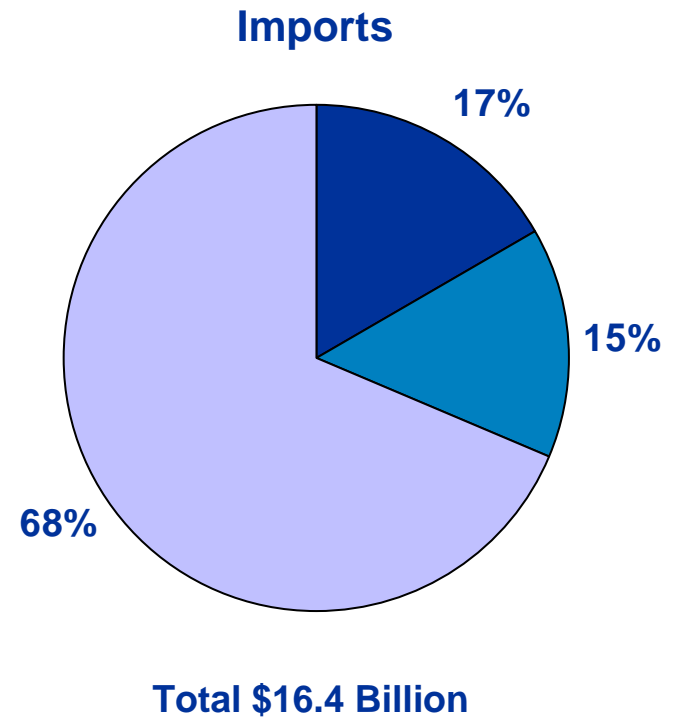
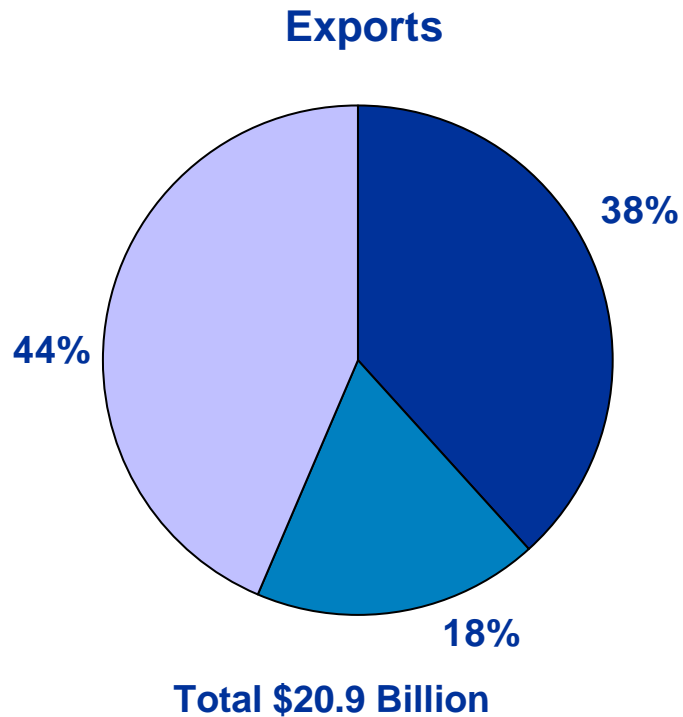
Canadian Agri-Food Imports for Selected Commodity Groups



*Note: Agri-Food Products includes honey, spices, chocolates/sugar confectionery (incl. Nut pastes), food/material for food preps incl. Condiments, and other products not elsewhere specified.

Source: AAFC Trade Data Retrieval System.

Canadian Agri-Food Trade by Degree of Processing, 1998

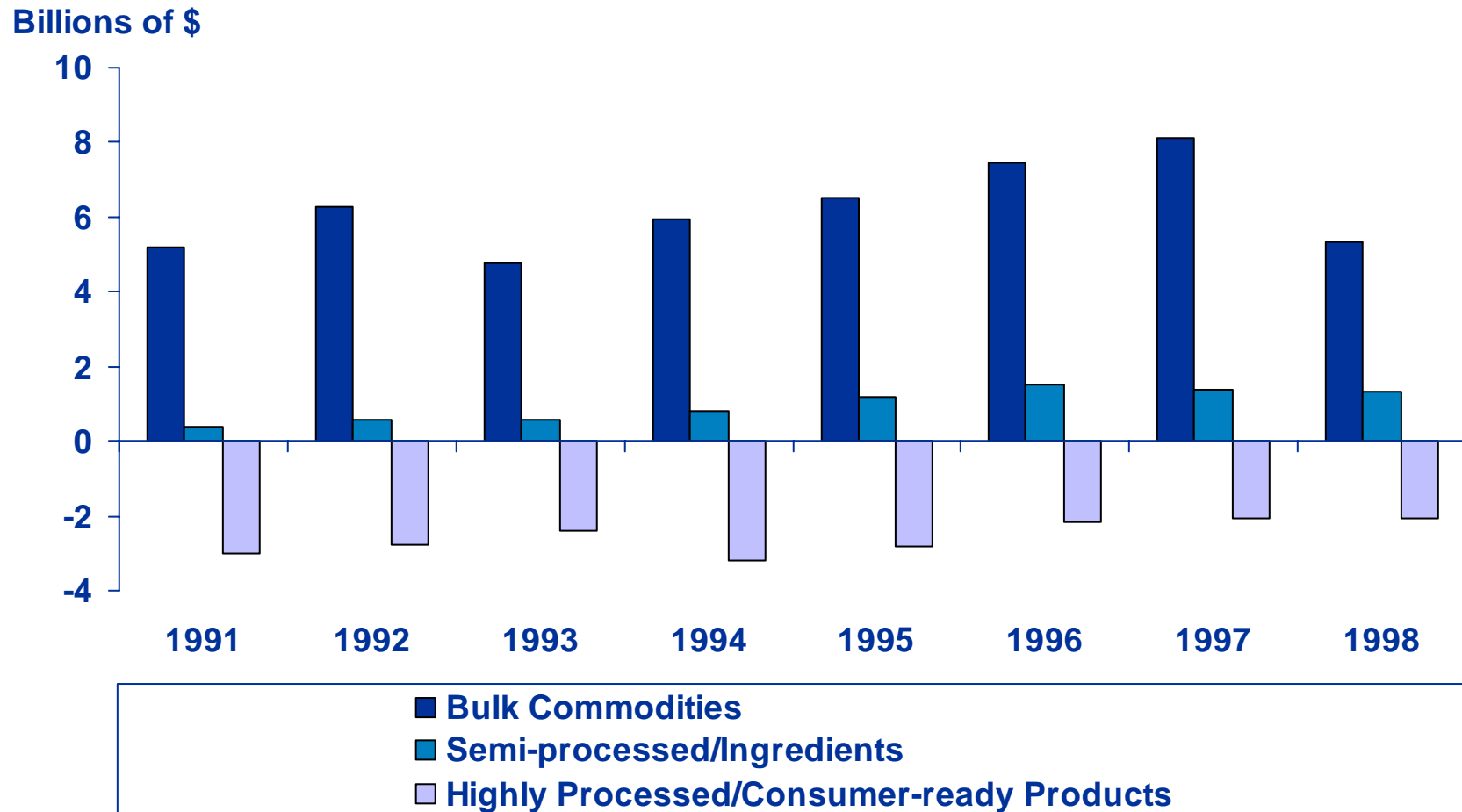


- Bulk Commodities
- Semi-processed/Ingredients
- Highly Processed/Consumer-ready Products

*Note: Bulk Commodities is BICO classification 'Bulk' plus live animals. Semi-processed/Ingredients is BICO classification 'Intermediate' minus live animals.

Source: AAFC Trade Data Retrieval System.

Canadian Agri-Food Trade Balance by Degree of Processing, 1998



*Note: Bulk Commodities is BICO classification 'Bulk' plus live animals. Semi-processed/Ingredients is BICO classification 'Intermediate' minus live animals.

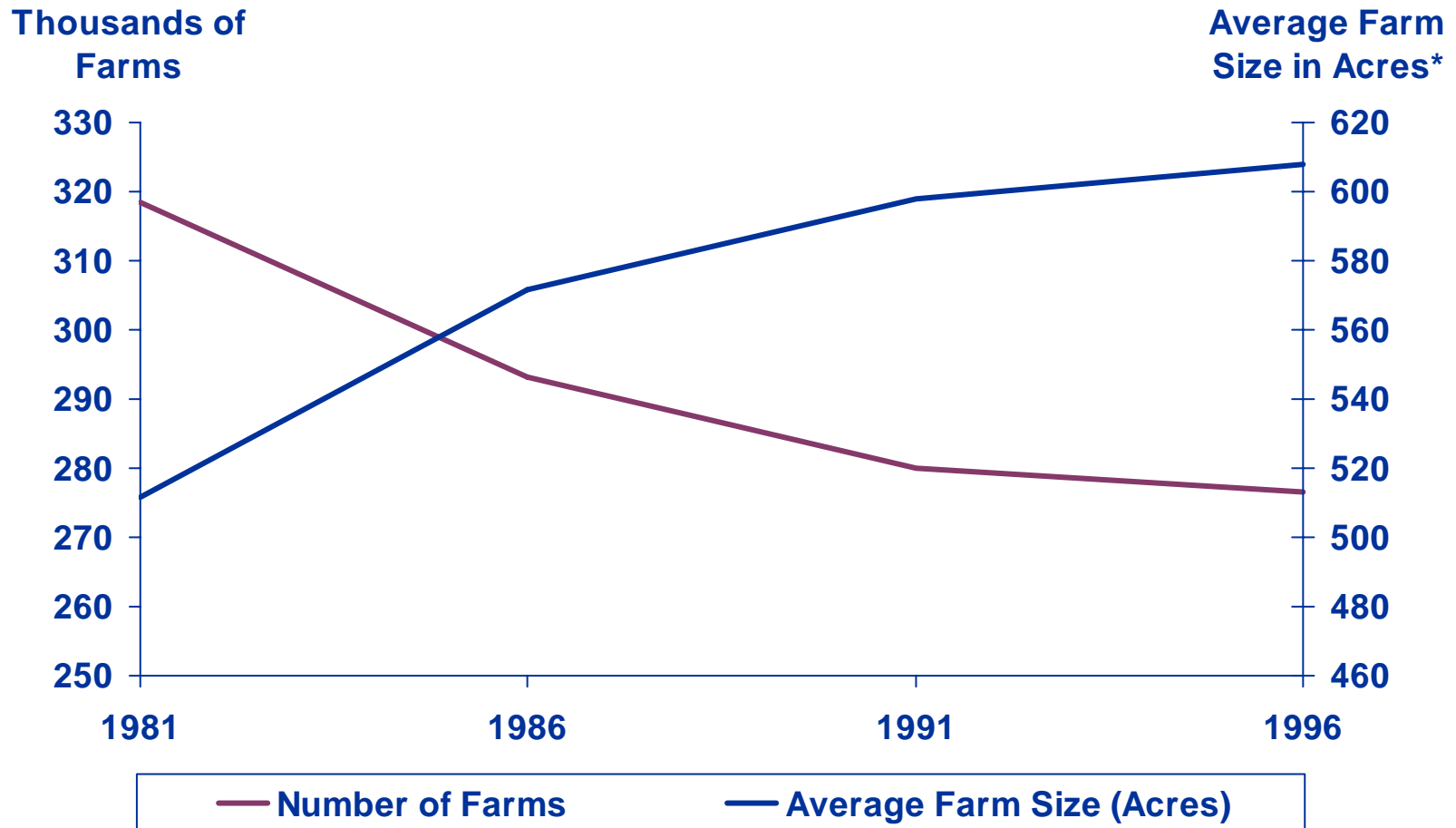
Source: AAFC Trade Data Retrieval System.

Glossary of Terms

Trade Balance	Exports less imports
Other Commodity Group	Includes potatoes & products, seeds for sowing, maple products, sugar & products, raw tobacco, vegetable fibres, plantation crops, floriculture & nursery products, essential oils, other agri-food products, alcoholic beverages, other beverages excluding juices, manufactured tobacco products, undenatured ethyl alcohol >80% vol.
Export Intensity	The value of agri-food exports as a percentage of total value received from the production of the agri-food products.

Agriculture Sector: Structure and Performance

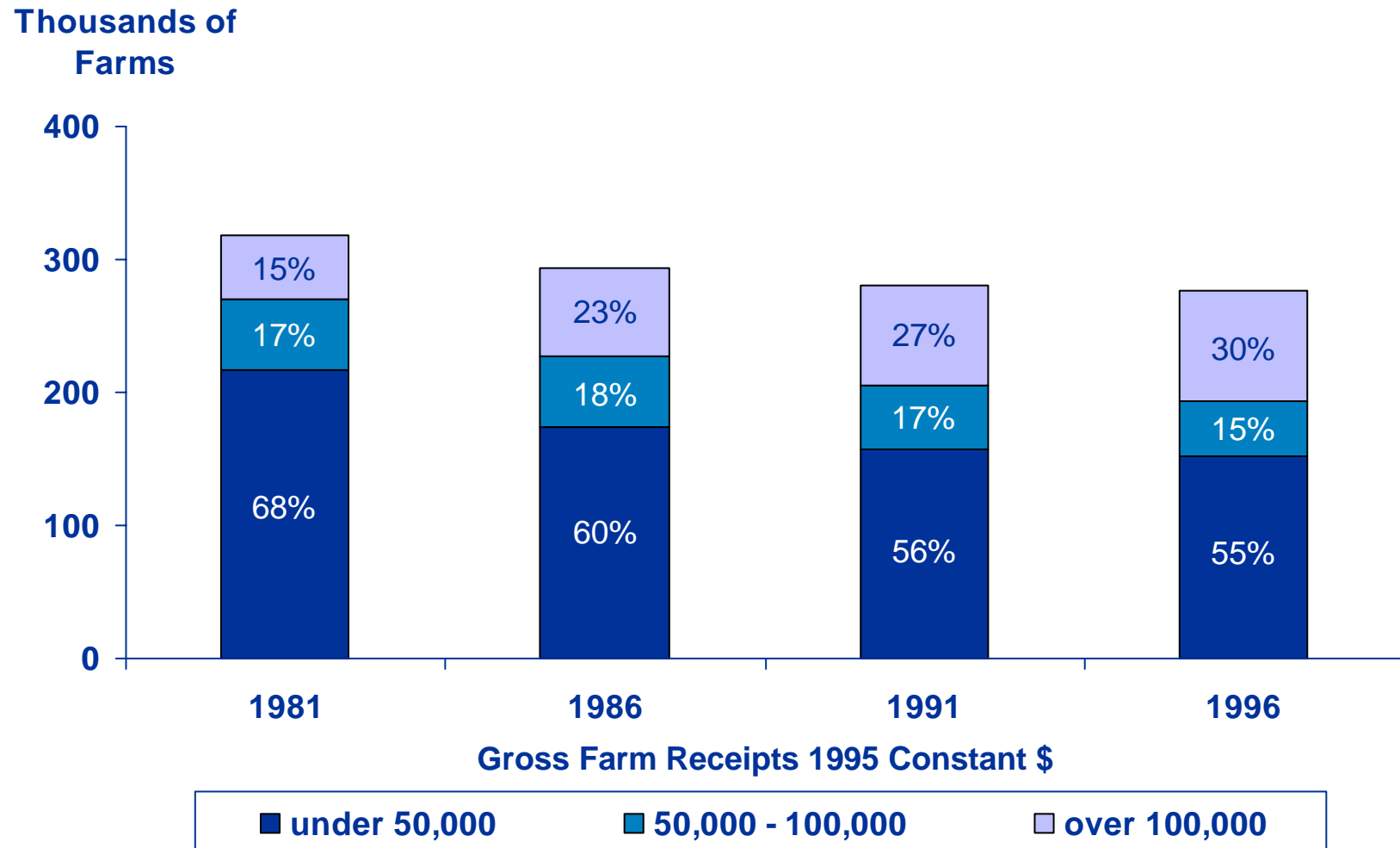
Number and Size of Farms



*Note: 1 acre=0.4047 hectares

Source: Statistics Canada, Historical Overview of Canadian Agriculture, 1996.

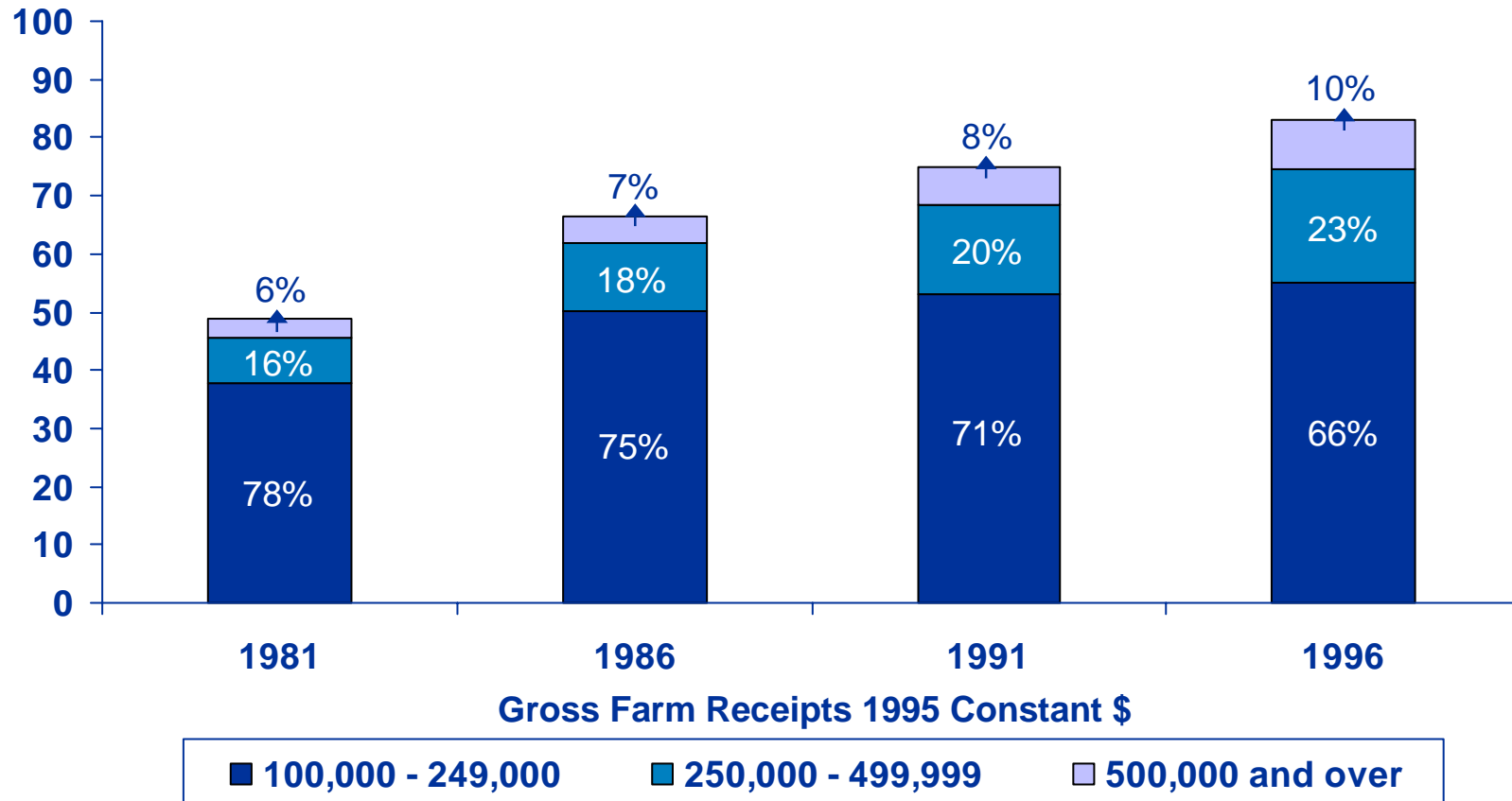
Number of Farms by Revenue Class



Source: Statistics Canada, Historical Overview of Canadian Agriculture, 1996.

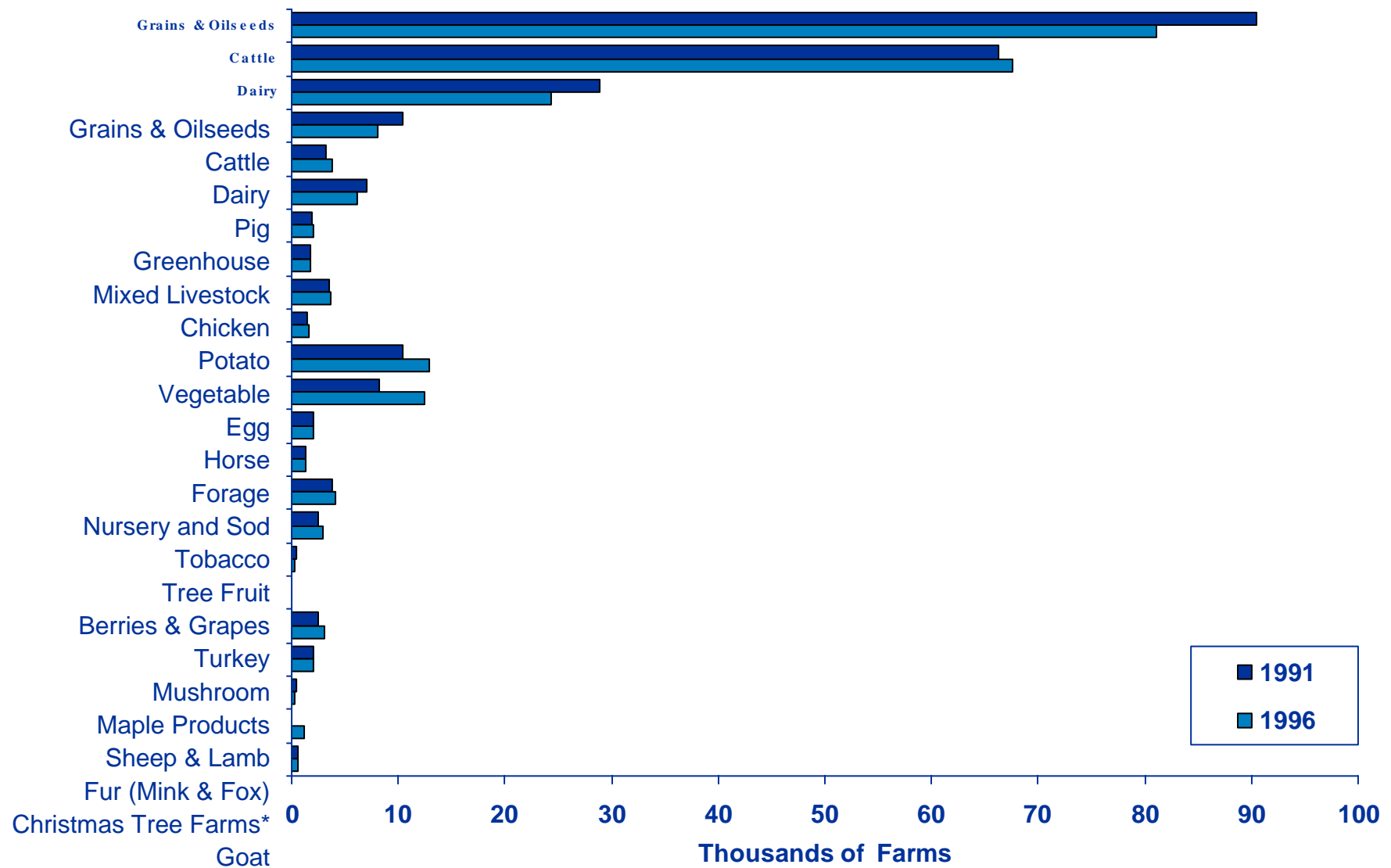
Number of Large Farms by Revenue Class

Thousands of Farms



Source: Statistics Canada, Historical Overview of Canadian Agriculture, 1996.

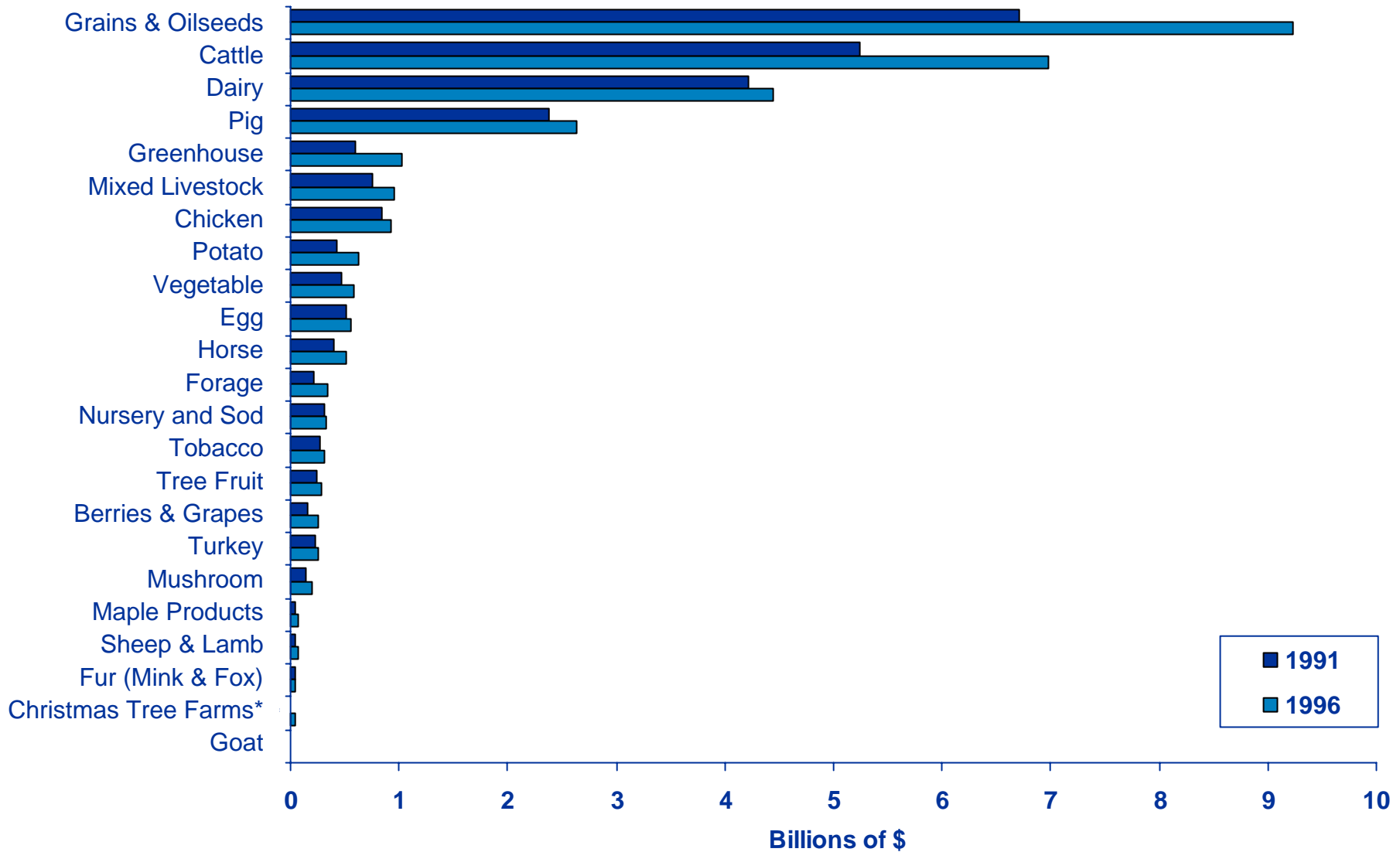
Number of Farms by Farm Type*



*Note: Farm type is determined by a product contributing at least 51% to farm revenue. Data for Christmas tree farms was not collected before the 1996 Census of Agriculture.

Source: AAFC - Structure of Canadian Agriculture 1991 & 1996.

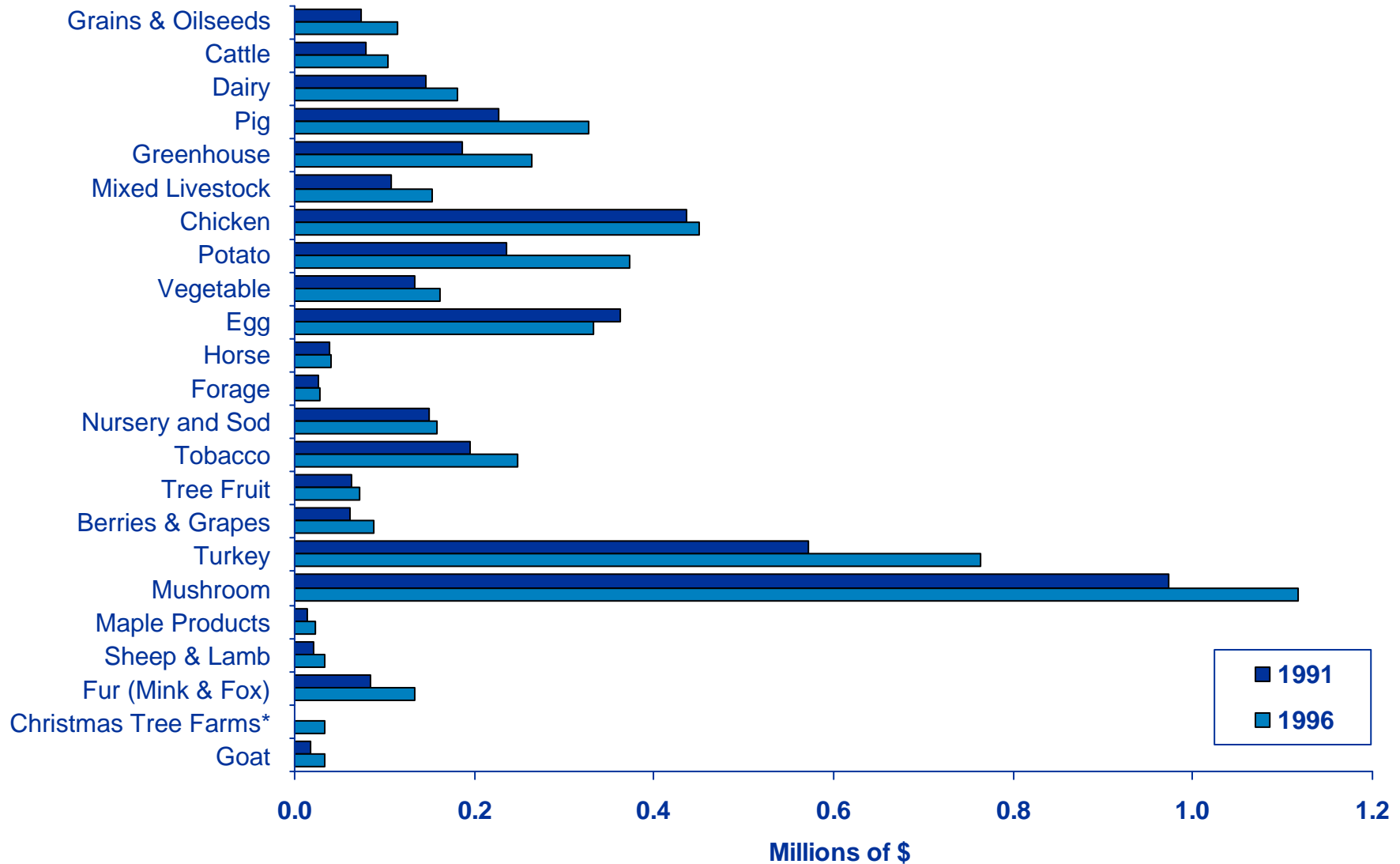
Total Gross Farm Income by Farm Type*



*Note: Farm type is determined by a product contributing at least 51% to farm revenue. Data for Christmas tree farms was not collected before the 1996 Census of Agriculture.

Source: AAFC - Structure of Canadian Agriculture 1991 & 1996.

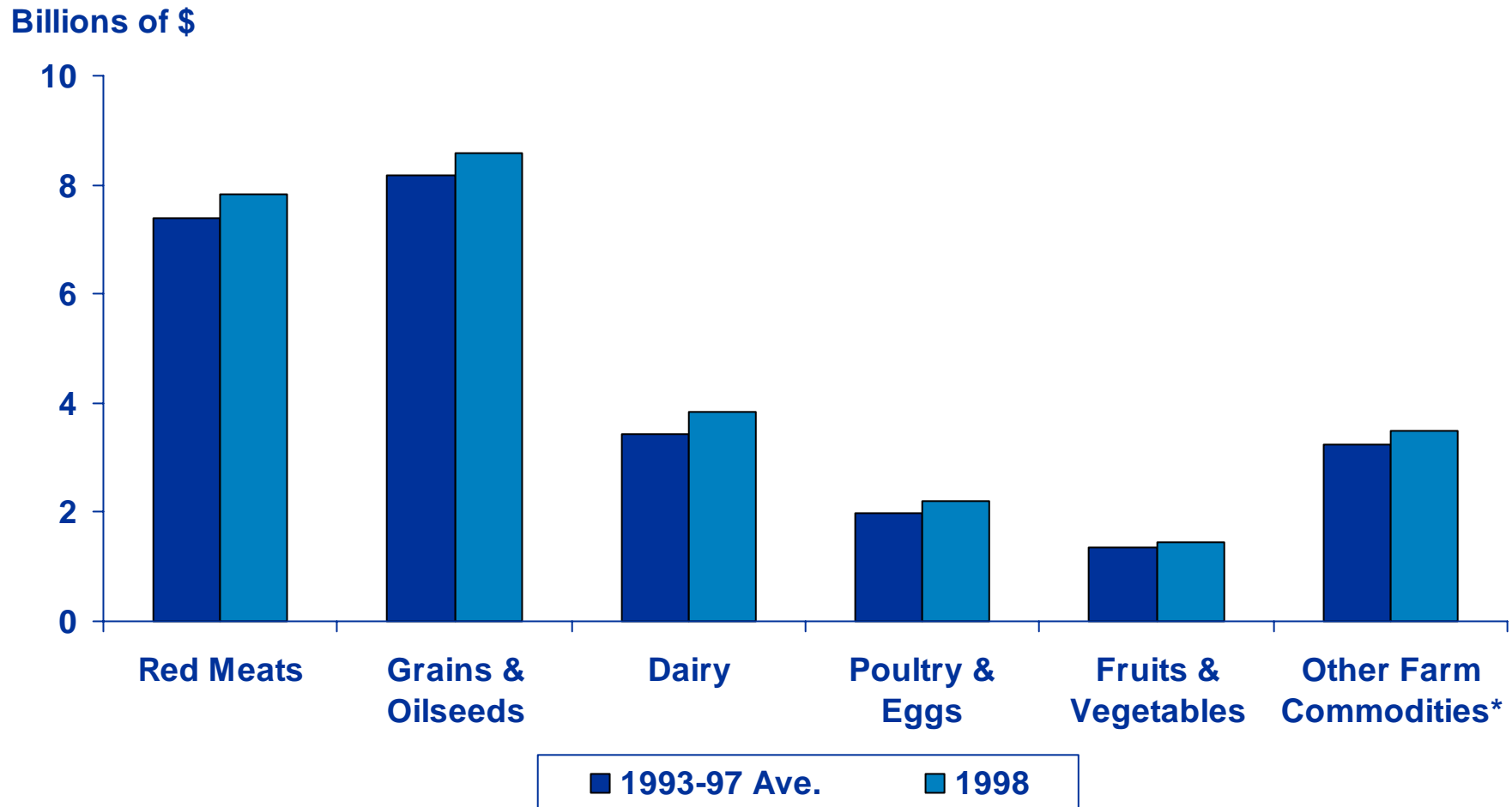
Average Gross Farm Income by Farm Type*



*Note: Farm type is determined by a product contributing at least 51% to farm revenue. Data for Christmas tree farms was not collected before the 1996 Census of Agriculture.

Source: AAFC - Structure of Canadian Agriculture 1991 & 1996.

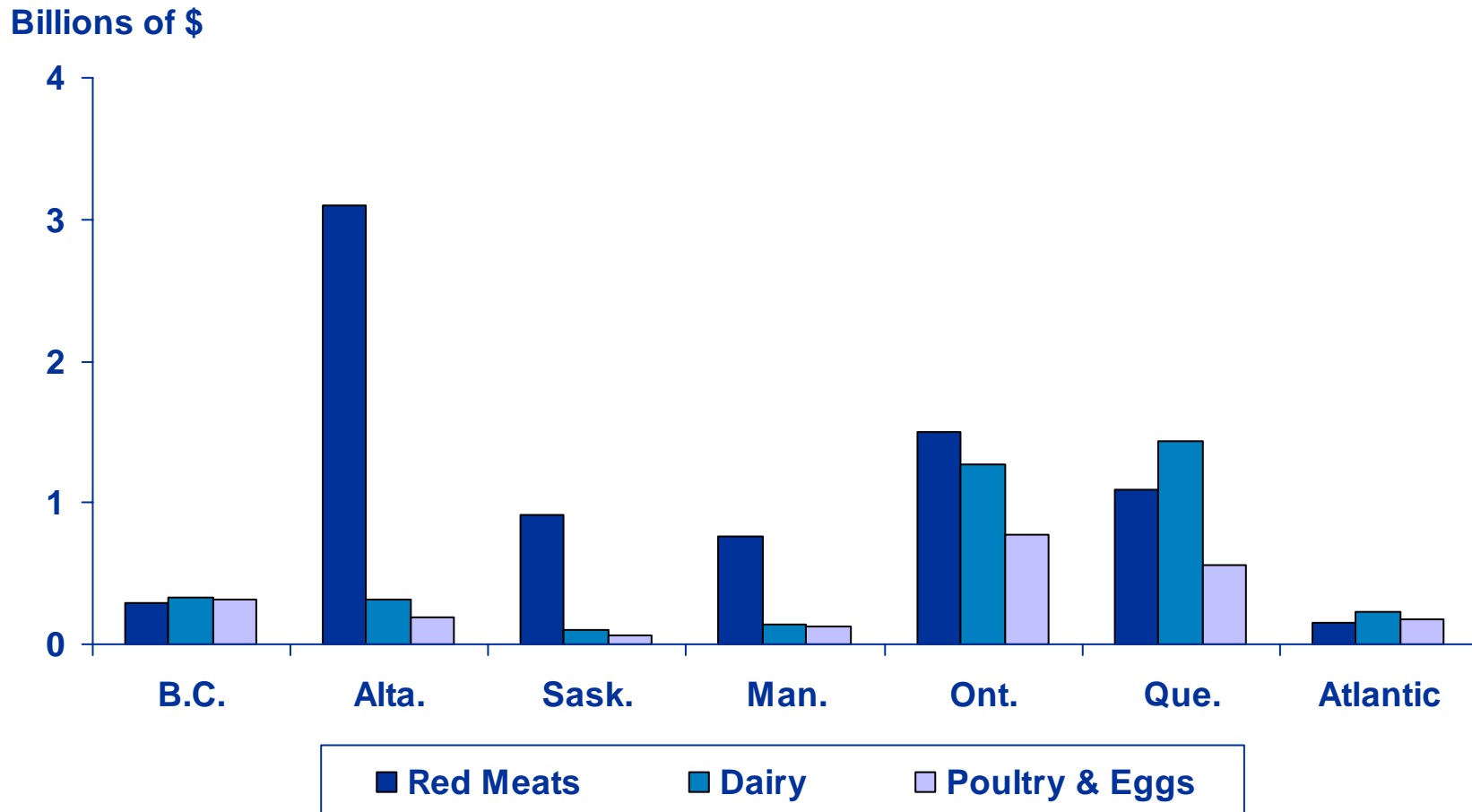
Canadian Farm Cash Market Receipts by Commodity Group



*Includes: Potatoes, Special Crops, Forage, etc.

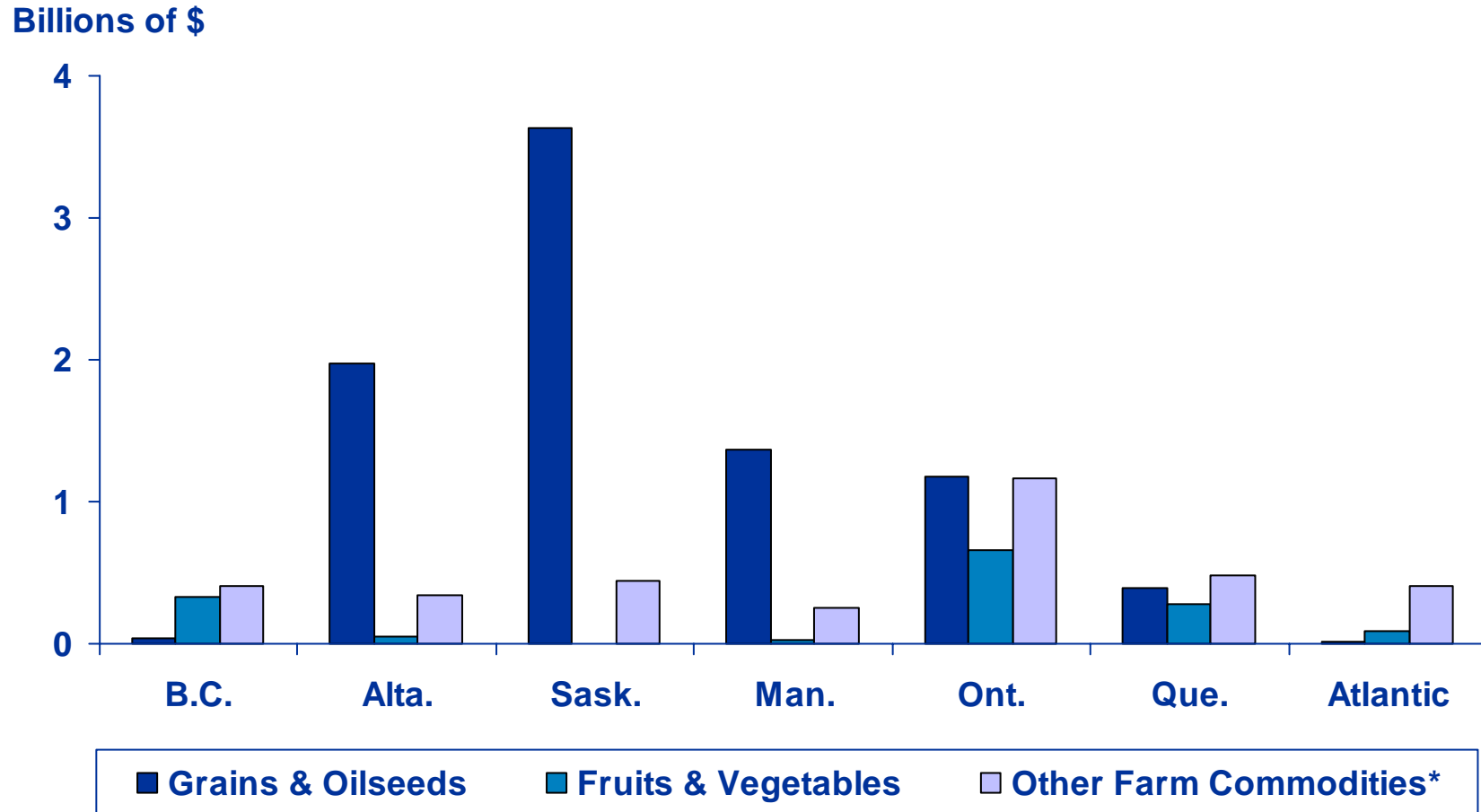
Source: AAFC Farm Income, Financial Conditions and Government Assistance Databook, March 1999.

Farm Cash Market Receipts by Commodity Group & Province, 1998



Source: AAFC Farm Income, Financial Conditions and Government Assistance Databook, March 1999.

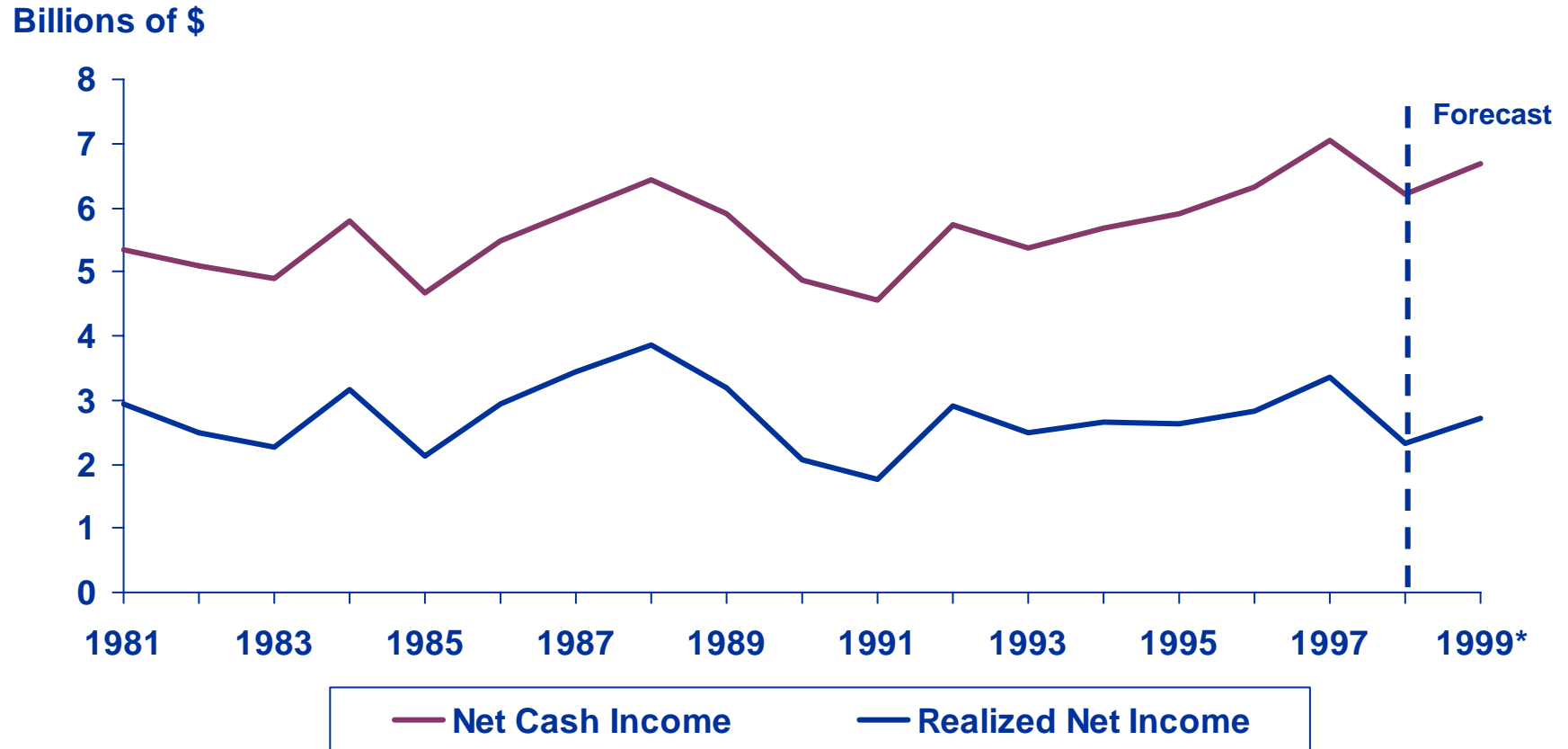
Farm Cash Market Receipts by Commodity Group & Province, 1998



*Includes: Potatoes, Special Crops, Forage, etc.

Source: AAFC Farm Income, Financial Conditions and Government Assistance Databook, March 1999.

Canadian Net Farm Income

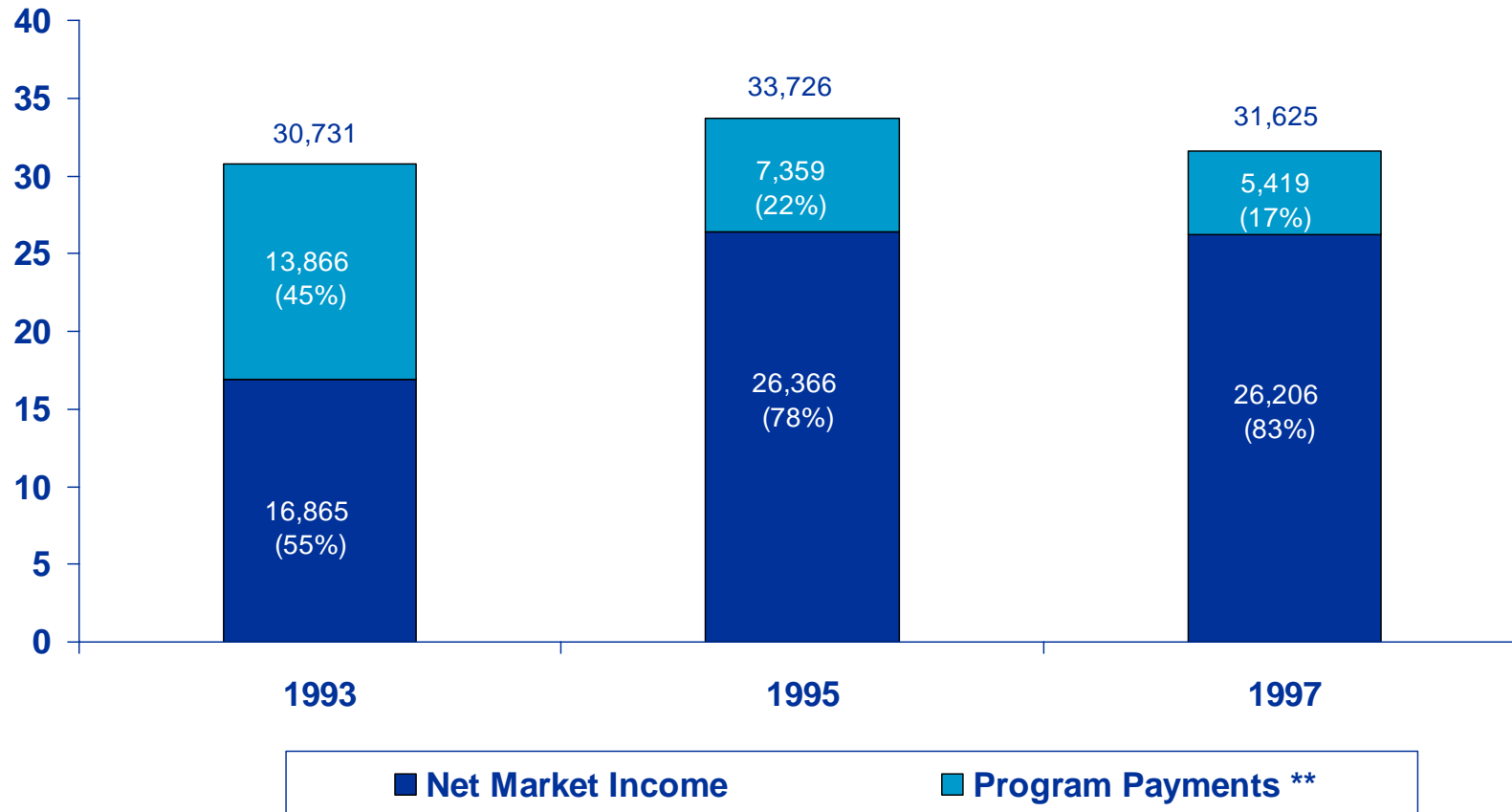


* Policy Branch, for 1998 and 1999 forecast data.

Source: Agriculture and Agri-Food Canada, Policy Branch, historical data from Statistics Canada.

Net Operating Income* per Farm, Canada

Thousands of \$

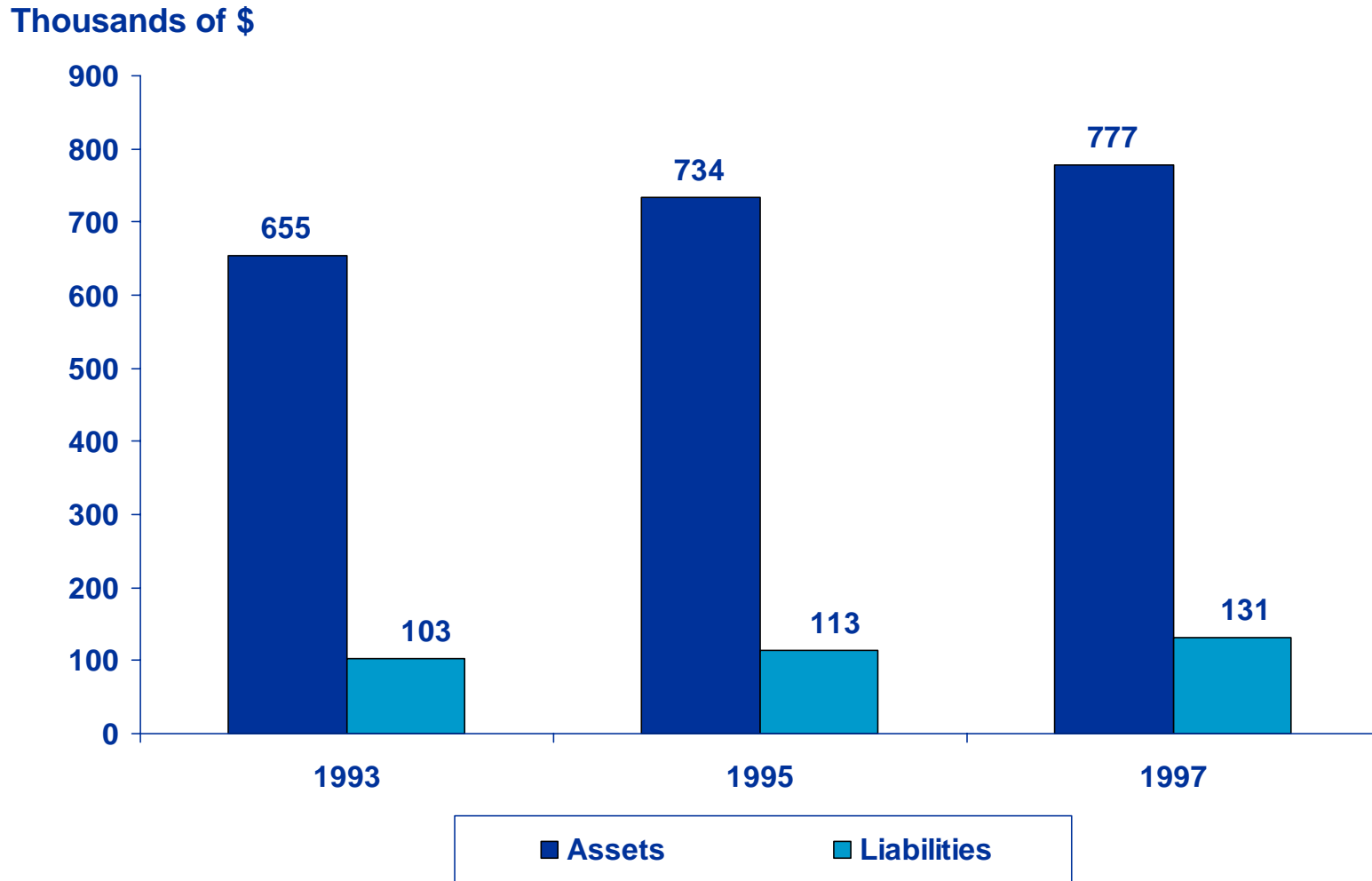


* Net operating income includes program payments but excludes NISA withdrawals.

** Program payments include income from stabilization payments (including provincial GRIP in 1993 and 1995), dairy subsidies and other programs, crop insurance proceeds and fuel and property tax rebates.

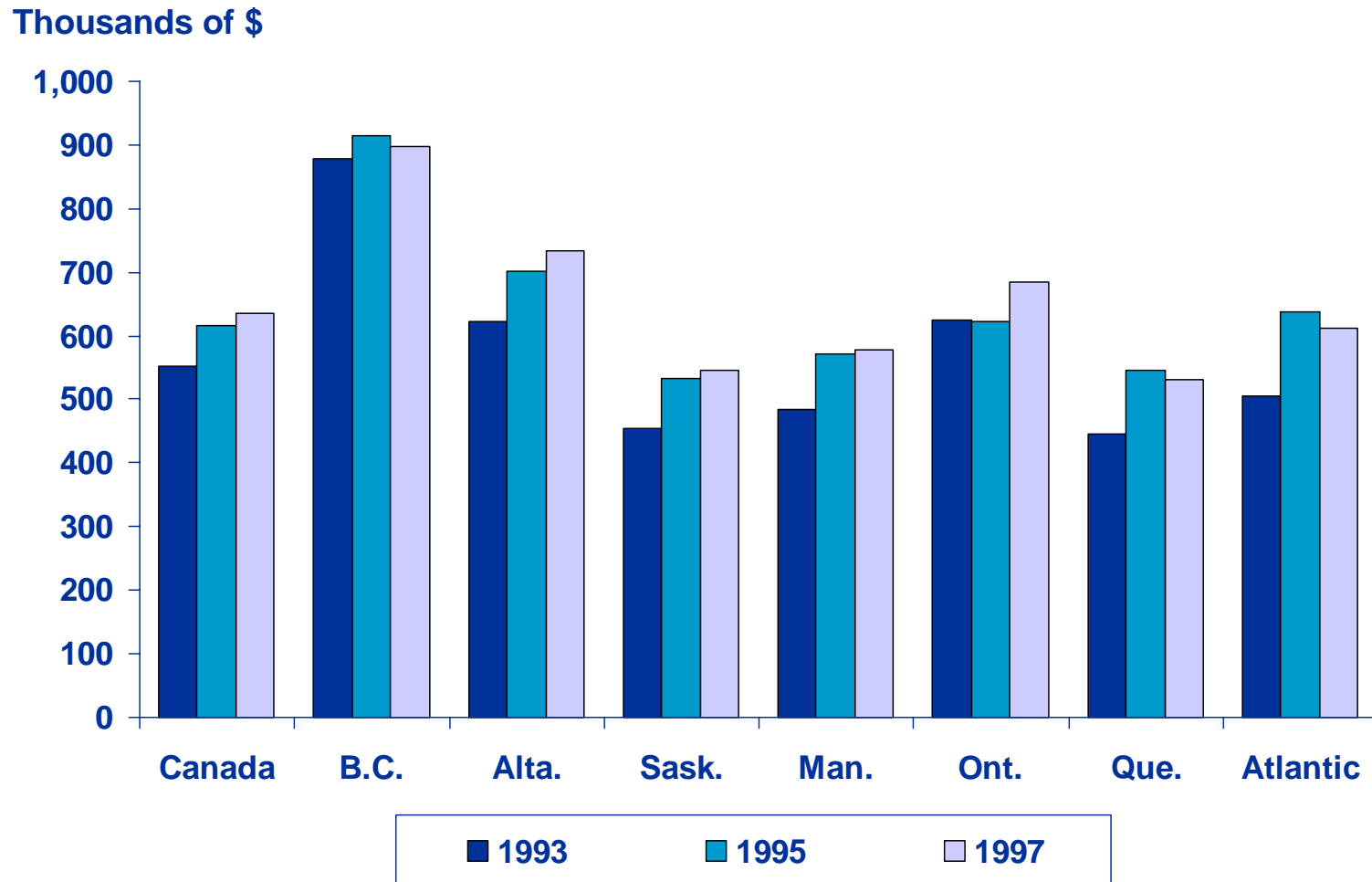
Source: AAFC, Profile of the 1998 Farm Financial Survey.

Average Farm Assets and Liabilities per Farm



Source: AAFC, 1998 Farm Financial Survey - Highlights.

Average Net Worth* per Farm by Province



*Note: To facilitate comparison with previous years, NISA balances are not included in estimates of net worth.

Source: AAFC, Profile of the 1998 Farm Financial Survey.

Gross Capital Investment per Farm by Type of Investment

	1993	1995	1997
Land & Buildings	\$5,146	\$6,319	\$7,342
Land Improvements	803	1,057	1,650
House Construction	1,842	2,167	1,811
Other Building Construction	3,848	4,667	6,249
Breeding & Replacement Livestock	2,651	2,603	2,724
Quota	1,684	1,476	1,791
Farm Machinery & Equipment	20,301	21,354	24,073
Other Farm Assets	1,778	1,372	2,048
TOTAL	\$38,054	\$41,014	\$47,688

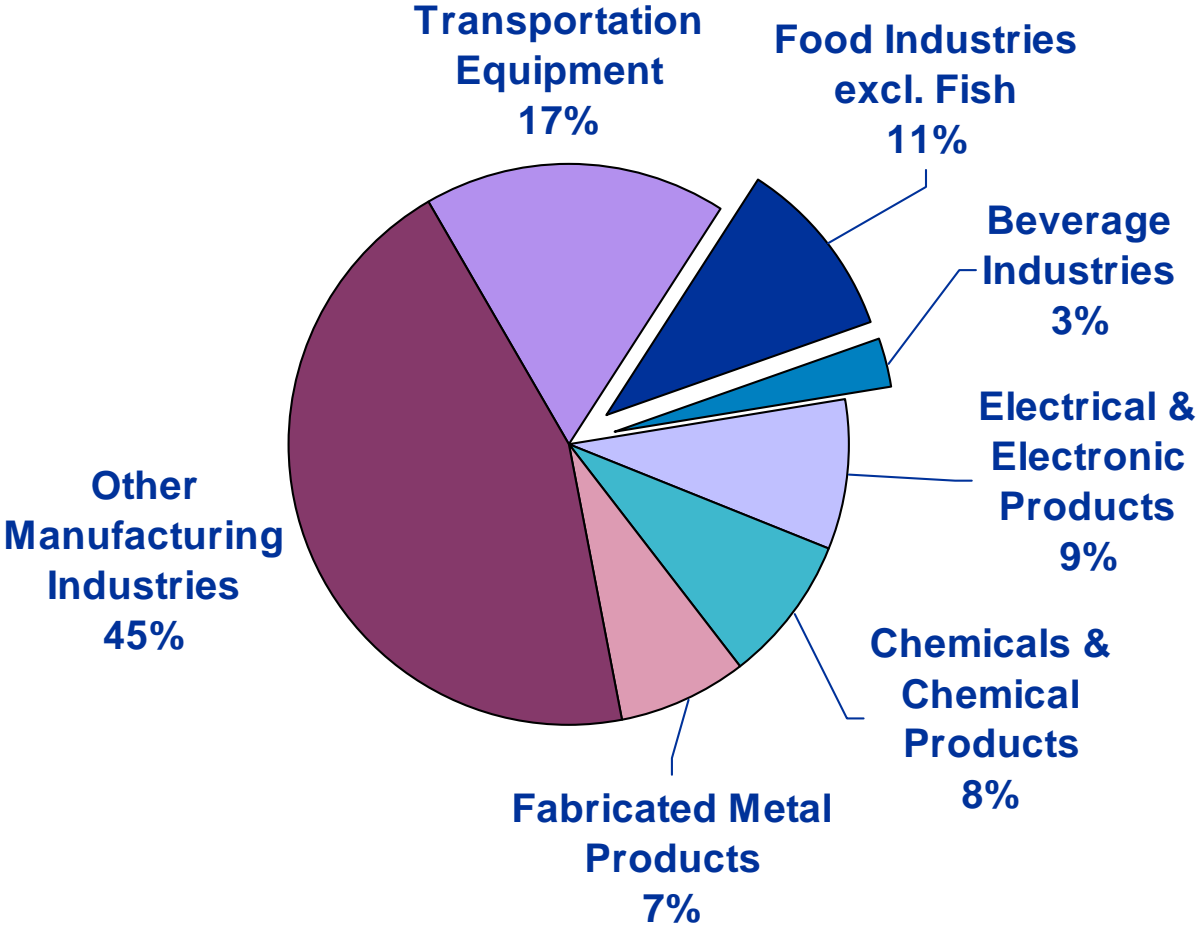
Source: AAFC, Profile of the 1998 Farm Financial Survey.

Glossary of Terms

Gross Farm Receipts	Gross farm receipts are compiled from census forms sent to all farms every five years. They include cash income from the sale of agricultural commodities as well as direct program payments to the agriculture sector.
Farm Cash Market Receipts	Farm cash market receipts are compiled from a sample of annual taxfiler data. They include cash income from the sale of agricultural commodities, but exclude direct program payments.
Land in Crops	Includes field crops, vegetables, fruits & nursery crops. Since 1981, it has also included sod.
Other Farm Commodities	Includes sugar beets, potatoes, floriculture & nursery, tobacco, ginseng, mustard seed, sunflower seed, lentils, canary seed, dry beans, dry peas, forage & grass seed, hay & clover, maple products, forest products, misc. crops, wool, honey, fur, misc. livestock.
Farm Type	Commodity which accounts for 51% of the total farm cash receipts.
Farm Income	Net Cash Income: Market Receipts + Government Payments - Operating Expenses Realized Net Income: (Net Cash Income + Income-in-kind) - depreciation.
Net Worth	Total farm assets less total liabilities.

Agri-Food Processing Sector: Structure, Significance and Performance

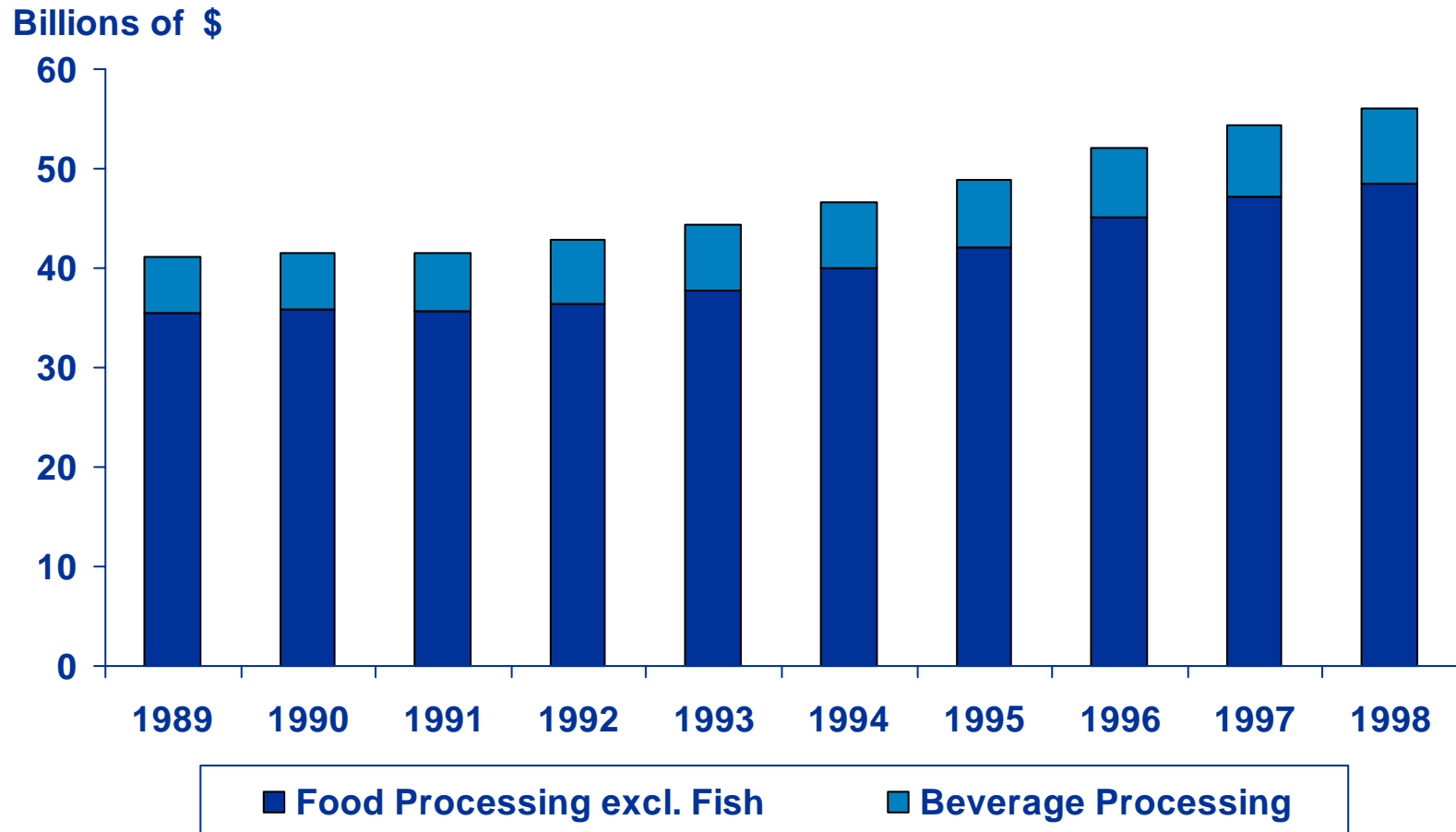
Sectoral Share of Manufacturing GDP, 1998



Manufacturing GDP \$128 Billion (1992 \$)

Source: Statistics Canada, CANSIM Matrix 4677.

Value of Processed Food and Beverage Shipments

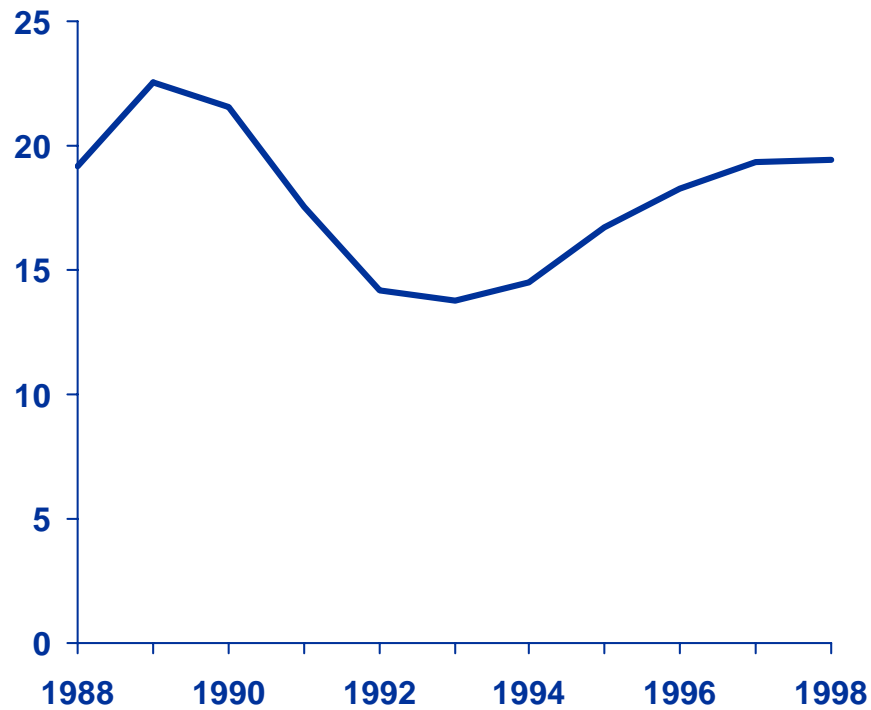


Source: Statistics Canada, CANSIM Matrices 9551 and 9550 (fish).

Capital Investment

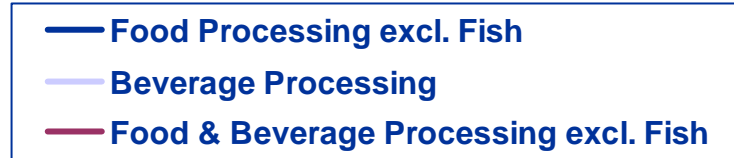
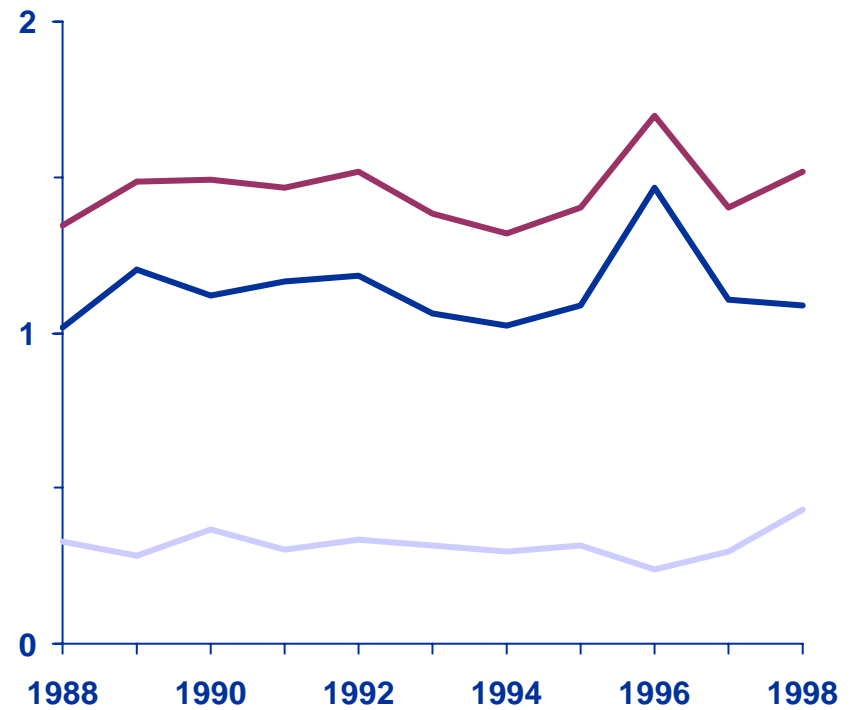
Total Manufacturing

Billions of \$



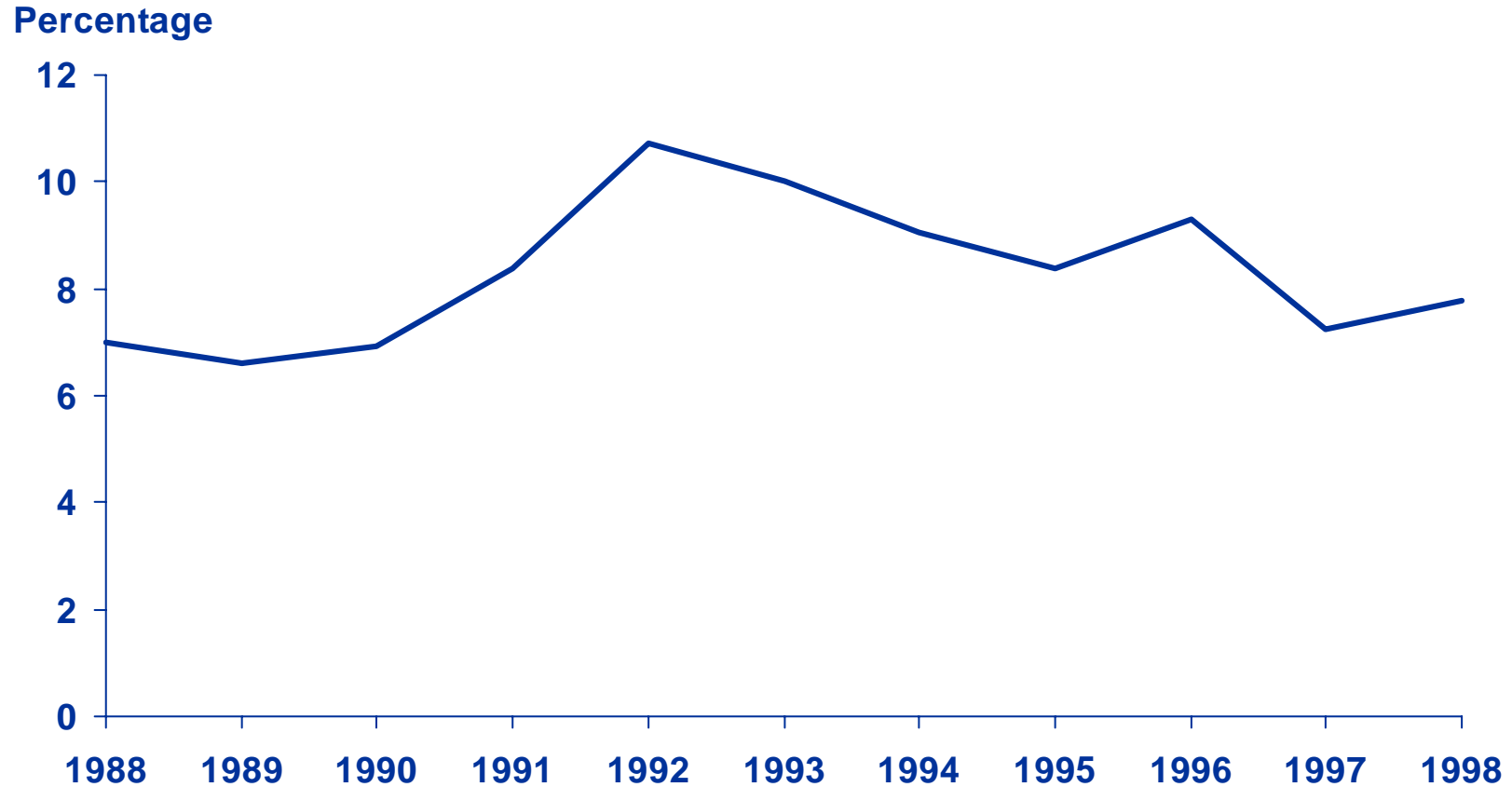
Food & Beverage Processing

Billions of \$



Source: Statistics Canada, CANSIM Matrix 3103.

Food & Beverage Processing Capital Investment Share of Total Manufacturing Investment



Source: Special Tabulations obtained from Statistics Canada, Business Finance and Taxation.

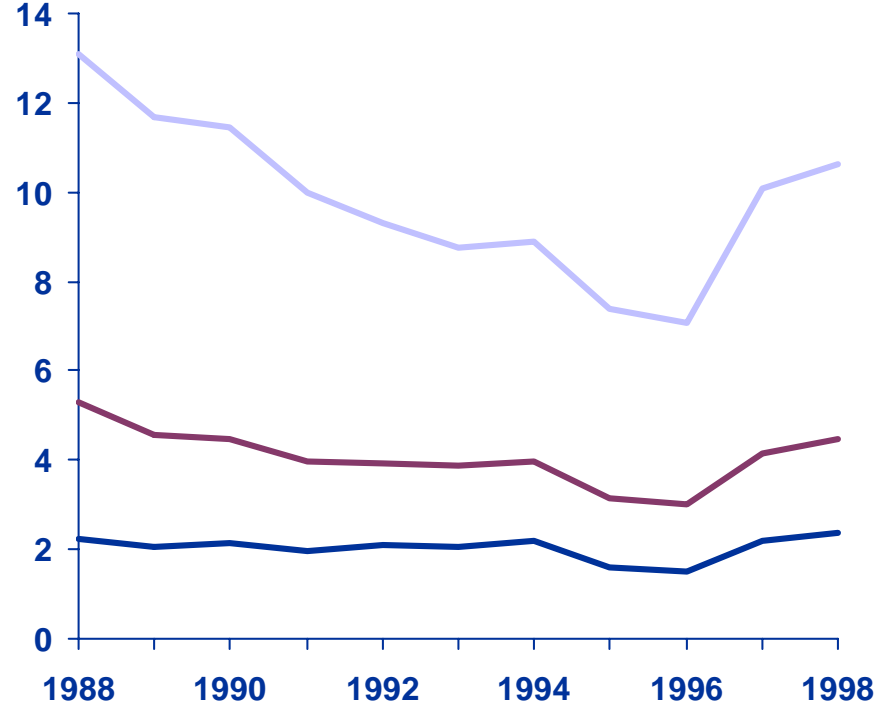
Graph 4-4

Canadian Food & Beverage Processing Sectors Profitability Measures

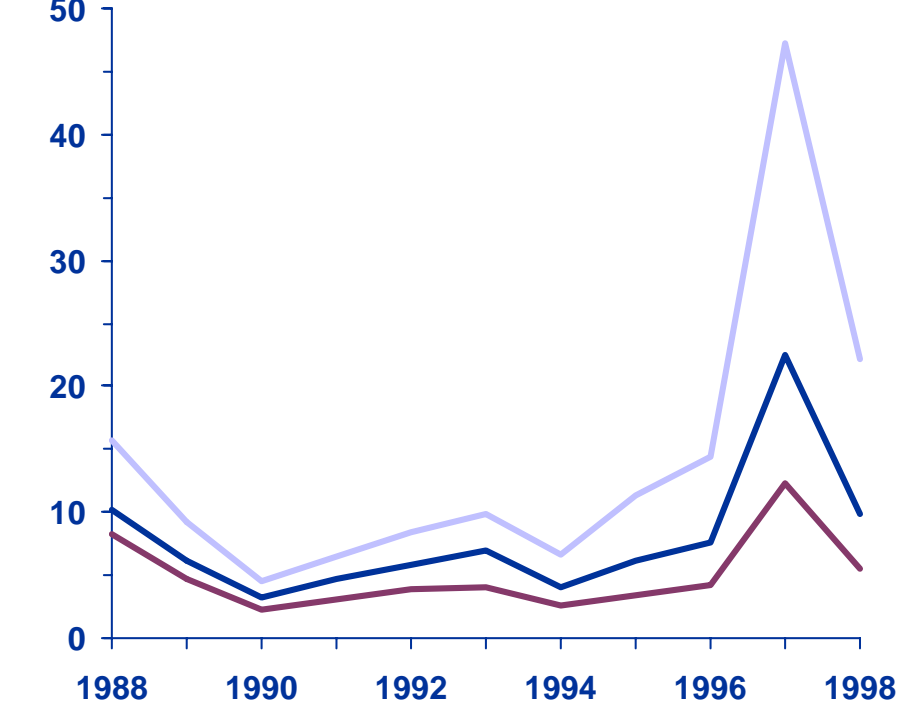
Food Processing Sector

Beverage Processing Sector

Percentage



Percentage

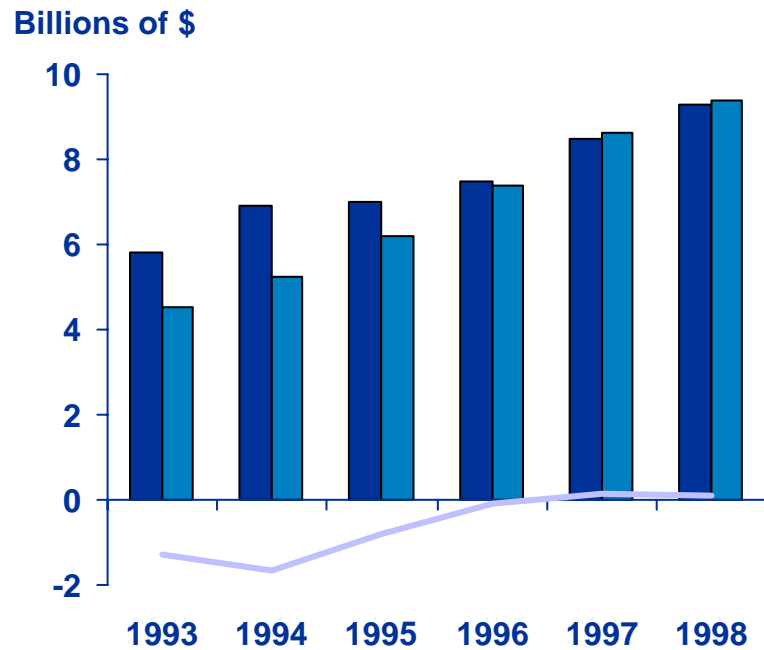


— Net profit margin
— Return on assets
— Return on equity

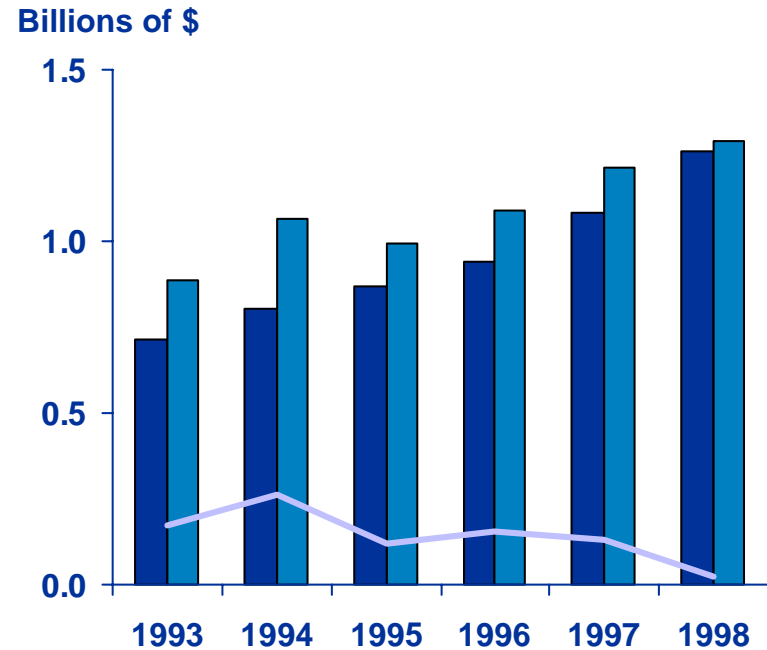
Source: Special Tabulations obtained from Statistics Canada, Business Finance and Taxation.

Value of Trade

Food Processing Sector*



Beverage Processing Sector



Imports
 Exports
 Trade Balance

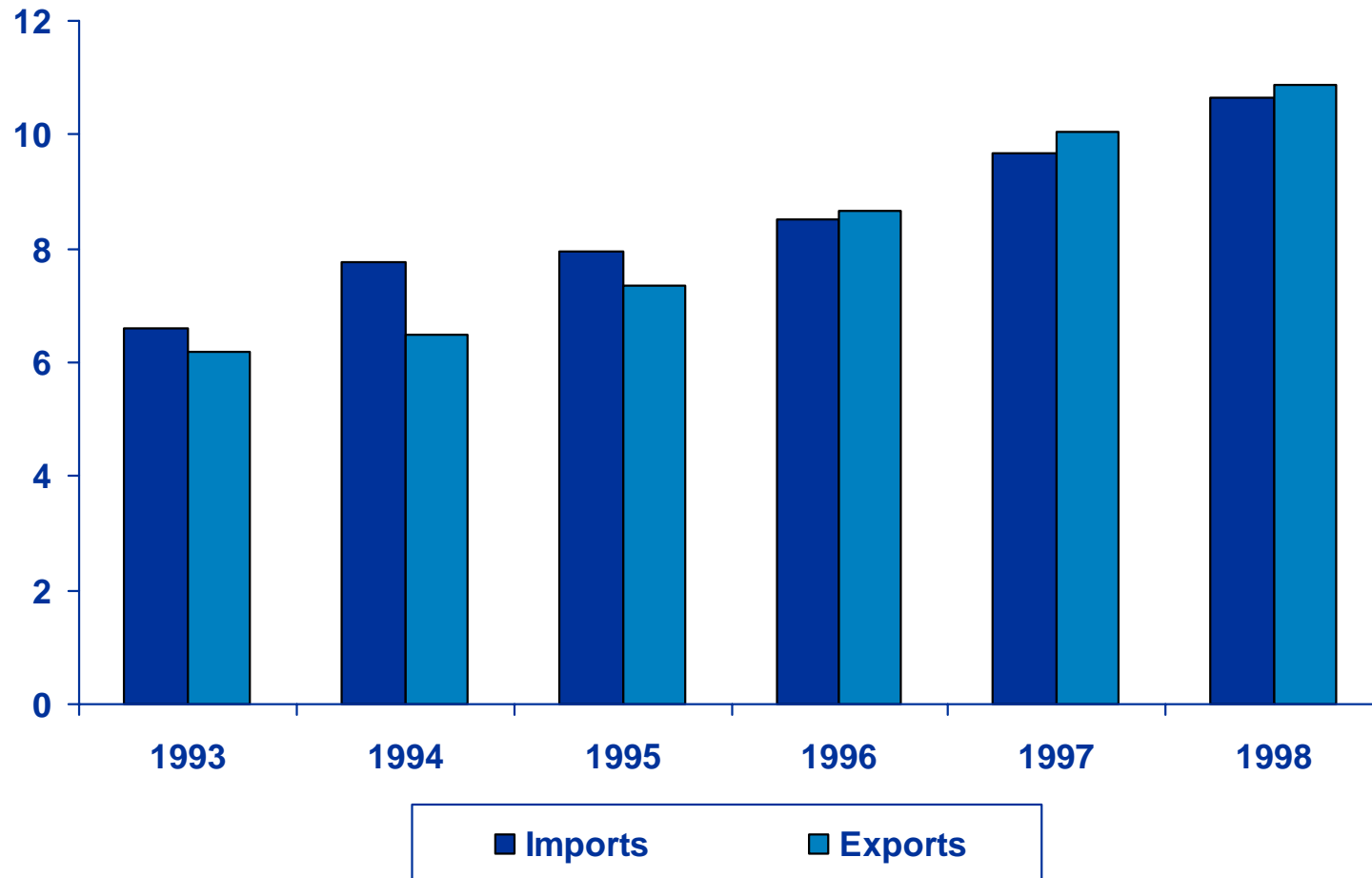
*Note: Food Processing minus Fish Products.

Sources: Statistics Canada, BID; Industry Canada, Canadian Industry Statistics.

Value of Trade

Agri-Food Processing Sector*

Billions of \$



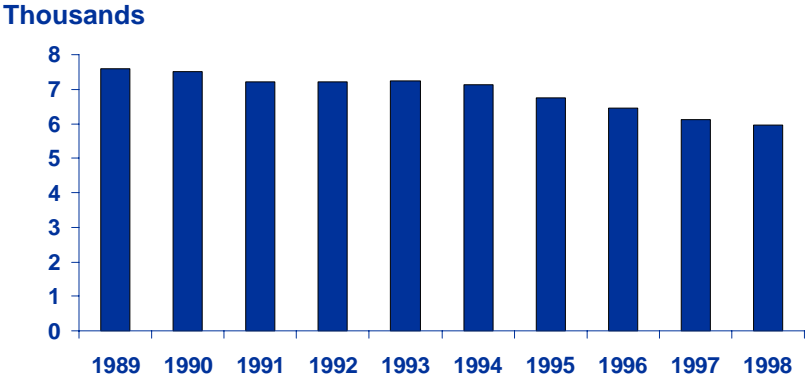
*Includes: food (excl. fish) & beverage processing and tobacco products.

Source: Statistics Canada's CANSIM Matrix 9551.

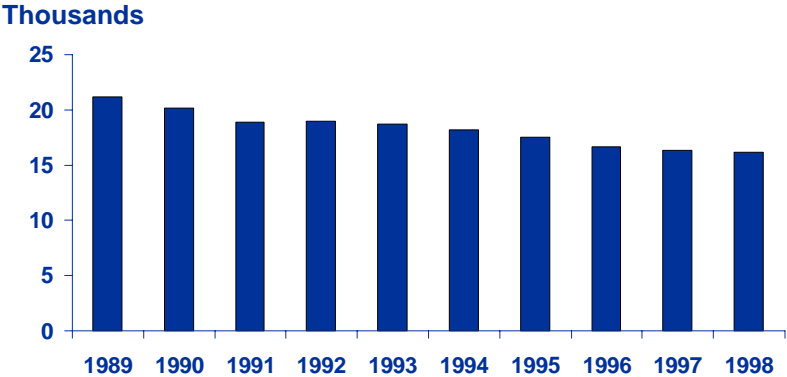
Retail and Food Service Sector: Structure and Performance

Number of Retail Food Outlets

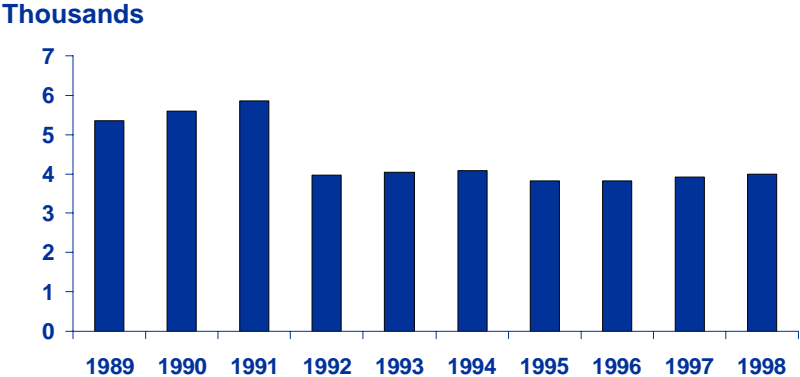
Western Canada



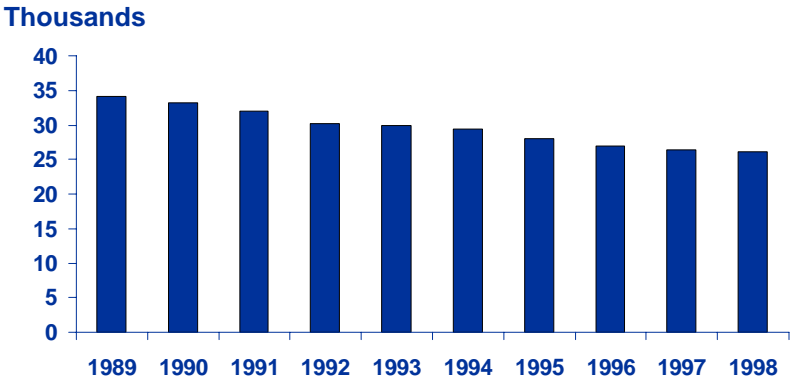
Central Canada



Atlantic Canada

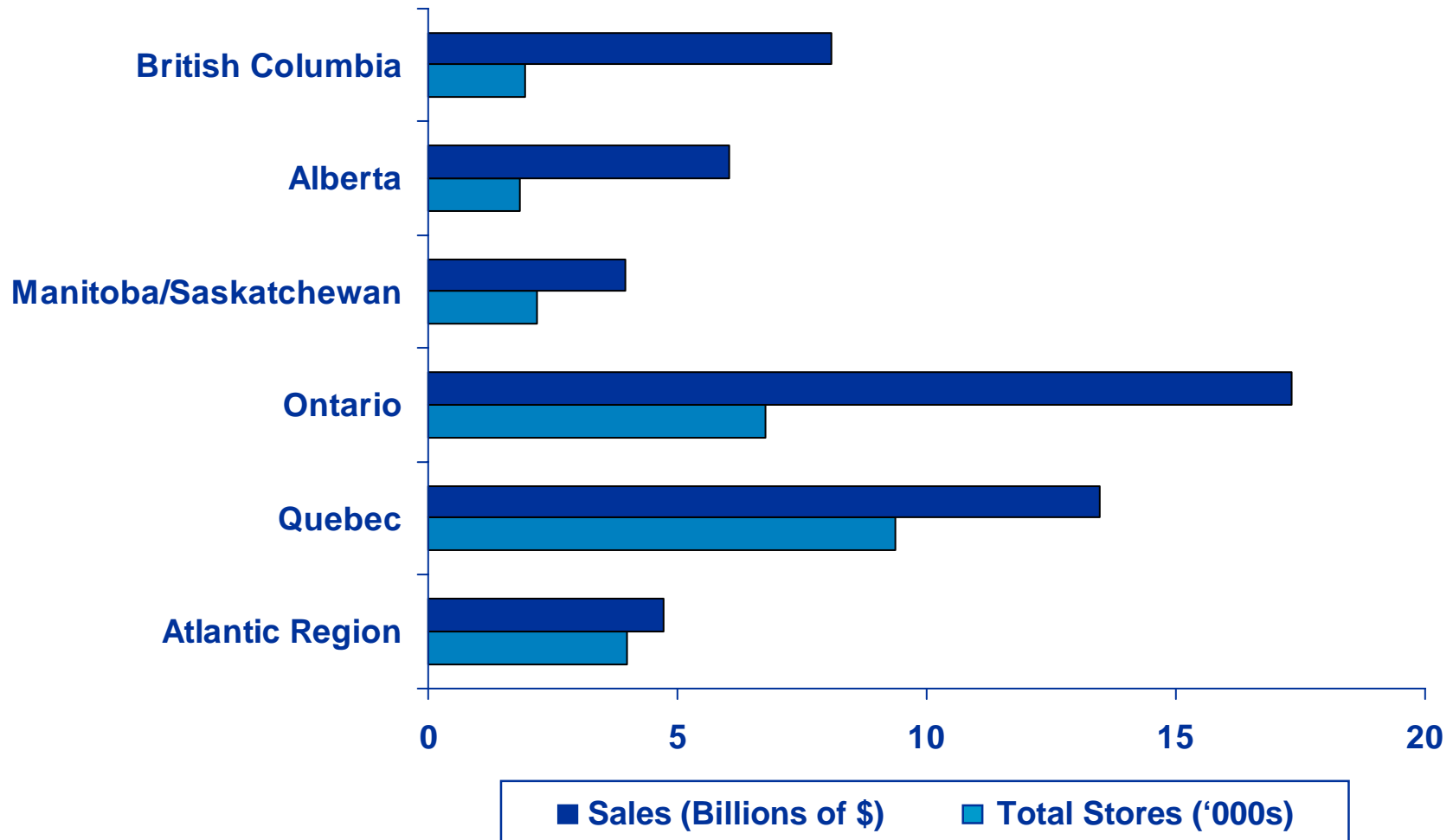


Canada



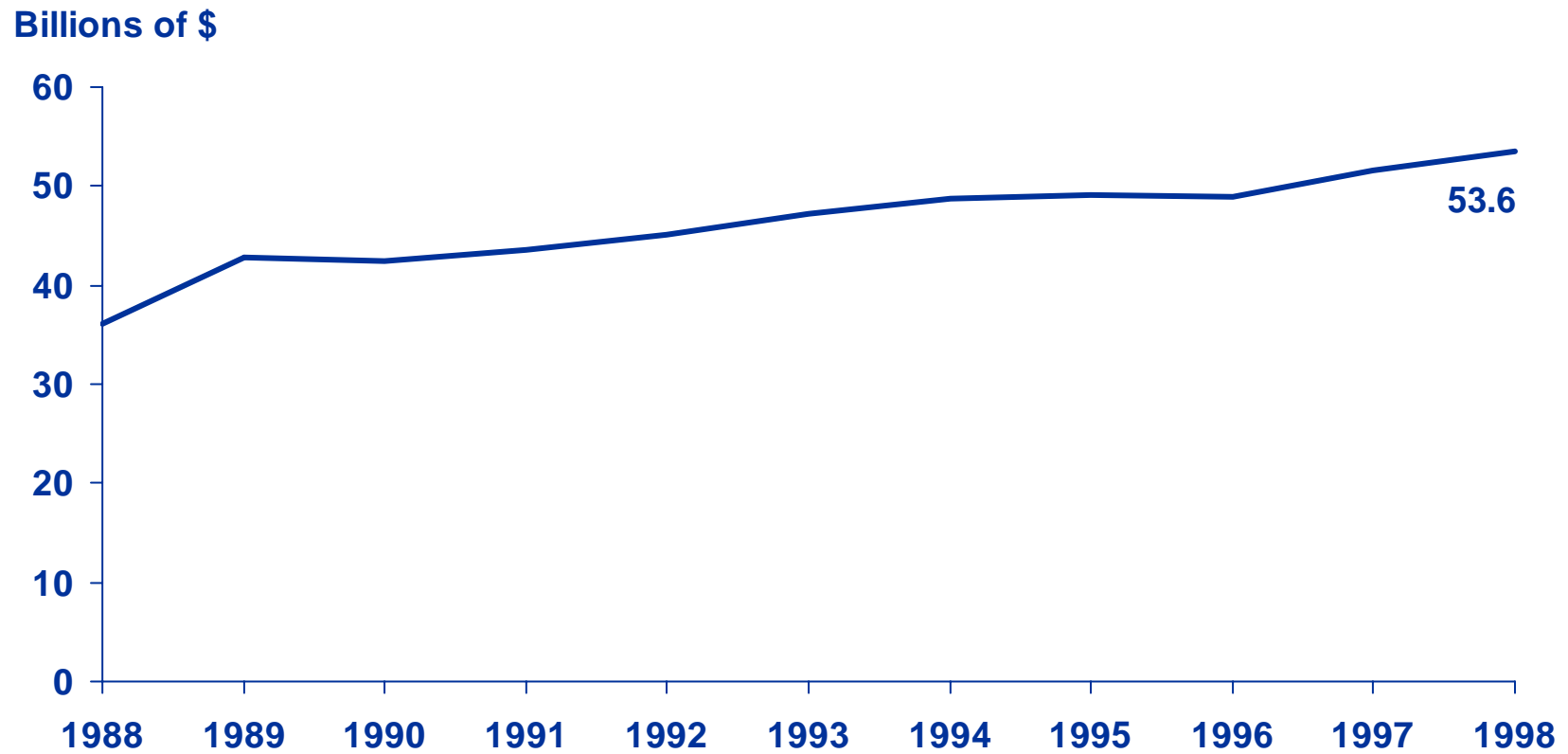
Source: Canadian Grocer, February 1999.

Canadian Food Store Sales, 1998



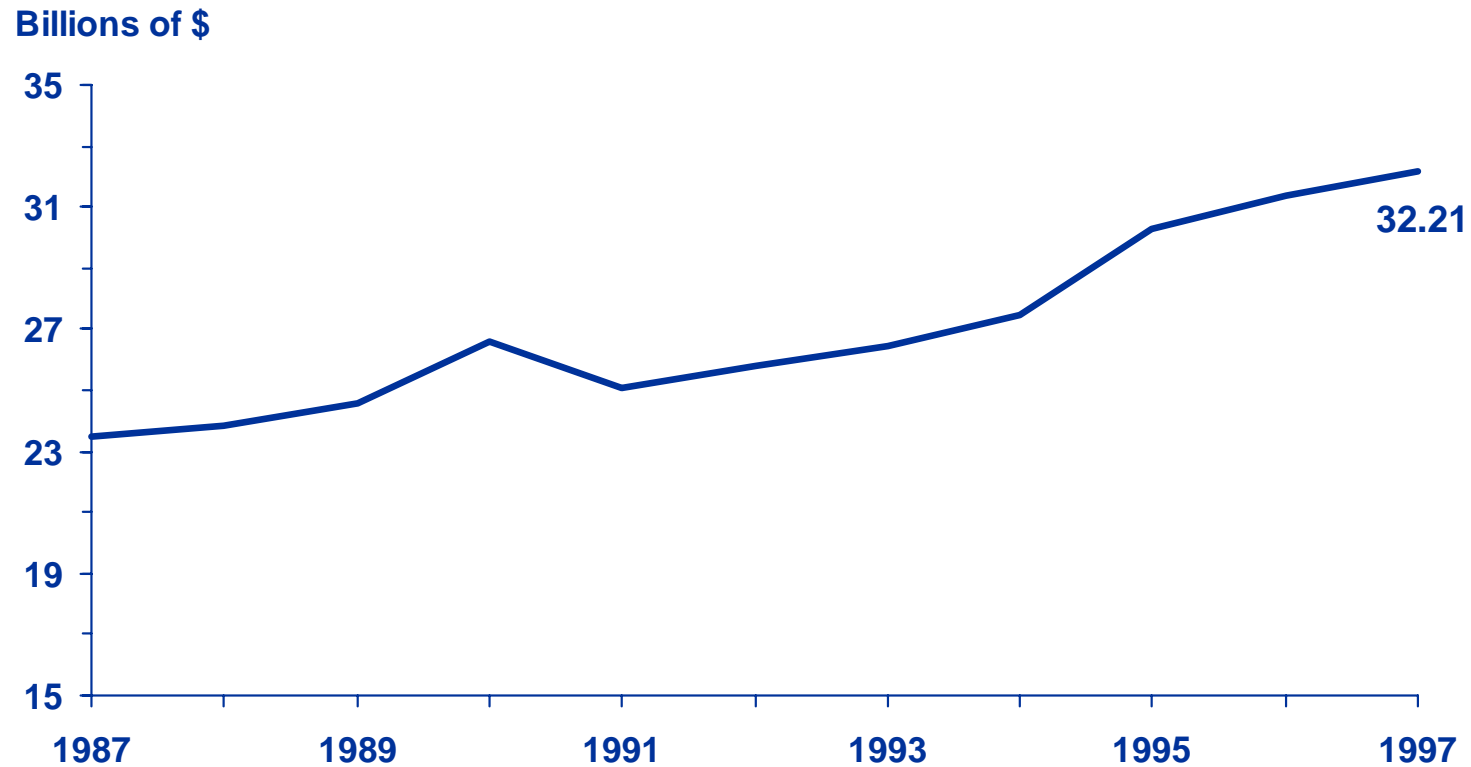
Source: Canadian Grocer, February 1999.

Canadian Food Store Sales



Source: Canadian Grocer, February 1999.

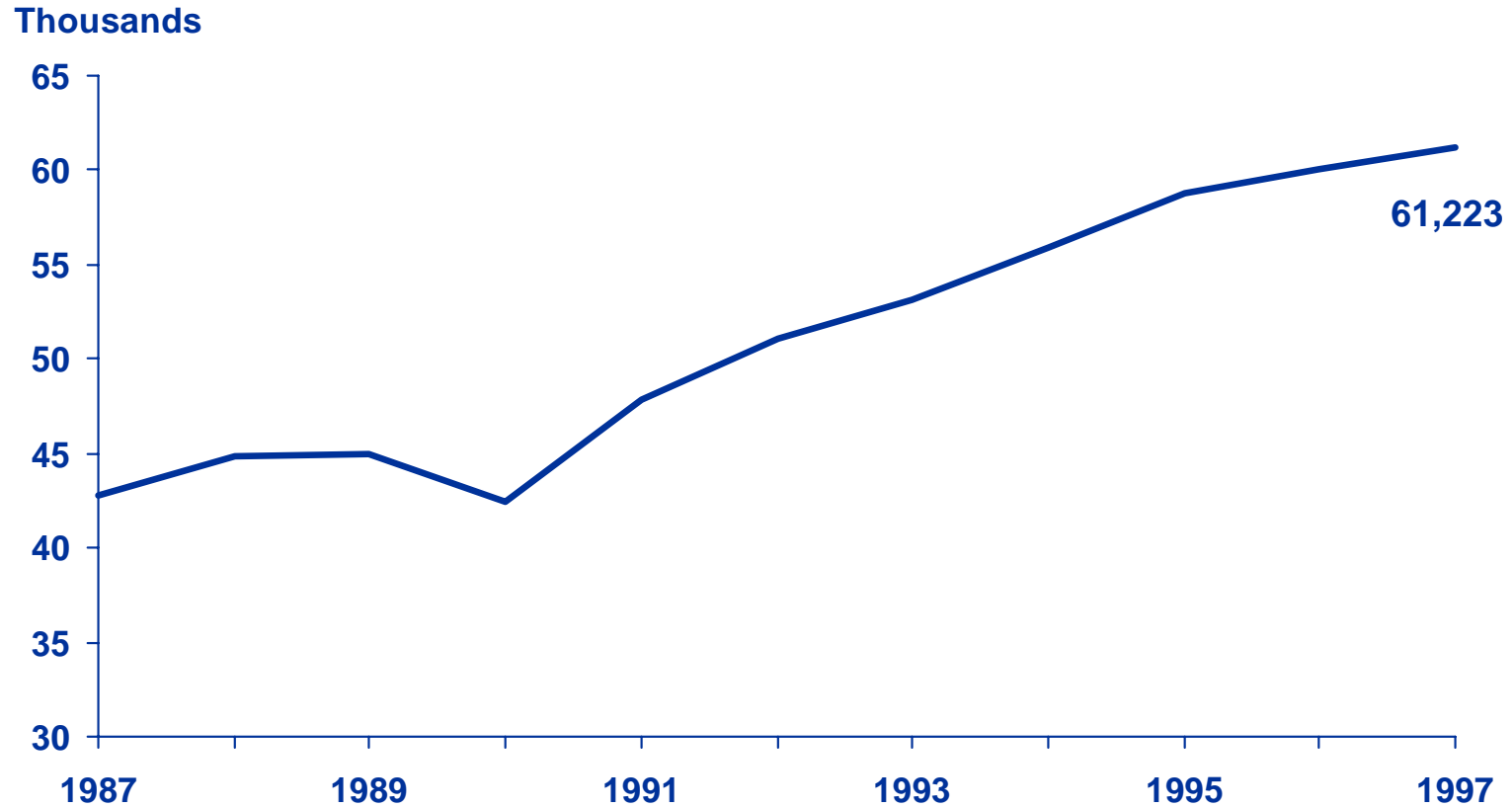
Commercial and Institutional Food Services* Sales



*Notes: Includes Restaurants, Pubs/Taverns, Vending, Hotel/Motel, Take-out & Delivery, Leisure Industry, Department Stores (but not Drug Stores), Social/Contract Caterers, Institutions. 1997 data are estimates only.

Sources: Canadian Restaurants and Foodservices Association's InfoStats and Statistics Canada.

Number of Commercial Food Services* Establishments



*Note: Restaurants (licensed and unlicensed), Take-out & Delivery, Social/Contract Catering and Pubs/Taverns/Lounges.
1997 data are estimates only.

Sources: Canadian Restaurants and Foodservices Association's InfoStats and Statistics Canada.

Glossary of Terms

Commercial & Institutional Food Sales	Includes sales from restaurants, pubs & taverns, vending, hotel/motel, take-out & delivery, leisure industry, department stores, social/contract caterers, institutional foodservices.
Food Service Establishments	Includes restaurants (licensed and unlicensed), take-out and delivery, social/contract caterers, and pubs/taverns/lounges.
Food Store Sales	Includes chain stores, independents, but does not include food sales through department stores or specialty stores (i.e., bakeries, butchers, etc.).
Retail Food Sales	Includes chains, independents, department stores, all other food stores (specialty food stores, butchers, warehouse clubs, bakeries, etc.) but does not include food sold through drug stores (estimated at 2.4% of retail food sales).

Performance Indicators: International Comparisons

Comparison of Business Costs in North America, Europe and Japan

National Ranking - Overall Results for Nine Industries*

Country	Rank
Canada	1
United Kingdom	2
United States	3
Austria	4
France	5
Italy	6
Germany	7
Japan	8

National Ranking - Food Processing Industry

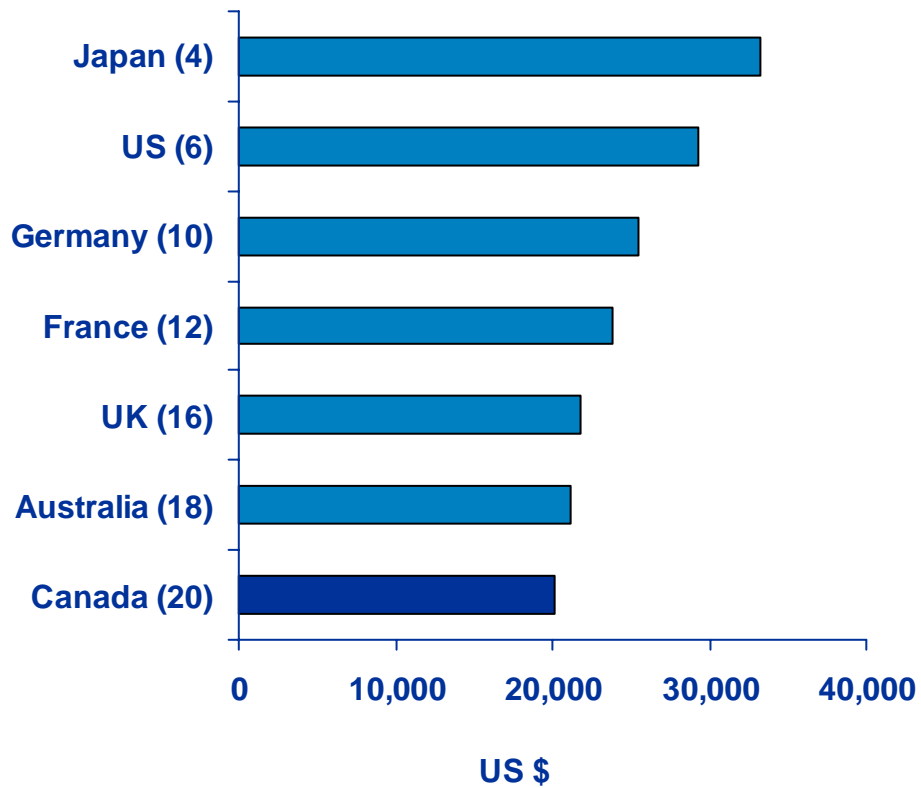
Country	Rank
United Kingdom	1
Canada	2
Austria	3
Italy	4
United States	5
France	6
Germany	7
Japan	8

*Note: International KPMG Study comparing business costs in all G-7 countries, plus Austria, based on total annual costs including all major taxes. Manufacturing industries included: Electronics, Food Processing, Medical Devices, Metal Fabrication, Pharmaceuticals, Plastic Products, & Telecom Equipment. Service industries included: Packaged Software, & Advanced Software Development.

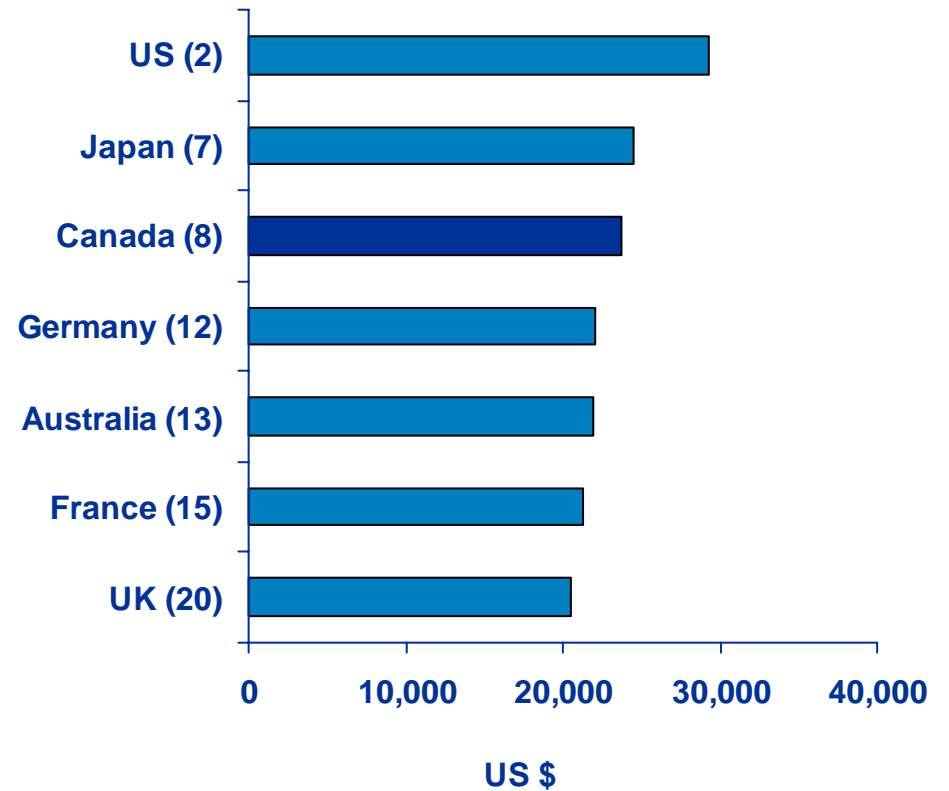
Source: The Competitive Alternatives: A Comparison of business costs in North America, Europe and Japan. KPMG LLP, March 1999.

GDP - 1997

GDP Per Capita Exchange Rate Basis



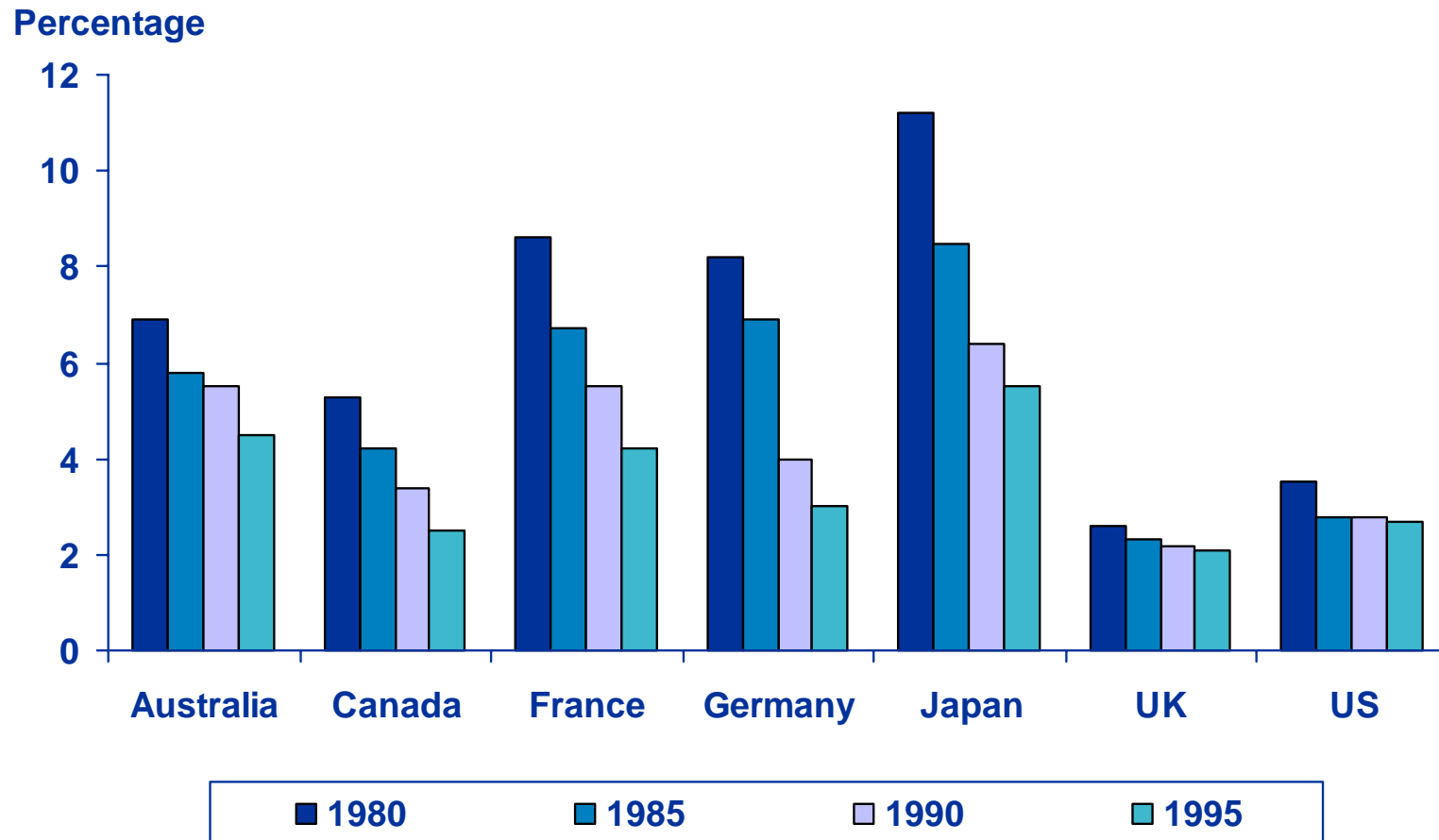
GDP Per Capita Purchasing Power Parities Basis



Note: Numbers in brackets represent OECD ranking.

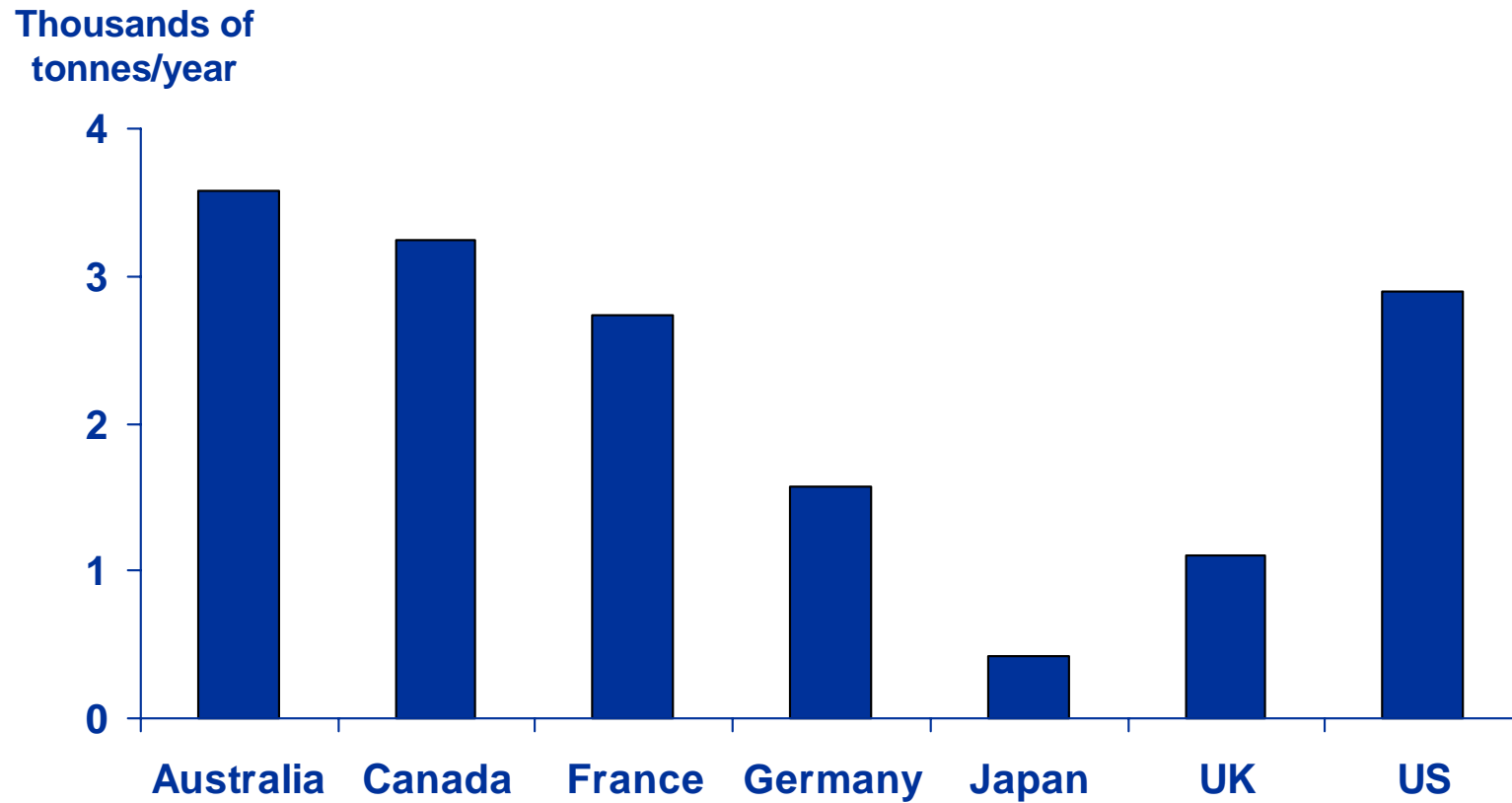
Source: OECD National Accounts.

Agricultural Labour Force Share of Total Labour Force



Source: 1980-1990: FAO Yearbook - Production, Vol. 44, 1990.
1995: FAO Yearbook - Production, Vol. 50, 1996

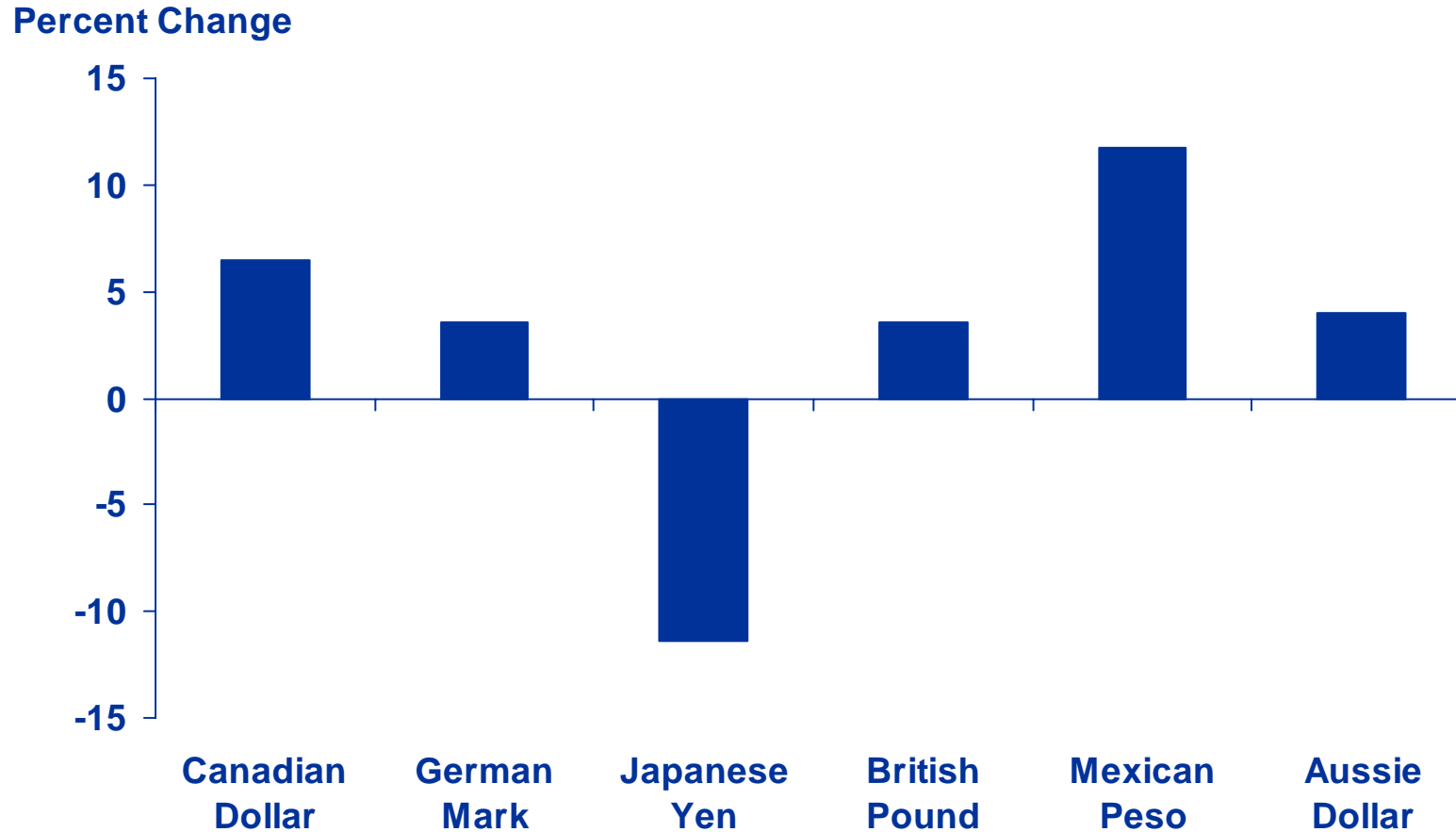
Per Capita Food Production - 1998



Source: FAOStat, and UN Social Indicators.

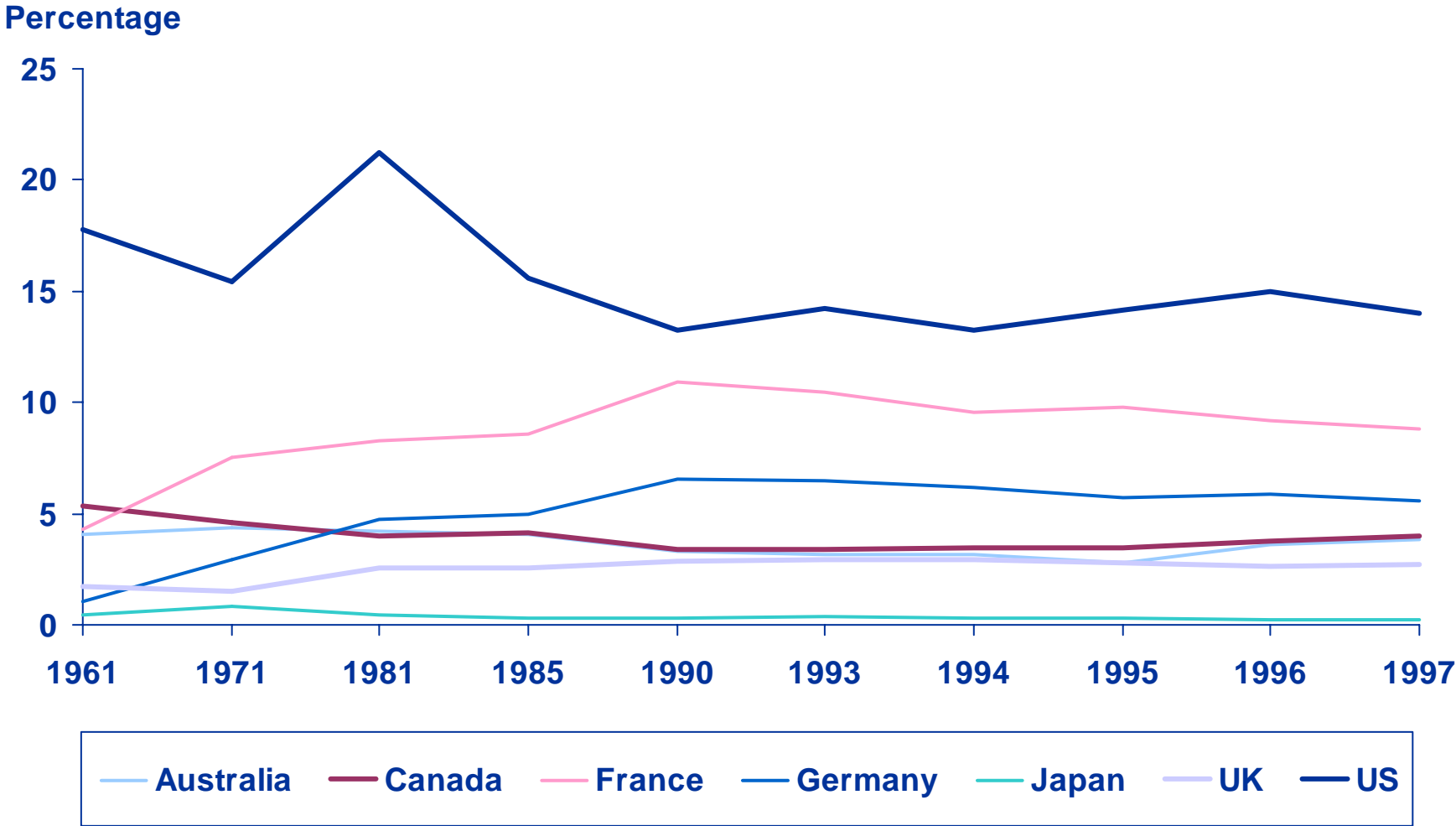
Exchange Rate Changes (relative to US\$)

April 1, 1998 - Mar. 31, 1999



Source: Teferate, Morgan Stanley Capital International.

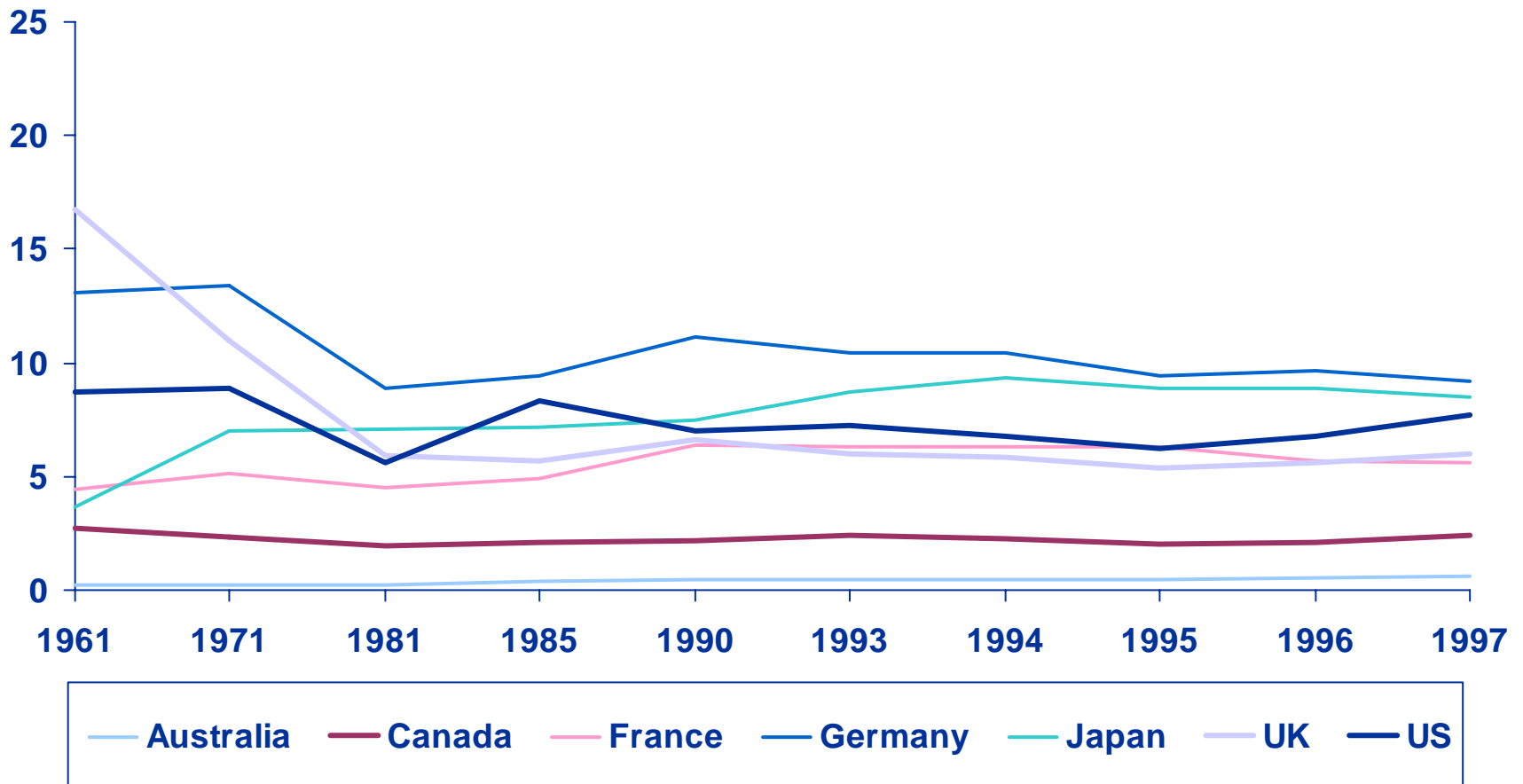
Share of World Food Exports



Source: FAOStat.

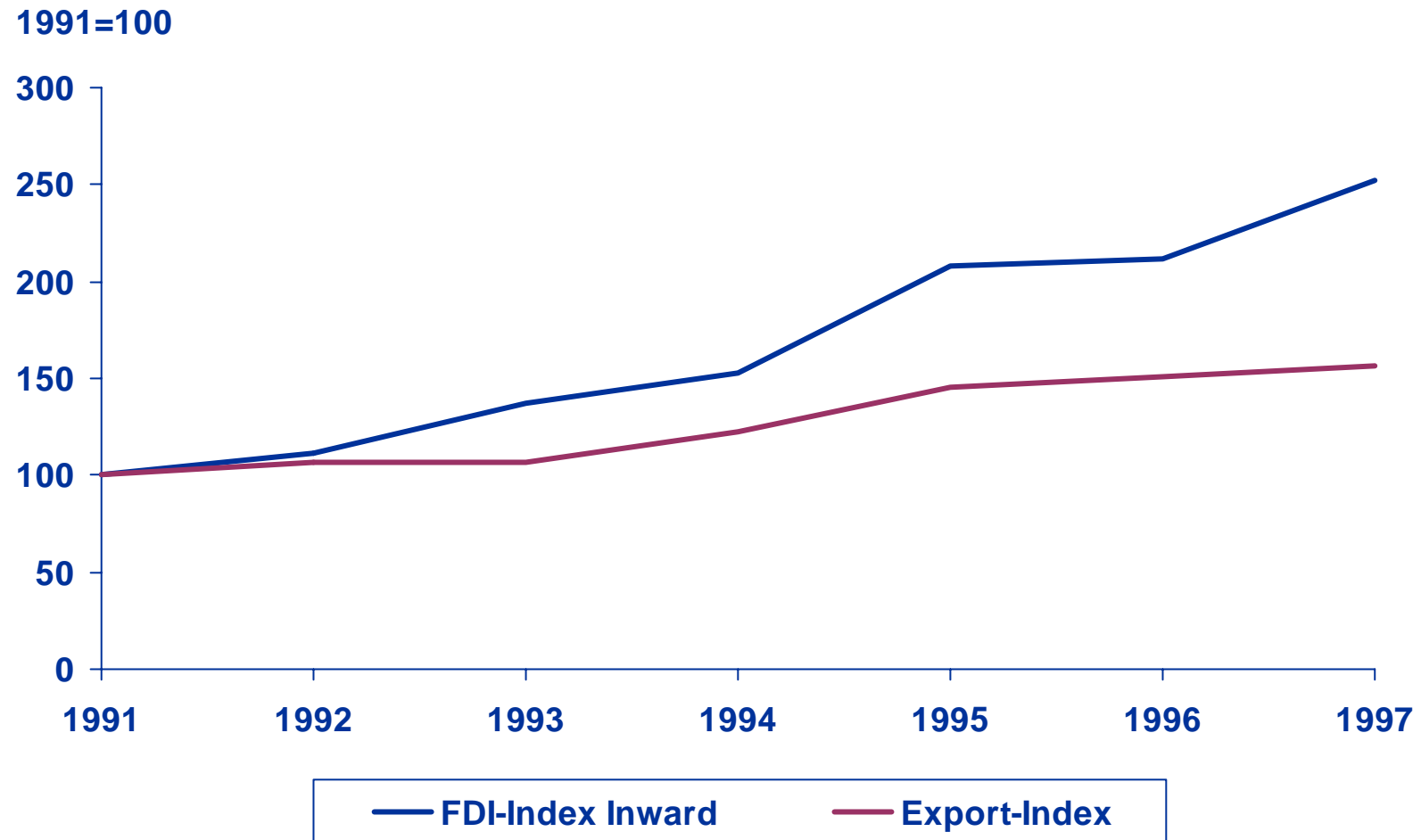
Share of World Food Imports

Percentage



Source: FAOStat.

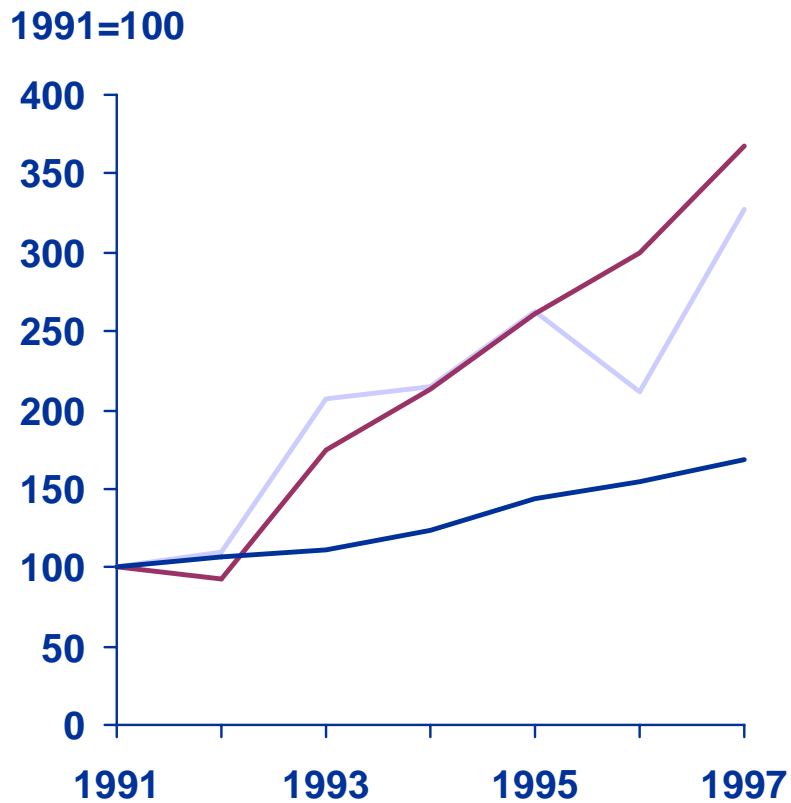
World FDI - Inflows and Exports



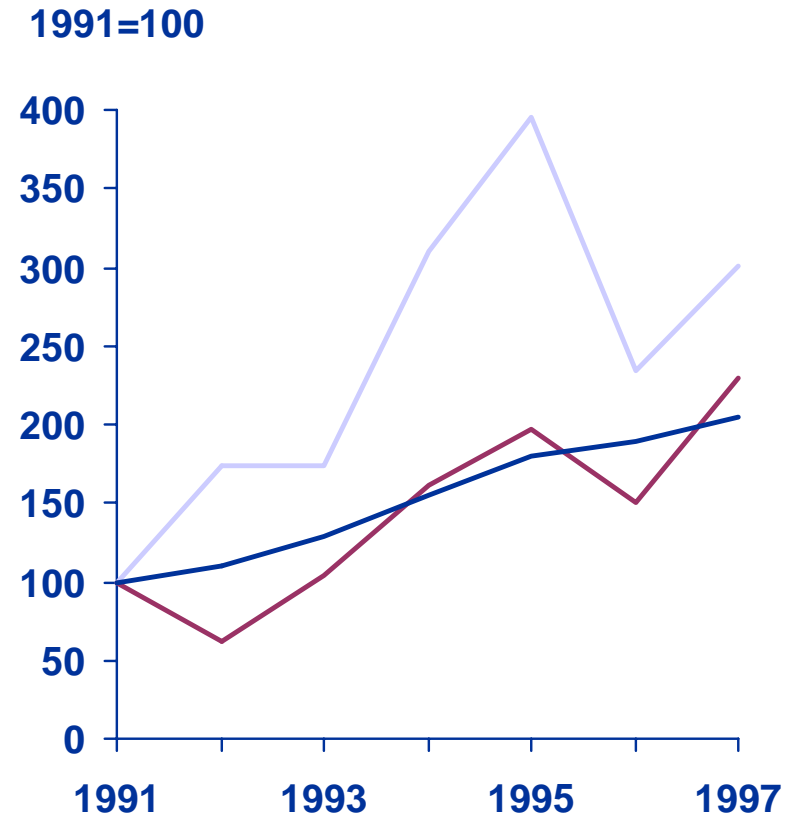
Source: UN - World Investment Report, 1998.

FDI - Inflows, Outflows and Exports

NAFTA FDI



Canada FDI

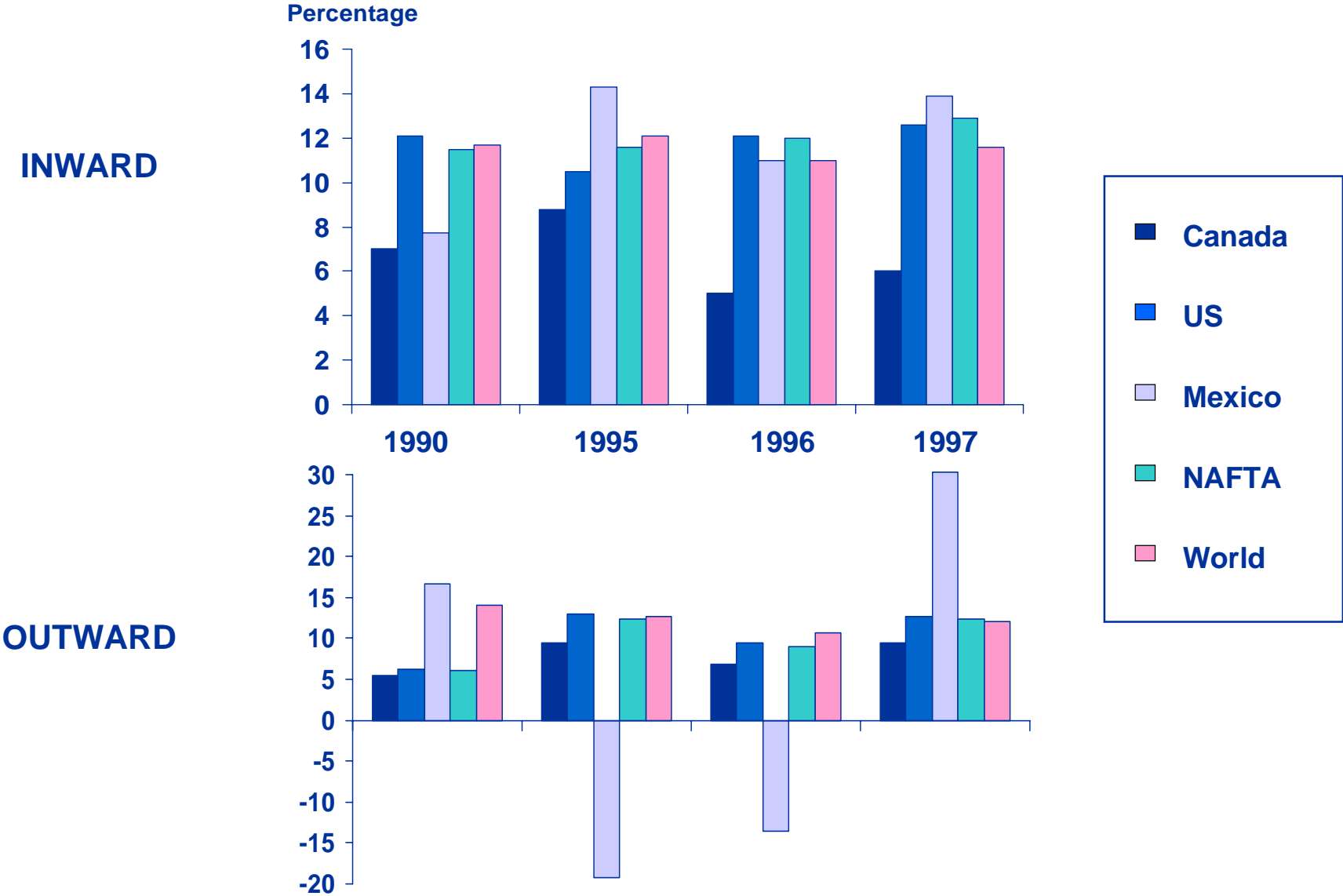


— FDI-Index Outward — FDI-Index Inward — Export-Index

Source: UN - World Investment Report, 1998.

Graph 6-9

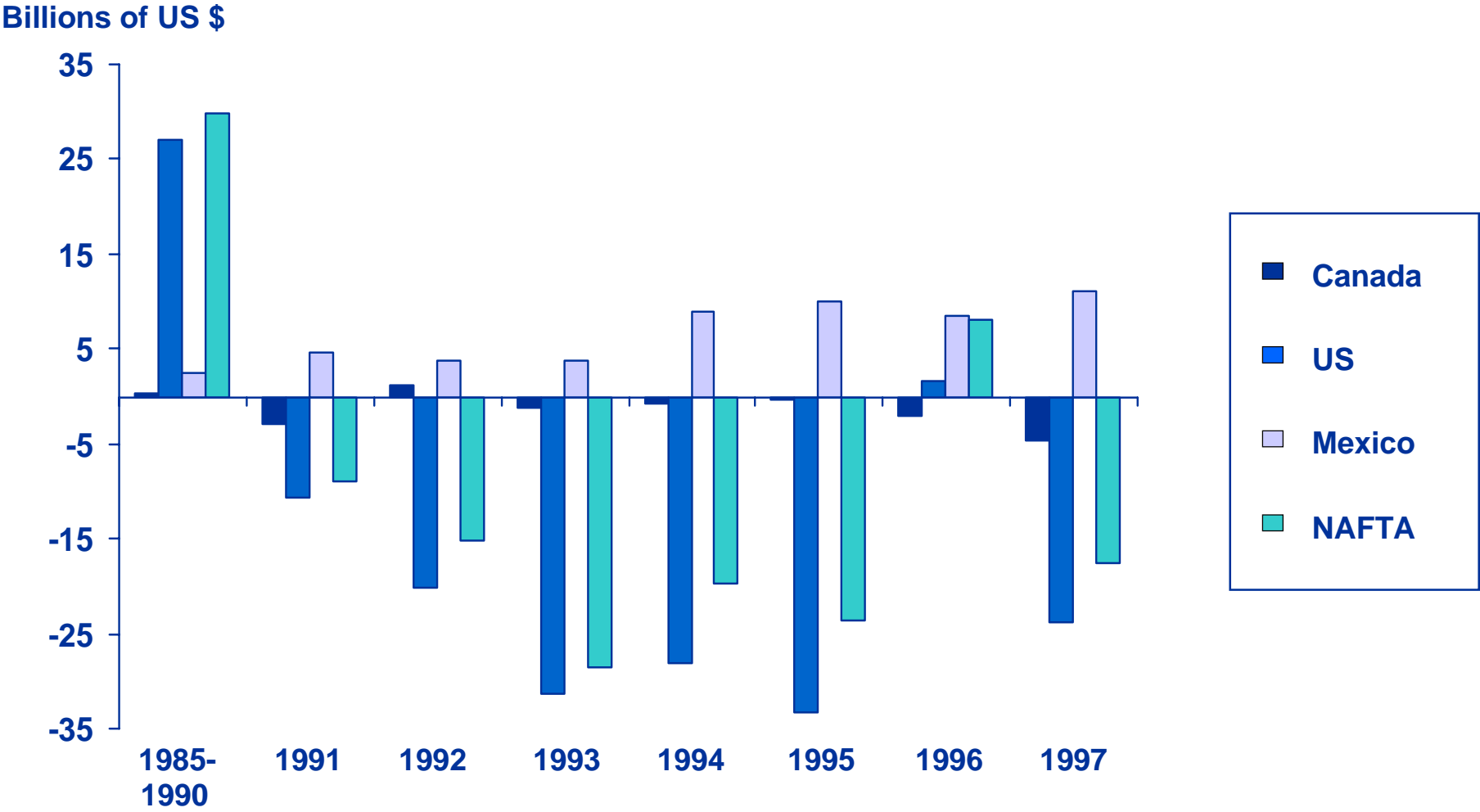
FDI Flows as a Percent of FDI Stocks



Source: UN - World Investment Report, 1998.

Graph 6-10

Net FDI Flows in NAFTA Countries



Source: UN - World Investment Report, 1998.

Glossary of Terms

Foreign Direct Investment (FDI)

Investment (equity capital, reinvested earnings and intra-company loans) involving a long-term relationship and reflecting a lasting interest and control of a resident entity in one economy by an enterprise resident in another country's economy.

FDI Inflows and Outflows

Comprise capital provided by a foreign direct investor to a FDI enterprise, or capital received from a FDI enterprise by a foreign direct investor.

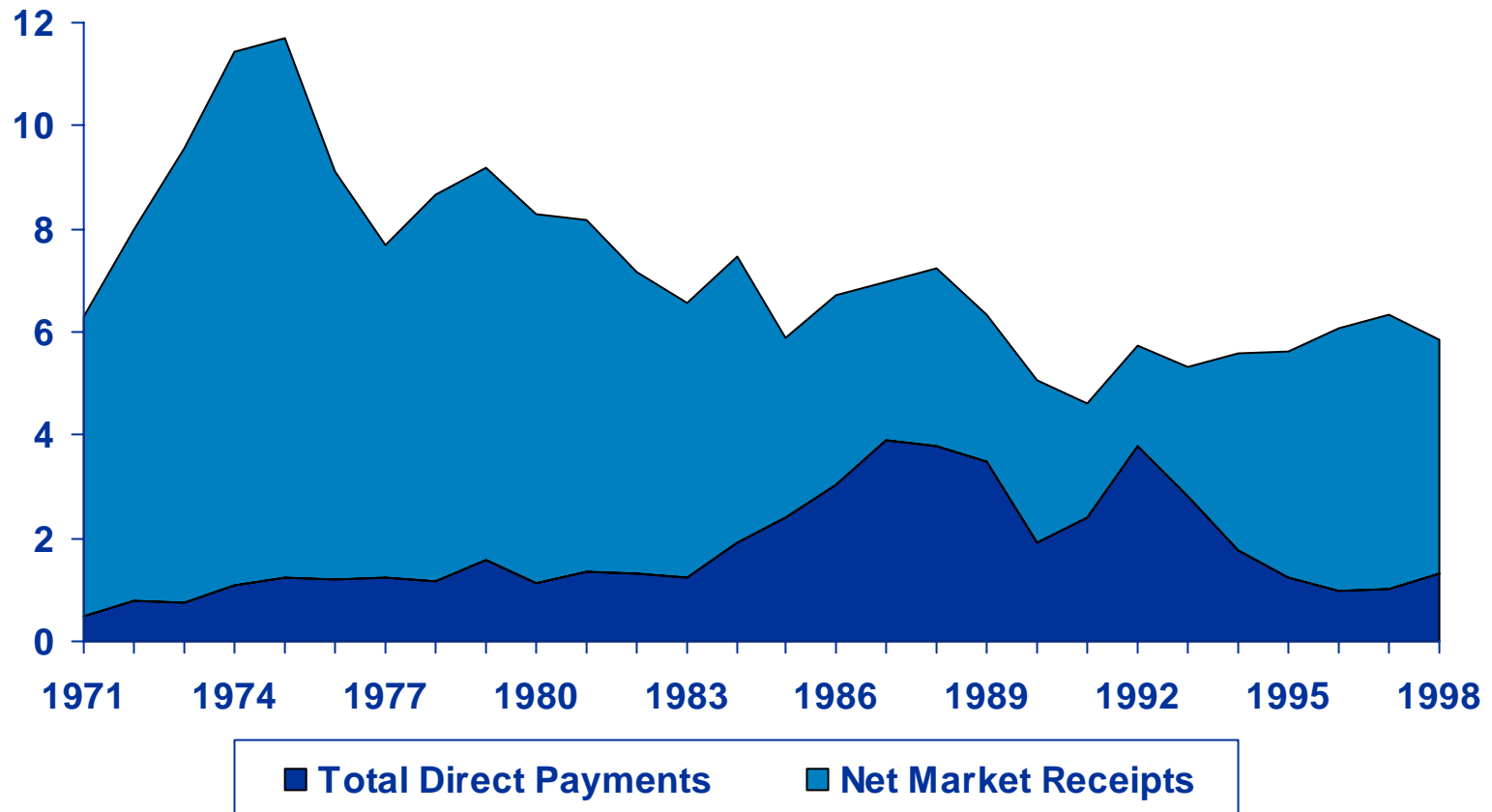
FDI Stocks

Value of the share of a FDI enterprises' capital and reserves (including retained profits) attributable to the parent enterprise, plus the net indebtedness of affiliates to the parent enterprise.

Government Support of Agri-Food Systems: Canada and Abroad

Farm Net Market Receipts and Total Direct Payments - Canada

Billions 1992 \$

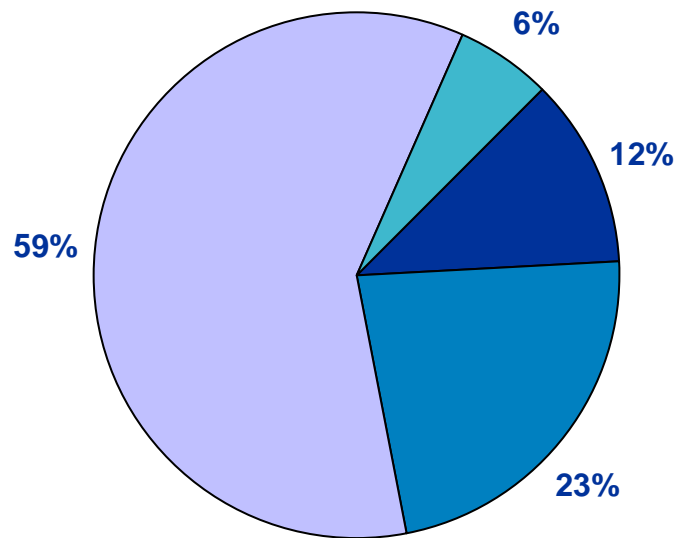


Source: AAFC - Farm Income, Financial Conditions and Government Assistance Data Book, March 1999.

Graph 7-1

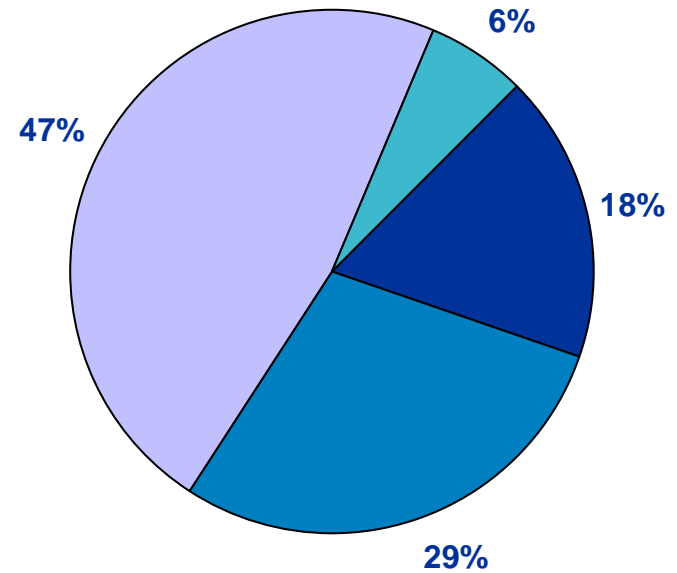
AAFC Gross Program Spending by Business Lines

1998-99 Forecast



\$1.6 Billion*

2001-02 Planned



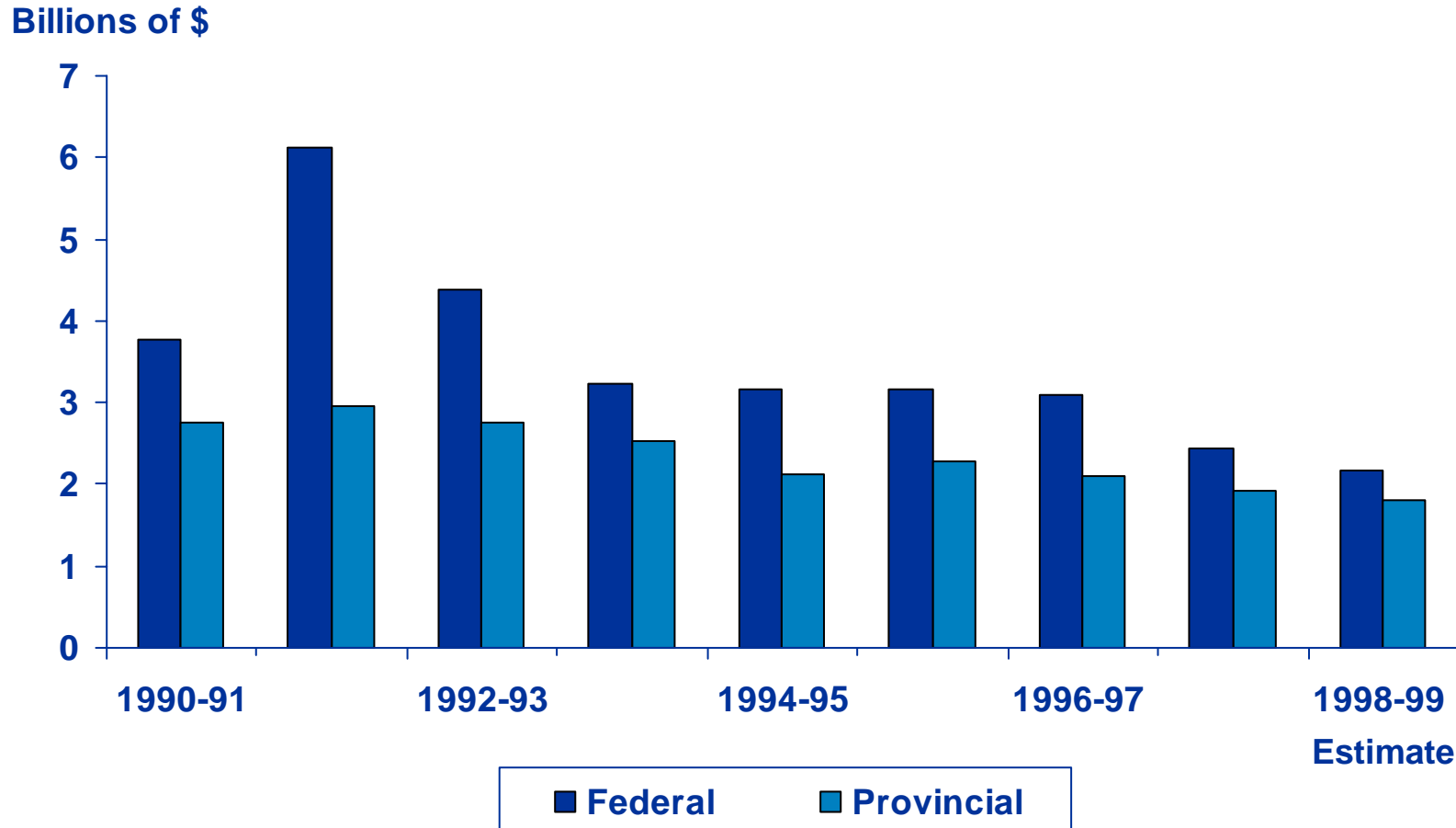
\$1.1 Billion*



*Does not include Canadian Food Inspection Agency.

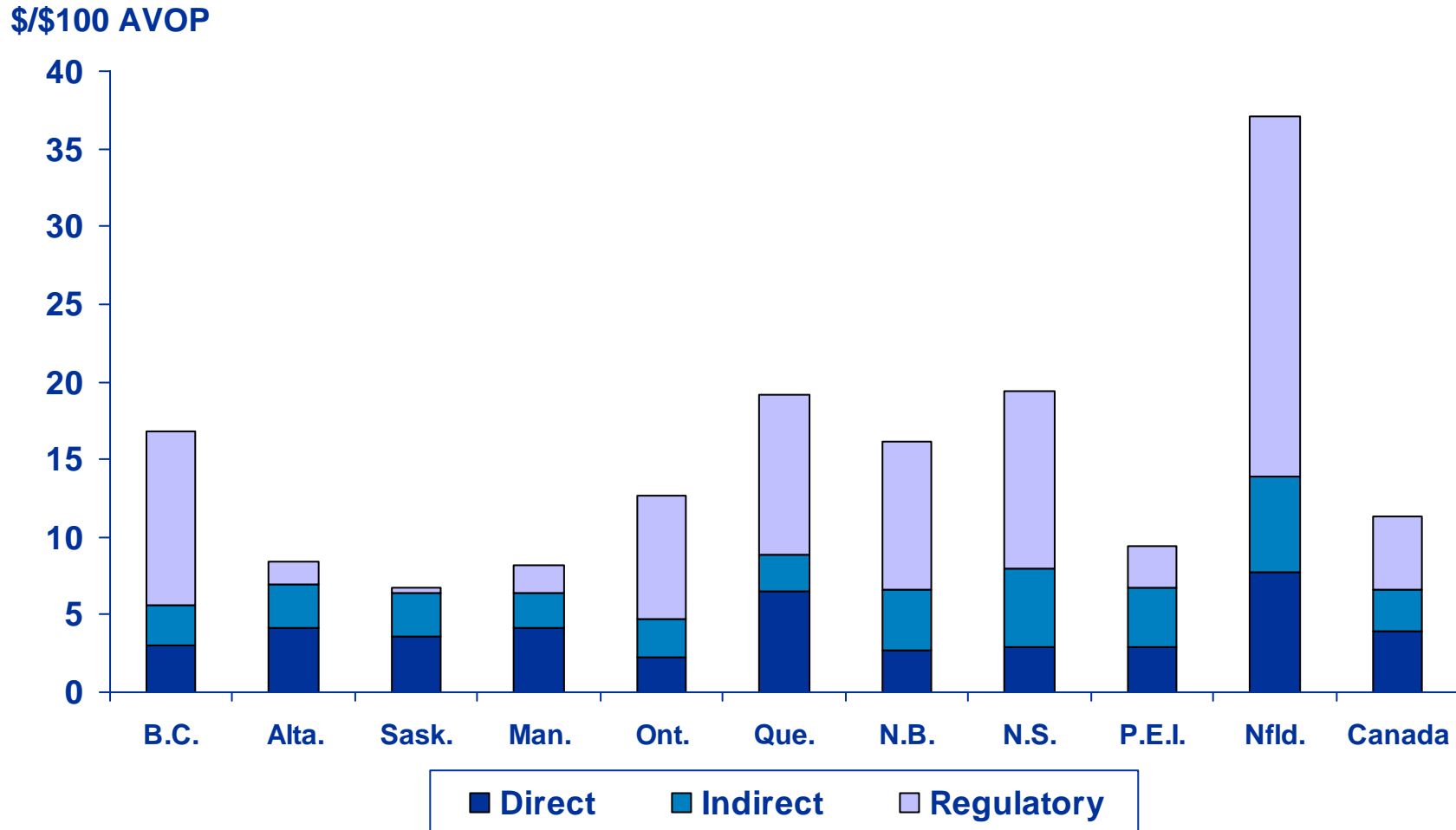
Source: AAFC - Report on Plans and Priorities, 1999-2000 Estimates.

Government Expenditures in Support of Agri-Food System



Source: AAFC - Farm Income, Financial Conditions and Government Assistance Data Book, March 1999.

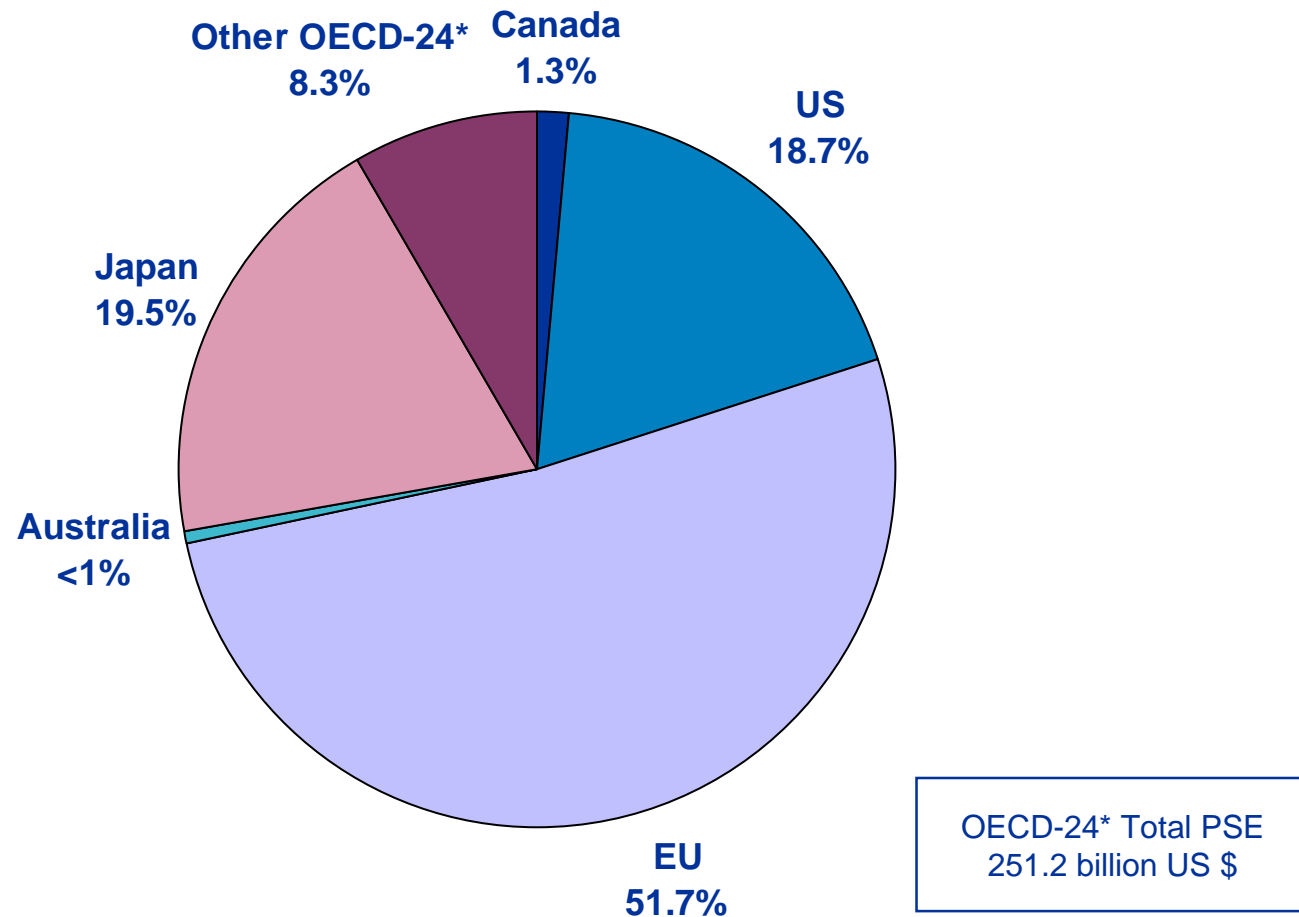
Government Transfers by Type of Transfer, 1997-98



AVOP - Adjusted Value of Production

Source: AAFC - Farm Income, Financial Conditions and Government Assistance Data Book, March 1999.

Distribution of OECD Total PSE* by Country 1998

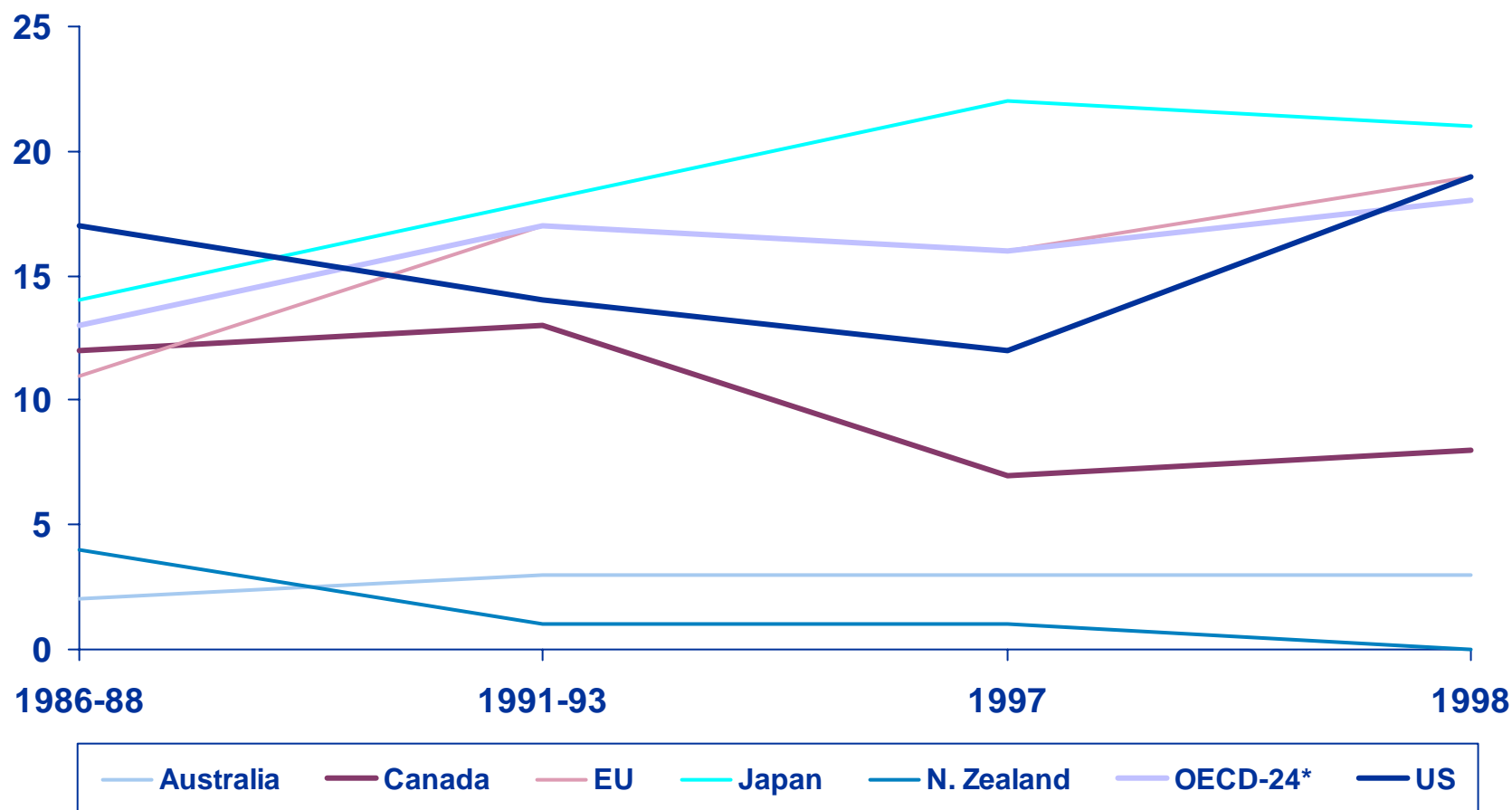


*Notes: 1) OECD-24 excludes most recent member countries: Czech. Republic, Hungary, Korea, Mexico and Poland.
2) PSE - Producer Support Estimate.

Source: Agricultural Policies in OECD Countries: Monitoring and Evaluation 1999.

PSE* Per Full-time Farmer Equivalent, 1986-1998

Thousands of US \$

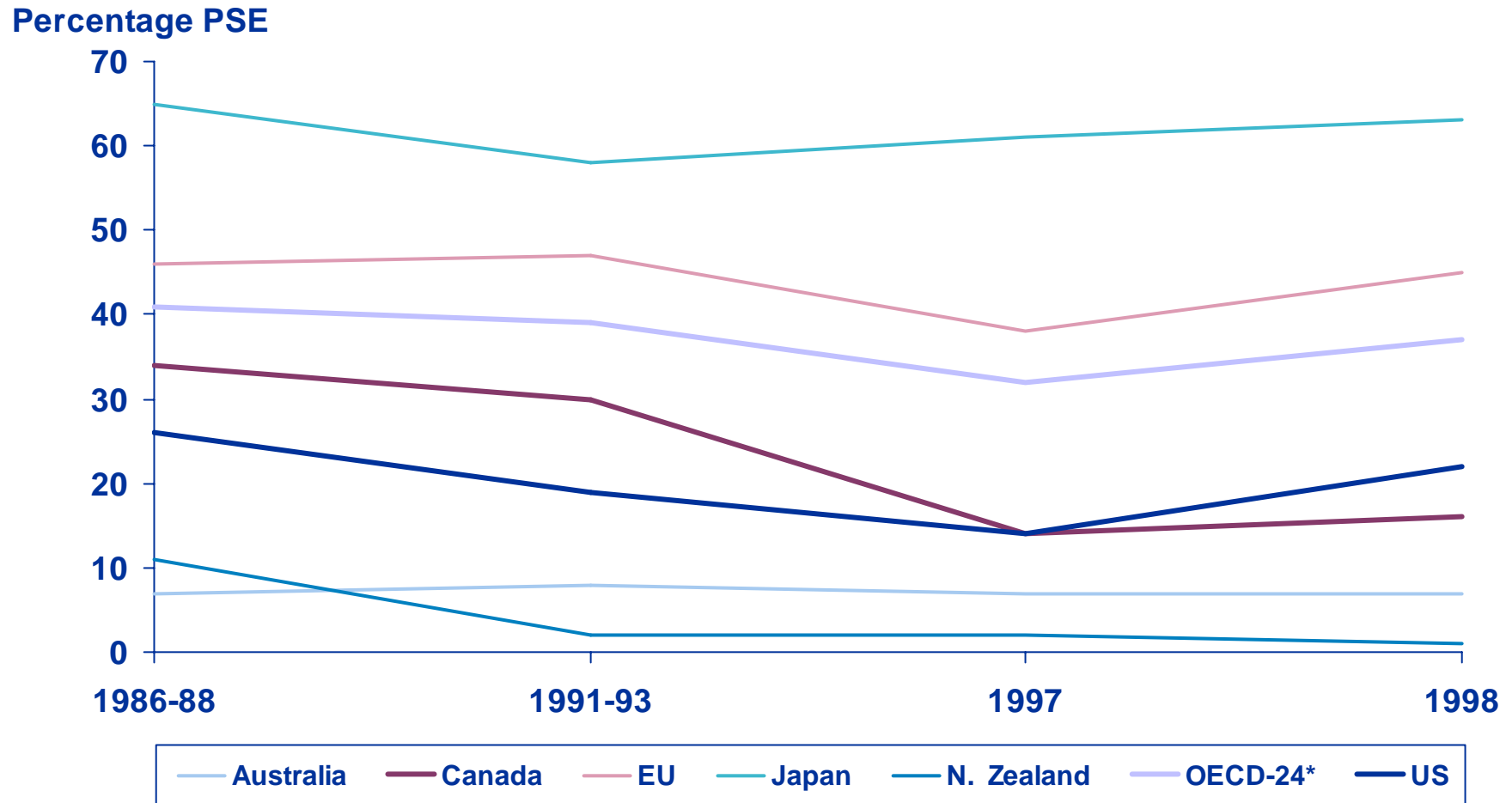


*Notes: 1) OECD-24 excludes most recent member countries Czech Republic, Hungary, Korea, Mexico and Poland.
2) PSE - Producer Support Estimate.

Source: Agricultural Policies in OECD Countries: Monitoring and Evaluation 1999.

Graph 7-6

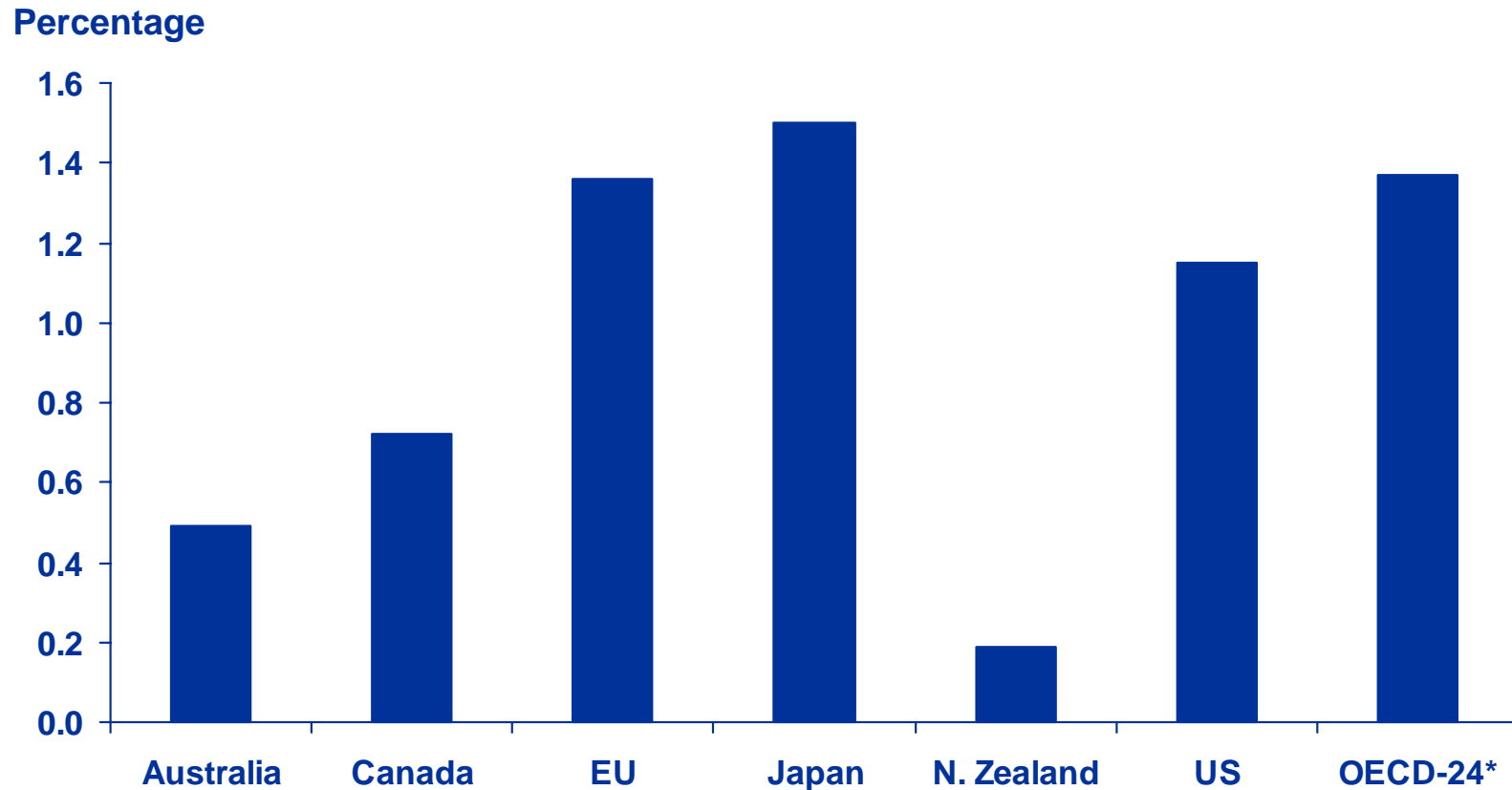
Percentage PSE*, 1986-1998



*Notes: 1) OECD-24 excludes most recent member countries Czech Republic, Hungary, Korea, Mexico and Poland.
 2) Percentage PSE is PSE (Producer Support Estimate) as a share of value of production plus payments.

Source: Agricultural Policies in OECD Countries: Monitoring and Evaluation 1999.

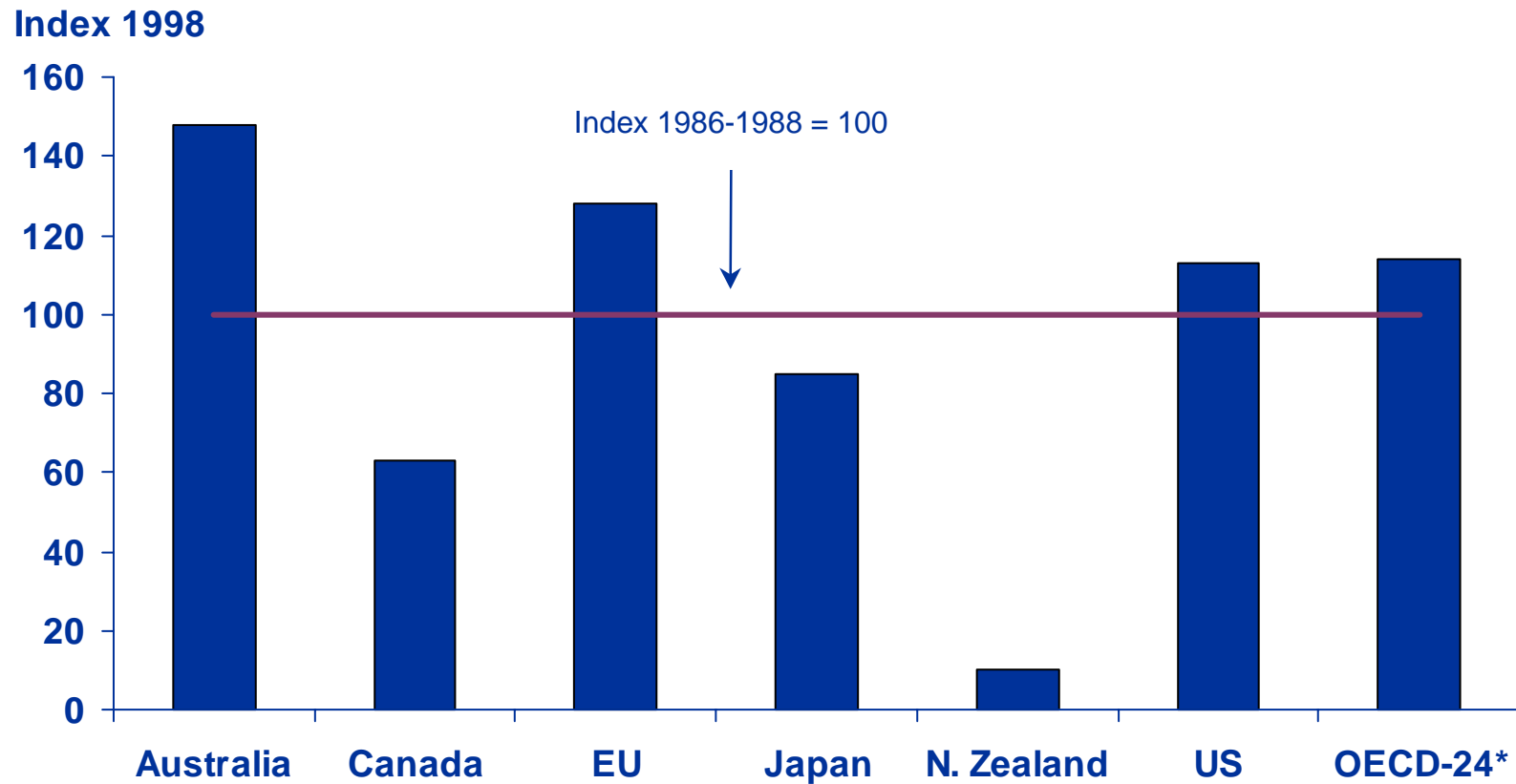
Total Support Estimate* as a Percentage of Gross Domestic Product, 1998



- *Notes
- 1) OECD-24 excludes most recent member countries Czech Republic, Hungary, Korea, Mexico and Poland.
 - 2) Total Support Estimate is an indicator of the annual monetary value of all gross transfers from taxpayers and consumers arising from policy measures which support agriculture, net of the associated budget receipts, regardless of their objectives and impacts on farm production and income, or consumption of farm products. The TSE can be expressed in monetary terms or as a percentage of Gross Domestic Product (percentage TSE).

Source: OECD. Agricultural Policies in OECD Countries. Monitoring and Evaluation 1999.

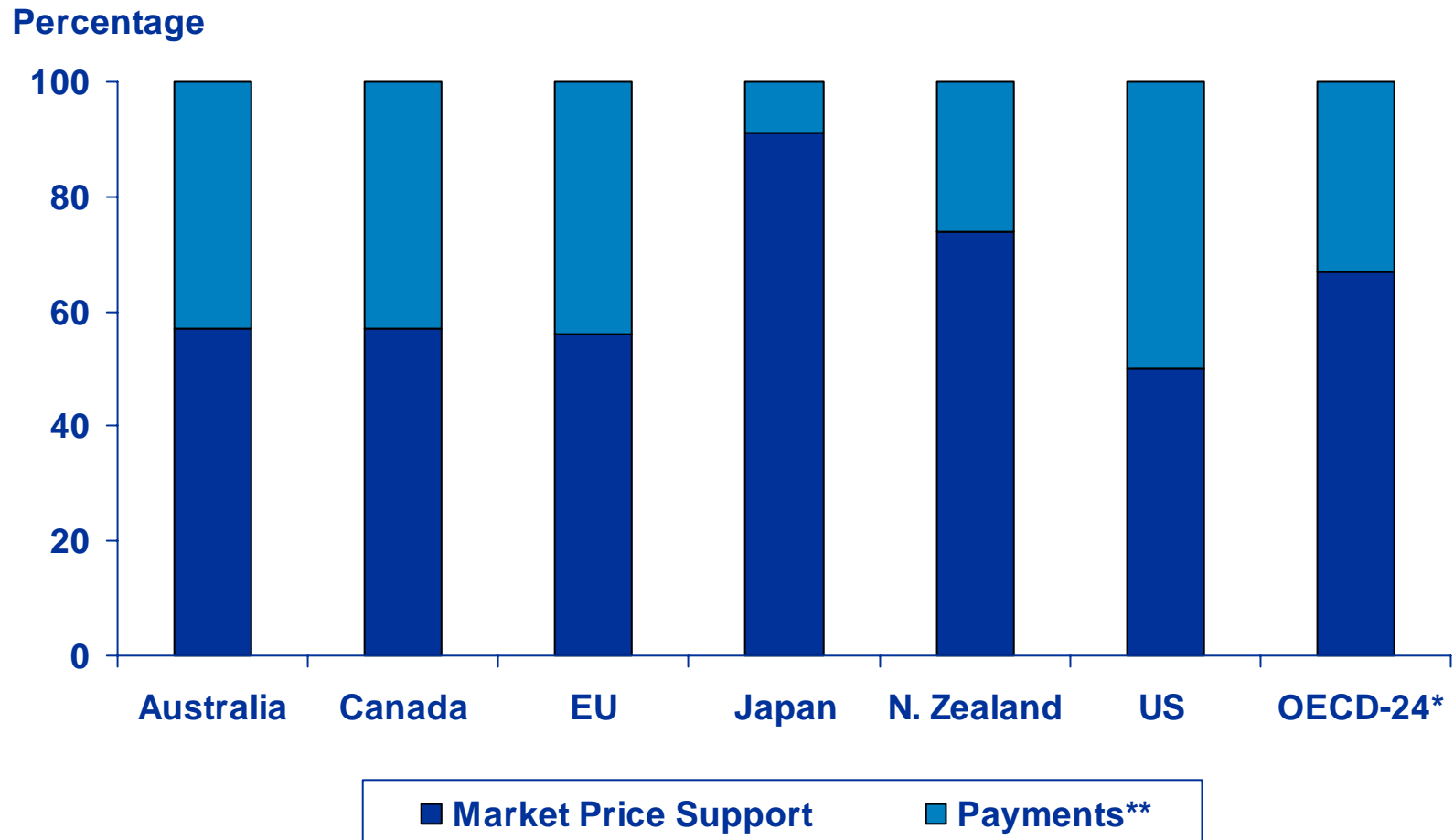
Index of Total PSE - 1998



*Notes: 1) OECD-24 excludes most recent member countries Czech Republic, Hungary, Korea, Mexico and Poland.
2) OECD-24 PSE in US\$. Individual country PSE in local currency.

Source: Agricultural Policies in OECD Countries: Monitoring and Evaluation 1999.

Composition of PSE, 1996-98



*Notes: 1) OECD-24 excludes most recent member countries Czech Republic, Hungary, Korea, Mexico and Poland.
2) OECD-24 PSE in US\$. Individual country PSE in local currency.

**Note: "Payments" includes payments to farmers and input subsidies, but excludes general services provided by governments.

Source: Agricultural Policies in OECD Countries: Monitoring and Evaluation 1999.

Glossary of Terms

PSE (Producer Support Estimate)	An indicator of the annual monetary value of gross transfers from consumers and taxpayers to support agricultural producers, measured at farm gate level, arising from policy measures, regardless of their nature, objectives or impacts on farm production or income.
Net Market Receipts	Total market receipts less total cash operating expenses.
Total Direct Payments	Include gross payments paid directly to producers under federal, provincial and municipal programs.
AVOP (Adjusted Value of Production)	Sum of three year moving average value of production plus current year's total direct transfers.
Government Expenditures	Government spending (at all levels) on agriculture and the food and beverage processing industries in a year, both indirect and direct, to individuals, agencies or associations.
Government Transfers	To agriculture only, including direct expenditures plus the effect of government regulations or policies on producers' market returns.
Market Price Support	Transfers to agriculture resulting from measures (i.e., tariffs, administered prices) that raise prices to consumers of farm commodities, net of levies and net of feed adjustments.
Other Support	Includes explicit and implicit subsidies on purchased farm inputs, farm credit, and government transfers to agriculture research and development, extension services, training and agricultural infrastructure.