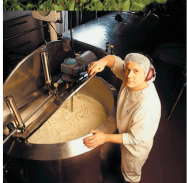




Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada

Government of Newfoundland and Labrador
Department of Natural Resources



Canada - Newfoundland and Labrador Agricultural Policy Framework Implementation Agreement

APF Project Highlights

Canada 

Newfoundland
Labrador 

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Canada-Newfoundland and Labrador Agricultural Policy Framework

The Canada - Newfoundland and Labrador Agricultural Policy Framework (APF) Implementation Agreement is a five-year action plan for Canadian agriculture. The goal of the APF program is to ensure the Canadian agriculture and agrifoods industry has access to the tools, services and options to strengthen business, increase prosperity and meet the demands of consumers at home and abroad. Newfoundland and Labrador was the first province to sign an agreement with the Government of Canada to begin implementation of the APF. This agreement will enhance opportunities for the agriculture and agrifoods industry in Newfoundland and Labrador by providing assistance under five elements:

- Food Safety and Food Quality
- Environment
- Renewal
- Science and Innovation
- Business Risk Management

A total of \$33.5 million has been approved under the APF agreement to enhance agriculture in Newfoundland and Labrador. Approximately \$2.2 million was allotted for Non-Business Risk Management (BRM) initiatives that include programs such as Environmental Farm Planning (EFP), Canadian Farm Business Advisory Services (CFBAS), and Canadian Agricultural Skills Services (CASS). A further \$3.52 million has been allocated for Business Risk Management Programs such as Production Insurance and Canadian Agricultural Income Stabilization (CAIS) program. The majority of funding has been directed towards Agricultural Policy Framework Initiative (APFI) projects which support on-farm projects as well as research and development activities that enhance the agrifoods industry throughout the province. During the first four years of the APF Agreement, approximately \$22.3 million was spent on APFI projects with the balance of funding allocated for the final year of the agreement.

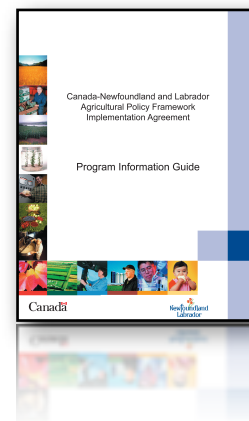
The APF agreement has been quite successful in meeting the priorities of the Newfoundland and Labrador agriculture and agrifoods industry. The success of the non-BRM programs has resulted in over 300 EFP scans completed; over 200 EFPs prepared; and over 50 business, succession and marketing plans have been prepared under the CFBAS program.

The APF's support for BRM programs offers producers protection against declines in income through the CAIS program. Recent enhancements to BRM programming will provide producers more options for managing income risk for their agribusiness. In Newfoundland and Labrador, the Production Insurance Program provides insurance coverage of six vegetable crops to protect against natural perils, thereby adding financial stability to their farming business.

The Newfoundland and Labrador agriculture and agrifoods industry has realized tremendous support from the APFI. Producers have benefited from initiatives that have enabled them to improve the safety and quality of the food they produce. Environmental impacts have been addressed through the establishment of manure handling facilities as well as land development activities that enable effective nutrient management and crop rotation. As a result of APF funded activities, environmental risks have been significantly reduced on farms in Newfoundland and Labrador.

With support from the APFI, many farmers received training in such areas as marketing, production practices, food safety, and business management. Adopting new technology and diversifying operations have allowed many farms to achieve new markets.

The success of the APF program has demonstrated that the agrifoods industry in Newfoundland and Labrador has significant potential. Advances have been made in many sectors of the industry and much of the credit is due to the APF. As the final year of the APF agreement approaches, further investment will be made in the provincial agriculture and agrifoods industry. Support will continue for projects that improve the quality and safety of food and encourage sound environmental practices to maintain consumer confidence in the agricultural industry. Efficient business practices, adoption of new technologies and diversification opportunities will enhance the operation of agribusinesses and make the industry attractive to new entrants. Continued support from the APF program will ensure the development of a viable and sustainable industry for the province.



FOOD SAFETY and FOOD QUALITY

Food Safety & Food Quality



Under the APF program, cooperative efforts between industry and government have initiated a number of professional, technical and training services to the agriculture industry. Over the course of the APF program, \$1.7 million has been invested

in on-farm and manufacturing and processing projects, including food safety workshops, food safety and food quality investments for slaughterhouse facilities and investments in technological innovation for on-farm and post-farm production.

On-Farm Food Safety Program

The Newfoundland and Labrador On-farm Food Safety Program delivers training workshops to all producers from each agriculture sector, allowing individual farming operations to establish their own food safety programs. The training programs provide producers with resource materials to implement on-farm food safety programs, easily and cost effectively. To date, such training programs have benefited more than 200 producers and industry managers and workshops have been delivered for various sectors including sheep, beef, pork, small fruit, potatoes, leafy vegetables, and greenhouse vegetables.

Post-Farm Food Safety Program

A training program has been developed to enhance food safety practices in agri-food processing establishments across the province. Known as the Good Manufacturing Practices (GMP) Advantage Training Program, this program is set to institute training sessions throughout the province starting in 2007. Under this program, agri-food processing establishments are provided resource materials and on-site training to develop customized Hazard Analysis Critical Control Points (HACCP) or similar food safety programs. Particular focus has been set on developing a meat sector strategy including manuals for all 25 meat processing establishments in the province.

Emergency Preparedness Plan

Food safety and food quality programs include contingency plans for potential problems that can have a drastic impact on agriculture sectors. For example, the Emergency Prepar-

edness Plan (EPP) developed by the Chicken Farmers of Newfoundland and Labrador and the Egg Producers of Newfoundland and Labrador is a collaborative effort among stakeholders in the poultry industry to develop an emergency measures plan to mitigate the catastrophic effects of a dis-

Slaughterhouse Facilities Investments

With the rise in popularity of many secondary processed meat products such as sausages and smoked meats, several slaughterhouse facilities have undergone upgrading to diversify and increase products. For slaughterhouse facilities across the province, establishing effective food safety programs is an important step in enabling such operations an opportunity to expand into new products for consumers.

Individualized Food Safety Consultations

Another important component of the food safety and food quality programs are access to professional services for consultations. Farms in need of designing and establishing either on-farm or post-farm food safety programs have access to food safety personnel for on-site training and consultations.

Marketing and Food Safety

Addressing food safety and food quality issues for producers are important considerations for the marketing of agriculture products. For example, as part of a branding program designed to improve retail sales of locally grown potatoes, workshops were conducted in 2006 so farms could put in place effective food safety programs to ensure the safest and highest quality product.

Role of Technology Innovation in Food Safety and Food Quality

An important role under the Food Safety and Food Quality Program is to provide resources for investing in food safety technology and equipment for implementing effective on-farm and post-farm food safety programs. Such projects include investments in milk monitoring equipment for the dairy operations to reduce the likelihood of milk from mastitis-infected cows entering the milk supply; transitioning to plastic pallets and dividers to reduce mould for the Egg Producers of Newfoundland and Labrador; standardizing poultry facilities for on-farm food safety programs; and investments in storage and processing technology to maintain safe and quality vegetables.

ease outbreak and other disasters that may occur in the poultry industry. The EPP aims to provide the technical, logistical and managerial resources required by the poultry industry to prepare for, and manage poultry emergencies in Newfoundland and Labrador.

ENVIRONMENT



Environmental Farm Planning

The Newfoundland and Labrador Department of Natural Resources, Agriculture and Agri-Food Canada, and the province’s agricultural industry

realize the importance of environmental planning and the need to keep families, communities and the province free from environmental harm. Funding provided by the APF Program has allowed significant improvements to the way the agriculture industry addresses environmental concerns.

People throughout Canada, as well as here in Newfoundland and Labrador, expect their food to be safe, nutritious and produced in a sound and responsible manner. Keeping an up to date Environmental Farm Plan (EFP) is one way in which government and industry can make sure consumer expectations are met.

Land Development and Enhancement

The largest obstacle in developing the opportunities available to agriculture in Newfoundland and Labrador is the limited availability of arable land. In the dairy industry, the acquisition of an industrial milk quota of 31 million litres represents an important growth and diversification opportunity that will enable significant development of primary production and secondary processing capacities of the dairy industries in the province. The horticulture sector including vegetables, fruits, nursery and sod along with livestock sectors also show significant potential for growth over the next 5-10 years. To meet the full benefits of the industrial milk quota alone, an estimated 15,000 acres of land must be brought into production to produce the necessary forage, allow for proper crop rotation and manage manure in an environmentally acceptable manner. A further 5,000-10,000 acres of land is needed to meet the requirements for horticulture and livestock.

Land development and enhancement under APF has been particularly important in meeting land requirements for the growing agriculture industry. To date, there has been approximately 1,250 acres developed to

meet the nutrient management requirements for the dairy, horticulture, poultry and livestock sectors. Close to 500 acres of land in poor condition from unsuitable soil conditions, high rock content, or poor drainage have been reclaimed through various APF land enhancement programs.

“Our farm has always sold most of our product directly to the end user,” said K.C. Robertson, Manager of Robertson’s Farm Ltd. in Lethbridge, Newfoundland and Labrador. “Our customers are always concerned about environmental issues and our farming practices.”

“The EFP process gave us the opportunity to evaluate our overall operation environmentally and improve where improvement was needed,” said Robertson. “It gave us the opportunity to assess our practices against industry best practices. Our EFP has allowed us to be able to reassure our customers that our products are truly the safest possible. We posted our EFP Certificate in our retail outlet. The certificate drew a lot of attention which translated into more sales and more repeat sales.”

Though reducing environmental risk doesn’t always have monetary payback for producers, it is done to show the public they value the environment on which the farm operates.

Nutrient Management Planning

Ivan and Katie Greening of Musgrave-town own and operate Greening’s Dairy Farm in the town. Their herd consists of 175 head, 82 of which are milked three times a day. The farm has been a dairy since 1979 and operated as a vegetable and poultry operation prior to that time. Combined, the farm has been operating on the same land for more than 60 years. While the farm has grown over the years, most of the development has taken place in last 15 years. With a long history of farming with limited land, the accumulation of nutrients, particularly phosphorus, in the soil became evident in the late 1990s. The farm started composting their manure to help with the nutrient loading and developed land to allow for better management of manure applications. In 2005, they applied for and were approved funding under the APF Program for the development of land. “In addition to the other things that we are doing on the farm, like composting, the APF funding and the land development really helped with our manure, giving us safer places to put it, without contributing to excess nutrients in our soil.” says Ivan.

Environmental Farm Plans (EFP)

- 317 EFP scans completed
- 201 EFP completed
- 29 EFP workshops
- 120 EFP workshop participants

Land Reclamation for Farming



Tile drainage is the preferred method to improve drainage in mineral soils. Studies in the province show crop yields can be increased by 25-50 percent following the installation of a

drainage system. Drainage allows land to be cultivated earlier the season. Well drained soils warm up faster in the spring which is very important to the early development of the crop. Less moisture will result in greater root development which helps the plant to survive drier summer weather. Tile drainage ensures that farm equipment can operate during wet periods and the likelihood of a complete loss of a crop due to saturated soils or drought conditions is reduced.

In addition to the risk management benefits of tile drainage, there are significant environmental benefits. Reduced surface runoff reduces soil erosion and helps prevent the potential contaminants from getting into water bodies. It also helps to reduce peak flows in watercourses. A properly installed tile drainage and runoff control system directs tile discharge and surface runoff to a natural filtering area, which further decreases agricultural impacts on water bodies. By inter-

cepting soil moisture percolating downward to the water table, potential contamination of groundwater is greatly reduced.

BENEFITS OF PEATLAND BOG DRAINAGE

With funding from the APF Program, the Water Quality and Conservation project aims to enhance the peatland soils in the province in order to capitalize on the major opportunities that exist for agricultural production on peatland bogs. These organic soils can be extremely productive when managed properly. Virtually any crop that can be produced on mineral soils can be produced on drained bogs. These peatlands naturally have low nutrient status and high acidity. Initially, large applications of nutrients and lime are required to bring these soils into agricultural production. The required applications decrease over time because the organic soil builds up a reservoir of nutrients and lime.

There are many advantages to farming on organic soils. Because organic soils are soft, many crops perform better and grow readily without obstruction. With efficient drainage, the moisture can be controlled for optimum crop production, weed and disease control. The natural intolerance of peatland to upland weeds and pests enhances the potential for Pest Management. The energy requirements for tillage of these soft soils are also low relative to mineral soils. Peatland may be the preferred choice in some areas where mineral soils are not suitable or available. Due to these unique conditions there are opportunities for crop diversity on peatland bogs.

Manure Storage

William Munn, owner of Newfoundland Hatchery Ltd. in Whitbourne is quite pleased with the new manure storage that was approved by the APF program for his egg operation in 2004. The farm, which was previously located in Portugal Cove, is home to 70,000 laying hens. Prior to the relocation, the farm's manure storage consisted of an earthen lagoon. There were several dairy producers in the region that would regularly take the manure for spreading. Upon relocation to Whitbourne, that service was lost, however the farm now had a land base for spreading the manure itself. The farm now dries their manure, and with funding through the APF program, Newfoundland Hatchery Ltd. was able to construct a closed-in facility with concrete floors to store the dry manure for up to 8 months, until it can be spread. According to Leslie Munn, the Farms

Manager, the storage is a big improvement from the one in Portugal Cove. "We can take the manure right

out of the building now, it's so much easier to handle. There's less odor, less flies. It's a pretty great system."



RENEWAL

Farm Markets



Homemade fudge, precooked meals, donkeys and delicacies - farm markets are becoming a force to be reckoned with.

Often viewed as a next step for farmers, these retail operations are striking a chord with consumers hungry for fresh meat, locally grown vegetables and assorted extras.

“We added the homemade fudge on a whim,” Elvis Gillam, owner/operator of Riverbrook Farmers Market in Corner Brook, explains. “Not only have sales been good, but it got people talking.”

Riverbrook Farms is one of the largest mixed vegetable farms on the west coast of Newfoundland and Labrador. Located in St. Fintan’s, the farm has been operating for almost three decades, harvesting potatoes, turnip, cabbage and specialty crops. Gillam started selling his fresh produce in Corner Brook 25 years ago. The market he built with his business partner and wife Marilyn opened on June 1, 2005.

“The timing was right,” Elvis says of their decision to branch out. “We had a good clientele, and a good reputation. Everything fell together. This was the right time. In my opinion, Corner Brook was ripe for a nice farm market.”

Factor in the couple’s dedication and determination. Add a building that has a relaxed country market feel. Offer produce that’s just-picked. “We start work at 8 a.m., harvest for three hours and by 12:30 p.m. everything is on the shelf in Corner Brook,” Elvis says. “It could not be any fresher.”

In this industry timing is everything. Back on the farm, Elvis varied his growing techniques and was able to harvest two weeks earlier than usual this fall. But that’s just one change the member of the North American Farmers Direct Marketing Association is eager to implement. Elvis and Marilyn see potential everywhere – a kitchen on the farm to make preserves, jams, jellies and pickles, a bakeshop to prepare fresh bread, pies and pastries -- all of it headed, eventually, to Corner Brook.

New Entrants Program Developments

The New Entrants Initiative was developed under the APF Program to assist in the establishment of new agricultural businesses. The program, essential in developing a vibrant agrifoods industry, provides new entrants sound business, marketing and technical skills that include access to agricultural specialists and farm business advisory services. Helping new entrants overcome the challenges of establishing viable operations is an important function of APF program. Assistance may vary depending on the nature of the new operation and may include such things as adoption of innovative technologies, land development, environmental and business planning. Over the course of the program, the province has welcomed more than 20 new entrants including sod producers, Christmas tree growers, vegetable, sheep, beef, forage, dairy and mink operations.

Human Resource Development

Providing learning opportunities and resources to enhance the management abilities and improve the skills and knowledge of farm managers, farm families, farm workers and service providers is an important function of the Human Resource Development Initiative. Emphasis has been placed on training opportunities related to renewal, science and innovation, food safety and food quality and environmental stewardship. With 88 human resource projects funded to date under APF, more than 850 industry people have attended workshops and conferences including many national and international workshops and conferences through travel exchange opportunities. Human resource development projects have addressed concerns across all sectors of the agriculture sector including workshops such as the Value Added Product Training Course for beef, Fruit & Vegetable Industry Marketing Workshop, Farmers Direct Marketing Conference for horticulture and livestock, World Sheep & Wool Congress, Meat Cutting Training Course for meat producers, Secondary Processing & Marketing Training Course and the Atlantic Farm Challenges Conference.

Promoting Farming to Our Youth



The 4-H movement in Newfoundland and Labrador promotes the development of youth as a cornerstone of the future of agriculture in the province. Introducing agriculture to youth through the volunteer efforts of adults in the community is a time honoured tradition. 4-H began in Newfoundland and Labrador in 1937 as Junior Garden Clubs and today, there are more than 250 members and 100 leaders across the province. Services and resources are provided to 4-H clubs across the province to assist in the design, organization and promotion of agricultural activities that develop the leadership skills of youth. In 2004, the 4-H Provincial Council received \$77,000 in funding to implement agriculture resource development of their five year plan. The Council has continued with the completion of its five year plan which primarily involved active promotion and recruitment for the Newfoundland and Labrador 4-H program. Organization of additional 4-H clubs along with increasing public awareness of the 4-H Program, promise to make the Program more current for both rural and urban youth.

Open Farm Day

Last year, over 7,000 people visited the 30 farm participating in Open Farm Day. This year Open Farm Day will be on Sunday, September 23, 2007 and is going to be even bigger and better!

The province-wide event is designed to raise awareness of the agriculture industry and give the public the opportunity to meet the people involved in the agriculture industry, and to see firsthand how local products are grown. Visitors also received gardening tips at three nurseries, toured local dairy farms, and sampled fresh local meat and vegetables.

In 2006, many farms offered a variety of activities throughout the day, including hay rides, corn mazes, petting barns, corn boils, horseback rides and the opportunity to harvest fresh vegetables. There were markets on site at most farms, demonstrations on vegetable harvesting, grading and cleaning of vegetables, and guided tours.

In Newfoundland and Labrador, Open Farm Day started in 2001 with eight farms and 500 visitors. It has become an exciting fall attraction with many visitors returning to farms in their region each year. It is a joint project of the Department of Natural Resources, the Agriculture and Agri-Food Canada, and the farmers of Newfoundland and Labrador.



SCIENCE & INNOVATION

Corn Silage



The Alternative Feeds Program is an example of new crop technology in Newfoundland and Labrador. Its goal is to increase feed self-sufficiency for the province's livestock producers, as well as meet the needs of forage and vegetable producers

by introducing new plant species and valuable cropping technologies that can be used to create successful crop rotations.

The APF Program has invested in the Alternative Feeds Program with participation from both dairy and beef producers. Silage corn is a high-energy feed. Helping replace the dependency on heavily priced imported grains will enable dairy and beef producers to cut down on the cost of importing feed for their herds thus becoming more self-sufficient.

When the Samco System, which is used in Ireland, was introduced into this province, 70 acres of silage corn was

seeded under plastic mulch. In 2006, approximately 1,500 acres were seeded with the Samco System. The system allows the farmer to make just one pass of the seeder, then lays a bio or photo-degradable plastic film over the seed creating a greenhouse effect which increases Crop Heat Unit (CHU) availability, crop growth and maturity.

This applied research and technology is important in Newfoundland and Labrador because the province incurs low (CHU) accumulation and unpredictable temperature influxes. The innovative system boosts the CHU to 300, giving producers a possible three-week jump on the season. It has other advantages, including less crop lodging as root development is enhanced, an extended sowing and harvesting window, and possibly increased crop yields.

Dairy and beef producers are not the only agrifoods producers taking advantage of this new technology. Several producers, throughout the province, are using it to grow sweet corn.

The project illustrates the new crops and cropping technologies the province's agriculture and agrifoods industry is quickly adopting. These technologies are pushing producers into the future of agriculture, promising increased yields and better nutritional values, which work together to help reach the goal of feed self-sufficiency.

Technology Adoption of Potato and Carrot Harvesting

Introducing new technology to farmers can have an enormous impact on the productivity of many farm operations relying on more traditional equipment and agricultural practices. In 2006, technology adoption investments for the vegetable industry enabled four vegetable operations, to significantly upgrade their operation through evaluation of potato harvesters suitable for use in conditions in this province. Not only do these harvesters allow producers to efficiently harvest quality potatoes in the rocky soils, but their flexibility allows easy harvesting opportunities for a wide variety of root crops.

"We believe that we can harvest 6 acres mechanically with the Kverneland potato harvester in the time it took us to manually harvest 1 acre." Nita and Ken Abbot of LA Farms explain. "The

fall of 2006 had high precipitation but with our sandy soils, after one day delay, we were back to harvesting. There was no pressure with unfavorable conditions and we knew that with the harvester we were getting our potatoes."

The introduction of harvesting equipment capable of dealing with problems presented by soil and regional characteristics has limited the use of more conventional equipment. New harvesting technology has enabled farms to overcome bottle-necks in production, creating opportunities for improving production. Investment in an Univerco industrial carrot harvester for a trio of carrot producers, Mountain View

Farm, Rolling Acres Farm and Lone Pine Farm have led these farms to double carrot production once limited by a short harvest season. The recent advances in technology and advent of more efficient machinery will help vegetable operations to be significantly transformed in the near future.



Fur

With support from the APF Program, the fur sector has experienced significant growth, diversification and increased sales the past few years. In addition to attracting new farmers, the APF program has assisted producers in introducing new technologies to breeding, animal housing, feeding and production.

The industry has attracted new foreign investment, including five Danish mink farmers, that complements local investment. Approximately \$2.25 million has been invested through APF into the fur industry, which has facilitated a renewed interest in mink production. The number of mink

breeders has increased from 1,000 females in 2001 to a projected female population of 60,000 in 2007, with continued expansion into 2008. Potential pelt production for 2007 is 270,000 translating into 13 million in sales. At current price levels, mink has the potential to reach over 100,000 female breeders by 2010. Using a conservative average of \$50 per pelt, sales could reach over 22 million dollars in 2010.

The fox industry has approximately 1,000 female breeders on 14 farms, with a potential annual pelt production of 4,000. Using a conservative pelt price of \$100, sales are estimated in the \$400,000 range.

Horticulture Industry Development



Investments through APF have enabled a number of nursery and greenhouse operations an opportunity to diversify and improve commercial production of greenhouse products in response to the growing consumer demand for products such as ornamental plants. Greenhouse nursery operations like the Rise & Shine Nursery and Murray's Horticulture Services are just some of the operations that supply consumers with horticulture products and services.

"APF investments have afforded us the opportunity to develop our goal of developing new plants for introduction through the first national certified nursery operation to ship live plant material out of Newfoundland and Labrador," explains Mike Murray of Murray's Horticulture Services of his operations recent development of commercializing

native plants for export to Atlantic Canada and U.S. markets.

Along with the investments in the Christmas Tree and sod industries, the APF has made significant inroads in developing opportunities for local horticulturists.

Investments in Land Development Services

As a consequence of the increased investments into the agriculture sectors, particularly under the APF Program, there has been a concerted effort in the industry to develop an estimated 20,000 acres of land over the next 10 years to accommodate increases in agricultural development. Agricultural land development which includes clearing forested lands and enhancing existing agricultural land unproductive because of poor drainage or high rock content needs to be conducted cost effectively in an environmental sustainable fashion. With the support of the APF Program, new agricultural land development companies were established on the west and east coast of the province to provide specialized services to producers. Investments in new technology such as de-stoning equipment will enable land development and enhancement to occur on a large scale within the province.



Technology helping vegetable processor to bag new opportunities

Central Vegetable Products Ltd. of Bishop's Falls has more than quadrupled its sale of carrots using new technology obtained with funding support through the APF Program.

Since installing a large scale commercial carrot bagging machine, the vegetable processor has increased its carrot sales from 9,600 pounds per week to over 40,000 pounds per week and demand is steadily increasing.

The bagger has allowed the company to compete more successfully against imported carrots by allowing it to more quickly and cheaply produce two pound and five pound bags of carrots for the retail market.

The bagging machine has helped Central Vegetable Products Ltd. improve its business in this competitive market.

NORTHERN AGRIFOODS INITIATIVE

APF and Labrador



Agriculture opportunities in Labrador continue to be pursued based on initiatives identified in the Northern Agrifoods Development Strategy (NAD). The Northern Agrifood Initiative has been allocated \$1.5 million under the APF program to encourage

the development and commercialization of the agrifoods industry in the Labrador region. Notable projects to date include carrot research trials in southern Labrador and potato research trials in Happy Valley-Goose Bay.

The APF agreement has been very beneficial in enhancing the agricultural industry in Labrador. Individuals, cooperatives and corporations have taken the opportunity to access funding through the program for a variety of initiatives including those identified through the Northern Agrifoods Development Strategy.

Under the NAD Strategy, a commitment was made to identify land for development by carrying out soil surveys in priority areas in Labrador. To date land assessments have been completed in the Labrador City - Wabush area, Happy Valley - Goose Bay area, and the Southern Labrador Highway. Other initiatives are currently under way for soils assessments to identify additional land development options in the Happy Valley - Goose Bay area. The soils data collected are input into a GIS soils geodatabase where output products are used by various groups.

To date, approximately 50 acres has been cleared under the Northern Agrifoods Initiative. The Department of Natural Re-

sources, in partnership with industry, is investigating the best management practices for carrot production based on Labrador's unique growing conditions and researching the effect of irrigation and modified fertilizer applications on potato production. Through the Alternative Feeds research project, forage and cereal crop varieties are being evaluated for Labrador. The green manure crops will improve the water holding capacity and organic matter content of the sandy soils in the Happy Valley - Goose Bay area and will increase the availability of arable land for forage and vegetable production.

Research and development activities have been ongoing, with funding committed for soil augmentation trials and partridgeberry barren burning trials, both commencing Spring 2007.

The availability of funds for individual farmers and producers has also supported the development of two new mink farms established on the South East Coast of Labrador. Both of these farms will begin production in April 2007.

The Agrifood Business Development Program has been utilized to its fullest extent in numerous ways throughout the region. Individuals have taken advantage of the Agrifoods Business Development Initiative to prepare their business plan, which has enabled farmers to map out the goals and objectives of their agribusiness. Others have used the Market Development Initiative for various marketing opportunities including trade shows, label construction and design, and agricultural booths. Through the Human Resource Development Initiative, several applicants have used the APF to attend a wide variety of trade shows, conferences, and farm visits. Others have attended Farm Mechanization Show, ACORN Organic Conference, and have participated in fur farm travel and exchanges.

With assistance from the APF Program, Labrador vegetable producers have improved their farm operations through the adoption of new technology.

Labrador Carrots

Growing vegetables, especially carrots, in Southern Labrador has mostly consisted of subsistence gardens supporting settlers who lived on the land. However this long standing activity could develop into commercial vegetable opportunities.

The APF Program, in partnership with industry, is investigating the viability of commercial carrot production in the Southern Labrador region by researching the best management practices for growing. The project evaluates everything from soil preparation and soil fertility to the best carrot varieties suited for the region, they included Vitana, Wnvora, Annapolis and Cellobunch.

Borderside Farm, operated by Mark Clarke at Lance au Clair, is participating in the trials with its first harvest in 2006, and from all indication, commercial carrot production will be a success story for Southern Labrador.



BUSSINESS RISK MANAGMENT

Production Insurance

As a management tool, production insurance provides producers with a measure of income protection against uncontrollable and unforeseen natural disasters affecting crops such as drought, excessive moisture, wind, frost, hail, snow, wildlife, disease and insects. There are six vegetable crops eligible for insurance: potato, turnip, cabbage, carrot on mineral soil and peat, beet and parsnip.

There are two programs available through the Newfoundland and Labrador Crop Insurance Agency: a crop-specific insurance coverage and a whole farm insurance coverage. Under the crop-specific program, there are separate insurance plans for each crop. Producers can select one of several coverage options (60 percent, 70 percent and 80 percent of a producer's probable yield). In addition, one of two methods for valuing the insurance protection can be selected - the first is based on the producer's pre-harvest cost of production and the second method is based on 70 percent of the market price for the crop. There is a basic requirement of one acre of crop, and insurance must be purchased on the entire crop planted not just the high risk areas.

Canadian Agricultural Stabilization (CAIS) Program

The Canadian Agricultural Income Stabilization (CAIS) Program integrates stabilization and disaster protection into a single program helping producers protect their farming operations from both small and large drops in income. The CAIS program is a whole-farm program available to eligible farmers regardless of the commodities they produce. With the CAIS program, participants select a protection level for their operation and then pay the required fee to secure that protection level. Program payments, which include funds from their account and a government contribution, are made when the participant's margin in the program year falls below their reference margin.

CAIS is cost shared on a 60:40 basis between the federal and provincial government under the Canada - Newfoundland and Labrador Agricultural Policy Framework Agreement. To date, a total of \$1.1 million has been contributed to the CAIS program by the Province and Canada on behalf of Newfoundland and Labrador producers.

Federal Government Replacing CAIS

The Government of Canada announced two new commitments to farmers totaling \$1 billion for improvements to national farm income programs. These investments are the next important steps in fulfilling Canada's commitment to replace the Canadian Agriculture Income Stabilization (CAIS) program.

The announcement will mean an injection of \$400 million directly to producers to help with the high cost of production in farming. An additional \$600 million is earmarked to kick-start new government/producer savings accounts that would go into effect once agreement is reached with the provinces and territories.

With whole farm insurance, all crops are insured together under a single policy at the 70 percent coverage level. The producer must plant a minimum of two crops and is covered if the combined yields from all crops fall below the guaranteed yield established for the whole farm. The method used for valuing the insurance protection is based on 70 percent of the market price for the insured crops.

A producer must apply for production insurance prior to April 30 of that year, and they have to select the coverage level and price option for which they intend to insure their crops at time of application.

Once an application has been approved by the Newfoundland and Labrador Crop Insurance Agency, an Agricultural Technician meets with the producer and measures the planted acreage using a Global Positioning System and then creates a map of the planted acreage.

To ensure the Production Insurance program remains affordable for producers, Agriculture and Agri-Food Canada and the provincial Department of Natural Resources jointly contribute 60 percent of the producer's total premium.

The \$1 billion federal initiative includes:

- A federal commitment to the creation of contributory-style producer savings accounts;
- A \$600 million federal investment to kick-start the accounts; and
- A direct payment of \$400 million to producers this year to help address high production costs over the last four years and \$100 million annually to address cost of production issues when they occur.

The announcement builds on the \$1.5 billion for 2006-2007, and helps to address gaps in the system in areas such as production insurance, the margin-based program and putting in place a new disaster relief framework.

