

**2004 NATIONAL RENEWAL
SURVEY:**

**BUSINESS MANAGEMENT
PRACTICES OF
AGRICULTURAL PRODUCERS**

SEPTEMBER 2006



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada

Canada

2004 NATIONAL RENEWAL SURVEY: BUSINESS MANAGEMENT PRACTICES OF AGRICULTURAL PRODUCERS

September 2006
Renewal Programs Division
Farm Financial Programs Branch
and
Research and Analysis Directorate
Strategic Policy Branch

Authors: Jamie Miller (Renewal Programs Division)
Deborah Niekamp (Research and Analysis Directorate)

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.

©Her Majesty the Queen in Right of Canada, 2006

Cat. A118-6/2004E-PDF
ISBN 0-662-43100-6
AAFC 10145E

Aussi disponible en français sous le titre:
«SONDAGE NATIONAL SUR LE RENOUVEAU DE 2004: PRATIQUES
DE GESTION DES PRODUCTEURS AGRICOLES»

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
KEY FINDINGS.....	4
INTRODUCTION.....	4
1.0. GOAL ACHIEVEMENT.....	5
1.1 FARM BUSINESS GOALS	5
1.2 ACHIEVEMENT OF TOP FARM BUSINESS GOAL	7
1.3 PERSONAL AND FAMILY GOALS	9
1.4 ACHIEVEMENT OF TOP PERSONAL AND FAMILY GOAL	11
2.0. BUSINESS PLANS.....	13
2.1 WRITTEN BUSINESS PLAN	14
2.2 BUSINESS PLAN USED AS A TOOL TO SECURE FINANCING.....	16
2.3 ADDITIONAL ELEMENTS OF A BUSINESS PLAN AND OTHER TYPE OF PLANS.....	18
2.3.1 <i>Financial assessment</i>	19
2.3.2 <i>Production plan</i>	21
2.3.3 <i>Marketing plan</i>	23
2.3.4 <i>Risk assessment plan</i>	25
2.3.5 <i>Succession plan</i>	27
2.3.6 <i>Human resource plan</i>	29
2.3.7 <i>Environmental plan</i>	31
2.3.8 <i>Food safety and quality plan</i>	33
3.0. FINANCIAL MANAGEMENT	35
3.1 FINANCIAL RECORD KEEPING	35
3.1.1 <i>Balance sheet</i>	36
3.1.2 <i>Cash flow analysis</i>	38
3.1.3 <i>Written annual budget</i>	40
3.1.4 <i>Enterprise budget</i>	42
3.1.5 <i>Break-even analysis</i>	44
3.2 ACCRUAL ACCOUNTING	46
3.3 BENCHMARKING	48
3.3.1 <i>Production benchmarking</i>	48
3.3.2 <i>Financial benchmarking</i>	50
4.0. TECHNOLOGY	52
4.1 COMPUTER USAGE.....	52
4.2 INTERNET USAGE.....	54
4.3 ADOPTION OF NEW PRODUCTS AND TECHNIQUES	56
5.0 NETWORKING	59
5.1 FARM GROUPS	59
5.1.1 <i>Mentoring and peer groups</i>	59
5.1.2 <i>Management and marketing clubs</i>	61
5.1.3 <i>Producer associations and farm organizations</i>	63
5.2 COLLABORATION IN MARKETING, BUYING AND OWNERSHIP ACTIVITIES	65
5.2.1 <i>Group marketing</i>	65
5.2.2 <i>Group purchasing</i>	67
5.2.3 <i>Sharing equipment</i>	69
6.0. MARKETING	71

6.1	VALUE-ADDED PRODUCTS	71
6.2	DIRECTLY EXPORTING PRODUCTS	73
7.0.	NEW BUSINESS VENTURES	75
7.1	<i>Types of Business Ventures</i>	77
7.1.1	<i>Expanded</i>	78
7.1.2	<i>Diversified</i>	80
7.1.3	<i>Introduced value-added products</i>	82
7.1.4	<i>Started a non-farm business</i>	84
7.2	DECISION-MAKING PROCESS	86
7.2.1	<i>Consult other farm operators about the idea</i>	87
7.2.2	<i>Consult agrologists, input suppliers, or other agricultural specialists</i>	89
7.2.3	<i>Consult accountants, lenders, or other financial experts</i>	91
7.2.4	<i>Analyze consumer trends</i>	93
7.2.5	<i>Identify a market for a new product</i>	95
7.2.6	<i>Analyze the financial feasibility of a project</i>	97
7.2.7	<i>Identify conflicts with the farm's limited resources</i>	99
7.2.8	<i>Determine whether or not a change would have a positive effect on the farm's net operating income</i>	101
8.0.	TRAINING	103
8.1	EDUCATION.....	103
8.2	PARTICIPATION IN TRAINING	106
8.3	TRAINING AND EDUCATION	108
8.4	FORMAT OF TRAINING	109
8.5	TOPICS COVERED BY MEMBERS OF FARM OPERATION.....	110
8.5.1	<i>Farm-related training</i>	111
8.5.1.1	Financial management.....	113
8.5.1.2	Marketing	115
8.5.1.3	Managing employees (human resource management).....	117
8.5.1.4	Agricultural production	119
8.5.1.5	Environmental management.....	121
8.5.1.6	Food safety and quality	123
8.5.1.7	Succession planning	125
8.5.2	<i>Non-farm training</i>	127
9.0.	PROGRAM AWARENESS.....	129
9.1	CANADIAN FARM BUSINESS ADVISORY SERVICES (CFBAS).....	130
9.1.1	<i>Level of awareness</i>	130
9.1.2	<i>Participation</i>	132
9.2	AAFC BENCHMARK WEB SITE.....	134
9.2.1	<i>Level of awareness</i>	134
9.2.2	<i>Participation</i>	136
APPENDIX A	138	
METHODOLOGY	138	
APPENDIX B.....	146	
COMPARISON OF THE DISTRIBUTIONS OF THE 2004 NATIONAL RENEWAL SURVEY AND THE 2003 FARM FINANCIAL SURVEY AND THE 2001 CENSUS OF AGRICULTURE	146	
APPENDIX C	153	
2004 NATIONAL RENEWAL SURVEY QUESTIONNAIRE.....	153	

EXECUTIVE SUMMARY

Overview

The 2004 National Renewal Survey has been undertaken to serve as a baseline to determine the level of knowledge and use of beneficial management practices by Canadian producers and farm families. The survey was conducted from mid-December 2003 to the end of January 2004. This report provides results of the survey based on a final sample of 2,112 farms.

Summary of results

For approximately one third of survey respondents (31%), “paying off debts” was the most important farm business goal. The second and third most important farm goals were “maximizing return on investment” (26%) and “producing the best products possible” (23%). Very few respondents (<5%) chose “expanding the farm” as their most important farm business goal. Almost 51% of Canadian operators reported fully or mostly achieving their top business goal, and a further 36% reported somewhat achieving it.

Two thirds (64%) of respondents ranked “providing a reasonable income for my family and myself” as their most important personal and family goal. The second and third choices were “providing a good place to raise a family” (20%) and “providing a heritage to the next generation” (11%). Almost 57% of survey respondents stated that they have achieved fully or mostly their top personal and family goal, and a further 32% reported somewhat achieving it.

Survey responses indicated that 22% of Canadian farm businesses had a written business plan for 2003, with 72% of producers from these farms using the plan as a tool to secure financing. Some of the elements of a business plan or other type of plans used by survey respondents included a financial assessment (52%), a production plan (35%), an environmental plan (30%), a food safety and quality plan (21%), a succession plan (18%), and a marketing plan (18%). Few operators indicated that they used a risk assessment plan (11%) or a human resource plan (13%).

Most survey respondents kept financial records. The most common record kept was the balance sheet (84% of respondents). Other Canadian operators prepared or used a written annual budget (48%), a break-even analysis (47%), a cash flow statement (44%), or an enterprise budget — which separately calculates the revenues and expenses associated with the various products a farm business produces — (40%). Of the survey respondents, 33% reported using accrual accounting, or a combination of accrual and cash accounting. A total of 52% of survey respondents reported using production benchmarking (comparing their farm’s production performance with farms of similar region, size and specialization); 34% of Canadian operators reported using financial benchmarking.

In 2003, 60% of producers used a computer for business purposes and 53% of Canadian farm businesses were connected to the Internet. When asked about their level of innovation, 22% of survey respondents stated that they were “among the first to try something new” when new products and techniques were introduced.

Many survey respondents stated that they actively participated in some type of farm group. About 47% of Canadian operators participated in a producer association or a farm organization. Some operators participated in a mentoring or peer group (14%), or a management or marketing club (13%). In addition, 31% of respondents stated that they had a collaborative agreement with other producers in sharing equipment. Other collaborative arrangements included group purchasing (14%) and group marketing (11%).

In 2003, 6% of survey respondents directly exported products to other countries. Another 16% of producers sold value-added products.

In the past five years, 65% of survey respondents reported undertaking some new business venture through expanding, diversifying, introducing value-added products, or starting a non-farm business. A total of 48% of producers reported that they had expanded their operations and 31% had diversified their operation.

Before making any changes to their operations, survey respondents did an assessment of the impact on net income (86%), analyzed the financial feasibility of the project (78%), identified a market for a new product (68%), consulted an accountant, lender, or other financial expert (61%), identified possible conflicts with their farm's limited resources (56%), consulted an agrologist, input supplier, or other agricultural specialist (48%), consulted other farm operators (47%) or analyzed consumer trends (44%).

In 2003, 52% of survey respondents reported having completed some form of post-secondary education: 32% had attended community college, and the remaining 20% had attended university. Of the two thirds of respondents who reported taking training in the past five years, operators with university education were more likely to have done so. Operators with "some high school" education were less likely to have taken training.

Farm-related training was chosen by 59% of Canadian farm operators, with the most popular course topics being agricultural production, environmental management, and food safety and quality training. The training method chosen by most producers was "workshops and seminars". Another 21% of Canadian operators took non-farm related training in the past five years.

Survey respondents were asked about their awareness of some recently introduced Renewal programs and initiatives. Of all respondents, 23% had heard of the Canadian Farm Business Advisory Services (CFBAS); 28% of these producers stated that they were participating or planning to participate in the program. Of Canadian operators responding, 12% stated that they had heard of the AAFC Benchmark Web site; 44% of these respondents stated that they used or planned to use the Web site. Please note that, at the time of the survey, these programs and tools had not been launched or promoted in all provinces or territories.

KEY FINDINGS

Introduction

The Renewal element of the Agricultural Policy Framework (APF) helps producers to access tools, advisory services and information to help strengthen skills and knowledge with a view to increasing profitability through on- and off-farm opportunities.

The 2004 National Renewal Survey was undertaken to provide benchmark data related to the Renewal component of the APF in order to allow for future assessment of Renewal policies and to report to Canadians.

Information collected from this survey is one of the main data sources used for performance target setting and measurement of Renewal's performance indicators, which are the following:

- percentage of producers and farm families who have significant knowledge and understanding of beneficial management practices;
- percentage of producers and farm families who are using beneficial management tools, services, practices, and/or have improved their skills; and
- percentage of producers and farm families who are meeting their business and personal goals.

It is anticipated that the Renewal Survey will be conducted again in 3 and 5 years (2007 and 2010) to measure the progress in reaching targets. These follow-up surveys will be undertaken with producers who have and have not used Renewal programming.

The 2004 National Renewal Survey was conducted in December 2003 and January 2004. This report presents the results of the survey based on questions asked to 2,112 Canadian producers. The respondents were the main decision makers and earned at least \$10,000 in gross farm revenues in 2002.

Once data collection was completed, the results were weighted by province and main farm production type to reflect the distribution of the producer population reported in the *2001 Census of Agriculture*. The correlation analysis is based on non-weighted data, but the frequencies and percentages presented in the tables and graphs are based on weighted data. The statistical methodology is discussed further in Appendix A.

Appendix B provides a comparison of the distributions derived from the Renewal Survey with two other farm databases: the *2003 Farm Financial Survey* and the *2001 Census of Agriculture*. Overall the distributions are fairly similar for all three surveys. The Renewal Survey slightly underrepresented the farms in the lifestyle group (farms generating total revenues of less than \$50,000 and non-farm income greater than \$50,000) and younger farm operators, and over-represented large business-focussed farms.

Appendix C provides the 2004 National Renewal Survey questionnaire.

1.0. Goal achievement

For approximately one third of survey respondents (31%), “paying off debts” was the most important farm business goal. The second and third most important farm goals were “maximizing return on investment” (26%) and “producing the best products possible” (23%). Very few respondents (<5%) chose “expanding the farm” as their most important farm business goal. Almost 51% of Canadian operators reported fully or mostly achieving their top business goal, and a further 36% reported somewhat achieving it.

Two thirds (64%) of respondents ranked “providing a reasonable income for my family and myself” as their most important personal and family goal. The second and third choices were “providing a good place to raise a family” (20%) and “providing a heritage to the next generation” (11%). Almost 57% of survey respondents stated that they have achieved fully or mostly their top personal and family goal, and a further 32% reported somewhat achieving it.

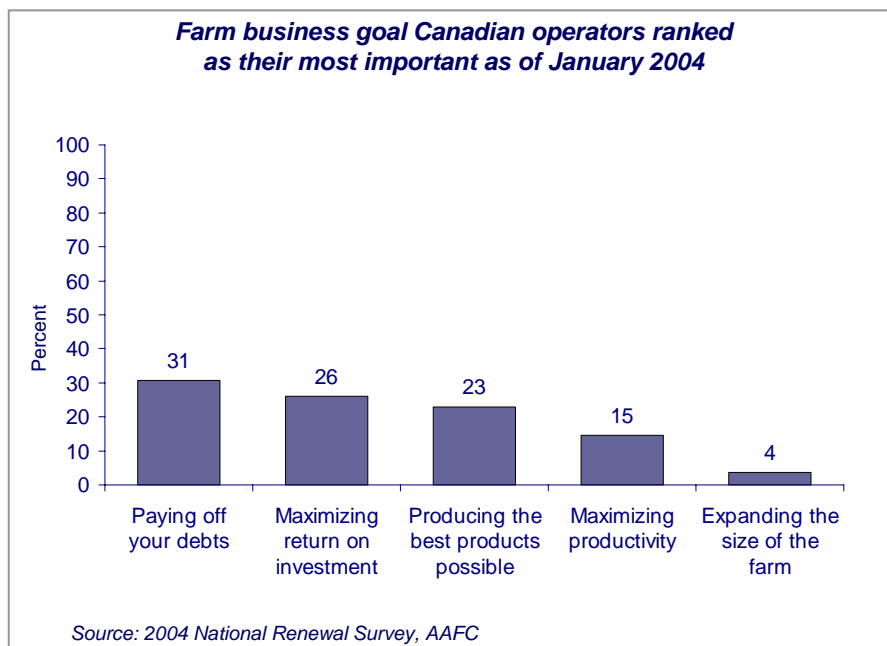
1.1 Farm business goals

Producers were asked to rank the following farm business goals from highest to lowest in importance (the list of business goals had been pre-established through producer focus group testing):

- maximizing return on investment
- paying off your debts
- maximizing productivity
- expanding size of farm/ranch
- producing the best products possible.

Close to one third of producers (31%) ranked “paying off your debts” as their most important farm business goal. “Maximizing return on investment” and “producing the best products possible” came in second and third. Less than 5% mentioned expanding as their most important business goal.

Figure 1.1



There is some variation in goals ranked highest in importance when comparing by province, by farm type and by typology. Correlation analysis is used to determine if the province of residence, farm type, or typology group (based on level of family income and farm sales) of producers have an influence on how they responded to each survey question. The Pearson chi-square test is used to determine if there is a correlation¹. The Cramer's V test is then used to estimate the strength of the correlation².

Farm business goals Canadian operators ranked as their most important as of January 2004, by province

	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDA
	(percentage of farms)										
Paying off your debts	9	32	30	26	22	29	42	34	34	23	31
Maximizing return on investment	25	25	21	21	26	25	26	33	24	23	27
Producing the best products possible	46	30	32	38	28	27	15	19	21	33	23
Maximizing productivity	7	10	9	13	20	15	11	12	17	16	15
Expanding the size of your farm	13	3	8	1	4	4	5	3	4	4	4

P = 0.000 Cramer's V = 0.097 "weak correlation"

Farm business goals Canadian operators ranked as their most important as of January 2004, by farm type

	Grain & Oilseed	Cattle	Hog	Supply Managed	Hort	CDA
	(percentage of farms)					
Paying off your debts	31	37	35	27	18	31
Maximizing return on investment	33	20	26	25	22	27
Producing the best products possible	19	24	24	25	40	23
Maximizing productivity	14	14	14	20	18	15
Expanding the size of your farm	3	5	1	5	3	4

P = 0.000 Cramer's V = 0.109 "weak correlation"

¹ A Pearson chi-square smaller or equal to 0.05 indicates the presence of a correlation.

² The values of a Cramer's V vary from 0.000 to 1.000; a value of 1.000 represents a perfect correlation while a value of 0.000 represents no correlation.

Farm business goals Canadian operators ranked as their most important as of January 2004, by typology (BF = Business Focussed)

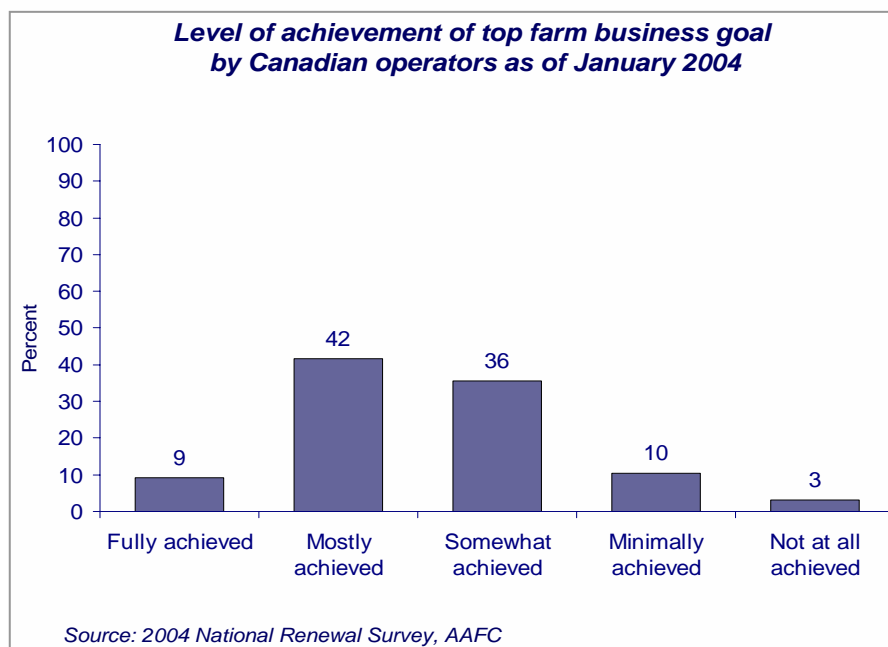
	Retirement	Lifestyle	Low Income	Small BF	Medium BF	Large BF	Very Large BF	CDA
(percentage of farms)								
Paying off your debts	17	31	41	29	31	34	28	31
Maximizing return on investment	30	22	17	24	33	26	32	27
Producing the best products possible	38	25	28	31	19	20	17	23
Maximizing productivity	15	16	11	9	13	17	17	15
Expanding the size of your farm	0	6	4	8	3	4	6	4

P = 0.000 Cramer's V = 0.094 "weak correlation"

1.2 Achievement of top farm business goal

Once producers chose their top business goal, they were then asked to what extent they were achieving this goal. Close to 51% of Canadian operators reported fully or mostly achieving their top business goal for their farm operation, and a further 36% reported somewhat achieving it. One in 10 operators have only minimally achieved their most important business goal, while another 3% have not at all achieved their top business goal.

Figure 1.2



The level of achievement of farm business goals is similar by province, by farm type and by typology.

Achievement of farm business goal ranked as most important as of January 2004, by province

	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDA
	(percentage of farms)										
Fully Achieved	2	2	15	17	13	12	4	9	7	10	9
Mostly Achieved	52	38	32	43	57	44	36	31	42	43	41
Somewhat Achieved	41	37	43	31	24	30	42	45	35	34	36
Minimally or not at all Achieved	5	24	10	9	6	14	18	15	16	14	13

P = 0.000 Cramer's V = 0.108 "weak correlation"

Achievement of farm business goal ranked as most important as of January 2004, by farm type

	Grain & Oilseed	Cattle	Hog	Supply Managed	Hort	CDA
	(percentage of farms)					
Fully Achieved	8	9	8	12	12	9
Mostly Achieved	38	38	47	53	50	41
Somewhat Achieved	42	35	28	27	27	36
Minimally Achieved	9	13	12	7	9	10
Not at all Achieved	3	5	6	1	2	3

P = 0.000 Cramer's V = 0.096 "weak correlation"

Achievement of farm business goal ranked as most important as of January 2004, by typology (BF = Business Focussed)

	Retirement	Lifestyle	Low Income	Small BF	Medium BF	Large BF	Very Large BF	CDA
	(percentage of farms)							
Fully Achieved	19	7	5	8	12	8	9	9
Mostly Achieved	45	33	31	42	42	41	49	41
Somewhat Achieved	25	42	40	37	35	37	33	36
Minimally Achieved	10	11	15	12	7	10	8	10
Not at all Achieved	1	6	8	1	4	3	2	3

P = 0.000 Cramer's V = 0.089 "weak correlation"

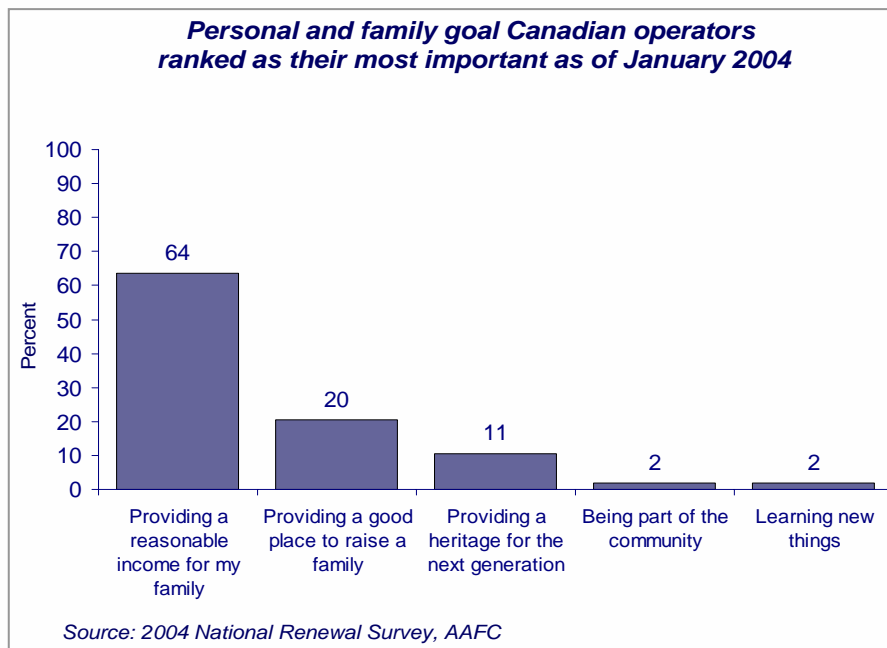
1.3 Personal and family goals

Producers were also asked to rank a number of possible personal and family goals from highest to lowest in importance (the list of personal and family goals has been pre-established through producers focus group testing):

- providing a good place to raise a family
- being part of the community
- learning new things
- providing a heritage for the next generation
- providing a reasonable income for my family and myself.

Two thirds (64%) of producers ranked “providing a reasonable income for my family and myself” as their most important personal and family goal. “Providing a good place to raise a family” and “providing a heritage to the next generation” came in second and third.

Figure 1.3



There is not much variation in goals ranked highest in importance when comparing by province, by farm type and by typology.

Personal and family goals Canadian operators ranked as their most important as of January 2004, by province

	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDA
	(percentage of farms)										
Providing a reasonable income	69	71	67	68	60	62	69	68	65	60	65
Providing a good place to raise a family	20	18	19	16	21	21	19	20	21	24	21
Providing a heritage for next generation	9	7	10	15	13	14	8	8	11	12	11
Being part of the community or Learning new things*	2	4	4	2	6	3	5	4	3	4	4

$P = 0.772$ $Cramer's V = 0.066$ "weak correlation"

Personal and family goals Canadian operators ranked as their most important as of January 2004, by farm type

	Grain & Oilseed	Cattle	Hog	Supply Managed	Hort	CDA
	(percentage of farms)					
Providing a reasonable income	66	64	69	64	61	65
Providing a good place to raise a family	19	21	18	23	24	21
Providing a heritage for next generation	11	11	13	11	8	11
Being part of the community or Learning new things*	4	4	0	3	7	4

$P = 0.026$ $Cramer's V = 0.069$ "weak correlation"

* last 2 selections "Being part of the community and Learning new things" have been combined.

Personal and family goals Canadian operators ranked as their most important as of January 2004, by typology (BF = Business Focussed)

	Retirement	Lifestyle	Low Income	Small BF	Medium BF	Large BF	Very Large BF	CDA
(percentage of farms)								
Providing a reasonable income	67	45	63	56	65	68	64	65
Providing a good place to raise a family	11	36	24	21	22	20	21	21
Providing a heritage for next generation	20	13	7	13	8	9	13	11
Being part of the community or Learning new things*	3	7	6	9	5	3	1	4

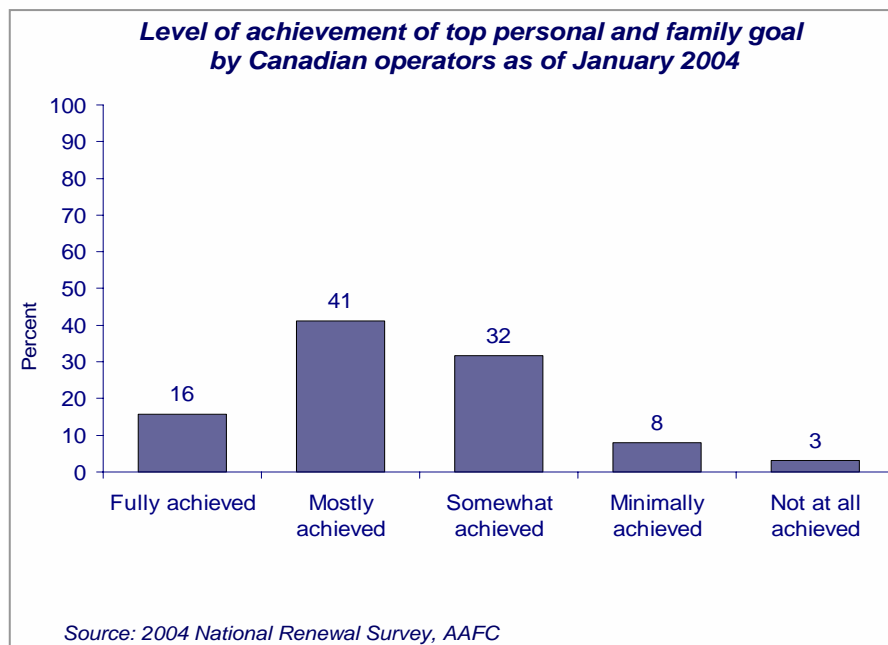
$P = 0.000$ $Cramer's V = 0.100$ "weak correlation"

* last 2 selections "Being part of the community and Learning new things" have been combined.

1.4 Achievement of top personal and family goal

A total of 57% of Canadian operators reported fully or mostly achieving their top personal and family goal, and a further 36% reported somewhat achieving it. Another 8% of producers have only minimally achieved their top personal and family goal and 3% have not achieved this goal at all.

Figure 1.4



There is some variation in the level of achievement of personal and family goals by province, by farm type and by typology.

Achievement of personal and family goal producers ranked as their most important as of January 2004, by province

	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDA
	(percentage of farms)										
Fully Achieved	18	4	18	20	22	19	12	12	13	25	15
Mostly Achieved	49	45	41	37	45	43	41	40	40	38	41
Somewhat Achieved	28	36	31	31	22	30	33	34	36	26	32
Minimally or not at all Achieved	5	15	10	12	11	8	15	14	11	10	11

P = 0.000 Cramer's V = 0.097 "weak correlation"

Achievement of personal and family goal producers ranked as their most important as of January 2004, by farm type

	Grain & Oilseed	Cattle	Hog	Supply Managed	Hort	CDA
	(percentage of farms)					
Fully Achieved	13	14	22	23	19	15
Mostly Achieved	43	35	42	44	47	41
Somewhat Achieved	33	35	27	25	25	32
Minimally or not at all Achieved	10	16	9	7	9	11

P = 0.000 Cramer's V = 0.095 "weak correlation"

Achievement of personal and family goal producers ranked as their most important as of January 2004, by typology (BF = Business Focussed)

	Retirement	Lifestyle	Low Income	Small BF	Medium BF	Large BF	Very Large BF	CDA
	(percentage of farms)							
Fully Achieved	19	19	9	17	19	14	23	15
Mostly Achieved	41	38	39	42	37	42	44	41
Somewhat Achieved	27	31	36	33	32	33	25	32
Minimally or not at all Achieved	12	13	16	8	12	12	8	11

P = 0.000 Cramer's V = 0.074 "weak correlation"

2.0. Business plans

While not all producers have a written business plan for their farm operation, many may have some components of a business plan or other type of plan in place.

This section examines at the use of plans. The survey asked about the following:

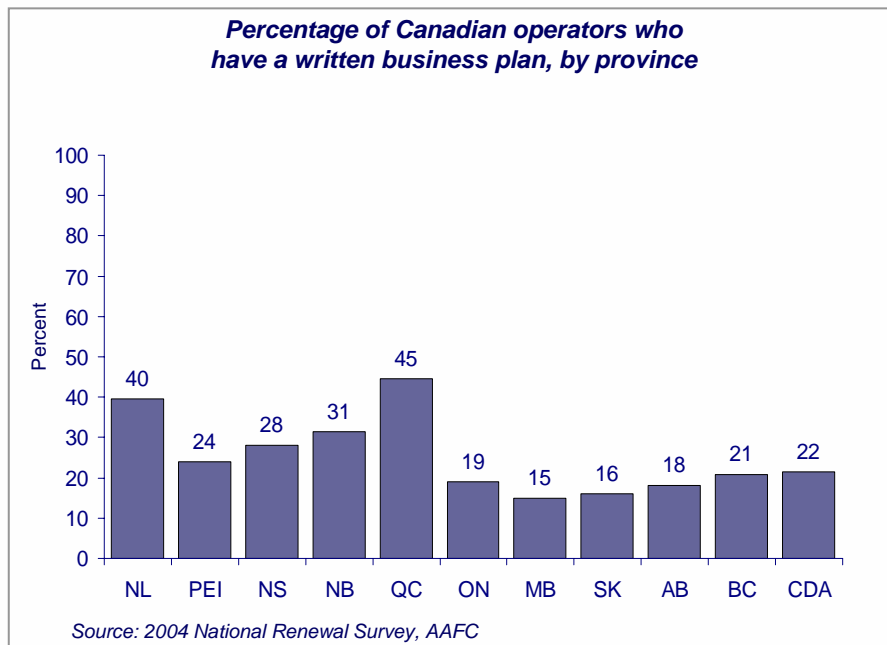
- business plan
- financial assessment
- production plan
- marketing plan
- risk assessment plan
- succession plan
- human resource plan
- environmental plan
- food safety and quality plan

Survey responses indicated that 22% of Canadian producers had a written business plan for their farm business for 2003, and 72% of these producers used the plan as a tool to secure financing. Some of the elements of a business plan or other type of plans used by survey respondents included a financial assessment (52%), a production plan (35%), an environmental plan (30%), a food safety and quality plan (21%), a succession plan (18%), and a marketing plan (18%). Few operators indicated that they used a risk assessment plan (11%) or a human resource plan (13%).

2.1 Written business plan

An estimated 22% of Canadian farm operators had a written business plan.

Figure 2.1



$P = 0.000$ $Cramer's V = 0.223$ "moderate correlation"

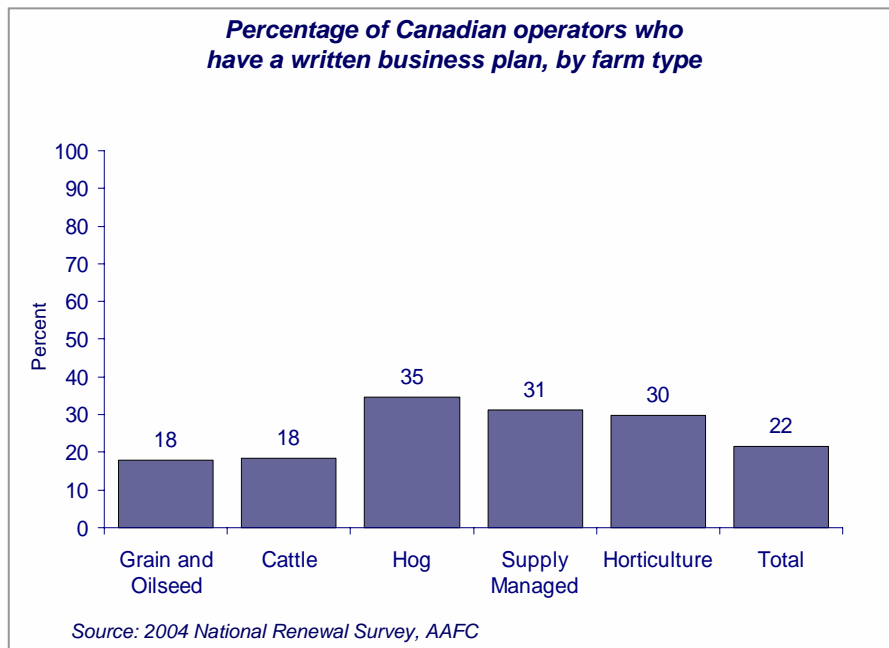
Who was the most likely to have a written business plan at the time of this survey?

- Producers in Quebec and Newfoundland and Labrador
- Producers specialized in hogs, supply-managed commodities and horticulture
- Operators of very large business-focussed farms

Strength of Relationship

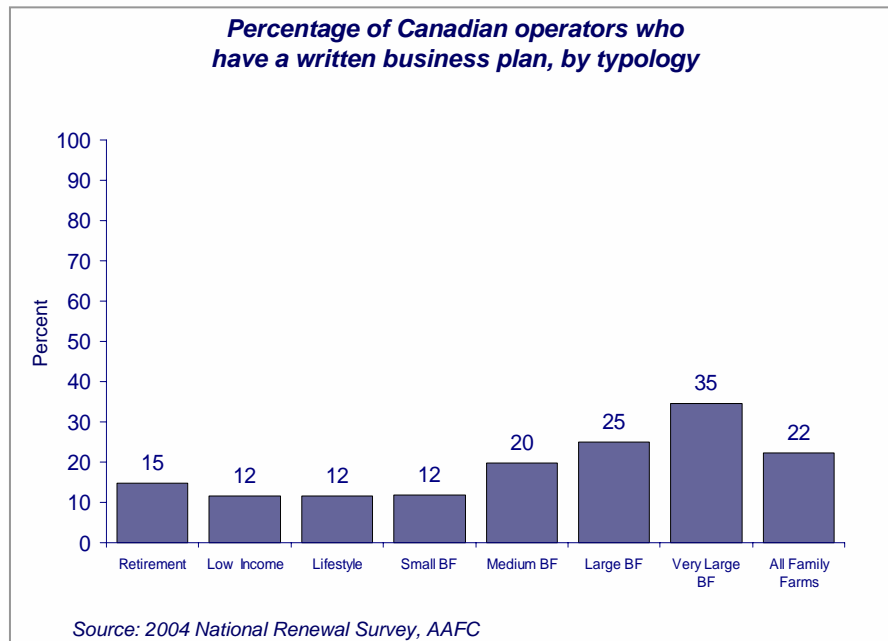
(moderate)
(weak)
(weak)

Figure 2.2



$P = 0.000$ *Cramer's V = 0.126* "weak correlation"

Figure 2.3

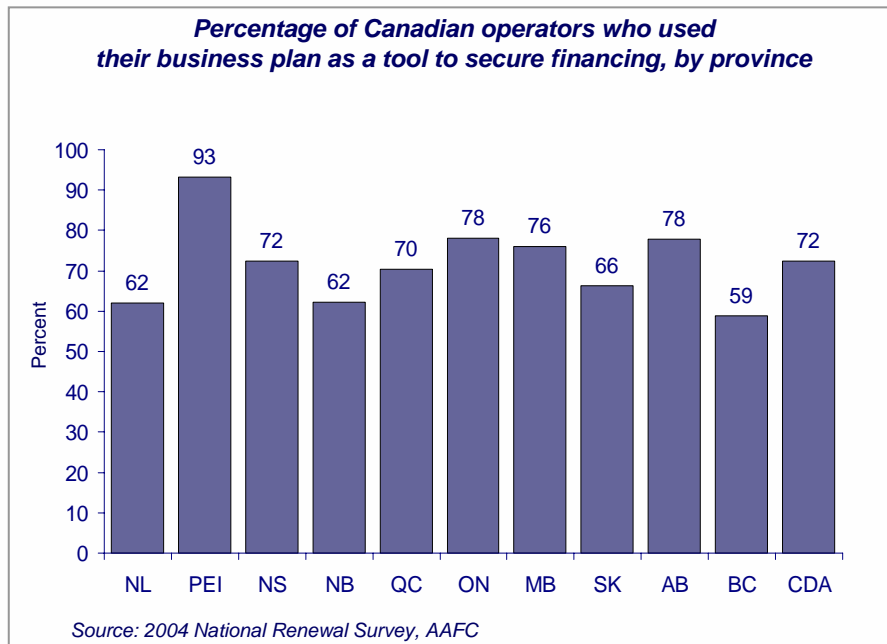


$P = 0.000$ *Cramer's V = 0.138* "weak correlation"

2.2 Business plan used as a tool to secure financing

Of the producers who have a written business plan, 72% used their business plan as a tool to secure financing.

Figure 2.4



$P = 0.141$ $Cramer's V = 0.162$ "weak correlation"

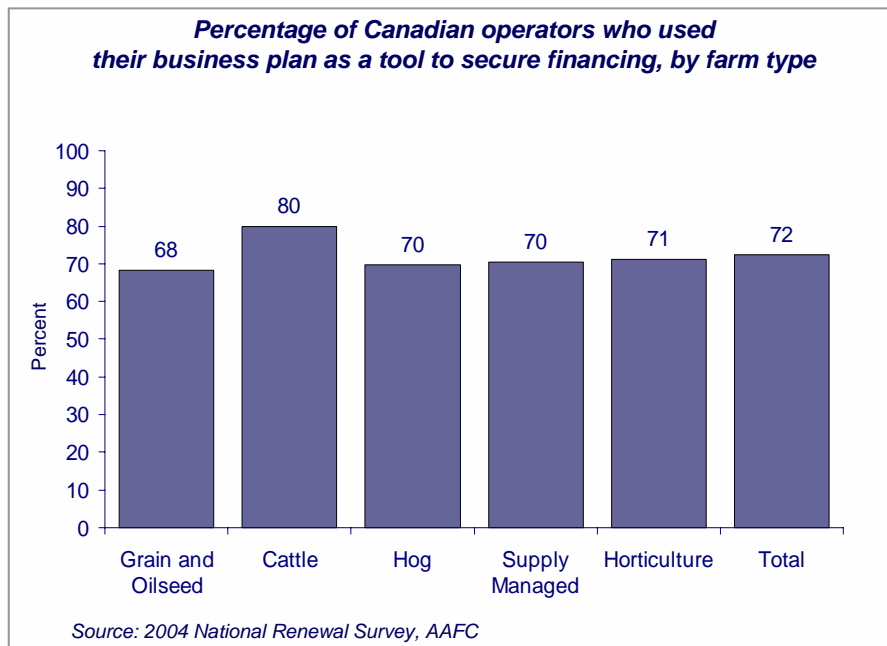
Who were the most likely to have used their business plan to secure financing at the time of this survey?

Strength of Relationship

- Producers in Prince Edward Island
- Producers specialized in cattle
- Operators of small business-focussed and lifestyle farms

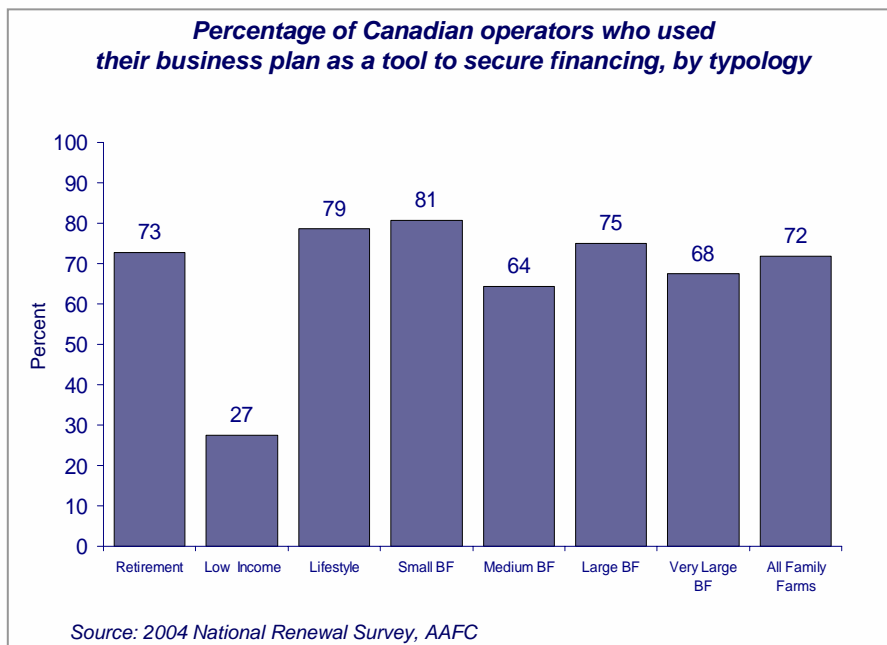
(weak)
(weak)
(weak)

Figure 2.5



$P = 0.275$ *Cramer's V = 0.100* "weak correlation"

Figure 2.6

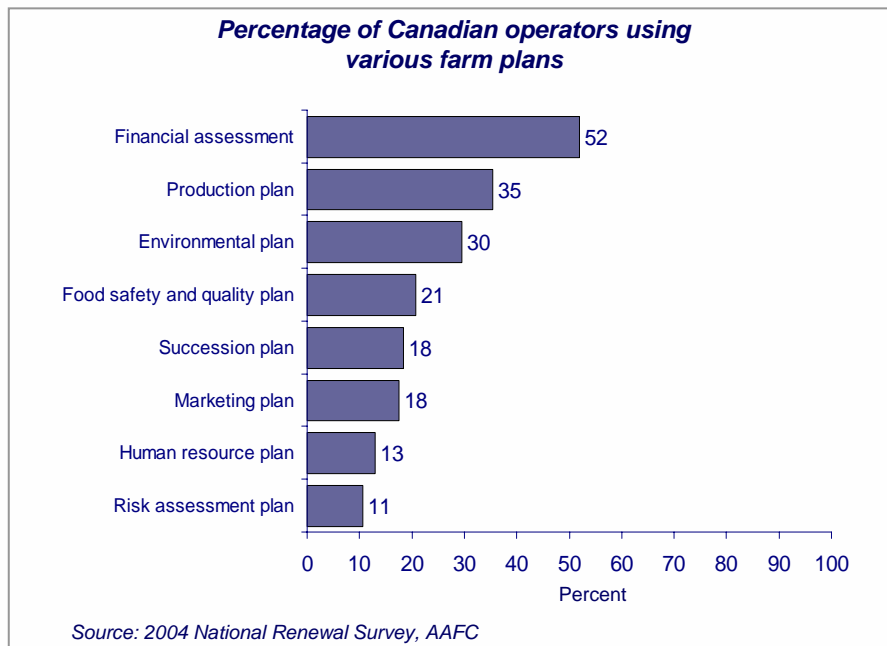


$P = 0.092$ *Cramer's V = 0.147* "weak correlation"

2.3 Additional elements of a business plan and other type of plans

There are a number of elements that may be contained in a business plan. In addition to the business overview, financial assessment and statement of goals and objectives, it also may contain other items such as production plan, marketing plan, risk assessment plan, succession plan, human resource plan, environmental plan, and food safety and quality plan. These additional elements can also be stand-alone plans. The type of plans that producers were most likely to have was a financial assessment (52%). Very few operators had either a risk assessment plan or a human resource plan.

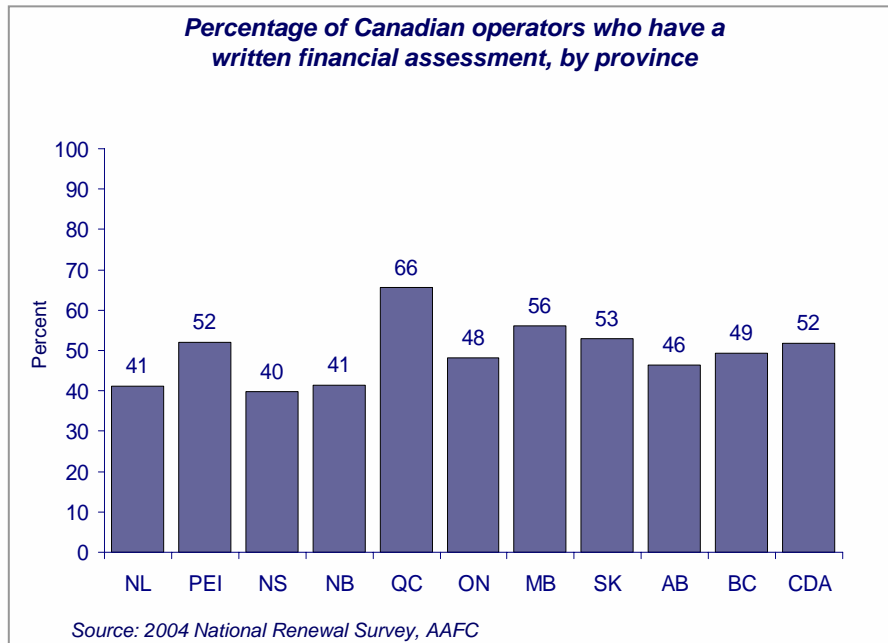
Figure 2.7



2.3.1 Financial assessment

Approximately half (52%) of producers had a written financial assessment of the farm business.

Figure 2.8



$P = 0.000$ $Cramer's V = 0.143$ "weak correlation"

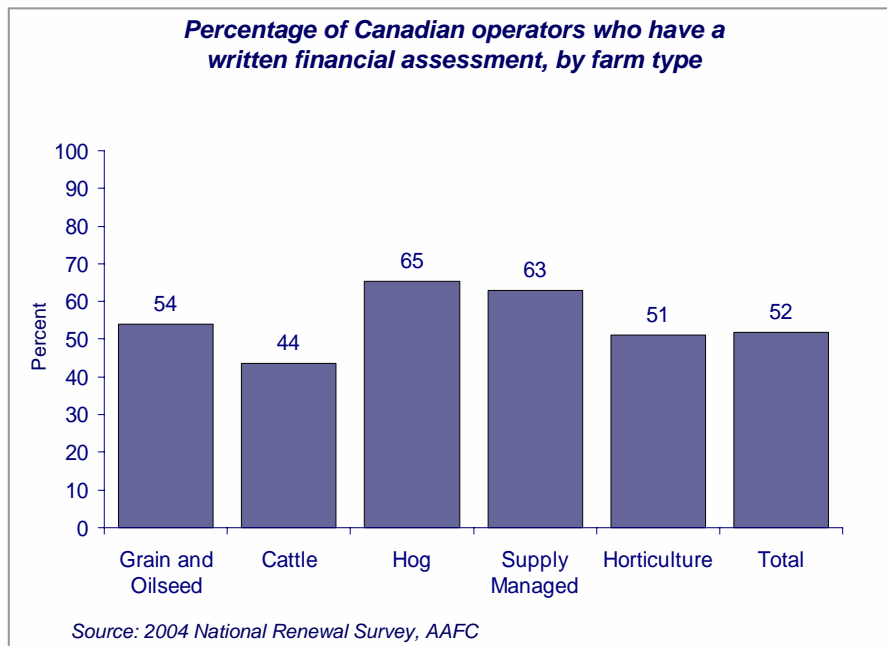
Who was the most likely to have a written financial assessment at the time of this survey?

- Producers in Quebec
- Producers specialized in hogs and supply-managed commodities
- Operators of very large business-focussed farms

Strength of Relationship

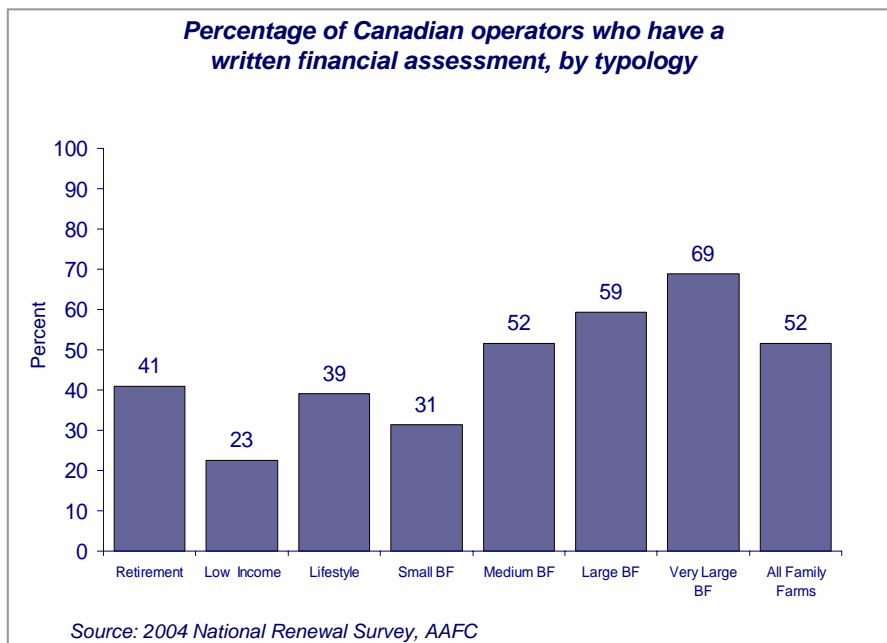
(weak)
(weak)
(moderate)

Figure 2.9



$P = 0.000$ $Cramer's V = 0.131$ "weak correlation"

Figure 2.10

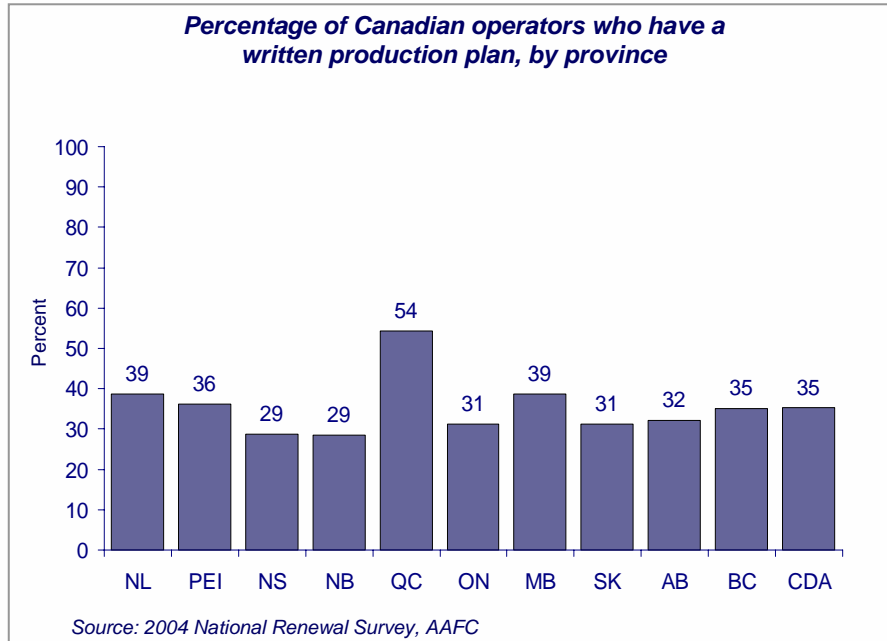


$P = 0.000$ $Cramer's V = 0.240$ "moderate correlation"

2.3.2 Production plan

One third of farms (35%) have had a written production plan for the farm business.

Figure 2.11



$P = 0.000$ $Cramer's V = 0.165$ "weak correlation"

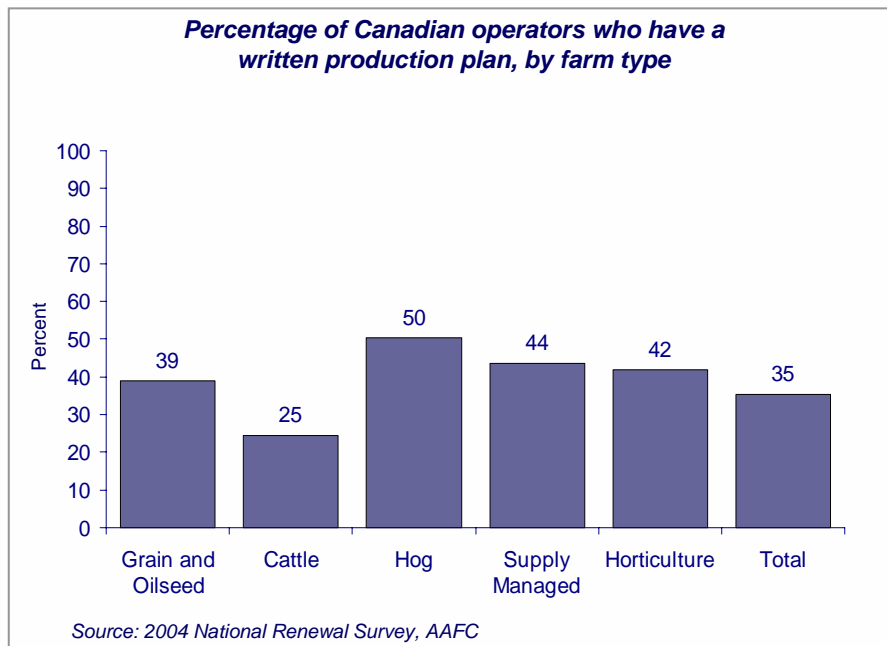
Who was the most likely to have a written production plan at the time of this survey?

- Producers in Quebec
- Producers specialized in hogs
- Operators of very large business-focussed farms

Strength of Relationship

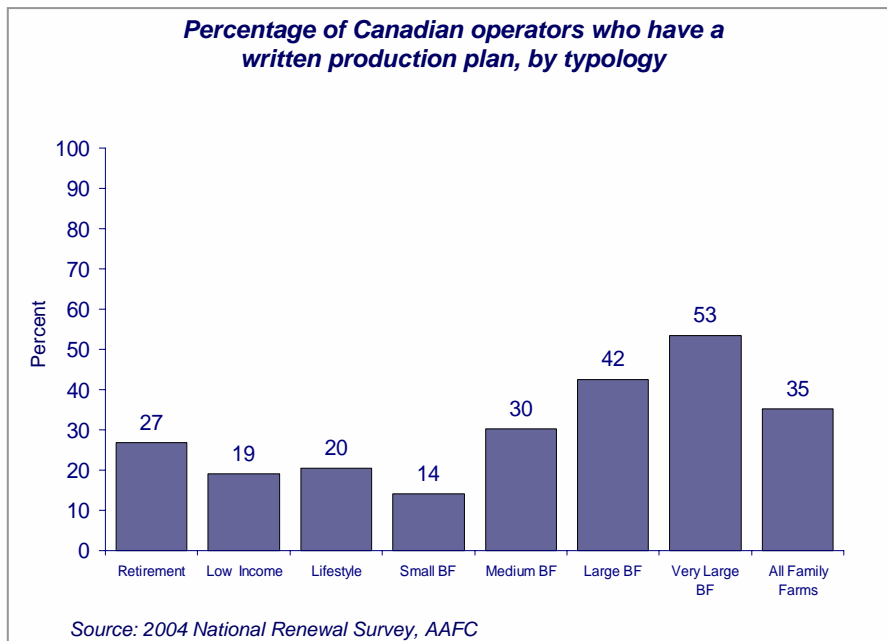
- (weak)
- (weak)
- (moderate)

Figure 2.12



$P = 0.000$ $Cramer's V = 0.171$ "weak correlation"

Figure 2.13

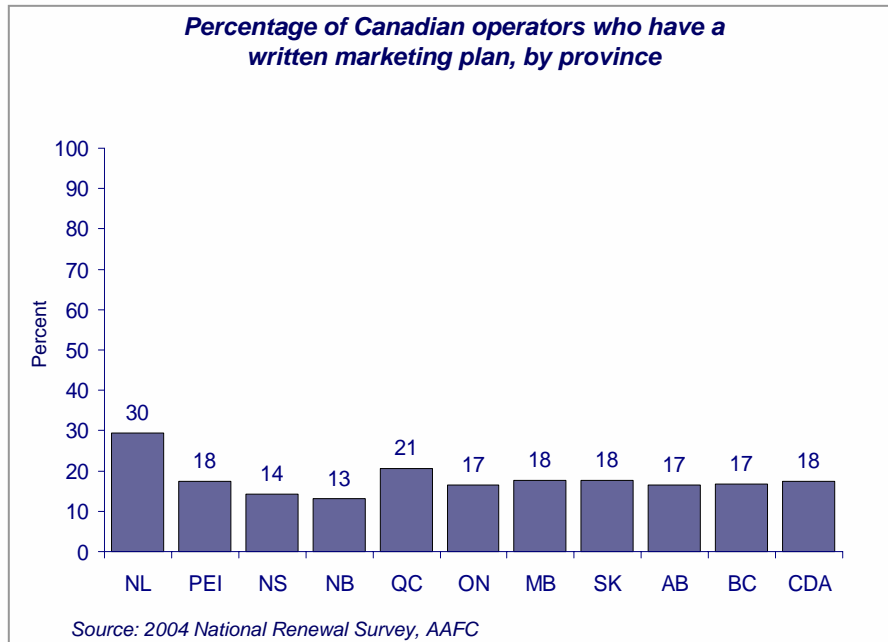


$P = 0.000$ $Cramer's V = 0.220$ "moderate correlation"

2.3.3 Marketing plan

Less than one fifth of producers (18%) had a written marketing plan for the farm business.

Figure 2.14



$P = 0.362$ $Cramer's V = 0.068$ "no significant correlation"

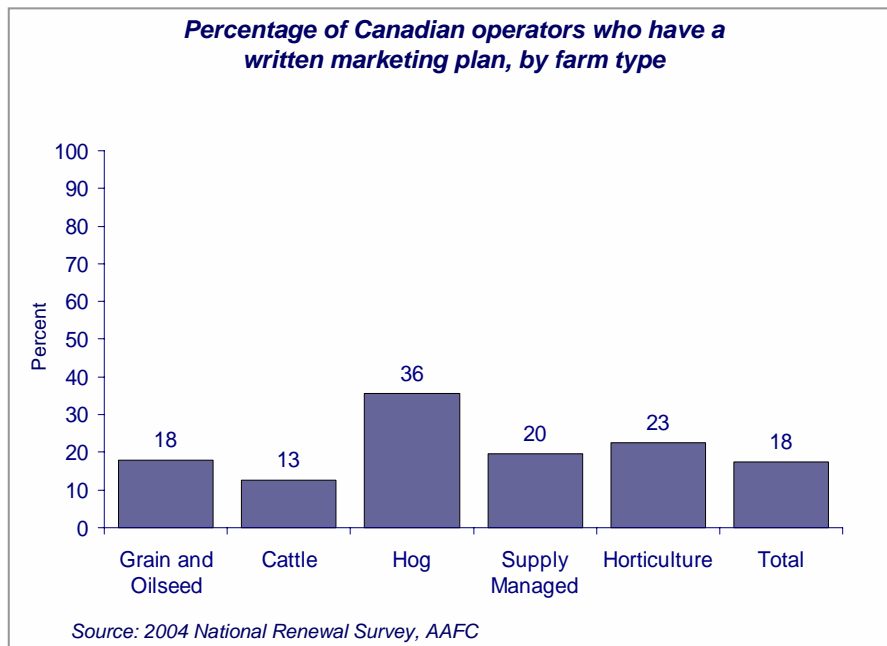
Who was the most likely to have a written marketing plan at the time of this survey?

- Producers in Newfoundland and Labrador
- Producers specialized in hogs
- Operators of very large and large business-focussed farms

Strength of Relationship

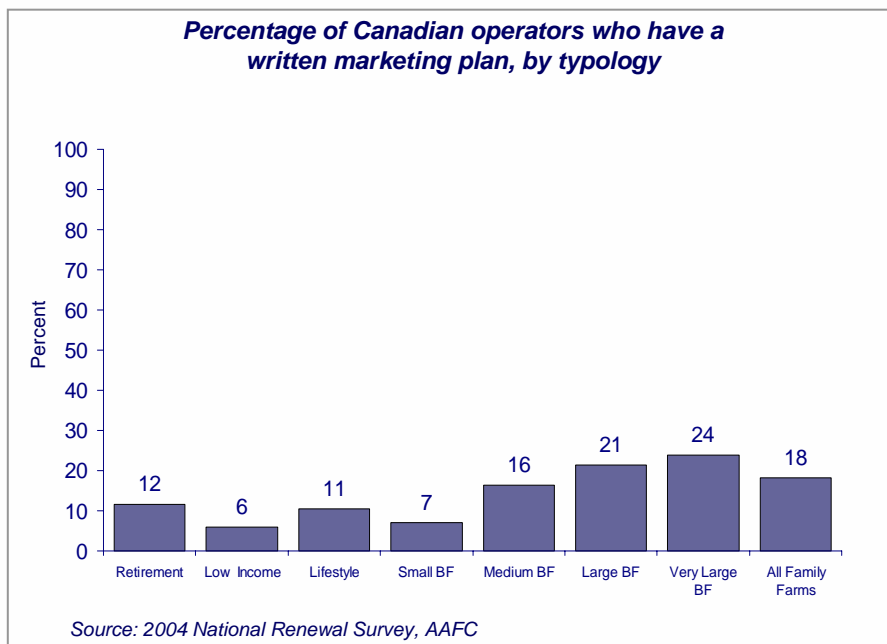
(no correlation)
(weak)
(weak)

Figure 2.15



$P = 0.000$ *Cramer's V = 0.145* "weak correlation"

Figure 2.16

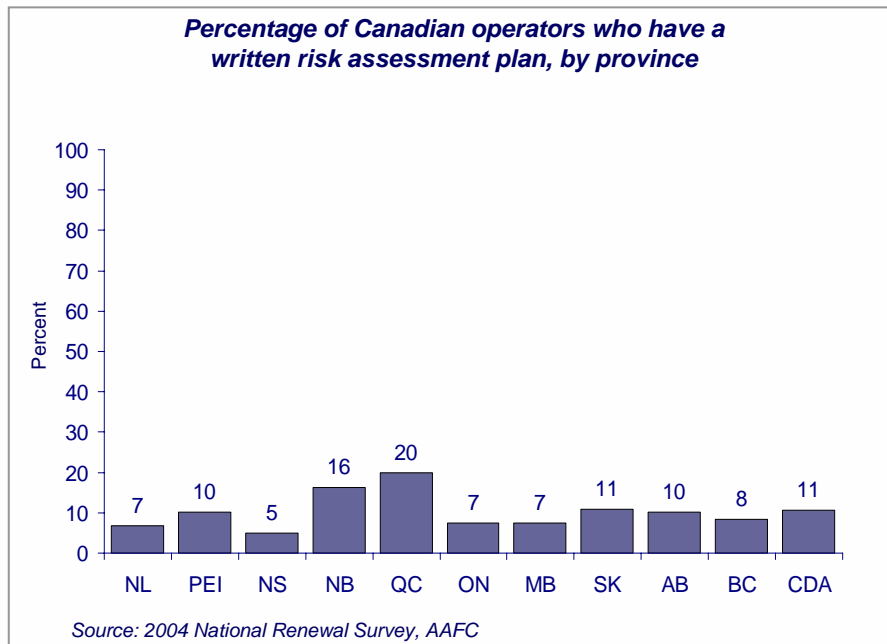


$P = 0.000$ *Cramer's V = 0.133* "weak correlation"

2.3.4 Risk assessment plan

About one tenth of producers (11%) had a written risk assessment plan developed for the farm business.

Figure 2.17



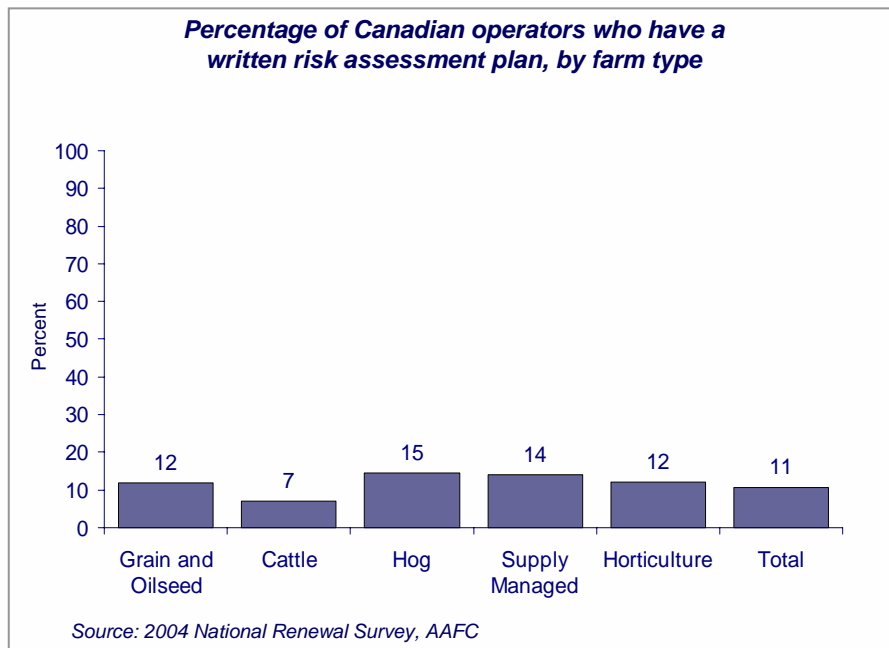
$P = 0.000$ $Cramer's V = 0.150$ "weak correlation"

Who was the most likely to have a written risk assessment plan at the time of this survey?

Strength of Relationship

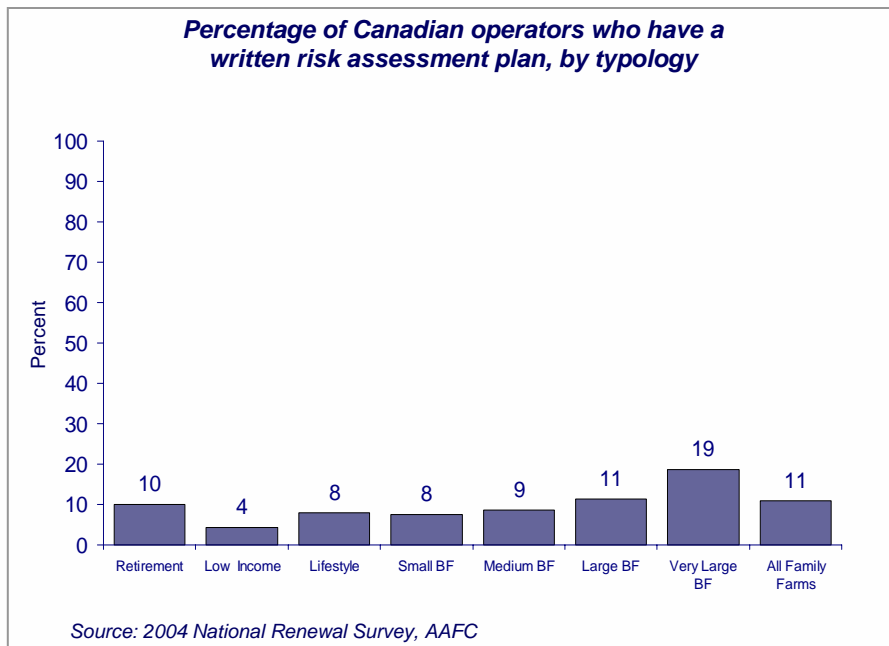
- Producers in Quebec and New Brunswick (weak)
- Producers specialized in hogs and supply-managed commodities (weak)
- Operators of very large business-focussed farms (weak)

Figure 2.18



$P = 0.008$ *Cramer's V = 0.081* "weak correlation"

Figure 2.19

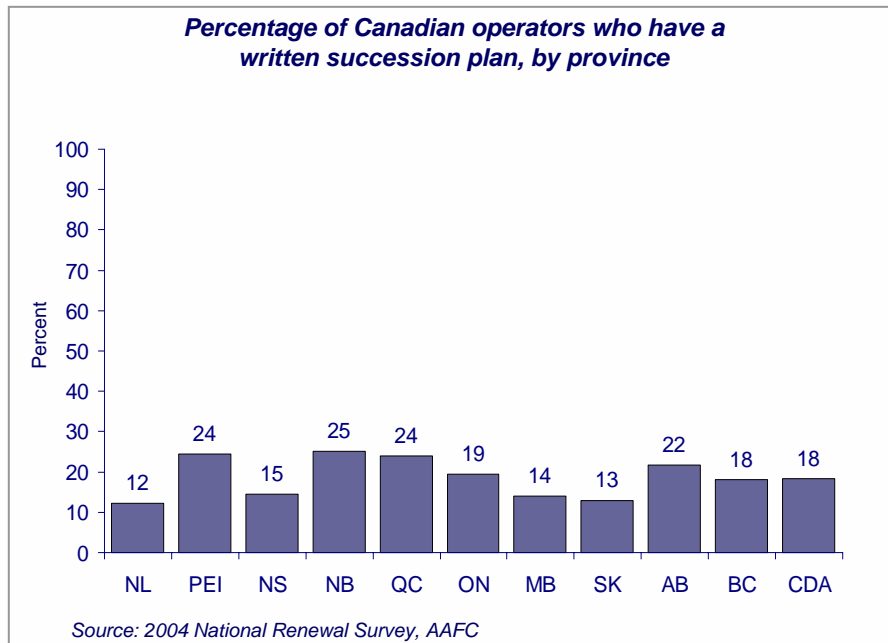


$P = 0.032$ *Cramer's V = 0.082* "weak correlation"

2.3.5 Succession plan

Less than one fifth of producers (18%) had a written succession plan developed for the farm business.

Figure 2.20



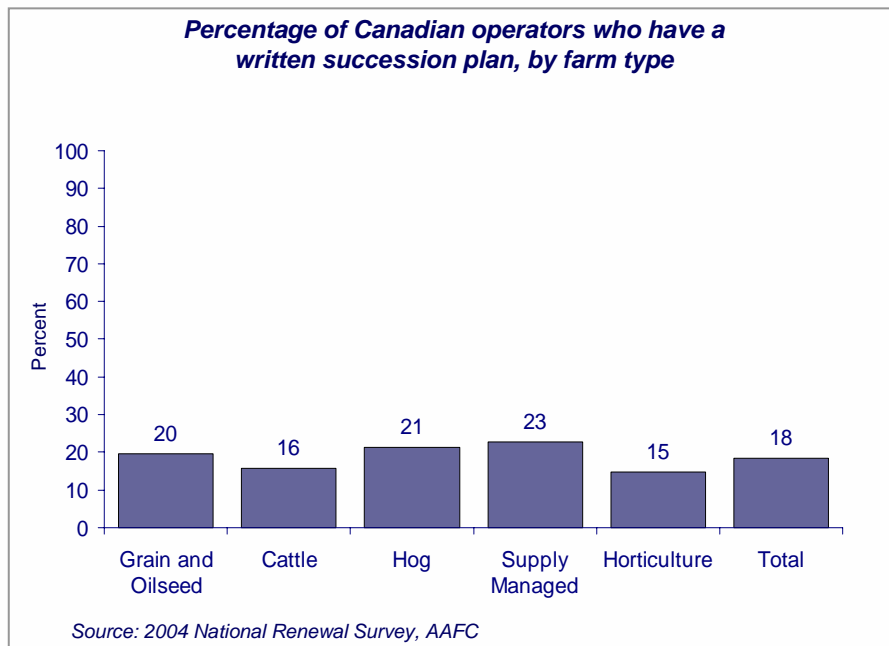
$P = 0.000$ $Cramer's V = 0.121$ "weak correlation"

Who was the most likely to have a written succession plan at the time of this survey?

Strength of Relationship

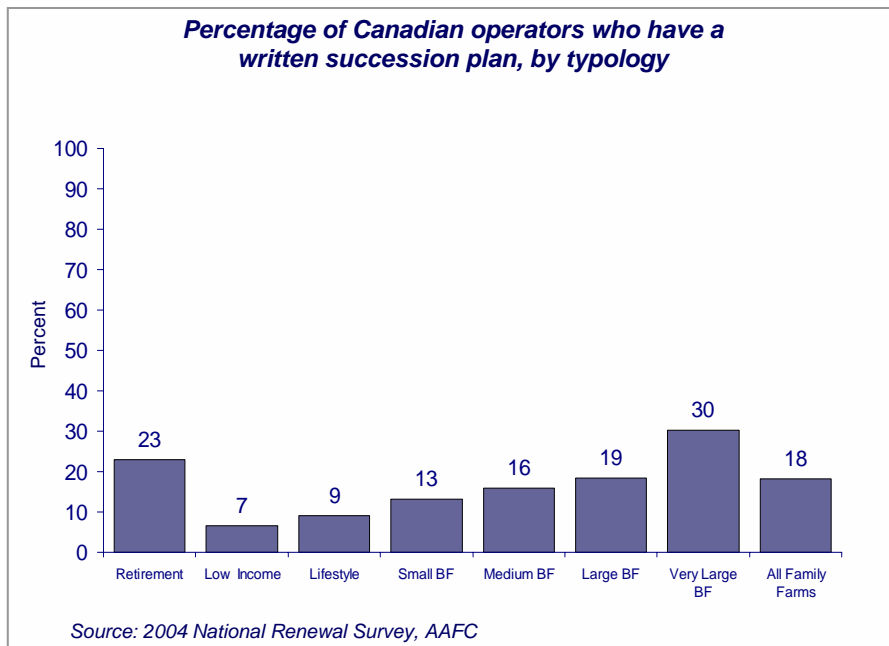
- Producers in New Brunswick, Prince Edward Island and Quebec (weak)
- Producers specialized in supply-managed commodities and hogs (weak)
- Operators of very large business-focussed and retirement farms (weak)

Figure 2.21



$P = 0.010$ *Cramer's V = 0.079* "weak correlation"

Figure 2.22

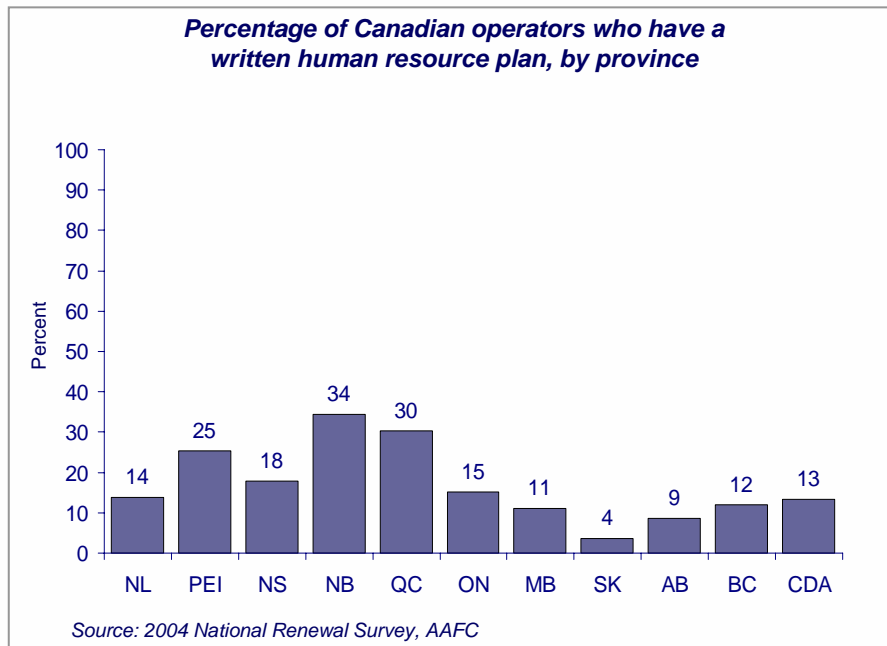


$P = 0.000$ *Cramer's V = 0.159* "weak correlation"

2.3.6 Human resource plan

Slightly more than 10% of producers had a written human resource plan developed for the farm business.

Figure 2.23



$P = 0.000$ $Cramer's V = 0.214$ "moderate correlation"

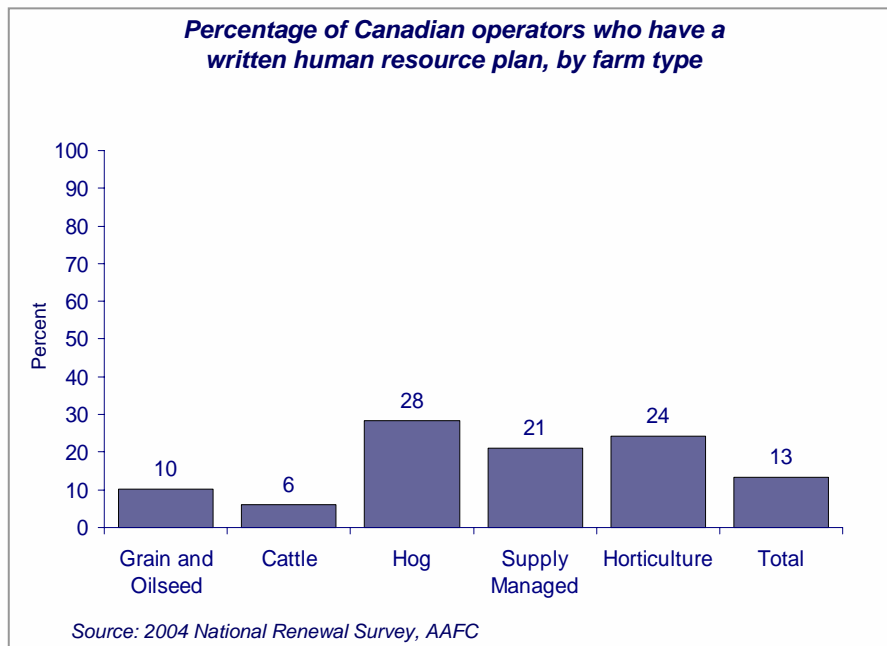
Who was the most likely to have a written human resource plan at the time of this survey?

- Producers in New Brunswick, Quebec, and Prince Edward Island
- Producers specialized in hogs
- Operators of very large business-focussed farms

Strength of Relationship

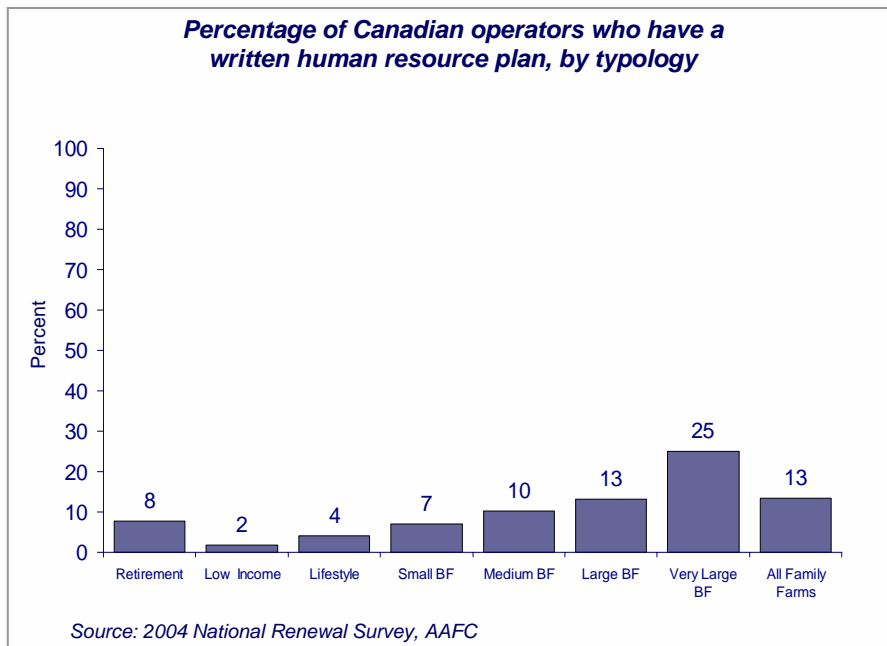
(moderate)
(weak)
(weak)

Figure 2.24



$P = 0.000$ *Cramer's V = 0.149* "weak correlation"

Figure 2.25

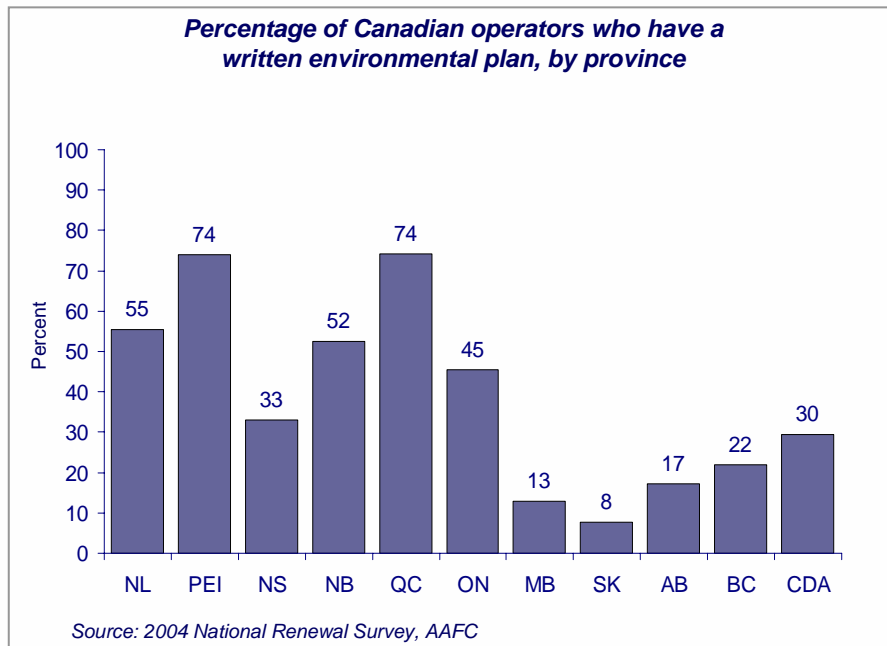


$P = 0.000$ *Cramer's V = 0.168* "weak correlation"

2.3.7 Environmental plan

Close to one third of producers (30%) had a written environmental plan developed for the farm business.

Figure 2.26



$P = 0.000$ $Cramer's V = 0.488$ "very strong correlation"

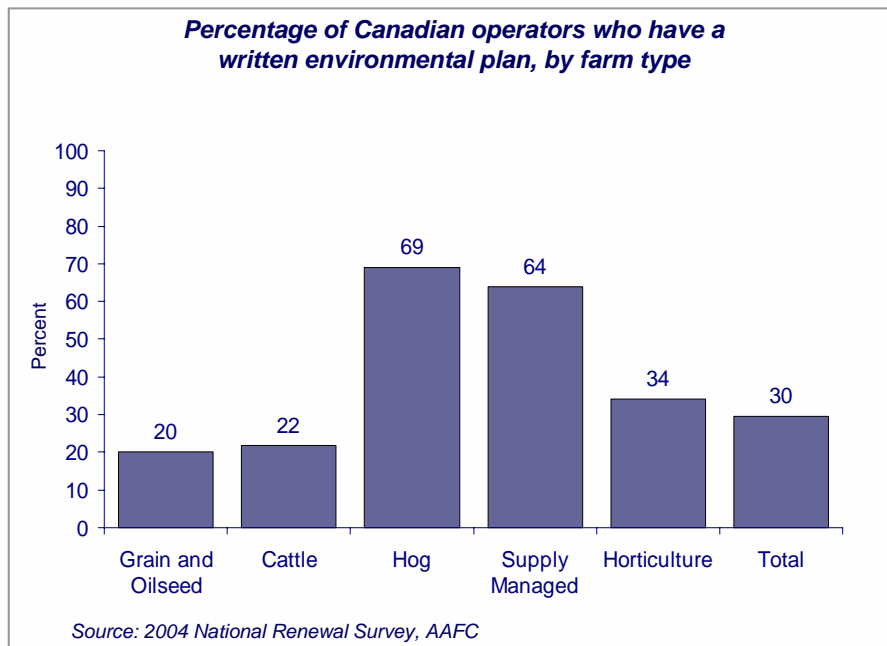
Who was the most likely to have a written environmental plan at the time of this survey?

- Producers in Quebec and Prince Edward Island
- Producers specialized in hogs and supply-managed commodities
- Operators of very large business-focussed farms

Strength of Relationship

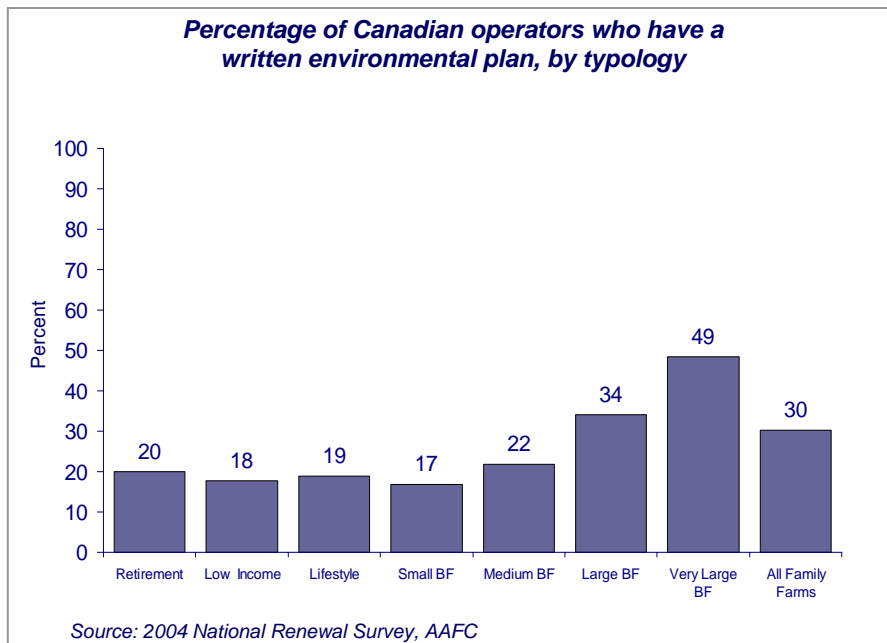
- (very strong)
- (strong)
- (moderate)

Figure 2.27



$P = 0.000$ *Cramer's V = 0.323* "strong correlation"

Figure 2.28

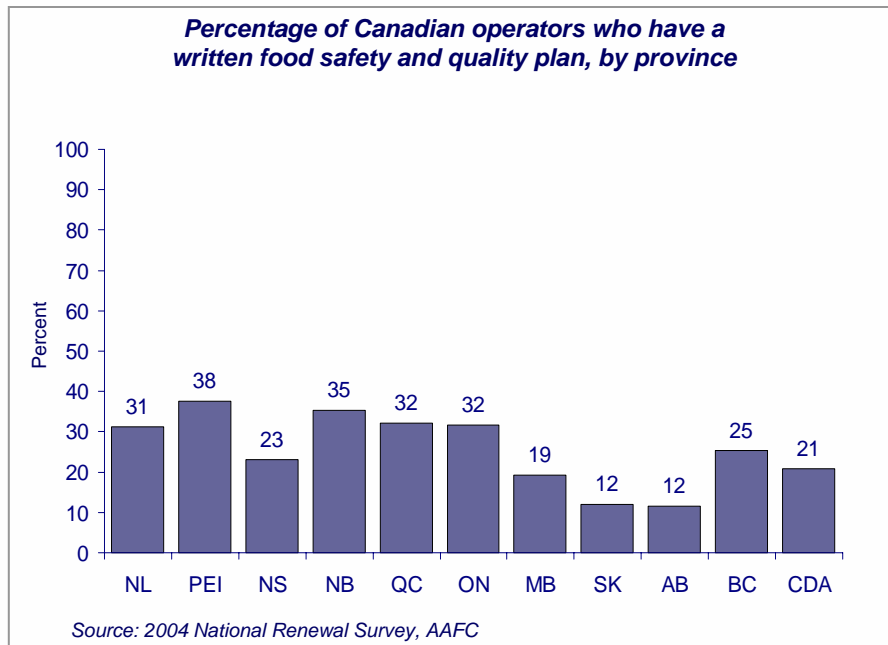


$P = 0.000$ *Cramer's V = 0.250* "moderate correlation"

2.3.8 Food safety and quality plan

About one fifth of producers (21%) had a written food safety and quality plan developed for the farm business.

Figure 2.29



$P = 0.000$ $Cramer's V = 0.198$ "weak correlation"

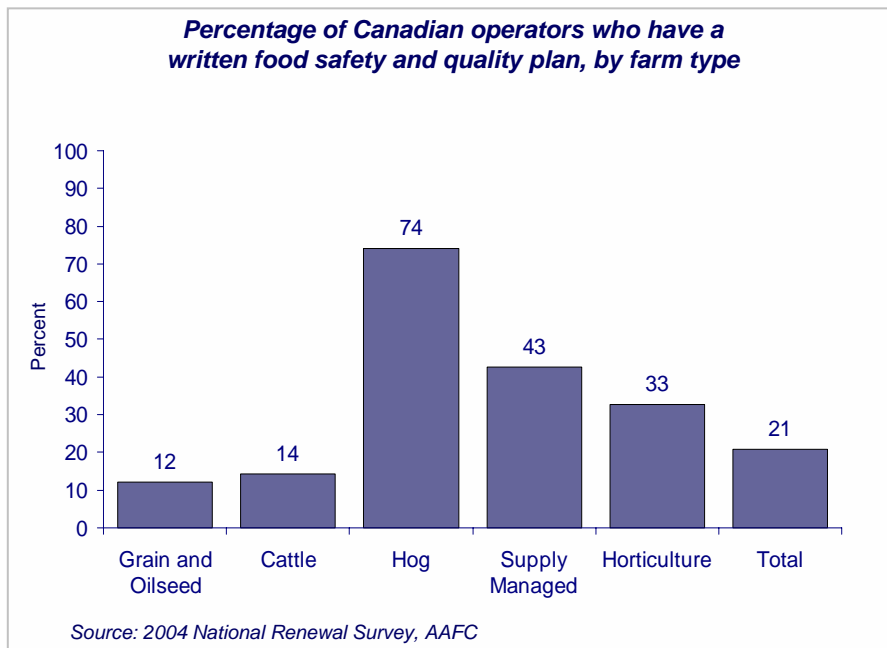
Who was the most likely to have a written food safety and quality plan at the time of this survey?

- Producers in Prince Edward Island, New Brunswick, Quebec, Ontario and Newfoundland and Labrador
- Producers specialized in hogs
- Operators of very large business-focussed farms

Strength of Relationship

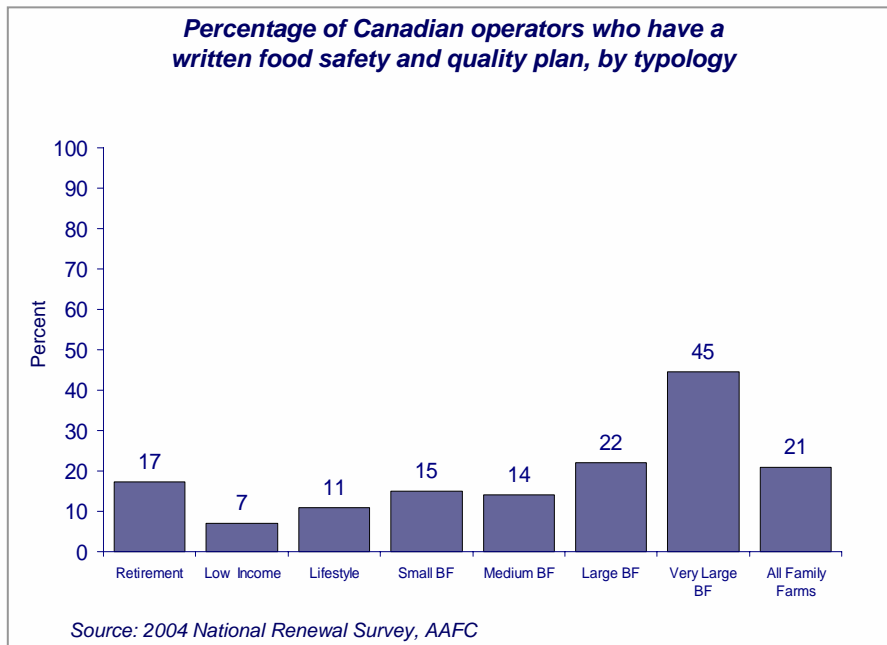
- (weak)
- (quite strong)
- (strong)

Figure 2.30



$P = 0.000$ $Cramer's V = 0.380$ "quite strong correlation"

Figure 2.31



$P = 0.000$ $Cramer's V = 0.281$ "strong correlation"

3.0. Financial management

This section examines the financial record-keeping practices of farm operators as well as the use of benchmarking in their decision making.

Most survey respondents kept financial records. The most common record kept was the balance sheet (84% of respondents). Other Canadian operators prepared or used a written annual budget (48%), a break-even analysis (47%), a cash flow statement (44%), or an enterprise budget — which separately calculates the revenues and expenses associated with the various products a farm business produces — (40%). Of the survey respondents, 33% reported using accrual accounting, or a combination of accrual and cash accounting. A total of 52% of survey respondents reported using production benchmarking (comparing their farm's production performance with farms of similar region, size and specialization), and 34% of Canadian operators reported using financial benchmarking.

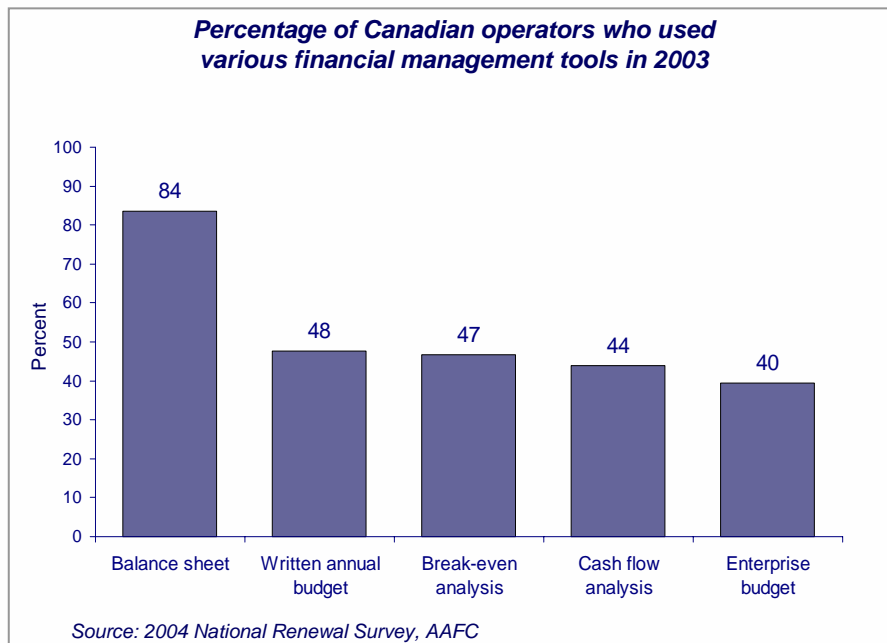
3.1 Financial record keeping

Almost all producers keep some form of financial record. To better understand the type of records kept by farm operators, a number of questions were asked in the Renewal Survey pertaining to the use of the following:

- balance sheet
- cash flow analysis
- written annual budget
- enterprise budget
- break-even analysis

Of the five types of statements and analysis listed above, a balance sheet was the most common financial record kept.

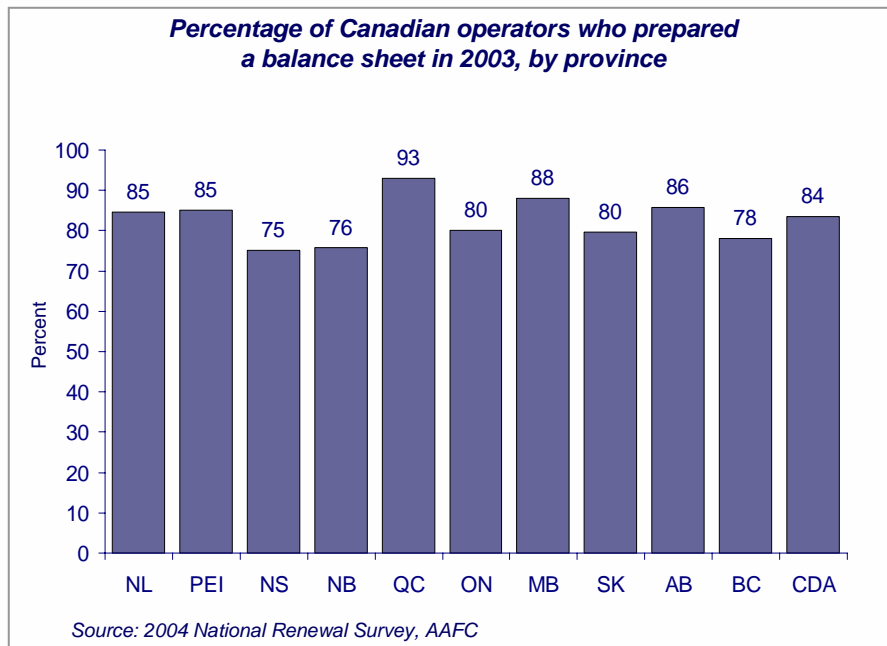
Figure 3.1



3.1.1 Balance sheet

In 2003, 84% of Canadian farm operators prepared a balance sheet.

Figure 3.2



$P = 0.000$ $Cramer's V = 0.134$ "weak correlation"

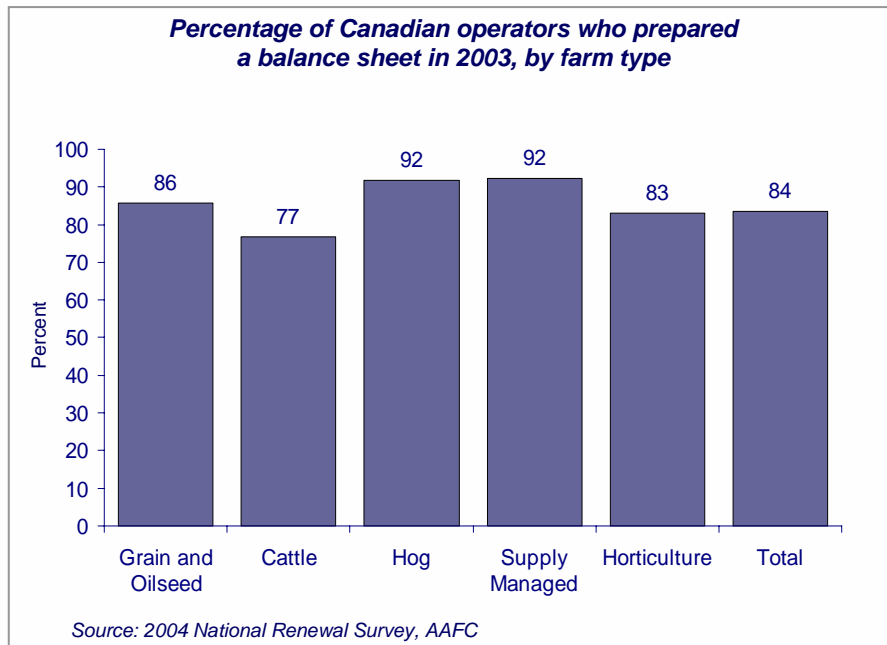
Who was the most likely to have prepared a balance sheet at the time of this survey?

Strength of Relationship

- Producers in Quebec
- Producers specialized in hogs and supply-managed commodities
- Operators of very large business-focussed farms

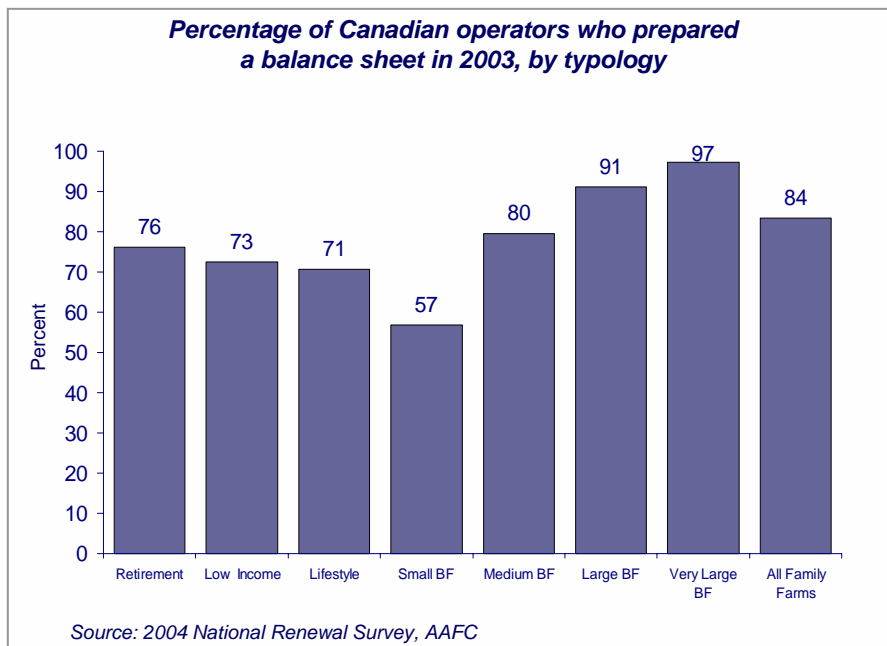
(weak)
(weak)
(strong)

Figure 3.3



$P = 0.000$ Cramer's $V = 0.160$ "weak correlation"

Figure 3.4

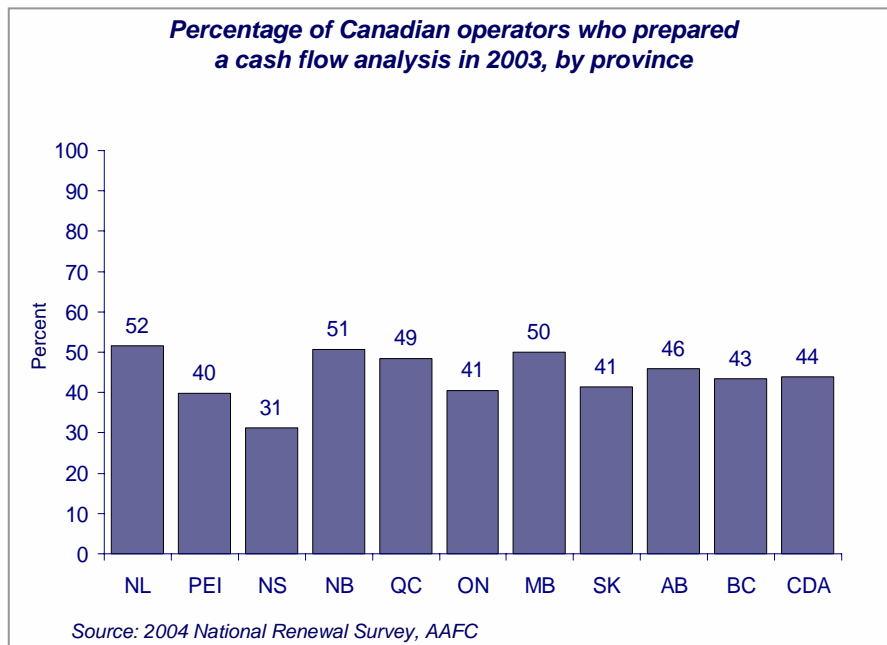


$P = 0.000$ Cramer's $V = 0.292$ "strong correlation"

3.1.2 Cash flow analysis

In 2003, 44% of Canadian farm operators prepared a cash flow statement.

Figure 3.5



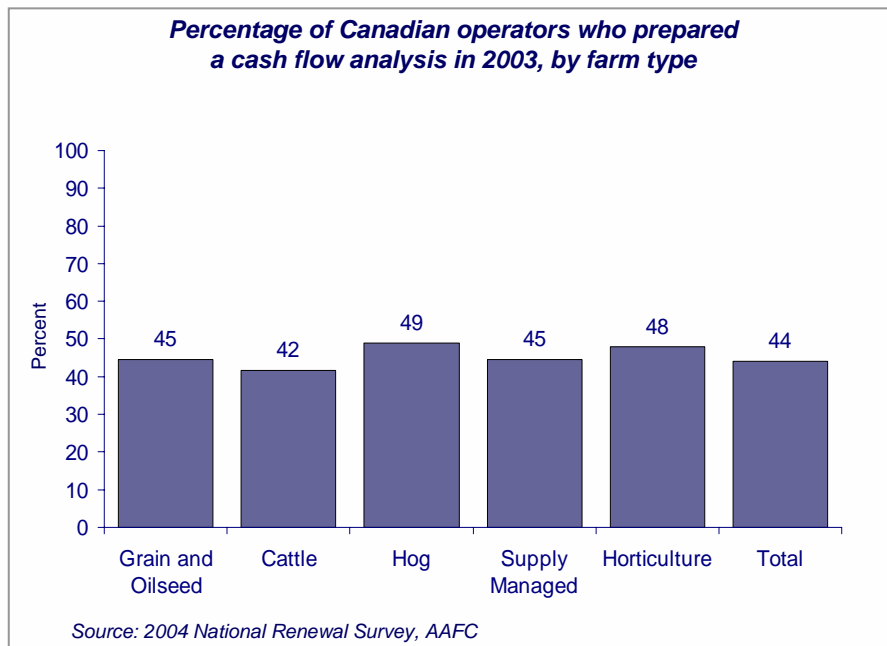
$P = 0.080$ $Cramer's V = 0.103$ "weak correlation"

Who was the most likely to have prepared a cash flow analysis at the time of this survey?

Strength of Relationship

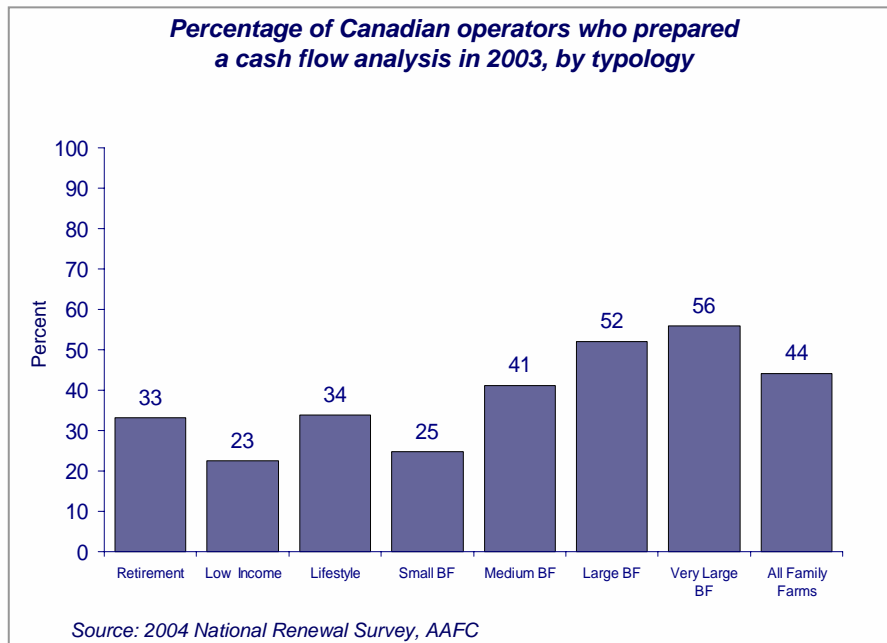
- Producers in Newfoundland and Labrador, New Brunswick, Manitoba and Quebec (weak)
- Producers specialized in hogs (weak)
- Operators of very large business-focussed farms (weak)

Figure 3.6



$P = 0.294$ $Cramer's V = 0.049$ "weak correlation"

Figure 3.7

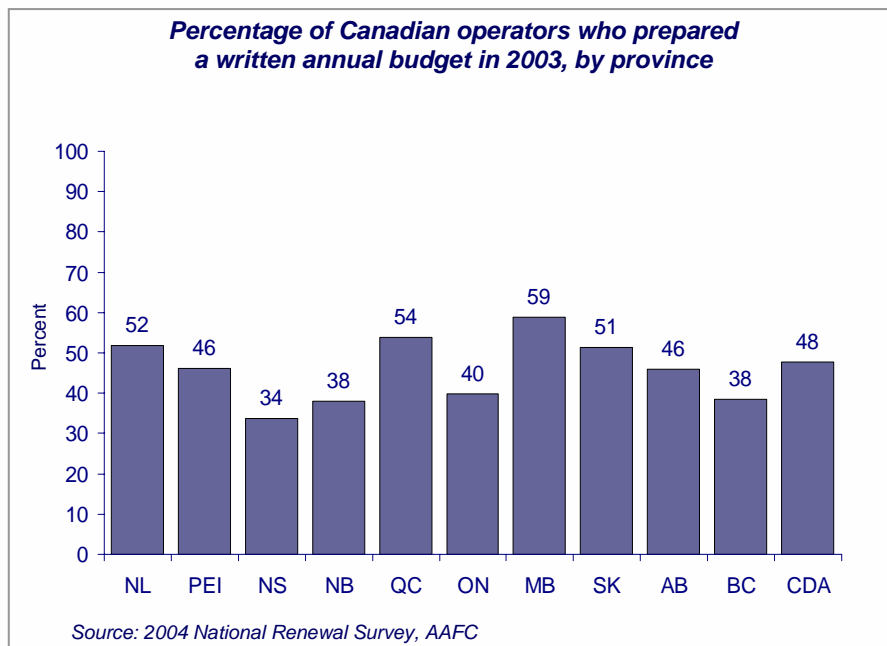


$P = 0.000$ $Cramer's V = 0.165$ "weak correlation"

3.1.3 Written annual budget

In 2003, 48% of Canadian farm operators prepared a written annual budget.

Figure 3.8



$P = 0.000$ $Cramer's V = 0.138$ "weak correlation"

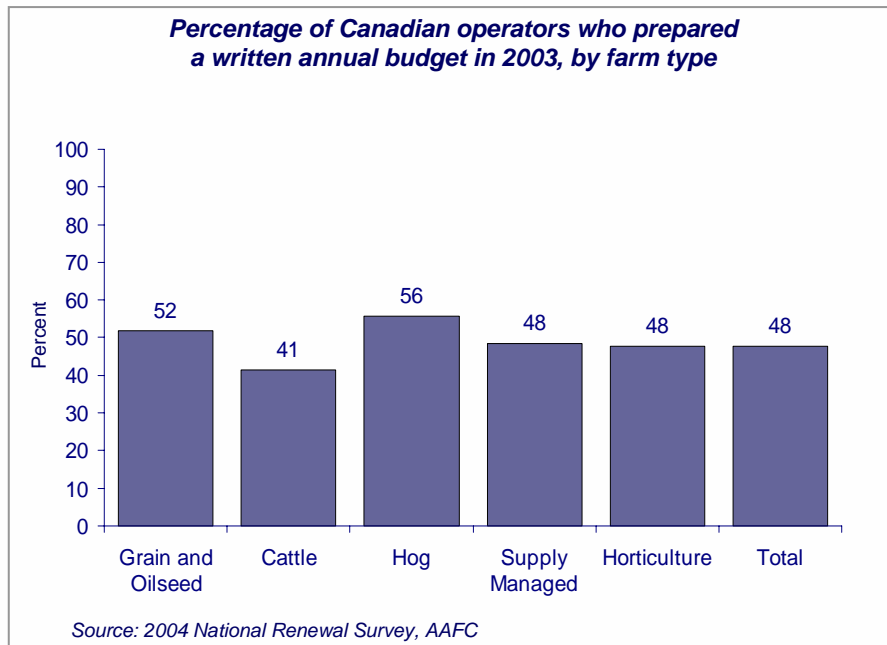
Who was the most likely to have prepared a written annual budget at the time of this survey?

Strength of Relationship

- Producers in Manitoba
- Producers specialized in hogs
- Operators of very large business-focussed farms

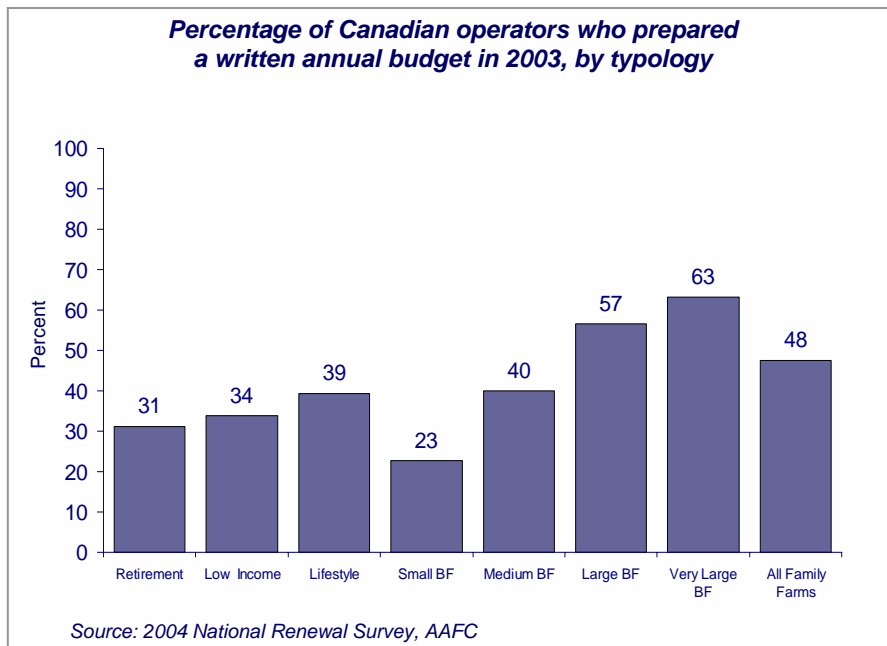
(weak)
(weak)
(weak)

Figure 3.9



$P = 0.002$ $Cramer's V = 0.090$ "weak correlation"

Figure 3.10

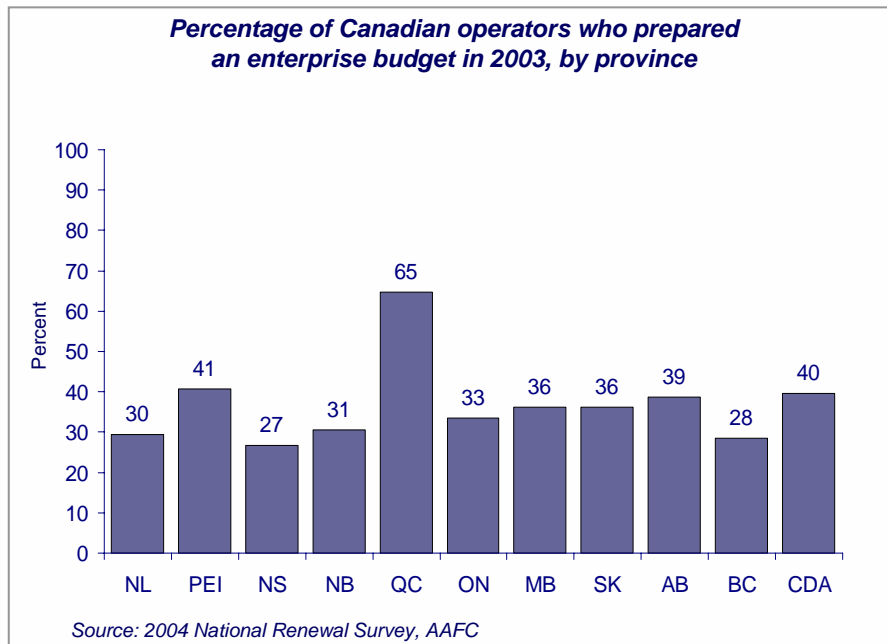


$P = 0.000$ $Cramer's V = 0.201$ "weak correlation"

3.1.4 Enterprise budget

In 2003, 40% of Canadian farm operators prepared an enterprise budget, which separately calculates the revenues and expenses associated with the various commodities produced.

Figure 3.11



$P = 0.000$ $Cramer's V = 0.235$ "moderate correlation"

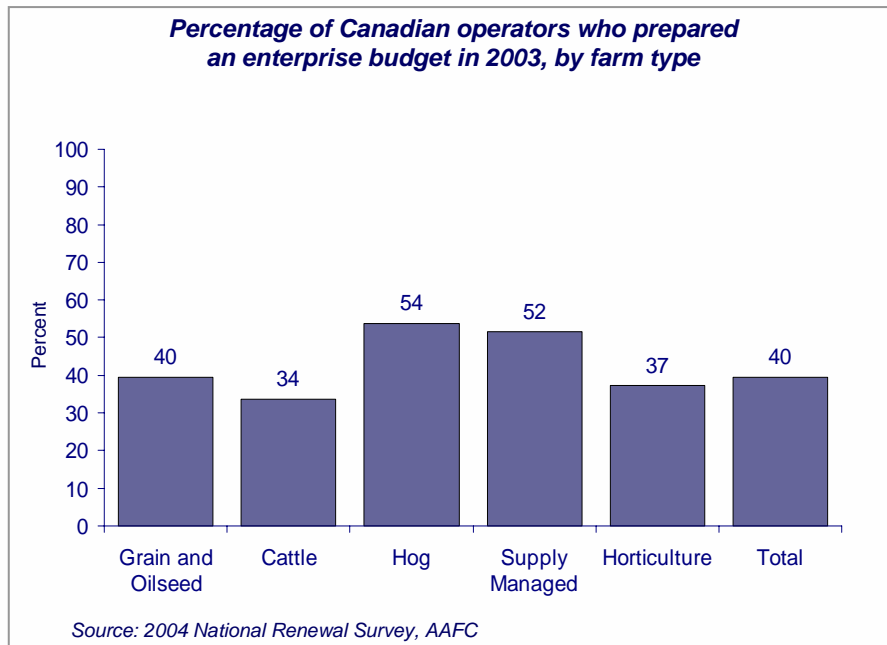
Who was the most likely to have prepared an enterprise budget at the time of this survey?

- Producers in Quebec
- Producers specialized in hogs and supply-managed commodities
- Operators of very large business-focussed farms

Strength of Relationship

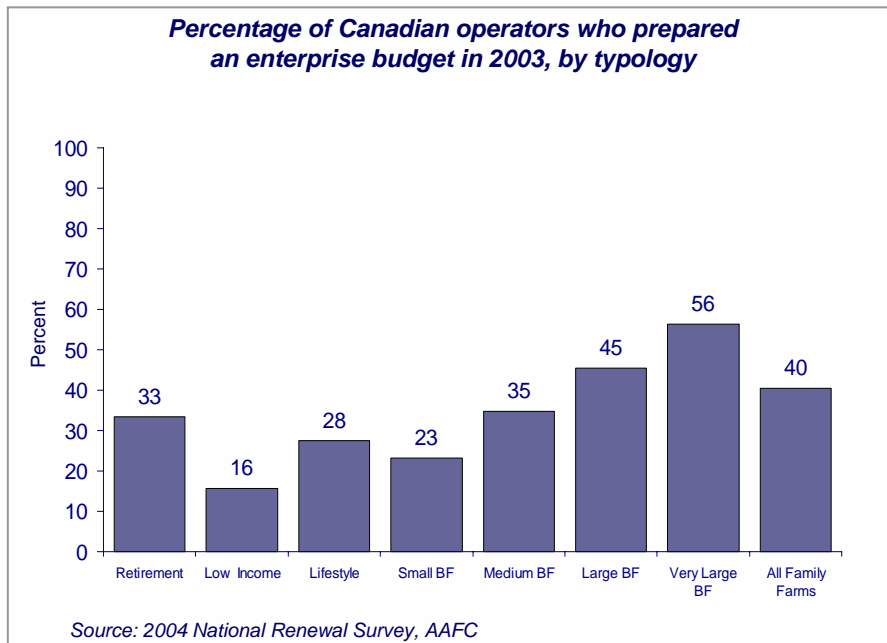
(moderate)
(weak)
(weak)

Figure 3.12



$P = 0.000$ $Cramer's V = 0.107$ "weak correlation"

Figure 3.13

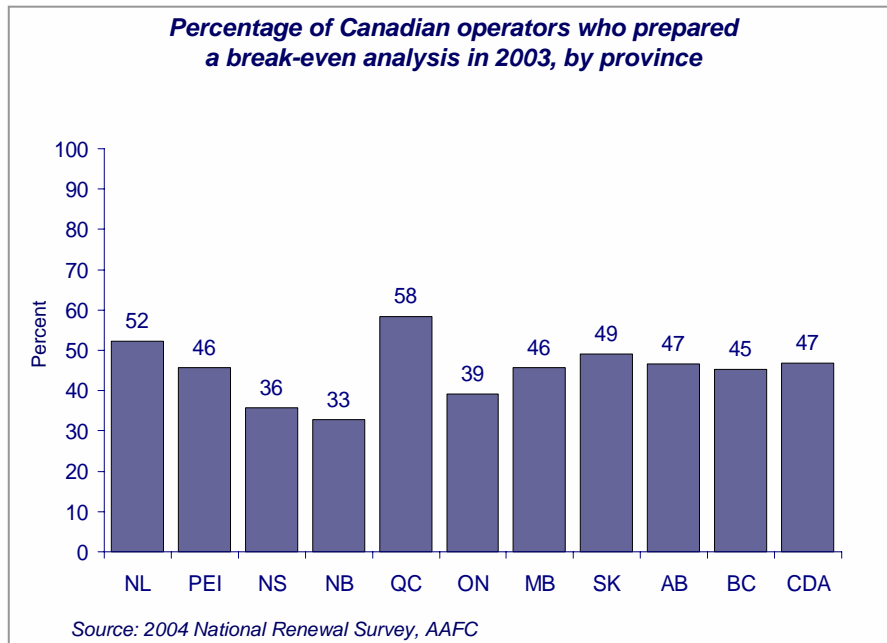


$P = 0.000$ $Cramer's V = 0.195$ "weak correlation"

3.1.5 Break-even analysis

In 2003, 47% of Canadian farm operators prepared a break-even analysis for their farm operation, which outlines the minimum revenue needed to cover expenses.

Figure 3.14



$P = 0.000$ $Cramer's V = 0.132$ "weak correlation"

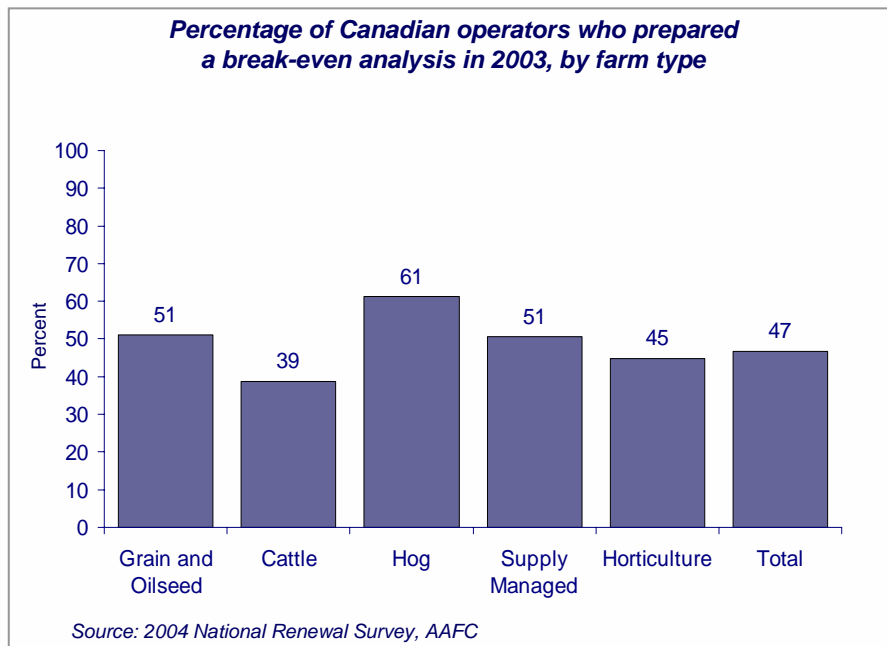
Who was the most likely to have prepared a break-even analysis at the time of this survey?

- Producers in Quebec
- Producers specialized in hogs
- Operators of very large business-focussed farms

Strength of Relationship

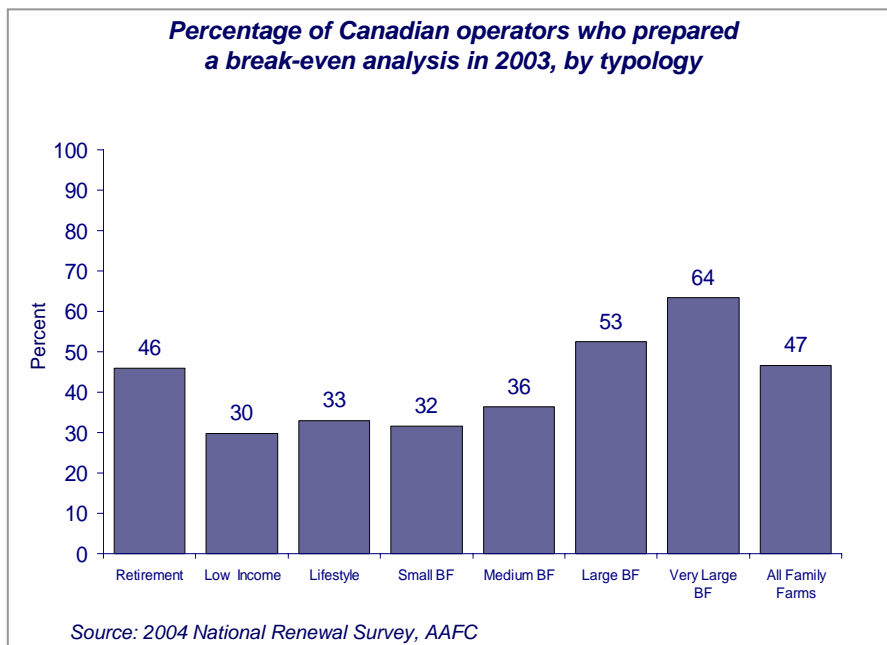
(weak)
(weak)
(weak)

Figure 3.15



$P = 0.000$ $Cramer's V = 0.121$ "weak correlation"

Figure 3.16

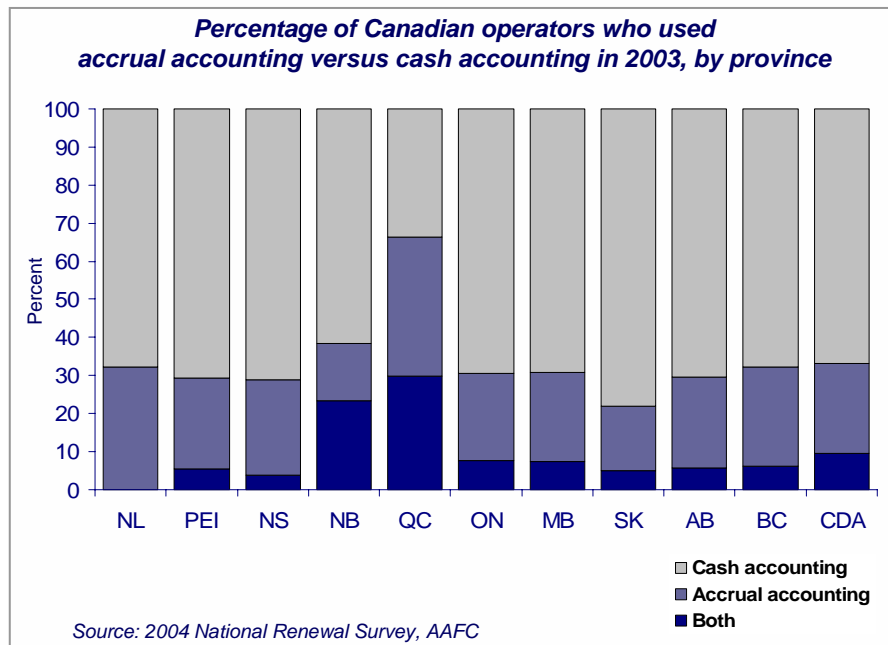


$P = 0.000$ $Cramer's V = 0.146$ "weak correlation"

3.2 Accrual accounting

In 2003, one third of farm operators (33%) in Canada used accrual accounting or the combination of both accrual and cash accounting.

Figure 3.17



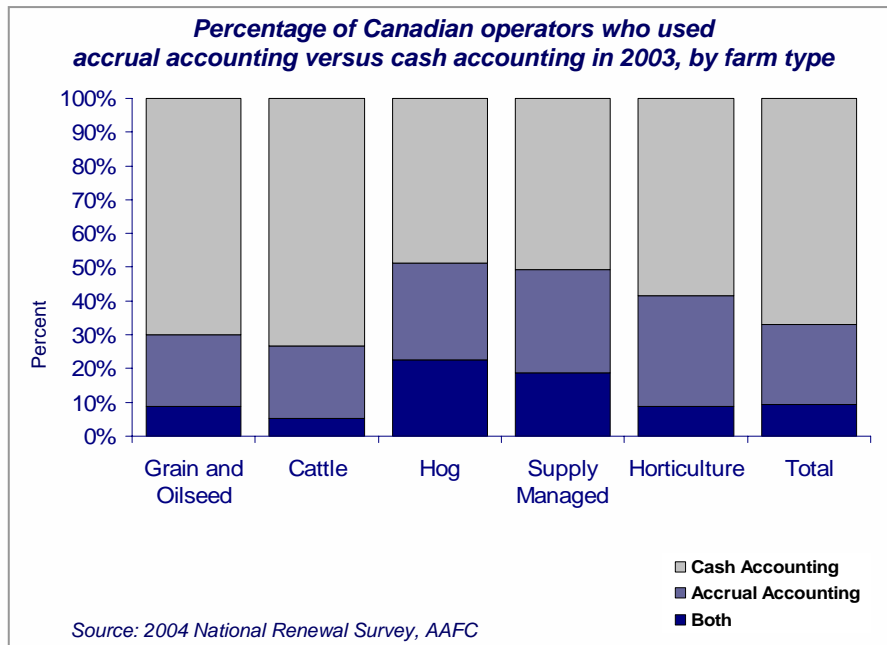
$P = 0.000$ $Cramer's V = 0.255$ "strong correlation"

Who was the most likely to use accrual accounting, or the combination of cash and accrual accounting, at the time of this survey?

Strength of Relationship

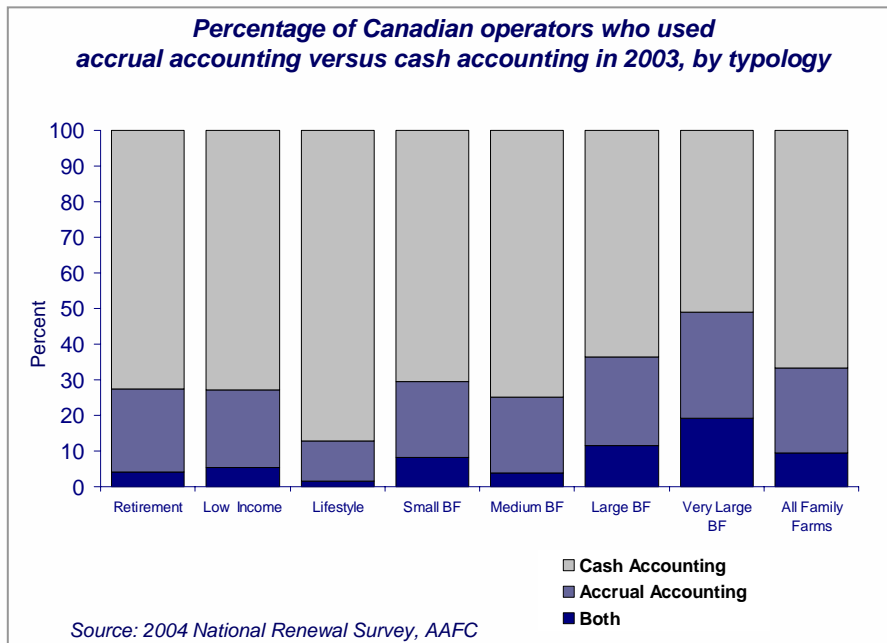
- Producers in Quebec (strong)
- Producers specialized in hogs and supply-managed commodities (weak)
- Operators of very large business-focussed farms (weak)

Figure 3.18



$P = 0.000$ $Cramer's V = 0.132$ "weak correlation"

Figure 3.19



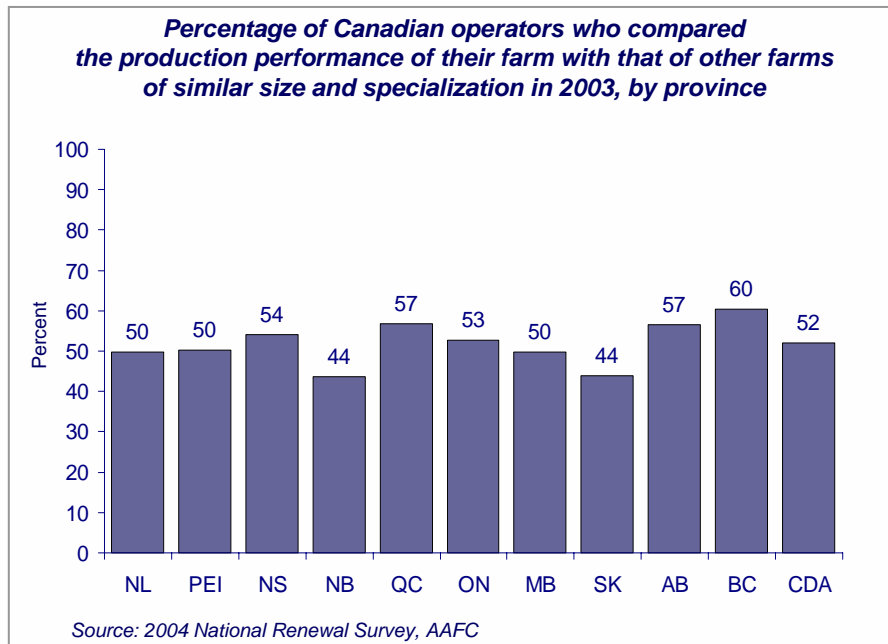
$P = 0.000$ $Cramer's V = 0.153$ "weak correlation"

3.3 Benchmarking

3.3.1 Production benchmarking

Comparing a farm's production performance with other farms of similar region, size and specialization is known as production benchmarking. In 2003, 52% of Canadian operators used production benchmarking.

Figure 3.20



$P = 0.010$ $Cramer's V = 0.091$ "weak correlation"

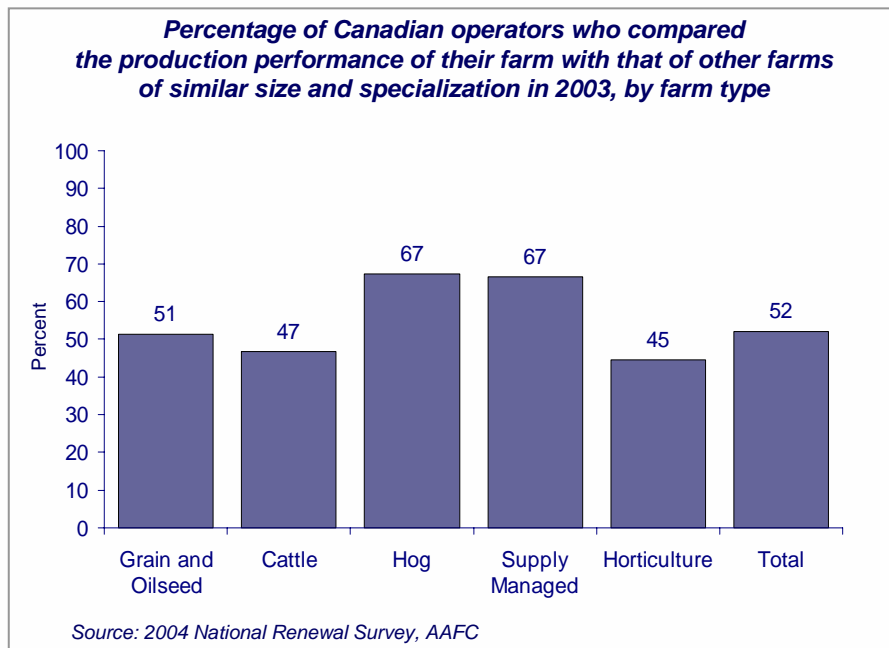
Who was the most likely to use production benchmarking at the time of this survey?

Strength of Relationship

- Producers in British Columbia
- Producers specialized in hogs and supply-managed commodities
- Operators of very large business-focussed farms

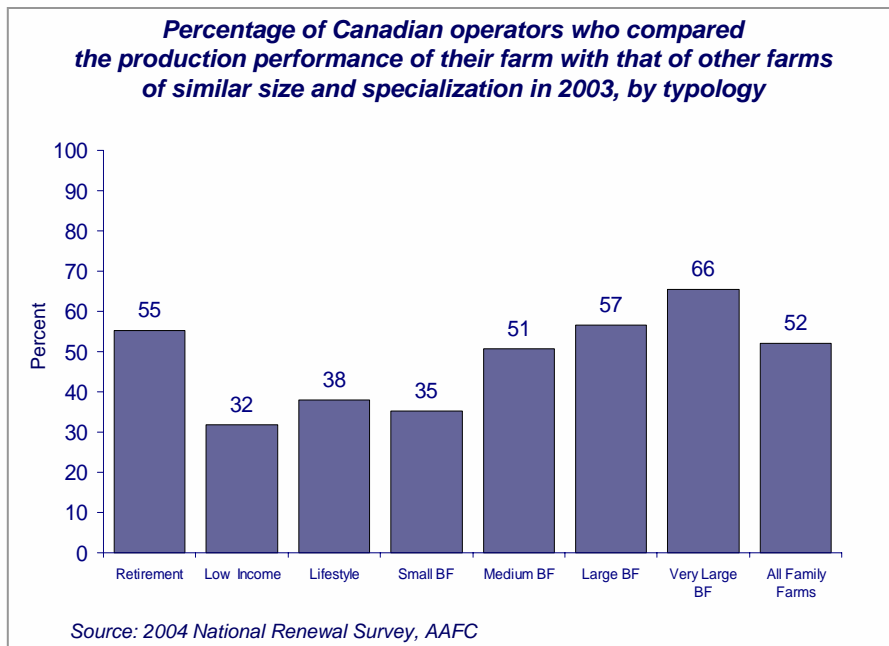
(weak)
(weak)
(weak)

Figure 3.21



$P = 0.000$ *Cramer's V = 0.139* "weak correlation"

Figure 3.22

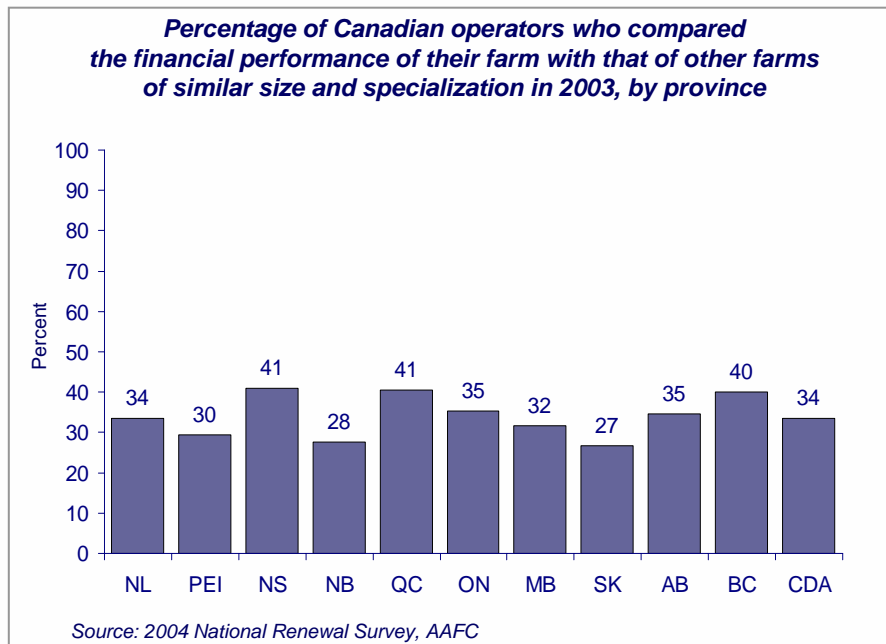


$P = 0.000$ *Cramer's V = 0.131* "weak correlation"

3.3.2 Financial benchmarking

Comparing a farm's financial performance with other farms of similar region, size and specialization is known as financial benchmarking. Fewer farm operators compare the financial performance of their farm with that of other farms than those who compare production performance. In 2003, 34% of Canadian operators compared their farm's financial performance with that of other farms of similar region, size and specialization.

Figure 3.23



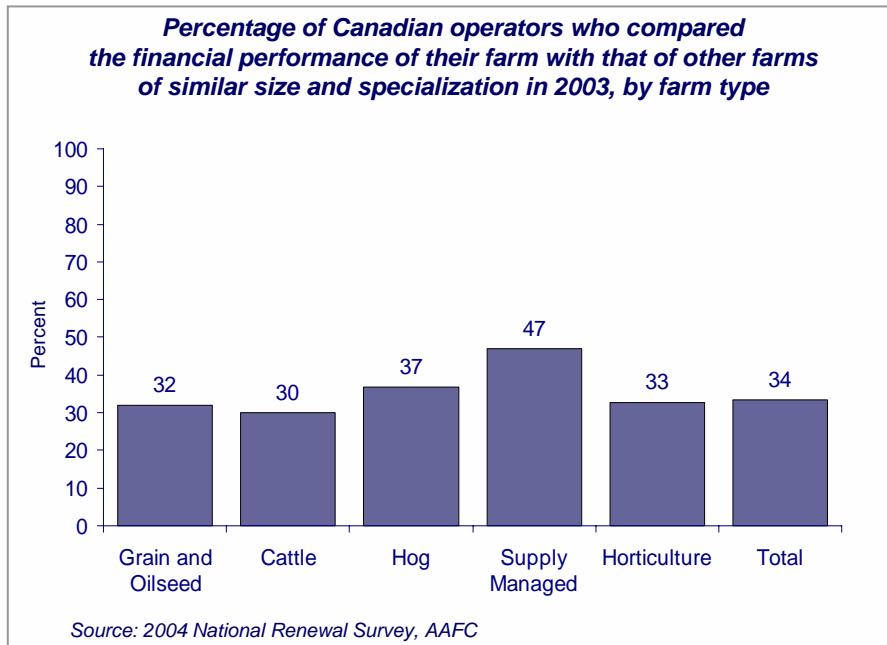
$P = 0.017$ $Cramer's V = 0.089$ "weak correlation"

Who was the most likely to use financial benchmarking at the time of this survey?

Strength of Relationship

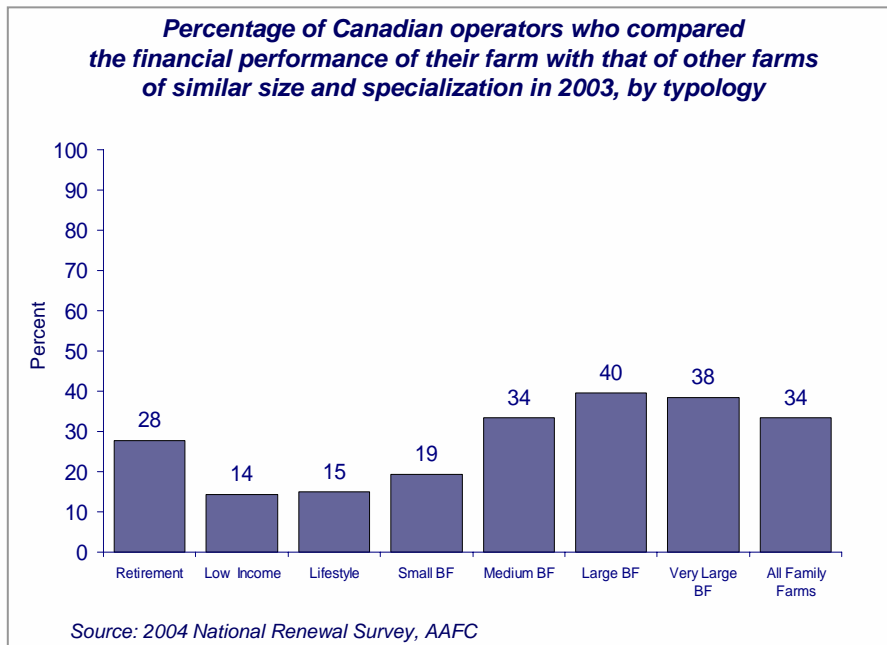
- Producers in Nova Scotia, Quebec and British Columbia (weak)
- Producers specialized in supply-managed commodities (weak)
- Operators of large and very large business-focussed farms (weak)

Figure 3.24



$P = 0.000$ $Cramer's V = 0.099$ "weak correlation"

Figure 3.25



$P = 0.000$ $Cramer's V = 0.113$ "weak correlation"

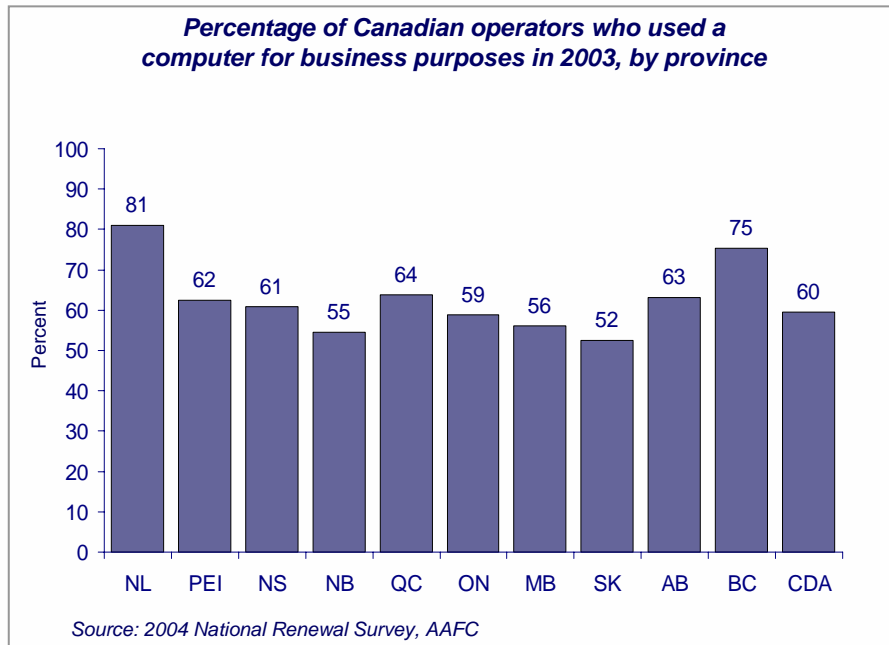
4.0. Technology

This section examines computer and Internet use and the rating producers place on themselves regarding the adoption of new technology. In 2003, 60% of producers used a computer for business purposes and 53% of Canadian farm businesses were connected to the Internet.

When asked about their level of innovation, 22% of survey respondents stated that they were “among the first to try something new” when new products and techniques were introduced.

4.1 Computer usage

Figure 4.1



$P = 0.000$ $Cramer's V = 0.142$ “weak correlation”

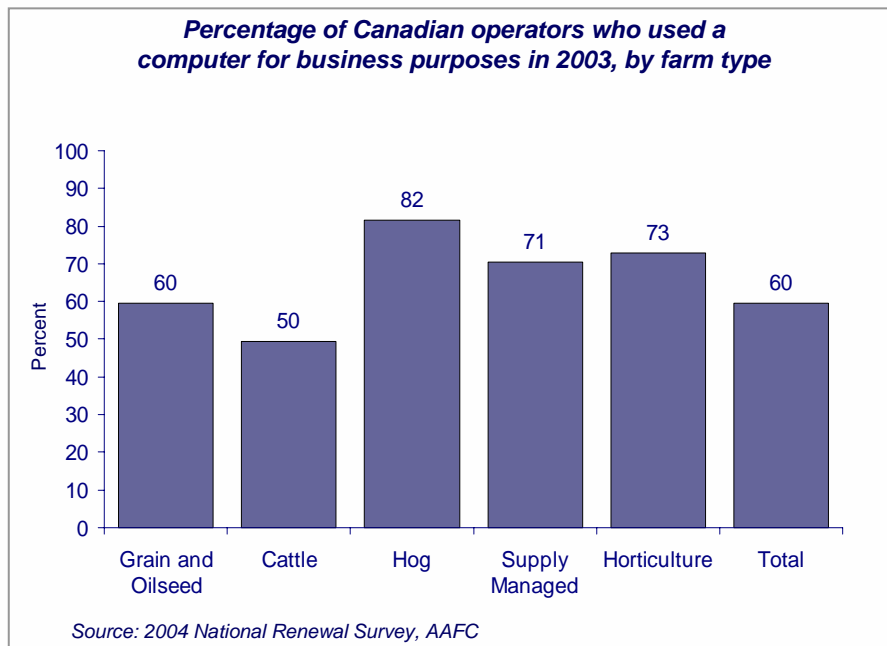
Who was the most likely to use a computer for business purposes at the time of this survey?

- Producers in Newfoundland and Labrador and British Columbia
- Producers specialized in hogs, horticulture and supply-managed commodities
- Operators of very large and large business-focussed farms

Strength of Relationship

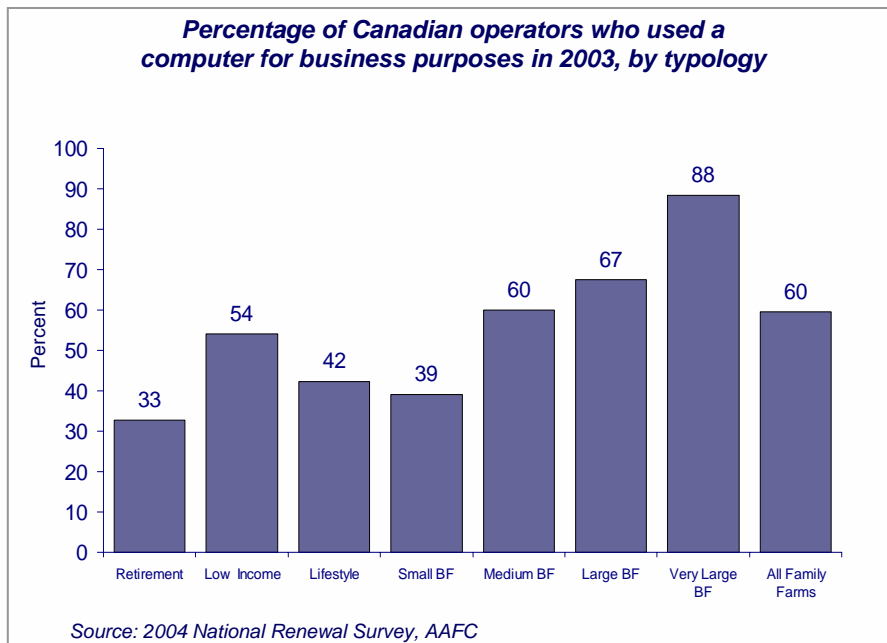
(weak)
(moderate)
(quite strong)

Figure 4.2



$P = 0.000$ *Cramer's V = 0.236* "moderate correlation"

Figure 4.3

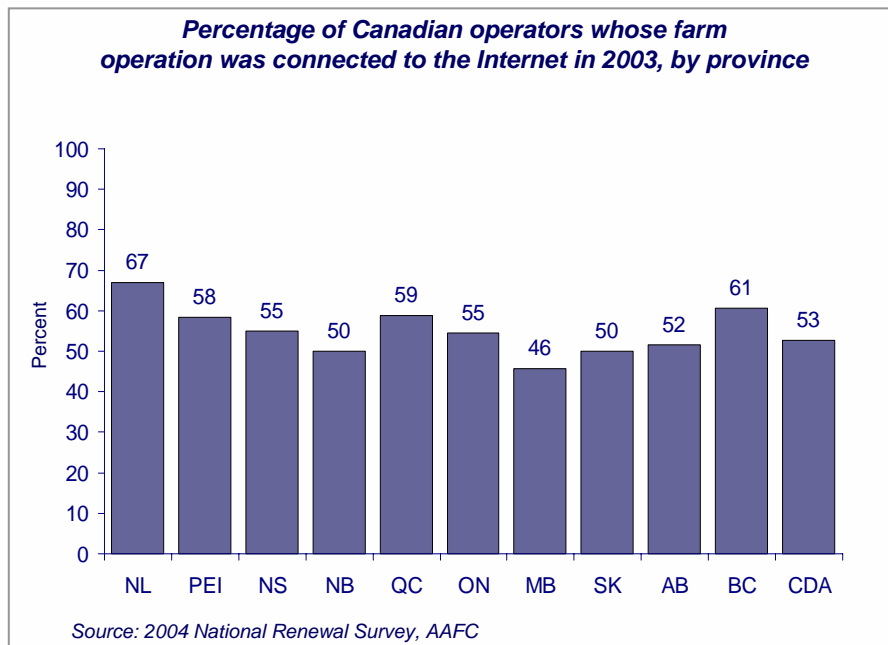


$P = 0.000$ *Cramer's V = 0.360* "quite strong correlation"

4.2 Internet usage

In 2003, slightly over half (53%) of Canadian farm businesses were connected to the Internet.

Figure 4.4



$P = 0.004$ $Cramer's V = 0.107$ "weak correlation"

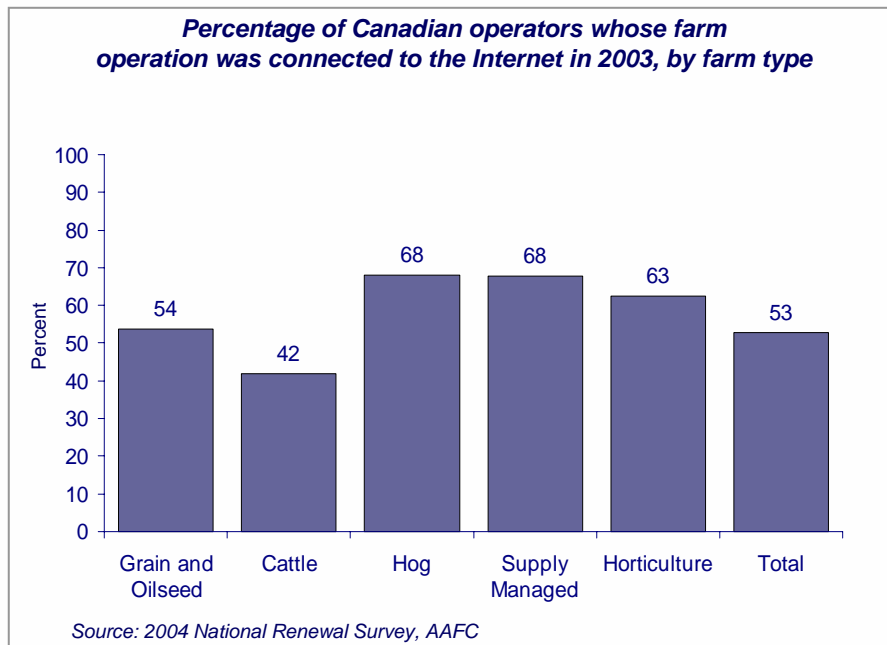
Who was the most likely to use the Internet at the time of this survey?

- Producers in Newfoundland and Labrador, British Columbia, Quebec and Prince Edward Island
- Producers specialized in hogs and supply-managed commodities
- Operators of very large and large business-focussed farms

Strength of Relationship
(weak)

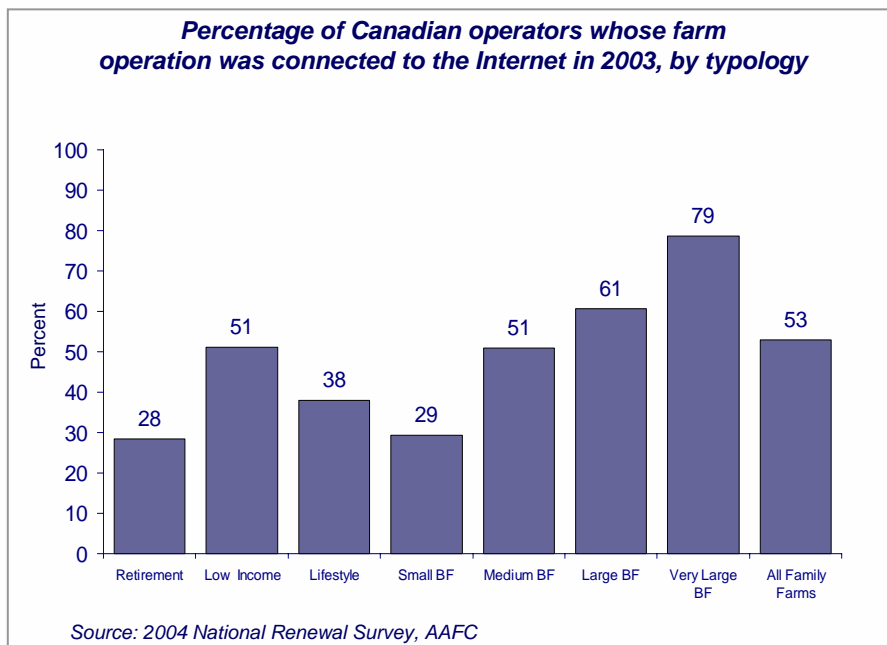
(moderate)
(strong)

Figure 4.5



$P = 0.000$ $Cramer's V = 0.210$ "moderate correlation"

Figure 4.6



$P = 0.000$ $Cramer's V = 0.309$ "strong correlation"

4.3 Adoption of new products and techniques

Regarding the introduction of new products and techniques, producers vary in how quickly they are inclined to adopt them.

In 2003, about one fifth (22%) of farm operators were early adopters of new products and techniques, ranking themselves as “among the first to try something new”, with the majority waiting until a few operators have tried the new products and techniques first.

Figure 4.7

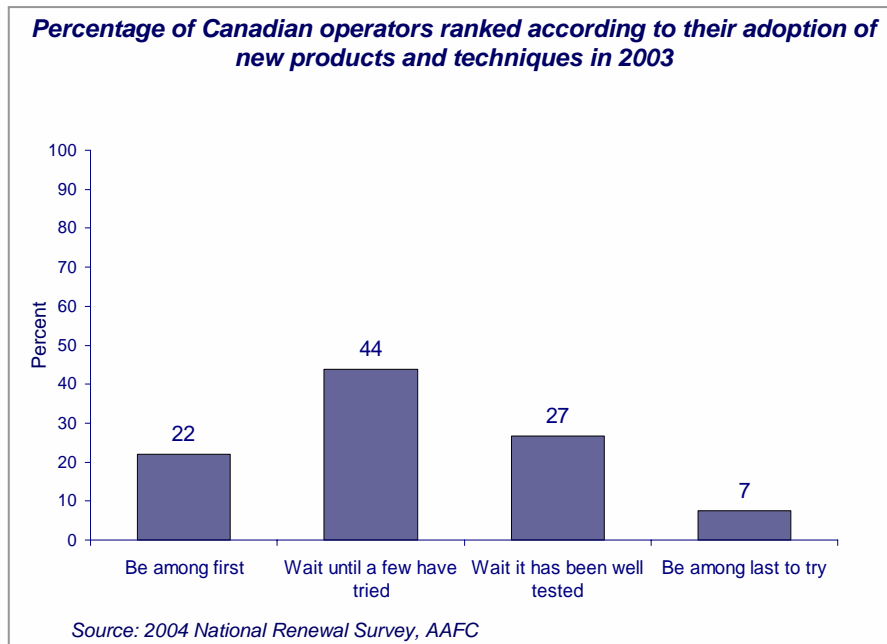
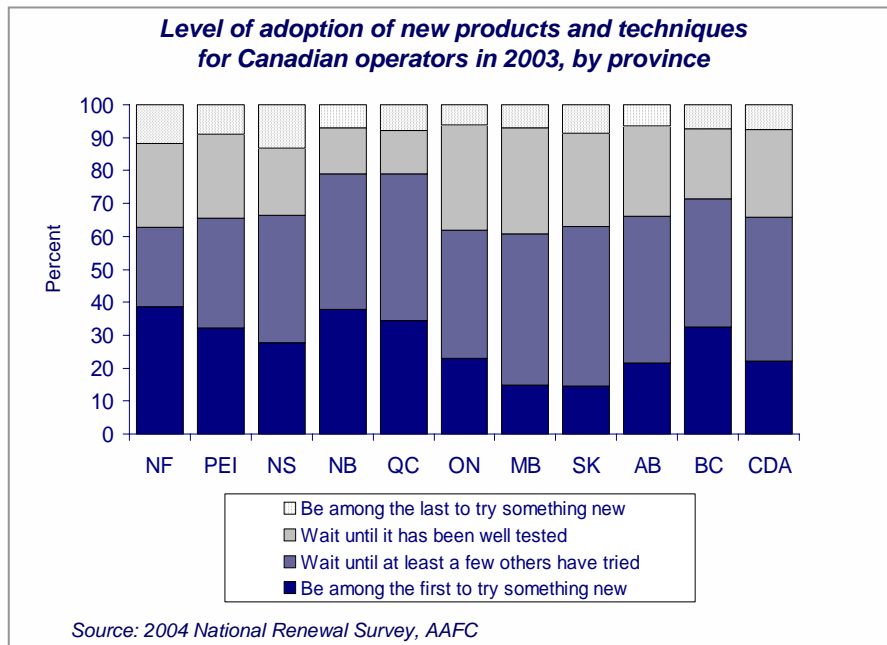


Figure 4.8



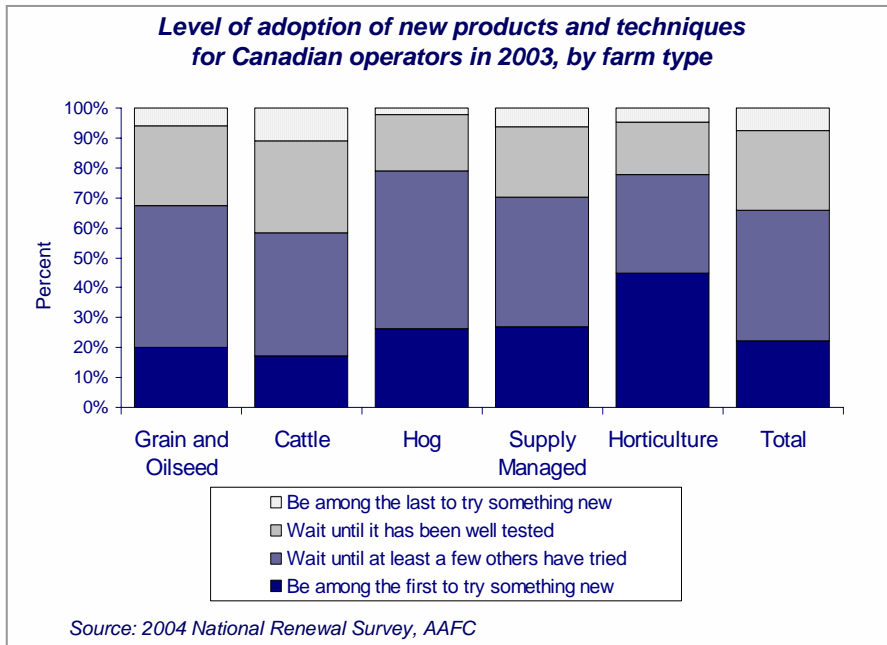
$P = 0.000$ $Cramer's V = 0.136$ "weak correlation"

Who was the most likely to be an early adopter of new products and techniques at the time of this survey?

Strength of Relationship

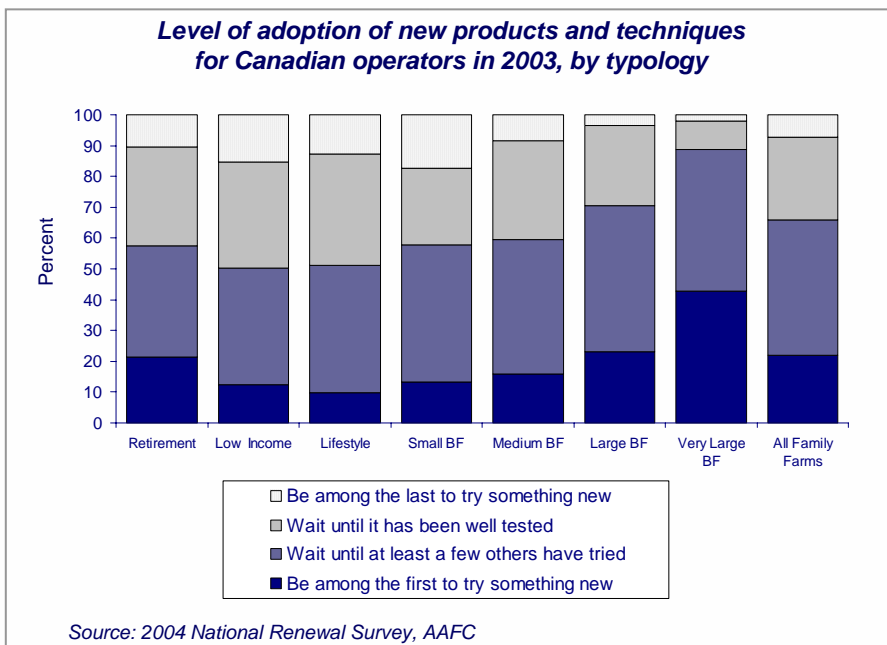
- Producers in Newfoundland and Labrador, New Brunswick, Quebec and British Columbia (weak)
- Producers specialized in horticulture (weak)
- Operators of very large business-focussed farms (weak)

Figure 4.9



$P = 0.000$ $Cramer's V = 0.136$ "weak correlation"

Figure 4.10



$P = 0.000$ $Cramer's V = 0.169$ "weak correlation"

5.0 Networking

Two types of networks are analyzed in this survey: (1) farm groups, where members come together to exchange ideas, and (2) collaborative arrangements made between a group of producers that help reduce costs or increase revenue.

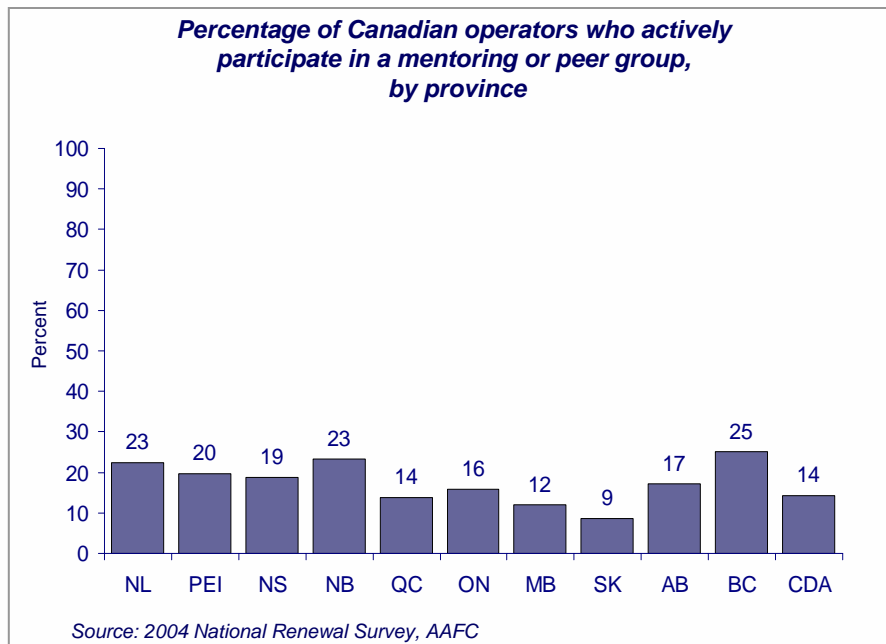
About 47% of Canadian operators participated in a producer association or farm organization. Some operators participated in a mentoring or peer group (14%), or a management or marketing club (13%). In addition, 31% of respondents stated that they had a collaborative agreement with other producers in sharing equipment. Other collaborative arrangements included group purchasing (14%) and group marketing (11%).

5.1 Farm groups

5.1.1 Mentoring and peer groups

In Canada, 14% of producers participated in either a mentoring or peer group.

Figure 5.1



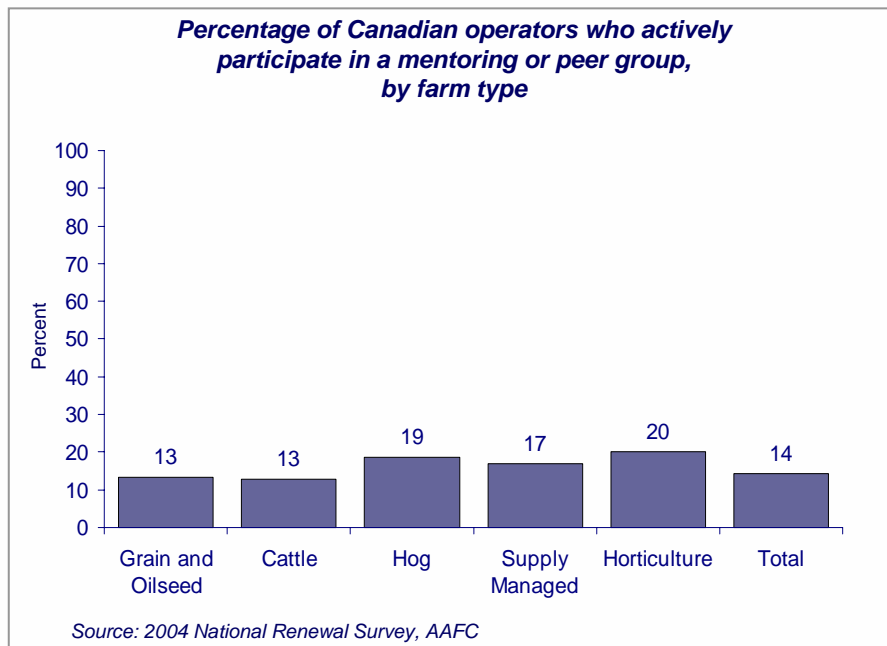
$P = 0.001$ $Cramer's V = 0.114$ "weak correlation"

Who was the most likely to have participated in a mentoring or peer group at the time of this survey?

Strength of Relationship

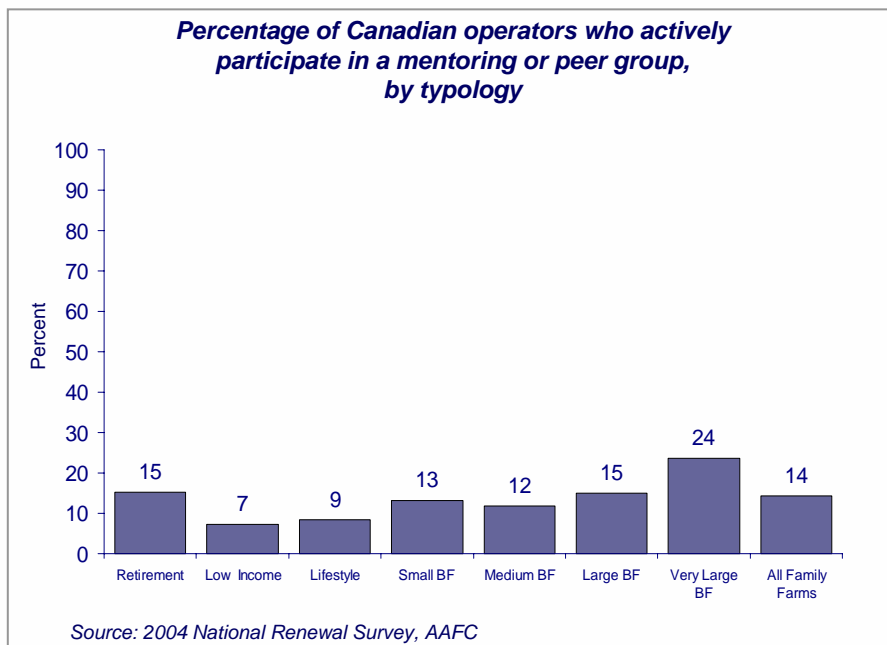
- Producers in British Columbia, New Brunswick and Newfoundland and Labrador (weak)
- Producers specialized in horticulture and hogs (weak)
- Operators of very large business-focussed farms (weak)

Figure 5.2



$P = 0.003$ $Cramer's V = 0.087$ "weak correlation"

Figure 5.3

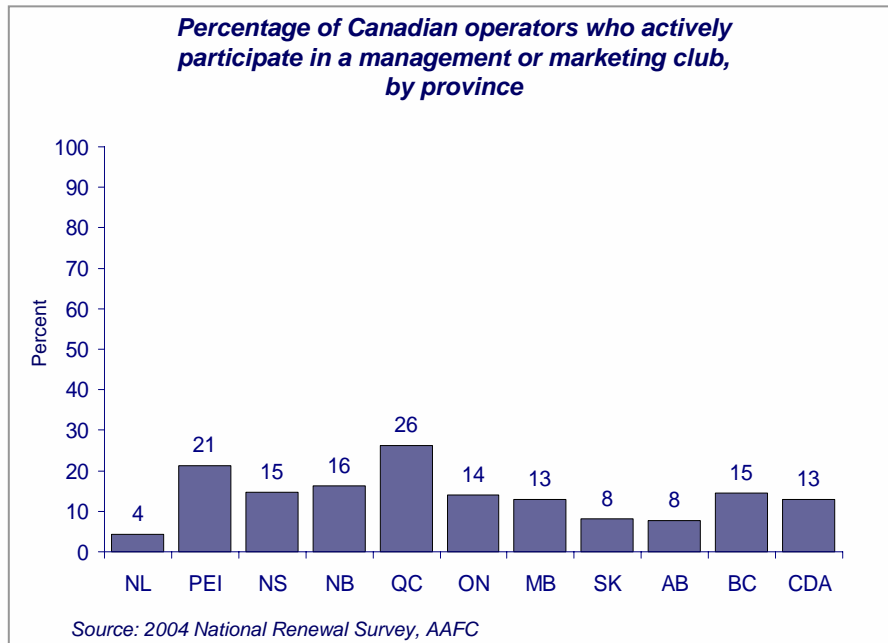


$P = 0.001$ $Cramer's V = 0.104$ "weak correlation"

5.1.2 Management and marketing clubs

In Canada, 13% of producers participated in either a management or marketing club.

Figure 5.4



$P = 0.000$ $Cramer's V = 0.158$ "weak correlation"

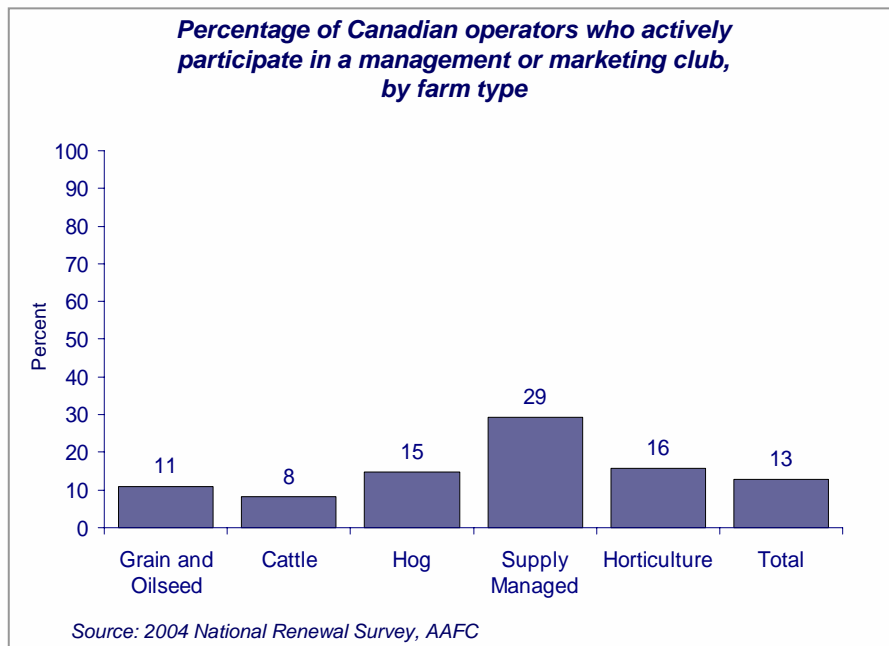
Who was the most likely to have participated in a management or marketing club at the time of this survey?

Strength of Relationship

- Producers in Quebec and Prince Edward Island
- Producers specialized in supply-managed commodities
- Operators of very large business-focussed farms

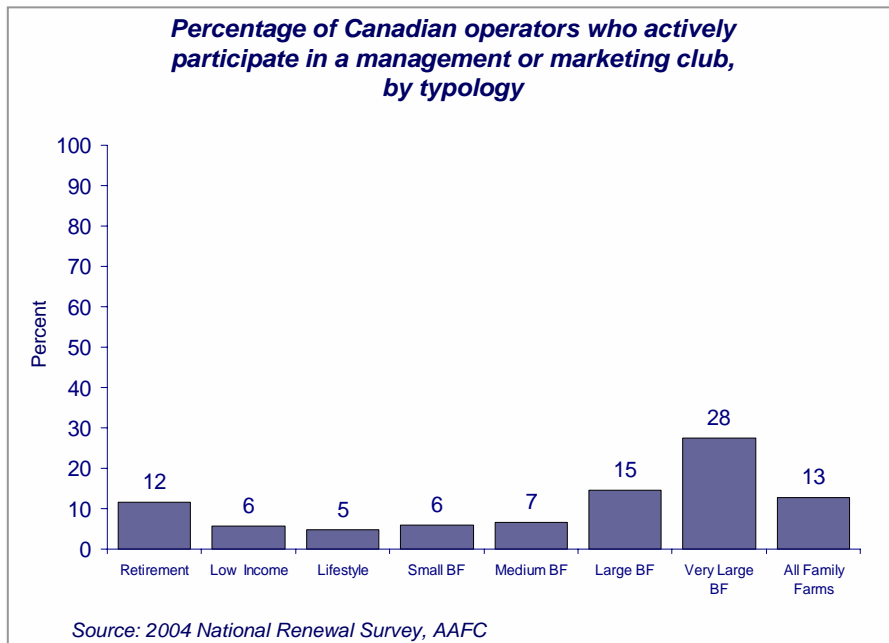
(weak)
(weak)
(weak)

Figure 5.5



$P = 0.000$ $Cramer's V = 0.166$ "weak correlation"

Figure 5.6

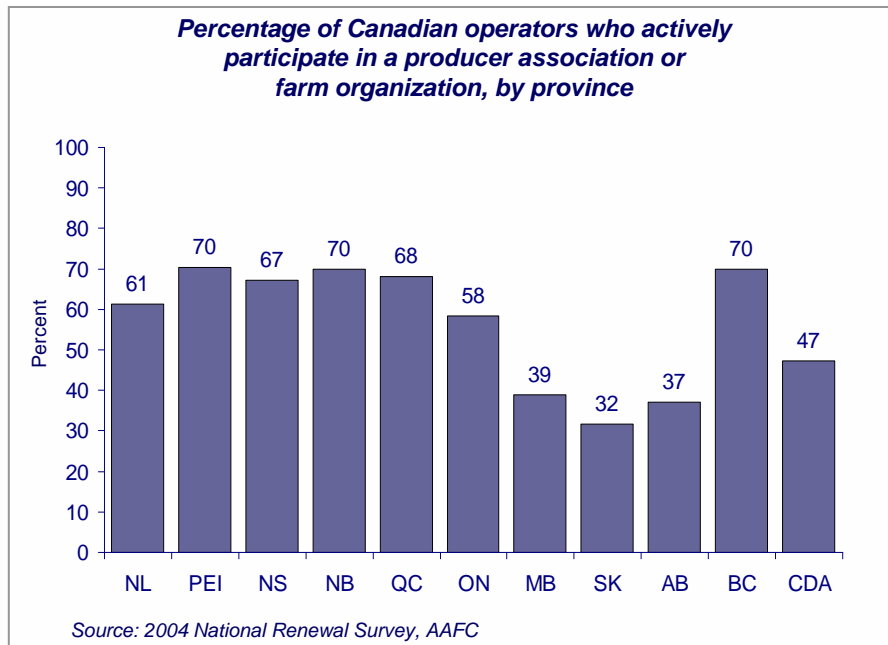


$P = 0.000$ $Cramer's V = 0.163$ "weak correlation"

5.1.3 Producer associations and farm organizations

Almost 50 percent (47%) of Canadian farm operators actively participated in either a producer association or farm organization.

Figure 5.7



$P = 0.000$ $Cramer's V = 0.295$ "strong correlation"

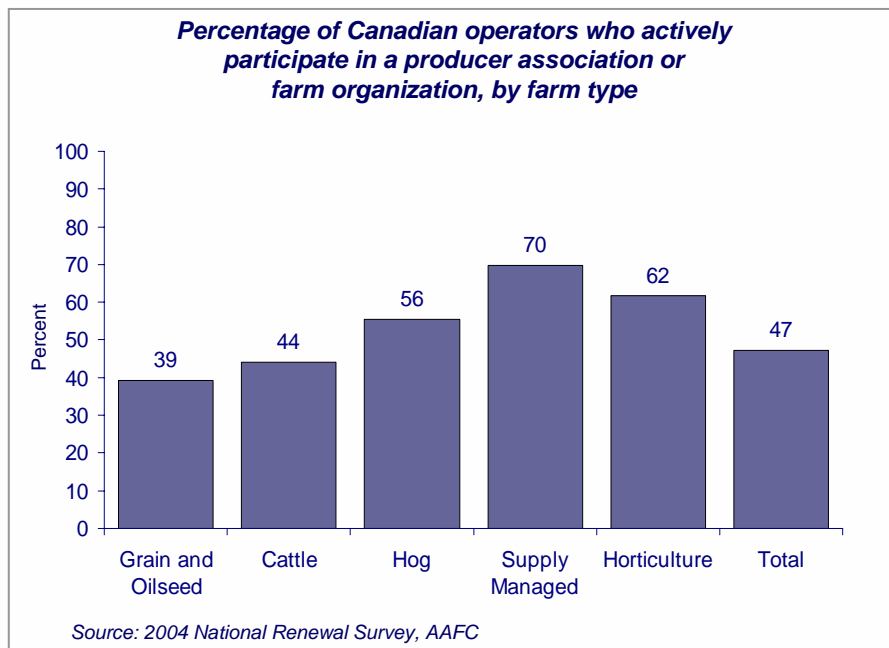
Who was the most likely to have participated in a producer association or farm organization at the time of this survey?

- Producers in British Columbia, New Brunswick, Prince Edward Island, Quebec, and Nova Scotia
- Producers specialized in supply-managed commodities
- Operators of very large business-focussed farms

Strength of Relationship

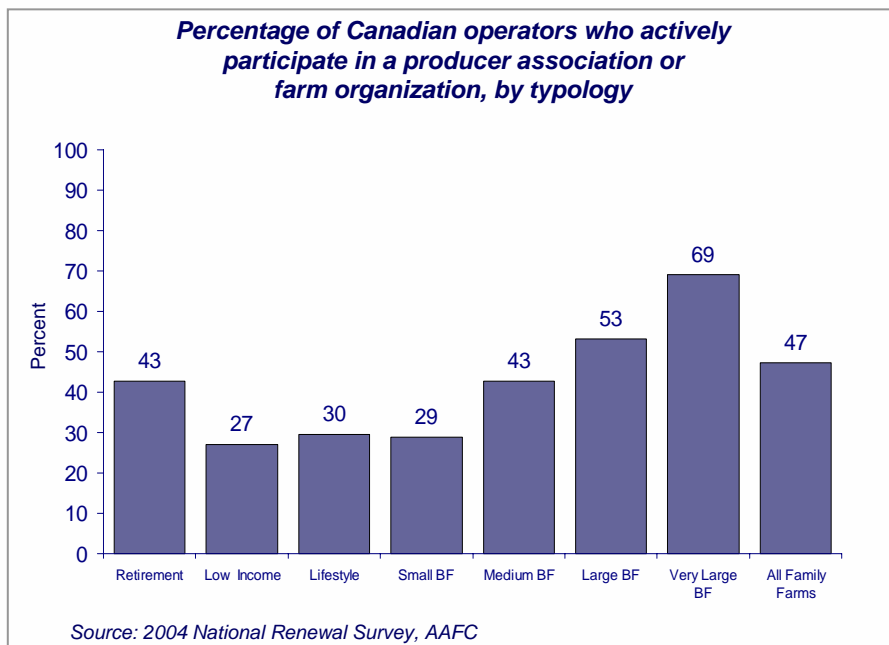
(strong)
(moderate)
(moderate)

Figure 5.8



$P = 0.000$ *Cramer's V = 0.241* "moderate correlation"

Figure 5.9



$P = 0.000$ *Cramer's V = 0.250* "moderate correlation"

5.2 Collaboration in marketing, buying and ownership activities

5.2.1 Group marketing

In 2003, 11% of Canadian farm operators had an arrangement with other producers in group marketing.

Figure 5.10



$P = 0.000$ $Cramer's V = 0.220$ "moderate correlation"

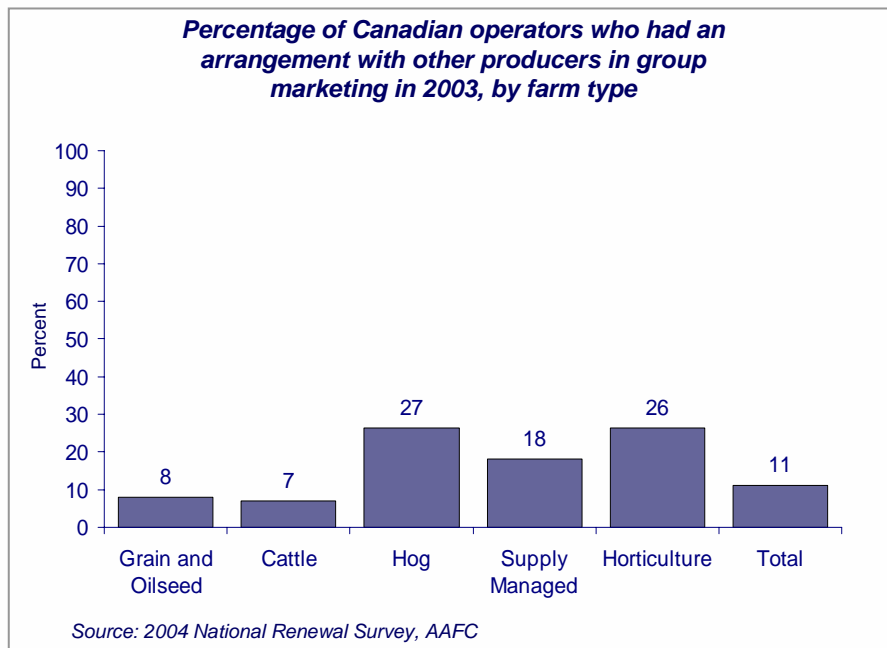
Who was the most likely to have participated in group marketing at the time of this survey?

- Producers in New Brunswick, Nova Scotia, and British Columbia
- Producers specialized in hogs and horticulture
- Operators of very large business-focussed farms

Strength of Relationship

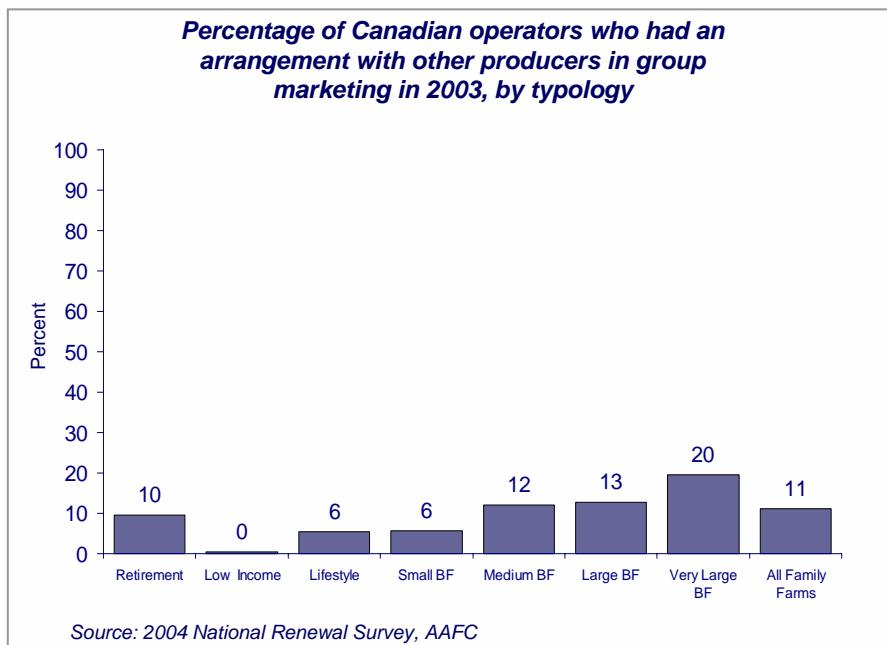
(moderate)
(moderate)
(weak)

Figure 5.11



$P = 0.000$ $Cramer's V = 0.228$ "moderate correlation"

Figure 5.12

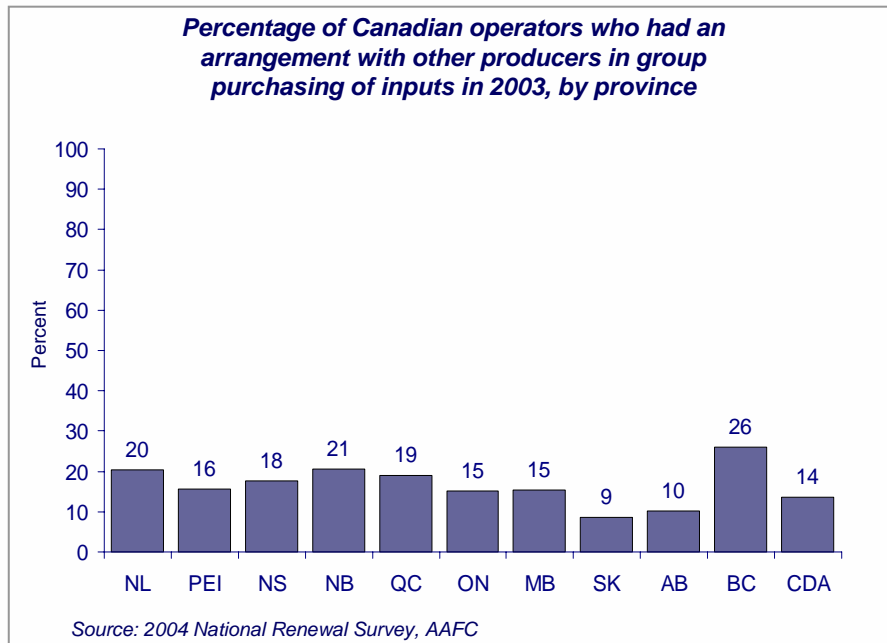


$P = 0.000$ $Cramer's V = 0.156$ "weak correlation"

5.2.2 Group purchasing

In 2003, 14% of Canadian farm operators had an arrangement with other producers in group purchasing of inputs.

Figure 5.13



$P = 0.001$ $Cramer's V = 0.116$ "weak correlation"

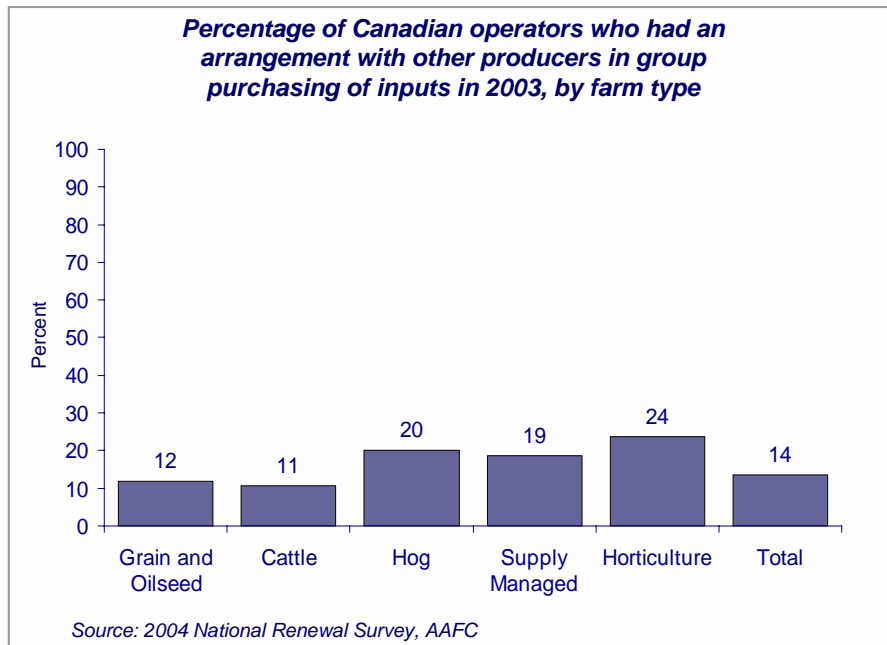
Who was the most likely to have participated in group purchasing at the time of this survey?

- Producers in British Columbia
- Producers specialized in horticulture
- Operators of very large business-focussed farms

Strength of Relationship

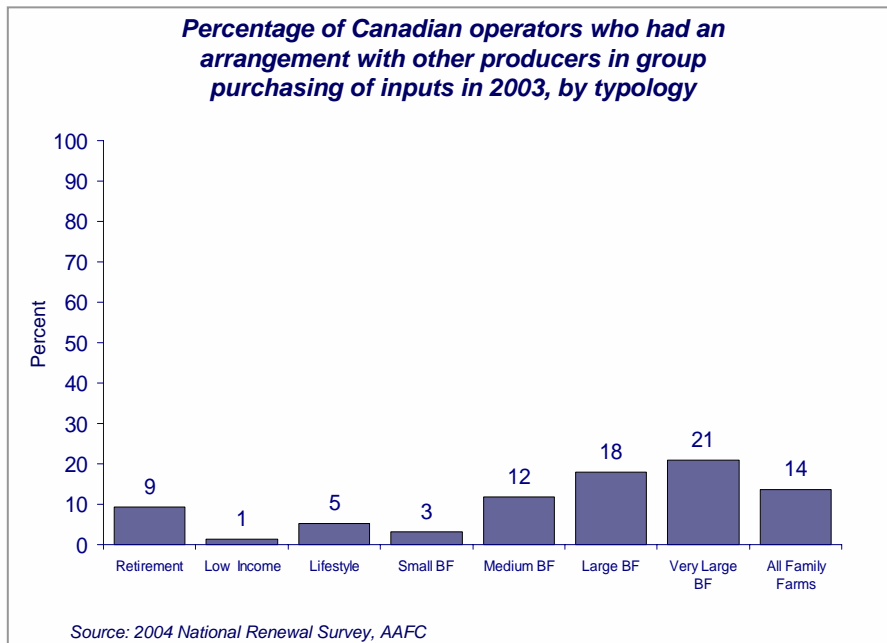
(weak)
(weak)
(weak)

Figure 5.14



$P = 0.000$ $Cramer's V = 0.117$ "weak correlation"

Figure 5.15

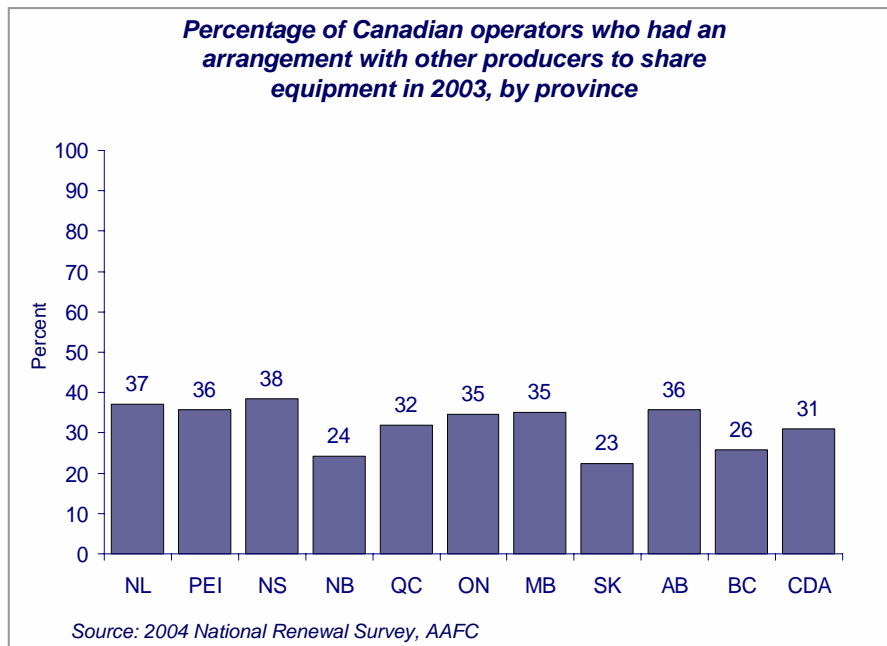


$P = 0.000$ $Cramer's V = 0.156$ "weak correlation"

5.2.3 Sharing equipment

In 2003, 31% of Canadian farm operators had an arrangement with other producers to share equipment.

Figure 5.16



$P = 0.003$ $Cramer's V = 0.109$ "weak correlation"

Who was the most likely to have an arrangement to share equipment at the time of this survey?

Strength of Relationship

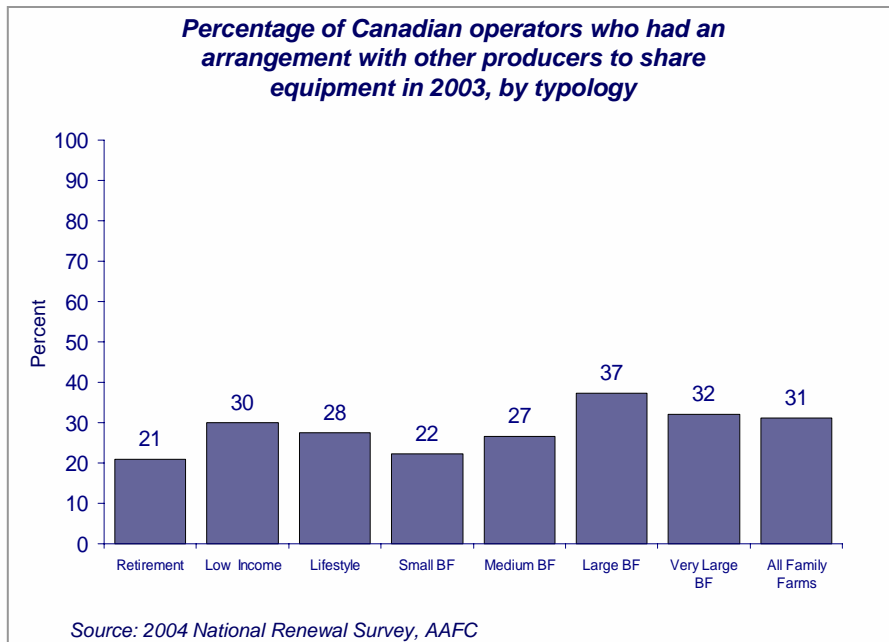
- Producers in Nova Scotia, Newfoundland and Labrador, Alberta, Prince Edward Island, Ontario, and Manitoba (weak)
- Producers specialized in supply-managed commodities (weak)
- Operators of large business-focussed farms (weak)

Figure 5.17



$P = 0.013$ $Cramer's V = 0.078$ "weak correlation"

Figure 5.18



$P = 0.000$ $Cramer's V = 0.114$ "weak correlation"

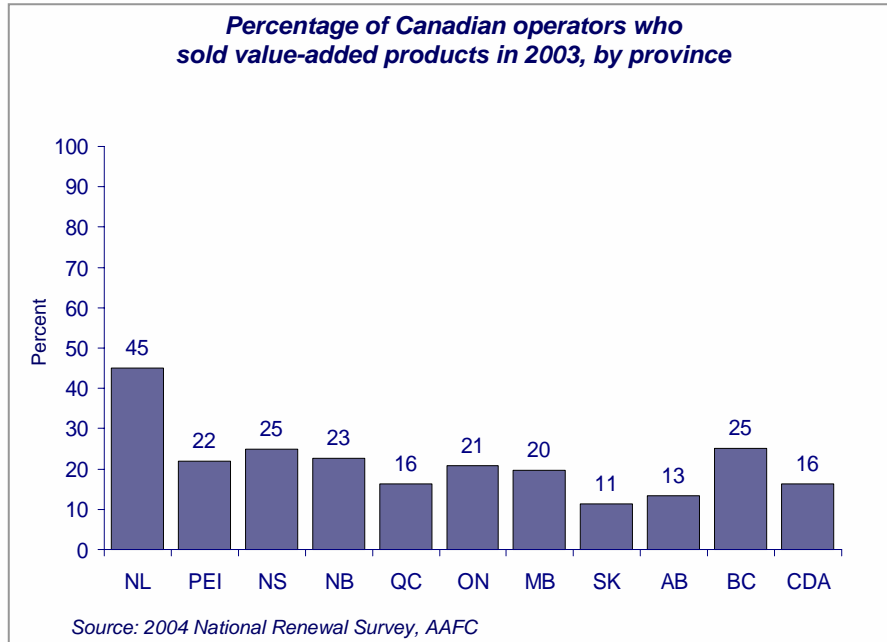
6.0. Marketing

This section focusses on selling value-added products and on direct exporting.

In 2003, 16% of producers sold value-added products. Another 6% of survey respondents directly exported products to other countries.

6.1 Value-added products

Figure 6.1



$P = 0.001$ $Cramer's V = 0.116$ "weak correlation"

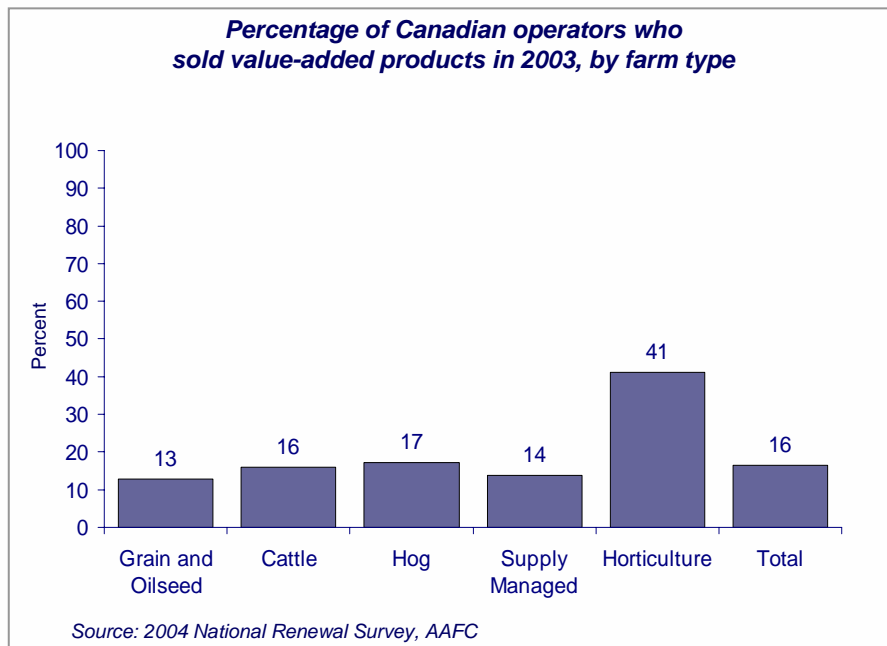
Who was the most likely to sell value-added products at the time of this survey?

- Producers in Newfoundland and Labrador
- Producers specialized in horticulture
- Operators of very large business-focussed farms

Strength of Relationship

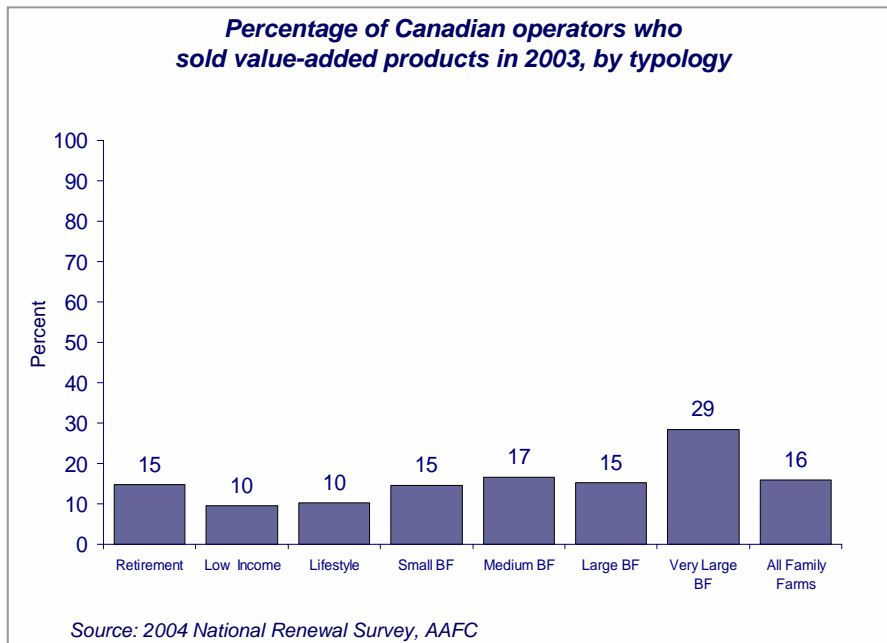
(weak)
(weak)
(weak)

Figure 6.2



$P = 0.000$ *Cramer's V = 0.194* "weak correlation"

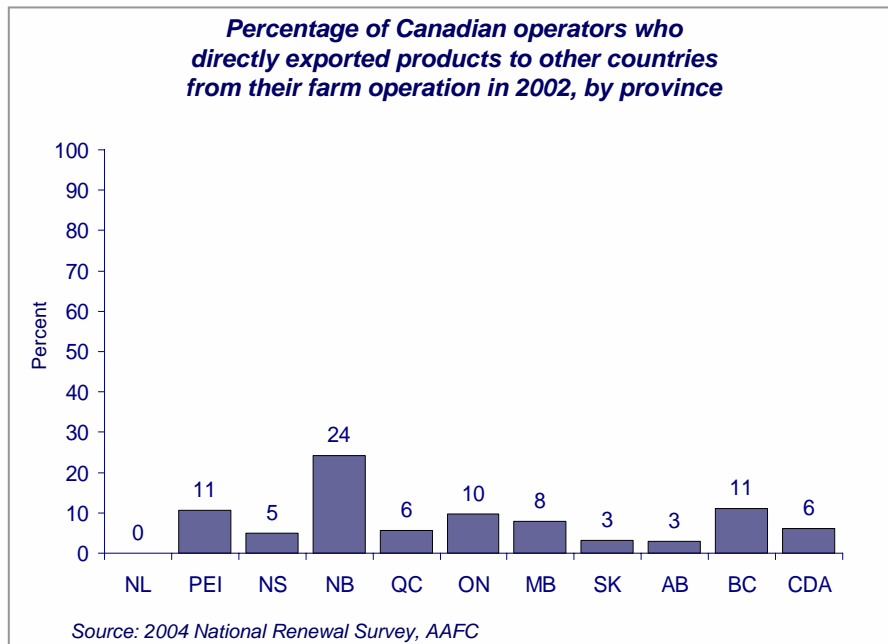
Figure 6.3



$P = 0.046$ *Cramer's V = 0.079* "weak correlation"

6.2 Directly exporting products

Figure 6.4



$P = 0.000$ $Cramer's V = 0.121$ "weak correlation"

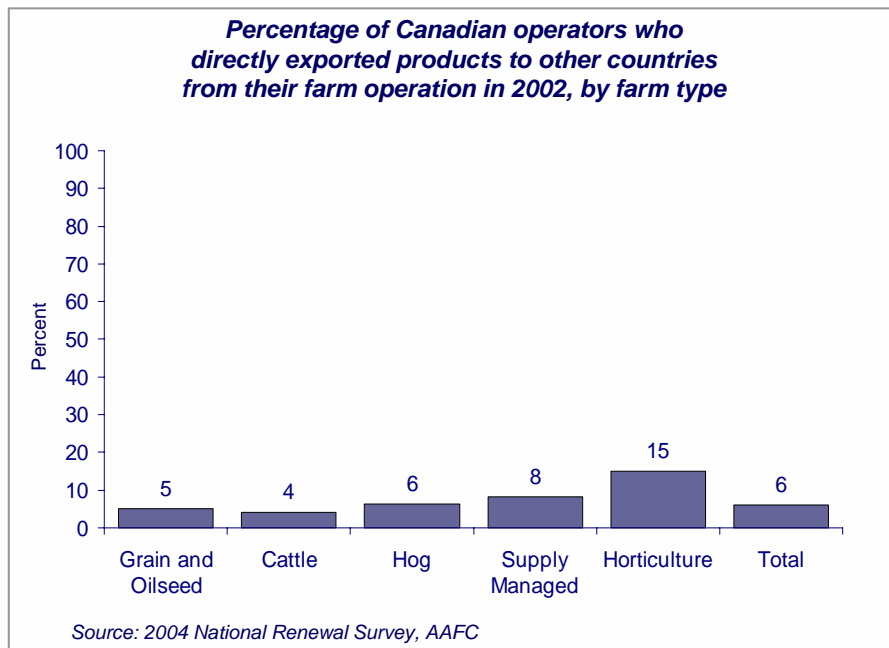
Who were the most likely to directly export their products at the time of this survey?

- Producers in New Brunswick, Prince Edward Island and British Columbia
- Producers specialized in horticulture
- Operators of very large business-focussed farms

Strength of Relationship

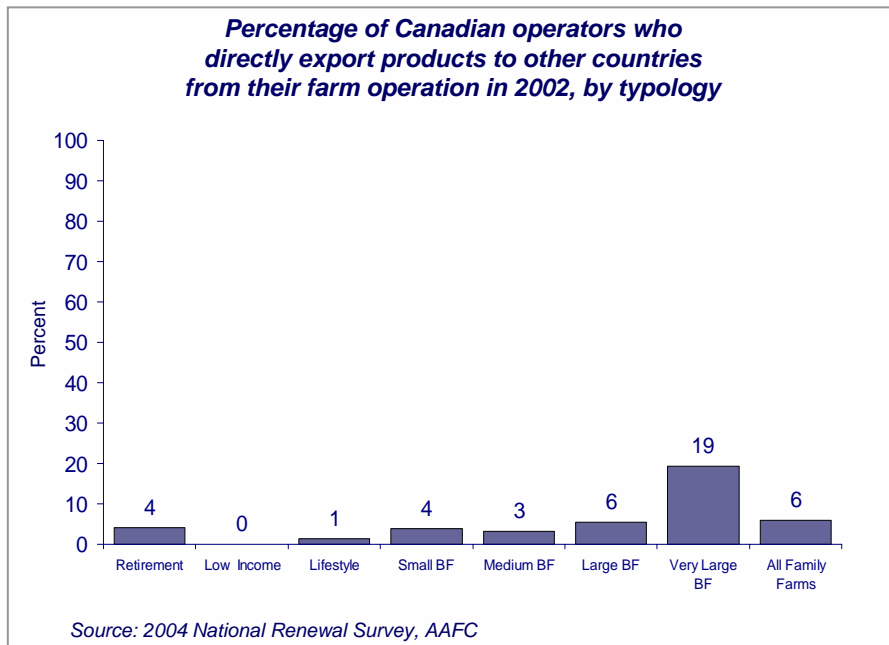
(weak)
(weak)
(weak)

Figure 6.5



$P = 0.000$ $Cramer's V = 0.076$ "weak correlation"

Figure 6.6



$P = 0.000$ $Cramer's V = 0.125$ "weak correlation"

7.0. New business ventures

This section examines new business ventures undertaken by Canadian farm operators. Various methods are covered, including expansion, diversification, introduction of value-added products, or starting a non-farm business. This section also covers questions regarding the decision-making process of Canadian farm operators related to these new ventures.

In the past five years, two thirds (65%) of producers have undertaken some type of new venture by expanding, diversifying, introducing value-added products, or starting a non-farm business. Of these producers, 48% reported that they had expanded their operations, and 31% had diversified their operation.

Before making any changes to their operations, survey respondents determined the impact on net income (86%), analyzed the financial feasibility of the project (78%), identified a market for a new product (68%), consulted an accountant, lender, or other financial expert (61%), identified possible conflicts with their farm's limited resources (56%), consulted an agronomist, input supplier, or other agricultural specialist (49%), consulted other farm operators (47%), or analyzed consumer trends (45%).

Figure 7.1

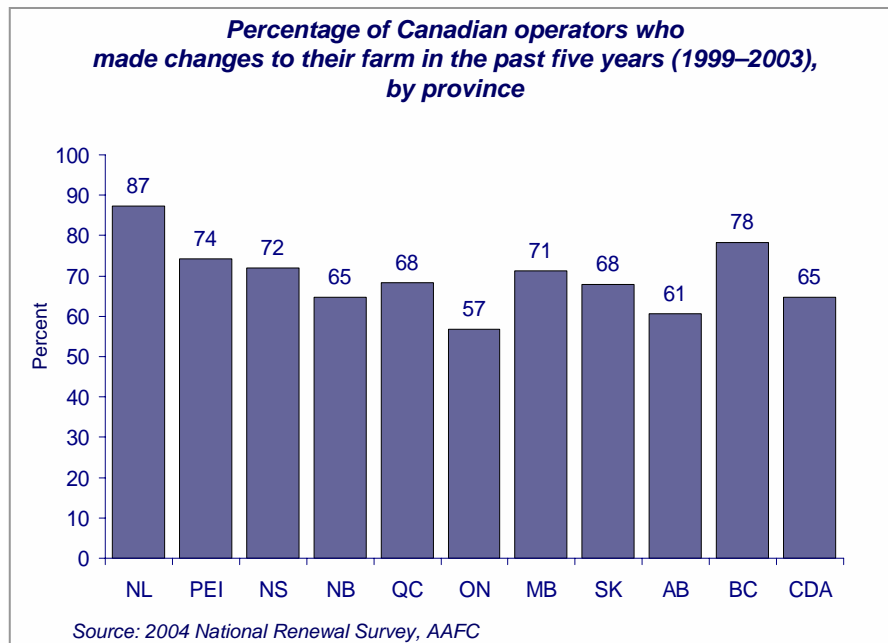


Figure 7.2

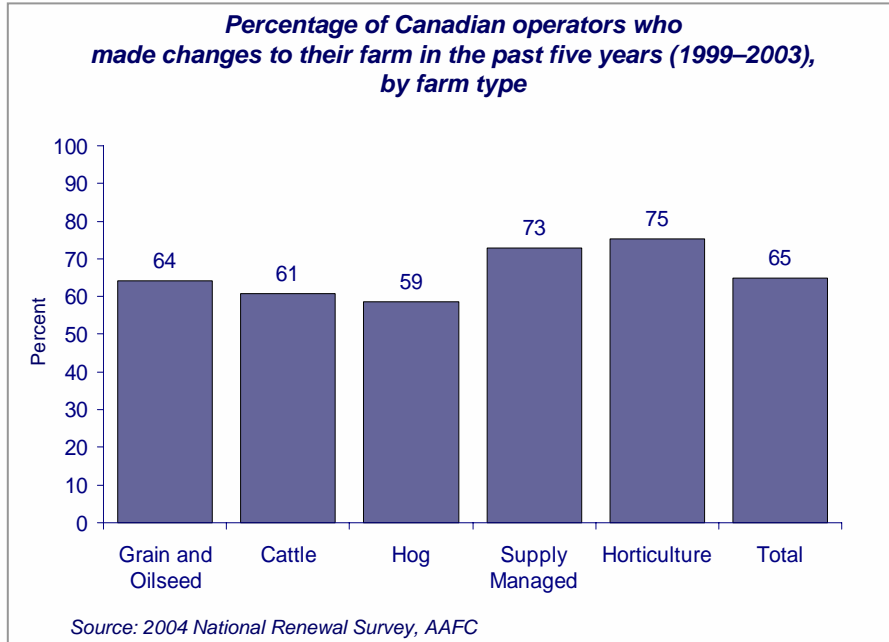
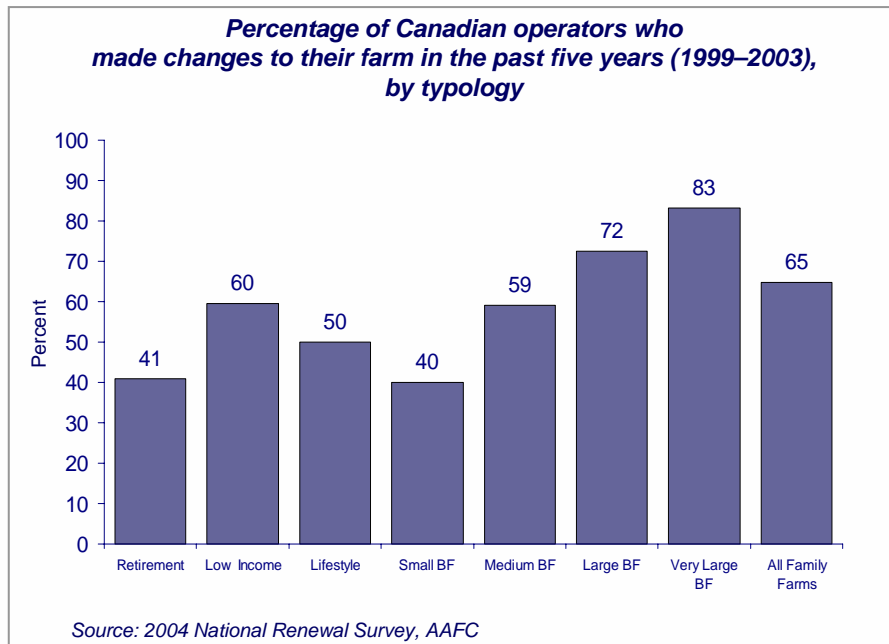


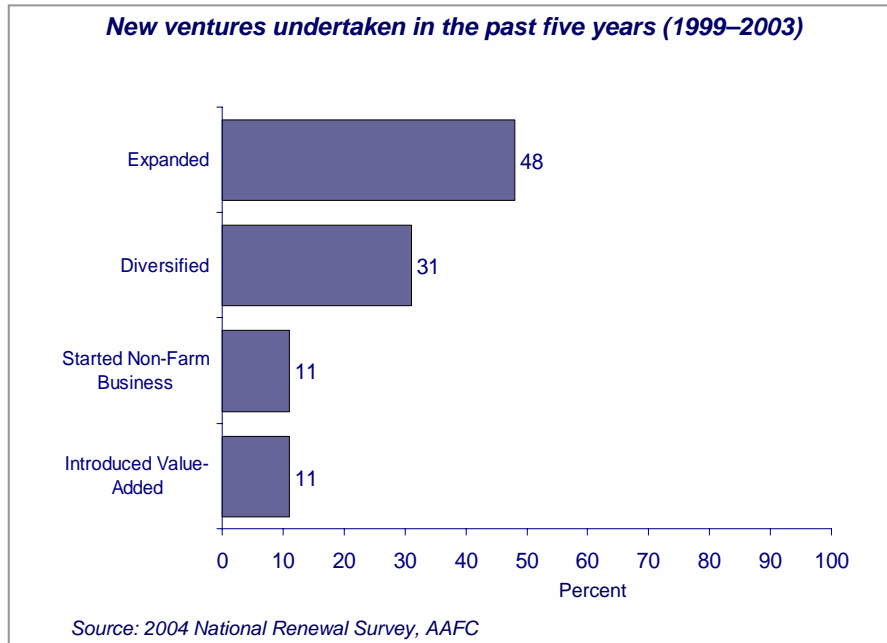
Figure 7.3



7.1 Types of Business Ventures³

Expanding the operation, whether in size or number of units produced, was the most common change reported by producers. Diversification was second.

Figure 7.4

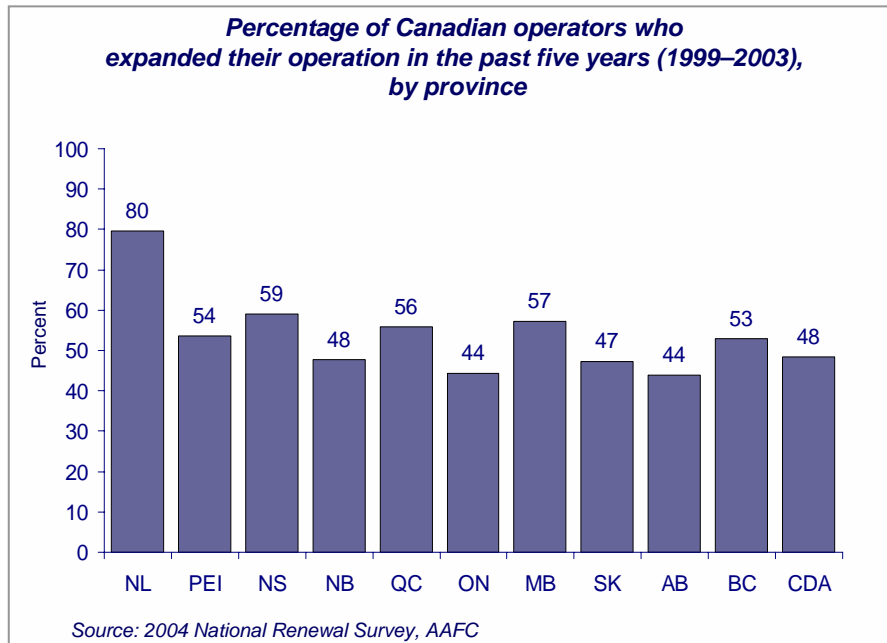


³ Starting a farm supply business such as a seed business is included in starting a non-farm business.

7.1.1 Expanded

In the past five years, 48% of operators have expanded their farm operation.

Figure 7.5



$P = 0.002$ $Cramer's V = 0.110$ "weak correlation"

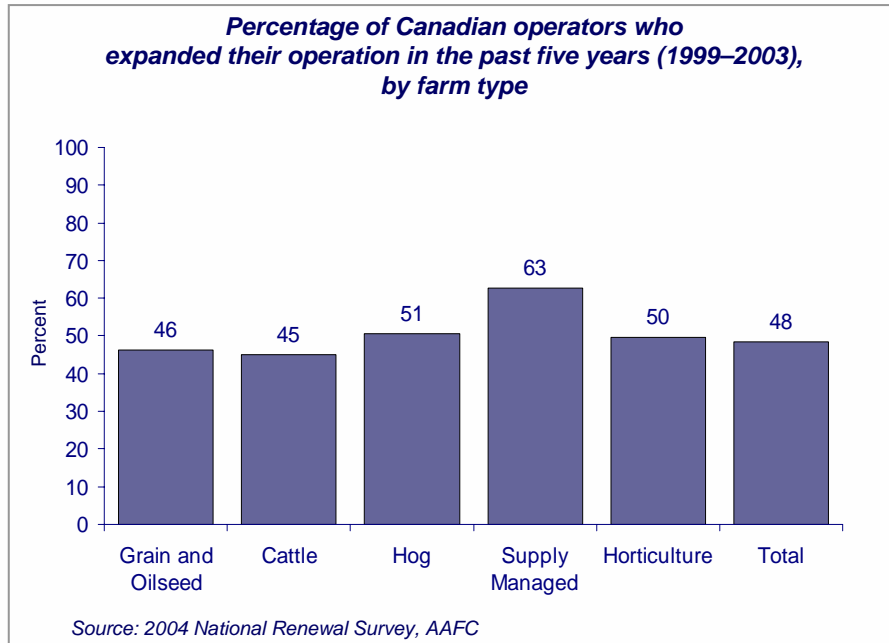
Who were the most likely to have expanded their operation in the past five years?

- Producers in Newfoundland and Labrador
- Producers specialized in supply-managed commodities
- Operators of very large business-focussed farms

Strength of Relationship

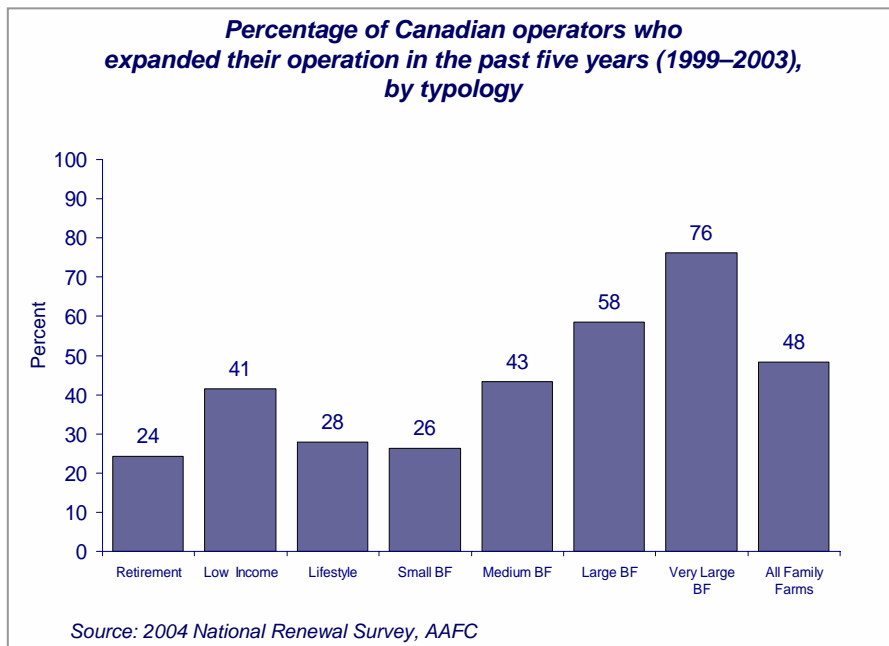
- (weak)
- (weak)
- (strong)

Figure 7.6



$P = 0.000$ *Cramer's V = 0.141* "weak correlation"

Figure 7.7

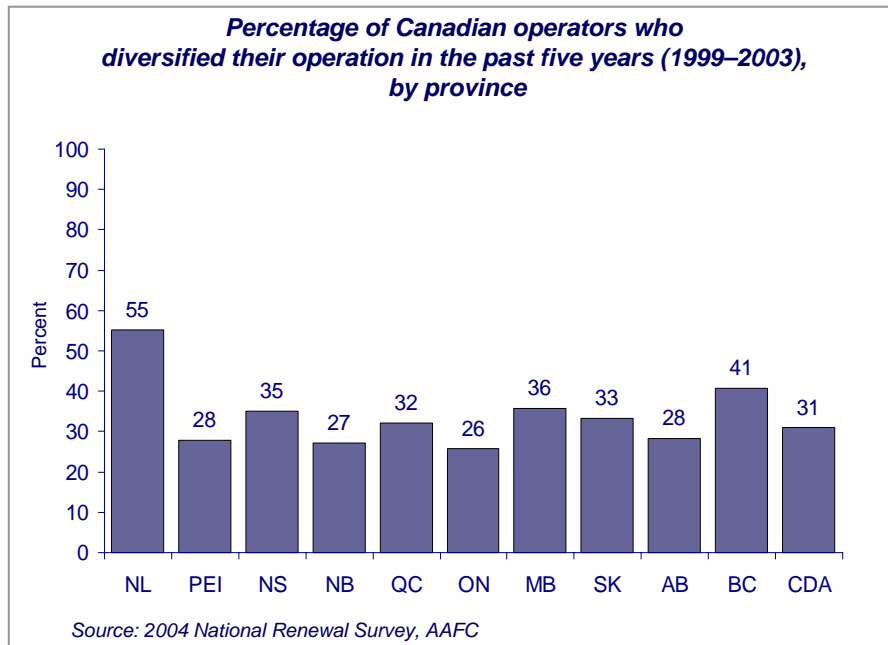


$P = 0.000$ *Cramer's V = 0.304* "strong correlation"

7.1.2 Diversified

In the past five years, 31% of operators have diversified their farm operation.

Figure 7.8



$P = 0.086$ $Cramer's V = 0.085$ "no significant correlation"

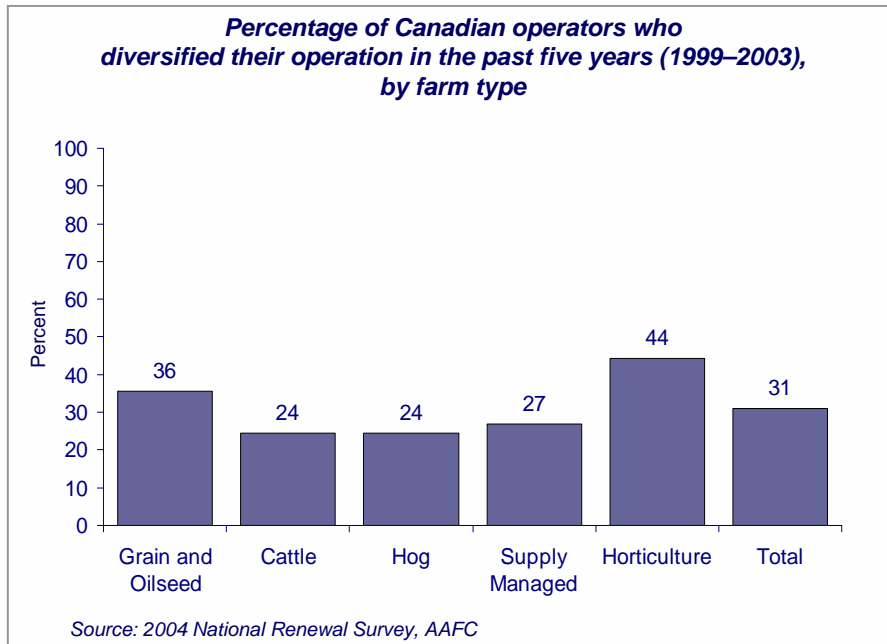
Who were the most likely to have diversified their operation in the past five years?

- Producers in Newfoundland and Labrador
- Producers specialized in horticulture, and grain and oilseed
- Operators of very large business-focussed farms

Strength of Relationship

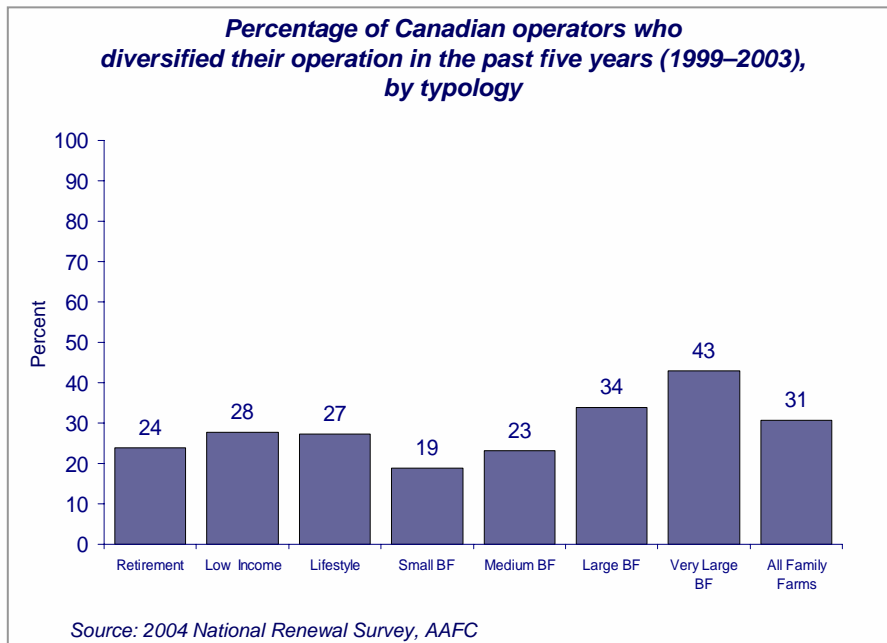
(no correlation)
(weak)
(weak)

Figure 7.9



$P = 0.000$ *Cramer's V = 0.144* "weak correlation"

Figure 7.10

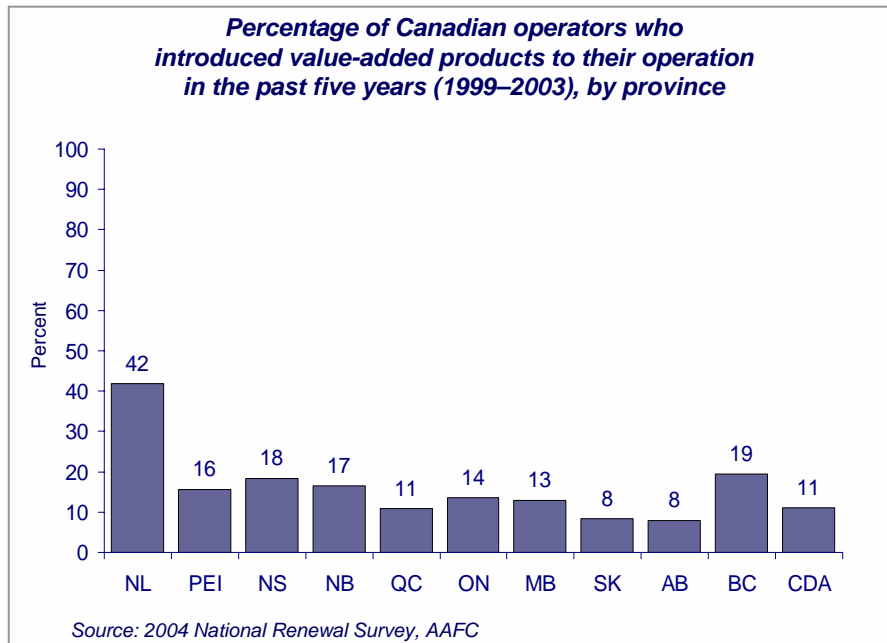


$P = 0.000$ *Cramer's V = 0.109* "weak correlation"

7.1.3 Introduced value-added products

In the past five years, 11% of operators have introduced value-added products to their farm operation.

Figure 7.11



$P = 0.000$ $Cramer's V = 0.119$ "weak correlation"

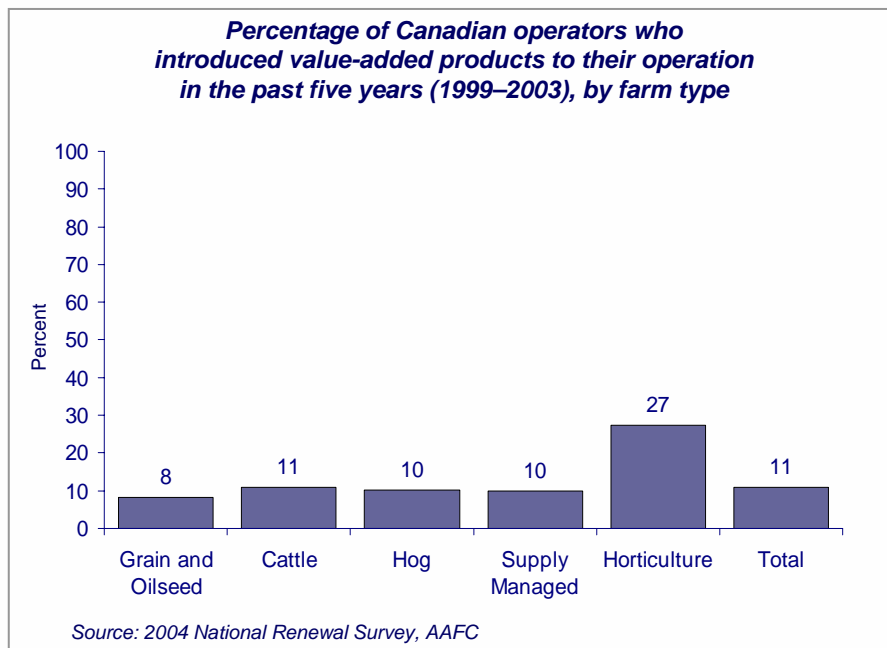
Who were the most likely to have introduced value-added products to their operation in the past five years?

- Producers in Newfoundland and Labrador
- Producers specialized in horticulture
- Operators of very large business-focussed farms

Strength of Relationship

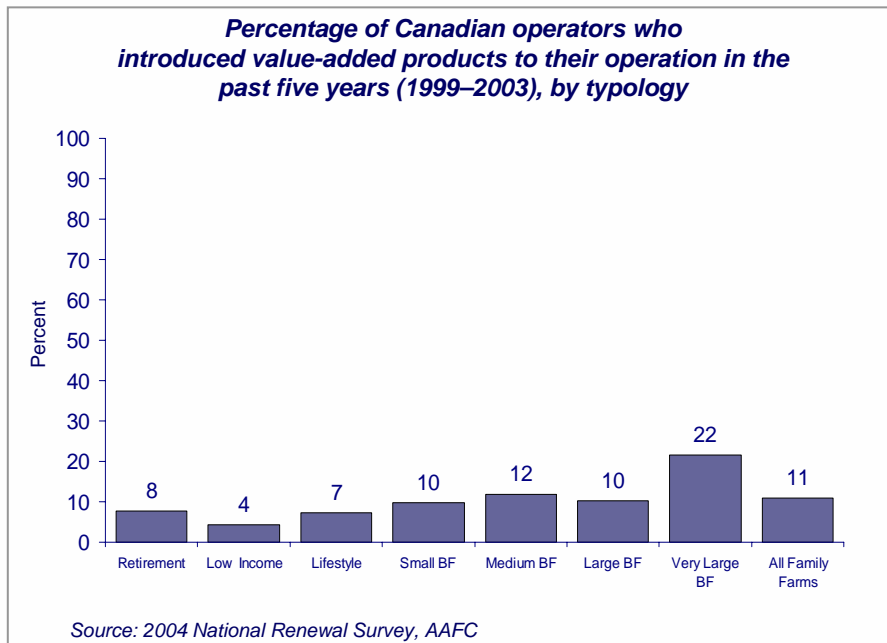
(weak)
(weak)
(weak)

Figure 7.12



$P = 0.000$ $Cramer's V = 0.151$ "weak correlation"

Figure 7.13

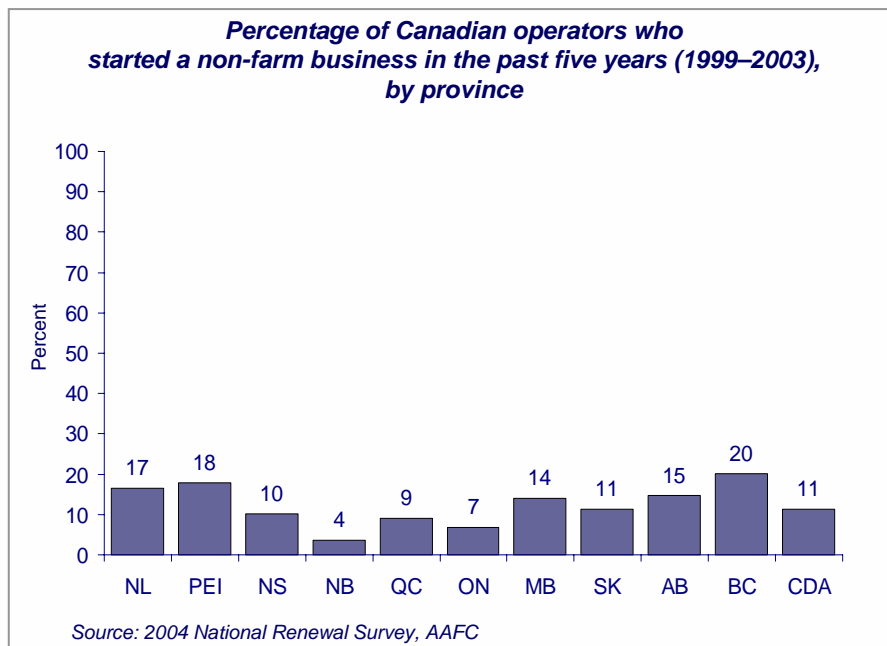


$P = 0.004$ $Cramer's V = 0.096$ "weak correlation"

7.1.4 Started a non-farm business⁴

In the past five years, 11% of operators started non-farm businesses.

Figure 7.14



$P = 0.099$ $Cramer's V = 0.083$ "no significant correlation"

Who was the most likely to have started a non-farm business in the past five years?

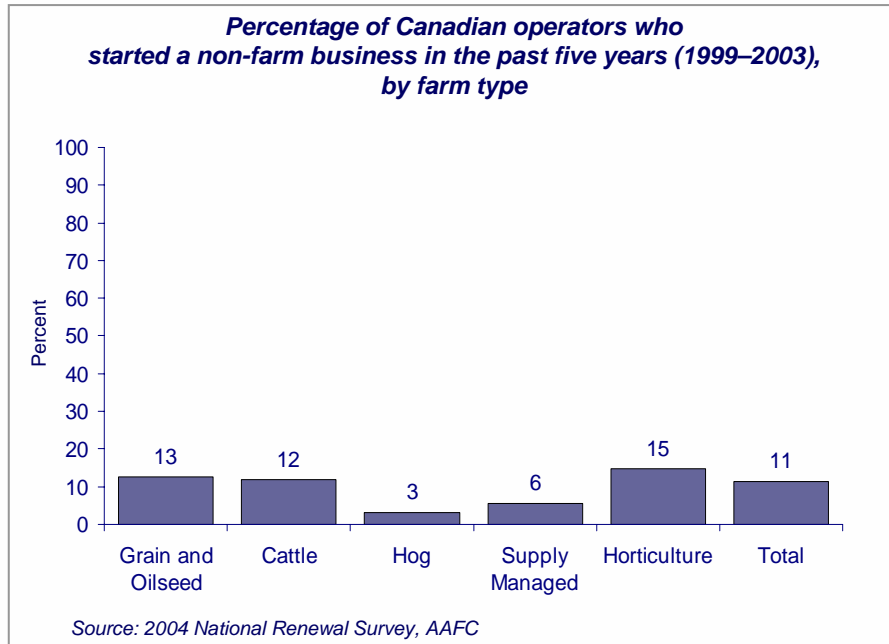
- Producers in British Columbia
- Producers specialized in horticulture
- Operators of low income farms

Strength of Relationship

(no correlation)
(no correlation)
(weak)

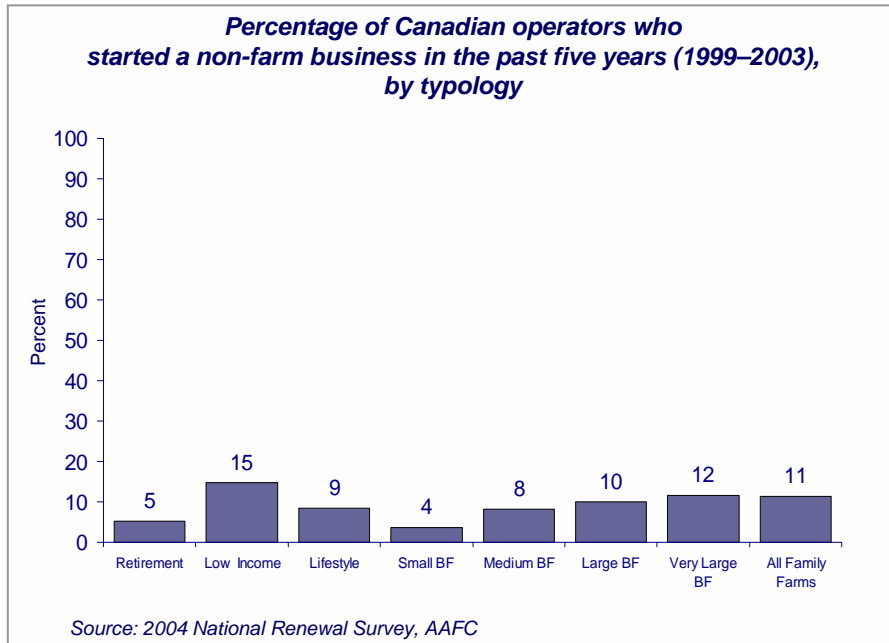
⁴ Includes farm supply businesses

Figure 7.15



$P = 0.252$ $Cramer's V = 0.050$ "no significant correlation"

Figure 7.16



$P = 0.006$ $Cramer's V = 0.093$ "weak correlation"

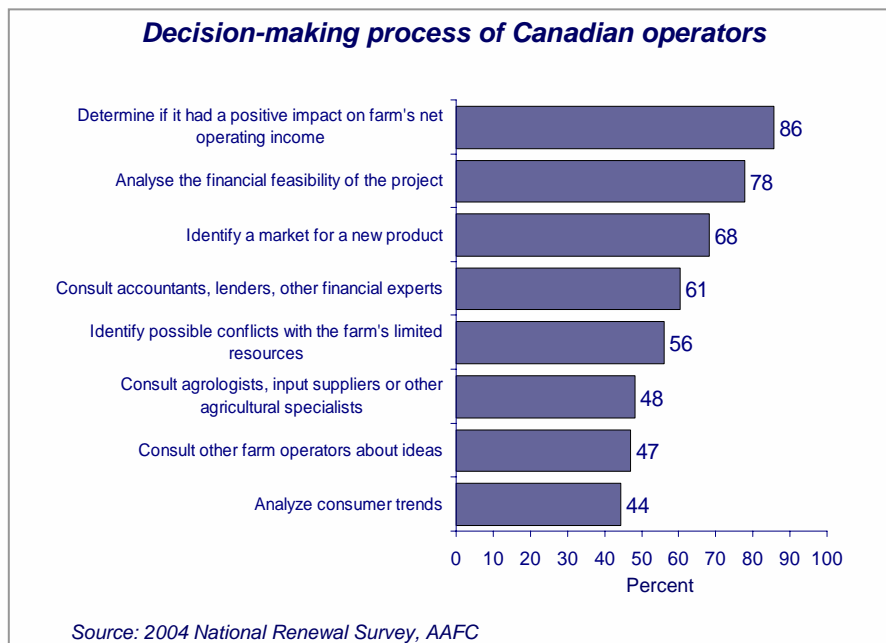
7.2 Decision-making process

Producers were asked which of the following actions they took prior to making changes to their operation:

- consult other farm operators about your idea
- consult agrologists, input suppliers, or other agricultural specialists
- consult accountants, lenders, or other financial experts
- analyze consumer trends
- identify a market for a new product
- analyze the financial feasibility of the project
- identify possible conflicts with the farm's limited resources
- determine if it would have a positive impact on farm's net operating income

Producers were most likely to analyze the financial feasibility of the project and/or identify a market for the new product before carrying out changes to their operation.

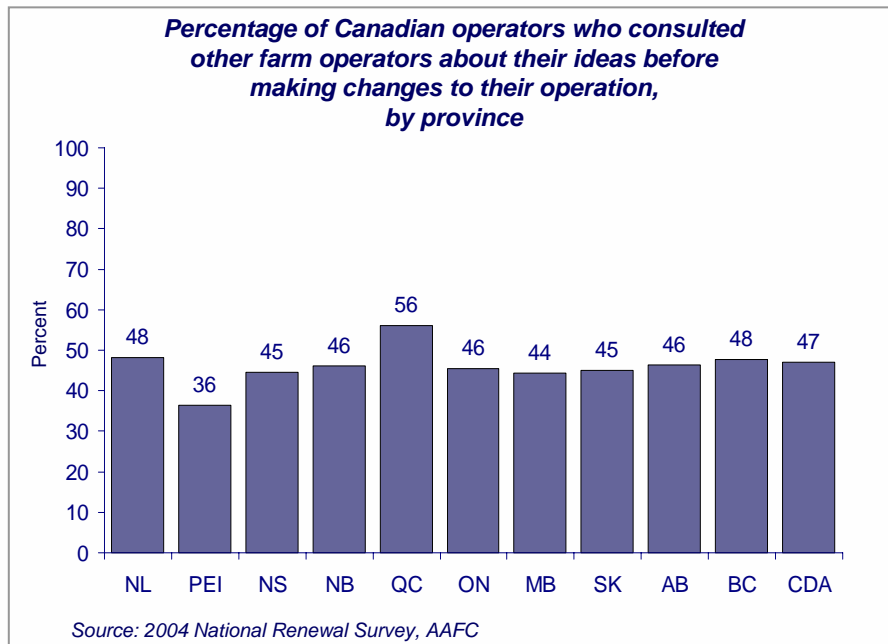
Figure 7.17



7.2.1 Consult other farm operators about the idea

Before making changes to their operation, 47% of farm operators consulted other farm operators about their ideas.

Figure 7.18



$P = 0.000$

Cramer's $V = 0.077$

"weak correlation"

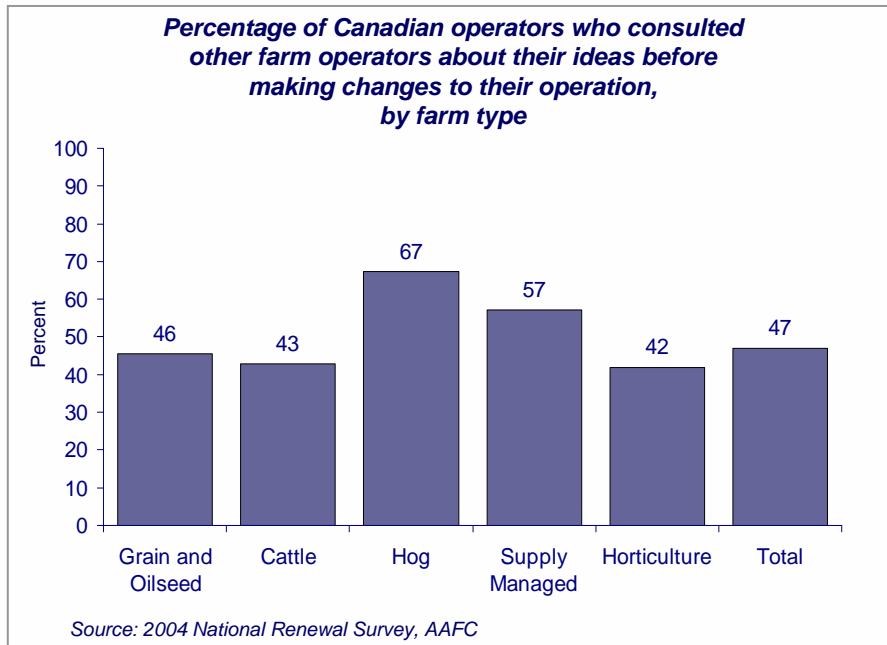
Who were the most likely to consult with other farm operators before making changes to their operation?

Strength of Relationship

- Producers in Quebec
- Producers specialized in hogs
- Operators of very large business-focussed farms

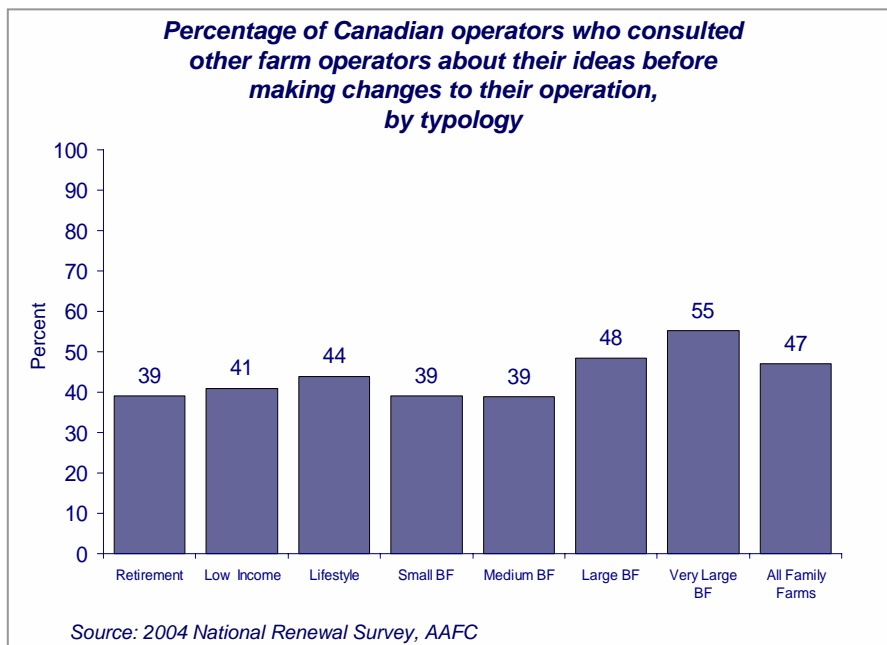
(weak)
(weak)
(weak)

Figure 7.19



$P = 0.000$ $Cramer's V = 0.128$ "weak correlation"

Figure 7.20

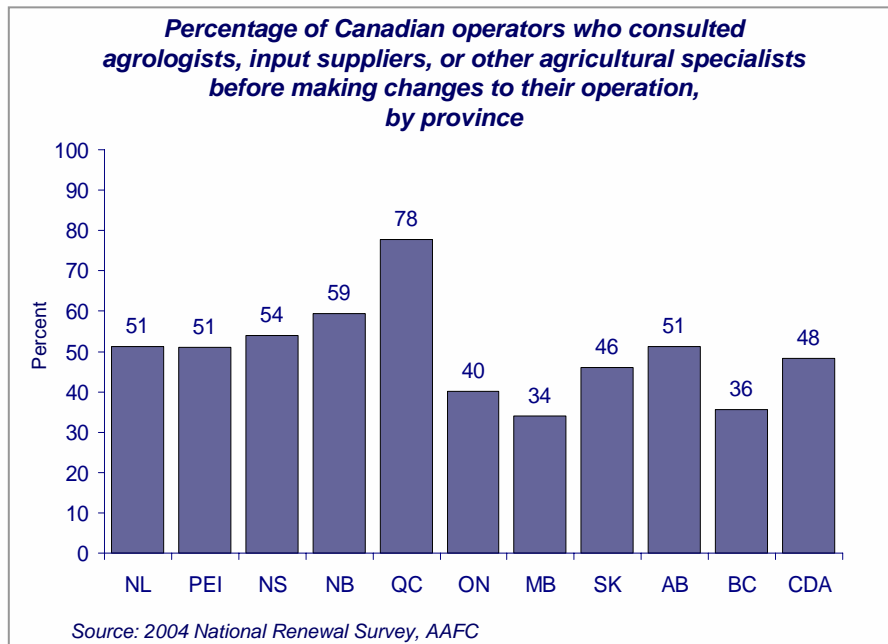


$P = 0.000$ $Cramer's V = 0.106$ "weak correlation"

7.2.2 Consult agrologists, input suppliers, or other agricultural specialists

Before making changes to their operation, 49% of farm operators consulted an agrologist, input supplier or other agricultural specialist.

Figure 7.21



$P = 0.000$

Cramer's $V = 0.266$

"strong correlation"

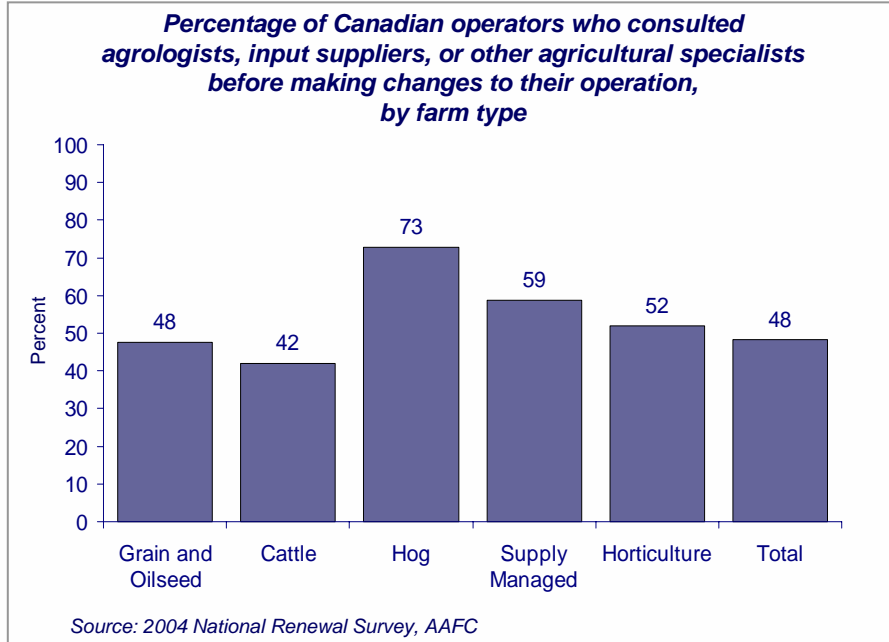
Who were the most likely to consult agricultural specialists before making changes to their operation?

Strength of Relationship

- Producers in Quebec
- Producers specialized in hogs
- Operators of very large business-focussed farms

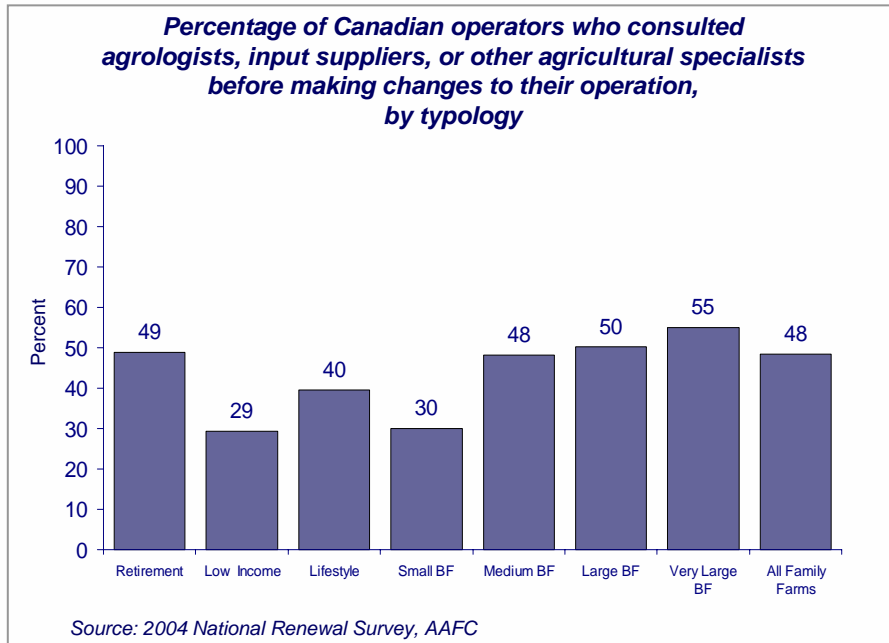
(strong)
(weak)
(weak)

Figure 7.22



$P = 0.000$ $Cramer's V = 0.170$ "weak correlation"

Figure 7.23

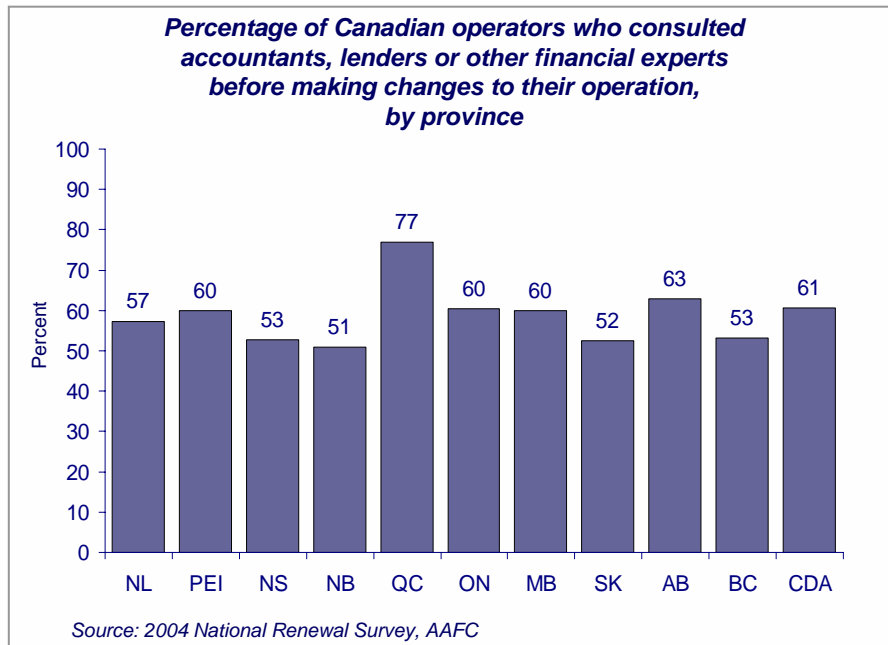


$P = 0.005$ $Cramer's V = 0.120$ "weak correlation"

7.2.3 Consult accountants, lenders, or other financial experts

Before making changes to their operation, 61% of farm operators consulted an accountant, lender or other financial expert.

Figure 7.24



$P = 0.002$ $Cramer's V = 0.143$ "weak correlation"

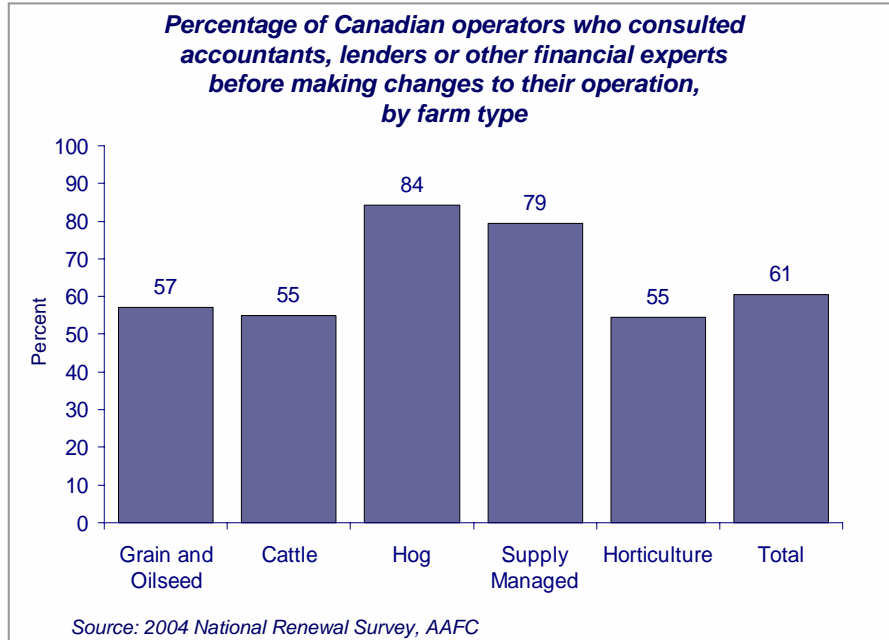
Who were the most likely to consult financial experts before making changes to their operation?

- Producers in Quebec
- Producers specialized in hogs and supply-managed commodities
- Operators of very large business-focussed farms

Strength of Relationship

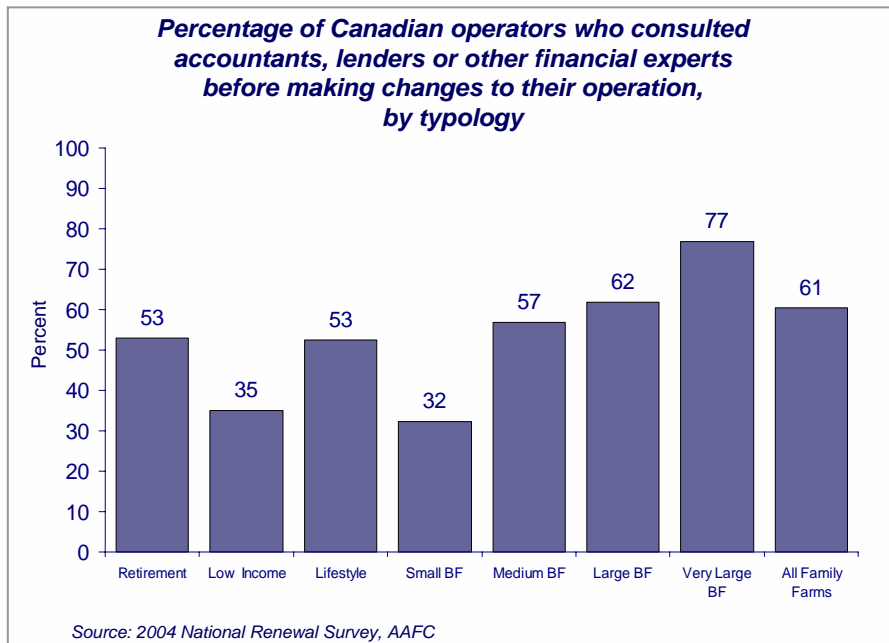
(weak)
(moderate)
(moderate)

Figure 7.25



$P = 0.000$ $Cramer's V = 0.249$ "moderate correlation"

Figure 7.26

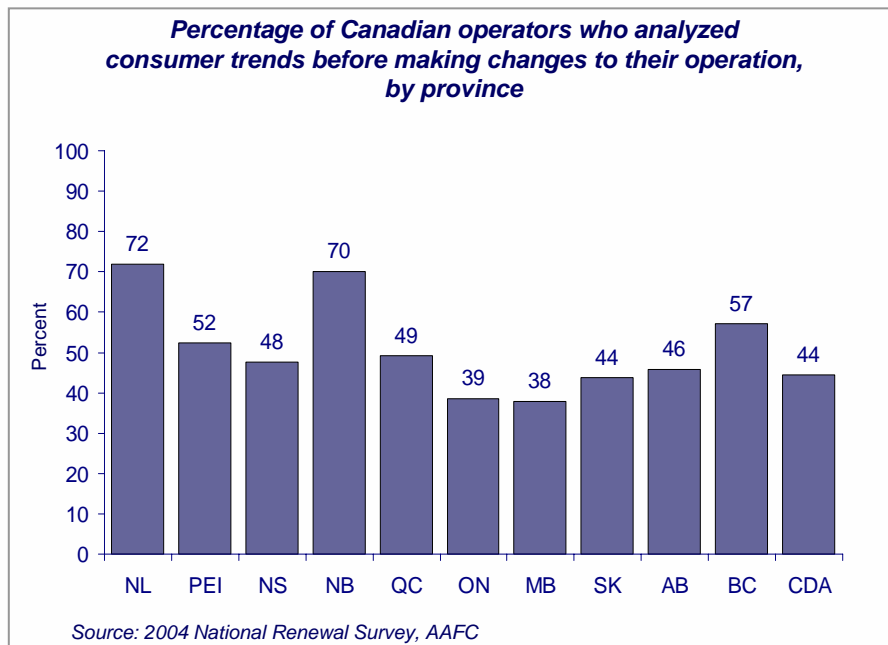


$P = 0.000$ $Cramer's V = 0.233$ "moderate correlation"

7.2.4 Analyze consumer trends

Before making changes to their operation, 45% of farm operators analyzed consumer trends.

Figure 7.27



$P = 0.030$ $Cramer's V = 0.140$ "weak correlation"

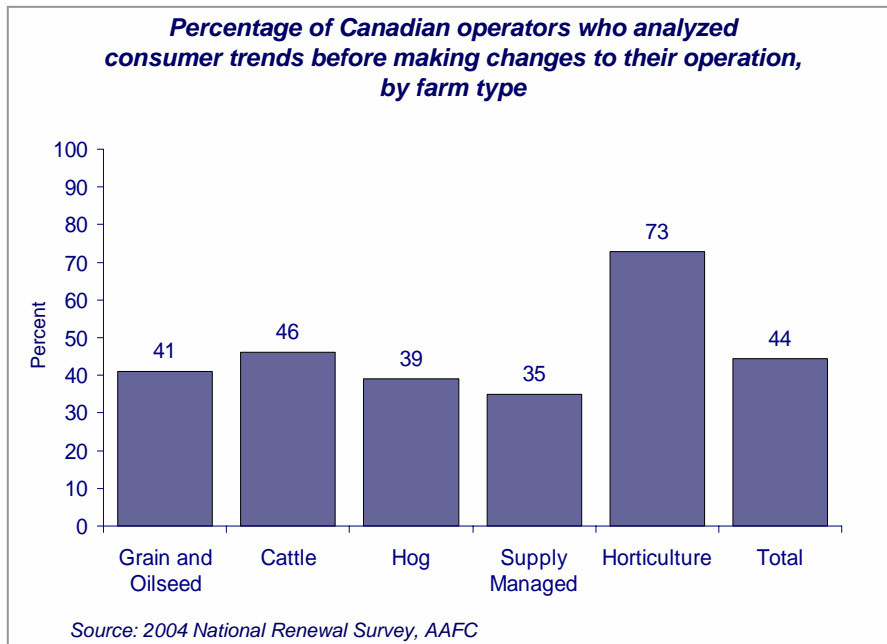
Who were the most likely to analyze consumer trends before making changes to their operation?

- Producers in Newfoundland and Labrador and in New Brunswick
- Producers specialized in horticulture
- Operators of small and very large business-focussed farms

Strength of Relationship

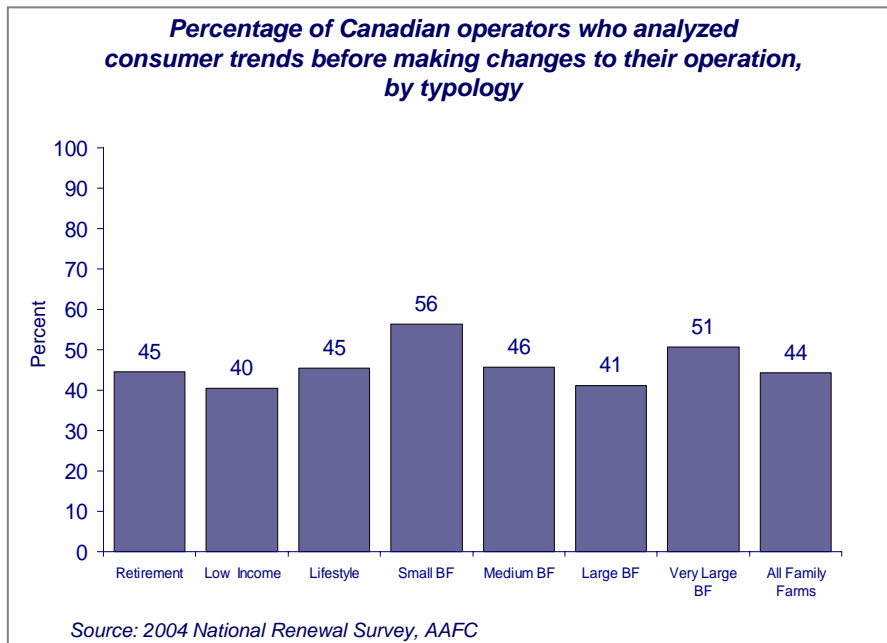
(weak)
(weak)
(no correlation)

Figure 7.28



$P = 0.000$ $Cramer's V = 0.203$ "weak correlation"

Figure 7.29

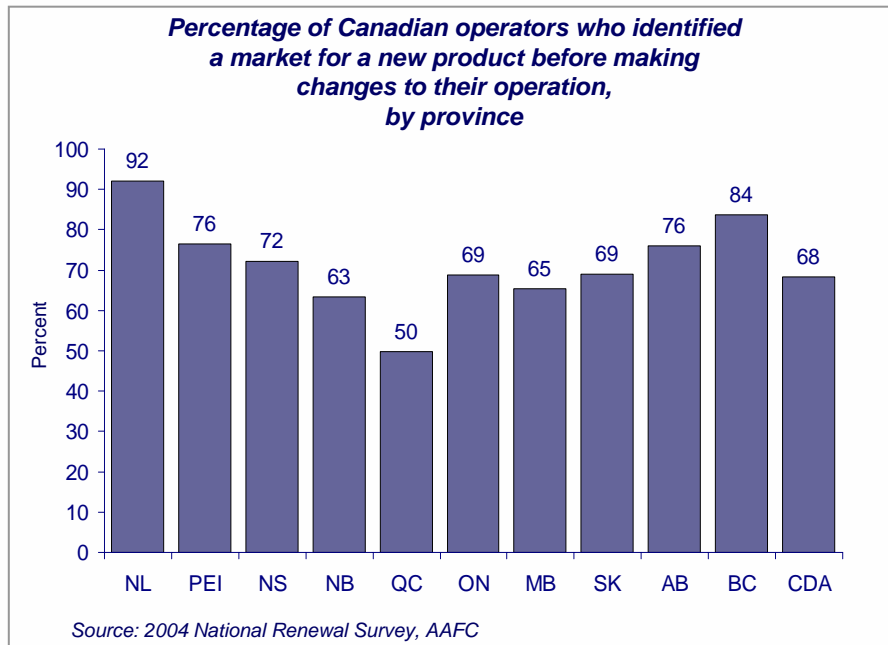


$P = 0.323$ $Cramer's V = 0.074$ "no significant correlation"

7.2.5 Identify a market for a new product

Before making changes to their operation, 68% of farm operators identified a market for a new product.

Figure 7.30



$P = 0.000$ $Cramer's V = 0.192$ "weak correlation"

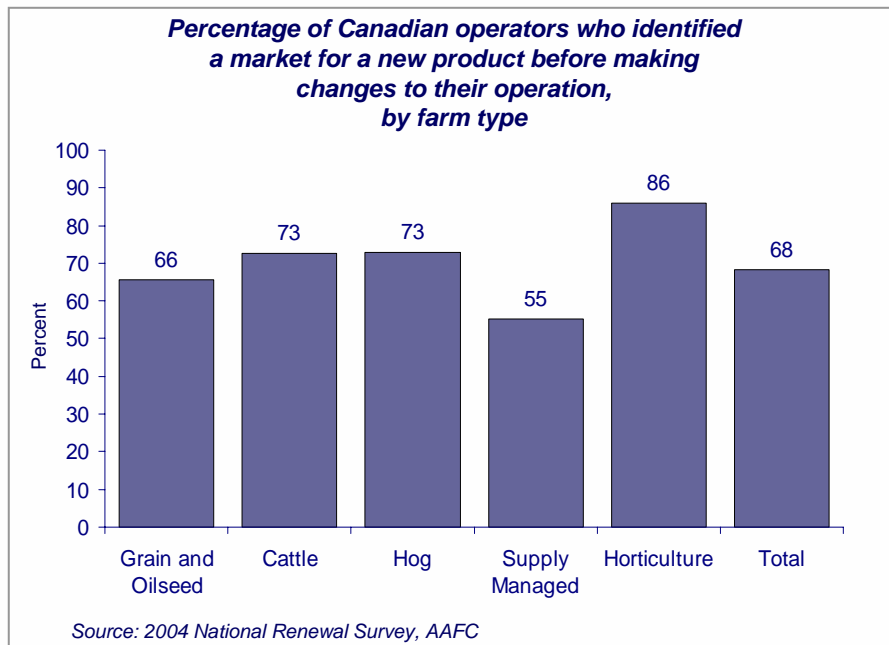
Who were the most likely to identify a market for a new product before making changes to their operation?

- Producers in Newfoundland and Labrador and in British Columbia
- Producers specialized in horticulture
- Operators of medium business-focussed farms

Strength of Relationship

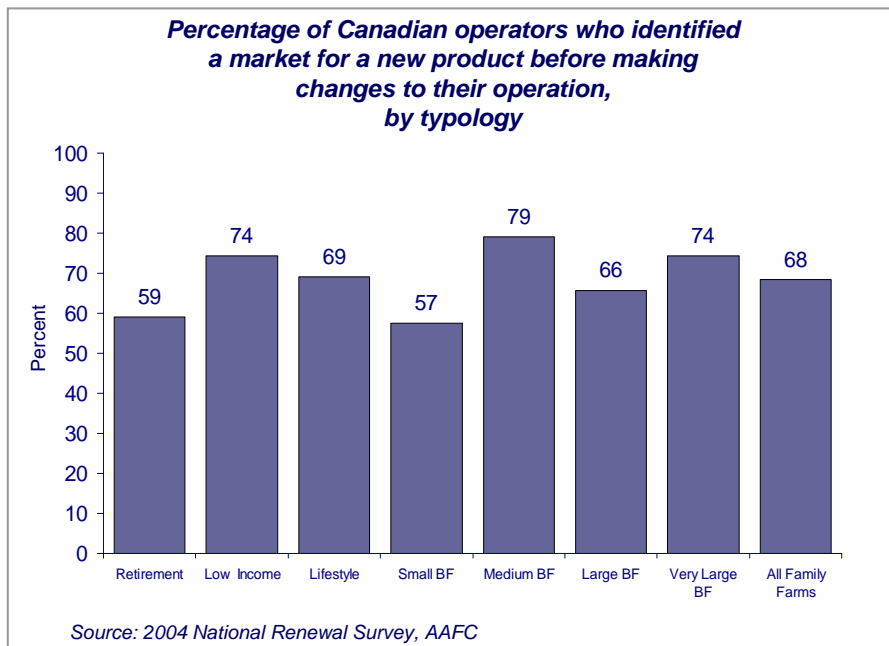
(weak)
(weak)
(no correlation)

Figure 7.31



$P = 0.000$ $Cramer's V = 0.186$ "weak correlation"

Figure 7.32

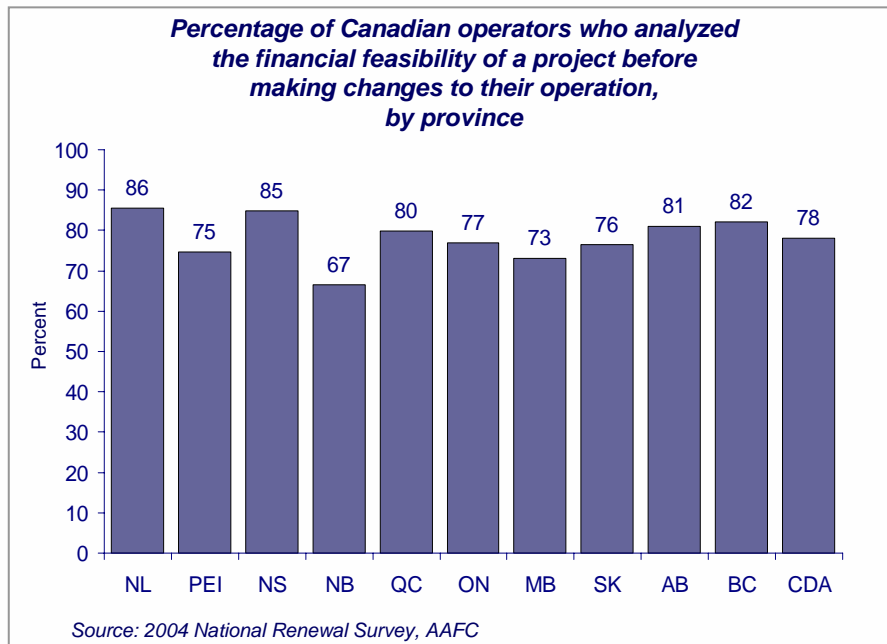


$P = 0.201$ $Cramer's V = 0.082$ "no significant correlation"

7.2.6 Analyze the financial feasibility of a project

Before making changes to their operation, 78% of farm operators analyzed the financial feasibility of a project.

Figure 7.33



$P = 0.394$ $Cramer's V = 0.086$ "no significant correlation"

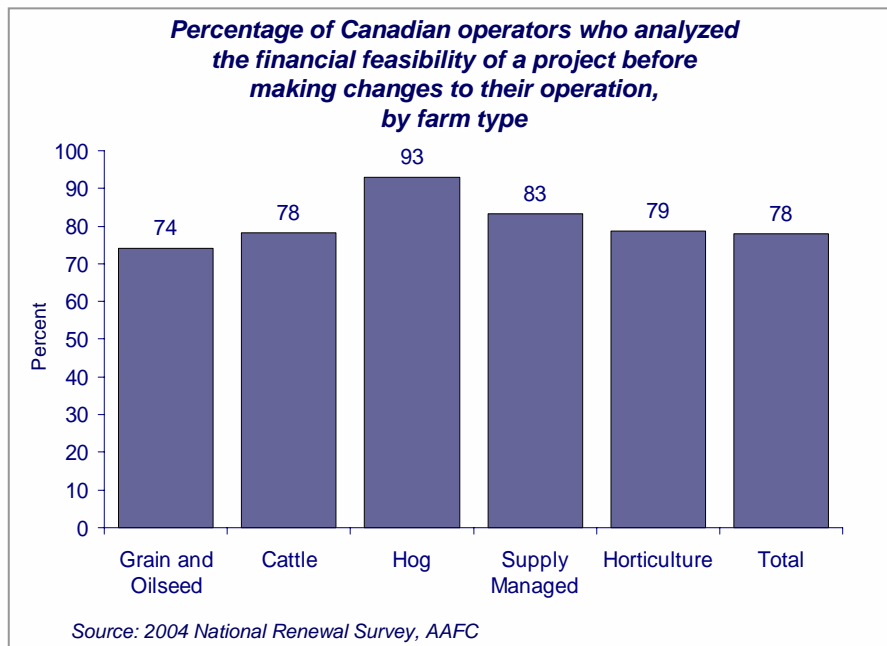
Who were the most likely to analyze the financial feasibility of a project before making changes to their operation?

Strength of Relationship

- Producers in Newfoundland and Labrador and in Nova Scotia
- Producers specialized in hogs
- Operators of very large business-focussed farms

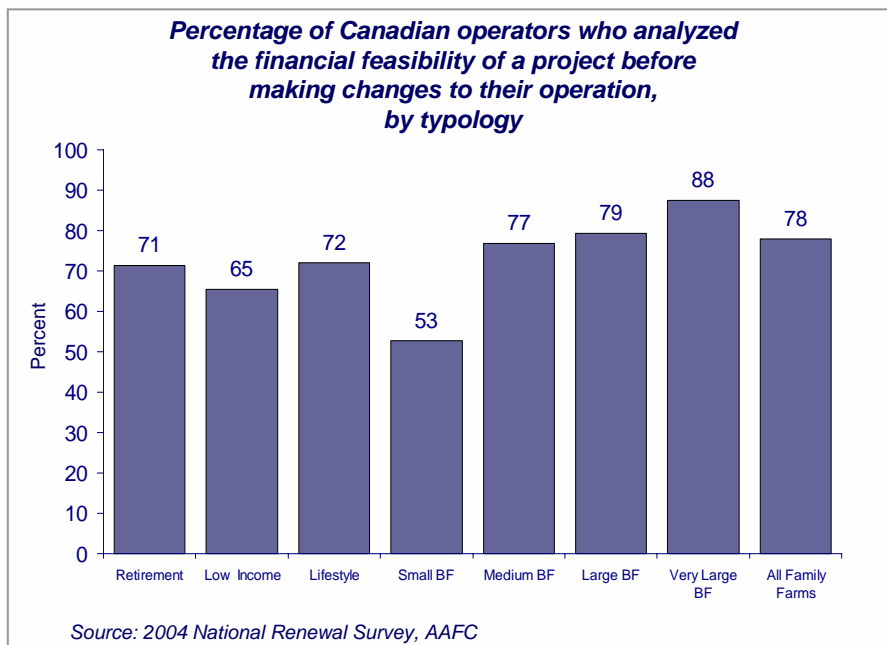
(no correlation)
(weak)
(weak)

Figure 7.34



$P = 0.001$ *Cramer's V = 0.120* "weak correlation"

Figure 7.35

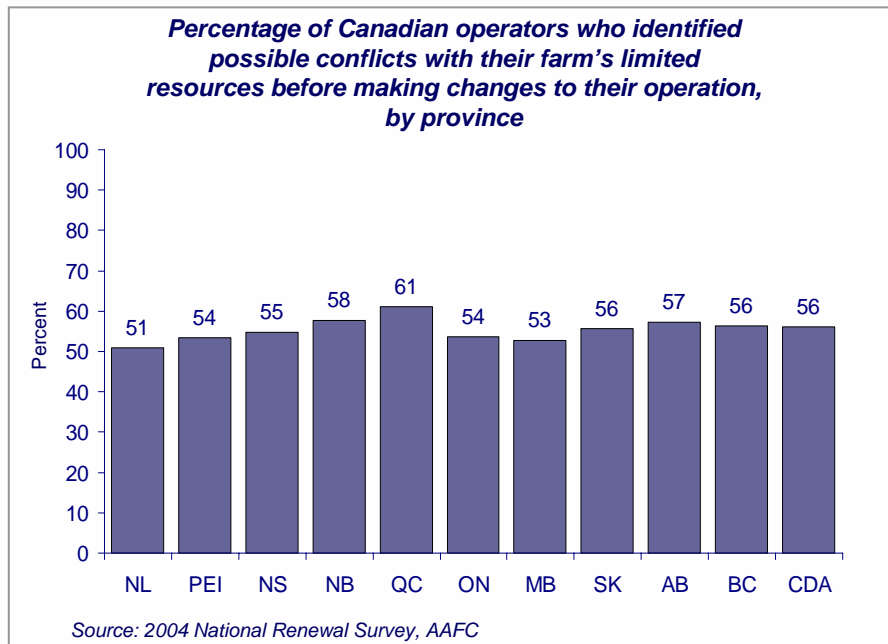


$P = 0.000$ *Cramer's V = 0.160* "weak correlation"

7.2.7 Identify conflicts with the farm's limited resources

Before making changes to their operation, 56% of farm or ranch operators identified possible conflicts with their farm's limited resources.

Figure 7.36



$P = 0.756$ $Cramer's V = 0.067$ "no significant correlation"

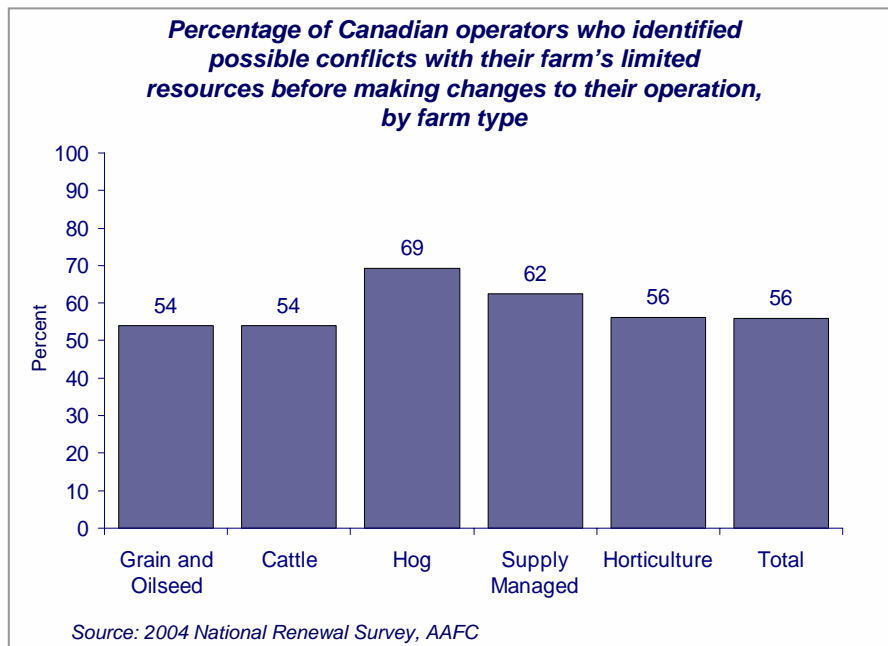
Who were the most likely to identify conflicts with their farm's limited resources before making changes to their operation?

- Producers in Quebec
- Producers specialized in hogs
- Operators of very large business-focussed farms

Strength of Relationship

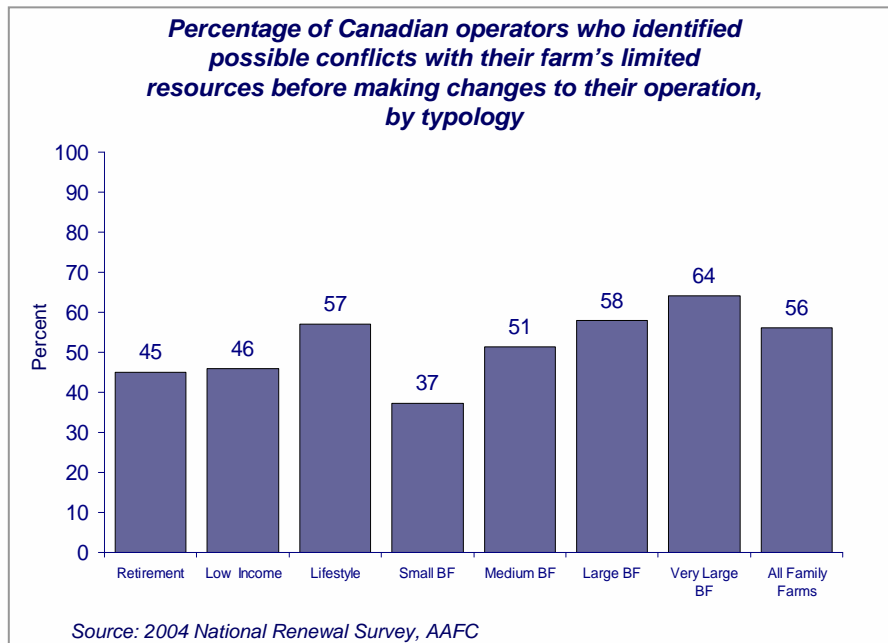
(no correlation)
(weak)
(weak)

Figure 7.37



$P = 0.045$ $Cramer's V = 0.087$ "weak correlation"

Figure 7.38

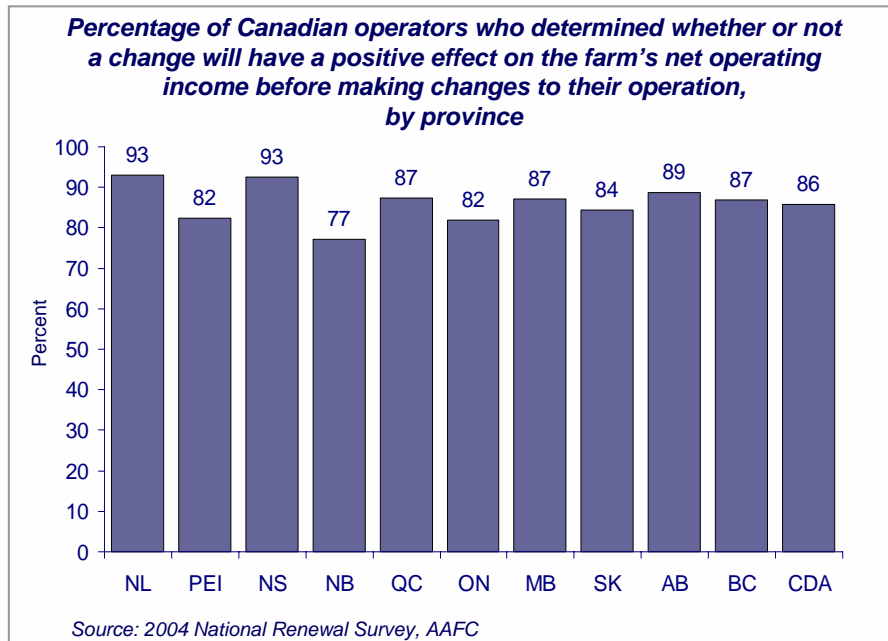


$P = 0.000$ $Cramer's V = 0.150$ "weak correlation"

7.2.8 Determine whether or not a change would have a positive effect on the farm's net operating income

Before making changes to their operation, 86% of farm operators determined whether or not a change would have a positive effect on their farm's net operating income.

Figure 7.39



$P = 0.000$ $Cramer's V = 0.077$ "weak correlation"

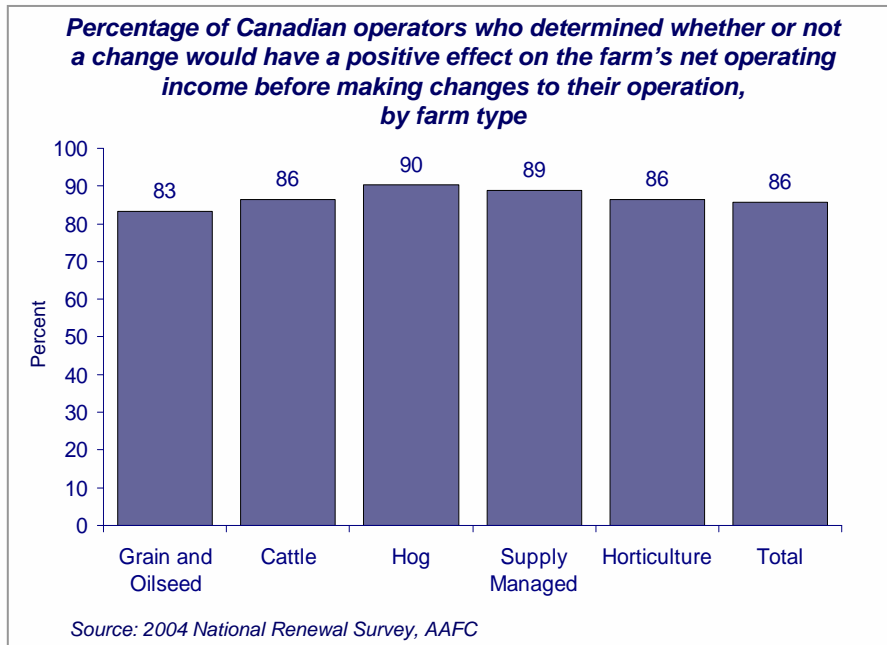
Who were the most likely to determine whether a change would have a positive effect on the farm's net operating income before making changes to their operation?

Strength of Relationship

- Producers in Newfoundland and Labrador and in Nova Scotia
- Producers specialized in hogs
- Operators of very large business-focussed farms

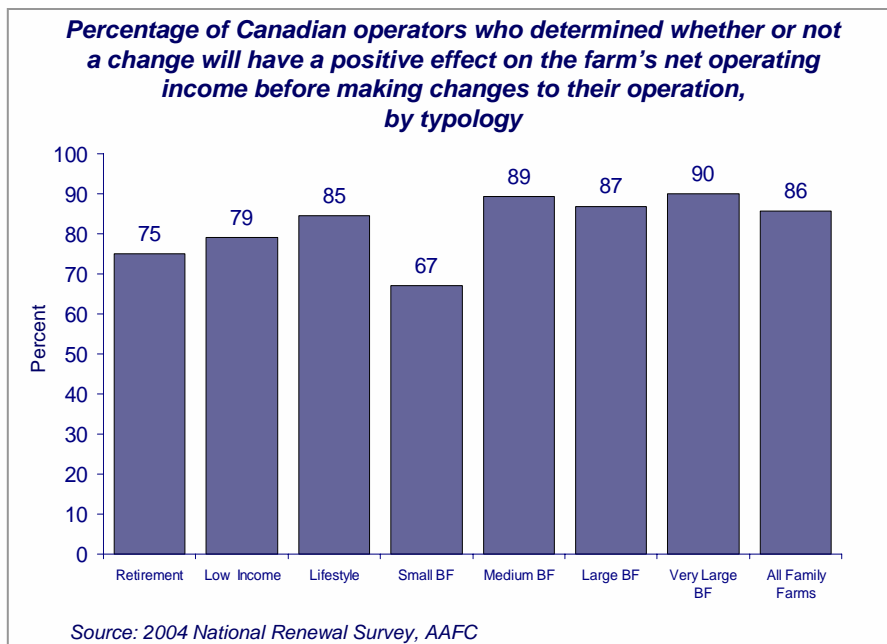
(weak)
(weak)
(weak)

Figure 7.40



$P = 0.000$ $Cramer's V = 0.064$ "weak correlation"

Figure 7.41



$P = 0.000$ $Cramer's V = 0.146$ "weak correlation"

8.0. Training

This section examines the training received by farm operators. The first part looks at the education levels of respondents and the percentage who have taken training. The remainder of the section examines the format of training received, the type of training received (farm-related or non-farm-related), as well as the specific farm-related courses taken.

In 2003, 52% of survey respondents had completed some form of post-secondary education: 32% attended community college, and 20% attended university.

Farm-related training was chosen by 59% of Canadian farm operators, with the most popular course topics being agricultural production, environmental management, and food safety and quality training. Another 21% of Canadian operators took non-farm related training in the past five years. The training method chosen by most producers was “workshops and seminars”.

8.1 Education

More than half of survey respondents (52%) had completed some form of post-secondary education: One third had attended community college and the remaining 20% had attended university.

Figure 8.1

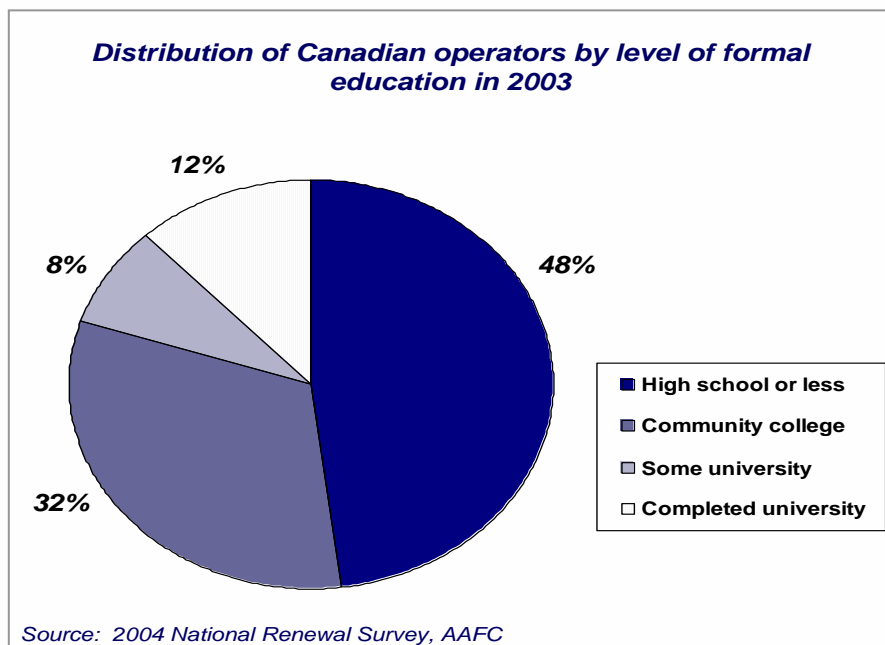
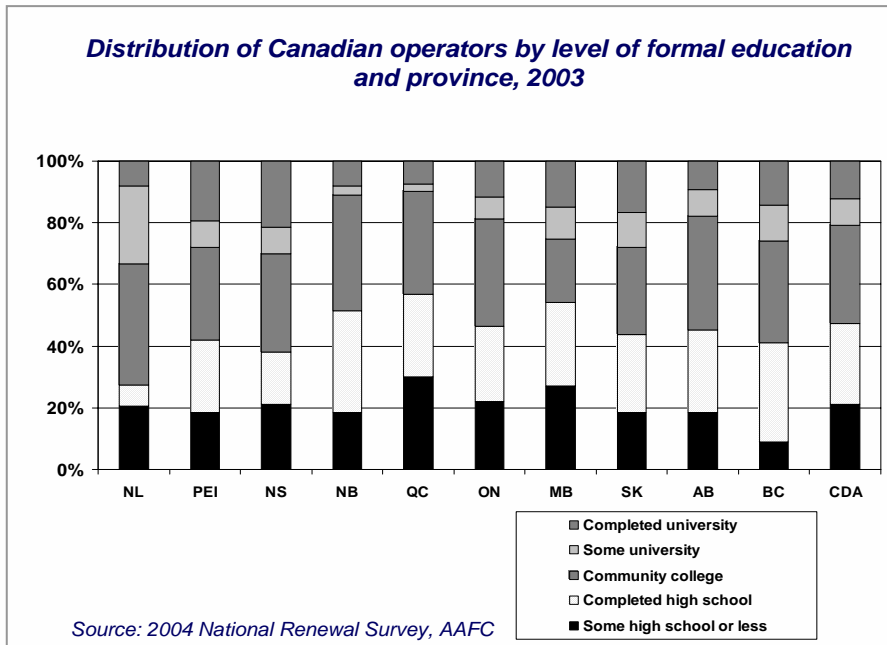
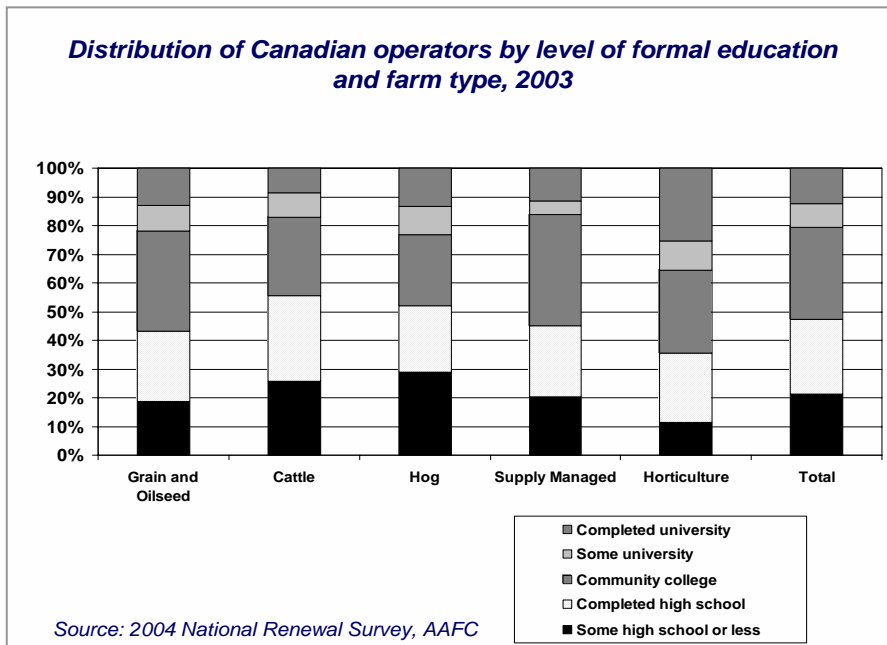


Figure 8.2



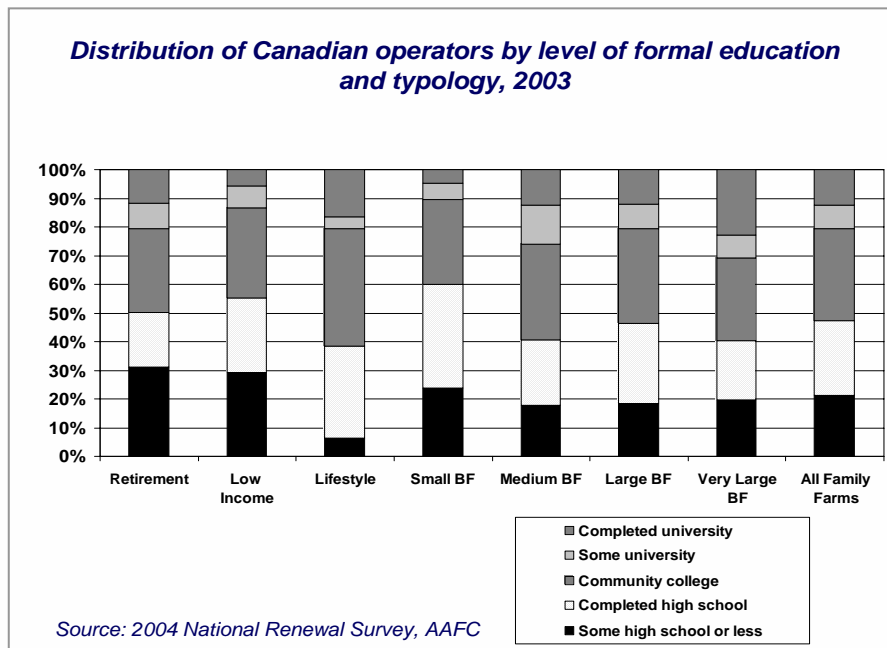
$P = 0.000$ $Cramer's V = 0.099$ "weak correlation"

Figure 8.3



$P = 0.000$ $Cramer's V = 0.108$ "weak correlation"

Figure 8.4

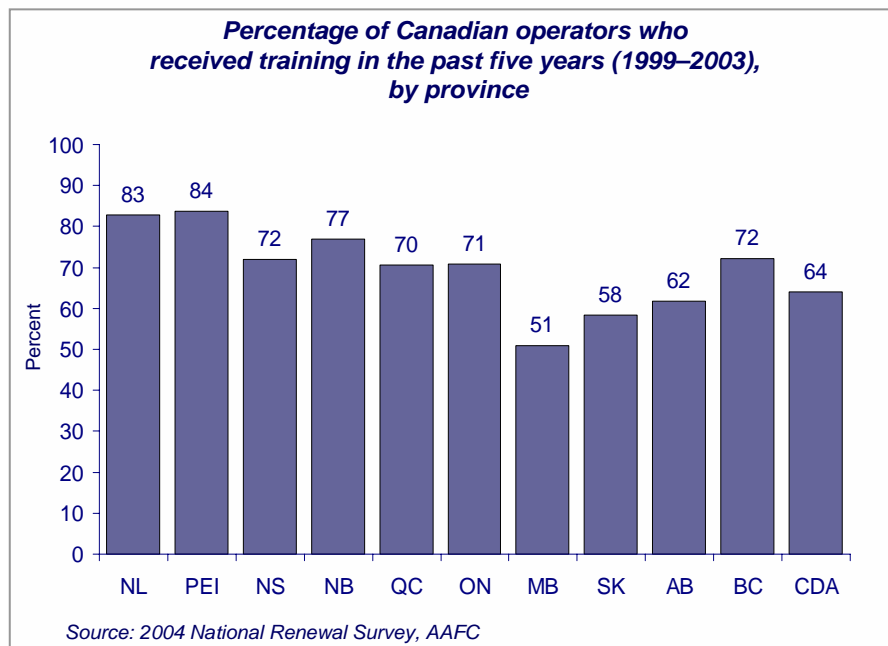


$P = 0.000$ $Cramer's V = 0.100$ "weak correlation"

8.2 Participation in training

Almost two thirds of farm operators in Canada reported taking some form of training in the past five years (1999 to 2003).

Figure 8.5



$P = 0.000$ $Cramer's V = 0.186$ "weak correlation"

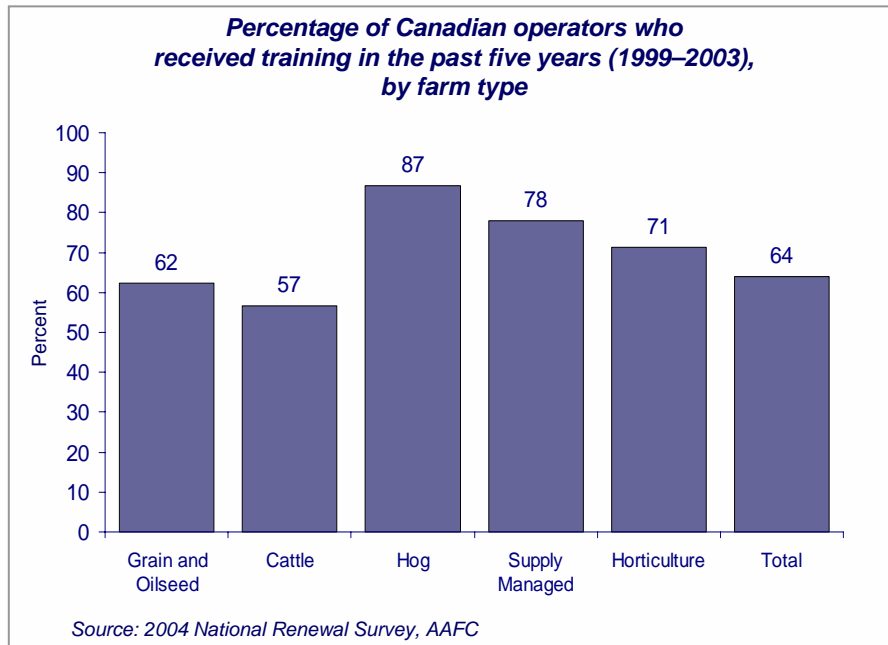
Who was the most likely to have received training in the past five years?

Strength of Relationship

- Producers in Prince Edward Island and Newfoundland and Labrador
- Producers specialized in hogs and supply-managed commodities
- Operators of very large business-focussed farms and low-income farms

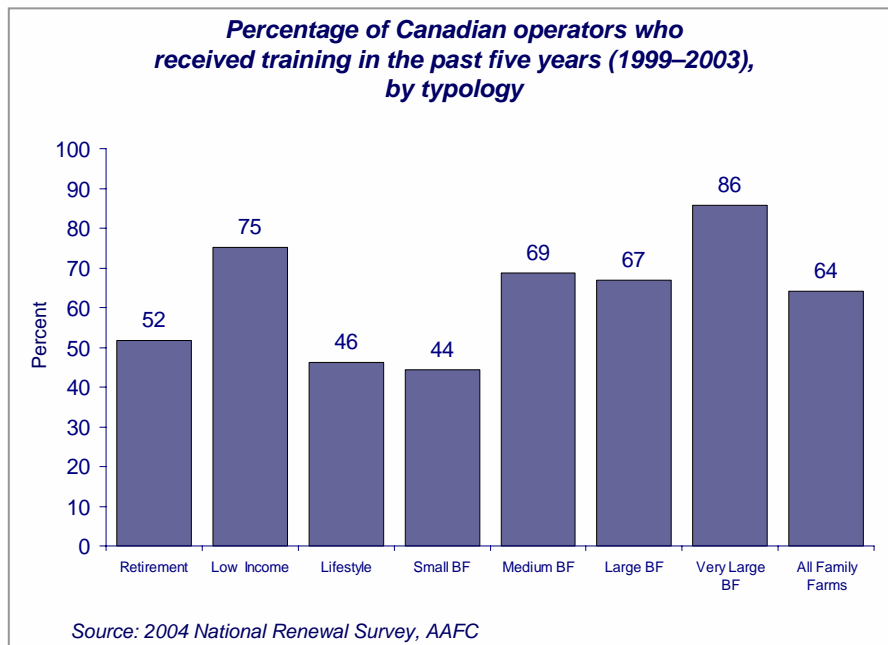
(weak)
(moderate)
(moderate)

Figure 8.6



$P = 0.000$ *Cramer's V = 0.225* "moderate correlation"

Figure 8.7

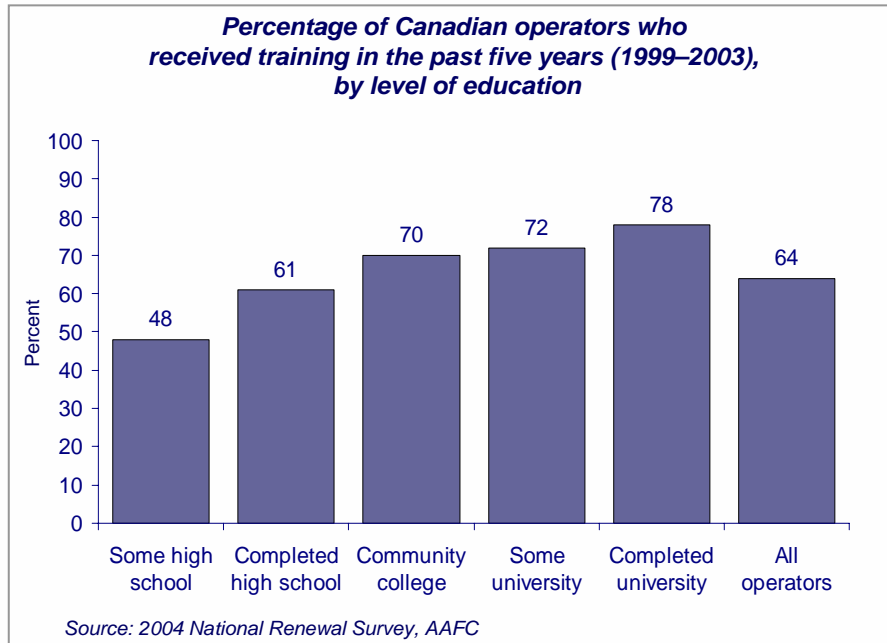


$P = 0.000$ *Cramer's V = 0.251* "moderate correlation"

8.3 Training and education

Almost two thirds of respondents had taken training in the past five years (1999 to 2003). Producers who had completed university were more likely to have taken training while those with some high school were less likely to have taken training in the past five years.

Figure 8.8



$P = 0.000$ $Cramer's V = 0.235$ "moderate correlation"

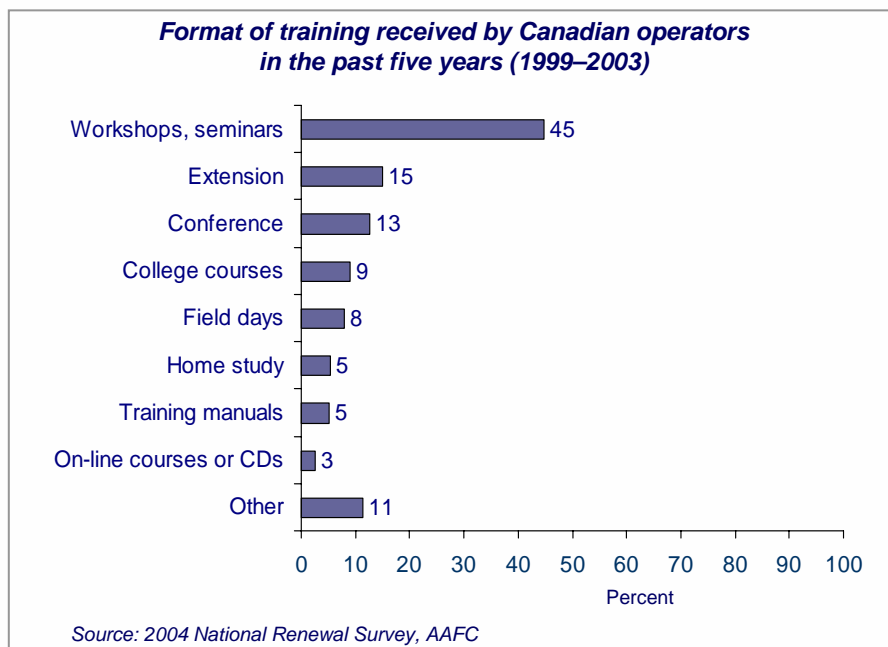
8.4 Format of training

The more common formats are the following:

- Workshops and seminars
- Conferences
- Field days
- Home study or correspondence courses
- Extension courses or short classroom courses
- On-line courses on the Internet or on CDs
- College (CEGEP) courses, university courses (for certificate or degree)
- Reading training manuals.

Workshops and seminars were the most popular form of training chosen. Extension courses or short classroom courses followed a distant second, with 15% of operators reporting this format of training.

Figure 8.9



8.5 Topics covered by members of farm operation

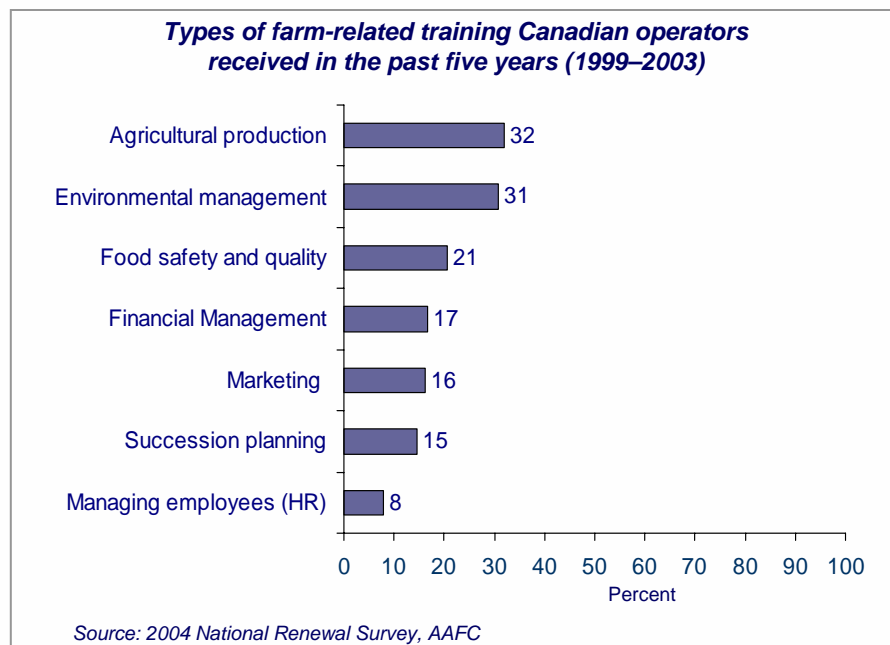
If producers selected any of the first seven training topics below, they are considered to have taken farm-related training.

1. Financial management
2. Marketing
3. Managing employees (human resource management)
4. Agricultural production
5. Food safety and quality
6. Environmental management
7. Succession planning

Six in 10 Canadian producers (59%) have taken some type of farm-related training in the past 5 years. A total of 21% of Canadian operators responding to the survey took non-farm related training in the past five years.

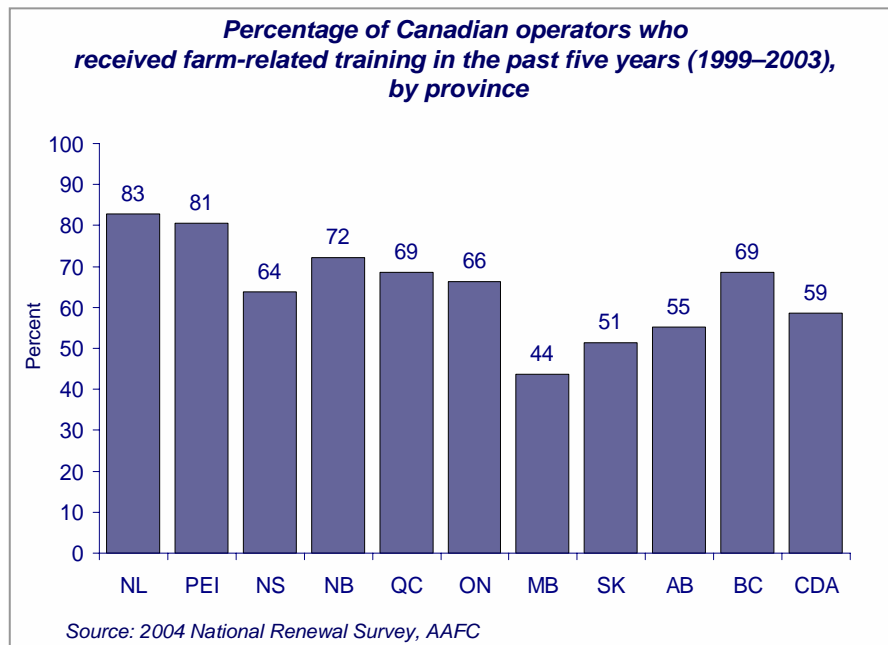
The three most popular types of farm-related training taken were agricultural production, environmental management and food safety and quality.

Figure 8.10



8.5.1 Farm-related training

Figure 8.11



$P = 0.000$ $Cramer's V = 0.207$ "moderate correlation"

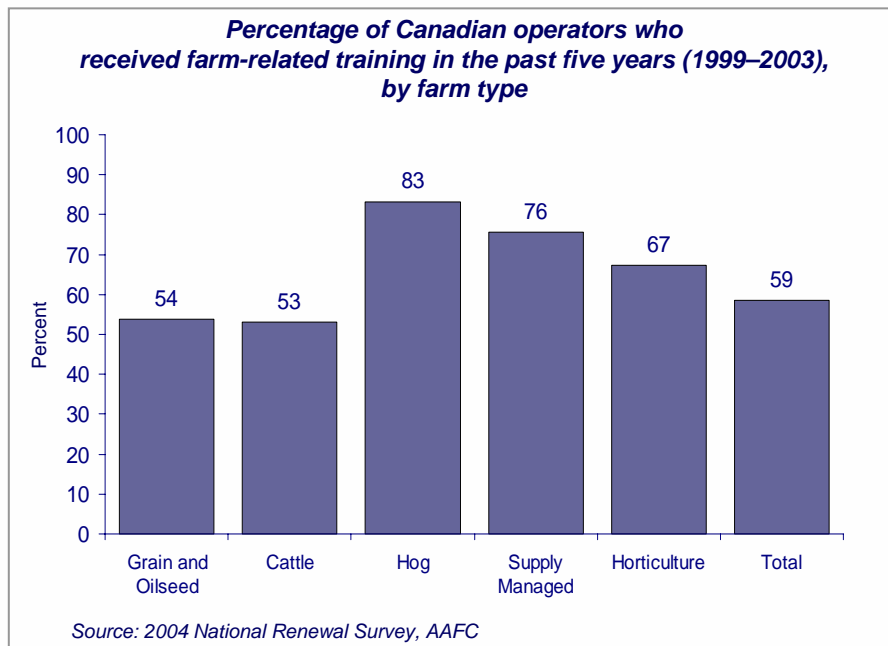
Who was the most likely to have received farm-related training in the past five years?

- Producers in Newfoundland and Labrador and in Prince Edward Island
- Producers specialized in hogs and supply-managed commodities
- Operators of very large business-focussed farms

Strength of Relationship

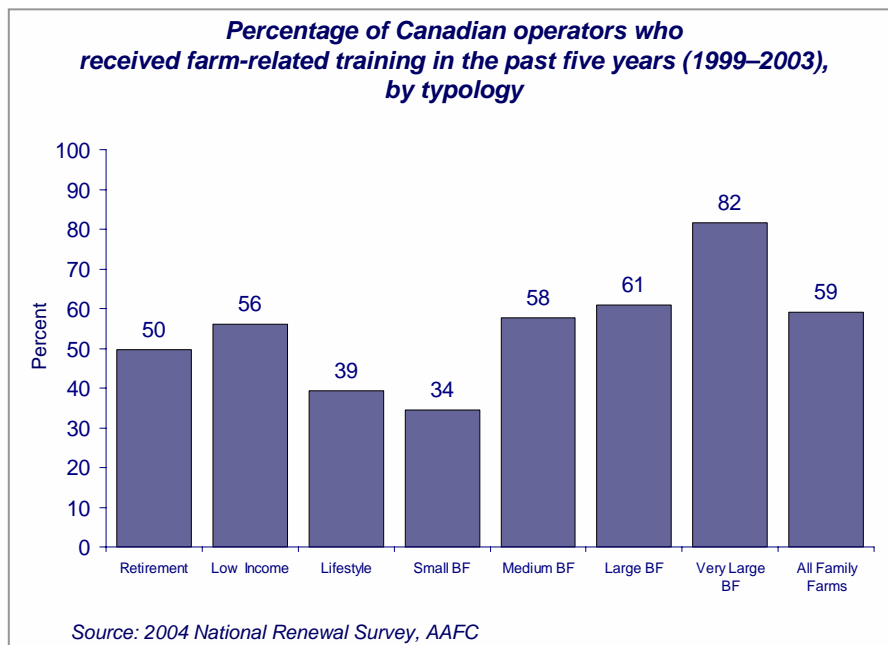
(moderate)
(moderate)
(strong)

Figure 8.12



$P = 0.002$ *Cramer's V = 0.242* "moderate correlation"

Figure 8.13

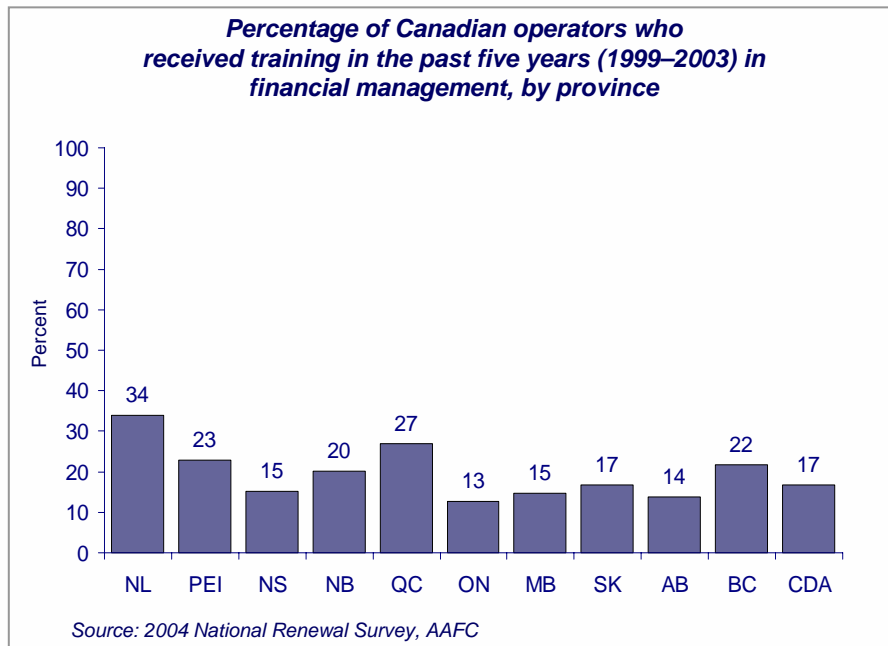


$P = 0.000$ *Cramer's V = 0.268* "strong correlation"

8.5.1.1 Financial management

In the past five years (1999 to 2003), an estimated 17% of producers received training in financial management.

Figure 8.14



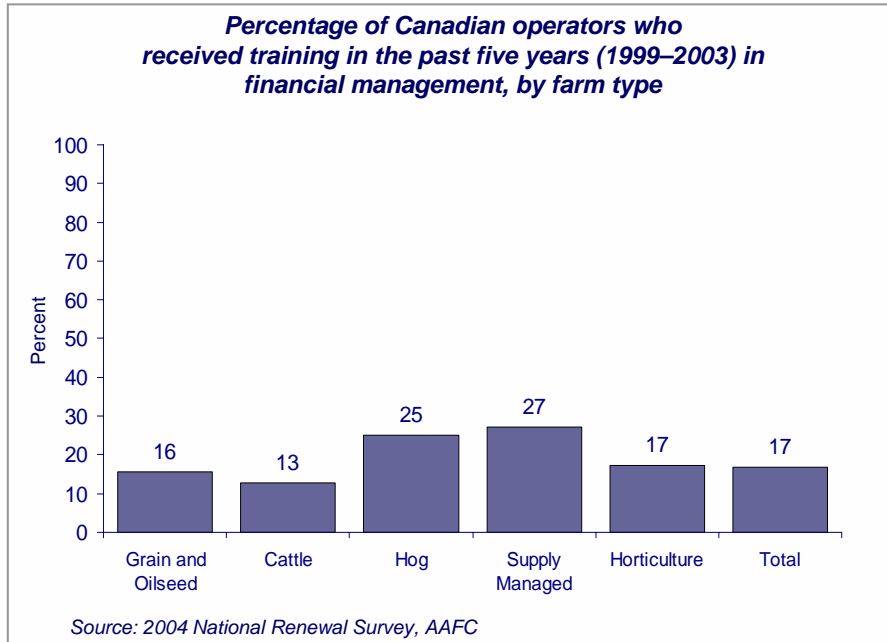
$P = 0.002$ $Cramer's V = 0.172$ "weak correlation"

Who was the most likely to have received training in financial management in the past five years?

Strength of Relationship

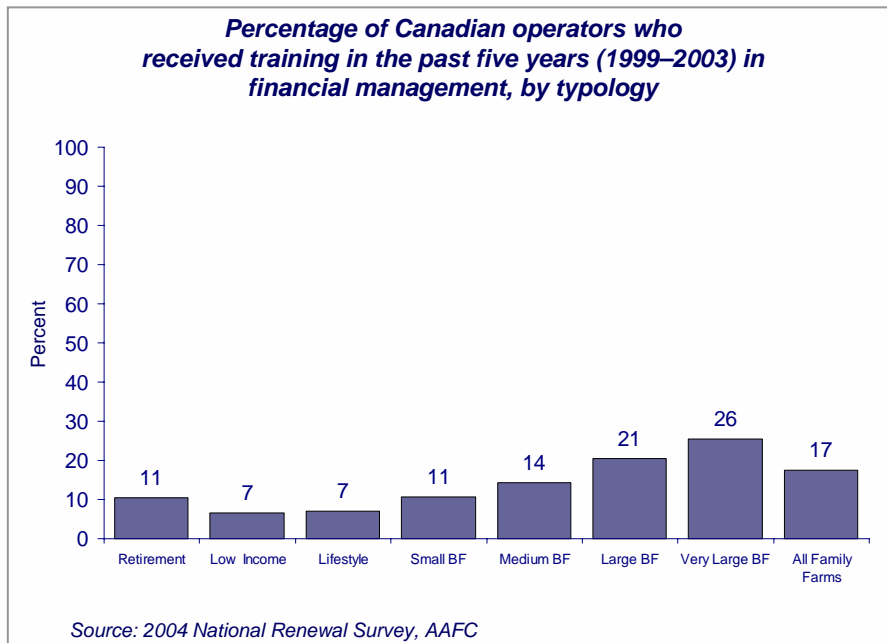
- Producers in Newfoundland and Labrador and in Quebec (weak)
- Producers specialized in supply-managed commodities and hogs (weak)
- Operators of very large business-focussed farms (weak)

Figure 8.15



$P = 0.000$ $Cramer's V = 0.109$ "weak correlation"

Figure 8.16

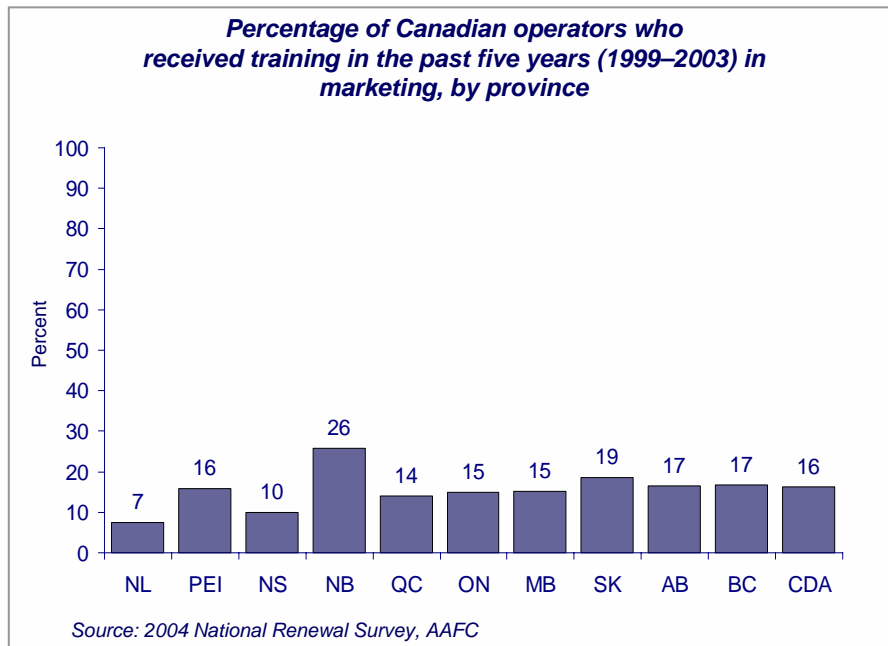


$P = 0.000$ $Cramer's V = 0.171$ "weak correlation"

8.5.1.2 Marketing

In the past five years (1999 to 2003), an estimated 16% of producers received training in marketing.

Figure 8.17



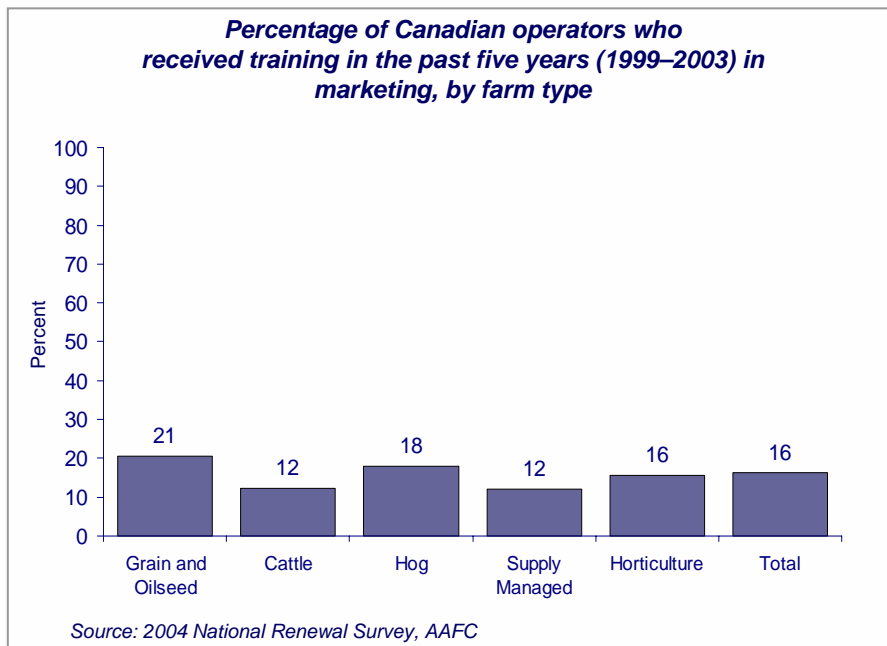
$P = 0.017$ $Cramer's V = 0.098$ "weak correlation"

Who was the most likely to have received training in marketing in the past five years?

Strength of Relationship

- Producers in New Brunswick (weak)
- Producers specialized in grain and oilseed (weak)
- Operators of very large business-focussed farms (weak)

Figure 8.18



$P = 0.000$ Cramer's $V = 0.117$ "weak correlation"

Figure 8.19

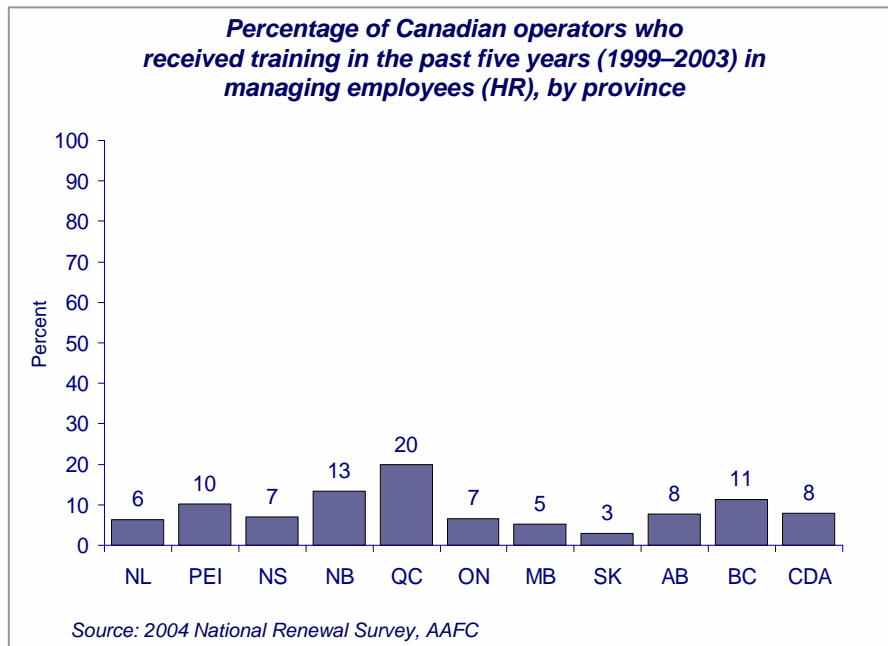


$P = 0.000$ Cramer's $V = 0.118$ "weak correlation"

8.5.1.3 Managing employees (human resource management)

In the past five years (1999 to 2003), an estimated 8% of producers received training in managing employees.

Figure 8.20



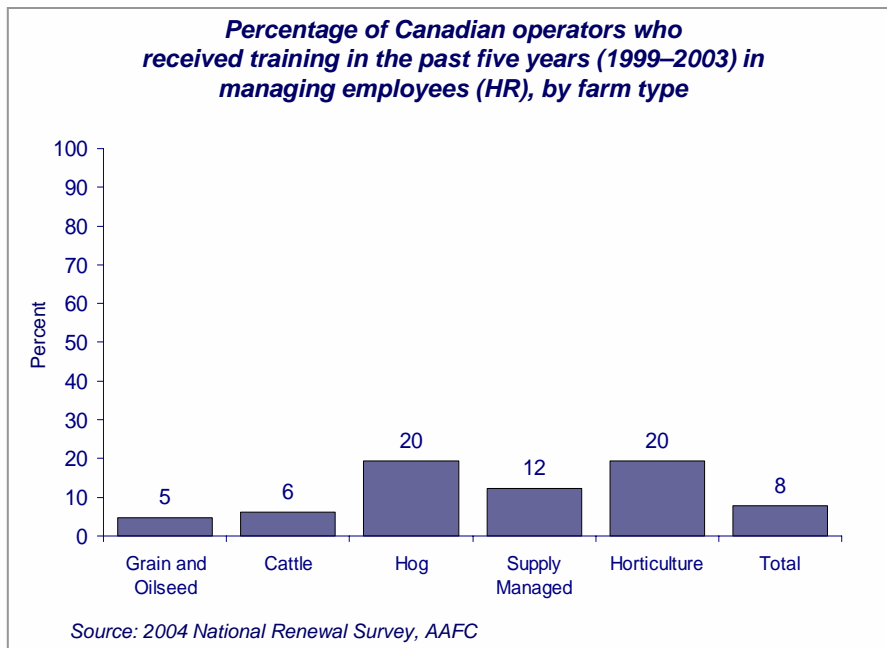
$P = 0.000$ $Cramer's V = 0.168$ "weak correlation"

Who was the most likely to have received training in managing employees in the past five years?

Strength of Relationship

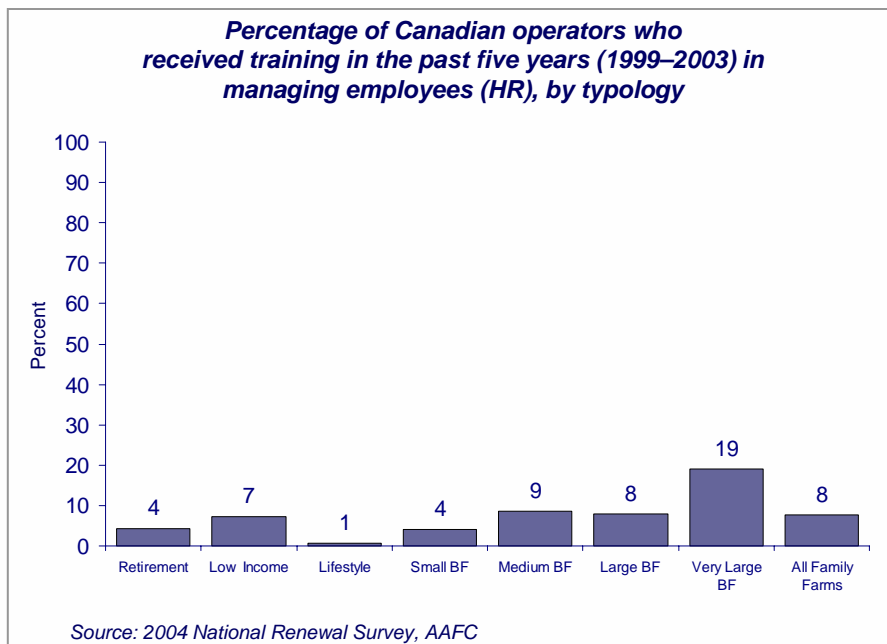
- Producers in Quebec (weak)
- Producers specialized in hogs and horticulture (weak)
- Operators of very large business-focussed farms (weak)

Figure 8.21



$P = 0.000$ $Cramer's V = 0.151$ "weak correlation"

Figure 8.22

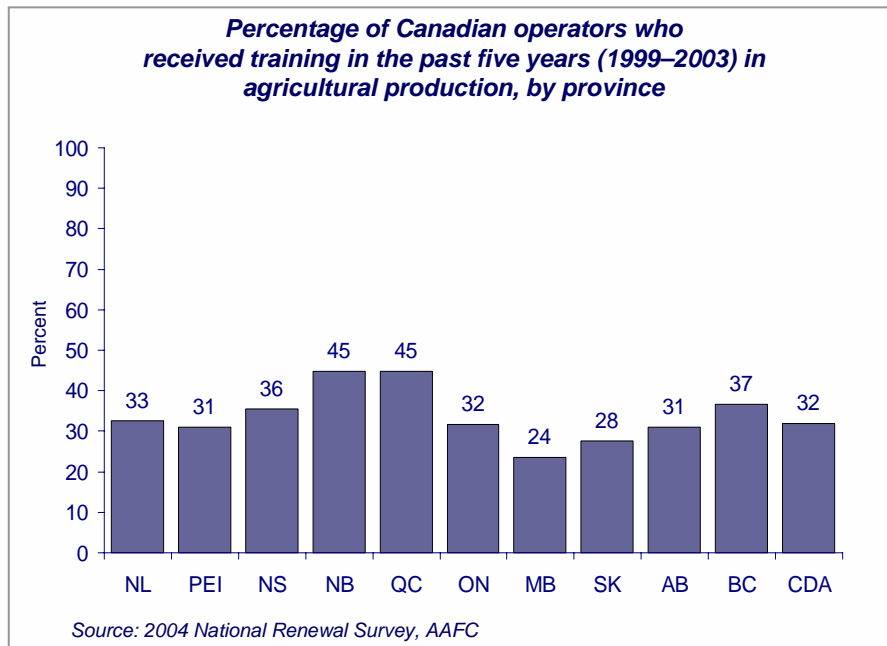


$P = 0.000$ $Cramer's V = 0.200$ "weak correlation"

8.5.1.4 Agricultural production

In the past five years (1999 to 2003), an estimated 32% of producers received training in agricultural production.

Figure 8.23



$P = 0.001$ $Cramer's V = 0.119$ "weak correlation"

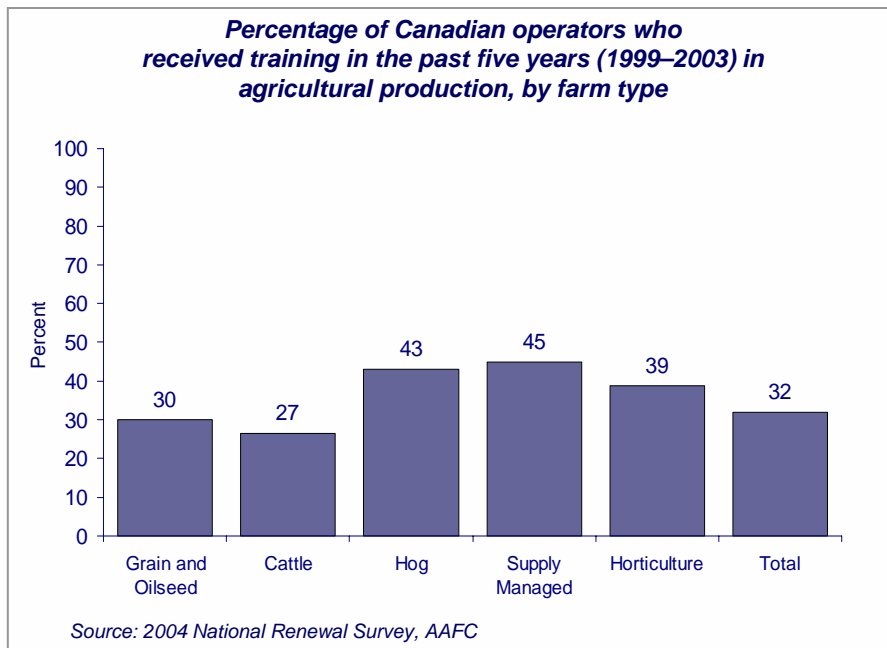
Who was the most likely to have received training in agricultural production in the past five years?

- Producers in Quebec and New Brunswick
- Producers specialized in supply-managed commodities and hogs
- Operators of very large business-focussed farms

Strength of Relationship

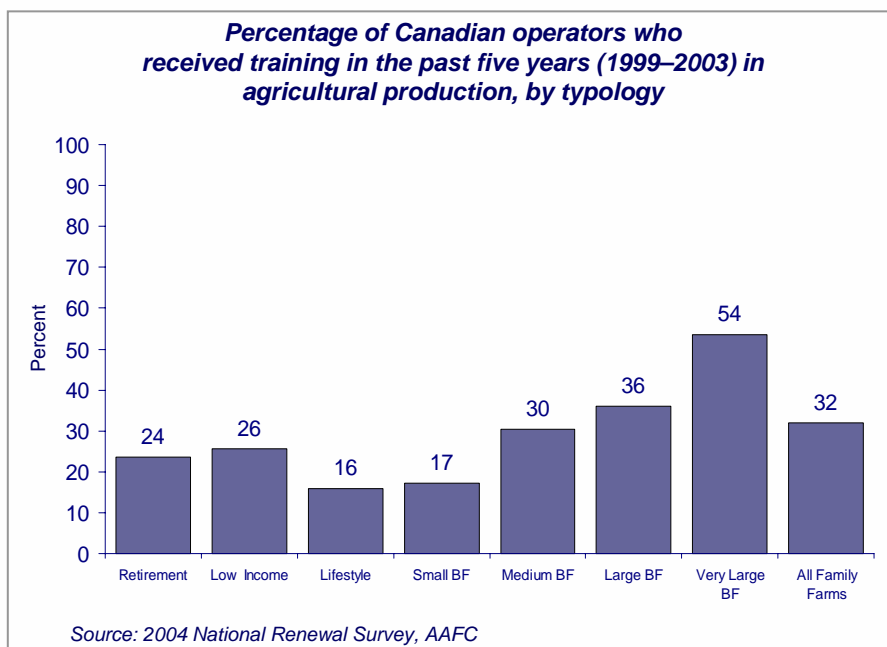
(weak)
(weak)
(moderate)

Figure 8.24



$P = 0.000$ $Cramer's V = 0.154$ "weak correlation"

Figure 8.25

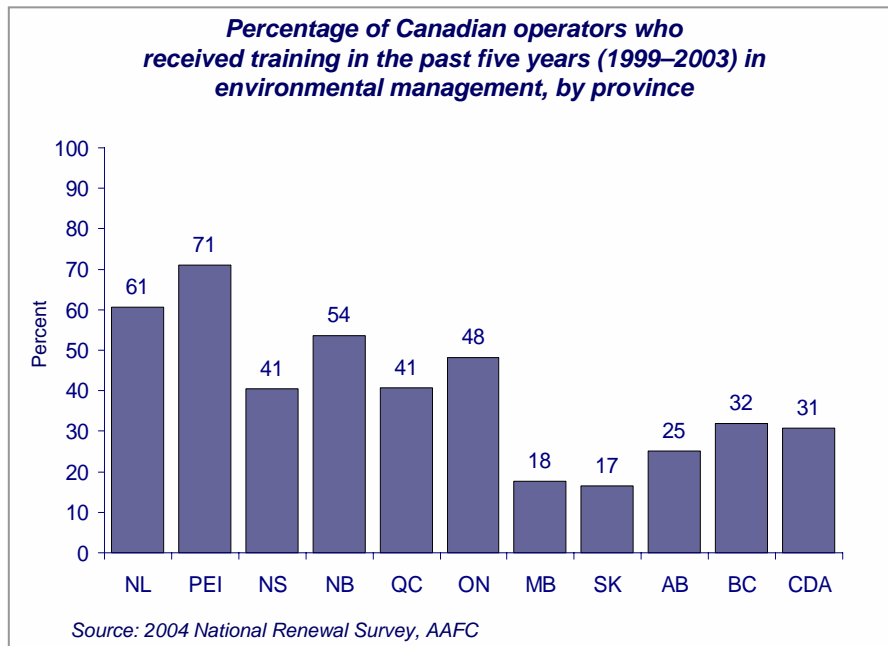


$P = 0.000$ $Cramer's V = 0.220$ "moderate correlation"

8.5.1.5 Environmental management

In the past five years (1999 to 2003), an estimated 31% of producers received training in environmental management.

Figure 8.26



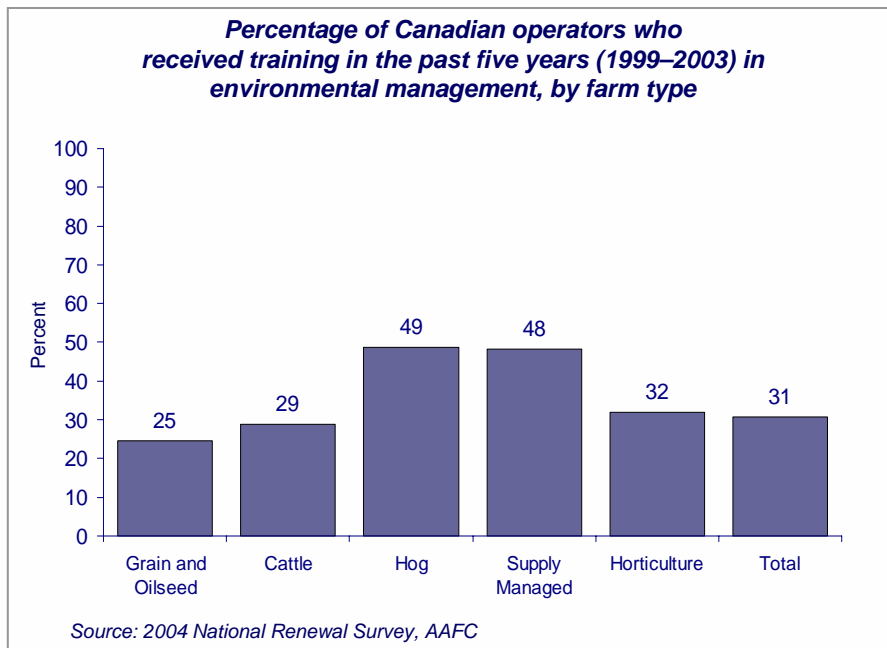
$P = 0.000$ $Cramer's V = 0.314$ "strong correlation"

Who was the most likely to have received training in environmental management in the past five years?

Strength of Relationship

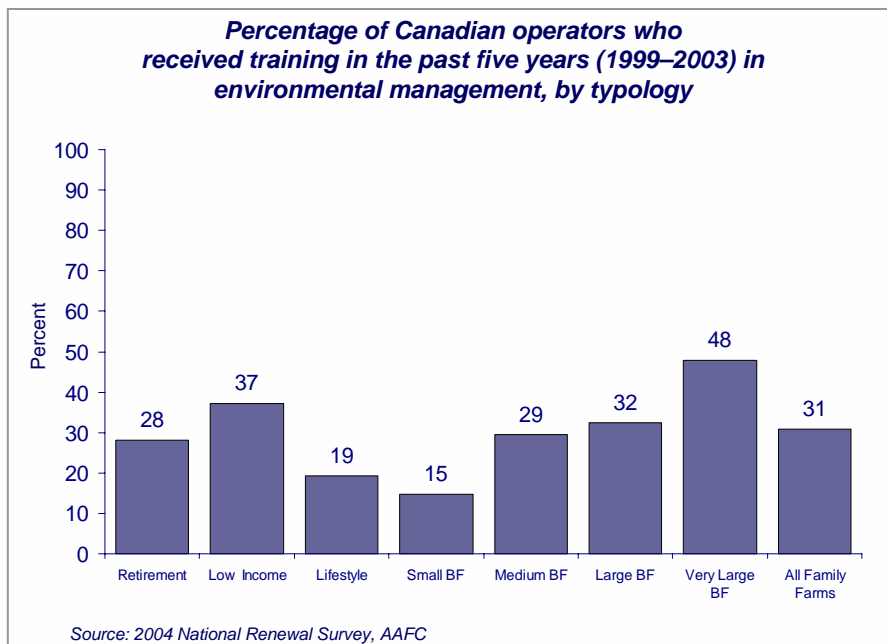
- Producers in Prince Edward Island and Newfoundland and Labrador (strong)
- Producers specialized in hogs and supply-managed commodities (weak)
- Operators of very large business-focussed farms (weak)

Figure 8.27



$P = 0.000$ $Cramer's V = 0.193$ "weak correlation"

Figure 8.28

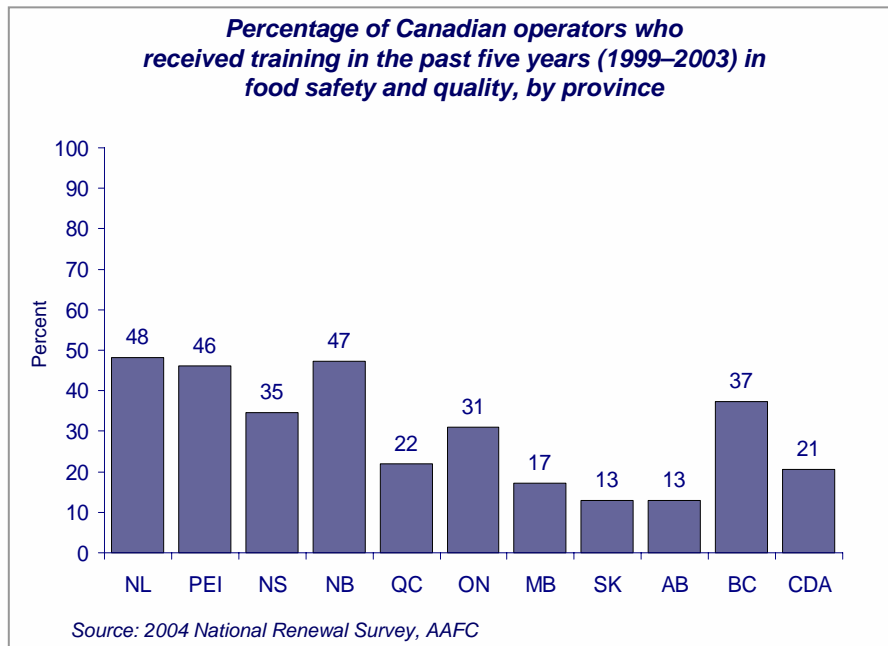


$P = 0.000$ $Cramer's V = 0.191$ "weak correlation"

8.5.1.6 Food safety and quality

In the past five years (1999 to 2003), an estimated 21% of producers received training in food safety and quality.

Figure 8.29



$P = 0.000$ $Cramer's V = 0.232$ "moderate correlation"

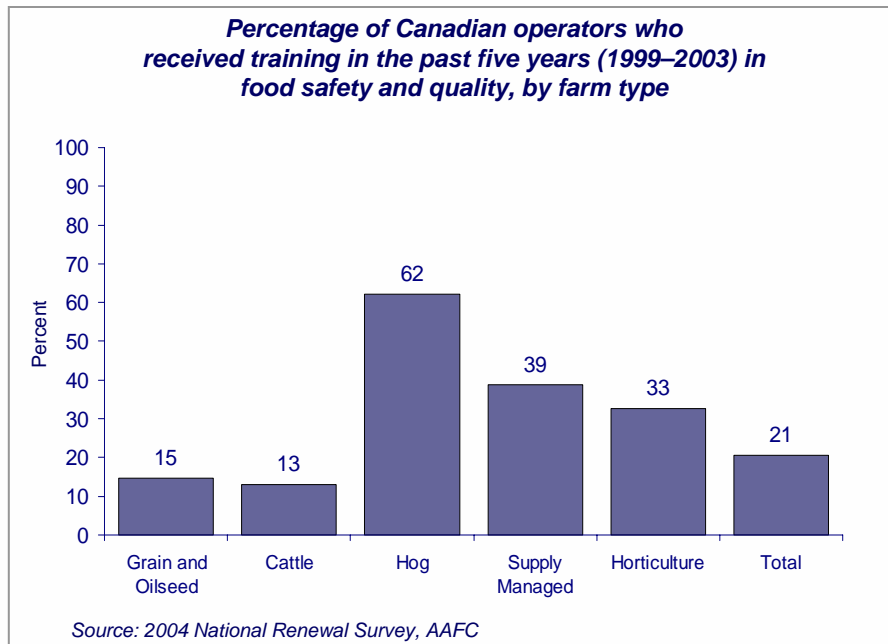
Who was the most likely to have received training in food safety and quality in the past five years?

Strength of Relationship

- Producers in Newfoundland and Labrador, New Brunswick and Prince Edward Island
- Producers specialized in hogs
- Operators of very large business-focussed farms

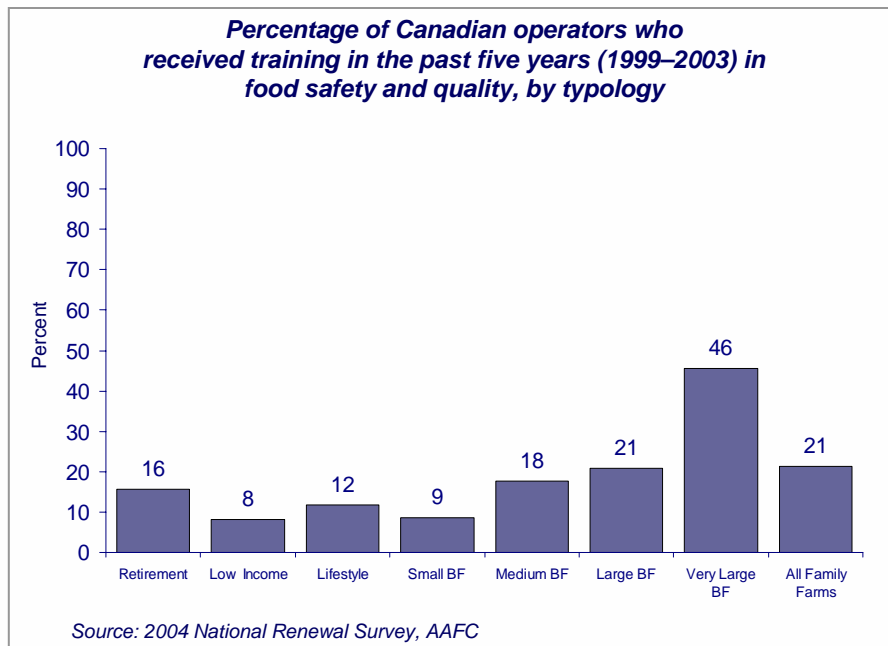
(moderate)
(strong)
(strong)

Figure 8.30



$P = 0.000$ *Cramer's V = 0.340* "strong correlation"

Figure 8.31

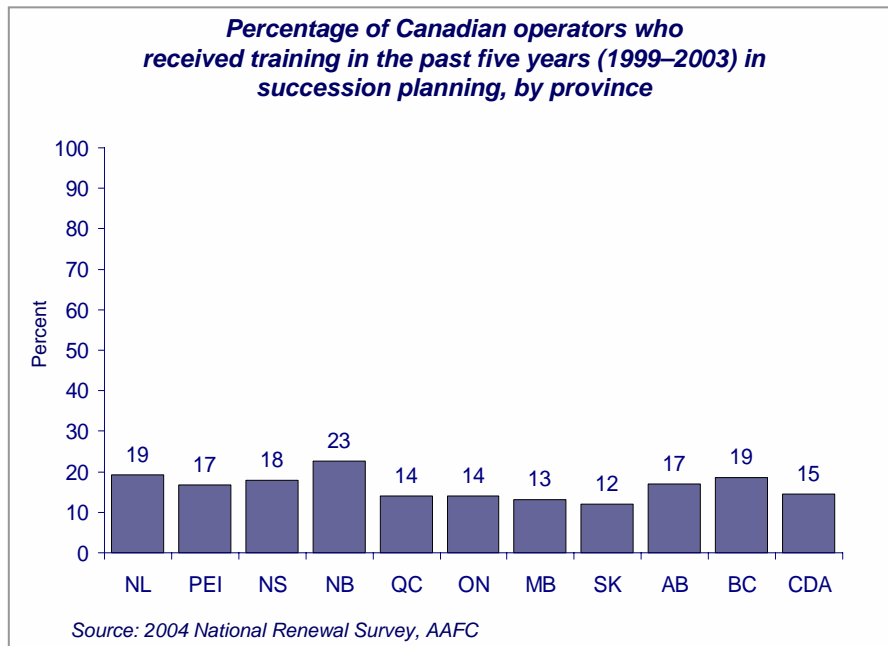


$P = 0.000$ *Cramer's V = 0.283* "strong correlation"

8.5.1.7 Succession planning

In the past five years (1999 to 2003), an estimated 15% of producers received training in succession planning.

Figure 8.32



$P = 0.000$ $Cramer's V = 0.093$ "weak correlation"

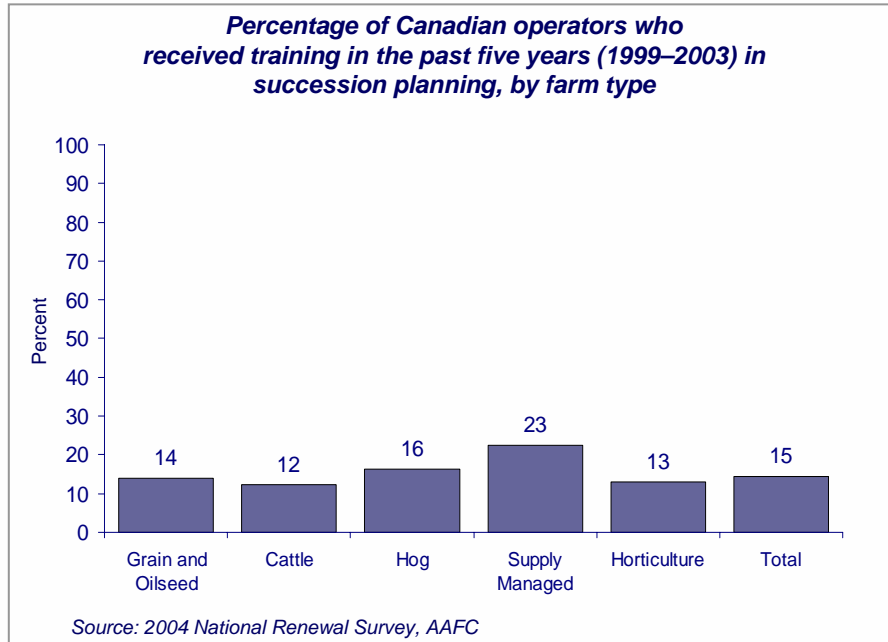
Who was the most likely to have received training in succession planning in the past five years?

Strength of Relationship

- Producers in New Brunswick
- Producers specialized in supply-managed commodities
- Operators of very large business-focussed farms

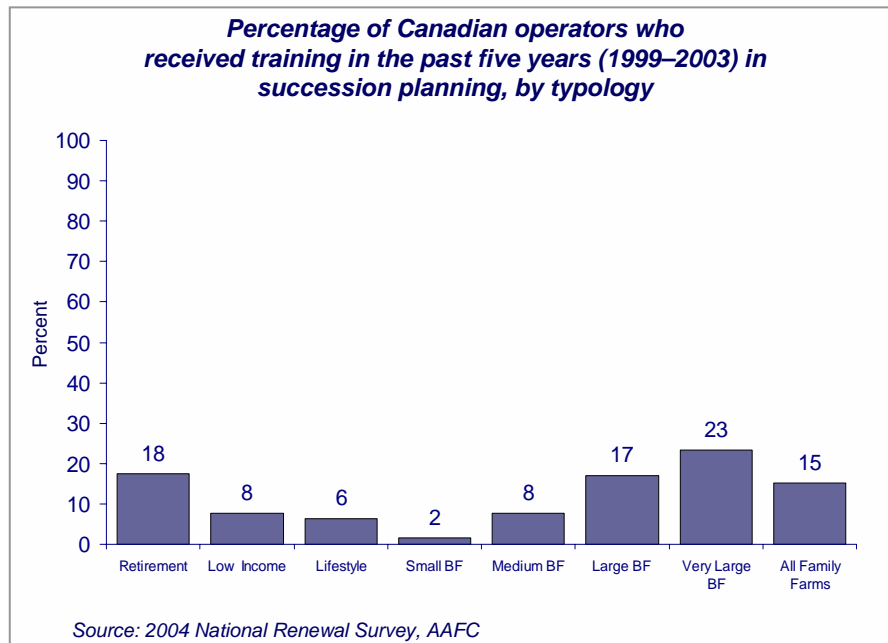
(weak)
(weak)
(weak)

Figure 8.33



$P = 0.000$ *Cramer's V = 0.131* "weak correlation"

Figure 8.34

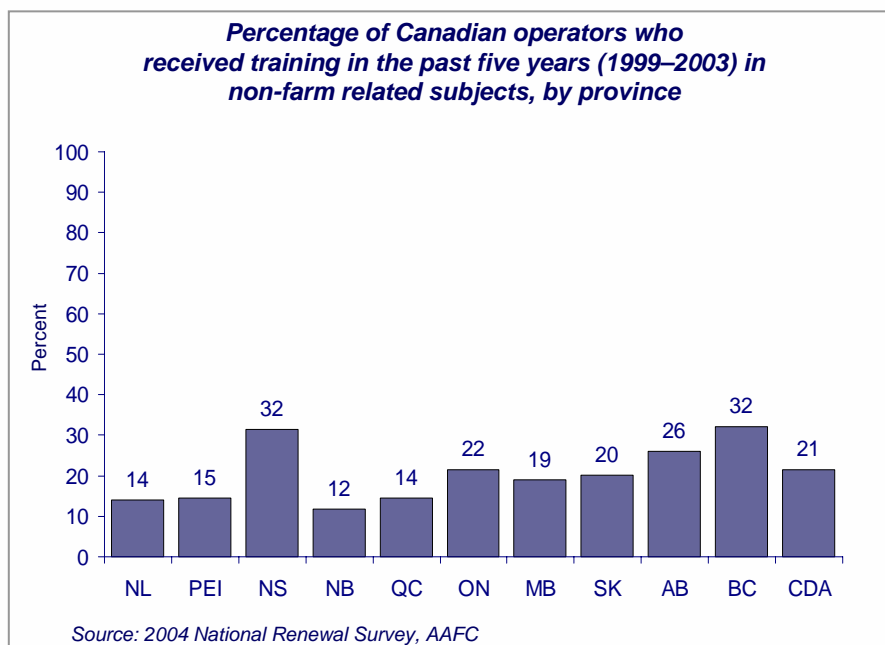


$P = 0.000$ *Cramer's V = 0.181* "weak correlation"

8.5.2 Non-farm training⁵

In the past five years (1999 to 2003), an estimated 21% of producers received non-farm related training.

Figure 8.35



$P = 0.000$ $Cramer's V = 0.139$ "weak correlation"

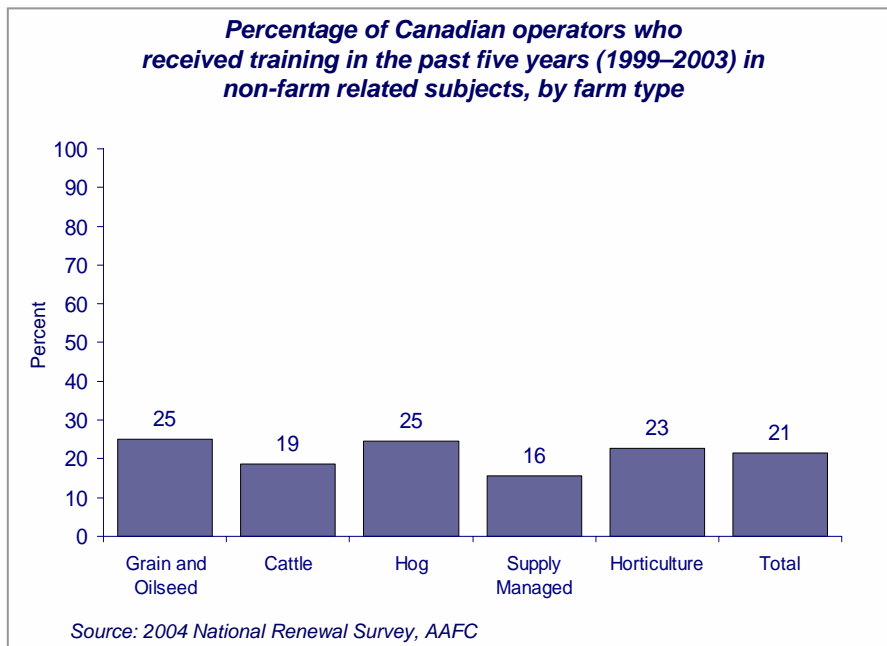
Who was the most likely to have received training in non-farm related areas in the past five years?

Strength of Relationship

- Producers in Nova Scotia and British Columbia (weak)
- Producers specialized in hogs and grain and oilseed (weak)
- Operators of low-income farms and medium business-focussed farms (weak)

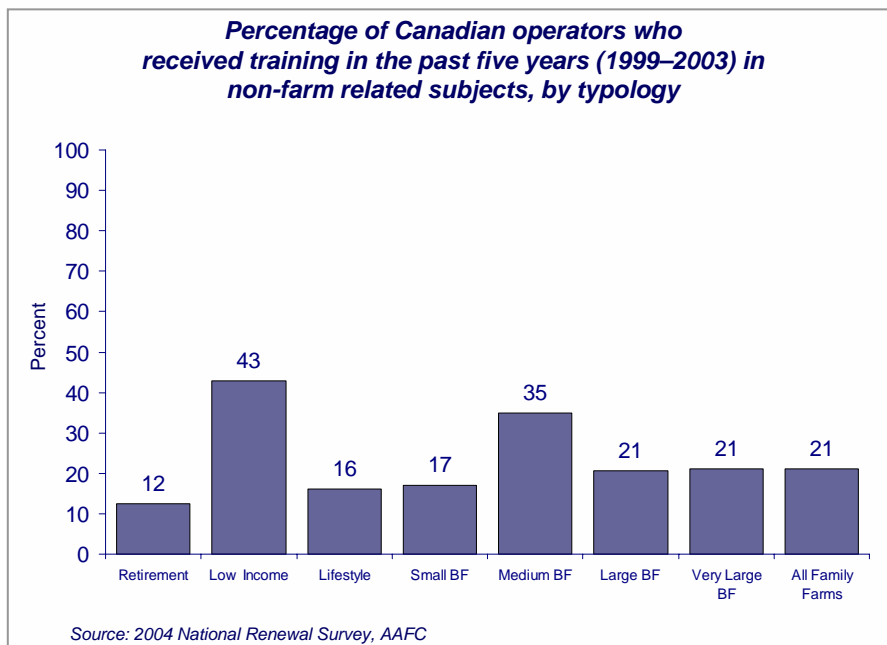
⁵ Information was not collected on type of non-farm training taken.

Figure 8.36



$P = 0.004$ $Cramer's V = 0.086$ "weak correlation"

Figure 8.37



$P = 0.000$ $Cramer's V = 0.112$ "weak correlation"

9.0. Program awareness

In addition to questions on producers' goals, business behaviour and training, a few questions were also asked on overall program awareness of some recently introduced Renewal programs and initiatives, namely, the Canadian Farm Business Advisory Services (CFBAS) and the AAFC Benchmark Web site.

Please note that, at the time of the survey in late December / early January, these programs and tools had not been launched or promoted in all provinces or territories.

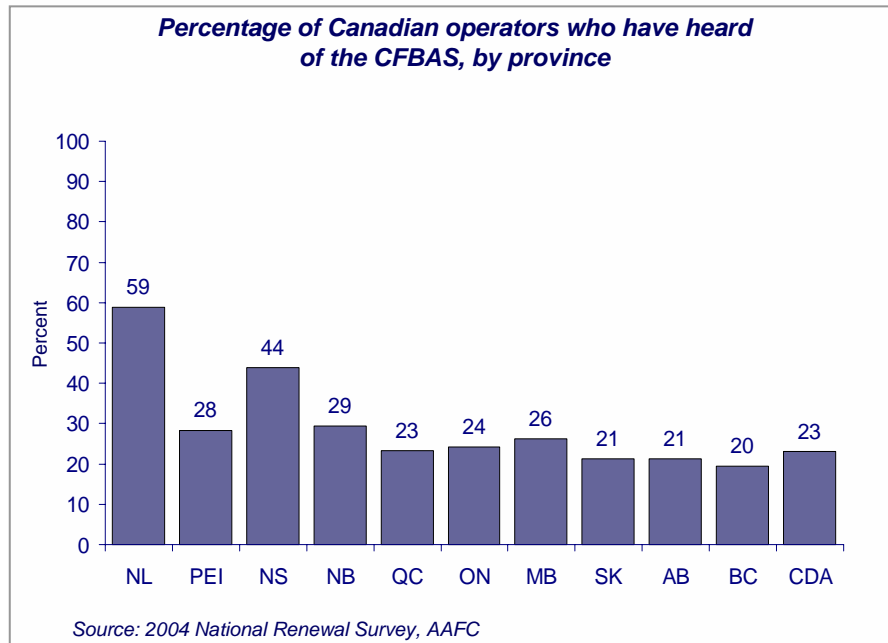
Of all respondents, 23% had heard of the CFBAS, and of this total, 28% stated that they were participating or planning to participate in the program. Of responding Canadian operators, 12% stated that they had heard of the AAFC Benchmark Web site, and 44% of these respondents stated that they used or planned to use the Web site.

9.1 Canadian Farm Business Advisory Services (CFBAS)

9.1.1 Level of awareness

Of all respondents, 23% had heard of the Canadian Farm Business Advisory Services.

Figure 9.1



$P = 0.000$

$Cramer's V = 0.188$

"weak correlation"

Who was the most likely to have heard of the CFBAS at the time of this survey?

Strength of Relationship

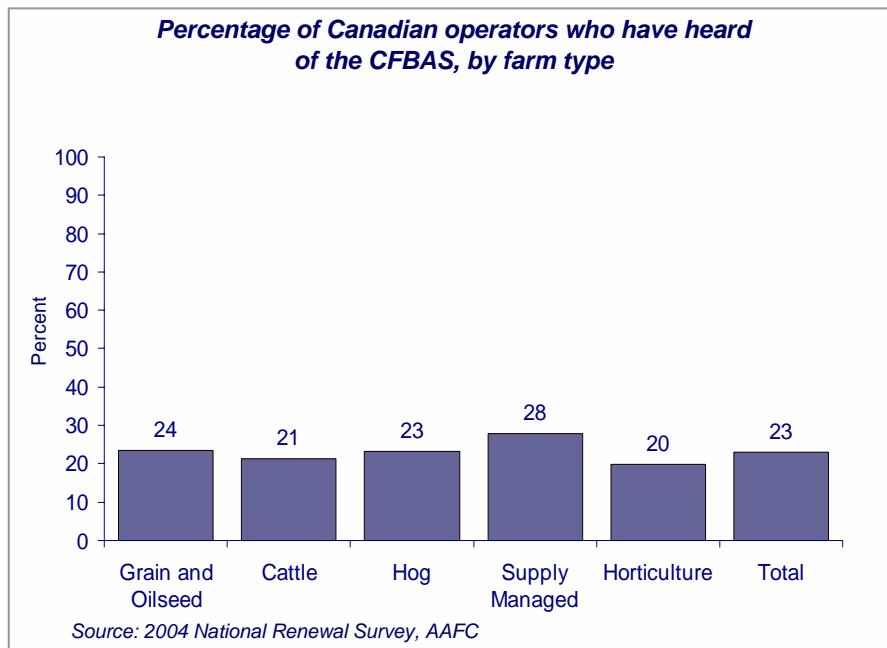
- Producers in Newfoundland and Labrador and in Nova Scotia
- Producers specialized in supply-managed commodities
- Operators of retirement and small business-focussed farms

(weak)

(weak)

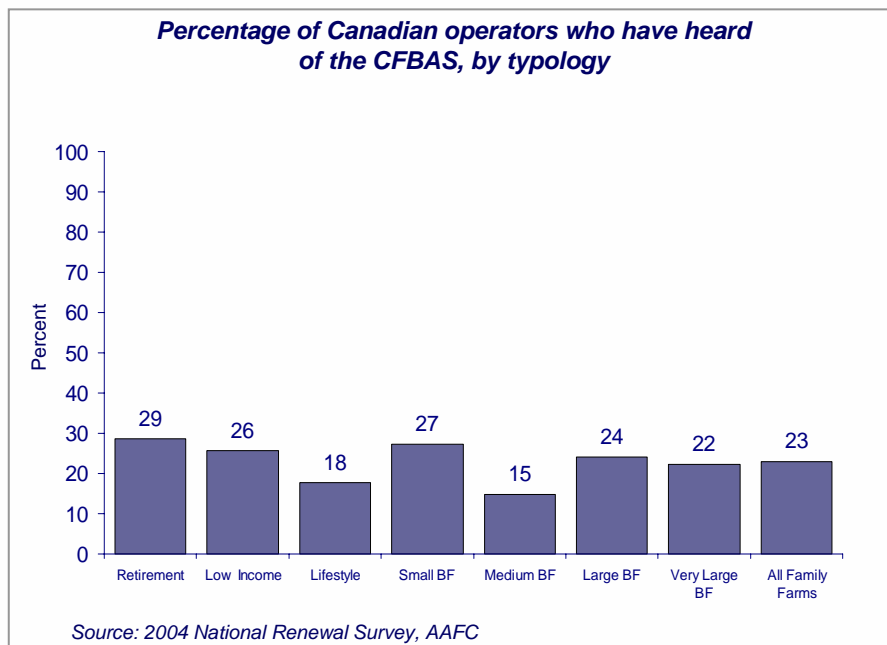
(weak)

Figure 9.2



$P = 0.086$ $Cramer's V = 0.062$ "no significant correlation"

Figure 9.3



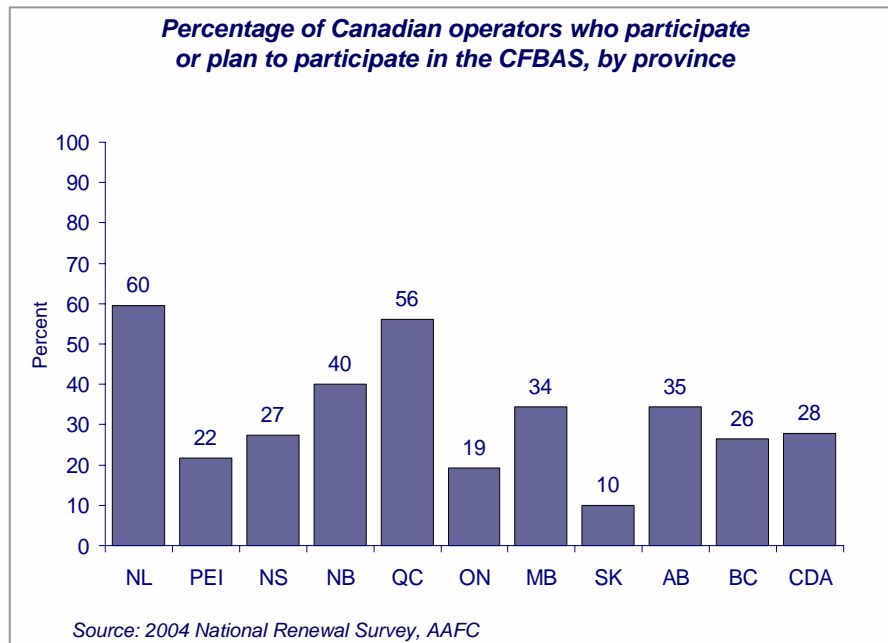
$P = 0.001$ $Cramer's V = 0.103$ "weak correlation"

9.1.2 Participation

Producers who answered that they have heard of the CFBAS were then asked if they were participating or planning to participate in CFBAS programming.

Of producers surveyed, 28% indicated that they participated or planned to participate in the CFBAS program.

Figure 9.4



$P = 0.000$

Cramer's $V = 0.269$

"strong correlation"

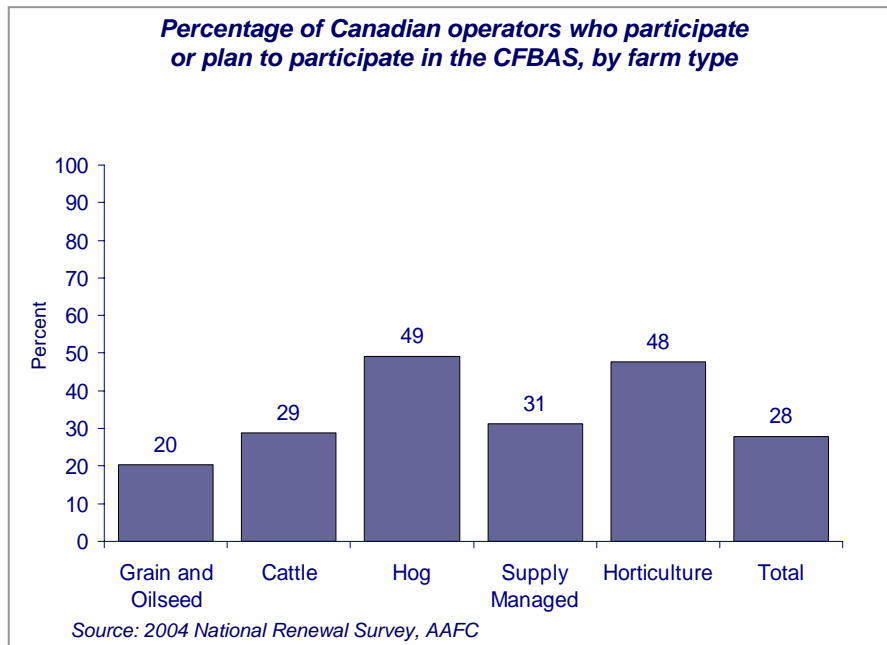
Who was the most likely to participate in the CFBAS program at the time of this survey?

- Producers in Newfoundland and Labrador and in Quebec
- Producers specialized in hogs and horticulture
- Operators of very large business-focussed, retirement and large business-focussed farms

Strength of Relationship

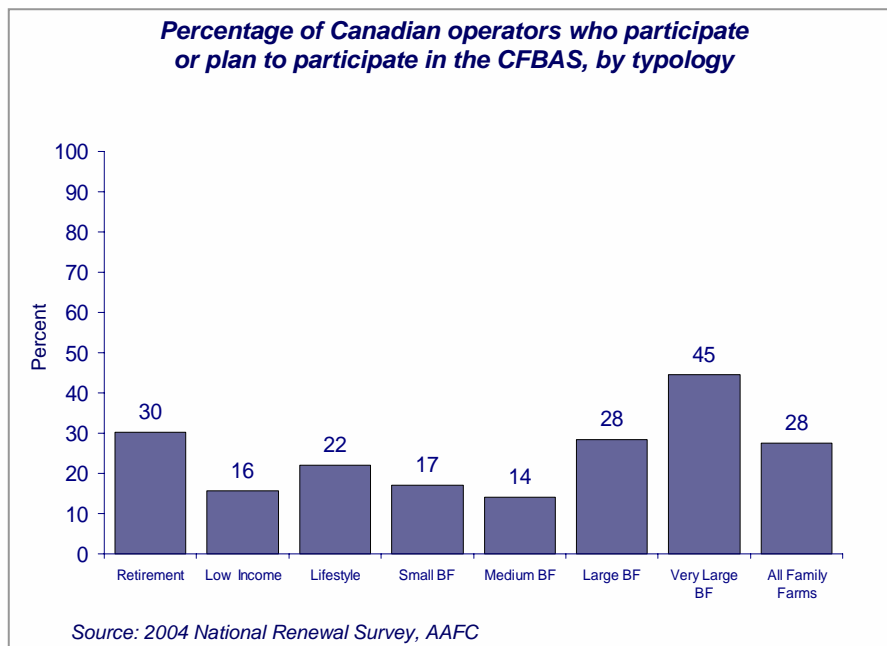
(strong)
(weak)
(weak)

Figure 9.5



$P = 0.010$ $Cramer's V = 0.150$ "weak correlation"

Figure 9.6



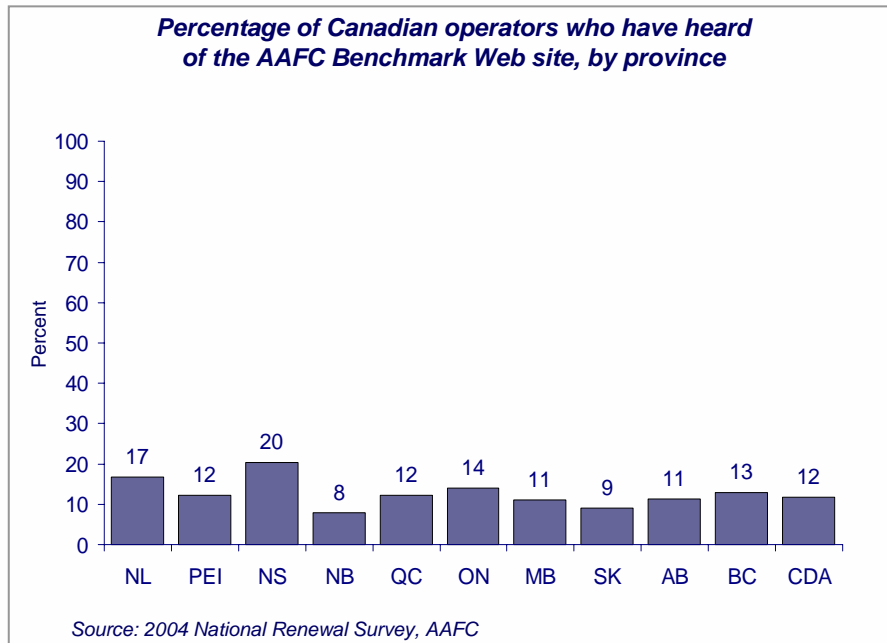
$P = 0.057$ $Cramer's V = 0.133$ "no significant correlation"

9.2 AAFC Benchmark Web site

9.2.1 Level of awareness

Of operators surveyed, 12% had heard of the Benchmark Web site.

Figure 9.7



$P = 0.003$

Cramer's $V = 0.109$

"weak correlation"

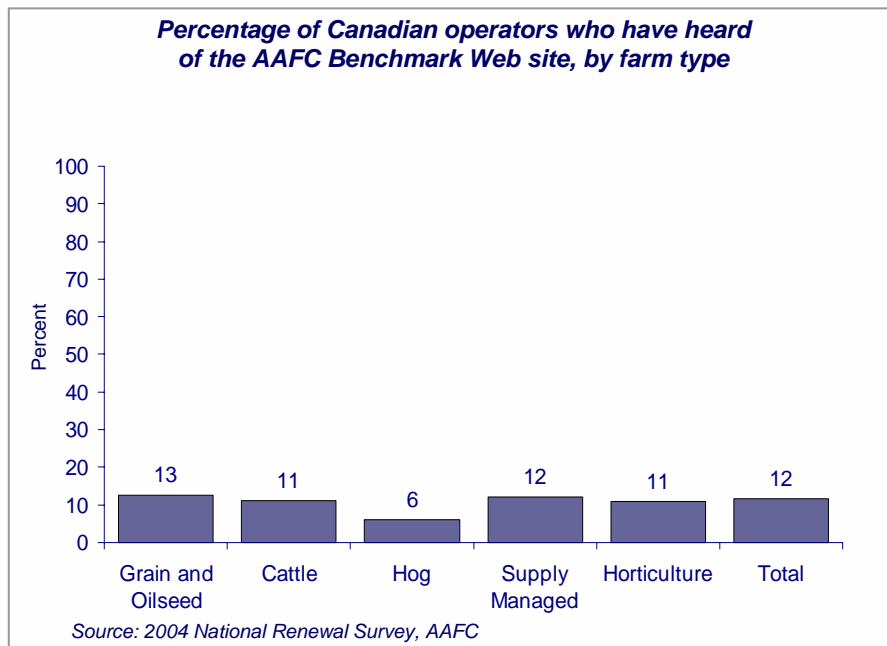
Who was the most likely to have heard of the AAFC Benchmark Web site at the time of this survey?

Strength of Relationship

- Producers in Nova Scotia
- Producers specialized in grain and oilseed
- Operators of retirement and very large business-focussed farms

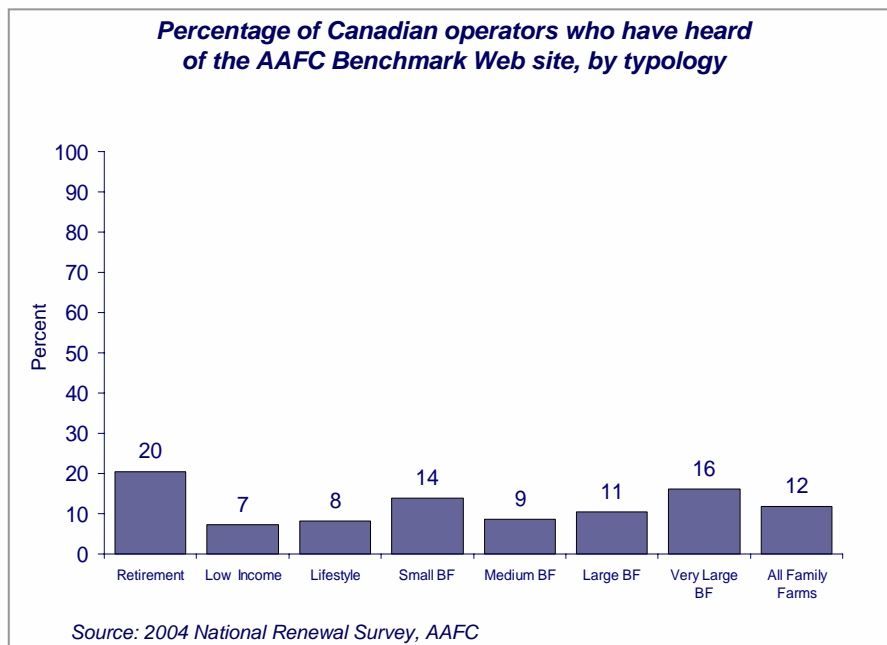
(weak)
(weak)
(weak)

Figure 9.8



$P = 0.850$ $Cramer's V = 0.025$ "no significant correlation"

Figure 9.9



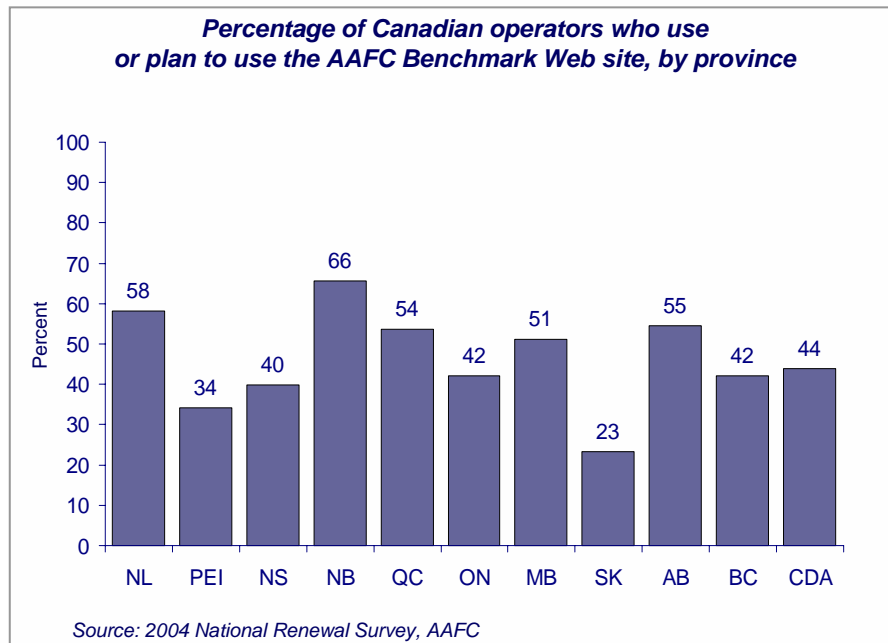
$P = 0.002$ $Cramer's V = 0.101$ "weak correlation"

9.2.2 Participation

Producers who answered that they have heard of AAFC's Benchmark Web site were then asked if they were using or planning to use the financial benchmarking tool on the Web site.

Of producers surveyed, 44% indicated that they were using or plan to use the Benchmark Web site tool.

Figure 9.10



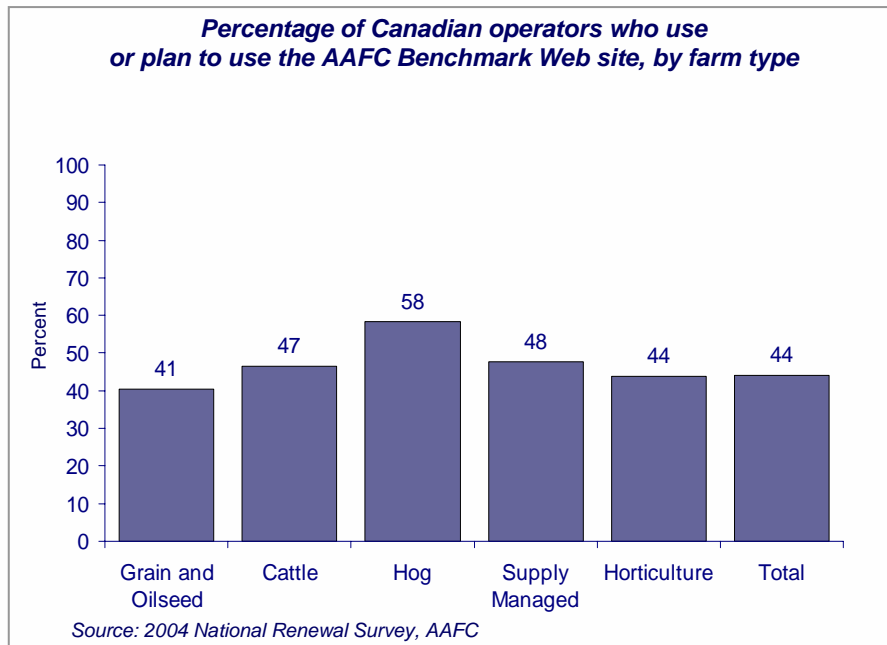
$P = 0.622$ $Cramer's V = 0.176$ "no significant correlation"

Who was the most likely to use AAFC's Benchmark Web site at the time of this survey?

Strength of Relationship

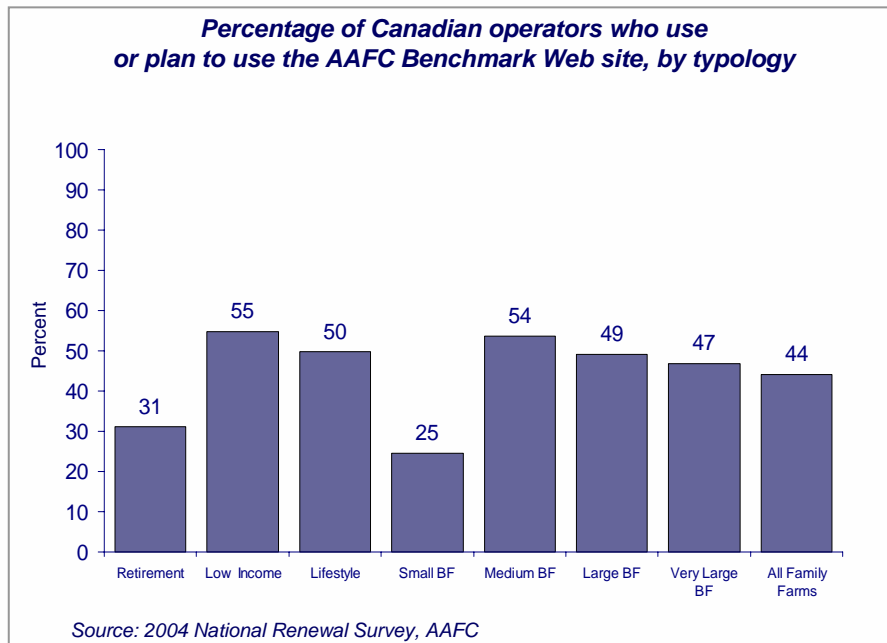
- Producers in New Brunswick, Newfoundland and Labrador and Alberta (weak)
- Producers specialized in hogs (weak)
- Operators of low-income and medium business-focussed farms (weak)

Figure 9.11



$P = 0.650$ $Cramer's V = 0.109$ "no significant correlation"

Figure 9.12



$P = 0.174$ $Cramer's V = 0.181$ "no significant correlation"

Appendix A

Methodology

A.1 Survey methodology⁶

The results of the 2004 National Renewal Survey are based on questions asked to 2,112 Canadian producers living within the ten provinces of Canada. The survey was conducted by telephone from December 18, 2003 to January 29, 2004.

For the purposes of this survey, the following conditions were used to define a qualified respondent:

1. The respondent is a farm owner.
2. The respondent is one of the main decision makers and also looks after the business side of the farm such as, keeping the books, obtaining loans and paying bills.
3. The respondent's farm earned at least \$10,000 in gross farm receipts or revenues in 2002.

A.1.1 Sample selection

The sampling frame was designed to meet specific provincial quotas and to ensure that all farm types were represented in the final sample.

A multi-modal approach to sampling was selected. In addition to randomly generated sample drawn by postal code from rural areas, lists – both client-supplied lists and lists purchased from commercial suppliers – were used. As well, the available sample was enhanced through snowball sampling, in which respondents were asked for referrals to other potentially qualified individuals. In total, 44,100 numbers were available from all sources. During fieldwork, a total of 28,889 telephone numbers were drawn from this initial sample based on quotas.

The random sample component was generated using the RDD (random digit dialling) technique, as follows. Samples are generated using a database of active phone ranges. These ranges are made up of a series of contiguous blocks of 100 contiguous phone numbers and are revised three to four times per year after a thorough analysis of the most recent edition of an electronic phonebook. Each number generated is put through an appropriate series of validation procedures before it is retained as part of a sample. Each number generated is looked up in a recent electronic phonebook database to retrieve geographic location, business indicator and “do not call” status. The postal code for listed numbers is verified for accuracy and compared against a list of valid codes for the sample stratum. Non-listed numbers are assigned a “most probable” postal code based on the data available for all listed numbers in the phone exchange.

Interviews were allocated by quotas for both province and farm type within province. During fieldwork, the original quotas were altered in response to difficulties in fielding. In some provinces, the available sample was insufficient to produce the desired number of completed interviews based on the original provincial and farm type quotas.

The quotas were as follows.

⁶ Portions of the technical report provided by ENVIRONICS Research Group are incorporated into the following section of the report.

Initial Quotas

	Grain & Oilseed	Beef Cattle	Hog	Poultry & Eggs	Dairy	Hort.	Other	Quota
NL	-	-	-	10	15	35	10	70
PEI	-	50	10	-	50	50	-	160
NS	-	50	10	10	30	50	10	160
NB	-	50	5	5	40	60	-	160
PQ	40	60	40	30	80	50	-	300
ON	80	60	40	30	50	40	-	300
MB	90	90	40	20	30	30	-	300
SK	140	95	25	5	25	5	5	300
AB	80	120	35	20	30	15	-	300
BC	10	70	5	20	30	65	-	200
Total	440	645	210	150	380	400	25	2,250

The final quota was distributed as follows. This reflects the changes made to the original quotas based on the incidence levels and sample limitations.

Final Quotas

	Grain & Oilseed	Beef Cattle	Hog	Poultry & Eggs	Dairy	Hort.	Other	Quota
NL	5	3	1	2	12	24	3	50
PEI	3	23	4	1	34	44	1	110
NS	4	49	15	20	43	92	0	223
NB	3	11	0	5	17	29	0	65
PQ	46	57	43	29	100	54	1	330
ON	78	65	40	34	64	54	1	336
MB	97	99	17	9	35	13	4	274
SK	160	131	6	7	17	9	0	330
AB	101	124	19	14	40	23	4	325
BC	9	62	2	8	51	64	1	197
Total	497	624	147	129	413	415	15	2,240

Telephone interviewing

Interviewing was conducted at Environics' central facilities in Toronto and Montreal. Field supervisors were present at all times to ensure accurate interviewing and recording of responses. Ten percent of each interviewer's work was unobtrusively monitored for quality control in accordance with the standards set out by the Canadian Association of Marketing Research Organizations. A minimum of five calls were made to a household before classifying it as a "no answer." In instances where the response rate was low, the number of call-backs was increased.

Completion results

A total of 2,240 interviews were completed.

The effective completion rate for the survey is 13 percent: the number of completed interviews (2,240) divided by the total dialled sample (28,889) minus the total of the non-valid/non-residential numbers, the numbers not in service and the numbers that presented a language barrier (12,245).

The actual completion rate is 28 percent: the number of completed interviews (2,240) divided by the number of qualified respondents contacted directly (8,026).

Calculation of completion rate⁷

	N	%
Total Dialled Sample	28,889	100
Not eligible	7,995	28
Non-residential/not in service	4,020	14
Language barrier	230	1
Subtotal	12,245	42
New Base (28,889-12,245)	16,644	100
No answer/line busy/ respondent not available	8,633	52
Refusals	5,658	34
Mid-interview refusals	113	1
Subtotal	14,404	87
Net Completions (16,644-14,404)	2,240	
Effective Completion Rate (2,240/16,644)		13%
Actual Completion Rate (2,240/[16,644-8,633])		28%

Completion rates by province

	Effective Completion Rate (%)	Actual Completion Rate (%)
Newfoundland	6	16
Prince Edward Island	12	24
Nova Scotia	18	35
New Brunswick	6	27
Quebec	18	28
Ontario	13	35
Manitoba	17	25
Saskatchewan	13	29
Alberta	14	32
British Columbia	13	22
Canada	13	28

⁷ Percentages may not sum exactly due to rounding.

A.1.2 Sample distribution

Of the 2,240 interviews conducted, 138 farms provided insufficient information to classify them by revenue class and were excluded from the final data set. This reduced the sample distribution used for this analysis to 2,112 farms.

Sample distribution

	Grain & Oilseed	Beef Cattle	Hog	Poultry & Eggs	Dairy	Hort.	Total
NF	5	3	1	1	12	23	45
PEI	3	23	4	1	31	43	105
NS	4	48	15	19	41	86	213
NB	5	10	0	5	17	25	62
PQ	46	55	43	27	92	46	309
ON	75	63	40	33	62	49	322
MB	97	93	17	9	33	8	257
SK	154	129	6	6	16	4	315
AB	105	114	19	12	38	9	297
BC	20	60	2	8	45	52	187
Total	514	598	147	121	387	345	2,112

A.1.3 Margin of error

The margin of error for a true probability sample of 2,112 is +/- 2.1 percentage points, 19 times in 20. Due to the use of snowball sampling in some of the Atlantic provinces, the final sample for this survey is not a true probability sample; however, as the amount of sample derived through the use of snowball sampling was small (0.53 percent of the total dialled sample, resulting in 1.92 percent of completions), the actual margins of error may be assumed to closely approximate those of a true probability sample.

Thus, when interpreting the results of this survey of 2,112 producers, percentages based on the total sample may be considered to be accurate within approximately 2.1 percentage points, plus or minus, to a confidence level of 95 percent (or 19 times in 20). A margin of error of plus or minus 2.1 percentage points at this confidence level means that there is a 95 percent chance that the responses of the target population as a whole would fall somewhere between 2.1 percentage points more or 2.1 percentage points less than the responses of the sample (a 4.2 point spread). Margins of error are larger for regional and other subgroups.

Margins of error by region

	Number of Completions (N)	Margin of Error (+/-%)
Newfoundland	45	14.6
Prince Edward Island	105	9.6
Nova Scotia	213	6.7
New Brunswick	62	12.4
Quebec	309	5.6
Ontario	322	5.5
Manitoba	257	6.1
Saskatchewan	315	5.5
Alberta	297	5.7
British Columbia	187	7.2
Canada	2,112	2.1

Margins of error by farm type

	Number of Completions (N)	Margin of Error (+/-%)
Grain & Oilseed	514	4.3
Cattle	598	4.0
Hog	147	8.1
Poultry & Eggs	121	8.9
Dairy	387	5.0
Horticulture	345	5.3
All Farms	2,112	2.1

Margins of error by typology

	Number of Completions (N)	Margin of Error (+/-%)
Retirement	219	6.6
Lifestyle	67	12.0
Low-Income	248	6.2
Small Business-Focussed	121	8.9
Medium Business-Focussed	167	7.6
Large Business-Focussed	926	3.2
Very Large Business-Focussed	364	5.1
All Farms	2,112	2.1

A.2 Population estimates

Weighting factors used for population estimates are shown below. They are based on the 2001 Census of Agriculture.

Weighting factors

	Grain & Oilseed	Beef Cattle	Hog	Poultry & Eggs	Dairy	Hort. ⁸
NF	3.4	6.0	7.0	27.0	4.6	7.0
PEI	34.7	15.7	22.8	19.0	9.7	10.8
NS	33.0	11.5	4.3	5.4	8.9	7.8
NB	22.2	45.6	na	8.8	18.2	23.2
PQ	83.9	81.7	50.7	26.4	92.8	62.4
ON	174.0	163.9	60.0	44.9	102.2	86.1
MB	77.4	68.4	54.7	28.3	17.8	44.1
SK	193.7	86.1	46.3	17.2	20.2	72.0
AB	141.7	183.0	42.5	31.7	20.1	85.2
BC	43.4	50.7	45.0	76.4	16.4	56.9

Population estimates

The population estimates, incorporating the weighting factors are as follows:

	Grain & Oilseed	Beef Cattle	Hog	Poultry & Eggs	Dairy	Hort.	Total
NF	17	18	7	27	55	161	285
PEI	132	551	64	103	364	675	1,889
NS	104	360	91	19	301	463	1,339
NB	111	456	na	44	309	579	1,499
PQ	3,859	4,491	2,179	713	8,539	2,872	22,653
ON	13,052	10,326	2,398	1,481	6,337	4,220	37,815
MB	7,506	6,358	930	255	589	352	15,991
SK	29,832	11,105	278	103	323	288	41,929
AB	14,880	20,866	806	380	763	767	38,462
BC	868	3,040	90	611	740	2,958	8,307
Total	70,361	57,571	6,843	3,736	18,320	13,338	170,169

The population estimates exclude hobby farms (which receive less than \$10,000 in total revenues) and farms that do not fall into one of the main farm types show in table above. Farms excluded include farms specialized in horses, sheep, goats and exotic animals, as well as farms which do not receive 50% of revenue from any one product group.⁹

⁸ The same weighting factor is used for fruit, vegetable, potato, and greenhouse and nursery farms.

⁹ In 2001, there were an estimated 16,383 farms in Canada with sales of less than \$2,500 according to the 2001 Census of Agriculture.

A.3 Correlation analysis

The following tests were used to test the significance and strength of the relationships between variables.

Pearson Chi-square

The Pearson Chi-square tests the significance of the relationship between nominal variables or at least one nominal variable.¹⁰ The Pearson chi-square test is valid only if the sample size is of 30 or more and no more than 20% of the expected frequency in each cell is under 5 and no cell frequency is less than 1. With the significance level set at 5%, a relationship is significant when the result of the Pearson Chi-square is smaller than or equal to 0.05.

For this analysis, graphs are labelled with “*no significant correlation*” if the Chi-square result is found to be larger than 0.05.

Cramer's V

Cramer's V is used when the two variables are nominal or when the independent variable is ordinal and the dependent variable is nominal. This measure is used to determine the strength of the relationship. A Cramer's V value can vary from 0.000 to 1.000. A value of 1.000 represents a perfect correlation; while a value of 0.000 represents no correlation.

For this analysis, the strength of the correlation is interpreted in the following manner:

Cramer's V	Strength of Correlation
0.000 to 0.204	weak
0.205 to 0.254	moderate
0.255 to 0.354	strong
0.355 to 0.454	quite strong
0.455 and higher	very strong

¹⁰ Nominal variables have no intrinsic order, ordinal values contain ordered values.

A.4 Typology definitions

The AAFC farm typology is similar in many respects to the Economic Research Service (ERS) farm typology, developed to monitor the diverse needs of small farm businesses in the United States. Factors such as age, experience, business intentions and sales class have been used to categorize farm operators and farm families into distinct groups. As with the ERS typology, the groups differ in their contributions to agricultural production, product specialization, program participation and dependence on farm income.

The AAFC typology classifies farms into more homogeneous groups based on five factors:

- organizational structure (non-family farms)
- age (retirement farms)
- dependence on off-farm income (lifestyle farms)
- total family income (low-income farms)
- revenue class

By capturing the life cycle or different business intentions among farmers, it is possible to explain some of the problems facing particular groups and to develop policies that better target the needs of individual farms. The AAFC Typology groups are:

RETIREMENT: Farms managed by an operator 60 years of age or older receiving pension income with no children involved in the day-to-day operation of the farm.

LIFESTYLE: Small farms (revenues of \$10,000 to \$49,999) managed by families with off-farm income greater than \$50,000. This category excludes the retirement category.

LOW-INCOME: Small and medium farms (revenues of \$10,000 to \$99,999) managed by families with total income less than \$28,000. This category excludes the retirement and lifestyle categories.

All other family farms are separated further, based on total revenues. These groups exclude family farms in the retirement, lifestyle and low-income categories.

SMALL BUSINESS-FOCUSSED: Revenues of \$10,000 to \$49,999

MEDIUM BUSINESS-FOCUSSED: Revenues of \$50,000 to \$99,999

LARGE BUSINESS-FOCUSSED: Revenues of \$100,000 to \$499,999

VERY LARGE BUSINESS-FOCUSSED: Revenues of \$500,000 and over

Appendix B

Comparison of the distributions of the 2004 National Renewal Survey and the 2003 Farm Financial Survey and the 2001 Census of Agriculture

This appendix provides a comparison of the distributions derived from the Renewal Survey with two other farm databases: the 2003 *Farm Financial Survey* (FFS) and the 2001 *Census of Agriculture*.

This comparison shows that in the Renewal Survey, there is a slight under-representation of farms in the lifestyle group (farms generating revenues of less than \$50,000 and with off-farm income greater than \$50,000). One possible explanation for the under-representation may be the method used to derive the farm sample. In general, owners of lifestyle farms tend to live in close proximity to urban areas. Since sample selection was based in part on rural postal code lists, a number of these smaller lifestyle farms may have been excluded from sample selection.

There is also a slight under-representation by younger farm operators (operators less than 45 years of age). Younger operators may be under-represented because they may be less involved in financial decision making relative to their older peers. The survey questionnaire requested that the survey be completed by the main farm decision-maker. The Renewal Survey over-represented the farms in the large business-focussed group.

2.1 Business structure

According to the Renewal Survey, the majority of farm businesses in Canada remain sole proprietorships. In 2003, one half of farm businesses in Canada were sole proprietorships, one-quarter partnerships and one-fifth corporations. The remainder are for the most part farms that chose not to identify themselves.

Saskatchewan reported the largest share of sole proprietorships (66%). In Quebec, partnerships are the most common form of ownership (53%).

<i>2004 Renewal Survey</i>	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDN
	(percent)										
Sole proprietorship	45	45	55	57	35	42	51	66	54	30	50
Partnership	33	28	24	28	53	20	15	10	15	38	26
Corporation	23	25	21	11	10	37	31	22	28	30	22
Other	0	2	0	4	1	0	1	2	3	1	1

Comparison to other surveys

Comparison of the 2004 National Renewal Survey with the *2003 FFS* and *2001 Census of Agriculture* shows a slightly lower share of sole proprietorship operations in the 2004 Renewal Survey compared to these other surveys of the farm sector. Weighting factors for the Renewal Survey do not include the size of farm, which is partly responsible for the higher estimated share of corporate farms. Differences are most pronounced in Ontario and Manitoba.

<i>2003 Farm Financial Survey</i>	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDN
	(percent)										
Sole proprietorship	49	58	63	64	48	54	59	67	58	45	57
Partnership	10	22	20	14	30	29	28	19	25	33	26
Corporation	41	20	17	22	22	17	12	14	16	22	17
Other	0	0	0	0	0	0	1	0	1	0	0

<i>2001 Census of Agriculture</i>	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDN
	(percent)										
Sole proprietorship	51	58	60	61	46	52	57	65	55	42	55
Partnership	13	25	23	18	28	33	31	23	30	35	29
Corporation	31	16	17	21	25	15	12	11	14	23	16
Other	5	0	0	0	0	0	0	1	0	1	0

2.2 Gross farm revenues

According to the Renewal Survey, one third of farms reported generating gross revenues of \$100,000 to \$249,999. Slightly over one quarter of farm operators received \$250,000 or more in gross revenues.

<i>2004 Renewal Survey</i>	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDN
	(percent)										
\$10,000 to \$49,999	39	18	39	21	12	22	17	22	18	20	19
\$50,000 to \$99,999	14	14	12	16	10	19	21	27	23	14	20
\$100,000 to \$249,999	25	27	25	23	38	27	34	36	34	31	33
\$250,000 to \$499,999	9	12	12	22	24	16	16	12	14	16	15
\$500,000 and over	13	29	13	18	16	16	14	4	11	19	12

Comparison to other surveys

Comparison of the 2004 National Renewal Survey with the 2003 FFS and 2001 Census of Agriculture shows a smaller share of farms in the \$10,000 to \$49,999 revenue class and a higher share of farms with \$100,000 or more gross revenue.

<i>2003 Farm Financial Survey</i>	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDN
	(percent)										
\$10,000 to \$49,999	32	28	39	40	21	19	12	18	16	26	21
\$50,000 to \$99,999	15	12	12	13	14	13	13	19	14	13	14
\$100,000 to \$249,999	24	22	16	15	23	21	26	28	25	24	23
\$250,000 to \$499,999	11	17	14	14	18	19	20	19	20	15	18
\$500,000 and over	18	21	19	18	24	28	29	16	24	21	24

<i>2001 Census of Agriculture</i>	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDN
	(percent)										
\$10,000 to \$49,999	50	34	52	46	32	43	35	37	41	53	40
\$50,000 to \$99,999	15	16	12	12	15	15	20	23	20	14	18
\$100,000 to \$249,999	17	21	16	19	29	22	26	28	23	15	24
\$250,000 to \$499,999	8	14	10	13	15	12	11	9	10	9	11
\$500,000 and over	11	15	9	11	8	8	7	3	6	10	7

2.3 Farm type¹¹

According to the Renewal Survey, two in five producers specialize in grain and oilseed production. One third of producers specialize in the production of beef cattle and one tenth in dairy production.

2004 Renewal Survey	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDN
	(percent)										
Grain & Oilseed	0	0	0	0	17	35	47	71	39	10	41
Fruit	0	6	22	9	4	3	0	0	0	10	2
Vegetable	27	0	7	0	4	4	0	0	0	5	2
Potato	0	23	0	12	0	0	0	0	0	0	1
Greenhouse & Nursery	15	0	5	9	5	3	0	0	2	20	3
Beef Cattle	0	27	29	30	20	27	40	26	54	37	34
Dairy	19	22	19	21	38	17	4	1	2	9	11
Hog	0	0	3	0	10	6	6	1	2	0	4
Poultry & Egg	0	0	5	0	3	4	2	0	1	7	2
All Farms	100	100	100	100	100	100	100	100	100	100	100

Comparison to other surveys

Population distributions for both the *2003 Farm Financial Survey* and the *2001 Census of Agriculture* are shown below. The distribution of farms by farm type is very similar for all three surveys. This is understandable given that the weighting factors for the *2003 Farm Financial Survey* are based on the *2001 Census of Agriculture*. Farm type percentages may be slightly higher in the Renewal Survey compared to the other two surveys because farms classified as “other” were excluded from the Renewal Survey.

¹¹ The farm type definition used in the 2004 National Renewal Survey varies slightly from the definition used in both the Farm Financial Survey and Census of Agriculture, which use the 50% plus rule to define farms by farm type. In the Renewal Survey, respondents were asked which agricultural product produced on their farm contributed the most to their gross farm sales.

2003 Farm Financial Survey

	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDN
	(percent)										
Grain & Oilseed	0	5	1	1	14	28	45	67	33	4	35
Fruit	6	3	16	12	3	3	0	0	0	17	2
Vegetable	18	4	5	3	3	2	0	0	0	4	1
Potato	8	26	1	13	1	1	1	0	1	1	1
Greenhouse & Nursery	27	1	4	3	3	4	1	0	1	9	2
Beef Cattle	7	27	26	24	18	26	36	26	47	31	31
Dairy	14	20	15	15	32	15	4	1	2	8	10
Hog	1	6	3	4	7	5	5	1	2	1	3
Poultry & Egg	8	2	5	4	3	4	2	0	1	7	2
Other	12	5	25	21	15	12	7	5	12	19	11
All Farms	100	100	100	100	100	100	100	100	100	100	100

2001 Census of Agriculture

	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDN
	(percent)										
Grain & Oilseed	0	3	1	1	13	31	43	68	32	2	37
Fruit	7	5	24	12	4	4	0	0	0	20	3
Vegetable	18	3	4	3	3	3	0	0	0	3	1
Potato	2	26	1	16	1	0	1	0	0	1	1
Greenhouse & Nursery	31	2	7	7	5	5	1	0	1	11	3
Beef Cattle	6	27	29	29	20	27	40	26	54	37	34
Dairy	19	22	19	20	38	17	4	1	2	9	11
Hog	2	7	3	5	10	6	6	1	2	1	4
Poultry & Egg	9	1	5	3	3	4	2	0	1	7	2
All Farms	100	100	100	100	100	100	100	100	100	100	100

2.4 Age of respondent

According to the 2004 National Renewal Survey, less than 5% of farm operators are younger than 35 years. A larger percentage of operators in Prince Edward Island and Quebec are less than 45 years old. Operators in New Brunswick are younger, with an average age of 49. The average age of farm operators in Canada as a whole is 52.

<i>2004 Renewal Survey</i>	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDN
	(percent)										
18–34	7	7	3	3	7	4	5	3	3	4	4
35–44	12	27	22	18	26	21	21	17	15	17	19
45–54	44	31	27	34	39	35	40	37	41	36	38
55–64	27	21	31	39	24	28	24	29	27	29	27
65+	10	13	17	7	5	13	10	15	14	13	12
Average age	52	51	54	49	52	51	53	53	53	53	52

Comparison to other surveys

Compared to the *2001 Census of Agriculture*, the 2004 National Renewal Survey underestimates the share of the youngest farm operators (less than 45 years). Almost 40% of farm operators were under age 45 in the Census of Agriculture compared to 23% in the Renewal Survey. This difference is due partly to the fact that the Census of Agriculture allows reporting of up to three operators per farm. The Renewal Survey collects age and education information on only one operator, and this operator must be involved with the financial aspects of the business. It may be the case that where more than one operator is involved in the operation, those attending the books are older members of the farm operation.

Two thirds of Renewal Survey respondents were between the ages of 45 and 64 years. This compares to just under half of operators in the *2001 Census of Agriculture*.

**Comparison against *2003 Farm Financial Survey* was not done because the FFS survey only collects age information on oldest and youngest operator.

<i>2001 Census of Agriculture</i>	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDN
	(percent)										
15–35	10	13	11	8	15	12	13	11	11	9	12
35–44	23	26	25	24	32	26	27	25	26	25	27
45–54	34	31	29	34	30	27	29	29	28	31	29
55–64	21	19	25	19	17	21	18	18	21	21	20
65+	11	12	11	15	6	14	12	16	13	14	13
Average age	50	49	50	51	46	50	48	50	49	50	49

2.5 Farm typology

According to the 2004 National Renewal Survey, almost half of farm operators operated a large business focussed farm, one-tenth were in the medium business-focussed category, and almost one fifth operated either a small or very large business-focussed farm. Retirement, lifestyle and low-income farms taken together accounted for less than one third of farms.

<i>2004 Renewal Survey</i>	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDN
	(percent)										
Retirement	3	10	17	7	3	13	10	14	13	12	12
Lifestyle	7	6	6	3	0	4	2	5	5	2	4
Low-income	10	13	14	14	11	10	18	14	12	15	13
Small business focussed	21	5	9	9	6	10	5	5	6	3	6
Medium business focussed	14	5	6	8	3	9	8	14	12	9	10
Large business focussed	33	33	34	42	61	39	44	44	41	40	44
Very large business focussed	13	28	12	17	16	15	14	4	11	19	12

Comparison to other surveys

Compared to the *2001 Census of Agriculture* and the *2003 Farm Financial Survey*, a much higher share of Renewal Survey respondents were in the large business-focussed category. In the Renewal Survey, 44% of respondents operated large business-focussed farms. This compared to less than one third of *2001 Census of Agriculture* farms, and one quarter of farms in the *2003 FFS*. On the other hand, retirement and lifestyle farms are less well-represented in the Renewal Survey. The lifestyle and retirement groups may have been less inclined to participate in the survey given the emphasis on business practices.

<i>2003 Farm Financial Survey</i>	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDN
	(percent)										
Retirement	10	11	19	18	8	19	15	20	18	21	17
Lifestyle	8	7	10	10	6	12	6	6	10	11	9
Low-income	16	15	14	12	12	9	13	14	11	11	12
Small business focussed	9	4	5	5	3	4	2	3	3	4	3
Medium business focussed	11	7	5	5	6	8	9	10	9	7	9
Large business focussed	16	24	18	23	22	23	28	26	25	16	24
Very large business focussed	6	10	6	6	4	6	6	2	4	5	4
Non-family farms	0	0	0	0	0	0	1	0	1	0	1

<i>2001 Census of Agriculture</i> (family farms)	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	CDN
	(percent)										
Retirement	16	11	12	18	7	15	13	18	16	16	14
Lifestyle	15	11	12	14	10	19	9	10	17	22	14
Low-income	10	7	11	9	7	6	12	11	8	11	8
Small business focussed	15	9	13	13	9	8	10	8	9	11	9
Medium business focussed	5	8	10	6	11	10	12	13	12	9	11
Large business focussed	23	37	27	31	48	35	38	37	31	23	36
Very large business focussed	15	17	14	10	9	9	7	4	7	8	7

Appendix C

2004 National Renewal Survey questionnaire

1. In 2002, did your [farm/ranch] earn at least \$10,000 in gross farm receipts, or revenues?
Under \$10,000
\$10,000 and over
2. In 2002, which of the following were produced on your farm/ranch?
Grain and oilseed
Fruit
Vegetables
Greenhouse and nursery
Potatoes
Hay, forage, silage
Other crops
Dairy and dairy products
Beef cattle
Hogs
Poultry and eggs
Other livestock and livestock products
Other
3. And of the products you mentioned, which one contributed most to your total farm/ranch sales?

SECTION A - FARM STRUCTURE

4. For how many years has this [farm/ranch] been in your family, including previous generations?
5. And, for how many years have you yourself owned this [farm/ranch]?
6. How many years has the most experienced operator on this farm/ranch managed a [farm/ranch] business?
7. What is the ownership structure of your farm/ranch, would it be a...?
Sole owner
Corporation
Partnership
Co-operative or communal operation
Another type of structure
8. How many (partners/ shareholders), including yourself, own the [farm/ranch]?
9. And what is the relationship of these (partners/shareholders) to you?
Wife/husband
Son/daughter
Father/mother
Brother/sister
Uncle/aunt/ nephew/niece/cousin
In-law
Unrelated
Other

SECTION B - GOAL ACHIEVEMENT

- 10a. I would like to know about the importance you place on each of a number of goals you might have for your [farm/ranch]. Which one of the following goals would you say is most important to you right now?
- Maximising return on investment
 - Paying off your debts
 - Maximising productivity
 - Expanding the size of the farm/ranch
 - Producing the best products possible
 - None
 - Other
- 10b. Of the remaining (four) goals, please tell me which of these is the next most important to you.
- 10c. Of the remaining (three) goals, please tell me which of these is the next most important to you.
- 10d. Of the remaining (two) goals, please tell me which of these is more important to you.
11. To what extent are you achieving your important [farm/ranch] goals? Would you say that you have fully achieved, mostly, somewhat, minimally or not at all achieved the goal?
- 12a. I would like to ask you about the importance you place on each of a number of personal and family goals you might have right now. Which one of the following goals would you say is most important to you right now?
- Providing a good place to raise a family
 - Being part of the community
 - Learning new things
 - Providing a heritage for the next generation
 - Providing a reasonable income for my family and myself
 - None
 - Other
- 12b. Of the remaining (four) goals, please tell me which of these is the next most important to you.
- 12c. Of the remaining (three) goals, please tell me which of these is the next most important to you.
- 12d. Of the remaining (two) goals, please tell me which of these is more important to you.
13. To what extent are you achieving your important personal and family goals? Would you say that you have fully achieved, mostly, somewhat, minimally or not at all achieved the goal?

SECTION C - HUMAN RESOURCES

14. Besides yourself, did you have paid labour, including other family members, on your [farm/ranch] in 2002?
15. In total, how many family and non-family members worked on the farm/ranch in 2002 as...?
Paid, full-time employees
Paid, part-time employees
Paid, seasonal employees
16. Do you have a written plan detailing job descriptions, wages, fringe benefits, and so on?

SECTION D - BUSINESS PLAN

17. Does your farm have a written business plan, stating the objectives for the farm operation and how it plans to accomplish these objectives?
18. How many years are covered by your business plan?
19. Have you used your business plan as a tool to secure financing?
20. Does your [farm/ranch] have any of the following types of plans?
 - a) written marketing plan (detailing how you will sell the products you produce)?
 - b) written succession plan, excluding wills
 - c) written production plan
 - d) written financial assessment
 - e) written environmental plan
 - f) written food safety and quality plan (that identifies the possible hazards that can contaminate the products you produce)

SECTION E - FINANCIAL MANAGEMENT

21. Who was involved in preparing annual financial statements for 2002, including tax statements, for the farm operation?
Self
Spouse
Son/daughter
Father/mother
Brother/sister
Uncle/aunt/ nephew/niece/cousin
In-law
Farm employee
Accountant
Other
22. Which type of accounting method is used by your farm/ranch; would it be...?
Cash accounting
Accrual accounting

23. Which of the following has been done for your [farm/ranch] in the past twelve months?
- a) Produced a balance sheet listing all your farm's assets and liabilities
 - b) Produced a written annual budget listing your expected revenues and expenses for the farm
 - c) Produced a break-even analysis, which outlines the minimum revenues needed to cover expenses
 - d) Prepared a cash-flow analysis that tells you when you can expect to get money and when you will spend it
 - e) Prepared an enterprise budget, which separately calculates the revenues and expenses associated with the different products you produce
24. Do you compare your [farm/ranch] with others of similar size and specialization when it comes to your . . . ?
- a) Production performance
 - b) Financial performance

SECTION F - NEW BUSINESS

25. In the past five years, which of the following changes, if any, took place on your [farm/ranch]? Did you . . . ?
- a) Expand (e.g., size of operation, number of production units)
 - b) Diversify your [farm/ranch]
 - c) Introduce value-added product such as converting apples to juice, or grain to feed mixes
 - d) Open a farm supply business such as a seed business, selling fertiliser
 - e) Start a non-farm business such as a welding shop, trucking, bed and breakfast
26. Before carrying out (this/these) change(s), which of the following things, if any, did you do. Did you . . . ?
- a) Consult other [farm/ranch] operators about your idea
 - b) Consult agrologists, input suppliers or other agricultural specialists
 - c) Look at consumer trends
 - d) Identify a market for this product
 - e) Determine if it would have had a positive impact on [farm's/ranch's] net operating income
 - f) Analyse the financial feasibility of the project
 - g) Consult accountants, lenders or other financial experts
 - h) Identify possible conflicts with the farm's limited resources (i.e., labour, machinery)
27. In general, would you say [this/these] change(s) have increased your net [farm/ family] income . . . ?
- Significantly
 - to some extent
 - Only a little
 - Not at all
 - Decreased net income
 - Too early to tell

28. Was there one major factor that affected the outcome of [this/these] change(s)
- Good business plan
 - Good advice from experts
 - Good financial management
 - Easy to get capital
 - Good relationship with banker
 - Good information
 - Involvement of employees/partners
 - Good weather conditions
 - Network
 - Lack of planning/poor business plan/no business plan
 - Poor advice from experts
 - Poor financial management
 - Difficulty getting capital
 - Poor relationship with banker
 - No information/poor information
 - Can't find good employees
 - Poor weather conditions
 - Regulations
 - Other

SECTION G - NEW TECHNOLOGIES / COMPUTERS

29. Does your [farm/ranch] operation use a computer for business purposes?
30. Is your farm operation connected to the Internet?
31. When it comes to the introduction of new products and techniques, does your [farm/ranch] operation tend to . . . ?
- Be among the first to try something new
 - Wait until at least a few others have tried it first
 - Wait until it has been well tested
 - Be among the last to try something new

SECTION H – RISK MANAGEMENT

32. In the past two years, which of the following private insurance plans did you have for your [farm/ranch]?
- a) - Fire insurance
 - b) - Life insurance
 - c) - Liability insurance
 - d) - Transit, auction and yard insurance (outgoing insurance)
 - e) - Private hail insurance
 - f) - Livestock insurance (e.g., dairy insurance, hog confinement insurance, mortality insurance)
33. In the past two years, did your [farm/ranch] use commodity options and/or futures?

34. There are also a number of government safety net and risk management programs available to you. In the past two years, did you participate in...?
- a) The Net Income Stabilisation Account or NISA
 - b) Crop Insurance
 - c) Advance Payment Program
 - d) The Canadian Farm Income Program or CFIP
35. Besides the ones I have already mentioned, can you name any other risk management plans or tools which you used to reduce risk?
36. Do you have a written risk assessment plan, which looks at all possible risks for the [farm/ranch] and how to protect against them?
37. Do you feel that the combination of private and public risk protection plans provide your [farm/ranch] with protection against the wide variety of risks you can encounter? Would you say you have very good protection, good protection, adequate protection, poor protection or very poor protection?

SECTION I – MARKETING

38. Most [farm/ranch] operators sell their products through traditional markets such as auction markets, marketing boards & coops, and grain & feed companies. In 2002, did your farm operation generate additional revenue by other methods such as . . . ?
- a) Selling directly to processor, excluding marketing boards and coops
 - b) Selling directly to consumer (e.g., through farmers market/road side stand/U-pick)
 - c) Selling directly to a retail store or restaurant
 - d) Directly exporting products to other countries from your farm operation
 - e) Other methods
39. Does your farm operation sell value-added products (processing commodities you produce)?

SECTION J - NETWORKING

40. Do you, or anyone else on your [farm/ranch], actively participate in ...?
- a) A mentoring or peer group
 - b) A management or marketing club
 - c) A producer association or general farm organisation
41. Does your farm operation have an arrangement with other producers in ...?
- a) Sharing equipment
 - b) Group purchasing of inputs
 - c) Group marketing

SECTION K - SKILLS DEVELOPMENT

42. a) In the past five years, did you, your partners, or employees receive training in financial management?
43. a) In the past five years, did you, your partners, or employees receive training in marketing?
44. a) In the past five years, did you, your partners, or employees receive training in managing employees (HUMAN RESOURCES MANAGEMENT)?
45. a) In the past five years, did you, your partners, or employees receive training in agricultural production?
46. a) In the past five years, did you, your partners, or employees receive training in food safety and quality?
47. a) In the past five years, did you, your partners, or employees receive training in environmental management?
48. a) In the past five years, did you, your partners, or employees receive training in succession planning?
49. a) In the past five years, did you, your partners, or employees receive training in non-farm related training?

For the above questions,

b) Who received this training?

Self

Spouse

Another member of the family

Another partner

Farm/ranch employee

Other

c) By what format was this training obtained?

Workshops/seminars

Conferences

Field days

Home study or correspondence courses

Extension courses or short classroom courses

On-line courses on the Internet

College (CEGEP) courses, university courses (for certificate or degree program)

Reading training manuals

Courses on CDs

Other

SECTION L – PROGRAM AWARENESS

50. NISA and CFIP have recently been replaced with a single new program called the Canadian Agricultural Income Stabilization Program or CAIS. Have you heard of this new program?
51. Are you planning to participate in the CAIS program?
52. Agriculture and Agri-Food Canada has also recently introduced a new program called the Canadian Farm Business Advisory Services. Have you heard of this program?
53. Are you participating, or planning to participate in the Canadian Farm Business Advisory Services?
54. Agriculture and Agri-Food Canada recently introduced a new benchmark Web site. The site provides an interactive financial tool to compare your performance against other farms/ranches of similar size and specialization. Have you heard of this site?
55. Have you used, or are you planning to make use of the financial benchmarking tool on this Web site?
56. Have you heard anything about the Agricultural Policy Framework or APF?
57. Can you tell me what APF initiatives/activities you may have heard about?
Improving Canada's food safety system
Plans to replace NISA with CAIS
Improvements/changes to production insurance
Encouragement to use environmental farm plans
Efforts to encourage provincial sign-off
Other

SECTION M - FARM/RESPONDENT CHARACTERISTICS

58. In the next 5 years do you plan to expand, maintain, or reduce the size of your [farm/ranch] operation?
59. Were your gross farm receipts above or below \$150,000 for 2002?
Below \$150,000
\$150,000 or over
- 60a. (IF GROSS FARM RECEIPTS ARE UNDER \$150,000 IN Q.59)
Which of the following categories best fits your gross farm receipts for 2002?
From \$10,000 to less than \$25,000
From \$25,000 to less than \$50,000
From \$50,000 to less than \$100,000
From \$100,000 to less than \$150,000
- 60b. (IF GROSS FARM RECEIPTS ARE OVER \$150,000 IN Q.59)
Which of the following categories best fits your gross farm receipts for 2002?
From \$150,000 to less than \$200,000
From \$200,000 to less than \$250,000
From \$250,000 to less than \$500,000
\$500,000 and over

- 61a. (IF GROSS FARM RECEIPTS ARE FROM \$10,000 to UNDER \$25,000 IN Q.60a)
Which of the following categories best fits your net farm income for 2002?
Less than \$0
Between \$0 and \$5,000
From \$5,000 to less than \$10,000
From \$10,000 to less than \$15,000
From \$15,000 to less than \$20,000
From \$20,000 to less than \$25,000
- 61b. (IF GROSS FARM RECEIPTS ARE FROM \$25,000 TO UNDER \$50,000 IN Q.60a)
Which of the following categories best fits your net farm income for 2002?
Less than \$0
Between \$0 and \$5,000
From \$5,000 to less than \$10,000
From \$10,000 to less than \$15,000
From \$15,000 to less than \$20,000
From \$20,000 to less than \$25,000
From \$25,000 to less than \$50,000
- 61c. (IF GROSS FARM RECEIPTS ARE FROM \$50,000 TO UNDER \$100,000 IN Q.60a)
Which of the following categories best fits your net farm income for 2002?
Less than \$0
From \$0 to less than \$10,000
From \$10,000 to less than \$25,000
From \$25,000 to less than \$50,000
From \$50,000 to less than \$75,000
From \$75,000 to less than \$100,000
- 61d. (IF GROSS FARM RECEIPTS ARE FROM \$100,000 TO UNDER \$150,000 IN Q.60a)
Which of the following categories best fits your net farm income for 2002?
Less than \$0
From \$0 to less than \$10,000
From \$10,000 to less than \$25,000
From \$25,000 to less than \$50,000
From \$50,000 to less than \$75,000
From \$75,000 to less than \$100,000
From \$100,000 to less than \$150,000

FOR FARMS WITH GROSS FARM RECEIPTS OVER \$150,000 IN Q.60b

- 62a. (IF GROSS FARM RECEIPTS ARE FROM \$150,000 to UNDER \$200,000 IN Q.60b)
Which of the following categories best fits your net farm income for 2002?
Less than \$0
Between \$0 and \$10,000
From \$10,000 to less than \$25,000
From \$25,000 to less than \$50,000
From \$50,000 to less than \$100,000
From \$100,000 to less than \$150,000
From \$150,000 to less than \$200,000

- 62b. (IF GROSS FARM RECEIPTS IS \$200,000 AND GREATER IN Q.60b)
Which of the following categories best fits your net farm income for 2002?
Less than \$0
Between \$0 and \$10,000
From \$10,000 to less than \$25,000
From \$25,000 to less than \$50,000
From \$50,000 to less than \$100,000
From \$100,000 to less than \$150,000
From \$150,000 to less than \$200,000
\$200,000 and over
63. In the past five years has your average net farm income. . . ?
Increased a lot
Increased slightly
Stayed about the same
Decreased slightly
Decreased a lot
Other
64. In what year were you born?
65. What is the highest level of formal education that you have completed?
Some elementary
Completed elementary
Some high school
Completed high school
Community college/ vocational/ trade school/ commercial/ CEGEP
Some university
Completed university (eg. bachelor degree)
Post-graduate university/professional school Master's, PhD, lawyer, doctor)
No schooling
66. Which of the following income sources contribute to your net family income in 2002?
Net farm income
Other self-employment income
Employment income
Investment income
Pension income
Other income
67. In 2002, what was the net family income before taxes from all sources including wages earned from the [farm/ranch], work done off the [farm/ranch], and pension income? Was it above or below \$35,000?
Below \$35,000
Above \$35,000
- 68a. (IF NET FAMILY INCOME IS UNDER \$35,000 IN Q.67)
Which of the following categories best fits your net family income for 2002?
Under \$15,000
From \$15,000 to less than \$25,000
From \$25,000 to less than \$35,000

- 68b. (IF NET FAMILY INCOME IS OVER \$35,000 IN Q.67)
Which of the following categories best fits your net family income for 2002?
From \$35,000 to less than \$45,000
From \$45,000 to less than \$55,000
From \$55,000 to less than \$75,000
From \$75,000 to less than \$100,000
\$100,000 and over
69. In 2002, your family's off-farm income was . . . ?
Zero
Less than \$50,000
\$50,000 or over
70. What are the first three characters of the postal code for your [farm/ranch]?
71. For quality control purposes, my supervisor may call you back. Would it be possible to have your first name?