



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada



Farm Income, Financial Conditions and Government Assistance

Data Book

Canada 

September 2007

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

Research and Analysis Directorate
Strategic Policy Branch

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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.

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ABBREVIATIONS

AMPA	Agricultural Marketing Programs Act	FIP	Farm Income Payment
ASA	Agricultural Stabilization Act	GDP	Gross Domestic Product
AVOP	Adjusted Value of Production	GRIP	Gross Revenue Insurance Plan
CAIS	Canadian Agricultural Income Stabilisation Program	GSSE	General Services Support Estimate
CIDA	Canadian International Development Agency	NAC	Nominal Assistance Coefficient
CSE	Consumer Support Estimate	NISA	Net Income Stabilization Account
CWB	Canadian Wheat Board	PSE	Producer Support Estimate
EDC	Export Development Corporation	TDP	Taxation Data Program
FCC	Farm Credit Canada	TSE	Total Support Estimate
FIMCLA	Farm Improvement and Marketing Cooperatives Loans Act		

SYMBOLS

n.c.	not calculated
..	figures not available
...	figures not appropriate
x	confidential

INTRODUCTION

The data book is divided into four sections. Section A presents information related to farm income. Section B contains information on farm financial conditions. Section C provides data on government expenditures for the agri-food sector. Section D contains information on producer support estimates. Notes on the methodology are provided at the end of each section. This issue provides the most up-to-date key economic and financial indicators.

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SECTION A

Farm Income

Table A.1: Farm Cash Receipts, Expenses and Income, Canada and Provinces, 1998-2006

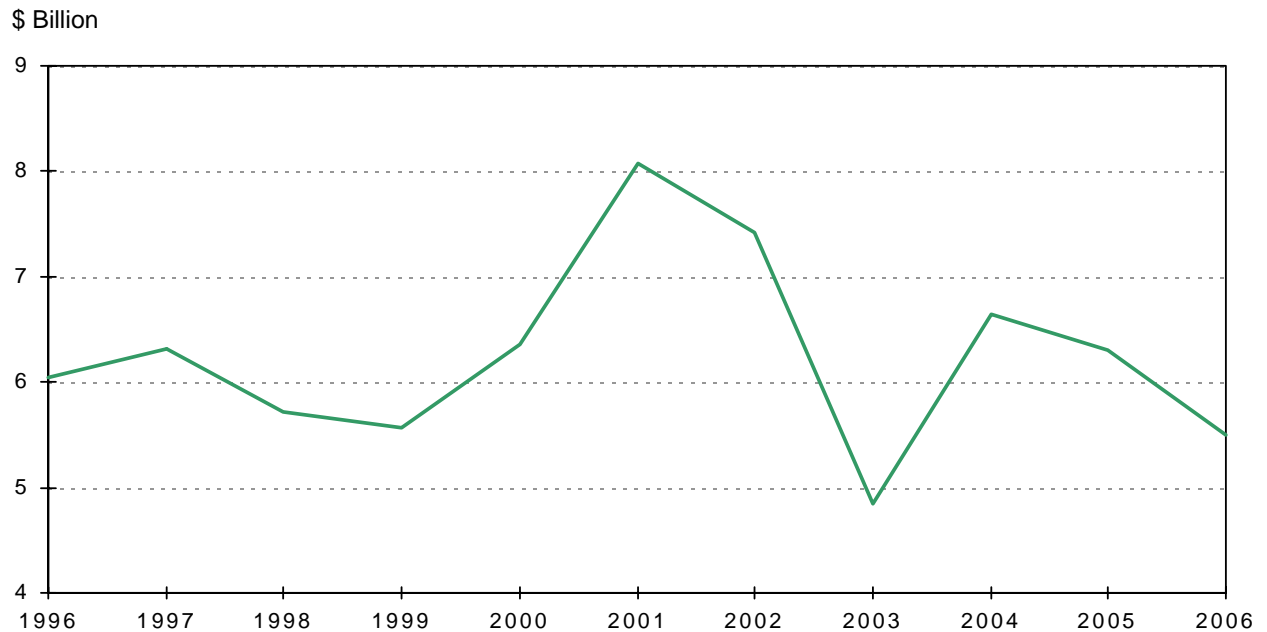
	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
- \$ Million -											
Crop Receipts											
1998	13	203	121	166	1,182	3,134	1,629	4,081	2,504	790	13,822
1999	14	224	138	186	1,263	3,158	1,401	3,665	2,331	837	13,218
2000	15	186	139	168	1,257	3,356	1,313	3,375	2,344	910	13,062
2001	16	151	121	192	1,273	3,251	1,519	3,784	2,290	994	13,591
2002	22	220	131	219	1,414	3,618	1,913	3,747	2,137	1,034	14,455
2003	17	219	151	197	1,428	3,735	1,700	2,839	1,971	1,142	13,401
2004	17	186	138	178	1,458	3,596	1,784	3,275	2,600	1,202	14,434
2005	15	196	132	186	1,441	3,622	1,286	3,135	2,371	1,097	13,481
2006	16	237	134	216	1,507	3,822	1,275	3,637	2,551	1,087	14,482
Livestock Receipts											
1998	59	110	241	180	3,050	3,646	1,217	1,235	3,713	991	14,443
1999	61	107	240	186	3,184	3,695	1,291	1,400	3,971	1,028	15,163
2000	59	120	263	196	3,624	4,094	1,551	1,571	4,511	1,100	17,090
2001	63	126	281	215	3,857	4,526	1,800	1,687	5,240	1,171	18,964
2002	62	119	262	197	3,645	4,263	1,716	1,710	5,087	1,130	18,191
2003	64	113	259	200	3,644	4,127	1,598	1,374	3,709	1,082	16,171
2004	70	123	290	204	4,012	4,346	1,639	1,485	3,981	1,012	17,162
2005	75	126	301	207	3,999	4,522	1,821	1,805	4,366	1,173	18,394
2006	79	121	304	200	3,849	4,443	1,784	1,729	4,300	1,150	17,960
Total Market Receipts											
1998	73	313	362	345	4,231	6,779	2,846	5,316	6,217	1,780	28,265
1999	74	331	379	372	4,447	6,853	2,692	5,065	6,303	1,865	28,381
2000	74	306	402	363	4,881	7,450	2,863	4,946	6,855	2,010	30,152
2001	78	278	402	406	5,130	7,777	3,319	5,471	7,530	2,165	32,555
2002	84	340	393	416	5,059	7,880	3,629	5,457	7,223	2,164	32,646
2003	82	332	409	398	5,072	7,863	3,298	4,213	5,681	2,224	29,572
2004	87	309	427	382	5,470	7,943	3,422	4,760	6,581	2,214	31,596
2005	90	322	434	393	5,440	8,144	3,106	4,939	6,737	2,270	31,875
2006	95	359	438	416	5,356	8,265	3,060	5,366	6,851	2,237	32,442
Program Payments											
1998	0	11	14	6	593	201	92	235	235	34	1,422
1999	0	19	15	6	653	333	216	476	218	41	1,976
2000	0	17	12	6	541	422	287	777	708	39	2,809
2001	1	59	18	6	624	777	382	1,020	819	60	3,766
2002	1	24	11	8	468	623	219	1,004	1,039	31	3,429
2003	1	23	16	12	875	585	308	1,600	1,368	59	4,848
2004	1	40	25	36	835	674	430	1,190	1,443	188	4,862
2005	1	46	27	40	749	800	699	1,323	1,117	120	4,923
2006	1	21	15	34	896	662	626	1,267	945	105	4,572
Total Cash Receipts											
1998	73	324	377	351	4,824	6,980	2,938	5,552	6,452	1,814	29,686
1999	75	350	393	378	5,100	7,186	2,908	5,540	6,521	1,906	30,357
2000	75	323	414	369	5,422	7,872	3,151	5,723	7,563	2,048	32,961
2001	79	336	420	413	5,754	8,554	3,701	6,491	8,349	2,224	36,321
2002	85	364	405	424	5,527	8,504	3,848	6,461	8,262	2,195	36,075
2003	83	355	426	410	5,947	8,448	3,606	5,813	7,049	2,283	34,420
2004	88	349	452	418	6,305	8,617	3,853	5,950	8,024	2,402	36,458
2005	91	368	461	433	6,189	8,945	3,805	6,263	7,854	2,390	36,799
2006	96	380	452	450	6,252	8,927	3,686	6,633	7,796	2,342	37,014

Source: Statistics Canada, Catalogue Nos. 21-010-XIE and 21-011-XIE, Agriculture Economic Statistics, May 2007.

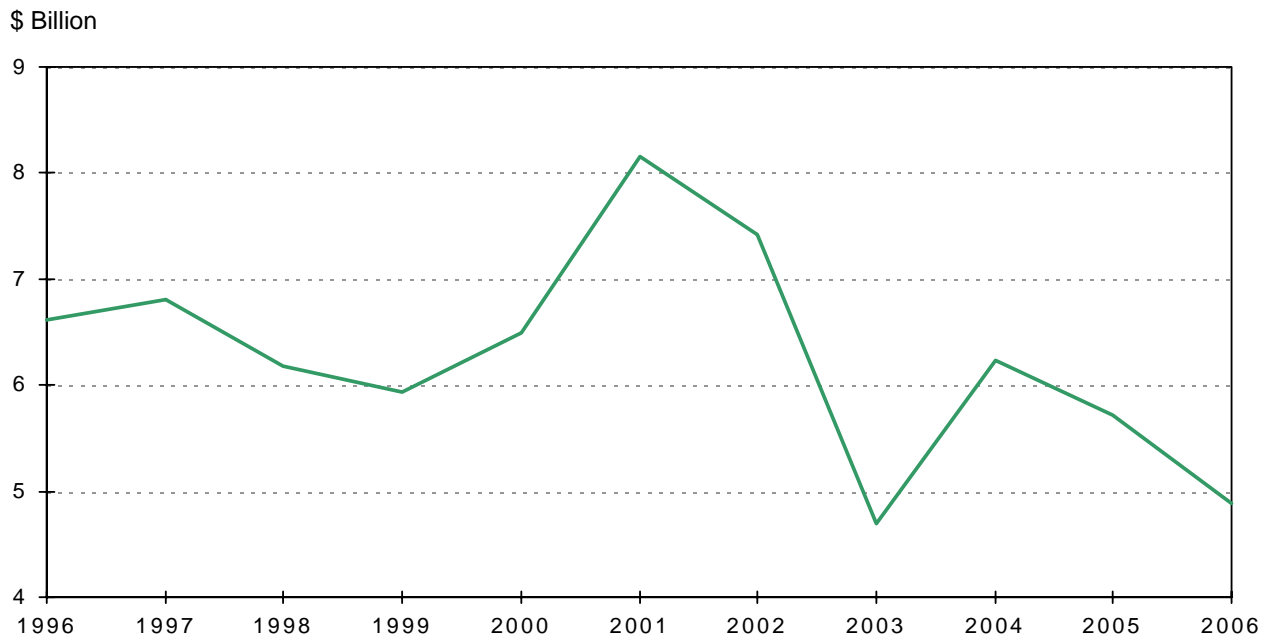
Table A.1: Farm Cash Receipts, Expenses and Income, Canada and Provinces, 1998-2006 (cont'd)

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
Net Operating Expenses											
1998	64	259	305	289	3,740	5,849	2,381	4,289	5,285	1,519	23,980
1999	64	271	312	297	3,902	5,999	2,376	4,277	5,722	1,566	24,787
2000	67	282	330	320	4,228	6,402	2,563	4,573	6,157	1,680	26,603
2001	71	291	350	341	4,469	6,963	2,790	4,770	6,441	1,769	28,255
2002	74	311	361	348	4,550	7,132	2,919	4,795	6,290	1,876	28,656
2003	78	317	378	363	4,868	7,291	3,068	4,994	6,292	1,923	29,572
2004	83	322	382	364	5,048	7,328	3,139	5,011	6,191	1,946	29,815
2005	85	330	386	375	5,004	7,495	3,055	5,265	6,460	2,041	30,496
2006	89	347	398	390	5,160	7,752	3,269	5,323	6,695	2,093	31,515
Net Cash Income											
1998	10	66	72	62	1,084	1,131	557	1,262	1,168	295	5,707
1999	11	78	81	81	1,198	1,187	532	1,263	799	340	5,570
2000	8	41	85	49	1,194	1,470	587	1,150	1,406	368	6,357
2001	8	45	70	72	1,285	1,590	912	1,721	1,909	456	8,066
2002	11	54	43	76	977	1,372	929	1,666	1,972	319	7,420
2003	4	38	48	46	1,079	1,157	538	819	757	360	4,847
2004	6	27	71	54	1,257	1,289	714	939	1,832	456	6,644
2005	6	38	74	59	1,185	1,450	750	997	1,394	349	6,302
2006	7	33	55	60	1,092	1,174	417	1,310	1,102	249	5,499
Realized Net Income											
1998	5	32	33	32	661	217	189	330	146	85	1,729
1999	7	45	40	47	745	244	152	328	-260	125	1,471
2000	3	5	39	12	702	483	209	239	336	147	2,176
2001	3	9	22	32	759	577	522	788	803	233	3,748
2002	6	19	-5	35	443	293	541	768	870	70	3,041
2003	-1	4	0	6	519	93	133	-82	-361	110	423
2004	0	-9	21	12	716	245	318	32	734	202	2,271
2005	1	-1	23	15	603	387	352	92	271	91	1,834
2006	1	-7	4	17	538	132	25	418	-16	-16	1,096
Total Net Income											
1998	6	19	34	30	659	234	244	353	306	120	2,006
1999	9	42	36	36	762	231	126	659	238	128	2,268
2000	4	22	37	22	634	302	384	530	375	150	2,461
2001	4	-58	20	27	847	472	457	159	543	252	2,723
2002	6	98	-4	53	462	440	515	36	-208	88	1,486
2003	-1	0	-1	2	625	172	540	799	581	154	2,871
2004	1	-3	20	3	843	566	260	922	1,278	177	4,068
2005	1	-22	22	23	578	395	125	749	562	47	2,479
2006	1	14	1	40	433	48	357	8	-361	-62	479

Source: Statistics Canada, Catalogue Nos. 21-010-XIE and 21-011-XIE, Agriculture Economic Statistics, May 2007.

Figure A.1(a): Net Cash Income (Current Dollars), Canada, 1996-2006

Source: Historical data, Statistics Canada, Catalogue No. 21-010-XIE, Agriculture Economic Statistics, May 2007.

Figure A.1(b): Net Cash Income (2002 Dollars), Canada, 1996-2006

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

Table A.2: Gross Direct Payments and Producer Premiums, Canada and Provinces, 2001-06

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
- \$ Million -											
2001											
Crop Insurance ¹	0	7	1	1	75	219	86	297	222	10	918
NISA	0	7	3	2	8	122	59	167	66	8	442
Dairy	0	1	1	1	17	15	1	1	3	3	42
Income Disaster	0	6	4	3	5	109	118	237	129	16	627
Provincial Stabilization	0	0	0	0	516	0	0	0	0	0	516
Other Payments ²	0	37	9	0	2	313	118	319	400	23	1,222
Total Program Payments	1	59	18	6	624	777	382	1,020	819	60	3,766
Input Rebates	0	0	0	0	87	5	0	31	19	0	142
Total Payments	1	59	18	7	711	782	382	1,051	838	60	3,908
Producer Premiums	0	1	0	0	157	38	47	148	82	3	477
2002											
Crop Insurance ¹	0	6	0	1	42	219	77	580	477	5	1,407
NISA	0	9	6	4	11	170	78	216	110	12	616
Dairy	0	0	0	0	4	3	0	0	1	0	9
Income Disaster	0	9	2	1	6	58	46	138	114	11	387
Provincial Stabilization	0	0	0	0	395	0	0	0	0	0	396
Other Payments ²	1	0	2	2	10	174	18	69	336	2	615
Total Program Payments	1	24	11	8	468	623	219	1,004	1,039	31	3,429
Input Rebates	0	0	0	0	79	13	0	17	11	0	119
Total Payments	1	24	11	8	547	636	219	1,020	1,050	31	3,548
Producer Premiums	0	2	0	0	82	46	52	176	123	3	485
2003											
Crop Insurance ¹	0	1	1	1	47	119	86	929	519	4	1,707
NISA	0	7	8	6	15	191	87	246	148	16	723
Dairy	0	6	1	1	4	40	27	141	204	17	440
Income Disaster	0	0	0	0	711	0	0	0	0	0	711
Provincial Stabilization	0	8	7	5	98	236	109	284	498	22	1,266
Other Payments ²	1	23	16	12	875	585	308	1,600	1,368	59	4,848
Total Program Payments	0	0	0	0	83	6	0	1	12	0	101
Input Rebates	1	23	16	12	958	591	308	1,601	1,380	59	4,949
Total Payments	0	2	0	0	206	61	65	221	168	3	727
Producer Premiums	0	1	1	1	47	119	86	929	519	4	1,707

Source: Statistics Canada, Catalogue No. 21-015-XIE, Agriculture Economic Statistics, May 2007.

¹ Excludes private hail insurance. Since April 1, 2003, the Crop Insurance program has been replaced by the Production Insurance program.² Other payments include programs such as private hail insurance, Bovine Spongiform Encephalopathy Recovery and special assistance programs.

Table A.2: Gross Direct Payments and Producer Premiums, Canada and Provinces, 2001-06 (cont'd)

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
2004											
Crop Insurance ¹	0	3	0	3	63	82	84	280	230	10	756
CAIS	0	11	6	14	7	108	79	222	305	25	777
NISA	0	11	8	11	16	223	125	298	220	22	934
Income Disaster	0	3	2	1	1	16	14	94	99	8	237
Provincial Stabilization	0	0	0	0	626	0	0	0	0	0	626
Other Payments ²	1	12	9	7	122	246	129	297	588	122	1,532
Total Program Payments	1	40	25	36	835	674	430	1,190	1,443	188	4,862
Input Rebates	0	0	0	0	86	5	1	0	19	0	111
Total Payments	1	40	25	36	921	680	431	1,190	1,461	188	4,973
Producer Premiums	0	3	0	0	196	54	81	207	156	3	700
2005											
Production Insurance ¹	0	6	1	5	59	50	299	277	115	8	820
CAIS	1	27	7	23	253	212	187	505	450	50	1,715
NISA	0	4	4	5	8	92	65	157	94	12	442
Income Disaster	0	0	0	0	0	82	0	0	0	0	82
Provincial Stabilization	0	0	0	0	391	0	0	0	0	0	391
Other Payments ²	0	8	15	7	38	364	149	384	458	50	1,473
Total Program Payments	1	46	27	40	749	800	699	1,323	1,117	120	4,923
Input Rebates	0	0	1	0	96	5	20	0	15	0	137
Total Payments	1	46	28	40	845	806	718	1,323	1,132	120	5,060
Producer Premiums	0	3	0	2	123	44	59	216	159	3	610
2006											
Production Insurance ¹	0	6	2	6	56	41	146	143	189	14	600
CAIS	1	10	9	22	181	249	258	446	360	71	1,606
NISA	0	3	3	4	7	72	47	109	63	9	317
Income Disaster	0	14	8	15	8	124	93	316	404	33	1,014
Provincial Stabilization	0	0	0	0	542	0	0	0	0	0	542
Other Payments ²	0	-12	-7	-13	103	176	82	254	-70	-21	492
Total Program Payments	1	21	15	34	896	662	626	1,267	945	105	4,572
Input Rebates	0	0	0	0	0	0	0	0	0	0	145
Total Payments	1	21	15	34	896	662	626	1,267	945	105	4,717
Producer Premiums	0	4	0	2	161	42	69	200	158	0	640

Source: Statistics Canada, Catalogue No. 21-015-XIE, Agriculture Economic Statistics, May 2007.

¹ Excludes private hail insurance. Since April 1, 2003, the Crop Insurance program has been replaced by the Production Insurance program.² Other payments include programs such as private hail insurance, Bovine Spongiform Encephalopathy Recovery and special assistance programs.

Table A.3: Average Total Operating Revenues, Operating Expenses and Net Operating Income per Farm, Canada and Provinces, 2003-05

Province	2003	2004	2005	05/04
	- Dollars per farm -			
Newfoundland				
Operating revenues	342,936	421,335	471,209	12%
Operating expenses	317,597	387,893	422,692	9%
Net operating income	25,339	33,442	48,517	45%
Prince Edward Island				
Operating revenues	296,904	285,619	307,827	8%
Operating expenses	260,624	259,332	273,147	5%
Net operating income	36,280	26,287	34,680	32%
Nova Scotia				
Operating revenues	221,516	218,847	226,468	3%
Operating expenses	193,937	184,201	191,813	4%
Net operating income	27,579	34,646	34,655	0%
New Brunswick				
Operating revenues	288,734	274,304	303,288	11%
Operating expenses	244,023	234,856	256,048	9%
Net operating income	44,711	39,448	47,240	20%
Quebec				
Operating revenues	264,537	282,385	293,611	4%
Operating expenses	226,546	239,899	244,752	2%
Net operating income	37,991	42,486	48,859	15%
Ontario				
Operating revenues	224,922	229,346	237,427	4%
Operating expenses	198,180	201,810	205,677	2%
Net operating income	26,742	27,536	31,750	15%
Manitoba				
Operating revenues	229,327	240,278	235,277	-2%
Operating expenses	197,286	204,442	203,949	0%
Net operating income	32,041	35,836	31,328	-13%
Saskatchewan				
Operating revenues	130,878	130,667	143,212	10%
Operating expenses	111,735	111,773	123,497	10%
Net operating income	19,143	18,894	19,715	4%
Alberta				
Operating revenues	215,338	205,726	230,103	12%
Operating expenses	194,775	176,201	203,009	15%
Net operating income	20,563	29,525	27,094	-8%
British Columbia				
Operating revenues	248,176	250,637	271,068	8%
Operating expenses	222,762	225,396	243,326	8%
Net operating income	25,414	25,241	27,742	10%
Canada				
Operating revenues	207,689	210,184	223,861	7%
Operating expenses	182,122	181,400	193,812	7%
Net operating income	25,567	28,784	30,049	4%

Source: Statistics Canada, Whole Farm Data Project, Net Income Stabilisation Account and Taxation Data Program.

Table A.4: Average Operating Revenues, Operating Expenses and Net Operating Income per Farm by Farm Type, Canada, 2003-05

Farm Type	2003	2004	2005	05/04
	- Dollars per farm -			
Dairy cattle and milk production				
Operating revenues	322,523	340,336	375,817	10%
Operating expenses	248,738	262,184	281,933	8%
Net operating income	73,785	78,152	93,884	20%
Beef cattle ranching and farming				
Operating revenues	170,433	155,729	170,083	9%
Operating expenses	163,731	143,445	158,616	11%
Net operating income	6,702	12,284	11,467	-7%
Hog and pig farming				
Operating revenues	793,886	898,544	943,310	5%
Operating expenses	754,752	817,137	834,111	2%
Net operating income	39,134	81,407	109,199	34%
Poultry and egg production				
Operating revenues	743,932	804,466	830,282	3%
Operating expenses	663,735	701,859	707,893	1%
Net operating income	80,197	102,607	122,389	19%
Oilseed and grain farming				
Operating revenues	138,173	141,396	149,224	6%
Operating expenses	111,751	116,322	126,157	8%
Net operating income	26,422	25,074	23,067	-8%
Potato farming				
Operating revenues	598,228	619,287	726,091	17%
Operating expenses	495,261	542,695	606,402	12%
Net operating income	102,967	76,592	119,689	56%
Fruit and tree nut farming				
Operating revenues	154,587	160,337	168,139	5%
Operating expenses	132,883	139,359	149,322	7%
Net operating income	21,704	20,978	18,817	-10%
Other vegetable and melon farming				
Operating revenues	285,750	307,043	312,344	2%
Operating expenses	243,854	269,459	268,285	0%
Net operating income	41,896	37,584	44,059	17%
Greenhouse, nursery and floriculture production				
Operating revenues	729,241	721,390	784,648	9%
Operating expenses	661,523	656,944	712,740	8%
Net operating income	67,718	64,446	71,908	12%
All Farm Types				
Operating revenues	207,689	210,184	223,861	7%
Operating expenses	182,122	181,400	193,812	7%
Net operating income	25,567	28,784	30,049	4%

Source: Statistics Canada, Whole Farm Data Project, Net Income Stabilization Account and Taxation Data Program.

Table A.5: Average Farm Family Income by Source and Income Group¹, Unincorporated Farms, Canada, 2004

Farm Family Income (before Depreciation)	Number of Farm Families		Off-Farm Employment Income ²	Investment Income	Pension Income	Other, Off-Farm, income ³	Total Off-Farm Income	Net Operating Income	Total Family Income
	Number	% of Total							
All Farms									
Under \$10,000 ⁴	6,590	5.0	12,823	2,596	4,020	4,720	24,159	-46,109	-21,950
\$10,000 - \$19,999	5,700	4.4	8,980	1,857	6,216	4,137	21,189	-5,730	15,459
\$20,000 - \$29,999	9,970	7.6	10,565	2,028	8,489	4,085	25,166	340	25,507
\$30,000 - \$39,999	12,790	9.8	13,813	2,900	9,316	4,193	30,221	4,886	35,107
\$40,000 - \$49,999	12,750	9.7	20,519	2,882	8,683	5,061	37,145	8,653	45,797
\$50,000 - \$99,999	51,300	39.2	38,566	4,311	7,958	5,795	56,630	16,521	73,151
\$100,000 +	31,900	24.4	90,239	12,542	7,813	7,967	118,561	46,539	165,100
TOTAL	130,970	100.0	42,262	5,671	7,892	5,840	61,666	16,586	78,252
Small Farms (Revenues \$10,000-\$49,999)									
Under \$10,000 ⁴	3,010	4.8	12,151	..	5,108	2,958	22,724	-29,991	-7,267
\$10,000 - \$19,999	3,510	5.6	7,289	1,961	8,284	3,265	20,799	-5,273	15,526
\$20,000 - \$29,999	6,410	10.2	10,082	2,171	11,117	3,548	26,918	-1,379	25,538
\$30,000 - \$39,999	7,380	11.8	14,251	3,389	12,751	3,446	33,836	912	34,749
\$40,000 - \$49,999	6,840	10.9	24,875	3,456	12,030	4,476	44,836	428	45,265
\$50,000 - \$99,999	23,600	37.6	51,067	4,660	11,194	4,703	71,625	152	71,776
\$100,000 +	12,020	19.2	129,733	15,468	11,092	6,107	162,399	-708	161,691
TOTAL	62,750	100.0	50,444	5,940	10,986	4,517	71,887	-1,801	70,086
Medium Farms (Revenues \$50,000-\$99,999)									
Under \$10,000 ⁴	1,400	5.7	11,479	2,464	3,954	4,451	22,349	-35,194	-12,845
\$10,000 - \$19,999	1,240	5.0	11,681	1,474	3,290	4,710	21,155	-5,328	15,827
\$20,000 - \$29,999	1,860	7.5	11,388	1,788	4,287	4,297	21,760	3,490	25,250
\$30,000 - \$39,999	2,930	11.9	14,129	2,273	5,669	4,688	26,759	8,953	35,712
\$40,000 - \$49,999	2,710	11.0	18,324	2,604	6,454	5,339	32,721	13,641	46,363
\$50,000 - \$99,999	10,050	40.7	37,430	5,720	7,918	5,869	56,938	15,510	72,447
\$100,000 +	4,500	18.2	101,345	14,514	9,115	7,954	132,928	16,462	149,391
TOTAL	24,680	100.0	39,483	5,877	6,978	5,794	58,131	9,877	68,008
Large Farms (Revenues \$100,000+)									
Under \$10,000 ⁴	2,170	5.0	14,629	2,806	2,558	7,334	27,327	-75,523	-48,196
\$10,000 - \$19,999	950	2.2	11,699	1,973	2,397	6,601	22,670	-7,953	14,717
\$20,000 - \$29,999	1,710	3.9	11,468	1,750	3,220	5,863	22,301	3,343	25,644
\$30,000 - \$39,999	2,460	5.6	12,128	2,180	3,369	5,840	23,516	12,015	35,532
\$40,000 - \$49,999	3,210	7.4	13,085	1,893	3,425	6,075	24,478	21,894	46,372
\$50,000 - \$99,999	17,640	40.5	22,488	3,042	3,652	7,212	36,394	39,007	75,401
\$100,000 +	15,380	35.3	56,162	9,682	4,873	9,424	80,142	92,268	172,410
TOTAL	43,540	100.0	32,044	5,168	3,951	7,772	48,936	46,891	95,828

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

¹ Based on family income from all sources: farm (net operating income) and off-farm income.² Off-farm employment income includes "wages and salaries" and "net non-farm self-employment income".³ Other off-farm income includes "government social transfers and RRSP".⁴ Includes losses.

Methodology for Farm Income

Table A.1: Farm Receipts, Expenses and Income

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

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

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

NISA payments only represent the producers' withdrawals from Fund 2 (governments' fund). The large balances accumulated in Fund 1 (producers' fund) and unrealized triggers in Fund 2 are not included.

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

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

Figure A.1(a) and Figure A.1(b): Canadian Farm Income in Current Dollars and in 1997 Dollars

Real income is defined in terms of 1997 dollars using the Gross Domestic Product Implicit Price Deflator (GDP deflator, 2002 = 100).

Table A.2: Gross Direct Program Payments and Producer Premiums

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

Production Insurance payments include only government production insurance programs; private hail insurance payments are excluded. The latter are included in Other Payments.

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

Table A.3 and Table A.4: Average Total Operating Revenue, Operating Expenses and Net Operating Income per Farm, by Province (A.3) and By Farm Type (A.4)

The Net Income Stabilization Account and Taxation Data Program (NISA/TDP) estimates of farm income are derived from a sample of individual tax filers who reported either positive gross farm income or non-zero net farm income from self-employment on their income tax returns. For incorporated farms, the sampling frame is made up of all corporations within the ten provinces and the territories that are classified as farms according to the North American Industry Classification System (NAICS) and that have sales of \$25,000 or more. To be classified as a farm in NAICS, 50% of more of the sales has to come from agricultural activities. For purposes of statistical

tabulations, the NISA/TDP excludes unincorporated farms with farm revenues below \$10,000.

The NISA/TDP farm income estimates differ from the official farm cash receipts and expenses estimates reported in Agriculture Economic Statistics, Catalogue No. 21-011-XIE and 21-012-XIE. For explanation of some of the differences, please refer to "Understanding Measurements of Farm Income", Catalogue No. 21-525, Agriculture and Agri-Food Canada and Statistics Canada.

Farm revenue refers to revenue received from the sale of agricultural commodities as well as from agricultural program payments and insurance proceeds. Revenue from the sale of forest products is also included.

Operating expenses refer to the business costs, not including depreciation, incurred by farm operators for goods and services used in the production of agricultural commodities.

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

The type of farm is based on a percentage of agricultural sales. The commodity or commodity group that makes up 50% or more of the sales determines the primary farm type that is assigned to an individual farm. The NAICS acts now as the basis for classifying farm types.

For a detailed description of methodology, please refer to the Whole Farm Data Base reference manual, Statistics Canada, Catalogue No. 21F0005GPE.

Table A.5: Average Family Income by Source and Income Group, Unincorporated Farms

Total family income is derived from the personal tax records of individual family members. Farm families are identified by linking two source files: the Net Income Stabilization Account and Taxation Data Program's (NISA/TDP) sample of individuals operating unincorporated farms and the T1 Family File (T1FF) which contains family units developed by the Small Area and Administrative Data Division (SAADD) of Statistics Canada.

The following members and/or families are excluded:

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

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

For a detailed description of the methodology, please refer to Statistics on income of farm families, Statistics Canada, Catalogue No. 21-207-XIE.



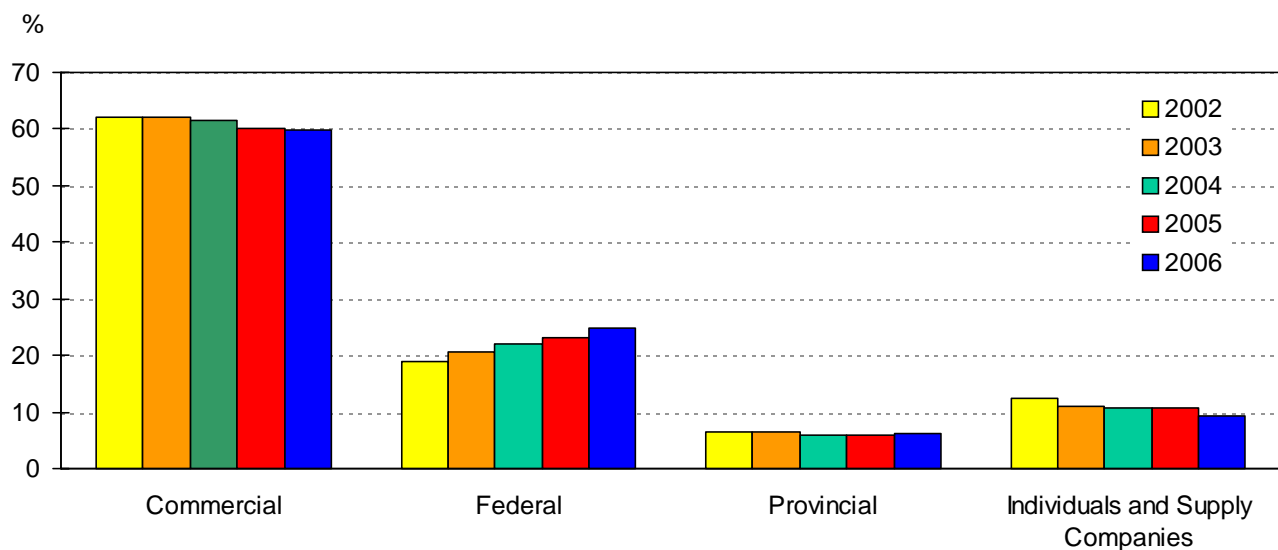
SECTION B

Farm Financial Conditions

Table B.1: Farm Debt, Canada and Provinces, 1997-2006

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
- \$ Million -											
1997	41	377	365	331	5,435	6,866	2,820	5,171	7,611	1,652	30,671
1998	44	420	401	358	6,097	7,635	3,151	5,584	8,219	1,859	33,768
1999	49	443	422	383	6,845	8,206	3,510	5,810	8,685	2,073	36,425
2000	47	472	465	427	7,611	9,097	3,715	5,962	9,128	2,156	39,078
2001	54	508	491	472	8,133	9,692	3,948	6,061	9,485	2,217	41,060
2002	60	542	501	454	9,021	10,928	4,201	6,009	9,673	2,279	43,668
2003	64	604	551	556	9,426	11,419	4,721	6,528	10,342	2,431	46,642
2004	74	643	612	554	9,852	12,108	5,055	6,690	10,478	2,672	48,738
2005	78	643	733	608	10,395	12,762	5,551	6,786	10,708	2,700	50,963
2006	90	632	665	580	10,534	13,053	5,805	7,025	10,996	2,968	52,349

Source: Statistics Canada, Catalogue No. 21-014-XIE Agriculture Economic Statistics, May 2007.

Figure B.1: Lender Shares as a Percentage of Farm Debt, Canada, as of December 31, 2002-06

Source: Statistics Canada, Catalogue No. 21-014-XIE Agriculture Economic Statistics.

Table B.2: Farm Bankruptcies by Province, 1993-2007

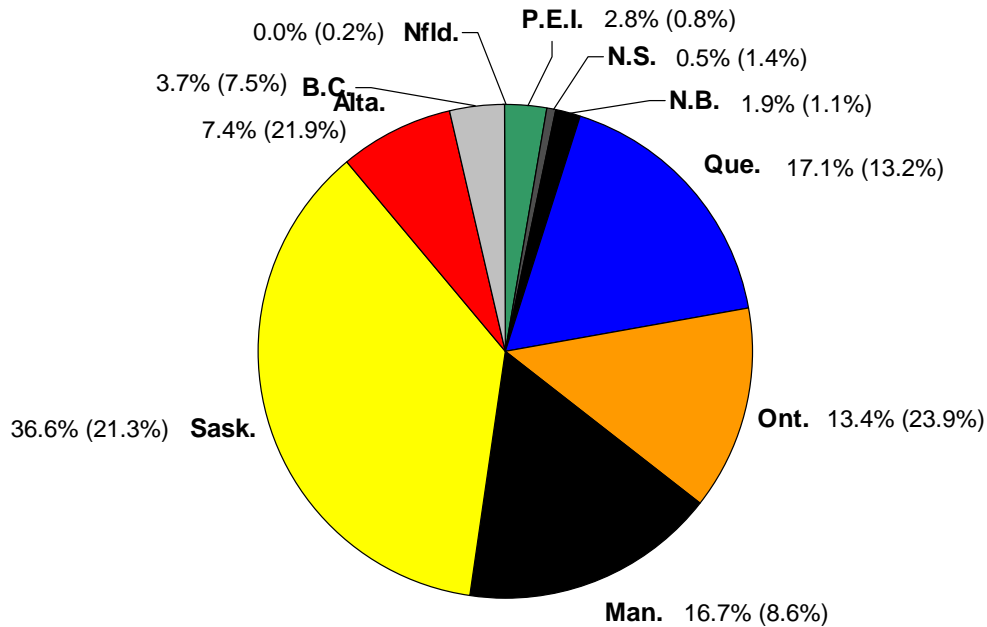
	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	NWT/ Yukon	Canada
1993	1	7	4	2	49	22	13	166	80	5	0	349
1994	0	3	2	3	67	15	7	132	68	11	0	308
1995	1	0	8	5	33	23	10	94	87	12	0	273
1996	0	0	5	4	54	17	24	95	75	1	0	275
1997	0	4	6	4	54	15	19	76	61	4	0	243
1998	0	1	4	1	47	12	27	92	55	5	0	244
1999	0	1	2	2	42	17	29	99	45	6	0	243
2000	0	1	4	2	40	20	18	76	38	14	0	213
2001	1	2	4	0	57	23	19	64	44	6	0	220
2002	0	2	1	4	28	30	41	50	32	9	0	197
2003	0	1	4	1	46	22	28	59	46	15	0	222
2004	0	6	3	2	31	34	27	64	56	4	0	227
2005	0	3	0	2	33	25	26	75	66	6	0	236
2006	0	6	1	4	37	29	36	79	16	8	0	216
2006*	0	2	0	1	14	15	21	44	13	5	0	115
2007*	1	2	1	2	11	9	11	24	10	0	0	71

Source: Office of the Superintendent of Bankruptcy.

Note: Starting in 2004 statistics are reported based on the North American Industry Classification rather than the Standard Industrial Classification.

* January to June, North American Industry Classification.

Figure B.2: Distribution of Farm Bankruptcies by Province, 2006



Sources: Office of the Superintendent of Bankruptcy and Statistics Canada, 2001 Census of Agriculture.

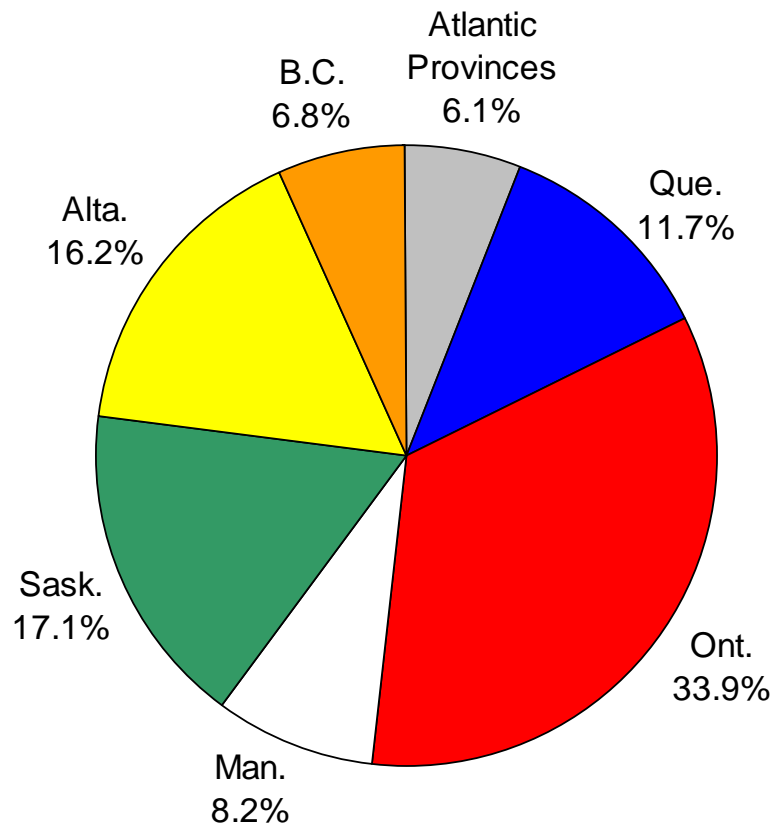
Note: The percent of farms by province in 2001 is indicated in brackets. It is based on the 2001 Census of Agriculture.

Table B.3: Farm Credit Canada (FCC) Loans Receivable Portfolio, 2001-02 to 2006-07

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Number of loans receivable	75,888	78,442	82,551	85,650	88,559	91,658
Amount receivable (\$million)	7,709	8,804	10,039	11,150	12,310	13,550
Number of loans approved	16,753	25,133	26,529	27,948	28,634	28,684
Amount of loans approved (\$million)	2,102	2,561	2,862	3,067	3,317	3,715
Average size of loans approved (\$)	125,470	101,914	107,871	109,747	115,852	129,504

Source: Farm Credit Canada.

Figure B.3: Distribution of the Amount of FCC Loans Receivable, by Province, as of March 31, 2005



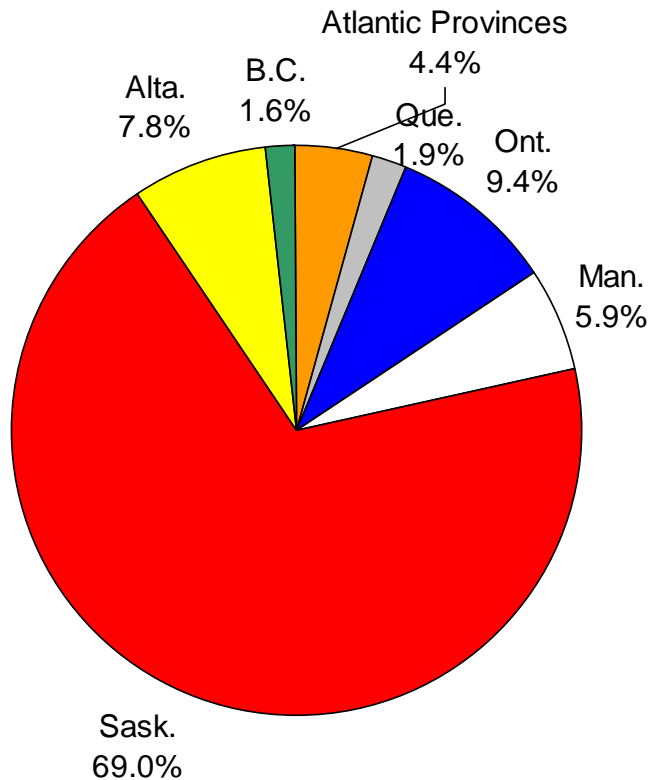
Source: Farm Credit Canada

Table B.4: New Loans Registered Under the Farm Improvement and Marketing Cooperatives Loans Act (FIMCLA), 1999-2000 to 2006-07

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Number of new loans registered	7,628	6,304	5,659	4,722	3,155	2,829	2,128	1,803
Amount of new loans registered (\$000s)	215,998	189,087	178,732	160,425	105,601	105,095	74,472	63,901
Average size of new loans registered (\$)	28,316	29,995	31,584	33,974	33,471	37,149	34,996	35,442

Source: For 1999-2000 to 2002-03, Agriculture and Agri-Food Canada Performance Report. For 2003-04 to 2006-07 FIMCLA Administration, National Marketing Programs Division Agriculture and Agri-Food Canada.

Figure B.4: Distribution of the Amount of New Loans Registered under FIMCLA, by Province, Fiscal Year 2006



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

Table B.5: Average Assets, Liabilities, Net Worth and Net New Investment, by Farm Type, Canada and Provinces, 2003, 2004 and 2005

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
CANADA								
Farm Assets								
- 2003	2,288,150	779,475	1,679,225	2,692,250	963,775	2,239,400	997,756	1,096,000
- 2004	2,485,245	789,650	1,744,225	2,897,800	990,275	2,566,675	1,018,782	1,134,600
- 2005	2,743,915	892,635	2,097,375	3,106,570	1,256,595	2,912,255	1,163,000	1,283,380
Farm Debt								
- 2003	558,475	141,925	525,500	520,575	189,100	669,100	175,700	223,800
- 2004	617,200	138,850	555,375	632,450	223,775	810,175	178,250	236,970
- 2005	684,010	134,760	588,515	548,395	257,810	792,170	196,095	247,435
Net Worth								
- 2003	1,729,675	637,550	1,153,725	2,171,675	774,675	1,570,300	822,056	872,200
- 2004	1,868,045	650,800	1,188,850	2,265,350	766,500	1,756,500	840,532	897,630
- 2005	2,059,905	757,875	1,508,860	2,558,175	998,785	2,120,085	966,905	1,035,945
Net New Investment								
- 2003	105,425	13,100	62,900	58,725	34,000	132,750	36,725	37,200
- 2004	81,075	17,800	81,550	65,000	33,725	108,350	32,875	35,425
- 2005	96,020	16,080	96,645	63,010	40,185	78,150	31,105	35,665
ATLANTIC								
Farm Assets								
- 2003	2,323,662	454,244	861,069	1,533,936	484,374	2,166,628	556,691	1,077,743
- 2004	2,399,821	448,952	995,212	1,900,354	576,744	2,298,480	755,763	1,086,122
- 2005	2,626,105	537,065	1,075,610	2,070,550	584,595	2,600,000	971,140	1,222,500
Farm Debt								
- 2003	548,025	59,036	347,473	365,486	87,211	662,778	88,323	259,565
- 2004	530,588	61,628	394,143	381,116	179,758	788,041	143,481	270,330
- 2005	585,955	70,690	455,750	419,685	119,045	782,235	170,335	282,380
Net Worth								
- 2003	1,775,636	395,208	513,596	1,168,450	397,163	1,503,850	468,368	818,178
- 2004	1,869,233	387,324	601,069	1,519,238	396,987	1,510,439	612,282	815,792
- 2005	2,040,150	466,375	619,860	1,650,865	465,550	1,817,650	800,805	940,120
Net New Investment								
- 2003	107,669	10,314	10,909	43,746	23,922	128,586	16,862	45,063
- 2004	71,783	8,904	46,975	35,625	41,472	73,396	22,771	36,060
- 2005	77,300	9,655	39,005	70,940	20,355	73,605	27,575	35,355

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

Table B.5: Average Assets, Liabilities, Net Worth and Net New Investment, by Farm Type, Canada and Provinces, 2003, 2004 and 2005 (cont'd)

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
QUEBEC								
Farm Assets								
- 2003	1,856,339	523,571	1,295,863	2,892,060	865,895	1,160,563	1,032,909	1,169,751
- 2004	2,050,139	553,950	1,564,175	2,866,702	831,735	1,604,992	1,034,637	1,223,550
- 2005	2,213,235	578,495	1,260,870	3,180,535	954,435	2,571,465	1,246,720	1,344,395
Farm Debt								
- 2003	510,611	131,363	560,322	519,161	214,374	306,757	243,806	317,346
- 2004	561,192	141,433	691,008	564,475	231,921	522,862	259,355	341,425
- 2005	606,675	129,700	537,870	581,045	273,980	667,835	298,135	356,920
Net Worth								
- 2003	1,345,727	392,210	735,541	2,372,898	651,521	853,806	789,103	852,405
- 2004	1,488,947	412,517	873,167	2,302,227	599,814	1,082,130	775,282	882,125
- 2005	1,606,560	448,795	723,000	2,599,490	680,455	1,903,630	948,585	987,475
Net New Investment								
- 2003	100,012	17,653	53,116	103,276	30,917	49,937	31,788	52,641
- 2004	64,915	20,326	78,327	-13,071	29,443	81,480	33,166	40,125
- 2005	81,270	15,675	41,285	96,755	40,020	42,745	20,040	41,545
ONTARIO								
Farm Assets								
- 2003	2,487,419	685,238	1,617,208	2,936,091	1,151,871	2,722,231	1,018,461	1,250,706
- 2004	2,666,802	694,854	1,324,579	2,828,867	1,068,434	2,401,356	1,104,640	1,319,300
- 2005	2,819,745	765,045	1,700,490	3,131,945	1,340,925	1,928,245	1,247,380	1,416,105
Farm Debt								
- 2003	524,611	99,016	526,339	550,889	200,708	634,584	171,562	241,601
- 2004	629,028	91,681	441,674	669,974	243,988	599,492	168,350	275,825
- 2005	674,960	99,600	538,775	562,510	271,425	456,690	168,655	270,490
Net Worth								
- 2003	1,962,808	586,223	1,090,869	2,385,202	951,163	2,087,647	846,899	1,009,105
- 2004	2,037,773	603,173	882,905	2,158,893	824,446	1,801,865	936,290	1,043,475
- 2005	2,144,785	665,445	1,161,715	2,569,435	1,069,500	1,471,355	1,078,725	1,145,615
Net New Investment								
- 2003	106,143	-3,662	46,887	40,031	33,230	154,384	26,622	33,547
- 2004	83,378	12,161	48,681	95,453	41,386	98,455	25,239	38,050
- 2005	87,915	12,990	70,560	37,575	42,595	20,845	30,205	37,900

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

Table B.5: Average Assets, Liabilities, Net Worth and Net New Investment, by Farm Type, Canada and Provinces, 2003, 2004 and 2005 (cont'd)

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
MANITOBA								
Farm Assets								
- 2003	2,323,273	559,137	1,904,976	1,673,881		4,921,225	1,108,437	997,259
- 2004	2,420,845	538,604	2,492,281	2,696,400		5,140,117	1,048,786	988,550
- 2005	2,658,580	608,390	3,150,390	1,729,280		6,247,600	1,139,405	1,081,520
Farm Debt								
- 2003	604,851	115,817	532,328	389,394		1,372,016	225,729	217,669
- 2004	642,690	113,854	585,600	483,636		1,551,683	233,139	221,875
- 2005	691,770	102,790	761,070	266,985		1,705,465	229,920	224,820
Net Worth								
- 2003	1,718,422	443,320	1,372,648	1,284,487		3,549,210	882,708	779,590
- 2004	1,778,155	424,750	1,906,681	2,212,764		3,588,435	815,647	766,675
- 2005	1,966,810	505,595	2,389,320	1,462,295		4,542,135	909,485	856,700
Net New Investment								
- 2003	98,583	10,992	94,534	65,826	..	403,230	49,970	40,909
- 2004	97,058	15,944	133,848	97,385		289,623	34,539	36,250
- 2005	135,370	10,215	191,905	31,960		257,645	31,960	32,280
SASKATCHEWAN								
Farm Assets								
- 2003	2,574,270	611,516	3,167,768				824,968	774,125
- 2004	1,753,010	600,918	2,273,646				767,599	726,100
- 2005	3,515,325	642,940	6,249,440				913,875	853,230
Farm Debt								
- 2003	555,866	122,149	497,026				150,140	143,725
- 2004	356,899	117,707	469,686				141,167	136,525
- 2005	1,314,450	115,430	986,445				179,230	163,865
Net Worth								
- 2003	2,018,404	489,367	2,670,742				674,828	630,400
- 2004	1,396,111	483,210	1,803,960				626,432	589,575
- 2005	2,200,875	527,510	5,263,000				734,645	689,365
Net New Investment								
- 2003	-27,772	13,488	189,109				31,134	26,450
- 2004	92,540	18,161	108,142				25,329	24,025
- 2005	157,140	9,980	380,075				28,400	25,025

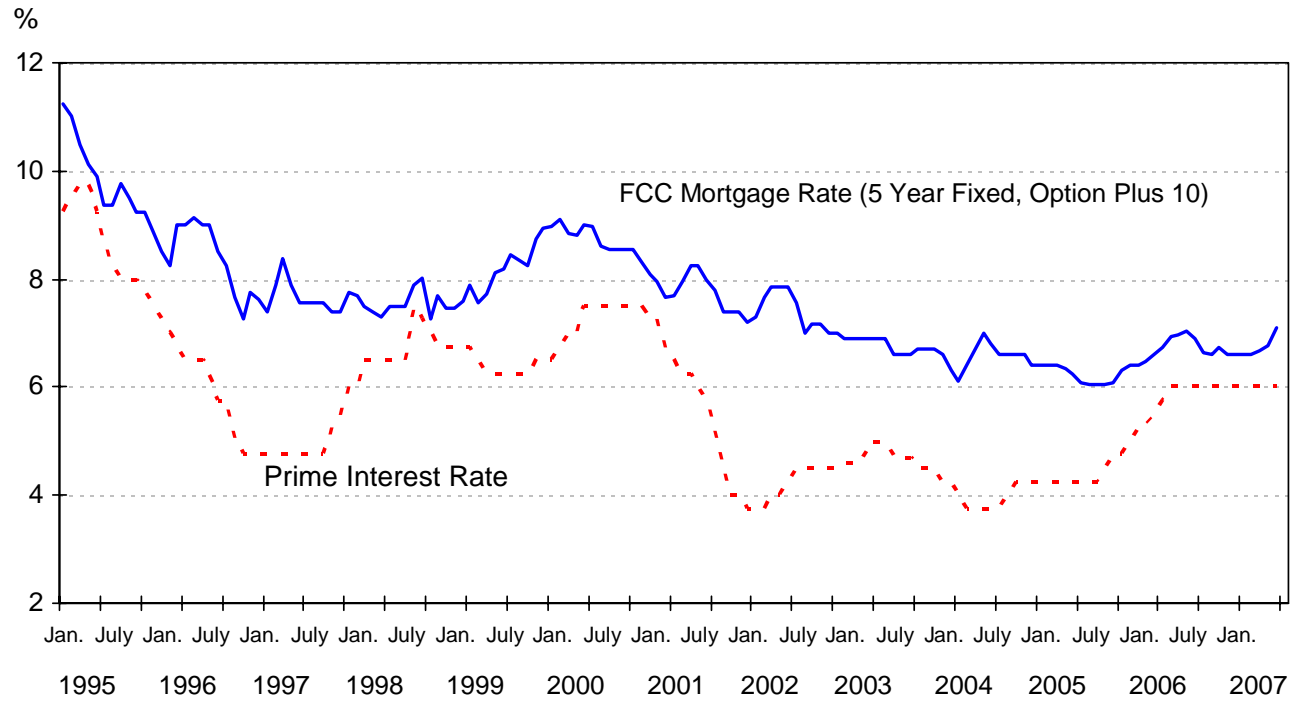
Source: Statistics Canada and Agriculture and Agri-Food Canada, Farm Financial Survey.

Table B.5: Average Assets, Liabilities, Net Worth and Net New Investment, by Farm Type, Canada and Provinces, 2003, 2004 and 2005 (cont'd)

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
ALBERTA								
Farm Assets								
- 2003	3,633,425	1,070,605	2,782,866	1,948,459		2,747,907	1,271,892	1,202,022
- 2004	4,040,618	1,066,572	2,758,964	2,694,785		4,023,067	1,421,402	1,266,650
- 2005	5,037,620	1,294,905	4,454,650	3,374,840		4,609,075	1,519,530	1,470,915
Farm Debt								
- 2003	994,499	198,499	513,120	416,782		1,138,509	187,474	212,835
- 2004	1,041,703	187,999	657,989	599,100		1,159,539	209,151	219,350
- 2005	1,160,150	187,570	708,500	670,995		1,378,595	205,450	216,175
Net Worth								
- 2003	2,638,926	872,106	2,269,746	1,531,677		1,609,398	1,084,418	,989,187
- 2004	2,998,915	878,572	2,100,975	2,095,685		2,863,528	1,212,251	1,047,300
- 2005	3,877,470	1,107,335	3,746,150	2,703,845		3,230,480	1,314,080	1,254,740
Net New Investment								
- 2003	152,755	22,183	91,615	63,061	..	138,150	53,054	38,594
- 2004	110,238	23,013	147,300	117,284		229,289	53,876	38,650
- 2005	200,320	23,565	221,235	183,100		138,960	39,560	38,765
BRITISH COLUMBIA								
Farm Assets								
- 2003	4,061,588	910,749	914,546	3,229,244	1,093,369	3,338,976	857,375	1,419,411
- 2004	4,690,914	966,138	1,626,929	3,880,638	1,298,598	2,494,542	1,166,761	1,610,875
- 2005	6,252,155	1,057,910	2,681,810	3,823,055	1,748,255	4,707,180	1,437,525	1,909,620
Farm Debt								
- 2003	951,167	119,407	262,578	635,579	219,912	415,448	122,885	279,227
- 2004	914,106	117,186	450,293	802,247	232,136	740,601	180,826	299,175
- 2005	1,122,605	103,035	619,190	612,315	292,710	303,730	227,930	328,430
Net Worth								
- 2003	3,110,421	791,342	651,968	2,593,665	873,456	2,923,528	734,491	1,140,184
- 2004	3,776,809	848,952	1,176,636	3,078,391	1,066,461	1,753,941	985,934	1,311,700
- 2005	5,129,550	954,875	2,062,620	3,210,740	1,455,545	4,403,450	1,205,600	1,581,190
Net New Investment								
- 2003	159,396	14,829	2,229	69,070	44,253	267,607	23,886	41,404
- 2004	208,861	1,438	-5,299	42,120	33,101	71,381	24,502	45,425
- 2005	217,510	19,730	132,350	44,380	46,020	107,975	43,490	46,360

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

Figure B.5: FCC Mortgage Rate and Prime Interest Rate, 1995-2007



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

Table B.6: Comparison of Selected Average Fertilizer and Fuel Prices Between Manitoba and Minnesota/North Dakota, 2006 and 2007

	Manitoba		Minnesota/North Dakota	
	Summer 06	Summer 07	Summer 06	Summer 07
Nitrogen (Cdn\$/tonne)				
Anhydrous Ammonia (82-0-0)	656.20	864.92	593.87	624.52
Urea (46-0-0)	439.91	590.11	405.17	525.65
Phosphate (Cdn\$/tonne)				
MAP (11-52-0)	416.73	616.06	392.89	504.55
Potash (Cdn\$/tonne)				
Potash (0-0-60)	291.38	313.87	233.28	302.35
Fuel (Cdn¢/litre)				
Diesel	79.12	76.06	66.19	75.34
Gasoline (regular unleaded)	89.29	91.13	82.45	75.30

Source: The Thomsen Corporation

Table B.7: Comparison of Selected Average Fertilizer and Fuel Prices Between Ontario and Michigan/Ohio/Indiana, 2006 and 2007

	Ontario		Michigan/Ohio/Indiana	
	June 21, 2006	June 20, 2007	June 21, 2006	June 20, 2007
Nitrogen (Cdn\$/tonne)				
Anhydrous Ammonia (82-0-0)	697.69	749.2	638.87	689.33
Urea (46-0-0)	483.84	523.09	467.01	550.32
Nitrogen Solution (UAN, 28%)	319.13	350.1	295.41	359
Ammonium Nitrate	422.11	455.76	531.41	476.92
Phosphate (Cdn\$/tonne)				
MAP (11-52-0)	480.86	518.26	417.49	537.01
DAP (18-46-0)	492.46	515.65	421.12	557.15
Triple Super (0-46-0)	483.72	505.43	376.57	482.72
Potash (Cdn\$/tonne)				
Potash (0-0-60)	373.91	384.48	329.04	318.59
Fuel (Cdn¢/litre)				
Diesel	85	82	76	72
Gasoline (regular unleaded)	95	99	84	86

Source: Ridgetown College, University of Guelph

Table B.8: Agricultural Inputs, Canada, 2002-06

	2002	2003	2004	2005	2006
	(\$000)				
Machinery Operating Costs	3,456,892	3,585,287	3,782,018	4,163,833	4,329,074
Commercial Feed	4,975,877	4,878,341	4,787,220	4,324,925	4,305,424
Cash Wages, Room and Board	3,653,343	3,750,502	3,799,765	3,915,181	4,037,773
Fertilizer and Lime	2,258,401	2,499,620	2,491,145	2,564,201	2,653,714
Interest	2,315,384	2,313,825	2,247,595	2,313,208	2,692,600
Rent	1,314,563	1,379,676	1,423,763	1,436,251	1,478,631
Pesticides	1,525,201	1,630,998	1,646,132	1,695,507	1,714,919
Livestock Purchases	1,410,550	1,169,465	1,125,217	1,410,410	1,397,320
Commercial Seed	1,075,999	1,115,276	1,120,673	1,141,632	1,161,859
Building and Fence Repairs	670,426	693,986	709,693	735,355	751,580
Electricity	680,937	692,628	685,418	710,505	759,810
Property Taxes	544,851	579,207	591,691	584,565	575,189
Crop and Hail Insurance	429,032	545,070	525,524	507,226	504,539
Business Insurance	571,589	616,061	654,427	676,803	710,205
A.I. Fees and Veterinary	641,157	654,435	642,699	661,778	683,656
Other*	3,131,559	3,467,997	3,581,559	3,654,853	3,758,604
Depreciation	4,512,406	4,551,745	4,501,210	4,615,167	4,591,788
Total Expenses	33,168,167	34,124,119	34,315,749	35,111,400	36,106,685

Source: Statistics Canada, Catalogue No. 21-012-XIE, Agriculture Economic Statistics, May 2007.

Note: Input expenses are net of government rebates.

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

Methodology for Farm Financial Conditions

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

Farm debt and lender share information is from data published by the Agriculture Division of Statistics Canada in Catalogue No. 21-014-XIE, Agriculture Economic Statistics.

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

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

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

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

FCC information on total loans receivable and loans approved is from the FCC 2004-05 Annual Report. Information on the provincial distribution of total loans receivable is from FCC.

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

Data on new loans registered under the Farm Improvement and Marketing Cooperatives Loans Act (FIMCLA), the Agriculture and Agri-Food Canada Department Performance Reports for 1997-98 to 2002-03; and from FIMCLA Administration for 2003-04 and 2004-05. Data on the Distribution of the Amount of New Loans Registered Under FIMCLA, by Province, were provided by the FIMCLA Administration.

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

Per farm information on farm assets, farm debt, net worth, and net new investment is from the 2002, 2003 and 2004 Farm Financial Surveys. The Farm Financial Survey is conducted by Statistics Canada for Agriculture and Agri-Food Canada approximately every two years and collects data from a sample of farms with annual gross revenues over \$10,000.

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

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

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

Tables B.6 and B.7: Selected Average Fertilizer and Fuel Prices

The information on fertilizer prices is provided for Manitoba and Ontario along with comparisons to adjacent U.S. states, by private consultants on contract to Agriculture and Agri-Food Canada.

Table B.8: Agricultural Inputs

Input expenses are reported net of government rebates. The rebates reduce some farm input costs. Inter-farm purchases are excluded.

For a detailed description of methodology, please refer to Agriculture Economic Statistics, Statistics Canada, Catalogue No. 21-012-XIE.



SECTION C

Government Expenditures in Support of the Agri-Food Sector

Table C.1: Federal and Provincial Government Expenditures in Support of the Agri-Food Sector, Canada and Provinces, 2000-01 to 2007-08

Allocated		2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates*
		(\$ 000)							
Nfld.	Federal	4,561	7,693	8,285	6,924	11,585	13,980	9,551	15,899
	Provincial	10,247	9,351	10,532	14,229	10,713	14,872	15,629	23,487
	% Fed.	30.80	45.14	44.03	32.73	51.96	48.45	37.93	40.37
P.E.I.	Federal	33,480	39,533	46,007	40,511	46,426	31,231	42,090	44,624
	Provincial	36,396	29,558	29,804	34,463	38,770	31,999	30,911	31,220
	% Fed.	47.91	57.22	60.69	54.03	54.49	49.39	57.66	58.84
N.S.	Federal	22,049	35,607	31,169	40,409	33,759	34,411	43,536	49,986
	Provincial	39,774	44,789	40,672	42,934	49,380	47,394	46,436	56,130
	% Fed.	35.66	44.29	43.39	48.48	40.61	42.06	48.39	47.10
N.B.	Federal	24,964	40,728	30,618	48,206	45,853	33,203	50,411	51,966
	Provincial	24,109	20,814	22,610	23,096	31,962	26,658	25,350	27,912
	% Fed.	50.87	66.18	57.52	67.61	58.93	55.47	66.54	65.06
Que.	Federal	448,436	346,802	330,603	587,602	520,191	535,074	549,510	634,215
	Provincial	732,815	591,705	670,114	704,003	708,706	824,398	949,041	1,022,145
	% Fed.	37.96	36.95	33.04	45.49	42.33	39.36	36.67	38.29
Ont.	Federal	457,696	581,541	588,254	849,737	674,037	803,031	801,798	896,859
	Provincial	451,528	372,421	424,849	455,240	579,508	540,901	513,204	434,856
	% Fed.	50.34	60.96	58.06	65.12	53.77	59.75	60.97	67.35
Man.	Federal	431,952	320,443	415,481	515,006	470,820	606,744	539,169	511,869
	Provincial	204,801	165,555	179,213	273,550	204,798	300,318	230,156	249,904
	% Fed.	67.84	65.94	69.86	65.31	69.69	66.89	70.08	67.19
Sask.	Federal	935,063	881,124	869,913	1,269,479	983,488	1,145,356	1,100,842	817,483
	Provincial	334,387	501,300	393,007	431,678	458,902	492,317	431,276	410,949
	% Fed.	73.66	63.74	68.88	74.62	68.18	69.94	71.85	66.55
Alta.	Federal	508,864	674,849	766,750	1,492,518	891,119	1,054,405	960,351	833,127
	Provincial	646,228	895,355	886,312	892,947	869,527	878,638	975,497	697,706
	% Fed.	44.05	42.98	46.38	62.57	50.61	54.55	49.61	54.42
B.C.	Federal	95,515	126,114	101,677	198,814	239,455	161,683	214,187	246,807
	Provincial	78,703	73,007	75,983	61,784	82,162	59,065	77,567	79,546
	% Fed.	54.82	63.34	57.23	76.29	74.45	73.24	73.41	75.63
Others	Federal	284,334	270,146	320,697	392,882	422,042	437,051	474,948	396,251
	Provincial	-	-	-	-	-	-	-	-
	% Fed.	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Canada	Federal	3,246,914	3,324,582	3,509,456	5,442,089	4,338,774	4,856,169	4,786,393	4,499,085
	Provincial	2,558,987	2,703,856	2,733,095	2,933,925	3,034,428	3,216,560	3,295,067	3,033,857
	% Fed.	55.92	55.15	56.22	64.97	58.85	60.16	59.23	59.73

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

* Supplementary Estimates are not included.

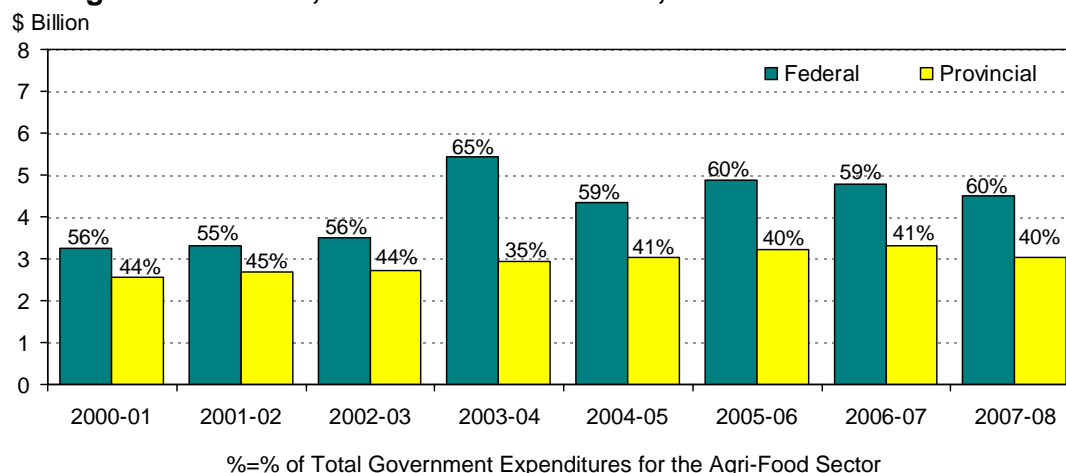
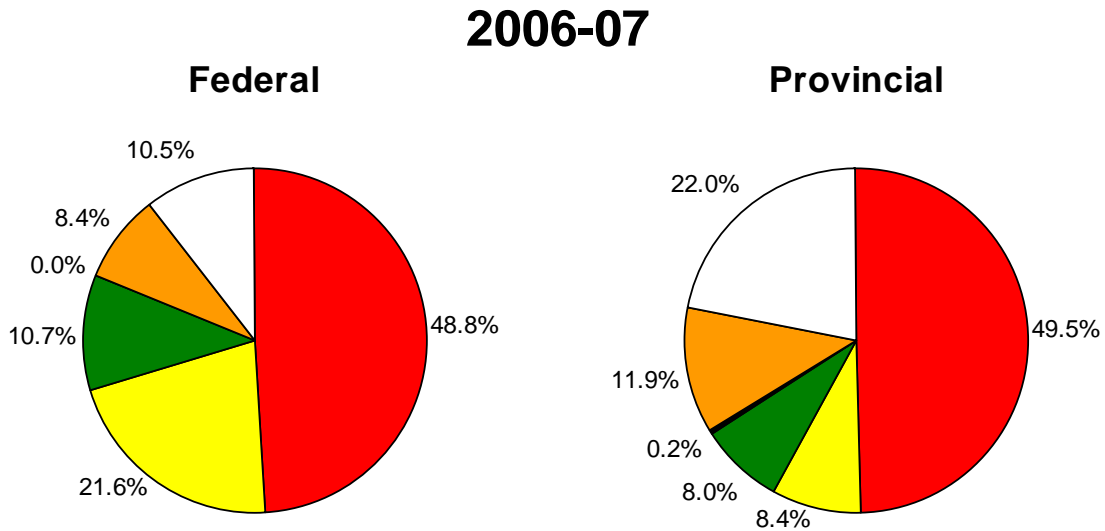
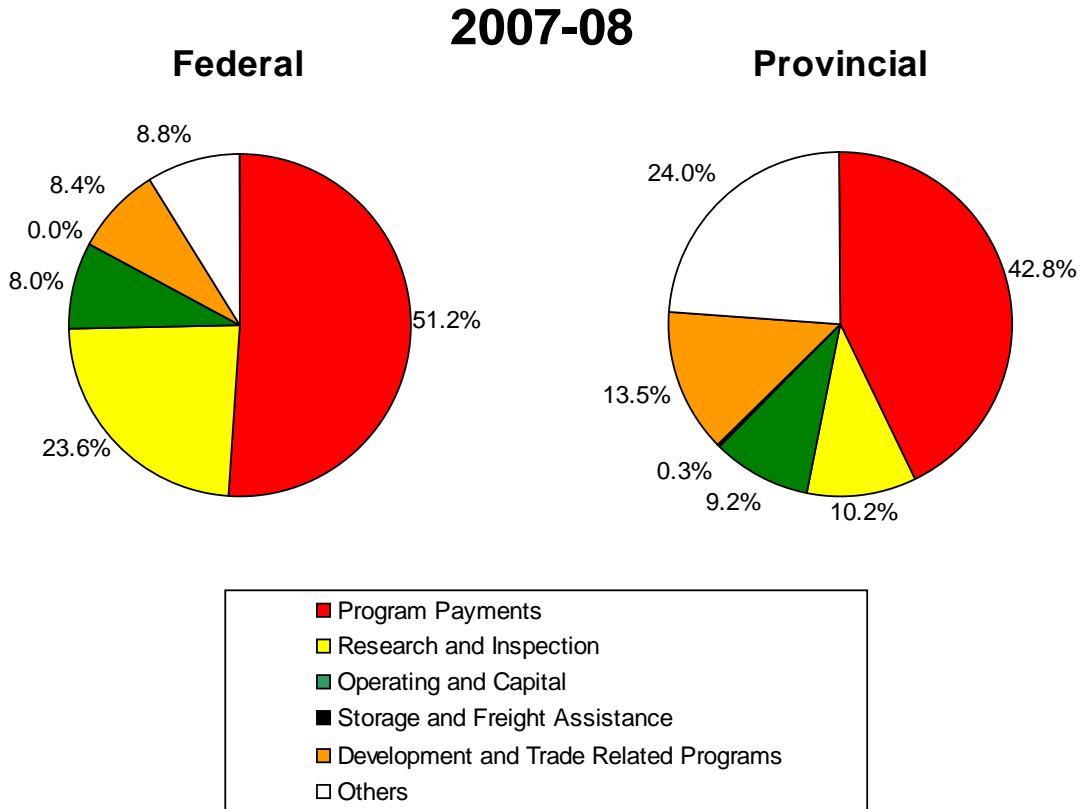
Figure C.1: Federal and Provincial Government Expenditures in Support of the Agri-Food Sector, Canada and Provinces, 2000-01 to 2007-08

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



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

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

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

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

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

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

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2004-05 to 2007-08

	PROVINCIAL				FEDERAL			
	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates
	(\$000)							
CANADA								
A. Operating Expenditures	661,447	654,126	667,227	756,583	1,286,740	1,391,620	1,563,383	1,385,757
B. Capital Expenditures	63,576	90,877	96,861	78,042	54,703	48,620	63,033	48,976
C. Program Expenditures	2,077,902	2,170,803	2,188,385	1,842,433	3,161,754	3,591,151	3,248,007	3,088,052
c.1 Income Support & Stabilization	1,050,307	1,193,488	1,282,964	963,166	945,168	1,158,715	1,948,050	1,381,300
c.2 Ad hoc and Cost Reduction	210,560	142,458	38,911	34,519	1,036,421	874,798	107,831	422,121
c.3 Production Insurance ¹	225,972	301,492	317,455	305,228	342,546	289,453	285,301	344,770
c.4 Financing Assistance	49,936	58,901	74,862	58,758	31,998	23,922	38,026	168,832
c.5 Storage and Freight	8,466	4,915	6,372	9,816	12,309	12,007	1,967	-
c.6 Social and Labour	15,543	16,558	20,172	16,265	545	829	864	864
c.7 Research	74,595	105,663	86,190	88,988	13,004	29,842	69,190	60,594
c.8 Food Inspection	47,533	48,959	44,139	57,665	82,757	27,478	19,876	73,319
c.9 Food Aid	-	-	-	-	420,332	434,825	472,431	394,788
c.10 Marketing and Trade	103,953	30,940	29,455	33,313	106,729	557,322	106,891	74,075
c.11 Rural and Regional Devt.	120,700	67,170	91,923	73,611	108,890	88,365	61,383	53,912
c.12 Environment	41,400	53,568	57,875	60,192	54,977	71,554	99,219	111,210
c.13 Education	104,774	126,929	115,028	117,644	25	91	86	8
c.14 Extension	24,162	19,761	23,039	23,266	6,054	21,951	36,892	2,259
D. Tax Expenditures	410,360	475,143	507,679	501,390	-	-	-	-
Sub-Total Gross Expenditures	3,213,285	3,390,949	3,460,153	3,178,449	4,503,197	5,031,392	4,874,423	4,522,785
Recoveries	(178,857)	(174,388)	(165,085)	(144,592)	(164,422)	(175,223)	(88,030)	(23,700)
Total Net Expenditures	3,034,428	3,216,560	3,295,067	3,033,857	4,338,774	4,856,169	4,786,393	4,499,085
NEWFOUNDLAND								
A. Operating Expenditures	6,332	7,297	8,575	8,148	3,253	3,651	4,309	3,805
B. Capital Expenditures	734	3,048	1,236	2,881	148	135	176	137
C. Program Expenditures	3,648	4,528	5,818	12,459	8,628	10,680	5,315	12,024
c.1 Income Support & Stabilization	115	343	91	29	4,030	6,164	1,446	6,104
c.2 Ad hoc and Cost Reduction	1,225	1,496	2,248	2,302	533	(9)	(1)	1,155
c.3 Production Insurance ¹	33	22	124	130	70	15	62	44
c.4 Financing Assistance	-	-	-	-	(0)	-	3	2
c.5 Storage and Freight	204	206	250	340	-	-	-	-
c.6 Social and Labour	-	-	-	-	1	-	10	2
c.7 Research	518	682	497	686	5	1	49	172
c.8 Food Inspection	-	-	50	50	16	10	14	203
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	411	476	1,402	7,278	31	6	102	22
c.11 Rural and Regional Devt.	-	-	-	-	3,867	4,328	3,445	3,999
c.12 Environment	337	443	323	446	31	111	128	315
c.13 Education	680	737	709	1,077	-	-	-	-
c.14 Extension	123	123	123	122	43	55	57	6
D. Tax Expenditures	-	-	-	-	-	-	-	-
Sub-Total Gross Expenditures	10,713	14,872	15,629	23,487	12,029	14,467	9,800	15,966
Recoveries	-	-	-	-	(443)	(487)	(249)	(67)
Total Net Expenditures	10,713	14,872	15,629	23,487	11,585	13,980	9,551	15,899

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

¹ Since April 1, 2003, the Crop Insurance program has been replaced by the Production Insurance program.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2004-05 to 2007-08(cont'd)

	PROVINCIAL				FEDERAL			
	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates
	(\$000)							
PRINCE EDWARD ISLAND								
A. Operating Expenditures	11,153	10,058	9,280	9,128	13,076	14,308	15,847	14,034
B. Capital Expenditures	1,059	-	-	75	572	503	643	500
C. Program Expenditures	26,659	21,896	20,920	21,604	34,497	18,234	26,508	30,335
c.1 Income Support & Stabilization	10,600	8,665	5,277	5,573	17,745	9,175	16,565	14,484
c.2 Ad hoc and Cost Reduction	915	543	686	-	8,680	703	(12)	4,234
c.3 Production Insurance ¹	2,311	2,593	3,199	3,231	2,751	2,745	3,984	3,492
c.4 Financing Assistance	321	595	720	-	432	260	671	2,732
c.5 Storage and Freight	13	9	5	-	-	-	-	-
c.6 Social and Labour	-	-	-	-	6	-	-	9
c.7 Research	2,446	2,462	2,103	1,971	154	71	176	624
c.8 Food Inspection	508	360	374	-	959	686	316	753
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	1,198	2,242	3,466	4,211	469	425	383	458
c.11 Rural and Regional Devt.	150	-	-	-	1,754	2,698	2,603	2,377
c.12 Environment	4,424	787	1,570	2,253	1,491	1,152	1,372	1,147
c.13 Education	3,359	3,217	3,256	3,249	-	-	-	-
c.14 Extension	412	422	265	1,116	57	319	451	23
D. Tax Expenditures	1,968	1,968	1,968	1,968	-	-	-	-
Sub-Total Gross Expenditures	40,839	33,922	32,168	32,775	48,145	33,045	42,999	44,869
Recoveries	(2,069)	(1,924)	(1,258)	(1,554)	(1,719)	(1,814)	(908)	(244)
Total Net Expenditures	38,770	31,999	30,911	31,220	46,426	31,231	42,090	44,624
NOVA SCOTIA								
A. Operating Expenditures	10,878	11,432	13,942	14,695	16,031	18,109	20,836	18,255
B. Capital Expenditures	503	530	847	662	717	664	844	655
C. Program Expenditures	36,495	34,007	30,251	39,446	19,167	18,031	23,048	31,396
c.1 Income Support & Stabilization	3,915	3,520	5,596	5,312	5,661	2,202	13,187	15,260
c.2 Ad hoc and Cost Reduction	7,373	395	285	779	6,157	56	5	5,550
c.3 Production Insurance ¹	178	174	234	215	285	277	394	425
c.4 Financing Assistance	884	3,442	2,447	6,800	251	53	87	1,179
c.5 Storage and Freight	89	132	436	546	-	-	-	-
c.6 Social and Labour	-	-	-	-	7	84	30	12
c.7 Research	1,011	1,000	1,000	1,000	1,142	1,209	234	821
c.8 Food Inspection	4,347	3,922	3,854	4,015	97	1,271	195	970
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	3,277	3,136	333	3,358	8	2,430	331	64
c.11 Rural and Regional Devt.	-	-	-	-	5,259	5,850	5,562	5,580
c.12 Environment	2,622	2,611	2,032	1,479	148	4,076	2,643	1,506
c.13 Education	10,524	11,823	11,993	13,742	-	-	-	-
c.14 Extension	2,273	3,851	2,041	2,200	150	523	380	30
D. Tax Expenditures	1,504	1,425	1,397	1,328	-	-	-	-
Sub-Total Gross Expenditures	49,380	47,394	46,436	56,130	35,915	36,803	44,728	50,307
Recoveries	-	-	-	-	(2,156)	(2,392)	(1,192)	(321)
Total Net Expenditures	49,380	47,394	46,436	56,130	33,759	34,411	43,536	49,986

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

¹ Since April 1, 2003, the Crop Insurance program has been replaced by the Production Insurance program.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2004-05 to 2007-08(cont'd)

	PROVINCIAL				FEDERAL			
	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates
	(\$000)							
NEW BRUNSWICK								
A. Operating Expenditures	12,228	12,187	11,867	11,741	15,702	16,979	18,962	16,731
B. Capital Expenditures	519	723	792	2,602	697	613	774	601
C. Program Expenditures	17,577	11,923	11,072	11,839	31,550	17,820	31,768	34,928
c.1 Income Support & Stabilization	11,764	7,730	7,463	6,470	19,117	9,150	19,365	18,252
c.2 Ad hoc and Cost Reduction	647	-	-	320	5,831	294	572	5,092
c.3 Production Insurance ¹	526	1,083	1,045	1,248	839	1,517	1,638	1,707
c.4 Financing Assistance	-	-	-	-	156	290	514	2,083
c.5 Storage and Freight	-	-	200	-	-	-	-	-
c.6 Social and Labour	154	218	369	285	7	10	51	11
c.7 Research	530	248	5	130	1,253	822	1,463	752
c.8 Food Inspection	165	191	222	356	77	56	71	888
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	65	22	32	276	327	376	1,163	377
c.11 Rural and Regional Devt.	79	217	153	134	3,274	4,548	4,774	4,358
c.12 Environment	1,572	467	(6)	871	583	626	1,968	1,381
c.13 Education	1,764	1,373	1,043	1,038	-	-	-	-
c.14 Extension	313	375	546	711	86	131	190	28
D. Tax Expenditures	1,670	1,879	1,672	1,740	-	-	-	-
Sub-Total Gross Expenditures	31,994	26,712	25,402	27,923	47,949	35,412	51,504	52,260
Recoveries	(31)	(54)	(52)	(11)	(2,096)	(2,209)	(1,093)	(294)
Total Net Expenditures	31,962	26,658	25,350	27,912	45,853	33,203	50,411	51,966
QUEBEC								
A. Operating Expenditures	210,669	206,244	206,568	203,063	213,156	231,375	260,729	230,921
B. Capital Expenditures	2,344	1,812	12,781	12,881	9,097	8,352	10,609	8,240
C. Program Expenditures	385,014	468,652	574,313	652,321	325,281	325,446	293,101	399,072
c.1 Income Support & Stabilization	237,569	308,386	385,664	486,632	154,223	204,364	230,505	237,189
c.2 Ad hoc and Cost Reduction	11,425	7,912	16,818	5,258	114,729	68,378	1,774	69,901
c.3 Production Insurance ¹	12,710	12,318	15,293	17,028	18,818	19,420	22,200	23,064
c.4 Financing Assistance	23,247	34,367	48,225	37,751	3,626	3,719	5,581	17,146
c.5 Storage and Freight	-	-	-	-	-	-	-	-
c.6 Social and Labour	510	3,630	4,408	340	91	509	688	147
c.7 Research	10,658	12,636	12,129	14,100	375	1,658	3,841	10,300
c.8 Food Inspection	17,358	17,169	16,778	16,778	1,188	1,164	1,792	12,178
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	8,986	11,357	9,724	9,901	2,487	1,983	3,316	2,384
c.11 Rural and Regional Devt.	10,113	3,387	2,242	3,307	12,590	11,760	7,163	7,527
c.12 Environment	22,812	27,075	33,499	33,137	16,275	8,436	9,796	18,858
c.13 Education	18,291	22,913	23,693	22,248	-	-	-	-
c.14 Extension	11,336	7,501	5,841	5,841	879	4,055	6,447	378
D. Tax Expenditures	110,680	147,690	155,380	153,880	-	-	-	-
Sub-Total Gross Expenditures	708,706	824,398	949,041	1,022,145	547,535	565,172	564,439	638,234
Recoveries	-	-	-	-	(27,344)	(30,099)	(14,929)	(4,019)
Total Net Expenditures	708,706	824,398	949,041	1,022,145	520,191	535,074	549,510	634,215

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

¹ Since April 1, 2003, the Crop Insurance program has been replaced by the Production Insurance program.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2004-05 to 2007-08(cont'd)

	PROVINCIAL				FEDERAL			
	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates
	(\$000)							
ONTARIO								
A. Operating Expenditures	112,962	114,164	116,182	155,773	307,753	341,696	387,093	341,003
B. Capital Expenditures	2,798	31,827	3,891	3,750	13,811	12,515	15,937	12,381
C. Program Expenditures	458,364	386,669	390,208	271,998	393,986	493,922	421,118	549,493
c.1 Income Support & Stabilization	296,762	140,763	239,700	124,000	118,780	222,929	295,218	294,630
c.2 Ad hoc and Cost Reduction	50,023	124,317	4,256	7,770	184,509	168,127	12,571	108,218
c.3 Production Insurance ¹	31,735	26,376	24,044	29,599	55,023	39,670	35,906	41,959
c.4 Financing Assistance	4,848	95	3,559	457	4,003	3,386	6,189	18,549
c.5 Storage and Freight	-	-	-	-	-	-	-	-
c.6 Social and Labour	2,012	2,011	4,721	4,964	138	70	41	219
c.7 Research	38,246	37,813	40,933	40,758	1,098	10,850	15,222	15,389
c.8 Food Inspection	9,515	20,693	11,330	29,693	5,100	12,375	4,985	18,468
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	2,929	1,869	2,269	1,869	12,360	11,793	12,171	12,326
c.11 Rural and Regional Devt.	8,639	10,836	41,648	17,395	10,757	9,692	9,656	10,940
c.12 Environment	642	12,742	9,084	6,855	314	11,991	22,085	28,235
c.13 Education	8,900	8,900	8,200	8,200	-	-	-	-
c.14 Extension	4,115	255	464	440	1,905	3,038	7,074	559
D. Tax Expenditures	23,470	22,009	45,874	20,573	-	-	-	-
Sub-Total Gross Expenditures	597,595	554,669	556,156	452,094	715,550	848,133	824,148	902,877
Recoveries	(18,086)	(13,768)	(42,952)	(17,238)	(41,513)	(45,103)	(22,350)	(6,017)
Total Net Expenditures	579,508	540,901	513,204	434,856	674,037	803,031	801,798	896,859
MANITOBA								
A. Operating Expenditures	44,213	44,113	53,023	53,860	145,673	151,667	158,868	140,457
B. Capital Expenditures	5,155	4,752	6,679	6,785	6,035	5,135	6,338	4,926
C. Program Expenditures	118,141	194,004	109,177	123,525	337,251	468,448	382,763	368,855
c.1 Income Support & Stabilization	52,595	143,075	48,906	51,406	120,904	148,654	251,667	175,146
c.2 Ad hoc and Cost Reduction	10,680	1,484	1,183	1,200	127,954	122,371	22,658	41,510
c.3 Production Insurance ¹	21,673	19,778	27,065	37,709	32,727	30,712	42,572	59,419
c.4 Financing Assistance	1,520	1,762	1,723	932	5,656	11,278	8,609	52,643
c.5 Storage and Freight	-	-	-	-	2,781	2,146	315	-
c.6 Social and Labour	365	44	-	-	60	12	-	86
c.7 Research	1,101	1,201	1,201	1,201	6,024	10,368	5,161	6,070
c.8 Food Inspection	5,031	3,799	2,609	2,729	734	681	5,605	7,211
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	5,613	1,159	2,000	2,000	21,123	122,598	17,642	12,090
c.11 Rural and Regional Devt.	11,172	12,064	14,401	14,120	13,895	12,209	6,692	3,304
c.12 Environment	1,267	1,796	2,401	4,463	4,846	5,086	18,187	11,118
c.13 Education	7,081	7,474	7,320	7,397	-	-	-	-
c.14 Extension	44	368	368	368	545	2,333	3,656	258
D. Tax Expenditures	40,279	60,660	64,034	68,622	-	-	-	-
Sub-Total Gross Expenditures	207,788	303,528	232,913	252,792	488,959	625,250	547,969	514,238
Recoveries	(2,990)	(3,210)	(2,757)	(2,888)	(18,139)	(18,506)	(8,800)	(2,369)
Total Net Expenditures	204,798	300,318	230,156	249,904	470,820	606,744	539,169	511,869

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

¹ Since April 1, 2003, the Crop Insurance program has been replaced by the Production Insurance program.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2004-05 to 2007-08(cont'd)

	PROVINCIAL				FEDERAL			
	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates
	(\$000)							
SASKATCHEWAN								
A. Operating Expenditures	42,045	44,191	48,083	51,418	219,829	230,163	258,355	231,142
B. Capital Expenditures	327	81	(201)	2,213	8,414	7,270	10,052	7,815
C. Program Expenditures	359,995	398,827	313,760	281,818	780,535	934,124	846,263	582,248
c.1 Income Support & Stabilization	206,499	259,756	158,776	118,335	294,313	217,165	566,794	285,572
c.2 Ad hoc and Cost Reduction	13,997	91	5,426	7,454	276,113	318,797	53,508	65,969
c.3 Production Insurance ¹	75,713	72,134	69,159	71,937	115,277	98,928	90,609	113,578
c.4 Financing Assistance	11,099	10,713	15,316	10,778	12,206	2,910	10,911	50,718
c.5 Storage and Freight	8,159	4,567	5,481	8,930	6,029	5,856	1,000	-
c.6 Social and Labour	75	74	75	77	84	-	-	136
c.7 Research	11,553	19,278	14,718	12,773	2,189	2,064	37,521	9,496
c.8 Food Inspection	2,861	2,483	2,280	4,095	1,356	762	1,832	11,247
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	828	1,423	3,278	3,775	35,859	246,795	37,543	23,200
c.11 Rural and Regional Devt.	27,009	26,786	30,384	35,705	29,059	21,686	10,920	4,489
c.12 Environment	-	386	7,998	7,444	7,230	13,649	23,421	17,470
c.13 Education	1,010	50	193	-	25	91	86	8
c.14 Extension	1,194	1,086	676	515	795	5,422	12,118	365
D. Tax Expenditures	110,748	113,986	118,735	131,528	-	-	-	-
Sub-Total Gross Expenditures	513,116	557,084	480,377	466,976	1,008,778	1,171,557	1,114,669	821,205
Recoveries	(54,214)	(64,767)	(49,100)	(56,027)	(25,290)	(26,200)	(13,827)	(3,723)
Total Net Expenditures	458,902	492,317	431,276	410,949	983,488	1,145,356	1,100,842	817,483
ALBERTA								
A. Operating Expenditures	185,669	181,043	174,552	214,460	267,611	288,935	333,121	296,835
B. Capital Expenditures	49,196	46,715	68,117	44,197	11,362	9,928	13,292	10,329
C. Program Expenditures	622,993	622,965	690,103	391,099	646,296	791,321	632,449	530,947
c.1 Income Support & Stabilization	213,861	302,027	411,902	137,880	172,463	304,111	464,656	246,684
c.2 Ad hoc and Cost Reduction	103,670	6,220	7,512	9,036	280,149	194,103	16,578	91,457
c.3 Production Insurance ¹	75,771	161,614	169,092	135,931	109,389	88,650	80,166	92,751
c.4 Financing Assistance	8,017	7,927	2,871	2,040	5,349	1,843	5,296	21,082
c.5 Storage and Freight	-	-	-	-	3,368	3,921	639	-
c.6 Social and Labour	12,133	10,582	10,600	10,600	113	120	6	182
c.7 Research	1,310	29,721	13,337	16,370	512	2,355	4,265	12,731
c.8 Food Inspection	-	-	269	-	1,830	1,188	2,803	15,061
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	79,545	8,280	522	495	29,924	163,500	30,992	20,115
c.11 Rural and Regional Devt.	63,540	13,880	2,950	2,950	24,446	11,817	6,162	7,042
c.12 Environment	7,724	7,260	755	3,245	17,506	14,322	15,268	23,385
c.13 Education	53,165	70,443	58,475	60,695	-	-	-	-
c.14 Extension	4,257	5,011	11,818	11,857	1,246	5,391	5,618	456
D. Tax Expenditures	113,135	118,580	111,691	114,825	-	-	-	-
Sub-Total Gross Expenditures	970,993	969,303	1,044,463	764,580	925,270	1,090,185	978,862	838,111
Recoveries	(101,466)	(90,665)	(68,966)	(66,874)	(34,151)	(35,780)	(18,512)	(4,984)
Total Net Expenditures	869,527	878,638	975,497	697,706	891,119	1,054,405	960,351	833,127

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

¹ Since April 1, 2003, the Crop Insurance program has been replaced by the Production Insurance program.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2004-05 to 2007-08(cont'd)

	PROVINCIAL				FEDERAL			
	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates
	(\$000)							
BRITISH COLUMBIA								
A. Operating Expenditures	25,299	23,398	25,154	34,298	84,649	94,718	105,262	92,573
B. Capital Expenditures	943	1,389	2,720	1,997	3,850	3,505	4,367	3,392
C. Program Expenditures	49,016	27,333	42,764	36,325	162,527	76,093	110,727	152,503
c.1 Income Support & Stabilization	16,627	19,224	19,589	27,530	37,933	33,929	87,879	87,824
c.2 Ad hoc and Cost Reduction	10,605	-	497	400	31,104	1,974	177	29,034
c.3 Production Insurance ¹	5,322	5,400	8,200	8,200	7,368	7,521	7,770	8,330
c.4 Financing Assistance	-	-	-	-	318	197	169	2,799
c.5 Storage and Freight	-	-	-	-	132	83	13	-
c.6 Social and Labour	295	-	-	-	38	24	38	61
c.7 Research	7,221	622	268	-	251	143	1,199	4,240
c.8 Food Inspection	7,749	342	6,374	(50)	71,399	9,286	2,264	6,340
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	1,101	975	6,431	150	3,735	7,087	2,845	2,664
c.11 Rural and Regional Devt.	-	-	145	-	3,352	3,063	3,122	3,261
c.12 Environment	-	-	217	-	6,550	12,104	4,348	7,794
c.13 Education	-	-	146	-	-	-	-	-
c.14 Extension	96	770	896	95	347	683	903	155
D. Tax Expenditures	6,905	6,945	6,929	6,926	-	-	-	-
Sub-Total Gross Expenditures	82,162	59,065	77,567	79,546	251,026	174,317	220,356	248,468
Recoveries	-	-	-	-	(11,571)	(12,633)	(6,169)	(1,661)
Total Net Expenditures	82,162	59,065	77,567	79,546	239,455	161,683	214,187	246,807

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

¹ Since April 1, 2003, the Crop Insurance program has been replaced by the Production Insurance program.

Table C.3: Research and Inspection in Support of the Agri-Food Sector, Canada and Provinces, 2004-05 to 2007-08

	PROVINCIAL				FEDERAL			
	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates
	(\$000)							
CANADA								
Research Expenditures								
- Operating	34,366	26,692	19,759	20,921	303,738	302,525	253,356	297,821
- Capital	5,605	34,584	4,625	6,487	10,202	7,796	13,874	8,962
- Program	74,595	105,663	86,190	88,988	13,004	29,842	69,190	60,594
Total Research	114,566	166,939	110,574	116,397	326,944	340,163	336,419	367,377
Inspection Expenditures								
- Operating	70,669	82,674	131,821	147,464	507,866	597,325	667,670	607,701
- Capital	1,654	815	3,158	2,687	18,203	17,431	28,899	20,345
- Program	47,533	48,959	44,139	57,665	82,757	27,478	19,876	73,319
Total Inspection	119,856	132,448	179,119	207,815	608,826	642,234	716,445	701,366
NEWFOUNDLAND								
Research Expenditures								
- Operating	-	-	-	-	819	841	718	844
- Capital	7	6	3	8	28	22	39	25
- Program	518	682	497	686	5	1	49	172
Total Research	525	689	500	694	851	864	806	1,041
Inspection Expenditures								
- Operating	1,062	1,308	1,700	1,894	1,290	1,584	1,793	1,625
- Capital	18	5	8	14	49	48	80	56
- Program	-	-	50	50	16	10	14	203
Total Inspection	1,080	1,313	1,759	1,958	1,355	1,642	1,887	1,884
PRINCE EDWARD ISLAND								
Research Expenditures								
- Operating	348	114	-	-	3,176	3,132	2,614	3,072
- Capital	-	-	-	-	107	81	143	92
- Program	2,446	2,462	2,103	1,971	154	71	176	624
Total Research	2,795	2,576	2,103	1,971	3,437	3,284	2,933	3,789
Inspection Expenditures								
- Operating	2,482	2,690	3,014	2,716	5,043	5,937	6,575	5,962
- Capital	-	-	-	-	190	180	291	204
- Program	508	360	374	-	959	686	316	753
Total Inspection	2,991	3,050	3,388	2,716	6,193	6,803	7,182	6,919

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

Table C.3: Research and Inspection in Support of the Agri-Food Sector, Canada and Provinces, 2004-05 to 2007-08 (cont'd)

	PROVINCIAL				FEDERAL			
	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates
	(\$000)							
NOVA SCOTIA								
Research Expenditures								
- Operating	-	-	-	-	3,982	4,130	3,431	4,033
- Capital	-	-	-	-	134	106	188	121
- Program	1,011	1,000	1,000	1,000	1,142	1,209	234	821
Total Research	1,011	1,000	1,000	1,000	5,258	5,446	3,853	4,975
Inspection Expenditures								
- Operating	1,264	1,495	2,252	2,175	6,294	7,800	8,590	7,785
- Capital	-	-	-	-	239	238	382	268
- Program	4,347	3,922	3,854	4,015	97	1,271	195	970
Total Inspection	5,611	5,417	6,106	6,190	6,630	9,308	9,166	9,023
NEW BRUNSWICK								
Research Expenditures								
- Operating	734	767	630	593	3,872	3,814	3,147	3,699
- Capital	4	32	35	2	130	98	172	111
- Program	530	248	5	130	1,253	822	1,463	752
Total Research	1,268	1,046	670	725	5,255	4,734	4,782	4,562
Inspection Expenditures								
- Operating	2,574	2,725	2,865	2,636	6,118	7,200	7,876	7,138
- Capital	60	63	228	2,093	232	220	350	245
- Program	165	191	222	356	77	56	71	888
Total Inspection	2,799	2,979	3,315	5,085	6,427	7,476	8,297	8,272
QUEBEC								
Research Expenditures								
- Operating	7,191	6,507	6,162	5,551	50,513	51,966	42,967	50,508
- Capital	-	-	-	-	1,697	1,339	2,353	1,520
- Program	10,658	12,636	12,129	14,100	375	1,658	3,841	10,300
Total Research	17,848	19,143	18,291	19,652	52,585	54,964	49,160	62,328
Inspection Expenditures								
- Operating	27,821	33,067	31,861	27,611	81,432	99,678	109,496	99,390
- Capital	667	-	-	-	3,027	2,994	4,820	3,385
- Program	17,358	17,169	16,778	16,778	1,188	1,164	1,792	12,178
Total Inspection	45,846	50,236	48,638	44,389	85,648	103,835	116,108	114,953

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

Table C.3: Research and Inspection in Support of the Agri-Food Sector, Canada and Provinces, 2004-05 to 2007-08 (cont'd)

	PROVINCIAL				FEDERAL			
	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates
	(\$000)							
ONTARIO								
Research Expenditures								
- Operating	-	-	-	-	76,686	77,870	64,325	75,614
- Capital	2,798	31,827	3,891	3,750	2,576	2,007	3,522	2,275
- Program	38,246	37,813	40,933	40,758	1,098	10,850	15,222	15,389
Total Research	41,045	69,640	44,824	44,508	80,360	90,727	83,069	93,278
Inspection Expenditures								
- Operating	-	-	31,357	38,860	125,744	151,522	166,474	151,300
- Capital	-	-	-	-	4,596	4,487	7,271	5,112
- Program	9,515	20,693	11,330	29,693	5,100	12,375	4,985	18,468
Total Inspection	9,515	20,693	42,687	68,553	135,439	168,383	178,730	174,880
MANITOBA								
Research Expenditures								
- Operating	-	-	-	-	33,508	31,950	25,328	29,773
- Capital	-	-	-	-	1,126	823	1,387	896
- Program	1,101	1,201	1,201	1,201	6,024	10,368	5,161	6,070
Total Research	1,101	1,201	1,201	1,201	40,658	43,141	31,876	36,738
Inspection Expenditures								
- Operating	3,154	6,858	8,025	8,889	58,329	64,889	68,450	62,426
- Capital	300	200	200	200	2,008	1,841	2,926	2,064
- Program	5,031	3,799	2,609	2,729	734	681	5,605	7,211
Total Inspection	8,485	10,857	10,834	11,818	61,071	67,410	76,981	71,700
SASKATCHEWAN								
Research Expenditures								
- Operating	1,095	679	848	947	46,719	45,235	39,794	46,779
- Capital	-	-	-	-	1,569	1,166	2,179	1,408
- Program	11,553	19,278	14,718	12,773	2,189	2,064	37,521	9,496
Total Research	12,648	19,957	15,566	13,720	50,478	48,465	79,495	57,682
Inspection Expenditures								
- Operating	3,136	3,354	3,337	3,650	83,781	94,402	111,826	102,287
- Capital	-	-	-	-	2,800	2,606	4,690	3,318
- Program	2,861	2,483	2,280	4,095	1,356	762	1,832	11,247
Total Inspection	5,996	5,837	5,617	7,745	87,937	97,770	118,348	116,852

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

Table C.3: Research and Inspection in Support of the Agri-Food Sector, Canada and Provinces, 2004-05 to 2007-08 (cont'd)

	PROVINCIAL				FEDERAL			
	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates
	(\$000)							
ALBERTA								
Research Expenditures								
- Operating	24,584	18,625	12,119	13,830	63,087	61,775	53,278	62,629
- Capital	2,504	2,460	415	2,450	2,119	1,592	2,917	1,885
- Program	1,310	29,721	13,337	16,370	512	2,355	4,265	12,731
Total Research	28,398	50,806	25,871	32,650	65,718	65,722	60,460	77,244
Inspection Expenditures								
- Operating	26,623	29,572	42,442	52,912	106,046	123,112	142,112	129,472
- Capital	609	548	721	380	3,781	3,559	6,114	4,308
- Program	-	-	269	-	1,830	1,188	2,803	15,061
Total Inspection	27,232	30,120	43,432	53,292	111,657	127,859	151,029	148,841
BRITISH COLUMBIA								
Research Expenditures								
- Operating	415	-	-	-	21,375	21,812	17,755	20,871
- Capital	292	259	281	277	718	562	972	628
- Program	7,221	622	268	-	251	143	1,199	4,240
Total Research	7,927	881	549	277	22,345	22,517	19,926	25,739
Inspection Expenditures								
- Operating	2,554	1,604	4,969	6,121	33,788	41,204	44,479	40,316
- Capital	-	-	2,000	-	1,281	1,257	1,975	1,385
- Program	7,749	342	6,374	(50)	71,399	9,286	2,264	6,340
Total Inspection	10,303	1,947	13,343	6,071	106,468	51,746	48,718	48,041

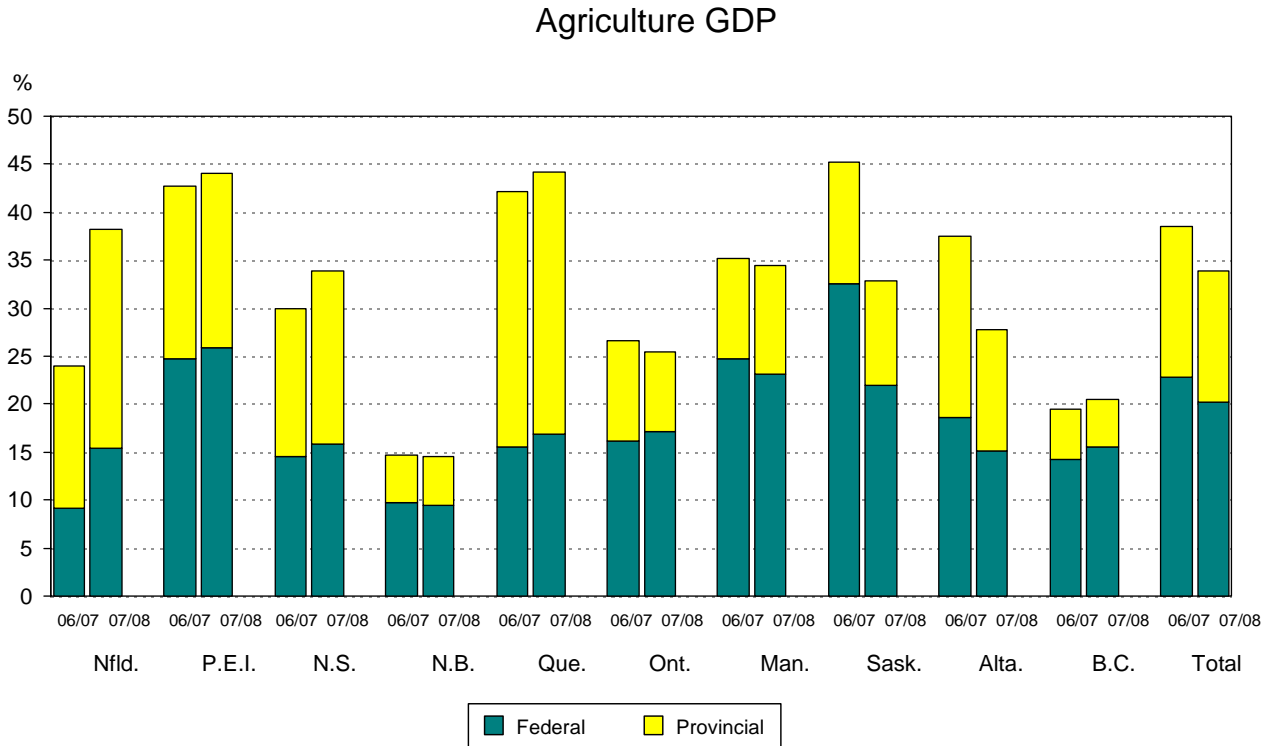
Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

Table C.4: Government Expenditures to the Agri-Food Sector as a Percentage of Agriculture and Agri-Food GDPs, Canada and Provinces, 2004-05 to 2007-08

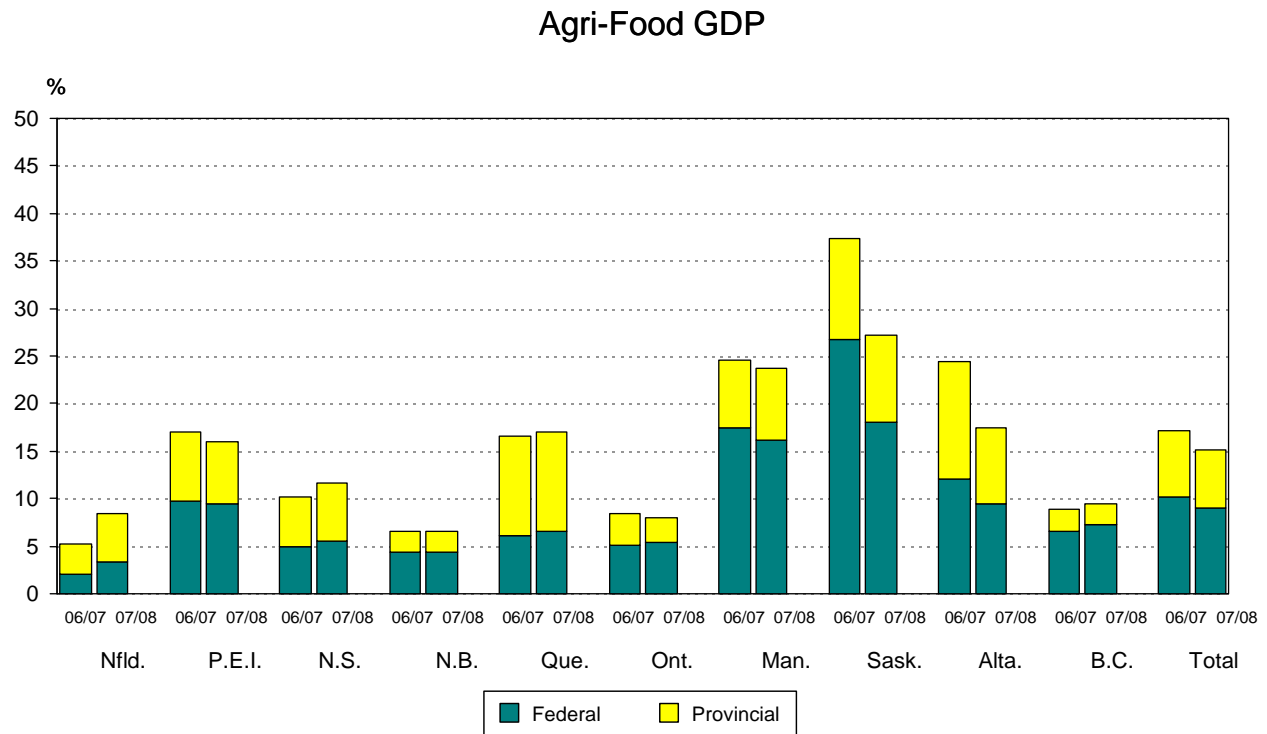
	Agriculture				Agri-Food			
	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates
NEWFOUNDLAND								
Provincial GDP (\$ million)	73.7	93.1	104.8	103.2	479.6	496.2	488.9	469.7
Federal (%)	15.7	15.0	9.1	15.4	2.4	2.8	2.0	3.4
Provincial (%)	14.5	16.0	14.9	22.8	2.2	3.0	3.2	5.0
PRINCE EDWARD ISLAND								
Provincial GDP (\$ million)	162.7	158.7	170.4	172.0	398.6	409.0	429.3	474.7
Federal (%)	28.5	19.7	24.7	25.9	11.6	7.6	9.8	9.4
Provincial (%)	23.8	20.2	18.1	18.2	9.7	7.8	7.2	6.6
NOVA SCOTIA								
Provincial GDP (\$ million)	263.0	292.0	299.3	313.8	854.7	900.5	881.3	903.7
Federal (%)	12.8	11.8	14.5	15.9	3.9	3.8	4.9	5.5
Provincial (%)	18.8	16.2	15.5	17.9	5.8	5.3	5.3	6.2
NEW BRUNSWICK								
Provincial GDP (\$ million)	439.7	475.4	514.9	545.0	1,048.3	1,078.0	1,143.5	1,215.8
Federal (%)	10.4	7.0	9.8	9.5	4.4	3.1	4.4	4.3
Provincial (%)	7.3	5.6	4.9	5.1	3.0	2.5	2.2	2.3
QUEBEC								
Provincial GDP (\$ million)	3,313.9	3,472.2	3,549.2	3,749.1	8,533.7	8,807.3	9,048.8	9,707.5
Federal (%)	15.7	15.4	15.5	16.9	6.1	6.1	6.1	6.5
Provincial (%)	21.4	23.7	26.7	27.3	8.3	9.4	10.5	10.5
ONTARIO								
Provincial GDP (\$ million)	4,528.5	4,773.2	4,935.7	5,242.4	14,963.6	15,502.2	15,781.7	16,478.1
Federal (%)	14.9	16.8	16.2	17.1	4.5	5.2	5.1	5.4
Provincial (%)	12.8	11.3	10.4	8.3	3.9	3.5	3.3	2.6
MANITOBA								
Provincial GDP (\$ million)	1,933.1	1,895.3	2,185.8	2,218.6	2,819.9	2,868.8	3,181.4	3,284.0
Federal (%)	24.4	32.0	24.7	23.1	16.7	21.1	16.9	15.6
Provincial (%)	10.6	15.8	10.5	11.3	7.3	10.5	7.2	7.6
SASKATCHEWAN								
Provincial GDP (\$ million)	3,031.9	3,446.6	3,383.7	3,724.9	3,532.5	4,024.0	4,065.8	4,480.8
Federal (%)	32.4	33.2	32.5	21.9	27.8	28.5	27.1	18.2
Provincial (%)	15.1	14.3	12.7	11.0	13.0	12.2	10.6	9.2
ALBERTA								
Provincial GDP (\$ million)	4,608.1	5,451.9	5,171.3	5,509.0	7,045.2	8,177.6	7,906.2	8,714.7
Federal (%)	19.3	19.3	18.6	15.1	12.6	12.9	12.1	9.6
Provincial (%)	18.9	16.1	18.9	12.7	12.3	10.7	12.3	8.0
BRITISH COLUMBIA								
Provincial GDP (\$ million)	1,467.3	1,521.4	1,502.4	1,592.4	2,980.6	3,251.5	3,271.4	3,426.6
Federal (%)	16.3	10.6	14.3	15.5	8.0	5.0	6.5	7.2
Provincial (%)	5.6	3.9	5.2	5.0	2.8	1.8	2.4	2.3
CANADA								
Federal GDP (\$ million)	19,235.9	20,656.3	21,027.9	22,321.5	43,273.5	46,028.4	46,860.6	49,811.8
Federal (%)	22.6	23.5	22.8	20.2	10.0	10.6	10.2	9.0
Provincial (%)	15.8	15.6	15.7	13.6	7.0	7.0	7.0	6.1

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

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



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



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

Table C.5: Total GDP and Total Government Expenditures, Canada and Provinces, 2004-05 to 2007-08

	Total GDP				Total Expenditures			
	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates	2004-05	2005-06	2006-07 Forecast	2007-08 Estimates
NEWFOUNDLAND								
Total Provincial (\$ million)	18,082	21,192	23,583	23,937	4,775	4,874	4,480	5,244
Agri-Food GDP as % of Total GDP	2.65	2.34	2.07	1.96				
Agri-Food Exp. as % of Total Exp.					0.22	0.31	0.35	0.45
PRINCE EDWARD ISLAND								
Total Provincial (\$ million)	3,678	3,831	3,981	4,155	1,150	1,127	1,152	1,245
Agri-Food GDP as % of Total GDP	10.84	10.68	10.78	11.43				
Agri-Food Exp. as % of Total Exp.					3.37	2.84	2.68	2.51
NOVA SCOTIA								
Total Provincial (\$ million)	27,410	28,957	29,686	31,171	5,185	5,611	6,000	6,448
Agri-Food GDP as % of Total GDP	3.12	3.11	2.97	2.90				
Agri-Food Exp. as % of Total Exp.					0.95	0.84	0.77	0.87
NEW BRUNSWICK								
Total Provincial (\$ million)	21,481	22,454	23,442	24,800	5,718	6,057	6,345	7,167
Agri-Food GDP as % of Total GDP	4.88	4.80	4.88	4.90				
Agri-Food Exp. as % of Total Exp.					0.56	0.44	0.40	0.39
QUEBEC								
Total Provincial (\$ million)	247,144	256,848	269,008	282,162	54,921	54,509	58,736	61,046
Agri-Food GDP as % of Total GDP	3.45	3.43	3.36	3.44				
Agri-Food Exp. as % of Total Exp.					1.29	1.51	1.62	1.67
ONTARIO								
Total Provincial (\$ million)	485,151	501,127	521,652	549,694	79,396	83,927	88,128	91,153
Agri-Food GDP as % of Total GDP	3.08	3.09	3.03	3.00				
Agri-Food Exp. as % of Total Exp.					0.73	0.64	0.58	0.48
MANITOBA								
Total Provincial (\$ million)	37,570	39,992	42,662	45,522	7,718	8,284	8,221	8,350
Agri-Food GDP as % of Total GDP	7.51	7.17	7.46	7.21				
Agri-Food Exp. as % of Total Exp.					2.65	3.63	2.80	2.99
SASKATCHEWAN								
Total Provincial (\$ million)	38,704	42,175	43,693	46,580	8,376	8,787	8,389	7,869
Agri-Food GDP as % of Total GDP	9.13	9.54	9.31	9.62				
Agri-Food Exp. as % of Total Exp.					5.48	5.60	5.14	5.22
ALBERTA								
Total Provincial (\$ million)	187,380	221,161	232,233	249,291	24,153	26,991	29,671	33,149
Agri-Food GDP as % of Total GDP	3.76	3.70	3.40	3.50				
Agri-Food Exp. as % of Total Exp.					3.60	3.26	3.29	2.10
BRITISH COLUMBIA								
Total Provincial (\$ million)	147,004	159,009	168,410	178,026	26,043	26,836	28,220	29,775
Agri-Food GDP as % of Total GDP	2.03	2.04	1.94	1.92				
Agri-Food Exp. as % of Total Exp.					0.32	0.22	0.27	0.27
TOTAL - PROVINCIAL								
Total Provincial (\$ million)	1,213,605	1,296,745	1,358,352	1,435,340	217,434	227,003	239,344	251,446
Agri-Food GDP as % of Total GDP	3.51	3.51	3.40	3.42				
Agri-Food Exp. as % of Total Exp.					1.40	1.42	1.38	1.21
CANADA - FEDERAL								
Total Federal (\$ million)	1,220,057	1,303,435	1,365,127	1,442,416	210,027	208,985	198,595	210,311
Agri-Food GDP as % of Total GDP	3.55	3.53	3.43	3.45				
Agri-Food Exp. as % of Total Exp.					2.07	2.32	2.41	2.14

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

Methodology for Government Expenditures

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

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

Accrual accounting: Since fiscal year 2001–02, federal and provincial governments have used full accrual accounting, which conforms with generally accepted accounting principles (GAAP), recognized worldwide as a universal set of standards to record and report financial transactions. It is also in accordance with the Canadian Institute of Chartered Accountants (CICA). For GEs, this change affects the capitalization of tangible assets. Capital expenditures therefore reflect the amortization costs of tangible assets over their useful life.

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

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

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

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

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

Government Recoveries: Government recoveries include revenues from user fees for services, from licenses and permits, leases and rentals, sales and royalties, land sales, transfers from one level of government to another, refunds of previous years' expenditures and previous years' recoveries, including government share of program surpluses, and from other miscellaneous forms of recoveries. These recoveries are deducted from the program expenditures or the total expenditures

to generate an estimate of net expenditures. Repayments of loans and advances and return on investments are not included in recoveries.

Treatment of Tax Expenditures: Provincial tax expenditures are limited to fuel tax rebates and exemptions and property tax rebates. Sales and income taxes are excluded from federal and provincial estimates.

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

The figures included in this table are government expenditures by various departments such as Agriculture and Agri-Food Canada, Health Canada, Transport Canada, Industry Canada and the Department of Finance. The figures also include government expenditures from various provincial departments.

Allocation of federal expenditures

- Federal expenditures by province are available for some programs only. Where allocation of such federal expenditures by province is required, the methods explained below are used.
- Program expenditures which are not available from estimates or expenditure plans are projected according to the previous three-year average program expenditures in each province.
- Operating and capital expenditures that were originally identified by province on the basis of administration centre or that were simply assigned to the National Capital Region and transfers to national organizations are allocated provincially as follows:
 - Operating and capital expenditures for the Prairie Farm Rehabilitation Administration and the Market and Industry Services Branch are allocated by province on the basis of program payments made by these organizations in each province. It is assumed that the operating and capital expenditures are proportional to program expenditures.
 - All other operating and capital expenditures and transfers to national organizations are allocated by province using a three-year moving average of the provincial distribution of Total Market Receipts (TMR) or market

receipts for specific commodities, where more appropriate. Relative levels of TMR are therefore used as a proxy value for the relative benefits derived from these programs by each province. For example, the distribution by province of Total Market Receipts from grains and oilseeds is used for the allocation by province of Canadian Grain Commission operating and capital expenditures. Total Market Receipts have been used as a basis since 2000–2001 only. Total cash receipts were used prior to that time.

- All transportation expenditures, except expenditures for the Atlantic Region Freight Assistance Transition Program, are allocated to provinces on the basis of the volume of rail shipments by province.
- The "Others" category includes monies paid to the Yukon, Northwest Territories and Nunavut as well as outside Canada for food aid assistance and monies to international organizations.

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

Operating expenditures include all expenditures associated with the day-to-day operations of the department, including salaries, employee benefits, travel and purchases of goods and services, as well as the cost of administering various programs from various departments.

Capital expenditures include charges for acquisition, construction and renovation of buildings and acquisition of physical assets such as land, property, large equipment and furnishings. Also included are amortization costs of tangible assets over their useful life.

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

- **Income Support and Stabilization programs** include subsidies and contributions paid under programs such as CAIS, NISA, the Dairy Subsidy Program, Safety Nets programs, most of the Companion programs and the income stabilization programs at the provincial level.

- **Ad hoc and Cost Reduction programs** include subsidies and contributions paid under ad hoc programs such as the Grains and Oilseeds Payment Program (GOPP), BSE crisis and flood assistance programs, and adjustment/transition programs, as well as subsidies aimed at reducing production costs, such as artificial insemination and land leasing assistance. Excluded are cost reduction programs included in the categories below, such as interest rebate subsidies.
 - **Crop/Production Insurance program** includes government premiums paid to funds associated with the program.
 - **Financing Assistance** includes the Agricultural Marketing Programs Act (AMPA), which provides for the Advance Payments Program (APP) and the Price Pooling Program (PPP). It also includes the Farm Improvement and Marketing Cooperatives Loans Act (FIMCLA) and interest rebate programs, as well as provisions for doubtful accounts and provisions for probable losses on loan guarantees issued by the government.
 - **Storage and Freight programs** include subsidies and contributions made under transportation assistance programs.
 - **Social and Labour programs** include subsidies and contributions to community organizations and for general skills training, such as support to agricultural labour.
 - **Research programs** are restricted to subsidies and contributions for research activities including research for product quality improvement. Administrative costs (e.g.: researchers' salaries) are excluded. See Table C.3 for further information on research and inspection expenditures.
 - **Food Inspection programs** are restricted to subsidies and contributions paid for animal health, veterinary services, product testing, disease and pest control and food quality. This category does not include administrative costs (e.g.: inspectors' salaries). See Table C.3 for further information on research and inspection expenditures.
 - **Food aid and international development programs** include subsidies and contributions for activities related to international agricultural organizations. International development projects considered are farming, agricultural processing and food projects. Also included in this category is the forgiveness of debts owed by developing countries and negotiated through the Canadian International Development Agency (CIDA). Forgiveness of debts in this category of expenditures is based on loans and lines of credit originally agreed to for agriculture and agri-food development projects in those countries. This forgiveness of international food aid debt is incorporated in the federal time series of expenditures since 1990–91.
 - **Marketing and Trade programs** include subsidies for activities related to product promotion and product and market development. This category also takes into account debt service reduction and/or reduction of the debt owed to the Canadian Wheat Board (CWB) and negotiated at the Paris Club. The debt reduction payments to the CWB are incorporated in the federal time series since 1991–92. It does not include payments made to the Export Development Corporation (EDC) in respect of the Paris Club agreement since these payments cover non-agricultural debt.
 - **Rural and Regional Development programs** include subsidies and contributions for general irrigation projects and community pastures as well as general development projects under federal/provincial agreements.
 - **Environment programs** include subsidies and contributions for activities related to the conservation of farm-related resources and wildlife, as well as expenditures for securing water supplies.
 - **Education programs** include grants paid to agricultural educational institutions.
 - **Extension programs** include subsidies and contributions paid for activities related to the provision of information, training and services to farmers such as those paid to the Canadian 4-H Council and for management of manure surpluses. Excluded is administration in the form of salaries paid to government employees for extension work. These costs are included in operating expenditures.
- Tax expenditures:** Provincial tax expenditures include fuel tax rebates and exemptions, and property tax rebates. Sales and income taxes are excluded from both federal and provincial estimates.

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

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

Operating expenditures for research include as a large part researcher salaries and expenses associated with the day-to-day operations of research branches and centres working, for example, to improve production technology and product attributes, in support of a competitive agri-food sector.

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

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

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

Research program expenditures include grants and contributions for scientific and technological development in the agricultural sector provided to

universities, scientific organizations and individuals. Also included are expenditures related to the Matching Investment Initiative.

Inspection program expenditures include grants and contributions as well as compensation for plant and animal losses such as those paid under the Health of Animals Act and the Plant Protection Act.

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

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

GDP data are provided by the Conference Board of Canada in 1997 dollars. These data correspond to GDP data at Basic Prices reported by Statistics Canada. They are expressed in current dollars using the aggregate GDP (implicit price index) deflator also provided by the Conference Board of Canada. GDP data are presented on a quarterly basis and are grouped into fiscal years.

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

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



SECTION D

Estimates of Support to Agriculture

Table D.1: Estimate of Support to Agriculture, Canada, 2004-06

	2004	2005	2006 Preliminary
	(\$ Million)		
Total value of production (at farm gate)	31,591	31,570	33,335
of which share of MPS commodities ¹ (%)	74	75	75
Total value of consumption (at farm gate)	22,842	22,959	24,380
Producer Support Estimate (PSE)	7,442	7,916	8,532
Market price support (MPS)	3,294	3,388	4,236
Payments based on output	0	0	0
Payments based on input use	606	667	624
Payments based on current A/An/R/I, production required	2,642	2,106	2,173
Payments based on non-current A/An/R/I, production required	0	0	133
Payments based on non-current A/An/R/I, production not required	868	1,729	1,345
Payments based on non-commodity criteria	0	0	0
Miscellaneous payments	32	26	20
Percentage PSE	21	22	23
Producer Nominal Protection Coefficient (Producer NPC)	1.12	1.12	1.15
Producer Nominal Assistance Coefficient (Producer NAC)	1.26	1.28	1.29
General Services Support Estimate (GSSE)	2,535	3,122	2,923
Research and development	434	446	552
Agricultural schools	249	279	233
Inspection services	633	755	964
Infrastructure	503	503	595
Marketing and promotion	716	1,138	578
Public stockholding	0	0	0
Miscellaneous	0	0	0
Consumer Support Estimate (CSE)	(3,292)	(3,378)	(4,229)
Transfers to producers from consumers	(3,290)	(3,378)	(4,220)
Other transfers from consumers	(1)	0	(8)
Transfers to consumers from taxpayers	0	0	0
Excess feed cost	0	0	0
Percentage CSE	(14)	(15)	(17)
Consumer Nominal Protection Coefficient (Consumer NPC)	1.17	1.17	1.21
Consumer Nominal Assistance Coefficient (Consumer NAC)	1.17	1.17	1.21
Total Support Estimate (TSE)	9,977	11,039	11,455
Transfers from consumers	3,292	3,378	4,229
Transfers from taxpayers	6,687	7,661	7,234
Budget revenues	(1)	0	(8)

Source: OECD, Agricultural Policies in OECD Countries: Monitoring and Evaluation 2007.

A/An/R/I: Area, Animal number, Receipt, Income

¹ MPS commodities for Canada are: wheat, corn, other grains, oilseeds, milk, beef and veal, pigmeat, poultry and eggs.

Table D.2: Producer Support Estimate (PSE) for Selected OECD Countries, 2004-06

	2004	2005	2006 Preliminary
	Percentage PSE (% of adjusted value of production)		
Australia	4	4	6
Canada	21	22	23
European Union	36	33	32
Japan	56	55	53
Mexico	11	14	17
New Zealand	1	1	1
USA	16	16	11
OECD	30	29	27

	2004	2005	2006 Preliminary
	Total PSE (\$US Million)		
Australia	1,150	1,355	1,377
Canada	5,720	6,533	7,531
European Union	149,096	134,352	137,970
Japan	48,101	45,229	40,652
Mexico	3,931	5,474	7,154
New Zealand	91	150	87
USA	43,104	41,929	29,289
OECD	291,976	280,998	267,768

Source: OECD, Agricultural Policies in OECD Countries: Monitoring and Evaluation 2007.

Table D.3: Composition of Producer Support Estimate (PSE) for Selected OECD Countries, 2004-06

		2004	2005	2006 Preliminary
		(% share in PSE)		
Australia	Support based on commodity output	0.5	0.5	0.2
	Payments based on input use	63	54	63
	Payments based on current A/An/R/I, production required	1.1	1	0.5
	Payments based on non-current A/An/R/I, production required	0.9	0.2	0
	Payments based on non-current A/An/R/I, production not required	35	44	36
	Payments based on non-commodity criteria	0	0	0
	Miscellaneous payments	0	0	0
Canada	Support based on commodity output	44	43	50
	Payments based on input use	8	8	7
	Payments based on current A/An/R/I, production required	36	27	25
	Payments based on non-current A/An/R/I, production required	0	0	1.6
	Payments based on non-current A/An/R/I, production not required	12	22	16
	Payments based on non-commodity criteria	0	0	0
	Miscellaneous payments	0.4	0.3	0.2
European Union	Support based on commodity output	58	51	46
	Payments based on input use	9	10	10
	Payments based on current A/An/R/I, production required	32	23	16
	Payments based on non-current A/An/R/I, production required	0	0	0
	Payments based on non-current A/An/R/I, production not required	1.2	14.9	27.7
	Payments based on non-commodity criteria	0.8	1	1.1
	Miscellaneous payments	0	0	0
Japan	Support based on commodity output	94	93	93
	Payments based on input use	3	3	3
	Payments based on current A/An/R/I, production required	0.1	0.6	0.3
	Payments based on non-current A/An/R/I, production required	0	0	0
	Payments based on non-current A/An/R/I, production not required	3	3	4
	Payments based on non-commodity criteria	0	0	0
	Miscellaneous payments	0	0	0
Mexico	Support based on commodity output	34	46	55
	Payments based on input use	30	28	25
	Payments based on current A/An/R/I, production required	3	1	1
	Payments based on non-current A/An/R/I, production required	3	3	3
	Payments based on non-current A/An/R/I, production not required	30	21	16
	Payments based on non-commodity criteria	1	0	0
	Miscellaneous payments	0	0	0
New Zealand	Support based on commodity output	52	54	51
	Payments based on input use	44	26	43
	Payments based on current A/An/R/I, production required	4	20	6
	Payments based on non-current A/An/R/I, production required	0	0	0
	Payments based on non-current A/An/R/I, production not required	0	0	0
	Payments based on non-commodity criteria	0	0	0
	Miscellaneous payments	0	0	0

Source: OECD, Agricultural Policies in OECD Countries: Monitoring and Evaluation 2007.

A/An/R/I: Area, Animal number, Receipt, Income

Table D.3: Composition of Producer Support Estimate (PSE) for Selected OECD Countries, 2004-06 (cont'd)

		2004	2005	2006 Preliminary
		(% share in PSE)		
USA	Support based on commodity output	42	37	20
	Payments based on input use	21	23	33
	Payments based on current A/An/R/I, production required	10	9	13
	Payments based on non-current A/An/R/I, production required	0	0	0
	Payments based on non-current A/An/R/I, production not required	22	26	26
	Payments based on non-commodity criteria	5	5	8
	Miscellaneous payments	0	0	0
OECD	Support based on commodity output	64	60	56
	Payments based on input use	9	10	11
	Payments based on current A/An/R/I, production required	19	14	11
	Payments based on non-current A/An/R/I, production required	0.2	0.3	0.3
	Payments based on non-current A/An/R/I, production not required	6	14	20
	Payments based on non-commodity criteria	1	1	1
	Miscellaneous payments	0	0	0

Source: OECD, Agricultural Policies in OECD Countries: Monitoring and Evaluation 2007.

A/An/R/I: Area, Animal number, Receipt, Income

Table D.4: Single Commodity Transfers (Percentage SCT)¹ for Selected OECD Countries, 2004-06

	Wheat			Maize			Other grains			Canola/Rapeseed			Soybean		
	2004	2005	2006p	2004	2005	2006p	2004	2005	2006p	2004	2005	2006p	2004	2005	2006p
Australia	0	0	0	n.c.	n.c.	n.c.	0	0	0	0	0	0	0	0	0
Canada	4	1.8	3.6	19.2	6.4	8.3	6.3	4.3	6.2	3.4	2.3	1.8	13.4	1.5	2.4
European Union	6.3	4.5	1.1	17.3	15	3	1.9	2.4	0	0.1	0.1	0	0.1	0.1	0
Japan	83	82.5	79.7	n.c.	n.c.	n.c.	74.9	75.6	73.1	n.c.	n.c.	n.c.	51.2	52.6	44
Mexico	6.2	13.6	10.7	3.9	8	22.9	6.6	6.9	4.2	n.c.	n.c.	n.c.	1.3	14.7	32
New Zealand	0	0	0	0	0	0	0	0	0	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
USA	4.6	1.8	8	10.8	17.6	0.7	15.7	13.9	6.4	n.c.	n.c.	n.c.	2.8	-0.6	-0.5
OECD	9	11	8	12	17	4	9	11	7	2	1	1	6	3	2

	Beef and veal			Pigmeat			Milk			Poultry			Eggs		
	2004	2005	2006p	2004	2005	2006p	2004	2005	2006p	2004	2005	2006p	2004	2005	2006p
Australia	0	0	0	0	0	0	0.2	0	0.1	0	0	0	0	0	0
Canada	6.4	2.5	2.1	0.5	0.7	1.2	48.3	46.3	55.8	2.8	2.1	9.7	18.4	33.8	37.3
European Union	66.7	57.7	48.8	25.1	15.2	14	35.9	23.5	23.8	45.1	37.7	38.3	-1.3	-1.2	-0.2
Japan	30.7	28.2	27.9	61.3	63.7	62.6	56.5	56.2	52.3	10.5	10.5	10.5	14.5	14.6	14.6
Mexico	5.2	8.2	6.3	-0.8	-0.1	-1.4	4.9	16.7	20.6	2	7.5	11.7	-0.5	-0.1	-0.7
New Zealand	0	0	0	0	0	0	0	0	0	5.3	14.5	6.7	35	34.2	27.2
USA	0	0	0	0	0	0	27.6	19.2	12.8	0	0	0	0	0	0
OECD	31	26	22	22	16	15	33	25	24	16	14	14	5	6	6

Source: OECD, Agricultural Policies in OECD Countries: Monitoring and Evaluation 2007.

¹ Percentage of adjusted value of production by commodity.

p: preliminary

n.c. not calculated

Table D.5: General Services Support Estimate (GSSE) for Selected OECD Countries, 2004-06

	2004	2005	2006 Preliminary
	GSSE as a share of Total Support Estimate (%)		
Australia	31	28	28
Canada	25	28	26
European Union	8	9	10
Japan	18	17	17
Mexico	18	16	11
New Zealand	62	52	66
USA	31	32	37
OECD	16	18	19

Source: OECD, Agricultural Policies in OECD Countries: Monitoring and Evaluation 2007.

Table D.6: Composition of General Services Support Estimate (GSSE) for Selected OECD Countries, 2004-06

		2004	2005	2006 Preliminary
		(% share in GSSE)		
Australia	Research and development	57	57	57
	Agricultural schools	0	0	0
	Inspection services	16	16	16
	Infrastructure	23	23	23
	Marketing and promotion	1	1	1
	Public stockholding	0	0	0
	Miscellaneous	3	3	3
Canada	Research and development	17	14	19
	Agricultural schools	10	9	8
	Inspection services	25	24	33
	Infrastructure	20	16	20
	Marketing and promotion	28	36	20
	Public stockholding	0	0	0
	Miscellaneous	0	0	0
European Union	Research and development	16	16	16
	Agricultural schools	8	8	8
	Inspection services	6	7	5
	Infrastructure	41	43	44
	Marketing and promotion	20	19	20
	Public stockholding	9	6	8
	Miscellaneous	1	1	0
Japan	Research and development	8	9	10
	Agricultural schools	1	1	0
	Inspection services	1	1	1
	Infrastructure	86	85	85
	Marketing and promotion	1	2	2
	Public stockholding	2	2	2
	Miscellaneous	0	0	0
Mexico	Research and development	17	15	17
	Agricultural schools	22	19	25
	Inspection services	20	20	12
	Infrastructure	14	17	7
	Marketing and promotion	26	28	38
	Public stockholding	0	0	0
	Miscellaneous	1	0	1

Source: OECD, Agricultural Policies in OECD Countries: Monitoring and Evaluation 2007.

Table D.6: Composition of General Services Support Estimate (GSSE) for Selected OECD Countries, 2004-06 (cont'd)

		2004	2005	2006 Preliminary
		(% share in GSSE)		
New Zealand	Research and development	44	37	33
	Agricultural schools	8	9	9
	Inspection services	34	30	30
	Infrastructure	13	24	28
	Marketing and promotion	0	0	0
	Public stockholding	0	0	0
	Miscellaneous	1	0	0
USA	Research and development	7	5	5
	Agricultural schools	0	0	0
	Inspection services	3	3	2
	Infrastructure	14	14	13
	Marketing and promotion	69	72	73
	Public stockholding	0	0	0
	Miscellaneous	7	6	6
OECD	Research and development	10	10	10
	Agricultural schools	3	3	3
	Inspection services	4	5	5
	Infrastructure	34	32	30
	Marketing and promotion	41	45	46
	Public stockholding	3	3	3
	Miscellaneous	4	4	4

Source: OECD, Agricultural Policies in OECD Countries: Monitoring and Evaluation 2007.

Table D.7: Consumer Support Estimate (CSE) for Selected OECD Countries, 2004-06

	2004	2005	2006 Preliminary
	Percentage CSE (%) ¹		
Australia	-2	-2	-2
Canada	-14	-15	-17
European Union	-20	-16	-16
Japan	-48	-49	-46
Mexico	-5	-8	-11
New Zealand	-2	-4	-2
USA	7	10	13
OECD	-19	-17	-15

Source: OECD, Agricultural Policies in OECD Countries: Monitoring and Evaluation 2007.

¹ Percentage CSE: the ratio of total consumption expenditures on commodities domestically produced (CSE) and the value of total consumption net of budgetary support to consumers

Table D.8: Total Support Estimate (TSE) for Selected OECD Countries, 2004-06

	2004	2005	2006 Preliminary
	Total Support Estimate in percentage of GDP (%)		
Australia	0.2	0.2	0.2
Canada	0.8	0.8	0.8
European Union	1.3	1.1	1.1
Japan	1.3	1.2	1.1
Mexico	0.7	0.8	0.9
New Zealand	0.2	0.3	0.3
USA	0.9	0.9	0.7
OECD	1.2	1.1	1.0

Source: OECD, Agricultural Policies in OECD Countries: Monitoring and Evaluation 2007.

Methodology for OECD Support Indicators

Since 1986, the Organization for Economic Cooperation and Development (OECD) has measured support for agriculture using several indicators of transfers, the most important and central one being the Producer Support Estimate (PSE). The results are the only available source of internationally comparable and transparent information on support levels in agriculture.

The PSE is a measure of the size and the type of transfers. The PSE categorizes the different types of transfers in a way to facilitate policy analysis and improve the evaluation of policy reform. Since the agricultural policy measures have evolved, the OECD has revised the classification system of the PSE to better reflect new types of measures. The OECD adopted significant changes in the nature of the generic policy categories in the PSE, changed the measure of support to commodities and improved the presentation of relevant indicators. The generic policy categories identify:

- The transfer basis for support: output, input, area/animal numbers/revenues/incomes, non-commodity criteria;
- Whether the support is based on current or non-current basis;
- Whether production is required or not.

The total PSE is no longer broken down by commodities. Instead, the total PSE is broken down into four categories reflecting the flexibility given to farmers' production decisions within the various policy measures. These categories are:

- Single Commodity Transfers (SCT);
- Group Commodity Transfers (GCT);
- All Commodity Transfers (ACT);
- Other Transfers to Producers (OCT).

Definition of categories in the PSE classification

Market Price Support (MPS): transfers from consumers and taxpayers to agricultural producers arising from policy measures that create a gap between domestic market prices and border prices of a specific agricultural commodity. Hence, MPS takes the form of an increase in the price levied by the producers and paid by the consumers of the commodity. The total amount of the support increases as the volumes produced increase. MPS

is the only form of support that has a simultaneous impact on the production and consumption of a product. MPS is also available by commodity.

Payments based on output: transfers from taxpayers to agricultural producers from policy measures based on current output of a specific agricultural commodity.

Payments based on input use: transfers from taxpayers to agricultural producers arising from policy measures based on on-farm use of inputs:

- Variable input use that reduces the on-farm cost of a specific variable input or a mix of variable inputs.
- Fixed capital formation that reduces the on-farm investment cost of farm buildings, equipment, plantations, irrigation, drainage, and soil improvements.
- On-farm services that reduce the cost of technical, accounting, commercial, sanitary and phyto-sanitary assistance and training provided to individual farmers.

Payments based on current A/An/R/I, production required: transfers from taxpayers to agricultural producers arising from policy measures based on current area, animal numbers, revenue, or income, and requiring production.

Payments based on non-current A/An/R/I, production required: transfers from taxpayers to agricultural producers arising from policy measures based on non-current (i.e. historical or fixed) area, animal numbers, revenue, or income, with current production of any commodity required.

Payments based on non-current A/An/R/I, production not required: transfers from taxpayers to agricultural producers arising from policy measures based on non-current (i.e. historical or fixed) area, animal numbers, revenue, or income, with current production of any commodity not required but optional.

- Variable rates: payment rates vary with respect to levels of current output or input prices.
- Fixed rates: payment rates do not vary with respect to these parameters.

Payments based on non-commodity criteria: transfers from taxpayers to agricultural producers arising from policy measures based on:

- Long-term resource retirement: transfers for the long-term retirement of factors of production from commodity production. The payments in this subcategory are distinguished from those requiring short-term resource retirement, which are based on commodity production criteria.
- A specific non-commodity output: transfers for the use of farm resources to produce specific non-commodity outputs of goods and services, which are not required by regulations.
- Other non-commodity criteria: transfers provided equally to all farmers, such as a flat rate or lump sum payment.

Miscellaneous payments: transfers from taxpayers to farmers for which there is a lack of information to allocate them among the appropriate categories.

Definitions of the OECD indicators of support

The classification of total transfers (TSE) associated with agricultural policies groups government policy measures into three main categories: transfers to producers (PSE), transfers to consumers (CSE), and transfers to general services to agriculture (GSSE).

Producer Support Estimate (PSE): transfers from consumers and taxpayers to agricultural producers arising from policy measures that support agriculture, regardless of their nature, objectives or impacts on farm production or income.

Percentage PSE: PSE transfers as a share of total gross farm receipts including budgetary support.

Single Commodity Transfers (SCT): transfers from policies linked to the production of a single commodity such that the producer must produce the designated commodity in order to receive the transfer. This includes broader policies where transfers are specified on a per-commodity basis. SCT is also available by commodity.

Group Commodity Transfers (GCT): transfers from policies where payments are made on the basis that one or more of a designated list of commodities is produced. That is, a producer may produce from a set of allowable commodities and receive the transfer that does not vary with respect to this decision.

All Commodity Transfers (ACT): transfers from policies that place no restrictions on the commodity produced but require the recipient to produce some commodity of their choice.

Other Transfers to Producers (OTP): transfers made under policies that do not require any commodity production.

Producer Nominal Assistance Coefficient (Producer NAC): ratio between the value of total gross farm receipts including support and gross farm receipts (at farm gate) valued at border prices (measured at farm gate).

Producer Nominal Protection Coefficient (Producer NPC): ratio between the average price received by producers (at farm gate), including payments per tonne of current output, and the border price (measured at farm gate). The PNPC is also available by commodity.

General Services Support Estimate (GSSE): transfers to general services provided to agriculture as a sector (such as research, development, training, inspection, marketing and promotion), arising from policy measures which support agriculture regardless of their nature, objectives and impacts on farm production, income, or consumption of farm products.

Unlike the PSE and CSE transfers, these transfers are not received by producers or consumers individually, and do not directly affect farm receipts (revenue) or consumption expenditure by their amount, although they may affect production and consumption of agricultural commodities.

Percentage GSSE: share of support to general services provided to agriculture in the total support to agriculture (TSE).

Consumer Support Estimate (CSE): transfers to (from) consumers of agricultural commodities arising from policy measures which support agriculture, regardless of their nature, objectives or impacts on consumption of farm products.

The CSE is composed of explicit and implicit transfers from consumers to agricultural producers associated with market price support for agricultural products produced and consumed domestically (Transfers to producers from consumers), as well as transfers to the budget and/or to importers on the share of consumption that is imported (Other transfers from consumers).

This indicator is measured net of any transfers to consumers to offset their contribution to market price support of a specific commodity (Transfers to consumers from taxpayers), as well as the contribution of producers (as consumers of domestically produced crops) to market price support on crops used in animal feed (Excess feed cost).

When the CSE is negative, this indicates transfers from consumers, and measures the implicit tax on consumption associated with policies promoting the agricultural sector. Although consumption expenditure is increased or reduced by the amount of the implicit tax or payments, this indicator is not in itself an estimate of the impact on consumption expenditure.

Percentage CSE: ratio of the total value of consumption expenditure on commodities domestically produced and the value of total consumption minus budgetary support to consumers. It measures the implicit tax (or subsidy, if CSE is positive) on consumers as a share of consumption expenditure.

Consumer Nominal Assistance Coefficient (Consumer NAC): ratio between the value of consumption expenditure on agricultural commodities (at farm gate) and that valued at border prices.

Consumer Nominal Protection Coefficient (Consumer CNP): ratio between the average price paid by consumers (at farm gate) and the border price (measured at farm gate). The Consumer CNP is also available by commodity.

Total Support Estimate (TSE): transfers from taxpayers and consumers arising from policy measures that support agriculture, net of the associated budgetary receipts, regardless of their objectives and impacts on farm production and income, or consumption of farm products.

The TSE is the sum of the following transfers:

- 1) Explicit and implicit gross transfers from consumers of agricultural commodities to agricultural producers net of producer financial contributions (which appear in MPS and CSE);
- 2) Gross transfers from taxpayers to agricultural producers (in PSE);
- 3) Gross transfers from taxpayers to general services provided to agriculture (GSSE);
- 4) Gross transfers from taxpayers to consumers of agricultural commodities (in CSE).

As the transfers from consumers to producers are included in the MPS, the TSE is also the sum of the PSE, the GSSE, and the transfers from taxpayers to consumers (in the CSE). The TSE measures the overall cost of agricultural support financed by consumers (Transfers from consumers), and taxpayers (Transfers from taxpayers), net of import receipts (Budget revenues).

Percentage TSE: (%TSE): the share of total support to agriculture in the total Gross Domestic Product (GDP).

Treatment of taxes and levies

The PSE and CSE are defined as net of producer contributions which help finance policy measures that provide support to producers. In the same way, the receipts from production taxes and levies designed to finance a given measure are also deducted from the total amount of the payment provided to producers as a result of that measure.

The case of negative support

The concept of the PSE as a "gross" measure allows for cases of negative support. This is the case with agricultural policy measures that act as a tax on producers relative to the situation in the absence of such measures - i.e. if only general economy-wide policies were in place. The typical example of negative support is an export tax, or any other agricultural policy measure discouraging exports and resulting in a domestic price lower than the world price.

Meaning and interpretation of the main indicators

Producer Support Estimate (PSE) and producer Nominal Assistance Coefficient (Producer NAC)

The PSE is a static measure of support provided to agricultural producers in a given time period (e.g. one year or season) as defined by general macroeconomic conditions in the context of economy-wide policies.

For example, a situation of zero support to agriculture would occur when there are only general economy-wide policies in place with no policies specifically altering the transmission of the general macroeconomic condition for agriculture. In such situations, current total farm receipts would be generated entirely in the market without any policy-linked transfers to farmers. This can be seen as an extreme situation.

Thus, a percentage PSE of 60%, for example, expresses the share of transfers to agricultural producers in the total value of gross farm receipts (as measured by the PSE), or the share of gross farm receipts derived from policies. Hence 40% of gross farm receipts is derived from the market without any support.

When the producer NAC is equal to one, this means that gross farm receipts are entirely derived from the market without any budgetary support. Therefore, the higher the producer NAC, the lower the share of gross farm receipts derived from the market. For instance, a producer NAC of 2.50 means that the value of gross farm receipts is two and a half times what it would be if entirely obtained at world prices without any policy support.

Consumer Support Estimate (CSE) and Consumer Nominal Assistance Coefficient (Consumer NAC)

A percentage CSE of -60% indicates that 60% of total consumption expenditure on agricultural commodities represents a transfer from consumers to producers, or the share of the consumption expenditure created by policies.

When the consumer NAC is equal to one, this means that total consumption expenditure on agricultural commodities is at market prices, without any support to producers and consumers. Therefore, the higher the consumer NAC, the less the share of consumption expenditure reflects the market. For example, a consumer NAC of 2.50 indicates that consumer spending is two and a half times what it would be if conducted entirely at world market prices without any budgetary support to consumers.

Calculating Market Price Support (MPS)

Market Price Support (MPS) is only calculated where there are policies that alter the transmission of the general macroeconomic conditions to agricultural producers and create a "price gap" with transfers from consumers to producers.

Percentage GSSE and percentage TSE

The percentage GSSE measures the share of transfers to general services provided to agriculture in the total support to agriculture (TSE), and thus indicates the relative weight of the transfers that fall under the TSE and GSSE in each country.

All other things being equal, the lower the percentage GSSE, the higher the share of PSE transfers within the total support to agriculture and the greater the associated impacts on production and trade.

The percentage TSE measures the share of total support to agriculture in a country's GDP or the share of national income used to support agriculture. It is influenced by the importance of the agricultural sector in the economy.

Therefore, the higher the percentage TSE, the larger the share of national income used to support agriculture.