

DATA BOOK

FARM INCOME FINANCIAL CONDITIONS and GOVERNMENT ASSISTANCE

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ABBREVIATIONS

ALFI Atlantic Livestock Feed Initiatives

APB Agricultural Products Board

APCA Advance Payments for Crops Act

ARFAA Atlantic Region Freight Assistance Act

ASA Agricultural Stabilization Act

ASB Agricultural Stabilization Board

AVOP Adjusted Value of Production

CBL Commodity-based Loans

CAMDI Canadian Agricultural Market
Development Initiatives

CIDA Canadian International Development
Agency

CDC Canadian Dairy Commission

CIA Crop Insurance Act

CWB Canadian Wheat Board

EEC European Economic Community

ERDA Economic Regional Development
Agreements

FCC Farm Credit Corporation

FDRA Farm Debt Review Act

FFA Feed Freight Assistance

FFS Farm Financial Survey

FIMCLA Farm Improvement and Marketing
Cooperatives Loans Act

FSAM Farm Support and Adjustment Measures

GATT General Agreement on Tariffs and Trade

GRIP Gross Revenue Insurance Plan

MFRA Maritime Freight Rates Act

NAFTA North American Free Trade Agreement

NCR National Capital Region

NISA Net Income Stabilization Account

NTSP National Tripartite Stabilization Program

PFRA Prairie Farm Rehabilitation
Administration

PGAPA Prairie Grain Advance Payment Act

POS Protein, Oil and Starch

SIAP Special Income Assistance Program

WGSA Western Grain Stabilization Act

WGTA Western Grain Transportation Act

WGTPP Western Grain Transition Payments
Program

WTO World Trade Organization

SYMBOLS

.. figures not available

... figures not appropriate or not available

x confidential



INTRODUCTION

The purpose of this data book is to provide easy access to key economic and financial indicators for the farm sector and to information on government assistance to the agriculture and agri-food sector.

The farm income forecast is prepared by Agriculture and Agri-Food Canada with the assistance of Statistics Canada and in consultation with the provincial Ministries of Agriculture. The information on government expenditures and government transfers is prepared by the Department with the collaboration of the provincial Ministries of Agriculture.

The data book is divided into four sections. Section A presents information related to farm income. Section B contains information on farm financial conditions. Section C provides data on government expenditures for the agri-food sector. Section D contains information on government transfers to agricultural producers. In addition, notes on the methodology are provided at the end of each section.

The data book is produced twice per year. The next issue will be released in September 1997.

This publication is also available on Internet through the Agriculture and Agri-Food Canada website (<http://www.agr.ca>).

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We would appreciate your response to the questionnaire on the coloured page in the centre of the document. Please return it before the end of September 1997. Your participation is voluntary and you may, without prejudice, decline to respond. Also, the information provided may be accessible or protected as required under the provisions of the Access to Information Act. The Collection Registration Number is AAFC/POL-330-96016.



EXECUTIVE SUMMARY

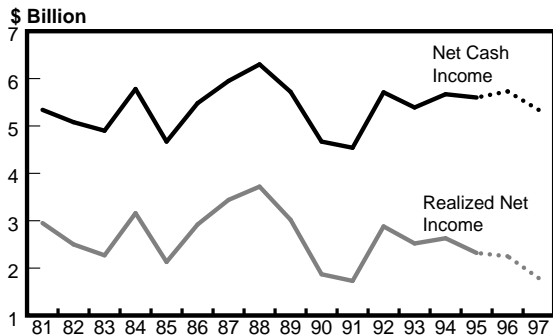
A. Farm Income

Farm Income - Aggregate Level

• Net cash farm income in 1996 is expected to reach \$5.7 billion, up 2% from 1995 and 6% higher than the 1991-95 five-year average level. The projected increase is mainly the result of higher crop and livestock receipts offsetting higher operating expenses and lower program payments. Realized net income, which takes into account depreciation charges, is projected to decline slightly in 1996.

• Net cash farm income in 1997 is forecast at \$5.3 billion, a level comparable to the 1991-95 average despite a decline from 1996. The decline will occur mainly as a result of wheat and coarse grain prices returning to more normal levels. Realized net income is expected to register a larger decline.

Canadian Farm Income



• The key factors in the 1996 and 1997 outlook are:

- Crop receipts are projected to reach a record level of \$13.8 billion in 1996 and to decline by 5% in 1997. High grain prices in 1996 were supported by strong demand from domestic and international markets, coupled with lower-than-normal world stocks. The decline in crop receipts in 1997 is mainly the result of wheat and coarse grain prices returning to more normal levels.

- Livestock receipts are forecast to increase in 1996 and to show little changes in 1997. Receipts from hogs and supply-managed commodities account for most of the increase in livestock receipts projected for 1996. In 1997, hog and dairy receipts should increase slightly while poultry receipts should decrease moderately. Cattle receipts should remain stable in 1996 and decline slightly in 1997.

- Program payments made directly to producers will decline to a level of \$1.0 billion in 1996, as a result of the strength of the market place but also because of program terminations and lower program support. Payments are forecast to be 20% higher in 1997 due mainly to higher crop insurance payments and assistance provided under new companion programs and adjustment/transition programs.

- Net operating expenses are projected to rise by almost 8% in 1996 and to remain unchanged in 1997. Crop expenses are projected to increase significantly in 1996 due mainly to increased expenditures on fertilizers. Crop expenses are forecast to increase slightly in 1997. Feed costs should increase in 1996 as a result of high livestock

inventories and high grain prices, and decline in 1997 as a result of lower grain prices.

Farm Income - Farm Level

• An Ontario farrow to finish farm with 110 sows could expect an increase in net farm cash income of \$5,900 (11%) in 1996 followed by a decrease of \$1,300 in 1997.

• A New Brunswick potato farm with 230 acres in potatoes could expect an increase in net farm cash income of \$26,400 (42%) in 1996 followed by a decrease of about \$15,500 in 1997.

• An 1,800 acre Saskatchewan dark brown soil zone grain farm with 1,200 acres in crops could expect an increase in net farm cash income of \$29,300 (38%) in 1996 followed by a decrease of \$68,700 in 1997.

• A 330 acre Ontario cash crop farm could expect an increase in net farm cash income of \$14,500 (20%) in 1996 followed by a decrease of about \$8,200 in 1997.

• A Quebec dairy farm with 38 cows could expect a decrease in net farm cash income of \$3,300 (7%) in 1996 followed by no change in 1997.

• An Alberta cow-calf farm with an average of 75 cows over the year and 600 acres in crops could experience an increase in net farm cash income of \$6,800 (20%) in 1996 followed by a decrease of \$4,000 in 1997.

B. Farm Financial Conditions

• Between 1994 and 1995, debt outstanding of the farm sector increased in each province.

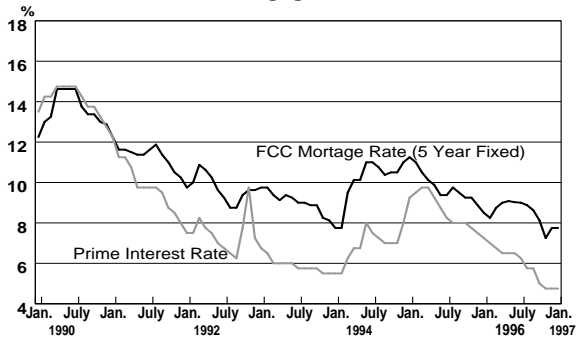
• In 1995, farm bankruptcies continued to decline nationally and were at their lowest level since 1981.

• The number of loans approved by FCC increased between 1994-95 and 1995-96 and the number of loans registered under FIMCLA decreased.

• Average assets, net worth and net new investment of Canadian farms increased between 1993 and 1995.

• Fertilizer prices declined in the fall of 1996 in Alberta, but remained largely unchanged in Ontario.

FCC Farm Mortgage Interest Rate



C. Government Expenditures

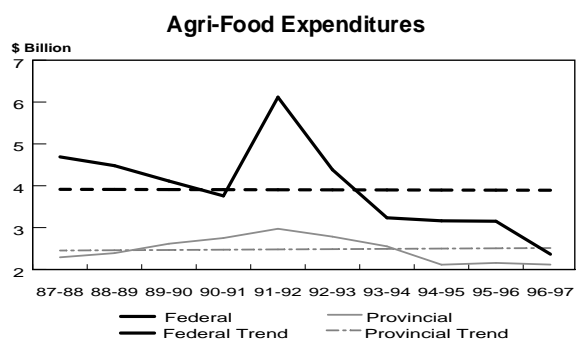
• Government expenditures include all federal and provincial monies transferred directly to individuals and agencies or indirectly through funds or through transfers to other levels of government.

• Most of provincial and all federal expenditures up to 1995-96 are actual data taken from public accounts. The 1996-97 estimates are based on the 1996-97 Estimates and Budget documents.



- Federal expenditures for the fiscal year 1995-96 changed very little compared to 1994-95. They averaged \$3.2 billion over the last three years. For 1996-97, federal expenditures are expected to decrease significantly to \$2.4 billion. The federal share of total governments' contribution to the agri-food sector for 1995-96 and 1996-97 is higher at 67% and 61%, respectively. Downward revisions to the provincial tax data series contributed the most to the decline in the provincial contribution to the sector.

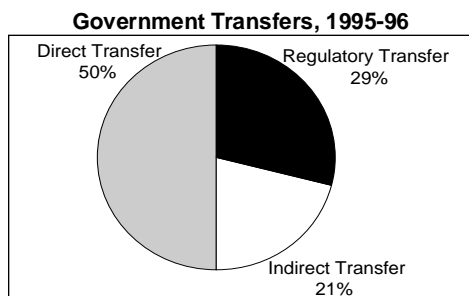
- Total provincial expenditures for Canada are estimated at \$2.16 billion in 1995-96, an increase of \$42 million over 1994-95. They are estimated at \$2.12 billion in 1996-97. For both years, provincial expenditures are lower than the ten-year historical average of \$2.5 billion. Provincial expenditures for 1995-96 were higher in Quebec, Ontario, Manitoba, Saskatchewan and Alberta. For 1996-97, the level of expenditures is expected to be lower in Newfoundland, Nova Scotia, New Brunswick, Quebec and British Columbia.



- At the federal level, the share of federal expenditures under the Program Payments category was 20% in 1995-96 compared to the ten-year historical average (1985-95) of 43%. On the other hand, the shares under the Development and Trade related programs category (16%) and the Storage and Freight category (35%) were considerably higher in 1995-96 compared to their ten-year historical average of 7% and 20%, respectively. At the provincial level, the distribution of expenditures for each of these categories in 1995-96 was almost identical to the ten-year historical average distribution.

D. Government Transfers

- Government transfers to producers include direct transfers (from taxpayers to producers), indirect transfers (from taxpayers to agriculture but not directly to producers), and government regulations which offer support indirectly through higher market returns (from consumers to producers).



- Government transfers to producers for the fiscal years 1994-95 and 1995-96, in dollar amounts and percentage terms are summarized in the table below. Key results are as follows:

- The value of government support to Canadian producers totalled \$4.9 billion in 1995-96, down \$233 million from the previous year. The amount for the four western provinces was \$2.8 billion (or 57% of the total support), Ontario and Quebec \$1.9 billion (or 39%), and the Atlantic provinces the remaining \$207 million (4%).

- Expressed as a percentage of the size of the Canadian agriculture industry, government transfers in 1995-96 amounted to \$17.99 for every \$100 of production value, down from \$20.76 in 1994-95. With the exception of Newfoundland, transfers across provinces were within \$6 of the national average - from a low of \$13 in Alberta to \$24 in Nova Scotia.

- In dollar terms, total transfers increased during 1995-96 for three provinces: Prince Edward Island, Manitoba and Saskatchewan. In all provinces, however, transfers as a percentage of production value declined during 1995-96. On average, the decline was equal to \$2.78 per \$100 of production value, and ranged from \$0.25 in Prince Edward Island to \$3.82 in Alberta.

Government Transfers, Canada and Provinces

	1994-95		1995-96	
	\$ (million)	\$/100 AVOP ⁽¹⁾	\$ (million)	\$/100 AVOP
Newfoundland	29	39.69	25	36.56
Prince Edward Island	47	15.19	50	14.94
Nova Scotia	84	25.60	74	24.11
New Brunswick	62	21.01	58	19.86
Quebec ⁽²⁾	1,052	25.35	990	22.64
Ontario	1,085	18.58	939	15.51
Manitoba	462	19.31	497	19.01
Saskatchewan	1,200	24.30	1,284	21.44
Alberta	887	16.60	785	12.78
British Columbia	260	21.28	233	18.47
Canada	5,169	20.76	4,936	17.99

NOTES:

- (1) AVOP (adjusted value of production) is the most recent three-year average value of production plus current year direct transfers to producers. For example, the AVOP used in the 1995-96 results equals the three-year average value of production for fiscal years 1993-94 through 1995-96, plus direct transfers during fiscal year 1995-96.
- (2) Quebec did not participate in the preparation and verification of government transfers. Quebec's provincial transfers were derived mainly from public accounts documents.



SECTION A

Farm Income



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

	1995	Average 1991-95	1996	Percent change		1997	Percent change	
				96/95	96/91-95		97/96	97/91-95
	\$ Million	\$ Million	\$ Million	%	%	\$ Million	%	%
CANADA								
Total Crops	12,794	10,113	13,811	8	37	13,075	-5	29
Total Livestock	12,671	11,925	13,543	7	14	13,568	0	14
Market Receipts	25,466	22,038	27,354	7	24	26,642	-3	21
Total Direct Payments	1,148	2,385	1,006	-12	-58	1,208	20	-49
Total Cash Receipts	26,614	24,423	28,360	7	16	27,850	-2	14
Net Operating Expenses	21,012	19,041	22,630	8	19	22,508	-1	18
Net Cash Income	5,602	5,382	5,731	2	6	5,342	-7	-1
Realized Net Income	2,323	2,417	2,247	-3	-7	1,788	-20	-26
NEWFOUNDLAND								
Total Crops	13	11	13	-1	15	13	0	15
Total Livestock	51	49	55	9	12	54	-2	11
Market Receipts	64	61	68	7	13	68	-1	11
Total Direct Payments	3	4	2	-24	-34	2	3	-32
Total Cash Receipts	67	64	71	5	10	70	-1	9
Net Operating Expenses	55	54	62	11	15	61	-0	14
Net Cash Income	12	10	9	-22	-12	9	-6	-17
Realized Net Income	8	7	5	-39	-31	4	-14	-41
PRINCE EDWARD ISLAND								
Total Crops	179	144	179	-0	24	179	0	25
Total Livestock	105	100	113	7	13	118	4	18
Market Receipts	285	244	292	2	20	297	2	22
Total Direct Payments	27	22	12	-56	-46	11	-2	-47
Total Cash Receipts	311	266	303	-3	14	308	2	16
Net Operating Expenses	224	198	233	4	17	237	2	19
Net Cash Income	87	67	71	-19	5	71	1	6
Realized Net Income	62	45	44	-30	-3	44	0	-3
NOVA SCOTIA								
Total Crops	95	93	101	6	9	103	2	11
Total Livestock	227	220	252	11	15	254	0	15
Market Receipts	322	313	353	10	13	356	1	14
Total Direct Payments	6	9	6	0	-30	5	-26	-48
Total Cash Receipts	329	322	359	9	12	361	0	12
Net Operating Expenses	276	259	304	10	17	305	0	18
Net Cash Income	53	63	56	6	-12	56	-0	-12
Realized Net Income	18	30	18	2	-39	18	-4	-42


Table A.1: Farm Receipts, Expenses and Income Forecast, Canada and Provinces (continued)

	1995	Average 1991-95	1996	Percent change		1997	Percent change	
				96/95	96/91-95		97/96	97/91-95
				\$ Million	\$ Million		\$ Million	%
NEW BRUNSWICK								
Total Crops	113	111	128	13	15	135	5	21
Total Livestock	162	151	170	5	12	172	1	14
Market Receipts	275	263	298	8	13	307	3	17
Total Direct Payments	12	15	17	40	8	11	-35	-29
Total Cash Receipts	287	278	315	10	13	318	1	14
Net Operating Expenses	242	221	262	8	18	265	1	20
Net Cash Income	45	57	52	17	-8	53	1	-7
Realized Net Income	18	33	23	28	-29	23	-0	-29
QUEBEC								
Total Crops	992	841	1,108	12	32	1,071	-3	27
Total Livestock	2,858	2,646	3,089	8	17	3,068	-1	16
Market Receipts	3,851	3,487	4,197	9	20	4,139	-1	19
Total Direct Payments	528	565	420	-20	-26	246	-41	-56
Total Cash Receipts	4,379	4,051	4,617	5	14	4,385	-5	8
Net Operating Expenses	3,305	3,036	3,691	12	22	3,552	-4	17
Net Cash Income	1,074	1,016	925	-14	-9	833	-10	-18
Realized Net Income	745	720	567	-24	-21	467	-18	-35
ONTARIO								
Total Crops	2,672	2,310	2,979	11	29	2,875	-3	24
Total Livestock	3,373	3,315	3,630	8	9	3,685	2	11
Market Receipts	6,044	5,625	6,609	9	17	6,560	-1	17
Total Direct Payments	113	328	122	8	-63	165	35	-50
Total Cash Receipts	6,158	5,953	6,731	9	13	6,724	-0	13
Net Operating Expenses	5,156	4,850	5,659	10	17	5,659	-0	17
Net Cash Income	1,002	1,103	1,072	7	-3	1,066	-1	-3
Realized Net Income	259	411	286	11	-30	264	-8	-36
MANITOBA								
Total Crops	1,413	1,131	1,569	11	39	1,397	-11	24
Total Livestock	944	873	1,101	17	26	1,108	1	27
Market Receipts	2,357	2,004	2,670	13	33	2,505	-6	25
Total Direct Payments	104	283	55	-48	-81	159	191	-44
Total Cash Receipts	2,461	2,287	2,724	11	19	2,664	-2	17
Net Operating Expenses	2,101	1,840	2,172	3	18	2,188	1	19
Net Cash Income	361	447	552	53	24	477	-14	7
Realized Net Income	35	164	205	492	25	122	-40	-26



Table A.1: Farm Receipts, Expenses and Income Forecast, Canada and Provinces (continued)

	1995	Average 1991-95	1996	Percent change		1997	Percent change	
				96/95	96/91-95		97/96	97/91-95
	\$ Million	\$ Million	\$ Million	%	%	\$ Million	%	%
SASKATCHEWAN								
Total Crops	4,078	3,040	4,186	3	38	4,088	-2	34
Total Livestock	995	994	980	-1	-1	989	1	-1
Market Receipts	5,073	4,034	5,166	2	28	5,077	-2	26
Total Direct Payments	177	632	212	20	-66	293	38	-54
Total Cash Receipts	5,250	4,665	5,378	2	15	5,370	-0	15
Net Operating Expenses	3,863	3,427	4,222	9	23	4,233	0	24
Net Cash Income	1,386	1,238	1,156	-17	-7	1,138	-2	-8
Realized Net Income	585	510	315	-46	-38	280	-11	-45
ALBERTA								
Total Crops	2,575	1,857	2,867	11	54	2,523	-12	36
Total Livestock	3,119	2,758	3,269	5	19	3,228	-1	17
Market Receipts	5,694	4,614	6,136	8	33	5,752	-6	25
Total Direct Payments	152	483	127	-17	-74	293	131	-39
Total Cash Receipts	5,846	5,097	6,262	7	23	6,044	-3	19
Net Operating Expenses	4,469	3,965	4,627	4	17	4,617	-0	16
Net Cash Income	1,378	1,132	1,635	19	44	1,427	-13	26
Realized Net Income	544	386	745	37	93	520	-30	35
BRITISH COLUMBIA								
Total Crops	663	576	682	3	18	691	1	20
Total Livestock	838	818	884	5	8	892	1	9
Market Receipts	1,501	1,394	1,566	4	12	1,583	1	14
Total Direct Payments	27	45	35	30	-23	23	-33	-49
Total Cash Receipts	1,527	1,439	1,600	5	11	1,606	0	12
Net Operating Expenses	1,321	1,190	1,398	6	17	1,392	-0	17
Net Cash Income	206	249	203	-2	-19	214	5	-14
Realized Net Income	50	111	39	-22	-65	46	18	-59

Sources: Statistics Canada, Catalogue No. 21-603, November 1996 and Agriculture and Agri-Food Canada for 1996 and 1997 forecasts.

Significant Points

- Net cash farm income in 1996 is expected to reach \$5.7 billion, a 2% increase compared to 1995 and 6% compared to the 1991-95 five-year average. This is mainly the result of higher crop and livestock receipts offsetting higher net operating expenses and lower program payments. The net cash income forecast for 1997 shows that it will decline by 7% mainly due to grain prices returning to more normal levels. It is 1% lower compared to the 1991-95 five-year average.
- Realized net farm income, which takes into account income-in-kind and depreciation charges, is projected to decline by 3% in 1996 to \$2.2 billion and to drop by 20% in 1997 to \$1.8 billion. Realized net income in 1996 is projected to decline in Newfoundland, Prince Edward Island, Quebec, Saskatchewan and British Columbia. It

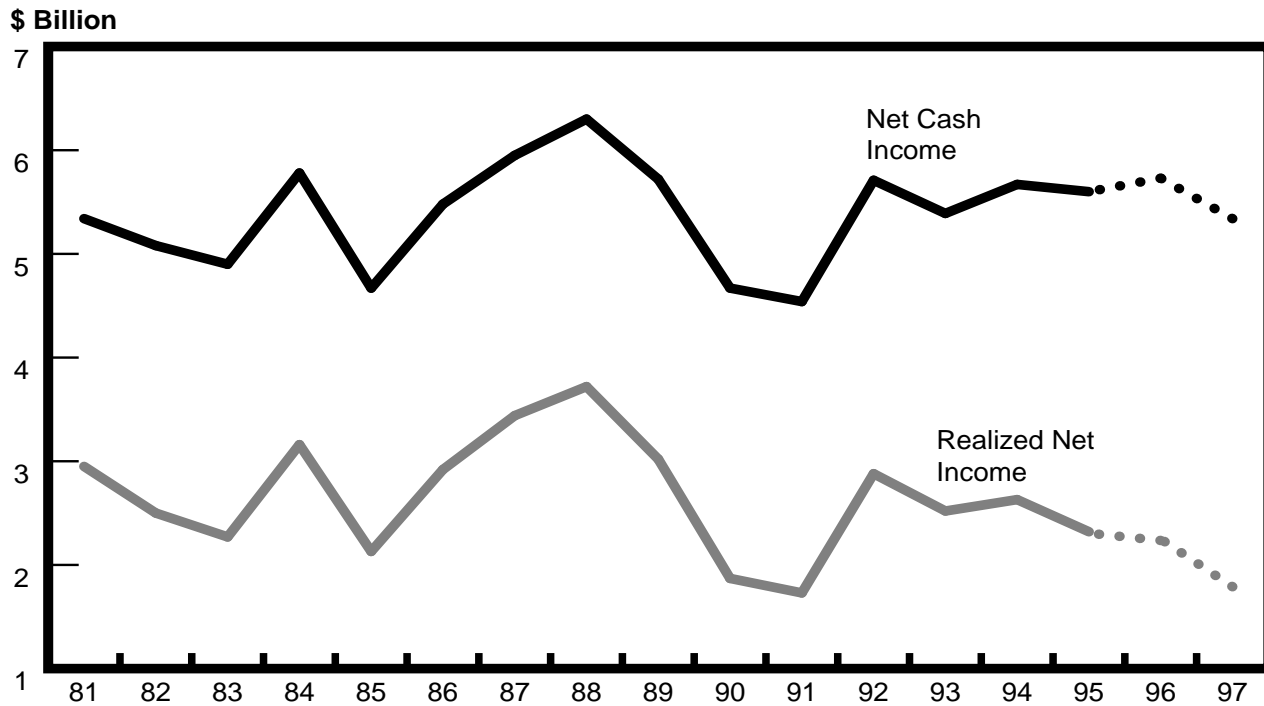


is expected to decline in all provinces in 1997, except Prince Edward Island and British Columbia.

- Total crop receipts are projected to increase by 8% in 1996 to reach a record level of \$13.8 billion and to decline by 5% in 1997. High grain prices in 1996 caused revenues from the sale of wheat, barley, corn and soybeans to soar above year-earlier levels. Grain prices in 1996 were supported by strong demand from domestic and international markets, coupled with lower-than-normal world stocks. The decline in crop receipts in 1997 is mainly the result of wheat and coarse grain prices returning to more normal levels.
- Total livestock receipts are forecast to increase 7% in 1996 and to remain unchanged in 1997. Receipts from hogs and supply-managed commodities account for most of the increase in livestock receipts projected for 1996. Strong hog prices coupled with higher marketings are expected to push hog receipts up significantly in 1996. The higher receipts for all supply-managed commodities are mainly due to higher prices. Cattle receipts are projected to remain stable in 1996 as higher cattle marketings are expected to offset lower prices. In 1997, hog and dairy receipts should increase slightly while poultry receipts should decrease moderately. Cattle receipts are expected to decrease slightly in 1997.
- Program payments made directly to producers will decline by 12% to a level of \$1.0 billion in 1996, as a result of the strength of the market place but also because of program terminations and lower program support. Payments are forecast to be 20% higher in 1997 due mainly to higher crop insurance payments and assistance provided under new companion programs and adjustment/transition programs. It should be noted that the Western Grain Transition Payments Program (WGTPP) of \$1.6 billion is not taken into account in the income forecast, in order to be consistent with Statistics Canada's farm income concepts. This payment was made in the calendar year 1996.
- Net operating expenses are projected to rise by almost 8% in 1996 and to remain unchanged in 1997. Crop expenses are projected to increase significantly in 1996 due mainly to increased expenditures on fertilizers. These expenses are forecast to increase slightly in 1997. Feed costs should increase in 1996 as a result of high livestock inventories and high grain prices, and decline in 1997 as a result of lower grain prices. Depreciation charges are expected to increase in 1996 and 1997 reflecting higher values of purchases and replacements of buildings and machinery.

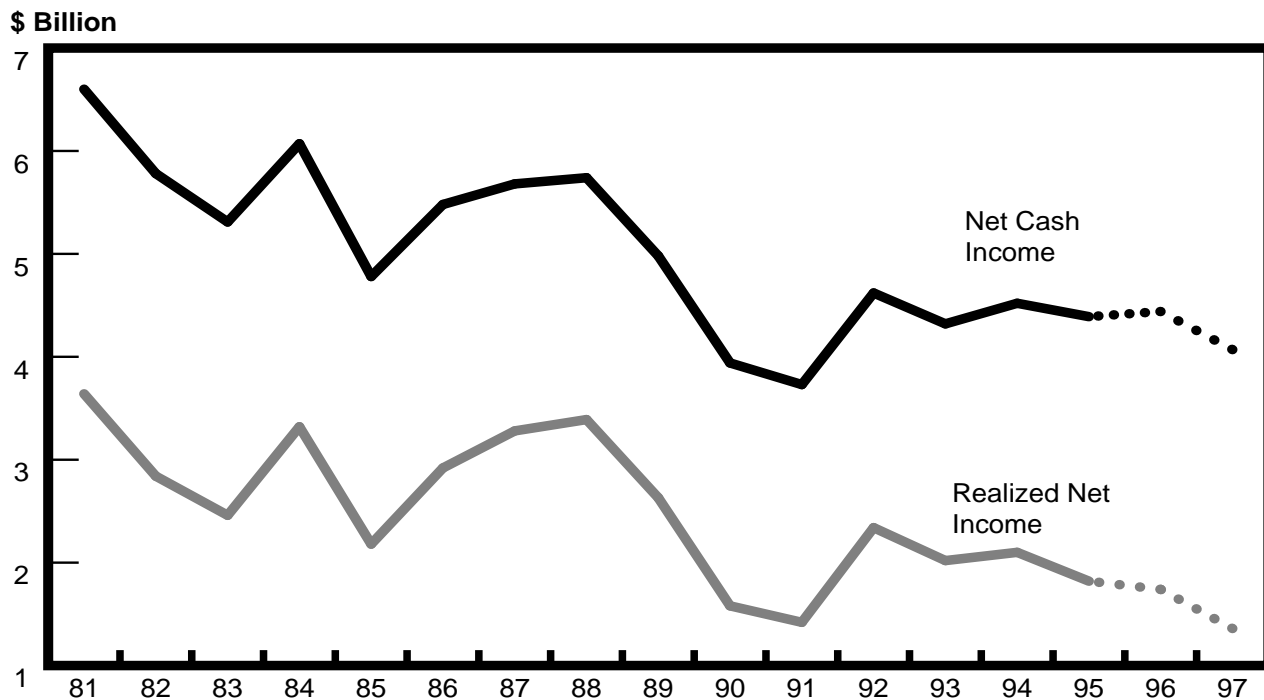


Figure A.1: Canadian Farm Income (Current Dollars)

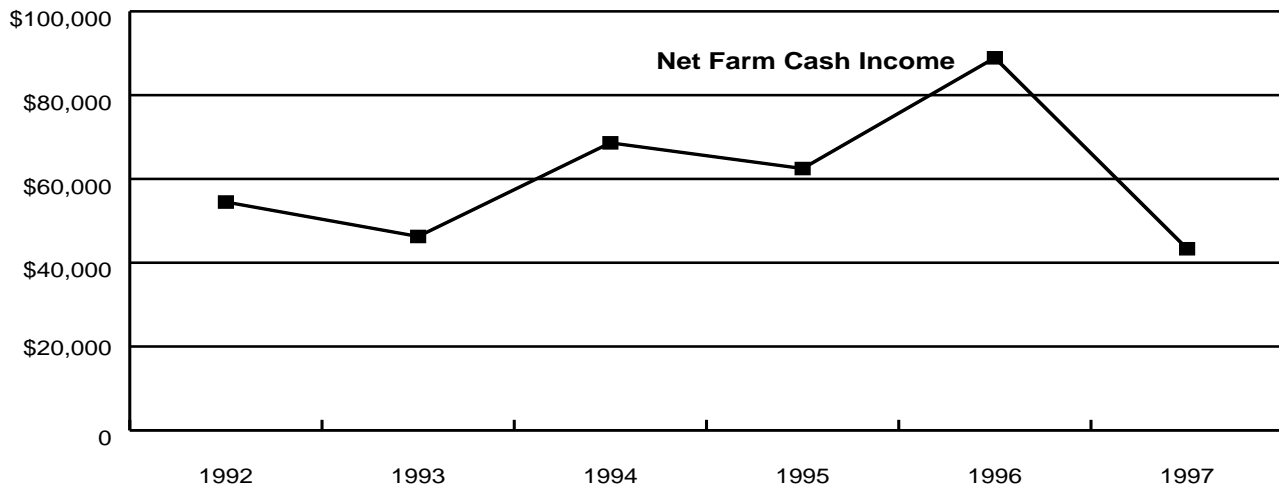


Source: Statistics Canada for 1981 to 1995 estimates, and Agriculture and Agri-Food Canada for 1996 and 1997 forecasts.

Figure A.2: Canadian Farm Income (1986 Dollars)



Source: AAFC calculations based on data from Statistics Canada and the Conference Board of Canada.

**Figure A.3: New Brunswick Benchmark Potato Farm****Table A.2: New Brunswick Benchmark Potato Farm**

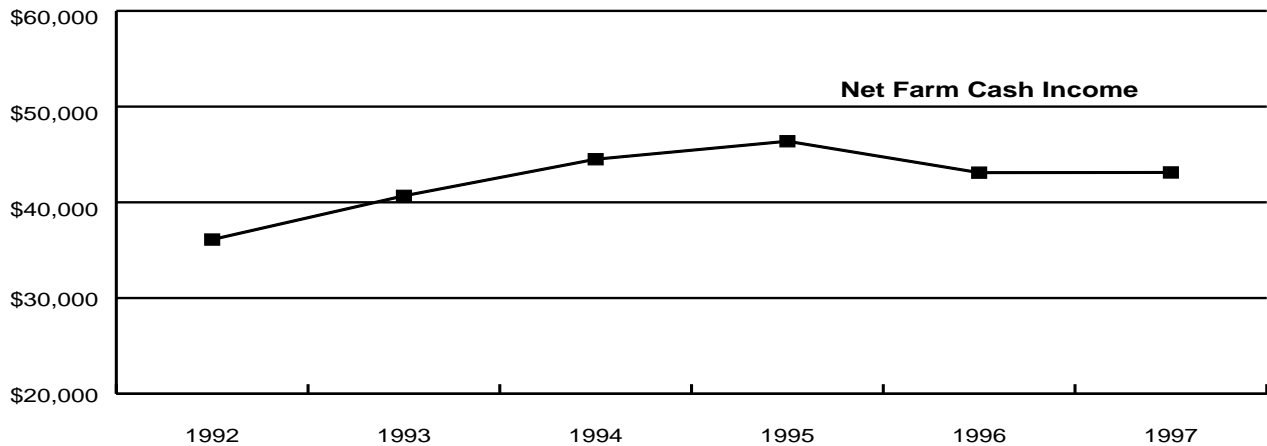
Cash Basis (\$)	1992	1993	1994	1995	1996	1997
Potato Sales	278,533	270,848	310,937	288,286	321,853	272,752
Government Payments (1)	25,178	41,508	18,900	25,375	29,538	23,765
Other Cash Receipts	42,392	32,878	28,520	39,429	45,821	38,175
Total Cash Receipts	346,103	345,234	358,357	353,090	397,212	334,692
Total Cash Expenses	291,619	298,969	289,745	290,610	308,298	291,359
Net Farm Cash Income	54,484	46,265	68,612	62,480	88,914	43,333

Source: Agriculture and Agri-Food Canada, Economic and Policy Analysis Directorate.

(1) Government payments are reported on a gross basis, and include NISA withdrawals only. Program premiums paid by producers are included in Total Cash Expenses.

Significant Points

- Potato receipts are expected to peak in 1996 largely due to 1995 crop sales. Potato prices increased considerably in the second half of 1993 and continued to be strong until 1996.
- Government payments are expected to be lower in 1997 due to lower crop insurance payments and reduced NISA withdrawals.
- Net farm cash income in 1997 is projected to decrease to 1993 levels due to lower crop sales and government payments.

**Figure A.4: Quebec Benchmark Dairy Farm****Table A.3: Quebec Benchmark Dairy Farm**

Cash Basis (\$)	1992	1993	1994	1995	1996	1997
Milk Sales (1)	103,068	107,379	116,268	123,593	125,009	124,100
Government Payments (2)	12,323	12,511	12,415	12,896	10,547	8,869
Other Cash Receipts	33,729	34,295	33,190	33,266	32,461	32,241
Total Cash Receipts	149,120	154,185	161,873	169,755	168,018	165,210
Total Cash Expenses (3)	113,009	113,509	117,371	123,373	124,918	122,090
Net Farm Cash Income	36,110	40,676	44,502	46,381	43,100	43,120

Source: Agriculture and Agri-Food Canada, Economic and Policy Analysis Directorate.

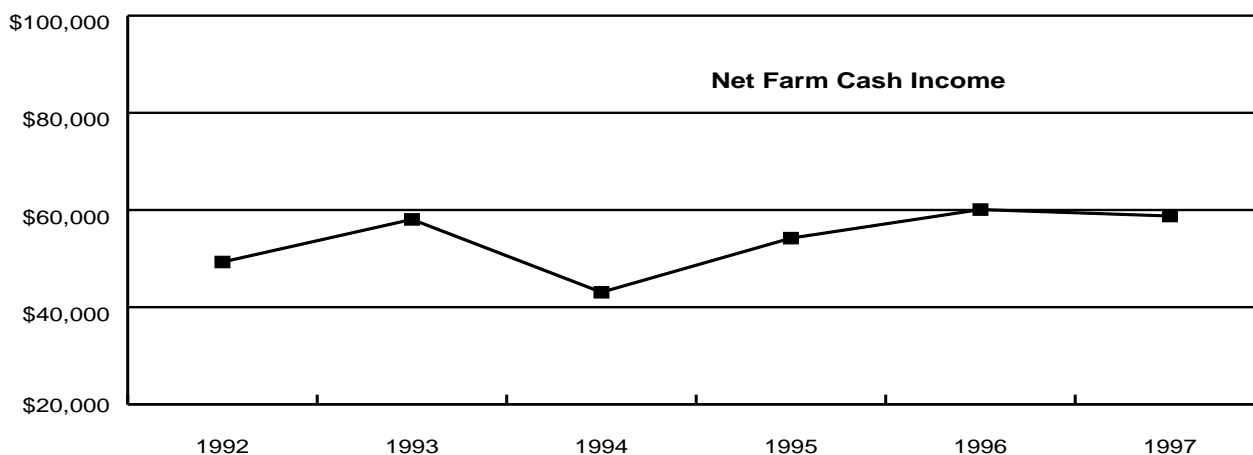
(1) Milk Sales are net of all levies.

(2) Government payments are reported on a gross basis. These include Dairy Subsidies, Crop Insurance Indemnities and Rebate and Subsidy Payments.

(3) Total Cash Expenses include fixed cost cash expenses as well as variable cash expenses including interest on operating and term loans.

Significant Points

- Prices for milk are expected to stay firm into 1997.
- Government payments are expected to decline in 1996 and 1997 largely due to declines in dairy subsidies and in other program payments.
- Strong crop prices in 1996 will be offset by declining cattle prices resulting in little change to Other Cash Receipts.
- In 1996 increases in the cost of Commercial Feeds, Fertilizer and Fuel account for most of the increase in Total Cash Expenses. These increasing costs translate into the decline in Net Farm Cash Income.

**Figure A.5: Ontario Benchmark Hog (Farrow to Finish) Farm****Table A.4: Ontario Benchmark Hog (Farrow to Finish) Farm**

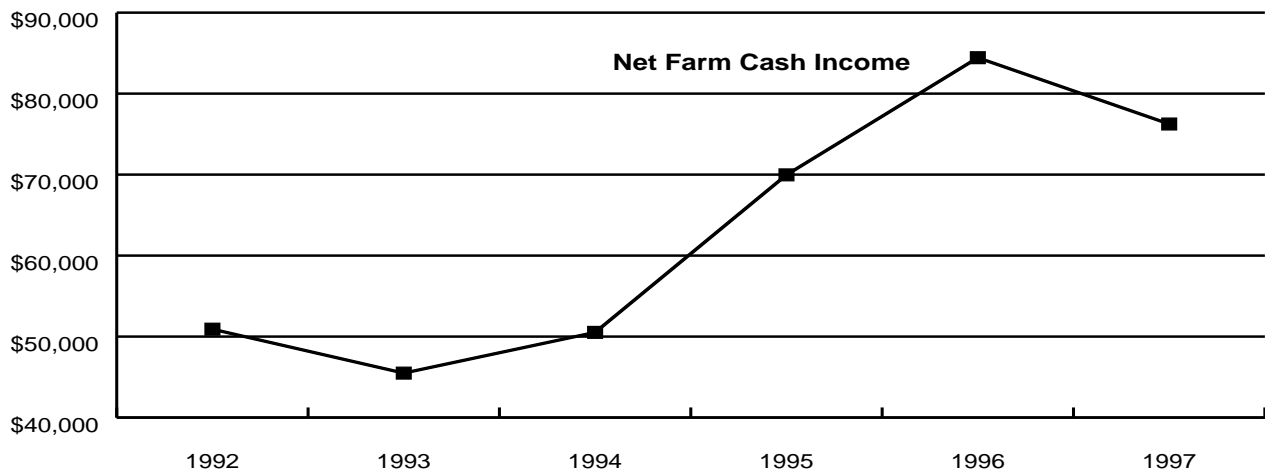
Cash Basis (\$)	1992	1993	1994	1995	1996	1997
Hog Sales	230,802	266,539	255,007	267,258	283,921	275,403
Government Payments (1)	22,914	3,040	2,943	2,684	4,567	1,515
Other Cash Receipts	7,479	8,507	9,399	11,529	13,568	11,867
Total Cash Receipts	261,195	278,087	267,350	281,471	302,056	288,785
Total Cash Expenses	211,355	220,022	224,283	227,263	241,966	230,025
Net Farm Cash Income	49,296	58,065	43,067	54,208	60,090	58,760

Source: Agriculture and Agri-Food Canada, Economic and Policy Analysis Directorate.

(1) Government payments are reported on a gross basis, and include NISA withdrawals. Program premiums paid by producers are included in Total Cash Expenses.

Significant Points

- The value of hog sales is expected to decrease in 1997 because of lower prices for market hogs.
- Total cash receipts are expected to be lower in 1997 than in 1996. Crop sales and hog sales are expected to be lower in 1997.
- Cash expenses for 1997 are expected to decrease.
- 1997 net farm cash income decreased over 1996 because of lower total cash receipts.

**Figure A.6: Ontario Benchmark Cash Crop Farm****Table A.5: Ontario Benchmark Cash Crop Farm**

Cash Basis (\$)	1992	1993	1994	1995	1996	1997
Crop Sales & Final Payments (1)	78,394	83,901	96,043	118,880	136,446	123,889
Government Payments (2)	28,695	18,395	6,165	5,300	2,000	7,604
Other Cash Receipts (3)	22,863	23,800	25,184	26,260	26,426	27,265
Total Cash Receipts	129,952	126,096	127,392	150,440	164,872	158,758
Total Cash Expenses	79,036	80,607	76,872	80,472	82,437	82,510
Net Farm Cash Income	50,915	45,489	50,520	69,968	84,435	76,248

Source: Agriculture and Agri-Food Canada, Economic and Policy Analysis Directorate.

(1) This farm assumes a constant crop mix.

(2) Government payments are reported as gross receipts; premiums are incorporated into Total Cash Expenses.

(3) This farm has Other Cash Receipts from custom work of about \$23,000 per year.

Significant Points

- Crop sales in 1997 are projected to decrease from 1996 largely due to decreased prices for corn and wheat.
- Total cash receipts in 1996 were higher than any of the previous five years. In 1997 total cash receipts are expected to fall due to the expected decline in crop sales.
- Total cash expenses are expected to remain relatively constant in 1997.
- Net farm cash income is expected to decrease in 1997 largely due to declining crop receipts.



Figure A.7: Saskatchewan Benchmark Grain Farm

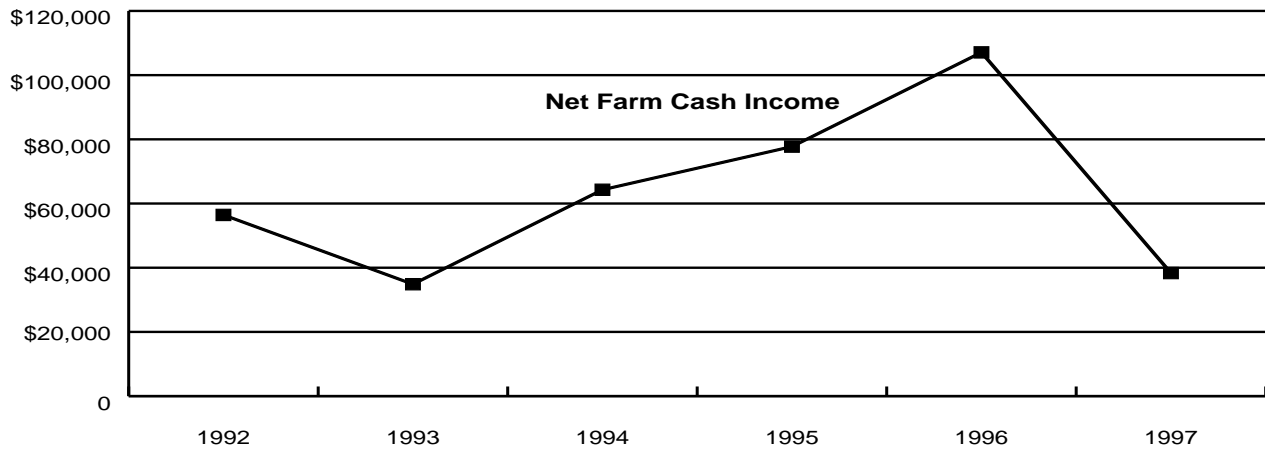


Table A.6: Saskatchewan Benchmark Grain Farm

Cash Basis (\$)	1992	1993	1994	1995	1996	1997
Crop Sales & Final Payments (1)	115,507	118,133	191,501	209,324	260,358	189,402
Government Payments (2)	48,550	35,547	9,025	13,108	4,798	6,198
Other Cash Receipts	2,577	2,768	3,405	3,606	3,902	3,937
Total Cash Receipts	166,634	156,448	203,931	226,038	269,058	199,517
Total Cash Expenses	110,187	121,590	139,640	148,305	161,972	161,179
Net Farm Cash Income	56,447	34,858	64,290	77,733	107,086	38,338

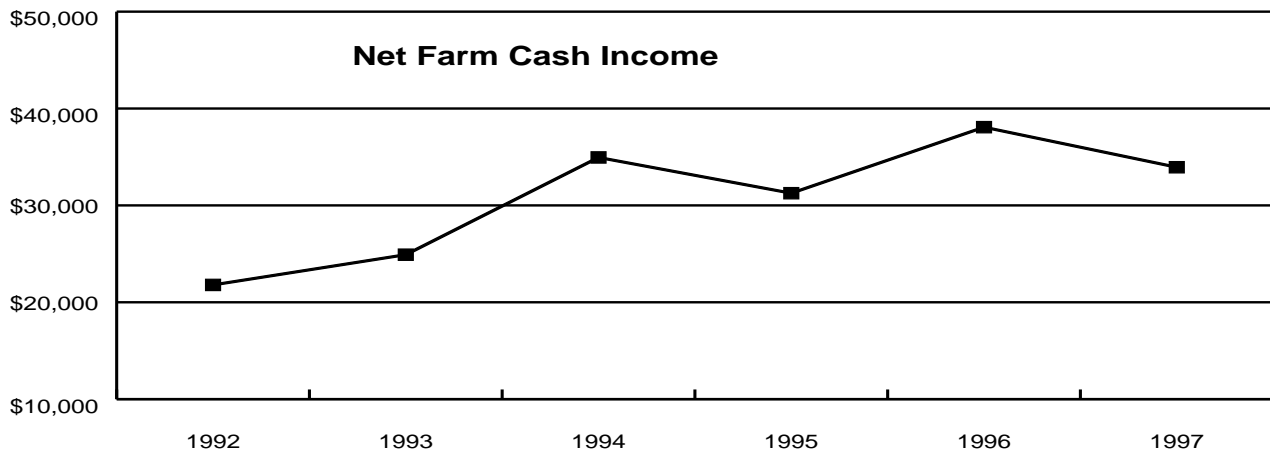
Source: Agriculture and Agri-Food Canada, Economic and Policy Analysis Directorate.

(1) This represents the results for a dark brown soil zone farm producing spring wheat, prairie spring wheat, durum, barley, canola and lentils.

(2) Government payments are reported on gross basis. Program premiums paid by producers are included in Total Cash Expenses.

Significant Points

- Total cash receipts are expected to decline in 1997 due to lower grain prices and lower production levels. Both are declining from near historical highs back to average levels.
- Government payments are expected to remain low in 1997.
- Total cash expenses decline slightly from 1996, although they remain higher than the previous five year average. High fertilizer prices in 1994 and 1995 are the main component of increased farm expenses.
- Net farm cash income is expected to decline sharply in 1997, down from the high levels of 1995 and 1996. The dependency upon wheat production explains this farm's 1997 net income decrease. Other Saskatchewan farms with different rotations are not expected to experience such a large decrease.

**Figure A.8: Alberta Benchmark Cow-Calf Farm****Table A.7: Alberta Benchmark Cow-Calf Farm**

Cash Basis (\$)	1992	1993	1994	1995	1996	1997
Livestock Sales	45,698	53,206	49,644	37,098	36,014	36,947
Government Payments (1)	9,896	6,485	4,013	4,075	2,814	8,834
Other Cash Receipts	44,954	50,968	71,785	83,136	94,468	85,457
Total Cash Receipts	100,549	110,659	125,442	124,308	133,296	131,238
Total Cash Expenses (2)	78,758	85,747	90,491	93,050	95,221	97,299
Net Farm Cash Income	21,791	24,912	34,950	31,258	38,075	33,938

Source: Agriculture and Agri-Food Canada, Economic and Policy Analysis Directorate.

(1) Government payments are reported on a gross basis. These include Livestock Tripartite Stabilization, Crop Insurance Indemnities, and NISA withdrawals.

(2) Cash Expenses include fixed cost cash expenses as well as variable cash expenses including interest on operating and term loans.

Significant Points

- Falling livestock prices result in herd size reductions and therefore declining Livestock Sales revenue. The fall in livestock prices is expected to end by 1996 and begin to rise again in 1997.
- Increasing crop prices account for the strong performance of Other Cash Receipts.
- Government payments are expected to increase in 1997 after declining from 1992 to 1996.
- Increases in the cost of Fertilizer, Fuel and Farm Chemicals starting in 1995 account for the increases in Total Cash Expenses out to 1997.



Table A.8: Average Farm Revenues, Operating Expenses and Net Operating Income per Farm by Province, 1990-95

Province	1990	1991	1992	1993	1994	1995
	--- Dollars Per Farm ---					
Newfoundland						
Farm revenues	208,866	239,044	234,840	239,578	258,336	248,939
Operating expenses	191,295	217,033	214,067	210,738	235,062	224,937
Net Operating Income	17,571	22,010	20,773	28,840	23,273	24,002
Prince Edward Island						
Farm revenues	143,456	141,087	148,460	154,316	176,194	192,001
Operating expenses	112,407	117,589	122,752	131,525	142,749	157,109
Net Operating Income	31,049	23,498	25,708	22,791	33,445	34,892
Nova Scotia						
Farm revenues	137,504	138,943	143,908	145,711	150,205	160,217
Operating expenses	116,407	116,967	121,712	123,375	129,963	137,598
Net Operating Income	21,097	21,976	22,196	22,335	20,242	22,619
New Brunswick						
Farm revenues	143,830	135,263	139,883	144,380	160,795	165,231
Operating expenses	118,186	116,908	119,835	125,273	137,840	144,890
Net Operating Income	25,643	18,355	20,048	19,107	22,955	20,341
Quebec						
Farm revenues	130,794	136,692	146,717	145,725	151,404	156,898
Operating expenses	106,341	110,935	118,841	118,985	123,798	127,808
Net Operating Income	24,452	25,756	27,876	26,741	27,606	29,090
Ontario						
Farm revenues	121,984	124,780	131,541	136,076	141,060	147,497
Operating expenses	102,381	105,918	110,949	116,102	122,728	124,660
Net Operating Income	19,603	18,862	20,592	19,975	18,332	22,838
Manitoba						
Farm revenues	85,614	91,585	94,553	105,606	115,021	118,323
Operating expenses	70,715	74,661	77,823	83,630	94,572	98,976
Net Operating Income	14,899	16,924	16,730	21,976	20,449	19,347
Saskatchewan						
Farm revenues	68,072	70,802	74,034	81,449	85,809	92,140
Operating expenses	53,113	54,103	58,304	63,083	65,954	69,542
Net Operating Income	14,958	16,699	15,730	18,366	19,854	22,599
Alberta						
Farm revenues	105,068	101,805	112,042	124,080	136,716	137,352
Operating expenses	89,658	87,967	95,077	106,822	118,772	118,414
Net Operating Income	15,409	13,837	16,965	17,257	17,944	18,938
British Columbia						
Farm revenues	138,351	137,098	150,061	153,036	164,872	166,660
Operating expenses	122,134	121,536	129,206	133,149	145,870	147,743
Net Operating Income	16,217	15,561	20,855	19,887	19,002	18,917
Canada						
Farm revenues	102,610	104,456	111,461	118,238	125,819	130,319
Operating expenses	85,036	86,708	92,409	98,264	105,664	108,126
Net Operating Income	17,573	17,748	19,052	19,975	20,155	22,193

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

Significant Points

- On a per farm basis net operating income increased 10% from \$20,155 in 1994 to \$22,193 in 1995.
- On a provincial basis per farm net operating income varied in 1995 from \$18,917 in British Columbia to \$34,892 in Prince Edward Island.
- Differences in the net operating income between provinces largely reflect the differences in the type of production and distribution of farm size as measured by total revenue.



Table A.9: Average Farm Revenues, Operating Expenses and Net Operating Income per Farm by Farm Type, Canada, 1993-95

Farm Type	1993	1994	1995
- Dollars per farm -			
Dairy			
Farm revenues	166,465	177,954	190,713
Operating expenses	123,405	133,145	142,552
Net Operating Income	43,060	44,809	48,161
Cattle			
Farm revenues	113,069	122,037	122,757
Operating expenses	102,246	113,156	114,442
Net Operating Income	10,823	8,881	8,315
Hogs			
Farm revenues	215,418	230,504	247,884
Operating expenses	189,670	208,585	222,844
Net Operating Income	25,748	21,919	25,040
Poultry and Eggs			
Farm revenues	375,256	414,135	411,170
Operating expenses	326,453	368,845	364,022
Net Operating Income	48,803	45,291	47,148
Grain and Oilseed			
Farm revenues	81,819	88,666	96,221
Operating expenses	62,279	67,129	72,019
Net Operating Income	19,539	21,537	24,203
Potato			
Farm revenues	273,082	320,975	339,687
Operating expenses	232,773	261,246	285,610
Net Operating Income	40,308	59,728	54,077
Fruit and Vegetable			
Farm revenues	118,628	127,096	135,133
Operating expenses	103,262	109,973	114,851
Net Operating Income	15,366	17,122	20,282
Greenhouse and Nursery			
Farm revenues	351,105	351,155	372,664
Operating expenses	319,390	317,782	336,809
Net Operating Income	31,714	33,373	35,855
All Farm Types			
Farm revenues	118,238	125,819	130,319
Operating expenses	98,263	105,664	108,126
Net Operating Income	19,974	20,155	22,193

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

Significant Points

- Net operating incomes varied in 1995 from a low of \$8,315 for cattle farms to a high of \$54,077 for potato farms.
- In 1995, average revenues per farm varied from \$96,221 for grain and oilseed farms to \$411,170 for poultry and egg farms.



**Table A.10: Average Family Income by Source and Income Group
Unincorporated Sector, Canada, 1994**

Farm Family Income (before Depreciation)	Number of Families		Off-Farm Employ- ment Income	Invest- ment Income	Pension & Other Off-farm Income	Total Off- farm Income	Net Operating Income	Total Family Income
	No.	% of Total						
All Revenue Classes (\$)								
under \$10,000	9,400	5.6	6,537	1,547	5,101	13,184	(22,173)	(8,988)
\$10,000 - \$19,999	13,630	8.1	6,547	1,326	6,443	14,317	1,439	15,755
\$20,000 - \$29,999	22,390	13.2	9,387	1,925	8,416	19,728	5,489	25,217
\$30,000 - \$39,999	24,990	14.8	13,540	2,313	8,271	24,124	11,073	35,196
\$40,000 - \$49,999	23,290	13.8	18,537	2,759	8,587	29,884	15,306	45,190
\$50,000 - \$99,999	61,450	36.4	32,033	4,641	8,299	44,973	24,370	69,342
\$100,000 +	13,890	8.2	68,085	15,985	11,044	95,114	57,336	152,450
TOTAL	169,040	100.0	23,931	4,171	8,248	36,350	16,924	53,275
Families whose farm had farm revenues less than \$50,000 (\$)								
under \$10,000	4,650	6.0	5,712	1,424	5,114	12,250	(13,877)	(1,628)
\$10,000 - \$19,999	8,920	11.5	6,697	1,476	7,509	15,683	29	15,711
\$20,000 - \$29,999	13,640	17.5	10,453	2,338	10,401	23,191	1,702	24,893
\$30,000 - \$39,999	12,260	15.7	17,706	2,943	10,998	31,647	3,158	34,805
\$40,000 - \$49,999	10,390	13.3	26,358	3,738	11,092	41,188	3,584	44,772
\$50,000 - \$99,999	23,660	30.4	48,026	6,095	10,488	64,610	3,240	67,850
\$100,000 +	4,320	5.5	111,459	23,844	12,409	147,711	2,537	150,249
TOTAL	77,850	100.0	30,027	4,801	10,078	44,907	1,574	46,481
Families whose farm had farm revenues of \$50,000 - \$99,999 (\$)								
under \$10,000	2,130	5.8	7,499	1,371	4,894	13,763	(21,508)	(7,744)
\$10,000 - \$19,999	2,820	7.7	6,355	1,088	4,534	11,977	3,934	15,911
\$20,000 - \$29,999	5,120	14.0	7,984	1,233	5,304	14,521	11,076	25,597
\$30,000 - \$39,999	6,540	17.8	11,181	1,970	6,061	19,212	16,043	35,255
\$40,000 - \$49,999	6,140	16.7	15,043	2,476	7,856	25,375	20,041	45,415
\$50,000 - \$99,999	12,270	33.5	32,061	5,200	8,670	45,931	22,009	67,940
\$100,000 +	1,670	4.6	87,370	19,290	15,502	122,162	25,074	147,236
TOTAL	36,660	100.0	21,230	3,714	7,371	32,315	15,328	47,642
Families whose farm had farm revenues of \$100,000 or more (\$)								
under \$10,000	2,620	4.8	7,221	1,908	5,244	14,373	(37,304)	(22,932)
\$10,000 - \$19,999	1,900	3.5	6,125	975	4,269	11,369	4,361	15,730
\$20,000 - \$29,999	3,640	6.7	7,360	1,350	5,347	14,056	11,836	25,892
\$30,000 - \$39,999	6,190	11.3	7,786	1,427	5,206	14,419	21,473	35,892
\$40,000 - \$49,999	6,750	12.4	9,683	1,511	5,397	16,591	29,051	45,642
\$50,000 - \$99,999	25,540	46.8	17,195	3,025	6,091	26,311	45,067	71,378
\$100,000 +	7,920	14.5	40,396	40,396	9,365	60,769	93,935	154,704
TOTAL	54,540	100.0	17,046	3,578	6,227	26,851	39,906	66,757

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

Significant Points

- In 1994, average total family income before depreciation was \$53,275 for families operating unincorporated farms.
- As farm size increases, off-farm income decreases in importance.
- Families operating farms with revenues over \$100,000 have significantly higher total family incomes than families operating farms with \$50,000 or less in revenues.
- Less than 14% of farm families had total incomes of less than \$20,000 in 1994; 45% of families had incomes of \$50,000 or more.

**Table A.11: Gross Direct Payments and Producer Premiums**

	Nfld	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
1993											
Crop Insurance (1)	0	2	1	9	52	182	70	260	146	13	735
NISA	0	1	0	0	2	24	24	70	39	2	162
Dairy	0	5	3	3	110	70	9	5	15	10	230
GRIP	0	2	1	2	120	144	275	467	351	8	1,370
Provincial Stabilization	2	1	2	1	250	1	0	0	0	5	262
Other Payments (2)	2	1	2	2	5	33	11	37	30	4	127
Total Program Payments	3	13	8	17	539	453	388	840	581	42	2,884
Input Rebates	0	0	1	0	96	121	0	22	52	0	292
Total Payments	3	13	9	17	635	574	388	862	633	42	3,176
Producer Premiums	0	4	2	4	171	110	107	307	201	11	917
1994											
Crop Insurance (1)	0	2	1	4	40	38	96	174	76	5	435
NISA	0	0	0	0	1	9	4	17	8	1	41
Dairy	0	4	3	3	105	69	8	5	15	10	222
GRIP	0	9	1	1	128	18	162	4	218	2	542
Provincial Stabilization	3	1	2	1	290	0	0	0	0	4	300
Other Payments (2)	2	1	1	0	2	6	39	145	39	6	240
Total Program Payments	5	16	7	9	565	140	310	344	355	29	1,781
Input Rebates	0	0	1	0	97	118	0	37	45	0	297
Total Payments	5	16	8	9	662	259	310	381	400	29	2,078
Producer Premiums	0	5	1	5	160	90	92	169	120	8	652
1995											
Crop Insurance (1)	0	2	0	6	41	26	37	140	55	3	310
NISA	0	0	0	0	0	12	4	24	3	2	46
Dairy	0	4	3	3	102	65	8	5	13	10	214
GRIP	0	4	1	2	73	0	49	0	55	1	184
Provincial Stabilization	3	1	2	0	302	0	0	0	0	0	308
Other Payments (2)	0	16	0	0	9	11	6	8	26	10	87
Total Program Payments	3	27	6	12	528	113	104	177	152	27	1,148
Input Rebates	0	0	0	0	106	110	0	37	16	0	270
Total Payments	3	27	7	12	634	223	104	214	168	27	1,418
Producer Premiums	0	2	1	4	155	35	97	178	108	5	584


Table A.11: Gross Direct Payments and Producer Premiums

	Nfld	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
- \$ Million -											
1996 (forecast)											
Crop Insurance (1)	0	2	1	7	24	52	10	65	38	4	204
NISA	0	0	0	0	1	19	14	55	8	4	101
Dairy	0	3	2	2	84	53	6	4	12	8	177
GRIP	0	1	0	1	12	(3)	6	32	7	0	56
Provincial Stabilization	2	1	2	0	295	0	0	0	0	0	299
Other Payments (2)	0	4	1	6	4	1	17	56	62	18	169
Total Program Payments	2	12	6	17	420	122	55	212	127	35	1,006
Input Rebates	0	0	1	0	94	118	0	37	8	0	257
Total Payments	2	12	7	17	513	240	55	249	135	35	1,264
Producer Premiums	0	1	0	2	147	32	52	226	77	4	543
1997 (forecast)											
Crop Insurance (1)	0	3	0	7	23	77	43	153	107	6	419
NISA	0	1	1	0	1	42	17	45	14	4	124
Dairy	0	3	2	2	66	43	5	3	9	7	140
GRIP	0	0	0	0	3	2	19	0	20	2	46
Provincial Stabilization	2	1	2	0	152	0	0	0	0	0	156
Other Payments (2)	0	4	0	2	1	1	75	91	143	4	322
Total Program Payments	2	11	5	11	246	165	159	293	293	23	1,208
Input Rebates	0	0	1	0	93	111	0	33	8	0	245
Total Payments	2	11	5	11	339	276	159	326	300	23	1,453
Producer Premiums	0	1	0	2	99	34	45	217	73	5	477

Sources: Statistics Canada, Catalogue No. 21-603, November 1996, and Agriculture and Agri-Food Canada for the 1996 and 1997 forecasts.

(1) Excludes private hail insurance.

(2) Other payments include private hail insurance, WGSA, ASA, NTSP and all ad hoc payments.

**Table A.12: Farm Receipts, Expenses and Income, Canada and Provinces**

	Nfld	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
Total Crop Receipts											
1990	9	138	92	125	737	2,161	1,017	2,468	1,652	475	8,873
1991	11	122	93	100	724	2,064	1,013	2,554	1,535	511	8,726
1992	11	100	95	97	793	2,144	945	2,320	1,496	539	8,541
1993	9	124	87	115	798	2,140	1,067	2,584	1,534	548	9,007
1994	12	193	93	131	896	2,529	1,219	3,662	2,143	619	11,498
1995	13	179	95	113	992	2,672	1,413	4,078	2,575	663	12,794
Total Livestock Receipts											
1990	49	101	229	148	2,610	3,302	793	900	2,322	757	11,210
1991	49	98	223	145	2,539	3,178	758	863	2,250	751	10,854
1992	49	96	210	144	2,452	3,268	824	960	2,536	791	11,330
1993	49	101	216	151	2,622	3,363	928	1,116	2,886	842	12,276
1994	48	99	223	155	2,760	3,396	909	1,037	2,997	869	12,493
1995	51	105	227	162	2,858	3,373	944	995	3,119	838	12,671
Program Payments											
1990	2	14	13	7	415	191	169	658	318	64	1,850
1991	3	23	9	11	568	300	229	706	439	63	2,348
1992	4	31	14	28	624	634	383	1,091	886	66	3,761
1993	3	13	8	17	539	453	388	840	581	42	2,884
1994	5	16	7	9	565	140	310	344	355	29	1,781
1995	3	27	6	12	528	113	104	177	152	27	1,148
Total Net Expenses											
1990	55	175	248	211	2,775	4,523	1,618	3,138	3,462	1,058	17,262
1991	54	179	246	206	2,835	4,506	1,625	3,141	3,522	1,073	17,387
1992	53	188	252	210	2,948	4,663	1,695	3,200	3,607	1,111	17,927
1993	52	191	253	215	2,953	4,825	1,799	3,366	3,967	1,160	18,780
1994	54	210	267	234	3,137	5,102	1,979	3,565	4,263	1,286	20,097
1995	55	224	276	242	3,305	5,156	2,101	3,863	4,469	1,321	21,012
Net Cash Income											
1990	6	78	86	68	987	1,130	361	888	830	238	4,672
1991	8	64	78	51	995	1,036	374	982	702	251	4,541
1992	11	39	68	59	921	1,383	456	1,171	1,312	285	5,705
1993	10	47	59	69	1,005	1,131	584	1,175	1,034	273	5,387
1994	11	98	57	60	1,083	963	460	1,479	1,232	230	5,675
1995	12	87	53	45	1,074	1,002	361	1,386	1,378	206	5,602
Realized Net Income											
1990	3	58	57	47	706	476	92	207	107	120	1,873
1991	5	44	47	28	710	352	115	307	(3)	126	1,731
1992	7	19	37	36	637	709	194	475	614	155	2,883
1993	7	27	26	46	722	464	312	461	315	139	2,518
1994	7	75	24	36	785	269	165	723	461	87	2,633
1995	8	62	18	18	745	259	35	585	544	50	2,323
Total Net Income											
1990	3	50	54	42	729	513	401	1,016	281	117	3,206
1991	5	33	45	23	692	349	104	426	170	134	1,980
1992	7	55	37	54	616	404	298	351	465	144	2,432
1993	6	13	26	33	782	578	232	835	920	185	3,610
1994	7	65	25	29	835	300	342	760	545	124	3,032
1995	8	102	24	14	765	149	73	683	829	79	2,726

Source: Statistics Canada, catalogue no. 21-603.



Methodology for Farm Income

Farm Income Forecast

The farm income forecasts are now published as numbers instead of ranges, in order to make it easier to compare forecasts with historical data. The forecasts are best interpreted as midpoints of forecast ranges. The table below provides the percentage for each income component that can be applied to the forecast numbers to determine the forecast range. For example, in 1996, crop receipts in Canada are forecast at \$13.8 billion with an average prediction error of $\pm 1\%$, which means that crop receipts could vary between \$13.7 and \$13.9 billion.

Average Prediction Errors (RMSPE) - Canada

	1996	1997
Total crop receipts	$\pm 1\%$	$\pm 13\%$
Total livestock receipts	$\pm 1\%$	$\pm 5\%$
Total payments	$\pm 7\%$	$\pm 24\%$
Total cash receipts	$\pm 1\%$	$\pm 6\%$
Op. exp. after rebates	$\pm 5\%$	$\pm 10\%$
Net cash income	$\pm 20\%$	$\pm 14\%$

Source: Agriculture and Agri-Food calculation.

The average prediction error corresponds to the average relative variability of the previous December forecasts compared to the first estimates published by Statistics Canada. We use the root mean square error of the five-year period (1991-95) to establish the average relative variability of the forecast. This has been calculated at the Canada level for the major components of farm income.

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

The farm income forecast was prepared by the Department in conjunction with the provincial Departments of Agriculture and with the assistance of Statistics Canada. It provides a comprehensive and up-to-date perspective on farm income at the provincial and national levels. The forecast is based on information available at the end of December 1996 and it assumes normal yield and quality for the 1997 crop. Farm income forecasts are subject to change as market conditions or costs change even slightly. Income trends may vary from province to province reflecting the different production mix and prices in each province.

Net cash income (market receipts plus program payments less operating expenses) is a measure of the cash available to producers from the farming business for living expenses, principal repayment and reinvestment in the farm. It significantly under-estimates the actual cash position of farm families since savings, farm wages paid to family members and off-farm income are not included. Realized net income is equal to net cash income plus income-in-kind less depreciation (a non-cash cost reflecting an allowance for the eventual replacement of worn out machinery and buildings). Producers can defer this replacement in low income years.

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.

- The Western Grain Transition Payments Program (WGTPP) of \$1.6 billion is not taken into account in the income forecast, in order to be consistent with Statistics Canada's farm income concepts. This payment was made during the calendar year 1996.

- Payments under the Western Grain Transportation Adjustment Fund (WGTAJF) and the Feed Freight Assistance Adjustment Fund (FFAAF) include only that portion made directly to producers (which represent about 40% of the total payments for these two programs).

- NISA payments represent the producers' withdrawals from Governments' Fund (or Fund 2).

Operating expenses include the effect of some government support programs which reduce farm input costs, such as provincial credit programs. Also included are producer premiums paid for insurance programs.

Figures A.1 and A.2: Canadian Farm Income in Current Dollars and in 1986 Dollars

Real income is defined in terms of 1986 dollars using the Gross Domestic Product Implicit Price Deflator (GDP deflator, 1986 = 100).



Methodology for Farm Income

Benchmark Farms

The benchmark model farms are not intended to be representative of all farms of a particular commodity in a given province. They are examples of farms with a given set of characteristics that fall within a particular commodity sector and designated province. Accounting is done on a cash basis and by calendar year.

The farm production and product mix for the forecasts of benchmark farms income and expenses (1996 and 1997) are based on historical experience. The changes in quantity reflected in the aggregate farm income are not always reflected in the benchmark farm results.

Table A.2 and Figure A.3: New Brunswick Benchmark Potato Farm

This benchmark farm is based on a whole farm database collected by the New Brunswick Department of Agriculture.

The farm has 232 acres in potatoes with an average yield of 220 cwt. per acre. Barley and forages are grown as rotational crops.

About 80% of the potato production is sold for processing and 20% is sold as table potatoes.

Table A.3 and Figure A.4: Quebec Benchmark Dairy Farm

This benchmark farm is based on provincial data from the GREPA 1993 survey. The farm is an average of farms in the GREPA sample.

The farm has a herd of 38 cows in milk production and 13 replacement animals on average. The farm has 290 acres of land, of which about 75% is cultivated. Additional income is generated by production of maple syrup and a small wood lot. Crops grown include feed corn, hay and silage. The industrial quota accounts for 73% of total quota for the farm. The farm carries about a 0.31 debt to asset ratio.

Table A.4 and Figure A.5: Ontario Benchmark Hog (Farrow to Finish) Farm

This benchmark farm is representative of Ontario hog farms producing about 2,300 market hogs a year.

The farm is based on provincial data from the Ontario Farm Management Analysis Project.

The farm is a farrow to finish operation with approximately 160 acres in crop production. All corn and barley produced on the farm is used in the hog operation. The farm has a debt to asset ratio of 40 percent.

Table A.5 and Figure A.6: Ontario Benchmark Cash Crop Farm

This Southwestern Ontario cash crop farm is an example of one specific farm with a given set of characteristics and is not representative of all Ontario cash crop farms.

The farm has 334 acres of crop production, predominantly winter wheat, corn and soybeans. Yields for 1997 were assumed to be normal. The operator of the Ontario farm is assumed to undertake some custom work. The income from this activity is included in "other cash receipts".

The farm has about 70% equity and a total debt of about \$110,000.

Table A.6 and Figure A.7: Saskatchewan Benchmark Grain Farm

This model farm is not intended to be representative of all farms but is an example of one crop farm with a given set of characteristics.

This farm is a 1,800 acre dark brown soil zone farm with 1,200 acres in crop production. The crop mix includes spring wheat, prairie spring wheat, durum, barley, canola and lentils. It is assumed that yields and grades in 1997 will be normal. The farm produces only crops and has no livestock sales.

Crop production practices are conventional and have not changed considerably over the 1990-97 period. Crop mix is assumed to be constant over this period.

FSAM II payments were received in 1992 and major GRIP payments were received in 1991 through 1993. GRIP calculations have been changed to accurately represent the Saskatchewan program. GRIP ended in 1994-95 and was replaced by an enhanced NISA.

The farm is assumed to have a debt to asset ratio of about 0.25 - 0.30.

Table A.7 and Figure A.8: Alberta Benchmark Cow-Calf Farm

The Alberta benchmark farm is not intended to be representative of a specific cow-calf farm. It is an example of one farm with a given set of characteristics that falls within the cow-calf sector.



Methodology for Farm Income

This benchmark farm is based on 1993 provincial cow-calf survey data collected by Alberta Agriculture.

The benchmark farm averages 75 cows with approximately 600 acres in crop production and 1,000 acres available as pasture. The crop production is primarily barley, canola, wheat, oats and hay.

The farm has a long term debt to asset ratio of about 0.22.

Table A.8 and Table A.9: Average Farm Revenues, Operating Expenses and Net Operating Income Per Farm By Province, 1990 to 1995 (A.8) and By Farm Type, Canada, 1993 to 1995 (A.9)

The Taxation Data Program (TDP) estimates of farm income are derived from a sample of individual taxpayers who reported positive gross farm income or non-zero net farm income on their income tax returns (Revenue Canada T1 General) as well as those agricultural corporations that reported total sales (gross revenues plus joint venture income) of \$25,000 and over, and for which 51% or more of their sales come from agricultural activities (T2-Corporate). For purposes of statistical tabulations, unincorporated farms with farm revenues below \$10,000 are excluded.

The TDP income estimates differ from the official farm revenue and expense data reported in the Agriculture Economic Statistics, Catalogue No. 21-603, Statistics Canada. For explanation of some of the differences, please refer to Agricultural Financial Statistics, Catalogue No. 21-205, Statistics Canada.

Farm revenues refer to the revenues from the sale of agricultural commodities as well as agricultural government payments and subsidies. Revenues from the sale of forest products and other farm income are also included.

Operating expenses refer to the business costs, before depreciation, incurred by farm operators for goods and services used in the production of agricultural commodities.

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

The farm type classification is based on the percentage of the sales of the major commodity (or commodity group). For example, farms on which 51% or more of the sales of agricultural products are derived from the sales of dairy products are considered dairy farms.

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

Table A.10: Average Family Income by Source and Income Group, Unincorporated Sector, Canada, 1993

Total family income is derived from personal tax returns of each family member. Farm families are identified by linking two source files: the Taxation Data Program's sample of individuals operating unincorporated farms and the T1 Family file which contains family units developed by Small Area and Administrative Data of Statistics Canada.

The following members and/or families are excluded:

- 1) Non-family persons who do not belong to a husband-wife or a lone parent family;
- 2) Families in which members derived all of their farm revenues from non-agricultural sources;
- 3) Families in which members are involved in more than one farming operation,
- 4) Families operating a farm showing a gross operating revenue of less than \$10,000.
- 5) Off-farm income estimates are produced by adding the off-farm income components of family members and applying the appropriate family weight to each record which corresponds to a family.

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

Table A.11: Gross Direct Program Payments and Producer Premiums

Payments reported in Table A.10 includes not only gross payments directly paid to producers under statutory programs such as GRIP, ASA, NTSP and WGSA but also various provincial income stabilization programs, other special income support programs such as special drought assistance and Special Canadian Grains programs.

Crop insurance payments include only government crop insurance programs; private hail insurance payments are excluded. The latter is included in Other Payments.

Producers also contribute to government programs by paying premiums for programs such as GRIP, Crop Insurance, NTSP, WGSA and some provincial programs.



SECTION B

Farm Financial Conditions

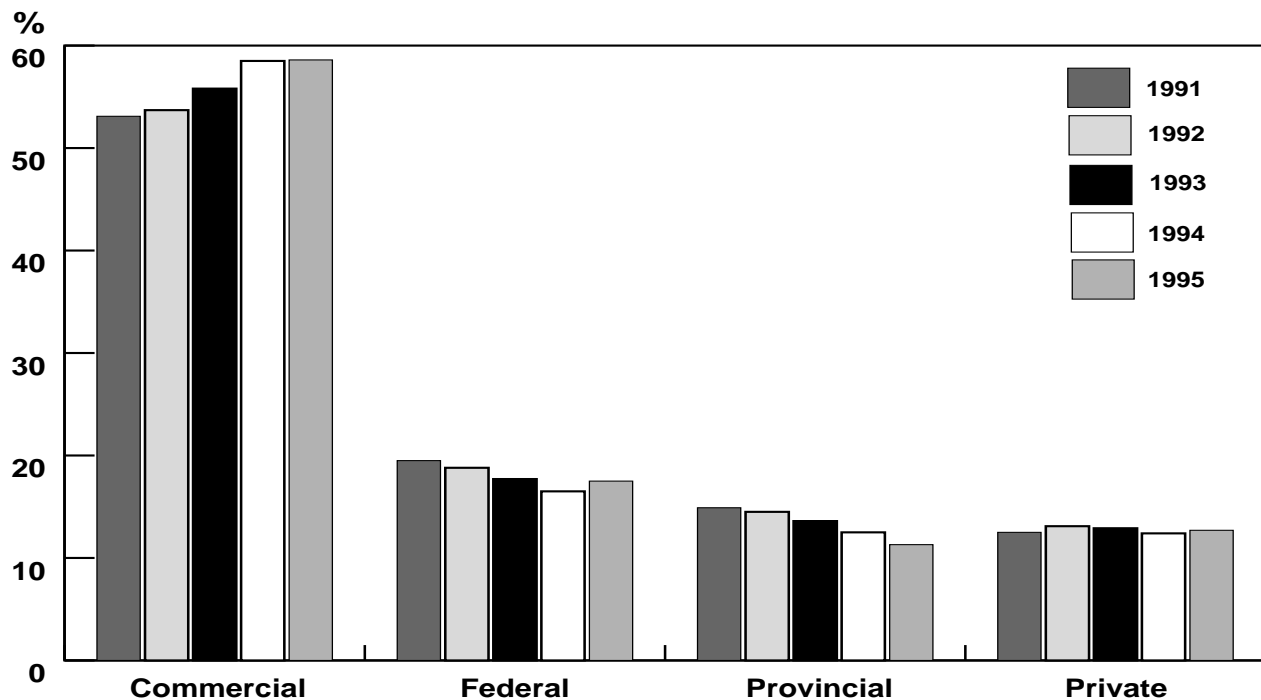


Table B.1: Farm Debt Outstanding, Canada and Provinces, 1974-95

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
(\$ million)											
1974	-	44	64	60	703	1,759	569	1,327	1,547	490	6,562
1979	-	85	128	128	1,739	3,854	1,276	2,759	3,067	1,163	14,200
1984	22	155	216	199	2,895	5,227	1,876	4,716	5,175	1,273	21,755
1989	33	162	242	216	3,220	4,632	1,755	4,995	5,744	1,192	22,190
1990	34	180	265	221	3,367	4,979	2,102	5,164	6,179	1,252	23,743
1991	38	190	277	229	3,525	4,813	1,989	4,921	6,401	1,263	23,646
1992	37	209	271	233	3,714	4,798	2,058	4,740	6,227	1,238	23,526
1993	35	236	265	234	3,631	4,975	2,020	4,482	6,360	1,320	23,557
1994	39	286	307	234	4,114	5,160	2,217	4,411	6,399	1,445	24,611
1995	40	311	308	274	4,378	5,404	2,409	4,509	6,614	1,515	25,763

Source: Statistics Canada, catalogue no. 21-603, Agricultural Economic Statistics.

Figure B.1: Lender Shares as a Percentage of Farm Debt Outstanding, Canada, as of December 31, 1991-95



- Total farm debt more than tripled from 1974 to 1984. From 1984 to 1990 total debt increased by 10%. Between 1994 and 1995 farm debt increased by 5%.
- Commercial lenders accounted for 58% of the farm debt in 1995. In the 1990's over one billion dollars of these loans were facilitated by advance payment programs.
- In 1991 the federal and provincial shares of farm debt were 20% and 14% respectively. By 1995, the federal share had declined to 18% and the provincial share had declined to 11%. Between 1994 and 1995 the federal share increased by 1% due to an increase of FCC's share.
- Private loans continue to account for around 13% of total farm debt.

Source: Statistics Canada, catalogue 21-603, Agricultural Economic Statistics.

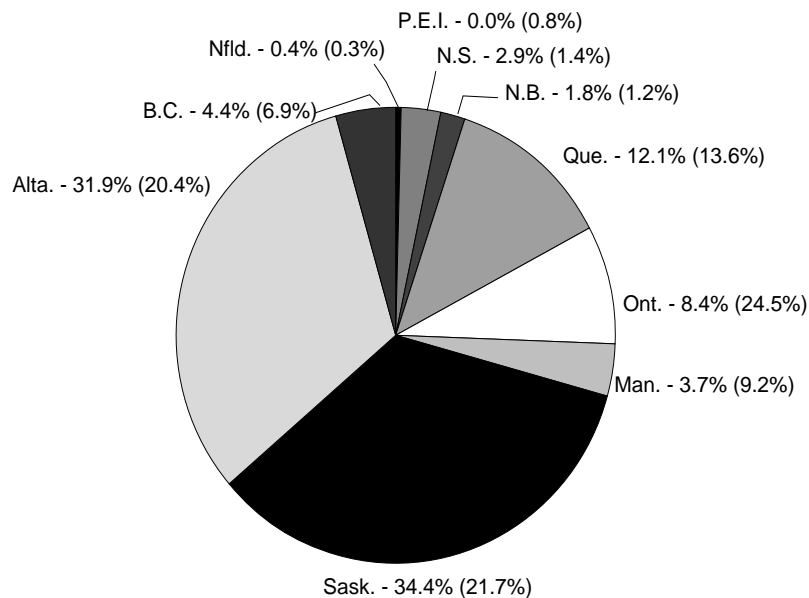


Table B.2: Farm Bankruptcies by Province, 1980-96

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	NWT Yukon	Canada
1980	0	0	6	1	43	123	14	16	8	10	0	221
1981	1	0	4	3	54	140	14	19	18	8	0	261
1982	1	2	3	2	143	176	30	24	24	5	0	410
1983	1	2	8	6	125	165	62	45	47	26	1	488
1984	1	4	5	2	162	154	62	48	74	39	0	551
1985	1	3	2	8	124	152	69	41	82	25	1	508
1986	1	4	7	2	103	102	50	45	93	33	0	440
1987	0	2	5	2	67	52	47	85	71	23	0	354
1988	1	0	4	4	54	35	27	115	54	31	0	325
1989	0	2	0	3	61	18	26	152	58	14	0	334
1990	2	5	4	7	73	32	15	189	62	18	0	407
1991	0	3	3	7	82	15	21	224	71	15	0	441
1992	0	2	5	3	63	21	15	191	73	10	0	383
1993	1	7	4	2	49	22	13	166	80	5	0	349
1994	0	3	2	3	67	15	7	132	68	11	0	308
1995	1	0	8	5	33	23	10	94	87	12	0	273
1996 (Jan.-Nov.)	0	0	5	4	49	16	18	89	71	1	0	253

Source: Office of the Superintendent of Bankruptcy.

Figure B.2: Percentage of Farm Bankruptcies by Province, 1995



Sources: Office of the Superintendent of Bankruptcy and Statistics Canada, 1991 Census of Agriculture.

Note: The percent of total farms by province in 1991 is indicated in brackets.

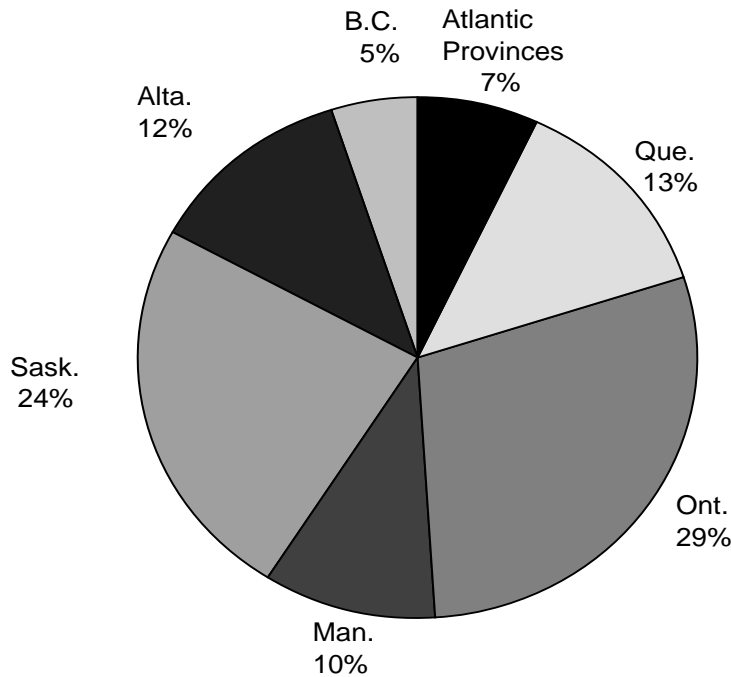


Table B.3: FCC Loans Receivable Portfolio

	1991-92	1992-93	1993-94	1994-95	1995-96
Number of loans receivable	59,845	56,687	55,455	56,760	60,250
Amount receivable (\$Million)	3,503	3,309	3,323	3,536	4,066
Number of loans approved	3,244	2,734	5,117	6,428	10,193
Amount of loans approved (\$Million)	366	285	554	658	1,085
Average size of loans approved (\$)	119,148	109,696	100,013	98,308	101,315

Source: FCC 1995-1996 Annual Report.

Figure B.3: Distribution of the Amount of FCC Loans Receivable, by Province, as of March 31, 1996



Source: FCC 1995-1996 Annual Report.



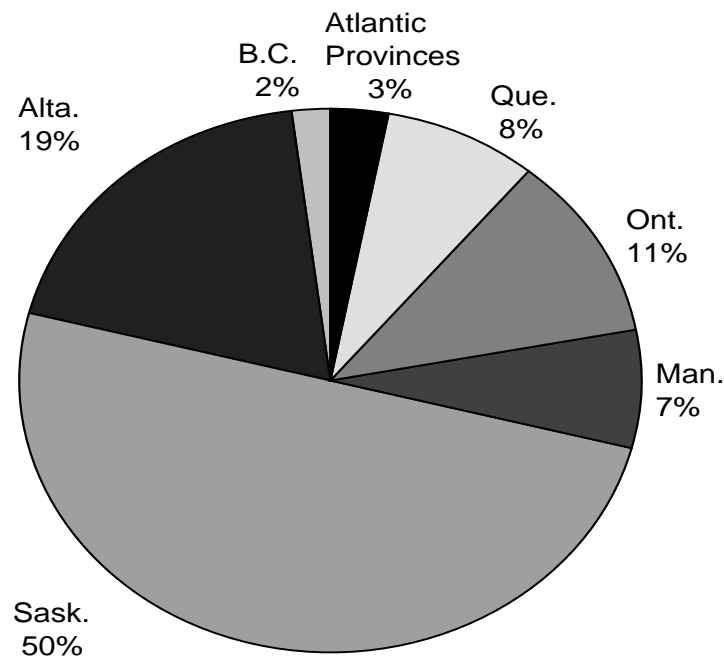
Table B.4: New Loans Registered Under the Farm Improvement and Market Cooperatives Loans Act (FIMCLA)

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97*
Number of new loans registered	4,853	6,654	9,297	15,902	19,702	14,086	12,876
Amount of new loans registered (\$000s)	80,745	116,600	196,503	423,267	551,500	371,903	371,042
Average size of new loans registered (\$)	16,638	17,523	21,136	26,617	27,992	26,402	28,817

Sources: Agriculture and Agri-Food Canada, 1996-97 Estimates, and Agriculture and Agri-Food Canada, National Marketing Programs Division.

* as of December 31, 1996

Figure B.4: Distribution of the Amount of New Loans Registered under FIMCLA, by Province, 1995-96



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



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

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potatoes	Grain	All Farms
CANADA								
Farm Assets								
-1991	748,783	440,638	593,098	961,810	537,300	848,831	475,357	508,015
-1993	890,793	483,539	613,799	1,058,554	538,494	937,295	529,959	566,144
-1995	1,018,389	483,438	776,265	1,106,868	576,155	1,295,976	630,116	630,843
Farm Debt								
-1991	168,636	57,928	154,436	206,029	95,310	185,840	88,365	92,464
-1993	163,047	55,154	145,327	205,840	76,980	213,868	77,389	84,207
-1995	188,193	56,725	184,324	225,796	77,975	270,894	85,697	92,524
Net Worth								
-1991	580,147	382,710	438,662	755,781	441,990	662,991	386,992	415,551
-1993	727,745	428,385	468,473	852,714	461,514	723,427	452,569	481,937
-1995	830,196	426,713	591,941	881,073	498,180	1,025,082	544,420	538,319
Net New Investment								
-1991	31,975	8,607	27,216	20,690	14,657	54,172	15,664	16,629
-1993	39,147	12,655	33,690	30,143	18,964	50,353	22,231	21,518
-1995	40,643	10,533	39,268	26,292	10,455	95,061	27,852	22,498

- Net worth increased for all farm types from 1991 to 1995. There was a slight drop in the net worth of beef farms from 1993 to 1995.
- Farm debt decreased between 1991 and 1993 and increased between 1993 and 1995.
- Overall net new investment increased between 1991 and 1995.
- Potato, dairy and hog farms reported the highest levels of average net new investment in 1995.

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potatoes	Grain	All Farms
ATLANTIC								
Farm Assets								
-1991	772,818	281,820	..	1,129,456	316,787	942,137	..	503,229
-1993	878,697	267,962	..	957,564	267,797	1,032,609	..	465,452
-1995	1,070,798	307,033	..	1,087,605	327,400	1,296,049	..	578,821
Farm Debt								
-1991	136,275	22,120	..	252,544	47,956	213,477	..	88,260
-1993	157,014	17,499	..	186,975	33,630	205,807	..	71,524
-1995	162,883	20,807	..	210,898	34,811	258,885	..	85,959
Net Worth								
-1991	636,543	259,700	..	876,912	268,831	728,660	..	414,968
-1993	721,683	250,463	..	770,589	234,166	826,802	..	393,928
-1995	907,915	286,226	..	876,708	292,589	1,037,164	..	492,863
Net New Investment								
-1991	41,926	7,147	..	55,921	12,846	54,328	..	23,125
-1993	43,488	8,898	..	33,913	19,419	57,926	..	21,610
-1995	39,847	3,751	..	58,160	14,212	91,609	..	24,090

- Net worth increased between 1993 and 1995 following a decline between 1991 and 1993.
- Potato farms had the highest average net worth followed by dairy and poultry farms in 1995.
- In 1995, average net new investment was highest for potato farms followed by poultry farms.

Source: Farm Financial Survey.



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

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
QUEBEC								
Farm Assets								
-1991	565,070	236,921	472,103	..	330,068	..	415,869	422,249
-1993	694,886	302,597	593,697	..	424,521	..	486,662	485,941
-1995	825,120	301,560	795,077	..	408,272	..	649,023	576,429
Farm Debt								
-1991	151,018	36,832	172,796	..	77,387	..	128,929	107,106
-1993	148,737	36,337	203,766	..	65,486	..	107,754	100,719
-1995	165,072	47,265	210,729	..	72,722	..	137,934	114,403
Net Worth								
-1991	414,051	200,089	299,307	..	252,681	..	286,940	315,143
-1993	546,149	266,260	389,931	..	359,035	..	378,908	385,222
-1995	660,049	254,295	594,348	..	335,550	..	511,089	462,027
Net New Investment								
-1991	27,463	5,924	25,938	..	15,505	..	26,059	19,939
-1993	31,886	3,038	24,183	..	20,379	..	23,015	20,173
-1995	35,880	6,582	42,836	..	14,252	..	39,261	24,178

- Average net worth of Quebec farms increased by \$147,000 between 1991 and 1995 with the largest gains recorded by grain and hog farms.

- Net new investment increased by \$4,000 per farm between 1993 and 1995 as most farm types invested more.

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
ONTARIO								
Farm Assets								
-1991	872,267	408,853	533,351	1,143,844	664,407	..	480,539	564,821
-1993	1,020,051	448,128	614,659	1,402,723	562,209	..	550,172	625,647
-1995	1,139,138	393,358	629,039	1,133,315	658,124	..	617,177	628,428
Farm Debt								
-1991	166,644	31,969	132,604	252,705	146,095	..	68,732	89,053
-1993	154,586	34,680	129,214	268,719	88,085	..	59,977	81,638
-1995	185,613	40,727	172,399	204,948	106,556	..	84,065	91,595
Net Worth								
-1991	705,623	376,884	400,747	891,139	518,312	..	411,806	475,768
-1993	865,483	413,449	485,445	1,134,004	474,124	..	490,195	544,010
-1995	953,525	352,631	456,640	928,367	551,568	..	533,112	536,833
Net New Investment								
-1991	34,290	3,962	25,139	18,983	18,815	..	13,701	16,680
-1993	36,909	6,258	47,093	42,505	18,102	..	15,819	20,466
-1995	42,273	3,414	30,404	11,552	20,948	..	9,965	16,478

- Net worth of Ontario farms dropped slightly between 1993 and 1995 after a strong increase between 1991 and 1993.

- Average net investment fell in 1995 compared to 1993 because of lower investment by most farm types.

Source: Farm Financial Survey.



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

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potatoes	Grain	All Farms
MANITOBA								
Farm Assets								
-1991	793,409	323,618	762,030	737,315	..	..	453,501	454,220
-1993	860,165	329,797	1,120,275	885,258	..	..	529,003	507,612
-1995	1,023,830	319,478	1,276,236	918,155	..	..	626,426	588,998
Farm Debt								
-1991	169,118	39,037	158,286	153,574	..	..	79,980	79,598
-1993	202,512	39,375	222,496	70,795	..	..	91,328	83,998
-1995	219,231	36,568	248,299	87,850	..	..	92,778	90,465
Net Worth								
-1991	624,163	284,581	603,745	583,741	..	..	373,521	374,621
-1993	657,653	290,422	897,779	814,464	..	..	437,675	423,614
-1995	804,599	282,910	1,027,936	830,304	..	..	533,649	498,533
Net New investment								
-1991	30,169	2,561	39,429	28,813	..	..	15,413	14,688
-1993	72,452	12,951	76,705	30,209	..	..	28,619	25,987
-1995	47,473	7,049	73,547	43,262	..	..	27,644	25,466

- Average net worth of Manitoba farms increased between 1991 and 1995 with hog farms experiencing increases to over \$1 million per farm.
- Only beef farms showed a small decline in net worth from 1993 to 1995.
- Average net new investment was the highest for hog farms at \$73,547 in 1995.

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potatoes	Grain	All Farms
SASKATCHEWAN								
Farm Assets								
-1991	..	441,386	..	..	..	..	430,827	440,478
-1993	..	460,245	..	..	..	..	478,798	486,231
-1995	..	503,754	..	..	..	..	574,937	572,508
Farm Debt								
-1991	..	77,613	..	..	..	..	85,064	85,905
-1993	..	59,419	..	..	..	..	72,232	72,708
-1995	..	68,293	..	..	..	..	76,794	77,925
Net Worth								
-1991	..	363,773	..	..	..	..	345,763	354,573
-1993	..	400,826	..	..	..	..	406,566	413,523
-1995	..	435,462	..	..	..	..	498,142	494,583
Net New investment								
-1991	..	8,774	..	..	..	..	14,501	14,489
-1993	..	12,411	..	..	..	..	19,929	19,998
-1995	..	14,777	..	..	..	..	27,063	25,121

- The asset value of the average Saskatchewan grain farm increased 33% between 1991 and 1995.
- Average net worth for Saskatchewan farms increased by \$140,000 between 1991 and 1995.
- Net new investment per farm rose over the period 1991 to 1995.

Source: Farm Financial Survey.



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

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
ALBERTA								
Farm Assets								
-1991	1,230,137	555,371	608,682	..	..	..	585,017	568,516
-1993	1,023,658	615,301	530,177	..	..	..	640,613	624,717
-1995	1,407,892	627,883	861,915	..	..	..	762,247	707,259
Farm Debt								
-1991	272,699	90,978	161,745	..	..	..	108,176	102,073
-1993	197,843	87,677	96,557	..	..	..	86,491	90,591
-1995	259,443	81,453	178,881	..	..	..	95,604	94,056
Net Worth								
-1991	957,438	464,393	446,936	..	..	..	476,841	466,444
-1993	825,815	527,624	433,620	..	..	..	554,122	534,126
-1995	1,148,449	546,430	683,035	..	..	..	666,643	613,203
Net New investment								
-1991	48,790	14,533	18,482	..	..	..	18,431	17,192
-1993	58,040	20,911	10,457	..	..	..	27,268	23,270
-1995	82,233	17,014	35,428	..	..	..	33,129	25,525

- The average net worth of Alberta farms increased between 1991 and 1995.
- Net worth for dairy farms exceeded \$1 million per farm in 1995.
- Average net new investment rose between 1991 and 1995.

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
BRITISH COLUMBIA								
Farm Assets								
-1991	1,392,772	541,173	..	947,917	575,232	..	442,138	638,344
-1993	2,008,117	581,939	..	1,096,989	701,672	..	452,810	735,507
-1995	2,055,675	664,531	..	1,062,022	681,278	..	725,649	769,527
Farm Debt								
-1991	325,691	39,427	..	182,857	53,785	..	61,249	82,361
-1993	324,669	34,234	..	241,664	86,795	..	34,434	83,422
-1995	407,071	49,239	..	294,374	65,826	..	47,210	97,715
Net Worth								
-1991	1,067,081	501,746	..	765,060	521,447	..	380,889	555,983
-1993	1,683,448	547,705	..	855,325	614,877	..	418,376	652,085
-1995	1,648,603	615,292	..	767,648	615,452	..	678,438	671,812
Net New investment								
-1991	46,642	11,175	..	30,282	8,845	..	9,276	14,610
-1993	78,588	12,491	..	55,317	18,228	..	7,816	21,433
-1995	44,307	15,064	..	32,726	7,803	..	29,622	18,727

- The average net worth of British Columbia farms was higher than in any other province in Canada.
- Average net new investment decreased between 1993 and 1995.

Source: Farm Financial Survey.



Table B.6: Distribution of Canadian Farms by Financial Stability Class, 1991, 1993 and 1995

	1991	1993	1995
Favourable: (positive net income and Debt/Asset ratio less than or equal to 0.40)	66.7%	69.5%	70.6%
Marginal Income: (negative or zero net income and Debt/Asset ratio less than or equal to 0.40)	17.0%	20.7%	21.0%
Marginal Solvency: (positive net income and Debt/Asset ratio greater than 0.40)	12.6%	7.0%	5.7%
Vulnerable: (negative or zero net income and Debt/Asset ratio greater than 0.40)	3.7%	2.8%	2.7%

- Financial stability classes are defined by a combination of net operating income and farm debt-asset ratios. The percentages represent the share of farms in each category.
- Higher net worth and increased net operating income since 1991 has (1) reduced the proportion of farms in the "marginal solvency" class, (2) reduced the proportion of farms that are "vulnerable", (3) increased the proportion of farms classified as "favourable".

Source: Farm Financial Survey.

Table B.7: Distribution of Farms by Financial Stability Class, by Province, 1995

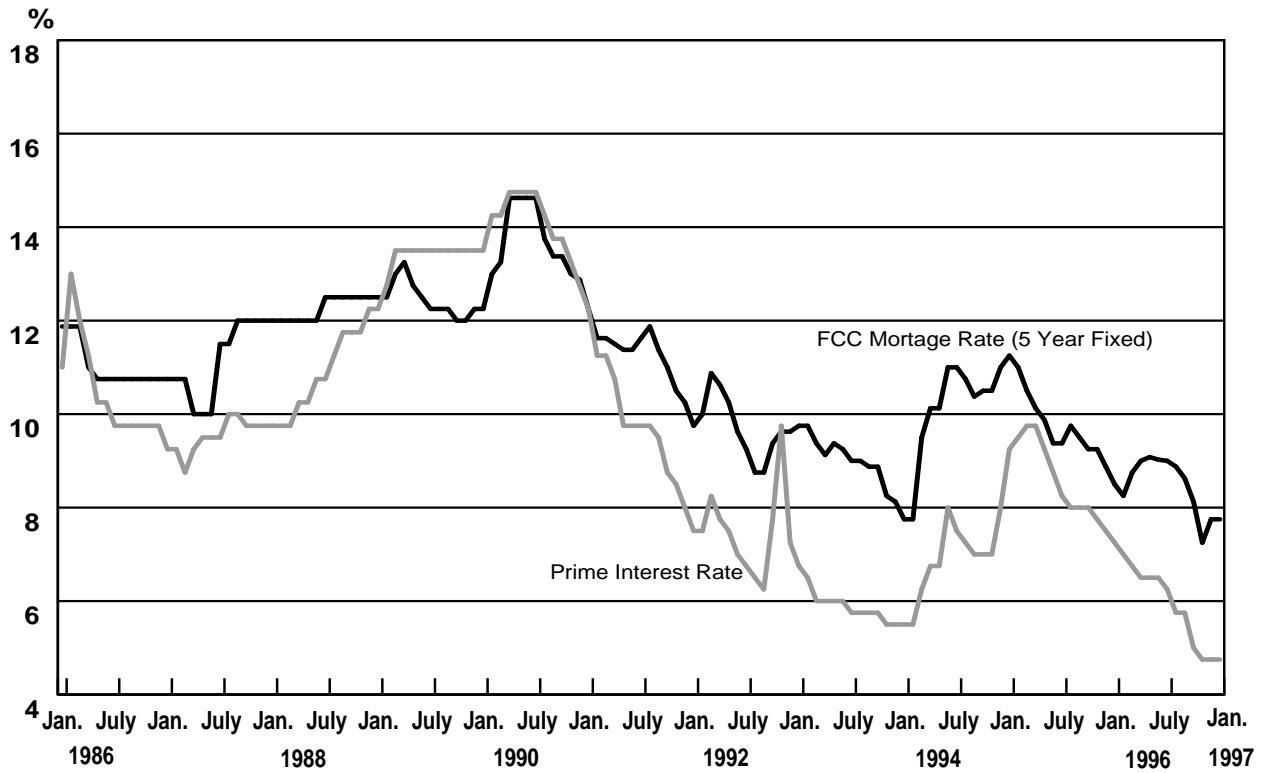
	Favourable	Marginal Income	Marginal Solvency	Vulnerable
Atlantic	73.0%	20.4%	4.6%	1.9%
Quebec	75.3%	13.3%	8.3%	3.1%
Ontario	66.1%	24.8%	6.2%	2.9%
Manitoba	68.4%	23.5%	6.0%	2.2%
Saskatchewan	80.2%	13.0%	5.0%	1.8%
Alberta	67.7%	23.5%	5.5%	3.4%
British Columbia	58.3%	36.6%	2.4%	2.7%
Canada	70.6%	21.0%	5.7%	2.9%

- Saskatchewan had the highest proportion of farms in the "favourable" class because of its large number of grain farms.
- Quebec also had a high proportion of farms in the "favourable" class because of its large number of dairy farms.
- Alberta had the largest proportion of "vulnerable" farms.
- British Columbia had the lowest proportion of farms in the "favourable" class, but the largest proportion in the "marginal income" class.

Source: Farm Financial Survey.



Figure B.5: FCC Mortgage Rate and Prime Interest Rate, 1986-97



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

**Table B.8: Average Fertilizer and Fuel Prices, 1994-96**

	May 94	Oct. 94	April 95	Oct. 95	April 96	Oct. 96
Alberta						
Nitrogen (\$/tonne)						
Anhydrous Ammonia 82-0-0	362.97	382.01	522.16	475.84	551.63	498.00
Urea 46-0-0	279.32	268.28	391.55	340.15	404.89	338.42
Ammonium Nitrate 34-0-0	251.74	246.72	337.37	294.93	334.80	293.27
Ammonium sulphate 21-0-0-24	244.19	247.34	273.90	261.58	269.39	267.79
Phosphates (\$/tonne)						
Monoammonium Phosphate 11-52-0	377.75	377.75	473.00	413.20	483.80	449.90
Monoammonium Phosphate 12-51-0	379.69	387.09	480.74	404.70	481.84	442.27
Potash (\$/tonne)						
Muriate of Potash 0-0-60	178.64	183.30	197.91	188.23	197.15	193.24
Fuel (¢/litre)						
Gasoline	36.29	39.43	40.86	40.46	42.74	44.00
Diesel	25.68	27.49	28.00	27.03	30.56	31.80
Ontario						
Nitrogen (\$/tonne)						
Anhydrous Ammonia 82-0-0	462.84	438.38	583.94	588.60	611.25	558.31
Urea 46-0-0	309.02	312.96	400.75	386.95	422.77	413.58
Nitrogen Solution 28(32)-0-0	202.21	201.06	271.79	241.46	259.06	258.69
Ammonium Nitrate 34-0-0	267.26	269.06	349.96	344.35	356.45	354.57
Phosphates (\$/tonne)						
Monoammonium Phosphate 11-52-0	348.97	358.05	420.77	407.91	448.70	440.81
Diammonium Phosphate 18-46-0	338.42	346.13	414.22	400.52	439.34	431.16
Triple Superphosphate 0-46-0	313.38	319.74	373.43	354.47	391.91	383.47
Potash (\$/tonne)						
Muriate of Potash 0-0-60	210.81	210.18	233.55	226.69	227.83	221.39
Fuel (¢/litre)						
Gasoline	33.67	35.35	37.50	37.00	40.53	42.08
Diesel	34.24	34.61	34.22	33.92	38.27	40.71

Source: Statistics Canada.

Note: Prices are gross prices and do not include rebates.



Table B.9: Wage Rates Paid to Hired Agricultural Labour - 1995

	General Farm Labour	Operating Machinery	Care of Livestock	Fruit & Vegetable Labour	Supervising	Other Types of Labour	Averages All Types
Dollars per hour							
Atlantic	8.33	9.10	8.82	7.60	10.82	7.94	8.22
Quebec	8.01	10.13	9.07	6.79	11.90	10.47	8.12
Ontario	9.00	10.82	10.22	7.32	15.07	9.01	8.99
Manitoba	8.47	9.06	8.31	6.81	14.45	5.43	8.38
Saskatchewan	8.57	8.78	10.05	8.24	11.37	6.63	8.91
Alberta	9.06	9.96	10.72	7.97	13.49	10.38	9.47
British Columbia	9.47	10.81	11.36	8.78	14.26	9.31	9.64
Canada	8.76	9.59	9.97	7.66	14.02	9.03	8.89

Source: Statistics Canada.

Table B.10: Major Agricultural Inputs, Canada

	1991	1992	1993	1994	1995
\$000					
Machinery Operating Costs	2,726,135	2,768,705	2,909,643	3,055,055	3,168,297
Commercial Feed	2,231,187	2,272,502	2,367,121	2,681,406	2,996,007
Wages	2,152,268	2,238,083	2,303,806	2,477,949	2,544,935
Fertilizer	1,217,535	1,311,044	1,376,667	1,636,895	1,960,906
Interest	1,869,578	1,747,327	1,656,381	1,793,806	1,821,368
Rent	789,950	838,240	901,970	954,278	1,070,585
Pesticides	658,128	710,410	769,009	954,480	1,043,911
Livestock Purchases	829,072	860,385	1,143,322	1,194,005	1,025,550
Commercial Seed	556,639	586,295	647,035	698,683	714,434
Building and Fence Repairs	468,268	482,097	505,564	525,490	509,659
Electricity	445,489	463,278	481,831	497,830	496,034
Property Taxes	379,051	400,062	418,952	435,035	456,894
Crop & Hail Insurance	288,779	325,869	380,412	352,244	386,440
Business Insurance	350,079	370,662	384,678	395,234	398,150
A.I. Fees and Veterinary	313,100	333,729	360,588	402,900	417,099
Other*	1,078,470	1,157,240	1,055,713	849,757	754,638
Total expenses after rebates and depreciation	20,382,123	20,938,602	21,866,256	23,368,004	24,512,141

Source: Statistics Canada.

Note: Input expenses are net of rebates.

* stabilization premiums; heating fuel; twine, wire and containers; telephone; lime and irrigation.



Table B.11: Value of New and Used Equipment Purchases, Average for All Farms, by Revenue Class, 1995

	Farm Revenue				
	Less than \$25,000	\$25,000 to \$49,999	\$50,000 to \$99,999	\$100,000 to \$249,999	\$250,000 and more
WESTERN CANADA					
Population	47,390	24,220	27,470	32,725	15,470
New Tractors	\$326	\$1,575	\$628	\$4,079	\$13,624
Used Tractors	\$674	\$1,505	\$2,163	\$5,361	\$7,692
New Tillage	\$45	\$185	\$1,061	\$3,713	\$6,933
Used Tillage	\$127	\$358	\$789	\$1,685	\$2,385
New Hay Mowers	\$39	\$25	\$352	\$603	\$1,324
Used Hay Mowers	\$148	\$215	\$376	\$425	\$194
New Harvesting	\$246	\$41	\$220	\$3,368	\$18,644
Used Harvesting	\$138	\$634	\$1,776	\$5,582	\$11,488
New Balers	\$103	\$122	\$414	\$463	\$690
Used Balers	\$165	\$196	\$217	\$205	\$162
New Other Machinery	\$164	\$265	\$480	\$1,227	\$4,535
Used Other Machinery	\$79	\$170	\$259	\$599	\$1,127
Total New Machinery	\$922	\$2,213	\$3,154	\$13,453	\$45,750
Total Used Machinery	\$1,331	\$3,076	\$5,580	\$13,858	\$23,048
EASTERN CANADA					
Population	36,355	14,990	14,205	23,605	14,200
New Tractors	\$686	\$734	\$1,292	\$3,796	\$9,354
Used Tractors	\$568	\$560	\$915	\$2,076	\$4,447
New Tillage	\$8	\$141	\$420	\$463	\$3,139
Used Tillage	\$78	\$113	\$343	\$484	\$858
New Hay Mowers	\$42	\$108	\$192	\$521	\$874
Used Hay Mowers	\$57	\$11	\$74	\$154	\$37
New Harvesting	\$34	\$113	\$366	\$1,000	\$4,269
Used Harvesting	\$33	\$136	\$515	\$1,570	\$2,320
New Balers	\$155	\$97	\$138	\$490	\$886
Used Balers	\$71	\$5	\$246	\$109	\$54
New Other Machinery	\$219	\$838	\$1,024	\$1,750	\$4,110
Used Other Machinery	\$92	\$266	\$271	\$524	\$860
Total New Machinery	\$1,144	\$2,032	\$3,433	\$8,019	\$22,631
Total Used Machinery	\$898	\$1,090	\$2,364	\$4,917	\$8,576

Source: 1996 Farm Financial Survey.



Methodology for Farm Financial Conditions

Table B.1: Farm Debt Outstanding and Figure B.1: Lender Shares of Farm Debt Outstanding, Canada

Farm debt and lender share information is from data published by the Agriculture Division of Statistics Canada in catalogue no. 21-603, Agriculture Economic Statistics.

Table B.2 and Figure B.2: Farm Bankruptcies by Province

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 and Figure B.3: FCC Loans

Farm Credit Corporation (FCC) information on loans receivable and loans approved is from FCC 1995-1996 Annual Report.

Table B.4 and Figure B.4: FIMCLA Loans

For 1990-91 to 1994-95, data on new loans registered under the Farm Improvement and Marketing Cooperatives Loans Act (FIMCLA) is from the document "1996-97 Estimates" published by Agriculture and Agri-Food Canada. Data for 1995-96 and 1996-97 was provided by the FIMCLA administration.

Tables B.5, B.6 and B.7: Assets, Liabilities, Net Worth, Net New Investment and Financial Stability

Per farm information on farm assets, farm debt, net worth, and net new investment is from the 1992, 1994 and 1996 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 \$2,000.

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. The FCC five year mortgage rate is reported by the Farm Credit Corporation.

Table B.8: Average Fertilizer and Fuel Prices and Table B.9: Wage Rates Paid to Hired Agricultural Labour

The price and wage data is collected by Statistics Canada under a contract with Agriculture and Agri-Food Canada as part of the improved input prices contract. The fuel and fertilizer price data is collected from dealers and the wage data is collected from farmers.

Table B.10: Major Agricultural Inputs, Canada

The largest operating expenses after rebates are listed. The rebates reduce some farm input costs. Interfarm purchases are excluded.

For a detailed description of methodology, please refer to Agriculture Economic Statistics, Statistics Canada, Catalogue No. 21-603.

Table B.11: Value of New and Used Equipment Purchases, Average for All Farms, by Revenue Class

Information is based on the 1996 Farm Financial Survey conducted by Statistics Canada for Agriculture and Agri-Food Canada. The survey is based on 1995 calendar year data. The value of both new and used machinery purchases is before deduction of the value of equipment trade-ins. The value of purchases is for all farms, including those that did not purchase equipment. Other information is available from this survey, such as purchases by farm type, or by province.



SECTION C

Government Expenditures in Support of the Agri-Food Sector



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

Allocated		1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97 Estimates
(\$ 000)									
Nfld.	Federal	11,711	11,573	13,463	11,596	9,327	11,147	9,608	6,367
	Provincial	18,286	18,157	16,217	18,895	13,250	16,753	14,198	13,087
	% Fed.	39.04	38.93	45.36	38.03	41.31	39.95	40.36	32.73
P.E.I.	Federal	42,399	35,736	63,373	53,120	45,974	30,710	32,482	28,193
	Provincial	33,545	32,384	31,062	27,203	27,617	19,375	17,814	17,972
	% Fed.	55.83	52.46	67.11	66.13	62.47	61.31	64.58	61.07
N.S.	Federal	36,449	44,287	48,344	44,648	36,726	31,719	28,218	24,789
	Provincial	56,259	53,850	53,921	52,943	58,474	44,076	39,700	37,510
	% Fed.	39.32	45.13	47.27	45.75	38.58	41.85	41.55	39.79
N.B.	Federal	46,148	53,257	58,301	55,184	45,465	32,802	34,732	35,090
	Provincial	32,788	35,362	27,902	29,937	26,561	24,693	24,638	22,337
	% Fed.	58.46	60.10	67.63	64.83	63.12	57.05	58.50	61.10
Que.	Federal	419,150	367,210	404,242	406,639	361,240	333,781	263,748	276,859
	Provincial	637,998	697,389	686,097	653,553	670,801	623,533	639,201	585,804
	% Fed.	39.65	34.49	37.07	38.36	35.00	34.87	29.21	32.09
Ont.	Federal	611,590	478,096	583,659	584,981	381,265	371,784	273,966	319,830
	Provincial	526,332	549,856	623,263	560,370	508,063	460,144	433,616	443,778
	% Fed.	53.75	46.51	48.36	51.07	42.87	44.69	38.72	41.88
Man.	Federal	445,152	359,334	837,457	478,316	386,604	374,746	394,024	226,930
	Provincial	124,066	155,952	193,508	195,214	184,187	181,026	148,674	165,223
	% Fed.	78.20	69.73	81.23	71.02	67.73	67.43	72.60	57.87
Sask.	Federal	1,349,357	1,193,084	2,306,973	1,310,091	973,365	1,051,572	1,207,752	731,419
	Provincial	354,784	445,064	573,969	545,921	432,693	236,338	344,418	385,532
	% Fed.	79.18	72.83	80.08	70.59	69.23	81.65	77.81	65.48
Alta	Federal	676,294	735,330	1,300,566	872,330	578,026	517,243	559,722	390,626
	Provincial	750,681	688,286	668,279	632,832	582,293	447,881	434,019	380,661
	% Fed.	47.39	51.65	66.06	57.96	49.82	53.59	56.32	50.65
B.C.	Federal	115,218	96,025	107,135	100,440	82,978	77,462	64,204	71,369
	Provincial	80,594	74,397	97,913	67,379	48,425	60,308	59,898	65,084
	% Fed.	58.84	56.35	52.25	59.85	63.15	56.23	51.73	52.30
Others	Federal	358,792	384,245	394,375	466,327	333,258	328,900	284,496	252,876
	Provincial	850	425	200	250	250	356	386	300
	% Fed.	99.76	99.89	99.95	99.95	99.93	99.89	99.86	99.88
Canada	Federal	4,112,260	3,758,177	6,117,888	4,383,672	3,234,228	3,161,865	3,152,951	2,364,349
	Provincial	2,615,332	2,750,696	2,972,131	2,784,248	2,552,365	2,114,126	2,156,176	2,116,988
	% Fed.	61.13	57.74	67.30	61.16	55.89	59.93	59.39	52.76

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

Figure C.1: Federal and Provincial Government Expenditures for the Agri-Food Sector, 1989-90 to 1996-97

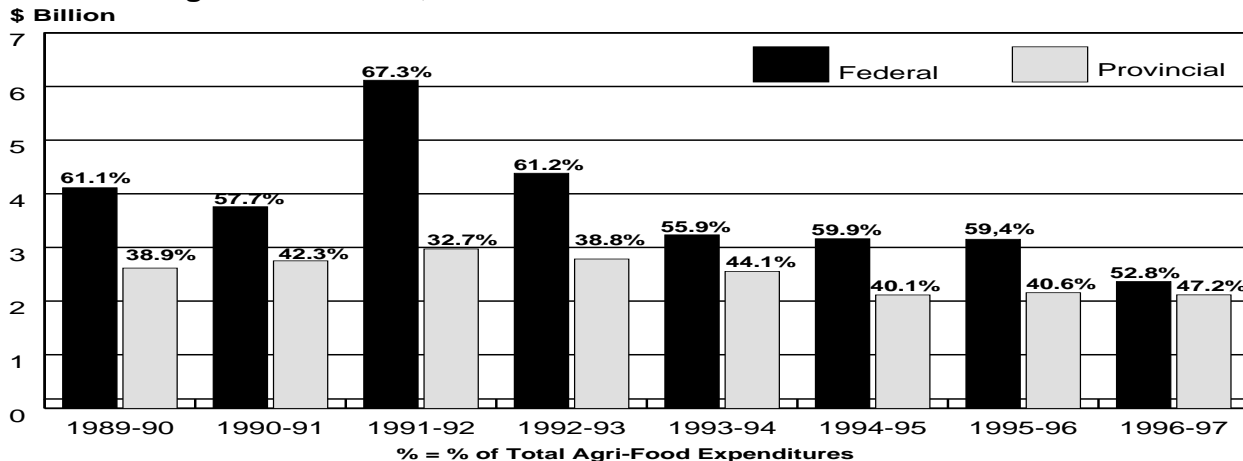
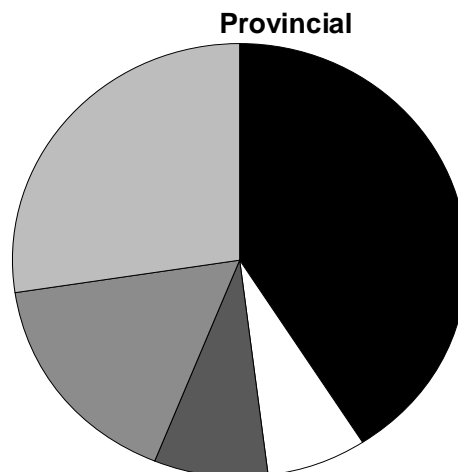
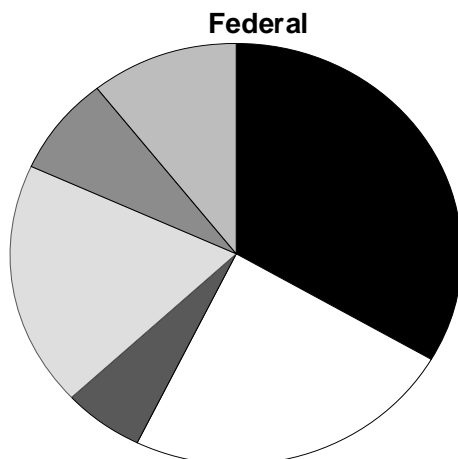




Figure C.2: Federal and Provincial Government Expenditures by Major Category

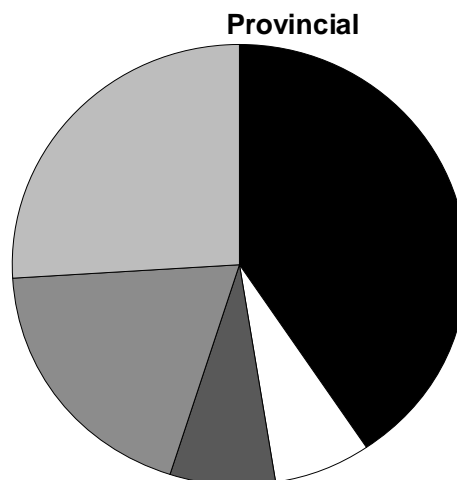
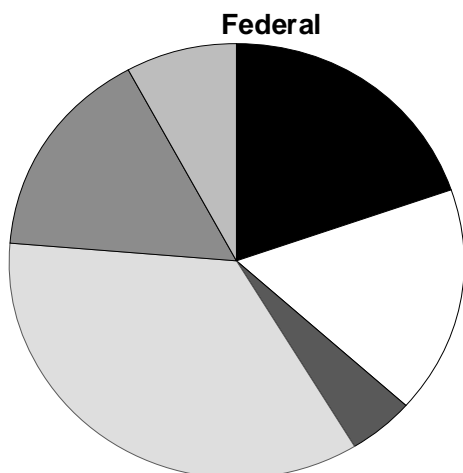
1996-97



- Program Payments 33.4%
- Research and Inspection 23.9%
- Operating and Capital 5.8%
- Storage and Freight Ass't. 18.8%
- Development and Trade Related Programs 7.6%
- Others 10.6%

- Program Payments 40.9%
- Research and Inspection 7.1%
- Operating and Capital 8.1%
- Storage and Freight Ass't. 0.0%
- Development and Trade Related Programs 16.5%
- Others 27.4%

1995-96



- Program Payments 19.7%
- Research and Inspection 16.9%
- Operating and Capital 4.7%
- Storage and Freight Ass't. 35.0%
- Development and Trade Related Programs 15.8%
- Others 7.9%

- Program Payments 40.6%
- Research and Inspection 6.9%
- Operating and Capital 7.5%
- Storage and Freight Ass't. 0.0%
- Development and Trade Related Programs 19.1%
- Others 26.0%

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

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

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

Storage and Freight Assistance include program payments for storage and freight.

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

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



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

	PROVINCIAL				FEDERAL			
	1993-94	1994-95	1995-96	1996-97	1993-94	1994-95	1995-96	1996-97
				Estimates				Estimates
(\$'000)								
CANADA								
A. Operating Expenditures	653,653	593,231	487,518	492,029	832,747	813,300	776,532	712,841
B. Capital Expenditures	14,259	14,662	27,391	25,810	90,144	109,783	87,921	76,616
C. Program Expenditures	1,583,169	1,360,237	1,270,939	1,245,172	2,523,615	2,440,696	2,680,359	1,624,976
c.1 Income Support & Stabilization	650,439	538,364	473,345	470,689	836,407	809,142	490,249	532,900
c.2 Ad hoc and Cost Reduction	52,060	40,642	25,142	56,132	110,451	37,312	23,019	14,589
c.3 Crop Insurance	192,614	161,082	171,258	250,935	171,540	161,801	163,557	207,000
c.4 Financing Assistance	230,682	192,693	239,606	129,715	91,564	95,617	21,816	52,940
c.5 Storage and Freight	49,634	25,172	100	50	697,030	711,559	1,239,610	452,726
c.6 Social and Labor	8,063	18,495	7,687	6,244	18,140	23,312	17,471	3,414
c.7 Research	57,143	57,336	48,182	49,246	3,023	23,907	7,642	3,692
c.8 Food Inspection	19,574	9,346	10,204	7,909	4,023	1,093	1,179	1,032
c.9 Food Aid	0	0	0	0	333,066	327,777	262,579	252,650
c.10 Marketing and Trade	29,744	57,410	49,940	9,956	156,875	145,487	348,886	31,572
c.11 Rural and Regional Devt.	72,061	66,614	55,407	52,596	56,392	52,415	51,239	41,693
c.12 Environment	37,053	18,505	43,514	48,262	26,261	35,149	43,134	28,766
c.13 Education	163,529	152,028	119,000	146,589	0	200	427	0
c.14 Extension	20,573	22,550	27,553	16,849	18,843	15,925	9,551	2,001
D. Tax Expenditures	469,361	466,423	456,388	453,902	347	0	0	0
Sub-Total Gross Expenditures	2,720,442	2,434,553	2,242,236	2,216,913	3,446,853	3,363,780	3,544,812	2,414,433
Recoveries	(168,077)	(320,427)	(86,060)	(99,925)	(212,626)	(201,915)	(391,861)	(50,084)
Total Net Expenditures	2,552,365	2,114,126	2,156,176	2,116,988	3,234,228	3,161,865	3,152,951	2,364,349
NEWFOUNDLAND								
A. Operating Expenditures	10,522	13,411	10,687	8,938	2,376	2,238	1,944	1,799
B. Capital Expenditures	710	876	691	334	209	248	197	183
C. Program Expenditures	5,704	4,915	3,994	4,694	7,318	9,186	8,462	4,511
c.1 Income Support & Stabilization	3,387	3,250	2,275	3,027	21	24	38	0
c.2 Ad hoc and Cost Reduction	208	215	182	311	432	10	0	40
c.3 Crop Insurance	157	92	80	116	85	84	92	102
c.4 Financing Assistance	0	311	0	0	41	44	47	86
c.5 Storage and Freight	0	0	0	0	4,948	5,062	5,738	2,439
c.6 Social and Labor	7	0	0	0	7	583	447	3
c.7 Research	0	0	0	0	7	88	1	5
c.8 Food Inspection	0	0	0	0	1	1	3	3
c.9 Food Aid	0	0	0	0	0	0	0	0
c.10 Marketing and Trade	159	0	246	219	6	23	20	23
c.11 Rural and Regional Devt.	763	96	88	0	1,455	2,915	1,796	1,711
c.12 Environment	14	437	296	300	21	126	140	96
c.13 Education	708	514	514	461	0	0	0	0
c.14 Extension	303	0	314	260	294	225	138	3
D. Tax Expenditures	0	0	0	0	0	0	0	0
Sub-Total Gross Expenditures	16,936	19,202	15,372	13,966	9,903	11,672	10,603	6,493
Recoveries	(3,687)	(2,449)	(1,175)	(879)	(575)	(525)	(995)	(126)
Total Net Expenditures	13,250	16,753	14,198	13,087	9,327	11,147	9,608	6,367

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

Note: Property tax expenditures were revised; see methodology notes.


Table C.2: Government Expenditures in Support of the Agri-Food Sector, by category (continued)

	PROVINCIAL				FEDERAL			
	1993-94	1994-95	1995-96	1996-97	1993-94	1994-95	1995-96	1996-97
				Estimates				Estimates
(\$000)								
PRINCE EDWARD ISLAND								
A. Operating Expenditures	9,304	9,010	8,526	8,308	11,080	7,772	10,176	8,012
B. Capital Expenditures	0	60	0	0	893	983	918	825
C. Program Expenditures	19,782	10,482	9,394	10,872	36,162	24,078	25,780	19,928
c.1 Income Support & Stabilization	3,264	2,825	1,948	2,200	8,574	6,678	6,943	7,129
c.2 Ad hoc and Cost Reduction	463	60	0	0	4,172	829	462	197
c.3 Crop Insurance	726	787	706	716	1,156	1,386	1,005	1,069
c.4 Financing Assistance	40	22	0	0	808	367	137	604
c.5 Storage and Freight	0	0	0	0	8,043	8,533	6,411	2,480
c.6 Social and Labor	159	141	212	239	543	432	131	69
c.7 Research	8,680	1,387	1,859	1,916	26	218	16	23
c.8 Food Inspection	10	9	0	0	3	11	6	5
c.9 Food Aid	0	0	0	0	0	0	0	0
c.10 Marketing and Trade	1,862	996	892	92	51	89	109	132
c.11 Rural and Regional Devt.	667	274	85	85	12,537	5,136	10,022	8,012
c.12 Environment	314	30	331	2,254	72	190	325	193
c.13 Education	3,598	3,437	3,361	3,361	0	0	0	0
c.14 Extension	0	515	0	8	176	210	212	17
D. Tax Expenditures	980	1,114	909	909	0	0	0	0
Sub-Total Gross Expenditures	30,066	20,665	18,830	20,089	48,135	32,833	36,874	28,765
Recoveries	(2,449)	(1,290)	(1,016)	(2,117)	(2,161)	(2,123)	(4,392)	(572)
Total Net Expenditures	27,617	19,375	17,814	17,972	45,974	30,710	32,482	28,193
NOVA SCOTIA								
A. Operating Expenditures	16,431	16,228	15,590	11,959	11,711	10,285	11,242	8,836
B. Capital Expenditures	270	0	400	1,633	1,048	1,224	1,026	907
C. Program Expenditures	52,611	39,345	33,096	32,685	26,882	22,832	20,885	15,674
c.1 Income Support & Stabilization	4,182	4,145	3,498	2,649	4,617	4,117	3,675	3,847
c.2 Ad hoc and Cost Reduction	2,637	2,012	1,879	1,114	6,270	71	93	180
c.3 Crop Insurance	351	374	669	743	377	376	349	435
c.4 Financing Assistance	6,007	967	1,080	662	158	39	31	114
c.5 Storage and Freight	173	150	100	50	7,766	8,412	9,715	6,068
c.6 Social and Labor	502	568	253	112	398	631	174	61
c.7 Research	230	307	77	307	34	415	7	26
c.8 Food Inspection	1,186	1,156	690	653	5	19	11	12
c.9 Food Aid	0	0	0	0	0	0	0	0
c.10 Marketing and Trade	1,033	968	588	560	240	213	182	117
c.11 Rural and Regional Devt.	6,958	1,095	505	197	6,504	7,403	6,124	4,528
c.12 Environment	49	70	64	0	272	451	285	267
c.13 Education	25,923	20,933	17,991	18,998	0	0	0	0
c.14 Extension	3,381	6,602	5,701	6,639	241	686	239	19
D. Tax Expenditures	912	796	1,323	1,323	0	0	0	0
Sub-Total Gross Expenditures	70,224	56,370	50,409	47,600	39,641	34,341	33,153	25,417
Recoveries	(11,750)	(12,294)	(10,709)	(10,089)	(2,915)	(2,622)	(4,935)	(628)
Total Net Expenditures	58,474	44,076	39,700	37,510	36,726	31,719	28,218	24,789

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

Note: Property tax expenditures were revised; see methodology notes.



Table C.2: Government Expenditures in Support of the Agri-Food Sector, by category (continued)

	PROVINCIAL				FEDERAL			
	1993-94	1994-95	1995-96	1996-97	1993-94	1994-95	1995-96	1996-97
				Estimates				Estimates
(\$'000)								
NEW BRUNSWICK								
A. Operating Expenditures	17,426	16,966	16,684	17,054	12,087	8,183	8,654	7,866
B. Capital Expenditures	566	897	920	330	984	1,069	876	804
C. Program Expenditures	10,874	9,895	12,033	6,126	34,859	25,875	29,628	26,976
c.1 Income Support & Stabilization	1,637	1,571	1,867	984	5,160	4,627	4,056	4,492
c.2 Ad hoc and Cost Reduction	532	468	467	54	4,063	253	435	164
c.3 Crop Insurance	1,002	1,650	2,314	1,814	2,312	2,229	2,213	2,511
c.4 Financing Assistance	2,610	1,508	670	439	961	593	627	951
c.5 Storage and Freight	248	181	0	0	11,037	11,467	14,234	11,468
c.6 Social and Labor	28	26	305	29	409	398	150	67
c.7 Research	61	47	45	40	29	267	34	22
c.8 Food Inspection	167	167	264	79	22	4	13	10
c.9 Food Aid	0	0	0	0	0	0	0	0
c.10 Marketing and Trade	239	123	5,303	1,808	116	126	82	85
c.11 Rural and Regional Devt.	5	0	35	0	9,965	4,878	7,257	6,923
c.12 Environment	0	0	147	0	157	322	330	268
c.13 Education	4,303	4,114	298	837	0	0	0	0
c.14 Extension	43	42	318	42	629	711	197	15
D. Tax Expenditures	1,215	1,234	1,364	1,364	0	0	0	0
Sub-Total Gross Expenditures	30,081	28,993	31,001	24,874	47,931	35,126	39,157	35,646
Recoveries	(3,520)	(4,300)	(6,363)	(2,538)	(2,466)	(2,323)	(4,426)	(556)
Total Net Expenditures	26,561	24,693	24,638	22,337	45,465	32,802	34,732	35,090
QUEBEC								
A. Operating Expenditures	180,566	156,971	149,966	152,467	124,932	116,523	119,998	110,393
B. Capital Expenditures	1,646	1,466	3,626	2,633	12,386	15,255	12,522	11,679
C. Program Expenditures	408,460	392,689	407,305	365,879	259,423	235,073	195,511	162,985
c.1 Income Support & Stabilization	240,110	235,156	229,406	221,996	175,465	171,083	134,808	121,957
c.2 Ad hoc and Cost Reduction	15,096	18,020	15,172	13,900	15,624	6,834	2,587	2,617
c.3 Crop Insurance	17,059	15,114	13,868	15,356	17,361	16,433	16,254	18,933
c.4 Financing Assistance	49,631	52,164	73,471	51,707	3,540	2,513	2,337	4,967
c.5 Storage and Freight	0	0	0	0	5,549	5,892	7,566	4,062
c.6 Social and Labor	1,023	1,086	368	2,000	4,827	3,596	2,977	588
c.7 Research	6,659	9,639	7,446	5,658	768	8,648	2,956	1,193
c.8 Food Inspection	12,420	5,240	5,226	4,827	1,522	167	222	258
c.9 Food Aid	0	0	0	0	0	0	0	0
c.10 Marketing and Trade	2,545	13,152	9,093	4,530	21,458	2,259	6,581	742
c.11 Rural and Regional Devt.	9,540	6,783	2,851	6,521	6,145	8,884	13,296	2,880
c.12 Environment	25,232	12,030	17,519	16,919	3,171	5,364	4,596	4,360
c.13 Education	17,729	16,516	16,307	16,600	0	0	0	0
c.14 Extension	11,419	7,788	16,579	5,866	3,993	3,400	1,330	427
D. Tax Expenditures	81,057	80,912	78,635	65,159	49	0	0	0
Sub-Total Gross Expenditures	671,729	632,038	639,533	586,139	396,790	366,850	328,030	285,057
Recoveries	(928)	(8,505)	(332)	(335)	(35,550)	(33,068)	(64,283)	(8,197)
Total Net Expenditures	670,801	623,533	639,201	585,804	361,240	333,781	263,748	276,859

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

Note: Property tax expenditures were revised; see methodology notes.



Table C.2: Government Expenditures in Support of the Agri-Food Sector, by category (continued)

	PROVINCIAL				FEDERAL			
	1993-94	1994-95	1995-96	1996-97	1993-94	1994-95	1995-96	1996-97
				Estimates				Estimates
(\$000)								
ONTARIO								
A. Operating Expenditures	148,826	138,264	100,766	115,365	187,366	178,231	165,448	154,113
B. Capital Expenditures	4,371	4,607	7,973	0	19,649	23,126	17,898	16,656
C. Program Expenditures	202,643	169,687	162,832	157,744	227,514	220,011	183,673	160,817
c.1 Income Support & Stabilization	84,544	31,380	42,230	45,300	155,295	156,313	128,904	120,202
c.2 Ad hoc and Cost Reduction	7,178	2,378	903	220	23,836	6,228	2,309	3,398
c.3 Crop Insurance	15,068	22,846	22,569	22,546	26,822	23,940	24,214	24,771
c.4 Financing Assistance	18,258	16,316	13,874	17,106	3,566	3,193	2,210	3,542
c.5 Storage and Freight	0	0	0	0	125	172	382	121
c.6 Social and Labor	4,703	15,191	6,307	1,983	4,354	6,634	5,771	864
c.7 Research	17,030	20,125	16,847	19,943	786	6,733	556	600
c.8 Food Inspection	5,130	1,635	1,739	1,865	1,113	603	219	362
c.9 Food Aid	0	0	0	0	0	239	0	0
c.10 Marketing and Trade	5,468	6,570	14,919	1,200	2,586	3,590	3,591	2,576
c.11 Rural and Regional Devt.	5,255	15,221	6,409	4,716	3,128	1,913	8,185	431
c.12 Environment	0	146	120	145	1,029	5,250	4,734	3,551
c.13 Education	39,669	37,537	36,268	42,380	0	200	0	0
c.14 Extension	341	342	647	342	4,875	5,003	2,597	400
D. Tax Expenditures	170,941	169,666	171,925	187,561	231	0	0	0
Sub-Total Gross Expenditures	526,781	482,223	443,497	460,671	434,760	421,368	367,019	331,586
Recoveries	(18,718)	(22,080)	(9,880)	(16,892)	(53,496)	(49,584)	(93,053)	(11,756)
Total Net Expenditures	508,063	460,144	433,616	443,778	381,265	371,784	273,966	319,830
MANITOBA								
A. Operating Expenditures	25,310	29,855	30,727	30,835	84,800	95,344	78,802	70,177
B. Capital Expenditures	1,089	922	3,262	885	9,766	12,550	9,336	7,593
C. Program Expenditures	115,123	101,962	77,655	84,637	311,963	285,992	343,168	153,890
c.1 Income Support & Stabilization	58,705	56,048	35,062	15,877	123,589	92,645	48,452	35,386
c.2 Ad hoc and Cost Reduction	1,622	1,049	1,257	1,282	8,662	5,192	3,256	1,286
c.3 Crop Insurance	18,229	17,962	17,865	40,614	17,508	18,264	18,119	28,285
c.4 Financing Assistance	10,260	5,028	3,645	5,605	13,163	13,518	1,506	6,878
c.5 Storage and Freight	0	0	0	0	112,850	115,029	198,344	69,981
c.6 Social and Labor	823	757	100	432	1,512	1,774	1,034	385
c.7 Research	784	784	784	768	236	1,601	729	369
c.8 Food Inspection	489	1,130	452	467	64	69	160	61
c.9 Food Aid	0	0	0	0	0	0	0	0
c.10 Marketing and Trade	1,556	829	1,041	1,008	22,547	23,515	54,160	864
c.11 Rural and Regional Devt.	10,918	7,771	7,719	7,881	4,693	7,261	607	5,192
c.12 Environment	1,309	1,656	1,748	2,320	5,643	6,100	16,065	5,034
c.13 Education	8,241	8,573	7,967	7,967	0	0	0	0
c.14 Extension	2,188	375	15	415	1,495	1,025	737	167
D. Tax Expenditures	50,276	54,024	51,900	51,900	1	0	0	0
Sub-Total Gross Expenditures	191,798	186,763	163,543	168,256	406,530	393,886	431,306	231,660
Recoveries	(7,610)	(5,737)	(14,869)	(3,033)	(19,926)	(19,140)	(37,282)	(4,729)
Total Net Expenditures	184,187	181,026	148,674	165,223	386,604	374,746	394,024	226,930

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

Note: Property tax expenditures were revised; see methodology notes.



Table C.2: Government Expenditures in Support of the Agri-Food Sector, by category (continued)

	PROVINCIAL				FEDERAL			
	1993-94	1994-95	1995-96	1996-97	1993-94	1994-95	1995-96	1996-97
				Estimates				Estimates
(\$000)								
SASKATCHEWAN								
A. Operating Expenditures	44,541	41,201	28,322	23,265	178,233	181,738	175,007	157,827
B. Capital Expenditures	1,068	1,325	1,497	1,104	21,262	26,079	21,820	17,116
C. Program Expenditures	337,672	317,442	231,866	288,536	813,549	882,054	1,086,856	566,196
c.1 Income Support & Stabilization	125,784	109,980	67,281	63,000	193,479	262,441	104,706	174,480
c.2 Ad hoc and Cost Reduction	10,524	9,794	1,363	35,051	21,311	10,761	7,275	2,647
c.3 Crop Insurance	98,667	72,418	73,585	84,354	67,082	67,087	61,832	74,905
c.4 Financing Assistance	27,735	32,707	35,114	36,995	51,209	51,529	10,803	21,983
c.5 Storage and Freight	0	0	0	0	385,319	392,758	699,878	254,463
c.6 Social and Labor	299	278	60	861	1,828	1,668	1,708	517
c.7 Research	17,538	18,163	14,875	14,725	470	1,434	2,156	655
c.8 Food Inspection	0	0	1,834	18	92	71	144	79
c.9 Food Aid	0	0	0	0	0	0	0	0
c.10 Marketing and Trade	512	18,993	657	147	77,536	80,649	185,844	24,266
c.11 Rural and Regional Devt.	31,391	28,089	32,641	27,822	5,206	4,576	1,262	5,277
c.12 Environment	2,218	1,354	3,213	3,236	6,742	7,197	9,124	6,633
c.13 Education	22,485	22,457	567	21,654	0	0	427	0
c.14 Extension	520	3,208	676	673	3,276	1,883	1,696	292
D. Tax Expenditures	101,752	119,871	110,248	110,386	66	0	0	0
Sub-Total Gross Expenditures	485,032	479,840	371,932	423,290	1,013,109	1,089,871	1,283,682	741,139
Recoveries	(52,339)	(243,502)	(27,514)	(37,758)	(39,744)	(38,299)	(75,930)	(9,720)
Total Net Expenditures	432,693	236,338	344,418	385,532	973,365	1,051,572	1,207,752	731,419
ALBERTA								
A. Operating Expenditures	161,278	131,212	85,833	79,478	176,085	172,343	163,629	155,539
B. Capital Expenditures	2,601	2,452	7,375	18,068	19,609	23,738	18,874	16,751
C. Program Expenditures	406,737	293,522	319,625	276,317	425,461	363,467	460,872	229,255
c.1 Income Support & Stabilization	124,258	89,152	85,178	110,550	154,193	96,314	43,766	49,504
c.2 Ad hoc and Cost Reduction	1,705	289	773	1,230	17,336	4,752	4,598	2,988
c.3 Crop Insurance	39,250	26,287	36,423	79,815	34,818	27,627	35,585	51,073
c.4 Financing Assistance	115,185	82,747	111,537	17,200	16,927	22,691	3,370	12,573
c.5 Storage and Freight	49,214	24,841	0	0	151,671	154,599	283,942	97,237
c.6 Social and Labor	455	0	0	400	2,366	5,767	3,781	586
c.7 Research	5,860	6,650	6,250	5,688	510	2,585	372	641
c.8 Food Inspection	0	0	0	0	1,153	122	261	191
c.9 Food Aid	0	0	0	0	0	0	0	0
c.10 Marketing and Trade	16,372	15,688	16,528	394	31,520	33,273	75,071	1,964
c.11 Rural and Regional Devt.	4,688	4,777	4,749	4,849	4,880	7,466	2,442	4,806
c.12 Environment	6,500	2,714	19,830	19,748	7,578	6,362	6,015	7,128
c.13 Education	40,874	37,947	35,728	34,329	0	0	0	0
c.14 Extension	2,376	2,430	2,628	2,114	2,508	1,909	1,668	564
D. Tax Expenditures	58,400	33,556	31,695	30,300	0	0	0	0
Sub-Total Gross Expenditures	629,015	460,742	444,528	404,163	621,156	559,548	643,375	401,545
Recoveries	(46,722)	(12,861)	(10,509)	(23,502)	(43,129)	(42,306)	(83,653)	(10,919)
Total Net Expenditures	582,293	447,881	434,019	380,661	578,026	517,243	559,722	390,626

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

Note: Property tax expenditures were revised; see methodology notes.



Table C.2: Government Expenditures in Support of the Agri-Food Sector, by category (continued)

	PROVINCIAL				FEDERAL			
	1993-94	1994-95	1995-96	1996-97	1993-94	1994-95	1995-96	1996-97
				Estimates				Estimates
(\$000)								
BRITISH COLUMBIA								
A. Operating Expenditures	39,451	40,114	40,416	44,359	44,044	40,467	41,632	38,149
B. Capital Expenditures	1,938	2,057	1,647	823	4,336	5,509	4,454	4,097
C. Program Expenditures	23,562	20,297	13,140	17,682	47,261	43,410	41,029	32,003
c.1 Income Support & Stabilization	4,568	4,856	4,600	5,106	16,014	14,900	14,900	15,902
c.2 Ad hoc and Cost Reduction	12,096	6,357	3,146	2,972	8,746	2,383	2,005	1,073
c.3 Crop Insurance	2,106	3,553	3,178	4,861	4,019	4,375	3,894	4,916
c.4 Financing Assistance	958	922	215	0	1,191	1,131	748	1,242
c.5 Storage and Freight	0	0	0	0	9,581	9,489	13,084	4,317
c.6 Social and Labor	66	449	81	189	1,895	1,831	1,298	274
c.7 Research	301	235	0	200	150	1,387	306	158
c.8 Food Inspection	173	10	0	0	49	26	140	50
c.9 Food Aid	0	0	0	0	0	0	0	0
c.10 Marketing and Trade	0	92	673	0	811	1,244	2,152	805
c.11 Rural and Regional Devt.	1,876	2,507	325	525	1,879	1,984	247	1,934
c.12 Environment	1,418	68	247	3,340	1,578	3,788	1,519	1,236
c.13 Education	0	0	0	0	0	0	0	0
c.14 Extension	0	1,248	676	490	1,349	873	737	98
D. Tax Expenditures	3,829	5,249	8,388	5,000	0	0	0	0
Sub-Total Gross Expenditures	68,780	67,717	63,592	67,864	95,641	89,386	87,115	74,249
Recoveries	(20,355)	(7,410)	(3,694)	(2,781)	(12,663)	(11,924)	(22,911)	(2,880)
Total Net Expenditures	48,425	60,308	59,898	65,084	82,978	77,462	64,204	71,369

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

Note: Property tax expenditures were revised; see methodology notes.



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

	PROVINCIAL				FEDERAL			
	1993-94	1994-95	1995-96	1996-97	1993-94	1994-95	1995-96	1996-97
				Estimates				Estimates
(\$ 000)								
CANADA								
Research Expenditures								
- Operating	90,555	80,149	42,944	60,957	231,659	229,262	236,737	247,496
- Capital	4,623	4,848	8,515	446	31,887	28,375	36,588	34,358
- Program	57,143	57,336	48,182	49,246	3,023	23,907	7,642	3,692
Total Research	152,321	142,333	99,641	110,648	266,569	281,544	280,968	285,546
Inspection Expenditures								
- Operating	45,979	42,606	41,137	39,098	363,039	342,367	286,192	261,043
- Capital	391	226	2,578	394	33,615	54,858	31,577	28,833
- Program	19,574	9,346	10,204	7,909	4,023	1,093	1,179	1,032
Total Inspection	65,944	52,178	53,920	47,401	400,677	398,318	318,948	290,908
NEWFOUNDLAND								
Research Expenditures								
- Operating	264	-	-	-	627	596	601	623
- Capital	-	-	-	-	86	74	93	86
- Program	-	-	-	-	7	88	1	5
Total Research	264	-	-	-	720	758	695	714
Inspection Expenditures								
- Operating	1,204	-	1,224	1,168	851	761	725	659
- Capital	-	-	15	-	82	135	80	73
- Program	-	-	-	-	1	1	3	3
Total Inspection	1,204	-	1,238	1,168	934	897	808	735
PRINCE EDWARD ISLAND								
Research Expenditures								
- Operating	1,644	2,847	2,440	2,113	2,355	2,411	2,653	2,828
- Capital	-	-	-	-	324	298	410	393
- Program	8,680	1,387	1,859	1,916	26	218	16	23
Total Research	10,324	4,233	4,299	4,029	2,704	2,927	3,079	3,244
Inspection Expenditures								
- Operating	62	94	-	-	3,265	3,141	3,200	2,991
- Capital	-	-	-	-	312	550	354	329
- Program	10	9	-	-	3	11	6	5
Total Inspection	72	104	-	-	3,581	3,702	3,560	3,325

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



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

	PROVINCIAL				FEDERAL			
	1993-94	1994-95	1995-96	1996-97	1993-94	1994-95	1995-96	1996-97
				Estimates				Estimates
(\$ 000)								
NOVA SCOTIA								
Research Expenditures								
- Operating	-	-	-	-	3,176	2,978	2,982	3,102
- Capital	-	-	-	-	437	369	461	431
- Program	230	307	77	307	34	415	7	26
Total Research	230	307	77	307	3,647	3,761	3,449	3,559
Inspection Expenditures								
- Operating	1 503	1 370	1 861	1 849	4,326	3,810	3,595	3,282
- Capital	-	-	-	-	416	676	398	361
- Program	1,186	1,156	690	653	5	19	11	12
Total Inspection	2,688	2,525	2,551	2,502	4,747	4,504	4,004	3,655
NEW BRUNSWICK								
Research Expenditures								
- Operating	75	57	-	29	2,687	2,638	2,674	2,747
- Capital	-	-	-	-	370	327	413	381
- Program	61	47	45	40	29	267	34	22
Total Research	136	104	45	69	3,086	3,232	3,121	3,150
Inspection Expenditures								
- Operating	12	8	1,127	8	3,676	3,389	3,224	2,905
- Capital	-	-	55	-	353	600	357	320
- Program	167	167	264	79	22	4	13	10
Total Inspection	179	175	1,447	87	4,051	3,992	3,594	3,235
QUEBEC								
Research Expenditures								
- Operating	15,626	18,355	17,287	17,362	38,732	37,547	38,835	40,509
- Capital	398	204	422	140	5,331	4,647	6,002	5,624
- Program	6,659	9,639	7,446	5,658	768	8,648	2,956	1,193
Total Research	22,683	28,199	25,155	23,159	44,831	50,842	47,794	47,325
Inspection Expenditures								
- Operating	27,128	24,854	24,213	23,888	54,472	49,708	46,853	42,824
- Capital	296	93	288	279	5,193	8,619	5,180	4,719
- Program	12,420	5,240	5,226	4,827	1,522	167	222	258
Total Inspection	39,844	30,187	29,727	28,994	61,186	58,494	52,255	47,801

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

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

	PROVINCIAL				FEDERAL			
	1993-94	1994-95	1995-96	1996-97	1993-94	1994-95	1995-96	1996-97
				Estimates				Estimates
(\$ 000)								
ONTARIO								
Research Expenditures								
- Operating	48,691	43,302	1,832	26,299	58,284	56,300	56,217	58,094
- Capital	3,758	4,169	7,475	-	8,023	6,968	8,688	8,065
- Program	17,030	20,125	16,847	19,943	786	6,733	556	600
Total Research	69,480	67,596	26,154	46,242	67,093	70,001	65,461	66,759
Inspection Expenditures								
- Operating	-	-	-	-	85,995	78,883	67,888	61,347
- Capital	-	-	-	-	8,091	13,173	7,498	6,768
- Program	5,130	1,635	1,739	1,865	1,113	603	219	362
Total Inspection	5,130	1,635	1,739	1,865	95,198	92,659	75,605	68,477
MANITOBA								
Research Expenditures								
- Operating	-	-	339	-	21,710	21,732	22,523	23,370
- Capital	-	-	-	-	2,988	2,690	3,481	3,244
- Program	784	784	784	768	236	1,601	729	369
Total Research	784	784	1,123	768	24,934	26,023	26,733	26,984
Inspection Expenditures								
- Operating	6,354	6,893	3,842	6,974	36,930	35,061	27,264	24,615
- Capital	-	-	2,069	-	3,350	5,350	3,004	2,723
- Program	489	1,130	452	467	64	69	160	61
Total Inspection	6,843	8,023	6,362	7,441	40,344	40,480	30,428	27,399
SASKATCHEWAN								
Research Expenditures								
- Operating	-	456	466	585	43,302	43,487	45,872	48,034
- Capital	-	17	23	21	5,960	5,382	7,090	6,668
- Program	17,538	18,163	14,875	14,725	470	1,434	2,156	655
Total Research	17,538	18,636	15,364	15,331	49,732	50,303	55,118	55,356
Inspection Expenditures								
- Operating	3,499	3,394	3,511	881	79,422	77,002	55,632	50,487
- Capital	-	25	43	7	7,077	11,099	6,119	5,596
- Program	-	-	1,834	18	92	71	144	79
Total Inspection	3,499	3,419	5,388	906	86,591	88,172	61,894	56,162

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



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

	PROVINCIAL				FEDERAL			
	1993-94	1994-95	1995-96	1996-97	1993-94	1994-95	1995-96	1996-97
				Estimates				Estimates
(\$ 000)								
ALBERTA								
Research Expenditures								
- Operating	24,120	15,132	20,460	14,432	46,990	48,035	50,538	53,956
- Capital	467	458	593	283	6,468	5,945	7,811	7,490
- Program	5,860	6,650	6,250	5,688	510	2,585	372	641
Total Research	30,447	22,240	27,303	20,403	53,968	56,566	58,721	62,088
Inspection Expenditures								
- Operating	4,142	4,001	1,807	3,961	75,156	73,114	61,118	56,881
- Capital	95	108	103	103	6,923	11,573	6,741	6,286
- Program	-	-	-	-	1,153	122	261	191
Total Inspection	4,237	4,109	1,910	4,064	83,232	84,810	68,120	63,358
BRITISH COLUMBIA								
Research Expenditures								
- Operating	134	-	120	138	13,796	13,539	13,842	14,233
- Capital	-	-	2	2	1,899	1,676	2,139	1,976
- Program	301	235	-	200	150	1,387	306	158
Total Research	436	235	122	340	15,845	16,602	16,287	16,367
Inspection Expenditures								
- Operating	2,074	1,993	3,553	369	18,946	17,499	16,693	15,053
- Capital	-	-	6	5	1,818	3,083	1,846	1,658
- Program	173	10	-	-	49	26	140	50
Total Inspection	2,248	2,003	3,558	374	20,813	20,608	18,680	16,761

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



Table C.4: Government Expenditures to the Agri-Food Sector as a % of Agriculture and Agri-Food GDPs

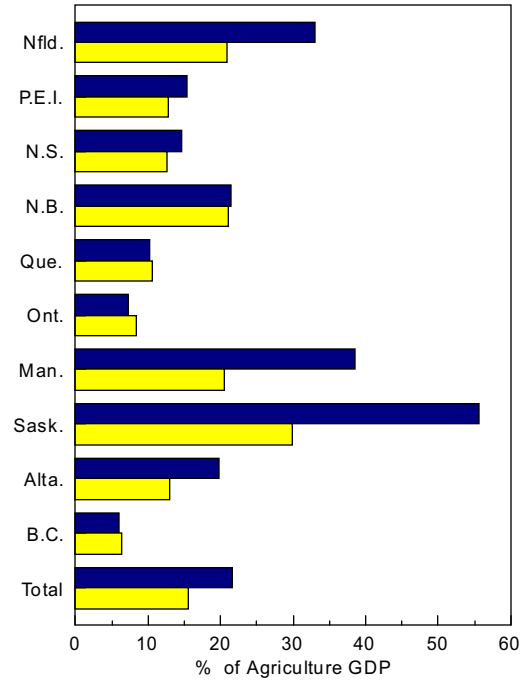
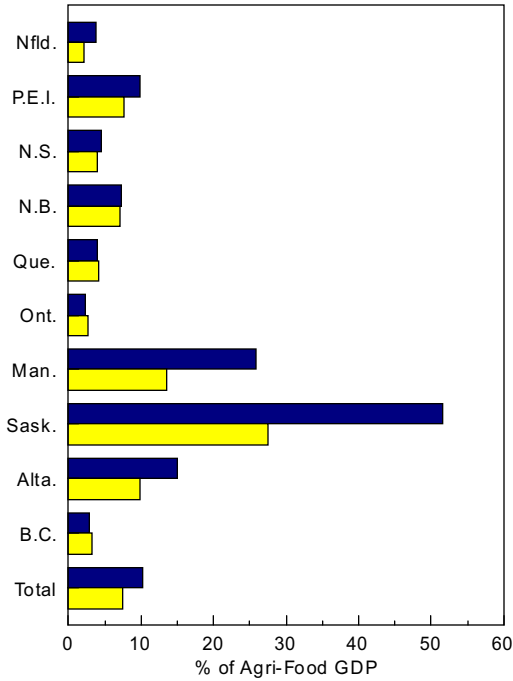
	Agriculture				Agri-Food			
	1993-94	1994-95	1995-96	1996-97	1993-94	1994-95	1995-96	1996-97
				Estimates				Estimates
(\$ million)								
NEWFOUNDLAND								
Provincial GDP	26.66	29.38	29.10	30.47	287.79	250.79	247.87	294.81
Federal (%)	34.99	37.94	33.02	20.90	3.24	4.44	3.88	2.16
Provincial (%)	49.71	57.02	48.79	42.96	4.88	6.68	5.73	4.44
PRINCE EDWARD ISLAND								
Provincial GDP	172.47	178.96	212.15	219.68	279.93	290.96	331.12	372.32
Federal (%)	26.66	17.16	15.31	12.83	16.42	10.55	9.81	7.57
Provincial (%)	16.01	10.83	8.40	8.18	12.40	6.66	5.38	4.83
NOVA SCOTIA								
Provincial GDP	168.90	186.52	191.82	196.53	592.31	594.63	615.33	631.51
Federal (%)	21.74	17.01	14.71	12.61	6.20	5.33	4.59	3.93
Provincial (%)	34.62	23.63	20.70	19.09	9.37	7.41	6.45	5.94
NEW BRUNSWICK								
Provincial GDP	152.59	155.66	161.95	166.10	411.06	448.34	471.07	495.92
Federal (%)	29.80	21.07	21.45	21.13	11.06	7.32	7.37	7.08
Provincial (%)	17.41	15.86	15.21	13.45	7.89	5.51	5.23	4.50
QUEBEC								
Provincial GDP	2,267.07	2,384.58	2,559.02	2,599.23	6,018.55	6,191.19	6,592.69	6,684.74
Federal (%)	15.93	14.00	10.31	10.65	6.00	5.39	4.00	4.14
Provincial (%)	29.59	26.15	24.98	22.54	11.14	10.07	9.70	8.76
ONTARIO								
Provincial GDP	3,341.72	3,609.57	3,737.88	3,808.61	10,904.64	11,404.20	11,785.87	12,156.51
Federal (%)	11.41	10.30	7.33	8.40	3.50	3.26	2.32	2.63
Provincial (%)	15.20	12.75	11.60	11.65	5.49	4.03	3.68	3.65
MANITOBA								
Provincial GDP	821.71	1,077.18	1,022.17	1,102.53	1,321.02	1,586.96	1,528.74	1,676.21
Federal (%)	47.05	34.79	38.55	20.58	29.27	23.61	25.77	13.54
Provincial (%)	22.42	16.81	14.54	14.99	10.33	11.41	9.73	9.86
SASKATCHEWAN								
Provincial GDP	2,110.31	2,096.64	2,173.23	2,446.69	2,276.36	2,260.24	2,342.74	2,664.81
Federal (%)	46.12	50.16	55.57	29.89	42.76	46.52	51.55	27.45
Provincial (%)	20.50	11.27	15.85	15.76	19.34	10.46	14.70	14.47
ALBERTA								
Provincial GDP	2,782.10	2,723.60	2,839.85	3,016.40	3,543.91	3,583.85	3,733.96	3,975.95
Federal (%)	20.78	18.99	19.71	12.95	16.31	14.43	14.99	9.82
Provincial (%)	20.93	16.44	15.28	12.62	21.86	12.50	11.62	9.57
BRITISH COLUMBIA								
Provincial GDP	939.72	1,019.68	1,079.05	1,124.18	1,920.03	2,066.10	2,159.42	2,255.19
Federal (%)	8.83	7.60	5.95	6.35	4.32	3.75	2.97	3.16
Provincial (%)	5.15	5.91	5.55	5.79	4.46	2.92	2.77	2.89
CANADA								
Federal GDP	13,307.74	13,899.70	14,539.96	15,189.56	28,395.03	29,602.17	30,565.98	32,040.56
Federal (%)	24.30	22.75	21.68	15.57	11.39	10.68	10.32	7.38
Provincial (%)	19.97	15.70	15.39	14.39	10.18	7.37	7.23	6.78

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

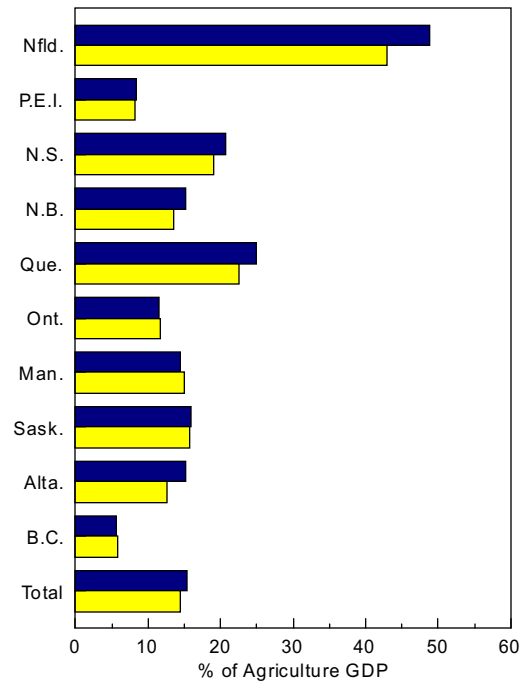
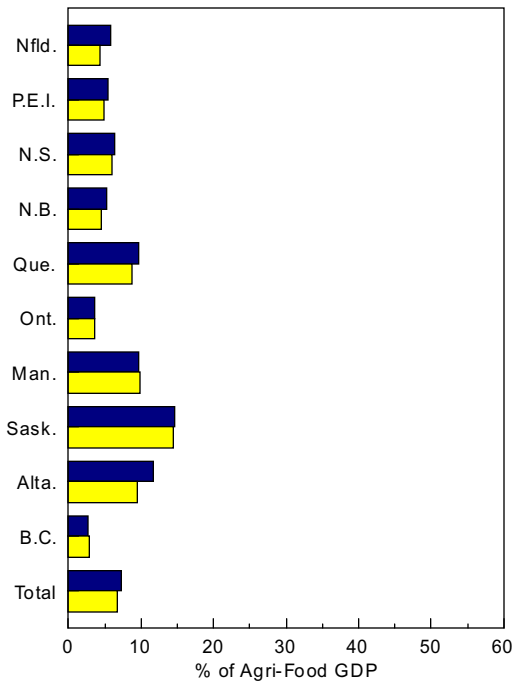


Figure C.3: Government Expenditures to the Agri-Food Sector as a % of Agriculture and Agri-Food GDPs

Federal Government Expenditures



Provincial Government Expenditures



1995-96
 1996-97



Table C.5: Total GDP and Total Government Expenditures

	Total GDP				Total Expenditures			
	1993-94	1994-95	1995-96	1996-97	1993-94	1994-95	1995-96	1996-97
				Estimates				Estimates
(\$ million)								
NEWFOUNDLAND								
Total Provincial	8,080	8,443	8,468	8,494	3,621	3,841	3,489	3,438
Agri-Food GDP as % of Total GDP	3.56	2.97	2.93	3.47				
Agri-Food Exp. as % of Total Exp.					0.37	0.44	0.41	0.38
PRINCE EDWARD ISLAND								
Total Provincial	2,014	2,124	2,310	2,446	821	820	787	797
Agri-Food GDP as % of Total GDP	13.90	13.70	14.33	15.22				
Agri-Food Exp. as % of Total Exp.					3.36	2.36	2.26	2.25
NOVA SCOTIA								
Total Provincial	15,467	15,980	16,137	16,401	4,726	4,711	4,854	4,587
Agri-Food GDP as % of Total GDP	3.83	3.72	3.81	3.85				
Agri-Food Exp. as % of Total Exp.					1.24	0.94	0.82	0.82
NEW BRUNSWICK								
Total Provincial	12,431	13,069	13,353	13,669	4,277	4,367	4,415	4,562
Agri-Food GDP as % of Total GDP	3.31	3.43	3.53	3.63				
Agri-Food Exp. as % of Total Exp.					0.62	0.57	0.56	0.49
QUEBEC								
Total Provincial	143,813	147,849	154,259	156,044	40,958	42,236	42,220	40,864
Agri-Food GDP as % of Total GDP	4.18	4.19	4.27	4.28				
Agri-Food Exp. as % of Total Exp.					1.64	1.48	1.51	1.43
ONTARIO								
Total Provincial	254,092	266,370	277,802	285,719	54,974	56,316	58,155	54,840
Agri-Food GDP as % of Total GDP	4.29	4.28	4.24	4.25				
Agri-Food Exp. as % of Total Exp.					0.92	0.82	0.75	0.81
MANITOBA								
Total Provincial	20,883	22,265	22,607	23,205	5,336	5,401	5,505	5,301
Agri-Food GDP as % of Total GDP	6.33	7.13	6.76	7.22				
Agri-Food Exp. as % of Total Exp.					3.45	3.35	2.70	3.12
SASKATCHEWAN								
Total Provincial	18,955	20,268	20,766	22,488	4,952	5,097	5,113	4,988
Agri-Food GDP as % of Total GDP	12.01	11.15	11.28	11.85				
Agri-Food Exp. as % of Total Exp.					8.74	4.64	6.74	7.73
ALBERTA								
Total Provincial	69,945	75,388	74,997	80,236	16,109	14,738	14,292	13,678
Agri-Food GDP as % of Total GDP	5.07	4.75	4.98	4.96				
Agri-Food Exp. as % of Total Exp.					3.61	3.04	3.04	2.78
BRITISH COLUMBIA								
Total Provincial	79,283	86,749	89,855	94,047	18,913	19,994	20,144	20,572
Agri-Food GDP as % of Total GDP	2.42	2.38	2.40	2.40				
Agri-Food Exp. as % of Total Exp.					0.26	0.30	0.30	0.32
TOTAL - PROVINCIAL								
Total Provincial	624,962	658,503	680,555	702,750	154,686	157,520	158,975	153,628
Agri-Food GDP as % of Total GDP	4.41	4.35	4.38	4.44				
Agri-Food Exp. as % of Total Exp.					1.65	1.34	1.36	1.38
CANADA - FEDERAL								
Total Federal	627,727	661,536	683,606	705,889	170,343	172,541	171,127	156,986
Agri-Food GDP as % of Total GDP	4.52	4.47	4.47	4.54				
Agri-Food Exp. as % of Total Exp.					1.90	1.83	1.84	1.51

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 estimate how much governments spend on the agri-food sector in a given fiscal year. They include federal and provincial monies transferred to individuals, agencies or associations, directly or indirectly through payments or contributions. They also take into account operating and capital costs related to the administration of programs or contributions and the monies transferred between departments and to other levels of government. The various sources of information, supplemented by officers working in departments, are federal and provincial public accounts, estimates and/or expenditure plans, government transfers calculation, Statistics Canada and other internal reports that cover areas of agri-food programs both inside and outside provincial and federal agriculture ministries.

Treatment of program deficits: 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.

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 (e.g. Crop Insurance, the National Tripartite Stabilization Plan -NTSP-, the Gross Revenue Insurance Plan -GRIP- and the Net Income Stabilization Account -NISA), only the governments' contribution to administration fees and to the funds are included. Producers' share of participation and payouts made to producers are excluded. Similarly, only provincial government contributions to the provincial income stabilization programs are included.

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.

Government Recoveries: In some cases, government expenditures for services involve a user fee for which governments receive revenue. These recoveries are deducted from the total expenditures to generate an estimate of net expenditures. Government recoveries include revenues from licenses and permits, leases and rentals, sales, fees and royalties, previous years' recoveries, land sales, transfers from one level of government to another and from other miscellaneous forms of recoveries. The repayments of loans and advances and return on investments are not included in the recoveries.

Treatment of Tax Expenditures: Provincial tax expenditures include fuel tax rebates and exemptions and property tax rebates. Due to difficulties in measuring transfers in the form of exemptions for property tax programs, the property tax expenditures data series have been revised to include tax rebates only as reported in the provincial public accounts and estimates documents. Further work is required on property tax exemptions. Federal tax expenditures include fuel 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, Allocated

The figures included in this table are government expenditures of different departments such as Agriculture, Transport, Rural Development, Finance. The figures are net of recoveries.

Federal expenditures for 1995-96 are actual data. The 1995-96 provincial expenditures for New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan and Alberta are actual data from the public accounts. Expenditures for the other provinces for 1995-96 and all federal and provincial expenditures for 1996-97 are taken from the 1996-97 Estimates and Expenditure Plan documents, where most of the program expenditures are available. Federal expenditures by province are available for some programs only. Where provincial allocations of these federal expenditures are required, the methods explained below are used.

Program expenditures which are not available from the 1996-97 Estimates and Expenditure Plan documents are projected assuming they are equal to the previous three-year average program expenditures in each province.

Allocation: Operating and capital expenditures that were originally identified by province on the basis of administration centre or that were simply assigned to the



Methodology for Government Expenditures

National Capital Region and transfers to national organizations are allocated provincially as follows:

- operating and capital expenditures for the Rural Prairie Rehabilitation, Sustainability and Development Branch and the Market and Industry Services Branch are allocated by province on the basis of program payments made by these organizations. It is assumed that the operating and capital expenditures are proportional to program expenditures;
- operating and capital expenditures for the Livestock Feed Bureau are allocated by province using the provincial distribution of the volume of freight assisted shipments;
- all other operating and capital expenditures and transfers to national organizations are allocated by province using a three-year moving average of the provincial distribution of total farm cash receipts and farm cash receipts for specific commodities when more appropriate. For example, the distribution by province of grains and oilseeds farm cash receipts are used for the allocation by province of the Canadian Grain Commission operating and capital expenditures;
- all transportation expenditures, except expenditures for the Maritime Freight Rates Act (MFRA) and the Atlantic Region Freight Assistance Act (ARFAA), are allocated to provinces on the basis of the volume of rail shipments by province. Expenditures for MFRA and ARFAA are allocated by province based on the 1982 survey on shipment of products and the origins of the shipment done by the Canadian Transport Commission;
- the transfers to the Farm Credit Corporation (FCC) are allocated by province using the value of loans approved and principal not due.

Others include expenditures to the Yukon, Northwest Territories and those outside Canada for food aid assistance and to international organizations

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

Operating expenditures include all expenses associated with the day-to-day operations of the department including salaries, employee benefits, travel and purchases of goods and services and the cost of administering various programs from different departments. Administration costs for certain programs e.g., GRIP and Crop Insurance are included with the program expenditures and therefore do not appear here.

Capital expenditures include expenditures for acquisition, construction and renovation of buildings and acquisition of physical assets such as land, property, furniture and large equipment.

Program expenditures include money transferred to individuals, agencies, program funds and other

agricultural entities through payments or money transfers from federal and provincial departments, or from either level of government.

• **Income Support and Stabilization programs** include grants and contributions paid under on-going programs such as NISA, the Dairy Subsidy Program, NTSP, GRIP and the Income Stabilization programs at the provincial level.

• **Ad hoc and Cost Reduction programs** include grants and contributions paid under ad hoc programs such as the Farm Support and Adjustment Measures (FSAM) and other adjustment/transition programs, as well as cost reducing programs such as artificial insemination and land rental assistance. The latter does not include cost reducing programs included in the categories below, e.g., interest rebate programs.

• **Crop Insurance program** includes government premiums paid to Crop Insurance funds and administration fees for the management of the program.

• **Financing Assistance** includes loan defaults under loan guarantee programs such as the Advance Payments for Crops Act (APCA) and the Prairie Grain Advance Payments Act (PGAPA), credit programs such as the Farm Improvement and Marketing Cooperatives Loans Act (FIMCLA) and interest rebate programs.

• **Storage and Freight programs** include grants and contributions made under transportation assistance programs such as Western Grain Transportation Act (WGTA) and the Transition Payments Program (WGTPP), MFRA, ARFAA and storage programs.

• **Social and Labor programs** include grants and contributions to community organizations and for general skills training such as support to agricultural labor.

• **Research programs** are restricted to grants and contributions aiming research activities including research for improvement of product quality. It does not include administrative costs (for example researchers' salaries). See Table C.3 for further information on research and inspection expenditures.

• **Food Inspection** programs are restricted to grants and contributions paid for animal health, veterinary services, product testing, disease control and food quality. This category does not include administrative costs (for example inspectors' salaries). See Table C.3 for further information on research and inspection expenditures.

• **International Development and Food Aid programs** include grants and contributions for activities for food aid assistance and support paid to international agricultural organizations. Also included in this category is the forgiveness of debts owed by developing countries and negotiated through the Canadian International Development Agency (CIDA). Forgiveness of debts in this category of expenditures are based on loans and lines of credit originally agreed for agriculture and agri-food development projects. These forgiveness of international food aid debts are incorporated in the federal time series of expenditures from 1990-91.



Methodology for Government Expenditures

- **Marketing and Trade programs** include grants for activities related to product promotion and marketing, and to market development. It also takes into account debt service reduction and/or reduction of the debt owed to the Canadian Wheat Board (CWB) and negotiated at the Paris Club. The debt reduction payments to the CWB are incorporated in the federal time series from 1991-92. It does not include payments made to the Export Development Corporation (EDC) in respect of the Paris Club agreements, since these payments covered non-agricultural debt.

- **Rural and Regional Development programs** include grants and contributions for general irrigation projects, community pastures, as well as general development projects under Federal/Provincial agreements.

- **Environment programs** include grants and contributions to activities related to the conservation of farm-related resources and wildlife, as well as expenditures for securing water supplies and Green Plan initiatives.

- **Education programs** include grants paid to agricultural educational institutions.

- **Extension programs** include grants and contributions paid for activities related to the provision of information, training and services to farmers such as Canadian 4-H Council and management of manure surpluses. It does not include administrative in the form of salaries paid to government employees for extension work. These costs are included in operating expenditures.

Tax expenditures are restricted to provincial tax rebates and exemptions for fuel, provincial tax rebates for property and federal tax rebates for fuel. Due to difficulties in measuring transfers in the form of exemptions for property tax programs, the property tax expenditures data series have been revised to include tax rebates only as reported in the provincial public accounts and estimates documents; they are available for Quebec, Ontario and Manitoba. Further work is required on property tax exemptions. Federal tax expenditures include fuel tax rebates. Sales and income taxes are excluded from federal and provincial estimates.

Recoveries include revenues from the items listed above in the general definition of government expenditures. The repayments of loans or advances and return on investments are not included in the recoveries.

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

Operating expenditures for research include as a large part researcher salaries, and expenses associated

with the day-to-day operations of research branches and centres in support of a competitive agri-food sector such as improving technology on production and on product attributes.

Operating expenditures for inspection and regulation of agricultural products include expenses associated with the day-to-day operations of inspection and control branches and centres, maintenance and coordination of network facilities and as a large part, inspector salaries towards prevention, verification and certification of commercially traded agri-food products. It also includes the supervision of race tracks.

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

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

Research program expenditures include grants and contributions for scientific and technological development in the agricultural sector provided to universities, scientific organizations and individuals.

Inspection program expenditures include grants and contributions as well as compensation for plant and animal losses, such as the Health of Animal Act, the Pesticides Residue Compensation Act and the Plant Protection Act.

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

GDP data are provided by the Conference Board of Canada in 1986 dollars. These data correspond to GDP data at Factor Cost reported by Statistics Canada. They are expressed in current dollars using the aggregate GDP (implicit price index) deflator also provided by the Conference Board of Canada. GDP data are presented on a quarterly basis and are grouped to obtain a time series on a fiscal year basis.

The overall GDP data include all sectors of activities for the total Canadian economy and are available for all provinces and Canada. The primary agriculture GDP data include all Agricultural and related services industries. The food GDP data include all Food industries within the Manufacturing industries. The beverage GDP data include all Beverage industries within the Manufacturing industries and are only available for Quebec, Ontario and Alberta for confidentiality reasons. The agri-food GDP is defined as the sum of the agriculture, food and beverage GDPs. It does not include sectors such as the Transportation and



Methodology for Government Expenditures

storage industries, the Wholesale trade industries and the Retail trade industries.

Total federal expenditures for 1995-96 are actual data. The 1995-96 total provincial expenditures for New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan and Alberta are actual data from the public accounts. Total expenditures for the other provinces for 1995-96 and all federal and provincial expenditures for 1996-97 are taken from the 1996-97 Estimates and Expenditure Plan documents.

Total Canada at the federal level includes the provinces as well as Yukon and Northwest Territories.

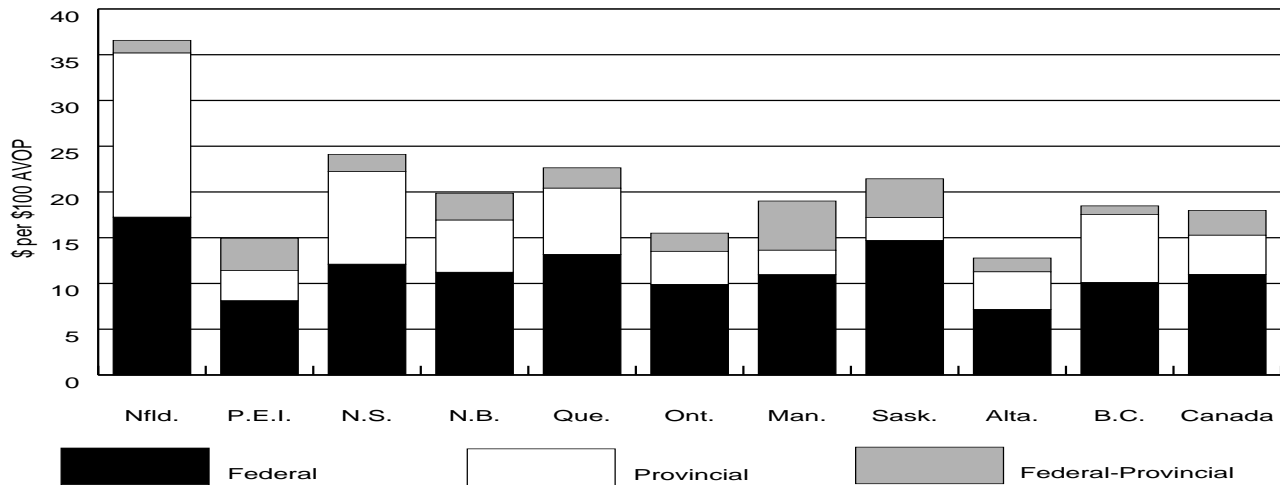


SECTION D

Government Transfers to Agricultural Producers

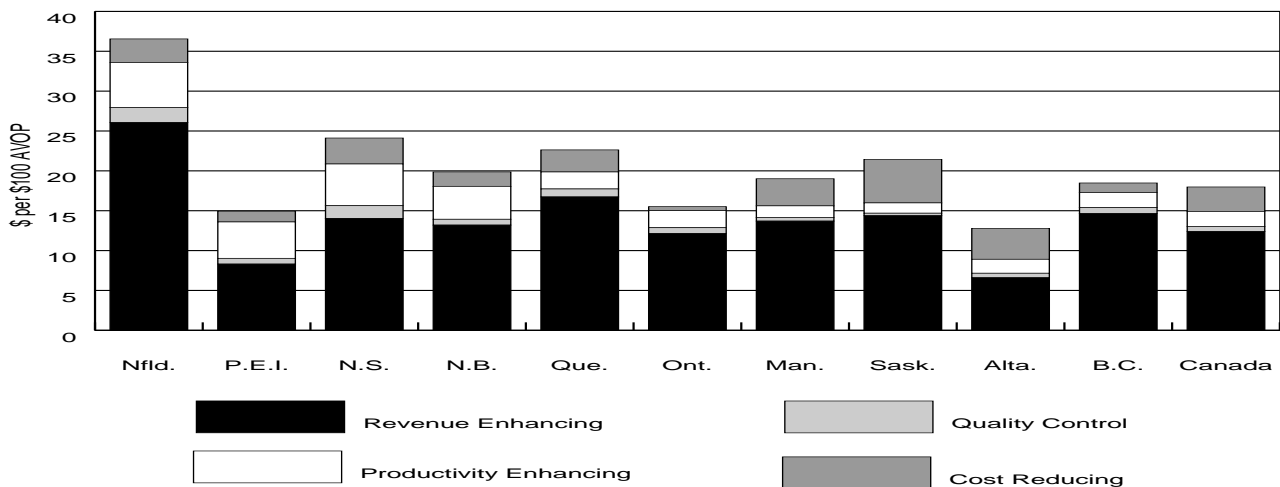


Figure D.1: Government Transfers by Source of Transfer, Canada and Provinces, 1995-96

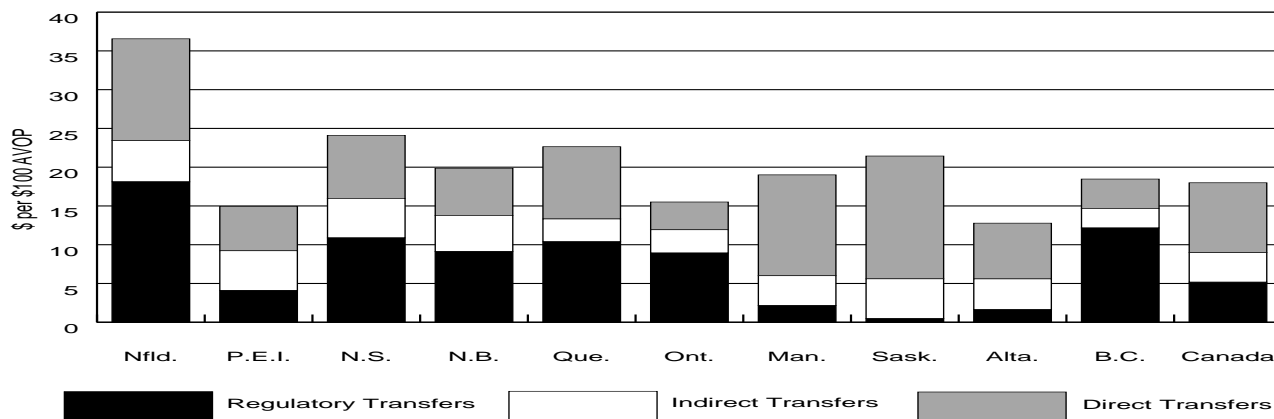


- Transfers to Canadian producers, including direct, indirect and regulatory government support, amounted to \$18 per \$100 of production value (AVOP).
- With the exception of Newfoundland, the percent support in all provinces was within approximately \$6 of the national average. At almost \$37, government transfers to Newfoundland producers were the highest among the ten provinces.
- Nationally, over 60% of all transfers (11.0% of AVOP) originated from the federal government. Provincial and cost-shared programs provided transfers of 4.3% and 2.7%, respectively, of national production value.

Figure D.2: Government Transfers by Program Objective, Canada and Provinces, 1995-96



- At the national level, the dominant form of agricultural transfer was revenue enhancing (\$12.39 per \$100 AVOP), followed by cost reducing (\$3.07), productivity enhancing (\$1.88), and quality control (\$0.64).
- Comparing the mixture of agricultural programs amongst the provinces, British Columbia had the highest proportion of revenue enhancing transfers (79%); Alberta the highest share of cost reducing transfers (30%); Prince Edward Island had the greatest proportion of productivity enhancement (31%); and Nova Scotia the highest share of transfers aimed at quality control (7%).

**Figure D.3: Government Transfers by Type of Transfer, Canada and Provinces, 1995-96**

- Nationally, direct transfers accounted for \$9.01 per \$100 AVOP (or 50% of all transfers); indirect transfers were \$3.81 (21%), and transfers arising from regulations \$5.17 (29%).
- The breakdown of transfers into the three types varied substantially across provinces. In British Columbia, for example, transfers paid directly to producers were a much smaller proportion (21% of the total), and regulations much larger (66%). Direct transfers made up the highest fraction of support in Saskatchewan, where they accounted for 74% of the provincial total. The proportion of indirect transfers was highest (34%) in Prince Edward Island, and the share of regulatory transfers lowest (2%) in Saskatchewan.

Note: An explanation of the terms used in this section is included in the Methodology notes.



Table D.1: Government Transfers by Source of Transfer, Program Objective and Type of Transfer, 1994-95 and 1995-96
Canada

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1994-95		1995-96		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	240,591,128	0.97	1,173,269,255	4.28	932,678,127	3.31
		Indirect	27,340,530	0.11	31,937,012	0.12	4,596,482	0.01
		Regulatory	1,358,812,921	5.46	1,099,706,688	4.01	(259,106,233)	-1.45
	Total		1,626,744,579	6.53	2,304,912,955	8.40	678,168,376	1.87
	Cost Reducing	Direct	60,752,596	0.24	33,127,738	0.12	(27,624,858)	-0.12
		Indirect	722,550,652	2.90	311,004,961	1.13	(411,545,691)	-1.77
		Regulatory	(552,374)	-0.00	(552,374)	-0.00	0	0.00
	Total		782,750,874	3.14	343,580,325	1.25	(439,170,549)	-1.89
	Productivity Enhancing	Direct	5,732,860	0.02	924,321	0.00	(4,808,539)	-0.02
		Indirect	220,405,001	0.89	234,391,534	0.85	13,986,533	-0.03
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		226,137,861	0.91	235,315,855	0.86	9,177,994	-0.05
	Quality Control	Direct	306,290	0.00	224,751	0.00	(81,539)	-0.00
Indirect		173,001,895	0.69	132,655,482	0.48	(40,346,413)	-0.21	
Regulatory		0	0.00	0	0.00	0	0.00	
Total		173,308,185	0.70	132,880,233	0.48	(40,427,952)	-0.21	
Total		2,808,941,499	11.28	3,016,689,368	10.99	207,747,868	-0.29	
Provincial	Revenue Enhancing	Direct	83,720,165	0.34	92,309,770	0.34	8,589,605	0.00
		Indirect	2,617,066	0.01	3,310,804	0.01	693,738	0.00
		Regulatory	340,305,849	1.37	318,903,875	1.16	(21,401,974)	-0.20
	Total		426,643,080	1.71	414,524,448	1.51	(12,118,631)	-0.20
	Cost Reducing	Direct	495,486,378	1.99	451,597,868	1.65	(43,888,510)	-0.34
		Indirect	43,319,955	0.17	44,874,417	0.16	1,554,462	-0.01
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		538,806,333	2.16	496,472,285	1.81	(42,334,048)	-0.36
	Productivity Enhancing	Direct	14,239,918	0.06	7,028,954	0.03	(7,210,964)	-0.03
		Indirect	219,810,634	0.88	213,271,474	0.78	(6,539,161)	-0.11
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		234,050,552	0.94	220,300,428	0.80	(13,750,125)	-0.14
	Quality Control	Direct	15,267,506	0.06	15,185,209	0.06	(82,297)	-0.01
Indirect		27,473,111	0.11	27,496,228	0.10	23,117	-0.01	
Regulatory		0	0.00	0	0.00	0	0.00	
Total		42,740,617	0.17	42,681,437	0.16	(59,180)	-0.02	
Total		1,242,240,582	4.99	1,173,978,597	4.28	(68,261,985)	-0.71	
Federal-Provincial	Revenue Enhancing	Direct	1,064,997,144	4.28	680,121,543	2.48	(384,875,601)	-1.80
		Indirect	0	0.00	1,904,214	0.01	1,904,214	0.01
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		1,064,997,144	4.28	682,025,757	2.49	(382,971,387)	-1.79
	Cost Reducing	Direct	624,000	0.00	1,001,799	0.00	377,799	0.00
		Indirect	1,490,016	0.01	1,500,000	0.01	9,984	-0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		2,114,016	0.01	2,501,799	0.01	387,783	0.00
	Productivity Enhancing	Direct	11,350,820	0.05	18,523,910	0.07	7,173,090	0.02
		Indirect	39,353,738	0.16	41,876,993	0.15	2,523,255	-0.01
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		50,704,558	0.20	60,400,903	0.22	9,696,345	0.02
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
Indirect		0	0.00	0	0.00	0	0.00	
Regulatory		0	0.00	0	0.00	0	0.00	
Total		0	0.00	0	0.00	0	0.00	
Total		1,117,815,718	4.49	744,928,459	2.71	(372,887,259)	-1.78	
Grand Total		5,168,997,799	20.76	4,935,596,424	17.99	(233,401,375)	-2.78	
AVOP (\$'00)		248,961,018		274,422,521		25,461,503		
	Total Direct Transfers		1,993,068,805	8.01	2,473,315,118	9.01	480,246,313	1.01
	Total Indirect Transfers		1,477,362,598	5.93	1,044,223,118	3.81	(433,139,481)	-2.13
	Total Regulatory Transfers		1,698,566,396	6.82	1,418,058,189	5.17	(280,508,207)	-1.66
	Total Revenue Enhancing		3,118,384,803	12.53	3,401,463,160	12.39	283,078,357	-0.13
	Total Cost Reducing		1,323,671,223	5.32	842,554,409	3.07	(481,116,814)	-2.25
	Total Productivity Enhancing		510,892,971	2.05	516,017,186	1.88	5,124,214	-0.17
	Total Quality Control		216,048,802	0.87	175,561,669	0.64	(40,487,133)	-0.23

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

Note: Quebec did not participate in the preparation and verification of government transfers. Quebec's provincial transfers were derived mainly from public accounts documents.



Table D.1: Government Transfers by Source of Transfer, Program Objective and Type of Transfer, 1994-95 and 1995-96
Newfoundland

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1994-95		1995-96		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	48,786	0.07	2,897,303	4.32	2,848,517	4.25
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	8,056,422	11.17	6,169,519	9.20	(1,886,903)	-1.97
	Total		8,105,208	11.24	9,066,822	13.52	961,614	2.28
	Cost Reducing	Direct	2,794,066	3.87	1,506,419	2.25	(1,287,648)	-1.63
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	(105,743)	-0.15	(105,743)	-0.16	0	-0.01
	Total		2,688,323	3.73	1,400,676	2.09	(1,287,648)	-1.64
	Productivity Enhancing	Direct	10,500	0.01	0	0.00	(10,500)	-0.01
		Indirect	621,858	0.86	629,147	0.94	7,289	0.08
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		632,358	0.88	629,147	0.94	(3,211)	0.06
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	634,028	0.88	467,048	0.70	(166,980)	-0.18
		Regulatory	0	0.00	0	0.00	0	0.00
Total		634,028	0.88	467,048	0.70	(166,980)	-0.18	
Total			12,059,917	16.72	11,563,692	17.24	(496,225)	0.52
Provincial	Revenue Enhancing	Direct	3,254,600	4.51	2,251,200	3.36	(1,003,400)	-1.16
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	6,148,511	8.53	6,086,071	9.07	(62,440)	0.55
	Total		9,403,111	13.04	8,337,271	12.43	(1,065,840)	-0.61
	Cost Reducing	Direct	647,340	0.90	586,130	0.87	(61,210)	-0.02
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		647,340	0.90	586,130	0.87	(61,210)	-0.02
	Productivity Enhancing	Direct	543,000	0.75	384,270	0.57	(158,730)	-0.18
		Indirect	2,134,600	2.96	1,922,131	2.87	(212,469)	-0.09
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		2,677,600	3.71	2,306,401	3.44	(371,199)	-0.27
	Quality Control	Direct	876,300	1.22	803,086	1.20	(73,214)	-0.02
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
Total		876,300	1.22	803,086	1.20	(73,214)	-0.02	
Total			13,604,351	18.87	12,032,888	17.94	(1,571,463)	-0.93
Federal-Provincial	Revenue Enhancing	Direct	80,944	0.11	71,760	0.11	(9,184)	-0.01
		Indirect	0	0.00	374	0.00	374	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		80,944	0.11	72,134	0.11	(8,810)	-0.00
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		0	0.00	0	0.00	0	0.00
	Productivity Enhancing	Direct	1,729,100	2.40	311,493	0.46	(1,417,607)	-1.93
		Indirect	1,144,409	1.59	545,523	0.81	(598,886)	-0.77
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		2,873,509	3.98	857,016	1.28	(2,016,493)	-2.71
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
Total		0	0.00	0	0.00	0	0.00	
Total			2,954,453	4.10	929,150	1.39	(2,025,303)	-2.71
Grand Total			28,618,721	39.69	24,525,730	36.56	(4,092,991)	-3.12
AVOP (\$'00)			721,106		670,757		(50,350)	
	Total Direct Transfers		9,984,637	13.85	8,811,661	13.14	(1,172,976)	-0.71
	Total Indirect Transfers		4,534,895	6.29	3,564,223	5.31	(970,672)	-0.98
	Total Regulatory Transfers		14,099,190	19.55	12,149,847	18.11	(1,949,343)	-1.44
	Total Revenue Enhancing		17,589,263	24.39	17,476,227	26.05	(113,036)	1.66
	Total Cost Reducing		3,335,663	4.63	1,986,806	2.96	(1,348,858)	-1.66
	Total Productivity Enhancing		6,183,467	8.57	3,792,564	5.65	(2,390,903)	-2.92
	Total Quality Control		1,510,328	2.09	1,270,134	1.89	(240,194)	-0.20

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



Table D.1: Government Transfers by Source of Transfer, Program Objective and Type of Transfer, 1994-95 and 1995-96
Prince Edward Island

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1994-95		1995-96		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	5,208,441	1.69	6,010,268	1.78	801,826	0.09
		Indirect	47,312	0.02	567,130	0.17	519,818	0.15
		Regulatory	13,151,821	4.27	12,282,719	3.64	(869,101)	-0.63
	Total	18,407,574	5.98	18,860,117	5.59	452,543	-0.39	
	Cost Reducing	Direct	2,960,085	0.96	2,290,436	0.68	(669,649)	-0.28
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	(51,364)	-0.02	(51,364)	-0.02	0	0.00
	Total	2,908,721	0.94	2,239,072	0.66	(669,649)	-0.28	
	Productivity Enhancing	Direct	264,100	0.09	0	0.00	(264,100)	-0.09
		Indirect	3,846,199	1.25	4,681,251	1.39	835,052	0.14
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	4,110,299	1.33	4,681,251	1.39	570,952	0.05	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	1,871,828	0.61	1,572,215	0.47	(299,613)	-0.14
Regulatory		0	0.00	0	0.00	0	0.00	
Total	1,871,828	0.61	1,572,215	0.47	(299,613)	-0.14		
Total			27,298,422	8.86	27,352,655	8.10	54,233	-0.76
Provincial	Revenue Enhancing	Direct	805,568	0.26	688,819	0.20	(116,749)	-0.06
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	1,799,417	0.58	1,638,957	0.49	(160,460)	-0.10
	Total	2,604,985	0.85	2,327,776	0.69	(277,209)	-0.16	
	Cost Reducing	Direct	2,597,524	0.84	2,087,911	0.62	(509,613)	-0.22
		Indirect	190,333	0.06	240,835	0.07	50,502	0.01
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	2,787,857	0.90	2,328,746	0.69	(459,111)	-0.22	
	Productivity Enhancing	Direct	270,415	0.09	227,451	0.07	(42,964)	-0.02
		Indirect	5,591,289	1.82	5,446,724	1.61	(144,566)	-0.20
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	5,861,704	1.90	5,674,175	1.68	(187,530)	-0.22	
	Quality Control	Direct	632,665	0.21	632,000	0.19	(665)	-0.02
		Indirect	234,632	0.08	222,617	0.07	(12,015)	-0.01
Regulatory		0	0.00	0	0.00	0	0.00	
Total	867,297	0.28	854,617	0.25	(12,680)	-0.03		
Total			12,121,843	3.93	11,185,314	3.31	(936,530)	-0.62
Federal-Provincial	Revenue Enhancing	Direct	3,476,882	1.13	6,852,795	2.03	3,375,913	0.90
		Indirect	0	0.00	9,447	0.00	9,447	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	3,476,882	1.13	6,862,242	2.03	3,385,360	0.90	
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	0	0.00	0	0.00	0	0.00	
	Productivity Enhancing	Direct	735,300	0.24	527,762	0.16	(207,538)	-0.08
		Indirect	3,163,650	1.03	4,523,285	1.34	1,359,635	0.31
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	3,898,950	1.27	5,051,047	1.50	1,152,097	0.23	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
Regulatory		0	0.00	0	0.00	0	0.00	
Total	0	0.00	0	0.00	0	0.00		
Total			7,375,832	2.39	11,913,289	3.53	4,537,457	1.13
Grand Total			46,796,097	15.19	50,451,258	14.94	3,655,161	-0.25
AVOP (\$'00)			3,080,550		3,376,654		296,105	
	Total Direct Transfers		16,950,980	5.50	19,317,442	5.72	2,366,462	0.22
	Total Indirect Transfers		14,945,243	4.85	17,263,503	5.11	2,318,260	0.26
	Total Regulatory Transfers		14,899,874	4.84	13,870,312	4.11	(1,029,562)	-0.73
	Total Revenue Enhancing		24,489,441	7.95	28,050,135	8.31	3,560,694	0.36
	Total Cost Reducing		5,696,578	1.85	4,567,818	1.35	(1,128,760)	-0.50
	Total Productivity Enhancing		13,870,953	4.50	15,406,473	4.56	1,535,520	0.06
	Total Quality Control		2,739,125	0.89	2,426,832	0.72	(312,293)	-0.17

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



Table D.1: Government Transfers by Source of Transfer, Program Objective and Type of Transfer, 1994-95 and 1995-96
Nova Scotia

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1994-95		1995-96		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	3,479,831	1.05	6,249,851	2.03	2,770,020	0.98
		Indirect	208,087	0.06	0	0.00	(208,087)	-0.06
		Regulatory	27,730,896	8.40	23,054,614	7.50	(4,676,282)	-0.90
	Total	31,418,813	9.52	29,304,465	9.53	(2,114,349)	0.01	
	Cost Reducing	Direct	3,809,938	1.15	2,621,085	0.85	(1,188,852)	-0.30
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	(248,480)	-0.08	(248,480)	-0.08	0	-0.01
	Total	3,561,458	1.08	2,372,605	0.77	(1,188,852)	-0.31	
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	3,515,538	1.07	3,407,803	1.11	(107,735)	0.04
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	3,515,538	1.07	3,407,803	1.11	(107,735)	0.04	
	Quality Control	Direct	13,974	0.00	525	0.00	(13,449)	-0.00
		Indirect	2,839,037	0.86	2,100,845	0.68	(738,192)	-0.18
		Regulatory	0	0.00	0	0.00	0	0.00
Total	2,853,011	0.86	2,101,370	0.68	(751,641)	-0.18		
Total			41,348,820	12.53	37,186,243	12.10	(4,162,577)	-0.43
Provincial	Revenue Enhancing	Direct	20,400	0.01	0	0.00	(20,400)	-0.01
		Indirect	65,500	0.02	727,815	0.24	662,315	0.22
		Regulatory	13,130,657	3.98	10,620,156	3.46	(2,510,501)	-0.52
	Total	13,216,557	4.01	11,347,971	3.69	(1,868,586)	-0.31	
	Cost Reducing	Direct	7,852,220	2.38	7,634,244	2.48	(217,976)	0.10
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	7,852,220	2.38	7,634,244	2.48	(217,976)	0.10	
	Productivity Enhancing	Direct	3,835,100	1.16	1,840,056	0.60	(1,995,044)	-0.56
		Indirect	8,257,800	2.50	7,524,234	2.45	(733,566)	-0.05
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	12,092,900	3.66	9,364,290	3.05	(2,728,611)	-0.62	
	Quality Control	Direct	1,209,200	0.37	1,494,057	0.49	284,857	0.12
		Indirect	1,129,710	0.34	1,280,869	0.42	151,159	0.07
		Regulatory	0	0.00	0	0.00	0	0.00
Total	2,338,910	0.71	2,774,926	0.90	436,016	0.19		
Total			35,500,587	10.76	31,121,431	10.13	(4,379,156)	-0.63
Federal-Provincial	Revenue Enhancing	Direct	1,819,738	0.55	2,482,876	0.81	663,138	0.26
		Indirect	0	0.00	6,220	0.00	6,220	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	1,819,738	0.55	2,489,096	0.81	669,358	0.26	
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	0	0.00	0	0.00	0	0.00	
	Productivity Enhancing	Direct	5,090,807	1.54	2,656,256	0.86	(2,434,551)	-0.68
		Indirect	722,413	0.22	637,027	0.21	(85,386)	-0.01
		Regulatory	0	0.00	0	0.00	0	0.00
	Total	5,813,220	1.76	3,293,283	1.07	(2,519,937)	-0.69	
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
Total	0	0.00	0	0.00	0	0.00		
Total			7,632,958	2.31	5,782,379	1.88	(1,850,579)	-0.43
Grand Total			84,482,365	25.60	74,090,052	24.11	(10,392,312)	-1.50
AVOP (\$'00)			3,299,632		3,073,540		(226,093)	
	Total Direct Transfers		27,131,207	8.22	24,978,950	8.13	(2,152,257)	-0.10
	Total Indirect Transfers		16,738,085	5.07	15,684,813	5.10	(1,053,273)	0.03
	Total Regulatory Transfers		40,613,073	12.31	33,426,290	10.88	(7,186,783)	-1.43
	Total Revenue Enhancing		46,455,108	14.08	43,141,532	14.04	(3,313,576)	-0.04
	Total Cost Reducing		11,413,678	3.46	10,006,849	3.26	(1,406,828)	-0.20
	Total Productivity Enhancing		21,421,658	6.49	16,065,376	5.23	(5,356,283)	-1.27
	Total Quality Control		5,191,921	1.57	4,876,296	1.59	(315,625)	0.01

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



Table D.1: Government Transfers by Source of Transfer, Program Objective and Type of Transfer, 1994-95 and 1995-96
New Brunswick

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1994-95		1995-96		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	3,016,939	1.02	5,716,299	1.94	2,699,360	0.93
		Indirect	456,499	0.15	194,773	0.07	(261,726)	-0.09
		Regulatory	24,803,743	8.35	19,847,440	6.75	(4,956,303)	-1.59
	Total		28,277,181	9.51	25,758,511	8.76	(2,518,670)	-0.75
	Cost Reducing	Direct	3,624,075	1.22	2,239,303	0.76	(1,384,771)	-0.46
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	(231,609)	-0.08	(231,609)	-0.08	0	-0.00
	Total		3,392,466	1.14	2,007,694	0.68	(1,384,771)	-0.46
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	3,346,800	1.13	3,431,071	1.17	84,271	0.04
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		3,346,800	1.13	3,431,071	1.17	84,271	0.04
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	2,292,945	0.77	1,791,323	0.61	(501,622)	-0.16
Regulatory		0	0.00	0	0.00	0	0.00	
Total		2,292,945	0.77	1,791,323	0.61	(501,622)	-0.16	
Total			37,309,391	12.55	32,988,599	11.22	(4,320,792)	-1.33
Provincial	Revenue Enhancing	Direct	649,597	0.22	828,367	0.28	178,770	0.06
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	6,503,556	2.19	7,220,936	2.46	717,380	0.27
	Total		7,153,153	2.41	8,049,303	2.74	896,150	0.33
	Cost Reducing	Direct	3,314,289	1.12	3,109,413	1.06	(204,876)	-0.06
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		3,314,289	1.12	3,109,413	1.06	(204,876)	-0.06
	Productivity Enhancing	Direct	166,906	0.06	157,618	0.05	(9,288)	-0.00
		Indirect	4,545,620	1.53	5,085,007	1.73	539,387	0.20
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		4,712,526	1.59	5,242,625	1.78	530,099	0.20
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	346,411	0.12	352,438	0.12	6,027	0.00
Regulatory		0	0.00	0	0.00	0	0.00	
Total		346,411	0.12	352,438	0.12	6,027	0.00	
Total			15,526,379	5.22	16,753,779	5.70	1,227,400	0.48
Federal-Provincial	Revenue Enhancing	Direct	3,782,628	1.27	4,974,252	1.69	1,191,624	0.42
		Indirect	0	0.00	6,805	0.00	6,805	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		3,782,628	1.27	4,981,057	1.69	1,198,429	0.42
	Cost Reducing	Direct	0	0.00	189,299	0.06	189,299	0.06
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		0	0.00	189,299	0.06	189,299	0.06
	Productivity Enhancing	Direct	776,421	0.26	642,379	0.22	(134,042)	-0.04
		Indirect	5,034,383	1.69	2,820,548	0.96	(2,213,835)	-0.73
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		5,810,804	1.96	3,462,927	1.18	(2,347,877)	-0.78
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
Regulatory		0	0.00	0	0.00	0	0.00	
Total		0	0.00	0	0.00	0	0.00	
Total			9,593,432	3.23	8,633,283	2.94	(960,149)	-0.29
Grand Total			62,429,202	21.01	58,375,662	19.86	(4,053,541)	-1.15
AVOP (\$'00)			2,971,929		2,939,229		(32,699)	
	Total Direct Transfers		15,330,855	5.16	17,856,930	6.08	2,526,075	0.92
	Total Indirect Transfers		16,022,658	5.39	13,681,965	4.65	(2,340,693)	-0.74
	Total Regulatory Transfers		31,075,690	10.46	26,836,767	9.13	(4,238,922)	-1.33
	Total Revenue Enhancing		39,212,962	13.19	38,788,871	13.20	(424,090)	0.00
	Total Cost Reducing		6,706,755	2.26	5,306,406	1.81	(1,400,348)	-0.45
	Total Productivity Enhancing		13,870,130	4.67	12,136,623	4.13	(1,733,507)	-0.54
	Total Quality Control		2,639,356	0.89	2,143,761	0.73	(495,595)	-0.16

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



Table D.1: Government Transfers by Source of Transfer, Program Objective and Type of Transfer, 1994-95 and 1995-96
Quebec

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1994-95		1995-96		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	109,023,894	2.63	105,573,853	2.41	(3,450,041)	-0.21
		Indirect	2,351,182	0.06	10,496,066	0.24	8,144,884	0.18
		Regulatory	476,151,447	11.47	393,075,629	8.99	(83,075,818)	-2.48
	Total		587,526,523	14.15	509,145,548	11.64	(78,380,974)	-2.51
	Cost Reducing	Direct	6,695,183	0.16	4,179,141	0.10	(2,516,042)	-0.07
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	84,822	0.00	84,822	0.00	0	-0.00
	Total		6,780,005	0.16	4,263,963	0.10	(2,516,042)	-0.07
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	35,902,732	0.86	38,266,074	0.88	2,363,342	0.01
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		35,902,732	0.86	38,266,074	0.88	2,363,342	0.01
	Quality Control	Direct	19,604	0.00	95,701	0.00	76,097	0.00
		Indirect	32,267,940	0.78	24,296,606	0.56	(7,971,334)	-0.22
Regulatory		0	0.00	0	0.00	0	0.00	
Total		32,287,544	0.78	24,392,307	0.56	(7,895,237)	-0.22	
Total			662,496,804	15.96	576,067,893	13.17	(86,428,912)	-2.79
Provincial	Revenue Enhancing	Direct	74,313,347	1.79	75,958,293	1.74	1,644,946	-0.05
		Indirect	88,000	0.00	244,918	0.01	156,918	0.00
		Regulatory	66,042,764	1.59	60,891,633	1.39	(5,151,131)	-0.20
	Total		140,444,111	3.38	137,094,844	3.14	(3,349,267)	-0.25
	Cost Reducing	Direct	92,090,905	2.22	116,046,229	2.65	23,955,325	0.44
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		92,090,905	2.22	116,046,229	2.65	23,955,325	0.44
	Productivity Enhancing	Direct	3,500,750	0.08	1,353,200	0.03	(2,147,550)	-0.05
		Indirect	41,359,466	1.00	42,431,149	0.97	1,071,682	-0.03
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		44,860,216	1.08	43,784,349	1.00	(1,075,868)	-0.08
	Quality Control	Direct	12,168,800	0.29	11,900,000	0.27	(268,800)	-0.02
		Indirect	7,579,455	0.18	7,582,487	0.17	3,032	-0.01
Regulatory		0	0.00	0	0.00	0	0.00	
Total		19,748,255	0.48	19,482,487	0.45	(265,768)	-0.03	
Total			297,143,486	7.16	316,407,908	7.24	19,264,422	0.08
Federal-Provincial	Revenue Enhancing	Direct	90,342,498	2.18	85,317,286	1.95	(5,025,212)	-0.23
		Indirect	0	0.00	201,920	0.00	201,920	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		90,342,498	2.18	85,519,206	1.96	(4,823,292)	-0.22
	Cost Reducing	Direct	620,000	0.01	812,500	0.02	192,500	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		620,000	0.01	812,500	0.02	192,500	0.00
	Productivity Enhancing	Direct	0	0.00	6,242,561	0.14	6,242,561	0.14
		Indirect	1,452,306	0.03	4,882,976	0.11	3,430,670	0.08
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		1,452,306	0.03	11,125,537	0.25	9,673,231	0.22
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
Regulatory		0	0.00	0	0.00	0	0.00	
Total		0	0.00	0	0.00	0	0.00	
Total			92,414,804	2.23	97,457,243	2.23	5,042,439	0.00
Grand Total			1,052,055,095	25.35	989,933,044	22.64	(62,122,051)	-2.71
AVOP (\$'00)			41,506,830		43,726,698		2,219,868	
	Total Direct Transfers		388,774,981	9.37	407,478,764	9.32	18,703,784	-0.05
	Total Indirect Transfers		121,001,081	2.92	128,402,195	2.94	7,401,114	0.02
	Total Regulatory Transfers		542,279,033	13.06	454,052,084	10.38	(88,226,949)	-2.68
	Total Revenue Enhancing		818,313,131	19.72	731,759,598	16.73	(86,553,533)	-2.98
	Total Cost Reducing		99,490,910	2.40	121,122,693	2.77	21,631,783	0.37
	Total Productivity Enhancing		82,215,254	1.98	93,175,960	2.13	10,960,705	0.15
	Total Quality Control		52,035,799	1.25	43,874,793	1.00	(8,161,006)	-0.25

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

Note: Quebec did not participate in the preparation and verification of government transfers. Quebec's provincial transfers were derived mainly from public accounts documents.



Table D.1: Government Transfers by Source of Transfer, Program Objective and Type of Transfer, 1994-95 and 1995-96
Ontario

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1994-95		1995-96		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	72,314,382	1.24	70,598,553	1.17	(1,715,829)	-0.07
		Indirect	2,877,141	0.05	7,000,000	0.12	4,122,859	0.07
		Regulatory	506,399,993	8.67	425,092,074	7.02	(81,307,919)	-1.65
	Total		581,591,516	9.96	502,690,627	8.30	(78,900,889)	-1.66
	Cost Reducing	Direct	9,177,253	0.16	3,558,328	0.06	(5,618,925)	-0.10
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		9,177,253	0.16	3,558,328	0.06	(5,618,925)	-0.10
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	58,436,861	1.00	61,535,450	1.02	3,098,589	0.02
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		58,436,861	1.00	61,535,450	1.02	3,098,589	0.02
	Quality Control	Direct	254,292	0.00	20,562	0.00	(233,730)	-0.00
		Indirect	43,806,958	0.75	32,077,807	0.53	(11,729,151)	-0.22
Regulatory		0	0.00	0	0.00	0	0.00	
Total		44,061,250	0.75	32,098,369	0.53	(11,962,881)	-0.22	
Total		693,266,880	11.87	599,882,774	9.90	(93,384,106)	-1.96	
Provincial	Revenue Enhancing	Direct	705,023	0.01	844,397	0.01	139,374	0.00
		Indirect	1,212,761	0.02	1,126,436	0.02	(86,325)	-0.00
		Regulatory	122,885,729	2.10	115,978,507	1.91	(6,907,222)	-0.19
	Total		124,803,513	2.14	117,949,340	1.95	(6,854,173)	-0.19
	Cost Reducing	Direct	28,268,813	0.48	25,862,613	0.43	(2,406,200)	-0.06
		Indirect	13,739	0.00	836,899	0.01	823,160	0.01
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		28,282,552	0.48	26,699,512	0.44	(1,583,040)	-0.04
	Productivity Enhancing	Direct	2,827,747	0.05	1,870,847	0.03	(956,900)	-0.02
		Indirect	59,935,459	1.03	59,363,491	0.98	(571,968)	-0.05
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		62,763,206	1.07	61,234,338	1.01	(1,528,868)	-0.06
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	16,482,199	0.28	12,716,737	0.21	(3,765,462)	-0.07
Regulatory		0	0.00	0	0.00	0	0.00	
Total		16,482,199	0.28	12,716,737	0.21	(3,765,462)	-0.07	
Total		232,331,470	3.98	218,599,927	3.61	(13,731,543)	-0.37	
Federal-Provincial	Revenue Enhancing	Direct	153,124,442	2.62	113,847,671	1.88	(39,276,771)	-0.74
		Indirect	0	0.00	236,480	0.00	236,480	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		153,124,442	2.62	114,084,151	1.88	(39,040,291)	-0.74
	Cost Reducing	Direct	4,000	0.00	0	0.00	(4,000)	-0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		4,000	0.00	0	0.00	(4,000)	-0.00
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	6,708,715	0.11	6,667,224	0.11	(41,491)	-0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		6,708,715	0.11	6,667,224	0.11	(41,491)	-0.00
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
Regulatory		0	0.00	0	0.00	0	0.00	
Total		0	0.00	0	0.00	0	0.00	
Total		159,837,157	2.74	120,751,375	1.99	(39,085,782)	-0.74	
Grand Total		1,085,435,507	18.58	939,234,076	15.51	(146,201,431)	-3.08	
AVOP (\$'00)		58,412,010		60,570,540		2,158,530		
	Total Direct Transfers		266,675,952	4.57	216,602,971	3.58	(50,072,981)	-0.99
	Total Indirect Transfers		189,473,833	3.24	181,560,524	3.00	(7,913,309)	-0.25
	Total Regulatory Transfers		629,285,722	10.77	541,070,581	8.93	(88,215,141)	-1.84
	Total Revenue Enhancing		859,519,471	14.71	734,724,118	12.13	(124,795,352)	-2.58
	Total Cost Reducing		37,463,805	0.64	30,257,840	0.50	(7,205,965)	-0.14
	Total Productivity Enhancing		127,908,782	2.19	129,437,012	2.14	1,528,230	-0.05
	Total Quality Control		60,543,449	1.04	44,815,106	0.74	(15,728,343)	-0.30

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



Table D.1: Government Transfers by Source of Transfer, Program Objective and Type of Transfer, 1994-95 and 1995-96

Manitoba

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1994-95		1995-96		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	8,727,009	0.36	155,793,537	5.96	147,066,528	5.59
		Indirect	21,447,535	0.90	8,101,651	0.31	(13,345,884)	-0.59
		Regulatory	58,534,852	2.45	46,105,844	1.76	(12,429,008)	-0.68
	Total		88,709,396	3.71	210,001,031	8.03	121,291,635	4.32
	Cost Reducing	Direct	5,871,456	0.25	3,391,572	0.13	(2,479,884)	-0.12
		Indirect	93,683,178	3.91	42,198,737	1.61	(51,484,441)	-2.30
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		99,554,634	4.16	45,590,309	1.74	(53,964,325)	-2.42
	Productivity Enhancing	Direct	522,710	0.02	22,340	0.00	(500,370)	-0.02
		Indirect	19,573,876	0.82	18,764,695	0.72	(809,181)	-0.10
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		20,096,586	0.84	18,787,035	0.72	(1,309,551)	-0.12
	Quality Control	Direct	420	0.00	99,605	0.00	99,185	0.00
		Indirect	15,023,569	0.63	11,797,795	0.45	(3,225,774)	-0.18
Regulatory		0	0.00	0	0.00	0	0.00	
Total		15,023,989	0.63	11,897,400	0.45	(3,126,589)	-0.17	
Total		223,384,605	9.33	286,275,776	10.95	62,891,171	1.61	
Provincial	Revenue Enhancing	Direct	409,822	0.02	758,610	0.03	348,788	0.01
		Indirect	683,520	0.03	1,031,559	0.04	348,039	0.01
		Regulatory	12,060,642	0.50	10,101,795	0.39	(1,958,847)	-0.12
	Total		13,153,984	0.55	11,891,964	0.45	(1,262,020)	-0.09
	Cost Reducing	Direct	48,643,919	2.03	43,012,413	1.64	(5,631,506)	-0.39
		Indirect	10,202	0.00	10,363	0.00	161	-0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		48,654,121	2.03	43,022,776	1.64	(5,631,345)	-0.39
	Productivity Enhancing	Direct	911,000	0.04	973,377	0.04	62,377	-0.00
		Indirect	14,348,790	0.60	13,999,260	0.54	(349,530)	-0.06
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		15,259,790	0.64	14,972,637	0.57	(287,153)	-0.06
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	139,598	0.01	248,217	0.01	108,619	0.00
Regulatory		0	0.00	0	0.00	0	0.00	
Total		139,598	0.01	248,217	0.01	108,619	0.00	
Total		77,207,493	3.23	70,135,594	2.68	(7,071,899)	-0.54	
Federal-Provincial	Revenue Enhancing	Direct	156,005,640	6.52	136,238,866	5.21	(19,766,774)	-1.31
		Indirect	0	0.00	185,420	0.01	185,420	0.01
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		156,005,640	6.52	136,424,286	5.22	(19,581,354)	-1.30
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	349,067	0.01	350,000	0.01	933	-0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		349,067	0.01	350,000	0.01	933	-0.00
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	5,421,637	0.23	4,051,349	0.15	(1,370,288)	-0.07
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		5,421,637	0.23	4,051,349	0.15	(1,370,288)	-0.07
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
Regulatory		0	0.00	0	0.00	0	0.00	
Total		0	0.00	0	0.00	0	0.00	
Total		161,776,344	6.76	140,825,635	5.38	(20,950,709)	-1.37	
Grand Total		462,368,442	19.31	497,237,005	19.01	34,868,563	-0.30	
AVOP (\$'00)		23,939,110		26,154,123		2,215,013		
	Total Direct Transfers		221,091,976	9.24	340,290,320	13.01	119,198,344	3.78
	Total Indirect Transfers		170,680,972	7.13	100,739,046	3.85	(69,941,926)	-3.28
	Total Regulatory Transfers		70,595,494	2.95	56,207,639	2.15	(14,387,855)	-0.80
	Total Revenue Enhancing		257,869,020	10.77	358,317,281	13.70	100,448,261	2.93
	Total Cost Reducing		148,557,822	6.21	88,963,086	3.40	(59,594,736)	-2.80
	Total Productivity Enhancing		40,778,013	1.70	37,811,021	1.45	(2,966,992)	-0.26
	Total Quality Control		15,163,587	0.63	12,145,617	0.46	(3,017,970)	-0.17

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



Table D.1: Government Transfers by Source of Transfer, Program Objective and Type of Transfer, 1994-95 and 1995-96
Saskatchewan

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1994-95		1995-96		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	11,450,066	0.23	586,892,166	9.80	575,442,100	9.57
		Indirect	13,626,137	0.28	8,242,527	0.14	(5,383,610)	-0.14
		Regulatory	31,160,147	0.63	17,520,179	0.29	(13,639,968)	-0.34
	Total		56,236,350	1.14	612,654,872	10.23	556,418,522	9.09
	Cost Reducing	Direct	10,171,324	0.21	3,823,727	0.06	(6,347,597)	-0.14
		Indirect	466,187,444	9.44	201,129,269	3.36	(265,058,175)	-6.08
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		476,358,768	9.65	204,952,996	3.42	(271,405,772)	-6.22
	Productivity Enhancing	Direct	2,424,475	0.05	531,481	0.01	(1,892,994)	-0.04
		Indirect	39,359,708	0.80	41,620,851	0.70	2,261,143	-0.10
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		41,784,183	0.85	42,152,332	0.70	368,149	-0.14
	Quality Control	Direct	5,000	0.00	1,656	0.00	(3,344)	-0.00
		Indirect	24,131,775	0.49	18,977,662	0.32	(5,154,113)	-0.17
Regulatory		0	0.00	0	0.00	0	0.00	
Total		24,136,775	0.49	18,979,318	0.32	(5,157,457)	-0.17	
Total			598,516,076	12.12	878,739,518	14.68	280,223,442	2.56
Provincial	Revenue Enhancing	Direct	1,685,035	0.03	629,473	0.01	(1,055,562)	-0.02
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	10,981,934	0.22	10,176,335	0.17	(805,599)	-0.05
	Total		12,666,969	0.26	10,805,808	0.18	(1,861,161)	-0.08
	Cost Reducing	Direct	132,927,799	2.69	111,685,428	1.87	(21,242,371)	-0.83
		Indirect	9,579,979	0.19	9,731,247	0.16	151,268	-0.03
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		142,507,778	2.89	121,416,675	2.03	(21,091,103)	-0.86
	Productivity Enhancing	Direct	2,185,000	0.04	222,135	0.00	(1,962,865)	-0.04
		Indirect	17,499,418	0.35	17,883,176	0.30	383,758	-0.06
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		19,684,418	0.40	18,105,311	0.30	(1,579,107)	-0.10
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	415,071	0.01	454,812	0.01	39,741	-0.00
Regulatory		0	0.00	0	0.00	0	0.00	
Total		415,071	0.01	454,812	0.01	39,741	-0.00	
Total			175,274,236	3.55	150,782,606	2.52	(24,491,630)	-1.03
Federal-Provincial	Revenue Enhancing	Direct	414,901,413	8.40	236,182,645	3.94	(178,718,768)	-4.46
		Indirect	0	0.00	465,479	0.01	465,479	0.01
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		414,901,413	8.40	236,648,124	3.95	(178,253,289)	-4.45
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	548,533	0.01	550,000	0.01	1,467	-0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		548,533	0.01	550,000	0.01	1,467	-0.00
	Productivity Enhancing	Direct	3,019,192	0.06	8,143,459	0.14	5,124,267	0.07
		Indirect	7,630,885	0.15	8,812,132	0.15	1,181,247	-0.01
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		10,650,077	0.22	16,955,591	0.28	6,305,514	0.07
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
Regulatory		0	0.00	0	0.00	0	0.00	
Total		0	0.00	0	0.00	0	0.00	
Total			426,100,023	8.63	254,153,715	4.24	(171,946,308)	-4.38
Grand Total			1,199,890,335	24.30	1,283,675,839	21.44	83,785,504	-2.86
AVOP (\$'00)			49,378,653		59,871,772		10,493,119	
	Total Direct Transfers		578,769,304	11.72	948,112,170	15.84	369,342,866	4.11
	Total Indirect Transfers		578,978,950	11.73	307,867,154	5.14	(271,111,795)	-6.58
	Total Regulatory Transfers		42,142,081	0.85	27,696,514	0.46	(14,445,567)	-0.39
	Total Revenue Enhancing		483,804,732	9.80	860,108,804	14.37	376,304,072	4.57
	Total Cost Reducing		619,415,079	12.54	326,919,671	5.46	(292,495,408)	-7.08
	Total Productivity Enhancing		72,118,678	1.46	77,213,234	1.29	5,094,556	-0.17
	Total Quality Control		24,551,846	0.50	19,434,130	0.32	(5,117,716)	-0.17

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



Table D.1: Government Transfers by Source of Transfer, Program Objective and Type of Transfer, 1994-95 and 1995-96
Alberta

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1994-95		1995-96		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	15,265,728	0.29	221,995,451	3.61	206,729,723	3.33
		Indirect	(16,019,509)	-0.30	(3,302,047)	-0.05	12,717,462	0.25
		Regulatory	102,792,501	1.92	69,248,210	1.13	(33,544,291)	-0.80
	Total		102,038,720	1.91	287,941,614	4.69	185,902,894	2.78
	Cost Reducing	Direct	6,635,667	0.12	3,885,146	0.06	(2,750,521)	-0.06
		Indirect	165,967,756	3.11	69,878,784	1.14	(96,088,972)	-1.97
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		172,603,423	3.23	73,763,930	1.20	(98,839,493)	-2.03
	Productivity Enhancing	Direct	2,352,330	0.04	350,715	0.01	(2,001,615)	-0.04
		Indirect	41,049,472	0.77	46,387,861	0.75	5,338,389	-0.01
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		43,401,802	0.81	46,738,576	0.76	3,336,774	-0.05
	Quality Control	Direct	13,000	0.00	4,350	0.00	(8,650)	-0.00
		Indirect	38,848,777	0.73	31,156,826	0.51	(7,691,951)	-0.22
		Regulatory	0	0.00	0	0.00	0	0.00
Total		38,861,777	0.73	31,161,176	0.51	(7,700,601)	-0.22	
Total			356,905,722	6.68	439,605,296	7.15	82,699,574	0.47
Provincial	Revenue Enhancing	Direct	365,000	0.01	1,152,000	0.02	787,000	0.01
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	30,710,843	0.57	30,413,515	0.49	(297,328)	-0.08
	Total		31,075,843	0.58	31,565,515	0.51	489,672	-0.07
	Cost Reducing	Direct	167,647,737	3.14	129,907,991	2.11	(37,739,746)	-1.02
		Indirect	33,525,702	0.63	34,055,073	0.55	529,371	-0.07
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		201,173,439	3.77	163,963,064	2.67	(37,210,375)	-1.10
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	59,862,654	1.12	53,619,855	0.87	(6,242,799)	-0.25
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		59,862,654	1.12	53,619,855	0.87	(6,242,799)	-0.25
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	401,518	0.01	3,900,420	0.06	3,498,902	0.06
		Regulatory	0	0.00	0	0.00	0	0.00
Total		401,518	0.01	3,900,420	0.06	3,498,902	0.06	
Total			292,513,454	5.47	253,048,853	4.12	(39,464,601)	-1.36
Federal-Provincial	Revenue Enhancing	Direct	230,410,389	4.31	84,793,444	1.38	(145,616,945)	-2.93
		Indirect	0	0.00	582,669	0.01	582,669	0.01
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		230,410,389	4.31	85,376,113	1.39	(145,034,276)	-2.92
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	548,533	0.01	550,000	0.01	1,467	-0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		548,533	0.01	550,000	0.01	1,467	-0.00
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	6,493,441	0.12	6,882,653	0.11	389,212	-0.01
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		6,493,441	0.12	6,882,653	0.11	389,212	-0.01
	Quality Control	Direct	0	0.00	0	0.00	0	0.00
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
Total		0	0.00	0	0.00	0	0.00	
Total			237,452,363	4.44	92,808,766	1.51	(144,643,597)	-2.93
Grand Total			886,871,539	16.60	785,462,916	12.78	(101,408,623)	-3.82
AVOP (\$'00)			53,427,979		61,448,621		8,020,642	
	Total Direct Transfers		422,689,851	7.91	442,089,097	7.19	19,399,246	-0.72
	Total Indirect Transfers		330,678,344	6.19	243,712,094	3.97	(86,966,250)	-2.22
	Total Regulatory Transfers		133,503,344	2.50	99,661,725	1.62	(33,841,619)	-0.88
	Total Revenue Enhancing		363,524,952	6.80	404,883,242	6.59	41,358,290	-0.22
	Total Cost Reducing		374,325,395	7.01	238,276,994	3.88	(136,048,401)	-3.13
	Total Productivity Enhancing		109,757,897	2.05	107,241,084	1.75	(2,516,813)	-0.31
	Total Quality Control		39,263,295	0.73	35,061,596	0.57	(4,201,699)	-0.16

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



Table D.1: Government Transfers by Source of Transfer, Program Objective and Type of Transfer, 1994-95 and 1995-96
British Columbia

SOURCE OF TRANSFER	PROGRAM OBJECTIVE	TYPE OF TRANSFER	1994-95		1995-96		DIFFERENCE	
			\$	\$/100 AVOP	\$	\$/100 AVOP	\$	\$/100 AVOP
Federal	Revenue Enhancing	Direct	12,056,052	0.99	11,541,974	0.92	(514,078)	-0.07
		Indirect	2,346,146	0.19	636,913	0.05	(1,709,233)	-0.14
		Regulatory	110,031,101	9.00	87,310,461	6.93	(22,720,640)	-2.07
	Total		124,433,299	10.18	99,489,348	7.90	(24,943,951)	-2.28
	Cost Reducing	Direct	9,013,549	0.74	5,632,581	0.45	(3,380,968)	-0.29
		Indirect	(3,287,726)	-0.27	(2,201,830)	-0.17	1,085,896	0.09
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		5,725,823	0.47	3,430,751	0.27	(2,295,072)	-0.20
	Productivity Enhancing	Direct	158,745	0.01	19,785	0.00	(138,960)	-0.01
		Indirect	14,751,957	1.21	15,667,331	1.24	915,374	0.04
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		14,910,702	1.22	15,687,116	1.25	776,414	0.03
Quality Control	Direct	0	0.00	2,352	0.00	2,352	0.00	
	Indirect	11,285,038	0.92	8,417,355	0.67	(2,867,683)	-0.25	
	Regulatory	0	0.00	0	0.00	0	0.00	
Total		11,285,038	0.92	8,419,707	0.67	(2,865,331)	-0.25	
Total		156,354,863	12.79	127,026,923	10.09	(29,327,940)	-2.70	
Provincial	Revenue Enhancing	Direct	1,511,773	0.12	9,198,611	0.73	7,686,838	0.61
		Indirect	567,285	0.05	180,076	0.01	(387,209)	-0.03
		Regulatory	70,041,796	5.73	65,775,970	5.22	(4,265,826)	-0.51
	Total		72,120,854	5.90	75,154,657	5.97	3,033,803	0.07
	Cost Reducing	Direct	11,495,832	0.94	11,665,495	0.93	169,663	-0.01
		Indirect	0	0.00	0	0.00	0	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		11,495,832	0.94	11,665,495	0.93	169,663	-0.01
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	6,275,538	0.51	5,996,448	0.48	(279,090)	-0.04
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		6,275,538	0.51	5,996,448	0.48	(279,090)	-0.04
Quality Control	Direct	380,541	0.03	356,066	0.03	(24,475)	-0.00	
	Indirect	744,517	0.06	737,631	0.06	(6,886)	-0.00	
	Regulatory	0	0.00	0	0.00	0	0.00	
Total		1,125,058	0.09	1,093,697	0.09	(31,361)	-0.01	
Total		91,017,282	7.45	93,910,297	7.46	2,893,015	0.01	
Federal-Provincial	Revenue Enhancing	Direct	11,052,570	0.90	9,359,948	0.74	(1,692,622)	-0.16
		Indirect	0	0.00	209,400	0.02	209,400	0.02
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		11,052,570	0.90	9,569,348	0.76	(1,483,222)	-0.14
	Cost Reducing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	43,883	0.00	50,000	0.00	6,117	0.00
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		43,883	0.00	50,000	0.00	6,117	0.00
	Productivity Enhancing	Direct	0	0.00	0	0.00	0	0.00
		Indirect	1,581,899	0.13	2,054,276	0.16	472,377	0.03
		Regulatory	0	0.00	0	0.00	0	0.00
	Total		1,581,899	0.13	2,054,276	0.16	472,377	0.03
Quality Control	Direct	0	0.00	0	0.00	0	0.00	
	Indirect	0	0.00	0	0.00	0	0.00	
	Regulatory	0	0.00	0	0.00	0	0.00	
Total		0	0.00	0	0.00	0	0.00	
Total		12,678,352	1.04	11,673,624	0.93	(1,004,728)	-0.11	
Grand Total		260,050,497	21.28	232,610,843	18.47	(27,439,654)	-2.80	
AVOP (\$'00)		12,223,221		12,590,588		367,367		
	Total Direct Transfers		45,669,062	3.74	47,776,812	3.79	2,107,749	0.06
	Total Indirect Transfers		34,308,537	2.81	31,747,601	2.52	(2,560,937)	-0.29
	Total Regulatory Transfers		180,072,897	14.73	153,086,431	12.16	(26,986,466)	-2.57
	Total Revenue Enhancing		207,606,723	16.98	184,213,353	14.63	(23,393,371)	-2.35
	Total Cost Reducing		17,265,538	1.41	15,146,246	1.20	(2,119,292)	-0.21
	Total Productivity Enhancing		22,768,139	1.86	23,737,840	1.89	969,701	0.02
	Total Quality Control		12,410,096	1.02	9,513,404	0.76	(2,896,692)	-0.26

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



Methodology for Government Transfers

The following provides an overview of the concepts and methods used in the calculation of government transfers to agricultural producers, as well as an explanation of the differences between government transfers and government expenditures provided in Section C.

1.0 Concepts

There are two basic concepts involved in the measurement of government transfers. These are briefly discussed below.

1.1 Accounting Approach

Generally, government transfers to producers are defined and measured within an accounting framework. This means that the measured transfers are direct transfers (or their equivalents) to producers and do not represent economic welfare to producers. This approach allows for summing up transfers over all programs and regulations to determine total transfers. An important implication of this accounting approach is that a dollar spent on research or market development is valued the same as a dollar spent in the form of a direct payment to producers such as an input rebate. It may be noted that the accounting value of some regulatory measures is not directly measurable. For these, a combination of accounting and partial economic analysis is used.

1.2 Opportunity Cost Principle

For policies which confer transfers to producers by changing domestic market prices, world market prices are taken to represent the opportunity costs of domestic production. That is, in the absence of the policy, domestic opportunity prices are assumed to be equal to comparable world prices adjusted for exchange rates and transportation costs.

2.0 Coverage

2.1 Most government programs and interventions which affect producer incomes in Canada are included within the practical limits of significance and measurability. These include transfers from taxpayers in terms of direct payments (or foregone revenues), as well as from consumers in terms of higher market returns arising from government regulations. Measurement of government transfers is confined to primary agriculture; transfers beyond the farmgate (i.e., food processing) are excluded. There are two other restrictions:

- programs that offer assistance to input suppliers, e.g., manufacturers or fertilizer and machinery, are not considered;

- general monetary, fiscal, social and environmental policies are not measured, but any offsets to these policies are. For example, the impact of the monetary policy on interest rates is not considered but programs that lower interest costs are measured.

2.2 The scope of the calculation is confined to Canadian domestic and trade policies only. That is, no account is made for the direct or indirect impacts of foreign policies on market returns of Canadian producers. Likewise, spill-over effects across provincial boundaries are not considered. Similar measures are undertaken for member countries by the OECD through the calculation of Producer Subsidy Equivalents (PSE).

3.0 Program Aggregation

Transfers are grouped using three types of classification systems - source of transfer, program objective, and type of transfer. The following provides a brief description of these classifications.

3.1 The **source of transfer** classification identifies a program as federal, provincial or federal-provincial, that is, in accordance with the governmental jurisdiction over the program funding or its implementation and administration.

3.2 The **program objective** classification divides programs and policies into four groups: revenue enhancing, cost reducing, productivity enhancing and quality control.

a) Revenue Enhancing

This category includes programs and policies which are associated with the output market. Within this broad category, the following three sub-categories are included:

- direct output payments, e.g., stabilization payments, drought payments and special adjustment payments;
- programs related to market development activities; and
- regulatory measures, e.g., supply management regulations, tariffs and duties. These measures do not involve government expenditures.

b) Cost Reducing

These programs reduce input costs to producers. The most common examples are subsidized credit, fuel subsidies and transportation subsidies.

c) Productivity Enhancement

The main objective of these programs is to enhance long term productivity of the



Methodology for Government Transfers

agriculture sector. The transfers may take the following forms:

- funding for the development, transfer and adoption of new technologies, crop varieties and livestock breeds, e.g., research, extension and incentive grants;
 - funding for human resource development, e.g., training programs; and
 - funding for sustainable agriculture, e.g., Green Plan.
- d) Quality Control
This category includes programs that are designed to enhance or maintain product quality, food safety and health of animals. Federal and provincial inspection programs and the various animal health improvement programs are examples.

3.3 The **type of transfer** classification separates programs into:

- a) Direct Transfers
Includes direct non-regulatory payments and foregone revenues which are related to individual commodities or commodity sectors, or to the agriculture sector as a whole.
- b) Indirect Transfers
Includes non-regulatory programs in which government transfers are provided to the agriculture sector but not directly to producers.
- c) Regulatory Transfers
Comprised of regulatory policies where no government expenditures are involved. Estimation of transfers from these policies may involve partial economic analysis.

4.0 Adjusted Value of Production (AVOP)

Transfers are expressed in dollar amounts and in terms of dollars per \$100 of adjusted value of production. The adjusted value of production is equal to the sum of a three-year moving average value of production and the current year's total direct transfers. This is to avoid fluctuations in the percentages arising from short term changes in market prices or quantities.

Also, the values of production incorporate the impact of the regulatory measures (through changes in market prices), but not of direct transfers. Therefore, direct transfers are added to make the percentage figures comparable across provinces.

5.0 Methods

The general method is to equate transfers with government expenditures or their equivalents. They

are measured on a cash basis, i.e., when the producers receive them.

Government transfers involving direct payments correspond to the dollar amount paid by government net of administration costs, fees or contributions paid by beneficiaries.

A brief overview of methods for the major types of programs and policies is provided below.

- Transfers from stabilization programs, e.g., GRIP, Crop Insurance, with the exception of NISA, are equivalent to the governments' share of actuarially sound long-term levy rates. Financial transfers for NISA are equal to government contributions to the fund plus the interest bonus less the producers' share of administration costs.
- Transfers from the Western Grain Transportation Act (WGTA) are equal to the actual government payments to the railways plus the increase in the value of feed grains consumed in Western Canada.
- Transfers from the Prairie Branchline Rehabilitation program and the Hopper Car Purchase and Lease program are amortized over a number of years. Except for hopper cars lease expenditures, all other expenditures were incurred during the 1970's and 1980's. Since these are long-lived assets, it is assumed that they have generated a stream of producer transfers that are spread over a number of years. The following life spans and discount rates are used to measure their transfers.
 - 50 years and 8 % for the Prairie Branchline Rehabilitation;
 - 25 years and 5 % for the Hopper Car Purchase; and

It is assumed that these transportation infrastructure programs have resulted in higher feed grain prices by facilitating the movement of grains out of the Prairies.
- Transfers from programs which reduce producers' input costs in the immediate time period, e.g., fuel tax rebates, are equal to government expenditures or foregone revenues. In the case of interest subsidy programs, these transfers are approximated by taking the difference between a representative market rate and the program rate charged to producers, multiplied by the dollar amount of outstanding loans.
- Regulatory transfers of the supply management policy for dairy, chicken, turkey and eggs are equal to the difference between domestic prices and appropriate reference prices, multiplied by the level of domestic production. Producer levies are deducted from domestic prices, and reference prices are adjusted for currency exchange rates, transportation costs, and wholesale margins to create a consistent basis of comparison with



Methodology for Government Transfers

domestic prices. Regulatory transfers in the form of countervailing duties, import tariffs and quotas are equal to the impact of the policy on producer prices, multiplied by affected production.

Note: Programs which provide relief to farmers from property taxes are no longer included in the government transfers calculation. Data for previous years have been revised to reflect this change.

6.0 Comparison Between Government Transfers and Government Expenditures.

The purpose of the government transfers calculation is to determine the amount of transfers to producers from the full range of agricultural programs and policies, including regulations, in a given fiscal year. Government expenditures estimate how much governments spend on the agri-food sector in a given fiscal year.

While there is a common component to these two measures, the major differences between the two, in terms of coverage and methods, are presented below.

6.1 Coverage

Government transfers measure all direct and indirect transfers, including regulatory transfers, which affect producers' income, by province.

Government expenditures include all expenditures in support of the agri-food sector by province transferred directly to individuals and agencies or indirectly through funds or through transfers to other levels of government. Regulatory measures such as countervailing duties, tariffs and quotas are not counted since they do not involve a monetary disbursement from governments.

Government transfers do not include grants to the food processing sector while government expenditures do.

Expenditures for food aid and support for international organizations are included in the federal expenditure estimates as expenditures outside of Canada, but are not counted in government transfers as no benefits accrue to Canadian producers.

6.2 Methods

Government expenditures are taken directly from data contained in the federal and provincial Public Accounts and Main Estimates reports, broken down into operating, capital and program expenditures. Operating costs include, among other things, the costs of

administering various programs of different departments. Government recoveries are also reported separately.

Government transfers are derived from Public Accounts and through direct contacts with program administrators. Transfers are adjusted for administration costs and government recoveries to arrive at the amount actually directed toward producers.

Government transfers are measured on a cash basis, i.e., when they are received by farmers. Government expenditures are reported in the year when the expenditures are made by governments.

Government transfers from stabilization programs, with the exception of NISA, are equivalent to the government's share of actuarial sound long-term levy rates. Government expenditures from these programs correspond to the federal and provincial contributions to the stabilization funds in a given year.

Government transfers which reduce input costs over a longer time horizon (capital items) are spread over a number years and discount rates are applied according to the type of assets. No adjustments are made in the case of government expenditures.

Government transfers provided to producers in the form of lower rates are measured as the difference between a calculated representative market rate and the program rate, multiplied by the quantity subsidized, e.g., programs that reduce interest rates, community pastures and Crown grazing leases. In the case of government expenditures, direct and indirect expenditures to reduce input costs are included as the total amount of the expenditure.