

# **Agriculture and Agri-Food Canada**

# 2007-2008

## **Report on Plans and Priorities**



Agriculture and  
Agri-Food Canada

Agriculture et  
Agroalimentaire Canada

**Canada**<sup>131</sup>

## HOW TO READ THIS REPORT

This Report on Plans and Priorities presents Agriculture and Agri-Food Canada's (AAFC) planned program activities for the fiscal year 2007-2008. The report's structure is as follows:


**Section I, Plans and Priorities Overview**, contains an introductory message from the Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, summarizing the department's plans and priorities. This section also contains: a Management Representation Statement, signed by the Deputy Minister and the Associate Deputy Minister; Summary Information in table format, designed to provide a quick view of AAFC's reason for existence, the total financial and human resources the department manages, and an overview of departmental program activities by strategic outcome; an outline of all priorities, and areas of the department's vision, mandate and strategic outcomes, and benefits accruing to Canadians from its activities; highlights of performance accomplishments by program activities that contribute towards ongoing departmental priorities; the management framework that the department uses to deliver results; and information on Parliamentary Committee Reports.

**Section II, Analysis and Performance**, provides a detailed analysis of AAFC's program activities by strategic outcome: Security of the Food System, Health of the Environment and Innovation for Growth. This section also describes the program activities of the Rural Secretariat and the Co-operatives Secretariat, and the two agencies that report to Parliament through the department: the Canadian Pari-Mutuel Agency and the National Farm Products Council. It also includes information on Horizontal Initiatives, and information on AAFC's Sustainable Development Strategy.

**Section III, Supplementary Information**, is made up of the department's detailed Financial Tables.

**Section IV, Other Items of Interest**, includes the portfolio's organizational chart and contacts, and an appendix providing links to electronic resources for further information.

**Due to rounding, figures may not add to totals shown.**

**In our continuing effort to provide Canadians with on-line access to information and services, we are including web links to more information and highlights. These links are indicated by .**

*We are committed to continuous improvement in our reporting. We therefore welcome receiving your comments on this report. You can contact us in the following ways:*

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# Minister's Message

As Minister of Agriculture and Agri-Food, I am proud of our efforts to work together with all stakeholders to secure a bright future for Canada's farm families and the sector. In fact, collaboration is the hallmark of this portfolio. By our concerted action, we are making great strides in helping Canada's farmers overcome immediate pressures, while putting the sector on a solid foundation for the long-term.

The portfolio includes Agriculture and Agri-Food Canada, the Canadian Food Inspection Agency, the National Farm Products Council, the Canadian Dairy Commission, the Canadian Grain Commission and Farm Credit Canada. While the organizations within the portfolio have different mandates, they share a common purpose: to make our agriculture and agri-food sector stronger, more competitive and sustainable into the future. Under my direction, we are working efficiently and effectively in the interests of all Canadians.

Over the coming years, the development and implementation of the next generation of agriculture and agri-food policy will be key to the sector's success. Our producers need continuously updated policies and programs from governments to help them thrive in the rapidly-evolving economy and manage the inherent risks of the business. I am counting on the energy and expertise of the agriculture and agri-food portfolio to translate these new policy directions into a prosperous reality in Canadian agriculture and agri-food.

To this end, I'm pleased to present to Parliament and Canadians this report, which charts the direction that Agriculture and Agri-Food Canada will take over the next three years to strengthen the Canadian agriculture and agri-food sector.



**The Honourable  
Chuck Strahl**

We are starting on solid ground. In Budget 2006, we allocated an incremental \$1.5 billion to the sector, including significant direct assistance to farmers and their families. We are bringing in major improvements to business risk management programming for producers, particularly as we move to reshape and replace the original Canadian Agricultural Income Stabilization program with a new margin-based income stabilization program that is more predictable, responsive and bankable for our farmers, and added a new and separate disaster relief framework to the business risk management suite. We also enhanced cash advance programming and helped farmers recover from flood damage.

Over the coming months, we will continue to implement Agriculture and Agri-Food Canada's new Strategy for Science and Innovation that will support existing and new research networks and help industry move into promising new markets, like biofuels and bioproducts.

New initiatives like the Agri-Opportunities Program are strengthening support for science and innovation, and helping push new products, including agricultural, food and bioproducts processes and services along the innovation chain and into the marketplace.

Protecting the environment is a priority for Canada's New Government, and Agriculture and Agri-Food Canada is doing its part by promoting the development of biofuels and other bioproducts. We are committed to developing a strong renewable fuels sector in Canada in which farmers can take an active role. Programs such as the new Capital Formation Assistance Program for Renewable Fuels Production and the Agricultural Bioproducts Innovation Program are designed to help producers make the most of these new market opportunities, ensuring that we can meet our regulatory commitment of an annual average of five per cent renewable content in gasoline by 2010, and two per cent in diesel fuel and heating oil by 2012.

In 2007, we will also continue to pursue our agricultural interests internationally, at the World Trade Organization and through a reinvigorated regional and bilateral trade agenda. Future prosperity for our farmers will depend on our ability to strengthen the rules which govern international agricultural trade. The reduction of trade-distorting subsidies and the achievement of enhanced market access opportunities for our exporters will remain key objectives for Canada. So too will be our continued strong support for Canada's supply management system, which constitutes an integral part of our agricultural sector.

Underlining all our efforts for the sector is our work with the provinces, territories, industry and Canadians to develop the next generation of agriculture and agri-food policy, which will replace the existing Agricultural Policy Framework in early 2008. We began an extensive consultation process in December 2006, and we will continue to consult with producers and all interested stakeholders in 2007 as we develop policies and programs that will ensure a competitive and profitable agricultural sector for years to come.

We are on the threshold of the best years yet for agriculture. I look forward to working collaboratively to continue to bring positive change to Canada's agricultural and agri-food sectors.

A handwritten signature in black ink, appearing to read "Chuck Strahl". The signature is fluid and cursive, with a large, stylized "S" at the end.

Hon. Chuck Strahl, PC, MP,

Minister, Agriculture and Agri-Food and  
Minister for the Canadian Wheat Board

# Management Representation Statement

We submit for tabling in Parliament, the 2007-2008 *Report on Plans and Priorities (RPP)* for Agriculture and Agri-Food Canada.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2007-2008 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*.

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's Strategic Outcomes and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced, and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved planned spending numbers from the Treasury Board Secretariat.



A handwritten signature in black ink, appearing to read "Leonard J. Edwards".


**Leonard J. Edwards**  
**Deputy Minister**  
**Agriculture and Agri-Food Canada**



A handwritten signature in black ink, appearing to read "Christiane Ouimet".

**Christiane Ouimet**  
**Associate Deputy Minister**  
**Agriculture and Agri-Food Canada**

# Program Activity Architecture

In support of a common, government-wide approach to the collection, management and reporting of financial and non-financial performance information, AAFC, like all federal government departments, follows the Management, Resources and Results Structure (MRRS) . The MRRS provides a standard basis for reporting to citizens and Parliament on the alignment of resources, program activities and results, and reinforces the government's commitment to strengthen public sector management and accountability, consistent with the Management Accountability Framework. The MRRS provides departments with the flexibility and discretion they need to design and manage their programs in a manner that best achieves results for Canadians.

A key component of the MRRS is the Program Activity Architecture (PAA), which links departmental resources to strategic outcomes.

A strategic outcome is defined as a long-term and enduring benefit to Canadians that stems from a department's or agency's mandate and vision. It should be measurable and within the department's sphere of influence.

The PAA also establishes performance measures for reporting to Parliament, thus linking areas of expenditure with performance. It is essentially an inventory of all the programs and activities undertaken by a department or agency. These programs and activities are organized in a logical and hierarchical relationship to each other and to the strategic outcomes to which they contribute.

AAFC's PAA links financial and non-financial information, and articulates how the department's work contributes to its three strategic outcomes. As part of the ongoing development of its PAA, AAFC measures expected results and indicators for each activity. These expected results and indicators are presented in Section II of this report.

It is important to note that AAFC's PAA is a dynamic structure that reflects the evolving nature of the department and will change to reflect the direction of the department and changing performance measurement approaches.



# Summary Information

## MANDATE

AAFC provides policies, programs, information, and technology to achieve its three strategic outcomes:

- 1) Security of the Food System;
- 2) Health of the Environment; and
- 3) Innovation for Growth.


The department's work toward achieving these outcomes is concentrated in areas of core federal jurisdiction, including supporting agricultural and agri-food productivity and trade, stabilizing farm incomes, conducting research and development, and being responsible for the inspection and regulation of animals and plant-life forms. The Minister of Agriculture and Agri-Food is also responsible for co-ordinating rural development and enhancing the quality of rural life.

In addition to AAFC, there are six other organizations that fall under the Minister's portfolio:

- the Canadian Wheat Board (CWB) ,
- the Canadian Dairy Commission (CDC) ,
- the Canadian Food Inspection Agency (CFIA) ,
- the Canadian Grain Commission (CGC) ,
- Farm Credit Canada (FCC) , and
- the National Farm Products Council (NFPC) .

These agencies provide advice and guidance to the Minister on issues including food inspection, plant protection and animal health, the financing of farm operations, milk quotas and dairy subsidies, the overall grain handling system and associated standards, and the marketing of farm products.

## BENEFITS FOR CANADIANS

AAFC's departmental program activities, based on the vision-driven Agricultural Policy Framework (APF) , form a cohesive action plan that is working for the benefit of all Canadians. The Canadian agriculture and agri-food sector will enjoy enhanced business stability. Consumers will be confident in the safety and quality of their food and the environmentally responsible methods used to produce it. Canadians will also benefit from a range of new food and non-food products that will improve their day-to-day quality of life. A stronger Canadian agriculture and agri-food sector will, in turn, strengthen the Canadian economy as a whole.

## Departmental Resources (Total Net Planned Spending)

2007-2008		2008-2009		2009-2010	
\$ Millions	FTE*	\$ Millions	FTE	\$ Millions	FTE
2,754.2	6,564	1,741.9	6,565	1,704.3	6,566

\* Full Time Equivalents

## Departmental Program Activities by Strategic Outcome

Strategic Outcomes / Program Activities	Type	Planned Spending (Net)		
		2007-2008	2008-2009	2009-2010
<b>Security of the Food System</b>				
Business Risk Management	Ongoing	1,518.9	1,123.3	1,108.3
Food Safety and Food Quality	Ongoing	119.4	38.9	38.9
Markets and International	Ongoing	78.5	57.1	57.1
National Farm Products Council*	Ongoing	3.8	3.8	3.8
<i>Total Security of the Food System</i>		<i>1,720.7</i>	<i>1,223.2</i>	<i>1,208.1</i>
<b>Health of the Environment</b>				
Environment	Ongoing	308.5	158.2	158.2
<i>Total Health of the Environment</i>		<i>308.5</i>	<i>158.2</i>	<i>158.2</i>
<b>Innovation for Growth</b>				
Innovation and Renewal	Ongoing	664.3	325.2	302.6
Markets and International	Ongoing	33.7	24.5	24.5
Rural and Co-operatives Secretariats	Ongoing	27.0	10.9	10.9
Canadian Pari-Mutuel Agency*	Ongoing	0.0	0.0	0.0
<i>Total Innovation for Growth</i>		<i>725.0</i>	<i>360.6</i>	<i>337.9</i>
<b>TOTAL</b>		<b>2,754.2</b>	<b>1,741.9</b>	<b>1,704.3</b>

\* **Note:** These are separate agencies that report to Parliament through Agriculture and Agri-Food Canada and contribute to the department's Strategic Outcomes.

The Planned Spending for 2007-2008 is \$2,754.2 million compared to \$1,741.9 million for 2008-2009, a difference of approximately \$1 billion. This is largely attributable to the expiry of the APF in 2007-2008. Significant policy and program development work will be required in 2007-2008 to ensure the next generation of Canadian agriculture and agri-food policy is developed, negotiated and ready to implement in 2008.

The figures have been rounded to the nearest millions of dollars. Figures that cannot be listed in millions of dollars are shown as \$0.0. Due to rounding, figures may not add to the totals shown.

## Departmental Links to the Government of Canada Outcome Areas

(\$ millions)

2007-2008

Program Activity	Budgetary							Adjustments (Planned Spending not in Main Estimates)	Total Net Planned Spending
	Operating	Capital	Grants	Contributions	Main Estimates (Gross)	Less: Respendable Revenue	Main Estimates (Net)		
<b>Security of the Food System</b>									
Business Risk Management	99.0	4.1	5.0	1,164.4	1,272.5	5.5	1,267.0	252.0	1,518.9
Food Safety and Food Quality	47.4	2.2	-	71.4	120.9	1.5	119.4	0.1	119.4
Markets and International	58.7	2.5	-	17.3	78.4	-	78.4	0.1	78.5
National Farm Products Council	3.6	-	0.2	-	3.8	-	3.8	0.0	3.8
<i>Total Security of the Food System</i>	<i>208.7</i>	<i>8.7</i>	<i>5.2</i>	<i>1,253.1</i>	<i>1,475.7</i>	<i>7.0</i>	<i>1,468.6</i>	<i>252.1</i>	<i>1,720.7</i>
<b>Health of the Environment</b>									
Environment	210.8	9.9	-	111.0	331.7	23.5	308.2	0.3	308.5
<i>Total Health of the Environment</i>	<i>210.8</i>	<i>9.9</i>	<i>-</i>	<i>111.0</i>	<i>331.7</i>	<i>23.5</i>	<i>308.2</i>	<i>0.3</i>	<i>308.5</i>
<b>Innovation for Growth</b>									
Innovation and Renewal	262.0	8.9	193.5	147.4	611.9	15.0	596.9	67.4	664.3
Markets and International	25.2	1.1	-	7.4	33.6	-	33.6	0.0	33.7
Rural and Co-operatives Secretariats	19.2	-	-	7.8	27.0	-	27.0	0.0	27.0
Canadian Pari-Mutuel Agency	15.0	-	-	-	15.0	15.0	-	-	-
<i>Total Innovation for Growth</i>	<i>321.3</i>	<i>10.0</i>	<i>193.5</i>	<i>162.6</i>	<i>687.4</i>	<i>29.9</i>	<i>657.5</i>	<i>67.5</i>	<i>725.0</i>
<b>TOTAL</b>	<b>740.8</b>	<b>28.6</b>	<b>198.7</b>	<b>1,526.7</b>	<b>2,494.8</b>	<b>60.5</b>	<b>2,434.3</b>	<b>319.9</b>	<b>2,754.2</b>

Program Activity Business Risk Management contributes to the achievement of the Government of Canada's Economic Affairs: Strong Economic Growth outcome area

Program Activity Food Safety and Food Quality contributes to the achievement of the Government of Canada's Economic Affairs: Strong Economic Growth outcome area

Program Activity Markets and International contributes to the achievement of the Government of Canada's Economic Affairs: Strong Economic Growth and International Affairs: A Prosperous Canada Through Global Commerce outcome areas

Program Activity Environment contributes to the achievement of the Government of Canada's Economic Affairs: A Clean and Healthy Environment outcome area

Program Activity Innovation and Renewal contributes to the achievement of the Government of Canada's Economic Affairs: An Innovative and Knowledge-Based Economy outcome area

Program Activity Rural and Co-operatives contributes to the achievement of the Government of Canada's Economic Affairs: An Innovative and Knowledge-Based Economy outcome area

Program Activity National Farm Products Council contributes to the achievement of the Government of Canada's Economic Affairs: Strong Economic Growth outcome area

Program Activity Canadian Pari-Mutuel Agency contributes to the achievement of the Government of Canada's Economic Affairs: A Fair and Secure Marketplace outcome area

The figures have been rounded to the nearest millions of dollars. Figures that cannot be listed in millions of dollars are shown as 0.0.

Due to rounding, figures may not add to the totals shown.



# Plans And Priorities Overview

## INTRODUCTION

### Operating Environment

The agriculture and agri-food sector plays an important role in Canada, from both an economic and social perspective. The sector, which comprises primary agriculture, food and beverage processing, and distribution, including retail and food service outlets, accounts for approximately eight per cent of the country's GDP. It generates about \$130 billion in consumer sales in Canada each year. In addition, the sector exported more than \$30.5 billion in agriculture and food products (including seafood) in 2006, and contributed almost \$7.4 billion to Canada's overall trade surplus. It employs about two million Canadians, representing one of every eight jobs in the country.

Just as important is the sector's contribution to Canada's social fabric and the rural way of life. Canada's farmers, farm families and farming communities are the heart of Canadian agriculture and agri-food, and ensuring the sector has the tools it needs to grow, prosper and be competitive on the world stage is key to a successful economic and social future for Canada and for all Canadians.

There are many issues that affect the state of the sector today and will continue to shape the industry well into the future.

### Declining farm income

Despite record-high government payments and a notable growth in productivity within the agriculture and agri-food sector, farm income in Canada has been on a persistent decline in recent years. Realized farm income declined from \$3.7 billion in 2001 to a record low level of \$423 million in 2003, due largely to a combination of short-term production risks such as animal diseases and natural disasters. It has since recovered somewhat, reaching a forecast high of approximately \$1.7 billion in 2006.

### Production risks

Disaster comes in many forms for the agriculture and agri-food sector. Recent cases of bovine spongiform encephalopathy and the outbreak of avian influenza in British Columbia in early 2004 led many countries to close their borders to Canadian live cattle and beef and poultry products, creating chaos for farmers and many others in the sector. Plant diseases such as the plum pox virus, which diminishes yields of tree fruit, can be devastating to growers.

Producers also face a host of adverse weather and environmental conditions each year, including drought, excessive moisture, frost, and pests. While weather phenomena can be predicted with some accuracy, their effects on the sector are largely unavoidable. They are part of doing business in Canada's agriculture and agri-food sector.

## Environmental responsibilities

Farmers understand the important link between sound farm stewardship practices and a cleaner, healthier environment for all Canadians and healthier food for consumers.

The reduction of risks due to pesticides is important for Canadian farmers and consumers. By developing strategies and registering new uses of reduced risk pest management products, the environment and consumers will benefit, as will the competitiveness of Canadian farmers.

As a contributor of approximately 10 per cent of Canada's greenhouse gas emissions, the agriculture and agri-food sector has a clear role to play in the Government of Canada's broader environmental plans such as the Clean Air Act. By reducing its emissions of air pollutants and greenhouse gases, the sector can help protect human health and the environment while also taking advantage of opportunities to achieve greater operating efficiencies.

By employing science-based innovative and environmentally sound business practices, Canada's agriculture and agri-food sector can achieve significant economic benefits through greater marketability of agriculture and food products and the preservation of the environment and resources on which the sector relies.

## Market and trade conditions

Canada produces far more agriculture and food products than it consumes. As a result, the agriculture and agri-food sector and the country rely heavily on export markets. Canada has traditionally found great success internationally, based on the quality and diversity of the goods it produces.

Canada's agriculture and agri-food exports have more than doubled since the early 1990s, with exports of value-added agricultural products more than quadrupling over this period. This growth is expected to continue, with the emergence of the burgeoning middle class in countries such as China and India.

However there is growing competition for market share around the world. Canadian producers are forced to compete against subsidized products from the United States and European Union, and also face market pressure from emerging countries, such as Brazil, that are increasingly capitalizing on their lower production costs. At the same time, technological advances and productivity growth have expanded the capacity of many other countries to produce agricultural commodities faster than the growth in demand, resulting in surpluses and a decline in some commodity prices.

The Government of Canada remains actively engaged in efforts to achieve a successful outcome at the World Trade Organization (WTO) agriculture negotiations. Canada remains deeply committed to the WTO and to advancing the interests of Canada's agriculture and agri-food sector, including both supply-managed and export-oriented industries. When necessary, Canada will also promote and defend the sector's interests through dispute settlement at the WTO.

## Consumer preferences

Meeting the ever-changing demands of consumers requires flexibility on the part of the entire sector. Increased public concern about food safety issues has raised awareness within the sector of the need to adopt common industry standards at the farm and processing levels. Consumers are also taking an active interest in how their food is produced, providing opportunities for products and food produced in environmentally friendly ways. Producers, processors, governments, and everyone involved in Canadian agriculture and agri-food will find continued success by adapting to the needs and requirements of domestic and international consumers.

## Innovation and new markets

Canada's agriculture and agri-food sector has a long and accomplished history of scientific research and innovation, and today as much as ever it is science and innovation that hold the key to the long-term profitability and competitiveness of the sector. Through new products, new uses, new markets and new solutions, the agriculture and agri-food sector has increasing opportunities to provide social and economic benefits for Canada and for all Canadians.

There is a growing understanding of the link between agriculture and human health, and of the role agriculture, food and nutrition can play in disease prevention and wellness to reduce health care costs. Food safety and quality are ongoing concerns for consumers and the industry, and the knowledge derived from science will play an essential part in the development and implementation of tracking and tracing and identity preservation systems. Agriculture science and innovation will also yield new agricultural management practices that enhance environmental sustainability, and Canadian farms' and agri-industries' international competitiveness and productivity in the export sector.

In addition, agriculture will be a central player in the Government of Canada's new biofuel strategy, as it aims to regulate an annual average renewable content of five per cent in gasoline by 2010, and two per cent in diesel fuel and heating oil by 2012.






Indeed, the entire bioeconomy holds great promise for Canada's agriculture and agri-food sector. The decreasing cost of biomass and advances in process technology that allow sustainable mining of biomass as an industrial feedstock are driving new industries in Canada to generate bioenergy and bioproducts. The agriculture and agri-food sector will be a major contributor of the biomass needed to fuel this emerging industry.

## **The APF and the next generation of agriculture and agri-food policy**

Since 2003, AAFC has worked through the APF to meet many of the challenges in today's agricultural climate and to address the needs of Canada's agriculture and agri-food sector.

The APF helped to create a national approach to agriculture and agri-food policy. It was designed to help the sector seize opportunities from globalization and increase Canadian competitiveness in markets at home and abroad by becoming the world leader in: meeting burgeoning consumer demands for safe food and environmental stewardship; earning market premiums for high-quality foods; developing innovative products through investments in science; and building market recognition of the quality and value of our products.

The framework is made up of five complementary elements:

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

The framework also supports action in the international arena to help the sector capitalize on domestic strengths and successes. In fiscal year 2007-2008, AAFC will continue to work through the policies and programs in place under the APF to enhance the long-term profitability, competitiveness and sustainability of the sector.

As the APF expires in March 2008, the department, along with its portfolio partners and provincial and territorial governments, is working in concert with stakeholders to develop the next generation of agriculture and agri-food policy.

## **OUR STRATEGIC RESPONSE**


With the development and implementation of the joint federal, provincial and territorial APF, governments recognized that a comprehensive and co-ordinated strategy was needed to ensure future profitability, sustainability and competitiveness for Canadian agriculture and agri-food.

The framework provides a stable platform of policies and programs to help the sector meet its challenges, and make the most of its opportunities. It established a new policy direction for governments and industry by enabling a full shift towards a whole-farm approach.

The major strategic policy development focus in the department for 2007-2008 and beyond will be on developing and implementing the next generation of agriculture and agri-food policy, to support an industry that is market driven, innovative and efficient, enabling the sector to seize opportunities across the value chain and strengthen Canada's position in the global market place. In doing so, AAFC will contribute to the economic agenda of the Government of Canada in supporting greater opportunities for Canadians.



Within the framework of agriculture and agri-food policy the department seeks to achieve results under its three strategic outcomes – (1) Security of the Food System, (2) Health of the Environment and (3) Innovation for Growth. During the next three years, informed by the consultations on the next generation of agriculture and agri-food policy, AAFC and its portfolio partners will pursue key program activities under each of these three strategic outcomes to advance the agriculture and agri-food agenda and ensure the best quality of life for all Canadians.

**Strategic Outcome: Security of the Food System** *A secure and sustainable agriculture and agri-food system that provides safe and reliable food to meet the needs and preferences of consumers*

**Program Activity: Business Risk Management** 

Farming in Canada requires a comprehensive and proactive approach to managing risk. Through business risk management (BRM) programming, AAFC, together with provincial and territorial governments and industry, works to enhance producers' capacity to manage risk, and increase the sector's viability and profitability.







Under the APF, the Government of Canada agreed to invest \$1.1 billion every year for five years in BRM programs that directly assist farmers in managing business risks, such as those posed by weather, disease and changing market conditions.


BRM was based on two core programs: a margin-based program called the Canadian Agricultural Income Stabilization (CAIS)  program and Production Insurance (PI) . These programs were designed to work together to help producers manage the business risks associated with farming.

The margin-based income-stabilization program offers protection from overall declines of farm income because of circumstances such as low prices and rising input costs, whereas PI offers protection for production losses related to specific crops or commodities caused by hail, drought, flooding, disease, and other factors.

During the past year, significant progress has been made on a new suite of BRM programs to address concerns identified by producers. Vast improvements have been built into what is becoming a new income stabilization program. Federal, provincial and territorial agriculture ministers have agreed in principle on a separate disaster relief framework. In 2007-2008, AAFC will continue to work with partners to complete the replacement of the CAIS program with a new income stabilization program (ISP) and a new and separate disaster relief program.

At the same time, federal, provincial and territorial governments will continue in 2007-2008 to examine options for considering the extension of coverage under PI to livestock and additional horticulture crops.

The margin-based ISP and PI are complemented by Financial Guarantee programs , including the temporary *Enhanced Spring Credit Advance Program* (ESCAP)  and the new *Advance Payments Program* (APP) , as well as the *Farm Improvement and Marketing Co-operatives Loan Act* (FIMCLA)  program, the *Price Pooling Program* (PPP) , and the *Private Sector Risk Management Partnerships* (PSRMP)  program.

Under Bill C-15, an Act to amend the *Agricultural Marketing Programs Act* (AMPA) , the original Spring Credit Advance Program and the APP have now been combined into one new APP program which will be implemented through 2007-2008. This new program allows producers of other commodities and livestock to be eligible for benefits under the program providing interest-free advances up to \$100,000 in the spring to offset input costs and a maximum \$400,000 advance in the fall. In the interim of the new APP being implemented, the ESCAP was announced in May 2006 to make more money available to producers. It will expire in September 2007 as the new APP is implemented.

The Farm Improvement Marketing and Co-operatives Loan Act program provides producers with access to credit to improve farm assets, strengthen production, and improve the financial viability of their farms. Through the program, loans of up to \$250,000 for producers and \$3 million for Farm Products Marketing Co-operatives owned by active producers are guaranteed by the federal government.



The FIMCLA program will be examined, based on the results of consultations done in 2006-2007, to see how changes can be implemented in 2007-2008 to better support beginning farmers, intergenerational farm transfers and agricultural co-operatives.

The Price Pooling Program provides a price guarantee to marketing agencies for agricultural products. The guarantee protects the marketing agencies and its producers against unanticipated declines in the market price of their products. The agencies can then use the guarantee as security to obtain credit from a lender.

The Private Sector Risk Management Partnerships program is designed to help the agriculture and agri-food sector develop risk management products and services that can be delivered by the private sector.

The federal government has put programs in place, which are continuing into 2007-2008, to respond to disaster situations, such as the plum pox virus, Golden Nematode and excessive moisture and flooding. Officials will continue to monitor conditions across the country to allow the federal government to react quickly and appropriately when future disasters occur.

#### **Program Activity: Food Safety and Food Quality**

Canadians in general have a high degree of trust in Canada's food regulatory system and are confident that it will protect them from food-borne illnesses. At the same time, consumers are increasingly seeking more information and greater assurances about the safety, quality and nutritional value of the food they eat.

To this end, informed by the consultations on the next generation of agriculture and agri-food policy, AAFC will work with portfolio partners, other federal government departments, provincial and territorial governments, industry, and consumer groups to build on existing food safety and quality measures. Over the next three years, the department will continue this work (for example, traceability) and will increasingly focus attention on the links between agriculture and health. This will improve the sector's ability to identify and respond to food safety issues and concerns, while improving market access and opportunities for the sector.

Ensuring consumers' trust is maintained, and providing them with healthy, nutritious products, are vital to ensuring the stability and success of Canada's agriculture and agri-food sector, and helping all Canadians achieve the best quality of life.

Specifically, AAFC will:

- work in collaboration with portfolio partners, provincial governments and Health Canada to improve the conditions for the development of innovative food and nutritional products, by building a strong science base that supports new product development, and by making the entry to market of healthy products more efficient. This will be achieved through partnerships to improve stakeholder and government capacity for the development, submission, approval, and commercialization of innovative food products with enhanced health attributes. This will enhance human health and consumer confidence while allowing Canada's agriculture and agri-food sector to position itself to compete in a rapidly growing global market for functional foods;
- work in partnership with the CFIA to continue to improve safety and security of the food system through detection, monitoring and control of food hazards and the development of preventative safety approaches to mitigate risks; and
- continue to play a lead role in developing integrated management strategies to enhance quality and value, while ensuring that Canada's food products can be traced through every link of the production chain.

Enhancing Canada's food safety and quality systems will require AAFC to continue to work with its portfolio partners, such as the CFIA, and other federal organizations, provincial and territorial governments, and producers and processors, for a horizontal and cohesive approach.

### **Program Activity: Markets and International**

Canada is a trading nation, and the agriculture and agri-food sector plays a significant role in the country's trade success. For the sector, continued success in world markets can be further enhanced by international recognition of Canadian actions in food safety and quality, environmental stewardship, innovation and investment in new products. Not only will this approach benefit those Canadians earning their livelihoods from agriculture and agri-food, it will further enhance the sector's important contribution to Canada's positive trade balance, for the benefit of all Canadians.

The sector faces a variety of pressures in the constantly changing global marketplace. Consumers are becoming increasingly discriminating in their food purchases, placing new demands for safety, quality and health attributes on the foods they choose. There is also growing competition in the global marketplace from countries where production costs are lower than they are in Canada, and where trade-distorting domestic subsidies are provided to producers, causing overproduction of commodities and market distortions. Further, the rules governing trade in agriculture and food products are not consistently followed by all trading nations and need to be strengthened. Canada must continue to work on the international stage toward achieving a more level playing field for the Canadian agriculture and agri-food sector.

The Government of Canada will pay very close attention to the development of the next U.S. Farm Bill, which will take place over the course of 2007, and engage as appropriate to encourage the U.S. to undertake initiatives that are not trade distorting. For example, Canada's request for WTO consultations on U.S. corn and other subsidies has been characterized by U.S. proponents of farm bill reform as helpful in putting pressure on the U.S. to modify its programs to bring them into line with United States' international trade commitments.

At the World Trade Organization (WTO), Canada is seeking the elimination of all forms of export subsidies, the substantial reduction of trade-distorting domestic support, and real and significant market access improvements. While progress in the WTO Doha Round will require key WTO members to resolve significant differences in their negotiating

positions, including in respect of agriculture, Canada strongly supports efforts to achieve an ambitious result.

Regional and bilateral trade initiatives will also be important for the future prosperity of Canada's agriculture sector, and serve to complement and reinforce the WTO multilateral system. For this reason, Canada is reinvigorating its efforts to negotiate regional and bilateral trade agreements which serve the commercial interests of the sector and the country. From the perspective of ensuring Canadian competitiveness, a more active regional and bilateral agenda will help to ensure that we both maintain and create new market access opportunities for our exporters.

Moving forward, the Government of Canada will continue to consult with provinces and the full range of agriculture and agri-food industry stakeholders about how best to achieve the country's agricultural trade policy objectives.

To realize the intended outcomes from international activities related to the Security of the Food System, informed by the consultations on the next generation of agriculture and agri-food policy, AAFC will focus during the next three years on:

- pursuing a multi-faceted trade policy agenda, including securing and enhancing market access through trade negotiations at the WTO;
- advancing the development and implementation of an enhanced regional and bilateral trade agenda;
- advancing the implementation of traceability within the agriculture and agri-food system, in collaboration with industry; and
- working closely with provinces and the industry to further integrate the Canada Brand Promise into international market development strategies and activities to advance Canada's image in key markets abroad.

**Program Activity: National Farm Products Council** 


The National Farm Products Council (NFPC) promotes efficient, competitive Canadian agriculture. It helps to improve farm-product marketing between Canadian provinces and territories and internationally. It is an agency that reports to Parliament through the Minister of Agriculture of Agri-Food.

The Council supervises the operations of four national marketing agencies, ensuring they work best for producers and consumers. These four agencies manage the supply of Canadian chicken, turkey, eggs, and broiler-hatching eggs. They implement and administer marketing plans, allocate production quotas, and generate their revenues through levies.

The NFPC also supervises the operation of the beef cattle promotion and research agency. This agency promotes beef marketing through advertising, promotion and consumer education programs, and through product and nutrition research. This agency implements its promotion and research plan and generates its revenues through levies, commonly called “national check-offs.”

The Council will also supervise any other national marketing agency or promotion and research agency established under the *Farm Products Agencies Act*.

**Strategic Outcome: Health of the Environment** *An agriculture and agri-food sector that uses environmental resources in a manner that ensures their sustainability for present and future generations*

**Program Activity: Environment** 

In 2006-2007, AAFC worked to put in place the final environmental components of the existing APF, and accelerate the implementation of some environmental programs, particularly those covered by recently concluded APF implementation agreements.


The 2007-2008 fiscal year will require the department to look ahead to determine how to best address environmental challenges under the next generation of agriculture and agri-food policy, while also continuing implementation of existing programs


and determining how AAFC can best fit into broader government-wide environmental initiatives, such as the strategy for increased production and use of biofuels, and Canada’s Clean Air Act.

In addition, the department will develop transition plans for those existing environmental programs that continue under the new policy. These plans will be put into action next year, as the new policy is rolled out.

AAFC has a key role to play in Canada’s biofuels strategy. During the next few years, the department will work to develop cost-effective management practices and technologies to help the sector capture the economic benefits of greater reliance on biofuels. The department must consider ways to assist the sector in enhancing its own environmental performance through application of the strategy. To this end, AAFC will partner with other departments and agencies to develop an overall approach to biofuels that identifies and enhances environmental benefits in support of economic gains for Canadian farmers and the agriculture industry.

Working together with its portfolio partners as well as provincial and territorial partners and industry, AAFC will continue to further efforts towards achieving the Government of Canada’s goals on environmental sustainability of the sector and improved stewardship of soil, water, air, and biodiversity. Informed by the consultations on the next generation of agriculture and agri-food policy, the focus of these activities during the next three years will include:

- developing and implementing innovative policy options to achieve environmental goals under the next generation of agriculture and agri-food policy, including a biofuels strategy;
- continuing to support environmental farm plans and the development and adoption of on-farm beneficial management practices through financial and technical assistance;
- developing an AAFC water strategy related to agricultural sustainability through the Prairie Farm Rehabilitation Administration .

- developing the scientific knowledge and understanding needed to improve the environmental performance of the Canadian agricultural system by fostering greater scientific collaboration among partners and developing an enhanced understanding of the country's bioresources and their protection;
- completing implementation of the National Land and Water Information Service ; and
- reducing the risks due to pesticides by developing commodity specific strategies and by making available new uses of reduced risk minor use products.

By managing the effects of agriculture on the environment, producers can not only contribute to a better quality of life for Canadians, but they can also better sustain their operations and improve their environmental performance. AAFC will continue to work with provincial and territorial partners and industry on projects and policies designed to promote sustainable, economically viable and environmentally sound activities from the farm level and up the value-chain. Canada is committed to improving the environment, and AAFC will help Canada achieve that goal.

### **Strategic Outcome: Innovation for Growth**

*An innovative agriculture and agri-food sector that develops food and other agriculture-related products and services in order to capture opportunities in diversified domestic and global markets*

#### **Program Activity: Innovation and Renewal**

New knowledge is essential to increased farm profitability, sustainable growth, competitiveness of the agriculture and agri-food sector, and economic success of rural communities. Science generates knowledge on which the sector can build innovations to achieve greater job creation, profitability and competitiveness. Innovation transforms that knowledge into benefits for Canadians. It is the process by which ideas for new and improved products and services are developed and commercialized in the marketplace.

The application of science and innovation is aimed at transforming the sector by equipping it with new business and management skills, helping it become a leader in the bioeconomy and application of

bioproducts, assisting with the development of new knowledge-based production systems, and developing strategies to capture opportunities and manage change.

During the next three years, informed by the consultations on the next generation of agriculture and agri-food policy, the AAFC Science & Innovation Strategy will be implemented and further developed by focusing science and innovation investment on national research priorities identified in the strategy. Excellence in science will be pursued by developing and applying the highest and best standards of scientific excellence through external peer review of research proposals, and by developing a capabilities-driven, authoritative, and document-based science planning and reporting system.

Traditional food and feed markets remain key to Canadian agriculture, but future success for the sector lies in more than food and food products. Significant opportunities for growth also exist for non-food products, such as biomaterials, biomedical products, biohealth products, bioenergy products, biochemicals, and biopharmaceuticals.

For example, biofuels is a key element of the energy, environmental and economic agenda for the Government of Canada. AAFC is working in partnership with other science and research providers to explore the more efficient use of farm-based feedstocks for ethanol and biodiesel production and the use of waste products to generate methane gas for energy production. In the longer-term, the department aims to help integrate biofuels production into biorefinery processes that produce fuels and a variety of high-value co-products from biomass, thereby creating improved economic opportunities for farmers and the agriculture and agri-food sector while also addressing energy and environmental goals.

Indeed, there is a recognition among stakeholders of the need to take a collaborative approach to address issues facing the sector and make the most of opportunities that are becoming increasingly complex, interrelated and multidisciplinary in nature. To this end, AAFC, along with its portfolio partners, will continue its efforts to build an integrated national science capacity and focus research on the creation of new non-food products that will generate economic, social and environmental benefits for all Canadians.

During the next three years, informed by the consultations on the next generation of agriculture and agri-food policy, the department will also work to develop and implement new partnership strategies and architectures with other federal departments and provincial, academic and industrial organizations for the benefit of all Canadians. These science partnerships will be promoted by the development and delivery of a proactive outreach program. AAFC, together with its partners, will also work to develop complete innovation chains to transform scientific and technical knowledge and know-how into benefits for Canadians. Science and innovation clusters will be formed that bring together the stakeholders that will form complete innovation chains to maximize the return on investment.

AAFC will also participate in the development of the Government of Canada's science policy framework. The department will participate and provide leadership where necessary in working with other federal departments to develop and implement a national science and technology strategy.

Linked with advances in science and technology is continuous learning, designed to help ensure producers have the skills, knowledge and tools required to capitalize on new opportunities and increase farm profitability.

To this end, AAFC offers several renewal programs for producers and their families which are aimed at increasing their knowledge and use of business management practices as well as developing a clear understanding of their business and personal goals.

Renewal programs also provide producers with access to a confidential, on-line benchmarking tool that allows them to compare their farm data with other farms of similar specialization and size within their region.

In addition, in 2006-2007 the Government of Canada launched the Canadian Farm Families Options Program, which works hand-in-hand with renewal programs at AAFC. The program provides the income support necessary for farmers to take advantage of opportunities to increase their business management capacity through such means as engaging in a farm business assessment or in the development of an

individual learning plan that could lead to improved on- or off-farm income.

In 2004, AAFC launched the Advancing Canadian Agriculture and Agri-Food (ACAAF) program. The ACAAF program is a five-year, \$240-million program designed to position Canada's agriculture and agri-food sector at the leading edge of new opportunities. The program provides funding for regional and national projects designed and implemented by the sector.

AAFC will continue to deliver renewal programs and will work to develop new options for the next generation of agriculture and agri-food policy. AAFC will make programs more easily accessible in various areas, including farm business advisory services, awareness, skills development, and access to capital, and will work with other players including FCC.

### **Program Activity: Markets and International**

Canada's agriculture and agri-food sector has the potential to build on its reputation as a reliable supplier of products that meet and exceed consumer expectations. Realizing this potential – both at home and around the world – will require a focused, determined and innovative approach by governments and industry.

As mentioned, there are numerous market and trade challenges facing the sector. Globalization has made world markets more competitive as new, low-cost producers expand production. Market access is undermined by trade-distorting practices and circumvention of trade protocols. Consumers continue to raise the bar on food safety and quality, humane production systems for livestock and expectations for environmentally sustainable land management practices.

Canada's agriculture and agri-food sector has an opportunity to meet these challenges, while maximizing and capturing opportunities in domestic and international markets, by building on its strengths and established reputation.

As such, a key to success for the sector will be the implementation of a branding strategy designed to build on its strengths and on Canada's reputation as a supplier of safe and high-quality food and food products. In 2007-2008, AAFC will continue to work

closely with industry toward the implementation and integration of this strategy, as well as the development of other long-term strategies designed to bring increased market success to the sector.

The department will also work to strengthen international market and development relationships, and implement international market engagement, international development and international scientific co-operation strategies, as it helps the sector continue to take advantage of new and existing export opportunities.

### **Program Activity: Rural and Co-operatives**

There is an obvious connection between a healthy and vibrant rural Canada, and a strong and prosperous agriculture and agri-food sector. It takes an entire network of rural communities in Canada to support a resource-based sector like agriculture; without those communities the huge contributions of the sector would be reduced. To ensure the sector remains strong, rural issues and priorities must receive due attention and consideration when policies, programs and legislation are developed.

Part of AAFC's mandate is to support rural community development, which is pursued in partnership with the complementary mandates of other federal departments. As the federal lead on this horizontal initiative, AAFC will, during the next three years, identify rural community development priorities and implement an action plan responding to those priorities. Information requirements and tools to support rural development in Canada will also be provided.

The AAFC mandate also includes co-ordination of federal government initiatives that support co-operative development. Canada has 9,200 co-operatives serving more than 10 million citizens in different sectors of the social economy such as housing, childcare, financial services, and agriculture. There are approximately 1,200 agricultural co-operatives with a combined membership of 380,000 independent farmers. Agricultural co-operatives employ 34,000 people and possess 15 to 20 per cent of the market for farm procurement, processing and marketing of farm products. They generate \$14 billion per year in revenue and play a key role in the viability of rural communities.

During the next three years, AAFC will focus on providing expert assistance and advice to groups that want to start new co-operatives, or that need help to manage existing ones. AAFC will also focus on studying and demonstrating how co-operatives can be used in innovative and successful new ways.

### **Program Activity: Canadian Pari-Mutuel Agency**

Section 204 of the Criminal Code of Canada designates the Minister of Agriculture and Agri-Food as responsible for the policy and regulatory functions pertaining to pari-mutuel wagering on horse races. This function is delivered through the Canadian Pari-Mutuel Agency (CPMA), a special operating agency within AAFC.

A comprehensive regulatory framework and governance review is underway at the CPMA. The objective of the review, launched in 2006-2007, is to ensure the most modern, effective and efficient approach to protecting the betting public as it pertains to pari-mutuel wagering on horse races across Canada. The review is being informed through broad-based stakeholder outreach, including consultations with provincial regulatory bodies, the Canadian horse-racing industry and the Canadian betting public.

## **THE NEXT GENERATION OF AGRICULTURE AND AGRI-FOOD POLICY**

As mentioned, with the APF expiring in March 2008, the department and provincial and territorial governments are working in concert with stakeholders to develop the next generation of agriculture and agri-food policy, to support an industry that is market driven, innovative and efficient, enabling the sector to seize opportunities across the value-chain and strengthen Canada's position in the global market place.

The 2007-2008 fiscal year will see an even greater focus on this work, in preparation for the transition from the APF to the next generation of agriculture and agri-food policy. AAFC and provincial and territorial partners will consult with a wide range of stakeholders, including industry associations and grassroots producers, processing, retail and food service industries, agricultural value-chain players, consumers and experts from academia and think tanks, to develop and refine policy options

to support a competitive and prosperous agriculture and agri-food sector.

To this end, AAFC will continue to work with its portfolio partners and its partners in industry and government on a new policy framework to support programs and other initiatives aimed at:

- helping the Canadian industry to stay ahead of competitors;
- meeting evolving consumer demands;
- developing non-food products, linking with other sectors in the bioeconomy, creating solutions to environmental issues and capitalizing on the service-based aspects of the farm entity; and
- fostering prosperity and opportunity.


## OUR MANAGEMENT PRIORITIES

AAFC conducts its operations with the accountability, transparency and oversight called for in the *Federal Accountability Act* and Action Plan and associated federal government measures. These new measures include streamlining financial management policies, strengthening access to information legislation, reforming the procurement of government contracts, strengthening auditing and accountability within departments, and ensuring a fair, economical and efficient delivery of grants and contribution programs.


AAFC is also responding to the new Management, Resources and Results Structure (MRRS), which supports a common, government-wide approach to the collection, management and reporting of financial and non-financial performance information. The MRRS provides departments with the flexibility and discretion they need to design and manage their programs in a manner that best achieves results for Canadians. Through the MRRS, management and accountability, in accordance with the Management Accountability Framework (MAF), will be reinforced at AAFC.

Tying into the MRRS is the department's comprehensive Strategic Planning and Accountability Framework.

It consists of five interdependent components: Accountabilities and Responsibilities, Strategic Planning, Comptrollership and Financial Management, Results-based Management Framework, and Managing in a Matrix Environment.

The framework provides the tools and internal policies to enable all departmental employees to work in the most efficient and effective manner possible, while emphasizing financial stewardship and accountability. It clearly demonstrates that AAFC's management practices are consistent with the Government of Canada's overall management agenda. AAFC has also been actively engaged in the Treasury Board Secretariat's MAF  since its inception in 2003. The MAF summarizes the Government of Canada's expectations of sound management – from financial to people management, from assigning accountabilities to reporting results – and departments are measured on their performance against each of the 10 elements under the MAF. Through its management priorities, AAFC strives to meet and exceed expectations under the MAF and strengthen its accountability regime for 2007-2008 and beyond.

### People

The *Public Service Modernization Act* (PSMA)  is a cornerstone piece of legislation for modernizing human resources (HR) management in the public service. The ability of a department to maximize opportunities afforded by the PSMA is tied to the robustness of its human resources planning efforts. To advance HR planning at AAFC, the department developed a corporate human resources planning approach in early 2005, following the model designed by the Public Service Human Resources Management Agency of Canada, and constructed to align with the elements of the People Component of the MAF.

AAFC's approach to HR planning ensures rigour and consistency, and brings together HR plans from individual branches to create one department-wide plan. The departmental plan is built around a recruitment, development and retention model, supporting the employee life-cycle and underpinning the sustainable renewal of AAFC's workforce.

HR planning is an integral part of the departmental strategic planning cycle and overall strategic management direction. AAFC's matrix governance model encourages

branch management to consider the current and future HR needs required to support team business plans, and enables the crosswalk of HR needs to the longer-term strategic work needs of teams, and the department as a whole.

This integrated approach to HR planning ensures the right people are recruited into the department, and that development opportunities are made available to employees so that its workforce can respond to new work priorities and shifts in the strategic direction of the department.

Key initiatives include the adoption of a competency-based HR management approach. AAFC has developed a suite of competency profiles for virtually all occupational groups and levels, and are integrating these into recruitment, staffing, learning and Employee Performance Management Program. By integrating competencies into its staffing processes, in particular, the department can hire people suited to a broader range of positions, not just one or a narrowly defined set of positions. This is critical to help AAFC continually move people from low-priority to high-priority work, and to have people who can adapt professionally as the work evolves.

Third, as implementation of HR plans is being finalized, the need to ensure that AAFC remains a representative and inclusive department, in terms of both usage of official languages and in employment equity membership, is being taken into account. For example, Our Bilingualism Program at AAFC includes more than \$1 million annually for non-statutory language training. This multi-year program is being accessed across the country, increasing the department's ability to do business in both official languages.

A key challenge for the department is affecting the full implementation of integrated HR and business planning within its matrix governance model, whereby the department manages resources through branches and work through horizontal teams. AAFC continues to explore tools, processes and points of intersection that enhance the integration of HR planning with business planning, to best make the demand(work)/supply (people) matrix work.

Another challenge is ensuring the department has comprehensive and accurate data, and the tools and systems to manage information and reporting. AAFC has recognized this challenge and is overhauling its information management system and piloting new reporting tools to increase the accuracy and timeliness of reporting on HR activities.

## **Financial Management / Strategic Planning**

In keeping with enhanced Government of Canada policies designed to ensure sound financial comptrollership within federal departments, AAFC continues to implement the Chief Financial Officer (CFO) model. The CFO will be accountable for managing financial risks within AAFC, understanding the financial implications of decisions before they are taken, reporting on financial results, and protecting against fraud, financial negligence, violation of financial rules or principles, and losses of assets or public money.

AAFC is implementing a three-year financial strategy to help deploy future resources and ensure the department can go in the direction it has planned. This strategy will determine how the majority of AAFC's discretionary resources are allocated to departmental priorities.

As part of this overall financial strategy, AAFC has implemented the Financial Matrix Management model, designed to support effective and efficient financial and results-based management, where teams are accountable for delivering results and outcomes, and branches support teams through day-to-day decision-making through delegated authorities. The Financial Matrix Management model provides improved financial management accountability, while providing sufficient flexibility to manage changing departmental needs.



AAFC's strategic planning process continues to be improved across each of the six interdependent components with the introduction of new management and reporting tools for employees throughout the country. Each has its own set of requirements and steps, and each involves aspects of risk management. The six components are:

- 1) Strategic visioning – provides a road map consisting of our overall strategic vision and long-term strategic objectives, to steer planning and decision-making to deal with challenges as they emerge;
- 2) Business planning – establishes annual plans and priorities, and balances the investment in ongoing operations and activities with the investment required for the change agenda initiatives;
- 3) HR planning – integrated with business planning, identifies current and future HR needs based on departmental priorities, and develops and documents the HR management strategies that best support these priorities;
- 4) Resource prioritization – involves analyzing departmental priorities and establishing resource priorities over a three-year period, with emphasis on the upcoming planning cycle;
- 5) In-year management – involves monitoring the progress against the business plan, managing the impact of significant issues and new requirements, including risk, and adjusting resources in response to new pressures; and
- 6) Performance management – outlines the structure and focal areas for measuring performance in AAFC with boards of directors and assistant deputy ministers monitoring progress, making course corrections and reporting on performance results.

Within the department's framework, strategic visioning focuses on a three- to five-year horizon; resource prioritization focuses on the one- to three-year horizon; and the business planning process focuses on the upcoming year.

## Internal Client Services

In keeping with guidelines from the Treasury Board of Canada Secretariat, AAFC has developed its *Long-Term Capital Plan* to plan for and manage its assets and capital priorities and expenditures. The department will continue to implement the plan in the 2007-2008 fiscal year. The plan will help AAFC retain or acquire only essential assets required to deliver programs efficiently, and manage its existing asset base and make appropriate changes to it with the resources that are available. It will also provide a rationale for proposed expenditures and project approvals.

The department will also continue to manage its new headquarters project.

For the purpose of improving excellence in delivering internal services, AAFC has initiated the Internal Service Standards Project. The outcome of this project will be attained through the capture and analysis of relevant non-financial metrics.

AAFC is contributing to the Government of Canada's Corporate Administrative Shared Services initiative, and will design and implement internal service standards to help guide and measure its performance.

Under the Corporate Administrative Shared Services initiative, federal transactional and administrative functions are planned to be delivered through new shared service structures, designed to provide the best service and value to Canadians. The initiative aims to improve effectiveness and efficiency of administrative services by developing government-wide information management and information technology systems, streamlining and standardizing administrative practices and processes, and ensuring access to information for better management of government. As a current provider of financial and HR systems services to portfolio partners as well as to other departments, AAFC and its clients are uniquely positioned to offer lessons learned and successful practices to the Corporate Administrative Shared Services organization.

AAFC will also work in 2007-2008 to implement the greening operations commitments outlined in the department's fourth Sustainable Development Strategy, which was tabled in Parliament December 13, 2006.

## Information Management and Technology

AAFC has revised its Information Management and Information Technology (IM/IT) strategy to reflect the federal and departmental direction and to ensure that all IM/IT investments and activities respond to client and business needs.

The departmental IM/IT Strategic Planning Framework and supporting strategies identify the context, business drivers, key targets, recommended approaches, and planning considerations to best use information technology to meet business challenges.

Under the umbrella of *service excellence*, the framework will address three strategic outcomes: strategic partnerships to create value; being an IM/IT integrator to add value; and being a service provider to demonstrate value for money.

Part of this overall framework also includes IM/IT priorities which will allow AAFC to implement its IM strategy and change to a culture of more effective information management and sharing. In 2007-2008, AAFC will continue to focus on IM/IT departmental governance for strategic sound management of information and technology assets. The department will continue to respond to the departmental priorities and initiatives to enable service improvement and service delivery including simplifying business processes, as well as ongoing critical operations.

## Corporate Management

The *Emergency Preparedness Act* states that every Minister is accountable to Parliament for: i) developing plans for contingencies that are within or related to their area of accountability; ii) implementing plans when requested, to support other government departments or provinces and territories; iii) providing for the safety and welfare of staff who are involved in responding to an emergency, and iv) conducting training and exercises to develop and test plans.

To this end, AAFC, with its portfolio partners, is implementing the National Disaster Assistance Framework (NDAF), to help better manage and co-ordinate the sector-wide response to emergencies.

The NDAF is an all-hazards emergency management system that is designed to link the federal, provincial and territorial governments and private sectors to better manage and co-ordinate responses to emergencies. The framework is designed to be activated for agriculture and agri-food emergencies (including situations involving food safety, animal and plant health, or emergencies occurring in other countries where international organizations request support) that exceed a provincial or territorial lead agency's capacity to deal with the situation and when support to the response effort is needed from other federal, provincial, territorial and private sector stakeholders.

As part of this framework, the department, along with its portfolio partners, is developing a plan detailing how the portfolio will respond in the event, however remote, of an influenza pandemic.

AAFC is also a key contributor to the Government of Canada's *whole-of-government* plan for responding to such a pandemic. As part of this plan, committees have been established to address potential gaps in preparedness in six main areas:

- 1) *International Issues;*
- 2) *Federal Business Continuity and Human Resources;*
- 3) *Public Health and Emergency Management;*
- 4) *Communications;*
- 5) *Economic and Social Impact; and*
- 6) *the Private Sector.*

## **Audit and Evaluation**

AAFC will work in 2007-2008 to further implement the new Internal Audit Model, as required under the *Federal Accountability Act*. This model will help reinforce good stewardship practices and sound decision-making within AAFC, and ensure the department best serves the needs of Canadians.

AAFC is also working to meet stringent new internal audit guidelines released by the Comptroller General of Canada. The department's Chief Audit Executive (CAE) is responsible for overseeing and promoting professional conduct of internal audits. The CAE provides independent, objective information and assurance on the effectiveness and adequacy of the department's governance, risk management and control processes, including assessing controls over financial management, financial reporting and evaluation of programs and activities.

The CAE is independent from departmental management and operations. This position has unimpaired ability to carry out responsibilities, including reporting findings to the Deputy Minister, the Departmental Audit Committee and the Comptroller General of Canada.

In 2007-2008, AAFC will also work to provide performance information and evaluations that support the development of the next generation of agriculture and agri-food policy and other strategic initiatives.

## **Portfolio Collaboration**

AAFC, together with its portfolio partners, has been taking an integrated approach toward addressing major issues that cross responsibilities and policy development. More importantly, AAFC, along with the rest of the portfolio, is committed and engaged in the development of the next generation of agriculture and agri-food policy.

There has been an extensive evolution in portfolio collaboration since 2001, from protocols on key files to sharing research and administrative services, to participating in executive level meetings, which has translated into continued adoption of portfolio management best practices.

As well, AAFC, together with its portfolio partners, has strengthened its approach to annual planning and reporting to meet the requirements of good governance, transparency and management accountability.

## **Citizen-focused Service**

AAFC is committed to a client-focused approach to service delivery, and to achieving measurable improvements in response to client expectations. To support this approach, the department is guided by its Service Delivery Strategy, which aims to put AAFC in a leadership role in the design and implementation of citizen-centred, responsive programs and services that contribute to a profitable and sustainable agriculture and agri-food sector.

Understanding clients and their needs is what drives service improvement at AAFC. Using the Common Measurement Tool – a client satisfaction survey instrument – the department will undertake further client surveys to determine levels of satisfaction, service quality drivers and priorities for improvement. AAFC will establish priorities and implementation plans to have service standards in place within three years. Other major activities will be undertaken in support of service improvement and service delivery, including building a client and service knowledge base, simplifying business processes, and migrating programs to a common grants and contributions platform.

As part of an ongoing effort to enhance access to information, programs and services, AAFC will continue to consolidate and update its Web site, strengthening its capacity to provide on-line services to complement the more traditional service channels of telephone, in-person and mail. Clients will benefit from a more comprehensive integrated channel management approach evidenced by AAFC My Account and telephone access.

The department is also working with its federal, provincial and territorial partners to develop and implement strategic communications plans and marketing activities. This will help better serve and inform AAFC clients at home and abroad about the objectives, benefits and value of AAFC programs and services, with the goal being to promote and increase stakeholder involvement in these programs. To achieve this goal, AAFC has established the following key communications priorities to support external clients:

- provide comprehensive communications and consultation support to the engagement strategy for the next generation of agriculture and agri-food policy;
- provide intensive and sustained strategic communications support for science and innovation and other areas supporting new market development and other opportunities for the agriculture sector;
- implement an internal communications approach that focuses on new tools and ongoing dialogue with employees; and
- provide ongoing strategic communications advice and activities in support of the action plan for BRM programs in the context of the current APF and the next generation of agriculture and agri-food policy.

## PARLIAMENTARY COMMITTEE REPORTS

### Standing Committee on Agriculture and Agri-Food

The Committee tabled a report in the House of Commons that requires a Government Response, as well as three other reports that may require action by the Portfolio. Details follow.

#### ***Report on the Review of the Canada Grain Act and the Canadian Grain Commission conducted by COMPAS Inc.***

Under the Standing Orders, a response is required within 120 calendar days.

This report is the result of an amendment to Bill C-40, An Act to amend the *Canada Grain Act* and the *Canada Transportation Act* introduced by the Standing Committee in 2005. This amendment required an independent and comprehensive review of the *Canada Grain Act* and the CGC, which was carried out by COMPAS Inc.

The Committee tabled this report on December 5, 2006 following a series of meetings held in September and October 2006 with several witnesses including COMPAS Inc., CGC officials and stakeholders. There was general support for reform to the CGC and the most challenging issues of the reform were common to the majority of witnesses. The report focuses on the common themes raised by witnesses which include the mandate and governance of the CGC, inward weighing and inspection, research funding, liability of the CGC, Kernal Visual Distinguishability and producer cars.

The report contains 12 recommendations and can be found at the following site:  
<http://cmte.parl.gc.ca/cmte/CommitteePublication.aspx?COM=10464&Lang=1&SourceId=185696>

## Other reports that may require action by the portfolio include:

1. a report tabled by the Committee on June 8, 2006, which presented three recommendations on the matter of Imports of Milk Protein Concentrates (MPCs) specifically import control measures, the classification of all MPCs and the issue of invoking Article XXVIII of the GATT.  
The report is available at:  
<http://cmte.parl.gc.ca/cmte/CommitteePublication.aspx?COM=10464&Lang=1&SourceId=145897>
2. a report tabled by the Committee on December 12, 2006, which presented one recommendation on matters relating to the Pest Management Reglementation Agency regarding the Own Use Program for importing pesticides.  
The report is available at:  
<http://cmte.parl.gc.ca/cmte/CommitteePublication.aspx?COM=10464&Lang=1&SourceId=187444>
3. a report tabled by the Committee on December 13, 2006, which presented four recommendations on matters relating to restricting supplemental beef quota.  
The report is available at:  
<http://cmte.parl.gc.ca/cmte/CommitteePublication.aspx?COM=10464&Lang=1&SourceId=187070>

## The Standing Senate Committee on Agriculture and Forestry

On May 16, 2006, pursuant to a motion by Senator Hugh Segal, the Committee was authorized to examine and report on rural poverty in Canada. In the fall of 2006, following a series of 13 meetings in Ottawa, including one appearance by the Minister of Agriculture and Agri-Food, the Committee tabled an interim report entitled *Understanding Freefall: The Challenge of the Rural Poor* on December 13, 2006. The findings of the interim report were fairly broad, touching on not only agriculture, but also issues such as rural economic development, education, access to services, transportation and immigration.

The report can be found at the following site:  
[http://www.parl.gc.ca/39/1/parlbus/commbus/senate/com\\_e/agri\\_e/rep\\_e/repintdec06\\_e.pdf](http://www.parl.gc.ca/39/1/parlbus/commbus/senate/com_e/agri_e/rep_e/repintdec06_e.pdf)

The Committee's final report is to be tabled no later than April 30, 2007.

## LINK TO THE GOVERNMENT OF CANADA OUTCOME AREAS

AAFC's program activities reflect and support the Government of Canada's broad priorities and goals to create opportunities for Canadians, make the economy more productive and competitive, and make Canadian communities better places to work, play and grow.

The department works with producers, stakeholders in the agriculture and agri-food sector and other levels of government to help ensure that the sector is competitive domestically and internationally, viable and prosperous, and contributing to a strong economy, while protecting and promoting integrity of the environment.

The Whole of Government Framework provides a structure for mapping the contributions of departments, agencies and Crown corporations to a set of high-level Government of Canada outcomes. AAFC's strategic outcomes and activities are focused in the following Government of Canada outcomes under the Framework:

- Economic Affairs: Strong Economic Growth
- Economic Affairs: An Innovative and Knowledge-Based Economy
- Economic Affairs: A Fair and Secure Marketplace
- Economic Affairs: A Clean and Healthy Environment
- International Affairs: A Prosperous Canada Through Global Commerce

## CONCLUSION

The Canadian agriculture and agri-food sector is a success story and will continue to make significant contributions to society and to the quality of life of all Canadians. This country's producers and processors have a world-wide reputation for meeting consumer expectations regarding food safety and quality and environmental standards.

For a variety of reasons outlined in this report, farm incomes have declined in recent years. While the sector has shown resilience, the nature and scope of pressures it faces require Canadian producers and governments to continue efforts aimed at stability and success in the sector. The policies and programs under the APF have provided an integrated national approach and this will continue under the next generation of agriculture and agri-food policy being developed by AAFC and provincial and territorial partners in consultations with stakeholders.

Taken together, AAFC's departmental program activities form a cohesive action plan that is working for the benefit of producers, for the rest of the value-chain, and for all Canadians. Efforts will continue to ensure the Canadian agriculture and agri-food sector enjoys enhanced business stability. Consumers at home and abroad will have greater assurances about the safety and quality of their food and the environmentally responsible methods used to produce it. Canadians can also expect a broad range of new food and non-food products that will improve their day-to-day quality of life. A stronger Canadian agriculture and agri-food sector will, in turn, strengthen the Canadian economy as a whole.





AAFC, along with its portfolio partners, is well positioned to respond and to contribute to government-wide initiatives to strengthen management and sustain a culture of accountability. The department's experience in developing and implementing the APF with provincial and territorial partners and with stakeholders has created solid foundation for the development of the next generation of Canadian agriculture and agri-food policy.



# Analysis of Program Activities by Strategic Outcome

This section covers AAFC's program activities for the fiscal year 2007-2008 and outlines how these activities will contribute to achieving the department's three strategic outcomes:

- 1) Security of the Food System;
- 2) Health of the Environment; and
- 3) Innovation for Growth.

This section also contains information on other key areas for which the department is responsible, including Rural Development , Co-operatives , the Canadian Pari-Mutuel Agency  and the National Farm Products Council .


## The Agricultural Policy Framework

AAFC's strategic outcomes and corresponding program activities have been guided by the Agricultural Policy Framework (APF), and by the need to adjust the framework as necessary to ensure it best serves Canada's agriculture and agri-food sector and helps provide the best quality of life for all Canadians.

The APF was developed to strengthen the agriculture and agri-food sector through a comprehensive and integrated national policy that seeks to position the sector to meet the challenges and seize the opportunities of the 21st century. It aimed to meet and exceed consumer demands and expectations, and brand Canada as a world leader in producing and supplying a variety of safe, high-quality and nutritious agri-food products while caring for the environment.

The APF also put significant emphasis on the role of agricultural research and development to introduce new products, help the sector expand into new markets, and ensure product safety and quality, while preserving

the environment and enhancing the environmental performance of commercial agriculture.

With the APF due to expire at the end of this fiscal year, significant policy and program development work will be required in 2007-2008 to ensure the next generation of Canadian agriculture and agri-food policy  is developed, negotiated and ready to implement in 2008. Broad public consultations, begun in late-2006 and continuing in early-2007, support this work. This groundwork will also include the integration, within the next generation of agriculture and agri-food policy, of a food industry strategy to assist with growth and development of the food production and food processing sectors in Canada.

In addition, development of a strategy for agricultural biomass-based non-food products and markets will be an area of focus for the department. This approach is motivated by the growing significance of value-added products in today's marketplace as well as the recognition of the increasing importance of co-ordinated action along value chains. AAFC's work under each of the following strategic outcomes is conducted with this in mind.

## STRATEGIC OUTCOME 1: SECURITY OF THE FOOD SYSTEM

*A secure and sustainable agriculture and agri-food system that provides safe and reliable food to meet the needs and preferences of consumers*

### INTRODUCTION

A secure food system is one that is profitable and can be relied upon by consumers to provide the products

they want and need. Through the Security of the Food System strategic outcome, AAFC, along with its portfolio partners the CFIA and the CGC, aims to ensure Canada can continue to produce, process and distribute safe and reliable food. To achieve this, the country needs an agriculture and agri-food sector that is healthy, stable and viable.

The department's approach to ensuring Security of the Food System is based on ensuring farmers and food producers have the tools they need to manage business risks, maintaining and enhancing consumer confidence in the safety and quality of Canada's agriculture and agri-food products, and sustaining and expanding access to global markets.

## OPERATING ENVIRONMENT

The agriculture and agri-food sector plays a significant role in the Canadian economy and society. Besides meeting the basic need for food, the sector provides one of every eight Canadian jobs and accounts for approximately eight per cent of the country's GDP. Ensuring this success can continue is integral to a strong and productive future for Canada.

The Canadian agriculture and agri-food sector is a key contributor to the country's success on the trade front. Canada's land base and relatively small population means the country produces far more food and agricultural products than it needs, and relies heavily on trade, exporting close to half of all domestic production. Throughout the world, Canada has established a firm reputation as a reliable supplier of agriculture and food products that meet and exceed consumer demands and expectations.

Opportunities for growth, prosperity and a stable future for Canadian producers and processors are expanding as borders around the world become more open, foreign markets become more affluent and the sciences converge to produce a new range of bioproducts.

In addition, an increasing number of consumers are seeking out more convenient, healthier products.

To continue to succeed over the long-term, the agriculture and agri-food sector will need to satisfy the ever-changing expectations of domestic and international markets, as well as capitalize on the opportunities provided by increasing numbers of customers, demand for specific safety and quality attributes, and fast-growing markets for value-added foods and food products.

At the same time, the business of agriculture is inherently risky, presenting the sector with many challenges. Environmental conditions, low commodity prices, high input prices, international competition for markets, and the general unpredictability of plant and animal diseases – among other issues – all contribute to put Canada's agriculture and agri-food sector under enormous pressure each year. Governments play a key role in helping the sector deal with this pressure.

## STRATEGIC RESPONSE

To achieve the strategic outcome Security of the Food System, AAFC works through the departmental program activities of Business Risk Management, Food Safety and Food Quality, and Markets and International. The National Farm Products Council also contributes to this Strategic Outcome.

## BUSINESS RISK MANAGEMENT

*Enhancing producers' capacity to manage risk, and increasing the sector's viability and profitability*

Business Risk Management (BRM) programming is designed to equip producers with the tools and capacity needed to manage risks and ensure viable and profitable farming operations. Governments across Canada agree that effective BRM programming is crucial to ensuring a more stable and profitable agriculture and agri-food

## Net Planned Spending and Full Time Equivalent – Business Risk Management

2007-2008		2008-2009		2009-2010	
\$ millions	FTE	\$ millions	FTE	\$ millions	FTE
1,518.9	947	1,123.3	947	1,108.3	947



sector. By being able to better mitigate risk, producers can focus on seeking out new opportunities to strengthen their ability to produce safe food and non-food products for Canadians and consumers around the world. This, in turn, helps improve the quality of life for all Canadians.

Under the APF, the federal government has targeted \$5.5 billion over five years for BRM programs. These programs provide similar treatment to every producer across the country facing similar circumstances, and provide whole-farm assistance instead of being commodity-focused, to address the needs of the sector for stability and disaster protection.

AAFC and provincial governments, in consultation with industry organizations, are working to develop new and separate income stabilization and disaster relief programs that provide responsive, predictable and timely assistance to producers. This programming will be implemented in 2007-2008, and will form a core element of the next generation of agriculture and agri-food policy.

## **Business Risk Management programs**

There are two main national programs available to help producers manage risk and deal with income fluctuations: the Canadian Agricultural Income Stabilization (CAIS) program and Production Insurance (PI). These programs are complemented by the Private Sector Risk Management Partnerships (PSRMP) program and financial guarantee programs including the Advance Payments Program (APP), Spring Credit Advance Program (SCAP), the Enhanced Spring Credit Advance Program (ESCAP), the Price Pooling Program (PPP), and the *Financial Improvement and Marketing Cooperatives Loan Act* (FIMCLA) program.

### **CAIS program**

The CAIS program, which is federal-provincial-territorial cost-shared, is designed to help producers manage farm income risk. Under the program as originally designed, income stabilization and disaster protection were integrated into a single program, helping producers protect their farming operations from both small and large drops in income due to circumstances beyond their control.

It is a whole-farm program available to eligible farmers regardless of the primary agricultural commodities they produce, including dairy, poultry and eggs operating within supply management systems. Farmers in supply managed sectors, who primarily use supply management to stabilize their revenues, are eligible for disaster assistance under the CAIS program.

The program is cost-shared among federal, provincial and territorial governments and producers. A payment is made when a participant's margin in the program year falls below the reference or historical margin. The bigger the loss, the larger the share of the payment from governments. Since funding allocations under the program are demand-driven, assistance goes where it is needed, with no fixed cap on government funding for any given year.

The CAIS program is delivered in British Columbia, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador, and the Yukon under federal administration. In Alberta, Ontario, Quebec, and Prince Edward Island, the CAIS program is delivered provincially.

As a result of consultations among federal, provincial and territorial officials and industry in 2006-2007, governments have committed to replace the CAIS program with separate margin-based income stabilization and disaster relief programs. The objectives of these new initiatives include improving the responsiveness of BRM programming, increasing producers' understanding of the programs and ensuring the programs are simpler and more responsive to the needs of Canadian producers, as well as more affordable to taxpayers. The new margin-based income stabilization program involves significant improvements on the original CAIS program and will be launched for the 2007 stabilization year. Governments are also pursuing a separate disaster relief framework that will allow the federal and provincial governments to work more quickly to address the impacts of disaster situations on farming businesses when they occur.

In the interim, the current CAIS program will continue for the 2006 stabilization year (which will generally be administered during the 2007-2008 fiscal year).

Governments have implemented under CAIS program elements which will be part of the new income stabilization program to help transition producers to the new program and allow them to benefit from these elements sooner. These include:

- the replacement of the previous producer deposit requirement with a more affordable fee;
- the inclusion of a better (hybrid) method of valuing inventories;
- broader eligibility criteria for negative margin coverage;
- a targeted advance mechanism for disaster situations; and
- improved service delivery (including a late filing option, automatic sign-up, electronic filing, online calculators, a harmonized Income Tax/CAIS form, reduced information requirements, and common service standards).

In November 2006, governments announced a series of cross-Canada consultations to provide industry leaders and individual producers with the opportunity to help shape discussions on the next generation of agriculture and agri-food policy. These meetings will include further consultations on BRM programming. The results of these consultations will be used to identify and address gaps and make further improvements to BRM programming within the context of affordability.

## Production Insurance

Production Insurance (PI) is designed to stabilize producers' incomes by minimizing the economic impacts of production losses arising from natural hazards like drought, hail, frost, and excessive moisture, as well as uncontrollable pests and diseases. The program is cost-shared by producers and governments. It is delivered by the provinces and territories, with the federal government contributing a portion of total premiums and administrative costs.

Under the program, producers are able to purchase protection for severe, uncontrollable production and asset losses for crops. PI also gives producers a wide range of program options that are consistent across provinces and territories.

In 2007-2008, the PI program will develop and implement new products for horticulture, forage and livestock.

## Private Sector Risk Management Partnerships

While the APF has helped significantly to expand risk management coverage to primary producers, farmers have identified some gaps in available farm-level risk management coverage.




AAFC's Private Sector Risk Management Partnerships (PSRMP) programming is designed to help the agriculture and agri-food sector find risk management solutions to these gaps, through products and services developed and delivered by the private sector. PSRMP complements the federal government's ongoing investment in Canadian agriculture by assisting producers in managing their business risks, while moving the sector toward improved long-term profitability and competitiveness.

By facilitating an expanded role for private sector providers of risk management products and services, the PSRMP approach allows for a limited investment of public resources in industry-led projects. The results of this approach include an increased capacity to manage farm business risks, and an increasing range of private sector risk management products and services designed to meet the needs of Canadian farmers.


In 2007-2008, PSRMP will continue to work with producer organizations and the private sector financial services industry to increase the range of private sector risk management products and services meeting Canadian producers' needs in farm business risk management.

## Financial Guarantee Programs

In addition to the risks traditionally associated with agricultural production, inadequate operating cash or access to credit can also affect the viability of farming operations. Financial guarantee programs address this need through credit facilities.


In 2006-2007, the Government of Canada announced amendments to the *Agricultural Marketing Programs Act* (AMPA),  designed to provide expanded coverage and increased financial advances to farmers. As a result of the amendments, the former SCAP and the APP were combined into a single program under the AMPA, also called the Advance Payments Program (APP) . The new APP will continue to provide farmers with advances during the entire production cycle to allow producers to market their products throughout the year when market conditions may result in better prices. As an interim measure, while the above changes are being implemented, the *Enhanced Spring Credit Advance Program* (ESCAP)  has been created and put in place to make more money available to producers through interest-free loans. The interim program will expire in September 2007.

In 2007-2008, AAFC will continue to deliver the newly amended APP, and will implement enhancements to the program's electronic delivery system to improve administration and increase producers' capacity to manage cashflow through the production year.

Producers also have access to the FIMCLA  program, a federal loan-guarantee program designed to increase the availability of loans to producers for farm improvements, and support access to capital for agricultural co-operatives.

Departmental officials will make recommendations on how the FIMCLA program could be adapted to better support beginning farmers, intergenerational farm transfers and agricultural co-operatives. If changes are required in 2007-2008, the department could initiate legislative changes to this end designed to enhance the program. In addition, an electronic delivery system will be developed for FIMCLA, to improve and simplify the administration of the program.


## Other BRM Programming

The *Price Pooling Program*  is designed to facilitate the marketing of agricultural products under a co-operative by providing a price guarantee to protect against unanticipated declines in the market price.

## Special Assistance Programming

The \$85-million Plum Pox Eradication Program was introduced in 2004 to help control and eliminate the plum pox virus in Canada. The program includes \$20 million to help address the losses experienced by growers who have had to destroy trees, and \$65 million for work on detection and research on diagnostic and transmission of the virus. The program is continuing in 2007-2008.

In response to the discovery of Golden Nematode in the St. Amable region of Quebec, the federal government launched a \$5.4 million assistance program in 2006-2007. This program includes \$2 million to assist with potato disposal, extraordinary costs and business advice and planning services, as well as \$3.4 million through the CAIS program and renewal programming. Government officials will continue to monitor the situation and program up-take into 2007-2008.

The Cover Crop Protection Program (CCPP),  announced in May 2006, was a one-time Government of Canada initiative totaling \$90 million, delivered to producers who were affected by springtime crop-land flooding in 2005-2006. The CCPP provided financial assistance to agricultural producers unable to seed commercial crops due to excessive moisture and experienced incremental costs of protecting their land from further soil erosion. In 2007-2008, the department will implement an ongoing CCPP which will be delivered by PI agencies and operate as a federal *top-up* to PI's unseeded benefits.

## FOOD SAFETY AND FOOD QUALITY


*Minimizing the risk and impact of food-borne hazards on human health, increasing consumer confidence and improving the sector's ability to meet or exceed market requirements for food products*

Canada has a reputation as a producer and supplier of food products that are among the safest and highest quality in the world. Due in large part to the country's rigorous processes for safety and quality control, Canadian agriculture and food products have earned the confidence of consumers.

However, consumer demands and expectations continue to increase, due to high-profile issues such as BSE and avian influenza, and as Canadians and other consumers put a greater focus on getting the maximum health benefits from their foods.

The Government of Canada is committed to working with its provincial and territorial government, portfolio and industry partners to uphold Canada's reputation for food safety, and ensure Canadians and other consumers continue to get the nutritious, high-quality food and food products for which Canada is known.

The Food Safety and Quality element of the APF provides policy direction, along with programs, services and tools for the industry to maintain Canada's solid international reputation regarding food safety and quality. These include an on-farm food-safety program, traceability initiatives, support for quality-control systems and data-management systems, and research and technology transfer. The CFIA is an active partner in many of these initiatives.

The confirmation of BSE  in Canada, beginning in May 2003, required special measures and programs to deal with the impacts on the beef industry and other ruminant industries, including enhancing the capacity

to ensure domestic and international consumers of the safety of Canadian meat. These included measures to improve traceability across the livestock and meat value chain, and contributions to provincial government programs designed to assist the sector in building the capacity to fully implement the feed ban enhancements that require the removal of specified risk material.

Improving traceability across the livestock and meat value chain will continue to be a key priority in 2007-2008. AAFC will work with the provinces, territories and sector to accelerate the implementation of a multi-species traceability system including animal identification, premise identification, the tracking of animal movements, and the tracking of meat products through the value chain.

The science and innovation focus and efforts of the department and portfolio partners like the CFIA, in relation to food safety and quality, include providing the knowledge and technology needed to enhance the ability of Canadian producers and governments to keep the food system safe, and producing quality food products for consumers. Research in support of Food Safety and Food Quality includes a focus on enhanced understanding of the links among food, nutrition, health and wellness, detection, monitoring and control of food-borne hazards, and plant and animal disease management to enhance the safety of the food production, processing and distribution system.

During the next three years, informed by the consultations on the next generation of agriculture and agri-food policy, AAFC will work with portfolio partners such as the CFIA, other governments and industry to strengthen food safety and quality in Canada through four main components:

- 1) federal, provincial and territorial governments will be asked in 2007-2008 to endorse an approach aimed at putting in place a national policy for food quality. AAFC will take the lead

## Net Planned Spending and Full Time Equivalent – Food Safety and Food Quality

2007-2008		2008-2009		2009-2010	
\$ millions	FTE	\$ millions	FTE	\$ millions	FTE
119.4	466	38.9	466	38.9	466


to develop policy options, which will be driven and supported by public consultations. This work will also be integrated into the food safety and quality component of the next generation of agriculture and agri-food policy. The department will participate in the negotiation of operational agreements with the provinces and territories, and, in 2008-2009, policy approaches will be implemented through the new policy. AAFC, together with the CFIA, will demonstrate continued leadership in 2009-2010 to develop principles and criteria leading to a national food quality policy and to assist decision-makers in addressing food quality issues;

- 2) in 2007-2008, AAFC will implement three key science priorities designed to improve the agriculture and agri-food sector's ability to respond to food safety and security issues, while creating opportunities for the sector through food innovation. Specifically, through a peer-reviewed research program aimed at assuring science excellence, the department will focus its efforts on:
  - i) building a strong science base to make available to Canadians innovative health-enhancing nutritional products;
  - ii) improving the safety and security of the food system through the development of predictive safety approaches; and
  - iii) developing integrated management strategies throughout the food continuum to enhance food quality and add value to products.
- 3) in addition to developing the next generation of agriculture and agri-food policy, the department will continue in 2007-2008 to examine the current legislative and regulatory framework for animal health and welfare in Canada. At the same time, work will also continue, in close co-operation with portfolio partners, in particular the CFIA, to develop policy options and advice related to animal health and welfare to provide a more integrated approach to managing animal health and welfare risks. For 2008-2009, there will be further work to develop options for improving animal disease detection and response capacity, and help address the information requirements in support of a national policy.

Complete development and public consultations for a national animal health and welfare policy will be concluded that year, along with the implementation of policy approaches through the next generation of agriculture and agri-food policy. In 2009-2010, the department will work to develop options for integrating sound risk-management practices into the animals-for-food production process; and

- 4) finally, an important priority for 2007-2008 will be the framework for the National Livestock Traceability System. Key components of the framework are animal identification, premises identification and a means for tracking animal movement. In addition, in 2007-2008 the inclusion of other food commodities into a national agriculture and food traceability system will be pursued, with a target to have the architecture for a national system, that could include all food products, completed in 2009-2010.

## Canadian Food Safety and Quality Program (CFSQP)

The Canadian Food Safety and Quality Program (CFSQP)  is a key part of the federal government's efforts to solidify and build upon Canada's reputation as a provider of high-quality and safe agriculture and food products. The program provides agriculture and agri-food sector associations with financial assistance to develop and implement food safety, traceability and quality process control systems.

The CFSQP has three distinct yet integrated components:

- 1) the Systems Development (SD) component provides national industry associations with funding to develop systems that form the foundation for food safety, quality assurance and traceability systems. Through this component, the CFSQP will also assume the delivery of on-farm projects formerly managed by the Canadian Federation of Agriculture;
- 2) the On-Farm Implementation (OFI) component supports the implementation of on-farm food safety systems by providing funding to national producer organizations that helps them access tools to implement national systems on the farm; and

- 3) the Food Safety Initiative (FSI) component supports the implementation of food safety systems in non-federally registered processing facilities in participating provinces, as well as research, outreach and staff training to strengthen provincial food safety infrastructure.

The CFIA is an important partner in these endeavours, providing technical advice in all areas, as well as managing the On-Farm Food Safety Recognition Program. This program, requested by producers, ensures a consistent national approach to food safety based on internationally accepted, science-based, risk-management systems.

## MARKETS AND INTERNATIONAL

*Expanding international opportunities for the Canadian agriculture and agri-food sector*

Exports of Canadian agriculture and agri-food products totaled \$26.2 billion in 2006, and contributed \$5.8 billion to Canada's overall trade surplus. When seafood exports are taken into account, Canadian agriculture and food exports totaled \$30.5 billion, and the sector's contribution to Canada's trade surplus increases to \$7.4 billion. Clearly, the prosperity of the agriculture and agri-food sector in Canada is a large part of the country's success as a trading nation.

AAFC acts as Canada's agricultural trade advocate, working to break down trade barriers at home and abroad and expand opportunities for the agriculture and agri-food sector. Together with portfolio, government and industry partners, the department works to improve and secure market access and achieve a more level playing field in international markets for agriculture and agri-food products.

The department promotes and defends the interests of Canadian farmers and agri-food processors in various international trade negotiations and through trade litigation, when necessary. AAFC also monitors and seeks to influence policy developments in key countries, using tools such as trade advocacy, and agri-food specialist positions in selected embassies abroad.

Canada remains active in the negotiations on agriculture at the WTO, and in regional and bilateral trade negotiations. In addition, AAFC also manages a number of bilateral agricultural trade issues with Canada's major trading partners. These include negotiating the resolution of trade irritants and trade remedy cases related to Canada's obligations in the WTO, the North American Free Trade Agreement (NAFTA) and other free trade agreements (FTAs) with our trading partners.

In 2007-2008, AAFC's integrated international strategy will concentrate on further moving the sector forward in three key areas:


- gaining recognition;
- improving market access; and
- overcoming technical barriers.

### Gaining Recognition

An important approach to expanding markets for agriculture and agri-food products during the next three years will be the leveraging of domestic improvements and capabilities into a strong Canada Brand. Informed by the consultations on the next generation of agriculture and agri-food policy, AAFC will promote greater adoption of the Canadian agriculture and agri-food sector Brand Promise and elements into the marketing strategies implemented by government and industry to achieve a more cohesive and positive image of the brand among key market segments abroad.

## Net Planned Spending and Full Time Equivalent – Markets and International

2007-2008		2008-2009		2009-2010	
\$ millions	FTE	\$ millions	FTE	\$ millions	FTE
78.5	555	57.1	555	57.1	555

Funding under the Canadian Agriculture and Food International (CAFI)  program for branding and market development initiatives gives industry sectors the ability to establish generic, industry-wide brands. These brands will help brand Canada in markets around the world by promoting Canadian agriculture and food products based on their superior safety and quality, to meet market demands for these attributes.

Traceability, along with other efforts, will help gain international recognition for Canadian agriculture and food products. Traceability will be implemented as a first priority in the livestock sector, and subsequently, enabled in other sectors and across the value chain, consistent with international market standards and market opportunities.

The integration of international activities will also help to gain recognition and maximize market opportunities, particularly in emerging markets. The department will refine and prioritize the Integrated Market Engagement Strategies to facilitate the increase of exports by Canadian companies of products into existing markets and their entry into new markets.

At the same time, the department will continue with its efforts to brand Canada for its scientific excellence, provide science expertise to support Canada's markets and trade, address needs of developing countries, and fulfill its international obligations through intergovernmental science-related agricultural organizations. Of importance will be the continued implementation of the China-Canada Agriculture Development Program (CCADP), to strengthen international market and development relationships with China to help the agriculture and agri-food sector take advantage of new and existing export opportunities. AAFC will also initiate consultations with Canadian stakeholders to develop a potential successor program to the CCADP.

AAFC will co-operate with other federal departments and agencies to promote a strong Canadian trade and investment presence in international markets with a sector-focused approach, to gain increased recognition in targeted markets of Canada's ability to supply high-quality agriculture and agri-food products.

## Improving Market Access

In addition to raising Canada's visibility and profile in the international marketplace, the Government of Canada will continue its efforts to press for a more level international playing field so that producers and processors can trade more effectively on the basis of their competitive advantage.

In July 2006, following intensive efforts by WTO members to reach agreement on detailed rules and commitments, the WTO Doha negotiations were suspended. Key WTO members had been unable to resolve differences in their negotiating positions. However, since that time, WTO members have been involved in informal discussions and most express a strong desire to renew the negotiations. Canada remains committed to more liberalized trade, the rules-based multilateral trading system, and the objectives of the Doha negotiations, and will continue to work with other WTO members to promote this country's interests. Canada will continue to strongly support efforts to achieve a successful conclusion to the Doha Round. Canadian agriculture and agri-food will benefit from clear and fair rules governing the international trade of agriculture and agri-food products and maximum access of Canadian exports to markets around the world.

In addition to efforts at the WTO, an important objective for AAFC will be to achieve further progress towards FTAs with Korea, European Free Trade Association countries (Iceland, Norway, Switzerland, and Liechtenstein) and the Central-America-Four (El Salvador, Guatemala, Honduras, and Nicaragua) to attain maximum advantage for Canada's agriculture and agri-food sector. In co-operation with the Department of Foreign Affairs and International Trade (DFAIT), the department will develop and implement a strategy for initiating additional free trade agreement negotiations with potential trading partners.

In advancing and defending Canada's agricultural trade interests, trade litigation remains an important policy tool in instances where other approaches fail to ensure that trading partners abide by their obligations. AAFC will continue working closely with DFAIT to monitor other countries' trade policies and will initiate WTO or NAFTA challenges, when appropriate, and will continue to defend Canada's policies when challenged by others.

## Overcoming Technical Barriers

Although adherence to scientific principles is one of Canada's trade tenets, some countries' trade requirements are not based on science. Such technical trade barriers can be disruptive to global trade. Accordingly, Canada is moving to address technical issues that critically impact market access.

In 2007-2008, the department will work to influence international trade-related discussions, policies and standards to the advantage and interest of the Canadian agriculture and agri-food sector, and aim to ensure other countries' technical measures and policies do not negatively impact the sector in Canada.

The department will increase Canada's trade advocacy efforts abroad through targeted initiatives, and address technical issues and international standard setting that critically impact market access. The department will maintain, improve and secure market access by working bilaterally and multi-laterally with foreign governments to influence technical trade policies, measures, and international standards that reflect, to the greatest extent possible, domestic Canadian policies and regulatory practices.

AAFC will also work to ensure the interpretation and implementation of Canada's existing international obligations do not unnecessarily restrict trade, and will continue working to re-open and expand markets for Canadian beef and cattle that were closed following the discovery of BSE here in 2003.



**NATIONAL FARM  
PRODUCTS COUNCIL  
(NFPC)** 

The NFPC was established in 1972 through the *Farm Products Agencies Act* (FPAA). The Act combines the marketing powers of the federal government, which has authority over interprovincial and international trade, and provincial governments, which are restricted to intraprovincial trade. This enabling legislation provided for the establishment of national marketing agencies and, in 1993 was amended to provide for the founding of national promotion-research agencies.

The National Farm Products Council was established to:

- advise the Minister on all matters relating to the establishment and operations of agencies under the Act with a view to maintaining and promoting an efficient and competitive agriculture industry;
- review the operations of agencies with a view to ensuring that they carry on their operations in accordance with the objectives set out in the Act. The Council has a legislative responsibility to approve agency orders and regulations;

## Net Planned Spending and Full Time Equivalents – NFPC

2007-2008		2008-2009		2009-2010	
\$ millions	FTE	\$ millions	FTE	\$ millions	FTE
3.8	20	3.8	20	3.8	20

### Notes:

These amounts are included in the Votes of the Department of Agriculture and Agri-Food and include \$200,000 in grants and contributions and \$243,000 in employee benefits.

Services provided without charge include:

- accommodation provided by Public Works and Government Services Canada; and
- corporate services such as financial systems, security, information technology, human resource management advice and services provided by Agriculture and Agri-Food Canada.

These amounts are not reflected in the program costs.



- work with agencies in promoting more effective marketing of farm products in interprovincial and export trade and, in the case of a promotion-research agency, in promoting such marketing in import trade and in connection with research and promotion activities relating to their farm products; and
- consult, on a continuing basis, with governments of all provinces having an interest in the exercise of powers of agencies established under the Act.

The Council monitors the operations of five national agencies:

- the Canadian Egg Marketing Agency;
- the Canadian Turkey Marketing Agency;
- the Chicken Farmers of Canada;
- the Canadian Broiler Hatching Egg Marketing Agency; and
- the Canadian Beef Cattle Research, Market Development and Promotion Agency.

The Council promotes the strength and enhances the competitiveness of the sectors it oversees. It is committed to working with the agriculture and agri-food sector to meet the challenges and opportunities that arise from significant change in agri-food policies, business trends and market requirements at home and abroad.

The NFPC has been an active proponent of portfolio management with the aim of comprehensive advice to the Minister and the government. This co-operative approach within the agri-food portfolio is done in a manner designed to maintain the Council's arms-length relationship due to its quasi-judicial status and the managerial autonomy and accountability required in today's modern comptrollership environment.

## Operating Environment

In developing its strategic plan, the NFPC took into account many trends and developments in Canadian agriculture and agri-food as they affect the sectors for which the Council has responsibility. Broadly, the four supply management agencies which the Council oversees deal with issues concerning:

- a decrease in the number of retailers and processors increasing centralized buying by larger chains;
- an increase in regionalism/provincialization leading to increased disputes;
- human resource renewal hinging on access to capital and return on investment;
- WTO agreement leading to changes in tariffs and trade liberalization;
- animal diseases (avian influenza) and other health and food safety issues creating an increased focus on animal and human health;
- increased productivity and innovation; and
- poultry and egg products consumption trends.

The Canadian Beef Cattle Research Market Development and Promotion Agency and the beef cattle industry at large are facing the continuing impact of BSE on Canada's export markets. Other issues for the agency and its partners (Beef Information Centre, the Canada Beef Export Federation and the Beef Cattle Research Council) include:

- implementation of a national levy system;
- development of national beef research strategy;
- implementation of market development programs;
- WTO agreement leading to changes in tariffs and trade liberalization; and
- animal diseases (BSE) and other health and food safety issues creating an increased focus on animal and human health.

The NFPC provides the following benefits:

- national agencies are working in the balanced interests of all Canadians;
- a sound regulatory framework is in place for the agri-food industry for poultry, eggs and beef research and promotion;
- more effective marketing of farm products in interprovincial and export trade; and
- an efficient and competitive agriculture industry.

## BENEFITS FOR CANADIANS

A secure food system is essential for the agriculture and agri-food sector to remain competitive at home and abroad. While Canadians have achieved an enviable level of food security, the sector continues to face a host of pressures. Sustaining and enhancing the security of the food system will help cushion the sector against the impact of periodic downswings. By making the most of expanding opportunities, the sector will continue to strengthen its own performance, profitability and stability for the sector, while contributing to an enhanced quality of life for all Canadians.

### Strategic Outcome 1: Security of the Food System

#### Program Activity: Business Risk Management (BRM)

*Enhancing producers' capacity to manage risk, and increasing the sector's viability and profitability*

#### Commitments 2007-2008

- deliver the new Advance Payments Program resulting from the coming into force of the amended *Agricultural Marketing Programs Act* (AMPA)
- implement enhancements to the APP Electronic delivery system to further meet the needs of internal staff and external administrators
- initiate enhancements to existing Farm Improvement and Marketing Cooperatives Loan Act (FIMCLA) to provide support to beginning farmers and intergenerational farm transfers
- develop a FIMCLA electronic delivery system to improve and simplify the administration of the program
- continue to work with partners to replace CAIS with distinct programs for agricultural income stabilization and disaster relief
- develop and implement new products under PI for horticulture, forage and livestock
- continue to improve program delivery

#### Expected Results

- producers better supported and able to manage business risks
- programming that is more responsive and predictable
- additional PI plans and benefits in place
- increased producer capacity to manage operations (cashflow) throughout the production year
- increased sector viability and profitability

#### Performance Indicators

- level of variability of farm income over time
- level of sector farm income over time
- level of farm capital investments over time
- industry reaction to changes made to BRM programming

**Program Activity: Food Safety and Food Quality**

*Minimizing the risk and impact of food-borne hazards on human health, increasing consumer confidence and improving the sector's ability to meet or exceed market requirements for food products, and provide value-added opportunities through the adoption of food safety, food quality and traceability systems*

**Commitments 2007-2008**

- accelerate development and implementation of comprehensive and integrated traceability systems across the Canadian meat and livestock industry
- manage the Canadian Radio Frequency Identification (RFID) reader program, the Canadian Integrated Traceability Program (CITP) and the Canadian Livestock Identification Agency (CLIA)
- contribute to provincial programs that assist industry in preparing for the enhanced feed ban
- work with provincial and territorial partners and with industry to develop the next generation of agriculture and agri-food policy
- continue to support industry's efforts to develop food safety, quality and traceability systems

**Expected Results**

- farmed animals can be traced from birth throughout their life cycle
- waste disposal infrastructure in place
- development and adoption of industry-led and government-recognized on-farm food safety process control systems by all commodities in the primary production sector
- development and participation in food safety systems, developed by the industry and recognized by government, by other sectors of the agri-food continuum
- development and government recognition of food quality process control systems at minimum in the sectors required by market specification

**Performance Indicators**

- regulatory strategy for priority livestock species animal identification is complete and costs and benefits have been identified
- livestock movement strategies drafted for priority species
- number of successfully completed projects that demonstrate traceability
- number of RFID readers adopted by industry (higher number = more successful)
- completion of priority activities, including a well-documented business plan
- the number of successfully completed projects that enhance SRM disposal capacity
- number of systems developed in the various stages (phases) of SD component
- number of organizations participating in OFI systems
- progress of provinces in implementation of FSI initiatives

**Program Activity: Markets and International**

*Expanding international opportunities for the Canadian agriculture and food sector*

**Commitments 2007-2008**

- work through the agriculture negotiations and other WTO activities to promote and defend Canada's interests
- manage bilateral and regional trade agreements and negotiations
- engage in trade litigation when necessary, and increase Canada's trade advocacy efforts abroad through targeted initiatives
- work to ensure that the interpretation and implementation of existing international obligations do not unnecessarily restrict trade, and continue working toward re-opening and expanding markets for Canadian beef and cattle that were closed following the discovery of BSE in 2003
- work bilaterally and multi-laterally to influence the development of technical trade policies, measures and international standards
- review the Canadian regulatory environment to enhance the competitiveness of Canadian agriculture
- enhance the abilities of the Canadian food industry to produce high-quality food products while meeting current and future consumer needs
- continue to support industry associations in gaining recognition for the safety and quality of Canadian agriculture and food products
- engage industry with governments to develop traceability implementation plans

**Expected Results**

- Canadian interests strategically advanced through participation in WTO Committee on Agriculture, WTO agriculture trade and accessions negotiations
- Canadian approaches fully informed through communications and consultations activities with agriculture sector and provincial governments
- Canadian interests strategically advanced through regional/bilateral trade negotiations
- Canadian approaches fully informed through communications and consultations activities with agriculture sector and provincial governments
- Canadian interests advanced through strategic participation in offensive trade cases
- Canadian policies and programs adequately defended as required
- increased influence in the development and application of international rules, technical standards and policies governing the trade of agriculture
- gradual opening of international markets for cattle and livestock products
- Canadian positions informed and influence international technical trade discussions to advance Canada's agri-food sector's interests; and development of domestic policies in line with Canada's (existing or evolving) international obligations

**Performance Indicators**

- analysis of WTO notifications, submitting written questions to members for clarification, responding to questions from countries, participation at WTO Committee on Agriculture
- Canadian interests strategically advanced through WTO agriculture trade negotiations meetings and related activities and regional and bilateral trade negotiations meetings and related activities
- participation in bilateral WTO accession meetings to negotiate favourable market access conditions for Canada's agricultural export interests; analysis of documents prepared by the Secretariat, other WTO members and acceding parties on multilateral issues
- Canadian approaches fully informed through communications and consultations activities with the agriculture sector and provincial governments
- Canadian interests advanced through strategic participation in offensive trade cases
- Canadian policies and programs adequately defended as required
- number of initiatives where objectives were met towards prevention, minimization or resolution of international trade barriers and other irritants through trade advocacy, bilateral negotiations and/or dispute resolution
- participation at international fora concerning multilateral technical trade issues

**Program Activity: Markets and International (continued)**

*Expanding international opportunities for the Canadian agriculture and food sector*

**Commitments 2007-2008**

**Expected Results**

- industry responsiveness to consumer and buyer demands for product differentiation based on quality-related product attributes facilitated through development of quality standards and analysis-based recommendations made on food industry technical/regulatory issues
- industry responsiveness to consumer demands for specific attributes facilitated by the use of effective communication of data and analysis on new and emerging trends
- industry responsiveness to market demands
- farmed animals can be traced through their life cycle

**Performance Indicators**

- number of new or updated, consensus-based, whole value-chain agreements leading to national standards/guidelines, assurance programs, regulations, and/or audit/enforcement provisions
- number of analytical reports, briefings, workshops and/or presentations completed for use in regulatory decision-making processes
- number of new or updated data purchases, briefings, reports, media articles, meetings, workshops, and/or presentations completed for the department and industry
- number of industry initiatives aimed at marketing Canadian products based on healthy-quality attributes
- number of livestock identification implementation plans completed

**Program Activity: National Farm Products Council**

In 2007-2008, the second year of NFPC's Strategic Plan 2006-2009, the Council will focus on the priorities and commitments outlined in the table below.

Note: Because the NFPC reports through the Minister of Agriculture and Agri-Food, and contributes to AAFC's Security of the Food System strategic outcome, it is being included in this table with all other contributing program activities.

Monitor agency operations to ensure they work in the balanced interest of all stakeholders

**Commitments 2007-2008**

- renewed federal-provincial-territorial agreements among marketing agencies and governments
- monitor the work of the five national agencies

**Expected Results**

- completion of the federal-provincial-territorial agreements with CEMA, CTMA and CBHEMA agencies in collaboration with provincial government agricultural supervisory agencies
- approval of allocation policies (approval of quota order) and regulations (post approval/levy orders), etc.
- process requests for amendments of orders and regulations and agency proclamations/marketing plan
- positive progress in implementation of a national levy collection system on interprovincial marketing and imports with the Canadian Beef Cattle Research, Market Development and Promotion Agency

**Performance Indicators**

- completion of a work plan to complete the process, agreed to by agencies, provincial governments and NFPC
- number of policies reviewed and approved
- number of requests processed
- level of compliance of agency orders and regulations
- continued efforts by the agency to complete the legal framework required to implement the system

Work in promoting effective marketing of farm products

**Commitments 2007-2008**

- enhanced communication and relationships with stakeholders and governments

**Expected Results**

- active participation in agency, stakeholder, and portfolio meetings as well as convening workshops and conferences
- active participation in meetings and activities of the National Association of Agricultural Supervisory Agencies (NAASA)

**Performance Indicators**

- quality of relationships with national agencies and industry associations
- quality of relationships with provincial government supervisory agencies

**Program Activity: National Farm Products Council (continued)**

*In 2007-2008, the second year of NFPC's Strategic Plan 2006-2009, the Council will focus on the priorities and commitments outlined in the table below.*

*Note: Because the NFPC reports through the Minister of Agriculture and Agri-Food, and contributes to AAFC's Security of the Food System strategic outcome, it is being included in this table with all other contributing program activities.*

*Facilitate the resolution of disputes*

**Commitments 2007-2008**

- management of complaints including provision of alternative dispute settlement process of holding of a quasi-judicial hearing

**Expected Results**

- development of the processes for the management and facilitation of complaints, such as Alternative Dispute Resolution

**Performance Indicators**

- effectiveness of the complaint process
- feedback from parties
- self-assessment

*Share information and knowledge regarding supply management*

**Commitments 2007-2008**

- increased knowledge in the market of supply management

**Expected Results**

- development of communication products and services
- internal and external research projects which may include studies relative to supply management, innovation and technology within the industry, discussion forums, etc.
- work with portfolio partners in the development of the next generation of agriculture and agri-food policy

**Performance Indicators**

- quality of communications products
- number of studies and projects undertaken externally and internally in collaboration with other departments and agencies
- participation in AAFC working groups

*Pursue opportunities for the establishment of new promotion-research agencies*

**Commitments 2007-2008**

- increased awareness among farm product groups about their opportunity to create promotion-research agencies

**Expected Results**

- consultations with farm produce groups to consider the establishment of promotion-research

**Performance Indicators**

- number of requests for information sessions

**Program Activity: National Farm Products Council (continued)**

*In 2007-2008, the second year of NFPC's Strategic Plan 2006-2009, the Council will focus on the priorities and commitments outlined in the table below.*

*Note: Because the NFPC reports through the Minister of Agriculture and Agri-Food, and contributes to AAFC's Security of the Food System strategic outcome, it is being included in this table with all other contributing program activities.*

*Provide efficient, transparent and responsible management*

<b>Commitments 2007-2008</b>	<b>Expected Results</b>	<b>Performance Indicators</b>
<ul style="list-style-type: none"> <li>• provision of support to Council</li> <li>• improved administration of the Agricultural Products Marketing Act (APMA)</li> <li>• renewed Memorandums of Understanding and Services Level Agreements</li> <li>• renewed corporate policies, systems and procedures</li> <li>• participation on internal and intra/inter-agency committees</li> </ul>	<ul style="list-style-type: none"> <li>• delivery of secretariat services</li> <li>• streamlining the administrative process for orders and regulations</li> <li>• completion of the Memorandums of Understanding and Service Level Agreements with AAFC and the Department of Justice</li> <li>• development of policies, systems and procedures to meet the requirements under the MAF</li> <li>• continued implementation of the Government of Canada's MAF</li> </ul>	<ul style="list-style-type: none"> <li>• feedback from Council Chairperson and members</li> <li>• improved efficiency of the process</li> <li>• implementation of MOUs</li> <li>• implementation of new policies and systems</li> <li>• yearly self-assessment of application of sound management practices</li> </ul>

## STRATEGIC OUTCOME 2: HEALTH OF THE ENVIRONMENT

*An agriculture and agri-food sector that uses environmental resources in a manner that ensures their sustainability for present and future generations*

### INTRODUCTION

Farmers understand that good stewardship of environmental resources is the key to the sustainability and profitability of their operations.

At the same time, environmental stewardship is a priority for Canadians and consumers around the world. They have increasingly high environmental expectations for all sectors of the economy, including agriculture and agri-food.

Farmers, industry, governments, environmental organizations, and citizens must work together to

achieve the goals of sustainable development to ensure both an economically vibrant agriculture and agri-food sector and a healthy environment and society.

### OPERATING ENVIRONMENT

To enhance their competitiveness in the global market place, Canadian producers have increasingly diversified, intensified and specialized their operations. They have also implemented practices supported by the Government of Canada's environmental programming. Together, provincial and territorial governments and industry are taking steps to mitigate the risks to the environment from agriculture and to position the agricultural sector to deal with the risks environmental factors may pose to production and competitiveness.

During the next three years, AAFC will be challenged to develop innovative policies, tools and technology related to ensuring the Health of the Environment. To this end, the department's efforts must not simply put the agriculture and agri-food sector on sounder footing,



both in terms of a more secure production base and a more competitive position, they must also proceed in tandem with the broader environmental agenda of the Government of Canada.

AAFC has been working to put in place the final environmental components of the APF, while looking ahead to determine what will be required to address environmental challenges under the next generation of agriculture and agri-food policy and programming. At the same time, the department is aligning its position with government-wide initiatives, such as a strategy for biofuels production and use, and Canada's proposed Clean Air Act.

## STRATEGIC RESPONSE

To achieve the Health of the Environment strategic outcome, AAFC has a range of activities and initiatives relating to air, water, soil and biodiversity that contribute to providing Canadian and international consumers with high-quality food that has been produced using environmentally sound crop and livestock management practices. This helps secure the sustainability of the Canadian agriculture and agri-food sector and the quality of environmental resources for present and future generations.

## ENVIRONMENT

*Achieving environmental sustainability of the industry by preserving the quality and availability of resources – air, water, soil, and biodiversity – for present and future generations*

### AAFC's Environmental Priority Areas

The APF sets out the areas where the federal government, in collaboration with the provinces and territories, can provide leadership in environmental actions, including better knowledge and understanding

of the links between agriculture and the environment. Through the APF, AAFC, provincial and territorial counterparts and industry organizations continue to work toward achieving common environmental goals. This is done through work on air and climate change, with a focus on particulate emissions, nuisance odours and emissions of greenhouse gases; water availability and quality, with a focus on reduced contamination from nutrients, pathogens and pesticides from agricultural origins; soil health, with a focus on enhanced soil organic matter and reduced soil erosion caused by water, wind or tillage; and biodiversity and agriculture compatibility, with a focus on habitat availability, conservation of plant and animal genetic resources, impacts of invasive alien species, species at risk, and economic damage to agriculture caused by wildlife.

The environmental science focus includes research in support of environment objectives which comprises fundamental understanding of soil, water and biodiversity and the development of beneficial management practices and on-farm tools and processes to enhance the environmental performance of the agriculture and agri-food sector.



At the same time, AAFC's work on environmental challenges as they relate to the agriculture and agri-food sector will also be framed by its role in the Government of Canada's broader environmental plans and priorities, including Canada's proposed Clean Air Act, and a strategy for increasing the production and use of biofuels.

As AAFC continues to implement the APF, which supports the Government of Canada's environmental strategy, it will also continue to work with partners to develop the next generation of agriculture and agri-food policy.

## Net Planned Spending and Full Time Equivalents – Environment

2007-2008		2008-2009		2009-2010	
\$ millions	FTE	\$ millions	FTE	\$ millions	FTE
308.5	1,987	158.2	1,987	158.2	1,987

Over the next year, AAFC will continue to aim to reduce environmental risks and impacts related to agricultural production by focusing on the following priority areas:

- developing and implementing innovative policy options to achieve environmental goals under the next generation of agriculture and agri-food policy, including a biofuels strategy;
- conducting research to develop the knowledge to improve the environmental performance of the Canadian agricultural system, foster greater scientific collaboration among partners, and develop an enhanced understanding of the country's bioresources and their protection;
- continuing to implement the National Land and Water Information Service ;
- enhancing the availability of minor use pesticides, risk reduction products and beneficial management practices to improve the health of the environment while contributing to the competitive position of Canadian farmers; and
- developing an AAFC water strategy related to agricultural sustainability through the Prairie Farm Rehabilitation Administration .

### ***Taking Action and Achieving Results***

In contributing to these priority areas and achieving results, AAFC will focus its efforts and resources in 2007-2008 on the following key departmental priorities:

- 1) *Developing and implementing innovative policy options to achieve environmental goals under the next generation of agriculture and agri-food policy, including a biofuels strategy*

The ongoing challenge under environmental policy involves improving and expanding agri-environmental indicators (an area where Canada is becoming recognized as a world leader) and policy development and integration to monitor and report progress. It also involves identifying new tools and mechanisms in support of the environment program activity of the department. This means addressing agri-environmental policy issues, such as air, climate change and water in the broader contexts of rural landscapes, watersheds

and ecosystems, and sustainable development, while acknowledging the positive impacts of producers on maintaining environmental quality.

As mentioned, AAFC is working with its provincial and territorial partners, along with industry and other federal government departments and agencies, to develop the next generation of agriculture and agri-food policy, for implementation in 2008. As there is with the existing APF, there will be a significant environmental component to the new policy framework. In 2007-2008, AAFC will continue consultations and negotiations with its provincial and territorial partners on policy options relating to environmental components of the next generation of agriculture and agri-food policy.

The department will also develop transition plans for those existing environmental programs that will continue under the next generation of agriculture and agri-food policy.

- 2) *Developing the knowledge to improve the environmental performance of the Canadian agricultural system, fostering greater scientific collaboration among partners, developing an enhanced understanding of the country's bioresources and their protection*

Acting on agricultural risks presumes a sound knowledge of the environment, and specifically a better understanding of the relationship between agriculture and the environment. It is essential to understand the processes and mechanisms by which agricultural inputs, such as nutrients and pesticides, affect resources, such as air, water, soil, and biodiversity, under different agri-environmental landscapes and management practices. It is also necessary to understand the relationships and interactions among the different components of the agri-environment, to reduce the environmental footprint of pest management practices and to determine the outcome of agricultural inputs and wastes in the environment. Such a scientific understanding is crucial for providing sound advice to policy makers and land resource and extension specialists on the effects of agricultural production on air, water, soil, and biodiversity. Gaining greater knowledge through multidisciplinary research in these areas will be a key priority for AAFC in 2007-2008.

The knowledge gained from scientific research can be used to develop beneficial management practices and indicators of the environment's state, and also be applied toward the use of innovative environmental technologies, genetic resources and biological information by the sector.

Another key ongoing research priority for AAFC in 2007-2008 will be enhancing the understanding of Canada's bioresources and how to best protect them, including conserving their genetic diversity. To this end, the department will continue to develop information on the classification, chemical and molecular characterization, and attributes of Canadian bioresources, and will develop science-based tools and knowledge to predict the behaviour of biological resources in response to environmental challenges, as well as participate in collaborative efforts to ensure the conservation of germplasm through plant and animal gene banks.

### 3) *Continuing to implement the National Land and Water Information Service*

In 2005, AAFC launched the National Land and Water Information Service project, to strengthen the capacity of land managers to make better decisions about land use. The National Land and Water Information Service is transforming the way AAFC delivers services to Canadians and is incorporating the principles of AAFC's Service Delivery Strategy into its deliverables to ensure a client-focused approach. Not only does the project support the delivery of the current APF, it is also well-positioned to support the next generation of agriculture and agri-food policy.

The project is being implemented in phases over four years. It is a co-ordinated, national initiative providing access via the Internet to geospatial information and interpretive models that support local and regional land-use decision-making. Through partnerships and collaboration, the service will link the land-use, soil, water, climate and biodiversity information that supports local and regional land-use decision-making by federal, provincial, territorial and municipal governments, non-governmental organizations, and the private sector. This improved access to information will provide value to producers and other land-use decision-makers. It will help provide the support they need to balance

economic development and environmental sustainability. The information will form the basis for environmental farm planning, and help producers make decisions such as the kind of production a particular section of land will best support.

In 2007-2008, the department will complete Phase 2 of the Service. Under Phase 2, the initial information technology platform is being built and mechanisms are being established to manage and house agri-environmental geospatial information according to national standards and policies.

Concurrently, the project will also initiate Phase 3 activities in 2007-2008, which will support the delivery of new geographic information system (GIS) services on the information technology platform. Through the National Land and Water Information Service, new GIS applications and services will be made accessible to users across Canada. It will provide direct access to geospatial data, maps and tools, and develop improved Web-based services. Moreover, users will be able to access information and data in both official languages and in standardized formats.

### 4) *Developing an AAFC water strategy related to agricultural sustainability through the Prairie Farm Rehabilitation Administration*

Agriculture depends on an adequate supply of good quality water for plant and animal production. Safe, reliable water supplies and the accompanying infrastructure are necessary for irrigation, livestock watering and processing operations, as well as domestic and potable uses.

Agriculture also has the capacity to affect water quality and it is in the sector's interests to minimize its adverse impacts on water quality, to help ensure that its future needs for good quality water can be met.



Working through the Prairie Farm Rehabilitation Administration (PFRA), in 2007-2008 AAFC will create a governance structure for departmental water-related activities, to help AAFC staff and other stakeholders better understand the department's role in ensuring the sustainability of Canada's water. This new structure will contribute to more focused

partnerships with provincial agencies, and will help ensure AAFC is best positioned to contribute to Government of Canada discussions on water strategy.

In addition, AAFC will continue to work to improve producer access to secure water supplies of acceptable quality. The National Water Supply Expansion Program provides technical and financial assistance for on-farm and community infrastructure, and strategic studies to understand agricultural water supply and demand and evaluate new technologies. In particular, there are growing industry demands for sustainable irrigation development and management. AAFC supports sustainable irrigation practices through applied research, demonstration and technology transfer conducted at PFRA irrigation centres in Saskatchewan and Manitoba.

- 5) *Continuing to support environmental farm plans and the development and adoption of on-farm beneficial management practices through financial and technical assistance*

Agricultural risks to the environment will be best dealt with through collaborative efforts of governments, producers and other stakeholders. The department, through the PFRA, delivers a comprehensive package of tools and services to encourage environmental stewardship.

Environmental farm plans help producers assess their operations and determine environmental risks and opportunities. The National Farm Stewardship Program  helps producers address these risks by providing financial and technical support to adopt beneficial management practices. Greencover Canada  complements these programs by targeting technical and financial assistance to more fragile forage, range land and riparian areas.

AAFC will continue to support sustainable land management in other ways, such as through the management of 2.1 million acres of native range land under the PFRA Community Pasture Program, and agroforestry programs provided through the PFRA Shelterbelt Centre that help to prevent soil erosion, protect riparian areas, provide wildlife habitat and sequester carbon.

### **Highlights of agri-environmental activities**

AAFC will continue to build its capacity together with provinces, territories and the industry to respond to the challenges of managing agri-environmental issues. Efforts will continue to focus on the application of science to develop beneficial agricultural management practices; the development of information, knowledge and skills; and the means to assist Canadian producers to improve environmental performance and economic competitiveness through action on their farms. APF environmental initiatives, including Environmental Farm Planning, the National Farm Stewardship Program and Greencover Canada, will be delivered in collaboration with the provinces and producer groups.

#### **Some pertinent activities and initiatives worth highlighting include:**

- the *National Agri-environmental Health Analysis and Reporting Program*, to enhance AAFC's capacity for developing and improving science-based agri-environmental indicators and policy tools;
- the *Gaps* initiative, now in its fourth of five years, to address gaps in knowledge through scientific research on the impact of intensive livestock and cropping systems;
- AAFC strategies in air, water, soil, and biodiversity to help provide guidance in responding to the key risks and opportunities for the agriculture and agri-food sector, and ensuring these strategies contribute to the Government of Canada's broader goal to ensure the health of Canadians;
- the *Watershed Evaluation of Beneficial Management Practices*, a multi-partner project designed to evaluate the effects of beneficial management practices on water quality at a watershed scale;
- AAFC's Pest Management Centre (PMC) is working with farmers, pesticide companies, the provinces, and other stakeholders to facilitate better access to new pest-management technologies. The PMC operates three programs to enhance the environmental stewardship and competitiveness of Canadian farmers:

- the *Pesticide Risk Reduction Program*, a joint initiative with Health Canada's Pest Management Regulatory Agency, to help producers to develop commodity-specific pesticide risk-reduction strategies, and provide support for implementing these strategies;
- the *Minor Use Pesticides Program* supports the introduction of new uses of reduced-risk minor-use products. The program will provide benefits to Canadian producers, the environment and consumers by focusing on:
  - making minor use pesticides available more readily, with emphasis on reduced-risk products;
  - working on joint projects with the United States in an effort to have new products available in both countries simultaneously; and
  - providing Canadian producers with access to new pest-management technologies to improve their competitiveness domestically; and
- the *Minor Use Research Program* supports the activities of the Pesticide Risk Reduction and the Minor Use Pesticides programs by funding projects to encourage the registration of new products for Canada, and to identify reduced-risk solutions for high-priority pest control issues.

## **BENEFITS FOR CANADIANS**

Environmental stewardship of air, water, soil, and biodiversity by agricultural producers will contribute to a healthy environment for all Canadians. A healthy environment is crucial to the sustainability and profitability of the agriculture and agri-food sector, which is a key component of the Canadian economy. AAFC activities and initiatives, in partnership with provinces, territories, municipalities, industry, and producers, will contribute to a secure future for the sector, a healthy environment and quality of life for all Canadians.

## Strategic Outcome 2: Health of the Environment

### Program Activity: Environment

*Achieving environmental sustainability of the industry by preserving the quality and availability of resources – air, water, soil, and biodiversity – for present and future generations*

#### Commitments 2007-2008

- develop and implement innovative policy options to achieve environmental goals under the next generation of agriculture and agri-food policy, including a biofuels strategy
- develop the knowledge to improve the environmental performance of the Canadian agricultural system, foster greater scientific collaboration among partners, develop an enhanced understanding of the country's bioresources and their protection
- continue to implement the National Land and Water Information Service
- enhance the availability of minor use pesticides, risk reduction products and beneficial management practices to improve the health of the environment while contributing to the competitive position of Canadian farmers

#### Expected Results

- environmental components of new agreements on agricultural policy developed with provinces
- enhanced environmental performance of the Canadian agricultural system
- enhanced understanding of Canadian bioresources and protection and conservation of their genetic diversity
- increased access to authoritative data via the National Land and Water Information Service
- increased accuracy and currency of data
- increased content and coverage of data
- growers have greater access to new pest management technologies, thereby increasing their competitiveness domestically and abroad

#### Performance Indicators

- environmental components included in implementation agreements signed with all provinces and territories
- number of scientific publications (number of peer-reviewed articles in scientific and technical literature, etc.), co-operative research (number of signed agreements with industry partners, etc.), technology transfer activities (number of oral communications, posters, reports, press articles, etc.), innovations (number of licenses, royalties, copyrights, patents, etc.), recognition and influence (number of invited presentations, prizes, awards, etc.)
- completion of the National Land and Water Information Service Project - Phase 2: Establish geospatial environment
- implementation of the National Land and Water Information Service Project - Phase 3: National Source for Agri-Environmental Geospatial Information
- increased usage of the National Land and Water Information Service
- number of minor use and reduced risk pesticide regulatory submissions made to Health Canada's Pest Management Regulatory Agency
- number of crop profiles, risk reduction strategies, research projects and new products, practices or technologies that can be utilized by growers

**Program Activity: Environment (continued)**

*Achieving environmental sustainability of the industry by preserving the quality and availability of resources – air, water, soil, and biodiversity – for present and future generations*

**Commitments 2007-2008**

- develop an AAFC water strategy related to agricultural sustainability through the PFRA
- continue to support EFPs and the development and adoption of on-farm beneficial management practices through financial and technical assistance

**Expected Results**

- creation of a governance structure for AAFC water-related activities
- establishment of an annual forum on water in agricultural landscapes
- staff and provinces will have a better understanding of AAFC's role in water
- more focused partnerships developed with provinces
- AAFC better positioned to contribute to the federal water strategy discussions
- increased uptake of EFPs
- increased adoption of on-farm beneficial management practices by agricultural producers in the management of land, water, air, and biodiversity

**Performance Indicators**

- governance structure is operational
- annual meeting of the forum on water in agricultural landscapes
- AAFC staff using the strategic water plan as a work planning and policy-development tool
- feedback from the provinces
- IWRM partnership developed with Manitoba and Environment Canada as a pilot
- AAFC becomes significant contributor in federal water policy discussions
- number of reviewed (i.e. completed) Environmental Farm Plans and/or Equivalent Agri-Environment Plans

## STRATEGIC OUTCOME 3: INNOVATION FOR GROWTH

*An innovative agriculture and agri-food sector that develops food and other agriculture-related products and services in order to capture opportunities in diversified domestic and global markets*

### INTRODUCTION

Increasingly rapid advances in science and technology mean producers and other agriculture and agri-food sector stakeholders face greater challenges to keep pace. For all players in the sector, operating in the marketplace today requires advanced technology and the latest knowledge to address rapidly changing consumer needs and expectations. Keeping on top of change is key to profitability.

As farming operations become larger and more complex, both new and established producers need to add to their skills and knowledge, ranging from managing financial and human resources to mastering innovative technologies, products and practices to stay competitive. By acquiring additional skills, adopting new technologies, maximizing efficiencies in operations, or changing product mixes, those who earn their livelihood from Canadian agriculture and agri-food will continue to be profitable and successful.

The vibrancy, sustainability and competitive position of Canada's agriculture and agri-food sector will depend on all stakeholders – including producers, processors, researchers, and others – working together to develop new opportunities across the country. At the same time, governments will work with the sector to foster a climate for innovation that encourages investment in the sector.

### OPERATING ENVIRONMENT

As mentioned, the agriculture and agri-food sector operates in an uncertain business environment, facing pressure from a variety of risks. There are production risks, including adverse weather, and pests and diseases of crops and livestock. There are market risks, including changing consumer expectations, market access restrictions, and fluctuating exchange and interest

rates that impact on farm income and farm debt. There are also competitive risks, including those related to rapid changes in science and technology and increasing competition from developed and developing countries.

As the sector expands, the scope and nature of the pressures it faces are becoming more varied and complex, requiring collaboration along the value chain from inputs through production, processing, distribution, and marketing. More and more, these pressures require multi-disciplinary solutions through co-ordinated and integrated action by a variety of stakeholders.

The discovery and application of new knowledge are key to addressing these pressures. Science will generate knowledge about how challenges may be addressed, and provide the base on which the sector can build innovations to enhance productivity and competitiveness. Innovation will transform that knowledge into benefits for Canadians. It is the process by which ideas for new or improved products, processes or services will be developed and commercialized in the marketplace.

New discoveries and their application are crucial to ensuring the agriculture and agri-food sector and all Canadians benefit from Canada's ability to produce food and an increasing range of non-food products from the land. Examples of these new applications include new biomaterials, biomedical and biohealth products, biofuels, bioenergy, biochemicals, and biopharmaceuticals.

Value-chain roundtables, which include participation from the CFIA, will be instrumental in helping to identify pressures on the sector and develop solutions to build and implement sector-specific market strategies and action plans in line with the Canada Brand.

### STRATEGIC RESPONSE

AAFC and its portfolio partners are committed to playing a significant role on behalf of the sector and all Canadians by reducing risks, improving productivity and innovation, easing the introduction of new products in food and industrial markets, and facilitating international marketing of Canadian products.



To this end, to achieve the Innovation for Growth strategic outcome, AAFC will work primarily through two departmental program activities: 1) Innovation and Renewal and 2) Markets and International. The Rural Secretariat, Co-operatives Secretariat and Canadian Pari-Mutuel Agency also contribute to this Strategic Outcome.

The department is committed to ensuring that priorities identified by participants in the value-chain roundtables regarding policies and programs are factored into its planning and decision-making.

## INNOVATION AND RENEWAL

*Equipping the industry with new business and management skills, bioproducts, knowledge-based production systems, and strategies to capture opportunities and manage change*

### Innovation



While there is a good foundation and capacity for innovation in Canada, the country's ability to capture the benefits of its science investments requires renewed thinking about how government, the sector and all stakeholders work together to optimize the use of available resources. Collaboration will be the key to managing Canada's investments in science and technology to ensure returns across the innovation value chain.

To continue on this path, AAFC will play a leadership role in helping the sector and stakeholders focus on new priorities, challenges and opportunities, to build new critical mass and develop new partnerships among Canada's university, government and industrial sectors to enhance returns on investments in science and innovation. Innovation efforts must also be supported by a co-ordinated and enabling public policy and regulatory framework that keeps pace with the advances in science and technology.

Accordingly, science is being recognized as a key component of the next generation of agriculture and agri-food policy. Science will support a Canadian agriculture and agri-food sector that is innovative and competitive, where all partners work together to be a world leader in the production of food and other agriculture-related products and services that meet global consumer needs in ways that respect the environment and contribute to the best quality of life for all Canadians. In 2007-2008, AAFC will work to enhance the innovative capacity of the agriculture and agri-food sector through support for strategy development and better opportunities to capture the benefits of science and innovation.

The department is expanding its linkages with the health community as perceptions regarding the role of food have changed with the mounting research demonstrating diet as a risk factor in chronic diseases. Exploring the intersection between agriculture and health will stimulate the development of innovative food products and agricultural ingredients that may be seen as a major contributor to health and a potential solution to rising healthcare costs associated with elevated rates of chronic disease.

In support of the future competitiveness and prosperity of the sector, the Government of Canada has increased its support for biomass science and biofuels strategy, and new programming to support the agriculture and agri-food sector in developing new market opportunities.


In July 2006, AAFC announced the Biofuels Opportunities for Producers Initiative (BOPI) , to help agricultural producers and rural communities participate in and benefit from increased biofuels production. The BOPI is being delivered through the regional industry councils that administer the Advancing Canadian Agriculture and Agri-Food (ACAAF)  program to assist the Government of Canada in meeting its biofuels commitment of five-per-cent average renewable fuel content in transport fuel by 2010.

## Net Planned Spending and Full Time Equivalents – Innovation and Renewal

2007-2008		2008-2009		2009-2010	
\$ millions	FTE	\$ millions	FTE	\$ millions	FTE
664.3	2,113	325.2	2,113	302.6	2,113

In addition, in December 2006, the Government of Canada announced the Capital Formation Assistance Program, a \$200-million, four-year program designed to encourage agricultural producers' participation in the renewable fuels industry. The program will provide repayable capital funding to renewable fuels projects based on agricultural producers' contributions to biofuels facilities. It will also build on the existing technical feasibility and business planning components of the BOPI by providing agricultural producers with incentives for participation in new renewable fuels production capacity.

In 2007-2008, the Capital Formation Assistance Program will begin to fund projects based on the level of producers' contributions to eligible project costs and capped at the lesser 25 per cent of total project costs or a maximum of \$25 million per project.

Also, in December 2006, the federal government announced the new Agricultural Bioproducts Innovation Program , a \$145-million, multi-year program designed to support new and existing research networks and encourage clusters for the advancement of a sustainable and profitable Canadian bioeconomy. The program is designed to increase the exploitation of Canada's natural advantage in biomass to develop new economic opportunities for agriculture in the areas of bioproducts and bioprocesses such as biofuels, other forms of bioenergy, biochemicals, and biopharmaceuticals.

Following stakeholder consultations in 2005, AAFC developed a science and innovation strategy, which outlined key science management goals and identified seven key areas for research. In 2007-2008, the department will implement this strategy to maximize opportunities in the global marketplace, resulting in increased profitability through growth, diversification and value-added activities.

The implementation of the Science and Innovation Strategy will:

- provide a vision for the sector, identifying challenges and opportunities;
- identify the science capacity required to meet this vision;
- co-ordinate the role of the various players performing agricultural science and innovation research;
- clarify AAFC's research priorities in support of the vision for the sector and national priorities; and
- identify areas where partnership opportunities exist to establish critical masses of expertise and multidisciplinary research clusters.

There is a requirement to strengthen overall national science and innovation capacity by positioning and integrating AAFC science resources and research efforts within a national frame of multi-disciplinary, multi-player partnerships that cross jurisdictional, disciplinary and institutional boundaries. Bringing supply chain participants together to form value-chains that use transformational research to redefine the business of agriculture will position producers and the sector to take advantage of new economic opportunities and capture new markets.

To this end, a key part of AAFC's Science and Innovation Strategy will be the development of innovative partnerships, designed to explore collaboration among the various players involved in research and development. This strategy will examine ways to make the best use of buildings, equipment and the skills and knowledge of Canada's science community. The department will be a leader in science and innovation in emerging sectors, and will be a reliable partner that complements the efforts of other organizations in more mature sectors.

AAFC will consult and co-ordinate to ensure ongoing relevance of its research efforts with the strategic priorities of the sector and the government. The department will continue to work in co-operation with the value-chain roundtables and other vehicles

in support of accelerated adoption and commercialization of scientific and technical knowledge leading to improved economic opportunities for the sector and rural communities.

AAFC is working in partnership with other science and research providers to explore the more efficient use of farm-based feedstocks for ethanol and biodiesel production and the use of waste products to generate methane gas for energy production to support biofuels. This is a key element of the energy, environmental and economic agenda for the Government of Canada. In the longer-term, integrating biofuels production into biorefinery processes that produce fuels and a variety of high-value co-products from biomass, will create improved economic opportunities for farmers and the agriculture and agri-food sector while addressing energy and environmental goals at the same time. Such integrated production and processing solutions will provide a solid basis for sustainable sector growth and economic development opportunities for rural communities.

Initiatives in the areas of bioproducts and bioprocesses represent a snapshot of the efforts of AAFC as a science organization serving the sector by working to meet the demands of a highly segmented world market and by adapting as demands change. Implicit in achieving this goal is the need to be on the cutting edge of new scientific disciplines and tools as they develop.

AAFC will also help develop the Government of Canada's science policy framework during the next three years. The department will participate and provide leadership where necessary in working with other federal departments to develop and implement a national science and technology strategy.

## **The Advancing Canadian Agriculture and Agri-Food program**

The Advancing Canadian Agriculture and Agri-Food (ACAAF) program is a five-year, \$243-million program designed to help expand the capacity of the agriculture and agri-food sector to respond to current and emerging issues, and position it to capture market opportunities.

The program was launched in 2004 as a successor to the Canadian Adaptation and Rural Development (CARD) fund, and, like the CARD fund, funds projects at the national, multi-regional and regional level.

The program is delivered at the national level by AAFC and at the regional level by 14 industry councils. These councils provide a unique, grassroots approach allowing a council Board of Directors, consisting of the entire regional agriculture and agri-food value chain, to identify, evaluate and fund industry-led solutions to emerging regional issues.

The program is delivered under the following three pillars, which were confirmed through extensive consultation with industry:

- Pillar I: Industry-led Solutions to Emerging Issues, which supports projects that test or pilot approaches and solutions;
- Pillar II: Capturing Market Opportunities by Advancing Research Results, which supports projects that transfer research results into market opportunities; and
- Pillar III: Sharing Information to Advance the Sector, which supports projects aimed at gathering, analyzing and sharing information to contribute to future agriculture and agri-food policy directions.

In 2007-2008, recommendations of a mid-program assessment of Pillars II and III will be implemented to ensure the ACAA program continues to effectively meet its objectives and, in particular, the needs of the agriculture and agri-food sector. Efforts will also be made to ensure the program is in the best possible position to complement and link with other initiatives, such as the new Agri-Opportunities Program, while continuing to respond to emerging issues and advance innovative ideas and approaches.

There will also be a continued focus on strengthening the up-take of the national component of the ACAA program. As part of this work, new service standards will be implemented under the program, including a 40-working-day service standard for approving national applications and a 40-working-day service standard for developing contribution agreements with national proponents.

Industry councils will implement their 2007-2008 strategic plans to deliver the regional component of ACAAF, and will continue to focus on collective outcome projects. Collective outcome projects are multi-regional projects which have a broad application in situations where more than one council shares the same priority, demonstrating greater industry collaboration among stakeholders.

Given the pathfinding nature of the activities it funds, the results of the ACAAF program will contribute to the next generation of agriculture and agri-food policy in 2007-2008.

## The Agri-Opportunities Program

The Agri-Opportunities Program is a new \$134-million, five-year program designed to enhance the competitiveness and innovative capacity of the Canadian agriculture and agri-food sector. The Agri-Opportunities Program will provide funding to accelerate the commercialization of new agricultural products, processes or services. Funding will be provided for projects designed to increase market opportunities for the Canadian agriculture and agri-food sector across the value chain and generate demand for primary agricultural products produced in Canada. Program investments will enhance the sector's competitiveness and prosperity through transition into new and value-added areas of opportunity.

The program will form an important linkage for other programs, such as the ACAAF program and the Agricultural Bioproducts Innovation Program, moving new products, processes and services further along the commercialization stages.

In 2007-2008, the Agri-Opportunities Program will begin funding projects up to a maximum of \$10 million per applicant over five years. Funding to for-profit organizations will be made as repayable contributions.

## Renewal

In a rapidly changing environment, strategic business planning and continuous learning are increasing in importance. Strategic planning, lifelong learning and upgrading skills can strengthen the performance of individual agricultural operations, and the sector as a whole.

Through Renewal programming, AAFC and its portfolio partner FCC aim to provide producers with the tools and abilities they need to make business decisions based on good knowledge and skills. Renewal programming is built on the concept of continuous learning, and is designed to help producers assess their situations and plan for the future during critical transition times. Renewal programs enhance producers' access to information, advice and training and enable them to pursue on- and off-farm income opportunities.

During the next three years, informed by the consultations on the next generation of agriculture and agri-food policy, AAFC and FCC will continue to work strategically with partners in the sector to identify the new skills and learning opportunities that producers need to be successful in the increasingly knowledge-intensive economy. Priorities will include finding improved ways to provide farm families with the assistance needed to enhance their skills and knowledge and expand access to tools, advice and information.

In 2007-2008, AAFC will continue to implement the Canadian Farm Families Options Program, designed to help low-income farm families by providing the income support necessary for farmers to take advantage of opportunities to increase their business management capacity to address income challenges. The program links an income support payment with the opportunity to engage in a farm business assessment or development of an individual learning plan that could lead to improved on-or off-farm income prospects. Farm families that apply to the program and receive an options payment commit to completing business or training opportunities within two years of their application.

In addition, AAFC and its portfolio partner FCC, together with sector and government partners, offer a variety of other ongoing programs and services to help producers acquire the skills they need to adapt to rapid business changes.

- Producers will have access to the Canadian Farm Business Advisory Services (CFBAS). The CFBAS has two components: Farm Business Assessment and Specialized Business Planning Services. These services provide farmers with access to financial consultants who help them assess their finances and develop action plans and in-depth business plans (that may cover finances, marketing, expansion, and diversification) and succession plans. Farmers interested in developing value-added businesses can use the Planning Assessment for Value-Added Enterprise (PAVE) program services.
- The Canadian Agricultural Skills Service (CASS) provides beginning farmers and established producers access to training to help them make choices about their future and enable them to pursue income opportunities both on and off the farm. Through the program, producers will continue to be able to access assistance for skills development and training that could result in higher on- or off-farm income.
- Producers will continue to be able to access the services of qualified financial counselors to prepare financial reviews and recovery plans for farming operations, through the Farm Debt Mediation Service (FDMS). Qualified mediators are also available to assist in negotiations between producers and creditors to help them arrive at a mutually satisfactory arrangement.
- In addition, Renewal will provide Farm Business Assessments and support for training under the CASS for clients of the Canadian Farm Families Options Program.

AAFC is undertaking an evaluation of Renewal programming. A response to this evaluation will be developed in 2007-2008. The department will also develop a public report on the 2007 National Renewal Survey and Client Impact Assessment survey.

Informed by the consultations on the next generation of agriculture and agri-food policy, the department will continue to work strategically with the sector to identify the new skills and learning opportunities needed to succeed in the increasingly knowledge-intensive economy. Renewal will make key contributions to the next generation of agriculture and agri-food policy through support for options to be considered by ministers, as well as support for negotiations with the provinces and territories. A strategy will also be developed for the transition of existing Renewal programming to the new policy.

## MARKETS AND INTERNATIONAL

*Expanding international opportunities for the Canadian agriculture and food sector*

With almost half of all Canadian domestic agriculture and food production exported each year, either directly as primary products or indirectly as part of processed products, a strong international presence and a high profile are key to the success of the agriculture and agri-food sector.

The goal of AAFC's international strategy is to use improvements in food quality, safety and environmental sustainability to maximize global sales for Canadian producers and processors. This strategy is based on certain key principles: leveraging domestic program development to maximize international reputation and market access; linking all research and analytical work to create a comprehensive understanding of market opportunities and challenges; engaging industry continuously and through new relationships to ensure maximum effectiveness of programming;

## Net Planned Spending and Full Time Equivalents – Markets and International

2007-2008		2008-2009		2009-2010	
\$ millions	FTE	\$ millions	FTE	\$ millions	FTE
33.7	238	24.5	238	24.5	238

and working closely with portfolio partners, other government departments and provinces and territories to ensure international approaches are cohesive and effective.

The strategic objectives of the international component are two-fold: to achieve greater recognition, at home and abroad, of Canada's capacity to meet the demands for quality in a rapidly changing and highly segmented global market; and to expand the agriculture and agri-food sector's access to foreign markets. AAFC will continue to work closely with industry and provincial and territorial stakeholders.

Over the next three years, informed by the consultations on the next generation of agriculture and agri-food policy, AAFC's Markets and International efforts will:

- leverage domestic improvements, capabilities and scientific excellence into a strong Canada brand, to achieve a more cohesive and positive image of the Canada brand among key markets;
- continue to promote the value-chain roundtables and other collaborative mechanisms to foster a climate of collaboration and joint action among sectors;
- refine and prioritize the Integrated Market Engagement Strategies to facilitate increased exports by Canadian companies into existing and new markets;
- develop an investment strategy for innovation;
- seek to leverage the implementation of the Specified Risk Material Feed Ban into market access for ruminants and ruminant products;
- continue to engage in activities directed at increasing Canadian exporters' readiness to take advantage of market opportunities;
- co-operate with other federal departments and agencies, and apply an integrated and strategic approach to international development and co-operation, to gain increased recognition in targeted markets of Canada's expertise in sustainable agriculture, food safety and business risk management;

- assess strategic infrastructure investments, identify transportation constraints, and develop strategies with Transport Canada and other government departments as appropriate; and
- continue to support Canada's agriculture, food and seafood industry associations in their efforts to gain and expand international recognition for Canadian agriculture and food products.

The Markets and International component of the APF contributes to the Innovation for Growth strategic outcome mainly through two of the key areas of the International Strategy: Building Markets and Increasing Investment; and Enhancing International Development and Fostering Science and Technology Linkages. The remainder of the key areas contribute primarily to the Security of the Food System strategic outcome.

## **Building Markets and Increasing Investment**

Significant progress has been made on implementing a strategy for branding Canadian agriculture and food. The Brand Promise that serves as the strategy's backbone has been endorsed by key industry leaders and federal and provincial agriculture ministers. Branding tools have been launched and are now available to stakeholders to help them effectively use the Canada brand in their work, and contribute to building the brand.

In 2007-2008, AAFC will aim to promote greater adoption of the Canada brand and strategy among the sector, by working the branding strategy into stakeholder planning and activities. Industry-led value-chain roundtables, which include participation by the CFIA, will continue to play an important role in helping implement the branding strategy. In some sectors, the roundtables are building sector-specific branding strategies to work in concert with the overall Canada branding effort.

The integration of international activities will also help to gain recognition and maximize market opportunities, particularly in emerging markets. AAFC will refine and prioritize the Integrated Market Engagement Strategies to facilitate the increase of exports of Canadian products into existing markets and their entry into new markets.

The value-chain roundtables and other collaborative mechanisms will also be promoted by AAFC to foster a climate of collaboration and joint action among sectors as a means of enhancing industry competitiveness. Through the roundtables, the department will effectively establish and monitor government and industry collaborative approaches to growing markets, and propose public and private sector investments in these industries.

Enhancing the competitiveness of the sector also requires an increase in Canadian exporters' readiness to take advantage of market opportunities. To address this requirement, AAFC will review and reposition team services in 2007-2008 to better meet the needs of Canadian companies entering international markets. The department will consult with the sector on a food industry strategy with a focus on innovation, safeguarding agricultural inputs and diversifying markets, while securing and enhancing market access.

Another initiative to foster competitiveness will be a horticulture strategy to guide AAFC engagement with the sector. The strategy will be developed in consultation with the sector, and will serve as a guide for investments in market development, regulatory reform, science, and departmental contribution programming. This strategy will be integrated into the next generation of agriculture and agri-food policy, and progress will be monitored through the horticulture value-chain roundtable and the Markets and International board within AAFC.

The assessment of AAFC's strategic infrastructure investments is another key component in enhancing the competitiveness of the sector. Transportation constraints affecting the sector's competitiveness and the Brand Promise execution will be identified, and strategies will be developed with Transport Canada and other government departments as appropriate. AAFC will identify and prioritize regulatory constraints to industry innovation and competitiveness, and develop effective strategies to address them.

Promoting Canada as a preferred location to do business is therefore a critical component of AAFC's international activities. Accordingly, AAFC will continue to maximize investment potential of the Canadian agriculture and agri-food sector by addressing policy issues that affect the investment climate and by capitalizing on our research and development capacity.

## **Enhancing International Development**

Significant progress has been made in applying an integrated, strategic approach to AAFC international development activities. Through continued execution of the China-Canada Agriculture Development Program, AAFC will build the regulatory and policy capacity of key Chinese agricultural agencies and help shape the institutions of the future agriculture and food market in China. AAFC will continue to deliver capacity-building in key agriculture policy areas, either to countries where this may contribute to resolving ongoing market access issues or to countries where this will contribute to the development of a mutually beneficial long-term agricultural relationship.

## **Fostering Science and Technology Linkages**

Canada must broaden international science and technology work to enhance its knowledge-base and help to bridge the gap between domestic innovation and international commercialization.

In 2007-2008, the department will continue its efforts to brand Canada for its scientific excellence, provide science expertise to support Canada's markets and trade, address needs of developing countries, and fulfill its international obligations through intergovernmental science related agricultural organizations.

Emphasis for scientific co-operation will be with existing and emerging large economic countries such as the United States, Europe, China, and India, and with smaller targeted countries. AAFC will benefit from the international science co-operation by accessing international knowledge and technologies, providing opportunities for the adaptation of Canadian technology to international markets, increasing international confidence in Canadian products, and by facilitating the removal of technical barriers.

## The CAFI Program

Launched in April of 2003 to replace the Agri-Food Trade Program, the CAFI program features a range of activities aligned with the objectives of the APF. The program supports industry associations' long-term international strategies to gain and expand international recognition for Canada and enhance market opportunities for Canadian agriculture and food products. An important premise of the CAFI program is ensuring Canada is well-positioned to succeed in international markets, and respond to consumer demands and global competition.


In 2007-2008, the CAFI program will continue to support the sector's international branding and market development initiatives by funding activities that establish generic, sector-wide brands within and across product and commodity groups in established and emerging international markets.

The demands of the rapidly changing global market-place are pushing research into innovative food products. The marketing of innovative products will maximize domestic investments made in science and research. The CAFI program is supporting the sector in its search for new market niches so Canada can maintain a competitive edge.

## RURAL AND CO-OPERATIVES SECRETARIATS

### RURAL DEVELOPMENT

#### Introduction

By creating the Canadian Rural Partnership (CRP)  in 1997 to co-ordinate federal action in rural Canada, the federal government explicitly recognized the importance of focusing its efforts to support rural Canadians.

The CRP is administered by AAFC's Rural Secretariat. The Secretariat co-ordinates a government-wide approach to rural citizen engagement in support of rural policy and program development and implementation. This approach addresses the challenges and issues of rural Canada through partnership initiatives among federal departments and agencies, other levels of government and rural stakeholders.

#### Operating Environment

Rural Canadians face unique challenges that include distance from urban markets, geography, low population density, and reliance on primary sector industries vulnerable to sharp, cyclical downturns, often related to globalization.

While parts of the rural economy are strong, significant challenges remain. Rural employment is growing slower than employment in urban Canada, and unemployment remains higher. Diversification and value-added growth are occurring, but much of the rural economy remains reliant on slower-growth, traditional, primary-sector industries – industries crucial to the Canadian economy as they account for 51 per cent of total exports and 21 per cent of the country's GDP.

### Net Planned Spending and Full Time Equivalents – Rural and Co-operatives Secretariats

2007-2008		2008-2009		2009-2010	
\$ millions	FTE	\$ millions	FTE	\$ millions	FTE
27.0	173	10.9	173	10.9	173



Local, national and global forces – such as markets and changing environmental standards – have changed the nature of these resource-based industries, reducing labour requirements even as productivity levels grow, leaving many rural communities vulnerable.

On the social front, access to education and health care, an aging population, and youth out-migration are major challenges facing rural and remote areas.

Further, there are significant regional and local differences across rural Canada. Remote and northern communities face very different realities from those communities in Canada's heartland or near larger metropolitan areas. These differences cannot be ignored when responding to the challenges facing rural and remote communities.

## **Strategic Response**

Since its inception nine years ago, the CRP has been researching and gathering information, developing policy directions and building support through its partnership initiatives with federal, provincial and territorial governments and rural stakeholders.

During the next fiscal year, the Rural Secretariat will build on the knowledge base and partnerships to develop policy options to enhance collaboration within the federal government, with other levels of government and with rural stakeholders, and to further develop evidence-based knowledge for informed decision-making, focusing efforts on the viability and sustainability of rural communities.

### ***Strong rural voice***

The engagement of citizens, stakeholders and networks has been undertaken to ensure a citizen-centred approach to rural development and to respond to rural concerns.

Since the CRP's launch in 1998, a variety of mechanisms have been used by the Rural Secretariat to strengthen citizen engagement and influence public policy development at all levels of government. Rural outreach activities (workshops, surveys, conferences) involving over 17,000 citizens from rural, remote and northern regions have been held across the country. This forum for reaching out to citizens has been beneficial to both citizens and government.

The Secretariat will continue to engage rural citizens and stakeholders, giving them an opportunity to provide input on their needs with respect to federal programs to build rural economic prosperity.

The Rural Secretariat will continue to develop partnership plans with key federal, provincial, territorial governments, regional partners, and aboriginals related to regional and national rural strategic objectives.

Working in partnership with other departments and agencies, the Secretariat will also take more deliberate action to ensure that government initiatives are communicated to rural citizens in a way that highlights their potential benefits to rural citizens and communities.

### ***More informed decisions by governments and rural communities through evidence-based research and analysis and improved accessibility of information***


The Rural Secretariat's research and analysis work will complement the knowledge gained from citizen engagement activities and provide evidence-based data to inform the policy development process. A key part of this work will be identifying and undertaking targeted research and analysis in areas of priority to the government and importance to rural Canadians.

The CRP will continue building and maintaining research networks. The National Rural Research Network will be used to raise the profile and awareness of rural research and the application of research results in rural areas. It will continue to work with other departments and research partners on studies and reports such as the Rural and Small Town Canada Analysis Bulletin.

The Models Program will finalize testing of approaches to rural development and community capacity building. Evaluations will be conducted to identify gaps and to determine whether or not it is beneficial to extend some of the models beyond 2007–2008. The Secretariat will continue to strengthen collaboration with resource-based departments and enhance local leaders' access to information concerning their communities to enhance the quality of decision-making.

The Secretariat will further develop a collective base of knowledge and information to support informed decision-making by governments and communities. The Secretariat has launched the Community Information Database (CID), a web-based tool that will provide communities and governments with consistent, reliable and accessible information on economic and demographic factors and indicators at the community level.

The Secretariat will provide collaborative research at the regional level, and disseminate research information (e.g. statistical and analytical products such as profiles, hosting seminars and learning events). This information sharing will provide useful analytical tools and approaches for informed decision-making for rural communities.

Research information will continue to be available through the rural Web site at [www.rural.gc.ca](http://www.rural.gc.ca), the Canadian Rural Information Services (CRIS) , and Rural and Remote Canada Online at [www.rural-canada.ca](http://www.rural-canada.ca). These tools provide access to information products of interest to rural Canadians including newsletters, toolkits, reports on dialogue activities, programs and information pathfinders.

### ***Better co-ordination of government policy responses to community priorities***

Recognizing that the challenges faced by rural communities are multi-dimensional and multi-jurisdictional, and that no one department and no government alone can fully address the issues faced by rural communities, the Rural Secretariat will continue to build partnerships across the federal government, and with the provinces and territories to better co-ordinate efforts for long-term rural community viability.

Currently, co-ordination among federal policy makers benefits from the Rural Development Network—a recently announced initiative that brings together policy and research practitioners from across federal departments to create a better understanding of the unique challenges of rural and remote Canada and to strengthen the capacity of the federal government to respond to the needs of rural Canadians.

The Rural Lens is a tool used to bring the rural and remote perspective to bear on federal government decisions. At the national level, rural and remote implications are highlighted for consideration when the government assesses the impacts of new federal initiatives. Over the next year, analysts will target major issues, such as Canada's aging population, and work with sponsoring departments and agencies to ensure that rural perspectives are integrated in national policy development work.

At the regional level, the Rural Secretariat provides leadership to thirteen Rural Teams comprised of representatives of the federal government, and in most cases, provincial or territorial government and/or sectoral stakeholders. Through their local presence and community interaction, Rural Teams are a valuable vehicle to satisfy rural citizens' demand for "one government" responsiveness at the local level.

The Secretariat will work with the Rural Team Canada network, to facilitate inter-jurisdictional collaboration at the regional level and greater integration of Rural Teams into rural policy activities.

This collaboration will contribute to raising awareness of rural issues, co-ordinating and facilitating the development of partnerships, dialogue activities and reports on key rural issues. Over the next year, the role of the Rural Teams will be reinforced through the development of action plans that focus on a number of community priorities.

## Performance Measurement

Key performance indicators for the success of rural development on a national scale include:

- number of interdepartmental activities in one fiscal year;
- number of partnership arrangements with other federal departments, provinces and territories, and other stakeholders;
- creation of research and evidence-based knowledge regarding rural Canada, community capacity building and rural development; and
- usage of or reference to research and tools.

## Benefits for Canadians

By ensuring a comprehensive and coherent understanding of the issues facing rural Canadians, the Rural Secretariat helps ensure that rural, remote and northern communities continue to benefit from government decisions that reflect their priorities and support them in addressing their challenges. Likewise, governments continue to benefit from gaining a better understanding of the issues and priorities of rural communities.

Better collaboration within governments and greater emphasis on decision-making through evidence-based research and analysis will lay a firm foundation for rural development, enhancing Canadians' access to opportunities to contribute to, and benefit from, Canada's prosperity.

## CO-OPERATIVES SECRETARIAT

### Introduction

Co-operatives have historically been an important model for community development and one of the cornerstones of local economies across Canada. Today, with combined assets of over \$225 billion and 155,000 employees, co-operatives help Canadians meet their social and economic needs in areas such as retail, banking, housing and service industries, as well as the agriculture and agri-food sector. Altogether there are over 9,200 co-operatives, credit unions, and *caisses populaires* across the country, engaging 70,000 volunteers providing services and products to over 11 million Canadians.

Since 1987, AAFC's Co-operatives Secretariat has been working across government to ensure that co-operatives are considered in the development and implementation of policies and programs. The Secretariat also works closely with co-operative sector partners, and is a centre of knowledge and expertise on co-operatives within Canada.

### Operating Environment

Communities are facing important challenges while trying to provide essential services to residents. This is especially true in rural communities which are experiencing significant demographic pressures as a result of out-migration.

Pressures coming from the global business environment will still have an impact on Canadian co-operatives, which will require adequate financing (equity and debt) to remain competitive, foster innovation and improve productivity.

The issue of capitalization remains a challenge for many co-operatives, particularly agricultural co-operatives. Agricultural co-operatives are facing major challenges from two related factors: the need to attract new investment (particularly for new co-operatives) and the need to replace the capital of retiring farmer members.


Improving promotion and increasing awareness of the potential of the co-operatives model will be key to the creation and development of new co-operatives in the future.

## Strategic Response

The Secretariat's work in 2007–2008 will help co-operatives meet their current challenges by concentrating on the following priorities:

### *Establish and co-ordinate a policy and research agenda to support co-operative development*

The Secretariat will collaborate with the co-operative sector, federal departments and provincial and territorial counterparts to identify and prioritize research needs relating to co-ops, and develop and implement a research plan to address specific areas. It will collect and provide statistical information on co-ops in Canada to present an accurate perspective.

Developing and presenting policy recommendations for the renewal of the Co-operative Development Initiative (CDI)  will also be front and centre for the Secretariat.

The Co-operatives Secretariat will continue to provide policy advice to the Minister of Agriculture and Agri-Food while seeking opportunities to promote and include the co-op model within the department's initiatives.

### *Develop programs and partnerships to promote, implement and support the co-operative model of enterprise*

The Co-operatives Secretariat will continue to work collaboratively with the co-operative sector, federal departments and provincial and territorial counterparts, developing and maintaining relationships ensuring that programs address the identified needs for co-op development in Canada. Additionally, it will also work with the co-op sector to identify and address the sector's organizational and resource development needs.

The Co-operatives Secretariat will manage the final year of the CDI, including delivery of the Innovation and Research component and of the advisory services. It will also play a part in the proposal for renewal of the program.

The Secretariat will also take advantage of its 20<sup>th</sup> anniversary to plan activities promoting the success of the co-op model.

## Performance Measurement

Key performance indicators regarding co-operatives include:

- number of partnerships established and maintained with sectoral organizations, other government departments, and provinces and territories;
- change in available research pertinent to co-operatives and co-operative development;
- use of or reference to research and tools; and
- number of co-operative initiatives supported by the CDI program.

## Benefits for Canadians

The Government of Canada will enhance the capacity of co-operatives to contribute to the Canadian economic and social fabric with strategic investments made in partnership with the co-operative sector. New co-operatives will help respond to the current and emerging needs of citizens in areas such as access to health care and home care, rural economic development, value-added opportunities in agriculture, development of Aboriginal communities, integration of immigrants into Canadian communities, and identification of community-based solutions to environmental challenges.



## CANADIAN PARI-MUTUEL AGENCY (CPMA)

The CPMA is a special operating agency within AAFC that regulates and supervises pari-mutuel betting on horse racing at racetracks across Canada.

### Regulatory Environment

Section 204 of the Criminal Code of Canada designates the Minister of Agriculture and Agri-Food as responsible for the policy and regulatory functions pertaining to pari-mutuel wagering on horse races.

The CPMA regulates and supervises pari-mutuel betting on horse racing at racetracks across Canada, thereby ensuring that pari-mutuel betting is conducted in a way that is fair to the betting public.

Costs associated with the activities of the CPMA are recovered through a levy on every dollar bet on horse races in Canada. The levy is currently set at eight-tenths of a cent of every dollar bet. This levy constitutes the financial resource base that is the CPMA's Revolving Fund.

### Strategic Response and Key Program Areas

CPMA's strategic plans are focused on maintaining the highest standards for pari-mutuel wagering and surveillance. The agency's key program areas include:

- pari-mutuel supervision;
- drug control;
- race surveillance; and
- research.

### Benefits for Canadians

- Integrity maintained in pari-mutuel betting.

## Net Planned Spending and Full Time Equivalents – Canadian Pari-Mutuel Agency

2007-2008		2008-2009		2009-2010	
\$ millions	FTE	\$ millions	FTE	\$ millions	FTE
0.0	65	0.0	66	0.0	67

**Note:** Revenues and Expenditures are dictated by collecting a levy of eight-tenths of a cent on every \$1.00 bet in Canada.

## Benefits for Canadians

The rapid advances in science and technology present opportunities for increased prosperity and security in the Canadian agriculture and agri-food sector. Science and technology efforts will contribute to farm incomes being more stable and support an expanded agriculture and agri-food sector presence in the country's economy and in the lives of all Canadians. While science enables the economic gains, Renewal programs help producers keep pace with the rapid changes and benefit from the opportunities available within and outside the sector. Markets and international activities contribute to the vitality of the sector through branding Canada as a leader not only in innovative products, but also in meeting or exceeding consumer expectations regarding food safety and quality, and stewardship of the environment. They will also provide a secure and profitable climate for foreign investment and partnerships with Canadians.

## Strategic Outcome 3: Innovation for Growth

### Program Activity: Innovation and Renewal

*Equipping the industry with new business and management skills, bioproducts, knowledge-based production systems and strategies to capture opportunities and manage change*

#### Commitments 2007-2008

- enhance the innovative capacity of the agri-food sector through support for strategy development and better opportunities to capture the benefits of science and innovation
- implement AAFC's Science and Innovation Strategy
- implement the newly established external peer-review process for the selection of departmental research projects and allocation of resources
- implement the new Agricultural Bioproducts Innovation Program
- develop and implement a national innovation co-ordination mechanism
- develop and implement a new investment model for innovation
- participate in the development of the Government of Canada's Science and Technology Strategy
- build national integrated science and innovation capacity through the establishment of clusters and networks involving government, academia, private sector, and not-for-profit organizations
- implementation of the Biofuels Opportunities for Producers Initiative
- implementation of the Canadian Farm Families Options Program
- work strategically with the sector to identify and enhance skills and learning opportunities needed to succeed in the increasingly knowledge-intensive economy

#### Expected Results

- funding support to organizations to develop sector-based, innovative, market-focused strategies that utilize science to transform commodities into new value-added or bioproduct opportunities for processors, producers and rural communities, and new life sciences products for consumers
- increased opportunities for the agriculture and agri-food sector in existing and new markets
- increased value for research investments through better alignment of research activities and resources with departmental, government and sector priorities
- increased research capacity to exploit Canada's natural advantage in biomass to develop new economic opportunities for agriculture in the areas of bioproducts and bioprocesses
- utilization of advances in value-added research that enable farmers, processors, rural communities, and service providers to differentiate their products and services
- improved co-ordination of national research efforts and resources along the innovation chain in priority areas of focus for the agriculture and agri-food sector
- increased co-operation among federal and provincial departments and agencies, academic, institutions, industrial organizations, and not-for-profit science and research entities
- market-responsive research collaboration among national players to accelerate the transformation of knowledge from the bench to the marketplace
- sound, well-documented business plans and feasibility studies, with significant producer ownership, developed which support the creation and expansion of the biofuel production capacity

#### Performance Indicators

- funded sector-led projects to implement alternative value-added strategies for existing commodities and new products and markets
- improved collaboration along value chains to identify risks, opportunities and new markets
- funded support for the development and start-up costs for centres of innovation and/or incubators or business mentoring
- Science and Innovation Strategy research implemented
- number of domestic and world agri-food research opportunities created
- increased contribution of bioproducts and value-added agricultural products by agriculture
- number of science and innovation clusters and networks established to bring together stakeholders to form complete innovation chains
- number of research agreements between AAFC and industry
- number of biofuels pilot projects funded with successful results and targets met
- number of Options payment recipients compared to total eligible per year.
- total value of payments issued per year
- percentage of Options payment recipients enrolled in Renewal programming
- percentage of Options payment recipients who have met their business and personal financial goals
- level of use of Renewal programs

**Program Activity: Innovation and Renewal (continued)**

*Equipping the industry with new business and management skills, bioproducts, knowledge-based production systems and strategies to capture opportunities and manage change*

- continued implementation of the ACAA program at the national and regional levels to respond to emerging issues and advance innovative ideas and approaches
- implement the recommendations of a mid-program assessment of Pillars II and III of ACAA
- implementation of the Capital Formation Assistance Program
- implementation of the Agri-Opportunities Program
- increased awareness and benefits of Renewal programs by providing the income support necessary for farmers to take advantage of the opportunity to increase their business management capacity and skills learning
- Canadian farmers increase their knowledge of business management practices
- Canadian farmers increase the use of tools available through renewal programming and services in order to increase profitability
- enhanced and integrated approach to Innovation and Renewal Policy
- Canada's agriculture and agri-food sector positioned at the leading edge to seize new opportunities
- ACAA most effectively positioned to respond to new emerging issues while fostering innovative technologies
- increased farm equity investment in biofuels facilities
- agricultural producers more aware of consumer requirements for renewable fuel
- successful launch of the program
- increased market opportunities for the Canadian agriculture and agri-food sector which benefit primary producers
- enhanced industry competitiveness and prosperity through new and value-added areas of opportunity
- increased number of national, multi-regional (collective outcome), and regional Pillar I, II and III projects
- number of projects addressing current and emerging issues
- number of pre-commercialization activities
- number of policy dialogue events and market and trend studies
- number of biofuels facilities
- value of producers' investment in biofuels facilities
- number of new products, processes or services commercialized or being commercialized



**Program Activity: Markets and international**

*Expanding international opportunities for the Canadian agriculture and agri-food sector*

**Commitments 2007-2008**

- continue to support Canada's agriculture, food and seafood industry associations in their efforts to gain and expand international recognition for Canadian agriculture and food products
- leverage domestic improvements and capabilities and scientific excellence into a strong Canada brand, to achieve a more cohesive and positive image of the Canada brand among key market segments abroad
- continue to promote Value Chain Round Table (VCRT) and other collaborative mechanisms to foster a climate of collaboration and joint action among sectors
- refine and prioritize the Integrated Market Engagement Strategies to facilitate the increase of exports by Canadian companies of products into existing markets and their entry into new markets.
- develop an Investment Strategy for Innovation
- seek to leverage the implementation of the Specified Risk Material (SRM) Feed Ban into market access for ruminants and ruminant products
- continue to engage in activities directed at increasing Canadian exporters' readiness to take advantage of market opportunities
- co-operate with other federal departments and agencies, and apply an integrated and strategic approach to international development and co-operation, to gain increased recognition in targeted markets of Canada's leading expertise in sustainable agriculture, food safety, and business risk management
- in consultation with industry, guide AAFC engagement with the sector

**Expected Results**

- increased exports of Canadian agriculture and food products
- increased recognition of Canadian products and capabilities
- increased recognition of Canadian products and capabilities over the long term
- increased awareness of global market demands and opportunities, development and implementation of value chain strategies for each sector with established roundtables and industry engagement in the development of a Brand Canada strategy
- foreign markets engaged by focusing on highest potential Canadian agriculture and food products and investment prospects, in conjunction with government and industry partners, to build markets; and increase investment.
- perception of Canada as a leader in the development of certain advanced food technologies and agri-related biotechnologies is enhanced
- international market access to ruminants and ruminant products enhanced
- increased exports of Canadian agriculture and food products
- Canada's relations with developing countries strengthened to enhance and support bilateral trade and policy relations with an emphasis on agriculture and food products
- market development strategy for AAFC engagement with commodities sectors

**Performance Indicators**

- change in international market share of Canadian agriculture and food exports
- number of communications and marketing tools developed to facilitate integration of branding strategy into stakeholder planning and activities
- number of projects completed to facilitate integration of branding strategy into stakeholder planning and activities
- number of outreach meetings held and usage agreements signed to facilitate integration of branding strategy into stakeholder planning and activities
- industry satisfaction with VCRT meetings
- number of research projects completed in conjunction with industry to support strategic development
- partner satisfaction with investment promotion activities
- number of market development initiatives completed in priority markets
- market development activities aligned with strategic direction
- number of joint activities carried out to promote Canada as a leader in the development of advanced food technologies and agri-related biotechnologies
- key markets identify Canada as a preferential North American supplier
- key markets (Korea/Taiwan) previously closed to Canada but open to the US become open

**Program Activity: Markets and international (continued)**

*Expanding international opportunities for the Canadian agriculture and agri-food sector*

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• assess strategic infrastructure investments, identify transportation constraints, and develop strategies with Transport Canada and other government departments as appropriate</li> <li>• continue to support Canada's agriculture, food and seafood industry associations in their efforts to gain and expand international recognition for Canadian agriculture and food products</li> </ul> | <ul style="list-style-type: none"> <li>• expansion of range of products eligible for export (SRM-free tallow to China, SRM-free MBM to Indonesia, over thirty month beef, under thirty month and over thirty month bone-in beef, live cattle)</li> <li>• number of new documents posted on the Agri-Food Trade Service Web site</li> <li>• number of regional exporter preparedness activities delivered</li> <li>• number of capacity building training modules on food safety, business risk management and Agri-Environmental Policy delivered in target countries</li> <li>• strategies in place for each commodity sector group in AAFC</li> </ul> |
|---|---|

**Program Activity: Rural and Co-operatives Secretariats**

**Commitments 2007-2008**

- build on existing knowledge base and partnerships to develop policy options to enhance collaboration within the federal government, with other levels of government and with rural stakeholders
- further develop evidence-based knowledge for informed decision-making, focusing efforts on the viability and sustainability of rural communities
- establish and co-ordinate a policy and research agenda to support co-operative development
- develop programs and partnerships to promote, implement and support the co-operative model

**Expected Results**

- better co-ordination of government policy responses to community priorities
- more informed decisions by governments and rural communities through evidence-based research and analysis and improved accessibility of information
- government policies, programs and services increase opportunities, mitigate barriers and enhance capacity for co-operative development
- increased capacity of co-operatives to meet the needs of Canadians

**Performance Indicators**

- economic stability
- economic competitiveness
- social progress
- local institutional capacity
- number of partnerships established and maintained with sectoral organizations, other federal departments and provinces
- change in available research pertinent to co-operatives and co-operative development
- use of or reference to research and tools
- number of co-operative initiatives supported by the CDI program

**Program Activity: Canadian Pari-Mutuel Agency**

*Enhancing CPMA's capacity to manage risk in pari-mutuel betting, thereby helping to protect the betting public against fraudulent activities*

*Note: Because the CPMA reports through the Minister of Agriculture and Agri-Food, and contributes to AAFC's Innovation for Growth Strategic Outcome, it is being included in this table with all other contributing program activities.*

<b>Commitments 2007-2008</b>	<b>Expected Results</b>	<b>Performance Indicators</b>
<ul style="list-style-type: none"> <li>• provide effective pari-mutuel supervision</li> </ul>	<ul style="list-style-type: none"> <li>• confidence of the betting public in pari-mutuel wagering</li> </ul>	<ul style="list-style-type: none"> <li>• tote tests conducted for all Tote Systems</li> </ul>
<ul style="list-style-type: none"> <li>• provide effective Drug Control Program and advance key research initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• detection of performance-affecting drugs in horses</li> </ul>	<ul style="list-style-type: none"> <li>• percentage of pari-mutuel pools audited</li> </ul>
<ul style="list-style-type: none"> <li>• strengthen engagement with horse racing industry stakeholders, the betting public and provincial and international regulatory bodies</li> </ul>	<ul style="list-style-type: none"> <li>• policy development informed through domestic and international engagement</li> </ul>	<ul style="list-style-type: none"> <li>• number of samples analyzed</li> <li>• research projects completed</li> <li>• meetings conducted with domestic and international stakeholders to inform policy development</li> </ul>
<ul style="list-style-type: none"> <li>• advance Comprehensive Review of the Regulatory Framework</li> </ul>	<ul style="list-style-type: none"> <li>• direction established for the development of a modern, effective and efficient approach to regulating and supervising pari-mutuel wagering on horse racing in Canada</li> </ul>	<ul style="list-style-type: none"> <li>• key review milestones achieved</li> </ul>

## HORIZONTAL INITIATIVES

### AAFC'S HORIZONTAL INITIATIVES

A “horizontal initiative” is an initiative in which partners, from two or more organizations, have agreed under a formal funding agreement (e.g. Memorandum to Cabinet, Treasury Board submission, federal-provincial agreement) to work toward the achievement of shared outcomes.

The objective of reporting on horizontal initiatives is to provide Parliament and the Canadian public and government with an overall picture of public spending and results achieved by departments working together.

Horizontal initiatives reported here are led by AAFC and have been either allocated federal funds that exceed \$100 million (counting all federal partners) for the duration of the program, or allocated less than \$100 million in federal funds but are still considered to be key to the achievement of government priorities, or have a high public profile.


Following is a summary list of horizontal initiatives for 2007-2008. More complete information on each initiative, including planned spending by our federal partners, is available on the Treasury Board Secretariat's Horizontal Results Database: <http://www.tbs-sct.gc.ca/est-pre/estime.asp>

## Horizontal Initiative Information for 2007-2008

1. Canadian Agricultural Income Stabilization (CAIS)
2. Canadian Agricultural Skills Service (CASS)
3. Co-operatives Secretariat
4. Farm Business Services
5. MOU with Canadian Food Inspection Agency (CFIA) on Food Safety and Quality
6. AAFC - Department of Foreign Affairs and International Trade (DFAIT) MOU on Agri-Food Specialists Positions Abroad
7. MOU with Environment Canada (EC) on the National Agri-Environmental Standards initiative (NAESI)
8. MOU with Health Canada (HC) on Food Safety and Quality and Environment
9. Production Insurance
10. Rural Development

## SUSTAINABLE DEVELOPMENT STRATEGY

### Introduction

AAFC's fourth Sustainable Development Strategy (SDS), titled *Making Progress Together* , was tabled in Parliament in December 2006. The focus of AAFC's fourth SDS is to enhance the integration of the three pillars of sustainable development – environmental, economic and social – through various initiatives. SDS IV builds on progress made in the department's third SDS, titled *Sustainable Agriculture: Our Path Forward*, which presented the APF as the departmental approach to sustainable development.

## Our Approach

The department's SDS highlights the ongoing implementation of the APF and provides an examination of the progress towards sustainable agriculture in Canada. The strategy promotes the integration of the three pillars of sustainable development – economic, environmental and social.

Through various initiatives, AAFC will strive to strengthen linkages among the three pillars to ensure a seamless approach to sustainable development. AAFC's fourth SDS illustrates how the department integrates sustainable development into decision-making and is intended to help lay the groundwork for the next generation of agriculture and agri-food policy.

SDS IV also contributes to federal sustainable development goals for clean water, clean air, reduced greenhouse gas emissions, sustainable communities, sustainable development and use of natural resources, and governance for sustainable development. The strategy also includes a chapter on how AAFC plans to further *green* its own internal operations by addressing federal priorities for greening operations and high priority areas specific to the department's own operations. It also contributes work to meet many of Canada's international commitments. As with previous strategies, much of the work under this strategy will involve collaboration with other federal departments, provincial and territorial governments and other partners.

## Next Steps

In the 2007-2008 fiscal year, the department will continue to move towards the next generation of agriculture and agri-food policy. Through various initiatives to enhance the integration of the three pillars of sustainable development, the department will continue to further its efforts towards sustainable development.

# Supplementary Information

## FINANCIAL AND OTHER TABLES

<b>Table 1</b>	<b>Departmental Planned Spending and Full Time Equivalents (FTEs)</b>
<b>Table 2</b>	<b>Voted and Statutory Items Listed in the Main Estimates</b>
<b>Table 3</b>	<b>Services Received Without Charge</b>
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<b>Table 14</b>	<b>AAFC's Fourth Sustainable Development Strategy</b>
<b>Table 15</b>	<b>Internal Audits and Evaluations</b>

### NOTE:

In the following tables, **forecast spending** reflects the authorized funding levels to the end of the fiscal year 2006-2007 (not necessarily forecast expenditures). **Planned spending** reflects funds already brought into the department's reference levels as well as amounts to be authorized through the Estimates process (for the 2007-2008 through to 2009-2010 planning years) as presented in the Annual Reference Level Update. It also includes adjustments in future years for funding approved in the government fiscal plan, but yet to be brought into the department's reference levels.

The figures have been rounded to the nearest millions of dollars. Figures that cannot be listed in millions of dollars are shown as \$0.0.  
Due to rounding, figures may not add to the totals shown.

**Table 1: Departmental Planned Spending and Full Time Equivalents**

(\$ millions)	Forecast Spending 2006-2007 <sup>1</sup>	Planned Spending 2007-2008 <sup>2</sup>	Planned Spending 2008-2009	Planned Spending 2009-2010
<b>Budgetary Main Estimates</b>				
Business Risk Management	1,275.9	<b>1,272.5</b>	756.3	755.8
Food Safety and Food Quality	123.0	<b>120.9</b>	40.4	40.4
Markets and International	113.9	<b>112.0</b>	81.6	81.6
Environment	352.9	<b>331.7</b>	183.2	184.2
Innovation and Renewal	346.9	<b>611.9</b>	253.0	230.4
Rural and Co-operatives Secretariats	22.8	<b>27.0</b>	10.9	10.9
National Farm Products Council	2.7	<b>3.8</b>	3.8	3.8
Canadian Pari-Mutuel Agency	15.2	<b>15.0</b>	15.0	15.1
<b>Budgetary Main Estimates (gross)</b>	<b>2,253.4</b>	<b>2,494.8</b>	<b>1,344.3</b>	<b>1,322.2</b>
Less: Respendable Revenue	61.7	60.5	62.0	63.1
<b>Total Main Estimates</b>	<b>2,191.7</b>	<b>2,434.3</b>	<b>1,282.3</b>	<b>1,259.1</b>
<i>Adjustments (Planned Spending not in Main Estimates):</i>				
<b>Procurement Savings:</b>				
Business Risk Management	(0.7)	-	-	-
Food Safety and Food Quality	(0.3)	-	-	-
Markets and International	(0.5)	-	-	-
Environment	(1.5)	-	-	-
Innovation and Renewal	(1.3)	-	-	-
<b>Total Procurement Savings</b>	<b>(4.3)</b>	-	-	-
<b>Supplementary Estimates:</b>				
Funding in support of amendments to inventory valuation under the Canadian Agricultural Income Stabilization program	897.8	-	-	-
Contributions in support of Business Risk Management Programs under the Agricultural Policy Framework including funding in support of coverage for producers with negative margins - Canadian Agricultural Income Stabilization Program	471.0	-	-	-
Funding for the Canadian Farm Families Option Program	240.0	-	-	-
Funding in support of the Implementation of the Agricultural Policy Framework	100.3	-	-	-
Funding in support of the Cover Crop Protection Program in response to flood damage in 2005 and 2006	89.9	-	-	-
Funding to foster investments in sectoral capacity that support the transformation and transition of farmers and agri-food and agri-bioproduct into new areas of opportunity (New Opportunities for Agriculture Initiatives)	33.8	29.5	29.2	29.1
Operating Budget Carry forward	28.9	-	-	-
Funding to support the establishment, further development and operations of bioproducts research networks (Agricultural Bioproducts Innovation Program)	24.1	31.9	31.7	34.5

**Table 1: Departmental Planned Spending and Full Time Equivalents (continued)**

(\$ millions)	Forecast Spending 2006-2007 <sup>1</sup>	Planned Spending 2007-2008 <sup>2</sup>	Planned Spending 2008-2009	Planned Spending 2009-2010
Funding in support of the direct financial assistance to grain and oilseed producers and consultations with federal, provincial and territorial officials and stakeholders under the Grains and Oilseeds Payment Program	18.6	-	-	-
Grant for the Canadian Agri-Food Policy Institute which provides a neutral venue for dialogue on policy issues critical to the future of the agriculture and agri-food industry	15.0	-	-	-
Contributions in support of the Ruminant Slaughter Loan Loss Reserve Program	15.0	-	-	-
Funding in support of organizations to facilitate adaptation and rural development within the agriculture and agri-food sector under the Biofuels Opportunities for Producers Initiative	10.0	-	-	-
Funding to facilitate the disposal of tissues that can carry the Bovine Spongiform Encephalopathy (BSE) disease and infect the entire food and animal chain	5.1	-	-	-
Funding in support of the enhancement and integration of Agricultural Policy Framework Business Risk Management Initiative	5.0	-	-	-
Reinvestment of royalties from intellectual property	4.8	-	-	-
Grants to organizations to facilitate adaptation and rural development within the agriculture and agri-food sector	4.7	-	-	-
Funding for existing climate change programs pending the finalization of a new environmental agenda	4.0	-	-	-
Reinvestment of revenues from sales and services related to research, facilities and equipment	2.8	-	-	-
Funding to assist producers affected by the Golden Nematode, more specifically potato producers in Quebec, in order to provide quick financial relief as well as renewal programming to evaluate longer term implications (Golden Nematode Disaster Program)	1.2	-	-	-
Funding in support of the expansion of co-operatives under the Co-operative Development Initiative	1.0	-	-	-
Reinvestment of revenues from the sales or transfer of real property	0.7	-	-	-
Transfer from Canadian Heritage - For the development of Official Language Minority Communities (Interdepartmental Partnership with the Official Language Communities)	0.4	-	-	-
Funding related to the assessment, management and remediation of federal contaminated sites	0.3	-	-	-
Additional resources related to a reallocation of the Ministry's regional responsibilities	0.3	-	-	-
Transfer from Industry - To undertake projects related to the development and application of biotechnology (Canadian Biotechnology Strategy)	0.2	-	-	-
To write-off the projected net drawdown authority used by the Canadian Pari-Mutuel Agency's Revolving Fund of up to \$1,400,000 effective March 31 2007	0.0	-	-	-

**Table 1: Departmental Planned Spending and Full Time Equivalents (continued)**

(\$ millions)	Forecast Spending 2006-2007 <sup>1</sup>	Planned Spending 2007-2008 <sup>2</sup>	Planned Spending 2008-2009	Planned Spending 2009-2010
Transfer to Canadian Food Inspection Agency - For the implementation of a national livestock traceability system to strengthen Canada's negotiating position in international markets related to Bovine Spongiform Encephalopathy (BSE)	(0.5)	-	-	-
Transfer to Foreign Affairs and International Trade - To provide support to Agriculture and Agri-Food staff located at missions abroad	(0.1)	-	-	-
Less: Spending Authorities available within the Vote	58.4	-	-	-
<b>Total Supplementary Estimates</b>	<b>1,915.7</b>	<b>61.4</b>	<b>60.9</b>	<b>63.7</b>
<b>Budget Announcement</b>				
<b>Total Budget Announcement</b>	-	-	-	-
<b>Other</b>				
Collective Agreement Salary Increases	9.4	-	-	-
Employee Benefit Plan (EBP)	4.8	-	-	-
Action Plan for the Agricultural Sector: Agricultural Disaster Assistance	-	<b>124.5</b>	125.0	125.0
Funding to facilitate the disposal of tissues that can carry the Bovine Spongiform Encephalopathy disease and infect the entire food and animal chain	-	<b>34.5</b>	40.3	-
Farm Support - Enhanced Agriculture Support - Capital Formation Program	-	<b>30.7</b>	52.0	52.0
Action Plan for the Agricultural Sector: Negative Margin	-	<b>25.0</b>	25.0	25.0
Funding to support the enhancement of delivery systems for the Business Management Programs under the Agricultural Policy Framework	-	<b>24.9</b>	-	-
Action Plan for the Agricultural Sector: Cover Crop	-	<b>9.0</b>	9.0	9.0
Farm Support - Enhanced Agriculture Support - Biofuels Opportunities	-	<b>7.0</b>	-	-
Farm Support - Enhanced Agriculture Support	-	<b>1.5</b>	141.5	164.5
Government of Canada Exhibitions Program	-	<b>0.5</b>	-	-
Funding to assist producers affected by the Golden Nematode, more specifically potato producers in Quebec, in order to provide quick financial relief as well as renewal programming to evaluate longer term implications (Golden Nematode Disaster Program)	-	<b>0.5</b>	-	-
Internal Audit	-	<b>0.4</b>	-	-
Biotechnology Budget	-	-	6.0	6.0
Skyline - Repayment towards client costs	-	-	(0.6)	(0.6)
<b>Total Other</b>	<b>14.2</b>	<b>258.5</b>	<b>398.2</b>	<b>380.9</b>
<b>Total Adjustments</b>	<b>1,925.6</b>	<b>319.9</b>	<b>459.0</b>	<b>444.6</b>
<b>Total Net Planned Spending</b>	<b>4,117.3</b>	<b>2,754.2</b>	<b>1,741.3</b>	<b>1,703.7</b>



**Table 1: Departmental Planned Spending and Full Time Equivalents (continued)**

(\$ millions)	Forecast Spending 2006-2007 <sup>1</sup>	Planned Spending 2007-2008 <sup>2</sup>	Planned Spending 2008-2009	Planned Spending 2009-2010
Less: Non-Respendable Revenue	29.3	<b>23.7</b>	23.7	23.7
Plus: Cost of services received without charge <sup>3</sup>	51.9	<b>45.7</b>	40.6	39.9
<b>Total Departmental Spending</b>	<b>4,139.9</b>	<b>2,776.2</b>	<b>1,758.2</b>	<b>1,719.8</b>
<b>Full Time Equivalents <sup>4</sup></b>	<b>6,564</b>	<b>6,564</b>	<b>6,565</b>	<b>6,566</b>

1 Reflects the authorized funding levels to the end of the fiscal year 2006-2007 (not necessarily forecast expenditures).

2 Planned spending reflects funds already brought into the department's reference levels as well as amounts to be authorized through the Estimates process (for the 2007-2008 through to 2009-2010 planning years) as presented in the Annual Reference Level Update. It also includes adjustments in future years for funding approved in the government fiscal plan, but yet to be brought into the department's reference levels.

3 Cost of services received without charge include accommodation provided by Public Works and Government Services Canada (PWGSC), contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat (TBS), Worker's compensation coverage provided by Social Development Canada and salary and associated expenditures of legal services provided by the Department of Justice Canada. See details in Table 3.

4 In addition to the FTEs noted above, in 2006-2007 there were 164 FTEs employed by AAFC funded by spendable revenue sources from collaborative research projects with industry, and other activities not funded through AAFC appropriations. Also, 366 FTEs were employed as students. Data for 2007-2008 to 2009-2010 similarly does not make any provision for staff funded through spendable revenue sources or students.

The Planned Spending for 2007-2008 is \$2,754.2 million compared to \$1,741.9 million for 2008-2009, a difference of approximately \$1 billion. This is largely attributable to the expiry of the APF in 2007-2008. Significant policy and program development work will be required in 2007-2008 to ensure the next generation of Canadian agriculture and agri-food policy is developed, negotiated and ready to implement in 2008.

The figures have been rounded to the nearest millions of dollars. Figures that cannot be listed in millions of dollars are shown as \$0.0. Due to rounding, figures may not add to the totals shown.

## Table 2: Voted and Statutory Items Listed in the Main Estimates

(\$ millions)

Vote or Statutory Item	Truncated Vote or Statutory Wording	Main Estimates 2007-2008	Main Estimates 2006-2007
1	Operating Expenditures	605.9	583.9
5	Capital Expenditures	28.6	28.6
10	Grants and Contributions	595.8	448.9
15	Pursuant to Section 29 of the <i>Financial Administration Act</i> , to authorize the Minister of Agriculture and Agri-Food, on behalf of her Majesty in Right of Canada, in accordance with terms and conditions approved by the Minister of Finance, to guarantee payments of an amount not exceeding, at any one time, in aggregate the sum of \$1,500,000,000 payable in respect of cash advances provided by producer organizations, the Canadian Wheat Board and other lenders under the Spring Credit Advance Program and \$1,500,000,000 payable in respect of cash advances provided by producer organizations, the Canadian Wheat Board and other lenders under the Enhanced Spring Credit Advance Program.	0.0	0.0
20	Pursuant to Section 29 of the <i>Financial Administration Act</i> , to authorize the Minister of Agriculture and Agri-Food, on behalf of her Majesty in Right of Canada, in accordance with terms and conditions approved by the Minister of Finance, to guarantee payments of amounts not exceeding, at any time, in aggregate, the sum of \$140,000,000 payable in respect of Line of Credit Agreements to be entered into by the Farm Credit Corporation for the purpose of the renewed (2003) National Biomass Ethanol Program.	0.0	0.0
(S)	Grants to agencies established under the <i>Farm Products Agencies Act</i>	0.2	0.2
(S)	Payments in connection with the <i>Agricultural Marketing Programs Act</i>	138.7	65.5
(S)	Loan Guarantees under the <i>Farm Improvement and Marketing Cooperatives Loans Act</i>	4.0	4.0
(S)	Contributions in Support of Business Risk Management Programs under the Agricultural Policy Framework – Production Insurance	407.0	407.0
(S)	Contributions in Support of Business Risk Management Programs under the Agricultural Policy Framework – Canadian Agricultural Income Stabilization Program	570.5	570.0
(S)	Contributions in Support of Business Risk Management Programs under the Agricultural Policy Framework – Agriculture Policy Initiatives	4.2	4.2
(S)	Canadian Cattlemen's Association Legacy Fund	5.0	5.0
(S)	Minister of Agriculture and Agri-Food – salary and motor car allowance	0.1	0.1
(S)	Contributions to employee benefit plans	74.3	74.3
(S)	Canadian Pari-Mutuel Agency Revolving Fund	–	–
<b>TOTAL DEPARTMENT</b>		<b>2,434.3</b>	<b>2,191.7</b>

NOTES: (S) denotes a Statutory item

The Main Estimates for 2007-2008 are \$2,434.3 million compared to \$2,191.7 million for 2006-2007, an increase of \$242.6 million. The increase is mainly attributable to funding for the Canadian Farm Families Options Program, the amended Agricultural Marketing Programs Act and increases resulting from collective bargaining agreements.

The figures have been rounded to the nearest millions of dollars. Figures that cannot be listed in millions of dollars are shown as \$0.0. Due to rounding, figures may not add to the totals shown.

### Table 3: Services Received Without Charge

2007-2008

(\$ millions)

Accommodation provided by Public Works and Government Services Canada (PWGSC)	13.8
Contributions covering employers' share of employees' insurance premiums and expenditures paid by the Treasury Board of Canada Secretariat (TBS) (excluding revolving funds)	28.6
Worker's compensation coverage provided by Human Resources and Skills Development Canada	1.7
Salary and associated expenditures of legal services provided by the Department of Justice Canada	1.7
<b>Total 2007-2008 Services received without charge</b>	<b>45.7</b>

The figures have been rounded to the nearest millions of dollars. Figures that cannot be listed in millions of dollars are shown as \$0.0. Due to rounding, figures may not add to the totals shown.

**Table 4: Summary of Capital Spending by Program Activity**

(\$ millions)	Forecast Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010
Business Risk Management	9.8	4.1	4.1	4.1
Food Safety and Food Quality	2.9	2.2	2.2	2.2
Markets and International	4.8	3.5	3.5	3.5
Environment	13.3	9.9	9.6	9.6
Innovation and Renewal	20.4	17.5	12.2	11.7
Rural and Co-operatives Secretariats	-	-	-	-
National Farm Products Council	-	-	-	-
Canadian Pari-Mutuel Agency*	-	-	-	-
<b>Total Capital Spending</b>	<b>51.2</b>	<b>37.2</b>	<b>31.5</b>	<b>31.0</b>

\*The Canadian Pari-Mutuel Agency Revolving Fund is forecasting acquisition of depreciable assets of \$0.1 million per year for the years 2006-2007 through 2009-2010. See Table 6. The Forecast Spending for 2006-2007 is \$51.2 million compared to \$37.2 million for 2007-2008, a difference of \$14.0 million. This is mainly attributable to an internal reallocation of resources for rust-out issues related to science infrastructure including buildings, health and safety issues and environmental requirements.

The figures have been rounded to the nearest millions of dollars. Figures that cannot be listed in millions of dollars are shown as \$0.0. Due to rounding, figures may not add to the totals shown.

## Table 5: Sources of Respendable and Non-Respendable Revenue

### Respendable Revenue

(\$ millions)	Forecast Revenue 2006-2007	Planned Revenue 2007-2008	Planned Revenue 2008-2009	Planned Revenue 2009-2010
<b>Business Risk Management</b>				
Canadian Agricultural Income Stabilization – Admin. fees	5.5	5.5	5.5	5.5
<b>Total – Business Risk Management</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>
<b>Food Safety and Food Quality</b>				
Collaborative research agreements and research services	1.5	1.5	1.5	1.5
<b>Total – Food Safety and Food Quality</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>
<b>Environment</b>				
Collaborative research agreements and research services	5.5	5.5	5.5	5.5
Community Pastures	19.0	18.0	19.5	20.5
<b>Total – Environment</b>	<b>24.5</b>	<b>23.5</b>	<b>25.0</b>	<b>26.0</b>
<b>Innovation and Renewal</b>				
Collaborative research agreements and research services	15.0	15.0	15.0	15.0
<b>Total – Innovation and Renewal</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>
<b>Canadian Pari-Mutuel Agency</b>				
Canadian Pari-Mutuel Agency Revolving Fund	15.2	15.0	15.0	15.1
<b>Total – Canadian Pari-Mutuel Agency</b>	<b>15.2</b>	<b>15.0</b>	<b>15.0</b>	<b>15.1</b>
<b>Total Respendable Revenue</b>	<b>61.7</b>	<b>60.5</b>	<b>62.0</b>	<b>63.1</b>

### Non-Respendable Revenue

(\$ millions)	Forecast Revenue 2006-2007	Planned Revenue 2007-2008	Planned Revenue 2008-2009	Planned Revenue 2009-2010
<b>Business Risk Management</b>				
Refund of Previous Years' Expenditures <sup>1</sup>	6.9	1.3	1.3	1.3
Service and Service Fees	0.8	0.8	0.8	0.8
Privileges, Licences and Permits	0.4	0.4	0.4	0.4
Return on Investments <sup>2</sup>	0.4	0.4	0.4	0.4
Proceeds from Sales of Crown Assets	0.0	0.0	0.0	0.0
Other non-tax revenues	1.9	1.9	1.9	1.9
<b>Total – Business Risk Management</b>	<b>10.4</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>
<b>Food Safety and Food Quality</b>				
Refund of Previous Years' Expenditures <sup>1</sup>	0.3	0.3	0.3	0.3
Service and Service Fees	0.3	0.3	0.3	0.3
Privileges, Licences and Permits	0.4	0.4	0.4	0.4
Return on Investments <sup>2</sup>	0.2	0.2	0.2	0.2
Proceeds from Sales of Crown Assets	0.1	0.1	0.1	0.1
Other non-tax revenues	0.3	0.3	0.3	0.3
<b>Total – Food Safety and Food Quality</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>

**Table 5: Sources of Respendable and Non-Respendable Revenue (continued)**

**Non-Respendable Revenue**

(\$ millions)	Forecast Revenue 2006-2007	Planned Revenue 2007-2008	Planned Revenue 2008-2009	Planned Revenue 2009-2010
<b>Markets and International</b>				
Refund of Previous Years' Expenditures <sup>1</sup>	0.5	<b>0.5</b>	0.5	0.5
Service and Service Fees	0.0	<b>0.0</b>	0.0	0.0
Privileges, Licences and Permits	0.2	<b>0.2</b>	0.2	0.2
Return on Investments <sup>2</sup>	0.5	<b>0.5</b>	0.5	0.5
Proceeds from Sales of Crown Assets	0.0	<b>0.0</b>	0.0	0.0
Other non-tax revenues	0.5	<b>0.5</b>	0.5	0.5
<b>Total – Markets and International</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>
<b>Environment</b>				
Refund of Previous Years' Expenditures <sup>1</sup>	1.4	<b>1.4</b>	1.4	1.4
Service and Service Fees	0.0	<b>0.0</b>	0.0	0.0
Privileges, Licences and Permits	0.9	<b>0.9</b>	0.9	0.9
Return on Investments <sup>2</sup>	1.2	<b>1.2</b>	1.2	1.2
Proceeds from Sales of Crown Assets	0.6	<b>0.6</b>	0.6	0.6
Other non-tax revenues	1.3	<b>1.3</b>	1.3	1.3
<b>Total – Environment</b>	<b>5.3</b>	<b>5.3</b>	<b>5.3</b>	<b>5.3</b>
<b>Innovation and Renewal</b>				
Refund of Previous Years' Expenditures <sup>1</sup>	1.2	<b>1.2</b>	1.2	1.2
Service and Service Fees	0.0	<b>0.0</b>	0.0	0.0
Privileges, Licences and Permits	4.6	<b>4.6</b>	4.6	4.6
Return on Investments <sup>2</sup>	1.1	<b>1.1</b>	1.1	1.1
Proceeds from Sales of Crown Assets	1.7	<b>1.7</b>	1.7	1.7
Other non-tax revenues	1.1	<b>1.1</b>	1.1	1.1
<b>Total – Innovation and Renewal</b>	<b>9.8</b>	<b>9.8</b>	<b>9.8</b>	<b>9.8</b>
<b>Rural and Co-operatives Secretariats</b>				
Refund of Previous Years' Expenditures <sup>1</sup>	0.1	<b>0.1</b>	0.1	0.1
Service and Service Fees	0.0	<b>0.0</b>	0.0	0.0
Privileges, Licences and Permits	0.0	<b>0.0</b>	0.0	0.0
Return on Investments <sup>2</sup>	0.1	<b>0.1</b>	0.1	0.1
Proceeds from Sales of Crown Assets	0.0	<b>0.0</b>	0.0	0.0
Other non-tax revenues	0.1	<b>0.1</b>	0.1	0.1
<b>Total – Rural and Co-operatives Secretariats</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>

**Table 5: Sources of Respendable and Non-Respendable Revenue (continued)**

**Non-Respendable Revenue**

(\$ millions)	Forecast Revenue 2006-2007	Planned Revenue 2007-2008	Planned Revenue 2008-2009	Planned Revenue 2009-2010
<b>National Farm Products Council</b>				
Refund of Previous Years' Expenditures <sup>1</sup>	0.0	0.0	0.0	0.0
Service and Service Fees	0.0	0.0	0.0	0.0
Privileges, Licences and Permits	0.0	0.0	0.0	0.0
Return on Investments <sup>2</sup>	0.0	0.0	0.0	0.0
Proceeds from Sales of Crown Assets	0.0	0.0	0.0	0.0
Other non-tax revenues	0.0	0.0	0.0	0.0
<b>Total – National Farm Products Council</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>Total Non-Respendable Revenue</b>	<b>29.3</b>	<b>23.7</b>	<b>23.7</b>	<b>23.7</b>
<b>Total Respendable and Non-Respendable Revenue</b>	<b>91.0</b>	<b>84.2</b>	<b>85.7</b>	<b>86.9</b>

<sup>1</sup> Refund of Previous Years' Expenditures for the Business Risk Management program activity for 2006-2007 includes amounts recovered from provinces for payments made by the department, and collections of overpayments under the Canadian Agricultural Income Stabilization (CAIS) and the Agricultural Income Disaster Assistance Program (AIDA).

<sup>2</sup> Return on Investments includes interest on loans for the Canadian Dairy Commission and Construction of Multi-Purpose Exhibition Buildings.

The figures have been rounded to the nearest millions of dollars. Figures that cannot be listed in millions of dollars are shown as \$0.0. Due to rounding, figures may not add to the totals shown.

## Table 6: Canadian Pari-Mutuel Agency Revolving Fund

### Statement of Operations

(\$ millions)	Forecast 2006-2007	Planned 2007-2008	Planned 2008-2009	Planned 2009-2010
<b>Respendable Revenue</b>	<b>13.6</b>	<b>15.0</b>	<b>15.0</b>	<b>15.1</b>
Expenses				
Operating:				
Salaries and employee benefits	5.2	5.9	6.1	6.2
Depreciation	0.1	0.1	0.1	0.1
Administrative and support services	8.7	8.4	8.2	8.2
Utilities, materials and supplies	0.3	0.6	0.6	0.6
<b>Total Operating</b>	<b>14.3</b>	<b>15.0</b>	<b>15.0</b>	<b>15.1</b>
<b>Surplus (Deficit)</b>	<b>(0.7)</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Statement of Cash Flows

(\$ millions)	Forecast 2006-2007	Planned 2007-2008	Planned 2008-2009	Planned 2009-2010
<b>Surplus (Deficit)</b>	<b>(0.7)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Add non-cash items:				
Depreciation/amortisation	0.1	0.1	0.1	0.1
Investing activities:				
Acquisition of depreciable assets	(0.1)	(0.1)	(0.1)	(0.1)
Financing activities:				
Funding from AAFC vote 1	0.7	-	-	-
<b>Cash Surplus (requirement)</b>	<b>(0.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Projected Use of Authority

(\$ millions)	Forecast 2006-2007	Planned 2007-2008	Planned 2008-2009	Planned 2009-2010
<b>Authority*</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
Drawdown:				
Balance as at April 1	-	-	-	-
Projected Surplus (Drawdown)	(0.0)	-	-	-
<b>Total Drawdown</b>	<b>(0.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Projected Balance at March 31</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

\* \$2 million is the maximum amount that may be drawn down from the Consolidated Revenue Fund (CRF) at any time.

The figures have been rounded to the nearest millions of dollars. Figures that cannot be listed in millions of dollars are shown as \$0.0.

Due to rounding, figures may not add to the totals shown.



**Table 7: Resource Requirements by Team**

(\$ millions)

2007-2008

Team	Business Risk Management	Food Safety and Food Quality	Markets and International	Environment	Innovation and Renewal	Rural and Co-operatives Secretariats	National Farm Products Council	Canadian Pari-Mutuel Agency	Total Net Planned Spending
Business Risk Management	5.6	-	-	-	-	-	-	-	5.6
Food Safety and Quality	-	26.0	-	-	-	-	-	-	26.0
Markets and Trade	-	-	44.0	-	-	-	-	-	44.0
Environment	-	-	-	92.3	-	-	-	-	92.3
Innovation and Renewal	-	-	-	-	210.1	-	-	-	210.1
Programs <sup>1</sup>	1,433.1	73.0	26.1	122.9	364.1	0.2	0.0	-	2,019.5
Enabling <sup>2</sup>	77.6	19.1	39.4	86.4	83.9	5.5	1.1	-	313.1
Corporate Offices <sup>3</sup>	2.6	1.4	2.6	6.9	6.1	21.3	2.8	-	43.8
<b>Total</b>	<b>1,518.9</b>	<b>119.4</b>	<b>112.2</b>	<b>308.5</b>	<b>664.3</b>	<b>27.0</b>	<b>3.8</b>	<b>-</b>	<b>2,754.2</b>

**These resource requirements by Team are notional allocations based largely on 2006-2007 Team allocations, as Team budgets based on 2007-2008 planned spending have not been fully allocated at the time of preparing this document.**

- Programs Team** resources are significantly higher than those of the other Teams as they include the majority of the department's resources for Transfer Payments (\$1,914.8 million included).
- Enabling Teams** include Assets, Communications, Finance, Human Resources, Information Systems and Policy and Strategic Management.
- Corporate Offices** include Executive Offices, Rural and Co-operatives Secretariat, National Farm Products Council, Legal Services, Audit and Evaluation, Values and Ethics, Financial Matrix Management and ADM Offices.

The figures have been rounded to the nearest millions of dollars. Figures that cannot be listed in millions of dollars are shown as \$0.0. Due to rounding, figures may not add to the totals shown.

## Table 8: User Fees

The Department currently has no planned user fee initiatives (either to introduce new fees or amend existing fees) for the departmental program covered by the User Fee Act, ie. the Farm Improvement and Marketing Cooperatives Loans Act (FIMCLA) program.

## Table 9: Details on Project Spending

Over the next three years the following projects have or are expected to exceed the department's delegated project approval level:

1. Ontario (Ottawa), Skyline Campus
2. Enhancements to the Delivery Systems for the Business Risk Management Programs under the Agricultural Policy Framework
3. Saskatchewan (Swift Current), Duncairn Dam / Water Control Structures
4. National Land and Water Information Service (NLWIS)
5. Saskatchewan (Maple Creek), Junction Dam Rehabilitation
6. Manitoba (Winnipeg), St. Boniface General Hospital
7. Quebec (Lennoxville), Dairy Research Facility
8. Ontario (Ottawa) Greenhouse and Growth Chamber Facility

## **Table 10: Status Report on Major Crown Projects**

Over the next two years, Agriculture and Agri-Food Canada will be the lead department and will manage the following major Crown project:

National Land and Water Information Service (NLWIS)

Supplementary information on this Major Crown Project can be found at <http://www.tbs-sct.gc.ca/est-pre/estime.asp>

## Table 11: Details on Transfer Payment Programs

The following is a listing of AAFC Transfer Payment Programs for which further information can be found at <http://www.tbs-sct.gc.ca/est-pre/estime.asp>

1. Canadian Agricultural Income Stabilization (CAIS)
2. Production Insurance
3. Payments in connection with the *Agricultural Marketing Program Act*
4. BSE/Cull Cow
5. Enhanced Spring Credit Advance Program (ESCAP)
6. Contributions for Agriculture and Agri-food Sector Assistance - Environment
7. Contributions for Agriculture and Agri-Food Sector Assistance - Food Safety and Food Quality
8. Advancing Canadian Agriculture and Agri-Food (ACAAF)
9. Canadian Farm Families Options Program
10. Canadian Cattlemen's Association Legacy Fund
11. Contributions for Agriculture and Agri-Food Sector Assistance - Science and Innovation
12. Contributions for Agriculture and Agri-Food Sector Assistance - Renewal
13. Contributions for Agriculture and Agri-Food Sector Assistance - International
14. Contributions in support of Rural Canada and of development in the area of Co-operatives

## Table 12: Conditional Grants

The following is the AAFC Conditional Grant for which further information can be found at <http://www.tbs-sct.gc.ca/est-pre/estime.asp>

Grant for the Canadian Agri-Food Policy Institute

## Table 13: Horizontal Initiatives

The following is a listing of Horizontal Initiatives in which AAFC is involved. Supplementary information on Horizontal Initiatives can be found at <http://www.tbs-sct.gc.ca/est-pre/estime.asp>

1. Canadian Agricultural Income Stabilization (CAIS)
2. Canadian Agricultural Skills Service (CASS)
3. Co-operatives Secretariat
4. Farm Business Services
5. MOU with Canadian Food Inspection Agency (CFIA) on Food Safety and Quality
6. AAFC - Department of Foreign Affairs and International Trade (DFAIT) MOU on Agri-Food Specialists Positions Abroad
7. MOU with Environment Canada (EC) on the National Agri-Environmental Standards Initiative (NAESI)
8. MOU with Health Canada (HC) on Food Safety and Quality and Environment
9. Production Insurance
10. Rural Development

## Table 14: AAFC's Fourth Sustainable Development Strategy

For the SDS IV, AAFC was required to present a logic model to outline goals with a target completion date of December 2009. The logic model was developed following AAFC's performance measurement practices to ensure a logical sequence of results from activities to outputs and outcomes.

### SDS Departmental Goal:

AAFC's SDS presents eight outcomes (goals) to indicate what the department plans to accomplish by the target date of 2009.

2. Federal SD Goal Including GGO Goals (if applicable)	3. Performance Measure (Outputs) from current SDS	4. Department's Expected Results for 2007-2009
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### 1.1 The Next Generation of Agricultural Policy

The Next Generation of Agricultural Policy is in place and operational.

<p><b>2.1</b> This goal is not linked to a federal SD goal.</p>	<p><b>3.1</b> Develop policy documents.</p>	<p><b>4.1</b></p> <ul style="list-style-type: none"> <li>• Participate in Canada-wide consultations.</li> <li>• Participate in developing policy documents.</li> <li>• Report on policy documents.</li> </ul>
<p>This goal is not linked to a federal SD goal.</p>	<p>Develop mechanisms to deliver next generation of agricultural policy with provinces and territories.</p>	<ul style="list-style-type: none"> <li>• Participate on FPT working groups to develop framework and contribution agreements.</li> <li>• Participate on FPT working groups to implementation agreements.</li> <li>• Prioritize agreements.</li> <li>• Report on agreements.</li> </ul>
<p>This goal is not linked to a federal SD goal.</p>	<p>Develop programs and research activities to meet new policy objectives.</p>	<ul style="list-style-type: none"> <li>• Participate on FPT working groups to develop program and research activities.</li> <li>• Evaluate program and research activities.</li> <li>• Report on APF progress: "Report to Canadians."</li> </ul>



## 1.2 Canadian Rural Partnership

Government policies, programs and services increase opportunities for, and mitigate barriers to, sustainable rural community development.

### 2.2

#### **Linked to Federal SD Goal: 4.1.1**

“Communities are well positioned to advance sustainable social development”

### 3.2

Analysis of policies, services, programs, and legislation for potential impact on rural communities and residents.

### 4.2

- Analyse of federal policies, services, programs, and legislation (Rural Lens Reviews).
- Develop a federal engagement strategy.
- Manage Rural Policy Network.
- Support, develop and manage Rural Teams, including Rural Team Canada network.
- Develop Rural Team Action Plans.

#### **Linked to Federal SD Goal: 4.2.1**

“Communities are well positioned to adapt and to maintain or generate sustainable economic activities”

Development of a body of empirical evidence to support sustainable rural community development.

- Collaborate on rural research at the regional, national, and international level.
- Provide research support and assistance for FPT initiatives.
- Deliver rural programs to research and verify models for sustainable rural development and community capacity building.
- Collection and analysis of rural statistics.
- Research informed decision-making methodologies, tools, and experiences.
- Collaborative research papers.
- Develop a community information database (GIS).

This goal is not linked to a federal SD goal.

Communication, dialogue and dissemination of research and knowledge to rural residents, communities and other interested parties.

- Disseminate statistical and analytical products, and organize seminars and learning series.
- Manage and maintain the website for the Canadian Rural Partnership.
- Provide leadership in the development and maintenance of the Rural and Remote Services Cluster, a Government Online initiative.
- Prepare rural newsletters.
- Prepare rural and small town bulletins.
- Organize Rural Dialogue events and prepare reports.
- Present Young Leaders in Rural Canada Awards.
- Develop a program pocket directory for rural Canadians.

## 1.3 Agricultural Bioproducts Innovation Program (A.B.I.P)

Increased value-added opportunities for the agri-food sector from innovative use of agricultural bioresources as a result of R&D, technology transfer and commercialization network activities.

<p><b>2.3</b> This goal is not linked to a federal SD goal.</p>	<p><b>3.3</b> Develop ABIP networks for collaboration among researchers.</p>	<p><b>4.3</b></p> <ul style="list-style-type: none"> <li>• Program management: The ABIP Secretariat is responsible for the day-to-day administration and management of the program.</li> <li>• Selection of networks: competitions will be held to fund networks and projects. All funding decisions are based on arm's length and peer-reviewed assessment of applications by expert panels and selection committee. The Steering Committee and peer review committee will make recommendations through the Secretariat to the ADM Research for decision.</li> </ul>
<p><b>Linked to Federal SD Goal: 3.2.2</b> "Renewable and clean energy is promoted"</p>	<p>Produce and disseminate scientific information to meet the needs of the bioproducts industry and government and Canada's socio-economic development.</p>	<ul style="list-style-type: none"> <li>• Research and development: Collaborative research projects will be carried out by Canadian science providers. Results will be disseminated through the open literature notwithstanding IP protection issues.</li> </ul>
<p>This goal is not linked to a federal SD goal.</p>	<p>Develop highly qualified personnel.</p>	<ul style="list-style-type: none"> <li>• Monitoring and evaluation: The major tools used for monitoring and evaluation are annual statistical and financial tables, annual reports, mid-term review reports, and progress reports. To facilitate consistency and comparability of information and data, these tables and reports are collected annually from the networks using pre-set templates and models.</li> </ul>
<p><b>Linked to Federal SD Goal: 3.2.1</b> "Support for clean technologies is provided (such as building, transportation, and industrial processes)"</p>	<p>Transfer technology and facilitate their exploitation by industry and government.</p>	<ul style="list-style-type: none"> <li>• Foreground intellectual property resulting from the research of ABIP networks will be assessed for its commercialization potential and technology transfer plans will be developed for implementation.</li> </ul>

## 1.4 Sustainable Development Awareness Building

Sustainable Development (SD) is integrated into the departments decision-making and AAFC's fourth SDS is utilized and applied by AAFC employees and external stakeholders.

<p><b>2.4</b> <b>Linked to Federal SD Goal: 4.3.1</b> “Canadian communities are actively engaged in sound environmental and natural resource management practices, stewardship initiatives, and biodiversity conservation” and <b>Federal SD Goal 5.2.1</b> “Sustainable consumption and production of natural resources is promoted”</p>	<p><b>3.4</b> Communication of SD and AAFC's fourth SDS.</p>	<p><b>4.4</b></p> <ul style="list-style-type: none"> <li>• Survey of AAFC employees on their knowledge of the three pillars of SD.</li> <li>• On-going meetings with the Sustainable Development Working Group.</li> <li>• On-going participation in the Interdepartmental Network on Sustainable Development Strategies (INSDS).</li> <li>• Update SD website as necessary.</li> <li>• Hold information sessions within the department.</li> </ul>
<p>This goal is not linked to a federal SD goal.</p>	<p>Development of promotional mechanisms on SD and AAFC's fourth SDS.</p>	<ul style="list-style-type: none"> <li>• Continue to promote (through various mechanisms) SD within the Department.</li> <li>• SDS will be distributed to internal and external stakeholders, including a response card.</li> </ul>
<p><b>Linked to Federal SD Goal: 6.1.2</b> “Clear and effective governance mechanisms to integrate sustainable development in decision-making (e.g. SEA)”</p>	<p>The development of Sustainable Development Test Questions.</p>	<ul style="list-style-type: none"> <li>• Monitor the application of the SD test questions.</li> </ul>
<p><b>Linked to Federal SD Goal: 6.1.1</b> “SDS commitments are integrated into the key planning and reporting processes of departments and agencies.”</p>	<p>AAFC will join with other government departments and the Canada School of Public Service to design and deliver new Government of Canada sustainable development training material.</p>	<ul style="list-style-type: none"> <li>• Participate in the development the Government of Canada Sustainable Development training material</li> </ul>

## 1.5 Information and Tools:

### A. Strategic Environmental Assessment (SEA):

Environmental considerations are incorporated into the development of public policies at AAFC on the same level as economic and social considerations.

<p><b>2.5A</b>  <b>Linked to Federal SD Goal: 6.1.2</b>          “Clear and effective governance mechanisms to integrate sustainable development in decision-making (e.g. SEA)”</p>	<p><b>3.5A</b>          Knowledge sharing and communication of the SEA requirement.</p>	<p><b>4.5A</b></p> <ul style="list-style-type: none"> <li>• Development and facilitation of SEA information sessions.</li> <li>• Update the SEA website as necessary.</li> <li>• Ongoing meetings of and email updates to the SEA Working Group.</li> <li>• Ongoing attendance at Senior Management Committee on Environmental Assessments (SMCEA) SEA Subcommittee meetings.</li> <li>• Ongoing communication by the SEA Co-ordinator of the SEA requirement.</li> </ul>
<p>This goal is not linked to a federal SD goal.</p>	<p>Implementation of a system to track policy, plans and program proposals subject to an SEA.</p>	<ul style="list-style-type: none"> <li>• Preparation of tracking reports for management.</li> <li>• Ongoing use by SEA Co-ordinator of the tracking system.</li> </ul>
<p><b>Linked to Federal SD Goal: 6.1.2</b>          “Clear and effective governance mechanisms to integrate sustainable development into decision-making (e.g. SEA)”</p>	<p>Preliminary scans are conducted on all policy, plan or program proposals by an AAFC policy analyst with guidance from the SEA Co-ordinator; detailed SEAs are conducted when required.</p>	<ul style="list-style-type: none"> <li>• Ongoing guidance on and review of SEAs by the SEA Co-ordinator.</li> </ul>

## 1.5 Information and Tools: (Continued)

### B. Integrated Economic/Environmental Modeling and Analysis (IEEMA):

Models inform the ongoing policy decision-making process for priority agricultural issues by providing integrated quantitative analyses of the economic and environmental impacts.

#### 2.5B

##### **Linked to Federal SD Goal: 6.1.2**

“Clear and effective governance mechanisms to integrate sustainable development into decision-making (e.g. SEA)”

#### 3.5B

Operational and documented analytical tools are used to prepare integrated quantitative assessments of both the economic and environmental impacts of existing and proposed agricultural policies and programs.

#### 4.5B

- Update and enhance the policy model CRAM (Canadian Regional Agricultural Model) to improve the structure, spatial coverage, and relevance.
- Update and enhance existing linkages between CRAM and the science-based Agri-Environmental Indicators (AEIs), and develop linkages to additional indicators.
- Develop a Land Use Allocation Model (LUAM) to provide better spatial linkages between the large administrative regions in CRAM and the much smaller ecologically based regions (Soil Landscapes of Canada polygons) underlying the AEIs.

## 1.5 Information and Tools: (Continued)

### B. Integrated Economic/Environmental Modelling and Analysis (IEEMA):

Models inform the ongoing policy decision-making process for priority agricultural issues by providing integrated quantitative analyses of the economic and environmental impacts.

**Linked to Federal SD Goal: 4.2.1**  
“Communities are well positioned to adapt and to maintain or generate sustainable economic activities ”

Reports documenting the quantitative analyses of the economic viability and environmental sustainability of pertinent policy issues.

- Re-evaluate provincial environmental outcome targets based on updated and enhanced CRAM and AEI models and better information on actual provincial environmental programming under the APF.
- Analysis to contribute to planning for the next generation of agri-environmental programming.
- Climate change analysis including assessment of additional green house gas mitigation strategies, analytical support for the continued development and implementation of the Offset Trading System, exploring issues related to the impacts of global warming on the agriculture sector and the assessment of options for adaptation, analytical support for the planning and negotiation process for the next round of international agreements, and assessment of the environmental co-benefits of GHG mitigation.
- Strategic Environmental Assessments of existing and proposed agricultural programs and policies to meet legislative obligations; EAs will be done for the Canadian Agricultural Income Support Program (CAIS), the Production Insurance Program (PI), and the Doha round of the WTO trade negotiations.
- Contribute analysis to other policy priorities such as exploration into the concept of Ecological Goods and Services as a basis for future agri-environmental policy development, innovation and the bio-economy, and a water strategy for agriculture.

## 1.5 Information and Tools: (Continued)

### C. Agri-Environmental Valuation (AEV):

Initial research is conducted and measures are in place to determine economic values corresponding to bio-physical changes in the environment resulting from agriculture.

<p><b>2.5C</b>  <b>Linked to Federal SD Goal: 4.2.1</b>            “Communities are well positioned to adapt and to maintain or generate sustainable economic activities”</p>	<p><b>3.5C</b>            Develop a plan to communicate with stakeholders and increase the capacity for agri-environmental valuation research in Canada.</p>	<p><b>4.5C</b></p> <ul style="list-style-type: none"> <li>• Hold annual meetings of the agri-environmental valuation expert committee.</li> <li>• Hold first workshop on project development.</li> <li>• Co-ordinate and co-operate on environmental valuation activities with other federal and provincial agencies and organizations.</li> </ul>
<p>This goal is not linked to a federal SD goal.</p>	<p>Development of a mechanism to co-ordinate and fund a series of valuation projects.</p>	<ul style="list-style-type: none"> <li>• Issue a request for proposals and market them to relevant members of the research community.</li> <li>• Set up an adjudication process to review and select submitted proposals.</li> </ul>
<p>This goal is not linked to a federal SD goal.</p>	<p>Implementation of valuation pilot studies addressing pre-selected agri-environmental (NAHARP) indicators.</p>	<ul style="list-style-type: none"> <li>• Implementation of pilot studies where data is abundant and available.</li> <li>• Implementation of a valuation study based on existing literature (benefits-transfer).</li> <li>• Regular consultations on individual studies and program development with scientists, economist/modelers, and policy decision-makers.</li> </ul>

## 1.5 Information and Tools: (Continued)

### D. Social Indicators (SI)

A suite of social indicators is in place to help monitor and assess trends of social issues affecting the agriculture sector and to inform decision-making.

<p><b>2.5D</b> This goal is not linked to a federal SD goal.</p>	<p><b>3.5D</b> Identification of social issues affecting the agriculture sector.</p>	<p><b>4.5D</b></p> <ul style="list-style-type: none"> <li>• Ongoing meetings of AAFC's Social Indicators Working Group.</li> <li>• Ongoing meetings of AAFC's Technical Working Group and associated summary reports.</li> <li>• Prioritization of social issues.</li> </ul>
<p><b>Linked to Federal SD Goal: 4.1.1</b> "Communities are well positioned to advance sustainable social development" <b>&amp; 6.1.2</b> "Clear and effective governance mechanisms to integrate sustainable development into decision-making (e.g. SEA)"</p>	<p>Development of indicators.</p>	<ul style="list-style-type: none"> <li>• Ongoing meetings of expert groups developing indicators.</li> </ul>
<p>This goal is not linked to a federal SD goal.</p>	<p>Pilot Social Indicators projects.</p>	<ul style="list-style-type: none"> <li>• Report on Social Indicators Pilot.</li> </ul>

## 1.6 Research: Model Farms Research Program (MFRP)

To increase carbon sequestration in agricultural soils, reduce GHG emissions per unit of production, and enhance the synergy between agriculture and the environment.

<p><b>2.6</b> This goal is not linked to a federal SD goal.</p>	<p><b>3.6</b> Prepare a technical report titled <i>Greenhouse gases: Clues to more efficient farming systems in Canada</i> as a sequel to <i>Health of Our Air</i>.</p>	<p><b>4.6</b></p> <ul style="list-style-type: none"> <li>• Prepare and publish a review of science pertinent to estimating and reducing GHG emissions from Canadian farms. The review, to be published as a book, will include a series of chapters, each written by several co-authors, and will summarize the research findings from the Model Farm project that was funded through Action Plan-2000 on Climate Change (AP-2000) and A-base.</li> </ul>
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## 1.6 Research: Model Farms Research Program (MFRP) (Continued)

To increase carbon sequestration in agricultural soils, reduce GHG emissions per unit of production, and enhance the synergy between agriculture and the environment.

This goal is not linked to a federal SD goal.

Develop and improve models and measuring technologies that more reliably quantify GHG emissions and/or soil C sequestration for promising BMPs in selected climates, geographical regions, and farming systems to enhance the synergy between agriculture and the environment.

- Conduct measurement exercises at selected sites to better understand and manage the impact of agricultural practices on the environment, with emphasis on GHG emissions and energy use.
- Identify and assess new methods to reduce GHG emissions from farms and from energy use on farms.
- Develop improved methods (ie., accessible databases, models) to provide scientific support for mitigation policies, such as the offset system, agri-environmental indicators, and economic analyses of mitigation practice.

**Linked to Federal SD Goal: 3.2.1**  
“Support for clean technologies is provided (such as building, transportation and industrial processes)”

A tool is developed that allows potential clients (e.g., scientists, policy makers, producers) to test how the adoption of certain practices might reduce GHG emissions per unit of production and increase soil C sequestration, thereby leading to more sustainable farming practices.

- Quantify emissions of GHG per unit of production (ie., liters of methane (L of CH<sub>4</sub>) per kg of milk).
- Develop and improve algorithms, based on sound science, that predict net GHG emissions from farms and identify ways of reducing them.
- Develop a GHG estimation tool that generates output useful for performing economic analyses of proposed GHG mitigation practices.
- Evaluate and ensure consistency of the GHG estimation tool used on farms with approaches used for national inventories (e.g., NCGAVS).
- Establish communication links with various clients to improve and increase the use of AAFC GHG calculator.
- Using the GHG estimation tool, explore the potential role of bio-fuels as a way of reducing net GHG emissions.

## 1.7 Work with sector to apply and perfect integrated approaches:

### A. Ecological Goods and Services Policy (EG&S Policy)

The development of the National EG&S Policy Framework benefits from research gathered through EG&S policy pilot projects and through other research initiatives.

<p><b>2.7A</b> This goal is not linked to a federal SD goal.</p>	<p><b>3.7A</b> Workplan projects are developed for the EG&amp;S policy framework by AAFC analytical staff.</p>	<p><b>4.7A</b></p> <ul style="list-style-type: none"> <li>• FPT EG&amp;S policy WG meetings and conference calls.</li> <li>• AAFC analytical staff research development meetings and updates.</li> </ul>
<p>This goal is not linked to a federal SD goal.</p>	<p>Engagement with stakeholders to ensure the proper development of an EG&amp;S policy framework</p>	<ul style="list-style-type: none"> <li>• Attendance at relevant stakeholder meetings.</li> <li>• FPT EG&amp;S policy development updates/presentations to stakeholder groups.</li> <li>• Communication with FPT Environment Departments.</li> </ul>

<p><b>Linked to Federal SD Goals: 4.2.1</b> “Communities are well positioned to adapt and to maintain or generate sustainable economic activities ” <b>4.3.1</b> - “Canadian communities are actively engaged in sound environmental management practices, stewardship initiatives, and biodiversity conservation” <b>5.2.1</b> - “Sustainable consumption and production of natural resources is promoted” &amp; <b>5.3.1</b> - “Environmentally sustainable use of natural resources is promoted”</p>	<p>Implementation of EG&amp;S policy pilot projects that will contribute to the development of an EG&amp;S policy framework.</p>	<ul style="list-style-type: none"> <li>• Pilot proposal assessments and engagement with proponents.</li> </ul>
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## 1.7 Work with sector to apply and perfect integrated approaches: (Continued)

### B. Integrated Water Resources Management (IWRM)

Increased adoption of, and support for, applying, an IWRM approach to watershed planning and management activities that will improve the protection of water quality from agriculture impacts, secure water supplies for agricultural needs, and consider the three elements of sustainable development.

#### 2.7B

This goal is not linked to a federal SD goal.

#### 3.7B

Increase capacity in AAFC, provincial and territorial partners, First Nations, non-government organizations, communities of experts, watershed authorities, and stakeholders to support IWRM and advance watershed planning and management in agricultural landscapes.

#### 4.7B

- Promote IWRM as a *Beneficial Management Process* for the management of natural and human resources in watersheds.
- Develop tools, protocols, methodologies, technologies, guidelines, or BMPs for partners and watershed authorities for the collection and evaluation of agricultural-related information in watersheds to support decision-making.
- Support, facilitate and participate in international, national, regional, and local partnerships, networks, forums, boards, and communities of practice that can affect decision-making related to agricultural activities in watersheds and basins (ie., development of provincial watershed health indicators).
- Support education and awareness activities to promote APF programs, specifically Environmental Farm Planning, equivalent agri-environmental planning and the NSFP.

## 1.7 Work with sector to apply and perfect integrated approaches: (Continued)

### B. Integrated Water Resources Management (IWRM)

Increased adoption of, and support for, applying an IWRM approach to watershed planning and management activities that will improve the protection of water quality from agriculture impacts, secure water supplies for agricultural needs and consider the three elements of sustainable development.

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<b>2.7B</b> <i>Linked to Federal SD Goal: 1.3.2</i> “Knowledge of water resources is increased”	<b>3.7B</b> Transfer science-based knowledge and tools to AAFC, provincial and territorial partners, First Nations, non-government organizations, communities of experts, watershed authorities, and stakeholders which can be used to assess, analyze, monitor, evaluate, and report on agricultural practices, risks, and related resources in watersheds.	<b>4.7B</b> <ul style="list-style-type: none"><li>• Provide water resource and/or agricultural related information and assessments for watershed groups and stakeholders and partners.</li><li>• Identify existing and emerging issues and gaps in agricultural information, tools, and BMPs needed to support watershed planning and management.</li><li>• Develop and test satellite and radar imagery tools and data collection and analysis tools and protocols for partners and watershed authorities for identifying and and or quantifying agricultural risks in watersheds.</li><li>• Provide trend analysis information on Canadian agri-environmental health indicators.</li></ul>
<i>Linked to Federal SD Goal: 1.2.1</i> “Water efficiency and sustainable water use is improved”	Improve targeted adoption of beneficial management practices in agricultural based watersheds to improve watershed health and, ultimately, water quality.	<ul style="list-style-type: none"><li>• Promote access to APF programs (such as EAEP, NFSP, NWSEP), services and technical expertise to improve financial, technical and organizational capacity of provinces and watershed authorities to set goals and implement changes related to agricultural activities and practices.</li></ul>

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## 8. Programs

### A. Co-operative Development Initiative (CDI)

To develop new co-operatives that respond to the needs of citizens, and that fall into areas of federal priority.

<b>2.8A</b> <i>Linked to Federal SD Goal: 4.2.1</i> “Communities are well positioned to adapt and to maintain or generate sustainable economic activities ”	<b>3.8A</b> Make co-operative advisory services and technical assistance readily available to citizens.	<b>4.8A</b> <ul style="list-style-type: none"> <li>Invest in advisory services for the co-operative sector to build sector capacity for co-operative development.</li> </ul>
This goal is not linked to a federal SD goal.	Implement innovation and research activities to lead to a better understanding of the role co-operatives can play.	<ul style="list-style-type: none"> <li>Raise awareness of co-operatives and build a common, national understanding of the unique role that co-operatives can play.</li> <li>Invest in innovation and research activities to test new applications of the co-operative model.</li> </ul>
This goal is not linked to a federal SD goal.	Develop and expand partnerships with the co-operative sector, various levels of government, non-government organizations, academia, and other sectors.	<ul style="list-style-type: none"> <li>Develop and expand partnerships to achieve Co-operative Development Initiative program objectives.</li> </ul>

## 8. Programs

### B. Canadian Farm Families Options Program (CFFOP)

Low-income farm families have found ways to increase their family incomes.

<p><b>2.8B</b> <i>Linked to Federal SD Goal:4.2.1</i> “Communities are well positioned to adapt and to maintain or generate sustainable economic activities”</p>	<p><b>3.8B</b> Implementation of CFFOP.</p>	<p><b>4.8B</b></p> <ul style="list-style-type: none"> <li>• Implementation of CFFOP Year 1 and Year 2.</li> <li>• Provide guidance on program promotion and communication.</li> <li>• Monitor administrative efficiencies of CFFOP.</li> <li>• Develop and maintain an integrated database with Renewal programs and Farm Income Programs.</li> <li>• Develop low-income farmer-level data and information on related Renewal activities.</li> </ul>
<p>This goal is not linked to a federal SD goal.</p>	<p>Evaluation/Review of CFFOP.</p>	<p>8B.2.1 Ongoing review of CFFOP. 8B.2.2 Provide advice to support policy decision-making with respect to development or improvement of CFFOP-type program. 8B.2.3 Conduct survey of CFFOP participants and integration with Renewal programming to evaluate the effectiveness and make recommendations on future program development. 8B.2.4 Conduct research and analysis to determine impacts of CFFOP on low-income farm families. 8B.2.5 Provide support for the Advisory board.</p>
<p>This goal is not linked to a federal SD goal.</p>	<p>Advisory board interim and final reports.</p>	<p>8B.3.1 Input on next generation policy. 8B.3.2 Report to Minister on findings of program review and recommendations for future program direction. 8B.3.3 Report to Cabinet with proposal for future program.</p>

## 8. Programs

### SDS Departmental Goal:

AAFC's SDS presents six Greening Government Operations (GGO) outcomes (goals) to indicate what the department plans to accomplish by the target date of 2009.

**2. Federal SD Goal including GGO Goals (if applicable)**

**3. Performance Measure (Outputs) from current SDS**

**4. Department's Expected Results for 2007-2009**

#### 1.1 Contaminated Sites

Assessment and remediation of contaminated sites to protect human health and the environment per Federal Contaminated Sites Action Plan

This goal is not linked to a federal GGO goal.

Number and percentage of third-party Phase I Environmental Site Assessments (ESAs) completed at research properties with potential for contamination per approved plan

- Completion of third-party Phase I ESAs at all AAFC research properties with potential for contamination by 2009

#### 1.2 Halocarbon Management

Management of halocarbons in compliance with the Federal Halocarbon Regulations

2.2 This goal is not linked to a federal GGO goal.

- Inventory verified and updated each year
- Plan delivered per schedule each year (reporting of releases, site visit reports and follow-up annual report)

- Up-to-date inventory of equipment and refrigerants (annual)
- Delivery of halocarbon management and compliance program (annual)

#### 1.3 Species at Risk

Management of halocarbons in compliance with the Federal Halocarbon Regulations

2.3 This goal is not linked to a federal GGO goal.

- Number and percentage of Community Pasture species-at-risk (SAR) and SAR habitat assessments completed
- Number and percentage of management plans completed

- Assessment of research and rangeland sites for potential or actual presence of SAR and SAR habitat by 2009
- Completion of a management plan for each research site with high SAR/SAR habitat potential by 2009

## 8. Programs

### 1.4 Water Management

Water conservation and water quality management to ensure potability at departmental sites

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2.4 This goal is not linked to a federal GGO goal.	• Number and percentage of sites with a potable water quality management plan in place	• Implementation of a departmental potable water quality management plan by 2009
	• Number and percentage of sites with water management plan in place	• Implementation of a departmental water management plan that addresses both water quality and water conservation by 2009

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### 1.5 Green Procurement

Reduction of consumption of resources and increase in the use of environmentally responsible office products and practices

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2.5 linked to GGO goal on Green procurement	• Number and percentage of additional duplex printers in use	• A 10%-per-year increase in the number of duplex printers in operation across the Department
	• Change in volume of paper used compared to baseline	• Reduction of 3%-per-year in paper consumption at the NCR Headquarters facility
	• Number of contracts considered and number where green specifications are included	• Inclusion of green technical specifications where possible in building cleaning contracts for facilities, e.g., use of green products/practices (annual)
	• Number and percentage of staff who have received training	• 100% of new materiel managers and procurement officers receive procurement training, either through the TBS Professional Development and Certification program or other green procurement course offerings.

**Note:**

AAFC has already trained existing contracting staff as of 2005 (annual)



## 8. Programs

### 1.6 Building Energy

Reduction of Greenhouse gas emissions through increased energy efficiency and use of renewable energy.

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2.6 linked to GGO goal on Building energy

- AAFC's annual greenhouse gas emission level, calculated using recorded quantities of annual energies consumed within AAFC buildings and fleet and the Federal House in Order published greenhouse gas conversion factors for all energy types
- Reduction of the department's overall greenhouse gas emission levels accounted for by operations to 8.5% below 1998 business-as-usual levels by 2010

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### 1.7 Vehicles

Reduction of consumption of resources and increase in the use of environmentally responsible office products and practices

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2.7 linked to GGO goal on Green Fleet

- Estimated percentage of gasoline purchased for AAFC road vehicles that is ethanol blended
- All gasoline purchased for federal road vehicles to be ethanol blended, where available by 2010
- Estimated annual average greenhouse gas emissions per vehicle/kilometre
- Reduction of greenhouse gas emissions per vehicle/kilometre of the departmental fleet to 15% below 2002–2003 levels by 2010

## Table 15: Internal Audits and Evaluations

### Upcoming Internal Audits and Evaluations (Next three fiscal years)

1. Name of Internal Audit/Evaluation	2. Audit Type/Evaluation Type	3. Status	4. Expected Completion Date	5. Electronic Link to Report
Audit of Canadian Agriculture Income Stabilization Program Payments	Transfer Payment	In Progress	2007-2008 1st Qtr	
Audit of Temporary Help Services	Compliance	In Progress	2007-2008 1st Qtr	
Audit of Taxi Chit Usage	Management	In Progress	2007-2008 1st Qtr	
Audit of Management of Federal/Provincial Agreements for the delivery of BSE	Transfer Payment	In Progress	2007-2008 2nd Qtr	
Audit of Farm Income Payment Program - General Payment	Transfer Payment	In Progress	2007-2008 2nd Qtr	
Audit of Farm Income Payment Program - Direct Payment	Transfer Payment	In Progress	2007-2008 2nd Qtr	
Audit of Grains and Oilseeds Payment Program	Transfer Payment	In Progress	2007-2008 3rd Qtr	
Audit of Promotional Activities	Management	In Progress	2007-2008 3rd Qtr	
Audit of Departmental IM-IT Governance Processes	Governance	In Progress	2007-2008 3rd Qtr	

<b>1. Name of Internal Audit/Evaluation</b>	<b>2. Audit Type/Evaluation Type</b>	<b>3. Status</b>	<b>4. Expected Completion Date</b>	<b>5. Electronic Link to Report</b>
Audit of Management Control Framework of Environmental Programs	Management/Governance	In Progress	2007-2008 4th Qtr	
Audit of Compliance to Network Wireless Access Policy	IM/IT	In Progress	2007-2008 4th Qtr	
Audit of NLWIS Systems under Development Audit	IM/IT	In Progress	2007-2008 4th Qtr	
Follow-up Audit of Information Security	Follow-Up	Planned	2007-2008	
Follow-up Audit of Pay and Benefits	Follow-Up	Planned	2007-2008	
Audit of Section 33 FAA Processes and Controls	Finance	Planned	2008-2009	
Audit of Management of Capital Assets	Management	Planned	2008-2009	
IS Audit Intrusion Testing	IM/IT	Planned	2008-2009	
Pari-Mutuel Agency	Finance	Planned	2008-2009	
Emergency Management and Business Continuity	Management	Planned	2008-2009	
Integration of Conflict Resolution Processes	Management	Planned	2008-2009	
PSEA Implementation	Management	Planned	2008-2009	
AAFC's ERM Processes	Risk	Planned	2008-2009	
IT Disaster Recovery	IM/IT	Planned	2009-2010	
Physical Security of Staff and Premises	Management	Planned	2009-2010	
Performance Management and Staff Development Processes	Management	Planned	2009-2010	

<b>1. Name of Internal Audit/Evaluation</b>	<b>2. Audit Type/Evaluation Type</b>	<b>3. Status</b>	<b>4. Expected Completion Date</b>	<b>5. Electronic Link to Report</b>
Corporate Management Service Level Standards.	Management	Planned	2009-2010	
Collaborative Research Revenues & Expenditures	Finance	Planned	2009-2010	
Management Control Framework of Research	Management	Planned	2009-2010	
Prairie Grain Roads Program Audit	Transfer Payment	Planned	2009-2010	
Management of Fed-Prov Agreements of Province Based Programming	Transfer Payment	Planned	2009-2010	
Canadian Agricultural and Food International (CAFI) Program	Transfer Payment	Planned	2009-2010	
Evaluation of APF Governance and Management	Governance	In Progress	2006-2007	
Evaluation of Production Insurance	Transfer Payment	In Progress	2006-2007	
Evaluation AAFC Response to BSE	Transfer Payment	In Progress	2006-2007	
Evaluation of Program Delivery Model		In Progress	TBD	
Evaluation of Province Based Programs	Programs	In Progress	TBD	
Chapter Evaluation - Environment	Chapter Evaluation	In Progress	TBD	
Chapter Evaluation - Renewal	Renewal	In Progress	TBD	

<b>1. Name of Internal Audit/Evaluation</b>	<b>2. Audit Type/Evaluation Type</b>	<b>3. Status</b>	<b>4. Expected Completion Date</b>	<b>5. Electronic Link to Report</b>
Chapter Evaluation - FSQ	Chapter Evaluation	In Progress	TBD	
Chapter Evaluation - BRM	Chapter Evaluation	In Progress	TBD	
Chapter Evaluation - Science and Innovation	Chapter Evaluation	In Progress	TBD	
Chapter Evaluation - Markets and Trade	Chapter Evaluation	In Progress	TBD	
ACAAF Evaluation		Planned	TBD	

## **6. Electronic Link to Internal Audit and Evaluation Plan:**

A multi-year Audit and Evaluation plan is not available at this time, but a risk-based Audit and Evaluation plan for 2007-2008 will be available by the end of March, 2007.

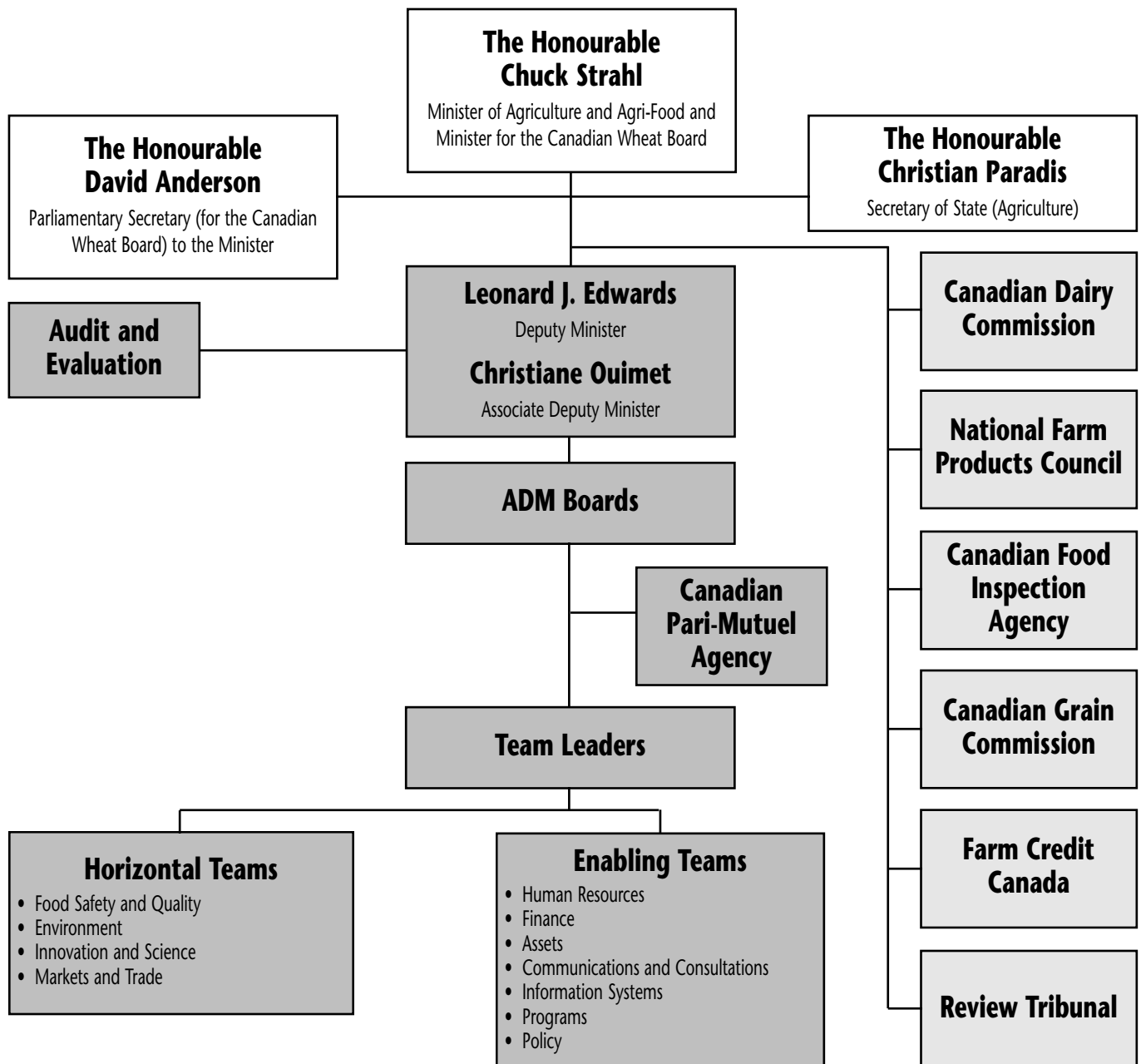
- An annual Risk-Based Audit Plan will be developed which addresses areas of significance to AAFC, including organization objectives and priorities, AAFC's Corporate Risk Profile and other audit risk factors. The Risk-Based Audit Plan will also include horizontal audits as requested by the Comptroller General. The risk-based audits as well as OCG horizontal audits will support the annual opinion from the Chief Audit Executive.
- The annual evaluation risk-based plan will be developed to support the departmental management priority to "provide performance information and evaluations that support the development of the next generation of agriculture and agri-food policy and other strategic initiatives." It also reflects moving towards full coverage of the organization's program base (both G&C and other programs) on a five-year cycle.
- The number of evaluations will continue to increase over the period ending in 2009-10 to ensure full coverage of AAFC's program base (both G&C and non-G&C) on a five-year cycle. Deputy Head management priorities and a risk-based plan are used to determine which programs are evaluated in any given fiscal year.





# Other Items of Interest

## AGRICULTURE AND AGRI-FOOD PORTFOLIO



# HOW TO REACH US

## Agriculture and Agri-Food Canada Departmental Contacts

Note: All addresses are at 930 Carling Avenue unless otherwise noted.

General Enquiries

930 Carling Ave.

Ottawa, Ontario K1A 0C5

Tel: 613-759-1000

[www.agr.gc.ca](http://www.agr.gc.ca)

More information on the department  
and its activities can be found at:

[www.agr.gc.ca/index\\_e.phtml](http://www.agr.gc.ca/index_e.phtml)

### *Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board*

The Honourable Chuck Strahl

[http://www.agr.gc.ca/cb/min/index\\_e.php](http://www.agr.gc.ca/cb/min/index_e.php)

### *Secretary of State (Agriculture)*

The Honourable Christian Paradis

### *Parliamentary Secretary (for the Canadian Wheat Board) to the Minister*

The Honourable David Anderson

613-992-0657

[andersondl@agr.gc.ca](mailto:andersondl@agr.gc.ca)

[http://www.agr.gc.ca/cb/min/  
index\\_e.php?s1=sec\\_cwb-sec\\_ccb](http://www.agr.gc.ca/cb/min/index_e.php?s1=sec_cwb-sec_ccb)

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[http://www.agr.gc.ca/index\\_e.php?s1=sci](http://www.agr.gc.ca/index_e.php?s1=sci)

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[http://www.agr.gc.ca/puttingcanadafirst/index\\_e.php?section=brm\\_gre&page=brm\\_gre](http://www.agr.gc.ca/puttingcanadafirst/index_e.php?section=brm_gre&page=brm_gre)

### Human Resources

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613-759-1196  
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### Market and Industry Services

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[http://www.agr.gc.ca/info/audit-exam/index\\_e.php?page=intro](http://www.agr.gc.ca/info/audit-exam/index_e.php?page=intro)

### Rural and Co-operatives Secretariat

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### Canadian Pari-Mutuel Agency

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Ottawa, Ontario K2E 8A9  
613-949-0742  
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<http://www.cpma-acpm.gc.ca/>

## Portfolio Contacts

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nfdc-cnpa.gc.ca

### Canadian Grain Commission

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600-303 Main Street  
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www.cgc.ca

### Canadian Food Inspection Agency

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59 Camelot Drive  
Ottawa, Ontario K1A 0Y9  
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guimontf@inspection.gc.ca  
www.cfia-acia.agr.gc.ca

### Canadian Dairy Commission

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Officer  
Building 55, CEF  
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Ottawa, Ontario K1A 0Z2  
613-792-2060  
jcore@agr.gc.ca  
www.cdc.ca

### Farm Credit Corporation

John J. Ryan  
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Officer  
P.O. Box 4320  
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306-780-8100  
jryan@sk.sympatico.ca  
www.fcc-sca.ca

### Review Tribunal

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Chairman  
Building 60, CEF  
930 Carling Avenue  
Ottawa, Ontario K1A 0C6  
613-792-2085  
bartont@agr.gc.ca  
www.rt-cr.gc.ca/

## APPENDIX A – LIST OF WEB SITES

Agriculture and Agri-Food Canada	<a href="http://www.agr.gc.ca/">http://www.agr.gc.ca/</a>
Advance Payment Programs (APP)	<a href="http://www.agr.gc.ca/nmp/app/index.html">http://www.agr.gc.ca/nmp/app/index.html</a>
Advancing Canadian Agriculture and Food Program (ACAAF)	<a href="http://www.agr.gc.ca/acaaf/index_e.html">http://www.agr.gc.ca/acaaf/index_e.html</a>
Agricultural Bioproducts Innovation Program	<a href="http://www.agr.gc.ca/sci/abip-piba/index_e.php">http://www.agr.gc.ca/sci/abip-piba/index_e.php</a>
Agricultural Marketing Programs Act (AMPA)	<a href="http://laws.justice.gc.ca/en/A-3.7/index.html">http://laws.justice.gc.ca/en/A-3.7/index.html</a>
Agricultural Policy Framework (APF)	<a href="http://www.agr.gc.ca/cb/apf/index_e.php">http://www.agr.gc.ca/cb/apf/index_e.php</a>
Agri-Opportunities Program	<a href="http://www.agr.gc.ca/index_e.php?s1=prog&amp;s2=aop&amp;page=intro">http://www.agr.gc.ca/index_e.php?s1=prog&amp;s2=aop&amp;page=intro</a>
Biofuels Opportunities for Producers Initiative	<a href="http://www.agr.gc.ca/acaaf/bopi-imbp/index_e.php">http://www.agr.gc.ca/acaaf/bopi-imbp/index_e.php</a>
Bovine Spongiform Encephalopathy (BSE)	<a href="http://www.inspection.gc.ca/english/anima/heasan/disemala/bseesb/bseesbfse.shtml">http://www.inspection.gc.ca/english/anima/heasan/disemala/bseesb/bseesbfse.shtml</a>
Business Risk Management (BRM)	<a href="http://www.agr.gc.ca/cb/apf/index_e.php?section=brm_gre&amp;page=brm_gre">http://www.agr.gc.ca/cb/apf/index_e.php?section=brm_gre&amp;page=brm_gre</a>
Canadian Agricultural Income Stabilization (CAIS)	<a href="http://www.agr.gc.ca/caisprogram/">http://www.agr.gc.ca/caisprogram/</a>
Canadian Agricultural Skills Service (CASS)	<a href="http://www.agr.gc.ca/ren/cass-scdca/index_e.php">http://www.agr.gc.ca/ren/cass-scdca/index_e.php</a>
Canadian Agriculture and Food International (CAFI) program	<a href="http://www.agr.gc.ca/int/caf-picaa/index_e.php?page=intro">http://www.agr.gc.ca/int/caf-picaa/index_e.php?page=intro</a>
Canadian Dairy Commission (CDC)	<a href="http://www.cdc-ccl.gc.ca/">http://www.cdc-ccl.gc.ca/</a>
Canadian Farm Business Advisory Services (CFBAS)	<a href="http://www.agr.gc.ca/ren/cfbas/consult_e.cfm">http://www.agr.gc.ca/ren/cfbas/consult_e.cfm</a>
Canadian Farm Families Options Program	<a href="http://www.agr.gc.ca/options/main_e.html">http://www.agr.gc.ca/options/main_e.html</a>
Canadian Food Inspection Agency (CFIA)	<a href="http://www.inspection.gc.ca/">http://www.inspection.gc.ca/</a>
Canadian Food Safety and Quality Program (CFSQP)	<a href="http://www.agr.gc.ca/fd_al/cfsqp-pcsqa/index_e.php">http://www.agr.gc.ca/fd_al/cfsqp-pcsqa/index_e.php</a>
Canadian Grain Commission (CGC)	<a href="http://www.grainscanada.gc.ca/">http://www.grainscanada.gc.ca/</a>
Canadian Pari-Mutuel Agency (CPMA)	<a href="http://www.cpma-acpm.gc.ca/">http://www.cpma-acpm.gc.ca/</a>
Canadian Rural Partnership (CRP)	<a href="http://www.rural.gc.ca/">http://www.rural.gc.ca/</a>
Canadian Wheat Board	<a href="http://www.cwb.ca">http://www.cwb.ca</a>
Co-operative Development Initiative	<a href="http://www.agr.gc.ca/rcs-src/coop/index_e.php?s1=init&amp;page=intro">http://www.agr.gc.ca/rcs-src/coop/index_e.php?s1=init&amp;page=intro</a>
Co-operatives Secretariat	<a href="http://www.agr.gc.ca/rcs-src/coop/">http://www.agr.gc.ca/rcs-src/coop/</a>
Cover Crop Protection Program	<a href="http://www.agr.gc.ca/index_e.php?s1=pfra-arap&amp;s2=ccpp-pcc">http://www.agr.gc.ca/index_e.php?s1=pfra-arap&amp;s2=ccpp-pcc</a>
Enhanced Spring Credit Advance Program (ESCAP)	<a href="http://www.agr.gc.ca/nmp/escap/index_e.html">http://www.agr.gc.ca/nmp/escap/index_e.html</a>
Environment	<a href="http://www.agr.gc.ca/cb/apf/index_e.php?section=env&amp;page=env">http://www.agr.gc.ca/cb/apf/index_e.php?section=env&amp;page=env</a>
Environmental Farm Plans (EFP)	<a href="http://www.agr.gc.ca/env/efp-pfa/index_e.php">http://www.agr.gc.ca/env/efp-pfa/index_e.php</a>
Farm Business Assessment	<a href="http://www.agr.gc.ca/ren/cfbas/form_e.cfm">http://www.agr.gc.ca/ren/cfbas/form_e.cfm</a>
Farm Credit Canada (FCC)	<a href="http://www.fcc-fac.ca/">http://www.fcc-fac.ca/</a>
Farm Debt Mediation Service (FDMS)	<a href="http://www.agr.gc.ca/index_e.php?s1=prod&amp;page=fdms-smmea">http://www.agr.gc.ca/index_e.php?s1=prod&amp;page=fdms-smmea</a>
Farm Improvement and Marketing Co-operatives Loan Act (FIMCLA)	<a href="http://www.agr.gc.ca/misb/nmp/fimcla/">http://www.agr.gc.ca/misb/nmp/fimcla/</a>
Financial Guarantee Programs	<a href="http://www.agr.gc.ca/misb/nmp/http://www.agr.gc.ca/misb/nmp/nmp_e.html">http://www.agr.gc.ca/misb/nmp/http://www.agr.gc.ca/misb/nmp/nmp_e.html</a>
Food Safety and Food Quality	<a href="http://www.agr.gc.ca/cb/apf/index_e.php?section=fd_al&amp;page=fd_al">http://www.agr.gc.ca/cb/apf/index_e.php?section=fd_al&amp;page=fd_al</a>
Grains and Oilseeds Payment Program (GOPP)	<a href="http://www.agr.gc.ca/gopp/main.html">http://www.agr.gc.ca/gopp/main.html</a>
Greencover Canada	<a href="http://www.agr.gc.ca/env/greencover-verdir/index_e.phtml">http://www.agr.gc.ca/env/greencover-verdir/index_e.phtml</a>
Innovation	<a href="http://www.agr.gc.ca/cb/apf/index_e.php?section=sci&amp;page=sci">http://www.agr.gc.ca/cb/apf/index_e.php?section=sci&amp;page=sci</a>
International	<a href="http://www.agr.gc.ca/cb/apf/index_e.php?section=int&amp;page=int">http://www.agr.gc.ca/cb/apf/index_e.php?section=int&amp;page=int</a>
Management Accountability Framework (MAF)	<a href="http://www.tbs-sct.gc.ca/maf-crg/documents/booklet-livret/booklet-livret_e.asp">http://www.tbs-sct.gc.ca/maf-crg/documents/booklet-livret/booklet-livret_e.asp</a>
Management, Resources and Results Structure	<a href="http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/mrrsp-psgr/siglist_e.asp">http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/mrrsp-psgr/siglist_e.asp</a>
National Farm Products Council (NFPC)	<a href="http://nfpc-cnpa.gc.ca/">http://nfpc-cnpa.gc.ca/</a>
National Farm Stewardship Program	<a href="http://www.agr.gc.ca/env/efp-pfa/index_e.php?page=nfsp-pnga">http://www.agr.gc.ca/env/efp-pfa/index_e.php?page=nfsp-pnga</a>

National Land and Water Information Service (NLWIS)	<a href="http://www.agr.gc.ca/nlwis-snite/index_e.cfm">http://www.agr.gc.ca/nlwis-snite/index_e.cfm</a>
National Water Supply Expansion Program (NWSEP)	<a href="http://www.agr.gc.ca/env/index_e.php?section=h2o&amp;page=h2o">http://www.agr.gc.ca/env/index_e.php?section=h2o&amp;page=h2o</a>
Next Generation of Agriculture and Agri-Food Policy	<a href="http://www.agr.gc.ca/pol/consult/index_e.php">http://www.agr.gc.ca/pol/consult/index_e.php</a>
Pesticide Risk Reduction	<a href="http://www.agr.gc.ca/env/pest/index_e.php?s1=red&amp;page=intro">http://www.agr.gc.ca/env/pest/index_e.php?s1=red&amp;page=intro</a>
Pest Management Regulatory Agency (PMRA)	<a href="http://www.pmra-arla.gc.ca/">http://www.pmra-arla.gc.ca/</a>
Planning Assessment for Value-Added Enterprise (PAVE)	<a href="http://www.agr.gc.ca/ren/plan/index_e.php?page=intro">http://www.agr.gc.ca/ren/plan/index_e.php?page=intro</a>
Prairie Farm Rehabilitation Program (PFRA)	<a href="http://www.agr.gc.ca/pfra/">http://www.agr.gc.ca/pfra/</a>
Price Pooling Program (PPP)	<a href="http://www.agr.gc.ca/nmp/ppp/index.html">http://www.agr.gc.ca/nmp/ppp/index.html</a>
Private Sector Risk Management Partnerships (PSRMP)	<a href="http://www.agr.gc.ca/brm_gre/psp/index_e.cfm">http://www.agr.gc.ca/brm_gre/psp/index_e.cfm</a>
Production Insurance	<a href="http://www.agr.gc.ca/index_e.php?s1=prod&amp;page=pi-ap">http://www.agr.gc.ca/index_e.php?s1=prod&amp;page=pi-ap</a>
Public Service Modernization Act (PSMA)	<a href="http://www.hrma-agrh.gc.ca/hrmm-mgrh/psma-lmfp/index_e.asp">http://www.hrma-agrh.gc.ca/hrmm-mgrh/psma-lmfp/index_e.asp</a>
Renewal	<a href="http://www.agr.gc.ca/cb/apf/index_e.php?section=ren&amp;page=ren">http://www.agr.gc.ca/cb/apf/index_e.php?section=ren&amp;page=ren</a>
Rural Secretariat	<a href="http://www.agr.gc.ca/policy/rural/">http://www.agr.gc.ca/policy/rural/</a>
Specialized Business Planning Services	<a href="http://www.agr.gc.ca/ren/cfbas/spec_e.cfm">http://www.agr.gc.ca/ren/cfbas/spec_e.cfm</a>
Spring Credit Advance Program (SCAP)	<a href="http://www.agr.gc.ca/nmp/scap/index.html">http://www.agr.gc.ca/nmp/scap/index.html</a>
Sustainable Development Strategy: Making Progress Together	<a href="http://www.agr.gc.ca/policy/environment/pdfs/sds/sds4_e.pdf">http://www.agr.gc.ca/policy/environment/pdfs/sds/sds4_e.pdf</a>
The Canadian Rural Information Service (CRIS)	<a href="http://www.rural.gc.ca/cris/about_e.phtml">http://www.rural.gc.ca/cris/about_e.phtml</a>
Watershed Evaluation of BMPs (WEBS)	<a href="http://www.agr.gc.ca/env/greencover-verdir/webs_e.phtml">http://www.agr.gc.ca/env/greencover-verdir/webs_e.phtml</a>

