



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada

Farm Income, Financial Conditions and Government Assistance

Data Book



Canada 

December 2006

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

Research and Analysis Directorate
Strategic Policy Branch

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Any policy views, whether explicitly stated, inferred or interpreted from the contents of this publication, should not be represented as reflecting the views of Agriculture and Agri-Food Canada.

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ABBREVIATIONS

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

SYMBOLS

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

INTRODUCTION

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

This issue provides the most up-to-date key economic and financial indicators. The next hard copy issue will be released in September 2007 and will also be available on the Departmental website.

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SECTION A
Farm Income

Table A.1: Farm Cash Receipts, Expenses and Income, Canada and Provinces, 1997-2005

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
Crop Receipts											
1997	14	157	118	132	1,175	2,984	1,694	4,439	2,641	749	14,103
1998	13	203	121	166	1,182	3,134	1,629	4,081	2,504	790	13,822
1999	14	224	138	186	1,263	3,158	1,401	3,665	2,331	837	13,218
2000	15	186	139	168	1,257	3,356	1,313	3,375	2,344	910	13,062
2001	16	151	121	192	1,273	3,251	1,519	3,784	2,290	994	13,591
2002	22	220	131	219	1,414	3,618	1,913	3,747	2,137	1,034	14,455
2003	17	219	151	197	1,428	3,735	1,700	2,839	1,971	1,142	13,401
2004	17	186	138	178	1,458	3,596	1,784	3,275	2,600	1,202	14,434
2005	15	199	132	184	1,441	3,603	1,280	3,129	2,361	1,090	13,434
Livestock Receipts											
1997	56	118	249	178	3,315	3,732	1,200	1,220	3,603	956	14,627
1998	59	110	241	180	3,050	3,646	1,217	1,235	3,713	991	14,443
1999	61	107	240	186	3,184	3,695	1,291	1,400	3,971	1,028	15,163
2000	59	120	263	196	3,624	4,094	1,551	1,571	4,511	1,100	17,090
2001	63	126	281	215	3,857	4,526	1,800	1,687	5,240	1,171	18,964
2002	62	119	262	197	3,645	4,263	1,716	1,710	5,087	1,130	18,191
2003	64	113	259	200	3,644	4,127	1,598	1,374	3,709	1,082	16,171
2004	70	123	290	204	4,012	4,346	1,639	1,485	3,981	1,012	17,162
2005	75	126	301	207	4,001	4,512	1,819	1,803	4,363	1,173	18,380
Total Market Receipts											
1997	70	275	367	310	4,490	6,716	2,894	5,659	6,244	1,705	28,730
1998	73	313	362	345	4,231	6,779	2,846	5,316	6,217	1,780	28,265
1999	74	331	379	372	4,447	6,853	2,692	5,065	6,303	1,865	28,381
2000	74	306	402	363	4,881	7,450	2,863	4,946	6,855	2,010	30,152
2001	78	278	402	406	5,130	7,777	3,319	5,471	7,530	2,165	32,555
2002	84	340	393	416	5,059	7,880	3,629	5,457	7,223	2,164	32,646
2003	82	332	409	398	5,072	7,863	3,298	4,213	5,681	2,224	29,572
2004	87	309	427	382	5,470	7,943	3,422	4,760	6,581	2,214	31,596
2005	90	324	433	391	5,442	8,115	3,100	4,932	6,724	2,264	31,814
Program Payments											
1997	6	8	9	11	281	137	142	264	218	34	1,109
1998	0	11	14	6	593	201	92	235	235	34	1,422
1999	0	19	15	6	653	333	216	476	218	41	1,976
2000	0	17	12	6	541	422	287	777	708	39	2,809
2001	1	59	18	6	624	777	382	1,020	819	60	3,766
2002	1	24	11	8	468	623	219	1,004	1,039	31	3,429
2003	1	23	16	12	875	585	308	1,600	1,368	59	4,848
2004	1	40	25	36	835	674	430	1,190	1,443	188	4,862
2005	1	46	27	40	749	820	699	1,323	1,117	120	4,943
Total Cash Receipts											
1997	76	283	376	321	4,771	6,853	3,036	5,923	6,462	1,739	29,839
1998	73	324	377	351	4,824	6,980	2,938	5,552	6,452	1,814	29,686
1999	75	350	393	378	5,100	7,186	2,908	5,540	6,521	1,906	30,357
2000	75	323	414	369	5,422	7,872	3,151	5,723	7,563	2,048	32,961
2001	79	336	420	413	5,754	8,554	3,701	6,491	8,349	2,224	36,321
2002	85	364	405	424	5,527	8,504	3,848	6,461	8,262	2,195	36,075
2003	83	355	426	410	5,947	8,448	3,606	5,813	7,049	2,283	34,420
2004	88	349	452	418	6,305	8,617	3,853	5,950	8,024	2,402	36,458
2005	91	370	460	431	6,191	8,936	3,799	6,255	7,841	2,384	36,758

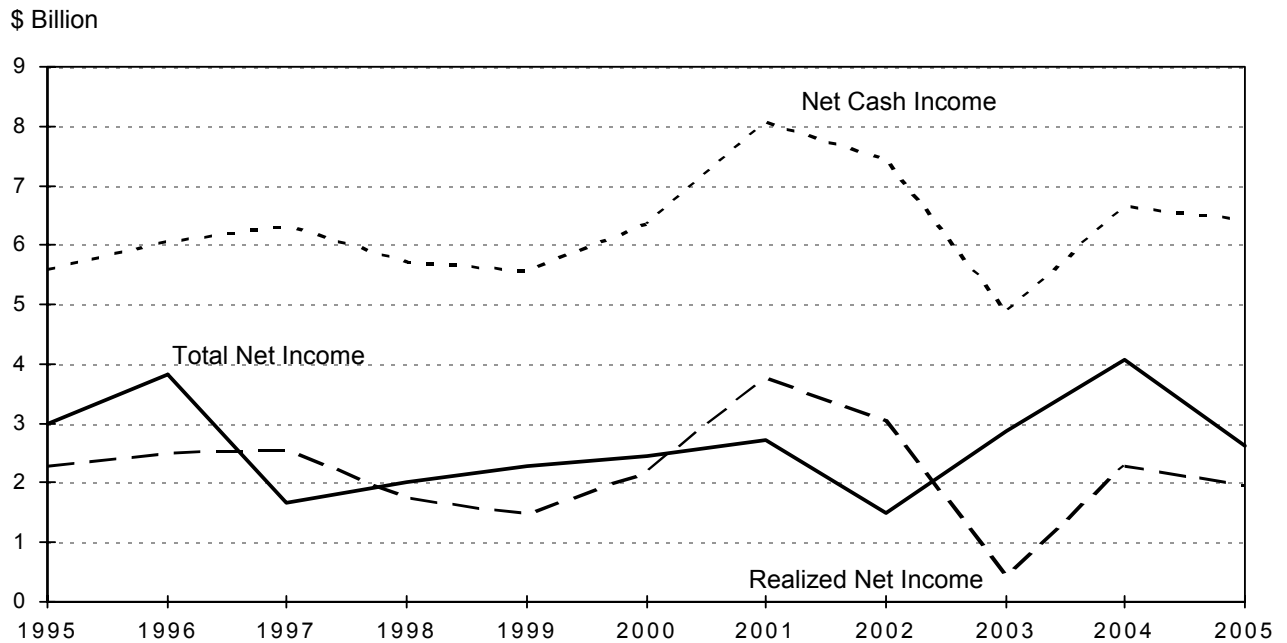
Source: Statistics Canada, Catalogue Nos. 21-010-XIE and 21-011-XIE, Agriculture Economic Statistics, November 2006.

Table A.1: Farm Cash Receipts, Expenses and Income, Canada and Provinces, 1997-2005 (cont'd)

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
Net Operating Expenses											
1997	61	252	309	281	3,662	5,708	2,346	4,314	5,132	1,455	23,520
1998	64	259	305	289	3,740	5,849	2,381	4,289	5,285	1,519	23,980
1999	64	271	312	297	3,902	5,999	2,376	4,277	5,722	1,566	24,787
2000	67	282	330	320	4,228	6,402	2,563	4,573	6,157	1,680	26,603
2001	71	291	350	341	4,469	6,963	2,790	4,770	6,441	1,769	28,255
2002	74	311	361	348	4,550	7,132	2,919	4,795	6,290	1,876	28,656
2003	78	317	378	363	4,868	7,291	3,068	4,994	6,292	1,923	29,572
2004	83	322	382	364	5,048	7,328	3,139	5,011	6,191	1,946	29,815
2005	85	332	386	375	4,944	7,485	3,091	5,154	6,444	2,039	30,334
Net Cash Income											
1997	15	31	67	40	1,108	1,145	691	1,609	1,330	283	6,318
1998	10	66	72	62	1,084	1,131	557	1,262	1,168	295	5,707
1999	11	78	81	81	1,198	1,187	532	1,263	799	340	5,570
2000	8	41	85	49	1,194	1,470	587	1,150	1,406	368	6,357
2001	8	45	70	72	1,285	1,590	912	1,721	1,909	456	8,066
2002	11	54	43	76	977	1,372	929	1,666	1,972	319	7,420
2003	4	38	48	46	1,079	1,157	538	819	757	360	4,847
2004	6	27	71	54	1,257	1,289	714	939	1,832	456	6,644
2005	7	38	74	56	1,247	1,451	708	1,102	1,397	345	6,423
Realized Net Income											
1997	11	0	30	10	711	270	344	724	357	81	2,536
1998	5	32	33	32	661	217	189	330	146	85	1,729
1999	7	45	40	47	745	244	152	328	-260	125	1,471
2000	3	5	39	12	702	483	209	239	336	147	2,176
2001	3	9	22	32	759	577	522	788	803	233	3,748
2002	6	19	-5	35	443	293	541	768	870	70	3,041
2003	-1	4	0	6	519	93	133	-82	-361	110	423
2004	0	-9	21	12	716	245	318	32	734	202	2,271
2005	1	-1	22	12	666	384	309	196	273	87	1,949
Total Net Income											
1997	11	13	24	17	693	277	224	60	297	54	1,670
1998	6	19	34	30	659	234	244	353	306	120	2,006
1999	9	42	36	36	762	231	126	659	238	128	2,268
2000	4	22	37	22	634	302	384	530	375	150	2,461
2001	4	-58	20	27	847	472	457	159	543	252	2,723
2002	6	98	-4	53	462	440	515	36	-208	88	1,486
2003	-1	0	-1	2	625	172	540	799	581	154	2,871
2004	1	-3	20	3	843	566	260	922	1,278	177	4,068
2005	1	-23	21	22	644	424	75	851	568	43	2,625

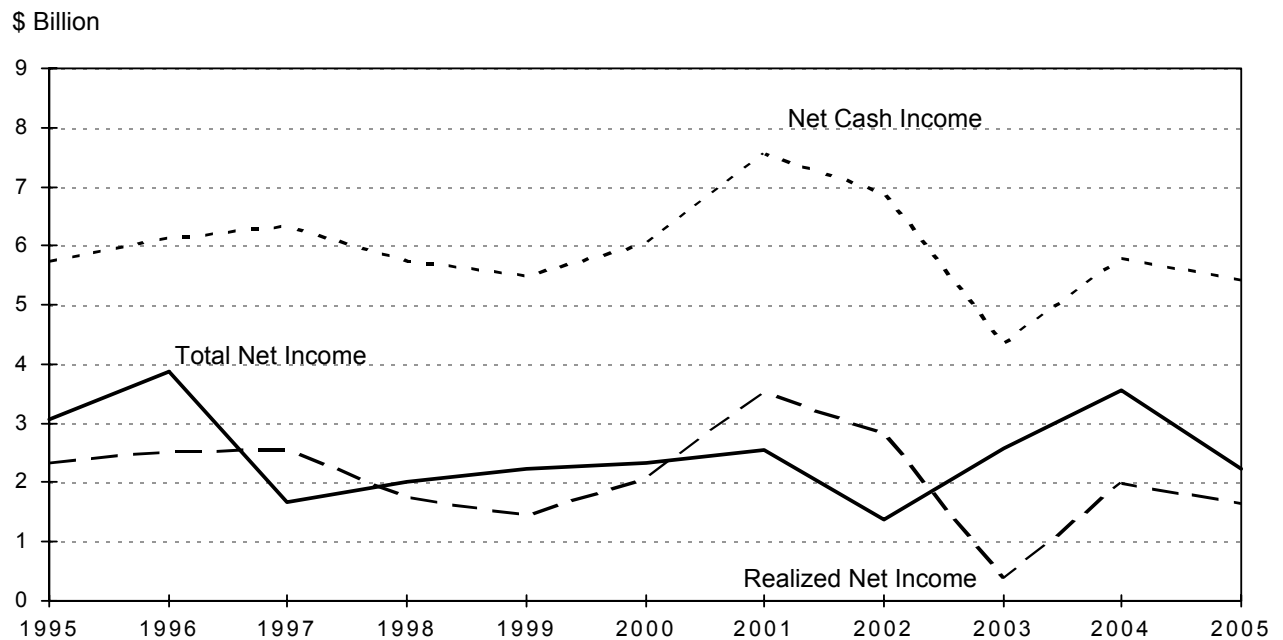
Source: Statistics Canada, Catalogue Nos. 21-010-XIE and 21-011-XIE, Agriculture Economic Statistics, November 2006.

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



Source: Historical data, Statistics Canada, Catalogue No. 21-010-XIE, Agriculture Economic Statistics, November 2006.

Figure A.1(b): Canadian Farm Income (1997 Dollars)



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

Table A.2: Gross Direct Payments and Producer Premiums, Canada and Provinces, 2000-05

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
2000											
Crop Insurance ¹	0	3	0	1	80	72	54	117	116	8	451
NISA	0	6	2	1	8	110	62	187	72	9	456
Dairy	0	1	2	1	30	26	2	2	4	4	73
Income Disaster	0	6	2	1	5	87	45	109	155	11	422
Provincial Stabilization	0	1	1	0	410	0	0	0	0	0	411
Other Payments ²	0	0	6	0	8	128	124	363	360	5	995
Total Program Payments	0	17	12	6	541	422	287	777	708	39	2,809
Input Rebates	0	0	0	0	79	6	0	36	9	0	131
Total Payments	0	17	12	6	621	428	287	812	716	39	2,939
Producer Premiums	0	1	1	0	180	32	46	135	63	2	460
2001											
Crop Insurance ¹	0	7	1	1	75	219	86	297	222	10	918
NISA	0	7	3	2	8	122	59	167	66	8	442
Dairy	0	1	1	1	17	15	1	1	3	3	42
Income Disaster	0	6	4	3	5	109	118	237	129	16	627
Provincial Stabilization	0	0	0	0	516	0	0	0	0	0	516
Other Payments ²	0	37	9	0	2	313	118	319	400	23	1,222
Total Program Payments	1	59	18	6	624	777	382	1,020	819	60	3,766
Input Rebates	0	0	0	0	87	5	0	31	19	0	142
Total Payments	1	59	18	7	711	782	382	1,051	838	60	3,908
Producer Premiums	0	1	0	0	157	38	47	148	82	3	477
2002											
Crop Insurance ¹	0	6	0	1	42	219	77	580	477	5	1,407
NISA	0	9	6	4	11	170	78	216	110	12	616
Dairy	0	0	0	0	4	3	0	0	1	0	9
Income Disaster	0	9	2	1	6	58	46	138	114	11	387
Provincial Stabilization	0	0	0	0	395	0	0	0	0	0	396
Other Payments ²	1	0	2	2	10	174	18	69	336	2	615
Total Program Payments	1	24	11	8	468	623	219	1,004	1,039	31	3,429
Input Rebates	0	0	0	0	79	13	0	17	11	0	119
Total Payments	1	24	11	8	547	636	219	1,020	1,050	31	3,548
Producer Premiums	0	2	0	0	82	46	52	176	123	3	485

Source: Statistics Canada, Catalogue No. 21-015-XIE, Agriculture Economic Statistics, November 2006.

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

Table A.2: Gross Direct Payments and Producer Premiums, Canada and Provinces, 2000-05 (cont'd)

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
2003											
Crop Insurance ¹	0	1	1	1	47	119	86	929	519	4	1,707
NISA	0	7	8	6	15	191	87	246	148	16	723
Income Disaster	0	6	1	1	4	40	27	141	204	17	440
Provincial Stabilization	0	0	0	0	711	0	0	0	0	0	711
Other Payments ²	0	8	7	5	98	236	109	284	498	22	1,266
Total Program Payments	1	23	16	12	875	585	308	1,600	1,368	59	4,848
Input Rebates	0	0	0	0	83	6	0	1	12	0	101
Total Payments	1	23	16	12	958	591	308	1,601	1,380	59	4,949
Producer Premiums	0	2	0	0	206	61	65	221	168	3	727
2004											
Production Insurance ¹	0	3	0	3	63	82	84	280	230	10	756
CAIS	0	11	6	14	7	108	79	222	305	25	777
NISA	0	11	8	11	16	223	125	298	220	22	934
Income Disaster	0	3	2	1	1	16	14	94	99	8	237
Provincial Stabilization	0	0	0	0	626	0	0	0	0	0	626
Other Payments ²	1	12	9	7	122	246	129	297	588	122	1,532
Total Program Payments	1	40	25	36	835	674	430	1,190	1,443	188	4,862
Input Rebates	0	0	0	0	86	5	1	0	19	0	111
Total Payments	1	40	25	36	921	680	431	1,190	1,461	188	4,973
Producer Premiums	0	3	0	0	196	54	81	207	156	3	700
2005											
Production Insurance ¹	0	6	1	5	59	50	299	277	115	8	820
CAIS	1	27	7	23	253	212	187	505	450	50	1,715
NISA	0	4	4	5	8	92	65	157	94	12	442
Income Disaster	0	0	0	0	0	82	0	0	0	0	82
Provincial Stabilization	0	0	0	0	391	0	0	0	0	0	391
Other Payments ²	0	8	15	7	38	384	149	384	458	50	1,493
Total Program Payments	1	46	27	40	749	820	699	1,323	1,117	120	4,943
Input Rebates	0	0	0	0	94	5	20	0	14	0	133
Total Payments	1	46	27	40	843	826	718	1,323	1,131	120	5,076
Producer Premiums	0	3	0	2	123	44	59	216	159	3	609

Source: Statistics Canada, Catalogue No. 21-015-XIE, Agriculture Economic Statistics, November 2006.

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

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

Province	2003	2004	2005p	05/04
	- Dollars per farm -			
Newfoundland				
Operating revenues	342,936	421,335	479,843	14%
Operating expenses	317,597	387,893	430,705	11%
Net operating income	25,340	33,442	49,138	47%
Prince Edward Island				
Operating revenues	296,904	285,619	320,322	12%
Operating expenses	260,624	259,332	288,333	11%
Net operating income	36,279	26,287	31,989	22%
Nova Scotia				
Operating revenues	221,516	218,847	232,257	6%
Operating expenses	193,937	184,201	197,069	7%
Net operating income	27,578	34,646	35,188	2%
New Brunswick				
Operating revenues	288,734	274,304	310,808	13%
Operating expenses	244,023	234,856	264,972	13%
Net operating income	44,711	39,448	45,836	16%
Quebec				
Operating revenues	264,537	282,385	301,933	7%
Operating expenses	226,546	239,899	251,419	5%
Net operating income	37,991	42,486	50,514	19%
Ontario				
Operating revenues	224,922	229,346	240,959	5%
Operating expenses	198,180	201,810	208,330	3%
Net operating income	26,742	27,536	32,629	18%
Manitoba				
Operating revenues	229,327	240,278	225,429	-6%
Operating expenses	197,286	204,442	196,341	-4%
Net operating income	32,041	35,836	29,088	-19%
Saskatchewan				
Operating revenues	130,878	130,667	138,140	6%
Operating expenses	111,735	111,773	119,869	7%
Net operating income	19,143	18,893	18,271	-3%
Alberta				
Operating revenues	215,338	205,726	219,935	7%
Operating expenses	194,775	176,201	195,572	11%
Net operating income	20,564	29,525	24,363	-17%
British Columbia				
Operating revenues	248,176	250,637	264,547	6%
Operating expenses	222,762	225,396	236,221	5%
Net operating income	25,414	25,241	28,326	12%
Canada				
Operating revenues	207,689	210,184	221,211	5%
Operating expenses	182,122	181,400	191,905	6%
Net operating income	25,567	28,784	29,306	2%

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

p: preliminary

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

Farm Type	2003	2004	2005p	05/04
	- Dollars per farm -			
Dairy cattle and milk production				
Operating revenues	322,523	340,336	379,343	11%
Operating expenses	248,738	262,184	284,607	9%
Net operating income	73,786	78,152	94,736	21%
Beef cattle ranching and farming				
Operating revenues	170,433	155,729	169,967	9%
Operating expenses	163,731	143,445	158,629	11%
Net operating income	6,702	12,284	11,338	-8%
Hog and pig farming				
Operating revenues	793,886	898,544	943,158	5%
Operating expenses	754,752	817,137	842,422	3%
Net operating income	39,134	81,407	100,736	24%
Poultry and egg production				
Operating revenues	743,932	804,466	832,090	3%
Operating expenses	663,735	701,859	706,307	1%
Net operating income	80,197	102,608	125,783	23%
Oilseed and grain farming				
Operating revenues	138,173	141,396	150,636	7%
Operating expenses	111,751	116,322	127,369	9%
Net operating income	26,422	25,074	23,267	-7%
Potato farming				
Operating revenues	598,228	619,287	746,060	20%
Operating expenses	495,261	542,695	623,194	15%
Net operating income	102,967	76,592	122,866	60%
Fruit and tree nut farming				
Operating revenues	154,587	160,337	179,648	12%
Operating expenses	132,883	139,359	159,547	14%
Net operating income	21,704	20,978	20,101	-4%
Other vegetable and melon farming				
Operating revenues	285,750	307,043	340,767	11%
Operating expenses	243,854	269,459	293,873	9%
Net operating income	41,896	37,584	46,894	25%
Greenhouse, nursery and floriculture production				
Operating revenues	729,241	721,390	746,796	4%
Operating expenses	661,523	656,944	674,790	3%
Net operating income	67,718	64,446	72,006	12%
All Farm Types				
Operating revenues	207,689	210,184	221,211	5%
Operating expenses	182,122	181,400	191,905	6%
Net operating income	25,567	28,784	29,306	2%

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

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

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

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

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

Methodology for Farm Income

Table A.1: Farm Receipts, Expenses and Income

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

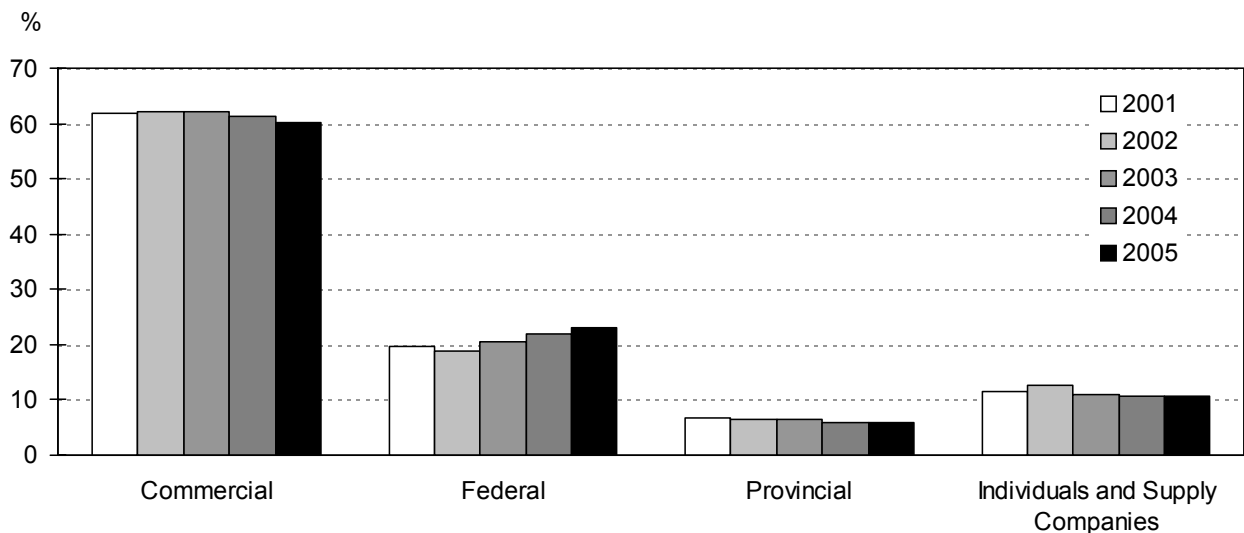
The following members and/or families are excluded:

SECTION B
Farm Financial Conditions

Table B.1: Farm Debt, Canada and Provinces, 1996-2005

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
- \$ Million -											
1996	43	333	327	301	4,868	5,967	2,588	4,811	6,894	1,483	27,615
1997	41	377	365	331	5,435	6,866	2,820	5,171	7,611	1,652	30,671
1998	44	420	401	358	6,097	7,635	3,151	5,584	8,219	1,859	33,768
1999	49	443	422	383	6,845	8,206	3,510	5,810	8,685	2,073	36,425
2000	47	472	465	427	7,611	9,097	3,715	5,962	9,128	2,156	39,078
2001	54	508	491	472	8,133	9,692	3,948	6,061	9,485	2,217	41,060
2002	60	542	501	454	9,021	10,928	4,201	6,009	9,673	2,279	43,668
2003	64	604	551	556	9,426	11,419	4,721	6,528	10,342	2,431	46,642
2004	74	643	612	554	9,852	12,108	5,055	6,690	10,478	2,672	48,738
2005	78	643	733	608	10,395	12,762	5,551	6,786	10,708	2,700	50,963

Source: Statistics Canada, Catalogue No. 21-603-XIE Agriculture Economic Statistics.

Figure B.1: Lender Shares as a Percentage of Farm Debt, Canada, as of December 31, 2001-05

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

Table B.2: Farm Bankruptcies by Province, 1992-2006

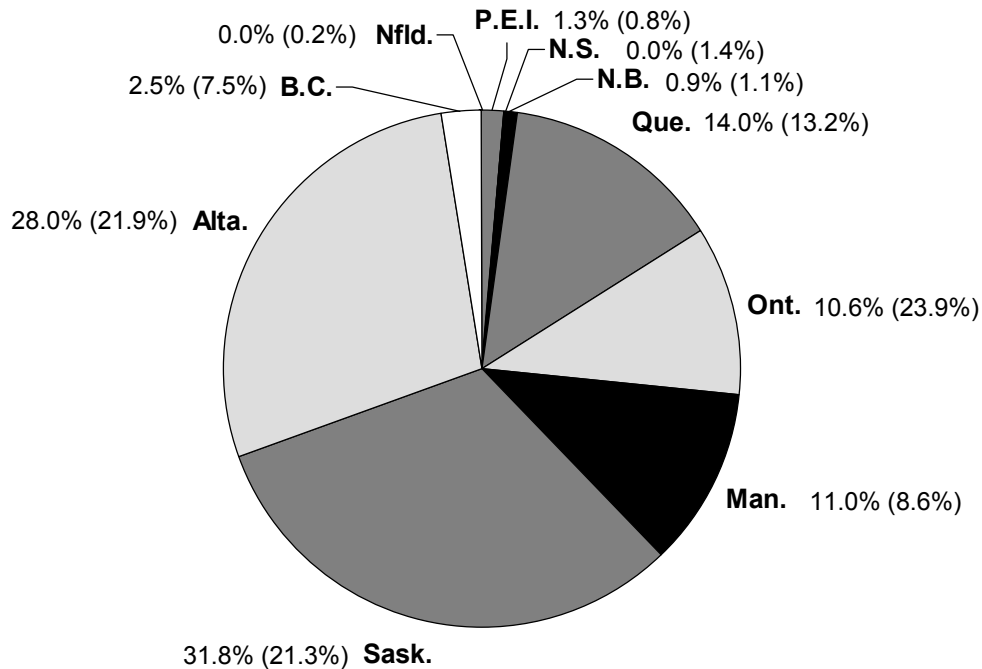
	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	NWT/ Yukon	Canada
1992	0	2	5	3	63	21	15	191	73	10	0	383
1993	1	7	4	2	49	22	13	166	80	5	0	349
1994	0	3	2	3	67	15	7	132	68	11	0	308
1995	1	0	8	5	33	23	10	94	87	12	0	273
1996	0	0	5	4	54	17	24	95	75	1	0	275
1997	0	4	6	4	54	15	19	76	61	4	0	243
1998	0	1	4	1	47	12	27	92	55	5	0	244
1999	0	1	2	2	42	17	29	99	45	6	0	243
2000	0	1	4	2	40	20	18	76	38	14	0	213
2001	1	2	4	0	57	23	19	64	44	6	0	220
2002	0	2	1	4	28	30	41	50	32	9	0	197
2003	0	1	4	1	46	22	28	59	46	15	0	222
2004	0	6	3	2	31	34	27	64	56	4	0	227
2005	0	3	0	2	33	25	26	75	66	6	0	236
2005*	0	3	0	1	22	20	18	51	51	4	0	170
2006*	0	3	0	3	22	23	28	57	14	6	0	156

Source: Office of the Superintendent of Bankruptcy.

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

* January 1 to September 30. North American Industry Classification.

Figure B.2: Distribution of Farm Bankruptcies by Province, 2005



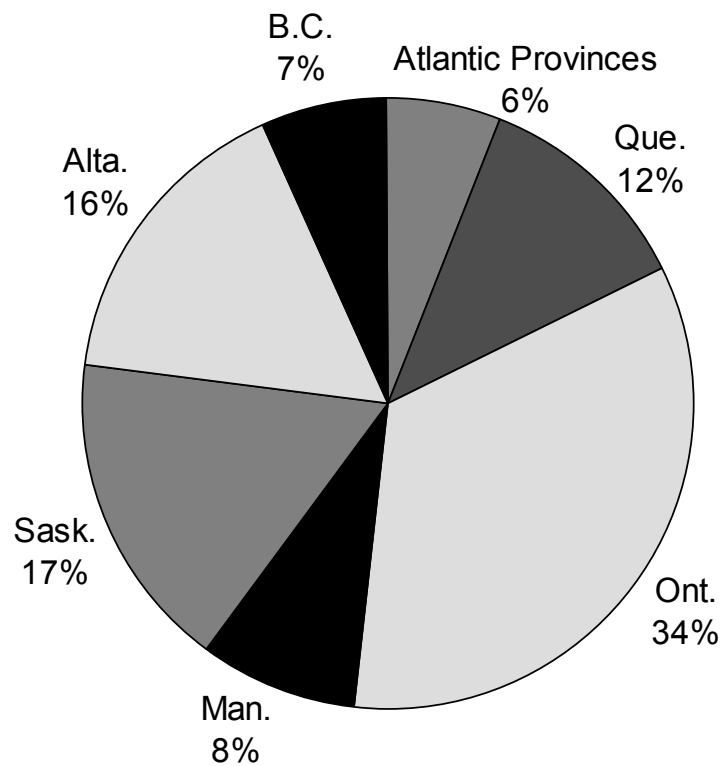
Sources: Office of the Superintendent of Bankruptcy and Statistics Canada, 2001 Census of Agriculture.

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

Table B.3: Farm Credit Canada (FCC) Loans Receivable Portfolio, 1999-2000 to 2004-2005

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Number of loans receivable	73,686	75,202	75,888	78,442	82,551	85,650
Amount receivable (\$million)	6,304	6,904	7,709	8,804	10,039	11,150
Number of loans approved	14,201	14,471	16,753	25,133	26,529	27,948
Amount of loans approved (\$million)	1,612	1,668	2,102	2,561	2,862	3,067
Average size of loans approved (\$)	113,500	115,230	125,470	101,914	107,871	109,747

Source: Farm Credit Canada.

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

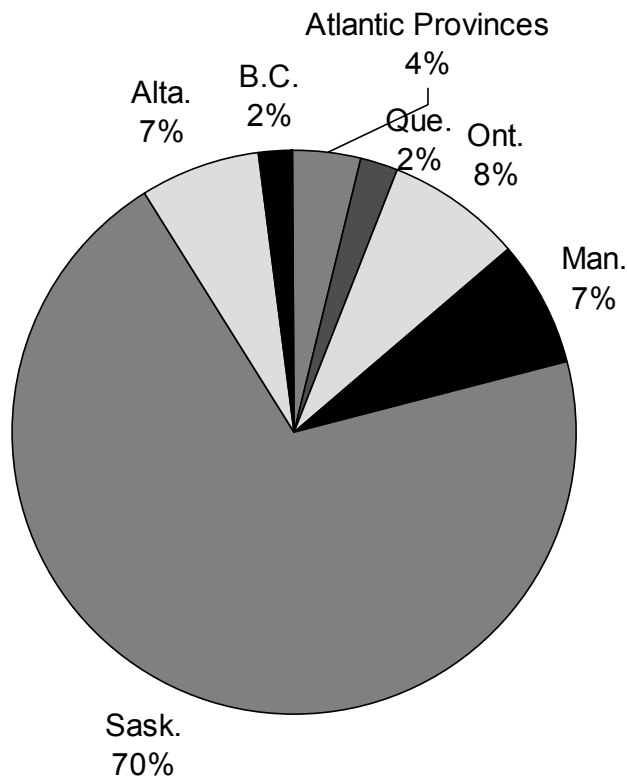
Source: Farm Credit Canada

Table B.4: New Loans Registered Under the Farm Improvement and Marketing Cooperatives Loans Act (FIMCLA), 1997-98 to 2004-05

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Number of new loans registered	15,946	8,641	7,628	6,304	5,659	4,722	3,155	2,829
Amount of new loans registered (\$000s)	516,885	259,174	215,998	189,087	178,732	160,425	105,601	105,095
Average size of new loans registered (\$)	32,415	29,994	28,316	29,995	31,584	33,974	33,471	37,149

Source: For 1997-98 to 2002-03, Agriculture and Agri-Food Canada Performance Report. For 2003-04 and 2004-05 FIMCLA Administration, National Marketing Programs Division Agriculture and Agri-Food Canada.

Figure B.4: Distribution of the Amount of New Loans Registered under FIMCLA, by Province, 2004-05



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

Table B.5: Average Assets, Liabilities, Net Worth and Net New Investment, by Farm Type, Canada and Provinces, 2002, 2003 and 2004

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
CANADA								
Farm Assets								
- 2002	2,119,152	807,753	1,619,940	2,405,028	925,904	1,912,010	993,447	1,091,658
- 2003	2,288,150	779,475	1,679,225	2,692,250	963,775	2,239,400	997,756	1,096,000
- 2004	2,485,245	789,650	1,744,225	2,897,800	990,275	2,566,675	1,018,782	1,134,600
Farm Debt								
- 2002	482,205	132,045	534,579	452,083	181,828	535,118	160,166	209,563
- 2003	558,475	141,925	525,500	520,575	189,100	669,100	175,700	223,800
- 2004	617,200	138,850	555,375	632,450	223,775	810,175	178,250	236,970
Net Worth								
- 2002	1,636,946	675,708	1,085,360	1,952,945	744,075	1,376,892	833,281	882,095
- 2003	1,729,675	637,550	1,153,725	2,171,675	774,675	1,570,300	822,056	872,200
- 2004	1,868,045	650,800	1,188,850	2,265,350	766,500	1,756,500	840,532	897,630
Net New Investment								
- 2002	93,378	18,203	92,960	76,727	27,285	122,919	31,715	37,804
- 2003	105,425	13,100	62,900	58,725	34,000	132,750	36,725	37,200
- 2004	81,075	17,800	81,550	65,000	33,725	108,350	32,875	35,425
ATLANTIC								
Farm Assets								
- 2002	2,274,215	438,301	875,021	1,524,444	466,742	2,095,776	787,583	1,007,458
- 2003	2,323,662	454,244	861,069	1,533,936	484,374	2,166,628	556,691	1,077,743
- 2004	2,399,821	448,952	995,212	1,900,354	576,744	2,298,480	755,763	1,086,122
Farm Debt								
- 2002	427,730	51,106	339,008	320,390	84,127	611,409	161,192	217,534
- 2003	548,025	59,036	347,473	365,486	87,211	662,778	88,323	259,565
- 2004	530,588	61,628	394,143	381,116	179,758	788,041	143,481	270,330
Net Worth								
- 2002	1,846,484	387,194	536,014	1,204,054	382,616	1,484,367	626,391	789,923
- 2003	1,775,636	395,208	513,596	1,168,450	397,163	1,503,850	468,368	818,178
- 2004	1,869,233	387,324	601,069	1,519,238	396,987	1,510,439	612,282	815,792
Net New Investment								
- 2002	79,069	1,638	44,963	61,173	16,768	115,028	27,840	37,257
- 2003	107,669	10,314	10,909	43,746	23,922	128,586	16,862	45,063
- 2004	71,783	8,904	46,975	35,625	41,472	73,396	22,771	36,060

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

Table B.5: Average Assets, Liabilities, Net Worth and Net New Investment, by Farm Type, Canada and Provinces, 2002, 2003 and 2004 (cont'd)

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
QUEBEC								
Farm Assets								
- 2002	1,693,240	517,195	1,227,277	2,171,247	843,065	1,309,206	1,164,813	1,123,020,
- 2003	1,856,339	523,571	1,295,863	2,892,060	865,895	1,160,563	1,032,909	1,169,751
- 2004	2,050,139	553,950	1,564,175	2,866,702	831,735	1,604,992	1,034,637	1,223,550,
Farm Debt								
- 2002	457,269	114,289	553,577	367,878	246,353	297,175	301,367	302,736
- 2003	510,611	131,363	560,322	519,161	214,374	306,757	243,806	317,346
- 2004	561,192	141,433	691,008	564,475	231,921	522,862	259,355	341,425
Net Worth								
- 2002	1,233,971	402,906	674,300	1,804,369	596,712	1,012,031	863,452	820,272
- 2003	1,345,727	392,208	735,541	2,372,898	651,521	853,806	789,103	852,405
- 2004	1,488,947	412,517	873,167	2,302,227	599,814	1,082,130	775,282	882,125
Net New Investment								
- 2002	89,910	5,772	74,462	84,990	40,111	107,815	47,871	52,318
- 2003	100,012	17,653	53,116	103,276	30,917	49,937	31,788	52,641
- 2004	64,915	20,326	78,327	-13,071	29,443	81,480	33,166	40,125
ONTARIO								
Farm Assets								
- 2002	2,310,357	675,226	1,480,847	2,805,345	1,083,423	1,706,426	996,190	1,215,235
- 2003	2,487,419	685,238	1,617,208	2,936,091	1,151,871	2,722,231	1,018,461	1,250,706
- 2004	2,666,802	694,854	1,324,579	2,828,867	1,068,434	2,401,356	1,104,640	1,319,300
Farm Debt								
- 2002	443,365	100,009	513,403	515,614	178,616	459,308	149,141	229,344
- 2003	524,611	99,016	526,339	550,889	200,708	634,584	171,562	241,601
- 2004	629,028	91,681	441,674	669,974	243,988	599,492	168,350	275,825
Net Worth								
- 2002	1,866,992	575,216	967,443	2,289,731	904,807	1,247,117	847,050	985,890
- 2003	1,962,808	586,223	1,090,869	2,385,202	951,163	2,087,647	846,899	1,009,105
- 2004	2,037,773	603,173	882,905	2,158,893	824,446	1,801,865	936,290	1,043,475
Net New Investment								
- 2002	90,541	16,695	100,837	83,356	20,826	96,455	21,425	41,181
- 2003	106,143	-3,662	46,887	40,031	33,230	154,384	26,622	33,547
- 2004	83,378	12,161	48,681	95,453	41,386	98,455	25,239	38,050

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

Table B.5: Average Assets, Liabilities, Net Worth and Net New Investment, by Farm Type, Canada and Provinces, 2002, 2003 and 2004 (cont'd)

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
MANITOBA								
Farm Assets								
- 2002	2,120,932	578,996	2,289,811	1,837,103		3,075,221	1,066,429	1,003,570
- 2003	2,323,273	559,137	1,904,976	1,673,881		4,921,225	1,108,437	997,259
- 2004	2,420,845	538,604	2,492,281	2,696,400		5,140,117	1,048,786	988,550
Farm Debt								
- 2002	528,152	100,426	585,694	392,518		986,382	197,402	198,660
- 2003	604,851	115,817	532,328	389,394		1,372,016	225,729	217,669
- 2004	642,690	113,854	585,600	483,636		1,551,683	233,139	221,875
Net Worth								
- 2002	1,592,780	478,570	1,704,117	1,444,585		2,088,839	869,026	804,910
- 2003	1,718,422	443,320	1,372,648	1,284,487		3,549,210	882,708	779,590
- 2004	1,778,155	424,750	1,906,681	2,212,764		3,588,435	815,647	766,675
Net New Investment								
- 2002	71,408	9,269	125,168	55,135		217,145	42,512	36,595
- 2003	98,583	10,992	94,534	65,826	..	403,230	49,970	40,909
- 2004	97,058	15,944	133,848	97,385		289,623	34,539	36,250
SASKATCHEWAN								
Farm Assets								
- 2002	2,348,134	641,131	1,783,536	..			822,679	793,529
- 2003	2,574,270	611,516	3,167,768				824,968	774,125
- 2004	1,753,010	600,918	2,273,646				767,599	726,100
Farm Debt								
- 2002	563,312	96,833	361,042	..			131,211	128,181
- 2003	555,866	122,149	497,026				150,140	143,725
- 2004	356,899	117,707	469,686				141,167	136,525
Net Worth								
- 2002	1,784,822	544,298	1,422,494	..			691,468	665,348
- 2003	2,018,404	489,367	2,670,742				674,828	630,400
- 2004	1,396,111	483,210	1,803,960				626,432	589,575
Net New Investment								
- 2002	184,996	17,499	91,857	..			25,147	25,277
- 2003	-27,772	13,488	189,109				31,134	26,450
- 2004	92,540	18,161	108,142				25,329	24,025

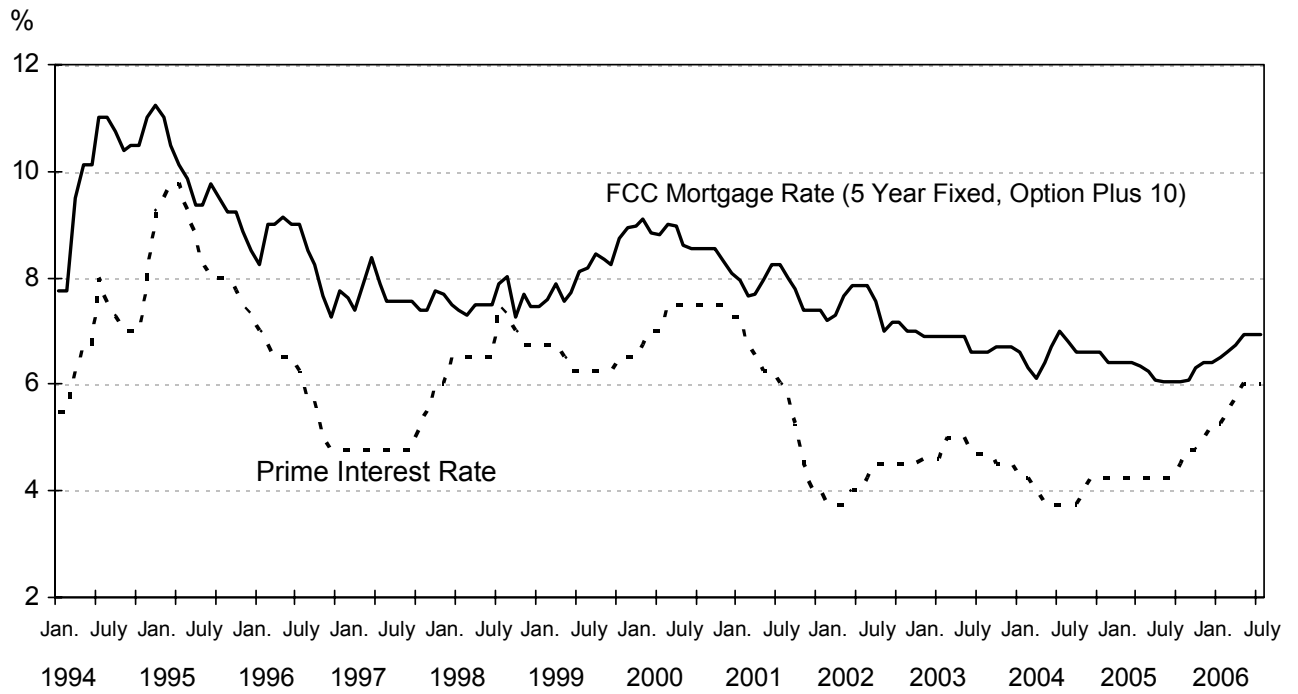
Source: Statistics Canada and Agriculture and Agri-Food Canada, Farm Financial Survey.

Table B.5: Average Assets, Liabilities, Net Worth and Net New Investment, by Farm Type, Canada and Provinces, 2002, 2003 and 2004 (cont'd)

	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
ALBERTA								
Farm Assets								
- 2002	3,389,947	1,119,126	2,495,619	2,276,315	..	2,670,314	1,250,892	1,236,454
- 2003	3,633,425	1,070,605	2,782,866	1,948,459	..	2,747,907	1,271,892	1,202,022
- 2004	4,040,618	1,066,572	2,758,964	2,694,785	..	4,023,067	1,421,402	1,266,650
Farm Debt								
- 2002	855,067	191,708	640,893	471,517	..	857,544	169,863	206,965
- 2003	994,499	198,499	513,120	416,782	..	1,138,509	187,474	212,835
- 2004	1,041,703	187,999	657,989	599,100	..	1,159,539	209,151	219,350
Net Worth								
- 2002	2,534,880	927,419	1,854,726	1,804,798	..	1,812,770	1,081,029	1,029,489
- 2003	2,638,926	872,106	2,269,746	1,531,677	..	1,609,398	1,084,418	,989,187
- 2004	2,998,915	878,572	2,100,975	2,095,685	..	2,863,528	1,212,251	1,047,300
Net New Investment								
- 2002	92,314	25,934	102,924	83,152	..	210,840	44,148	37,373
- 2003	152,755	22,183	91,615	63,061	..	138,150	53,054	38,594
- 2004	110,238	23,013	147,300	117,284	..	229,289	53,876	38,650
BRITISH COLUMBIA								
Farm Assets								
- 2002	3,702,146	1,013,127	1,441,966	2,343,048	1,063,402	1,411,424	1,312,031	1,335,705
- 2003	4,061,588	910,749	914,546	3,229,244	1,093,369	3,338,976	857,375	1,419,411
- 2004	4,690,914	966,138	1,626,929	3,880,638	1,298,598	2,494,542	1,166,761	1,610,875
Farm Debt								
- 2002	713,112	124,964	522,762	439,508	192,417	94,052	192,169	238,167
- 2003	951,167	119,407	262,578	635,579	219,912	415,448	122,885	279,227
- 2004	914,106	117,186	450,293	802,247	232,136	740,601	180,826	299,175
Net Worth								
- 2002	2,989,034	888,163	919,204	1,903,540	870,984	1,317,371	1,119,862	1,097,539
- 2003	3,110,421	791,342	651,968	2,593,665	873,456	2,923,528	734,491	1,140,184
- 2004	3,776,809	848,952	1,176,636	3,078,391	1,066,461	1,753,941	985,934	1,311,700
Net New Investment								
- 2002	152,673	22,897	40,583	65,297	29,410	30,831	45,148	40,606
- 2003	159,396	14,829	2,229	69,070	44,253	267,607	23,886	41,404
- 2004	208,861	1,438	-5,299	42,120	33,101	71,381	24,502	45,425

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

Figure B.5: FCC Mortgage Rate and Prime Interest Rate, 1994-2006



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

Table B.6: Comparison of Selected Average Fertilizer and Fuel Prices Between Manitoba and Minnesota/North Dakota, 2005 and 2006

	Manitoba		Minnesota/North Dakota	
	Summer 06	Summer 05	Summer 06	Summer 05
Nitrogen (Cdn\$/tonne)				
Anhydrous Ammonia (82-0-0)	656.20	632.29	593.87	509.03
Urea (46-0-0)	439.91	418.00	405.17	417.25
Phosphate (Cdn\$/tonne)				
MAP (11-52-0)	416.73	414.17	392.89	403.75
Potash (Cdn\$/tonne)				
Potash (0-0-60)	291.38	264.73	233.28	300.74
Fuel (Cdn¢/litre)				
Diesel	79.12	70.38	66.19	59.08
Gasoline (regular unleaded)	89.29	77.02	82.45	67.22

Source: The Thomsen Corporation

Table B.7: Comparison of Selected Average Fertilizer and Fuel Prices Between Ontario and Michigan/Ohio/Indiana, 2005 and 2006

	Ontario		Michigan/Ohio/Indiana	
	June 21, 2006	June 15, 2005	June 21, 2006	June 15, 2005
Nitrogen (Cdn\$/tonne)				
Anhydrous Ammonia (82-0-0)	697.69	677.64	638.87	667.02
Urea (46-0-0)	483.84	455.23	467.01	481.31
Nitrogen Solution (UAN, 28%)	319.13	306.37	295.41	321.70
Ammonium Nitrate	422.11	403.62	531.41	452.09
Phosphate (Cdn\$/tonne)				
MAP (11-52-0)	480.86	458.04	417.49	430.03
DAP (18-46-0)	492.46	455.68	421.12	424.50
Triple Super (0-46-0)	483.72	451.77	376.57	401.19
Potash (Cdn\$/tonne)				
Potash (0-0-60)	373.91	335.12	329.04	331.38
Fuel (Cdn¢/litre)				
Diesel	85	75	76	66
Gasoline (regular unleaded)	95	85	84	70

Source: Ridgeway College, University of Guelph

Table B.8: Agricultural Inputs, Canada, 2001-05

	2001	2002	2003	2004	2005
	(\$000)				
Machinery Operating Costs	3,548,803	3,456,892	3,585,287	3,782,018	4,141,206
Commercial Feed	4,343,432	4,975,877	4,878,341	4,787,220	4,262,765
Cash Wages, Room and Board	3,498,851	3,653,343	3,750,502	3,799,765	3,900,112
Fertilizer and Lime	2,333,899	2,258,401	2,499,620	2,491,145	2,565,202
Interest	2,498,844	2,315,384	2,313,825	2,247,595	2,344,980
Rent	1,207,785	1,314,563	1,379,676	1,423,763	1,396,392
Pesticides	1,589,727	1,525,201	1,630,998	1,646,132	1,689,926
Livestock Purchases	1,785,899	1,410,550	1,169,465	1,125,217	1,395,610
Commercial Seed	973,248	1,075,999	1,115,276	1,120,673	1,131,671
Building and Fence Repairs	683,617	670,426	693,986	709,693	722,864
Electricity	645,094	680,937	692,628	685,418	710,505
Property Taxes	512,280	544,851	579,207	591,691	587,941
Crop and Hail Insurance	340,015	429,032	545,070	525,524	506,610
Business Insurance	536,252	571,589	616,061	654,427	688,142
A.I. Fees and Veterinary	613,125	641,157	654,435	642,699	663,447
Other*	3,143,924	3,131,559	3,467,997	3,581,561	3,626,891
Depreciation	4,455,851	4,512,406	4,551,745	4,501,210	4,622,461
Total Expenses	32,710,646	33,168,167	34,124,119	34,315,751	34,956,725

Source: Statistics Canada, Catalogue No. 21-012-XIE, Agriculture Economic Statistics, November 2006.

Note: Input expenses are net of government rebates.

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

Methodology for Farm Financial Conditions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Table B.8: Agricultural Inputs

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

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

SECTION C

Government Expenditures in Support of the Agri-Food Sector

Table C.1: Federal and Provincial Government Expenditures in Support of the Agri-Food Sector, Canada and Provinces, 1999-2000 to 2006-07

Allocated		1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates
		(\$ 000)							
Nfld.	Federal	8,424	4,561	7,693	8,285	6,980	11,667	14,056	14,382
	Provincial	9,626	10,247	9,351	10,532	14,229	10,713	14,749	19,424
	% Fed.	46.67	30.80	45.14	44.03	32.91	52.13	48.80	42.54
P.E.I.	Federal	26,941	33,480	39,533	46,006	40,341	46,364	31,221	38,997
	Provincial	23,556	36,396	29,558	29,804	34,463	38,770	31,208	30,112
	% Fed.	53.35	47.91	57.22	60.69	53.93	54.46	50.01	56.43
N.S.	Federal	24,905	22,049	35,607	31,170	41,411	36,079	33,466	44,341
	Provincial	39,247	39,774	44,789	40,672	42,934	49,380	47,508	44,984
	% Fed.	38.82	35.66	44.29	43.39	49.10	42.22	41.33	49.64
N.B.	Federal	24,655	24,964	40,728	30,618	48,212	46,074	33,297	52,082
	Provincial	32,316	24,109	20,814	22,610	23,096	31,962	26,733	26,322
	% Fed.	43.28	50.87	66.18	57.52	67.61	59.04	55.47	66.43
Que.	Federal	392,172	448,436	346,802	330,604	591,120	521,518	538,400	659,375
	Provincial	527,309	732,815	591,705	670,114	704,003	708,706	824,646	900,727
	% Fed.	42.65	37.96	36.95	33.04	45.64	42.39	39.50	42.26
Ont.	Federal	421,156	457,696	581,541	588,252	846,816	675,194	810,614	922,559
	Provincial	363,029	451,528	372,421	424,849	455,240	579,508	520,481	438,200
	% Fed.	53.71	50.34	60.96	58.06	65.04	53.81	60.90	67.80
Man.	Federal	351,272	431,952	320,443	415,480	512,331	467,479	603,803	503,496
	Provincial	222,186	204,801	165,555	179,213	240,541	195,322	278,572	228,778
	% Fed.	61.26	67.84	65.94	69.86	68.05	70.53	68.43	68.76
Sask.	Federal	860,051	935,063	881,124	869,913	1,270,201	977,356	1,134,220	1,006,407
	Provincial	450,605	334,387	501,300	393,007	431,678	458,902	513,372	366,048
	% Fed.	65.62	73.66	63.74	68.88	74.64	68.05	68.84	73.33
Alta.	Federal	479,936	508,864	674,849	766,748	1,493,371	894,829	1,053,493	938,049
	Provincial	702,307	646,228	895,355	886,312	892,947	867,095	931,954	1,000,628
	% Fed.	40.60	44.05	42.98	46.38	62.58	50.79	53.06	48.39
B.C.	Federal	91,485	95,515	126,114	101,681	200,065	241,926	163,658	210,853
	Provincial	63,694	78,703	73,007	75,983	61,784	81,781	58,612	72,189
	% Fed.	58.95	54.82	63.34	57.23	76.40	74.74	73.63	74.50
Others	Federal	142,319	284,334	270,146	320,697	392,503	421,631	437,032	367,147
	Provincial	-	-	-	-	-	-	-	-
	% Fed.	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Canada	Federal	2,823,315	3,246,914	3,324,582	3,509,456	5,443,353	4,340,119	4,853,260	4,757,688
	Provincial	2,433,874	2,558,987	2,703,856	2,733,095	2,900,916	3,022,139	3,247,835	3,127,412
	% Fed.	53.70	55.92	55.15	56.22	65.23	58.95	59.91	60.34

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

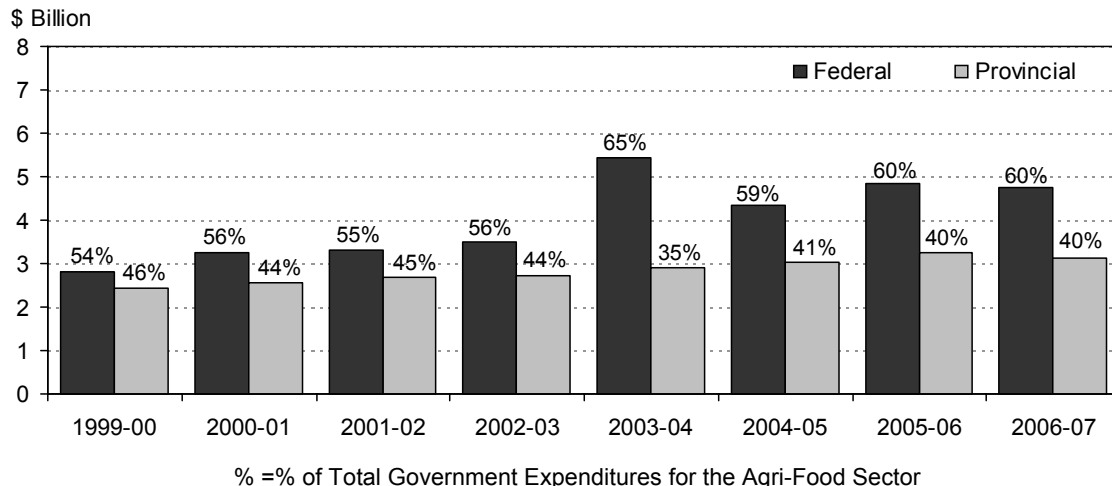
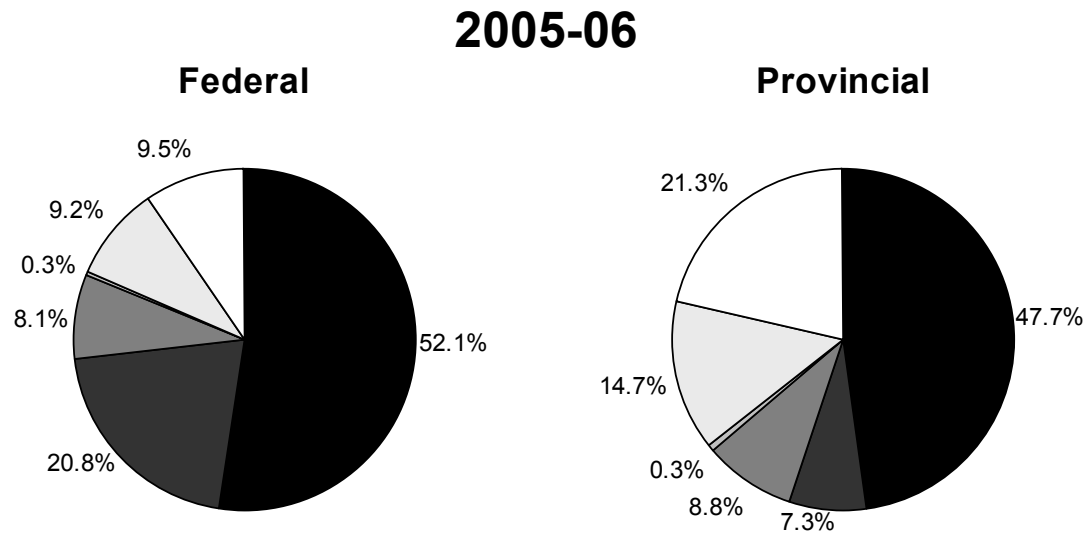
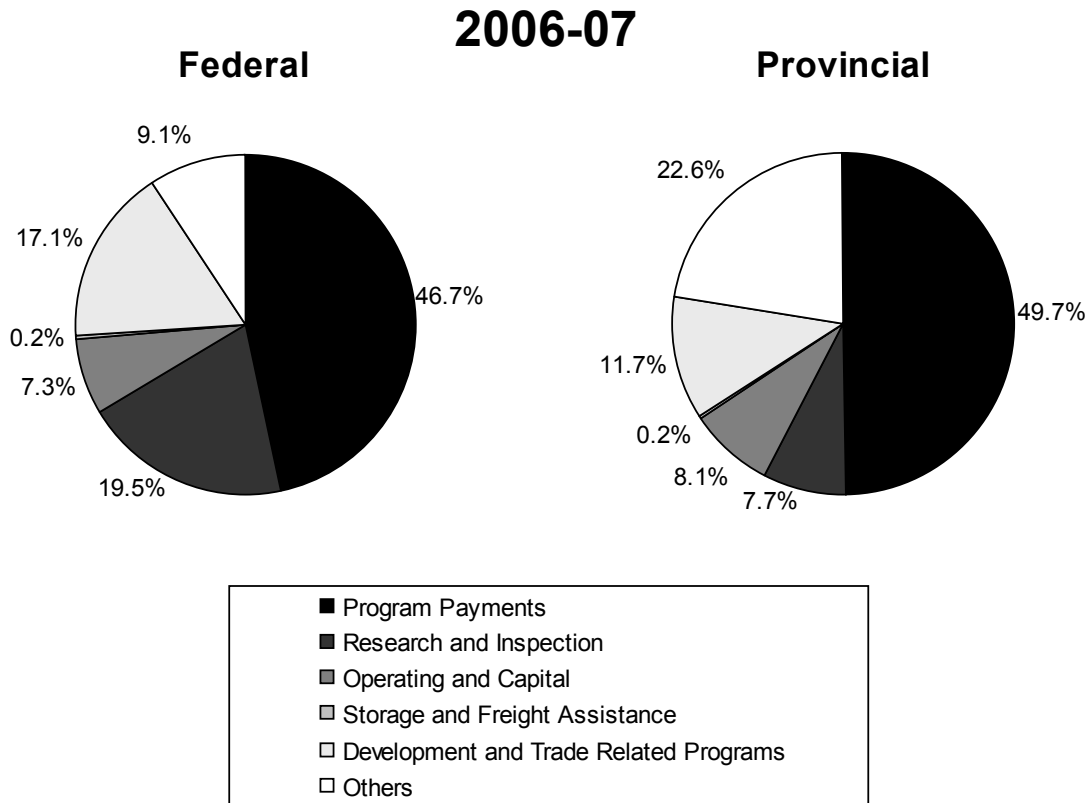
Figure C.1: Federal and Provincial Government Expenditures for the Agri-Food Sector, Canada, 1999-2000 to 2006-07

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



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

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

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

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

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

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

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2003-04 to 2006-07

	PROVINCIAL				FEDERAL			
	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates
(\$000)								
CANADA								
A. Operating Expenditures	691,797	661,356	665,670	692,556	1,246,174	1,286,740	1,390,864	1,600,010
B. Capital Expenditures	46,205	63,576	67,288	62,986	45,824	54,703	48,620	72,524
C. Program Expenditures	1,898,937	2,068,137	2,188,011	2,018,158	4,443,296	3,163,098	3,588,999	3,153,354
c.1 Income Support & Stabilization	619,900	1,040,524	1,136,878	1,128,527	1,967,519	879,205	1,128,315	1,713,505
c.2 Ad hoc and Cost Reduction	468,728	210,577	170,775	18,282	1,425,014	1,097,321	905,198	98,300
c.3 Production Insurance ¹	265,813	225,972	316,443	340,699	346,336	342,546	290,209	339,806
c.4 Financing Assistance	65,531	49,936	62,070	54,587	35,071	31,998	23,922	144,660
c.5 Storage and Freight	8,574	8,466	5,161	5,771	12,913	12,309	12,007	1,967
c.6 Social and Labour	15,792	15,543	27,289	28,852	2,794	545	829	864
c.7 Research	84,037	74,595	82,052	76,924	12,122	13,004	28,354	64,434
c.8 Food Inspection	48,358	47,533	47,487	49,353	19,682	82,757	27,478	87,112
c.9 Food Aid	142	..	..	..	390,982	420,332	434,825	365,511
c.10 Marketing and Trade	31,612	103,953	54,736	31,584	109,378	113,136	557,322	99,685
c.11 Rural and Regional Devt.	78,965	120,700	87,004	87,808	81,635	108,890	86,945	81,025
c.12 Environment	45,272	41,400	49,465	57,873	35,410	54,977	71,554	149,255
c.13 Education	102,322	104,774	127,172	118,210	522	25	91	103
c.14 Extension	63,892	24,162	21,480	19,690	3,917	6,054	21,951	7,127
D. Tax Expenditures	394,728	407,928	470,596	492,609	..	..	..	..
Sub-Total Gross Expenditures	3,031,667	3,200,996	3,391,565	3,266,308	5,735,294	4,504,541	5,028,483	4,825,888
Recoveries	(130,751)	(178,857)	(143,730)	(138,896)	(291,941)	(164,422)	(175,223)	(68,200)
Total Net Expenditures	2,900,916	3,022,139	3,247,835	3,127,412	5,443,353	4,340,119	4,853,260	4,757,688
NEWFOUNDLAND								
A. Operating Expenditures	6,679	6,332	6,828	7,624	3,083	3,307	3,710	4,245
B. Capital Expenditures	511	734	2,235	2,495	117	145	133	197
C. Program Expenditures	7,039	3,648	5,686	9,305	4,527	8,652	10,693	10,127
c.1 Income Support & Stabilization	646	115	162	178	2,240	4,030	6,164	5,223
c.2 Ad hoc and Cost Reduction	154	1,225	1,520	2,202	633	533	(9)	152
c.3 Production Insurance ¹	52	33	22	22	86	70	29	40
c.4 Financing Assistance	4,500	..	..	..	0	(0)	..	0
c.5 Storage and Freight	..	204	250	250	..	..	..	..
c.6 Social and Labour	..	..	..	..	398	1	..	2
c.7 Research	317	518	1,259	746	7	5	1	178
c.8 Food Inspection	..	..	..	50	25	16	10	234
c.9 Food Aid	..	..	..	..	..	..	..	..
c.10 Marketing and Trade	330	411	707	4,502	76	57	5	26
c.11 Rural and Regional Devt.	..	..	..	..	1,037	3,867	4,328	3,847
c.12 Environment	206	337	819	485	15	31	111	409
c.13 Education	620	680	824	747	..	..	..	..
c.14 Extension	213	123	123	123	10	43	55	16
D. Tax Expenditures	..	..	..	..	..	..	..	..
Sub-Total Gross Expenditures	14,229	10,713	14,749	19,424	7,728	12,104	14,536	14,569
Recoveries	..	..	..	..	(748)	(437)	(480)	(187)
Total Net Expenditures	14,229	10,713	14,749	19,424	6,980	11,667	14,056	14,382

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

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

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2003-04 to 2006-07 (cont'd)

	PROVINCIAL				FEDERAL			
	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates
(\$000)								
PRINCE EDWARD ISLAND								
A. Operating Expenditures	9,903	11,153	9,450	9,248	12,242	13,083	14,096	16,159
B. Capital Expenditures	1,500	1,059	..	..	459	570	500	739
C. Program Expenditures	22,378	26,659	21,713	20,971	30,564	34,424	18,427	22,799
c.1 Income Support & Stabilization	4,087	10,600	8,581	6,024	12,537	17,745	9,175	8,980
c.2 Ad hoc and Cost Reduction	4,561	915	543	751	9,674	8,680	703	668
c.3 Production Insurance ¹	1,399	2,311	2,593	3,071	2,177	2,751	2,945	4,164
c.4 Financing Assistance	2,428	321	595	720	564	432	260	2,315
c.5 Storage and Freight	13	13	9	5	..	..	..	..
c.6 Social and Labour	..	..	..	..	9	6	..	9
c.7 Research	2,406	2,446	2,395	2,338	225	154	71	652
c.8 Food Inspection	528	508	360	374	1,057	959	684	909
c.9 Food Aid	..	..	..	..	..	..	..	..
c.10 Marketing and Trade	1,199	1,198	2,210	1,915	315	396	421	492
c.11 Rural and Regional Devt.	145	150	..	..	2,606	1,754	2,698	3,006
c.12 Environment	1,932	4,424	787	2,253	1,363	1,491	1,151	1,536
c.13 Education	3,461	3,359	3,217	3,256	..	..	..	..
c.14 Extension	219	412	422	265	38	57	318	69
D. Tax Expenditures	1,968	1,968	1,968	1,968	..	..	..	..
Sub-Total Gross Expenditures	35,749	40,839	33,132	32,188	43,266	48,077	33,023	39,698
Recoveries	(1,286)	(2,069)	(1,924)	(2,076)	(2,924)	(1,713)	(1,802)	(702)
Total Net Expenditures	34,463	38,770	31,208	30,112	40,341	46,364	31,221	38,997
NOVA SCOTIA								
A. Operating Expenditures	9,098	10,878	11,432	13,826	15,745	16,135	18,323	21,049
B. Capital Expenditures	543	503	530	555	582	715	662	978
C. Program Expenditures	31,690	36,495	34,007	29,053	28,792	21,379	16,868	23,242
c.1 Income Support & Stabilization	8,231	3,915	3,520	4,705	14,041	5,661	2,202	10,761
c.2 Ad hoc and Cost Reduction	355	7,373	395	266	7,726	6,157	56	854
c.3 Production Insurance ¹	216	178	174	215	388	285	369	384
c.4 Financing Assistance	401	884	3,442	600	63	251	53	645
c.5 Storage and Freight	143	89	132	436	..	..	..	..
c.6 Social and Labour	..	..	..	..	12	7	84	12
c.7 Research	1,000	1,011	1,000	1,000	987	1,142	6	879
c.8 Food Inspection	3,207	4,347	3,922	3,569	128	98	1,275	1,168
c.9 Food Aid	..	..	..	..	..	..	..	..
c.10 Marketing and Trade	2,121	3,277	3,136	2,383	1,160	2,220	2,435	95
c.11 Rural and Regional Devt.	..	..	..	..	4,140	5,259	5,788	6,328
c.12 Environment	3,312	2,622	2,611	1,266	50	148	4,076	2,033
c.13 Education	10,443	10,524	11,823	12,413	..	..	..	..
c.14 Extension	2,262	2,273	3,851	2,200	97	150	524	82
D. Tax Expenditures	1,603	1,504	1,540	1,549	..	..	..	..
Sub-Total Gross Expenditures	42,934	49,380	47,508	44,984	45,119	38,230	35,853	45,269
Recoveries	..	..	..	..	(3,708)	(2,150)	(2,387)	(929)
Total Net Expenditures	42,934	49,380	47,508	44,984	41,411	36,079	33,466	44,341

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

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

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2003-04 to 2006-07 (cont'd)

	PROVINCIAL				FEDERAL			
	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates
(\$000)								
NEW BRUNSWICK								
A. Operating Expenditures	11,754	12,228	12,182	11,303	15,421	15,919	17,058	19,467
B. Capital Expenditures	496	519	723	667	589	697	607	896
C. Program Expenditures	9,457	17,577	12,349	12,807	35,955	31,553	17,819	32,570
c.1 Income Support & Stabilization	3,580	11,764	7,730	7,329	18,478	19,117	9,150	17,795
c.2 Ad hoc and Cost Reduction	731	647	..	..	7,592	5,831	294	793
c.3 Production Insurance ¹	547	526	1,083	1,054	843	839	1,517	2,340
c.4 Financing Assistance	..	..	..	..	529	156	290	1,934
c.5 Storage and Freight	330	..	..	..	..	..	..	..
c.6 Social and Labour	170	154	493	457	40	7	10	11
c.7 Research	254	530	248	105	1,303	1,253	822	796
c.8 Food Inspection	224	165	191	486	159	77	56	1,077
c.9 Food Aid	..	..	..	..	..	..	..	..
c.10 Marketing and Trade	..	65	22	..	391	330	376	420
c.11 Rural and Regional Devt.	453	79	130	141	5,428	3,274	4,548	5,461
c.12 Environment	602	1,572	417	799	1,144	583	626	1,863
c.13 Education	2,085	1,764	1,569	1,590	..	..	..	..
c.14 Extension	482	313	465	846	48	86	130	78
D. Tax Expenditures	1,466	1,670	1,533	1,556	..	..	..	..
Sub-Total Gross Expenditures	23,172	31,994	26,787	26,333	51,964	48,169	35,485	52,934
Recoveries	(76)	(31)	(54)	(11)	(3,752)	(2,094)	(2,188)	(851)
Total Net Expenditures	23,096	31,962	26,733	26,322	48,212	46,074	33,297	52,082
QUEBEC								
A. Operating Expenditures	199,669	210,669	206,054	207,913	198,473	211,420	235,491	270,223
B. Capital Expenditures	1,258	2,344	1,812	471	7,382	9,106	8,352	12,379
C. Program Expenditures	408,292	385,014	469,089	535,943	432,293	328,363	324,657	388,489
c.1 Income Support & Stabilization	221,772	237,569	308,386	367,642	160,028	93,323	173,964	267,739
c.2 Ad hoc and Cost Reduction	46,211	11,425	7,912	659	231,060	175,629	98,778	12,156
c.3 Production Insurance ¹	9,086	12,710	12,318	14,995	14,086	18,818	18,822	22,070
c.4 Financing Assistance	28,078	23,247	34,367	38,361	6,399	3,626	3,719	22,272
c.5 Storage and Freight	..	..	..	..	..	..	..	..
c.6 Social and Labour	510	510	3,630	2,406	501	91	509	148
c.7 Research	22,414	10,658	12,636	10,609	485	376	1,657	11,197
c.8 Food Inspection	19,763	17,358	17,169	19,135	2,916	1,190	1,166	14,701
c.9 Food Aid	..	..	..	..	..	..	..	..
c.10 Marketing and Trade	11,827	8,986	11,607	14,518	4,486	5,566	1,977	2,486
c.11 Rural and Regional Devt.	4,000	10,113	3,387	3,940	11,062	12,590	11,571	9,065
c.12 Environment	14,449	22,812	23,136	29,564	661	16,275	8,436	25,637
c.13 Education	18,227	18,291	22,913	22,409	..	..	..	..
c.14 Extension	11,955	11,336	11,628	11,704	608	880	4,057	1,018
D. Tax Expenditures	94,783	110,680	147,690	156,400	..	..	..	..
Sub-Total Gross Expenditures	704,003	708,706	824,646	900,727	638,148	548,889	568,501	671,091
Recoveries	..	..	..	..	(47,027)	(27,371)	(30,101)	(11,716)
Total Net Expenditures	704,003	708,706	824,646	900,727	591,120	521,518	538,400	659,375

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

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

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2003-04 to 2006-07 (cont'd)

	PROVINCIAL				FEDERAL			
	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates
(\$000)								
ONTARIO								
A. Operating Expenditures	113,636	112,962	118,692	117,418	299,757	314,664	349,676	401,318
B. Capital Expenditures	194	2,798	9,900	4,700	11,385	13,792	12,538	18,641
C. Program Expenditures	333,324	458,364	394,746	312,246	608,206	388,194	493,585	520,187
c.1 Income Support & Stabilization	142,706	296,762	133,100	181,000	321,908	118,780	222,929	325,414
c.2 Ad hoc and Cost Reduction	68,196	50,023	134,739	5,075	240,429	184,509	168,127	24,821
c.3 Production Insurance ¹	24,980	31,735	32,500	32,000	29,216	55,023	39,670	56,275
c.4 Financing Assistance	2,724	4,848	76	77	(4,603)	4,003	3,386	5,075
c.5 Storage and Freight	..	..	..	..	..	..	..	..
c.6 Social and Labour	1,247	2,012	2,099	4,964	1,002	137	70	223
c.7 Research	38,620	38,246	37,650	36,033	1,180	1,098	10,853	16,709
c.8 Food Inspection	18,808	9,515	19,500	15,800	2,773	5,097	12,366	22,429
c.9 Food Aid	..	..	..	..	..	..	..	..
c.10 Marketing and Trade	10,640	2,929	1,869	1,869	5,341	6,573	11,758	13,354
c.11 Rural and Regional Devt.	8,173	8,639	9,056	11,147	8,669	10,757	9,395	15,798
c.12 Environment	8,913	642	14,892	11,892	1,006	314	11,991	38,489
c.13 Education	8,200	8,900	8,900	12,000	345	..	..	..
c.14 Extension	115	4,115	365	390	940	1,903	3,039	1,599
D. Tax Expenditures	23,275	23,470	23,445	23,694	..	..	..	..
Sub-Total Gross Expenditures	470,428	597,595	546,782	458,058	919,348	716,650	855,800	940,146
Recoveries	(15,188)	(18,086)	(26,301)	(19,858)	(72,532)	(41,456)	(45,185)	(17,587)
Total Net Expenditures	455,240	579,508	520,481	438,200	846,816	675,194	810,614	922,559
MANITOBA								
A. Operating Expenditures	43,797	44,213	45,103	51,620	134,549	144,422	148,983	171,700
B. Capital Expenditures	849	5,155	4,752	6,679	4,937	6,018	5,088	7,640
C. Program Expenditures	160,185	108,666	171,238	109,202	404,298	335,128	468,069	331,293
c.1 Income Support & Stabilization	20,983	43,103	114,650	48,906	189,870	120,904	148,654	187,993
c.2 Ad hoc and Cost Reduction	34,210	10,697	1,247	1,183	115,522	127,954	122,371	8,043
c.3 Production Insurance ¹	31,694	21,673	19,778	27,065	48,934	32,727	30,784	38,103
c.4 Financing Assistance	1,266	1,520	1,932	1,723	6,643	5,656	11,278	39,001
c.5 Storage and Freight	..	..	..	..	2,692	2,781	2,146	315
c.6 Social and Labour	364	365	44	..	100	60	12	90
c.7 Research	1,101	1,101	1,201	1,201	4,665	6,023	10,303	6,767
c.8 Food Inspection	2,347	5,031	3,799	2,609	1,376	733	677	8,934
c.9 Food Aid	..	..	..	..	..	..	..	..
c.10 Marketing and Trade	1,000	5,613	1,159	2,000	19,604	19,005	122,585	17,628
c.11 Rural and Regional Devt.	15,496	11,172	17,790	14,426	9,041	13,895	11,849	7,492
c.12 Environment	1,075	1,267	1,796	2,401	5,412	4,846	5,086	15,621
c.13 Education	7,405	7,081	7,474	7,320	33	..	..	..
c.14 Extension	43,243	44	368	368	407	544	2,324	1,306
D. Tax Expenditures	38,268	40,279	60,660	64,034	..	..	..	..
Sub-Total Gross Expenditures	243,098	198,313	281,753	231,535	543,785	485,568	622,141	510,634
Recoveries	(2,558)	(2,990)	(3,181)	(2,757)	(31,454)	(18,089)	(18,338)	(7,138)
Total Net Expenditures	240,541	195,322	278,572	228,778	512,331	467,479	603,803	503,496

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

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

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2003-04 to 2006-07 (cont'd)

	PROVINCIAL				FEDERAL			
	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates
(\$000)								
SASKATCHEWAN								
A. Operating Expenditures	47,159	42,045	46,825	48,083	210,790	210,479	218,993	252,454
B. Capital Expenditures	3,571	327	225	(201)	7,322	8,446	7,284	11,004
C. Program Expenditures	311,341	359,995	398,626	240,446		783,818	934,192	753,166
c.1 Income Support & Stabilization	98,776	206,499	253,576	98,776	632,430	294,313	217,165	481,495
c.2 Ad hoc and Cost Reduction	46,304	13,997	142	372	221,508	276,113	318,797	14,556
c.3 Production Insurance ¹	89,645	75,713	77,955	69,159	136,393	115,277	99,314	114,126
c.4 Financing Assistance	15,916	11,099	13,544	10,264	17,356	12,206	2,910	48,704
c.5 Storage and Freight	8,089	8,159	4,769	5,080	6,718	6,029	5,856	1,000
c.6 Social and Labour	1,368	75	74	75	148	84	..	129
c.7 Research	15,223	11,553	12,627	12,563	2,279	2,190	1,964	9,503
c.8 Food Inspection	3,411	2,861	2,204	2,280	2,654	1,357	761	12,701
c.9 Food Aid	142	..	..	..	..	..	..	..
c.10 Marketing and Trade	418	828	4,573	3,760	46,662	39,138	246,772	34,155
c.11 Rural and Regional Devt.	27,687	27,009	27,174	30,384	24,179	29,059	21,493	13,031
c.12 Environment	3,547	..	531	7,213	7,746	7,230	13,649	22,363
c.13 Education	63	1,010	10	..	55	25	91	103
c.14 Extension	752	1,194	1,448	520	606	798	5,422	1,299
D. Tax Expenditures	116,400	110,748	113,990	126,820	..	..	..	..
Sub-Total Gross Expenditures	478,471	513,116	559,667	415,148	1,316,846	1,002,743	1,160,469	1,016,623
Recoveries	(46,793)	(54,214)	(46,294)	(49,100)	(46,645)	(25,387)	(26,249)	(10,217)
Total Net Expenditures	431,678	458,902	513,372	366,048	1,270,201	977,356	1,134,220	1,006,407
ALBERTA								
A. Operating Expenditures	217,533	185,669	184,538	199,337	273,786	270,988	287,688	332,713
B. Capital Expenditures	36,511	49,196	45,722	46,879	9,883	11,361	9,939	14,856
C. Program Expenditures	593,727	622,993	654,845	709,847		646,629	791,684	604,421
c.1 Income Support & Stabilization	110,118	213,861	288,672	389,200	544,982	172,463	304,111	354,446
c.2 Ad hoc and Cost Reduction	261,474	103,670	24,276	7,373	543,457	280,149	194,103	30,666
c.3 Production Insurance ¹	103,812	75,771	164,619	185,318	106,470	109,389	89,101	93,942
c.4 Financing Assistance	10,217	8,017	8,113	2,842	7,832	5,349	1,843	23,223
c.5 Storage and Freight	..	..	..	..	3,393	3,368	3,921	639
c.6 Social and Labour	12,133	12,133	20,950	20,950	207	113	120	177
c.7 Research	1,980	1,310	12,617	12,329	590	512	2,356	13,126
c.8 Food Inspection	..	..	..	..	5,384	1,829	1,183	17,416
c.9 Food Aid	..	..	..	..	..	..	..	..
c.10 Marketing and Trade	3,622	79,545	28,478	487	28,863	30,257	163,560	27,723
c.11 Rural and Regional Devt.	23,010	63,540	29,466	27,769	13,241	24,446	11,671	11,361
c.12 Environment	11,235	7,724	4,476	2,000	17,326	17,506	14,322	30,507
c.13 Education	51,818	53,165	70,443	58,475	70	..	..	..
c.14 Extension	4,307	4,257	2,735	3,104	853	1,246	5,392	1,196
D. Tax Expenditures	110,028	110,703	112,825	109,658	..	..	..	..
Sub-Total Gross Expenditures	957,798	968,561	997,930	1,065,721	1,556,336	928,978	1,089,311	951,990
Recoveries	(64,851)	(101,466)	(65,976)	(65,093)	(62,965)	(34,150)	(35,817)	(13,941)
Total Net Expenditures	892,947	867,095	931,954	1,000,628	1,493,371	894,829	1,053,493	938,049

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

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

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2003-04 to 2006-07 (cont'd)

	PROVINCIAL				FEDERAL			
	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates
(\$000)								
BRITISH COLUMBIA								
A. Operating Expenditures	32,571	25,208	24,565	26,183	82,324	86,323	96,844	110,681
B. Capital Expenditures	772	943	1,389	741	3,168	3,851	3,517	5,195
C. Program Expenditures	21,504	48,726	25,712	38,336	134,758	163,328	75,972	99,911
c.1 Income Support & Stabilization	9,001	16,337	18,500	24,766	70,557	32,870	33,929	53,659
c.2 Ad hoc and Cost Reduction	6,531	10,605	..	400	47,222	31,104	1,974	5,590
c.3 Production Insurance ¹	4,381	5,322	5,400	7,800	7,743	7,368	7,660	8,361
c.4 Financing Assistance	..	..	..	..	288	318	197	1,529
c.5 Storage and Freight	..	..	..	..	110	132	83	13
c.6 Social and Labour	0	295	..	..	378	38	24	62
c.7 Research	721	7,221	420	..	178	251	21	4,626
c.8 Food Inspection	72	7,749	342	5,050	3,210	71,403	9,299	7,542
c.9 Food Aid	..	..	..	..	..	..	..	..
c.10 Marketing and Trade	454	1,101	975	150	2,480	9,594	7,101	2,893
c.11 Rural and Regional Devt.	..	..	..	..	2,022	3,352	2,891	4,375
c.12 Environment	..	..	..	..	289	6,550	12,104	10,797
c.13 Education	..	..	..	..	20	..	..	..
c.14 Extension	345	96	75	170	261	347	689	464
D. Tax Expenditures	6,937	6,905	6,945	6,929	..	..	..	..
Sub-Total Gross Expenditures	61,784	81,781	58,612	72,189	220,250	253,502	176,332	215,787
Recoveries	..	..	..	..	(20,185)	(11,576)	(12,675)	(4,933)
Total Net Expenditures	61,784	81,781	58,612	72,189	200,065	241,926	163,658	210,853

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

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

Table C.3: Research and Inspection in Support of the Agri-Food Sector, Canada and Provinces, 2003-04 to 2006-07

	PROVINCIAL				FEDERAL			
	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates
	(\$000)							
CANADA								
Research Expenditures								
- Operating	45,437	34,366	20,104	24,655	315,494	303,738	302,525	372,423
- Capital	3,288	5,605	10,448	5,342	14,846	10,202	7,796	13,468
- Program	84,037	74,595	82,052	76,924	12,122	13,004	28,354	64,434
Total Research	132,762	114,566	112,604	106,921	342,462	326,944	338,675	450,325
Inspection Expenditures								
- Operating	64,800	70,669	97,894	154,455	487,067	507,866	597,325	672,478
- Capital	423	1,654	1,943	673	6,606	18,203	17,431	28,899
- Program	48,358	47,533	47,487	49,353	19,682	82,757	27,478	87,112
Total Inspection	113,581	119,856	147,323	204,481	513,355	608,826	642,234	788,489
NEWFOUNDLAND								
Research Expenditures								
- Operating	..	..	..	..	809	807	829	1,020
- Capital	6	7	..	8	38	27	21	37
- Program	317	518	1,259	746	7	5	1	178
Total Research	323	525	1,259	754	854	839	851	1,235
Inspection Expenditures								
- Operating	752	1,062	1,238	1,677	1,175	1,271	1,561	1,747
- Capital	4	18	..	..	17	48	48	77
- Program	..	..	..	50	25	16	10	234
Total Inspection	756	1,080	1,238	1,727	1,218	1,335	1,619	2,058
PRINCE EDWARD ISLAND								
Research Expenditures								
- Operating	366	348	114	..	3,160	3,165	3,112	3,831
- Capital	1,500	..	..	..	149	106	80	139
- Program	2,406	2,446	2,395	2,338	225	154	71	652
Total Research	4,273	2,795	2,509	2,338	3,534	3,425	3,263	4,622
Inspection Expenditures								
- Operating	2,813	2,482	2,690	2,554	4,632	5,025	5,900	6,609
- Capital	..	..	..	..	66	190	179	291
- Program	528	508	360	374	1,057	959	684	909
Total Inspection	3,340	2,991	3,050	2,928	5,754	6,173	6,763	7,808

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

Table C.3: Research and Inspection in Support of the Agri-Food Sector, Canada and Provinces, 2003-04 to 2006-07 (cont'd)

	PROVINCIAL				FEDERAL			
	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates
	(\$000)							
NOVA SCOTIA								
Research Expenditures								
- Operating	..	..	..	..	4,007	3,972	4,120	5,073
- Capital	..	..	..	..	189	133	106	183
- Program	1,000	1,011	1,000	1,000	987	1,142	6	879
Total Research	1,000	1,011	1,000	1,000	5,182	5,248	4,233	6,135
Inspection Expenditures								
- Operating	1,211	1,264	1,495	2,023	5,843	6,279	7,782	8,713
- Capital	..	..	..	..	84	238	237	384
- Program	3,207	4,347	3,922	3,569	128	98	1,275	1,168
Total Inspection	4,418	5,611	5,417	5,592	6,055	6,616	9,294	10,265
NEW BRUNSWICK								
Research Expenditures								
- Operating	621	734	767	593	4,055	3,868	3,777	4,650
- Capital	..	4	32	3	191	130	97	168
- Program	254	530	248	105	1,303	1,253	822	796
Total Research	875	1,268	1,046	701	5,549	5,252	4,696	5,614
Inspection Expenditures								
- Operating	2,288	2,574	2,720	2,317	5,912	6,113	7,131	7,984
- Capital	88	60	63	93	85	232	218	352
- Program	224	165	191	486	159	77	56	1,077
Total Inspection	2,600	2,799	2,974	2,895	6,156	6,422	7,404	9,413
QUEBEC								
Research Expenditures								
- Operating	6,092	7,191	6,507	6,132	50,821	50,562	51,970	63,978
- Capital	..	..	..	..	2,391	1,698	1,339	2,314
- Program	22,414	10,658	12,636	10,609	485	376	1,657	11,197
Total Research	28,506	17,848	19,143	16,741	53,698	52,636	54,967	77,488
Inspection Expenditures								
- Operating	28,132	27,821	33,067	32,273	75,539	81,509	99,686	111,831
- Capital	..	667	..	..	1,064	3,030	2,994	4,884
- Program	19,763	17,358	17,169	19,135	2,916	1,190	1,166	14,701
Total Inspection	47,895	45,846	50,236	51,408	79,519	85,729	103,847	131,416

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

Table C.3: Research and Inspection in Support of the Agri-Food Sector, Canada and Provinces, 2003-04 to 2006-07 (cont'd)

	PROVINCIAL				FEDERAL			
	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates
	(\$000)							
ONTARIO								
Research Expenditures								
- Operating	..	..	..	..	78,384	76,583	78,013	96,038
- Capital	194	2,798	9,900	4,700	3,688	2,572	2,010	3,473
- Program	38,620	38,246	37,650	36,033	1,180	1,098	10,853	16,709
Total Research	38,814	41,045	47,550	40,733	83,253	80,253	90,877	116,220
Inspection Expenditures								
- Operating	..	..	..	35,460	118,565	125,583	151,806	170,603
- Capital	..	..	..	..	1,641	4,590	4,495	7,391
- Program	18,808	9,515	19,500	15,800	2,773	5,097	12,366	22,429
Total Inspection	18,808	9,515	19,500	51,260	122,980	135,270	168,666	200,423
MANITOBA								
Research Expenditures								
- Operating	..	..	..	..	33,991	33,415	31,661	38,977
- Capital	..	..	..	..	1,600	1,122	816	1,410
- Program	1,101	1,101	1,201	1,201	4,665	6,023	10,303	6,767
Total Research	1,101	1,101	1,201	1,201	40,255	40,560	42,780	47,153
Inspection Expenditures								
- Operating	3,117	3,154	6,858	7,167	54,535	58,173	64,344	72,688
- Capital	300	300	200	200	712	2,003	1,824	3,075
- Program	2,347	5,031	3,799	2,609	1,376	733	677	8,934
Total Inspection	5,764	8,485	10,857	9,976	56,623	60,909	66,846	84,697
SASKATCHEWAN								
Research Expenditures								
- Operating	1,129	1,095	1,161	848	50,408	46,897	45,320	55,791
- Capital	2	..	..	..	2,372	1,575	1,168	2,018
- Program	15,223	11,553	12,627	12,563	2,279	2,190	1,964	9,503
Total Research	16,355	12,648	13,788	13,411	55,060	50,662	48,451	67,312
Inspection Expenditures								
- Operating	3,381	3,136	3,387	3,337	83,921	84,073	94,554	107,138
- Capital	8	..	..	..	1,055	2,811	2,611	4,468
- Program	3,411	2,861	2,204	2,280	2,654	1,357	761	12,701
Total Inspection	6,799	5,996	5,591	5,617	87,631	88,240	97,926	124,307

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

Table C.3: Research and Inspection in Support of the Agri-Food Sector, Canada and Provinces, 2003-04 to 2006-07 (cont'd)

	PROVINCIAL				FEDERAL			
	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates
	(\$000)							
ALBERTA								
Research Expenditures								
- Operating	36,814	24,584	11,555	17,082	68,045	63,084	61,839	76,127
- Capital	1,295	2,504	257	350	3,202	2,119	1,594	2,753
- Program	1,980	1,310	12,617	12,329	590	512	2,356	13,126
Total Research	40,089	28,398	24,429	29,761	71,836	65,715	65,788	92,006
Inspection Expenditures								
- Operating	17,794	26,623	43,992	61,911	105,121	106,039	123,223	138,879
- Capital	23	609	1,680	380	1,425	3,781	3,563	5,938
- Program	..	..	..	..	5,384	1,829	1,183	17,416
Total Inspection	17,817	27,232	45,672	62,291	111,930	111,648	127,970	162,233
BRITISH COLUMBIA								
Research Expenditures								
- Operating	415	415	..	..	21,813	21,384	21,883	26,939
- Capital	292	292	259	281	1,026	718	564	974
- Program	721	7,221	420	..	178	251	21	4,626
Total Research	1,427	7,927	679	281	23,018	22,354	22,468	32,540
Inspection Expenditures								
- Operating	5,312	2,554	2,445	5,736	31,823	33,801	41,338	46,286
- Capital	..	..	..	..	457	1,282	1,261	2,039
- Program	72	7,749	342	5,050	3,210	71,403	9,299	7,542
Total Inspection	5,384	10,303	2,788	10,786	35,490	106,485	51,899	55,867

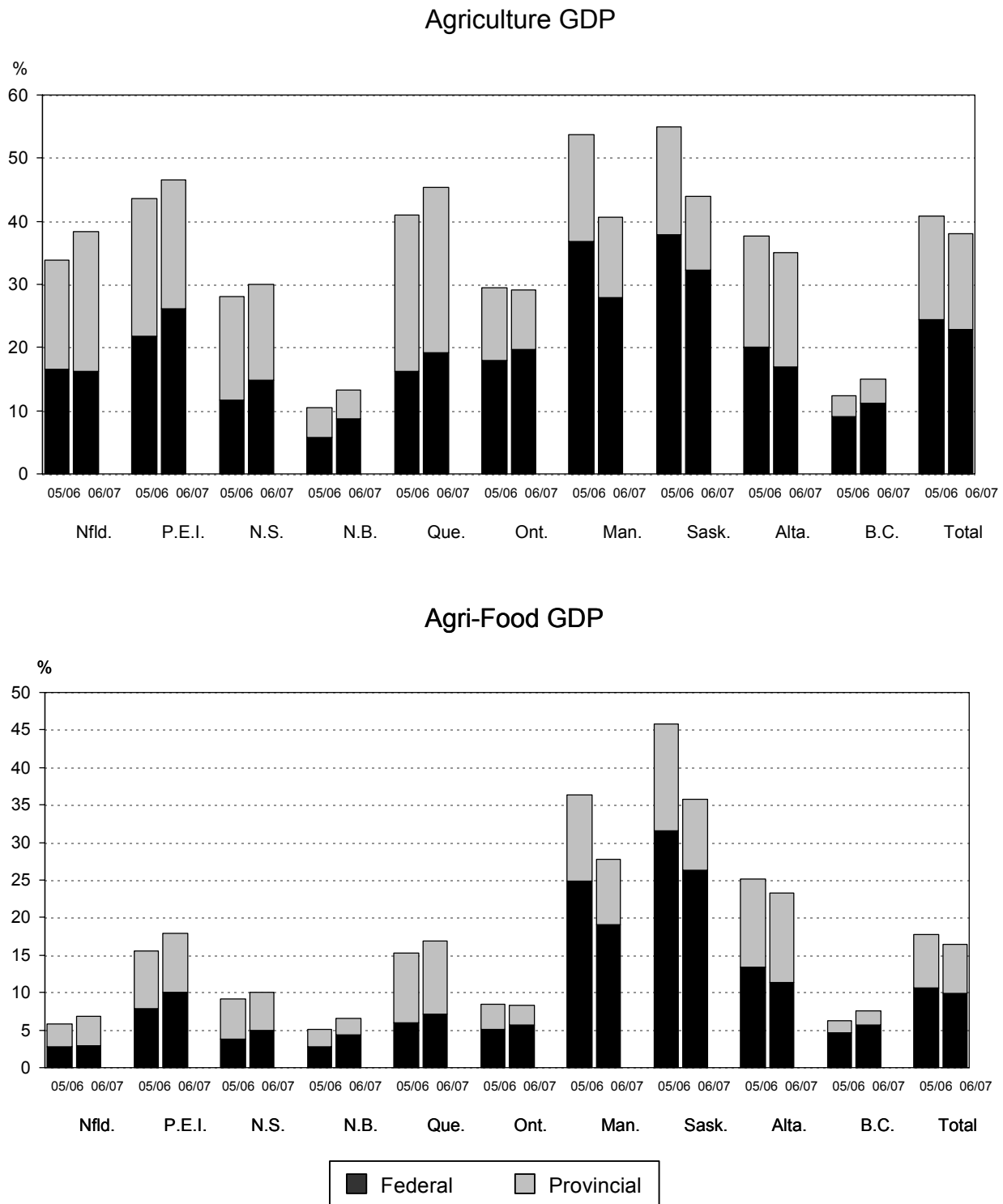
Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

Table C.4: Government Expenditures to the Agri-Food Sector as a Percentage of Agriculture and Agri-Food GDPs, Canada and Provinces, 2003-04 to 2006-07

	Agriculture				Agri-Food			
	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates
NEWFOUNDLAND								
Provincial GDP (\$ million)	56.5	71.0	85.1	88.0	385.3	457.5	499.6	495.5
Federal (%)	12.4	16.4	16.5	16.3	1.8	2.6	2.8	2.9
Provincial (%)	25.2	15.1	17.3	22.1	3.7	2.3	3.0	3.9
PRINCE EDWARD ISLAND								
Provincial GDP (\$ million)	155.4	152.9	143.0	148.6	412.9	416.0	402.6	385.6
Federal (%)	26.0	30.3	21.8	26.2	9.8	11.1	7.8	10.1
Provincial (%)	22.2	25.4	21.8	20.3	8.3	9.3	7.8	7.8
NOVA SCOTIA								
Provincial GDP (\$ million)	263.1	268.8	287.9	298.1	831.1	853.8	880.8	893.8
Federal (%)	15.7	13.4	11.6	14.9	5.0	4.2	3.8	5.0
Provincial (%)	16.3	18.4	16.5	15.1	5.2	5.8	5.4	5.0
NEW BRUNSWICK								
Provincial GDP (\$ million)	475.8	521.4	572.4	594.4	991.2	1,099.1	1,172.8	1,219.8
Federal (%)	10.1	8.8	5.8	8.8	4.9	4.2	2.8	4.3
Provincial (%)	4.9	6.1	4.7	4.4	2.3	2.9	2.3	2.2
QUEBEC								
Provincial GDP (\$ million)	3,066.1	3,229.7	3,326.9	3,442.6	8,321.8	8,643.0	8,919.8	9,290.8
Federal (%)	19.3	16.1	16.2	19.2	7.1	6.0	6.0	7.1
Provincial (%)	23.0	21.9	24.8	26.2	8.5	8.2	9.2	9.7
ONTARIO								
Provincial GDP (\$ million)	4,116.7	4,326.0	4,519.8	4,677.8	14,106.0	15,233.9	15,757.3	16,335.0
Federal (%)	20.6	15.6	17.9	19.7	6.0	4.4	5.1	5.6
Provincial (%)	11.1	13.4	11.5	9.4	3.2	3.8	3.3	2.7
MANITOBA								
Provincial GDP (\$ million)	1,948.1	1,823.0	1,642.9	1,805.7	2,720.1	2,640.0	2,430.4	2,641.4
Federal (%)	26.3	25.6	36.8	27.9	18.8	17.7	24.8	19.1
Provincial (%)	12.3	10.7	17.0	12.7	8.8	7.4	11.5	8.7
SASKATCHEWAN								
Provincial GDP (\$ million)	2,394.0	2,715.6	3,004.5	3,121.4	2,905.0	3,258.7	3,597.6	3,833.0
Federal (%)	53.1	36.0	37.8	32.2	43.7	30.0	31.5	26.3
Provincial (%)	18.0	16.9	17.1	11.7	14.9	14.1	14.3	9.5
ALBERTA								
Provincial GDP (\$ million)	3,877.4	4,566.7	5,271.5	5,520.8	6,014.8	6,919.6	7,877.7	8,330.6
Federal (%)	38.5	19.6	20.0	17.0	24.8	12.9	13.4	11.3
Provincial (%)	23.0	19.0	17.7	18.1	14.8	12.5	11.8	12.0
BRITISH COLUMBIA								
Provincial GDP (\$ million)	1,559.8	1,628.9	1,797.2	1,886.3	3,040.7	3,190.8	3,548.5	3,793.2
Federal (%)	12.8	14.9	9.1	11.2	6.6	7.6	4.6	5.6
Provincial (%)	4.0	5.0	3.3	3.8	2.0	2.6	1.7	1.9
CANADA								
Federal GDP (\$ million)	17,518.9	18,715.1	19,863.1	20,776.8	40,385.1	43,305.5	45,673.4	47,936.7
Federal (%)	31.1	23.2	24.4	22.9	13.5	10.0	10.6	9.9
Provincial (%)	16.6	16.1	16.4	15.1	7.2	7.0	7.1	6.5

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

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



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

Table C.5: Total GDP and Total Government Expenditures, Canada and Provinces, 2003-04 to 2006-07

	Total GDP				Total Expenditures			
	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates	2003-04	2004-05	2005-06 Forecast	2006-07 Estimates
NEWFOUNDLAND								
Total Provincial (\$ million)	16,744	18,153	20,411	21,768	4,734	4,775	4,523	4,980
Agri-Food GDP as % of Total GDP	2.30	2.52	2.45	2.28				
Agri-Food Exp. as % of Total Exp.					0.30	0.22	0.33	0.39
PRINCE EDWARD ISLAND								
Total Provincial (\$ million)	3,535	3,691	3,791	3,924	1,147	1,150	1,127	1,169
Agri-Food GDP as % of Total GDP	11.68	11.27	10.62	9.83				
Agri-Food Exp. as % of Total Exp.					3.01	3.37	2.77	2.58
NOVA SCOTIA								
Total Provincial (\$ million)	26,256	27,451	28,926	29,967	5,288	5,199	5,627	6,029
Agri-Food GDP as % of Total GDP	3.17	3.11	3.05	2.98				
Agri-Food Exp. as % of Total Exp.					0.81	0.95	0.84	0.75
NEW BRUNSWICK								
Total Provincial (\$ million)	20,245	21,098	21,878	22,561	5,603	5,718	6,057	6,345
Agri-Food GDP as % of Total GDP	4.90	5.21	5.36	5.41				
Agri-Food Exp. as % of Total Exp.					0.41	0.56	0.44	0.41
QUEBEC								
Total Provincial (\$ million)	236,402	249,474	258,368	266,809	52,414	54,921	54,509	56,121
Agri-Food GDP as % of Total GDP	3.52	3.46	3.45	3.48				
Agri-Food Exp. as % of Total Exp.					1.34	1.29	1.51	1.60
ONTARIO								
Total Provincial (\$ million)	456,851	484,209	503,121	522,078	73,883	79,396	85,308	87,080
Agri-Food GDP as % of Total GDP	3.09	3.15	3.13	3.13				
Agri-Food Exp. as % of Total Exp.					0.62	0.73	0.61	0.50
MANITOBA								
Total Provincial (\$ million)	35,357	37,790	39,704	41,643	7,439	7,635	8,131	8,687
Agri-Food GDP as % of Total GDP	7.69	6.99	6.12	6.34				
Agri-Food Exp. as % of Total Exp.					3.23	2.56	3.43	2.63
SASKATCHEWAN								
Total Provincial (\$ million)	35,343	38,847	41,389	42,816	7,785	8,376	7,690	7,700
Agri-Food GDP as % of Total GDP	8.22	8.39	8.69	8.95				
Agri-Food Exp. as % of Total Exp.					5.55	5.48	6.68	4.75
ALBERTA								
Total Provincial (\$ million)	166,481	185,977	215,352	231,011	21,751	24,153	27,226	28,312
Agri-Food GDP as % of Total GDP	3.61	3.72	3.66	3.61				
Agri-Food Exp. as % of Total Exp.					4.11	3.59	3.42	3.53
BRITISH COLUMBIA								
Total Provincial (\$ million)	135,788	146,900	157,227	165,864	25,104	26,043	26,836	28,220
Agri-Food GDP as % of Total GDP	2.24	2.17	2.26	2.29				
Agri-Food Exp. as % of Total Exp.					0.25	0.31	0.22	0.26
TOTAL - PROVINCIAL								
Total Provincial (\$ million)	1,133,003	1,213,591	1,290,169	1,348,441	205,146	217,365	227,034	234,643
Agri-Food GDP as % of Total GDP	3.51	3.52	3.49	3.50				
Agri-Food Exp. as % of Total Exp.					1.41	1.39	1.43	1.33
CANADA - FEDERAL								
Total Federal (\$ million)	1,139,192	1,219,681	1,297,474	1,355,141	189,464	210,027	208,985	198,595
Agri-Food GDP as % of Total GDP	3.55	3.55	3.52	3.54				
Agri-Food Exp. as % of Total Exp.					2.87	2.07	2.32	2.40

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

Methodology for Government Expenditures

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

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

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

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

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

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

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

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

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

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

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

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

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

Allocation of federal expenditures

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Research program expenditures include grants and contributions for scientific and technological development in the agricultural sector provided to universities, scientific organizations and individuals. Also included are expenditures related to the Matching Investment Initiative.

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

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

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

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

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

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

SECTION D

Estimates of Support to Agriculture

Table D.1: Estimate of Support to Agriculture, Canada, 2003-05

	2003	2004	2005 Preliminary
	(\$ Million)		
Total value of production (at farm gate)	29,598	31,653	31,522
of which share of MPS commodities ¹ (%)	73	74	74
Total value of consumption (at farm gate)	24,376	22,815	23,997
Producer Support Estimate (PSE)	8,332	7,410	7,289
Market price support (MPS)	3,964	3,230	3,288
of which MPS commodities ¹	2,912	2,393	2,437
Payments based on output	357	299	348
Payments based on area planted/animal numbers	432	981	513
Payments based on historical entitlements	1,407	676	179
Payments based on input use	476	536	501
Payments based on input constraints	2	47	80
Payments based on overall farming income	1,521	1,606	2,347
Miscellaneous payments	173	34	32
Percentage PSE	25	21	21
Producer Nominal Protection Coefficient (NPCp)	1.17	1.12	1.13
Producer Nominal Assistance Coefficient (NACp)	1.33	1.26	1.26
General Services Support Estimate (GSSE)	2,385	2,556	2,875
Research and development	470	470	458
Agricultural schools	288	263	266
Inspection services	595	634	749
Infrastructure	432	509	554
Marketing and promotion	600	680	848
Public stockholding	0	0	0
Miscellaneous	0	0	0
Consumer Support Estimate (CSE)	-3,699	-3,228	-3,289
Transfers to producers from consumers	-3,816	-3,227	-3,286
Other transfers from consumers	-2	-2	-3
Transfers to consumers from taxpayers	85	0	0
Excess feed cost	34	0	0
Percentage CSE	-15	-14	-14
Consumer Nominal Protection Coefficient (NPCc)	1.19	1.16	1.16
Consumer Nominal Assistance Coefficient (NACc)	1.18	1.16	1.16
Total Support Estimate (TSE)	10,803	9,966	10,163
Transfers from consumers	3,818	3,228	3,289
Transfers from taxpayers	6,986	6,740	6,878
Budget revenues	-2	-2	-3

Source: OECD, Agricultural Policies in OECD Countries: At a Glance, 2006.

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

Table D.2: Producer Support Estimate (PSE) for Selected OECD Countries, 2003-05

	2003	2004	2005 Preliminary
	Percentage PSE (% of adjusted value of production)		
Australia	5	5	5
Canada	25	21	21
European Union ¹	36	33	32
Japan	59	58	56
Mexico	19	12	14
New Zealand	2	2	3
USA	15	16	16
OECD	30	29	29

Source: OECD, Agricultural Policies in OECD Countries: At a Glance, 2006.

¹ EU 15 for 2003, EU 25 for 2004 and 2005.

Table D.3: General Services Support Estimate (GSSE) for Selected OECD Countries, 2003-05

	2003	2004	2005 Preliminary
	GSSE as a share of Total Support Estimate (%)		
Australia	32	35	35
Canada	22	26	28
European Union ¹	7	8	8
Japan	20	22	20
Mexico	12	16	13
New Zealand	42	41	38
USA	33	32	33
OECD	17	17	18

Source: OECD, Agricultural Policies in OECD Countries: At a Glance, 2006.

¹ EU 15 for 2003, EU 25 for 2004 and 2005.

Table D.4: Consumer Support Estimate (CSE) for Selected OECD Countries, 2003-05

	2003	2004	2005 Preliminary
	Percentage CSE (%) ²		
Australia	-2	-2	-2
Canada	-15	-14	-14
European Union ¹	-21	-19	-17
Japan	-53	-51	-48
Mexico	-13	-7	-8
New Zealand	-8	-8	-9
USA	8	7	11
OECD	-21	-19	-17

Source: OECD, Agricultural Policies in OECD Countries: At a Glance, 2006.

¹ EU 15 for 2003, EU 25 for 2004 and 2005.

² Percentage CSE: the ratio of total consumption expenditures on commodities domestically produced (CSE) and the value of total consumption net of budgetary support to consumers

Table D.5: Total Support Estimate for Selected OECD Countries, 2003-05

	2003	2004	2005 Preliminary
	Total Support Estimate in percentage of GDP (%)		
Australia	0.3	0.3	0.3
Canada	0.9	0.8	0.7
European Union ¹	1.2	1.2	1.1
Japan	1.4	1.3	1.3
Mexico	1.2	0.8	0.9
New Zealand	0.4	0.4	0.4
USA	0.8	0.9	0.9
OECD	1.1	1.1	1.1

Source: OECD, Agricultural Policies in OECD Countries: At a Glance, 2006.

¹ EU 15 for 2003, EU 25 for 2004 and 2005.

Table D.6: Composition of Producer Support Estimate (PSE) for Selected OECD Countries, 2003-05

		2003	2004	2005 Preliminary
		(% share in PSE)		
Australia	Market price support	0	0	0
	Payments based on output	0	0	0
	Payments based on area planted/animal numbers	2	2	2
	Payments based on historical entitlements	12	9	13
	Payments based on input use	52	57	57
	Payments based on input constraints	0	1	1
	Payments based on overall farm income	34	30	26
	Miscellaneous payments	0	0	0
Canada	Market price support	48	44	45
	Payments based on output	4	4	5
	Payments based on area planted/animal numbers	5	13	7
	Payments based on historical entitlements	17	9	2
	Payments based on input use	6	7	7
	Payments based on input constraints	0	1	1
	Payments based on overall farm income	18	22	32
	Miscellaneous payments	2	0	0
European Union¹	Market price support	53	52	44
	Payments based on output	3	3	4
	Payments based on area planted/animal numbers	28	28	21
	Payments based on historical entitlements	1	2	16
	Payments based on input use	9	9	10
	Payments based on input constraints	6	6	6
	Payments based on overall farm income	0	0	0
	Miscellaneous payments	0	-1	0
Japan	Market price support	90	91	91
	Payments based on output	3	3	3
	Payments based on area planted/animal numbers	0	0	0
	Payments based on historical entitlements	0	0	0
	Payments based on input use	3	3	3
	Payments based on input constraints	3	3	3
	Payments based on overall farm income	0	0	0
	Miscellaneous payments	0	0	0
Mexico	Market price support	53	36	43
	Payments based on output	4	4	3
	Payments based on area planted/animal numbers	4	5	4
	Payments based on historical entitlements	18	28	24
	Payments based on input use	21	27	26
	Payments based on input constraints	0	0	0
	Payments based on overall farm income	0	0	0
	Miscellaneous payments	0	0	0

Source: OECD, Agricultural Policies in OECD Countries: At a Glance, 2006

¹ EU 15 for 2003, EU 25 for 2004 and 2005.² This category includes the US counter cyclical payments.

Table D.6: Composition of Producer Support Estimate (PSE) for Selected OECD Countries, 2003-05 (cont'd)

		2003	2004	2005 Preliminary
		(% share in PSE)		
New Zealand	Market price support	81	79	74
	Payments based on output	0	0	0
	Payments based on area planted/animal numbers	0	0	0
	Payments based on historical entitlements	0	0	0
	Payments based on input use	19	19	15
	Payments based on input constraints	0	0	0
	Payments based on overall farm income	0	2	12
	Miscellaneous payments	0	0	0
USA	Market price support	29	29	20
	Payments based on output	9	14	15
	Payments based on area planted/animal numbers ²	7	13	20
	Payments based on historical entitlements	18	12	12
	Payments based on input use	23	19	20
	Payments based on input constraints	7	7	8
	Payments based on overall farm income	7	5	5
	Miscellaneous payments	0	0	0
OECD	Market price support	60	59	54
	Payments based on output	4	5	5
	Payments based on area planted/animal numbers ²	15	16	14
	Payments based on historical entitlements	5	5	11
	Payments based on input use	10	9	10
	Payments based on input constraints	5	4	5
	Payments based on overall farm income	2	1	2
	Miscellaneous payments	0	0	0

Source: OECD, Agricultural Policies in OECD Countries: At a Glance, 2006

¹ EU 15 for 2003, EU 25 for 2004 and 2005.² This category includes the US counter cyclical payments.

Table D.7: Composition of General Services Support Estimate (GSSE) for Selected OECD Countries, 2003-05

		2003	2004	2005 Preliminary
		(% share in GSSE)		
Australia	Research and development	71	71	71
	Agricultural schools	0	0	0
	Inspection services	11	11	11
	Infrastructure	15	15	15
	Marketing and promotion	1	1	1
	Public stockholding	0	0	0
	Miscellaneous	2	2	2
Canada	Research and development	20	18	16
	Agricultural schools	12	10	9
	Inspection services	25	25	26
	Infrastructure	18	20	19
	Marketing and promotion	25	27	29
	Public stockholding	0	0	0
	Miscellaneous	0	0	0
European Union¹	Research and development	18	17	17
	Agricultural schools	11	11	11
	Inspection services	4	5	4
	Infrastructure	25	26	29
	Marketing and promotion	29	27	27
	Public stockholding	12	10	8
	Miscellaneous	2	4	4
Japan	Research and development	6	6	7
	Agricultural schools	2	1	1
	Inspection services	1	1	1
	Infrastructure	80	81	78
	Marketing and promotion	2	2	2
	Public stockholding	2	2	2
	Miscellaneous	8	7	9
Mexico	Research and development	17	17	18
	Agricultural schools	21	22	21
	Inspection services	15	20	23
	Infrastructure	13	14	11
	Marketing and promotion	34	26	26
	Public stockholding	0	0	0
	Miscellaneous	1	1	1

Source: OECD, Agricultural Policies in OECD Countries: At a Glance, 2006

¹ EU 15 for 2003, EU 25 for 2004 and 2005.

Table D.7: Composition of General Services Support Estimate (GSSE) for Selected OECD Countries, 2003-05 (cont'd)

		2003	2004	2005 Preliminary
		(% share in GSSE)		
New Zealand	Research and development	47	44	37
	Agricultural schools	7	8	9
	Inspection services	33	34	30
	Infrastructure	13	13	24
	Marketing and promotion	0	0	0
	Public stockholding	0	0	0
	Miscellaneous	0	1	0
USA	Research and development	7	6	6
	Agricultural schools	0	0	0
	Inspection services	3	2	2
	Infrastructure	16	18	15
	Marketing and promotion	67	66	70
	Public stockholding	1	0	0
	Miscellaneous	7	7	6
OECD	Research and development	10	10	10
	Agricultural schools	3	3	3
	Inspection services	4	4	4
	Infrastructure	33	34	30
	Marketing and promotion	41	40	45
	Public stockholding	4	3	3
	Miscellaneous	6	6	6

Source: OECD, Agricultural Policies in OECD Countries: At a Glance, 2006

¹ EU 15 for 2003, EU 25 for 2004 and 2005.

Methodology for OECD Support Indicators

Since 1987, the Organisation for Economic Cooperation and Development (OECD) has measured support for agriculture using the Producer Support Estimate and Consumer Support Estimate. This method makes it possible to evaluate government measures or programs arising from the agricultural policies of the various OECD member countries according to their implementation criteria, independently of their objectives and effects.

Classification and definitions

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

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

The PSE measures support arising from policies targeted at agriculture relative to a situation without such policies, i.e. one in which producers are subject only to general policies (including economic, social, environmental and tax policies) of the country. Its main components are described in the paragraphs below.

- **Market Price Support (MPS):** indicator of the value of gross transfers from consumers and taxpayers to agricultural producers arising from policy measures that create a gap between domestic market prices and border prices of a specific agricultural commodity. Hence MPS takes the form of an increase in the price levied by the producers and paid by the consumers of the commodity. The total amount of the support paid is increased as the volumes produced are increased. MPS is the only form of support that has a simultaneous impact on the production and consumption of a product.
- **Payments based on output:** indicator of the value of gross transfers from taxpayers to agricultural producers arising from policy measures based on current output of a specific agricultural commodity or a specific group of agricultural commodities. This type of payment

increases the price levied by producers, and consequently has the same impact as MPS on current output, but has no impact on consumption.

- **Payments based on area planted/animal numbers:** indicator of the value of gross transfers from taxpayers to agricultural producers arising from policy measures based on area or number of animals, in respect of a specific agricultural commodity or a specific group of agricultural commodities. This type of payment is determined in terms of areas planted or animal numbers in the year considered.
- **Payments based on historical entitlements:** indicator of the value of gross transfers from taxpayers to agricultural producers arising from policy measures based on historical support, area, animal numbers or production of a specific agricultural commodity or a specific group of agricultural commodities, without any obligation to continue planting or producing such commodities.
- **Payments based on input use:** indicator of the value of gross transfers from taxpayers to agricultural producers arising from policy measures based on the use of a specific input or a specific group of inputs. This type of payment reduces the cost of the inputs used by producers.
- **Payments based on input constraints:** indicator of the value of gross transfers from taxpayers to agricultural producers arising from policy measures based on constraints on the use of a specific input or a specific group of inputs, through constraining the choice of production techniques. These payments are conditional on the farmers' application of certain constraints (reduction, replacement, or withdrawal) on the use of inputs.
- **Payments based on overall farming income:** indicator of the value of transfers from taxpayers to agricultural producers arising from policy measures based on overall farming income (or revenue), without constraints or conditions to produce specific commodities or to use specific inputs.
- **Miscellaneous payments:** indicator of the value of all transfers from taxpayers to agricultural producers that cannot be disaggregated and

allocated to the other categories of transfers to producers. These are payments to producers which cannot be disaggregated due to lack of adequate information.

The Producer Support Estimate (PSE) by country can be expressed in different ways:

- In monetary terms: **PSE**;
- As a ratio to the value of total gross farm receipts, measured by the value of total production plus budgetary support: **Percentage PSE**;
- A ratio between the value of total gross farm receipts including support, and production valued at world market prices without support: **Producer Nominal Assistance Coefficient (NACp)**.

The **Producer Nominal Protection Coefficient (NPCp)** is the ratio between the average price received by producers (at farm gate), including payments per tonne of current output, and the border price (measured at farm gate).

General Services Support Estimate (GSSE): indicator of the value of gross transfers to general services provided to agriculture. These payments are intended for the agriculture sector generally, and not individual farmers.

The payments include transfers for improving agricultural production (Research and development), agricultural training and education (Agricultural schools), control of quality and safety of food, agricultural inputs and the environment (Inspection services), improvement of off-farm collective infrastructures, including downstream and upstream industry (Infrastructures), marketing and promotion assistance (Marketing and promotion), depreciation and disposal of public storage of agricultural products (Public stockholding) and other general services that cannot be disaggregated and allocated to the above categories due to lack of adequate information (Miscellaneous).

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

The percentage GSSE is defined as the share of support to general services provided to agriculture in the total support to agriculture (TSE).

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

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

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

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

The Consumer Support Estimate (CSE) by country can be expressed in different ways:

- In monetary terms: **CSE**;
- As ratio of the total value of consumption expenditure on commodities domestically produced, measured by the value of total consumption, minus budgetary support to consumers: **Percentage CSE**
- A ratio between the total value of consumption expenditure on commodities domestically produced, including support to producers, and consumption valued at world market prices, without budgetary support to consumers: **Consumer Nominal Assistance Coefficient (NACc)**.

The **Consumer Nominal Protection Coefficient (NPCc)** is the ratio between the average price paid by consumers (at farm gate) and the border price (measured at farm gate).

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

The TSE is the sum of the following transfers:

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

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

The percentage TSE is defined as the share of total support to agriculture in the total GDP.

Treatment of taxes and levies

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

The case of negative support

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

Meaning and interpretation of the main indicators

PSE and producer NAC

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

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

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

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

CSE and consumer NAC

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

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

times what it would be if conducted entirely at world market prices without any budgetary support to consumers.

Calculating MPS

Market price support is only calculated where there are policies that alter the transmission of the general macro-economic conditions to agricultural producers and create a "price gap" with transfers from consumers to producers.

Percentage GSSE and TSE

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

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

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

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