



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada



Farm Income, Financial Conditions and Government Assistance

Data Book

Canada 

December 2008

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

Research and Analysis Directorate
Strategic Policy Branch

December 2008

Farm Income, Financial Conditions and Government Assistance Data Book

December 2008

Research and Analysis Directorate
Strategic Policy Branch

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.

Publication No. 10568B
Catalogue No. A21-44/2008E-PDF
ISBN No. 978-1-100-11426-2
ISSN No. 1482-9770

TABLE OF CONTENTS

INTRODUCTION	1
 SECTION A	
Farm Income	3
Methodology for Farm Income	13
 SECTION B	
Farm Financial Conditions	15
Methodology for Farm Financial Conditions	28
 SECTION C	
Government Expenditures in Support of the Agri-Food Sector	29
Methodology for Government Expenditures	46
 SECTION D	
Estimates of Support to Agriculture	51
Methodology for OECD Support Indicators	61

LIST OF TABLES

SECTION A: Farm Income

Table A.1: Farm Cash Receipts, Expenses and Income, Canada and Provinces, 1999-2007	5
Table A.2: Gross Direct Payments and Producer Premiums, Canada and Provinces, 2002-07	8
Table A.3: Average Total Operating Revenues, Operating Expenses and Net Operating Income per Farm, Canada and Provinces, 2004-06	10
Table A.4: Average Operating Revenues, Operating Expenses and Net Operating Income per Farm by Farm Type, Canada, 2004-06	11
Table A.5: Average Farm Family Income by Source and Income Group, Unincorporated Farms, Canada, 2005.	12

SECTION B: Farm Financial Conditions

Table B.1: Farm Debt, Canada and Provinces, 1998-2007.	17
Table B.2: Farm Bankruptcies by Province, 1993-2007	18
Table B.3: Farm Credit Canada (FCC) Loans Receivable Portfolio, 2001-02 to 2006-07.	19
Table B.4: New Loans Registered Under the Farm Improvement and Marketing Cooperatives Loans Act (FIMCLA), 1999-2000 to 2006-07	20
Table B.5: Average Assets, Liabilities, Net Worth and Net New Investment, by Farm Type, Canada and Provinces, 2003, 2004 and 2005.	21
Table B.6: Comparison of Selected Average Fertilizer and Fuel Prices Between Manitoba and Minnesota/North Dakota, 2007 and 2008	26
Table B.7: Comparison of Selected Average Fertilizer and Fuel Prices Between Ontario and Michigan/Ohio/Indiana, 2007 and 2008	26
Table B.8: Agricultural Inputs, Canada, 2003-07.	27

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, 2001-02 to 2008-09	31
Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2005-06 to 2008-09.	33
Table C.3: Research and Inspection in Support of the Agri-Food Sector, Canada and Provinces, 2005-06 to 2008-09	39
Table C.4: Government Expenditures to the Agri-Food Sector as a Percentage of Agriculture and Agri-Food GDPs, Canada and Provinces, 2005-06 to 2008-09	43
Table C.5: Total GDP and Total Government Expenditures, Canada and Provinces, 2005-06 to 2008-09	45

SECTION D: Estimates of Support to Agriculture

Table D.1: Estimate of Support to Agriculture, Canada, 2005-07	53
Table D.2: Producer Support Estimate (PSE) for Selected OECD Countries, 2005-07	54
Table D.3: Composition of Producer Support Estimate (PSE) for Selected OECD Countries, 2005-07	55
Table D.4: Single Commodity Transfers (Percentage SCT) for Selected OECD Countries, 2005-07	57
Table D.5: General Services Support Estimate (GSSE) for Selected OECD Countries, 2005-07	57
Table D.6: Composition of General Services Support Estimate (GSSE) for Selected OECD Countries, 2005-07.	58
Table D.7: Consumer Support Estimate (CSE) for Selected OECD Countries, 2005-07	60
Table D.8: Total Support Estimate (TSE) for Selected OECD Countries, 2005-07	60

LIST OF FIGURES

SECTION A: Farm Income

Figure A.1(a): Net Cash Income (Current Dollars), Canada, 1997-2007	7
Figure A.1(b): Net Cash Income (2002 Dollars), Canada, 1997-2007	7

SECTION B: Farm Financial Conditions

Figure B.1: Lender Shares as a Percentage of Farm Debt, Canada, as of December 31, 2003-07	17
Figure B.2: Distribution of Farm Bankruptcies by Province, 2007	18
Figure B.3: Distribution of the Amount of FCC Loans Receivable, by Province, as of March 31, 2007	19
Figure B.4: Distribution of the Amount of New Loans Registered under FIMCLA, by Province, Fiscal Year 2006	20
Figure B.5: FCC Mortgage Rate and Prime Interest Rate, 1999-2008	25

SECTION C: Government Expenditures in Support of the Agri-Food Sector

Figure C.1: Federal and Provincial Government Expenditures in Support of the Agri-Food Sector, Canada and Provinces, 2001-02 to 2008-09	31
Figure C.2: Federal and Provincial Government Expenditures by Major Category	32
Figure C.3: Government Expenditures to the Agri-Food Sector as a Percentage of Agriculture and Agri-Food GDPs	44

ABBREVIATIONS

AMPA	Agricultural Marketing Programs Act	GDP	Gross Domestic Product
CAIS	Canadian Agricultural Income Stabilization Program	GSSE	General Services Support Estimate
CSE	Consumer Support Estimate	NAC	Nominal Assistance Coefficient
CWB	Canadian Wheat Board	NISA	Net Income Stabilization Account
EDC	Export Development Corporation	PSE	Producer Support Estimate
FCC	Farm Credit Canada	TDP	Taxation Data Program
FIMCLA	Farm Improvement and Marketing Cooperatives Loans Act	TSE	Total Support Estimate

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.

CONTACTS

SECTION A: Farm Income

Farm Income at the Aggregate Level

Robert Koroluk
Tel.: 613-759-1889
Internet: korolur@agr.gc.ca

Farm Family Income and Farm Income at the Farm Level

Lorraine Hope
Tel.: 613-715-5532
Internet: hopel@agr.gc.ca

SECTION B: Financial Conditions

Farm Debt, Bankruptcies, Farm Credit Canada (FCC) Loans and the Farm Improvement and Marketing Cooperatives Loans Act (FIMCLA)

Joe King
Tel.: 613-759-7277
Internet: kingjoe@agr.gc.ca

Average Assets, Liabilities, Net Worth and Net New Investment

John Caldwell
Tel.: 613-759-1923
Internet: caldwej@agr.gc.ca

FCC Mortgage Rate, Fertilizer and Fuel Prices, and Expenses

Xianqiang Zhang
Tel.: 613-759-7367
Internet: zhangx@agr.gc.ca

SECTION C: Government Expenditures in Support of the Agri-Food Sector

Luc Tanguay
Tel.: 613-759-7114
Internet: tangual@agr.gc.ca

SECTION D: Estimates of Support to Agriculture

Luc Tanguay
Tel.: 613-759-7114
Internet: tangual@agr.gc.ca



SECTION A

Farm Income

Table A.1: Farm Cash Receipts, Expenses and Income, Canada and Provinces, 1999-2007

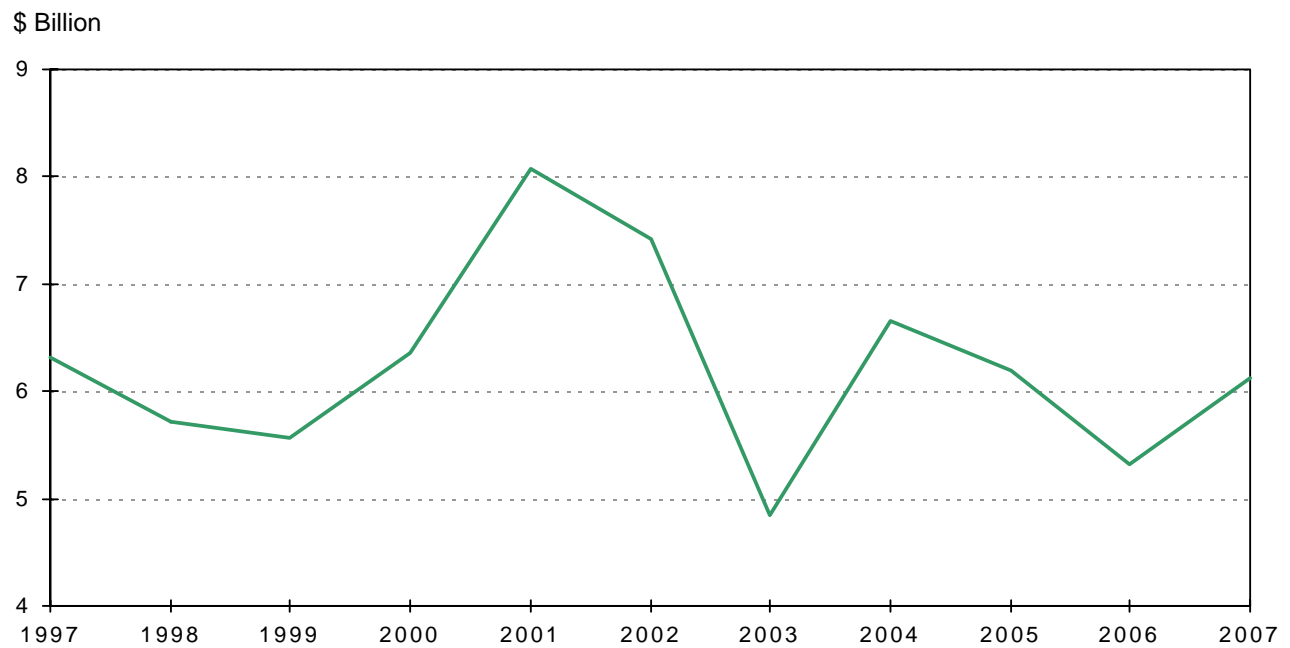
	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
Crop Receipts											
1999	14	224	138	186	1,263	3,158	1,401	3,665	2,331	837	13,218
2000	15	186	139	168	1,257	3,356	1,313	3,375	2,344	910	13,062
2001	16	151	121	192	1,273	3,251	1,519	3,784	2,290	994	13,591
2002	22	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	137	178	1,458	3,607	1,805	3,268	2,606	1,202	14,464
2005	15	196	131	187	1,441	3,632	1,284	3,107	2,372	1,099	13,464
2006	16	233	130	217	1,498	3,879	1,288	3,647	2,584	1,068	14,562
2007	17	214	122	196	1,591	4,200	2,188	5,104	3,410	1,124	18,168
Livestock Receipts											
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	4,009	4,350	1,642	1,483	3,960	1,014	17,144
2005	75	125	301	206	3,995	4,470	1,805	1,791	4,343	1,186	18,297
2006	79	122	304	201	3,850	4,354	1,769	1,729	4,271	1,138	17,815
2007	87	127	311	216	4,025	4,501	1,713	1,632	4,413	1,174	18,200
Total Market Receipts											
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	5,468	7,957	3,446	4,751	6,566	2,216	31,608
2005	90	321	432	393	5,435	8,102	3,089	4,898	6,715	2,285	31,760
2006	95	354	433	419	5,348	8,233	3,057	5,376	6,855	2,206	32,376
2007	104	341	433	412	5,617	8,702	3,900	6,736	7,823	2,299	36,367
Program Payments											
1999	0	19	15	6	653	333	216	476	218	41	1,976
2000	0	17	12	6	541	422	287	777	708	39	2,809
2001	1	59	18	6	624	777	382	1,020	819	60	3,766
2002	1	24	11	8	468	623	219	1,004	1,039	31	3,429
2003	1	23	16	12	875	585	308	1,600	1,368	59	4,848
2004	1	40	25	36	835	674	430	1,190	1,443	188	4,862
2005	1	46	27	40	749	800	699	1,323	1,117	120	4,923
2006	1	21	15	34	858	662	626	1,267	945	105	4,534
2007	1	23	16	31	1,134	594	413	871	907	101	4,090
Total Cash Receipts											
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	6,302	8,631	3,876	5,941	8,009	2,403	36,471
2005	91	367	459	433	6,185	8,903	3,788	6,221	7,832	2,405	36,684
2006	95	376	448	452	6,206	8,896	3,683	6,644	7,800	2,311	36,910
2007	105	364	449	444	6,751	9,296	4,313	7,606	8,730	2,399	40,458

Source: Statistics Canada, Catalogue Nos. 21-010-XIE and 21-011-XIE, Agriculture Economic Statistics, May 2008.

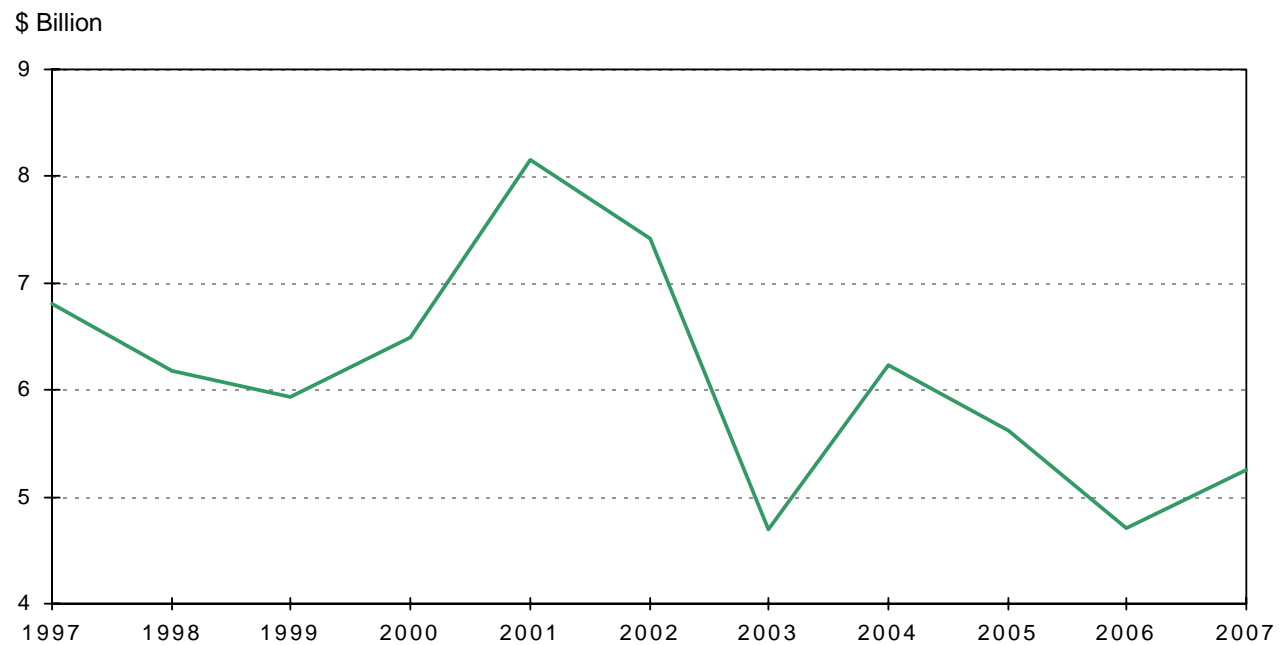
Table A.1: Farm Cash Receipts, Expenses and Income, Canada and Provinces, 1999-2007 (cont'd)

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
Net Operating Expenses											
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	5,043	7,341	3,139	5,011	6,194	1,946	29,824
2005	85	331	386	375	5,006	7,478	3,054	5,273	6,470	2,040	30,498
2006	92	345	401	391	5,227	7,710	3,266	5,418	6,714	2,086	31,650
2007	106	358	424	415	5,713	8,115	3,589	5,986	7,287	2,243	34,237
Net Cash Income											
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	1,260	1,290	737	930	1,815	457	6,646
2005	6	36	73	58	1,178	1,424	733	948	1,362	366	6,186
2006	4	30	46	61	978	1,185	417	1,225	1,087	225	5,260
2007	-1	6	25	29	1,038	1,181	723	1,620	1,443	156	6,221
Realized Net Income											
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	-10	21	12	718	247	342	23	718	203	2,274
2005	1	-3	21	15	597	347	333	45	235	107	1,697
2006	-2	-10	-5	18	415	102	21	331	-56	-42	771
2007	-7	-33	-27	-15	462	93	341	697	281	-117	1,675
Total Net Income											
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	3	-5	17	2	846	514	278	842	1,216	176	3,889
2005	1	-22	19	25	546	342	107	673	532	63	2,286
2006	-1	18	-8	41	325	-34	304	-258	-378	-77	-68
2007	-7	-54	-26	-25	510	-180	166	316	-202	-129	369

Source: Statistics Canada, Catalogue Nos. 21-010-XIE and 21-011-XIE, Agriculture Economic Statistics, May 2008.

Figure A.1(a): Net Cash Income (Current Dollars), Canada, 1997-2007

Source: Statistics Canada, Catalogue No. 21-010-XIE, Agriculture Economic Statistics, May 2008.

Figure A.1(b): Net Cash Income (2002 Dollars), Canada, 1997-2007

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, 2002-07

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
2002											
Crop Insurance ¹	0	6	0	1	42	219	77	580	477	5	1,407
NISA	0	9	6	4	11	170	78	216	110	12	616
Dairy	0	0	0	0	4	3	0	0	1	0	9
Income Disaster	0	9	2	1	6	58	46	138	114	11	387
Provincial Stabilization	0	0	0	0	395	0	0	0	0	0	396
Other Payments ²	1	0	2	2	10	174	18	69	336	2	615
Total Program Payments	1	24	11	8	468	623	219	1,004	1,039	31	3,429
Input Rebates	0	0	0	0	79	13	0	17	11	0	119
Total Payments	1	24	11	8	547	636	219	1,020	1,050	31	3,548
Producer Premiums	0	2	0	0	82	46	52	176	123	3	485
2003											
Crop Insurance ¹	0	1	1	1	47	119	86	929	519	4	1,707
NISA	0	7	8	6	15	191	87	246	148	16	723
Dairy	0	0	0	0	0	0	0	0	0	0	0
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	88	5	1	0	19	0	113
Total Payments	1	40	25	36	923	680	431	1,190	1,461	188	4,975
Producer Premiums	0	3	0	0	196	54	81	207	156	3	700

Source: Statistics Canada, Catalogue No. 21-015-XIE, Agriculture Economic Statistics, May 2008.

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, 2002-07 (cont'd)

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
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	62	0	0	0	0	62
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	800	699	1,323	1,117	120	4,923
Input Rebates	0	0	1	0	96	5	20	0	17	0	138
Total Payments	1	46	28	40	845	806	718	1,323	1,134	120	5,062
Producer Premiums	0	3	0	2	123	44	59	216	159	3	610
2006											
Production Insurance ¹	0	6	2	6	56	41	146	143	189	14	600
CAIS	1	10	9	22	181	249	258	446	360	71	1,606
NISA	0	3	3	4	7	72	47	109	63	9	317
Income Disaster	0	2	1	1	42	264	148	402	288	6	1,154
Provincial Stabilization	0	0	0	0	497	0	0	0	0	0	497
Other Payments ²	0	0	0	0	76	36	27	168	46	5	359
Total Program Payments	1	21	15	34	858	662	626	1,267	945	105	4,534
Input Rebates	0	0	1	0	102	5	23	0	17	0	148
Total Payments	1	21	15	34	960	667	649	1,267	962	105	4,681
Producer Premiums	0	4	0	2	161	42	69	200	158	4	640
2007											
Production Insurance ¹	0	10	2	7	62	81	67	120	209	17	574
CAIS	0	7	5	14	176	201	139	214	310	44	1,111
NISA	0	3	2	3	6	63	37	95	57	7	272
Income Disaster	0	4	7	7	44	248	144	295	258	31	1,038
Provincial Stabilization	0	0	0	0	838	0	0	0	0	0	838
Other Payments ²	0	0	1	0	8	1	26	146	73	3	258
Total Program Payments	1	23	16	31	1,134	594	413	871	907	101	4,090
Input Rebates	0	0	1	0	110	5	19	0	14	0	148
Total Payments	1	23	17	31	1,244	599	431	871	921	101	4,239
Producer Premiums	0	3	1	3	270	53	89	247	175	4	845

Source: Statistics Canada, Catalogue No. 21-015-XIE, Agriculture Economic Statistics, May 2008.

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, 2004-06

Province	2004	2005	2006	06/05
	- Dollars per farm -			
Newfoundland and Labrador				
Operating revenues	421,335	471,209	519,477	10%
Operating expenses	387,893	422,692	489,647	16%
Net operating income	33,442	48,518	29,830	-39%
Prince Edward Island				
Operating revenues	285,619	307,827	334,080	9%
Operating expenses	259,332	273,147	296,783	9%
Net operating income	26,287	34,681	37,298	8%
Nova Scotia				
Operating revenues	218,847	226,468	252,607	12%
Operating expenses	184,201	191,813	214,502	12%
Net operating income	34,646	34,656	38,105	10%
New Brunswick				
Operating revenues	274,304	303,288	312,767	3%
Operating expenses	234,856	256,048	265,902	4%
Net operating income	39,448	47,240	46,865	-1%
Quebec				
Operating revenues	282,385	293,611	301,881	3%
Operating expenses	239,899	244,752	257,303	5%
Net operating income	42,486	48,859	44,577	-9%
Ontario				
Operating revenues	229,346	237,427	257,646	9%
Operating expenses	201,810	205,677	225,105	9%
Net operating income	27,536	31,750	32,541	2%
Manitoba				
Operating revenues	240,278	235,277	252,901	7%
Operating expenses	204,442	203,949	228,823	12%
Net operating income	35,836	31,328	24,078	-23%
Saskatchewan				
Operating revenues	130,667	143,212	155,844	9%
Operating expenses	111,773	123,497	131,538	7%
Net operating income	18,893	19,716	24,305	23%
Alberta				
Operating revenues	205,726	230,103	258,588	12%
Operating expenses	176,201	203,009	230,472	14%
Net operating income	29,525	27,095	28,116	4%
British Columbia				
Operating revenues	250,637	271,068	298,986	10%
Operating expenses	225,396	243,326	266,474	10%
Net operating income	25,241	27,742	32,512	17%
Canada				
Operating revenues	210,184	223,861	242,928	9%
Operating expenses	181,400	193,812	212,274	10%
Net operating income	28,784	30,050	30,655	2%

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

Table A.4: Average Operating Revenues, Operating Expenses and Net Operating Income per Farm by Farm Type, Canada, 2004-06

Farm Type	2004	2005	2006	06/05
	- Dollars per farm -			
Dairy cattle and milk production				
Operating revenues	340,336	375,817	403,114	7%
Operating expenses	262,184	281,933	307,232	9%
Net operating income	78,152	93,885	95,881	2%
Beef cattle ranching and farming				
Operating revenues	155,729	170,083	190,486	12%
Operating expenses	143,445	158,616	181,242	14%
Net operating income	12,284	11,468	9,245	-19%
Hog and pig farming				
Operating revenues	898,544	943,310	958,250	2%
Operating expenses	817,137	834,111	898,357	8%
Net operating income	81,407	109,199	59,893	-45%
Poultry and egg production				
Operating revenues	804,466	830,282	835,889	1%
Operating expenses	701,859	707,893	731,708	3%
Net operating income	102,608	122,389	104,182	-15%
Oilseed and grain farming				
Operating revenues	141,396	149,224	163,766	10%
Operating expenses	116,322	126,157	135,740	8%
Net operating income	25,074	23,066	28,026	22%
Potato farming				
Operating revenues	619,287	726,091	771,448	6%
Operating expenses	542,695	606,402	653,712	8%
Net operating income	76,592	119,688	117,735	-2%
Fruit and tree nut farming				
Operating revenues	160,337	168,139	181,866	8%
Operating expenses	139,359	149,322	153,937	3%
Net operating income	20,978	18,817	27,929	48%
Other vegetable and melon farming				
Operating revenues	307,043	312,344	375,630	20%
Operating expenses	269,459	268,285	319,075	19%
Net operating income	37,584	44,059	56,555	28%
Greenhouse, nursery and floriculture production				
Operating revenues	721,390	784,648	902,752	15%
Operating expenses	656,944	712,740	812,471	14%
Net operating income	64,446	71,908	90,281	26%
All Farm Types				
Operating revenues	210,184	223,861	242,928	9%
Operating expenses	181,400	193,812	212,274	10%
Net operating income	28,784	30,050	30,655	2%

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

Table A.5: Average Farm Family Income by Source and Income Group¹, Unincorporated Farms, Canada, 2005

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	5,800	4.5	12,950	2,034	3,378	4,463	22,825	-48,300	-25,475
\$10,000 - \$19,999	5,420	4.2	8,466	1,343	7,335	3,822	20,967	-5,031	15,935
\$20,000 - \$29,999	9,270	7.1	11,397	2,155	9,208	3,503	26,262	-918	25,343
\$30,000 - \$39,999	11,900	9.1	13,581	2,732	9,968	4,161	30,441	5,220	35,661
\$40,000 - \$49,999	12,670	9.7	19,342	2,793	9,862	4,514	36,512	8,961	45,473
\$50,000 - \$99,999	50,230	38.6	38,263	4,005	9,019	4,979	56,266	16,783	73,049
\$100,000 +	34,800	26.8	96,538	12,974	7,583	7,549	124,643	44,590	169,233
TOTAL	130,090	100.0	45,464	5,839	8,496	5,370	65,169	17,332	82,500
Small Farms (Revenues \$10,000-\$49,999)									
Under \$10,000 ⁴	2,080	3.4	9,427	1,559	4,536	3,642	19,164	-25,895	-6,731
\$10,000 - \$19,999	3,320	5.4	6,315	1,619	9,826	3,191	20,951	-4,727	16,224
\$20,000 - \$29,999	5,870	9.5	10,773	2,238	12,018	3,173	28,202	-2,906	25,296
\$30,000 - \$39,999	7,310	11.9	13,576	3,038	13,225	3,898	33,738	1,282	35,020
\$40,000 - \$49,999	6,840	11.1	22,342	3,152	13,291	4,166	42,951	2,199	45,149
\$50,000 - \$99,999	23,120	37.6	48,784	5,008	12,882	4,263	70,936	434	71,370
\$100,000 +	12,940	21.1	133,435	15,332	10,005	6,371	165,143	-863	164,279
TOTAL	61,470	100.0	52,209	6,175	11,834	4,469	74,687	-1,028	73,658
Medium Farms (Revenues \$50,000-\$99,999)									
Under \$10,000 ⁴	1,300	5.4	14,466	2,023	3,467	4,037	23,992	-35,651	-11,659
\$10,000 - \$19,999	1,000	4.2	10,826	1,345	3,505	4,018	19,693	-3,970	15,723
\$20,000 - \$29,999	1,740	7.2	12,512	2,059	4,812	3,389	22,773	1,960	24,733
\$30,000 - \$39,999	2,310	9.6	13,858	1,845	5,779	4,368	25,850	9,966	35,816
\$40,000 - \$49,999	2,670	11.1	18,527	3,010	7,724	4,590	33,850	12,106	45,956
\$50,000 - \$99,999	9,770	40.6	38,631	4,064	8,895	5,010	56,599	16,280	72,879
\$100,000 +	5,260	21.9	116,380	15,879	8,491	7,782	148,533	14,711	163,244
TOTAL	24,070	100.0	46,667	5,949	7,564	5,297	65,476	10,169	75,645
Large Farms (Revenues \$100,000+)									
Under \$10,000 ⁴	2,430	5.5	15,138	2,445	2,345	5,388	25,315	-73,942	-48,627
\$10,000 - \$19,999	1,100	2.5	12,807	..	3,328	5,551	22,196	-6,869	15,327
\$20,000 - \$29,999	1,650	3.7	12,441	1,957	3,838	4,799	23,035	3,119	26,154
\$30,000 - \$39,999	2,280	5.1	13,313	2,649	3,774	4,792	24,528	13,010	37,538
\$40,000 - \$49,999	3,150	7.1	13,516	1,830	4,229	5,205	24,781	21,013	45,794
\$50,000 - \$99,999	17,330	38.9	24,020	2,635	3,937	5,916	36,508	38,893	75,401
\$100,000 +	16,600	37.3	61,513	10,216	5,410	8,392	85,531	89,566	175,097
TOTAL	44,550	100.0	35,511	5,316	4,393	6,652	51,871	46,531	98,402

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 2002 Dollars

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The following members and/or families are excluded:

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

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

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



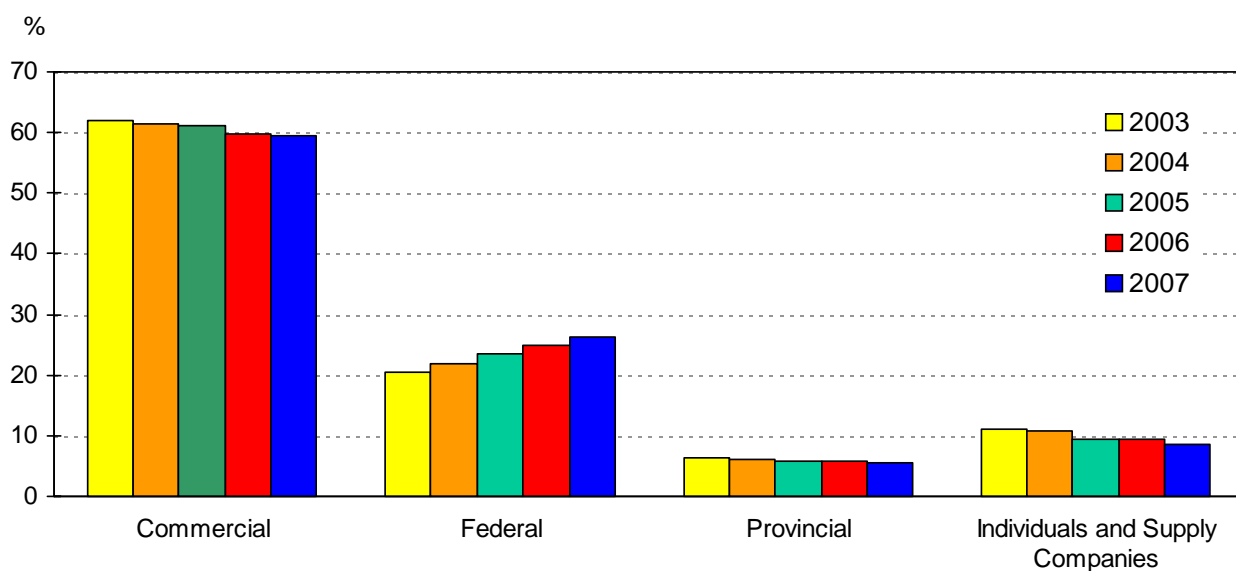
SECTION B

Farm Financial Conditions

Table B.1: Farm Debt, Canada and Provinces, 1998-2007

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
- \$ Million -											
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	75	656	656	604	10,187	12,525	5,369	6,965	10,419	2,594	50,050
2006	90	631	670	603	10,597	12,747	5,729	7,265	10,902	2,904	52,139
2007	112	620	722	630	10,901	13,315	6,066	7,314	11,093	3,427	54,199

Source: Statistics Canada, Catalogue No. 21-014-XIE Agriculture Economic Statistics, May 2008.

Figure B.1: Lender Shares as a Percentage of Farm Debt, Canada, as of December 31, 2003-07

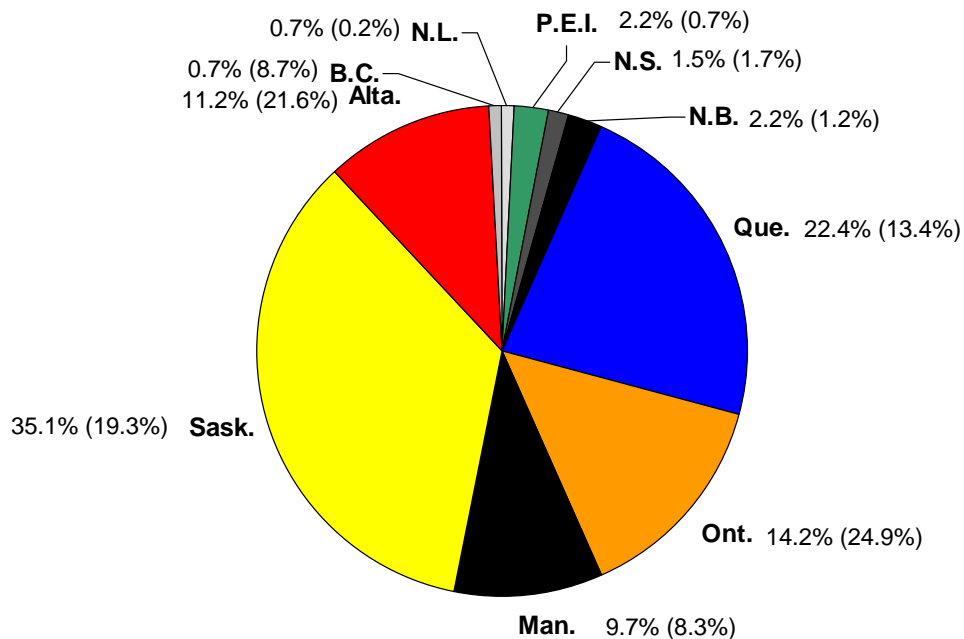
Source: Statistics Canada, Catalogue No. 21-014-XIE, Agriculture Economic Statistics, May 2008.

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

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	NWT/ Yukon	Canada
1993	1	7	4	2	49	22	13	166	80	5	0	349
1994	0	3	2	3	67	15	7	132	68	11	0	308
1995	1	0	8	5	33	23	10	94	87	12	0	273
1996	0	0	5	4	54	17	24	95	75	1	0	275
1997	0	4	6	4	54	15	19	76	61	4	0	243
1998	0	1	4	1	47	12	27	92	55	5	0	244
1999	0	1	2	2	42	17	29	99	45	6	0	243
2000	0	1	4	2	40	20	18	76	38	14	0	213
2001	1	2	4	0	57	23	19	64	44	6	0	220
2002	0	2	1	4	28	30	41	50	32	9	0	197
2003	0	1	4	1	46	22	28	59	46	15	0	222
2004	0	6	3	2	31	34	27	64	56	4	0	227
2005	0	3	0	2	33	25	26	75	66	6	0	236
2006	0	6	1	4	37	29	36	79	16	8	0	216
2007	1	3	2	3	30	19	13	47	15	1	0	134

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.

Figure B.2: Distribution of Farm Bankruptcies by Province, 2007


Sources: Office of the Superintendent of Bankruptcy and Statistics Canada, 2006 Census of Agriculture.

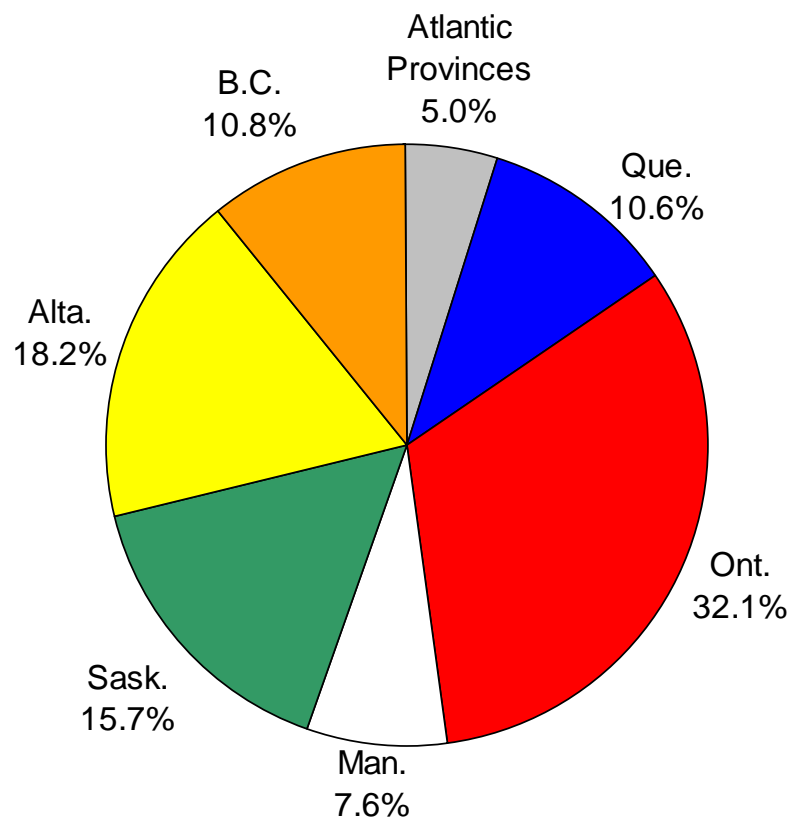
Note: The percent of farms by province in 2006 is indicated in brackets. It is based on the 2006 Census of Agriculture.

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

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Number of loans receivable	75,888	78,442	87,423	90,492	95,768	101,470
Amount receivable (\$million)	7,709	8,804	10,039	11,150	12,310	13,550
Number of loans approved	16,753	25,133	26,529	27,948	28,634	28,684
Amount of loans approved (\$million)	2,102	2,561	2,862	3,067	3,317	3,715
Average size of loans approved (\$)	125,470	101,914	107,871	109,747	115,852	129,504

Source: Farm Credit Canada.

Figure B.3: Distribution of the Amount of FCC Loans Receivable, by Province, as of March 31, 2007



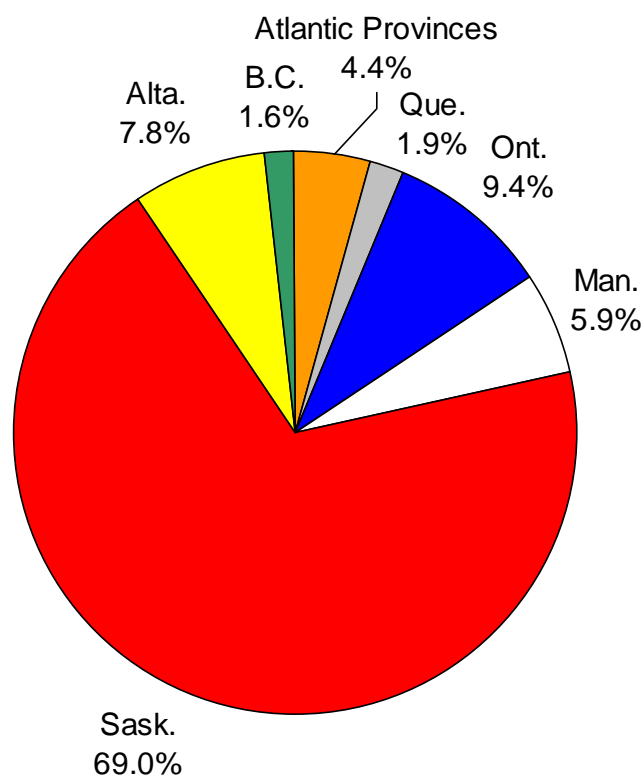
Source: Farm Credit Canada.

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

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

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

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



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

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

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

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

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

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

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

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

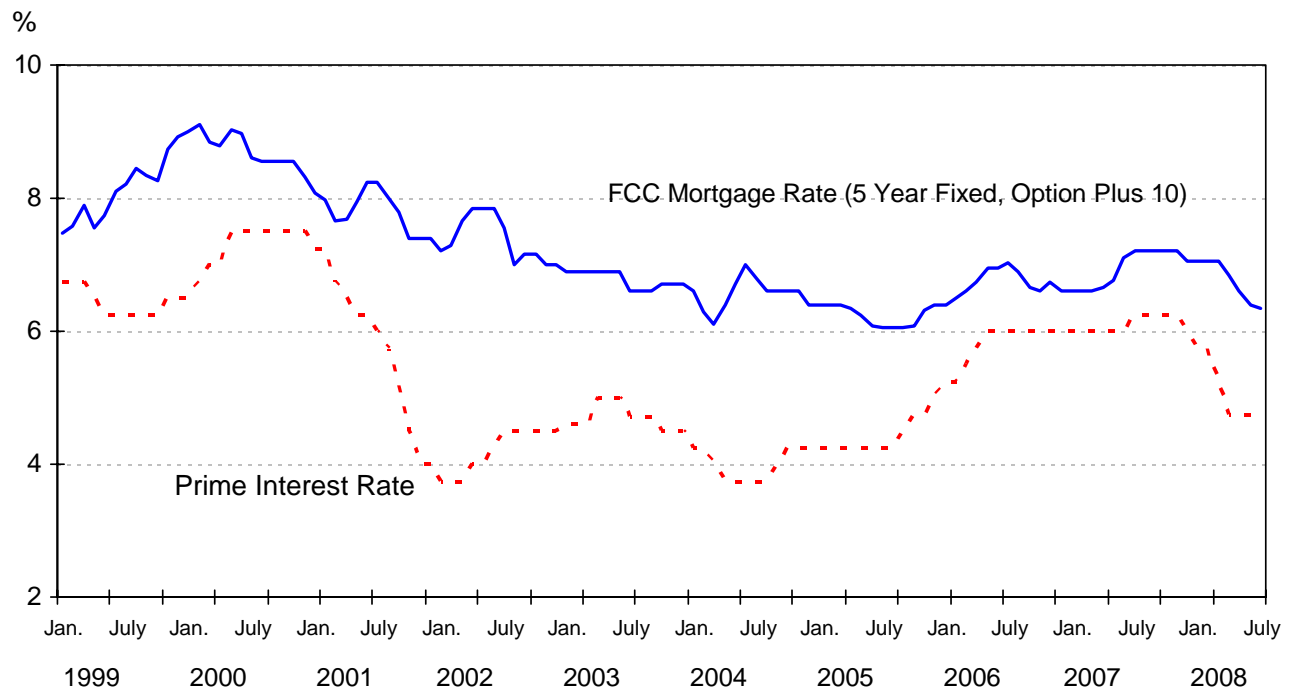
	Dairy	Beef	Hog	Poultry	Fruit and Vegetable	Potato	Grain	All Farms
MANITOBA								
Farm Assets								
- 2003	2,323,273	559,137	1,904,976	1,673,881		4,921,225	1,108,437	997,259
- 2004	2,420,845	538,604	2,492,281	2,696,400		5,140,117	1,048,786	988,550
- 2005	2,658,580	608,390	3,150,390	1,729,280		6,247,600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

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

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

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

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

Figure B.5: FCC Mortgage Rate and Prime Interest Rate, 1999-2008

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, 2007 and 2008

	Manitoba		Minnesota/North Dakota	
	Summer 08	Summer 07	Summer 08	Summer 07
Nitrogen (Cdn\$/tonne)				
Anhydrous Ammonia (82-0-0)	1,312.31	864.92	1,268.05	624.52
Urea (46-0-0)	854.12	590.11	804.31	525.65
Phosphate (Cdn\$/tonne)				
MAP (11-52-0)	1,401.25	616.06	1,381.42	504.55
Potash (Cdn\$/tonne)				
Potash (0-0-60)	684.44	313.87	821.11	302.35
Fuel (Cdn\$/litre)				
Diesel	122.76	76.06	114.43	75.34
Gasoline (regular unleaded)	121.87	91.13	108.37	75.30

Source: The Thomsen Corporation

Table B.7: Comparison of Selected Average Fertilizer and Fuel Prices Between Ontario and Michigan/Ohio/Indiana, 2007 and 2008

	Ontario		Michigan/Ohio/Indiana	
	June 18, 2008	June 20, 2007	June 18, 2008	June 20, 2007
Nitrogen (Cdn\$/tonne)				
Anhydrous Ammonia (82-0-0)	1,096.96	749.20	1,052.05	689.33
Urea (46-0-0)	726.31	523.09	781.31	550.32
Nitrogen Solution (UAN, 28%)	465.50	350.10	491.30	359.00
Ammonium Nitrate	566.11	455.76	670.88	476.92
Phosphate (Cdn\$/tonne)				
MAP (11-52-0)	1,179.99	518.26	1,288.03	537.01
DAP (18-46-0)	907.43	515.65	1,214.95	557.15
Triple Super (0-46-0)	972.57	505.43	1,072.91	482.72
Potash (Cdn\$/tonne)				
Potash (0-0-60)	656.37	384.48	752.47	318.59
Fuel (Cdn\$/litre)				
Diesel	129.05	82.00	116.64	72.00
Gasoline (regular unleaded)	128.09	99.00	110.09	86.00

Source: Ridgetown College, University of Guelph

Table B.8: Agricultural Inputs, Canada, 2003-07

	2003	2004	2005	2006	2007
	(\$000)				
Machinery Operating Costs	3,585,287	3,782,018	4,163,833	4,305,768	4,528,134
Commercial Feed	4,878,341	4,787,220	4,324,925	4,286,959	5,223,430
Cash Wages, Room and Board	3,750,502	3,799,765	3,915,181	4,051,754	4,167,268
Fertilizer and Lime	2,499,620	2,491,065	2,564,201	2,693,450	3,282,554
Interest	2,313,825	2,247,483	2,313,001	2,701,666	2,989,415
Rent	1,379,676	1,423,763	1,436,251	1,474,488	1,640,148
Pesticides	1,630,998	1,646,237	1,695,503	1,727,561	1,813,222
Livestock Purchases	1,169,465	1,136,577	1,413,704	1,421,624	1,152,301
Commercial Seed	1,115,276	1,120,673	1,141,632	1,170,748	1,263,576
Building and Fence Repairs	693,986	709,693	735,355	750,367	754,819
Electricity	692,628	685,418	710,505	748,554	782,368
Property Taxes	579,207	590,094	584,565	575,041	569,193
Crop and Hail Insurance	545,070	525,524	507,226	504,539	602,401
Business Insurance	616,061	654,427	676,803	696,743	725,112
A.I. Fees and Veterinary	654,435	642,699	660,425	687,830	700,155
Other*	3,467,997	3,581,559	3,654,846	3,853,251	4,043,101
Depreciation	4,551,745	4,501,240	4,614,773	4,607,333	4,666,173
Total Expenses	34,124,119	34,325,455	35,112,729	36,257,676	38,903,370

Source: Statistics Canada, Catalogue No. 21-012-XIE, Agriculture Economic Statistics, May 2008.

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 Departmental 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, 2001-02 to 2008-09

Allocated		2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates
		(\$ 000)							
N.L.	Federal	7,693	8,285	6,924	11,596	13,981	9,097	13,337	13,323
	Provincial	9,351	10,532	14,229	10,713	14,872	15,485	18,007	36,833
	% Fed.	45.14	44.03	32.73	51.98	48.46	37.01	42.55	26.56
P.E.I.	Federal	39,533	46,007	40,513	46,469	31,225	40,360	35,522	38,602
	Provincial	29,558	29,804	34,463	38,770	31,599	28,268	44,755	31,126
	% Fed.	57.22	60.69	54.03	54.52	49.70	58.81	44.25	55.36
N.S.	Federal	35,607	31,169	40,410	33,813	34,419	42,904	39,550	48,376
	Provincial	44,789	40,672	42,934	49,037	47,333	45,628	66,064	51,807
	% Fed.	44.29	43.39	48.49	40.81	42.10	48.46	37.45	48.29
N.B.	Federal	40,728	30,618	48,208	45,906	33,218	48,481	52,433	49,429
	Provincial	20,814	22,610	23,096	31,962	26,658	25,010	29,297	30,864
	% Fed.	66.18	57.52	67.61	58.95	55.48	65.97	64.15	61.56
Que.	Federal	346,802	330,603	587,624	520,878	535,225	527,260	631,854	540,352
	Provincial	591,705	670,114	704,003	708,706	842,392	958,252	1,026,414	1,058,560
	% Fed.	36.95	33.04	45.49	42.36	38.85	35.49	38.10	33.79
Ont.	Federal	581,541	588,254	849,771	675,081	803,022	759,047	889,848	792,759
	Provincial	372,421	424,849	455,240	579,508	540,901	513,204	745,041	597,228
	% Fed.	60.96	58.06	65.12	53.81	59.75	59.66	54.43	57.03
Man.	Federal	320,443	415,481	515,022	471,276	606,963	521,851	554,953	437,999
	Provincial	165,555	179,213	273,550	204,798	300,319	245,731	251,187	264,516
	% Fed.	65.94	69.86	65.31	69.71	66.90	67.99	68.84	62.35
Sask.	Federal	881,124	869,913	1,269,501	984,124	1,144,931	1,071,076	840,414	680,354
	Provincial	501,300	393,007	431,678	458,902	489,963	421,240	390,671	401,027
	% Fed.	63.74	68.88	74.62	68.20	70.03	71.77	68.27	62.92
Alta.	Federal	674,849	766,750	1,492,548	891,977	1,054,243	923,821	737,167	732,984
	Provincial	895,355	886,312	975,929	826,089	868,557	967,859	675,533	1,189,470
	% Fed.	42.98	46.38	60.46	51.92	54.83	48.84	52.18	38.13
B.C.	Federal	126,114	101,677	198,824	239,745	162,003	202,859	204,809	201,022
	Provincial	73,007	75,983	61,784	82,162	59,065	77,567	93,388	88,784
	% Fed.	63.34	57.23	76.29	74.48	73.28	72.34	68.68	69.36
Others	Federal	270,146	320,697	392,882	422,042	437,051	473,870	433,310	476,206
	Provincial	-	-	-	-	-	-	-	-
	% Fed.	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Canada	Federal	3,324,582	3,509,456	5,442,228	4,342,908	4,856,280	4,620,627	4,433,196	4,011,407
	Provincial	2,703,856	2,733,095	3,016,907	2,990,647	3,221,659	3,298,244	3,340,356	3,750,217
	% Fed.	55.15	56.22	64.34	59.22	60.12	58.35	57.03	51.68

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

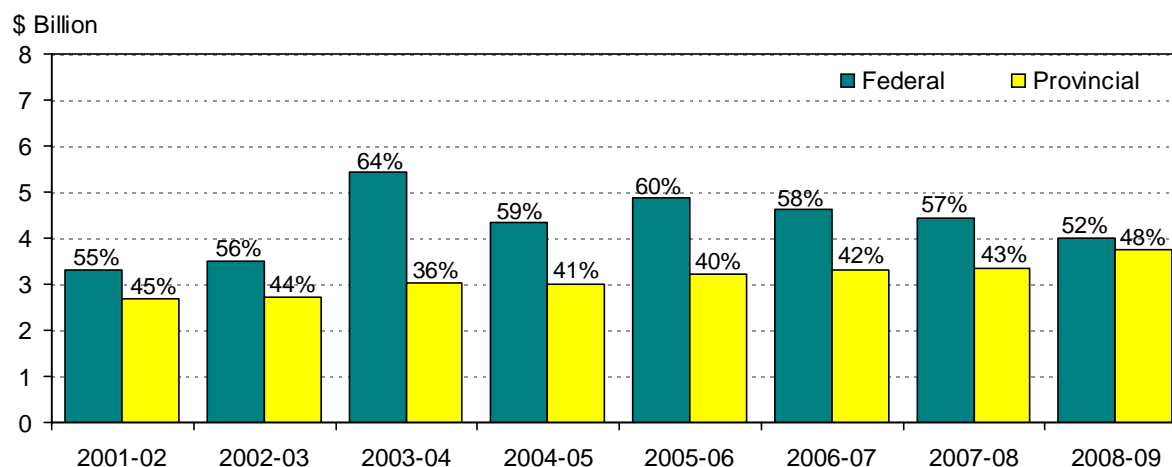
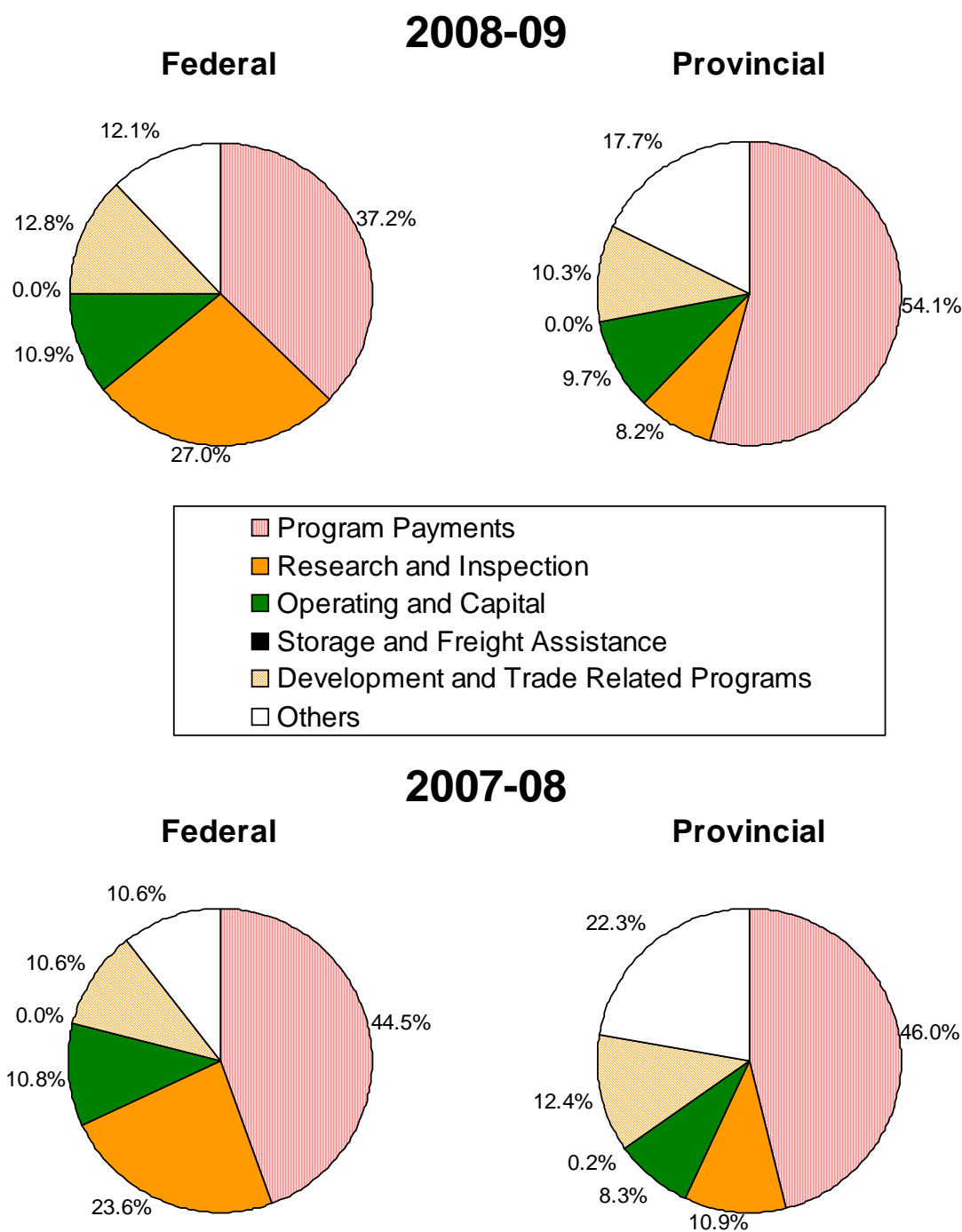
Figure C.1: Federal and Provincial Government Expenditures in Support of the Agri-Food Sector, Canada and Provinces, 2001-02 to 2008-09

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, 2005-06 to 2008-09

	PROVINCIAL				FEDERAL			
	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates
	(\$000)							
CANADA								
A. Operating Expenditures	652,853	663,249	746,629	781,104	1,391,732	1,520,814	1,528,638	1,448,881
B. Capital Expenditures	107,935	108,217	86,696	83,408	48,620	55,520	52,848	74,410
C. Program Expenditures	2,170,258	2,207,571	2,144,226	2,539,539	3,591,151	3,253,077	3,075,075	2,493,831
c.1 Income Support & Stabilization	1,193,488	1,307,343	1,153,262	1,634,242	1,158,715	1,952,415	1,215,352	834,301
c.2 Ad hoc and Cost Reduction	142,458	48,510	44,166	30,718	874,798	100,870	449,833	239,300
c.3 Production Insurance	301,492	303,890	284,753	354,284	289,453	285,301	344,611	321,694
c.4 Financing Assistance	58,901	70,387	125,862	65,582	23,922	38,026	60,579	98,000
c.5 Storage and Freight	4,915	6,210	5,351	1,236	12,007	1,132	-	-
c.6 Social and Labour	16,557	19,993	18,665	14,135	829	864	833	864
c.7 Research	105,425	88,107	134,562	97,273	29,842	70,407	75,886	55,788
c.8 Food Inspection	48,959	51,693	70,416	42,545	27,478	19,751	86,894	93,224
c.9 Food Aid	-	-	-	-	434,825	471,352	430,340	474,641
c.10 Marketing and Trade	30,940	24,881	30,995	31,196	557,322	94,565	71,713	96,876
c.11 Rural and Regional Devt.	67,170	87,752	79,887	71,157	88,365	80,100	79,861	133,381
c.12 Environment	53,579	52,017	53,847	55,141	71,554	99,219	199,040	136,520
c.13 Education	126,613	121,350	107,722	114,451	91	86	8	44
c.14 Extension	19,761	25,438	34,737	27,579	21,951	38,989	60,126	9,197
D. Tax Expenditures	465,001	489,827	513,045	454,057	-	-	-	-
Sub-Total Gross Expenditures	3,396,047	3,468,865	3,490,597	3,858,109	5,031,503	4,829,411	4,656,561	4,017,122
Recoveries	(174,388)	(170,621)	(150,241)	(107,892)	(175,223)	(208,784)	(223,366)	(5,715)
Total Net Expenditures	3,221,659	3,298,244	3,340,356	3,750,217	4,856,280	4,620,627	4,433,196	4,011,407
NEWFOUNDLAND AND LABRADOR								
A. Operating Expenditures	7,297	8,639	8,479	11,396	3,653	4,217	4,177	3,988
B. Capital Expenditures	3,048	1,425	2,352	4,353	135	157	150	210
C. Program Expenditures	4,528	5,421	7,175	21,084	10,680	5,314	9,650	9,142
c.1 Income Support & Stabilization	343	119	79	195	6,164	1,448	4,269	3,763
c.2 Ad hoc and Cost Reduction	1,496	2,034	2,111	9,842	(9)	(3)	181	362
c.3 Production Insurance	22	124	29	24	15	62	43	40
c.4 Financing Assistance	-	-	-	-	-	3	1	-
c.5 Storage and Freight	206	168	343	390	-	-	-	-
c.6 Social and Labour	-	-	-	-	-	10	3	4
c.7 Research	682	439	562	618	1	47	13	157
c.8 Food Inspection	-	50	50	230	10	14	27	124
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	476	1,379	2,628	8,321	6	3	4	137
c.11 Rural and Regional Devt.	-	-	-	-	4,328	3,546	4,428	4,137
c.12 Environment	443	285	365	401	111	128	618	392
c.13 Education	737	701	807	1,062	-	-	-	-
c.14 Extension	123	122	200	-	55	55	64	26
D. Tax Expenditures	-	-	-	-	-	-	-	-
Sub-Total Gross Expenditures	14,872	15,485	18,007	36,833	14,469	9,688	13,977	13,340
Recoveries	-	-	-	-	(487)	(591)	(641)	(16)
Total Net Expenditures	14,872	15,485	18,007	36,833	13,981	9,097	13,337	13,323

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

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2005-06 to 2008-09 (cont'd)

	PROVINCIAL				FEDERAL			
	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates
	(\$000)							
PRINCE EDWARD ISLAND								
A. Operating Expenditures	10,058	7,373	8,030	8,936	14,306	15,440	15,032	14,330
B. Capital Expenditures	-	-	141	171	503	571	529	74
C. Program Expenditures	21,496	18,926	37,474	21,781	18,230	26,495	22,220	23,589
c.1 Income Support & Stabilization	8,665	4,490	6,905	5,804	9,175	16,586	4,558	8,274
c.2 Ad hoc and Cost Reduction	543	450	4,455	530	703	(33)	4,336	2,132
c.3 Production Insurance	2,593	3,036	3,304	3,300	2,745	3,984	3,459	3,229
c.4 Financing Assistance	595	911	6,136	654	260	671	2,003	2,050
c.5 Storage and Freight	9	5	9	8	-	-	-	-
c.6 Social and Labour	-	-	-	-	-	-	-	-
c.7 Research	2,062	2,402	2,258	2,391	71	170	479	553
c.8 Food Inspection	360	623	2,592	668	685	306	1,556	1,763
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	2,242	2,880	6,132	3,114	423	39	21	854
c.11 Rural and Regional Devt.	-	-	-	-	2,698	2,955	2,915	3,260
c.12 Environment	787	65	170	70	1,151	1,372	2,239	1,381
c.13 Education	3,217	3,597	3,484	3,512	-	-	-	-
c.14 Extension	422	467	2,028	1,731	319	445	653	93
D. Tax Expenditures	1,968	1,968	1,968	1,968	-	-	-	-
Sub-Total Gross Expenditures	33,522	28,268	47,613	32,856	33,039	42,506	37,781	38,660
Recoveries	(1,924)	-	(2,859)	(1,730)	(1,814)	(2,146)	(2,259)	(58)
Total Net Expenditures	31,599	28,268	44,755	31,126	31,225	40,360	35,522	38,602
NOVA SCOTIA								
A. Operating Expenditures	11,432	13,186	13,923	15,314	18,109	20,329	18,927	18,058
B. Capital Expenditures	530	847	786	537	664	749	675	945
C. Program Expenditures	34,007	30,251	50,066	34,623	18,038	24,643	22,833	29,447
c.1 Income Support & Stabilization	3,520	5,596	3,471	5,969	2,202	13,206	5,294	11,061
c.2 Ad hoc and Cost Reduction	395	285	520	251	56	(13)	2,975	3,048
c.3 Production Insurance	174	234	279	215	277	394	438	408
c.4 Financing Assistance	3,442	2,447	15,544	600	53	87	164	1,183
c.5 Storage and Freight	132	436	434	546	-	-	-	-
c.6 Social and Labour	-	-	-	-	84	30	19	18
c.7 Research	1,000	1,000	1,131	1,000	1,209	1,816	2,043	1,818
c.8 Food Inspection	3,922	3,854	4,734	4,021	1,273	197	1,180	2,762
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	3,136	333	4,803	3,902	2,433	32	19	560
c.11 Rural and Regional Devt.	-	-	150	-	5,850	5,878	6,597	6,705
c.12 Environment	2,611	2,032	1,006	928	4,076	2,643	3,314	1,764
c.13 Education	11,823	11,993	15,476	14,992	-	-	-	-
c.14 Extension	3,851	2,041	2,518	2,200	524	374	790	119
D. Tax Expenditures	1,365	1,344	1,290	1,333	-	-	-	-
Sub-Total Gross Expenditures	47,333	45,628	66,064	51,807	36,811	45,722	42,435	48,450
Recoveries	-	-	-	-	(2,392)	(2,818)	(2,885)	(74)
Total Net Expenditures	47,333	45,628	66,064	51,807	34,419	42,904	39,550	48,376

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

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2005-06 to 2008-09 (cont'd)

	PROVINCIAL				FEDERAL			
	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates
	(\$000)							
NEW BRUNSWICK								
A. Operating Expenditures	12,187	11,867	12,600	12,556	16,995	18,622	17,892	17,069
B. Capital Expenditures	723	792	693	2,562	614	692	636	891
C. Program Expenditures	11,923	10,732	14,258	13,920	17,820	31,770	36,625	31,539
c.1 Income Support & Stabilization	7,730	7,463	6,423	6,470	9,150	19,381	18,817	14,626
c.2 Ad hoc and Cost Reduction	-	-	758	1,500	294	557	3,943	2,380
c.3 Production Insurance	1,083	1,045	1,535	1,848	1,517	1,638	2,301	2,148
c.4 Financing Assistance	-	-	-	-	290	514	1,031	1,306
c.5 Storage and Freight	-	200	-	-	-	-	-	-
c.6 Social and Labour	218	164	219	197	10	51	12	17
c.7 Research	248	5	0	130	822	1,457	2,136	666
c.8 Food Inspection	191	222	183	250	56	71	611	1,810
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	22	32	1,934	300	376	759	647	1,203
c.11 Rural and Regional Devt.	217	120	123	136	4,548	5,191	5,059	5,608
c.12 Environment	467	75	1,086	821	626	1,968	1,901	1,663
c.13 Education	1,373	1,043	1,460	1,453	-	-	-	-
c.14 Extension	375	362	537	815	131	184	166	112
D. Tax Expenditures	1,879	1,672	1,795	1,837	-	-	-	-
Sub-Total Gross Expenditures	26,712	25,061	29,346	30,875	35,429	51,084	55,153	49,499
Recoveries	(54)	(52)	(50)	(11)	(2,211)	(2,603)	(2,720)	(70)
Total Net Expenditures	26,658	25,010	29,297	30,864	33,218	48,481	52,433	49,429
QUEBEC								
A. Operating Expenditures	207,334	207,673	202,547	201,637	231,534	254,801	252,663	240,368
B. Capital Expenditures	18,870	19,064	12,808	11,138	8,357	9,424	8,560	12,006
C. Program Expenditures	468,498	576,136	649,351	743,926	325,452	298,473	407,079	288,911
c.1 Income Support & Stabilization	308,386	385,664	420,890	578,175	204,364	232,131	262,121	143,834
c.2 Ad hoc and Cost Reduction	7,912	16,818	15,569	1,930	68,378	147	50,205	31,599
c.3 Production Insurance	12,318	15,293	17,308	17,129	19,420	22,200	24,964	23,303
c.4 Financing Assistance	34,367	48,225	86,376	50,411	3,719	5,581	4,888	7,375
c.5 Storage and Freight	-	-	-	-	-	-	-	-
c.6 Social and Labour	3,630	4,408	2,761	350	509	688	753	232
c.7 Research	12,798	12,129	13,815	13,670	1,658	3,758	1,096	8,922
c.8 Food Inspection	17,169	16,778	18,636	17,528	1,166	1,765	14,336	15,144
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	11,358	9,724	4,009	3,387	1,986	1,969	1,579	9,654
c.11 Rural and Regional Devt.	3,387	2,242	2,944	2,693	11,760	14,074	17,518	25,069
c.12 Environment	27,075	33,499	32,310	30,572	8,436	9,796	16,163	22,277
c.13 Education	22,597	23,693	24,060	22,194	-	-	-	-
c.14 Extension	7,501	7,664	10,672	5,887	4,057	6,364	13,454	1,501
D. Tax Expenditures	147,690	155,380	161,708	101,859	-	-	-	-
Sub-Total Gross Expenditures	842,392	958,252	1,026,414	1,058,560	565,343	562,697	668,303	541,285
Recoveries	-	-	-	-	(30,119)	(35,437)	(36,449)	(933)
Total Net Expenditures	842,392	958,252	1,026,414	1,058,560	535,225	527,260	631,854	540,352

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

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2005-06 to 2008-09 (cont'd)

	PROVINCIAL				FEDERAL			
	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates
	(\$000)							
ONTARIO								
A. Operating Expenditures	114,164	116,182	155,773	182,954	341,703	376,931	368,167	349,844
B. Capital Expenditures	31,827	3,891	3,750	-	12,514	14,086	13,115	18,430
C. Program Expenditures	386,669	390,208	555,998	364,690	493,904	421,001	564,210	425,909
c.1 Income Support & Stabilization	140,763	239,700	388,000	226,721	222,929	295,743	288,554	182,529
c.2 Ad hoc and Cost Reduction	124,317	4,256	7,370	8,000	168,127	12,021	94,557	64,187
c.3 Production Insurance	26,376	24,044	30,000	31,468	39,670	35,906	49,893	46,575
c.4 Financing Assistance	95	3,559	457	412	3,386	6,189	5,637	7,951
c.5 Storage and Freight	-	-	-	-	-	-	-	-
c.6 Social and Labour	2,011	4,721	4,964	2,865	70	41	31	354
c.7 Research	37,813	40,933	45,258	44,561	10,853	15,093	23,097	13,621
c.8 Food Inspection	20,693	11,330	38,590	13,817	12,368	4,936	27,266	19,058
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	1,869	2,269	1,869	3,907	11,782	10,546	7,565	26,541
c.11 Rural and Regional Devt.	10,836	41,648	23,895	12,868	9,692	11,499	15,170	28,793
c.12 Environment	12,742	9,084	6,817	10,003	11,991	22,085	41,874	34,010
c.13 Education	8,900	8,200	8,200	7,800	-	-	-	-
c.14 Extension	255	464	580	2,268	3,035	6,943	10,567	2,291
D. Tax Expenditures	22,009	45,874	46,757	34,752	-	-	-	-
Sub-Total Gross Expenditures	554,669	556,156	762,278	582,396	848,121	812,019	945,492	794,183
Recoveries	(13,768)	(42,952)	(17,238)	14,832	(45,099)	(52,972)	(55,644)	(1,424)
Total Net Expenditures	540,901	513,204	745,041	597,228	803,022	759,047	889,848	792,759
MANITOBA								
A. Operating Expenditures	44,103	47,524	55,330	58,751	151,913	154,410	153,926	145,513
B. Capital Expenditures	4,752	6,241	6,785	7,169	5,144	5,562	5,308	7,492
C. Program Expenditures	194,015	130,942	124,124	132,966	468,444	382,795	418,047	285,565
c.1 Income Support & Stabilization	143,075	74,280	51,406	51,514	148,654	251,946	198,763	122,821
c.2 Ad hoc and Cost Reduction	1,484	1,097	1,214	1,182	122,371	22,101	61,260	25,447
c.3 Production Insurance	19,778	28,268	37,709	46,558	30,712	42,572	56,359	52,611
c.4 Financing Assistance	1,762	1,054	932	1,359	11,278	8,609	18,205	29,539
c.5 Storage and Freight	-	-	-	-	2,146	181	-	-
c.6 Social and Labour	44	44	44	44	12	-	6	142
c.7 Research	1,201	1,201	1,201	1,201	10,367	5,114	18,846	5,465
c.8 Food Inspection	3,799	3,077	2,787	2,825	679	5,602	6,866	10,008
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	1,159	1,930	2,000	2,000	122,595	16,655	11,401	14,235
c.11 Rural and Regional Devt.	12,064	11,146	14,120	14,305	12,210	7,938	6,064	10,731
c.12 Environment	1,807	1,225	4,463	3,859	5,086	18,187	35,523	13,646
c.13 Education	7,474	7,278	7,881	7,753	-	-	-	-
c.14 Extension	368	342	368	368	2,333	3,890	4,754	919
D. Tax Expenditures	60,660	64,237	67,837	69,462	-	-	-	-
Sub-Total Gross Expenditures	303,529	248,945	254,075	268,348	625,501	542,767	577,280	438,570
Recoveries	(3,210)	(3,213)	(2,888)	(3,832)	(18,538)	(20,916)	(22,327)	(571)
Total Net Expenditures	300,319	245,731	251,187	264,516	606,963	521,851	554,953	437,999

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

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2005-06 to 2008-09 (cont'd)

	PROVINCIAL				FEDERAL			
	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates
	(\$000)							
SASKATCHEWAN								
A. Operating Expenditures	41,838	43,805	44,911	49,346	229,697	249,451	271,432	255,366
B. Capital Expenditures	81	2,003	2,804	2,841	7,252	8,713	9,068	12,859
C. Program Expenditures	398,826	309,693	267,137	273,059	934,118	845,678	597,719	413,097
c.1 Income Support & Stabilization	259,756	158,776	115,798	91,462	217,165	567,367	237,513	141,841
c.2 Ad hoc and Cost Reduction	91	15,674	54	38	318,797	52,947	126,457	50,909
c.3 Production Insurance	72,134	54,554	71,937	98,429	98,928	90,609	111,508	104,092
c.4 Financing Assistance	10,713	11,319	14,385	10,906	2,910	10,911	19,780	35,285
c.5 Storage and Freight	4,567	5,401	4,565	292	5,856	580	-	-
c.6 Social and Labour	73	71	77	81	-	-	-	-
c.7 Research	19,278	14,756	13,479	17,031	2,063	37,568	8,683	9,254
c.8 Food Inspection	2,483	9,385	2,895	2,362	761	1,821	8,702	13,997
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	1,423	4,826	3,968	4,478	246,794	35,322	24,322	16,097
c.11 Rural and Regional Devt.	26,786	29,604	35,705	38,205	21,686	13,008	5,913	16,915
c.12 Environment	386	3,902	3,288	7,487	13,648	23,420	38,871	23,106
c.13 Education	50	398	166	118	91	86	8	44
c.14 Extension	1,086	1,027	821	2,170	5,419	12,038	15,963	1,557
D. Tax Expenditures	113,986	111,640	131,846	131,346	-	-	-	-
Sub-Total Gross Expenditures	554,730	467,141	446,698	456,592	1,171,067	1,103,842	878,219	681,322
Recoveries	(64,767)	(45,901)	(56,027)	(55,565)	(26,135)	(32,766)	(37,805)	(967)
Total Net Expenditures	489,963	421,240	390,671	401,027	1,144,931	1,071,076	840,414	680,354
ALBERTA								
A. Operating Expenditures	181,043	181,546	207,885	201,205	288,762	323,716	328,408	310,833
B. Capital Expenditures	46,715	71,235	49,180	46,543	9,920	11,677	11,276	15,895
C. Program Expenditures	622,965	692,798	396,729	898,742	791,311	632,339	445,030	407,473
c.1 Income Support & Stabilization	302,027	411,666	130,470	643,000	304,111	465,866	139,551	160,852
c.2 Ad hoc and Cost Reduction	6,220	1,705	11,716	6,845	194,103	13,062	87,309	46,307
c.3 Production Insurance	161,614	169,092	114,452	148,313	88,650	80,166	87,300	81,494
c.4 Financing Assistance	7,927	2,872	2,033	1,241	1,843	5,296	8,626	11,553
c.5 Storage and Freight	-	-	-	-	3,921	364	-	-
c.6 Social and Labour	10,582	10,585	10,600	10,600	120	6	-	-
c.7 Research	29,721	14,975	56,859	16,671	2,355	4,160	19,337	11,638
c.8 Food Inspection	-	-	-	-	1,185	2,792	21,264	21,135
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	8,280	471	502	511	163,495	26,388	24,113	20,916
c.11 Rural and Regional Devt.	13,880	2,846	2,950	2,950	11,817	11,145	8,909	22,560
c.12 Environment	7,260	1,632	4,041	1,000	14,322	15,268	35,793	29,060
c.13 Education	70,443	64,302	46,188	55,567	-	-	-	-
c.14 Extension	5,011	12,652	16,918	12,044	5,389	7,825	12,828	1,958
D. Tax Expenditures	108,499	100,783	92,918	104,567	-	-	-	-
Sub-Total Gross Expenditures	959,222	1,046,362	746,713	1,251,056	1,089,993	967,731	784,713	734,200
Recoveries	(90,665)	(78,503)	(71,180)	(61,586)	(35,750)	(43,910)	(47,546)	(1,216)
Total Net Expenditures	868,557	967,859	675,533	1,189,470	1,054,243	923,821	737,167	732,984

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

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2005-06 to 2008-09 (cont'd)

	PROVINCIAL				FEDERAL			
	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates
	(\$000)							
BRITISH COLUMBIA								
A. Operating Expenditures	23,398	25,454	37,151	39,010	95,041	102,897	98,015	93,512
B. Capital Expenditures	1,389	2,720	7,397	8,093	3,518	3,889	3,531	4,943
C. Program Expenditures	27,333	42,464	41,914	34,748	76,122	110,698	118,353	102,953
c.1 Income Support & Stabilization	19,224	19,589	29,819	24,932	33,929	87,969	55,644	44,694
c.2 Ad hoc and Cost Reduction	-	6,191	400	600	1,974	87	18,604	12,927
c.3 Production Insurance	5,400	8,200	8,200	7,000	7,521	7,770	8,347	7,792
c.4 Financing Assistance	-	-	-	-	197	169	242	1,805
c.5 Storage and Freight	-	-	-	-	83	7	-	-
c.6 Social and Labour	-	-	-	-	24	38	9	96
c.7 Research	622	268	-	-	143	1,163	95	3,694
c.8 Food Inspection	342	6,374	(50)	845	9,296	2,247	5,085	7,423
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	975	1,037	3,150	1,276	7,101	2,524	1,781	6,161
c.11 Rural and Regional Devt.	-	145	-	-	3,063	3,505	4,981	8,516
c.12 Environment	-	217	300	-	12,104	4,348	22,677	9,223
c.13 Education	-	146	-	-	-	-	-	-
c.14 Extension	770	296	95	95	688	870	887	621
D. Tax Expenditures	6,945	6,929	6,926	6,933	-	-	-	-
Sub-Total Gross Expenditures	59,065	77,567	93,388	88,784	174,681	217,483	219,899	201,408
Recoveries	-	-	-	-	(12,678)	(14,624)	(15,090)	(386)
Total Net Expenditures	59,065	77,567	93,388	88,784	162,003	202,859	204,809	201,022

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, 2005-06 to 2008-09

	PROVINCIAL				FEDERAL			
	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates
	(\$000)							
CANADA								
Research Expenditures								
- Operating	26,722	23,138	13,525	16,835	302,636	258,827	257,305	275,203
- Capital	34,584	4,879	5,042	1,979	7,796	13,874	11,652	8,945
- Program	105,425	88,107	134,562	97,273	29,842	70,407	75,886	55,788
Total Research	166,731	116,125	153,130	116,088	340,274	343,107	344,843	339,936
Inspection Expenditures								
- Operating	82,674	132,876	149,909	150,129	597,325	620,241	647,803	611,650
- Capital	815	3,180	6,652	8,205	17,431	21,386	20,345	41,528
- Program	48,959	51,693	70,416	42,545	27,478	19,751	86,894	93,224
Total Inspection	132,448	187,749	226,976	200,879	642,234	661,378	755,043	746,402
NEWFOUNDLAND AND LABRADOR								
Research Expenditures								
- Operating	-	-	-	1,000	842	733	738	789
- Capital	6	5	3	127	22	39	33	26
- Program	682	439	562	618	1	47	13	157
Total Research	689	444	565	1,745	864	820	784	972
Inspection Expenditures								
- Operating	1,308	1,623	1,773	2,012	1,585	1,687	1,739	1,667
- Capital	5	12	51	151	48	61	57	115
- Program	-	50	50	230	10	14	27	124
Total Inspection	1,313	1,685	1,873	2,393	1,643	1,761	1,823	1,906
PRINCE EDWARD ISLAND								
Research Expenditures								
- Operating	114	-	-	-	3,133	2,660	2,602	2,783
- Capital	-	-	-	-	81	143	118	90
- Program	2,062	2,402	2,258	2,391	71	170	479	553
Total Research	2,176	2,402	2,258	2,391	3,284	2,973	3,199	3,427
Inspection Expenditures								
- Operating	2,690	2,008	2,426	2,447	5,934	6,149	6,174	5,908
- Capital	-	-	81	81	180	220	200	408
- Program	360	623	2,592	668	685	306	1,556	1,763
Total Inspection	3,050	2,632	5,099	3,196	6,799	6,675	7,930	8,079

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, 2005-06 to 2008-09 (cont'd)

	PROVINCIAL				FEDERAL			
	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates
	(\$000)							
NOVA SCOTIA								
Research Expenditures								
- Operating	-	-	26	-	4,131	3,494	3,324	3,555
- Capital	-	-	-	-	106	187	151	116
- Program	1,000	1,000	1,131	1,000	1,209	1,816	2,043	1,818
Total Research	1,000	1,000	1,157	1,000	5,447	5,497	5,518	5,489
Inspection Expenditures								
- Operating	1,495	2,252	2,407	2,315	7,799	8,051	7,849	7,520
- Capital	-	-	-	-	238	289	255	520
- Program	3,922	3,854	4,734	4,021	1,273	197	1,180	2,762
Total Inspection	5,417	6,106	7,141	6,336	9,310	8,537	9,284	10,802
NEW BRUNSWICK								
Research Expenditures								
- Operating	767	630	674	592	3,819	3,227	3,134	3,352
- Capital	32	35	12	3	98	173	142	109
- Program	248	5	0	130	822	1,457	2,136	666
Total Research	1,046	670	686	724	4,739	4,857	5,411	4,126
Inspection Expenditures								
- Operating	2,725	2,865	2,904	2,649	7,207	7,435	7,395	7,086
- Capital	63	228	72	1,993	220	267	240	490
- Program	191	222	183	250	56	71	611	1,810
Total Inspection	2,979	3,315	3,159	4,892	7,483	7,773	8,247	9,387
QUEBEC								
Research Expenditures								
- Operating	6,537	6,207	5,206	4,295	52,019	43,931	41,987	44,908
- Capital	-	-	-	-	1,340	2,355	1,901	1,460
- Program	12,798	12,129	13,815	13,670	1,658	3,758	1,096	8,922
Total Research	19,335	18,336	19,020	17,965	55,017	50,044	44,984	55,289
Inspection Expenditures								
- Operating	33,067	31,861	33,849	32,926	99,742	102,595	101,369	96,623
- Capital	-	-	-	-	2,996	3,630	3,256	6,640
- Program	17,169	16,778	18,636	17,528	1,166	1,765	14,336	15,144
Total Inspection	50,236	48,638	52,485	50,453	103,903	107,989	118,961	118,407

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, 2005-06 to 2008-09 (cont'd)

	PROVINCIAL				FEDERAL			
	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates
	(\$000)							
ONTARIO								
Research Expenditures								
- Operating	-	-	-	3,002	77,893	65,668	64,099	68,558
- Capital	31,827	3,891	3,750	-	2,006	3,520	2,903	2,228
- Program	37,813	40,933	45,258	44,561	10,853	15,093	23,097	13,621
Total Research	69,640	44,824	49,008	47,563	90,753	84,281	90,099	84,407
Inspection Expenditures								
- Operating	-	31,357	38,860	38,224	151,513	155,214	157,967	149,868
- Capital	-	-	-	-	4,486	5,426	5,018	10,238
- Program	20,693	11,330	38,590	13,817	12,368	4,936	27,266	19,058
Total Inspection	20,693	42,687	77,450	52,041	168,367	165,576	190,251	179,163
MANITOBA								
Research Expenditures								
- Operating	-	-	-	-	32,018	25,929	25,719	27,508
- Capital	-	-	-	-	825	1,390	1,165	894
- Program	1,201	1,201	1,201	1,201	10,367	5,114	18,846	5,465
Total Research	1,201	1,201	1,201	1,201	43,211	32,433	45,729	33,867
Inspection Expenditures								
- Operating	6,858	7,005	8,889	9,245	64,997	63,339	66,484	62,410
- Capital	200	200	200	200	1,844	2,142	2,059	4,205
- Program	3,799	3,077	2,787	2,825	679	5,602	6,866	10,008
Total Inspection	10,857	10,282	11,876	12,269	67,520	71,083	75,409	76,623
SASKATCHEWAN								
Research Expenditures								
- Operating	679	695	671	988	45,140	40,619	43,549	46,579
- Capital	-	-	-	-	1,163	2,177	1,972	1,514
- Program	19,278	14,756	13,479	17,031	2,063	37,568	8,683	9,254
Total Research	19,957	15,451	14,150	18,019	48,365	80,364	54,204	57,347
Inspection Expenditures								
- Operating	3,354	2,751	3,650	3,853	94,168	102,289	118,053	109,698
- Capital	-	-	-	-	2,600	3,356	3,567	7,293
- Program	2,483	9,385	2,895	2,362	761	1,821	8,702	13,997
Total Inspection	5,837	12,136	6,545	6,215	97,530	107,466	130,322	130,988

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, 2005-06 to 2008-09 (cont'd)

	PROVINCIAL				FEDERAL			
	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates
	(\$000)							
ALBERTA								
Research Expenditures								
- Operating	18,625	15,606	6,948	6,959	61,745	54,435	54,770	58,580
- Capital	2,460	668	1,000	1,850	1,590	2,918	2,480	1,904
- Program	29,721	14,975	56,859	16,671	2,355	4,160	19,337	11,638
Total Research	50,806	31,249	64,807	25,480	65,690	61,513	76,588	72,123
Inspection Expenditures								
- Operating	29,572	46,186	49,030	51,157	123,033	131,683	139,677	131,507
- Capital	548	739	848	380	3,556	4,498	4,357	8,896
- Program	-	-	-	-	1,185	2,792	21,264	21,135
Total Inspection	30,120	46,925	49,878	51,537	127,774	138,973	165,297	161,538
BRITISH COLUMBIA								
Research Expenditures								
- Operating	-	-	-	-	21,896	18,129	17,382	18,591
- Capital	259	281	277	-	564	972	787	604
- Program	622	268	-	-	143	1,163	95	3,694
Total Research	881	549	277	-	22,603	20,264	18,265	22,889
Inspection Expenditures								
- Operating	1,604	4,969	6,121	5,300	41,348	41,799	41,097	39,363
- Capital	-	2,000	5,400	5,400	1,261	1,498	1,335	2,722
- Program	342	6,374	(50)	845	9,296	2,247	5,085	7,423
Total Inspection	1,947	13,343	11,471	11,546	51,905	45,544	47,517	49,508

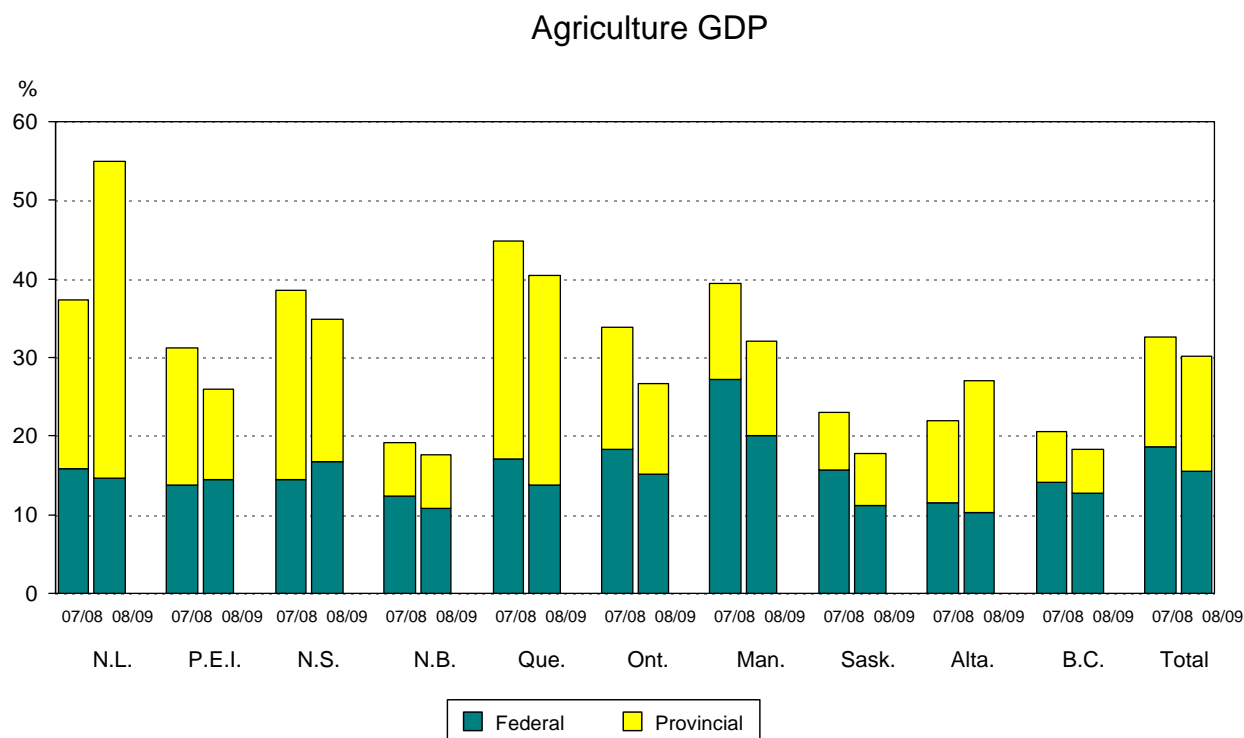
Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

Table C.4: Government Expenditures to the Agri-Food Sector as a Percentage of Agriculture and Agri-Food GDPs, Canada and Provinces, 2005-06 to 2008-09

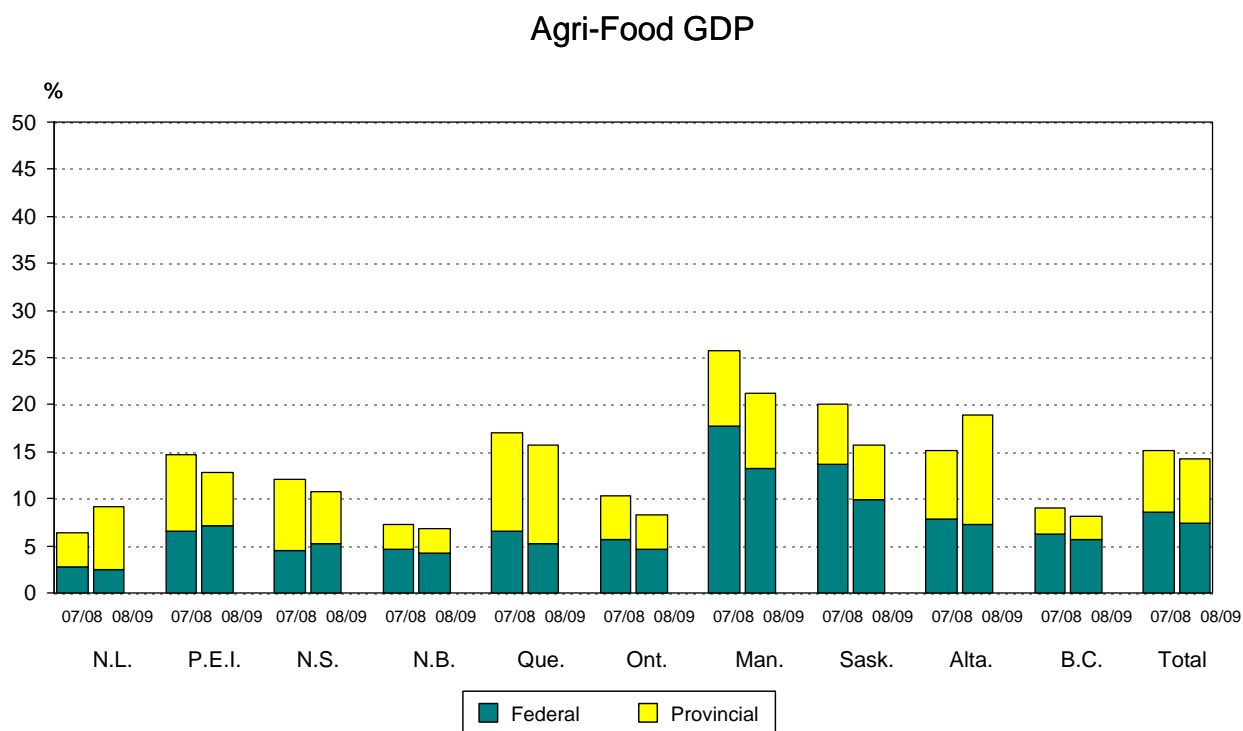
	Agriculture				Agri-Food			
	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates
NEWFOUNDLAND AND LABRADOR								
Provincial GDP (\$ million)	65.3	80.3	83.9	91.4	424.6	465.2	491.3	553.5
Federal (%)	21.4	11.3	15.9	14.6	3.3	2.0	2.7	2.4
Provincial (%)	22.8	19.3	21.5	40.3	3.5	3.3	3.7	6.7
PRINCE EDWARD ISLAND								
Provincial GDP (\$ million)	243.9	257.0	257.6	267.3	469.5	505.9	544.5	542.1
Federal (%)	12.8	15.7	13.8	14.4	6.7	8.0	6.5	7.1
Provincial (%)	13.0	11.0	17.4	11.6	6.7	5.6	8.2	5.7
NOVA SCOTIA								
Provincial GDP (\$ million)	269.4	269.4	274.4	287.8	848.3	853.2	870.4	932.9
Federal (%)	12.8	15.9	14.4	16.8	4.1	5.0	4.5	5.2
Provincial (%)	17.6	16.9	24.1	18.0	5.6	5.3	7.6	5.6
NEW BRUNSWICK								
Provincial GDP (\$ million)	389.5	421.0	424.8	457.0	992.3	1,089.9	1,126.8	1,189.8
Federal (%)	8.5	11.5	12.3	10.8	3.3	4.4	4.7	4.2
Provincial (%)	6.8	5.9	6.9	6.8	2.7	2.3	2.6	2.6
QUEBEC								
Provincial GDP (\$ million)	3,446.9	3,529.4	3,690.2	3,955.1	8,707.3	9,169.3	9,770.0	10,215.5
Federal (%)	15.5	14.9	17.1	13.7	6.1	5.8	6.5	5.3
Provincial (%)	24.4	27.2	27.8	26.8	9.7	10.5	10.5	10.4
ONTARIO								
Provincial GDP (\$ million)	4,852.8	4,971.5	4,831.2	5,199.8	15,436.6	16,112.4	15,958.1	16,698.5
Federal (%)	16.5	15.3	18.4	15.2	5.2	4.7	5.6	4.7
Provincial (%)	11.1	10.3	15.4	11.5	3.5	3.2	4.7	3.6
MANITOBA								
Provincial GDP (\$ million)	1,721.9	1,984.8	2,040.9	2,187.5	2,653.0	3,005.9	3,134.4	3,315.2
Federal (%)	35.3	26.3	27.2	20.0	22.9	17.4	17.7	13.2
Provincial (%)	17.4	12.4	12.3	12.1	11.3	8.2	8.0	8.0
SASKATCHEWAN								
Provincial GDP (\$ million)	4,872.5	4,920.6	5,364.2	6,090.8	5,391.9	5,594.1	6,134.6	6,879.7
Federal (%)	23.5	21.8	15.7	11.2	21.2	19.1	13.7	9.9
Provincial (%)	10.1	8.6	7.3	6.6	9.1	7.5	6.4	5.8
ALBERTA								
Provincial GDP (\$ million)	6,496.4	6,055.2	6,421.4	7,113.8	8,889.3	8,600.0	9,341.2	10,158.7
Federal (%)	16.2	15.3	11.5	10.3	11.9	10.7	7.9	7.2
Provincial (%)	13.4	16.0	10.5	16.7	9.8	11.3	7.2	11.7
BRITISH COLUMBIA								
Provincial GDP (\$ million)	1,374.0	1,383.8	1,452.9	1,579.4	3,051.6	3,202.5	3,318.3	3,520.5
Federal (%)	11.8	14.7	14.1	12.7	5.3	6.3	6.2	5.7
Provincial (%)	4.3	5.6	6.4	5.6	1.9	2.4	2.8	2.5
CANADA								
Federal GDP (\$ million)	23,057.0	23,202.9	23,792.9	25,678.2	47,628.4	49,432.4	51,302.4	54,392.0
Federal (%)	21.1	19.9	18.6	15.6	10.2	9.3	8.6	7.4
Provincial (%)	14.0	14.2	14.0	14.6	6.8	6.7	6.5	6.9

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

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



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



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

Table C.5: Total GDP and Total Government Expenditures, Canada and Provinces, 2005-06 to 2008-09

	Total GDP				Total Expenditures			
	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates	2005-06	2006-07	2007-08 Forecast	2008-09 Estimates
NEWFOUNDLAND AND LABRADOR								
Total Provincial (\$ million)	20,832	24,776	27,951	30,016	4,885	4,963	4,976	6,128
Agri-Food GDP as % of Total GDP	2.04	1.88	1.76	1.84				
Agri-Food Exp. as % of Total Exp.					0.30	0.31	0.36	0.60
PRINCE EDWARD ISLAND								
Total Provincial (\$ million)	3,757	3,930	4,165	4,337	1,169	1,207	1,265	1,346
Agri-Food GDP as % of Total GDP	12.50	12.87	13.07	12.50				
Agri-Food Exp. as % of Total Exp.					2.70	2.34	3.54	2.31
NOVA SCOTIA								
Total Provincial (\$ million)	29,021	29,357	30,942	32,483	5,611	6,000	6,563	6,844
Agri-Food GDP as % of Total GDP	2.92	2.91	2.81	2.87				
Agri-Food Exp. as % of Total Exp.					0.84	0.76	1.01	0.76
NEW BRUNSWICK								
Total Provincial (\$ million)	22,385	23,322	24,561	26,091	6,088	6,404	6,876	7,085
Agri-Food GDP as % of Total GDP	4.43	4.67	4.59	4.56				
Agri-Food Exp. as % of Total Exp.					0.44	0.39	0.43	0.44
QUEBEC								
Total Provincial (\$ million)	256,351	267,890	282,255	293,074	54,509	58,736	61,638	63,855
Agri-Food GDP as % of Total GDP	3.40	3.42	3.46	3.49				
Agri-Food Exp. as % of Total Exp.					1.55	1.63	1.67	1.66
ONTARIO								
Total Provincial (\$ million)	501,680	522,994	546,041	564,373	83,927	88,128	95,963	96,170
Agri-Food GDP as % of Total GDP	3.08	3.08	2.92	2.96				
Agri-Food Exp. as % of Total Exp.					0.64	0.58	0.78	0.62
MANITOBA								
Total Provincial (\$ million)	39,689	42,646	46,185	49,174	8,284	8,728	8,350	9,864
Agri-Food GDP as % of Total GDP	6.68	7.05	6.79	6.74				
Agri-Food Exp. as % of Total Exp.					3.63	2.82	3.01	2.68
SASKATCHEWAN								
Total Provincial (\$ million)	42,205	44,715	50,520	57,486	8,787	8,389	8,702	9,106
Agri-Food GDP as % of Total GDP	12.78	12.51	12.14	11.97				
Agri-Food Exp. as % of Total Exp.					5.58	5.02	4.49	4.40
ALBERTA								
Total Provincial (\$ million)	221,052	237,540	257,319	286,832	26,991	29,671	33,149	33,783
Agri-Food GDP as % of Total GDP	4.02	3.62	3.63	3.54				
Agri-Food Exp. as % of Total Exp.					3.22	3.26	2.04	3.52
BRITISH COLUMBIA								
Total Provincial (\$ million)	158,784	167,846	177,032	184,555	27,392	28,209	29,775	31,407
Agri-Food GDP as % of Total GDP	1.92	1.91	1.87	1.91				
Agri-Food Exp. as % of Total Exp.					0.22	0.27	0.31	0.28
TOTAL - PROVINCIAL								
Total Provincial (\$ million)	1,295,756	1,365,014	1,446,972	1,528,422	227,643	240,436	257,255	265,589
Agri-Food GDP as % of Total GDP	3.62	3.56	3.50	3.53				
Agri-Food Exp. as % of Total Exp.					1.42	1.37	1.30	1.41
CANADA - FEDERAL								
Total Federal (\$ million)	1,302,621	1,372,239	1,454,725	1,536,083	208,985	222,213	210,311	220,611
Agri-Food GDP as % of Total GDP	3.66	3.60	3.53	3.54				
Agri-Food Exp. as % of Total Exp.					2.32	2.08	2.11	1.82

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 transfers 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 advance, 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, 2005-07

	2005	2006	2007 Preliminary
	(\$ Million)		
Total value of production (at farm gate)	31,516	32,463	36,401
of which share of MPS commodities ¹ (%)	75	75	76
Total value of consumption (at farm gate)	22,906	24,569	26,945
Producer Support Estimate (PSE)	7,873	8,213	7,521
Market price support (MPS)	3,562	4,427	3,109
Payments based on output	0	0	0
Payments based on input use	589	672	636
Payments based on current A/An/R/I ² , production required	1,871	2,069	2,054
Payments based on non-current A/An/R/I, production required	0	133	627
Payments based on non-current A/An/R/I, production not required	1,735	880	1,056
Payments based on non-commodity criteria	71	5	0
Miscellaneous payments	45	28	40
Percentage PSE	22	23	18
Producer Nominal Protection Coefficient (Producer NPC)	1.13	1.16	1.09
Producer Nominal Assistance Coefficient (Producer NAC)	1.28	1.29	1.23
General Services Support Estimate (GSSE)	3,099	2,757	2,950
Research and development	498	447	470
Agricultural schools	274	259	236
Inspection services	741	811	981
Infrastructure	481	557	640
Marketing and promotion	1,104	682	623
Public stockholding	0	0	0
Miscellaneous	0	0	0
Consumer Support Estimate (CSE)	(3,554)	(4,428)	(3,086)
Transfers to producers from consumers	(3,554)	(4,416)	(3,081)
Other transfers from consumers	0	(12)	(6)
Transfers to consumers from taxpayers	0	0	0
Excess feed cost	0	0	0
Percentage CSE	(16)	(18)	(11)
Consumer Nominal Protection Coefficient (Consumer NPC)	1.18	1.22	1.13
Consumer Nominal Assistance Coefficient (Consumer NAC)	1.18	1.22	1.13
Total Support Estimate (TSE)	10,972	10,970	10,471
Transfers from consumers	3,554	4,428	3,086
Transfers from taxpayers	7,418	6,555	7,390
Budget revenues	0	(12)	(6)

Source: OECD, Agricultural Policies in OECD Countries: At a Glance 2008.

¹ MPS commodities for Canada are: wheat, corn, other grains, oilseeds, milk, beef and veal, pigmeat, poultry and eggs.² A (Area planted), An (Animal numbers), R (Receipts), I (Income).

Table D.2: Producer Support Estimate (PSE) for Selected OECD Countries, 2005-07

	2005	2006	2007 Preliminary
	Percentage PSE (% of gross farm receipts)		
Australia	4	6	6
Canada	22	23	18
European Union ¹	32	31	26
Japan	54	51	45
Mexico	13	15	14
New Zealand	1	1	1
USA	15	11	10
OECD	28	26	23

Source: OECD, Agricultural Policies in OECD Countries: At a Glance 2008.

¹ EU25 for 2005 and 2006, EU27 for 2007.

	2005	2006	2007 Preliminary
	Total PSE (\$US Million)		
Australia	1,372	1,506	1,872
Canada	6,497	7,240	7,001
European Union ¹	130,824	130,622	134,318
Japan	44,576	39,239	35,230
Mexico	4,960	6,136	6,053
New Zealand	138	96	82
USA	41,024	30,860	32,663
OECD	272,076	257,287	258,236

Source: OECD, Agricultural Policies in OECD Countries: At a Glance 2008.

¹ EU25 for 2005 and 2006, EU27 for 2007.

Table D.3: Composition of Producer Support Estimate (PSE) for Selected OECD Countries, 2005-07

		2005	2006	2007 Preliminary
		(% share in PSE)		
Australia	Support based on commodity output	5	0	0
	Payments based on input use	49	60	44
	Payments based on current A/An/R/I ¹ , production required	2	2	3
	Payments based on non-current A/An/R/I, production required	0	0	0
	Payments based on non-current A/An/R/I, production not required	43	38	53
	Payments based on non-commodity criteria	0	0	0
	Miscellaneous payments	0	0	0
Canada	Support based on commodity output	45	54	41
	Payments based on input use	7	8	8
	Payments based on current A/An/R/I, production required	24	25	27
	Payments based on non-current A/An/R/I, production required	0	2	8
	Payments based on non-current A/An/R/I, production not required	22	11	14
	Payments based on non-commodity criteria	1	0	0
	Miscellaneous payments	1	0	1
European Union²	Support based on commodity output	51	42	37
	Payments based on input use	10	11	12
	Payments based on current A/An/R/I, production required	23	17	17
	Payments based on non-current A/An/R/I, production required	0	0	0
	Payments based on non-current A/An/R/I, production not required	15	30	33
	Payments based on non-commodity criteria	1	2	1
	Miscellaneous payments	0	0	0
Japan	Support based on commodity output	93	93	89
	Payments based on input use	3	3	4
	Payments based on current A/An/R/I, production required	1	1	0
	Payments based on non-current A/An/R/I, production required	0	0	0
	Payments based on non-current A/An/R/I, production not required	3	4	6
	Payments based on non-commodity criteria	0	0	0
	Miscellaneous payments	0	0	0
Mexico	Support based on commodity output	37	43	30
	Payments based on input use	35	33	41
	Payments based on current A/An/R/I, production required	1	2	4
	Payments based on non-current A/An/R/I, production required	4	3	6
	Payments based on non-current A/An/R/I, production not required	23	18	19
	Payments based on non-commodity criteria	0	0	0
	Miscellaneous payments	0	0	0
New Zealand	Support based on commodity output	51	57	46
	Payments based on input use	27	38	54
	Payments based on current A/An/R/I, production required	22	5	0
	Payments based on non-current A/An/R/I, production required	0	0	0
	Payments based on non-current A/An/R/I, production not required	0	0	0
	Payments based on non-commodity criteria	0	0	0
	Miscellaneous payments	0	0	0

Source: OECD, Agricultural Policies in OECD Countries: At a Glance 2008.

¹ A (Area planted), An (Animal numbers), R (Receipts), I (Income).² EU25 for 2005 and 2006, EU27 for 2007.

Table D.3: Composition of Producer Support Estimate (PSE) for Selected OECD Countries, 2005-07 (cont'd)

		2005	2006	2007 Preliminary
		(% share in PSE)		
USA	Support based on commodity output	35	26	38
	Payments based on input use	23	31	28
	Payments based on current A/An/R/I, production required	9	11	6
	Payments based on non-current A/An/R/I, production required	0	0	0
	Payments based on non-current A/An/R/I, production not required	27	25	22
	Payments based on non-commodity criteria	5	8	7
	Miscellaneous payments	0	0	0
OECD	Support based on commodity output	60	54	51
	Payments based on input use	10	11	13
	Payments based on current A/An/R/I, production required	14	11	11
	Payments based on non-current A/An/R/I, production required	0	0	1
	Payments based on non-current A/An/R/I, production not required	14	21	23
	Payments based on non-commodity criteria	1	2	1
	Miscellaneous payments	0	0	0

Source: OECD, Agricultural Policies in OECD Countries: At a Glance 2008.

¹ A (Area planted), An (Animal numbers), R (Receipts), I (Income).

² EU25 for 2005 and 2006, EU27 for 2007.

Table D.4: Single Commodity Transfers (Percentage SCT)¹ for Selected OECD Countries, 2005-07

	Wheat			Maize			Other grains			Canola/Rapeseed			Soybean		
	2005	2006	2007p	2005	2006	2007p	2005	2006	2007p	2005	2006	2007p	2005	2006	2007p
Australia	0	0	0	n.c.	n.c.	n.c.	0	0	0	0	0	0	0	0	0
Canada	1.8	0.8	1.6	6.8	8.7	8.3	4.3	3.3	3.2	2.3	0.5	3	1.4	1.6	3.8
European Union ²	4.1	1	0.6	16	9.8	17.1	2.4	0	0	0.1	0	0	0.1	0	0
Japan	82.5	78.2	38.7	n.c.	n.c.	n.c.	75.8	72.1	33.6	n.c.	n.c.	n.c.	68.9	52.3	16.8
Mexico	10.2	12.9	13.2	8.8	9.5	3	7.4	7.2	2.7	n.c.	n.c.	n.c.	14.8	30	11.1
New Zealand	0	0	0	0	0	0	0	0	0	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
USA	1.7	6.6	3.8	16.7	0.4	-0.7	12.2	6.6	0.5	n.c.	n.c.	n.c.	-0.5	-0.4	0.3
OECD	10	8	5	16	4	3	11	6	1	2	1	1	3	2	1

	Beef and veal			Pigmeat			Milk			Poultry			Eggs		
	2005	2006	2007p	2005	2006	2007p	2005	2006	2007p	2005	2006	2007p	2005	2006	2007p
Australia	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0
Canada	2.6	2.2	2.6	0.7	0.6	1.3	48.9	58.8	37.4	2.1	9.8	8.2	34.2	36.5	45.1
European Union	59.1	49.7	44.5	15.9	12.2	15.6	23.3	19.6	0	38.1	39.1	45.8	-1	-0.6	-1.4
Japan	28.2	27.9	28	61.8	61.8	61.3	58	54.2	39.5	10.5	10.5	10.5	14.6	14.6	14.6
Mexico	7.9	6.0	11.1	0.5	2.8	2.3	1.2	15	0	4.5	9.4	7.1	0	-0.1	0.6
New Zealand	0	0	0	0	0	0	0	0	0	11.8	13.4	8.5	32.2	16.4	9.4
USA	0	0	0	0	0	0	18	16.6	22.7	0	0	0	0	0	0
OECD	26	22	20	16	15	16	25	23	11	14	15	17	6	5	5

Source: OECD, Agricultural Policies in OECD Countries: At a Glance 2008.

p: preliminary

n.c. not calculated

¹ Percentage of farm gross receipts for the specific commodity.² EU25 for 2005 and 2006, EU27 for 2007.**Table D.5: General Services Support Estimate (GSSE) for Selected OECD Countries, 2005-07**

	2005	2006	2007 Preliminary
	GSSE as a share of Total Support Estimate (%)		
Australia	39	36	35
Canada	28	25	28
European Union ¹	10	11	11
Japan	18	18	22
Mexico	14	11	14
New Zealand	54	64	71
USA	38	43	42
OECD	20	21	21

Source: OECD, Agricultural Policies in OECD Countries: At a Glance 2008.

¹ EU25 for 2005 and 2006, EU27 for 2007.

Table D.6: Composition of General Services Support Estimate (GSSE) for Selected OECD Countries, 2005-07

		2005	2006	2007 Preliminary
		(% share in GSSE)		
Australia	Research and development	59	58	54
	Agricultural schools	0	0	0
	Inspection services	13	14	13
	Infrastructure	25	25	32
	Marketing and promotion	1	2	1
	Public stockholding	0	0	0
	Miscellaneous	2	2	0
Canada	Research and development	16	16	16
	Agricultural schools	9	9	8
	Inspection services	24	29	33
	Infrastructure	16	20	22
	Marketing and promotion	36	25	21
	Public stockholding	0	0	0
	Miscellaneous	0	0	0
European Union¹	Research and development	15	15	17
	Agricultural schools	10	7	9
	Inspection services	7	5	6
	Infrastructure	40	47	40
	Marketing and promotion	22	23	26
	Public stockholding	6	2	1
	Miscellaneous	1	0	0
Japan	Research and development	9	10	8
	Agricultural schools	1	0	3
	Inspection services	1	1	1
	Infrastructure	84	85	83
	Marketing and promotion	2	2	2
	Public stockholding	2	2	2
	Miscellaneous	0	0	2
Mexico	Research and development	18	20	17
	Agricultural schools	23	29	26
	Inspection services	24	26	21
	Infrastructure	21	9	13
	Marketing and promotion	13	16	22
	Public stockholding	0	0	0
	Miscellaneous	1	1	0

Source: OECD, Agricultural Policies in OECD Countries: At a Glance 2008.

¹ EU25 for 2005 and 2006, EU27 for 2007.

Table D.6: Composition of General Services Support Estimate (GSSE) for Selected OECD Countries, 2005-07 (cont'd)

		2005	2006	2007 Preliminary
		(% share in GSSE)		
New Zealand	Research and development	37	33	34
	Agricultural schools	9	9	9
	Inspection services	30	30	28
	Infrastructure	24	28	29
	Marketing and promotion	0	0	0
	Public stockholding	0	0	0
	Miscellaneous	0	0	0
USA	Research and development	4	4	6
	Agricultural schools	0	0	0
	Inspection services	2	2	2
	Infrastructure	14	13	10
	Marketing and promotion	74	75	77
	Public stockholding	0	0	0
	Miscellaneous	5	5	5
OECD	Research and development	9	9	10
	Agricultural schools	3	2	3
	Inspection services	4	4	4
	Infrastructure	30	29	29
	Marketing and promotion	48	50	49
	Public stockholding	2	2	2
	Miscellaneous	3	3	3

Source: OECD, Agricultural Policies in OECD Countries: At a Glance 2008.

¹ EU25 for 2005 and 2006, EU27 for 2007.

Table D.7: Consumer Support Estimate (CSE) for Selected OECD Countries, 2005-07

	2005	2006	2007 Preliminary
	Percentage CSE (%) ¹		
Australia	-2	-2	-2
Canada	-16	-18	-11
European Union ²	-16	-14	-10
Japan	-52	-48	-40
Mexico	-5	-6	-5
New Zealand	-3	-3	-2
USA	8	10	5
OECD	-17	-15	-12

Source: OECD, Agricultural Policies in OECD Countries: At a Glance 2008.

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

² EU25 for 2005 and 2006, EU27 for 2007.

Table D.8: Total Support Estimate (TSE) for Selected OECD Countries, 2005-07

	2005	2006	2007 Preliminary
	Total Support Estimate in percentage of GDP (%)		
Australia	0.28	0.27	0.30
Canada	0.80	0.76	0.68
European Union ¹	1.11	1.04	0.91
Japan	1.19	1.09	1.04
Mexico	0.78	0.85	0.82
New Zealand	0.28	0.26	0.22
USA	0.85	0.75	0.73
OECD	1.05	0.97	0.89

Source: OECD, Agricultural Policies in OECD Countries: At a Glance 2008.

¹ EU25 for 2005 and 2006, EU27 for 2007.

Methodology for OECD Support Indicators

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

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

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

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

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

Definition of categories in the PSE classification

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

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

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

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

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

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

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

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

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

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

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

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

Definitions of the OECD indicators of support

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The TSE is the sum of the following transfers:

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

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

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

Treatment of taxes and levies

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

The case of negative support

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

Meaning and interpretation of the main indicators

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

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

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

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

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

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

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

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

Calculating Market Price Support (MPS)

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

Percentage GSSE and percentage TSE

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

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

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

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