



Agriculture and  
Agri-Food Canada

Agriculture et  
Agroalimentaire Canada



# **Farm Income, Financial Conditions and Government Assistance**

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## **Data Book, 2012**



**Farm Income,  
Financial Conditions  
and Government Assistance  
Data Book, 2012**

Research and Analysis Directorate  
Strategic Policy Branch

Farm Income, Financial Conditions and Government Assistance, Data Book, 2012

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## ABBREVIATIONS

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

## SYMBOLS

n.c.	not calculated
..	not available
x	confidential or too unreliable to be published



## INTRODUCTION

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

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# EXECUTIVE SUMMARY

## FARM INCOME, FINANCIAL CONDITIONS AND GOVERNMENT ASSISTANCE DATA BOOK

The Farm Income, Financial Conditions and Government Assistance Data Book is a compendium of historical data series from several sources compiled into a single, convenient resource for users of data on key economic and financial indicators of the agriculture sector. The information provides a comprehensive view of the situation in primary agriculture and the expenditures that governments are making to ensure a strong and competitive sector. The Data Book also provides valuable information on government assistance to the agriculture and agri-food sector not easily available from other sources.

Information is provided by several organizations within Agriculture and Agri-Food Canada as well as by other federal departments. Information in the Data Book is also prepared in consultation with the provincial ministries responsible for agriculture.

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

### HIGHLIGHTS

#### Section A - Farm Income

- In 2011 total market receipts from both crop and livestock sources reached \$46.3 billion, the highest level over the 10-year period 2002-2011. The increase in market receipts in 2011 was due to the combination of strong crop receipts of \$25.9 billion and strong livestock receipts of \$20.3 billion, both highs over the previous 10 years.
- Net cash income in 2011 at \$11.5 billion was the highest level reported over 2002-2011, surpassing the previous record of \$9.2 billion achieved in 2010. In comparison, the lowest net cash income level over the reference period was \$5.0 billion in 2003, the year that BSE was discovered in the Canadian cattle herd.
- Program payments increased to \$3.5 billion in 2011 from the 10-year low of \$3.1 billion a year earlier. In general though, high income years between 2008 and 2011 due to strong market conditions have reduced the need for program payments.

- Preliminary estimates for 2011 show that on average, the largest farms are in Newfoundland and Labrador, which reported average operating revenues of \$592,168. The smallest farms are in Saskatchewan, where the average farm reported \$282,567 in total operating revenues. Nationally, the average farm reported \$355,550 in operating revenues and \$292,002 in operating expenses in 2011 for an average net operating income of \$63,549. This was a 26% increase from \$50,534 in net operating income reported a year earlier.
- Net operating income by farm type shows considerable variation. Potato farms had the highest average net operating income in 2011 at \$233,808, while grains and oilseeds farms were at \$85,810, other vegetable and melon farms at \$68,475, fruit and tree nut farms at \$28,846 and cattle farms at \$12,955. Hog farms had an average net operating income of \$88,834, which represented an increase of 17% from a year earlier.

#### Section B - Farm Financial Conditions

- Farmers take on debt to meet short-term financial obligations and to make investments in their farming operations to take advantage of emerging marketing opportunities. In 2011, total farm debt in Canada stood at \$69.7 billion.
- There were only 66 farm bankruptcies in 2011, up from 61 a year earlier. Ontario (18 bankruptcies), Quebec (17 bankruptcies) and Saskatchewan (12 bankruptcies) reporting the highest number. The number of farm bankruptcies had followed a declining trend between 1996 and 2010.
- Farm Credit Canada approved 45,578 new loans in 2011-12. The average size of loan approved by Farm Credit Canada has been declining in recent years, but jumped back up to \$156,150 in 2011-12.
- There were 2,311 new loans registered under the Canadian Agricultural Loans Act (CALA, formerly Farm Improvement and Marketing Cooperatives Loans Act) in 2011-12. Approximately 4 out of 5 new loans went to Saskatchewan.
- Farmers in general had healthy balance sheets in 2011. The average Canadian farm reported \$2.0 million in assets and \$0.4 million in debt, for an overall net worth of \$1.7 million. There was considerable variation by farm type, with net worth of poultry farms averaging \$4.3 million, potato farms \$3.1 million, dairy farms \$2.8 million, grain farms \$1.9 million, hog farms \$1.9 million, and beef farms \$1.1 million. Farms in British Columbia had the highest level of farm

assets among provinces at \$2.6 million, followed by Alberta at \$2.4 million. Farms in Alberta and British Columbia also had the highest average net worth at \$2.1 million in each province.

- In the fall of 2012, urea cost an average of \$705 per tonne in Ontario, \$626 per tonne in Manitoba and \$618 per tonne in Saskatchewan. Farmers in Ontario and Manitoba paid more for urea than farmers in neighbouring US states while farmers in Saskatchewan paid less than their neighbours in Montana. Farmers in Ontario paid higher prices for diesel and gasoline than their US neighbours. Farmers in Manitoba and Saskatchewan faced lower diesel prices, but paid more for gasoline than farmers in neighbouring US states.
- Total expenses for farming increased to \$44.1 billion in 2011, up 8% after declining for two consecutive years. Higher fertilizers, commercial feed and machinery fuel costs were responsible for just over half of the increase from the previous year.

### Section C - Government Expenditures in Support of the Agri-Food Sector

- Total government expenditures in support of the agriculture and agri-food sector increased by 3.7% in 2011-12 to \$6.69 billion. Federal expenditures increased by less than 1% to reach \$3.37 billion while the provincial expenditures increased by 7.6% to reach \$3.32 billion.
- Expectations are that federal expenditures will increase in 2012-13, reaching \$3.47 billion, while provincial expenditures will decrease to \$3.29 billion. Total expenditures are expected to increase by 1.1% to reach \$6.76 billion.
- In 2011-12, federal program payments, which include primarily payments made directly to producers, are expected to decrease compared to the previous year, reaching \$1.36 billion. These payments are also expected to decrease in 2012-13 to \$1.28 billion. During the same 2-year period, provincial program payments are expected to increase in 2011-12 to reach \$1.71 and then to decrease to \$1.65 billion in 2012-13.
- In 2011-12, categories with the highest expenditures are program payments, and research and inspection. These two categories represented 73% and 58% of federal and provincial expenditures, respectively. However, the share of only research and inspection expenditures represented 34% at the federal level compared to 11% at the provincial level.

### Section D - Estimates of Support to Agriculture

- Expressed as a percentage of gross farm receipts, the producer support estimates (PSE) for Canada decreased from 17% in 2010 to 14% in 2011.

- From 2010 to 2011, the level of support, expressed as a percentage of gross farm receipts, also decreased in the EU (from 20% to 18%) while it stayed the same in the US (8%), Australia (3%), Mexico (12%) and New Zealand (1%).
- In 2011, single commodity transfers (SCT) represented 73% of total PSE, which is high when compared to the EU (17%) and the US (36%). The Canadian result can be explained by the high level of support to milk through market price support.





# SECTION A

## Farm Income



Table A.1: Farm Cash Receipts, Expenses and Incomes, Canada and Provinces, 2002-2011

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
<b>Crop Receipts</b>											
2002	16	221	130	219	1,394	3,532	1,908	3,760	2,215	1,017	14,412
2003	16	219	147	195	1,412	3,663	1,703	2,816	2,027	1,114	13,312
2004	16	186	141	178	1,449	3,558	1,812	3,255	2,656	1,169	14,420
2005	14	195	140	188	1,477	3,632	1,294	3,071	2,402	1,074	13,489
2006	17	235	155	221	1,563	3,851	1,275	3,663	2,619	1,107	14,705
2007	19	236	127	206	1,664	4,205	2,198	5,202	3,459	1,117	18,433
2008	16	240	131	217	2,119	4,697	2,763	7,001	4,727	1,112	23,024
2009	19	252	130	245	2,051	4,837	2,805	7,272	4,419	1,172	23,202
2010	18	247	130	230	2,076	5,296	2,729	6,677	3,797	1,206	22,406
2011	18	309	137	264	2,407	5,631	2,555	8,203	5,179	1,234	25,936
<b>Livestock Receipts</b>											
2002	63	124	265	202	3,626	4,280	1,693	1,689	5,062	1,126	18,130
2003	64	114	259	204	3,643	4,159	1,522	1,339	3,707	1,074	16,085
2004	70	123	290	208	4,018	4,365	1,615	1,447	3,914	1,004	17,056
2005	74	129	300	209	4,010	4,497	1,832	1,783	4,358	1,194	18,386
2006	79	121	303	204	3,868	4,351	1,801	1,724	4,193	1,134	17,778
2007	87	127	318	220	4,089	4,540	1,752	1,706	4,308	1,174	18,321
2008	93	120	349	225	4,320	4,801	1,716	1,731	4,281	1,302	18,938
2009	88	119	324	223	4,244	4,602	1,657	1,491	4,103	1,258	18,107
2010	99	127	357	225	4,478	4,709	1,760	1,550	4,393	1,228	18,926
2011	101	135	374	245	4,905	5,214	1,880	1,668	4,514	1,314	20,349
<b>Total Market Receipts</b>											
2002	78	345	396	421	5,021	7,812	3,601	5,449	7,277	2,143	32,542
2003	80	335	389	423	5,037	7,692	3,429	5,099	5,921	2,091	30,497
2004	86	342	437	403	5,430	8,028	3,318	4,263	5,941	2,118	30,368
2005	90	315	441	387	5,460	8,054	3,644	5,038	7,014	2,362	32,807
2006	93	316	443	393	5,345	7,984	3,095	4,795	6,595	2,208	31,267
2007	104	362	473	441	5,651	8,391	3,027	5,369	6,927	2,281	33,026
2008	111	356	476	431	5,984	9,006	3,914	6,933	7,740	2,419	37,371
2009	104	359	455	440	6,363	9,299	4,420	8,492	8,830	2,370	41,131
2010	117	379	487	470	6,529	9,546	4,565	8,822	8,812	2,400	42,127
2011	120	444	510	508	7,312	10,845	4,434	9,871	9,693	2,548	46,285
<b>Program Payments</b>											
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	21	18	31	1,134	597	413	871	907	101	4,093
2008	1	33	14	31	1,092	648	350	680	1,174	109	4,132
2009	0	36	16	30	1,060	367	386	463	830	102	3,291
2010	1	33	13	24	617	287	349	912	817	82	3,135
2011	1	33	16	25	656	282	509	1,218	681	66	3,486
<b>Total Cash Receipts</b>											
2002	80	369	407	429	5,489	8,435	3,820	6,453	8,316	2,174	35,971
2003	81	355	422	412	5,929	8,408	3,532	5,755	7,102	2,248	34,245
2004	88	350	457	422	6,302	8,597	3,858	5,892	8,013	2,360	36,338
2005	89	370	467	438	6,237	8,930	3,825	6,177	7,877	2,388	36,798
2006	96	377	472	459	6,289	8,865	3,702	6,654	7,757	2,346	37,017
2007	106	384	463	457	6,887	9,342	4,363	7,779	8,674	2,391	40,847
2008	110	393	494	473	7,531	10,146	4,829	9,413	10,182	2,523	46,094
2009	107	407	469	498	7,356	9,806	4,848	9,225	9,351	2,532	44,599
2010	118	407	500	479	7,171	10,292	4,838	9,138	9,007	2,515	44,466
2011	120	477	527	533	7,967	11,127	4,944	11,088	10,374	2,614	49,772

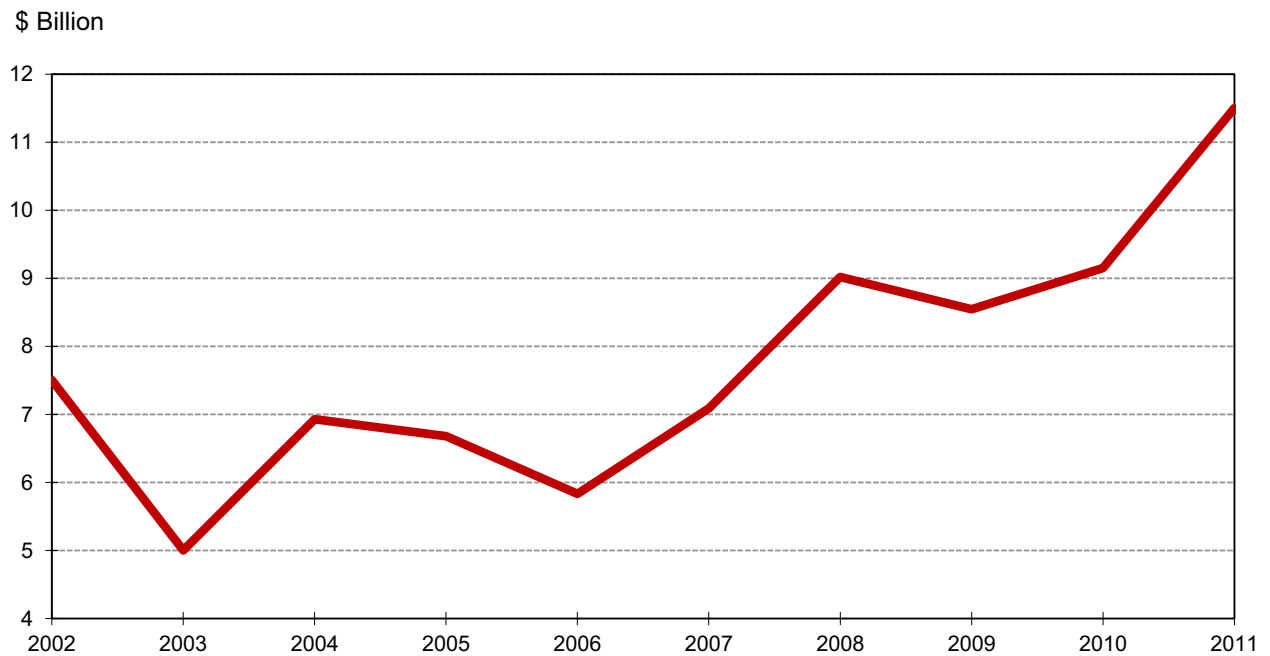
Sources: Statistics Canada, CANSIM, Table 002-0001 - Farm Cash Receipts and Table 002-0009 - Net Farm Income.

Table A.1: Farm Cash Receipts, Expenses and Incomes, Canada and Provinces, 2002-2011 (cont'd)

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
<b>Net Operating Expenses</b>											
2002	72	290	353	337	4,475	7,099	2,895	4,747	6,321	1,873	28,463
2003	75	298	366	349	4,777	7,169	3,040	4,929	6,324	1,917	29,243
2004	78	305	365	351	4,925	7,224	3,099	4,888	6,235	1,937	29,407
2005	79	310	367	360	4,876	7,375	3,013	5,142	6,563	2,034	30,119
2006	86	323	382	375	5,078	7,590	3,211	5,275	6,781	2,082	31,182
2007	96	338	400	389	5,555	8,059	3,535	5,865	7,306	2,215	33,757
2008	103	361	430	409	5,899	8,610	3,962	6,765	8,117	2,416	37,073
2009	106	378	419	416	5,771	8,510	3,812	6,531	7,830	2,279	36,052
2010	106	367	422	406	5,472	8,556	3,702	6,201	7,831	2,254	35,315
2011	114	391	448	424	6,018	9,093	3,873	6,980	8,576	2,359	38,276
<b>Net Cash Income</b>											
2002	8	79	54	92	1,013	1,336	925	1,705	1,995	301	7,508
2003	6	58	56	63	1,153	1,239	492	826	778	331	5,002
2004	9	45	92	70	1,378	1,373	758	1,004	1,778	423	6,931
2005	10	60	101	78	1,360	1,555	812	1,035	1,314	354	6,679
2006	10	54	90	84	1,211	1,275	490	1,379	976	265	5,834
2007	10	46	63	69	1,332	1,283	828	1,914	1,368	176	7,090
2008	7	32	64	63	1,632	1,536	868	2,648	2,065	107	9,021
2009	1	29	51	83	1,585	1,296	1,036	2,694	1,521	252	8,547
2010	12	41	78	73	1,699	1,736	1,136	2,938	1,176	262	9,151
2011	6	86	79	109	1,949	2,034	1,071	4,108	1,798	255	11,496
<b>Realized Net Income</b>											
2002	2	41	6	47	464	279	514	767	892	59	3,071
2003	0	20	7	17	562	189	52	-124	-358	81	446
2004	3	6	42	23	795	328	317	41	649	163	2,366
2005	3	20	48	27	727	459	355	72	143	81	1,936
2006	3	13	38	33	584	159	27	418	-213	-30	1,031
2007	3	7	10	16	679	137	362	916	126	-135	2,121
2008	-1	-8	8	12	952	355	376	1,620	770	-208	3,876
2009	-7	-12	-8	29	860	70	512	1,579	162	-68	3,115
2010	4	0	19	20	983	511	603	1,797	-178	-52	3,709
2011	-2	43	18	55	1,194	730	499	2,847	367	-73	5,677
<b>Total Net Income</b>											
2002	3	120	7	65	484	440	504	-11	-174	76	1,512
2003	1	16	6	12	676	212	452	691	583	125	2,775
2004	4	11	39	14	913	643	248	863	1,156	136	4,026
2005	4	0	46	38	676	447	122	754	454	36	2,577
2006	4	40	36	57	484	11	322	-151	-508	-66	229
2007	3	-19	11	3	761	-91	259	544	-154	-147	1,169
2008	-2	-34	6	-9	794	391	877	3,780	1,516	-244	7,075
2009	-7	-13	-20	32	793	18	544	2,061	-473	-100	2,834
2010	4	18	19	29	996	411	37	923	177	-62	2,551
2011	-3	31	20	5	1,170	880	6	3,001	744	-12	5,842

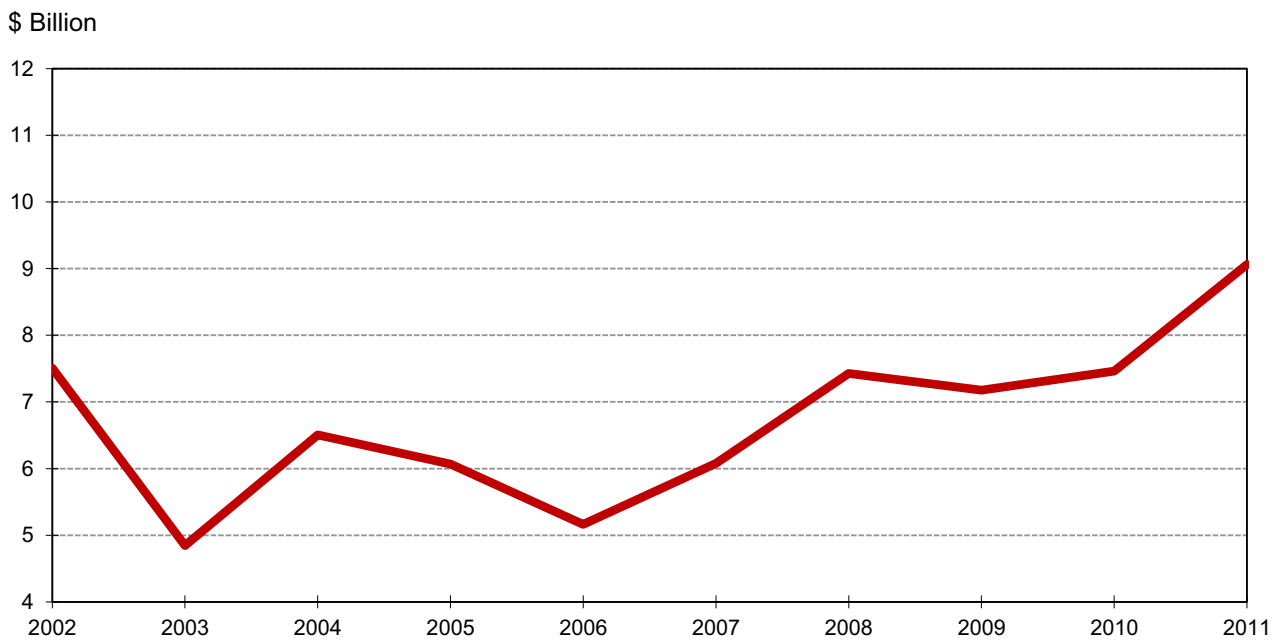
Sources: Statistics Canada, CANSIM, Table 002-0001 - Farm Cash Receipts and Table 002-0009 - Net Farm Income.

Figure A.1(a): Net Cash Income (Current Dollars), Canada, 2002-2011



Sources: Statistics Canada, CANSIM, Table 002-0009 - Net Farm Income.

Figure A.1(b): Net Cash Income (2007 Dollars), Canada, 2002-2011



Sources: Statistics Canada, CANSIM, Table 002-0009 - Net Farm Income and Table 380-0066 - Price indexes, gross domestic product as well as AAFC calculations.

Table A.2: Gross Direct Payments and Producer Premiums, Canada and Provinces, 2006-2011

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
<b>2006</b>											
Production Insurance <sup>1</sup>	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
Provincial Stabilization	0	0	0	0	497	0	0	0	0	0	497
Other Payments <sup>2</sup>	0	0	0	0	76	36	27	168	46	5	359
<b>Total Payments before rebates</b>	<b>1</b>	<b>21</b>	<b>15</b>	<b>34</b>	<b>858</b>	<b>662</b>	<b>626</b>	<b>1,267</b>	<b>945</b>	<b>105</b>	<b>4,534</b>
Input Rebates	0	1	1	0	102	5	25	0	17	0	150
<b>Total Payments</b>	<b>1</b>	<b>22</b>	<b>15</b>	<b>34</b>	<b>960</b>	<b>667</b>	<b>651</b>	<b>1,267</b>	<b>962</b>	<b>105</b>	<b>4,683</b>
Producer Premiums	0	4	0	2	161	42	69	200	158	4	640
<b>2007</b>											
Production Insurance <sup>1</sup>	0	6	2	7	62	81	67	120	209	17	571
CAIS	0	7	5	14	176	201	139	214	310	44	1,111
AgriStability	0	0	1	2	8	0	29	3	0	1	43
NISA	0	3	2	3	6	63	37	95	57	6	272
Provincial Stabilization	0	0	0	0	838	0	0	0	0	0	838
Other Payments <sup>2</sup>	0	5	8	4	45	252	141	438	331	33	1,258
<b>Total Payments before rebates</b>	<b>1</b>	<b>21</b>	<b>18</b>	<b>31</b>	<b>1,134</b>	<b>597</b>	<b>413</b>	<b>871</b>	<b>907</b>	<b>101</b>	<b>4,093</b>
Input Rebates	0	0	1	0	3	5	28	0	14	0	51
<b>Total Payments</b>	<b>1</b>	<b>22</b>	<b>18</b>	<b>31</b>	<b>1,138</b>	<b>602</b>	<b>441</b>	<b>871</b>	<b>921</b>	<b>101</b>	<b>4,144</b>
Producer Premiums	0	3	1	3	270	53	88	247	160	4	829
<b>2008</b>											
Production Insurance <sup>1</sup>	0	9	1	10	43	68	78	94	262	32	599
CAIS	1	8	2	7	132	100	75	123	605	36	1,089
AgriStability	0	4	3	7	200	167	89	45	63	13	592
AgriInvest <sup>3</sup>	0	4	2	3	46	71	40	63	61	14	306
NISA	0	3	2	3	5	54	33	85	49	6	240
Provincial Stabilization	0	0	0	0	644	0	0	0	0	0	644
Other Payments <sup>2</sup>	0	4	3	1	22	187	35	270	134	8	663
<b>Total Payments before rebates</b>	<b>1</b>	<b>33</b>	<b>14</b>	<b>31</b>	<b>1,092</b>	<b>648</b>	<b>350</b>	<b>680</b>	<b>1,174</b>	<b>109</b>	<b>4,132</b>
Input Rebates	0	0	1	0	4	5	30	0	12	0	52
<b>Total Payments</b>	<b>1</b>	<b>33</b>	<b>15</b>	<b>31</b>	<b>1,096</b>	<b>653</b>	<b>381</b>	<b>680</b>	<b>1,185</b>	<b>109</b>	<b>4,184</b>
Producer Premiums	0	4	1	3	181	56	116	349	204	6	919

Source: Statistics Canada, Catalogue No. 21-015-XIE, Agriculture Economic Statistics, November 2012.

<sup>1</sup> Excludes private hail insurance.<sup>2</sup> Other payments include programs such as private hail insurance and special assistance programs.<sup>3</sup> Includes payments under the Kickstart program.

Table A.2: Gross Direct Payments and Producer Premiums, Canada and Provinces, 2006-2011 (cont'd)

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
<b>2009</b>											
Production Insurance <sup>1</sup>	0	24	2	12	116	53	128	100	358	17	811
CAIS	0	0	1	1	23	9	8	9	122	13	186
AgriStability	0	6	8	13	190	182	134	66	141	50	790
AgrInvest <sup>3</sup>	0	4	2	3	35	63	50	112	78	11	358
NISA	0	2	2	2	4	46	28	72	40	5	202
Provincial Stabilization	0	0	0	0	689	0	0	0	0	0	689
Other Payments <sup>2</sup>	0	0	0	0	3	15	38	105	90	5	256
<b>Total Payments before rebates</b>	<b>0</b>	<b>36</b>	<b>16</b>	<b>30</b>	<b>1,060</b>	<b>367</b>	<b>386</b>	<b>463</b>	<b>830</b>	<b>102</b>	<b>3,291</b>
Input Rebates	0	0	1	0	2	5	33	0	8	0	48
<b>Total Payments</b>	<b>0</b>	<b>36</b>	<b>17</b>	<b>30</b>	<b>1,062</b>	<b>372</b>	<b>419</b>	<b>463</b>	<b>837</b>	<b>102</b>	<b>3,339</b>
Producer Premiums	0	5	1	3	293	52	115	338	253	6	1,067
<b>2010</b>											
Production Insurance <sup>1</sup>	0	17	2	14	87	50	169	320	469	28	1,157
CAIS	0	1	0	1	4	1	-1	7	0	1	13
AgriStability	0	11	9	6	268	154	92	113	136	44	834
AgrInvest	0	3	1	2	61	63	38	82	72	6	328
Provincial Stabilization	0	0	0	0	195	15	0	0	0	0	210
Other Payments <sup>2</sup>	0	2	0	1	2	2	51	390	141	3	593
<b>Total Payments before rebates</b>	<b>1</b>	<b>33</b>	<b>13</b>	<b>24</b>	<b>617</b>	<b>287</b>	<b>349</b>	<b>912</b>	<b>817</b>	<b>82</b>	<b>3,135</b>
Input Rebates	0	1	1	0	1	4	32	0	4	0	42
<b>Total Payments</b>	<b>1</b>	<b>34</b>	<b>13</b>	<b>24</b>	<b>618</b>	<b>292</b>	<b>382</b>	<b>912</b>	<b>821</b>	<b>82</b>	<b>3,177</b>
Producer Premiums	0	6	1	3	88	74	110	320	275	6	883
<b>2011</b>											
Production Insurance <sup>1</sup>	0	20	2	9	36	60	313	528	330	12	1,310
CAIS	0	0	0	0	1	0	2	0	-2	0	2
AgriStability	0	8	11	11	139	65	75	196	198	38	741
AgrInvest	0	5	3	3	62	75	56	119	90	12	425
Provincial Stabilization	0	0	0	0	391	68	0	0	0	0	459
Other Payments <sup>2</sup>	0	0	0	1	27	14	64	374	66	4	551
<b>Total Payments before rebates</b>	<b>1</b>	<b>33</b>	<b>16</b>	<b>25</b>	<b>656</b>	<b>282</b>	<b>509</b>	<b>1,218</b>	<b>681</b>	<b>66</b>	<b>3,486</b>
Input Rebates	0	1	1	0	0	4	33	0	2	0	41
<b>Total Payments</b>	<b>1</b>	<b>34</b>	<b>17</b>	<b>25</b>	<b>656</b>	<b>286</b>	<b>542</b>	<b>1,218</b>	<b>684</b>	<b>66</b>	<b>3,528</b>
Producer Premiums	0	8	1	3	231	50	105	379	319	2	1,099

Source: Statistics Canada, Catalogue No. 21-015-XIE, Agriculture Economic Statistics, November 2012.

<sup>1</sup> Excludes private hail insurance.<sup>2</sup> Other payments include programs such as private hail insurance and special assistance programs.<sup>3</sup> Includes payments under the Kickstart program.

Table A.3: Average Total Operating Revenues, Total Operating Expenses and Net Operating Income per Farm, Canada and Provinces, 2009-2011

Province	2009	2010	2011 Preliminary	11/10
	- Dollars per farm -			%
<b>Newfoundland and Labrador</b>				
Total Operating Revenues	603,877	632,882	592,168	-6%
Total Operating Expenses	535,444	541,550	499,053	-8%
Net Operating Income	68,434	91,332	93,115	2%
<b>Prince Edward Island</b>				
Total Operating Revenues	429,029	422,152	485,001	15%
Total Operating Expenses	379,729	368,175	399,162	8%
Net Operating Income	49,300	53,976	85,839	59%
<b>Nova Scotia</b>				
Total Operating Revenues	337,037	335,711	324,443	-3%
Total Operating Expenses	296,295	282,370	277,455	-2%
Net Operating Income	40,743	53,342	46,989	-12%
<b>New Brunswick</b>				
Total Operating Revenues	422,952	423,241	422,502	0%
Total Operating Expenses	363,421	360,786	358,590	-1%
Net Operating Income	59,531	62,455	63,912	2%
<b>Quebec</b>				
Total Operating Revenues	351,608	369,002	407,041	10%
Total Operating Expenses	299,681	310,522	343,450	11%
Net Operating Income	51,927	58,480	63,591	9%
<b>Ontario</b>				
Total Operating Revenues	299,757	316,012	346,841	10%
Total Operating Expenses	263,221	269,331	289,040	7%
Net Operating Income	36,536	46,681	57,801	24%
<b>Manitoba</b>				
Total Operating Revenues	345,606	344,249	406,354	18%
Total Operating Expenses	289,835	284,150	324,320	14%
Net Operating Income	55,771	60,099	82,034	36%
<b>Saskatchewan</b>				
Total Operating Revenues	232,349	241,410	282,567	17%
Total Operating Expenses	179,550	183,753	209,845	14%
Net Operating Income	52,798	57,656	72,723	26%
<b>Alberta</b>				
Total Operating Revenues	310,708	322,947	367,928	14%
Total Operating Expenses	261,628	281,949	310,014	10%
Net Operating Income	49,079	40,998	57,915	41%
<b>British Columbia</b>				
Total Operating Revenues	342,845	351,395	405,366	15%
Total Operating Expenses	311,573	312,742	358,816	15%
Net Operating Income	31,272	38,653	46,550	20%
<b>Canada</b>				
Total Operating Revenues	303,394	315,165	355,550	13%
Total Operating Expenses	256,337	264,631	292,002	10%
Net Operating Income	47,057	50,534	63,549	26%

Source: Statistics Canada, CANSIM, Table 002-0044.



Table A.4: Average Total Operating Revenues, Total Operating Expenses and Net Operating Income per Farm by Farm Type, Canada, 2009-2011

Farm Type	2009	2010	2011 Preliminary	11/10
	- Dollars per farm -			%
<b>Dairy cattle and milk production</b>				
Total Operating Revenues	493,917	536,042	562,973	5%
Total Operating Expenses	388,328	404,905	420,989	4%
Net Operating Income	105,590	131,137	141,983	8%
<b>Beef cattle ranching and farming</b>				
Total Operating Revenues	211,764	214,596	250,191	17%
Total Operating Expenses	201,167	203,315	237,236	17%
Net Operating Income	10,598	11,280	12,955	15%
<b>Hog and pig farming</b>				
Total Operating Revenues	1,196,370	1,367,521	1,791,460	31%
Total Operating Expenses	1,162,370	1,291,898	1,702,626	32%
Net Operating Income	34,000	75,623	88,834	17%
<b>Poultry and egg production</b>				
Total Operating Revenues	1,036,094	1,092,018	1,198,502	10%
Total Operating Expenses	903,816	925,223	1,021,837	10%
Net Operating Income	132,278	166,795	176,665	6%
<b>Oilseed and grain farming</b>				
Total Operating Revenues	261,455	262,803	305,464	16%
Total Operating Expenses	197,119	200,464	219,655	10%
Net Operating Income	64,336	62,339	85,810	38%
<b>Potato farming</b>				
Total Operating Revenues	1,108,654	1,154,731	1,245,111	8%
Total Operating Expenses	910,434	952,594	1,011,303	6%
Net Operating Income	198,220	202,137	233,808	16%
<b>Fruit and tree nut farming</b>				
Total Operating Revenues	220,929	235,972	240,222	2%
Total Operating Expenses	198,540	211,143	211,376	0%
Net Operating Income	22,389	24,828	28,846	16%
<b>Other vegetable and melon farming</b>				
Total Operating Revenues	399,861	452,486	496,737	10%
Total Operating Expenses	347,168	387,188	428,262	11%
Net Operating Income	52,692	65,298	68,475	5%
<b>Greenhouse, nursery and floriculture production</b>				
Total Operating Revenues	971,656	1,065,722	1,091,324	2%
Total Operating Expenses	866,687	948,085	985,917	4%
Net Operating Income	104,968	117,637	105,407	-10%
<b>All farm types</b>				
Total Operating Revenues	303,394	315,165	355,550	13%
Total Operating Expenses	256,337	264,631	292,002	10%
Net Operating Income	47,057	50,534	63,549	26%

Source: Statistics Canada, CANSIM, Table 002-0044.



## Methodology for Farm Income

**Table A.1: Farm Cash Receipts, Expenses and Incomes**

*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 in a given year regardless of the year that the agricultural goods were produced. *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 that 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 represent only the producers' withdrawals from Fund 2 (governments' fund) including disbursements at the termination of the program. The large balances accumulated in Fund 1 (producers' fund) are not included.

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.

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.

**Figure A.1(a) and Figure A.1(b): Canadian Farm Income in Current Dollars and in 2007 Dollars**

Real income is defined in terms of 2007 dollars using the Gross Domestic Product Implicit Price Deflator (GDP deflator, 2007 = 100).

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

Program payments include gross payments/indemnities directly paid to producers under statutory programs such as AgriStability, as well as provincial income stabilization programs and other special income support programs such as drought assistance.

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 Revenues, Total Operating Expenses and Net Operating Income per Farm, by Province (A.3) and by Farm Type (A.4)**

The Taxation Data Program (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 TDP excludes unincorporated farms with farm revenues below \$10,000.

The TDP farm income estimates differ from the official farm cash receipts and expenses estimates reported in Statistics Canada, CANSIM database, Table 002-0001 - Farm cash receipts and Table 002-0005 - Farm operating expenses and depreciation charges. 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.

Total operating revenues refers to revenues 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.

Total 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 total operating revenues and total 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.



# SECTION B

## Farm Financial Conditions

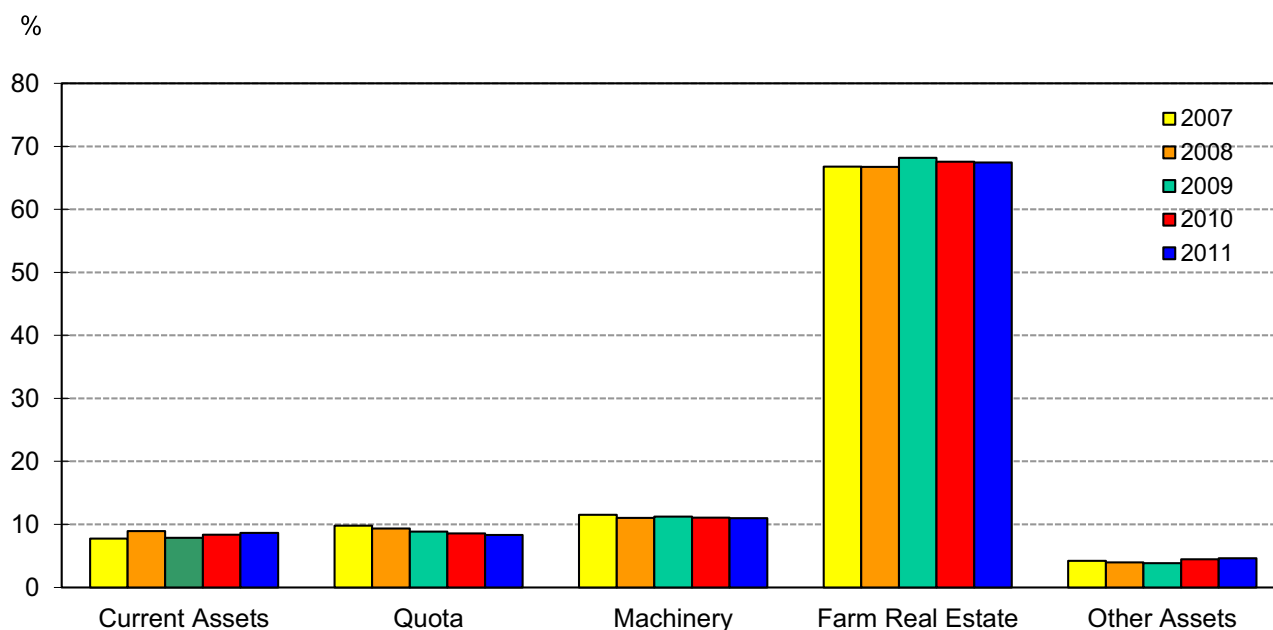


Table B.1: Farm Total Assets, Canada and Provinces, at December 31, 2002-2011

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
- \$ Million -											
2002	265	1,966	2,232	2,056	31,034	63,092	17,781	37,632	61,221	16,895	234,174
2003	285	1,966	2,211	2,073	32,354	66,068	17,919	37,077	62,607	18,339	240,899
2004	288	1,930	2,321	2,117	34,192	69,503	18,138	37,065	67,557	20,326	253,437
2005	313	2,033	2,352	2,214	35,571	71,126	18,323	38,508	73,036	23,098	266,575
2006	347	2,049	2,404	2,257	36,152	73,700	19,176	39,419	78,775	25,487	279,766
2007	385	2,037	2,515	2,275	37,944	77,618	20,755	43,751	86,622	28,850	302,752
2008	379	2,062	2,608	2,325	39,941	80,897	22,564	48,741	93,439	30,645	323,601
2009	364	1,999	2,749	2,457	40,035	82,570	23,467	51,025	95,758	30,945	331,369
2010	384	2,136	2,738	2,566	41,726	88,582	25,074	55,624	101,749	31,242	351,822
2011	385	2,175	2,854	2,544	43,185	93,217	25,405	60,343	107,699	31,922	369,728

Source: Statistics Canada, CANSIM Table 002-0020 - Balance sheet of the agricultural sector.

Figure B.1: Asset Class as a Percentage of Farm Total Assets, Canada, at December 31, 2007-2011



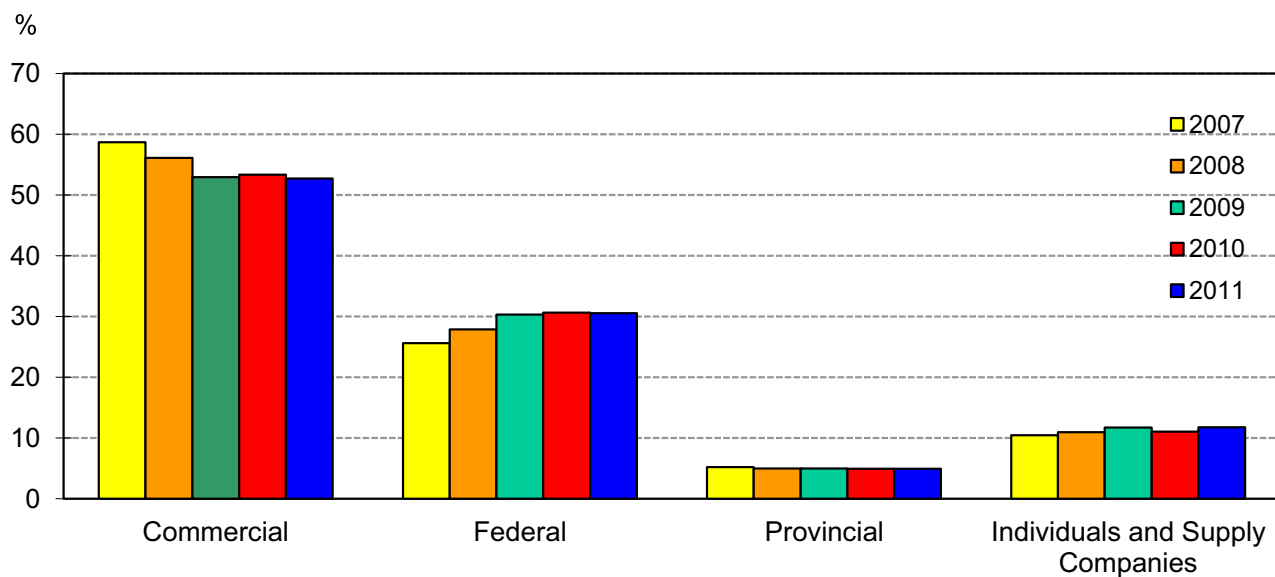
Source: Statistics Canada, CANSIM Table 002-0020 - Balance sheet of the agricultural sector.

Table B.2: Total Farm Debt Outstanding, Canada and Provinces, at December 31, 2002-2011

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
2002	63	504	488	443	8,589	10,925	4,100	6,258	9,916	2,568	43,855
2003	67	555	534	518	8,991	11,442	4,585	6,757	10,613	2,798	46,860
2004	78	578	562	519	9,326	12,146	4,892	6,914	10,881	3,004	48,900
2005	77	574	606	532	9,527	12,484	5,134	7,199	10,961	3,028	50,123
2006	92	583	609	539	9,866	12,664	5,414	7,511	11,548	3,424	52,249
2007	116	598	677	560	10,482	13,787	5,965	7,528	11,919	4,104	55,735
2008	130	603	750	616	10,927	14,591	6,530	8,014	13,176	4,549	59,884
2009	144	681	800	585	11,329	14,913	6,897	8,751	13,823	4,626	62,548
2010	159	706	777	614	11,362	16,034	7,208	8,954	14,637	5,040	65,490
2011	156	684	766	627	11,923	17,414	7,429	9,699	15,748	5,205	69,651

Source: Statistics Canada, CANSIM Table 002-0008 - Farm Debt Outstanding.

Figure B.2: Lender Shares as a Percentage of Total Farm Debt, Canada, at December 31, 2007-2011



Source: Statistics Canada, CANSIM Table 002-0008 - Farm Debt Outstanding.



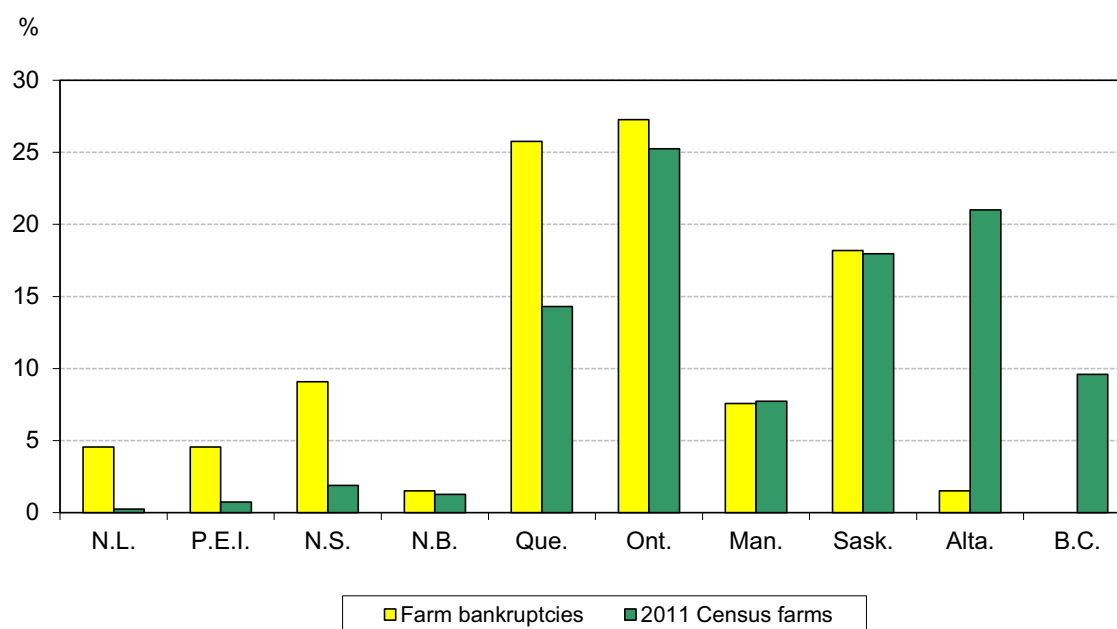
Table B.3: Farm Bankruptcies by Province, 1996-2011

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	NWT/ Yukon	Canada
1996	3	0	16	4	53	16	25	95	77	1	0	290
1997	1	4	12	4	54	16	19	76	62	4	0	252
1998	3	1	8	1	48	15	27	92	55	5	0	255
1999	0	1	2	4	43	17	29	99	45	6	0	246
2000	0	1	4	2	42	21	19	76	38	14	0	217
2001	2	2	5	0	55	23	19	64	43	6	0	219
2002	0	2	1	4	28	31	41	50	32	9	0	198
2003	0	1	4	1	46	23	28	59	46	16	0	224
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	29	21	14	49	15	1	0	138
2008	0	1	3	2	20	30	22	34	6	6	2	126
2009	0	5	3	1	29	22	14	12	5	1	0	92
2010	1	1	0	1	25	15	6	3	6	3	0	61
2011	3	3	6	1	17	18	5	12	1	0	0	66

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.3: Distribution of Farm Bankruptcies by Province, 2011



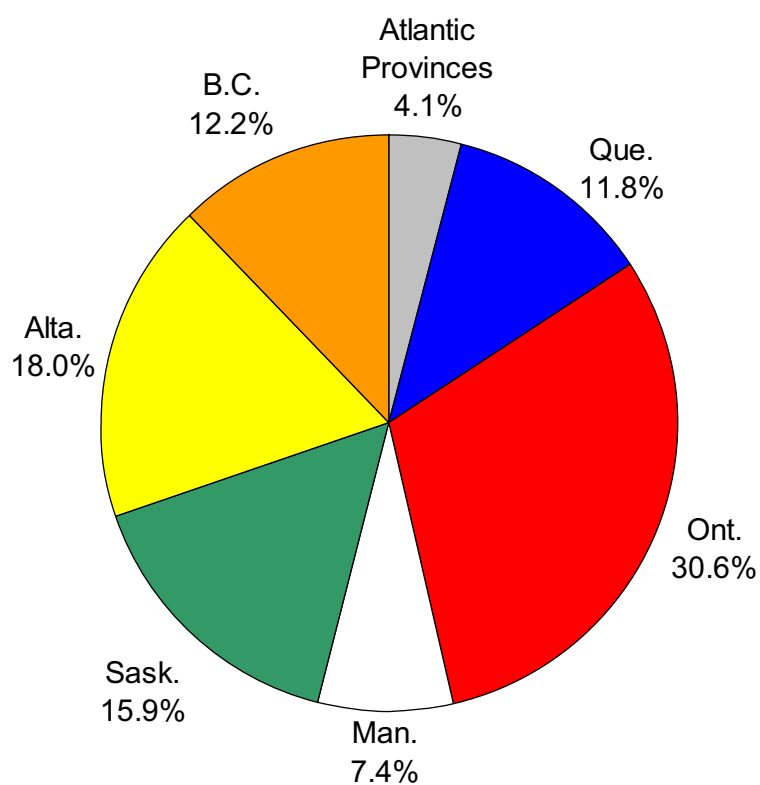
Sources: Office of the Superintendent of Bankruptcy, and Statistics Canada, 2011 Census of Agriculture.

**Table B.4: Farm Credit Canada (FCC) Loans Receivable Portfolio, 2006-07 to 2011-12**

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Number of loans receivable	101,470	98,066	106,867	114,439	120,070	126,496
Amount receivable (\$ million)	13,550.4	15,011.2	17,130.3	*19,816.2	*21,401.3	23,202.3
Number of loans approved	28,684	32,561	31,037	41,418	42,021	45,578
Amount of loans approved (\$ million)	3,714.7	4,285.0	5,068.4	6,585.6	6,153.2	7,116.8
Average size of loans approved (\$)	129,504	131,600	163,302	159,003	146,432	156,150

Source: Farm Credit Canada - Financial Planning & Analysis

\*Loans receivable for 2009-10 and 2010-11 have been restated as a result of a reversal of manual write offs that were entered during the 2011-12 fiscal year.

**Figure B.4: Distribution of the Amount of FCC Loans Receivable, by Province, at March 31, 2012**


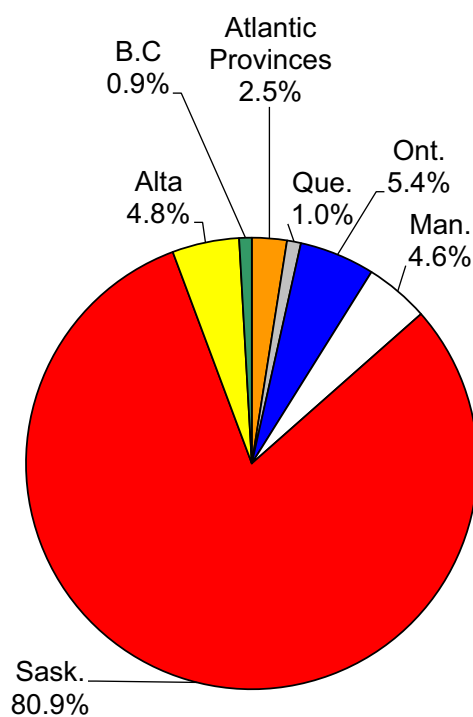
Source: Farm Credit Canada.

Table B.5: New Loans Registered under the Canadian Agricultural Loans Act (CALA), 2004-05 to 2011-12

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Number of new loans registered	2,829	2,128	1,803	1,854	1,740	2,524	2,382	2,311
Amount of new loans registered (\$000)	105,095	74,472	63,901	71,216	74,762	127,173	137,337	131,582
Average size of new loans registered (\$)	37,149	34,997	35,442	38,412	42,967	50,386	57,657	56,937

Source: CALA, Agriculture and Agri-Food Canada.

Figure B.5: Distribution of the Amount of New Loans Registered under CALA, by Province, Fiscal Year 2011-12



Source: CALA Administration, Agriculture and Agri-Food Canada.

Table B.6: Average Assets, Liabilities, Net Worth and Net New Investment by Farm Type, Canada and Provinces, 2009, 2010 and 2011

	Dairy	Beef	Hog	Poultry	Fruit	Vegetable	Potato	Grain	All Farms
	- Dollars per farm -								
<b>CANADA</b>									
<b>Farm Assets</b>									
- 2009	3,484,507	1,185,863	2,167,526	4,256,749	1,537,526	1,476,987	3,930,389	1,746,946	1,695,298
- 2010	3,667,607	1,383,561	2,369,649	4,935,817	1,674,193	1,633,895	4,096,960	1,913,816	1,865,322
- 2011	3,758,671	1,324,564	2,796,858	5,312,714	1,802,853	1,641,949	4,456,162	2,177,714	2,024,979
<b>Farm Debt</b>									
- 2009	983,556	177,221	850,435	824,568	318,086	323,832	1,249,543	272,175	323,146
- 2010	1,005,128	221,236	823,554	1,055,143	376,968	319,633	1,282,256	266,565	343,241
- 2011	998,014	194,952	929,579	1,062,379	391,429	310,400	1,319,006	307,402	357,644
<b>Net Worth</b>									
- 2009	2,500,951	1,008,642	1,317,090	3,432,181	1,219,441	1,153,155	2,680,846	1,474,770	1,372,153
- 2010	2,662,479	1,162,325	1,546,096	3,880,674	1,297,225	1,314,262	2,814,705	1,647,251	1,522,080
- 2011	2,760,657	1,129,612	1,867,279	4,250,334	1,411,424	1,331,550	3,137,156	1,870,312	1,667,335
<b>Net New Investment</b>									
- 2009	120,520	14,278	46,044	60,131	49,168	x	214,273	72,103	52,227
- 2010	..	..	..	..	..	..	..	..	..
- 2011	121,580	28,847	x	140,408	47,950	35,524	222,777	79,917	64,075
<b>ATLANTIC</b>									
<b>Farm Assets</b>									
- 2009	3,173,361	569,918	1,572,221	3,929,525	701,028	828,860	3,060,853	918,328	1,383,224
- 2010	3,315,736	604,995	1,057,622	4,405,648	749,089	734,904	3,440,025	944,202	1,474,290
- 2011	3,292,122	572,973	1,329,811	3,701,352	964,415	715,323	3,634,783	1,003,544	1,477,341
<b>Farm Debt</b>									
- 2009	933,449	67,041	1,088,529	1,020,170	152,870	253,600	1,041,438	138,951	371,407
- 2010	1,059,037	83,760	470,035	965,099	175,407	163,486	1,125,075	217,720	392,402
- 2011	1,030,458	56,262	720,884	1,026,244	193,140	118,848	1,115,403	318,958	388,271
<b>Net Worth</b>									
- 2009	2,239,911	502,877	x	2,909,355	548,158	575,260	2,019,415	779,377	1,011,817
- 2010	2,256,699	521,235	587,588	3,440,549	573,682	571,419	2,314,950	726,482	1,081,888
- 2011	2,261,665	516,711	608,927	2,675,108	771,275	596,474	2,519,379	684,586	1,089,071
<b>Net New Investment</b>									
- 2009	x	x	x	x	x	x	x	x	x
- 2010	..	..	..	..	..	..	..	..	..
- 2011	x	x	x	x	x	x	x	x	x

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

Table B.6: Average Assets, Liabilities, Net Worth and Net New Investment by Farm Type, Canada and Provinces, 2009, 2010 and 2011 (cont'd)

	Dairy	Beef	Hog	Poultry	Fruit	Vegetable	Potato	Grain	All Farms
	- Dollars per farm -								
QUEBEC									
Farm Assets									
- 2009	2,464,616	703,914	1,495,666	4,466,388	911,078	1,203,871	2,459,985	1,446,433	1,452,686
- 2010	2,612,780	763,270	1,453,968	4,799,181	1,013,758	1,492,309	2,850,926	1,514,514	1,594,072
- 2011	2,670,847	783,218	1,514,702	5,691,839	1,248,757	1,370,888	2,530,124	1,851,068	1,675,429
Farm Debt									
- 2009	793,980	151,070	703,924	922,089	272,316	294,812	600,199	353,539	413,772
- 2010	797,035	169,886	697,762	1,014,996	246,350	385,928	957,677	291,143	435,855
- 2011	834,717	168,488	673,164	1,198,120	363,063	292,185	718,046	340,259	441,788
Net Worth									
- 2009	1,670,636	552,845	791,742	3,544,299	638,762	909,059	1,859,787	1,092,894	1,038,914
- 2010	1,815,746	593,384	756,206	3,784,185	767,408	1,106,380	1,893,249	1,223,371	1,158,217
- 2011	1,836,130	614,730	841,538	4,493,719	885,693	1,078,702	1,812,078	1,510,809	1,233,640
Net New Investment									
- 2009	85,966	x	x	72,983	x	35,321	x	36,812	39,818
- 2010	..	..	..	..	..	..	..	..	..
- 2011	80,872	32,444	x	x	x	43,914	x	53,755	50,430
ONTARIO									
Farm Assets									
- 2009	3,606,086	976,122	2,138,776	3,861,152	1,478,030	1,419,214	4,522,844	1,519,760	1,732,748
- 2010	4,004,297	1,069,277	2,485,372	5,050,602	1,496,444	1,787,542	5,186,599	1,696,188	1,908,426
- 2011	4,310,079	1,107,364	3,422,538	5,943,152	1,756,988	1,856,078	x	1,895,464	2,114,285
Farm Debt									
- 2009	914,349	141,976	749,126	631,930	280,204	234,266	1,670,003	208,455	331,803
- 2010	962,193	183,508	885,181	1,086,680	251,639	331,299	x	213,672	361,428
- 2011	865,181	140,138	1,070,285	1,147,437	372,005	280,817	x	246,231	361,268
Net Worth									
- 2009	2,691,737	834,146	1,389,650	3,229,222	1,197,826	1,184,948	2,852,841	1,311,305	1,400,945
- 2010	3,042,104	885,769	1,600,191	3,963,922	1,244,805	1,456,243	3,716,554	1,482,516	1,546,998
- 2011	3,444,898	967,225	2,352,254	4,795,716	1,384,983	1,575,262	3,308,038	1,649,233	1,753,017
Net New Investment									
- 2009	x	10,918	x	48,698	x	47,399	389,937	41,208	41,153
- 2010	..	..	..	..	..	..	..	..	..
- 2011	x	19,206	x	x	71,639	x	x	x	57,297

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

Table B.6: Average Assets, Liabilities, Net Worth and Net New Investment by Farm Type, Canada and Provinces, 2009, 2010 and 2011 (cont'd)

	Dairy	Beef	Hog	Poultry	Fruit	Vegetable	Potato	Grain	All Farms
	- Dollars per farm -								
<b>MANITOBA</b>									
<b>Farm Assets</b>									
- 2009	4,612,833	754,827	3,731,391	3,216,617	x	x	9,773,620	1,865,928	1,547,779
- 2010	5,197,937	835,579	4,800,620	4,050,217	x	2,442,316	8,922,817	2,131,117	1,784,952
- 2011	4,884,126	867,945	6,353,757	3,471,965	x	x	11,727,576	2,374,736	1,971,950
<b>Farm Debt</b>									
- 2009	1,488,980	147,948	1,274,970	588,572	x	x	3,369,201	333,938	322,185
- 2010	1,525,157	168,875	1,101,967	968,311	x	x	3,010,508	375,212	357,035
- 2011	1,778,833	123,214	2,146,137	855,369	x	x	3,080,547	377,958	371,624
<b>Net Worth</b>									
- 2009	3,123,853	606,880	2,456,421	2,628,046	x	x	6,404,420	1,531,991	1,225,594
- 2010	3,672,780	666,704	3,698,653	3,081,906	x	1,964,840	5,912,309	1,755,905	1,427,917
- 2011	3,105,293	744,731	4,207,620	2,616,596	x	x	8,647,028	1,996,778	1,600,326
<b>Net New Investment</b>									
- 2009	x	15,885	108,564	x	x	x	749,459	103,193	70,726
- 2010	..	..	..	..	..	..	..	..	..
- 2011	252,292	16,656	310,247	x	x	x	x	85,979	71,015
<b>SASKATCHEWAN</b>									
<b>Farm Assets</b>									
- 2009	8,026,839	957,548	x	3,762,048	x	x	x	1,543,490	1,403,135
- 2010	7,575,601	1,165,885	7,309,804	5,331,554	x	x	x	1,746,498	1,595,553
- 2011	6,067,480	1,077,223	x	x	x	x	x	1,934,669	1,710,259
<b>Farm Debt</b>									
- 2009	2,107,363	147,315	x	1,105,204	x	x	x	242,074	224,973
- 2010	1,984,790	205,785	2,078,794	1,762,581	x	x	x	253,344	243,212
- 2011	2,555,751	197,191	x	x	x	x	x	283,518	268,861
<b>Net Worth</b>									
- 2009	5,919,475	810,232	x	2,656,844	x	x	x	1,301,417	1,178,162
- 2010	5,590,811	960,100	5,231,010	3,568,973	496,198	x	x	1,493,154	1,352,341
- 2011	3,511,729	880,032	x	x	x	x	x	1,651,151	1,441,398
<b>Net New Investment</b>									
- 2009	x	23,820	x	x	x	x	x	89,354	69,500
- 2010	..	..	..	..	..	..	..	..	..
- 2011	x	27,714	x	x	x	x	x	89,368	73,005

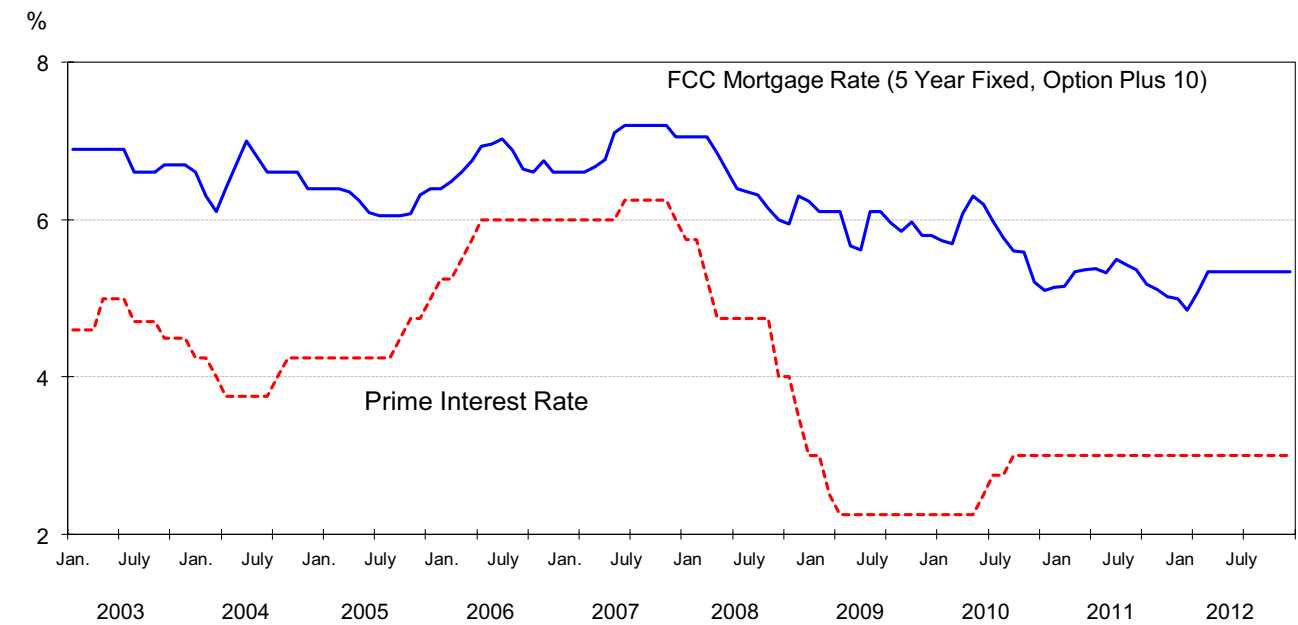
Source: Statistics Canada and Agriculture and Agri-Food Canada, Farm Financial Survey.

Table B.6: Average Assets, Liabilities, Net Worth and Net New Investment by Farm Type, Canada and Provinces, 2009, 2010 and 2011 (cont'd)

	Dairy	Beef	Hog	Poultry	Fruit	Vegetable	Potato	Grain	All Farms
- Dollars per farm -									
<b>ALBERTA</b>									
<b>Farm Assets</b>									
- 2009	7,125,631	1,664,783	3,604,802	6,652,412	x	6,230,382	4,804,732	2,417,225	2,041,629
- 2010	8,054,859	2,014,806	3,393,600	5,540,821	x	1,720,078	5,721,994	2,479,353	2,171,373
- 2011	7,601,095	1,921,399	6,226,328	6,033,901	814,027	1,268,840	6,780,303	2,974,619	2,438,491
<b>Farm Debt</b>									
- 2009	1,903,977	243,266	1,427,575	1,577,034	x	2,559,451	1,538,095	337,993	313,880
- 2010	2,211,696	298,747	807,813	1,160,229	x	x	1,777,341	287,477	302,551
- 2011	1,917,324	260,098	780,871	1,077,323	x	134,351	2,025,105	377,959	322,406
<b>Net Worth</b>									
- 2009	5,221,654	1,421,516	2,177,227	5,075,378	x	3,670,931	3,266,637	2,079,231	1,727,749
- 2010	5,843,164	1,716,060	2,585,787	4,380,592	x	1,644,769	3,944,654	2,191,876	1,868,822
- 2011	5,683,771	1,661,300	5,445,457	4,956,578	745,369	1,134,489	4,755,199	2,596,660	2,116,085
<b>Net New Investment</b>									
- 2009	301,372	17,083	x	x	x	x	x	69,131	50,006
- 2010	..	..	..	..	..	..	..	..	..
- 2011	487,388	37,286	x	x	x	x	x	111,841	77,849
<b>BRITISH COLUMBIA</b>									
<b>Farm Assets</b>									
- 2009	9,276,475	1,653,948	2,632,172	4,551,864	2,343,607	1,777,108	5,246,625	1,624,455	2,506,129
- 2010	8,502,618	1,646,442	4,166,219	5,061,001	2,612,818	2,282,705	4,076,530	1,801,640	2,626,881
- 2011	9,470,186	1,782,876	x	4,179,103	2,507,147	2,248,925	4,125,235	1,148,156	2,634,658
<b>Farm Debt</b>									
- 2009	2,241,732	131,888	553,500	882,719	453,952	248,911	x	190,542	439,645
- 2010	2,158,646	163,691	1,002,317	962,340	626,803	361,750	x	196,436	519,378
- 2011	2,481,687	258,856	x	707,425	510,086	x	x	163,448	529,139
<b>Net Worth</b>									
- 2009	7,034,743	1,522,060	2,078,672	3,669,146	1,889,655	1,528,197	4,387,720	1,433,913	2,066,483
- 2010	6,343,972	1,482,751	3,163,902	4,098,661	1,986,015	1,920,955	3,233,992	1,605,204	2,107,502
- 2011	6,988,499	1,524,020	x	3,471,678	1,997,061	1,629,949	x	984,709	2,105,519
<b>Net New Investment</b>									
- 2009	x	20,539	x	x	58,858	x	x	x	53,756
- 2010	..	..	..	..	..	..	..	..	..
- 2011	x	47,935	x	x	x	x	x	x	50,727

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

Figure B.6: FCC Mortgage Rate and Prime Interest Rate, 2003-2012



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



Table B.7: Comparison of Selected Average Fertilizer and Fuel Prices between Ontario and Michigan/Ohio/Indiana, 2011 and 2012

	Ontario		Michigan/Ohio/Indiana	
	Oct. 3, 2012	Oct. 5, 2011	Oct. 3, 2012	Oct. 5, 2011
<b>Nitrogen (Cdn\$/tonne)</b>				
Anhydrous Ammonia (82-0-0)	1,146	1,050	987	1,015
Urea (46-0-0)	705	643	681	717
Nitrogen Solution (UAN, 28%)	428	410	437	473
Ammonium Nitrate	591	574	-	-
<b>Phosphate (Cdn\$/tonne)</b>				
MAP (11-52-0)	797	817	755	865
DAP (18-46-0)	816	810	741	863
Triple Super (0-46-0)	843	843	724	858
<b>Potash (Cdn\$/tonne)</b>				
Potash (0-0-60)	705	685	660	745
<b>Fuel (Cdn¢/litre)</b>				
Diesel	103	102	97	91
Gasoline (regular unleaded)	119	109	100	94

Source: Agriculture and Agri-Food Canada. Farm Input Price Survey.

Table B.8: Comparison of Selected Average Fertilizer and Fuel Prices between Manitoba and Minnesota/North Dakota, 2011 and 2012

	Manitoba		Minnesota/North Dakota	
	Fall 2012	Fall 2011	Fall 2012	Fall 2011
<b>Nitrogen (Cdn\$/tonne)</b>				
Anhydrous Ammonia (82-0-0)	963	955	920	940
Urea (46-0-0)	626	649	609	677
<b>Phosphate (Cdn\$/tonne)</b>				
MAP (11-52-0)	713	794	691	817
<b>Potash (Cdn\$/tonne)</b>				
Potash (0-0-60)	607	644	627	714
<b>Fuel (Cdn¢/litre)</b>				
Diesel	101	110	103	94
Gasoline (regular unleaded)	115	109	103	96

Source: Agriculture and Agri-Food Canada. Farm Input Price Survey.

**Table B.9: Comparison of Selected Average Fertilizer and Fuel Prices between Saskatchewan and Montana, 2011 and 2012**

	Saskatchewan		Montana	
	Fall 2012	Fall 2011	Fall 2012	Fall 2011
<b>Nitrogen (Cdn\$/tonne)</b>				
Anhydrous Ammonia (82-0-0)	1,022	1,037	1,059	1,102
Urea (46-0-0)	618	643	640	692
<b>Phosphate (Cdn\$/tonne)</b>				
MAP (11-52-0)	719	772	750	795
<b>Potash (Cdn\$/tonne)</b>				
Potash (0-0-60)	607	651	693	629
<b>Fuel (Cdn¢/litre)</b>				
Diesel	95	96	104	94
Gasoline (regular unleaded)	109	102	100	97

Source: Agriculture and Agri-Food Canada. Farm Input Price Survey.

**Table B.10: Farm Expenses, Canada, 2007-2011**

	2007	2008	2009	2010	2011
	(\$000)				
Machinery Operating Costs	4,498,095	5,067,591	4,458,685	4,549,871	5,060,024
Commercial Feed	4,813,781	5,644,445	5,404,360	4,972,998	5,608,758
Cash Wages, Room and Board	4,098,318	4,231,955	4,259,172	4,447,037	4,574,822
Fertilizer and Lime	3,201,313	3,835,299	3,978,017	3,522,461	4,214,158
Interest	2,977,855	2,929,299	2,348,588	2,212,176	2,337,532
Rent	1,466,640	1,746,900	1,692,999	1,712,918	1,867,152
Pesticides	1,923,585	2,319,933	2,344,794	2,158,070	2,101,692
Livestock Purchases	1,246,540	1,252,872	1,271,464	1,339,463	1,546,517
Commercial Seed	1,274,400	1,422,167	1,516,224	1,629,721	1,760,927
Building and Fence Repairs	768,974	793,822	797,219	820,270	829,680
Electricity	814,616	822,653	819,629	845,672	877,185
Property Taxes	522,174	529,327	517,861	522,313	530,615
Crop and Hail Insurance	586,466	765,816	802,806	810,462	898,011
Business Insurance	732,237	758,485	778,413	807,506	837,624
A.I. Fees and Veterinary	709,756	719,118	710,315	714,745	727,998
Other*	4,122,597	4,233,034	4,351,933	4,249,607	4,503,558
Depreciation	5,011,430	5,187,353	5,470,605	5,482,612	5,863,555
Total Expenses after rebates	38,768,782	42,260,074	41,523,083	40,797,898	44,139,792

Source: Statistics Canada, CANSIM, Table 002-0005 - Farm Operating Expenses and Depreciation Charges.

Note: Input expenses are net of government rebates and may include rounding.

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

## Methodology for Farm Financial Conditions

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### Table B.1: Farm Total Assets and Figure B.1: Asset Class as a Percentage of Farm Total Assets

Farm asset and asset class information is from data published by the Agriculture Division of Statistics Canada in CANSIM, Table 002-0020.

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### Table B.2: Total Farm Debt Outstanding and Figure B.2: Lender Shares as a Percentage of Total Farm Debt

Farm debt and lender share information is from data published by the Agriculture Division of Statistics Canada in CANSIM, Table 002-0008.

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### Table B.3: Farm Bankruptcies and Figure B.3: 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.

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### Table B.4: Farm Credit Canada (FCC) Loans Receivable Portfolio and Figure B.4: Distribution of the Amount of FCC Loans Receivable

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

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### Table B.5: New Loans Registered under the CALA and Figure B.5: Distribution of the Amount of New Loans Registered under the CALA

Data is reported on: 1) new loans registered under CALA; 2) distribution of the amount of new loans registered under CALA, by province. All data were provided by the CALA administration.

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### Table B.6: 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 Farm Financial Survey. The Farm Financial Survey is conducted by Statistics Canada for

Agriculture and Agri-Food Canada every year 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.

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### Figure B.6: 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](http://www.bank-banque-canada.ca)). The FCC five-year fixed mortgage rate (option plus 10) is reported by Farm Credit Canada.

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### Tables B.7, B.8 and B.9: Selected Average Fertilizer and Fuel Prices

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

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### Table B.10: Farm Expenses

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

For a detailed description of the methodology, please refer to 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, 2005-06 to 2012-13

Allocated		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates
		(\$ 000)							
N.L.	Federal	13,980	8,950	12,583	9,837	9,528	10,404	12,788	12,867
	Provincial	14,872	15,485	18,121	17,339	20,529	20,409	21,614	25,752
	% Fed.	48.45	36.63	40.98	36.20	31.70	33.76	37.17	33.32
P.E.I.	Federal	31,116	40,871	37,581	42,711	27,004	42,134	41,597	35,411
	Provincial	31,852	28,268	43,137	33,421	32,338	33,949	32,427	32,491
	% Fed.	49.42	59.11	46.56	56.10	45.51	55.38	56.19	52.15
N.S.	Federal	35,653	41,348	39,246	28,400	47,591	35,390	32,696	41,270
	Provincial	47,333	45,628	66,064	56,776	61,594	55,679	52,736	54,833
	% Fed.	42.96	47.54	37.27	33.34	43.59	38.86	38.27	42.94
N.B.	Federal	33,154	46,964	53,804	31,590	41,336	38,908	43,703	44,680
	Provincial	26,574	25,667	32,359	32,186	27,426	27,206	27,211	29,041
	% Fed.	55.51	64.66	62.44	49.53	60.11	58.85	61.63	60.61
Que.	Federal	538,091	531,248	650,592	337,799	502,490	500,387	408,442	481,240
	Provincial	818,077	905,053	911,966	1,034,066	1,036,817	1,057,925	987,168	1,020,806
	% Fed.	39.68	36.99	41.64	24.62	32.64	32.11	29.27	32.04
Ont.	Federal	795,891	760,218	904,087	869,509	668,092	636,761	592,651	629,606
	Provincial	540,901	510,779	718,236	453,366	461,944	395,003	579,385	607,492
	% Fed.	59.54	59.81	55.73	65.73	59.12	61.72	50.57	50.89
Man.	Federal	603,754	518,802	552,691	311,619	466,253	388,853	497,247	476,678
	Provincial	300,319	248,121	275,182	275,213	276,360	323,722	354,935	276,100
	% Fed.	66.78	67.65	66.76	53.10	62.79	54.57	58.35	63.32
Sask.	Federal	1,148,137	1,074,463	865,973	644,605	680,800	847,280	892,754	842,059
	Provincial	489,963	421,240	331,289	437,093	372,312	469,331	538,460	487,214
	% Fed.	70.09	71.84	72.33	59.59	64.65	64.35	62.38	63.35
Alta.	Federal	1,055,160	923,901	751,844	729,396	681,826	689,741	686,487	743,190
	Provincial	852,436	951,946	614,766	1,043,158	707,404	632,842	645,110	686,162
	% Fed.	55.31	49.25	55.02	41.15	49.08	52.15	51.55	51.99
B.C.	Federal	160,381	201,815	215,904	148,184	146,112	156,869	142,411	144,592
	Provincial	61,992	73,889	100,947	81,747	78,156	64,327	76,413	65,921
	% Fed.	72.12	73.20	68.14	64.45	65.15	70.92	65.08	68.69
Others	Federal	228,155	246,990	227,971	22,844	21,597	21,110	22,241	23,070
	Provincial	-	-	-	-	-	-	-	-
	% Fed.	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Canada	Federal	4,643,472	4,395,568	4,312,277	3,176,493	3,292,629	3,367,838	3,373,016	3,474,662
	Provincial	3,184,319	3,226,075	3,112,069	3,464,365	3,074,880	3,080,394	3,315,459	3,285,811
	% Fed.	59.32	57.67	58.08	47.83	51.71	52.23	50.43	51.40

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, 2005-06 to 2012-13

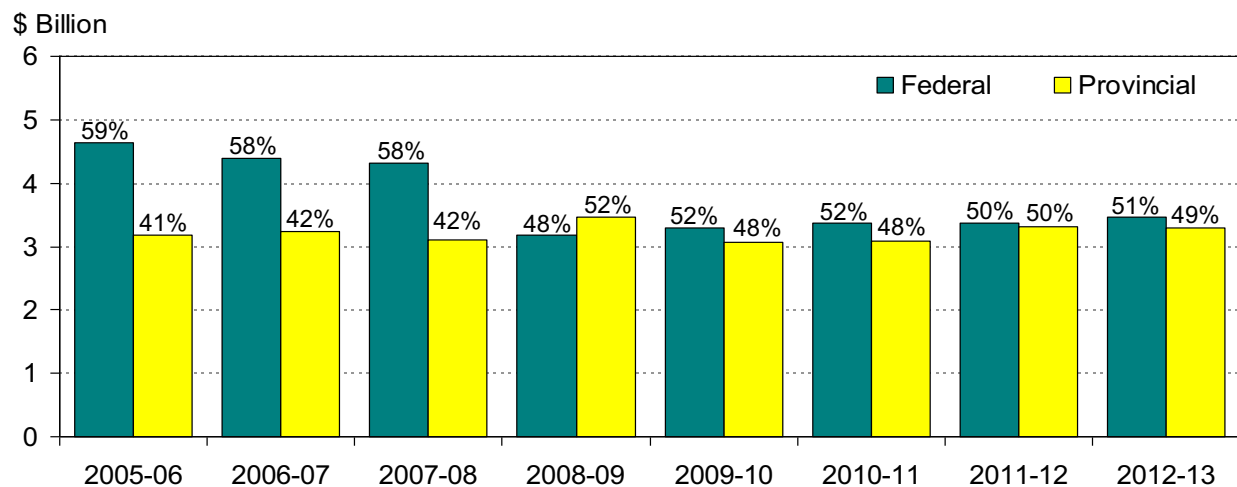
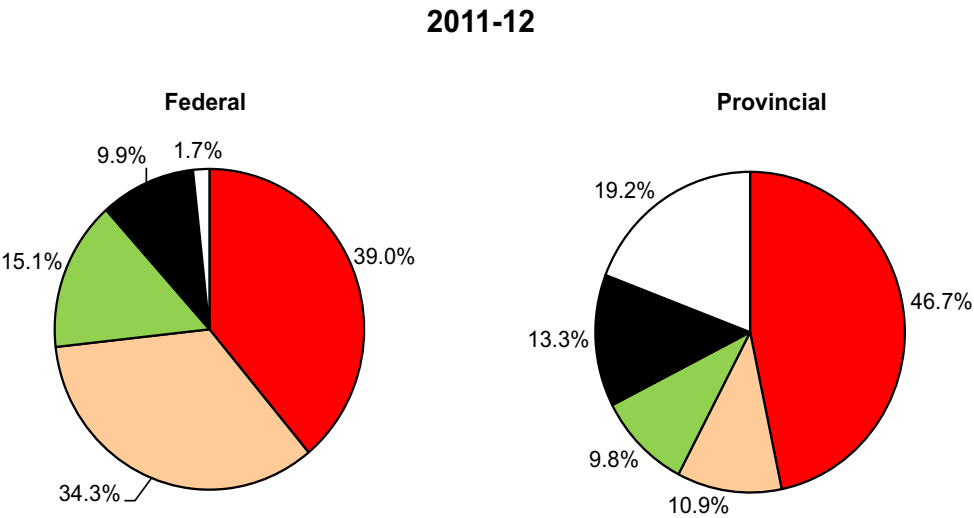
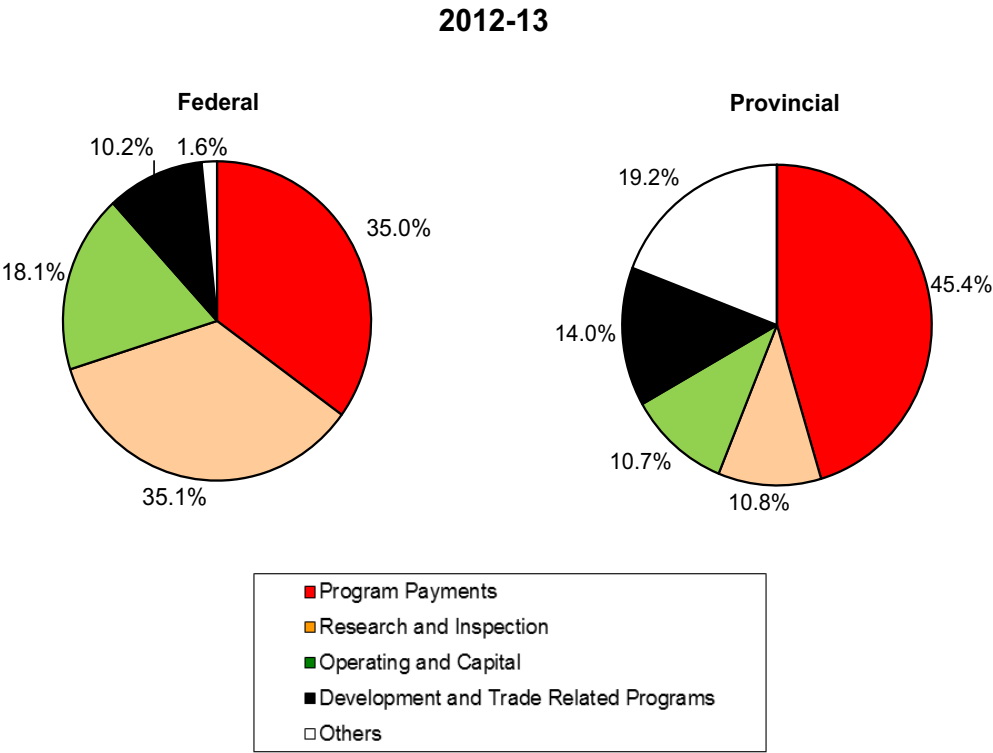


Figure C.2: Federal and Provincial Government Expenditures by Major Category



**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.

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

**Others** include program payments for storage and freight, 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, 2009-10 to 2012-13

	PROVINCIAL				FEDERAL			
	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates
	(\$000)							
CANADA								
A. Operating Expenditures	776,960	803,643	863,122	843,521	1,629,928	1,626,011	1,673,666	1,797,739
B. Capital Expenditures	124,854	105,770	100,398	143,867	92,127	93,238	86,320	68,805
C. Program Expenditures	2,075,368	2,157,770	2,287,993	2,227,761	1,746,466	1,825,764	1,744,245	1,782,048
c.1 Income Support & Stabilization	1,056,277	883,470	996,575	1,066,002	652,040	563,629	534,285	750,400
c.2 Ad Hoc and Cost Reduction	43,280	254,871	213,698	28,833	47,958	315,885	242,182	114,295
c.3 Production Insurance	380,121	387,798	446,077	490,882	435,234	447,056	503,956	361,453
c.4 Financing Assistance	66,087	54,376	54,314	61,017	279,279	45,872	84,560	49,445
c.5 Storage and Freight	2,614	12,011	(5,130)	513	-	6,833	2,367	5,600
c.6 Social and Labour	27,120	29,605	30,704	29,906	456	959	646	3,672
c.7 Research*	144,395	151,250	138,510	142,257	36,378	66,092	78,499	150,675
c.8 Food Inspection*	47,055	47,897	53,508	44,167	54,328	68,599	57,609	71,600
c.9 Food Aid	-	-	-	-	19,789	18,376	19,883	19,782
c.10 Marketing and Trade	37,215	38,482	37,837	35,761	66,283	72,222	48,042	40,647
c.11 Rural and Regional Development	54,063	66,154	81,629	86,513	91,792	132,184	65,029	115,149
c.12 Environment	54,755	56,994	48,191	54,176	39,476	60,418	73,606	70,050
c.13 Education	119,642	133,429	131,741	130,370	-	24	-	-
c.14 Extension	42,744	41,433	60,340	57,365	23,454	27,615	33,582	29,281
D. Tax Expenditures	387,597	394,649	409,211	412,822	-	-	-	-
Sub-Total Gross Expenditures	3,364,779	3,461,832	3,660,724	3,627,972	3,468,521	3,545,013	3,504,232	3,648,592
Recoveries	(289,899)	(381,438)	(345,265)	(342,160)	(175,893)	(177,175)	(131,216)	(173,930)
Total Net Expenditures	3,074,880	3,080,394	3,315,459	3,285,811	3,292,629	3,367,838	3,373,016	3,474,662
NEWFOUNDLAND AND LABRADOR								
A. Operating Expenditures	9,623	9,702	9,466	10,080	4,472	4,436	4,633	4,226
B. Capital Expenditures	2,253	1,611	1,479	3,940	246	247	232	183
C. Program Expenditures	8,652	9,096	10,669	11,733	5,280	6,190	8,271	8,918
c.1 Income Support & Stabilization	239	216	(11)	276	336	321	(11)	412
c.2 Ad Hoc and Cost Reduction	3,553	4,649	6,579	5,469	945	657	1,009	0
c.3 Production Insurance	35	32	23	41	53	48	35	25
c.4 Financing Assistance	-	-	140	-	4	13	236	88
c.5 Storage and Freight	155	122	138	250	-	-	-	-
c.6 Social and Labour	-	-	-	-	-	9	29	2
c.7 Research*	96	582	14	450	414	596	1,366	1,018
c.8 Food Inspection*	1,820	567	501	113	612	547	1,125	600
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	719	891	1,138	3,319	521	859	267	47
c.11 Rural and Regional Development	444	421	475	437	2,112	2,598	2,134	2,304
c.12 Environment	172	237	433	-	275	529	2,073	4,067
c.13 Education	1,075	1,239	1,239	1,239	-	0	-	-
c.14 Extension	343	140	-	140	9	14	7	355
D. Tax Expenditures	-	-	-	-	-	-	-	-
Sub-Total Gross Expenditures	20,529	20,409	21,614	25,752	9,998	10,872	13,135	13,326
Recoveries	-	-	-	-	(470)	(469)	(347)	(460)
Total Net Expenditures	20,529	20,409	21,614	25,752	9,528	10,404	12,788	12,867

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

Notes: Expenditures for "Fuel tax exemption" programs in several provinces are estimates.

Preliminary: figures based on actuals and budget estimates when actuals are not available.

Estimates: figures are based on budget estimates. For Quebec, the estimates from "La Financière agricole du Québec" were not available. AAFC has used an average of previous years to determine government expenditures for 2012-13.

\* Research and inspection programs are limited to grants and contributions for research and inspection activities. Operational (e.g. researchers' and inspectors' salaries and capital costs) are included in operating and capital expenditures. The details of this information are presented in Table C3.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2009-10 to 2012-13 (cont'd)

	PROVINCIAL				FEDERAL			
	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates
	(\$000)							
PRINCE EDWARD ISLAND								
A. Operating Expenditures	7,399	8,992	9,037	8,463	14,770	14,540	15,491	14,874
B. Capital Expenditures	61	-	13	-	840	823	781	615
C. Program Expenditures	22,909	22,989	22,020	22,870	12,998	28,337	26,483	21,458
c.1 Income Support & Stabilization	5,035	4,738	4,691	4,467	(3,608)	10,628	7,068	4,445
c.2 Ad Hoc and Cost Reduction	2,972	1,018	811	1,085	188	(535)	(1)	(231)
c.3 Production Insurance	6,313	8,144	7,813	7,877	6,204	7,407	8,338	5,980
c.4 Financing Assistance	520	601	636	320	1,931	695	1,300	990
c.5 Storage and Freight	-	382	400	-	-	-	-	-
c.6 Social and Labour	5	14	31	5	2	33	11	8
c.7 Research*	1,671	1,219	932	683	197	577	1,584	1,131
c.8 Food Inspection*	539	514	25	312	555	654	569	941
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	1,063	851	1,009	2,591	567	2,359	359	314
c.11 Rural and Regional Development	-	-	-	-	5,304	4,028	4,331	4,611
c.12 Environment	362	1,315	1,570	1,084	1,282	1,544	2,181	2,811
c.13 Education	4,081	4,248	3,819	4,052	-	0	-	-
c.14 Extension	348	(53)	283	394	376	947	745	456
D. Tax Expenditures	1,968	1,968	1,968	1,968	-	-	-	-
Sub-Total Gross Expenditures	32,338	33,949	33,038	33,301	28,608	43,701	42,755	36,947
Recoveries	-	-	(611)	(811)	(1,604)	(1,566)	(1,159)	(1,536)
Total Net Expenditures	32,338	33,949	32,427	32,491	27,004	42,134	41,597	35,411
NOVA SCOTIA								
A. Operating Expenditures	15,201	15,790	14,940	15,259	17,395	17,439	18,349	17,787
B. Capital Expenditures	586	711	1,027	1,161	1,032	1,012	965	758
C. Program Expenditures	44,485	37,864	37,620	39,743	31,135	18,866	14,806	24,612
c.1 Income Support & Stabilization	4,166	2,212	4,893	2,786	11,722	5,017	5,682	9,265
c.2 Ad Hoc and Cost Reduction	1,089	679	(218)	1,973	921	594	1	1
c.3 Production Insurance	496	422	419	591	709	705	561	402
c.4 Financing Assistance	6,146	2,159	595	3,524	3,255	80	264	(35)
c.5 Storage and Freight	1,115	750	302	8	-	-	-	-
c.6 Social and Labour	-	-	-	-	14	7	94	10
c.7 Research*	1,196	1,070	1,172	1,000	1,039	582	1,895	5,447
c.8 Food Inspection*	5,090	3,973	5,119	4,738	2,840	826	821	920
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	3,589	3,625	2,084	2,823	638	667	663	268
c.11 Rural and Regional Development	-	-	-	-	8,380	8,355	3,178	6,646
c.12 Environment	2,645	2,028	2,488	1,273	1,220	1,696	1,311	1,260
c.13 Education	16,663	18,240	17,734	18,658	-	0	-	-
c.14 Extension	2,290	2,706	3,031	2,372	398	335	337	428
D. Tax Expenditures	1,322	1,315	1,323	1,320	-	-	-	-
Sub-Total Gross Expenditures	61,594	55,679	54,909	57,483	49,562	37,316	34,120	43,158
Recoveries	-	-	(2,174)	(2,650)	(1,971)	(1,926)	(1,424)	(1,888)
Total Net Expenditures	61,594	55,679	52,736	54,833	47,591	35,390	32,696	41,270

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

Notes: Expenditures for "Fuel tax exemption" programs in several provinces are estimates.

Preliminary: figures based on actuals and budget estimates when actuals are not available.

Estimates: figures are based on budget estimates. For Quebec, the estimates from "La Financière agricole du Québec" were not available. AAFC has used an average of previous years to determine government expenditures for 2012-13.

\* Research and inspection programs are limited to grants and contributions for research and inspection activities. Operational (e.g. researchers' and inspectors' salaries and capital costs) are included in operating and capital expenditures. The details of this information are presented in Table C3.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2009-10 to 2012-13 (cont'd)

	PROVINCIAL				FEDERAL			
	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates
	(\$000)							
NEW BRUNSWICK								
A. Operating Expenditures	12,879	13,010	13,322	12,567	17,660	17,392	18,116	17,570
B. Capital Expenditures	933	491	630	261	1,022	1,021	953	755
C. Program Expenditures	12,583	12,847	12,831	15,743	24,605	22,437	26,070	28,260
c.1 Income Support & Stabilization	3,386	5,480	5,351	4,937	2,741	5,212	13,830	6,156
c.2 Ad Hoc and Cost Reduction	2,554	773	443	4,616	264	1,930	691	7,716
c.3 Production Insurance	1,803	1,807	1,759	1,848	2,702	2,708	2,650	1,900
c.4 Financing Assistance	25	34	170	-	5,418	338	824	497
c.5 Storage and Freight	151	-	-	-	-	-	-	-
c.6 Social and Labour	8	1	1	-	-	29	42	10
c.7 Research*	655	835	698	674	1,838	2,007	1,388	2,336
c.8 Food Inspection*	266	260	645	189	653	592	532	971
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	314	341	264	216	1,008	315	184	296
c.11 Rural and Regional Development	-	90	120	21	8,299	7,232	3,953	6,577
c.12 Environment	1,126	1,105	1,334	1,145	1,541	1,851	1,738	1,356
c.13 Education	1,888	1,771	1,789	1,816	-	0	-	-
c.14 Extension	405	350	259	281	141	223	239	445
D. Tax Expenditures	1,192	1,187	1,306	1,228	-	-	-	-
Sub-Total Gross Expenditures	27,587	27,536	28,089	29,800	43,287	40,850	45,140	46,585
Recoveries	(161)	(329)	(877)	(759)	(1,951)	(1,942)	(1,437)	(1,905)
Total Net Expenditures	27,426	27,206	27,211	29,041	41,336	38,908	43,703	44,680
QUEBEC								
A. Operating Expenditures	208,215	209,767	207,693	189,605	248,485	248,711	256,993	248,576
B. Capital Expenditures	48,960	36,370	28,042	34,279	14,210	14,421	13,448	10,657
C. Program Expenditures	736,780	766,110	703,712	744,964	266,926	264,656	158,295	248,909
c.1 Income Support & Stabilization	543,338	555,518	496,046	525,782	126,580	137,860	25,528	115,170
c.2 Ad Hoc and Cost Reduction	3,084	3,858	2,955	2,610	3,338	21,578	2,328	4,242
c.3 Production Insurance	19,237	19,081	19,269	19,175	25,713	28,066	28,596	20,510
c.4 Financing Assistance	28,678	25,543	29,649	33,140	61,725	17,099	35,746	25,626
c.5 Storage and Freight	-	-	-	-	-	-	-	-
c.6 Social and Labour	15,444	18,402	19,644	17,883	350	381	135	135
c.7 Research*	23,038	25,295	24,374	26,458	5,241	8,740	17,981	32,554
c.8 Food Inspection*	17,069	21,695	23,422	20,196	3,294	10,411	5,984	13,044
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	16,195	19,252	17,836	19,440	10,587	9,519	4,347	5,557
c.11 Rural and Regional Development	3,167	6,124	4,703	7,774	14,373	14,278	10,744	13,369
c.12 Environment	26,593	28,237	24,528	33,440	11,839	10,429	18,621	9,281
c.13 Education	22,854	25,598	24,695	25,271	-	4	-	-
c.14 Extension	18,082	17,506	16,591	13,796	3,885	6,291	8,286	9,422
D. Tax Expenditures	42,862	45,678	47,721	51,957	-	-	-	-
Sub-Total Gross Expenditures	1,036,817	1,057,925	987,168	1,020,806	529,621	527,789	428,736	508,142
Recoveries	-	-	-	-	(27,131)	(27,401)	(20,295)	(26,901)
Total Net Expenditures	1,036,817	1,057,925	987,168	1,020,806	502,490	500,387	408,442	481,240

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

Notes: Expenditures for "Fuel tax exemption" programs in several provinces are estimates.

Preliminary: figures based on actuals and budget estimates when actuals are not available.

Estimates: figures are based on budget estimates. For Quebec, the estimates from "La Financière agricole du Québec" were not available. AAFC has used an average of previous years to determine government expenditures for 2012-13.

\* Research and inspection programs are limited to grants and contributions for research and inspection activities. Operational (e.g. researchers' and inspectors' salaries and capital costs) are included in operating and capital expenditures. The details of this information are presented in Table C3.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2009-10 to 2012-13 (cont'd)

	PROVINCIAL				FEDERAL			
	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates
	(\$000)							
ONTARIO								
A. Operating Expenditures	197,164	218,552	258,039	236,935	367,962	370,070	386,297	373,224
B. Capital Expenditures	5,669	12,293	11,053	22,781	21,246	21,671	20,219	16,030
C. Program Expenditures	275,353	227,223	349,827	387,598	319,448	286,197	216,628	280,773
c.1 Income Support & Stabilization	135,383	91,744	216,785	265,909	128,222	95,065	81,567	114,267
c.2 Ad Hoc and Cost Reduction	8,045	2,129	8,601	3,836	24,598	27,635	6,178	2,425
c.3 Production Insurance	34,183	33,000	31,000	34,000	48,459	49,636	45,808	32,855
c.4 Financing Assistance	3,863	11,555	213	33	55,403	7,975	14,092	3,652
c.5 Storage and Freight	-	-	-	-	-	-	-	-
c.6 Social and Labour	381	484	305	305	31	158	118	929
c.7 Research*	45,498	45,143	44,883	45,195	10,894	14,738	18,434	26,525
c.8 Food Inspection*	13,755	12,520	17,777	14,057	7,579	16,554	17,583	16,486
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	8,597	9,361	11,139	5,801	16,079	13,209	6,019	7,319
c.11 Rural and Regional Development	7,271	6,765	6,667	6,667	14,626	46,694	11,362	57,753
c.12 Environment	6,897	2,823	2,354	1,754	9,691	10,228	11,490	13,486
c.13 Education	5,200	5,200	5,200	5,200	-	6	-	-
c.14 Extension	6,281	6,499	4,904	4,842	3,865	4,299	3,977	5,077
D. Tax Expenditures	33,222	33,955	34,699	33,751	-	-	-	-
Sub-Total Gross Expenditures	511,409	492,024	653,618	681,065	708,657	677,937	623,144	670,026
Recoveries	(49,465)	(97,021)	(74,233)	(73,573)	(40,564)	(41,177)	(30,494)	(40,420)
Total Net Expenditures	461,944	395,003	579,385	607,492	668,092	636,761	592,651	629,606
MANITOBA								
A. Operating Expenditures	55,760	49,414	58,311	55,238	174,413	175,603	174,625	203,263
B. Capital Expenditures	8,522	6,661	8,764	7,973	9,860	10,025	9,056	7,303
C. Program Expenditures	142,402	192,866	217,828	136,225	300,804	222,266	327,677	284,815
c.1 Income Support & Stabilization	55,155	41,709	50,518	44,216	109,498	62,191	148,226	162,156
c.2 Ad Hoc and Cost Reduction	11,496	79,117	78,543	1,870	5,469	37,187	58,941	14,574
c.3 Production Insurance	44,111	41,749	50,351	61,200	67,162	63,909	59,737	42,845
c.4 Financing Assistance	2,468	(2,510)	412	-	82,348	6,802	15,365	4,336
c.5 Storage and Freight	898	1,191	1,953	-	-	6,176	-	5,600
c.6 Social and Labour	619	43	44	44	45	99	64	89
c.7 Research*	2,804	1,114	1,115	1,115	4,395	11,832	17,951	24,627
c.8 Food Inspection*	1,728	2,005	2,502	1,451	5,742	7,013	5,866	8,849
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	944	744	909	767	13,279	11,627	7,132	8,554
c.11 Rural and Regional Development	12,733	12,899	13,167	13,586	7,412	9,325	4,806	3,927
c.12 Environment	1,592	5,591	9,704	3,419	3,159	4,027	5,848	7,063
c.13 Education	7,333	8,856	8,212	8,180	-	3	-	-
c.14 Extension	521	358	398	377	2,294	2,076	3,740	2,195
D. Tax Expenditures	73,475	77,056	76,301	81,343	-	-	-	-
Sub-Total Gross Expenditures	280,158	325,998	361,204	280,778	485,077	407,894	511,358	495,382
Recoveries	(3,798)	(2,276)	(6,269)	(4,678)	(18,824)	(19,040)	(14,111)	(18,704)
Total Net Expenditures	276,360	323,722	354,935	276,100	466,253	388,853	497,247	476,678

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

Notes: Expenditures for "Fuel tax exemption" programs in several provinces are estimates.

Preliminary: figures based on actuals and budget estimates when actuals are not available.

Estimates: figures are based on budget estimates. For Quebec, the estimates from "La Financière agricole du Québec" were not available. AAFC has used an average of previous years to determine government expenditures for 2012-13.

\* Research and inspection programs are limited to grants and contributions for research and inspection activities. Operational (e.g. researchers' and inspectors' salaries and capital costs) are included in operating and capital expenditures. The details of this information are presented in Table C3.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2009-10 to 2012-13 (cont'd)

	PROVINCIAL				FEDERAL			
	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates
	(\$000)							
<b>SASKATCHEWAN</b>								
A. Operating Expenditures	48,022	51,285	66,240	98,226	342,656	346,828	354,623	431,281
B. Capital Expenditures	2,737	3,508	5,010	22,149	18,752	19,333	17,901	14,256
C. Program Expenditures	336,020	447,300	475,658	375,661	355,194	517,827	547,436	432,584
c.1 Income Support & Stabilization	131,432	141,188	155,000	123,760	96,636	142,622	162,594	182,347
c.2 Ad Hoc and Cost Reduction	5,402	122,942	94,424	258	2,312	166,528	143,953	47,405
c.3 Production Insurance	111,071	97,549	131,335	147,590	163,128	140,009	180,292	129,311
c.4 Financing Assistance	16,534	6,589	13,904	12,333	47,137	8,093	11,076	9,363
c.5 Storage and Freight	295	166	290	256	-	-	2,367	-
c.6 Social and Labour	66	60	81	69	12	70	34	1,566
c.7 Research*	19,259	21,181	17,474	20,762	6,599	16,820	7,104	25,893
c.8 Food Inspection*	5,083	3,148	3,116	2,731	13,696	3,685	5,399	11,233
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	2,341	(17)	163	138	7,962	6,502	2,957	5,228
c.11 Rural and Regional Development	28,997	38,255	53,547	55,078	8,655	8,529	7,783	5,480
c.12 Environment	14,966	15,352	5,781	12,062	4,161	18,600	13,834	10,736
c.13 Education	-	-	10	-	-	5	-	-
c.14 Extension	574	887	533	623	4,896	6,364	10,043	4,023
D. Tax Expenditures	126,314	133,593	132,925	140,681	-	-	-	-
Sub-Total Gross Expenditures	513,093	635,686	679,833	636,717	716,602	883,988	919,961	878,121
Recoveries	(140,781)	(166,355)	(141,373)	(149,503)	(35,802)	(36,708)	(27,206)	(36,062)
Total Net Expenditures	372,312	469,331	538,460	487,214	680,800	847,280	892,754	842,059
<b>ALBERTA</b>								
A. Operating Expenditures	192,062	196,789	198,920	188,948	347,362	338,588	350,476	395,175
B. Capital Expenditures	54,597	43,953	43,612	50,363	19,449	19,251	17,771	14,216
C. Program Expenditures	456,126	414,592	423,869	463,394	352,148	368,523	345,328	369,705
c.1 Income Support & Stabilization	149,609	24,609	46,473	76,450	160,609	69,588	74,757	132,949
c.2 Ad Hoc and Cost Reduction	4,384	39,555	17,777	4,077	4,341	57,598	25,916	36,544
c.3 Production Insurance	155,872	179,015	196,509	211,560	109,698	142,971	165,303	118,560
c.4 Financing Assistance	7,186	10,404	8,815	11,667	21,216	4,565	5,466	4,678
c.5 Storage and Freight	-	9,400	(8,214)	-	-	657	-	-
c.6 Social and Labour	10,596	10,603	10,600	11,600	-	71	86	178
c.7 Research*	49,173	54,803	46,938	45,920	4,268	8,094	10,018	23,595
c.8 Food Inspection*	1,336	2,954	-	-	12,538	24,883	15,090	14,825
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	1,756	268	220	262	13,423	23,919	22,183	9,427
c.11 Rural and Regional Development	1,450	1,450	1,450	1,450	17,857	23,503	11,495	9,905
c.12 Environment	402	300	-	-	2,624	7,588	11,160	13,748
c.13 Education	60,548	68,277	69,044	65,956	-	5	-	-
c.14 Extension	13,814	12,954	34,256	34,452	5,574	5,081	3,855	5,296
D. Tax Expenditures	100,313	92,966	98,437	93,643	-	-	-	-
Sub-Total Gross Expenditures	803,098	748,299	764,838	796,349	718,959	726,362	713,575	779,096
Recoveries	(95,694)	(115,457)	(119,728)	(110,187)	(37,133)	(36,621)	(27,088)	(35,906)
Total Net Expenditures	707,404	632,842	645,110	686,162	681,826	689,741	686,487	743,190

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

Notes: Expenditures for "Fuel tax exemption" programs in several provinces are estimates.

Preliminary: figures based on actuals and budget estimates when actuals are not available.

Estimates: figures are based on budget estimates. For Quebec, the estimates from "La Financière agricole du Québec" were not available. AAFC has used an average of previous years to determine government expenditures for 2012-13.

\* Research and inspection programs are limited to grants and contributions for research and inspection activities. Operational (e.g. researchers' and inspectors' salaries and capital costs) are included in operating and capital expenditures. The details of this information are presented in Table C3.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2009-10 to 2012-13 (cont'd)

	PROVINCIAL				FEDERAL			
	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates
	(\$000)							
<b>BRITISH COLUMBIA</b>								
A. Operating Expenditures	30,634	30,343	27,154	28,200	94,704	92,373	94,033	91,763
B. Capital Expenditures	535	173	767	959	5,469	5,435	4,993	4,032
C. Program Expenditures	40,058	26,882	33,961	29,831	56,380	69,385	51,040	58,946
c.1 Income Support & Stabilization	28,533	16,055	16,828	17,420	19,304	35,094	15,226	23,235
c.2 Ad Hoc and Cost Reduction	701	150	3,781	3,039	5,582	2,714	3,165	1,619
c.3 Production Insurance	7,000	7,000	7,600	7,000	11,409	11,596	12,638	9,064
c.4 Financing Assistance	667	-	(220)	-	843	212	190	249
c.5 Storage and Freight	-	-	-	-	-	-	-	-
c.6 Social and Labour	-	-	-	-	-	100	33	745
c.7 Research*	1,005	7	911	-	1,418	1,679	704	7,348
c.8 Food Inspection*	368	260	400	380	6,680	3,278	4,462	3,439
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing and Trade	1,697	3,167	3,075	404	1,841	2,798	3,155	1,980
c.11 Rural and Regional Development	-	150	1,500	1,500	4,451	6,933	4,758	4,096
c.12 Environment	-	6	-	-	3,480	3,573	5,159	5,780
c.13 Education	-	-	-	-	-	1	-	-
c.14 Extension	87	87	85	88	1,372	1,408	1,551	1,390
D. Tax Expenditures	6,929	6,930	14,531	6,931	-	-	-	-
Sub-Total Gross Expenditures	78,156	64,327	76,413	65,921	156,554	167,193	150,067	154,740
Recoveries	-	-	-	-	(10,442)	(10,324)	(7,656)	(10,149)
Total Net Expenditures	78,156	64,327	76,413	65,921	146,112	156,869	142,411	144,592

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

Notes: Expenditures for "Fuel tax exemption" programs in several provinces are estimates.

Preliminary: figures based on actuals and budget estimates when actuals are not available.

Estimates: figures are based on budget estimates. For Quebec, the estimates from "La Financière agricole du Québec" were not available. AAFC has used an average of previous years to determine government expenditures for 2012-13.

\* Research and inspection programs are limited to grants and contributions for research and inspection activities. Operational (e.g. researchers' and inspectors' salaries and capital costs are included in operating and capital expenditures. The details of this information are presented in Table C3.

Table C.3: Research and Inspection in Support of the Agri-Food Sector, Canada and Provinces, 2009-10 to 2012-13

	PROVINCIAL				FEDERAL			
	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates
	(\$000)							
<b>CANADA</b>								
<b>Research Expenditures</b>								
- Operating	18,632	19,666	16,972	16,398	275,765	272,115	269,030	263,878
- Capital	6,007	7,184	11,115	21,755	11,582	9,393	11,582	6,890
- Program	144,395	151,250	138,510	142,257	36,378	66,092	78,499	150,675
Total Research	169,034	178,100	166,597	180,409	323,725	347,601	359,111	421,444
<b>Inspection Expenditures</b>								
- Operating	142,105	143,388	164,716	142,989	711,857	709,916	756,249	745,896
- Capital	24,096	24,435	15,552	22,568	34,978	41,201	29,686	42,058
- Program	47,055	47,897	53,508	44,167	54,328	68,599	57,609	71,600
Total Inspection	213,255	215,720	233,776	209,724	801,163	819,716	843,544	859,554
<b>NEWFOUNDLAND AND LABRADOR</b>								
<b>Research Expenditures</b>								
- Operating	728	676	234	578	755	729	726	713
- Capital	7	9	33	63	31	25	31	19
- Program	96	582	14	450	414	596	1,366	1,018
Total Research	830	1,267	281	1,091	1,200	1,349	2,123	1,750
<b>Inspection Expenditures</b>								
- Operating	2,184	2,148	2,570	2,528	1,889	1,842	2,058	1,929
- Capital	48	72	10	1,793	93	109	78	111
- Program	1,820	567	501	113	612	547	1,125	600
Total Inspection	4,053	2,788	3,081	4,433	2,594	2,498	3,261	2,639
<b>PRINCE EDWARD ISLAND</b>								
<b>Research Expenditures</b>								
- Operating	-	-	-	-	2,511	2,465	2,470	2,419
- Capital	-	-	-	-	106	83	106	63
- Program	1,671	1,219	932	683	197	577	1,584	1,131
Total Research	1,671	1,219	932	683	2,813	3,125	4,160	3,613
<b>Inspection Expenditures</b>								
- Operating	2,346	2,250	3,047	3,496	6,199	5,997	6,647	6,581
- Capital	61	-	13	-	319	364	262	370
- Program	539	514	25	312	555	654	569	941
Total Inspection	2,946	2,764	3,085	3,808	7,072	7,015	7,478	7,892

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, 2009-10 to 2012-13(cont'd)

	PROVINCIAL				FEDERAL			
	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates
	(\$000)							
<b>NOVA SCOTIA</b>								
<b>Research Expenditures</b>								
- Operating	-	-	-	-	3,091	2,975	3,077	2,997
- Capital	-	-	480	627	130	102	132	78
- Program	1,196	1,070	1,172	1,000	1,039	582	1,895	5,447
Total Research	1,196	1,070	1,652	1,627	4,260	3,659	5,103	8,523
<b>Inspection Expenditures</b>								
- Operating	2,474	1,748	1,740	1,754	7,602	7,391	8,237	8,121
- Capital	-	-	-	-	392	447	322	455
- Program	5,090	3,973	5,119	4,738	2,840	826	821	920
Total Inspection	7,563	5,722	6,859	6,492	10,834	8,665	9,380	9,496
<b>NEW BRUNSWICK</b>								
<b>Research Expenditures</b>								
- Operating	586	517	904	534	3,054	2,965	2,978	2,927
- Capital	20	0	1	-	128	103	128	76
- Program	655	835	698	674	1,838	2,007	1,388	2,336
Total Research	1,261	1,352	1,603	1,208	5,021	5,075	4,494	5,339
<b>Inspection Expenditures</b>								
- Operating	3,139	3,193	3,415	2,414	7,504	7,408	7,994	7,928
- Capital	185	9	142	2	388	451	325	458
- Program	266	260	645	189	653	592	532	971
Total Inspection	3,591	3,462	4,201	2,605	8,546	8,451	8,851	9,358
<b>QUEBEC</b>								
<b>Research Expenditures</b>								
- Operating	4,153	3,781	3,122	2,675	42,467	41,883	41,984	41,264
- Capital	-	-	-	-	1,786	1,453	1,811	1,077
- Program	23,038	25,295	24,374	26,458	5,241	8,740	17,981	32,554
Total Research	27,192	29,076	27,496	29,133	49,495	52,075	61,776	74,895
<b>Inspection Expenditures</b>								
- Operating	38,107	41,593	46,809	31,305	106,188	106,437	114,612	113,483
- Capital	22,598	22,710	14,056	19,488	5,395	6,373	4,592	6,474
- Program	17,069	21,695	23,422	20,196	3,294	10,411	5,984	13,044
Total Inspection	77,774	85,997	84,287	70,990	114,877	123,221	125,187	133,001

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, 2009-10 to 2012-13(cont'd)

	PROVINCIAL				FEDERAL			
	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates
	(\$000)							
<b>ONTARIO</b>								
<b>Research Expenditures</b>								
- Operating	2,565	3,168	3,577	3,318	63,828	63,244	63,472	62,064
- Capital	5,150	6,250	10,250	20,714	2,671	2,183	2,724	1,621
- Program	45,498	45,143	44,883	45,195	10,894	14,738	18,434	26,525
Total Research	53,213	54,561	58,710	69,226	77,393	80,165	84,630	90,209
<b>Inspection Expenditures</b>								
- Operating	36,225	38,040	42,300	41,799	161,399	162,600	175,368	173,160
- Capital	500	1,000	500	500	8,067	9,578	6,899	9,739
- Program	13,755	12,520	17,777	14,057	7,579	16,554	17,583	16,486
Total Inspection	50,479	51,559	60,577	56,356	177,045	188,732	199,850	199,385
<b>MANITOBA</b>								
<b>Research Expenditures</b>								
- Operating	-	-	-	-	29,553	29,309	27,980	27,321
- Capital	-	-	-	-	1,240	1,010	1,199	713
- Program	2,804	1,114	1,115	1,115	4,395	11,832	17,951	24,627
Total Research	2,804	1,114	1,115	1,115	35,188	42,151	47,130	52,662
<b>Inspection Expenditures</b>								
- Operating	10,998	10,009	11,237	10,476	77,809	78,001	79,896	78,635
- Capital	200	180	180	180	3,743	4,429	3,192	4,534
- Program	1,728	2,005	2,502	1,451	5,742	7,013	5,866	8,849
Total Inspection	12,926	12,194	13,919	12,107	87,294	89,442	88,955	92,018
<b>SASKATCHEWAN</b>								
<b>Research Expenditures</b>								
- Operating	2,698	2,280	2,449	914	56,038	56,850	55,686	54,730
- Capital	5	4	0	-	2,357	1,948	2,402	1,429
- Program	19,259	21,181	17,474	20,762	6,599	16,820	7,104	25,893
Total Research	21,962	23,465	19,923	21,676	64,995	75,617	65,192	82,052
<b>Inspection Expenditures</b>								
- Operating	3,101	3,378	3,762	-	151,023	152,588	162,809	160,239
- Capital	-	-	-	-	7,119	8,543	6,155	8,708
- Program	5,083	3,148	3,116	2,731	13,696	3,685	5,399	11,233
Total Inspection	8,184	6,526	6,878	2,731	171,839	164,816	174,363	180,179

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, 2009-10 to 2012-13(cont'd)

	PROVINCIAL				FEDERAL			
	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates
	(\$000)							
<b>ALBERTA</b>								
<b>Research Expenditures</b>								
- Operating	7,901	8,488	5,877	6,293	58,119	55,895	55,196	54,248
- Capital	825	921	350	350	2,445	1,939	2,381	1,416
- Program	49,173	54,803	46,938	45,920	4,268	8,094	10,018	23,595
Total Research	57,899	64,212	53,165	52,563	64,832	65,928	67,594	79,260
<b>Inspection Expenditures</b>								
- Operating	37,598	34,918	43,423	43,374	152,005	148,244	157,094	154,638
- Capital	472	433	380	380	7,384	8,508	6,128	8,717
- Program	1,336	2,954	-	-	12,538	24,883	15,090	14,825
Total Inspection	39,406	38,305	43,803	43,754	171,927	181,635	178,312	178,179
<b>BRITISH COLUMBIA</b>								
<b>Research Expenditures</b>								
- Operating	-	756	809	2,086	16,349	15,801	15,460	15,195
- Capital	-	-	-	-	688	548	667	397
- Program	1,005	7	911	-	1,418	1,679	704	7,348
Total Research	1,005	763	1,720	2,086	18,454	18,028	16,832	22,940
<b>Inspection Expenditures</b>								
- Operating	5,933	6,112	6,414	5,843	40,219	39,401	41,527	41,182
- Capital	31	31	271	225	2,077	2,398	1,732	2,491
- Program	368	260	400	380	6,680	3,278	4,462	3,439
Total Inspection	6,333	6,403	7,086	6,448	48,975	45,077	47,721	47,113

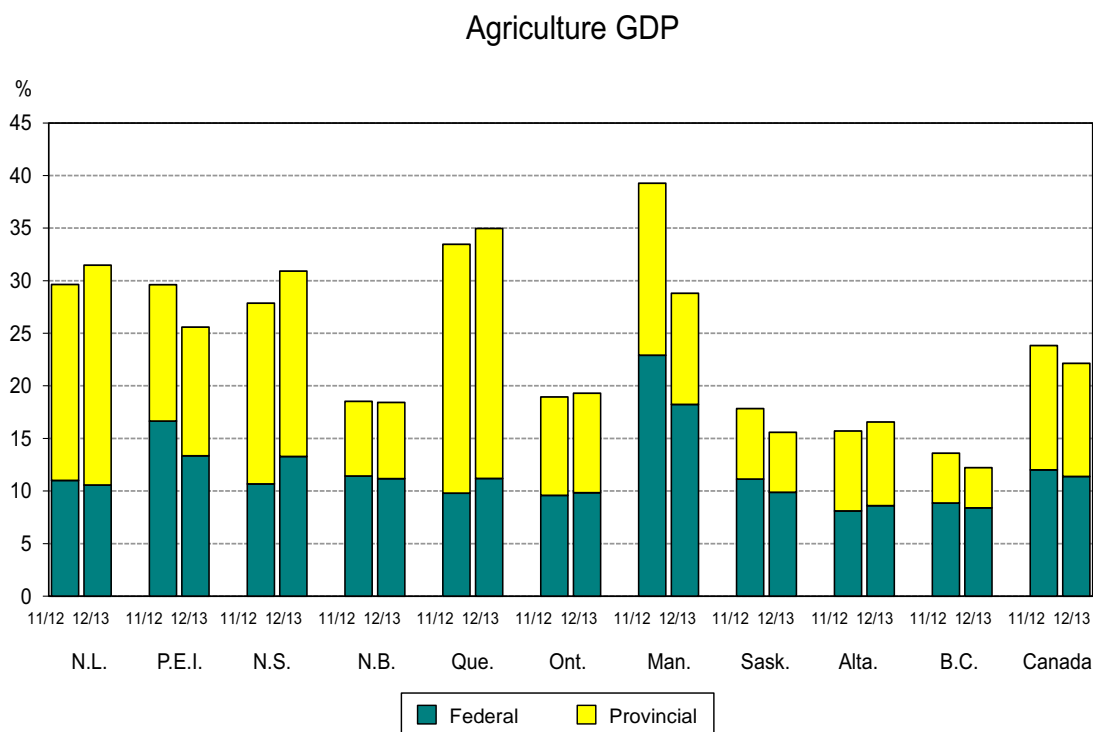
Source: Agriculture and Agri-Food Canada, Strategic Policy Branch.

Table C.4: Government Expenditures to the Agri-Food Sector as a Percentage of Agriculture GDP and Agri-Food GDP, Canada and Provinces, 2009-10 to 2012-13

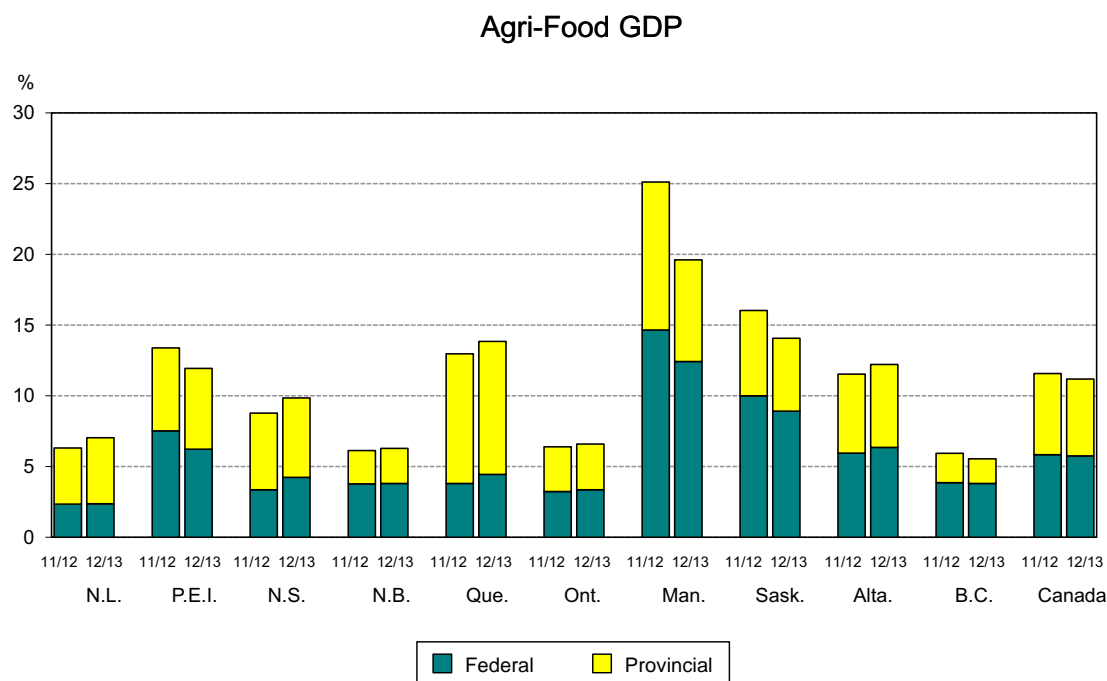
	Agriculture				Agri-Food			
	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates
<b>NEWFOUNDLAND AND LABRADOR</b>								
Provincial GDP (\$ million)	93.1	108.5	116.2	121.8	473.7	524.9	545.6	545.3
Federal (%)	10.2	9.6	11.0	10.6	2.0	2.0	2.3	2.4
Provincial (%)	22.1	18.8	18.6	21.1	4.3	3.9	4.0	4.7
<b>PRINCE EDWARD ISLAND</b>								
Provincial GDP (\$ million)	239.0	249.2	250.0	265.4	534.1	551.4	552.9	568.7
Federal (%)	11.3	16.9	16.6	13.3	5.1	7.6	7.5	6.2
Provincial (%)	13.5	13.6	13.0	12.2	6.1	6.2	5.9	5.7
<b>NOVA SCOTIA</b>								
Provincial GDP (\$ million)	302.3	304.0	306.6	310.9	940.0	958.1	973.4	976.0
Federal (%)	15.7	11.6	10.7	13.3	5.1	3.7	3.4	4.2
Provincial (%)	20.4	18.3	17.2	17.6	6.6	5.8	5.4	5.6
<b>NEW BRUNSWICK</b>								
Provincial GDP (\$ million)	386.8	388.0	382.7	400.2	1,129.8	1,150.6	1,157.9	1,175.0
Federal (%)	10.7	10.0	11.4	11.2	3.7	3.4	3.8	3.8
Provincial (%)	7.1	7.0	7.1	7.3	2.4	2.4	2.3	2.5
<b>QUEBEC</b>								
Provincial GDP (\$ million)	3,925.3	4,122.2	4,170.6	4,297.0	10,178.2	10,596.6	10,762.9	10,851.5
Federal (%)	12.8	12.1	9.8	11.2	4.9	4.7	3.8	4.4
Provincial (%)	26.4	25.7	23.7	23.8	10.2	10.0	9.2	9.4
<b>ONTARIO</b>								
Provincial GDP (\$ million)	5,753.3	6,090.7	6,185.7	6,406.9	17,503.1	18,137.3	18,342.7	18,776.1
Federal (%)	11.6	10.5	9.6	9.8	3.8	3.5	3.2	3.4
Provincial (%)	8.0	6.5	9.4	9.5	2.6	2.2	3.2	3.2
<b>MANITOBA</b>								
Provincial GDP (\$ million)	2,572.9	2,302.4	2,170.4	2,612.9	3,716.2	3,493.6	3,394.9	3,839.6
Federal (%)	18.1	16.9	22.9	18.2	12.5	11.1	14.6	12.4
Provincial (%)	10.7	14.1	16.4	10.6	7.4	9.3	10.5	7.2
<b>SASKATCHEWAN</b>								
Provincial GDP (\$ million)	7,808.2	7,074.0	8,019.1	8,531.7	8,641.1	7,973.7	8,933.2	9,451.4
Federal (%)	8.7	12.0	11.1	9.9	7.9	10.6	10.0	8.9
Provincial (%)	4.8	6.6	6.7	5.7	4.3	5.9	6.0	5.2
<b>ALBERTA</b>								
Provincial GDP (\$ million)	6,573.5	7,932.2	8,473.6	8,633.0	9,302.0	10,917.0	11,548.0	11,698.8
Federal (%)	10.4	8.7	8.1	8.6	7.3	6.3	5.9	6.4
Provincial (%)	10.8	8.0	7.6	7.9	7.6	5.8	5.6	5.9
<b>BRITISH COLUMBIA</b>								
Provincial GDP (\$ million)	1,550.3	1,578.2	1,608.4	1,722.1	3,515.5	3,614.2	3,691.5	3,797.7
Federal (%)	9.4	9.9	8.9	8.4	4.2	4.3	3.9	3.8
Provincial (%)	5.0	4.1	4.8	3.8	2.2	1.8	2.1	1.7
<b>CANADA</b>								
Federal GDP (\$ million)	26,227.0	26,700.8	28,063.8	30,532.8	54,418.9	55,901.2	57,797.4	60,440.9
Federal (%)	12.6	12.6	12.0	11.4	6.1	6.0	5.8	5.7
Provincial (%)	11.7	11.5	11.8	10.8	5.7	5.5	5.7	5.4

Sources: Agriculture and Agri-Food Canada (Strategic Policy Branch) for expenditures; Conference Board of Canada for GDP data.

Figure C.3: Government Expenditures to the Agri-Food Sector as a Percentage of Agriculture GDP and Agri-Food GDP, 2011-12 and 2012-13



Sources: Agriculture and Agri-Food Canada (Strategic Policy Branch) for expenditures; Conference Board of Canada for GDP data.



Sources: Agriculture and Agri-Food Canada (Strategic Policy Branch) for expenditures; Conference Board of Canada for GDP data.

Table C.5: Relative Importance of Agri-Food GDP and Government Expenditures in Support of the Agri-Food Sector, Canada and Provinces, 2009-10 to 2012-13

	Total GDP				Total Expenditures			
	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates	2009-10	2010-11	2011-12 Preliminary	2012-13 Estimates
<b>NEWFOUNDLAND AND LABRADOR</b>								
Total Provincial (\$ million)	23,428	26,943	28,421	28,718	5,958	6,407	6,658	7,576
Agri-Food GDP as % of Total GDP	2.02	1.95	1.92	1.90				
Agri-Food Exp. as % of Total Exp.					0.34	0.32	0.32	0.34
<b>PRINCE EDWARD ISLAND</b>								
Total Provincial (\$ million)	4,500	4,627	4,788	4,923	1,581	1,598	1,531	1,585
Agri-Food GDP as % of Total GDP	11.87	11.92	11.55	11.55				
Agri-Food Exp. as % of Total Exp.					2.05	2.12	2.12	2.05
<b>NOVA SCOTIA</b>								
Total Provincial (\$ million)	32,489	33,329	34,290	35,335	7,960	7,874	8,235	8,535
Agri-Food GDP as % of Total GDP	2.89	2.87	2.84	2.76				
Agri-Food Exp. as % of Total Exp.					0.77	0.71	0.64	0.64
<b>NEW BRUNSWICK</b>								
Total Provincial (\$ million)	26,274	27,312	28,142	28,851	7,872	8,130	8,050	8,196
Agri-Food GDP as % of Total GDP	4.30	4.21	4.11	4.07				
Agri-Food Exp. as % of Total Exp.					0.35	0.33	0.34	0.35
<b>QUEBEC</b>								
Total Provincial (\$ million)	289,855	304,038	317,748	327,785	66,093	66,923	66,753	69,078
Agri-Food GDP as % of Total GDP	3.51	3.49	3.39	3.31				
Agri-Food Exp. as % of Total Exp.					1.57	1.58	1.48	1.48
<b>ONTARIO</b>								
Total Provincial (\$ million)	551,227	577,642	603,361	625,669	115,055	120,669	124,068	126,393
Agri-Food GDP as % of Total GDP	3.18	3.14	3.04	3.00				
Agri-Food Exp. as % of Total Exp.					0.40	0.33	0.47	0.48
<b>MANITOBA</b>								
Total Provincial (\$ million)	48,872	51,281	54,137	56,540	10,568	10,889	11,378	11,824
Agri-Food GDP as % of Total GDP	7.60	6.81	6.27	6.79				
Agri-Food Exp. as % of Total Exp.					2.62	2.97	3.12	2.34
<b>SASKATCHEWAN</b>								
Total Provincial (\$ million)	55,641	62,074	67,278	70,135	12,486	13,311	10,679	11,196
Agri-Food GDP as % of Total GDP	15.53	12.85	13.28	13.48				
Agri-Food Exp. as % of Total Exp.					2.98	3.53	5.04	4.35
<b>ALBERTA</b>								
Total Provincial (\$ million)	235,107	261,349	283,799	298,525	36,684	38,264	38,994	41,149
Agri-Food GDP as % of Total GDP	3.96	4.18	4.07	3.92				
Agri-Food Exp. as % of Total Exp.					1.93	1.65	1.65	1.67
<b>BRITISH COLUMBIA</b>								
Total Provincial (\$ million)	179,997	190,254	202,222	209,178	31,759	32,850	35,371	35,631
Agri-Food GDP as % of Total GDP	1.95	1.90	1.83	1.82				
Agri-Food Exp. as % of Total Exp.					0.25	0.20	0.22	0.19
<b>TOTAL - PROVINCIAL</b>								
Total Provincial (\$ million)	1,447,390	1,538,848	1,624,186	1,685,658	296,016	306,915	311,717	321,162
Agri-Food GDP as % of Total GDP	3.86	3.76	3.69	3.66				
Agri-Food Exp. as % of Total Exp.					1.04	1.00	1.06	1.02
<b>CANADA - FEDERAL</b>								
Total Federal (\$ million)	1,455,487	1,548,096	1,633,584	1,695,944	274,198	270,463	271,423	257,563
Agri-Food GDP as % of Total GDP	3.74	3.61	3.54	3.56				
Agri-Food Exp. as % of Total Exp.					1.20	1.25	1.24	1.35

Sources: Public Accounts / Main Estimates; 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 and 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 GDP and Agri-Food GDP, 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. "Agriculture" GDP data include all primary agriculture and related services industries. "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. 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.

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, 2009-2011

	2009	2010	2011 Preliminary
	(\$ Million)		
<b>Total value of production (at farm gate)</b>	41,157	41,203	46,011
of which share of MPS commodities <sup>1</sup> (%)	83	83	84
<b>Total value of consumption (at farm gate)</b>	26,769	30,317	32,981
<b>Producer Support Estimate (PSE)</b>	7,716	7,371	6,937
Market price support (MPS)	4,530	4,431	4,106
Payments based on output	2	0	0
Payments based on input use	473	454	461
Payments based on current A/An/R/I <sup>2</sup> , production required	2,165	2,004	1,957
Payments based on non-current A/An/R/I, production required	17	396	2
Payments based on non-current A/An/R/I, production not required	217	5	369
Payments based on non-commodity criteria	285	57	15
Miscellaneous payments	27	24	27
<b>Percentage PSE</b>	17	17	14
<b>Producer Nominal Protection Coefficient (Producer NPC)</b>	1.12	1.12	1.10
<b>Producer Nominal Assistance Coefficient (Producer NAC)</b>	1.21	1.20	1.17
<b>General Services Support Estimate (GSSE)</b>	3,312	3,245	3,103
Research and development	474	485	495
Agricultural schools	241	258	283
Inspection services	938	964	1,030
Infrastructure	495	568	590
Marketing and promotion	1,164	971	705
Public stockholding	0	0	0
Miscellaneous	0	0	0
<b>Consumer Support Estimate (CSE)</b>	-5,061	-4,954	-4,521
Transfers to producers from consumers	-4,517	-4,424	-4,095
Other transfers from consumers	-544	-530	-426
Transfers to consumers from taxpayers	0	0	0
Excess feed cost	0	0	0
<b>Percentage CSE</b>	-19	-16	-14
<b>Consumer Nominal Protection Coefficient (Consumer NPC)</b>	1.23	1.20	1.16
<b>Consumer Nominal Assistance Coefficient (Consumer NAC)</b>	1.23	1.20	1.16
<b>Total Support Estimate (TSE)</b>	11,028	10,616	10,039
Transfers from consumers	5,061	4,954	4,521
Transfers from taxpayers	6,512	6,192	5,944
Budget revenues	-544	-530	-426

Source: OECD, Agricultural Policies Monitoring and Evaluation 2012: OECD Countries.

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

Table D.2: Composition of Producer Support Estimate (PSE) for Selected OECD Countries, 2009-2011

		2009	2010	2011 Preliminary
		(% share in PSE)		
Australia	Support based on commodity output	0	0	0
	Payments based on input use	56	48	41
	Payments based on current A/An/R/I <sup>1</sup> , production required	6	18	16
	Payments based on non-current A/An/R/I, production required	0	0	0
	Payments based on non-current A/An/R/I, production not required	36	33	42
	Payments based on non-commodity criteria	2	2	1
	Miscellaneous payments	0	0	0
Canada	Support based on commodity output	59	60	59
	Payments based on input use	6	6	7
	Payments based on current A/An/R/I, production required	28	27	28
	Payments based on non-current A/An/R/I, production required	0	5	0
	Payments based on non-current A/An/R/I, production not required	3	0	5
	Payments based on non-commodity criteria	4	1	0
	Miscellaneous payments	0	0	0
European Union <sup>2</sup>	Support based on commodity output	26	17	13
	Payments based on input use	13	15	15
	Payments based on current A/An/R/I, production required	18	18	19
	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	40	48	51
	Payments based on non-commodity criteria	2	2	2
	Miscellaneous payments	0	0	0
Japan	Support based on commodity output	88	83	81
	Payments based on input use	3	4	3
	Payments based on current A/An/R/I, production required	2	6	9
	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	7	7	8
	Payments based on non-commodity criteria	0	0	0
	Miscellaneous payments	0	0	0
Mexico	Support based on commodity output	30	25	21
	Payments based on input use	46	50	55
	Payments based on current A/An/R/I, production required	1	1	1
	Payments based on non-current A/An/R/I, production required	5	5	5
	Payments based on non-current A/An/R/I, production not required	18	20	18
	Payments based on non-commodity criteria	0	0	0
	Miscellaneous payments	0	0	0
New Zealand	Support based on commodity output	61	74	82
	Payments based on input use	38	26	17
	Payments based on current A/An/R/I, production required	1	0	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 Monitoring and Evaluation 2012: OECD Countries.

<sup>1</sup> A (Area planted), An (Animal numbers), R (Receipts), I (Income).<sup>2</sup> EU27 for 2009, 2010 and 2011.

Table D.2: Composition of Producer Support Estimate (PSE) for Selected OECD Countries, 2009-2011 (cont'd)

		2009	2010	2011 Preliminary
		(% share in PSE)		
USA	Support based on commodity output	16	14	12
	Payments based on input use	29	35	32
	Payments based on current A/An/R/I, production required	28	21	28
	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	19	21	19
	Payments based on non-commodity criteria	8	9	9
	Miscellaneous payments	0	0	0
OECD	Support based on commodity output	47	46	44
	Payments based on input use	12	13	13
	Payments based on current A/An/R/I, production required	14	14	16
	Payments based on non-current A/An/R/I, production required	0	1	0
	Payments based on non-current A/An/R/I, production not required	23	25	25
	Payments based on non-commodity criteria	2	2	2
	Miscellaneous payments	0	0	0

Source: OECD, Agricultural Policies Monitoring and Evaluation 2012: OECD Countries.

<sup>1</sup> A (Area planted), An (Animal numbers), R (Receipts), I (Income).<sup>2</sup> EU27 for 2009, 2010 and 2011.

Table D.3: Producer Support Estimate (PSE) for Selected OECD Countries, 2009-2011

	2009	2010	2011 Preliminary	2009	2010	2011 Preliminary
	Total PSE (US\$ million)			Percentage PSE (% of gross farm receipts)		
Australia	989	1,206	1,550	3	3	3
Canada	6,760	7,155	7,013	17	17	14
European Union <sup>1</sup>	118,990	102,400	103,181	23	20	18
Japan	46,470	55,215	61,098	49	53	52
Mexico	6,004	6,001	6,182	14	12	12
New Zealand	50	82	134	0	1	1
USA	33,016	27,591	30,579	11	8	8
OECD	249,521	241,264	252,424	23	20	19

Source: OECD, Agricultural Policies Monitoring and Evaluation 2012: OECD Countries.

<sup>1</sup> EU27 for 2009, 2010 and 2011.



Table D.4: Single Commodity Transfers (Percentage SCT)<sup>1</sup> for Selected OECD Countries, 2009-2011

	Wheat			Maize			Other grains			Canola/Rapeseed			Soybean		
	2009	2010	2011p	2009	2010	2011p	2009	2010	2011p	2009	2010	2011p	2009	2010	2011p
Australia	0.0	0.0	0.0	n.c.	n.c.	n.c.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Canada	2.4	1.7	3.9	7.0	1.3	0.9	4.7	3.0	3.5	1.5	1.7	3.6	1.1	0.3	1.6
European Union <sup>2</sup>	0.8	0.2	0.1	0.0	0.0	0.0	0.0	1.1	0.0	0.0	0.0	0.0	2.2	0.0	0.0
Japan	42.0	48.1	51.7	n.c.	n.c.	n.c.	66.5	67.9	73.1	n.c.	n.c.	n.c.	15.7	18.7	41.1
Mexico	17.1	16.2	20.6	8.0	8.3	6.8	8.9	9.5	7.1	n.c.	n.c.	n.c.	14.7	8.9	4.6
New Zealand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
USA	13.0	6.0	7.1	4.5	2.7	3.7	5.7	4.1	6.0	n.c.	n.c.	n.c.	3.6	2.8	4.3
OECD	7.5	4.3	3.6	4.7	3.2	3.4	8.1	7.6	3.7	0.8	0.8	1.5	4.3	3.7	6.4

	Beef and veal			Pigmeat			Milk			Poultry			Eggs		
	2009	2010	2011p	2009	2010	2011p	2009	2010	2011p	2009	2010	2011p	2009	2010	2011p
Australia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Canada	3.4	2.6	1.2	5.4	5.7	3.0	57.4	55.8	43.1	19.1	15.6	30.5	16.2	21.9	12.6
European Union	34.3	12.4	11.2	3.5	2.8	0.1	1.5	1.6	1.4	37.7	28.7	21.3	1.7	0.9	1.0
Japan	28.9	31.9	38.9	72.5	67.9	67.4	56.6	49.0	55.6	10.1	10.3	10.2	14.9	14.4	15.3
Mexico	9.2	9.1	8.9	8.9	2.7	7.5	15.8	2.2	1.5	11.3	8.6	10.6	-0.2	0.0	-0.1
New Zealand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.3	15.4	24.2	0.0	5.0	10.2
USA	0.0	0.0	0.0	0.0	0.0	0.0	13.2	5.1	4.5	2.1	0.0	0.0	0.0	0.0	0.0
OECD	16.3	9.7	9.0	11.4	10.5	9.0	14.4	10.3	9.4	15.8	10.4	9.3	5.5	6.8	4.7

Source: OECD, Agricultural Policies Monitoring and Evaluation 2012: OECD Countries.

p: Preliminary

n.c.: not calculated

<sup>1</sup> Percentage of farm gross receipts for the specific commodity.<sup>2</sup> EU27 for 2009, 2010 and 2011.Table D.5: General Services Support Estimate (GSSE)<sup>1</sup> for Selected OECD Countries, 2009-2011

	2009	2010	2011 Preliminary	2009	2010	2011 Preliminary
	GSSE (in US\$ million)			GSSE as a share of TSE (%)		
Australia	688	763	851	46	39	35
Canada	2,902	3,150	3,137	30	31	31
European Union <sup>2</sup>	14,525	13,785	14,946	11	12	12
Japan	10,763	8,413	10,629	19	13	15
Mexico	764	745	849	11	11	12
New Zealand	195	276	363	80	77	73
USA	56,651	69,846	75,476	46	52	51
OECD	91,489	101,825	111,504	24	27	27

Source: OECD, Agricultural Policies Monitoring and Evaluation 2012: OECD Countries.

<sup>1</sup> See note at the end of the methodology.<sup>2</sup> EU27 for 2009, 2010 and 2011.



Table D.6: Composition of General Services Support Estimate (GSSE)<sup>1</sup> for Selected OECD Countries, 2009-2011

		2009	2010	2011 Preliminary
		(% share in GSSE)		
<b>Australia</b>	Research and development	72	71	71
	Agricultural schools	1	1	1
	Inspection services	11	12	12
	Infrastructure	15	15	16
	Marketing and promotion	1	1	1
	Public stockholding	0	0	0
	Miscellaneous	0	0	0
<b>Canada</b>	Research and development	14	15	16
	Agricultural schools	7	8	9
	Inspection services	28	30	33
	Infrastructure	15	17	19
	Marketing and promotion	35	30	23
	Public stockholding	0	0	0
	Miscellaneous	0	0	0
<b>European Union<sup>2</sup></b>	Research and development	21	20	19
	Agricultural schools	11	14	14
	Inspection services	7	7	5
	Infrastructure	32	29	29
	Marketing and promotion	27	31	33
	Public stockholding	2	-1	0
	Miscellaneous	0	0	0
<b>Japan</b>	Research and development	9	11	9
	Agricultural schools	4	5	4
	Inspection services	1	1	1
	Infrastructure	82	77	79
	Marketing and promotion	1	0	2
	Public stockholding	2	3	2
	Miscellaneous	2	3	2
<b>Mexico</b>	Research and development	16	13	14
	Agricultural schools	33	35	36
	Inspection services	5	11	13
	Infrastructure	33	28	27
	Marketing and promotion	13	14	10
	Public stockholding	0	0	0
	Miscellaneous	0	0	0
<b>New Zealand</b>	Research and development	23	31	28
	Agricultural schools	9	6	5
	Inspection services	39	38	45
	Infrastructure	29	25	21
	Marketing and promotion	0	0	0
	Public stockholding	0	0	0
	Miscellaneous	0	0	0

Source: OECD, Agricultural Policies Monitoring and Evaluation 2012: OECD Countries.

<sup>1</sup> See note at the end of the methodology.<sup>2</sup> EU27 for 2009, 2010 and 2011.<sup>3</sup> The Food Stamp Program represents more than 90% of the expenditures in the U.S. Marketing and Promotion category.

Table D.6: Composition of General Services Support Estimate (GSSE)<sup>1</sup> for Selected OECD Countries, 2009-2011 (cont'd)

		2009	2010	2011 Preliminary
		(% share in GSSE)		
USA	Research and development	4	3	3
	Agricultural schools	0	0	0
	Inspection services	2	2	1
	Infrastructure	5	6	6
	Marketing and promotion <sup>3</sup>	85	86	87
	Public stockholding	0	0	0
	Miscellaneous	4	3	3
OECD	Research and development	9	8	8
	Agricultural schools	2	3	3
	Inspection services	4	4	3
	Infrastructure	21	17	18
	Marketing and promotion	60	65	65
	Public stockholding	1	1	1
	Miscellaneous	3	3	2

Source: OECD, Agricultural Policies Monitoring and Evaluation 2012: OECD Countries.

<sup>1</sup> See note at the end of the methodology.<sup>2</sup> EU27 for 2009, 2010 and 2011.<sup>3</sup> The Food Stamp Program represents more than 90% of the expenditures in the U.S. Marketing and Promotion category.

Table D.7: Consumer Support Estimate (CSE) for Selected OECD Countries, 2009-2011

	2009	2010	2011 Preliminary
	Percentage CSE (%) <sup>1</sup>		
Australia	-1	0	0
Canada	-19	-16	-14
European Union <sup>2</sup>	-7	-3	-2
Japan	-43	-44	-43
Mexico	-3	-3	-2
New Zealand	-1	-2	-3
USA	14	13	13
OECD	-10	-8	-7

Source: OECD, Agricultural Policies Monitoring and Evaluation 2012: OECD Countries.

<sup>1</sup> 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.<sup>2</sup> EU27 for 2009, 2010 and 2011.

Table D.8: Total Support Estimate (TSE) for Selected OECD Countries, 2009-2011

	2009	2010	2011 Preliminary
	Total Support Estimate in percentage of GDP (%)		
Australia	0.15	0.15	0.16
Canada	0.72	0.65	0.59
European Union <sup>1</sup>	0.83	0.73	0.68
Japan	1.14	1.16	1.22
Mexico	0.80	0.68	0.64
New Zealand	0.21	0.25	0.30
USA	0.88	0.93	0.97
OECD	0.96	0.93	0.95

Source: OECD, Agricultural Policies Monitoring and Evaluation 2012: OECD Countries.

<sup>1</sup> EU27 for 2009, 2010 and 2011.



## 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 NPC 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 NPC):** ratio between the average price paid by consumers (at farm gate) and the border price (measured at farm gate). The Consumer NPC 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.

Note: In order to improve comparability and consistency across countries regarding information reported under GSSE, the OECD is currently undertaking a study that will review programs and policies presently reported under GSSE and examine if they are correctly classified. This study will also seek important gaps in the information reported under GSSE. It is expected that the OECD will develop a new methodology for deriving GSSE values on the basis of this review.