



# **FARM INCOME, FINANCIAL CONDITIONS AND GOVERNMENT ASSISTANCE**

Data Book 2016



Agriculture and  
Agri-Food Canada

Agriculture et  
Agroalimentaire Canada

Canada

## **Farm Income, Financial Conditions and Government Assistance Data Book, 2016**

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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>IFRS</b>	International Financial Reporting Standards
<b>CPA</b>	Chartered Professional Accountants	<b>NAC</b>	Nominal Assistance Coefficient
<b>CSE</b>	Consumer Support Estimate	<b>NISA</b>	Net Income Stabilization Account
<b>EDC</b>	Export Development Corporation	<b>PSE</b>	Producer Support Estimate
<b>FCC</b>	Farm Credit Canada	<b>SCT</b>	Single Commodity Transfers
<b>FIMCLA</b>	Farm Improvement and Marketing Cooperatives Loans Act	<b>TDP</b>	Taxation Data Program
		<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 of key economic and financial data for 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 readily 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 economic and financial indicators

#### HIGHLIGHTS

##### Section A - Farm Income

- In 2015, total market receipts from both crop and livestock sources reached \$57.6 billion, the highest level over the 10-year period 2006-2015. The increase in market receipts in 2015 was driven by both record crop receipts of \$31.9 billion and record livestock receipts of \$25.7 billion.
- Program payments totalled \$2.1 billion in 2015, unchanged from the previous year. Since 2008, high incomes due to strong market conditions have led to lower program payments.
- Net cash income (in nominal terms), at \$15.2 billion in 2015 was the highest level yet reported, surpassing the previous record of \$14.0 billion reached in 2014. By comparison, the lowest net cash income level over the 2006-2015 reference period was \$5.9 billion in 2006.
- Average total operating revenue and expense data for 2014 show that Newfoundland farms had the highest operating revenue, at \$694,692. Saskatchewan farms reported the lowest operating revenue, at \$363,688.

Nationally, average reported operating revenues were \$418,080 and operating expenses were \$347,084, for a net operating income of \$70,997. This is a 2% increase from \$69,507 in net operating income reported a year earlier.

- There is considerable variation in average net operating income by farm type. Hog farms had the highest average net operating income in 2014, at \$294,862, which was up 154% from a year earlier. Potato farms had the second highest, at \$238,519. Average net operating income for grain and oilseed farms stood at \$84,492, for dairy farms at \$153,611, and for beef cattle farms at \$25,764.

##### Section B - Farm Financial Conditions

- Farms controlled total assets worth \$561.1 billion in 2015. Farm real estate, consisting of land and buildings, made up almost three-quarters of farm total assets in 2015.
- Farmers take on debt to meet short-term financial obligations and to make investments in their farming operations that take advantage of emerging marketing opportunities. In 2015, total farm debt outstanding in Canada stood at \$91.8 billion.
- There were 27 farm bankruptcies in 2016, up slightly from 25 in 2014 and 20 in 2015. Quebec reported the highest number, at 11 in 2016. The number of farm bankruptcies in Canada generally followed a declining trend over the past decade, although this decline has flattened out recently.
- Farm Credit Canada approved 46,796 new loans in 2015-16. The average size of loan approved by Farm Credit Canada rose to \$191,689.
- There were 1,414 new loans registered under the Canadian Agricultural Loans Act (CALA) in 2015-16. Almost 71% of new loans were in Saskatchewan.
- Farm balance sheets were generally robust in 2015, the latest year for which there is currently data. The average Canadian farm reported \$3.4 million in assets and \$0.6 million in debt, for an overall net worth of \$2.8 million. There was considerable variation by farm type, with the net worth of poultry farms averaging \$5.8 million, potato farms \$4.6 million, dairy farms \$3.8 million, hog farms \$2.9 million, grain farms \$3.1 million and beef farms \$2.1 million.
- Among provinces, farms in British Columbia had the highest average net worth, at \$3.6 million, followed by Alberta, at \$3.5 million. Farms in the Atlantic provinces had the lowest average net worth, at \$1.7 million.

- In the fall of 2016, urea cost an average of \$506 per tonne in Ontario, \$396 per tonne in Manitoba and \$383 per tonne in Saskatchewan. Farmers in Ontario paid slightly more for urea compared to farmers in the neighbouring U.S. states of Michigan, Ohio and Indiana, while farmers in Manitoba paid slightly less than their neighbours in Minnesota and North Dakota, and farmers in Saskatchewan paid less than their neighbours in Montana.
- Also in the fall of 2016, farmers in Saskatchewan and Manitoba saw lower gasoline prices than their counterparts in Ontario, while diesel prices were lower in Ontario and Saskatchewan compared to Manitoba. Compared to neighbouring U.S. states, both Ontario and Manitoba had more costly gasoline and diesel.
- Total net farm expenses increased by 2% in 2015 to \$51.6 billion. The main drivers of this were increases in depreciation, livestock purchases, fertilizer and lime, as well as cash wages, room and board. However, these were partly offset by lower machinery operating costs and lower crop and hail insurance expenses.

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

- Total government expenditures in support of the agriculture and agri-food sector fell by 3.8% in 2015-16 to \$5.18 billion. Federal expenditures declined by 3.4% to \$2.62 billion, while provincial expenditures fell by 4.2% to \$2.56 billion.
- It is projected that federal expenditures will increase by 2.3% in 2016-17 to \$2.68 billion. Provincial expenditures are also expected to increase, by 7.4% in 2016-17 to \$2.75 billion. Total expenditures are expected to increase by 4.8% to \$5.43 billion.
- In 2015-16, federal expenditures on payment programs declined to \$0.81 billion and represented 28% of total federal expenditures. These payments are expected to increase to \$1.17 billion in 2016-17 and will represent 38% of total federal expenditures. At the provincial level, expenditures on payment programs dropped to \$0.97 billion in 2015-16 and represented 34% of total provincial expenditures, but are expected to increase to \$1.2 billion in 2016-17 and will represent 40% of total provincial expenditures.
- Federal government expenditures as a percentage of agriculture GDP are expected to drop from 12.2% in 2015-16 to 11.9% in 2016-17, while provincial government expenditures as a percentage of agriculture GDP are expected to increase from 11.9% in 2015-16 to 12.3% in 2016-17.

### **Section D - Estimates of Support to Agriculture**

- Expressed as a percentage of gross farm receipts, the Producer Support Estimate (PSE) for Canada decreased slightly from 10% in 2014 to 9% in 2015.
- In the U.S., from 2014 to 2015 the level of support expressed as a percentage of gross farm receipts decreased from 10% to 9%. In Mexico, support also dropped from 10% to 9%. Support stayed the same in Australia and New Zealand at 1%, and in the European Union, support increased from 18% to 19%.
- Support to specific commodities has fallen over time, but some commodities still receive high levels of support. This support is measured by the single commodity transfer (SCT), an indicator that measures transfers linked to the production of a specific commodity. This indicator is expressed as a percent of gross receipts for the commodity.
- In 2015, milk was the commodity that received the highest level of support in Canada, with an SCT of 47%. In the EU, beef and veal received the highest level of support, with an SCT of 28%. In the U.S., milk received the highest level of support with an SCT of 15%.



# **SECTION A**

## **Farm Income**



Table A.1: Farm Cash Receipts, Expenses and Incomes, Canada and Provinces, 2006-2015

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
- \$ Million -											
<b>Crop Receipts</b>											
2006	17	234	150	223	1,581	3,794	1,291	3,690	2,641	1,108	14,729
2007	18	236	123	207	1,690	4,125	2,223	5,228	3,484	1,113	18,448
2008	15	241	125	221	2,160	4,605	2,777	7,017	4,738	1,115	23,016
2009	18	256	123	249	2,140	4,725	2,816	7,298	4,417	1,172	23,214
2010	18	252	129	236	2,111	5,203	2,683	6,675	3,784	1,210	22,302
2011	17	318	139	271	2,410	5,507	2,550	8,189	5,189	1,237	25,827
2012	17	319	152	254	2,648	6,420	2,718	9,151	6,476	1,329	29,484
2013	17	321	165	288	2,754	6,516	3,468	9,712	6,366	1,388	30,996
2014	17	308	170	291	2,639	6,227	3,254	9,834	5,942	1,434	30,115
2015	17	302	173	295	2,713	6,287	3,211	11,197	6,230	1,523	31,947
<b>Livestock Receipts</b>											
2006	79	121	303	204	3,869	4,350	1,801	1,724	4,193	1,133	17,776
2007	87	127	318	219	4,096	4,550	1,753	1,705	4,301	1,172	18,328
2008	93	120	349	224	4,321	4,792	1,716	1,730	4,266	1,298	18,911
2009	89	119	324	223	4,242	4,591	1,651	1,484	4,080	1,252	18,055
2010	99	125	355	217	4,485	4,716	1,748	1,530	4,400	1,213	18,888
2011	101	133	373	245	4,893	5,305	1,920	1,637	4,419	1,302	20,329
2012	112	143	419	252	4,928	5,326	1,934	1,688	4,698	1,375	20,875
2013	120	144	428	259	5,037	5,516	1,993	1,894	4,782	1,371	21,545
2014	108	146	361	262	5,509	6,217	2,493	2,711	6,404	1,479	25,690
2015	113	151	400	270	5,283	6,158	2,334	2,644	6,781	1,559	25,693
<b>Total Market Receipts</b>											
2006	95	355	453	426	5,450	8,144	3,091	5,414	6,834	2,241	32,505
2007	105	363	441	426	5,786	8,675	3,977	6,933	7,785	2,285	36,776
2008	108	362	474	446	6,481	9,398	4,493	8,747	9,005	2,413	41,927
2009	107	375	447	471	6,382	9,316	4,467	8,783	8,496	2,424	41,269
2010	117	377	483	453	6,596	9,919	4,431	8,205	8,184	2,424	41,190
2011	118	452	512	516	7,304	10,812	4,470	9,826	9,608	2,539	46,156
2012	129	462	571	506	7,576	11,745	4,652	10,839	11,174	2,705	50,359
2013	138	466	593	547	7,791	12,032	5,462	11,606	11,148	2,759	52,542
2014	125	454	531	553	8,148	12,444	5,746	12,545	12,347	2,913	55,805
2015	130	452	572	565	7,995	12,445	5,545	13,840	13,011	3,083	57,639
<b>Program Payments</b>											
2006	1	21	15	34	858	662	626	1,267	945	105	4,534
2007	1	21	18	31	1,134	598	413	871	907	96	4,089
2008	1	33	14	31	1,092	649	350	680	1,174	108	4,133
2009	0	36	16	30	1,060	369	386	462	830	102	3,290
2010	1	33	13	24	617	287	349	912	817	82	3,135
2011	1	33	16	25	656	283	501	1,218	681	66	3,478
2012	1	21	10	32	769	309	495	949	772	48	3,405
2013	0	31	11	21	506	350	371	655	696	44	2,686
2014	1	22	42	14	321	277	231	612	549	31	2,100
2015	0	23	10	6	201	306	305	585	653	37	2,126
<b>Total Cash Receipts</b>											
2006	96	377	468	460	6,308	8,806	3,717	6,682	7,779	2,346	37,039
2007	106	385	459	457	6,920	9,273	4,389	7,804	8,692	2,381	40,866
2008	109	394	489	477	7,573	10,047	4,844	9,427	10,179	2,522	46,060
2009	108	411	463	502	7,443	9,685	4,853	9,244	9,326	2,525	44,560
2010	117	410	496	477	7,213	10,207	4,781	9,117	9,001	2,505	44,325
2011	119	485	528	541	7,959	11,095	4,971	11,043	10,289	2,605	49,634
2012	130	483	580	539	8,346	12,054	5,146	11,788	11,946	2,752	53,764
2013	138	497	604	568	8,296	12,382	5,833	12,261	11,844	2,804	55,227
2014	125	476	574	567	8,469	12,721	5,978	13,156	12,896	2,943	57,905
2015	130	476	582	571	8,197	12,752	5,849	14,426	13,664	3,120	59,766

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

Note: Totals may not add up due to rounding.

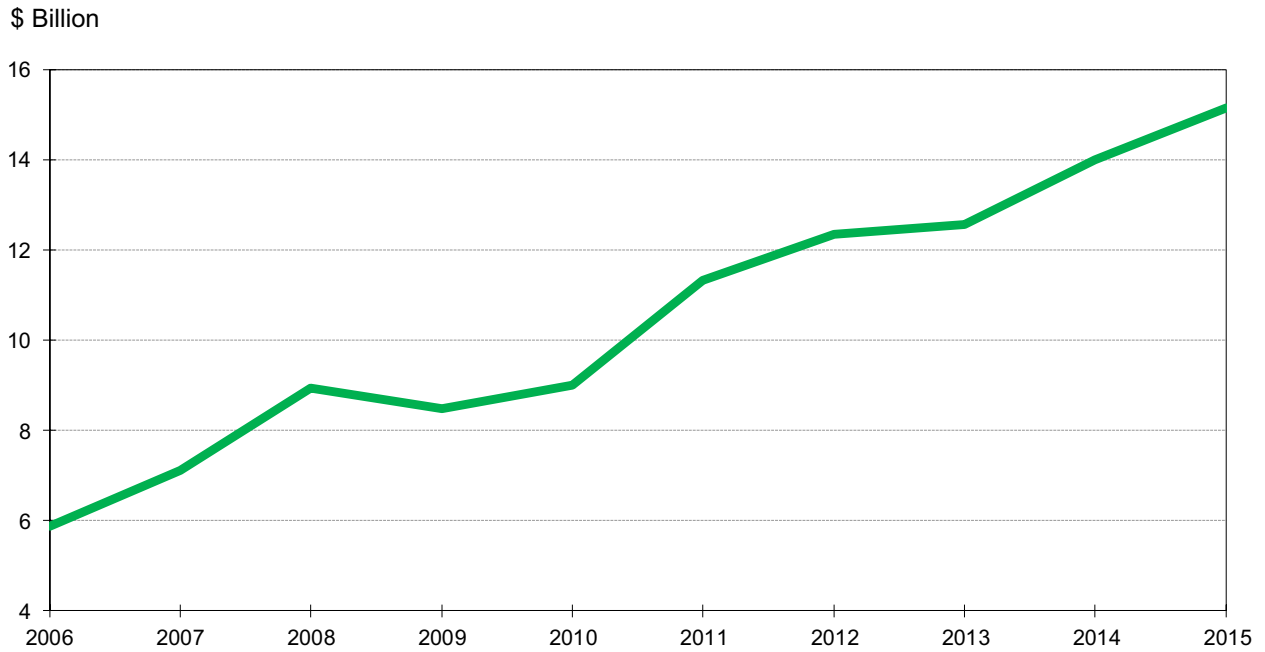
Table A.1: Farm Cash Receipts, Expenses and Incomes, Canada and Provinces, 2006-2015 (cont'd)

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
<b>Net Operating Expenses</b>											
2006	85	317	382	377	5,088	7,573	3,223	5,301	6,756	2,070	31,171
2007	95	329	400	391	5,590	8,050	3,551	5,927	7,227	2,195	33,756
2008	102	348	431	411	5,940	8,553	3,999	6,880	8,071	2,392	37,128
2009	104	361	420	418	5,817	8,466	3,869	6,661	7,702	2,262	36,079
2010	103	348	422	408	5,499	8,392	3,776	6,380	7,735	2,261	35,324
2011	109	367	442	426	6,047	8,869	3,951	7,221	8,492	2,377	38,300
2012	115	387	478	441	6,242	9,469	4,372	8,077	9,313	2,510	41,404
2013	119	385	487	445	6,425	9,727	4,578	8,403	9,537	2,558	42,664
2014	119	385	499	437	6,510	10,051	4,560	8,637	10,119	2,581	43,899
2015	119	390	509	442	6,540	10,290	4,663	8,676	10,341	2,642	44,613
<b>Net Cash Income</b>											
2006	11	60	86	84	1,220	1,234	495	1,380	1,023	276	5,868
2007	11	56	59	66	1,330	1,223	838	1,877	1,465	186	7,109
2008	8	46	57	65	1,633	1,494	845	2,547	2,107	130	8,932
2009	3	49	43	84	1,626	1,219	985	2,583	1,624	264	8,481
2010	14	63	74	69	1,715	1,815	1,004	2,738	1,266	244	9,001
2011	10	117	86	115	1,912	2,226	1,020	3,823	1,797	228	11,334
2012	15	96	102	98	2,103	2,586	775	3,710	2,633	242	12,360
2013	19	112	117	123	1,871	2,655	1,255	3,858	2,307	245	12,563
2014	6	91	75	130	1,958	2,670	1,417	4,519	2,777	362	14,006
2015	11	85	73	129	1,656	2,462	1,186	5,750	3,323	477	15,153
<b>Realized Net Income</b>											
2006	4	19	34	33	569	120	37	420	-161	-25	1,047
2007	4	16	6	13	649	86	375	871	234	-136	2,118
2008	0	6	2	14	924	326	358	1,508	833	-216	3,754
2009	-4	8	-16	30	868	10	468	1,455	295	-92	3,023
2010	6	22	16	17	962	611	478	1,578	-50	-110	3,532
2011	2	75	25	62	1,119	950	458	2,544	413	-140	5,509
2012	7	52	41	44	1,283	1,257	194	2,375	1,187	-135	6,305
2013	11	66	54	68	1,030	1,289	648	2,447	789	-139	6,262
2014	-2	43	10	74	1,103	1,272	783	3,033	1,186	-34	7,469
2015	1	36	6	73	785	1,004	515	4,155	1,619	74	8,268
<b>Total Net Income</b>											
2006	4	47	32	57	470	-11	323	-161	-448	-64	251
2007	3	-9	6	1	731	-143	272	479	-55	-154	1,130
2008	-1	-21	1	-6	754	370	879	3,717	1,571	-252	7,014
2009	-4	5	-26	33	791	10	501	1,983	-329	-117	2,847
2010	6	39	16	27	984	527	-85	746	272	-119	2,413
2011	1	62	26	10	1,107	1,344	-27	2,709	940	-86	6,085
2012	5	59	42	77	1,299	1,184	926	2,227	669	-153	6,335
2013	11	65	56	58	1,104	1,343	1,461	5,874	2,516	-80	12,409
2014	-2	49	10	80	1,039	1,196	425	1,668	409	-63	4,810
2015	2	42	7	87	988	1,205	819	3,683	1,336	103	8,272

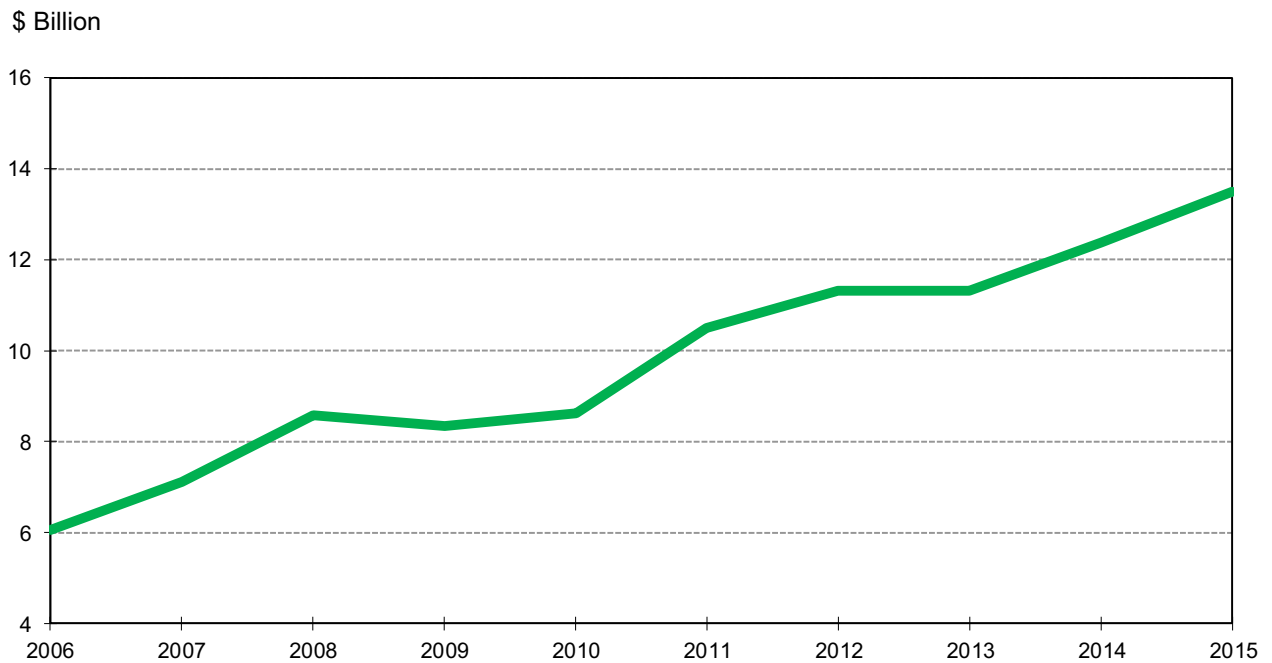
Sources: Statistics Canada, CANSIM, Table 002-0001 - Farm Cash Receipts and Table 002-0009 - Net Farm Income.

Note: Totals may not add up due to rounding.



**Figure A.1(a): Net Cash Income (Current Dollars), Canada, 2006-2015**

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

**Figure A.1(b): Net Cash Income (2007 Dollars), Canada, 2006-2015**

Sources: Statistics Canada, CANSIM, Table 002-0009 - Net Farm Income, Table 380-0102 - Gross domestic product indexes; Agriculture and Agri-Food Canada calculations.

Table A.2: Gross Direct Payments and Producer Premiums, Canada and Provinces, 2010-2015

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
<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
AgriInvest <sup>2</sup>	0	3	1	2	61	63	38	82	72	6	328
NISA	0	0	0	0	0	0	0	0	0	0	0
Provincial Stabilization	0	0	0	0	195	15	0	0	0	0	210
Other Payments <sup>3</sup>	0	2	0	1	2	2	51	390	141	3	593
<b>Total Payments before Rebates</b>	1	33	13	24	617	287	349	912	817	82	3,135
Input Rebates	0	1	1	0	1	4	32	0	4	0	42
<b>Total Payments</b>	1	34	13	24	618	292	382	912	821	82	3,177
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	1,309
CAIS	0	0	0	0	1	0	2	0	-2	0	2
AgriStability	0	8	11	11	139	65	75	196	198	38	741
AgriInvest <sup>2</sup>	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>3</sup>	0	0	0	1	27	15	55	374	66	4	542
<b>Total Payments before Rebates</b>	1	33	16	25	656	283	501	1,218	681	66	3,478
Input Rebates	0	1	1	0	0	4	35	0	2	0	43
<b>Total Payments</b>	1	34	17	25	656	287	536	1,218	684	66	3,521
Producer Premiums	0	8	1	3	231	50	105	379	319	6	1,103
<b>2012</b>											
Production Insurance <sup>1</sup>	0	12	1	10	30	94	204	369	482	13	1,215
AgriStability	1	5	6	12	73	49	179	291	90	20	726
AgriInvest <sup>2</sup>	0	3	2	3	127	67	43	121	75	11	452
Provincial Stabilization	0	0	0	0	424	80	0	0	0	0	504
Other Payments <sup>3</sup>	0	0	0	8	115	19	69	168	124	4	507
<b>Total Payments before Rebates</b>	1	21	10	32	769	309	495	949	772	48	3,405
Input Rebates	0	0	1	0	1	4	39	0	1	8	54
<b>Total Payments</b>	1	21	10	32	770	313	533	949	773	55	3,459
Producer Premiums	0	8	1	4	182	79	144	450	360	6	1,234

Source: Statistics Canada, CANSIM, Table 002-0076 - Direct payments to agriculture producers.

Note: Totals may not add up due to rounding.

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

Table A.2: Gross Direct Payments and Producer Premiums, Canada and Provinces, 2010-2015 (cont'd)

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	- \$ Million -										
<b>2013</b>											
Production Insurance <sup>1</sup>	0	24	2	7	30	117	162	253	458	14	1,068
AgriStability	0	3	6	9	41	75	125	182	60	17	517
AgrInvest	0	4	3	3	60	73	48	127	90	11	419
Provincial Stabilization	0	0	0	0	275	60	0	0	0	0	335
Other Payments <sup>3</sup>	0	0	0	1	100	25	36	93	89	3	347
<b>Total Payments before Rebates</b>	0	31	11	21	506	350	371	655	696	44	2,686
Input Rebates	0	0	1	0	3	4	29	0	2	7	45
<b>Total Payments</b>	0	31	11	21	509	354	400	655	698	51	2,730
Producer Premiums	0	8	1	3	171	97	165	471	419	6	1,342
<b>2014</b>											
Production Insurance <sup>1</sup>	0	13	1	7	24	84	123	202	312	12	777
AgriStability	0	6	37	5	41	63	50	173	50	6	433
AgrInvest	0	3	2	2	60	49	34	91	72	8	321
Provincial Stabilization	0	0	0	0	126	50	0	0	0	0	176
Other Payments <sup>3</sup>	0	0	1	0	70	32	24	146	115	4	393
<b>Total Payments before Rebates</b>	1	22	42	14	321	277	231	612	549	31	2,100
Input Rebates	0	0	1	0	4	4	41	0	2	7	58
<b>Total Payments</b>	1	22	43	14	325	281	272	612	551	37	2,158
Producer Premiums	0	8	1	3	86	76	137	411	363	7	1,091
<b>2015</b>											
Production Insurance <sup>1</sup>	0	17	2	1	26	114	164	319	456	9	1,107
AgriStability	0	4	6	3	33	37	52	97	58	7	296
AgrInvest	0	3	2	2	30	46	33	82	64	8	269
Provincial Stabilization	0	0	0	0	47	74	0	0	0	0	121
Other Payments <sup>3</sup>	0	0	0	0	66	37	55	88	74	13	333
<b>Total Payments before Rebates</b>	0	23	10	6	201	306	305	585	653	37	2,126
Input Rebates	0	0	0	0	3	4	34	0	2	7	50
<b>Total Payments</b>	0	23	10	6	205	310	339	585	654	43	2,176
Producer Premiums	0	9	1	3	58	73	134	365	339	7	989

Source: Statistics Canada, CANSIM, Table 002-0076 - Direct payments to agriculture producers.

Note: Totals may not add up due to rounding.

<sup>1</sup> Excludes private hail insurance.

<sup>2</sup> Includes payments under the Kickstart program.

<sup>3</sup> Other payments include programs such as private hail insurance and special assistance programs.

**Table A.3: Average Total Operating Revenues, Total Operating Expenses and Net Operating Income per Farm, Canada and Provinces, 2012-2014**

Province	2012	2013	2014	14/13
	- Dollars per farm -			%
<b>Newfoundland and Labrador</b>				
Total Operating Revenues	512,370	566,890	694,692	23%
Total Operating Expenses	443,348	478,167	610,769	28%
Net Operating Income	69,022	88,723	83,923	-5%
<b>Prince Edward Island</b>				
Total Operating Revenues	506,733	491,942	488,722	-1%
Total Operating Expenses	433,002	420,095	410,052	-2%
Net Operating Income	73,732	71,847	78,670	9%
<b>Nova Scotia</b>				
Total Operating Revenues	387,261	411,277	391,187	-5%
Total Operating Expenses	322,009	334,776	338,391	1%
Net Operating Income	65,252	76,501	52,796	-31%
<b>New Brunswick</b>				
Total Operating Revenues	410,475	424,335	415,974	-2%
Total Operating Expenses	350,128	363,497	341,984	-6%
Net Operating Income	60,347	60,838	73,990	22%
<b>Quebec</b>				
Total Operating Revenues	430,101	431,644	459,779	7%
Total Operating Expenses	357,385	359,164	385,181	7%
Net Operating Income	72,716	72,480	74,598	3%
<b>Ontario</b>				
Total Operating Revenues	348,555	359,480	376,407	5%
Total Operating Expenses	291,117	297,792	317,178	7%
Net Operating Income	57,438	61,688	59,229	-4%
<b>Manitoba</b>				
Total Operating Revenues	416,526	456,024	471,717	3%
Total Operating Expenses	352,493	372,699	382,071	3%
Net Operating Income	64,033	83,325	89,646	8%
<b>Saskatchewan</b>				
Total Operating Revenues	301,948	317,777	363,668	14%
Total Operating Expenses	226,790	249,016	282,018	13%
Net Operating Income	75,158	68,761	81,650	19%
<b>Alberta</b>				
Total Operating Revenues	413,507	423,264	466,805	10%
Total Operating Expenses	338,670	346,597	397,236	15%
Net Operating Income	74,837	76,667	69,569	-9%
<b>British Columbia</b>				
Total Operating Revenues	404,104	402,152	413,627	3%
Total Operating Expenses	360,910	353,436	357,157	1%
Net Operating Income	43,193	48,715	56,470	16%
<b>Canada</b>				
Total Operating Revenues	375,389	388,165	418,080	8%
Total Operating Expenses	307,987	318,658	347,084	9%
Net Operating Income	67,402	69,507	70,997	2%

Source: Statistics Canada, CANSIM, Table 002-0044 - Detailed average operating revenues and expenses of farms, by farm type, incorporated and unincorporated sectors.

**Table A.4: Average Total Operating Revenues, Total Operating Expenses and Net Operating Income per Farm by Farm Type, Canada, 2012-2014**

Farm Type	2012	2013	2014	14/13
	- Dollars per farm -			%
<b>Dairy cattle and milk production</b>				
Total Operating Revenues	592,642	603,198	645,333	7%
Total Operating Expenses	454,977	467,718	491,721	5%
Net Operating Income	137,666	135,480	153,611	13%
<b>Beef cattle ranching and farming</b>				
Total Operating Revenues	281,484	277,611	335,383	21%
Total Operating Expenses	265,374	265,346	309,619	17%
Net Operating Income	16,110	12,266	25,764	110%
<b>Hog and pig farming</b>				
Total Operating Revenues	1,802,831	1,923,490	2,413,747	25%
Total Operating Expenses	1,691,726	1,807,229	2,118,885	17%
Net Operating Income	111,106	116,262	294,862	154%
<b>Poultry and egg production</b>				
Total Operating Revenues	1,156,027	1,203,993	1,230,019	2%
Total Operating Expenses	978,930	1,008,975	1,043,820	3%
Net Operating Income	177,097	195,017	186,199	-5%
<b>Oilseed and grain farming</b>				
Total Operating Revenues	332,834	353,443	362,967	3%
Total Operating Expenses	242,604	260,103	278,476	7%
Net Operating Income	90,230	93,340	84,492	-9%
<b>Potato farming</b>				
Total Operating Revenues	1,306,702	1,358,870	1,411,033	4%
Total Operating Expenses	1,106,945	1,137,947	1,172,514	3%
Net Operating Income	199,757	220,923	238,519	8%
<b>Fruit and tree nut farming</b>				
Total Operating Revenues	265,513	261,827	262,194	0%
Total Operating Expenses	220,033	225,508	225,588	0%
Net Operating Income	45,481	36,320	36,606	1%
<b>Other vegetable and melon farming</b>				
Total Operating Revenues	465,135	488,655	513,372	5%
Total Operating Expenses	406,650	411,868	435,772	6%
Net Operating Income	58,485	76,787	77,600	1%
<b>Greenhouse, nursery and floriculture production</b>				
Total Operating Revenues	1,110,844	1,178,497	1,356,411	15%
Total Operating Expenses	1,011,194	1,038,801	1,206,943	16%
Net Operating Income	99,650	139,696	149,468	7%
<b>All farm types</b>				
Total Operating Revenues	375,389	388,165	418,080	8%
Total Operating Expenses	307,987	318,658	347,084	9%
Net Operating Income	67,402	69,507	70,997	2%

Source: Statistics Canada, CANSIM, Table 002-0044 - Detailed average operating revenues and expenses of farms, by farm type, incorporated and unincorporated sectors.



## 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.

AgriInvest payments include only the withdrawals from the government portion of the AgriInvest accounts because the producer account includes only money previously counted as farm income.

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 at market prices" index (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 included in Other Payments.

Producers also contribute to government programs by paying premiums for programs such as crop 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% or more of the sales have 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**

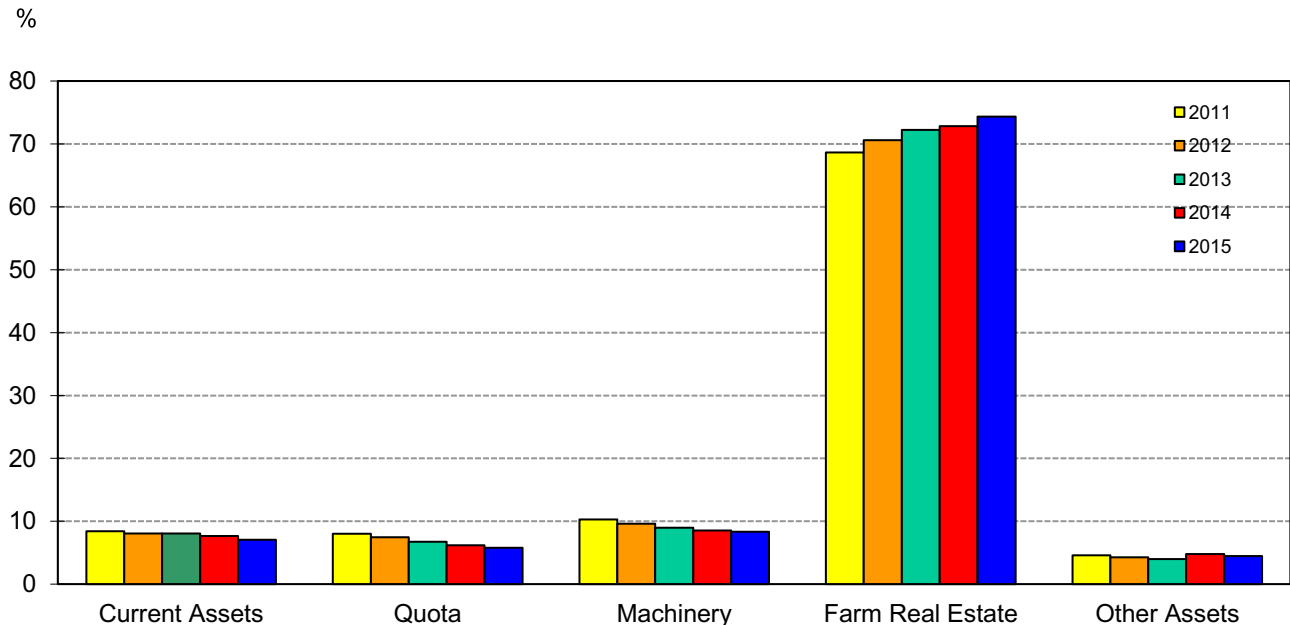


Table B.1: Farm Total Assets, Canada and Provinces, at December 31, 2006-2015

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
- \$ Million -											
2006	349	2,059	2,424	2,280	36,641	74,163	19,442	39,359	77,669	25,705	280,091
2007	387	2,057	2,528	2,312	38,429	78,711	21,156	43,659	84,503	29,174	302,915
2008	381	2,086	2,624	2,363	40,302	82,903	23,269	48,893	91,676	31,692	326,189
2009	369	2,025	2,764	2,517	40,562	85,411	24,477	51,575	93,676	32,775	336,151
2010	388	2,166	2,738	2,647	42,499	92,541	26,457	56,304	99,477	33,804	359,021
2011	408	2,235	2,831	2,531	43,837	104,837	27,565	61,668	107,390	34,388	387,691
2012	406	2,274	2,945	2,573	48,926	120,877	31,873	71,036	117,165	35,087	433,162
2013	408	2,335	3,109	2,575	53,876	134,375	36,498	84,066	128,796	36,101	482,139
2014	407	2,452	3,175	2,699	59,000	145,950	40,480	94,734	142,168	37,664	528,729
2015	422	2,578	3,230	2,852	62,350	153,608	43,824	100,706	152,580	39,586	561,736

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, 2011-2015



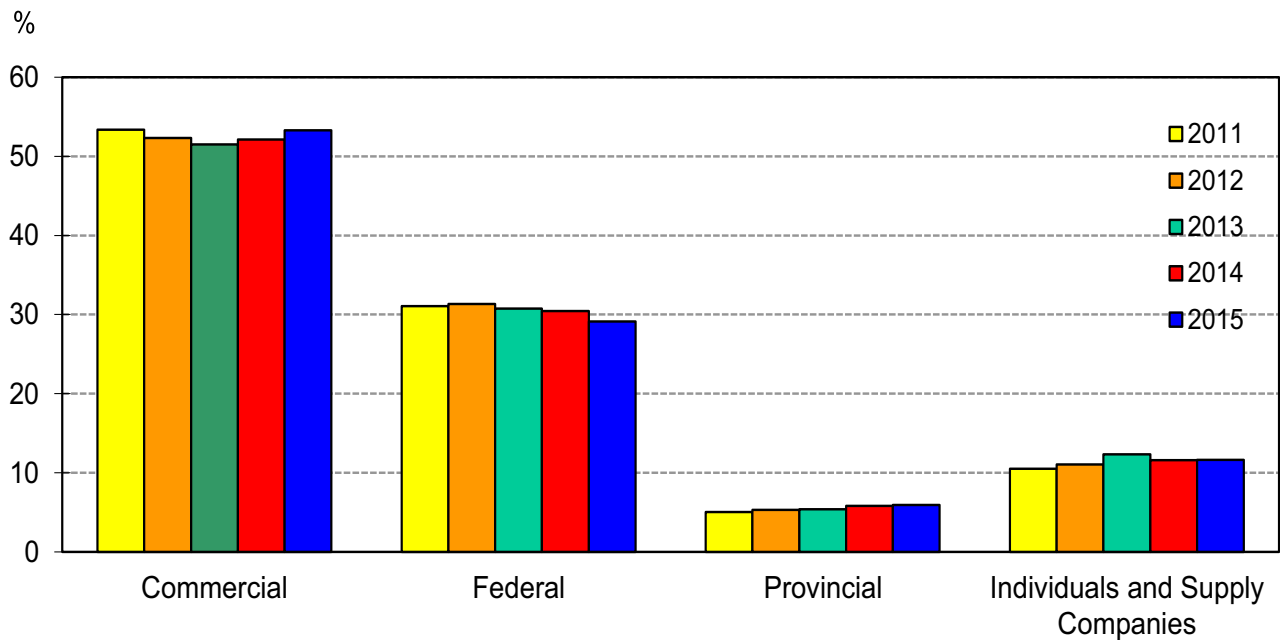
Source: Statistics Canada, CANSIM Table 002-0020 - Balance sheet of the agricultural sector.

**Table B.2: Total Farm Debt Outstanding, Canada and Provinces, at December 31, 2006-2015**

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
- \$ Million -											
2006	92	585	613	546	9,905	12,686	5,428	7,525	11,583	3,448	52,410
2007	117	600	682	568	10,527	13,885	5,995	7,544	11,910	4,134	55,963
2008	131	605	755	626	10,957	14,661	6,565	8,031	13,147	4,604	60,082
2009	144	683	806	591	11,389	15,027	6,940	8,772	13,797	4,701	62,850
2010	161	708	783	621	11,415	16,139	7,253	8,976	14,585	5,138	65,780
2011	158	671	772	608	11,816	17,382	7,332	9,551	14,942	5,176	68,409
2012	163	622	827	622	12,138	19,226	7,173	10,285	16,027	5,577	72,660
2013	156	651	856	644	13,011	21,267	7,370	11,904	17,968	5,784	79,611
2014	154	691	946	704	14,031	22,275	7,660	13,056	18,929	6,138	84,584
2015	187	765	1,023	774	15,269	24,374	8,450	14,058	20,387	6,491	91,778

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, 2011-2015**



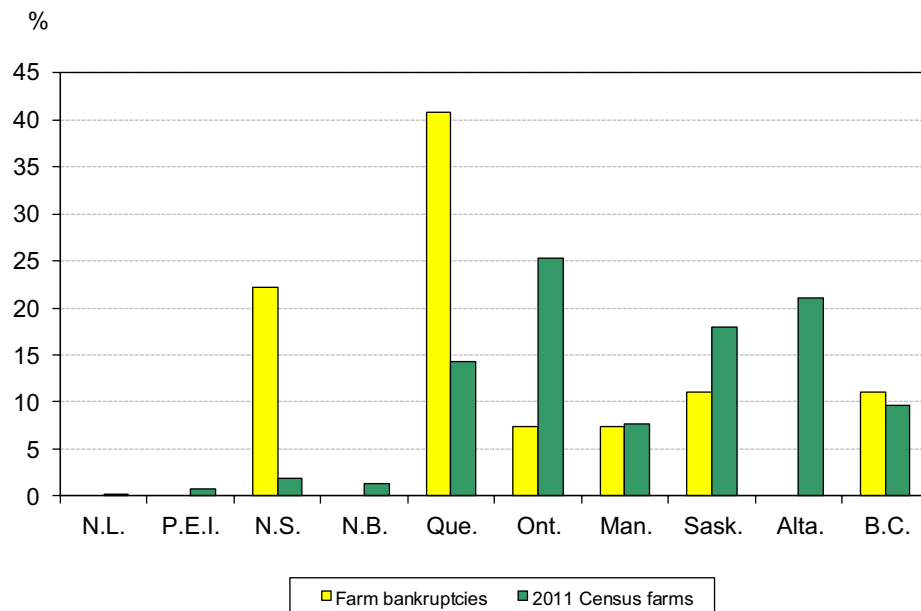
Source: Statistics Canada, CANSIM Table 002-0008 - Farm Debt Outstanding.

**Table B.3: Farm Bankruptcies by Province, 2004-2016**

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	NT/YT/NU	Canada
2004	0	6	3	2	31	34	27	65	56	3	0	227
2005	0	3	0	2	35	26	26	75	62	6	0	235
2006	0	6	1	2	38	29	36	79	16	8	0	215
2007	1	3	1	3	29	21	14	50	15	1	0	138
2008	0	1	3	2	20	31	22	34	6	6	2	127
2009	0	5	3	1	27	22	14	13	5	1	0	91
2010	1	1	0	1	25	15	6	3	6	2	0	60
2011	3	6	3	1	16	18	5	13	1	1	0	67
2012	0	1	2	2	14	12	7	3	3	2	0	46
2013	2	2	3	0	13	18	13	5	5	2	0	63
2014	0	1	0	0	14	3	2	1	1	3	0	25
2015	0	0	0	1	10	2	0	3	3	1	0	20
2016	0	0	6	0	11	2	2	3	0	3	0	27

Source: Office of the Superintendent of Bankruptcy.

Note: The definition of a farm is based on the North American Industry Classification rather than the Standard Industrial Classification.

**Figure B.3: Distribution of Farm Bankruptcies in 2016 Compared to Number of Farms in 2011, by Province**

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

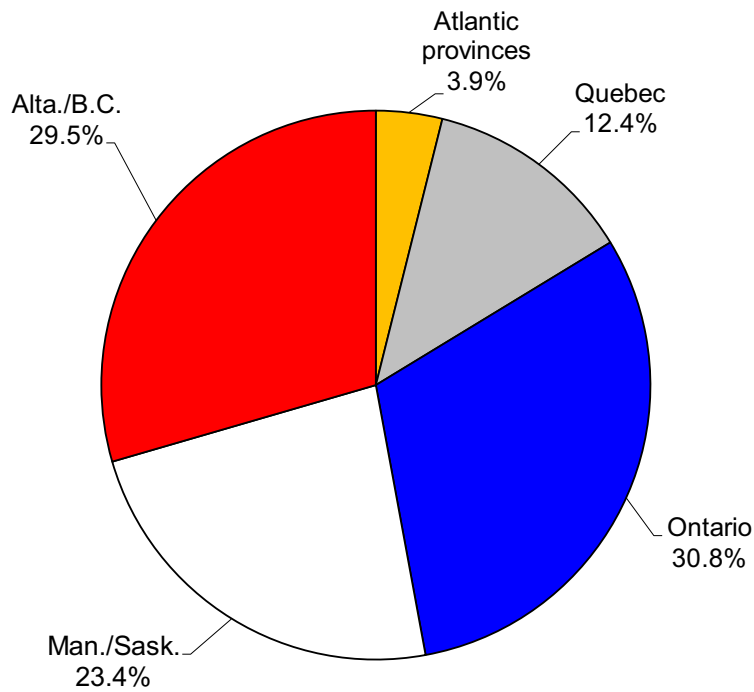
**Table B.4: Farm Credit Canada (FCC) Loans Receivable Portfolio, 2010-11 to 2015-16**

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Number of loans receivable	120,070	126,496	147,696	149,130	147,230	143,700
Amount receivable (\$ million)	21,335	23,202	25,133	26,205	27,309	28,656
Number of loans approved	42,021	45,578	47,046	46,288	47,178	46,796
Amount of loans approved (\$ million)	6,153	*7,115	7,746	7,695	8,555	9,074
Average size of loans approved (\$)	146,432	156,150	162,406	163,649	178,825	191,689

Source: Farm Credit Canada - Financial Planning & Analysis.

\* Net disbursements have been restated.

**Figure B.4: Distribution of the Amount of FCC Loans Receivable, by Province, at March 31, 2016**

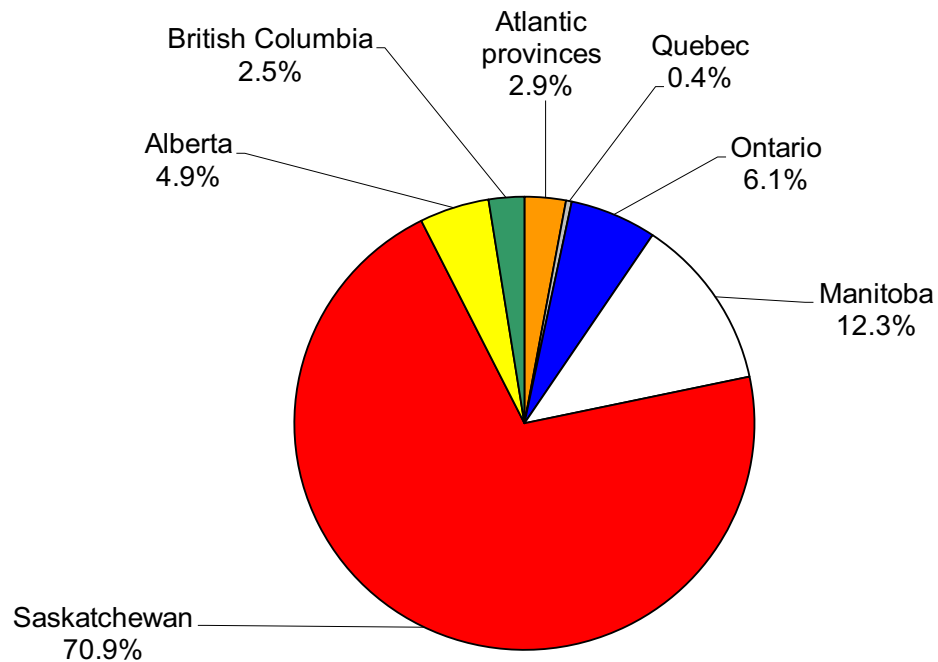


Source: Farm Credit Canada.

**Table B.5: New Loans Registered under the Canadian Agricultural Loans Act (CALA), 2008-09 to 2015-16**

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Number of new loans registered	1,740	2,524	2,382	2,311	1,823	1,747	1,569	1,414
Amount of new loans registered (\$000)	74,762	127,173	137,337	131,582	107,177	113,286	100,941	92,960
Average size of new loans registered (\$)	42,967	50,386	57,657	56,937	58,792	64,846	64,335	65,743

Source: Canadian Agricultural Loans Act, Agriculture and Agri-Food Canada.

**Figure B.5: Distribution of the Amount of New Loans Registered under the Canadian Agricultural Loans Act, by Province, Fiscal Year 2015-16**

Source: Canadian Agricultural Loans Act, Agriculture and Agri-Food Canada.

**Table B.6: Average Assets, Liabilities, Net Worth and Net New Investment by Farm Type, Canada and Provinces, 2011 to 2015**

	Dairy	Beef	Hog	Poultry	Fruit	Vegetable	Potato	Grain	All Farms
- \$ Thousands per farm -									
<b>CANADA</b>									
<b>Farm Assets</b>									
- 2011	3,759	1,548	2,834	5,819	1,972	1,920	4,529	2,302	2,279
- 2013	4,608	1,947	3,573	6,722	2,024	1,999	5,920	2,955	2,807
- 2015	5,282	2,472	4,005	7,004	2,619	2,591	6,326	3,538	3,413
<b>Farm Debt</b>									
- 2011	998	238	944	1,172	450	376	1,338	328	412
- 2013	1,257	292	962	1,246	588	329	1,565	427	513
- 2015	1,518	374	1,096	1,185	637	459	1,739	487	604
<b>Net Worth</b>									
- 2011	2,761	1,309	1,890	4,648	1,522	1,544	3,191	1,973	1,867
- 2013	3,351	1,656	2,610	5,476	1,436	1,670	4,355	2,528	2,294
- 2015	3,764	2,098	2,909	5,819	1,982	2,132	4,587	3,050	2,809
<b>Net New Investment</b>									
- 2011	122	35	113	156	56	42	229	86	75
- 2013	134	32	88	149	60	77	233	113	88
- 2015	161	65	164	121	47	107	237	122	102
<b>ATLANTIC</b>									
<b>Farm Assets</b>									
- 2011	3,292	732	1,418	3,878	1,186	856	3,667	1,187	1,822
- 2013	3,553	936	1,200	5,224	1,375	1,010	4,004	1,506	2,148
- 2015	4,244	1,077	x	4,706	1,275	1,245	4,338	1,719	2,409
<b>Farm Debt</b>									
- 2011	1,030	77	776	1,082	258	190	1,127	398	502
- 2013	1,035	147	x	1,421	260	188	1,335	318	597
- 2015	1,216	161	x	1,232	308	225	1,337	373	661
<b>Net Worth</b>									
- 2011	2,262	656	643	2,797	928	666	2,540	789	1,320
- 2013	2,518	789	733	3,802	1,116	822	2,669	1,188	1,550
- 2015	3,028	915	x	3,474	967	1,019	3,002	1,346	1,748
<b>Net New Investment</b>									
- 2011	x	x	x	x	x	x	x	x	53
- 2013	x	x	x	x	x	x	x	x	65
- 2015	x	x	x	x	x	x	x	x	74

Source: Statistics Canada, CANSIM, Table 002-0072 - Farm financial survey, financial structure by farm type, average per farm (gross farm revenue equal to or greater than \$25,000); Table 002-0074 - Farm financial survey, capital investment and capital sales of farms, average per farm (gross farm revenue equal to or greater than \$25,000); and unpublished estimates.

Note: Methodology has changed. Please see explanation on page 31.



**Table B.6: Average Assets, Liabilities, Net Worth and Net New Investment by Farm Type, Canada and Provinces, 2011 to 2015 (cont'd)**

	Dairy	Beef	Hog	Poultry	Fruit	Vegetable	Potato	Grain	All Farms
	- \$ Thousands per farm -								
<b>QUEBEC</b>									
<b>Farm Assets</b>									
- 2011	2,671	830	1,531	5,692	1,370	1,520	2,530	1,966	1,844
- 2013	3,142	1,014	1,899	5,890	1,708	1,877	3,006	2,501	2,187
- 2015	3,973	1,301	2,131	5,944	2,121	2,477	3,301	2,938	2,684
<b>Farm Debt</b>									
- 2011	835	184	683	1,198	401	339	718	363	494
- 2013	938	250	693	1,243	447	392	568	505	579
- 2015	1,302	290	766	1,019	647	531	1,093	504	708
<b>Net Worth</b>									
- 2011	1,836	647	848	4,494	969	1,181	1,812	1,603	1,350
- 2013	2,204	764	1,206	4,646	1,262	1,485	2,438	1,996	1,608
- 2015	2,670	1,011	1,364	4,926	1,474	1,947	2,208	2,434	1,976
<b>Net New Investment</b>									
- 2011	x	x	x	x	x	x	x	x	56
- 2013	x	x	x	x	x	x	x	x	51
- 2015	x	x	x	x	x	x	x	x	70
<b>ONTARIO</b>									
<b>Farm Assets</b>									
- 2011	4,310	1,375	3,423	6,286	1,953	2,124	x	2,038	2,429
- 2013	5,659	1,949	4,302	7,520	1,798	2,216	7,529	2,391	2,975
- 2015	5,889	2,695	4,681	8,007	2,364	2,913	5,591	2,918	3,681
<b>Farm Debt</b>									
- 2011	865	194	1,070	1,215	431	323	x	273	428
- 2013	1,445	287	1,055	1,175	647	310	1,548	282	550
- 2015	1,441	426	1,319	1,212	593	479	983	376	654
<b>Net Worth</b>									
- 2011	3,445	1,181	2,352	5,071	1,522	1,801	3,532	1,766	2,001
- 2013	4,215	1,662	3,246	6,345	1,151	1,906	5,981	2,109	2,425
- 2015	4,448	2,269	3,363	6,795	1,771	2,434	4,607	2,542	3,028
<b>Net New Investment</b>									
- 2011	x	x	x	x	x	x	x	x	68
- 2013	x	x	x	x	x	x	x	x	83
- 2015	x	x	x	x	x	x	x	x	98

Source: Statistics Canada, CANSIM, Table 002-0072 - Farm financial survey, financial structure by farm type, average per farm (gross farm revenue equal to or greater than \$25,000); Table 002-0074 - Farm financial survey, capital investment and capital sales of farms, average per farm (gross farm revenue equal to or greater than \$25,000); and unpublished estimates.

Note: Methodology has changed. Please see explanation on page 31.

**Table B.6: Average Assets, Liabilities, Net Worth and Net New Investment by Farm Type, Canada and Provinces, 2011 to 2015 (cont'd)**

	Dairy	Beef	Hog	Poultry	Fruit	Vegetable	Potato	Grain	All Farms
- \$ Thousands per farm -									
<b>MANITOBA</b>									
<b>Farm Assets</b>									
- 2011	4,884	975	6,354	4,033	x	x	12,786	2,454	2,168
- 2013	6,323	1,308	8,113	4,659	x	x	16,222	3,064	2,737
- 2015	8,363	1,638	11,869	5,850	x	x	23,995	3,404	3,279
<b>Farm Debt</b>									
- 2011	1,779	145	2,146	992	x	x	3,373	392	415
- 2013	2,307	250	2,117	878	x	x	4,820	453	496
- 2015	3,274	266	1,984	999	x	x	6,907	466	553
<b>Net Worth</b>									
- 2011	3,105	830	4,208	3,041	x	x	9,414	2,061	1,754
- 2013	4,016	1,058	5,995	3,780	x	x	11,403	2,611	2,241
- 2015	5,089	1,372	9,885	4,851	x	x	17,088	2,939	2,726
<b>Net New Investment</b>									
- 2011	x	x	x	x	x	x	x	x	79
- 2013	x	x	x	x	x	x	x	x	100
- 2015	x	x	x	x	x	x	x	x	111
<b>SASKATCHEWAN</b>									
<b>Farm Assets</b>									
- 2011	6,067	1,219	x	x	x	x	x	2,065	1,879
- 2013	6,560	1,615	x	x	x	x	x	2,635	2,395
- 2015	9,334	2,045	x	7,806	x	x	x	3,321	2,990
<b>Farm Debt</b>									
- 2011	2,556	232	x	x	x	x	x	305	299
- 2013	2,537	232	x	x	x	x	x	417	384
- 2015	x	261	x	1,512	x	x	x	467	417
<b>Net Worth</b>									
- 2011	3,512	987	x	x	x	x	x	1,760	1,580
- 2013	4,023	1,383	x	x	x	x	x	2,218	2,011
- 2015	6,673	1,784	x	6,294	x	x	x	2,854	2,573
<b>Net New Investment</b>									
- 2011	x	x	x	x	x	x	x	x	83
- 2013	x	x	x	x	x	x	x	x	102
- 2015	x	x	x	x	x	x	x	x	119

Source: Statistics Canada, CANSIM, Table 002-0072 - Farm financial survey, financial structure by farm type, average per farm (gross farm revenue equal to or greater than \$25,000); Table 002-0074 - Farm financial survey, capital investment and capital sales of farms, average per farm (gross farm revenue equal to or greater than \$25,000); and unpublished estimates.

Note: Methodology has changed. Please see explanation on page 31.

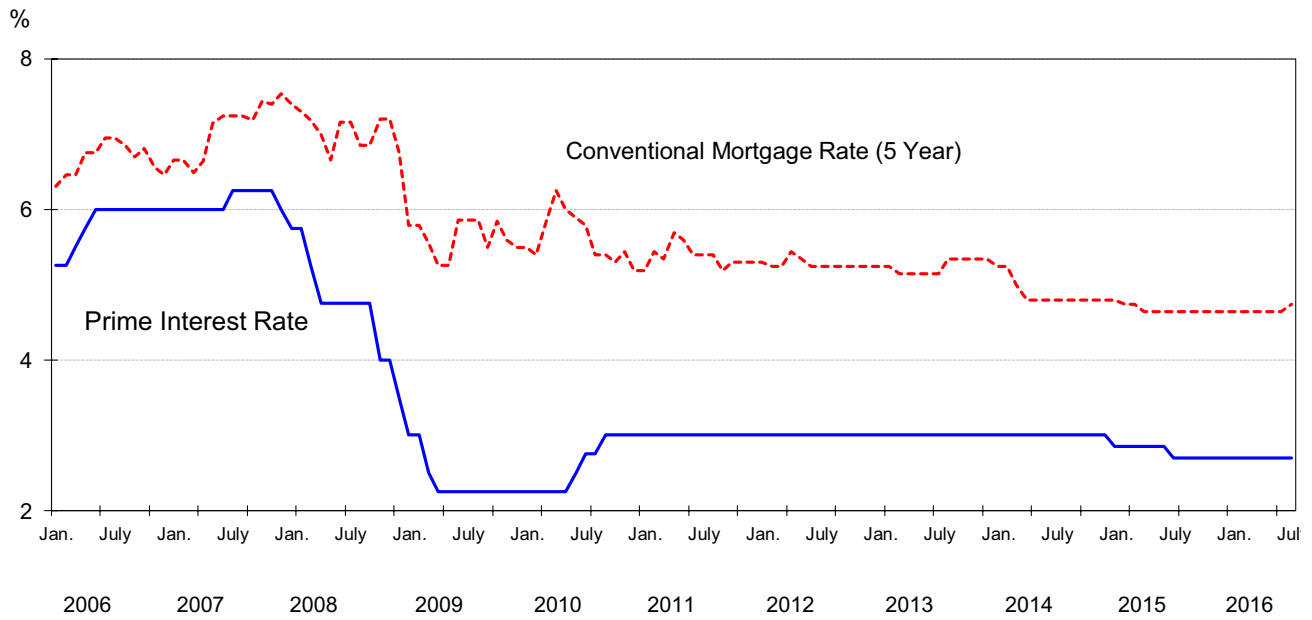
**Table B.6: Average Assets, Liabilities, Net Worth and Net New Investment by Farm Type, Canada and Provinces, 2011 to 2015 (cont'd)**

	Dairy	Beef	Hog	Poultry	Fruit	Vegetable	Potato	Grain	All Farms
	- \$ Thousands per farm -								
<b>ALBERTA</b>									
<b>Farm Assets</b>									
- 2011	7,601	2,195	6,399	6,160	x	1,517	6,780	3,019	2,745
- 2013	8,809	2,550	x	7,954	x	x	11,266	4,229	3,459
- 2015	10,127	3,206	x	9,830	x	3,602	10,747	4,866	4,085
<b>Farm Debt</b>									
- 2011	1,917	302	804	1,111	x	115	2,025	385	367
- 2013	2,155	364	x	2,298	x	x	2,630	564	495
- 2015	3,290	489	939	2,053	x	x	3,106	643	595
<b>Net Worth</b>									
- 2011	5,684	1,893	5,595	5,049	x	1,402	4,755	2,634	2,378
- 2013	6,654	2,186	x	5,656	x	x	8,636	3,666	2,964
- 2015	6,837	2,717	x	7,777	651	3,163	7,641	4,223	3,491
<b>Net New Investment</b>									
- 2011	x	x	x	x	x	x	x	x	91
- 2013	x	x	x	x	x	x	x	x	108
- 2015	x	x	x	x	x	x	x	x	119
<b>BRITISH COLUMBIA</b>									
<b>Farm Assets</b>									
- 2011	9,470	2,453	x	5,618	2,600	2,682	4,125	1,510	3,296
- 2013	9,587	2,266	x	6,864	2,527	2,293	x	2,367	3,566
- 2015	11,781	2,510	x	6,312	3,778	2,320	x	4,089	4,506
<b>Farm Debt</b>									
- 2011	2,482	394	x	983	560	x	x	221	712
- 2013	2,103	250	x	1,099	735	355	x	602	748
- 2015	2,723	274	x	1,094	837	362	x	694	903
<b>Net Worth</b>									
- 2011	6,988	2,059	x	4,635	2,040	1,919	x	1,289	2,584
- 2013	7,484	2,017	x	5,765	1,792	1,939	x	1,766	2,818
- 2015	9,059	2,236	x	5,218	2,942	1,958	x	3,395	3,603
<b>Net New Investment</b>									
- 2011	x	x	x	x	x	x	x	x	68
- 2013	x	x	x	x	x	x	x	x	84
- 2015	x	x	x	x	x	x	x	x	96

Source: Statistics Canada, CANSIM, Table 002-0072 - Farm financial survey, financial structure by farm type, average per farm (gross farm revenue equal to or greater than \$25,000); Table 002-0074 - Farm financial survey, capital investment and capital sales of farms, average per farm (gross farm revenue equal to or greater than \$25,000); and unpublished estimates.

Note: Methodology has changed. Please see explanation on page 31.

Figure B.6: Conventional Mortgage Rate and Prime Interest Rate, 2006-2016



Source: Bank of Canada.

**Table B.7: Comparison of Selected Average Fertilizer and Fuel Prices between Ontario and Michigan/Ohio/Indiana, 2015 and 2016**

	Ontario		Michigan/Ohio/Indiana	
	Fall 2016	Fall 2015	Fall 2016	Fall 2015
<b>Nitrogen (Cdn\$/tonne)</b>				
Anhydrous Ammonia (82-0-0)	-	1,066	856	1,059
Urea (46-0-0)	506	624	489	672
Nitrogen Solution (UAN, 28%)	304	417	342	449
Ammonium Nitrate	-	-		-
<b>Phosphate (Cdn\$/tonne)</b>				
MAP (11-52-0)	682	812	682	858
DAP (18-46-0)	758	826	678	846
Triple Super (0-46-0)	751	836	-	844
<b>Potash (Cdn\$/tonne)</b>				
Potash (0-0-60)	462	612	421	623
<b>Fuel (Cdn\$/litre)</b>				
Diesel	0.79	0.82	0.73	0.81
Gasoline (regular unleaded)	0.91	0.91	0.82	0.87

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, 2015 and 2016**

	Manitoba		Minnesota/North Dakota	
	Fall 2016	Fall 2015	Fall 2016	Fall 2015
<b>Nitrogen (Cdn\$/tonne)</b>				
Anhydrous Ammonia (82-0-0)	616	835	661	921
Urea (46-0-0)	396	532	436	626
<b>Phosphate (Cdn\$/tonne)</b>				
MAP (11-52-0)	598	777	668	796
<b>Potash (Cdn\$/tonne)</b>				
Potash (0-0-60)	372	512	460	604
<b>Fuel (Cdn\$/litre)</b>				
Diesel	0.84	0.75	0.65	0.78
Gasoline (regular unleaded)	0.88	0.97	0.83	1.15

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, 2015 and 2016**

	Saskatchewan		Montana	
	Fall 2016	Fall 2015	Fall 2016	Fall 2015
<b>Nitrogen (Cdn\$/tonne)</b>				
Anhydrous Ammonia (82-0-0)	701	882	-	-
Urea (46-0-0)	383	532	505	664
<b>Phosphate (Cdn\$/tonne)</b>				
MAP (11-52-0)	612	804	-	-
<b>Potash (Cdn\$/tonne)</b>				
Potash (0-0-60)	375	501	-	-
<b>Fuel (Cdn\$/litre)</b>				
Diesel	0.72	0.76	-	-
Gasoline (regular unleaded)	0.85	0.9	-	-

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

**Table B.10: Total Net Farm Expenses, Canada, 2011-2015**

	2011	2012	2013	2014	2015
	(\$000)				
Machinery Fuel and Repair	4,947,915	5,174,395	5,343,466	5,601,604	5,122,910
Commercial Feed	5,518,370	6,024,612	6,132,933	6,054,283	6,166,653
Cash Wages, Room and Board	4,584,748	4,782,846	4,959,202	5,103,763	5,272,427
Fertilizer and Lime	4,241,925	5,283,737	5,074,142	4,959,956	5,103,694
Interest	2,350,664	2,489,117	2,670,021	2,838,343	2,926,721
Rent	1,829,226	1,959,670	2,151,982	2,140,925	2,252,998
Pesticides	2,152,803	2,434,772	2,654,670	2,617,591	2,666,898
Livestock Purchases	1,542,905	1,540,936	1,484,559	2,196,672	2,517,237
Commercial Seed	1,949,601	2,173,099	2,288,221	2,322,078	2,388,006
Building and Fence Repairs	821,115	869,743	884,022	916,833	951,250
Electricity	812,612	852,840	889,577	923,451	940,995
Property Taxes	501,006	510,829	547,333	555,912	582,924
Crop and Hail Insurance	902,000	1,057,830	1,158,437	980,838	925,742
Business Insurance	829,295	883,780	917,970	948,951	1,004,264
A.I. Fees and Veterinary	712,570	731,985	739,233	773,408	790,248
Depreciation	5,870,596	6,100,527	6,346,933	6,594,616	6,946,814
Other*	4,602,952	4,634,153	4,768,657	4,964,452	4,999,541
Total Expenses after rebates, including depreciation	44,170,303	47,504,871	49,011,358	50,493,676	51,559,322

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

Note: 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 expenses.

## 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 Canadian Agricultural Loans Act (CALA) and Figure B.5: Distribution of the Amount of New Loans Registered under the Canadian Agricultural Loans Act

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 (FFS). The FFS is conducted by Statistics Canada for Agriculture and Agri-Food Canada every second year, using data collected

from a sample of farms with annual gross revenues over \$25,000. Formerly, farms with annual gross revenues over \$10,000 were included in the FFS. However, starting with the 2013 reference year, the newer definition was adopted. In this table, data for 2011 were reworked to reflect the newer definition.

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 and five-year conventional mortgage rate in Canada are reported by the Bank of 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: Total Net Farm Expenses

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**

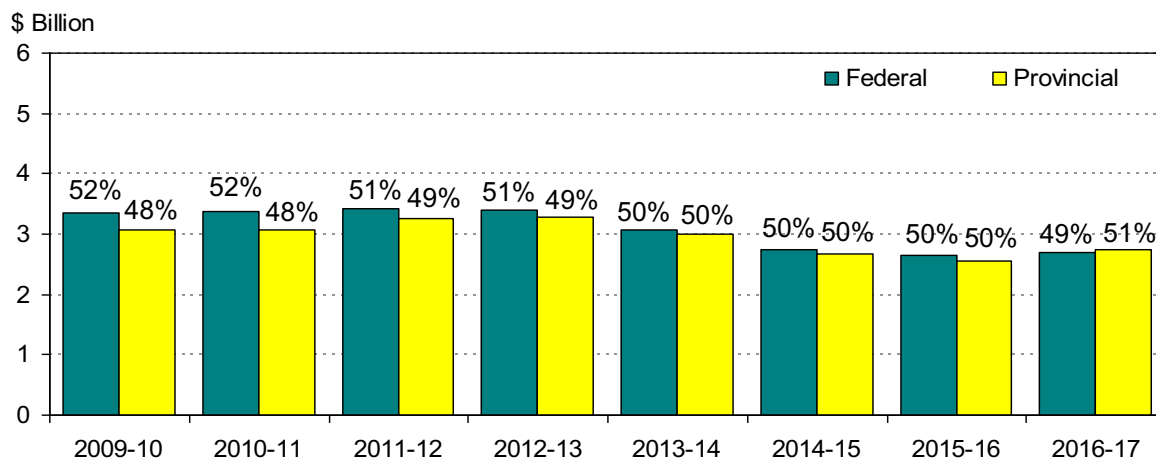


Table C.1: Federal and Provincial Government Expenditures in Support of the Agri-Food Sector, Canada and Provinces, 2009-10 to 2016-17

		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 Estimates
		(\$ 000)							
N.L.	Federal	9,251	9,961	11,839	12,152	11,539	10,100	8,909	9,767
	Provincial	20,529	20,409	21,728	20,452	23,478	20,117	20,750	22,288
	% Fed.	31.06	32.80	35.27	37.27	32.95	33.42	30.04	30.47
P.E.I.	Federal	27,335	42,124	41,838	36,957	43,680	34,045	39,152	38,966
	Provincial	32,338	32,854	37,670	30,719	29,247	29,816	27,850	30,278
	% Fed.	45.81	56.18	52.62	54.61	59.90	53.31	58.43	56.27
N.S.	Federal	48,101	35,968	33,706	35,079	32,729	30,708	32,372	36,826
	Provincial	61,594	55,679	52,736	56,265	60,376	71,742	60,017	52,845
	% Fed.	43.85	39.25	38.99	38.40	35.15	29.97	35.04	41.07
N.B.	Federal	41,908	39,786	44,560	43,302	32,366	29,942	30,996	29,972
	Provincial	27,426	27,206	27,855	29,669	27,982	23,924	21,276	23,033
	% Fed.	60.44	59.39	61.53	59.34	53.63	55.59	59.30	56.55
Que.	Federal	510,437	501,983	404,951	429,304	366,478	330,249	297,315	311,420
	Provincial	1,036,949	1,058,292	997,123	947,560	903,625	694,233	632,108	697,498
	% Fed.	32.99	32.17	28.88	31.18	28.85	32.24	31.99	30.87
Ont.	Federal	677,661	612,762	603,023	551,069	599,870	491,910	492,963	462,359
	Provincial	460,888	387,437	545,801	604,721	546,109	475,869	534,231	561,059
	% Fed.	59.52	61.26	52.49	47.68	52.35	50.83	47.99	45.18
Man.	Federal	470,796	394,011	504,879	421,950	359,148	343,124	277,268	318,069
	Provincial	276,360	323,722	366,422	299,946	265,746	272,716	235,778	234,348
	% Fed.	63.01	54.90	57.95	58.45	57.47	55.72	54.04	57.58
Sask.	Federal	691,024	856,460	906,943	992,322	770,401	648,712	674,466	689,280
	Provincial	372,312	469,331	455,919	538,170	430,426	397,543	359,949	425,566
	% Fed.	64.99	64.60	66.55	64.84	64.16	62.00	65.20	61.83
Alta.	Federal	692,601	700,472	700,165	700,801	707,658	632,344	636,274	642,189
	Provincial	707,404	632,842	680,469	666,297	650,188	607,532	583,559	625,057
	% Fed.	49.47	52.54	50.71	51.26	52.12	51.00	52.16	50.68
B.C.	Federal	147,247	158,916	145,612	142,812	104,338	132,325	102,176	111,001
	Provincial	78,156	64,327	78,467	71,480	77,615	82,997	89,022	81,413
	% Fed.	65.33	71.19	64.98	66.64	57.34	61.45	53.44	57.69
Others	Federal	21,597	21,110	22,241	22,253	21,355	22,092	21,923	24,900
	Provincial	-	-	-	-	-	-	-	-
	% Fed.	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Canada	Federal	3,337,959	3,373,553	3,419,756	3,388,002	3,050,763	2,707,166	2,615,303	2,676,161
	Provincial	3,073,956	3,072,099	3,264,189	3,265,279	3,014,792	2,676,489	2,564,541	2,753,387
	% Fed.	52.06	52.34	51.16	50.92	50.30	50.28	50.49	49.29

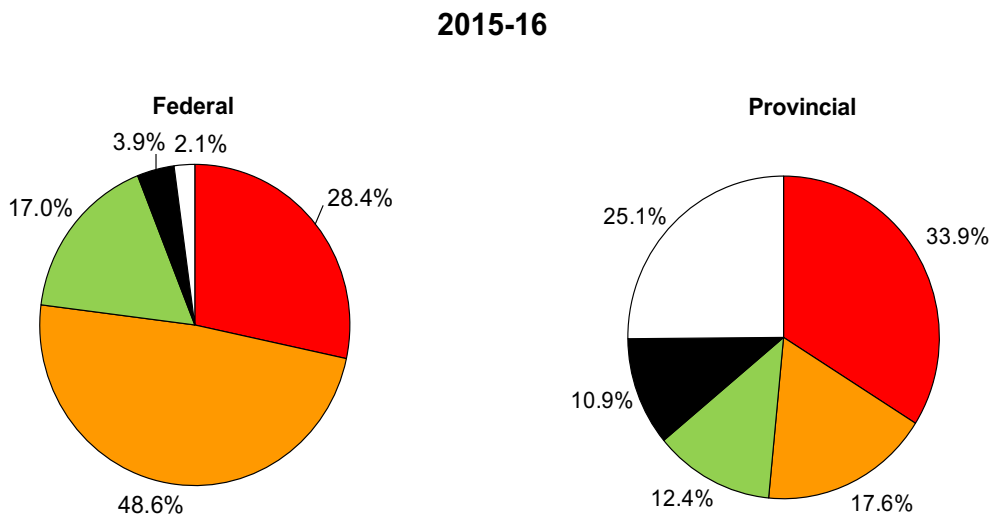
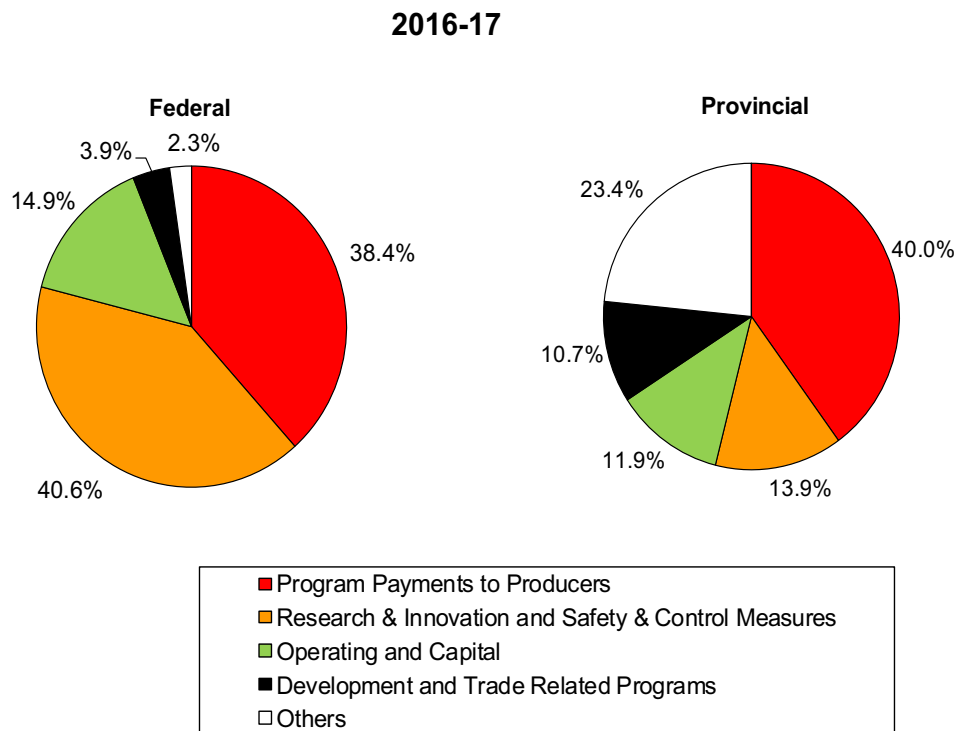
Source: Agriculture and Agri-Food Canada.

Figure C.1: Federal and Provincial Government Expenditures in Support of the Agri-Food Sector, Canada, 2009-10 to 2016-17



Source: Agriculture and Agri-Food Canada.

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



Source: Agriculture and Agri-Food Canada.

**Program payments to producers** include income support and stabilization, cost reduction, production insurance and compensation, and financial assistance programs.

**Research & Innovation and Safety & Control Measures** include administration (e.g. salaries), 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.

**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, 2013-14 to 2016-17**

	PROVINCIAL				FEDERAL			
	2013-14	2014-15	2015-16	2016-17 Estimates	2013-14	2014-15	2015-16	2016-17 Estimates
	\$000)							
<b>CANADA</b>								
A. Operating Expenditures	780,812	752,147	781,278	795,322	1,664,251	1,570,646	1,546,643	1,260,646
B. Capital Expenditures	83,297	81,192	78,614	76,779	52,233	46,445	84,082	192,744
C. Program Expenditures	2,027,010	1,723,336	1,609,988	1,760,565	1,565,497	1,347,485	1,241,987	1,591,434
c.1 Income Support & Stabilization	747,406	579,148	465,686	641,247	425,462	366,783	315,202	404,060
c.2 Cost Reduction	6,913	5,060	6,977	11,683	1,681	172	1,160	1,177
c.3 Insurance and Compensation	571,405	461,427	464,527	511,172	675,260	540,812	530,120	705,300
c.4 Financial Assistance	32,356	44,524	35,547	50,609	74,665	17,521	(31,780)	58,227
c.5 Storage and Freight Assistance	860	135	595	36	6,889	5,489	2,254	4,600
c.6 Social and Labour	19,825	19,690	23,944	21,204	657	684	801	864
c.7 Research	147,112	138,545	161,966	134,889	95,051	111,802	119,810	125,322
c.8 Safety and Control Measures	45,859	42,985	44,122	30,838	34,507	54,015	53,242	28,504
c.9 Food Aid	-	-	-	-	20,240	21,242	21,242	23,698
c.10 Marketing Dev't, Promotion, and Trade	56,805	48,465	35,060	50,798	46,684	40,635	31,893	34,771
c.11 Rural and Regional Development	122,947	116,621	105,776	93,822	46,650	30,736	38,137	41,609
c.12 Innovative Practices, Products and Technology	86,675	82,753	91,512	56,611	94,582	106,084	123,375	123,375
c.13 Education	132,874	135,469	130,300	116,033	-	-	-	-
c.14 Extension	55,973	48,514	43,976	41,623	43,169	51,510	36,531	39,927
D. Tax Expenditures	387,654	388,906	397,224	404,937	-	-	-	-
Sub-Total Gross Expenditures	3,278,773	2,945,581	2,867,104	3,037,603	3,281,981	2,964,576	2,872,712	3,044,824
Recoveries	(263,982)	(269,092)	(302,563)	(284,215)	(231,218)	(257,410)	(257,410)	(368,662)
Total Net Expenditures	3,014,791	2,676,489	2,564,541	2,753,388	3,050,763	2,707,166	2,615,302	2,676,162
<b>NEWFOUNDLAND AND LABRADOR</b>								
A. Operating Expenditures	11,051	9,454	10,323	10,726	4,462	4,166	3,809	2,947
B. Capital Expenditures	2,822	1,808	1,655	1,172	134	115	198	445
C. Program Expenditures	9,605	8,855	8,772	10,392	7,539	6,453	5,510	7,246
c.1 Income Support & Stabilization	144	231	101	494	137	562	591	1,449
c.2 Cost Reduction	3,823	2,545	3,485	6,125	-	-	-	-
c.3 Insurance and Compensation	30	20	31	26	44	30	44	272
c.4 Financial Assistance	280	-	-	-	10	12	104	100
c.5 Storage and Freight Assistance	593	97	558	-	-	-	-	-
c.6 Social and Labour	-	-	-	-	-	-	-	2
c.7 Research	647	-	-	-	1,652	184	179	185
c.8 Safety and Control Measures	270	297	488	134	245	326	129	2
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing Dev't, Promotion, and Trade	503	1,968	737	1,754	628	516	18	107
c.11 Rural and Regional Development	826	773	683	450	2,228	2,188	2,038	2,710
c.12 Innovative Practices, Products and Technology	208	1,130	1,104	-	2,395	2,482	2,238	2,238
c.13 Education	1,239	1,163	1,177	1,209	-	-	-	-
c.14 Extension	1,042	631	408	200	200	153	169	181
D. Tax Expenditures	-	-	-	-	-	-	-	-
Sub-Total Gross Expenditures	23,478	20,117	20,750	22,290	12,135	10,734	9,517	10,638
Recoveries	-	-	-	-	(596)	(635)	(609)	(872)
Total Net Expenditures	23,478	20,117	20,750	22,290	11,539	10,099	8,908	9,766

Source: Agriculture and Agri-Food Canada.

Note: Data from 2015-16 are based on the federal and provincial Public Accounts. Data from 2016-17 are based on federal and provincial budgetary estimates.

**Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2013-14 to 2016-17 (cont'd)**

	PROVINCIAL				FEDERAL			
	2013-14	2014-15	2015-16	2016-17 Estimates	2013-14	2014-15	2015-16	2016-17 Estimates
	(\$000)							
<b>PRINCE EDWARD ISLAND</b>								
A. Operating Expenditures	6,102	6,620	7,906	7,474	15,776	13,892	13,124	10,864
B. Capital Expenditures	-	-	-	-	484	408	694	1,569
C. Program Expenditures	21,264	21,375	17,975	20,837	29,559	22,008	27,460	29,581
c.1 Income Support & Stabilization	1,808	2,865	2,313	4,007	3,938	3,428	5,879	4,683
c.2 Cost Reduction	256	7	145	150	-	230	357	357
c.3 Insurance and Compensation	8,584	8,183	5,288	7,177	8,723	8,828	7,621	8,381
c.4 Financial Assistance	142	152	179	-	5,464	759	874	3,701
c.5 Storage and Freight Assistance	-	-	-	-	4	2	-	8
c.6 Social and Labour	286	260	264	264	63	34	81	7
c.7 Research	408	503	887	800	2,130	2,383	1,188	1,384
c.8 Safety and Control Measures	648	375	2,847	1,850	243	1,249	2,936	1,402
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing Dev't, Promotion, and Trade	4,256	3,754	565	913	471	972	119	1,788
c.11 Rural and Regional Development	-	-	-	-	6,890	2,674	5,727	5,151
c.12 Innovative Practices, Products and Technology	(126)	-	-	-	318	-	2,072	2,072
c.13 Education	4,256	4,264	4,310	4,379	-	-	-	-
c.14 Extension	746	1,012	1,177	1,297	1,315	1,449	606	647
D. Tax Expenditures	1,968	1,968	1,968	1,968	-	-	-	-
Sub-Total Gross Expenditures	29,334	29,963	27,849	30,279	45,819	36,308	41,278	42,014
Recoveries	(87)	(145)	-	-	(2,141)	(2,262)	(2,128)	(3,047)
Total Net Expenditures	29,247	29,818	27,849	30,279	43,678	34,046	39,150	38,967
<b>NOVA SCOTIA</b>								
A. Operating Expenditures	12,596	12,428	12,144	12,792	18,008	16,731	15,456	12,389
B. Capital Expenditures	502	744	967	996	585	495	859	1,918
C. Program Expenditures	45,958	57,252	45,590	42,179	16,724	16,228	18,686	26,288
c.1 Income Support & Stabilization	4,336	15,546	4,938	1,769	4,250	9,694	7,254	13,695
c.2 Cost Reduction	164	887	449	3,600	-	(1)	820	820
c.3 Insurance and Compensation	600	713	707	2,016	678	1,179	1,641	2,404
c.4 Financial Assistance	557	1,139	636	827	784	134	1,241	1,059
c.5 Storage and Freight Assistance	-	-	-	-	2	1	-	4
c.6 Social and Labour	103	109	103	61	42	15	-	9
c.7 Research	18	1,153	461	2,680	1,338	1,022	868	1,165
c.8 Safety and Control Measures	4,571	4,555	4,804	1,719	619	624	792	429
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing Dev't, Promotion, and Trade	2,817	2,266	1,875	2,757	1,090	841	315	622
c.11 Rural and Regional Development	-	-	-	-	4,269	1,048	3,490	3,766
c.12 Innovative Practices, Products and Technology	70	340	2,826	2,161	3,241	1,539	2,139	2,139
c.13 Education	29,058	26,816	26,300	19,776	-	-	-	-
c.14 Extension	3,664	3,728	2,491	4,813	411	132	126	176
D. Tax Expenditures	1,320	1,320	1,320	1,320	-	-	-	-
Sub-Total Gross Expenditures	60,376	71,744	60,021	57,287	35,317	33,454	35,001	40,595
Recoveries	-	-	(3)	(4,440)	(2,588)	(2,746)	(2,632)	(3,769)
Total Net Expenditures	60,376	71,744	60,018	52,847	32,729	30,708	32,369	36,826

Source: Agriculture and Agri-Food Canada.

Note: Data from 2015-16 are based on the federal and provincial Public Accounts. Data from 2016-17 are based on federal and provincial budgetary estimates.

Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2013-14 to 2016-17 (cont'd)

	PROVINCIAL				FEDERAL			
	2013-14	2014-15	2015-16	2016-17 Estimates	2013-14	2014-15	2015-16	2016-17 Estimates
	\$000)							
<b>NEW BRUNSWICK</b>								
A. Operating Expenditures	14,143	12,483	13,277	11,690	17,003	15,602	15,048	12,493
B. Capital Expenditures	760	1,155	1,305	1,626	551	472	844	1,920
C. Program Expenditures	11,764	8,647	6,003	8,591	17,250	16,487	17,686	19,258
c.1 Income Support & Stabilization	4,936	1,910	2,320	3,962	2,013	3,311	2,737	3,255
c.2 Cost Reduction	(215)	273	4	-	-	-	-	-
c.3 Insurance and Compensation	1,710	1,669	1,532	2,148	2,564	2,646	2,366	3,155
c.4 Financial Assistance	(466)	(570)	(578)	(540)	2,183	329	377	1,238
c.5 Storage and Freight Assistance	-	-	-	-	2	1	-	5
c.6 Social and Labour	-	-	-	-	-	53	10	9
c.7 Research	1,478	753	748	787	1,368	1,863	1,021	933
c.8 Safety and Control Measures	849	407	369	563	324	938	1,227	1,093
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing Dev't, Promotion, and Trade	10	140	144	140	986	259	114	1,120
c.11 Rural and Regional Development	-	452	-	-	5,346	5,188	6,687	5,253
c.12 Innovative Practices, Products and Technology	989	863	765	835	2,165	1,187	2,311	2,311
c.13 Education	1,982	2,038	-	-	-	-	-	-
c.14 Extension	491	712	699	696	299	712	836	886
D. Tax Expenditures	1,400	1,738	1,946	1,695	-	-	-	-
Sub-Total Gross Expenditures	28,067	24,023	22,531	23,602	34,804	32,561	33,578	33,671
Recoveries	(88)	(103)	(1,255)	(568)	(2,438)	(2,619)	(2,583)	(3,699)
Total Net Expenditures	27,979	23,920	21,276	23,034	32,366	29,942	30,995	29,972
<b>QUEBEC</b>								
A. Operating Expenditures	200,989	191,643	180,317	175,395	243,394	228,770	214,473	178,745
B. Capital Expenditures	19,890	14,350	23,524	15,509	7,964	6,878	12,124	27,707
C. Program Expenditures	597,724	404,654	340,752	414,987	150,376	132,719	107,834	158,126
c.1 Income Support & Stabilization	398,184	200,963	150,128	277,225	48,310	51,975	35,902	57,467
c.2 Cost Reduction	202	381	355	529	-	-	-	-
c.3 Insurance and Compensation	16,965	14,558	14,533	14,040	25,174	21,534	20,182	34,222
c.4 Financial Assistance	13,040	24,267	20,669	21,284	13,089	1,057	(12,024)	5,115
c.5 Storage and Freight Assistance	17	-	-	-	141	54	-	255
c.6 Social and Labour	19,044	19,367	23,443	20,604	167	164	175	125
c.7 Research	24,961	23,887	33,957	21,795	12,227	16,436	20,221	18,719
c.8 Safety and Control Measures	20,099	19,126	20,384	13,516	1,655	4,810	5,353	4,172
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing Dev't, Promotion, and Trade	11,042	9,174	8,355	3,938	7,109	6,211	3,207	2,705
c.11 Rural and Regional Development	5,644	7,104	6,199	3,856	11,999	6,728	10,894	10,703
c.12 Innovative Practices, Products and Technology	39,962	39,874	21,197	5,215	16,225	11,275	11,670	11,670
c.13 Education	21,499	20,989	21,344	18,725	-	-	-	-
c.14 Extension	27,065	24,964	20,188	14,260	14,280	12,475	12,254	12,973
D. Tax Expenditures	85,022	83,588	87,514	91,608	-	-	-	-
Sub-Total Gross Expenditures	903,625	694,235	632,107	697,499	401,734	368,367	334,431	364,578
Recoveries	-	-	-	-	(35,257)	(38,116)	(37,116)	(53,157)
Total Net Expenditures	903,625	694,235	632,107	697,499	366,477	330,251	297,315	311,421

Source: Agriculture and Agri-Food Canada.

Note: Data from 2015-16 are based on the federal and provincial Public Accounts. Data from 2016-17 are based on federal and provincial budgetary estimates.



**Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2013-14 to 2016-17 (cont'd)**

	PROVINCIAL				FEDERAL			
	2013-14	2014-15	2015-16	2016-17 Estimates	2013-14	2014-15	2015-16	2016-17 Estimates
	(\$000)							
<b>ONTARIO</b>								
A. Operating Expenditures	163,112	154,436	153,624	160,130	368,284	350,798	328,373	272,923
B. Capital Expenditures	15,981	15,500	15,475	15,799	12,147	10,577	18,703	42,554
C. Program Expenditures	373,346	328,922	387,080	398,357	273,209	189,157	203,144	228,887
c.1 Income Support & Stabilization	165,928	162,334	173,654	180,193	127,873	54,687	93,701	71,227
c.2 Cost Reduction	-	-	-	-	-	(6)	(1)	-
c.3 Insurance and Compensation	38,504	38,895	35,410	38,090	55,850	51,661	45,101	70,299
c.4 Financial Assistance	259	614	188	549	14,786	(2,125)	(27,646)	9,176
c.5 Storage and Freight Assistance	218	-	-	-	518	1,452	1,452	1,314
c.6 Social and Labour	303	317	317	329	138	90	179	192
c.7 Research	68,136	55,708	62,747	59,759	22,251	28,722	33,290	33,351
c.8 Safety and Control Measures	17,090	15,000	14,357	14,360	11,595	12,310	13,845	189
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing Dev't, Promotion, and Trade	13,038	4,608	16,367	38,181	15,511	13,105	9,481	8,818
c.11 Rural and Regional Development	9,331	9,462	6,667	6,667	836	1,748	1,679	1,945
c.12 Innovative Practices, Products and Technology	49,464	35,594	70,679	51,030	12,740	12,619	21,398	21,398
c.13 Education	-	-	-	-	-	-	-	-
c.14 Extension	11,075	6,390	6,694	9,199	10,177	15,032	11,853	11,613
D. Tax Expenditures	34,877	35,018	34,803	37,899	-	-	-	-
Sub-Total Gross Expenditures	587,316	533,876	590,982	612,185	653,640	550,532	550,220	544,364
Recoveries	(41,204)	(58,010)	(56,750)	(51,124)	(53,769)	(58,623)	(57,257)	(82,004)
Total Net Expenditures	546,112	475,866	534,232	561,061	599,871	491,909	492,963	462,360
<b>MANITOBA</b>								
A. Operating Expenditures	43,060	44,789	46,061	49,450	164,099	157,903	158,371	127,895
B. Capital Expenditures	1,516	1,024	484	578	5,110	4,632	8,487	19,412
C. Program Expenditures	147,290	143,027	103,923	99,425	212,557	206,257	136,390	207,970
c.1 Income Support & Stabilization	44,233	54,946	18,771	35,001	49,464	63,587	9,856	58,863
c.2 Cost Reduction	1,683	267	1,150	150	1,681	(13)	(1)	-
c.3 Insurance and Compensation	66,471	55,408	55,549	54,725	102,333	88,080	81,429	90,806
c.4 Financial Assistance	-	-	-	(602)	18,956	14,092	5,819	17,268
c.5 Storage and Freight Assistance	-	-	-	-	3,593	3,024	1,607	660
c.6 Social and Labour	-	-	-	-	35	38	100	87
c.7 Research	1,115	1,537	1,373	1,615	12,540	16,597	14,691	17,705
c.8 Safety and Control Measures	(427)	52	466	506	1,771	2,921	790	83
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing Dev't, Promotion, and Trade	1,969	1,149	1,060	-	4,925	3,366	4,360	3,954
c.11 Rural and Regional Development	19,126	13,797	16,247	-	3,088	802	1,768	2,153
c.12 Innovative Practices, Products and Technology	3,373	2,337	2,824	3,850	12,994	12,264	14,260	14,260
c.13 Education	8,922	12,848	5,812	3,777	-	-	-	-
c.14 Extension	825	686	671	403	1,177	1,499	1,711	2,131
D. Tax Expenditures	76,943	87,682	88,604	88,824	-	-	-	-
Sub-Total Gross Expenditures	268,809	276,522	239,072	238,277	381,766	368,792	303,248	355,277
Recoveries	(3,063)	(3,804)	(3,295)	(3,929)	(22,617)	(25,669)	(25,980)	(37,209)
Total Net Expenditures	265,746	272,718	235,777	234,348	359,149	343,123	277,268	318,068

Source: Agriculture and Agri-Food Canada.

Note: Data from 2015-16 are based on the federal and provincial Public Accounts. Data from 2016-17 are based on federal and provincial budgetary estimates.



Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2013-14 to 2016-17 (cont'd)

	PROVINCIAL				FEDERAL			
	2013-14	2014-15	2015-16	2016-17 Estimates	2013-14	2014-15	2015-16	2016-17 Estimates
	\$000)							
<b>SASKATCHEWAN</b>								
A. Operating Expenditures	105,850	88,420	102,626	116,410	375,150	348,640	364,524	289,214
B. Capital Expenditures	2,418	2,874	1,920	1,135	11,291	10,248	19,245	44,232
C. Program Expenditures	344,037	321,410	300,573	335,171	433,943	346,624	349,614	440,216
c.1 Income Support & Stabilization	59,874	69,190	60,444	68,585	109,615	67,086	93,595	96,973
c.2 Cost Reduction	58	59	49	128	-	(30)	(13)	-
c.3 Insurance and Compensation	171,903	135,076	129,293	134,905	254,960	196,325	187,287	256,724
c.4 Financial Assistance	2,254	625	1,603	17,420	7,799	935	(4,250)	9,322
c.5 Storage and Freight Assistance	33	38	37	36	1,033	346	383	1,832
c.6 Social and Labour	300	300	300	300	47	97	47	198
c.7 Research	27,418	24,641	34,386	25,776	18,376	20,154	20,181	23,060
c.8 Safety and Control Measures	5,637	6,415	6,695	8,440	4,078	5,369	4,872	2,783
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing Dev't, Promotion, and Trade	1,313	1,284	984	1,987	4,624	5,143	8,032	8,003
c.11 Rural and Regional Development	72,989	69,498	60,100	67,899	3,320	6,549	3,502	4,354
c.12 Innovative Practices, Products and Technology	1,426	13,447	5,215	7,500	22,115	33,892	33,622	33,622
c.13 Education	12	10	10	-	-	-	-	-
c.14 Extension	820	827	1,457	2,195	7,976	10,758	2,356	3,345
D. Tax Expenditures	116,077	109,733	109,795	111,890	-	-	-	-
Sub-Total Gross Expenditures	568,382	522,437	514,914	564,606	820,384	705,512	733,383	773,662
Recoveries	(137,954)	(124,895)	(154,965)	(139,040)	(49,983)	(56,799)	(58,916)	(84,380)
Total Net Expenditures	430,428	397,542	359,949	425,566	770,401	648,713	674,467	689,282
<b>ALBERTA</b>								
A. Operating Expenditures	190,385	194,428	207,386	204,753	371,773	353,116	354,941	287,855
B. Capital Expenditures	38,445	38,050	32,799	39,458	11,162	10,167	18,492	42,773
C. Program Expenditures	441,320	398,041	367,640	405,029	374,137	325,408	319,452	392,641
c.1 Income Support & Stabilization	49,351	56,264	39,008	56,012	81,101	94,544	67,978	84,549
c.2 Cost Reduction	-	-	-	-	-	(9)	(2)	-
c.3 Insurance and Compensation	256,638	199,816	215,957	251,545	213,501	158,466	170,671	219,439
c.4 Financial Assistance	16,290	18,297	12,851	11,672	10,159	810	2,980	8,941
c.5 Storage and Freight Assistance	-	-	-	-	545	530	-	1,143
c.6 Social and Labour	(297)	(750)	(570)	(441)	91	86	111	190
c.7 Research	21,811	29,679	26,332	21,227	17,581	19,035	21,645	22,160
c.8 Safety and Control Measures	(4,822)	(5,089)	(7,413)	(11,364)	12,220	11,428	18,456	14,025
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing Dev't, Promotion, and Trade	21,858	20,890	1,711	1,129	7,939	6,991	4,981	5,906
c.11 Rural and Regional Development	13,031	13,035	13,030	12,600	7,577	2,801	1,216	3,780
c.12 Innovative Practices, Products and Technology	(8,691)	(10,831)	(13,623)	(13,979)	19,863	25,782	25,660	25,660
c.13 Education	65,906	67,341	71,347	68,168	-	-	-	-
c.14 Extension	10,245	9,389	9,010	8,460	3,560	4,944	5,756	6,848
D. Tax Expenditures	61,623	59,148	62,028	60,933	-	-	-	-
Sub-Total Gross Expenditures	731,773	689,667	669,853	710,173	757,072	688,691	692,885	723,269
Recoveries	(81,585)	(82,135)	(86,294)	(85,114)	(49,414)	(56,346)	(56,612)	(81,080)
Total Net Expenditures	650,188	607,532	583,559	625,059	707,658	632,345	636,273	642,189

Source: Agriculture and Agri-Food Canada.

Note: Data from 2015-16 are based on the federal and provincial Public Accounts. Data from 2016-17 are based on federal and provincial budgetary estimates.

**Table C.2: Government Expenditures in Support of the Agri-Food Sector, by Category, Canada and Provinces, 2013-14 to 2016-17 (cont'd)**

	PROVINCIAL				FEDERAL			
	2013-14	2014-15	2015-16	2016-17 Estimates	2013-14	2014-15	2015-16	2016-17 Estimates
	(\$000)							
<b>BRITISH COLUMBIA</b>								
A. Operating Expenditures	33,523	37,445	47,614	46,504	86,256	80,998	78,494	65,324
B. Capital Expenditures	965	5,687	486	507	2,805	2,453	4,434	10,212
C. Program Expenditures	34,704	31,153	31,680	25,603	27,693	62,471	32,825	54,910
c.1 Income Support & Stabilization	18,611	14,899	14,009	14,000	(1,253)	17,908	(2,292)	11,898
c.2 Cost Reduction	941	641	1,340	1,000	-	-	-	-
c.3 Insurance and Compensation	10,000	7,090	6,226	6,500	11,419	12,039	13,721	19,541
c.4 Financial Assistance	-	-	-	-	1,436	1,522	744	2,310
c.5 Storage and Freight Assistance	-	-	-	-	6	3	-	15
c.6 Social and Labour	87	87	87	87	74	108	97	46
c.7 Research	1,121	683	1,075	450	5,463	5,332	6,399	6,559
c.8 Safety and Control Measures	1,944	1,848	1,125	1,116	1,640	13,875	4,650	4,193
c.9 Food Aid	-	-	-	-	-	-	-	-
c.10 Marketing Dev't, Promotion, and Trade	-	3,231	3,263	-	2,726	2,422	570	810
c.11 Rural and Regional Development	2,000	2,500	2,850	2,350	765	1,009	1,134	1,473
c.12 Innovative Practices, Products and Technology	-	-	525	-	2,372	4,890	7,802	7,802
c.13 Education	-	-	-	-	-	-	-	-
c.14 Extension	-	174	1,180	100	3,045	3,363	-	263
D. Tax Expenditures	8,424	8,711	9,245	8,800	-	-	-	-
Sub-Total Gross Expenditures	77,616	82,996	89,025	81,414	116,754	145,922	115,753	130,446
Recoveries	-	-	-	-	(12,415)	(13,596)	(13,577)	(19,445)
Total Net Expenditures	77,616	82,996	89,025	81,414	104,339	132,326	102,176	111,001

Source: Agriculture and Agri-Food Canada.

Note: Data from 2015-16 are based on the federal and provincial Public Accounts. Data from 2016-17 are based on federal and provincial budgetary estimates.

**Table C.3: Research & Innovation and Safety & Control Expenditures in Support of the Agri-Food Sector, Canada and Provinces, 2013-14 to 2016-17**

	PROVINCIAL				FEDERAL			
	2013-14	2014-15	2015-16	2016-17 Estimates	2013-14	2014-15	2015-16	2016-17 Estimates
	(\$000)							
<b>CANADA</b>								
<b>Research &amp; Innovation Expenditures</b>								
- Operating	12,916	16,604	22,550	22,971	346,730	283,554	284,173	259,300
- Capital	18,025	18,774	16,705	17,866	1,675	1,904	2,587	3,080
- Program	233,787	221,298	253,478	191,500	189,633	217,886	243,185	248,697
Total Research & Innovation	264,728	256,676	292,733	232,337	538,038	503,344	529,945	511,077
<b>Safety and Control Expenditures</b>								
- Operating	150,699	150,969	158,545	152,984	749,757	799,144	779,444	593,398
- Capital	4,982	7,010	9,351	7,085	21,465	20,609	34,774	103,269
- Program	45,859	42,985	44,122	30,838	34,507	54,015	53,242	28,504
Total Safety and Control	201,540	200,964	212,018	190,907	805,729	873,768	867,460	725,171
<b>NEWFOUNDLAND AND LABRADOR</b>								
<b>Research &amp; Innovation Expenditures</b>								
- Operating	887	155	925	956	997	810	779	584
- Capital	41	8	35	32	4	5	6	7
- Program	855	1,130	1,104	-	4,047	2,666	2,417	2,423
Total Research & Innovation	1,783	1,293	2,064	988	5,048	3,481	3,202	3,014
<b>Safety and Control Expenditures</b>								
- Operating	2,427	2,496	2,587	2,553	1,901	2,048	1,892	1,390
- Capital	1,978	163	90	12	55	51	82	244
- Program	270	297	488	134	245	326	129	2
Total Safety and Control	4,675	2,956	3,165	2,699	2,201	2,425	2,103	1,636
<b>PRINCE EDWARD ISLAND</b>								
<b>Research &amp; Innovation Expenditures</b>								
- Operating	-	-	-	-	3,186	2,469	2,331	2,074
- Capital	-	-	-	-	16	17	21	25
- Program	282	503	887	800	2,448	2,383	3,260	3,456
Total Research & Innovation	282	503	887	800	5,650	4,869	5,612	5,555
<b>Safety and Control Expenditures</b>								
- Operating	2,552	3,084	2,501	3,364	7,139	6,865	6,572	4,871
- Capital	-	-	-	-	199	181	287	854
- Program	648	375	2,847	1,850	243	1,249	2,936	1,402
Total Safety and Control	3,200	3,459	5,348	5,214	7,581	8,295	9,795	7,127

Source: Agriculture and Agri-Food Canada.

Note: "Research and Innovation" includes expenditures in the "Research" and in the "Innovative Practices, Products and Technology" program categories.

**Table C.3: Research & Innovation and Safety & Control Expenditures in Support of the Agri-Food Sector, Canada and Provinces, 2013-14 to 2016-17 (cont'd)**

	PROVINCIAL				FEDERAL			
	2013-14	2014-15	2015-16	2016-17 Estimates	2013-14	2014-15	2015-16	2016-17 Estimates
	(\$000)							
<b>NOVA SCOTIA</b>								
<b>Research &amp; Innovation Expenditures</b>								
- Operating	-	-	-	-	4,051	3,271	2,987	2,505
- Capital	502	113	300	80	19	20	26	30
- Program	88	1,493	3,287	4,841	4,579	2,561	3,007	3,304
Total Research & Innovation	590	1,606	3,587	4,921	8,649	5,852	6,020	5,839
<b>Safety and Control Expenditures</b>								
- Operating	2,261	2,318	2,387	1,846	8,132	8,736	8,174	6,016
- Capital	-	-	-	-	240	220	355	1,056
- Program	4,571	4,555	4,804	1,719	619	624	792	429
Total Safety and Control	6,832	6,873	7,191	3,565	8,991	9,580	9,321	7,501
<b>NEW BRUNSWICK</b>								
<b>Research &amp; Innovation Expenditures</b>								
- Operating	653	-	-	-	3,629	2,859	2,830	2,566
- Capital	-	-	-	-	18	19	26	30
- Program	2,467	1,616	1,513	1,622	3,533	3,050	3,332	3,244
Total Research & Innovation	3,120	1,616	1,513	1,622	7,180	5,928	6,188	5,840
<b>Safety and Control Expenditures</b>								
- Operating	4,184	2,477	3,146	2,124	7,754	8,207	8,008	5,906
- Capital	121	22	32	18	226	210	349	1,036
- Program	849	407	369	563	324	938	1,227	1,093
Total Safety and Control	5,154	2,906	3,547	2,705	8,304	9,355	9,584	8,035
<b>QUEBEC</b>								
<b>Research &amp; Innovation Expenditures</b>								
- Operating	-	-	-	-	52,835	42,093	40,916	37,156
- Capital	-	-	-	-	255	282	373	441
- Program	64,923	63,761	55,154	27,010	28,452	27,711	31,891	30,389
Total Research & Innovation	64,923	63,761	55,154	27,010	81,542	70,086	73,180	67,986
<b>Safety and Control Expenditures</b>								
- Operating	38,537	38,465	37,860	25,881	111,110	120,201	114,150	85,086
- Capital	1,391	419	7,900	5,787	3,273	3,052	5,014	14,890
- Program	20,099	19,126	20,384	13,516	1,655	4,810	5,353	4,172
Total Safety and Control	60,027	58,010	66,144	45,184	116,038	128,063	124,517	104,148

Source: Agriculture and Agri-Food Canada.

Note: "Research and Innovation" includes expenditures in the "Research" and in the "Innovative Practices, Products and Technology" program categories.

**Table C.3: Research & Innovation and Safety & Control Expenditures in Support of the Agri-Food Sector, Canada and Provinces, 2013-14 to 2016-17 (cont'd)**

	PROVINCIAL				FEDERAL			
	2013-14	2014-15	2015-16	2016-17 Estimates	2013-14	2014-15	2015-16	2016-17 Estimates
	(\$000)							
<b>ONTARIO</b>								
<b>Research &amp; Innovation Expenditures</b>								
- Operating	3,132	3,333	2,867	3,200	80,278	64,844	63,652	56,792
- Capital	15,481	15,000	14,975	15,299	390	434	575	674
- Program	117,600	91,302	133,426	110,789	34,991	41,341	54,688	54,749
Total Research & Innovation	136,213	109,635	151,268	129,288	115,659	106,619	118,915	112,215
<b>Safety and Control Expenditures</b>								
- Operating	42,971	43,655	46,075	47,851	168,711	186,415	174,588	131,615
- Capital	500	500	500	500	4,992	4,693	7,735	22,971
- Program	17,090	15,000	14,357	14,360	11,595	12,310	13,845	189
Total Safety and Control	60,561	59,155	60,932	62,711	185,298	203,418	196,168	154,775
<b>MANITOBA</b>								
<b>Research &amp; Innovation Expenditures</b>								
- Operating	1,384	1,255	3,374	3,960	34,113	28,350	28,768	26,057
- Capital	-	-	-	-	164	190	261	309
- Program	4,488	3,874	4,197	5,465	25,534	28,861	28,951	31,965
Total Research & Innovation	5,872	5,129	7,571	9,425	59,811	57,401	57,980	58,331
<b>Safety and Control Expenditures</b>								
- Operating	11,287	10,663	12,747	13,971	73,081	79,823	77,993	60,098
- Capital	-	-	-	-	2,100	2,055	3,510	10,423
- Program	(427)	52	466	506	1,771	2,921	790	83
Total Safety and Control	10,860	10,715	13,213	14,477	76,952	84,799	82,293	70,604
<b>SASKATCHEWAN</b>								
<b>Research &amp; Innovation Expenditures</b>								
- Operating	1,751	600	3,333	2,532	75,127	62,038	64,552	59,674
- Capital	-	-	-	-	362	420	592	709
- Program	28,844	38,088	39,601	33,276	40,491	54,046	53,803	56,682
Total Research & Innovation	30,595	38,688	42,934	35,808	115,980	116,504	118,947	117,065
<b>Safety and Control Expenditures</b>								
- Operating	813	862	1,142	581	167,924	172,185	175,166	136,709
- Capital	-	-	-	-	4,640	4,547	7,959	23,636
- Program	5,637	6,415	6,695	8,440	4,078	5,369	4,872	2,783
Total Safety and Control	6,450	7,277	7,837	9,021	176,642	182,101	187,997	163,128

Source: Agriculture and Agri-Food Canada.

Note: "Research and Innovation" includes expenditures in the "Research" and in the "Innovative Practices, Products and Technology" program categories.

**Table C.3: Research & Innovation and Safety & Control Expenditures in Support of the Agri-Food Sector, Canada and Provinces, 2013-14 to 2016-17 (cont'd)**

	PROVINCIAL				FEDERAL			
	2013-14	2014-15	2015-16	2016-17 Estimates	2013-14	2014-15	2015-16	2016-17 Estimates
	(\$000)							
<b>ALBERTA</b>								
<b>Research &amp; Innovation Expenditures</b>								
- Operating	5,021	8,636	8,325	9,638	74,026	61,965	62,466	58,090
- Capital	2,001	3,653	1,395	2,455	358	417	569	691
- Program	13,120	18,848	12,709	7,248	37,444	44,817	47,305	47,820
Total Research & Innovation	20,142	31,137	22,429	19,341	111,828	107,199	110,340	106,601
<b>Safety and Control Expenditures</b>								
- Operating	34,998	38,250	37,457	42,616	164,963	171,810	170,770	130,674
- Capital	460	427	468	388	4,587	4,511	7,648	22,712
- Program	(4,822)	(5,089)	(7,413)	(11,364)	12,220	11,428	18,456	14,025
Total Safety and Control	30,636	33,588	30,512	31,640	181,770	187,749	196,874	167,411
<b>BRITISH COLUMBIA</b>								
<b>Research &amp; Innovation Expenditures</b>								
- Operating	88	2,625	3,727	2,685	18,476	14,843	14,876	13,804
- Capital	-	-	-	-	90	101	136	164
- Program	1,121	683	1,600	450	7,835	10,222	14,201	14,361
Total Research & Innovation	1,209	3,308	5,327	3,135	26,401	25,166	29,213	28,329
<b>Safety and Control Expenditures</b>								
- Operating	10,671	8,699	12,642	12,197	39,038	42,852	42,127	31,034
- Capital	533	5,479	360	380	1,153	1,088	1,834	5,447
- Program	1,944	1,848	1,125	1,116	1,640	13,875	4,650	4,193
Total Safety and Control	13,148	16,026	14,127	13,693	41,831	57,815	48,611	40,674

Source: Agriculture and Agri-Food Canada.

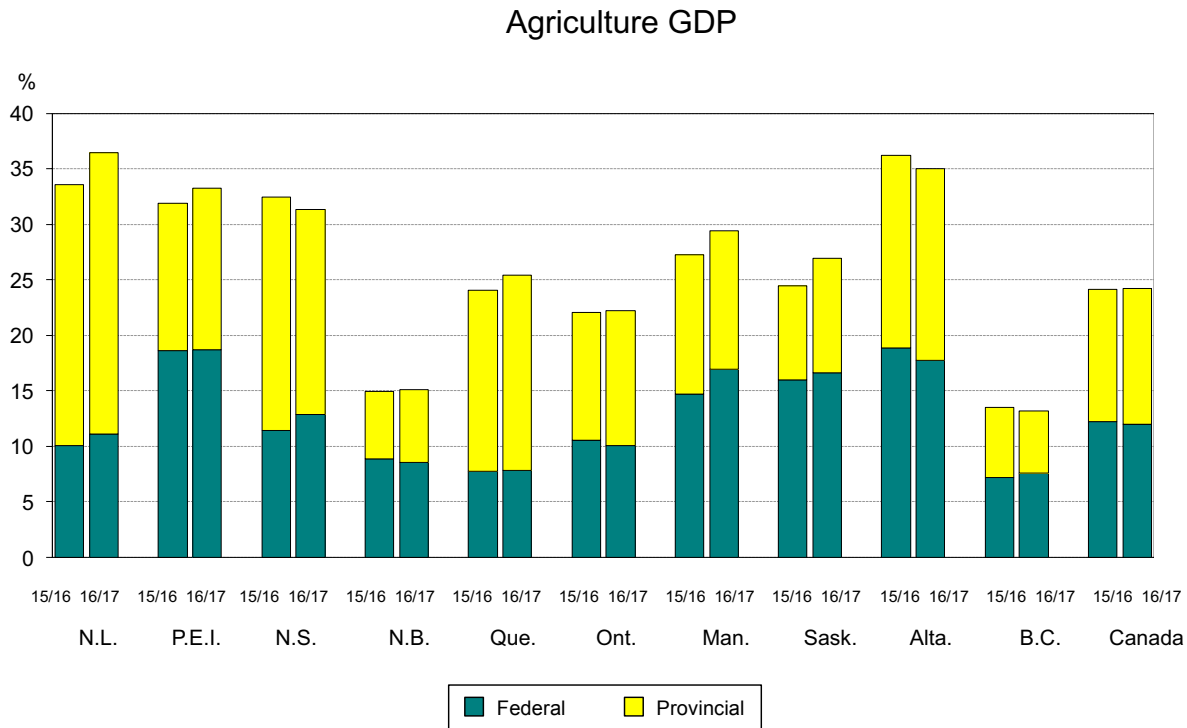
Note: "Research and Innovation" includes expenditures in the "Research" and in the "Innovative Practices, Products and Technology" program categories.

**Table C.4: Government Expenditures on the Agri-Food Sector as a Percentage of Agriculture GDP and Agri-Food GDP, Canada and Provinces, 2013-14 to 2016-17**

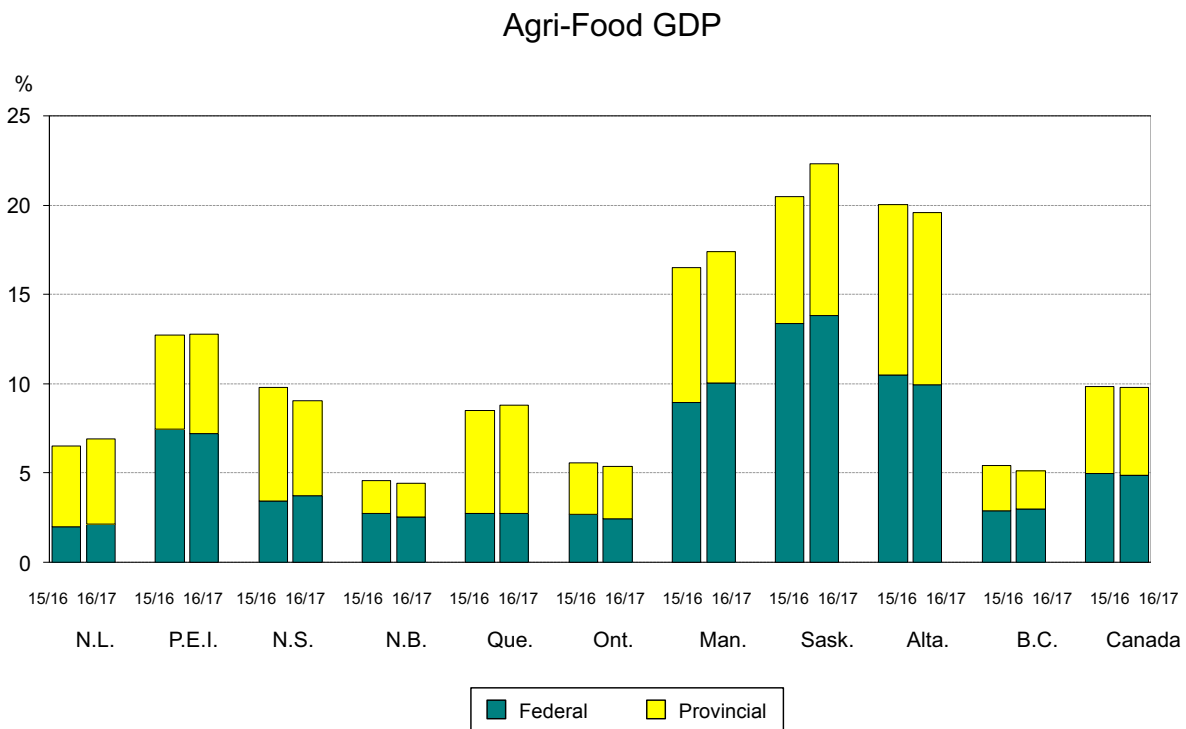
	Agriculture				Agri-Food			
	2013-14	2014-15	2015-16	2016-17 Estimates	2013-14	2014-15	2015-16	2016-17 Estimates
<b>NEWFOUNDLAND AND LABRADOR</b>								
Provincial GDP (\$ million)	117.9	77.6	88.4	87.9	486.7	456.9	458.2	465.4
Federal (%)	9.8	13.0	10.1	11.1	2.4	2.2	1.9	2.1
Provincial (%)	19.9	25.9	23.5	25.4	4.8	4.4	4.5	4.8
<b>PRINCE EDWARD ISLAND</b>								
Provincial GDP (\$ million)	222.9	216.6	210.3	208.0	544.4	549.6	527.5	541.6
Federal (%)	19.6	15.7	18.6	18.7	8.0	6.2	7.4	7.2
Provincial (%)	13.1	13.8	13.2	14.6	5.4	5.4	5.3	5.6
<b>NOVA SCOTIA</b>								
Provincial GDP (\$ million)	283.5	255.3	284.4	285.9	932.5	922.4	943.0	990.6
Federal (%)	11.5	12.0	11.4	12.9	3.5	3.3	3.4	3.7
Provincial (%)	21.3	28.1	21.1	18.5	6.5	7.8	6.4	5.3
<b>NEW BRUNSWICK</b>								
Provincial GDP (\$ million)	319.5	309.2	349.2	351.5	1,080.8	1,101.7	1,145.3	1,199.2
Federal (%)	10.1	9.7	8.9	8.5	3.0	2.7	2.7	2.5
Provincial (%)	8.8	7.7	6.1	6.6	2.6	2.2	1.9	1.9
<b>QUEBEC</b>								
Provincial GDP (\$ million)	3,631.5	3,503.1	3,860.6	3,968.2	10,212.5	10,368.1	10,937.0	11,483.2
Federal (%)	10.1	9.4	7.7	7.8	3.6	3.2	2.7	2.7
Provincial (%)	24.9	19.8	16.4	17.6	8.8	6.7	5.8	6.1
<b>ONTARIO</b>								
Provincial GDP (\$ million)	4,571.0	4,318.6	4,662.2	4,599.8	17,353.0	17,746.1	18,466.8	19,210.4
Federal (%)	13.1	11.4	10.6	10.1	3.5	2.8	2.7	2.4
Provincial (%)	11.9	11.0	11.5	12.2	3.1	2.7	2.9	2.9
<b>MANITOBA</b>								
Provincial GDP (\$ million)	1,941.9	1,635.6	1,884.8	1,878.9	3,072.1	2,826.8	3,112.1	3,176.1
Federal (%)	18.5	21.0	14.7	16.9	11.7	12.1	8.9	10.0
Provincial (%)	13.7	16.7	12.5	12.5	8.7	9.6	7.6	7.4
<b>SASKATCHEWAN</b>								
Provincial GDP (\$ million)	5,496.4	4,265.9	4,229.4	4,141.8	6,346.1	5,120.3	5,051.2	4,993.2
Federal (%)	14.0	15.2	15.9	16.6	12.1	12.7	13.4	13.8
Provincial (%)	7.8	9.3	8.5	10.3	6.8	7.8	7.1	8.5
<b>ALBERTA</b>								
Provincial GDP (\$ million)	3,796.2	3,448.6	3,370.7	3,622.6	6,432.5	6,237.8	6,084.9	6,473.7
Federal (%)	18.6	18.3	18.9	17.7	11.0	10.1	10.5	9.9
Provincial (%)	17.1	17.6	17.3	17.3	10.1	9.7	9.6	9.7
<b>BRITISH COLUMBIA</b>								
Provincial GDP (\$ million)	1,292.1	1,260.4	1,421.0	1,462.6	3,219.4	3,290.0	3,546.1	3,756.9
Federal (%)	8.1	10.5	7.2	7.6	3.2	4.0	2.9	3.0
Provincial (%)	6.0	6.6	6.3	5.6	2.4	2.5	2.5	2.2
<b>CANADA</b>								
National GDP (\$ million)	22,432.1	20,504.4	21,480.9	22,404.5	51,724.2	51,190.9	52,656.5	55,407.3
Federal (%)	13.6	13.2	12.2	11.9	5.9	5.3	5.0	4.8
Provincial (%)	13.4	13.1	11.9	12.3	5.8	5.2	4.9	5.0

Sources: Agriculture and Agri-Food Canada 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, 2015-16 and 2016-17**



Sources: Agriculture and Agri-Food Canada for expenditures; Conference Board of Canada for GDP data.



Sources: Agriculture and Agri-Food Canada 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, 2013-14 to 2016-17

	Total GDP, Entire Economy				Total Expenditures, All Departments			
	2013-14	2014-15	2015-16	2016-17 Estimates	2013-14	2014-15	2015-16	2016-17 Estimates
<b>NEWFOUNDLAND AND LABRADOR</b>								
Total Provincial (\$ million)	32,366	31,234	29,281	28,438	6,429	7,910	8,180	8,415
Agri-Food GDP as % of Total GDP	1.50	1.46	1.56	1.64				
Agri-Food Exp. as % of Total Exp.					0.37	0.25	0.25	0.26
<b>PRINCE EDWARD ISLAND</b>								
Total Provincial (\$ million)	5,239	5,328	5,043	5,158	1,637	1,642	1,772	1,720
Agri-Food GDP as % of Total GDP	10.39	10.31	10.46	10.50				
Agri-Food Exp. as % of Total Exp.					1.79	1.82	1.57	1.76
<b>NOVA SCOTIA</b>								
Total Provincial (\$ million)	34,939	34,893	34,235	35,441	8,465	8,815	8,829	9,100
Agri-Food GDP as % of Total GDP	2.67	2.64	2.75	2.80				
Agri-Food Exp. as % of Total Exp.					0.71	0.81	0.68	0.58
<b>NEW BRUNSWICK</b>								
Total Provincial (\$ million)	29,171	29,426	29,224	29,879	8,378	8,729	8,647	8,966
Agri-Food GDP as % of Total GDP	3.71	3.74	3.92	4.01				
Agri-Food Exp. as % of Total Exp.					0.33	0.27	0.25	0.26
<b>QUEBEC</b>								
Total Provincial (\$ million)	336,921	344,818	351,836	362,268	94,934	95,801	96,479	100,138
Agri-Food GDP as % of Total GDP	3.03	3.01	3.11	3.17				
Agri-Food Exp. as % of Total Exp.					0.95	0.72	0.66	0.70
<b>ONTARIO</b>								
Total Provincial (\$ million)	646,689	675,285	698,245	724,866	126,364	128,861	133,406	133,895
Agri-Food GDP as % of Total GDP	2.68	2.63	2.64	2.65				
Agri-Food Exp. as % of Total Exp.					0.43	0.37	0.40	0.42
<b>MANITOBA</b>								
Total Provincial (\$ million)	57,451	59,351	61,538	62,915	12,207	12,511	15,535	14,241
Agri-Food GDP as % of Total GDP	5.35	4.76	5.06	5.05				
Agri-Food Exp. as % of Total Exp.					2.18	2.18	1.52	1.65
<b>SASKATCHEWAN</b>								
Total Provincial (\$ million)	78,726	76,486	71,182	69,724	13,829	13,997	15,153	13,680
Agri-Food GDP as % of Total GDP	8.06	6.69	7.10	7.16				
Agri-Food Exp. as % of Total Exp.					3.11	2.84	2.38	3.11
<b>ALBERTA</b>								
Total Provincial (\$ million)	340,550	356,293	326,389	322,562	44,538	43,847	48,952	51,097
Agri-Food GDP as % of Total GDP	1.89	1.75	1.86	2.01				
Agri-Food Exp. as % of Total Exp.					1.46	1.39	1.19	1.22
<b>BRITISH COLUMBIA</b>								
Total Provincial (\$ million)	209,416	218,238	231,403	245,964	34,890	36,058	37,717	38,592
Agri-Food GDP as % of Total GDP	1.54	1.51	1.53	1.53				
Agri-Food Exp. as % of Total Exp.					0.22	0.23	0.24	0.21
<b>TOTAL - PROVINCIAL</b>								
Total Provincial (\$ million)	1,771,467	1,831,352	1,838,376	1,887,216	351,672	358,171	374,670	379,844
Agri-Food GDP as % of Total GDP	2.80	2.65	2.73	2.77				
Agri-Food Exp. as % of Total Exp.					0.86	0.75	0.68	0.72
<b>CANADA - FEDERAL</b>								
Total Federal (\$ million)	1,787,021	1,849,624	1,858,435	1,907,161	276,828	280,434	296,440	256,190
Agri-Food GDP as % of Total GDP	2.89	2.77	2.83	2.91				
Agri-Food Exp. as % of Total Exp.					1.10	0.97	0.88	1.04

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 Canadian 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, financial reports, estimates and/or expenditure plans, Statistics Canada and other internal reports on 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 International Financial Reporting Standards (IFRS), recognized worldwide as a universal set of standards to record and report financial transactions. It is also in accordance with Chartered Professional Accountants (CPA) Canada. 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. 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 the funds and to administration fees are included. Producers' share of participation and payouts made to producers are excluded. Examples are AgrilInsurance and AgrilInvest.

**Treatment of Loans and Advances:** Loans, advances, and repayable contributions 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 collectability 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 the government's share of program surpluses, and from other miscellaneous forms of recoveries. These recoveries are deducted from the program expenditures or the total expenditures to generate an estimate of net expenditures. Repayments of loans and advances, and return on investments are not included in recoveries.

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

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

The figures included in this table are government expenditures by various departments and agencies such as Agriculture and Agri-Food Canada; the Canadian Food Inspection Agency; Health Canada; Transport Canada; Innovation, Science and Economic Development Canada; and Statistics Canada. 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 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 TMR from grains and oilseeds is used for the allocation by province of Canadian Grain Commission operating and capital expenditures. TMR have been used as a basis since 2000-2001, while 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 to producers to support or stabilize their income when faced with fluctuations in the global and domestic markets. Examples of programs in this category include: AgriInvest, AgriStability, and the income stabilization programs at the provincial level such as Quebec's programme d'assurance stabilisation des revenus agricoles (ASRA), and Ontario's Risk Management Program (RMP).
- **Cost Reduction programs** include grants and contributions paid to producers and processors to help reduce their day-to-day production costs (i.e., subsidies for the purchase of farm inputs) and extraordinary costs following unforeseen circumstances. Programs in this category include ones for assistance for seed, artificial insemination, and fertilizer costs (i.e., Limestone Assistance).
- **Insurance and Compensation programs** include grants and contributions to compensate producers for production loss and production capacity loss. Two streams of programs are captured within this category: Production Insurance and Other Compensation Programs. Production Insurance (AgriInsurance) includes government premiums to the Production Insurance Funds and Other Compensation Programs includes grants and contributions to compensate producers for production losses resulting from a natural disaster (i.e., weather, pest, disease) or reoccurring wildlife damages (i.e., ongoing compensation programs such as waterfowl, wildlife, and big game). Some examples of the Other Compensation Programs are AgriRecovery initiatives and the Wildlife Crop Damage Compensation Program.
- **Financing Assistance** includes financial assistance related to credit programs such as cash advance programs with free interest, interest rebate programs, provisions for doubtful accounts, and provisions for probable losses (defaults) on loan guarantees issued by the government. It includes programs such as the Advance Payments Program (APP), Farm Improvement and Marketing Coop Loans Act (FIMCLA), Canadian Agricultural Loans Act (CALA), and Hog Industry Loan Loss Reserve Program (HILLRP).
- **Storage and Freight programs** includes grants and contributions made under transportation assistance and storage programs. For example, this category includes financial assistance to railways for grain transportation. It also includes financial assistance for maintenance and improvement of infrastructures related to storage and

transportation, e.g., the Churchill Port Utilization program. This category further includes those programs which compensate producers for transportation costs associated with disasters (AgriRecovery Initiatives), such as feed and livestock transportation assistance.

- **Social and Labour programs** include grants and contributions to community organizations and farm businesses to support and promote agricultural labour for non-farmers (labourer or student). It includes subsidies and contributions to community organizations and for general skills training, such as support to agricultural labour, e.g., Career Focus Program in Agriculture and Agri-Food, and the Youth Employment Strategy.
- **Research programs** include grants and contributions to support research and development activities, including activities related to agricultural technologies and production methods (i.e., science based research). It includes payments to research institutions, agricultural universities, producer associations as well as individual producers. Salaries of public sector researchers are excluded from this category but included under research operating expenditures. This category includes programs such as Agricultural Research Investment Fund, Agricultural Bio-products Innovation Program, Strategic Innovation Fund, Canadian Agri-Science Clusters.
- **Safety and Control Measures** include grants and contributions for activities related to food safety and quality programs, traceability, biosecurity, livestock welfare, and grading, standardization, and expenditures related to product testing and certification. This includes programs such as National Biosecurity/Traceability Systems programs, On-Farm and Post-Farm Food Safety Programs, and livestock welfare initiatives.
 

Safety and control measures also include grants and contributions related to pest and disease control measures, such as traceability and biosecurity programs for disease prevention. Programs or initiatives included in this category help quarantine and eradicate disease during an outbreak (i.e., culling of animals, disposal crops) or put in place preventative measures (i.e., animal vaccination, other veterinary services). These measures include compensation from CFIA (i.e., Health of Animals Act, Plant Protection Act, rabies, and avian influenza). They also include programs like Plum Pox Eradication Program and Golden Nematode Disaster Program.
- **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.

- **Market Development, Promotion, and Trade programs** include grants and contributions for activities related to product promotion, market research, development and maintenance, and transitioning to new markets. Programs that increase sales of agricultural products are included in this category such as agricultural exhibitions, fairs, promotional campaigns, advertising, and publications, e.g., Agri-Marketing Program (AMP), and School Milk Programs.
- **Rural and Regional Development programs** include grants and contributions for rural and regional development programs where the intended target is the agriculture sector. These programs provide assistance to diversify the rural economy and improve the quality of life in rural areas through agriculture-related initiatives. Types of initiatives under this category include support for communal physical infrastructure projects related to agriculture such as building or maintaining roads, port facilities, and hydrological infrastructure. Institutional services are also included in this category such as rural cooperatives and land and pastures management. This category includes initiatives related to agriculture under Ontario's Rural Economic Development Program and Manitoba's Rural Economic Development program.
- **Innovative Practices, Products, and Technologies** include grants and contributions that encourage producers and processors to implement innovative technologies and production methods with the purpose of improving productivity, diversifying agricultural outputs, implementing new crop varieties, or improving crop or livestock quality. This category includes initiatives which are implemented on a voluntary basis (i.e., best management practices (BMPs)) as well as to comply with new regulations (i.e., specified risk materials programs). Commercialization of new products and production methods would also be reported in this category. Conservation programs meant to implement new or modify current methods of farming with the purpose of conserving the land are also included. This category includes programs such as Manitoba Sustainable Agriculture Practices Program (MSAPP), renewable/alternative energy programs, AgriInnovation Fund, and Newfoundland's Agriculture Innovation Initiative.



- **Education programs** include grants and contributions paid to agricultural educational institutions, such as universities and veterinary colleges as well as general agricultural scholarships to individuals.
- **Extension programs** include grants and contributions paid for activities related to the provision of information through industry associations and councils. Also included are training and other extension services provided to farmers or an individual (i.e., soil and water assessments, feasibility studies, farm business plans) on a generic basis (i.e., general application assistance, accounting rules). Legal services provided to farmers such as the Farm Land Tenure Board and Surface Rights are also included. This category includes programs such as National Farm Stewardship Program, Watershed Evaluation of Beneficial Management Practices (WEBs) program, and Environmental Farm Plan initiatives.
- **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 mainly researcher salaries and expenses associated with the day-to-day operations of research branches and centres, for example, to improve production technology and product attributes in support of a competitive agri-food sector.

Operating expenditures for innovation include mainly the cost of administrating the various innovation programs.

Operating expenditures for safety and control measures 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. Innovation program expenditures include grants and contributions to producers and processors to implement innovative technologies.

Safety and control 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 on the Agri-Food Sector as a Percentage of Agriculture GDP and Agri-Food GDP, and Table C.5: Relative Importance of Agri-Food GDP and Government Expenditures in Support of the Agri-Food Sector**

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, 2013-2015

	2013	2014	2015 Preliminary
	(\$ Million)		
<b>Total value of production (at farm gate)</b>	52,542	55,719	56,254
of which: share of MPS commodities <sup>1</sup> (%)	85	85	86
<b>Total value of consumption (at farm gate)</b>	31,395	32,872	34,591
<b>Producer Support Estimate (PSE)</b>	5,514	5,571	5,483
Market price support (MPS)	3,644	3,548	3,456
Payments based on output	0	0	0
Payments based on input use	443	454	425
Payments based on current A/An/R/I <sup>2</sup> , production required	1,411	1,553	1,593
Payments based on non-current A/An/R/I, production required	0	1	1
Payments based on non-current A/An/R/I, production not required	1	0	0
Payments based on non-commodity criteria	1	0	0
Miscellaneous payments	15	15	9
<b>Percentage PSE</b>	10	10	9
<b>Producer Nominal Protection Coefficient (Producer NPC)</b>	1.07	1.07	1.07
<b>Producer Nominal Assistance Coefficient (Producer NAC)</b>	1.11	1.11	1.10
<b>General Services Support Estimate (GSSE)</b>	2,374	2,361	2,247
Agricultural knowledge and innovation system	935	916	946
Inspection and control	973	1,027	824
Development and maintenance of infrastructure	209	191	249
Marketing and promotion	237	210	207
Cost of public stockholding	0	0	0
Miscellaneous	21	17	22
<b>Consumer Support Estimate (CSE)</b>	-4,152	-3,375	-3,532
Transfers to producers from consumers	-3,619	-2,893	-3,075
Other transfers from consumers	-536	-485	-459
Transfers to consumers from taxpayers	4	3	2
Excess feed cost	0	0	0
<b>Percentage CSE</b>	-13	-10	-10
<b>Consumer Nominal Protection Coefficient (Consumer NPC)</b>	1.15	1.11	1.11
<b>Consumer Nominal Assistance Coefficient (Consumer NAC)</b>	1.15	1.11	1.11
<b>Total Support Estimate (TSE)</b>	7,892	7,935	7,732
Transfers from consumers	4,155	3,378	3,534
Transfers from taxpayers	4,273	5,042	4,657
Budget revenues	-536	-485	-459

Source: OECD, Agricultural Policy Monitoring and Evaluation 2016.

<sup>1</sup> MPS commodities for Canada are: wheat, oats, corn, barley, 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, 2013-2015

		2013	2014	2015 Preliminary
		(% share in PSE)		
<b>Australia</b>	Support based on commodity output	0	0	0
	Payments based on input use	58	59	62
	Payments based on current A/An/R/I <sup>1</sup> , production required	8	14	14
	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	29	22	20
	Payments based on non-commodity criteria	6	5	4
	Miscellaneous payments	0	0	0
<b>Canada</b>	Support based on commodity output	66	64	63
	Payments based on input use	8	8	8
	Payments based on current A/An/R/I, production required	26	28	29
	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
<b>European Union<sup>2</sup></b>	Support based on commodity output	25	21	26
	Payments based on input use	13	14	14
	Payments based on current A/An/R/I, production required	16	17	14
	Payments based on non-current A/An/R/I, production required	0	0	0
	Payments based on non-current A/An/R/I, production not required	43	45	43
	Payments based on non-commodity criteria	3	3	2
	Miscellaneous payments	0	0	1
<b>Japan</b>	Support based on commodity output	85	84	81
	Payments based on input use	3	4	3
	Payments based on current A/An/R/I, production required	5	4	8
	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	8	8
	Payments based on non-commodity criteria	0	0	0
	Miscellaneous payments	0	0	0
<b>Mexico</b>	Support based on commodity output	27	14	17
	Payments based on input use	50	62	61
	Payments based on current A/An/R/I, production required	5	5	4
	Payments based on non-current A/An/R/I, production required	18	19	18
	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
<b>New Zealand</b>	Support based on commodity output	80	81	79
	Payments based on input use	20	19	21
	Payments based on current A/An/R/I, production required	0	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 Policy Monitoring and Evaluation 2016.

<sup>1</sup> A (Area planted), An (Animal numbers), R (Receipts), I (Income).<sup>2</sup> EU27 for 2013, EU28 for 2014 and 2015.

**Table D.2: Composition of Producer Support Estimate (PSE) for Selected OECD Countries, 2013-2015 (cont'd)**

		2013	2014	2015 Preliminary
		(% share in PSE)		
<b>USA</b>	Support based on commodity output	12	32	28
	Payments based on input use	32	19	22
	Payments based on current A/An/R/I, production required	31	18	20
	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	17	26	25
	Payments based on non-commodity criteria	8	4	5
	Miscellaneous payments	0	0	0
<b>OECD</b>	Support based on commodity output	47	47	47
	Payments based on input use	13	13	13
	Payments based on current A/An/R/I, production required	14	13	13
	Payments based on non-current A/An/R/I, production required	1	1	1
	Payments based on non-current A/An/R/I, production not required	23	24	24
	Payments based on non-commodity criteria	2	2	2
	Miscellaneous payments	0	0	0

Source: OECD, Agricultural Policy Monitoring and Evaluation 2016.

<sup>1</sup> A (Area planted), An (Animal numbers), R (Receipts), I (Income).<sup>2</sup> EU27 for 2013, EU28 for 2014 and 2015.**Table D.3: Producer Support Estimate (PSE) for Selected OECD Countries, 2013-2015**

	2013	2014	2015 Preliminary	2013	2014	2015 Preliminary
	Total PSE (US\$ million)			Percentage PSE (% of gross farm receipts)		
Australia	1,086	722	589	2	1	1
Canada	5,353	5,043	4,289	10	10	9
European Union <sup>1</sup>	120,826	108,214	89,987	20	18	19
Japan	50,223	43,485	33,509	52	50	43
Mexico	6,666	6,626	5,164	11	10	9
New Zealand	130	133	101	1	1	1
USA	29,020	43,572	38,785	7	10	9
OECD	252,918	247,679	211,982	18	18	17

Source: OECD, Agricultural Policy Monitoring and Evaluation 2016.

<sup>1</sup> EU27 for 2013, EU28 for 2014 and 2015.

**Table D.4: Single Commodity Transfers (Percentage SCT)<sup>1</sup> for Selected OECD Countries, 2013-2015**

	Wheat			Maize			Barley			Canola/Rapeseed			Soybean		
	2013	2014	2015p	2013	2014	2015p	2013	2014	2015p	2013	2014	2015p	2013	2014	2015p
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	0.6	1.4	2.4	1.9	2.8	1.8	0.8	2.1	4.3	0.4	1.0	2.4	0.6	1.3	1.7
European Union <sup>2</sup>	3.2	2.7	12.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Japan	49.4	49.0	45.9	n.c.	n.c.	n.c.	65.7	63.2	68.9	n.c.	n.c.	n.c.	51.9	38.4	42.5
Mexico	12.4	9.3	5.1	4.5	5.3	7.1	4.0	4.6	5.1	n.c.	n.c.	n.c.	3.9	3.1	8.9
New Zealand	0.0	0.0	0.0	0.0	0.0	0.0	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
USA	8.2	7.1	7.3	4.6	4.0	4.4	3.8	3.3	3.6	n.c.	n.c.	n.c.	3.4	3.4	3.6
OECD	6	5.3	9.3	3.9	3.7	4.2	3.7	4.4	4.6	0.3	0.5	1.2	5.1	4.4	4.5

	Beef and veal			Pigmeat			Milk			Poultry			Eggs		
	2013	2014	2015p	2013	2014	2015p	2013	2014	2015p	2013	2014	2015p	2013	2014	2015p
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	1.6	10.1	5.7	3.8	0.9	1.1	39.2	35.6	47.2	16.2	1.2	2.0	24.4	-1.5	-49.6
European Union	39.5	24.6	28.1	1.7	-0.2	-1.5	1.3	1.6	3.4	10.6	12.7	5.8	-0.3	-0.2	-1.5
Japan	30.1	29.9	29.6	60.3	55.3	61.4	44.4	51.3	53.8	10.2	10.3	10.3	15.2	14.4	14.4
Mexico	6.4	5.6	3.1	10.7	6.7	12.8	0.0	0.0	0.0	12.8	6.3	0.0	9.6	0.0	0.0
New Zealand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.1	12.0	8.5	18.5	22.5	21.9
USA	0.4	5.3	3.2	0.0	0.0	0.0	5.7	13.5	15.0	0.0	0.0	0.0	0.0	0.0	0.0
OECD	17.5	14.5	13.9	8.2	7.8	10.3	6.3	9.4	12.7	8.2	6.4	4.4	6.7	4.5	2.6

Source: OECD, Agricultural Policy Monitoring and Evaluation 2016.

p: Preliminary

n.c.: not calculated

<sup>1</sup> Percentage of farm gross receipts for the specific commodity.<sup>2</sup> EU27 for 2013, EU28 for 2014 and 2015.**Table D.5: General Services Support Estimate (GSSE)<sup>1</sup> for Selected OECD Countries, 2013-2015**

	2013	2014	2015 Preliminary	2013	2014	2015 Preliminary
	GSSE (in US\$ million)			GSSE as a share of TSE (%)		
Australia	1,114	1,161	958	51	62	62
Canada	2,305	2,137	1,758	30	30	29
European Union <sup>2</sup>	15,362	15,598	13,489	11	12	13
Japan	9,878	8,533	6,736	16	16	17
Mexico	966	1,062	794	12	13	12
New Zealand	412	427	384	76	76	79
USA	10,413	7,889	8,735	12	8	11
OECD	47,894	43,591	39,559	14	13	14

Source: OECD, Agricultural Policy Monitoring and Evaluation 2016.

<sup>1</sup> See note at the end of the methodology.<sup>2</sup> EU27 for 2013, EU28 for 2014 and 2015.

Table D.6: Composition of General Services Support Estimate (GSSE)<sup>1</sup> for Selected OECD Countries, 2013-2015

		2013	2014	2015 Preliminary
		(% share in GSSE)		
<b>Australia</b>	Agricultural knowledge and innovation system	63	56	54
	Inspection and control	9	9	11
	Development and maintenance of infrastructure	27	34	33
	Marketing and promotion	1	1	2
	Cost of public stockholding	0	0	0
	Miscellaneous	0	0	0
<b>Canada</b>	Agricultural knowledge and innovation system	39	39	42
	Inspection and control	41	44	37
	Development and maintenance of infrastructure	9	8	11
	Marketing and promotion	10	9	9
	Cost of public stockholding	0	0	0
	Miscellaneous	1	1	1
<b>European Union<sup>2</sup></b>	Agricultural knowledge and innovation system	45	48	49
	Inspection and control	6	6	6
	Development and maintenance of infrastructure	31	30	28
	Marketing and promotion	18	15	16
	Cost of public stockholding	0	0	0
	Miscellaneous	0	0	0
<b>Japan</b>	Agricultural knowledge and innovation system	13	13	13
	Inspection and control	1	1	1
	Development and maintenance of infrastructure	84	84	83
	Marketing and promotion	1	1	1
	Cost of public stockholding	2	2	2
	Miscellaneous	0	0	0
<b>Mexico</b>	Agricultural knowledge and innovation system	47	44	51
	Inspection and control	9	8	14
	Development and maintenance of infrastructure	41	46	33
	Marketing and promotion	2	2	2
	Cost of public stockholding	0	0	0
	Miscellaneous	0	0	0
<b>New Zealand</b>	Agricultural knowledge and innovation system	50	49	50
	Inspection and control	31	32	33
	Development and maintenance of infrastructure	19	18	17
	Marketing and promotion	0	0	0
	Cost of public stockholding	0	0	0
	Miscellaneous	0	0	0
<b>United States</b>	Agricultural knowledge and innovation system	22	29	27
	Inspection and control	13	17	15
	Development and maintenance of infrastructure	41	26	29
	Marketing and promotion	12	13	15
	Cost of public stockholding	0	0	0
	Miscellaneous	12	16	14
<b>OECD</b>	Agricultural knowledge and innovation system	30	33	33
	Inspection and control	8	9	9
	Development and maintenance of infrastructure	47	44	41
	Marketing and promotion	10	10	11
	Cost of public stockholding	1	1	1
	Miscellaneous	3	3	4

Source: OECD, Agricultural Policy Monitoring and Evaluation 2016.

<sup>1</sup> See note at the end of the methodology.<sup>2</sup> EU27 for 2013, EU28 for 2014 and 2015.

**Table D.7: Consumer Support Estimate (CSE) for Selected OECD Countries, 2013-2015**

	2013	2014	2015 Preliminary
	Percentage CSE (%) <sup>1</sup>		
Australia	0	0	0
Canada	-13	-10	-10
European Union <sup>2</sup>	-6	-4	-5
Japan	-43	-40	-38
Mexico	-2	0	-1
New Zealand	-3	-3	-2
USA	18	12	7
OECD	-7	-7	-8

Source: OECD, Agricultural Policy Monitoring and Evaluation 2016.

<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 2013, EU28 for 2014 and 2015.

**Table D.8: Total Support Estimate (TSE) for Selected OECD Countries, 2013-2015**

	2013	2014	2015 Preliminary
	Total Support Estimate in percentage of GDP (%)		
Australia	0.1	0.1	0.1
Canada	0.4	0.4	0.4
European Union <sup>1</sup>	0.8	0.7	0.7
Japan	1.2	1.1	1.0
Mexico	0.7	0.7	0.6
New Zealand	0.3	0.3	0.3
USA	0.5	0.6	0.4
OECD	0.7	0.7	0.6

Source: OECD, Agricultural Policies Monitoring and Evaluation 2016.

<sup>1</sup> EU27 for 2013, EU28 for 2014 and 2015.

## 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 that facilitates policy analysis and improves 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, 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, 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.