

BUDGET 2020

GOVERNMENT OF ALBERTA | 2020-23

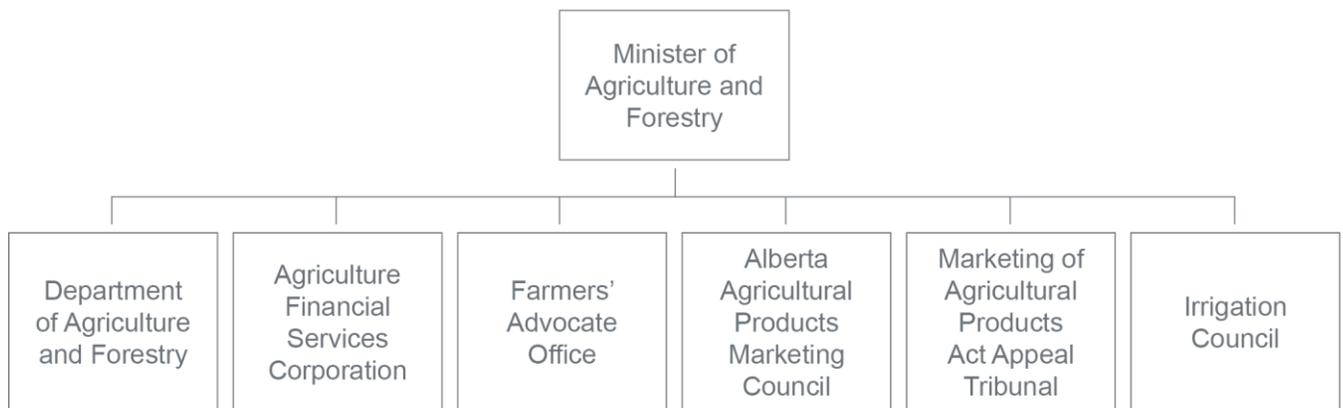
Ministry Business Plan Agriculture and Forestry

Agriculture and Forestry

Business Plan 2020-23

Ministry Mandate and Structure

The ministry of Agriculture and Forestry supports the sustainable development of the agriculture and forest sectors through legislation, policies, regulations, programs, and services. The ministry is committed to the government’s vision of economic growth, and aims to build public confidence in the safety of the province’s food production systems, protect Albertans from the risk of wildfires, strengthen rural communities, and manage Crown forests. The ministry strives to enable the agriculture and forest sectors to increase their contribution to the long-term prosperity of Alberta by ensuring a sustainable supply of wood fibre, building value-added processing capacity and opening markets for exports globally and domestically. Working collaboratively with other ministries, industry partners, farmers, ranchers, Indigenous communities, and other Albertans, the ministry enables Alberta’s agriculture and forest sectors to grow and prosper into the future.



A more detailed description of Agriculture and Forestry and its programs and initiatives can be found at:

<https://www.alberta.ca/agriculture-and-forestry.aspx>

The Ministry of Agriculture and Forestry is committed to the ongoing review of programs and services to ensure that the best possible outcomes are being achieved for Albertans. As part of this ongoing review, the ministry is committed to reducing red tape to make life easier for hard-working Albertans and businesses. This includes reducing regulatory burden and unnecessary processes to encourage economic growth and job creation; and make Alberta one of the freest and fastest moving economies in the world. The ministry is committed to working towards achieving the one-third reduction in the number of regulatory requirements in its statutes, regulations, policies and forms by 2023.

Ministry Outcomes

- Growth and Sustainability of Alberta's Agriculture and Forest Sectors
- Public Health and Safety
- Responsible Resource Management
- Thriving Rural Communities

Outcome 1

What We Want To Achieve

Growth and Sustainability of Alberta's Agriculture and Forest Sectors

The strength of the agriculture and forest sectors is their ability to pursue new and existing opportunities and respond to challenges. The ministry is working to promote Alberta as an attractive place for investment, build value-added processing capacity, and secure access to domestic and international markets while responding to changing consumer demands. In 2018, agriculture and forest sectors employed over 100,000 Albertans. The ministry's objectives aim to grow and expand primary agricultural commodities, value-added agri-food processing, and forest products exports, and trade.

Key Objectives

- 1.1 Provide focused trade services for Alberta's agriculture and forest sectors to secure access to current and new growth markets, and advocate on their behalf for fair long-term trade agreements.
- 1.2 Expand the agriculture and forest sectors through research and development to encourage growth and diversification in secondary wood product development, and the food and value-added processing sector.
- 1.3 Identify strategic opportunities to create the environment for business success by reviewing existing policies, processes and regulatory instruments to eliminate red tape.
- 1.4 Develop and implement a strategy to attract \$1.4 billion in investments over the next four years, enhance value-added processing and grow agriculture and agri-food exports. This growth strategy will have the potential to create 2,000 jobs in key sectors such as canola processing, pork industry, plant protein, greenhouse, food processing malt industry, agri-technology, and other emerging sectors
- 1.5 Deliver agricultural insurance products to give producers tools to reduce the economic impacts of risks beyond their control that threaten the viability of their farms.
- 1.6 Transition to a farmer-led agricultural research model.

Initiatives Supporting Key Objectives

- AgriInsurance is part of the suite of Business Risk Management programs provided through the Agriculture Financial Services Corporation to support the agricultural economy by providing insurance coverage to Alberta producers to assist in managing the risks associated with livestock and crop production. In 2020-21, \$405.5 million is allocated.
- The Canadian Agricultural Partnership is a five-year cost-shared agreement between Alberta and Canada. Funding provided from the Government of Canada through the bilateral Canadian Agricultural Partnership Agreement is used to support a profitable and innovative agriculture, agri-food and agri-based industry. In 2020-21, \$42.3 million is allocated.

Performance Metrics

1.a Performance Measure: Number of value-added agriculture products developed and successfully introduced into the market with assistance from Agriculture and Forestry

In 2018-19, 299 value-added agriculture products were developed and successfully introduced into the market with assistance from Agriculture and Forestry.

TARGETS

2020-21:	280
2021-22:	295
2022-23:	310

1.b Performance Measure: Percentage of eligible seeded acres for major crop categories insured under Production Insurance

In 2018, 71 per cent of seeded acres for annual crops and 28 per cent of seeded acres for perennial crops in Alberta were insured under Production Insurance.

TARGETS

	2020-21	2021-22	2022-23
Annual Crops	73%	74%	75%
Perennial Crops	30%	30%	31%

1.c Performance Indicator: Timber royalties and fees from harvested timber (\$ millions)

In 2018-19, \$125.9 million in provincial revenues was collected from timber royalties and fees from harvested timber on Crown lands.

ACTUALS

2014-15	2015-16	2016-17	2017-18	2018-19
57.4	51.3	69.9	139.9	125.9

1.d Performance Indicator: Alberta's agri-food exports by sector (\$ millions)

In 2018, Alberta's agri-food exports reached another record at \$11.6 billion, an increase of 3 per cent from 2017.

ACTUALS

	2014	2015	2016	2017	2018
Primary agriculture commodities	5,476	5,379	4,957	5,653	5,519
Percentage growth	8%	-2%	-8%	14%	-2%
Value-added agriculture products	4,278	4,802	5,036	5,584	6,077
Percentage growth	17%	12%	5%	11%	9%
Total agri-food exports	9,754	10,181	9,993	11,237	11,595
Percentage growth	12%	4%	-2%	12%	3%

1.e Performance Indicator: Alberta's forest products exports by sector (\$ millions)

In 2018, Alberta's forest products exports reached \$4.2 billion, an increase of 20 per cent from 2017.

ACTUALS

	2014	2015	2016	2017	2018
Primary solid wood products	2,623	2,923	3,041	3,358	4,049
Percentage growth	15%	11%	4%	10%	21%
Value-added timber-based products	96	93	87	106	117
Percentage growth	26%	-3%	-7%	23%	10%
Total forest products exports	2,719	3,016	3,128	3,464	4,166
Percentage growth	15%	11%	4%	11%	20%

Outcome 2

What We Want To Achieve

Public Health and Safety

The protection of communities from wildfires, and the production of safe food are top priorities for this ministry. Agriculture and Forestry is committed to protecting communities from the negative impacts of wildfires, and ensuring the regulations and systems that support food safety and animal health are effective in protecting human health and maintaining public trust. The ministry continuously adapts and improves its assurance systems and evidence-based policies, and strives to improve its ability to anticipate, prevent, recognize, respond to and recover from wildfires and other agriculture-related health and safety risks to Albertans.

Key Objectives

- 2.1 Continue to implement the provincial FireSmart program to help protect Albertans, their homes and communities, critical infrastructure, and natural resources from the threat of wildfire.
- 2.2 Continue to implement programs that improve agriculture's ability to anticipate and mitigate risks that could affect animal and human health.
- 2.3 Conduct inspection, surveillance, and extension activities to ensure food safety.
- 2.4 Develop and implement effective policies and processes for wildfire preparedness and a risk management framework to reduce the risk of wildfires to communities and to promote healthy ecosystems.

Initiatives Supporting Key Objectives

- Wildfire threats are managed and preparedness systems are in place to reduce risk to human life, communities, other values, and promote healthy ecosystems. This initiative includes the FireSmart program. In 2020-21, \$102.4 million is allocated.
- Public safety is protected by conducting surveillance, inspection, and extension to address food safety risks and hazards. In 2020-21, \$12.6 million is allocated.
- Crop and livestock health monitoring, surveillance and disease investigations reduce risks that may affect animal and human health and crop production systems. This initiative includes red tape reduction initiatives to modernize animal and crop disease control policies, and administration of the *Animal Health Act*, *Agricultural Pest Act*, *Weed Control Act* and other related Acts. In 2020-21, \$14.3 million is allocated.

Performance Metrics

2.a Performance Measure: Percentage of wildfires contained before 10 a.m. the day following assessment

In 2018, the Ministry responded to 1,269 wildfires of which 96.9 per cent were contained before 10 a.m. the day following assessment.

TARGETS

2020-21:	97%
2021-22:	97%
2022-23:	97%

2.b Performance Measure: Percentage of active Agriculture and Forestry licensed meat facilities that meet provincial slaughter and meat processing requirements *(The wording for this performance measure has been updated to align with the Meat Inspection Act. However, no change was made to the methodology.)*

In 2018, 89 per cent of active Agriculture and Forestry licensed meat facilities met or exceeded provincial animal slaughter and meat processing requirements at all slaughter and meat processing inspections.

TARGETS

2020-21:	100%
2021-22:	100%
2022-23:	100%

Outcome 3

What We Want To Achieve

Responsible Resource Management

Agriculture and Forestry invests in the development of information and the delivery of programs aimed at supporting environmental stewardship and increasing the awareness, understanding, and adoption/adaptation of sustainable practices by the agriculture and forest sectors. Sustainable forestry will focus on balancing the needs of a functional ecosystem, as well as securing long-term fibre supply for the forest industry. This includes evaluating constraints on industry's access to fibre to ensure we are getting the most out of this important natural resource and supporting forest industry jobs. Similarly, growth of agriculture and agri-food production will be achieved while reducing impact on the environment. The ministry focuses on policy development, knowledge transfer, and the dissemination of information that will encourage and promote environmentally sustainable practices within water management, bio-economy, agriculture, and timber production.

Key Objectives

- 3.1 Assist primary producers and agri-processing companies to adopt environmental stewardship practices as part of improving sustainable resource management through policy, information development, programs and services.
- 3.2 Provide support to agricultural producers to reduce the impact of agricultural production on surface water and groundwater supply and quality.

- 3.3 Collaborate with the public, Indigenous communities, and industry to build public and consumer trust in Alberta's agriculture, food, and forest systems.
- 3.4 Protect and enhance the health of Alberta's forest resources to provide social, economic, recreational and cultural value to Albertans.
- 3.5 Manage Alberta's timber resources to balance the economic, social and environmental needs of Albertans.

Initiatives Supporting Key Objectives

- The Irrigation Rehabilitation Program is an annual cost-shared program that assists Alberta's 13 irrigation districts to improve conveyance infrastructure and management techniques to enable improved water-use efficiency. In 2020-21, \$10 million is allocated.
- Sustainable Crown forest management includes maintaining forest health and productivity through innovative tree breeding programs, and aerial pest assessments. This initiative includes the mountain pine beetle management program, which encompasses detection, monitoring, and control of mountain pine beetle populations across Alberta. In 2020-21, \$51.2 million is allocated.

Performance Metrics

3.a Performance Measure: Percentage of irrigated agriculture area under efficient irrigation systems within Alberta's thirteen irrigation districts

In 2017, over 77 per cent of agriculture areas within Alberta's thirteen irrigation districts were irrigated using efficient irrigation systems.

TARGETS

2020-21:	79%
2021-22:	81%
2022-23:	83%

3.b Performance Measure: Sustainable timber harvest by annual allowable cut and harvest (million cubic metres) *(This measure reflects a timber harvest level that will maintain Alberta's healthy forests, and support Alberta's economic development. To achieve this, the volume of timber harvested must be less than or equal to the approved harvest level.)*

The 2017-18 harvest level of 23 million cubic metres was below the annual allowable cut of 32 million cubic metres during the same time period.

TARGETS

2020-21:	Harvest does not exceed
2021-22:	the approved
2022-23:	harvest level

3.c Performance Measure: Percentage of forest regrowth as a result of reforestation

In 2017-18, the percentage of forest regrowth following timber harvest was 98.5 per cent.

TARGETS

2020-21:	98%
2021-22:	98%
2022-23:	98%

Outcome 4

What We Want To Achieve

Thriving Rural Communities

This ministry will continue to provide targeted programs and services to rural communities and businesses that support the agriculture and forest sectors. The ministry supports business development initiatives that offer socioeconomic benefits in rural areas. Lending programs from the Agriculture Financial Services Corporation support young farmers, growing and established producers, agribusinesses, and food processors to achieve their full economic growth and potential. Rural communities succeed when residents and businesses have the means to adapt to and benefit from a range of opportunities that lead to growth in diverse rural businesses and an improved quality of life.

Key Objectives

- 4.1 Provide grants and services to industry, individuals, and communities to enhance the quality of life in rural Alberta.
- 4.2 Execute the Agriculture Financial Services Corporation's lending mandate to support the development and competitiveness of primary agriculture, agribusinesses, and value-added agri-processors.
- 4.3 Deliver agriculture and forestry education, knowledge transfer, and training programs and services to build and strengthen rural community capacity.

Initiatives Supporting Key Objectives

- A suite of programs and services are administered to encourage improvement in rural Albertans' quality of life. These initiatives include grant programs such as the Rural Gas and Rural Electric programs, the Remote Area Heating Allowance, and the Agricultural Society Grant program, as well as support for youth development programs such as 4-H. In 2020-21, \$18.8 million is allocated.

Performance Metrics

4.a Performance Measure: Total investment leveraged in rural businesses and agribusinesses facilitated through Agriculture Financial Services Corporation (AFSC) lending services (\$ million)

(Targets have been increased to reflect AFSC revised loan volume projections, including expected increases in agribusiness loan authorizations, and the increase in AFSC's lending limit.)

In 2018-19, AFSC's direct lending contribution, partnerships, and collaboration with stakeholders resulted in \$478 million in investments leveraged in farm, rural businesses, and value-added agribusinesses.

TARGETS

2020-21:	840
2021-22:	881
2022-23:	925

4.b Performance Indicator: Number of Alberta farmers receiving services from ministry-funded Rural Electric grant program

In 2017-18, \$494,639 was provided to 132 rural Albertans and businesses under the ministry's Rural Electric grant program.

ACTUALS

	2013-14	2014-15	2015-16	2016-17	2017-18
Number of Grants Issued	120	126	164	168	132
Total Grant (\$)	\$435,721	\$453,101	\$594,143	\$664,236	\$494,639

STATEMENT OF OPERATIONS

(thousands of dollars)	Comparable			2020-21 Estimate	2021-22 Target	2022-23 Target
	2018-19 Actual	2019-20 Budget	2019-20 Forecast			
REVENUE						
Internal Government Transfers	2,155	-	-	-	-	-
Transfers from Government of Canada	279,369	276,666	368,526	293,394	290,293	291,061
Investment Income	137,934	137,332	154,525	157,118	164,241	172,873
Premiums, Fees and Licences	463,330	405,118	455,628	465,006	479,871	492,157
Other Revenue	11,686	6,390	6,533	4,808	4,370	4,321
Ministry Total	894,474	825,506	985,212	920,326	938,775	960,412
Inter-Ministry Consolidations	(2,904)	(1,612)	(1,612)	(1,612)	(1,612)	(1,612)
Consolidated Total	891,570	823,894	983,600	918,714	937,163	958,800
EXPENSE						
Ministry Support Services	18,123	17,388	17,388	16,799	16,634	16,469
Rural Programming and Agricultural Societies	19,888	19,561	19,561	18,854	21,304	21,304
Processing, Trade and Intergovernmental Relations	67,099	36,906	36,906	34,006	31,810	30,975
Primary Agriculture	98,226	93,114	93,114	72,907	79,110	78,910
Lending	28,672	33,196	35,520	34,122	31,268	31,210
Insurance	672,995	410,326	832,159	407,344	407,311	407,072
Agriculture Income Support	89,395	90,405	235,414	89,578	89,530	89,514
Forests	376,338	676,812	670,812	168,953	167,415	166,415
Climate Change Initiatives	36,481	2,500	2,500	-	-	-
Canadian Agricultural Partnership	38,263	42,263	42,263	42,254	42,254	42,254
Debt Servicing Costs	69,250	67,361	69,794	72,374	75,762	77,561
Ministry Total	1,514,730	1,489,832	2,055,431	957,191	962,398	961,684
Inter-Ministry Consolidations	(82,221)	(79,292)	(81,725)	(84,305)	(87,693)	(89,492)
Consolidated Total	1,432,509	1,410,540	1,973,706	872,886	874,705	872,192
Net Operating Result	(540,939)	(586,646)	(990,106)	45,828	62,458	86,608
CAPITAL INVESTMENT						
Ministry Support Services	228	990	250	1,730	990	990
Processing, Trade and Intergovernmental Relations	1,050	1,667	511	3,287	631	631
Primary Agriculture	1,329	1,196	456	1,396	656	656
Lending	1,455	2,031	2,031	1,092	877	1,079
Insurance	1,028	4,861	4,861	5,844	6,184	5,615
Agriculture Income Support	2,998	681	681	637	512	879
Forests	11,817	11,673	11,673	11,110	10,960	10,960
Ministry Total	19,905	23,099	20,463	25,096	20,810	20,810
Inter-Ministry Consolidations	(470)	-	-	-	-	-
Consolidated Total	19,435	23,099	20,463	25,096	20,810	20,810