


NOVA SCOTIA
Agriculture



**Accountability
Report**



for the fiscal year 2007–2008

**Department of Agriculture
Annual Accountability Report for the Fiscal Year 2007-2008**

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Accountability Statement

The accountability report of the Department of Agriculture for the year ending March 31, 2008 is prepared pursuant to the *Provincial Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the Department of Agriculture business plan for the fiscal year 2007–2008. The reporting of the Department of Agriculture outcomes necessarily includes estimates, judgments and opinions by Department of Agriculture management.

We acknowledge that this accountability report is the responsibility of Department of Agriculture management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the Department of Agriculture business plan for the year.

Hon. Brooke Taylor
Minister

Dr. Paul LaFleche
Deputy Minister

Message from the Minister

I am pleased to present the Department of Agriculture accountability report for 2007-2008.

This report describes the progress made throughout the year in support of Nova Scotia's agriculture and agri-food industries. Department staff continue to address issues related to the environment, industry growth, responsible governance, and education and life-long learning.

I encourage readers to visit the Department of Agriculture's website at www.gov.ns.ca/agri/ to learn more about the role agriculture plays in our province.

Introduction

This report is based on the goals, priorities, and performance measures set out in the Department of Agriculture business plan for 2007-2008. The report is organized according to the department's four core business areas: Sustainable Resource Management, Industry Growth and Development, Responsible Governance, and Education and Life-Long Learning.

Department Progress and Achievements

Core Business 1: Sustainable Resource Management- Balances industry development with environmental and social responsibility through applied research, technology transfer, generally accepted management principles, and industry and public awareness.

Priority – Develop a new deadstock model for the province.

Achievements:

- Negotiated, signed and implemented the Canada/Nova Scotia Agreement Establishing the Facilitating of the Disposal of Specified Risk Materials (SRM) Initiative. The agreement was signed in Spring 2007 with the aim of facilitating the handling and disposal of SRMs. Through this agreement the Province has increased deadstock collection capacity and has provided funding to assist deadstock haulers purchase additional SRM hauling equipment. In 2007-2008, \$138,809 was provided through the SRM fund for this purpose. The department, through the Agri-food Industry Development Fund, also provided assistance to private abattoirs in order to help them meet regulations surrounding the handling and disposal of SRMs.
- Investigated sustainable management options for SRMs. Five research projects examining sustainable management for SRMs are being carried out through the Nova Scotia Agricultural College with funding from the Innovative Research and Technology Transfer Program.

Core Business 2: Industry Growth and Development – Focuses on Nova Scotia’s rural and coastal communities by investing in industry stability, new economic opportunities and strategic development partnerships.

Priority – Place Nova Scotia in a strong position in support of the Next Generation Agricultural Policy Framework, APF II¹.

¹ The Next Generation Agricultural Policy Framework “APF II” has been named “Growing Forward”.

Achievements:

- Participated in industry consultations and federal/provincial/territorial (F/P/T) working groups to support development of the Growing Forward Framework Agreement. The third round of national consultations for Growing Forward was held in 2007-2008. The Department of Agriculture and the Nova Scotia Federation of Agriculture (NSFA) participated in these meetings, which were held in Ottawa and Winnipeg and departmental leads for framework chapters continued to work with their respective F/P/T working groups. The Growing Forward Framework Agreement is a five-year (2008-2012) coordinated F/P/T strategy aimed at creating a prosperous, sustainable, competitive and innovative agriculture, agri-food and agri-product based sector. In addition to this work, an interim agreement was signed in 2007-2008, allowing APF programming to continue until signing of the Growing Forward Framework Agreement.
- Supported development of the Growing Forward Framework Agreement by participating in a “lessons learned” approach for evaluating the original Agricultural Policy Framework (APF). Determining lessons learned was critical for guiding program development under the Growing Forward Framework Agreement. Growing Forward builds on the best of APF and incorporates input and ideas for improvements in programming from stakeholders.
- Continued to support the negotiation and consultation process for the Growing Forward Framework. This included the development of proposed programs to facilitate the next phase of negotiations and dedicating staff resources to participate as chapter leads in the five key theme areas of Growing Forward.

Priority– Increase the competitiveness of the Nova Scotia agriculture and food sectors through targeted business development initiatives and sector strategy development.

Achievements:

Business Development Initiatives

- Organized a two-day *Growing Opportunities*² conference to help create additional linkages between local food producers, processors and food service providers such as farmers markets, grocery stores and restaurants. The conference was designed to educate participants on the challenges and logistical constraints of the local food chain and to raise awareness of the standards and other conditions that need to be met to sell locally. Speakers included entrepreneurs, leaders from business, academia and government

²The Growing Opportunities conference was organized by the Department of Agriculture’s Industry Development and Business Services Division, which delivers services to both the Department of Agriculture and the Department of Fisheries and Aquaculture.

sharing insight and guidance on seizing new opportunities. The conference was attended by 150 people, including producers, service providers and other industry and government stakeholders.

- Partnered with Agriculture and Agri-food Canada on renewal business initiatives including farm assessments, business planning, feasibility studies, and skills development. A total of 151 farms were assisted through APF renewal programs. Examples of these initiatives include:
 - The SPROUT Community Food Enterprise project which researched creative, low-capital business models that provide options for producers to connect directly with local customers.
 - The Organic Transition and Risk Management Initiative/ACORN Organic Path researched and presented best practices, business planning, transition risks and management strategies for current and future certified organic farmers. The tool provides information for producers to assess options for certified organic production.

Commodity and Sector Development

- Released a high-level report on competitive transition for the agriculture industry, as part of the Competitiveness Transition Project. The aim of this project is to examine ways to promote long-term stability of the province's food industry and investigate methods for achieving increased competition in the agriculture industry. This report examines the impact of global trends, the state of Nova Scotia's agriculture industry, and includes an analysis of economic options that could potentially shape policy to support a transition toward increased competitiveness. Industry and the department are now jointly developing action steps that will lead to competitive transition.
- Continued renewal initiatives in various sectors including pork and apples. The department provided direct support to the pork industry for renewal including investigation of new business opportunities and compiling and distributing information kits on programs and services available to the hog sector. Information kits were distributed to every registered hog producer in the province. The department also partnered with industry in year three of the orchard renewal program. This program is designed to assist the industry move toward more productive and competitive tree fruit varieties and improve the quality of fresh fruit in the marketplace. Uptake in the renewal program is high with over 237 acres of new plantings and \$705,000 from government and industry committed to the program.
- Signed an agreement with the federal government for the Orchards and Vineyards Transition program, providing \$3.8 million to help the tree fruit and grape industries be more competitive and profitable. Eligible producers can access assistance for replacing

orchards and vineyards with more productive and higher yielding varieties. This program will help address industry pressures such as changing consumer preferences, low-cost imports, and increased production costs.

- Worked with the Wine Association of Nova Scotia (WANS) and the Nova Scotia Liquor Corporation (NSLC) to complete an economic impact study for the grape and wine industry. The department also worked with the WANS and industry stakeholders to develop a new four-year strategy and developed a marketing campaign for the wine industry in collaboration with Taste of Nova Scotia. In 2007-2008, amendments were made to the *Agriculture and Marketing Act*, which will allow the Minister to enact regulations with respect to the wine industry. Regulations will include provisions for registration of farm wineries, acreage certifications, cellar audits and quality standards.
- Provided income assistance to the pork and ruminant sectors through the Transitional Assistance program (TAP). TAP was intended to provide debt relief specifically to these sectors, in light of challenging circumstances affecting business operations. This program provided a grant to pay down debt in the Ruminant Loan Support program and the Pork Nova Scotia Loan. In 2007-2008, \$6.2 million in debt relief was provided under this program (\$2.7 million for ruminants and \$3.5 million for hogs). The department also provided \$92,000 to the ruminant sector through the Ruminant Loan Support program interest grant. This grant was provided through the Farm Loan Board and was intended to provide relief to those in the beef sector experiencing difficulties as a result of BSE in the western provinces. The final year for the Ruminant Loan Support program interest grant was 2007-2008 and the program is now complete.
- In 2007-2008, four projects received funding under the Strategic Infrastructure Investment Fund (SIIF), totaling \$2.36 million over four years. The SIIF aims to help producers and processors strengthen their infrastructure and sustainability. Examples of projects funded in 2007-2008 include apple processing technology and support for an organic grain storage facility. This was the first year of the four year, \$6 million fund.
- Worked toward staffing a number of positions to address key priorities in the agriculture industry. Key staffing areas include animal health and welfare, environmental management and land protection, marketing and product development and key front line support. These positions will serve as valuable resources to the industry as a whole.

Priority– Increase the value of Nova Scotia’s agriculture and food sectors through development and diversification of market, product, service and technology opportunities.

Achievements:

Market & Product Development and Diversification

- Completed the Atlantic Canada Direct Marketing Study, through the Council of Atlantic Premier's Atlantic Food Team. This study looked at challenges and opportunities for farmers markets, smaller retailers, internet-based businesses and other direct marketers throughout the region. The main objectives of this study were to develop a better understanding of the direct marketing industry in Atlantic Canada, develop case studies highlighting best practices, and define projects to further enhance the effectiveness of the industry and to increase profitability. Copies of the study were distributed to direct marketing associations and economic development authorities. The Council of Atlantic Premier's Atlantic Food Team also began exploring a pilot project for an Atlantic Canada buy local and branding campaign.
- Helped agri-food and seafood producers and processors develop proactive measures to address evolving market demands. The department worked with industry partners to identify circumstances with the potential to strengthen or slow their competitiveness, and to develop strategies to adapt. For example, the department continued to participate in the Canadian Nutrition Labeling Project to educate, share new information and best practices, and guide industry participants on how to comply with food safety labeling regulations. Approximately 1,200 people attended nutrition labeling workshops and other presentations between 2005 and 2007.
- Supported the growth of the Atlantic BioVenture Centre (ABVC) at the Nova Scotia Agricultural College (NSAC). The ABVC has a mandate to conduct "development requiring research" commercialization activities aimed at capturing value of bio-based opportunities in the new bio-economy for Nova Scotia and Atlantic agriculture. Several projects are underway at the centre, including development and investigation of products for the natural health product drinks market.
- Provided cost-shared funding to help seafood and agri-food industry partners develop new, value-added products and technologies to access new markets. The department provided funding for 13 new projects, one of which was initiated by a new business. Altogether, a total of 19 new products and two new technologies were produced through these projects.

Taste of Nova Scotia, Select Nova Scotia and Buy Local

- Provided funding support to Taste of Nova Scotia and continued to participate on the board of directors, promoting restaurants and local food throughout the province, and working to make Nova Scotia the destination and supplier of choice for a quality food experience. The department also helped initiate a five-year strategic planning process and

work plan for the organization that includes ongoing promotional activities, market intelligence, and a new brand logo to bolster market presence for members. Taste of Nova Scotia also assumed the management contract for the Winery Association of Nova Scotia to strengthen partnerships, integrate communications and open up more opportunities for both organizations. Taste of Nova Scotia has 108 members, including agri-food and seafood producers and elite restaurants dedicated to the Nova Scotia experience.

- Launched Select Nova Scotia, the Province's buy local initiative in August, 2007. The aim of Select Nova Scotia is to promote awareness, increase consumer knowledge and encourage consumption of Nova Scotia agri-food and seafood products. The consumer launch (August 22- October 3) included a province-wide billboard and radio campaign, initiatives with selected retailers, newspaper inserts, activities at farm markets and food establishments and launch of a consumer-focused website. Promotional materials (stickers, aprons, grocery bags etc.) were also distributed to Select Nova Scotia participants. Over 111³ companies (producers, businesses) have signed on with the program and numbers continue to increase.
- Rolled out the Meet Your Match program, under the umbrella of Select Nova Scotia and Taste of Nova Scotia. A series of events, focused on creating awareness and relationship building, were held throughout the province. The Meet Your Match program brings together chefs and local producers to develop relationships and create awareness of the products producers are able to supply and the specific items chefs require for their restaurants. This enhances opportunities for local products to be used within the restaurant and foodservice sectors.

***Priority**– Expand and develop Nova Scotia agriculture and food sectors investment and lending initiatives and partnerships to capture growth opportunities.*

Achievements:

- Provided new loan capital to the agriculture industry through the services of the Farm Loan Board. The loan board approved 138 loan applications in 2007-2008, advancing \$22.3 million. In order to better meet client needs, the board's interest rate structure was modified slightly to provide for repayment terms up to 30 years (from 25). As of March 31, 2008 the Farm Loan Board had a total portfolio of \$185 million. This represented 1,140 loans and 36 leases to approximately 770 clients. The board generally approves approximately 150-200 new loans annually. Loans to major commodity groups included dairy (33 percent), poultry (19 percent), hogs (11 percent) and beef (9 percent).

³As of November 28, 2008.

- Continued to administer the New Entrants to Agriculture program through the Farm Loan Board to help new entrants develop successful farming operations. The Farm Loan Board disbursed \$456,000 in program grants and accepted 31 applications in 2007-2008, resulting in a commitment to disburse an additional \$536,000 in the following two years.
- Developed and began implementing the first year of a three-year trade plan for agri-food and seafood products to complement the provincial trade strategy. The department's trade plan focuses on six strategic directions, including market diversification, product branding, co-ordination in the delivery of provincial trade services, building and maintaining strategic alliances, maintaining presence in markets of importance, and strategic research. The department continued ongoing trade activities in 2007-2008 with a particular focus on the Northern and Eastern European markets, the Caribbean and the Northeastern United States. The department's market development efforts directly contributed to \$18.74⁴ million in agri-food and seafood export sales in 2007-2008.
- Continued initiatives to support growth in the organics sector. In 2007-2008, Deputy Ministers of Agriculture signed a memorandum of understanding and committed \$135,000 over three years to the Atlantic Canada Organic Research Network. Additionally, the organic industry completed a strategic growth plan to address areas such as extension, education and training, transition, and marketing and promotion.

Core Business 3: Responsible Governance - Focuses on the orderly development of the industry through supportive legislative and regulatory frameworks.

Priority– Work with the Departments of Environment and Labour, and Health Promotion and Protection to improve environmental health protection in the province.

Achievements:

- Developed a new data management system and electronic database to better manage food safety information in Nova Scotia, which will include online publication of food safety inspection reports. This effort is part of the government's broader environmental health protection program which aims to address health issues that result from our natural and built environment.
- Hired two new Food Safety Specialists for the Halifax Region. Food Safety Specialists are nationally certified public health inspectors who carry out inspections on over 3,700 licensed for service facilities in Nova Scotia, conduct food handler training, and investigate complaints.

⁴Projected sales.

Priority– Put in place a premise identification system, giving government the ability to identify the source and origin of the food produced on Nova Scotia farms.

Achievements:

- Developed an integrated Geographic Information System (GIS) to enable identification of the geographic location of farm operations in the Province. In 2007-2008, the foundation for the GIS database was developed and 80 percent of registered farms in Nova Scotia were identified and entered into the system. In addition, the locations of exhibitions, veterinary clinics, 4H and fancy flock sites and SRM storage sites have been identified and entered into the system. This information will help trace the locations of farm operations in Nova Scotia in the event of animal disease threats and ensure public confidence in Nova Scotia food products.

Priority– As part of the Better Regulations Initiative, seek to minimize the unnecessary paperwork and administrative burden on industry.

Achievements:

- Established a strategic policy analysis approach to guide the department’s regulatory development and amendment process, encouraging regulatory staff to consider a range of options when developing a policy or procedure, to help ensure the most effective choice is implemented with minimal burden to industry. Regulatory staff have also been encouraged to develop more proactive approaches to informing and assisting clients in complying with regulatory requirements. A formal review of permit and licence applications processes is also being promoted to maximize the ability of clients to comply and to minimize errors and repetition for the client. The Better Regulation Initiative has also helped identify the regulatory areas of greatest burden to the industry to help focus burden reduction efforts by the department.

Core Business 4: Education and Life-Long Learning – Focuses on sustaining expertise and excellence in Nova Scotia’s agricultural and agri-food industries, and preparing Nova Scotians for a global labour market through teaching, research and community services.

Priority– Increase overall student enrollment at the NSAC.

Achievements:

- Revised several existing academic programs and proposed new programs, including a Diploma in Enterprise Management for Greenhouse Managers, Online Master Gardener Certificate, and a unique joint International Food Business degree program with CAH Dronten University of Applied Sciences in the Netherlands.

- Developed a new recruitment package and redesigned the NSAC website. Developed new posters and booth displays and established a campaign to increase partnerships with businesses in the Truro area and promote the importance of NSAC students.
- Continued student recruitment efforts in international markets including China, India and the Netherlands. NSAC's partnership with the Fujian Agriculture and Forestry University in China was strengthened in 2007-2008 and the number of students in the program continued to grow. Discussions continue with several universities in India on partnership agreements and the new joint program with the Netherlands will also attract non-traditional students.
- Led the development of a new exchange program among the eight Canadian Faculties of Agriculture. This exchange program is expected to be approved and implemented in 2008-2009.
- Advanced opportunities for NSAC students to participate in study terms, work terms and internships abroad. NSAC students are taking advantage of mobility agreements that are in place and attending classes away from NSAC, including terms in the United States, Europe and Asia. The student exchange program with the Norwegian University of Life Sciences was renewed in 2007.
- Added \$100,000 to the endowment pool during 2007-2008 and added two new endowed scholarships and two new non-endowed scholarships. Work continues to secure more resources to assist in fund-raising efforts.

Priority– Increase NSAC research capacity.

Achievements:

- Continued development and planning for a new PhD program in agriculture and completed a review of the Master of Science (MsC) Program. NSAC also continues to actively promote and support faculty who publish their research in refereed journals, both through the Research and Graduate Studies Office, and in the larger research community.
- Financially supported NSAC graduate students to attend and present at conferences. The NSAC also supports selected travel opportunities for faculty presentations.
- Increased funding from the federal granting councils including the Natural Sciences and Engineering Research Council of Canada (NSERC), the Social Sciences and Humanities Research Council (SSHRC) and the Canadian Institutes of Health Research (CIHR). Granting council research funding increased 45 percent between 2006-2007 and 2007-2008. NSAC faculty received two new NSERC Discovery Grants, one renewal award, a Collaborative R&D award and two SSHRC institutional awards.

- Established and filled NSAC research chairs in Entomology, Innovative Waste Management and Machinery Systems. Research chairs are establishing active research programs in support of their respective target industries.
- Supported faculty applications for international development and research opportunities and enhanced international research and graduate student partnerships. For example the NSAC established MOU's with universities in Japan and Pakistan to assist faculty with research project development and graduate student mobility. Additionally, a major Canadian International Development Agency (CIDA) Tier 1 Development Project (\$3.2 million over five years) was awarded to NSAC for Post-harvest Technology Development in Ethiopia.

Priority– Increase NSAC Technology Transfer and Commercialization Capability.

Achievements:

- Partnered with AgraPoint International to deliver the Modern Shepherd educational sheep production series and developed a new partnership with Conserve Nova Scotia to enhance farm energy conservation knowledge transfer.
- Established Canada's first farm technician apprenticeship training program, which will be delivered through NSAC's Distance Education Program on PEI. Also, through industrial research chairs and the work of NSAC faculty, research partnerships continue to grow around the region contributing to spreading research knowledge that will foster economic development.

Internal Management

Priority– Advance the goals and objectives of the Government of Nova Scotia Human Resource Plan.

Healthy Workplace

- Hosted four performance management/career development sessions in 2007 to encourage and help department staff develop the necessary tools to develop personalized career management plans. These facilitated sessions were designed to help staff establish career goals and identify relevant training opportunities. A total of 158 employees - management and staff - from the Department of Agriculture and Department of Fisheries and Aquaculture attended.
- Hosted health and wellness clinics for staff in Halifax and Truro in May, 2007. Health care professionals provided blood sugar, blood pressure, cholesterol and body-mass indicator testing, and delivered a lunchtime presentation to educate staff on healthy food

options and eating habits. The department's health and wellness committee also conducted a needs assessment and staff survey to help identify issues for future healthy workplace initiatives. The department hosted three 'Lunch and Learn' events throughout the year for staff in Halifax and Truro, focusing on laughter yoga, nutrition label reading, and back health and chiropractics. Employees were also encouraged to nominate colleagues for a 'considerate co-worker' award during healthy workplace week in October.

Health and Safety

- Implemented most of the 17 recommendations from the Public Service Commission's health and safety audit, excluding those that no longer apply due to ongoing program review and other circumstances. The department continues to address health and safety issues through the department's health and safety committee.

***Priority**– Continue to implement the French-language Services Plan, in accordance with the French Language Services Act.*

- Participated in an interdepartmental working group to co-ordinate French-language services across government. The department also provided input into the development of a new Acadian Awareness training course.
- Provided opportunities for eight additional staff to participate in French-language training through Université Sainte Anne, paid for by the Office of Acadian Affairs. Since 2006, over 30 departmental staff have participated in this training. A list of French-speaking employees is now displayed at the reception desk of the Agriculture head office in Halifax to improve service delivery to French-speaking clients. Additionally, food safety information was translated and posted on the departmental website, for access by the public.

***Priority**– Develop and implement communications strategies that support the activities and initiatives of the department.*

Achievements:

- Provided clear and timely information to internal and external clients on a variety of issues including Select Nova Scotia, animal health and food safety, 4H, and the NSAC. Communications staff worked with federal and provincial colleagues to ensure the consistent flow of information.
- Developed, implemented and evaluated communications strategies to support the department's activities and overall objectives. Communications plans were submitted with each of the department's cabinet submissions to inform stakeholders about decisions

in a timely manner. The department also prepared a total of 26 media releases to describe various activities and promote fairs and exhibitions throughout the province.

- Worked with Communications Nova Scotia and other central agencies to incorporate government priorities and messages, for example Nova Scotia *Come to life* and the sustainable prosperity agenda into departmental communications. Issues related to Nova Scotia's agriculture industry were included in government communications, helping the department reach a broader audience. A number of department announcements were featured on the government's homepage for several days.
- Facilitated information exchange during sessions of the legislature, ensuring the Minister was briefed on issues affecting the agriculture industry, including departmental policy positions, ongoing activities and emerging priorities. Staff prepared speeches and material to inform debate in the legislature, and organized media briefings for the introduction of departmental bills. The department also drafted and coordinated the reading of resolutions pertaining to agriculture in the legislature.
- Publicized department programs and services, posting information online and sharing information with media, industry stakeholders and the general public. Staff monitored media networks to address issues affecting the agriculture industry. The department also began re-designing the website to better align with the look and feel of the government website.
- Fostered strategic relationships among government stakeholders, farm businesses and rural farming communities to increase understanding and further develop the province's agriculture industry.
- Launched an Intranet site in May, 2007 to better facilitate internal communication and for use as a central hub for commonly used forms and templates, internet links and contact information.

Financial Results

Agriculture				
	2006-2007 Estimate	2006-2007 Forecast	2007-2008 Estimate	2007-2008 Actual
Program & Service Area	(\$thousands)	(\$thousands)	(\$thousands)	(\$thousands)
Ordinary Revenues	103	99	89	70
TCA Purchase Requirements	685	685	355	435
Net Program Expenses				
Senior Management	1,008	1,017	997	1,191
Policy, Planning, Communications	705	695	771	729
Agricultural Services	17,844	17,437	21,146	20,848
Legislation and Compliance	5,821	6,122	6,329	6,639
Industry Development and Business	4,530	4,622	10,875	19,682
Fisheries and Aquiculture Services	0	0	0	0
Nova Scotia Agriculture College	8,932	8,932	9,719	9,995
Total Net Program Expenses	38,840	38,825	49,837	59,084
Provincially Funded Staff (FTEs)	454	449	458	457

Rounding

Estimates/Forecasts: Departments/PSV's

The large variance for Industry Development is mainly due to bad debt expense (Farm Loan Board) of \$8,695,338 for 07-08.

FTE's:

FTE's for Departments

-Rounding should follow what appears in 1.17 of the Estimates book.

FTE's for Public Service Entities (PSV's)

- In accordance with what appears in the Nova Scotia estimates supplementary detail all FTE information should be rounded to the nearest tenth.

Measuring our Performance⁵

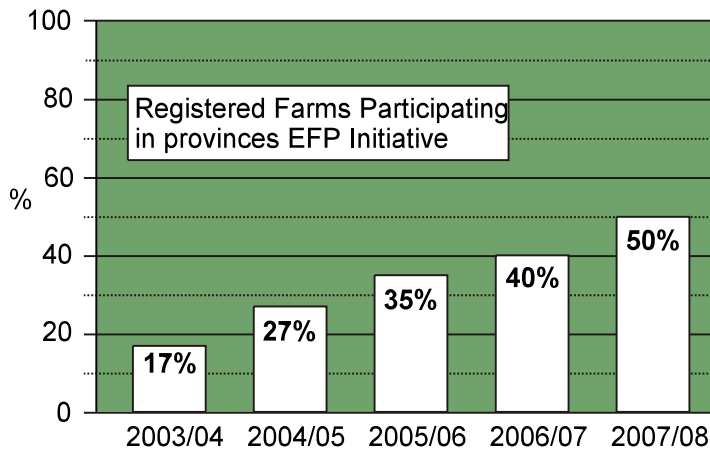
The department's activities are organized according to four core business areas: Sustainable Resource Management, Industry Growth and Development, Responsible Governance, and Education and Life-Long Learning. A variety of corporate services support the work of the department. The following series of performance measures indicate the progress that is being made on select activities.

Core Business 1: Sustainable Resource Management

Measure: Percentage of registered farms participating in the province's Environmental Farm Plan (EFP) Initiative.

What does this measure tell us? The EFP Initiative helps agricultural producers identify and address on-farm environmental risks. The number in this measure is expressed as a percentage of all registered farmers under the *Nova Scotia Farm Registration Act*. Increasing the number of participants in this initiative service to improve the overall environmental performance of Nova Scotia's agricultural industries.

Where are we now? As of March 31, 2008, 50 percent of registered farms had completed or were enrolled in the Environmental Farm Plan Initiative. This meets the target for the 2007-2008 fiscal year and surpasses the original targets for the program.



Where do we want to be? The department aims to maintain the level of 50 percent participation in the Environmental Farm Plan Initiative. To increase the percentage of participants, the program may need to be broadened to include smaller scale or part-time farming operations.

⁵Several of the performance measures in this report are for activities in support of both the agri-food and seafood sectors. These measures are identified with an asterisk (*).

Measure: Removal of Specified Risk Materials (SRM) from the food chain

What does this measure tell us? This measure represents progress made toward removal of SRM's from the food chain. This includes initiatives implemented to facilitate the handling and disposal of SRM's in Nova Scotia.

Where are we now? The Canada/Nova Scotia Agreement Establishing the Facilitating of the Disposal of Specified Risk Materials (SRM) Initiative was signed in Spring 2007. Additionally, a facility for removal of SRM from the food chain has been established in the private sector. This facility should be up and running within the next fiscal year.

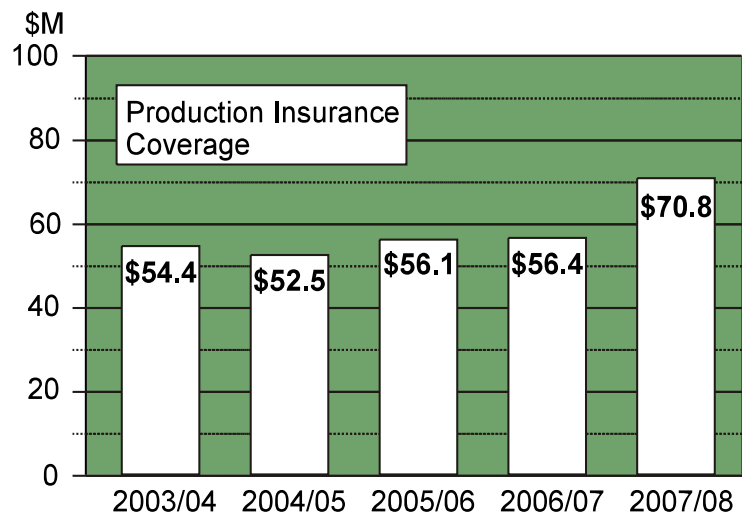
Where do we want to be? The department has achieved the ultimate target establishment of a private sector facility to remove SRM from the food chain.

Core Business 2: Industry Growth and Development

Measure: Percentage of provincial farm reference margin protected by CAIS
Measure: Total Production Insurance Coverage (millions).

What do these measures tell us? Canadian Agricultural Income Stabilization (CAIS)⁶ and Production Insurance (PI) together make up the department's Business Risk Management programming. These programs are designed to address income losses resulting from uncontrollable events, and to enhance farmers' capacity to manage risk.

Where are we now? Figures relating to this measure have been recalculated to better reflect the percentage of farm reference margin covered by these programs. As of 2006, 49 percent of the total farm reference margin in the province was protected under the CAIS program. This is up slightly from coverage rates in the previous year. This figure is calculated as a percentage of farm participating in the program, rather than a percentage of all farms in Nova Scotia. Total production insurance coverage in 2007–2008 was \$70.8 million, which is less than the target of \$86 million for the year. While this is the case, this figure is a significant increase over 2006–2007.



⁶In March 2008, a new suite of Business Risk Programs was implemented. AgriInvest and AgriStability replace coverage provided under CAIS.

Where do we want to be? By 2008–2009, total farm reference margin protected by AgriStability is targeted to be 70 percent while percentage of provincial allowable net sales covered by AgriInvest is also targeted at 70 percent. These are new measures for 2008-2009, reflecting new programming under the Growing Forward Framework. Total production insurance coverage is targeted at \$72 million. The introduction of new insurance solutions will account for much of the increase in insurance coverage.

Measure: Value of sales resulting from market development projects and tactics (millions)*

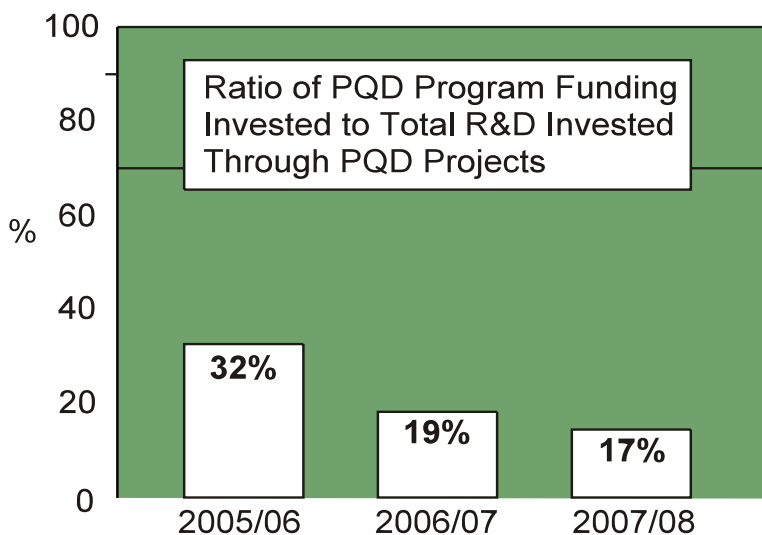
What does this measure tell us? The department works to strengthen and further develop domestic and international markets for Nova Scotia’s agri-food and seafood producers through involvement in trade missions, shows, incoming buyer activities and international promotional events. This measure refers to the value of sale directly attributable to the department’s marketing division and these market development projects and activities.

Where are we now? The department’s marketing activities helped industry generate \$18.74⁷ million in agri-food and seafood sales in 2007-2008, exceeding the target of \$6 million for the year, and up from \$10 million the previous year.

Where do we want to be? The department aims to see an annual growth at least five percent in this category.

Measure: Ratio of Product and Quality Development (PQD) program funding invested to total R&D invested through PQD projects*

What does this measure tell us? Funding through the Product and Quality Development



program helps businesses and organizations develop new products and market opportunities. The department participates in these projects on a cost-sharing basis with industry, government and non-government partners. A decreasing ratio invested by the department over time indicates an increasing level of interest and willingness for industry and government partners to participate, which signifies a strong business climate and overall investor confidence.

⁷Projected sales.

Where are we now? The department's overall contribution to PQD projects in 2007-2008 came to 17 percent of total costs, improving from 19 percent the year before. This is also an improvement from the target of 25 percent. The department participated in a number of industry-wide initiatives in 2007-2008, leveraging funding from a wider variety of sources.

Where do we want to be? The department aims to invest a decreasing ratio in these projects over time.

Measure: Support to industry for sector renewal (number of businesses assisted)*

What does this measure tell us? The department provides targeted information and guidance to agri-food and seafood industry participants exploring new business opportunities. This is in addition to the business reports, statistical documents and other materials the department provides stakeholders online and through the business management library.

Where are we now? The department provided support and advice towards 29 new business opportunities in 2007-2008, for the second year in a row. This is below the department's target of 60, attributable to staff vacancies.

Where do we want to be? The department aims to provide development support to at least 60 new businesses each year.

Measure: Value of new investment in the agri-food and seafood sectors (millions)*

What does this measure tell us? Attracting investment to Nova Scotia's agri-food and seafood industries leads to new wealth and opportunities in the province, and serves to rejuvenate the province's food industries with new ideas and products. This measure refers to the sum value of new investment in Nova Scotia's agri-food and seafood industries, attributable to activities carried out by the department's marketing division.

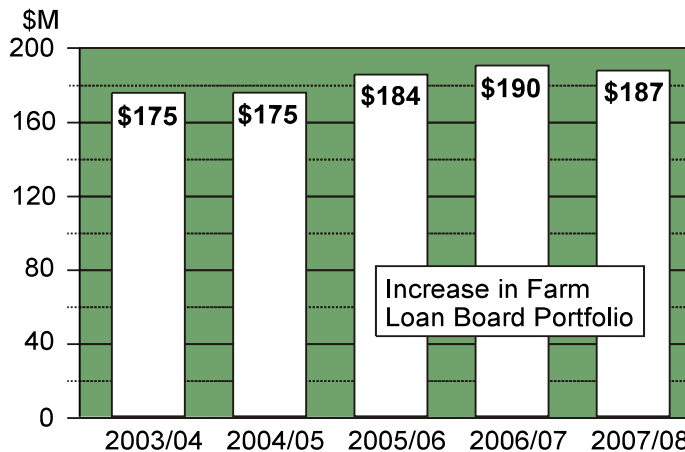
Where are we now? The department helped attract \$1.5 million in investment in 2007-2008, up from \$1 million the previous year.

Where do we want to be? The department aims to see annual growth of 10 percent in this category.

Measure: Increase in Farm Loan Board loan portfolio (millions)

What does this measure tell us? This measure refers to the loan portfolio—the combined total loan principal receivable and real estate principal at March 31 each year—of the Farm Loan Board. A growing loan portfolio indicates a high level of investment activity in the agriculture industry.

Where are we now? The Farm Loan Board had a \$187 million loan portfolio in 2007-2008, a partial decrease from 2006-2007, as a result of loan payouts under the Transitional Assistance program. The board continues to provide long-term stable funding, and exercises patience to assist sectors and individuals affected by cyclical or other short term difficulties. Loan requirements vary depending on sector performance and the lending environment.



Where do we want to be? This measure has been adjusted in the 2008-2009 business plan to read, “Percentage of Farm Loan Board principal in arrears”. This measure more accurately reflects client success and a low percentage of principal in arrears suggests high profit margins in the industry. The target for 2008-2009 is three percent or less in arrears.

Measure: Number of market research and information products developed*

What does this measure tell us? The department continues to produce market research studies, reports, profiles and industry listings to better understand market conditions and help capture new opportunities. This measure identifies the number of market and information products developed and/or funded through the Department of Agriculture’s marketing services branch.

Where are we now? The department produced and/or funded five studies in 2007-2008, two of which addressed agriculture: Atlantic Canada Direct Marketing Study and Beef Consumption Market Profile. The department also updated a number of statistical profiles and maintained the Food for Thought and Weekly Market Report publications.

Where do we want to be? The department will continue to produce market research and information products.

Core Business 3: Responsible Governance

Measure: Percentage of food establishments requesting food handler education*

What does this measure tell us? This measure refers to overall demand for the food sector for food handler education.

Where are we now? As of March 31, 2008, 50 percent of food establishments monitored by the department have requested food handler education. The department is working with private industry to determine the number of food handlers trained by through their programming (ex. private grocery chains).

Where do we want to be? The department aims to have 80 percent of food service/sectors requesting and completing food handler training in 2008-2009. The ultimate target is 100 percent of food establishments requesting food handler education.

Measure: Percentage of Nova Scotia food facilities that have implemented appropriate food safety process control systems*

Measure: Percentage of food establishments that have developed a food safety plan (initiative under the new *Health Protection Act*)*

What do these measures tell us? The Government of Nova Scotia requires licensed food processing planning in the province to have appropriate food safety processes control systems in place, along with comprehensive food safety plans. These measures attest to the level of awareness for such protocols and the degree of regulatory compliance among licensed food processing plant operators.

Where are we now? As of March 31, 2008, 70 percent of food facilities in Nova Scotia have implemented appropriate food safety process control systems. This exceeds the 2007-2008 target of 40 percent. The department has achieved high success in this area through ongoing communication and follow-up with establishments about food safety process control systems.

Where do we want to be? The department strives to have appropriate food safety process control systems in place in all licensed food processing plants in the province and full compliance with food safety regulations.

Measure: Percentage of commercial livestock locations identified for premise identification

What does this measure tell us? This measure reports on achievement in implementing a premise identification system in Nova Scotia, giving government the ability to identify the source and origin of the food produced on Nova Scotia farms.

Where are we now? In 2007-2008, the department completed a GIS database for tracking premise information in Nova Scotia. Eighty percent of registered farms in Nova Scotia have had their premises identified and that information is in the database.

Where do we want to be? The department aims to have 100 percent of all commercial livestock sites identified under the premise identification system.

Measure: Establishment of laboratory capacity for foreign animal disease testing

What does this measure tell us? The measure is the lab itself. The renovation to existing facility to accommodate a level two enhanced lab facility. It is the only one in the Province that will provide surveillance for foreign animal diseases. The output will be the number of samples that the lab tests for surveillance of foreign animal disease. The outcome will be the percent incidence of notifiable diseases detected in the Province. The aim is to have an effective surveillance program that will provide early detection and eradication should a disease be detected in the Province.

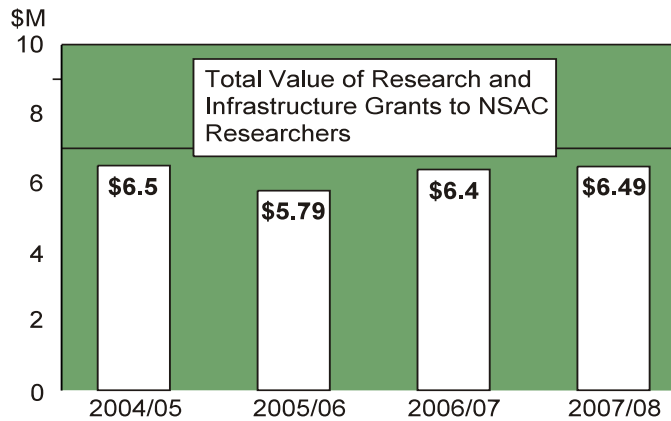
Where are we now? The Memorandum of Understanding and the Contribution Agreement passed in Cabinet in May 2008 and the Minister has subsequently signed the document. The design team is working with Transportation and Infrastructure Renewal and the engineers on the schematic design phase.

Where do we want to be? CFIA will review the design, make recommendation and we will proceed to tender in November, 2008. The construction is scheduled for May, 2009. The tentative completion date is December, 2009.

Core Business 4: Education and Lifelong Learning

Measure: Total value of research and infrastructure grants awarded to NSAC researchers (millions)

What does this measure tell us? This measure includes all contracts signed by and awarded to NSAC annually, and is an indicator of the effectiveness of NSAC’s research efforts in applying world class science to the problems of the industry. The economic benefits of the research are felt not only within the province and the region, but also nationally and internationally.



Where are we now? The total value of research and infrastructure grants awarded in NSAC researchers in 2007-2008 was \$6.49 million, meeting the target of \$6.5 million.

Where do we want to be? NSAC’s target for 2008-2009 is \$7.5 million.

Measure: Number of students enrolled at NSAC

Measure: Number of international students enrolled at NSAC

What do these measures tell us? The number of students enrolled in agricultural programs is a direct indicator of the number of skilled workers available for the industry. The number of international students is a direct measure of the appeal of NSAC courses in international markets, and is an indication of NSAC's internationalization agenda. Contact and integration with students from different cultures is an important component for the future of Nova Scotia's economy.

Where are we now? In 2007-2008, there were 788 students enrolled at NSAC, 53 of whom were international students. Overall enrollment numbers and international student enrollment both fell short of target figures at 820 and 57 respectively.

Where do we want to be? Target enrollment for 2008-2009 is 810 overall and 62 international students. The target enrollment at NSAC is 900 students by 2013 and 90 international students by 2013.

Long Term Outcomes Measures

Measure: Value of agricultural production (millions)

What does this measure tell us? This refers to the overall value of agricultural production in Nova Scotia.

Where are we now? In 2007, the total value of agricultural production in Nova Scotia was \$432,965. This is down slightly from \$433,030 in 2006.

Where do we want to be? The department strives to foster an increase in the value of agricultural production and therefore, growth in the agriculture sector.

Measure: Food manufacturing industry revenue from goods manufactured (billions)*

Measure: Value-added as a percentage of food manufacturing revenue*

What do these measures tell us? The first measure refers to the revenue generated from food manufacturing in Nova Scotia. The second measure refers to value-adding as a percentage of the total food manufacturing revenue.

Where are we now? In 2006, the total value of food manufacturing revenue from goods manufactured was \$1.97 billion. Value-add as a percentage of food manufacturing revenue was 31.1 percent in 2006.

Where do we want to be? The department aims to see a continued increase in food manufacturing industry revenue and also aims to assist producers in capturing value-added opportunities.

Measure: Dollar value of total capital expenditures in agriculture (millions)

What does this measure tell us? This measure refers to the total value of capital expenditures in Nova Scotia's agriculture industry. The level of investment can be seen as a direct reflection of the level of confidence within the industry.

Where are we now? Total capital expenditures in agriculture in 2007 were \$48.7 million, up slightly from \$47.9 million in 2006.

Where do we want to be? The department strives to foster an increased level of capital expenditures in agriculture.

Measure: Total exports of food manufacturing, agricultural and fishing industries (billions)*

What does this measure tell us? This measure refers to the overall export value of Nova Scotia's food manufacturing, agricultural and fisheries products.

Where are we now? Total exports of food manufacturing, agriculture and fisheries products in 2007 amounted to \$1.22 billion. This is down slightly from \$1.26 billion in 2006.

Where do we want to be? The department strives to increase exports through targeted sector and market development initiatives.