



Accountability Report



for the fiscal year 2012–2013

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Accountability Statement

The accountability report of the Department of Agriculture for the year ended March 31, 2013 is prepared pursuant to the *Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the Department of Agriculture Statement of Mandate for the fiscal year 2012-2013. The reporting of the Department of Agriculture outcomes necessarily includes estimates, judgments and opinions by department 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's 2012-2013 Statement of Mandate.



John M^{ac}Donell
Minister



Rosalind Penfound
Deputy Minister

Message from the Minister

I am pleased to present the Department of Agriculture accountability report for 2012-2013.

The department continued to support the long-term growth and prosperity of Nova Scotia's agriculture and agri-food industry by sustainable resource management and industry growth.

Following the launch of *Homegrown Success*, our long-term strategy, the department re-aligned internally to ensure effective implementation of the strategy. The department supported the successful merger of the Nova Scotia Agricultural College (NSAC) with Dalhousie University and the birth of the Dalhousie University Faculty of Agriculture located at the Dalhousie Agriculture Campus.

The department continued to fund agricultural infrastructure, promote buying local and value-adding throughout the value-chain. The current Federal/Provincial/Territorial agricultural policy framework, *Growing Forward*, expired in 2013. The department negotiated a new agricultural policy framework agreement, *Growing Forward 2*, which will guide program funding over the next five years.

I encourage readers to visit the department's website at <http://www.gov.ns.ca/agri> to learn more about Nova Scotia's agriculture and agri-food industry.

Hon. John M^{ac}Donell
Minister of Agriculture

Financial Results

Agriculture

	2012-13 Estimate	2012-13 Actual
	(\$thousands)	(\$thousands)
Senior Management	593	471
Policy and Corporate Services	24,799	39,508
Agriculture and Food Operations	15,831	15,919
N. S. Agricultural College	22,726	7,862
Total Gross Departmental Expenses	63,949	63,760
Additional Information		
Other Fees and Charges	(11,767)	(6,915)
Ordinary Recoveries	(5,019)	(5,051)
TCA Purchase Requirements	1,345	423
Provincial Funded Staff (FTEs)	476	324

Note: Operational categories changes reflect department's reorganization which occurred in fiscal 2011-12 and 2012-13.

Measuring our Performance

Sustainable Resource Management

PERCENTAGE OF REGISTERED FARMS WITH AN ENVIRONMENTAL FARM PLAN (EFP) IN PLACE

The department provides funding to help reduce the environmental impact of farming. The EFP helps address government priorities for soil enhancement, water quality and quantity, and energy efficiency.

WHAT DOES THE MEASURE TELL US?

This measure shows the percentage of registered farms in Nova Scotia participating in the environmental farm plan program. This percentage is based on approximately 2,606 registered farms, approximately half of which are full-time, commercial operations. The majority participating in the EFP are full-time, commercial operations.

WHERE ARE WE NOW?

As of May 2013, 65 percent of farmers in the province had completed the EFP. This is down from 71 percent the year before, and is lower than the target of 73 percent for 2012-13. On-going promotion and education of the program continues leading to increased uptake and requests for renewals. As of the end of this year, there were a total of 1683 farms that completed original EFP reports, which is up from 1655 farms at the end of the previous year.

WHERE DO WE WANT TO BE IN THE FUTURE?

The department will continue to work with the Nova Scotia Federation of Agriculture to improve the delivery model for this program.

Industry Growth and Development

AGRISTABILITY PARTICIPANTS' MARKET REVENUES AS A PERCENT OF TOTAL FARM INCOME

AgriStability is a government/producer cost-shared initiative to protect farm businesses against income losses greater than 15 percent in a given year. Producer participation is voluntary, with the federal and provincial governments and producers paying into a deposit account that the producer can access if market revenues decline past a certain point. For 2013-14, coverage will be reduced to cover losses greater than 30 percent.

WHAT DOES THE MEASURE TELL US?

This measure tells us the amount of farm revenues in the province protected against large income declines through business risk management (BRM) programming.

WHERE ARE WE NOW?

Thirty-two percent of market revenues were protected in 2012-13, down from 44 percent from the previous year. Enrollment in the AgriStability program has been on a steady decline and recent program changes (reduced coverage) may increase this decline. It is anticipated that smaller farms would be reluctant to enroll in AgriStability for 2013-14.

WHERE DO WE WANT TO BE IN THE FUTURE?

The department aims to increase AgriStability coverage to 40 percent of Nova Scotia's market revenues in 2013-14. This would be achieved by targeting those larger farms that would most benefit from the program. Ongoing promotion by the promotion and education co-ordinator and through regional offices will help meet this goal. The department is also exploring the possibility of administering BRM programming at the provincial level. This will ultimately lead to increased participation and coverage.

AGRIINVEST PARTICIPANTS MARKET REVENUES AS A PERCENT OF TOTAL FARM INCOME

AgriInvest is a government / producer cost-shared initiative to protect farm businesses against income losses. The program contributes 1.5 percent of the producer's commodity net sales. Participation for producers is voluntary, with the federal and provincial governments and business operators paying into a deposit account. The business can access this account if market revenues decline up to 15 percent. For 2013-14, the program will cover 1 percent of producer allowable net sales.

WHAT DOES THE MEASURE TELL US?

This measure tells us the amount of farm revenues in the province protected against small income declines through BRM programming.

WHERE ARE WE NOW?

Forty-four percent of market revenues were protected in 2012-13, down from 62 percent the year before. Decline may be due to smaller farms not participating in the program.

WHERE DO WE WANT TO BE IN THE FUTURE?

The department aims to increase overall coverage to 50 percent by 2013-14. As with AgriStability, ongoing promotions and the possibility of administering the program at the provincial level should increase uptake.

PERCENTAGE OF AGRINVEST PRODUCERS PARTICIPATING IN AGRISTABILITY

The federal and provincial governments work together to provide BRM programming to protect industry against declines in farm gate income.

WHAT DOES THE MEASURE TELL US?

This measure tells us the percentage of producers that are fully utilizing income stabilization programs and investing strategically to mitigate risk on their farm.

WHERE ARE WE NOW?

One hundred percent of AgriStability participants were also participating in AgriInvest in 2012-13. This is an increase from 98% last year and above the target of 95 percent. This indicates that those that are participating in AgriStability are also investing in their farm by participating in the AgriInvest program.

WHERE DO WE WANT TO BE IN THE FUTURE?

The department encourages increased uptake of both AgriInvest and AgriStability. The aim is to continue with high uptake of AgriStability participants also enrolled in AgriInvest in 2013-14. Ongoing promotion by the promotion and education co-ordinator and through regional offices will help meet this goal. Most of this will be done through presentations to commodity groups, and through other program promotions and meetings.

TOTAL PRODUCTION INSURANCE COVERAGE

The Nova Scotia Crop and Livestock Insurance Commission supports the growth and development of primary agriculture by providing indemnity payments to insured producers for specific production declines resulting from natural perils.

WHAT DOES THE MEASURE TELL US?

This measure shows the amount of insurance coverage purchased by Nova Scotia's agriculture industry under the AgriInsurance program.

WHERE ARE WE NOW?

The Crop and Livestock Insurance Commission carried \$177.6 million in AgriInsurance coverage in 2012-13, up substantially from \$141.2 million the previous year. Insurance coverage during 2012-13 exceeded the Commission's target of \$140 million. Both the dairy and poultry insurance plans saw significant increases in total coverage in the range of 30% compared to the previous year. These increases were the result of an increased number of clients participating in the dairy plan and additional marketing of products in the poultry plan compared to the previous year. Crop insurance coverage grew by 7% primarily due to increases in acreage in the blueberry and apple plans as well as increased corn and soybean plantings.

WHERE DO WE WANT TO BE IN THE FUTURE?

The Commission expects to see more modest growth in the level of coverage purchased by producers. Total insurance coverage is targeted to be in the range of \$150 million dollars in 2013-14. Further substantive growth in coverage will be dependant on industry demand for the development of new insurance plans for crops not currently covered under the AgriInsurance program and increased acreage within existing plans.

VALUE OF NEW INVESTMENT IN INDUSTRY SECTORS DIRECTLY ATTRIBUTED TO INVESTMENT RECRUITMENT EFFORTS

The province unveiled a new 3 year immigration Agri-Food pilot program in November 2010

designed to attract experienced farmers to settle in Nova Scotia. The Department of Agriculture and The Office of Immigration are in the process of winding down the pilot program however remain committed to providing information, advice and other support to new immigrants looking to invest in Nova Scotia's agri-food and seafood industries.

WHAT DOES THE MEASURE TELL US?

This measure shows the dollar amount of investment made in Nova Scotia's agri-food and seafood industries.

WHERE ARE WE NOW?

The department helped recruit \$1 million in new investment 2012-13.

WHERE DO WE WANT TO BE IN THE FUTURE?

\$5.2 million in new investment is expected in 2013-2014 as a result of investment recruitment efforts the previous year. Investment function has been transitioned to another government department.

CONSUMER AWARENESS OF SELECT NOVA SCOTIA CAMPAIGN

The Department of Agriculture continues to promote local sales of Nova Scotia agri-food and seafood products, primarily through the Select Nova Scotia program.¹

WHAT DOES THE MEASURE TELL US?

This measure shows the overall level of consumer awareness of the Select Nova Scotia campaign as determined by a consumer survey.

WHERE ARE WE NOW?

Consumer awareness of the Select Nova Scotia campaign is evident within our media efforts with 35000 visitors to our website, 1900 Facebook likes, and 3700 followers on Twitter. This indicates interest and commitment to Select Nova Scotia and it continues to grow. On the website, 88% of the visitors are Canadian and of this traffic 65% of the visitors are from Nova Scotia and 43% of them are from Halifax. Based on the website traffic and social media followings, we believe that Select Nova Scotia is making a difference in consumer awareness. In addition, the Select Logo has been refreshed incorporating the flag to better serve the needs of Nova Scotia. A survey was not conducted in 2013, however, a new marketing campaign is being rolled out targeting women aged 30-55, which was indicated as the primary audience in the last survey. The goal is to attract people to the website so we can track who is visiting, the number of visits, and the overall impact of the program. Select Nova Scotia will continue to promote Nova Scotia agri-food and seafood products through use of its logo and consumer events.

WHERE DO WE WANT TO BE IN THE FUTURE?

The department aims for 35 percent consumer awareness.

¹The Select Nova Scotia program's Web site is at: <http://www.selectnovascotia.ca/>.

VALUE OF AGRICULTURAL PRODUCTION (MARKET RECEIPTS)

Market Receipts are the cash income received by farm operators from the sale of agricultural commodities. (Farm Cash Receipts are *Market Receipts* plus direct program payments made to support or subsidize the agriculture sector. Such program payments are a small portion of total farm cash receipts but are nonetheless rightfully excluded from this accountability measure.)

WHAT DOES THE MEASURE TELL US?

This measure shows the combined market cash receipts for all farming operations in Nova Scotia or the total market value of primary agricultural production.

WHERE ARE WE NOW?

Market receipts vary from year to year due to several factors, including variable growing and economic conditions, and the value of the Canadian dollar. In 2012, Nova Scotia's market receipts from agricultural production totaled \$575.9 million, making up 38% of the total receipts for the Maritimes. Nova Scotia's market receipts increased 11.4% over 2011, while the Maritimes and Canada increased 3.3% and 8.1%, respectively. This was mainly due to increases in overall mink, dairy and various crop revenues. The value of agricultural production has never been this high in Nova Scotia.

WHERE DO WE WANT TO BE IN THE FUTURE?

Although annual fluctuations are difficult to avoid, the department aims to grow or maintain agricultural market receipts at or close to these levels over the long term.

PERCENTAGE OF FARM LOAN BOARD PRINCIPAL IN ARREARS

The Farm Loan Board provides stable, long-term loans to farm businesses to support the ongoing growth and development of Nova Scotia's agriculture industry. The board's policy is to be a patient lender for clients and sectors facing difficulty, and therefore does not keep arrears rates to an absolute minimum.

WHAT DOES THE MEASURE TELL US?

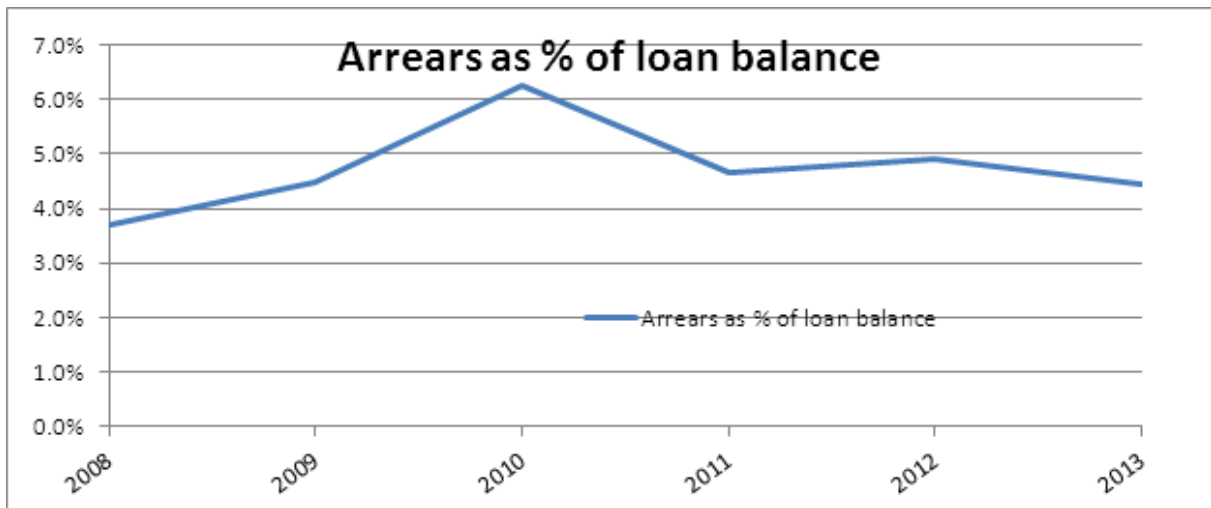
This measure reflects the board's success in monitoring arrears and providing assistance to clients in difficulty.

WHERE ARE WE NOW?

The portion of the Farm Loan Board's overall portfolio in arrears was 4.4 percent at the end of 2012-13, down from 4.9 percent the year before but close to the target of 4.3 percent for the year. Arrears rates exceeded targets in recent years due to difficulties in some sectors, particularly hog and beef, and an overall increase in farm debt.

WHERE DO WE WANT TO BE IN THE FUTURE?

The board is committed to bringing arrears rates back in line with the long-term target of 4.5 percent or less through concerted efforts, dedicated staffing to work with clients experiencing difficulties, and individual resolution of outstanding accounts.



TOTAL AGRI-FOOD EXPORTS, LESS SEAFOOD PRODUCTS AND FISHING²

The department promotes agri-food exports through participation in major international trade shows, incoming and outgoing buyer missions, media events and other initiatives.

WHAT DOES THE MEASURE TELL US?

This measure shows the dollar value of exports from Nova Scotia's agri-food industry (less seafood products and fishing).

WHERE ARE WE NOW?

Nova Scotia's agri-food exports amounted to \$348.2 million in 2012, a 11.5% increase over the previous year (\$312.1 million). Mink (\$122.4 million³) and blueberries (\$103.8 million) continue to be Nova Scotia's leading exports, making up 65% of total agri-food exports.

WHERE DO WE WANT TO BE IN THE FUTURE?

The department aims to increase export sales over the long-term.

² This measure is calculated using data from Statistics Canada, who include 'seafood products and fishing' as a subset of 'agri-food'. This measure de-couples the data to show only land-based agriculture and agri-food processing.

³ Mink exports are estimated by NSDA; all other export data are from Statistics Canada

Appendix A

Annual Report under Section 18 of the *Public Interest Disclosure of Wrongdoing Act*

The following is a summary of disclosures received by the Department of Agriculture

Information Required under Section 18 of the Act	Fiscal Year 2012-2013
The number of disclosures received	0
The number of findings of wrongdoing	0
Details of each wrongdoing (insert separate row for each wrongdoing)	N/A
Recommendations and actions taken on each wrongdoing (insert separate row for each wrongdoing)	N/A