



Accountability Report



for the fiscal year 2013–2014

Table of Contents

Accountability Statement 1

Message from the Minister..... 2

Financial Results..... 3

Measuring our Performance 4

 Environmental Stewardship..... 4

 Economic Viability – Industry Stability..... 4

 Economic Viability – Markets and Opportunities 6

Appendix A..... 8

Accountability Statement

The accountability report of the Department of Agriculture for the year ended March 31, 2014 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 2013-2014. 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 2013-2014 Statement of Mandate.

Honourable Keith Colwell, E.C.N.S.
Minister

Brian Rogers
Deputy Minister

Message from the Minister

I am pleased to present the Department of Agriculture accountability report for 2013-2014.

The Department continued to support the long-term growth and prosperity of Nova Scotia's agriculture and agri-food industry through economic development and sustainable resource management. With the release of the One Nova Scotia report, the Department is poised to work with industry to increase profitability and generate critically important jobs in rural Nova Scotia.

Government is placing renewed emphasis on key growth sectors such as apples and wine and will be working with industry to continue to expand trade opportunities and increase local producers' share of the Nova Scotia market. During the fiscal year, the Department continued to encourage innovation, fund agricultural infrastructure, and promote buying local and value-adding.

During 2013-14, the Department entered a new Federal/Provincial/Territorial agricultural policy framework, Growing Forward 2. This \$37 million funding cost-shared agreement will guide program funding in Nova Scotia over the coming five years.

The Department also continued to strengthen animal protection laws with the release of draft standards of care for cats and dogs. These regulations will be finalized and implemented in 2014-15.

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

Honourable Keith Colwell, E.C.N.S.
Minister of Agriculture

Financial Results

Agriculture

	2013-14 Estimate	2013-14 Actual
	(\$thousands)	(\$thousands)
Senior Management	596	426
Policy and Corporate Services	45,000	44,843
Agriculture and Food Operations	16,377	16,410
N. S. Agricultural College	0	0
Total Gross Departmental Expenses	61,973	61,679
Additional Information		
Other Fees and Charges	(1,896)	(1,884)
Ordinary Recoveries	(6,146)	(5,988)
TCA Purchase Requirements	2,550	1,977
Provincial Funded Staff (FTEs)	218.3	198.50

Measuring our Performance

Environmental Stewardship

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 2,573 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 2014, 67 percent of farmers in the province had completed the EFP. This is up from 65 percent the year before, and is lower than the target of 73 percent for 2013-14. 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 1,736 farms that completed original EFP reports, which is up from 1,683 farms at the end of the previous year. In addition, 739 farms have completed follow-up EFP renewal.

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.

Economic Viability – Industry Stability

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 30 percent in a given year. Producer participation is voluntary, with producers paying a fee to participate and the federal and provincial governments cost sharing the losses.

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?

Twenty-three percent of market revenues were protected in 2013-14, down from 32 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 in future years.

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 2014-15. This would be achieved by targeting those larger farms that would most benefit from the program. Ongoing promotion by the promotion and education coordinator and through regional offices will help meet this goal.

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 percent of the producer's commodity net sales. Participation for producers is voluntary, with the federal and provincial governments and producers paying into a deposit account.

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?

Sixty percent of market revenues were protected in 2013-14, up from 44 percent the year before.

WHERE DO WE WANT TO BE IN THE FUTURE?

The department would like to maintain this level of participation in the program.

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 Nova Scotia Crop and Livestock Insurance Commission carried \$161.5 million in AgriInsurance coverage in 2013-14, which represented a decline of 10% from \$177.6

million the previous year. Insurance coverage during 2013-14 exceeded the Commission's target of \$140 million. Both the dairy and poultry insurance plans saw decreases in total coverage of approximately 30% compared to the previous year. These decreases were the result of a reduced number of clients participating in the dairy plan and lower marketing of products covered in the poultry plan compared to the previous year. Crop insurance coverage grew by 15% primarily due to increases in acreage in the blueberry and apple plans as well as increased corn and winter grain plantings. Stronger commodity prices also contributed to higher coverage in 2013-14.

WHERE DO WE WANT TO BE IN THE FUTURE?

The Commission expects to see limited growth next year in the level of coverage purchased by producers. Total insurance coverage is targeted to be in the range of \$140 million dollars in 2014-15. Further substantive growth in coverage will be dependent 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.

Economic Viability – Markets and Opportunities

VALUE OF AGRICULTURAL PRODUCTION (MARKET RECEIPTS)¹

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 2013, Nova Scotia's market receipts from agricultural production totaled \$584.7 million, making up 36.6% of the total receipts for the Maritimes. Nova Scotia's market receipts increased 2.5% over 2012, while the Maritimes and Canada increased 3.9% and 2.7%, respectively. This was mainly due to increases in overall milk, field vegetables, and blueberry revenues. The value of agricultural production in Nova Scotia has reached a record high for the fourth consecutive year.

¹ Data taken from NSDA data file DA09003 and CANSIM 002-0001.

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.

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 \$356.8 million in 2013, a 4.2% increase over the previous year (\$342.3 million). Mink (\$124.1 million³) and blueberries (\$100.2 million) continue to be Nova Scotia's leading exports, making up 63% 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 2013-2014
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