

Department of Agriculture

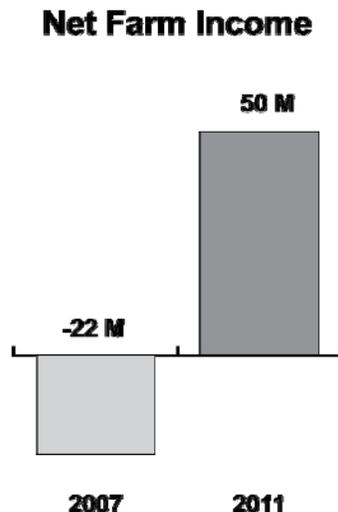
2011-2012 Budget Highlights

- Renewed the Beef Industry Initiative.
- Established the Elite Cow Program.
- Two new marketing programs for producers, boards and agri-businesses seeking to capitalize on new opportunities and emerging trends.
- New efficiency program will involve the implementation of automation and efficiency on the farm and at the processor level.
- Enhancements to Canada-PEI Agriculture Stewardship Program to include Energy Efficiency items.

There has been a significant improvement in the prospects for agriculture in Prince Edward Island. Expansion in the production of higher value crops, combined with gradual improvements in crop and livestock prices, have resulted in higher overall returns for producers.

Progress can be measured in overall farm cash receipts and total net incomes received by producers. In 2007, total farm cash receipts were \$383 million. That followed a number of successive years in which producers experienced serious losses. Total net income on Prince Edward Island farms in 2007 resulted in a loss of more than \$22 million.

Total farm cash receipts have continued to rise over the past four years. In 2011, total farm cash receipts are forecast to be in the range of \$456 million, an all-time high, with total net income forecast to rise to more than \$50 million.



Agriculture Facts

- Agriculture accounts for approximately 15 percent of the provinces's GDP.
- Based on the 2006 census, there were 1,700 farms in Prince Edward Island.
- During the past year, potatoes accounted for 60 percent of total farm cash receipts.
- 2010 saw a record production of blueberries and soybeans in Prince Edward Island.
- Organic production has more than doubled in the last four years.
- The production of soybeans has increased by four times over the past four years, with an all-time record acreage of 44,000 in 2010.
- Agriculture and food products account for 60 percent of total exports from Prince Edward Island to international markets.

A major report from the Commission on the Future of Agriculture and Agri-Food in Prince Edward Island, was completed in 2009. The report outlines new directions for the future of agriculture in the province.

The department is providing financial support to the industry-led Prince Edward Island Agrifood Alliance which is helping to implement the report's recommendations.

Following several years of difficult harvest and market conditions, the outlook for the potato crop in 2011 is positive, with increased export sales.

Blueberry production reached an all-time record high in 2010, with total production of 12.4 million pounds.

The department initiated an innovation program in 2008 to add value to products, increase on-farm diversification and evaluate new technologies. To date, 85 proposals have been supported. Expenditure for the past year were \$312,000.

A research program was established in 2008 to support short-term applied research of economic benefit to the industry. To date, 36 projects have been approved with an expected expenditure of \$725,000.

The beef industry initiative was established in 2008 to help stabilize and develop the industry. To date, payments of \$3.3 million have been made to 458 producers.

The production of soybeans has increased by four times over the past four years, with an all-time record acreage of 44,000 in 2010. With a federal contribution of \$3.2 million, a three-year research program is underway to evaluate soybean varieties better suited to Island growing conditions.

Interest relief of up to \$400,000 was provided to producers participating in the Advanced Payments program administered by the Prince Edward Island Federation of Agriculture.

Under the organic industry development program, a total of \$2.5 million has been invested in 96 projects. Over the past four years, the number of certified organic producers has more than doubled, to 65 in 2010.

The Buy PEI program was initiated in 2008. This has evolved into the PEI Flavours program which has increased the availability and promotion of local products through the Flavours Trail, the Fall Flavours Festival and the highly successful Pack your Appetite campaign undertaken with the Prince Edward Island Potato Board and the Department of Tourism in key Canadian markets.

Significant steps have been taken to enhance the environmental sustainability of the industry. The report of the Nitrates Commission, completed in 2008, identified eight priority issues to protect groundwater. The recommendations are being implemented.

The Alternative Land Use Services (ALUS) program was established in 2008 to reward landowners for the environmental benefits they provide to society. A total of \$1.0 million is available under ALUS each year.

The Canada-Prince Edward Island Stewardship program was renegotiated in 2009 to provide financial and technical assistance to on-farm conservation projects. In 2010/11, 210 projects received a total of \$950,000.

There are 115 applicants enrolled in the Future Farmers program. Expenditures to date are \$2.84 million.

The Growing Forward agreement with the federal government was signed in 2009. Under Growing Forward, a total of \$24.6 million has been committed to projects to support innovation, research, food safety and environmental sustainability.

In 2010, the department entered into a cost-shared agreement with the federal government to provide \$7.0 million, over three years, to help producers reduce energy costs. Under the Renewable Energy Initiative, producers can install on-farm systems utilizing wind, solar, biogas, biomass or geothermal energy sources. To date, 78 applications have been approved. Of those, 21 are in the process of being implemented with total contributions of \$860,000.

To complement the Renewable Energy Initiative, the Bioeconomy Crops Initiative is providing funding to evaluate new uses for crops, including renewable energy production. A total of 22 proposals have been approved to date, with a value of \$616,000.

Since 2009, a total of 370 applications representing eight different commodities have been approved to support food safety, biosecurity and traceability programs with a value of \$600,000.

Under the Production Insurance program, the insured value of crops has increased by 63 percent to \$180 million over the past two years. Premiums, cost-shared by the federal and provincial governments and producers, have increased by 109 percent to \$20.5 million. Insured acres have increased by 13 percent to 262,000 acres.

The department provided premium discounts under the Production Insurance program of more than \$3.1 million over the past four years. The value of discounts has increased from \$295,000 in 2007 to close to \$1.5 million in 2010.

Since 2007, producers have received \$63 million in Production Insurance payments. A further \$20.8 million has been provided in income support payments cost-shared 60:40 with the federal government. The department's share is \$8.3 million.