



11-12

ANNUAL REPORT

**MINISTRY OF
AGRICULTURE**

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Letters of Transmittal



June 28, 2012

Her Honour, the Honourable Vaughn Solomon Schofield
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

The Government of Saskatchewan is committed to the people of Saskatchewan and to the Saskatchewan Advantage in the pursuit of a prosperous economy while observing the principles of accountability, transparency and responsible spending.

The 2011-12 Annual Report shows progress towards commitments that relate to the Ministry as of March 31, 2012.

The initiatives and strategies pursued in 2011-12, and the results achieved, are communicated to the legislature and to the Saskatchewan people through this report. The results achieved in the last fiscal year will serve as the foundation of our initiatives in the next year, following the Ministry of Agriculture's long-term strategy. This report therefore provides an account of our responsible spending, but also acts as a template to build our objectives of resource allocation for the future.

As Minister of Agriculture, it is my pleasure to submit the Annual Report for the fiscal year ending March 31, 2012.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'L. Stewart', written in a cursive style.

Lyle Stewart
Minister of Agriculture

Letters of Transmittal



June 28, 2012

The Honourable Lyle Stewart
Minister of Agriculture

Sir:

I have the honour of presenting to you the Saskatchewan Ministry of Agriculture Annual Report for the 12 months ending March 31, 2012.

The Report was prepared under my direction in accordance with the Government's Accountability Framework and its system of planning, measuring and reporting. I am ultimately responsible for the financial administration and management control of the Ministry. All key actions, and associated economic or fiscal implications contained in this report are, to the best of my knowledge, accurate and reliable.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Alanna Koch'. The signature is fluid and cursive, with a large initial 'A' and 'K'.

Alanna Koch
Deputy Minister of Agriculture

Introduction

This Annual Report presents the Ministry of Agriculture's activities and results for the fiscal year ending March 31, 2012. It reports on public commitments made, and other key accomplishments of the Ministry.

Although a renewed vision and set of goals were introduced as a result of the 2011 provincial election, the 2011-12 Annual Report is presented in relation to the vision and goals that guided the development of the 2011-12 Plan.

Results are provided on publicly committed strategies, actions and performance measures identified in the 2011-12 Plan.

The report demonstrates progress made on Government commitments as stated in the *Government Direction for 2011-12: The Saskatchewan Advantage*, the Minister's Mandate letter, throne speeches and other commitments and activities of the Ministry.

The 2011-12 Annual Report also informs future strategies, initiatives and budget process by providing a measurable evaluation of accomplishments and results. The report highlights opportunities to build on past successes for the benefit of Saskatchewan people.

The Annual Report demonstrates the Ministry's commitment to effective public performance reporting, transparency and accountability to the public.

The 2011 Speech from the Throne was delivered on Dec. 5, 2011, and can be found at www.gov.sk.ca/executive-council/throne-speech.

The government-wide Budget Summary 2011-2012: The Saskatchewan Advantage is available at www.finance.gov.sk.ca/PlanningAndReporting/2011-12/GovernmentDirection1112.pdf

The Ministry Plan for 2011-12 is available at www.agriculture.gov.sk.ca/plan/

Alignment with Government's Direction

The Ministry's activities in 2011-12 align with our Government's vision and three goals.

Our Government's Vision

A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing a high quality of life for all.

Government's Goals

- Sustain economic growth for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.
- Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.
- Keep Government's promises and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

The Ministry of Agriculture, together with all other ministries and agencies of the Saskatchewan Government work towards the achievement of these goals and, in general, towards a secure and prosperous Saskatchewan.

Ministry Overview

The Ministry of Agriculture's mandate is to foster a commercially viable, self-sufficient and sustainable agriculture and food sector by encouraging farmers, ranchers and communities to develop higher value-added production and processing and promoting sustainable economic development in rural Saskatchewan through better risk management.

Key programs that the Ministry delivers are:

- Extension services to producers via 10 Regional Offices, seven Satellite Offices and the Agriculture Knowledge Centre (forage, farm business management, livestock, crops, irrigation);
- Business risk management programs (Crop Insurance, AgriStability, AgriInvest, AgriRecovery, Excess Moisture Program, Saskatchewan Feed and Forage Program);
- Farm and Ranch Water Infrastructure Program;
- Growing Forward non-business risk management programming (e.g. Farm Business Development Initiative, Environmental Farm Plan, On-Farm Food Safety, Post-Farm Food Safety, Saskatchewan Agri-Value Initiative, Voluntary Livestock Traceability); and
- Research programming (Agriculture Development Fund, Agricultural Demonstration of Practices and Technologies program, Strategic Research Program at the University of Saskatchewan and Western Beef Development Centre).

The Ministry serves the agriculture and value-added sector of the economy, which includes approximately 33,102 farmers and ranchers and generates over \$11 billion in farm cash receipts in Saskatchewan (2011). The Ministry partners with many organizations in the development and delivery of its programming such as the Saskatchewan Association of Rural Municipalities, the Provincial Council of Agricultural Development and Diversification Boards as well as various commodity marketing and development commissions.

The Ministry budgeted 461.0 full-time equivalents to deliver its programs and services, with actual utilization for 2011-12 coming in at 451.2. The underutilization was mainly a result of vacancy management across the Ministry, which was partially offset by additional resources required for inspecting livestock.

Progress in 2011-12

Strategy: Ensure farmers, ranchers and industry have access to effective business risk management programs

Key action: Participate in the Federal-Provincial-Territorial strategic review and assessment of business risk management programs.

- The Ministry is working with the federal government and other provincial governments towards updating the current suite of business risk management tools for the national agricultural policy framework that will replace Growing Forward in 2013.
- The Ministry continues to study the concept of livestock price insurance programming in Saskatchewan and Western Canada.

Key action: Develop and implement a marketing and communication plan for increasing industry awareness and understanding of public and private sector business risk management tools.

- The Saskatchewan Crop Insurance Corporation (SCIC) continues to develop and implement marketing and communications strategies for Crop Insurance and AgriStability Programs. Multimedia campaigns were developed to promote enrolment, participation in the programs and critical administrative deadlines. In 2011, SCIC also developed an awareness campaign for the Excess Moisture Program (an AgriRecovery program under the business risk management suite of programming).

Key action: Provide provincial contributions to the federally administered AgriInvest Program.

- Provincial fiscal contributions for the AgriInvest Program in 2011-12 amounted to \$42,370,669; administration costs were \$1,639,133.

Key action: Effectively administer business risk management programs under Growing Forward.

- SCIC implemented new risk management programming for the fruit industry, enhanced forage insurance and introduced record crop insurance coverage and funding including additional coverage options under the Unseeded Acreage Program. All of these improvements were based on consultations and feedback from Saskatchewan producers and industry groups.
- The transition of the AgriStability Program administration to the Saskatchewan Crop Insurance Corporation is now complete. As part of this transition, timelines for processing were improved.

Strategy: Ensure farmers, ranchers and industry have regional access to services and information

Key action: Provide regional services to producers through Regional Offices and the Agriculture Knowledge Centre.

Regional Services

- The Regional Services Branch has been delivering extension programming since the Ministry restructure in 2009 at the local, regional and provincial levels. In the March 2011 budget, seven new Satellite Offices were announced in Lloydminster, Meadow Lake, Shaunavon, Wadena, Moosomin, Assiniboia and Estevan, to provide additional service to farmers and ranchers throughout Saskatchewan.
- The Branch is committed to providing access to production and business information and services in the areas of crops, livestock, forage and farm business management, at each of the 10 Regional Offices and seven Satellite Offices.

- More than 8,000 clients attended Ministry organized workshops and meetings, conferences, field days, tours and other training events across the province.
- Regional Specialists gave approximately 275 presentations on topics related to farm business management, livestock, forage and crop production, and funding programs. They also work on 74 demonstration and applied research projects across the province. Regional Services Branch also introduced webinar learning events as part of their extension activities.
- The specialists worked with media to share agriculture-related information by providing regular television interviews on Farmgate, writing articles for local newspapers, contributing to industry newsletters, conducting interviews and providing Ministry newsletters both electronically and by mail.
- The Regional Offices, Satellite Offices and the Agriculture Knowledge Centre provided information and assistance on over 28,000 inquiries during the year, by telephone, office visits and farm/business visits.

Irrigation Services

- Work continues with industry to expand irrigation in the Lake Diefenbaker area. Soil investigations for irrigation certification continue (23,500 acres in 2011-12) to enable the completion of irrigation district infill plans for up to 50,000 acres of infill in the South Saskatchewan River, Luck Lake and Riverhurst irrigation districts.
- The Water Pumping Equipment Rental Program received 168 applications and completed 157 pumping jobs. The program is coordinated from Outlook with five other regional depots for local access to the equipment.
- Rehabilitation of the East Side Pump Station (ESPS) and M1 Canal, serving the South Saskatchewan River Irrigation District and

the Saskatoon South East Water Supply System, continues. Upgraded switchgear was installed, building renovations completed, three pumps were overhauled in ESPS and one kilometer of the M1 Canal was reconstructed with buried plastic liner.

Key action: Deliver Growing Forward programs.

and

Key action: Promote Ministry regional service delivery through implementation of a comprehensive communications strategy, to increase awareness and usage of programs.

Farm and Value-Added Business Development Programming

- In 2011-12, the Ministry approved 712 farm clients for Farm Business Development (FBDI) funding and 550 young farmers under the Farm Business Development Initiative for Young Farmers (YFBDI). This is a 15 per cent increase in the number of applicants from 2010-11. To date there have been almost 3,000 applications under both programs.
- FBDI and YFBDI help farmers develop business plans and enhance business skills in nine business management areas: business strategy, marketing, production economics, human resources, finance, environment, succession planning, business structure and risk management. Up to \$10,000 is available for qualified applicants under the YFBDI option and \$4,000 is available to qualified applicants for FBDI to help them engage private sector business services and/or access farm-related education and training programs.
- In 2011-12, the Saskatchewan Agri-Value Initiative (SAVI) supported 24 agri-businesses and committed \$526,138 with a goal to assist them in making sound business decisions and capturing market

opportunities. 2011-12 funding is an increase of 32 per cent over the committed funding in 2010-11.

- SAVI provides funding to a maximum of \$100,000 for agri-businesses in the areas of product/process development, systems improvements, marketing and skills and training. The goal is to assist in the development and expansion of small to medium-sized enterprises or producer/processor organizations involved in adding value to agricultural products.

Environmental Farm Planning and Farm Stewardship Program

- These programs are delivered through a third-party contract with the Provincial Council of Agriculture Development and Diversification Boards. Agri-Environmental Group Planning is delivered on a watershed basis and is led by producers who farm in the watershed. There is also one group plan that is delivered on a provincial basis through a third-party contract with the Saskatchewan Association of Rural Municipalities that deals with education and planning on the control and eradication of invasive plant species. In the 2011-12 fiscal year, spending on the environment component was as follows: \$929,000 for group plan delivery, \$1,420,000 for delivery through the Provincial Council of Agriculture Development and Diversification Boards and \$7,455,806 for the Farm Stewardship Program.
- The Ministry approved 443 new endorsed environmental farm plans and 3,885 farm stewardship projects proposed by 1,346 producers. Producers have also made claims and been paid for 2,390 projects under the program. The total number of new environmental farm plans that have been developed since the start of Growing Forward now stands at 1,170. Since the inception of Environmental Farm Planning in 2005, the total number of endorsed

environmental farm plans in Saskatchewan is 11,970.

Farm and Ranch Water Infrastructure Program

- The Farm and Ranch Water Infrastructure Program is a significant portion of the funding for Growing Forward in Saskatchewan. Since the inception of the province-wide program in 2009, there have been 4,400 applications totalling over \$26 million in funding. Strong demand for funding of on-farm projects is anticipated for the last year of this program.
- The totals above include \$4.5 million of new funding for irrigation district projects in 2011-12. The funding allows irrigation districts with a Ministry-approved infill plan and replacement fund to build capacity for additional irrigated acres in their districts. Funding is capped at \$1.5 million per district. Funding was approved to The South Saskatchewan River, Luck Lake and Riverhurst irrigation districts to add 2,250 acres of capacity. An additional \$9 million has been approved in 2012-13 for irrigation infill.

On-Farm Food Safety Implementation Program

- Under the Saskatchewan On-Farm Food Safety (OFFS) Implementation Program, nine provincial commodity groups received funding to assist them in provincial level implementation efforts to their nationally recognized OFFS systems in 2011-12.
- Each commodity group is responsible for the delivery of their On-Farm Food Safety Program, including any educational and promotional activities, and producer-directed funding.
- In 2011-12, over 400 producers accessed funding for technical advice, equipment, or first certification audits.
- In addition, over 550 producers accessed

training online or through workshops throughout the year.

- Those sectors that have or are in the process of developing a nationally recognized OFFS systems are eligible to apply.

Post-Farm Food Safety Program

- The Saskatchewan Post-Farm Food Safety Program facilitates the adoption of Vendor Recognition, Hazard Analysis Critical Control Points, and International Organization for Standardization 22000 (ISO 22000) food safety systems by processors.
- Funding is provided to non-federally registered food processors in Saskatchewan for implementation efforts.
- Eight applications received program funding in 2011-12.

Voluntary Livestock Traceability Program

- The Saskatchewan Voluntary Livestock Traceability Program provides rebates of up to 70 per cent of eligible costs for the purchase and/or lease of Radio Frequency Identification (RFID) handheld and panel readers. Funding is also available for training, software, installation, ultra-rugged computers with an Ingress Protection (IP) 67 rating, and facility modifications relating to the use of RFID readers. The program is open to Saskatchewan livestock handlers.
- The Ministry granted funding to 149 applicants under the rebate and facility modification portion of the program in 2011-12 totalling over \$600,000.
- In addition to the rebate, funding was also provided for education and awareness activities undertaken by the Canadian Cattle Identification Agency in Saskatchewan; and feedlot pilot projects and education activities to assist stakeholders in understanding the benefits and limitations of technology required for traceability.

Key action: Provide diagnostic services in the areas of plant health, insects, weed control and herbicide resistance screening at the Crop Protection Laboratory.

- In 2011-12, 1,044 samples were handled through the Crop Protection Laboratory. This included 207 crop disease identification requests, 55 weed identification requests, 18 insect identification requests, assessment of 214 samples for fusarium head blight, 315 requests for assessment of Dutch elm disease, and assessment of herbicide resistance in 235 samples. Significant upgrades were made to the Crop Protection Laboratory through equipment purchase and renovation to improve the diagnostic capability for Saskatchewan farmers and ranchers.
- The Ministry also provided \$2.4 million to Prairie Diagnostic Services Inc. for veterinary diagnostic and disease surveillance services for the livestock sector.

Strategy: Collaborate with other levels of government and industry on key agriculture industry issues

Key action: Overcome existing trade barriers by pursuing increased market access and ensuring Saskatchewan interests are reflected in trade agreements.

Canada-European Union Comprehensive Economic and Trade Agreement

- The Ministry worked closely with Intergovernmental Affairs and industry on developing Saskatchewan's priorities for the agreement, specifically in agriculture.

Canada-India Comprehensive Economic Partnership Agreement

- The Ministry collaborated with Intergovernmental Affairs to host Canada's

Chief Negotiator for the Canada-India Comprehensive Economic Partnership Agreement and worked on Saskatchewan's negotiating position for agriculture.

- The Ministry continues to monitor the progress of the negotiations through the Federal-Provincial Agricultural Trade Policy Committee.

Canada-Japan Economic Partnership Agreement

- The Ministry provided comments to the Government of Canada to encourage the launch of negotiations.

Canada-Korea Free Trade Negotiations

- The Ministry continues to work closely with industry to advocate that the federal government resume negotiations with Korea.

Other Free Trade Agreement Negotiations

- The Ministry provides comments and receives feedback through the Federal-Provincial Agricultural Trade Policy Committee.
- Saskatchewan publicly supported the announcement of trade negotiations with Morocco.

Mexico Canary Seed Requirements

- The issue has not been resolved. The Ministry continues to monitor and advocate for a resolution.

India Pulse Fumigation

- There exists no permanent solution to date. The Ministry continues to advocate for a resolution with the federal government.

Key action: Advocate with the federal government and in specific international forums for science-based regulation that is more effective, removes trade barriers, removes obsolete standards and is predictable.

Pacific Northwest Economic Region Annual Summit in Portland, Oregon.

- The Ministry was actively involved in the agenda development and conference planning process for the fourth annual Cross-Border Livestock Health Conference held in conjunction with the 2011 Summit.

Tri-National Agricultural Accord

- Saskatchewan was active in setting the Agenda for the 2011 Accord which focused on themes listed in this action.

Cairns meeting in Saskatoon

- The Ministry supported the Cairns Group Farm Leaders meeting and engaged a number of farm organizations and leaders on trade issues.

State Agriculture and Rural Leaders Conference

- The Saskatchewan delegation worked with industry and other provinces to have a positive country of origin labelling resolution passed.

Canada-Russia Livestock Forum

- The first-ever Canada-Russia Livestock Forum identified potential opportunities for closer relations between Canada and Russia on Canadian genetics exports and livestock practices.

Canadian Western Agribition Producer Roundtable

- The Ministry worked closely with industry and the Department of Foreign Affairs and International Trade Consulates to have a Canada-United States producer roundtable at Agribition.

Federal-Provincial Agriculture Trade Policy Committee

- The Ministry has been active in setting the agenda for the monthly meetings.

Canada Low Level Presence Policy

- The Ministry has been active in providing comments and working with industry on the federal government's new Low Level Presence policy.

Key action: Under the New West Partnership harmonize agricultural regulatory reform between provinces.

- The Ministry conducted a review of regulations in Saskatchewan, Alberta, and British Columbia prior to year-end. No major issues were brought forward.

Key action: Work with industry, provincial ministries and other governments to enhance international opportunities for Saskatchewan's crop and livestock sectors.

Canada-United States Regulatory Co-operation Council

- The Ministry provided comments directly and through the Pacific Northwest Economic Region on the Canada-United States Regulatory Co-operation Council and Beyond the Borders working group joint action plan initiatives.

Investment Attraction

- The Ministry worked with Enterprise Saskatchewan to prepare and distribute promotional investment material to Canadian consulates and embassies. The Ministry also linked investors to producers and producer agencies and worked with Enterprise Saskatchewan and the federal government to welcome investors looking for opportunities in the crop and livestock sectors.

Key action: Advocate Saskatchewan's agriculture interests at Federal-Provincial-Territorial engagements.

- The Ministry provided analysis, background and discussion material to support the Minister and senior executives in advancing Saskatchewan's position in Federal-Provincial-Territorial discussions.
- The Ministry continues to work with the federal government and other provincial governments in the development of the Growing Forward 2 policy framework, to be put in place by April 1, 2013.
- The Ministry worked with the Saskatchewan Crop Insurance Corporation, the federal government and other western provinces to assess the impact of spring flooding.

Strategy: *Create an attractive business climate for the agriculture industry and establish the infrastructure that will support business development*

Key action: Improve long-term agricultural competitiveness by understanding institutional, infrastructure, taxation, innovation, investment and federal regulatory impediments.

- The Ministry assessed the potential impact and provided an analysis on the end of the Canadian Wheat Board monopoly on western Canadian grain marketing and transportation flows.

Key action: Work with industry to foster innovation and competitiveness, reduce the regulatory burden, and promote the industry as an important economic driver for the province.

- Under the Federal-Provincial Meat Hygiene Pilot, the Ministry worked extensively with Saskatchewan's three meat facility participants and acted as a project expeditor

and facilitator between the plants and the Canadian Food Inspection Agency.

Key action: Ensure consistency in the oversight of all boards, agencies and commissions that are responsible to the Agri-Food Council.

- The Agri-Food Council, in accordance with its oversight responsibilities, held its second annual governance and industry development conference for industry in February 2012.
- The Council committed to ensuring agencies established under *The Agri-Food Act, 2004*, continue to have access to these development opportunities.

Key action: Continue to review and reform legislation, regulation and policy to provide streamlined client service.

- The Agri-Food Council consulted with a number of agencies under its supervision on regulations.
- The Council represented the Ministry on the Federal-Provincial-Territorial Regulatory Modernization Committee that enacted necessary legislative changes, monitored developments and identified common issues that required regulatory review/ amendment.

Key action: Implement improvements and efficiencies in the Agricultural Crown Land Sale Program.

- Private land ownership continued to provide benefits to agricultural producers, businesses and the province. Producers purchased 67,294 acres of Crown land last year, resulting in total program sales of 304,885 acres since 2008 with a value of \$91 million.

Key action: Deliver the Livestock Loan Guarantee Program, which provides producers with alternative financing options to purchase livestock or construct or expand feedlot facilities.

- The Livestock Loan Guarantee Program provides loan guarantees to livestock co-operatives to enable their members to borrow funds for the purchase of cattle, bison and sheep. As of Feb. 29, 2012, there were 72 cattle feeder associations with outstanding loans of \$25 million. There were also 72 cattle breeder associations with outstanding loans of \$37.4 million.
- There is one bison association with outstanding loans of \$697,514 and one sheep association with outstanding loans of \$228,558.
- The program also provides loan guarantees for the construction or expansion of feedlots in the province. There are currently seven feedlots taking advantage of the programs with outstanding loans of \$8.3 million.

Key action: Administer the interest-only portion of the Federal Advanced Payments Program in Saskatchewan for feeder cattle and bison.

- The Livestock Loan Guarantee Program administers the Advanced Payment Program (APP) for members of feeder associations who have financed feeder cattle through the program. The APP is delivered under the authority of the *Agricultural Marketing Programs Act*. Under the program, members of feeder associations are given interest rebates to bring their effective cost of borrowing to prime minus 0.25 per cent on loans up to a limit of \$100,000 per individual member. During the 2011-12 program year, members had rebates of \$60,176 on advances of \$5,069,065.

Key action: Offer supplemental grazing to Saskatchewan livestock producers via the Saskatchewan Pastures Program.

- In 2011-12, over 1,700 livestock producers delivered 62,500 adult cows and horses and 3,500 head of ewes and lambs to 52 provincial community pastures.

Strategy: Invest in progressive and relevant research, innovation and commercialization to benefit the agriculture sector

Key action: Implement a plan for the Saskatchewan crop sector that increases investment attraction in Saskatchewan, and contributes to and benefits from the growing local and global demand for food, feed, fuel and fibre.

- The Ministry continues to develop and implement the Crop Strategy, built around three main pillars. The Innovation and Investment pillar supports the creation of a knowledge-based economy through Ministry investment in progressive and relevant research, innovation and commercialization that benefits the agriculture sector. The Leadership and Investment pillar focuses on actions related to key agricultural issues such as advocacy for science-based regulation that is predictable and allows for research and development investments to be made with confidence, and overcoming existing trade barriers by addressing market access issues. The Building on Strengths pillar includes collaborating with industry groups, increasing returns for field and high value crops, introducing new crops and expanding cropping and marketing options for farmers, adding value to existing commodities and enhancing Ministry services related to diagnostics, pest control or production practices.

- In 2011-12, record funding for agriculture research of \$20.4 million was spent.
- A key activity of the Crop Strategy in 2011-12 was the Wheat Summit in February 2012. The Summit brought together key industry and research leaders to discuss the best way to move wheat research forward. The Wheat Summit provided a venue for a common understanding of the potential and challenges faced by genetic improvement in wheat today. It also provided a foundation for future private, public and producer partnerships that will lead to major genetic improvements in wheat.
- The Premier announced \$10 million over five years for wheat research at the Wheat Summit.
- Irrigation research, demonstration and extension services continue to be delivered directly to irrigators under a new five-year Memorandum of Understanding with the Irrigation Crop Diversification Corporation. The Ministry, industry and the University of Saskatchewan partner with the federal government at the Canada-Saskatchewan Irrigation Diversification Centre to deliver applied research and demonstration project results to irrigators.

Key action: Facilitate growth of Saskatchewan's livestock production and processing sectors.

- The Ministry continues work on the expansion of the cattle feeding sector in Saskatchewan.

Key action: Collaborate with industry groups and Enterprise Saskatchewan to capture growth opportunities and foster innovation and competitiveness through agriculture biotechnology, increased production, value-added opportunities and sustainable energy development.

The Ministry has developed partnerships with:

- The University of Saskatchewan to carry out long-term strategic research such as variety development at the Crop Development Centre.
- Ag-West Bio Inc. to create value in agriculture, food, health, and bio-based industries;
- The Prairie Swine Centre to carry out research to lower production costs for pigs;
- The Prairie Agricultural Machinery Institute in areas of crop processing and beef development research; and
- Several commodity organizations that co-fund research and that will assist in the further development of our cereal, canola and pulse industries. For example, the Saskatchewan Canola Development Commission is co-funding four projects for \$603,220, the Western Grain Research Foundation is co-funding one project for \$153,001 and the Saskatchewan Pulse Growers are co-funding four projects for \$711,461.

Key action: Continue to enhance, expand and deliver farmer-driven demonstration programming and adaptation of technologies to increase crop and livestock competitiveness, production, product development, value-added processing as well as the promotion of technology transfer.

- In 2011-12, the Agricultural Demonstration of Practices and Technologies program received 100 applications and approved 79 of these for demonstrations across all regions of the province.
- A total of \$401,000 was provided to conduct applied research and to demonstrate new technology at nine sites across the province through the Agriculture-Applied Research Management (Agri-ARM) Program.
- The Irrigation Crop Diversification Corporation was established as an

additional Agri-ARM site to serve the applied research and development needs of Saskatchewan's expanding irrigation sector.

Key action: Increase focus on agricultural biotechnology through research and development supported by an additional annual investment of \$1.25 million.

- Of the 60 Agriculture Development Fund projects announced by the Minister in January 2012, over 10 per cent will have the potential to develop new and improved biotechnology knowledge for our agricultural industry. These projects, combined, received over \$2.5 million in funding.

Key action: Continue to provide industry-led research and development funding through the Agriculture Development Fund.

- In 2012, the Ministry committed \$11.8 million in new funding for 60 research projects through the Agriculture Development Fund.

Strategy: Promote the agriculture sector and its benefits

Key action: Showcase the Saskatchewan agriculture industry and opportunities on a national and international stage.

- The Ministry developed a promotional brochure, companion video and website presence that targets buyers and investors from outside the province and highlights our key products and markets.

Key action: Continue financial support where appropriate for agriculture promotion and industry partnerships.

- The Ministry has not only continued to provide funding to such important and popular events as Canadian Western Agribition and Canada's Farm Progress Show, but has also attended and

participated in many events across the province such as the first Saskatchewan edition of “Discover Agriculture in the City”, collaborating with industry to bring agricultural awareness to urban Saskatchewanians.

- The Ministry also provided \$50,000 to support Canadian Western Agribition, a world-class livestock show that attracts people from 60 countries, 142,000 visitors, more than 800 trade show displays and more than 4,000 head of livestock.

Key action: Provide production information, and highlight agricultural issues and activities occurring in the province’s agriculture sector in Agriview.

- Nine issues of Agriview were produced in the last year, featuring a wide variety of agricultural subjects written by both Ministry specialists and collaborators from other areas of government and industry.
- Agriview is distributed to over 46,000 households.

Key action: Continue to promote Ministry service delivery through implementation of a comprehensive communications strategy.

- The Ministry’s communications strategies are designed to increase public knowledge of agriculture and inform producers about the programs and services available to them. From the Ministry website and Agriview to programs such as the Agricultural Demonstration of Practices and Technologies and the Saskatchewan Agri-Value Initiative, the Ministry promotes the importance of agriculture through publications and through its programs and services that are designed to benefit the producers of Saskatchewan.

Key action: Extend the mandate of the Youth Advisory Committee for an additional five years; review and implement committee recommendations in order to attract young people to agriculture and help identify barriers to entry into farming and ranching.

- The first term of the Youth Advisory Committee ended on Dec. 31, 2010. In January 2011, the Minister extended the Committee’s term to Dec. 31, 2015. Current committee members have been appointed for a new term ending March 31, 2013. As of March 31, 2012, the Committee includes four of the original members and three new members.
- The Committee has outlined areas which include access to capital and investments, labour, education, agriculture awareness, irrigation and transportation.

Key action: Work with industry and educational institutions to promote the economic significance of the agriculture sector and communicate it as an attractive career option for Saskatchewan youth.

- In 2011-12, the Ministry provided \$150,000 to Agriculture in the Classroom (AITC) to further the work it has been doing to connect students to agriculture. Specifically, AITC is developing agricultural resources for science teachers of Grades 6-9. In addition, AITC is collaborating on a project with the Saskatchewan 4-H Council and has dedicated funding to updating its promotional resources.
- The AITC resource for Grade-4 social studies teachers was available in September 2011. This project was in part due to Ministry funding provided to AITC in 2009.

Key action: Award the Saskatchewan Agriculture Student Scholarships, worth \$1,000 each, to ten Grade-12 students entering agriculture related post-secondary studies.

- Ten scholarships were awarded to Grade-12 students entering post-secondary studies in 2011; nine were planning to attend the University of Saskatchewan and one student was going to attend Lakeland College in Vermillion, Alberta. The awards were presented during the students' high school graduation ceremonies and events in May and June 2011. The Scholarship program was offered again for the 2011-12 school year.

Key action: Provide financial support where appropriate to educational partnerships.

- The Ministry entered into a new partnership with the Saskatchewan Association of Agriculture Societies and Exhibitions (SAASE) and provided them with \$105,000 to administer agriculture safety and education programs over three years.
- The Ministry of Agriculture committed \$90,000 in funding to SAASE to administer Farm Safety Day camps for three years. These camps promote safety on the farm through interactive demonstrations and displays. Students also receive training on how to respond to injuries while on the farm. The camps will be held across the province and are aimed at children aged six to 15.
- The Ministry also provided \$15,000 to SAASE's "Ag on the MOOve" agriculture awareness project. This funding is to be used to purchase a trailer and develop interactive educational displays. The trailer will be used to transport the displays throughout the province for youth attending tradeshow, agriculture events, fairs and exhibitions.

- The Ministry continues to work with the Saskatchewan 4-H Council through its financial contribution of \$300,000, almost \$100,000 of in-kind support, and membership on its Board of Directors. 4-H is a project-based youth organization dedicated to the growth and development of members between the ages of six and 21, leaders, volunteers and staff.

Key action: Administer the enhanced Green Certificate Farm Training Program, an apprenticeship-style, on-farm skills-training program.

- The program provides a practical hands-on training curriculum for agriculture in Saskatchewan. Trainees can acquire skills in one of several agricultural sectors, including feedlot, cow/calf, dairy, sheep, crop and irrigated crop production.
- In 2011-12, 47 participants enrolled in the Green Certificate Farm Training Program. The Ministry presented 14 certificates of completion to participants who successfully completed their training.
- The Ministry completed an evaluation of the Green Certificate Farm Training Program in March 2012. The results of the evaluation will be implemented in the 2012-13 fiscal year.

Strategy: Improve the effectiveness and efficiency of the Ministry's programs and services so as to ensure the best use of public funds

Key action: Promote a culture within the Ministry of Agriculture to encourage examination of processes that may be candidates for improvement and public service renewal

- Over 10 per cent of Ministry employees have received introductory Lean training which enables them to identify processes that can be improved and areas where efficiencies can be gained. During the fiscal year, there were two value stream mapping events that took place.

Key action: Implement efficiencies identified in AgriStability and Agricultural Crown Land Sale Program

- At the end of February 2012, the Saskatchewan Crop Insurance Corporation was able to answer 100 per cent of the calls within 25 seconds and reduced the application process time by three to four weeks.
- AgConnect, an online tool, was released in March 2012. AgConnect is a secure web-based application tool to allow producers, form preparers and accountants to view and submit AgriStability information.
- By the end of February 2012, the Crown land sale process had been reduced from 90 days to 76 days and complex sale processes have also been simplified.

Key action: Identify and implement efficiencies in other program areas.

- Measures to reduce costs in the Brand Inspection Program continued in 2011-12. Efficiency initiatives resulted in more than \$110,000 to the program, without increasing risks to producers marketing cattle.

- The livestock inspection program is testing a new electronic data capture system that could offer producers the option of going with paperless manifests in the near future.
- The Farm Land Security Board is focusing on efficiencies in existing functions and administrative processes.
- The Saskatchewan Crop Insurance Corporation is working on simplifying the customer financial transaction cycle.

Performance Measures

Measure	Baseline / Trend information						
Applications for the Farm and Ranch Water Infrastructure Program	Targeted to southwest Saskatchewan						
	Category	Applications 2008		Completed 2009		Completed 2010	
	Community well	66		16		41	
	On-farm projects	2,987		1,455		677*	
	*Difference from the 2010-11 plan due to withdrawn applications.						
	Province-wide						
		2009		2010		2011	
	Category	Applications	Completed projects	Applications	Completed projects	Applications	Completed projects
	Community well	27	1	18	4	7	5
	On-farm projects	2,089	650	1,250	1,154	798	545
Source: Ministry of Agriculture							

Measure description

The Farm and Ranch Water Infrastructure Program (FRWIP) supports the development of secure water sources in Saskatchewan to expand the livestock industry, encourage rural economic activity and mitigate the effects of future drought. Farmers and ranchers across Saskatchewan are eligible for funding of the following projects:

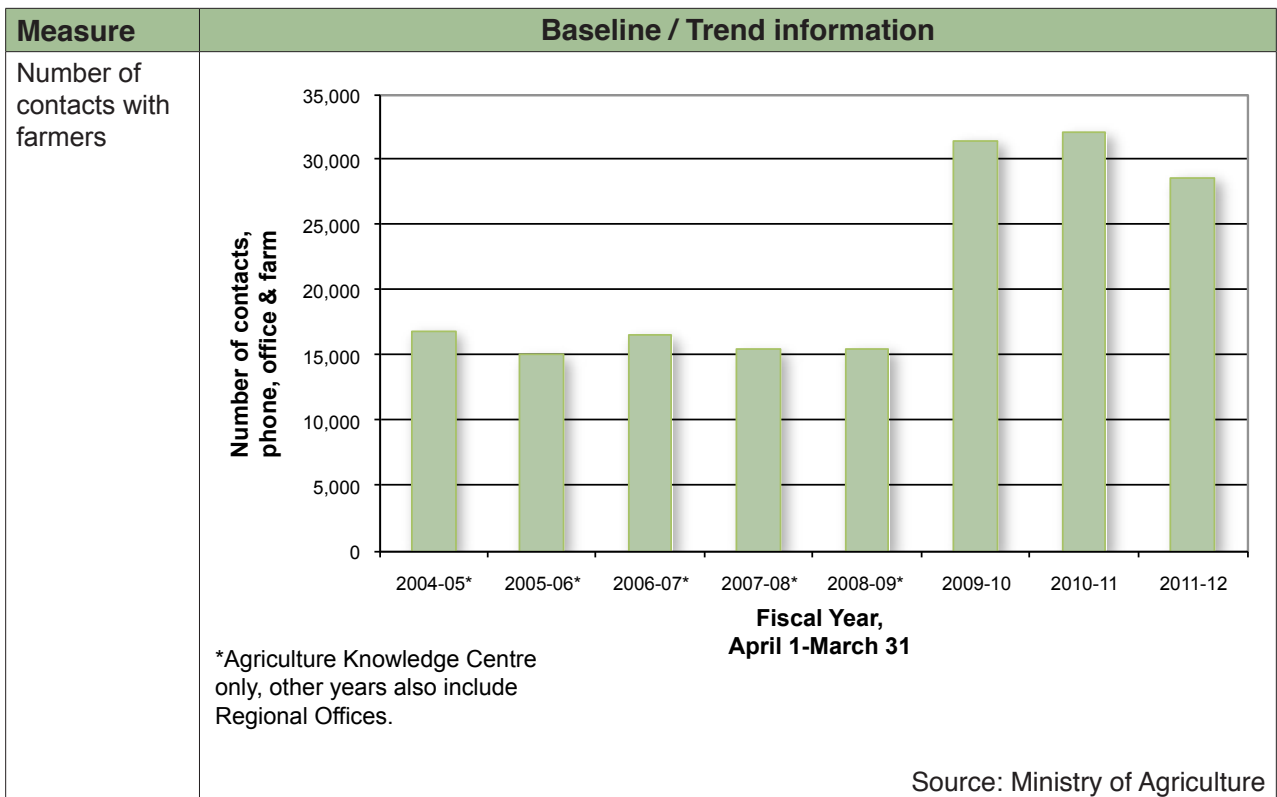
- Large diameter and small diameter wells;
- Shallow or deep-buried pipelines; and
- Dugouts.

Funding is also available to rural municipalities and First Nations bands to develop community wells.

This program improves the business climate through infrastructure development (i.e. availability of water sources), and it is also part of the Growing Forward suite of programs provided in collaboration with the federal government.

The application period for the targeted FRWIP (for southwest Saskatchewan) closed on Dec. 3, 2008, and no new applications were accepted in 2009. Due to constraints on construction resources, the completion deadline for projects was extended to Dec. 31, 2010.

The province-wide FRWIP was established under Growing Forward in April 2009. The number of projects completed will provide a measure of success for the program, however, excess moisture received this past year and constraints on construction resources have restricted the number of projects completed to date.

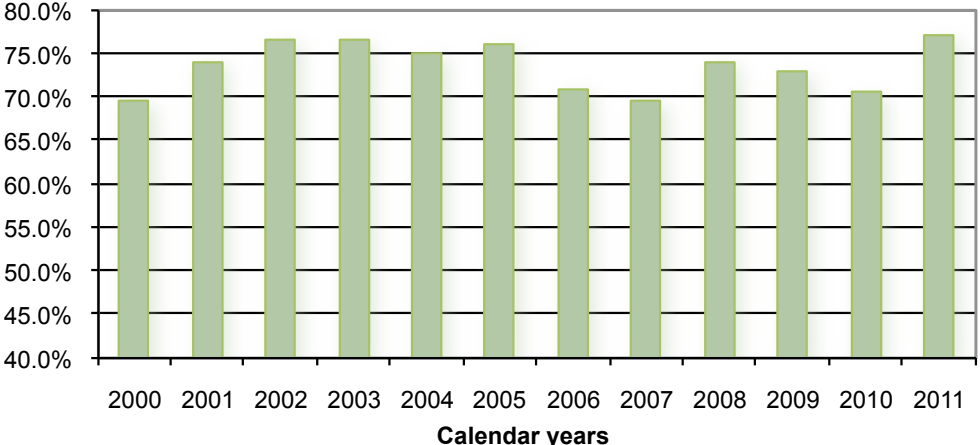


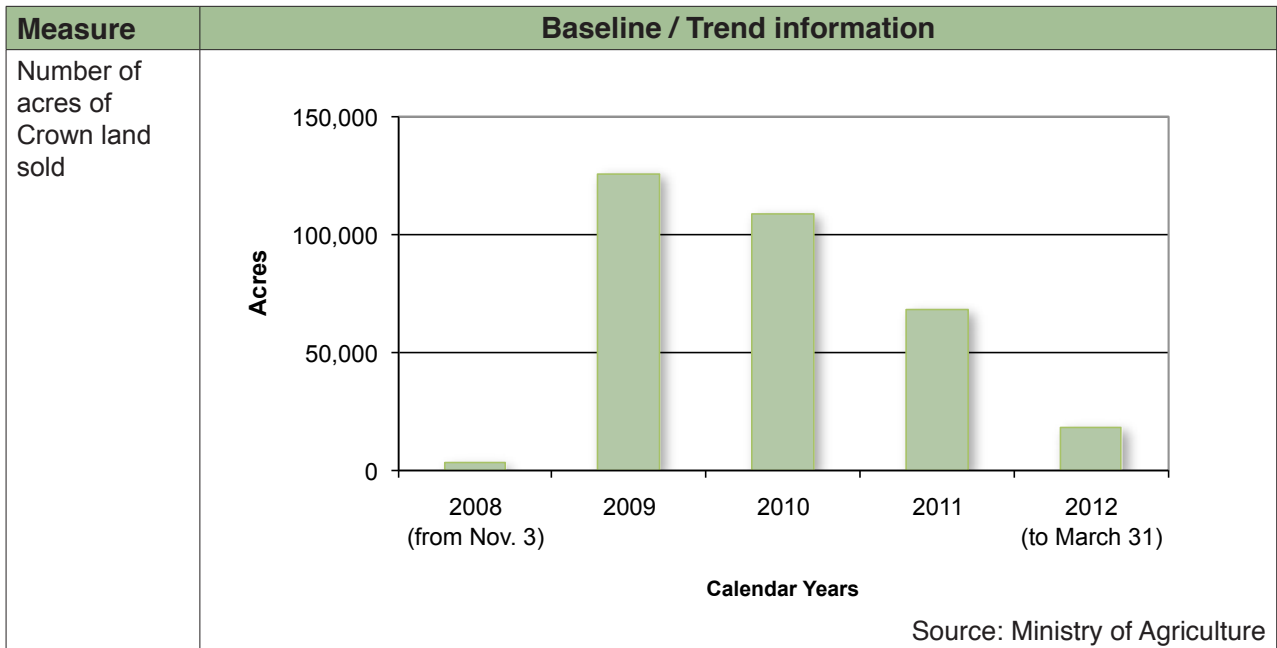
Measure description

In order to be more readily accessible to the industry, the Ministry transitioned from a centralized service delivery approach to a distributed regional presence in early 2009. This allows regional specialists to be better positioned to help farmers and ranchers increase the profitability and productivity of their operations.

Being more readily available to clients will change the number of contacts with farmers and ranchers, enabling the Ministry to gauge the accessibility and usefulness of the technical and support services made available. The number of contacts includes telephone calls, farm visits and office visits at the Ministry’s Regional Offices and the Agriculture Knowledge Centre (AKC) located at the Moose Jaw Regional Office.

Note that the increase in number of contacts beginning in 2009-10 reflects reporting from both the AKC and Regional Offices. Prior to that time, only AKC contacts were tracked.

Measure	Baseline / Trend information																										
<p>Acreage insured under Crop Insurance as a percentage of total seeded acres</p>	 <table border="1" data-bbox="414 367 1388 808"> <caption>Estimated data for Acreage insured under Crop Insurance as a percentage of total seeded acres</caption> <thead> <tr> <th>Calendar year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>2000</td><td>70.0%</td></tr> <tr><td>2001</td><td>74.0%</td></tr> <tr><td>2002</td><td>78.0%</td></tr> <tr><td>2003</td><td>77.0%</td></tr> <tr><td>2004</td><td>75.0%</td></tr> <tr><td>2005</td><td>76.0%</td></tr> <tr><td>2006</td><td>71.0%</td></tr> <tr><td>2007</td><td>70.0%</td></tr> <tr><td>2008</td><td>74.0%</td></tr> <tr><td>2009</td><td>73.0%</td></tr> <tr><td>2010</td><td>71.0%</td></tr> <tr><td>2011</td><td>78.0%</td></tr> </tbody> </table> <p style="text-align: right;">Source: Saskatchewan Crop Insurance Corporation</p>	Calendar year	Percentage	2000	70.0%	2001	74.0%	2002	78.0%	2003	77.0%	2004	75.0%	2005	76.0%	2006	71.0%	2007	70.0%	2008	74.0%	2009	73.0%	2010	71.0%	2011	78.0%
Calendar year	Percentage																										
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2010	71.0%																										
2011	78.0%																										
<p>Measure description</p> <p>Crop Insurance is a valuable risk management tool for producers. One measure to determine Crop Insurance program participation is comparing insured acreage to the total possible acreage that could be insured. The goal is to maintain or increase the amount of insured acreage in Saskatchewan. Fluctuations occur from year to year for various reasons, including seeding conditions, individual circumstances, program options, crop prices and speculation on the current year's outlook. Changes are made annually to enhance the program and to benefit Saskatchewan producers.</p>																											



Measure description

In November 2008, the Ministry introduced a five-year Agricultural Crown Land Sale Program to Crown land lessees. The program is designed to encourage lessees to purchase their leased agricultural Crown lands, enabling them more control over their own business operations. Many lessees have been asking for this type of program for a long time and the program fulfills a commitment made in the 2007 Throne Speech.

The program offers agricultural Crown land lessees a sliding scale incentive for purchase, beginning with a 10-per-cent incentive on the sale price of the land from Nov. 15, 2008 to Dec. 31, 2010; an eight-per-cent incentive in 2011; a six-per-cent incentive in 2012; a four-per-cent incentive in 2013 and a two-per-cent incentive in 2014.

The chart shows acres sold since the program began in November 2008.

Measure	Baseline / Trend information			
Presence at tradeshows, industry events and partnerships	Ministry involvement	2009-10*	2010-11*	2011-12*
	Tradeshow, international meetings, etc.	26	26	16
	Program information sessions, for example, Growing Forward, AgriStability	23	38	4
	Industry conferences, meetings, etc.	136	139	97
	Youth, promotional and sponsorships	35	41	13
	Information sessions, training, field days	102	109	77
	Other events such as open houses, consultation, etc.	22	35	45
	Federal-Provincial-Territorial meetings	8	11	8
	Total	352	403	260
<p>** The 2009-10, 2010-11 and 2011-12 annual plans indicated events for the period April 1 to Feb. 28. This measure in the Annual Report presents the entire fiscal year April 1 to March 31. If there is overlap between categories, the event is only counted in one category.</p> <p style="text-align: right;">Source: Ministry of Agriculture</p>				

Measure description

This measure provides an indication of the interaction of Ministry staff with the agriculture industry. It provides insight into several strategy areas, including:

- Provision of regional services since much of the Ministry involvement listed in the table is provided in rural areas;
- Collaboration with other levels of government and industry; and
- Promotion of the agriculture sector.

Ministry staff provide production and economic advice by presenting seminars and workshops throughout the province. Regional meetings employing the Regional Crops, Livestock, Forage and Farm Business Management Specialists are held on a variety of topics. Additionally, Regional Services has added seven Satellite Offices which are located in Lloydminster, Meadow Lake, Shaunavon, Wadena, Moosomin, Assiniboia and Estevan.

Many events take place that are attended by school children. Using these venues, the Ministry creates awareness and knowledge of the significance of agriculture to the economy and promotes agriculture as an exciting career opportunity for youth.

The number of overall events has increased but the distribution has changed somewhat between fiscal years. For example, information sessions have increased reflecting a large number of information sessions put on by SCIC. Additionally, Regional Services has changed focus from introducing the new service model to providing program workshops or information sessions.

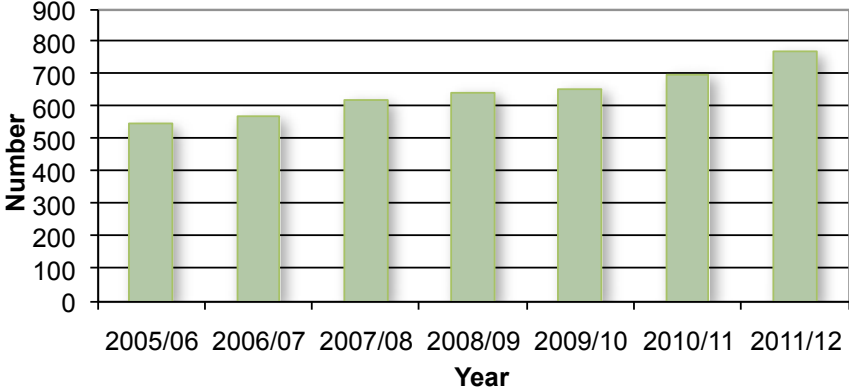
Measure	Baseline / Trend information		
Number of practices, technologies and products demonstrated within Saskatchewan	Fiscal year	ADOPT applications approved	ADOPT funding approved
	2009-2010	87	\$575,395
	2010-2011	95	\$791,058
	2011-2012	79	\$667,732

Source: Ministry of Agriculture

Measure description

Saskatchewan Agriculture offers a comprehensive portfolio of research and development programs designed to meet the current needs and to create future growth opportunities for the agriculture industry. These programs coupled with the Federal-Provincial-Territorial Growing Forward suite of programs support applied research and development; foster product, process and market development; and help ensure that there is the necessary research capacity in Saskatchewan to meet the needs of our farmers and other sectors of the agriculture industry.

In addition to the Ministry's core research and development programs are the new Growing Forward programs that include the Agricultural Demonstration of Practices and Technologies (ADOPT) program. The purpose of the ADOPT program is to accelerate the transfer of knowledge to Saskatchewan farmers and ranchers and to help producer groups evaluate and demonstrate new agricultural practices and technologies at the local level. The results of successful trials can then be adopted more quickly by farming operations in the region. This measure provides an indication of technologies reaching agriculture producers.

Measure	Baseline / Trend information																
Enrolment in post-secondary agriculture programs	 <table border="1" data-bbox="505 394 1349 779"> <caption>Enrolment in post-secondary agriculture programs (2005/06 to 2011/12)</caption> <thead> <tr> <th>Year</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>2005/06</td> <td>550</td> </tr> <tr> <td>2006/07</td> <td>580</td> </tr> <tr> <td>2007/08</td> <td>620</td> </tr> <tr> <td>2008/09</td> <td>650</td> </tr> <tr> <td>2009/10</td> <td>660</td> </tr> <tr> <td>2010/11</td> <td>700</td> </tr> <tr> <td>2011/12</td> <td>780</td> </tr> </tbody> </table> <p data-bbox="954 856 1380 892">Source: University of Saskatchewan</p>	Year	Number	2005/06	550	2006/07	580	2007/08	620	2008/09	650	2009/10	660	2010/11	700	2011/12	780
Year	Number																
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2011/12	780																

Measure description

This measure tracks the number of students enrolled in post-secondary agriculture programs (data currently for the University of Saskatchewan only).

One of the Ministry strategies is to “promote the agriculture sector and its benefits”. The actions taken by the Ministry include support to Agriculture in the Classroom initiatives, support to the Saskatchewan 4-H Council, delivering a hands-on training program targeting high school students (Green Certificate Farm Training Program), the Saskatchewan Agriculture Student Scholarship Program, as well as numerous promotional activities through events such as the Canadian Western Agribition, Canada’s Farm Progress Show and the Crop Production Show.

This measure provides an indication of the level of interest in agriculture as a post-secondary field of study. Ministry activities are only one contributing factor. Other factors would include the economic conditions for agriculture in the province, university recruiting and program offerings, etc. The chart indicates that student enrolment has been increasing and 2011/12 experienced the largest increase in recent years, almost 10 per cent over the previous year.

2011-12 Financial Summary

Expenses:

During 2011-12, the Ministry of Agriculture incurred expenses of \$439.6 million, which is \$21.7 million over the original expense budget of \$417.9 million. Additional expenditures of \$100.3 million were incurred to fund three programs under AgriRecovery: the Canada-Saskatchewan Excess Moisture Program, the Saskatchewan Feed and Forage Program 2010 and the Saskatchewan Feed and Forage Program 2011. Other additional expenditures included \$11.8 million to fully fund the AgriInvest Program for 2011; \$2.0 million for the Dairy Research Facility at the University of Saskatchewan; and \$1.7 million for funding under the SaskBio Program.

Offsetting these additional expenditures were \$71.6 million for the provincial contribution to AgriStability; \$7.4 million in operational savings realized across the Ministry; \$4.4 million in lower Wildlife Damage Compensation Premiums; \$4.0 million for Crop Insurance Premiums; \$2.9 million in capital expenditures for irrigation infrastructure; \$2.4 million in reduced incentives under the Agricultural Crown Land Sale Program; and \$0.4 million for reduced Bad Debt Allowance.

The revised budget includes supplementary estimates of \$30.285 million for the Canada-Saskatchewan Excess Moisture Program and SaskBio.

	(in thousands of dollars)		
	Original budget	Revised budget	Actual
Personal services	27,085	27,085	23,684
Supplier and other payments	22,939	22,939	15,331
Transfers to individuals	297,922	328,207	326,593
Transfers to public services	67,907	67,907	71,873
Amortization expense	2,027	2,027	2,151
Total	417,880	448,165	439,632

Revenue

In 2011-12, the Ministry collected \$144.5 million in revenue; up \$48.6 million from the Budget Estimate of \$95.9 million. The increased revenue is primarily attributed to a \$25 million unbudgeted dividend from the Agricultural Credit Corporation of Saskatchewan, \$11.8 million in additional land sales and \$3.5 million of additional federal funding for the Growing Forward programs. There was also a \$3.5 million refund of prior year payables for the provincial contributions required to fund the AgriStability and Canadian Agricultural Income Stabilization programs and a \$3.5 million adjustment due to a change in accounting policy for the Pastures and Livestock Services Revolving Fund.

Offsetting these increased revenues is decreased agricultural lease revenue of \$1.7 million due to increased land sales and fewer agricultural leases.

2011-12 Financial Schedules

(in thousands of dollars)				
	2011-12 Estimates	2011-12 Actuals	Variances over (under)	Notes
Revenue				
Land revenue:				
Crown land sales	\$ 18,000	\$ 30,198	\$ 12,198	1
Rent and penalty on land leases	26,000	24,333	(1,667)	2
Land licenses and permits	400	428	28	
Interest	140	52	(88)	3
Receipts from federal government	49,042	52,533	3,491	4
Privileges, licenses and permits	182	314	132	5
Sales, services and service fees	1,568	1,238	(330)	6
Interest revenue	350	515	165	7
Other revenue	51	29,018	28,967	8
Refund of previous year expenditures	121	5,883	5,762	9
Total revenue	\$ 95,854	\$ 144,512	\$ 48,658	
Expenditure				
Central management and services	\$ 11,797	\$ 9,681	\$ (2,116)	1
Industry assistance	\$ 4,659	\$ 5,662	\$ 1,003	2
Land management				
Land management services	\$ 3,268	\$ 3,176	\$ (92)	3
Land revenue bad debt allowances	500	77	(423)	4
Crown Land Sale Incentive Program	4,500	2,060	(2,440)	5
Subtotal	\$ 8,268	\$ 5,313	\$ (2,955)	
Policy and planning	\$ 3,955	\$ 3,741	\$ (214)	6
Research and technology				
Project coordination	\$ 906	\$ 853	\$ (53)	7
Research programming	17,276	19,340	2,064	8
Subtotal	\$ 18,182	\$ 20,193	\$ 2,011	

(in thousands of dollars)				
	2011-12 Estimates	2011-12 Actuals	Variances over (under)	Notes
Regional services				
Regional services	\$ 31,608	\$ 28,523	\$ (3,085)	9
Financial programs				
Financial programs management	\$ 8,865	\$ 7,000	\$ (1,865)	10
Business risk management				
Crop Insurance program delivery	\$ 29,510	\$ 29,510	-	
Crop Insurance premiums	131,335	122,967	(8,368)	11
AgriStability program delivery	16,712	16,700	(12)	
AgriStability	112,200	40,600	(71,600)	12
AgriInvest	31,000	42,800	11,800	13
AgriRecovery	-	100,312	100,312	14
Subtotal	\$ 320,757	\$ 352,889	\$ 32,132	
Irrigation and water infrastructure				
Irrigation services	\$ 7,762	\$ 7,477	\$ (285)	15
Budget appropriation	\$ 415,853	\$ 440,478	\$ 24,625	
Supplementary estimates/Special warrants	\$ 30,285	-	\$ (30,285)	16
Statutory adjustments	-	-	-	
Total revised appropriation	\$ 446,138	\$ 440,478	\$ (5,660)	
Capital asset acquisition	-	\$ (2,874)	\$ (2,874)	17
Amortization of capital assets	\$ 2,027	\$ 2,151	\$ 124	18
Other	-	\$ (124)	\$ (124)	19
Total revised estimates and expenses	\$ 448,165	\$ 439,632	\$ (8,533)	
Full-time equivalents staff compliment	461.0	451.2	(9.8)	1

2011-12 Financial Schedules - Notes

Explanations of variances which exceed \$50,000 between Estimates and Actuals.

Revenue

1. Three large unbudgeted land sales as well as increased sales of land with book value.
2. Decrease in agricultural leases due to sales under the Agricultural Crown Land Sale Program.
3. Decreased interest revenue as outstanding account balances were paid down.
4. Increased revenue from the federal government for non-business risk management programs under Growing Forward.
5. Increased revenue from the Water Pumping Program.
6. Lower than expected revenue from irrigation districts.
7. Increased interest revenue from Crown Land Sale Incentive Program, partially offset by decreased interest due to writeoffs of short-term hog loans and lower than anticipated Crown land sales.
8. Dividend from the Agricultural Credit Corporation of Saskatchewan and revenue resulting from a change in accounting policy for the Pastures and Livestock Services Revolving Fund.
9. Reduction in the previous year liability for AgriStability, AgriInvest and Canadian Agricultural Income Stabilization for 2010 and prior years due to lower forecasts and reversal of miscellaneous previous years' accruals no longer required.

Expenditure

1. Vacancy management and savings in accommodations and other operating expenses.
2. Increased funding for the SaskBio Program, offset by decreased funding for the Fieldworker Programs due to timing of grants.
3. Vacancy management and other operating expenses.
4. Decrease in bad debt allowance.
5. Lower than expected total land sales under the Agricultural Crown Land Sale Program resulted in lower than expected cost of incentives for the program.
6. Vacancy management and savings in information technology and other operating expenses.
7. Operational savings.
8. Increased grant for the Dairy Research Facility.
9. Vacancy management and savings in information technology and other operating expenses.
10. Operational savings.
11. Reduced crop insurance premiums due to excess moisture conditions and decreased wildlife damage claims.
12. Based on the federal government's forecast, lower contributions were required to fully fund the 2011 AgriStability Program.
13. Based on the federal government's forecast, higher contributions were required to fully fund the 2011 AgriInvest Program.

-
14. Additional funding required for three AgriRecovery programs: the Canada-Saskatchewan Excess Moisture Program, the Saskatchewan Feed and Forage Program 2010 and the Saskatchewan Feed and Forage Program 2011.
 15. Lower costs incurred for rehabilitation work on irrigation infrastructure, vacancy management and operational savings.
 16. The Ministry received Supplementary Estimates in 2011-12 for the Canada-Saskatchewan Excess Moisture Program, AgriInvest and for the SaskBio Program.
 17. Capital expenditures for irrigation infrastructure, operating equipment and leasehold improvements.
 18. Amortization slightly higher than budgeted due to acquisitions of capital assets.
 19. Loss on sale of agricultural land classified as tangible capital assets and the changes in inventory and prepaid expenses.

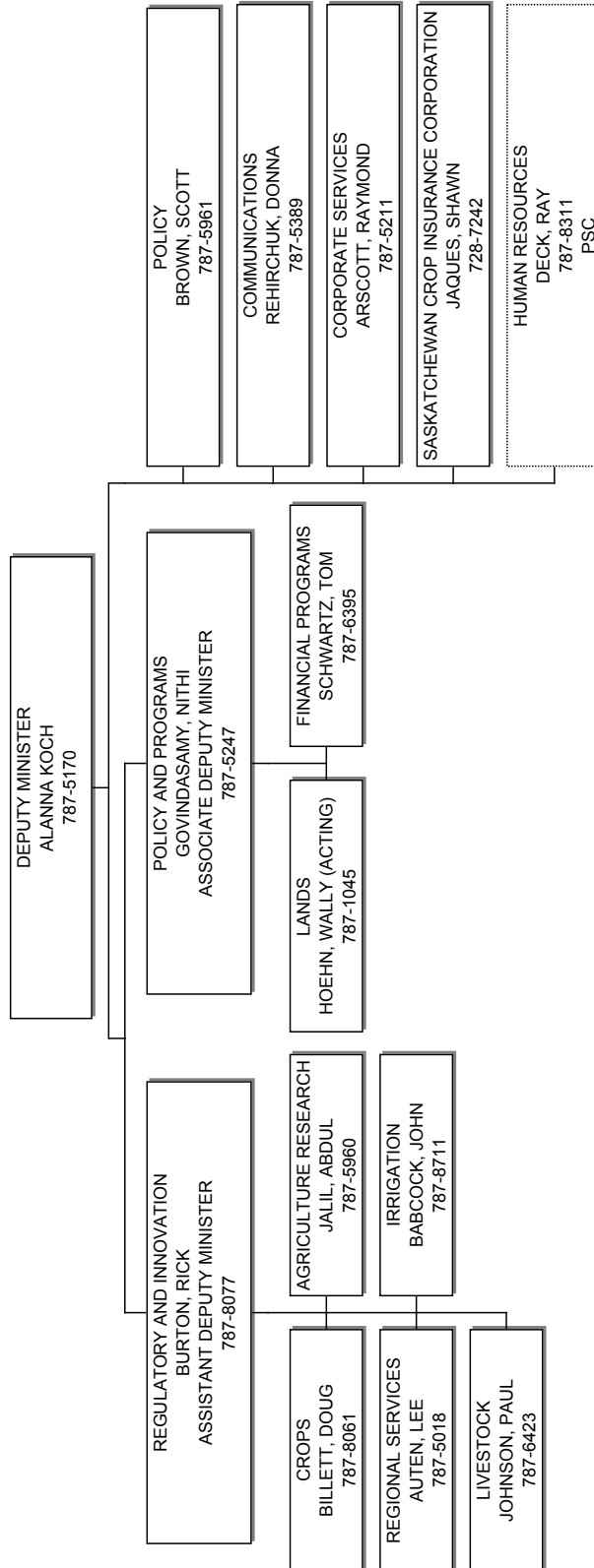
Full-time equivalents staff complement

1. Vacancy management, including the Workforce Adjustment Strategy, partially offset by additional staff required for livestock inspections.

Appendices

Appendix A: Ministry Organizational Chart

Saskatchewan Ministry of Agriculture 2011-2012



Appendices

Appendix B – Loans and Guaranteed Debt

Livestock Loan Guarantee Program

The Livestock Loan Guarantee (LLG) Program facilitates growth of Saskatchewan's livestock industry by providing producer associations access to credit at favourable interest rates and with limited collateral requirements for purchase of cattle, sheep or bison. The Program may also be used as a management tool to generate cash flow through retained ownership options. The LLG Program supports increased livestock production by providing guarantees to lenders who make loans to production associations and individual feedlot operators.

During 2011-12, budgeted and actual guarantees under this program were:

Breeder associations (in thousands of dollars)	Budget	Actual	Variance over (under)
Beginning balance	\$14,000	\$8,830	
Additions	\$1,000	\$651	
Reductions			
Ending balance	\$15,000	\$9,481	\$(5,519)
Explanation of variance: Program participation is lower as a result of market uncertainty, producers exiting the livestock industry and additional options for financing.			

Feeder associations (in thousands of dollars)	Budget	Actual	Variance over (under)
Beginning balance	\$14,000	\$5,963	
Additions	\$1,000	\$387	
Reductions			
Ending balance	\$15,000	\$6,350	\$(8,650)
Explanation of variance: Program participation is lower as a result of market uncertainty, producers exiting the livestock industry and additional options for financing.			

Individual cattle feeder loan guarantees (in thousands of dollars)	Budget	Actual	Variance over (under)
Beginning balance	\$2,000	\$61	
Additions			
Reductions	\$(1,000)	\$(48)	
Ending balance	\$1,000	\$13	\$(987)
Explanation of variance: Program participation is lower as a result of market uncertainty, producers exiting the livestock industry and additional options for financing.			

Feedlot construction loan guarantees (in thousands of dollars)	Budget	Actual	Variance over (under)
Beginning balance	\$3,000	\$2,098	
Additions	\$1,000		
Reductions		\$(91)	
Ending balance	\$4,000	\$2,007	\$(1,993)
Explanation of variance: Due to poor margins, no new feedlot construction has taken place.			

Enhanced feeder loan guarantees (in thousands of dollars)	Budget	Actual	Variance over (under)
Beginning balance	\$500	Nil	
Additions			
Reductions	\$(500)		
Ending balance	Nil	Nil	Nil
Explanation of variance: N/A			

Short-Term Hog Loan Programs

The Short-Term Hog Loan Programs supported increased livestock production by providing loans to producers. The initial Short-Term Hog Loan Program that was announced in December 1998 assisted hog producers in offsetting operating losses due to a severe reduction in hog prices at that time. A second hog loan program was announced in November 2002 in response to the high feed prices and depressed market prices that hog producers were experiencing. A third hog loan program was announced in December 2007, again in response to the high feed prices and depressed market prices.

During 2011-12, budgeted and actual loans under this program were:

2002 Short-Term Hog Loan Programs outstanding loans (in thousands of dollars)	Budget	Actual	Variance over (under)
Beginning balance	Nil	\$31	
Additions			
Reductions	Nil	Nil	
Ending balance	Nil	\$31	
Explanation of variance: It was expected that all loans would be repaid by March 31, 2011; however there is still one loan remaining.			
2008 Short-Term Hog Loan Programs outstanding loans (in thousands of dollars)	Budget	Actual	Variance over (under)
Beginning balance	\$13,847	\$8,691	
Additions			
Reductions	\$(12,154)	\$(5,408)	
Ending balance	\$1,693	\$3,283	\$1,590
Explanation of variance: The variance is due to loan loss provision.			

Appendices

Appendix C: Legislation Administered

The Agricultural Credit Corporation of Saskatchewan Act
The Agricultural Equipment Dealerships Act
The Agricultural Implements Act
The Agricultural Leaseholders Act
The Agricultural Operations Act
The Agricultural Safety Net Act
The Agri-Food Act, 2004
The Agrologists Act, 1994
The Animal Identification Act
The Animal Products Act
The Animal Protection Act, 1999
The Apiaries Act, 2005
The Crop Insurance Act
The Crop Payments Act
The Department of Agriculture, Food, and Rural Revitalization Act
The Diseases of Animals Act
The Expropriation (Rehabilitation Projects) Act
The Family Farm Credit Act
The Farmers' Counselling and Assistance Act
The Farm Financial Stability Act
The Farming Communities Land Act
The Grain Charges Limitation Act
The Horned Cattle Purchases Act
The Irrigation Act, 1996
The Land Bank Repeal and Temporary Provisions Act
The Leafcutting Beekeepers Registration Act
The Line Fence Act
The On-farm Quality Assurance Programs Act
The Pastures Act
The Pest Control Act
The Pest Control Products (Saskatchewan) Act
The Prairie Agricultural Machinery Institute Act, 1999
*The Provincial Lands Act **
*The Sale or Lease of Certain Lands Act **
The Saskatchewan 4-H Foundation Act
The Saskatchewan Farm Security Act
The Soil Drifting Control Act
The Stray Animals Act
The Vegetable, Fruit and Honey Sales Act
The Veterinarians Act, 1987
The Veterinary Services Act
The Weed Control Act

*Joint responsibility

Appendices

Appendix D - Special Purpose Funds and Agencies with Legislative Responsibilities to Saskatchewan Agriculture

Special purposes funds year-end

Horned Cattle Fund
Livestock Services Revolving Fund
Pastures Revolving Fund
Individual Cattle Feeder Loan Guarantee Provincial Assurance Fund

Agencies

Agricultural Credit Corporation of Saskatchewan
Agricultural Implements Board
Agri-Food Council
Irrigation Crop Diversification Corporation
Prairie Agricultural Machinery Institute
Saskatchewan Agricultural Stabilization Fund
Saskatchewan Crop Insurance Corporation
Crop Reinsurance Fund of Saskatchewan

Agencies under the Agri-Food Council

Canaryseed Development Commission of Saskatchewan
Chicken Farmers of Saskatchewan
Saskatchewan Alfalfa Seed Producers Development Commission
Saskatchewan Beekeepers Development Commission
Saskatchewan Broiler Hatching Egg Producers' Marketing Board
Saskatchewan Canola Development Commission
Saskatchewan Egg Producers
Saskatchewan Flax Development Commission
Saskatchewan Forage Seed Development Commission
Saskatchewan Mustard Development Commission
Saskatchewan Oat Development Commission
Saskatchewan Pulse Crop Development Board
Saskatchewan Cattlemen's Association
Saskatchewan Milk Marketing Board
Saskatchewan Turkey Producers' Marketing Board
Saskatchewan Winter Cereals Development Commission
Sheep Development Board
Sask Pork

Appendices

Appendix E: Third-Party Funding

(in thousands of dollars)

Industry assistance grants

Budgeted industry assistance grants	\$3,134
Canadian Centre for Health and Safety in Agriculture	\$ 100
Prairie Diagnostic Services Inc.	2,385
Saskatchewan 4-H Council Inc.	300
Budgeted grants \$50,000 and under	349
Miscellaneous industry assistance grants	\$266
Miscellaneous grants \$50,000 and under	
SaskBio Program	\$1,700
Provides repayable contributions of up to \$10 million per project for the construction or expansion of transportation biofuel production facilities in Saskatchewan.	
Comprehensive Pest Control Program	
Gopher Control Rebate Program	\$174
Provides producers, rural municipalities and First Nations bands with a 50-per-cent reimbursement for eligible gopher control products.	
Fieldworker Program	\$150
Support for the control of pests and diseases such as rats, perennial weeds, Hantavirus and Dutch elm disease.	
Black Fly Control Program	\$138
Funding to purchase and apply chemicals to control the problems caused by black flies and the harm invoked on livestock in northern Saskatchewan.	
Beaver Control Program	\$50
Funding to support the removal of problem beavers in the province.	
Feral Wild Boar Program	\$ 50
Funding to support the removal of wild boars in the province.	
Total industry assistance	\$5,662
Research and technology grants	
Research and development grants	\$10,845

Funding provided through a number of mechanisms including the Agriculture Development Fund to support research and development. Areas of focus include, but are not limited to: improved food quality and safety, decreased agricultural production risk, increased livestock competitiveness and the development of proprietary technology and know-how in novel applications.

Strategic research programs \$3,100

Provides funding to cover the salaries of 15 teams of research scientist and technicians at the University of Saskatchewan and the Prairie Agricultural Machinery Institute. The Program covers four broad research themes including crop genetic improvement, foods and bio-product development, soils/environment and livestock research.

Prairie Agricultural Machinery Institute \$995

Core funding is provided to the Prairie Agricultural Machinery Institute (PAMI) which contributes to their mandate of assisting the agriculture industry through applied research, development and testing. PAMI focuses on farm equipment design, bio-energy and processing as well as livestock production and economics through their relationship with the Western Beef Development Centre.

Ag-West Bio Inc. \$300

Agriculture contributes to Ag-West Bio Inc.'s focus on developing products derived from living organisms with market applications in agricultural, environmental, industrial, energy and bio-processing, and health and nutrition markets.

Business risk management \$200,412

Provides the provincial contributions to the AgriStability and AgriInvest programs. Provides the provincial contributions to AgriRecovery programs (Excess Moisture, Pasture Recovery Initiative and Feed and Forage)

Crop Insurance \$152,477

Provides funding for the Saskatchewan Crop Insurance Corporation (SCIC) to administer insurance programs which protect grain and livestock producers from production failures due to natural hazards. SCIC also delivers programs which compensate producers for crop damage caused by big game and migratory waterfowl.

Growing Forward \$21,994

Provides funding for the federal contributions for non-business risk management programs under the Growing Forward Framework Agreement with the federal government.

Agricultural Crown Land Sale Program \$2,137

Cost of providing incentives to purchasers of leased crown land including a 10-per-cent discount from the sale price and favourable financing terms.

Miscellaneous

Irrigation Branch \$35

Provides funding to the Irrigation Crop Diversification Corporation for non-district irrigation members.

Lands Branch \$56

Provides compensation to rural municipalities and conservation and development authorities for tax levies on vacant patented Crown land and for arrears owed on behalf of former Crown land lessees.

Livestock Branch \$530

Grant to the Saskatchewan Society for the Prevention of Cruelty to Animals in support of investigation of welfare complaints involving livestock.

Total third-party funding \$398,543

Appendices

Appendix F - Regulatory Amendments

New Regulations

The Saskatchewan Feed and Forage Program Regulations

- The regulations supported producers affected by the excess moisture conditions of 2010, who faced feed issues due to excess moisture, into 2011. The Regulations provided transportation assistance for producers facing a pasture and/or feed shortage; provided assistance to producers who reseeded perennial forage and pasture land, and provided assistance to offset feed shortages for breeding herds

The Chicken Marketing Plan Regulations

- The regulations will better reflect industry developments since initial regulations came into effect, especially concerning animal care standards. Furthermore, using the resources of a fund established by current regulations, a new Chicken Industry Development Fund will be developed to allow for broader industry development support, whereas the existing fund is limited to processing-specific support only.

The Excess Moisture Program Regulations, 2011

- The regulations allow the Excess Moisture Account, which was established in 2010 within the Saskatchewan Agricultural Stabilization Fund, to be continued for the purpose of implementing the 2011 Excess Moisture Program.

The Intensive Livestock Operation Environmental Rehabilitation Program Regulations

- The regulations allow intensive livestock operations operators to access financial assistance under the Growing Forward Initiative, for the restoration, maintenance and upgrading of pens and manure systems and to ensure ongoing protection of the environment damaged by excess moisture and flooding. Many operators were not eligible to receive funding under the Provincial Disaster Assistance program. The assistance will provide operators with 75 per cent of the eligible costs incurred in restoring and upgrading clay-based pens and manure systems.

The Milk Compositional Standards Regulations

- The regulations set compositional standards to be used in the manufacturing or processing of milk and milk products in Saskatchewan and they have been designed to complement the federal standards already in place.

The 2011 Saskatchewan Feed and Forage Program Regulations

- The regulations are required to implement the feed and forage components of the response to the 2011 flooding situation.

Amended Regulations

The Gopher Control Rebate Amendment Regulations, 2011

- These regulations assisted producers and Indian bands by providing them with a 50-cent rebate for money spent on eligible gopher control products. The program also provided assistance to rural municipalities who purchased gopher control products and resold the product at a subsidized cost to producers. The amended regulations allowed the Minister of Agriculture to extend the Gopher Control Rebate Program until Dec. 31, 2013.

The Canola Development Plan Amendment Regulations, 2011

- These amendments allowed for the merging of The Saskatchewan Canola Growers Association into the Saskatchewan Canola Development Commission and brought about regulatory changes with respect to elections and the number of terms of board members.

The Provincial Lands Amendment Regulations, 2012

- The amendments sought to modernize the Crown land cultivation formula to allow rental rates to reflect current agricultural practices and approach market rates. The updated formula uses current regionally specific crop mix data and Saskatchewan Crop Insurance Corporation price projections for the current crop year.

The Land Bank Temporary Provisions Amendment Regulations, 2012

- The amendments, working concurrently with the Provincial Lands Amendment Regulations sought to modernize the Crown land cultivation formula, allow rental rates to reflect current agricultural practices and approach market rates. This updated formula uses current regionally specific crop mix data and Saskatchewan Crop Insurance Corporation price projections for the current crop year.

The 2009 Farm and Ranch Water Infrastructure Program Amendment Regulations, 2012

- The program provides assistance to producers, rural municipalities and irrigation districts across Saskatchewan by providing funds to offset the cost of developing secure water supplies. The amendments increased the amount of funding available for each of the three irrigation districts with infill plans from 1.5 million to 4.5 million. The amendments will allow districts to increase their infill acres by 4,500 acres.

The Crop Insurance Amendment Regulations

- The amendments simplify the calculation of unseeded acreage claims by removing the insurance intensity factor and current year summerfallow acres from the formula. Producers will also be given the option of purchasing additional unseeded acreage coverage of \$15 per acre or \$30 per acre. A fruit tree establishment and replacement program to benefit the industry will be introduced for a three-year trial period. The penalties applied for the late filing of claims will be made less onerous in the event of large indemnity payments (maximum \$1,000 penalty).

