

CONTEXTUAL INFORMATION - CANADA

Main economic, land use and agricultural characteristics (2008 or latest available)

GDP per capita (USD)	Population density	Agriculture in GDP	Agriculture in employment
38 500 (2007)	3.4/km ² (2008)	2.0% (2008)	2.0% (2008)

Sources: OECD, Statistics Canada, Agriculture and Agri-Food Canada

Land use (2007)	Total land area	Forest area	Total agricultural area	Arable land	Permanent Meadows and Pastures
000 hectares	909 351	310 134	67 600	45 100	15 450
% of total area	100	34.1	7.4	4.9	1.7

Source: FAOSTAT – Agriculture Data

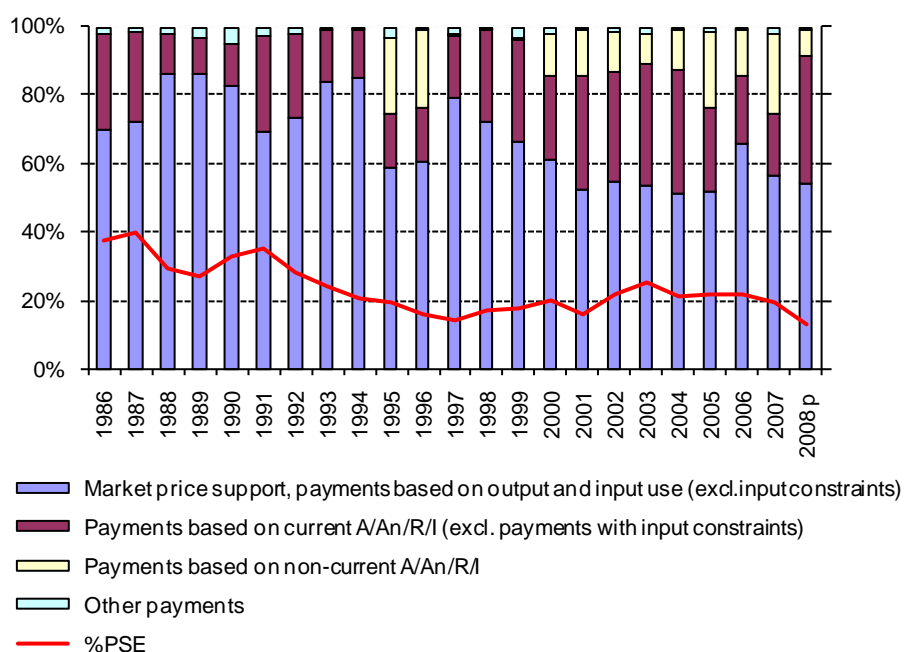
Canada is dominated by large forest areas with a temperate to nordic climate. The main factor restricting crop and livestock production in Canada is climate and most of agricultural land is on the south plains regions. The LFA concept is not applied in Canadian agricultural policy. Farming is dominated by grain, oilseeds, dairy and red meats production accounting for more than 70% of total farm market receipts in 2008. Farm size varies across Canada depending in large part on commodity specialization and geographic characteristics of regions. The average farm size in Ontario, where farming is more intensive, is around 93 hectares (230 acres), while the average farm size in Saskatchewan, where farming is more extensive, is 587 hectares (1 450 acres). The average farm size for the whole country is 295 hectares (728 acres). While only 17% of farms are large (sales of CAD 250,000 and over), they account for 75% of farm production and receive 59% of agricultural programme payments. Small and medium-sized farms (sales of between CAD 10,000 to 249,999) make up 61% of all farms in Canada, but account for only 24% of production and receive almost all of the remaining 41% of programme payments. Very small farms (sales of less than CAD 10,000) still account for 22% of all Canadian farms but make up only 1% of production. Off-farm income is significant for most very small, small and medium-sized farm families.

Agricultural policies and support to agriculture

Major policies in Canada are typically delivered through cost-sharing partnerships between the Federal and Provincial governments, who share constitutional responsibility for the agricultural sector. Over the years, this approach has been formalised around a 60-40 cost sharing ratio between the Federal and Provincial governments, and since 2003 policy approaches and objectives have been set out in longer-term agreements. The first of these, the Agricultural Policy Framework, was a five-year agreement signed in 2003. This agreement was extended for an additional year into 2008 while negotiations regarding its

successor agreement, called Growing Forward, were finalised. Final agreement on the shared programme elements of Growing Forward were reached on 31 March 2009, while agreement on the overarching policy framework was reached in July 2008. Implementation of business risk management (BRM) elements began on 1 April 2008, and the implementation of elements other than business risk management began on 1 April 2009. The four BRM programs are AgriInvest, which subsidises farm savings, AgriStability, which insures profit margins AgriInsurance provides insurance against natural perils and AgriRecovery for *ad hoc* disaster assistance. These programmes replace the Canadian Agricultural Income Stabilisation (CAIS) and the Crop Insurance programs while preserving their main elements.

Canada: PSE level and composition by support categories, 1986-2008



Source: OECD, PSE/CSE database 2009.

Market price support is provided for dairy products, poultry and eggs through tariffs and production quotas that are tradable only within provinces combined with a system of domestic price-setting organisations. The Canadian Wheat Board (CWB) has statutory authority to market wheat and barley in western Canada, both for domestic use and export. The CWB pools sales revenue and returns proceeds to producers through a series of payments.

Co-financing for investments in **environmental improvements** is provided through On-Farm Action programs. To be eligible to receive funding assistance for environmental investments, participants must have completed an agri-environmental risk assessment. These assessments assist farmers in completing a whole farm action plan that addresses risks associated with existing farm practice.

Funding for investments in **agricultural development** projects are provided through the Canadian Agricultural Adaptation Program (CAAP). This program intends on funding projects identified by the sector that align with priorities identified by industry and/or government at the national, regional, and multi-regional levels by focusing on: (1) seizing opportunities; (2) responding to new and emerging issues; and (3) pathfinding and piloting solutions to new and ongoing issues.

Agri-environmental policies

The main agri-environmental concerns in Canada relate to climate change, water, protection of soil, and wildlife-biodiversity. Most of the agri-environmental programs are provided on a cost-share basis by the Federal Government, Provinces and Territories. In most cases programs are applied through the provinces or specialised agencies (The Soil Conservation Council, Territorial Adaptation Councils, etc.). Only a limited range of agri-environmental programs provide direct payments to farms, as most of the programs are financing On-Farm Action and Agri-Environmental Risk Assessments, as well as research and dissemination activities.

Regulatory environment – in general, the objectives of the regulations are to conserve Canada's environmental resources and minimize public health risks caused by environmental degradation and pollution. Agricultural practice is also regulated at the provincial and municipal level.

The main agri-environmental programs were implemented under the Agricultural Policy Framework (APF) for 2003-08. These programs were financed (or co-financed) from the Federal budget. The National Farm Stewardship Program provided payments based on completing specific beneficial management practices and adopting technical standards. For the period from 2003 to 2008, expended budget was CAD 216 million and around 49 000 contracts for Beneficial Management Practices (BMPs) were signed. To be eligible for National Farm Stewardship Program funding, it is necessary to have a completed and approved agri-environmental risk assessment done. Greencover Canada also provided financial assistance to farmers and focused on the components of land conversion, critical areas, technical assistance and shelterbelts (expenditures raised from CAD 2 million in 2003/04 to CAD 27.6 million in 2007/08). The National Water Supply Expansion Program provided technical and financial assistance to Canadian producers (in the form of reimbursement of expenses based on completed activities) to help develop, protect and enhance long-term agricultural water supplies (expenditures rose from CAD 5 million in 2003/04 to CAD 32.1 million in 2007/08)..

Key information sources

Agriculture and Agri-Food Canada:

<http://www.agr.gc.ca/>

Growing Forward (GF)

<http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1200339470715&lang=eng>

Agricultural Policy Framework (APF):

<http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1173969168670&lang=e>

Environment Canada:

<http://www.ec.gc.ca/>