

**Manitoba Agriculture,  
Food and Rural Development**

**Agriculture, Alimentation et  
Développement rural Manitoba**

**Annual Report  
2015-2016**

**Rapport Annuel  
2015-2016**



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MINISTER OF AGRICULTURE

Room 105  
Legislative Building  
Winnipeg, Manitoba CANADA  
R3C 0V8

Her Honour the Honourable Janice Filmon, C.M., O.M.  
Lieutenant Governor of Manitoba  
Room 235, Legislative Building  
Winnipeg MB R3C 0V8

May it Please Your Honour:

It is my privilege to present for the information of Your Honour, the Annual Report for Manitoba Agriculture, Food and Rural Development for the fiscal year ending March 31, 2016.

Respectfully submitted,

*Original signed by Ralph Eichler*

Honourable Ralph Eichler  
Minister of Agriculture





MINISTER OF AGRICULTURE

Room 100  
Legislative Building  
Winnipeg, Manitoba, CANADA  
R3C 0V8

Son Honneur l'honorable Janice Filmon, C.M., O.M.  
Lieutenant-gouverneure du Manitoba  
Palais législatif, bureau 235  
Winnipeg (Manitoba) R3C 0V8

Votre Honneur,

J'ai le privilège de présenter à Votre Honneur le rapport annuel du ministère de l'Agriculture, de l'Alimentation et du Développement rural du Manitoba pour l'exercice terminé le 31 mars 2016.

Je vous prie d'agréer, Madame la Lieutenant-Gouverneure, l'assurance de ma considération respectueuse.

Le ministre de l'Agriculture,

*Original signé par Ralph Eichler*

Ralph Eichler



Honourable Ralph Eichler

Minister of Agriculture  
Province of Manitoba

Sir,

I am pleased to present the annual report for the Department of Agriculture, Food and Rural Development for the year ending March 31, 2016.

This year the Department implemented changes in its structure in response to industry needs. The priority areas of focus were primary agriculture industry development, food and agri-product development, rural economic development and the protection of human, animal and plant health.

Throughout the year, the Department worked towards its goal of growing the agri-processing sector in Manitoba. We partnered with industry, to lead projects in new product development, expansion into new markets and to increase the capacity and skills of our province's food and bio-product processors.

In order to increase the capacity of communities and agricultural organizations to drive economic development at the community and industry level, we worked with a number of organizations and in communities throughout the province and across the sector. A variety of projects were completed to develop governance and leadership skills, enhance industry engagement and improve efficiencies and management practices. We were able to partner with industry on a number of projects including the Manitoba Beef and Forage Initiative, which was awarded a Manitoba Service Excellence Partnership Award for its work this past year.

Again, partnering with other stakeholders, we were able to increase competitiveness, sustainability and adaptability of the agricultural industry. This is in alignment with our industry who are working towards increased human, animal and plant health as well as environmental sustainability. As an example, the One Health Steering Committee has begun planning and will be hosting the inaugural International One Welfare Conference in Winnipeg in the fall of 2016. The conference is garnering support and recognition provincially, nationally and internationally for the leadership and initiative taken by this province towards this important topic.

The agriculture, food and agri-products industry is driving economic activity in our province and our department is playing a significant role in creating the environment to build economic development. In partnership with industry, the Department has focused this past year on investing in research and innovation, supporting initiatives to build the capacity and sustainability of the industry, and moving the industry forward.

Respectfully submitted,

*Original Signed by Dori Gingera-Beauchemin*

Dori Gingera-Beauchemin  
Deputy Minister





## Agriculture

Sous-ministre de l'Agriculture  
Palais législatif  
Bureau 159  
Manitoba, Canada R3C 0V8  
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Monsieur Ralph Eichler  
Ministre de l'Agriculture  
Province du Manitoba

Monsieur le Ministre,

J'ai l'honneur de vous présenter le rapport annuel du ministère de l'Agriculture, de l'Alimentation et du Développement rural du Manitoba pour l'exercice terminé le 31 mars 2016.

En 2015-2016, le ministère a accru les efforts ambitieux de l'industrie en concentrant les ressources sur une orientation stratégique et renouvelée, axée sur le développement de l'industrie de l'agriculture primaire, le développement de produits alimentaires et agricoles, la protection de la santé humaine, animale et des plantes et le développement économique rural.

Nous continuons à faire progresser l'industrie en aidant les producteurs et les transformateurs à innover et à concurrencer grâce à notre programme fédéral-provincial Cultivons l'avenir 2 (CA2). Afin de favoriser la croissance dans le secteur de la transformation agricole au Manitoba, nous nous sommes associés avec l'industrie pour mener des projets dans le domaine du développement de nouveaux produits, étendre les activités à de nouveaux marchés et accroître la capacité et les compétences des transformateurs d'aliments et de bioproduits de notre province.

En collaboration avec l'industrie, nous avons fait progresser la compétitivité, la durabilité et la capacité d'adaptation de l'industrie agricole. La protection de la santé humaine, animale et des plantes, y compris la durabilité environnementale, est cruciale pour tous les Manitobains. Le ministère assurera la coprésidence du congrès inaugural international One Welfare Conference, qui aura lieu à Winnipeg en septembre 2016, et la planification de celui-ci va bon train. Le congrès est reconnu à l'échelle nationale et internationale pour le leadership dont a fait preuve la province à l'égard de cet enjeu important.

Pour accroître la capacité des collectivités et des organismes agricoles en vue de stimuler le développement économique, nous avons collaboré avec eux à des projets mettant l'accent sur les compétences en gouvernance et en leadership, avons accru la participation de l'industrie et avons amélioré les gains en efficacité et les pratiques de gestion. Les partenariats avec l'industrie sont très importants. Un exemple de cette collaboration est celui de Manitoba Beef and Forage Initiatives, qui a reçu le prix Service Excellence Partnership Award 2016 du Manitoba.

Les secteurs de l'agriculture, des aliments et des produits agricoles sont les moteurs de l'activité économique de notre province et notre ministère joue un rôle important dans la création des conditions nécessaires au renforcement du développement économique. Au cours du dernier exercice, le ministère s'est concentré sur les investissements dans la recherche et l'innovation, appuyant des initiatives visant à renforcer la capacité et la durabilité de l'industrie, et s'associant avec tous les intervenants qui jouent un rôle dans la progression de l'industrie.

Veillez agréer, Monsieur le Ministre, l'expression de ma considération distinguée.

La sous-ministre,

*Original signé par Dori Gingera-Beauchemin*

Dori Gingera-Beauchemin



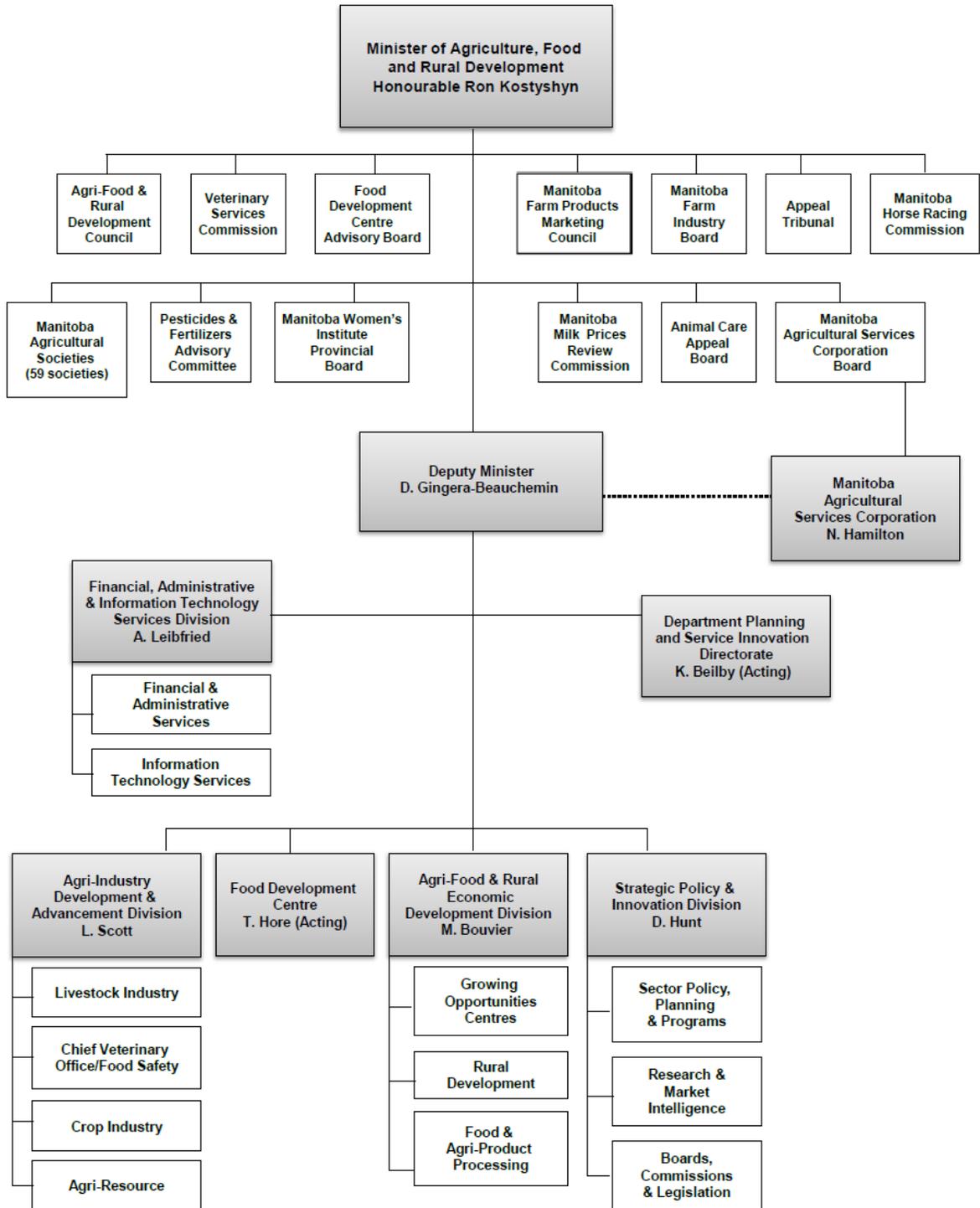
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# Organization Chart of Manitoba Agriculture, Food and Rural Development

(This organization chart depicts the structure of the department as of March 31, 2016)



# **MANITOBA AGRICULTURE, FOOD AND RURAL DEVELOPMENT**

## **Executive as of March 31, 2016**

Honourable Ron Kostyshyn, Minister

D. Gingera-Beauchemin, Deputy Minister

N. Hamilton, President and Chief Executive Officer  
Manitoba Agricultural Services Corporation

A. Leibfried, Executive Financial Officer  
Financial, Administrative and Information Technology Services Division

K. Beilby, A/Executive Director  
Department Planning and Service Innovation Directorate

L. Scott, Assistant Deputy Minister  
Agri-Industry Development and Advancement Division

T. Hore, A/General Manager and Chief Operating Officer  
Food Development Centre

M. Bouvier, Assistant Deputy Minister  
Agri-Food and Rural Economic Development Division

D. Hunt, Assistant Deputy Minister  
Strategic Policy and Innovation Division

## Preface

### **Report Structure**

The Annual Report includes information on the department's objectives, results achieved, financial performance and variances for the 2015/16 fiscal year and provides a five-year historical table giving the departmental expenditures and staffing. The report is divided into two major sections:

- **Section One** includes Part A – Program and Financial Information, and Part B – Capital Investments, which are organized in accordance with the departmental appropriation structure.
- **Section Two** contains all appendices such as summary financial tables, ministerial statutory responsibilities, performance indicators, information on *The Public Interest Disclosure (Whistleblower Protection) Act* and sustainable development activities.

### **Vision and Mission**

#### **Our Vision**

Agriculture, agri-food and agri-product industries will be key economic drivers for Manitoba.

#### **Our Mandate**

The department creates the environment that accelerates rural economic development with a focus on the agriculture and agri-food industries.

### **Our Values and Beliefs**

- A prosperous rural Manitoba is fundamental to the Manitoba economy.
- Only through mutually beneficial partnerships with industry, communities, educational institutions and other levels of government will we achieve our vision and goals.
- Farmers/land owners play a key role in maintaining and supporting healthy agro-ecosystems.
- Innovative and action-oriented approaches are key to success and we are prepared to take informed risks.
- Embracing the principles of lean management/continuous improvement will enhance client service and ensure effective use of resources.
- We invest in people to maximize achievement of results.

### **Areas of Focus**

#### **Food and Agri-Product Development**

- Grow small and medium-sized food and agri-product businesses
- Retain and attract large food and agri-product processors
- Advance food industry sector development and food safety practices
- Capitalize on strategic strength in functional foods and nutraceuticals

#### **Primary Agriculture Industry Development**

- Extend technical information to support farmers and industry in making informed business decisions
- Provide financial and non-financial risk management tools to manage weather-related and market risk
- Support new value, increased competitiveness and sustainable development

- Support sustainable management of the agro-ecosystem
- Increase the ability of crop and livestock production to adapt to a changing climate
- Improve market access and competitiveness
- Provide financing tools for the agricultural sector

### **Rural Economic Development**

- Increase the capacity of communities to drive economic development in rural Manitoba
- Assist industry in deriving increased value and jobs from agricultural production
- Enable rural communities to be resilient and thrive in a changing economy

### **Protection of Human, Animal and Plant Health**

- Provide a regulatory and enforcement framework to support:
  - Human, animal and plant health
  - Agriculture and agri-food/product industry competitiveness

## **2015/16 Highlights**

Agriculture is an economic driver in the province of Manitoba, contributing 3.2% to the provincial GDP. The department's work, in partnership with the agriculture industry, supports the livelihoods of farmers, processors, agri-industry, entrepreneurs and rural communities. To address complex needs of the industry such as trade agreements, marketing, biosecurity, sustainability, public trust and impact of a changing climate the department implemented a strategic direction that realigned its resources accordingly.

### **Food and Agri-Product Development**

The department under Growing Forward 2 (GF2) supported food safety and food and agri-product development in Manitoba, a department priority focus.

- **GF2 Food Safety - On-Farm program** – Over the life of the program, approved 749 producer projects for a total of \$5.1 million for the adoption of assurance systems and Best Management Practices (BMPs) that mitigate risk factors to food safety, biosecurity, traceability and plant and animal health. Launched a new GF2 biosecurity program in 2015/16 that focused on animal welfare in provincial abattoirs. In 2015/16, the department approved 13 requests for funding under the Livestock Welfare Program and Biosecurity Program for \$381,800.
- **GF2 Food Safety Processing and Distribution program** - In 2015/16, approved 37 requests for assistance to develop food safety and traceability programs. This represented a commitment of \$434,525 to the food industry.
- **GF2 Growing Value** – Assisted food processing businesses and processors with expansion and modernization projects through GF2 funding. GF2 Growing Value Commercialization and Transformation respectively funded a total of 11 and 2 projects for contributions in 2015/16 of \$798,392 and \$740,960 leveraging \$3.3 million from industry.
- **Food Development Centre (FDC)** - FDC expanded the food processing industry in Manitoba by developing 29 new food products/ingredient prototypes; assisting 14 new and existing clients to produce commercial food products. FDC completed strategic projects with

Manitoba Pulse and Soybean Growers Association, Manitoba Agri-Health Research Network (MAHRN), National Organic Science Cluster, University of Manitoba (Human Nutritional Sciences Department and Dairy Pilot Plant), Richardson Centre for Functional Foods and Nutraceuticals, Canadian Centre for Agri-Food Research in Health and Medicine, and Canadian International Grains Institute (Cigi).

The **MAFRD Food Processing Plant Inspection program** completed 739 inspections of provincially permitted processing/distribution plants under a risk-based inspection model.

The Department led the development of ***The Farm and Food Awareness Act*** (Bill 4), which established a Manitoba Farm and Food Awareness Week and an Agriculture Awareness Day. The Bill received royal assent on November 5, 2015.

**Small Scale Production** – The department provided funding from the Growing Visions – GF2 program to advance the formation of the Direct Farm Marketing Association of Manitoba (formal organization among small scale food processors). The department started an on-line listing of 26 Commercial Community Kitchens in Manitoba that can be accessed by small scale food processors. The department is collaborating with Manitoba Health regarding fact sheets that outline the regulations for the direct marketing models for small scale food producers and entrepreneurs.

GF2 Growing Actions program provided \$756,000 over three years to **Manitoba Food Processors Association** (now Food and Beverage Manitoba) to work with Manitoba entrepreneurs to increase penetration in the food service and retail market place.

Ten Manitoba-based entrepreneurs competed in the **Great Manitoba Food Fight** hosted in partnership with Food and Beverage Manitoba. Three entrepreneurs won product development prizes worth \$11,000; \$7,000 and \$3,500 to be used towards further commercialization. All 10 competitors continue to work with department staff to further develop their products and markets.

### **Innovation and Adaptation**

Thriving agriculture and agri-food industries rely on science, research and innovation to develop new products, adapt production to climate variability, produce food more sustainably and enhance competition in the marketplace. Under the five-year GF2 agreement the department continued to invest in a solid foundation for scientific research and innovation in the agriculture and agri-food industries:

- **The Grain Innovation Hub** –approved investment of \$3.3 million in 15 research projects. One million was invested in advanced laboratory equipment at Canadian Centre for Agri-Research in Health and Medicine; \$2.2 million in wheat research (discovery, variety development, disease resistance and quality improvement) with Manitoba Wheat and Barley Growers Association, National Research Council, Secan, University of Manitoba and a global baked goods company; \$640,000 in honey bee and wheat genomics research through Genome Prairie, \$224,400 in laboratory, growth cabinet and greenhouse equipment at local companies DL Seeds Inc and Haplotech Inc.
- **GF2 Growing Innovation - Capacity and Knowledge Development** – supported research in applied scientific infrastructure funding 53 projects valued at \$26.4 million since inception.

- **Manitoba Beef and Forage Initiative (MBFI)** – addresses the need for capacity development in beef and forage research and knowledge transfer. Since the launch in June 2015, department staff have:
  - Taken the lead and worked with MBFI partners in a multitude of activities including: designed and implemented a year round grazing system, applied research trials, including comparisons of grazing systems and forage varieties, oversight of 100 cow/calf pairs to graze on the sites, planted over 500 acres of various annual and perennial forage crops, installed fences and water lines, increased depth of dugout and dug wells for water, and began developing an inventory of the soil and ecological profile of the fields and pastures.
  - Undertaken demonstration projects related to health of riparian areas, extended grazing systems, soil health, pasture productivity, and potential for agriculture to remove carbon dioxide from the atmosphere and sequester it as soil organic matter.
  - Formed MBFI’s animal care committee and draft protocols for animal care.
- **GF2 Growing Innovation - Agri-Food Research and Development Initiative (ARDI)** – funded a total of nine projects in 2015/16 for \$1.2 million, with a total partner contribution of \$4.1 million. Projects funded accelerated innovation in crops, livestock, food and stewardship of the resource base. Projects focused on: milk microbiome as a biomarker for reducing the risk of mastitis, plant growth promoting rhizobacteria to control head and root disease in cereals, modeling land use and climate influences on hydrologic characteristics of Assiniboine River, herbicide resistant weed surveys, non-GMO soybean development and prairie cordgrass as a biomass feedstock.
- **The Manitoba Agri-Health Research Network (MAHRN)** – operates on a five-year (2013/14 – 2017/18) GF2 grant totalling \$2.0 million working toward the development and commercialization of foods proven to prevent or treat chronic disease. MAHRN continued to market products under the trademark Canadian Climate Change Advantage and continued NuEats a company that supports the commercialization of food products, food ingredients and technology developed by the MAHRN cluster. MAHRN continued to demonstrate the health attributes of local cold-press canola oil to the retail and food service industries. MAHRN continued a partnership with the physician-owned U.S. company StepOne Foods resulting in the translation of known therapeutic benefits of flax into a commercial treatment for pre-diabetes patients and heart patients intolerant to statin drugs. Clinical trials for the latter are being conducted at the Mayo Clinic. MAHRN continued the “Taste the Innovation” theme to promote functional foods through its website, trade show display and investor showcases.
- **Manitoba Horticulture Productivity Enhancement Centre (MHPEC)** – continued a three year (2014/15 – 2017/18) project using \$528,000 from GF2 to further develop and sustain the potato industry. Projects focussed on improving potato yield and quality in the frozen potato products sector.
- **The Composites Innovation Centre** – continued to operate under a four-year (2014/15 – 2017/18) GF2 grant of \$1.4 million to implement phase two of BioNet Manitoba, a multi-partner initiative to develop biomaterials based on Manitoba grown renewable agricultural fibres and resins.

## **Rural Economic Development**

The department continued to work with communities to increase capacity to lead and support economic development. Staff identified best practices and innovative strategies for addressing common rural development issues and worked with communities to complete 144 rural development projects.

Stakeholders involved in rural economic development came together to create a **Manitoba Rural Economic Development Strategy**.

**Rural Economic Development Initiatives (REDI)** funding provided \$24.3 million in financial support in 2015/16 leveraging \$16.8 million in investments to boost Manitoba's rural economy and give rural communities and businesses the tools to help them grow.

**Partner 4 Growth** provided REDI funding for regions to identify and pursue economic development opportunities. Thirty projects were approved for \$248,700 in funding.

**Hometown Manitoba** contributed to economic growth and enhanced main streets and public places in rural and northern Manitoba communities. Manitoba through REDI approved \$225,000 in 102 Hometown Manitoba projects in 73 communities.

The **Rural Entrepreneur Assistance program** facilitated \$3.8 million in new private sector term loans by providing \$3.0 million in REDI recoverable loan guarantees. MASC facilitated a further \$200,000 in private sector operating credit by providing \$50,000 in loan guarantees through the **Operating Credit Guarantees for Rural Small Business program**.

The **Regional Economic Analysis Process (REAP)** combines a regional analysis of demographic, labour, business and industry data for communities to identify economic development opportunities, priorities and create an action plan. In 2015/16, nine regional economic development reports were developed in conjunction with REAP projects.

New private sector agricultural lending of \$92.7 million was facilitated by **Manitoba Agricultural Services Corporation (MASC)** loan guarantees totaling \$23.2 million. In addition, \$1.7 million of interest benefits were provided through Young Farmer Rebates.

## **Managing Risk in Agriculture**

A Ministerial appointed **Agriculture Risk Management Task Force** was supported by staff including: providing secretarial and technical services. Reviewed research material, arranged consultations with stakeholders invested in agriculture (producers, scientists, insurance providers and general public) and assisted in preparation of the final report which was tabled in December 2015. The task force provided 25 recommendations on how agricultural risk management needs to evolve to grow a competitive industry as it copes with a changing climate.

**Diversification Centres** – This GF2 program supported over 170 field trials of cropping systems to increase farm gate revenue at four centres in 2015/16. 115 Unmanned Aerial Vehicles (UAVs) flights were executed to support research objectives such as orthomosaic, digital surface models, thermal and near infrared vegetation index mapping for geographic information systems, as well as, demonstration for over 650 attendees at various field events.

GF2 and administrative support were provided to the **2015 Rural Veterinary Task Force** which examined the delivery of rural veterinary services in Manitoba. The task force met stakeholders, conducted surveys and focus groups, and held public meetings in Stonewall, Dauphin and Brandon. A final report was provided to the Minister in January 2016.

**Business Risk Management programs** - AgriInsurance liability through Manitoba Agricultural Services Corporation (MASC) totalled \$2.3 billion covering 9.7 million acres, with 8,700 insured farming operations. Managed Manitoba's financial contributions of \$18.8 million to AgriStability and AgriInvest, worked with federal administration to ensure effective program delivery performance for Manitoba's 7,361 AgriStability and 10,789 AgriInvest program participants.

**Disease Surveillance and Support** - Disease outbreaks are a significant risk to animal and plant health, as well as for accessing markets inside and outside Canada.

- A surveillance project, done in cooperation with Manitoba Pork Council (MPC) to monitor high traffic sites such as slaughter plants and assembly yards for **Porcine Epidemic Diarrhea virus (PEDv)** received \$413,000 of GF2 funding. Over 115 biosecurity projects with swine producers received \$750,000 in 2015/16.
- The department worked with the Canadian Food Inspection Agency to delineate the extent of **Verticillium Wilt (VW)** in canola in Manitoba. Over 300 fields were tested in Manitoba. VW has been found in six Canadian provinces.
- Manitoba Canola Growers Association partnered with the department to increase surveillance and diagnostic capability for clubroot through the **Pest Surveillance Initiative (PSI)**. In 2015/16, 805 soil samples were analyzed, with 160 positives detected at quantifiable levels.
- The **One Health Steering Committee** advanced the cross-departmental efforts on a variety of important issues pertaining to human and animal health and welfare including:
  - The **Rabies Working Group** collected risk assessments for all reported suspect rabies exposures and collected 166 samples for rabies testing, 32 samples tested positive requiring post-exposure management. A veterinarian and two full-time field technical staff were hired to assist with One Health programs. To evaluate the program's perceived effectiveness, surveys were administered to stakeholder groups and a comprehensive program evaluation is on-going. Training materials for veterinary clinics have been developed.
  - The inaugural International **One Welfare Conference** is being held in Winnipeg in September 2016 and is co-chaired by the department.
  - The **Hoarding and Related Disorders working group** conducted an assessment of anti-hoarding programs available in Manitoba to address the gaps in services with on-going analysis happening.

## **Market Access**

Prepared a submission on grain transportation for the **Canada Transportation Act (CTA)** review after collecting stakeholders' perspectives on how the CTA could better address grain transportation issues. Represented Manitoba's transportation interests as a member of the **Crop Logistics Working Group**, a forum that focuses on grain shipper needs in conjunction with the CTA Review. Through GF2, provided \$85,000 per year, for three years, to the **Ag-Transport Coalition** to increase their transportation data collection to over 90% of grain related rail traffic and to provide Manitoba specific rail performance measurement.

Manitoba strongly supported the federal government action against **Country of Origin (COOL)** at the World Trade Organization (WTO) including the position that only a full repeal of COOL would prevent retaliation worth \$3.0 billion per year by Canada. Staff attended the 2015 Tri-National Accord held in Guadalajara, Mexico, where COOL and the need for a legislative solution to avoid trade restrictions was discussed bilaterally with both the US and Mexico. The US repealed COOL for beef and pork on December 18, 2015 in the face of retaliatory measures by Canada and Mexico.

Consulted with Jobs and the Economy and Canadian negotiators during bilateral trade negotiations concerning the Trans-Pacific Partnership countries so that they were informed of the provincial agriculture industry's priorities to help with the greatest possible economic growth outcome for Manitoba. Manitoba has supported Canada's efforts to achieve outcomes under the proposed **Trans Pacific Partnership Agreement** that balance export interests while recognizing the importance of orderly marketing systems.

## **Statutes**

Statutes administered by the department are listed in Appendix H. Two new statutes were added this year; *The Farm and Food Awareness Act* which received royal assent on November 5, 2015 and *The Veterinary Medical Act* whose amendments received royal assent on November 5, 2015. It should also be noted that *The Food Safety Act* has not yet been proclaimed.

# Préface

## Structure du rapport

Le rapport annuel comprend de l'information sur les objectifs du ministère, les résultats atteints, les résultats financiers et les écarts pour l'exercice 2015-2016, et fournit un tableau des dépenses et de l'effectif du ministère pour les cinq derniers exercices. Le rapport est divisé en deux sections principales :

- La **section un** comprend la partie A, Programmes et renseignements financiers, et la partie B, Investissements en immobilisations, qui sont organisées conformément à la structure de crédits du ministère.
- La **section deux** comprend tous les annexes, comme les tableaux financiers sommaires, les responsabilités législatives du ministère, les indicateurs de performance, les renseignements sur la *Loi sur les divulgations faites dans l'intérêt public (protection des divulgateurs d'actes répréhensibles)* et les activités de développement durable.

## Vision et mission

### **Notre vision**

Les industries de l'agriculture, de l'agroalimentaire et des produits agricoles seront des moteurs économiques clés pour le Manitoba.

### **Notre mandat**

Le ministère crée les conditions qui permettent d'accélérer le développement économique rural en mettant l'accent sur les industries de l'agriculture et de l'agroalimentaire.

## Nos valeurs et nos croyances

- La prospérité des régions rurales du Manitoba est essentielle à l'économie de la province.
- La réalisation de la vision et des objectifs du Manitoba passe par des partenariats mutuellement avantageux avec l'industrie, les collectivités, les établissements d'enseignement et les autres ordres de gouvernements.
- Les producteurs agricoles et les propriétaires de terres jouent un rôle clé dans le maintien et le soutien d'agroécosystèmes en santé.
- Des approches novatrices et pragmatiques sont essentielles à la réussite et nous sommes disposés à prendre des risques informés.
- L'adoption des principes de gestion allégée et d'amélioration continue améliorera le service à la clientèle et assurera une utilisation efficace des ressources.
- Nous investissons dans les gens afin de maximiser l'atteinte des résultats.

## Domaines d'intérêt

### **Développement des produits alimentaires et agricoles**

- Faire croître les petites et moyennes entreprises de produits alimentaires et agricoles
- Attirer et conserver de grands transformateurs de produits alimentaires et agricoles
- Faire progresser le développement des secteurs de l'industrie alimentaire et les pratiques en matière de salubrité alimentaire
- Tirer parti des forces stratégiques dans le domaine des aliments fonctionnels et des produits nutraceutiques

### **Développement de l'industrie de l'agriculture primaire**

- Communiquer l'information technique pour aider les agriculteurs et l'industrie à prendre

des décisions commerciales informées

- Fournir des outils de gestion des risques financiers et non financiers pour gérer les risques liés aux conditions météorologiques et au marché
- Soutenir la nouvelle valeur, la compétitivité accrue et le développement durable
- Soutenir la gestion durable de l'agroécosystème
- Accroître la capacité d'adaptation des producteurs agricoles et de bétail au climat changeant
- Améliorer l'accès au marché et la compétitivité
- Fournir des outils de financement pour le secteur agricole

### **Développement économique dans les régions rurales**

- Accroître la capacité des collectivités à stimuler le développement économique dans les régions rurales du Manitoba
- Aider l'industrie à tirer profit de la valeur accrue et des emplois dans le domaine de la production agricole
- Donner les moyens aux collectivités rurales d'être résilientes et de prospérer dans une économie changeante

### **Protection de la santé humaine, animale et des plantes**

- Fournir un cadre réglementaire et d'application pour soutenir :
  - la santé humaine, animale et des plantes
  - la compétitivité de l'industrie des produits agricoles et agroalimentaires

## **Points saillants en 2015-2016**

L'agriculture est un moteur économique du Manitoba; elle contribue à 3,2 % du PIB provincial. Le travail du ministère effectué en partenariat avec l'industrie de l'agriculture soutient la vie économique des agriculteurs, des transformateurs, de l'agro-industrie, des entrepreneurs et des collectivités rurales. Pour répondre aux besoins complexes de l'industrie comme les accords commerciaux, le marketing, la biosécurité, la durabilité, la confiance du public et les répercussions du climat changeant, le ministère a mis en œuvre une orientation stratégique qui a remanié ses ressources en conséquence.

### **Développement de produits alimentaires et agricoles**

Le ministère, en vertu de Cultivons l'avenir 2 (CA2), a appuyé la salubrité des aliments et le développement de produits alimentaires et agricoles dans la province, une priorité du ministère.

- **Programme de salubrité des aliments à la ferme (CA2)** – Pendant toute la durée du programme, a approuvé 749 projets de producteurs, totalisant 5,1 millions de dollars, pour l'adoption de systèmes d'assurance et de pratiques exemplaires de gestion qui atténuent les facteurs de risques liés à la salubrité alimentaire, à la biosécurité, à la traçabilité et à la santé des plantes et des animaux. A lancé en 2015-2016 un nouveau programme de biosécurité (CA2) qui a mis l'accent sur le bien-être des animaux dans les abattoirs provinciaux. En 2015-2016, le ministère a approuvé 13 demandes de financement en vertu du programme de bien-être du bétail et du programme de biosécurité, totalisant 381 800 \$.
- **Programme de salubrité des aliments, transformation et distribution (CA2)** – En 2015-2016, a approuvé 37 demandes d'aide pour élaborer des programmes de traçabilité et de

sécurité alimentaire. Cela représentait un engagement de 434 525 \$ à l'égard de l'industrie alimentaire.

- **Cultivons la valeur (CA2)** – A aidé les entreprises de transformation alimentaire et les transformateurs avec des projets d'agrandissement et de modernisation grâce au financement de CA2. Cultivons la valeur (CA2) – Commercialisation et transformation ont respectivement financé en tout onze et deux projets pour des contributions en 2015-2016 de 798 392 \$ et de 740 960 \$ générant 3,3 millions de dollars de l'industrie.
- **Centre de développement de produits alimentaires** – A élargi l'industrie de la transformation alimentaire au Manitoba en développant 29 nouveaux prototypes de produits alimentaires ou d'ingrédients; aidant 14 clients, nouveaux et existants, à produire des produits alimentaires commerciaux. Le Centre a réalisé des projets stratégiques avec Manitoba Pulse and Soybean Growers, le réseau de recherche en agrosanté du Manitoba, la grappe scientifique biologique, l'Université du Manitoba (département des sciences de la nutrition humaine et usine-pilote de produits laitiers), le centre Richardson de recherche sur les aliments fonctionnels et les nutraceutiques, le Centre canadien de recherches agroalimentaires en santé et en médecine et l'Institut international du Canada pour le grain.

**Le Programme d'inspection des usines de transformation des aliments du ministère de l'Agriculture, de l'Alimentation et du Développement rural** a mené 739 inspections d'usines de transformation ou de distribution autorisées par la Province selon un modèle d'inspection fondé sur les risques.

Le ministère a dirigé l'élaboration de la **Loi sur la promotion du secteur agroalimentaire** (projet de loi 4), qui a établi une Semaine de promotion du secteur agroalimentaire du Manitoba et une Journée de promotion de l'agriculture. Le projet de loi a reçu la sanction royale le 5 novembre 2015.

**Production à petite échelle** – Le ministère a fourni des fonds du programme Cultivons les visions (CA2) pour faire avancer la création de la Direct Farm Marketing Association of Manitoba Co-op (un organisme officiel de petits transformateurs alimentaires). Le ministère a établi un répertoire en ligne de 26 cuisines communautaires commerciales au Manitoba que les petits transformateurs alimentaires peuvent consulter. Le ministère collabore avec Santé Manitoba concernant des feuilles de renseignements sur les règlements régissant les modèles de marketing direct pour les producteurs et les transformateurs alimentaires à petite échelle.

Cultivons les actions (CA2) a versé 756 000 \$ sur trois ans à la Manitoba Food Processors Association (maintenant **Food and Beverage Manitoba**) pour travailler avec des entrepreneurs manitobains afin d'accroître la pénétration dans le marché de la restauration et de la vente au détail d'aliments.

Dix entrepreneurs manitobains ont participé à la **Great Manitoba Food Fight** organisée en partenariat avec Food and Beverage Manitoba. Trois entrepreneurs ont gagné des prix pour le développement de produits, d'une valeur de 11 000 \$, de 7 000 \$ et de 3 500 \$, qui serviront à la commercialisation. Les 10 concurrents ont continué à travailler avec le personnel du ministère pour poursuivre le développement de leurs produits et des marchés.

## **Innovation et adaptation**

Les industries agricoles et agroalimentaires en pleine croissance s'appuient sur la science, la recherche et l'innovation pour élaborer de nouveaux produits, adapter la production à la variabilité du climat, produire des aliments plus durables et renforcer la concurrence sur le marché. En vertu de l'accord-cadre quinquennal CA2, le ministère a continué à investir dans l'établissement d'une base solide de recherche scientifique et d'innovation dans les industries agricoles et agroalimentaires :

- **Centre d'innovation pour les grains** – A investi 3,3 millions de dollars dans 15 projets de recherche. Un million de dollars a été investi dans de l'équipement de laboratoire haut de gamme au Centre canadien de recherches agroalimentaires en santé et en médecine; 2,2 millions de dollars dans la recherche relative au blé (découverte, développement de variétés, résistance aux maladies et amélioration de la qualité) avec la Manitoba Wheat and Barley Growers Association, le Conseil national de recherches, SeCan, l'Université du Manitoba et une entreprise mondiale de produits de boulangerie; 640 000 \$ dans la recherche sur les abeilles domestiques et la génomique du blé par l'entremise de Genome Prairie; et 224 400 \$ dans des meubles de croissance en laboratoire et de l'équipement de serre aux entreprises locales DL Seeds Inc et Haplotech Inc.
- **Cultivons l'innovation – Développement des capacités et des connaissances (CA2)** – A soutenu la recherche en matière d'infrastructure scientifique appliquée en finançant 53 projets d'une valeur de 26,4 millions de dollars depuis sa création.
- **Manitoba Beef and Forage Initiatives (MBFI)** – Répond à la nécessité de renforcer les capacités de recherche sur le bœuf et les cultures fourragères et d'assurer le transfert des connaissances. Depuis le lancement en juin 2015, le personnel du ministère :
  - A pris les devants et a travaillé avec les partenaires de MBFI dans plusieurs activités, notamment : a conçu et mis en œuvre un système de pâturage quatre saisons, a réalisé des essais de recherche appliquée, y compris des comparaisons des systèmes de pâturage et des variétés fourragères, surveillance de 100 paires vache-veau pour paître sur les sites, a ensemencé plus de 500 acres de différentes cultures fourragères annuelles et vivaces, a installé des clôtures et des conduites d'eau, a accru la profondeur des tranchées et creusé des puits d'eau, et a commencé l'inventaire du sol et le profil écologique des champs et des pâturages.
  - A entrepris des projets de démonstration relatifs à la santé des zones riveraines, aux systèmes de pâturage élargis, à la santé du sol, à la productivité des pâturages et à la possibilité pour l'agriculture de retirer le dioxyde de carbone de l'atmosphère et de le séquestrer en tant que matière organique du sol.
  - A créé le comité de protection des animaux de MBFI et a rédigé des protocoles relatifs à la protection des animaux.
- **Cultivons l'innovation (CA2) – Initiative de recherche et de développement en agroalimentaire** – A financé au total neuf projets pour 1,2 million de dollars en 2015-2016, le total des contributions des partenaires s'élevant à 4,1 millions de dollars. Les projets financés ont accéléré l'innovation en matière de cultures, de bétail, d'aliments et de gestion des ressources. Les projets portaient sur : le microbiome du lait en tant que biomarqueur pour réduire le risque de mammites, les rhizobactéries favorisant la croissance des plantes

pour contrôler les maladies des racines et des têtes des céréales, la modélisation de l'utilisation des terres et des influences du climat sur les caractéristiques hydrologiques de la rivière Assiniboine, les relevés des herbes résistantes aux herbicides, le développement de soya non génétiquement modifié, et la spartine pectinée en tant que matière première de biomasse.

- Le **Réseau de recherche en agrosanté du Manitoba** – Fonctionne grâce à une subvention sur cinq ans (2013-2014 à 2017-2018) de CA2 totalisant 2,0 million de dollars pour travailler au développement et à la commercialisation d'aliments dont la capacité à prévenir ou à traiter des maladies chroniques a été prouvée. Le Réseau a continué à commercialiser des produits sous la marque Canadian Climate Change Advantage et a poursuivi les activités de NuEats, une entreprise qui soutient la commercialisation des produits alimentaires, des ingrédients alimentaires et des technologies conçus par la grappe du Réseau. Le Réseau a continué à montrer les avantages pour la santé liés à l'huile de canola locale pressée à froid aux industries de la restauration et de la vente au détail d'aliments. Le Réseau a poursuivi un partenariat avec la société américaine détenue par des médecins, StepOne Foods, entraînant la conversion d'avantages thérapeutiques connus du lin en un traitement commercial à l'intention de patients prédiabétiques et de patients cardiaques ayant une intolérance aux statines. Les essais cliniques pour ce traitement sont réalisés à la Mayo Clinic. Le Réseau a poursuivi le thème « Goûtez à l'innovation » pour promouvoir les aliments fonctionnels au moyen de son site Web, de présentoirs à des salons professionnels et de présentations aux investisseurs.
- Le **Manitoba Horticulture Productivity Enhancement Centre** – A poursuivi un programme de trois ans (de 2014-2015 à 2017-2018) utilisant 528 000 \$ de CA2 pour développer et soutenir l'industrie de la pomme de terre. Les projets étaient axés sur l'amélioration du rendement de la pomme de terre et de la qualité des produits surgelés à base de pomme de terre.
- Le **Composites Innovation Centre** – A poursuivi ses activités en vertu d'une subvention de fonctionnement de quatre ans (2014-2015 à 2017-2018) de CA2 d'une valeur de 1,4 million de dollars pour mettre en œuvre la phase deux de BioNet Manitoba, une initiative réunissant plusieurs partenaires qui vise à mettre au point des biomatériaux à partir de résines et de fibres agricoles renouvelables qui ont été cultivées au Manitoba.

### **Développement économique dans les régions rurales**

Le ministère a continué à travailler avec des collectivités pour accroître la capacité à diriger et à soutenir le développement économique. Le personnel a déterminé des pratiques exemplaires et des stratégies novatrices pour régler les questions communes concernant le développement rural et a travaillé avec les collectivités pour terminer 144 projets de développement rural.

Les intervenants participant au développement économique rural se sont réunis pour créer une **stratégie manitobaine de développement économique rural**.

Les **Initiatives de développement économique rural** ont fourni 24,3 millions de dollars en soutien financier en 2015-2016, engendrant 16,8 millions de dollars en investissements pour stimuler l'économie rurale du Manitoba et fournir aux collectivités et aux entreprises rurales les outils qui les aideront à croître.

Le **Programme de partenariat pour la croissance** a fourni du financement aux régions, dans le cadre des Initiatives de développement économique rural, afin qu'elles puissent repérer les occasions de développement économique et y donner suite. Trente projets ont été approuvés pour un financement totalisant 248 700 \$.

Le **programme Fiers chez nous** a contribué à la croissance économique et a amélioré les rues principales et les lieux publics dans les collectivités rurales et du nord du Manitoba. Dans le cadre des Initiatives de développement économique rural, le Manitoba a investi 225 000 \$ dans 102 projets Fiers chez nous dans 73 collectivités.

Le **Programme d'aide aux entrepreneurs ruraux** a facilité le consentement, par le secteur privé, de 3,8 millions de dollars en nouveaux prêts à terme en fournissant des garanties de prêts de trois millions de dollars sur la somme récupérable des Initiatives de développement économique rural. La Société des services agricoles du Manitoba a facilité le consentement d'une somme additionnelle de 200 000 \$ en crédit à l'exploitation par le secteur privé en fournissant 50 000 \$ de garanties de prêts par l'intermédiaire du **Programme de garantie de crédit à l'exploitation pour les petites entreprises rurales**.

Le **processus d'analyse économique régionale** (Regional Economic Analysis Process) combine l'analyse régionale de données démographiques et de données sur le travail, les entreprises et les industries pour que les collectivités puissent cerner des possibilités de développement économique, déterminer leurs priorités et créer un plan d'action. En 2015-2016, neuf rapports de développement économique régional ont été élaborés en relation avec les projets du processus.

La **Société des services agricoles du Manitoba** a facilité le consentement, par le secteur privé, de 92,7 millions de dollars en nouveaux prêts agricoles en fournissant des garanties de prêts totalisant 23,2 millions de dollars. De plus, 1,7 million de dollars en prestations d'intérêts ont été fournis dans le cadre des abattements pour jeunes agriculteurs.

### **Gestion du risque en agriculture**

Le personnel a soutenu un **groupe de travail sur la gestion du risque en agriculture** nommé par le ministère, notamment en fournissant des services techniques et de secrétariat. A revu le matériel de recherche, organisé des consultations avec les intervenants en agriculture (producteurs, scientifiques, fournisseurs d'assurance et grand public) et a aidé à la préparation du rapport définitif, qui a été déposé en décembre 2015. Le groupe de travail a fourni 25 recommandations sur la manière dont la gestion du risque en agriculture doit évoluer afin de faire grandir l'industrie concurrentielle alors qu'elle fait face au changement climatique.

**Centres de diversification** – Ce programme de CA2 a offert du soutien pour la réalisation, à quatre centres en 2015-2016, de plus de 170 essais en champ des systèmes de culture afin d'améliorer les revenus à la production. Un nombre de 115 vols de véhicules aériens sans pilote ont été exécutés pour soutenir des objectifs de recherche comme des orthomosaïques, des modèles de surface numériques, la cartographie thermique et proche infrarouge de l'indice de végétation pour des systèmes d'information géographique, ainsi que des présentations à plus de 650 participants à différents événements.

Du soutien administratif et de CA2 a été fourni au **groupe d'étude sur les services vétérinaires en milieu rural 2015**, qui a examiné la prestation des services vétérinaires en

régions rurales au Manitoba. Le groupe de travail a rencontré des intervenants, a mené des sondages et organisé des groupes de discussion, et a tenu des rencontres à Stonewall, à Dauphin et à Brandon. Un rapport a été fourni au ministre en janvier 2016.

**Programmes de gestion du risque d'entreprise** – Le montant total de la responsabilité du programme Agri-protection par l'intermédiaire de la Société des services agricoles du Manitoba était de 2,3 milliards au total, ce qui représentait 9,7 millions d'acres et 8 700 exploitations agricoles assurées. A géré les contributions financières du Manitoba à Agri-stabilité et à Agri-investissement, a travaillé avec l'administration fédérale pour assurer une exécution efficace de la prestation des programmes pour les 7 361 participants manitobains à Agri-stabilité et les 10 789 participants manitobains à Agri-investissement.

**Surveillance des maladies et soutien** – Les éclosions de maladie représentent un risque important pour la santé des animaux et des plantes, ainsi que pour l'accès aux marchés à l'intérieur et à l'extérieur du Canada.

- Un projet de surveillance, réalisé en collaboration avec le Conseil manitobain du porc, visant à surveiller les sites à grande circulation comme les abattoirs et les parcs de groupage pour le **virus de la diarrhée épidémique porcine**, a reçu un financement de 413 000 \$ de CA2. Plus de 115 projets de biosécurité avec des éleveurs de porcs ont reçu 750 000 \$ en 2015-2016.
- A travaillé avec l'Agence canadienne d'inspection des aliments pour déterminer la portée de la **flétrissure verticillienne** du canola au Manitoba. On a testé plus de 300 champs au Manitoba. De la flétrissure verticillienne a été trouvée dans six provinces canadiennes.
- L'Association manitobaine des producteurs de canola s'est associée au ministère pour accroître la surveillance et la capacité de diagnostic de la hernie dans le cadre de la **Pest Surveillance Initiative**. En 2015-2016, 805 échantillons de sol ont été analysés, 160 échantillons s'étant avérés positifs à des concentrations quantifiables.
- Le comité directeur de **One Health** a fait progresser les efforts de différents ministères relativement à une gamme d'enjeux importants en matière de santé et de bien-être des personnes et des animaux, notamment :
  - Le **groupe de travail sur la rage** a recueilli des évaluations des risques pour tous les signalements d'expositions soupçonnées à la rage et a recueilli 166 échantillons à des fins de tests pour la rage, 32 échantillons s'étant révélés positifs et nécessitant une gestion post-exposition. Un vétérinaire et deux membres à temps plein du personnel technique sur le terrain ont été embauchés pour aider avec les programmes One Health. Des sondages ont été réalisés auprès de groupes d'intervenants et une évaluation approfondie du programme est en cours afin d'évaluer l'efficacité perçue du programme. On a élaboré du matériel de formation pour les cliniques vétérinaires.
  - Le congrès inaugural international **One Welfare Conference** aura lieu à Winnipeg en septembre 2016 et est coprésidé par le ministère.
  - Le **groupe de travail sur la syllogomanie et les autres troubles connexes** a réalisé une évaluation des programmes anti-syllogomanie offerts au Manitoba pour traiter des lacunes dans les services, et une analyse continue est en cours.

## Accès aux marchés

A préparé un mémoire sur le transport des céréales dans le cadre de l'examen de la **Loi sur les transports au Canada** après avoir recueilli les points de vue des intervenants sur la manière dont la *Loi* pourrait mieux résoudre les enjeux liés au transport des céréales. A représenté les intérêts de transport du Manitoba en tant que membre du **groupe de travail sur la logistique entourant les cultures**, un forum qui met l'accent sur les besoins des expéditeurs de céréales en relation avec l'examen de la *Loi sur les transports au Canada*. Dans le cadre de CA2, a fourni 85 000 \$ par année, pendant trois ans, à la **Ag-Transport Coalition** pour lui permettre d'accroître sa collecte de données sur le transport à plus de 90 % du transport ferroviaire de céréales et de fournir au Manitoba une mesure précise du rendement dans le secteur ferroviaire.

Le Manitoba a vivement appuyé la contestation de l'**Étiquetage indiquant le pays d'origine (ÉPO)** par le gouvernement fédéral devant l'Organisation mondiale du commerce, y compris la position selon laquelle seule la révocation complète de l'ÉPO préviendrait des représailles de trois milliards de dollars par année par le Canada. Des membres du personnel se sont rendus à la réunion sur l'Accord trinational 2015, à Guadalajara, au Mexique, où une discussion bilatérale a eu lieu avec les États-Unis et le Mexique sur l'ÉPO et la nécessité de trouver une solution législative afin de prévenir des restrictions commerciales. Les États-Unis ont révoqué l'ÉPO pour le bœuf et le porc le 18 décembre 2015 face aux mesures de représailles du Canada et du Mexique.

A consulté les négociateurs du ministère de l'Emploi et de l'Économie et les négociateurs du Canada pendant les négociations commerciales bilatérales concernant les pays du Partenariat transpacifique afin qu'ils soient informés des priorités de l'industrie de l'agriculture provinciale en vue d'obtenir le meilleur résultat possible quant à la croissance économique du Manitoba. Le Manitoba a soutenu les efforts du Canada pour obtenir des résultats en vertu de la proposition d'**Accord du Partenariat transpacifique** qui assurent l'équilibre des intérêts en matière d'exportation tout en reconnaissant l'importance des systèmes de commercialisation ordonnés.

## Lois

Les lois administrées par le ministère sont indiquées à l'annexe H. Deux nouvelles lois ont été ajoutées cette année : la *Loi sur la promotion du secteur agroalimentaire*, qui a reçu la sanction royale le 5 novembre 2015, et la *Loi sur la médecine vétérinaire*, dont les modifications ont reçu la sanction royale le 5 novembre 2015. Il convient de noter que la *Loi sur la salubrité des aliments* n'a pas encore été proclamée.

**SECTION ONE**  
**PART A**  
**PROGRAM AND FINANCIAL**  
**INFORMATION**

## Appropriation 1 Administration and Finance

Administration and Finance provides for the executive management, strategic planning and control of departmental policies and programs. It includes financial and administrative management, accounting, comptrollership accountability, and information technology services.

### Appropriation 1 (a) – Minister’s Salary

#### Mandate

Provides for the additional compensation an individual appointed to the Executive Council is entitled to.

#### 1 (a) Minister's Salary

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl. No.
	2015/16	2015/16	Over/(Under)	
	\$(000s)	FTEs \$(000s)	\$(000s)	
Salaries and Employee Benefits	36	1.00	37	(1)
<b>Total Sub-Appropriation</b>	<b>36</b>	<b>1.00</b>	<b>37</b>	<b>(1)</b>

## Appropriation 1 (b) – Executive Support

### Mandate

Executive Support provides effective leadership in achieving the department’s mission, goals, objectives, and priorities.

### Expected Results

- Effective and efficient delivery of the department’s programs and services including allocation of financial, physical and human resources in line with the government’s policies and priorities.

### Actual Results

- Executive staff ensured that departmental resources were allocated in accordance with departmental priorities and government policies.
- The department led and co-ordinated the decision-making process in the development, implementation, monitoring and evaluation of the department’s policies and programs.

### **1 (b) Executive Support**

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl.
	2015/16 \$(000s)	2015/16 FTEs \$(000s)	Over/(Under) \$(000s)	No.
(1) Salaries and Employee Benefits	675	9.00	657	18
(2) Other Expenditures	74		80	(6)
<b>Total Sub-Appropriation</b>	<b>749</b>	<b>9.00</b>	<b>737</b>	<b>12</b>

## **Appropriation 1 (c) – Department Planning and Service Innovation Directorate**

### **Mandate**

The Department Planning and Service Innovation Directorate's (DPSID) mandate is to:

- Lead in the development of the departmental vision and strategic plan; including fostering excellence in strategic and operational planning
- Foster increased engagement and leadership of staff towards achieving department objectives
- Advance the department's capacity to implement service innovation projects and practices to increase effectiveness and efficiency in the use of departmental resources
- Lead the department's performance management system and provide oversight on performance reporting requirements for departmental programming
- Support and report on strategic directions and policies for the department

### **Program, Activities and Expected Results**

#### **Strategic Planning and Results**

##### **Expected Results**

- Modern, timely and focused departmental strategic plan.
- Engagement in strategic plan advances departmental and government priorities.
- Department work units' operational plans align with departmental priorities and objectives.
- Continuous improvement to an integrated performance measurement system that supports effective and economical resource allocation and enhanced transparency.
- Advances in resource alignment or development to foster achievement of strategic plan.
- Planning and reporting will focus on the department priorities and objectives will be tabled in the Legislature as required in The Financial Administration Act.
- Ministerial correspondence and speeches will provide timely and effective information.
- Streamlined communication systems including briefing and reporting requirements.

##### **Actual Results**

- Led the department's Executive Management Team (EMC) in the launch of the 2015-18 Department Strategic Direction to the department and stakeholders.
- Provided leadership and support in the collaborative analysis and realignment of human, financial and activities to ensure annual departmental plan is directly focused on achieving the outcomes outlined in the strategic direction.
- Engaged staff in planning through workshop sessions with Executive, Directors, and Managers. Ensured all staff understood the department's priorities through a webinar and distribution of the departmental strategic direction and work plan. In cooperation with FAITS supported work units in understanding and aligning financial and operational plans with departmental objectives.
- Reviewed and maintained existing performance management systems with identification of key areas for improvement.
- Coordinated management response to a departmental realignment of resources to support the strategic direction. Led a departmental position description renewal project that ensured all position descriptions within the department were aligned with the strategic direction and current in required roles and classification.
- Coordinated the completion of the 2014/15 Annual Report and Supplemental Information

for Legislative Review for tabling in the Legislature.

- Prepared over 140 pieces of ministerial correspondence and 40 speeches.
- Led continued initiatives to streamline communication systems including streamlining the process through improved integration of planning and reporting process. Coordinated the compilation of Estimates Debate and House Book Issues to inform the government.

## Service Innovation

### Expected Results

- New approaches to external extension and communication will have been piloted and/or adopted including advancing use of social media and one-to-many techniques.
- Continuous improvement in internal communication system will effectively and efficiently meet the department's information needs.
- Performance measurement will be integrated into the development of new initiatives enabling ongoing evaluation and improvement.
- An increasingly engaged work force as a result of the development and initiation of an employee engagement strategy.
- Continuous improvement culture adopted through strategic integration of lean management. A minimum of one lean project will have been undertaken.
- Heightened awareness and piloting of service innovation advancements.

### Actual Results

- Increased messaging on Twitter resulted in 434,800 impressions (number of time users saw @MBGovAg on Twitter) and the department's channel followers increased by 90%. The Twitter channel helped drive traffic to the department website with over 2,500 website URL click-throughs.
- Piloted use of SharePoint sites on the department's intranet site to communicate information and initiatives regarding the department's strategic direction. Development of content requirements on central communication systems is ongoing.
- Collaborated to ensure continuous improvement of effectiveness and efficiencies of budgeting, planning and reporting processes through increased integration.
- Initiated an employee engagement team. The team has developed and launched an employee engagement strategy and raised staff awareness and involvement in engagement through webinar and newsletter series.
- Strengthened the department's lean management capacity with advanced training of 3 lean coaches, an Executive lean leadership seminar for Directors and Managers, 12 Managers completing Lean 101 and a department wide lean awareness webinar. External consultants were contracted to conduct 2 lean projects.
- Branches advanced service innovation as capacity allowed.

## 1 (c) Department Planning and Service Innovation Directorate

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl.
	2015/16	2015/16	Over/(Under)	No.
	\$(000s)	FTEs	\$(000s)	\$(000s)
(1) Salaries and Employee Benefits	329	8.00	612	(283)
(2) Other Expenditures	116		219	(103)
<b>Total Sub-Appropriation</b>	<b>445</b>	<b>8.00</b>	<b>831</b>	<b>(386)</b>

## **Appropriation 1 (d) – Financial and Administrative Services**

### **Mandate**

The Financial, Administrative and Information Technology Services Division leads the comptrollership function and provides assurances that financial and information technology management practices, systems, delegated authorities and processes are functioning efficiently to support departmental programming. The division ensures that there is appropriate accountability in program areas that expenditures are in compliance with policies, procedures, acts and legislation and leads the diversity, inclusion and employment equity efforts of the department.

The Financial and Administrative Services Branch plays a critical role in the financial, accounting, management and administration functions to support the department in accomplishing its priorities. The branch provides leadership in developing and administering financial and administrative systems and co-ordinates the department's reporting required under *The Financial Administration Act*. The branch also leads the Department Audit Committee and is responsible for following up on audit recommendations, reviewing and implementing department wide enterprise risk management strategies to promote governance, awareness and accountability through staff training and risk assessment.

### **Program, Activities and Expected Results**

#### **Financial and Administrative Planning, Reporting, and Accountability**

##### **Expected Results**

- Revenue and estimates of expenditure are completed and align with departmental/government priorities and objectives.
- Financial reports provide meaningful information for informed decision-making.
- Spending and authority seeking documents are in accordance with policies, current and are consistent with the annual budget.
- Financial systems exist to accurately track funds, reconcile to supporting documentation and provide meaningful information for decision making.
- Administrative processes are managed and co-ordinated in an efficient and effective manner in order to ensure departmental needs are met.
- Information regarding diversity, inclusion and employment equity policies and initiatives are disseminated to departmental staff.
- Staff will keep abreast of policy and legislative changes to the Freedom of Information and Protection of Privacy Act (FIPPA). Requests for access will be responded to in accordance with the Act and its regulations. Privacy Impact Assessments will be completed and privacy requirements will be addressed.

##### **Actual Results**

- Co-ordinated the preparation of the annual estimates and other financial reporting consistent with provincial reporting guidelines in a timely manner. This includes regular cash flow and variance reporting as well as legislative, regulatory and year-end reporting.
- Provided support and oversight, ensuring provincial financial systems were updated accurately to reflect the department's budget using the Public Budget Formulation (PBF)

application. Staff co-ordinated the department's efforts and successfully managed deadlines which included determining the allocation of the departmental budget, reviewing and updating fund hierarchies and validating Personnel Expenditure Projection information. Staff successfully submitted its preliminary estimates on time using the PBF application.

- Provided analytical support used in ongoing reporting and in-year submissions related to program activities throughout the department. The value added analysis staff provide informs the decision making process towards achieving departmental priorities.
- Reviewed balances in general ledger accounts regularly to ensure payables and receivables are reflected accurately and are attributed to the appropriate fiscal year.
- Continued to provide leadership and advice throughout the department on financial and administrative policies, practices and procedures.
- Co-ordinated a department wide review of Delegated Financial Signing Authorities (DFSA) with a focus on better aligning authorities with operational needs, simplifying specimen signature cards, creating resource material for staff and incorporating authorities for GF2 programming into the department's DFSA chart.
- Provided training and technical support to divisions and branches throughout the department on the use of provincial financial systems and accounting guidelines.
- Responded to 31 FIPPA requests during the year in accordance with the Act and its regulations and 3 staff participated in introductory FIPPA coordinator training.
- Co-ordinated the submission of the Monthly Report on Out-of-Province Travel Expenses for the department, including the posting of quarterly Out of Province Travel Expenses for the minister on the Government of Manitoba website.

## **Comptrollership and Risk Mitigation**

### Expected Results

- The Comptrollership Plan is effective and representative of the department's internal controls and consistent with central government requirements. In addition, staff understand and have the tools to facilitate efficient and effective comptrollership.
- The Department Audit Committee will ensure that audits are conducted in areas of high risk and that audit recommendations are implemented.
- Contracts, grants and agreements will be administratively, financially and legally sound; departmental properties and inventories will be insured appropriately.
- Staff will be provided a safe working environment, a venue for reporting on workplace safety and health concerns and all members of the public will have access to departmental resources and facilities.
- Maintain a current Business Continuity Plan.

### Actual Results

- Continued to work on transitioning the departmental Comptrollership Plan to a new user friendly format while giving consideration to areas of focus and creating staff awareness.
- Co-ordinated departmental responses to Office of the Auditor General requests related to year-end financial reporting and verification of results.
- Provided advice and assistance while liaising with Civil Legal Services in the development of contracts and agreements and Requests for Proposals as required.
- Responded to workplace, safety and health questions and concerns including questions on ergonomic assessments.
- Led the department's disability access working group, completing a survey on barriers that exist within the Department to assist the Civil Service Commission with the

development of the Manitoba Government Accessibility plan, and developed an Accessibility Toolkit that provides policies, procedures and training for staff.

- Responded to various internal and external audit requests throughout the year and continues to review and implement recommendations as necessary. Reviewed and mapped departmental procurement processes using lean management techniques focusing on the development of processes and training material consistent with provincial requirements for reporting contracts over \$10,000.
- Developed terms of reference for a new Department Business Continuity Planning (BCP) Committee, met with another Department on implementation of the BCP process in their department and two staff participated in BCP training,

#### Additional Results

- Co-ordinated the Student Temporary Assistance Program (STEP) which employed 48 full-time summer students of which 17% were diversity students and 11 part-time fall and winter students of which 38% were diversity students.
- Co-ordinated a VEMA Vehicle Coordinator Orientation Session for all Administrative Officers and Divisional Financial Analysts in the department.
- Liaised with Manitoba Finance and staff within the department with regard to lease renewals, allocation of space, office relocations, space issues and up-to-date site contacts participated on a number of departmental and inter-departmental working groups/committees, including Disability Access, Green Building, Freedom of Information and Protection of Privacy, Workplace, Safety and Health, Business Continuity Planning, Governance Risk Compliance, SAP Finance Business Council, Senior Financial Managers Council and Chief Executive Financial Officers Council.

#### **1 (d) Financial and Administrative Services**

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl.
	2015/16 \$(000s)	2015/16 FTEs	Over/(Under) \$(000s)	No.
(1) Salaries and Employee Benefits	1,160	16.00	1,256	(96)
(2) Other Expenditures	222		335	(113)
<b>Total Sub-Appropriation</b>	<b>1,382</b>	<b>16.00</b>	<b>1,591</b>	<b>(209)</b>

## **Appropriation 1 (e) – Information Technology Services**

### **Mandate**

The Information Technology Services (ITS) Branch collaborates, develops and maintains modern information technology (IT) solutions that enable performance management and operational needs. Solutions range from the desktop computing environment to large highly specialized laboratory, food traceability, and surveillance systems.

In addition to program and service specific technologies, the ITS Branch is responsible for providing leadership and alignment of technologies providing shared service platforms such as the website, the Spatial Data Infrastructure for Geographic Information Systems collaborative work places and AccessManitoba.

ITS staff apply lean management, business analysis, project management, change management and their IT knowledge to assess current technologies and processes and to document the desired future state. The analysis considers information security, process alignment, technology re-use, and risk management to enable the department to assess cost benefit and make strategic decisions.

### **Program, Activities and Expected Results**

#### **Develop and Maintain Information Technology Systems**

##### **Expected Results**

- Technology solutions support client services, business and operational needs.
- Technology systems are documented and system health (age, information security, business value) are understood by the business.
- Desktop computers are available to staff in a manner that meets their business needs in a cost effective manner.
- Records that document system access are maintained and updated collaboratively with program areas.
- Projects have sufficient information to make strategic, business case based decisions for system enhancements and new system development.
- Services to citizens and operational processes are modernized resulting in more efficient and effective delivery as described by program managers.

##### **Actual Results**

- Collaborated with Business Transformation and Technology (BTT) and program areas on a number of projects to ensure accurate system documentation, risk management and modernization. These projects included documenting systems and processes, updating aging computer systems, developing procedure manuals, providing technical and operational support and supporting BTT in replacing technologies in keeping with Manitoba policy.
- Ongoing analysis of technology solutions to support client services, business and operational needs has resulted in projects to update online services, improved office efficiencies, enhanced information management and the identification of several future initiatives.
- Desktop computers are available to staff in a manner that meets their business needs in a cost effective manner. Analysis has been completed to ensure staff computing resources enable current and future needs such as video chat, GIS, mobility and

- enhancement to program management tools.
- As systems are developed or enhanced, processes and systems that document system access are maintained and updated collaboratively with program areas. The scope and nature of the processes strive to balance operational efficiencies, information security, and privacy of information.
- Enhanced process and tools are enabling projects to effectively develop sufficient information to make strategic, business case based decisions for system enhancements and new system development. These processes align human and financial resources with business needs and urgencies to efficiently meet client and departmental needs.
- Pilot projects to assess the effectiveness automating the gathering of Geographic Information Systems (GIS) data in the field have been completed. It is anticipated to increase the quantity and quality of information available for analysis and assessment of client needs.
- Information management needs have been evaluated and prototype systems developed. Implementation is occurring in phases and will provide greater opportunities to collaborate in client service, increased operational efficiencies and enhanced analysis for program delivery and industry development.

### **1 (e) Information Technology Services**

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl.
	2015/16	2015/16	Over/(Under)	No.
	\$(000s)	FTEs \$(000s)	\$(000s)	
(1) Salaries and Employee Benefits	755	10.00	812	(57)
(2) Other Expenditures	209		269	(60)
<b>Total Sub-Appropriation</b>	<b>964</b>	<b>10.00</b>	<b>1,081</b>	<b>(117)</b>

## **Appropriation 2 Strategic Policy and Innovation**

Strategic Policy and Innovation Division provides leadership, co-ordination and development of policy, program, legislation and research initiatives that enhance Manitoba's agri-food industry and rural economy. The division conducts sector economic analysis, and provides agriculture and food statistics and industry market intelligence. In addition, it provides support to various boards and commissions. The division leads in the development of research activities with stakeholders that support industry diversification, innovation and adaptation.

### **Appropriation 2 (a) – Sector Policy, Planning and Programs**

#### **Mandate**

The role of the Sector Policy, Planning, and Programs (SP<sup>3</sup>) Branch is to advance policy and programs that foster an environment for competitiveness, adaptability and sustainability of Manitoba's agriculture and food industry. SP<sup>3</sup> provides knowledge on agriculture, food and rural development policy issues to government decision-makers; facilitates effective policy development and industry strategic planning; and develops and manages delivery of programs.

SP<sup>3</sup> co-ordinates the Department's policy responses and program development. In addition, SP<sup>3</sup> provides oversight, involvement and guidance on strategic industry challenges and opportunities.

More specifically, SP<sup>3</sup> leads research, analysis, industry engagement and policy advice in the development and/or administration of policy by:

- Providing innovative and progressive policies with a focus on Business Risk Management (BRM) tools and programming, marketing systems, sector risk analysis, transportation and trade.
- Working with federal, provincial, and territorial jurisdiction partners in shaping national agricultural policy frameworks and related programming.
- Identifying emerging issues, trends and opportunities for consideration in policy and program activities that advantage Manitoba.
- Identifying and building sector strategies that serve as a foundation to advance Manitoba's future economic development.
- Managing the Growing Forward 2 (GF2) policy framework agreement and the administration of Manitoba's programs.
- Providing leadership, oversight and delivery on the organizational development and strategic actions provided by GF2 - Growing Actions and Growing Visions.

#### **Program, Activities and Expected Results**

##### **Food and Agri-Product Development**

###### **Expected Results**

- Manitoba will offer a set of policy instruments that provide an innovative business environment for the agri-food and agri-product industry to be market responsive,

competitive and sustainable.

- GF2 programming and related outcomes will enable an agriculture, agri-food and agri-product sector that is competitive in domestic and international markets, adaptable and sustainable through continuous development and the adoption of new products and practices.
- Elicit support from U.S. legislators for voluntary labeling to avoid retaliatory measures.
- Trade policy agreements and activities that improve trade opportunities and meet international trade obligations.
- Strategic action plans will maximize resources and consolidate direction for the future benefit of the sector.
- Manitoba's food processing strategy grows this sector to \$5.5 billion by 2022 by building, retaining and attracting food processors.
- Manitoba meets its obligations for reporting on government expenditures and to Canada's commitments under WTO.

### Actual Results

- Developed and implemented a suite of programs to advance the agriculture industry by helping producers and processors become more innovative and competitive. Committed more than \$118.0 million of the \$176.0 million federal and provincial five year GF2 investment, as of March 2016:
- Invested \$49.8 million in over 210 initiatives in research and development
- Invested \$27.6 million invested in 1,295 assurance environment initiatives to assist Manitoba's agriculture industry adopt food safety, biosecurity, traceability, animal welfare and environmental practices.
- Invested \$1.6 million to 175 agricultural organizations and businesses to develop strategic plans activities to lead the industry forward.
- Invested \$17.3 million to 65 projects that increase agri-product processing sustainability and capacity.
- Manitoba strongly supported the federal government action against Country of Origin (COOL) at the World Trade Organization (WTO) including the position that only a full repeal of COOL would prevent retaliation worth \$3 billion per year by Canada.
- Attended the 2015 Tri-National Accord held in Guadalajara, Mexico where COOL and the need for a legislative solution to avoid trade restrictions was discussed bilaterally with both the US and Mexico.
- The US repealed COOL for beef and pork on December 18, 2015 in the face of retaliatory measures by Canada and Mexico.
- Consulted with Manitoba Jobs and the Economy (JEC) and Canadian negotiators during bilateral trade negotiations concerning the Trans-Pacific Partnership (TPP) countries so that they were informed of the provincial agriculture industry's priorities to help with the greatest possible economic growth outcome for Manitoba. Manitoba has supported Canada's efforts to achieve outcomes under the proposed TPP Agreement that balance export interests while recognizing the importance of orderly marketing systems.
- Collaborated with JEC as lead department for work on the renewed Agreement on Internal Trade (AIT), providing input from an agricultural perspective.

### **Primary Agriculture Industry Development**

#### Expected Results

- Sustainable Business Risk Management (BRM) programs that effectively provide for Manitoba's agriculture industry risk management needs.

- Manitoba's agriculture industry priorities are communicated to and influence national transportation, grain marketing and regulatory agencies.
- Industry analysis and information that enables sustainable and competitive business and industry decisions.
- Improved and/or new insurance products for the sector to manage risk and identification of non-insurance risk tools.
- Improved regional and national policies and programs that support growth and sustainability of Manitoba's agriculture and food industry.

#### Actual Results

- Supported the Ministerial appointed Agriculture Risk Management Task Force by providing secretariat and technical services. Reviewed research material, arranged consultations with stakeholders invested in agriculture (producers, scientists, insurance providers and general public) and assisted in preparation of the final report which was tabled in December 2015. The task force provided 25 recommendations on how agricultural risk management needs to evolve to grow a competitive industry as it copes with a changing climate.
- Managed Manitoba's financial contributions to AgriStability and AgriInvest. Worked with federal administration to ensure effective program delivery performance for Manitoba's 7,361 AgriStability and 10,789 AgriInvest program participants.
- Completed an assessment of BRM program performance, identified program issues impacting Manitoba's industry and developed options ultimately for Ministerial consideration in collaboration with federal and provincial governments.
- Ensured Manitoba's industry outcomes (competitiveness, innovative capacity, environmental sustainability and economic resilience) and priority areas (markets and trade, research and innovation; risk management; environmental sustainability and climate change; food processing and bio-products; and public trust) are included in the "Calgary Statement" which lays the direction for the development of the Next Policy Framework.
- As Manitoba's representative on the Western Livestock Price Insurance pilot program's governance committee, ensured Manitoba's beef and hog producers have an effective tool to manage short term price risk.
- Identified emerging issues, trends and opportunities for consideration in policy and program activities by conducting an environmental scan of the Manitoba agriculture and agri-food sector (2018 and beyond).
- Engaged industry commodity organizations in identifying their priority policy issues and suggested solutions prior to the annual Federal-Provincial-Territorial (FPT) ministerial meeting (June 25, 2015).
- Reviewed progress of Manitoba's GF2 programs effectiveness in addressing the Manitoba agriculture and food industry priorities and discuss the challenges and opportunities of the industry leading to considerations for the next agriculture policy framework (industry consultation took place on November 30, 2015).
- Established a transportation working group comprised of shipper and producer organizations and the Association of Manitoba Municipalities to monitor transportation performance, identify issues and review proposed solutions.
- Provided a submission on grain transportation to the Canada Transportation Act (CTA) review after hearing from stakeholders to collect perspectives on how the CTA could better address grain transportation issues.
- Through GF2, provided \$85,000 per year, for three years, to the Ag-Transport Coalition to increase their transportation data collection to over 90% of grain related rail traffic and to provide Manitoba specific rail performance measurement.

- Represented the province and ensured Manitoba's transportation interests were understood and addressed as a member of the Crop Logistics Working Group, a forum sponsored by the federal Minister of Agriculture that focuses on grain shipper needs in conjunction with the CTA Review.
- Provincial expenditures on the agriculture and agri-food sector data submitted to Agriculture and Agri-Food Canada (AAFC) for determination of the Organization for Economic Cooperation and Development (OECD) Producer Support Estimates (PSE) and General Services Support Estimates (GSSE) as well as notification of domestic support to the World Trade Organization (WTO).

## Rural Economic Development

### Expected Results

- New program initiatives with a focus on rural development that are collaborative within government and with external stakeholders.

### Actual Results

- Established a departmental policy network that includes a rural policy component and is representative to provide focus and effort on the rural economy and integrated with policy and program development activity. Initial actions completed include development of an environmental scan for the development of GF3.

## **2 (a) Sector Policy, Planning and Programs**

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl.
	2015/16 \$(000s)	2015/16 FTEs \$(000s)	Over/(Under) \$(000s)	No.
(1) Salaries and Employee Benefits	1,326	23.00	1,861 (535)	1
(2) Other Expenditures	222		409 (187)	
<b>Total Sub-Appropriation</b>	<b>1,548</b>	<b>23.00</b>	<b>2,270</b> <b>(722)</b>	

1. The variance is mainly as a result of vacant positions partially offset by general salary increases.

## **Appropriation 2 (b) – Research and Market Intelligence**

### **Mandate**

The Research and Market Intelligence Branch is responsible for providing supporting knowledge to government policies and programs related to research and market statistics in the agri-food sector. The scope of research covers discovery to early commercialization activities. The scope of market intelligence covers statistics on the volume and value of primary and secondary agri-food products and associated economic indicators.

Research and Market Intelligence Branch ensures Manitoba's capacity for research meets the sector's needs and is utilized in a manner that achieves industry and provincial goals. This includes developing and managing the department's contributions to research in crops, livestock, economics, environmental sustainability, food safety, renewable energy, functional food and bio-products. The branch represents Manitoba on these issues in their regional and national contexts.

Research and Market Intelligence Branch gathers, interprets and disseminates statistical information on sector performance. Data on primary and processed goods is gathered and interpreted to support policy and program development and to derive estimates of farm income and economic impact of the sector. The branch represents Manitoba on these issues in their regional and national contexts.

### **Program, Activities and Expected Results**

#### **Food and Agri-product Development**

##### **Expected Results**

- Progress from bio-product research and development projects supported through Growing Forward 2 and the Manitoba Biomass Energy Program; products developed by Composites Innovation Centre and their industrial clients; biomass energy technologies that economically replace coal for space and water heating; progress from projects supported by the grant to Prairie Agricultural Machinery Institute.
- Progress from food, feed and ingredient research and development projects supported through Growing Forward 2 and the Grain Innovation Hub initiative; collaborative projects among food processors, feeders and plant breeders under the Functional Food and Feed program of the Grain Innovation Hub; progress from projects supported by the grant to University of Manitoba.
- Progress from Manitoba Agri-Health Research Network (MAHRN) projects supported through Growing Forward 2; functional food products from Manitoba products such as carrots and oats.
- Results from Grain Innovation Hub research and commercialization projects and related communications activities; reports on opportunities for corn and sunflower utilization; new partnerships in food product development based on Manitoba grain.
- National and international collaborative research and market intelligence projects and reports; commodity market outlooks for Canada and Manitoba; national innovation capacity summary and project database for food and agri-products.
- Market analyses including projections for the major food processing and bio-product industries in Manitoba.
- On-going and customized market analyses prepared with the input of stakeholders.

## Actual Results

- The Manitoba Biomass Energy Support Program approved 13 capital projects for \$545,630 and eight research and development projects totalling \$452,650. With 2 capital projects withdrew and another adjusted for a lesser amount, 11 capital projects were funded for total \$444,106. The amount paid for the 8 R&D projects remains \$452,650. Research projects studied biomass logistics, grain dryer and boiler optimization, biofuel waste as a soil amendment, integration of biomass energy systems.
- Growing Forward 2 funding of \$2.5 million was awarded to nine bioproduct and biomaterial projects over a span of years including 2015/16. Projects funded developed new research capacity, innovative tools (e.g., biomass mapping) and products to attract potential investors to Manitoba.
- Composite Innovation Centre continued to operate under a four year grant (2014/15 – 2017/18) of \$1.4 million to implement phase two of BioNet Manitoba, a multi-partner initiative to develop biomaterials based on Manitoba grown renewable agricultural fibres and resins.
- Growing Forward 2 awarded \$1.7 million to support functional food and natural health product development. Projects addressed the effect of dietary flaxseed on kidney function, development of self-disinfecting food processing surfaces, and wellness products for weight management. Manitoba Agri-Health Research Network (MAHRN) received \$396,000 to characterize crop (Buckwheat, pinto beans, canola, carrots, Saskatoon Berry, oats) and dairy products produced in Manitoba for their role in the management of pre-diabetes symptoms. MAHRN also received funding of \$200,000 to develop feed ingredients to enhance the health and productivity of livestock and companion animals and to develop functional foods of animal origin, including meat, eggs and milk. Projects completed in 2015/16 characterized the effect of grain rations on flavour of pork, produced a novel grain based companion animal food that delivers a dental care bioactive ingredient and evaluated 8 grain based co-stream products when delivered through dairy products.
- MAHRN continued to market products under the trademark Canadian Climate Change Advantage and continued NuEats a company that supports the commercialization of food products, food ingredients and technology developed by the MAHRN cluster. MAHRN continued to demonstrate the health attributes of local cold-press canola oil to the retail and food service industries. MAHRN continued a partnership with the physician-owned U.S. company StepOne Foods resulting in the translation of known therapeutic benefits of flax into a commercial treatment for pre-diabetes patients and heart patients intolerant to statin drugs. Clinical trials for the latter are being conducted at the Mayo Clinic. MAHRN continued the “Taste the Innovation” theme to promote functional foods through its website, trade show display and investor showcases.
- National collaborative projects on market statistics included initiation of a Federal/Provincial/Territorial discussion on measuring economic impacts of agriculture and food and agri-product processing. International work continues on market intelligence in conjunction with the Livestock Marketing Information Centre in Denver, Colorado.

## Primary Agriculture Industry Development

### Expected Results

- Progress from research and development projects on production technologies and systems for crops and livestock supported through GF2: advanced feeding strategies for poultry to improve phosphorous management; advanced knowledge on methods of improving disease resistance in crops; results from projects funded by the grant to University of Manitoba.
- Establishment of research and knowledge transfer equipment and facilities at Brandon and Brookdale respectively: baseline information on pasture and soil condition; preliminary studies on sustainable beef production.
- Progress from genomics research projects supported through GF2 to improve crops and livestock: initial results from a project to determine the genetic basis of flavour in pork and the genetic and environmental effects on gluten strength of wheat; Genome Prairie facilitated projects to enhance crop productivity.
- Results from Grain Innovation Hub research and commercialization projects and related communications activities: initial results on the genetic and agronomic improvements to corn production; improved soybean agronomic practices; results from projects funded by the grant to University of Manitoba and Prairie Agricultural Machinery Institute.
- Made industry statistics and farm income data sets available for policy and private users.
- National and international collaborative research and market intelligence projects and reports completed. Global supply and disposition and trade conditions were analyzed for their meaning for Manitoba.
- Market analyses including projections for the major primary commodity industries in Manitoba; local supply and disposition and export conditions in the current and historical time frames.

### Actual Results

- GF2 funded a total of nine projects for \$1.2 million over fiscal years 2015/16 to 2017/18 with total partner contribution of \$4.1 million. Projects funded accelerated innovation in crops, livestock, food and stewardship of the resource base. Projects focused on milk microbiome as a biomarker for reducing the risk of mastitis, plant growth promoting rhizobacteria to control head and root disease in cereals, modeling land use and climate influences on hydrologic characteristics of Assiniboine River, herbicide resistant weed surveys, non-GMO soybean development and prairie cordgrass as a biomass feedstock for Manitoba.
- The Manitoba Livestock Manure Management Initiative (MLMMI) continued to operate on a five-year (2013/14 – 2017/18) grant of \$2.3 million to investigate manure separation, handling, storage and transportation options. In 2015/16 MLMMI approved four projects for a total of \$264,000 with Manitoba Pork Council (MPC) contributing \$82,000 and Dairy Farmers of Manitoba (DFM) contributing \$18,000 to study annual and perennial crops with manure as the nutrient source, optimizing manure removal from 2 cell manure storage systems, and Beneficial Management Practices for tile drained lands.
- Three projects were conducted to determine the survival of Porcine Epidemic Diarrhea Virus (PEDv) in manure lagoons in conjunction with MPC and Prairie Agricultural Machinery Institute. A total of 186 hog operations were tested with none testing positive

for PEDv. MLMMI disseminated the results of projects through various mediums including industry publications, farm radio and workshops.

- Grain Innovation Hub approved investment of \$3.3 million in 15 research projects: \$1.0 million of which was invested in advanced laboratory equipment at Canadian Centre for Agri-Research in Health and Medicine; \$2.2 million for wheat research (discovery, variety development, disease resistance and quality improvement) with Manitoba Wheat and Barley Growers Association, National Research Council, Secan, University of Manitoba and a global baked goods company; \$640,000 in honey bee and wheat genomics research through Genome Prairie; and \$224,400 in laboratory, growth cabinet and greenhouse equipment at local companies DL Seeds Inc and Haplotech Inc.
- The Manitoba Corn Initiative funded through the Grain Innovation Hub 2014/15 continued to test genotypes at six locations in Manitoba with the goal of developing corn hybrids with early maturity and rapid dry-down. Screening of genotypes is a collaborative partnership with Agriculture and Agri-Food Canada. The project also continues to identify and characterize bacterial populations of Goss's wilt.
- National Sunflower Association of Canada continued work funded over fiscal years 2014/15 to 2017/18 for confection sunflower variety development. Progress has been made during the last two field seasons to develop new, adaptable long-type confection sunflower hybrids that will produce consistent, quality and desired seed for existing and new sunflower markets for Canadian growers. In addition the project has successfully incorporated herbicide tolerance and disease resistance into adapted varieties.
- Assisted Prairie Agricultural Machinery Institute (PAMI) with an annual grant of \$333,000 to support economic development in agriculture by providing applied research, testing and evaluation services to producers. In addition to the operating grant, PAMI was awarded \$571,400 in Growing Forward 2 funding to support hemp fibre processing, air flow characteristics in large grain storage bins, support tools for consolidation of on-farm surface water, flax fibre harvesting, combine efficiencies, harvesting soybeans, canola straight cut, operation of anaerobic digester at a dairy farm, biomass energy logistics, biomass fired grain dryer, biomass and biomass boiler optimization. One hundred and ninety jobs were created and maintained in Manitoba and Saskatchewan through PAMI activities.
- Manitoba Beef Producers (MBP) continued a 4-year over \$3.1 million project to establish a field laboratory in Brandon and a demonstration farm north of Brandon on Brookdale Road. In 2015/16, demonstration and applied investigation projects were conducted focussing on developing better grazing techniques, reducing the impact of weed species, improving soil quality, improving forage production, testing pest management techniques, assessing the health of wetlands, testing the efficacy of energy dense forages, extending the winter grazing season and improving the productivity of marginal lands. Tours of Brandon and Brookdale sites with partners and producers was held July 2015 with 24 attendees. Presentations were given at eight events throughout 2015/16 to 850 attendees on the research and demonstration projects.
- Provided an annual grant to the University of Manitoba Faculty of Agricultural and Food Sciences in support of research activities important to Manitoba's agriculture and agri-food sectors. In 2015/16, the grant of \$782,000 supported 36 projects with a total value of \$12.8 million.
- Manitoba Consumer Monitor Food Panel (MCMFP) continued to poll Manitobans on their food and health experiences such as the consumption of grain legumes (e.g. beans); attitudes towards breakfast, snack bars and smoothies, opinions on food safety and habits regarding meat purchases. Results were posted on the MCMFP website

and promoted to industry and other interested parties. A display was established at the Farm and Food Discovery Centre at the University of Manitoba. Knowledge generated by MCMFP assists government, academia and industry in promoting foods that prevent or treat chronic disease.

- Assiniboine Community College continued to operate under a 5-year (2013/14 – 2017/18) grant of \$930,000 to collect data on greenhouse production of horticultural crops.
- Manitoba Horticulture Productivity Enhancement Centre continued a three year (2014/15 – 2017/18) project using \$528,000 from GF2 to further develop and sustain the potato industry. Projects focussed on improving potato yield and quality in the frozen potato products sector.
- Peak of the Market was awarded \$212.7 from GF2 to establish a fresh vegetable production site at Winkler.
- Manitoba Soy and Pulse Growers were awarded \$400,000 to establish a pulse and soy research program at University of Manitoba.
- Thirty-four new crop varieties were tested under the Manitoba Crop Variety Team program. Agronomic and quality data that was published in Seed Manitoba 2016 assisted producers in selecting varieties best adapted to their growing region.
- Life Sciences Association of Manitoba (LSAM) continued to operate on a five-year (2013/14-2017/18) grant of \$750,000 to promote the development of the agricultural and industrial biotechnology industry including biomaterials, bioenergy, plant and animal health and functional food. Growth in these businesses complements the existing \$900 million life sciences sector in Manitoba with its 7,700 employees. LSAM led the hosting of National Biotechnology Week and promoted Manitoba businesses at BIO World Congress. Training focused on market intelligence, marketing strategies and preparing funding applications.
- Market Intelligence reported on Canadian level data and ensured accurate national reporting of Manitoba data. Detailed trade reports with a Manitoba focus have been prepared for use by staff as well as for outside groups such as commodity associations.
- Numerous market intelligence reports were prepared including weekly detailed Manitoba crop and livestock price surveys. Estimates of Manitoba supply and use were provided as requested.
- Public requests for agri-food statistics were met on a request basis. Internal reporting of statistics and other data for clients internal to the department has been streamlined through increased use of the shared network drive.

## **Rural Economic Development**

### Expected Results

- Progress from research projects and initiatives in rural development supported by GF2; initial results of Rural Development Institute studies on innovation in rural areas.
- Market analyses including projections for the major primary commodity industries in Manitoba; utilization of market analyses in the development of priorities for rural development research.
- Farm income data sets and analyses supporting federal-provincial Business Risk Management programming; on-going support farm business risk management which translates into economic risk mitigation for rural economies.

## Actual Results

- GF2 Growing Innovation - Capacity and Knowledge Development awarded Brandon University Rural Development Initiative \$181,900 over fiscal years 2015/16 – 2016/17 to conduct research to identify and address systemic barriers to rural innovation and commercialization in the Manitoba agri-food industry with the goal of improving the capacity in organizations of Southwestern Manitoba.
- Market analyses including projected price and production on major agricultural commodities have been prepared.
- Information required for federal-provincial Business Risk Management programming has been provided.

## **Regulation and Enforcement**

### Expected Results

- Progress from research projects that prevent the occurrence and spread of pathogens in the food system; establishment of a meat quality assessment project at Brandon University.
- Progress from Manitoba Livestock Manure Management Initiative projects supported under GF2; consolidated results from manure storage and application research.

### Actual Results

- Exigence Technologies Incorporated was awarded \$519,300 over two years (2016/17-2017/18) to validate surface coating products for food processing environments and reduce the recurrence of food borne illness thus preventing food product recalls. Proposal for establishment of a meat quality assessment project at Brandon University was unsuccessful.
- The Manitoba Livestock Manure Management Initiative (MLMMI) continues to operate on a five-year (2013/14-2017/18) grant of \$2.3 million to investigate manure management strategies. MLMMI has supported a broad range of research that addresses issues related to nutrient management, soil management, odour and pathogens in manure. In 2015/16 MLMMI approved four projects for a total of \$264,000 with MPC contributing \$82,000 and DFM contributing \$18,000 to these projects which addressed long term management of annual and perennial crops with manure as the nutrient source, optimizing of manure removal from 2 cell manure storage systems, and promising Beneficial Management Practices when applying manure on Manitoba's tile drained lands.

## **2 (b) Research and Market Intelligence**

	Actual	Estimate	Variance	Expl.	
Expenditures by Sub-Appropriation	2015/16	2015/16	Over/(Under)	No.	
	\$(000s)	FTEs	\$(000s)	\$(000s)	
(1) Salaries and Employee Benefits	1,059	17.00	1,367	(308)	1
(2) Other Expenditures	161		273	(112)	
(3) Grant Assistance	1,181		1,215	(34)	
<b>Total Sub-Appropriation</b>	<b>2,401</b>	<b>17.00</b>	<b>2,855</b>	<b>(454)</b>	

1. The variance is mainly as a result of vacant positions partially offset by general salary increases.

## **Appropriation 2 (c) – Boards, Commissions and Legislation**

### **Mandate**

The Boards, Commissions and Legislation (BCL) branch provides administrative, technical and regulatory support to boards, councils and commissions that are responsible for 10 acts of the legislature. These boards are responsible for the production and marketing of certain commodities, mediation services, nuisance complaints arising from agricultural operations, applications to own farmland by non-residents, funding mechanisms to support agricultural research and promotion activities, regulating horse racing and supporting crop insurance and animal care appeals.

BCL also co-ordinates all the legislative and regulatory initiatives administered by the Department to ensure that acts, regulations and orders are consistent with the objectives of the Manitoba government and the Department's policy direction.

### **Program, Activities and Expected Results**

#### **Boards and Commissions**

##### **Expected Results**

The oversight and guidance provided by boards, commissions, councils and agencies results in the following for Manitobans:

- Appeal processes that are fair in listening to all parties involved and rendering effective judgments.
- Organizations that meet provincial acts and regulation in the reporting of their activities and conduct.
- Legislated orderly marketing systems are effectively supervised, which protect and grow both domestic and export markets.
- Mediation services are provided to farm producers as an alternative to legal action by creditors.
- Manitoba farmland is protected from market speculation by foreign investors.
- The agricultural use of viable lower class land is safeguarded for its importance in forage and livestock production.
- Manitobans have warranty and repossession protection on farm machinery and equipment purchased or leased in Manitoba.
- Farm equipment dealers and vendors are licensed and monitored.
- Conflict resolution process is provided for farmers and their neighbors concerning farm production practices.
- Designated producer commodity organizations are efficiently and effectively spending producer member check-off monies on research and promotion.

##### **Actual Results**

- The oversight provided by BCL staff to the various appeal boards ensured fair processes and decisions were rendered. The Appeal Tribunal heard and rendered decisions on four appeals on agricultural crown lands and nine appeals regarding insurance and predation programs administered by Manitoba Agricultural Services Corporation. *The Animal Care Act* Board heard and provided decisions on three appeals related to the humane treatment of animals. The Milk Prices Review Commission heard from the industry and reviewed the fluid milk pricing formula and

determined that effective February 2016 producer prices for fluid milk would increase by \$2.16 per hectolitre and wholesale/retail prices would each increase by \$.02 per litre. The Manitoba Farm Products Marketing Council heard three appeals in 2015-16.

- Thirty-four Manitoba citizens contributed to the work of the five boards directly supported by the branch.
- The Manitoba Farm Industry Board received 70 applications for leave to repossess farm equipment under *The Farm Machinery and Equipment Act*. The board resolved 90 per cent of the applications without repossession taking place.
- Forty-seven applications for Exemption under *The Farm Lands Ownership Act* were received by the Manitoba Farm Industry Board. Forty-five were approved, one was denied, and one was withdrawn. Of the 47 applications, 32 were from conservation groups. Of the applications from conservation groups, 24 were for registering conservation agreements and eight were for land purchases.
- Two types of applications are received by the Manitoba Farm Industry Board under *The Family Farm Protection Act*: voluntary requests for review and applications from creditors for leave to realize on farmland. A total of 39 applications were received in 2015-16 of which 24 were applications from creditors for leave to realize on farm land and 15 were voluntary requests for review. This compares to 24 applications received in 2013-14. Farmers used the Board's mediation services in 49 per cent of the applications. The board achieved a settlement in 16 application, or 41 per cent of the cases in which its mediation services were used.
- The Manitoba Farm Industry Board administers The Farm Machinery and Equipment Act Fund for the purpose of paying claims of purchasers for money owed to them by dealers or vendors under *The Farm Machinery and Equipment Act* and for the purpose of providing annual coverage to dealers and vendors respecting such claims. When the amount of the fund is less than \$400,000, the board shall collect an annual levy from dealers and vendors in the amount set out in the regulations to maintain the fund. The fiscal year end for the fund is December 31. The balance of the fund at December 31, 2015 is \$547,082.50 plus accrued interest of \$246.44 for a total of \$547,328.94 thus no annual levies were collected from dealers and vendors. Interest income earned on the fund was \$3,059.46. The fund is deposited with the Minister of Finance and held in trust for the purposes of this Act in a separate account in the Consolidated Fund. The fund is invested in 3 separate 90 day trust accounts. There were no claims made to the *The Farm Machinery and Equipment Act* Fund in 2015.
- The Board issued 34 new farm machinery dealer licenses, and renewed 133 dealer licenses in 2015-16. There were four new farm machinery vendor licenses issued and 58 vendor licenses renewed. The licenses are for a two year term. As of March 31, 2016, there are a total of 165 licensed farm machinery dealers and 78 licensed farm machinery and equipment vendors in Manitoba.
- The Manitoba Farm Industry Board under *The Farm Practices Protection Act* received and investigated one new complaint in 2015-16 which was dismissed as the Board ruled the operation was following normal farming practice. It reviewed and investigated two reports of agricultural operations that were not following existing orders to modify practices. It also investigated and reviewed a request to rescind an existing order. The Board decided to rescind the previous order, but issued a new order requiring different modifications to farming practices.
- In its supervisory capacity, Manitoba Farm Products Marketing Council monitored the eight boards authorized under *The Farm Products Marketing Act* to ensure producers were adequately consulted on issues related to producer levy, penalties, management of quota, new programming and commodity promotions. Three new entrants were

admitted to the dairy industry in 2015-16.

- The Manitoba Farm Products Marketing Council supervised 11 commodity associations designated under *The Agricultural Producers' Organization Funding Act*.
- The Manitoba Farm Products Marketing Council held meetings with all designated commodity associations with check-offs in excess of \$1.5 million to review their activities from the past year and to learn about their anticipated projects for the upcoming year. It received annual reports from the remaining designated commodity associations.
- The membership of the 11 designated commodity organizations ranges from 32 to 7,430 members and their refund rates vary from 1.4 per cent to 8.7 per cent. In 2015-16, the total dollars collected from all designated commodity check-offs was slightly over \$7.4 million, resulting in a \$2 million dollar investment toward 70 research projects.

## **Legislative Support**

### Expected Results

- The development of legislative policy, drafting instructions and facilitation of bills or regulations from start to completion.

### Actual Results

- The department administered 33 statutes and portions of another four statutes with 174 regulations and orders. BCL coordinated four legislative and 18 regulatory initiatives for the Department that were completed.
- Eight regulations authorized by *The Farm Products Marketing Act* were registered.
- Led the Department through concluding amendments to *The Animal Diseases Act* (S.M. 2015 c. 18, formerly Bill 71). The amendments received royal assent on June 30, 2015. The amendments establish authority for the department to act in a proactive manner to deal with activities, practices or behaviours that may create risk to the health and safety of animals and the public, or that may promote the outbreak or spread of disease. BCL is leading the department in the developing the related regulatory changes.
- Led the department through the development of *The Farm and Food Awareness Act* (Bill 4), which established a Manitoba Farm and Food Awareness Week and an Agriculture Awareness Day. The Bill received royal assent on November 5, 2015.
- Led the Department through amendments to *The Veterinary Medical Act* (S.M. 2015 c. 34, Bill 27). The amendments received royal assent on November 5, 2015. The proposed amendments bring animal health technologists into the Manitoba Veterinary Medical Association as both members and representatives. The amendments also establish the need for veterinary service fees to be transparent and allows for the incorporation of veterinary practices.
- Led the department through amendments to *The Noxious Weeds Act* (S.M. 2015 c. 38, formerly Bill 32). The amendments received royal assent on November 5, 2015. Bill 32 establishes the authority of Manitoba Agriculture, Food and Rural Development to categorize weeds into three tiers in relation to their risk to agricultural operations. It also allows the department to fine municipalities that violate the provisions of the Act. BCL has begun leading the Department in developing the corresponding regulatory changes to *The Noxious Weeds Act*.
- The Dairy Act Regulation was amended and split into two regulations. The Dairy Farms Regulation supports the devolution of dairy farm inspection from the province to DFM and the Dairy Regulation, which deals with compositional standards and is being

reviewed to ensure it is consistent with federal standards.

- Manitoba Oat Growers Association Designation Regulation was amended to adjust the periods that fees are collected to better reflect the growing season.
- Minor amendments included in *The Statutes Correction and Minor Amendments Act*, including changes to *The Agricultural Societies Act*, *The Cattle Producers Association Act*, *The Farm Lands Ownership Act*, *The Farm Practices Protection Act*, *The Horse Racing Commission Act*, *The Veterinary Services Act*, and *The Women's Institutes Act* received royal assent on November 5, 2015. BCL assisted to ensure that regular updates to the regulations under the *Milk Prices Review Act* were completed.

## 2 (c) Boards, Commissions and Legislation

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl.
	2015/16	2015/16	Over/(Under)	No.
	\$(000s)	FTEs \$(000s)	\$(000s)	\$(000s)
(1) Salaries and Employee Benefits	756	10.00	749	7
(2) Other Expenditures	275		289	(14)
<b>Total Sub-Appropriation</b>	<b>1,031</b>	<b>10.00</b>	<b>1,038</b>	<b>(7)</b>

## **Appropriation 2 (d) – Grain Innovation Hub**

### **Mandate**

Grain Innovation Hub initiative is conducted under GF2 to develop and commercialize innovations in the strategically important grains sector. Programming occurs in grain production and utilization to accelerate innovation along the entire grain value chain. Grains include cereals, oilseeds and pulses.

### **Program, Activities and Expected Results**

#### **Food and Agri-Product Development**

##### **Expected Results**

- Evidence supporting the application of dietary grains to prevent and treat chronic human and domestic animal diseases.
- Progress in further development and commercialization of the economic and processing attributes of Manitoba crops where significant potential has recently occurred, such as oats, corn, sunflower, hemp and other grains.

##### **Actual Results**

- MAHRN received \$396,000 to characterize selected plant (Buckwheat, pinto beans, canola, carrots, saskatoon berry, oats) and animal based products (dairy) grown/raised in Manitoba for their role in the management of pre-diabetes symptoms. The five projects were: 1) genotype- environment - processing effects on health properties in cold pressed canola oil, 2) meal and co-stream products, maximizing protein quality from a whole milled bean-buckwheat blend, 3) the impact of a saskatoon berry supplemented frozen yogurt product on blood glucose and insulin control, 4) a web based model for benchmarking youth nutrition and 5) evaluation of dairy based foods as a carrier for grain-derived bioactives. The five projects were led by seven principal investigators from the Food Development Centre, University of Manitoba and Canadian Centre for Agri-Food Research in Health and Medicine; involved four grower groups; four Manitoba companies and one international company. One global patent was filed; three food based prototypes are in test marketing. Project outcomes were presented to, and opportunities for strategic partnerships were pursued with, international companies in Europe, United States, the Middle East and Asia. MAHRN represents Manitoba's 'foods for health' cluster in international projects with Australia, the United States and South America.
- Seven projects received \$945,300 funds to develop confection sunflower varieties, optimize use of hemp hurds for oil absorption and bioremediation, research the biocatalytic reduction of chlorophyll pigments in hemp seed oil, and conduct dietary trials with hemp. Results of projects will permit commercialization of new products, export markets and greater economic return to Manitoba grains value chain.

#### **Primary Agriculture Industry Development**

##### **Expected Results**

- Progress in understanding genetic resistance to Manitoba production challenges such as wheat midge, Sclerotinia in canola, Fusarium head blight in cereals and Goss's wilt in corn.
- Progress in knowledge about mitigating impacts of excess moisture, such as the role of

haemoglobin genes in corn tolerance.

- Establishment of enhanced grain storage research facilities at PAMI.
- Facilitate collaboration among Manitoba's leading industry stakeholders involved in grain productivity and marketing and research.
- Identification of research priorities that will contribute to competitive production in the global grain industry.

#### Actual Results

- Funded four projects spanning a number of years including 2015/16 made progress in understanding genetic resistance to Manitoba production challenges to wheat midge and Goss's wilt in corn. The Manitoba Corn Initiative was able to identify and characterize bacterial populations causing Goss's wilt in corn in Manitoba. Knowledge gained from this study will aid corn growers to make knowledge-based management decisions to reduce the negative impact on corn production in Manitoba.
- Manitoba Corn Initiative also studied hemoglobin expression in corn and its effect on flooding tolerance. PAMI was awarded \$50,000 to develop a strategic plan for a Prairie Grain Storage Research and Development Initiative. The initiative will develop a system to investigate both fundamental and applied research on grain handling, storage, and conditioning is handled sustainably for the long term benefit of all stakeholders (prairie producers, commodity groups, marketing companies, storage manufacturers, handling equipment manufacturers, condition equipment manufacturers, and both levels of government).
- Awarded \$25,000 to Cereals Canada to identify a National Wheat Research priorities and development a strategy that involves all members including producers, and members of public and private sector of the wheat value chain.
- Research was funded to investigate hormone based genomic tools to accelerate wheat breeding for enhanced pre-harvest sprouting tolerance. Manitoba Soy and Pulse Growers were awarded \$400,000 to establish a pulse and soy research program at University of Manitoba.

#### **2 (d) Grain Innovation Hub**

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl.	
	2015/16	2015/16	Over/(Under)	No.	
	\$(000s)	FTEs	\$(000s)		
Grant Assistance	216		3,000	(2,784)	1
<b>Total Sub-Appropriation</b>	<b>216</b>	<b>-</b>	<b>3,000</b>	<b>(2,784)</b>	

1. The variance is primarily the result of fewer grant proposals received than planned.

## Appropriation 2 (e) – Manitoba Biomass Energy Support Program

### Mandate

This program provides support in the transition to the processing and use of biomass for heating in place of coal. Financial support was provided for capital and/or infrastructure upgrades that are required to effectively manufacture or consume biomass fuel, including expansion of existing facilities or development of new capacity.

### Program, Activities and Expected Results

#### Food and Agri-product Development

##### Expected Results

- Increase in the number of users of biomass energy for space and water heating.
- Advances in prepared biomass energy technology.

##### Actual Results

- In 2015/16, the Manitoba Biomass Energy Support Program (MBESP) funded 13 capital projects for a total of \$545,630 to assist current coal users in switching or expanding their use of renewable biomass fuel.
- MBESP provided a total of \$452,650 to support eight research and development projects in 2015/16 aimed at expanding production and use of biomass energy in Manitoba.
- Since 2012, the program has assisted a total of 64 farms and businesses adopt biomass energy.

### **2 (e) Manitoba Biomass Energy Support Program**

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl.
	2015/16	2015/16	Over/(Under)	No.
	\$(000s)	FTEs	\$(000s)	\$(000s)
Grant Assistance	896		1,000	(104)
<b>Total Sub-Appropriation</b>	<b>896</b>	<b>-</b>	<b>1,000</b>	<b>(104)</b>

## Appropriation 3

### Risk Management, Credit and Income Support Programs

**Manitoba Agricultural Services Corporation:** provides a variety of programs, including direct loans and loan guarantees, agricultural insurance, wildlife damage compensation and emergency assistance, which contribute to the financial stability of Manitoba's agricultural producers and rural economy.

**Agricultural Income Stabilization:** provides for Manitoba's share of assistance under stabilization programs, which are intended to help farmers manage their operations when they incur a decline in income.

**Farmland School Tax Rebate:** provides rebates of school taxes charged on farmland.

#### Appropriation 3 (a) – Manitoba Agricultural Services Corporation (MASC)

##### Mandate

Enhance financial stability in rural Manitoba by providing risk management solutions, lending options and other programs and services to address emerging needs.

##### Program, Activities and Expected Results

###### Risk Management Programs for Producers

###### Expected Results

- Insure \$2.35 billion of AgriInsurance liability, covering 9.8 million acres on 8,600 farm operations.
- Provide \$830 million of hail insurance liability, covering 4.5 million acres on 4,300 farm operations.
- Pay \$3.1 million in wildlife damage compensation.
- Provide AgriInsurance premium rebates of \$15,000 under the Young Farmer Crop Plan Credit Program.

###### Actual Results

- AgriInsurance liability totaled \$2.25 billion covering 9.7 million acres on 8,700 insured farming operations.
- Hail Insurance liability totaled \$892 million covering 4.8 acres on 4,300 insured farming operations.
- A total of \$4.3 million was paid out under Wildlife Damage Compensation.
- Young Farmer Crop Plan Credits provided AgriInsurance premium rebates totalling \$18,600.

###### Affordable Credit for Primary Agriculture

###### Expected Results

- Administer a total direct loan and loan guarantee portfolio that facilitates \$740 million of credit to 3,000 Manitoba farm operations and rural businesses.
- Provide \$115.0 million in new direct loans.
- Facilitate \$78.5 million in private sector loans to Manitoba agricultural enterprises, by

providing \$19.6 million in loan guarantees (this includes \$23.5 million in loans to cattle producers through Manitoba Livestock Associations Loan Guarantee program).

- Provide interest reductions of \$1.9 million through Young Farmer Rebates.

#### Actual Results

- MASC's portfolio of direct loans plus loans that were facilitated by MASC's guarantees totaled \$900 million, covering 3,000 Manitoba farmers and rural businesses.
- MASC provided \$206.4 million in new direct loans.
- \$92.7 million in new private sector agricultural lending was facilitated by MASC loan guarantees totaling \$23.2 million.
- \$1.7 million of interest benefits was provided through Young Farmer Rebates.

### **Affordable Credit for Rural Businesses**

#### Expected Results

- Facilitate \$4.0 million in term loans to rural small businesses through the Rural Entrepreneur Assistance program, by providing loan guarantees of \$3.2 million.
- Facilitate \$1.0 million in operating loans for rural small businesses through \$0.25 million of loan guarantees.

#### Actual Results

- Through the Rural Entrepreneur Assistance (REA) program, MASC facilitated \$3.8 million in new private sector term loans by providing \$3.0 million in loan guarantees.
- MASC facilitated a further \$200,000 in private sector operating credit by providing \$50,000 in loan guarantees through the Operating Credit Guarantee for Rural Small Business program.

### **3 (a) Manitoba Agricultural Services Corporation**

Expenditures by Sub-Appropriation	Actual	Estimate		Variance	Expl.
	2015/16	2015/16		Over/(Under)	No.
	\$(000s)	FTEs	\$(000s)	\$(000s)	
(1) Administration and Lending Costs	6,238	-	9,496	(3,258)	1
(2) AgriInsurance	53,076	-	54,283	(1,207)	
(3) Wildlife Damage Compensation	2,207	-	1,657	550	2
<b>Total Sub-Appropriation</b>	<b>61,521</b>	<b>-</b>	<b>65,436</b>	<b>(3,915)</b>	

1. The variance is mainly due to an increase in net interest income; and a decrease in administration costs mainly due to lower than estimated post harvest claim volumes. This is partially offset by a net increase in provisions required due to higher than anticipated loan volumes.
2. The variance is mainly due to the increase in livestock values and the number of big game claims.

## Appropriation 3 (b) – Agricultural Income Stabilization

### Mandate

Agriculture income stabilization programs provide producers with assistance to manage financial difficulty arising from risks related to market disruption, natural disasters and production problems. There are two ongoing programs: AgriStability and AgrilInvest. In addition, AgriRecovery may be available to provide assistance for recovery actions following a disaster event.

These programs are developed with federal and provincial partners as part of the Business Risk Management (BRM) suite of programs intended to assist the industry in its ability to be resilient and competitive.

### Program, Activities and Expected Results

#### Primary Agriculture Industry Development

##### Expected Results:

- Farms will have improved income stability and be able to manage financial disasters. Through market returns and BRM programs, producers will attain at least 50% of the previous five-year net market income including program payments.
- Producers will recognize BRM programs as an effective risk management tool for their farms. Most farms in Manitoba, representing at least 70% of all farm market revenues will participate in AgriStability and AgrilInvest.
- AgrilInvest will recognize and encourage participation in areas of strategic importance to the industry by linking program eligibility to the priority areas where appropriate.
- AgriRecovery responds to events such as natural disaster, disease or threat to food security.

##### Actual Results:

- Total net farm income in Manitoba in 2015 (including BRM payments) is estimated to be 141% of the previous five-year average, due to stable crop yields and relatively strong commodity prices, despite lower than average BRM payments.

Total Net Farm Income – Manitoba (\$ millions)				
Year	Realized Net Income before BRM Payments	Inventory Change	BRM Payments Triggered*	Total Net Income incl. BRM Payments Triggered
2015 estimate	282.4	242.0	211.8**	736.2
			2010-14 average	522.9
			% of Average:	141%

\* Actual and/or forecasted AgriStability, AgrilInvest and AgrilInsurance payments based on the program year they were triggered

\*\* Consists of forecasted payments from AgrilInvest (\$38.7 million), AgriStability (\$58.4 million), and AgrilInsurance (\$118.5 million)

Sources: Statistics Canada, Agriculture and Agri-Food Canada, Manitoba Agricultural Services Corporation (as of June 30, 2016)

- While most farms in Manitoba participated in AgriStability and AgrilInvest, the number of participants declined, particularly for AgriStability. The decline was similar in all provinces and is expected to be associated with declining farm numbers and lower payment expectations. In 2013, the last full program year for which market sales statistics are available, participation in AgrilInvest represented 95.1% of market sales, and producers deposited 92.7% of the maximum allowed. Participation in AgriStability represented 64.0% of market sales. (AgriStability participation is defined as those who submit their financial results at the end of the year).

Program Year	Total Farm Tax Filers	AgriStability Participants		AgrilInvest Participants	
		No. of Fees Paid	% of Farm Tax Filers	No. of Deposits Made	% of Farm Tax Filers
2010	15,690	9,632	61.4%	11,506	73.3%
2011	15,060	9,356	62.1%	11,558	76.7%
2012	14,965	8,849	59.1%	11,288	75.4%
2013	14,945	8,195	54.8%	10,901	72.9%
2014p	14,665	7,361	50.2%	10,789	73.6%

Program	Allowable Revenue** (all tax filers)	Allowable Revenue** (participants)	% of Allowable Sales Participating
	(\$million)		
2013 AgriStability	\$6,080.0	\$3,722.6	64.0%
2013 AgrilInvest*	\$5,745.7	\$5,464.1	95.1%

\* excludes dairy, poultry, and eggs which are not allowable sales under AgrilInvest  
\*\* Excludes participants and taxfilers with gross revenue under \$10,000  
Source: Agriculture and Agri-Food Canada , Statistics Canada (Canadian Farm Financial Database)

- There were no disaster conditions that required an AgriRecovery response in 2015/16.

### 3 (b) Agricultural Income Stabilization

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl. No.	
	2015/16	2015/16	Over/(Under)		
	\$(000s)	FTEs	\$(000s)		
Grants/Transfer Payments	18,771	-	34,243	(15,472)	1
<b>Total Sub-Appropriation</b>	<b>18,771</b>	<b>-</b>	<b>34,243</b>	<b>(15,472)</b>	

1. The variance is mainly due to prior years' adjustments based on federal forecasts and actual AgriStability and AgrilInvest program activity.

## Appropriation 3 (c) – Farmland School Tax Rebate

### Mandate

To generate greater net farm income and foster increased equity amongst rural land owners in support of local educational costs.

### Expected Results

- Increase net farm income by the amount of the rebates, with additional spin-off benefits to rural communities.
- More equitable distribution of local education costs.

### Actual Results

- Total 2015 Farmland School Tax Rebates are estimated to be \$33.8 million.
- Rebating 80% of school taxes on farmland represents a significant move towards a more equitable distribution of school taxes paid by property owners.

### **3 (c) Farmland School Tax Rebate**

	Actual	Estimate	Variance	Expl.
Expenditures by Sub-Appropriation	2015/16	2015/16	Over/(Under)	No.
	\$(000s)	FTEs	\$(000s)	\$(000s)
Grants/Transfer Payments	33,997	-	36,039	(2,042)
<b>Total Sub-Appropriation</b>	<b>33,997</b>	<b>-</b>	<b>36,039</b>	<b>(2,042)</b>

**Appropriation 3 (d) – Less: Recoverable from Rural Economic Development Initiatives (REDI)**

**Mandate**

This sub-appropriation provides for the recovery of Rural Economic Development Initiatives related expenditures incurred by the Manitoba Agricultural Services Corporation.

**3 (d) Less: Recoverable from Rural Economic Development Initiatives**

Expenditures by Sub-Appropriation	Actual 2015/16 \$(000s)	Estimate 2015/16 FTEs	Variance Over/(Under) \$(000s)	Expl. No.
Recoveries	(279)	-	(612)	333
<b>Total Sub-Appropriation</b>	<b>(279)</b>	<b>-</b>	<b>(612)</b>	<b>333</b>

## **Appropriation 4 Agri-Industry Development and Advancement**

The Agri-Industry Development and Advancement division provides technical support, leadership, specialized services and information to enhance the development of Manitoba's agri-food industry and rural economy. It develops leading edge, science-based programming in specialized areas of crop and livestock production, animal health, animal welfare, food safety and environmental sustainability. The division also provides advice that assures food safety and controls and prevents crop and livestock diseases.

### **Appropriation 4 (a) – Livestock Industry**

#### **Mandate**

The Livestock Industry Branch advances Manitoba's livestock industry by utilizing leadership capacity and technical expertise to develop and deliver innovative extension and industry development programs. The branch will provide leadership and advice on livestock issues and represent Manitoba in regional and national discussions.

The Branch will aid decision-making and assist in the development of a sustainable, profitable agriculture industry by utilizing a holistic, collaborative approach to gathering information and assessing opportunities. Farm Production Extension staff work with the livestock and forage industry to increase farm production profitability and sustainability through new information or technologies.

The Livestock Industry Branch plays a key leadership role in identifying and supporting provincial strategies that enhance development in the livestock and forage sectors. The branch also collaborates within the department and with other departments and agencies in developing initiatives that improve net income and the development of livestock related industries in rural Manitoba.

Veterinary rural practice will be supported through administration of the Rural Veterinary District Program, Large Animal Veterinary Retention Program, Veterinary Science Scholarship Fund and Veterinary Summer Student Program.

#### **Program, Activities and Expected Results**

##### **Protection of Human, Animal and Plant Health**

###### **Expected Results**

- Respond to animal care and odour complaints and work with producers so that they can meet standards under *The Animal Care Act* and *The Farm Protection Act*.
- Increased knowledge and adoption by producers of environmentally sustainable manure management and livestock production options.
- Animal care practices such as loose sow housing are identified, assessed and permitted to the benefit of producers, their animals and the market place to increase market access.
- In co-operation with DFM, on-farm milk quality services required in meeting food safety and quality standards for antibiotic use and bacteria counts are provided.
- The Department is represented on provincial and national committees in developing

animal care and farm practice standards, policies and guidelines.

- An assessment of issues, challenges and opportunities related to antibiotic use in livestock production is undertaken.
- Creation of communication material and collaborations with stakeholder organizations to increase public's knowledge of livestock production and agriculture.

### Actual Results

- One investigation was conducted under *The Farm Practices Protection Act* and a technical assessment on normal odour control practices was provided to the Manitoba Farm Industry Board.
- A factsheet on phosphorus and potassium efficiency on dairy farms was produced in collaboration with the Manitoba Livestock Manure Management Initiative.
- Provided technical expertise to update the land base calculator used for technical reviews of new and expanded livestock operations. The formation of the Interdepartmental Livestock Assistance Team was initiated to provide support to livestock producers in meeting government environmental requirements.
- With GF2 funding of \$400,000, an on-farm evaluation of loose sow housing was conducted as part of the National Sow Housing Conversion Project. The updated national Code of Practice recommends that all newly built sow barns after July 1, 2014 be loose sow and all sows and gilts after 2024, regardless of barn age, be loose sow housed.
- The GF2 catalogue for livestock producers was expanded to include welfare items for dairy, sheep, goat, and bison producers in support of the national Codes of Practice.
- Made 17 farm calls to Manitoba dairy producers to troubleshoot milk quality, taste and antibiotic issues. The farm calls supported the DFM decision that all producers should meet the European Union standard for somatic cell counts, improving milk shelf-life and increasing market access.
- Worked with DFM to develop increased laboratory capacity to test for antibiotics in milk and mastitis in dairy herds. Manitoba was represented on the working group updating the robotic milking protocols in the national dairy code.
- Participated in the provincial Farm Building Code Committee.
- The use of antibiotics and alternatives was investigated. Staff worked with a Manitoba company to receive funding for pig and cattle feeding trials at the University of Manitoba and AAFC beef research centre in Lacombe, AB to evaluate a natural plant product as an alternative to antibiotics.
- Represented the department on the Range Implementation Management Group and worked on the transition of community pastures from the federal government to the province of Manitoba. An assessment tool to document and demonstrate sustainable grazing on these lands was developed.
- Presentations on the benefits and life cycle of beef were made at the Moomania attended by 600 students in Brandon.

### **Livestock Program Delivery**

#### Expected Results

- Grants administered for 27 Veterinary Services District clinics. Administer veterinary student scholarship and Student Temporary Employment Program (STEP) placement programs.
- A review of rural veterinary services to identify approaches for supporting and modernizing the Veterinary Service District program.
- The licensing and bonding of livestock dealers is administered and complaints of dealer

default investigated. Enhanced inspection capacity is developed to identify and investigate potential default by livestock dealers.

- Maintain a brands registry and work with industry to enhance the use of manifests, traceability and premise identification to support the movement of livestock across provincial and international borders.
- Industry is consulted on program design and administrative protocols including application development and program outcomes for the GF2 Food Safety On-Farm program.
- The risk of the spread of bTB from wild elk and deer to domestic livestock is reduced by funding the construction of barrier fences around livestock feeding areas in the RMEA. Pilot projects of novel initiatives such as 3D fencing and a guardian dog program are conducted.

### Actual Results

- Administered the Veterinary Services District (VSD) operating grant of \$479,000. The grant is distributed among 27 Veterinary Service Districts. The extension veterinarian worked directly with the Veterinary District boards and the Veterinary Services Commission to address local issues in the delivery of veterinary services to their communities. Department staff developed a training manual for members of VSD Boards and the Veterinary Service Commission.
- GF2 funds and administrative support were provided to the 2015 Rural Veterinary Task Force which examined the delivery of rural veterinary services in Manitoba. The task force met stakeholders, conducted surveys and focus groups, and held public meetings in Stonewall, Dauphin and Brandon. A final report was submitted in January 2016.
- The Large Animal Veterinary Retention Program provided seven scholarships totaling \$35,000 in 2015/16 to Manitoba students in their third or fourth year at the Western College of Veterinary Medicine. In return for each \$5,000 award received, the recipient has agreed to work for one year in a rural Manitoba veterinary clinic.
- A total of ten Veterinary Sciences Scholarships worth \$1,125 each were awarded in 2015/16.
- The Veterinary Student Employment Program enables the students to get hands-on experience in a rural setting during the summer months. Twelve students participated in 2015.
- Administered the livestock dealer/agent licensing program with approximately 73 licensed dealers and 74 licensed agents. The department provides program support, bond security checks, and licensing procedures. There were no dealer defaults in 2015 and no complaints requiring investigation.
- A Brand Registry for cattle and horses is maintained under provision of *The Livestock and Livestock Products Act*. Currently, there are 2,344 active registered brands.
- Printed and distributed livestock manifests. The manifests act as a commercial document and include premise ID information as recommended by the Federal Provincial Cattle Movement Reporting Working Group.
- Developed and delivered food safety, biosecurity, animal welfare, animal health, traceability and workplace safety programming for livestock producers under Growing Forward 2. Over 270 livestock applications valued at more than \$1.2 million assisted producers in implementing best management practices and meeting the national standards for food safety, biosecurity, traceability, health and animal welfare. For the 2016/17 livestock catalogue, new animal welfare categories and catalogue items were developed for beef, dairy, poultry, sheep, goats and swine.
- Continued involvement in bovine tuberculosis (bTB) risk management in conjunction

with the RMEA. Specific activities included: Evaluated the use of 3-D fencing as an economic alternative to traditional barrier fences at two locations. Construction of a 3-D fence around a hay stackyard was tendered. Infra-red, research grade trail cameras were installed and over 4,000 photographs were analyzed to monitor the effectiveness of the fences in preventing access by wildlife to livestock feed supplies. Modifications to improve the fence design were identified. Contacted producers in the high risk, core area to assess the need and interest in barrier fences and/or livestock guardian dogs in preventing wildlife interactions with livestock. Three barrier fences were tendered and two guardian dogs were placed. Participated in the bovine TB Task Force Committee. Administered a service agreement with MBP to deliver a five-year, \$150,000 project to provide payments of \$7/head (\$6 from MAFRD and \$1 from MBP) to cattle producers in the RMEA to support their participation in live animal testing and passive surveillance at slaughter for bTB.

## **Industry Capacity to Innovate, Identify Opportunities for Profitability from Commodities and Address Sector Strategic Needs**

### Expected Results

- Capacity and industry leadership provided by developing service agreements for delivery of GF2 programs by industry associations.
- GF2 projects developed to support the introduction of new certification programs, testing protocols and production practices by industry associations.
- Develop platforms and initiatives that enable research and demonstration of sustainable, economical livestock production.
- Initiatives are identified and developed to address issues facing emerging livestock sectors and producer/processing associations.
- Technical support towards development of business models that will advance the livestock industry including investments in processing opportunities.
- Technical support provided in developing and co-ordinating government and industry response to emerging animal health, weather and trade challenges.
- Surveillance for PEDv will allow producers and shippers to assess their biosecurity and sanitation protocols. GF2 programming which assists with implementation of biosecurity will be provided.

### Actual Results

- Continued a pilot project with MPC to deliver and administer GF2 programs by a commodity association. Under the project, MPC was the point of contact for swine producers and assisted in processing 150 swine applications in 2015/16. The project has reinforced MPC's leadership in delivering Canadian Quality Assurance (CQA), the swine industry's national food safety accreditation program.
- Administered the GF2 service agreement that provides up to \$80,000 annually to MBP for delivery of the Verified Beef Production program. The agreement was updated to support piloting a welfare module.
- GF2 funding of \$525,000 over three years, continued the piloting of animal care and dairy premises assessments under its on-farm certification program, ProAction. In 2015/16, animal care assessments were conducted by private veterinarians on all of Manitoba's dairy farms. The results of the assessments were analyzed to identify on-farm practices that would improve the assessment scores and cow well being. New animal welfare items were added the GF2 livestock catalogue to support implementation of these beneficial practices.

- Participated in the strategic advisory committee for the Western Beef Development Centre in Saskatchewan.
- The Manitoba Beef and Forage Platform Initiative (MBFI) is a collaboration between Manitoba Agriculture, MBP, Ducks Unlimited Canada (DUC), and the Manitoba Forage and Grassland Association (MFGA). More than \$3.1 million in GF2 funding is being invested to develop a beef and forage demonstration farm and applied research field laboratory near Brandon. With the focus on demonstrating sustainable beef production. Since the launch of the site in June, 2015, the department has:
  - worked with MBFI partners in a multitude of activities including: designed and implemented a year round grazing system, applied research trials, including comparisons of grazing systems and forage varieties, oversight of 100 cow/calf pairs to graze on the sites, planted over 500 acres of various annual and perennial forage crops, installed fences and water lines, increased depth of dugout and dug wells for water, and began developing an inventory of the soil and ecological profile of the fields and pastures. Demonstration projects have been undertaken related to health of riparian areas, extended grazing systems, soil health, pasture productivity, and potential for agriculture to remove carbon dioxide from the atmosphere and sequester it as soil organic matter.
  - formed MBFI's animal care committee and draft protocols for animal care.
- Worked with First Nations clients on the development of an eco-certified fish market and opening of a fish shed on a First Nation, and a bison strategic plan.
- GF2 funding and support was provided for a stakeholder meeting of the local, direct farm marketing sector, with the formation of the Direct Farm Marketing Association of Manitoba as a meeting outcome. The development of a food distribution hub for local and direct farm marketers is being investigated.
- Participated on the national sheep, swine and beef value-chain round tables with the objective of enhancing Canadian competitiveness and profitability.
- Biosecurity training was provided for provincial Animal Protection Officers and Livestock Specialists. Biosecurity standards were discussed with Manitoba Hydro and Manitoba Conservation and Water Stewardship.
- Developed and conducted biosecurity audits for three abattoirs and performed biosecurity assessments at five assembly yards and auction marts. The extension veterinarian also participated in the National Avian Biosecurity Advisory Council.
- A surveillance project, completed in cooperation with MPC to monitor high traffic sites such as slaughter plants and assembly yards for Porcine Epidemic Diarrhea virus (PEDv), received \$413,000 of GF2 funding. Over 115 biosecurity projects with swine producers received \$750,000 2015/16.
- Represented the department on the National Livestock Market Interruption Strategy Steering Committee. The committee's mandate is to find methods of increasing market recovery after a border closure or disease event.

## Livestock Productivity, Risk Management and Farm Viability

### Expected Results

- Technical expertise cost of production budgets, bench marking and other training and tools are provided to assist in evaluating opportunities towards the development of established and specialty production areas.
- Provide training, evaluation and promotion of new techniques for animal production and management of livestock enterprises.

### Actual Results

- Organized 19 extension events on herd management, animal health, nutrition, forage production, and markets and economics with over 1,100 participants in attendance.
- Supported Hog Days (December 2, 2015), Manitoba Swine Seminar (February 3-4, 2016) and Direct Farm Marketing Conference (March 11-12, 2016). Over 1,000 people attended.
- Five StockTalk webinars were delivered on topics including herd health, managing forage shortages, calving, and livestock price insurance.
- The Lake Manitoba Forage Restoration Project was initiated in the spring of 2013 and continued in 2015. Four sites were designed around flooded out areas of Lake Manitoba to monitor re-establishment of forages. The trial is assessing and demonstrating methods of returning flooded acres to production. A factsheet was written on lessons learned from the study.
- Conducted surveys and provided technical expertise to update the Cost of Production workbooks for alfalfa, beef, bison, dairy and swine producers.
- Manitoba farm participation in a regional field survey of bison parasites and University of Calgary study of sheep parasites was organized by department staff.
- West Interlake Forage Plot Project was developed to demonstrate the impact of establishing forage with and without a cover crop and fertilizer.
- Developed and managed six projects at the MBFI demonstration farm including evaluation of wetlands, high energy forages, management of burrowing rodents, impact of grazing on cicer milk vetch, pasture rejuvenation, and multi-year studies of planned grazing and extended, winter grazing systems. Studies by the University of Manitoba, University of Winnipeg, and Brandon Universities were brokered and developed to begin in 2016/17.

### 4 (a) Livestock Industry

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl.
	2015/16	2015/16	Over/(Under)	No.
	\$(000s)	FTEs	\$(000s)	\$(000s)
(1) Salaries and Employee Benefits	2,906	37.00	2,931	(25)
(2) Other Expenditures	545		623	(78)
(3) Grant Assistance	456		495	(39)
<b>Total Sub-Appropriation</b>	<b>3,907</b>	<b>37.00</b>	<b>4,049</b>	<b>(142)</b>

## **Appropriation 4 (b) – Chief Veterinary Office/Food Safety**

### **Mandate**

The Chief Veterinary Office (CVO)/Food Safety (FS) Branch provides leadership and advice on animal health, animal welfare and food safety issues and represents Manitoba in regional, area and national discussions related to animal health, welfare, and food safety. The Branch provides the regulatory and enforcement framework to protect human, animal and plant health.

The CVO/FS Branch protects the health of the public from diseases that can pass directly or indirectly from animals to people (zoonotics), and detects, evaluates, and responds to existing and emerging animal diseases that can directly threaten human and animal health as well as the Manitoba economy.

Additionally, CVO/FS contributes to the safety of the Manitoba food supply to safeguard the health of Manitobans and ensure confidence in Manitoba's food system through inspection and a regulatory and enforcement framework. Operational policy and regulatory modernization will ensure effective and consistent regulatory oversight and clearly defined expectations for stakeholders.

The CVO/FS Branch is committed to the protection of trade in agricultural products through health certification and assurance programs. This will promote agricultural and agri-food product industry competitiveness and the economic viability of Manitoba producers and processors.

The Provincial Veterinary Diagnostic Laboratory under CVO/FS will further enhance animal health in Manitoba by providing accurate, timely and affordable veterinary diagnostic services. The development of critical information management tools and systems will allow for rapid detection and response to animal health issues.

### **Veterinary Public Health**

#### **Expected Results**

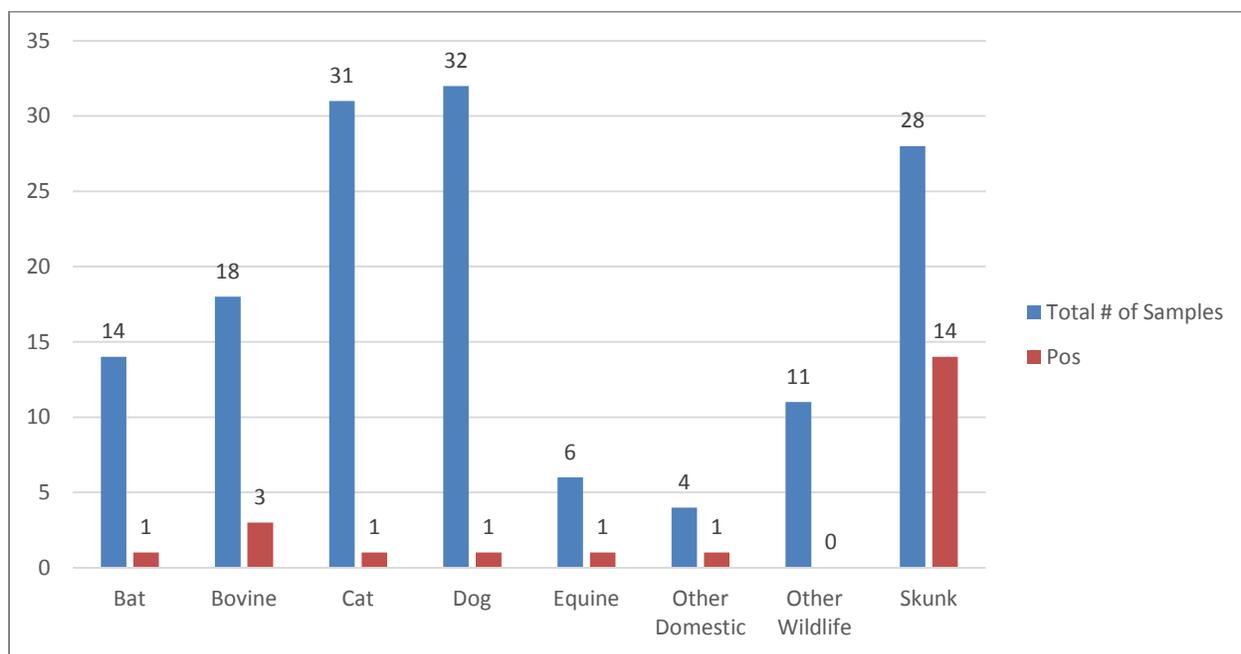
- Improve efficiency and quality of human and animal health programming that involves multiple departments.
- Improve joint surveillance efforts leading to more sensitive methods of detection of threats and develop an effective response to these threats.
- Continue to establish and improve a functional collaborative rabies program in order to ensure the societal risk to rabies is not increased.

#### **Actual Results**

- Enhanced cross-departmental relationships and communication on issues of shared responsibility, resulting in improved joint responses to incidents (ex: zoonotic disease programs such as Salmonella, Rabies, Anthrax, and Anaplasmosis; assessment of anti-hoarding programs available in Manitoba).
- The One Health Steering Committee advanced the cross-departmental efforts on a variety of important issues pertaining to human and animal health and welfare. The Rabies Working Group collected risk assessments for all reported suspect rabies exposures and collected 166 samples for rabies testing, 32 samples tested positive requiring post-exposure management. A full-time veterinarian and two full-time field technical staff were hired to assist with One Health programs. Figure 1 shows the

number of samples tested and result by species for 2015-2016. To improve response capacity two sample collector training sessions were held, one in the North (19 sample collectors trained) and one in the West (10 sample collectors trained). Figure 2 shows the distribution of available sample collectors within Manitoba. To evaluate the program's perceived effectiveness, surveys were administered to stakeholder groups and a comprehensive program evaluation is on-going. Training materials for veterinary clinics have been developed.

- The inaugural International One Welfare Conference is being held in Winnipeg in September 2016 and is co-chaired by the department.
- The Hoarding and Related Disorders working group conducted an assessment of anti-hoarding programs available in Manitoba to address the gaps in services with on-going analysis happening.
- Worked with provincial and federal counterparts on joint surveillance efforts for zoonotic diseases such as the provincial Salmonella Enteritidis Surveillance project and the National Zoonotic and Emerging Disease Surveillance Network project. Efforts to develop recommendations for national surveillance of agricultural antimicrobial use and resistance are ongoing.
- The Manitoba Rabies Program continues to function fulfilling all requirements effectively and efficiently.



**Figure 1: Total number of samples tested for rabies virus and results by species from April 1st, 2015 to March 31st, 2016.**

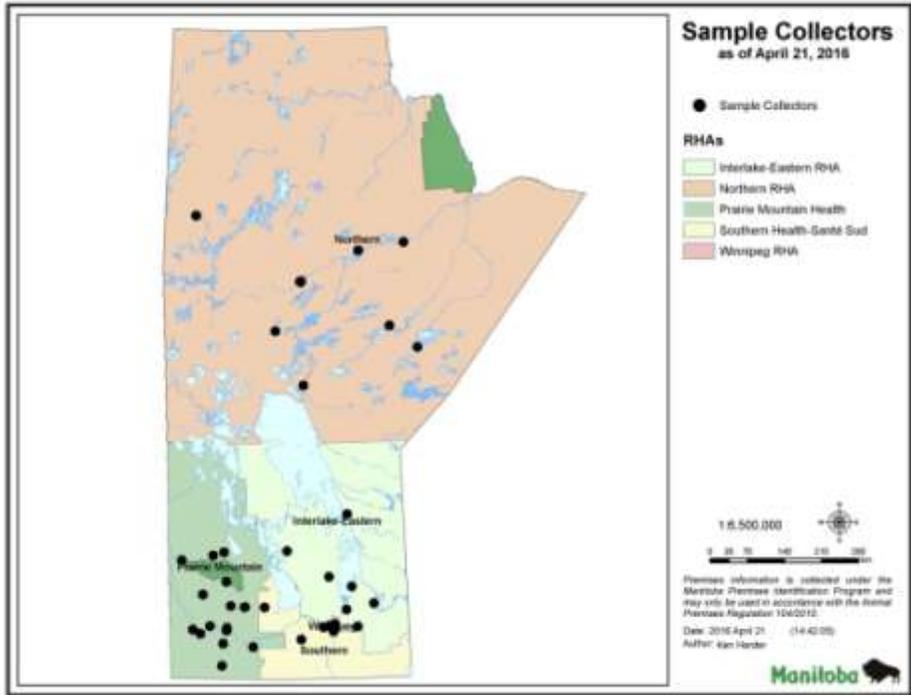


Figure 2: Map of trained and available sample collectors as of April 21st, 2016.

**Animal Welfare**

Expected Results

- Increased inspections and corrective action undertaken by Animal Protection Officers (APOs) including animal surrenders, seizures, and prosecutions.
- Monitoring and implementation of corrective action for non-compliance under *The Animal Care Act* identified at companion animal breeding premises, kennels, companion animal retail stores, commercial animal assembly stations, and commercial animal markets resulting in avoidance of animal injury and suffering.

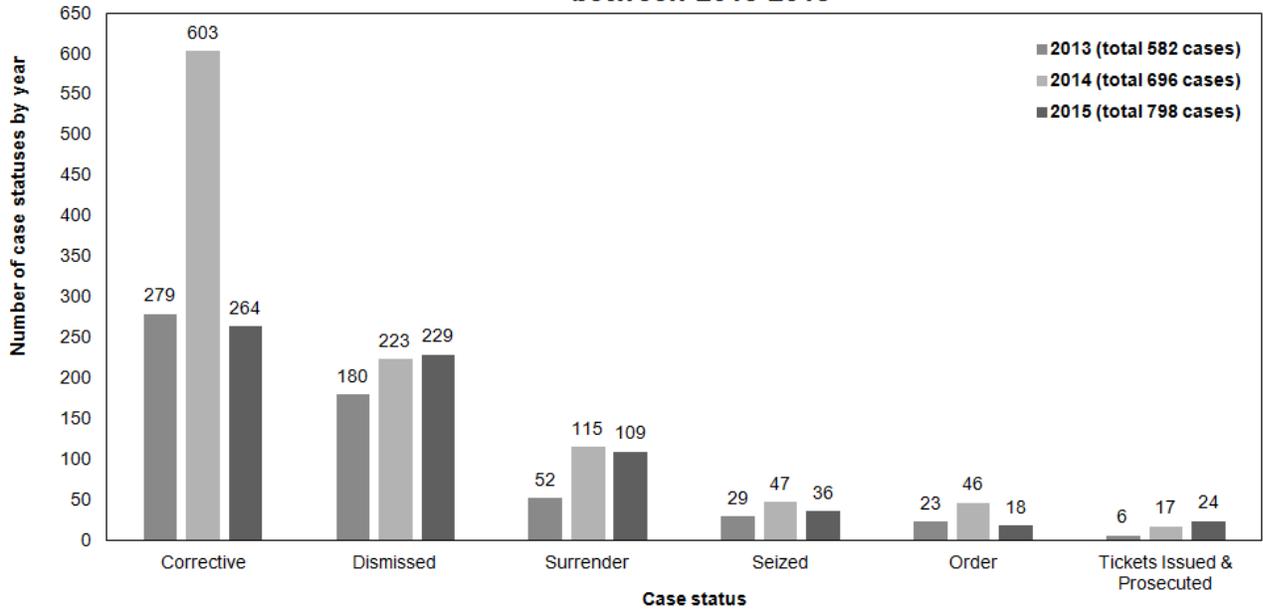
Actual Results

- See charts

Additional Results

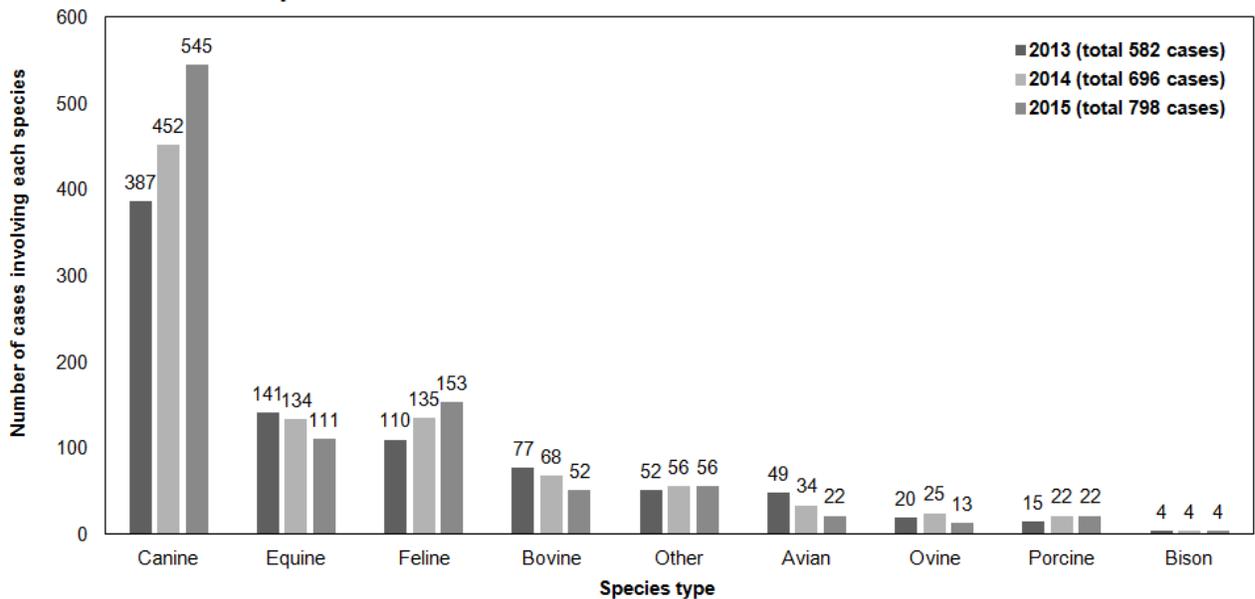
- Launched a new GF2 biosecurity program in 2015/16 that focused on animal welfare in provincial abattoirs. In 2015/16, 13 requests for funding were approved under the Livestock Welfare Program and Biosecurity Program for \$381,800.
- In addition to financial assistance, brought in an animal welfare expert twice, to provide training to the industry and staff. Government staff supported to maintain certification in animal welfare auditor standing.

**Results of inspection for compliance under *The Animal Care Act* between 2013-2015**



	% change in number of cases for each status between years					
<b>2013</b>	-	-	-	-	-	-
<b>2014</b>	116.1	23.9	121.2	62.1	100.0	183.3
<b>2015</b>	-56.22	2.69	-5.22	-23.40	-60.87	41.18

**Number of cases with each species following an inspection for compliance under *The Animal Care Act* between 2013-2015**



	% change in number of cases for each species between years								
<b>2013</b>	-	-	-	-	-	-	-	-	-
<b>2014</b>	16.80	-4.96	22.73	-11.69	7.69	-30.61	25.00	46.67	0.00
<b>2015</b>	20.58	-17.16	13.33	-23.53	0.00	-35.29	-48.00	0.00	0.00

*The Animal Care Act* allows for prosecution by Common Offence Notice (Ticket) or by long form Information and Summons to Court. Undertakings which were resolved in the calendar year 2015 are tabulated below. The case number identifies the year that the violation was identified.

Case Number	Species at Risk	Outcome	Resolution
2013-04-172	Horses	Guilty	Fine 25,500.00 5yr AP*
2013-09-420	Dogs	Guilty	\$1200.00 Fine 5 year AP
2014-01-034	Cattle	Guilty	\$15,000.00 fine Lifetime AP
2014-01-048	Cattle	Plead Guilty	\$1347.30
2014-03-216	Cattle	Guilty	\$2902.00 fine 5 year AP
2014-09-502	Dog	Guilty	\$3000,00 fine 3 years AP
2014-12-693	Cats	Guilty	3 year prohibition, 3 year probation
2015-01- 015	Cattle	Plead Guilty	\$33.000.00
2015-01-019	Dog	Default	\$299.65 Fine Default \$50.00 penalty
2015-01-036	Dog	Plead Guilty	\$1910.00 fine
2015-01-043	Cattle	Plead Guilty	\$299.65
2015-02-068	Dog	Default	\$299.65 Fine Default \$50.00 penalty
2015-03-161	Dog	Default	\$299.65 Fine Default \$50.00 penalty
2015-03-169	Dogs	Guilty	\$1,100.00 fine 2 year AP
2015-05-230	Dog	Default	\$299.65 Fine Default \$50.00 penalty
2015-05-241	Dog	Default	\$299.65 Fine Default \$50.00 penalty
2015-07-437	Dog	Default	\$299.65 Fine Default \$50.00 penalty
2015-08- 465	Dog and Cat	Plead Guilty	\$299.65
2015-09-354	Dog	Plead Guilty	\$299.65
2015-09-538	Dogs	Plead Guilty	\$1297.30 fine
2015-12-773	Dog	Plead Guilty	\$299.65

\*AP is Animal Prohibition may be conditional or total. Default is a case where the accused does not appear to contest the Common Offence Notice.

Enforcement activities initiated in 2015 include 20 prosecution by common offence notice and 7 long form prosecutions. Resolution of long form prosecutions may stretch over several years.

### **Papers Published in Journals and Proceeding**

Chestley ST, Whiting TL. Conceptualizing the ethical questions in the use of livestock protection dogs. *Can Vet J.* 2015 Jun; 56(6):625-628.

Marion, C. Veterinary reporting of animal welfare concerns. *Can Vet J.* 2015 Aug; 56(8): 879–881.

## **Traceability/Emergency Response**

### Expected Results

- Increased participation in the Manitoba Premises Identification Program.
- Increased participation in traceability systems to minimize the impact of an animal health or food safety incident and maintain or increase market access.
- Early warning and emergency response systems are continuously improved.

### Actual Results

- There was an increase of 190 premises identified from 2014/2015 to 2015/2016 and Manitoba has 5,802 premises identified cumulative total. Commercial premises have all been identified for pigs, chickens, table eggs, turkeys, dairy and elk. Work is being done on completing identification of veterinary clinics, fair/exhibition grounds and food processing facilities.
- Premises Identification (PID) information was used in all disease investigations and animal emergencies in 2015/2016. Since implementation in 2010, PID information has been utilized in over 75 incidents.
- Participated in the Federal-Provincial-Territorial Traceability Task Team and the Industry Government Advisory Committee on Traceability in an effort to shape policy and increase participation in traceability systems.

## **Food Safety Inspection**

### Expected Results

- Delivery of meat inspection services to ensure business continuity, the safety of meat products and welfare of animals.
- Delivery of the risk-based inspection system for provincially permitted food processing/distribution establishments to ensure the food safety of products.
- Enforcement of food safety and animal care legislation.
- Completion of the Abattoir Regulation, Food Safety Regulation and dairy related regulations under *The Food Safety Act* and the proclaiming of the Act.
- An integrated food safety inspection system is implemented.
- Essential inspections or audits conducted on the highest risks and/or non compliant premises, depending on the individual programs.

### Actual Results

- On January 1st 2014, a provincial meat inspection program for the 27 provincially licensed abattoirs in the province was implemented. The program has provided uninterrupted meat inspection service to the plants since then while ensuring food safety standards are met and animal welfare best practices are followed.
- On 2015/2016 the provincial meat inspection program provided inspections services to the 25 abattoirs on approximately 2200 days. On December 2015 a provincial abattoir successfully obtained federal registration.

<b>Numbers and Species of Animals Processed in Provincial Abattoirs in 2015</b>	
<b>Species</b>	<b>Annual Total</b>
Chicken	164,193
Hogs	103,812
Spent Chicken Hens	45,375
Spent Turkey Hens	8,553
Cattle	9,290
Turkey	6,391
Rabbits	1,952
Lambs	1,351
Ducks	1,081
Bison	271
Sheep	92
Goats	233
Geese	4,280
Elk	34
Calves	4
<b>Annual Total</b>	<b>346,912</b>

<b>Condemnation Rates in Provincial Abattoirs</b>			
<b>Species</b>	<b>Number of animals</b>		<b>% Condemned</b>
	<b>Slaughtered</b>	<b>Condemned</b>	
<b>Swine</b>	<b>103,812</b>	<b>3,379</b>	<b>3.25</b>
<b>Chicken</b>	<b>164,193</b>	<b>1,325</b>	<b>0.81</b>
<b>Cattle</b>	<b>9,290</b>	<b>96</b>	<b>1.03</b>
<b>Total</b>	<b>277,295</b>	<b>4,800</b>	<b>1.73</b>

- The food processing plant inspection program completed 739 inspections of provincially permitted processing/distribution plants under a risk-based inspection model.
- Used escalating enforcement to gain compliance to food safety regulations. The following table demonstrates the enforcement related actions the department under took in 2015 under *The Public Health Act* and the Food and Food Handling Establishment Regulation.

<b>Enforcement Action</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Warning Letters	15	12	15
Common Offence Notices	6	4	1
Prosecutions	0	1	1
Suspended Operations	0	6	4
Closed Facilities	1	2	2
Seizures	3	12	13

- Conducted consultations on the Food Safety and Dairy Regulations with stakeholders

and is presently reviewing the comments. The department continues to work closely with Manitoba Health to ensure Manitoba has an integrated food safety system. In 2015 the two departments upgraded their joint food safety inspection database which maintains all food establishment inspection data for the province.

- In 2015, 80% of the department's routine inspections of food processing plants were directed to plants in the risk category I grouping. These plants require 3 routine inspections per year and include meat processing, dairy plants and other potentially hazardous activities.

## **Food Safety Program**

### Expected Results

- The Food Safety Act to be proclaimed following completion of supporting regulations.
- A consistent risk based regulatory inspection program resulting from established procedures and policies.
- Increased adoption of preventative food safety programs by industry.

### Actual Results

- Supporting regulations were developed. The Food Safety Act has not been proclaimed.
- GF2 funding supported training for over 475 participants with training topics ranging from basic food safety training to specialized topics delivered by industry experts. Custom training was also offered to facilities if required. The department continued its goal to increase food safety knowledge and capacity in the province by offering training to students in the faculty of Food Science and consultants. A number of educational resources were developed.
- Supported the adoption of preventive food safety programs that meet regulatory and customer requirements. In 2015/16, Thirty-seven requests, totalling \$434,525, to develop food safety and traceability programs were approved.

## **Animal Health**

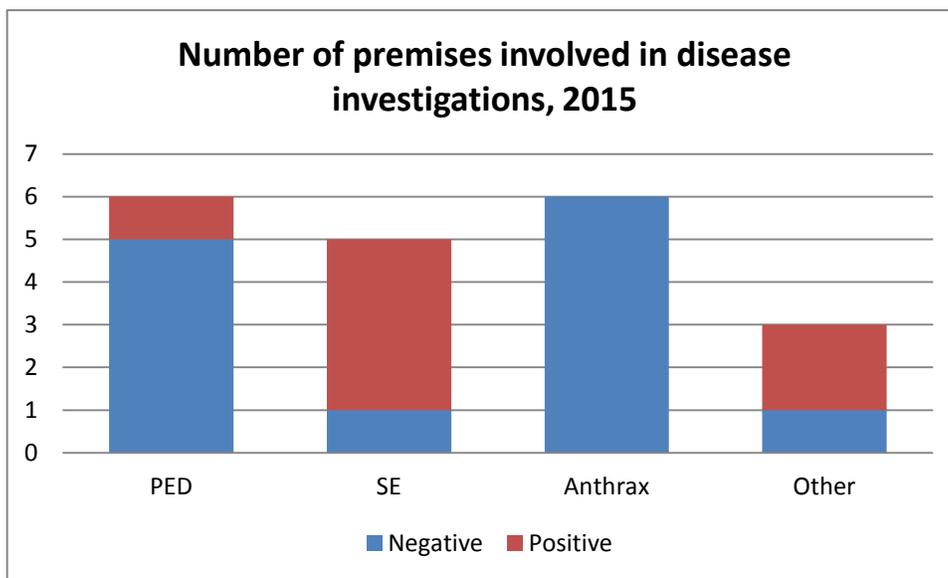
### Expected Results

- Completion of procedure and planning documents to address animal health programming under the One Health approach.
- Completion of draft regulatory amendments in preparation for consultation.
- Reports and responses to significant animal health events are provided as these situations arise, following disease investigation protocols and procedures. Generate surveillance reports through consultation with veterinary practitioners, from animal health laboratory information and from abattoir condemnation reports.
- Certifications will be provided based on validation of diagnostic reports and on site assessments.

### Actual Results

- Procedural and planning documents have been updated for Porcine Epidemic Diarrhea and Anthrax, with further updates underway for Anaplasmosis and Chronic wasting Disease. The development and expansion of general procedural and planning documents for disease investigation and surveillance remain a priority.
- Initiated drafting for the following priority regulations under *The Animal Diseases Act* : Biosecurity, Quarantine, Reportable Hazards and Zoning. Consultations will be scheduled with stakeholders once the draft regulations are completed.

- The CVO conducted 17 investigations into confirmed or suspect diseases on 21 Manitoba livestock or poultry premises in 2015. The investigations included over 54 additional premises linked to the primary premises through contact or proximity. The majority of the investigations were related to Porcine Epidemic Diarrhea (PED), *Salmonella* Enteritidis (SE) and Anthrax. 2 of the 4 positive SE cases were linked to a Western Canadian wide SE outbreak in small farm flocks and commercial poultry operations. The outbreak included 62 human cases in Western Canada including 1 in Manitoba. Additionally, an investigation was conducted into the potential exposure of the Manitoba food animal populations to Seneca valley virus, an emerging disease that has clinical signs similar to Foot and Mouth disease. Three high traffic swine sites were confirmed positive for the virus. Finally, 2015 included the completion of the PED investigations from 2014. By the fall of 2015 all 5 previously positive swine herds had achieved presumptive negative status for PED. Two case reports relative to the PED outbreak are under review.



- The CVO completed the analysis and reporting from 11 bovine TB on farm risk assessments. The information collected is being used to assist in bovine TB disease modeling and preventative measures
- Animal health surveillance has been expanded to include a web based surveillance report from abattoir condemnation data and a quarterly report from diagnostic laboratory data. The information is directed towards veterinarians, producers and abattoirs. The CVO participates in the Western Canadian Swine Health Information Network, which collates reports about significant swine disease from practitioners across western Canada. The CVO also participates in the Western Canadian Animal Health Surveillance group that collates and analyzes data from all western Canadian Animal health laboratories. Finally, the CVO also is a significant partner in the Canadian Animal Health Surveillance System, a coalition of industry partners and government agencies committed to expanding and integrating animal health surveillance across Canada.
- Manitoba's Hatchery Supply Flock certification program has provided assurance that 54 Manitoba supply flocks have met specific flock health criteria that is equivalent to the US National Poultry Improvement Plan. The department has also certified the Avian Influenza status of 28 turkey flocks through the Turkey Grower's Export Enhancement

program, allowing access for US slaughter.

## **Papers Published in Journals and Proceeding**

Dr. Glen Duizer Completed Masters of Science Thesis “Syndrome classification through a retrospective analysis of porcine submissions to a regional animal health laboratory”

## **Veterinary Diagnostic Laboratory**

### Expected Results

- Negative impacts of animal health events prevented or reduced.
- New tests and techniques provided to manage emerging animal health issues.
- Increased capability to prevent, mitigate, prepare and respond to animal health and food safety emergencies in a timely manner.
- Effective prosecutions based on specialized forensic pathology services and expert testimony as required to support *The Animal Care Act*.
- Established capability to provide preliminary (screening) testing during reportable disease outbreaks to support testing performed by the Canadian Food Inspection Agency (CFIA).
- Enhancement of information sharing network used for federal and provincial emergency planning and management purposes that meets Manitoba’s needs.
- A formalized plan to provide more effective and co-ordinated animal health diagnostic services in Western Canada.
- Implementation of testing for diseases such as salmonella, influenza and *Escherichia coli* that supports livestock production and fulfills export requirements.
- Identification and implementation of improvements to support evolving client needs and the provincial livestock industry.
- Implementation of improvements that enhance client services; save money, resources or time; improve the quality of working conditions and promote safety and employee morale.

### Actual Results

- Conducted 129,217 tests (annual record) of which 111,723 were designated for food animals.
- Converted 8 conventional PCR tests to real-time PCR tests, added 13 new real-time PCR tests, replaced an old testing method with a new one that includes a newly recognized pathogen and streamlined a test making process easier for the client and staff.
- Performed testing for reportable disease investigations and surveillance.
- Had 123 cases for animal welfare investigations Veterinary pathologists served as prosecution witnesses as required.
- Foreign Animal Disease (FAD) laboratory’s certification was delayed following pre-certification testing in March 2014 due to newly discovered deficiencies. Actions to correct these deficiencies were implemented. Certification is expected to occur in 2017.
- Participated with other western provincial animal laboratories in a project to examine efficiencies, cost-savings and improving client service. The report is expected in 2016.
- Maintained representation on the Canadian Swine Health Information Network and provided quarterly updates on swine diagnostic testing in addition to executive membership on the Canadian Animal Health Surveillance Network (CAHSN) which was established to expand the national diagnostic capabilities for early detection of animal

disease threats to the food supply, food safety or public.

- Performed tests specifically to support food safety such as 3,799 salmonella screening tests. VDS staff also continued to provide technical expertise and testing capabilities to support the provincial meat inspection program.
- Two new standard operating procedures were created to ensure quality and consistency of laboratory services and 43 standard operating procedures were revised.
- Delivered presentations and training sessions to Red River College, Manitoba Veterinary Medical Association, pig and poultry industry representatives, department staff and the Manitoba Wildlife Society.
- Published the Manitoba Animal Health Bulletin to provide information on veterinary diagnostic topics to laboratory clients and stakeholders.
- Revised the companion animal sample submission form and the lab manual.

#### **4 (b) Chief Veterinary Office/Food Safety**

<b>Expenditures by Sub-Appropriation</b>	<b>Actual</b>	<b>Estimate</b>	<b>Variance</b>	<b>Expl.</b>	
	<b>2015/16</b>	<b>2015/16</b>	<b>Over/(Under)</b>	<b>No.</b>	
	<b>\$(000s)</b>	<b>FTEs</b>	<b>\$(000s)</b>	<b>\$(000s)</b>	
(1) Salaries and Employee Benefits	6,588	84.00	7,058	(470)	
(2) Other Expenditures	2,743		3,347	(604)	1
(3) Grant Assistance	10		11	(1)	
(4) Less Recoverable from other appropriations	(34)		(616)	582	
<b>Total Sub-Appropriation</b>	<b>9,307</b>	<b>84.00</b>	<b>9,800</b>	<b>(493)</b>	

1. *The variance is due to lower than anticipated travel and support costs for Food Processing and Meat Inspection Services and due to delay in implementation of Disease Management Program.*

## **Appropriation 4 (c) – Crop Industry**

### **Mandate**

The Crop Industry Branch provides intelligence and recommendations regarding efficient production, processing and marketing of crops suited for production in Manitoba.

The Branch advances Manitoba's crop and agriculture sector by utilizing leadership capacity and technical expertise to develop and deliver innovative extension and business development programs. Farm Production Extension staff work with the crop industry to increase farm production profitability and sustainability, and contribute to development and maintenance of value added processing.

The branch collaborates within the department and with other departments and agencies in developing initiatives that improve net income and the development of related industries in rural Manitoba. The Branch provides leadership and advice on crop issues and represents Manitoba in regional and national discussions.

### **Program, Activities and Expected Results**

#### **Industry Development – Capacity, Variety, Policy**

##### **Expected Results**

- National and provincial food safety/biosecurity programs developed and promoted. Safer food and food products through increased producer/processor awareness and participation in food safety programs.
- Variability in crop quality and quantity reduced, allowing production of consistent high quality primary products for local processing activities.
- Support provided for initiatives developing Manitoba's Grain Innovation Hub.
- Opportunities developed in "new" crops, processing, and value added products. Expanded local industry through increased consumption of local products, either in raw or processed form. Commercialization of new value-added projects adding to the Manitoba economy and creating jobs.
- A crop/variety database identifying beneficial health components developed.
- Development of plans that move the associations toward sustainability and increased sector profitability. Partnerships developed to facilitate increased surveillance, diagnostic capability and disease/pest risk forecasting.
- Agriculture water supply projects initiated and completed.
- New/expanded/improved irrigation projects in Manitoba.
- Technical reviews of proposals to funding sources completed. Projects promoted to increase profitability of the commodity.

##### **Actual Results**

- Worked with Manitoba Hydro, the petroleum industry and government departments to develop biosecurity protocols to address soil-borne disease concern, specifically clubroot.
- Approved 17 Food Safety on Farm biosecurity projects for over \$43,800. There were 8 projects in apiculture, 12 in horticulture and grains/oilseeds.
- Provided technical leadership, advice and data analysis for several projects to advance the crops sector. Projects involved working with AAFC, U of M, and grower

associations such as Manitoba Wheat and Barley Growers Association. Subject areas included sector investigation, genotype and environmental effects, Canadian Western Red Spring (CWRS) wheat sustainability, management and gluten strength, and fusarium head blight management strategies. Completed 15 on-farm tests and 8 small plot research trials on various agronomic current practices.

- Technical lead with Manitoba Pulse and Soybean Growers on 20 pulse related GF2 projects with \$799,000 in funding approved.
- Manitoba Canola Growers Association partnered with the department to increase surveillance and diagnostic capability for clubroot through establishment of the Pest Surveillance Initiative (PSI). In 2015/16, 805 soil samples were analyzed, with 160 positives detected at quantifiable levels.
- The Growing Adaptation (GF2) program regarding Ag Water Pipeline project received no applications in 2015/16.
- Assisted with 15 new irrigation projects.
- Technical support for the Grain Innovation Hub project to expand corn acres in Manitoba to meet the needs of the end user. Moderated industry consultation meetings.

## **Pest Management – Surveillance, Forecasting**

### Expected Results

- Improved bee health through early detection and treatment of disease. Increased provincial cross-border movement of bees through inspection of honey bee colonies/leaf cutting bee operations.
- Reduced production loss through early detection of disease by diagnosing 1,000 crop samples for plant diseases, herbicide injury and insect damage, and identification of weeds and insects.
- Early detection and mitigation of pests and disease through information shared in national and provincial surveillance/biosecurity programs. Reduced production losses through timely generation and distribution of disease risk forecasts.
- Pest monitoring will include insects, diseases and weeds. Province-wide survey results will be published on a timely basis on pests which will include: diamond back moth, bertha army worm, cabbage seed pod weevil, wireworms, grasshoppers, clubroot, cereal leaf diseases, and emerging herbicide-resistant weeds. Appropriate control measures, if needed, will be disseminated to the agriculture industry.
- Development of qPCR capacity for clubroot detection, quantification and distribution within Manitoba.
- Weather and climate information used for variety assessment of adaptation, crop diseases, weed and insect management, crop yields, quality and other factors.

### Actual Results

- Inspected 4,217 honey bee colonies for interprovincial movement. One hundred and fourteen honey bee operations were inspected for American Foulbrood (AFB) and small hive beetle. Five producers were found to have AFB. No small hive beetle was detected.
- Contracted inspections of 50 leafcutter bee operations were completed and 16 were found with chalkbrood disease.
- The Crop Diagnostic Lab diagnosed 912 (152 fee for service) samples for plant diseases, herbicide injury, insect damage and identification of weeds and insects.
- Provided feedback and assistance to the Canadian Food Inspection Agency through several committees, working groups and field investigations to delineate the extent of Verticillium Wilt (VW) in canola in Manitoba. Over 300 fields were tested in Manitoba.

- VW has been found in six Canadian provinces.
- In partnership with the Pest Surveillance Initiative (PSI), collected and analyzed soil samples at the township level for clubroot in canola as part of clubroot surveillance.
  - Published disease risk forecasts for fusarium head blight (daily, 43 forecasts), potato late blight (twice weekly), diamondback moth/bertha armyworm (4 weekly maps) and a one time wheat midge and grasshopper forecast. .
  - Submitted swede midge and cereal leaf beetle monitoring results to western forum as part of an overall western report.
  - Co-ordinated, conducted and summarized provincial crop related surveys. Monitored 73 sites for diamondback moth, 78 sites for bertha armyworm and 119 sites for grasshoppers. Monitoring new (invasive insects) Northern Corn Rootworm, Cereal Leaf Beetle, and Swede Midge.
  - An established population of Northern Corn Rootworm was found in a corn field in southwestern Manitoba. This is the first report of an established population in Manitoba.
  - Crops disease surveillance in wheat for fusarium head blight (37 reports), spring leafspot (45 reports), in canola for blackleg/sclerotinia/clubroot (79 reports), in grain corn for Goss's wilt (64 reports) and in soybean.
  - Grasshopper populations monitored at 119 locations in August to produce the 2016 grasshopper forecast. The counts were light resulting in a low emergence prediction for 2016.

## **Regulatory Program**

### Expected Results

- Improved provincial certification programs training applicators in safe handling and application of products. Increased integrated pest management through delivery of a licensing program and, together with Assiniboine Community College, training delivered to pesticide dealers and applicators and manure applicators.
- Reduced human and animal exposure to smoke through co-ordination of the Crop Residue Burning (CRB) Authorization Program. Development and extension of technology related to straw management alternatives and the promotion of alternative straw utilization opportunities.
- Legislation (including enforcement) administered. Revision of *The Noxious Weeds Act* and other legislation as needed.
- More efficient use of nitrogen (N) and reduction of phosphorus (P) in runoff of water off the land to waterways and less non-point source addition of P into waterways.
- Responses submitted to the federal legislators on changes in regulations impacting crop and bee production.
- Producers/industry compliant with new/changed legislation.

### Actual Results

- Worked with Assiniboine Community College to administer certification of pesticide and manure applicators. Verified requirements and issued licenses under the *Pesticide and Fertilizer Control Act* (PFCA) to 1427 pesticide applicators, 370 pesticide vendors, and 54 manure applicators.
- Issued 311 permits under the CRB program. Regulating burning in the rural municipalities (RMs) surrounding the City of Winnipeg has reduced the amount of smoke entering the city.
- Administered *The Noxious Weed Act* (NWA). Drafted regulations for the Act and held consultations with other departments, AMM, KAP, and Manitoba Weed Supervisors Association.

- Investigated herbicide resistance in weeds. Working with PSI lab and U of M to verify a quantitative PCR method for confirming glyphosate resistance in kochia. Submitted 26 samples for herbicide resistance testing.
- Updated crop fertility recommendations at annual Soil Fertility Advisory Committee meeting. Continued incorporation of the nutrient management strategy (4Rs) into extension.
- Investigated 32 herbicide drift complaints, 26 chemical injury inquiries, 21 tank contamination inquiries, 2 herbicide carry-over issues and 20 unidentifiable chemical crop injury complaints.

## **Crop Production**

### Expected Results

- Producer adoption of new/improved production practices for field, medicinal, industrial, horticultural and forage crops, including weed, insect and disease control; crop nutrition and soil and water management.
- Increased producer productivity by providing timely production information through improved information dissemination using current technology.
- New extension tools developed and supported and mitigation tools developed/refined.
- Effective provincial programs and initiatives developed in the crop sector. Increased productivity and farm profitability by providing risk mitigation information and recommendations to producers and agribusinesses.
- Decreased producer production risk through completion of variety trials. Publishing of Seed Manitoba through collaborative partnership. New crop types/varieties established in Manitoba.
- Increased income stability through working with MASC to develop new programs that incorporate new crops/varieties being introduced in Manitoba.

### Actual Results

- Updated and published the 2016 Guide to Field Crop Protection in partnership with Saskatchewan Agriculture.
- Updated and published field crop variety performance in Seed Manitoba 2016 in partnership with two websites: [www.seedinteractive.ca](http://www.seedinteractive.ca) and [www.seedmb.ca](http://www.seedmb.ca).
- Provided updated production information through technical presentations, factsheets, posts, revised webpages and interviews. Produced a series of webinars (Crop Talk) reaching over 1,200 viewers.
- Updated and reviewed crop web pages as part of ongoing website renewal, and to address current production issues.
- Co-ordinated, edited and produced 24 issues of the Manitoba Crop Report.
- The Crop Diagnostic School trained 509 producers, consultants and staff representing virtually all arable acres in Manitoba. The Horticulture School trained 80 participants targeting smaller market gardeners and colonies. The Manitoba Agronomists Conference trained 412 participating farmers, agronomists and industry personnel.
- Supported Ag Days and co-ordinated and presented part of the technical program.
- Eighty-three meetings were held in rural Manitoba with over 6,000 contacts with local farmers and 138 local media interactions.
- *Tetrastichus julis*, a parasitic wasp of cereal leaf beetles, was released in various cereal fields to assist in suppression or eradication of local infestations.

#### 4 (c) Crop Industry

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl.
	2015/16	2015/16	Over/(Under)	No.
	\$(000s)	FTEs	\$(000s)	\$(000s)
(1) Salaries and Employee Benefits	2,798	32.00	2,770	28
(2) Other Expenditures	545		553	(8)
<b>Total Sub-Appropriation</b>	<b>3,343</b>	<b>32.00</b>	<b>3,323</b>	<b>20</b>

## **Appropriation 4 (d) – Agri-Resource**

### **Mandate**

The role of the Agri-Resource (AR) Branch is to provide leadership and advice on agri-environmental issues and to represent Manitoba in regional and national discussions. Efforts are focused on the development of programs, policies, regulations and extension materials to facilitate the sustainable use and the protection of resources of the Manitoba agro-ecosystem. The Branch also provides decision-making resources and tools to producers to enhance productivity and reduce risk. The branch will also play a key role in on-farm water management and establishing priorities for agri-water initiatives. AR champions a comprehensive holistic approach of management of the agricultural landscape and sustainability on private and public lands.

Agri-Resource Branch provides input into agricultural land use planning on private, agricultural Crown and traditional lands, as guided by *The Planning Act* and the Provincial Land Use Policies as well as assessing the agricultural impact of land use proposals under various other Acts. AR also administers and manages the agricultural crown lands program as part of public land management. Staff works with producers to allocate these lands and ensure optimal production.

Support to the agricultural sector is provided through the soil survey program, which undertakes mapping of soil in areas of particular sensitivity or proposed development to support decisions made about land use and the management of both public and private lands. This initiative is being delivered in consultation with other departments involved in mapping functions and enforcement of land use and management decisions such as *The Planning Act*, *The Water Protection Act* and *The Environment Act*. AR provides weather/climate information to monitor and assess effects on crops and livestock, diseases, pest management and adaptation.

### **Program, Activities and Expected Results**

#### **Improved Nutrient Management Planning**

##### **Expected Results**

- Improved environmental performance of the agriculture industry in Manitoba.
- Increased knowledge of manure treatment systems and improved manure transportation and application technologies and practices.
- Increased adoption of BMPs that improve soil quality, soil fertility and soil conservation to increase crop yields and nutrient uptake and to decrease nutrient loss to the environment.
- Increased training of manure management planners and commercial manure applicators to ensure compliance with environmental regulations.
- Provision of acreage requirements for new and expanding livestock operations and assessment of land suitability of for manure application.
- Increased number of agricultural producers with current environmental farm plans.
- Increased number of small producers with adequate technical infrastructure and environmental practices for environmental compliance to the ban on winter spreading of manure.
- More efficient use of nitrogen and reduction of phosphorus in runoff water from land to waterways and less non-point source addition of phosphorus into waterways.

## Actual Results

- Initiated drafting of extensive revisions to the Farm Practices Guidelines for Livestock Producers in Manitoba.
- Through participation on the board of the Manitoba Livestock Manure Management Initiative (MLMMI), reviewed and approved the final report on the economics and effectiveness of treating liquid pig manure using air flotation and a belt filter press. Also reviewed and approved an applied research study on the effectiveness of two-celled manure storage facilities at solid-liquid separation of manure under three different management scenarios.
- In collaboration with the Dairy Farmers of Manitoba, initiated data collection on liquid dairy manure production rates.
- Participated in the delivery of the Assiniboine Community College Manure Management Planners and Commercial Manure Applicators courses.
- Contributed to 9 Provincial Technical Review Committee reports for new or expanding livestock operations.
- Continued the development of a science-based land requirements calculator for new and expanding livestock operations in Manitoba.
- Facilitated 59 Environmental Farm Plan workshops that saw 280 producers take part. Keystone Agricultural Producers has reported that 116 Statements of Completion have been issued.

### **Summary of MMFAP 2 funding allocations as of March 31, 2016**

BMP	2014/15 Intake		2015/16 Intake	
	Approval/Funded	Actual	Approval/Funded	Actual
Increased Capacity	3/1	\$116,140.47	3/2	\$245,775.00
Improved Manure storage (repair)	12/2	\$151,076.76	17/12	\$903,738.10
Treatment Systems	0	\$0.00	0/0	\$0.00
Total (provincial)	16/4	\$267,217.23	20/14	\$1,149,513.10

- In 2015/16, 11 manure storage repairs (4 projects transferred from GAE) and 2 increased manure storage projects were completed on pig farms totalling \$1.14 million in provincial funding.

### **Summary of Growing Assurance Environment funding allocations as of March 31, 2016**

BMP	2014/15 Intake		2015/16 Intake	
	Approval/Funded	Actual	Approval/Funded	Actual
Extensive Wintering of Livestock	4/1	\$125,000.00	3/0	\$245,775.00
Improved Manure storage (repair)	7/0	\$0.00	14/0	\$0.00
Manure Treatment	2/1	\$136,500.00	0/0	\$0.00
Farmyard Runoff Control	3/3	\$79,918.54	2/0	\$0.00
Relocation of Livestock Confinement	3/2	\$104,756.59	3/2	\$127,717.35
Extensive Wintering of Livestock	27/24	\$334,867.81	12/9	\$154,722.54
On-Farm Fuel Storage	0/0	-	13/9	\$21,106.03
Sanitation Equipment for Commercial Manure Applicators	0/0	-	3/3	\$40,446.33
Total	46/31	\$781,042.94	50/23	\$343,992.25

- In partnership with Sweetridge Farms, Manitoba Hydro and Prairie Agriculture Machinery Institute (PAMI), the feasibility of a full-scale, on-farm dairy manure anaerobic digester is being evaluated.
- In 2015, the Province of Manitoba, Fertilizer Canada and Keystone Agricultural Producers signed their second 4R Nutrient Stewardship Memorandum of Understanding. The agreement formalizes a joint commitment to support agricultural production and environmental protection by promoting sound fertilizer use.
- BMP adoption to improve soil quality, soil fertility and soil conservation was encouraged by a continued intensive extension program.

## **On-Farm Surface Water Management**

### Expected Results

- Increased knowledge of water movement in the Great Plains Region, on-farm water management principles and potential options as well as results from research done locally and elsewhere.
- Increased adoption of BMPs that reduce the impact of drought and flooding on agricultural land.
- Planning and management decisions, policies and operating procedures are co-ordinated across departments as they relate to surface water issues.
- Decreased phosphorus loss from agricultural lands.
- Improved drainage licensing for Manitoba producers.

### Actual Results

- Conducted presentations on on-farm water management practices presentations.
- Via participation on the board of MLMMI, developed a request for proposal on the impact of fertilizer and manure application to tile drained land. Two proposals were approved for funding.
- Reviewed and contributed to the draft Integrated Watershed Management Plan reports for Carrot-Saskatchewan River, Fisher River, Dauphin Lake and Whitemud Rivers. Working with Conservation and Water Stewardship on providing background into the Roseau River Integrated Watershed Management Plan process.
- The department's extension role in the provision of on-farm water management knowledge has been enhanced through staff training and the formation of partnerships with other agencies such as PAMI.
- Served on the steering committee and several sub-committees for an Environment and Climate Change Canada and GF2 funded project being conducted by the University of Manitoba's Watershed Systems Research Program. The project is an investigation of on-farm retention of tile water with emphasis on water flow and quality.
- An interdepartmental tile drainage task team which includes Conservation and Water Stewardship and Municipal Government was formed to co-ordinate planning and management decisions, policies and operating procedures across departments in regards to tile drainage. A research report titled *Subsurface Drainage as a Water Management Strategy: Adaptive, Economic, and Environmental Considerations* was completed by PAMI through GF2 funding. Staff continue to work with Conservation and Water Stewardship to improve drainage licensing for Manitoba producers.

## **Climate Change – Mitigate Greenhouse Gas (GHG) from Agriculture**

### Expected Results

- Increased adoption of BMPs that mitigate GHGs.
- Publication of trends in agricultural GHG emissions and potential reduction opportunities.
- Improved science-based knowledge, technologies and strategies in order to better position farmers to either mitigate GHG emissions and/or increase carbon sequestration.

### Actual Results

- Involved in the development of the Manitoba Climate Atlas led by the University of Winnipeg and IISD, which is a set of accessible, easy-to-understand data, based and calculated on past trends and future probabilities.
- Hosted a workshop with university researchers to identify beneficial GHG mitigation and climate change adaptation practices for agricultural producers.
- The department's environmental GF2 programming (Growing Assurance Environment and Ecological Goods and Services) built upon earlier programming (e.g., Manitoba Sustainable Agricultural Practices Program) to fund practices that have climate change benefits.
- Manitoba signed the 4R Nutrient Stewardship Agreement to support sound fertilizer use, which has climate change benefits, including GHG mitigation. Extension conducted by staff and research supported by the department contributes to GHG mitigation, chiefly in regard to nitrous oxide emissions from nitrogen fertilizer application.
- Continued focus on soil health extension, teaching agronomists and farmers about BMPs to improve soil quality, which has climate co-benefits.

## **Ecological Goods and Services (EG&S)**

### Expected Results

- The Growing Assurance EG&S program will be successfully delivered by Conservation Districts in association with the department and Conservation and Water Stewardship.
- Increased adoption of BMPs that enhance and sustain EG&S through Growing Assurance EG&S.
- Utilization of new and innovative decision tools and delivery mechanisms for providing payment for EG&S to landowners in Manitoba will improve the value and outcomes achieved with the available funding.
- Improved knowledge on value, location and policy instruments for natural capital in Agro-Manitoba.

### Actual Results

- Growing Assurance EG&S programming was successfully delivered by the Conservation Districts, in association with Manitoba Conservation and Water Stewardship.
- Through the GF2 Growing Assurance – EG&S program, three innovative decision tools/delivery mechanisms were piloted in 2015/16.

### Summary of Growing Assurance Ecological Goods and Services as of March 31, 2016

BMP	2014/15 Intake		2015/16 Intake	
	Approval/Funded	Actual	Approval/Funded	Actual
Water Retention Structures	10/10	\$167,503.21	8/8	\$342,122.63
Wetland Restoration	0/0	-	1/1	\$42,254.44
Constructed Wetlands	2/2	\$32,450.00	1/0	-
Riparian Area Enhancement	14/14	\$253,923.97	12/11	\$232,115.66
Natural Area Maintenance and Enhancement	4/4	\$33,902.75	0/0	-
Buffer and Grassed Waterway Establishment	2/2	\$20,948.99	1/1	\$5,746.47
Perennial Cover for Sensitive Land	1/1	\$4,703.00	3/3	\$27,971.92
Shelterbelt Tree Establishment	6/6	\$45,277.14	2/2	\$11,303.16
<b>Total</b>	<b>39/39</b>	<b>\$558,709.06</b>	<b>28/26</b>	<b>\$661,514.28</b>

- Through Environment Canada's Lake Winnipeg Basin Stewardship Fund, funding was utilized to supplement conservation auctions approved under GAEGS's Component 2 (innovative delivery mechanisms) from 2014-2016.
- Department represented on the FPT Agri-Environment Policy Working Group.

### Climate-Change Resilience/Adaptation

#### Expected Results

- Greater awareness of climatic risks and research priorities, increased adaptive capacity, increased capacity for farm planning.
- Identification of priorities for adaptation planning.
- Improved knowledge for on-farm and regional water management to mitigate drought and flooding risks.
- Awareness of and potential collaboration on agricultural climate change adaptation activities occurring across Canada.

#### Actual Results

- The Risk Management Review Task Force was initiated to enhance farmers' capacity to recover from impacts associated with the effects of changing climate events on agriculture. The final report was released in 2016.
- Led Environmental Farm Planning (EFP) to assist farmers in identifying agri-environmental risks and assets on farms. Manitoba's EFP workbook includes a climate change chapter.
- Hosted a workshop with university researchers to identify best greenhouse gas mitigation and climate change adaptation practices for agricultural producers.
- Manitoba's Surface Water Management Strategy includes development of a drought management strategy and a comprehensive provincial water conservation strategy to

strive for water use efficiency, reducing water consumption and demand, even in non-drought conditions.

- Extremes of Moisture Response Team was formed in 2009 to provide regular updates on flood, drought and other weather-related conditions.
- Launched a new On-Farm Water Management Functional Team to co-ordinate and support on-farm water management initiatives, knowledge and programming for the department.
- Participated in the FPT Agriculture and Forestry mitigation subgroup of the Pan-Canadian Clean Growth and Climate Change Framework and the Agriculture Adaptation Working Group - NRCan Adaptation Platform.

## **Agricultural Land Management – Private and Public Lands**

### Expected Results

- Complete subdivision review in relation to agricultural policies, approximately 500-700 subdivisions tracked annually.
- Modernized policies for agricultural producers and municipalities for the agricultural industry to support agricultural land in large parcel sizes (80 acres or more); deter unplanned rural residential development on agricultural land; and maintain pasture and cultivated land in production.
- Rural development occurs in a planned, balanced and sustainable manner to ensure maximum economic benefit and minimal land use conflicts.
- Monitor the shortened subdivision process to ensure process still supports land for agricultural production, while meeting all policies and regulations.

### Actual Results

- Reviewed and tracked 474 subdivisions in designated agricultural areas (written comments giving an agricultural perspective were provided for 421 of those subdivisions).
- Provided input on policies and provisions for development on 120 municipal development plans, secondary plans, zoning by-laws, annexations and amendments to ensure policy support for the agricultural sector, deter unplanned rural residential development on agricultural land and maintain pasture and cultivated land in production.
- Participated on 3 Development Plan Technical Advisory Committees (RM of Hanover, Whitehorse Plains Planning District, RM of Tache) to ensure that rural development occurs in a planned, balanced and sustainable manner to maximize economic benefit and minimize land use conflicts.
- Monitored 53 subdivisions within the designated agricultural areas assessed as meeting the criterion of the shortened process identified that no formal comment from the department would be required.

### Additional Results

- Presented on Land Use Planning for Agriculture and Livestock to the Manitoba Horse Council, Manitoba Livestock Manure Management Initiative, Manitoba Aerial Applicators Association, and to the Soil and Water Management class at the University of Manitoba in the form of a guest lecture.
- Departmental representation at the Municipal Board Hearing on the Niverville annexation (size of the annexed area was reduced from 1,100 acres to 340 acres by recommendation of the board).

- Participated in 33 meetings with councils, planning districts and consultants.

## **Agricultural Crown Lands (ACL)**

### Expected Results

- Community pasture lands (395,306 acres of agricultural Crown and rural municipality lands) will continue to be managed in an agriculturally sustainable and productive manner. Work with respective government departments and industry stakeholders in the divestiture of community pasture lands with a mandate to conserve and protect these lands via managed grazing.
- In conjunction with Crown Lands and Property Agency (CLPA), delivery of the ACL program involving the management and disbursement of \$1.6 million tax dollars (conditional grant) to rural municipalities. A modernized process will be completed in 2015.
- Increase the number of Indigenous participants in the ACL program.
- Staff will provide ACL and forage improvement extension to beef producers.
- Through ongoing lease management through use inspections, carrying capacity assessment and management, encourage and ensure appropriate use of ACL to achieve multi-use designations and multiple outcomes.
- Ensure agricultural opportunities are captured within the acquired Shoal Lakes area by utilizing these lands in support of the agricultural base in Manitoba to provide continuing economic opportunity for the area.
- Continue to facilitate Treaty Land Entitlement selections by identifying and making available ACL for Indigenous use while upholding the goals and objectives of the Provincial Land Use Policies and Crown land planning to assist in resolving outstanding land issues.
- Crown Lands Appeal Tribunal consideration of appeals is addressed in a timely, fair and transparent manner.

### Actual Results

- Transition of the operation of all the community pastures to the Association of Manitoba Community Pastures is completed and ongoing sustainable land management of the pastures continues in partnership with Conservation and Water Stewardship.
- \$1.68 million in revenue generated by ACL was provided to rural municipalities in 2015.
- Continued to engage and circulated to southern First Nation communities leasing and permitting opportunities thereby encouraging participation in the ACL program.
- Provided forage production and program extension to clients on an ongoing basis.
- Program monitoring resulted in 6 forage leases (6,403 acres) and 1 cropping lease (118 acres) being cancelled due to compliance issues.
- Maintained agricultural use on Crown land in the Shoal Lakes region through the utilization of 43 casual permits applied across approximately 20,000 acres.
- 1,196 acres of ACL were selected by First Nations and made available to fulfill provincial TLE obligations.
- 11 appeals were requested involving 26 parcels of land.

<b>Appeals Requested</b>	<b>Withdrawn</b>	<b>Denied</b>	<b>Heard</b>	<b>Confirmed</b>	<b>Set Aside</b>	<b>Varied</b>
11	0	2	9	6	0	3

## Surveillance and Intelligence Gathering: Soil Survey and Ag-Weather Programs

### Expected Results

- RM of Langford and Elton: maps completed for agriculture capability, irrigation, irrigated potato production, surface texture, drainage, erosion, topography, stoniness and salinity, in addition to six soil series map sheets (one for each township).
- RM of Whitehead: 850 to 900 soil pits to be surveyed and 200-250 samples for lab analyses.
- RM of Cornwallis: finalize soil polygon, attribute data and statistics.
- RM of Daly: 700-800 soil pits to be surveyed and about 150-200 samples for lab analyses.
- All weather gauges installed and improved data handling capacity in the department's Agricultural Weather Network.
- Weather and climate information provided to projects assessing variety adaptation, crop diseases, weed and insect management, crop yields, quality and other factors.
- Information on fall soil moisture levels for agronomic decision-making and flood-prediction modeling.
- Reduced human and animal exposure to smoke through co-ordination of the Crop Residue Burning Authorization Program. Development and extension of technology related to straw management alternatives and the promotion of alternative straw utilization opportunities.

### Actual Results

- Completed RM of Langford and Elton Soil Survey Report.
- Completed RM of Whitehead and Daly field work.
- Completed RM of Cornwallis – description of soil series and attributes.
- Installed seventeen all-season weather stations.
- Completed soil moisture survey and map.
- Crop Residue Burning Program administered from August 1 to November 15 and 311 permits issued.

### 4 (d) Agri-Resource

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl.
	2015/16 \$(000s)	2015/16 FTEs	Over/(Under) \$(000s)	No.
(1) Salaries and Employee Benefits	3,313	46.00	3,581 (268)	
(2) Other Expenditures	1,388		1,718 (330)	1
(3) Manure Management Financial Assistance Program	1,150		1,500 (350)	2
<b>Total Sub-Appropriation</b>	<b>5,851</b>	<b>46.00</b>	<b>6,799 (948)</b>	

1. The variance is mainly due to lower than anticipated costs associated with soil surveys, agricultural Crown land administration, deferral of equipment purchases, delays in the spatial data infrastructure project, and support costs due to vacant positions.
2. The variance is due to lower than anticipated costs related to the Manure Management Financial Assistance Program.

**Appropriation 4 (e) – Less: Recoverable from Rural Economic Development Initiatives (REDI)**

**Mandate**

This sub-appropriation provides for the recovery of Rural Economic Development Initiatives related expenditures incurred by the Agri-Industry Development and Advancement Division.

**4 (e) Less: Recoverable from Rural Economic Development Initiatives**

Expenditures by Sub-Appropriation	Actual 2015/16 \$(000s)	Estimate 2015/16 FTEs	Variance Over/(Under) \$(000s)	Expl. No.	
Other Expenditures	(1,950)	-	(2,300)	350	1
<b>Total Sub-Appropriation</b>	<b>(1,950)</b>	<b>-</b>	<b>(2,300)</b>	<b>350</b>	

1. The variance is due to lower than anticipated costs related to the Manure Management Financial Assistance Program.

## **Appropriation 5 Agri-Food and Rural Economic Development**

Provides front-line delivery and support of programs to enhance the profitability of family farms and agribusiness, and build sustainable rural communities. This division also provides leadership and specialized support in the priority areas of farm enterprise management, applied production research and extension, rural leadership, food and agri-product commercialization and business development and rural and community economic development.

### **Appropriation 5 (a) – Growing Opportunities Centres**

#### **Mandate**

Growing Opportunities Centres (GO) Branch is the front line service delivery arm for the department. Through its network of 31 offices (30 in rural Manitoba and one in Winnipeg) the branch provides:

- General agrology advice and local information gathering to support profitable and sustainable primary crop and livestock production.
- Specialized farm enterprise management information, analysis and resources.
- Department leadership and co-ordination in agriculture and consumer awareness.
- Applied farm production research and extension of results through a network of four crop diversification centers.
- Information and pathfinding support for departmental and government programs through its network of rural offices and Client Service Co-ordinators.
- Front line extension and delivery support to department programming in the areas of rural business and food industry development, agri-resource stewardship, food safety, animal health and welfare and risk management.

#### **Program, Activities and Expected Results**

##### **General Agrology Extension & Local Knowledge**

###### **Expected Results**

- General agricultural knowledge will be extended to over 5,000 clients who call and/or come into our local offices. Clients will be referred for more specialized advice to the department specialists as required.
- Pest monitoring will include insects, diseases and weeds; specifically: diamondback moth, bertha armyworm, cabbage seed pod weevil, wireworms, grasshoppers, clubroot, cereal leaf diseases, and emerging herbicide-resistant weeds. Weekly crop information will be collected and provided to a department specialist. Staff will advise on potential problems or opportunities from the local areas they cover.
- Technical and co-ordination support will be provided to our crop diversification centers and the department specialists for over 50 trials and 30 extension meetings/tours.
- Provide support to clients with questions regarding on-farm and other food safety programming.
- Provide support to CVO/FS and Livestock Industry Branch programming and initiatives in food safety and animal health and welfare.
- Support the delivery of Environmental Farm Planning workshops and other Agri-Resources Branch initiatives and extension programming.

- Support the delivery of GF2, Ag Awareness, Farm Management and other department programming as required.
- Support the development and organization of events such as Open Farm Day, Agriculture Awareness Day (Manitoba Legislature), Discover Ag in the City and Royal Manitoba Winter Fair in support of agriculture awareness.
- Provide information and advice to grow and preserve food to 12 northern community projects in First Nations and northern communities.
- Two applications for GF2 programming to support northern agriculture.

#### Actual Results

- Delivered general agricultural information to over 7,000 clients coming in or calling the local GO offices.
- Collected pest monitoring research data for diamond back moth, bertha army worm, grasshoppers, clubroot, swede midge, Fusarium Headblight and soil moisture surveys, in addition to providing localized crop status reports for the provincial crop report.
- Provided support to the Diversification Centres and department specialists to deliver tours and events; such as Diversification Centre field tours, Hog Days, Farm Focus, Beef Days, Bio-Innovation Tour, Edible Bean meetings, Beef and Barley Days, Crops Days, Moomania and Agriculture in the Classroom-MB.
- Worked with commodity groups to deliver the agriculture awareness message at Discover Agriculture in the City at The Forks, March 18-19, 2016, as well as supported the Manitoba Association of Agricultural Societies with the organization of the 2015 Open Farm Day September 20.
- Provided information and support to 140 producers on animal health feed testing, feed rations and animal welfare concerns.
- Assisted the Agri-Resource Branch with the delivery of 59 Environmental Farm Planning workshops with 280 participants and co-ordinated an Ag Days booth focused on Agri-environment and weather.
- Provided support to clients regarding on-farm food safety programming, Verified Beef Program, Premises Identification and made referrals to the CVO for other food safety programming.
- Worked with over 500 producers to successfully process their GF2 applications.
- Through the Northern Healthy Foods Initiative (NHFI), delivered 71 hands-on workshops on raising poultry, beekeeping, greenhouse, fruit and vegetable production, harvesting and food-safe preservation in 17 remote northern communities with 671 participants.
- The Paskwayak Business Development Corporation (PBDC) received NHFI funding for the development of a pilot LED Plant Factory for the Opaskwayak Cree Nation.

### **Rural Economic Development**

#### Expected Results

- Client Service Co-ordinators will provide superior client service to 5,000 clients by providing accurate information and timely pathfinding referral services.
- A Manitoba Agriculture web page for clients that is current, topical and well maintained.
- Client Service Co-ordinators will work with 4-H clubs and ten 4-H councils to provide transitional administrative support when necessary.

#### Actual Results

- Provided information and pathfinding for 8,000 clients in GO offices, utilizing web-based

and hard copy materials.

- Provided support to the 4-H program working with 146 clubs, 855 leaders and 2,319 members throughout the province.
- Gathered information from other branches to develop a business inventory of the department programs and services to share with other departments.

## **Farm Enterprise Management**

### Expected Results

- A successful Manitoba Young Farmers Conference will be held with a focus on relationship building and farm management skill development.
- Staff will extend the awareness message “Farms should have a farm safety and human resource plan” through newspaper articles (2), displays at agricultural meetings (10), Ag Days, and presentations in co-ordination with partners (5).
- New and updated tools and resources in crop and livestock cost of production, land values, land rental rates, input economics will be prepared and extended through events such as Ag Days and on the department website.
- Staff will participate in a Western Canadian cow/calf production and financial benchmarking project involving both industry and individual beef producers to improve the beef industry’s/individual producer’s overall profitability.
- Through the Bridging Generation’s Initiative (BGI) program, staff will provide financial and program administrative advice to 300 active BGI clients.
- Staff will provide financial consultative services for up to 20 mediation cases to support the Farm Mediation Board process.
- Staff will promote and support 50 clients with the GF2 Next Generation program. Growing Competitiveness projects will increase the management skills of young farmers and other producers.
- Staff will develop, review and share information, tools and resources such as the market planning guide and farm succession and transition guide.
- Staff will develop and share information on farm enterprise management through an enhanced Business and Economics section of the department website.
- The 2014 AgriRecovery – CMFSTAI will be completed. The branch will deliver additional programs and contribute to program delivery as required.

### Actual Results

- A successful Manitoba Young Farmers Conference was held. Keystone Agricultural Producers took a leadership role in the 15/16 conference, and it was held in conjunction with their annual meeting. An estimated 100 people attended the conference. Manitoba provided financial support through GF2 and staff support through the Farm Enterprise Management section.
- Extended the awareness message “Farms should have a Farm Safety and Human Resource plan” through newspaper articles (three). The Farm Management display was at four agricultural meetings and Ag Days. Delivered 19 presentations throughout the year in co-ordination with industry partners.
- New and updated tools and resources (47) in crop and livestock cost of production, land values, land rental rates, input economics were prepared and extended through events such as Ag Days and on the department website.
- The Western Canadian cow/calf production and financial benchmarking project was not undertaken as the main proponent (Alberta) re-evaluated their resource allocations to this proposed project. Continued to support Manitoba beef producers with Manitoba

cost of production information.

- Through the Bridging Generation's Initiative (BGI) program provided financial and program administrative advice to 74 active BGI clients associated with 93 loans.
- Provided financial consultative services for 14 mediation cases to support the Farm Mediation Board process.
- Supported 36 clients with the GF2 Next Generation program.
- Reviewed/developed/and shared information on existing tools and resources; including the farm succession and transition guide.
- Shared information on farm enterprise management through enhancing the Business and Economics section of the department website. The four focus areas of the Business Management section of the department website: Production Economics, Marketing, Financial Management, Farm Succession and Transition, were also enhanced and continually updated throughout the year.
- The 2014 AgriRecovery – CMFSTAI program delivery was completed with 306 Transportation and 154 Forage Shortfall applications processed.

## **Crop Diversification Centres**

### Expected Results

- Annual field tours attracting 40-160 people per site per event.
- Greater online extension of applied research results.
- Technology transfer events such as Ag Days in Brandon, Farm Focus in Boissevain and a variety of industry-sponsored meetings will be held to extend project results to industry.
- Project results will be extended to agricultural producers and industry organizations through email updates, annual reports and social media.
- Partnerships with industry/grower groups, rural development groups, rural municipalities, universities, federal and provincial affiliations and other applied research groups will be created.
- Project partnerships will be strengthened with the Food Development Centre, Richardson Centre, Manitoba Agri-Health Research Network, Canadian International Grains Institute, Rural Development Institute and Composites Innovation Centre.
- Improved research performance related to trial risk, information collection and research service with use of Unmanned Aerial Vehicles (UAVs).
- Continued efforts to buffer farm gate incomes from fluctuation with diversified crops.

### Actual Results

- Conducted 12 different field tours among four Diversification Centres with over 650 attendees at these field events.
- Revamped the existing Diversification Centres website and included newly developed logos and themes for each Diversification Centre.
- Four locations had a combined 17 non-field presentations/booth extension events for example: Manitoba Ag Days, MANDAK No Till Workshop, Amazing Agriculture Adventure, Canadian Hemp Trade Alliance National Hemp Conference, Special Crops Symposium, Assiniboine Community College luncheon, and Manitoba Aerial Applicators meeting.
- Attendance at events ranged from 30 to 200 people for most events with 50,000 at MB Ag Days.
- Compilations of activities and trials in annual reports for each Diversification Centre were available from each location in PDF and hardcopy formats.

- The WADO Facebook social media account has drawn more attention to the WADO annual report and summer field activities and tours.
- Diversification Centres continued to partner with federal/provincial public groups, private corporations and farm industry groups to strengthen research projects.
- 172 research trials and demonstrations were conducted among four Diversification Centers with government and institution partnerships accounting for 79 trials and 92 trials completed in partnership with industry groups and private partners. Several of these trials were collaborative among the Diversification Centres and their affiliated partners.
- Project partnerships were strengthened with the Canadian International Grains Institute, Rural Development Institute and Composites Innovation Centre through several research projects, respectively:
  - Effect of glyphosate preharvest burndown on gluten strength in wheat (PCDF)
  - Barriers and limitations of innovation in agriculture for product development (WADO)
  - Flax fibre microfibril variety trial project (all Diversification Centres)
- 115 Unmanned Aerial Vehicle (UAV) flights over four Diversification Centres were executed to support research objectives such as orthomosaic, digital surface models, thermal, and near infrared vegetation index mapping for geographic information systems (GIS).
- UAV imagery assisted with on-farm research project NDVI data collection, mapping elevation for lowering risk of flooding of research trials, enhanced measuring plot area, and providing a record of time for all experiments.
- UAVs were used as a demonstration tool during field days to familiarize industry about its practical uses and economic potential.
- Research with over 30 different crops at Diversification Centres with various topics in agronomic production systems, economics, and sustainability.
- Applied Research and Demonstration Trials conducted for:
  - Cereals (wheat, oats, barley, durum, corn, winter wheat, rye, winter spelt)
  - Forage Crops (alfalfa, vetch, clovers, green feeds)
  - Industrial Hemp (grain and fibre)
  - Oilseeds (flax, canola, mustards, oilseed sunflowers)
  - Pulses (peas, soybean, lentil, dry bean, faba bean)
  - Special Crops (confectionery sunflower, buckwheat, flax fibre, quinoa)
  - Small Fruits (saskatoon, haskap, cherries, hops)
  - Systems Farming (i.e. intercropping, relay cropping, organic, crop rotations, planting into residues, pesticides, growth regulators).

## 5 (a) Growing Opportunities Centres

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl.
	2015/16	2015/16	Over/(Under)	No.
	\$(000s)	FTEs \$(000s)	\$(000s)	
(1) Salaries and Employee Benefits	4,150	73.00 4,895	(745)	1
(2) Other Expenditures	926	1,315	(389)	2
(3) Grant Assistance	480	300	180	
<b>Total Sub-Appropriation</b>	<b>5,556</b>	<b>73.00 6,510</b>	<b>(954)</b>	

1. The variance is mainly as a result of vacant positions partially offset by general salary increases.
2. The variance is mainly due to a reduction in support costs and fewer public awareness activities undertaken as a result of vacant positions in the branch.

## **Appropriation 5 (b) – Rural Development**

### **Mandate**

The Rural Development Branch is the lead agent for the province in supporting rural economic development. The branch provides programs and services that:

- Build rural community and industry leadership and organizational capacity to lead and support economic development.
- Develop innovative approaches to rural economic development that supports economic growth, job creation and community resiliency.
- Enable stronger collaboration among government departments and agencies that impact rural economic development.

### **Program, Activities and Expected Results**

#### **Rural Economic Development**

#### **Leadership and Organizational Capacity**

##### **Expected Results**

- One thousand individuals will have increased knowledge and skills to apply to their rural economic development efforts.
- Rural municipalities' economic development practitioners and community volunteers will have increased capacity to lead and undertake economic development efforts.
- One hundred and thirty rural economic development projects will be completed by local economic development groups and businesses.
- Rural community projects will have improved access to local capital and engage in projects that create local employment.
- The resilience and capacity of rural communities will increase through access to relevant information and provincial investment in rural economic development.
- Rural and industry organizations and communities will be more resilient as they plan and implement projects of relevance to the industry/community and their members.
- Municipal water projects assisted to provide water to food and agri-product businesses and production agriculture.
- Six hundred community members will have increased knowledge and skills in leading organizations.
- Over 2,000 rural youth will have developed leadership and organizational skills through the 4-H program.

##### **Actual Results**

- Made three presentations on local investment to 50 people in 3 communities.
- Delivered seven informational webinars on topics of interest to RED organizations and practitioners reaching 269 individuals.
- Circulated ninety-seven informational emails to 200 rural economic development stakeholders.
- There were 3,500 hits to the rural community resource homepage.
- Completed a pilot "Building Capacity" economic development training initiative reaching 40 economic development officers and municipal councillors in five topic areas.
- Facilitated over 20 community planning and discussions with rural economic organizations and municipal councils.

- Developed two handbooks for use by community economic development officers and municipal officials including: Foreign Direct Investment and an applicant guide for the CED Tax Credit program.
- Developed nine regional economic development reports were developed in conjunction with Regional Economic Analysis Process (REAP) projects.
- Supported one hundred and forty-four economic development projects were supported through Partner 4 Growth, Hometown Manitoba and Regional Economic Analysis Process.
- Issued tax credits for three community projects under the CED tax credit program.
- Rural community foundations received information and administrative support through the Winnipeg Foundation. The Winnipeg Foundation managed assets on behalf of 38 of the 54 Manitoba community foundations.
- Through an annual survey, 29 communities indicated that they have developed economic development plans and implemented projects within those plans.
- Two hundred and ninety-three participants received training with an additional 342 YouTube views related to organizational development capacity building.
- Six hundred and eighty participants participated in webinars and facilitated training sessions to increase organizational capacity.
- There were 2,319 youth and 855 volunteer leaders who participated in 146 4-H clubs completing projects and developing leadership and organizational skills.

## **Planning and Co-ordination**

### Expected Results

- Increased collaboration and alignment of programs and services will result among agencies and groups involved in rural economic development.
- Rural regions will have developed economic development plans and strategies.
- Fifteen (15) rural organizations will have assessed their organizational capacity and taken action to grow their community and industry.
- A rural secretariat approach for government will be created.

### Actual Results

- Stakeholders involved in rural economic development came together to create a Manitoba Rural Economic Development Strategy.
- Held over 20 community planning and discussion sessions with rural economic development organizations and municipal councils.
- Through an annual survey, 29 communities indicated they have developed economic development plans and implemented projects within those plans.
- Provided 19 organizations with support through organizational assessments, capacity development, strategic planning and board governance facilitation.
- The rural secretariat approach was developed and one interdepartmental meeting was held to inform and to receive input into the rural economic development strategy.

## **Research and Innovation**

### Expected Results

- Regional Economic Analysis Program (REAP) reports will be available for all regions of rural Manitoba.
- Rural communities will use the REAP for economic development planning and decision making.

- Rural communities will have research and expertise available for rural economic development initiatives.
- A benchmark will be established for evaluating progress in rural economic development.

#### Actual Results

- Regional Economic Analysis Profiles were researched and made available for the seven economic regions of rural Manitoba.
- Prepared regional economic development reports in conjunction with nine Regional Economic Analysis Process (REAP) projects.
- Through grant support to Rural Development Institute, seven peer reviewed articles, 17 research projects and 22 contributions to the Journal of Rural and Community Development were completed and made available. This included studies of functional economic regions and broadband availability in rural Manitoba.
- Statistics are being used as a baseline for rural economic development progress.
- Indicators are: population, commercial and industrial building permit values; number of jobs and job change by sector and economic region. This information served to complete a background document for the rural economic development strategy.
- Other indicators collected in 2015 that will track local economic development efforts include: number of communities with access to Economic Development Officers; the number of communities with a strategic plan for economic development; and, the number of communities that have implemented projects from their plan.

#### **5 (b) Rural Development**

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl.
	2015/16 \$(000s)	2015/16 FTEs	Over/(Under) \$(000s)	No.
(1) Salaries and Employee Benefits	2,041	27.00	2,353	(312)
(2) Other Expenditures	550		774	(224)
(3) Grant Assistance	1,192		1,218	(26)
<b>Total Sub-Appropriation</b>	<b>3,783</b>	<b>27.00</b>	<b>4,345</b>	<b>(562)</b>

## Appropriation 5 (c) – Food Development Centre

### Mandate

The Food Development Centre (FDC) is a Special Operating Agency of the Province of Manitoba and operates under the authority of Manitoba Agriculture, Food and Rural Development. FDC assists the agri-food industry grow their business through the development and commercialization of conventional food products and functional food ingredients. FDC builds on the department's current strategic directions in: Food and Agri-Product Development, Primary Agriculture Industry Development and Protection of Human, Animal and Plant Health to grow the food processing sector to \$5.5 billion by 2022.

### Program, Activities and Expected Results

#### Expected Results

- Develop 35 new food product prototypes, ready for launch into commercial market.
- Delivery of industry driven training in safe food production and processes.
- Food industry processors meet nutritional and regulatory affairs regulations to market their food products.
- Pilot plant optimized to assist 20 clients produce commercial food products.
- Partnerships established with Manitoba Agri-Health Research Network (MAHRN), commodity groups and food companies to grow the food processing sector through the Grain Innovation Hub.
- 2015/16 operational budget realized.

#### Actual Results

- Developed 29 new food product prototypes ready for launch into commercial market.
- Provided technical support for 229 regulatory requests on food regulations, labelling and processing, as well as 339 nutrition labels for 85 clients.
- Delivered training through seminars and workshops to audiences including the Life Science Association of Manitoba; the Canadian Institute of Food Science and Technology Manitoba sector Supplier Expo; Manitoba Agriculture Food and Rural Development workshops; Brandon Chamber of Commerce conference; the Direct Farm Marketing Conference; and Food and Beverage Manitoba.
- The pilot plant assisted 14 clients to produce commercial food products.
- Completed strategic projects with Manitoba Pulse and Soybean Growers Association, MAHRN, National Organic Science Cluster, University of Manitoba (Human Nutritional Sciences Department and Dairy Pilot Plant), Richardson Centre for Functional Foods and Nutraceuticals, Canadian Centre for Agri-Food Research in Health and Medicine, and Canadian International Grains Institute.
- Worked with five companies to develop new food products through the contribution agreement with National Research Council's Industrial Research Assistance Program.
- Achieved budget goals for fee-for-service revenues and brought costs in under budget.

### **5 (c) Food Development Centre**

	Actual	Estimate	Variance	Expl.
Expenditures by Sub-Appropriation	2015/16	2015/16	Over/(Under)	No.
	\$(000s)	FTEs	\$(000s)	\$(000s)
Grants/Transfer Payments	2,020	-	2,020	-
<b>Total Sub-Appropriation</b>	<b>2,020</b>	<b>-</b>	<b>2,020</b>	<b>-</b>

## **Appropriation 5 (d) – Food and Agri-Product Processing**

### **Mandate**

The Food and Agri-Product Processing (FAPP) Branch provides services to entrepreneurs, businesses and organizations to strengthen the competitive position of Manitoba's food and agri-products processing industries in the domestic and global marketplace. The branch provides information and intelligence, pathfinding, tools and marketing and business consultancy services and facilitates industry development through collaboration and alliances. Delivery of programs and services is supported by training events, resource materials, tools, outreach missions and other resources. The branch is the department lead in supporting the goal of increasing the value of food processing in Manitoba to \$5.5 billion and Agri-Products processing to \$2.0 billion. The branch works closely with Food and Beverage Manitoba and other relevant agencies/organizations in carrying out its mandate.

### **Program, Activities and Expected Results**

#### **Food and Agri-Product – Business Development and Commercialization Activities**

##### **Expected Results**

- Manitoba-based food entrepreneurs will compete in the Great Manitoba Food Fight (GMFF). New food products will enter the market within 18 months of participating in the competition and selected entrepreneurs will commence and/or continue working with the department in the development of their products and businesses.
- An increase in innovation, commercialization, production, and market access of Manitoba-based functional foods, natural health products and agri-products.
- An increase in licensed processing capacity across Manitoba available to micro and small-scale food processors.
- An increase in opportunities and events that are focused on identifying, commercializing and showcasing Manitoba's leading agri-food innovations.
- An increase in capacity of small scale producers to participate in Manitoba's food sector.
- A food processing strategy will be developed that identifies key priorities and actions to grow the industry.
- A functional foods and nutraceuticals strategy will be developed that identifies opportunities and positions Manitoba for further development in this area.
- A craft beer and spirits strategy will be developed; new business opportunities will be assisted.
- Increased food and agri-product processing and jobs from GF2 programming; increased processing of Manitoba produced commodities.
- A food processing manual will be produced.
- Food safety resources will be developed or updated for small scale and other food processors (led by CVO/FS Branch).
- A meeting of small scale stakeholders will be facilitated to determine interest and opportunities to organize.
- Marketing models for small scale food business will be examined with recommendations for removing unnecessary barriers.
- The economic impact and metrics to track trends in the small scale industry will be undertaken.

## Actual Results

- Ten Manitoba-based entrepreneurs competed in the Great Manitoba Food Fight (GMFF) hosted in partnership with Food and Beverage Manitoba. Three entrepreneurs won product development prizes worth \$11,000; \$7,000 and \$3,500, to be used towards further commercialization. All 10 competitors continue to work with department staff to further develop their products and markets.
- Completed environmental scan and sector analysis of the food processing industry in Manitoba. Industry issues have been identified using different consultation tools and based on this information, a food processing strategic plan is in draft stage.
- Provided support on Federal/Provincial/Territorial (FPT) food processing industry development policy issues.
- Sponsored Canadian Agri-Policy Institute's (CAPI) Forum on Canada's Agri-Food Future 2015 to determine a path forward to enhance Canada's competitive position in food and build public trust.
- Provided policy support for the development and drafting of *The Farm and Food Awareness Act* and *The Animal Diseases Amendment Act* that received Royal Assent.
- Predicted that Manitoba's food processing industry would generate 395 new jobs and experience 30 per cent cumulative average growth rate in the use of key Manitoba agri-inputs in finished food products by 2018 from the Growing Value program.
- Created and filled two specialist positions dedicated to the small scale food sector: Industry Development Specialist – Small Farm, and Business Development Specialist – Small Food Processing.
- Started an online listing of 26 Commercial Community Kitchens in Manitoba that can be accessed by small scale food processors.
- Continued collaboration with Manitoba Health regarding fact sheets that outline the regulations for the direct marketing models for small scale food producers and entrepreneurs.
- Provided \$7,000 from the Growing Visions – Growing Forward 2 program to assist with an event to further the discussion of a formal organization among Manitoba small scale food producers; 54 individuals participated, 36 of whom self-identified as producers.
- The Farmers' Markets Association of Manitoba Co-op Inc. (FMAM) changed its focus and name to the Direct Farm Marketing Association of Manitoba (DFMAM) to represent small scale food producers.
- Issued a request for proposal to develop a functional foods and nutraceuticals strategy.
- Worked with four new breweries/brewpubs and two distilleries and one established brewery to access funding, business consulting and pathfinding services. Growing Forward 2 (GF2) - Growing Value Commercialization (GVC) provided \$160,000 for capital expenditures related to a start-up brewpub and the expansion of an existing brewery.
- Worked with MAHRN and Manitoba Canola Growers to identify potential marketing opportunities for cold-pressed Manitoba canola oil by region.

## **Food and Agri-Product Market Development**

### Expected Results

- An increased participation in various marketing campaigns and activities by producers, processors, retailers, restaurants and distributors. Increased domestic consumption of Manitoba grown and processed foods and agri-products.
- Production and printing of the Local Produce Guide, Farmers' Market Guide and Local Ingredients Guide for restaurants to increase the domestic consumption of Manitoba

produce and food products.

- An increase in attendance of Manitoba food processing companies at domestic trade shows seeking new markets for their food products and ingredients.
- An increase in domestic market awareness and penetration for Manitoba entrepreneurs and their new food and agri-products.

#### Actual Results

- Supported 11 Manitoba companies at two tradeshows in Toronto, facilitating 40 business-to-business meetings and resulting in a minimum of \$250,000 in increased sales.
- Worked with seven new Manitoba companies to plan strategies for increasing production capabilities, pricing, setting up distribution, export knowledge and attending domestic tradeshows in the near future.
- Distributed 15,000 copies of the Local Produce Guide, which promotes farmers' markets, pre-picked market stands, U-Pick vegetable gardens and community supported agriculture (CSA) farms, throughout the province to provide businesses and consumers access to the availability of fresh produce.
- Growing Actions - GF2 program provided \$756,000 over three years to Food and Beverage Manitoba to work with Manitoba entrepreneurs to increase penetration in the food service and retail marketplace.

### **Food and Agri-Product Entrepreneurial Development**

#### Expected Results

- A food industry development guidebook/manual will be created to assist new and existing businesses to start or expand product lines and operations.
- Attendance of direct farm marketers at the Direct Farm Marketing conference where they will expand their marketing and production skills which will lead to increased market access and profitability for their small-scale food processing enterprises. Over 100 participants are expected.
- A series of 10 workshops on food enterprise development will be offered with a potential audience of 100 participants.
- An increase in Manitoba entrepreneurs' and processors' knowledge of marketing, food safety measures, product and ingredient opportunities, and consumer trends to increase their likelihood of success in building their food processing businesses.

#### Actual Results

- Food processing entrepreneurs and businesses increased their capacity through information and program assistance. More than 66 companies and entrepreneurs received business information.
- Partnered with several organizations to host the *Packaging that Makes Food Products Sell Conference* in October. Participants were provided with information related to food packaging technology, equipment and materials.
- One hundred and fifty entrepreneurs attended the 7<sup>th</sup> annual Take the Leap (TTL) Rural Entrepreneurship Conference which was held in Dauphin on October 19, 2015. Food and agri-product processing has been an annual feature of this conference with 30 per cent of the program content focused on value-added agriculture.
- Profiled 20 rural businesses at TTL 7; 35 per cent of which were agriculture and food businesses.
- Delivered the Take the Leap Youth Business Pitch Workshop to 125 students in five schools in 2016.

- Created a website, resource development and communication strategy based on the needs of food and agri-product entrepreneurs.
- Sent four Rural Biz E-Newsletters to 820 inboxes to promote FAPP programs, services, events and to feature Manitoba 'agripreneurs' in each issue.
- Initiated development of a food industry development guidebook/manual by Food and Beverage Manitoba.
- One hundred and eighty-five Manitoba entrepreneurs and food processors attended 16 workshops to increase their knowledge of marketing, food safety and consumer trends.
- One hundred and twenty-one direct farm marketers attended the 20<sup>th</sup> Annual Direct Farm Marketing Conference to learn new marketing and production skills, leading to increased market access and profitability.
- Westman Entrepreneur Boot Camp was held in Brandon with 23 entrepreneurs participating in learning, networking and a competition.
- Hosted Harvesting Value, in partnership with the Agriculture Committee of the Brandon Chamber of Commerce, to promote opportunities in value added agriculture.

## **Food and Agri-Product Development Awareness**

### Expected Results

- An increased awareness domestically and abroad of the advantages Manitoba offers to build and expand food and agri-product enterprises.
- An increased public and industry awareness of local food related events, promotions and industry activities.
- Increased engagement by small scale food processors in assessing opportunities and accessing local markets.

### Actual Results

- Worked with Food and Beverage Manitoba to create and launch a new organic logo that can be used by Manitoba producers and processors to market their products.
- Assisted in hosting the Manitoba Biomass Workshop in Morden to promote the bioproduct sector. Over 100 delegates attended.
- Offered a training session at Ag Days specifically targeted to producers considering transition to organic farming. Approximately 150 people attended this training session.
- Worked with Manitoba Organic Alliance to plan and co-ordinate an organic dinner to showcase Manitoba organic products during Organic Week; 80 people attended from the food industry.
- Co-ordinated a two-day Prairie Organic conference which attracted 22 ingredient buyers, 150 producers (in-person and via webcast), 32 tradeshow participants and raised \$100,000 in industry sponsorship.
- A monthly newsletter called Organic Bytes was written containing pricing and market opportunities information. This newsletter is distributed in conjunction with the Manitoba Organic Alliance. Pricing information is republished in the newsletters of the Alberta and Saskatchewan organic associations.

## **Food and Agri-Product Industry Development**

### Expected Results

- Establishment of new or expanded food and agri-product enterprises in Manitoba.
- Raising awareness of GF2 - Growing Value – Transformation and Commercialization and other programs and other relevant government programs aimed at business and employment creation for food, bio-mass, and bio-fuel processors as well as increased

dialogue and interaction between clients and FAPP staff.

- Acceleration of product commercialization, market access, and productive capacity among Manitoba’s small to medium-sized food, bio-mass, and bio-fuel processors. Maintenance and growth of existing food and agri-product processors.
- An increase in industry awareness of Manitoba as a strong global player in the food and agri-product sector, increased investment and business development activity in the sector, and increased economic gains for the sector as well as for secondary and tertiary businesses serving the sector.

#### Actual Results

- Developed and maintained networks with organizations such as Canadian Culinary Federation Culinaire Canadienne and Food and Beverage Manitoba to increase food service market potential for clients.
- Delivered food processing opportunities and funding opportunities to commodity producers at various events including Manitoba Ag Days.
- Assisted clients to develop their ideas for food product businesses and existing processors with expansion and modernization projects.
- Worked with two organizations to study agri-product processing opportunities in Manitoba.
- Assisted food processing businesses and processors with expansion and modernization projects through GF2 funding. GF2 - Growing Value Commercialization and Transformation respectively funded a total of 11 and 2 projects for contributions in 2015/16 of \$798,392 and \$740,960 leveraging \$3.3 million from industry resulting in a 30 percent compounded annual growth rate in the use of key MB agri-inputs in finished food products by 2018.
- Worked with over 20 bioproduct companies interested in developing new businesses or expanding current operations in Manitoba.
- Initiated a comprehensive program and policy review of the bioproduct sector across North America.

#### **5 (d) Food and Agri-Product Processing**

<b>Expenditures by Sub-Appropriation</b>	<b>Actual</b>	<b>Estimate</b>	<b>Variance</b>	<b>Expl.</b>	
	<b>2015/16</b>	<b>2015/16</b>	<b>Over/(Under)</b>	<b>No.</b>	
	<b>\$(000s)</b>	<b>FTEs</b>	<b>\$(000s)</b>		
(1) Salaries and Employee Benefits	1,869	27.00	2,237	(368)	1
(2) Other Expenditures	285		400	(115)	
(3) Grant Assistance	30		350	(320)	
<b>Total Sub-Appropriation</b>	<b>2,184</b>	<b>27.00</b>	<b>2,987</b>	<b>(803)</b>	

1. The variance is mainly as a result of vacant positions partially offset by general salary increases.

## Appropriation 5 (e) – Infrastructure Grants

### Mandate

This program facilitates infrastructure projects which enhance sustainable economic development in various communities in Manitoba.

### Expected Results

- Development of municipal infrastructure (sewer/water/roads) to service new or expanding enterprises in rural Manitoba deemed of strategic importance to the regional/local economy.
- Attraction of two new or expanded enterprises.
- Over 130 local projects that enhance the infrastructure, physical appearance and greening of Manitoba rural communities will be completed.

### Actual Results

- The Hometown Manitoba Program 2015/16 approved 102 local projects, totaling \$225,000. Seventy-three of these projects that enhance the infrastructure, physical appearance and greening of Manitoba rural communities were completed.
- Assistance provided to the Keystone Centre (Brandon) for roof replacement.

### **5 (e) Infrastructure Grants**

<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2015/16 \$(000s)</b>	<b>Estimate 2015/16 FTEs</b>	<b>Variance Over/(Under) \$(000s)</b>	<b>Expl. No.</b>
Grants/Transfer Payments	1,113	-	1,240 (127)	
<b>Total Sub-Appropriation</b>	<b>1,113</b>	<b>-</b>	<b>1,240 (127)</b>	

## Appropriation 5 (f) – Rural Opportunities 4 Growth

### Mandate

Rural Opportunities 4 Growth provides financial support to communities and regions to identify and pursue rural economic development based on strategic opportunities. The program also supports the development of industry sectors or segments that are of strategic importance to the agriculture, agri-food and agri-product sectors in Manitoba.

### Expected Results

- Thirty rural development projects will be completed leading to business growth in rural communities.
- One sector or segment strategy completed.

### Actual Results

- Approved 30 projects under Partner 4 Growth for a total of \$248,700 in program funding.
- The Rural Economic Development Strategy for Manitoba was developed and shared with stakeholders for further input.
- Delivered Building Capacity in Rural Economic Development pilot project to 40 economic development officers and municipal councilors in five topic areas.

### **5 (f) Rural Opportunities 4 Growth**

<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2015/16 \$(000s)</b>	<b>Estimate 2015/16 FTEs</b>	<b>Variance Over/(Under) \$(000s)</b>	<b>Expl. No.</b>
Grant Assistance	181	-	396	(215)
<b>Total Sub-Appropriation</b>	<b>181</b>	<b>-</b>	<b>396</b>	<b>(215)</b>

## Appropriation 5 (g) – Less: Recoverable from Rural Economic Development Initiatives (REDI)

### Mandate

This sub-appropriation provides for the recovery of Rural Economic Development Initiatives related expenditures for department-led and managed value added and rural development activities, grants and programs such as the Food Industry Development Program, Rural Opportunities 4 Growth Program, Infrastructure Grants Program, Rural Development Institute grant, Keystone Centre grant, Community Foundations Support Partnership grant and the Food Development Centre grant.

### **5 (g) Less: Recoverable from Rural Economic Development Initiatives**

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl.	
	2015/16	2015/16	Over/(Under)	No.	
	\$(000s)	FTEs	\$(000s)	\$(000s)	
Recovery	(5,483)	-	(6,476)	993	1
<b>Total Sub-Appropriation</b>	<b>(5,483)</b>	<b>-</b>	<b>(6,476)</b>	<b>993</b>	

1. The variance is as the result of lower than anticipated costs related to Rural Development, Food and Agri-Product Processing, Infrastructure Grants, Rural Opportunities 4 Growth and Food Industry Development.

## Appropriation 5 (h) – Rural Economic Development Initiatives (REDI)

### Mandate

Rural Economic Development Initiatives (REDI) provides funding for development projects and strategic economic initiatives to encourage economic growth, job creation and diversification in rural and northern Manitoba. These funds are designed to provide a boost to the economy while laying the foundation for sustained growth and development.

### Expected Results

- Increased number of business start-ups or expansions in rural and northern Manitoba.
- Increased employment opportunities for rural and northern Manitobans, including youth.
- Increased direct and indirect local investment in infrastructure and community economic development activities and related employment.
- Increased levels of capital investment in rural and northern Manitoba.

### Actual Results

- REDI funded \$24.3 million in 2015/16 for 136 projects/initiatives leveraging \$16.8 million in investments that advanced economic growth in rural and northern Manitoba.

### **5 (h) Rural Economic Development Initiatives**

Expenditures by Sub-Appropriation	Actual 2015/16 \$(000s)	Estimate 2015/16 FTEs	Estimate 2015/16 \$(000s)	Variance Over/(Under) \$(000s)	Expl. No.
Rural Economic Development Initiatives	24,349	-	23,400	949	
<b>Total Sub-Appropriation</b>	<b>24,349</b>	<b>-</b>	<b>23,400</b>	<b>949</b>	

## Appropriation 6

### Costs Related to Capital Assets

#### Appropriation 6 (a) – Amortization Expense

##### Mandate

The department must comply with Public Sector Accounting Board (PSAB) standards and government policies and guidelines respecting the treatment of tangible capital assets.

##### Expected Results

- Recognition of amortization consistent with government and PSAB policies and guidelines.
- Allocate the cost of capital assets consistent with the period of service and useful life of the asset. Charges for TCAs are amortized, expensed and reported as required.

##### Actual Results

- Recorded amortization costs consistent with government and PSAB guidelines.
- Recorded charges for amortization consistent with the period of service and useful life of the asset.

#### Appropriation 6 (b) – Interest Expense

##### Mandate

To provide for interest costs related to capital investment decisions made by the department.

##### Expected Results

- Provision of financing costs for capital investment related to the department.

##### Actual Results

- Accurately reflected interest costs in all financial statements and consistent with the period of service and useful life of the department's tangible capital assets.

### 6 Costs Related to Capital Assets

	Actual	Estimate	Variance	Expl.
Expenditures by Sub-Appropriation	2015/16	2015/16	Over/(Under)	No.
	\$(000s)	FTEs	\$(000s)	\$(000s)
(a) Amortization Expense	266	-	279	(13)
(b) Interest Expense	70	-	77	(7)
<b>Total Appropriation</b>	<b>336</b>	<b>-</b>	<b>356</b>	<b>(20)</b>

**SECTION ONE**  
**PART B**  
**CAPITAL INVESTMENT**  
**INFORMATION**

## Part B – Capital Investment

### Mandate

To provide for the acquisition of tangible capital assets needed in the Veterinary Diagnostic Services (VDS) laboratory to protect human health from zoonotic diseases and animal health from serious diseases.

### Expected Results

- The department invests \$250,000 to update and replace aging laboratory equipment.
- The investment supports continuity in service delivery and surveillance efforts.

### Actual Results

- Invested \$148,000 in new laboratory equipment.
- Capital asset purchases ensured VDS continued to provide non-interrupted service delivery to provincial animal welfare investigations and animal disease response and surveillance activities. It also ensured required animal health testing was available to livestock and companion animal veterinary clients. 169,667 tests were performed.

## Part B - Capital Investment

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl.
	2015/16 \$(000s)	2015/16 FTEs \$(000s)	Over/(Under) \$(000s)	No.
Capital Investment	148	-	250	(102)
<b>TOTAL</b>	148	-	250	<b>(102)</b>

**SECTION TWO**  
**ADDITIONAL FINANCIAL**  
**INFORMATION**  
**AND APPENDICES**

## Appendix A: Financial Information

### Manitoba Agriculture, Food and Rural Development

#### Expenditure Summary

for the fiscal year ended March 31, 2016 with comparative figures for the previous fiscal year (\$000s)

Estimate 2015/16	Appropriation	Actual 2015/16	Actual 2014/15	Increase/ (Decrease)	Expl. No.
<b>PART A - OPERATING</b>					
<b>03-1 ADMINISTRATION AND FINANCE</b>					
37	(a) Minister's Salary	36	32	4	
	(b) Executive Support				
657	(1) Salaries and Employee Benefits	675	669	6	
80	(2) Other Expenditures	74	57	17	
	(c) Department Planning and Service Innovation Directorate				
612	(1) Salaries and Employee Benefits	329	258	71	
219	(2) Other Expenditures	116	68	48	
	(d) Financial and Administrative Services				
1,256	(1) Salaries and Employee Benefits	1,160	1,078	82	
335	(2) Other Expenditures	222	270	(48)	
	(e) Information Technology Services				
812	(1) Salaries and Employee Benefits	755	700	55	
269	(2) Other Expenditures	209	113	96	
4,277	Subtotal 03-1	3,576	3,245	331	

## Appendix A: Financial Information

### Manitoba Agriculture, Food and Rural Development

#### Expenditure Summary

for the fiscal year ended March 31, 2016 with comparative figures for the previous fiscal year  
(\$000s)

Estimate 2015/16	Appropriation	Actual 2015/16	Actual 2014/15	Increase/ (Decrease)	Expl. No.
<b>03-2 STRATEGIC POLICY AND INNOVATION</b>					
(a) Sector Policy, Planning and Programs					
1,861	(1) Salaries and Employee Benefits	1,326	1,486	(160)	
409	(2) Other Expenditures	222	334	(112)	
(b) Research and Market Intelligence					
1,367	(1) Salaries and Employee Benefits	1,059	992	67	
273	(2) Other Expenditures	161	127	34	
1,215	(3) Grant Assistance	1,181	1,115	66	
(c) Boards, Commissions and Legislation					
749	(1) Salaries and Employee Benefits	756	595	161	
289	(2) Other Expenditures	275	232	43	
3,000	(d) Grain Innovation Hub	216	2,329	(2,113)	1
1,000	(e) Manitoba Biomass Energy Support Program	896	877	19	
10,163	Subtotal 03-2	6,092	8,087	(1,995)	

## Appendix A: Financial Information

### Manitoba Agriculture, Food and Rural Development

### Expenditure Summary

for the fiscal year ended March 31, 2016 with comparative figures for the previous fiscal year (\$000s)

Estimate 2015/16	Appropriation	Actual 2015/16	Actual 2014/15	Increase/ (Decrease)	Expl. No.
<b>03-3 RISK MANAGEMENT, CREDIT AND INCOME SUPPORT PROGRAMS</b>					
(a) Manitoba Agricultural Services Corporation					
9,496	(1) Administration and Lending Costs	6,238	4,348	1,890	2
54,283	(2) AgrilInsurance	53,076	55,412	(2,336)	
1,657	(3) Wildlife Damage Compensation	2,207	1,915	292	3
34,243	(b) Agricultural Income Stabilization	18,771	54,946	(36,175)	4
36,039	(c) Farmland School Tax Rebate	33,997	33,982	15	
(612)	(d) Less: Recoverable from Rural Economic Development Initiatives	(279)	(67)	(212)	
135,106	Subtotal 03-3	114,010	150,536	(36,526)	

## Appendix A: Financial Information

### Manitoba Agriculture, Food and Rural Development

#### Expenditure Summary

for the fiscal year ended March 31, 2016 with comparative figures for the previous fiscal year (\$000s)

Estimate 2015/16	Appropriation	Actual 2015/16	Actual 2014/15	Increase/ (Decrease)	Expl. No.
<b>03-4 AGRI-INDUSTRY DEVELOPMENT AND ADVANCEMENT</b>					
(a) Livestock Industry					
2,931	(1) Salaries and Employee Benefits	2,906	2,538	368	
623	(2) Other Expenditures	545	537	8	
495	(3) Grant Assistance	456	491	(35)	
(b) Chief Veterinary Office/Food Safety					
7,058	(1) Salaries and Employee Benefits	6,588	6,228	360	
3,347	(2) Other Expenditures	2,743	2,765	(22)	
11	(3) Grant Assistance	10	10	-	
(616)	(4) Less: Recoverable from other appropriations	(34)	(18)	(16)	
(c) Crop Industry					
2,770	(1) Salaries and Employee Benefits	2,798	2,689	109	
553	(2) Other Expenditures	545	564	(19)	
(d) Agri-Resource					
3,581	(1) Salaries and Employee Benefits	3,313	3,150	163	
1,718	(2) Other Expenditures	1,388	1,142	246	5
1,500	(3) Manure Management Financial Assistance	1,150	267	883	6
(2,300)	(e) Less: Recoverable from Rural Economic Development Initiatives	(1,950)	(1,589)	(361)	7
21,671	Subtotal 03-4	20,458	18,774	1,684	

## Appendix A: Financial Information

### Manitoba Agriculture, Food and Rural Development

#### Expenditure Summary

for the fiscal year ended March 31, 2016 with comparative figures for the previous fiscal year (\$000s)

Estimate 2015/16	Appropriation	Actual 2015/16	Actual 2014/15	Increase/ (Decrease)	Expl. No.
<b>03-5 AGRI-FOOD AND RURAL ECONOMIC DEVELOPMENT</b>					
(a) Growing Opportunities Centres					
4,895	(1) Salaries and Employee Benefits	4,150	4,487	(337)	
1,315	(2) Other Expenditures	926	1,072	(146)	
300	(3) Grant Assistance	480	336	144	
(b) Rural Development					
2,353	(1) Salaries and Employee Benefits	2,041	2,003	38	
774	(2) Other Expenditures	550	580	(30)	
1,218	(3) Grant Assistance	1,192	976	216	
2,020	(c) Food Development Centre	2,020	2,003	17	
(d) Food and Agri-Product Processing					
2,237	(1) Salaries and Employee Benefits	1,869	1,778	91	
400	(2) Other Expenditures	285	309	(24)	
350	(3) Grant Assistance	30	227	(197)	
1,240	(e) Infrastructure Grants	1,113	187	926	8
396	(f) Rural Opportunities 4 Growth	181	220	(39)	
(6,476)	(g) Less: Recoverable from Rural Economic Development Initiatives	(5,483)	(4,475)	(1,008)	9
23,400	(h) Rural Economic Development Initiatives	24,349	23,042	1,307	
34,422	Subtotal 03-5	33,703	32,745	958	

## Appendix A: Financial Information

### Manitoba Agriculture, Food and Rural Development

### Expenditure Summary

for the fiscal year ended March 31, 2016 with comparative figures for the previous fiscal year (\$000s)

Estimate 2015/16	Appropriation	Actual 2015/16	Actual 2014/15	Increase/ (Decrease)	Expl. No.
<b>03-6 COSTS RELATED TO CAPITAL ASSETS</b>					
279	(a) Amortization Expense	266	261	5	
77	(b) Interest Expense	70	74	(4)	
356	Subtotal 03-6	336	335	1	
205,995	<b>TOTAL (PART A)</b>	178,175	213,722	(35,547)	
<b>PART B - CAPITAL INVESTMENT</b>					
<b>3. CAPITAL ASSETS</b>					
250	General Assets	148	244	(96)	
-	Land	-	445	(445)	10
250	<b>TOTAL (PART B)</b>	148	689	(541)	

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## Appendix A: Financial Information

### Manitoba Agriculture, Food and Rural Development

#### Expenditure Summary

for the fiscal year ended March 31, 2016 with comparative figures for the previous fiscal year (\$000s)

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#### **Explanations:**

1. The variance is mainly due to fewer grant proposals under Grain Innovation Hub Initiative in 2015/16.
2. The increase in Administration and Lending Costs is primarily the result of changes to loan provisions to reflect the risk associated with the loan portfolio.
3. *The variance in Wildlife Damage Compensation is mainly due to the increase in livestock prices and number of big game claims.*
4. Agricultural Income Stabilization reflects Manitoba's share of AgriStability and AgriInvest expenses. The variance is primarily related to a lower AgriStability payment forecast for 2015/16 attributed to an overall improvement in the forecasted 2015 farm operating margins compared to the forecasted 2014 margins and prior years' adjustments.
5. The variance in Agri-Resource's operating costs is primarily due to the one-time purchase of data probes and cables for the Ag Weather program in 2015/16.
6. The 2015/16 actual expenditure for Manure Management Financial Assistance Program is higher than the 2014/15 actual due to more projects being completed prior to end of construction season in 2015.
7. The variance in 2015/16 Rural Economic Development Initiative (REDI) recoveries is mainly due to the combined impact of the increase in costs associated with Food Processing and Meat Inspection Services and the Manure Management Financial Assistance Program.
8. The variance in Infrastructure Grants compared prior year is mainly due to the department's one-time 2015/16 contribution toward the Keystone Recreational Centre roof repair.
9. The variance in 2015/16 REDI recoveries is mainly due to increased costs associated with Infrastructure Grants, Rural Development and Food & Agri-Product Processing, partially offset by lower costs for Food Industry Development.
10. The variance represents the end of the Shoal Lake Agricultural Financial Assistance Program – Buy-Out program in 2014/15.

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**Appendix B  
Manitoba Agriculture, Food and Rural Development  
Reconciliation Statements**

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**Part A - Operating**

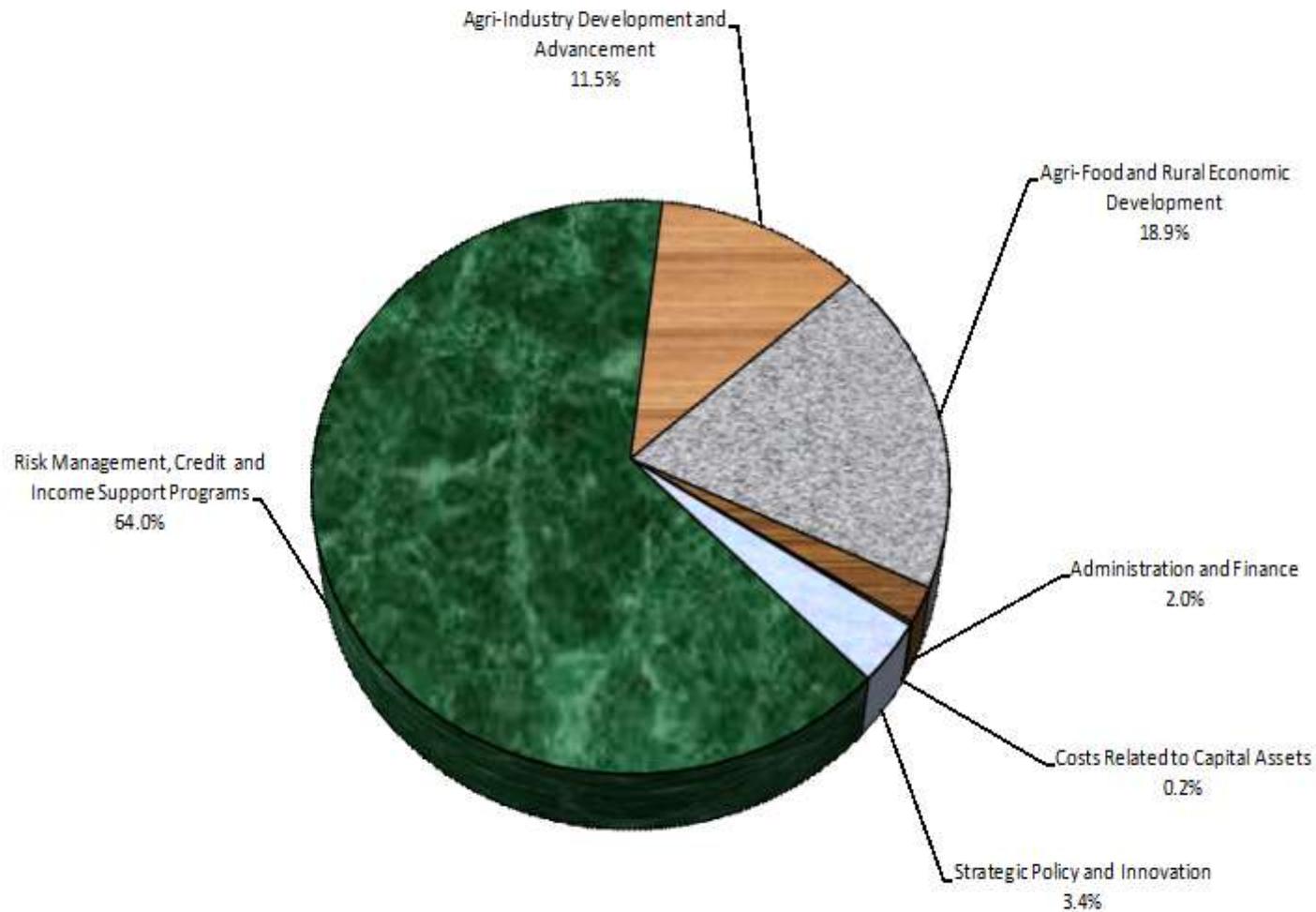
DETAILS	2015/16 ESTIMATES \$(000's)
<b>2015/16 MAIN ESTIMATES - PART A</b>  <b>Allocation of funds from:</b> - <b>Enabling Appropriations</b> <ul style="list-style-type: none"> <li>• Internal Service Adjustments</li> </ul>	203,995   2,000
<b>2015/16 ESTIMATES</b>	<b>205,995</b>

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**Part B - Capital Investment**

DETAILS	2015/16 ESTIMATES \$(000's)
<b>2015/16 MAIN ESTIMATES - PART B</b>  <b>Allocation of funds from:</b> - <b>Enabling Appropriations</b>	250   -
<b>2015/16 ESTIMATES</b>	<b>250</b>

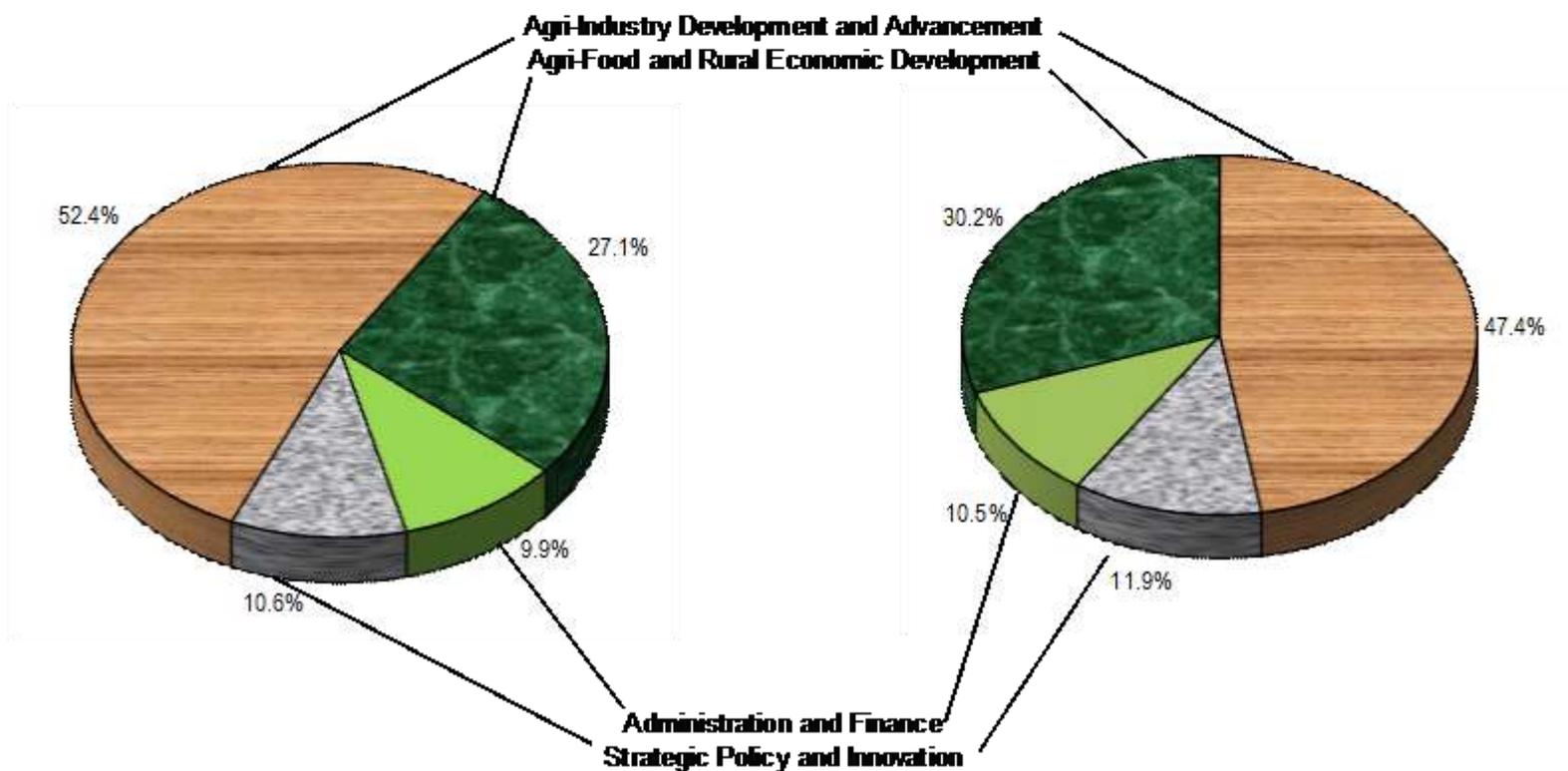
**Appendix C**  
**Manitoba Agriculture, Food and Rural Development**  
**Distribution by Main Appropriation**  
**2015/16 Actual Expenditures**



**Appendix D**  
**Manitoba Agriculture, Food and Rural Development**  
**Percentage Distribution of Salaries & Employee Benefits**  
**And Full Time Equivalents - 2015/16**

**Salaries & Benefits**

**Full Time Equivalents**



## Appendix E

### Manitoba Agriculture, Food and Rural Development

#### Revenue Summary

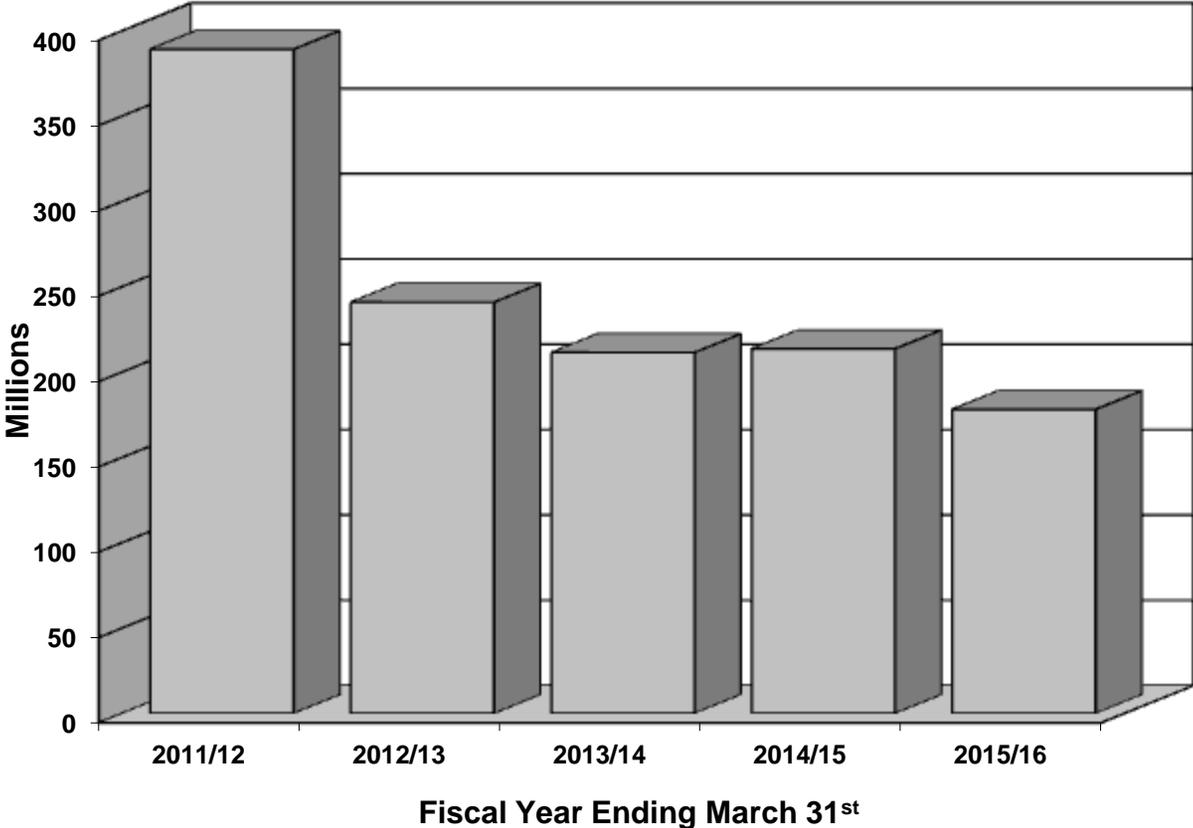
for the fiscal year ended March 31, 2016 with comparative figures for the previous fiscal year (\$000s)

Actual 2015/16	Actual 2014/15	Increase/ (Decrease)	Expl. No.		Actual 2015/16	Estimate 2015/16	Increase/ (Decrease)	Expl. No.
<b>CURRENT OPERATING PROGRAMS:</b>								
<b>Government of Canada:</b>								
-	3,342	(3,342)	1	Growing Forward 2 - Strategic Initiatives	-	-	-	
-	2,215	(2,215)	2	Agri-Recovery - 2014 Flood Programs	-	-	-	
39	(2)	41		Other Programs	39	50	(11)	
39	5,555	(5,516)		Sub-Total	39	50	(11)	
<b>Other Revenue:</b>								
3,234	3,763	(529)	3	(a) Fees	3,234	3,863	(629)	3
22	35	(13)		(b) Sundry	22	23	(1)	
3,256	3,798	(542)		Sub-Total	3,256	3,886	(630)	
3,295	9,353	(6,058)		Total Department Revenue	3,295	3,936	(641)	

#### Explanations:

- 1 The variance is mainly due to one-time federal support of provincial grants in 2014/15 under federal Growing Forward 2 – Strategic Initiatives.
- 2 The variance is related to the federal portion (60%) of an unanticipated 2014 AgriRecovery cost-shared program that provided financial assistance to agricultural producers affected by 2014 flooding.
- 3 The variance in fees revenue in 2015/16 is primarily due to volume decreases in Veterinary Diagnostic Services testing and Agricultural Crown Lands leases.

**Appendix F**  
**Manitoba Agriculture, Food and Rural Development**  
**Five Year Expenditure History**  
**For Years Ending March 31, 2012 to March 31, 2016**



## Appendix G

### Manitoba Agriculture, Food and Rural Development

#### Five Year Expenditure and Staffing Summary by Main Appropriation

for the fiscal years ending March 31, 2012 to March 31, 2016

Actual / *Adjusted Expenditures											
Main Appropriation	2011/12		2012/13		2013/14		2014/15		2015/16		
	FTEs	\$(000's)									
3-1 Administration and Finance	47.00	3,871	46.00	4,147	44.00	3,581	44.00	3,245	44.00	3,576	
3-2 Strategic Policy and Innovation	57.50	7,968	55.50	7,069	50.00	7,089	50.00	8,087	50.00	6,092	
3-3 Risk Management, Credit and Income Support Programs	-	322,476	-	176,313	-	148,187	-	150,536	-	114,010	
3-4 Agri-Industry Development and Advancement	211.23	27,805	228.23	26,538	199.00	21,745	199.00	18,774	199.00	20,458	
3-5 Agri-Food and Rural Economic Development	144.50	26,823	146.50	26,590	127.00	30,608	127.00	32,745	127.00	33,703	
3-6 Costs Related to Capital Assets	-	325	-	338	-	338	-	335	-	336	
<b>Total Departmental Appropriations</b>	<b>460.23</b>	<b>389,268</b>	<b>476.23</b>	<b>240,995</b>	<b>420.00</b>	<b>211,548</b>	<b>420.00</b>	<b>213,722</b>	<b>420.00</b>	<b>178,175</b>	

\* Figures have been adjusted to reflect historical data on a comparable basis during the years under review.

**APPENDIX H**  
**Statutory Responsibilities of the Minister of Agriculture, Food and Rural  
Development**

*The Agricultural Producers' Organization Funding Act*  
*The Manitoba Agricultural Services Corporation Act*  
*The Agricultural Societies Act*  
*The Department of Agriculture, Food and Rural Development Act*  
*The Agri-Food and Rural Development Council Act*  
*The Agrologists Act*  
*The Animal Care Act*  
*The Animal Diseases Act*  
*The Animal Liability Act*  
*The Bee Act*  
*The Cattle Producers Association Act*  
*The Community Development Bonds Act*  
*The Crown Lands Act* [section 1, subsection 7.2(2), clause 7.3(2)(c), sections 7.4 to 7.6 and 35; section 4, clauses 5(1)(f), (k) and (l), subsections 5(4), sections 6 and 6.1, clause 7(1)(d), subsections 7(2) to (6), section 7.1, subsections 7.3(1) and (3) to (5), section 10, subsection 13.1(1), sections 14, 16 to 18, 21, 22, subsection 23(3), section 24, subsections 25(1) and (2), and sections 26 to 34.1 insofar as they relate to the administration of Crown lands designated by the Minister of Conservation and Water Stewardship as agricultural Crown lands, including setting fees and rents and issuing work permits but excluding other dispositions]  
*The Dairy Act*  
*The Family Farm Protection Act*  
*The Farm and Food Awareness Act*  
*The Farm Income Assurance Plans Act*  
*The Farm Lands Ownership Act*  
*The Farm Machinery and Equipment Act*  
*The Farm Practices Protection Act*  
*The Farm Products Marketing Act*  
*The Food Safety Act*  
*The Fruit and Vegetable Sales Act*  
*The Horse Racing Commission Act*  
*The Income Tax Act* [sections 11.8 to 11.12]  
*The Land Rehabilitation Act*  
*The Livestock and Livestock Products Act*  
*The Livestock Industry Diversification Act*  
*The Milk Prices Review Act*  
*The Noxious Weeds Act*  
*The Organic Agricultural Products Act*  
*The Pesticides and Fertilizers Control Act*  
*The Plant Pests and Diseases Act*  
*The Property Tax and Insulation Assistance Act* [Part III.1, and section 1 and Part VI as they relate to subjects covered under Part III.1]  
*The Veterinary Medical Act*  
*The Veterinary Science Scholarship Fund Act*  
*The Veterinary Services Act*

*The Wildlife Act* [the portion of clause 89(e) that relates to compensation for damage to crops caused by wildlife as it pertains to big game and migratory waterfowl]  
*The Women's Institutes Act*

# APPENDIX I

## Performance Indicators 2015/16

### AGRICULTURE, FOOD & RURAL DEVELOPMENT

The following section provides information on key performance measures for the department for the 2015/16 reporting year. All Government of Manitoba departments include performance measures in their Annual Reports to complement the financial results and provide Manitobans with meaningful and useful information about government activities and their impact on the province and its citizens.

The department reports annually on eight performance indicators. These measures provide the public and the department with both a current snapshot and a trend of that performance measure over a set period of time. The information is important to the department as the indicators provide a high level view and further insight for the department as it undertakes programming and services.

What is being measured and using what indicator? (A)	Why is it important to measure this? (B)	Where are we starting from (baseline measurement)? (C)	What is the 2015/16 result (current year) or most recent available data? (D)	What is the trend over time? (E)	Comments /Recent Actions/Report Links(F)
Productivity change in selected crops, cattle and calves and hogs.	Increased productivity over time contributes to competitiveness and profitability of Manitoba agricultural producers as well as increasing food security for Manitobans.	2007-2011 Average  Five year average wheat yield (bushels/acre) in MB: 43.8  Five year average canola yield (bushels/acre) in MB: 32.9  Five year average grain corn yield (bushels/acre) in MB: 102.0  Five year average	2011 – 2015 Average  Five year average wheat yield (bushels/acre) in MB: 49.0  Five year average canola yield (bushels/acre) in MB: 34.5  Five year average grain corn yield (bushels/acre) in MB: 114.0  Five year average	Long term (30 year) trends have been toward increased yields for all four grain crops and for livestock.	Manitoba has seen record grain crop productivity recently. 2013 saw record yields for all four measured grain crops. 2015 saw the second highest yields on record. Ideal growing and harvest conditions were the drivers.

What is being measured and using what indicator? (A)	Why is it important to measure this? (B)	Where are we starting from (baseline measurement)? (C)	What is the 2015/16 result (current year) or most recent available data? (D)	What is the trend over time? (E)	Comments /Recent Actions/Report Links(F)
Producer action to identify and mitigate environmental risks in their farm operation.	Recognizing environmental risks and setting out a plan of action to mitigate risks is an important indicator of the capacity to produce in a sustainable manner.	<p>soybean yield (bushels/acre) in MB: 30.9</p> <p>Five-year average cattle and calves total card cash receipts \$470,475 (\$'000)</p> <p>Five year average hogs total farm cash receipts (FCR) \$793,645 (\$'000)</p> <p>2005/06 – 3,400 people attended workshops</p> <p>2005/06 – 1,317 environmental farm plans completed</p>	<p>soybean yield (bushels/acre) in MB: 33.8</p> <p>Five-year average cattle and calves total card cash receipts \$562,322 (\$'000)</p> <p>Five year average hogs total farm cash receipts \$1,001,015 (\$'000)</p> <p>2015/16 - 280 producers attended workshops</p> <p>In 2015/16, 116 environmental plans were completed with 190,389 acres assessed, which included 169,967 new acres and 20,422 existing acres.</p> <p>2015: \$4.02 billion</p>	Increasing new acres and updating previously assessed acres in program	<p>FCR's were record high for cattle and calves in Manitoba in 2015, followed by the second highest amount in 2014.</p> <p>Hog FCR's were record high in 2014 followed by the second highest amount in 2015.</p> <p>As of March 31, 2016, 6,344 Environmental Farm Plans (EFPs) covering more than 9.7 million acres of MB farmland have been completed. EFPs require updating every 5 years.</p>
The size and impact of the food and beverage manufacturing sector in Manitoba.	Total value of agri-food processing is an indicator of the additional value extracted from Manitoba-produced commodities. Additional processing in Manitoba (versus shipping raw	2008: \$3.72 billion	2015: \$4.02 billion	The rate of growth in the Manitoba food processing sector has declined slightly since record levels in 2013 (\$4.6 billion), although the sector is expected to grow by 2.4 percent this year and 2.2 percent in 2017 as	Food manufacturing is a highly productive (\$120,000 GDP/employee) and export intensive (53% of total sales) sector in Manitoba. The addition of new federal meat processing capacity is

**What is being measured and using what indicator?  
(A)**

**Why is it important to measure this?  
(B)**

commodities) creates jobs and additional wealth.

**Where are we starting from (baseline measurement)?  
(C)**

**What is the 2015/16 result (current year) or most recent available data?  
(D)**

**What is the trend over time?  
(E)**

predicted by the Conference Board of Canada. The rate of growth in the Manitoba food processing sector export has been higher than the Canadian average over the previous ten-year period. (8.4 percent in MB vs 6.7 percent in Canada). A depreciated Canadian dollar is expected to increase exports from Manitoba.

**Comments /Recent Actions/Report Links(F)**

expected to improve sector's manufacturing output. Recession and slow economic recovery in the U.S. saw exports decline from Manitoba, but exports have recently started to rebound as the U.S. economy has rebounded. Diversifying exports to other countries to reduce the reliance on the U.S. is key to continued growth in the food and agri-product processing sector. Global demand and popularity of healthy, local, organic and functional foods is an ongoing opportunity for Manitoba food processors. However, lower-cost foreign suppliers are a threat to Manitoba and Canadian processors in the world food market.

**What is being measured and using what indicator?  
(A)**

The size and impact of the bio-products sector in Manitoba. Value of annual sales of agri-product processing.

**Why is it important to measure this?  
(B)**

Total value of agri-product processing is an indicator of the additional value extracted from Manitoba-produced commodities. Additional processing in Manitoba (versus shipping raw commodities) creates jobs and additional wealth.

**Where are we starting from (baseline measurement)?  
(C)**

2010: \$1,000 million

**What is the 2015/16 result (current year) or most recent available data?  
(D)**

There are no recent statistics but it is believed sales have not significantly increased over 2010 levels.

**What is the trend over time?  
(E)**

The sector value measurement counts sales of industrial bioproducts made of biobased feedstock from agriculture, forestry and others (e.g. recycled wastes), as defined in the provincial strategy.

The agricultural part of the sector is stable with some growth in the biomass energy cluster as a result of favoring policies and programs, but the forestry part has seen closures of a couple of saw mills.

It is anticipated that ag-based bioproducts will continue to grow in coming years, with one fibre processing operation coming online soon and several others in the development.

**Comments /Recent Actions/Report Links(F)**

Statistics will be drawn from a national bioproduct survey planned for 2017.

What is being measured and using what indicator? (A)	Why is it important to measure this? (B)	Where are we starting from (baseline measurement)? (C)	What is the 2015/16 result (current year) or most recent available data? (D)	What is the trend over time? (E)	Comments /Recent Actions/Report Links(F)
Success in turning government support into commercial products and improvements.	Investments in research by government are aimed at seeing new or improved products developed that contribute to farm profitability, new products, competitiveness and additional economic activity.	<p>In 2013/14 provided the Food Development Centre (FDC) with funding of more than \$2 million for agrifood innovation, development and commercialization:</p> <ul style="list-style-type: none"> <li>▪ 5 new products produced in the pilot plant.</li> <li>▪ 19 new food products and ingredients created for retail or foodservice test marketing.</li> <li>▪ 131 nutrition labels for food products created.</li> <li>▪ 9 HACCP plans developed, 5 revised and 14 consultations.</li> </ul> <p>Total approved GF2 investments in innovation were \$7.65 million* in 2013/14 with total GF2 approved funding for all programs being more than \$12.7 million.</p>	<p>Continued support for FDC with funding of more than \$2 million for agrifood innovation, development and commercialization:</p> <ul style="list-style-type: none"> <li>▪ 10 new products were developed in the pilot plant.</li> <li>▪ 29 new food product and ingredient prototypes were created.</li> <li>▪ 339 nutrition labels for food products created.</li> <li>▪ 13 HACCP plans were developed.</li> </ul> <p>Total approved GF2 investments in innovation were \$49.73 million in 2015/16 with total GF2 approved funding for all programs being more than \$118.07 million.</p> <p>The Commercialization Support for Business (CSB) program</p>	<p>No trend yet established.</p> <p><i>Note: A lag time will exist between investment payouts and results.</i></p>	

What is being measured and using what indicator? (A)	Why is it important to measure this? (B)	Where are we starting from (baseline measurement)? (C)	What is the 2015/16 result (current year) or most recent available data? (D)	What is the trend over time? (E)	Comments /Recent Actions/Report Links(F)
The number of jobs by sector by economic region.	The number of jobs and the diversity of jobs are an indicator of economic stability and a region's ability to drive economic development	*Not including ARDI funding approval of \$3.2 million that occurred in 2014/15.  The Commercialization Support for Business (CSB) program funded investments totaling more than \$216,000 for rural and agribusinesses. Number of Jobs by Region 2014 Southeast 45,791 South Central 31,312 Southwest 62,377 North Central 23,105 Interlake 35,630 Parklands 19,294 Total 217,509	funded investments totaling \$1,186,750 for rural and agribusinesses in 2015/16.  Number of Jobs by Region 2015 Southeast 45,410 South Central 32,362 Southwest 62,487 North Central 22,432 Interlake 36,913 Parklands 19,011 Total 218,615	The number of jobs in rural Manitoba increased by 1,106 from 2014-2015  Total number of jobs in rural Manitoba is increasing, number of jobs in non-metropolitan influences zones (MIZ) either staying the same or increasing.	Baseline was in 2014 and as a result it is difficult to interpret any trends at this point in time.  (Further breakdown by sector is available)
The number and value of residential, commercial and industrial building permits by economic region in rural Manitoba	Building construction is an indicator of willingness from businesses, entrepreneurs or industry to invest in rural areas.	Construction and Industrial Building Permits by Region 2014 Current Dollars (000) unadjusted Southeast 29,948 South Central 33,643	Construction and Industrial Building Permits by Region 2015 Current Dollars (000) unadjusted Southeast 53,423 South Central 21,444	The total value of commercial and industrial building permits in rural Manitoba increased by \$32,657 in 2015 over 2014.	Baseline was in 2014 and as a result it is difficult to interpret any trends at this point in time.

What is being measured and using what indicator? (A)	Why is it important to measure this? (B)	Where are we starting from (baseline measurement)? (C)	What is the 2015/16 result (current year) or most recent available data? (D)	What is the trend over time? (E)	Comments /Recent Actions/Report Links(F)
The uptake of farm food safety programming by the sector.	This measurement shows a commitment to increase the safety of food and food products from the farm to the back door of the retailer, meeting the consumer demand for safe food. The ability of individual producers and entire sectors to compete in domestic and global markets is becoming more dependent on demonstrating that food safety practices are in place and are being followed.	In 2007, 6.3% of Manitoba operations had implemented on-farm food safety programs.	<p>In 2015, more than 10% of Manitoba farm operations have implemented on-farm food safety programs.</p> <p>By sector:</p> <ul style="list-style-type: none"> <li>▪ Chicken: 100%</li> <li>▪ Pigs: 100%</li> <li>▪ Eggs: 100%</li> <li>▪ Potatoes: 100%</li> <li>▪ Broiler Breeders: 100%</li> <li>▪ Turkey: 100%</li> <li>▪ Dairy: 100%</li> <li>▪ Small Fruit: 15%</li> <li>▪ Vegetables: 25%</li> <li>▪ Cattle: 7%</li> <li>▪ Grain: 0.25%</li> <li>▪ Sheep: 1%</li> </ul>	Increasing.	<p>3 of the 6 regions had growth while the other 3 experienced declines.</p> <p>The total value of construction in rural Manitoba increasing over time with some variability by region; depending upon the influence of other economic factors.</p>

Southwest 37,696  
North Central 22,041  
Interlake 24,440  
Parklands 16,232  
Total 164,000

Southwest 36,106  
North Central 21,135  
Interlake 36,808  
Parklands 27,741  
Total 196,657

## APPENDIX J

### ***The Public Interest Disclosure (Whistleblower Protection) Act***

*The Public Interest Disclosure (Whistleblower Protection) Act* came into effect in April 2007. This law gives employees a clear process for disclosing concerns about significant and serious matters (wrongdoing) in the Manitoba public service, and strengthens protection from reprisal. The act builds on protections already in place under other statutes, as well as collective bargaining rights, policies, practices and processes in the Manitoba public service.

Wrongdoing under the act may be: contravention of federal or provincial legislation; an act or omission that endangers public safety, public health or the environment; gross mismanagement; or, knowingly directing or counseling a person to commit a wrongdoing. The act is not intended to deal with routine operational or administrative matters.

A disclosure made by an employee in good faith, in accordance with the act, and with a reasonable belief that wrongdoing has been or is about to be committed is considered to be a disclosure under the act, whether or not the subject matter constitutes wrongdoing. All disclosures receive careful and thorough review to determine if action is required under the act, and must be reported in a department's annual report in accordance with section 18 of the act.

The following is a summary of disclosures received by Manitoba Agriculture, Food and Rural Development and the Food Development Centre for the fiscal year 2015/16:

<b>Information Required Annually (per Section 18 of The Act)</b>	<b>Fiscal Year 2015/2016</b>
The number of disclosures received, and the number acted on and not acted on. <i>Subsection 18(2)(a)</i>	<b>NIL</b>
The number of investigations commenced as a result of a disclosure. <i>Subsection 18(2)(b)</i>	<b>NIL</b>
In the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations or corrective actions taken in relation to the wrongdoing, or the reasons why no corrective action was taken. <i>Subsection 18(2)(c)</i>	<b>NIL</b>

## **APPENDIX K**

### **Sustainable Development Integration**

Under *The Sustainable Development Act*, each department is required to integrate into its annual report information about the progress of incorporating sustainable development into its activities.

The principles and guidelines of sustainable development as set out in the act are:

#### **Principles of sustainable development**

1. Integration of Environmental and Economic Decisions
2. Stewardship
3. Shared Responsibility and Understanding
4. Prevention
5. Conservation and Enhancement
6. Rehabilitation and Reclamation
7. Global Responsibility

#### **Guidelines of sustainable development**

1. Efficient Use of Resources
2. Public Participation
3. Access to Information
4. Integrated Decision Making and Planning
5. Waste Minimization and Substitution
6. Research and Innovation

To see the full *Sustainable Development Act* visit:  
[web2.gov.mb.ca/laws/statutes/ccsm/s270e.php](http://web2.gov.mb.ca/laws/statutes/ccsm/s270e.php)

MAFRD has a broad mandate to create the environment that accelerates rural economic development with a focus on the agriculture and food industries. Within that mandate, the department has four areas of focus; food and agri-product development, primary agriculture industry development, rural economic development and protection of human, animal and plant health. These areas of focus closely align with the principles and guidelines of sustainable development.

The department also has three goals:

- Grow the agri-processing sector in Manitoba
- Increase the capacity of communities and agricultural organizations to drive economic development at the community and industry levels
- Increase competitiveness, sustainability and adaptability of the agricultural industry

The following examples illustrate actions the department has taken in 2015/16 to support the principles and guidelines of sustainable development. For more details on the department's activities and results, please refer to Section 2, Part A of this annual report. This section is not meant to be a complete listing of all activities that relate to sustainable development, but is meant to give an idea of the scale of the department's activities.

## Landscape Management and Water Quality

In 2015/16, MAFRD had many programs, initiatives and actions that related to landscape management and water quality. Examples of these efforts include:

- Via participation on the board of Manitoba Livestock Manure Management Initiative (MLMMI), staff reviewed and approved the final report on the economics and effectiveness of treating liquid pig manure using air flotation and a belt filter press. Staff also reviewed and approved an applied research study on the effectiveness of 2-celled manure storage facilities at solid-liquid separation of manure under 3 different management scenarios. Results are expected in 2016/17.
- Via participation on the board of MLMMI, staff developed an RFP on the impact of fertilizer and manure application to tile drained land. Two proposals were approved for funding. Final reports are expected in 2016.
- Continued the development of a science-based land requirements calculator for new and expanding livestock operations in Manitoba.
- Reviewed and approved BMP projects under the Manure Management Financial Assistance Program (MMFAP): three increased manure storage (\$245,775) and 17 manure storage repairs (\$903,738) for a total of 20 projects at \$1.1 million in provincial funding.
- Updated crop fertility recommendations at annual Soil Fertility Advisory Committee meeting. Continued incorporation of the nutrient management strategy (4R's) into extension.
- Completed the Soil Survey Report for the RM of Langford and Elton. Completed RM of Whitehead and Daly field work and RM of Cornwallis description of soil series and attributes.
- Approved 17 Food Safety On Farm biosecurity projects for over \$43,800. There were 8 projects in apiculture, 12 in horticulture & grains/oilseeds.
- Community pasture lands (395,306 acres of agricultural Crown and rural municipality lands) will continue to be managed in an agriculturally sustainable and productive manner. Divesting community pasture lands while keeping a mandate to conserve and protect these lands via managed grazing.
- Staff provided forage production and program extension to clients on an ongoing basis. Program monitoring resulted in 6 forage leases (6,403 acres) and 1 cropping lease (118 acres) being cancelled due to compliance issues.
- The Crop Diagnostic School trained 509 producers, consultants and staff representing virtually all arable acres in MB. The Horticulture School trained 80 participants targeting smaller market gardeners and colonies. The Manitoba Agronomists Conference trained 412 participating farmer, agronomists and industry personnel.
- Launched a new On-Farm Water Management Functional Team to coordinate and support on-farm water management initiatives, knowledge and programming for the department.
- Promoted and delivered Growing Forward 2 (GF2) programming (Growing Assurance-Environment and Growing Assurance-Ecological Goods and Services) resulting in 78 applications to the programs.
- Contributed financial and technical support to the University of Manitoba Watershed Research Studies program via Growing Forward programming.
- An interdepartmental tile drainage task team which includes Conservation and Water Stewardship and Municipal Government was formed to coordinate planning and management decisions, policies and operating procedures across departments in regards to tile drainage.

- A research report titled *Subsurface Drainage as a Water Management Strategy: Adaptive, Economic, and Environmental Considerations* was completed by PAMI through GF2 funding. Staff continue to work with Conservation and Water Stewardship to improve drainage licensing for Manitoba producers.
- Reviewed and approved projects under the Growing Assurance Environment (GA-E) program: three extensive wintering of livestock, fourteen manure storage repair, two farmyard runoff control, three relocation of livestock, 12 extensive wintering of livestock, 13 on-farm fuel storage and three sanitation equipment for commercial manure applicators for a total of 50 BMP projects at \$343,992 in Growing Forward funding.
- Offered Environmental Farm Plan workshops through GF2 with a total of 280 farmers participating.
- Manitoba's Agriculture Risk Management Review Task Force was initiated to improve farmer's capacity to recover from impacts associated with the effects of changing climate events on agriculture. The final report was released in 2016.
- 172 research trials and demonstrations were conducted among four Diversification Centers

### **Innovation and Adaptation**

Research and innovation are important tools to improve the sustainability of agricultural production and value added processing. Examples of projects and activities that support the principles and guidelines of sustainable development include:

- Manitoba Beef Producers continued a 4-year more than \$3.1 million project to establish a field laboratory in Brandon and a demonstration farm north of Brandon on Brookdale Road. In 2015/16, demonstration and applied investigation projects were conducted focussed on developing better grazing techniques, reducing the impact of weed species, improving soil quality, improving forage production, testing pest management techniques, assessing the health of wetlands, testing the efficacy of energy dense forages, extending the winter grazing season and improving the productivity of marginal lands. Tours of Brandon and Brookdale sites with partners and producers were held July 2015 with 24 people attending. Presentations were given at eight events throughout 2015/16 to 850 attendees on the research and demonstration projects.
- Growing Forward 2 funded a total of nine projects for \$1.2 million over fiscal years 2015/16 to 2017/18 with total partner contribution of \$4.1 million. Projects funded accelerated innovation crops, livestock, food and stewardship of the resource base. Projects focused on: milk microbiome as a biomarker for reducing the risk of mastitis, plant growth promoting rhizobacteria to control head and root disease in cereals, modeling land use and climate influences on hydrologic characteristics of Assiniboine River, herbicide resistant weed surveys, non-GMO soybean development and prairie cordgrass as a biomass feedstock for Manitoba.
- Growing Forward 2 awarded \$1.7 million to support functional food and natural health product development. Projects addressed the effect of dietary flaxseed on kidney function, development of self-disinfecting food processing surfaces, and wellness products for weight management. Manitoba Agri-Health Research Network (MAHRN) received \$396,000 to characterize crop (Buckwheat, pinto beans, canola, carrots, Saskatoon Berry, oats) and dairy products produced in Manitoba for their role in the management of pre-diabetes symptoms. MAHRN also received funding of \$200,000 to develop feed ingredients to enhance the health and productivity of livestock and companion animals and to develop functional foods of animal origin, including meat, eggs and milk. Projects completed in 2015/16 characterized the effect of grain rations on

flavour of pork, produced a novel grain based companion animal food that delivers a dental care bioactive ingredient and evaluated eight grain based co-stream products when delivered through dairy products.

- MAHRN continued to market products under the trademark Canadian Climate Change Advantage and continued NuEats a company that supports the commercialization of food products, food ingredients and technology developed by the MAHRN cluster. MAHRN continued to demonstrate the health attributes of local cold-press canola oil to the retail and food service industries. MAHRN continued a partnership with the physician-owned U.S. company StepOne Foods resulting in the translation of known therapeutic benefits of flax into a commercial treatment for pre-diabetes patients and heart patients intolerant to statin drugs. Clinical trials for the latter are being conducted at the Mayo Clinic. MAHRN continued the “Taste the Innovation” theme to promote functional foods through its website, trade show display and investor showcases.
- Life Sciences Association of Manitoba (LSAM) continued to operate on a five year (2013/14-2017/18) grant of \$750,000 to promote the development of the agricultural and industrial biotechnology industry including biomaterials, bioenergy, plant and animal health and functional food. Growth in these businesses compliments the existing \$900.0 million life sciences sector in Manitoba with its 7,700 employees. LSAM led the hosting of National Biotechnology Week and promoted Manitoba businesses at BIO World Congress. Training focused on market intelligence, marketing strategies and preparing funding applications.
- Assisted Prairie Agricultural Machinery Institute (PAMI) with an annual grant of \$333,000 to support economic development in agriculture by providing applied research, testing and evaluation services to producers. In addition to the operating grant, PAMI was awarded \$571,400 in Growing Forward 2 funding to support hemp fibre processing, air flow characteristics in large grain storage bins, support tools for consolidation of on-farm surface water, flax fibre harvesting, combine efficiencies harvesting soybeans, canola straight cut, operation of anaerobic digester at a dairy farm, biomass energy logistics, biomass fired grain dryer, biomass and biomass boiler optimization. One hundred and ninety jobs were created and maintained in Manitoba and Saskatchewan through PAMI activities.
- The Manitoba Corn Initiative funded through the Grain Innovation Hub 2014/15 continued to test genotypes at six locations in Manitoba with the goal of developing corn hybrids with early maturity and rapid dry-down. Screening of genotypes is a collaborative partnership with Agriculture and Agri-Food Canada. The project also continues to identify and characterize bacterial populations of Goss’s wilt.
- Composite Innovation Centre continued to operate under a four year grant (2014/15 – 2017/18) GF2 grant of \$1.4 million to implement phase two of BioNet Manitoba, a multi-partner initiative to develop biomaterials based on Manitoba grown renewable agricultural fibres and resins.
- The Manitoba Biomass Energy Support Program approved 13 capital projects for \$545,630 and eight research and development projects totalling \$452,650. With two capital projects withdrew and another adjusted for a lesser amount, 11 capital projects were funded for total \$444,106. The amount paid for the 8 R&D projects remains \$452,650 Research projects studied biomass logistics, grain dryer and boiler optimization, biofuel waste as a soil amendment, integration of biomass energy systems.
- Involved in the development of the Manitoba Climate Atlas led by University of Winnipeg and IISD, which is a set of accessible, easy-to-understand data, based and calculated on past trends and future probabilities.

- Thirty-four new crop varieties were tested under the Manitoba Crop Variety Team program. Agronomic and quality data that was published in Seed Manitoba 2016 assisted producers in selecting varieties best adapted to their growing region.

### **Protection of Plant, Animal and Human Health**

The department plays a lead role in animal health and welfare protection as well as in food safety and meat inspection. These activities support the need for protecting the health of Manitobans and the province's responsibility to contribute to human and animal health protection as a member of the global community.

The department contributed to biosecurity and plant, animal and human health by:

- The One Health Steering Committee advanced the cross-departmental efforts on a variety of important issues pertaining to human and animal health and welfare:
  - The Rabies Working Group collected risk assessments for all reported suspect rabies exposures and collected 166 samples for rabies testing, 32 samples tested positive requiring post-exposure management. A full-time operations veterinarian was hired as well as two full-time field technical staff were hired to assist with One Health programs (1 based in the west and one in the east). To improve response capacity two sample collector training sessions were held, one in the North (19 sample collectors trained) and one in the West (10 sample collectors trained). To evaluate the program's perceived effectiveness, surveys were administered to stakeholder groups and a comprehensive program evaluation is on-going. Training materials for veterinary clinics have been developed.
  - The inaugural International One Welfare Conference is being held in Winnipeg in September 2016 and is co-chaired by the department.
  - The Hoarding and Related Disorders working group conducted an assessment of anti-hoarding programs available in Manitoba address the gaps in services with on-going analysis happening.
- Conducted 129,217 tests (annual record) of which 111,723 were designated for food animals.
- Conducted 3,799 salmonella screening tests and provided technical expertise and testing capabilities to support the provincial meat inspection program.
- Manitoba Canola Growers Association partnered with the department to increase surveillance and diagnostic capability for clubroot through establishment of the Pest Surveillance Initiative (PSI). In 2015/16, 805 soil samples were analyzed, with 160 positives detected at quantifiable levels.
- In partnership with Sweetridge Farms, Manitoba Hydro and Prairie Agriculture Machinery Institute (PAMI), the feasibility of a full-scale, on-farm dairy manure anaerobic digester is being evaluated.
- In collaboration with the Dairy Farmers of Manitoba, initiated data collection on liquid dairy manure production rates.
- In 2015, the Province of Manitoba, Fertilizer Canada and Keystone Agricultural Producers signed their second 4R Nutrient Stewardship Memorandum of Understanding. The agreement formalizes a joint commitment to support agricultural production and environmental protection by promoting sound fertilizer use.
- Biosecurity training was provided for provincial Animal Protection Officers and livestock specialists at events held in Winnipeg and Brandon. Biosecurity standards were discussed with Manitoba Hydro and Manitoba Conservation and Water Stewardship.
- Developed and conducted biosecurity audits for three abattoirs and performed

biosecurity assessments at five assembly yards and auction marts. The extension veterinarian also participated in the National Avian Biosecurity Advisory Council.

- A surveillance project developed in cooperation with MPC to monitor high traffic sites such as slaughter plants and assembly yards for Porcine Epidemic Diarrhea virus (PEDv) received \$413,000 of GF2 funding. Over 115 biosecurity projects with swine producers received \$750,000 in 2015/16.
- Led the Department through concluding amendments to *The Animal Diseases Act* (S.M. 2015 c. 18, formerly Bill 71). The amendments received royal assent on June 30, 2015. The amendments establish authority for the department to act in a proactive manner to deal with activities, practices or behaviours that may create risk to the health and safety of animals and the public, or that may promote the outbreak or spread of disease.
- The Dairy Act Regulation was amended and split into two regulations. The Dairy Farms Regulation supports the devolution of dairy farm inspection from the province to DFM and the Dairy Regulation, which deals with compositional standards and is being reviewed to ensure it is consistent with federal standards.
- With GF2 funding of \$400,000 for an on-farm evaluation of loose sow housing was conducted as part of the National Sow Housing Conversion Project. The updated national Code of Practice recommends that all newly built sow barns after July 1, 2014 be loose sow and all sows and gilts after 2024, regardless of barn age, be loose sow housed.
- The CVO conducted 17 investigations into confirmed or suspect diseases on 21 Manitoba livestock or poultry premises in 2015. The investigations included over 54 additional premises linked to the primary premises through contact or proximity. The majority of the investigations were related to Porcine Epidemic Diarrhea (PED), *Salmonella Enteritidis* (SE) and Anthrax. 2 of the 4 positive SE cases were linked to a Western Canadian wide SE outbreak in small farm flocks and commercial poultry operations. The outbreak included 62 human cases in Western Canada including 1 in Manitoba. Additionally, an investigation was conducted into the potential exposure of the Manitoba food animal populations to Seneca valley virus, an emerging disease that has clinical signs similar to Foot and Mouth disease. Three high traffic swine sites were confirmed positive for the virus. Finally, 2015 included the completion of the PED investigations from 2014. By the fall of 2015 all 5 previously positive swine herds had achieved presumptive negative status for PED. Two case reports relative to the PED outbreak are under review.

## **Rural Economic Development and Industry Capacity**

An important principle of community economic development is the capacity of people and organizations to plan for their future, take necessary steps to achieve their vision and adapt to change. The department helped community leaders, communities and organizations in a number of ways to build this capacity:

- Worked with First Nations clients on the development of an eco-certified fish market and opening of a fish shed on a First Nation, bison strategic plan.
- Maintained agricultural use on Crown land in the Shoal Lakes region through the utilization of 43 casual permits applied across approximately 20,000 acres.
- Growing Forward 2 Growing Innovation - Capacity and Knowledge Development awarded Brandon University Rural Development Initiative \$181,900 over fiscal years 2015/16 – 2016/17 to conduct research to identify and address systemic barriers to rural innovation and commercialization in the Manitoba agri-food industry with the goal of

improving the capacity in organizations of Southwestern Manitoba.

- A pilot project “Building Capacity” economic development training initiative was completed, reaching 40 economic development offices and municipal councillors in five topic areas.
- Rural community foundations received information on and administrative support through the Winnipeg Foundation which was enabled by the department.
- Stakeholders involved in rural economic development came together to create a rural economic development strategy for further discussion.
- Over 20 community planning and discussion sessions were held with rural economic development organizations and municipal councils.

### **Responsible Use of Resources and Transparency**

The department is committed to using departmental resources responsibly throughout its divisions and branches. Examples of this commitment include:

- Used video conferencing and/or webinars for presentations, group meetings, and training to minimize travel costs, travel time and CO<sub>2</sub> emissions.
- Updated and reorganized the MAFRD website with rural development tools to create easy access to resources like the CED Tax Credit program.
- Maintained a strong internal comptrollership framework to ensure the efficient and effective use of the resources entrusted to it.

## APPENDIX L

### The Farm Machinery and Equipment Act Fund

Section 55(8) of *The Farm Machinery and Equipment Act* directs that a financial statement of the Farm Machinery and Equipment Fund should be prepared and included in the annual report of the department. Section 11 of the regulations to the Act states the fiscal year of the fund is January 1, to December 31 of each year.

For more information on the Act please visit  
<http://web2.gov.mb.ca/laws/statutes/ccsm/f040e.php> .

The Farm Machinery and Equipment Act Fund  
 Statement of Account  
 (Unaudited)  
 For the Year Ended December 31, 2015

	2015	2014
Balance, beginning of year	\$544,269.48	\$539,521.86
Interest earned	\$3,059.46	\$4,747.62
Deposits	-	-
Claims and disbursements	-	-
Change during the year	<u>\$3,059.46</u>	<u>\$4,747.62</u>
Balance, end of year	<u><u>\$547,328.94</u></u>	<u><u>\$544,269.48</u></u>