

AGRI-FUTURES NOVA SCOTIA

ANNUAL REPORT

2005 - 2006

Agri-Futures is a non-profit Association registered in Nova Scotia. Its membership is the Council of Leaders of the Nova Scotia Federation of Agriculture. Ten directors are appointed by the membership to conduct the business of the Association. In addition, Agriculture and Agri-Food Canada and the Nova Scotia Department of Agriculture and Fisheries each appoint an *ex officio* member to the Board. The sole mandate of the Association is to administer the CARD funds and ACAAf funds allocated to the province. As Agriculture and Agri-Food Canada is the only provider of those funds, it sets out general guidelines under which the Association must conduct its business.

Activity to August 31, 2006

In the past year, a total of thirteen Board meetings were held, of which seven were conference calls and the remainder face to face. In addition, the Chair and the Executive Director attended meetings regarding ACAAf policies and issues in Ottawa and Charlottetown. The Executive Director also attended a policy meeting in Saskatoon and represented Agri-Futures Nova Scotia at Agrifest 2006.

As of August 31, 2006, a total of \$3,059,235.35 had been received under the ACAAf program, including \$148,922.53 received under Biofuels Opportunities for Producers Initiative (BOPI) funding. Of the total received, \$2,612,259.09 had been paid or committed to a total of 75 projects out of a total of 111 applications received.

During the year, two additional projects were transferred from the ACAAf program and approved for support under CARD, adding a commitment of \$25,500.

At year end, 33 CARD projects remained to be completed. The commitment to these projects was \$916,532. Total CARD assets, consisting of cash and investments, was \$927,524, giving a cash surplus of \$11,010. During the

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Shelley Manning
Ex Officio

Rick Williams
Executive Director

year, \$376,800 was paid on projects. The total administration costs for the CARD program was \$20,077.

A summary of approved projects is presented in Appendix I for ACAAf projects and in Appendix II for CARD projects. A summary of activity under the ACAAf and CARD programs is provided under Appendix III and Appendix IV, respectively.

Appendix I: ACAAf Projects Approved during 2005-2006

NS003I—Industry Development Officer: Pork Nova Scotia hired a person to facilitate the development of the Nova Scotia swine industry through building market chain relationships with processors, feed, retail, and the food service sectors.

Total Cost: \$69,500 AFNS Funds: \$65,000

NS0037CO/NB0010CO—Atlantic Grain Development Strategy: The Atlantic Grains Council will evaluate the economic potential of higher value grain crops.

Total Cost: \$571,438 Total ACAAf Funds: \$144,972 AFNS Funds: \$34,398

NS0038—Dairy Focus 2006 — Taking It to the Next Level: Skills to Help You Succeed: The Dairy Farmers of Nova Scotia hosted a conference to help improve industry business skills. AgriFutures Nova Scotia supported speaker costs.

Total Cost \$70,113 AFNS Funds: \$4,000

NS0040—Understanding the Assessment of Farm Property: The Nova Scotia Federation of Agriculture will determine the accuracy of current farm tax assessments. In addition, it will develop a resource for farm businesses that will enable them to determine if their property assessment is fair and also provide instructions on the appeal process.

Total Cost: \$24,966 AFNS Funds: \$14,966

NS0041—First International Organic Apple and Pear Symposium: The Organic Agriculture Centre of Canada hosted a conference to create, both in Nova Scotia and internationally, an awareness of the market potential for organic apple products and of realistic production prospects.

Total Cost \$20,296 AFNS Funds: \$4,650

NS0042—Lamb Grading & Nutrition Workshop: The Sheep Producers Association of Nova Scotia held a two day workshop, encompassing both carcass

grading and sheep nutrition. It included a live lamb condition assessment, carcass grading clinic, and a forage judging workshop.

Total Cost: \$18,540 AFNS Funds: \$2,756

NS0043CO—Prevention of Necrotic Enteritis In Broilers with Beta-glucan & Mannan Extracts: The Atlantic Poultry Research Institute will determine whether alternatives to antibiotics may be used to improve growth and health in broiler chickens. Beta-glucans, which are made from yeast cell walls, have shown some promise as a feed additive by strengthening the immune system of chickens. Mannans coat the intestinal wall, thereby denying pathogens a site to colonize.

Total Cost: \$129,332 Total ACAAF Funds: \$54,512 AFNS Funds: \$24,313

NS0044CO/PE0028CO—Pork Industry Value Chain: New Market Opportunities for Atlantic Canada: The Atlantic Swine Research Partnership will conduct strategic business planning to determine the optimum product type and market for the Maritime pork industry.

Total Cost: \$231,000 Total ACAAF Funds: \$122,500 AFNS Funds: \$40,970

N50045CO/NB0022CO—Independent Organic Inspector Training—Building the Capacity of Atlantic Canada’s Organic Sector: The Falls Brook Centre in New Brunswick trained organic inspectors to increase the throughput of organic product to the market; lack of inspectors currently limits organic product availability.

Total Cost: \$45,400 Total ACAAF Funds: \$10,160 AFNS Funds: \$4,368

NS0046—Building Food Safety & Bio-Security into Agriculture: AgraPoint conducted a workshop to educate agricultural producers on the importance of good bio-security and to increase the understanding of concepts behind on-farm food safety.

Total Cost: \$27,656 AFNS Funds: \$4,460

NS0047CO—Atlantic Regional Conference on Value Chains: The Nova Scotia Federation of Agriculture coordinated a conference to provide the Atlantic industry with an opportunity to learn about the value chain approach to markets and the benefits this new approach may have for their businesses.

Total Cost: \$109,573 Total ACAAF Funds: \$30,000 AFNS Funds: \$10,200

NS0048CO—Agro-informatics—Developing in Silico Solutions for Knowledge Discovery, Knowledge Management, & providing Decision Making Tools and Systems for the Carrot Industry: Oxford Frozen Foods Ltd. will develop a

computer based optimization function to determine greatest economic return for carrot production, taking into account the significant economic, production, environmental, and food safety variables that can influence the value of the carrot crop both pre- and post-harvest.

Total Cost \$441,000 Total ACAAF Funds: \$176,000 AFNS Funds: \$160,506

NS0049CO—Maritime Beef Strategy Workshop: A workshop was held to explore greater cooperation and coordination among the three Maritime beef producer organizations

Total Cost: \$19,800 Total ACAAF Funds: \$13,227 AFNS Funds: \$4,613

NS0050—Nova Scotia Mink Breeders Association Marketing Plan: The NS Mink Breeders Association will pursue the development of a marketing plan for fur with a view to providing a stable funding regime for the industry

Total Cost: \$56,000 AFNS Funds: \$22,500

NS0051CO/NB0023CO—Atlantic Agricultural Leadership Development: The Agricultural Leadership Program was provided with core funding to run an ongoing educational program for leadership skills in the Atlantic agricultural sector.

Total Cost: \$545,000 Total ACAAF Funds: \$260,000 AFNS Funds: \$65,000

NS0052—Agri-fest 2006: AgraPoint managed a large educational site, for the farm and non-farm community, showcasing agricultural technology and providing hundreds of field and horticultural crop trials and demonstration plots.

Total Cost: \$572,300 AFNS Funds: \$45,000

NS0053—Christmas Tree Council of Nova Scotia CIC 200 Test Project: An additive commonly used in the grocery and cut flower business was tested to see if needle retention in Christmas trees could be enhanced.

Total Cost: \$18,335 AFNS Funds: \$2,000

NS0054—Great Lakes Fruit, Vegetable and Farm Market Expo - Data Gathering: A representative from the NS Fruit Growers travelled to a fruit and horticultural trade show in Michigan to learn how to improve and modernize the NSFGA convention for the benefit of the membership.

Total Cost: \$2,959 AFNS Funds: \$1,120

NS0055CO—Evaluating Low Cost Geo-textile Tube Technology for Hog

Manure Management: The Atlantic Swine Research Partnership will test fabric tubes to dewater swine manure.

Total Cost: \$114,500 Total ACAA Funds: \$45,500 AFNS Funds: \$30,500

NS0056—Whole Farm Model Development for the Nova Scotia Beef Industry: Nova Scotia Cattle Producers will develop a computer model to determine the optimal beef production system(s) for the Maritime region.

Total Cost: \$49,200 AFNS Funds: \$17,700

NS0058—ACORN Organic Conference—Organic Prosperity Rooted in Community: The Atlantic Organic Regional Network hosted an organic conference. Agri-Futures Nova Scotia supported speaker cost.

Total Cost: \$57,378 AFNS Funds: \$6,000

NS0059—The W. I. Buy Local Challenge: The Women's Institutes of Nova Scotia will undertake a survey of consumer attitudes towards locally produced food.

Total Cost: \$23,100 AFNS Funds: \$7,350

NS0061—Nova Scotia Horticultural Congress: The Changing Face of Agriculture: AgriFutures Nova Scotia support speaker costs at the 2006 Nova Scotia Horticultural Congress.

Total Cost: \$34,095 AFNS Funds: \$5,490

NS0062CO— Evaluation of Orchard & Post Harvest Factors that Promote Consistent Annual Production of High Quality HoneyCrisp Apples: The N.S. Fruit Growers Association will coordinate a group of producers, industry experts and scientists investigating production, harvest and storage factors that affect the quality, size, and colour of HoneyCrisp apples.

Total Cost: \$338,388 Total ACAA Funds: \$201,734 AFNS Funds: \$199,034

NS0063—Organics in Cape Breton: The Atlantic Organic Regional Network hosted a seminar in Cape Breton to acquaint organic growers with the new Federal organic certification standards.

Total Cost: \$3,351 AFNS Funds: \$359

NS0065—Developing Breeding Strategies for Scrapie Resistance in Nova Scotia Sheep Flocks: The Purebred Sheep Breeders Association of Nova Scotia will build upon a previous project, CARD 284, which identified genetic scrapie resistance

using a three codon evaluation. It is thought that widening the genetic evaluation to seven codons will help breeders retain economically productive traits while enhancing scrapie resistance.

Total Cost \$96,303 AFNS Funds: \$35,856

NS0066—Use of the Corn Stalk Nitrate Test in Nova Scotia: The Soils & Crops Improvement Association of Nova Scotia will measure nitrate residues in corn stalks at the end of the growing season to assess whether nitrogen fertilizer levels for optimum plant growth have been excessive, adequate, or deficient.

Total Cost: \$133,000 AFNS Funds: \$39,500

NS0069—Speaker Costs Annual General Meeting: This project funded two guest speakers at the annual general meeting of the Exhibitions Association of Nova Scotia on the topics of limiting the public's exposure to pathogens at farm fairs and exhibitions and improving the quality and presentation of agricultural fairs and exhibitions.

Total Cost: \$3,189 AFNS Funds: \$2,791

NS0071— Making Money Producing Milk: Atlantic Dairy Atlantic Dairy Livestock Improvement Corporation held two one day seminars that helped producers analyse their dairy farm management practices.

Total Cost: \$4,562 AFNS Funds: \$2,351

NS0072CO/NB0039CO—Atlantic Cranberry Management Course 2006: The New Brunswick Cranberry Growers Association held a seminar to improve management skills of growers in order to help producers offset the reduced prices received by cranberry producers in recent years and to interest the industry in cranberry processing and other value added uses of the commodity.

Total Cost: \$ 64,117 Total ACAAF Funds: \$34,992 AFNS Funds: \$8,748

NS0073CO/NB0042CO—ADLIC repositioning project: The Atlantic Dairy Livestock Improvement Corporation engaged in a strategic business planning project to determine future business prospects and what courses of action should be taken.

Total Cost: \$94,656 Total ACAAF Funds: \$75,000 AFNS Funds: \$28,200

NS0074CO/NB0046CO—Development of A Grenhouse Gas Calculator for Dairy Farms: The National Agriculture Greenhouse Gas Management Institute will field test an information collection system used to estimate greenhouse gases emitted

by dairy operations.

Total Cost: \$196,000 Total ACAAF Funds: \$113,374 AFNS Funds: \$39,707

NS0076CO/ON0204C0—Functional Foods: Emerging Markets for Livestock Conference: This conference examined the prospects for functional foods derived from animal based proteins.

Total Cost: \$84,500 Total ACAAF Funds: \$44,225 AFNS Funds: \$3,317

NS0077CO/QPOO14CO—Developing a Mixed Hedgerow to Establish and Maintain Pest Control Agents in Apple Orchards: The Club agroenvironnemental de l'Estrie will use native plants of three distinct heights to promote growth of biological controls for insect predation in apple orchards

Total Cost: \$274,480 Total ACAAF Funds: \$100,000 AFNS Funds: \$5,000

NS0079—Sharing Knowledge on Agriculture in Atlantic Canada: Integrating Scientific and Social Perspectives: A three day conference was held in Mabou, Cape Breton for the presentation of research papers on the scientific and social aspects of rural life. The project funded keynote speaker costs.

Total Cost: \$49,590 AFNS Funds: \$3,980

NS0082—Plasti-culture Techniques for Early Fresh Market Potato Production: The Nova Scotia Potato Marketing Board was supported in a third year extension to a project, originally funded under another program, to determine appropriate timing of plastic cover installation and removal on “early to market” new potatoes

Total Cost \$22,300 AFNS Funds: \$13,400

NS0083—Maple Industry Strategic Planning and Technology Exchange: This project, coordinated by the Maple Producers' Association of Nova Scotia, will fund a cost of production study; development of a code of practice; speaker expenses at the AGM; and transportation and registration costs for sending two delegates to a conference.

Total Cost: \$17,860 AFNS Funds: \$6,555

NS00S5CO/QP0018CO—Developing Response Strategies Against Powdery Mildew: The Association des producteurs de fraises et de framboises du Quebec will develop a prediction system and fungicide application protocols for powdery mildew in strawberries.

Total Cost: \$631,750 Total ACAAF Funds: \$100,000 AFNS Funds: \$10,000

NS0087—Identification and Management of High Risk Agricultural Pollutant Sources in the LaHave River Watershed: The Lunenburg / Queens Federation of Agriculture will conduct a three year study to identify and mitigate agricultural sources of pollution in the LaHave River Watershed.

Total Cost: \$108,000 AFNS Funds: \$60,000

NS0088—Agricultural Bio-energy Farmer Workshop and Policy Forum: The Soils & Crops Improvement Association of Nova Scotia held an information and policy conference on agricultural bio-energy.

Total Cost: \$16,900 AFNS Funds: \$8,150

NS0089CO/QP0016CO—Experimentation and Installation of the Forest/Blueberry production model: The Centre de recherche et de developpement en agriculture d'Alma will study the effects of various widths of windbreaks in blueberry fields on significant production variables such as pollination and overall yield.

Total Cost: \$381,016 Total ACAAF Funds: \$145,583 AFNS Funds: \$29,636

NS0090CO/NL0039CO—Non-chemical Methods for Chinch Bug Control: The Newfoundland and Labrador Horticultural Producers Council will conduct a three year collective outcome project exploring the use of endophytes and sod vacuuming to reduce the populations of a destructive pest of turf grass.

Total Cost: \$383,572 Total ACAAF Funds: \$248,813 AFNS Funds: \$27,211

NS0091CO/NB0059CO— Atlantic Wheat Traceability: The Atlantic Grain Council will test the efficacy of HACCP and identity preservation protocols in the Maritime region using milling wheat for the test commodity.

Total Cost \$336,500 Total ACAAF Funds: \$96,120 AFNS Funds: \$12,496

NS0092CO— Integrated Pest Management Strategies for Powdery Mildew and Other Foliar Diseases: This is a potential collective outcome project which will investigate fungicidal and nutritional control of powdery mildew, gloeocercospora and valdensinia leaf diseases of blueberry plants.

Total Cost: \$249,407 Total ACAAF Funds: \$81,597 AFNS Funds: \$23,148

NS0094—Development of Environmental Law Resource Materials: The NS Federation of Agriculture will have an on line legal resource developed to keep

producers up to date and aware of changes in environmental law, regulations, and relevant common law court decisions.

Total Cost: \$65,944 AFNS Funds: \$27,090

NS00S5CO/PE0070CO—On Farm Adaptation Evaluations of Vegetable Crop Cultivars to Promote Faster Evaluation and Adoption By Producers to Meet Market Demands: The PEI Horticultural Association will evaluate vegetable cultivars in on-farm trials on PEI. It is expected project results will be applicable to parts of Cape Breton and northern Nova Scotia.

Total Cost: \$311,700 Total ACAAF Funds: \$144,060 AFNS Funds: \$30,870

NS0097—2006 Producer Information Program: The Farmers' Markets of N.S. Cooperative will develop four producer information modules to help producers better utilize farmers' markets for product marketing, and will also develop an online database for member markets which will detail what produce is available from which vendors at which market locations to better inform consumer clientele.

Total Cost: \$53,330 AFNS Funds: \$21,686

NS0098—Cold Hardening of Christmas Trees: The Christmas Tree Council of Nova Scotia will experiment with two treatments designed to extend needle retention in Christmas trees. Trees will first be subjected to cold temperatures to determine the degree to which cold hardening extends needle life. If this proves successful, the chemicals and compounds the Christmas trees produce in response to cold-hardening, will be isolated and used in other trees to see if these compounds will induce needle retention in non-cold hardened trees.

Total Cost: \$15,100 AFNS Funds: \$2,000

NS0099CO—Maritime Beef Conference, Value Recovery and Profit in Maritime Beef Production: This was a two day conference with topics of interest to the beef industry, a project of the Maritime Beef Council.

Total Cost \$49,375 Total ACAAF Funds: \$15,325 AFNS Funds: \$5,108

Please note: The letters CO stand for collective outcome projects, in which more than one provincial ACAAF council is involved with funding. Where two numbers with CO are shown, such as NS0095CO/PE0070CO, the second number reflects the ACAAF council managing the project, in this case PEI. Where only a Nova Scotia number followed by a CO is shown, such as such NS0055CO, it means Agri-Futures Nova Scotia is the lead council. Until all potential partners in a collective outcome project have been heard from, the level of commitment by the parties may vary, as more partners join a project. Also, figures shown for collective outcome (CO)

projects do not reflect the amounts received back from AAFC; thus if a CO project shows a commitment of \$65,000 as in NS005ICO, Agri-Futures Nova Scotia will receive half of that back from AAFC. Changes in project totals and commitments since year end are reflected in the preceding.

Appendix II: CARD Projects Approved during 2005 - 2006

CARD Project 399 - Harvest Festival: The Nova Scotia Federation of Agriculture, in cooperation with the Ecology Action Centre and fourteen producers, participated in the 2005 Harvest Festival in downtown Halifax. The Festival promoted consumption of locally grown food products and highlighted the benefit this accrues to consumers, producers and the overall economy.

Total Cost: \$ 15,400 CARD Contribution: \$ 4,000

CARD Project 400 - Agriculture Awareness Program: Support was provided for the “Growing in Nova Scotia” program sponsored by the Agricultural Awareness Conunittee. The committee continued to produce classroom resources and to provide teacher in-service training. The “Growing in Nova Scotia” theme was profiled in a new brochure and information kit.

Total Cost: \$ 115,700 CARD Contribution: \$ 21,500

Appendix III : ACAAF Activity to August 31, 2006

	Total Program
Applications Received	111
Applications Approved	75
Applications Not Approved	18
Applications Withdrawn	4
Applications Pending at Year End	11
Transferred to CARD	3
Total Funds Received from AAFC (Includes base grant, B.O.P.I. grant, plus collective outcome amounts and translation reimbursement)	\$3,059,235.35
Interest & Capital Gains Received	\$49,442.12
Funds Paid on Projects	\$897,143.26
Agri-Futures Funds Committed to Projects	\$1,715,115.83

	Total Program
Administrative Costs	\$184,738.05

Appendix IV : CARD Activity to August 31, 2006

	Total Program
Applications Received	400
Applications Approved	275
Applications Not Approved	104
Applications Withdrawn	21
Funds Received from ACAAF	\$5,010,026.00
Interest and Capital Gains Received	\$595,701.00
Funds Paid on Projects	\$4,276,747.00
Funds Committed to Projects	\$915,232.00
Administration Costs	\$402,738.00

Chair's Report

This past fiscal year has been extremely busy for your Board as interest in the ACAAF program remains strong. During the past year, fifty projects have been approved with a commitment value of \$1,399,209.87. At the beginning of the ACAAF program, all councils were required to participate in a certain percentage of multi-province projects. These are known as collective outcome projects and a program requirement is that at least 10% of annual council funding be devoted to these projects. The Federal government provided an incentive for the ACAAF councils to participate in collective outcome projects by providing a 50% rebate for provincial Council dollars committed to a collective outcome project.

Under the terms of the ACAAF program, if Agri-Futures Nova Scotia fully meets its annual collective outcome targets, AAFC will add an additional \$190,779 to the base funding of \$813,117. The Board of Directors is pleased to announce that Agri-Futures Nova Scotia greatly exceeded this minimum figure for the first two federal fiscal periods of the ACAAF program, April 1, 2004-March 31, 2005 and April 1, 2005-March 31, 2006, committing up to \$489,722.48 during these two fiscal years, well beyond the total standard allocation of \$381,558 for that two year period. Some of the larger councils were unable to fully utilize all of their collective outcome money. As such, these unused funds were made available to councils who had made commitments to collective outcome projects beyond their standard allocations. Agri-Futures Nova Scotia was able to secure an additional \$108,164 in collective outcome rebates, thereby increasing available program funding for other projects.

In July of this year, AAFC announced another program, the Biofuels Opportunities for Producers Initiative (BOPI), and invited ACAAf councils to submit proposals for administering this funding. The total funding for the program was \$11 million, of which one million was to be set aside for cooperatives; \$300,000 for program administration, and the remaining \$9.7 million to be used for programming. The \$9.7 million was to be issued in two amounts. The first \$5 million was divided among all the ACAAf councils using the standard allocation formula. Agri-Futures Nova Scotia's share of this was \$148,922.53. The remaining \$4.7 million will be issued according to demand shown for the program. To the date of this writing, Agri-Futures Nova Scotia's has received funding requests of \$246,499, and committed \$10,000 with allocation of remaining funds pending consideration at future Board meetings.

The purpose of the program is to stimulate the production of biofuels for the Canadian transportation sector. The Government of Canada wishes to have 5% of transportation fuel supplied by biofuels by the year 2010, and furthermore wants to ensure that primary producers enjoy the benefits of increased demand for agricultural crops used in the production of such fuels as bioethanol and biodiesel. To this end, feasibility studies, business plans, and other projects funded under the BOPI program must exhibit significant producer ownership and financial contribution to be eligible for support.

In February 2006, AAFC asked Agri-Futures Nova Scotia to determine whether its membership, the Council of Leaders of the Nova Scotia Federation of Agriculture, wanted ACAAf program funding to be targeted at specific types of projects, or commodity groups. In response, the Council of Leaders reiterated Agri-Futures Nova Scotia's longstanding commitment to allow the agricultural industry to set its own funding priorities, in keeping with the path finding nature of the ACAAf program. The exception to this would be, of course, the BOPI funding, whose guidelines specifically restrict applications to the transportation energy sector.

On behalf of the Board, I would like to thank our past Chair, Laurie Hennigar, and past Director Gerry van Dyk, for their eight years of service prior to retirement at the last Annual General Meeting. I Would also like to thank Director Ron Boyle, who felt obligated to withdraw from the Board this year due to heavy work commitments, for his service, and our Executive Director, Rick Williams, and CARD Coordinator, Henry Bowers, for their administration of Board business and responsibilities. Finally, I would like to thank the elected and ex-officio Board members for their diligent work in the service of Nova Scotia and Canadian agriculture during the past year.

Respectfully submitted on behalf of the Board of Directors,

Jean Ward, Chair