



Advancing the business of
agriculture

2010-11
ANNUAL REPORT

FCC and public policy

Statement of priorities

FCC supports the federal government's vision of a profitable agriculture industry that seizes opportunities, responds to market demands and contributes to the health and well-being of Canadians.

The Minister of Agriculture has established the following priorities to ensure FCC continues to strengthen the agriculture industry:

- Continued attention to maintaining FCC as a self-sustaining Crown corporation. In this time of economic recovery, it is vital that FCC continues to make its full range of credit products available to the agriculture industry in Canada. Access to short-term credit, long-term mortgages and venture capital is essential to the viability and success of the entire agriculture value chain. FCC interest rates should be competitive with those offered by other financial institutions – neither the lowest nor the highest, in order to serve as a fair participant in the agriculture financing marketplace. FCC should continue to work with Business Development Bank of Canada and Export Development Canada to ensure agribusinesses in Canada have access to a range of financial services that will allow them to grow, diversify and expand, both within and outside of Canada.
- Continued support for renewal in agriculture. FCC should continue to work with young farmers to offer products that will help them get established and that will help the intergenerational transfer of family farms throughout Canada. Working with stakeholders and in collaboration with Agriculture and Agri-Food Canada (AAFC), FCC should continue to offer unique business services, workshops and learning forums, as well as publications and educational offerings tailored to the particular needs of producers and agribusiness operators. Continuing to hire and develop employees who are passionate and knowledgeable about Canadian agriculture is also important to this renewal.
- Continued presence as a socially responsible corporation. FCC should continue to assist producers and agribusiness owners in an increasingly green economy, including through products like the FCC Energy Loan. FCC should play an important role in promoting sustainable environmental practices and food safety by supporting traceability in the agricultural supply chain through products such as its Field Manager PRO software. FCC should also continue to provide environmental information to its customers and continue to fulfil its obligations under the Canadian Environmental Assessment Act by conducting environmental assessments. In keeping with other areas of the federal government, FCC should also pursue strategies to reduce its environmental footprint.
- Increased collaboration with AAFC on policy and programs. FCC should increase its collaborative efforts with AAFC on key issues impacting the sector, including the design and development of the next policy framework to succeed Growing Forward. FCC also should continue to provide advice and expertise to AAFC in regard to sector-specific issues and programs, such as the Hog Industry Loan Loss Reserve Program.
- FCC continues to be well managed. Financial systems and accountability measures ensure the effective use of public funds, and that stakeholders and the public are served by a skilled, motivated and representative workforce. Budget 2010 set out a clear direction regarding spending restraint, including a freeze in operating expenses at 2010-11 levels.

There are nearly a million dairy cows in Canada.



We stand for the future of Canadian agriculture

Through the Growing Forward policy framework, federal, provincial and territorial ministers have committed \$1.3 billion for non-Business Risk Management (non-BRM) programming between 2008 and 2013. This programming includes food safety, biosecurity, traceability, sustainable management practices, business development, innovation, commercialization and automation.

In addition to cost-shared programs delivered by provinces and territories, Agriculture and Agri-Food Canada (AAFC) has also committed over \$1 billion in federal funds over five years to federal initiatives. Business Risk Management (BRM) programs include:

- AgrilInvest, a savings account for producers, providing flexible coverage for small declines in income and supporting investments that help to mitigate risk or improve market income
- AgriStability, a margin-based account, providing income support when producers experience larger income losses
- AgriRecovery, a disaster-relief framework, providing rapid assistance when producers experience small disasters
- AgriInsurance, includes existing production insurance and other products, will expand to include other commodities

We are proud to serve all of agriculture, all the time – all sectors, all across Canada

FCC's public policy mandate

FCC enhances rural Canada by providing specialized and personalized business and financial services and products to family farms, farming operations and small- and medium-sized businesses related to farming.

Our public policy role is the foundation of everything that we do to advance the business of agriculture. With over 100,000 customers* nationwide, we help producers and agribusiness operators succeed in an increasingly complex and demanding industry.

FCC provides financing to producers of all ages and agriculture operations of all sizes across all sectors. We loan money to agribusinesses, including suppliers and processors that serve producers. A healthy value chain provides producers with more stable purchasing and selling options.

In 2010-11, 37,891 customers received loans or other financial products through one of FCC's 100 offices, located primarily in rural areas across Canada:

British Columbia and Alberta – 10,107
 Saskatchewan and Manitoba – 11,971
 Ontario – 10,571
 Quebec – 3,812
 Atlantic – 1,430

Among these customers, 36,035 are primary producers and 1,856 are agribusiness and agri-food operators.

We are dedicated to agriculture and take the long-term view

FCC is a profitable, financially self-sustaining commercial Crown corporation. Our strong financial position enables us to create innovative products and services that are tailored to the dynamic needs of the industry and ensure that producers and agribusiness operators have choices in the marketplace.

Our loan products recognize that agriculture is a cyclical industry and that it takes time for business operations to flourish. Unpredictable weather and market conditions can negatively affect even the best producers and agribusiness operators. We support our customers through highs and lows.



Canada exports pork to over 143 countries.

*FCC currently has 100,000 customers. The customer number has been restated to include all customers with an active loan balance who are primary borrowers, co-borrowers or guarantors for personal and corporate loans, including primary production, agribusiness and agri-food, and alliances.

Our customer support strategy helps producers manage when unexpected challenges arise.

This year, we provided support for hog customers across Canada and crop producers in Alberta, Saskatchewan and Manitoba who were affected by excess moisture.

We are visionary and operate our business in a sustainable manner

FCC offers unique products and services to help young farmers and agribusiness entrepreneurs succeed in a sophisticated marketplace that continually evolves.

We believe that knowledge is vital to the success of our customers and the industry. We offer workshops, publications and learning forums across the country, and encourage employees and customers to share insights and information.

Our corporate social responsibility framework focuses on customers, the environment, employees, community and agriculture and food.

To support our commitment, we offer environmental information and products to our customers, hire and develop employees who are passionate and knowledgeable about agriculture, give back to the communities where our customers and employees live and work, and we are working to reduce our corporate environmental footprint.

FCC supports young farmers with customized loan products and special initiatives such as Business Planning Awards, 4-H partnerships, FCC Learning workshops and tools like FCC Management Software. In 2010-11, we disbursed over \$1.6 billion in loans to help young farmers build their dreams.