



Agriculture Opportunity Fund

AOF Annual Report

2005 - 2006 Year

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Alberta

Background

The Agriculture Opportunity Fund (AOF) program has been in operation since the 2003/2004 fiscal year. In the first year, only Applied Research Associations and Forage Associations were eligible to receive funding, and the amount dispersed was \$1.3 million. After the first year this fund became available to other associations that met the funding criteria.

The fund is focused on outcomes, and to receive funding, applicants must be directly linked to Alberta Agriculture, Food and Rural Development's (AAFRD) Growth Strategy and be able to measure their impacts and results.

In 2005/06 there was an additional \$221,500 dispersed to fund some new programs. This brought the total to 1.7 million dollars.

The AOF program has a full-time coordinator. His role is to work closely with these associations to improve the work they do by remaining focused on their outcomes, providing a connection to the Ministry and AOF goals, as well as providing strategic advice throughout the application process.

A committee of AAFRD staff and one industry representative decide on the funding levels applicants will receive. All associations provide a progress and final report on their results towards achieving their outcomes, as well as giving an oral presentation to the AOF committee.

Purpose of the Fund

Funding provides assistance to eligible organizations enabling them to improve the economic well-being of the agricultural industry and rural communities in their areas through partnership with others. The focus is on growth, profitability and new/expanded businesses and business alliances. This will contribute to rural development across Alberta.

Overall AOF outcomes are:

- a. To encourage more **agri-based business activity** - assist farmers/ranchers/rural businesses to attract, capture, expand existing businesses or create new businesses to take advantage of market opportunities (primary, processing, value-added, etc.) that are agri-industry related.
- b. To **enhance profitability** at the farm gate - assist farmers/ranchers in generating higher profits through production, marketing, financing, risk management practices, etc.

Coaching and Training

The role of the AOF coordinator is to provide coaching and training to all organizations that are eligible for funding. The coaching and training is focused on building strong applications that address the outcomes of the AOF program. This occurs throughout the course of the year and is usually done on a 1:1 basis.

Associations Funded in 2005/06

• Agriculture Research and Extension Council of Alberta	\$195,000
• Alberta Wapati Products Co-operative	\$68,000
• Battle River Research Group	\$120,000
• Chinook Applied Research Association	\$203,000
• Central Peace Conservation Society	\$36,500
• Foothills Forage Co-operative	\$75,000
• Gateway Research Organization	\$115,000
• Grey Wooded Forage Association	\$90,000
• Lakeland Agricultural Research Association	\$175,000
• Lethbridge & District Business Development	\$20,000
• North Peace Applied Research Association	\$131,000
• Peace Country Beef and Forage Association	\$155,000
• Southern Applied Research Association	\$78,600
• Smoky Applied Research and Demonstration Association	\$170,000
• West Central Forage Association	\$85,000

	04/05	05/06	06/07	07/08
Total AOF Grant	\$1,495,101	\$1,717,100		
Total Leveraged	\$1,224,500	\$1,315,900		
Total Leveraged plus In-kind	\$1,598,500	\$1,797,400		
Total Impact of AOF Fund	\$59.1 Million	\$120 Million		

Impact of 2005/06 AOF Program

Examples of In-Kind Costs - This represents cash costs that would normally be paid out if they were not being donated, i.e. plot supplies such as seed, fertilizer and pesticides, land rental, use of equipment, manpower from non-AAFRD staff, etc.

Examples of Ineligible In-Kind Costs - AAFRD staff and association director's time.

Outcomes and Impacts

The AOF is focused on Outcomes and Impacts throughout the application and reporting process. For the purpose of this fund we use the following definitions of Outcome and Impact.

Outcomes:

What you want to accomplish - this is a definable, concrete result, of your programs strategies and actions.

Outcomes should be SMART:

Specific: adequately clear so that if someone else had to take over management of the project, they would understand what is expected.

Measurable: must be able to measure your success through deliverables.

Agreed Upon: managers and stakeholders must agree on the goals prior to planning. Responsibility for achieving each goal must be identified (who is responsible?)

Realistic: must be possible, or at least be within the realm of possibility.

Time-bound: there must be a definite finish date established.

Impact:

This is the effect of achieving your outcomes on your clients. This can be measured in many ways such as, economic, environmental and social.

Total Impact of the AOF Fund

The work that each association does with members impacts far more producers than just those that attend the seminars and tours. Every organization that receives funding has been challenged to determine what their economic impact for each program.

Future Challenges

The total economic impact of the AOF program for this year is \$120 Million Dollars Based on information from the year-end reports. All associations will continually be challenged to provide better economic impact values on future progress/final reports and this should be achievable within the next two years.

Many programs the AOF funds have social and environmental impacts. The other challenge for these associations will be to measure these impacts as they are very important in creating a strong and vibrant rural Alberta.

Outcomes of the AOF Program

The AOF program has achieved significant results by assisting organizations to become more outcome-focused and to measure their impacts.

The Agriculture Research and Extension Council of Alberta is an umbrella organization for all of the applied research associations and forage associations in the province. They have lead the way by developing three teams, Crops, Livestock, and Forages, to provide provincial coordination and collaboration of research and extension programs and to ensure resources are being used efficiently.

The AOF program has a high degree of leveraging. If in-kind costs are included, the leverage is 1:1, which is a strong indicator of the support the association programs have in their respective communities.

All of the associations that receive funding have built excellent partnerships with industry, federal and provincial governments, local municipalities and Agriculture Service Boards.

The AOF program plays an important role in building a strong and vibrant Alberta since all of the funds are allocated to associations throughout rural Alberta. This becomes more evident by its high economic impact, thus contributing to AAFRD's Growth Strategy.