



Sectoral Profile

Agriculture

Region of Western Canada and the Territories

2018-2020



EXECUTIVE SUMMARY

Western Canada's agriculture industry will see a marginal increase in output in 2018, with crops and livestock receipts expected to grow by only around 1.0%. The long-term trend of declining employment in the industry is likely to continue over the coming years, falling by -1.0% in 2017 and -6.0% in 2016. Increased farm exports continues to be the bright spot in the region's agriculture picture.

KEY DRIVERS

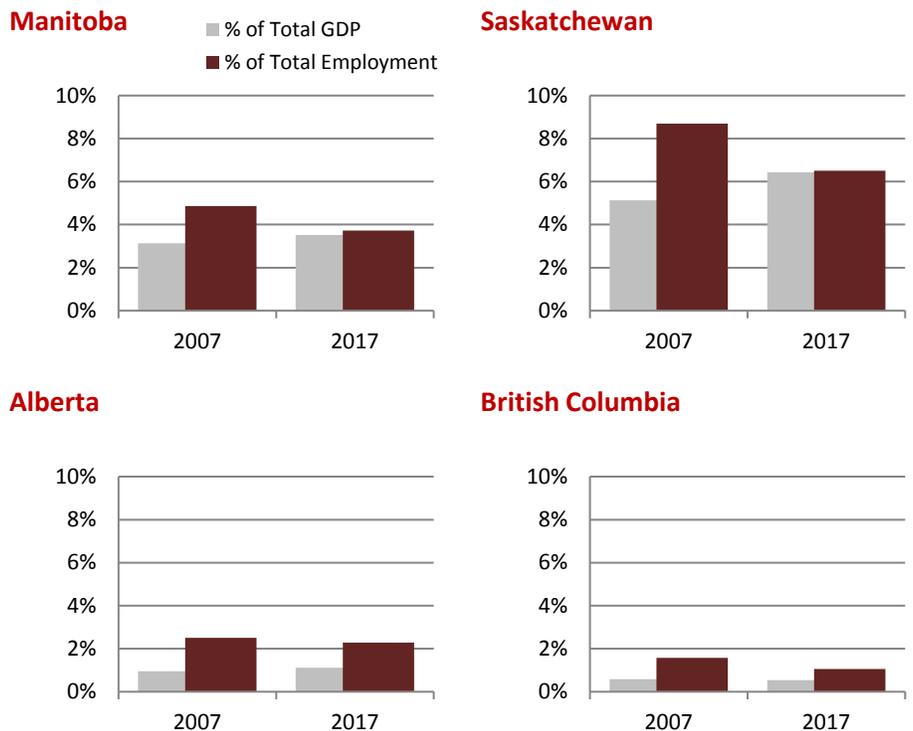
- In 2017, the agriculture industry accounted for 1.6% of Western Canada's total GDP, on par with the 10-year average.¹ According to Statistics Canada's 2016 Census of Agriculture, the western provinces were home to almost 108,000 farming operations— more than half of all farms in Canada.²
- Agricultural production has traditionally been an important part of the economy in Western Canada. However, urbanization, technological advances, globalization, and growth in other resource industries have reduced agriculture's share of total GDP and employment over many decades. Yet, since the late 90s agriculture's standing within Western Canada's economy seems to have found a plateau.³
- With domestic consumption of agricultural goods expected to increase only moderately as the population grows, exports will provide the most significant opportunity for future growth. However, international trade concerns will present challenges moving forward; while in parallel governments have been investing in growing and diversifying agriculture production and exports.

BACKGROUND

All four western provinces have active and diverse agricultural industries. Saskatchewan, Alberta, and Manitoba produce significant grain and oilseed crops, while British Columbia (B.C.) accounts for the vast majority of fruit produced in Western Canada, as well as significant vegetable production.

Western Canada’s animal production is also considerable. Alberta has the largest provincial share of cattle ranches and farms in the country, while Manitoba has the third most hog operations. B.C. has the second largest number of poultry and egg producers, as well as the highest number of aquaculture producers.

Agriculture’s Provincial % Share of Employment and GDP, 2007 vs. 2017



Sources: 1. Statistics Canada CANSIM Table 379-0030 - Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS), provinces and territories, annual (dollars). 2. Statistics Canada Labour force estimates by detailed industry, age, sex, class of worker.

Employment

Employment in the agriculture industry has been in decline for decades. Thirty years ago, there were almost 250,000 people directly employed in the agriculture industry across the four western provinces. In 2017, there were less than 140,000. Agriculture’s share of overall employment has also fallen dramatically over the years, from 7.1% in 1987 to 2.3% in 2017.⁴

Meanwhile, the average age of farmers is increasing. In 2017, farmers aged 55 years and over represented the more than 40% total farmers. Conversely, less than 13% of farmers in Western Canada were under 25 years of age; a noticeable decline given that this age group made up nearly 20% of farmers 35 years ago.⁵

In Western Canada, technological advancements have had a significant impact on farm operations, shifting the agricultural industry to a much more capital-intensive model and resulting in larger farms and increased productivity. The total number of farms across the western provinces continues to decline as many farms consolidate or expand operations. In fact, the total number of farm operations has been falling steadily since the 1940s. In 2016, there were 107,480 farms spread out across the four western provinces, a decline of 8,342 or 7.2% from 2011. The number of farm operators is also down substantially, decreasing by 8.7% between 2011 and 2016.⁶

INDUSTRY TRENDS

Recent Industry Trends

- In 2017, Western Canada's agricultural exports were valued at \$23.2 billion, up 12.5% year-over-year and accounting for 81.4% of Canada's total.⁷
- In 2017, farm receipts from the western provinces increased 3.1% to \$37.9 billion, which accounted for more than 60% of the national total.
 - Crop production in Western Canada accounted for \$23.7 billion in 2017, up 1.6% year-over-year.
 - Livestock receipts totalled \$12.4 billion, an increase of 5.3%.⁸
- However, Western Canada's wheat production totalled about 27.3 million metric tonnes in 2017, down 5.9% from the previous year.
 - Production of canola increased by 8.7%.
 - Barley decreased by 10.7%.⁹
- At the mid-point of 2018, the total herd size for cattle in the western provinces had slightly decreased (-1.0%) from the previous year. Cattle herd size has been trending downwards in western provinces since 2006.¹⁰
- Overall employment in Western Canada's agriculture industry fell by 1.0% in 2017. Saskatchewan had the highest rate of decline among western provinces at -10.2%, followed by Manitoba at -1.2%, while employment in British Columbia and Alberta were up 7.4% and 2.6% during the same period.¹¹

Industry Outlook

Over the next year, Western Canada's agriculture industry is projected to experience a marginal increase in output. A weak Canadian dollar will support farming operations, agribusinesses and food processors over this period, mitigating the impacts of global oversupply.¹² Within these conditions, crops and livestock receipts are expected to only increase marginally in 2018. The growth rate for both stocks would be around 1% or less.¹³

According to Export Development Canada, Canadian agricultural and food exports are expected to increase 1% in 2018 and 5% in 2019.¹⁴ While the United States (U.S.) remains Canada's largest agricultural trading partner,

Canada and the European Union (EU) signed a Comprehensive Economic and Trade Agreement in November 2013, and the agreement was implemented in September 2017. According to the Canadian Agri-Food Trade Alliance, CETA will create new opportunities for beef, pork and bison producers by providing preferential treatment through tariff rate quotas. In addition, the agreement is anticipated to generate market access worth \$300 million for processed foods, fruits and vegetables, as well as another \$200 million for grains, oilseeds and sugar-related products.¹⁵

Supply-managed sectors have a strong presence across the four western provinces. According to the 2016 Census of Agriculture, there were 1,308 dairy cattle and milk producing farms in the four western provinces, representing 12.4% of Canada's overall dairy cattle and milk farms.¹⁶ Meanwhile, the number of poultry and egg producing farms in western provinces increased from 1,906 in 2011 to 1,953 in 2016. Nearly 40% of Canada's poultry and egg producing farms were located in the four western provinces in 2016. Under the recent NAFTA talks, the U.S. has put the Canadian supply-management system on the table for renegotiation, creating some anxiety for farmers in Western Canada.

EMPLOYMENT OUTLOOK

Projected employment change for the agriculture sector during the 2018-2020 forecast period

Economic Region	Projected Change in Employment	Projected Annual Growth
Manitoba	-400	-0.6%
Southern Manitoba		-0.4%
Winnipeg		-0.6%
Northern Manitoba		-1.0%
Saskatchewan	-100	-0.1%
Regina & Southern Saskatchewan		-0.1%
Saskatoon & Northern Saskatchewan		-0.1%
Alberta	500	0.3%
Calgary & Southern Alberta		0.2%
Edmonton, Red Deer, Camrose, & Drumheller		0.3%
Northern Alberta and Banff		0.6%
British Columbia	-100	-0.1%
Vancouver Island & Coast		0.0%
Lower Mainland - Southwest		0.1%
Okanagan - Kootenay		0.1%
Northern BC		-2.7%
Yukon	-	-
Northwest Territories	-	-
Nunavut	-	-

Source: Service Canada Regional Occupational Outlooks in Canada, 2018-2020

Agricultural employment is expected to stagnate in the Western Provinces over the short-term. Alberta is the only province expected to experience gains. Losses are anticipated in Manitoba and slight setbacks are projected in Saskatchewan and British Columbia. Large agricultural regions such as Calgary & Southern Alberta, Regina & Southern Saskatchewan, or Edmonton, Red Deer, Camrose, & Drumheller are expected to see very little variation in their agricultural employment levels over the next three years.

REGIONAL OVERVIEW

Regional Employment Trends

Lower Mainland-Southwest was the largest employer in the agricultural sector in **B.C.** (13,000). It was also the fastest growing region in B.C. with an increase in employment in 2017 of 1,600 agricultural workers (+14.0%).¹⁷

Province wide, B.C. created a \$5-million BC Agrifood and Seafood Export Program that will help farmers, food processors, co-operatives, and associations identify and develop market opportunities outside of the province. The program will support the development of marketing plans, the creation of market and export-focused research and materials, and development activities. B.C. exported more than \$3.9 billion worth of agri-food and seafood products to 157 markets in 2017, the highest ever, which is \$94 million more than the year before.¹⁸

In 2017, the economic region in Western Canada with the largest employment in the agriculture industry was Lethbridge-Medicine Hat, **Alberta** (14,300). However, there have been large variations in employment growth across Alberta's regions. Employment grew massively in Calgary (+5,000), but decreased even more in Camrose-Drumheller (-6,600).¹⁹

Alberta is mostly known for cattle ranching and feed crops, but the province is also home to about 21,500 hectares of farmland dedicated to growing potatoes, third most in the country after PEI and Manitoba. Alberta's potato patch is set to expand by an additional 15%, as Cavendish Farms is adding field production to go along with its new Lethbridge processing plant scheduled for completion in 2019. Potato production in Alberta has more than doubled since 1997. PEI's crop is down about one-fifth during the same period. The farm gate value of Alberta's crop is roughly \$225 million, rising to about \$1 billion in total value after processing.²⁰

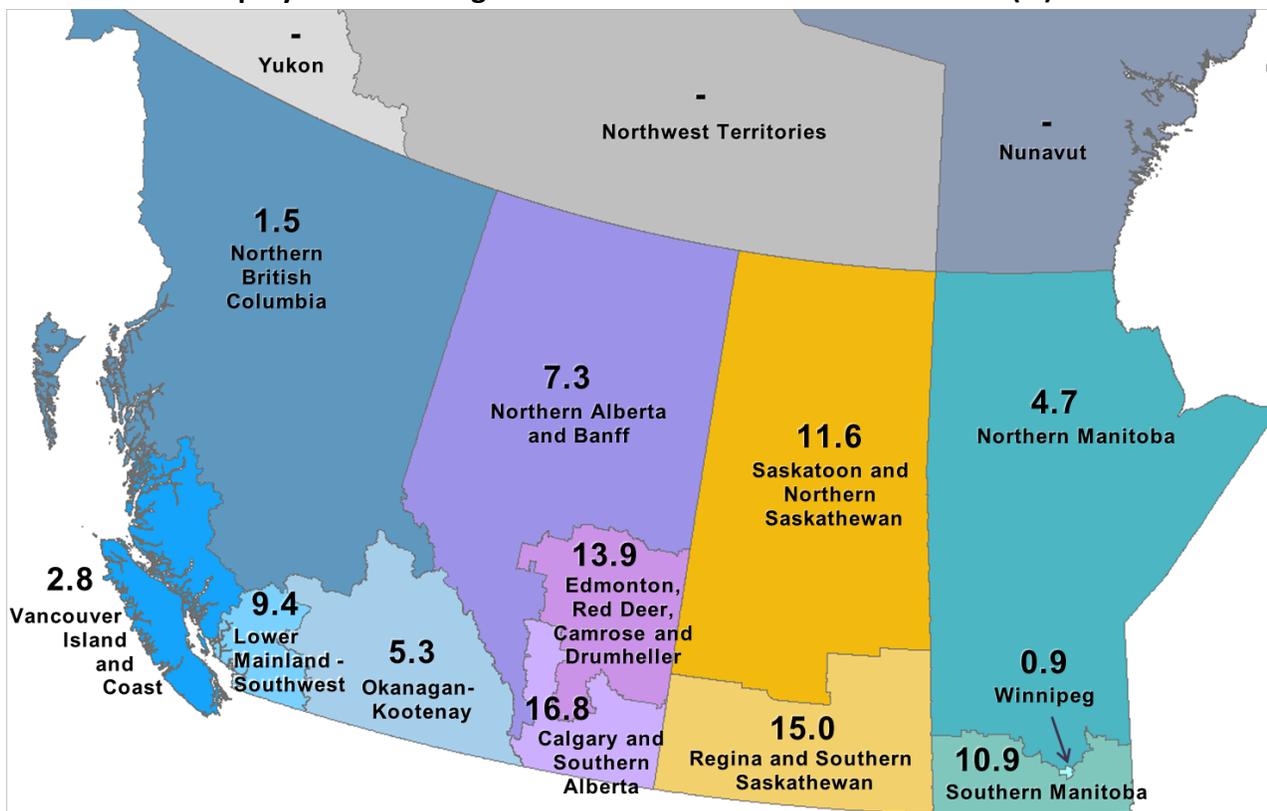
Agriculture employment in **Saskatchewan** is spread throughout the province. In 2017, the highest levels were in Prince Albert and Northern and Swift Current-Moose Jaw regions (8,400 and 8,000). However, employment in the latter declined significantly between 2016 and 2017 (-2,300).²¹

In February 2018, the federal government announced that Saskatchewan-based Protein Industries Canada (PIC) will be one of the five groups receiving grants through the \$950-million Innovation Superclusters Initiative. PIC is made up of more than 120 private-sector companies, academics, and industry stakeholders from Western Canada. The group aims to develop the potential of plant-based proteins from crops such as canola pulses, grains, hemp, and flax. Overall, the Innovation Superclusters Initiative has been deemed capable of creating an estimated 4,700 jobs over the next 10 years across Canada. In addition, it is anticipated that the initiative will generate \$700 million in new commercial activity as well as billions in GDP.^{22,23}

Agriculture in **Manitoba** is concentrated in the south of the province. In 2017, the Southwest, Southeast and Central regions accounted for more than 60% of the province’s agricultural employment.²⁴ Located in the middle of North America, the “Keystone Province” is a vital hub for the transportation of goods and services across the world, and agriculture and processed meat products were Manitoba’s primary exports in 2017. China and Japan are the top partners importing 48% of the province’s farmed oilseeds and 70% of its processed meat, for a combined value of \$1.7 billion.²⁵ This is why in an unstable international trade context, that the head of the Manitoba Pork Council is calling on the Federal Government to quickly sign the Comprehensive and Progressive Trans-Pacific Partnership – a trade deal that includes key markets in Asia.^{26,27}

While there is relatively little agricultural production in any of the **territories**, efforts continue to encourage commercial farming and livestock operations where possible. For example, as part of the federal government’s Canadian Agriculture Partnership initiative, \$5.6 million in funding over five years has been earmarked for Northwest Territories’ agriculture sector. The new investment is expected to help local food producers and processors in the territory to grow their businesses. The funding will also go to community-based training programs that will teach farmers how to adapt climate change, conserve water and soil resources in the North. Currently, there are over 40 commercial food growers, producers and agriculture businesses in the territory.²⁸

Distribution of employment in the agriculture sector across Western Canada (%)



Source: Service Canada Regional Occupational Outlooks in Canada, 2018-2020
 Note: Territorial employment in this sector represents less than 0.1% across Western Canada

Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

Prepared by: Labour Market Information (LMI) Directorate, Service Canada, Region of Western Canada and the Territories

For further information, please contact the LMI team at: NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2019, all rights reserved

¹ Statistics Canada. Table 36-10-0402-01 Gross domestic product (GDP) at basic prices, by industry, provinces and territories (x 1,000,000) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610040201>

² Statistics Canada. Table 32-10-0440-01 Total number of farms and farm operators <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210044001>

³ Statistics Canada. Table 36-10-0402-01 Gross domestic product (GDP) at basic prices, by industry, provinces and territories (x 1,000,000) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610040201>

⁴ Statistics Canada. Table 14-10-0023-01 Labour force characteristics by industry, annual (x 1,000) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410002301>

⁵ Statistics Canada. Table 14-10-0023-01 Labour force characteristics by industry, annual (x 1,000) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410002301>

⁶ Source: Statistics Canada. Table 32-10-0440-01 Total number of farms and farm operators <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210044001>

⁷ Source: Statistics Canada & US Census Bureau, Trade Data Online <https://www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/home>

⁸ Statistics Canada. Table 32-10-0045-01 Farm cash receipts, annual (x 1,000) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210004501>

⁹ Statistics Canada. Table 32-10-0359-01 Estimated areas, yield, production, average farm price and total farm value of principal field crops, in metric and imperial units <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210035901>

¹⁰ Statistics Canada. Table 32-10-0130-01 Number of cattle, by class and farm type (x 1,000) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210013001>

¹¹ Source: Statistics Canada. Table 14-10-0023-01 Labour force characteristics by industry, annual (x 1,000) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410002301>

¹² Agriculture and Agri-Food Canada. April 23, 2018. Canada: Outlook for Principal Field Crops. Market Analysis Group/Grains and Oilseeds Division Sector Development and Analysis Directorate/Market and Industry Services Branch. <http://necn-rcne.ca/wp-content/uploads/2017/01/Canada-Principal-Field-Crops-April-2018.pdf>

¹³ Agriculture and Agri-Food Canada. 2018. 2018 Canadian Agriculture Outlook. <http://www.agr.gc.ca/eng/about-us/publications/economic-publications/2018-canadian-agricultural-outlook/?id=1522075641095>

-
- ¹⁴ Export Development Canada (EDC).2018. Global Export Forecast: Spring 2018 <https://edc.trade/global-export-forecast/>
- ¹⁵ Government of Saskatchewan. Saskatchewan Welcomes Landmark Trade Deal Between Canada and the European Union. Released September 22, 2017. <http://www.saskatchewan.ca/government/news-and-media/2017/september/22/ceta-in-force>
- ¹⁶ Statistics Canada. Table 32-10-0169-01 Number of farm operators by sex, age and paid non-farm work, historical data <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210016901>
- ¹⁷ Statistics Canada. Table 14-10-0092-01 Employment by industry, annual, provinces and economic regions (x 1,000) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410009201>
- ¹⁸ Government of British Columbia. Governments working to increase B.C. food exports to support communities at home. Updated on September 24, 2018. <https://news.gov.bc.ca/releases/2018AGRI0065-001843>
- ¹⁹ Statistics Canada. Table 14-10-0092-01 Employment by industry, annual, provinces and economic regions (x 1,000) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410009201>
- ²⁰ CBC News. Potato Industry Shows Strong Growth in Alberta. Posted May 7, 2018. <http://www.cbc.ca/news/canada/calgary/alberta-potato-industry-growing-1.4650858>
- ²¹ Statistics Canada. Table 14-10-0092-01 Employment by industry, annual, provinces and economic regions (x 1,000) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410009201>
- ²² Protein Industries Canada. Western Canadian Crop Protein Supercluster Gets Investment from Federal Government. February 15, 2018. <https://www.newswire.ca/news-releases/western-canadian-crop-protein-supercluster-gets-investment-from-federal-government-674182283.html>
- ²³ Regina Leader-Post. Sask. agriculture group wins piece of \$950-million federal 'supercluster' money. Updated February 15, 2018. <http://leaderpost.com/news/saskatchewan/sask-agriculture-group-wins-piece-of-950-million-federal-supercluster-money>
- ²⁴ Statistics Canada. Table 14-10-0092-01 Employment by industry, annual, provinces and economic regions (x 1,000) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410009201>
- ²⁵ Search by product (HS code) – Trade Data Online, Import, Export and Investment, Trade data online, Government of Canada, last modified April 3, 2018, accessed April 13, 2018 <https://www.ic.gc.ca/app/scr/tdst/tdo/crtr.html?&productType=HS6&lang=eng>
- ²⁶ Winnipeg Free Press. Pork producers urge Ottawa to move swiftly on trade deal. Posted August 18, 2018. <https://www.winnipegfreepress.com/business/pork-producers-urge-ottawa-to-move-swiftly-on-trade-deal-491168011.html>
- ²⁷ The Western Producer. Canadian pork benefit from trade war still unclear. Published July 24, 2018. <https://www.producer.com/2018/07/canadian-pork-benefit-from-trade-war-still-unclear/>
- ²⁸ Government of Northwest Territories. Canadian Agricultural Partnership will help evolve NWT Agriculture Sector. April 9, 2018. <https://www.gov.nt.ca/newsroom/news/canadian-agricultural-partnership-will-help-evolve-nwt-agriculture-sector>
-