



I.D.E.A. Industry Update - May 24, 2002

The following two articles appeared in the May 16, 2002 edition of the Globe and Mail, based on the Census of Agriculture just released by Statistics Canada:

Farmers Take Stock of New Markets, By Jill Mahoney

Like his ancestors who built the homestead he now tends, Grant Rigby is a pioneer in a brave new world of farming.

Although he still grows typical Prairie grains, he jumped into the raspberry market 15 years ago and has made a name for Rigby Orchards as a producer of fine raspberry wine. Eager to partly reinvent himself again, the 46-year-old farmer is now going organic.

"I like the challenge because I have to figure out how to farm again instead of merely reading the advertisements in the farm magazines," he said yesterday from his 110-year-old farm near Killarney in southwestern Manitoba.

On farmsteads across Canada, many producers are adapting to the ever-changing marketplace by turning away from traditional crops and livestock. The result, outlined in yesterday's release of the 2001 Census of Agriculture by Statistics Canada, is a patchwork quilt of old-fashioned and newfangled, successful and failing.

One theme is constant: The number of farms is dropping, continuing a long-term trend of the collapse of the family farm and a rise in large-scale operations. Although weather, prices and farmers' choice of product vary immensely, the data give rise to clear regional trends.

British Columbia still tops Canada for tree fruit, berry and nut farms, but they now account for a smaller share of the province's total number of farms than in 1996, when the last census was taken, while cattle farms are on the rise.

B.C. producers have embraced ginseng, and grew 50 per cent more in 2001, which accounts for 36 per cent of the country's crop. The land area devoted to grapes doubled, greenhouse area grew by 60 per cent and the number of meat chickens increased by 45 per cent.

Prairie farmers are moving away from traditional wheat in favour of hay, durum wheat, oilseeds and pulse crops such as lentils, soybeans and dry field peas. The shift represents farmers' business acumen: Many alternative crops have lower input costs or increase farmers' per-hectare revenues, answer the demands of the growing cattle sector and grow better in dry or wet weather conditions.

"People are trying whatever works," said Denise Treslan, executive director of the Western Canadian Wheat Growers Association, who has long farmed grains and oilseeds in Saskatchewan, but has recently branched out into coriander.

Alberta still has the most beef cows in Canada, but its barns now have more pigs and sheep.

As well, there has been a threefold increase in the numbers of bison, llamas and alpacas.

In Saskatchewan, the number of hectares used to grow dry field peas and lentils more than doubled between 1996 and 2001.

The province took honours for having the highest number of organic farms, with more than one-third of

the Canadian total.

"The predominant product that's being produced [nationally] is field crops, rather than fruits and vegetables," said Lynda Kemp, a senior Statscan census analyst, noting the agency measured organic farming for the first time in 2001.

In Manitoba, the number of hectares used to grow soybeans and white beans has soared. Farmers are also jumping into the hog, sheep, bison, goat, llama and maple syrup industries.

Ontario dominates Canada's soybean market, with 84 per cent of total cropland, and also leads in grain corn, with 62 per cent of the total area.

The tally of pigs has jumped by 22 per cent, and hens and chickens have increased by 23 per cent. Sheep and lamb -- which are up in all provinces -- have skyrocketed by 46 per cent. The province also has nearly half of Canada's total area of greenhouses.

Quebec remains Canada's top pig producer, with a 24-per-cent increase in the number between 1996 and 2001. The province surged ahead in deer farming, jumping from being the fifth-largest producer in 1996 to the largest in 2001. The total number of hectares devoted to corn for grain increased by 31 per cent, the area devoted to soybeans grew by 53 per cent and sheep farming jumped by 68 per cent.

Nova Scotia, Canada's largest blueberry producer, grew 23 per cent more blueberries than it did in 1996. The province experienced an increase in its total fruit-growing area, but the number of hectares producing apples dropped.

Christmas-tree area also declined.

In New Brunswick, fruit growing -- especially blueberries -- prospered, increasing by 30 per cent in terms of total hectares in use. The pig herd expanded by 84 per cent and the number of sheep grew by 32 per cent.

Prince Edward Island still has Canada's largest potato-growing area, but the number of potato farms dropped by 28 per cent, and 1 per cent less land was cultivated compared to the 1996 census.

Newfoundland and Labrador, with just 643 farms in 2001, is dominated by vegetable and greenhouse operations.

Small Farms Fading Away, Statistics Canada Says, By Patrick Brethour

Canada's small family farm, for generations the mainstay of agriculture, is rapidly disappearing as mega-farms and organic operations sprout up, says the latest census from Statistics Canada.

According to the agricultural census released yesterday, more than one out of every 10 Canadian farms shut down between 1996 and 2001 -- nearly seven times more than in the previous five years.

And all of the vanished farms were small operations, with less than \$250,000 in annual revenue. After paying for seed, fertilizer and other expenses, a farming family would be left with less than \$50,000.

Years of drought and falling commodity prices have dried up profits for farmers in the West, and rising day-to-day expenses have tightened the squeeze further.

Shannon Story and Brian Gamble were one of thousands of families who have given up their farm since 1995, having lost money in three of the past five years. Ms. Story said she had been farming since marrying Mr. Gamble in 1990.

But when her husband left their 480-hectare (1,200-acre) operation west of Saskatoon, he was forced to abandon a decades-long history of farming in his family that survived the Dirty Thirties.

"They got through the Depression, but we didn't get through this," said Ms. Storey, who currently works at the University of Saskatchewan. Her husband now drives a truck.

As smaller farmers walk away from their fields, the average size of Canadian farms has grown substantially, now sitting at a record high of 270.4 hectares, from 243.2 hectares in the 1996 census. A century ago, the average farm was just 49.6 hectares.

Similarly, farming corporations not owned by families have increased in number since 1991, even as all other kinds of farms decreased by 12 per cent.

Yet the Statscan census also shows that agriculture is thriving in Canada, even if Canadian farmers aren't.

"Farms are getting bigger, and they're producing more," said Steven Danford, senior analyst for the 2001 Census of Agriculture at Statscan. The number of cattle is at record levels, as is that of other livestock such as chickens and hogs. And the number of hectares under cultivation rose to 35.96 million between 1995 and 2000.

Mr. Danford said farmers are facing much the same choice as other areas of the economy: get a lot bigger and turn a profit from volume, or focus on a smaller niche with higher-quality production, such as organic foods.

Some family farms are adapting by growing larger, noted Robert Wilson, academic vice-president at Olds College, an agricultural postsecondary institution north of Calgary.

And he said farmers raising livestock don't face the same kind of price pressure that grain growers do, explaining the substantial rise in the number of cattle, hogs and chickens since 1996.

Statscan said there were 2,230 certified organic producers in Canada in 2000, the first time it has measured the niche sector.

Stewart Wells, president of the National Farmers Union, said he made the jump to organic production in 1999 to alleviate the pain of falling commodity prices in a liberalized trade environment.

But Mr. Wells said farmers also need help from the federal government, including a restoration of rules that allowed producers to average out good years with bad when calculating tax bills.

Without such changes, he said, smaller farmers will be unable to ride out bad weather and cyclical downturns.

The 48-year-old said 2001 was his worst year in his 30 years as a farmer -- but that looming drought could mean this season is even more miserable.

"It was a terrible year, and this one is turning out to be worse," he said.

Prince Edward Island saw the largest decrease in farms, at 16.8 per cent. The smallest decline was in British Columbia, at 7.1 per cent.

Stats at a glance:

- The number of farms in Canada has been falling for the past five decades. Since 1996, it has fallen by 10.7%, reflecting the rapid changes in technology and increasing productivity.
- Percentage change in industrial and family farms, 1991-2001: Industrialized farms were up 2.9%, Family farms were down 12%
- Out of Canada's 246,923 farms, one per cent are considered to be organic. (Organic farming is where farmers who report that at least some of the products on their operation were certified organic.) A regional breakdown of the number of farms follows: Atlantic - 74; Quebec - 372; Ontario - 405; Manitoba - 90; Saskatchewan - 773; Alberta - 197; BC - 319
- Farms with gross farm receipts of \$2,500 or more showed the following percentage changes from 1996 to 2001: Dairy - down 23.9%; Cattle - up 0.4%; Hogs - down 11.3%; Poultry and Eggs - down 9.1%; Wheat - down 48.4%; Grains and Oilseeds (except wheat) - up 2.1%; Field Crops (except grains and oilseeds) - up 6.4%; Fruits - down 7.7%; Vegetables - down 19.9%; Miscellaneous Specialty - down 1.4%; Livestock Combination - down 19.7; Other Combinations - down 6.7%; All Farm Types - down 8.8%

For detailed census information, look online at: www.statcan.ca/english/agcensus2001/index.htm