Canadian Horticulture Sector 2008 Crop Year

Performance Overview

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Overview

For purposes of this report, the horticultural sector includes potatoes, field grown vegetables, greenhouse vegetables, fruits, ornamental products (floriculture, nursery, Christmas trees, sod), honey and maple products unless indicated otherwise. Note that the 2008 production data is considered preliminary and subject to revision by Statistics Canada.

In 2008, the horticultural sector represented $5.78 billion in agricultural Farm Cash Receipts (excluding receipts from risk management and disaster programs) from farming operations in Canada. This represented almost 14% of all agricultural farm cash receipts in 2008. Horticulture ranks third in farm cash receipts behind the grains and oilseeds sector at $15.2 billion and cattle at $5.8 billion, but ahead of dairy at $5.3 billion.

Over 76% of horticultural production is concentrated in Ontario, British Columbia and Quebec. In 2008, the ornamental sector accounted for the largest share of horticultural farm cash receipts (33.3%), followed by vegetables (including greenhouse) (31.7%), potatoes (17%), fruits (12.8%), maple (3.6%) and honey

(1.5%).

The horticulture sector represented $3.85 billion in fresh and processed export value and $9.51 billion in fresh and processed import value in 2008. Fruits and vegetables (including potatoes) accounted for the bulk of Canada's trade in horticultural products, representing 84% of the total value of exports and 96% of the total value of imports of horticultural products.

Vegetables

According to Statistics Canada data, 2008 farm cash receipts for vegetables (excluding potatoes and greenhouse vegetables) reached $1.03 billion, representing a 5% increase from 2007. Ontario has the largest FCR with $452 million or 43% of all national vegetable FCRs, followed by Quebec with $266 million or 25% and British Columbia with $193 million or 18%. The provinces that have experienced the most growth since 2004 were Manitoba ($26.1 million to $32 million, an increase of 18%) and British Columbia ($116.2 million to $193 million, an increase of 66%).

The cultivated area for vegetables in Canada has followed the trend seen in the number of farms and marketed value. Between 2007 and 2008 a 9% decrease was observed in the cultivated area from 114,400ha to 103,800 ha, with the 2008 area being 12% lower than the 5 year average of 117,200 ha. The regions with the largest fluctuations in cultivated area were Ontario (-14% since 2007; and -10% compared to the five year average of 55,600 ha) and BC (-12% since 2007; -6% from the 5 year average of 6,000 ha).

Statistics Canada reports that the total number of certified organic farms producing fruits and vegetables in Canada in 2006 was 916, representing an increase of 49% compared to 2001 when there were only 614 certified organic farms. The province with the most organic fruit and vegetable farms is British Columbia with 358 or 39% of the total followed by Quebec with 208 farms or 23% and Ontario with 174 farms or 19%.

Mushrooms have experienced significant growth in the past 10 years. In 2008, mushroom growers across Canada reported sales of $291 million, almost 6% higher than the previous year but close to 37% higher than in 1999. A large portion of the sales (62%) came from operations in Ontario while British Columbia accounted for the second highest proportion of sales with almost 30% of the Canadian total.

Due to the largely seasonal nature of vegetable production, Canada has traditionally been a net importer of vegetables. In 2007 Canada had a net trade deficit in vegetables with imports exceeding exports in value by $1.24 billion. The value of imports of all vegetables in 2008 was 2% higher than in 2007 and 17% above the previous 5 year average of $1.78 billion.

According to Statistics Canada, the consumption of vegetables has been relatively steady since 2004. Canadians consumed 64.47 kg of fresh vegetables per capita in 2008, which was 3.5% lower than the 2007 consumption of 66.82kg and 6% lower than the 5 year average of 68.4kg.

Potatoes

With almost $987 million in farm cash receipts in 2008, the potato is the most important vegetable crop in Canada accounting for 34% of all vegetable farm cash receipts.

In 2008 total potato production was estimated at 4.725 million metric tons, a 6% decrease over the 2007 crop, and 10% below the record crop of 2003. Area planted in 2008 was 154,069 ha down by 5% from 161,961 ha in 2007. Area harvested in 2008 was down by 5% from 2007, while average yield reached 31.21 t/ha, representing a less than 1% decrease from 2007.

Growing conditions were average in most of Canadian provinces. Two provinces, Alberta and BC, reached over the 33.6 t/ha level (300 cwt/acre) for yields, (which is considered high) with PEI, New Brunswick, Quebec and Manitoba not far behind.

World potato production and consumption are expanding at rates lower than the population growth. Production in developed countries, especially in Europe, has declined on average by 1 percent per year over the past 20 years. However, output in developing countries has expanded at an average rate of 5 percent per year. Asian countries, particularly China and India, fuelled this growth. Although prices in Canada have stayed relatively consistent since 2003, the increase in world production may have a negative impact on prices in the future as Canada will compete in many of the same export markets and also feel a

domestic crunch with increasing competition from low wage countries. To counteract these low prices, initiatives to promote new varieties, increase marketing of health benefits and improve communication within the industry are being developed.

Greenhouse Vegetables

The Canadian greehouse vegetable industry has been growing steadily since 2004, reaching approximaley $800 million in FCR in 2008 which is 8% higher than the 5 year average of $740 million. Ontario production represented 60% of sales of greenhouse vegetables with peak production during summer months. Over 90% of total production is in tomatoes, peppers and cucumbers.

Canada is a net exporter of greenhouse vegetable products with a positive trade balance of $344 million. Canada is highly dependant on the US as an export market as it accounts for 98% of all exports with a value of $542 million. Canada imports approximately $200 million worth of greenhouse vegetable products. Canada imports $65 million worth of peppers with over 60% entering from Mexico and 15% from the Netherlands mainly between December and February.

Since 2006, Canada has become an increasingly profitable destination for peppers as imports have increased by over 40%. Canada currently sources 40% of its imported peppers from Mexico and over 25% from the Netherlands; in 2008 the Netherlands lost over 10% of their Canadian market share while Mexico increased its market share by 20%.

Fruits

Apples still rank as the number one fruit both in terms of tonnage and value, ahead of blueberries which had become the most important fruit crop in terms of value for 2 years in a row in 2006 and 2007 as a result of the rapid expansion of Canada's high-bush and low-bush blueberry production. Although a significant drop in prices has now put blueberries in the second spot in terms of value, blueberries are still Canada's number one fruit export with over $301 million worth of low-bush and high-bush blueberry exports in 2008. Blueberries, apples and grapes together account for over three quarters of the total fruit bearing area and represented 59% of the farm gate value of all fruits produced in Canada in 2008.

The 2008 Canadian apple crop is estimated at 422,961 t, 8% below the 2007 crop which was the largest crop in the last 5 years due to an unexpected increase in the size of the crop in Quebec (up almost 60%) and in Ontario (up by 23%). Total planted area devoted to apples continues to decline while the acreage devoted to high density apple plantings is increasing in an attempt to replace older apple varieties with newer varieties that are more in demand by consumers. Canadian apple growers continue to operate in an increasingly competitive environment, with pressures in the marketplace due to world oversupply, retailer consolidation, and increased foreign competition both in the domestic as well as in export markets.

Canada's total blueberry production continues to expand (year-over-year increase of 22%), particularly the production of low-bush blueberries which reached an all time high of 61,661 t in 2008, surpassing the previous record level of 56,924 t established in 2006. The most significant increases in production occurred in Quebec and Nova Scotia, where production rose by 64% and 52% respectively. The 2008 Canadian high-bush blueberry crop is estimated at 33,003 t, which despite being 6% lower than the previous year's record crop is the second largest crop on record. While blueberry production levels continue to reach new highs both in Canada and North America, prices have been declining significantly as production and acreage expand not only in North America but also in other producing countries such as Argentina, Chile and China. The most significant increases in planted acreage in Canada have occurred in Québec and BC, where acreage has doubled in the 5-year period from 2004 to 2008 to reach respectively 23,674 and 7,284 hectares.

The Canadian cranberry industry has also grown considerably in recent years. In 2008, cranberry production was responsible for 17% (versus 11% in 2007) of the total fruit sector farm gate value. Total 2008 production is estimated at 74,469 t, 5% higher than in 2007 and 11% above the 5-year average of 67,017t, making the 2008 crop the second biggest crop in the last ten years after the 2006 record crop of 77,086t. The estimated market value of the crop is $133.7 million, which represents an all-time record and attests to the strong market the Canadian cranberry industry continues to enjoy. Demand for cranberry-based products has been soaring as a combination of strong marketing campaigns and a body of scientific evidence revealing the fruit's health benefits which have contributed to growing consumer awareness and interest in the product.

Ornamental Products

In 2008 the ornamental sector (flowers, bedding plants, trees, shrubs, turf sod and Christmas trees) remained the largest horticulture sector with farm cash receipts of $1.9 billion. Ontario had 49% of the receipts, followed by British Columbia with 24% and Quebec with 14%. Together these three provinces represented 88% of Canadian ornamental production. Over the last few years, nursery, floriculture and sod continued to experience domestic market growth but rapid appreciation of the Canadian dollar has significantly decreased exports, particularly for the floriculture industry. Domestic demand for ornamental products can be expected to continue to grow, steadily if modestly.

Maple and Honey

Canada is by far the largest producer and exporter of maple products and is a significant exporter of honey. In 2008 Canada's maple production, worth $212 million (8% higher than the average of the previous five years) accounted for 85% of the world's maple production. 90% of Canadian maple syrup is produced in Quebec. Canada exports over 80% of its maple products. In 2008 maple prices have risen on tight inventory and continued demand.

The 2008 Canadian honey harvest of 28,112 metric tons represented a 40% drop from the record-setting 2006 harvest of 48,366 metric tons. While Canadian honey is produced in all provinces, the three Prairie Provinces produced 85% of the national total in 2008. Canada continues to be a significant exporter of honey, exporting 40% of the production for the previous five years.

Although bee populations in each hive are reduced over every winter, higher than normal winter losses have significantly affected production in the last couple of years. In 2008, the yields per colony declined to 106 pounds of honey per hive, the lowest output in 15 years, partly due to colony splitting to start fresh hives. The number of colonies fell by 10% between 2008 and 2007 and by 11.6% between 2006 and 2007.

Situation and Trends

Detailed Situation and Trends Reports will be prepared for each sector at a later date and posted on Agriculture and Agri-Food Canada's Horticulture website at: http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1184692853496&lang=e .

Methodology, Sources and Legend

The source for most of the data is Statistics Canada, unless otherwise indicated. In those instances where no data was available for 2008, the most recent data that was available was presented. The analysis for each sub-sector has been provided by the commodity officer of the Horticulture Section responsible for that sector.

Farm Cash Receipts and production values reported in the tables and throughout the text are both obtained from Statistics Canada but are compiled from different sources. Production values are obtained through the Fall Fruit and Vegetable Survey (Publication 22-003-XIB) and are expressed as remuneration obtained at the "Farm Gate" and are concerned with gross returns to growers, while Farm Cash Receipts (Publication 21-011-XWE) represent the cash income received from the sale of agricultural commodities as well as direct program payments made to support the agricultural sector. It is worth noting that Farm Cash Receipts are estimated using both administrative and survey sources of data.

All dollar amounts in the tables are expressed in Canadian dollars, unless otherwise indicated.

"X" indicates unavailable data due to either confidentially requirements or missing information.

t - Metric ton
ha – Hectares
na – not available
cwt – hundredweight

Horticulture Sector

Table 1-1 - Farm Cash Receipts from Farming Operations
Value ($ Million)[4]

Product	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/ 07
Vegetables[2]	1,220.9	1,301.3	1,456.2	1,432.4	1,520.5	1,639.5	1,636.8	1,739.1	1,783.4	1,830.4	3%
Potatoes	700.7	682.8	722.9	917.6	845.8	820.2	787.5	895.6	866.7	987.1	14%
Fruit[1]	575.1	547.0	532.0	509.5	542.4	614.1	597.1	724.0	716.5	743.5	4%
Floriculture & Nursery[3]	1,258.8	1,484.6	1,573.0	1,720.3	1,760.3	1,796.3	1,773.2	1,768.3	1,805.6	1,924.6	7%
Honey	79.6	69.5	84.9	133.0	157.2	135.4	104.3	104.5	95.6	88.0	-8%
Maple	147.3	180.7	145.8	150.3	153.2	148.0	189.6	185.2	165.5	209.7	27%
Total	4,107.0	4,436.9	4,683.7	5,052.1	5,125.6	5,153.5	5,088.5	5,416.7	5,433.3	5,783.3	6%

1 Apples, other tree fruit, stawberries, other berries and grapes
2 Greenhouse and other vegetables, excluding potatoes
3 Floriculture and nursery, christmas trees
4 Excludes payment programs-Statistics Canada (Cansim Table 002-0001, Farm Cash Receipts,21-001-XIB

Farm cash receipts (FCR) for the Canadian horticultural sector are estimated at $5.8 billion in 2008, 6% higher than in 2007 and 11% above the 5-year average value of $5.2 billion. The most significant increases occurred in the maple and potato sectors, where FCR rose respectively by 27% and 14% due to significantly higher maple syrup and potato prices. All other horticultural sectors enjoyed increases in FCR except for the honey sector which experienced an 8% drop due to a relatively small crop (2nd smallest crop in the last ten years) resulting from significantly lower colony yields. The yields per colony declined to 106 pounds of honey per hive, the lowest per hive output in 15 years. The decline was due in part to beekeepers increased use of the technique of splitting some colonies into two or more new colonies which take some time to grow back to full productive populations. The increased colony splitting is in response to the higher than average over-winter colony losses which have affected the sector in the past few years.

Table 1-2 - Number of Farms and Area in Canada

Product	2001	2006	2006 / 2001
	Number of Farms[1]		
Vegetables[2]	5,031	5,239	4%
Potatoes	1,691	1,607	-5%
Mushrooms	194	154	-21%
Fruits, berries and nuts	7,743	8,329	8%
Greenhouse, nursery and floriculture	8,889	8,754	-2%
Total	23,548	24,083	2%
	Area (ha)[3]		
Vegetables[2]	133,851	125,181	-6%
Potatoes	169,475	162,515	-4%
Greenhouse Vegetables	773	1,057	37%
Mushrooms	63	63	0%
Fruits, berries and nuts	104,504	110,069	5%
Christmas Trees	37,612	30,630	-19%
Nursery	22,776	24,953	10%
Sod	22,467	27,960	24%
Greenhouse Flowers	846	928	10%

1- Number of farms are based on North American Industrial Classification System (NAICS)
2 Excluding potatoes, mushrooms and greenhouse vegetables
3 Area (ha) are based on clasification by crop
Statistics Canada (Census of Agriculture)

According to the latest Census of Agriculture conducted in 2006, the total number of horticultural farms was 24,083 in 2006, representing a 2% increase between 2001 and 2006. While the number of farms declined in the mushroom, potato and greenhouse, nursery and floriculture sectors (respectively by 21%, 5% and 2%) between 2001 and 2006, the number of farms in the fruit sector increased by 8% in the same

period, primarily as a result of an increase in the number of berry farms. The vegetable sector also recorded an increase of 4% in the number of farms between 2001 and 2006.

The area devoted to horticultural products increased in the greenhouse, sod, nursery and fruit sectors, while it decreased in the potato, vegetables and Christmas tree sectors. The most significant increase between the last 2 censuses occurred in the greenhouse vegetable sector, where total area increased by 37% to 1,057 hectares. Other sectors which experienced an increase in area include the sod sector (+24%), the nursery and greenhouse flowers sectors (+10%) and the fruit sector which saw a 5% increase in total area during the same time, primarily thanks to increased acreage in blueberries and grapes. The most significant decrease occurred in the Christmas tree sector, where the area fell by 19% to 30,630 hectares between 2001 and 2006. The number of farms and the amount of land dedicated to Christmas tree production have been declining over the past decade as a result of a number of factors such as the appreciation of the Canadian dollar, changing demographics, and competition from artificial Christmas trees which have all put pressure on total demand for real trees in the U.S, the major export market for the Canadian Christmas tree industry.

Table 1-3 - Horticulture Exports
Value ($ Million)

Product	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Vegetables[1]	662.5	761.1	891.1	970.6	1,055.7	1,145.1	1,104.5	1,133.6	1,078.2	1,124.9	4%
Potatoes	774.1	852.0	915.0	988.3	1,038.9	1,099.2	1,012.3	1,042.1	1,125.5	1,194.9	6%
Fruit and Nuts[2]	478.1	537.2	600.3	661.3	662.3	745.2	799.8	878.1	909.6	924.3	2%
Floriculture and Nursery	392.2	447.9	513.4	522.0	480.6	453.3	386.5	359.6	340.1	303.6	-11%
Honey	31.0	31.0	32.6	88.0	62.9	47.2	30.1	33.1	37.5	69.8	86%
Maple	110.5	105.9	128.6	154.0	147.2	154.1	165.3	190.2	217.6	233.7	7%
Total	2,448.4	2,735.1	3,081.0	3,384.2	3,447.6	3,644.1	3,498.5	3,636.7	3,708.5	3,851.2	4%

1 Fresh and processed vegetables, including greenhouse but excluding potatoes
2 Fresh and Processed Fruit and Nuts including wine
Statistics Canada

The value of exports of horticultural products reached $3.85 billion in 2008, representing a 4% increase over 2007 and a 7.4% increase over the 5-year average of $3.59 billion. All areas recorded increases in export values except the floriculture and nursery sector which experienced an 11% decline from $340.1 million in 2007 to $303.6 million in 2008. Higher export values for potatoes (+4%), fruits (+2%), vegetables (+4%), honey (+86%) and maple (+7%) were responsible for the overall increase in export values in 2008.

Table 1-4 - Horticulture Imports
Value ($ Million)

Product	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Vegetables[2]	1,229.1	1,306.7	1,437.9	1,952.5	2,320.4	2,323.2	2,434.5	2,497.7	2,695.7	2,766.8	3%
Potatoes[3]	195.2	193.7	221.7	313.8	221.0	216.8	212.8	239.3	242.4	278.5	15%
Fruit and Nuts[1]	2,668.9	2,734.1	2,849.1	3,481.7	3,630.5	4,482.9	4,738.8	5,121.6	5,579.4	6,063.9	9%
Floriculture and Nursery	302.1	318.7	348.7	358.3	348.1	359.5	361.5	360.6	378.4	385.4	2%
Honey	5.1	4.7	8.4	23.3	25.3	23.0	19.5	13.3	6.0	10.3	73%
Maple	2.2	1.4	2.7	3.6	3.7	5.4	4.3	5.3	1.0	5.4	432%
Total	4,402.5	4,559.3	4,868.4	6,133.2	6,549.0	7,410.8	7,771.4	8,237.8	8,902.8	9,510.3	7%

1 Fresh and Processed Fruit and Nuts including wine
2 Fresh and processed vegetables, including greenhouse but excluding potatoes
3 Fresh and processed potatoes
Statistics Canada

The value of imports of horticultural products reached $9.5 billion in 2008, representing a 7% increase over 2007 and a 22% increase over the 5-year average of $7.8 billion. Import values increased in all horticultural sectors and although the maple and honey sectors recorded the highest increases in terms of percentage variation (respectively up 432% and 73%), the bulk of the increase in value came from the fruit and vegetable sectors (combined increase in import value of $556 million), which together account

for almost 93% of the total import value for all horticultural products.

Table 1-5 - Horticulture Exports to Major Countries
Value ($ Million)

Country	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
United States	2,080.2	2,413.6	2,773.6	3,069.3	3,069.3	3,161.3	3,005.4	3117.9	3,102.2	3,259.1	5%
Japan	82.9	87.5	95.7	104.9	112.4	133.2	126.5	123.1	112.4	103.6	-8%
United Kingdom	40.7	33.4	30.2	31.6	29.4	36.0	35.3	36.1	43.8	47.1	8%
Germany	34.9	33.2	27.8	31.4	31.9	32.0	33.4	36.1	51.1	44.2	-14%
Mexico	4.4	5.1	8.9	12.4	18.0	22.1	31.9	34.7	35.1	38.2	9%
Netherlands	15.7	18.6	17.8	11.9	11.1	21.2	17.9	28.3	27.8	32.7	18%
France	11.7	16.0	10.0	12.8	17.2	20.8	13.9	19.5	24.6	28.9	17%
China, P.Rep	1.2	0.5	1.4	2.7	8.0	13.2	24.7	28.8	29.8	18.2	-39%
Exports to Major Countries	2,271.7	2,607.9	2,965.4	3,277.0	3,297.4	3,439.8	3,289.1	3,424.6	3,426.8	3,572.0	4%
Other Countries	176.7	127.0	115.2	105.8	149.1	202.7	208.6	212.7	281.2	279.3	-1%
Exports to all Countries	2,448.4	2,734.9	3,080.6	3,382.8	3,446.5	3,642.5	3,497.7	3,637.3	3,708.0	3,851.3	4%

Statistics Canada

The U.S. which remains the top export destination for Canada's horticultural products, accounted for almost 85% of the dollar value of our horticultural exports, followed by Japan (2.7%), the UK (1.2%), Germany (1.1%) and Mexico (1%). The value of our horticultural exports to the U.S. has stayed relatively stable over the last five years, but is 57% up compared to 1999, while the value of our exports to Mexico has increased almost tenfold during the last ten years from $4.4 million in 1999 to $38.2 million in 2008. Other major export markets which have also seen significant increases in the value of our horticultural exports include France (+147%), the Netherlands (+108%) and Japan (+25%).

Table 1-6 - Horticulture Imports from Major Countries
Value ($ Million)

Country	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
United States	2,511.1	2,650.9	2,867.8	3,730.5	3,829.4	3,984.9	4,117.7	4,264.3	4,509.3	4,808.5	7%
Mexico	153.1	155.9	176.5	247.0	401.0	425.7	470.9	524.0	649.5	698.1	7%
France	121.1	125.5	128.9	126.7	161.7	364.7	371.9	399.9	416.5	455.0	9%
Chile	164.8	182.4	191.5	221.1	244.3	330.6	339.1	370.9	393.4	442.9	13%
Italy	94.5	92.5	101.1	117.3	130.3	279.9	284.9	332.7	368.7	391.6	6%
Australia	49.4	52.8	59.6	75.9	99.3	257.4	298.8	316.6	330.4	308.6	-7%
China, P. Rep.	80.7	105.2	105.4	135.2	143.9	165.0	190.7	219.3	266.9	294.1	10%
Costa Rica	87.3	104.8	115.7	124.5	156.8	148.2	155.0	162.6	190.8	203.6	7%
Brazil	146.0	143.5	130.2	148.0	140.2	112.7	128.9	153.8	174.0	145.1	-17%
Colombia	74.8	68.7	76.7	92.8	107.9	122.6	150.3	160.2	139.0	149.9	8%
Spain	76.9	71.7	65.6	90.6	104.5	135.9	130.7	144.4	145.2	140.2	-3%
South Africa	102.8	88.3	77.7	92.5	98.0	114.1	124.6	127.1	123.3	142.0	15%
Argentina	48.6	33.4	45.4	72.3	64.8	64.9	83.4	96.1	125.0	138.9	11%
Ecuador	93.7	83.5	82.5	101.4	89.8	87.4	86.4	98.0	107.7	139.3	29%
Netherlands	54.7	57.9	63.5	80.6	88.6	96.7	88.4	83.3	85.5	77.4	-10%
Guatemala	16.1	27.4	37.1	43.5	53.3	69.6	76.4	71.3	74.4	97.4	31%
Impors from major Countries	3,876	4,044	4,325	5,500	5,914	6,760	7,098	7,524	8,099	8,633	7%
Other Countries	526.7	514.8	543.1	633.4	635.1	649.6	673.3	713.3	803.5	877.5	9%
Imports from all Countries	4,402	4,559	4,868	6,133	6,549	7,410	7,771	8,238	8,903	9,510	7%

Statistics Canada

The U.S. which is also the number one source country for Canada's horticultural imports, accounted for almost 51% of the dollar value of our horticultural imports, followed by Mexico (7.3%), France (4.8%), Chile (4.7%), Italy (4.1%), Australia (3.2%) and China (3.1%). The value of our horticultural imports from the US stood at $4.8 billion in 2008, 6.6% higher than in 2007 and 17% above the 5-year average. While the US share of the dollar value of our horticultural imports shows a declining trend over the last ten years (from 57% in 1999 to 51% in 2008), the share of the other countries listed above has been steadily increasing over the same period, illustrating the fact that Canada has been increasingly

diversifying its sources of imports for horticultural products. During the 1999 to 2008 period the other listed countries saw the value of their horticultural exports to Canada increase by 525% for Australia, 356% for Mexico, 314% for Italy, 276% for France, 264% for China, 208% for Italy and for Chile.

VEGETABLE SECTOR (FIELD, POTATOES AND GREENHOUSE)

FIELD VEGETABLES

Table 2-1 - Number of Vegetable Farms and Area by Region (Excluding Greenhouse)

Province	2001	2006	2006/2001
Number of Farms			
Atlantic	979	927	-5%
Quebec	1,140	1,131	-1%
Ontario	1,614	1,769	10%
Prairies	639	670	5%
British Columbia	659	742	13%
Canada	5,031	5,239	4%

Statistics Canada (Census of Agriculture)

Canada's total vegetable production acreage has decreased by 6% from 133,851 ha in 2001 to 125,181 ha in 2006. However acreage has actually increased by 6% from 1981 when 117,216 ha were in production.

However, the number of vegetable farms in Canada has increased by 4% since 2001 from 5,031 to 5,239.

With 1,769 vegetable farms, Ontario is the largest vegetable producer, a position it has held consistently since 1981. Since 2001 the number of vegetable farms in Ontario has increased by 10% from 1,614 to 1,769.

Quebec has the second largest number of vegetable farms with 1,131 farms in 2006, down 1% from 2001 and 40% from 1981. Quebec also has the second largest acreage with 42,223 ha in 2006, down 3% from 43,501 ha in 2001 but up 30% from the 1981 area of 32,544 ha. British Columbia has the third largest number of farms with 742 farms, up 5% from 2001 to 2006. There is an upward trend in the number of farms and acreage from 1981 in the prairie region where the number of farms has increased by 5% since 2001.

Table 2-2 - Vegetable Farm Cash Receipts[1] Value ($ Million)

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Newfoundland	3.7	3.4	3.1	3.0	3.4	3.1	3.1	4.5	4.9	3.5	-29%
Prince Edward Island	11.2	11.7	9.4	10.4	12.2	12.5	12.2	11.0	11.5	11.0	-4%
Nova Scotia	15.1	15.3	15.4	14.9	16.3	15.6	14.9	24.2	18.4	17.1	-7%
New Brunswick	6.3	6.9	6.1	5.6	5.5	5.6	5.5	5.9	6.2	5.4	-13%
Quebec	216.3	216.3	225.8	225.2	228.0	243.1	235.2	252.9	260.2	265.8	2%
Ontario	357.8	365.7	400.1	412.0	428.5	428.7	420.7	476.5	465.1	452.1	-3%
Manitoba	28.0	27.8	32.2	29.7	32.4	26.1	26.5	34.4	33.4	32.3	-3%
Saskatchewan	2.0	1.8	2.6	1.6	1.1	1.3	1.4	1.8	1.3	1.7	29%
Alberta	37.5	44.2	42.3	36.2	42.9	48.1	49.9	48.0	46.9	48.7	4%
British Columbia	104.4	103.5	129.6	98.0	113.1	116.2	122.7	83.6	129.7	193.1	49%
Canada	782.4	796.6	866.5	836.6	883.4	900.3	892.2	942.7	977.6	1,030.6	5%

1 Excludes greenhouse vegetables and potatoes
Statistics Canada (Table 002-0001, 21-001-XIB)

Farm cash receipts (FCR) for vegetable farms in Canada have been steady since 2003 with FCR in 2008 estimated at $1,031 million, 5% higher than in 2007 and 13% higher than the previous 5 year average of

$919.2 million. Ontario has the largest FCR with $452 million or 43% of all national vegetable FCR's, followed by Quebec with $266 million or 25% and British Columbia with $193 million or 18%. The provinces that have experienced the most growth since 2003 were Manitoba ($26.9 million to $32 million, an increase of 18%) and British Columbia ($102.0 million to $193 million, an increase of 89%).

Table 2-3 - Major Field Vegetables Grown for the Fresh Market[1]

Vegetable	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Value ($ Million)											
Carrots	56	X	X	47	46	X	X	50	52	47	-10%
Lettuce	38	38	46	39	43	44	44	52	39	46	18%
Cabbage	X	34	42	38	30	32	X	X	32	38	19%
Dry Onions	48	45	48	35	41	39	47	57	56	50	-11%
Corn	32	27	31	33	31	31	31	41	35	44	26%
Broccoli	24	X	X	26	28	37	X	X	6	5	-17%
Production ('000 t)											
Carrots	221	X	X	159	203	162	X	168	171	145	-15%
Lettuce	81	64	88	78	74	77	77	70	64	70	9%
Cabbage	X	143	134	106	113	129	X	X	101	112	11%
Dry Onions	164	169	174	122	135	153	150	203	201	149	-26%
Corn	73	53	64	67	61	63	59	75	58	72	24%
Broccoli	30	X	X	28	27	36	X	29	X	4	X

1 Excludes greenhouse vegetables, mushrooms and potatoes
Statistics Canada/ Agriculture and Agri-Food Canada Fall Survey

Table 2-4 - Major Field Vegetables Grown for the Processing Market[1]

Vegetable	1999	2000	2001	2002	2003	2004	2005	2006	2007*	2008	08/07
Value ($ Million)											
Tomatoes	57	X	50	62	53	59	60	60	61	58	-5%
Sweet Corn	19	17	18	16	22	18	17	20	21	15	-29%
Green Peas	19	20	20	14	21	19	14	16	15	19	27%
Cucumbers	17	18	16	18	17	17	12	8	10	10	0%
Carrots	9	X	X	10	11	7	X	17	21	14	-33%
Green & Wax Beans	10	11	8	9	11	11	10	10	9	9	0%
Production ('000 t)											
Tomatoes	495	X	465	467	475	567	590	563	595	547	-8%
Sweet Corn	230	208	226	203	263	201	192	205	296	216	-27%
Green Peas	68	75	72	54	75	72	59	65	60	64	7%
Cucumbers	62	62	53	60	65	57	40	23	23	25	9%
Carrots	88	X	X	98	105	70	X	131	307	267	-13%
Green & Wax Beans	48	57	40	45	53	56	46	42	60	64	7%

1 Excludes greenhouse vegetables, mushrooms and potatoes
Statistics Canada/ Agriculture and Agri-Food Canada Fall Survey

Table 2-3 shows the major field grown vegetables destined for the fresh market of which onions and carrots top the list with respect to value. Onions have been strong performers as they have increased in value since 2003 from $41 million to $50 million in 2008, a 4% increase over the previous 5 year average of $47.8 million. Carrots have increased in value from $46 million in 2003 to $47 million in 2008, and almost equal to the previous 5 year average. With respect to volume, carrot and onion production has been variable. Onion production has decreased 26% since 2007 and is 58,000 t lower than in 2003 and 10% lower than the 5 year average of 161,500 t. These fluctuations in value and production demonstrate the variability in price and yield.

According to Table 2-4, tomatoes and peas are the commodity leaders among vegetables grown for the processing market (canning, slicing, freezing, etc…). Tomato values have decreased 5% since 2007 from $61 million to $58 million but have remained very close to the previous 5 year average of $58.6 million. Tomato production in 2008 is estimated at 547,000 t, 8% lower than in 2007 and 1% below the previous 5 year average of 554,000 t. Peas have increased 27% in value from $15 million in 2007 to $19 million in

2008. The pea market has been steady since 2003, with the lowest values in 2005 at $14 million and the highest in 2008 at $19 million. The 2008 production value of 64,000 t is equal to the 5 year average.

Table 2-5 - Field Grown Vegetable Production (for Fresh and Processing Markets) by Province[1]

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Marketed Value ($ Million)											
Atlantic	27.6	22.4	22.1	20.6	30.6	27.3	25.7	41.2	34.9	30.5	-13%
Quebec	207.4	199.2	205.4	202.1	219.3	238.7	238.8	257.0	247.7	249.6	1%
Ontario	248.3	224.3	260.8	256.5	265.5	266.2	261.2	293.1	291.7	281.2	-4%
Prairies	18.9	24.3	25.2	11.7	33.4	37.4	38.5	50.5	20.3	26.8	32%
British Columbia	48.8	44.7	50.6	44.7	47.2	48.4	42.6	49.8	53.0	45.4	-14%
Canada	551.0	514.9	564.1	566.3	596.0	618.1	606.8	691.6	647.6	635.8	-2%
Cultivated Area ('000 ha)											
Atlantic	6.0	3.8	4.6	4.6	5.3	4.6	3.8	4.9	4.4	4.3	-3%
Quebec	39.0	40.2	43.1	39.6	39.9	40.8	38.9	40.9	39.2	37.5	-4%
Ontario	60.6	62.2	67.7	62.8	66.8	58.9	53.3	58.2	58.3	50.1	-14%
Prairies	5.8	6.0	6.2	5.7	7.7	8.1	7.6	8.0	6.0	6.0	0%
British Columbia	5.9	6.1	6.9	6.1	6.1	6.2	5.2	6.7	6.4	5.6	-12%
Canada	117.3	118.3	128.5	120.5	125.8	118.6	108.7	118.7	114.4	103.8	-9%

1 Excludes greenhouse vegetables, mushrooms and potatoes
Statistics Canada/ Agriculture and Agri-Food Canada Fall Survey

According to Statistics Canada, the marketed value of Canadian vegetables is $636 million for 2008 and has decreased by 2% from 2007 ($647 million) but has increased by less than 1% over the previous 5 years ($639 million). The 2008 national value is 1% lower than the 5 year average. Ontario has the highest value of production at $281 million, followed by Québec at $249 million. The Atlantic region accounts for $30.5 million, the prairies for $26.8 million and BC for $45 million. The largest increase in value in 2008 was in the prairies at 32%, while the largest decrease was in Ontario which had a 14% decline.

The cultivated area for vegetables in Canada has followed the trend seen in the number of farms and marketed value. Between 2007 and 2008 a 9% decrease was observed in the cultivated area from 114,400ha to 103,800 ha, with the 2008 area being 12% lower than the 5 year average of 117,200 ha. The regions with the largest fluctuations in cultivated area was Ontario (-14% since 2007; and -10% compared to the five year average of 55,600 ha) and BC (-12% since 2007; -6% from the 5 year average of 6,000 ha).

Table 2-6 - Number of Farms and Greenhouses Reporting Certified Organic Fruit and Vegetable Production - 2001

Province	Number of Organic Fruit, Vegetable and Greenhouse Farms	Percentage of all Certified Organic Farms in Province
Newfoundland & Labrador	3	100%
Prince Edward Island	17	74%
Nova Scotia	20	87%
New Brunswick	16	64%
Quebec	125	34%
Ontario	120	30%
Manitoba	7	8%
Saskatchewan	18	2%
Alberta	21	11%
British Columbia	267	84%
Canada	614	28%

Table 2-6 - Number of Farms and Greenhouses Reporting Certified Organic Fruit and Vegetable Production - 2006

Province	Number of Organic Fruit, Vegetable and Greenhouse Farms	Percentage of all Certified Organic Farms in Province
Newfoundland & Labrador	4	100%
Prince Edward Island	24	77%
Nova Scotia	50	81%
New Brunswick	27	64%
Quebec	208	27%
Ontario	174	30%
Manitoba	21	11%
Saskatchewan	19	2%
Alberta	31	13%
British Columbia	358	80%
Canada	916	26%

Statistics Canada (Census of Agriculture)

Statistics Canada reports that the total number of certified organic farms producing fruits and vegetables in Canada in 2006 was 916, representing an increase of 49% compared to 2001 when there were only 614 certified organic farms. The province with the most organic fruit and vegetable farms is British Columbia with 358 or 39% of the total, followed by Quebec with 208 farms or 23% and Ontario with 174 farms or 19%. An increase in awareness of the benefits of organic produce has positively affected the market translating into sales and production growth. This growth has also been positively affected by the implementation of mandatory certification to minimum organic standards through the new regulatory framework, boosting consumer confidence and demand for certified organic produce.

Table 2-7 - Canadian Mushroom Production by Region

Province	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**08/07**
Marketed Value ($ Million)											
British Columbia	54.2	58.9	77.7	51.6	66.1	68.5	78.9	72.8	78.0	86.7	11%
Prairies	34.1	39.4	36.3	34.2	44.2	38.5	37.8	26.8	21.3	16.8	-21%
Ontario	110.0	140.9	143.0	153.6	165.0	161.6	153.6	171.8	171.0	182.9	7%
Maritimes, Quebec	14.2	17.9	17.2	18.4	17.7	14.6	9.1	5.8	4.2	4.7	13%
Canada	212.5	257.1	274.2	257.8	293.0	283.2	279.4	281.7	274.5	291.2	6%
Marketed Production ('000 t)											
British Columbia	22.2	21.1	27.7	14.2	23.0	22.9	25.9	23.9	26.0	31.3	20%
Prairies	10.1	11.0	11.0	10.3	10.3	9.9	7.8	6.5	6.5	4.0	-39%
Ontario	33.3	43.6	42.9	45.6	49.2	48.2	44.1	46.1	53.5	48.8	-9%
Maritimes, Quebec	3.8	4.7	4.8	5.1	5.6	3.6	2.3	1.5	1.6	1.5	-6%
Canada	69.4	80.4	86.4	75.1	88.0	84.7	80.1	78.0	87.6	85.6	-2%

Statistics Canada (22-003-XIB)

Mushrooms have experienced significant growth in the past 10 years. In 2008, mushroom growers across Canada reported sales of $291 million, almost 6% higher than the previous year but close to 37% higher than in 1999. A large portion of the sales (62%) came from operations in Ontario while British Columbia accounted for the second highest proportion of sales with almost 30% of the Canadian total. This growth can be largely attributed to better marketing and awareness of the health benefits of mushrooms, increased variety and availability of specialty mushrooms and a steady US export market.

Table 2-8 - Canada's Ten Major Exported Fresh Vegetables

Vegetable	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Value ($ Million)											
Tomatoes (Field & GH)	180.2	244.3	263.2	274.2	324.4	343.7	334.8	325.2	255.3	286.4	12%
Peppers (Field & GH)	56.9	74.2	101.4	113.8	124.3	135.8	142.9	174.0	181.6	201.5	11%
Cucumbers (Field & GH)	23.9	34.0	46.5	55.0	64.3	79.5	78.5	90.1	87.4	90.9	4%
Mushrooms	55.2	62.5	79.6	94.2	98.9	109.5	102.5	89.0	77.9	69.9	-10%
Onions	20.1	22.1	37.2	37.3	36.1	32.8	29.4	39.6	47.4	40.6	-14%
Carrots	28.6	24.3	33.6	28.9	28.6	30.9	32.7	41.3	37.2	37.2	0%
Lettuce (Field & GH)	10.9	18.8	20.7	16.6	16.4	17.2	20.4	24.2	22.8	28.3	24%
Cabbage	16.3	19.2	22.7	22.3	18.6	20.2	24.8	20.6	21.5	20.4	-5%
Cauliflower & Headed Broccoli	4.7	5.0	4.8	4.9	5.5	9.4	4.3	5.2	7.9	6.7	-16%
Celery	1.8	4.1	3.3	2.8	2.5	2.1	2.5	5.6	3.8	3.8	0%
Canada - All Fresh Vegetables	411.5	521.2	630.3	674.6	749.9	813.2	802.4	841.5	782.5	827.1	6%
Volume ('000 t)											
Tomatoes (Field & GH)	79.6	101.5	105.8	100.7	130.8	134.4	142.2	135.9	112.4	119.7	6%
Carrots	58.3	57.6	67.4	60.0	67.4	72.5	64.5	80.2	73.1	86.8	19%
Onions	35.1	36.8	59.8	57.4	54.8	61.3	58.2	63.2	76.1	77.9	2%
Peppers (Field & GH)	22.1	26.1	34.3	41.5	46.4	48.7	56.1	63.7	71.4	67.4	-6%
Cucumbers (Field & GH)	18.2	22.6	29.3	33.6	42.4	53.9	48.8	48.9	51.3	59.0	15%
Cabbage	36.2	39.2	40.0	37.7	36.7	42.6	46.8	43.4	45.7	41.9	-8%
Lettuce (Field & GH)	13.4	18.6	22.6	18.3	19.3	21.3	22.2	23.6	25.4	29.8	17%
Mushrooms	10.4	15.6	17.4	20.3	23.0	24.0	26.6	25.0	22.3	20.3	-9%
Cauliflower & Headed Broccoli	6.8	6.9	6.1	6.0	7.2	12.3	6.1	7.0	10.6	8.9	-16%
Celery	3.5	6.7	6.2	5.8	5.5	5.7	5.6	9.0	8.9	6.6	-26%
Canada - All Fresh Vegetables	298.2	346.4	406.4	402.8	461.0	508.1	507.2	531.2	533.1	559.8	5%

According to Statistics Canada (see table above) exports of vegetables reached $827 million in 2008 up 6% from 2007 ($782 million) and up 2% from the 5 year trend of $813 million. Volume has increased 5% from 533.1 mt in 2007 to 559.8 mt in 2008 and is 6% higher than the 5 year average of 527.6 mt. The recent fluctuations in export value and volume is in part due to the strengthening of the Canadian dollar which makes our exports to our major trading partner the United States relatively more expensive.

Table 2-9 - Canada's Exports of Fresh Vegetables to Top Five Countries*

Country	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Value ($ Million)											
United States	391.8	507.8	611.4	659.9	732.7	783.0	787.4	832.9	886.1	948.9	7%
Japan	13.5	8.2	12.3	9.9	10.8	20.1	7.3	3.8	10.6	6.7	-37%
France	0.9	1.0	1.2	1.3	1.7	3.5	1.7	0.3	4.3	5.1	19%
Trinidad-Tobago	0.1	0.1	0.3	0.3	0.4	0.7	0.9	0.7	0.3	1.1	267%
Netherlands	0.2	0.3	0.1	0.2	0.3	0.6	0.6	0.2	1.0	0.7	-30%
Total All countries	406.5	517.3	625.3	671.6	745.8	807.9	798.1	837.9	902.3	962.5	7%
Volume ('000 t)											
United States	289.80	340.56	398.19	397.67	453.93	498.32	497.71	522.47	650.00	677.00	4%
Japan	0.51	0.29	0.60	0.45	0.93	1.36	0.89	0.95	1.40	1.10	-21%
France	0.05	0.05	0.14	0.11	0.15	0.23	0.14	0.01	1.30	2.65	104%
Trinidad-Tobago	0.10	0.14	0.59	0.60	0.97	1.48	1.72	1.46	1.00	2.20	120%
Netherlands	0.03	0.03	0.05	0.01	0.11	0.07	0.04	0.01	0.58	0.05	-91%
Total All countries	298.20	346.40	406.40	402.80	461.04	508.08	507.20	531.21	654.28	683.00	4%

*Ranking based on total of last 4 years; Excludes potatoes;
Statistics Canada

Table 2-10 - Canada's Ten Major Imported Fresh Vegetables

Product	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Value ($ Million)											
Lettuce (Field & GH)	184.6	222.1	229.4	276.8	278.0	274.7	327.3	356.8	384.6	397.9	3%
Tomatoes (Field & GH)	179.1	209.3	216.3	231.7	235.5	257.2	243.6	258.2	286.2	292.1	2%
Melons	139.5	140.3	161.5	171.7	167.4	158.3	183.4	180.2	194.7	190.2	-2%
Peppers (Field & GH)	115.0	136.8	160.1	161.1	169.9	182.8	181.6	169.7	191.4	203.3	6%
Carrots	80.6	84.7	102.1	113.0	110.9	107.0	107.0	108.4	120.2	127.1	6%
Onions	70.2	67.3	86.0	90.1	108.2	91.7	97.2	95.1	123.7	97.8	-21%
Broccoli	60.4	73.1	70.4	83.2	73.0	73.2	71.2	73.9	85.4	87.1	2%
Celery	39.1	58.9	54.1	52.9	45.5	51.6	48.8	48.1	56.5	52.1	-8%
Cauliflower & Headed Broccoli	38.6	44.1	44.1	51.9	54.3	53.9	54.4	52.9	52.5	84.9	62%
Cucumbers & Gherkins (Field & GH)	32.1	35.0	40.5	41.8	40.3	40.3	42.1	49.0	58.1	54.1	-7%
All Vegetables	1,262.0	1,424.6	1,554.6	1,699.4	1,704.5	1,723.6	1,820.6	1,862.4	2,023.2	2,070.1	2%
Volume ('000 t)											
Lettuce (Field & GH)	265.9	279.9	282.8	323.2	324.1	310.5	315.9	310.0	303.8	294.3	-3%
Tomatoes (Field & GH)	162.4	172.7	172.7	165.7	165.8	173.7	171.5	181.5	196.7	192.8	-2%
Melons	279.4	275.5	261.8	308.2	332.5	357.3	346.1	360.9	370.3	350.0	-5%
Peppers (Field & GH)	78.1	85.7	90.4	93.3	95.4	95.7	102.5	107.8	107.7	108.7	1%
Carrots	109.8	110.1	120.3	140.9	132.3	110.4	107.5	112.8	118.4	119.7	1%
Onions	134.2	123.7	141.9	152.5	164.7	150.5	154.6	149.4	154.7	146.3	-5%
Broccoli	77.6	75.5	76.0	78.6	70.4	72.4	73.7	76.0	77.4	77.3	0%
Celery	87.0	86.0	85.8	90.8	93.8	97.3	96.0	94.0	92.4	91.1	-1%
Cauliflower & Headed Broccoli	40.9	46.4	46.5	52.6	53.8	58.3	60.9	61.2	62.2	66.1	6%
Cucumbers & Gherkins (Field & GH)	36.5	38.9	40.7	41.3	41.8	42.4	42.4	47.0	49.0	46.1	-6%
All Vegetables	1,546.5	1,600.5	1,640.3	1,781.9	1,819.9	1,830.9	1,835.9	1,863.0	2,023.2	2,070.7	2%

Statistics Canada

Due to the largely seasonal nature of vegetable production, Canada has traditionally been a net importer of vegetables. In 2008 Canada had a net trade deficit in fresh vegetables with imports exceeding exports in value by $1,107.6 million. The value of imports of all vegetables in 2008 was 2% higher than in 2007 and 17% above the previous 5 year average of $1,767.8 million. With respect to major imported vegetables such as lettuce and tomatoes, the overall trend shows an increase in both value and volume. Lettuce is Canada's top imported vegetable product, with $398 million imported in 2008 (up 3% from 2007 and 24% from the 5 year average of $320 million). Tomatoes ranked second in terms of imported value with melons and peppers following closely behind.

Table 2-11 - Canada's Imports of Fresh Vegetables from Top Ten Countries*

Country	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Value ($ Million)											
United States	1,032.4	1,176.5	1,255.8	1,332.0	1,289.4	1,272.5	1,342.3	1,332.6	1,393.9	1,432.9	3%
Mexico	119.9	129.0	158.7	207.0	244.6	260.3	285.3	321.4	418.2	430.7	3%
China	12.1	12.6	10.3	11.3	12.5	14.0	17.3	25.0	41.3	34.5	-16%
Peru	3.9	6.9	7.9	11.2	17.7	20.8	26.9	31.2	33.3	32.9	-1%
Guatemala	13.1	14.3	15.8	19.5	23.0	22.6	24.2	24.2	29.3	32.6	11%
Netherlands	17.9	24.3	28.5	25.9	26.6	28.9	27.4	27.0	24.0	21.8	-9%
Costa Rica	6.2	6.9	12.2	12.6	14.1	16.1	19.2	20.8	22.6	20.1	-11%
Spain	0.9	0.9	1.0	11.3	21.0	25.6	16.7	22.4	9.7	14.5	49%
Honduras	2.9	2.8	6.1	8.3	10.4	12.0	13.5	11.4	11.7	14.4	23%
Dominican Rep	4.2	3.8	4.1	7.6	6.6	5.9	4.5	5.2	4.2	5.4	29%
Total All countries	757.4	831.0	918.5	1,337.2	1.695.0	1,723.6	1,820.6	1,862.4	2,023.2	2,070.7	2%
Volume ('000 t)											
United States	868.6	889.7	921.2	1,268.70	1,495.3	1,497.7	1,469.7	1,450.8	1,431.1	1,402.0	-2%
Mexico	73.4	73.0	70.2	107.8	192.9	198.1	219.1	253.0	299.8	312.7	4%
China	10.7	13.9	8.7	8.7	10.0	13.1	16.8	23.6	46.0	35.6	-23%
Peru	1.1	1.9	2.2	3.4	5.3	5.5	8.1	9.2	9.6	10.2	6%
Guatemala	15.7	14.6	13.8	19.3	24.9	22.5	27.2	30.8	36.2	37.5	4%
Netherlands	0.9	2.2	1.5	7.1	11.1	10.0	10.0	8.9	7.7	7.0	-9%
Costa Rica	7.7	10.0	13.9	15.1	19.1	21.6	25.8	30.6	32.2	27.8	-14%
Spain	1.3	0.6	0.5	5.6	8.1	9.6	9.1	9.8	3.4	5.3	56%
Honduras	4.3	4.7	6.9	9.7	13.1	15.1	17.9	15.2	12.7	17.2	35%
Dominican Rep	6.3	5.7	4.5	9.0	8.0	7.9	5.8	6.5	4.8	5.7	19%
Total All countries	1,006.1	1,030.0	1,059.6	1,479.9	1,815.7	1,831.0	1,835.9	1,860.4	1,905.7	1,874.4	-2%

Statistics Canada

Potatoes

Table 2-12 - Canadian Potato Production by Province
Volume ('000 t)

Province	2007	2008	08/07
Newfoundland	5.6	5.1	-9%
Prince Edward Island	1,241.1	1,110.2	-11%
Nova Scotia	25.5	25.9	2%
New Brunswick	769.5	642.8	-16%
Quebec	589.0	494.2	-16%
Ontario	233.5	351.3	50%
Manitoba	1,073.2	1,078.7	1%
Saskatchewan	105.6	118.5	12%
Alberta	847.6	792.5	-7%
British Columbia	108.9	105.5	-3%
Canada	4,999.5	4,724.6	-5%

Statistics Canada (22-008-XIE)

Canadian potato production for 2008 is estimated at 4,724,600 tons, representing a 5.5% decline from 2007 but close to the 5 year average. It is important to note that production in Ontario increased by 50% from 233,500 t in 2007 to 351,300 t in 2008 due to a drought that negatively affected the crop in 2007. As can be seen in Table 2-1, potato production was mostly concentrated in Prince Edward Island (23%), Manitoba (22%), Alberta (16%), and New Brunswick (13%). The Atlantic region represented 38% of the Canadian production, the Western region 44% and the Central region 18%.

Table 2-13 - Potato Farm Cash Receipts
Value ($ Million)

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Newfoundland	1.2	1.2	1.2	1.4	2.1	2.0	1.8	2.8	2.8	2.8	0%
Prince Edward Island	192.2	154.5	123.9	189.9	185.3	151.3	165.3	202.9	198.0	200.9	1%
Nova Scotia	8.4	10.2	8.2	10.8	9.2	10.1	7.0	5.9	4.4	5.4	23%
New Brunswick	93.0	78.8	100.8	126.8	100.6	83.5	81.1	113.5	94.9	119.8	26%
Quebec	84.7	85.6	95.7	110.7	85.6	81.7	99.0	115.5	93.8	126.3	35%
Ontario	62.6	65.6	71.9	87.3	81.5	73.1	64.5	89.8	70.0	93.5	34%
Manitoba	118.6	111.3	131.3	132.8	139.5	153.9	157.8	137.1	183.0	199.4	9%
Saskatchewan	29.1	28.9	40.3	51.4	58.1	53.1	24.7	32.6	34.2	39.5	15%
Alberta	74.9	113.1	107.1	146.8	133.5	164.6	138.4	152.1	139.2	154.8	11%
British Columbia	35.9	33.6	42.5	59.7	50.5	46.9	47.8	43.3	46.4	44.7	-4%
Canada	700.7	682.8	722.9	917.6	845.8	820.2	787.5	895.6	866.7	987.1	14%

Statistics Canada (Table 002-0001, 21-001-XIB)

Canada is the 12th largest potato producer in the world with production close to 5 million metric tons in 2008. With $987 million in farm cash receipts in 2008, the potato is one of the most valuable vegetable crops in Canada, accounting for 34% of total vegetable farm cash receipts (including potatoes). Potato farm cash receipts (FCR) have been variable in the last five years, declining by 4% from $820 million in 2004 to $787 million in 2005, but regaining momentum in 2006 when they increased by almost 14% to reach $895 million and then decreasing by 3% to $866 million in 2007 and then another shift upwards by 14% to $987 million in 2008. The potato industry enjoyed strong potato prices (upwards of 25$/CWT for russets as compared to $16 the year before) in 2008 which has increased value by 17% from the previous year. Other factors contributing to this increase in price have been increased contract prices for processing potatoes, the efforts of the potato industry to align supply and demand in order to reduce oversupply and the negative effects it has on prices.

Table 2-14 - Canadian Potato Production (Part 1)

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Area Planted (ha)											
Newfoundland	300	200	200	300	300	283	283	324	283	283	0%
Prince Edward Island	45,700	44,100	43,300	44,100	42,900	42,898	39,054	39,499	38,851	37,435	-4%
Nova Scotia	2,100	2,100	2,100	2,200	2,100	2,024	1,416	1,052	1,012	890	-12%
New Brunswick	22,700	22,300	23,600	23,500	23,900	23,675	23,473	24,242	23,675	22,461	-5%
Quebec	17,900	18,600	18,900	19,800	20,200	19,304	19,709	19,385	18,899	17,119	-9%
Ontario	17,600	17,700	17,600	17,700	18,200	16,188	14,691	15,419	14,974	14,569	-3%
Manitoba	29,900	31,600	31,400	35,600	41,700	38,851	34,804	32,619	34,400	33,185	-4%
Saskatchewan	3,200	4,200	5,100	5,300	5,500	5,059	4,452	4,492	3,845	3,845	0%
Alberta	17,400	21,400	23,600	25,100	26,700	23,473	22,663	22,178	22,582	21,247	-6%
British Columbia	3,300	3,400	3,500	3,600	3,700	3,561	3,480	3,440	3,440	3,035	-12%
Canada	160,100	165,600	169,300	177,200	185,200	175,316	164,025	162,650	161,961	154,069	-5%
Area Harvested (ha)											
Newfoundland	200	200	200	200	300	243	243	283	283	283	0%
Prince Edward Island	44,500	43,700	43,300	43,300	43,500	42,696	38,851	38,851	38,851	36,018	-7%
Nova Scotia	1,900	2,100	2,100	2,100	2,200	1,943	1,336	1,012	1,012	890	-12%
New Brunswick	22,300	22,300	23,200	23,200	23,500	23,473	22,866	23,675	23,675	22,056	-7%
Quebec	17,600	18,100	18,600	18,600	19,400	18,697	19,183	18,495	16,714	16,795	0%
Ontario	16,900	16,100	17,300	17,300	16,900	15,783	14,367	14,569	14,569	14,245	-2%
Manitoba	29,500	29,900	30,200	30,200	34,000	37,637	30,757	34,197	34,197	33,185	-3%
Saskatchewan	3,200	4,100	5,000	5,000	5,100	4,856	4,411	3,845	3,845	3,845	0%
Alberta	17,100	19,300	23,200	23,200	22,600	23,068	20,842	22,178	22,582	21,044	-7%
British Columbia	3,300	3,400	3,500	3,500	3,500	3,359	3,440	3,238	3,238	3,035	-6%
Canada	156,500	159,200	166,600	166,600	171,000	171,755	156,296	158,238	158,966	151,398	-5%
Average Yield (t/ha)											
Newfoundland	14.50	20.50	22.00	26.00	22.67	21.40	18.67	25.81	19.61	17.67	-10%
Prince Edward Island	29.15	30.27	19.28	31.53	29.15	30.82	30.81	34.67	31.94	30.82	-4%
Nova Scotia	24.05	26.95	16.86	26.14	23.05	26.76	23.95	24.47	25.22	28.69	14%
New Brunswick	27.97	28.53	28.06	29.48	28.80	31.94	29.13	33.91	32.50	29.15	-10%
Quebec	26.14	26.22	25.77	24.56	27.18	29.76	25.48	28.60	31.84	29.41	-8%
Ontario	20.76	21.30	20.76	18.26	24.15	22.64	19.49	23.43	16.03	24.64	54%
Manitoba	25.25	28.07	26.22	27.76	33.18	27.46	23.54	28.51	31.38	32.51	4%
Saskatchewan	28.00	29.90	27.34	32.32	36.41	31.30	29.70	32.81	27.46	30.95	13%
Alberta	32.54	34.75	35.29	30.55	40.40	39.23	38.56	37.42	38.22	37.68	-1%
British Columbia	29.30	28.79	31.20	32.69	33.66	32.51	30.81	33.34	33.62	34.60	3%
Canada	27.27	28.69	25.33	28.24	30.89	30.48	28.36	32.17	31.18	31.21	0%
Total Production ('000 t)											
Newfoundland	3	4	4	5	7	5	5	7	6	5	-10%
Prince Edward Island	1,297	1,323	835	1,365	1,268	1,316	1,197	1,347	1,241	1,110	-11%
Nova Scotia	46	57	35	55	51	52	32	25	26	26	0%
New Brunswick	624	636	651	684	677	750	666	803	770	643	-16%
Quebec	460	475	479	457	527	556	489	529	589	494	-16%
Ontario	351	343	359	316	408	357	280	341	234	351	50%
Manitoba	745	839	792	838	1,128	1,034	724	975	1,073	1,079	1%
Saskatchewan	90	123	137	162	186	152	131	126	106	119	13%
Alberta	556	671	819	709	913	905	804	830	848	793	-6%
British Columbia	97	98	109	114	118	109	106	108	109	105	-4%
Canada	4,268	4,568	4,221	4,705	5,283	5,235	4,433	5,091	5,000	4,725	-6%

Statistics Canada (22-008-XIE)

Table 2-14 - Canadian Potato Production (Part 2)

Province	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	07/06
Potatoes Sold, Consumed, Seeded or Fed to Livestock ('000 t)											
Newfoundland	4	3	4	4	5	6	5	4	7	5	-23%
Prince Edward Island	1,298	1,279	1,023	830	1,352	1,255	1,295	1,182	1,320	1,230	-7%
Nova Scotia	41	43	54	33	52	48	54	30	23	24	3%
New Brunswick	644	599	613	639	663	649	665	646	777	727	-6%
Quebec	459	448	453	471	441	503	509	469	465	560	20%
Ontario	326	337	322	341	299	363	304	261	307	220	-28%
Manitoba	698	681	825	779	829	996	1,001	715	965	1,061	10%
Saskatchewan	136	81	114	128	150	178	117	115	115	98	-15%
Alberta	392	523	659	800	695	899	889	790	814	812	0%
British Columbia	79	90	93	104	109	112	98	101	103	104	1%
Canada	4,078	4,084	4,158	4,130	4,595	5,010	4,937	4,282	4,896	4,841	-1%
Value (Cdn $ ' 000)											
Newfoundland	1,445	1,140	1,399	1,395	1,940	2,280	1,725	1,841	3,301	2,498	-24%
Prince Edward Island	218,355	195,617	139,947	192,511	229,825	162,248	165,376	234,915	201,812	221,978	10%
Nova Scotia	7,141	8,986	11,775	7,085	11,656	9,785	10,804	6,247	5,209	5,457	5%
New Brunswick	103,102	94,750	91,868	152,967	118,321	91,198	83,241	127,547	100,538	110,197	10%
Quebec	83,750	86,075	86,317	120,938	104,361	86,849	88,349	120,592	103,468	108,682	5%
Ontario	61,013	65,182	61,957	89,842	91,778	88,194	65,838	74,003	86,221	66,573	-23%
Manitoba	115,035	117,748	143,643	143,463	149,157	163,384	167,980	136,629	187,057	205,484	10%
Saskatchewan	38,242	29,431	38,460	52,195	58,899	60,255	33,245	36,787	34,476	35,736	4%
Alberta	75,696	104,829	110,571	153,435	148,638	169,375	168,103	153,213	157,609	157,157	0%
British Columbia	32,447	37,782	35,657	46,812	63,455	49,197	45,787	49,979	46,310	52,645	14%
Canada	736,226	741,540	721,594	960,643	978,030	882,765	830,448	941,753	925,999	966,407	4%
Average Price ($/t)											
Newfoundland	370.51	438.46	368.16	348.75	395.92	361.90	359.38	432.10	488.32	483	-1%
Prince Edward Island	168.19	152.97	136.85	231.83	170.05	129.31	127.71	197.75	153.00	181	18%
Nova Scotia	172.49	209.95	219.27	213.40	223.30	203.43	200.82	210.54	225.53	229	1%
New Brunswick	160.00	158.18	149.84	239.46	178.41	140.48	125.12	197.53	129.41	151	17%
Quebec	182.46	192.13	190.71	256.71	236.43	172.80	173.44	257.28	222.66	194	-13%
Ontario	187.21	193.48	192.53	263.47	307.05	242.76	216.57	283.73	280.64	303	8%
Manitoba	164.90	172.80	174.20	184.12	179.99	164.06	167.81	191.14	193.78	194	0%
Saskatchewan	281.40	362.00	337.66	407.14	392.40	338.51	283.42	320.33	299.38	364	22%
Alberta	192.91	200.36	167.71	191.70	213.78	188.34	189.11	194.00	193.56	193	0%
British Columbia	410.72	418.41	385.48	452.29	582.16	438.48	468.17	496.25	450.84	506	12%
Canada	180.54	181.56	173.55	232.61	212.84	176.21	168.20	218.03	189.15	200	5%

Statistics Canada (22-008-XIE)

As seen in table 2-14 (part 1), Canadian potato acreage has fluctuated by over 31,000 ha in the past 10 years. In 2003 a high per-hectare yield (30.89 t/ha) and a record harvested acreage (171,000 ha) resulted in the largest crop in history and a price reduction of 17%, even while acreage has been decreasing since 2003 due to the observed adverse effects of overproduction on market prices. Prices have been steadily increasing back to pre 2003 levels of $200+/t.

Fluctuations in the currency exchange rate (Canadian versus U.S. dollar) and the demand for frozen products have also been a contributing factor in the expansion of the Canadian potato industry, particularly between 1993 and 2002, when the value of the Canadian dollar was low and Canadian potatoes were easily exportable. However, since 2003, a higher Canadian dollar has contributed to the reduced rate of expansion of the Canadian potato industry, while at the same time, acreage reduction programs, a reduction in the demand for processing potatoes and increases in transport costs, have contributed to the downward trend.

In 2008 total potato production was estimated at 4.725 million metric tons, a 6% decrease over the 2007 crop, and 10% below the record crop of 2003. Area planted in 2008 was 154,069 ha down by 5% from 161,961 ha in 2007. Area harvested in 2008 was down by 5% from 2007, while average yield reached 31.21 t/ha representing a less than 1% decrease from 2007.

Conditions were average in most of Canada while two provinces, Alberta and BC, broke the 33.6 t/ha barrier (300 cwt/acre) for yields, with PEI, New Brunswick, Quebec and Manitoba not far behind. Ontario endured a drought in 2007 which negatively affected production but has since recovered and is yielding at average levels. In Ontario, the areas planted and harvested were similar to past years (a 3% decrease since 2007) but in contrast, due to the effect of the drought, the average yield fell by 32% from 23.43 t/ha to 16.03 t/ha in 2007, but has since recovered to 24.64 t/ha in 2008.

The 2008 estimated crop value was $966,4 million, 4% higher than in 2007. Crop value has been variable in the past 8 years, falling by 15% between 2002 and 2004 from $978 million to $ 830 million, and back up by 11% between 2004 and 2006 to $926 million and up again in 2007 by 4%. The 2008 average price per metric ton was 200 $/t (5% higher than the 2007 price of 189 $/t) and has also been fluctuating for the past 8 years from $212.84/t in 2002 to $168.2/t in 2004 (20% drop), then back up by 30% to $218/t in 2005 before declining by 13% to 189.15 $/t in 2006 and back up again 5% in 2007.

Since 2006, potato trade between Canada and the U.S. has been impacted by the detection of potato cyst nematodes (PCN) in both countries. Following a PCN discovery in Idaho in April 2006, the Canadian Food Inspection Agency (CFIA) placed temporary trade restrictions on regulated articles including potatoes and nursery stock from Idaho. In August 2006, the United States Department of Agriculture (USDA) reciprocated and placed temporary trade restrictions on regulated articles from Quebec following a PCN discovery in the St.-Amable region. By October 2006, Canada and the U.S. had reached an agreement to restore trade and restrictions were only imposed on the regulated areas within Idaho and Quebec. Long standing restrictions on other regulated areas in both countries remained in place.

In October 2007, PCN was confirmed in two Alberta seed potato fields and the CFIA and USDA agreed to place temporary restrictions on the movement of potatoes from Alberta to the U.S. These restrictions remained in place until May 2008, when an agreement was reached to re-open U.S. markets to Alberta seed potatoes. The agreement included adhering to a revised version of the PCN Guidelines, originally developed in October 2006, which outlined the requirements for PCN containment, risk mitigation and soil sampling and testing. As a result, all s eed potatoes traded between the two countries needed to be sampled using a full field grid at a sampling rate of 1.1 pounds of soil per acre. These guidelines were further amended in June 2009 and the sampling rate for seed potato exports is now 5 pounds of soil per acre.

The latest updates on the PCN situation in Canada can be found at: http://www.inspection.gc.ca/english/plaveg/pestrava/gloros/situatione.shtml .

Table 2-15 - Canada's Fresh Potato Export and Import Markets (August to July)

Type	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	% Change*
Table Stock - Value ($ ' 000)											
Exports	119,814	100,151	71,882	126,484	126,256	88,632	91,265	121,409	144,881	155,130	7%
Imports	81,327	91,552	93,122	154,843	108,505	88,603	65,182	93,460	80,448	82,891	3%
Trade Balance	38,487	8,599	-21,240	-28,359	17,751	29	26,083	27,949	64,433	72,239	12%
Seed											
Exports	59,943	56,655	34,257	52,143	44,878	35,883	29,516	39,771	41,488	24,467	-41%
Imports	3,365	3,671	3,754	3,409	3,824	3,244	3,569	2,191	2,579	1,782	-31%
Trade Balance	56,578	52,984	30,503	48,734	41,054	32,639	25,947	37,580	38,909	22,685	-42%
Total											
Exports	179,757	156,806	106,139	178,627	171,134	124,515	120,781	161,180	186,369	179,597	-4%
Imports	84,692	95,223	96,876	158,252	112,329	91,847	68,751	95,651	83,027	84,673	2%
Trade Balance	95,065	61,583	9,263	20,375	58,805	32,668	52,030	65,529	103,342	94,924	-8%
Table Stock - Volume (t)											
Exports	373,289	339,260	233,377	280,581	342,523	307,831	315,918	305,910	471,491	524,714	11%
Imports	199,165	241,877	222,410	272,779	245,439	148,297	179,494	192,283	155,519	169,358	9%
Trade Balance	174,124	97,383	10,967	7,802	97,084	159,534	136,424	113,627	315,972	355,356	12%
Seed											
Exports	180,778	168,561	107,073	140,399	126,888	152,292	134,561	105,479	118,926	71,398	-40%
Imports	11,767	12,526	12,648	10,048	11,921	11,667	13,969	8,397	8,931	6,806	-24%
Trade Balance	169,011	156,035	94,425	130,351	114,967	140,625	120,592	97,082	109,995	64,592	-41%
Total											
Exports	554,067	507,821	340,450	420,980	469,411	460,123	450,479	411,389	590,417	596,112	1%
Imports	210,932	254,403	235,058	282,827	257,360	159,964	193,463	200,680	164,450	176,164	7%
Trade Balance	343,135	253,418	105,392	138,153	212,051	300,159	257,016	210,709	425,967	419,948	-1%

*% Change from 2006-2007 to 2007-2008
Statistics Canada

Table 2-16 - Canadian Processed Potato Exports and Imports (August to July)

Type	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	% Change*
Value ($ '000)											
Frozen[1]											
Exports	513,659	637,272	651,218	738,353	745,081	903,455	831,985	800,348	882,196	842,932	-4%
Imports	29,047	18,121	11,032	53,787	52,294	45,551	51,445	58,437	70,677	74,536	5%
Trade Balance	484,612	619,151	640,186	684,566	692,787	857,904	780,540	741,911	811,519	768,396	-5%
Others[2]											
Exports	23,021	55,938	79,912	79,562	94,156	79,823	70,241	62,318	64,662	72,104	12%
Imports	90,958	89,523	85,588	116,621	106,988	109,005	118,289	86,707	91,842	99,303	8%
Trade Balance	-67,937	-33,585	-5,676	-37,059	-12,832	-29,182	-48,048	-24,389	-27,180	-27,199	0%
Total											
Exports	536,680	693,210	731,130	817,915	839,237	983,278	902,226	862,666	946,858	915,036	-3%
Imports	120,005	107,644	96,620	170,408	159,282	154,556	169,734	145,144	162,519	173,839	7%
Trade Balance	416,675	585,566	634,510	647,507	679,955	828,722	732,492	717,522	784,339	741,197	-6%
Volume (t)											
Frozen[1]											
Exports	528,173	622,449	637,197	738,408	789,898	1,033,477	966,715	970,170	1,027,583	979,472	-5%
Imports	23,682	14,764	9,125	45,164	42,832	36,224	33,226	46,722	43,921	45,379	3%
Trade Balance	504,491	607,685	628,072	693,244	747,066	997,253	933,489	923,448	983,662	934,093	-5%
Others[2]											
Exports	12,701	28,912	38,394	40,914	51,295	53,527	50,076	43,254	44,699	49,507	11%
Imports	42,036	39,431	39,162	49,801	47,212	42,761	42,059	33,660	35,187	37,458	6%
Trade Balance	-29,335	-10,519	-768	-8,887	4,083	10,766	8,017	9,594	9,512	12,048	27%
Total											
Exports	540,874	651,361	675,591	779,322	841,193	1,087,004	1,016,791	1,013,424	1,072,282	1,028,979	-4%
Imports	65,718	54,195	48,287	94,965	90,044	78,985	75,285	80,382	79,107	82,838	5%
Trade Balance	475,156	597,166	627,304	684,357	751,149	1,008,019	941,506	933,042	993,174	946,141	-5%

*% Change from 2006-2007 to 2007-2008
1 French fries and potatoes, frozen, uncooked
2 Chips, dried, starch, canned and salad potatoes
Statistics Canada

According to Tables 2-15 and 2-16, Canada's total export of fresh and processed potatoes during the 2007-2008 marketing year was $1.09 billion. Imports totalled $258.5 million resulting in a net positive trade balance of $832 million. The export value of fresh and processed potatoes represented almost 50% of all exports of fresh and processed vegetables. The United States is Canada's main export market. From 2003 to 2005, the value of Canada's exports of fresh and processed potatoes increased by 8% from $1.01 billion to $1.09 billion, but fell by 5% between 2005 to 2006 before rising again to $1.09 billion in 2008 (less than 1% higher than 2007). Since 2003, imports of fresh and processed potatoes have been variable. 2003 imports of fresh and processed potatoes were valued at $257 million; by 2006 the value of products entering Canada decreased by 14% to $222 million, but rose by 14% between 2007 and 2008 back to 2003 levels of $258 million.

Trade in Table Potatoes

Based on the 2007-2008 marketing year, the volume of Canada's exports of table potatoes was 524,714 t

up 71% from 2005-2006 and 11% from 2006-2007 (36% above the 5 year average of 385,172 t). The value of table stock potato exports was $155 million, up 27% from 2005-2006 and up 7% from 2006-2007. The 2007-2008 price of 295.6$/t was 1% lower than the 2006-2007 price of 307 $/t price and 7% less than the previous five-year average of 329 $/t. During the 2007-2008 marketing season the United States accounted for 91% (175 million) of the export value. Other important markets in terms of value were Trinidad-Tobago ($3.5m), Thailand ($3.3m), and the Dominican Republic ($1.7m).

Canada imports U.S. fresh table potatoes mainly during the period May to July with 64% of imports coming from the states of Washington and California. Trade in table potatoes was at its lowest in 5 years (2003-2008) in 2004 with import values of $65 million (20% lower than the 5 year average of $81.8 million). Import values have risen consistently between 2003 and 2008 to reach $155.1 million in 2008, which is 22% higher than the 5 year average of $120.2 million.

Trade in Seed Potatoes

Seed export volume decreased by 40% during the 2007-2008 crop year from 118,926 t to 71,398 t, while the export value decreased by 41% from $41.4 million to $24.4 million. Exports to the U.S. accounted for 50% of Canada's seed potato exports. Other valued seed markets during the period include Venezuela ($4m) Mexico ($2m), Cuba ($2m) and Uruguay ($1m). Alberta exported 31% of Canada's seed potatoes followed by New Brunswick with 24%, and Prince Edward Island with 19%. In 2007-2008, Canada exported seed potatoes to 23 countries compared to 27 the previous year. In the same period Canada imported 165,156 t (worth $97 million) of seed potatoes all from the U.S.

Table 2-17 - World Potato Production
Volume (Million t)

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	07/06
China	64.6	56.1	66.3	64.6	70.2	68.1	71.2	73.5	70.3	56.2	-20%
Russian Federation	31.4	31.3	34.0	35.0	32.9	36.7	35.9	37.3	38.5	36.8	-4%
India	17.6	23.6	24.7	22.5	24.5	25.0	25.0	25.0	23.9	22.1	-8%
United States	21.6	21.7	23.3	19.9	20.9	20.8	20.7	19.1	19.7	20.4	4%
Ukraine	15.4	12.7	19.8	17.3	16.6	18.5	20.8	19.5	19.5	19.1	-2%
Poland	25.9	19.9	24.2	19.4	15.5	13.7	14.0	10.4	9.0	11.8	31%
Germany	11.7	12.0	13.7	11.9	11.5	9.9	13.0	11.6	10.1	11.6	15%
Belarus	7.6	7.5	8.7	7.8	7.4	8.6	9.9	8.2	8.3	8.7	5%
Netherlands	5.2	8.3	8.2	7.1	7.4	6.5	7.5	6.8	6.5	7.2	11%
France	6.1	6.6	6.4	6.1	6.9	6.3	7.3	6.7	6.3	7.2	14%
United Kingdom	6.4	7.1	6.6	6.6	7.0	5.9	6.3	5.8	5.6	5.6	0%
Canada	4.3	4.3	4.6	4.2	4.7	5.3	5.2	4.3	5.0	5.0	0%
Turkey	5.3	6.0	5.4	5.0	5.2	5.3	4.8	4.2	4.4	4.2	-5%
Romania	3.3	4.0	3.5	4.0	4.1	3.9	4.2	3.7	4.0	3.7	-8%
Bangladesh	1.6	2.8	2.9	3.2	3.0	3.4	3.9	4.9	4.2	5.2	24%
Iran	3.4	3.4	3.7	3.5	3.8	4.2	4.6	4.6	4.8	5.2	8%
Colombia	2.5	2.8	2.9	2.9	2.8	1.8	1.8	1.8	1.7	2.4	41%
Brazil	2.8	2.9	2.6	2.8	3.1	3.1	2.9	3.0	3.1	3.6	16%
Spain	3.1	3.4	3.1	3.0	3.1	2.7	2.8	2.6	2.5	2.5	0%
Japan	3.1	3.0	2.9	3.0	3.1	2.9	2.9	2.8	2.6	2.8	8%
Peru	2.6	3.1	3.3	2.7	3.3	3.1	3.0	3.3	3.3	3.4	3%
Kazakhstan	1.3	1.7	1.7	2.2	2.3	2.3	2.3	2.5	2.4	2.4	0%
Argentina	3.4	2.7	2.2	2.5	2.3	2.1	2.0	2.0	2.4	2.0	-17%
Italy	2.2	2.1	2.1	2.0	1.9	1.6	1.8	1.8	1.8	1.8	0%
Egypt	2.0	1.8	1.8	1.9	2.0	2.0	2.5	2.5	2.5	2.8	12%
Other Countries	46.4	50.3	50.5	51.8	51.5	51.3	54.4	56.6	53.0	55.6	5%
World	300.8	301.1	329.1	312.9	317.4	315.0	330.7	324.5	315.1	309.3	-2%

Source FAO-2008 data not yet available

The FAO reported that world potato production was 309 million t in 2007 (which represents only a minute change from 2006, with little fluctuation between 2001 and 2006). China is the world's largest producer (56.2 million t) and has been for the period 2001-2007 with 18% of the world production followed by the Russian Federation (36.8 million t), India (22.1 million t), the United States (20.4 million t), Ukraine (19.1 million t) and Germany (11.6 million t). Since 2001 Canada's competitive position has stayed relatively

constant with regards to rankings (13th in 2001), moving ahead of Poland in 2004 but still remaining out of the top ten with an average ranking of 12th. Note the rankings of the major potato producing countries have not changed much. China has increased production consistently since 2001 but in 2007 reduced production by 20% compared to the 5 year average but has remained the world's top producer throughout the 5 years. The Russian Federation has not increased production and has remained the world's second top producer throughout the 5 years.

Table 2-18 - World French Fry Situation*

Country	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	% Change**
Production ('000 of t)											
Canada	860	910	1,020	1,050	1,080	1,170	1,390	1,365	1,300	1,310	1%
Netherlands	1,100	1,075	1,100	1,175	1,150	1,127	1,358	1,371	1,380	1,200	-13%
United States	3,284	3,566	3,498	4,331	3,750	3,838	3,752	3,857	3,693	3,842	4%
Imports ('000 of t)											
Canada	28	24	14	17	31	31	37	31	44	50	14%
Netherlands	46	65	85	105	75	83	155	105	68	200	194%
United States	339	368	465	533	651	673	827	780	523	800	53%
Exports ('000 of t)											
Canada	448	516	619	634	736	768	1,015	979	956	975	2%
Netherlands	950	965	930	1,030	990	1,011	1,385	1,184	1,164	1,125	-3%
United States	425	473	464	523	508	441	482	514	555	661	19%

*Frozen Potato Products by Marketing Year (July to June)
** % Change from 2005-2006 to 2006-2007
USDA, FAS
Note: 2007-2008 data not yet available

Canadian frozen French fry production was estimated at 1.31 million t in 2006-2007 and is down 1% from 2005-2006 reflecting the reduced volumes contracted by processors. This is the second consecutive decline in production relative to the previous years since the relentless expansion of the late 1980s. Approximately 55% of potatoes grown in Canada are used for processing. Of this amount, the largest percentage is used for French fries, while 10 to 15% are used for chips and dehydration. It takes 2 to 2.5 kg of potatoes to produce 1 kg of French fries, about 5 kg for a kg of potato chips, and about 4 kg to produce 1 kg of dehydrated potatoes in granules. Among the three major exporting countries in 2006-2007, Canada ranks second, after the Netherlands and before the US with 35% of the combined total exports of these countries while it ranks third in imports with only 4% of total imports.

Greenhouse Vegetables

Table 2-19 - Greenhouse Vegetable Farm Cash Receipts
Value ($ Million)

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Newfoundland	0.0	0.0	0.0	0.3	0.2	0.2	0.2	0.1	0.2	0.2	0%
Prince Edward Island	0.4	0.5	0.4	0.5	0.4	0.4	0.6	0.3	0.6	0.6	0%
Nova Scotia	4.9	4.7	4.1	6.5	6.2	4.8	4.3	4.5	5.1	5.0	0%
New Brunswick	1.1	1.0	0.6	0.7	0.7	0.6	0.6	0.4	0.5	0.5	0%
Quebec	42.7	44.6	58.3	53.6	54.2	60.4	57.2	59.6	75.5	68.9	-9%
Ontario	248.7	296.4	338.4	327.2	322.2	387.5	418.7	464.7	471.6	479.8	2%
Manitoba	0.1	0.5	0.3	0.3	0.4	0.5	0.2	0.3	0.5	0.4	-25%
Saskatchewan	0.6	0.7	0.6	0.8	0.7	0.7	0.7	0.9	0.7	0.7	0%
Alberta	16.2	19.3	23.1	25.7	25.9	29.9	30.9	32.8	37.3	36.5	-2%
British Columbia	123.7	136.9	163.8	180.2	226.2	254.2	231.2	232.8	213.9	207.2	-3%
Canada	438.5	504.7	589.7	595.8	637.1	739.2	744.6	796.4	805.8	799.8	-1%

Statistics Canada (Table 002-0001, 21-001-XIB)

According to Statistics Canada, the 2008 Farm Cash Receipts (FCR) for the greenhouse vegetable sector decreased to $799.8 million from $805.8 million a year earlier, representing a 1% decrease. The major greenhouse crops grown in Canada are tomatoes, cucumbers, peppers and lettuce. The main greenhouse vegetable producing provinces are Ontario with FCR of $479.8 million (an increase of 2% from 2007) and British Columbia with FCR of $207.2 million (a 3% decrease compared to 2007). In Quebec, 2008 FCR decreased 9% to $68.9 million from the 2007 value of $75.5 million, Alberta was down 2% in 2008 to $36.5 million (compared to $37.3 million in 2007) and Nova Scotia decreased slightly to $5 million from $5.1 million in 2007.

Table 2-20 - Canadian Greenhouse Vegetable Production and Value

Product	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Farm Gate Value ($ Million)											
Tomatoes	256	288	350	381	378	413	385	383	356	372	4%
Cucumbers	117	130	145	111	119	132	137	191	179	187	4%
Peppers	43	61	65	79	106	137	166	192	201	212	5%
Lettuce	13	15	25	16	16	17	20	25	23	24	4%
Total	429	494	584	586	619	699	708	791	759	795	5%
Production ('000 Mt)											
Tomatoes	158	182	208	216	216	224	210	204	204	207	1%
Cucumbers	90	101	116	92	92	114	136	179	188	172	-9%
Peppers	12	18	21	25	30	41	51	61	71	70	-1%
Lettuce	5	6	8	3	4	4	5	5	5	X	0%
Total	265	307	353	335	342	382	402	449	468	449	-4%
Area (ha)											
Tomatoes	360	400	441	445	444	453	431	449	464	466	0%
Cucumbers	162	182	194	201	187	207	224	272	278	277	0%
Peppers	65	98	96	108	126	185	215	256	306	306	0%
Lettuce	15	16	24	14	13	15	9	16	16	15	-6%
Total	602	696	755	768	770	860	879	993	1,064	1,064	0%

Statistics Canada (22-202-X)

Total greenhouse area remained at 1026 hectares (ha) for 2008 and 2007 an increase over the 5 year average of 972 ha. Tomato production area had a slight increase in 2008 to 466 hectares from 2007 with the 5 year average at 453 ha.). Both cucumber and lettuce production areas showed a slight decrease (5 year area average for cucumbers was 252 ha.. the lettuce average was at 14 ha.); the pepper area remained the same for both 2008 and 2007 (the 5 year average was 254 ha.).

Table 2-21 – Greenhouse Vegetable Exports

Province	2004	2005	2006	2007	2008	08/07
Value ($ Million)						
Tomatoes	343.1	334.0	324.4	255.0	281.0	10%
Cucumbers	74.9	75.6	89.1	85.9	86.5	1%
Peppers	128.5	134.5	165.0	171.1	174.7	2%
Total	546.5	544.1	578.5	512.0	542.2	6%
Volume ('000 Mt)						
Tomatoes	133.6	141.7	135.2	112.1	116.3	4%
Cucumbers	44.8	44.1	47.3	47.3	50.1	6%
Peppers	37.9	40.7	47.9	51.1	46.9	-8%
Total	216.3	226.5	230.4	210.5	213.3	1%

Statistics Canada

The 2008 export value for the 3 major greenhouse crops (tomatoes, cucumbers, peppers) increased by 6% to $542.2 million from 2007. In 2008, peppers, tomatoes and cucumbers increased by 2%, 10% and 1% respectively. The 2008 export volume for the 3 major greenhouse crops increased by 1% to 213.3 thousand metric tons. Export volumes for both tomatoes and cucumbers increased by 4% and 6% respectively, while the export volume for peppers reported a decrease by 8%.

The summer of 2008 proved difficult for several US field producing tomato states and the Mexican industry due to a salmonella outbreak in the US that lead to the subsequent US Food and Drug Administration (FDA) investigation. During this period, the FDA established a list of US states and countries (including Canada) that could still move tomatoes. Although this led to additional market opportunities for the Canadian greenhouse industry, additional supplies were not readily available to cover all the demand. The Canadian industry was able to maintain market share in Canada and the US despite the higher value of the Canadian dollar versus the U.S. currency and the increased competition from the Mexican industry.

Table 2-22 - Consumption of Fresh Vegetables in Canada (adjusted for losses) kilograms per person

Fresh Vegetables	1981	1986	1991	1996	2001	2004	2005	2006	2007	2008
Artichokes	0.02	0.03	0.02	0.02	0.02	0.01	0.02	0.01	0.02	0.02
Asparagus	0.07	0.09	0.14	0.08	0.14	0.17	0.2	0.22	0.22	0.24
Beans green and wax	0.42	0.44	0.5	0.45	0.49	0.71	0.55	0.65	0.6	0.57
Beets	0.37	0.21	0.18	0.18	0.23	0.2	0.19	0.29	0.23	0.2
Broccoli	0.47	0.97	1.13	1.4	1.35	1.35	1.32	1.28	1.33	1.24
Brussels sprouts	0.09	0.12	0.1	0.11	0.11	0.1	0.08	0.09	0.1	0.1
Chinese cabbage	0	0	0.24	0.37	0.35	0.38	0.41	0.42	0.43	0.45
Cabbage	3.45	3	2.73	3.01	2.71	2.92	2.71	2.75	2.81	2.47
Carrots	4.77	5.07	5.14	5.46	5.43	4.29	5.21	4.16	4.42	3.77
Cauliflower	0.59	0.8	0.64	0.59	0.64	0.57	0.62	0.62	0.57	0.64
Celery	2.75	2.65	2.77	2.39	2.17	2.38	2.2	2.12	2.23	2.05
Corn	0.74	0.66	0.79	0.84	0.66	0.75	0.77	0.76	0.63	0.72
Cucumbers	1.15	1.52	1.48	1.66	2.14	1.8	2.12	2.71	2.01	1.84
Other edible roots	0	0	0.16	0.15	0.11	0.14	0.14	0.16	0.22	0.22
Eggplants	0.09	0.12	0.14	0.17	0.21	0.22	0.22	0.23	0.24	0.24
Garlic	0.07	0.07	0.11	0.21	0.22	0.23	0.21	0.21	0.28	0.27
Kohlrabi	0	0.01	0.04	0.06	0.09	0.1	0.11	0.11	0.13	0.13
Leeks	0.03	0.03	0.05	0.11	0.13	0.12	0.12	0.13	0.13	0.13
Lettuce	5.37	5.69	5.96	5.38	6.4	6.31	6.38	6.08	5.77	5.58
Manioc	0	0	0.01	0.03	0.03	0.04	0.03	0.04	0.05	0.04
Mushrooms	0.65	0.88	1.03	0.98	1.14	0.92	0.89	0.96	0.93	1.02
Okra	0.01	0.02	0.03	0.03	0.05	0.06	0.06	0.06	0.06	0.05
Olives	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0
Onions and shallots	3.52	3.81	3.33	4.29	4.37	3.76	4.3	4.47	4.3	3.73
Parsley	0.05	0.08	0.08	0.1	0.14	0.12	0.11	0.13	0.13	0.13
Parsnips	0.1	0.08	0.06	0.09	0.08	0.06	0.06	0.07	0.05	0.06
Peas	0.09	0.05	0.08	0.12	0.15	0.15	0.16	0.21	0.18	0.17
Peppers	0.95	1.35	1.46	1.85	1.88	2.05	2.3	2.45	2.37	2.37
Potatoes sweet fresh	0.21	0.18	0.13	0.19	0.28	0.34	0.34	0.36	0.33	0.37
Potatoes*	29.49	35.28	29.92	33.77	33.8	29.99	29.5	28.58	28.21	28.55
Pumpkins and squash	0.17	0.25	0.25	0.96	1.28	1.27	1.31	1.42	1.37	1.38
Radishes	0.34	0.33	0.33	0.35	0.31	0.35	0.31	0.36	0.36	0.35
Rappini	0.02	0.04	0.06	0.07	0.08	0.08	0.08	0.08	0.1	0.09
Rutabagas and turnips	1.29	1.03	0.96	0.94	0.67	0.55	0.69	0.48	0.59	0.51
Spinach	0.22	0.24	0.25	0.25	0.42	0.41	0.32	0.27	0.28	0.3
Tomatoes	4.33	4.69	3.98	4.72	5.4	4.97	4.78	4.74	4.93	4.54
Unspecified fresh vegetables	0.77	0.2	0.25	0.77	0.72	0.66	0.72	0.68	0.66	0.36
Total fresh vegetables	62.69	70	64.31	71.78	74.08	68.17	69.13	67.94	66.82	64.47

Experimental, use with caution. The data have been adjusted for retail, household, cooking and plate loss.
*: include both fresh and processed
Source: Statistics Canada (21-020-XIE)

According to Statistics Canada, the consumption of vegetables has been steady since 2004. Canadians consumed 64.47 kg of fresh vegetables per capita in 2008, which was 3.5% lower than the 2007 consumption of 66.82kg and 6% lower than the 5 year average of 68.4kg. Potatoes (28.55 kg/person or 44% of total consumption), lettuce (5.58 kg/person or 9% of total consumption), tomatoes (4.93 kg/person or 7.6% of total consumption) and onions (4.3 kg/person or 6.6% of total consumption) are the most consumed vegetables. Top performing vegetables which have experienced increases in consumption are peppers with a steady increase of 26% since 2001 from 1.88 kg/person to 2.37 kg/person and asparagus with a steady increase of 71% since 2001 from 0.14 kg/person to 0.24 kg/person.

This steady market may be explained in part by steady demand based on trends towards healthy eating and successful efforts (public and private) to increase the awareness of the benefits of vegetable consumption.

Date Modified: 2010-06-22

Fruit Sector

Table 3-1 - Number of Fruit, Berry and Nut Farms and Area by Region

Province	2001	2006	2006/2001
Number of Farms			
Fruits, berries and nuts			
Maritimes	1,322	1,468	11%
Quebec	1,146	1,273	11%
Ontario	1,974	1,892	-4%
Prairies	348	500	44%
British Columbia	2,953	3,196	8%
Canada	7,743	8,329	8%
Area (ha)			
Fruits, berries and nuts			
Maritimes	31,944	33,844	6%
Quebec	24,515	28,244	15%
Ontario	26,335	25,780	-2%
Prairies	2,152	2,380	11%
British Columbia	19,567	19,822	1%
Canada	104,513	110,070	5%

Statistics Canada (Census of Agriculture)

According to the 2006 census of agriculture data, the area devoted to fruit production climbed 5.3% between the 2001 and 2006 censuses to reach 110,070 hectares (271,986 acres). This increase is in large part due to the significant growth in blueberry and grape plantings that have occurred in the last few years.

With 51,304 ha (126,775 acres) devoted to blueberry production in 2006 blueberries accounted for 46.6% of the total fruit acreage. Quebec's 24.5 % increase in blueberry area to 16,898 ha (41,757 acres) has placed this province in first place in terms of acreage for production of low-bush blueberry, ahead of Nova Scotia with 15,635 ha (38,634 acres) and New Brunswick with 8,946 ha (22,107 acres), while British Columbia, which is Canada's main producer of high-bush blueberry, had the most significant increase in blueberry area, growing by 61.5% to reach 4,775 ha (11,800 acres) in 2006.

The success of Canadian wineries in the last few years has contributed to building Canada's reputation for producing some internationally recognized wines and has also led to an increase in acreage devoted to grape production, which went up by 14.9% between 2001 and 2006, to reach 12,164 ha (30,059 acres) in 2006. Although Ontario and British Columbia remain the major wine producing provinces, the Maritimes and Quebec boasted the largest percent increases in grape area between 2001 and 2006 with Quebec more than doubling its grape area from 221 ha (546 acres) in 2001 to 445 ha (1,100 acres) in 2006.

Canadian cranberry area increased by 13.2% between 2001 and 2006 to reach 3,415 ha (8,438 acres), as

a result of the strong market demand the cranberry industry has been enjoying over this period. Most of the expansion occurred in Quebec (total area up by 27.6%) and in the Maritimes (increases of 86% in Nova Scotia, 44.2% in PEI and 15.7% in New Brunswick), while the total cranberry area in BC remained almost unchanged at 1,638 ha (4,048 acres).

In contrast to the blueberry, cranberry and grape sectors, areas devoted to apple and tender fruit production have both declined between 2001 and 2006 and appear to be on a long term downward trend. Total planted area devoted to apples dropped by 3,724 ha (9,202 acres) between 2001 and 2006 to reach 22,101 ha (54,612 acres) in 2006.

According to the 2006 census of agriculture, Canadian strawberry and raspberry areas also declined between the last 2 censuses, falling by 13.3% to 5,204 ha (12,861 acres) for strawberries and by 5.2% to 3,635 ha (8,982 acres) for raspberries. A contributing factor to the decline in Canadian strawberry area is the fact that strawberries are now shipped into Canada from warmer climates (particularly California) and are available year-round in grocery stores, putting competitive pressure on domestic production which remains seasonal. The drop in raspberry area is mainly due to the increasingly competitive market environment which has led to declining prices over the last few years.

Table 3-2 – Fruit Farm Cash Receipts by Province
Value ($ Million)

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Newfoundland and Labrador	0.6	0.9	0.9	1.1	0.8	0.9	0.7	0.9	1.3	1.1	-15%
Prince Edward Island	4.8	4.9	3.5	3.1	4.5	5.9	6.3	7.6	10.3	9.1	-12%
Nova Scotia	47.4	45.9	30.4	34.7	46.8	45.1	52.8	60.7	47.6	46.9	-1%
New Brunswick	15.3	14.8	12.3	13.0	19.6	21.1	27.5	34.4	29.1	32.8	13%
Quebec	106.7	95.5	100.2	89.4	97.3	112.3	120.0	179.7	136.1	171.5	26%
Ontario	226.6	217.7	223.7	194.3	169.3	193.2	162.0	205.5	235.0	228.3	-3%
Manitoba	1.9	2.2	2.9	2.3	1.6	1.6	1.3	1.9	1.8	1.5	-17%
Saskatchewan	1.2	1.7	1.7	2.2	1.5	1.3	1.6	1.5	1.3	1.3	0%
Alberta	3.2	2.5	2.5	2.7	2.1	2.5	1.8	1.8	1.8	2.1	17%
British Columbia	167.1	160.6	154.0	166.7	198.7	230.1	223.0	230.0	252.3	248.9	-1%
Canada	575.1	547.0	532.0	509.5	542.4	614.1	597.1	724.0	716.5	743.5	4%

Statistics Canada (Publication no. 21-001-X)

Fruit farm cash receipts reached a record $ 743 million in 2008, representing a 4% increase compared to 2007, while 16% higher than the previous 5-year average of $639 million, continuing an upward trend over the last 5 years. British Columbia continues to rank as the number one province with the highest farm cash receipts ($ 248.9 million), followed by Ontario ($228.3 million), Quebec ($ 171.5 million), Nova Scotia ($46.9 million), New Brunswick ($ 32.8 million) and Prince Edward Island ($9.1 million).

Table 3-3 - Fruit Farm Cash Receipts by Sector
Value ($ Million)

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Apples	182.6	192.6	181.2	153.1	146.3	148.4	147.2	148.6	162.0	168.9	4%
Other tree fruits	70.4	67.9	76.8	74.3	86.4	81.2	79.0	92.9	90.8	84.6	-7%
Blueberries	NA	NA	84.2	86.3	116.6	151.3	168.9	224.9	189.9	158.7	-16%
Grapes	NA	NA	74.7	77.1	55.8	82.4	54.7	94.1	111.1	112.9	2%
Strawberries	53.6	53.6	55.9	52.4	53.5	56.9	58.7	60.8	60.6	61.1	1%
Other small fruits	NA	NA	59.2	66.4	83.8	93.9	88.7	102.8	102.1	157.3	54%
Total	575.1	547.0	532.0	509.5	542.4	614.1	597.1	724.0	716.5	743.5	4%

Statistics Canada (Publication no. 21-001-X)

Apples regained the number one rank in terms of farm cash receipts (FCR) in 2008, representing 22.7% of total fruit FCR, followed by blueberries (21.3%) and grapes (15.2%). Due to a rapid expansion of the blueberry industry in the last ten years, blueberries had taken the top spot in 2004 and continued to be the fruit generating the highest FCR up to 2007. The significant increases in blueberry production area that have occurred not only in North America (for both high bush and low bush blueberries) but also in South

America (high-bush blueberries) have put considerable pressure on prices which have fallen sharply since 2007. As a result, blueberry FCR fell by more than 16% in 2008, putting an end to the continuous upward trend that the sector had been enjoying. Although FCR for grapes, which are the third most important fruit crop, gained only 2% in 2008 compared to the previous year, they are almost 42% higher than the previous 5-year average and continue their upward trend.

Table 3-4 - Canadian Apple Production (for Fresh and Processing Markets)

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Marketed Value ($ Million)											
Nova Scotia	12.6	12.7	8.0	12.0	9.0	8.8	9.9	10.5	11.8	12.3	4%
New Brunswick	2.1	2.3	2.2	3.1	1.8	2.5	2.2	1.5	1.7	2.0	18%
Quebec	37.1	31.9	23.4	36.0	25.9	28.2	29.2	34.7	46.8	42.0	-10%
Ontario	101.5	97.2	97.4	56.2	55.0	48.9	60.5	62.2	75.0	73.0	-3%
British Columbia	47.5	39.2	34.9	49.4	61.0	34.6	36.7	38.5	44.8	48.0	7%
Canada	201.1	183.7	166.3	157.1	153.0	123.2	138.7	147.6	180.4	177.7	-1%
Marketed Volume ('000 t)											
Nova Scotia	46.0	41.2	35.4	40.8	36.3	31.0	39.4	39.0	41.1	38.8	-6%
New Brunswick	4.4	5.1	3.8	4.7	4.6	5.0	4.6	4.1	3.6	3.9	8%
Quebec	118.4	89.3	71.5	87.2	66.8	78.9	78.2	87.7	140.6	81.6	-42%
Ontario	331.3	262.9	241.5	115.7	145.2	142.4	168.7	154.7	183.7	191.6	4%
British Columbia	120.8	131.2	114.0	133.1	126.1	122.8	117.4	90.7	77.1	91.2	18%
Canada	621.4	530.3	466.6	381.9	379.2	380.6	408.6	376.5	446.4	407.5	-9%
Total Volume ('000 t)											
Nova Scotia	46.0	41.7	35.4	40.8	36.3	33.4	39.4	39.5	41.3	39.5	-4%
New Brunswick	4.8	5.1	4.0	5.0	4.6	5.0	4.7	4.4	4.0	4.3	8%
Quebec	119.0	89.6	71.5	87.7	98.3	87.1	81.6	88.2	141.0	95.3	-32%
Ontario	331.3	262.9	241.5	115.7	145.2	142.4	168.7	154.7	190.5	191.6	1%
British Columbia	132.7	131.2	129.7	135.6	131.5	128.4	122.9	90.7	78.5	91.9	17%
Canada	634.3	531.1	482.5	385.2	416.2	396.8	417.7	377.6	455.6	423.0	-7%
Bearing Area (ha)											
Nova Scotia	2,630	2,388	2,307	2,226	2,266	2,185	2,185	2,266	2,226	2,104	-5%
New Brunswick	344	344	356	354	360	384	344	281	231	227	-2%
Quebec	6,920	6,677	5,949	5,706	6,111	5,868	5,564	5,059	4,978	5,018	1%
Ontario	10,117	9,308	8,498	6,880	7,284	7,042	7,001	7,284	6,880	6,677	-3%
British Columbia	6,070	5,483	5,342	5,342	5,504	5,261	3,925	3,521	3,925	3,642	-7%
Canada	26,165	24,277	22,531	20,584	21,600	20,815	19,087	18,486	18,312	17,725	-3%
Bearing and Non-Bearing Area (ha)											
Nova Scotia	2,833	2,752	2,630	2,550	2,550	2,469	2,388	2,428	2,469	2,428	-2%
New Brunswick	465	439	416	413	445	405	364	324	304	283	-7%
Quebec	7,284	7,122	6,843	6,677	6,677	6,637	6,515	6,475	6,414	6,070	-5%
Ontario	11,331	10,522	9,814	8,903	8,903	7,608	7,568	8,094	7,689	7,284	-5%
British Columbia	6,475	5,969	5,982	5,868	5,868	5,666	4,654	4,371	4,654	3,845	-17%
Canada	28,502	26,918	25,799	24,522	24,552	22,889	21,586	21,813	21,645	19,993	-8%

Statistics Canada (22-003-XIB)

The 2008 Canadian apple crop is estimated at 422,961 t, 8% below the 2007 crop which was the largest crop in the last 5 years due to an unexpected increase in the size of the crop in Quebec (up almost 60%) and in Ontario (up by 23%). The size of the 2008 crop is very close to the previous 5-year average of 412,780 t. With an estimated production of 191,643 t in 2008, Ontario remains the largest apple producing province (45% of Canadian apple production), followed by Quebec with 95,254 t (23%), British Columbia with 91,852 t (22%), Nova Scotia with 39,463 t (9%) and New Brunswick with 4,309 t (1%).

Total cultivated area for apples is estimated at 19,993 ha (49,405 acres) for 2008, which is 8% lower than in 2007 and 11% below the previous 5-year average of 22,497 ha. The acreage devoted to apple production has been on a downward trend over the last few years primarily due to a switch to other tree fruits and as a result of the adoption of high density apple plantings in an attempt to replace old apple varities with newer varieties that are more in demand by consumers.

Over 63% of the 2008 marketed apple production went to the fresh market, while close to 37% of the production went to the processing market. Ontario has the largest portion of its crop (47.3%) going to the

processing market, followed by Nova Scotia (43.3%) and Quebec (30.4%).

Table 3-5 - Storage Holdings of Apples by Province
Volume (t)

Province	2006-2007			2007-2008			% Change*		
	Nov. 1	Feb. 1	Jul. 1	Nov. 1	Feb. 1	Jul. 1	Nov. 1	Feb. 1	Jul. 1
Nova Scotia-New Brunswick-PEI	17,106	14,893	3,519	24,699	19,376	220	44%	30%	-94%
Quebec	44,814	30,403	9,865	67,802	40,621	9,768	51%	34%	-1%
Ontario **	41,298	41,591	6,052	94,645	54,184	8,142	129%	30%	35%
British Columbia	51,169	31,924	3,246	64,250	30,547	-	26%	X	-100%
Canada	154,387	118,811	22,682	251,398	144,729	18,130	63%	22%	-20%

* % Change from from 2006-2007 to 2007-2008
** Excludes Data for Hamilton and Niagara Regions (NA) for 2006-2007
InfoHort (Horticulture Markets Information Website)

As of July 01, 2008 (last storage report for the 2007-2008 marketing year), total Canadian apple storage holdings stood at 18,130 t (40 million pounds), a 20% decrease from the 22,682 t (50 million pounds) in storage the previous year at the same time. US fresh apple storage holdings as of June 01st 2008 were 7% less than in 2007 and 12% below the five-year average levels. The crop moved well during the 2007-2008 marketing season with little fresh market inventory expected to be carried forward into the new crop year in Canada and the U.S.

Table 3-6 - Exports of Fresh Apples to Major Countries (August to July)

Countries	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	% Change *
Value ($ '000)											
United States	31,822	35,704	32,167	34,292	44,255	29,248	23,926	29,214	29,244	31,219	7%
United Kingdom	6,029	9,701	6,957	6,515	5,051	4,813	6,153	5,224	2,594	3,514	35%
Mexico	2,797	2,544	2,861	3,114	7,124	3,461	3,426	4,858	2,601	2,897	11%
Taiwan	1,639	48	80	273	266	418	2,201	760	643	784	22%
Iceland	149	97	142	193	49	1,506	315	396	564	554	-2%
Costa Rica	9	86	487	260	1,083	317	502	888	509	479	-6%
Other Countries	11,961	6,550	10,394	7,430	3,567	591	2,375	2,382	1,508	702	-53%
Total	54,407	54,731	53,088	52,077	61,395	40,354	38,898	43,722	37,663	40,149	7%
Volume (t)											
United States	37,561	46,688	38,703	38,463	45,104	30,698	30,533	37,813	27,613	42,238	53%
United Kingdom	5,694	10,033	7,084	6,916	3,864	4,247	5,298	4,952	2,337	3,364	44%
Mexico	4,542	2,958	4,757	3,933	7,036	3,717	4,908	6,594	2,896	3,057	6%
Taiwan	1,445	51	85	241	214	320	4,281	705	567	669	18%
Iceland	193	97	142	183	39	1,649	315	374	479	500	4%
Costa Rica	2	136	660	434	1,251	393	669	1,141	508	509	0%
Other Countries	17,730	7,501	12,751	8,372	3,763	651	2,402	3,334	1,451	729	-50%
Total	67,167	67,465	64,181	58,541	61,271	41,675	48,406	54,913	35,851	51,066	42%

* % Change from 2006-2007 to 2007-2008
Statistics Canada

Canadian exports of fresh apples reached 51,066 t for the 2007-2008 marketing year, representing a 42% increase from the previous year and 5% above the previous 5-year average of 48,423 t. Despite the year over year increase, the long term trend in our apple exports has been a declining trend due to the appreciation of the Canadian dollar against the U.S. dollar and the increasingly competitive environment in which the Canadian apple industry operates, with pressures in the marketplace due to world oversupply, retailer consolidation, and increased foreign competition in both domestic and export markets. The estimated value of Canadian apple exports was $40.1 million in 2007-2008, representing a 7% increase compared to the previous year but 9% below the previous 5-year average of $44.4 million.

The U.S., which absorbed almost 83% of our fresh apple exports in 2007-2008, is still the major export market for Canadian apples, followed by the United Kingdom (6.6%), Mexico (6%) and Taiwan (1.3%). Canadian apple exports to the U.S. during the 2007-2008 marketing year were the second highest level of exports seen in the last 10 years (highest exports in the last decade were reached in 2002-2003),

illustrating the increased efforts of the Canadian apple industry to regain its US market share by introducing new apple varieties such as Ambrosia, Nicola, Aurora Golden Gala. Other exports markets being actively pursued by the sector include Iceland, Russia, India, Singapore, the Middle East and the Caribbean.

Table 3-7 - Imports of Fresh Apples by Major Countries (August to July)

Countries	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	% Change *
Value ($ '000)											
United States	88,165	84,020	93,927	110,511	130,155	113,881	104,077	108,104	143,981	143,369	0%
Chile	10,008	9,537	14,219	15,436	19,811	24,303	17,099	21,692	27,206	22,484	-17%
New Zealand	13,999	15,549	10,116	12,705	13,408	15,075	11,906	10,940	10,847	10,182	-6%
South Africa	10,221	7,357	6,276	7,949	6,716	7,730	4,330	4,458	3,932	3,180	-19%
China	0	3	2	5	887	4,764	4,206	4,247	6,745	5,648	-16%
Argentina	1,588	649	553	503	820	207	173	217	1,347	420	-69%
France	8	2	1,520	535	1,042	1,186	202	155	62	442	613%
Other Countries	381	572	572	218	142	392	245	5	296	118	-60%
Total	124,368	117,689	127,186	147,863	172,981	167,538	142,238	149,818	194,416	185,843	-4%
Volume (t)											
United States	93,416	81,676	93,325	108,424	138,738	125,758	132,924	118,831	140,901	132,036	-6%
Chile	8,288	7,924	12,064	12,349	15,566	18,834	14,670	17,127	22,517	18,833	-16%
New Zealand	10,345	10,574	6,633	9,543	9,689	9,487	7,238	7,456	7,744	7,267	-6%
South Africa	8,041	6,298	5,461	7,356	6,417	6,838	3,564	3,395	2,827	2,408	-15%
China	0	2	2	4	613	3,410	3,602	3,619	5,906	4,961	-16%
Argentina	1,168	521	486	404	695	184	163	159	1,005	257	-74%
France	7	1	1,299	462	894	891	163	127	43	301	600%
Other Countries	325	430	606	193	116	319	206	3	213	88	-59%
Total	121,590	107,426	119,875	138,734	172,728	165,721	162,530	150,717	181,156	166,151	-8%

* % Change from 2006-2007 to 2007-2008
Statistics Canada

Canadian imports of fresh apples reached 166,151 t for the 2007-2008 marketing year which 8% lower than the previous year and almost equal to the previous 5-year average of 166,570 t. Canada is a net importer of apples with most of its fresh apple imports coming in from the U.S. and secondly from Chile. The U.S., which produces around 7% of the world's total apple production, exerts a great influence on the Canadian apple market as Canada has become the second top destination for U.S. fresh apple exports. With the emergence of China as a major exporter of fresh apples, particularly to other Asian countries, both the U.S. and Canada have seen a decline in their share of the Asian market. Furthermore, the antidumping duties imposed by Mexico in August 2002 on imports of U.S. Red and Golden Delicious apples have diverted a significant portion of the U.S. exports to Canada, contributing to a wider Canadian apple trade deficit (imports exceeding exports by almost 115,085 t in 2007-2008) and creating downward pressures on prices in Canada. These downward pressures on prices are further exacerbated when the U.S., and particularly the state of Washington (largest apple producing state) experiences a bumper apple crop, as during the 2004-2005 marketing season, when following the 2004 bumper apple crop in Washington, massive amounts of low-priced apples from Washington flooded the Canadian marketplace. Higher fresh apple exports and lower apple imports in 2007-2008 contributed to lowering Canada's fresh apple trade deficit which reached a record high of 145,305 t in 2006-2007 due to record apple imports and the lowest export level in 10 years.

The estimated value of Canadian apple imports was almost $186 million in 2007-2008, which despite a 4% decrease from the previous year, represents the second highest level after the level reached in 2006-2007.

Table 3-8 - Top 25 World Apple Producers
Volume ('000 t)

Rank	Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	06/07
1	China	19,492.5	20,811.8	20,439.1	20,024.7	19,252.6	21,107.6	23,684.5	24,019.5	26,065.5	27,865.9	7%
2	United States	5,282.5	4,822.1	4,682.0	4,276.8	3,866.4	3,947.6	4,699.9	4,408.9	4,568.6	4,237.7	-7%
3	Turkey	2,450.0	2,500.0	2,400.0	2,450.0	2,200.0	2,600.0	2,100.0	2,570.0	2,002.0	2,457.8	23%
4	France	2,209.9	2,165.8	2,156.9	2,397.0	2,432.2	2,136.9	2,203.7	1,856.7	1,705.5	2,143.7	26%
5	Iran, Islamic Rep of	1,943.6	2,137.0	2,141.7	2,353.4	2,334.0	2,400.0	2,178.6	2,661.9	2,661.9	2,660.0	0%
6	Italy	2,143.3	2,343.8	2,232.1	2,299.1	2,199.2	1,953.8	2,136.2	2,192.0	2,112.7	2,072.5	-2%
7	Poland	1,687.2	1,604.2	1,450.4	2,433.9	2,167.5	2,427.8	2,521.5	2,075.0	2,304.9	1,039.9	-55%
8	Germany	2,296.2	2,268.4	3,136.8	1,779.0	1,471.1	818.0	979.7	891.4	947.6	1,070.0	13%
9	Russian Federation	1,330.0	1,060.0	1,832.0	1,640.0	1,950.0	1,690.0	2,030.0	1,773.0	1,617.0	2,333.0	44%
10	India	1,320.6	1,380.0	1,050.0	1,230.0	1,160.0	1,470.0	1,521.6	1,739.0	1,739.0	2,001.4	15%
11	Argentina	1,033.5	1,116.0	833.3	1,428.8	1,156.8	1,307.5	1,262.4	1,271.5	1,271.5	1,300.0	2%
12	Chile	975.0	1,175.0	805.0	1,135.0	1,150.0	1,250.0	1,300.0	1,350.0	1,350.0	1,390.0	3%
13	Japan	879.1	927.7	799.6	930.7	925.8	842.1	754.6	818.9	831.8	840.1	1%
14	Brazil	791.4	937.7	1,153.3	716.0	857.4	841.8	980.2	850.5	861.4	1,115.4	29%
15	Spain	736.0	988.4	813.8	917.4	694.8	881.1	690.9	774.2	660.7	667.7	1%
16	Ukraine	568.2	296.8	648.2	474.7	522.3	871.3	716.9	719.8	475.0	754.9	59%
17	Korea, Dem People's Rep	640.0	650.0	650.0	660.0	660.0	660.0	665.0	668.0	668.0	635.0	-5%
18	South Africa	586.3	565.7	574.0	562.5	591.4	701.7	765.4	680.4	639.8	709.9	11%
19	Romania	364.6	315.0	490.3	507.4	491.5	811.1	1,097.8	638.0	590.4	475.4	-19%
20	Hungary	482.0	444.5	694.6	605.4	526.9	507.5	700.4	510.4	505.5	538.0	6%
21	New Zealand	523.0	545.0	620.0	473.7	530.6	501.2	546.0	524.0	524.0	355.0	-32%
22	Mexico	370.2	449.9	338.0	442.7	480.0	495.0	573.0	584.0	601.5	505.1	-16%
23	Egypt	388.5	415.6	468.3	473.6	524.9	533.3	546.2	550.0	550.0	545.0	-1%
24	Korea, Republic of	459.0	490.5	489.0	403.6	433.2	365.4	357.2	367.5	407.6	435.7	7%
25	Canada	489.0	632.4	542.6	465.4	381.9	379.2	370.3	408.6	340.2	405.1	19%
Others		7,226.6	6,868.7	7,609.0	6,474.5	6,931.6	6,896.3	7,230.4	7,123.7	7,802.4	7,000.0	-10%
World		56,668.2	57,912.0	59,050.0	57,555.3	55,892.1	58,396.2	62,612.4	62,026.9	63,804.5	65,970.7	3%

Source: FAO. 2008 data not available, ranking based on total of last 10 years

According to the FAO, world apple production reached a record level of almost 66 million t in 2007. Despite a global downward trend in the world's apple bearing area since it peaked in the mid-1990s, it appears that world apple production has been able to set records first in 2004 when it reached 62.6 million t , then in 2006 when it peaked at 63.8 million t and then again in 2007 when it reached almost 66 million t.

Most of the change in world apple production can be attributed to China, which is still by far the number one producer of apples in the world. With an estimated production of almost 28 million tons in 2007, which represents almost 42% of total apple production in the world, China has not only the world's largest apple production, but has also the most rapidly increasing production (5 fold increase between 1990 and 2005). Even though average yields in China are still among the lowest of the major apple producing countries in the world, they have doubled over the last 10 years from 5,400 pounds per acre in 1997 to 12,600 pounds per acre in 2007. Improvements in production technology and the fact that more planted area is reaching maturity explain why Chinese and therefore world apple production keeps increasing despite declines in world apple bearing area. China's apple exports have also been on the rise, with a more than six fold increase in fresh apple exports over the last ten years. The most recent trade data from the Global Trade Atlas confirms that China, with fresh apple exports of about 1,019 million kg in calendar year 2007, is now the largest exporter of apples in the world.

In contrast, Canada's apple production, estimated for 2007 at 0.4 million metric tons, represents about 0.6% of total world production. Canadian 2007 fresh apple exports (mostly to the U.S.) reached 39 million kg representing less than 1% of global exports of fresh apples.

Table 3-9 - Canadian Tender Fruit Value and Volume of Production

Product	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Marketed Value ($ '000)											
Apricots	1,675	1,130	1,465	1,415	1,490	1,460	1,900	920	1,035	1,625	57%
Cherries (sweet & sour)	18,499	19,350	23,126	22,180	29,000	27,275	28,570	27,400	34,185	30,040	-12%
Peaches & Nectarines	X	33,125	37,610	38,095	40,770	37,890	31,215	41,195	42,335	40,445	-4%
Pears	13,031	10,171	9,261	10,571	9,780	10,365	7,845	10,320	9,540	8,805	-8%
Plums & Prunes	4,167	3,447	4,143	2,915	4,365	4,030	4,175	5,253	3,060	3,470	13%
Total	X	67,223	75,605	75,176	85,405	81,020	73,705	85,088	90,155	84,385	-6%
Marketed Volume (t)											
Apricots	776	1,036	1,365	982	1,221	1,250	1,617	826	889	1,084	22%
Cherries (sweet & sour)	13,089	11,290	12,089	9,789	13,508	12,750	14,966	12,748	16,014	13,485	-16%
Peaches & Nectarines	X	32,328	34,062	33,126	34,370	33,768	25,478	35,637	36,823	31,327	-15%
Pears	20,188	20,609	17,457	14,917	15,232	13,674	10,714	13,542	11,866	10,471	-12%
Plums & Prunes	3,920	3,146	3,634	2,876	3,469	3,189	2,815	3,673	2,243	2,470	10%
Total	X	68,409	68,607	61,690	67,800	64,631	55,590	66,426	67,835	58,837	-13%
Total Volume (t)											
Apricots	883	1,036	1,365	1,286	1,221	1,266	1,622	866	889	1,084	22%
Cherries (sweet & sour)	13,193	11,485	12,227	10,543	13,689	13,113	15,048	12,866	16,570	13,871	-16%
Peaches & Nectarines	X	32,389	34,297	33,167	34,370	34,158	25,705	37,505	36,823	31,393	-15%
Pears	20,188	20,677	17,457	14,937	15,256	13,712	10,727	15,130	11,889	10,517	-12%
Plums & Prunes	3,924	3,146	3,641	2,931	3,492	3,191	2,828	3,673	2,243	2,486	11%
Total	X	68,733	68,987	62,864	68,028	65,440	55,930	70,040	68,414	59,351	-13%
Bearing Area (ha)											
Apricots	200	203	209	201	211	200	164	127	166	192	16%
Cherries (sweet & sour)	1,901	1,938	2,119	1,909	1,967	2,045	1,947	2,288	2,056	2,161	5%
Peaches & Nectarines	X	3,071	3,160	3,088	3,276	3,197	2,831	3,280	3,257	3,170	-3%
Pears	1,430	1,404	1,390	1,344	1,261	1,137	1,068	1,174	1,198	1,081	-10%
Plums & Prunes	684	678	676	627	647	599	556	540	496	488	-2%
Total	X	7,294	7,554	7,169	7,362	7,178	6,566	7,409	7,173	7,092	-1%
Bearing and Non-Bearing Area (ha)											
Apricots	233	233	236	235	235	239	176	168	190	227	19%
Cherries (sweet & sour)	2,162	2,415	2,453	2,376	2,382	2,390	2,339	2,756	2,655	2,618	-1%
Peaches & Nectarines	X	3,734	3,728	3,689	3,788	3,774	3,389	3,966	3,962	3,383	-15%
Pears	1,578	1,564	1,574	1,524	1,526	1,402	1,356	1,394	1,394	1,137	-18%
Plums & Prunes	820	812	804	782	792	641	619	603	554	546	-1%
Total	X	8,758	8,795	8,606	8,723	8,446	7,879	8,887	8,755	7,911	-10%

Statistics Canada (22-003-XIB)

Tender fruit production is mostly concentrated in Ontario and BC. Total production for 2008 is estimated at 59,351 t, 13% lower than in 2007 and 9% below the 5-year average of 65,570 t. According to the Ontario Tender Fruit Producers' Marketing Board, although a number of growers were affected by moderate to severe weather events, including hail, the overall Ontario tender fruit crop volume was up in 2008. The closure on June 27, 2008 of the CanGro Foods plant in St. Davids, which was the major destination for Ontario's processing pears and peaches, affected about 150 tender fruit growers with 600 acres of planted pears and 1,000 acres of planted peaches. Approximately 1,000 tons of processing pears were successfully diverted to the fresh market, while some of the clingstone peaches were sold to a freezer in Michigan and to an Ontario freezer. Most of the processing peach acreage affected by this plant closure has now been replanted to alternate fresh market crops.

Overall production in BC was down 18%, particularly for pears, cherries and apricots due to weather conditions such as a cold and wet 2008 spring and hail. The area of production for most tender fruits has been decreasing across the country over the last five to ten years, except for cherries (up 10% since 2004 and 21% since 1999), particularly for sweet cherries which have benefited from the introduction of new cherry varieties developed in Canada that mature later, produce larger fruit and command higher prices in the market. The sweet cherry breeding program at Agriculture and Agri-Food Canada's research station in Summerland, which is one of the oldest sweet cherry breeding programs in the world and started in 1936, has been instrumental in the success of the BC sweet cherry industry through the ongoing introduction of new varieties with the development of large, firm sweet cherry varieties covering a range of maturities.

Table 3-10 – Canadian Wine Grape (Vinifera) Value and Volume of Production

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Marketed Value ($ '000)											
Ontario	X	37,655	43,715	41,500	24,230	45,810	19,730	64,850	73,345	71,070	-3%
British Columbia	15,490	16,315	22,235	23,200	23,400	27,850	25,400	29,560	25,760	32,400	26%
Other Provinces	X	X	X	810	790	820	1,145	1,565	2,060	4,705	128%
Canada	X	X	X	65,510	48,420	74,480	46,275	95,975	101,165	108,175	7%
Marketed Volume (t)											
Ontario	X	39,440	42,329	40,370	26,839	46,471	18,597	53,147	51,773	50,861	-2%
British Columbia	7,026	9,675	10,773	14,737	14,186	17,282	14,293	16,171	14,386	14,855	3%
Other Provinces	X	X	X	1,061	873	1,027	1,111	1,615	1,302	2,139	64%
Canada	X	X	X	56,168	41,898	64,780	34,001	70,933	67,461	67,855	1%
Total Volume (t)											
Ontario	X	43,277	42,329	40,370	26,839	46,471	18,597	53,147	51,773	50,861	-2%
British Columbia	10,451	9,675	11,771	17,463	14,515	17,690	14,928	16,624	16,200	16,107	-1%
Other Provinces	X	X	X	1,456	1,200	1,106	1,202	1,842	1,869	2,234	20%
Canada	X	X	X	59,289	42,554	65,267	34,727	71,613	69,842	69,202	-1%
Bearing Area (ha)											
Ontario	X	4,452	4,694	4,613	4,532	4,937	4,116	5,245	5,220	5,281	1%
British Columbia	1,781	2,157	2,361	2,363	2,347	2,630	2,671	2,509	2,681	2,380	-11%
Other Provinces	X	X	X	274	284	274	275	326	363	433	19%
Canada	X	X	X	7,250	7,163	7,841	7,062	8,080	8,264	8,094	-2%
Bearing and Non-Bearing Area (ha)											
Ontario	X	5,301	5,587	5,605	5,625	5,666	5,666	6,273	6,273	5,666	-10%
British Columbia	2,274	2,679	2,788	2,792	2,833	2,833	2,833	2,914	2,833	2,630	-7%
Other Provinces	X	X	X	332	334	333	333	588	588	587	0%
Canada	X	X	X	8,729	8,792	8,832	8,832	9,775	9,694	8,883	-8%

Statistics Canada (22-003-XIB)

Vinifera grape production for 2008 is estimated at 69,202 t, which is 1% lower than in 2007 but almost 22% above the 5-year average of 56,801 t. Grape area which had been expanding in the last ten years, not only in BC and Ontario which are the major wine producing areas, but also in Quebec and the Maritimes, appears to be stabilizing. Increased plantings of vinifera grapes have been driven by the strong demand for high quality Canadian wines sold under the VQA (Vintners' Quality Assurance) banner. Total

planted area for 2008 is estimated at 8,883 hectares (21,950 acres), 8% lower than in 2007, and 3.3% below the 5-year average.

Ontario, which is the country's leading grape producing province, accounted for 73% of total production in 2008, followed by BC (23%), Québec (2%) and Nova Scotia (1%). In Ontario, above-normal temperatures marked the beginning of the 2008 growing season, while the summer was characterized by abundant rainfall leading to increased disease pressure in some areas. Many areas also experienced hailstorms with varying degrees of damage to crops. With temperatures dropping to below-normal in December, the grape harvest for the 2008/2009 icewine season proved to be abundant with a large quantity harvested in December, January and February.

In BC, the exceptionally cool spring delayed vine development and bloom by a few weeks, although plants caught up a bit during July and August. Some growers were also hit by hail with significant damages to their crop. In terms of planted acreage by variety, Pinot Gris replaced Chardonnay as the largest white variety while Merlot maintained its overall lead as the most planted red variety. Pinot Gris, which is now grown in almost all of the major wine producing regions of the world, has become one of the most popular grape varieties in the world and is increasingly popular in Ontario and B.C., where it produces dry wines with good structure and weight. Although Pinot Grris is considered an "early to market wine" that can be bottled and out on the market within 4–12 weeks after fermentation, it may gain even more ground as a late-harvested wine.

Table 3-11 – Canadian Low-Bush Blueberry Value and Volume of Production

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Marketed Value ($ '000)											
Nova Scotia	X	X	X	15,075	29,000	21,200	24,140	X	27,700	24,000	na
New Brunswick	X	X	X	5,550	11,000	10,800	14,600	6,500	X	21,100	na
Quebec	36,560	19,890	25,300	20,600	16,510	25,200	17,930	73,275	34,000	33,400	-2%
Other Provinces	X	X	X	2,250	3,570	4,950	5,345	X	X	6,690	na
Canada	81,565	58,895	45,975	43,475	60,080	62,150	62,015	129,105	98,010	85,190	-13%
Marketed Volume (t)											
Nova Scotia	X	X	X	17,735	26,195	17,305	15,547	13,880	11,975	18,144	52%
New Brunswick	X	X	X	6,940	10,977	8,664	9,117	9,163	X	15,150	na
Quebec	21,217	11,181	24,902	18,597	13,367	19,958	14,470	29,937	14,470	23,723	64%
Other Provinces	X	X	X	2,461	3,570	3,966	4,046	3,941	X	4,554	na
Canada	49,836	39,755	44,933	45,733	54,109	49,893	43,180	56,921	42,384	61,571	45%
Total Volume (t)											
Nova Scotia	X	X	X	17,735	26,195	18,597	16,000	13,880	11,975	18,144	52%
New Brunswick	X	X	X	6,940	10,977	8,664	9,117	9,163	X	15,150	na
Quebec	21,217	11,181	24,902	18,597	13,367	20,865	14,470	29,937	14,470	23,723	64%
Other Provinces	X	X	X	2,461	3,570	3,967	4,046	3,944	X	4,644	na
Canada	49,884	39,755	46,366	45,733	54,109	52,093	43,633	56,924	42,384	61,661	45%
Bearing Area (ha)											
Nova Scotia	6,880	7,082	5,908	6,232	7,932	7,689	7,487	6,961	7,891	8,094	3%
New Brunswick	3,822	3,867	4,144	4,047	4,452	4,694	5,261	4,836	X	5,467	na
Quebec	7,487	8,498	7,487	9,105	6,042	8,094	7,972	9,348	12,141	12,343	2%
Other Provinces	1,353	1,524	1,679	1,656	1,719	2,068	1,959	1,865	X	2,254	na
Canada	19,542	20,971	19,218	21,040	20,145	22,545	22,679	23,010	27,233	28,158	3%
Bearing and Non-Bearing Area (ha)											
Nova Scotia	13,927	14,514	15,099	15,378	15,985	14,973	14,973	15,378	15,985	15,985	0%
New Brunswick	7,543	8,094	8,378	8,701	8,903	8,903	9,510	8,903	X	10,967	na
Quebec	12,748	13,152	13,373	12,909	11,999	11,938	11,736	16,187	23,067	23,674	3%
Other Provinces	3,256	3,440	3,653	3,642	4,027	3,922	3,760	4,448	X	4,826	na
Canada	37,474	39,200	40,503	40,630	40,914	39,736	39,979	44,916	54,454	55,452	2%

X data not available
Statistics Canada (22-003-XIB)

Canada continues to lead as the world's largest producer of low-bush blueberries, with a production estimated at 61,661 t in 2008, 45% higher than in 2007 and 24% above the 5-year average of 49,829 t. The 2008 low-bush blueberry crop was the largest crop ever, surpassing the previous record level of 56,924 t established in 2006, due to increases in all major producing areas. The most significant increases in production occurred in Quebec and Nova Scotia, where production rose by 64% and 52% respectively.

Ideal growing conditions in Quebec led to a crop of 23,723 t which is the province's third largest crop in the last ten years, while Nova Scotia's crop came in at 18,144 t, which also represents this province's the third largest crop in the last ten years. Similar increases in production have also occurred in New Brunswick and PEI, with a large proportion of the NB crop coming from the relatively new production areas in the northeastern part of the province.

Until a couple of years ago, the North American low bush blueberry industry was in a very comfortable situation as it was struggling to keep up with demand. This in turn led the industry to dramatically increase production in recent years bringing onto the market an additional 85 million pounds of blueberries in a short 4-year period between 2004 and 2008, with Canada's low-bush blueberry industry responsible for half of that increase. With the continued introduction of new land into production (particularly in Quebec where total bearing and non-bearing area has almost doubled in the last 5 years to reach 23,674 hectares in 2008), improvements in crop yields, and more widespread adoption of mechanical harvesting methods, the supply of Canadian low-bush blueberries is expected to continue to increase in the near future.

A similar dramatic increase has also occurred in the high-bush blueberry industry with North American production increasing by 120 million pounds to 420 million pounds between 2004 and 2008. Planted acreage in BC alone (responsible for 94% of Canada's high-bush blueberry production) has more than doubled between 2004 and 2008 to reach 7,284 hectares. As a result, in a very short period of time, the blueberry sector has seen a reversal in the supply-demand situation for blueberries with supply catching up with and even exceeding demand both in the North American market and overseas, causing thereby a significant drop in prices. This situation has been exacerbated by the current world economic downturn and both the Canadian high-bush and low-bush blueberry industries are now facing serious challenges in maintaining existing or finding new markets for their products.

Table 3-12 – Canadian High-Bush Blueberry Value and Volume of Production

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Marketed Value ($ '000)											
British Columbia	32,930	43,350	33,890	43,500	57,900	72,700	68,115	68,000	92,450	71,200	-23%
Other Provinces	3,380	3,840	3,460	3,790	2,760	4,545	4,830	8,655	7,475	9,145	22%
Canada	36,310	47,190	37,350	47,290	60,660	77,245	72,945	76,655	99,925	80,345	-20%
Marketed Volume (t)											
British Columbia	15,415	19,777	21,682	18,098	23,795	31,230	25,016	23,587	33,466	29,438	-12%
Other Provinces	1,248	1,084	1,052	1,030	704	1,191	1,218	2,018	1,710	2,137	25%
Canada	16,663	20,861	22,734	19,128	24,499	32,421	26,234	25,605	35,176	31,575	-10%
Total Volume (t)											
British Columbia	15,418	19,777	21,999	19,051	23,795	31,230	25,016	25,628	33,466	30,844	-8%
Other Provinces	1,279	1,084	1,053	1,032	713	1,191	1,218	2,062	1,758	2,159	23%
Canada	16,697	20,861	23,052	20,083	24,508	32,421	26,234	27,690	35,224	33,003	-6%
Bearing Area (ha)											
British Columbia	2,307	2,434	2,550	2,580	2,711	3,286	3,318	3,298	3,885	4,856	25%
Other Provinces	400	403	396	376	413	429	429	563	573	536	-6%
Canada	2,707	2,837	2,946	2,956	3,124	3,715	3,747	3,861	4,458	5,392	21%
Bearing and Non-Bearing Area (ha)											
British Columbia	2,448	2,711	2,957	2,954	2,995	3,440	3,480	4,452	6,475	7,284	12%
Other Provinces	516	502	510	464	530	532	518	645	720	624	-13%
Canada	2,964	3,213	3,467	3,418	3,525	3,972	3,998	5,097	7,195	7,908	10%

Statistics Canada (22-003-XIB)

The 2008 Canadian high-bush blueberry crop is estimated at 33,003 t, 6% lower than the previous year's record crop of 35,224 t, but 13% above the 5-year average of 29,215 t. Although this is the second largest crop on record, the BC crop, which accounts for more than 95% of the total production, was well below initial expectations due to a prolonged cold snap in February which caused severe frost damage to Bluecrop, one of the main varieties grown in BC, resulting in up to a 50% reduction in this variety. In 2008, total area devoted to high-bush blueberry production reached 7,908 hectares (18,000 acres), representing a 10% increase compared to 2007 and 66% above the 5-year average of 4,757 hectares. The bearing and non-bearing area for high-bush blueberries has more than doubled in the last five years.

With the significant increase in production of both low-bush and high-bush blueberries, prices paid to

growers have decreased considerably. The farm gate value for the Canadian high-bush blueberry crop which reached an all-time high of almost $100 million in 2007, fell to $80 million in 2008, which represents a year-over-year drop of 20%.

The expansion of Canada's blueberry (high-bush and low-bush) production in the last few years has made blueberries the most important Canadian fruit crop (ahead of apples) in terms of value for 2 years in a row in 2006 and 2007, reaching respectively over $205 million and $198 million in farm gate value. Although, the value of the Canadian blueberry crop appears to have dropped to $165 million in 2008, due to a significant drop in prices, making blueberries the second most important fruit in terms of value, blueberries are still the number one Canadian fruit export with over $301 million worth of low-bush and high-bush blueberry exports in 2008

One of the major challenges lying ahead for both the Canadian high-bush and low-bush blueberry industries is finding new markets in order to sustain the high prices growers have enjoyed in the last few years as both industries are currently facing strong competition due to significant increases in high-bush blueberry acreage not only in North America, but also in countries such as Argentina, Chile and China.

Table 3-13 - Canadian Strawberry Value and Volume of Production

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Marketed Value ($ '000)											
Quebec	15,950	15,350	16,890	14,850	17,770	22,190	24,910	28,215	25,200	26,230	4%
Ontario	19,800	19,565	19,930	18,975	17,925	16,025	15,620	22,100	20,450	19,420	-5%
Other Provinces	18,195	18,635	19,070	18,571	17,780	18,675	18,160	15,220	14,935	15,490	4%
Canada	53,945	53,550	55,890	52,396	53,475	56,890	58,690	65,535	60,585	61,140	1%
Marketed Volume (t)											
Quebec	9,571	8,986	9,457	9,024	9,877	9,798	10,147	12,088	11,907	9,335	-22%
Ontario	10,229	8,208	8,484	7,938	7,394	6,622	6,078	7,484	7,121	6,260	-12%
Other Provinces	8,407	8,631	8,258	8,106	7,250	7,074	6,074	5,410	4,874	4,746	-3%
Canada	28,207	25,825	26,199	25,068	24,521	23,494	22,299	24,982	23,902	20,341	-15%
Total Volume (t)											
Quebec	10,315	9,040	10,893	9,024	9,877	9,798	10,147	12,088	11,907	9,371	-21%
Ontario	11,417	8,208	8,484	8,029	7,394	6,622	6,078	7,484	7,121	6,260	-12%
Other Provinces	8,470	8,677	8,258	8,659	7,250	7,609	6,232	5,534	4,874	4,747	-3%
Canada	30,202	25,925	27,635	25,712	24,521	24,029	22,457	25,106	23,902	20,378	-15%
Bearing Area (ha)											
Quebec	1,457	1,412	1,538	1,447	1,562	1,560	1,558	1,558	1,558	1,319	-15%
Ontario	1,659	1,659	1,659	1,659	1,457	1,255	1,194	1,453	1,406	1,234	-12%
Other Provinces	1,623	1,593	1,619	1,578	1,459	1,343	1,271	1,088	931	931	0%
Canada	4,739	4,664	4,816	4,684	4,478	4,158	4,023	4,099	3,895	3,484	-11%
Bearing and Non-Bearing Area (ha)											
Quebec	2,064	1,983	1,918	1,902	1,942	1,862	1,862	1,942	1,862	1,740	-7%
Ontario	2,064	2,064	2,024	1,902	1,781	1,619	1,497	1,700	1,700	1,255	-26%
Other Provinces	2,159	2,151	2,062	1,989	1,870	1,673	1,584	1,475	1,371	1,212	-12%
Canada	6,287	6,198	6,004	5,793	5,593	5,154	4,943	5,117	4,933	4,207	-15%

Statistics Canada (22-003-XIB)

The 2008 strawberry crop is estimated at 20,378 t, 15% lower than in 2007 and 15% below the 5-year average of 24,003 t. The value of the crop is estimated at $61.1 million, which is 1% higher than in 2007 and 4% above the 5-year average of $59 million. Production in Quebec, which produces nearly half of the Canadian strawberry crop, was down 21% to 9,371 t, while production in Ontario, which accounts for 30% of Canada's total crop, decreased by 12% to 6,260 t, making the 2008 crop the second smallest crop in the last ten years.

Planted acreage continues its downward trend and fell by 15% to 4,207 hectares, with the most significant drop occurring in Ontario, where the acreage devoted to strawberry production fell by 26% to 1,255 hectares. The strong competition Canadian strawberry producers face from the US, particularly from California and Florida which can produce high quality strawberries almost year round and the short growing season in Canada have been the major factors contributing to the steady increase in our strawberry imports over the last few years. As a result of the strong competitive pressure from imports, our domestic strawberry production has been declining and remains seasonal. The value of Canada's fresh

strawberry imports was over $254 millions in 2008, making strawberries the third most important imported fresh fruit after grapes and bananas.

Table 3-14 - Canadian Raspberry Value and Volume of Production

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Marketed Value ($ '000)											
Quebec	5,835	5,745	5,930	6,325	4,365	5,585	4,225	4,180	4,245	4,390	3%
Ontario	3,645	3,475	3,470	3,850	2,700	3,200	2,450	3,230	3,290	3,400	3%
British Columbia	26,295	12,760	16,965	18,400	18,700	21,575	18,115	14,230	12,800	25,650	100%
Other Provinces	1,165	1,229	1,075	1,355	1,185	1,420	1,560	1,720	1,370	1,290	-6%
Canada	36,940	23,209	27,440	29,930	26,950	31,780	26,350	23,360	21,705	34,730	60%
Marketed Volume (t)											
Quebec	1,764	1,551	1,486	1,576	1,036	1,347	1,034	1,021	1,032	943	-9%
Ontario	855	771	696	728	526	635	510	599	506	544	8%
British Columbia	14,413	14,889	12,143	12,247	12,406	11,072	10,981	10,501	10,591	9,203	-13%
Other Provinces	316	313	258	329	268	286	316	321	261	228	-13%
Canada	17,348	17,524	14,583	14,880	14,236	13,340	12,841	12,442	12,390	10,918	-12%
Total Volume (t)											
Quebec	1,764	1,551	1,486	1,588	1,073	1,347	1,034	1,034	1,034	948	-8%
Ontario	907	794	696	728	526	635	510	599	506	544	8%
British Columbia	14,413	14,889	13,517	13,472	12,701	12,020	11,340	10,501	11,340	9,525	-16%
Other Provinces	348	326	261	337	267	286	316	322	261	228	-13%
Canada	17,432	17,560	15,960	16,125	14,567	14,288	13,200	12,456	13,141	11,245	-14%
Bearing Area (ha)											
Quebec	647	647	647	647	668	647	465	465	465	465	0%
Ontario	445	445	445	445	445	384	324	312	297	304	2%
British Columbia	2,064	2,056	2,064	2,023	1,983	1,922	1,922	1,813	1,752	1,441	-18%
Other Provinces	249	253	251	248	249	220	227	239	201	194	-3%
Canada	3,405	3,401	3,407	3,363	3,345	3,173	2,938	2,829	2,715	2,404	-11%
Bearing and Non-Bearing Area (ha)											
Quebec	728	728	740	728	728	728	607	769	728	688	-5%
Ontario	546	526	526	506	526	445	384	376	324	324	0%
British Columbia	2,226	2,226	2,226	2,226	2,226	2,185	1,983	1,813	1,983	1,441	-27%
Other Provinces	324	332	343	332	340	310	302	336	304	275	-10%
Canada	3,824	3,812	3,835	3,792	3,820	3,668	3,276	3,294	3,339	2,728	-18%

Statistics Canada (22-003-XIB)

Although raspberries can be grown in most Canadian provinces, BC accounts for almost the entire annual Canadian production of raspberries (84% in 2008). Total production for 2008 is estimated at 11,245 t, 14% lower than in 2007 and 17% below the 5-year average of 13,530 t. This drop in production was mainly due to a smaller crop in BC, which at 9,525 t was the smallest crop in ten years, while all other provinces except Ontario also recorded lower production levels.

Total area devoted to raspberry production has been steadily declining over the last ten years. In 2008, total bearing and non-bearing area stood at 2,728 hectares (6,740 acres), 18% lower than in 2007 and 22% below the 5-year average of 3,479 hectares. The farm gate value for the 2008 crop is estimated at $34.7 million, which is 60% higher than in 2007 and 33% above the 5-year average of $26 million, making the 2008 Canadian raspberry crop the second highest market value in the last ten years.

Approximately 90% of the raspberries grown in BC are processed and consumed as jam, juice, yogurt flavouring, whole frozen berries, etc., and about 10% are eaten fresh. Growers in BC compete on a world market with major producers including Washington State, Serbia and Chile. Up until recently, prices received by growers for raspberries were on a declining trend and remained low due to an over supply on the international market and the continued weakness of the US dollar against the Canadian dollar and virtually all other major currencies, causing many growers to pull out older raspberry plantings and switch to a blueberry crop.

Table 3-15 - Canadian Cranberry Value and Volume of Production

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Marketed Value ($ '000)											
Quebec *	5,878	7,892	12,308	15,087	26,266	22,127	18,709	37,209	36,415	66,218	82%
Nova Scotia	X	X	X	X	785	540	600	660	X	2,600	na
New Brunswick	X	X	X	X	3,645	2,600	2,715	X	X	8,100	na
British Columbia	16,200	7,599	11,815	21,280	26,300	33,930	26,900	31,900	33,375	56,250	69%
Canada	31,759	24,944	30,915	38,625	60,290	61,900	52,895	79,770	78,150	133,760	71%
Marketed Volume (MT)											
Quebec *	9,480	14,349	18,100	16,399	25,751	24,586	24,945	39,168	29,132	36,185	24%
Nova Scotia	X	X	X	X	327	277	313	422	X	953	na
New Brunswick	X	X	X	X	2,499	2,853	3,084	X	X	3,704	na
British Columbia	25,242	21,183	19,495	35,335	30,119	38,964	37,694	35,925	36,287	33,339	-8%
Canada	40,157	37,269	36,648	51,562	52,651	66,789	67,871	77,086	70,690	74,469	5%
Bearing Area (ha)											
Quebec *	546	724	990	1,082	1,076	1,144	1,178	1,332	1,510	1,672	11%
Nova Scotia	X	X	X	30	32	45	45	57	X	85	na
New Brunswick	X	X	X	X	156	162	186	X	X	198	na
British Columbia	1,295	1,376	1,457	1,457	1,497	1,562	1,562	1,554	2,056	2,347	14%
Canada	2,208	2,331	2,523	2,547	2,829	2,867	3,116	3,310	3,944	4,373	11%
Bearing and Non-Bearing Area (ha)											
Quebec *	996	1,082	1,142	1,202	1,246	1,321	1,504	1,652	1,876	2,138	14%
Nova Scotia	X	X	X	49	51	49	49	73	X	101	na
New Brunswick	X	X	X	172	190	192	202	X	X	223	na
British Columbia	1,457	1,518	1,640	1,619	1,619	1,659	1,659	1,700	2,266	2,469	9%
Canada	2,608	2,770	3,007	2,934	3,197	3,278	3,490	3,796	4,573	5,024	10%

"X" indicates unavailable data due to confidentiality requirements or missing information ; na: data not available
* Data source: Statistics Canada (22-003-XIB), except for Québec (source: Association des Producteurs de Canneberges du Québec)
Statistics Canada (22-003-XIB)

The 2008 crop is estimated at 74,469 t, 5% higher than in 2007 and 11% above the 5-year average of 67,017t, making the 2008 crop the second biggest crop in the last ten years after the 2006 record crop of 77,086t. The estimated market value of the crop is $133.7 million, which represents an all-time record and attests to the strong market the Canadian cranberry industry continues to enjoy.

The area under cultivation reached 5,024 hectares (12,415 acres) in 2008, up 10% from 2007 and 37% above the 5-year average of 3,667 hectares. In the last ten years, total planted area has increased by 93% due to strong prices which in the early 90s encouraged expansion and extensive development of many new farms, particularly in eastern Canada, where availability of reasonably-priced agricultural land is not as much an issue as in BC. In 1999, BC accounted for 56% of Canada's total cranberry area. However, as a result of steady growth in Québec and the Maritimes, BC represented only 49% of Canada's total cranberry area in 2008.

Ocean Spray, which produces two-third's of the world's supply of cranberries and is the world's largest cranberry producer, is planning to invest $90 million to transform 1,900 acres of Crown land in Rogersville, New Brunswick into a cranberry-producing bog, which is expected to become the largest cranberry farm on the continent. Ocean Spray produces a variety of cranberry-based products such as juices, purees, powders, concentrates and frozen cranberries, and recently introduced sweetened dried cranberries which have enjoyed very strong demand from the marketplace prompting the company to expand production capacity at its facilities and to secure additional cranberry supply. Demand for cranberry-based products has been soaring as a combination of strong marketing campaigns and a body of scientific evidence revealing the fruit's health benefits which have contributed to growing consumer awareness and interest in the product.

Table 3-16 - Value and Volume of Canadian Exports of Major Berries

Commodity	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Value ($ '000)											
Blueberries											
Total Fresh	32,054	38,962	46,645	51,083	53,289	58,089	56,650	67,584	57,283	60,756	6%
Total Frozen	104,137	120,239	116,936	107,134	133,680	164,507	202,507	253,969	266,425	240,552	-10%
Total Exports	136,190	159,201	163,581	158,217	186,969	222,596	259,157	321,553	323,708	301,308	-7%
Raspberries											
Total Fresh	10,599	5,153	7,883	4,879	5,679	8,083	7,697	3,059	4,442	8,193	84%
Total Frozen	9,379	9,558	8,827	12,298	12640	8,963	10,907	8,662	7,815	18,401	135%
Total Exports	19,978	14,711	16,710	17,177	18,319	17,046	18,604	11,721	12,257	26,594	117%
Strawberries											
Total Fresh	556	1,031	728	924	692	785	675	621	851	524	-38%
Total Frozen	1,165	564	1,120	1,514	1,279	569	535	415	393	490	25%
Total Exports	1,720	1,594	1,848	2,438	1,971	1,354	1,210	1,035	1,244	1,014	-18%
Cranberries*											
Total Fresh	29,490	26,217	27,723	30,462	35,940	52,397	47,306	48,116	44,309	63,791	44%
Total Frozen	na	na	na	na	na	na	na	na	na	na	na
Total Exports	29,490	26,217	27,723	30,462	35,940	52,397	47,306	48,116	44,309	63,791	44%
Volume (t)											
Blueberries											
Total Fresh	12,842	13,729	18,393	15,691	18,143	19,776	15,173	15,915	12,770	17,051	34%
Total Frozen	33,631	37,289	41,986	43,518	54,337	60,376	61,680	59,154	55,367	59,785	8%
Total Exports	46,474	51,018	60,379	59,209	72,480	80,152	76,853	75,069	68,137	76,836	13%
Raspberries											
Total Fresh	3,930	3,501	4,065	2,132	2,692	2,893	3,097	1,641	2,319	1,845	-20%
Total Frozen	4,232	4,976	4,882	5,837	6,166	3,536	4,689	4,771	4,356	5,268	21%
Total Exports	8,162	8,477	8,947	7,968	8,858	6,429	7,786	6,412	6,675	7,113	7%
Strawberries											
Total Fresh	170	479	273	401	258	214	167	140	185	120	-35%
Total Frozen	451	235	447	693	745	315	340	211	185	250	35%
Total Exports	621	713	720	1,094	1,003	529	507	351	370	370	0%
Cranberries*											
Total Fresh	29,026	26,819	26,888	40,324	43,762	44,958	40,828	47,185	45,316	40,402	-11%
Frozen	na	na	na	na	na	na	na	na	na	na	na
Total Exports	29,026	26,819	26,888	40,324	43,762	44,958	40,828	47,185	45,316	40,402	-11%

*: Exports may include small quantities of bilberries and other berries of the Vacciunium species.
Source: Statistics Canada

Table 3-17 - Value and Volume of Canadian Imports of Major Berries*

Commodity	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Value ($ '000)											
Blueberries											
Total Fresh	15,619	26,810	27,647	27,711	36,840	39,079	51,218	70,455	82,099	124,349	51%
Total Frozen	8,478	16,937	7,576	13,894	12,365	10,123	11,996	11,657	14,484	14,751	2%
Total Imports	24,098	43,747	35,223	41,605	49,205	49,202	63,214	82,112	96,583	139,100	44%
Raspberries											
Total Fresh	12,927	11,030	13,838	20,089	24,982	36,797	50,478	73,543	104,027	144,742	39%
Total Frozen	9,953	6,438	8,336	7,698	11,216	15,763	16,306	15,759	18,021	22,265	24%
Total Imports	22,880	17,467	22,174	27,787	36,198	52,560	66,784	89,302	122,048	167,007	37%
Strawberries											
Total Fresh	103,893	115,224	121,932	152,086	172,789	184,389	202,210	225,259	234,805	254,718	8%
Total Frozen	26,380	22,861	23,507	31,405	32,033	27,789	29,128	28,699	34,243	36,517	7%
Total Imports	130,272	138,085	145,439	183,490	204,822	212,178	231,338	253,958	269,048	291,235	8%
Cranberries											
Total Fresh	6,602	5,518	7,925	10,551	5,263	4,534	4,289	4,140	5,603	11,564	106%
Total Frozen	1,370	1,496	5,397	1,070	3,745	1,866	2,750	4,190	3,752	10,674	na
Total Imports	7,972	7,013	13,323	11,620	9,009	6,400	7,040	8,329	9,355	22,238	138%
Volume (t)											
Blueberries											
Total Fresh	9,580	18,600	17,615	15,255	20,109	16,221	21,373	22,954	24,560	35,581	45%
Total Frozen	3,893	7,458	3,461	6,839	6,442	4,931	5,203	4,503	4,172	4,438	6%
Total Imports	13,473	26,058	21,076	22,094	26,551	21,152	26,576	27,457	28,732	40,019	39%
Raspberries											
Total Fresh	4,547	3,570	4,673	6,626	7,989	7,674	8,603	11,597	18,035	22,580	25%
Total Frozen	4,278	2,596	3,810	3,303	5,149	6,891	7,412	7,300	8,886	6,287	-29%
Total Imports	8,825	6,166	8,483	9,929	13,139	14,565	16,015	18,897	26,921	28,867	7%
Strawberries											
Total Fresh	45,668	50,131	45,514	56,479	59,393	64,356	74,834	84,731	87,310	91,443	5%
Total Frozen	16,269	14,433	14,870	18,481	20,703	17,051	18,948	18,682	19,708	20,980	6%
Total Imports	61,938	64,564	60,384	74,960	80,096	81,406	93,782	103,413	107,018	112,423	5%
Cranberries											
Total Fresh	2,464	2,337	3,409	3,806	2,048	2,654	2,304	2,514	3,351	4,904	46%
Total Frozen	503	444	1,356	417	1,795	832	1,889	3,383	2,015	4,353	116%
Total Imports	2,968	2,782	4,764	4,222	3,843	3,485	4,193	5,897	5,366	9,257	73%

*: Volumes and values exclude frozen pulp where possible.

In any given year almost 95% of Canadian low-bush blueberry production is marketed as processed (frozen), while in contrast approximately 50% of the high-bush blueberry production is sold on the fresh market and the remainder marketed as frozen for use as ingredients by the food processing industry. Due to a worldwide increase in area planted for production of high-bush blueberry, the North American cultivated blueberry industry has become increasingly active in marketing frozen product in recent years. In 2008, Canadian exports of frozen blueberries reached 59,785 t (8% higher than in 2007), while exports of fresh blueberries reached 17,051 t (34% higher than in 2007). With imports of both fresh and frozen blueberries respectively 45% and 6% higher in 2008 compared to 2007, our overall surplus in blueberry trade in 2008 was 36,817 t, the lowest level since 2001.

In 2008, Canadian exports of fresh cranberries were 40,402 t (11% lower than in 2007), while imports of fresh cranberries were 4,904 t, representing a 46% increase year over year. As a result, the overall surplus in fresh cranberry trade was 35,498 t (the lowest level since 2002), which is 15% lower than in 2007 and 15% below the 5-year average of 41,836 t.

Table 3-18 - Consumption of Fresh Fruits in Canada (kilograms per person)

Product	1981	1986	1991	1996	2001	2004	2005	2006	2007	2008
Fresh Fruits *										
Apples	8.26	6.93	7.66	7.74	7.39	6.48	7.09	7.34	6.9	6.85
Apricots	0.05	0.07	0.07	0.08	0.11	0.11	0.1	0.07	0.11	0.11
Avocados	0.15	0.12	0.11	0.18	0.2	0.3	0.28	0.34	0.35	0.38
Bananas	4.8	5.27	5.8	6.31	5.98	6.34	6.38	6.43	6.55	6.55
Berries other	0.01	0.04	0.05	0.06	0.15	0.2	0.18	0.26	0.36	0.47
Blueberries	0.2	0.15	0.25	0.16	0.26	0.37	0.53	0.51	0.64	0.73
Cherries	0.25	0.19	0.2	0.18	0.3	0.31	0.35	0.44	0.52	0.51
Other citrus	na	na	0.02	0.01	0.02	0.03	0.06	0.05	0.03	0.02
Coconut	0.19	0.2	0.26	0.2	0.23	0.23	0.25	0.26	0.25	0.24
Cranberries	0.28	0.3	0.43	0.33	0.26	0.49	0.48	0.63	0.56	0.75
Dates	0.94	0.72	0.79	0.57	0.4	0.69	0.81	0.95	0.99	0.81
Figs	0.26	0.25	0.26	0.23	0.26	0.29	0.33	0.34	0.26	0.25
Grapefruits	1.11	1.02	0.97	0.83	0.59	0.54	0.48	0.5	0.57	0.53
Grapes	3.28	3.76	3.71	2.84	2.87	3.26	3.53	3.31	3.47	3.57
Guavas, mangoes	na	na	0.22	0.33	0.46	0.59	0.52	0.58	0.64	0.58
Kiwis	na	na	0.23	0.35	0.28	0.29	0.32	0.33	0.36	0.36
Lemons	0.31	0.36	0.33	0.35	0.43	0.44	0.45	0.46	0.44	0.43
Limes	0.06	0.08	0.11	0.13	0.21	0.24	0.25	0.27	0.3	0.31
Mandarins	na	na	1.06	1.28	1.27	1.4	1.57	1.62	1.75	1.74
Muskmelons, cantaloups	0.43	0.65	0.51	0.82	0.93	1.02	1.12	1.09	1.13	1.05
Other melons	0.06	0.06	0.05	0.12	0.1	0.12	0.15	0.19	0.16	0.19
Melons total	1.57	2.06	1.44	2.78	3.09	3.98	3.83	4	4.02	3.79
Nectarines	0.37	0.42	0.44	0.44	0.49	0.5	0.45	0.38	0.41	0.46
Oranges	6.06	5.48	3.8	4.75	4.47	4.81	5.1	4.9	4.43	4.88
Papayas	na	na	0.04	0.06	0.08	0.14	0.16	0.16	0.19	0.17
Peaches	0.81	0.73	0.75	0.67	0.59	0.59	0.54	0.57	0.67	0.62
Pears	1.24	1.25	1.34	1.4	1.59	1.44	1.44	1.57	1.61	1.43
Pineapples	0.16	0.18	0.21	0.21	0.55	0.77	0.9	1.11	1.08	1.08
Plums	0.79	0.71	0.7	0.64	0.64	0.55	0.6	0.53	0.54	0.55
Strawberries	0.96	1.1	1.3	1.34	1.33	1.63	1.8	1.97	2.02	2.02
Unspecified fresh fruits	0.22	0.54	0.23	0.28	0.36	0.34	0.27	0.29	0.36	0.32
Watermelons	0.88	1.03	0.56	1.39	1.31	2.25	1.93	2.07	2.1	2.01
Wintermelons	0.21	0.32	0.33	0.45	0.75	0.58	0.63	0.64	0.63	0.54
Total fresh fruits	32.33	31.92	31.73	33.49	33.6	35.94	37.49	38.54	38.63	38.75

* Experimental, use with caution. The data have been adjusted for retail, household, cooking and plate loss.
Source: Statistics Canada (Publication 21-020-XIE)

Total Canadian fresh fruit consumption is estimated at 38.75 kg per person for 2008, almost unchanged from the previous year, but 2.3% above the 5-year average of 37.87 kg per person. Even though consumption of apples decreased to 6.85 kg per person in 2008 (from 6.9 kg in 2007), apples remain the most consumed fruit, followed by bananas (6.55 kg) oranges (4.88 kg) and grapes (3.57 kg).

Fruits showing the highest consumption growth in the five year period from 2004 to 2008 were respectively other berries (+135%), blueberries (+97%), cherries (+65%), other melons (+58%), cranberries (+53%), pineapples (+40%), limes (+29%), kiwis (+24%) and strawberries (24%). In contrast, the following fruits had the highest declines in terms of consumption during the same period: figs (-14%), watermelons (-11%) and nectarines (-8%).

In 2008, consumption of oranges rebounded back to the level of 2006 to reach 4.88 kg per capita. The lower level of consumption observed in 2007 was due to frost damages in the United States in 2007, which had led to a lower availability of oranges and a marked decrease in the amount in the diet for the same year.

Although the importance of fresh fruits in the Canadian diet has remained at almost the same level as in 2007, Canadians had more processed fruits in their diet, reaching 8.8 kg per person, an increase of 7% over the previous year. The increase of processed fruits appears to be mostly influenced by the higher intake of dry fruits. For processed blueberries, there was also an increase of 16% observed in the diet

since 2007.

Ornamental Sector

Table 4-1 - Floriculture and Nursery Farms and Area

Product	1981	1986	1991	1996	2001	2006	2006/2001
Number of Farms							
Floriculture	X	3,180	6,283	4,340	4,024	3,578	-11%
Nursery	2,428	2,284	3,846	4,844	4,530	3,825	-16%
Area (ha)							
Floriculture	X	396	456	691	845	927	10%
Nursery	11,369	13,575	19,689	21,251	22,776	24,953	10%

Statistics Canada (Census of Agriculture)

The 2006 Census of agriculture shows that the total area in production for both floriculture and nursery has continued to increase, following the long-term trend in both sectors. The area under cultivation increased a total of 10% over the five years ending in 2006. A corresponding 10 to 15 year trend of decline in the total number of operations producing these crops indicates a trend towards fewer, but larger operations.

Table 4-2 - Floriculture and Nursery Farm Cash Receipts[1]
Value ($ Million)

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Quebec	139.7	138.7	150.1	182.9	202.0	211.2	224.4	204.2	228.9	259.4	13%
Ontario	606.7	724.0	755.3	828.0	841.6	871.1	873.2	832.5	832.9	909.1	9%
British Columbia	271.6	340.3	360.0	387.3	406.7	421.2	350.6	400.5	420.5	449.6	7%
Other Provinces	177.3	214.5	231.5	246.8	240.7	227.8	325.0	320.7	209.4	221.5	6%
Canada	1,195.4	1,417.4	1,496.8	1,644.9	1,691.0	1,731.3	1,707.0	1,702.3	1,746.9	1,857.1	6%

1 Exludes Christmas Trees
Statistics Canada (Table 002-0001, 21-001-XIB)

Farm cash receipts for the ornamental sector (including sod and excluding Christmas trees) resumed a long-term growth trend with a national average annual increase of 6% to $1.86 billion for 2008. The industry is concentrated in Ontario, British Columbia, and Quebec, which together account for about 88% of total production. In 2008 Quebec grew 21% over the average of the five previous years, while the provinces other than Ontario, British Columbia, and Quebec, when considered together, experienced a 16% decline compared to their 5-year average.

Table 4-3 - Nursery Stock Sales
Value ($ Million)

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Quebec	45.5	48.1	48.1	57.8	68.6	66.3	67.5	70.4	78.8	70.3	-11%
Ontario	194.4	229.2	229.9	245.4	243.9	261.1	283.1	277.0	273.5	278.0	2%
British Columbia	108.6	146.4	156.0	152.3	168.3	178.3	175.7	174.5	193.3	182.9	-5%
Other Provinces	37.6	51.8	55.1	61.6	62.8	63.2	65.1	75.7	76.0	78.8	4%
Canada	386.1	475.5	489.1	517.1	543.6	568.9	591.5	597.6	621.6	610.0	-2%

Statistics Canada (22-202-XIB)

Sales of nursery stock including trees, shrubs, hedges, and a wide variety of other woody plants contracted slightly in 2008 by 2% nationally to $610 million, following a year of record sales of $621 million in 2007. Year-over year sales in Quebec and British Columbia contracted while sales in Ontario and the remaining seven provinces (when combined) grew in 2008. 2008 sales in all provinces equaled or

exceeded the average of their previous 5-years of sales.

Table 4-4 - Ornamental Flower and Plant Sales
Value ($ Million)

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Quebec	109.4	115.3	127.1	147.3	161.0	173.3	165.6	164.6	174.0	185.5	7%
Ontario	516.4	636.6	661.9	745.1	750.4	734.0	777.2	769.0	774.5	614.3	-21%
British Columbia	225.3	266.4	273.5	312.3	331.6	329.7	263.8	317.5	327.8	291.9	-11%
Other Provinces	160.2	187.8	204.5	211.9	207.0	204.1	217.7	173.3	163.6	166.3	2%
Canada	1,011.3	1,206.1	1,267.0	1,416.6	1,450.0	1,441.1	1,424.3	1,458.1	1,478.1	1,275.5	-14%

Statistics Canada (22-202-XIB)

Sales of flowers, non-flowering potted plants and bedding plants contracted significantly in 2008 in Ontario and British Columbia leading to a national year-over-year decline in sales of 14%. 2008 sales were down 7% in B.C. and down 19% in Ontario from the average of the previous five years. Flower sales have been buffeted in recent years by rapid changes in currency exchange values, energy prices and increasing competition from offshore low-cost producing countries.

Table 4-5 - Sod Sales
Value ($ Million)

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Quebec	13.5	11.7	11.7	19.1	21.6	24.6	23.2	26.9	26.9	31.9	19%
Ontario	42.6	47.1	50.6	45.8	51.1	49.2	47.6	54.0	54.0	45.2	-16%
British Columbia	2.8	2.2	2.7	5.2	6.2	6.6	7.0	10.0	7.7	8.3	8%
Other Provinces	11.3	13.0	11.2	11.9	24.9	25.6	26.8	39.0	35.1	41.9	19%
Canada	74.5	78.6	81.2	87.4	103.8	106.0	104.5	129.9	125.9	128.4	2%

Statistics Canada (22-202-XIB)

Turf sod resumed its long-term growth trend with near record sales of $128 million in 2008. Significant annual gains in sales recorded across the country were offset by a 19% year-over-year decline in Ontario sales. 2008 sales nationally were 13% higher than the average of the previous five years. Turf sod is used for lawns, sports field golf courses, and parks and consumption generally follows residential real estate growth trends.

Table 4-6 - Floriculture and Nursery Exports and Imports
Value ($ Million)

Commodity	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
0601: Bulbs, tubers, tuberous roots, etc											
Exports	19.7	23.5	30.5	24.6	26.0	26.5	21.1	19.7	18.3	13.3	-27%
Imports	47.0	48.8	51.4	52.5	54.1	59.0	54.5	52.6	55.6	51.9	-7%
Balance of Trade	-27.3	-25.2	-20.9	-27.9	-28.1	-32.5	-33.4	-32.9	-37.3	-38.6	3%
0602: Other live plants, including their roots, cuttings and slips, etc											
Exports	272.6	313.5	360.4	381.6	351.9	332.2	278.8	253.3	247.1	207.3	-16%
Imports	140.9	148.6	162.5	165.9	163.2	164.9	168.5	165.2	171.5	173.3	1%
Balance of Trade	131.7	164.9	197.9	215.8	188.6	167.3	110.3	88.1	75.6	34.0	-55%
0603: Cuts flowers and flower buds for bouquets or ornamental purposes, etc											
Exports	24.0	28.0	28.6	27.3	28.8	28.5	22.1	16.6	18.2	22.2	22%
Imports	93.3	100.5	112.3	117.5	111.0	114.9	116.4	117.9	123.4	127.6	3%
Balance of Trade	-69.2	-72.5	-83.7	-90.2	-82.3	-86.4	-94.2	-101.3	-105.2	-105.4	0%
0604: Foliage, branches and other parts of plants, etc*											
Exports	40.8	44.3	50.1	44.6	36.0	29.9	29.7	33.9	26.8	26.6	-1%
Imports	17.5	17.2	18.4	19.0	16.7	17.2	18.4	20.9	24.6	26.7	9%
Balance of Trade	23.3	27.2	31.7	25.6	19.3	12.6	11.3	13.0	2.2	-0.1	-105%
Total											
Exports	357.2	409.4	469.6	478.1	442.6	417.1	351.7	324.1	310.3	269.4	-13%
Imports	298.7	315.1	344.5	354.8	345.0	356.1	357.8	356.6	375.1	379.5	1%
Balance of Trade	58.5	94.3	125.0	123.3	97.6	61.0	-6.1	-32.5	-64.8	-110.1	-70%

*Excludes Christmas Trees
Statistics Canada

For the first six of the past ten years Canada had a positive balance of trade in ornamental horticulture. In the last four years the balance has shifted dramatically with a decrease in the total value of exported cut flowers, live plants, branches, foliage and bulbs. The majority of our $269 million in exports and $379 million in imports are with the United States, but imports also arrive from historic trading partners like the Netherlands. A growing share of imports comes from emerging low-cost cut-flower producers like Ecuador ($33 million) and Columbia ($66 million). Canada's total exports in 2008 were 13% lower in value than the previous year and the previous five year average. During those five years the Canadian dollar gained almost 40% in value against the U.S. dollar, having an impact on cost competitiveness. Total floriculture and nursery exports declined 13% between 2007 and 2008 to a ten-year low, while the total value of imports remained relatively steady, but due to declines in the per-stem prices for most imported cut flowers the quantity of cut flower imports increased.

Table 4-7 - Floriculture and Nursery Exports by Province[1]
Value ($ Million)

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
New Brunswick	37.0	36.5	40.8	40.0	35.5	33.1	32.6	30.7	30.0	29.4	-2%
Ontario	225.3	258.3	293.7	299.3	273.3	253.1	194.5	172.6	174.3	150.2	-14%
British Columbia	69.3	87.0	102.3	101.3	98.9	96.5	92.4	92.1	79.8	61.2	-23%
Other Provinces	25.7	27.5	32.8	37.5	34.9	34.5	32.2	28.6	26.2	28.6	9%
Canada	357.2	409.4	469.6	478.1	442.6	417.1	351.7	324.0	310.3	269.4	-13%

1 Excludes Christmas Trees
Statistics Canada

Exports from all provinces are down from their peak years of 2001 or 2002 with a noteworthy 50% decline in Ontario and a 40% decline in British Columbia (both from 2002 to 2008) which contributed to a 43% average decline from the national peak export value of $478 million in 2002. The main driver of this loss of exports is the change in relative pricing of Canadian goods due to the appreciation of the Canadian Dollar.

Table 4-8 - Christmas Tree Production

Province	1996	2001	2006	2006/2001
Number of Farms				
Quebec	562	395	353	-11%
Nova Scotia	808	535	437	-18%
Ontario	1,345	918	725	-21%
British Columbia	390	526	481	-9%
New Brunswick	592	252	190	-25%
Other Provinces	380	307	275	-10%
Canada	4,077	2,933	2,461	-16%
Area (ha)				
Quebec	12,342	8,695	7,892	-9%
Nova Scotia	11,582	9,490	9,134	-4%
Ontario	11,286	8,808	6,392	-27%
British Columbia	9,453	6,018	3,565	-41%
New Brunswick	4,284	2,928	2,214	-24%
Other Provinces	2,124	2,000	1,433	-28%
Canada	51,071	37,613	30,630	-19%

Statistics Canada (Census of Agriculture)

Table 4-9 - Christmas Tree Exports by Province

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Value ($ Million)											
Nova Scotia	9.0	9.6	11.0	11.1	9.9	10.8	10.9	10.6	8.5	8.6	1%
New Brunswick	4.6	5.7	6.3	6.4	5.7	5.3	4.8	4.8	4.8	5.9	23%
Quebec	20.6	22.6	25.7	25.5	21.9	19.4	18.1	18.7	15.7	18.9	20%
Other Provinces	0.8	0.7	0.8	0.9	0.6	0.7	1.0	0.8	0.8	0.8	0%
Canada	35.0	38.6	43.8	43.9	38.0	36.2	34.8	34.9	29.8	34.2	15%
Quantity ('000 Trees)											
Nova Scotia	727.5	720.6	742.1	898.6	819.6	873.6	864.0	789.0	784.2	540.0	-31%
New Brunswick	298.4	354.6	363.3	383.3	393.4	384.3	405.5	284.0	362.2	307.1	-15%
Quebec	1,376.6	1,417.9	1,496.8	1,432.4	1,347.6	1,153.8	1,038.0	1,098.8	943.7	860.4	-9%
Other Provinces	89.1	43.1	57.0	55.7	65.0	62.4	80.2	82.4	86.6	70.9	-18%
Canada	2,491.6	2,536.3	2,659.2	2,770.0	2,625.6	2,474.0	2,387.6	2,254.2	2,176.7	1,778.4	-18%

Statistics Canada

The number of farms undertaking Christmas tree production and the amount of land dedicated to Christmas tree production in Canada have both declined by 40% over the past decade. In 2008 Canada exported 1.8 million Christmas trees worth $34 million, which is 15% lower than the average of the five previous years' exports, by quantity, but only a 2% decline in total farm gate revenue indicating much stronger per-tree revenue. The appreciation of the Canadian dollar and competition from artificial Christmas trees put pressure on total demand for real trees in the U.S, their major export market.

Maple and Honey Sectors

Table 5-1 – Canadian Maple Production by Province

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Volume (t)											
Quebec[1]	31,185	41,310	28,267	32,813	39,927	41,283	34,483	32,664	27,989	27,056	-3%
Ontario	1,395	2,230	1,334	1,376	1,310	1,310	1,310	1,304	1,346	1,597	19%
New Brunswick	607	451	475	884	956	1,052	1,238	1,526	1,358	1,030	-24%
Nova Scotia	192				180	132	126	156	272	128	-53%
Canada	33,379	43,991	30,076	35,073	42,373	43,777	37,157	35,651	30,855	29,805	-3%
Value ($ ' 000)											
Quebec	140,566	156,117	136,037	156,731	188,096	204,115	173,477	164,000	144,400	186,700	29%
Ontario	10,719	17,696	10,825	11,063	10,750	10,928	10,988	11,147	12,088	15,469	28%
New Brunswick	4,109	3,231	3,396	5,849	6,845	8,044	8,934	10,878	10,702	8,817	-18%
Nova Scotia	1,333				1,395	1,068	1,054	1,045	1,067	913	-14%
Canada	156,727	177,044	150,258	173,643	207,086	224,155	194,453	187,070	168,257	211,899	26%
Value ($/kg)											
Quebec	4.51	3.78	4.81	4.78	4.71	4.94	5.03	5.02	5.16	6.9	34%
Ontario	7.68	7.94	8.11	8.04	8.21	8.34	8.39	8.55	8.98	9.7	8%
New Brunswick	6.77	7.16	7.15	6.62	7.16	7.65	7.22	7.13	7.88	8.6	9%
Nova Scotia	6.94				7.75	8.09	8.37	6.7	6.59	7.1	8%
Canada	4.7	4.02	5	4.95	4.89	5.12	5.23	5.25	5.45	7.1	30%

1 Quebec data between 1999 and 2005 come from la Table filière acéricole du Québec while 2006, 2007 and 2008 data come from Statistics Canada
% Change from 2007 to 2008

Canada and the United States are the only two maple syrup producing countries in the world. Over the last five years, Canada has accounted for 85% of the world's maple syrup production, while the United States has accounted for 15%. Canada exports over 80% of its production.

The Canadian maple syrup producing provinces are Quebec, with 91% of domestic production in 2008, followed by Ontario (5.4%), New Brunswick (3.6%), and Nova Scotia (0.4%). There is also maple

production on Prince Edward Island, though in small volumes.

According to the 2006 Census of Agriculture from Statistics Canada, about 9,731 farms (4.2% of all farms in Canada) produced maple syrup commercially, down 6% from 2001. Between 2001 and 2006, the average per-farm tap number increased by 20% from 3,268 to 3,913.

The volume of maple production is dependent on the weather each spring. Two consecutive years (2007, 2008) of unfavourable spring weather in most of the producing regions generally reduced production of maple products. While year-over-year production decreased in 2008 by only 3% or 1050 metric tons this was still 21% lower than the average of the previous five years. Lower production has drawn-down inventories of stored maple syrup and resulted in significantly higher prices, $7.10 per kg in 2008 nationally which represents a 30% increase compared to the previous year and a 37% increase over the average of the previous five years. With increased prices and sustained demand it is likely that a significant number of additional taps will be brought into production in subsequent years in both Canada and the US.

Table 5-2 – Canadian Honey Production by Province
Volume (t)

Province	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	08/07
Prince Edward Island	50	36	59	52	52	41	24	25	107	126	18%
Nova Scotia	524	363	285	342	374	357	331	289	272	272	0%
New Brunswick	122	120	96	145	120	88	101	135	56	49	-13%
Quebec	1,847	1,159	1,219	1,683	651	923	1,747	1,565	1,025	1,181	15%
Ontario	3,740	3,249	3,219	4,824	3,903	3,456	4,055	3,760	2,708	2,429	-10%
Manitoba	7,511	6,033	7,094	6,511	6,604	5,362	5,717	8,485	5,626	5,445	-3%
Saskatchewan	10,886	8,165	9,752	8,618	8,845	6,804	8,167	11,343	7,543	7,931	5%
Alberta	11,251	10,926	12,150	13,488	12,630	15,187	14,463	21,205	13,119	9,800	-25%
British Columbia	1,166	1,806	1,513	1,408	1,422	2,025	1,514	1,559	1,033	879	-15%
Canada	37,099	31,857	35,388	37,072	34,603	34,242	36,119	48,366	27,850	28,112	1%
Colony Yield and Price Data											
Number of Colonies	588,824	599,863	602,328	588,485	563,330	597,890	615,541	628,401	589,254	585,441	-1%
Yield - lbs per colony	139	117	130	139	135	126	129	170	69	62	-11%
Price per lb.	$0.86	$0.99	$1.19	$1.97	$2.04	$1.60	na	$1.04	na	na	na

na - data not available

While honey is produced in all provinces in Canada, Alberta, Manitoba and Saskatchewan together produced over 82% percent of the Canadian honey crop in 2008. Honey production in 2008 totalled 28,112 metric tons, a 42% drop from 2006's record annual production of 48,366 metric tons. While bee populations in each hive are reduced over every winter, higher than normal winter losses in recent years have affected production the following year. The yields per colony declined to 106 pounds of honey per hive, the lowest output in 15 years, partly due to colony splitting to start fresh hives. The number of colonies fell, by 10% between 2008 and 2007, and by 11.6% between 2006 and 2007. Canadian beekeepers replenish their populations through hive-splitting and through purchases of queen bees and 'nucleus' colonies of bees from a limited list of countries. Bees imported from these countries are deemed to pose low disease and pest risks to existing Canadian bee populations. Demand is growing for replacement bees and prices for queens and hives continue to rise, increasing the financial challenges to beekeepers.

Canada continues to import honey, although the volume of imports has been declining over the past five years. Imported honey, primarily from Australia, Brazil and the US at 8.1 million pounds in 2008, is less than half the quantity imported in 2004. Canada continues to be an important net exporter of honey, exporting over 40% of its production over the past five years. The value of honey exports in 2008 totalled $69 million, an 81% increase over 2007. Honey is a globally exchanged commodity and prices respond to worldwide changes in quantities produced. At this time there are no large stored or anticipated surpluses on the international horizon and honey prices worldwide have been trending slowly upward. The opportunities for Canadian honey producers are to continue to grow the premium prices they can receive for their high-quality honey on world and domestic markets.

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