



# Cropland Values in Canada

## HIGHLIGHTS

- Using data from the Farm Financial Survey (FFS), this study provides an overview of trends in cropland values in Canada 2005-2007.
- Cropland values were highest in British Columbia, driven by farms located on Vancouver Island, the Lower Mainland and the Okanagan Valley.
- Recent increases in grain prices have translated into higher prices for cropland for grain and oilseed farms.

## Background

Estimates of cropland values were calculated using the Farm Financial Survey (FFS). The Farm Financial Survey (FFS) was first conducted in 1981 and has been an annual survey since 2002. The results of the 2008 FFS (which reports on the 2007 calendar year) are based on an initial sample of 14,000 farms with gross revenue of \$10,000 or more from all provinces and farm types.

Starting in 2006, two new questions were added to the FFS to enable the collection of information on cropland values for the 2005 crop year. They were repeated in 2007 and in 2008, providing a three-year trend of cropland values<sup>1</sup> in Canada.

## Location, Location, Location

Overall, in 2007, the average value of cropland in Canada increased 32% from 2005.<sup>2</sup> However, cropland values differed greatly across the country as well as within each province (Table 1). By province, cropland commanded on average the highest values in British Columbia and the lowest in Saskatchewan.

British Columbia had the largest increases in cropland value in Canada, with the average cropland value almost doubling between 2005 and 2007, boosted by Vancouver Island, the Lower Main Land and the Okanagan Valley. The continued migration of retirees to Vancouver Island applied pressure to the market for residential development which in turn forced up the value of land of all types. In the Lower Mainland, increasing land values were also fueled by high demand for properties and the expansion of the blueberry industry. The Okanagan Valley, with its limited supply of arable land, attracted buyers interested in grape production and wineries, adding competition to an already tight market.<sup>3</sup> Cropland values of greenhouses and nurseries and poultry and egg farms in the province were also strong. Beef farms, which are mostly found in the less populated area of Caribou, reported the lowest average cropland values.

<sup>1</sup> It must be noted that the cropland values provided by the survey were based on the respondents' best estimate of market value as opposed to the agricultural production value. This implies that the reported value will be higher for cropland that has alternative uses other than agriculture.

<sup>2</sup> The estimates are unweighted thus are representative only of the farms surveyed and not of the farm population as a whole. In addition, they are based on 95% of the sample with the lowest and highest 2.5% of respondents omitted to remove the impact of outliers.

<sup>3</sup> Farm Credit Canada, *The Fall 2005 and Spring 2006 Farmland Values Reports*.

Alberta's average cropland values increased 31% between 2005 and 2007, lifted by higher values reported by grain and oilseed farms. The grain and oilseed sector enjoyed added strength given the increased interest in alternative fuels such as ethanol and biodiesel. Cropland values for grain and oilseed farms increased on average by 32% over the period. However, on average, potato, fruit and vegetable and greenhouse and nurseries recorded the highest cropland values in the province in 2007, as good-quality irrigated land suitable for specialty crop production was in greatest demand. In terms of location, the highest cropland values were found along the Edmonton-Calgary corridor, reflecting the spin-off affect on surrounding farmland of a strong provincial economy fueled by the oil and gas industry.

Although average cropland values in Saskatchewan were the lowest in Canada, average cropland values in the province increased 25% between 2005 and 2007. In general, they were higher along the Alberta border and decreased southward, likely reflecting lower transportation costs to the port of Vancouver compared to the eastern part of the province. In particular, cropland values for grain and oilseed farms increased on average 25% over the period, boosted by higher grain prices. Nevertheless, potato farms ranked first in terms of cropland value, followed by dairy farms. Readily available credit and historically low interest rates helped maintain cropland values despite rising input costs.

Manitoba's average cropland value increased 37% between 2005 and 2007. The highest cropland values in the province were found south of Winnipeg and in the interior. Potato farms on average posted the highest cropland values.

For Ontario, the average cropland value increased 20% between 2005 and 2007. The highest cropland values were found around Toronto and in Southern Ontario (Hamilton, London and Windsor). Greenhouse and nurseries and fruit and vegetable farms reported the highest average cropland values per acre.

Quebec's average cropland value increased 14% over the period. The highest cropland values were located immediately south of Montreal (Montregie) and in the Laurentides. Fruit and vegetable and grain and oilseed farms reported the highest average value of cropland in the province. Rising grain prices drove up demand for land suitable for grain production.

In Atlantic Canada, the average cropland value increased 34% between 2005 and 2007. The highest average values per acre in Atlantic Canada were reported by fruit and vegetable farms, potato farms and greenhouse and nurseries.

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Publication: 11001E  
ISBN: 978-1-100-13425-3  
Catalogue: A38-4/20-2009E-PDF  
Project: 09-047-b

**Table 1**

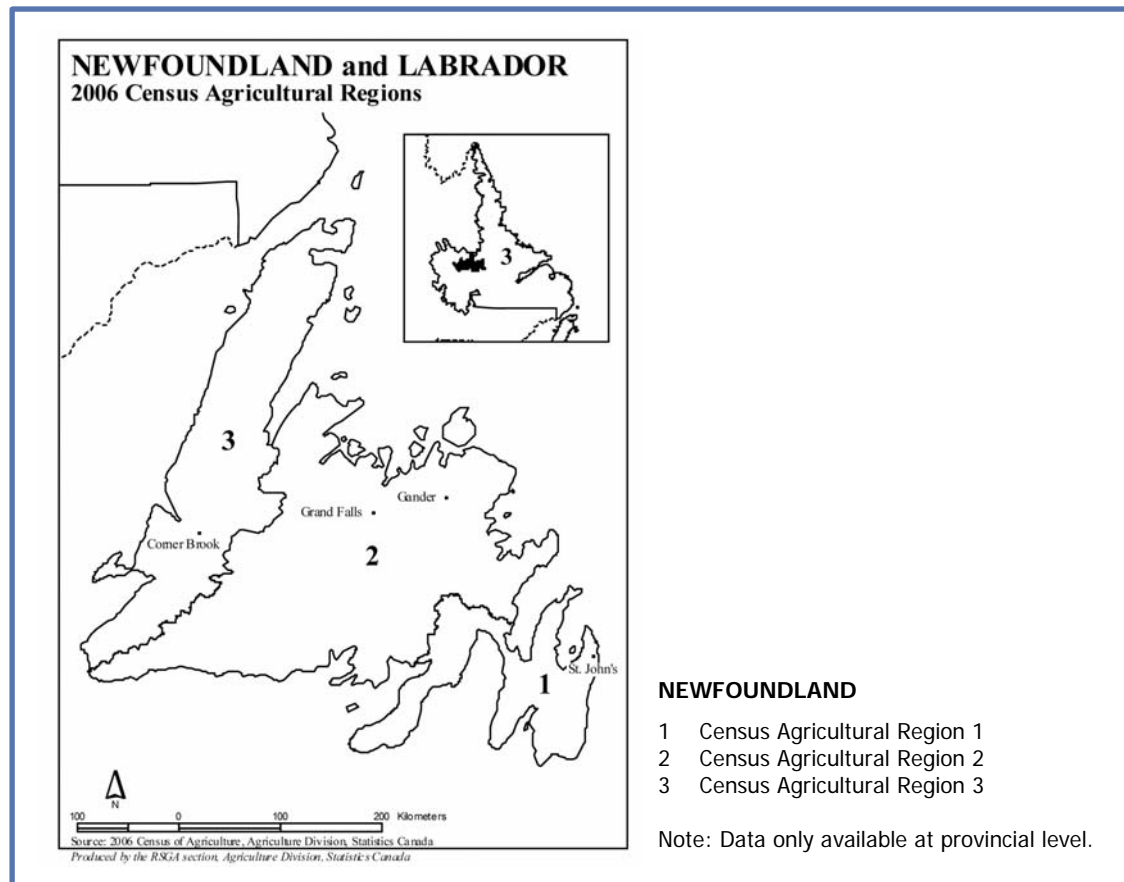
<b>AVERAGE CROPLAND VALUE BY PROVINCE</b>				
	2005	2006	2007	2007/2005
	Dollars/Acre			Percent
Canada	3,300	4,300	4,300	31.9
British Columbia	17,100	22,200	31,600	84.5
Alberta	1,500	1,700	1,900	31.0
Saskatchewan	400	400	500	35.4
Manitoba	700	800	1,000	36.7
Ontario	4,700	5,300	5,700	20.2
Quebec	2,200	2,400	2,500	14.4
Atlantic	1,500	1,700	2,000	33.5

**Table 2**

<b>AVERAGE CROPLAND VALUE BY FARM TYPE</b>				
	2005	2006	2007	2007/2005
	Dollars/Acre			Percent
Fruit and Vegetable	11,700	12,800	18,200	55.6
Greenhouse and Nursery	9,900	10,800	11,900	20.2
Poultry and Egg	6,100	6,200	6,100	0.0
Dairy	3,100	4,000	4,200	35.5
Potato	2,700	3,000	3,300	22.2
Hog	2,400	2,500	2,700	12.5
Beef	1,500	1,700	1,700	13.3
Grain and Oilseed	1,800	1,900	1,900	5.6

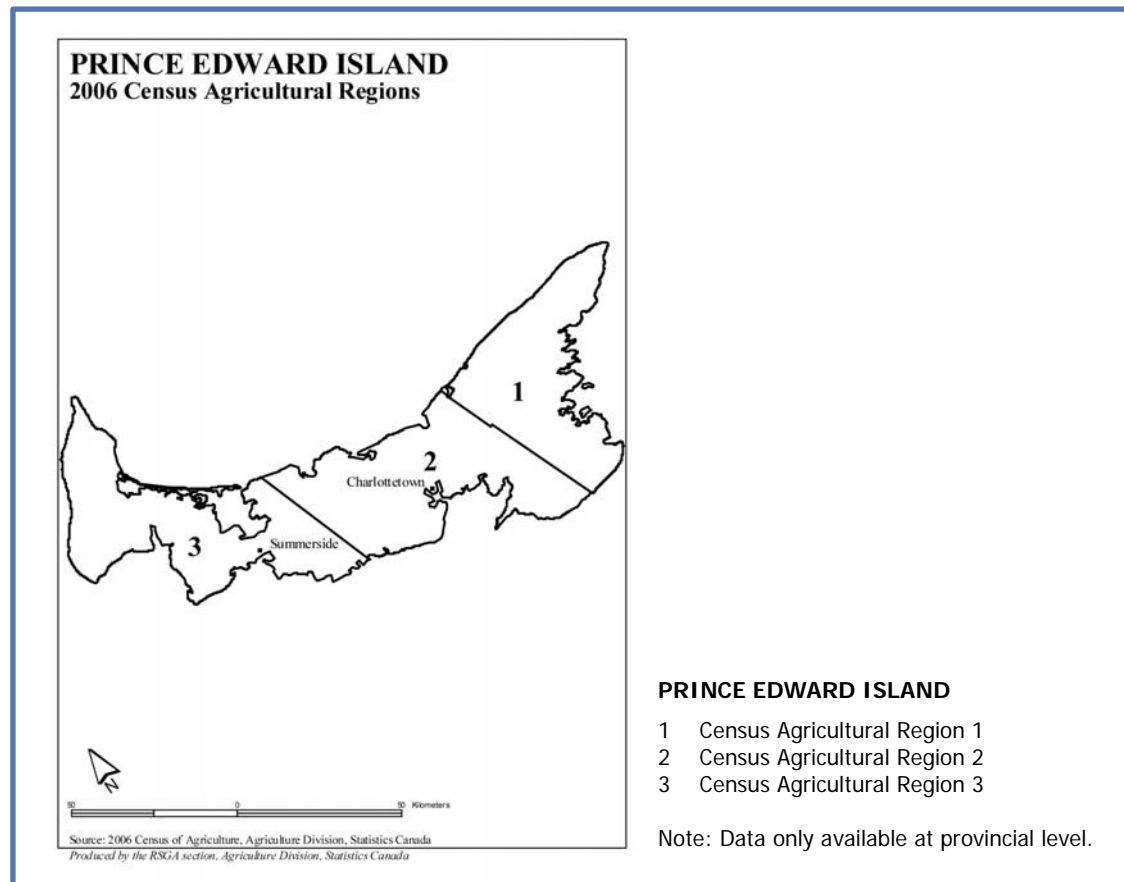
**Table 3A (Atlantic Provinces)**

<b>AVERAGE CROPLAND VALUE BY CENSUS AGRICULTURAL REGION (CAR)</b>			
	2005	2006	2007
NEWFOUNDLAND	Dollars/Acre		
CAR 1	1,700	2,500	6,200
CAR 2	1,700	2,000	2,700
CAR 3	1,100	1,400	2,000



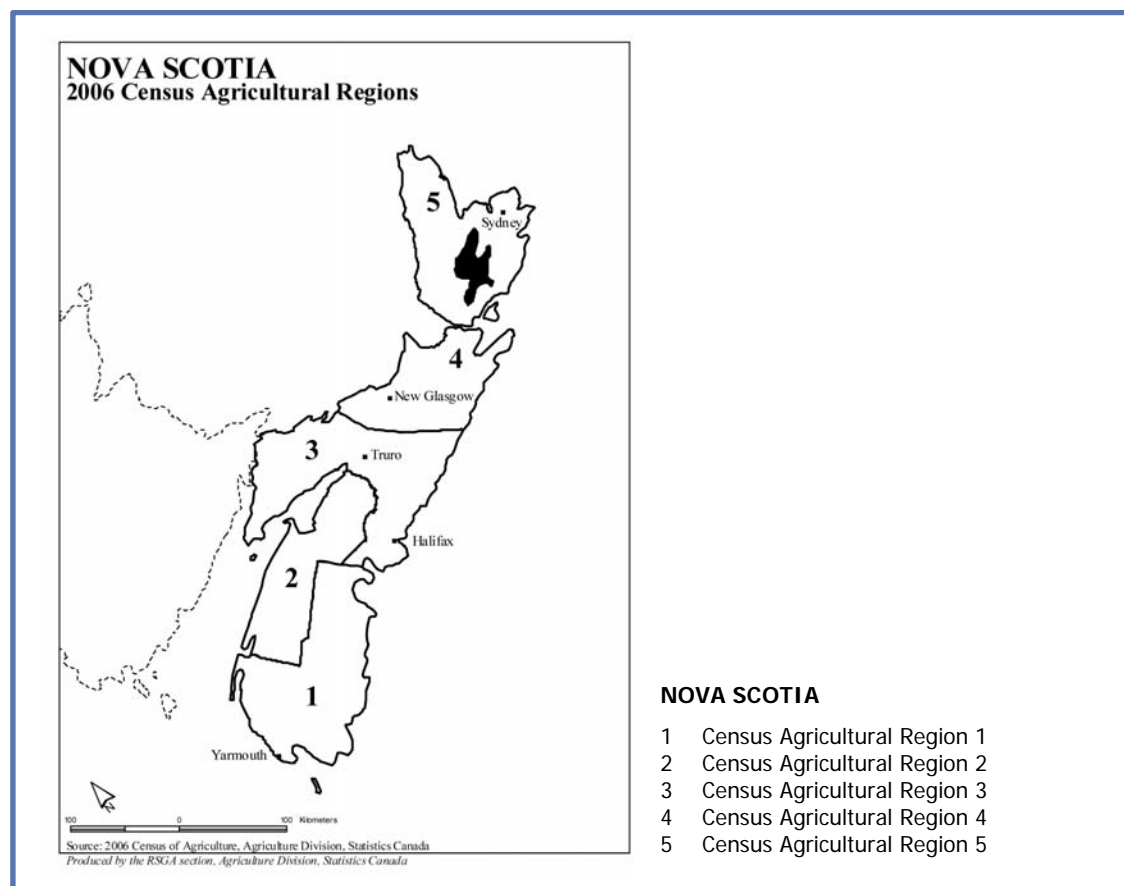
**Table 3A (Atlantic Provinces)**

<b>AVERAGE CROPLAND VALUE BY CENSUS AGRICULTURAL REGION (CAR)</b>			
	2005	2006	2007
<b>PRINCE EDWARD ISLAND</b>	Dollars/Acre		
CAR 1	1,700	1,600	1,500
CAR 2	1,700	1,700	1,700
CAR 3	2,400	2,300	2,400



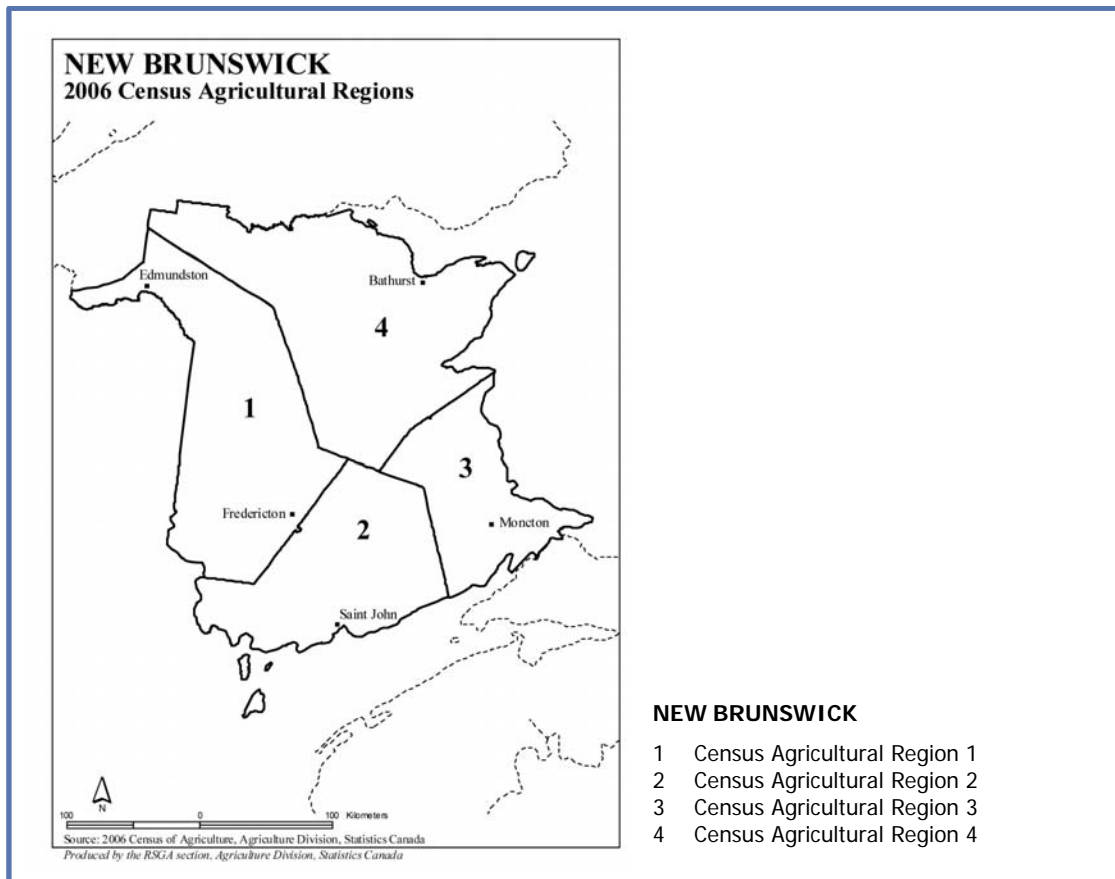
**Table 3A (Atlantic Provinces)**

<b>AVERAGE CROPLAND VALUE BY CENSUS AGRICULTURAL REGION (CAR)</b>			
	2005	2006	2007
<b>NOVA SCOTIA</b>	Dollars/Acre		
CAR 1	1,100	1,300	1,700
CAR 2	1,400	1,600	1,900
CAR 3	1,400	1,800	2,000
CAR 4	1,300	1,600	1,700
CAR 5	900	1,200	1,300



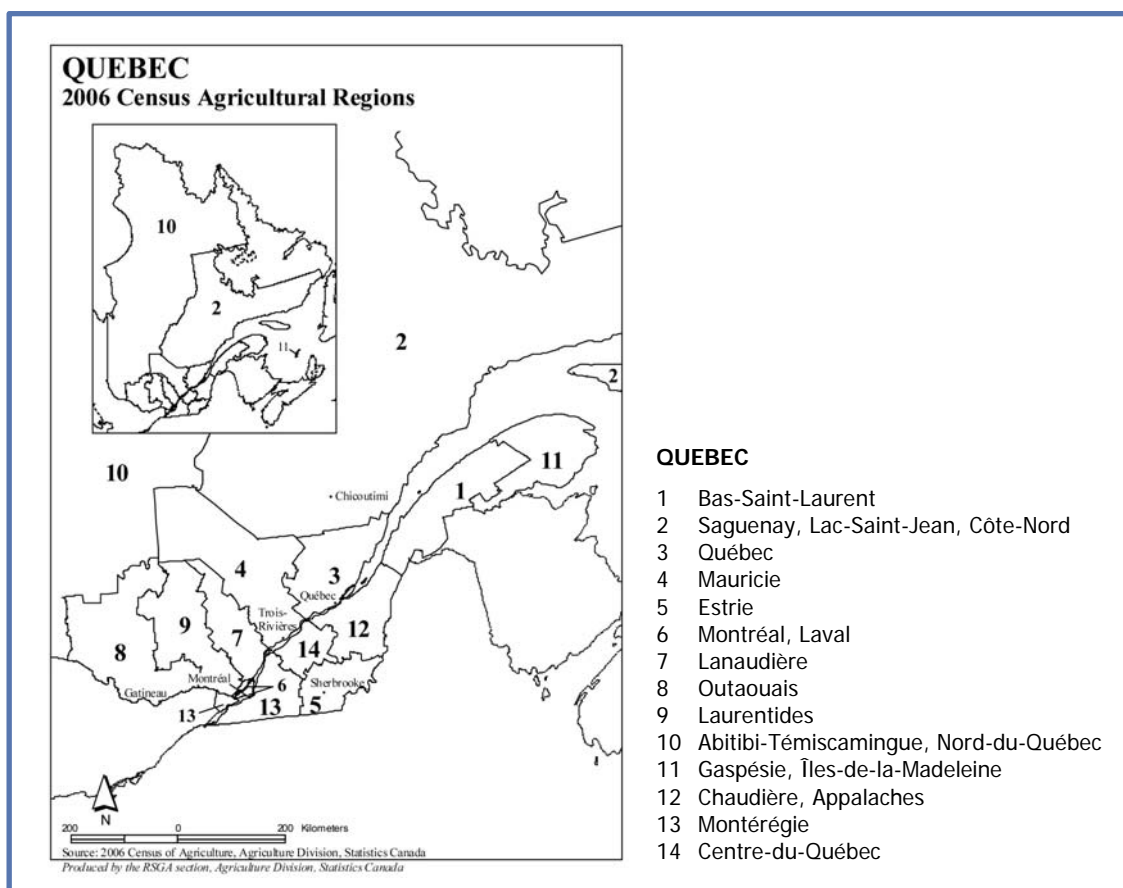
**Table 3A (Atlantic Provinces)**

<b>AVERAGE CROPLAND VALUE BY CENSUS AGRICULTURAL REGION (CAR)</b>			
	2005	2006	2007
<b>NEW BRUNSWICK</b>		Dollars/Acre	
CAR 1	1,800	2,000	2,200
CAR 2	1,000	1,100	1,400
CAR 3	800	1,200	1,300
CAR 4	1,000	1,500	1,600



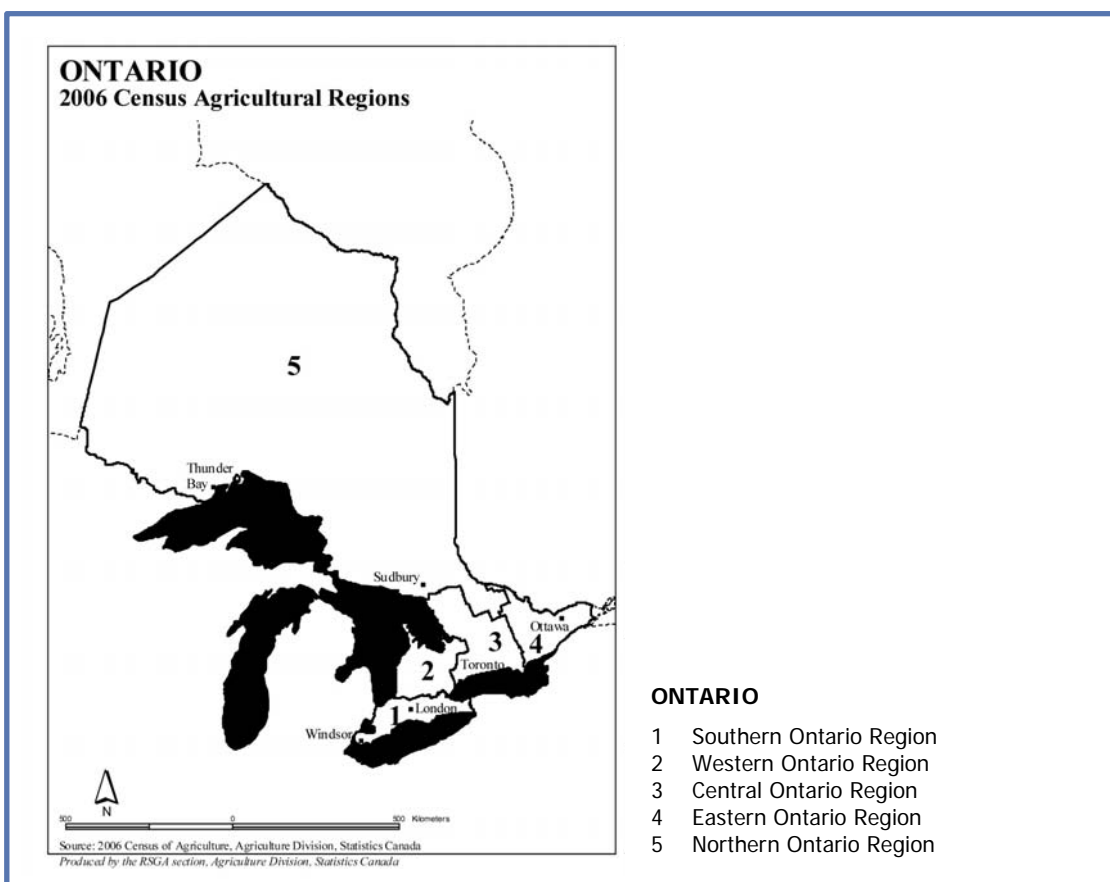
**Table 3B****AVERAGE CROPLAND VALUE BY CENSUS AGRICULTURAL REGION (CAR)**

	2005	2006	2007
QUEBEC	Dollars/Acre		
CAR 1	1,000	1,100	900
CAR 2	1,000	1,100	1,200
CAR 3	1,500	1,700	1,600
CAR 4	2,000	1,700	2,000
CAR 5	1,500	1,600	1,700
CAR 6	5,000	4,700	2,500
CAR 7	2,400	2,700	2,500
CAR 8	800	1,200	1,200
CAR 9	2,500	2,700	2,900
CAR 10	500	600	900
CAR 11	500	1,200	300
CAR 12	1,700	1,700	1,900
CAR 13	3,100	3,300	3,800
CAR 14	1,800	1,900	2,300



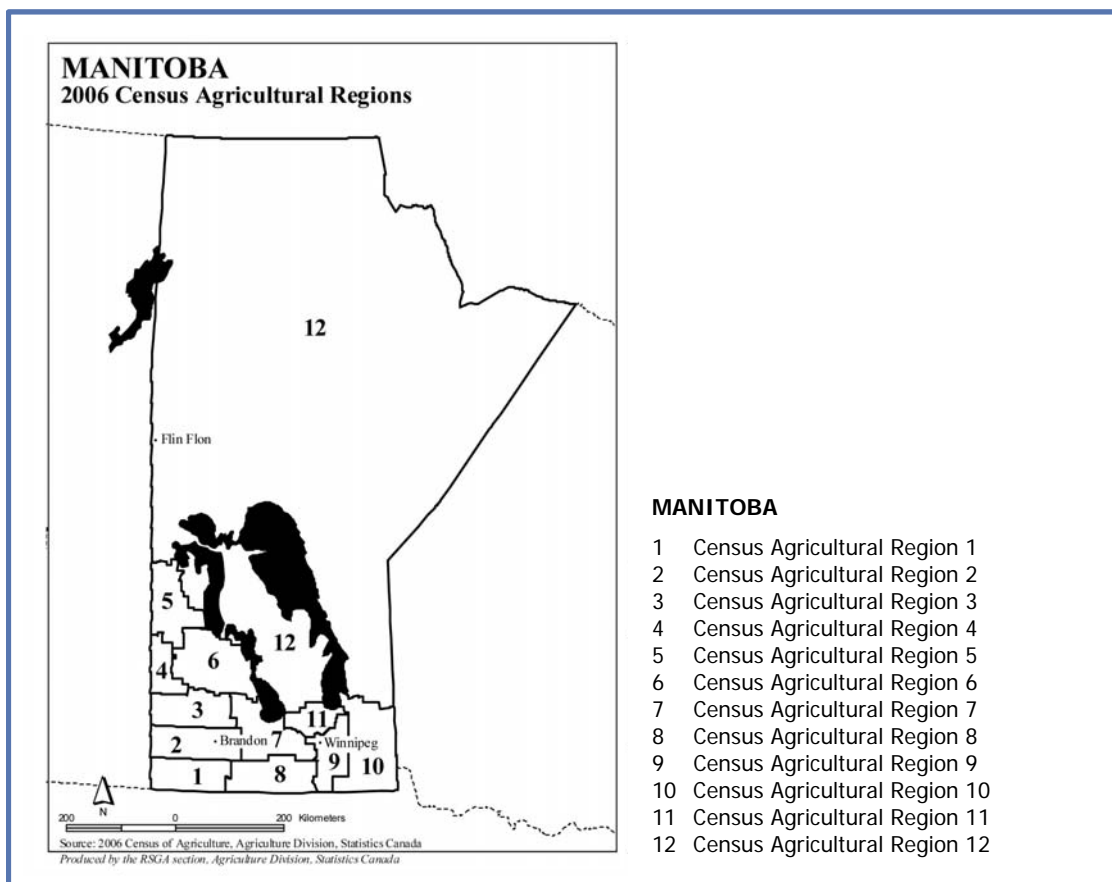
**Table 3C****AVERAGE CROPLAND VALUE BY CENSUS AGRICULTURAL REGION (CAR)**

	2005	2006	2007
ONTARIO	Dollars/Acre		
CAR 1	5,600	6,100	6,900
CAR 2	4,500	4,600	5,300
CAR 3	4,500	4,300	5,600
CAR 4	2,200	2,000	2,800
CAR 5	700	1,000	2,100



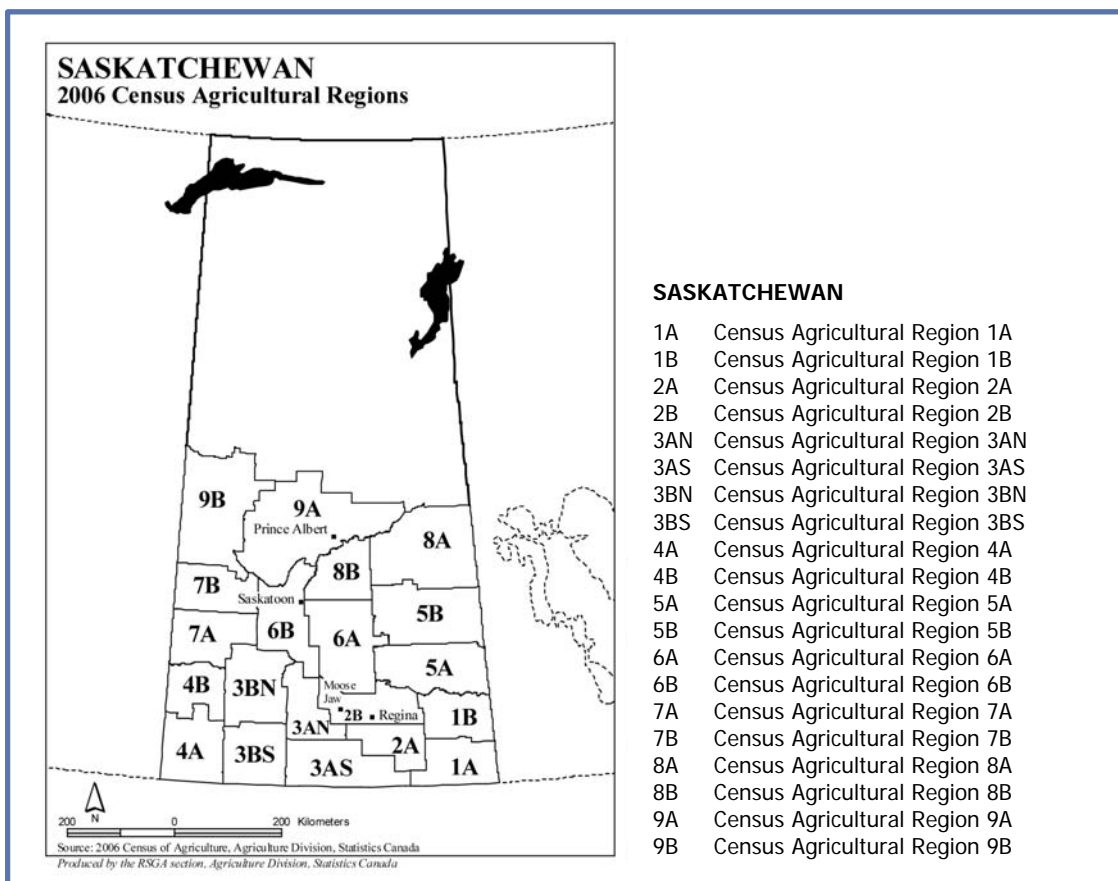
**Table 3C****AVERAGE CROPLAND VALUE BY CENSUS AGRICULTURAL REGION (CAR)**

	2005	2006	2007
MANITOBA	Dollars/Acre		
CAR 1	600	600	700
CAR 2	700	900	900
CAR 3	400	500	600
CAR 4	400	400	600
CAR 5	500	500	700
CAR 6	400	400	500
CAR 7	900	1,000	1,200
CAR 8	1,000	1,000	1,500
CAR 9	1,000	1,000	1,300
CAR 10	500	500	700
CAR 11	800	900	1,000
CAR 12	300	400	500



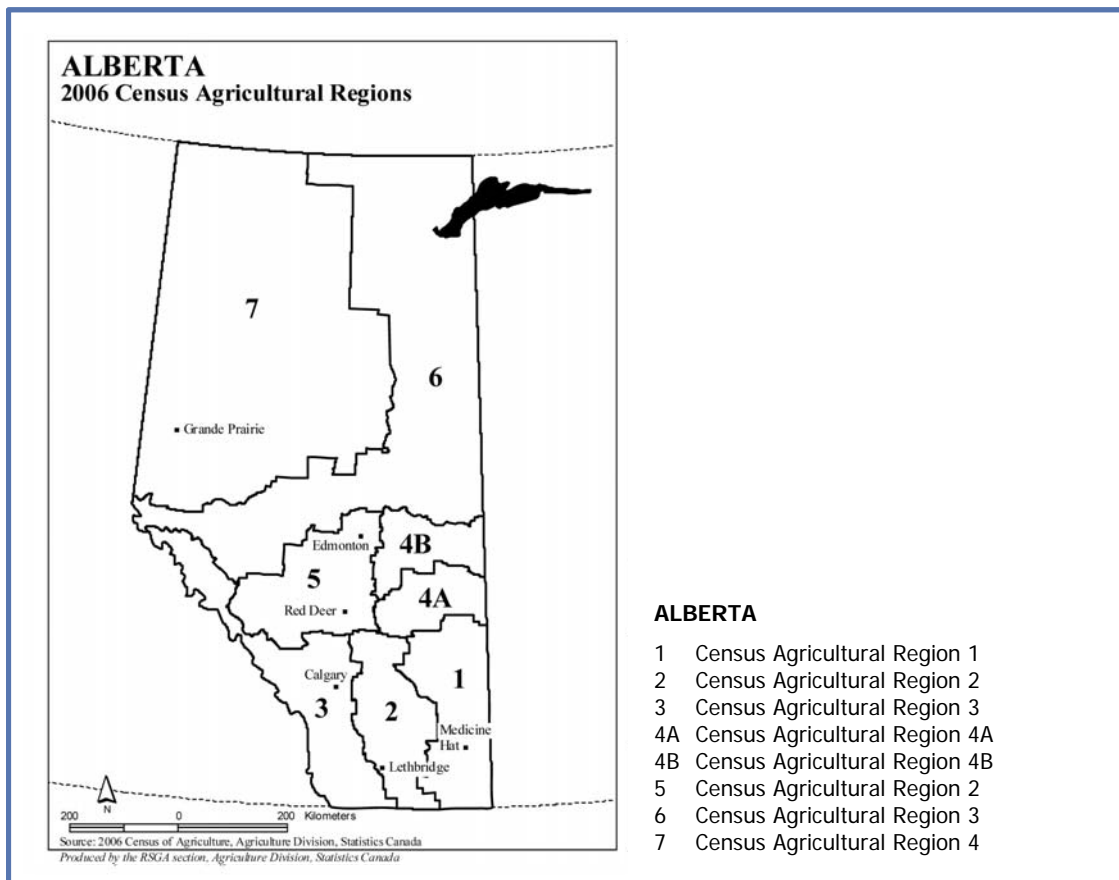
**Table 3D****AVERAGE CROPLAND VALUE BY CENSUS AGRICULTURAL REGION (CAR)**

	2005	2006	2007
<b>SASKATCHEWAN</b>			
	Dollars/Acre		
CAR 1A	300	300	400
CAR 1B	300	300	400
CAR 2A	300	300	400
CAR 2B	500	500	600
CAR 3AN	200	300	300
CAR 3AS	300	300	300
CAR 3BN	400	400	500
CAR 3BS	300	300	400
CAR 4A	300	400	400
CAR 4B	400	400	500
CAR 5A	300	400	400
CAR 5B	300	400	400
CAR 6A	300	300	400
CAR 6B	500	500	700
CAR 7A	400	400	600
CAR 7B	400	300	500
CAR 8A	400	500	500
CAR 8B	500	400	600
CAR 9A	400	400	500
CAR 9B	500	400	600



**Table 3E****AVERAGE CROPLAND VALUE BY CENSUS AGRICULTURAL REGION (CAR)**

	2005	2006	2007
ALBERTA	Dollars/Acre		
CAR 1	800	700	1,100
CAR 2	1,700	1,900	2,200
CAR 3	2,200	2,200	3,200
CAR 4A	800	800	1,000
CAR 4B	1,000	1,000	1,300
CAR 5	1,900	2,000	2,500
CAR 6	900	900	1,200
CAR 7	600	600	700



**Table 3F****AVERAGE CROPLAND VALUE BY CENSUS AGRICULTURAL REGION (CAR)**

	2005	2006	2007
<b>BRITISH COLUMBIA</b>			
	Dollars/Acre		
CAR 1	17,300	23,500	23,500
CAR 2	30,600	39,500	49,500
CAR 3	17,900	22,300	33,900
CAR 4	4,600	4,000	5,800
CAR 5	1,000	1,000	1,900
CAR 6	4,400	2,000	1,000
CAR 7	700	800	1,200
CAR 8	600	700	1,800

