



# Alberta's Agriculture Industry

Agriculture and Agri-Food Canada (AAFC) supports farmers and processors in Alberta by investing in risk management programs, science and technology, innovation, market development and trade. By doing so, AAFC is helping set the right conditions for farmers and processors to compete and succeed, while providing the best possible service to farmers and the sector.

## Canada at a Glance

Population:	35.2 million (M) (2013)
Total GDP:	\$1.6 trillion (T) (2013)*
2012 Total Agri-Food Exports:	\$43.6 billion (B)
2012 Total Agri-Food Imports:	\$33.1B
2012 Trade Balance:	\$10.5B

\*Adjusted to 2007 dollars.

### Top 3 Canadian Agri-Food Export Commodity Groups:

Oilseed and oilseed products (e.g. canola, canola oil and soybeans), grain and grain products (e.g. wheat), and live animals, red meats and other animal products (e.g. frozen pork).

### Top 3 Canadian Agri-Food Import Commodity Groups:

Fresh and processed fruits & vegetables, beverages and juices (e.g. wine, beer and coffee) excluding fruit, and other agri-food products.

**Top 5 Seafood Exports:** Frozen crabs, salmon, frozen lobster, live lobster, frozen shrimps and prawns.

Sources: AAFC's Agri-Food Trade Service, 2012, Statistics Canada Table 379-0031, International Merchandise Trade Statistics 2012 and AAFC calculations.

## Alberta at a Glance

Population:	4.0M (2013)
Change from previous census:	10.4%
Share of National Population:	11.4%
Total GDP:	\$299B (2013, Forecast)
Debt to GDP ratio:	-1.8% (2013-14, Forecast)
Forecasted GDP growth:	3.7% (2014, Forecast)
Unemployment rate:	4.3% (February, 2014)

Sources: 2011 Census data, Statistics Canada. RBC, Provincial Outlook, March 2014, RBC Provincial Fiscal Tables, March 28, 2014 and Statistics Canada catalogue no. 71-001-X.

## Overview of Farm Operations

Farm Operators: 62,050 (21.1% of Canadian total)  
 Number of Farms: 43,234 (21.0% of Canadian total)  
 Average Farm Size: 1,168 acres (50.5M acres total)

Source: 2011 Census data, Statistics Canada.

## Contribution of Agriculture, Agri-Food and Manufacturing Sectors

Farm Cash Receipts: \$12B (2012) (22.4% of Canadian total)  
 Value of Food Processing: \$9.9B (2011)\*  
 Value of Total Manufacturing: \$70.3B (2011)

The Alberta agriculture and agri-food system is diverse, with cattle, canola and non-durum wheat comprising its main farm types, by value of farm market receipts. Alberta had 9% (2011) of Canada's food and beverage processing sales, with meat, grain and animal food processing as its major food processing sub-industries, by value of shipments.

\*Beverage manufacturing sales were not included because of confidentiality.

Sources: Statistics Canada Table 002-0001, ASML 2011 and AAFC calculations.

## GDP

### Canada

Real Gross Domestic Product (GDP) (2007 dollars) of the Canadian agriculture and agri-food system was \$103.4B in 2012, accounting for 6.7% of total Canadian GDP. The contribution of each component of the system accounted for the following shares of total GDP:

- Primary Agriculture (1.1%)
- Food, Beverage and Tobacco Processing (1.7%)
- Food Retail/Wholesale (1.8%)
- Input and Service Suppliers (0.6%)
- Foodservice (1.4%)

### Alberta

Alberta's agriculture and food processing GDP in 2012 represented:

- 15.5% of Canada's agriculture and food processing GDP; and
- 2.1% of the province's total GDP.

Sources: Statistics Canada Table 379-0025: GDP at Basic Prices 2012 and special tabulations for AAFC.

## Alberta's Trade

- In 2012, Alberta's agri-food exports totaled \$9.2B. This was up from the 5-year average (2007-2011) of \$7.4B.
- The top Alberta agri-food exports were grains (e.g. non-durum wheat) at \$2.6B, oilseeds (e.g. canola) at \$1.9B, and red meats (e.g. fresh and frozen beef and pork) at \$1.3B, in 2012.
- Exports of primary agricultural products were valued at \$5.6B in 2012 and accounted for 61% of Alberta's agriculture and agri-food exports.
- Exports of processed products were valued at \$3.6B in 2012 and accounted for 39% of Alberta's agriculture and agri-food exports.

Sources: Statistics Canada International Merchandise Trade Statistics 2012 and AAFC calculations.

## Markets\*

\*Because of limited data, the information in this section should be used with caution.

### Where does Alberta source its food?

Alberta sources its food from a variety of locations, including from within the province, from other Canadian provinces or territories and from other countries. In 2009, 48% of all the agriculture and food products that were sold in Alberta were purchased from Alberta producers and processors, 35% came from other parts of Canada, and 16% were imported from abroad.

## Source of Alberta's Agriculture and Agri-Food Products (2009)

Source	%
Alberta	48
Rest of Canada	35
International	16
Total	100*

Sources: Statistics Canada Table 386-0002: Interprovincial and International Trade Flows at Producer Prices 2009 and AAFC calculations.

\* Percentages may not add up to 100 as they are rounded to the nearest percent.

### In 2012, most agri-food imports originated from:

- The United States (60.7 %)
- The European Union (14.0 %)
- Mexico (7.4%)

Sources: Statistics Canada International Merchandise Trade Statistics 2012 and AAFC calculations.

### Where do Alberta's producers and food processors sell their products?

Alberta's primary agriculture producers and food processors sell their products across Canada and around the world. In 2009, 46% of Alberta's agriculture and agri-food production was purchased within the province, 27% was sold in other provinces and territories, and 27% was exported to international markets.

## Destination of Alberta's Agriculture and Agri-Food Production (2009)

Destination	%
Alberta	46
Rest of Canada	27
International	27
Total	100*

Sources: Statistics Canada Table 386-0002: Interprovincial and International Trade Flows at Producer Prices 2009 and AAFC calculations.

\* Percentages may not add up to 100 as they are rounded to the nearest percent.

### In 2012, the leading export markets were:

- The United States (31.9%)
- Japan (18.0%)
- China (14.7%)

Sources: Statistics Canada International Merchandise Trade Statistics 2012 and AAFC calculations.

## Employment

The Alberta agriculture and agri-food system employed 243,300 people in 2012, broken down as follows:

### Alberta's Agriculture and Agri-Food System Employment and Number of Establishments

Industry	Employees (2012)	Establishments (2012)
Primary Agriculture	50,100*	43,234
Food & Beverage Manufacturing	19,700	494
Food Retail/Wholesale Grocery Stores	60,100	1,893
Foodservice Restaurants	105,900	9,101

Input suppliers have been omitted because of confidentiality at the provincial level, but are included in the total.

\*Statistics Canada Annual LFS 2012 "total paid workers" was used and differs from the Census of Agriculture's "number of operators", but was selected for comparability between agriculture and agri-food industries.

Sources: Statistics Canada, Annual LFS 2012 and special tabulation for AAFC, Table 551-003, Table 080-0023: Annual Retail Store Survey 2012, Census of Agriculture 2011 and CRFA's Foodservice Facts 2013.

## Federal Government Expenditures in Support of Alberta's Agri-Food Sector

- In Alberta, the total net annual expenditures came to \$691M per year, on average, between 2009-10 and 2013-14.
- These expenditures represented administrative expenditures of the Department (operating and capital) and program expenditures (subsidies and contributions).
- The data are presented on a financial year basis and, in some cases, were broken down and weighted between the provinces following certain factors.
- Operating and capital expenditures including research and inspection represented \$376M per year, on average, between 2009-10 and 2013-14. During the same period, program expenditures came to \$350M, on average.

Federal expenditures in selected program areas averaged as follows:

- Producer income support and stabilisation - \$91.4M
- Research programs - \$10.9M
- Inspection programs - \$16.9M
- Environment programs - \$8.4M

- Advancing Canadian Agriculture and Agri-Food (ACAAF) program and Canadian Agriculture Adaptation Program (CAAP) - Adaptation Council - \$4.8M
- ACAAF program and CAAP - national component allocated to Alberta - \$0.1M
- Canadian Agriculture and Food International (CAFI) program and AgriMarketing Program (AMP) - \$2.3M

Source: AAFC Strategic Policy Branch Databook, 2010.

## Key Sectors

Alberta is the largest beef producing province in Canada. The **cattle industry** consists of 12,022 farms that generated market revenues of \$3.2B in 2011. The 787,040 tonnes of beef produced annually is processed by federally and provincially inspected establishments, including Lacombe Meat Research Centre, Bouvry Export, Cargill Limited, Sunterra Meats Ltd., JBS and Canadian Premium Meats Inc. The beef sector generated \$969M in exports in 2011.

The **pork industry** consists of approximately 380 producers that generated market revenues of \$416M in 2011. Federally inspected plants include Maple Leaf Foods Inc., Lacombe Meat Research Centre, Olymel S.E.C. and Sunterra Meat.

The **bison industry** is deemed to be the cornerstone of the diversified livestock industry in Alberta. Alberta bison represent over 50% of the Canadian bison population. Currently, Alberta has three slaughter plants that are federal and European Union (EU) approved processing facilities, and numerous provincially approved facilities. The bison sector generated \$2.7M in exports 2012.

The **grains and oilseeds industry** consists of 10,609 farms that generated market revenues of \$4.7B in 2011. Wheat remains Alberta's number one agriculture export followed by canola seed, with \$1.9B and \$1.6B worth of shipments respectively in 2011.

A range of other crops contribute to Alberta's crop market receipts including sugar beets, horticulture and potatoes.

Alberta has the most irrigated land in Canada with 1,297,000 acres in 13 irrigation districts located in the South Saskatchewan River Basin. An additional 247,000 acres are privately irrigated throughout the province. The development of specialty crop production including sugar beets, potatoes, corn and alfalfa is possible through the use of irrigation.

Alberta accounted for an estimated 44.6 percent of **honey** production nationally in 2012. The value of honey produced in Alberta in 2011 was \$59.1M. Exports of honey totaled \$11M in 2012. The majority of exports are shipped to the United States and Japan.

Alberta's **food manufacturing industry** represents 13.6% of national food manufacturing sales, ranking third among provinces, behind Ontario (39.9%) and Quebec (23.4%). Alberta's food manufacturing industry annual sales totaled \$11.8B in 2012. Sales within the food industry are dominated by meat product manufacturing, which

accounted for half of all sales. Grain and oilseed milling placed second at \$1.6B (17%).

Source: Statistics Canada, Alberta Agriculture and Rural Development, Alberta Pork, Bison Producers of Alberta.

## Federal Government Expenditures in Support of the Agri-Food Sector in Alberta

(\$000)	2009-10	2010-11	2011-12	2012-13	2013-14	Average
<b>Total Operating and Capital Expenditures</b>	<b>366,811</b>	<b>357,839</b>	<b>368,247</b>	<b>409,555</b>	<b>377,917</b>	<b>376,074</b>
Research	60,564	57,834	57,577	72,128	72,345	64,089
Inspection	159,389	156,752	163,222	161,599	164,233	161,039
Other Operating Expenditures	137,238	134,449	138,186	170,325	135,329	143,105
Other Capital Expenditures	9,620	8,803	9,262	5,503	6,011	7,840
<b>Total Program Expenditures</b>	<b>352,148</b>	<b>368,523</b>	<b>346,830</b>	<b>327,065</b>	<b>357,263</b>	<b>350,366</b>
Income Support and Stabilization	160,609	69,588	74,757	74,358	77,808	91,424
Ad hoc and Cost Reduction	4,341	57,598	25,916	-1,120	17,092	20,766
Crop Insurance / Production Insurance	109,698	142,971	165,303	186,712	176,471	156,231
Financial Assistance	21,216	4,565	5,466	3,823	5,028	8,020
Research	4,268	8,094	10,018	5,163	26,779	10,864
Food Inspection	12,538	24,883	15,090	13,449	18,322	16,856
Marketing and Trade	13,423	23,919	23,685	14,604	10,735	17,273
Rural and Regional Development	17,857	23,503	11,495	13,744	9,299	15,180
Environment	2,624	7,588	11,160	11,352	9,316	8,408
Other Programs	5,574	5,814	3,942	4,979	6,412	5,344
<b>Total Gross Expenditures</b>	<b>718,959</b>	<b>726,362</b>	<b>715,077</b>	<b>736,620</b>	<b>735,181</b>	<b>726,440</b>
Recoveries	(37,133)	(36,621)	(27,088)	(40,267)	(34,037)	(35,029)
<b>Total Net Expenditures</b>	<b>681,826</b>	<b>689,741</b>	<b>687,989</b>	<b>696,353</b>	<b>701,144</b>	<b>691,410</b>
<b>Specific Programs within Program Expenditures</b>						
ACAAF and/or CAAP (Adaptation Council)	6,282	8,795	1,505	2,819	4,577	4,795
ACAAF and/or CAAP (National)	255	327	0	0	0	116
CAFI and/or AMP	769	3,622	3,966	3,265	0	2,324

Source: Agriculture and Agri-Food Canada, 2013.

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AAFC No. 12221E

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