



# Manitoba's Agriculture Industry

Agriculture and Agri-Food Canada (AAFC) supports farmers and processors in Manitoba 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 and 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.

## Manitoba at a Glance

Population:	1.27M (2013)
Change from previous census:	4.7%
Share of National Population:	3.6%
Total GDP:	\$55.9B (2013, Forecast)
Debt to GDP ratio:	28.7% (2013-14, Forecast)
Forecasted GDP growth:	2.0% (2014, Forecast)
Unemployment rate:	5.3% (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: 22,315 (7.6% of Canadian total)  
 Number of Farms: 15,877 (7.7% of Canadian total)  
 Average Farm Size: 1,135 acres (18M acres total)

Source: 2011 Census data, Statistics Canada.

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

Farm Cash Receipts: \$5.1B (2012) (9.6% of Canadian total)  
 Value of Food Processing: \$4.3B (2011)\*  
 Value of Total Manufacturing: \$16.1B (2011)

The Manitoba agriculture and agri-food system is diverse, with canola, hogs and wheat (excluding durum) comprising its main farm types, by value of farm market receipts. Manitoba had 3.9% (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%)

### Manitoba

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

- 6.5% of Canada's agriculture and food processing GDP; and
- 4.9% of the province's total GDP.

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

## Manitoba's Trade

- In 2012, Manitoba's agri-food exports totaled \$3.9B. This was down 7.3% over the 5-year average (2007-2011).
- The top Manitoba agri-food exports were oilseeds (e.g. canola) at \$882M, red meats (e.g. pork) at \$687M and grains (e.g. non-durum wheat) at just over \$686M in 2012.
- Exports of primary agricultural products were valued at \$2.1B in 2012 and accounted for 56% of Manitoba's agriculture and agri-food exports.
- Exports of processed products were valued at \$1.7B in 2012 and accounted for 44% of Manitoba'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 Manitoba source its food?

Manitoba 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, 43% of all the agriculture and food products that were sold in Manitoba were purchased from Manitoba producers and processors, 38% came from other parts of Canada, and 19% were imported from abroad.

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

Source	%
Manitoba	43
Rest of Canada	38
International	19
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 (87.4%)
- The European Union (2.6%)
- Mexico (1.7%)

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

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

Manitoba's primary agricultural producers and food processors sell their products across Canada and around the world. In 2009, 29% of Manitoba's agriculture and agri-food production was purchased within the province, 34% was sold in other provinces and territories, and 38% was exported to international markets.

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

Destination	%
Manitoba	29
Rest of Canada	34
International	38
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 foreign markets were:

- The United States (48.7%)
- Japan (14.3%)
- China (11.7%)

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

## Employment

The Manitoba agriculture and agri-food system employed 84,500 people in 2012, broken down as follows:

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

Industry	Employees (2012)	Establishments (2012)
Primary Agriculture	20,000*	15,877
Food & Beverage Manufacturing	12,800	223
Food Retail/Wholesale Grocery Stores	19,300	763
Foodservice Restaurants	30,300	2,274

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 551-0003, Table 080-0023: Annual Retail Store Survey 2012, Census of Agriculture 2011 and CRFA's Foodservice Facts 2013.

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

- In Manitoba, the total net annual expenditures came to \$437M 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 \$188M per year, on average, between 2009-10 and 2013-14. During the same period, program expenditures came to \$267M, on average.

Federal expenditures in selected program areas averaged as follows:

- Producer income support and stabilisation - \$94.6M
- Research programs - \$14.9M
- Inspection programs - \$6.0M
- Environment programs - \$3.8M
- Advancing Canadian Agriculture and Agri-Food (ACAAF) program and Canadian Agriculture Adaptation Program (CAAP) - Adaptation Council - \$2.5M
- ACAA program and CAAP - national component allocated to Manitoba - \$0.06M
- Canadian Agriculture and Food International (CAFI) program and AgriMarketing Program (AMP) - \$2.4M

Source: AAFC Strategic Policy Branch Databook, 2012.

## Key Sectors

The value-added food processing industry is the largest manufacturing sector in Manitoba, consisting of approximately 394 food and beverage processing establishments.

- The principal industry organization is the Manitoba Food Processors Association (MFPA), whose activities focus on education and training.

Manitoba has one of Canada's largest **functional food** clusters. Experts are available to assist companies through all stages of product development, from concept (Richardson Centre for Functional Foods and Nutraceuticals), to clinical trials (Canadian Centre for Agri-Food Research in Health and Medicine), to product development and marketing (Food Development Centre).

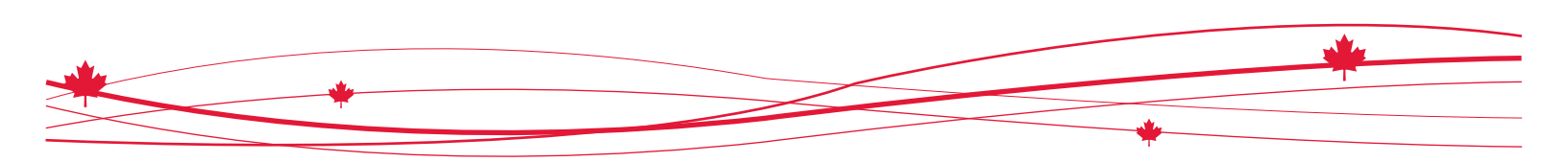
The Manitoba **biobased products sector** is an innovative and emerging sector where chemicals, materials, and fuels are being derived from trees and crops. Biofuels such as ethanol and biodiesel can supplement or replace fossil fuels like coal, oil, and natural gas.

- The Life Science Association of Manitoba is leading the industry to uncover new markets and innovative opportunities for Manitoba producers.
- The Composite Innovation Centre is a world leading institution using bioproducts from agriculture to develop composite materials.
- Hemp and flax straw represent a secondary high-value opportunity for grain producers to enter the bioproducts industry.

### The cereal grains, oilseeds, specialty and forages sectors

represent a large economic driver for the province.

- Manitoba has long been the center of the grain trade. The headquarters of James Richardson and Sons, Cargill, the CWB, Canadian Grain Commission and ICE Futures Canada are located in Winnipeg.
- Manitoba has three canola crushing facilities.
- Canola and wheat occupy over 50% of the harvest crop area in Manitoba. Of the national crops, Manitoba produces on average per annum:
  - 20% of the canola
  - 20% of the rye
  - 15% of the wheat
  - 10% of the barley
  - 35% of the dry white bean
  - 20% of the flax
  - 25% of the oats

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- 44% of the hemp
  - Almost 90% of the annual sunflower seed production

**Meat, pork and poultry** slaughtering and processing represent the largest segment of Manitoba's food processing industry. Manitoba has the resource base to meet the various production demands for all elements of the livestock industry, including expertise and labour.

The **Food Development Centre** (FDC) houses a state-of-the-art pilot plant facility equipped with technology that is used by staff and clients in the value-added food, beverage, feed, ingredients and agricultural products processing industry.

**Vegetable production** in Manitoba is primarily for the table market. Manitoba grows over 120 varieties of vegetables.

- Horticulture facilities range from roadside u-pick fruit and vegetable stands to multi-million dollar greenhouse enterprises.
- Manitoba is also one of Western Canada's largest producers of processing potatoes and is home to three potato processing plants (including J.R. Simplot and McCain Foods). Manitoba produces approximately 20% of the Canadian potato crop.

Source:

- <http://www.gov.mb.ca/trade/globaltrade/agrifood/commodity/potatoes.html>
- <http://www.gov.mb.ca/trade/globaltrade/agrifood/commodity/vegetables.html>

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

(\$000)	2009-10	2010-11	2011-12	2012-13	2013-14	Average
<b>Total Operating and Capital Expenditures</b>	<b>184,273</b>	<b>185,628</b>	<b>183,681</b>	<b>200,813</b>	<b>185,096</b>	<b>187,898</b>
Research	30,792	30,319	29,179	33,948	33,830	31,614
Inspection	81,552	82,430	83,088	82,497	83,700	82,653
Other Operating Expenditures	67,052	68,293	66,749	81,597	64,538	69,646
Other Capital Expenditures	4,877	4,586	4,665	2,771	3,027	3,985
<b>Total Program Expenditures</b>	<b>300,804</b>	<b>222,266</b>	<b>328,523</b>	<b>239,744</b>	<b>244,952</b>	<b>267,258</b>
Income Support and Stabilization	109,498	62,191	148,226	79,353	73,365	94,527
Ad hoc and Cost Reduction	5,469	37,187	58,941	10,450	22,732	26,956
Crop Insurance / Production Insurance	67,162	63,909	59,737	93,412	88,288	74,502
Financial Assistance	82,348	6,802	15,365	9,518	6,937	24,194
Research	4,395	11,832	17,951	19,547	20,633	14,872
Food Inspection	5,742	7,013	5,866	4,760	6,549	5,986
Marketing and Trade	13,279	11,627	7,978	6,392	8,140	9,483
Rural and Regional Development	7,412	9,325	4,806	5,694	4,424	6,332
Environment	3,159	4,027	5,848	3,670	2,072	3,755
Other Programs	2,339	8,354	3,804	6,948	11,812	6,652
<b>Total Gross Expenditures</b>	<b>485,077</b>	<b>407,894</b>	<b>512,203</b>	<b>440,557</b>	<b>430,048</b>	<b>455,156</b>
Recoveries	(18,824)	(19,040)	(14,111)	(21,020)	(17,627)	(18,125)
<b>Total Net Expenditures</b>	<b>466,253</b>	<b>388,853</b>	<b>498,093</b>	<b>419,537</b>	<b>412,420</b>	<b>437,031</b>
<b>Specific Programs within Program Expenditures</b>						
ACAAF and/or CAAP (Adaptation Council)	1,695	3,977	632	3,343	2,774	2,484
ACAAF and/or CAAP (National)	151	143	0	0	0	59
CAFI and/or AMP	5,502	2,638	2,308	1,710	0	2,431

Source: Agriculture and Agri-Food Canada, 2013.

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call the Manitoba Regional Office at 204-983-3032  
or reach us at [www.ats-sea.agr.gc.ca/reg/mb-eng.htm](http://www.ats-sea.agr.gc.ca/reg/mb-eng.htm).