



Ontario's Agriculture Industry

Agriculture and Agri-Food Canada (AAFC) supports farmers and processors in Ontario 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, 2011, Statistics Canada International Merchandise Trade Statistics 2011 and AAFC calculations.

Ontario at a Glance

Population:	13.5M (2013)
Change from previous census:	5.3%
Share of National Population:	38.5%
Total GDP:	\$628B (2013, Forecast)
Debt to GDP ratio:	39.3% (2013-14, Forecast)
Forecasted GDP growth:	2.5% (2014, Forecast)
Unemployment rate:	7.5% (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: 74,840 (25.5% of Canadian total)
 Number of Farms: 51,950 (25.3% of Canadian total)
 Average Farm Size: 244 acres (12.7M acres total)

Source: 2011 Census data, Statistics Canada.

Contribution of Agriculture, Agri-Food and Manufacturing Sectors

Farm Cash Receipts: \$11.8B (2012) (22.0% of Canadian total)
 Value of Food Processing: \$31.1B (2011)*
 Value of Total Manufacturing: \$254.7B (2011)

The Ontario agriculture and agri-food system is very diverse, with dairy, corn and soybeans comprising its main farm types, by value of farm market receipts. Ontario accounts for the highest share of Canada's food processing sales at 38% (2011), consisting mainly of meat, dairy and bakery manufacturing 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%)

Ontario

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

- 32.3% of Canada's agriculture and food processing GDP; and
- 2.2% of the province's total GDP.

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

Ontario's Trade

- In 2012, Ontario's agri-food exports totaled \$10.7B. This was up 171% over the 5-year average (2007-2011).
- The top Ontario agri-food exports were grain products (e.g. flour, malt, starches and bakery inputs) at \$2.2 B, other agri-food products (e.g. food preparations and condiments) at \$1.7B, and other animal products at almost \$883M, in 2012.
- Exports of primary agricultural products were valued at \$3.3B in 2012 and accounted for 31% of Ontario's agriculture and agri-food exports.
- Exports of processed products were valued at \$7.4 B in 2012 and accounted for 69% of Ontario'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 Ontario source its food?

Ontario 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, 52% of all the agriculture and food products that were sold in Ontario were purchased from Ontario producers and processors, 21% came from other parts of Canada, and 27% were imported from abroad.

Source of Ontario's Agriculture and Agri-food Products (2009)

Source	%
Ontario	52
Rest of Canada	21
International	27
Total	100*

Sources: Statistics Canada Table 386-0002: Interprovincial and International Trade Flows at Producer Prices 2008 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 (68.3%)
- Mexico (8.8%)
- The European Union (4.3 %)
- Brazil (2.7 %)

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

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

Ontario's primary agricultural producers and food processors sell their products across Canada and around the world. In 2009, 56% of Ontario's agriculture and agri-food production was purchased within the province, 25% was sold in other provinces and territories, and 19% was exported to international markets.

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

Destination	%
Ontario	56
Rest of Canada	25
International	19
Total	100*

Sources: Statistics Canada Table 386-0002: Interprovincial and International Trade Flows at Producer Prices 2008 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 (74.6 %)
- The European Union (6.7 %)
- Hong Kong (4.0 %)

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

Employment

The Ontario agriculture and agri-food system employed 774,400 people in 2012, broken down as follows:

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

Industry	Employees (2012)	Establishments (201)
Primary Agriculture	86,400*	51,950
Food & Beverage Manufacturing	119,300	2,033
Food Retail/Wholesale Grocery Stores	212,700	8,185
Foodservice Restaurants	349,100	30,386

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 Ontario's Agri-Food Sector

- In Ontario, the total net annual expenditures came to \$598M 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 \$392M per year, on average, between 2009-10 and 2013-14. During the same period, program expenditures came to \$245M, on average.

Federal expenditures in selected program areas averaged as follows:

- Producer income support and stabilisation - \$83.9M
- Research programs - \$17.8M
- Inspection programs - \$16.0M
- Environment programs - \$10.0M
- Advancing Canadian Agriculture and Agri-Food (ACAAF) program and Canadian Agriculture Adaptation Program (CAAP) - Adaptation Council - \$6.9M

- ACAA program and CAAP - national component allocated to Ontario - \$0.09M
- Canadian Agriculture and Food International (CAFI) program and AgriMarketing Program (AMP) - \$3.9M

Source: AAFC Strategic Policy Branch Databook, 2012

Key Sectors

Agriculture continues to be a driving force for the Ontario economy. The industry provides more than 740,000 jobs across Ontario and is the sixth-largest food processing sector in North America (2013). The top two sectors are meat products and bakery manufacturing.

Ontario's has 2,927¹ food and beverage processing firms that employ over 125,000 people, with annual sales exceeding \$39B (2012). Ontario's food and beverage industry includes 35,456 foodservice firms and 13,273 food stores with sales of over \$63B (2012).

The **dairy industry** is comprised of 4,100 farms (2012), which generated \$1.9B in Farm Cash Receipts (FCR) and produced 2.6M kilolitres of milk and cream in 2012.

The **pork industry** is made up of 1,644 producers (2012), 4.7M hogs and generated \$921M in FCR in 2012.

The **beef industry** in Ontario represents 7% of the total cow herd in Canada with 316,000 cows (2012), and FCR of 1.0B in 2012.

Ontario's **poultry sector** generated \$1.3B in FCR in 2012 with 760M from chicken production, 161M from turkey production, and 401M from egg production.

The **grains and oilseeds industry** is made of over 28,000 growers (2012) and generated approximately \$3.9B in FCR in 2012.

Ontario's **horticulture industry** includes fruits, vegetables (including greenhouses) and floriculture. This sector generated \$2.2B in FCR in 2012.

Sources: Statistics Canada, 2012.
OMAFRA, Newsroom: Creating Jobs, 2013.
OMAFRA, Farm Cash Receipt from Farming Operations, 2012.
Dairy Farmers of Ontario, Dairy Fact Sheet, 2012
Ontario Pork Producer's Marketing Board, 2012.
Canada Beef Inc., 2012.

¹ Statistics Canada, Canadian Business Patterns Database, December 2012. Includes employees and non-employees/indeterminate for Food Manufacturing (NAICS 311) and Beverage Manufacturing (NAICS 3121).

Federal Government Expenditures in Support of the Agri-Food Sector in Ontario

(\$000)	2009-10	2010-11	2011-12	2012-13	2013-14	Average
Total Operating and Capital Expenditures	389,208	391,741	406,516	384,938	387,955	392,072
Research	66,499	65,427	66,197	80,315	80,278	71,743
Inspection	169,466	172,178	182,267	180,674	183,383	177,593
Other Operating Expenditures	142,735	144,225	147,457	117,654	117,417	133,898
Other Capital Expenditures	10,509	9,910	10,596	6,296	6,877	8,838
Total Program Expenditures	319,448	286,197	217,510	203,603	196,305	244,613
Income Support and Stabilization	128,222	95,065	81,567	61,392	53,444	83,938
Ad hoc and Cost Reduction	24,598	27,635	6,178	2,606	2,089	12,621
Crop Insurance / Production Insurance	48,459	49,636	45,808	52,495	49,616	49,203
Financial Assistance	55,403	7,975	14,092	9,540	6,634	18,729
Research	10,894	14,738	18,434	22,069	22,707	17,768
Food Inspection	7,579	16,554	17,583	20,003	18,524	16,049
Marketing and Trade	16,079	13,209	6,901	6,818	14,833	11,568
Rural and Regional Development	14,626	46,694	11,362	10,015	9,120	18,363
Environment	9,691	10,228	11,490	11,036	7,459	9,981
Other Programs	3,896	4,463	4,095	7,627	11,880	6,392
Total Gross Expenditures	708,657	677,937	624,026	588,541	584,261	636,684
Recoveries	(40,564)	(41,177)	(30,494)	(45,344)	(38,282)	(39,172)
Total Net Expenditures	668,092	636,761	593,533	543,197	545,979	597,512
Specific Programs within Program Expenditures						
ACAAF and/or CAAP (Adaptation Council)	5,508	6,852	6,651	8,158	7,557	6,945
ACAAF and/or CAAP (National)	149	305	0	0	0	91
CAFI and/or AMP	7,797	4,070	4,181	3,218	0	3,853

Source: Agriculture and Agri-Food Canada, 2013.

Ontario's Agriculture Industry

© Her Majesty the Queen in Right of Canada, represented by the Minister of Agriculture and Agri-Food, (2014)
AAFC No. 12225E

Paru également en français sous le titre
Industrie agricole en Ontario

For more information,
call the Ontario Regional Office at 519-837-9400
or reach us at www.ats-sea.agr.gc.ca/reg/on-eng.htm.

