



New Brunswick's Agriculture Industry

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

New Brunswick at a Glance

Population:	756,100 (2013)
Change from previous census:	0.7%
Share of National Population:	2.1%
Total GDP:	\$28.2B (2013, Forecast)
Debt to GDP ratio:	36.8% (2013-14, Forecast)
Forecasted GDP growth:	1.0% (2014, Forecast)
Unemployment rate:	9.8% (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: 3,695 (1.3% of Canadian total)
 Number of Farms: 2,611 (1.3% of Canadian total)
 Average Farm Size: 359 acres (937,829 acres total)

Source: 2011 Census data, Statistics Canada.

Contribution of Agriculture, Agri-Food and Manufacturing Sectors

Farm Cash Receipts: \$525.8M (2012) (1.0% of Canadian total)
 Value of Food Processing: \$2.1B (2011)*
 Value of Total Manufacturing: \$20.0B (2011)

The New Brunswick agriculture and agri-food system is diverse, with potato, dairy and floriculture and nursery farms comprising its main farm types, by value of farm cash receipts. New Brunswick had 2.6% (2011) of Canada's food and beverage processing sales, with seafood, meat and dairy 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%)

New Brunswick

New Brunswick's agriculture and food processing GDP in 2012 represented:

- 2.1% of Canada's agriculture and food processing GDP; and
- 3.1% of the province's total GDP.

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

New Brunswick's Trade

- In 2012, New Brunswick's agri-food exports totaled \$419.6M. This was up 7.1% over the 5-year average (2007-2011).
- The top New Brunswick agri-food exports were fresh and frozen potatoes and products at \$276M, alcoholic beverages at \$47.8M, and floriculture and nursery products at \$27.8M, in 2012.
- Exports of primary agricultural products were valued at \$91.7M in 2012 and accounted for 22% of New Brunswick's agriculture and agri-food exports.
- Exports of processed products were valued at \$327.9M in 2012 and accounted for 78% of New Brunswick's agriculture and agri-food exports.

Sources: Statistics Canada International Merchandise Trade Statistics 2011 and AAFC calculations.

Markets*

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

Where does New Brunswick source its food?

New Brunswick 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, 25% of all the agriculture and food products that were sold in New Brunswick were purchased from New Brunswick producers and processors, 59% came from other parts of Canada, and 16% were imported from abroad.

Source of New Brunswick's Agriculture and Agri-Food Products (2009)

Source	%
New Brunswick	25
Rest of Canada	59
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 (76.0%)
- Guatemala (6.0%)
- The European Union (4.6%)

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

Where do New Brunswick's primary agriculture and agri-food processors sell their products?

New Brunswick's primary agricultural producers and food processors sell their products across Canada and around the world. In 2009, 23% of New Brunswick's agriculture and agri-food production was purchased within the province, 42% was sold in other provinces and territories, and 34% was exported to international markets.

Destination of New Brunswick's Agriculture and Agri-food Production (2009)

Destination	%
New Brunswick	23
Rest of Canada	42
International	34
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 (78.7%)
- Japan (3.2%)
- Philippines (2.3%)

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

Employment

The New Brunswick agriculture and agri-food system employed 46,300 people in 2012, broken down as follows:

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

Industry	Employees (2012)	Establishments (2012)
Primary Agriculture	4,000*	2,611
Food & Beverage Manufacturing	10,000	164
Food Retail/Wholesale Grocery Stores	14,600	454
Foodservice Restaurants	17,700	1,579

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 New Brunswick's Agri-Food Sector

- In New Brunswick, the total net annual expenditures came to \$41M 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 \$18M per year, on average, between 2009-10 and 2013-14. During the same period, program expenditures came to \$24M, on average.

Federal expenditures in selected program areas averaged as follows:

- Producer income support and stabilisation - \$6.6M
- Research programs - \$1.8M
- Inspection programs - \$0.7M
- Environment programs - \$1.5M

- Advancing Canadian Agriculture and Agri-Food (ACAAF) program and Canadian Agriculture Adaptation Program (CAAP) - Adaptation Council - \$1.0M
- ACAA program and CAAP - national component allocated to New Brunswick - \$0.003M
- Canadian Agriculture and Food International (CAFI) program and AgriMarketing Program (AMP) - \$0.3M

Source: AAFC Strategic Policy Branch Databook, 2010.

Key Sectors

Primary agriculture in New Brunswick is comprised of a diverse mix of sectors, a feature which is often cited by industry leaders as important to maintaining a sustainable industry over the long-term. Approximately 48% of New Brunswick's population is classified as rural and 937,829 acres of land is farmed. New Brunswick's Farm Cash Receipts (FCR) of \$538.8M in 2012 were broken down on a commodity basis as follows:

- Potatoes \$110.6M (20.5% of FCR)
- Poultry and eggs* \$101.7M (18.8% of FCR)
- Dairy \$101.3M (18.8% of FCR)
- Small Fruit** \$31M (5.7% of FCR)
- Other crops** \$27.5M (5% of FCR)

*Estimates

** 'Small fruit' include blueberries. 'Other crops' include maple and Christmas trees.

Bioscience

The life sciences infrastructure in New Brunswick consists of universities, research institutions, and incubator facilities that support technology transfer and commercialization of research results. Fredericton has an extensive life science infrastructure that includes institutions such as the University of New Brunswick and the Potato Research Centre. These institutions and innovation systems have developed international leadership in key areas of biosciences such as plant and marine biology. The province has rich sources of feedstock from agriculture, fisheries, aquaculture, and forestry, and has developed clusters of excellence around agriculture and food processing, marine sciences and aquaculture, and forestry.

Potatoes

The potato sector is New Brunswick's largest agricultural commodity sector, representing approximately 20.5% (\$110.6M) of New Brunswick's farm cash receipts annually. In 2012, New Brunswick growers planted 53,500 acres of potatoes with approximately 15,500 acres dedicated to seed potato production. Approximately



49% of the New Brunswick potato crop is intended for the processing market, 29% for the seed potato market, and 22% for the fresh market.

New Brunswick is Canada's third largest exporter of seed potatoes (followed by Alberta and PEI), exporting \$8.7M worth in 2012.

With headquarters and major production facilities in Florenceville and Grand Falls, New Brunswick, McCain Foods Ltd. remains an integral partner in the New Brunswick potato industry. Humpty Dumpty Snack Foods Inc., with facilities in Hartland, New Brunswick, is another Canadian success story. Humpty Dumpty relies on New Brunswick growers for the chip-stock potatoes used in their plant.

Dairy

There are approximately 211 dairy farms in New Brunswick. The average herd size is 85 cows but ranges from 15 to more than 350 cows. Annual milk production is over 138.9 million litres with 45% of this production supplying the fresh market while the balance is manufactured mainly into butter, milk powder and cottage cheese by two processors, Dairytown and Northumberland. Farm cash receipts for the dairy sector increased in 2012 to \$101.3 million (up from \$99.0 million in 2011) and accounted for 18.8% of NB's total farm cash receipts.

Milk 2020 is an organization formed in 2009 as a network to facilitate innovation in NB's dairy sector. Efforts to facilitate innovation in NB's primary and processing sector include research into opportunities to manufacture new dairy based products in NB and research to examine potential beneficial health effect of milk. The product development project was initially funded under the Canadian Agricultural Adaptation Program (CAAP) but Milk 2020 is currently collaborating with BioNB to continue the project.

Blueberry

The New Brunswick sector is currently comprised of 220 independent producers managing 33,000 acres of land, a majority being Crown land situated in the north-eastern part of the province. Production of wild blueberries in the province has doubled over the last decade to 45 million pounds in 2012 - representing a farm gate value of \$31 million. Three major food processors (Oxford Frozen Foods, Jasper Wyman's & Son and Bleuets Mistassini Ltée) are buying most of the blueberries produced in the province.

Development of the wild blueberry industry is a priority for the Government of New Brunswick which identified the sector as a key area for economic expansion in the 2012 Speech from the Throne. The *New Brunswick Wild Blueberry Sector Strategy (2013-2018)* aims to expand total production capacity by at least 20,000 acres over the next decade, ensure adequate resources are available to maintain road access to existing and new acreage, improve the availability and use of pollinators, improve per-acre productivity by 50 per cent (to 3,000 pounds per acre), increase private investment in new and existing acreage, and increase in-province value-added processing capabilities.

Fish and Seafood

Total landings of fish and seafood in 2012 were 74,480 metric tonnes. Shellfish, particularly lobster, comprise 47% of the landing weight, followed by the pelagic and other finfish group at 37%. Groundfish catches have decreased significantly from the past and only contribute a minor amount to the total fish and seafood landings.

Halibut is the most valuable groundfish species in New Brunswick. In 2012 the total value of landed halibut in New Brunswick was \$754,000, representing 96% of the total value of groundfish species in New Brunswick. Herring is by far the most valuable pelagic/finfish caught, accounting for 60% of the total value of pelagic/finfish landed in 2012. Among shellfish, lobster is the most important species for the industry, valued at \$107.9M in 2012, representing 60% of total shellfish landings in New Brunswick.

In 2012, aquaculture production in New Brunswick produced more than 31,000 metric tonnes, with a landed value in excess of \$191M. Salmon aquaculture reflected almost 97% of the total value of aquaculture production (\$185M). Other aquaculture production included oysters and trout.

Sources: Statistics Canada, Department of Fisheries and Oceans, NB Department of Agriculture, Aquaculture & Fisheries

New Brunswick's Agriculture Industry

Federal Government Expenditures in Support of the Agri-Food Sector in New Brunswick

(\$000)	2009-10	2010-11	2011-12	2012-13	2013-14	Average
Total Operating and Capital Expenditures	18,682	18,413	19,069	17,893	18,072	18,426
Research	3,183	3,068	3,107	3,606	3,620	3,317
Inspection	7,892	7,859	8,319	8,232	8,369	8,134
Other Operating Expenditures	7,101	7,018	7,143	5,757	5,758	6,556
Other Capital Expenditures	505	467	500	297	324	419
Total Program Expenditures	24,605	22,437	26,074	27,151	22,009	24,455
Income Support and Stabilization	2,741	5,212	13,830	6,723	4,369	6,575
Ad hoc and Cost Reduction	264	1,930	691	6,006	2,708	2,320
Crop Insurance / Production Insurance	2,702	2,708	2,650	3,150	2,978	2,838
Financial Assistance	5,418	338	824	340	490	1,482
Research	1,838	2,007	1,388	1,544	2,099	1,775
Food Inspection	653	592	532	671	1,083	706
Marketing and Trade	1,008	315	187	121	438	414
Rural and Regional Development	8,299	7,232	3,953	6,971	6,050	6,501
Environment	1,541	1,851	1,738	1,351	1,168	1,530
Other Programs	141	252	281	274	627	315
Total Gross Expenditures	43,287	40,850	45,143	45,043	40,080	42,881
Recoveries	(1,951)	(1,942)	(1,437)	(2,139)	(1,799)	(1,854)
Total Net Expenditures	41,336	38,908	43,706	42,905	38,281	41,027
Specific Programs within Program Expenditures						
ACAAF and/or CAAP (Adaptation Council)	827	1,437	539	1,466	1,201	1,094
ACAAF and/or CAAP (National)	0	16	0	0	0	3
CAFI and/or AMP	886	220	162	119	0	277

Source: Agriculture and Agri-Food Canada, 2013.

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