



Prince Edward Island's Agriculture Industry

Agriculture and Agri-Food Canada (AAFC) supports farmers and processors in Prince Edward Island 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.

Prince Edward Island at a Glance

Population:	145,200 (2013)
Change from previous census:	3.6%
Share of National Population:	0.4%
Total GDP:	\$5.0B (2013, Forecast)
Debt to GDP ratio:	36.2% (2013-14, Forecast)
Forecasted GDP growth:	1.4% (2014, Forecast)
Unemployment rate:	11.5% (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: 2,045 (0.7% of Canadian total)
 Number of Farms: 1,495 (0.7% of Canadian total)
 Average Farm Size: 398 acres (594,000 acres total)

Source: 2011 Census data, Statistics Canada.

Contribution of Agriculture, Agri-Food and Manufacturing Sectors

Farm Cash Receipts: \$466.7M (2012) (0.9% of Canadian total)
 Value of Food Processing: \$730M (2011)*
 Value of Total Manufacturing: \$1.2B (2011)

The Prince Edward Island agriculture and agri-food system is diverse, with potato and dairy contributing the most farm market receipts. Prince Edward Island had 0.9% (2011) of Canada's food and beverage processing sales, with seafood and other food (which includes snack food) 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%)

Prince Edward Island

Prince Edward Island's agriculture and food processing GDP in 2012 represented:

- 1.0% of Canada's agriculture and food processing GDP; and
- 8.9% of the province's total GDP.

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

Prince Edward Island's Trade

- In 2012, Prince Edward Island's agri-food exports totaled \$304.7M. This was a 1.9% decrease from the 5-year average (2007-2011). The decline in exports from Prince Edward Island was mainly to lower exports of frozen potatoes.
- The top Prince Edward Island agri-food exports were potatoes (fresh and frozen) at \$267M, fruit and nuts (e.g. fresh and frozen berries) at \$20.3M, and other animal products at \$2.5M, in 2012.
- Exports of primary agricultural products were valued at \$75M in 2012 and accounted for 25% of Prince Edward Island's agriculture and agri-food exports.
- Exports of processed products were valued at \$230M in 2012 and accounted for 75% of Prince Edward Island'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 Prince Edward Island source its food?

Prince Edward Island 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, 50% of all the agriculture and food products that were sold in Prince Edward Island were purchased from Prince Edward Island producers and processors, 40% came from other parts of Canada, and 10% were imported from abroad.

Source of Prince Edward Island's Agriculture and Agri-Food Products (2009)

Source	%
Prince Edward Island	50
Rest of Canada	40
International	10
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 European Union (39.7 %)
- The United States (28.9 %)
- Australia (9.4 %)

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

Where do Prince Edward Island's primary agriculture and agri-food processors sell their products?

Prince Edward Island's primary agricultural producers and food processors sell their products across Canada and around the world. In 2009, 25% of Prince Edward Island's agriculture and agri-food production was purchased within the province, 30% was sold in other provinces and territories, and 44% was exported to international markets.

Destination of Prince Edward Island's Agriculture and Agri-Food Production (2009)

Destination	%
Prince Edward Island	25
Rest of Canada	30
International	44
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 (79.1 %)
- China (3.0%)
- Indonesia (2.1 %)

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

Employment

The Prince Edward Island agriculture and agri-food system employed 13,200 people in 2012, broken down as follows:

Prince Edward Island's Agriculture and Agri-Food System Employment and Number of Establishments

Industry	Employees (2012)	Establishments (2012)
Primary Agriculture	3,800*	1,495
Food & Beverage Manufacturing	2,400	65
Food Retail/Wholesale Grocery Stores	2,800	160**
Foodservice Restaurants	4,200	339

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. ** Numbers not available for retail grocery stores, numbers are aggregated to total food and beverage stores.

Federal Government Expenditures in Support of Prince Edward Island's Agri-Food Sector

- In Prince Edward Island, the total net annual expenditures came to \$37M 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 \$16M per year, on average, between 2009-10 and 2013-14. During the same period, program expenditures came to \$23M, on average.

Federal expenditures in selected program areas averaged as follows:

- Producer income support and stabilisation - \$3.9M
- Research programs - \$1.4M
- Inspection programs - \$0.6M
- Environment programs - \$1.5M

- Advancing Canadian Agriculture and Agri-Food (ACAAF) program and Canadian Agriculture Adaptation Program (CAAP) - Adaptation Council - \$0.7M
- ACAA program and CAAP - national component allocated to Prince Edward Island - \$0.004M
- Canadian Agriculture and Food International (CAFI) program and AgriMarketing Program (AMP) - \$0.1M

Source: AAFC Strategic Policy Branch Databook, 201.

Key Sectors

Primary agriculture in Prince Edward Island 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. Prince Edward Island's Farm Cash Receipts (FCR) of \$481M in 2012 were broken down on a commodity basis as follows:

- Potatoes \$246.2M (51.2% of FCR)
- Dairy \$75.8M (15.8% of FCR)
- Grains & Oilseeds \$40.7M (8.5% of FCR)
- Beef \$21.8M (4.5% of FCR)
- Hogs \$15.6M (3.2% of FCR)
- Vegetables \$10.7M (2.2% of FCR)
- Fruit \$9M (1.8% of FCR)

Agriculture has a high profile in Prince Edward Island. In addition to its overall economic impact, agriculture plays a key role in enhancing the viability and sustainability of rural communities. Approximately 55% of Prince Edward Island's population is classified as rural and 619,885 acres or 44% of the total land area in Prince Edward Island is farmed. Prince Edward Island's food manufacturers process fruit and vegetables, dairy, red meat and poultry products, seafood and confectionary. The largest food processors operating in Prince Edward Island include McCain Foods Ltd., Cavendish Farms Ltd., Amalgamated Dairies Limited (ADL) and Atlantic Beef Products Inc. (ABP). Rising energy costs, particularly electricity rates, along with transportation costs are a concern to the food processing sector and have the potential to affect the long-term viability of the manufacturing sector in Prince Edward Island versus other jurisdictions.

Bioscience

The bioscience sector has been identified as a key development priority for the Prince Edward Island economy. PEI BioAlliance was incorporated as a not-for-profit organization, to assist in coordinating and accelerating the development of the PEI bioscience sector. PEI BioAlliance has coordinated the work of the Bioscience Cluster, a partnership of bioscience business, research and government organizations in PEI, to provide strategy, focus, and alignment among the bioscience community. The PEI Bioscience Cluster includes 37 bioscience companies, eight research institutions, and federal



and provincial government departments and agencies, including AAFC, supported by dozens of Island companies up and down the supply chain.

Potatoes

The potato sector represents Prince Edward Island's largest agricultural commodity in terms of farm cash receipts. Prince Edward Island is Canada's largest potato producing province with approximately 25% of the total Canadian production. In 2012, Prince Edward Island growers planted 89,500 acres of potatoes with approximately 60% being utilized for processing, 30% for tablestock and 10% for seed. Although this is an increase of 4% from 2011, this represents a decrease of almost 18% from the 2004 acreage of 106,000 acres.

Dairy

There are approximately 180 dairy farms in Prince Edward Island. The average herd size is 65 cows but ranges from 20 to more than 300 cows. Annual milk production is over 100 million litres with 14% of this production supplying the fresh market while the balance is manufactured into butter, cheese, ice cream and other dairy products through Amalgamated Dairies Limited, Purity Dairy, Glasgow Glen Farm or Cows Inc. PEI dairy genetics are some of the most sought after dairy genetics in Canada and internationally.

Grains and Oilseeds

Grain and oilseed crops are primarily grown in rotation with potato crops. It is estimated that there were 100,000 acres of wheat, oats, barley, grain corn and mixed grain in 2013, with barley accounting for 65,000 acres. The wheat acreage includes some milling wheat grown for production of flour. Soybeans accounted for 55,000 acres in 2013. Oilseed production has increased significantly in recent years and is seen as an opportunity for further growth. In 2013 canola production accounted for 3000 acres. A portion of the soybean acreage (8000 acres in 2013) was exported to Japan to be processed into tofu and miso. Production of alternative special oilseeds crops such as crambe and borage (1000 acres in 2013) and high oleic sunflower (for food and non-food uses) has been increasing over the past several years with the establishment of Natures Crops International's biorefinery in Prince Edward Island.

Fruit

Lowbush blueberries make up the largest acreage of commercial fruit crops at 12,300 acres and have potential for growth. Commercial cranberry bogs and strawberry fields are located across the province. Strawberry nursery stock is produced for export to the southern United States. A small but growing apple industry is in place with currently over 20,000 trees planted. Speciality fruit including raspberries, gooseberries, rose hips, black currants, grapes and haskap berries have resulted in new market opportunities for fruit crops.

Red Meat

The beef and hog industries have shown declines in the past several years due to Bovine Spongiform Encephalopathy (BSE) and low market prices. There are approximately 375 beef producers in Prince Edward Island and the beef sector is comprised of two main sub-sectors: cow-calf and feedlot operations. The average cow-calf herd is 40 cows with calves being sold to feedlots throughout the Maritimes, Ontario and Quebec. There are several small abattoirs that process beef for the local market and one federally inspected facility, Atlantic Beef Products Inc., which processes beef for the Canadian market and for export to the United States.

Organic

Organic farming is continuing to expand across Prince Edward Island. There are approximately 55 certified producers who produce crops and/or livestock. Increasing demand for food grade quality cereals and soybeans is stimulating the expansion of field crops. The 2012 value of the organic sector was valued at approximately \$6M. Wholesale organic vegetable and potato production is providing opportunities for markets in the region, Eastern Canada and the Northern seaboard. Consumer support for purchasing local food has encouraged producers to explore marketing opportunities at farmers' markets or through Community Supported Agriculture ventures. Export markets such as Asia and Europe are also an opportunity for growth.

Fish and Seafood

The fish and seafood industry is an important component of the Prince Edward Island economy, encompassing 4,150 commercial fishers and 42 provincially-licensed and federally-registered processing plants. In 2012, more than 125 million pounds of marine resources, from the sea or produced through aquaculture, were harvested with a landed value in excess of \$181.5M.

Prince Edward Island's two highest valued fisheries are wild-caught lobster and cultured mussels. The 2012 landed value of lobster was \$113.8M (over 62% of Prince Edward Island's total landed value of fish) with mussels at \$30M (almost 17% of total landed value). On an annual basis, Prince Edward Island accounts for approximately 18% of Canadian lobster production and 63% of Canadian mussel production. Exports of fish and seafood totaled \$197.7M, with the largest exports being lobster (\$121.6M processed, \$12.6M live) and mussels (\$35M live, \$2.4M frozen), followed by oysters (\$4.5M live) and snow crab (\$4.2M frozen). Fish and seafood products accounted for almost 40% of Prince Edward Island's total exports to international markets including the United States (87% of exports), Japan, Germany, China and France.

Source: Statistics Canada 2013.

Federal Government Expenditures in Support of the Agri-Food Sector in Prince Edward Island

(\$000)	2009-10	2010-11	2011-12	2012-13	2013-14	Average
Total Operating and Capital Expenditures	15,611	15,364	16,272	15,434	15,604	15,657
Research	2,616	2,548	2,576	3,123	3,133	2,799
Inspection	6,518	6,361	6,909	6,830	6,944	6,712
Other Operating Expenditures	6,061	6,078	6,374	5,236	5,259	5,801
Other Capital Expenditures	416	377	413	245	268	344
Total Program Expenditures	12,998	28,337	26,494	23,288	22,511	22,725
Income Support and Stabilization	-3,608	10,628	7,068	1,967	3,593	3,929
Ad hoc and Cost Reduction	188	-535	-1	-17	-192	-111
Crop Insurance / Production Insurance	6,204	7,407	8,338	7,982	7,544	7,495
Financial Assistance	1,931	695	1,300	2,381	1,674	1,596
Research	197	577	1,584	2,916	1,519	1,359
Food Inspection	555	654	569	473	752	601
Marketing and Trade	567	2,359	369	329	1,216	968
Rural and Regional Development	5,304	4,028	4,331	4,570	4,284	4,504
Environment	1,282	1,544	2,181	1,679	1,052	1,548
Other Programs	378	980	755	1,007	1,068	838
Total Gross Expenditures	28,608	43,701	42,766	38,721	38,115	38,382
Recoveries	(1,604)	(1,566)	(1,159)	(1,722)	(1,457)	(1,502)
Total Net Expenditures	27,004	42,134	41,607	36,999	36,658	36,881
Specific Programs within Program Expenditures						
ACAAF and/or CAAP (Adaptation Council)	790	882	449	758	729	721
ACAAF and/or CAAP (National)	1	19	0	0	0	4
CAFI and/or AMP	0	273	152	116	0	108

Source: Agriculture and Agri-Food Canada, 2013.

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Paru également en français sous le titre
Industrie agricole à l'Île-du-Prince-Édouard

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