



Newfoundland and Labrador's Agriculture Industry

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

Newfoundland and Labrador at a Glance

Population:	526,700 (2013)
Change from previous census:	2.4%
Share of National Population:	1.5%
Total GDP:	\$29.2B (2013, Forecast)
Debt to GDP ratio:	24.9% (2013-14, Forecast)
Forecasted GDP growth:	1.5% (2014, Forecast)
Unemployment rate:	11.8% (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: 665 (0.2% of Canadian total)
 Number of Farms: 510 (0.2% of Canadian total)
 Average Farm Size: 152 acres (77,349 acres total)

Source: 2011 Census data, Statistics Canada.

Contribution of Agriculture, Agri-Food and Manufacturing Sectors

Farm Cash Receipts: \$133M (2012) (0.2% of Canadian total)
 Value of Food Processing: \$1.1B (2011)*
 Value of Total Manufacturing: \$5.3B (2011)

The Newfoundland and Labrador agriculture and agri-food system is diverse, with dairy, eggs and fur farms comprising its main farm types, by value of farm market receipts. Newfoundland and Labrador had 1.4% (2011) of Canada's food and beverage processing sales, with seafood, and other food manufacturing (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%)

Newfoundland and Labrador

Newfoundland and Labrador's agriculture and food processing GDP in 2012 represented:

- 1.1% of Canada's agriculture and food processing GDP; and
- 1.6% of the province's total GDP.

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

Newfoundland and Labrador's Trade

- In 2012, Newfoundland and Labrador's agri-food exports totaled \$18M. This was a 67.5% increase from the 5-year average (2007-2011).
- The top Newfoundland and Labrador agri-food exports were alcoholic beverages (e.g. distilled beverages) at \$14.5M, dairy products (e.g. cheddar cheese) at \$1.4M, and other animal products (e.g. furs) at \$858,000, in 2012.
- Exports of primary agricultural products were valued at \$791,000 in 2012 and accounted for 4% of Newfoundland and Labrador's agriculture and agri-food exports.
- Exports of processed products (made up largely of beverages) were valued at \$17.5M in 2012 and accounted for 96% of Newfoundland and Labrador'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 Newfoundland and Labrador source its food?

Newfoundland and Labrador 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, 29% of all the agriculture and food products that were sold in Newfoundland and Labrador were purchased from Newfoundland and Labrador producers and processors, 53% came from other parts of Canada, and 18% were imported from abroad.

Source of Newfoundland and Labrador's Agriculture and Agri-Food Products (2009)

Source	%
Newfoundland and Labrador	29
Rest of Canada	53
International	18
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 (53.5%)
- The United States (19.3%)
- Australia (10.3%)

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

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

Newfoundland and Labrador's primary agricultural producers and food processors sell their products across Canada and around the world. In 2009, 34% of Newfoundland and Labrador's agriculture and agri-food production was purchased within the province, 16% was sold in other provinces and territories, and 50% was exported to international markets.

Destination of Newfoundland and Labrador's Agriculture and Agri-food Production (2009)

Destination	%
Newfoundland and Labrador	34
Rest of Canada	16
International	50
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 (64.4%)
- The European Union (12.9%)
- Australia (12.7%)

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

Employment

The Newfoundland and Labrador agriculture and agri-food system employed 27, 500 people in 2012, broken down as follows:

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

Industry	Employees (2012)	Establishments (2012)
Primary Agriculture	1,200*	510
Food & Beverage Manufacturing	5,900	139
Food Retail/Wholesale Grocery Stores	10,200	866**
Foodservice Restaurants	10,200	1,091

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 Newfoundland and Labrador's Agri-Food Sector

- In Newfoundland and Labrador, the total net annual expenditures came to \$11M 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 \$5M per year, on average, between 2009-10 and 2013-14. During the same period, program expenditures came to \$7M, on average.

Federal expenditures in selected program areas averaged as follows:

- Producer income support and stabilisation - \$0.4M
- Research programs - \$0.9M
- Inspection programs - \$0.9M
- Environment programs - \$1.2M
- Advancing Canadian Agriculture and Agri-Food (ACAAF) program and Canadian Agriculture Adaptation Program (CAAP) - Adaptation Council - \$0.5M
- ACAA program and CAAP - national component allocated to Newfoundland and Labrador - \$0.008M
- Canadian Agriculture and Food International (CAFI) program and AgriMarketing Program (AMP) - \$0.02M

Source: AAFC Strategic Policy Branch Databook, 2012.

Key Sectors

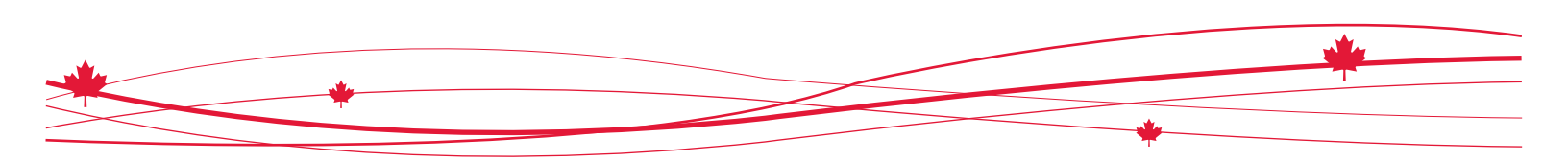
The key agriculture sectors in Newfoundland and Labrador in terms of production are the dairy, poultry, horticulture, eggs and fur sectors. The total Farm Cash Receipts for 2012 were \$130M; an increase of approximately 9% from 2011.

The **dairy sector** consists of 34 registered dairy producers. Farm cash receipts for the dairy sector increased slightly in 2012 to \$45.5M (up from \$43.6M in 2011) and accounted for 35% of the total farm cash receipts in the province. Total milk production last year (ending July 31st, 2013) equalled 52.6M litres, of which 39.5M litres was destined for the fluid milk market and 13.1M litres for industrial use.

The **poultry sector** is the second largest agricultural sector in the Province. Chicken production in 2012 is estimated at 13.8M kilograms and valued at an estimated \$24M, accounting for 18.4% of the farm cash receipts in the province. The sector has seen significant consolidation with one principal producer/processor engaging six contract growers.

The **fur sector** has also experienced significant growth over the past several years with Farm Cash Receipts in 2012 of \$16.6M, an increase of approximately 43% from 2011 and accounting for 12.7% of the provincial farm cash receipts.

Egg production in Newfoundland and Labrador reached \$17.9M in 2012, and accounted for almost 14% of the provinces total farm cash receipts. Seven registered egg producers produced 9.4M dozen in 2012. All eggs are shipped to the province's only egg grading facility for packaging and distribution. The industry supplies about 96% of all fresh table eggs consumed in Newfoundland and Labrador.



In 2012 the **horticulture sector** generated \$17M in farm cash receipts, or approximately 13% of the total farm cash receipts. The sector includes vegetable and potato production, berry production (wild blueberry, cranberry and other berries), nursery greenhouse production and landscape sod production.

Total **seafood** production value remained consistent in 2012 at \$1B, with over 20,057 participants in the industry and 110 federally registered fish processing establishments. The total production value of Newfoundland and Labrador's **aquaculture industry** rose 23% in 2012 but market value has decreased from \$120M in 2011 to \$113M in 2012 (almost 6% decrease), with employment of 925 people. Farm raised Atlantic salmon is the major aquaculture species in Newfoundland and Labrador, with 16,831 tonnes harvested from 84 commercial sites and valued at \$99M.

Overall landings for 2012 in the wild harvest fisheries sector totalled 256,093 tonnes (4.6% decrease from 2011) with a landed value of

\$582M, a decrease of 5% from 2011. Shellfish, particularly shrimp and snow crab, are the major contributor to the capture fisheries, comprising 66% of the total landings and 83% of the total landed value.

The total export value of seafood products in 2012 was approximately \$774M. The United States and China are Newfoundland and Labrador's largest seafood markets, accounting for 33% and 28% of total export value respectively. Russia, United Kingdom and Denmark combine for another 19%. The remaining 20% of exports go to 43 other countries worldwide.

Note: All data should be considered estimated; sources, reporting periods, categories and rounding may influence final numbers.

Source: Department of Fisheries and Aquaculture, Government of Newfoundland and Labrador, and Statistics Canada.

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Federal Government Expenditures in Support of the Agri-Food Sector in Newfoundland and Labrador

(\$000)	2009-10	2010-11	2011-12	2012-13	2013-14	Average
Total Operating and Capital Expenditures	4,718	4,682	4,864	4,634	4,446	4,669
Research	786	754	757	913	916	825
Inspection	1,982	1,951	2,136	2,027	2,035	2,026
Other Operating Expenditures	1,828	1,865	1,849	1,621	1,415	1,716
Other Capital Expenditures	122	113	122	72	79	102
Total Program Expenditures	5,280	6,190	8,271	7,863	7,287	6,978
Income Support and Stabilization	336	321	-11	728	376	350
Ad hoc and Cost Reduction	945	657	1,009	606	0	643
Crop Insurance / Production Insurance	53	48	35	60	57	51
Financial Assistance	4	13	236	344	202	160
Research	414	596	1,366	633	1,618	925
Food Inspection	612	547	1,125	1,626	423	867
Marketing and Trade	521	859	267	369	470	497
Rural and Regional Development	2,112	2,598	2,134	2,029	2,249	2,224
Environment	275	529	2,073	1,466	1,513	1,171
Other Programs	9	23	36	2	378	90
Total Gross Expenditures	9,998	10,872	13,135	12,497	11,732	11,647
Recoveries	(470)	(469)	(347)	(516)	(436)	(447)
Total Net Expenditures	9,528	10,404	12,788	11,981	11,297	11,199
Specific Programs within Program Expenditures						
ACAAF and/or CAAP (Adaptation Council)	500	452	659	307	495	483
ACAAF and/or CAAP (National)	0	3	0	0	0	1
CAFI and/or AMP	0	27	36	26	0	18

Source: Agriculture and Agri-Food Canada, 2013.

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