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Farming Facts 1993

Statistical Insights on Canadian Agriculture

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Note of Appreciation

Canada owes the success of its statistical system to a long-standing cooperation involving Statistics Canada, the citizens of Canada, its businesses and governments. Accurate and timely statistical information could not be produced without their continued cooperation and goodwill.

∞ The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences - Permanence of Paper for Printed Library Materials, ANSI Z39.48 - 1984.

Farming Facts is published by the Agriculture Division of Statistics Canada to illustrate the variety of information produced by the organization for the Canadian agricultural community. This year's edition will focus on the performance of the industry, the people that do the work and the products they produce.

The source of data for each topic in Farming Facts is included in this issue. Readers may address further inquiries to the Regional Reference Centre nearest them at the locations listed on the inside back cover.

It is the policy of Statistics Canada to make available information on the methods of collecting and producing statistics as well as assessments and measures of quality for each statistical program. This information is usually published with the associated catalogued publication.

Statistics Canada is an independent federal agency with a mandate to collect information on all aspects of Canadian society. Data are assembled in an unbiased manner and all survey information is kept confidential. Statistics are produced on an aggregate basis so that individual responses cannot be identified.

The agricultural statistics program makes use of a variety of personal interview, telephone and mail surveys. The choice of method for an individual survey depends on its nature and complexity.

To keep respondent burden to a minimum, the Agriculture Division cooperates with federal and provincial departments of agriculture, provincial statistical agencies and other government agencies to eliminate duplication of effort and exploit administrative data sources wherever possible.

A catalogue of data products and services offered by the Agriculture Division is available on request by calling 1-800-951-1991 or by FAX at (613) 951-3868.

Output of the Agriculture and Food Processing Industries

One of the characteristics of developed western economies is the relatively low share of Gross Domestic Product (GDP) attributed to the agriculture and food processing industries. Canada is a good example. Agriculture accounted for only 2.1% of annual GDP in 1992. Similarly, the food processing industry contributed a further 1.8%.

Graph 1 tracks the GDP from both industries since 1980. During this period, the food manufacturing industry has remained relatively stable in comparison to agriculture.

Agriculture has coped with steadily rising expenses along with fluctuating receipts during this time. The declines in agricultural output in the 1983 to 1985 period were due to lowered grain production arising from drought conditions on the prairies.

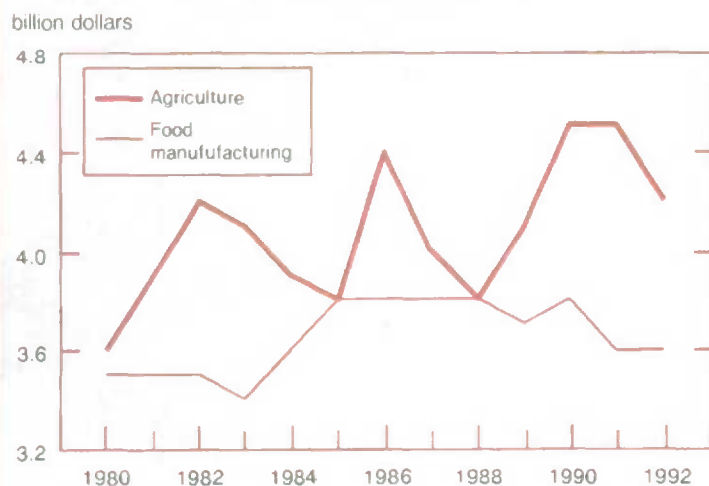
The sharp drop in 1987 can be traced to low grain prices after the large 1986 crop. This was followed by a severe drought in 1988 which reduced grain production generally across the country dragging receipts down well into 1989.

The food manufacturing industry breaks into components as shown in Graph 2.

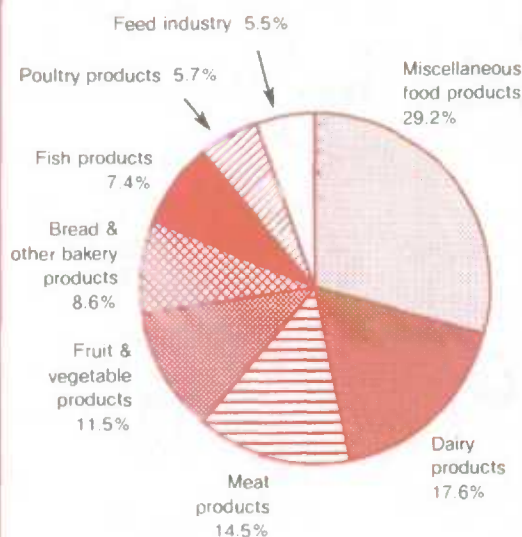
Recent years have seen some shifting of the shares in GDP among these component industries which reflect changes throughout the food system.

Fruit and vegetable products, poultry products, dairy products and the feed industry have shown gains while the others have given up a portion of their share.

Graph 1 - Annual Gross Domestic Product for the Agriculture and Food Processing Industries



Graph 2 - Annual Gross Domestic Product, 1992
Components of the Food Manufacturing Industry



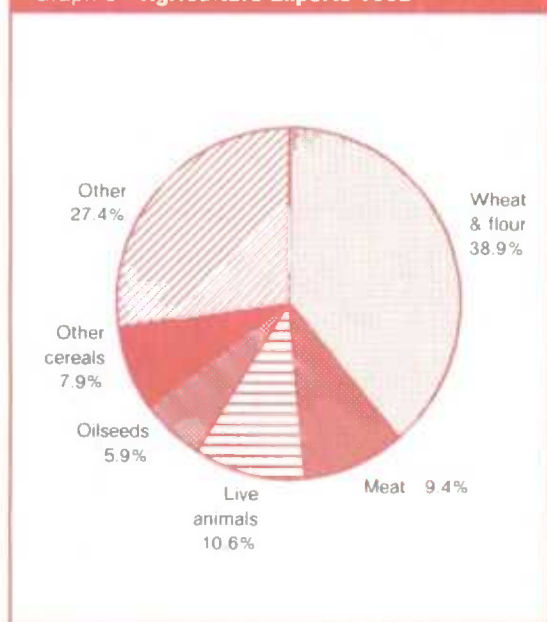
Structure of Canada's Agricultural Imports and Exports

International trade in agricultural commodities is an important source of income for Canada. The value of farm exports exceeded imports by \$2.3 billion in 1992. The value of exports was measured at \$12.1 billion and was offset by \$9.8 billion in imports.

There has been substantial growth in the trade surplus in the last five years. In 1987, exports were valued at \$8.7 billion while imports reached \$7.6 billion. The \$1.1 billion surplus is less than half the value of the 1992 surplus.

As can be seen in Graph 3, wheat and other cereals are the leading exports. The principal destinations are China, Korea and Japan. Live animals, meat and meat preparations have an important share. Most of these exports are bound for the United States and Japan. Oilseeds, mainly canola, are grown for markets in Japan.

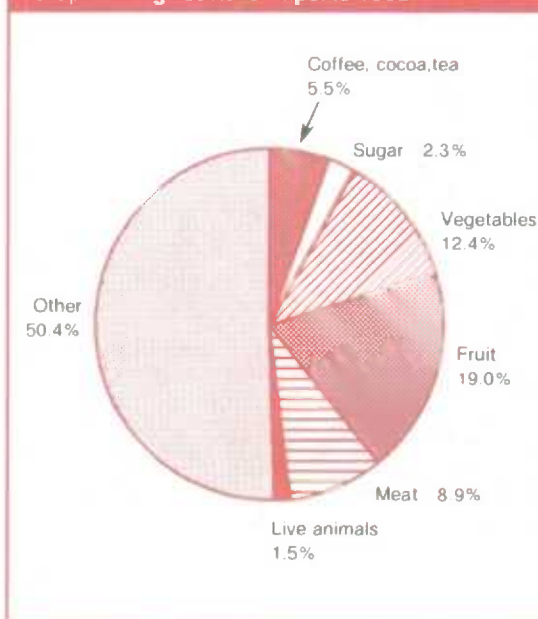
Graph 3 - Agriculture Exports 1992



Graph 4 shows the distribution of imports by commodity. These are primarily products which do not grow in Canada or are produced only seasonally. The largest group is fruit and vegetables which arrive from the United States, Central and South America. Most of the sugar is from Australia while the coffee, tea and cocoa are from Brazil. The meat and live animals come largely from the United States.

Statistics on Canada's international trade are produced by the International Trade Division of Statistics Canada. Published information is available in *Summary of Canadian International Trade*, STC Catalogue No. 65-001.

Graph 4 - Agriculture Imports 1992



Value of Farm Capital versus Farm Debt

The amount of farm debt left outstanding at the end of 1992 was \$23.8 billion, 4% more than farmers owed five years earlier. The value of the capital (land, machinery and livestock) has increased by 8% to \$111 billion. Although the value of farm capital has improved since 1988, this figure has been declining since the peak of \$131 billion in 1982, and in fact, only two of the last eleven years have shown increases to capital value.

The share of debt to assets has declined from 18.2% in 1988 to 18.0% in 1992. This is because the total of all assets (things like cash, stock, or office equipment, as well as capital) owned by the farm business has gone up by 6%, while all their debts (bills, loans, etc.) have gone up 5%.

Of course, some provinces have fared better than others. The agriculturally intensive province of Saskatchewan was the only province whose capital value declined over the five years from \$24.3 billion in 1988 to \$22 billion in 1992.

The highest positive change was found in Ontario where there was a 21% increase to \$29.6 billion.

Saskatchewan operators have led the way by reducing their debt load by 9%. Other provinces able to decrease debt outstanding were New Brunswick, Ontario and British Columbia. Agricultural operators in Newfoundland saw their debt grow by 23%. Alberta continues to hold both the highest capital value and the largest debt load.

The net income of the agriculture sector which had been declining steadily since 1989 improved in 1992, so that it stood 11% higher than the 1988 estimate. The realized net income, which excludes inventory changes, reached \$4.5 billion in 1992, second only to the \$4.7 billion record set in 1988.

For further information on farm capital, debt, balance sheets or net income, consult *Agriculture Economics Statistics*, *STC Catalogue No. 21-603E/F*.

Graph 5 - Farm Debt, Capital and Net Income



Farm Cash Receipts

The amount of money that farmers have received from the sales of agricultural products has increased by 6% in the five year period from 1988 to 1992. Farm cash receipts can be broken into three categories: livestock and animal products, crops, and direct program payments. In both 1988 and 1992 livestock represented 48% of all cash receipts. The 1% drop in crop receipts from 36% to 35% was recovered in the direct payments category which increased from 15% to 16%.

Livestock

The total cash received for livestock and animal products grew by 6% from 1988 to 1992.

The most significant growth in the livestock industry was the 15% increase in cattle receipts from 1988's \$3.5 billion to \$4.1 billion in 1992. The 16% of all receipts that cattle represented in 1988 grew to 17% in 1992, while the share of dairy products fell by 1% from 14% in 1988.

Major declines occurred in the fur and wool markets. The 1992 figures for these two are 39% and 40% respectively of what they were five years earlier.

Crops

Increases in receipts from some specialty crops were offset by decreases in the major crops, resulting in a total increase in crop receipts of 2%.

A 173% increase in lentil receipts over the five year period can be attributed to a poor crop in 1988. Farmers harvested only 58,600 tonnes of lentils that year, at a rate of 430 kilograms per hectare. Five years later there was 349,000 tonnes of lentils produced, at 1,310 kilograms per hectare, for \$75.3 million.

Today's health conscious consumers looking for alternatives to high cholesterol products have contributed to the sustained growth in the sunflower industry since 1988. The \$10.8 million received in 1988 is 124% lower than 1992's \$24.2 million.

Although these changes are interesting, they are small parts of the agricultural picture. Some of Canada's major crops have declined. The amount received for wheat has dropped by 12%, oats were down 23% and barley was down 15%. Flax producers were paid \$136.8 million in 1988; five years later, \$96.3 million was received for this crop. In 1988 wheat represented 13% of all cash receipts, while in 1992 it accounted for only 11%.

For further information on Farm Cash Receipts, consult *Farm Cash Receipts*, STC Catalogue No. 21-001.

Graph 6 - Cash Received from Selected Crops, 1988 and 1992



Farm Operating Expenses

In the process of growing the products that they sell, farmers incur many expenses. These expenses have increased by 11% in the five year period from 1988 to 1992.

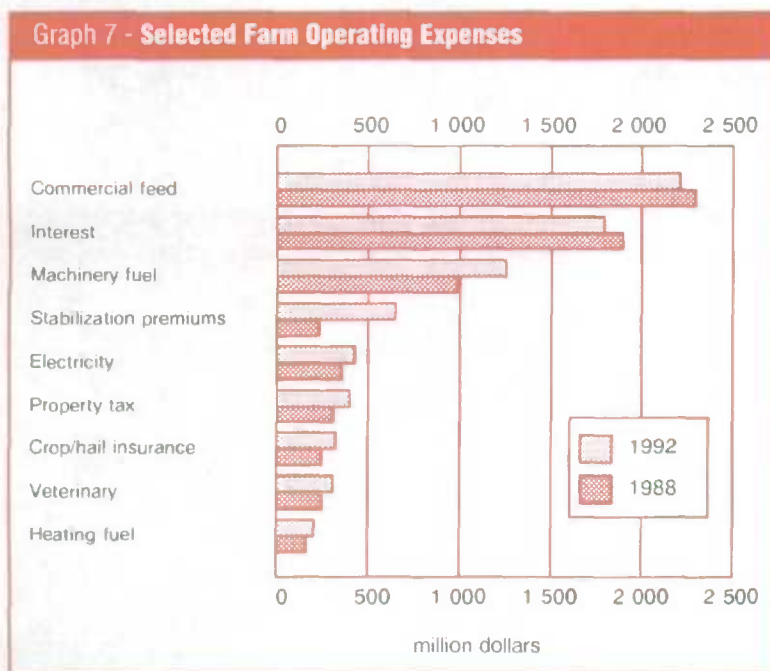
The largest increase in expense was in the premiums paid out by farmers to stabilization programs, which were up by 185%. Other types of expenses with significant increases were property taxes and heating fuel, each with 29% increases. There has been an increase of 24% in expenses for machinery fuel and for crop and hail insurance premiums; a 23% increase to veterinary fees; and a 22% increase in electricity charges. In this

same five year period there are only two expenses which have decreased; purchases of commercial feed (-8%) and interest charges (-5%). Rebates that are offered to farmers to help reduce expenses have also decreased — from \$451.2 million in 1988 to \$299.6 million in 1992.

Some provinces have increased expenses while others have decreased. The total operating expenses in Nova Scotia fell by 2% since 1988 (the only province with a decline), while in Alberta expenses grew by 16%.

For further information on Farm Operating Expenses, consult *Agriculture Economic Statistics, STC Catalogue No. 21-603E/F*.

Graph 7 - Selected Farm Operating Expenses



Average Net Farm Income

Traditionally, the financial health of Canadian farmers has been measured by calculating Net Farm Income for the agriculture sector as a whole. However, agriculture in such a large country as Canada can be very diverse. By dividing the agriculture sector into eleven farm types and calculating average operating revenues, expenses and net farm income before depreciation, a clearer picture of the financial performance of farmers begins to emerge.

In 1991, Canadian poultry and egg farmers, who constitute less than 2% of the farming community, reported the highest average net farm income before depreciation. With operating expenses close to \$300,000 for the year they still managed to register an average net income over \$46,000.

Tobacco and potato farmers were the only others to break the \$40,000 mark. Together, these two farm types make up just over 1% of Canadian farms.

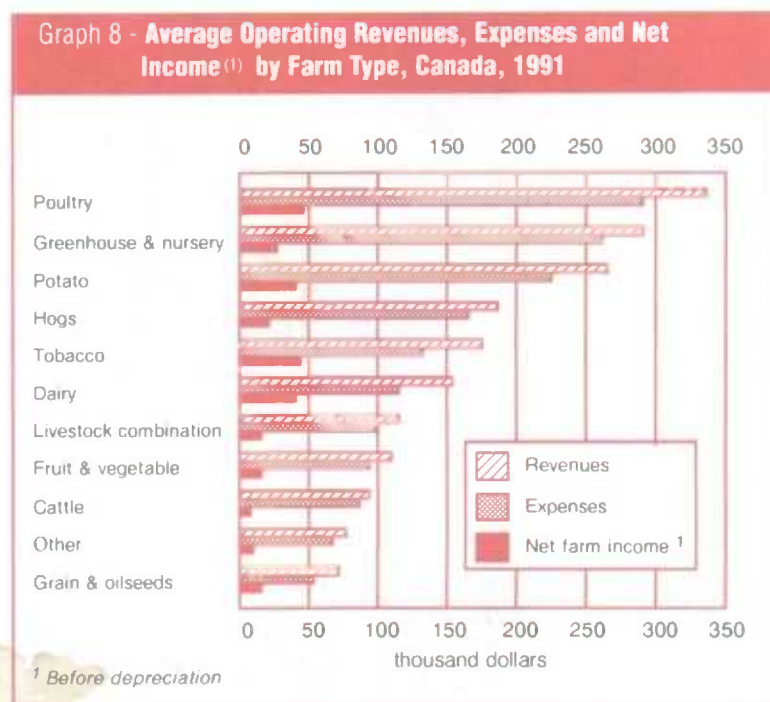
Cattle farms occupied the other end of the distribution reporting an average net income before depreciation under \$8,000. Livestock combination and fruit and vegetable farmers were next but both reported an average net income over \$15,000. (See Graph 8).

Farms are typed according to the percentage of sales attributed to each commodity. For example, farms are typed as "dairy" if 51% or more of the sales are derived from the sales of dairy products. Eleven farm types have been created to represent agriculture in Canada. They are: dairy, cattle, hog, poultry and eggs, livestock combination, grain and oilseed,

potato, tobacco, fruit and vegetable, and greenhouse and nursery. Any farms not included in these types are classified as "other types".

These estimates are derived from a random sample of income tax returns. The sample frame consists of individual taxfilers reporting either gross farm income or non-zero net farm income from self-employment on their income tax return as well as those agricultural corporations with total sales of \$25,000 or more. For purposes of statistical tabulations, unincorporated farms showing a gross operating revenue of \$10,000 or less are excluded.

Detailed information on farm revenues, expenses and net income by farm type, revenue class and province, as well as estimates of sources and levels of off-farm income, are published in *Agricultural Financial Statistics, STC Catalogue No. 21-205*.



The linkage of data from the Censuses of Agriculture and Population provides the opportunity to study the socio-economic characteristics of farm operators and their families. Education and occupation are two of the characteristics available on this database. More published information from the Agriculture-Population Linkage is available in *Trends and Highlights of Canadian Agriculture and its People* (STC Catalogue No. 10-545) or the *Profile of Canadian Farm Population* (STC Catalogue No. 93-349).

Education Levels of Farm Operators

The level of education of farm operators is distributed over the full spectrum of achievement. Almost 7% have graduated from universities and another 28% have attended post-secondary institutions. These proportions are below the population in general where 11% of the population over 15 years of age are university graduates and 36% have attended post-secondary institutions. A reverse relationship exists with the lower educational levels. While 45% of farm operators attended high school, the remaining 20% did not advance to grade 9. The comparable proportions for the population in general were 39% and 14% respectively.

Graph 9 - Educational Achievement of Farm Operators by Age Group



As educational opportunities have improved in recent decades, it is not surprising to observe that educational achievement varies inversely with age. Graph 9 shows that the younger operators tend to have a higher proportion of their members in the higher education categories while the reverse is observed in the lower categories. This may help to explain the discrepancy between farm operators and the general adult population since operators are, on average, older than the general adult population.

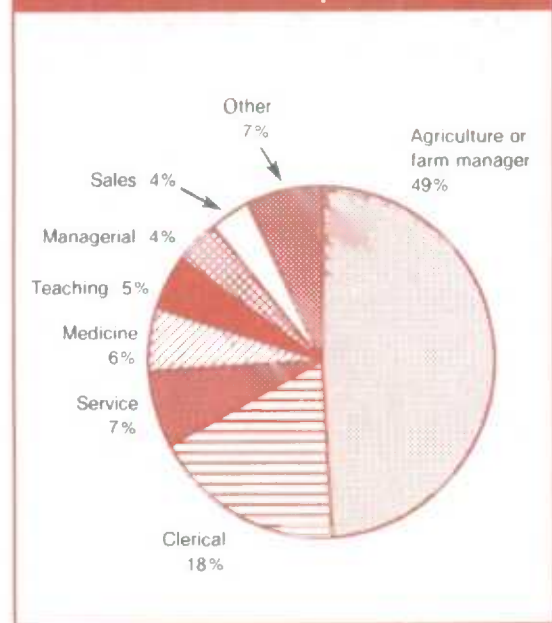
Occupation of Farm Operators

Each person 15 years of age or over (except institutional residents) was classified in the Census of Population as to their occupation. The two pie charts show the distribution of farm operators by occupation groups and by sex.

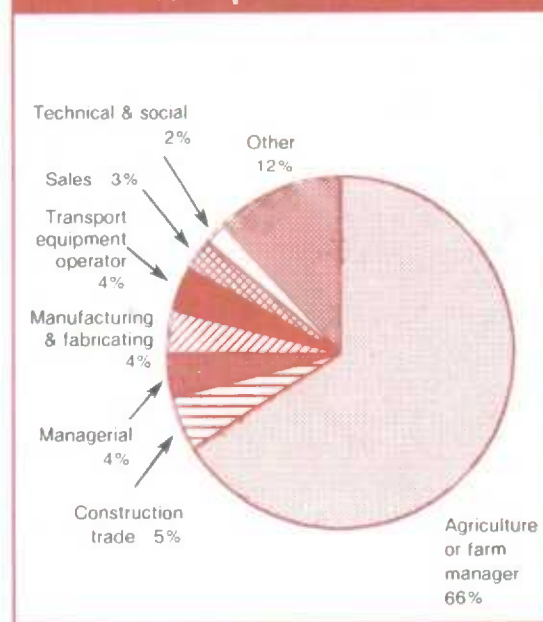
Most operators are classified with agricultural or farm manager occupations. Two out of three males and just under half of the females fall into this category. The remainder pursue other occupations in addition to their agricultural activity.

There appear to be significant differences between the sexes. The second most frequent occupational group for women is clerical at 18%. No other occupation group exceeds 5% for men. The more frequent categories change somewhat as well between the sexes.

Graph 10 - Distribution of Occupations of Female Farm Operators



Graph 11 - Distribution of Occupations of Male Farm Operators



Entry and Exit of Farm Operations

Since 1966, the entry and exit of individual farms has been tracked as a by-product of the maintenance of the Farm Register, the main survey frame for farm surveys.

After each Census of Agriculture, a comparison of farm operations to the records of the previous census has been performed. If a match is not found in the previous census, the operation is classified as a new entrant. Records in the previous census that cannot be matched to the current census are classified as having exited.

Table 1 shows the results of this matching process for the last five intercensal periods. In general, the table shows that about one in three operations exits the industry every five years. These are replaced by a smaller number of new entrants.

Having a database with the entrants and exiters identified is useful in studying the characteristics of farms and operators who enter and leave the industry.

Table 1 - **Entry and Exit of Farm Operations**
(Thousands)

Census	Total number of operations	New operations	Operations matched to previous census	Operations having exited since previous census
1991	280	83	197	96
1986	293	78	215	103
1981	318	80	238	101
1976	339	103	236	130
1971	366	88	278	153

The definition of a census farm has varied marginally in recent censuses. In 1966, the definition included any agricultural holding of one acre or more with sales of agricultural products during the 12 month period prior to the census, of \$50 or more. By 1991 this definition had evolved to include any agricultural holding which produced an agricultural product for sale. It is expected that all definitions used during this period are quite comparable.

The definition of farm operator has also changed since 1966. At that time an operator was identified as the person directly responsible for the operation whether as owner, tenant or hired manager. There was only one operator per census farm. In 1991, the operator was a person responsible for the day-to-day decisions made in the operation of the holding. More than one operator per census farm was permitted.

Wheat is one of the largest field crops by volume that Canada produces and exports. Table 2 reveals the supply and disposition of all Canadian wheat for the last three crop years (Aug 1 to July 31). A large decline in all wheat production in 1992/93 resulted in a decrease of 2.3 million tonnes from the previous year in the supply of wheat. However, this decline in wheat supply was more than offset by a decline in all wheat exports of 5.1 million tonnes, resulting in an increase in ending stocks at July 31, 1993. Wheat exports fell in 1992/93 mainly due to lower imports by both the former U.S.S.R. and China.

The pie chart in Graph 12 reveals the relative share of all Canadian wheat exports by region of destination for the 1992/93 crop year. Asia was by far Canada's largest market for wheat exports during that time. Within Asia, China imported the largest volume of Canadian wheat (3.5 million tonnes), followed by South Korea (2.0 million tonnes) and Japan (1.5 million tonnes). Within the other regions, some of the largest importers by volume were the former U.S.S.R. in Eastern Europe (1.3 million tonnes), Iran in the Middle East (1.4 million tonnes), Brazil in South America (1.1 million tonnes), and the USA in North America (1.4 million tonnes).

Table 2 - Supply and Disposition of All Canadian Wheat by Crop Year
('000 Metric Tonnes)

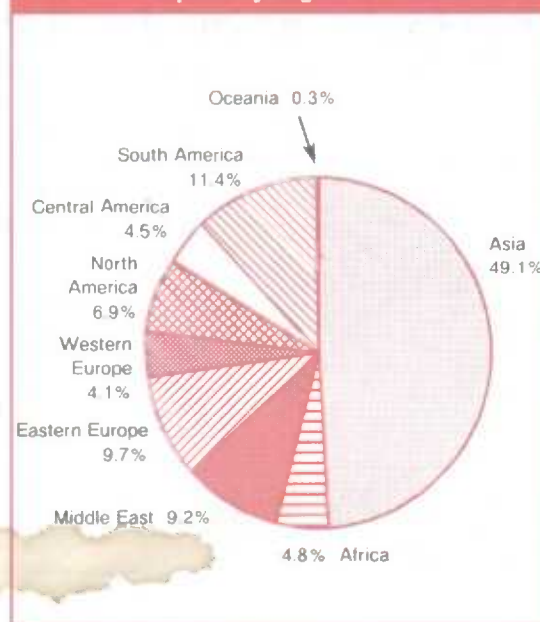
	1990/91	1991/92	1992/93P
SUPPLY:			
Beginning Stocks	6,442.4	10,285.1	10,066.0
Production	32,098.3	31,945.6	29,871.3
Imports	0.2	22.1	22.9
TOTAL SUPPLY	38,540.9	42,252.8	39,960.2
DISPOSITION:			
Exports	22,131.1	25,387.5	20,290.3
Domestic Use:			
Human Food	2,185.1	2,131.9	2,204.5
Seed Requirements	1,344.8	1,361.4	1,235.7
Industrial Use	37.4	37.3	37.3
Loss in Handling	10.1	5.5	5.5
Animal Feed, Waste and Dockage	2,547.3	3,263.2	4,002.1
Ending Stocks	10,285.1	10,066.0	12,184.8
TOTAL DISPOSITION	38,540.9	42,252.8	39,960.2

P = Preliminary

Note: A crop year goes from August 1 of one year to July 31 of the next year.

Source: Statistics Canada, Catalogue 22-201, Grain Trade of Canada.

Graph 12 - Share of 1992/93 Canadian Wheat Exports by Region of Destination



Production of Major Field Crops, Eastern and Western Canada

Crops in Western Canada

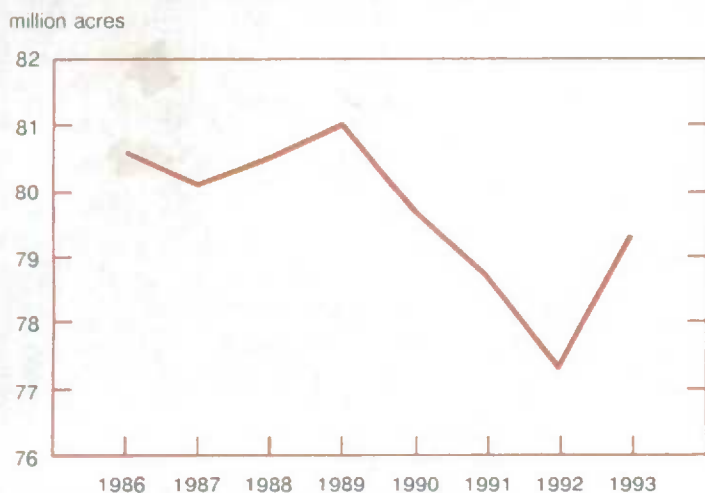
The year 1993 saw two significant changes to the face of field crop production in Western Canada. First, as illustrated in Graph 13, there was an increase in overall area seeded to field crops, reversing a three year trend of declining area. Despite this increase, cropland area in 1993 is still below levels achieved in the late 1980s. The second change seen in Western Canada was the type of crops being seeded.

Table 3 - Seeded Area of Selected Field Crops, Western Canada

('000 Acres)

Crop	1992 Area	1993 Area	% Change
Wheat	34,690	31,551	-9.0
Canola	7,960	10,260	+28.9
Barley	9,120	10,340	+13.4
Oats	3,580	3,898	+8.9
Flaxseed	735	1,325	+80.3
Dry Peas	675	1,250	+85.2
Lentils	690	920	+33.3
Mustard Seed	295	465	+57.6
Canary Seed	233	312	+33.9
Sunflower Seed	184	230	+25.0

Graph 13 - Cropland in Western Canada



(includes summerfallow and annually seeded crops such as cereals, canola, flax, pulses, etc., excludes tame hay)

Table 3 reveals that producers made a major shift out of wheat and into various other crops. The seeded area of wheat in 1993 declined by over 3 million acres from the previous year. In contrast, record high areas of several crops, such as canola, dry peas, lentils and canary seed, were seeded. Such a large shift of area from wheat to other crops has never been experienced in Western Canadian agriculture before. Whether this shift is a one year phenomenon or the start of a trend to greater crop diversification will be determined in the next few years.

Crops in Eastern Canada

In 1993, producers in Eastern Canada seeded less corn and more soybeans than in the previous year, as shown in Table 4. The soybean area of 1.8 million acres was a record, up 13.2% from the previous record area of 1.6 million acres set in 1992. Eastern producers seeded less land in wheat and barley in 1993 than in 1992.

Table 4 - Seeded Area of Selected Field Crops, Eastern Canada

Crop	('000 Acres)		
	1992 Area	1993 Area	% Change
Corn for Grain	2,546	2,485	-2.4
Soybeans	1,591	1,801	+13.2
Wheat	881	684	-22.4
Barley	978	936	-4.3

Crop production in Eastern Canada is quite different from Western Canada. First of all, total cropland in 1993 in Eastern Canada was 7.2 million acres which is more than ten times smaller than the 79.3 million acres in Western Canada. And secondly, the types of crops grown in Eastern Canada are quite different from Western Canada. Corn and soybeans are the two main crops grown in Eastern Canada, whereas very little of either crop is grown in Western Canada. As well, several western crops such as dry peas, lentils, canary seed, mustard seed, sunflower seed and durum wheat are not grown in Eastern Canada.

Graph 14 - Seeded Areas of Selected Crops in Eastern and Western Canada



For further information on the area field crops, consult *Field Crop Reporting Series, STC Catalogue No. 22-002*.

Growth in the Cattle and Hog Industries

Inventories of cattle and calves have been increasing since 1986. This trend has resulted in the addition of almost 1.7 million head to the Canadian cattle population. All of the growth has taken place in Western Canada where inventories have risen 26%. Inventory numbers for beef cows and calves under a year have lead the increase, suggesting that growth will continue into the future. Alberta possesses the largest inventory of cattle and calves with over five million head, 37% of the total.

A major factor in this expansionary trend has been exports of cattle to the United States. International exports, the vast majority of which go to the U.S., have increased from 150,000 head in 1986 to over 700,000 in 1993. Over 80% of the increase in exports originated in Western Canada. Interestingly, domestic slaughter numbers have been declining over this same period. The 28% decrease in domestic slaughter for all of Canada moderates the increases seen in international exports.

Table 5 - July 1 Cattle and Calves Inventories 1993 by Province and Canada

Province	Head (thousands)
Newfoundland	8.0
Prince Edward Island	94.0
Nova Scotia	127.0
New Brunswick	104.5
Quebec	1,475.0
Ontario	2,105.0
EAST	3,913.5
Manitoba	1,245.0
Saskatchewan	2,515.0
Alberta	5,035.0
British Columbia	767.0
WEST	9,562.0
CANADA	13,475.5

A similar trend towards increased international exports has allowed the hog industry to remain at a fairly stable level of inventory. Exports increased by 150,000 head in the first six months of 1993, as compared to the same period in 1992.

The past ten years has seen an increase of almost 4% in hog inventories despite a 2% decrease in inventories from July 1992 to July 1993. However, Statistics Canada surveys indicate a 2% increase in farrowing intentions for the fall pointing towards higher hog inventories in the future. Ontario had the largest hog inventory of all provinces in July 1993 with an estimate of over three million head.

Table 6 - July 1 Hog Inventories 1993 by Province and Canada

Province	Head (thousands)
Newfoundland	8.5
Prince Edward Island	98.0
Nova Scotia	119.0
New Brunswick	78.0
Quebec	3,015.0
Ontario	3,026.0
EAST	6,344.5
Manitoba	1,438.0
Saskatchewan	844.0
Alberta	1,844.0
British Columbia	201.1
WEST	4,327.0
CANADA	10,671.6

For more information consult,
Livestock Statistics, STC Catalogue
 No. 23-603 E/F.

Graph 15 - International Exports Cattle & Calves and Hogs January-June 1992-1993



Sheep Numbers Still Growing

Over the last seven years, sheep and lamb inventories in Canada have been continually rising and are currently at a twenty year high. Most of this increase has occurred in Western Canada. All western provinces have seen large increases in their inventory in recent years. Alberta has the largest inventory of all provinces, with 323,000 head of sheep.

In Eastern Canada, only the province of Ontario has seen a significant increase in sheep flocks. With an increase of 23% over the last seven years, the province's inventory has reached 252,000 head.

The dramatic increase in sheep inventories may be attributed to several different factors. In the last two years, the price of lambs has increased signalling greater demand. However, in the five years previous, prices actually decreased, suggesting that other factors may be the cause of rising inventories. One such possibility may be the relatively cheaper access into sheep farming as compared to cattle where large areas of land are required for grazing. Another possible reason for the increase may be a change in consumption patterns created by an increasing ethnic diversity in Canada.

For more information, consult
Livestock Statistics, STC Catalogue
No. 23-603 E/F.

Table 7 - **July 1 Sheep and Lamb Inventories 1993**
by Province and Canada

Province	Head (thousands)
Newfoundland	9.0
Prince Edward Island	2.8
Nova Scotia	28.5
New Brunswick	7.8
Quebec	118.0
Ontario	252.0
EAST	418.1
Manitoba	36.0
Saskatchewan	94.0
Alberta	323.0
British Columbia	78.0
WEST	531.0
CANADA	949.1

Less Unregistered Egg Production

The egg production industry is continuing to concentrate around registered producers. In 1986, 91.8% of all laying hens could be found in flocks registered with provincial marketing boards. By 1992, this percentage had increased to 95.1%. Saskatchewan had the smallest share of layers in registered flocks at 84.2%. Newfoundland, on the other hand, had the highest percentage of layers in registered flocks with 99.1%.

Table 8 - Average Number of Registered and Unregistered Laying Hens by Province and Canada in 1992

Province	Registered Layers	Unregistered Layers
	(thousands)	
Newfoundland	347	3
Prince Edward Island	107	5
Nova Scotia	870	16
New Brunswick	497	11
Quebec	3,517	51
Ontario	7,242	400
Manitoba	2,191	97
Saskatchewan	796	149
Alberta	1,687	192
British Columbia	2,480	95
CANADA	19,734	1,019

From 1986 to 1992, non-registered flocks declined from an average of 1.85 million layers to 1.02 million layers, a decrease of 45%. During this same period, registered flocks have decreased by only 4.8%, for an average decrease for all layers of 8.1%. It is interesting to note that egg production during this period only declined by 1.2%. This was a result of a 7.5% increase in production efficiency of the layers over this seven year period.

For more information, consult *Production of Poultry and Eggs, STC Catalogue No. 23-202*.

Milk Production to Rise in 1994

For the first time in five years, consumption of many dairy products has seen consistent monthly increases. This upward trend led to an increase in milk production quotas for the first time since 1986.

The table of selected dairy products illustrates this new trend. Domestic disappearance of butter, variety cheese, and process cheese have either stayed the same or increased when comparing them to the first six months of 1992. Stocks of dairy products have been decreasing over the last six months. As stocks decrease, new production is required to replenish these stocks and therefore higher production quotas have been set for next year. A major reason for the turn around in dairy consumption may be an active advertising campaign undertaken by the dairy industry.

For more information, consult *The Dairy Review, STC Catalogue No. 23-001*.

Table 9 - June Stocks and January-June Domestic Disappearance of Selected Dairy Products 1992-1993

	Product			
	Butter	Cheddar Cheese	Variety Cheese	Process Cheese
Stocks: (Metric Tonnes)				
June 1992	24,084	33,527	12,020	6,925
June 1993	14,360	29,646	11,999	6,652
% Change	-40.4	-11.6	-0.2	-3.9
Domestic Disappearance: (Metric Tonnes)				
January-June 1992	35,218	52,273	79,388	38,910
January-June 1993	35,899	51,036	79,397	40,027
% Change	1.9	-2.4	0.0	2.9

Fruit and Vegetable Areas

The variety of cultivated fruits in Canada is growing. Although the positions among the top ten commercial fruits (see Graph 16) are secure, a market for several other fruits is developing. Saskatchewan now has almost 400 hectares of saskatoon berries in production. British Columbia and Ontario are sharing a growing market for apricots and nectarines

which now totals over 360 hectares for apricots and over 130 hectares for nectarines. British Columbia is trying something truly exotic with 16 hectares of kiwis.

Local climatic conditions are critical in determining where fruit production occurs. For example, the production of grapes, peaches, pears, cherries and plums is largely confined to three small areas; the Annapolis Valley in Nova Scotia, the Niagara Peninsula in Ontario and the Okanagan Valley in British Columbia. Blueberries are grown in the Atlantic Provinces and Quebec. Cranberries and raspberries are found primarily in British Columbia. Strawberries are the only fruit that is grown in significant commercial quantities in all provinces.

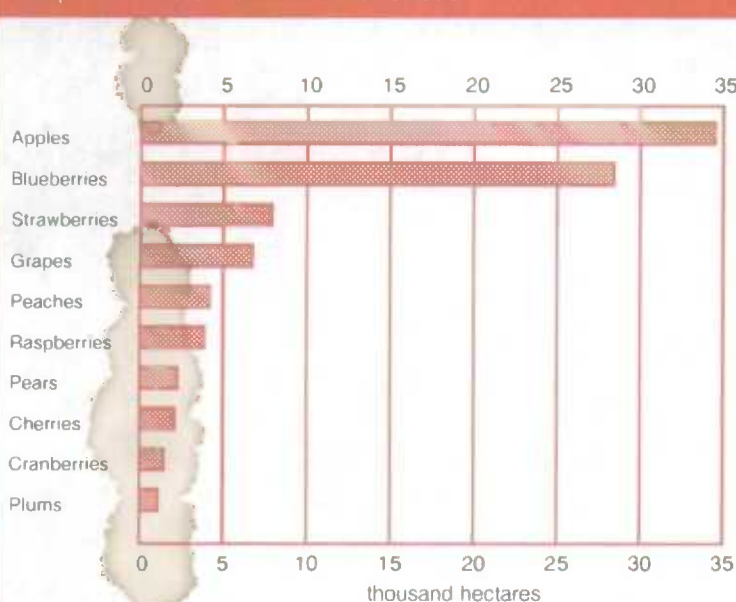
There were 114,000 hectares of vegetables grown in Canada in 1993. This area has been relatively stable in recent years as higher yields have provided the increased production to meet the growing consumer demand for vegetables. Graph 17 shows the area of the top ten vegetables in 1993.

Vegetables are grown for both the fresh and processing markets. In fact, 54% of the area is devoted to the fresh market with significant production found in all provinces. The largest processing vegetables are sweet corn (16,700 ha.), green peas (15,900 ha.), tomatoes (7,700 ha.) and green and wax beans (5,200 ha.).

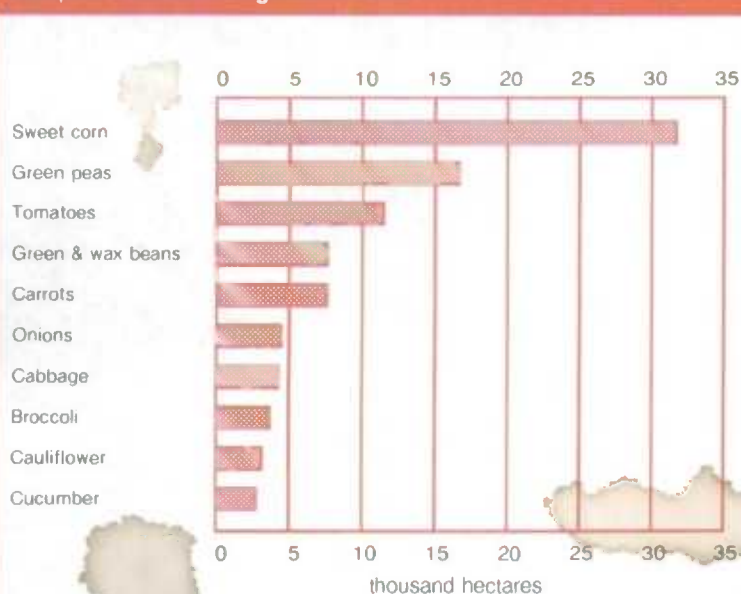
The processing vegetable industry is located primarily in Southern Ontario, Southern Quebec and the Fraser Valley of British Columbia.

For further information on the areas of fruits and vegetables, consult *Fruit and Vegetable Production*, STC Catalogue No. 22-003.

Graph 16 - Area of Cultivated Fruits 1993



Graph 17 - Area of Vegetables 1993



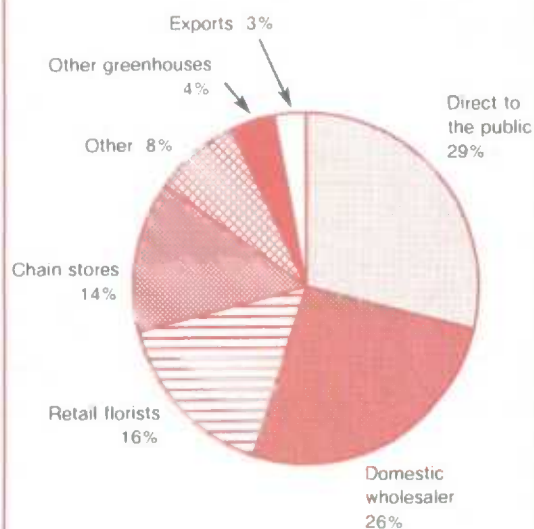
Floriculture Sales

During 1992, 3,131 Canadian greenhouses sold 629 million dollars in cut flowers, potted plants, bedding plants, vegetable seedlings and rooted cuttings.

Graph 18 shows the breakdown of sales by channel of distribution. The largest channel is direct to the consumer followed closely by sales to wholesalers. A small share (3%) is exported.

For further information, consult *The Greenhouse Industry, STC Catalogue No. 22-002*.

Graph 18 - Distribution Channels for Sales of Floriculture Products from Greenhouses

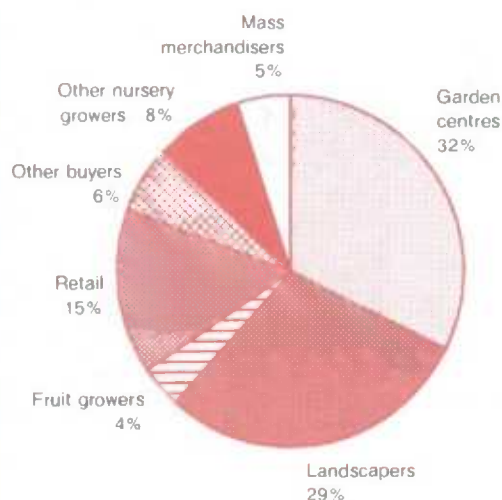


Sale of Nursery Stock

Sale of nursery stock in Canada totalled 294 million dollars in 1992. Graph 19 shows how the sale of nursery stock was distributed among the major types of clients. Three-quarters of nursery revenue is derived from sales to garden centres (32%), landscapers (29%) and directly to consumers purchasing through retail outlets operated by nurseries (15%). Except for "Other Buyers", the other types of clients are self evident. Examples of "Other Buyers" include municipalities, forestry companies and public conservation authorities.

For further information on the activities of nurseries, consult *Survey of the Canadian Nursery Trades Industry, STC Catalogue No. 22-203*.

Graph 19 - Distribution of 1992 Nursery Sales



Changes in Food Consumption

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During the last decade Canadians have changed their eating habits significantly. Table 10 shows the per capita consumption of numerous foods in 1981 and 1991 with the percent change. Among the trends to note are the dramatic increase in the consumption of some vegetables, the switch from beef and pork to poultry meat, the drop in butter and eggs, and the increases in cheese and yogurt.

For more information on food consumption in Canada, consult *Apparent Per Capita Food Consumption in Canada, Part 1 (STC Cat. No. 32-229) and Part 2 (STC Cat. No. 32-230)*.

Table 10 - Some Highlights in Apparent Per Capita Consumption

	1981	1991	% Change
Vegetables (kg per year)			
Broccoli	1.11	2.79	+ 151
Cabbage	6.24	4.62	- 26
Carrots	7.76	8.75	+ 13
Cauliflower	2.20	2.34	+ 6
Celery	4.47	4.58	+ 2
Cucumbers	2.28	2.91	+ 28
Lettuce	9.53	10.72	+ 12
Onions	6.97	7.12	+ 2
Peppers	1.60	2.53	+ 58
Radishes	0.54	0.55	+ 2
Rutabagas	2.73	2.09	- 23
Tomatoes	6.89	5.77	- 16
Fruits (kg per year)			
Grapes	4.94	5.91	+ 20
Grapefruit	3.22	1.73	- 46
Oranges	12.02	7.67	- 36
Meat and Poultry (kg per year)			
Beef	30.05	25.21	- 16
Pork	24.45	21.02	- 14
Poultry	22.52	29.41	+ 31
Dairy Products (kg per year)			
Margarine	6.21	5.76	- 7
Butter	4.43	3.10	- 30
Eggs	12.68	10.72	- 15
Cheddar Cheese	2.09	2.98	+ 43
Processed Cheese	3.02	2.85	- 6
Variety Cheese	3.51	5.10	+ 45
Yogurt (litres per year)	1.67	3.26	+ 95