

Section 4 Trends, Issues, Actions and Conclusions

This section summarizes the trends and issues that have affected agriculture in Niagara between 2001 and 2006, outlines the steps the Region is taking to support the industry and provides some conclusions on this response.

4.1 Trends and Issues

A review of the 2006 agricultural census confirms a number of trends and issues impacting agriculture in Niagara between 2001 and 2006.

- The number of farms declined by 30 or 1.3%.
- Area of farmland declined by 1089 acres or 1.3%.
- Gross farm receipts (GFR) increased from \$511,395,019 in 2001, to \$671,680,773 in 2006.
- Niagara continued to have very high productivity with an average per acre GFR of \$2,899, the highest in Ontario.
- Average gross farm receipts per acre for St. Catharines grew from \$9,712 in 2001, to \$16,094 in 2006, the highest in Niagara.
- Lincoln (\$5,739), Niagara-on-the-Lake (\$4,986) and Grimsby (\$4,251) ranked second, third and fourth in value of GFR's per acre.
- Based on gross farm receipts, the impact of agricultural on the Regional economy was estimated to be \$2.8 billion in 2006, an increase from the \$2.1 billion generated in 2001.
- Although the number of farmland areas⁸ remained relatively constant there were fluctuations in area for the local municipalities. Fort Erie, Niagara Falls, Lincoln and Grimsby experienced an increase in acreage between 2001 and 2006. The balance of municipalities experienced slight decreases.
- The largest decline by number of farms by type was in the livestock sector; dairy, cattle, hog, poultry and egg, in that order.
- The number of fruit operations declined by 8%.
- The largest increase in number of farms by type was in vegetables (62%) followed by miscellaneous specialty (30%), then nursery (17%).
- The number of greenhouse operations declined slightly (6%) between 2001 and 2006.
- The number of grain and oilseed, and field crop operations increased slightly.
- The amount of farmland being rented increased slightly (10,743 acres) but the percentage split between rented and owned declined slightly from 39% in 2001, to 37.5% in 2006.



⁸ Note: farmland acres is actual land under production. It is not linked to land use designations.

- Thorold had the highest rate of rented farmland at 51%, followed by Pelham (44%), Fort Erie (42%) Niagara Falls (41%) and West Lincoln (40%).
- Average farm size increased from 103 acres to 104 acres but was still well below the provincial average of 233 acres.
- St. Catharines had the lowest average farm size of 44 acres, followed by NOTL (54 acres) and Lincoln (60 acres).
- The highest average farm size was in Thorold (220 acres) followed by Wainfleet (181 acres) and Port Colborne (180 acres).
- Average farm size is related to type of farming with fruit, vegetable and greenhouse operations having the smallest average size and field crop and grain and oilseed having the highest.
- Greenhouse continued to be the highest value commodity grouping in 2006 (based on total GFR), followed by fruit, poultry and egg and nursery and sod.
- Grain and oilseed replaced dairy as the fifth ranked commodity based on GFR's in 2006.
- Dairy dropped to 6th place in ranking by GFR's.
- GFR's for all of the top 20 commodity groupings except dairy and livestock combination, increased between 2001 and 2006.
- The number of operations generating in excess of \$500,000 in GFR's annually increased from 223 to 264.



- Average farm operating costs increased from \$192,348 per farm (\$1,872 per acre) in 2001, to \$260,970 per farm (\$2,518 per acre) in 2006.

- Net revenue per acre increased for Niagara generally between 2001 and 2006, from \$324 per acre to \$380 per acre.

- Despite the regional increase, net

revenue per acre declined in Port Colborne, Pelham, Thorold and St. Catharines.

- The ratio of costs to revenue increased slightly between 2001 and 2006 for .85 to .87;
- Total farm capital for Niagara increased from \$1.8 billion to \$2.4 billion for an average capital per operation of \$1.1 million, slightly below the provincial average of \$1.14 million.

- Average age of operators rose from 51.3 in 2001 to 53.1 years in 2006.
- In 2006, provincially, Niagara ranked 38th in size, 25th in area of farmland, 11th in number of farms, 3rd in total annual gross farm receipts and 1st in average gross farm receipts per acre.

4.2 Economic Update

Agricultural Sales in the Region of Niagara in 2006 of nearly \$671,680,773 million continued to have a substantial annual economic impact in the regional economy. This impact included:

- \$2.4 billion in gross industry output across all industries in the Region;
- \$814 million in GDP or value-added; and,
- \$454 million in labour income.

This is an increase of approximately \$700 million over the impact calculated for 2001. Agriculture in Niagara continues to be a valuable and productive sector.

4.3 Actions – The Agricultural Action Plan – Economic Viability for the Long Term

Niagara has always been vigilant in protecting the agricultural land base. With the release of the Regional Agricultural Economic Impact Study in 2003, the Region enhanced this protection by creating an Agricultural Task Force. The Task Force, comprised of representatives of the broader agricultural community, was given a mandate to support the economic viability of regional agriculture. The Task Force prepared a vision for agriculture in Niagara and a strategic plan to support the economic viability of farmers; both were endorsed by the Region.

The vision endorsed by Niagara Region Council states that:

Vision for Agriculture:

Agriculture in Niagara is a diverse, multi-faceted industry based on a very special, limited, non-renewable resource created by a unique combination of physiography, soil, location and climate. The strength, stability and diversity of this industry is recognized, and will be promoted and protected so it can continue to grow and evolve for the benefit of present and future generations.

The strategy established to support agriculture established a series of goals against which government actions could be tested to ensure they supported agriculture.

Goals

- *Maintaining the significant agricultural land base with an infrastructure that supports agriculture;*
- *Enhancing Niagara's rural environment while enabling viable agricultural enterprises to flourish;*

- *Creating circumstances where farms can operate profitably;*
- *Supporting agricultural activities and reducing uncertainty, conflict and risk for the agricultural community;*
- *Providing a mechanism for the long term profitability and succession of farm properties to encourage the next generation to enter the industry;*
- *Establishing a public policy framework at all levels that supports the long term viability of Niagara's diverse agriculture;*
- *Developing a Niagara brand for quality farms, products and environment; and*
- *Protecting the public interest by preserving the ability to have a sustainable home-grown food supply.⁹*

The essential ingredients for a successful strategy were identified as:

- *Protection of the land base;*
- *All levels of government and government agencies must provide meaningful support for agriculture;*
- *Recognition through broad definition, that agriculture in Niagara is a diverse industry made up of many different components which have different requirements at different times;*
- *Maintaining support that allows profitable agricultural operations, such as provision of infrastructure;*
- *Inclusion of all agricultural sectors in the strategy;*
- *Enhanced profile for agriculture;*
- *Promotion of agriculture's social, environmental and economic significance;*
- *Provision for complementary value added activities that are based on, compatible with, and integral to, primary production; and*
- *Establishment of a mid peninsula multi modal transportation corridor.¹⁰*

The strategy then identified actions that could be taken to support agriculture which included:

- *Establish a Comprehensive Definition of Agriculture for Niagara*
- *Protect the land base;*
- *Develop commodity specific policies*
- *Promote Niagara as a unique agricultural area*
- *Create an economic development strategy to promote agriculture and agriculturally related businesses;*

⁹ "Securing a Legacy for Niagara's Agricultural Land, A Vision from One Voice", October 17, 2003.

¹⁰ Ibid Note - The Preservation of Agricultural Land Society (PALS) did not agree with inclusion of the mid peninsula corridor as a criteria.

- *Secure support from all levels of government and ensure that initiatives are coordinated and mutually supportive*
- *Encourage Niagara specific research;*
- *Publicize the reality that agricultural land is a non renewable resource*
- *Educate the public about agriculture and the contribution that agriculture makes to quality of life*
- *Develop infrastructure that supports agriculture*
- *Encourage the development of “farm friendly” transportation infrastructure including the a mid peninsula transportation friendly transportation corridor¹¹*
- *Acknowledge agriculture as an “economic engine” in Niagara.¹²*

The Task Force’s strategy for supporting agriculture in Niagara was subsequently supported by the provincial government which provided a grant to “implement an agricultural viability plan for the area”.

In response the Task Force established a specific goal “To development specific programs that will grow agriculture in Niagara to a \$3.6 billion industry annually from its current level of \$1.8 billion.”¹³

The specific actions that were identified to achieve this goal included:

1. Re-establishing the research capability of the Vineland Research Centre to support the agricultural industry.
2. Reducing barriers to growing the agricultural industry with recommended solutions.
3. Specific tax policies for value added facilities as part of the farm operation.
4. Providing raw water for agriculture.
5. Developing small and medium processors.
6. Re-visiting the use of the Agricultural Easement program of the earlier 1990’s program entitled the “Niagara Tender Fruit Lands Program”.
7. Developing a Niagara brand for agricultural products – quality products, quality farms, quality environment for community health.

Over time, the Task Force has worked hard on behalf of the Region to implement the seven identified actions and has successfully supported a number of them. Actions that were key amongst the successes include:

- re-establishment of the Vineland Research Centre with a focus on research to support the type of agriculture that predominates in Niagara and commercialization of agricultural product;

¹¹ PALS did not support this position.

¹² “Securing a Legacy for Niagara’s Agricultural Land, A Vision from One Voice”, October 17, 2003

¹³ Niagara Agricultural Task Force, Request for Proposals July 13, 2005.

- establishment of an agricultural facilitator to assist and support agriculturally related proposals and applications;
- implementation of Official Plan policies to support value added activities in the agricultural area;
- completion of an assessment of Regionally based irrigation for agriculture; and
- development of a local food policy.

Creation of the Greenbelt addressed the goal of revisiting the agricultural easement program to enhance protection of the tender fruit lands.

The Task Force continues to work on the other tasks identified in the Action Plan. As they do so, they also monitor ongoing developments impacting the agricultural sector and respond accordingly. Some of the challenges that have arisen include:

- Closing of the Cadbury-Schweppes juice plant in St. Catharines and the CanGro Foods plant in St. David's;
- Rising costs for energy;
- Rising costs for labour;
- Fluctuations in the value of the Canadian dollar; and
- Adjustments to the implementation of the Greenbelt Plan.

As they continue the work to support agriculture, the findings of this update should assist the Task Force in measuring successes, identifying changing trends and adjusting actions to address them.

4.4 Conclusions

Agriculture in Niagara continues to be a valuable and productive economic activity, one that is recognized by local governments as a critical part of the Regional economy. This update has confirmed that in 2006, agriculture grew to a \$2.8 billion dollar annual economic force in the Regional economy. While the \$3.6 billion goal of the Task Force had not yet been achieved in 2006, the value increased by \$.7 billion between 2001 and 2006, representing real progress and confirmation that the sector was expanding.

In reviewing the status of the sector it appears that agriculture is relatively stable in Niagara. The decrease in both number of farms and area of farmland was lower than for the province generally. Gross farm receipts increased and Niagara continued to lead the province in average gross farm receipts per acre. Certain commodity groupings including vegetables, increased in size and there was growth in the greenhouse sector as measured by area under cover and gross farm receipts. The number of operations generating in excess of \$500,000 in gross farm receipts annually increased and is growing at a rate faster than the provincial growth rate.

All of these indicators are positive. However, there are some worrying trends.

Three of the leading sectors; greenhouse, fruit and "poultry and egg", declined in number. Although the value of gross farm receipts grew for each of these commodities, for "poultry and egg" and fruit,

it was a relatively small increase. The dairy sector, a relatively stable component of agriculture, declined in both number of operations and gross farm receipts. There is a trend to increased grain and oilseed production in some of the areas of the tender fruit belt; with the growth in the production value of the grain and oilseed sector outstripping the growth in the value of fruit production.

The age of operators continues to rise, accompanied by a significant decline in the number of younger operators. The amount of rental land increased slightly and the ratio of costs to revenue increased.

In 2005, the Province enacted the Greenbelt Plan. Much of Niagara was included within the Greenbelt boundary. It is not clear yet what the implications of the Greenbelt Plan will be. Timing was such that the 2006 census would not have reflected changes associated with its implementation. Creation of the Greenbelt was not unanimously embraced within the Region. Ongoing monitoring of the agricultural sector will be key to understanding and responding to potential issues as they emerge.

The Region needs to be sensitive to these trends and issues and monitor the situation closely. During the period since 2006, there have been a number of events that have put pressure on the agricultural community. Some of the worrying trends that were emerging in 2006, could be serious problems when the statistics for 2011 are released.

Niagara has always recognized that a prosperous agricultural sector enhances the quality of life of its citizens and contributes to the sustainability of the community. The Agricultural Task Force has been an extremely effective tool for anticipating issues and reacting quickly. They are very aware of the worrying trends identified in this report and sensitive to the ongoing pressures impacting agriculture. Hopefully this report, by quantifying trends and providing a snapshot of agriculture in 2006 will be a significant resource, that will help all decision makers take steps to strengthen and sustain the role of agriculture in Niagara. These steps will be essential to the ongoing health and viability of the sector.

This report confirms that the base is there for agriculture to prosper in Niagara into the future. However agriculture is a sector that is under pressure. For it to continue to be a strong and productive sector, the Region must continue its work to support and sustain its agricultural resource.

