



Niagara Region

Building Community. Building Lives.

- An Update to the Regional
Municipality of Niagara
Agricultural Economic
Impact Study (2003) -

August 2010

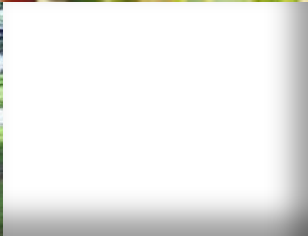


Prepared by: Margaret Walton

Planscape Inc.
104 Kimberley Avenue
Bracebridge, ON P1L 1Z8
T: 705-645-1556 F: 705-645-4500

In Association with:

Regional Analytics Inc.
Burlington, ON L7L 6N5
T: 905-332-8967 F: 905-332-0671



The **Regional Agricultural Economic Impact Study** was completed for the Region of Niagara in July, 2003. The study provided a profile of the agricultural sector in Niagara based on Statistics Canada data from 1976 to 2001. With the release of the 2006 census it is timely to update this agricultural profile and assess the changes that occurred in the Region between 2001 and 2006. This report provides this update.

Study Area

As in the 2003 report, the study area is the Region of Niagara. Reporting is done on the basis of the Statistics Canada Census divisions which are based on the twelve area municipalities of:

- Town of Fort Erie
- Town of Grimsby
- Town of Lincoln
- Town of Niagara-on-the-Lake (NOTL)
- Town of Pelham
- City of Niagara Falls
- City of Port Colborne
- City of St. Catharines
- City of Thorold
- City of Welland
- Township of Wainfleet, and
- Township of West Lincoln.



Statistical Update

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 areas¹ 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.
- 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.

¹ Note: farmland acres is actual land under production. It is not linked to land use designations.

- 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.

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.



Conclusions

The importance of Niagara as an agricultural region and contributor to the provincial economy has always been recognized. This update based on the 2006 Agricultural Census, confirms that between 2001 and 2006, agriculture continued to be a major economic force in the Regional economy.

The presence of a prosperous agricultural sector in Niagara contributes to more than just the economy of the Region and the province. A prosperous agricultural sector enhances the quality of life of the citizens, contributes to the sustainability of the community, is an essential part of tourism and supports a local food supply provincially.



At the regional level agriculture always has been and continues to be central to the economy and the character of Niagara. Its direct contribution is obvious but the indirect contribution to tourism and quality of life are also essential.

Niagara is also of great importance at the provincial level. Because of its unique combination of soils and climate, Niagara supplies the province with many products such as tender fruit that otherwise would have to be imported. As the appreciation for a fresh, flavourful local food supply grows, Niagara's importance as a source of this food will grow.



This report confirms that in 2006, agriculture in Niagara continued to prosper. However there are some trends which are of concern. Although acreage under production did not decline significantly, there was a decline. The production profile shifted slightly with a growth in cash crop production. This trend may have been in response to commodity prices but is of concern in an area with the unique ability to grow more specialized crops. The

average age of farmers continues to creep up. The ratio of cost to revenue continues to increase.

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.