
Subject: Niagara Agriculture Profile

Report to: Planning and Economic Development Committee

Report date: Wednesday, September 13, 2023

Recommendations

1. That this report **BE RECEIVED** for information.

Key Facts

- This report provides a high-level summary of the Niagara Agriculture Profile which is a detailed report on agricultural characteristics and economic impact in Niagara.
- In 2021, there were 1,651 farms operating in Niagara generating \$1.71 billion in Gross Domestic Product (GDP) and supporting 24,073 jobs.
- There were fewer farms and less farmland in production in 2021 than in 2016 however agricultural GDP impact in Niagara grew substantially by 21%.

Financial Considerations

The activities described in this report are within the Council approved 2023 Economic Development operating budget.

Analysis

The economic and cultural importance of agriculture in Niagara has long been established. Although characteristics of the sector change with time, the importance of the sector to the economic health of the region remains constant.

This Niagara Agriculture Profile provides an update on the key agricultural characteristics of the sector using data from Statistics Canada 2021 Census of Agriculture. This update builds on previous reports by the Golden Horseshoe Food and Farming Alliance published in October 2014, and the Niagara Agriculture Profile published by the Niagara Region Economic Development in May 2018.

This report is a summary of the Niagara Agriculture Profile. It includes key information on farms and farmland area, farm capital and revenue, farm operations, and agricultural economic impact for Niagara. It also addresses agricultural land use planning considerations.

Farms and Farmland Area

In 2021, there were 1,651 farms operating in Niagara. This was a decrease of 176 (10%) from 1,827 farms in 2016. There was also a decrease in farmland area. In 2021, there were 208,414 acres of farmland area. This was a decrease of 9,837 acres (5%) from 218,251 acres in 2016.

Although Niagara experienced a decrease in farms and farmland area, average farm size got larger. In 2021, the average farm size was 126.2 acres, which was 6.8 acres more (5.7%) than 119.5 acres in 2016. This indicates a level of farm consolidation that occurred.

The number of greenhouses in use in Niagara also decreased. In 2021, Niagara had 163 greenhouses. This was a decrease of 24 greenhouses in use (13%) over 2016. Greenhouse area in use decreased at a much lower rate than the number of greenhouses. In 2021, there was 21.4 million square feet of greenhouse in use, which was a decrease of over 500,000 square feet (2%) from 21.9 million square feet in 2016. However, average greenhouse size grew substantially by 14,185 square feet (12%) from 117,262 square feet in 2016 to 131,448 square feet in 2021. This also indicates a level of consolidation in the greenhouse industry.

In 2021, there were fewer farms in Niagara, but they were larger in size on average across all farm types.

Farm Capital and Revenue

In 2021, total farm capital in Niagara was \$5.6 billion. Most of the value (92%) was in land and buildings. Of this, 72% was owned by the operator while 20% was rented or leased. Total farm machinery and equipment was valued at \$373.4 million, and livestock and poultry were valued at \$64.5 million. Average farm capital was \$3.4 million.

Although there were fewer farms operating in 2021, total farm revenue increased substantially by \$176.2 million (21%) from \$838.1 million in 2016 to \$1.0 billion in 2021.

Average farm revenue also increased substantially by \$155,611 (34%) from \$458,738 in 2016 to \$614,349 in 2021.

Also, as farm revenue increased in 2021, farm expenses increased at a higher rate. Total farm expenses increased by \$154.0 million (22%) from \$706.7 million in 2016 to \$860.7 million in 2021. Average farm expenses increased by \$134,522 (35%) from \$386,794 in 2016 to \$521,316 in 2021.

Farms in Niagara have generated more revenue; however, the cost of farming has got more expensive and the increase in expenses outpaced increases in revenue.

Farm Operations

Farms in Niagara have a variety of different operating arrangements. Of the 1,651 farms that reported their operating arrangements in 2021, 42% were sole proprietorships, 28% were family-owned corporations, 27% were partnerships, and 4% were non-family corporations. This indicates that most farms are still small businesses and/or family enterprises.

The family component was also strong among agricultural workers. In 2021, 474 farms reported they employed 7,794 workers. 348 farms reported that they employed 1,078 family members (3 on average); 350 farms reported that they employed 2,475 full-time year-round workers (7 on average); 204 farms reported that they employed 1,022 part-time year-round workers (5 on average); and 290 farms reported that they employed 4,296 seasonal or temporary workers (15 on average).

Demographic characteristics of farm operators is also an important consideration. In 2021, 68% reported being male and 32% reported being female, and the average age of a farm operator was 57.3, which was an increase from 56 in 2016, and 55.2 in 2011.

The increasing age of farm operators is a concern. Not only is the average farm operator aging, but succession planning has also not been where it needs to be to ensure future sustainability of farm operations. For instance, of the 1,651 farms in Niagara, 1,056 farms reported having no succession plan, 381 farms reported having a verbal succession plan only, and only 213 farms reported having a written succession plan. Moreover, 207 farms reported having a succession plan that includes one or more family members, and only 11 farms have reported having a succession plan that includes one or more non-family members.

Technology adoption across the sector is also a concern. Farm operators have been slow to adopt next generation technology such as robotics and drones. For instance, of 1,651 farms, 485 farms have adopted soil sample testing, 436 farms have adopted slow-release fertilizer, 302 farms have adopted variable-rate input applications, 206 farms have adopted auto-steer, 200 have adopted Geographic Information System (GIS) mapping, 33 have adopted robotic greenhouse equipment, 30 have adopted drones, and 9 have adopted robotic milkers.

Renewable energy is a form of technology being adopted by farms in Niagara. In 2021, 279 farms reported adopting renewable energy technology. 196 farms reported selling the energy, while 92 farms reported using the energy on-farm. Solar had the highest adoption at 193 farms, followed by wind turbines at 36, geothermal at 34, and bioenergy at 27.

Economic Impact

The agriculture sector in Niagara provides a substantial economic impact. In 2021, agriculture contributed \$1.71 billion to regional GDP. This was \$296.3 million (21%) more than in 2016. The top agriculture industries by GDP impact included greenhouse, nursery, and floriculture (49% of total); fruit and tree nut (21% of total); and poultry and egg (12% of total). This accounted for 82% of total agriculture GDP impact in Niagara.

In regard to employment, in 2021 agriculture in Niagara supported 24,073 jobs. This is across the entire agriculture value chain from on-farm work, to transportation, farm services, and other value-added activities. This was an increase of 4,181 jobs over 19,892 in 2016.

Lastly, Niagara is an agriculture powerhouse in the Golden Horseshoe region of Ontario. In 2021, Niagara generated 41% of the total agriculture GDP impact in the Golden Horseshoe, which includes Niagara Region, Durham Region, York Region, Hamilton, Halton Region, and Peel Region.

Agricultural Land-Use Planning Considerations

The Niagara Official Plan (NOP) implements an Agricultural System approach, which includes protection of the agricultural land-base and the agri-food network, helping enable the agri-food sector to thrive. In 2018, the Ontario Ministry of Agriculture, Food, and Rural Affairs proposed updated agricultural land-base mapping for the greater golden horseshoe. Agricultural land-base mapping identifies specialty crop lands, prime

agricultural areas and rural lands, which together create a continuous productive land-base for agriculture and related uses to occur. Specialty crop lands are afforded the highest level of protection through land-use policies, followed by prime agricultural areas and rural lands.

During consultations for the NOP, the farming community and broader public, indicated a desire to see more agricultural lands designated and protected, in order to facilitate a long-term investment in continuous agricultural production. Working with local municipal planners, Regional staff refined the land-base to better reflect where agricultural land uses were occurring and enhance the continuity of the land base. Through approval of the NOP, a net total of 2,750.3 acres of specialty crop and prime agricultural area were added across Wainfleet, Port Colborne, Fort Erie, Niagara Falls, Welland, Pelham and Thorold. A net increase of designated agricultural land across Niagara supports the goal of ensuring adequate protected lands are available for agricultural production for the long-term. This framework increases opportunities to utilize lands actively for agricultural production and supports a reversal to the trend of declining farmland acres in production (as measured annually). Niagara Region is one of the few municipalities in the Greater Golden Horseshoe to produce a net increase in protected agricultural lands through refinement and implementation of the updated provincial mapping.

Conclusion

The Niagara Agriculture Profile presents an updated overview of the agricultural sector's characteristics and economic impact in the region. Despite changes in the sector over time, the significance of agriculture to Niagara's economic health has remained constant and the recent approval of the Niagara Official Plan has ensured agriculturally designated lands will continue to be protected through policy. While the economic impact of agriculture has increased, there are areas of concern such as a rising cost of doing business, an aging farm operator population, and the need for proactive succession planning and technology adoption to ensure the sector's sustainability. Niagara's agricultural sector continues to be a key driver of regional GDP and employment, solidifying its position as an agriculture powerhouse within Ontario.

Alternatives Reviewed

All activities describe in this report are key functions of Regional Economic Development and the tactics being used are consistent with accepted economic development practices.

Relationship to Council Strategic Priorities

This report supports the following Council Strategic Priorities:

- Prosperous Region
- Green and Resilient Region

Other Pertinent Reports

There are no other reports that are applicable.

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Appendices

Appendix 1 Niagara Agriculture Profile, 2022