Profile of Canadian Agricultural Co-operatives (1986-2000)

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Heather McNeill

Albert Daoust

Co-operatives Secretariat©

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Executive Summary

In Canada, agricultural co-operatives play an important role in processing and marketing farm products, providing agricultural supplies and services related to farm production and marketing. Like all co-operative organizations, agricultural co-operatives are owned, used and democratically controlled by their members. In 2000, there were 1288 agricultural co-operatives incorporated in Canada, up from 955 in 1986.

This report presents and discusses statistics for agricultural co-operatives in 1986, 1991, 1996 and 2000. The statistics have been gleaned from the Canadian Annual Survey of Co-operatives conducted by the Co-operatives Secretariat.

A review of agricultural co-operatives statistics between 1986 and 2000 reveals an increasing trend in all characteristics studied, except for co-operative membership.

- The number of agricultural co-operatives incorporated has increased from 955 in 1986 to 1,288 in 2000.
- The number of agricultural co-operatives reporting to the survey has increased from 699 in 1986 to 942 in 2000. The survey participation rate in 1986, 1996 and 2000 was approximately 73 per cent; in 1991 there was a lower participation rate (58 per cent), but this year appears to be exceptional.
- In 2000, membership of total reporting agricultural co-operatives totalled 468,000, representing an overall decrease since 1986 (537,000). The majority of membership (58 per cent) is reported by farm supply co-operatives.
- Agricultural co-operatives reported 37,000 employees in 2000, which represents an increase of 23 per cent since 1986. Québec co-operatives Agropur and Coopérative fédérée de Québec reported the largest number of employees.
- In 2000, agricultural co-operatives reported total revenues of $19.6 billion, which represents, in real terms, an increase of 35 per cent since 1986. However, a decreasing share of agricultural co-operativerevenues are derived from value added activities (from 11 per cent in 1986 to 7 per cent in 2000).
- Total assets increased to $6.9 billion in 2000, representing an increase of 13 per cent in real terms since 1996.
- Member investment in agricultural co-operatives (total equity) was $2.3 billion in 2000, which represents an increase of 19 per cent in real terms, since 1996.

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1.0 Introduction

This report provides an update of an earlier report entitled "Profile of Canadian Agricultural Co-operatives", which presented and discussed statistics for agricultural co-operatives from 1986, 1991 and 1996. This report incorporates data for 2000. The information in this report is derived from the Canadian Annual Survey on Co-operatives, a voluntary survey conducted by the Co-operatives Secretariat, as well as provincial sources. The report also incorporates statistics gleaned from Agriculture Canada, Industry Canada and Statistics Canada.

Agricultural co-operatives can be broadly categorized as supply, marketing, production or service, according to the activity in which 50 per cent or more of its total revenue is created. Examples of these categories of agricultural co-operatives are listed in Table 1 below. In this report, production and service co-operatives are often combined into one category because the total revenues are small compared to supply and marketing categories. It also must be noted that Coopérative fédérée de Québec is classified as a marketing co-operativefor all years, although in past publications it was classified as a farm supply co-operativefor 1986 and 1991.

The following section offers a general profile of agricultural co-operatives across Canada. Sections 3, 4 and 5 examine co-operative activities in each category in more detail, such as the number of co-ops, membership, employees, wages, total revenues, members' equity, market share and value-added.

Table 1. Categories of Agricultural Co-operatives

Farm supply	Marketing	Production	Service
Agri supply	Dairy	Grazing	Soil conservation
Feed mill	Grains and oilseeds	Feeder	Seed cleaning
Farm petroleum	Fruits and vegetables	Farming	Farmers' market
	Cattle and hogs	Machinery	
	Poultry and eggs	Animal reproduction	
	Honey and maple		

Source: Co-operatives Secretariat

In recent years, agricultural co-operatives have started to market non-traditional farm commodities, such as organic dairy. Furthermore, they offer new types of services related to agriculture, such as organic certification. There are also a number of newly incorporated co-operatives that focus on production and marketing of new types of fibre products (eg. alpaca, llama, hemp, alfalfa pellets). Future statistical analysis will reveal a developing trend towards new agricultural co-operatives.

2.0 National Statistics

2.1 Agricultural Co-operatives Incorporated and Reporting

The total number of agricultural co-operatives incorporated in Canada has increased between 1986 and 2000 (Table 2). The number of farm supply co-operatives incorporated has decreased, while the number of marketing and production and service co-operatives has increased. The number of co-operatives incorporated includes those that are inactive or to be dissolved and thus tends to overestimate of the number of active co-ops.

The number of agricultural co-operatives reporting to the annual survey has also increased between 1986 and 2000 (Table 3). The proportion of co-operatives participating in the survey has remained constant (approximately 74 per cent), with an exception of only 56 per cent in 1991. A low participation rate, such as in 1991, is typically exceptional and is likely a result of the fact that newly incorporated co-operatives typically don't submit a financial statement (required for reporting to the survey) in the first year of incorporation. The co-operative characteristics described in this report are based on the co-operatives reporting to the survey. One exception is the number of co-operatives incorporated, which is derived from provincial governments.

Table 2. Number of Agricultural Co-operatives Incorporated, 1986-2000

	1986	1991	1996	2000
Farm supply	274	284	273	264
Marketing	214	274	266	290
Production & Service	467	647	700	734
Total	**955**	**1205**	**1239**	**1288**

Table 3. Number of Agricultural Co-operatives Reporting, 1986-2000

	1986	1991	1996	2000
Farm supply	221	207	255	247
Marketing	118	131	168	174
Production & Service	360	360	464	521
Total	**699**	**698**	**887**	**942**

2.2 Memberships

Total membership shows an overall decrease between 1986 and 2000 (Table 4)[1]. Membership in farm supply co-operatives has increased and, in 2000, represented over half (58 per cent) of total membership. Membership in farm supply co-operatives is heavily influenced by

[1] These figures represent active memberships.

membership in petroleum and agri supply co-ops, such as United Farmers of Albert (UFA) and Co-op Implements[2].

In contrast, membership in marketing co-operatives has decreased. In 2000, they represented only 33 per cent of total agricultural co-op membership in 2000. The decrease in membership can be attributed primarily to a decrease in membership and organizational changes within grain and oilseed co-ops. For instance, in 1993, United Grain Growers (UGG) became a publicly traded enterprise. Also, in 1998, Manitoba Pool Elevators and Alberta Pool merged to form Agricore, a co-operative, with a subsequent decline in membership.

Table 4. Membership in Reporting Agricultural Co-operatives (‘000), 1986-2000

	1986	1991	1996	2000
Farm supply	239	257	259	273
Marketing	225	195	165	154
Production & Service	73	66	44	41
Total Membership	**537**	**518**	**467**	**468**

The decreasing trend in membership parallels the diminishing number of farms and farm operators in Canada (Appendix A). However, the number of co-op memberships overestimates the number of farmers that are members for two reasons. First, an individual farmer may be a member of more than one co-op. Second, membership in farm supply co-operatives (specifically petroleum co-operatives outside of Québec) include non-farmer members.

2.3 Employment

Employment has increased by 23 per cent between 1986 and 2000 (Table 5)[3]. In 2000, the four largest marketing co-operatives represented 45 per cent of total employment in agricultural co-operatives. The two largest grain co-ops, Saskatchewan Wheat Pool (SWP) and Agricore, show an increase in employment between 1996 and 1999, followed by decreases in 2000. The other two largest co-operatives, la Coopérative fédérée de Québec and Agropur, show a constant increase in employment.

The western region[4] and Québec represent the largest proportion of agricultural co-operative employment (Table 6). Coopérative fédérée de Québec represents over half of agricultural co-operative employment in Québec.

[2] Co-op Implements was a large federally registered machinery supply co-operativebased in Manitoba that closed in 1991.

[3] In this report, total employment is equal to the sum of full-time and part-time employees.

[4] The western region includes B.C., Alberta, Saskatchewan and Manitoba.

Table 5. Number of People Employed by Reporting Agricultural Co-operatives, 1986-2000

	1986	1991	1996	2000
Farm supply	4,294	5,230	5,486	6,056
Production and Service	627	793	1,037	747
Marketing	25,041	22,963	26,387	30,145
Total Employees	29,962	28,986	32,910	36,948

Table 6. Number of People Employed by Reporting Agricultural Co-operatives by Region, 2000

	West	Ontario	Québec	Atlantic	Canada
Farm supply	2,659	1,289	1,991	111	6,056
Marketing	13,220	1,154	12,834	2,937	30,145
Production & Service	575	18	79	74	747
Total Employees	16,454	2,461	14,904	3,122	36,948

2.4 Total Revenues

In 2000, total revenues were reported to be $19.6 billion (Table 7)[5] . Total revenues have increased by 35 per cent in real terms between 1986 and 2000, but show a slight decrease between 1996 and 2000 (Figure 1). Marketing co-operatives continue to account for the majority (80%) of agricultural co-op revenues, particularly dairy and grains and oilseeds. Farm supply co-operatives reported the largest increase in revenues between 1996 and 2000, from $2.8 billion to $3.3 billion (10 per cent increase in real terms).

Table 7. Total Revenues of Reporting Agricultural Co-operatives ($M), 1986-2000

	1986	1991	1996	2000
Farm supply	1,658	1,950	2,813	3,306
Marketing	8,209	8,928	15,493	15,750
Production & Service	89	263	455	507
Total	**9,955**	**11,141**	**18,761**	**19,562**

[5] Total revenues of agri-food co-operatives include the value of livestock handled by feeder co-ops.

Figure 1. Total Revenues of Reporting Agricultural Co-operatives (1992 $M), 1986-2000

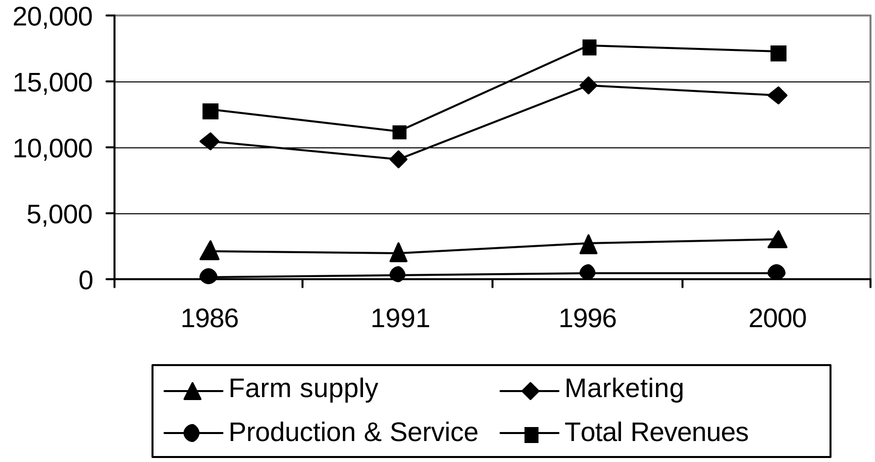


Table 8 describes the ranking of agricultural co-operatives according to the Co-operatives Secretariat's yearly publication "Top 50 Canadian Co-operatives" in 1996 and 2000 and in the Financial Post "Canada's 500 Largest Corporations" (FP500) in 2000. Agrifoods International Cooperative Ltd., one of the largest dairy co-ops, did not participate in the "Top 50 Canadian Co-operatives" in 2000, although it ranked sixth in the Top 50 list in 1999.

Table 8. Top 10 Canadian Agricultural Co-operatives in 2000

1996*	2000*	FP500 2000	Co-operative	Industry
1	1	73	Saskatchewan Wheat Pool	Grain
3	3	76	Agricore	Grain
4	4	125	Coopérative fédérée de Québec	Livestock
8	5	160	Agropur	Dairy
5	6	234	XCAN Grain Pool Ltd.	Grain
10	7	273	United Farmers of Alberta	Farm supply
12	10	375	Lilydale Co-op Ltd.	Poultry
13	11	477	Western Co-op Fertilizers Ltd.	Farm supply
17	12	550	Gay Lea Foods Co-op Ltd.	Dairy
24	13	562	Nutrinor	Dairy

* Ranking in the "*Top 50 Canadian Co-operatives*", Co-operatives Secretariat

2.5 Assets, Liabilities and Equity

In 2000, total assets were reported to be $6.9 billion (Table 9). Assets, liabilities and equity show an overall increase between 1986 and 2000. Assets increased by 23 per cent in real terms, while liabilities and equity increased by 29 and 28 per cent, respectively, in real terms (Figure 2).

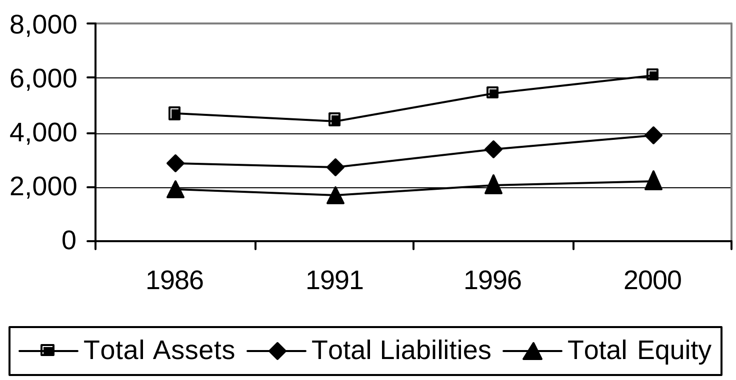
The increase in total assets and liabilities, particularly between 1991 and 1996, can be partially attributed to significant capital investments by grains and oilseeds marketing co-ops, financed through debt in the grain handling system, such as grain elevators. Between 1986 and 2000, production and service co-operatives have experienced the highest growth in assets and liabilities (more than 100 per cent in real terms).

Total equity includes share capital, reserves and undistributed surplus. Share capital represents approximately half of total equity between 1986 and 2000. Total reserves showed an increase in the percentage of total equity between 1986 (32 per cent) and 1996 (41 per cent), but represent a declining proportion of total equity in 2000 (35 per cent). Total surplus maintained a 16 per cent share of total equity in 1996 and 2000.

Table 9. Total Assets, Liabilities and Equity of Reporting Agricultural Co-operatives ($M), 1986-2000

	1986	1991	1996	2000
Total Assets	3,648	4,321	5,701	6,921
Total Liabilities	2,178	2,654	3,553	4,431
Total Equity	1,470	1,668	2,149	2,490

Figure 2. Total Assets, Liabilities and Equity of Reporting Agricultural Co-ops (1992 $M), 1986-2000



2.6 Value-Added Activities by Agricultural Co-operatives

Co-operatives add value by collecting, processing and redistributing farm products and supplies. For instance, marketing co-operatives add value by processing and marketing farm commodities, such as dairy, meat, grains, poultry and eggs. Value-added activities are a means to increase co-operative revenues and may increase farmers' incomes through increased patronage dividends.

Income from value-added activities represents earnings from land, labour, capital and management. The components involved in calculating value-added include net income (before tax), interest paid on capital, wages and depreciation. Gross Value Added (GVA) is equal to the sum of these four categories[6]. Net Value Added (NVA) is equal to the sum of net income, interest paid on capital and wages less depreciation (GVA less depreciation).

Overall, NVA of agricultural co-operatives increased from $971 million in 1986 to $1.1 billion in 2000 (Table 10). Between 1996 and 2000, the decrease in NVA is due, in part, to processing and employment changes within the dairy and grain and oilseed co-ops. NVA per dollar of revenues has also decreased between 1996 and 2000 primarily due to low net income reported by marketing co-ops. Marketing co-operatives reported a drop in net income from $225 million in 1996 to -$27 million in 2000 as a result of large losses in the grain and oilseeds and dairy sectors (Appendix 2i).

Table 10. Net Value Added of Agricultural Co-operatives ($M), 1986-2000

	1986	1991	1996	2000
Farm supply	178	196	288	304
Marketing	784	813	1,091	817
Production & Service	9	24	24	18
Total	**971**	**1,033**	**1,403**	**1,139**

Table 11. Net Value Added per dollar of Revenues ($M), 1986- 2000

	1986	1991	1996	2000
Farm supply	0.11	0.11	0.11	0.11
Marketing	0.10	0.11	0.08	0.07
Production & Service	0.10	0.10	0.06	0.04
Total	**0.10**	**0.11**	**0.09**	**0.07**

[6] The sum of interest on debt, wages and depreciation is equal to total other expenses. Since net income is equal to total revenue less the cost of sale and total other expenses, GVA can also be expressed as the total revenue less cost of sale.

3.0 Farm Supply

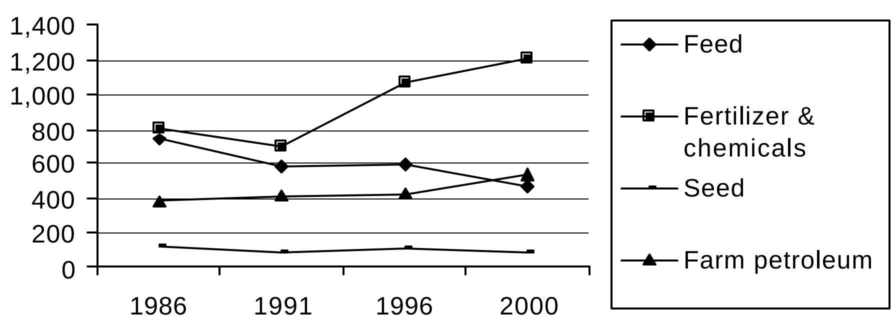
Co-operatives that sell farm supplies allow farmers to access high quality farm inputs and may entitle farmers to a patronage dividend. In 2000, all reporting co-operatives at the wholesale and retail level reported $3.6 billion in total farm supply revenues (Table 12). These figures are larger than the total revenues by reporting farm supply co-operatives (Table 7) as other co-operatives may also report farm supply revenues. Total farm supply revenues show a constant increase between 1986 and 2000 (16 per cent in real terms) (Figure 3). Fertilizer, chemicals and farm petroleum revenues show the largest increase between 1996 and 2000.[7] The four co-operatives reporting the largest farm supply revenues represent 59% of total farm supply revenues.

In 2000, 247 co-operatives specializing in farm supply sales reported to the survey. Farm supply co-operatives derive a majority (90%) of revenues from farm supply sales, but also generate grain and oilseed and livestock revenues. Farm supply co-operatives report 53% of total agricultural co-operative farm supply revenues. Marketing co-operatives account for the remaining 47% of farm supply revenues, specifically grain and oilseed co-operatives (29%) (eg. Saskatchewan Wheat Pool) and livestock co-operatives (12%) (eg. Coopérative fédérée).

Table 12. Farm Supply Revenues of Reporting Co-operatives ($M), 1986-2000

	1986	1991	1996	2000
Feed	920	866	1,021	914
Fertilizer & chemicals	816	1,036	1,603	1,959
Seed	127	114	137	123
Farm petroleum	298	406	448	606
Total	**2,162**	**2,422**	**3,208**	**3,601**

Figure 3. Farm Supply Revenues of Reporting Co-operatives (1992 $M), 1986-2000



[7] Co-operative revenues from farm petroleum were estimated based on a survey of industry players in August 2002.

The majority of farm supply co-operatives (133) are situated in Western Canada. Others include: 23 in Ontario, 78 in Québec and 13 in the Atlantic provinces. Between 1996 and 2000, farm supply revenues in the West increased by 16 per cent (real terms), while all other regions showed a decrease of at least 10 per cent (real terms) (Table 13).

Table 13. Farm Supply Revenues of Reporting Co-operatives by Region ($M), 1986-2000

	1986	1991	1996	2000
West	1,040	1,165	1,988	2,476
Ontario	467	564	358	326
Québec	562	601	748	701
Atlantic	93	92	113	98
Total	**2,162**	**2,422**	**3,208**	**3,601**

Co-operatives market share for farm petroleum, fertilizer and chemicals has risen between 1986 and 2000, primarily due to expanded operations in Western Canada (Table 14). During this time, co-op market share for feed has fallen consistently due to slower growth in co-op sales relative to the industry.[8] Co-operatives market share in seed sales have also declined as a result of decreased sales in the west and overall stagnant sales.

Table 14. Market Share of Farm Supply Co-operatives by Category of Revenue (%), 1986-2000

	1986	1991	1996	2000
Feed	26	25	17	15
Fertilizer & chemicals	31	36	35	40
Seed	23	17	17	11
Farm petroleum	22	29	27	31

[8] Market share is calculated by dividing retail co-op revenues (Appendix 2) by farm expense summaries (Appendix 3).

4.0 Marketing Revenues

4.1 Introduction

In 2000, the total marketing revenues of co-operatives was reported to be $13.4 billion (Table 15)[9]. Revenues from grain and oilseeds and dairy together account for approximately 70 per cent of the total co-op marketing sales. In 2000, marketing co-operatives represented approximately 80 per cent of total revenues and employment of all agricultural co-operatives.

Table 15. Breakdown of Marketing Revenues of Reporting Agricultural Co-operatives, 2000

	Marketing Sales ($M)	% Co-op Marketing Sales
Grains and Oilseeds	5,474	41
Dairy	4,342	32
Livestock	1,956	15
Poultry and Eggs	1,253	9
Fruit and Vegetables	222	2
Other Marketing	92	1
Honey and Maple	74	1
Total Marketing Sales	**13,412**	**100**

Market share for marketing sales by co-operatives is calculated at the farm gate (Table 16). Market share for grains and oilseeds sales by co-operatives is calculated by dividing the volume of grains and oilseeds handled by cooperatives by the total volume handled[10]. All other market shares are based on farm cash receipts[11].

Table 16. Market Share of Reporting Cooperatives (%), 1986-2000

	1986	1991	1996	2000
Grains and Oilseeds	70	74	65	47
Dairy	61	59	59	59
Livestock	8	14	20	11
Poultry and Eggs	33	39	39	49
Fruit and Vegetables	15	13	10	6
Honey and Maple	20	21	15	27

[9] Coopérative fédérée de Québec is classified as a marketing co-operative for all years, although in past publications it was classified as a supply co-operative until 1991.

[10] Source: Producer Marketings - Western Canadian Grains, The Canadian Wheat Board 2000-01 Statistical Tables

[11] Source: Statistics Canada Cat. No. 21-001-XIB

4.2 Grain and Oilseed Revenues

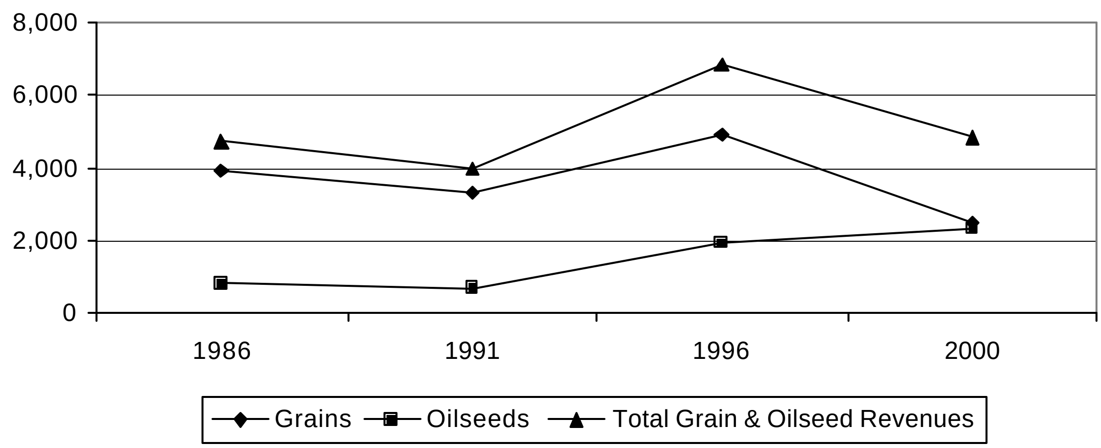
In 2000, total grain and oilseed revenues by co-operatives were reported to be $5.5 billion (Table 17), which represents a decrease of 30 per cent in real terms since 1996 (Figure 4). Total grain and oilseed revenues declined despite the fact that the number of agricultural co-operatives reporting grains and oilseeds revenues increases in the same time period (Table 17). In 2000, the four co-operatives reporting the largest grain and oilseed revenues account for nearly all (99%) of total grain and oilseed revenues by co-operatives.

In 2000, grain and oilseed co-operatives reported a large majority (95%) of total co-op grain and oilseed revenues. In 2000, 10 reporting grain and oilseed co-operatives reported 120,000 members, 8,000 employees, $3 billion in assets and $950 million in equity. Grain and oilseed co-operatives derived a majority (71%) of revenues from grain and oilseed sales and 24% of revenues from farm supply sales.

Table 17. Grains and Oilseed Revenues by Reporting Co-operatives ($M), 1986-2000

	1986	1991	1996	2000
Number of Co-ops	53	34	49	59
Grain Revenues ($M)	3,041	3,261	5,169	2,848
Oilseed Revenues ($M)	619	659	2,052	2,626
Total Revenues	**3,660**	**3,920**	**7,221**	**5,474**

Figure 4. Grain and Oilseed Revenues by Reporting Co-operatives (1992, $M), 1986-2000



Total co-operative grains and oilseed sales are dominated by three wheat pools in the western region (Saskatchewan Wheat Pool (SWP), Agricore and XCAN Grain Pool Ltd.) (Table 18). The fluctuations in agricultural co-operative sales of grains and oilseeds between 1986 and 2000, can be attributed to structural changes within the industry. A number of co-operatives restructured during this time as a result of the lack of access to capital, as well as the elimination of the Western Grain Transportation Act subsidy in 1995. For instance, United Grain Growers (UGG) became a publicly traded enterprise in 1993. In 1996, SWP became the first publicly traded agricultural co-operative (farmer members vote democratically, restricted voting rights on publicly traded shares). In 1998, Manitoba Pool Elevators and Alberta Pool merged to form Agricore, a farmer owned co-op. In 2000 UGG and Agricore merged to form Agricore United, a publicly traded enterprise. This latest development is not reflected in these statistics.

Table 18. Grain and Oilseed Revenues by Reporting Co-operatives by Region ($M), 1986-2000

	1986	1991	1996	2000
West	3,530	3,812	6,939	5,213
Ontario	130	90	222	205
Québec	0	18	60	55
Atlantic	0	0	0	1
Canada	3,660	3,920	7,221	5,473

4.3 Dairy Revenues

In 2000, 25 co-operatives reported total dairy revenues of $4.3 billion, representing an increase of 23 per cent (real terms) since 1996 (Table 19). The dairy revenue share of the four co-operatives with the largest dairy sales has increased from 78% in 1996 to 83% in 2000. More agricultural co-operatives have started to process and market non-traditional dairy products, such as sheep milk and organic cow milk.

Dairy co-operatives account for nearly all (99%) of the dairy revenues of reporting co-ops. In 2000, dairy co-operatives reported a total membership of 14,318 and 9,022 employees. Dairy co-operatives represented $1.18 billion in total assets and $449 million in equity. Dairy co-operatives reported $4.6 billion in total revenues, nearly all (93%) of which was derived from dairy sales. Each of the top 10 dairy co-operatives in Canada, listed in Table 20, are ranked among the top 50 co-operatives in Canada.

Table 19. Dairy Revenues of Reporting Co-operatives ($M), 1986-2000

	1986	1991	1996	2000
Number of Co-ops	27	22	23	25
Total Dairy Revenues ($M)	2,739	2,831	3,294	4,342

Figure 5. Dairy Revenues of Reporting Co-operatives (1992, $M), 1986-2000

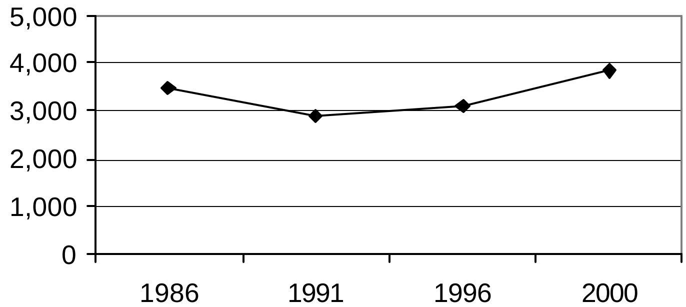


Table 20. Top 10 Reporting Dairy Co-operatives by Province

1	Agropur	Qué.
2	Agrifoods International Cooperative Ltd.*	B.C.
3	Gay Lea Foods Co-op Ltd.	ON
4	Nutrinor	Qué.
5	Scotsburn Co-op Services Ltd.	N.S.
6	Farmers' Co-op Dairy Ltd.	N.S.
7	Agrinove	Qué.
8	Purdel	Qué.
9	Island Farms Dairies Co-op Assn.	B.C.
10	Northumberland Co-op Ltd.	N.B.

*according to ranking in 1999 Top 50 Co-operatives in Canada

Co-operative dairy revenues by region are described below (Table 21). Québec dairy co-operatives reported the majority of total co-operative dairy sales since 1986, although the percentage of sales has dropped from 57 per cent in 1986 to 44 per cent in 2000. Dairy sales in the west, dominated by Agri-foods Int. and Island Farms Dairies Co-op Assn., represented 40 per cent of total co-operative dairy revenues in 2000.

Table 21. Dairy Revenues by Reporting Co-operatives by Region ($M), 1986-2000

	1986	1991	1996	2000
West	817	993	1,203	1,708
Ontario	145	157	225	259
Québec	1,560	1,385	1,430	1,914
Atlantic	218	296	436	461
Canada	2,739	2,831	3,294	4,342

There have been numerous organizational changes within the dairy sector. For instance, in 1990, Groupe Lactel was created by the consolidation of the industrial milk processing activities of five regional co-ops, but was bought by Agropur in 2000. In 1992, Agrifoods International Cooperative Ltd. was formed by the merger of dairy co-operatives in Alberta and B.C. In 1996, Agrifoods merged with Dairy Producers Co-operative in Saskatchewan. In 1997, Agrifoods and Agropur developed Ultima Foods Inc. to produce and market products under the Yoplait brand. Also in 1997, Agropur became the sole owner of Natrel, a fluid milk processor with operations in Québec, Ontario and B.C. In 2001, Agrifoods sold its assets to Saputo (these changes are not reflected in the above statistics).

4.4 Cattle and Hog Revenues

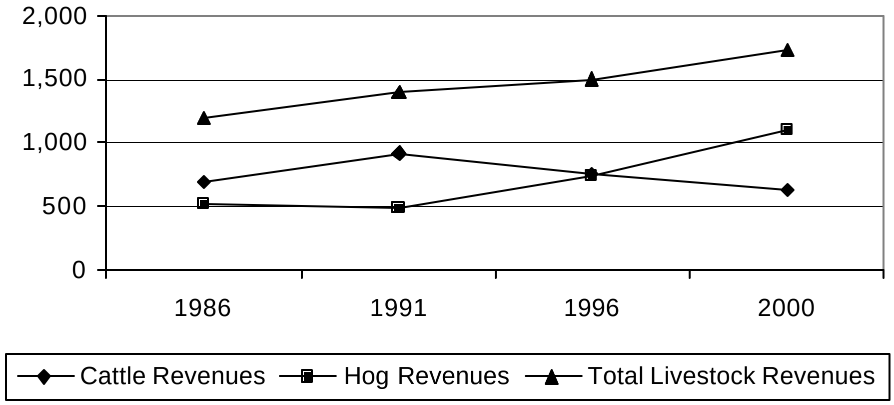
Total livestock revenues by co-operatives have increased from $1,597 million in 1996 to nearly $2 billion in 2000, representing an overall real increase of 14 per cent (Table 22). Co-op hog revenues increased from $788 million in 1996 to $1.25 billion in 2000 (an increase of 48 per cent in real terms), while co-op cattle revenues have fluctuated between $809 million in 1996 and $709 million in 2000 (a decrease of 18 per cent in real terms). The share of total livestock revenues by the four co-operatives reporting the largest livestock revenues has increased slightly from 52% in 1996 to 60% in 2000.

Livestock co-operatives account for 63% of the total reported co-operative livestock revenues, while grain and oilseed and supply co-operatives represent 10% and 5% of sales, respectively. In 2000, livestock co-operatives employed 18,600 people, held $645 million in assets and $183 million in total equity. Livestock co-operatives reported $2.4 billion in total revenues, a majority (63%) of which was derived from livestock sales and a smaller proportion of revenues in poultry and egg sales (35%) and supply sales (12%).

Table 22. Cattle and Hog Revenues by Reporting Co-operatives ($M), 1986-2000

	1986	1991	1996	2000
Number of Co-ops	54	36	43	47
Cattle Revenues	537	905	809	709
Hog Revenues	401	484	788	1,246
Total Livestock Revenues	**938**	**1,389**	**1,597**	**1,955**

Figure 6. Cattle and Hog Revenues by Reporting Co-operatives (1992, $M), 1986-2000



The Western region and Québec both represent approximately 49 per cent of co-operative livestock revenues (Table 23). Olymel, a subsidiary of Coopérative Fédérée de Québec, processes and markets a large proportion of pork sold in Québec, as well as across other parts of Canada.

Table 23. Cattle and Hog Revenues of Reporting Co-operatives by Region ($M), 1986-2000

	1986	1991	1996	2000
West	533	769	751	979
Ontario	37	139	37	39
Québec	313	470	803	935
Atlantic	55	11	5	2
Canada	938	1,389	1,596	1,955

4.5 Poultry and Egg Revenues

Total poultry and egg revenues by co-operatives have increased from $1,025 million in 1996 to $1,253 million in 2000 (Table 24), which represents an increase of 14 per cent (in real terms) (Figure 7). These revenues are nearly all attributable to poultry sales (96 to 98%). Co-op poultry and egg revenues are dominated by four co-operatives that account for 94% of total co-op poultry and egg revenues. Co-operative poultry and egg sales are reported by poultry and egg co-operatives (64%) and livestock co-operatives (35%).

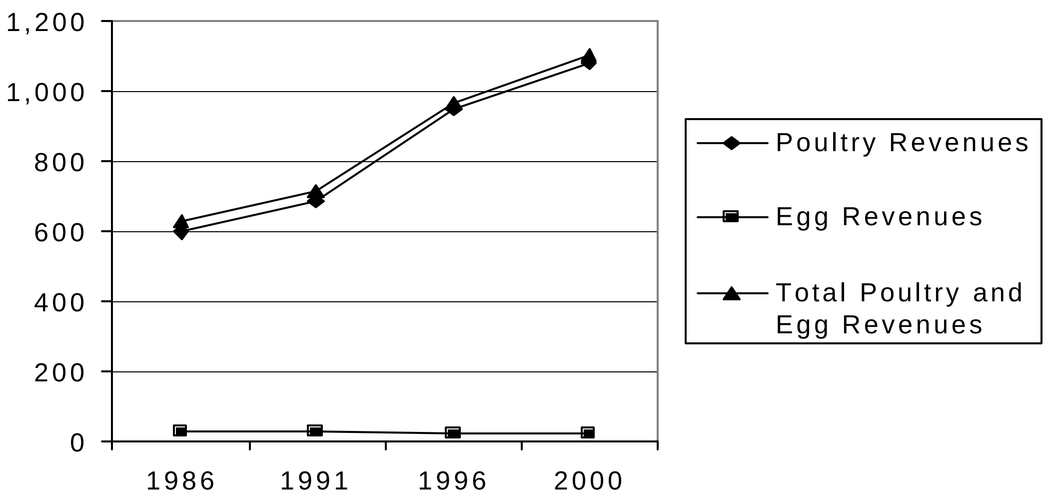
In 2000, eight co-operatives were classified as poultry and egg co-ops. They represented 1,205 members, 5,502 employees, $263 million in total assets and $74 million in total equity. Poultry and egg co-operatives reported total revenues of $824 million, the majority (97%) of which is derived from poultry and egg sales.

The largest poultry and egg co-operatives include Lilydale in Alberta and British Columbia, Granny's Poultry in Manitoba and ACA Co-op Association in the Atlantic region. Flamingo Foods, a subsidiary of Coopérative Fédérée de Québec, markets a large proportion of poultry sold in Québec.

Table 24. Poultry and Egg Revenues by Reporting Co-operatives ($M), 1986-2000

	1986	1991	1996	2000
Number of Co-ops	16	10	12	18
Poultry Revenues	467	674	1,002	1,227
Egg Revenues	21	28	23	26
Total Poultry and Egg Revenues	**488**	**702**	**1,025**	**1,253**

Figure 7. Poultry and Egg Revenues by Reporting Co-operatives (1992, $M), 1986 - 2000



Since 1986, Québec has reported the majority of co-operative poultry and egg revenues, although the Western region shows an increased share in 2000 (43 per cent of total revenues) (Table 25).

Table 25. Poultry and Egg Revenues by Reporting Co-operatives by Region ($M), 1986-2000

	1986	1991	1996	2000
West	192	230	363	544
Ontario	2	1	0	0
Québec	257	421	611	638
Atlantic	38	49	50	71
Canada	488	701	1,025	1,253

4.6 Fruit and Vegetable Revenues

Fruit and vegetable sales by co-operatives include fresh and processed products. For instance, several co-operatives in Ontario package frozen vegetables and a number of co-operatives in Québec and in the Atlantic region process fruit (strawberries, blueberries, apples) and vegetables (potatoes, tomatoes, carrots, onions).

Total co-op sales of fruits and vegetables has decreased consistently from $294 million in 1996 to $222 million in 2000 (a 30 per cent decrease in real terms) (Table 26). The reported co-operative fruit and vegetable revenues both decreased between 1996 and 2000. Between 1996 and 2000, there was a 34 per cent real decrease in vegetable revenues (from $115 million in 1996 to $80.6 million in 2000) and a 26 per cent real decrease in fruit revenues (from $179 million in 1996 to $141.8 million in 2000). The share of total fruit and vegetable revenues by the four co-operatives reporting the largest fruit and vegetable revenues has increased from 76% in 1986 to 80% in 2000. Fruit and vegetable co-operatives represent the majority (91%) of total fruit and vegetable revenues by all co-operatives.

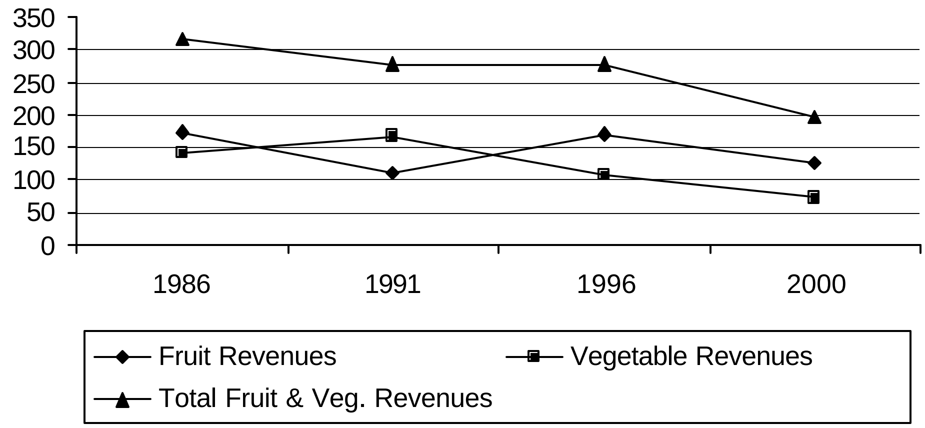
The total number of co-operatives reporting fruit and vegetable sales has fluctuated between 1991 and 2000 (Table 26). The increase between 1991 and 1996 is primarily due to a change in the way that Québec reported the number of co-operatives and an increase in the number of previously incorporated co-operatives reporting to the survey. There were also a number of new incorporations, such as the New Brunswick Organic Marketing Co-op Ltd., and an increase in the number of farm co-operatives reporting fruit and vegetable sales. Despite the increase, two co-operatives with large vegetable sales (Fraser Valley Mushroom Growers, B.C. Coast Vegetable Association) closed down. The decrease between 1996 to 2000 is due to closures in every province. The B.C. Blueberry Co-op Assn.(B.C.) and Sun Parlour Greenhouse Growers Co-op Ltd. (ON) were two of the largest co-operatives that closed down during this time period.

In 2000, 50 fruit and vegetable co-operatives reported to the survey. These co-operatives represented 4,842 employees, $119 million in total assets and $33 million in total equity. Fruit and vegetable co-operatives reported $241 million in total revenues, a majority (80%) of which was fruit and vegetable sales and a lesser proportion (15%) was farm supply sales.

Table 26. Fruit & Vegetable Revenues of Reporting Co-operatives ($M), 1986-2000

	1986	1991	1996	2000
Number of Co-ops	43	43	67	57
Fruit Revenues	136	109	179	142
Vegetable Revenues	111	164	115	81
Total Fruit & Veg. Revenues	**247**	**273**	**294**	**222**

Figure 8. Fruit and Vegetable Revenues of Reporting Co-operatives (1992 $M), 1986-2000



The Western region represented a majority (50%) of fruit and vegetable revenues in 2000, although the proportion of co-operative revenues in the West has dropped by 61 per cent in real terms (from $252 million in 1986 to $99 million in 2000) (Table 27). The decrease in revenues in the West is due, in part, to the closure of Western Greenhouse Growers' Co-op Assn. in 2000 and to the demutualization of the Fraser Valley Mushroom Growers Co-op Association, operating under the name Money's Mushrooms, in 1994.

Table 27. Fruit and Vegetable Revenues by Reporting Co-operatives by Region ($M), 1986-2000

	1986	1991	1996	2000
West	197	187	190	112
Ontario	22	42	56	57
Québec	19	35	23	30
Atlantic	10	9	25	24
Canada	247	273	294	223

4.7 Honey and Maple Revenues

Total honey and maple revenues by co-operatives increased from $34 million in 1996 to $73 million in 2000 (100 per cent increase in real terms) (Table 28). In 2000, maple revenues represented the majority (65 per cent, $48.1 million) of total revenues. Honey and maple co-operatives account for all reported co-operative honey and maple revenues. Honey and maple co-operatives derive nearly all (95 per cent) revenues from honey and maple sales.

In 2000, six honey and maple product co-operatives represented $62 million in total assets and $15 million in equity. Alberta Honey Producers Cooperative Ltd. and Manitoba Cooperative Honey Producers marketed the majority of honey through a jointly owned company, BeeMaid Honey Ltd. Les producteurs de sucre d'érable du Québec is the largest maple syrup co-operative in Québec and accounts for the majority of the increase in honey and maple revenues between 1996 and 2000 (Table 29).

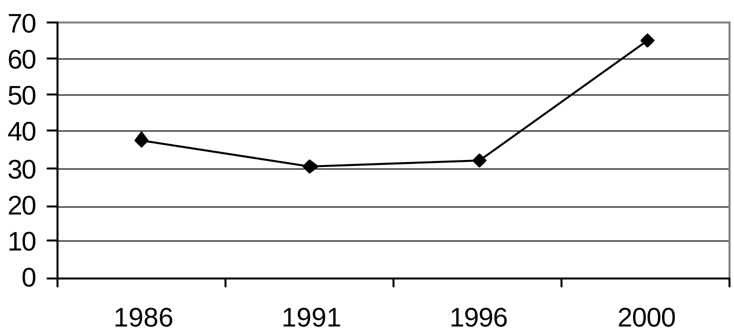
Table 28. Honey and Maple Revenues by Reporting Co-operatives ($M), 1986-2000

	1986	1991	1996	2000
Number of Co-ops	5	5	8	9
Total Sales	30	30	34	73

Table 29. Honey and Maple Revenues by Reporting Co-operatives by Region ($M), 1986-2000

	1986	1991	1996	2000
West	14	14	17	25
Ontario	0	0	0	0
Québec	16	16	17	48
Atlantic	0	0	1	0
Canada	30	30	34	74

Figure 9. Honey and Maple Revenues by Reporting Co-operatives (1992 $M), 1986-2000



5.0 Production and Service Revenues

Production and service co-operatives represent a large proportion of the number and membership of agri-food co-operatives reporting. The majority of production and service co-operatives reporting are based in the Western region (Table 30).

Table 30. Number of Production and Service Co-operatives Reporting by Region, 1986-2000

	1986	1991	1996	2000
West	327	338	433	438
Ontario	2	1	6	13
Québec	2	1	4	49
Atlantic	29	20	21	21
Canada	360	360	464	521

5.1 Production Revenues

In 2000, 370 production co-operatives reported to the survey, representing 12,945 members, 411 employees and total revenues of $472 million. Feeder co-operatives represent only 40 per cent of the total number of production co-ops, but 90 per cent of the total revenues and 64 per cent of total membership. Grazing co-operatives represent 40 per cent of the total production co-operatives reporting, but only one per cent of total revenues. Machinery co-operatives are located primarily in Québec and account for 10 per cent of total membership of reporting production co-ops. Animal reproduction co-operatives offer natural and artificial insemination services, primarily for dairy cattle. The Coopérative des inséminateurs du Québec represents the majority of revenues by animal reproduction co-ops.

Table 31. Summary of Data of Production Co-operatives, 2000

	Feeder	Grazing	Machinery	Animal Reproduction	Farm
Number of Co-ops	144	151	50	12	20
Membership	8,323	2,230	1,345	833	214
Employees	210	61	31	66	43
Total Revenues ($M)	426	6	6	27	8
Assets ($M)	243	13	9	7	17
Members' Equity ($M)	3	10	3	3	9

5.2 Service Revenues

In 2000, 144 service co-operatives reported to the survey, representing 26,295 members, 323 employees and $35 million in total revenues. The majority (60 per cent) of service co-operatives are seed cleaning co-ops. Seed cleaning co-operatives represent approximately 90 per cent of membership, total revenues, total assets and members' equity of total service co-operatives reporting to the survey (Table 32).

Table 32. Summary of Data of Service Co-operatives, 2000

	Soil Conservation	Farmers' Market	Seed Cleaning
Number of Co-ops	6	52	86
Membership	73	3,079	23,143
Employees	3	55	265
Total Revenues ($M)	0.2	9	26
Members' Equity ($M)	0.1	1	36

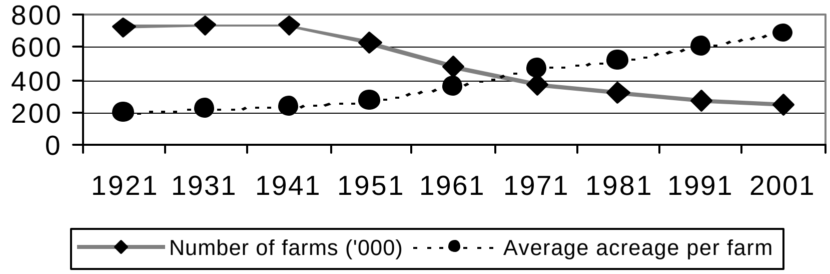
6.0 Conclusions

For the period 1986 to 2000, there is an increasing trend in the number of agricultural co-operatives, employment, assets and equity. Total membership has remained relatively stable since 1996. In 2000, agricultural co-operatives reported total revenues of $19.6 billion, which represents a slight decrease from 1996 levels but an increase of 35 per cent (real terms) since 1986. Total member investment in agri-food co-operatives (total equity) was $2.3 billion in 2000, which represents an increase of 17 per cent (real terms) since 1986. When discussing agri-food co-operatives statistics, one must keep in mind that the statistics are heavily impacted by a small number of large co-ops. The four largest marketing co-operatives (Coopérative fédérée de Québec, Saskatchewan Wheat Pool, Agropur and Agricore) account for 45 per cent of the employment by agri-food co-operatives and 50 per cent of the total revenues for all agricultural co-ops.

In several sectors agricultural co-operatives have experienced increased revenues and market share (eg. fertilizer and chemicals, petroleum, poultry and eggs, and honey and maple products). Co-operative grains and oilseed revenues were reported to be $5.5 billion in 2000, an increase of 2 per cent (real terms) since 1986, although market share has decreased from 74 per cent in 1991 to 47 per cent in 2000. Co-operative dairy revenues were reported to be $4.3 billion in 2000, an increase of 9 per cent (real terms) since 1986. Also, co-operative livestock revenues increased to $2 billion in 2000 (a real increase of 43 per cent since 1986) due to increased hog sales. Nevertheless, co-ops' market share of livestock revenues has fluctuated from a low of 8 per cent in 1986 to a high of 20 per cent in 1996.

Although total agricultural co-operative revenues have increased since 2000, some of larger agricultural co-operatives have demutualized or sold productive assets to address what appears to be a combination of negative profitability and high debt levels. Some of the changes within the grains and oilseeds sector are highlighted in this survey, but further changes within the grain and oilseeds and dairy sectors emerged in 2001 and 2002 however these figures are not reflected in this profile.

Appendix 1. Number of Farms ('000) and Average Acreage of Farms in Canada: 1921-2001



Source: Statistics Canada

Appendix 2. Value Added Components of Agricultural Co-operatives by Sector (1986-2000)

i) Net Income by Reporting Co-operatives by Sector (current value, $M)

	1986	**1991**	**1996**	**2000**
Supply	57.6	26.0	123.8	114.7
Marketing	110.3	109.1	224.8	-26.6
Production & Service	1.5	1.8	1.4	3.1
Total	**169.4**	**136.9**	**350.0**	**91.3**

ii) Interest on Debt by Reporting Co-operatives by Sector (current value, $M)

	1986	**1991**	**1996**	**2000**
Supply	9.5	14.8	12.5	15.4
Marketing	46.3	51.0	56.9	85.3
Production & Service	0.6	0.3	1.4	0.5
Total	**56.4**	**66.2**	**70.7**	**101.2**

iii) Wages and Salaries by Reporting Co-operatives by Sector (current value, $M)

	1986	**1991**	**1996**	**2000**
Supply	110.6	155.5	152.1	173.6
Marketing	627.6	652.9	809.2	758.2
Production & Service	7.2	21.4	21.2	14.4
Total	**745.4**	**829.8**	**982.5**	**946.1**

iv) Depreciation and amortization by Reporting Co-operatives by Sector (current value, $M)

	1986	**1991**	**1996**	**2000**
Supply	16.4	23.6	28.2	43.9
Marketing	117.5	128.5	167.7	254.5
Production & Service	1.9	1.6	2.8	3.6
Total	**135.8**	**153.7**	**198.7**	**301.9**

Appendix 3. Farm Expense Summaries ($M), 1986-2000

	1986	1991	1996	2000
Feed	2,204	2,270	3,652	3,664
Fertilizer & chemicals	2,010	1,894	3,231	3,437
Seed	430	519	720	920
Farm petroleum	1,336	1,414	1,652	1,940
Total	5,980	6,097	9,254	9961

Source: Statistics Canada - Catalogue No. 21-603-UPE

Appendix 4. Supply Sales of Reporting Retail Co-operatives by Category and by Region

i) Feed Revenue of Reporting Co-operatives by Region ($M)

	1986	1991	1996	2000
West	156	159	167	168
Ontario	116	117	127	88
Québec	266	264	301	253
Atlantic	36	37	38	30
Total	574	577	633	539

ii) Fertilizer and Chemical Revenue of Reporting Co-operatives by Region ($M)

	1986	1991	1996	2000
West	481	512	926	1,162
Ontario	112	116	144	128
Québec	28	55	54	78
Atlantic	5	6	6	6
Total	626	689	1,130	1,375

iii) Seed Revenue of Reporting Co-operatives by Region ($M)

	1986	1991	1996	2000
West	73	66	91	66
Ontario	15	11	17	27
Québec	8	11	11	9
Atlantic	3	2	3	2
Total	98	90	122	103

iv) Farm petroleum Revenue of Reporting Co-operatives by Region ($M)

	1986	1991	1996	2000
West	173	223	357	499
Ontario	120	163	70	83
Québec	5	13	15	20
Atlantic	1	8	6	4
Total	298	406	448	606