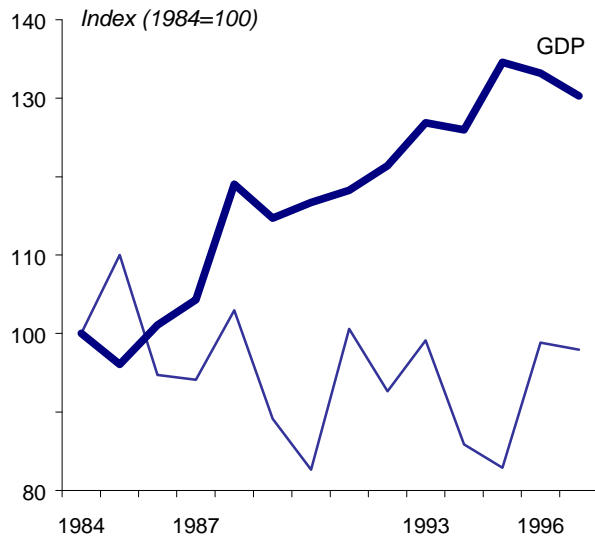


Business Indicators ♦ February 1999

BC's Agriculture Industry—From Dairy Farming to Ginseng

Productivity gains in the agriculture industry have boosted GDP growth even though the number of jobs in the industry has not increased



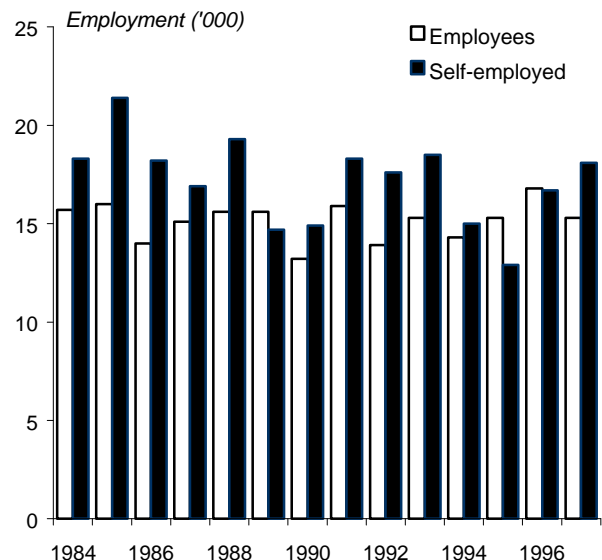
Farming activities contributed \$851 million (1992 dollars) to the province's gross domestic product, accounting for 1.0% of British Columbia's total GDP in 1997. A labour intensive industry, agriculture employs almost twice that share (1.8%, or 33,300 people) of the BC workforce. Despite a reliance on labour inputs, farming operations have made productivity gains during the last decade-and-a-half, and the industry's GDP has expanded by almost a third during a period when there has been little or no employment growth in the sector.

About three percent of British Columbia's 95 million hectares of land and freshwater area is considered arable or potentially arable. Farm holdings in the province (21,835 farms according to the 1996 Census) cover 2.5 million hec-

tares, of which 566,000 are in crops and 1.41 million are for pasture or grazing. In addition, an estimated 10 million hectares (8.5 million of which are Crown Land) are classified as open or forested grazing land used by the ranching industry. The Agricultural Land Reserve (ALR) has set aside slightly more than 4.7 million hectares of land to be maintained for agricultural and related purposes.

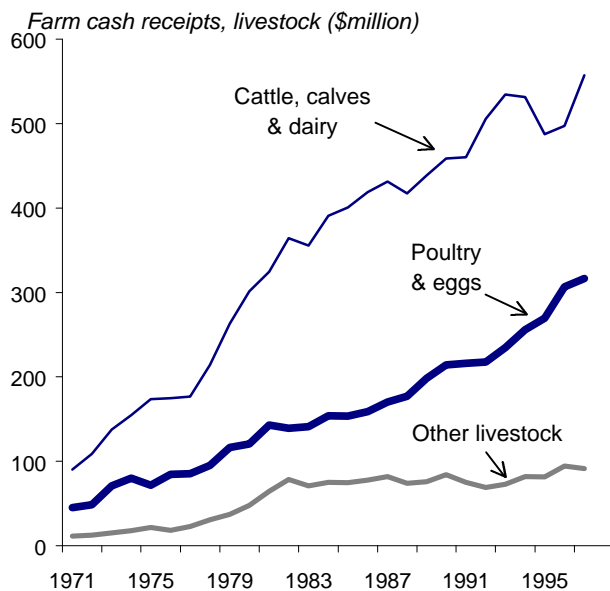
Agriculture is a relatively small industry in British Columbia, with just under two percent of the province's workforce employed at farms, greenhouses, nurseries and other horticultural operations, as well as in veterinary offices, hatcheries, grooming, and other agriculture-related services during 1997. More than half (54%) of these workers were self-employed, and most of them worked without any paid help.

One in two farm workers in BC is self-employed



Census data indicate that the average farm in the province had an area of 116 hectares in 1996. However, farm size varies greatly depending on the type of activity, from thousands of hectares in grain farming or ranching operations to less than five hectares in mushroom, greenhouse and poultry businesses, where most of the investment is in structures rather than land.

Sales of livestock account for more than half of all farm cash receipts in British Columbia



Livestock production dominates...

More than half (55%) of the cash receipts of British Columbia farmers come from sales of livestock (cattle, hogs, poultry, eggs, dairy products, honey, fur and other livestock products), which reached just under \$1 billion (\$964.5 million) in 1997. Livestock production is dominated by the cattle and dairy industry, which had total receipts of \$557.2 million. Cattle ranching is carried out primarily on range lands of the southern and central Interior, the Peace River district, and the Kootenays. Large dairy herds are concentrated in the Lower Mainland, southeastern Vancouver Island and the Okanagan-Shuswap area, with smaller concentrations

found near Creston, Smithers, Vanderhoof, Prince George, Dawson Creek and Fort St John.

During the last 20 years, there has been a gradual decrease in red meat consumption, and poultry and hog producers have made gains as consumer preferences have shifted away from beef to poultry and other white meat products. Hog and poultry production in British Columbia is concentrated near Greater Vancouver and Victoria, although most population centres support these activities.

...but BC farmers produce a wide variety of crops

A range of climatic conditions in the province make it possible for British Columbia farmers to grow a wide variety of crops. Southern Interior valleys, principally the Okanagan, are well suited for the production of tree fruits and grapes. The cooler, wetter climate of the lower Fraser Valley and Southern Vancouver Island favours the production of berry crops and vegetables. Greenhouse crops, nursery products, mushrooms and other specialty products are also concentrated in the southwestern corner of the province. Most of the province's grain, oilseed and forage crops are grown in the Peace River District.

British Columbia's crop farming industry has seen some major changes during the last three decades. It is no longer dominated by tree fruits, which accounted for just under a quarter (23%) of all crop receipts in 1971, but only 8.2% of the \$772.8 million in crop receipts of British Columbia farmers in 1997. The declining importance of tree fruits in British Columbia's agriculture industry is the result of a combination of factors: the value of tree fruit production has increased at a slower pace than most other crops, while at the same time, some types of crops have seen phenomenal growth. Floriculture and nursery producers, for example, have increased their sales from just \$3.5 million in 1971 to \$287.7 million in 1997. British Columbia is now the second-largest producer in the country, after Ontario (\$509.3 million), with about a

quarter of the total value of Canada's floral and nursery products originating in this province. In addition, BC farmers have branched out into the production of new crops such as ginseng, a product that is in high demand in some parts of the world. During the last ten years, the value of ginseng production in the province has risen from \$400,000 to \$24.9 million. Farmers in the province now produce about two-thirds as much ginseng as Ontario (\$38.2 million), which has been growing this product since 1980 and is the only other ginseng producing area in Canada.

Floriculture and nursery products are becoming a leading source of crop receipts in the province

