

Chapter 1 Introduction

1.1 Background and Purpose

The Region of Niagara¹ is recognized as one of the most significant agricultural areas in Canada. In addition to strong traditional agricultural operations such as cash crop and poultry, Niagara is blessed with unique agricultural resources including grape and tender fruit growing areas not found in other parts of Canada. Through a combination of climate, soils, geography, and location, the region has developed an agricultural industry and community that is unique in Canada. The agriculture and agriculturally related businesses generate significant economic activity both through direct and indirect employment and through buying and selling of goods and services. The type of agriculture that characterizes the area enhances the region's well-established tourism industry.

In the summer of 2001, Regional Council at the recommendation of the Regional Niagara Agricultural Sub-Committee initiated this study to examine the location and nature of agriculture in Niagara and to provide insight into possible future directions for agriculture. Public and political commitment is required to maintain and support the agricultural industry and to ensure a fair standard of living for the agricultural community. One way to obtain this support is to quantify and document the importance of agriculture to the regional economy. The purpose of this study is to do this; to describe the industry at this point in time, to raise the profile of agriculture in Niagara, to quantify the contribution it makes to the economy specifically and to society generally, and to identify the issues affecting it.

The Steering Committee that initiated and coordinated this study was comprised of members representing the Regional and Provincial governments, the Niagara North and South Federations of Agriculture and other agricultural organizations and partners with a stake in agriculture in Niagara.²

1.2 Study Objectives

The Steering Committee identified nine objectives which formed the basis for this study. They included:

- describing the current demographic profile of agriculture and transitional requirements needed to adapt to the changing face of agriculture;
- measuring the economic impact of agriculture in Niagara through an analysis of the direct, indirect and induced economics of agriculture;
- assessing the societal value of the multi-functional role of agriculture;
- identifying the human resource development issues relating to training and the labour market in the agricultural sector;
- describing trends and issues related to agriculture;
- profiling existing and potential agricultural business economic opportunities;
- identifying existing and future support requirements to support a viable agricultural industry;
- providing the input required to support good land use planning decisions to assist and encourage the Smart Growth initiatives; and
- sharing findings with municipal, provincial and federal agencies to promote informed decision making on issues related to the ongoing health of the agricultural industry.

This report contains the results of meeting this unique and comprehensive challenge.

¹ Throughout the report, the Regional Municipality of Niagara will be referred to variously as Niagara or the Region.

² For a list of committee members see Appendix 1.

1.3 Audience

The study is designed to raise awareness of the role agriculture plays in Niagara. As a traditional activity, agriculture as an industry is often overlooked or under estimated in this day of technological change. The ties that historically existed between Canadians and agriculture are disappearing. In the past, many Canadians either grew up on, or were only a generation removed from the farm. This is no longer true. Canada has changed to an urban based society and the understanding of rural life is declining. It is intended that this study will provide a base of information that can address this lack of knowledge and understanding and emphasize the importance of Niagara agriculture to the quality of life enjoyed by Canadians.

Specifically, this study is designed to be used by the members of the Steering Committee to attain their objectives. Agriculture generally is made up of many different components. Understanding the diversity within the industry is as important as understanding the industry generally. This report breaks down the characteristics of the different commodity groups and presents a picture of specific components of agriculture as well as of the industry as a whole. This information should help the public, the Region, various agencies and agricultural groups to understand the complexity of the industry and the linkages that affect, and are affected by it.

The statistical summary contained in the report will provide a base for additional work and a benchmark in time. The economic analysis addresses linkages in the economy and the impact that changes in agriculture may have in other, seemingly unrelated parts of the economy. The discussion of the issues and trends affecting agriculture is intended to provide insight into this sophisticated and changing industry and to highlight external actions that can affect it. It is hoped this report will provide a context for policy debates and the foundation for decisions on land use and infrastructure, the preparation of economic plans both specific to and indirectly related to agriculture, the launching of new businesses and the development of human resource programs.

1.4 Study Team

The study team was structured in response to the specific requirements set out in the terms of reference. The project was coordinated by PLANSCAPE, a planning consulting firm specializing in planning for rural areas. The PLANSCAPE staff conducted research, both primary and secondary and were responsible for all planning, land use and qualitative components of the study.

Dr Rick DiFrancesco, of Regional Analytics, an expert in economic input output analysis and professor at the University of Toronto was responsible for the economic analysis. David Hodgson, of DBH Soil Services Inc. provided technical input. Riley & Associates provided input into the trends and issues facing agriculture today. Dr Betsy Donald, a professor of economic geography at Queen's University provided advice throughout the process.

In addition, a central part of the study team's approach was to work closely with staff from the Region, the Ontario Federation of Agriculture (OFA), the Ontario Ministry of Agriculture (OMAF) and members of the local Federations to ensure that the study benefited from their informed perspectives and active participation.

1.5 Study Area

The study area encompassed the entire Niagara Region as shown on **Figure 1.1**. Some components of the study included spillover into abutting municipalities, since a number of agriculturally related

businesses, services and industries are located outside the immediate boundaries of the region. Where these spillovers exist, they have been identified in the report.

Niagara is comprised of twelve local municipalities, which are:

- Town of Fort Erie;
- Town of Grimsby;
- Town of Lincoln;
- Town of Niagara-on-the-Lake;
- 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.

This system of local municipalities provided the basis for the analysis. Whenever possible data and analysis is disaggregated at the local level.

1.6 Report Structure

The report structure is designed in response to the terms of reference. The chapters address sequentially:

- Description of the land base;
- The land use and development profile;
- Economic profile of agriculture in Niagara;
- Impact of agriculture in the Niagara economy;
- Agricultural Tax base;
- Social, Cultural and Environmental benefits of agriculture;
- Human resource development issues; and
- Trends and Issues.

1.7 Research Methodology

The research methodology used to complete the study included the use of primary and secondary sources. With respect to primary research, two surveys were completed: a general survey of farmers designed to augment Statistics Canada data; and a survey specifically designed to provide the data required for a sectoral input output analysis of the agricultural economy. Results from these surveys were used in formulating the conclusions documented in this study. Copies of these two surveys and a synopsis of the results are contained in **Appendices 2 and 3** to this report.

Primary research was conducted in the form of a series of farm visits and meetings with representatives from various commodity groups. These meetings and visits were aligned with selective examples of agricultural properties to cover a variety of commodity groups, agri-tourism

operations and value added operations. Details collected from these meetings form the basis for the profiles and comments included in the report.

Information about agriculturally related businesses was obtained from secondary sources, industrial guides and regional directions. Telephone interviews were conducted to confirm information and secure additional insights.

The secondary statistical sources relied on for the study included Statistics Canada and data generated by Provincial Ministries. Statistics Canada is the basis for the majority of the analysis. As a result, the definitions used by Statistics Canada in manipulating data are the definitions that underlie the analysis in this report. It should be noted that there are a number of different definitions of farms used for different purposes by different agencies. The numbers used in this report therefore may vary depending on the context in which they are being used. Footnotes and labeling has been used to clarify the nature of the statistics being used in different contexts. To assist in understanding the terms and references in the report there is a glossary of terms and definitions at the end of the report.

A variety of other secondary sources were used and are listed in the bibliography. Members of the Steering Committee acted as technical resources and were invaluable in providing input.