Economic Contributions of Animal Agriculture in Ontario

CAPI
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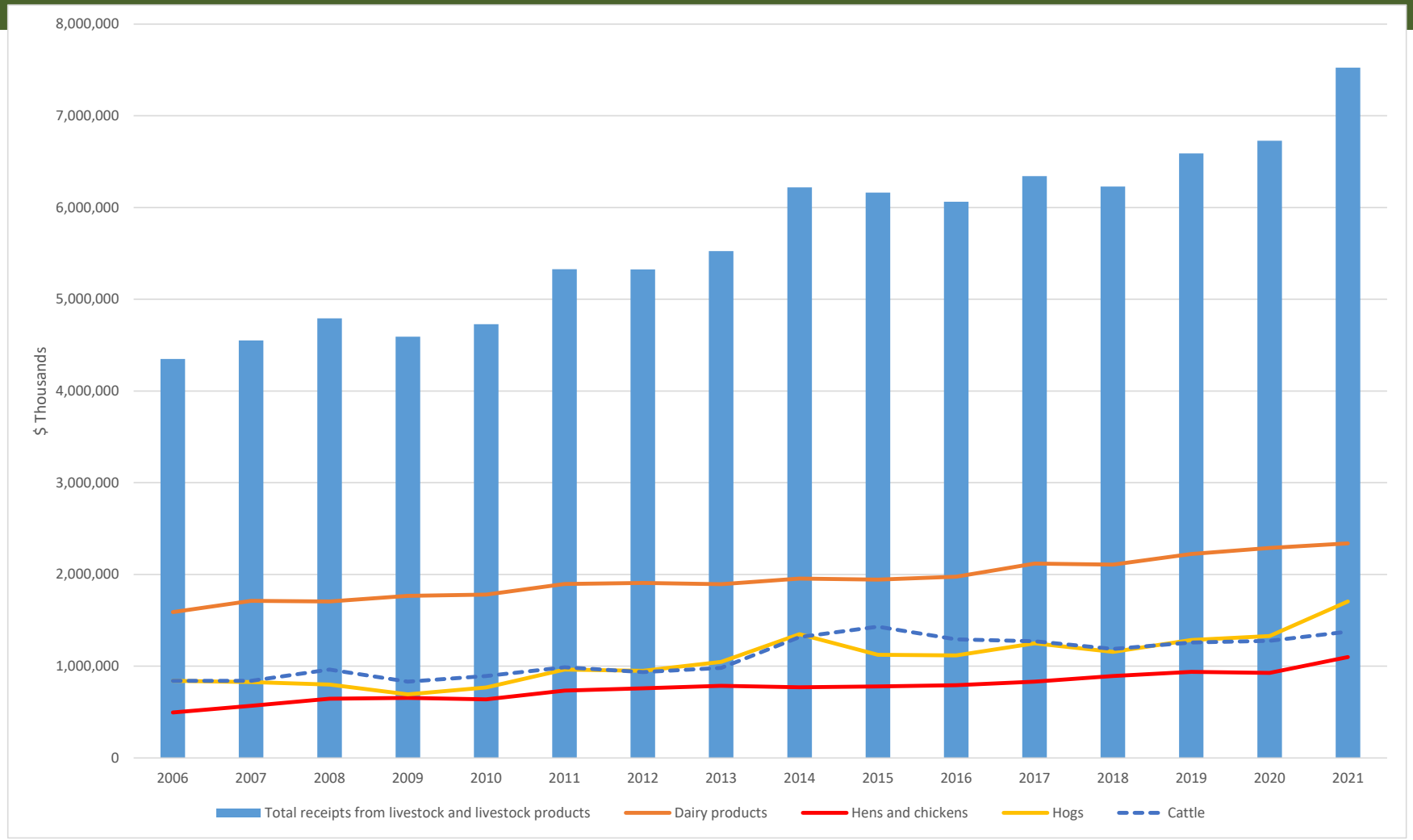
Ontario Livestock Farm Cash Receipts



Source: Statistics Canada, OMAFRA

Economic Impact

- Within-province multiplier 2.133, all provinces multiplier 2.472
- Based on 2021 total livestock farm cash receipts:
- Total economic impact of **$16 Billion to $18.6 Billion**
- But, what process generates these results?
- Who is Ontario animal agriculture in this context?

Animal Agriculture as Economic Development

Animals provide the fundamental upcycling of inedible products into edible products for human consumption

Essential value added- whether measured in calorie/protein terms, or in money terms

In so doing, makes use of marginal land, downgraded food products

Facilitates certain crop rotations, especially forages. Return of a portion of nutrients to soils

Ontario has a comparative advantage in animal agriculture

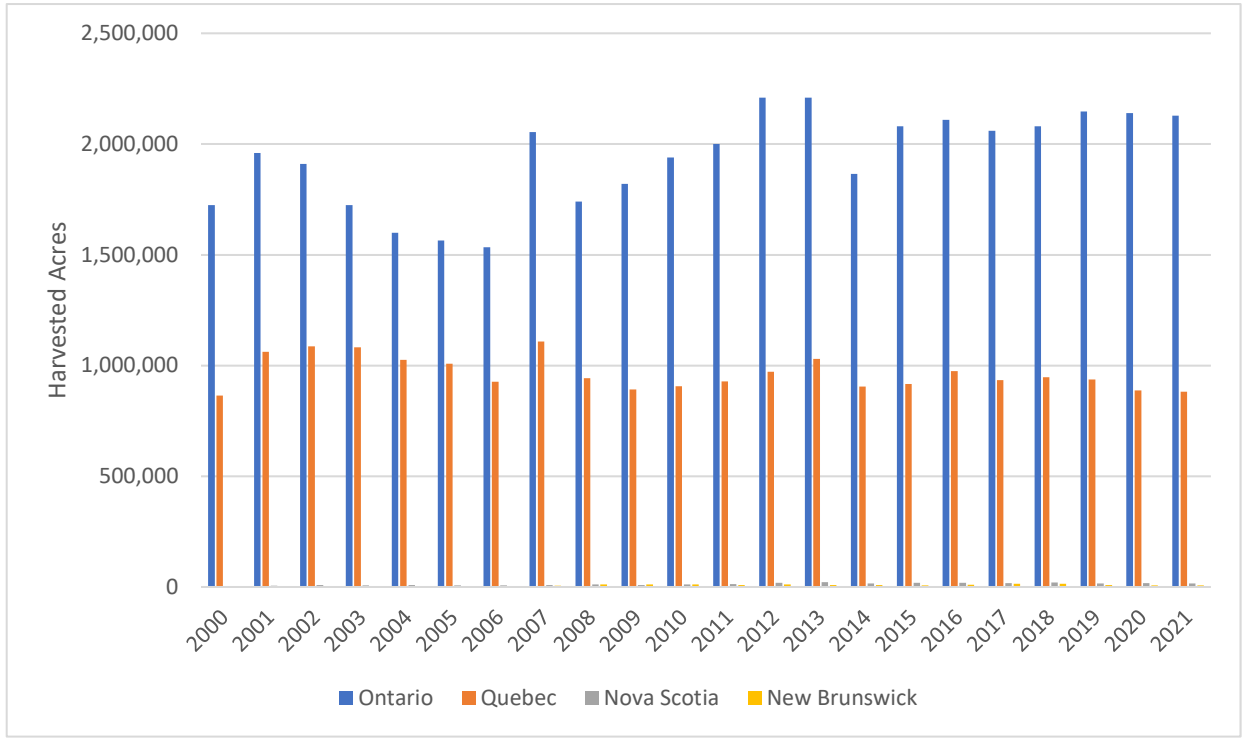
- Globally competitive, regional in scale in feed grain production
- Economics moves animals to feed, rather than the other way around
- Globally or regionally competitive animal industries, mostly regional scale

But comparative advantage requires maintenance to be sustained, and can be eroded/lost:

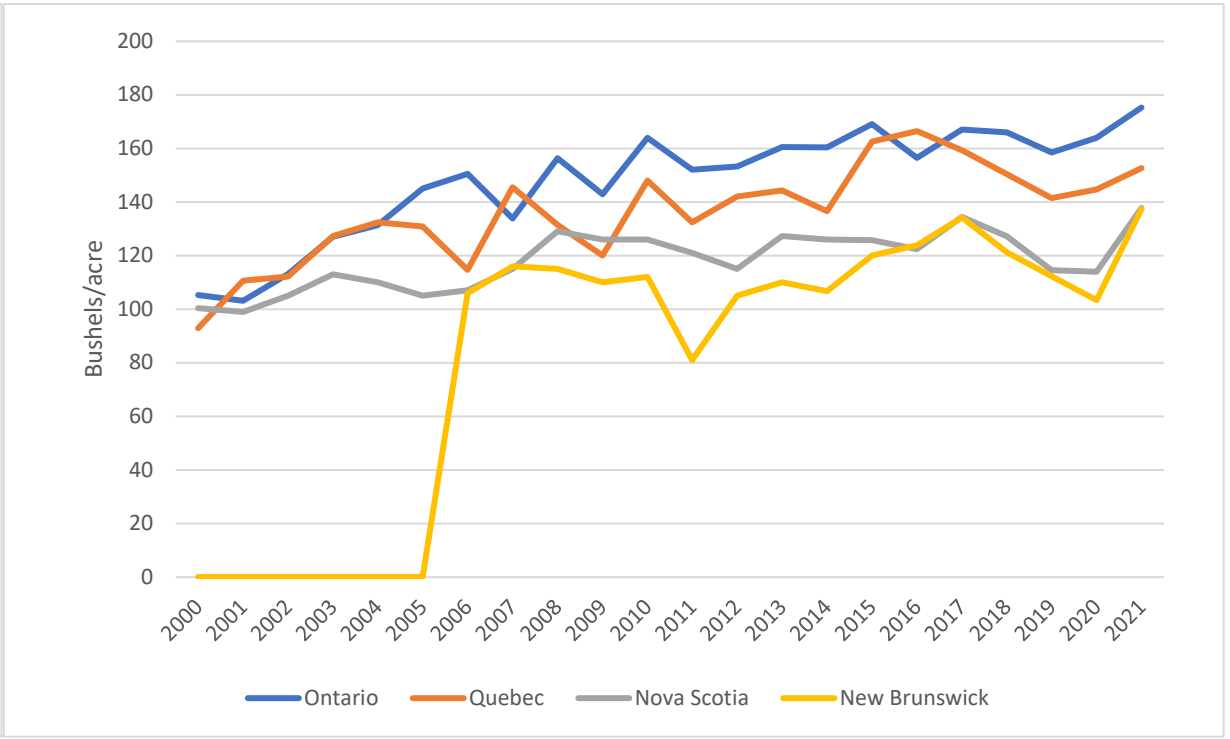
- Grazing infrastructure required to support the cow herd; intertwined issue
- Pasture, forage land at risk of conversion to annual crops
- Ongoing investments in infrastructure and research + development
- Extensive land use agriculture and high farm land prices

Corn in Eastern Canada

Acres

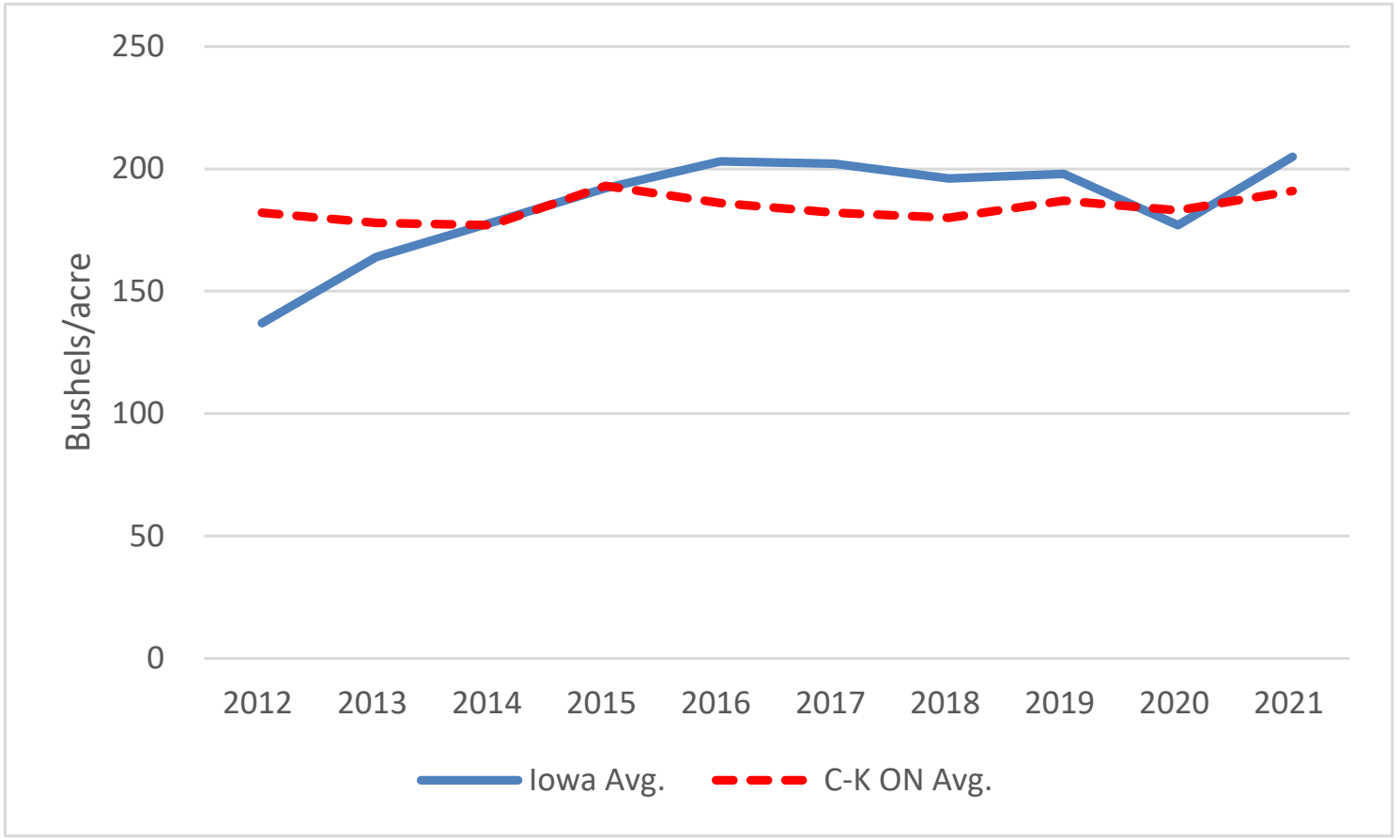


Average Yield



Source: Statistics Canada

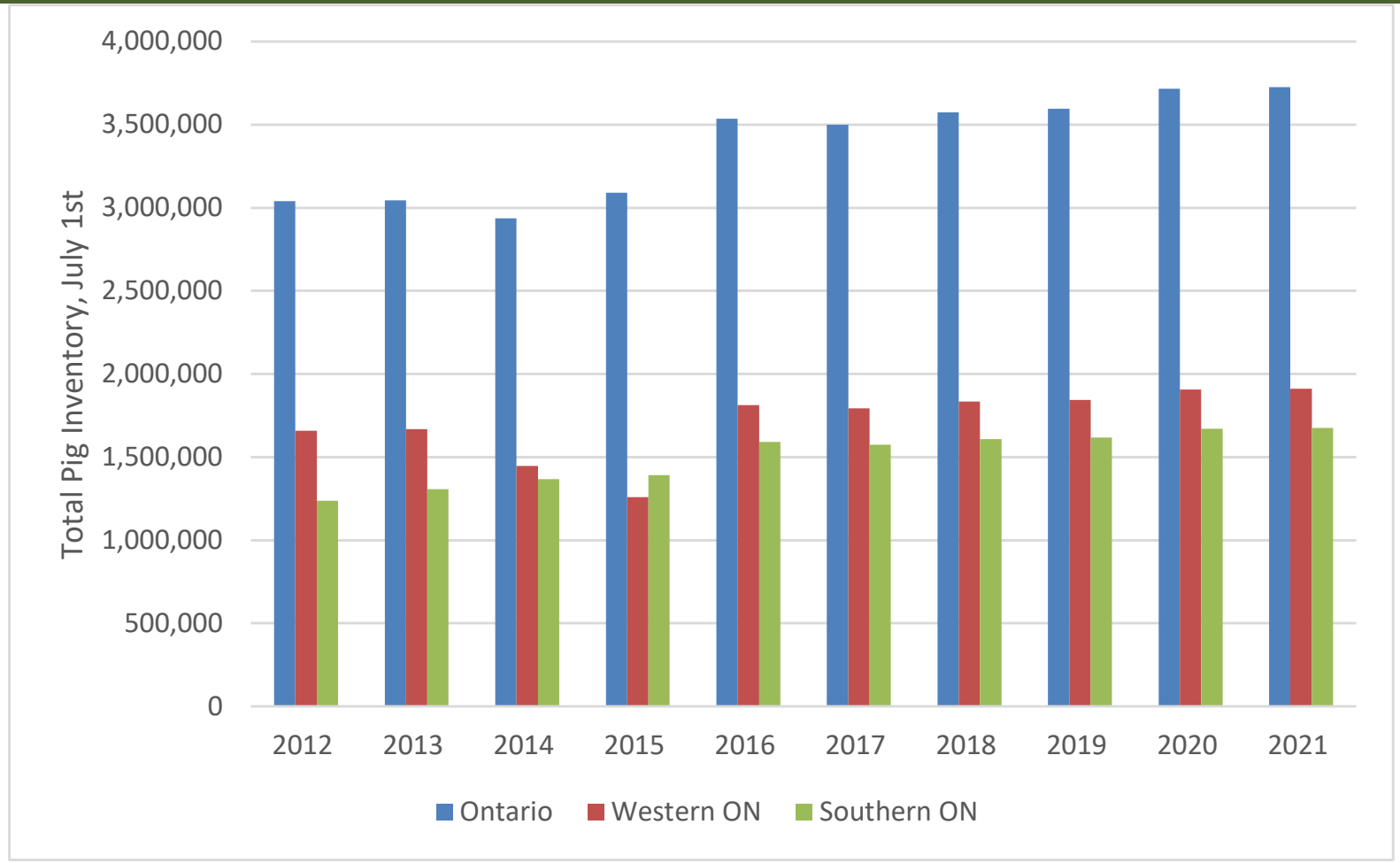
International Competitiveness: Iowa vs. Chatham-Kent Corn Yields



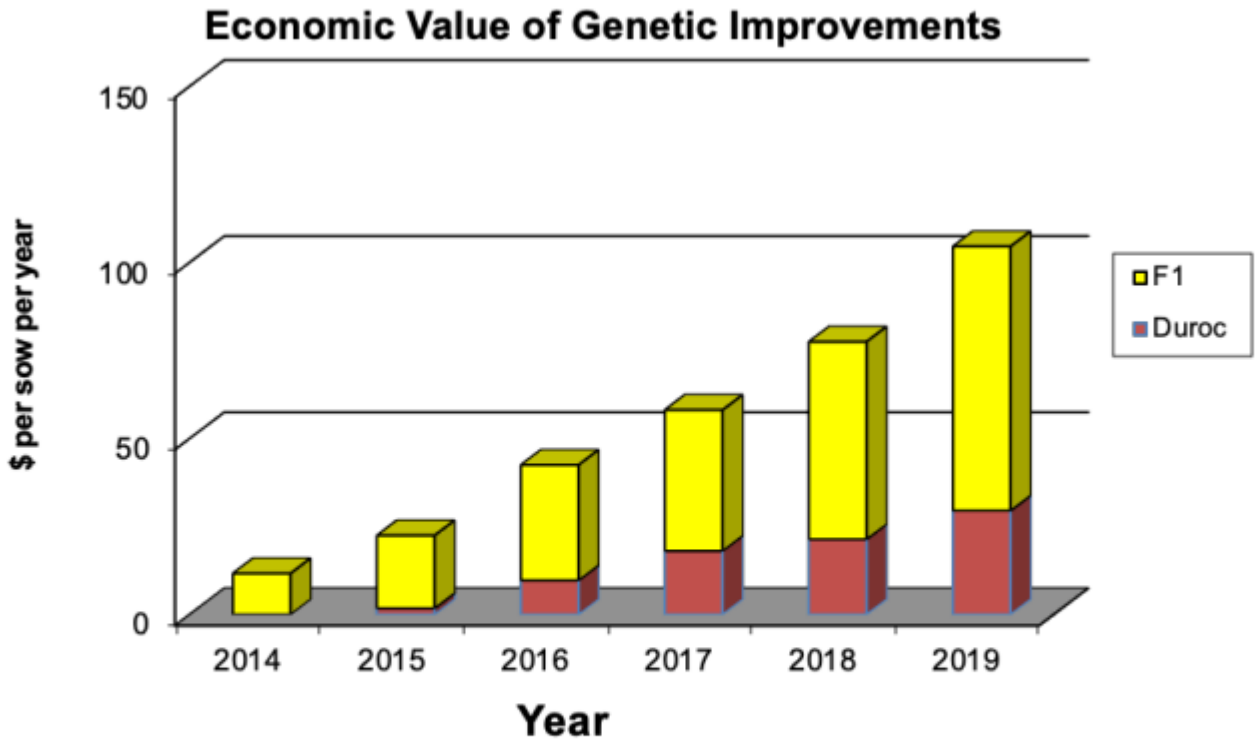
	Iowa	Chatham-Kent
Mean	185.2	183.9
Std Dev.	21.6	5.3

Source: USDA NASS and OMAFRA

Ontario Swine Herd



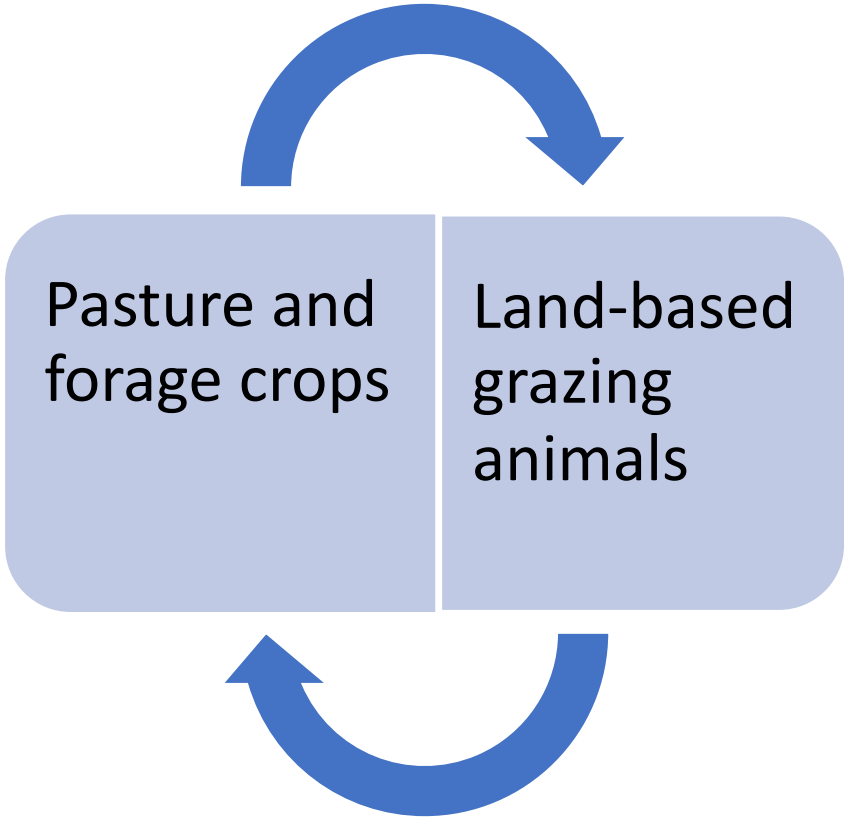
Source: Statistics Canada Livestock Survey



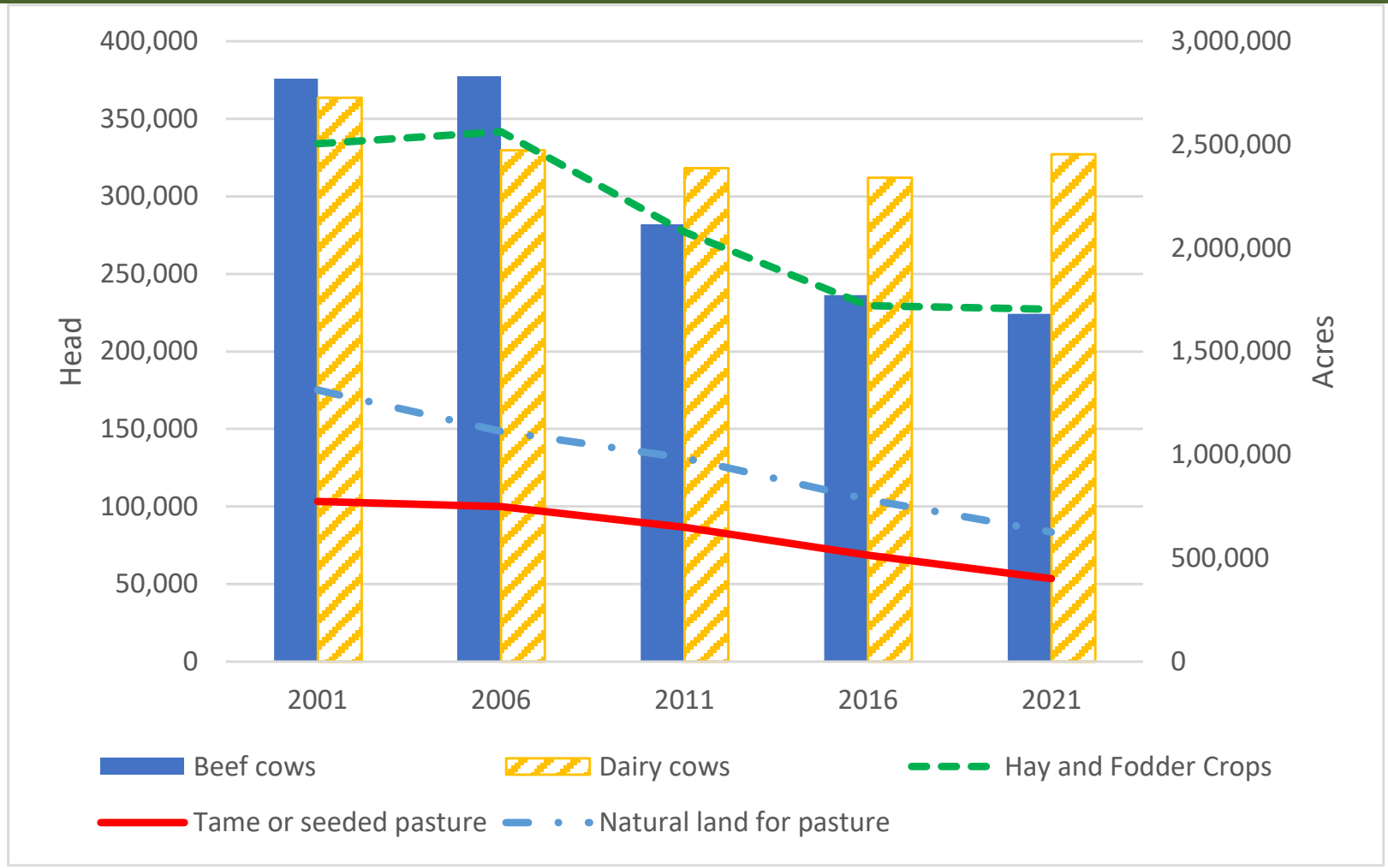
Sows are about $104 per year more productive today than 6 years ago due to genetic improvements in growth, feed efficiency, carcass quality, litter size, piglet survival and number of teats.

Source: Canadian Centre for Swine Improvement (2020)

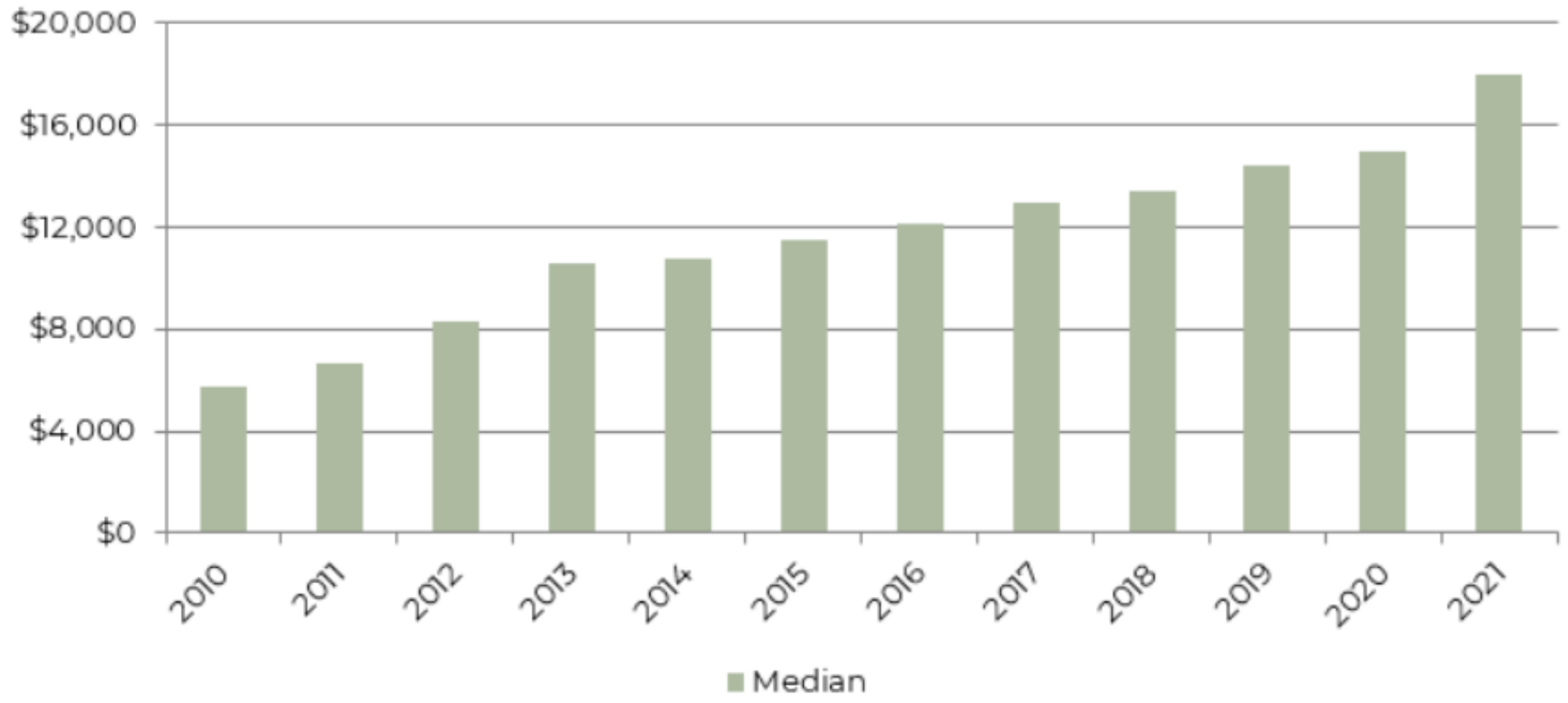
Agricultural Systems with Breeding Ruminants



Large Ruminants and Land Use in Ontario



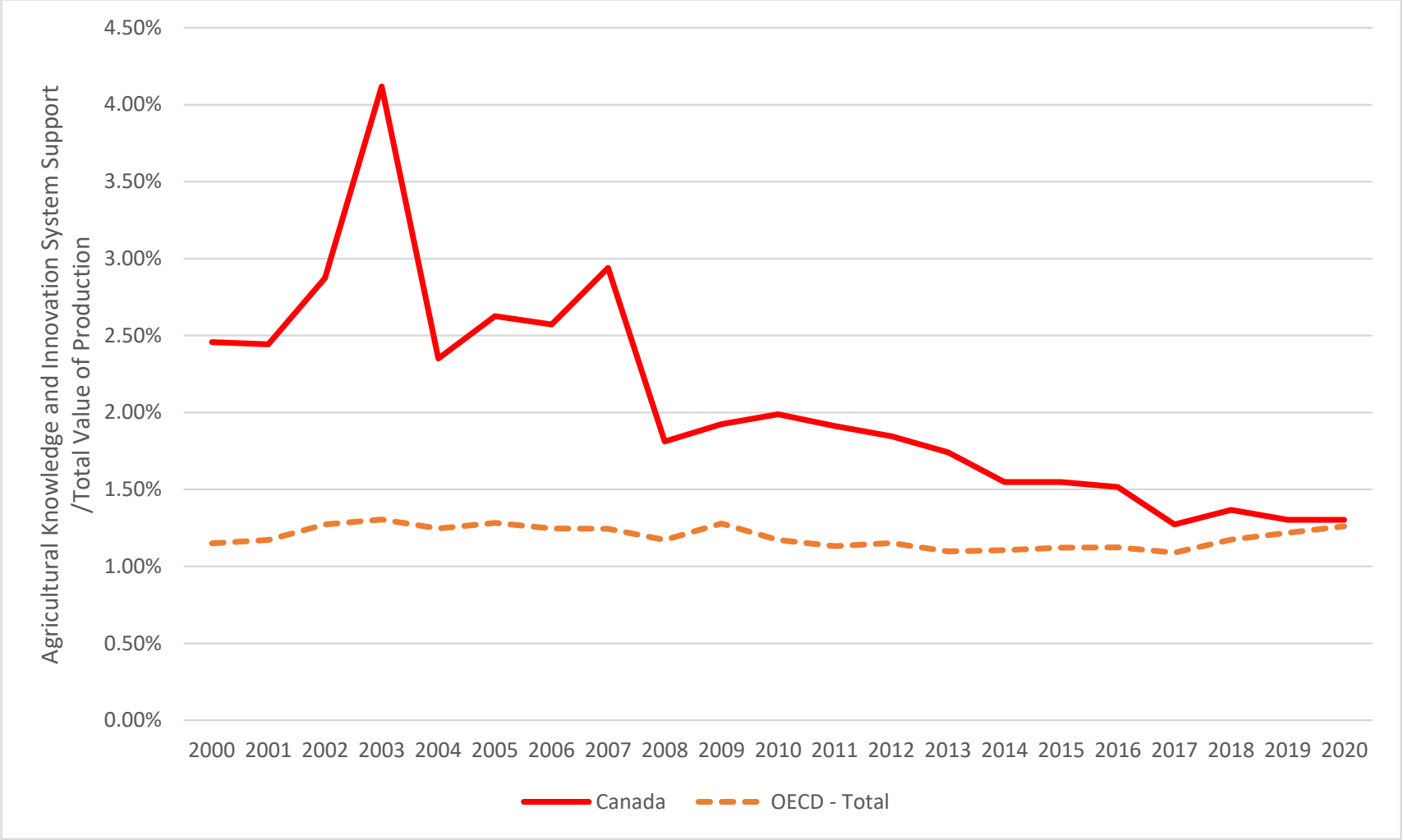
Southwestern Ontario Land Values



The graph above compares the median land value for all 11 Counties studied each year from 2010 to 2021.

Source: Ryan Parker, Valco Consultants *Southwestern Ontario Land Values 2021 Edition*

Lagging Investment in Basic Ag Research and Extension (Public)



Source: OECD

Conclusions

Animal agriculture is a major contributor to Ontario rural economies, but

Comparative advantages need to be serviced. Face competition from within and without

Do we have the policy environment to support/maintain our comparative advantage in livestock- and resulting economic impact?

We can chose our rate of reinvestment in industry output through public R&D expenditure. What choices are we making?

What are the underpinning policy conclusions? Course corrections?