

To: Regional and Corporate Services Committee
From: Alison Stewart, Manager of Strategic Planning

Date: 2018-01-10
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Subject: Agricultural Economy in the Fraser Valley Snapshot Update

INTENT

This report is intended to advise the Fraser Valley Regional District Board of information pertaining to updating the *Agricultural Economy in the Fraser Valley Regional District* Regional Snapshot. Staff is not looking for a recommendation and has forwarded this information should members want more clarification to discuss the item further.

STRATEGIC AREA(S) OF FOCUS

Foster a Strong & Diverse Economy
Support Healthy & Sustainable Community

BACKGROUND

With gross farm receipts of almost \$1.5 billion in 2015 and a diverse agricultural supply chain in which the farmer is both consumer and producer, agriculture is a key component of the FVRD's economy. Based upon the original Snapshot published in 2011, this report incorporates the recently released 2016 Census of Agriculture results and findings of the *Fraser Valley Regional Adaptation Strategies* and the *Freshet Flooding and Fraser Valley Agriculture* study.

This report serves several purposes:

- To fulfill the requirement under the Local Government Act section 452 (1) to establish a program to monitor the Regional Growth Strategy (RGS).
- To build knowledge and capacity of decision makers, planners and other stakeholders in the region on the importance of supporting the agricultural sector.

DISCUSSION

Proximity to large markets in combination with high quality soils, favourable climate and accessible water as well as the diversity of the sector and proximity to educational and research institutions makes the Fraser Valley Regional District a centre for agricultural production and innovation today and into

the future. The snapshot provides an overview of agriculture in the FVRD and its linkages beyond the region's boundaries.

The recently released Census of Agriculture results indicate that farm gate sales (gross farm receipts) in the FVRD continue to grow, increasing from \$1.11 billion in 2010 to \$1.47 billion in 2015. In 2015, the FVRD generated 39% of total provincial gross farm receipts and was responsible for 44% of the total provincial increase between 2010 and 2015. Analysis based on the 2011 Census of Agriculture, determined that agriculture in the FVRD drives approximately \$3.1 billion in annual economic activity and supports 18,000 Full Time employment jobs. It is estimated the value-added sector generates approximately \$1.4 billion in expenditures.

Although the region is home to a diverse range of large and small farms, agriculture in the Region is big business and conducted in a highly sophisticated manner requiring substantial capital investment. Agriculture's influence goes far beyond the farm gate. As a primary industry, the production of food and other agricultural products not only provides inputs to other sectors of the economy, but is also a significant consumer of goods and services. The broader agricultural economy, which includes food processors, transporters, wholesalers, suppliers (goods and services), retailers and other food services industries, add yet another level of economic activity. Given the industrial nature of agriculture in the region, an adequate supply of industrial land is required to support ongoing growth of the sector.

The importance of the Lower Mainland's agri-industrial and agri-food system to the FVRD cannot be underestimated, given agricultural enterprises in the FVRD do business throughout the Lower Mainland and beyond. For example, food processing plants in Abbotsford may process products grown in Delta or the Township of Langley. This interdependence points to the importance of protecting the viability of agriculture throughout the Lower Mainland, not just in the FVRD. A strong agricultural economy is essential for the regional and Lower Mainland economy as a whole and efforts to protect and enhance this sector should remain a key focus of regional policy going forward.

An additional component to this report is the identification of climate change implications for the region's agriculture sector. Warmer and dryer summers and wetter winters will each bring their own challenges, including increased flood risks, increased precipitation and extreme events, greater frequency and intensity of extreme heat events and changes to pests and pollinators.

COST

No costs are associated with this report

CONCLUSION

The FVRD is one of the most intensively farmed areas in Canada, generating the largest annual farm receipts of any regional district in British Columbia. Notwithstanding the rapid population growth of the region, agriculture has flourished and remains a crucial component of the region's economy.

COMMENTS BY:

Barclay Pitkethly, Director of Regional Programs

Reviewed

Mike Veenbaas, Director of Financial Services

No further financial comments.

Paul Gipps, Chief Administrative Officer

Reviewed and supported