

Measuring agriculture's economic footprint in Ontario

Farming affects the daily lives of all Ontarians - what we eat, where we live and what we do to earn a living. Now, a newly released report spells out in stark detail the economic impact of the agricultural sector as well as the punishing effects of long term farm income losses on the Ontario economy. The results are staggering.

The study revealed that Ontario's farm sector sustains 164,000 jobs and farm outputs contributed \$22 billion in gross economic stimulus to Ontario in 2009 with a net value of \$10.7 billion. This economic contribution also includes \$3.4 billion paid in federal and provincial taxes to help support our health, education and transportation systems, as well as other vital infrastructure.

Ontario's food processing sector needs Ontario agriculture – 70 per cent of Ontario's farm production is bought by Ontario food processors, a \$33 billion industry that directly employs 110,000 Ontarians.

Ontario's farming community, especially non-supply managed sectors, has been struggling with several years of losses caused by a combination of low prices and rapidly rising costs. A decrease in Ontario net farm income impacts everyone in Ontario. A government-predicted farm income loss of \$500 million in 2010 will cost Ontario \$3 billion in GDP and 10,000 jobs over the long term, as well as almost a half a billion dollars in lost tax revenue to government.

The study, commissioned by the Ontario Agriculture Sustainability Coalition (OASC) and completed by JRG Consulting of Guelph, was unveiled to provincial politicians at a breakfast at Queen's Park at the end of September.

OASC's members have been lobbying the provincial and federal governments for predictable and sustainable safety net programming for Ontario's non-supply managed commodities since late last fall. The Ontario Fruit and Vegetable Growers Association is a member of OASC, along with Ontario Federation of Agriculture, Christian Farmers Federation of Ontario, Ontario Pork, Ontario Veal, Ontario Sheep Marketing Agency, Grain Farmers of Ontario and Ontario Cattlemen's Association.

Agriculture's economic footprint in numbers

- **164,400** – number of Ontario jobs supported through economic activity generated by the farming sector (value of the wages and salaries tied to those jobs = \$7 billion)
- **\$3.4 billion** – taxes collected by provincial and federal governments as a result of economic activity generated by farm sector output
- **13%** - value of rural economy to Ontario's Gross Domestic Product (GDP)
- **15%** - percentage of the Ontario population that lives in rural areas
- **70%** - percentage of Ontario's farm production bought by Ontario food processors
- **\$33 billion** – value of the Ontario food processing sector
- **4,000** – the number of jobs lost in the short term through the slide in net farm income of \$287 million (2004-08 average) to -\$50 million in 2009.
- **\$1.4 billion** – estimated decrease in Ontario's GDP as a result of the projected \$500 million farm income loss in 2010.
- **\$450 million** – tax revenues lost to government due to long term impacts of a \$500 million farm income loss in 2010.