

ABBOTSFORD the Agricultural Capital of Canada

Abbotsford Tops the Nation





Abbotsford is the
Agricultural Capital
of Canada.

Abbotsford, The Agricultural Capital of Canada

ABBOTSFORD HAS GROWN FROM A SMALL LOGGING, SAWMILLING, AND BRICK MANUFACTURING VILLAGE TO THE AGRICULTURAL CAPITAL OF CANADA.

ABBOTSFORD'S RISE TO THE AGRICULTURAL CAPITAL OF CANADA is a story of both sustainable development and hard work.

AGRICULTURE IS BIG BUSINESS IN ABBOTSFORD!

Abbotsford has the largest agriculture production in British Columbia, twice that of the next highest communities of Chilliwack and Langley. In fact, measured in economic totality or production value per hectare, the City of Abbotsford far exceeds any other jurisdiction in Canada.

Abbotsford is the fifth largest city in British Columbia and attributes its consistent and sustainable growth largely to the significance of the agriculture industry in the local economy.

The heavy concentration of agriculture related goods, services, and support that is based in Abbotsford, the geographical centre of the Fraser Valley, has propelled Abbotsford to become the 'hub' for agri-business in British Columbia. 25 industry sector organizations and a multitude of government offices and facilities are located in Abbotsford. This centralization of agriculture centric businesses and organizations provides a significant source of support to the local economy in addition to the value created by the primary agriculture industry.

BECOMING THE AGRICULTURAL CAPITAL OF CANADA

Industry experts have long believed that traditional economic multipliers used by agencies, including Statistics Canada, applied to base numbers did not accurately reflect the totality of the economic effect of agriculture in Abbotsford.

The consensus among industry experts in a broad range of relative disciplines, was that the net economic effect of agriculture in Abbotsford was significantly higher than estimated and reported.

To gain a more accurate assessment of the economic impact of agriculture in Abbotsford, the Abbotsford Chamber of Commerce, in conjunction with the BC Ministry of Agriculture and Lands, conducted a market-based study in late summer 2008.

Findings from this study supplied an accurate assessment of the economic impact of the agriculture sector in Abbotsford and provided substantial data supporting the claim that **ABBOTSFORD IS, IN FACT, THE AGRICULTURAL CAPITAL OF CANADA**. Most notably, information collected indicates the agriculture sector in Abbotsford supports 11,300 full-time equivalent jobs and generated \$1.8 billion in economic activity within the Abbotsford economy.

History & Overview of Agriculture in Abbotsford

THE RICH SOIL QUALITY, MILD CLIMATE AND ACCESS TO AN ABUNDANCE OF FRESH WATER MAKES ABBOTSFORD THE PERFECT LOCATION FOR AGRICULTURE. TODAY, ABBOTSFORD IS HOME TO OVER 1,200 FARMS, WITH THE VAST MAJORITY BEING FAMILY OWNED AND OPERATED.

SINCE ITS BEGINNINGS AS A SMALL LOGGING, SAWMILLING, AND BRICK MANUFACTURING VILLAGE IN THE EARLY 1900S, Abbotsford has grown into the fifth largest city in British Columbia.

Abbotsford's significant and sustainable growth has been fuelled primarily by the community's flourishing agriculture industry, providing stability and support to the local economy.

As the trees were cut down in the early 1900s, settlers soon realized that the mild climate, excellent soils and abundant water supply made Abbotsford an ideal area for farming. Dairy, poultry, vegetables and

small fruit production all thrived. In the late 1900s greenhouse crops, mushrooms and nursery production emerged as highly competitive and successful sectors in Abbotsford's agriculture economy.

Geographically central in the rich farmlands of the Fraser River valley and delta, Abbotsford is home to the majority of supply and services for agriculture in the province.

Today, Abbotsford's agriculture production is the highest in British Columbia and twice that of the next highest agriculture production communities of Chilliwack and Langley.

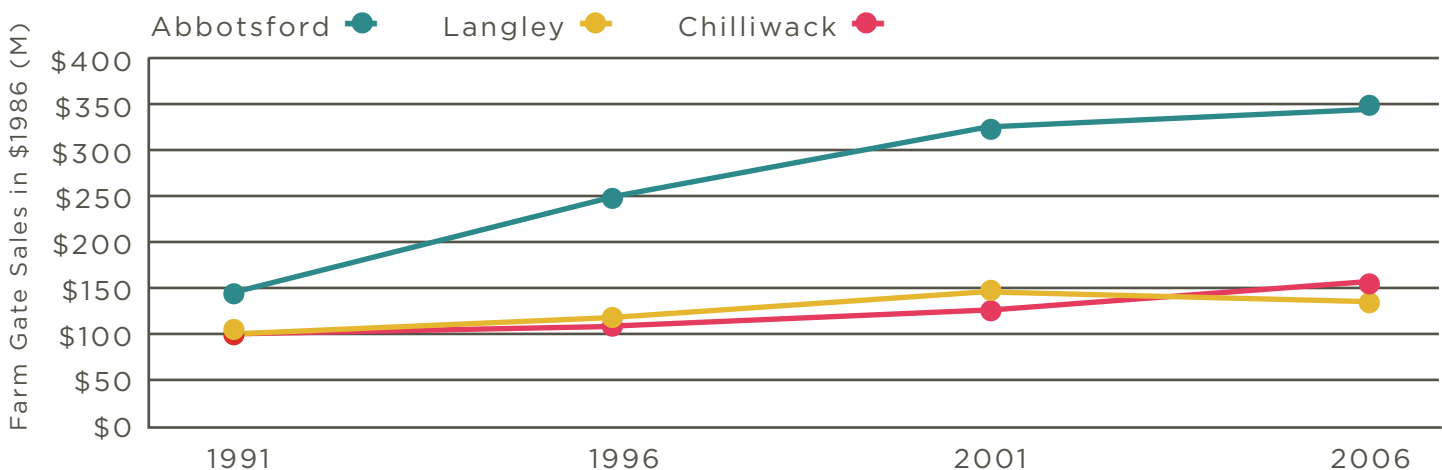


Figure 1: Change in Real Agriculture Output

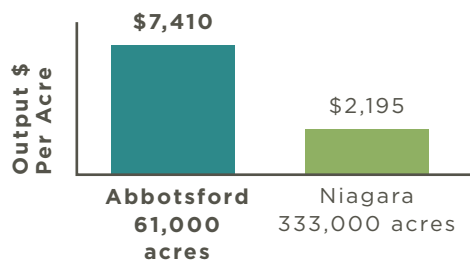


Table 1: Farm Gate Sales Per Acre in Production

Over the past 15 years, Real Agriculture Output has increased in Abbotsford by two and a half times from a fixed land base. Figure 1 demonstrates the change in Real Agriculture Output in Abbotsford compared to the adjacent municipalities of Langley and Chilliwack.

Abbotsford has risen to a position of dominance as the leading agricultural community in British Columbia and Canada. Abbotsford has the highest farm gate sales per acre in BC, generating two times more sales than the second highest municipality, Chilliwack. Farm gate sales are an impressive three times above the next highest community in Canada, Niagara, Ontario.

The Study & Results

THE ABBOTSFORD CHAMBER OF COMMERCE, IN PARTNERSHIP WITH THE BC MINISTRY OF AGRICULTURE & LANDS, CONDUCTED AN AGRICULTURE INDUSTRY, MARKET-BASED, GOODS AND SERVICES STUDY IN THE SUMMER OF 2008.

THE PROJECT

INDUSTRY EXPERTS HAD LONG BELIEVED THAT TRADITIONAL ECONOMIC MULTIPLIERS USED BY AGENCIES, including Statistics Canada, applied to base numbers did not accurately reflect the totality of the economic effect of agriculture in the Abbotsford economy.

Based on a concentration of agriculture related goods, services and support in Abbotsford, the contention was that a much larger economic impact was created by agriculture than originally reported. It is interesting to note there are 25 significant industry associations headquartered in Abbotsford while The Ministry of Agriculture and Lands also has large offices, and facilities, in Abbotsford.

The goal of the project was to accurately gauge the extent of the economic impact of agriculture in Abbotsford. The resulting report was not intended to be a comprehensive report on agriculture in the community but to simply estimate the economic impact.

The study followed comparable methods employed in other economic impact studies. The Census of Agriculture provided much of the base information on the farming side and a local survey of agri-businesses in Abbotsford provided the information on the agri-business/value-added sector.

The survey, sent to all businesses in sectors that might be directly influenced by agriculture, did not require identification of respondents. This anonymity is believed to be a significant factor in a return that far exceeds survey standards to ensure reliability.

The surveys were concise and as such quick and easy to complete. The high level of responses was consistent across all sectors providing additional validity to the data compilation.

To view the complete study, including a copy of the survey forms and a list of agri-business survey recipients, please visit the Chamber website at:

WWW.ABBOTSFORDCHAMBER.COM

 *Agriculture in Abbotsford Generates 1.8 Billion Dollars in Economic Effect and Creates 11,300 Jobs*

THE RESULTS FROM THE STUDY WERE CLEAR—ABBOTSFORD IS THE AGRICULTURE CAPITAL OF CANADA!

The immense impact of the agri-business sector on Abbotsford's economy is astounding. Some of the key findings include:

* Abbotsford farms and agri-businesses generate an economic effect of over \$1.8 billion for Abbotsford's economy, representing 25% of Abbotsford's gross domestic product.

Abbotsford's growth and success can be directly attributed to the economic effect of agriculture.

* Agriculture generates over 11,300 jobs in Abbotsford, representing 1 in every 5 jobs in the city.

To better understand the 'hub' impact on agri-business in Abbotsford it is important to separate the total industry into:

- the portion that is generated by purchases made by Abbotsford farmers.
- the portion that represents value added processing of products from Abbotsford farms.
- the portion that is supported by the agricultural industry outside of Abbotsford.

See Figure 2 for a graphical representation of the source of business for the agri-business sector in Abbotsford.

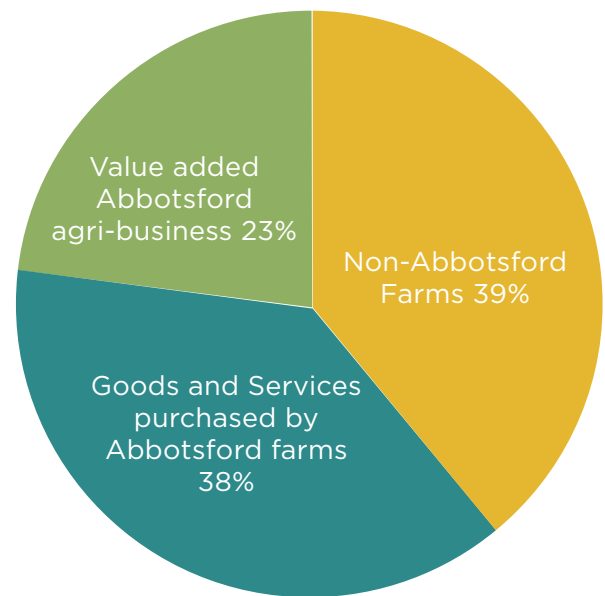


Figure 2: Source of Business for Abbotsford Agri-Business Sector

Employment

AGRICULTURE CREATES JOBS ON AND OFF THE FARM

AGRICULTURE IS THE MAJOR PRIVATE SECTOR INDUSTRY IN ABBOTSFORD.

Agriculture supports one in every four private sector jobs and one in five jobs overall in the City of Abbotsford.

The information collected indicated the total number of full-time equivalent jobs supported through the agriculture industry in Abbotsford is 11,312.

3,958 from on-farm activities, 2,470 from agri-business activities, and 4,884 jobs from secondary impact areas.



The study reported average hourly rates of \$16.75 per hour for paid wages on farms and \$49,000 per year for agri-business jobs.

The results from the study put to rest any perceptions that farm based jobs are low income and available for seasonal work only.

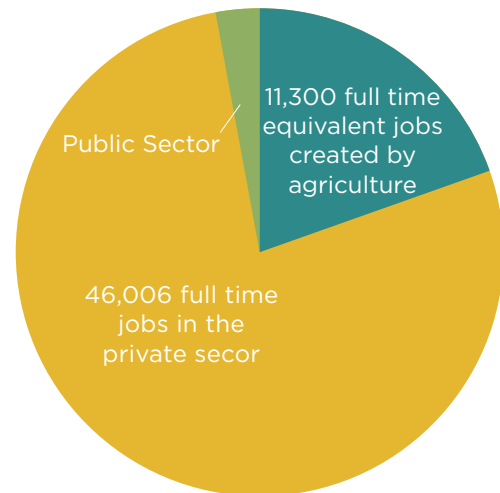
Over the past decade, the farm workforce has transitioned to more full time competitive wage rates with 67% of paid on farm wages in Abbotsford accounting for year round positions.

The study found that 40% of the agri-business sector in Abbotsford is supported by the agricultural industry outside of Abbotsford.

Goods and services purchased by agricultural operations outside Abbotsford support \$450 million in annual expenditures and almost 2,000 full-time equivalent jobs in Abbotsford.

The multipliers used to estimate the secondary or trickle down impact of jobs and expenditures from the primary sector are on the conservative end of multipliers used for estimates in similar studies.

The relative size of agri-related sales and the ratio of jobs in the agri-related sector as compared to the farm jobs is similar to other studies.



59,000 full time equivalent jobs in Abbotsford



Agriculture generates over
11,300 jobs in Abbotsford.
That's 1 in every 5 jobs.

The Economic Impact of Agriculture in Abbotsford

AGRICULTURE GENERATES OVER 11,300 FULL-TIME EQUIVALENT JOBS IN ABBOTSFORD. 1 IN EVERY 5 JOBS IN THE CITY CAN BE ATTRIBUTED TO AGRICULTURE. THE AVERAGE HOURLY WAGE PER FARM EMPLOYEE IS \$16.75. THE AVERAGE ANNUAL SALARY IS ALMOST \$50,000.

THE IMMENSE IMPACT THE AGRI-BUSINESS HAS ON ABBOTSFORD'S ECONOMY IS INDISPUTABLE. Figure 3 (right page) presents a flowchart summarizing the results from the study providing substantial, quantitative support that **ABBOTSFORD IS, IN FACT, THE AGRICULTURAL CAPITAL OF CANADA.**

The numbers represented in the flowchart are broken into two economic sources.

1. Farm Gate Sales (represented in green)
2. Agri-Business & Value Added Goods and Services (represented in yellow)

FARM GATE SALES

On-farm economic activities generated \$557 million in farm gate sales

- \$170 million in wages and income
- \$387 million in operating expenses (\$170 million in non-agricultural expenses and \$217 million in agricultural expenses)

Farm Gate Sales supported 3,958 full-time equivalent jobs.

- Farm income supported 758 full-time equivalent farm operators.
- Paid wages of \$90 million supported 3,200 full time equivalent jobs.

AGRI-BUSINESS AND VALUE-ADDED GOODS & SERVICES

- Economic activity generated by agri-business and value added goods and services were estimated to be \$572 million.
- Agri-business activities generate economic impacts of an additional \$355 million in expenditures and 2,470 full time equivalent jobs.

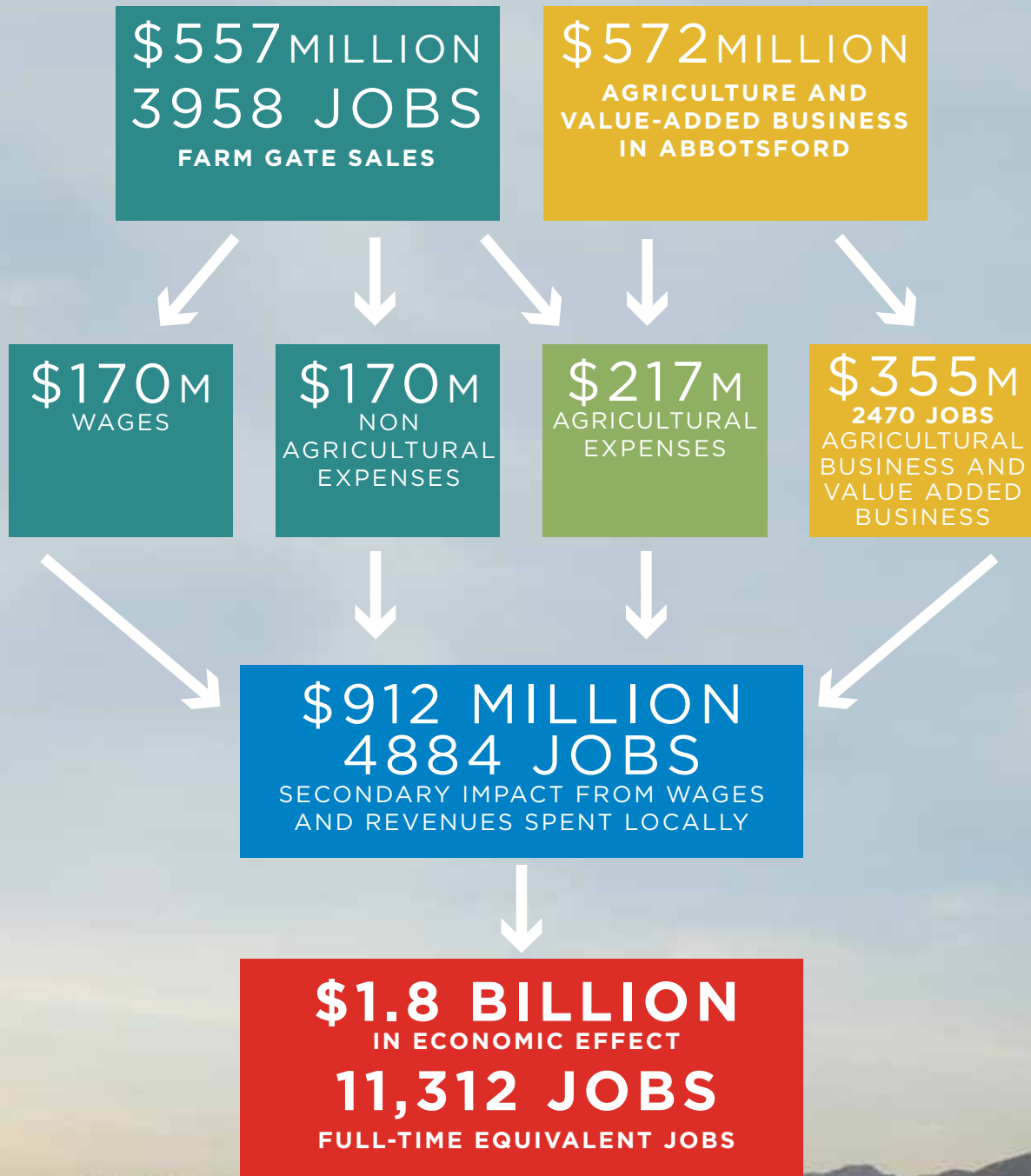
The most significant figure is the total economic effect of **\$ 1.8 BILLION**. This figure is derived from adding direct farm gate revenues of \$557 plus \$355 million from agri-business and doubling it to cover secondary impacts.

View the complete study report for a more detailed account of finding calculations. The study can be found online on the Chamber website at: WWW.ABBOTSFORDCHAMBER.COM

Figure 3 (right page): flow chart—The Economic Impact of Agriculture in Abbotsford—Market Based Goods and Services in 2006



The Economic Impact of Agriculture in Abbotsford





**Chamber of
Commerce**

abbotsford



KPMG ENTERPRISE

The Abbotsford Chamber of Commerce would like to recognize KPMG for their partnership and contribution in producing this publication. KPMG has assembled a team of professionals to assist you in achieving your farming goals. They have over 50 years of experience within our local agricultural sector, providing progressive and results-oriented planning that can help secure enhanced benefits for both current and ensuing generations.

For the complete report on the "Economic Impact of Agriculture in Abbotsford", visit WWW.ABBOTSFORDCHAMBER.COM