

# **“Growing Agriculture in Changing Climates: Economic, Environmental and Social”**

## **2016 Alberta Agricultural Economics Association (AAEA) Conference**

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Red Deer

**Canada is one of the largest agricultural producers and exporters in the world**



# Alberta's Agriculture and Forestry sectors

- Enormous contributors to Alberta's rural economy
  - employing over 100,000 Albertans
  - generating \$12 billion in exports
- Forestry is a key economic contributor in 70 Alberta communities
- Agriculture producers rely on rural communities as a central point for commerce, schools, churches and as a social hub for the surrounding community of farms, ranches, acreages, businesses . . .

# Alberta's agriculture sector

- Alberta has over 40% of the national herd
- Majority of livestock processing in Alberta
- 70% of Canada's irrigated land is in Alberta
- Alberta is a net exporter of agriculture and agri-food products
- Exports of primary commodities (animals and crops) increased by \$5.5 billion in 2014





# Export countries and commodities

Top five exports (by value):

- Wheat
- Canola seed
- Beef
- Non-purebred live cattle
- Pork



Top five countries:

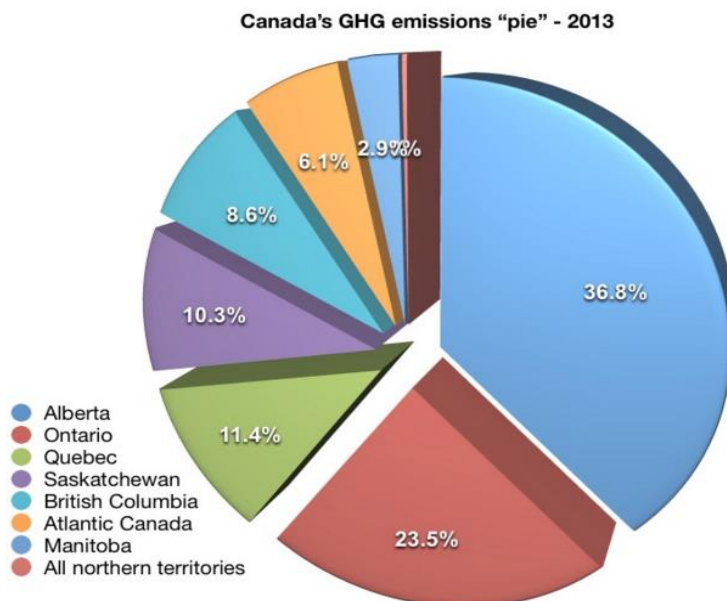
- United States (39.5%)
- China
- Japan
- Mexico
- South Korea

# Changing economic climate

- Lower Canadian dollar = increased cost of imports
  - increased cost for consumers for imports, e.g. fruits and vegetables
  - Increased returns for agriculture commodity exports, e.g. crops, livestock, beef, pork
- Tight global beef supplies = increased prices for Canadian beef
- Repeal of Country of Origin Labelling (COOL) will benefit Alberta's cattle and hog industry
- Changes in environmental policy will also impact our industry



# Changing Environmental Climate



- Agriculture represents only 8% of Alberta's total greenhouse gas emissions
- Agriculture provides carbon offset credits for regulated industrial emitters – a total of 11 million tonnes from 2007 to 2012

- Greater expectations from the public and stakeholders to reduce environmental footprint
  - increasing need to report results
- New and changing environmental policies impacting industry, e.g. climate leadership, wetland policy, South Saskatchewan Regional Plan

# Changing Social Climate

- Growing expectations of consumers – quality, safe, environmentally conscious, socially responsible and humane
- Increasing demand for value-added product choices (organic, Halal, Kosher, vegetarian proteins)
- Growing needs for food security – physical and economic access to sufficient, safe and nutritious food to meet dietary needs and food preferences for an active and healthy life
- Focus on social license – public trust that an industry is doing what is right, e.g Canadian Roundtable for Sustainable Beef



# Growing Agriculture in Changing Climates

## ***Creating the right conditions for growth***

- policy and regulatory environment
- value adding and new product development
- incentives and access to capital
- infrastructure and facility development
- market development and investment attraction
- entrepreneurship
- research and innovation

## In Summary . . .

- ✓ Agriculture and Forestry – strong players in our economy and in meeting a growing need for economic diversification
- ✓ Economic challenges – dollar exchange and market demand
- ✓ Reducing our environmental footprint and supporting regulated emitters through carbon offsets
- ✓ Climate Change and GHG emissions – Alberta and Canada, how we stand
- ✓ Social Responsibility – need for industries to address



# Thank you!