

## AGRICULTURE INDUSTRY

The demand for food and other agricultural products will increase as populations rise. The Year 2000 recorded more than 6 billion people worldwide, with the world population figure expected to reach 8.1 billion by 2025.

### Agriculture and Agri-Food in Canada

The Canadian agriculture and agri-food industry provides one in eight jobs, employing nearly 2.1 million people and accounting for 8.1% of total Gross Domestic Product (GDP) in 2004. Canada was the fifth largest exporter of agriculture and agri-food products (valued at \$26.5 billion) in the world in 2004, following the EU, the U.S., Brazil and Australia. With imports valued at \$20.4 billion, the country was also the fifth largest importer in this category. In addition, Canadian food processing and retail organizations have been expanding abroad and now rank among the world's top food processing and retail firms.



### Alberta Agriculture

Provincial contribution to the Canadian Agriculture and Agri-Food Sector GDP varies, with Alberta accounting for 13.6% in 2004.

- **Export-Oriented** – The agri-food industry in Alberta is export-oriented with the province being second only to Ontario in exporting primary and processed agricultural food products. In 2005, Alberta agri-food exports were \$5.0 billion, half of which went to the United States. The top five agri-food exports were: beef (\$1.4 billion); wheat (\$786 million); pork (\$464 million); canola seed (\$418 million) and live cattle (\$271 million). Value-added exports represented 61.4% or \$3.1 billion of Alberta's total agri-food exports.

- **Primary Agriculture** – Alberta's total farmland area is 52.1 million acres (or about 30 percent of the land area), accounting for 53,262 farms with about 149,000 people living in rural farm households. These farms are responsible for \$7.9 billion in Alberta's farm cash receipts in 2005 or about 21.3 percent of Canadian farm cash receipts generated from primary agriculture.

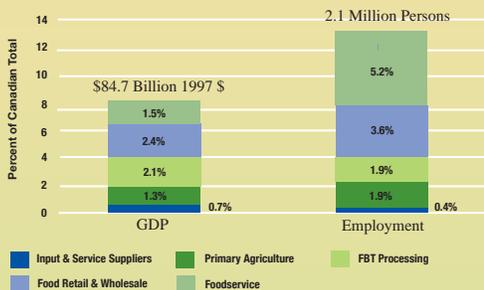
- **Irrigation** – 1.3 million acres are currently under irrigation, representing 4 percent of Alberta's cultivated land, contributing to 16 percent of the province's total agricultural production

- **Livestock** – Alberta is the largest cattle producing province in Canada with 5.9 million head (40% of the nation's total) at the beginning of 2006. In 2005, nearly two-thirds (or 63%) of Canadian beef processing (total of 3.9 million head) occurred in Alberta resulting in 2.5 million head of cattle slaughtered in federally and provincially inspected plants (excluding calves). Carcass and boxed beef production for that year was estimated at 856,720 tonnes. Beef consumption in the province was 13 percent of production, with the 32 percent of Alberta's beef exported to the United States.

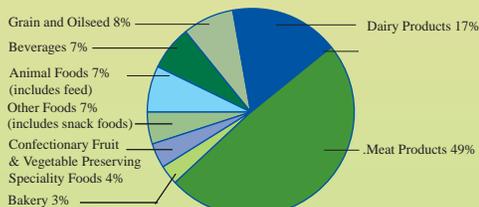
- **Crops** – During the past decade, Alberta produced 28 percent of the nation's wheat crop, 34 percent of the canola, 44 percent of the barley and 23 percent of the oats. Significant crop contributions to the nation's totals in 2003 include 100 percent of the sugar beets, 39.8 percent of the canola, 32.2 percent of the wheat, 30.4 percent of the hay and clover, 27.8 percent of the barley and 20.3 percent of the dry peas.

The Agriculture and Agri-Food System's Contribution to GDP and Employment, 2004

Source: Statistics Canada and AAFC Calculations



Agricultural Products by %



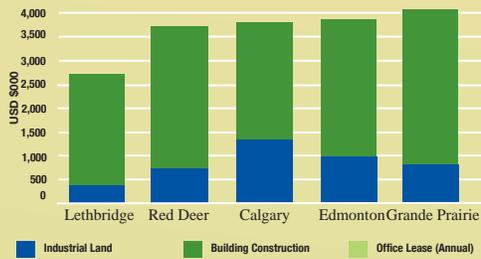
Source: Statistics Canada

## Cost of Doing Business in SouthGrow

According to the 2006 KPMG Competitive Alternatives Guide to International Business Costs, Lethbridge, part of the SouthGrow Region, has an overall cost advantage of 8.7 percent relative to the United States.

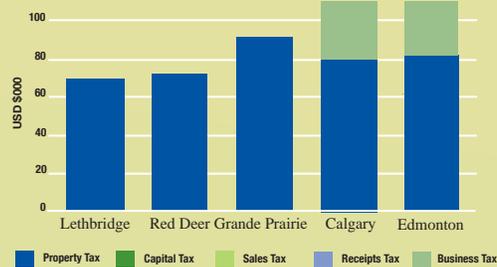
### Facility Costs

Industry: Agri-Food: Operation: Food Processing  
competitivealternatives.com



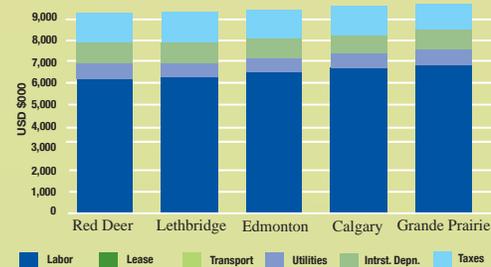
### Annual Non Income Taxes 10 Year Average

Industry: Agri-Food: Operation: Food Processing  
competitivealternatives.com



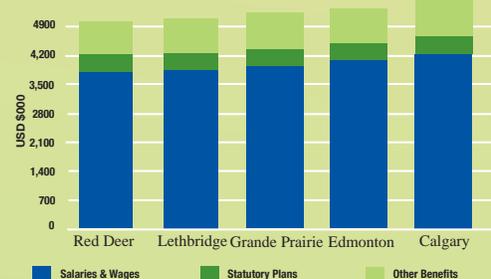
### Total Location Sensitive Costs 10 Year Average

Industry: Agri-Food: Operation: Food Processing  
competitivealternatives.com



### Annual Labour Costs 10 Year Average

Industry: Agri-Food: Operation: Food Processing  
competitivealternatives.com



## SouthGrow Region

Agriculture is the main industry in southern Alberta and SouthGrow has the oldest agriculture area in the province with extensive ranching and farming activities. Some of the largest ranches in Canada are operated in the region. There are over 3,200 farms in the area, showing breadth and stability of farm production in the area.

Irrigation brings more than water to the region. It creates opportunities by bringing people, employment and economic stability. The total land assessed for irrigation is 578,705 hectares. SouthGrow's Region encompasses seven of the Province's thirteen Irrigation Districts. This irrigation enables the region to produce 224,587 acres of specialty crops to fuel the value added agriculture cluster:

- SouthGrow produces 61% of Alberta's vegetable crop.
- Alberta is the only province that produces sugar from sugar beets. Sugar beets are one of main irrigated crops grown in the SouthGrow region.
- SouthGrow is the prime potato growing region, due mainly to irrigation. Potatoes require 16 to 18 inches of moisture during the season, which must be applied consistently and continuously.

Supported by the strong agriculture economy, SouthGrow has a number of processing plants that distribute their value added products around the globe:

- Sunrise Poultry in Lethbridge processes poultry and is the third major poultry processor in the province along with Lilydale and Maple Leaf.
- ConAgra Specialty Potato Products and McCain Foods, both manufacture french fries and are both located in the SouthGrow Region.

This cluster is supported by a number of medium and small scale operations in the region as well.

### Average Wages

Average wages for selected positions in the sector are:

NOC	Occupational Title	Average Wage/Hour
8431	Farm Worker/Technician	\$12.32
8251	Farmers and Farm Manager:	\$18.67
	• Bee Keeper	
	• Dairy Producer	
	• Grain and Forage Crop Producer	
	• Livestock/Poultry Producer	
	• Market Gardener	
9461	Process Control & Machine Operators, Food & Beverage Processing	\$13.10
9465	Testers & Graders, Food & Beverage Processing	\$18.58
9617	Labourers in Food & Beverage Processing	\$16.35

Source: 2005 Alberta Wage & Salary Survey – Lethbridge-Medicine Hat Region

## SouthGrowN Successes

SouthGrow has many successful companies in the agriculture and agri-food industry:

- Sunrise Poultry Processors Ltd. – Lethbridge
- McCain Foods (Canada) A Division of McCain Foods Ltd. – Coaldale
- Maple Leaf Potatoes - Lethbridge
- Lamb Weston, A Division of ConAgra Limited - Taber
- Frito Lay Canada – Taber & Lethbridge
- Canbra Foods – Lethbridge
- Benchmark Premium Angus Beef - Warner
- Broek Pork Acres – Picture Butte
- Ewe-nique Farms – Picture Butte
- Sunny Rose Cheese – Diamond City
- Ellison Milling Company – Lethbridge
- Rogers Sugar Ltd. – Taber

## Industry Supports

- Canadian Food Inspection Agency  
[www.inspection.gc.ca](http://www.inspection.gc.ca)
- Agriculture and Agri-Food Canada  
[www.agr.gc.ca](http://www.agr.gc.ca)
- Alberta Agriculture Research Institute  
[www.agfoodcouncil.com](http://www.agfoodcouncil.com)
- Alberta Agriculture and Food  
[www.agric.gov.ab.ca](http://www.agric.gov.ab.ca)
- Alberta Food Processors Association  
[www.afpa.com](http://www.afpa.com)
- AVAC Ltd.  
[www.avacltd.com](http://www.avacltd.com)
- Potato Growers of Alberta  
[www.albertapotatoes.ca](http://www.albertapotatoes.ca)
- Alberta Sugar Beet Growers  
[www.absugar.ab.ca](http://www.absugar.ab.ca)
- Alberta Irrigation Project Association  
[www.aipa.org](http://www.aipa.org)
- SouthGrow Regional Initiative  
[www.southgrow.com](http://www.southgrow.com)

## Opportunities

There are many opportunities in the SouthGrow Region:

- Sugar Confectionery
- Ready Meal and Meal Components

## The SouthGrowN Advantage

- **Logistics** - SouthGrow is located on the major Canadian transportation routes for both east/west and north/south highway routes. It is located on the CanaMEX corridor with close proximity to the United States border, allowing for easy connection to the interstate system to all major US cities.
- **Strength in Agriculture** – There is a strong agricultural economy and farming base that has led to a substantive export-oriented food processing industry. The region produces 61% of Alberta's vegetable crop and has 14% of the cattle produced and 15% of the pig population. There are over one million acres under irrigation and the region has the longest growing season and the most hours of sunshine in Canada.
- **Greenhouse Production** – The region's greenhouse production totals 300,000 square feet.
- **Abundance of Inputs** – The region has a large and diverse local supply of ingredients/food product inputs as well as a number of local food producer entrepreneurs.
- **Supports** – Alberta food research facilities are available and accessible for product development. In addition, there is a strong research cluster including the University of Lethbridge, Agriculture and Agri-food Canada (AAFC) Research Centre, Alberta Agriculture and Food, and Lethbridge College.
- **Synergy** – Synergy with other SouthGrow businesses, e.g. plastic extruders, primary food producers, etc provides possibilities.
- **Established Market** – The region has an established institutional market.
- **Low Cost** – Real estate costs in the region are less than those in other major centres in Western Canada, and the province has a competitive corporate tax rate for manufacturers and processors. There are no capital or payroll taxes, and no provincial sales tax. Albertans also benefit from the lowest overall taxes in Canada.
- **Experience** – SouthGrow has a mature food processing sector located within its borders, with successful operating models and strong industry associations. In fact, the region produces about 25% of Alberta's food and manufacturing products.
- **Population** – There is an increasing population growth with a young and ready supply of trained labour (over 50% have some level of post-secondary education). In addition, growth due to in migration from both domestic and international sources is expected to continue.





# SouthGrow

Regional Initiative

**Contact:**

SouthGrow Regional Initiative  
105 Provincial Building  
200 5th Avenue South  
Lethbridge, Alberta  
Canada T1J 4L1  
Ph: (403) 381-5414  
Fax: (403) 381-5741  
E-mail: info@southgrow.com  
Website: www.southgrow.com

SouthGrow Regional Initiative is about creating opportunities ... for and with the twenty-six member communities in south-central Alberta. The region includes the City of Lethbridge, a regional hub and a key centre on the north/south corridor with air, rail and highway service. In addition to three major highways (3, 4 and 5) that run through the region, the Alberta portion of the CanaMEX corridor which is a twinned highway system that starts in Mexico City and will eventually end in Anchorage, Alaska also runs through the region. Most communities are within an hour of the U.S. border and major 24 hour port of entry Sweetgrass/Coutts, allowing access to all markets. Calgary and Edmonton are 235 km and 514 km, respectively from the centre of the SouthGrow region.

SouthGrow Regional Alliance has unique characteristics that provide the people that live, work and do business in the region with many advantages. We have:

- A strong education and research cluster.
- An entrepreneurial orientation with many successful established companies.
- A varied landscape providing opportunities in agriculture, manufacturing, tourism and other industries.
- A strong economic base that allows businesses, employees, residents and investors to grow and flourish in the region.
- Varied cultural assets providing a quality of life and opportunity to be enriched through diversity second to none.
- A young population and high quality of life creating opportunities for investors in a variety of industries.
- Trust, respect, and a spirit of collaboration and partnership amongst our members that contributes to the success and sustainability in the region.



## SouthGrow Specifics

- Population: 136,300 in 2005 (an increase of 11.08% over 2001).
- Time Zone: Mountain Standard Time Zone
- Climate: Mild winters and warm summers, with close to 2,400 hours of sunshine per year; 140 crop days annually.
- Commercial Airport: Lethbridge County Airport
- U.S. Border Crossings: Coutts/SweetGrass (24 hour, 7-day, Commercial), Carway/Peigan, Del Bonita, Chief Mountain.
- Rail Access: Canadian Pacific Railway with main line and trackage in all four directions at Lethbridge.
- Major Highways: #'s 2, 3, 4, and 5
- Major Source of Water: Oldman River Sub Basin
- Air Quality: Air Quality Index was rated "Good" over 96% of the time (2006).
- Waste Management: Five waste management commissions/authorities in the region.
- Primary/Secondary Education: Numerous school divisions providing public, private, and separate (francophone, catholic and alternative) education.
- Post-Secondary Education: Lethbridge College and University of Lethbridge.
- Health Care: Chinook Health and Calgary Health Region oversees the health care needs of the region's residents.

## We Are

- |                       |                      |
|-----------------------|----------------------|
| City of Lethbridge    | Village of Carmangay |
| Town of Cardston      | Village of Coutts    |
| Town of Claresholm    | Village of Champion  |
| Town of Coaldale      | Village of Milo      |
| Town of Coalhurst     | Village of Nobleford |
| Town of Magrath       | Village of Stirling  |
| Town of Milk River    | Village of Warner    |
| Town of Picture Butte | Cardston County      |
| Town of Raymond       | County of Lethbridge |
| Town of Taber         | MD of Taber          |
| Town of Vauxhall      | Vulcan County        |
| Town of Vulcan        | County of Warner     |
| Village of Barons     | Blood Tribe          |

**SouthGrowN**  
**People, Products, Pride**

