

GOLDEN AREA AGRICULTURE SECTOR PROFILE 2023



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Introduction

The purpose of this profile is to understand current agriculture sector market trends and issues, identifying characteristics, including performance in terms of production and contribution to the regional economy.

The guiding research questions include:

1. What is known about the agriculture sector within the Golden Area and how does it compare regionally, provincially and nationally?
2. What are the current and projected opportunities and threats for the Golden Area?

Executive Summary

The 32 businesses operating in the agriculture sector in the Golden Area represent 4% of all local businesses. They are mostly small in size and employ few people, less than 1 employee per farm (not including volunteers, people paid in kind and people paid under the table). Almost half of these farms operate as hobby farms and some are quite profitable.

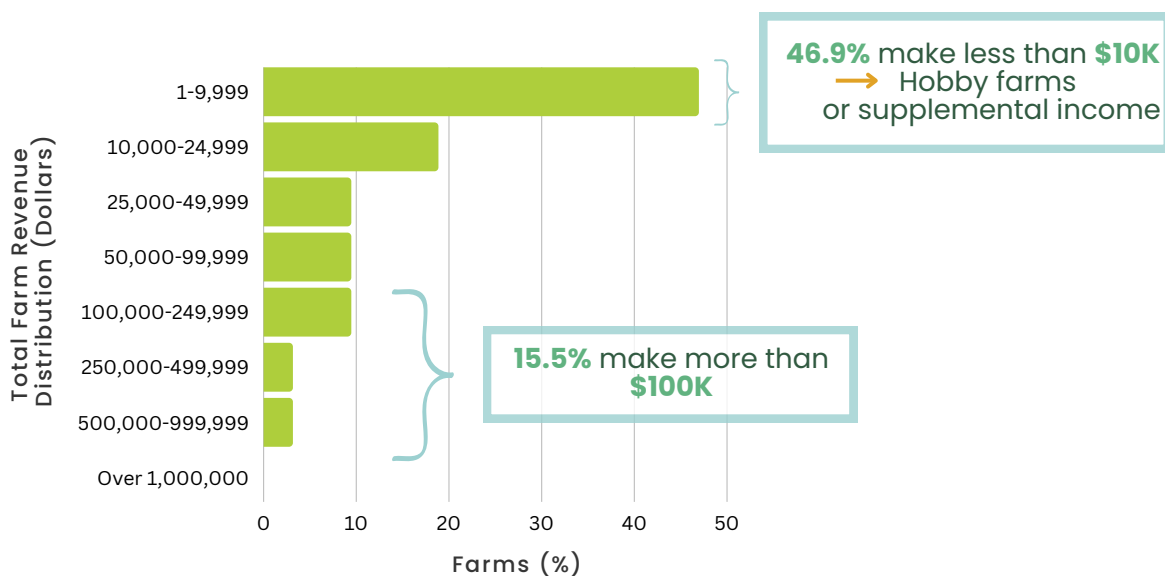


Figure 6: Farm Yearly Revenue Distribution in CSRD Area A⁹

Below are the local farm products, following the North American Industry Classification System (NAIC). The goods produced by farms creating more than one output or grey market and non-primary income are not captured.

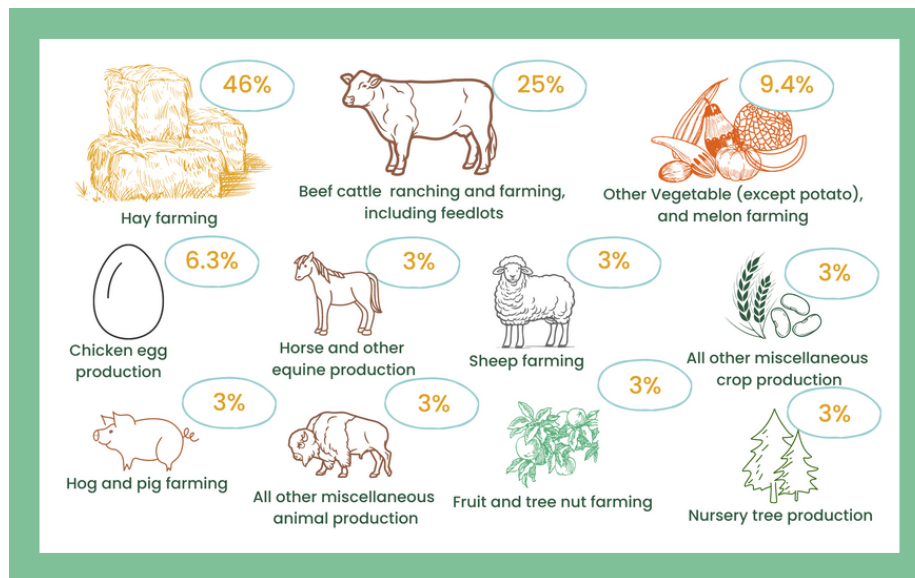


Figure 7: Farm production in CSRD A ⁹

There is support for locally grown food, demonstrated through farm gate sales, an organic and local grocer, the Farmers' Market and other offerings. Local farmers show innovation with hemp farming, insect protein, microgreens and others. There is expertise in the area with many having completed studies in related fields.

Operating rurally challenges farmers in accessing meat processing plants, getting feed for their animals and transporting their products to market. Soil fertility is limited and there is only minimal infrastructure to allow farmers to grow or store food in the winter. Smaller farms face challenges in scaling to sell to bigger points of sale.

Some elements threaten the local agriculture industry. Climate change is impactful with droughts and forest fires. Aging farmers without a succession plan threaten the future of agriculture in the area. The leasing of land at high revenue for experimentation and the lack of regulations around ground water extraction and licensing also pose a threat. Opportunities abound in the sector with higher temperatures extending the growing season, food and beverage being a leading growth sector, the Farmers' Market gaining exposure and the area's central location to become a distribution hub.

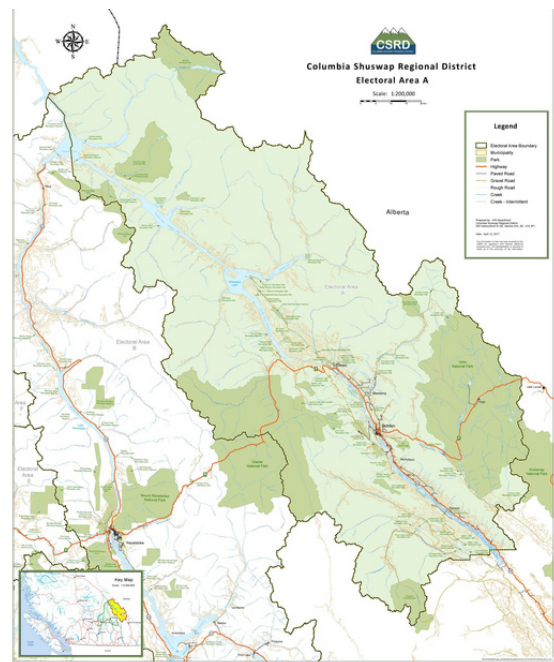
1.Regional Background



Photo: Dave Best & Tourism Golden

a) Boundary

The Golden Area is a region of incredible beauty, community ties, and industry. It is located at the confluence of the Columbia and Kicking Horse Rivers and the intersection of the Trans Canada (Hwy 1) and the Kootenay–Columbia (Hwy 95) highways. It is nestled amongst six national parks, including Banff, Yoho, Glacier, Mount Revelstoke, Kootenay, and Jasper, and three major mountain ranges including the Rockies, Purcells, and Selkirks. In addition to the Town of Golden, Columbia Shuswap Regional District Area A (CSRD Area A) comprises the unincorporated communities of Parson, Nicholson, Donald, Blaeberry, and Field.



b) Economic Snapshot

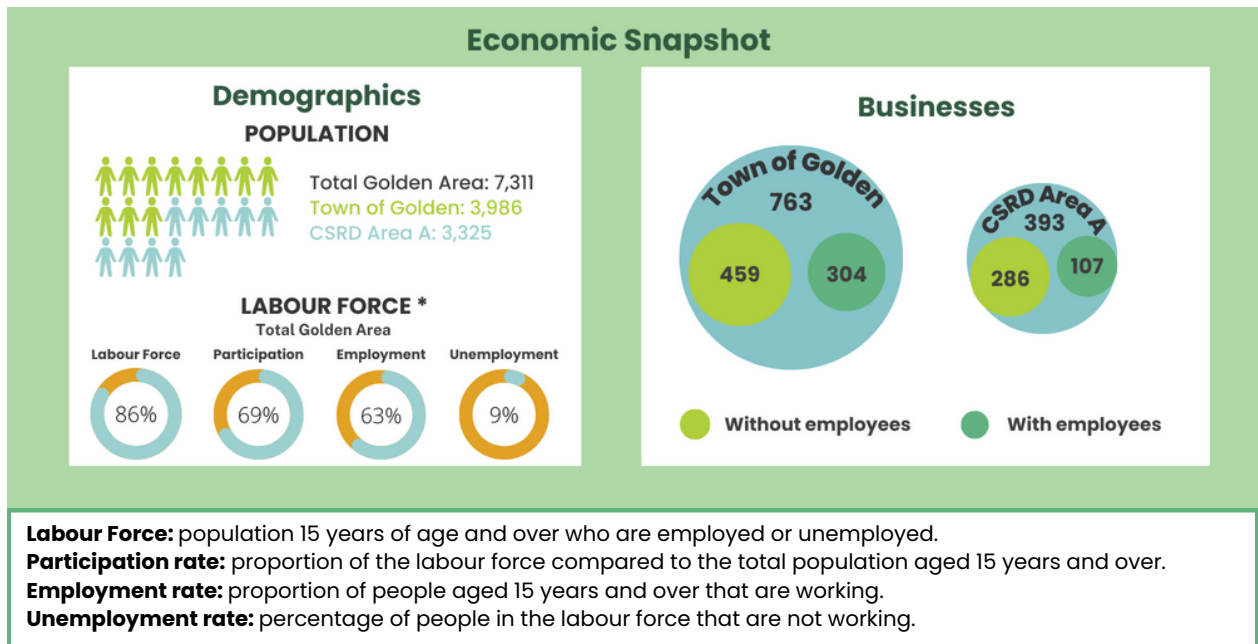


Figure 1: Economic Snapshot²

The unemployment rate in the Golden Area is higher than the provincial average of 8.4%, but the participation rate is also higher than the provincial one at 63.3%. Most businesses with employees hire between 1 and 4 people. This suggests that there is a large number of owner-operated and small businesses.³

2.AGRICULTURAL SECTOR OVERVIEW

a) In Canada

Canadian primary agriculture is an economic driver highly diversified across the country, counting a total of 189,874 farms that cover 62.2 million hectares or 6.3% of Canada's land area. Farms are mainly concentrated across the Prairies, Quebec and Southern Ontario. The average farm size doubled over the last 50 years due to increased consolidation and technological advances.⁵

b) In British Columbia

BC's diverse landscape and varied climate allow for the production of over 200 agricultural commodities like fruits and vegetables, grains, ornamental plants, livestock, and at least 100 different seafood species like fish and molluscs.

Before coming into contact with Europeans, BC's Indigenous peoples cultivated root crops and shellfish aquaculture. In addition, Indigenous peoples also managed natural ecosystems using tools like wildfire to increase the abundance of plants and animals suitable for hunting and gathering. Grains, fruits and vegetables, cattle and horses were introduced by fur traders early in the 19th century. Later, to try and meet the demands

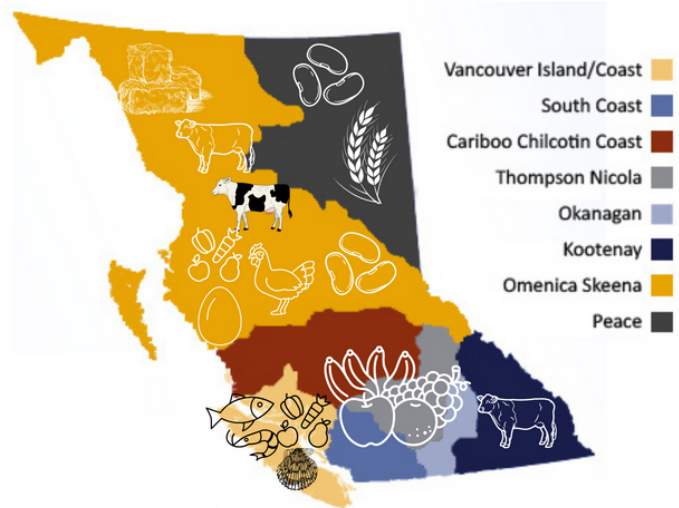


Figure 2: Agriculture in BC ^{4 6}

brought on by the Gold Rush, mining, and the newly completed railway, commercial farming and cattle ranching were introduced. ⁶ Additionally, BC has more than 1,500 businesses that produce foods and beverages ranging from breakfast cereal to wine to nutraceuticals. ⁷

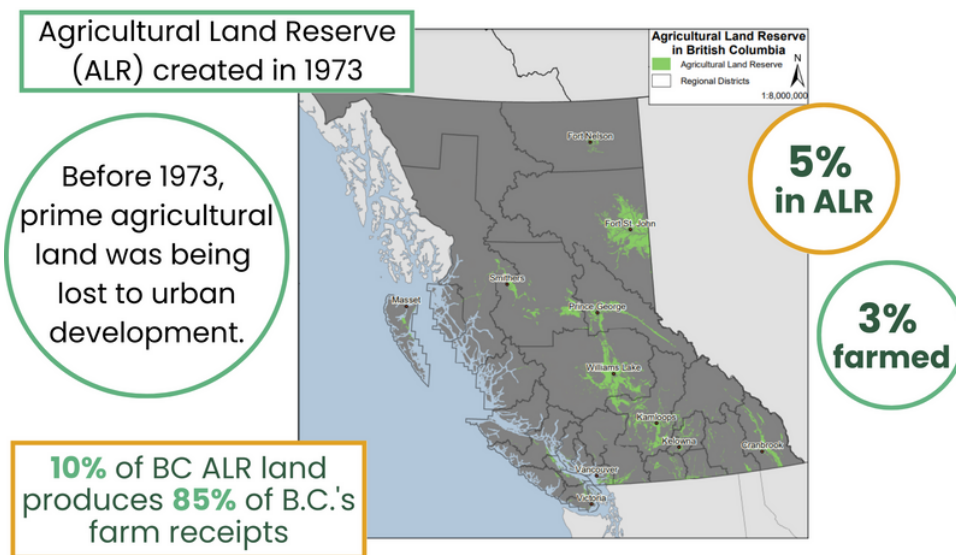


Figure 3: Agriculture Land Reserve in BC ^{1 6}

c) In the region

There is a long history of agriculture in the Golden Area with ranching, fruit farms, and other ventures dotting the valley. Based on Thomas King's accounts of his arrival and observations in 1899's early Golden, Golden had a population of about 375. Over a dozen settlers had established homesteads



Bill Habart and son Wilfred on their farm in Nicholson. Photo: Golden Museum

south of Town, all the way to Brisco. The land clearings in the valley were very small for the most part. Some farmers raised horses and sheep, some grew hay for cattle feeding, there was one with two acres of apple trees. Some were available for other work, some lived off the meager proceeds of their products, and some were quite successful.

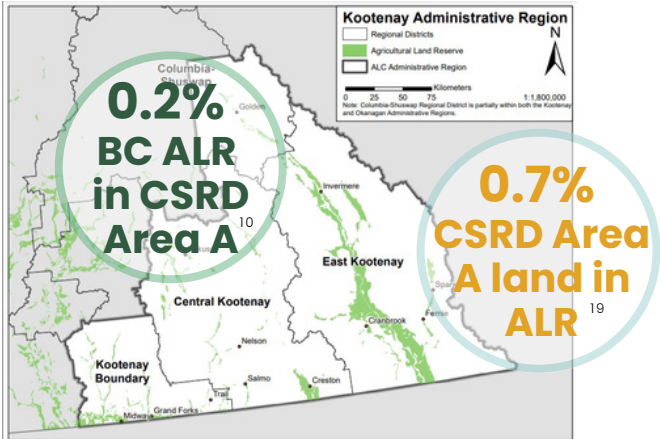


Figure 4: ALR Map - Kootenay Administrative Region

An important influx of settlement in the valley came in the early 1900s and many thought their land would be a life's security. But after 1950, small landowners were finding it hard to make payments and the wages in the logging industry were very appealing and drove many to the timber operations. Also, around that time, some of the land closer to town was subdivided for home development.⁸

Today there are many farms that produce beef, pork, chickens, a broad selection of fruits and vegetables, honey, mushrooms, hemp, and other crops. Rather than large scale farms, we still find smaller plots.³

Businesses in the Agriculture industry represent **4%** of the local businesses.⁹

3. GOLDEN AREA SECTOR PROFILE

a) Size and Ownership

There are 32 farms in the Golden Area.⁹ The BC average land size is 350 acres and the CSRD average is 77.6 acres. Farms in the CSRD area are much smaller on average than the rest of BC.¹¹

72% of farms are operated by **land owners**, 28% are **leasing** their land: 3% from governments and 25% from others.⁹

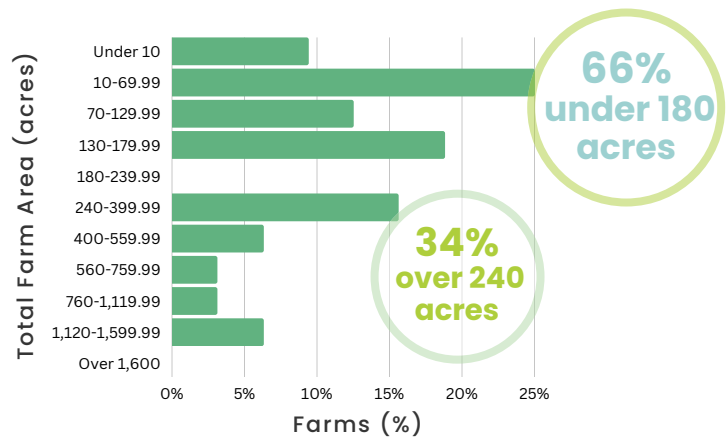


Figure 5: Farm size Land in CSRD Area A⁹

b) Revenue

The total revenue for the agriculture industry in the Golden Area is between \$1.3 and \$3 million, while the total expenses are estimated to be \$1.845 million.⁹

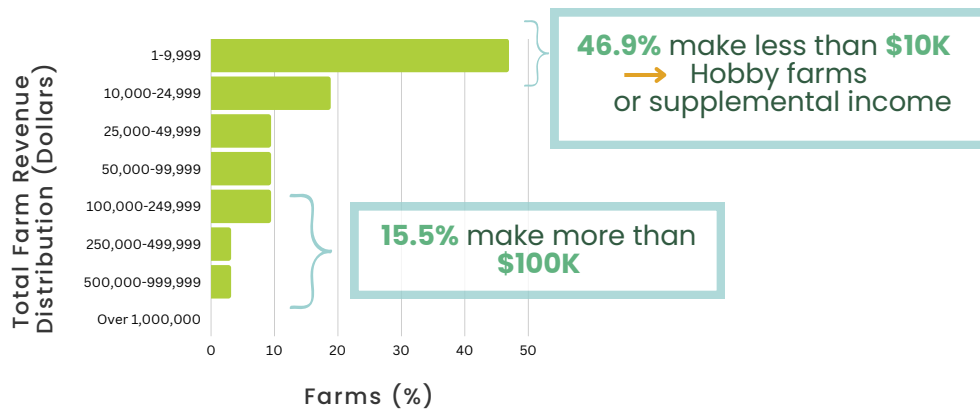
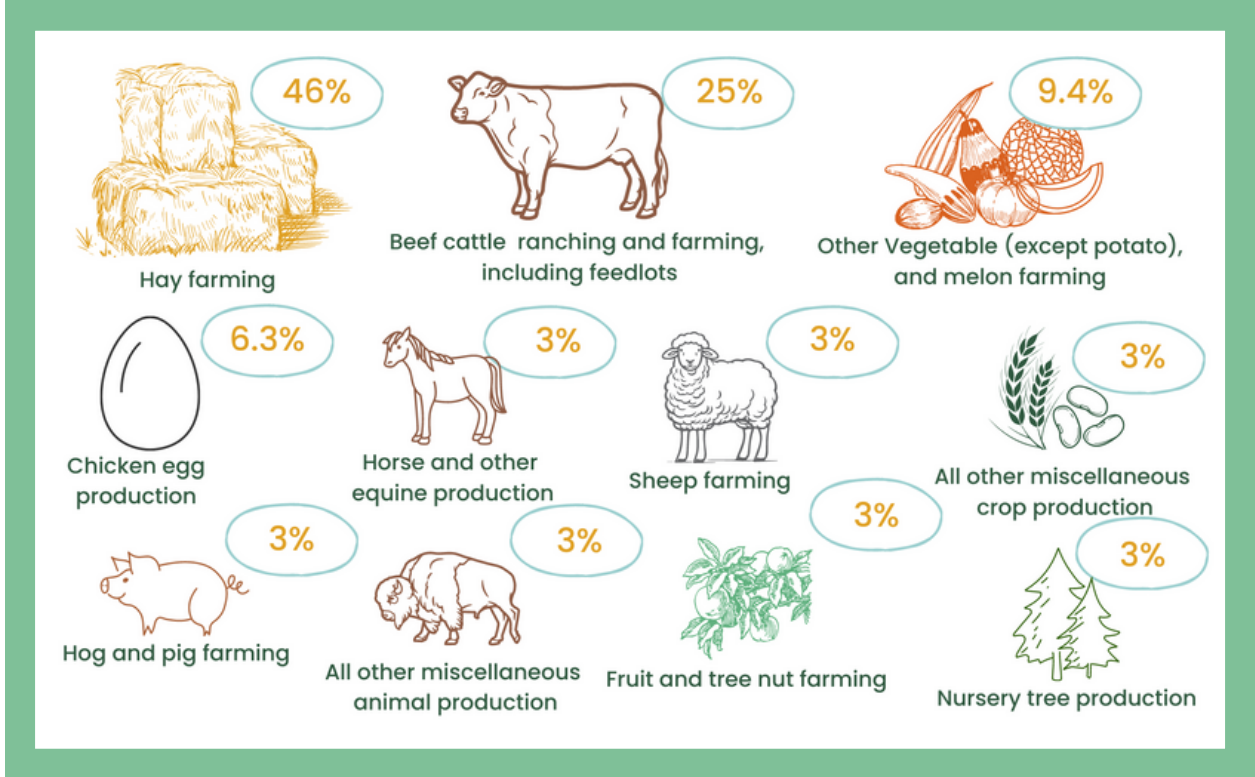


Figure 6: Farm Yearly Revenue Distribution in CSRD Area A⁹

c) Products



The proportions of farm production follows the classifications used by the North American Industry Classification System (NAIC). It doesn't reflect all the goods produced by farms creating more than one output or grey market and non-primary income; some local products are therefore missing.

Figure 7: Farm production in CSRD A ⁹

i. Organic products

4% of the local farms are reporting certified organic products for sale compared to 3% in all British Columbia and Canada, including farms that are in the process of becoming certified. These local numbers don't include farms that practice organic farming but are not certified. This suggests that the value for organic products is higher locally than generally in the rest of the province and country. ⁹



Photo: Goonieland Permaculture Farm & Earthship



Photo: Golden Farmers' Market

The support for organically produced foods can be observed through box programs offered by local farmers, farm gate sales, single product delivery/sales (e.g., eggs), and others.

Golden also has an organic and local grocer that has been operating since 2014 as well as a Farmers' Market that runs year-round, with approximately 18% of farmer vendors on average, running weekly in the summer and monthly in the winter.¹³

d) Employment

i. Farm operators

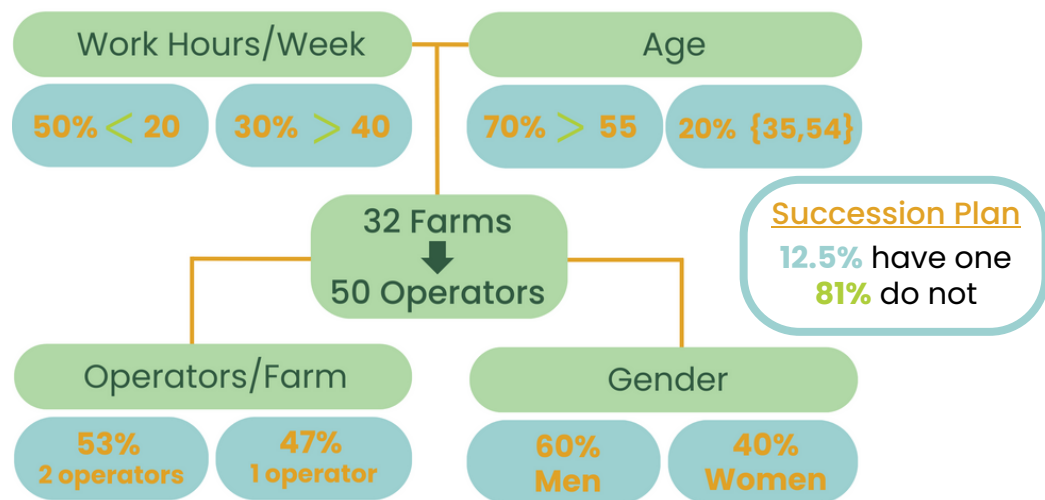


Figure 8: Portrait of farm operators in CSRD Area A⁹

ii. Farm employees

Estimating the local number of farm employees is challenging as there is no local data on that topic. The Columbia Shuswap Regional District globally counts 388 employees for Golden, Revelstoke, Sicamous and Salmon Arm rural areas. If we apply the operators ratio of 6% (50 operators in Golden

compared to 815 in the CSRD), we can estimate the number of farm employees in the Golden Area to be 23 (6% of 388).^{9 11}

Within the agriculture subsectors of Crop and Animal Production, it is estimated that for every million dollars' worth of output in British Columbia, 5.661 jobs are directly created and a total of 6.571 jobs are created (including indirect employment opportunities created in different industries supporting the agriculture sector and workers).¹⁷ Using the farm receipts for the CSRD of \$64.8 million combined with the above multipliers, we can estimate that beyond the 388 jobs directly related to agriculture, there is a total of 425 direct and indirect jobs. This translates locally to 26 jobs in total when applying the same ratio of operators of 6%.¹¹

This suggests that local employment in the sector is small. However, because this data doesn't capture volunteers, people paid in kind (e.g., room and board, food, service trades, etc.), and people paid under the table, these estimates should be considered low.

The wage in the agricultural sector at a regional scale, based on a sample of jobs, shows a range between \$15-\$23/hour.¹⁴ The provincial sector unemployment is 8.9%.¹¹

iii. Local Expertise

In the area, 260 individuals have a postsecondary certificate, diploma or degree in the fields of "Agriculture", and "Natural Resources and Conservation", suggesting that there is local expertise.³

Completed postsecondary studies in Agriculture and Natural Resources and Conservation Total: 260	
In town: 145	In Area A: 115
35: diploma in Agricultural and Veterinary Sciences	45: diploma in Agricultural and Veterinary Sciences
110: diploma in Natural Resources and Conservation	70: diploma in Natural Resources and Conservation

Figure 9: Post-secondary studies related to Agriculture in Golden and Area A³

iv. Employment Forecast

The agriculture industry is not expected to be a leading sector in employment growth in the coming years. The current number of jobs in the industry in all of British Columbia is 25,700 or 0.94% of the total jobs in the province. The total job openings expected from 2022 to 2032 is 6,900, including replacement job openings (6,000) and expansion job openings (900), showing that most of the job openings will be due to retirement. The majority of these work opportunities are within the Lower Mainland and Okanagan region.

However, the Food & Beverage industry is in the top 10 for growth, with a forecast of 45,200 job openings in BC by 2032. Shifts in the global production and distribution of food could have an impact on the agriculture sector growth rate. Restaurants are also adding local ingredients to their menus, expanding this growth opportunity.¹⁵

4. TRENDS, THREATS & OPPORTUNITIES

a) Trends

i. Revenue Growth

Agriculture is a growing economic driver in BC with a growth rate of 8.5% for the Agriculture and Fishing sector. The operating revenue in the province totaled \$4.8 billion in 2021, an increase over 280% in the past 25 years.⁹

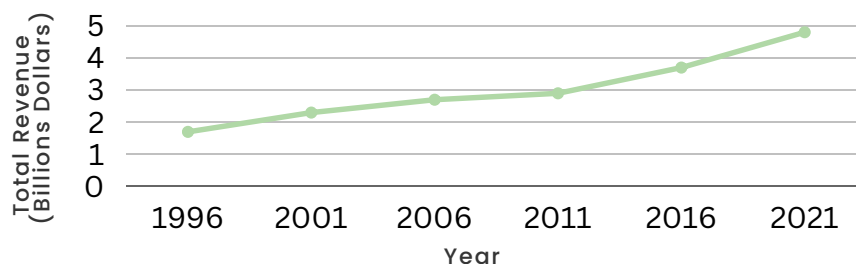


Figure 10: Agriculture Revenue in BC⁹

In the CSRD, we observe the same trend with gross receipts increasing from \$40 million in 2006 to \$79 million in 2021.⁹

ii. Change in farm size

A few BC indicators show a trend in farms becoming larger and producing more efficiently. The overall farmland area and number of farms are decreasing, and more farms are declaring higher revenues at each census. Farms making more than \$1 million increased by 225% from 2006 to 2021 while the ones making less than \$25 thousand decreased by 54%.

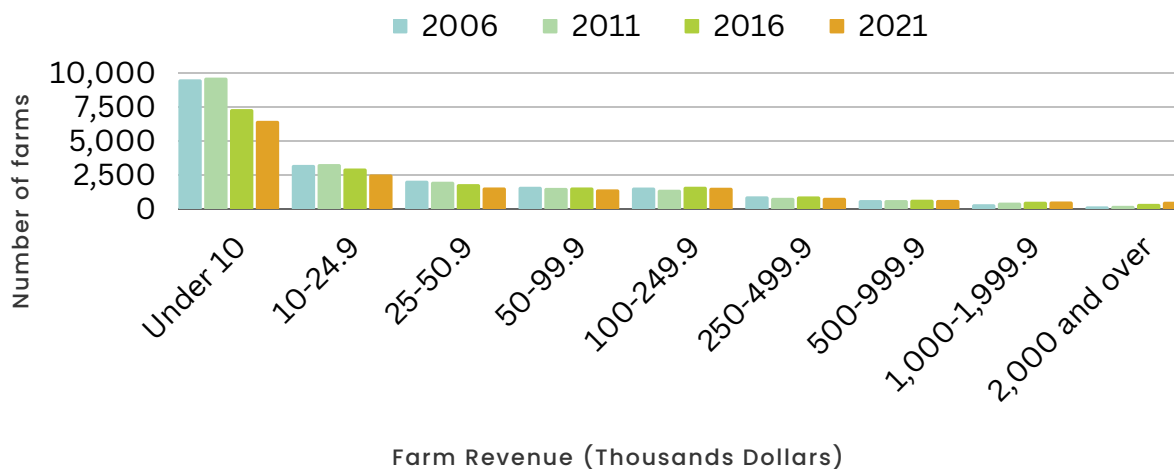


Figure 11: Farm Revenue in BC⁹

The total number of farms in BC decreased by 22% over the past 20 years, from 20,290 farms in 2001 to 15,841 in 2021. The farmland area is also decreasing, with 2.3 million hectares in 2021, compared to 2.6 in 2001. The average size of farms increased from 128 hectares in 2001 to 144 hectares in 2021.¹⁶

In the CSRD, we observe the same trend, with a decrease of 18% in the number of farms from 624 in 2006 to 510 in 2021. The average farm size went from 66.6 hectares in 2006 to 77.6 in 2016. The revenue also increased, from \$40 million in 2006 to almost \$65 million in 2016.⁹

iii. Renewable Energy

The number of farms using renewable energy systems, including wind turbines, solar panels and others, almost doubled from 2016 to 2021 in BC, going from 718 to 1420, or 4% to 9% of all farms. In the CSRD, there are 15 farms reporting using renewable energy systems, or 2.1% of all farms.⁹

iv. Innovation

Keen farmers are looking for efficiencies and innovation. Locally, one crop farmer has pivoted from a farmer's market sales orientation to a home distribution style and another producer utilizes biochar from the lumber plant to improve soil fertility.

b) SWOT Analysis

Strengths

Strong local support with a Farmers' Market, an organic and local grocer and direct sales opportunities.

Innovation is prominent in the area, from hobby farms experimenting with microgreens and insect protein to large scale farms looking for efficiencies.

There is **local expertise** with 260 people having completed post-secondary studies in the fields of Agriculture and Natural Resources Conservation.

Local Food Matters is an active non-profit society in the Golden Area working with the community to build and promote a thriving local food culture.

The Golden Area has an **organic and local grocer**, focused on bringing local foods to market.

Weaknesses

Rural location:

- Not having a meat processing plant locally disadvantages the smaller ranches and hobby farms that face challenges in transporting their animals to distant processors.
- The high cost of shipping and transportation affects getting feed as well as getting the products to market.

Smaller farms have challenges in scaling their production to sell to bigger points of sale such as restaurants and grocery stores.

Winter infrastructure and storage is minimal to support smaller and hobby farmers in producing during the winters and storing produce.

Lack of fertile top soil limits crop farming in the area.

Opportunities

Climate change:

- With temperatures rising and the growing season getting longer, there are more possibilities of cultivating species that would not have been possible before.
- Ventures suffering a harsher climate south of the border are looking to relocate further north.
- Supply chains have experienced challenges in the past number of years and we might have to rely more on locally harvested foods in the future.

Food and beverage sector:

- The food and beverage sector is projected to experience high growth, which could translate into a greater demand for fresh local products.
- The Farmers' Market could benefit from more promotion and support to increase its exposure and size.

Golden Area's location at the crossroads of Highways 1 and 95 is an opportunity to be a distribution hub for the community and regional markets.

Threats

The lack of **succession planning** is a threat with most operators being close to retirement and only a small minority having a plan in place.

Climate change is a current and future threat, with higher temperatures and less rainfall, droughts and forest fires are bound to affect the agricultural sector, as well as other climate change impacts.

Land use: farmers are being tempted by high rental revenues for the use of their land for experimental crops.

Water management is a threat, with both ground water extraction and water licensing.

“

*We rely so heavily on food trucks.
What will happen if one day they don't arrive?
It's important that we know how to grow our own food.*

- Jenny Waters, Autumn's Harvest

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Photo: Golden Farmers' Market

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