### ECACEP Scenario - Full Speed Ahead

#### Planning Factor: Economic Sustainability

#### Theme: Agriculture – Global Scale

<table>
<thead>
<tr>
<th>Force/Driver</th>
<th>Scenario Assumptions (developed by workshop participants)</th>
<th>Forces/drivers /outcomes from Consolidated Report that could support this scenario (developed by workshop participants)</th>
<th>Supportive Information from Topic and Focus papers</th>
</tr>
</thead>
</table>
| **Cost (inflation)** | • Oil and gas subsidize agriculture  
• Food costs increase as fuel costs go way up  
• Socio-economic stratification  
• (growing gap between rich and poor | • Higher costs  
• Continued use of global networks and reliability on fuel for shipping depletes fuel supplies, increasing costs of goods and quality of life | • Exchange rate is an important factor influencing agriculture exports  
• Alberta is no longer a low cost feed area  
• Higher energy and fertilizer costs are expected to persist  
• Return of inflationary pressure is expected  
• Slowdown in US economy is a factor  
• Albertans currently spend 8.7% of household expenditures on food (an average of $7500/household) – compared to 71-86% in Sub-Sahara Africa |
| **Farm size** | • Large consolidated farms grow cash crops and bio-fuels, resulting in little local production  
• Local greenhouse production done by global scale producers | • High-risk business as input costs rise – only factory farms are viable  
• Agriculture continues to grow and becomes more profitable  
• Depletion of agricultural dependent businesses leads to loss of community, local business  
• Unfavourable climate changes in other countries favour agri-business in Alberta  
• Median age of corporate farmer decreases; farm income increases | • Highly productive soil supports a wide range of crop options and generally high yields.  
• Beaver and Camrose Counties – yields are close to provincial average  
• Flagstaff county is moderately below yield average  
• ECA contribute 12% of Alberta’s Canola and 9% of Alberta’s wheat  
• Other crops include barley, alfalfa, cattle and hog production. Not a lot of feedlots in area. There are a number of large hog farms (capital, land and water intensive). Poultry and dairy are also present (same concern with water and land usage)  
• Expansion of livestock is aligned with domestic markets through supply management  
• Study area lies mostly in the Battle River Basin (BRB) (62%)- from 2001 census:  
− 2,931 farms (48.2% of total farms) – average size: 557 acres (28.5% of total acres)  
− 2,022 farms (33.3% of total farms) – average size – 1,288 acres (45.4% of total acres)  
• Number of farm operations have decreased from 59,007 to 49,431 (1996-2001), but production continues to increase |
| **Agricultural practices** | • Oil and gas subsidizes agriculture  
• Family farm ethic being lost | • Climate changes favours more drought resistant crops  
• Big Agriculture buys out the smaller farm operations  
• Contaminated water supply and unhealthy ecosystems due to unchanging agricultural practices require mitigation  
• Lack of education outreach programs lead to fewer agricultural fieldsmen  
• New technologies in Agriculture (GMOs etc.) negatively impact the environment | • Global warming with longer growing season and milder winters will require innovative crop selection – higher value crops and new farming practices. Drought resistant crops, such as millet, chickpeas and sorghum may become more common; barley production may decrease. Drought resistant crops are typically higher in value than the ones they replace  
• Effects of CO2 “fertilization” and longer growing season may increase yield in specific crops, but may also result in increased weed growth  
• Effective adaptation is key |
| **R&D** | • Increase in R&D | • New technologies are developed to mitigate impacts of growth | • Advances in technology, a large land base and highly skilled producers can expand agriculture production |

October 2008
Abells Henry Public Affairs
## ECACEP Scenario - Full Speed Ahead

| Markets/Foods | • Food costs increase as fuel goes way up  
• Subsidization a theme for this region to stay competitive  
• Some diversification in green house operations – but these businesses are conducted by corporate agriculture – not family farms  
• All local scale production is produced by global-scale producers  
• Alberta currently exports grain, oilseeds and meat  
• 97.9% of Alberta’s Ag producers depend on the export market that spreads over 60 countries  
• Trade linkages could change as the world adapts to climate change  
• ECA contributes about 9% of Alberta’s wheat share and 12% of its canola share – so economy is currently tied to exports  
• Current decline in the value of livestock exports have been offset by strong growth in crop export value  
• Fruits and vegetables are Alberta’s top imported items ($427m in 2007)  
• Other imports include cereal preparations and oilseed cake and meal  
• Alberta imported a total of $1.6 billion of agri-food products (2007) – the value of exports was 4 times higher ($6.6b) in the same period |
| --- | --- |
| Other economic development initiatives | • tourism  
• Flying becomes more expensive  
• Middle class tourism changes  
• Non-oil/energy sectors and geographic regions are supported by revenues from oil/gas sector (both private and public) –  
• Sand and Gravel extraction – there are about 100 approved/registered active or reclaimed pits within the region.  
• Significant economic diversification is required to provide new employment outside of the agricultural industry |
| Genuine wealth indicators | • Economic growth has primacy in this story  
• Mitigation of all other sources of wealth (i.e. paying more for the replacement of Ecological Goods and Services, social, safety, etc.)  
Mark Anelski. *Economics of Happiness*: Five Genuine Wealth Capitals:  
Human - happiness; health/wellness; recreation/leisure; work; unpaid time use; education/learning  
Social – Diversity; trust/belonging; safety/crime; equity/fairness; community vitality; citizenship (voting)  
Built – Public/private infrastructure  
Natural – ecological footprint; population density; sustainable food production; natural environment; conservation/consumption  
Economic – vitality (GDP); living standards; affordable housing; affordable/efficient government |
| Quality of Food | • Some diversification in green house operations by corporate agriculture – not family farms  
• There is some local food production (green house food production) for large urban markets. But it is produced by large corporate farms |
## ECACEP Scenario - Full Speed Ahead

<table>
<thead>
<tr>
<th>Transportation</th>
<th>Employment</th>
<th>Education</th>
</tr>
</thead>
</table>
| ● There are no current plans to improve the highway system in ECA – status quo for the next 20 to 30 years | ● Fear of looking at alternative energy sources because of potential loss of jobs/revenues  
● Dependency on markets, resources, community resources to attract/retain employees | ● Distance education increases  
● Out-migration for school and work leads to loss of community. Kids go away to school but do they come back?  
● Lack of education outreach programs leads to fewer agricultural fieldsmen |
| ● Lack of labour in Alberta is a challenge for agri-food primary and processing sectors  
● Ag sector has to rely on temporary foreign workers  
● Agriculture and other resource-based industries account for more than twice as much employment as occurs in Alberta (23.5% of employment in the BRB (17.3% in upper basin and 34.4% in the middle basin)  
● Only 9% are employed in manufacturing and construction sectors in the middle and lower basin, 12% in the upper basin - 19% in the rest of Alberta)  
● Upper basin employs 19.4% in the health and education industries  
● 32% are employed in the services industries (inc.l finance and real estate) – 42% in the rest of AB  
● Average income in the BRB is 20% lower than in the rest of AB. | ● Employment impact from proposed Sherritt mine ([www.sherritt.com](http://www.sherritt.com)):  
1000+ workers in first phase of construction could create up to 4,000 jobs (direct, indirect and induced) at peak times. Permanent workforce to be between 300 and 400. |