

Alberta Agri-Food Exports in 2008

According to trade statistics released by Statistics Canada, Alberta exports of primary and processed agricultural and food products (agri-food) reached a record \$8.1 billion in 2008, and were 25.6 per cent higher than in 2007 (\$6.5 billion). Alberta accounted for 20.8 per cent of total Canadian agri-food exports, at \$39.2 billion, and was the third largest exporter after Saskatchewan and Ontario.

Export Products

Exports of primary commodities (animals and crops), worth \$4.8 billion, played a significant role in Alberta's strong export performance in 2008. These exports were driven mainly by the high prices of grains and oilseeds, particularly for wheat and canola seed. As a result, growth in commodity exports (up 33.6 per cent) was much higher than growth in value added exports (up 15.6 per cent) at \$3.3 billion. Meat represents the majority of value added exports, followed by canola oil, processed grain products, french fries and oilseed cake and meal.

In the crop sector, global demand for oil and expanding biofuel production continued in 2008. This trend led to strong demand for grains and oilseeds and consequently to higher prices. Alberta's wheat exports were the highest ever in terms of value. As a result, for the third consecutive year, wheat ranked as the number one export product. Owing to record high prices, exports of wheat rose 48.0 per cent to \$2.1 billion in 2008, from \$1.4 billion in 2007. While the value of wheat increased, the quantity fell 9.2 per cent from a year earlier to 4.9 million tonnes. Major markets for wheat were the United States, Indonesia, Japan and Iran. Barley exports were up in both value and quantity. The value rose significantly by 51.0 per cent and quantity was up 16.8 per cent. The top buyers of Alberta barley in 2008, (ranked by value) were the United States, Saudi Arabia, Japan and China. As well, a record increase of 71.2 per cent in value was recorded for canola seed exports which reached a new high of \$1.6 billion in 2008. The quantity of canola seed rose by 24.3 per cent to 2.8 million tonnes. Japan remains Alberta's leading customer for canola seed, followed by Mexico, China and the United States.

In the livestock sector, exports of live cattle declined in 2008, after two years of annual increases (2006 and 2007). The value of exported cattle dropped 22.8 per cent to \$542 million, from \$702 million a year earlier, and the number of cattle was down 21.4 per cent to 463,272 head. Lower shipments to the United States contributed to the decline. Exports of live hogs increased slightly in quantity by 1.4 per cent, but value declined 7.0 per cent to \$50 million, due to lower prices. Meat exports, with the exception of pork, posted increases in 2008. Following two years of annual declines, beef exports rose 20.4 per cent to \$1.1 billion, from \$887 million in 2007, and quantity moved up 18.4 per cent to 316,408 tonnes. Higher exports of beef were reported for the United States, Japan and Mexico. Pork exports, at \$342 million, were down just over one per cent in value, while quantity declined 10.8 per cent to 116,623 tonnes. Horse meat, the third largest meat exports, rose in both value and quantity. Exports of processed meat declined 50.8 per cent to \$2.7 million in 2008.

Trading Partners

The leading export markets for Alberta agri-food products in 2008 were the United States, Japan, China, Mexico and Indonesia. Combined exports to these five countries were worth \$5.8 billion, representing 71.0 per cent of Alberta's total agri-food exports.

The United States remains Alberta's largest trading partner, accounting for 39.1 per cent of total agri-food exports in 2008. Exports to this market, at \$3.2 billion, were 18.2 per cent higher than a year earlier. The United States continues to be Alberta's sole export market for live cattle and hogs (non-purebred), and accounts for almost 80.0 per cent of Alberta's beef exports. In 2008, as a result of high commodity prices, significant increases occurred in exports of grains and oilseeds. Wheat, barley and canola seed, each more than doubled in value compared to a year earlier. Also, strong increases were reported in exports of dried peas, mustard seed and other oilseeds. In contrast to grains, and as mentioned earlier, exports of live cattle declined in value as well as in quantity. The value of exported hogs fell 7.3 per cent, while quantity grew slightly. Pork exports declined almost one-half, in both value and quantity. Moderating these declines, were higher exports of beef which rose 22.4 per cent to \$821 million, with quantity up 20.8 per cent to 251,320 tonnes. Also, substantial growth in exports was noted for crude and refined canola oil, refined sugar, dairy products, malt and wheat flour.

Exports to Japan, Alberta's second largest export destination, rose 32.3 per cent to \$1.2 billion in 2008. Strong increases in exports were recorded for honey, refined canola oil, bovine semen, ethyl alcohol, sugar products, barley, wheat, canola seed and beef. Beef exports rose for the second consecutive year. The value grew 57.1 per cent to \$30.7 million, from \$19.5 million in 2007. The quantity of exported beef also increased, but at a faster rate of 70.9 per cent. In terms of value, canola seed (\$558 million) and pork (\$170 million) remained the largest exports, both accounting for 60.7 per cent of Alberta's total agri-food exports to Japan. In 2008, exports of canola seed rose 56.3 per cent in value, and quantity was up 12.1 per cent. On the other hand, the value of exported pork rose 8.3 per cent, while quantity declined 3.7 per cent from 2007.

Exports to China, Alberta's third largest export market in 2008, jumped 38.5 per cent to \$639 million, from \$461 million in 2007. This marked increase resulted mainly from significantly higher exports of canola seed, at \$323 million, and canola oil (crude and refined), at \$222 million. These products made up 85.4 per cent of total agri-food exports to China in 2008.

Exports to Mexico, Alberta's fourth largest market, totalled \$618 million, up 35.6 per cent, from \$456 million in 2007. Exports to this market were led by canola seed (\$339 million) and beef (\$144 million). Exports of canola seed rose 80.3 per cent and beef was up 2.9 per cent. A sharp increase in exports was also reported for barley.

Exports to Indonesia, Alberta's fifth largest export market rose 22.6 per cent to \$175 million, mainly due to increased exports of wheat, valued at \$165 million.