

Canada's Canola Industry

Adding Billions to the Economy

The Canola Council of Canada commissioned an analysis of the economic impact of Canadian grown canola on Canada's economy. The results of this analysis are presented as an annual average, considering data from three crop years: 2007-08, 2008-09, 2009-10.

This study was prepared as part of the Canola Market Access Plan, through Agriculture and Agri-Food Canada's Agriflexibility funding.

The study shows that:

- Canadian-grown canola contributes **\$15.4 billion** annually to Canada's economy.
- Canola provides **228,000 Canadian jobs** and is responsible for **\$8.2 billion** in employee wages annually. These jobs include work in seed supply, farming, canola seed handling (elevator and port), transportation, crushing and refining.
- Most of the economic benefits come from western Canada where the majority of canola is grown.
- Farming and oilseed crushing have the largest combined impact on the economies of Manitoba, Saskatchewan and Alberta but canola also has a substantial impact in British Columbia, Ontario and Quebec.

B.C.	Alta.	Sask.	Man.	Ont.	Que.
\$550 million	\$5 billion	\$5.4 billion	\$3.3 billion	\$816 million	\$252 million

Planting seed supply generates \$570 million of direct economic activity per year in Canada. From 35,000 to 40,000 tonnes of canola seed is used annually to plant the Canadian canola crop. Hybrid seeds are an increasing share of the market and are currently over 80% of the planting seed market.

Canola farming generates \$10.5 billion of economic activity per year in Canada. This is a combination of both direct and indirect economic activity. Assuming a minimum of three people were employed or contributed to each of the canola farm operations, a total of 96,000 people were engaged in canola farming.

Crushing canola seed adds value by processing seed into oil and meal products. This sector generates \$983 million of economic activity per year in Canada. The crushing industry employs an average of 1,800 people per year and represents almost one-third of Canadian economic activity in the milling and grain processing sector. Canola seed share of total Canadian oilseed crush is 76%.

Refining canola oil adds value by refining, bleaching and degumming crude oil. This sector generates \$420 million of economic activity per year in Canada. The food processing sector adds further value to refined canola oil by processing it into margarine, shortening, salad and cooking fats and oils for human consumption.

The harvested canola seed and product handling system generates \$893 million of economic activity per year in Canada, including wages, charges and fees from prairie, terminal and transfer elevators; ports and fobbing charges.

Transportation of harvested canola seed, oil and meal by truck and rail freight to their port of embarkation or destination of demand generates \$826 million of economic activity per year in Canada. Transport to export destinations covers 74% of the total transportation contribution.

The use of canola products provides end-use benefits within several Canadian industries at a value of \$1.6 billion per year.

- **Dairy farming** -- Use of canola meal in the dairy industry can boost milk production by one litre per cow per day, which can be calculated as 247,000 tonnes of boosted milk production annually and an added value of \$172 million annually.
- **Food end-uses** – The value of processed canola oil in margarine, shortening, salad and cooking oils is nearly \$508 million.