



# Vision Research

## Optimism in the poultry sector

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**Farm Credit Canada**  
Advancing the business of agriculture

Canada



## Vision Research: Optimism in the poultry sector

### Your optimism is growing

Your optimism about the future of agriculture is growing. Six in ten of you in 2008 (65%) stated that you are optimistic, which is a significant increase since 2007 (48%). Three quarters of you believe that your farm or business is better off now than it was five years ago (74%), and that your farm or business will be better off in five years than it is now (77%). Additionally six in ten (59%) of you have recommended a career in agriculture to a friend or family member in the past year.

### You are still facing challenges

Given the economic activity that has taken place over the past year we know that producers in Canada are facing many challenges. You explained that you are concerned with the rising input costs, which impacts your bottom line and ultimately your ability to make a profit. Although these challenges appear to be a growing concern for you, you believe there is still optimism in the structure and support that supply management can offer. However, throughout a number of comments you expressed some anxiety about the WTO discussions which have taken place and their impact on the continuation of supply managed production.

### The future is looking bright

Despite the challenges that you are facing and the large impact they can have on your business, your comments suggest that the future is looking bright. You are looking ahead and are actively encouraging others to enter the industry, more this year (59%) than last (38%)! Although you work long and hard hours and there is sometimes little financial reward, you still believe it is a good lifestyle. It is a great way to raise a family and it is rewarding to know that you are feeding Canada. You exemplify optimism and are looking forward to the opportunity for diversification and the growing public demand for your products.

## ***Background and Details***

Farm Credit Canada undertook its second annual proprietary research study on the state of agriculture in Canada with all of its Vision panel members in the fall of 2008. The results will be showcased on January 28, 2009 for the second annual Ag Day in Canada. They include levels of optimism in the agriculture industry, as well as what members of the agriculture community view as the greatest opportunities and challenges facing them today. Additionally, the research is an opportunity to enable the ideas and opinions of Vision panelists to help shape the general understanding of agriculture for everyday Canadians.

## ***Methodology***

The Research team within Farm Credit Canada sent invitations to participate in the study to all active FCC Vision members from across the country, totaling 9351 people. Vision membership is composed of both producers and non-producers, FCC customers and non-customers, and has representation from all provinces and agriculture sectors. The survey was mailed to participants on September 20, 2008, with requests to return the survey by October 20, 2008. Members had the option of completing the survey via mail, fax or online. All data was subsequently weighted to reflect the actual demographic makeup of farms in Canada.

## ***Confidentiality***

To ensure greater candour in their responses, participants were given a guarantee of confidentiality throughout the course of this research. No individual responses are revealed in the course of the report.

## ***Response Rate***

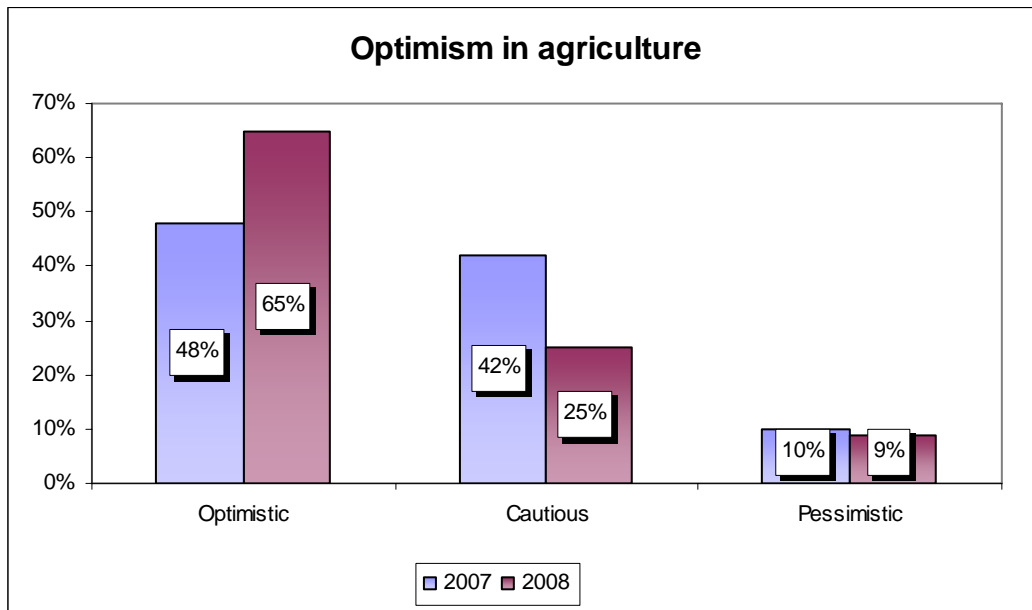
A total of 4308 people out of a possible 9351 responded to the survey for a response rate of 46%. Of the 4308 respondents, 88 indicated poultry as their primary business. The margin of error is +/-1.5%, 19 times out of 20 on a sample of this size. Demographic subgroups will have a higher margin of error.

## ***Note on the Analysis of Subgroups***

When reference to subgroups of respondents such as province is made throughout the text, only those differences that are *both* statistically significant *and* relevant will be highlighted.

**Results: Optimism in agriculture**

Poultry respondents from 2008 are significantly more likely to indicate that they are optimistic about agriculture in Canada (65%) compared to poultry respondents from 2007 (48%). Poultry respondents from 2008 are also significantly **less** likely to state that they are cautiously optimistic (25%) compared to poultry respondents from 2007 (42%).



(n = 90, 2007; n = 88, 2008)

**Definition of optimism**

The results of two key survey questions are combined in order to create this optimism indicator. The first is, “Looking ahead, do you believe that your farm or business will be better off or worse of in five years than it is now?” An answer of either a little better off or much better off counted towards the optimism score. The second question is, “If a friend or family member was considering a career in agriculture or an agricultural related field, would you encourage them to enter the field?” An answer of either slightly encourage them or strongly encourage them counted towards the optimism score.

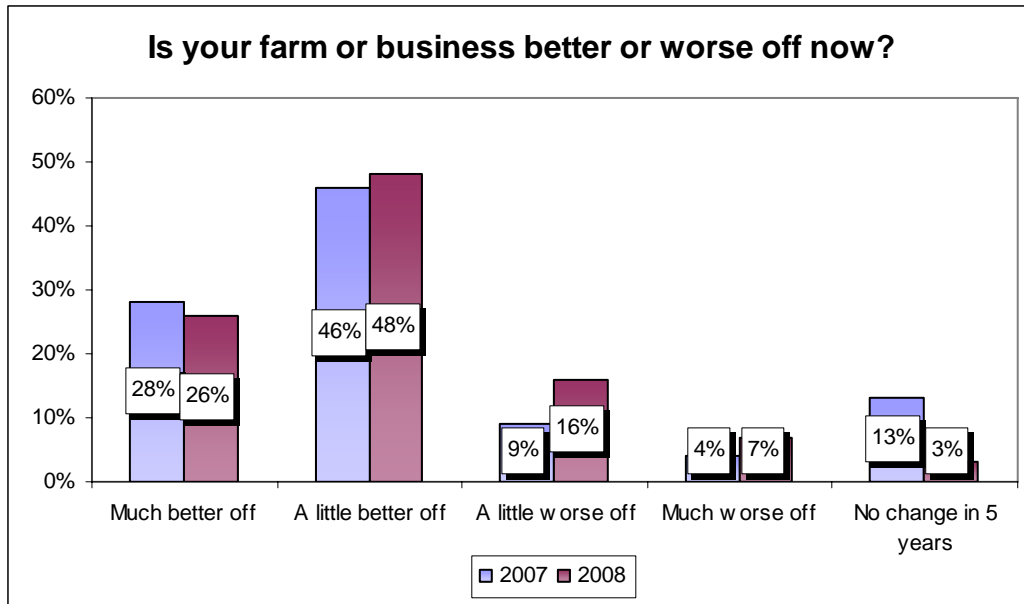
If a respondent reported that they believe their farm or business will be better off **and** they would encourage a career in agriculture, they were defined as optimistic. If a respondent reported that they **either** believe their farm or business will be better off **or** they would encourage a career in agriculture, they were defined as cautious. If a respondent reported that they **do not** believe that their farm or business will be better off **and** they would discourage a career in agriculture, they were defined as pessimistic.

**Response by province: 2008**

There are no significant differences to report across provinces.

**Results: Is your farm or business better or worse off now?**

One quarter of poultry respondents in 2008 (26%) report that their farm or business is much better off now than it was five years ago. There are no significant differences to report between the 2007 and 2008 results.



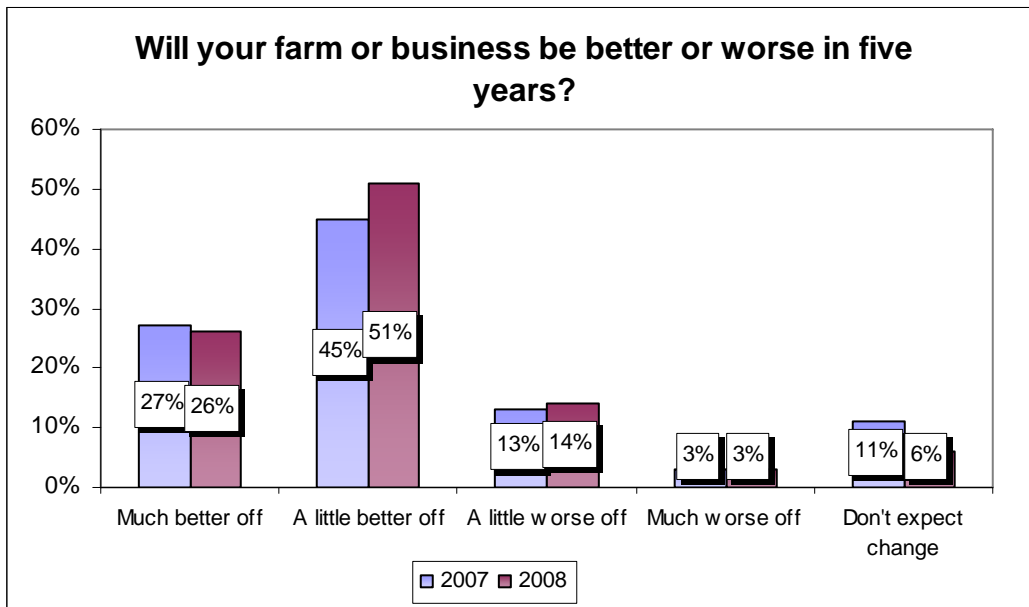
Overall, do you believe that your farm or business is better off or worse off now than it was five years ago?  
(n = 90, 2007; n = 88, 2008)

**Response by province: 2008**

Poultry respondents from Ontario (49%) are significantly more likely than those from British Columbia (17%) to report that they are a little better off than they were five years ago. There are no other significant differences to report.

**Results: Will your farm or business be better or worse in five years?**

One quarter of poultry respondents (26%) report that they believe their farm or business will be much better off in five years than it is now. There are no significant differences to report between the 2007 and 2008 results.



Looking ahead, do you believe that your farm or business will be better off or worse off in five years than it is now? (n = 90, 2007; n = 88, 2008)

**Results by province: 2008**

There are no significant differences to report across provinces.

## **Results: Guarded optimism**

We asked respondents to comment on the previous two questions, specifically if their farm or business is better or worse off now than five years ago, and if they believe it will be better or worse off in five years. Due to the small sample size of poultry respondents to this survey, responses varied widely, some general themes include that management practices positively impact optimism while rising input costs and reliance on outside factors are countering optimism. A sample of the comments is detailed below.

*"[We are optimistic] thanks to our federal government who stands behind us at the W.T.O in support of supply management. If it wasn't for supply management we would have quit farming."*

*"Price of corn has made feed far too expensive - it's hard to cash flow."*

*"It is very difficult to get ahead due to high input costs for crops, high energy costs, high quota costs, and high land values."*

*"If supply management stays in place we'll likely be better off. If it goes [away] it will be a disaster for all poultry, dairy etc. producers"*

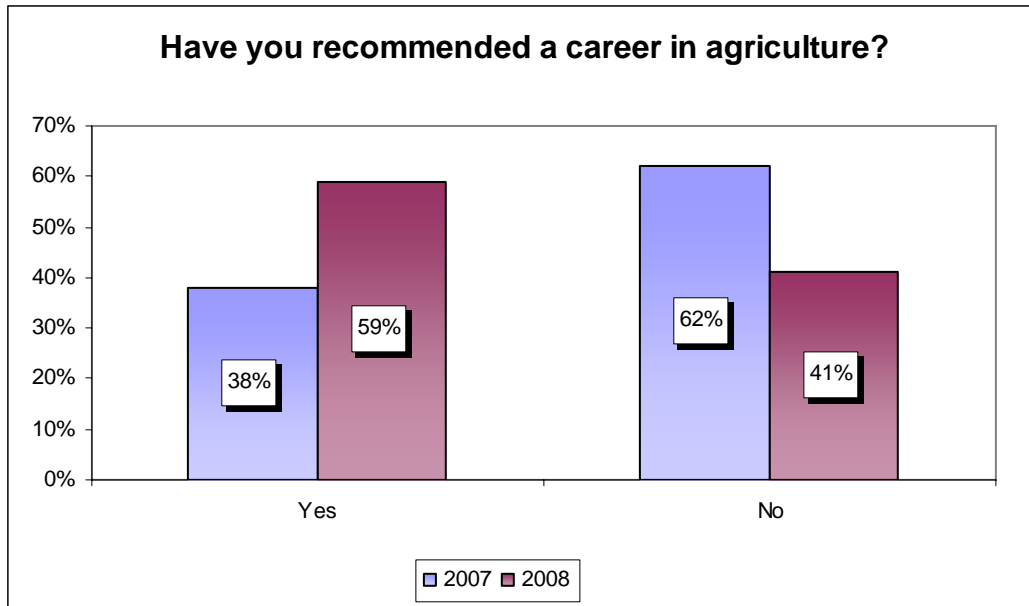
*"Our economy appears to be slowing down & since we are in the retail business there will be less \$ to spend"*

*"We continue to pay down debt and increase equity, as well getting more efficient. We are reducing input cuts also."*

*"Our supply management system provides a very stable environment for the family farm"*

**Results: Have you recommended a career in agriculture?**

Respondents in the poultry sector in 2008 (59%) are significantly more likely to indicate that they recommended a career in agriculture over the past year compared to poultry respondents from 2007 (38%).



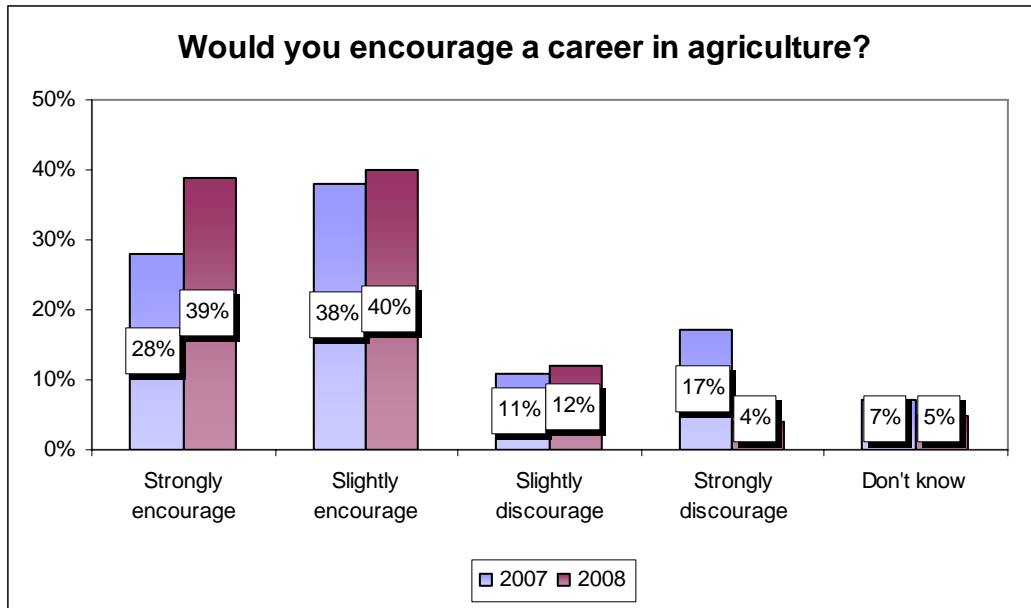
Over the past year, have you recommended a career in agriculture or an agricultural related field to a friend or family member? (n = 90, 2007; n = 88, 2008)

**Results by province: 2008**

There are no significant differences to report across provinces.

**Results: Would you encourage a career in agriculture?**

Poultry respondents to the 2008 survey (4%) are significantly *less* likely to indicate that they would strongly discourage a career in agriculture than those from the 2007 survey (17%).



If a friend or family member was considering a career in agriculture or an agricultural related field, would you encourage them to enter the field? (n = 90, 2007; n = 88, 2008)

**Results by province: 2008**

There are no significant differences to report across provinces.

## **Results: Why would you encourage / discourage an agriculture career?**

Over the past year, poultry respondents were more apt to recommend a career in agriculture to a friend or family member and we asked respondents to explain their responses. Due to the small sample size of poultry respondents to this survey responses varied widely, however some general themes include that agriculture is a good lifestyle and that it is important to encourage people to enter the industry, however in the poultry sector you are not always rewarded for your efforts. A sample of the comments is detailed below.

*"It's a good business to be in, you work independently, and a good place to raise a family."*

*"Net income after the always inflating expenses does not warrant the lifestyle. [There are] many risks and uncertainties which we have no control over. Our sacrifices are outweighing the benefits lately."*

*"Farming is the best life. Great for raising a family; flexible hours, own boss and outdoors."*

*"A career in agriculture or farming is not just a job, it is a lifestyle choice. Long hours, low pay, hard work and stress. However you are you own boss, you don't need to join a gym and life in a rural setting can be peaceful."*

*"No or small return on investment for amount of risk and money borrowed."*

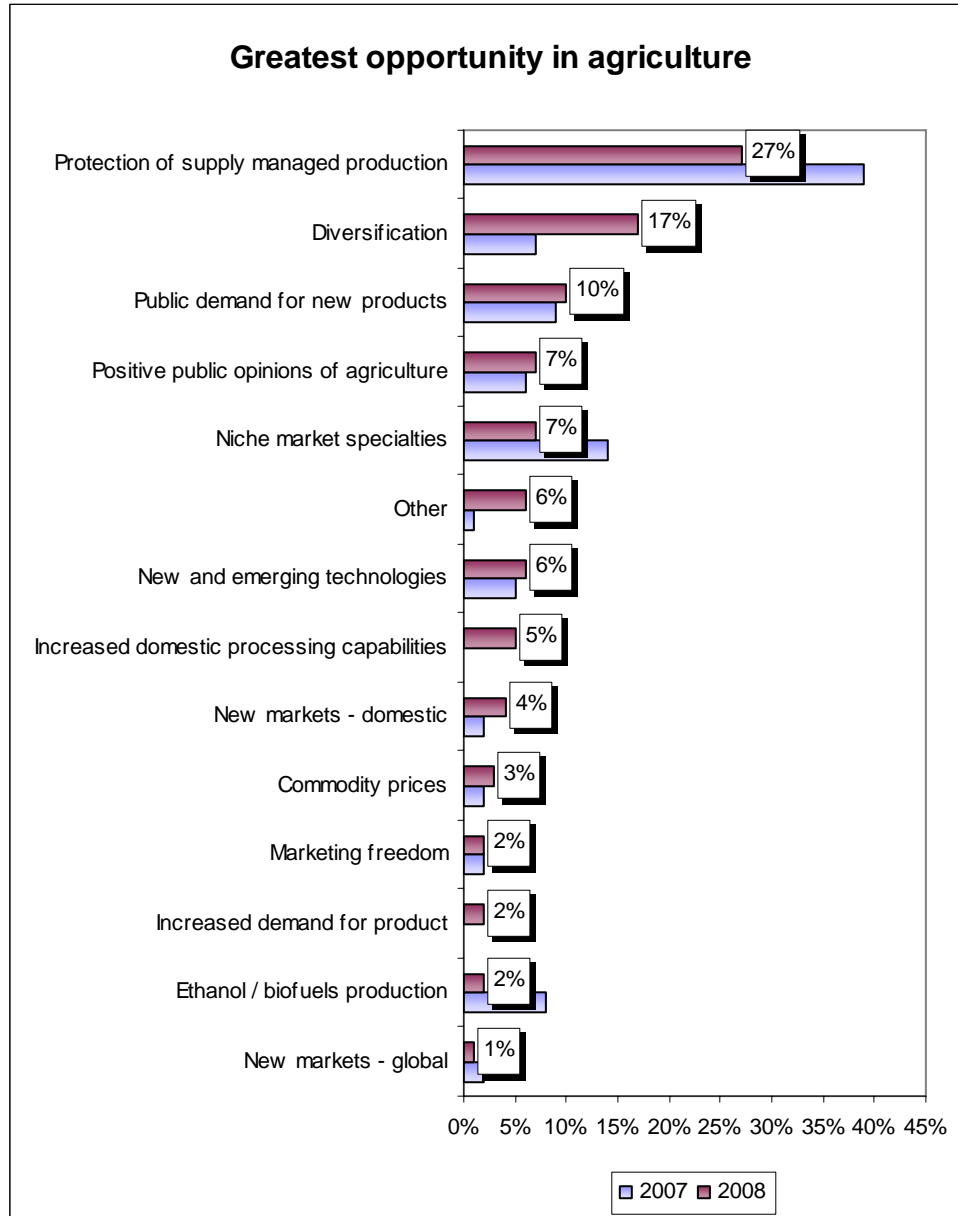
*"It's a profession filled with wonderful challenges to help us realize ourselves. It is always very satisfying to contribute in feeding the population."*

*"Agriculture is the basis of our economy. It's a great job. If someone wants to get into the adventures of farming that would be great."*

*"I believe we need agriculture to provide a secure future for our country, and in order for agriculture to have a future, we need people who have an interest in it to pursue it passionately."*

**Results: Greatest opportunity in agriculture**

From 2007 to 2008 respondents in the poultry sector continue to see many of the same opportunities in agriculture. In 2008 over one quarter of poultry respondents (27%) report that the greatest opportunity is in the protection of supply managed production, followed by diversification (17%). There are no significant differences to report between the 2007 and 2008 results.



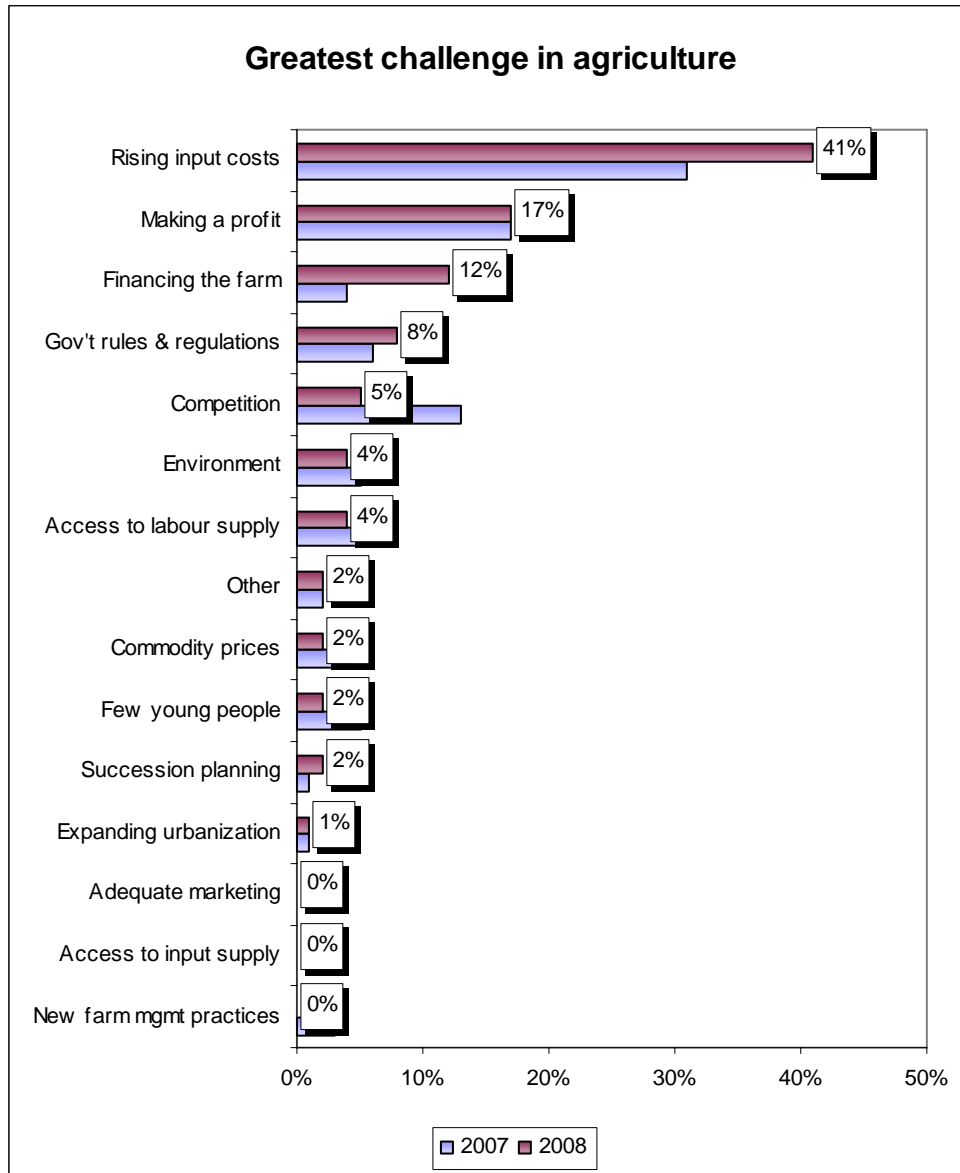
What do you see as the greatest opportunity in agriculture as a whole over the next year? Please select one only.  
(n = 90, 2007; n = 88, 2008)

**Results by province: 2008**

There are no significant differences to report across provinces.

**Results: Greatest challenge in agriculture**

Respondents in the poultry sector continue to face challenges in agriculture and cite rising input costs (41%) as the greatest challenge, followed by making a profit (17%). There are no significant differences to report. There are no significant differences to report between the 2007 and 2008 results.



What do you see as the greatest challenge in agriculture as a whole over the next year? Please select one only.  
(n = 90, 2007; n = 88, 2008)

## Results by province: 2008

There are no significant differences to report across provinces.

*“The price of food will have to rise according to the input costs to the farmers or there will be no way to make a living from farming.”*

*“There seems to be a lot of politics involved in pricing of inputs i.e. gas/diesel price never going down even though the barrel price is lowering all the time.”*

*“Input costs are the word this year. Nobody seems to know how to put these costs to the end user, which is a shame....”*

*“With recent concerns about the food scare in China, I think Canadians are looking at Canadian farmers in a new light. People want safe food and they feel that Canadian [meat] is safe.”*

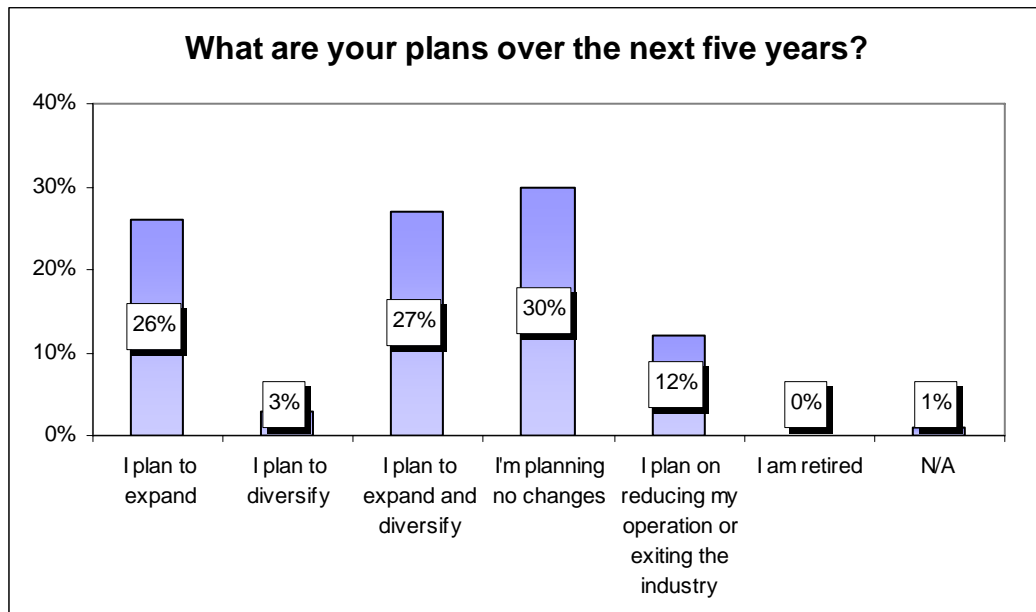
*“Farmers today have to work at selling their product locally. We have superior production standards and we should stop sending these superior products to other countries that don't have these standards and also to quit buying them from these other countries”*

*“Each challenge that we face, others also face. By dealing with the challenge of short labor, government deregulation (WTO agreements) and doing it efficiently we can successfully overcome the challenges and make them opportunities.”*

*“We need the public to buy into agriculture and to understand that the alternatives are not good. The younger generation needs to be educated on the benefits of producing our own food for domestic use as opposed to imports.”*

**Results: Future plans<sup>1</sup>**

One third of poultry respondents (30%) state that they plan on making no changes to their current operations over the next five years, followed closely by respondents who plan to expand and diversify their operations (27%) and those who simply plan on expanding their operations (26%). There are no significant differences to report.



Looking ahead, what are your plans for your farm or business over the next five years? (n = 88)

**Results by province: 2008**

There are no significant differences to report across provinces.

<sup>1</sup> This was a new question added to the 2008 survey, therefore there is no comparison to 2007.