

Optimism in the Dairy sector



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Background and Details

Farm Credit Canada undertook its third annual proprietary research study on the state of agriculture in Canada with all of its Vision panel members in the fall of 2009. The results 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 8508 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 October 6, 2009, with requests to return the survey by October 23, 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, with the exception of hogs. Data from the hog sector was weighted to the *Statistics Canada, Hog Statistics, Third Quarter 2009, Catalogue no. 23-010-X, vol. 8, no. 4.* to better reflect the current state of the sector.

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 4515 people out of a possible 8508 responded to the survey for a response rate of 53%. The margin of error is +/-1.43%, 19 times out of 20 on a sample of this size. Of the 4515 respondents, 483 indicated dairy as their primary business. The margin of error is +/-4.38%, 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 (for example, differences in results between dairy and crop producers) is made throughout the text, only those differences that are *both* statistically significant *and* relevant will be highlighted.

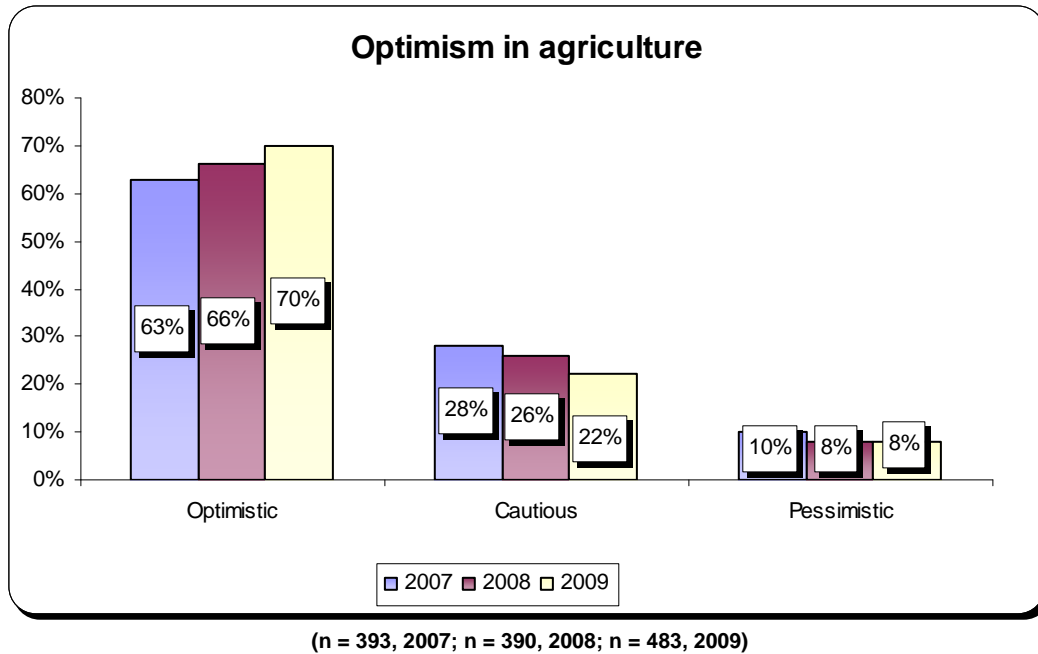
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Results: Optimism in agriculture

In 2009, two-thirds of dairy respondents (70%) are optimistic about the future of agriculture in Canada. There are no significant differences to report between the results of previous years.



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.

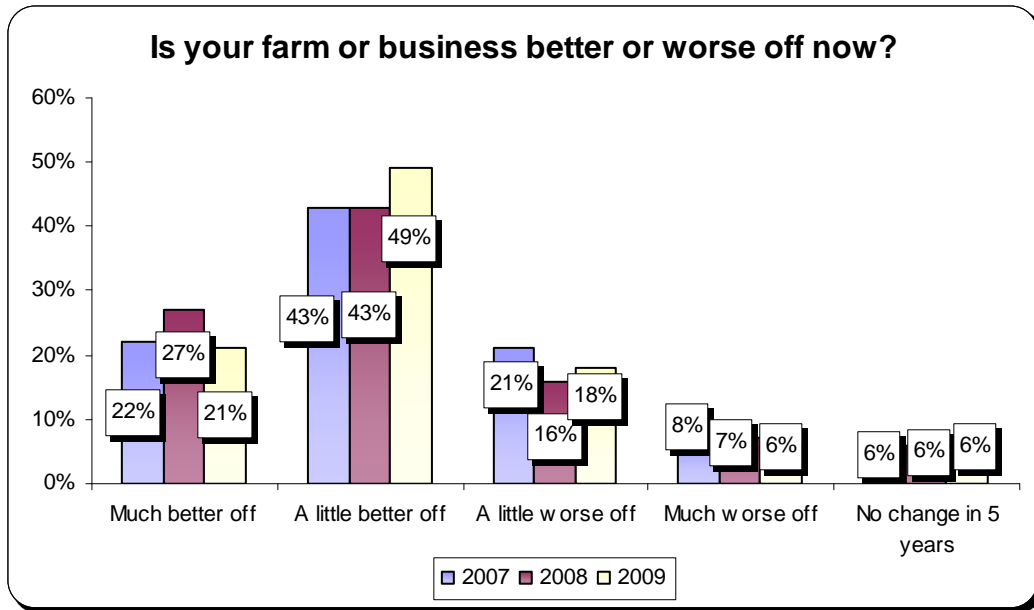
If a respondent reported that they believe their farm or business will be better off **and** they would encourage a career in agriculture, they were defined as optimistic. If a respondent reported that they **either** believe their farm or business will be better off **or** they would encourage a career 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.

Results by province: 2009

Dairy respondents from Manitoba (82%) are significantly more likely to be optimistic about the future of agriculture than dairy respondents from the Atlantic (59%). There are no other significant differences to report.

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

One in five dairy respondents in 2009 (21%) 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 results of previous years.



Overall, do you believe that your farm or business is better off or worse off now than it was five years ago?
(n = 393, 2007; n = 390, 2008; n = 483, 2009)

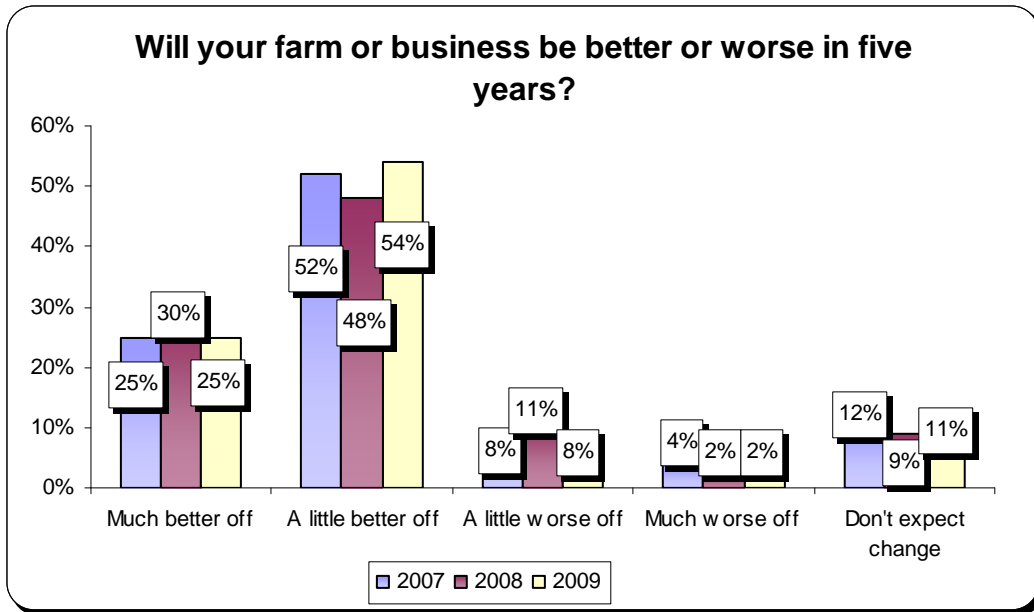
“The success of our farm, dairy, will continue to be directly related to the strength of the supply management system.”- Atlantic dairy producer

Results by province: 2009

There are no significant differences to report across provinces.

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

One quarter of dairy respondents in 2009 (25%) believe that their farm or business will be much better off in the next five years. There are no significant differences to report between the results of previous years.



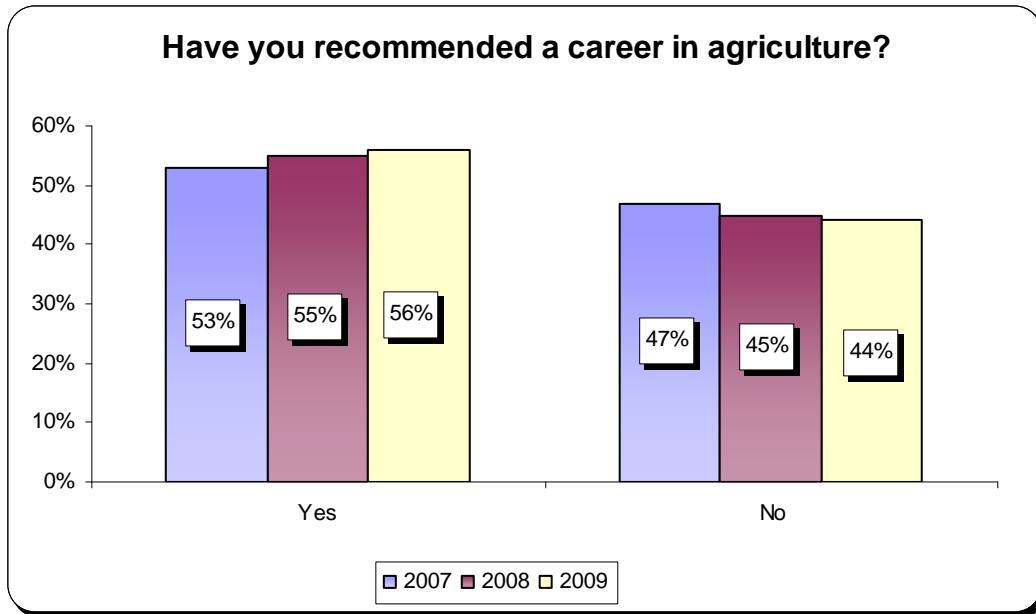
Looking ahead, do you believe that your farm or business will be better off or worse off in five years than it is now? (n = 393, 2007; n = 390, 2008; n = 483, 2009)

Results by province: 2009

Dairy respondents from British Columbia (25%) are significantly *less* likely to report that their farm or business will be a little better off in the next five years compared to dairy respondents from most other provinces. There are no other significant differences to report.

Results: Have you recommended a career in agriculture?

In 2009, more than half of all dairy respondents (56%) cite that they have recommended a career in agriculture to a friend or family member. There are no significant differences to report between the results of previous years.



Over the past year, have you recommended a career in agriculture or an agricultural related field to a friend or family member? (n = 393, 2007; n = 390, 2008; n = 483, 2009)

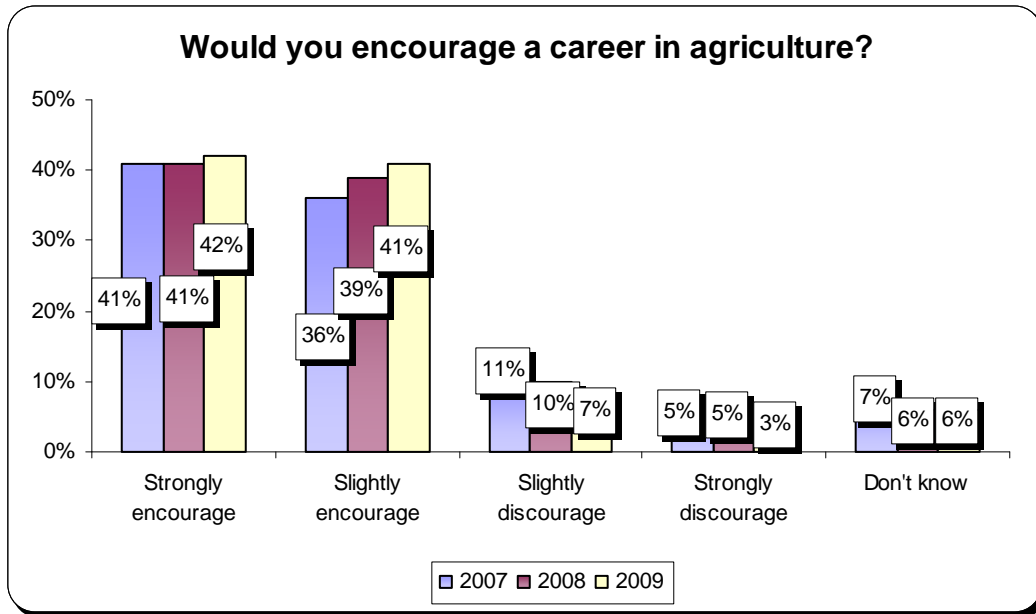
“We believe that a life in agriculture is one of the richest callings. Living and working on the farm has benefits far beyond our bank balance!”- British Columbia dairy producer

Results by province: 2009

Alberta dairy respondents (41%) are significantly **less** likely to state that they have recommended a career in agriculture to a friend or family member over the past year compared to dairy respondents from most other provinces. There are no other significant differences to report.

Results: Would you encourage a career in agriculture?

Forty two percent of dairy respondents report that they would strongly encourage a friend or family member to consider a career in agriculture. There are no significant differences to report between the results of previous years.



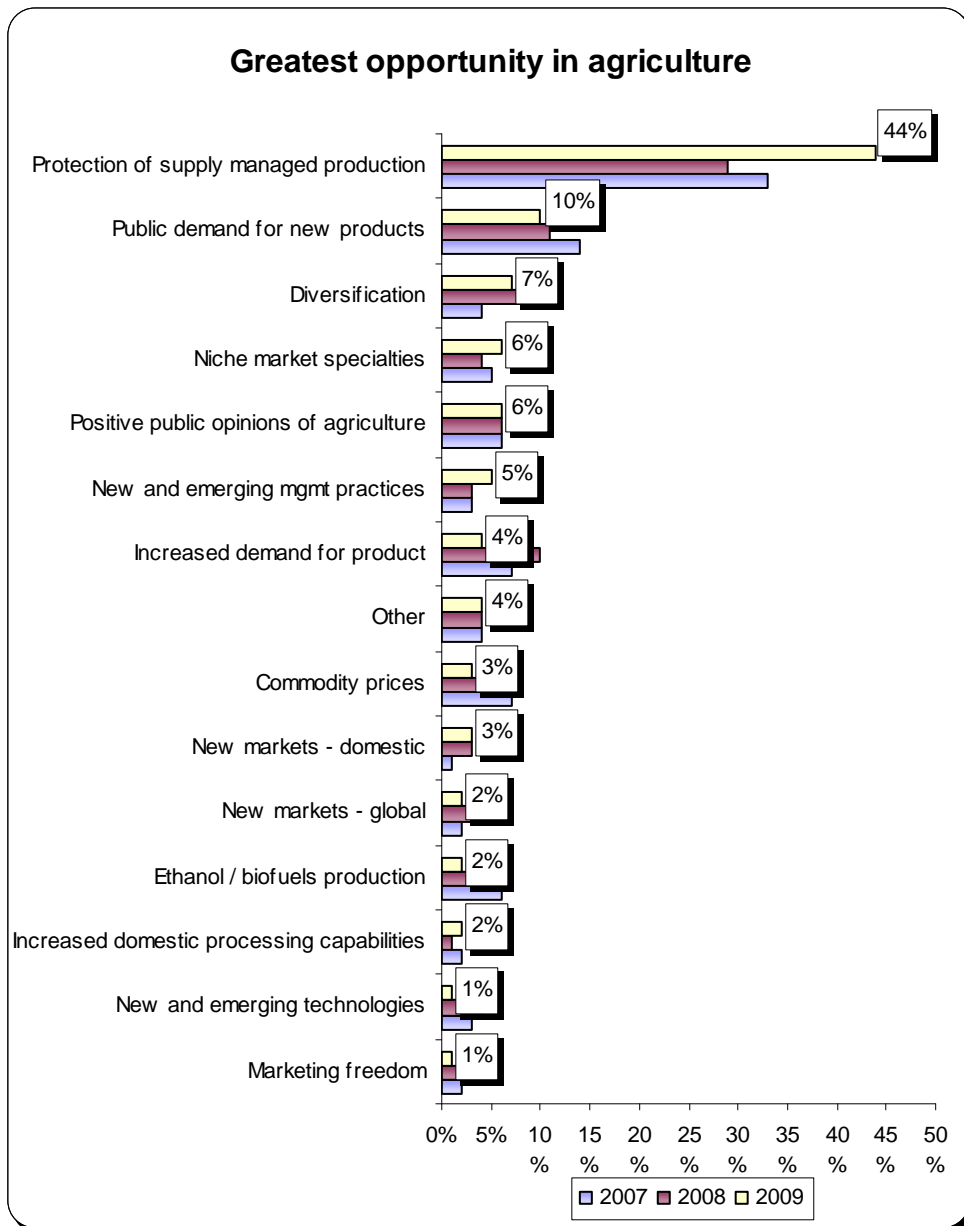
If a friend or family member was considering a career in agriculture or an agricultural related field, would you encourage them to enter the field? (n = 393, 2007; n = 390, 2008; n = 483, 2009)

Results by province: 2009

Dairy respondents from Quebec (50%) are significantly more likely to report that they would strongly encourage a career in agriculture compared to dairy respondents from Ontario (37%). There are no other significant differences to report.

Results: Greatest opportunity in agriculture

Dairy respondents are significantly more likely to cite protection of supply managed production as the greatest opportunity in 2009 (44%) than in 2007 (33%). There are no other significant differences to report between the results of previous years.



What do you see as the greatest opportunity in agriculture as a whole over the next year? Please select one only. (n = 393, 2007; n = 390, 2008; n = 483, 2009)

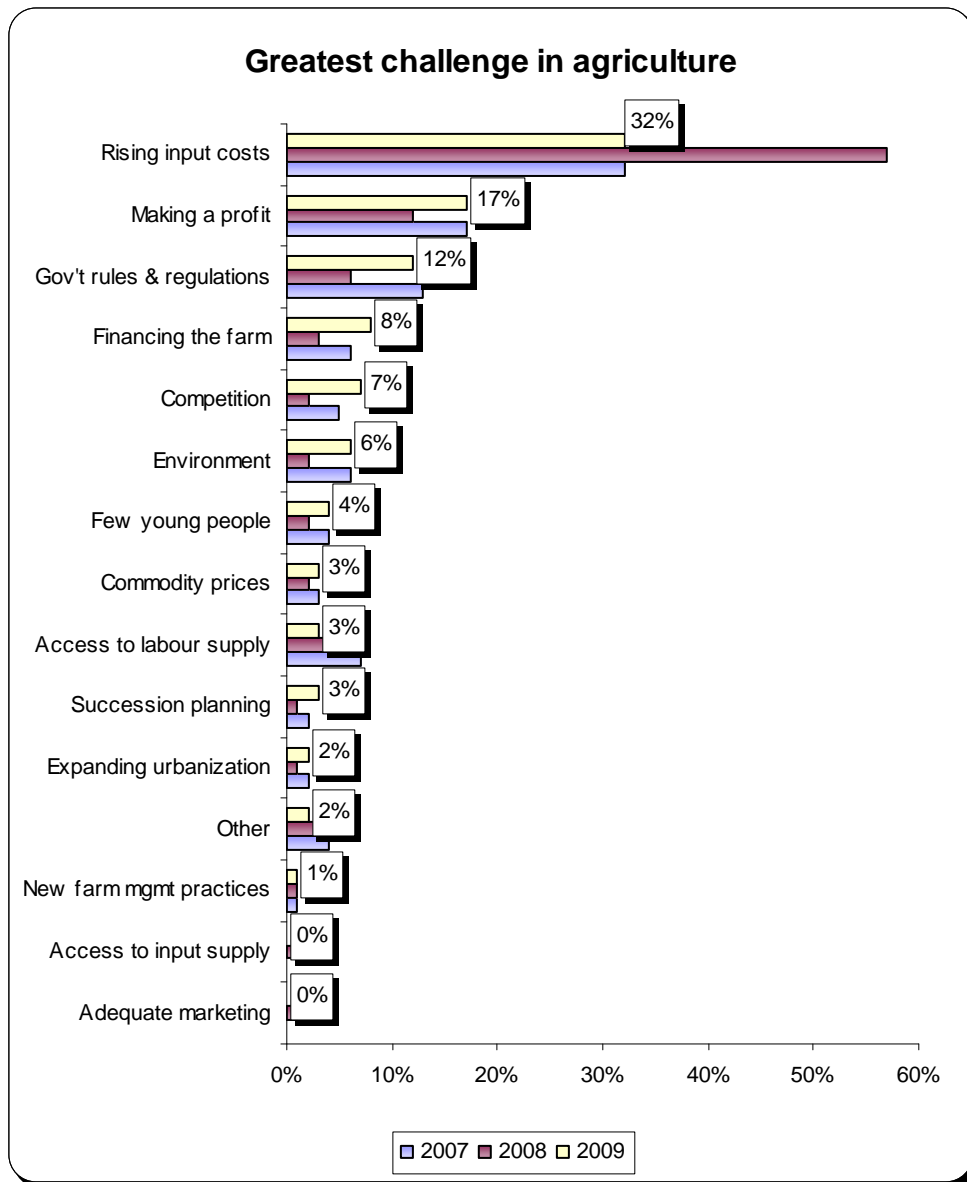
“Keeping and strengthening supply management is crucial to the success of our farm.”- Ontario dairy producer

Results by province: 2009

Dairy respondents in Manitoba (76%) are significantly more likely to identify protection of supply managed production as the greatest opportunity compared to dairy respondents from most other provinces. There are no other significant differences to report.

Results: Greatest challenge in agriculture

Dairy respondents are significantly **less** likely to cite rising input costs as the greatest challenge in agriculture in 2009 (32%) than in 2008 (57%). There are no other significant differences to report.



What do you see as the greatest challenge in agriculture as a whole over the next year? Please select one only.
(n = 393, 2007; n = 390, 2008; n = 483, 2009)

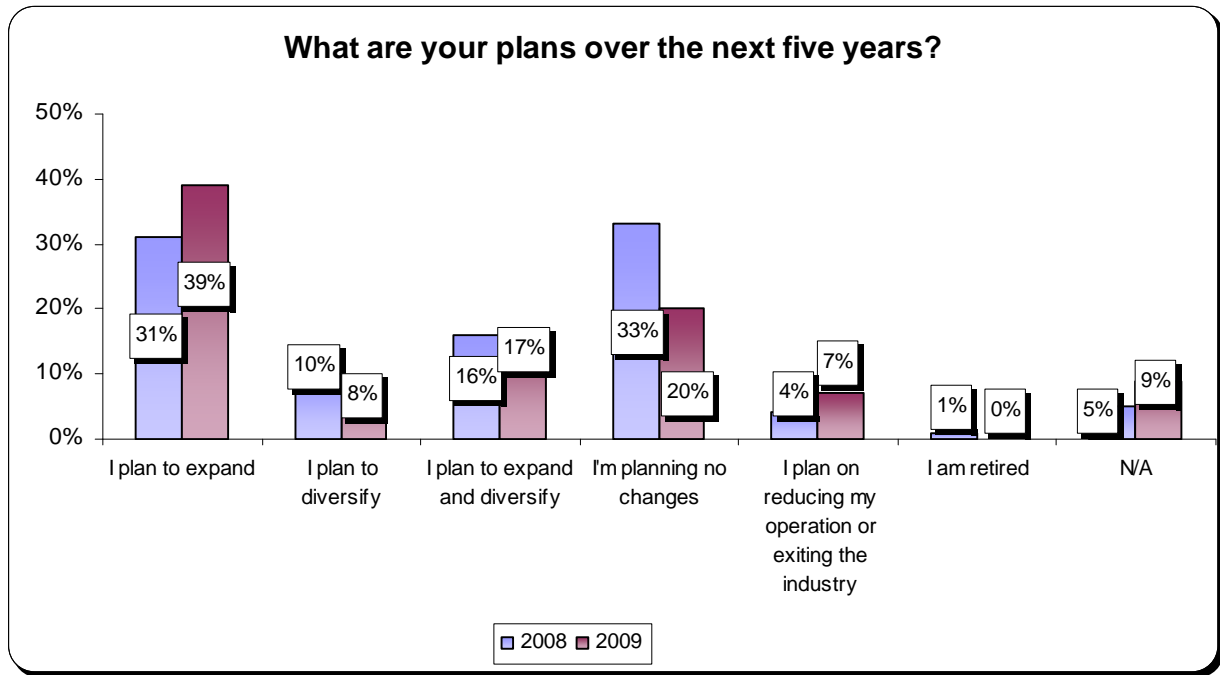
“Rising input cost increases the need for precise management to turn a profit in the operation.”- Manitoba dairy producer

Results by province: 2009

There are no significant differences to report across provinces.

Results: Future plans¹

In 2009, dairy respondents (39%) are significantly more likely to report that they plan to expand in the next five years compared to what they reported in 2008 (31%). Additionally, dairy respondents are significantly *less* likely to state that they on planning no changes in 2009 (20%) than in 2008 (33%).



Looking ahead, what are your plans for your farm or business over the next five years? (n =390, 2008; n = 483, 2009)

Results by province: 2009

Ontario dairy respondents (29%) are significantly more likely to state that they plan on making no changes to their current operation compared to Quebec dairy respondents (12%). There are no other significant differences to report.

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