



Agriculture

Agricultural Machinery Sector

COMPETITION

The agricultural machinery and equipment market is highly competitive in terms of price and technology.

Companies with the latest state-of-the-art technologies and excellent after-sale service, will find good sales and market opportunities in Canada.



AGRICULTURE IN CANADA

- ▶ Canada's agricultural and agri-food sector is one of the country's top five industries and accounts for over 8% of the Canadian GDP.
- ▶ More than 98% of all farms in Canada are family owned and operated and enjoy a reputation for efficient, high-quality production and reliable delivery.
- ▶ Canada is among the top five producers of organic grains and oilseeds, with 5% of Canadian grain farms reporting themselves as organic.
- ▶ Each year, 6.8 billion eggs are produced in Canada by more than 25 million laying hens.
- ▶ Canada is the world's 6th largest fish and seafood exporter, exporting more than 75% of its fish and seafood production to more than 80 countries.
- ▶ During 2002, the value of all Canadian fruit, including apples, tree fruit and berries, amounted to \$398 million. The berry sector accounted for the largest percentage of Canadian fruit with 54.5% of the overall fruit category, followed by apples with 31.2% and tree fruits with 14.1%.

MARKET OVERVIEW

- ▶ Canada has the crucial ingredients for leading the world's agriculture industry; a clean environment, temperate climate, plentiful natural resources, a strong economy, and high standards for food inspection and regulation.
- ▶ The trend toward diversification of crops and the need to meet worldwide food demand have farmers planting more land, but are cautious when buying equipment.
- ▶ Market size for the sector in 2004 will exceed \$US4 billion with U.S. suppliers meeting roughly one-third of demand, and 77% of the import market.
- ▶ Industry sources predict the sector will grow at a moderate annual rate of between 2-3%. Growth can be attributed to worldwide demand, as well as the decisions of food processing companies to build and expand factories and to introduce new product technologies.
- ▶ Canadian imports of agricultural machinery from the U.S. in 2004 totaled \$2.9 billion, an increase of 8 percent from 2003. The United States holds approximately 79% of the import market share.

MARKET OPPORTUNITIES

- ▶ Expanding row and crop farming is driving the need for smaller technology equipment to serve Canadian farmers diversifying from dry land farming to increase pulse and vegetable crops.
- ▶ Equipment with good sales potential would be spraying equipment, as well as seeders, planters and transplanter.

THINK CANADA FIRST!

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