

Agriculture & Agri-Business

Introduction to the Sector

The agriculture and agri-business sector in Rural Oxford consists of farms as well as downstream businesses related to farm goods (i.e., dairy product manufacturing, farm product wholesaling) and on-farm diversified activities (i.e., agri-tourism).

Agriculture is a primary economic activity across the five townships that make up Rural Oxford EDC (Blandford-Blenheim, East Zorra-Tavistock, Norwich, South-West Oxford and Zorra).

At the county level, there were 2,009 farms operating on roughly 432,756 acres of farmland in 2021, with an average farm size of about 215 acres; and farmed receipts of approximately \$1.2 billion. The regional farm base in Rural Oxford is a mix of crop, livestock, dairy and input/processing activities, and these local businesses operate as cornerstones of the economy.

While the economic data below illustrates the measurable financial contributions of the sector, it is important to recognize that agriculture in the area represents far more than dollars and cents. It also underpins a wide range of related industries, including local manufacturing along the supply chain (e.g., agricultural machinery manufacturing or dairy product manufacturing). Although the economic value is considerable, with more than 5,100 jobs in the sector in 2024, the broader impact of agriculture on Rural Oxford's member municipalities and the surrounding economy is ultimately more than a quantitative "numbers" measure.



Job Count Analysis

The below table presents job counts for 2014 and 2023 within farms in Rural Oxford’s member municipalities. As a reminder, these figures reflect only direct agriculture or agriculture-related businesses and do not reflect the economic impact of spillover sectors or cultural importance. When reflecting on job growth over the past decade, it can be seen that Rural Oxford essentially saw the same number of jobs in 2023 as it did in 2014, with a slight increase of 23 total positions.

This local figure is impressive, however when considering that the national agricultural sector as a whole has seen significant job declines over the past decade. This can be seen in the “industrial mix effect” column below, wherein it suggests that industry factors would have led to a projected decrease of 1,112 jobs in a similar economy. While Canada’s overall economic growth would’ve led to a projected growth of 639 jobs, that still accounts for a projected net decrease of 473 jobs. Given the sector locally instead saw an increase of 23 jobs, the “local impact” is suggested to have accounted for a net increase of nearly 500 jobs compared to expectations. This local growth effect is incredibly impressive and speaks to the importance of the sector in Rural Oxford.

Table 1: Job Counts and Shift Share Analysis, Agriculture, Rural Oxford 2014-2023

2014-2023 Agriculture Job Counts and Shift Share Analysis						
	2014 Jobs	2023 Jobs	2014 - 2023 Change	Ind. Mix Effect	Nat'l Growth Effect	Competitive Effect
Rural Oxford	5,097	5,120	23	-1,112	639	496

Source: Lightcast Analyst 2024.3.

Location Quotient Analysis

Between 2014 and 2023, location quotient data for agriculture and agri-business sectors declined slightly. This decline is somewhat unexpected given the strong local competitive effect outlined above. However, a lower location quotient does not signal a reduction in employment but rather reflects a relative decline when measured against the broader economy. In this context, the combination of declining location quotient figures, stable job counts, and positive findings from the shift-share analysis underscores the overall strength and diversification of the economy.

In other words, while the agriculture and agri-business sector did experience growth over the past decade, its rate of expansion was outpaced by overall economic growth across the five member municipalities. This should be interpreted as a positive indicator, highlighting both the resilience of the agriculture sector and the vitality of the Rural Oxford economy as a whole.

Table 2: Provincial and National Location Quotient, Agriculture, Rural Oxford 2014 and 2023.

2014-2023 Agriculture Location Quotient				
	Ontario Location Quotient		Canada Location Quotient	
	2014	2023	2014	2023
Agriculture (Farms)	15.18	14.77	14.98	14.60

Source: Lightcast Analyst 2024.3.

Business Counts Analysis

The following table measures business counts within the agriculture sector, separated by business size and member municipality (sorted alphabetically). As can be seen, the majority of businesses within each municipality are either single proprietors (i.e., family farms) or small-medium businesses. This breakdown holds true across each of the five geographies profiled, with no member municipality having more than four businesses with more than 50 employees.

Norwich, South-West Oxford, and Zorra are the only member municipalities with more than 15 businesses with more than even 10 employees, highlighting the importance of small businesses to this sector across Rural Oxford.

Table 3: Business Counts by Member Municipality, Agriculture, 2024.

2024 Agriculture Business Counts					
Agriculture Sector	1-9 Employees	10-49 Employees	50+ Employees	Indeterminate	Total
Blandford-Blenheim	52	7	2	214	275
East Zorra Tavistock	79	8	3	281	371
Norwich	102	31	4	448	585
South-West Oxford	89	17	2	284	392
Zorra	117	18	1	448	584

Source: Canadian Business Counts, June 2024.

Goods Purchasing Analysis

Purchases of farming and agri-business goods from businesses in Rural Oxford member municipalities amounted to over \$645 million in 2022, over two-thirds (68.1%) of which were local. This heavy emphasis on local purchases again reiterates how valuable agricultural businesses are to the local economy, with local suppliers providing goods across Rural Oxford.

Table 4: Goods Purchased from the Sector, Agriculture and Agri-Business, Rural Oxford, 2022.

2022 Businesses Goods Purchased			
Industry Goods are Purchased From	Local Purchases	Imported Purchases	Total Purchases
Agriculture & Agri-Business	68.1%	31.9%	\$645,156,564

Source: Lightcast Analyst 2024.3.

Regional Sales, Export and Wage Data Analysis

Agriculture businesses in Rural Oxford were directly responsible for approximately \$142 million in total wages in 2022, with each of the five member municipalities seeing over \$9.8 million in total wages coming from this sector.

Table 5: Regional Sales, Export and Wage Data, Rural Oxford, 2022.

Regional Sales, Export and Wage Data			
	Sales	Exports	Total Wages
Blandford-Blenheim	\$177,380,279.99	\$132,368,790.70	\$9,816,627.76
East Zorra Tavistock	\$886,481,314.52	\$719,125,407.17	\$55,391,443.83
Norwich	\$450,265,755.82	\$352,473,136.51	\$29,167,732.83
South-West Oxford	\$460,462,032.91	\$396,713,956.25	\$28,710,276.00
Zorra	\$387,773,530.06	\$300,183,285.96	\$19,099,022.56

Source: Lightcast Analyst 2024.3.