

3.11 Agriculture

3.11	Agriculture	1
3.11.1	Fruit	3
3.11.2	Wine.....	5
3.11.3	Wineries.....	5
3.11.4	Grape Production.....	6

According to the Census of Agriculture statistics, total farm capital value from 1,017 farms reporting in 2006 was estimated at \$1.41 billion with sales receipts totalling \$86.2 million. The bench lands within and surrounding the City of Kelowna and extending to Peachland, yield the vast proportion of apples and pears grown in the province, as well as smaller quantities of grapes, cherries, prunes, plums, peaches, apricots and vegetables.

Beef cattle are ranged over much of the surrounding hillsides and range land under forest cover. Dairy farming was important in the past but most properties have been converted to more intensive agriculture, or housing. There are a few commercial poultry farms, as well as some farms growing nursery products and cultivating greenhouse crops.

The head office of BC Tree Fruits Ltd., which handles the marketing of most fresh tree fruits in the Interior is located in Kelowna. Sun-Rype Products Ltd., Western Canada's largest manufacturer and marketer of juice-based beverages and related food and beverage products, is also located in the Kelowna, the major centre for fruit storage, packing and processing facilities.

In 2006 there were 1,017 farms comprising 24,296 hectares of land in the Regional District of the Central Okanagan. Sales of \$10,000 or more were reported by 508 farms, of which 150 had gross receipts of over \$100,000.

Eighty-seven farms reported some 4,416 cattle and calves as of May 2006. Of the 6,840 hectares of land under crops in 2006, 1,829 were in alfalfa and other hay and fodder crops, 3,579 in tree fruits (of which 1,806 were apples and 329 in sweet cherries), and 1,110 hectares in grapes.

Farmland used for grape production in 2006 had increased by 222 hectares since 2001, which underlines the continuing growing importance and success of grape growing, and the wine industry, in the Okanagan.

Farms in the district generated the equivalent of 976 person years of year-round as well as seasonal and temporary employment, and paid out wages and salaries (to non-family members) totalling some \$22.3 million (*Source: Census of Agriculture, 2006*).

Table 3.23 - Size of Agricultural Sector in the Central Okanagan

	Central Okanagan
Farm and farm operator statistics	
Total number of operators	1,480
Average age of operators	56
Total number of farms	1017
Land use and land practices statistics	
Land area (km ²)	2,956
Total area of farms (hectares)	24,296
Farm finance statistics	
Total gross farm receipts (excluding forest products sold) (\$)	86,228,375
Total farm capital (market value \$)	1,409,729,953
Crop and horticulture statistics	
Land in crops (hectares) (excluding Christmas tree area)	6,840
Top five crops (hectares)	
1. Apples total area	1,806
2. Alfalfa and alfalfa mixtures	1,412
3. All other tame hay and fodder crops	417
4. Grapes total area	1110
5. Cherries (sweet) total area	329
Livestock statistics	
Total cattle and calves	4,416
Total horses and ponies	1,581
Total sheep and lambs	813
Total goats	246
Total hens and chickens	82,946

Source: 2006 Census of Agriculture, Statistics Canada, June 2006

Table 3.24 - Farm Receipts, Products and Area, 1995 and 2000

	Number of Farms		% Change	% Distribution 2006	
	2001	2006	'01-'06	RDCO	BC
Farms reporting gross farm receipts					
Total Farms reporting	1,102	1,017	-7.7	100.0	100.0
Under \$10,000	576	509	-11.6	50.0	47.6
\$10,000 to \$24,999	190	150	-21.1	14.7	16.1
\$25,000 to \$49,999	116	120	3.4	11.8	10.3
\$50,000 to \$99,999	83	88	6.0	8.7	8.0
\$100,000 to \$249,999	84	85	3.6	8.4	7.7
\$250,000 to \$499,999	29	41	41.4	4.0	4.5
\$500,000 to \$999,999	12	14	16.7	1.4	3.1
\$1,000,000 to \$1,999,999	8	4	-50.0	0.4	1.7
Over \$2,000,000	4	6	50.0	0.6	0.9
Types of farms reporting					
Total farms reporting	1102	1017		100.0	100.0
Dairy	5	0	-100.0	0.0	0.0
Cattle	135	87	-35.6	8.6	1.2
Hogs and Pigs	22	17	-22.7	1.7	2.1
Poultry and Eggs	180	158	-12.2	15.5	3.5
Sheep and Lambs	42	28	-33.3	2.8	1.7
Goats	34	29	-14.7	2.9	3.2
Horses and Ponies	223	199	-10.8	19.6	3.0
Fruit	648	609	-6.0	59.9	14.6
Vegetables	103	86	-16.5	8.5	5.0
Nursery	60	38	-36.7	3.7	3.2
Alfalfa and Alflalfa mixtures	177	158	-10.7	15.5	3.5
Timothy hay and other fodder	62	60	-3.2	5.9	1.2
Total farm area (Hectares)	24,069	24,296	+0.9	8.2	

Source: 2006 Census of Agriculture, Statistics Canada, June 2006

3.11.1 Fruit

Farm revenues from apple and other tree fruit crops are slowly shrinking as old orchards are converted to more profitable uses such as housing developments, hobby farms or other types of crops. Even so, revenues from these crops have been moderately high over the past three years and continue to remain so.

(Source: BC Credit Union: Economic Analysis of British Columbia, August 2005)

Sun-Rype Products Limited was started in Kelowna in 1949 as a salvage operation to juice apples that had not moved on the fresh fruit market and for many years operated as a grower-owned processing outlet. On November 12, 1996 Sun-Rype became a public company and has evolved to

become the largest juice manufacturers' marketer in Canada. By maintaining its head office in the Okanagan, the company draws attention to one of the area's best-known industries.

The Okanagan-Kootenay Sterile Insect Release Program is a community-based, area wide initiative to control codling moth and has become a model to other fruit-growing regions around the world. The codling moth is the number one pest of the tree fruit industry in BC. It inflicts more damage than any other pest. Controlling codling moth with the SIR Program has reduced toxic pesticide use in the Central Okanagan by over 55% since 1997. Lowering pesticide use is important given the close proximity of urban residential areas to commercial apple and pear orchards. Table 3.23 provides a breakdown of the areas and detailed information for each of those areas.

Table 3.25 - Facts & Figures for Zone 2 (Central Okanagan) 2006

Area	# Traps	Wild CM For 2005	Fruit Sampled	Injured Fruit	Apples	Pears
Belgo	199	1302	58500	185	465.19	3.34
Benvoulin	54	282	13500	5	20.87	101.23
E. Kelowna	456	1388	118000	412	1107.70	16.33
Ellison	152	60	47500	138	386.06	3.34
Glenmore	136	111	51800	380	259.23	69.51
OK Mission	14	36	6500	21	19.18	6.41
Peachland	20	4	4500	1	49.26	0.00
Rutland	210	283	47250	214	490.01	8.74
S. Kelowna	242	1369	73350	234	520.83	21.33
Westbank	99	713	32000	161	198.03	11.39

Source: Okanagan Sterile Insect Release Program, June 2007

For more information: Okanagan Sterile Insect Release Program – www.oksir.org

3.11.2 Wine

The south Okanagan Valley is at the northern end of the Sonora Desert that runs all the way into Canada from Mexico. In the 1890s, fruit orchards were the beginnings of agriculture in the Okanagan Valley, with commercial grapes first planted in the 1920s.

There are five main wine regions or DVAs (Designated Viticultural Areas) in British Columbia, each producing a range of grape varieties and wines – the Okanagan Valley, Vancouver Island, the Gulf Islands, the Fraser Valley and the Similkameen Valley.

The Okanagan's grape production currently covers some 5000 acres and is the oldest and largest wine-producing region in the province. The source of premium grape varieties, this region has more than 70 wineries and supplies 95 % of the province's wine.

BC Wine Institute

The British Columbia Wine Institute (BCWI) was created by an act of the provincial legislature, the BC Wine Act, in 1990.

It was conceived as a component of a strategic plan of industry and government to create an internationally competitive wine industry. The strategy included the removal of labrusca and hybrid grape varieties and replanting vineyards to vinifera varieties, establishing an industry based on premium wine production.

The BCWI plays a key role in the growth of BC's wine industry. Our 56 winery members and 14 grape grower partners represent 95.5 percent of the province's total wine production and produce 90 percent of BC's table wine grapes.

BC VQA wines are now the second-largest category (behind only non-VQA Canadian wine) in BC sales and these sales continue to grow at about 20 percent annually. BC VQA wines now dominate the quality wine market in BC – meaning British Columbians choose BC VQA wines over imported wines from any other region or country.

3.11.3 Wineries

British Columbia is home to 136 licensed grape wine wineries, (with approximately 14 winery licenses pending). Over 60 wineries now produce VQA wines. The industry is growing fast; in 1988, there were only 14 wineries in BC. In 2004, a total of 16,642 tons of grapes were harvested from 5,462 acres. There is now 6,632 acres planted under vine in the province. (Source: BCWI, 2007)

In 2004, BC was home to 104 wineries with 14 winery licenses pending, compared to only 14 wineries in total in 1988. The number of wineries in and around Kelowna has grown dramatically in the last ten years. The Central Okanagan was home to 18 wineries at the end of 2004 compared to 60 for all of the Okanagan. The largest of the wineries include: Cedar Creek Estate Winery, Mission Hill Estates Winery, Quails' Gate Estate Winery, and Summerhill Estate Winery.

International Potters Distilleries together with several breweries are also active in and around Kelowna.

Table 3.26 – RDCO Wineries

Place	Number of Wineries
Kelowna	13
Peachland	5
Westbank	4
Lake Country	2

Source: OWFS Member Wineries and others, 2007

3.11.4 Grape Production

BC's grape crop continues to boom. Farm revenues from grapes have been on a rising trend since 1989 and this trend seems likely to continue through 2007. The increase is mainly due to higher production quantity, but also partly due to rising prices and quality. The number of vintner-owned and independent vineyards of all sizes continues to expand.

(Source: Credit Union Central of British Columbia: Thompson-Okanagan Economic Outlook 2005-2007, August 2005)

The majority of BC grape acreage is planted in the Okanagan/Similkameen region. The Okanagan/Similkameen Valleys are located in the rain shadow of the Coast and Cascade Mountain Ranges; the region is an ideal site for grape production. Long, hot summers are followed by cool nights and warm days in the fall, which provide perfect conditions for ripening wine grapes. Winter temperatures are usually mild with little snow cover. However, some winters can be cold and winter injury of the vines is probable from time to time.

Most of the Okanagan grape acreage is planted to wine grapes, but a small portion is planted for the fresh market. Future expansion of the BC fresh market grape industry is not anticipated. Globally, there is intense competition in the wine market because of the economies of scale achieved by large suppliers in major wine producing countries. These global wine companies, with their corporate focus on increased profits and market share, are placing mounting pressure on small, often specialized production wineries like those in the Okanagan region.

Major growth in the Okanagan wine industry has occurred since the US/Canada Free Trade Agreement, facilitating a significant vine pull-out program in 1988, after which grower's replanted vineyards with premium varieties. More recent expansion of the industry has occurred, in part because of the excellent prices paid for many vinifera varieties. The premium varieties combined with the excellent growing conditions are resulting in the quality of Okanagan wines dramatically improving as the industry becomes more established.

Ice wine is the product that distinguishes BC and the Okanagan from most other wine growing areas of the world. BC is famous for its ice wine and while only a small portion of the crop is harvested as ice wine, it brings excellent publicity to the industry. Temperatures must be at least -8°C for a period of several hours before harvest can begin and the berries must be frozen solid; often the crop is picked during the night under lights with freezing fingers. Some years, the crop is not harvested as ice wine, if the winter is too mild.

(Source: *An Overview of the British Columbia Grape Industry, December 2004*).

Table 3.27 - Grape Production – Tonnage by Area (2005)

Area	Tonnage	Value
Cawston/Keremeos/Similkameen	432.68	\$600,479
Kelowna	1,878.01	\$3,231,932
Okanagan Falls	889.4	\$1,337,514
Oliver	6,910.53	\$11,668,726
Osoyoos	827.14	\$2,115,180
Lake Country/Vernon	294.29	\$464,465
Penticton/Naramata/Kaleden	1,232.04	\$2,075,130
Salmon Arm	24.11	\$31,880
Summerland/Peachland	260.41	\$434,497
Westbank	1,009.87	\$1,868,775
	13,758.49	\$23,828,578
Others		
Kootenays	6.26	\$11,287
Fraser Valley	147.99	\$187,747
Gulf Islands	114.69	\$229,373
Vancouver Island	56.83	\$81,086
	325.77	\$509,493
Total Tonnage:	14,084	\$24,338,070

Source: *British Columbia Wine Institute Annual Report 2006, March 2007*

For more information:

BC Wine Institute:

www.winebc.com

Wineries of the Okanagan Valley:

www.okanaganwine.ca