

Canadian Greenhouse Floriculture



2012 Highlights



FLOWERS CANADA
GROWERS

Farm Gate Sales

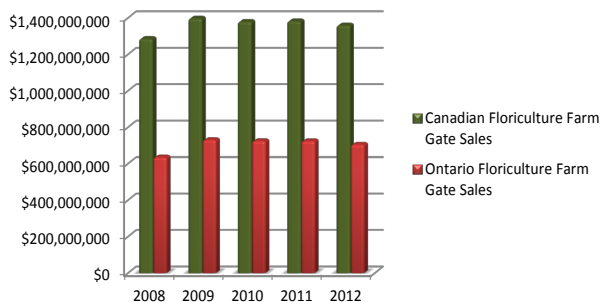
Flowers Canada (Ontario) Inc. (FCO) is a not-for-profit corporation recognized under Section 12 of the Farm Products Marketing Act as the representative association for over **220** greenhouse floral producers in Ontario. FCO's members include greenhouse growers, distributors and importers/exporters of cut flowers, potted plants, bedding plants, cut greens, specialty suppliers and services to the sector. FCO's mandat is to enhance the profitability and competitiveness of Ontario's floriculture industry by helping members address common issues, challenges and opportunities to retain and enhance Canada's preeminent position in the floriculture industry in North America.



Ontario Farm Gate Sales represent over 50% of total Canadian floriculture sales. In 2012, Canada's floriculture Farm Gate Sales were **\$1.36 billion** (including resales). There was little change in Farm Gate Sales between 2011 (\$1.384 billion) and 2012. For Ontario floriculture the Farm Gate Sales for 2012 was \$709 million. This is down from \$726 million 2011.

Farm Gate Sales include all sales of floral products, including resales.

Floriculture Farm Gate Sales 2008-2012



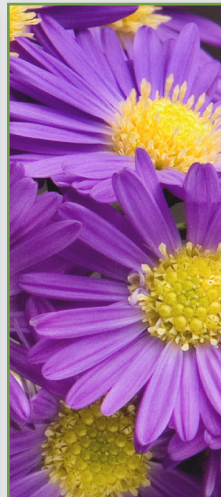
Farm Cash Receipts represents the cash income received from the sale of agricultural commodities as well as direct program payments made to support the agricultural sector. This value captures only the final sale of the products, farm to farm sales are not captured in this figure as the value added should be reflected in the final cost of the product.

When comparing Farm Cash Receipts, in 2011 Canadian greenhouse floriculture was 5th compared to other agricultural crop products, and 9th in comparison to all agriculture (crops and livestock) in Canada.

Farm Cash Receipts (2011)			
Agriculture Products		Agriculture Crop Products	
1	Canola	1	Canola
2	Dairy Products	2	Wheat
3	Cattle	3	Corn
4	Hogs	4	Soybeans
5	Wheat (excluding Durum)	5	Floriculture
6	Hens & Chickens	6	Greenhouse Vegetables
7	Corn	7	Field Vegetables
8	Soybeans	8	Potatoes
9	Floriculture	9	Dry Peas

While there are **1,910** commercial floriculture greenhouses with a growing area of 5,000 square feet or more in Canada, **220** of the largest producers in Ontario, are represented by FCO. These growers maintain a greenhouse size of **20,000** sq. ft. or larger.

Ontario is the 4th largest producer by square footage in North America, following California, Florida and Michigan.



Crop Production

There are 4 categories of crops produced in the floriculture sector: potted plants, cuttings, cut flowers and bedding plants.

Product Sales 2012	Canada	Ontario
Potted Plants	\$653,415,645	\$327,373,845
Cuttings	\$54,097,112	\$16,417,460
Cut Flowers	\$144,523,130	\$95,887,580
Bedding Plants	\$206,654,845	\$92,468,350



Nationally, in Potted Plants, the top 5 varieties represent approximately 57% of all production, the top 5 cut flower varieties represent approximately 35% of all cut flower production and the top 5 varieties in bedding plants represented over 90% of all bedding plant production.

Listed below are the top five varieties of potted plants, bedding plants and cut flowers for Canada in 2012.

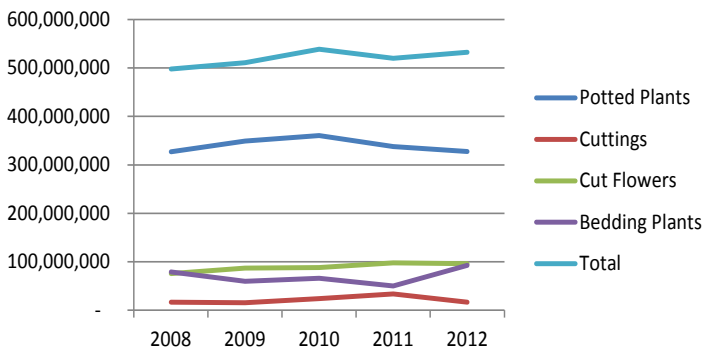
Top 5 Varieties	Potted Plants	Cut Flowers	Bedding Plants
1	Tropical Foliage & Green Plants	Tulips	Geraniums
2	Mini Roses	Gerbera	Perennials
3	Poinsettias	Lilies	Petunias
4	Chrysanthemums	Daffodils	Begonia
5	Lilies	Roses	Impatiens

Ontario floriculture producers represent 52% of the Canadian greenhouse floriculture sector, which makes Ontario the 4th largest producer in North America following California, Florida and Michigan.

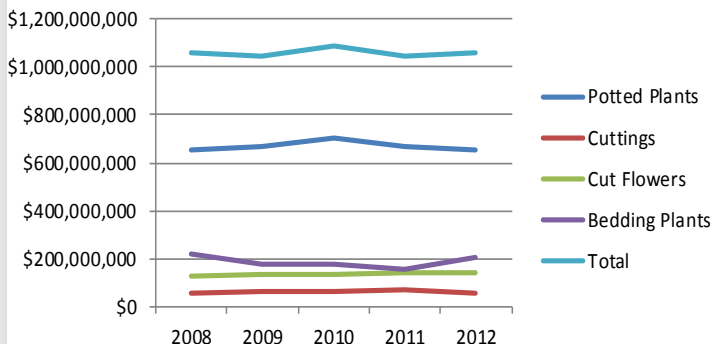
The Niagara peninsula is the largest contributor to the Ontario floriculture industry, due to its close proximity to the border and moderate climate. The Niagara Peninsula is home to 60% of Ontario's floriculture producers.

Potted plants represented over 60% of the \$1.06 billion of Farm Gate Sales in Canada in 2012, with over \$650 million in sales. Bedding Plants sold the second most with just over \$200 million in sales and representing 20% of sales.

Ontario Floriculture Product Sales 2008-2012



Canadian Floriculture Product Sales 2008-2012

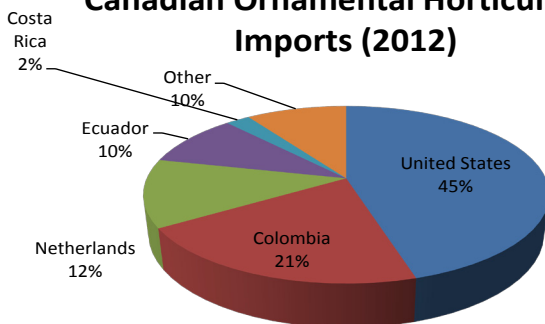




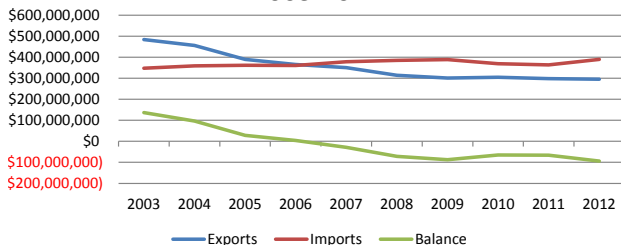
In 2012, Canada exported \$295 million of Ornamental horticulture products, a decrease of \$3 million from 2011, while Canadian companies imported approximately \$389 million, an increase of \$26 million. The trade balance for Ornamental Horticulture in 2012 saw a \$93 million loss.

Top trading partner for Canada remained the United States importing almost 99% of Canada's exports, while 45% of Canada's total imports come from the U.S.

Canadian Ornamental Horticulture Imports (2012)

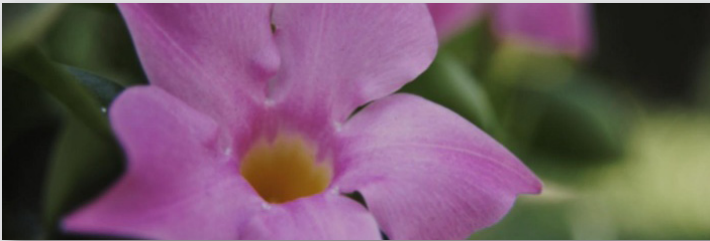
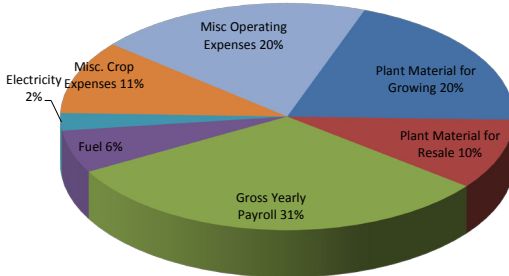


Canadian Ornamental Horticulture Trade 2003-2012



The largest expense for floriculture producers in Canada remains the Gross Yearly Payroll representing 31% of their total expenses. Plants for Growing Material is their next biggest expense at 20%. The total expenses for Canadian greenhouse floriculture producers in 2012 were **\$1.05 billion**. Ontario represented almost 50% of the expenses nationally with the total expenses for Ontario being \$509 million. Over the past year Canadian floriculture producers saw a decrease of almost \$17 million in expenses. This may be in part due to the decreasing number of greenhouse floriculture operations.

2012 Floriculture Expense Breakdown Canada



Across Canada the greenhouse floriculture sector employed **20,745** workers, representing 58% of Canadian greenhouse labour. In the past year the greenhouse floriculture remained fairly even with a slight increase in number of employees of just over 150. There were 8,505 workers employed in Ontario floriculture greenhouses, representing 53% of Ontario greenhouse labour.

While total labour costs have remained stable, the cost per employee is increasing. For Canadian greenhouse floriculture producers recruitment, retention, and supervisory skills remain key to labour efficiency.

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