

Canadian Agriculture at a Glance

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Canada's farms are adjusting the ways they sell their products to consumers

by Michelle St. Pierre

Canada's farmers have been adjusting the way they sell their goods to the public to adapt to evolving consumer needs, against the backdrop of the COVID-19 pandemic. Consumer preferences for farm-fresh goods and locally grown produce, coupled with modern technological advances and evolving physical distancing measures during the early stages of the

pandemic, posed numerous challenges for Canada's farmers. Data from the 2021 Census of Agriculture show that both the number and the proportion of farms reporting direct sales have increased, compared with the 2016 Census. Furthermore, the predominant methods used by farms to sell products directly to consumers have also changed.

The 2021 Census of Agriculture collected information on direct sales for the 2020 reference year, a year in which significant and evolving safety and physical distancing protocols were instituted to combat the COVID-19 pandemic. Similarly, the 2016 Census of Agriculture collected information on direct sales for the 2015 reference year.

More farms are relying on direct sales to consumers

From 2015 to 2020, the number and proportion of farms reporting direct sales in Canada increased. In 2020, 25,917 farms (13.6% of farms in Canada) reported direct sales. This was an increase from 24,510 farms (12.7% of farms in Canada) in 2015.

The number of farms reporting direct sales rose both for those selling unprocessed agricultural products and for those selling value-added products. In 2020, 24,857 farms reported direct sales of unprocessed agricultural products (e.g., fruits, vegetables, meat cuts, poultry, eggs, maple syrup and honey), representing an increase of 1,314 farms from 2015. Meanwhile, the number of farms reporting direct sales of value-added products (e.g., jellies, sausages, wine, cheese, cider and pie) rose by 291 over the same period, reaching a total of 3,829 farms.

The practice of selling directly to consumers is a response by Canada's farms, mainly those closer to urban areas, to meet growing consumer demand for farm-fresh goods. Instead of going to the grocery store, consumers can purchase their food products directly from farms.

Farms in the most populated census consolidated subdivisions are more likely to use direct sales to reach consumers

Farms in the 10 most populated census consolidated subdivisions (CCSs) in Canada were more likely to report direct sales than farms in the 10 least populated CCSs (with at least 5,000 people in each CCS). In 2020, more than one-fifth (20.9%) of farms in the 10 most populated CCSs in Canada reported direct sales. This was higher than the rate of direct sales for farms in the 10 least populated CCSs in Canada (16.5%).

Farms engage in direct sales in various ways. One of the more common direct sales methods for farms in smaller CCSs was direct deliveries to consumers.

Farms in the least populated census consolidated subdivisions rely on direct deliveries

In 2020, 56.6% of farms in the 10 least populated CCSs reporting direct sales used direct deliveries to consumers. This was followed, in terms of prevalence, by on-site farm stands (54.0%). Direct delivery is one way that farms in less populated CCSs are adapting their selling practices to reach their consumers. In many instances, consumers in less populated CCSs and rural areas may not live as close to farms as in urban areas. Direct delivery helps consumers receive agricultural products directly from the farm regardless of its proximity.

Conversely, on-site farm stands were more popular than direct delivery for farms in more populated CCSs, perhaps because more potential consumers were living closer to the farms. In 2020, just under two-thirds (65.3%) of farms reporting direct sales in the 10 most populated CCSs in Canada said they used on-site stands, followed by direct deliveries to consumers (40.8%).

Regardless of whether farms were located in rural or urban areas, many of them used direct deliveries to consumers during the COVID-19 pandemic.

Farms turn to direct delivery with physical distancing measures in place

In 2020, 13,006 farms reported direct deliveries to consumers, accounting for 6.8% of all farms in Canada. This represented just over half (50.2%) of the number of farms that reported direct sales in 2020, making direct delivery the second most frequently reported direct sales method. In 2016, the second most frequently reported direct sales method was farmers' markets.

Direct delivery was a way for farms in Canada to safely sell to consumers during the pandemic. Physical distancing measures were in place across Canada

at various times in 2020, and direct delivery limits close interactions during sales. Instead of consumers going to stores, farmers' markets or farms to pick up agricultural products, farms provide a service to conveniently deliver products to the consumer's door.

While not as prevalent as direct delivery, another way farms in Canada are adapting their selling practices is by integrating technology for online sales.

Farms are modernizing selling practices by embracing e-commerce

Most farms that reported other methods of direct sales on the 2021 Census of Agriculture specified online sales as their method of choice. In 2020, 1,234 farms in Canada reported other methods of direct sales. Of these farms, the majority reported advertising, which includes methods for online sales through the Internet, websites and online stores.

During the early stages of the pandemic, when physical distancing measures were in place across Canada, online sales including curbside pickup were

an effective way for farmers to sell their products directly to consumers while adhering to safety protocols.

While there have been changes in the ways farms in Canada sell to consumers, one thing that has remained consistent over time is their reliance on on-site stands.

On-site farm stands are the most popular direct sales method

As was the case in the 2016 Census, on-site stands remained the most frequently reported direct sales method. In 2020, 15,647 farms reported on-site farm stands, accounting for 8.2% of farms in Canada. This proportion was lower than the 11.3% of farms reporting on-site farm stands in 2015. Of the farms that used direct sales in 2020, 60.4% reported on-site farm stores, stands, kiosks, U-pick or farm gate sales.

Among farm types, fruit and tree nut farms and vegetable and melon farms had the highest rates of on-site stands. In 2020, just over one-third of fruit and tree nut farms (34.3%) and vegetable and melon farms (34.1%) in Canada reported on-site stands.

Table 1
Farms reporting direct sales methods by type of product, Canada, 2020

Direct sales method	Unprocessed agricultural products	Value-added products	Total
	number of farms		
On-site farm stores, stands, kiosks, U-pick or farm gate sales	14,975	2,830	15,647
Off-site farm stores or stands	2,385	689	2,542
Farmers' markets	3,889	1,316	4,137
Direct deliveries to consumers	12,393	2,141	13,006
Community Supported Agriculture (CSA) or food baskets	1,067	280	1,088
Other	1,160	278	1,234

Note: The "Total" column does not equal the sum of the parts because farms reporting more than one category are counted only once.

Source: Statistics Canada, Census of Agriculture, 2021 (3438).

Farms in smaller revenue classes are more likely to use direct sales to consumers

Just like in the 2016 Census, farms in the smaller revenue classes made up the biggest portion of farms reporting direct sales. In 2020, farms in the \$0 to \$9,999 revenue class accounted for 32.4% of farms in Canada reporting direct sales. This was followed by the \$10,000 to \$24,999 revenue class, which accounted for 18.1% of farms that reported direct sales.

Not only were farms in smaller revenue classes more likely to report direct sales, but they were also more likely to earn most of their total revenues through direct sales. In 2020, nearly two-thirds (60.6%) of farms in the \$0 to \$9,999 revenue class that reported direct sales earned over 75.0% of their total revenues through direct sales.

Conversely, direct sales made up only a small portion of the total revenues of farms in larger revenue classes. In 2020, over two-thirds (69.9%) of farms in the \$2,000,000 and over revenue class that reported direct sales earned 25.0% or less of their total revenues through direct sales.

Table 2
Farms reporting direct sales by revenue class, Canada, 2015 and 2020

Revenue class	2015	2020	Change
	number of farms		
\$0 to \$9,999	8,618	8,401	-217
\$10,000 to \$24,999	4,413	4,688	275
\$25,000 to \$49,999	2,799	3,151	352
\$50,000 to \$99,999	2,566	2,743	177
\$100,000 to \$249,999	2,785	3,070	285
\$250,000 to \$499,999	1,534	1,698	164
\$500,000 to \$999,999	966	1,103	137
\$1,000,000 to \$1,999,999	415	618	203
\$2,000,000 and over	414	445	31
Total	24,510	25,917	1,407

Sources: Statistics Canada, Census of Agriculture, 2016 and 2021 (3438).

Fruit and vegetable farms have the highest rates of direct sales among farm types

In 2020, vegetable and melon farms had the highest rate (52.2%) of direct sales, followed by fruit and tree nut farms (40.4%). Similarly, in 2015, vegetable and melon farms had the highest rate (50.2%) of direct sales and were also followed by fruit and tree nut farms (37.8%).

Poultry and egg farms with direct sales are most likely to earn all their revenues from direct sales

Poultry and egg farms had the highest rate of farms reporting direct sales that earned 100.0% of their revenues through direct sales. In 2020, nearly half (47.8%) of poultry and egg farms in Canada reporting direct sales earned all of their revenues through direct sales. This was followed by vegetable and melon farms (44.7%) and fruit and tree nut farms (42.9%).

Newfoundland and Labrador has the highest rate of direct sales among the provinces

In 2020, nearly half (46.5%) of farms in Newfoundland and Labrador reported direct sales, up from 34.2% in 2015. British Columbia (34.0%) and Nova Scotia (30.3%) reported the next highest rates among the provinces in 2020.

The higher rates of direct sales in Newfoundland and Labrador, British Columbia, and Nova Scotia, as well as the lower rate found in Saskatchewan, could be attributable to the types of farms and farm revenue classes prevalent in these provinces.

In Newfoundland and Labrador, the most frequently reported farm type was vegetable and melon farms. In 2020, vegetable and melon farms were the most likely farm type to engage in direct sales in Canada, with 52.2% of these farms reporting direct sales.

Conversely, the most frequently reported farm type in Saskatchewan was oilseed and grain farms. In 2020, oilseed and grain farms were the least likely type of farm to engage in direct sales in Canada, with 2.6% of these farms reporting direct sales.

Farms reporting organic products are more likely to use direct sales

In 2020, 30.8% of farms reporting organic products used direct sales. This was more than double the rate for farms that did not report organic products (13.1%).

One reason why farms reporting organic products had a higher rate of direct sales could be because of the main farm types reporting organic products. As mentioned earlier, vegetable and melon farms were more likely than other types of farms to report direct sales. In 2020, 7.1% of farms that reported organic products were classified as vegetable and melon farms. Conversely, 2.5% of farms that did not report organic products were classified as vegetable and melon farms.

Table 3
Farms reporting direct sales by farm type, Canada, 2015 and 2020

Farm type	2015	2020	Change
	number of farms		
Oilseed and grain farming	1,511	1,715	204
Vegetable and melon farming	2,769	2,651	-118
Fruit and tree nut farming	2,967	2,870	-97
Greenhouse, nursery and floriculture production	1,187	1,547	360
Other crop farming	5,336	5,100	-236
Beef cattle ranching and farming, including feedlots	3,121	4,327	1,206
Dairy cattle and milk production	534	533	-1
Hog and pig farming	287	299	12
Poultry and egg production	1,253	1,371	118
Sheep and goat farming	1,008	1,187	179
Other animal production	4,537	4,317	-220

Sources: Statistics Canada, Census of Agriculture, 2016 and 2021 (3438).

Farm operators in the 35 to 54 years age group continue to work on farms that have the highest rate of direct sales

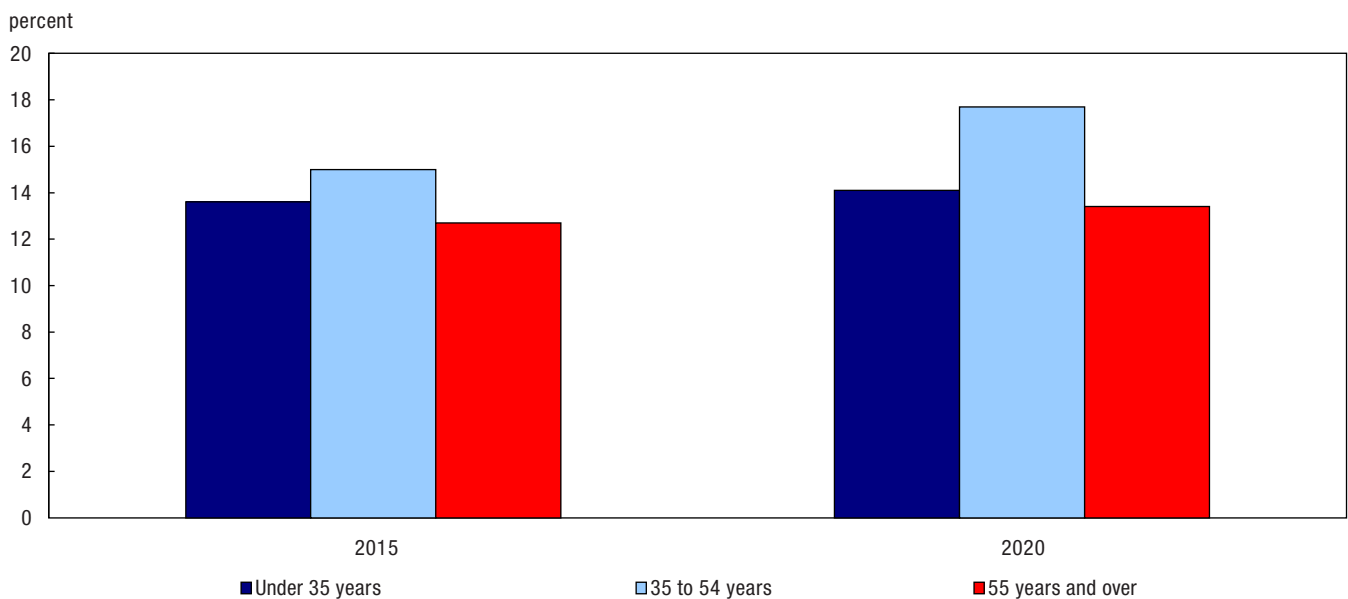
In 2020, 17.7% of farm operators in the 35 to 54 years age group worked on farms in Canada that reported direct sales. This was a higher rate than what was

reported in the under 35 years (14.1%) and 55 years and over (13.4%) age groups.

For greater context, in 2020, 14.8% of farm operators in Canada (38,890 operators) worked on farms that reported direct sales. This was an increase from 13.6% (37,095 operators) in 2015.

Chart 1

Proportion of farm operators working on farms that reported direct sales by age category, Canada, 2015 and 2020



Sources: Statistics Canada, Census of Agriculture, 2016 and 2021 (3438).

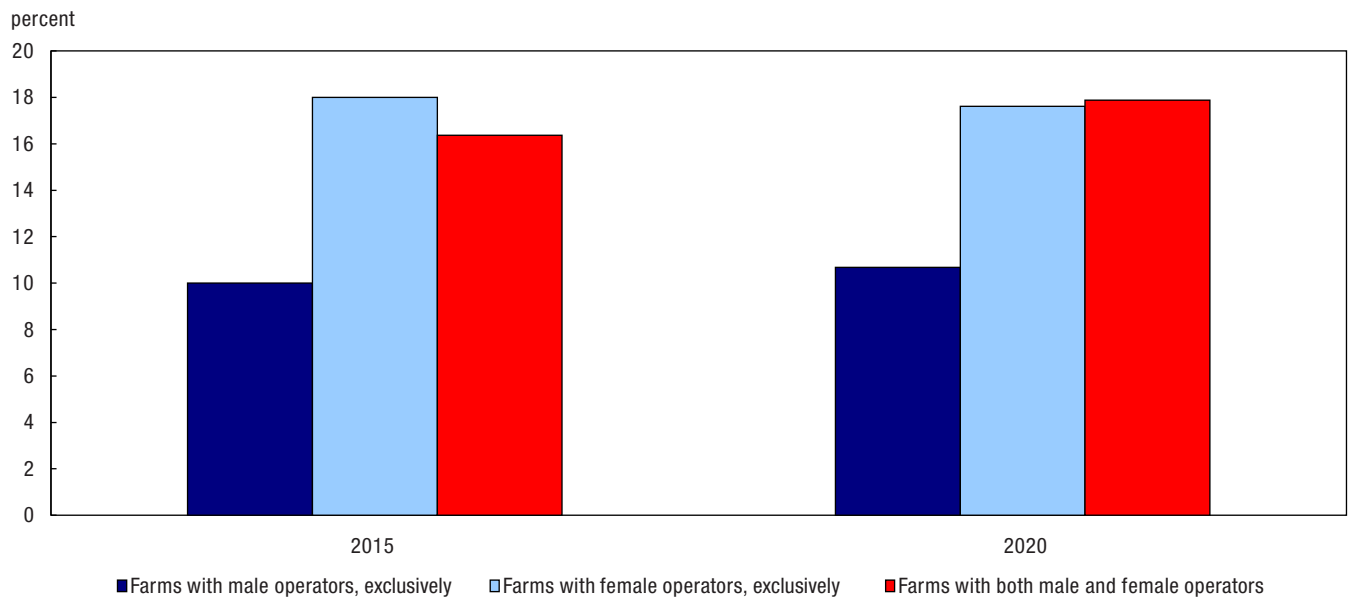
Farms managed by female operators are more likely than farms managed exclusively by male operators to report direct sales

In 2020, multi-operator farms managed by both male and female operators had the highest rate of direct sales (17.9%), followed by farms managed exclusively

by female operators (17.6%) and farms managed exclusively by male operators (10.7%). This was a slight change from 2015, when farms managed exclusively by female operators had a slightly higher rate of direct sales (18.0%) than multi-operator farms managed by both male and female operators (16.4%). Farms managed exclusively by male operators had the lowest rate of direct sales in 2015 (10.0%), as in 2020.

Chart 2

Proportion of farms reporting direct sales by sex composition of farm operators, Canada, 2015 and 2020



Sources: Statistics Canada, Census of Agriculture, 2016 and 2021 (3438).

Note to readers

The Census of Agriculture is conducted every five years.

All estimates presented in this article exclude data from cannabis operations and data from Canada's three territories.

Direct sales of agricultural products include products sold directly from a farm to a consumer and can be unprocessed or value added. Unprocessed goods include primary agricultural products such as fruits, vegetables, meat cuts, eggs and maple syrup. Value-added goods include those with further processing, such as jellies, sausages, cheese and cider. Sales made to a third-party retailer do not count toward direct sales.

A minimum threshold of 5,000 people per census consolidated subdivision (CCS) was used for the 10 least populated CCSs in Canada.

Definitions and concepts

Census consolidated subdivision (CCS)

This refers to a group of adjacent census subdivisions within the same census division. Generally, smaller, more densely populated census subdivisions (towns, villages, etc.) are combined with surrounding, larger, more rural census subdivisions to create a geographic level between the census subdivision and the census division.

Direct sales methods

Community Supported Agriculture (CSA), also called Community Shared Agriculture, is a partnership in which consumers buy shares in advance of the growing season and producers commit to supplying a range of products to consumers over the season. Food basket programs are a variation of the CSA structure where consumers do not necessarily commit for an entire season and can often make more choices about what goes into the basket.

Direct delivery refers to direct deliveries to consumers, including home deliveries and pickup by consumers at a prearranged location.

Farmers' markets refer to retail spaces with booths or tables for farmers to sell directly to consumers.

Off-site farm stores or stands refer to retail spaces located off the farm that sell products directly to consumers, sometimes seasonally.

On-site stands refer to on-site farm stores, stands, kiosks and farm gate sales. These are retail spaces located on the farm that sell agricultural products directly to consumers, sometimes operating only seasonally. U-pick operations allow customers to harvest their own produce from farms.

Farm definition

A significant conceptual change has been introduced for the 2021 Census of Agriculture: a "farm" or an "agricultural holding" (i.e., the census farm) now refers to a unit that produces agricultural products and reports revenues or expenses for tax purposes to the Canada Revenue Agency. Before 2021, a "farm" was defined as an agricultural operation that produced at least one agricultural product intended for sale.

Farm operating revenues

The Census of Agriculture collects total gross farm operating revenues (i.e., revenues before deducting expenses), in current dollars, for the calendar or accounting year prior to the census. Farm operating revenues include operating revenues from all agricultural products sold, program payments and custom work revenues.

The following items are not considered farm operating revenues: sales of forestry products (e.g., firewood, pulpwood, logs, fence posts and pilings), sales of capital items (e.g., quota, land and machinery) and revenues from the sale of any goods purchased only for retail sales.

Farm type

The type of farm is established through a procedure that classifies each census farm according to the predominant type of production. This is done by estimating the potential revenues from the inventories of crops and livestock reported on the questionnaire and determining the product or group of products that makes up the majority of the estimated receipts. For example, a census farm with total potential revenues of 60% from hogs, 20% from beef cattle and 20% from wheat would be classified as a hog and pig farm. The farm types presented in this document are derived from the 2017 North American Industry Classification System.