

MANITOBA ANALYTICS

Agri-food Export Performance in the first half of 2021



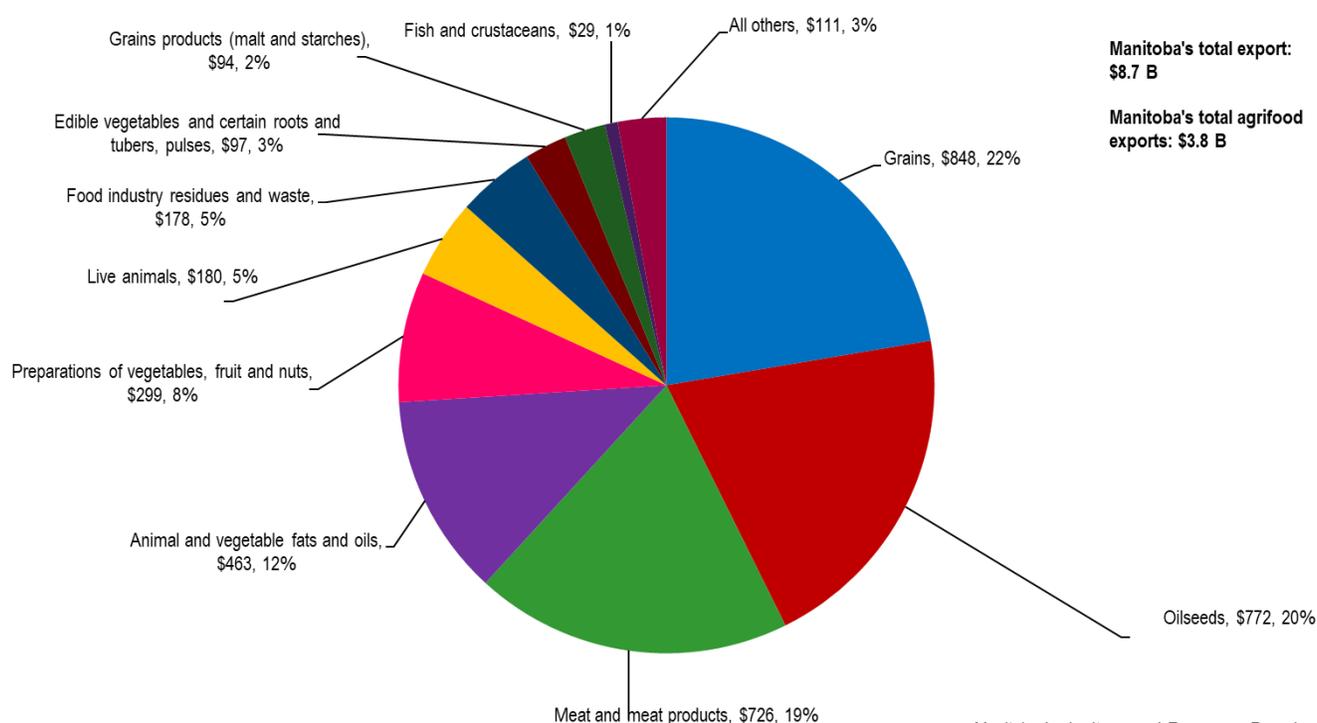
Agri-food Export Performance

Manitoba's agri-food sector continues to show a strong export performance. Industries that experienced disruptions caused by COVID-19 in 2020 are recovering well. In the first two quarters of 2021, Manitoba exported \$3.8 billion worth of agri-food products, an increase of 14.2 per cent compared to the same quarters in 2020. During the same period, Manitoba's total international exports increased by 10.1 per cent from \$7.9 billion to \$8.7 billion. Agri-food exports accounted for 43.0 per cent of Manitoba's total international exports in the first half of 2021.

Top 10 Agri-food Export Commodities and Products

Grains accounted for 22 per cent of the total agri-food export values in the first two quarters of 2021, followed by oilseeds (20 per cent), meat and meat products (19 per cent), animal and vegetable fats and oils (12 per cent) and preparation of vegetables (eight per cent). These five categories constituted 81 per cent of Manitoba's total agri-food exports in the first half of 2021. The chart below shows the top 10 agri-food export commodities and products in the first half of 2021.

TOP TEN EXPORT COMMODITIES AND PRODUCT GROUPS IN THE FIRST TWO QUARTERS OF 2021 (MILLION DOLLARS)



Source: CATSNET and Trade Data Online

Manitoba Agriculture and Resource Development,
Foresight and Analysis, 2021-08-11

Export Performance (First half of 2021 versus the first half of 2020)

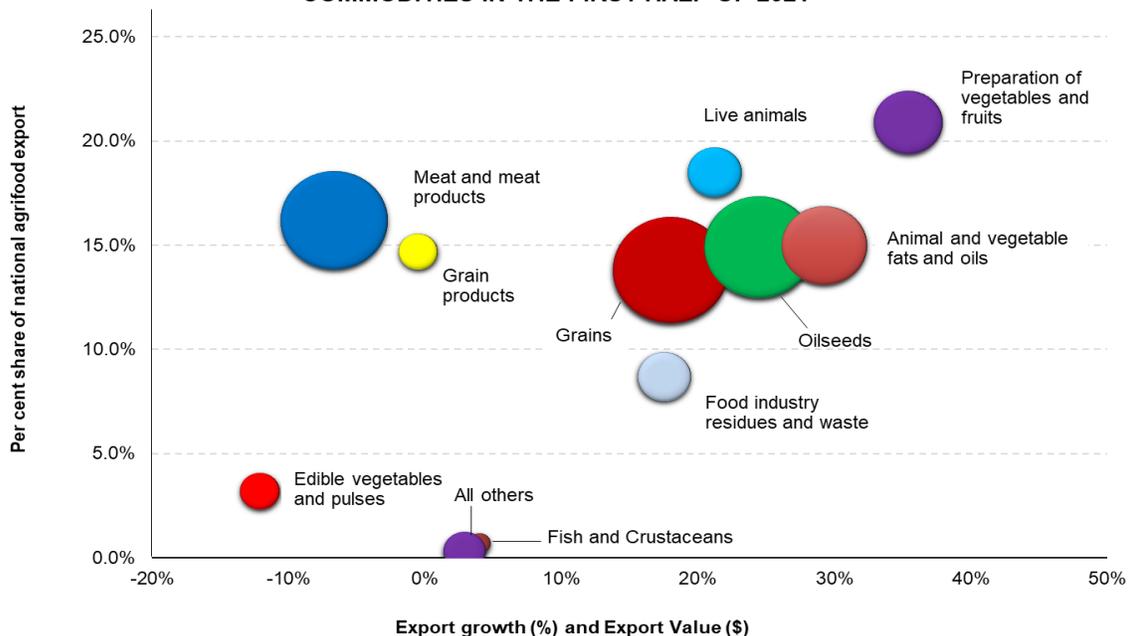
In the first two quarters of 2021, preparation of vegetables, fruits and nuts, animal and vegetable fats and oils, oilseeds, live animals and grains showed the largest percentage increases in export growth among the top 10 commodities and product groups compared to the same quarters in 2020.

Preparation of vegetables, fruits and nuts (mainly frozen potatoes) export value increased by 35.4 per cent from \$166.8 million in the first two quarters of 2020 to \$298.5 million in the same quarters in 2021. Animal and vegetable fats and oils (mainly canola oil) showed the second largest export growth in the first half of 2021 compared to the same time in 2020, where export value increased by 29.3 per cent from \$358.1 million to \$462.9 million.

With the third-largest export growth, oilseeds' strong export performance in 2020 continued into the first half of 2021. Oilseeds' export value increased by 24.5 per cent from \$620.4 million in the first half of 2020 to \$772.2 million in the same period in 2021. Live animals showed the fourth-largest percentage increase in export growth in the first half of 2021. The export values of live animals increased from \$148.3 million to \$179.8 million, which is an increase of 21.2 per cent from the same quarter in 2020. COVID-19 outbreaks in several meat processing plants led to temporary closures of meat processing facilities in Canada and the U.S. in the first half of 2021, and negatively impacted Manitoba's livestock industry. However, since the fourth quarter of 2020, the livestock industry has shown a strong recovery resulting in increased trade of live animals. Grains showed the fifth-largest export growth in the first two quarters of 2021, where exports grew by 18.1 per cent from \$717.9 million to \$847.7 million.

Edible vegetables and certain roots and tubers, meat and meat products and grain products showed a decline in exports in the first two quarters of 2021 compared to the same quarters in 2020. Edible vegetables and certain roots and tubers exports decreased by 12.1 per cent, while meat and meat products and grain product exports decreased by 6.7 per cent and 0.4 per cent, respectively. Pork exports to China and Japan decreased by 18.5 per cent and 27.7 per cent, respectively. On the other hand pork export to the US, South Korea and Mexico increased by 58.2 per cent, 44.5 per cent and 46.1 per cent, respectively. The graph below shows export growth, product category share and size of export values for Manitoba's top ten agri-food exports. The value of agri-food exports in the first half of 2021 is indicated by the size of the bubble. Export increase or decrease is shown on the X-axis, and Manitoba exports are shown on the Y-axis, as a percentage of Canadian agri-food exports for each category.

EXPORT GROWTH AND VALUE FOR THE TOP TEN AGRIFOOD EXPORT COMMODITIES IN THE FIRST HALF OF 2021



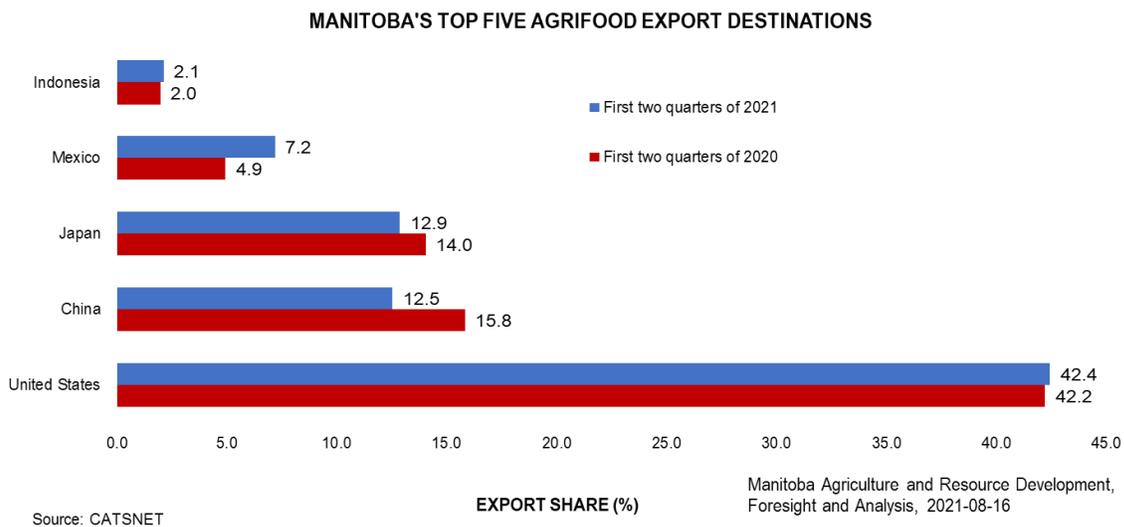
Source: CATSNET

Manitoba Agriculture and Resource Development,
Foresight and Analysis 2021-08-16

Top Five Export Destinations

The U.S., Japan, China, Mexico and Indonesia were the top five export destinations for Manitoba's agri-food products in the first two quarters of 2021. The top five countries accounted for 71.1 per cent of Manitoba's total agri-food exports in the first half of 2021, two per cent less than the same quarters in the previous year. The U.S. accounted for 42.2 per cent of Manitoba's total agri-food exports, the same export share as in the first half of 2020.

Japan was the second-largest destination for Manitoba's agri-food export in the first two quarters of 2021. Japan accounted for 12.9 per cent of Manitoba's total agri-food export share while China closely followed with 12.5 per cent. Compared to the first two quarters of 2020, the share of Manitoba's exports to China and Japan decreased by 1.2 per cent and 3.3 per cent, respectively. Mexico and Indonesia remained the fourth and fifth-largest export destinations for Manitoba's agri-food exports. The share of Manitoba's exports to Mexico increased by 2.2 per cent in the first two quarters of 2021. Indonesia's export share remained the same compared to the same quarters in 2020. The graph below presents the share of the top five destinations for Manitoba's agri-food exports in the first two quarters of 2020 and 2021.



Main Commodities and Products Exported to the Top Five Export Destinations

The top three agri-food export categories that were shipped to the U.S. in the first two quarters of 2021 were animal and vegetable fats and oils, mainly canola oil (23.5 per cent); preparation of vegetables, fruits and nuts, mainly prepared and frozen potatoes (17.8 per cent); and live animals (10.9 per cent). These three agri-food categories constituted 52.2 per cent of the total agri-food exports to the U.S. in the first half of 2021. Oilseeds, mainly canola seed, (34.3 per cent), grains, mainly wheat, (33.8 per cent) and meat and meat products, mainly frozen pork cuts, (31.2 per cent) constituted 99.1 per cent of the total export values to China.

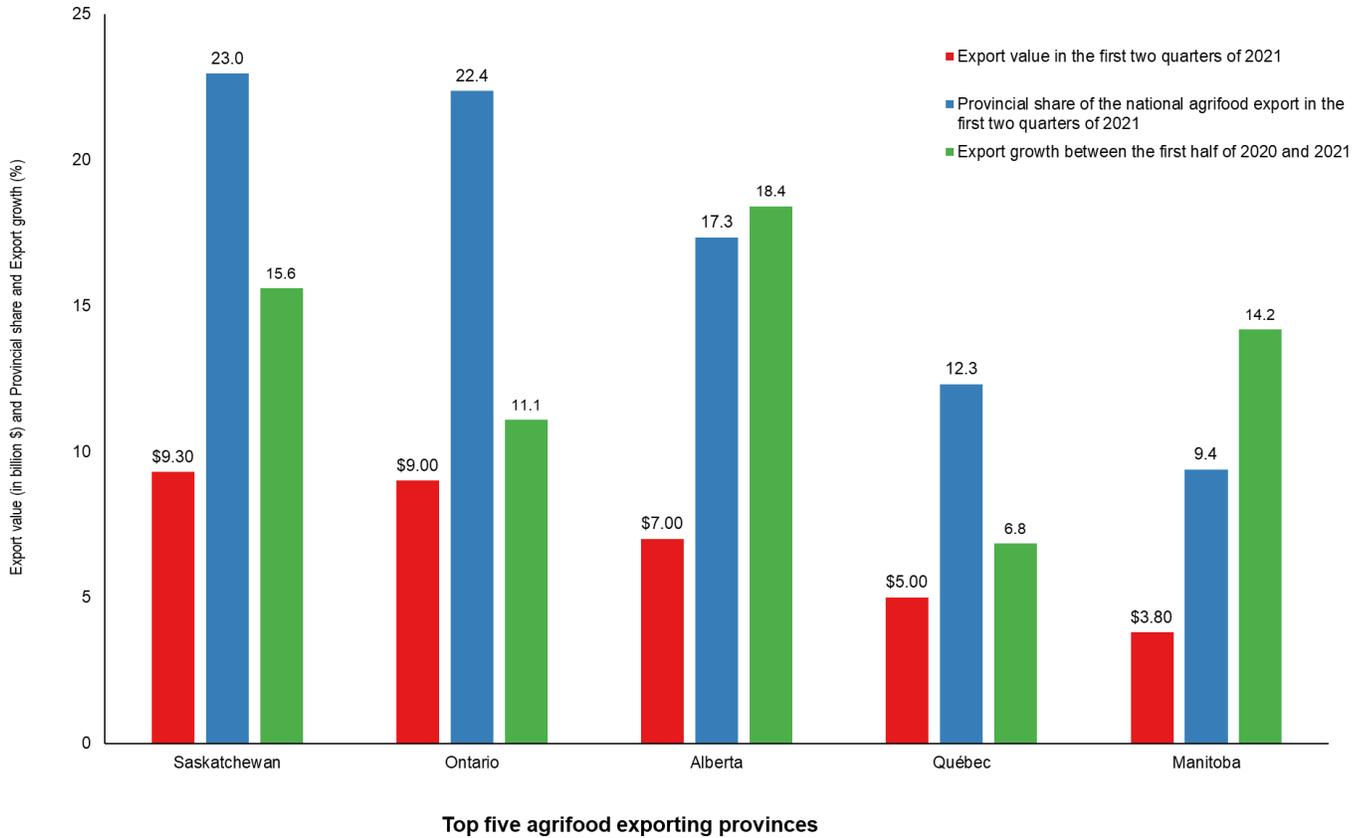
The top three agri-food export categories to Japan were meat and meat products, mainly fresh and frozen pork cuts (60.6); oilseeds, mainly canola seed (25.8 per cent); and grains, mainly wheat (11.3 per cent). These three categories accounted for 97.7 per cent of the agri-food exports to Japan.

The top three commodities and products exported to Mexico were animal and vegetable fats and oils, mainly canola oil (30.1 per cent); oilseeds, mainly canola seed (28.5 per cent); and meat and meat products, mainly frozen pork cuts (16.7 per cent). Wheat constituted 99.7 per cent of the export values to Indonesia. While exports to the U.S. and Mexico were relatively diverse, exports to Japan, China and Indonesia were highly concentrated on pork, canola seeds and wheat.

Manitoba's share of national agri-food exports

In the first two quarters of 2021, Manitoba accounted for 9.4 per cent of Canada's \$40.5 billion agri-food exports. Saskatchewan accounted for 23.0 per cent of Canada's international agri-food exports, while Ontario and Alberta accounted for 22.4 per cent and 17.3 per cent, respectively. Alberta's agri-food exports grew by 18.4 per cent in the first half of 2021 compared to the same time in 2020, followed by Saskatchewan (15.6 per cent) and Manitoba (14.2 per cent). At the national level, agri-food exports increased by 14.9 per cent in the first half of 2021 compared to the same period in 2020. The graph below shows export values, provincial shares and export growth for the top five agri-food exporting provinces.

EXPORT VALUES, PROVINCIAL SHARE AND EXPORT GROWTH FOR THE TOP FIVE AGRIFOOD EXPORTING PROVINCES IN THE FIRST TWO QUARTERS OF 2021



Source: CATSNET

Manitoba Agriculture and Resource Development, Foresight and Analysis 2021-08-18

Share of processed agri-food and commodities

Processed agri-food products represented 56.8 per cent of the total agri-food export value in the first half of 2021, while the remaining 43.2 per cent were exported as raw commodities. About 77.4 per cent of the export values to the U.S., 47 per cent of the exports to Japan, and 43.0 per cent of the exports to Mexico were processed products. Only about 40.4 per cent of the exports to China were processed products. Overall, 66.7 per cent of the agri-food exports to the top five destinations in the first half of 2021 were processed products. With over 40 per cent of Manitoba’s agri-food products being exports in raw form, there is room to increase processing capacity in the province.

Contact us

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