



Saskatchewan's Agricultural Economy

In this lesson students will learn about aspects of the economy in the pioneering community. They will look at aspects of Saskatchewan's agricultural economy today. Students will be introduced to specific vocabulary associated with trade (e.g. bartering, supply and demand, import and export, commodity, and global trade).



About two
45 minute
classes

Outcomes:

RW4.2 Investigate the importance of agriculture to the economy and culture of Saskatchewan

RW4.3 Assess the impact of Saskatchewan resources and technological innovations on the provincial, national, and global communities.

Indicators:

RW4.2 d. Compile an inventory of Saskatchewan agricultural food and by-products.

RW4.2 g. Analyze the significance of Saskatchewan agricultural commodity exports to the province.

RW4.3 d. Illustrate the goods made from the major natural resources, the consumers of those goods, and the export destinations.

Questions to Guide Inquiry:

1. How has the economy changed since the early days of the settlers?
2. What is global trade?
3. How does the agricultural economy have an effect on me?
4. Why do people need to buy things from around the world?



MATERIALS NEEDED:

- * Student Handouts 16.1 & 16.2
- * internet & digital projector (optional)
- * water & ice tea crystals (optional)

Teacher Background

Agriculture is a major part of Saskatchewan's economy. Saskatchewan farmers produce more than the Saskatchewan people could ever use so exporting our goods is critical. See Teacher Information Sheet 16.1 for information on Saskatchewan agricultural exports and imports.

Useful definitions:

-  Supply: the total amount of a good or service available to be purchased
-  Demand: the amount of a particular good or service that a consumer or group of consumers is willing to purchase at a specific price



- 👤 Barter: to trade by exchanging one good or service for another
- 👤 Import: to have a product shipped in from a different country or region
- 👤 Export: shipping a product to a different country or region
- 👤 Global trade: buying and selling goods to and from foreign markets
- 👤 Commodity: a good that is exchanged for money

Before Activity

Ask students to raise their hands if they have ever gone shopping. Ask them what one thing they (or someone they were with) absolutely needed in order to participate in this activity. Invite them to turn back the clock to pioneering times. Instruct them to turn to a partner, 'put heads together' and discuss how a shopping trip would be different then from our present day. Debrief with the entire class.

During Activity

Activity One

If there is access to internet and smartboard or to the computer lab, visit The General Store with your students at www.aitc.sk.ca/educational-resources/saskschools.

In pairs or groups of three, have students create their own homesteader store (if it is a group of three, they need to show two bartering locations). Have a few pairs/groups present their dramatization. Debrief.

Explain to students that the prairie economy was changing and by 1910, shopping was becoming closer to what we know today. Take students on a virtual walk through boomtown by visiting www.aitc.sk.ca/educational-resources/saskschools.

You will want to visit a few places associated with the 1910 economy such as the general store, the hardware store, and the bank.

Alternate Activity One

Have two volunteers come to the front of the room. Explain they are going to think of a way to make enough lemonade for the entire class. However, there is a catch. Neither has enough to make a complete jug of lemonade. Describe this as global trade on a small scale.

One volunteer is given a jug filled with water and access to more water. The other student is given an empty juice jug and enough crystals to make two jugs of lemonade. Ask them to make enough for the whole class.

Encourage them to think out loud - to discuss their thinking process about how they get to the idea that they must "share" and "trade" their products to create what is needed to get the end product. Make sure they use the word TRADE to get your point across later.

As a class, discuss this decision and the decision-making process that

As more people settled in an area, someone opened up a general store in the community. Farming families did not make it to town often. Instead of cash they traded some of their goods for the things they needed.



one student will have to TRADE his/her water with the other student's lemonade crystals. Point out that in the end, they both get what they want but both have to give up something in return.

In pairs or groups of three, have students create their own homesteader scenario. They are to choose different goods and create a role play at the local store (if it is a group of three, they need to show two bartering locations). Have a few pairs/groups present their dramatization. Debrief.

Activity Two

Explain to students what an economy is. Suggest to students that the farm economy has an impact on the general economy of Saskatchewan, whether or not they actually live on a farm themselves. Ask them to turn to a partner and discuss that idea. Ask students to explain the sentence, 'when the farms are making a profit, every person in the province benefits'.

Make clear to students that while their own shopping is certainly a part of the Saskatchewan economy, the farm economy is a considerably more important part.

Provide students with "Saskatchewan's Agricultural Economy" (Handout 16.1). Read the passage with student as they follow along. Pause to clarify, give further examples, and answer questions students may have. Use information from the Teacher Information Facts which students might be interested in. As a class, complete the first page of "Saskatchewan Agricultural Economy Question Sheet" (Student Handout 16.2).

After Activity

Students complete questions 4 through 7 on the second and third page of "Saskatchewan Agricultural Economy Question Sheet" (Student Handout 16.2) and submit. The last question is asking students to reflect on global trade.

Assessment

Teacher Checklist

- ✓ Could students indicate understanding through the dramatization of the barter system?
- ✓ Could student identify Saskatchewan imports and exports? Could they explain global trade?
- ✓ Could student reflect on the impact global trade has on their lives?
- ✓ Did student discussion indicate some understanding of the impact the farm economy has on their lives?



Lesson Resources

This site provide a glimpse into the early life of Saskatchewan settlers.
www.aitc.sk.ca/educational-resources/saskschools

Cross Curricular Connections and Further Investigation

Math

Students can examine some of the information found on the pie chart or bar graph in Teacher Information Sheet 16.2. What are these visuals telling us?



Saskatchewan Agricultural Exports

Saskatchewan Agri-Food Exports, 2003 – 2009

- 🌱 Saskatchewan Agri-Food exports represented 37% of total Saskatchewan exports in 2009. In 1997, agri-food exports represented 50% of total exports.
- 🌱 In 2009, total crops, total livestock, and total processed products exports represented 86%, 2% and 11% of Saskatchewan Agri-Food exports.
- 🌱 Wheat and durum remained Saskatchewan's largest exports in 2009, comprising 41% of crop exports and 36% of total Agri-Food exports.
- 🌱 Other major crop exports in 2009 included canola seed, lentils, and peas, representing 20%, 15%, and 11% of crop exports, respectively.
- 🌱 The value of total livestock exports decreased by 41%. Cattle and calf exports comprised 80% of total livestock exports, while live hog exports represented 11% of total livestock export values. The value of live hog exports decreased by 59%.
- 🌱 The United States remains the top destination for Saskatchewan Agri-Food exports. 23% of total exports are sent to the U.S.A.



Large inland terminals handle grain exports



Oil is a major product of canola



Curious calves



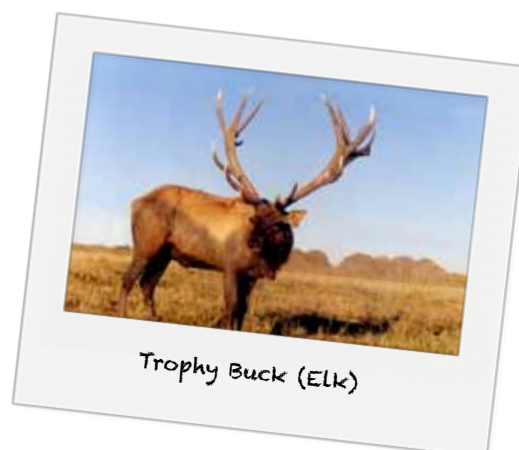


Canada exports over 400,000 tonnes of beef each year and most of it goes to the United States. Other key markets are Mexico, Hong Kong, Japan, and Taiwan.

Saskatchewan exports some dark chicken meat because Canadian consumers prefer the white meat. The majority of the exported chicken products go overseas to places such as the Philippines, Thailand, or Afghanistan.

The main markets for elk meat are Europe, Canada, and the United States. Bulk elk velvet antler is mainly exported to Hong Kong.

Canadian pork products are currently exported to over 107 countries. Japan and the United States are two of the largest. Canada is the world's third largest exporter of pork.





In 2008-2009 the top three countries that Canada exported barley to were the United States, China, and Japan.

Canada is a leading exporter of oats and exports the majority of its oats to the United States and also small amounts to Ecuador, and Mexico.

Canada exports wheat, durum wheat, and wheat flour to countries all across the world. Traditionally major buyers of Canadian wheat include China, South Korea, and Japan. Saskatchewan currently accounts for roughly 60% of the wheat grown in Western Canada.

Canola exports bring over 2.8 billion dollars back to the Canadian economy, and represent 75% of our annual production. The United States, China, Japan, and Mexico are major importers of Canadian canola. Canada is a world leader in the international mustard seed market accounting for about 35% of world production and 50% of global exports. The largest market for Canadian mustard seed is the United States. Other important markets include Belgium, Germany, the Netherlands, and Japan.

Today, Canada is the world's leader in the production and export of flax – a position it has held since 1994. Canada currently ships 60% of its flax exports to the European Union, 30% to the United States, and 4% to Japan.





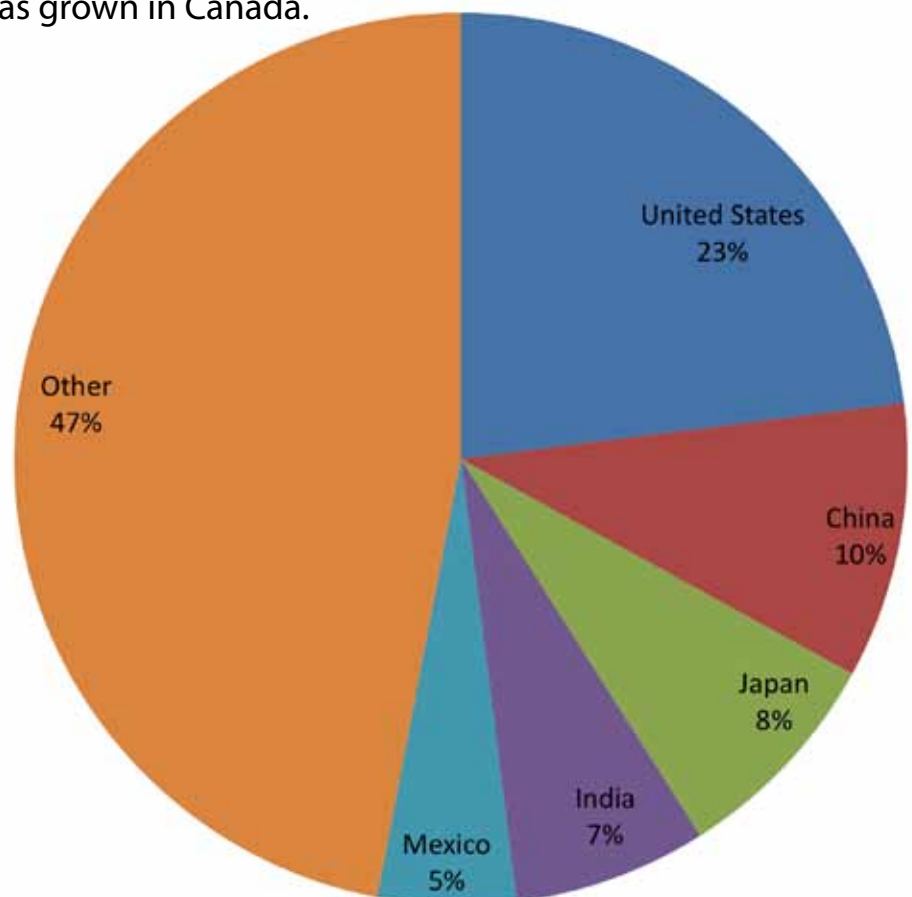
Canada is the world's exporter of lentils and Saskatchewan produces 99% of the lentils grown in Canada. The major importing countries are Egypt, Sri Lanka, Pakistan, Bangladesh, and India.

Spain, India, and Pakistan are major importers of chickpeas. In 2008, Saskatchewan produced about 99% of Canada's chickpea crop.

Canada is the world's largest producer and exporter of yellow and green field peas. The largest export market for Canadian food peas is South Asia (e.g. India, Bangladesh, Sri Lanka), as well as South and Central American countries. Saskatchewan produces approximately 75% of all peas grown in Canada.



**Top 5 Saskatchewan
Agri-Food Export
Markets in 2009 by
Value**





Saskatchewan Agri-Food Exports, 2007 to 2009

Top 5 Agri-Food Exports in 2009	2007	2008	2009		2007	2008	2009	2009/08
	\$ Millions				% of Total			% change
1 Wheat (Including Durum Wheat)	2,519	3,406	2,895		40%	37%	36%	-15%
2 Canola Seed	856	1,524	1,364		13%	16%	17%	-10%
3 Lentils	462	834	1,025		7%	9%	13%	23%
4 Peas	576	748	801		9%	8%	10%	7%
5 Canola Oil	244	610	482		4%	7%	6%	-21%
Total (5 products)	4,657	7,122	6,567		73%	77%	81%	-8%
Total Agri-Food Exports	6,368	9,287	8,078		100%	100%	100%	-13%
Primary Commodities (Crops and Animals)	5,780	8,199	7,179		91%	88%	89%	-12%
Processed Products	577	1,076	898		9%	12%	11%	-17%
Top 5 Markets in 2009	2007	2008	2009		2007	2008	2009	2009/08
	\$ Millions				% of Total			% change
1 United States	1,600	2,608	1,898		25%	28%	23%	-27%
2 China	292	466	825		5%	5%	10%	77%
3 Japan	611	921	610		10%	10%	8%	-34%
4 India	412	423	535		6%	5%	7%	26%
5 Mexico	349	485	365		5%	5%	5%	-25%
Total (5 Countries)	3,264	4,903	4,233		51%	53%	53%	-14%

Major Export Destinations, \$ millions

Export Destination	2003	2004	2005	2006	2007	2008	2009
United States	662.3	742.0	868.3	1,186.2	1,599.9	2,607.6	1,897.7
China	142.3	463.4	272.8	222.2	291.6	466.3	824.6
Japan	490.2	478.6	486.8	530.4	610.7	920.6	610.4
India	93.6	99.0	160.8	275.4	411.9	423.0	534.7
Mexico	207.8	312.2	266.4	331.5	349.3	485.1	365.2
Bangladesh	49.4	44.2	28.2	79.8	180.6	114.2	358.6
Italy	185.9	162.7	137.0	133.3	166.0	166.9	292.9
Morocco	71.1	81.1	101.3	98.3	171.1	182.7	216.1
United Arab Emirates	21.3	29.4	21.5	102.1	126.6	206.2	214.1
Belgium	223.3	202.3	168.0	203.4	266.9	398.3	192.3
Other Countries	1,176.3	1,217.1	1,240.8	1,779.0	2,193.3	3,316.5	2,573.0
Total Ag & Food Exports	3,323.4	3,831.9	3,752.0	4,941.6	6,367.8	9,287.4	8,077.6

Source: Statistics Canada



Value of Saskatchewan Agriculture and Food Exports

Millions of Canadian dollars

	2003	2004	2005	2006	2007	2008	2009
wheat	637.9	1,038.0	737.9	1,232.6	1,597.2	1,959.5	1,717.4
durum	650.2	575.3	559.4	727.4	922.1	1,446.9	1,177.3
oats	71.0	72.9	93.6	215.9	226.6	336.5	219.7
barley	86.2	175.2	203.9	158.6	262.8	296.2	179.0
rye	3.1	10.1	7.4	11.2	23.8	17.3	13.6
flax	185.9	162.1	179.9	175.6	239.8	367.6	228.2
canola	492.3	511.2	470.2	790.7	849.7	1,523.6	1,364.1
mustard seed	46.9	35.2	36.6	39.1	56.9	102.9	67.6
lentils	161.6	164.8	226.6	254.4	461.4	833.5	1,025.2
drypeas	180.9	253.8	373.3	396.8	575.6	747.8	800.8
chickpeas	24.3	30.6	31.1	55.4	49.0	39.0	43.9
canaryseed	65.9	47.3	45.4	53.3	77.5	115.7	79.7
forage, including seed	39.8	43.5	42.4	47.9	57.5	51.6	39.3
other crops	15.9	17.6	17.5	45.7	21.7	20.3	22.7
Total Crops	2,661.7	3,137.6	3,025.4	4,204.6	5,421.6	7,858.4	6,978.5
cattle & calves	75.6	0.0	171.8	158.7	280.5	280.9	160.7
hogs	25.3	24.2	27.7	38.1	70.9	51.2	21.2
other livestock & poultry	9.0	6.9	8.6	6.8	6.8	8.8	18.2
Total Livestock	109.9	31.1	208.0	203.6	358.2	340.9	200.1
plant products	382.5	532.6	377.1	408.2	473.4	944.3	815.2
animal products	144.4	115.0	122.4	105.1	84.3	105.9	53.0
food & beverages	23.3	15.3	16.4	13.9	19.3	25.9	29.5
Total Processed Products	550.2	663.0	515.8	527.2	577.1	1,076.1	897.7
Total Agriculture and Food Exports	3,323.4	3,831.9	3,752.0	4,941.6	6,367.8	9,287.4	8,077.6
Total Saskatchewan Exports	10,389.1	13,460.5	14,932.6	16,398.1	19,750.7	29,604.9	21,827.2

Note: Total Processed Products includes starches, vegetable extracts and products, miscellaneous products of plants and grains, plant and animal oils, food waste and animal feeds, processed meat and vegetable products, miscellaneous animal products, hides and skins, baking related products, preserved food, proteins, yeasts, baking powders and alcoholic and non-alcoholic beverages.

Sources

Ministry of Agriculture
Statistics Canada
Saskatchewan Pulse Growers
Sask Canola
Sask Pork
Saskatchewan Flax Development Commission
Canadian Grain Commission



Saskatchewan's Agricultural Economy

Agriculture is a major part of the economy of Saskatchewan and like most things, the economy has a specific vocabulary. There are some words dealing with the economy that we all should know.

Economy means the money made from producing and selling goods. In Saskatchewan, agricultural and farming products are a big part of our economy.

We produce so much in Saskatchewan that we are able to use some of it and sell the rest of it. We sell our goods, like wheat and other crops, to other places around the world that don't produce enough of these products themselves. **Supply** is the amount of goods (like wheat) that are produced. **Demand** is the need for that good (like wheat) in a different area (like the United States and China). Together supply and demand determine the price. If there is a lot of one product produced but few people who want to buy it, the price will be low. On the other hand, if there is only a little bit of one product available but lots of buyers who want it, the price is usually high. Sometimes the product might be in short supply but if the **price** is too high then customers will refuse to buy it.

Import and Export are two other words that are also





important in Saskatchewan's economy. **Import** means when we bring a good (like lemons) to Saskatchewan because we can't produce them here. **Export** means when we send something from Saskatchewan to another place, like sending some of our wheat to China.



When we talk about sending goods, like our grain and livestock, to other places around the world and we get things back in return, like rice, fruit, and seafood, this is called **Global Trade**. The products we trade and sell are called **commodities**.





Saskatchewan's Agricultural Economy Question Sheet

1. What does economy mean?

2. What is Saskatchewan's economy based on?

3. Why is Saskatchewan able to export a lot of agricultural products?



4. Name three products that Saskatchewan needs to import. Why do we need to import these goods?

5. Name three products that Saskatchewan exports. Why are we able to export these products?





6. Explain what you think Global Trade is:

7. Do you think Global Trade is a good thing? Explain.

