

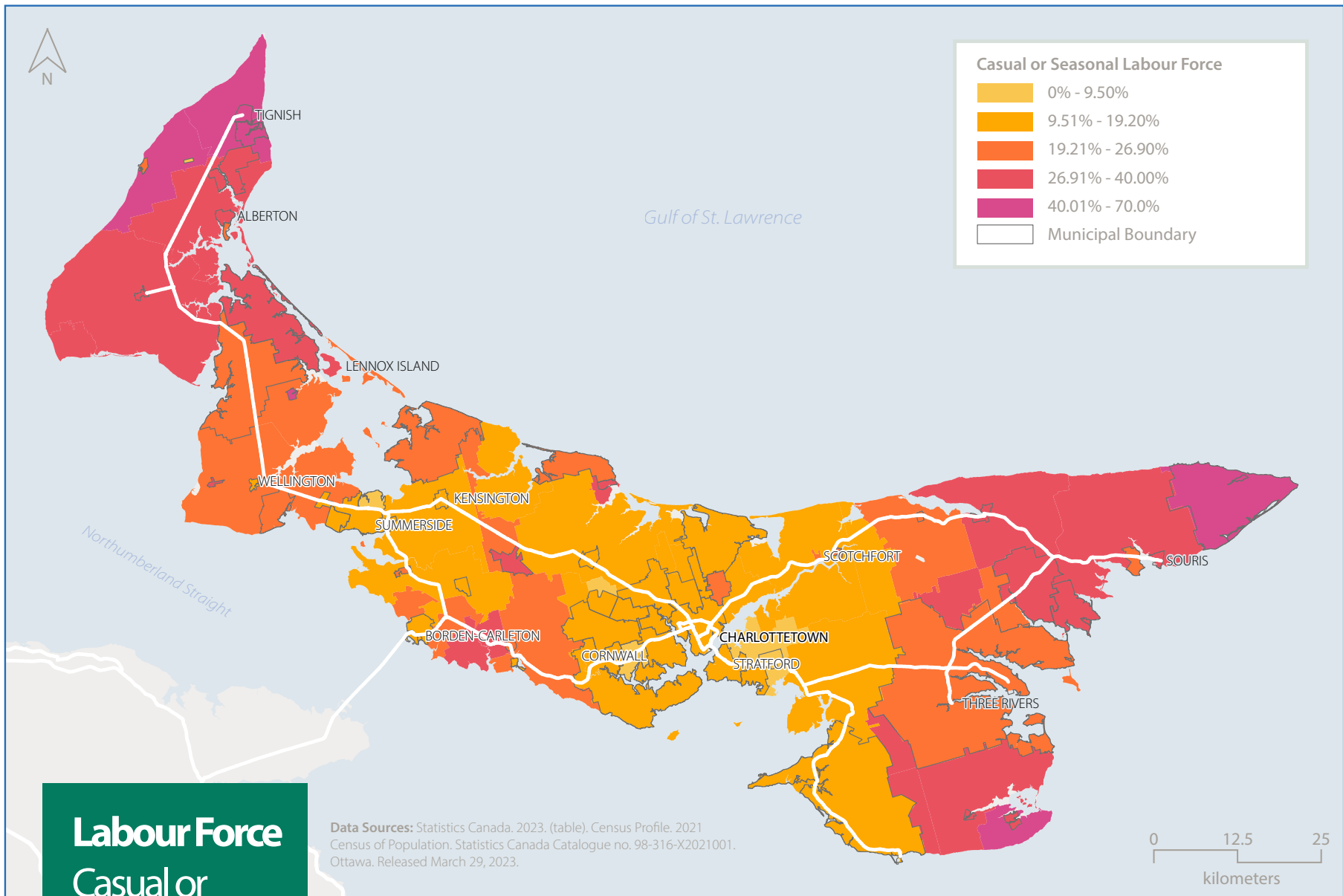


Economy

3.4 Economy

PEI's economy features a mix of traditional resource sectors—agriculture, fisheries, aquaculture and tourism—as well as new industry sectors including bioscience and advanced manufacturing. The employment profile is very similar to other Atlantic provinces, with one notable difference. An estimated 9% of Islanders are employed in agriculture, forestry, fishing and hunting, compared to 4% in other Atlantic provinces. These classifications are defined by the North American Industry Classification System (**Figure 47**), and the results are a reflection of PEI's agriculture, fishing, and aquaculture industries. This underscores the importance of PEI's land practices and protections to its economy when compared to other Atlantic provinces.

Because of the impacts of these resource industries, PEI has historically been a province of seasonal employment. Today, West Prince and Kings Counties show the highest proportion of casual and seasonal labour on the Island, compared to Queens County and the Summerside area, which have the highest median household incomes.



Labour Force Casual or Seasonal Labour

Data Sources: Statistics Canada. 2023. (table). Census Profile. 2021 Census of Population. Statistics Canada Catalogue no. 98-316-X2021001. Ottawa. Released March 29, 2023.

This map displays the percentage of the labour force whose employment is either casual or seasonal, or those in positions with a specified contract length of less than one year from their start date.

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Employment by industry, 2021

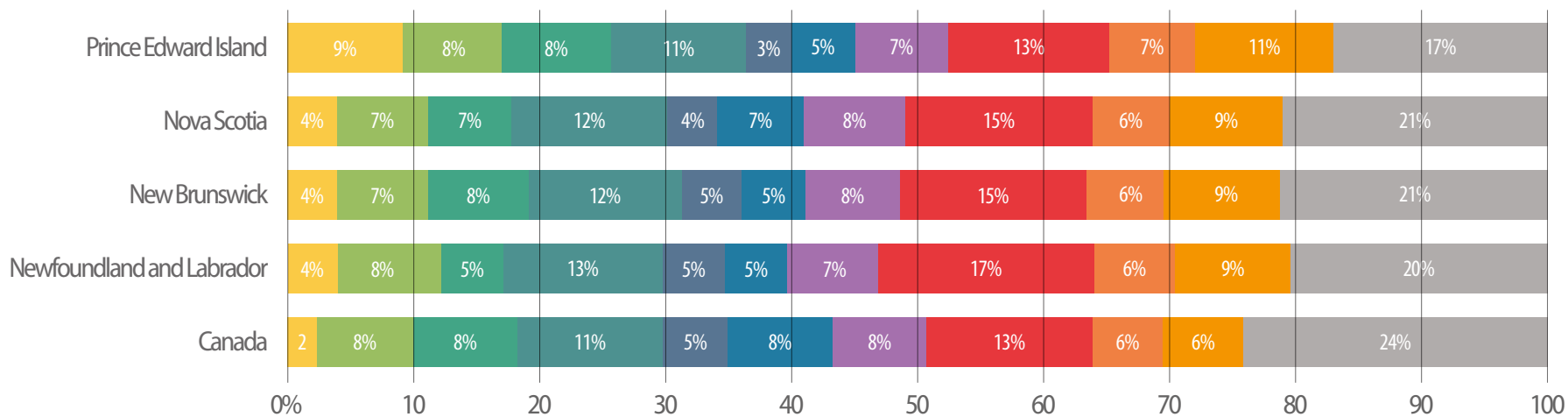


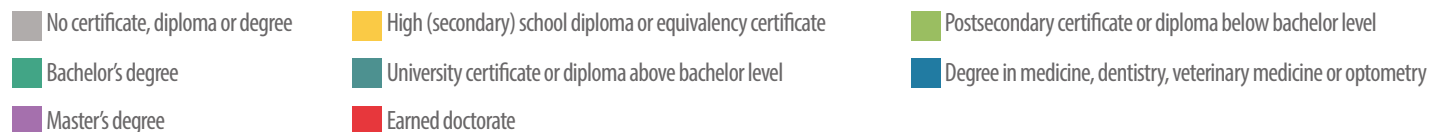
Figure 47: Employment by industry by Atlantic provinces, 2021.¹



Education: Highest certificate, diploma, or degree



Figure 48: Proportion of the population based on highest level of educational attainment.¹



In 2017, the provincial government released *Recruit, Retain and Repatriate: A Population Action Plan for Prince Edward Island*. In the plan, the province set a goal to continue to exceed Canada’s national average for workforce participation. As of December 2023, PEI’s workforce participation rate was 67.4%, two percentage points above the national average of 65.4%.²

Educational trends in PEI are comparable to the Canadian average, with 65% of the core working population (aged 25-64) having received a postsecondary certificate, diploma or degree. This compares to a national average of 67%. In addition, the majority of permanent resident nomination certificates from 2018 to 2023 also hold a certificate or diploma (see **Figure 49**).³

Takeaway: In considering land use planning, ensuring that housing and services are available for seasonal employment in agriculture, fisheries, aquaculture and tourism will be necessary.

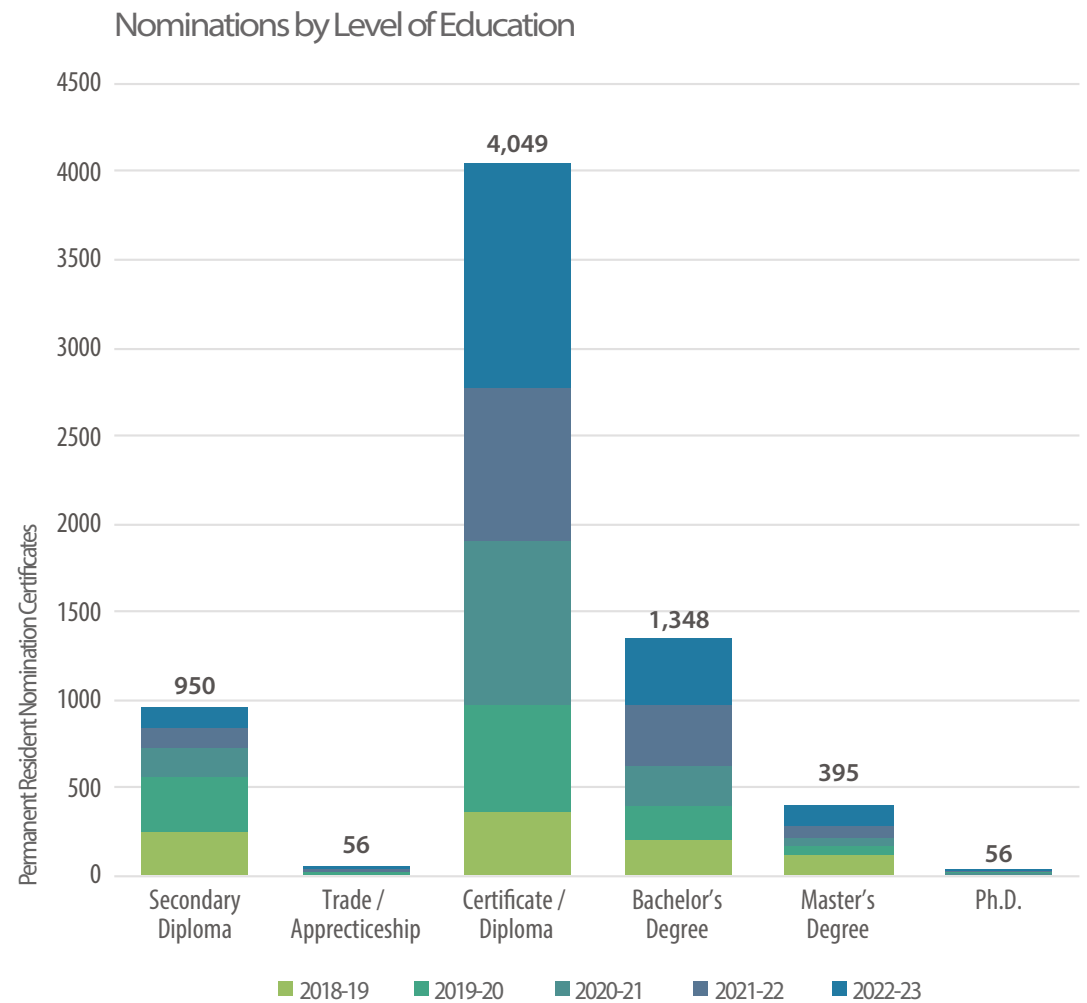


Figure 49: Permanent resident nomination certificates – nominations by education type³

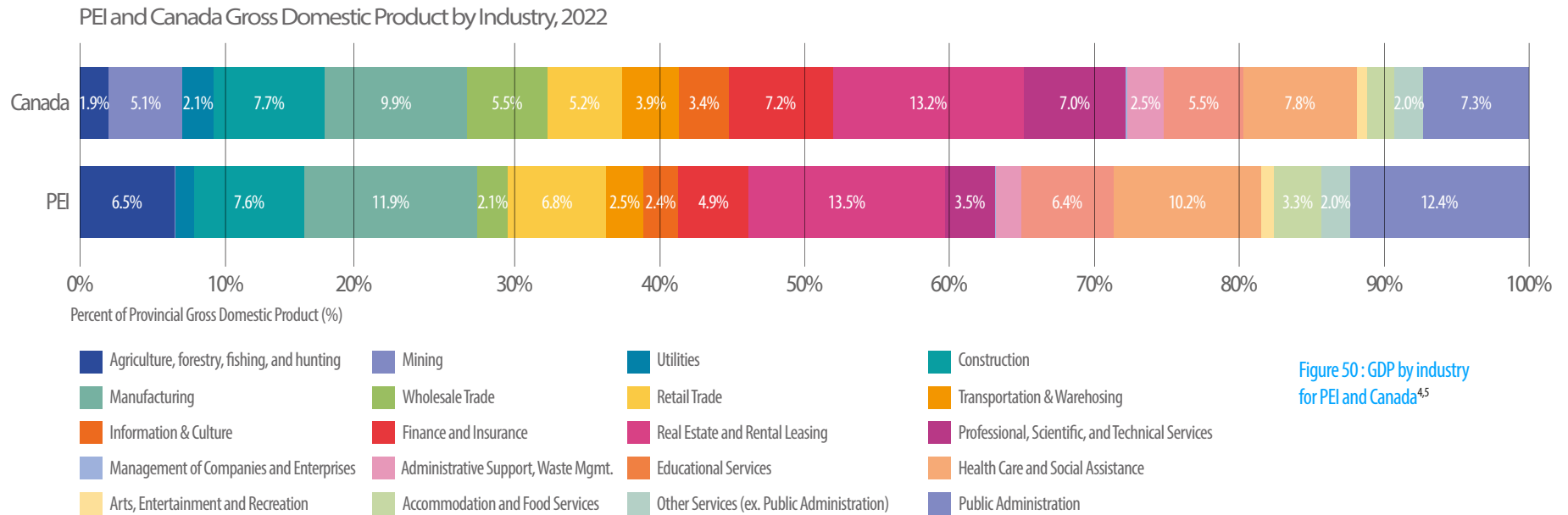


Figure 50 : GDP by industry for PEI and Canada⁴⁵

3.4.1 Gross Domestic Product

In *Recruit, Retain and Repatriate: A Population Action Plan for Prince Edward Island*, the Province established a goal to perform at or above the Canadian national average for Gross Domestic Product (GDP) per capita. Despite a drop in 2020 due to the global pandemic, by 2022 PEI's GDP for all industries had increased 3% from 2021 figures. The provincial GDP was valued at \$7.1 billion in 2022, or \$46,696 per capita in comparison to the national GDP of \$55,987 per capita.⁴⁵

GDP trends can indicate the economic health and growth potential for the province, and land use planning must consider these trends to allocate land efficiently.

This is particularly important for sectors that contribute significantly to the GDP, such as agriculture, tourism, and services. If GDP growth is expected from certain industries, land use planning policies can be used to prioritize infrastructure development, such as roads and utilities, in areas that support these industries. While GDP provides a measure of economic activity, it does not account for environmental degradation.

Takeaway: Land use planning must balance economic goals with the conservation of natural resources.

3.4.2 Agriculture

The Island's agricultural sector has experienced profound transformations over time. As early as the 1720s, Acadian settlers were engaged in exporting agricultural products, and by the early 1800s, much of the Island's forest cover had been cleared to allow for agricultural activity.⁶ Early settlers engaged in mixed farming practices, concentrating on raising livestock that required less manpower compared to growing crops. The land area dedicated to agricultural uses peaked in the early 1920s, with approximately 13,700 farms occupying more than 1.2 million acres of land. At this time, agriculture was the primary way of life in the province, with more than 80% of the population living and working on farms.

Over the last century, the nature of agriculture on the Island has changed significantly, due largely to mechanization, farm-size expansion, and the establishment of food processing plants. Since 1921, the number of farms on PEI has decreased by 91%. The gradual shift away from small family farms has resulted in fewer but significantly larger-scale, more intensive operations. There were just 1,195 farms in 2021, though, the average size of each farm has increased 374%, from a modest 89 acres to an average of 422 acres.⁷ This trend mirrors broader national shifts in agricultural practices, where economies of scale and technological advancements have driven a consolidation of farm lands.

This transition has several implications for land use planning, including:

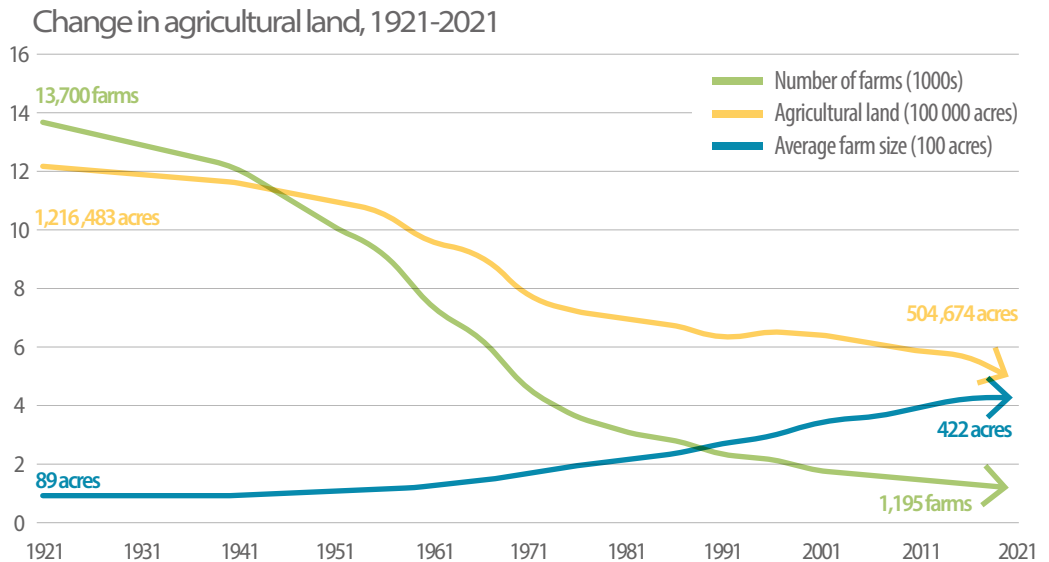
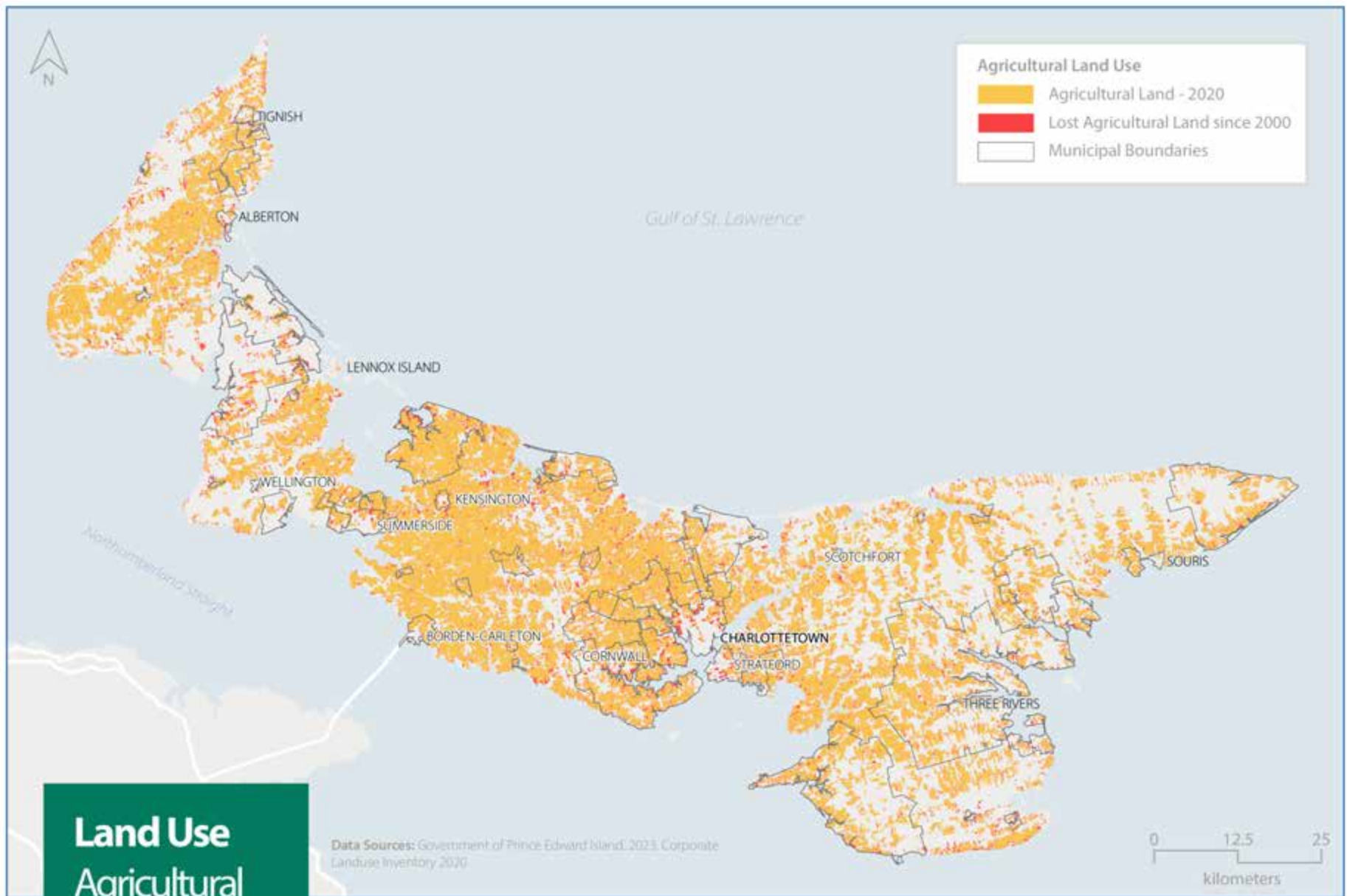


Figure 51: Change in agricultural land from 1921 to 2021⁷

- **Environmental concerns** relating to increased or concentrated inputs of fertilizers and chemicals that are used to boost productivity;
- **Land ownership and land use conflicts** due to the province's limited land base and competition for land among farmers, and between agricultural and non-agricultural uses;
- **Implications for the province's economic development strategies** where land use planning must support the sector's growth and sustainability, while encouraging both large-scale and smaller, diversified farming operations; and
- The **community cohesion and the viability of small rural towns** is impacted, as farms become larger and fewer, changing the dynamics of rural life.



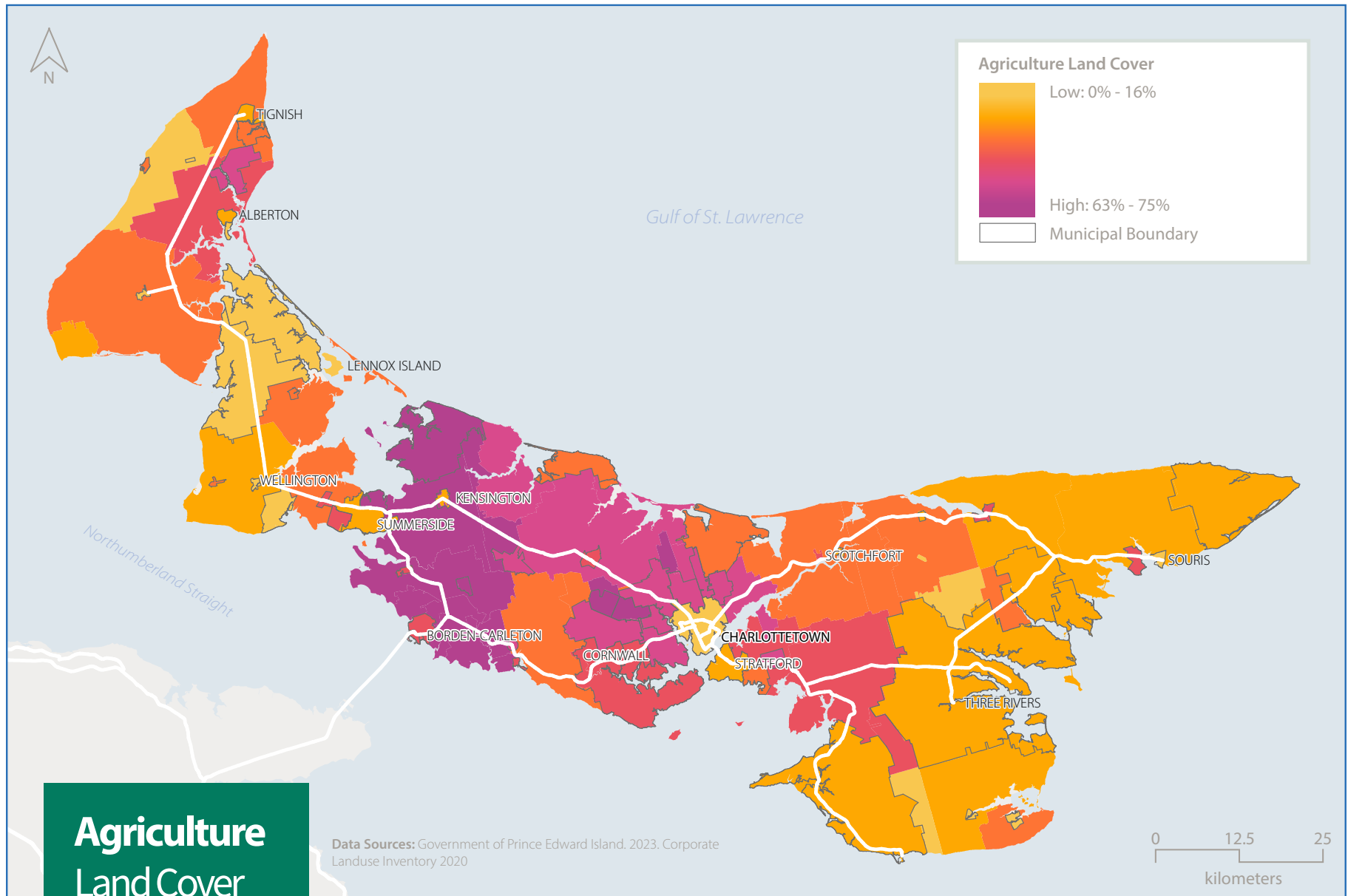
This map displays the distribution of agricultural parcels of land in PEI, including land that has been converted from agriculture to other uses in the last 20 years.

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Agriculture Land Cover

Data Sources: Government of Prince Edward Island, 2023. Corporate Landuse Inventory 2020

This map displays the percentage of land cover attributed to agriculture per census sub division, based on the 2020 Corporate Land Use Inventory.

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The changing dynamic of the agricultural landscape has also impacted the total land area dedicated to the sector. Land cover analysis shows a 54% reduction in agricultural land since the 1950s, with 37.6% (528,578 acres) of the Island's total land area currently in use for agricultural purposes.⁸ Central Queens County maintains the highest percentage of land area dedicated to agricultural use, with eastern Kings having the lowest percentage.

The continued loss of agricultural land is of particular concern in the context of the province's projected population growth for the coming decades. A strategic approach to protect agricultural land in the face of growing demographic and development pressures is required.

Changes in agricultural practices, combined with a transition to larger-scale operations, have supported a shift towards increased crop production. As of 2020, there were 481 Island establishments with employees working in agriculture and related support services.⁹ Of these farms, 46% were involved in raising livestock, with 23% focused on beef, 13% in dairy, and 10% on other animal production. The remaining 54% of farms, which occupy 60% of the province's agricultural lands, vegetables, grains, fruits and other crops. All told, 43% of total farmland area is in potato production, which takes place in rotation with other crops.¹⁰

PEI's agricultural workforce reveals a similar trend over the past half-century, with a 26% decrease in agricultural employment.²⁸ Further adding to the complexity is the fact that more than a third of PEI farmers are currently over the age of 55, indicating an aging demographic at the helm of the sector.²⁸

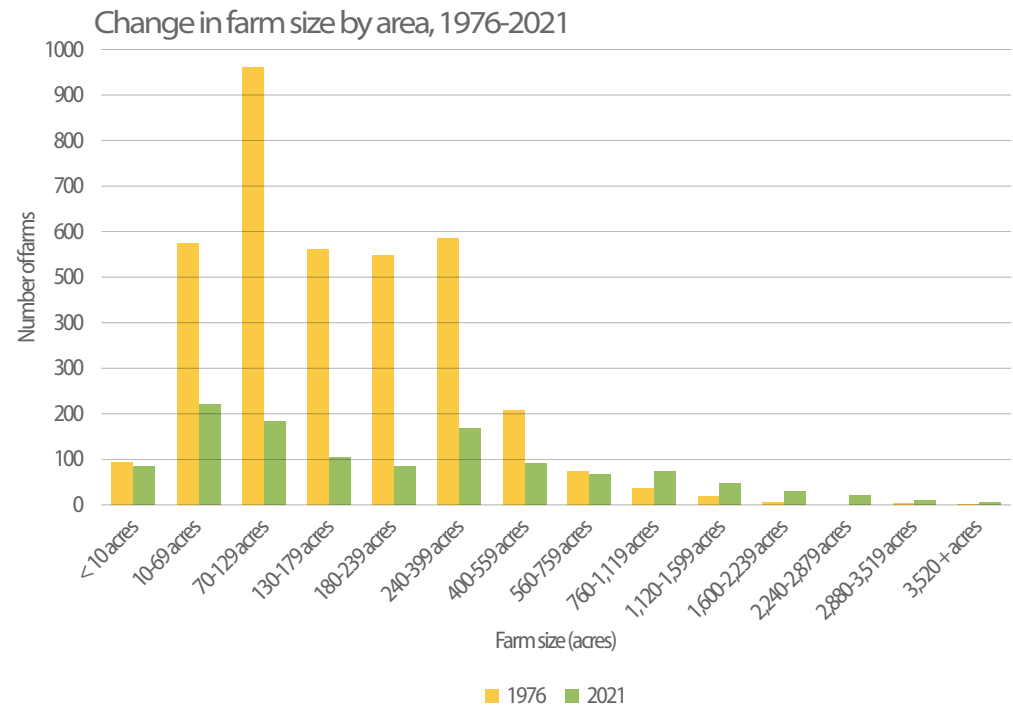


Figure 52: Change in farm size by area, 1976-2021²⁷

Number and proportion of farms by farm type, 2021

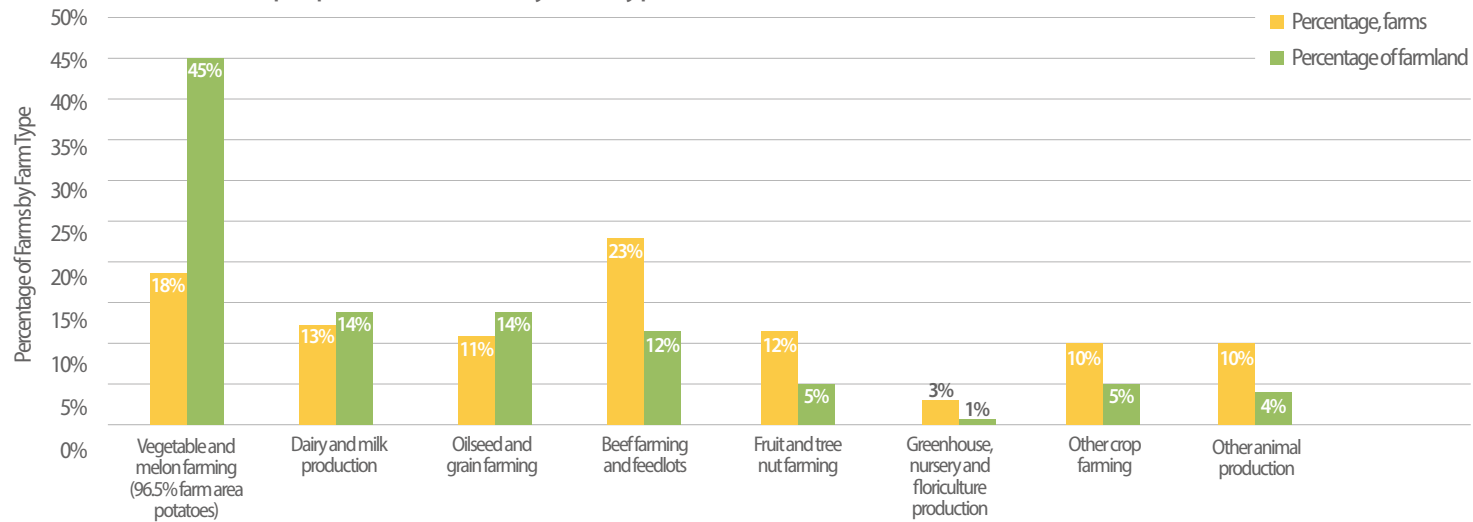


Figure 53: Number and proportion of farms by farm type 2021¹¹

Agriculture labour by age group, 1976-2021

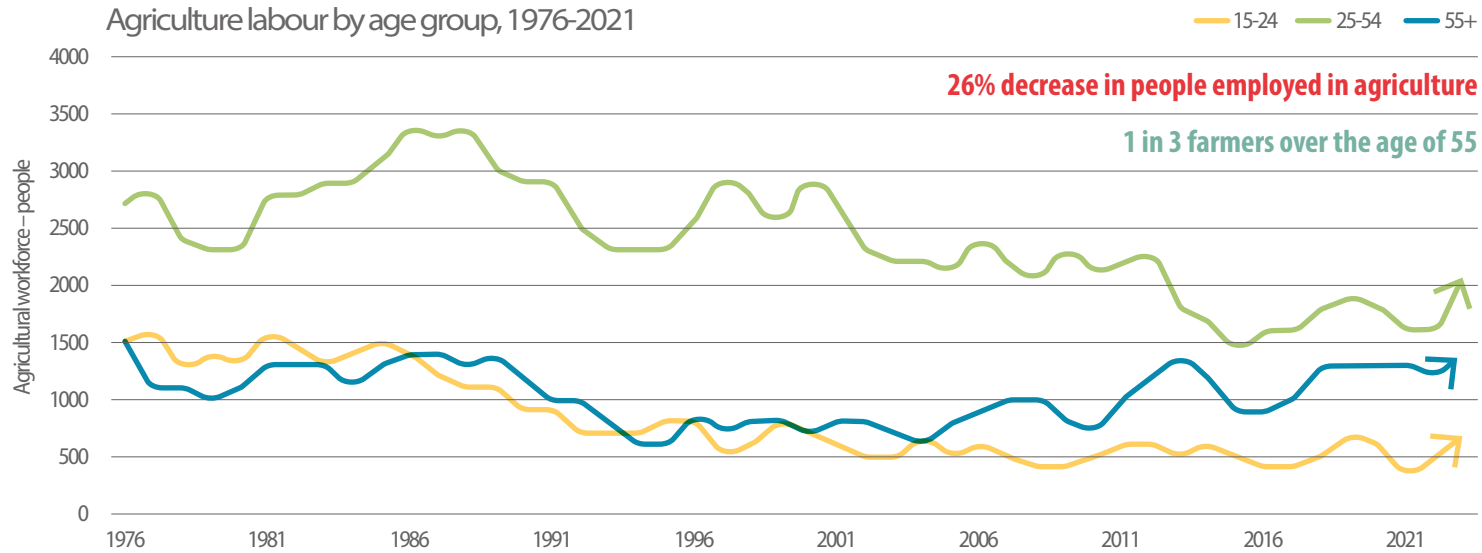


Figure 54: Agriculture labourers by age group 1976-2021²⁸

While farm area has decreased, farm cash receipts have increased steadily since 1971 to reach an annual total of \$730 million in 2022.²⁹ These farm cash receipts reflect the gross revenue of farms from the sale of products (livestock and crops), and from direct program payments to producers.

Takeaway: When considering the future of agriculture in the province, land use plans should be aligned with policies emerging from the *Next Policy Framework (NPF) for Agriculture 2023 to 2028* planning document.

The NPF for Agriculture includes a series of priorities which were identified in the public survey for related land use, including:

- environmental sustainability/targeted actions related to climate change (see [Natural Environment](#))
- community food security/local food networks (see [Food Security](#))
- innovation in agriculture
- organic industry development
- animal health/welfare
- emergency preparedness and natural disasters (see [Natural Environment](#))¹²

Farm cash receipts, annual, 1971-2021

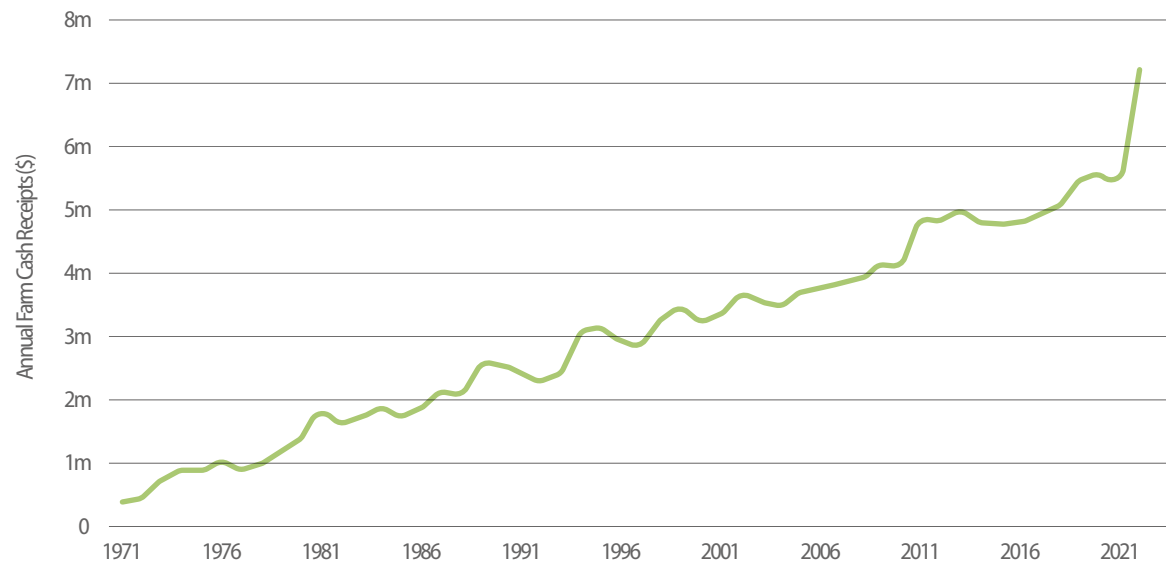


Figure 55: Farm cash receipts, annual, 1971-2021²⁹

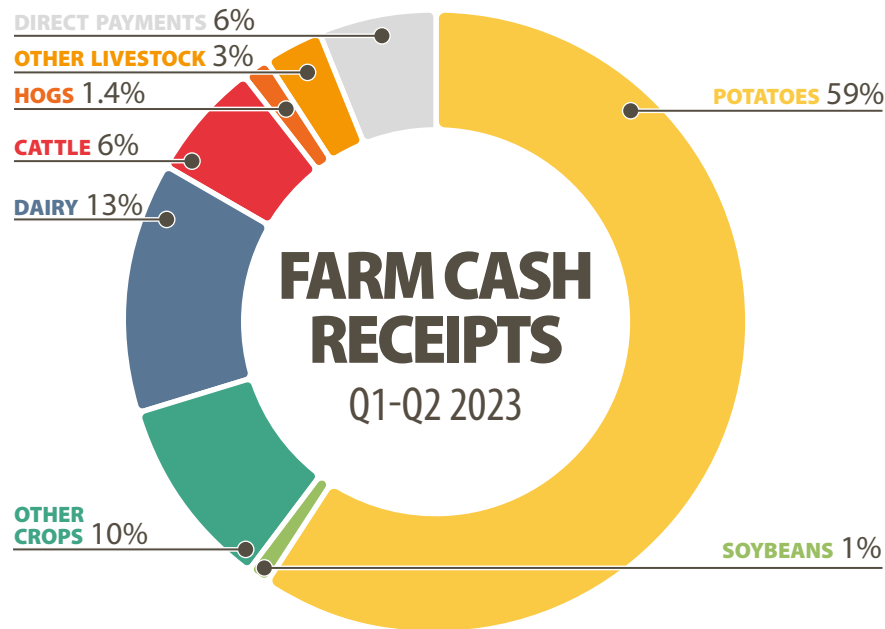


Figure 56: Farm cash receipts, Q1-Q2 2023³⁰

3.4.3 Aquaculture and Fisheries

The aquaculture industry in PEI has seen remarkable growth and development, emerging as a key contributor to the Island’s economy and a major player in Canadian seafood production. Characterized by its diversity and innovation, the sector has flourished in shellfish cultivation in particular. In the 1990s, an almost fourfold increase in shellfish production took place over the decade. This level has largely been maintained since the early 2000s, save a brief but notable decline in 2020 during the COVID-19 pandemic.

In 2022, there were 788 oyster and clam leases (bottom), 357 floating oyster leases (off-bottom), and 323 mussel leases in PEI.³¹ Despite the comparatively lower number of individual leases, mussel production spans more than 11,200 surface acres, accounting for 77% of aquaculture production in the province and nearly 80% of the Canadian market.^{13,14} Comparatively, oyster and clam bottom leases accounted for over 5,300 acres, and off bottom oyster leases accounted for over 2,700 acres.³¹ Mussels are Canada’s number one shellfish export, and PEI produced more than four times the number of mussels compared to the next highest-producing province.¹⁵ Lobsters have also been a traditional catch for more than 150 years, with 1,200 operations located at 45 ports in 2022.¹⁶ Oysters are harvested by both licensed operations on commercial beds as well as being farmed by oyster producers on leases.¹⁷ While British Columbia produces more oysters by weight, PEI’s production per capita is approximately 20 times that of British Columbia.¹⁴

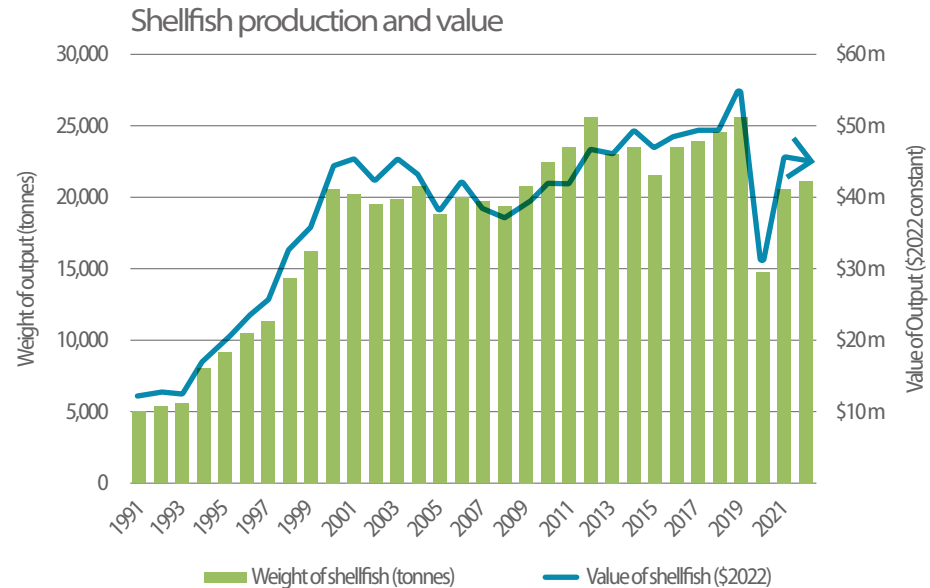


Figure 57: PEI shellfish production and value 1991-2022¹³

Figure 58: Off-bottom aquaculture leases on PEI



In 2020, 84% of the aquaculture and fisheries sectors were comprised of self-employed, owner-operator establishments. Most of the remaining 16% of operations had less than five employees.⁹ The total number of fishing establishments or businesses was 1,945, while aquaculture had 104 operations. This structure reflects the predominantly small-scale and family-run nature of these industries on the Island, despite the fact that the economic contribution of PEI's fisheries and aquaculture industry is substantial.

In 2019, PEI's aquaculture and fisheries sectors contributed \$495 million in national GDP, generated \$214 million in labour income, sustained 4,849 full-time equivalent (FTE) jobs, and generated \$32 million in tax revenue. Provincially, these figures stood at \$377 million in GDP, \$151 million in labour income, 3,708 FTEs, and \$21 million in tax revenue.¹⁴ In 2021, PEI was responsible for 13% of the volume and 4% of the value to Canada's aquaculture industry, second only to British Columbia and New Brunswick, the country's major salmon-producing provinces.

Takeaway: The health of the aquaculture industry is influenced by land use practices and policies as it requires waters free of pollutants and excess nutrients in local estuaries. Livestock operations, sewage treatment facilities, construction practices, farming techniques and other uses can impact small operators, which contribute to the Island's economy.

Sector	Total Establishments	Self-employed Owner Operator	Establishments with Employees
Fishing	1,945	1,668	277
Aquaculture	104	58	46
Total Establishments:	2,049	1,726	323

Table 5: Fishing and Aquaculture establishments, 2020⁹

3.4.4 Food Economy Sector

In addition to the contributions of agriculture, fisheries and aquaculture businesses, PEI's food economy is diverse and thriving, marked by significant growth in various subsectors. Between 2015 and 2020, the Island saw an addition of 36 specialty food stores, 21 restaurants, 13 food manufacturers, 12 grocery stores, and 12 beverage manufacturing firms, reflecting a vibrant and growing food industry.⁹ Another notable subsector is the expanding biosciences cluster. This sector consists of more than 60 firms and organizations that play a crucial role in advancing agri-food and seafood technology, as well as food processing methods.⁹

In 2019, the food economy contributed 16% of the total provincial GDP, demonstrating its vital role in PEI's economic landscape. On a per capita basis for GDP contribution, the Island ranks as Canada's leader for six export-focused food economy sectors, and PEI places second or third for most others. In 2017, food-related exports contributed 28% of the total provincial GDP, the highest proportion in all 10 provinces.⁹ This substantial contribution is bolstered by having the United States as the dominant export market, accounting for 83% of the value of the Island's exports in 2019.

The food economy is a major employment sector for the Island. It supported 14,215 jobs in 2019, which is equivalent to 18.5% of the total employment on the Island.⁹ PEI has 21% more people employed in this sector than any other province.

PEI's private sector investment in agriculture, forestry, fisheries and aquaculture represented 16% of all capital and repair expenditures across all industries in 2022, the highest proportion in Canada.⁹ This investment is indicative of the importance of these sectors in the overall economic fabric of the Island and includes initiatives like sustainable farming practices, fisheries and aquaculture management, and food processing infrastructure.

3.4.5 Tourism

PEI offers a rich selection of unique tourist attractions that blend historical significance, culinary excellence, and natural beauty. In addition to historical European cultural heritage, the Island's connection to the Mi'kmaq culture enriches tourism with authentic and meaningful experiences, offering insights into the history and traditions of the Indigenous people of the province.

PEI's 20 Provincial Parks and National Park showcase the province's stunning beaches, national historic sites and more than 480 km of extensive trails.¹⁸ These natural attractions combine with the enduring legacy of Lucy Maud Montgomery's "Anne of Green Gables" to paint the picture of an Island that is as much a haven for nature lovers as it is for literary enthusiasts.

Often known as Canada’s Food Island, PEI is deeply intertwined with its agricultural, fisheries and aquaculture industries. These elements combine to support unique dining experiences that celebrate fresh, local ingredients. The Island’s vibrant festivals and events and breweries, wineries, and distilleries contribute to an enriching tourist experience that spans all seasons and a wide range of interests.

Tourism PEI promotes 427 tourism operations on its visitor website. These are categorized into outdoor activities, attractions and sightseeing, and authentic experiences, all spread across six distinct tourism regions: Charlottetown, Green Gables Shore, Points East Coastal Drive, North Cape Coastal Drive, Red Sand Shore, and Summerside.¹⁹ These operations are summarized in the following table.

Outdoor Activities	142
Day use parks	17
Campgrounds	10
Public gardens	9
Scenic heritage roads	16
Paddling and water sports	16
Road cycling routes	5
Bike rental providers	9
Mountain bike trails and parks	6
Deep-sea and sport fishing	13
Golf courses	19
Harness racing	3
Boating and sailing tours	6
Trail riding (ATV, horseback)	4
Attractions and sightseeing	189
Antiques and art galleries	13
Museums, cultural and historical sites	41
Amusement and theme parks	43
Lighthouses	8
Craft and gift shops	54
Theaters	11
Breweries, wineries and distilleries	19
Authentic Experiences	64
Cuisine and taste	18
Nature and outdoors	23
Arts and crafts	20
Authentic Indigenous experiences	3

Table 6: Tourism draws unique to PEI¹⁹



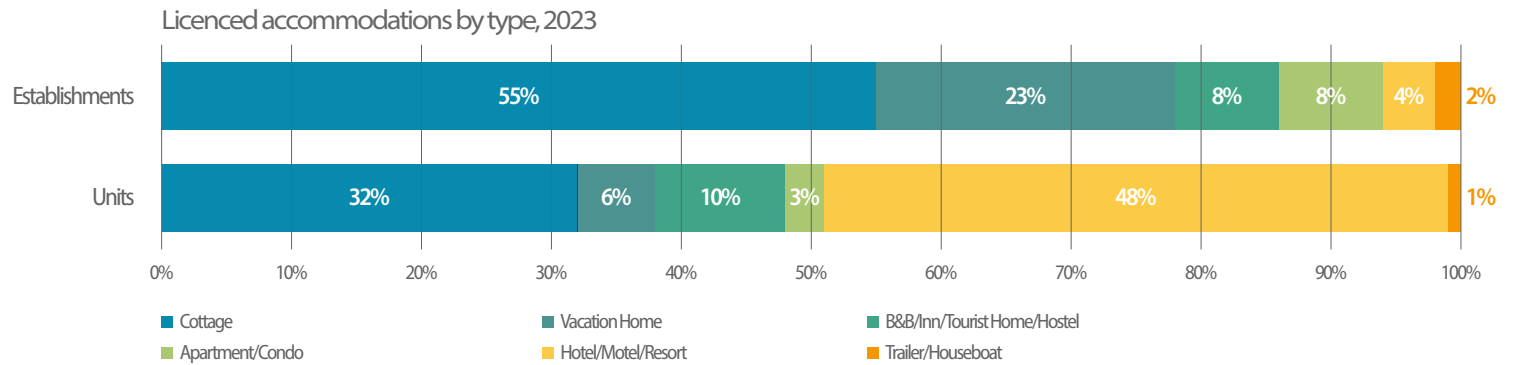
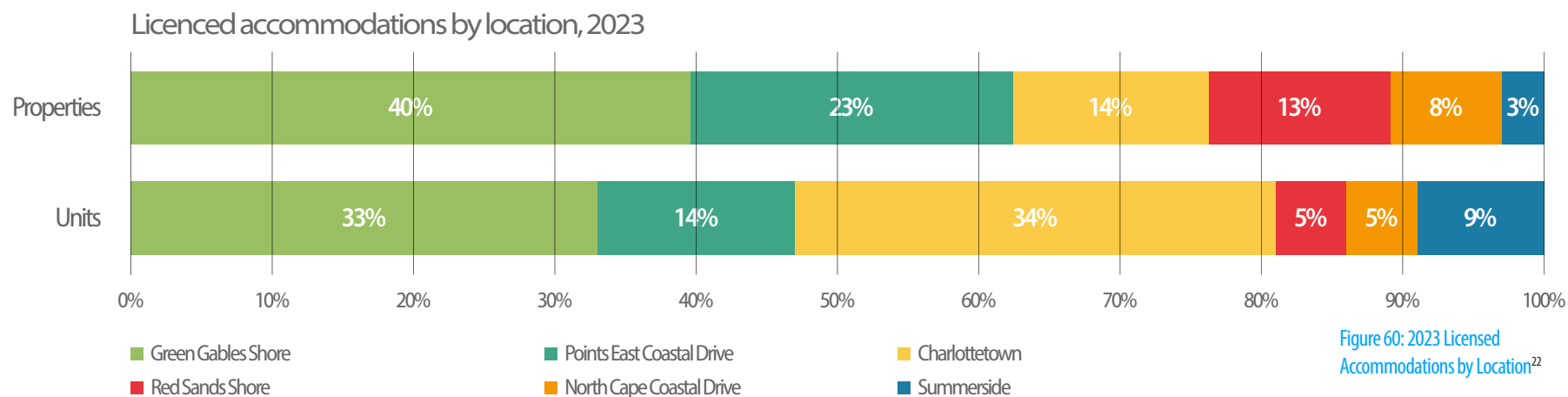


Figure 59: 2023 Licensed Accommodations by Type²²

The tourism sector in PEI has demonstrated significant growth and resilience. In 2019, the sector’s contribution to the provincial GDP was almost \$420.3 million, representing 5.59% of PEI’s total GDP.²⁰ Despite the devastating impact of the COVID-19 pandemic in 2020 and 2021, tourism activity has mostly recovered to pre-pandemic levels. In 2022, tourism contributed \$466.5M to the provincial GDP.²⁰ In 2017 through 2019, and 2022, the Island hosted more than one million **overnight stays**, with peak occupancy taking place from June - September.²¹

In 2023, PEI had a total of 1,699 licensed fixed-roof accommodations across PEI. In 2023, cottages comprised 55% of the total accommodation properties, and 32% of the total units. Hotels comprised only 4% of the accommodation properties, but 48% of the units (see **Figure 59**).²²

Charlottetown accommodations only make up 14% of total accommodation parcels, but make up 34% of the Island’s accommodation units.²² Inversely, Red Sands Shore and Points East Coastal Drive make up 13% and 23% of accommodation properties, yet only 5% and 14% of accommodation units (see **Figure 60**).²²



Following the pandemic disruption, the 2022 occupancy rates reached 49.0%, surpassing the pre-pandemic rate of 45.6% in 2019.²³ Campgrounds also continued to increase in popularity, with occupancy rates reaching 52.1% in 2022, surpassing the previous record of 47.9% in 2019.²³

The pandemic recovery was also evident in the total number of passengers traveling through Charlottetown Airport. This traffic increased to 341,649 passengers in 2022, from the previous high of 383,183 passengers in 2019.²³ Interprovincial transportation to and from the Island is covered in greater detail in the [Transportation Section](#) of this document.

The province's 2021 tourism strategy highlights opportunities to leverage government support to drive tourism revenue across the Island. These approaches include enhancing trails, supporting bids for meetings and conventions, travel, and developing experiential tourism products.²⁴

Takeaway: The new provincial LUP will need to protect land-dependent features and uses that make Canada's Food Island and ecotourism industry possible. The intersection of tourism and housing supply will also need to be considered, particularly given the seasonal nature of the Island's tourism economy and the popularity of seasonal vacation homes.

3.4.6 Non-Profit Sector

The nonprofit sector plays a significant role in the Island's local economy and community. With more than 1,700 organizations, the sector contributes 10.4% to PEI's GDP.²⁵ The sector employs approximately 3,350 individuals, accounting for about 4.3% of the province's employment, with a noted trend of more diverse staff teams compared to the overall economy.²⁵ The geographic distribution of nonprofits in PEI generally mirrors the population distribution.

A breakdown of PEI nonprofits by activity area (based on a sample of 210) shows that groups with a culture and recreation focus are the most common at 34%, followed by social services (20%) and business associations/unions (11%). The remaining groups are in various sectors including religion, health, environment, education and research, and development and housing. Despite a high rate of volunteerism among the population compared to the rest of Canada, there has been a decline over the last decade in the number of volunteers and the value of financial contributions to charities in Atlantic Canada.²⁶

Takeaway: Land use planning policies can have a direct impact on the non-profit sector by influencing the availability and cost of operating spaces, shaping funding opportunities, affecting service demand, influencing access to necessary infrastructure, imposing regulatory compliance costs, providing opportunities for participation in planning processes, and fostering collaboration with municipalities. Nonprofits will need to stay informed and engaged in ongoing land use planning discussions to ensure their interests (and those of the communities they serve) are adequately represented.

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