

Agri-Food Statistics Update



Issue No: FOOD17-1

Collected from a variety of sources, the Statistics and Data Development Section monitors statistical indicators of agri-food activity for Alberta. The Agri-Food Statistics Update is designed to provide users with commentary on current issues, trends and new developments related to agriculture and the food and beverage processing industries. Up-to-date statistics are supplemented with informative charts and diagrams. To gauge Alberta's performance, comparative data and information are often available for Canada and the provinces.

Manufacturing sales data are generated from two establishment based surveys conducted by Statistics Canada:

- (a) The Monthly Survey of Manufacturing (MSM) collects monthly estimates of sales of goods manufactured, inventories and orders.
- (b) The Annual Survey of Manufactures and Logging (ASML) collects principal industrial statistics (revenue, employment, salaries and wages, costs of materials/supplies, energy, water utility as well as inventories).
- (c) Data are shown in current dollars.

Please visit the following website for a complete listing of Agri-Food Statistics Update releases:

[http://www1.agric.gov.ab.ca/\\$department/dept_docs.nsf/all/sdd5270](http://www1.agric.gov.ab.ca/$department/dept_docs.nsf/all/sdd5270)

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Alberta Food and Beverage Manufacturing Sales, 2012-2017

This Update presents 2012-2016 annual and 2017 first quarter (January to March) manufacturing sales for Alberta's food and beverage processing industries.

Key Messages

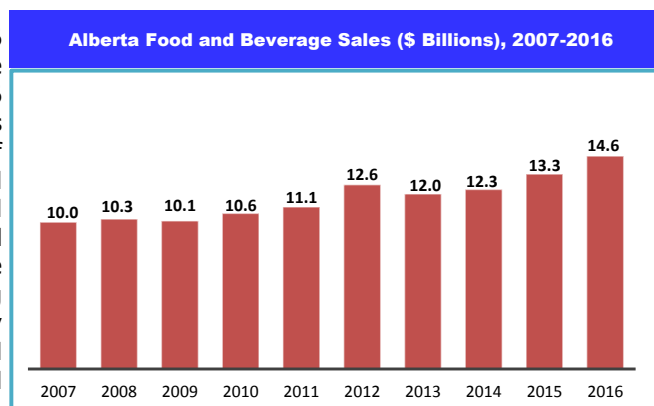
- In 2016, food and beverage manufacturing represented the largest manufacturing industry in Alberta (23.3 per cent of total manufacturing sales). This was followed by chemical manufacturing (21.1 per cent) and petroleum and coal product manufacturing industries (20.3 per cent).
- Food and beverage manufacturing sales in 2016 reached a record \$14.6 billion, up 9.2 per cent over 2015. The increase was mainly due to higher sales in dairy, grain and oilseed milling, and meat product manufacturing industries. The largest food and beverage processing segment is meat product manufacturing, accounting for over one-half (53.9 per cent or \$7.3 billion) of total manufacturing sales in 2016. Alberta's meat sales also accounted for 26.5 per cent of total Canadian meat sales (\$27.6 billion), ranking second behind Ontario (34.9 per cent or \$9.6 billion).
- In the first quarter of 2017 (January to March), food and beverage manufacturing sales totalled \$3.4 billion, a marginal decline of 0.3 per cent from the same period in 2016. The industry represented 20.4 per cent of the province's total manufacturing sales (\$16.7 billion).

Manufacturing sales refers to the value of goods manufactured from own materials whether at the business unit (plant, mill or factory) or at any other subcontracted manufacturing plant located in Canada. Sales include goods that were shipped earlier on consignment, sales shipped to foreign countries for which customs entry forms have been prepared, charges for installation of manufactured goods where installation is part of sale and the book value of goods sold for rental. Sales exclude transfers into inventory and consignment sales, shipping charges by common or contract carriers, discounts and returns, federal and provincial sales taxes and excise duties and taxes and sales of goods purchased for resale.

	Annual						Year-to-Date: January-March		
	2012	2013	2014r	2015r	2016p	% Chg. '16/'15	2016r	2017p	% Chg. '17/'16
	\$ Millions						\$ Millions		
Total Manufacturing Industries	72,689.3	74,451.6	79,219.6	69,607.1	62,560.3	-10.1	14,377.3	16,666.5	15.9
Food and Beverage Manufacturing Industries	12,600.3	11,971.0	12,265.1	13,329.7	14,559.4	9.2	3,412.1	3,401.8	-0.3
<i>% Share of Total Manufacturing Industries</i>	17.3	16.1	15.5	19.1	23.3	n/a	23.7	20.4	n/a
Food Industries	11,376.2	10,730.0	11,048.4	12,064.1	13,574.2	12.5	3,206.0	3,193.6	-0.4
Meat Products (Includes Poultry)	5,962.0	5,692.1	5,969.0	6,775.6	7,309.8	7.9	1,707.5	1,681.5	-1.5
Food Industries (Excluding Meat Products)	5,414.2	5,037.9	5,079.4	5,288.4	6,264.4	18.5	1,498.5	1,512.0	0.9
Grain and Oilseed Milling	1,764.6	1,773.6	1,724.3	1,631.3	1,754.7	7.6	408.1	447.2	9.6
Animal Foods (Includes Livestock Feed)	817.5	801.6	984.0	1,174.7	1,016.8	-13.4	294.5	248.2	-15.7
All Other Food Manufacturing	2,832.1	2,462.7	2,371.2	2,482.5	3,492.9	40.7	795.9	813.3	2.2
Dairy Products	x	893.4	753.3	734.9	1,559.8	112.3	363.2	365.1	0.5
Bread and Bakery Products	514.6	515.5	530.4	542.7	x	n/a	118.5	116.9	-1.3
Other Foods (Includes Snack Foods)	x	630.6	660.8	749.3	900.7	20.2	202.8	199.9	-1.4
Beverage Industries	1,224.1	1,241.0	1,216.7	1,265.6	985.2	-22.2	206.1	208.3	1.0

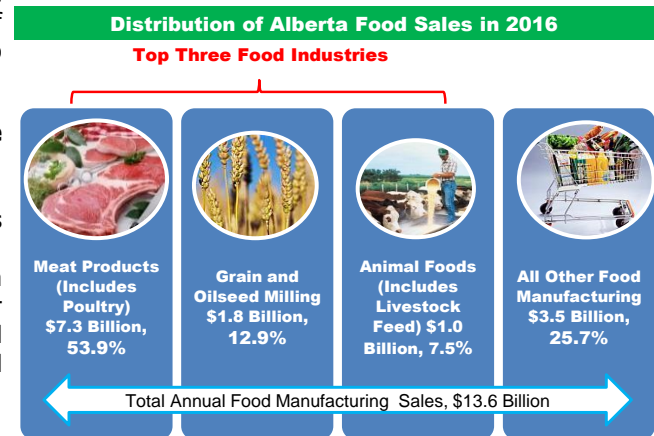
Food and Beverage Manufacturing Sales Set a Record in 2016

Manufacturing sales for all industries in Alberta fell 10.1 per cent to \$62.6 billion in 2016, the second consecutive year of decline. In contrast, the province's food and beverage manufacturing sales were a record \$14.6 billion, up 9.2 per cent from 2015. Food and beverage manufacturing was the largest manufacturing industry, accounting for 23.3 per cent of Alberta's total manufactured goods. This was followed by chemical manufacturing (21.1 per cent or \$13.2 billion), and petroleum and coal product manufacturing (20.3 per cent or \$12.7 billion). While food manufacturing sales increased 12.5 per cent to \$13.6 billion, beverage manufacturing sales decreased 22.2 per cent to \$985.2 million. Driving the increase in food manufacturing sales were higher sales from dairy products, meat products, and grain and oilseed milling. Reaching a record \$7.3 billion in 2016, meat product (including poultry) industries continued to be Alberta's largest food and beverage manufacturing segment, accounting for just over one-half of the total (53.9 per cent). The province's meat product manufacturing also represented 26.5 per cent of total Canadian meat sales (\$27.6 billion), ranking second behind Ontario (34.9 per cent or \$9.6 billion).



Food and Beverage Manufacturing Sales Relatively Flat in the First Quarter of 2017

In the first quarter of 2017 (January to March), total manufacturing sales were \$16.7 billion, up 15.9 per cent over the same period in 2016. However, food and beverage manufacturing sales totalled \$3.4 billion, a marginal decline of 0.3 per cent. The industry sales represented 20.4 per cent of total manufacturing sales. Food manufacturing sales decreased 0.4 per cent to \$3.2 billion, while beverage manufacturing sales increased 1.0 per cent to \$208.3 million.



Alberta Food and Beverage Sector Activity in 2016

In 2016, Alberta's retail sales in food and beverage stores were \$14.6 billion, a marginal decline of 0.1 per cent from the previous year. Food prices were up 1.4 per cent in 2016 as shown by the Consumer Price Index (CPI). Food and beverage processing industry remains Alberta's largest manufacturing employer, accounting for 19.4 per cent of the province's total manufacturing employment (115,500). In 2016, 22,400 Albertans were employed in this industry, down 15.2 per cent from a year before. Exports of food and beverage products (including animal feeds) totalled \$3.9 billion, representing 38.7 per cent of total provincial agri-food exports (\$10.0 billion). The top five export products were meat products, animal feeds, cereals milled and prepared, refined oils and fats, and processed potatoes. Exports of meat products accounted for nearly 60.0 per cent (or \$2.3 billion) of total food and beverage exports. Households in Alberta reported spending an average of \$10,171 on food (\$7,112 on food purchased from stores and \$3,058 on food purchased from restaurants) in 2015*, up 16.4 per cent over 2014, mainly due to higher prices.

p - preliminary r - revised x - data not available due to confidentiality % Chg. - Per Cent Change
n/a - not applicable *- 2015 data latest available

Source: Statistics Canada, CANSIM Table Numbers 301-0008 and 304-0015

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