

Agri-Food Statistics Update



Issue No: GDP18-1

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.

This Update presents an analysis of Alberta's 2017 Gross Domestic Product (GDP) for agri-food industries (primary agriculture industries and food and beverage manufacturing industries).

GDP is the total unduplicated value of goods and services produced in a region during a given year. GDP of an industry equals the output by the industry minus the value of intermediate inputs that were purchased from other industries, domestic or foreign. This Update presents "real GDP" which provides a measurement of economic performance changing over time, excluding the effects of price changes. An increase in GDP is a sign of a healthy economy while a decline indicates that the economy is not functioning to its full capacity.

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

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

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Alberta Real Gross Domestic Product (GDP) for Agri-Food Industries, 2017

Key Messages

- As measured by real Gross Domestic Product, Alberta's economy increased 4.9 per cent to \$ 304.7 billion (in chained 2007 dollars) in 2017, following two years of decline. Alberta led all provinces in economic growth, followed by British Columbia at 3.9 per cent. Largely contributing to the Alberta growth were mining, quarrying, oil and gas extraction industries (up 13.3 per cent to \$91.9 billion), and manufacturing industries (up 8.1 per cent to \$17.7 billion). Nationally, GDP grew 3.3 per cent to \$1.7 trillion, posting the strongest year-over-year increase since 2011.
- In 2017, Alberta's GDP for agri-food industries rose 2.5 per cent to \$6.5 billion, the second consecutive annual increase. At 12.1 per cent, Alberta's agri-food industries represented the third highest percentage share of total Canadian agri-food GDP (\$53.7 billion), behind Ontario (32.6 per cent) and Quebec (21.5 per cent).
- GDP for Alberta's primary agriculture industry increased 1.9 per cent to \$3.5 billion in 2017. Of this total, GDP for crop and animal production was up 1.8 per cent to \$3.4 billion, while support activities for agriculture increased 5.3 per cent to \$108.0 million.
- In 2017, GDP for food and beverage manufacturing industries grew 3.2 per cent to \$3.0 billion, marking the fifth consecutive annual increase. Specifically, GDP for the food manufacturing industry rose 3.4 per cent to \$2.5 billion, while the beverage manufacturing industry increased 2.2 per cent to \$474.3 million in 2017.
- Meat product manufacturing continued to be Alberta's largest food segment, accounting for \$954.4 million or 38.1 per cent of total food manufacturing GDP. Grain and oilseed milling ranked second at \$296.5 million or 11.8 per cent.

May 9, 2018

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Table 1. Alberta Real GDP by Industry in 2007 Chained Dollars

Industry	\$ Millions			% Change	
	2015r	2016r	2017p	'16/'15	'17/'16
All Industries (1)	301,457	290,613	304,709	-3.6	4.9
Agri-Food Industries	5,806	6,336	6,493	9.1	2.5
Agriculture	2,988	3,450	3,514	15.5	1.9
Crop Production and Animal Production	2,892	3,347	3,406	15.7	1.8
Support Activities for Crop/Animal Production	95	103	108	7.5	5.3
Food and Beverage Manufacturing	2,819	2,886	2,979	2.4	3.2
Food Manufacturing	2,342	2,422	2,505	3.4	3.4
Beverage Manufacturing	477	464	474	-2.6	2.2
Goods-Producing Industries	141,278	130,254	140,606	-7.8	7.9
Agriculture	2,988	3,450	3,514	15.5	1.9
Forestry, Fishing and Hunting	445	437	450	-1.8	3.1
Mining, Quarrying, Oil and Gas Extraction	84,867	81,071	91,864	-4.5	13.3
Manufacturing	17,561	16,323	17,651	-7.1	8.1
Food and Beverage Manufacturing	2,819	2,886	2,979	2.4	3.2
All Other Manufacturing	14,743	13,437	14,672	-8.9	9.2
Construction	31,410	26,366	26,183	-16.1	-0.7
Utilities	4,106	3,945	4,342	-3.9	10.1
Services-Producing Industries	160,342	159,028	163,710	-0.8	2.9
Finance and Insurance	12,213	12,746	12,965	4.4	1.7
Real Estate and Rental and Leasing	29,728	30,391	31,579	2.2	3.9
Transportation and Warehousing	12,294	12,276	13,083	-0.1	6.6
Professional, Scientific and Technical Services	15,208	14,083	14,077	-7.4	0.0
Wholesale and Retail Trade	25,770	24,217	26,133	-6.0	7.9
Public Administration	11,915	12,173	12,394	2.2	1.8
Educational Services	10,074	10,298	10,442	2.2	1.4
Health Care and Social Assistance	14,162	14,750	15,071	4.1	2.2
Information and Cultural Industries	6,765	6,704	6,682	-0.9	-0.3
Other Services (Except Public Administration)	5,706	5,340	5,354	-6.4	0.3
Accommodation and Food Services	5,875	5,690	5,737	-3.1	0.8
Adm. Support/Waste Mngmt./Remediation Svcs.	6,870	6,533	6,501	-4.9	-0.5
Arts, Entertainment and Recreation	1,444	1,477	1,523	2.3	3.1

- Gross Domestic Product (GDP) per cent rates of change are derived from Statistics Canada GDP estimates, as measured in chained 2007 dollars and are shown in **Table 1**. Real GDP estimates neutralize the effect of price changes over time, thus, actual growth in volume of output can be measured.

- Alberta's real GDP increased 4.9 per cent to \$304.7 billion in 2017, following two years of decline. The province led all provinces in economic growth, followed by British Columbia at 3.9 per cent. Largely contributing to the Alberta growth were mining, quarrying, oil and gas extraction industries (up 13.3 per cent to \$91.9 billion), and manufacturing industries (up 8.1 per cent to \$17.7 billion). Nationally, GDP grew 3.3 per cent, posting the strongest year-over-year increase since 2011.

- The majority of Alberta's major industries had higher output (as measured by GDP) in 2017, with the exception of construction, administrative and support, waste management and remediation services, and information and cultural industries.

- In 2017, Alberta's agri-food GDP rose 2.5 per cent to \$6.5 billion, the second consecutive annual increase. At 12.1 per cent, Alberta's agri-food industries represented the third highest percentage share of total Canadian agri-food GDP (\$53.7 billion), behind Ontario (32.6 per cent) and Quebec (21.5 per cent).

- As shown in **Chart 1**, Alberta's GDP for primary agriculture in 2017 increased 1.9 per cent to \$3.5 billion. Of this total, GDP for crop and animal production was up 1.8 per cent to \$3.4 billion, while support activities for agriculture increased 5.3 per cent to \$108.0 million.

- The province's GDP for food and beverage manufacturing grew 3.2 per cent to \$3.0 billion in 2017, marking the fifth consecutive annual growth. Specifically, GDP for food manufacturing rose 3.4 per cent to \$2.5 billion, while beverage manufacturing GDP increased 2.2 per cent to \$474.3 million.

- In 2017, meat product manufacturing continued to be Alberta's largest food segment, accounting for \$954.4 million or 38.1 per cent of total food manufacturing GDP. Grain and oilseed milling ranked second at \$296.5 million, or 11.8 per cent.

Chart 1. Alberta Real GDP for Agriculture Industries and Food and Beverage Manufacturing Industries, Annual Per Cent Change, 2013-2017

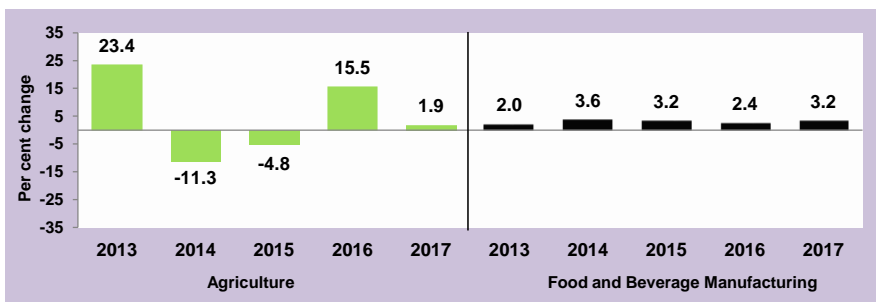


Chart 2. Structure of the Alberta Economy: Percentage Share of GDP by Major Industries in 2017

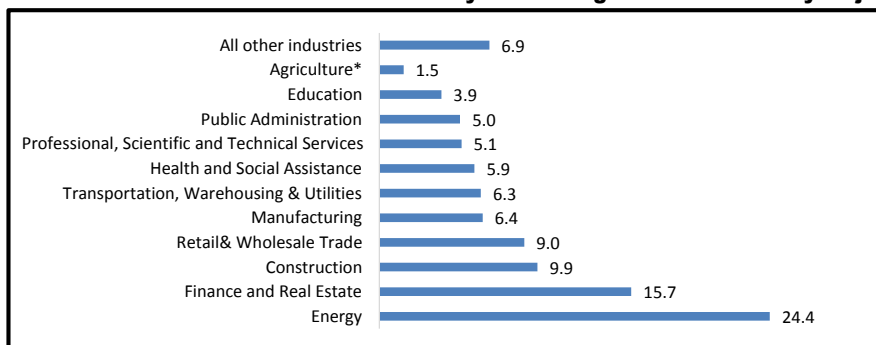


Chart 2 shows the percentage contribution of Alberta's major industries to total provincial GDP in 2017. These values are based on GDP in nominal or current dollars, which properly reflect the size of the current economy (that is, current dollar GDP shows how much the economy is worth in today's dollars).

- At 24.4 per cent, Alberta's energy sector continued to be the largest contributor to the provincial economy in 2017. This was followed by finance and real estate (15.7 per cent), construction (9.9 per cent), and wholesale and retail trade (9.0 per cent). Agriculture (including forestry, fishing, and hunting) industries contributed 1.5 per cent.

*Note: The percentage value shown for agriculture includes forestry, fishing, and hunting industries.