

Agri-Food Statistics Update



Issue No: GDP17-1

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 2016 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)

Note to Users: The contents of this document may not be used or reproduced without properly accrediting Alberta Agriculture and Forestry, Economics and Competitiveness Branch, Statistics and Data Development Section.



Alberta Real Gross Domestic Product (GDP) for Agri-Food Industries, 2016

Key Messages

- As measured by real Gross Domestic Product, Alberta's economy declined 3.8 per cent to \$288.1 billion in 2016, following a similar decline in 2015 (3.7 per cent). GDP was largely impacted by low oil and commodity prices. This industry saw a 31.7 per cent decline in the oil and gas engineering construction sector, while the support activities for oil and gas extraction also fell 31.6 per cent. These two sectors combined accounted for most of the decline in the provincial GDP.
- While the majority of Alberta's major industries had lower output (as measured by GDP) in 2016, a number of industries did report positive economic growth. Among the latter, agri-food posted the best performance, increasing 7.8 per cent to a record \$6.6 billion. This was the second highest percentage change increase in Canada, just behind Saskatchewan (8.6 per cent).
- GDP for Alberta's agriculture industry increased 13.6 per cent to \$3.7 billion in 2016, after two consecutive declines in 2015 (3.2 per cent) and in 2014 (5.3 per cent). The significant GDP growth was largely attributed to crop production, which increased 16.0 per cent to 24.6 million tonnes.
- In 2016, GDP for food and beverage manufacturing industries grew 1.1 per cent to \$2.9 billion, marking the fourth consecutive annual increase. Specifically, GDP for the food manufacturing industry rose 1.7 per cent to \$2.4 billion, while output for the beverage manufacturing industry declined 2.1 per cent to \$452.0 million in 2016.

May 11, 2017

(Please turn over)

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

	\$ Millions			% Change	
	2014r	2015r	2016p	'15/'14	'16/'15
All Industries (1)	311,083	299,603	288,113	-3.7	-3.8
Agri-Food Industries	6,081	6,101	6,575	0.3	7.8
Agriculture	3,351	3,244	3,686	-3.2	13.6
- Crop Production and Animal Production	3,248	3,138	3,574	-3.4	13.9
- Support Activities for Crop/Animal Production	103	106	112	3.0	5.2
Food and Beverage Manufacturing	2,731	2,857	2,889	4.6	1.1
- Food Manufacturing	2,261	2,396	2,437	6.0	1.7
- Beverage Manufacturing	470	462	452	-1.7	-2.1
Goods-Producing Industries	151,622	139,309	127,260	-8.1	-8.6
Agriculture	3,351	3,244	3,686	-3.2	13.6
Forestry, Fishing and Hunting	390	413	407	5.8	-1.4
Mining, Oil and Gas Extraction	87,066	82,989	78,672	-4.7	-5.2
Manufacturing	18,971	17,904	16,540	-5.6	-7.6
Food and Beverage Manufacturing	2,731	2,857	2,889	4.6	1.1
All Other Manufacturing	16,240	15,047	13,651	-7.3	-9.3
Construction	36,952	30,650	25,160	-17.1	-17.9
Utilities	4,243	4,060	3,895	-4.3	-4.0
Services-Producing Industries	160,413	160,367	159,251	0.0	-0.7
Finance and Insurance	11,456	12,067	12,640	5.3	4.7
Real Estate and Rental and Leasing	29,011	29,660	30,290	2.2	2.1
Transportation and Warehousing	11,951	12,260	12,354	2.6	0.8
Professional, Scientific and Technical Services	16,071	15,171	13,993	-5.6	-7.8
Wholesale and Retail Trade	28,231	26,638	25,252	-5.6	-5.2
Public Administration	11,587	11,822	12,125	2.0	2.6
Educational Services	9,747	9,941	10,181	2.0	2.4
Health Care and Social Assistance	13,810	14,393	14,835	4.2	3.1
Information and Cultural Industries	6,531	6,487	6,397	-0.7	-1.4
Other Services (Except Public Administration)	5,827	5,771	5,559	-1.0	-3.7
Accommodation and Food Services	5,839	5,635	5,468	-3.5	-3.0
Adm. Support/Waste Mngmt./Remediation Svcs.	6,776	6,792	6,459	0.2	-4.9
Arts, Entertainment and Recreation	1,319	1,366	1,384	3.6	1.3

p - preliminary, subject to revision.

r - revised

Chart 1. Alberta Real GDP for Agriculture Industries and Food and Beverage Manufacturing Industries, Annual Per Cent Change, 2012-2016

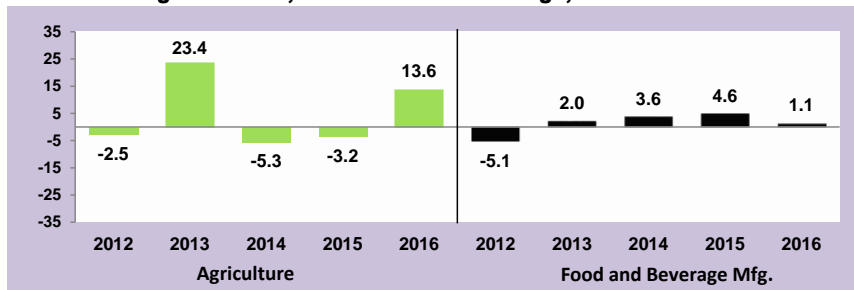
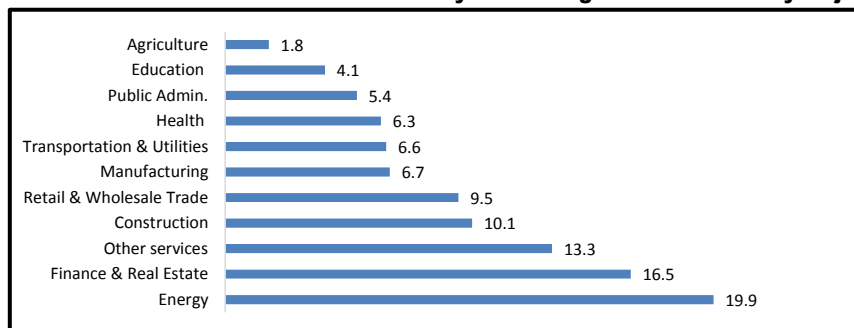


Chart 2. Structure of the Alberta Economy: Percentage Share of GDP by Major Industries in 2016



Note: The data source is CANSIM Table 379-0028. The percentage value shown for agriculture includes forestry, fishing and hunting industries.

Gross Domestic Product (GDP) per cent rates of change are derived from Statistics Canada GDP estimates as measured in chained 2007 dollars as 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 declined 3.8 per cent to \$288.1 billion in 2016, after a similar decline (3.7 per cent) in 2015. GDP was largely impacted by low oil and commodity prices. This sector saw a 31.7 per cent decline in the oil and gas engineering construction sector, while the support activities for oil and gas extraction sector also fell 31.6 per cent. These two sectors combined accounted for most of the decline in the provincial GDP. Nationally, total Canadian GDP grew 1.3 per cent to \$1.6 trillion, compared to 0.9 per cent in 2015.

- While the majority of Alberta's major industries had lower output (as measured by GDP) in 2016, a number of industries did report positive economic growth. Among the latter, agri-food posted the best performance, increasing 7.8 per cent to a record \$6.6 billion. The next largest gains were reported by finance and insurance (4.7 per cent), health care and social assistance (3.1 per cent), public administration (2.6 per cent), and education services (2.4 per cent). In 2016, Alberta's agri-food GDP growth was the second largest in Canada, just behind Saskatchewan (8.6 per cent).

- As shown in **Chart 1**, Alberta's GDP for primary agriculture in 2016 increased 13.6 per cent to \$3.7 billion, after two consecutive annual declines. The significant growth was largely attributed to crop production, which was up 16.0 per cent to 24.6 million tonnes.

- The province's GDP for food and beverage manufacturing grew 1.1 per cent to \$2.9 billion in 2016, marking the fourth consecutive annual growth. Specifically, GDP for food manufacturing rose 1.7 per cent to \$2.4 billion, while beverage manufacturing GDP declined 2.1 per cent to \$452.0 million.

Chart 2 shows the percentage contribution of Alberta's major industries to total provincial GDP in 2016. 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).

- With 19.9 per cent, Alberta's energy sector continued to be the largest contributor to the province's economy. This was followed by finance and real estate (16.5 per cent), other services (13.3 per cent), construction (10.1 per cent), and wholesale and retail trade (9.5 per cent). Agriculture industries contributed 1.8 per cent.

(1) Components may not add up due to rounding

Source: Statistics Canada, CANSIM Table Numbers 379-0030 and 379-0028

Prepared by: Alberta Agriculture and Forestry, Economics and Competitiveness Branch, Statistics and Data Development Section

e-mail: jeanmarie.uwzeyimana@gov.ab.ca Phone: (780) 422-3099