

# Agri-Food Statistics Update



## Issue No: GDP16-1

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 2015 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, 2015

### Key Messages

- As measured by real Gross Domestic Product, Alberta's economy fell 4.0 per cent to \$294.7 billion in 2015, after growing 4.5 per cent in 2014. The downward trend was largely due to lower oil prices which contributed to a decline in support activities for oil and gas extraction, and a decrease in oil and gas engineering construction. This also impacted the construction sector, which fell 16.7 per cent to \$29.6 billion.
- Alberta's agri-food industries (primary agriculture industries and food and beverage manufacturing industries) remained resilient, generating \$5.4 billion in GDP in 2015 (practically unchanged from 2014).
- Food manufacturing industries grew 5.4 per cent to a record \$2.4 billion in 2015. This was the third consecutive growth since 2013. However, moderating the 2015 increase were agriculture industries which declined 4.3 per cent to \$3.0 billion, largely due to dry conditions in Alberta.
- Contributing to the latest increase were gains in animal food manufacturing, grain and oilseed milling, miscellaneous food manufacturing, and meat product manufacturing.

### Note to Users:

The 2013 to 2015 GDP estimates presented in this Update are sourced from Statistics Canada Provincial and Territorial GDP by Income and by Expenditure Accounts released in May, 2016. Estimates of GDP are available in both real 2007 Chained Dollars and in current dollars.

June 1, 2016

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

	\$ Millions			% Change**	
	2013	2014r	2015p	'14/'13	'15/'14
<b>All Industries (1)</b>	<b>293,748</b>	<b>306,883</b>	<b>294,693</b>	<b>4.5</b>	<b>-4.0</b>
<b>Agri-Food Industries (A+B)</b>	<b>5,626</b>	<b>5,425</b>	<b>5,414</b>	<b>-3.6</b>	<b>-0.2</b>
<b>Agriculture (A)</b>	<b>3,440</b>	<b>3,149</b>	<b>3,015</b>	<b>-8.5</b>	<b>-4.3</b>
- Crop Production and Animal Production	3,342	3,046	2,913	-8.8	-4.4
- Support Activities for Crop/Animal Production	98	102	101	4.1	-1.0
<b>Food Manufacturing (B)</b>	<b>2,186</b>	<b>2,277</b>	<b>2,399</b>	<b>4.2</b>	<b>5.4</b>
<b>Goods-Producing Industries</b>	<b>140,537</b>	<b>147,743</b>	<b>135,548</b>	<b>5.1</b>	<b>-8.3</b>
Mining, Oil and Gas Extraction	78,052	84,633	80,791	8.4	-4.5
Construction	35,171	35,594	29,646	1.2	-16.7
Manufacturing	18,238	18,828	17,520	3.2	-6.9
Food Manufacturing	2,186	2,277	2,399	4.2	5.4
Other Manufacturing (Includes Beverages) (2)	16,052	16,552	15,121	3.1	-8.6
Utilities	4,257	4,426	4,229	4.0	-4.4
Agriculture	3,440	3,149	3,015	-8.5	-4.3
Forestry, Fishing and Hunting	430	429	436	-0.4	1.8
<b>Services-Producing Industries</b>	<b>154,016</b>	<b>160,006</b>	<b>159,181</b>	<b>3.9</b>	<b>-0.5</b>
Real Estate and Rental and Leasing	27,874	29,132	29,651	4.5	1.8
Professional, Scientific and Technical Services	15,042	15,343	14,523	2.0	-5.3
Wholesale Trade	14,163	15,145	14,000	6.9	-7.6
Health Care and Social Assistance	13,531	14,202	14,542	5.0	2.4
Retail Trade	12,009	12,646	12,328	5.3	-2.5
Public Administration	11,429	11,709	11,852	2.5	1.2
Transportation and Warehousing	11,569	12,187	12,354	5.3	1.4
Finance and Insurance	11,311	11,583	12,066	2.4	4.2
Educational Services	9,561	9,724	9,870	1.7	1.5
Information and Cultural Industries	6,601	6,637	6,582	0.5	-0.8
Adm. Support/Waste Mgmt/Remediation Svcs.	6,514	6,819	6,833	4.7	0.2
Accommodation and Food Services	5,665	5,830	5,559	2.9	-4.6
Other Services (Except Public Administration)	5,271	5,494	5,457	4.2	-0.7
Management of Companies and Enterprises	2,241	2,260	2,247	0.9	-0.6
Arts, Entertainment and Recreation	1,251	1,296	1,337	3.6	3.2

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

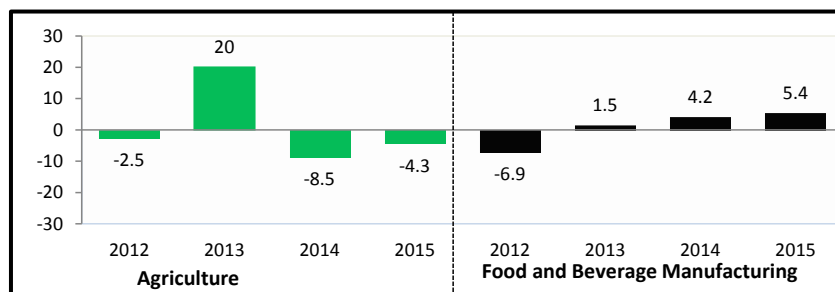
Alberta's real GDP fell 4.0 per cent to \$294.7 billion in 2015, after growing 4.5 per cent in 2014. GDP was largely impacted by a decline in the energy and construction sectors. Mining, oil and gas extraction declined 4.5 per cent to \$80.8 billion while the construction sector fell 16.7 per cent to \$29.6 billion. Nationally, total Canadian GDP grew 0.9 per cent to \$1.6 trillion in 2015, following an increase of 2.5 per cent in 2014.

The majority of Alberta's industries posted a lower GDP value in 2015. However, a number of industry categories reported higher output. Among those industries, finance and insurance had the best performance at 4.2 per cent. The next largest annual gains were reported by arts, entertainment and recreation (3.2 per cent), health care and social assistance (2.4 per cent), real estate and rental and leasing (1.8 per cent), and forestry, fishing, and hunting (1.8 per cent).

At \$5.4 billion in 2015, GDP for Alberta agri-food industries remained resilient (practically unchanged from 2014). This was due to good performance of food manufacturing, which increased 5.4 per cent. However, moderating the 2015 increase were agriculture industries which declined 4.3 per cent to \$3.0 billion. Dry conditions was the reason for the decline in GDP for agriculture industries.

Food manufacturing GDP reached \$2.4 billion in 2015, the highest level on record. Contributing to the increase were gains in animal food manufacturing (9.2 per cent), miscellaneous food manufacturing (6.7 per cent), grain and oilseed milling (5.3 per cent), and meat product manufacturing (2.1 per cent).

**Chart 1. Alberta Real GDP for Agriculture and Food Manufacturing Industries, Annual Per Cent Change, 2012-2015**



**Chart 2. Structure of the Alberta Economy - Percentage Share of GDP by Major Industries, 2015**

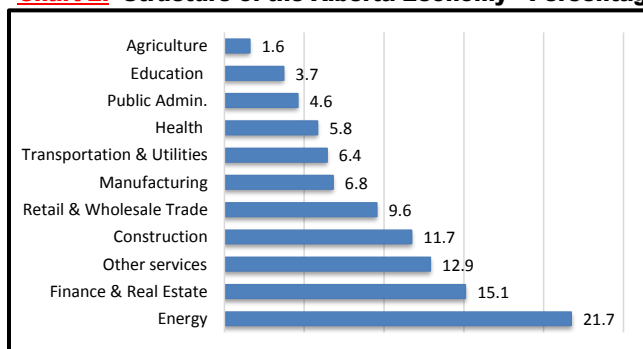


Chart 2 shows the percentage contribution of Alberta's major industries to total provincial GDP in 2015. These values are based on GDP in nominal or current dollars which properly reflect the size of the current economy (that is, current dollar GDP shows how much the economy is worth in today's dollar).

At 60.1 per cent in 2015, service-producing industries accounted for a greater proportion of Alberta's economic activity than goods-producing industries, which represented 39.9 per cent. The energy sector still dominated the province's economy at 21.7 per cent of total GDP, despite falling from 30.0 per cent in 2014. It was followed by finance, insurance and real estate (15.1 per cent), construction (11.7 per cent) and retail and wholesale trade (9.6 per cent). Agriculture industries contributed 1.6 per cent to Alberta's economic activity, up from 1.3 in 2014.

Note: The data source is CANSIM Table 379-0028. The percentage value shown for agriculture includes forestry, fishing and hunting industries. Separate data for agriculture are not available.

(1) Components may not add up to their totals due to rounding.

(2) Data for beverage manufacturing are confidential

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

r - revised

p - preliminary

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