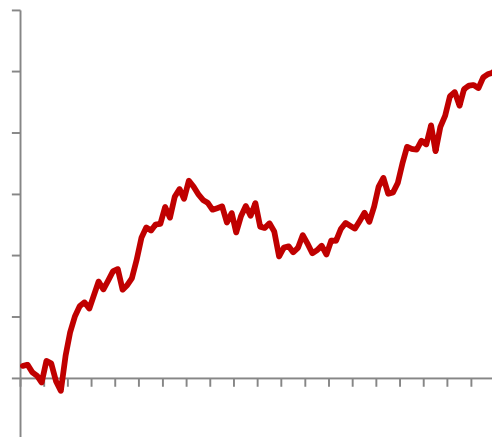


# Economic Output of the Agri-food Sector

2008-2012



Nova Scotia Department of Agriculture



## Contents:

I. Highlights and Analysis.....	1
1.1 Economic Output of the Agriculture Sector.....	1
1.2 Economic Output of the Agri-food Processing Sector .....	2
II. Statistical Tables.....	3
III. User Information.....	5

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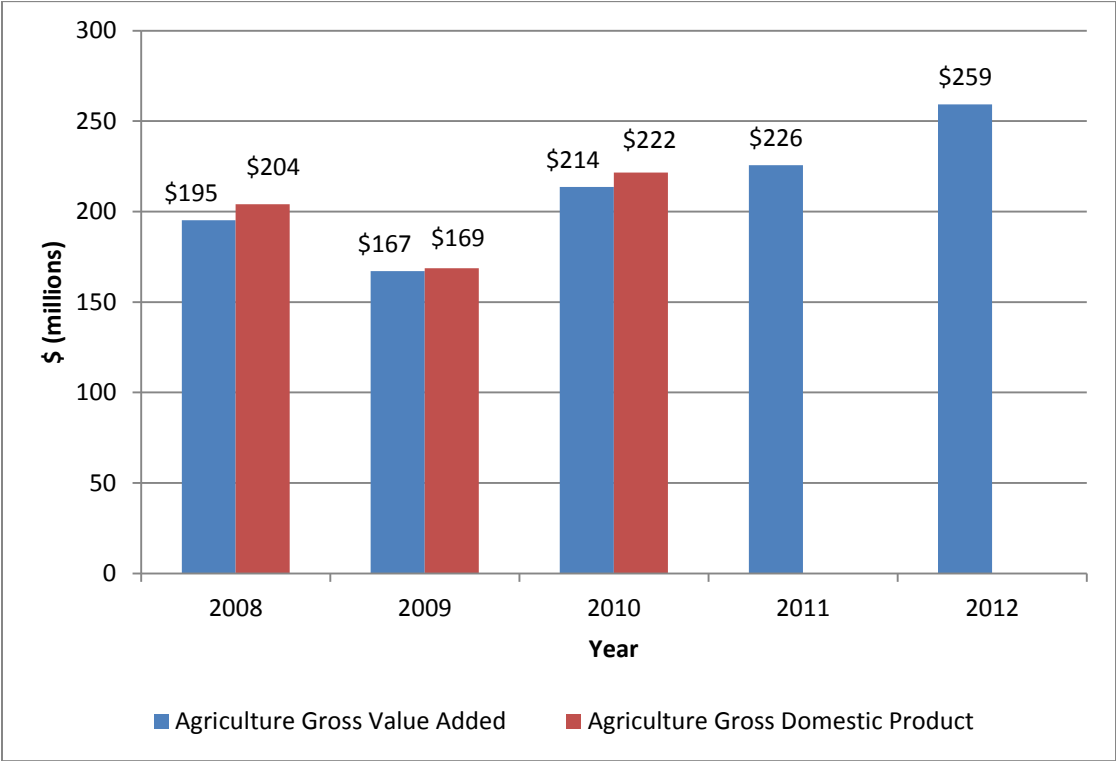
May 14, 2014

# I. Highlights and Analysis

## 1.1 Economic Output of the Agriculture Sector

- In 2010, the contribution to Nova Scotia’s economy from primary agriculture, as measured by gross domestic product (GDP), was approximately \$222 million (0.7% of the provincial economy).
- Given the change in the published gross value added estimates, which increased from \$214 million in 2010 to \$259 million in 2012, agriculture GDP has likely increased by 20% over the same time period.
- Including sales between farms, total agriculture production was valued at \$667 million in 2012, up 11.8% from 2011.

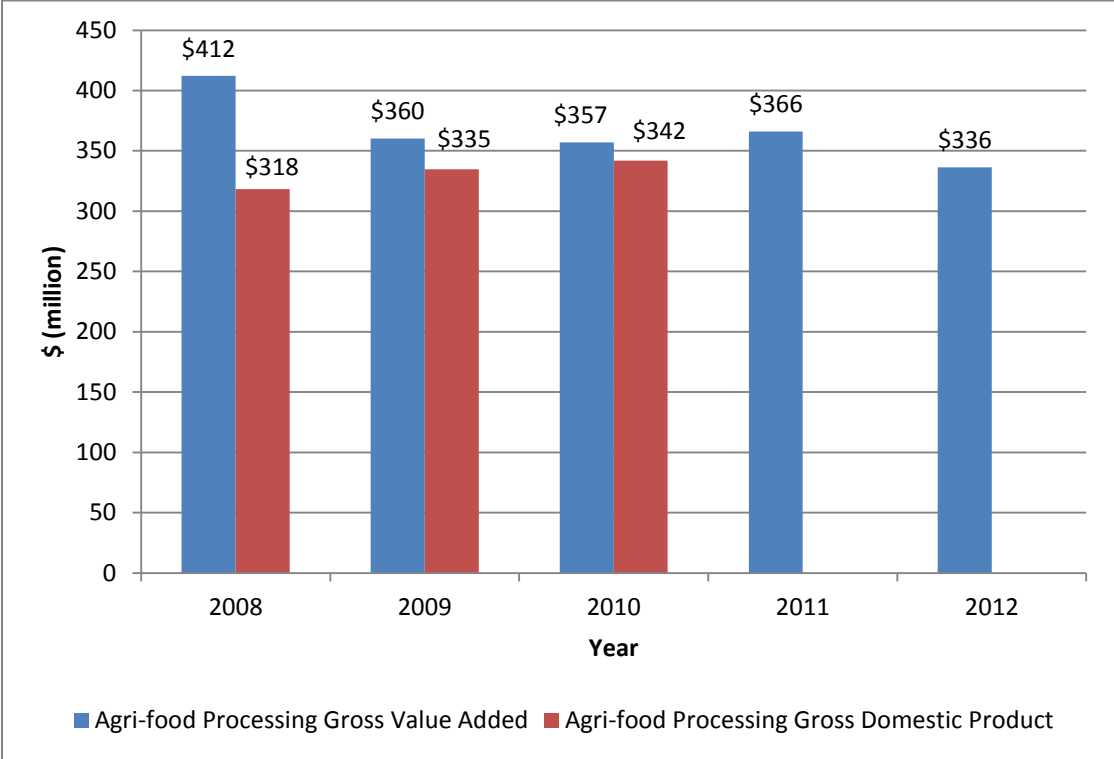
**Figure 1.1 - Gross Domestic Product and Gross Value Added Estimates for Nova Scotia Agriculture, 2008 to 2012**



## 1.2 Economic Output of the Agri-food Processing Sector

- The agri-food processing sector contributed over \$342 million (1.0%) to the provincial economy in 2010.
- Given the change in the published gross value added estimates, agri-food processing GDP has likely decreased 6% from 2010 to 2012.
- Total revenues from agri-food processing exceeded \$1.2 billion in 2012, up 1.6% from 2011.
- The profits generated from agri-food processing, as measured by the difference between total revenues and total expenses, has decreased from \$131.7 million in 2008, to \$67 million in 2012.
- The cost of materials and supplies, which in recent years accounts for around 65% of total expenses, has increased from \$681.7 million in 2008, to \$805.6 million in 2012.

**Figure 1.2 - Gross Domestic product and Gross Value Added Estimates for Nova Scotia Agri-food Processing, 2008 to 2012**



## II. Statistical Tables

**Table 2.1 Principle Statistics for Nova Scotia Agri-food Processing, 2008 to 2012 (\$x1000)**

<b>Principal statistics <sup>1</sup></b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total revenue	1,209,316	1,167,762	1,161,044	1,209,927	1,229,303
Revenue from goods manufactured	1,108,580	1,062,885	1,076,871	1,134,622	1,155,459
Total expenses	1,077,587	1,031,536	1,083,242	1,081,473	1,162,312
Total salaries and wages, direct and indirect labour	136,783	133,237	144,706	127,228	129,923
Total cost of energy, water utility and vehicle fuel	29,185	27,562	29,033	29,494	31,351
Cost of energy and water utility	25,755	25,201	25,868	26,293	27,906
Cost of vehicle fuel	3,430	2,361	3,165	3,201	3,445
Cost of materials and supplies	681,688	658,497	708,824	729,349	805,583
Total opening inventories	122,753	140,124	122,713	140,830	122,559
Opening inventories, goods or work in process	689	626	937	1,696	571
Opening inventories, finished goods manufactured	82,822	95,876	82,138	100,776	86,302
Total closing inventories	141,961	124,429	136,113	135,043	137,500
Closing inventories, goods or work in process	644	680	827	1,794	537
Closing inventories, finished goods manufactured	97,235	79,137	100,224	90,893	104,234
Manufacturing value added <sup>2</sup>	412,075	360,141	356,990	365,994	336,423

Footnotes:

1 - Financial variables in the Annual Survey of Manufactures and Logging (ASML) survey are defined to adhere to the Statistics Canada Chart of Accounts (COA) classification. The COA is a standard classification based on generally accepted accounting principles. It was developed for reporting information on financial position and performance. As a result, some variables in the ASML are defined differently from those collected in past surveys for manufacturing and new variables have been added. These changes are reflected in a new list of published principal statistics for manufacturing. Of the variables in this list that were published previously, only two are not strictly comparable: the cost of energy and water utility and the cost of materials and supplies. For more details, refer to the notes on the affected variables in CANSIM table 301-0006.

2 - The variable Manufacturing value added is calculated as follows: Revenue from goods manufactured + Closing inventories, goods or work in process + Closing inventories, finished goods manufactured - Opening inventories, goods or work in process - Opening inventories, finished goods manufactured - Cost of materials and supplies - Total cost of energy, water utility and vehicle fuel.

**Table 2.2 Agriculture Value Added Account for Nova Scotia, 2008 to 2012 (\$x1000)**

<b>Value added account</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total value of production <sup>1</sup>	559,328	521,370	581,629	596,834	667,318
Sales of agricultural products	507,726	480,337	530,537	541,550	615,866
Sales to other farms	39,997	39,585	52,378	34,366	47,931
Sales to other sectors	467,729	440,752	478,159	507,184	567,934
Sales of secondary production	6,680	5,968	5,257	4,545	4,681
Other sources of income	44,839	44,700	44,429	49,383	45,194
Custom work receipts	29,182	27,625	30,553	32,019	34,248
Program payments	14,111	16,023	12,746	16,136	9,630
Government rebates	660	603	622	717	770
Farm land rent	887	449	508	511	547
Own account production uses	83	-9,636	1,406	1,356	1,577
Income-in-kind	1,008	955	937	969	887
Value of inventory change	-925	-10,590	470	387	691
Expenses on inputs	360,680	350,836	364,562	367,616	404,408
Expenses on inputs from other farms	40,883	40,034	52,885	34,877	48,478
Expenses on inputs from other sectors	319,796	310,802	311,676	332,740	355,930
Business taxes	3,424	3,399	3,528	3,499	3,639
Gross value added	195,224	167,135	213,539	225,719	259,271
Depreciation	56,631	59,698	59,135	61,499	62,309
Net value added	138,594	107,436	154,404	164,220	196,962
Non-family wages	63,894	64,357	68,667	69,353	72,821
Family wages (unincorporated farms)	9,171	9,381	8,871	8,960	9,408
Family wages (incorporated farms)	22,599	23,116	26,345	26,609	27,939
Cash and share rent to non-operators	3,750	4,149	4,173	4,349	4,660
Interest	37,444	32,251	29,397	28,589	29,145
Corporation profits	2,689	-18,149	14,510	22,469	53,589
Unincorporated operator returns	-953	-7,669	2,442	3,891	-599

Footnotes:

1 - The total value of production represents the gross output of farm establishments in a time period. It consists of sales of agricultural products, sales of secondary production, other income sources and own-account use of production. The total value of production can be allocated into four major categories: expenses on inputs, business taxes, depreciation and net value added.

**Table 2.3 Measures of Economic Output for Nova Scotia's Agri-food Sectors, 2008 to 2012 (\$x1000)**

<b>Measure of Economic Output</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Agriculture Gross Domestic Product	204,035	168,770	221,645	..	..
Agriculture Gross Value Added	195,224	167,135	213,539	225,719	259,271
Agri-food Processing Gross Domestic Product	318,400	334,700	342,000	..	..
Agri-food Processing Gross Value Added	412,075	360,141	356,990	365,994	336,423

## III. User Information

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### Data Sources

The data in this report were derived from the following tables produced by Statistics Canada:

002-0020 - Balance sheet of the agricultural sector, at December 31, and ratios

379-0030 - Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS), provinces and territories

002-0004 - Agriculture value added account

003-0003 - Aquaculture economic statistics, value added account

These data tables can be accessed through Statistics Canada's CANSIM database, available at <http://www5.statcan.gc.ca/cansim/>

### Symbols

This report uses the following standard symbols used by Statistics Canada:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
p	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the Statistics Act
E	use with caution
F	too unreliable to be published

### Concepts and Methods

Details on the concepts, methods and data sources used to produce these data can be obtained through Statistics Canada's CANSIM database, available at <http://www5.statcan.gc.ca/cansim/>. To access

information on concepts and methods from CANSIM, select the *Related Information* tab. Links to information on concepts and methods are available under the section titled *Additional information on the survey or statistical program*.

### *Agri-food Processing*

Statistics on agri-food processing in this report are based on establishments classified as Food Manufacturing under the North American Industry Classification system (NAICS), excluding manufacturers assigned to Seafood Product Preparation and Packaging. The Province also considers operations that are assigned to Beverage and Tobacco Product Manufacturing as within scope for agri-food processing. However, due to confidentiality requirements set by Statistics Canada, the data for Beverage and Tobacco Product Manufacturing are not included in the agri-food processing numbers in this report.

### *Estimates of Economic Output*

Economic output for an industry is typically measured in gross domestic product (GDP), where industry GDP is equivalent to the sum of gross value added (GVA) across all firms within the industry. In addition to the GDP estimates, this report provides GVA estimates that are also produced by Statistics Canada. The GVA estimates help give a more current representation of economic output for the agri-food industry. While the GDP and GVA estimates are conceptually the same, differences in data sources and methodology make the numbers not fully comparable. However, the differences between the two series are generally small. For example, between 2007 and 2010 the average absolute deviation of agriculture GVA from agriculture GDP was 3.6%.

Beginning in 2007, Statistics Canada included the aquaculture industry in their GDP estimates for agriculture. Because the Province views aquaculture as part of fisheries, the published agriculture GDP estimates have been adjusted downward in this report, by subtracting Statistic Canada's estimates for aquaculture GVA. Although there are differences in methodology between these two sets of estimates (e.g. factor cost GVA vs. basic price GDP), the error in the estimated agriculture GDP brought on by this calculation is expected to be insignificant, given the aquaculture industry's relatively small size.