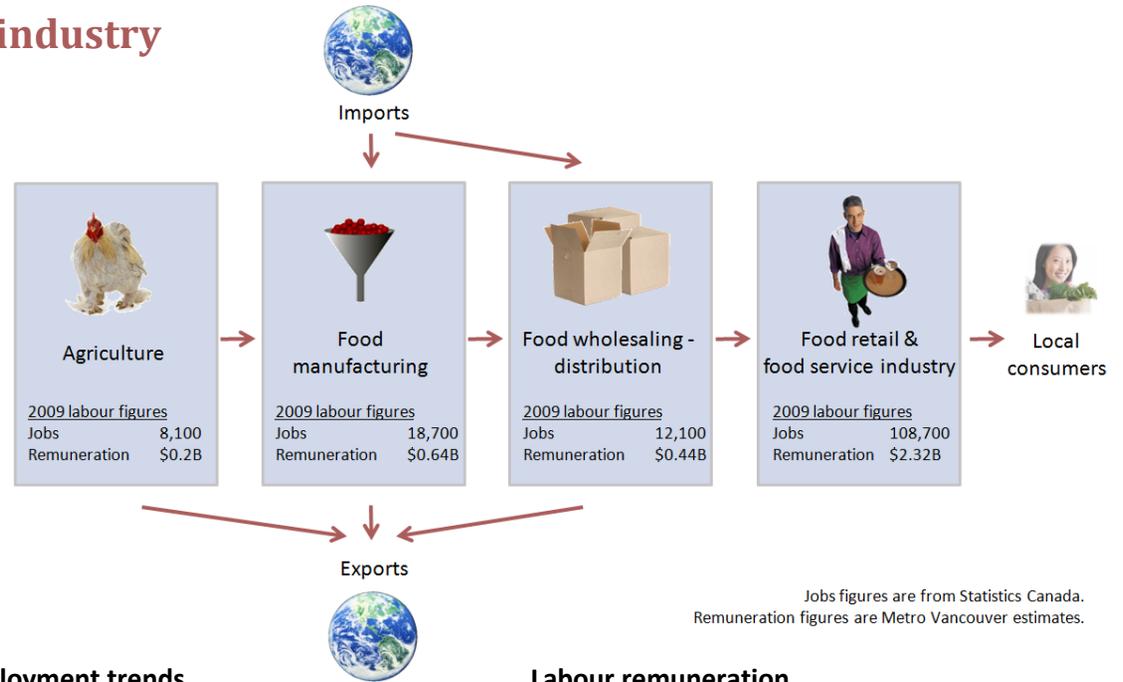


Profile of Metro Vancouver's agri-food industry

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The agri-food industry covers all activities involved in producing and delivering food to the table including agriculture, manufacturing, wholesaling, retailing and food service. Approximately one in eight jobs in the Metro Vancouver region is in the agri-food industry – employing about 147,600 people in 2009.

The figure at right presents an overview of employment in Metro Vancouver's agri-food industry.



Jobs figures are from Statistics Canada.
Remuneration figures are Metro Vancouver estimates.

Number of businesses

According to BC Stats, in 2011, more than half of British Columbia's food related businesses excluding agriculture were located in Metro Vancouver (Figure 1). Not surprisingly, nearly half of these 14,107 businesses are in the food services sector. The food manufacturing sector has the smallest number of businesses at 682 accounting for 5% of the total (Figure 2).

Agriculture in the region accounts for just 14% of the farms in the province. Yet despite the relatively small number of farms, Metro Vancouver ranks second in the province for gross farm receipts after the Fraser Valley Regional District. In 2010, Metro Vancouver generated \$789 million in gross farm receipts which represent 27% of the total provincial receipts on just 1.5% of farmland in the province.

Employment trends

The number of jobs in the agri-food industry reflects the distribution of businesses except for food manufacturing and agriculture. Although smallest in number of businesses, food manufacturers are relatively big in size and are the third largest employer in the agri-food sector. Due to the small size of farms in the region, agriculture employs the fewest people. The food services sector employs the largest number of people providing half of all jobs. Figure 3 shows that the total employment in the agri-food industry has grown by about 60% over the past two decades while the share of employment by industry sector has essentially remained the same.

Labour remuneration

In 2009, the total labour remuneration by the agri-food system was estimated to be \$3.6 billion. Due to limited data, this was calculated by multiplying the regional employment numbers by the average provincial remuneration per employee for each industry sector, except for agriculture. The estimate for agriculture is proportional to the total regional remuneration from the 2011 census of agriculture adjusted for average wage increase.

Based on the estimates, about a third of total expenses for food service businesses are related to labour remuneration, this is the highest proportion in the agri-food industry followed by agriculture with 27%. Labour remuneration for food manufacturing and distribution sectors are 15% and 7% respectively.

Multiplier effect

Economists use a multiplier to estimate the impact that expanding the agri-food industry would have on the local economy, including job creation (direct and indirect). While region-specific multipliers have not been calculated, BC Stats has estimated provincial multipliers for different sectors¹. For instance, every million dollar increase in regional farm sales will create 14 new jobs in the regional economy. In comparison, an expansion of sales in food manufacturing, the secondary sector, has a multiplier of 8. The multiplier effect is greatest when expansion occurs in a more labour intensive sector. For this reason, a million dollar increase in sales for food services would create 25 jobs.

¹ BC Stats. 2004 "Provincial economic multipliers and how to use them." Prepared by Garry Home.

Growth potential

The use of the multiplier demonstrates the potential positive economic impacts of expanding demand for goods and services produced by the agri-food industry, including new local investment opportunities. Therefore, initiatives such as increasing the demand for local food or expanding tourism are essential in creating a sustainable and healthy food system as well as boosting the regional economy as a whole. Besides expanding the local market, the regional agri-food industry can also grow by strengthening local exports. After aquaculture, BC's second largest food export products were fruits and vegetables from greenhouses; they were worth about \$469 million in 2011 according to Industry Canada. It is noted that fruits, nuts and vegetables are also the most imported food products by representing over 75% of the local consumption and valued at \$1.3 billion in 2011.

Figure 2: Share of agri-food businesses in Metro Vancouver in 2011 (source: BC Stats)

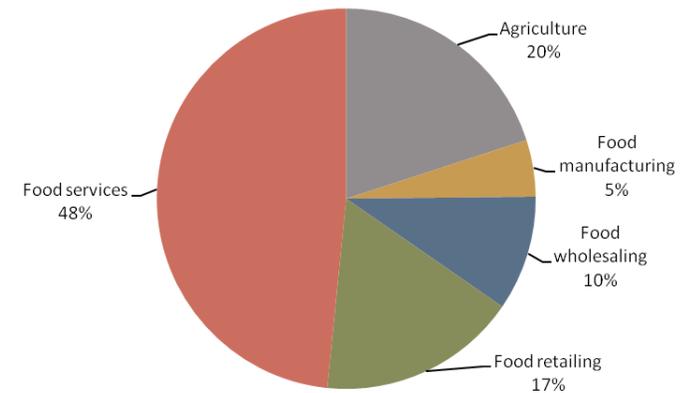


Figure 1: Agri-food business counts in 2011 compared to BC (source: BC Stats)

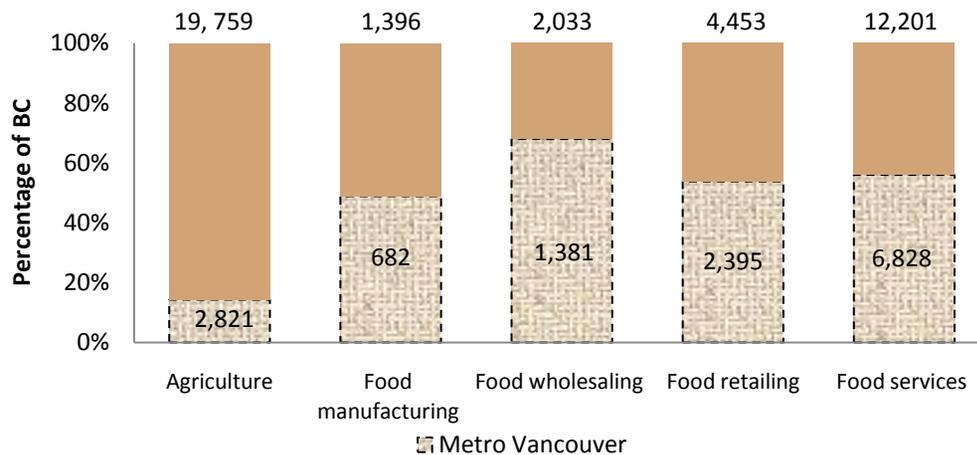


Figure 3: Employment trends from 1989 to 2009 in Metro Vancouver's agri-food industry (source: Statistics Canada)

