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CANADIAN FOOD DOLLAR: BREAKDOWN BETWEEN THE FARM SHARE AND MARKETING BILL

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In 2011 the Economic Research Service (ERS) released a revised food dollar report, which measured annual expenditures on domestically produced food in the US to answer the question “For what do our food dollars pay?” In Canada, there is very little comparable research decomposing the food dollar into the farm and marketing shares. This research seeks to fill this void while helping to develop a deeper understanding of value distribution along Canadian agri-food supply chains.

This analysis uses input-output (IO) data from Statistics Canada, for the period of 1997 to 2009 and mirrors the methods developed by the ERS. This method is considered to be superior to the price spread approach that was used previously as IO tables allow for all data to be drawn from one consolidated source and for the farm share calculations to be conducted without a fixed consumption basket being assumed.

The preliminary results show that the farm share of the food dollar in Canada has decreased steadily over the period of 1997 to 2009. When expenditure is deconstructed into food consumed at home versus away from the home, distinctive farm share trends are observed. Preliminary comparisons have been made to the corresponding US figures; however, these comparisons must be interpreted with cautious consideration for differences in agri-food systems, such as degree of self-sufficiency and trade. Future research will seek to address the underlying causes of the trends in the Canadian farm share and investigate the reasons for discrepancies in Canadian and US results.