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ÉVOLUER AU MÊME RYTHME QUE LES CONSOMMATEURS :  
COMPRENDRE LES EFFETS D'UN ENVIRONNEMENT EN ÉVOLUTION SUR LES POLITIQUES

**Capacity Utilization and Productivity of Canadian Food Manufacturing Industry**

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The objective of this paper is to estimate capacity utilization and multi-factor productivity, and to explore the contribution of capacity utilization to change in productivity. We use provincial and national level aggregate Annual Survey of Manufacturing and Logging (ASML) data over the period 1990-2012. We use the Malmquist productivity index and data envelopment analysis to measure capacity utilization, pure technical efficiency, scale efficiency, technical change and productivity. We find that variations in both capacity utilization and productivity across provinces and over time. Relative to other provinces, Ontario and British Columbia operated at higher capacity utilization. The average estimated capacity utilization for Quebec is 96%, 91% for Alberta, 85% for Manitoba, 80% for Saskatchewan, 70% for PEI and 87% for Nova Scotia. Between 1990 and 2012, the estimated multi-factor productivity (MFP) annual growth rate is -0.8% for Ontario and Quebec. Meanwhile, annual productivity growth rates for PEI, Manitoba, Saskatchewan and Alberta are 2.1%, 2.6%, 4.2% and 2%, respectively. The decomposition of MFP growth reveals that pure technical efficiency change is the most dominant source of improvement in productivity for Manitoba, Saskatchewan and Alberta. Technical change is the main drive for PEI and British Columbia. Change in scale efficiency is the main source of the decline in productivity for Ontario and Quebec. In this paper, we further explore productivity performance at 4-digit NAICS level food manufacturing subsectors across provinces, and the link between capacity utilization in food manufacturing industry and food price inflation.