

# CHAPTER XI.—AGRICULTURE

## CONSPECTUS

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*The interpretation of the symbols used in the tables throughout the Year Book will be found on p. viii of this volume.*

### AGRICULTURE IN THE CANADIAN ECONOMY, 1964\*

In the past quarter-century, the relative importance of agriculture as a primary industry in the Canadian economy has declined, although it has not declined in absolute terms. The gross domestic product (GDP) is probably the most useful statistic for measuring the contribution of the various industries to the economy. In the period 1935-39, the GDP at factor cost, that is, the value of all goods and services produced in Canada from domestic materials, averaged \$4,534,000,000, of which agriculture contributed an average of \$488,000,000 or 11 p.c. By 1962, the total GDP had reached \$35,931,000,000 but the proportion contributed by agriculture, although over four times greater in value than in 1935-39, amounted to only 5.5 p.c. of the total. The annual rate of growth in agriculture has been much less than that for other industries, averaging about 1 p.c. since 1935-39 compared with a rate of growth of 4.4 p.c. in the goods-producing industries, of 4.5 p.c. in the service industries and of 4.7 p.c. in the commercial industries. The highest growth rate in the past quarter-century has been in the electric power and gas utilities industries—over 8 p.c. annually.

As a primary industry, then, agriculture contributes 5.5 p.c. to the total GDP but its importance to the national economy does not end there. Agriculture is a large consumer of industrial products such as fertilizers and machinery; farmers are large borrowers of capital; the movement of agricultural products to the factories and export markets provides a great volume of business for transportation companies; agricultural processing industries provide employment for many industrial workers; and agricultural exports contribute much to Canada's balance of payments in international trade.

\*Prepared in the Economics Division, Canada Department of Agriculture, Ottawa.