

# WESTERN POLICY Analyst

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This Week...

Film and Video Production  
Farm Product Prices  
Population Trends  
Consumer Prices  
Average Retirement Age



## Film and Video Production

By Doug Elliott, Editor

The recent decision by the Government of Saskatchewan to cancel the provincial film

tax credit has generated a good deal of interest in the film and video industry. The most recent Statistics Canada publication on this issue covers activity up to calendar year 2010. The data measure the gross revenues of establishments engaged in producing, or producing and distributing, motion pictures, videos, television programs, and/or commercials.

The figures show a dramatic drop in revenues from 2008 to 2009 when gross revenues fell from \$928 million to \$611 million. They did not recover in 2010.

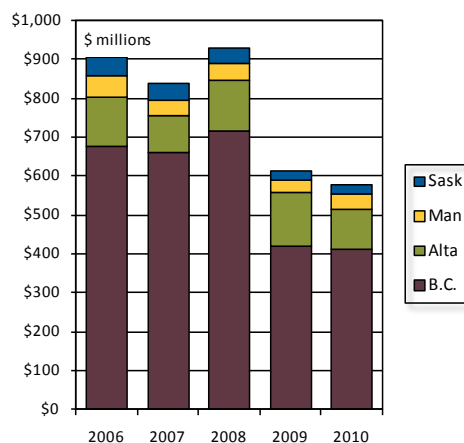
Western Canada has a relatively small, and declining, share of this industry. Nationally, gross revenues were \$3.3 billion in 2010 with only 17% of the total among firms in the West. The share was over 25% in the 2006 to 2008 period. Within the West, the vast majority of the work takes place in British Columbia with firms in that province accounting for 71% of the total sales in 2010. The value of production has fallen, however, in each of the four provinces.

## Farm Product Prices

As western grain farmers are getting ready to plant the 2011 crop, most will be encouraged by the fact that grain prices are increasing again after falling in 2009 and 2010. Preliminary estimates from Statistics Canada's Farm Product Price Index, which measures prices at the farm gate, show that the prices increased by 19% in 2011, recovering much of the ground lost during the previous two years.

The increase is concentrated in grains (wheat

Gross Revenues of Film and Video Production Companies, Western Canada



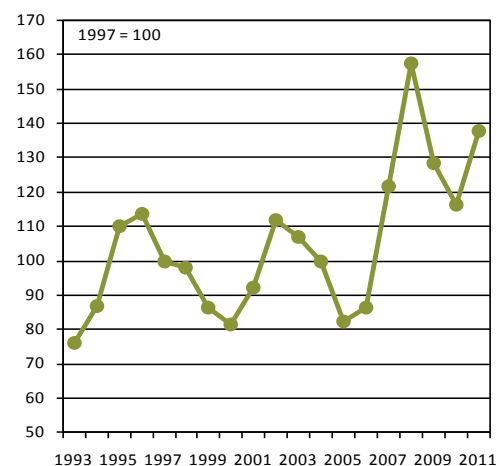
and barley for example), oilseeds, and specialty products (e.g. peas, lentils, canary seeds). Prices for these kinds of field crops have grown by an average of 10%-15% for the past five years. This compares with increases in the 4%-5% range for livestock and livestock products and little or no change in fruit and vegetable prices.

Among the provinces, the price increase is only occurring in the prairies – the index for British Columbia farmers fell in 2011, reflecting the lack of growth in fruit and vegetable prices. The higher prices are largely responsible for the record level of sales in the West. Farm cash receipts were at \$28.9 billion in 2011, a 13% increase from 2010.

## Population Trends

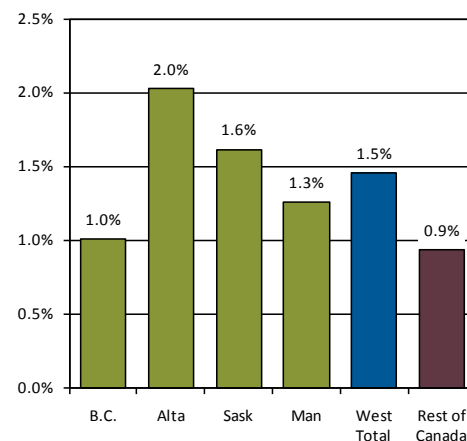
The most recent population estimates from Statistics Canada are for January 2012. The figures show that the population in western Canada continues to grow quickly with each of the western provinces growing more quickly than in the rest of Canada. Alberta has the fastest growth rate and British Columbia the slowest.

Farm Product Price Index, Western Canada



The population in the West is estimated at 10.7 million in January 2012 which is 1.5% higher than a year ago. This is a faster growth rate than in 2011 but not as high as during 2008 and 2009 when the population growth was over 2.0%.

Annual Increase in Population, Jan 2011 to Jan 2012

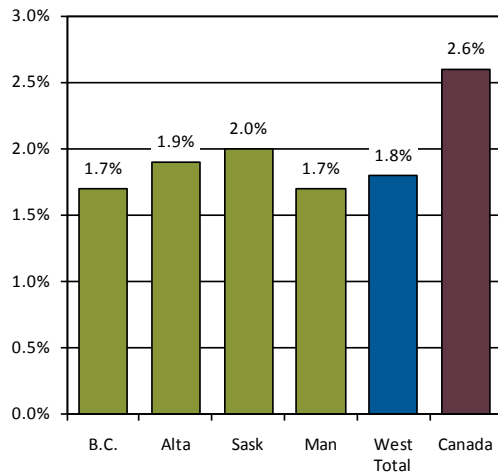


## Consumer Prices

Measured by the Consumer Price Index, the rate of inflation in early 2012 is lower than in 2011. Compared with an increase of 2.6% in 2011<sup>1</sup>, the rate of inflation in February was 1.8% with price increases slightly higher in Alberta and Saskatchewan than in British Columbia and Manitoba.

The main reason for the lower rate of inflation is the more modest increase in the price of gasoline so far this year. Gasoline prices were 3.0% higher in February 2012 than in February 2011 compared with double-digit increases throughout most of 2011. The main driving force for higher prices is now food rather than energy. Grocery prices in the West are 4.7% higher than a year ago.

**Annual Inflation Rate, Consumer Prices, February 2012**



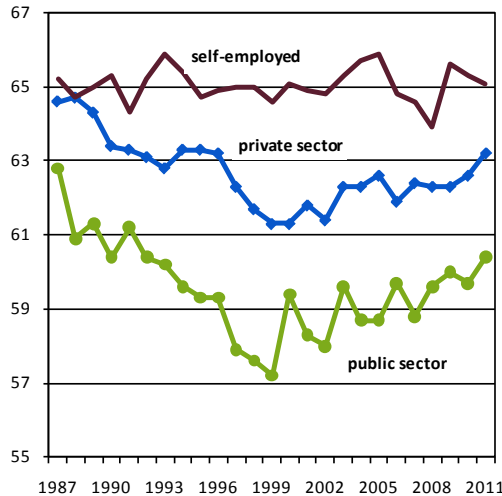
## Average Age of Retirement

In the regular monthly Labour Force Survey, Statistics Canada asks those who are not working or looking for work why they left their last job. For those who say they “retired”, one can determine a median retirement age. There is no guarantee, of course, that these retired individuals will not choose to re-enter the labour market at some point in the future.

The sample size of the survey is too small to enable the publication of provincial-level data but there is no reason to think westerners are behaving any differently than other Canadians. The median age of retirement in 2011 was 62.3 years but there are dramatic differences by type of employment. As the figure shows, those who were working in the public sector (broadly defined to include health, education, and crown corporations as well as government proper) retire about two years earlier than those in the private sector who, in turn, retire about two years earlier than the self-employed. With the eligibility age for Old Age Security increasing to 67, the average retiree will soon have five years without the benefit of that payment.

The median retirement age is increasing for paid workers, particularly those in the public sector. In the late 1990s, the median retirement age was as young as 57.2 years of age compared with 60.4 in 2011.

**Median Retirement Age in Canada**



The average retirement age in Canada is increasing, particularly among public sector employees.

Although women tend to live longer than men and to have smaller pensions, the median retirement age is lower among women which was 61.4 in 2011 compared with 63.2 years for men. This is partly, but not exclusively because women are more likely than men to be employed in the public sector.

## Upcoming Releases

In the next two weeks, Statistics Canada will be releasing data describing:

- February building permits on April 5;
- March labour force statistics on April 5; and
- February international merchandise trade on April 12.

### Sources:

The figures are adapted from the following sources.  
 Film and Video Industry: Statistics Canada 87-010-X  
 Farm Product Prices: Statistics Canada CANSIM Tables 002-0001 and 002-0021  
 Population Trends: Statistics Canada CANSIM Table 051-0005  
 Consumer Prices: Statistics Canada CANSIM Table 326-0020  
 Retirement Age: Statistics Canada Labour Force Survey, CANSIM Table 282-0051

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EDITOR  
Doug Elliott

PUBLISHER  
Andrea Geisbauer

EDITORIAL BOARD  
Rose Olfert  
Lihui Zhang  
Jim Marshall

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Johnson-Shoyama Graduate School of Public Policy  
 University of Saskatchewan Campus  
 Diefenbaker Building  
 101 Diefenbaker Place  
 Saskatoon, SK, Canada, S7N 5B8  
 Tel: 306 966-8525  
 Fax: 306 966-1967  
 Email: public.policy@usask.ca

University of Regina Campus  
 3737 Wascana Parkway  
 Regina, SK, Canada, S4S 0A2  
 Tel: 306 585-5460  
 Fax: 306 585-5461  
 Email: gssp@uregina.ca

Outreach & Training  
 University of Regina  
 College Avenue Campus  
 Gallery Building, Second Floor  
 Regina, SK, Canada, S4S 0A2  
 Tel: 306 585-5777  
 Fax: 306 585-5780  
 Email: js\_outreach@uregina.ca

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University of Regina

www.schoolofpublicpolicy.sk.ca

<sup>1</sup>This is the average of the four western provinces and is used because there is no “official” inflation rate published for the West. A more precise measure would take into account the different populations and spending patterns for consumers in the four provinces.