



RURAL ECONOMIC DEVELOPMENT INDICATORS REPORT

May, 2011

Manitoba Agriculture, Food and Rural Initiatives



Rural Development Institute, Brandon University



Brandon University established the Rural Development Institute in 1989 as an academic research center and a leading source of information on issues affecting rural communities in Western Canada and elsewhere.

RDI functions as a not-for-profit research and development organization designed to promote, facilitate, coordinate, initiate and conduct multi-disciplinary academic and applied research on rural issues. The Institute provides an interface between academic research efforts and the community by acting as a conduit of rural research information and by facilitating community involvement in rural development. RDI projects are characterized by cooperative and collaborative efforts of multi-stakeholders.

The Institute has diverse research affiliations, and multiple community and government linkages related to its rural development mandate. RDI disseminates information to a variety of constituents and stakeholders and makes research information and results widely available to the public either in printed form or by means of public lectures, seminars, workshops and conferences.

For more information, please visit www.brandonu.ca/rdi

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1.0 Introduction

This report summarizes the research effort of the Rural Development Institute (RDI) in developing a statistical report that describes the Manitoba rural economy. Public policy analysts, economic development practitioners and business professionals all have a strong need for accurate, timely information about the rural economy.

There is currently not a set of indicators describing the rural Manitoba economy. From a review of each province, Manitoba is not alone in not having indicators of the performance of their rural economy. While some indicators exist for specific sectors, like Natural Resources Canada's annual data on a dozen or more indicators for the forestry sector, for the most part the non-urban economy is lacking a set of descriptive indicators. In addition, rural Manitoba was found to be unique from other provinces because "rural" in Manitoba can be as simple as everything outside of Winnipeg or it can also mean northern & remote areas and rural areas and rural centres in southern Manitoba

This report provides a summary of the 3 objectives including 1) a provincial scan, 2) potential users, and 3) recommendations.

2.0 Objective 1. Environmental scan

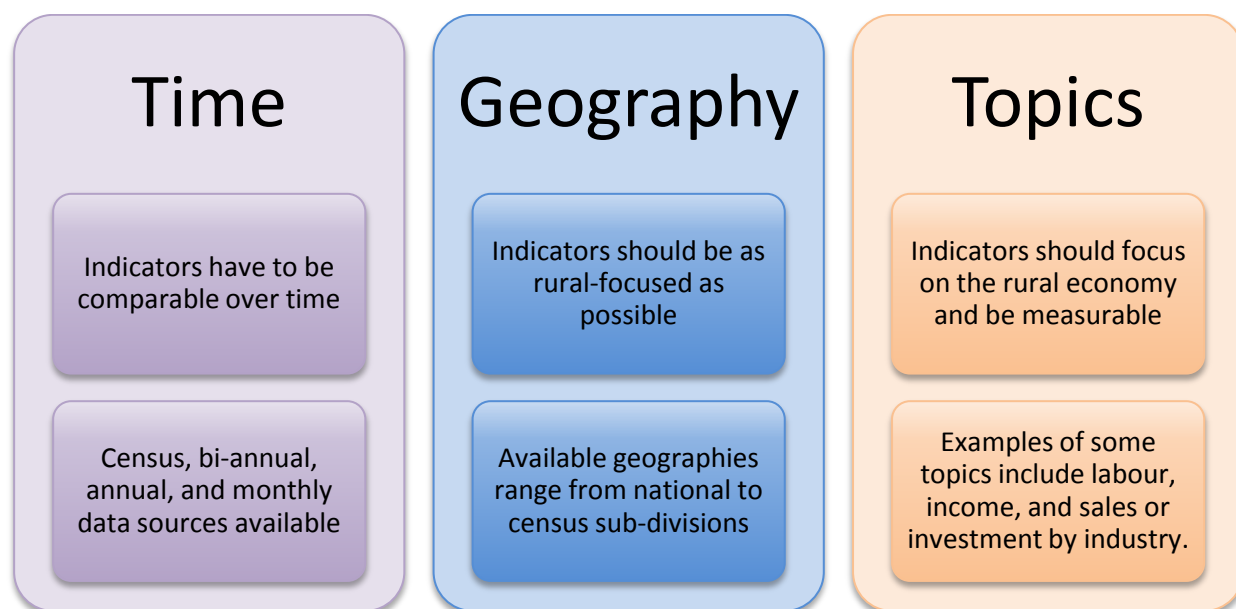
In Canada, we wanted to know what provincial governments used as economic indicators for the performance of rural or regional development. In an effort to discover what indicators of the rural economy are currently in use we did an environmental scan looking at the provincial and territorial government agencies across Canada.

Research & methods

The environmental scan was completed by a combination of reviewing the websites of selected government ministries for every province and territory in Canada and calling specific relevant persons. The ministries reviewed were any that had connection to regional development, rural development, economic development, municipal affairs, aboriginal affairs, agriculture, rural, and finance. For example, in Saskatchewan, after examining the government website we called the Trade & Investment Supervisor for the Department of Agriculture. During the conversation he pointed out that Enterprise Saskatchewan collected economic data for the province, and that they might be interested in the sub-provincial or rural reporting. The Enterprise Saskatchewan website had only the most basic provincial level economic indicators reported on their site, the rest of the site was information about the industries in general and links to the relevant government departments. This fact was generally repeated among the multiple contacts across Canada.

To answer the question about what indicators to use, it is important to first define an economic indicator. An indicator is more than just a number or statistic about the economy in a rural area. An economic indicator is defined for this project as “a quantitative measure of a component of rural society with geographic and temporal context that can be compared over time”. Conceptually these three aspects of an indicator are depicted in Figure 1 below. These components can include (but are not limited to) demographics, labour market, and industry. A detailed example of regional economic development indicators can be found in Table 1 on page 2.

Figure 1: Definition of a Rural Economic Development Indicator



In Canada, there are very few governments reporting economic indicators for the performance of rural or regional development; the exceptions to this are listed below.

1. Alberta’s Department of Finance and Enterprise has a website “Regional Economic Development Indicators”, it uses data sources with a frequency of monthly, annual and census for 14 Rural Economic Indicator regions. These are not the same as the 8 Statistics Canada Economic Regions for Alberta. Some examples of the indicators are “population as a % of provincial total”, “Aboriginal population by age cohort”, and “labour force (15+) in the thousands 2001 – 2006”.
2. Ontario Ministry of Agriculture, Food and Rural Affairs has a website “Rural Economic Development Data & Intelligence”. The Rural Ontario Profile compared 2001 and 2006 census data for “rural” Ontario. Rural was defined as the areas outside Hamilton, Ottawa, London, Windsor, the Greater Toronto Area, Niagara, Waterloo, Thunder Bay, and Greater Sudbury. All the indicators on this site are demographic in nature, examples are “population changes 2001 – 2006 (actual # difference and % change)”, “Northern Ontario Census Divisions with the Greatest Population Change 2001-2006”, and “Population Pyramid for Ontario in 2006 (in %)”.

3. Nova Scotia's Department of Finance website "Community Counts" consists of annual and census data organized in a variety of geographies. The geography first was sorted by a number of "Geographic views" (economic regions, electoral districts, health regions, justice, municipal, and municipal electoral district). The "economic regions" are the same as those used by Statistics Canada.
4. Prince Edward Island's Department of Fisheries, Agriculture and Rural Development produced a "Rural Action Plan" with key rural indicators. Some examples of their indicators are "% growth in population 1991 to 2006 by 5 rural geographies", "Children and Seniors Dependency Rates, 2006 (%) by 5 rural geographies" and "Shares of Population with Post-Secondary Credentials, 2006 by 5 rural geographies". The time component compares census data over multiple geographies (Commuting zones, Rural Centres, Urban Census Agglomerations, Rural East, and Rural West).
5. Newfoundland & Labrador's Department of Finance website "Community Accounts" uses annual and census data organized for communities, neighbourhoods, local areas, economic zones, and Newfoundland & Labrador Rural Secretariat regions. Examples of the indicators include "Population Pyramid, 2006 (#)", "Income per capita 1992-2006 (\$)", and "Individuals Reporting Employment Income, 1999-2006 (# reporting, \$ average income)".

The Nova Scotia "Community Counts" website lists indicators both economic and non-economic (education, health, crime, etc.). The economic indicators are categorized (eg. demographics, income, labour), then sorted by topics (eg. Distribution of Income, Labour Force Activity), and then finally by the indicators themselves (eg. # reporting by age by level of income by gender by year). A more detailed look at the economic indicators can be seen in Table 1 on page 5.

Findings

The review of these websites and reports reveals three important findings for moving forward with rural economic development indicators:

1. Economic indicators are being produced and used by policy analysts; this shows capacity and interest.
2. It is possible to trade time for geography; in other words it is possible to get more geographically detailed indicators at a lower frequency (eg. annual versus quarterly).
3. Atlantic Canada has made serious efforts in producing rural economic development indicators, lessons can be learned from their successes.

This means several indicators at multiple frequencies (eg. quarterly as well as annual) will be needed to accurately describe Manitoba's rural economy.

Table 1: Regional Economic Development indicators as per Nova Scotia's "Community Counts" website

	Topic	Example Indicators	Annual	Bi-annual	Census	Rural geography
Demographics	Aboriginal Identity and Origin	# and % identifying as specific Aboriginal groups (eg. Métis)			X	Community
	Citizenship and Immigration	# and % as Canadian citizens or non citizens			X	Community
	Family Structure	# and % 15+ by marital status			X	Community
	Migration Estimates	# Migrating (from, to, net) by province, age group and gender	X			County
	Mobility	# and % of people who moved with the municipality past year or past 5 years			X	Community
	Population	Categorized by: population density, age structure, annual estimates and population projections			X	Community
Income	Distribution of Income	# of reporting by age group by level of income by gender by year (2000-2006)	X			County
	Families in Low Income	# of families reporting low income by # of children, by year (2000-2006)	X			County
	Incidence of Low Income	# and % total economic families of low income			X	Community
	Income Distribution	Broken up by: individuals, families, households, and non-family persons			X	Community
	Income Distribution (after tax)	Broken up by: families, households, and non-family persons			X	Community
	Median/Average Income	Broken up by: family, gender, and household			X	Community
	Sources of Income	Total reported income (by \$, %, # reporting, Economic Dependency Ratio) Broken up by: gender, family type and seniors	X			County
Labour	Labour Force Activity	# and % reporting in the labour force, by age group			X	Community
	Labour Force Characteristics	Broken up by: industry, occupation, class of worker and mode of transportation			X	Community
	Labour Force Historical Review	# and % reporting in the labour force, by year (1987-2009)	X			Economic Region
Household	Children in Private Households	# and % reporting by age group			X	Community
	Households by Size and Type	# and % private households by # of people			X	Community
	Household Living Arrangements	# and % of private households by persons living in families			X	Community
	Occupied Dwellings	# and % of total occupied dwellings by occupancy type			X	Community
Prod.	Aquaculture	Broken up by: aquaculture employment, sites, and production by species of fish	X			County
	Business Information	# of businesses by industry by number of employees	X			County

3.0 Objective 2. Discussion with possible users

Given the range of rural economic development indicators, this objective aimed at defining what was currently used by MAFRI and other Manitoba government agencies.

Research & methods

Several face to face meetings with MAFRI were held to discuss indicators used by their policy analysts and to review the following three reports in terms of pros and cons:

1. Provincial Sustainability Report for Manitoba by the Department of Conservation, 2009 (Chapter 2 - Economy) (Manitoba Conservation, 2009),
2. Budget Paper A: Economic Review and Outlook by the Department of Finance, 2010 (Manitoba Finance, 2010), and
3. Rural Gross Domestic Product (GDP) for Quebec by the Conference Board of Canada, 2009 (Lefebvre, 2009).

Each of the reports had aspects we would like to emulate (Pros) and aspects we felt would not be appropriate or useful for our RED indicators quarterly report (Cons). These pros and cons are outlined in Table 2 on page 7.

Findings

The review of these documents reveals three important findings for moving forward with rural economic development indicators:

1. Economic indicators are being produced and used by Manitoba policy analysts; this shows capacity and interest.
2. Indicators specific to the rural economy in Manitoba are currently missing due to the fact that most economic indicators are reported at the provincial level.
3. With Quebec report as an example, this suggests significant efforts would be required to build indicators, and each province will likely have different sets of indicators.

This means several indicators will be needed to accurately describe Manitoba's rural economy.

Table 2: Pros and cons of reports related to Manitoba's rural economy

	Pros	Cons
Provincial Sustainability Report	<ol style="list-style-type: none"> 1. Rurally relevant indicators (eg. Manitoba farm structure from 1971-2006, and total net farm income from 1990 - 2009). 2. More than economic indicators (eg. soil conservation practices by 4 types of tillage practices used by millions of hectares from 2006-2007, and literacy statistics by reading level (# and %) of the total population 16-65. 3. The clarification of the positive / negative trends. 4. States implications for sustainability for each section; we can adapt this by stating the implications for economic development. 5. A section called “Why is it important” clarifies the economic relevance of the topics (eg. Education: “An educated citizenry and a skilled and adaptable workforce are considered among Manitoba’s most important assets in our knowledge-intensive society”). 	<ol style="list-style-type: none"> 1. Many of the data sources are not useful for our quarterly prototype, given their frequency of annual or census. 2. Economic indicators are only reported at the provincial level, this is not relevant for rural.
Budget Paper	<ol style="list-style-type: none"> 1. There are 5 economic indicators of interest to the government of Manitoba that fit our definition of a rural economic development indicator (eg. manufacturing sales across provinces, 2009, Manitoba agricultural price index, 2000 – 2009). 	<ol style="list-style-type: none"> 1. Many of the data sources are not useful for our quarterly prototype, given their frequency of annual or census. 2. Economic indicators are only reported at the provincial level, this is not relevant for rural.
Rural GDP	<ol style="list-style-type: none"> 1. Rural GDP is more relevant and useful for rural policy than existing provincial GDP. 2. Translates the complexities of the rural economy into simple numbers (eg. Quebec’s rural communities had a GDP of \$47.4 billion in 2006, 19.6% of the provincial total GDP). 	<ol style="list-style-type: none"> 1. Only done for Quebec;4 no other provinces at this point. 2. According to Ray Bollman there are some serious assumptions made, each diluting the accuracy of the rural GDP. 3. Requires complex calculation using: GDP by industry, census of population employment by place of residence, commuting rates, and aggregate wages and salaries by industry

4.0 Objective 3. Determine and recommend RED indicators for Manitoba

With this objective we aimed to determine a set of indicators describing Manitoba's rural economy. To do this, three aspects of RED indicators (economic measures, in the rural geography, compared over time) were examined in relation to available databases. The recommendations follow on page 2.

Research & methods

The RDI team collaborated with the Statistics Canada Rural Research Group, specifically Ray Bollman and Alessandro Alasia. Their knowledge of the rural economy databases, combined with their economic and statistical expertise, helped define key rural indicators. An iterative process helped to narrow the selection of economic indicators compiled with available economic data. A prototype was reviewed by Doug Elliot, editor of the Sask Trends Monitor and sole proprietor of QED Information Systems, whose client groups includes First Nations; local, provincial, and federal governments; and private and non-profit sector organizations. The Sask Trends Monitor has, for over 25 years, produced comparative reviews of Alberta, Saskatchewan, Manitoba and Canada with indicators such as employment, retail sales, urban housing starts, consumer prices, manufacturing shipments, farm cash receipts, average weekly earnings, and population.

Finding rural indicators that met our definition was a challenge. We specifically looked for indicators reported quarterly, at a sub-provincial level, and featuring economic drivers of the rural economy. Our results are shown in Figure 2. With regards to “time”, in the top tier we list desired characteristics of indicators, the middle tier lists some of the challenges, and in the bottom tier are examples of those challenges.

For the aspect of “geography” in Figure 2, we incorporate Statistics Canada's “Metropolitan Area and Census Agglomeration Influence Zones (MIZ)”, which we call “urban influence”. Urban influence (MIZ) is a measure of the economic influence an urban area has on a rural area.

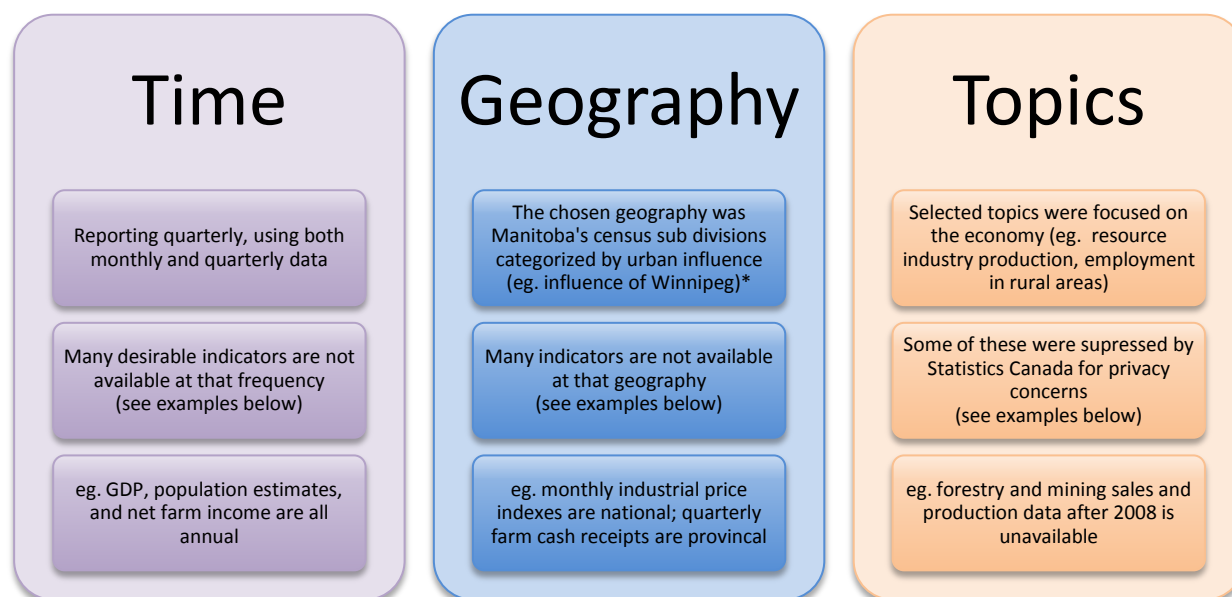
The Strong MIZ has 30% or more of the employed labour force living in the census sub-division (CSD) working in Winnipeg (or any urban area, be it a census metropolitan area or census agglomeration). Moderate MIZ has between 5-30% employed in urban areas, Weak MIZ has between 0.1-5% and No MIZ has no labour employed in the urban area. When these 5 MIZ codes are applied in Manitoba these are 19 Census Agglomerations, 12 Strong MIZ, 67 Moderate MIZ, 106 Weak MIZ and 89 NO MIZ. For more detail look to Table 2 on page 9.

The final aspect of an indicator is ‘topic’, as related to the specific content (eg. resource industry production and employment). We found some Statistics Canada data was suppressed for privacy reasons (eg. forestry data).

Table 3: Urban Influence in Manitoba

Rural Categories (UI = Urban Influence)	Rural Centres	Strong UI	Moderate UI	Weak UI	No UI	Total
Statistics Canada's MIZ code	Census Agglomeration	Strong MIZ	Moderate MIZ	Weak MIZ	No MIZ	
City	3		2	3		8
Town		3	15	25	10	53
Village		1	6	3	9	19
Rural Municipality	12	8	34	49	15	118
Local Government District				2		2
Northern Community				2	4	6
Unorganized Territory			1	4	5	10
First Nation	4		9	18	46	77
Total	19	12	67	106	89	293

Figure 2: Complexities of finding relevant rural economic development indicators



Our iterative process among the team members recommended a quarterly reporting on the changing rural economy. The prototype of a quarterly report using monthly data sources was developed and refined where ‘rural’ was defined as Manitoba less Winnipeg, and it covers 11 economic indicators. Table 4 below details the quarterly RED report consisting of two views of the rural economy in Manitoba: Rural view with 5 sets of indicators, and a Sectoral view featuring 6 indicators of the agricultural, forestry, and “other primary sectors”, was used where discrete sectors were not available (eg. “forestry, fishing, mining, quarrying, oil and gas” combined into one number). The indicators are based on rolling averages to adjust for seasonal variations. For example in November, 2010 the Prairie Region price of softwood lumber was up 13% compared to the same month in the previous year. Also, percentages have been used as the primary indicator to more easily understand the nature of any changes in the rural economy.

Table 4: Proposed quarterly indicators describing “Understanding the Economic Performance of Rural Manitoba”

	Topic	Indicator
The rural view	Intentions for building construction	% change in value of building permits compared to the same month in the previous year, 2007-2010
	Employment change	% change in level of employment compared to the same month in the previous year, 2007-2010
	Manufacturing employment change	% change in level of MANUFACTURING employment compared to the same month in the previous year, 2007-2010
	Change in number reporting Employment Insurance	% change in the number of individuals with Employment Insurance “regular benefits” compared to the same month in the previous year, 2007-2010
The sectoral view	Agriculture: price change	% change in Farm Product Index compared to the same month in the previous year, 2007-2010
	Agriculture: shipments	% change in quarterly farm cash receipts compared to the same quarter in the previous year, 2007-2010
	Agriculture: value added	% change in level of FOOD MANUFACTURING employment compared to the same month in the previous year, 2007-2010
	Forestry: price change	% change in price index for prairie softwood compared to the same month in the previous year, 2007-2010
	Mining: price change	% change in price index for non-ferrous metals compared to the same month in the previous year, 2007-2010
	“Other” Primary: Shipments (employment in “other” primary)	% change in level of “OTHER PRIMARY” (forestry, mining, fishing, quarrying, oil and gas) employment compared to the same month in the previous year, 2007-2010

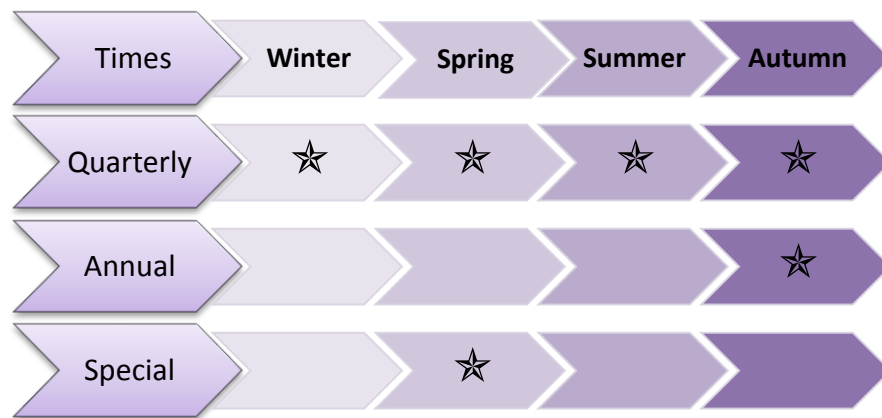
With a prototype of the quarterly report (Appendix A), we wanted to get the benefit of an outsider perspective with particular expertise in economic trend data and analysis. Doug Elliot was able to bring an informed and critical eye to bear on the prototype. Some highlights from Mr. Elliot’s review include:

1. Include other rural indicators like population, employment by industry, employment income, and number of businesses
2. Indicate the extent to which the farm price index and farm cash receipts changes were the result of crop and/or livestock.
3. “...add a note regarding the rather limited availability of data and that the report has to ‘make do’ with what is published.”
4. Maps should be focused on Manitoba.
5. Use actual numbers rather than moving averages comparing the same month last year

5.0 Recommendations

The Rural Development Institute recommends the development of three separate and interrelated rural economic development reports. This will require as many as 6 publications per year. Figure 3 below shows the proposed schedule of these publications.

Figure 3: Proposed publication schedule of the RED Reports



The quarterly report can utilize data from monthly sources, with a rural geography of Manitoba less Winnipeg. The topics can range from “Intentions for building construction” to “Labour force change”.

The annual report can utilize data from monthly and annual sources. The annual report could cover five major categories: demographics (eg. population by age, immigration by census division, etc.), income (eg. labour earnings, government transfers, after tax income, etc.), labour (eg. job search, employment duration, educational activity, etc.), investment (eg. building permits, business starts, investment in machinery & equipment, etc.), and production (eg. mining shipments, manufactured goods, agricultural production, etc.). Each category can have multiple topics; for example the investment category will include indicators like building permits, public investment, and value of machinery & equipment purchased. This report would include different geographically levels, including economic regions.

The special reports will analyze one major subject per year. The proposed subjects are business & industry, environment & energy, demographics & migration, health & wellness, and science & education. These reports can utilize data from monthly, quarterly, annual, bi-annual, and census sources, enabling the use of most geographically detailed data.

Risk Assessment:

Given Census Canada is not using the long form survey what implications will this have relative to the proposed data for the publications?

Stepping forward

In order to move forward with finalizing the quarterly, and building the annual and special reports, it is important to consider all aspects of a cost-recovery business model. Key expense elements include completing the R&D for the quarterly and related production and distribution network. For the annual and special reports expenses for R&D are needed, while some savings will be realized on production and distribution by using the results from the quarterly reports. In addition, funding models will have to be examined and implemented to develop and sustain continuous improvement of these reports going forward.

Works Cited

- Lefebvre, M. (2009). *Breaking Myths About the Economic Contribution of Rural Communities*. Ottawa: Conference Board of Canada.
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Appendix A: Quarterly Prototype

Prototype 1

***Economic Performance
of Rural Manitoba
Quarterly update
December 31, 2010***

May 27, 2011



Economic Performance of Rural Manitoba

Rural Manitoba, meaning those outside the Winnipeg region, constituted 45% of Manitoba's population. The economy of these various rural regions differs in structure from Winnipeg. This report features six indicators (Table 1) that describe the current performance of the rural economy in rural Manitoba. The first four indicators help describe the rural economy when disconnected from Winnipeg. The last two indicators feature a sectoral view of the more typical rural industries; agriculture and extractive industries.

For a leading indicator of the intentions for investment, we present the change in the building permits for the construction of buildings (R1) across Manitoba's rural economic regions.

To understand the degree of sustainability of the rural economy, we present the rate of change of employment (R2) across the rural regions

Manufacturing is a major exportable from rural Manitoba with the capacity to grow employment in rural Manitoba. To monitor the role of manufacturing, we present the rate of change of employment in manufacturing (R3).

To monitor the change in the degree of economic stress (due to changes in the business cycle), we present the change in the number of individuals receiving benefits from Employment Insurance (R4).

To glimpse at the performance of the leading industries in rural Manitoba, indicators for agriculture and extractive industries are presented (S1-S5).

Three spatial dimensions of the indicators are Rural vs. Winnipeg, Rural Economic Regions vs. Winnipeg, and Census Divisions in Rural Manitoba vs. Winnipeg.

A trend from 2007-2010 for each indicator provides an overall context for each indicator. Such trends provide an understanding of the trajectory of these sectors with a significant rural presence.

Table 1

Economic Performance Indicators of Rural Manitoba	Page
Quarterly	
The "R" rural view	
R1: Leading indicator: the intentions for building construction	3
Rural Manitoba vs. Winnipeg	
R2: Sustaining the economy: employment change (all sectors)	4
Economic Regions (Rural Manitoba vs Winnipeg)	
R3: Manufacturing as a major exportable: employment change	6
Economic Regions (Rural Manitoba vs Winnipeg)	
R4: Patterns of distress and recovery: change in number reporting EI	7
Economic Regions (Rural Manitoba vs Winnipeg)	
The "S" sectoral view (for rural-intensive sectors)	
S1: Agriculture: price change	9
Province	
S2: Agriculture: shipments (cash receipts)	10
Province	
S3: Agriculture: value-added: employment in food manufacturing	11
Province	
S4: Forestry: price change	12
Province	
S5: Mining: price change	13
Province	
S6: "Other" Primary: shipments (employment in "other" primary)	14
Province	

Each rural economic performance indicator is featured on a separate page, beginning with an interpretation of the current month (bold text), the trend (text), and the evidence (graph).

Interpretation: To understand the graphs, keep in mind we are talking about economic performance, meaning each month is compared to the same month in the previous year.

For example, Figure 1, there is a 3% increase in building permits in rural (non-metro) compared to last year.

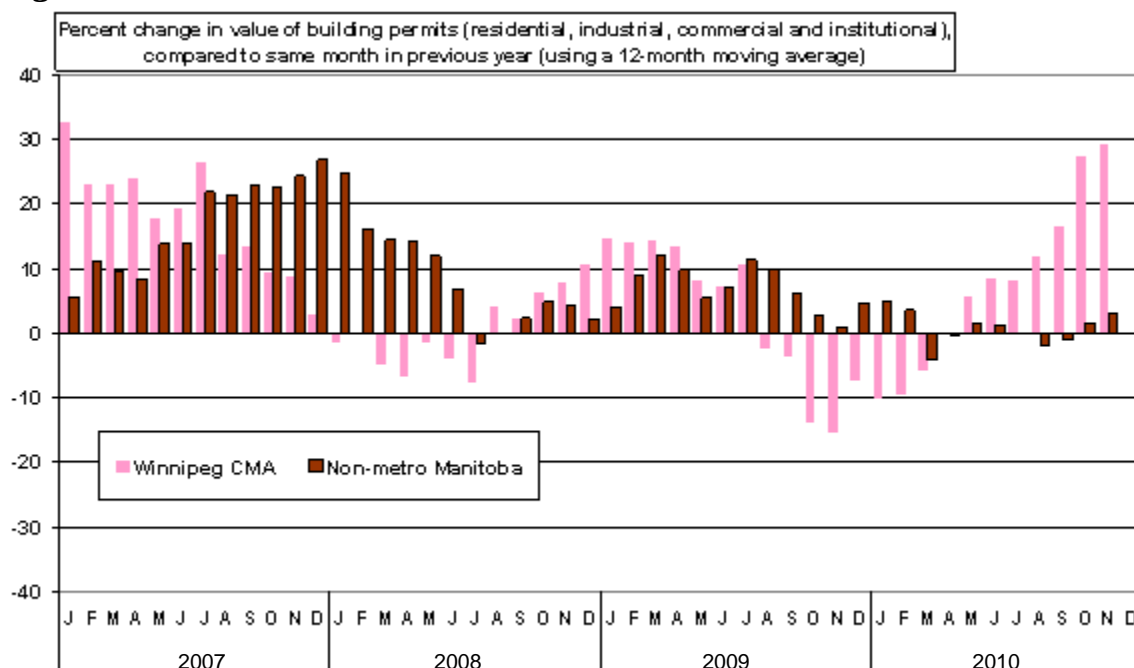
R1: Leading indicator: the intentions for building construction

Intentions for building construction in non-metro regions were up 3% in November, 2010, compared to the same month in the previous year

Monthly data on the value of building permits issued by municipalities indicates the intention to construct a building. This may be viewed as a leading indicator of investment activity in a region – and certainly a leading indicator of the subsequent demand for construction workers.

In most months over the past 4 years, there has been growth in the intentions for building construction in non-metro Manitoba (non-CMA is shown here as we are still digging out the Economic Region data). In November, 2010, intentions were 3% higher than in the same period one year earlier.

Figure 1



Source: Statistics Canada, Building Permits, CANSIM Table 029-0003.

R2: Sustaining the economy: employment change (all sectors)

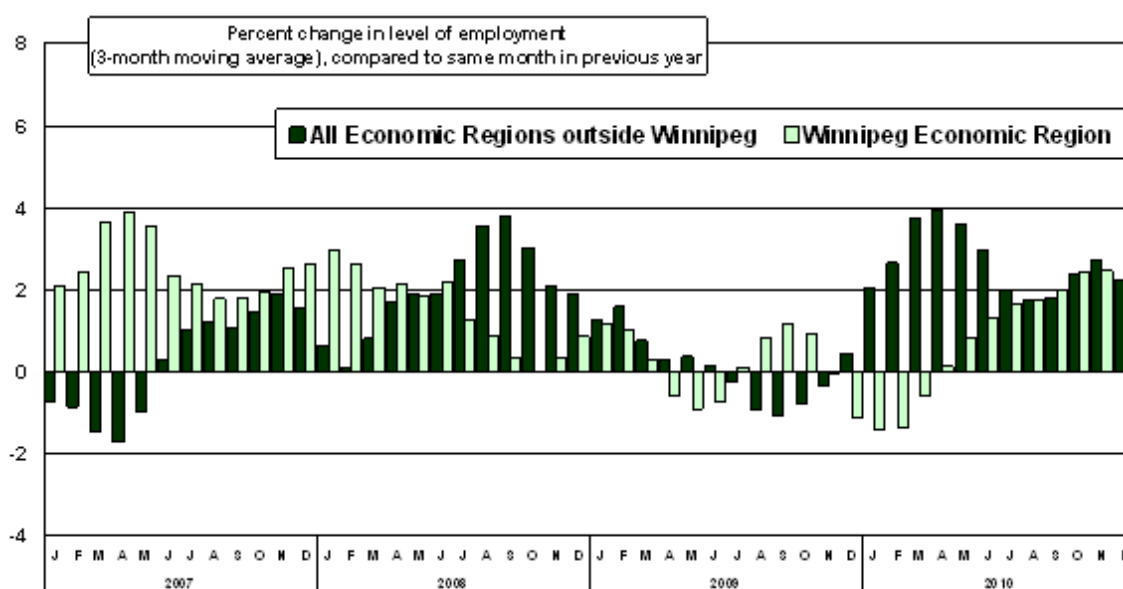
In December 2010, employment in the rural regions was up 2.2%, compared to the same month in the previous year

Growth or decline in jobs is crucial for the sustainability of a regional economy. Growth in jobs anticipates an improvement in well-being and improvements in the sustainability of public services (such as schools and hospitals).

In December, 2010, employment in the economic regions outside Winnipeg was up 2.2, compared to the same month in the previous year.

Employment outside Winnipeg has been growing since December, 2009, compared to April, 2010 when jobs started growing in the Winnipeg Economic Region (using a 3-month moving average, compared to the same month in the previous year).

Figure 2



Source: Statistics Canada, Labour Force Survey, CANSIM Table 282-0054.

R2: Sustaining the economy: employment change (all sectors)

Four Economic Regions in Manitoba reported employment growth in December, 2010 that was above the national employment growth rate (compared to the same month in the previous year)

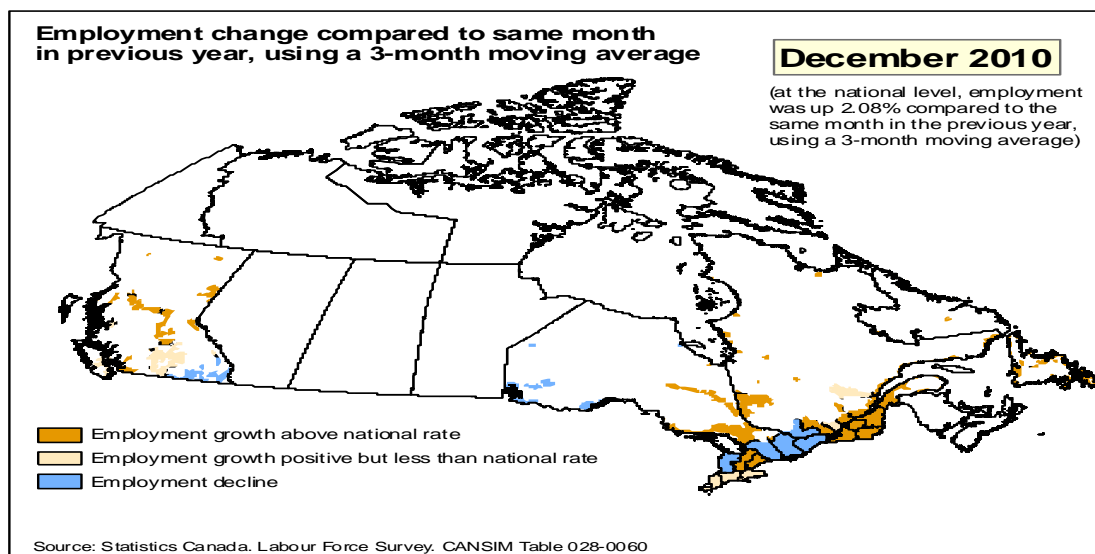
In December, 2010, employment at the Canada level was 1.7% (2.08% is shown in the map which has not yet been updated on the basis of the revisions to the LFS based on the 2006 census population counts. The revisions were published on January, 28, 2011 } above the level in December, 2009 (where data for each month is a 3-month moving average).

The four Manitoba Economic Regions with growth in December, 2010 above the Canadian growth rate were:

- the North-Central (including Portage) Economic Region;
- the Winnipeg Economic Region;
- the Interlake Economic Region; and
- the combined Economic Region of Parklands (including Dauphin) plus the North Economic Region.

Employment in the Southwest (including Brandon) Economic Region declined in December, 2010 (and, in fact, has been declining since September, 2009 following continuous growth from April, 2008 to July, 2009).

Figure 3



R3: Manufacturing as a major exportable: employment change

In December 2010, MANUFACTURING employment in the rural regions was up 8%, compared to the same month in the previous year

Manufacturing employment grew in the economic regions outside Winnipeg from January, 2007 to July, 2008. This may be compared to a decline in manufacturing employment in Winnipeg for the last half of this period.

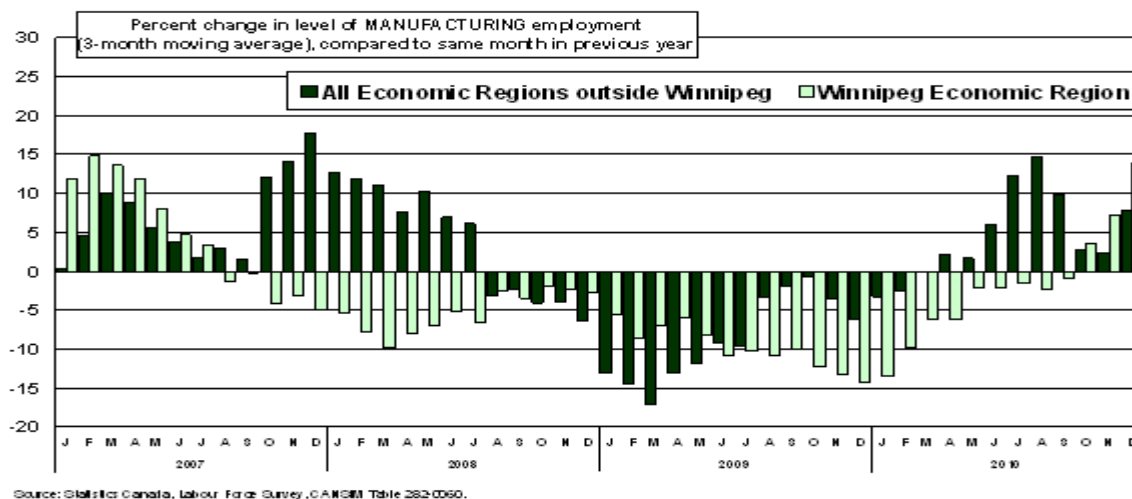
From August, 2008 until March, 2010, manufacturing employment declined both within and outside Winnipeg.

Manufacturing employment growth has been recorded outside Winnipeg since April, 2010 (and since October, 2010 within Winnipeg).

At the Canada level, generally, manufacturing employment in rural areas has grown faster than and declined slower than the trend in urban areas. Thus, rural areas are gaining a bigger share of a smaller pie of manufacturing jobs. Beshiri (2010) indicates that rural manufacturing jobs are become more concentrated on resource-related manufacturing.

Manufacturing is a major exportable sector for rural areas. Rural areas are competitive in manufacturing jobs (in the sense that RST areas are increasing their share of Canada's manufacturing workforce) (Beshiri, 2010).

Figure 4



R4: Patterns of distress and recovery: change in number reporting EI

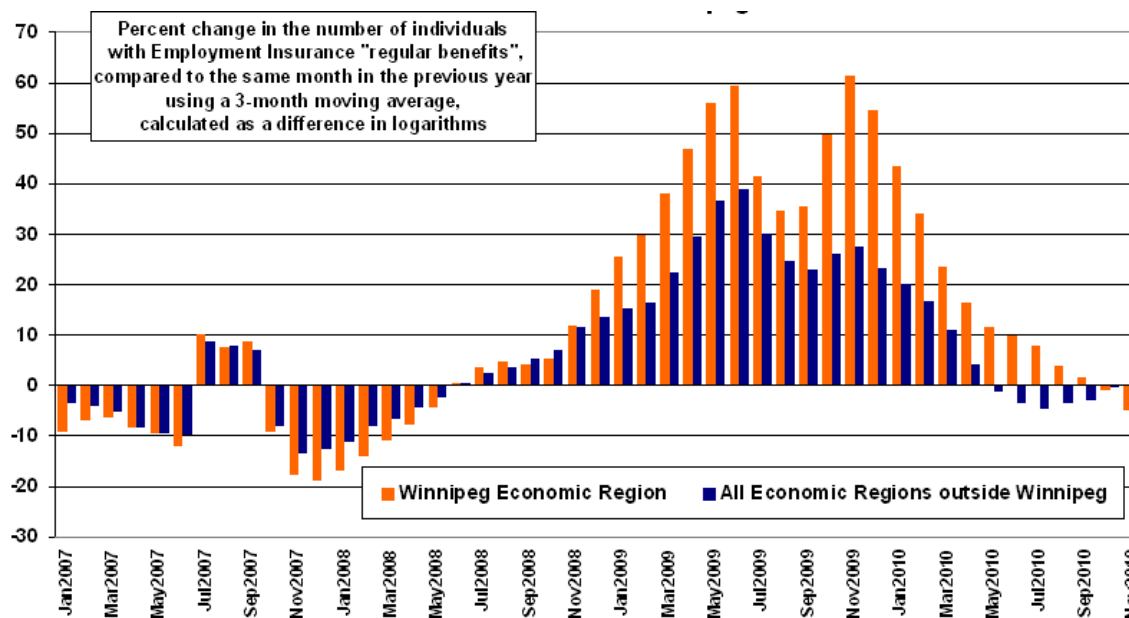
In November, 2010 the number of individuals receiving Employment Insurance “regular benefits” was down 0.2% in the rural regions and down 4.9% in the Winnipeg region, compared to the same month in the previous year.

The change in the number of individuals receiving Employment Insurance “regular benefits” is an alternative indicator of the timing and duration of the business cycle.

In November, 2010, the number of individuals with Employment Insurance “regular benefits” was down 0.2% in the economic regions outside Winnipeg, compared to a decline of 4.9% in Winnipeg.

The number has been declining outside Winnipeg since May, 2010 – compared to a decline since October, 2010 in Winnipeg.

Figure 5



Source: Statistics Canada, CANSIM Table 276-0006.

R4: Patterns of distress and recovery: change in number reporting EI

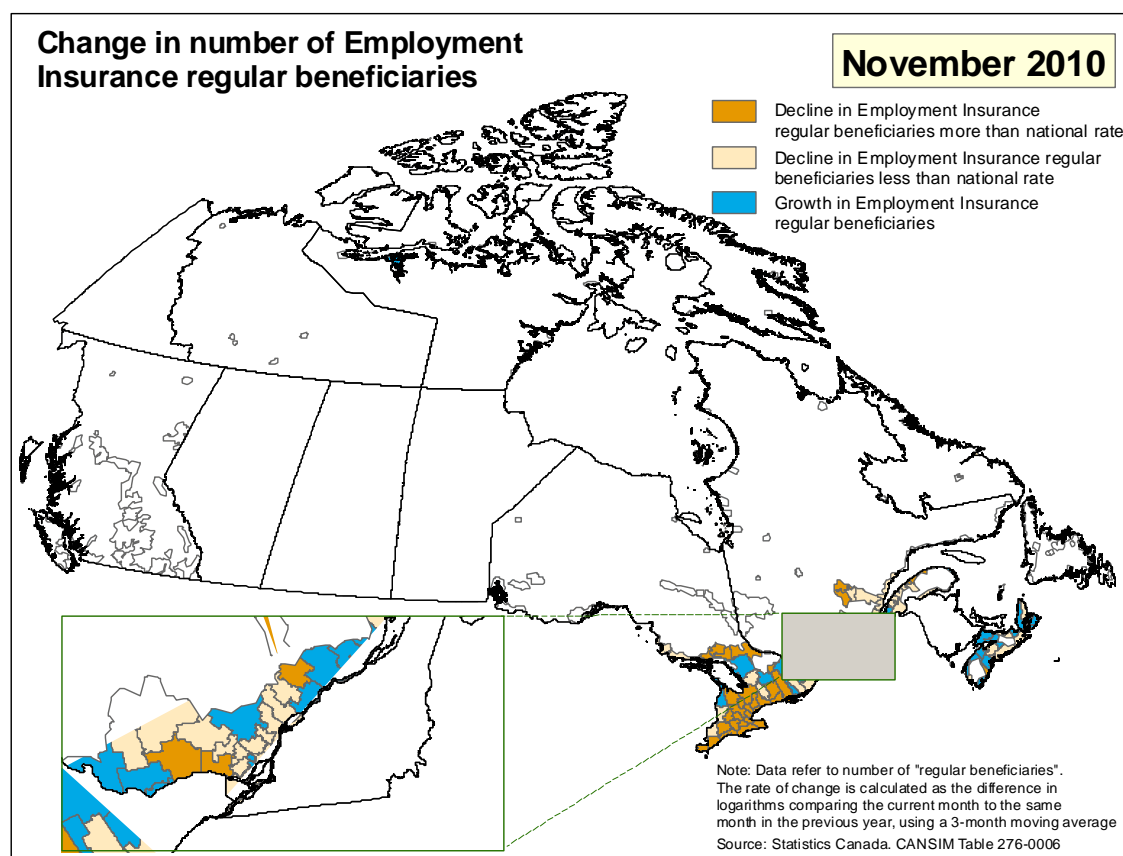
In November, 2010, 14 census divisions (out of a total of 23 census divisions) reported a growth in the number reporting Employment Insurance “regular benefits”

The national rate of decline in the number of individuals receiving EI “regular benefits” in November, 2010 was 13.2%

Four out of 23 census divisions in Manitoba reported a decline in Employment Insurance recipients that was greater than the national rate.

Fourteen census divisions reported a growth in the number reporting Employment Insurance regular benefits

Figure 6



S1: Agricultural price change

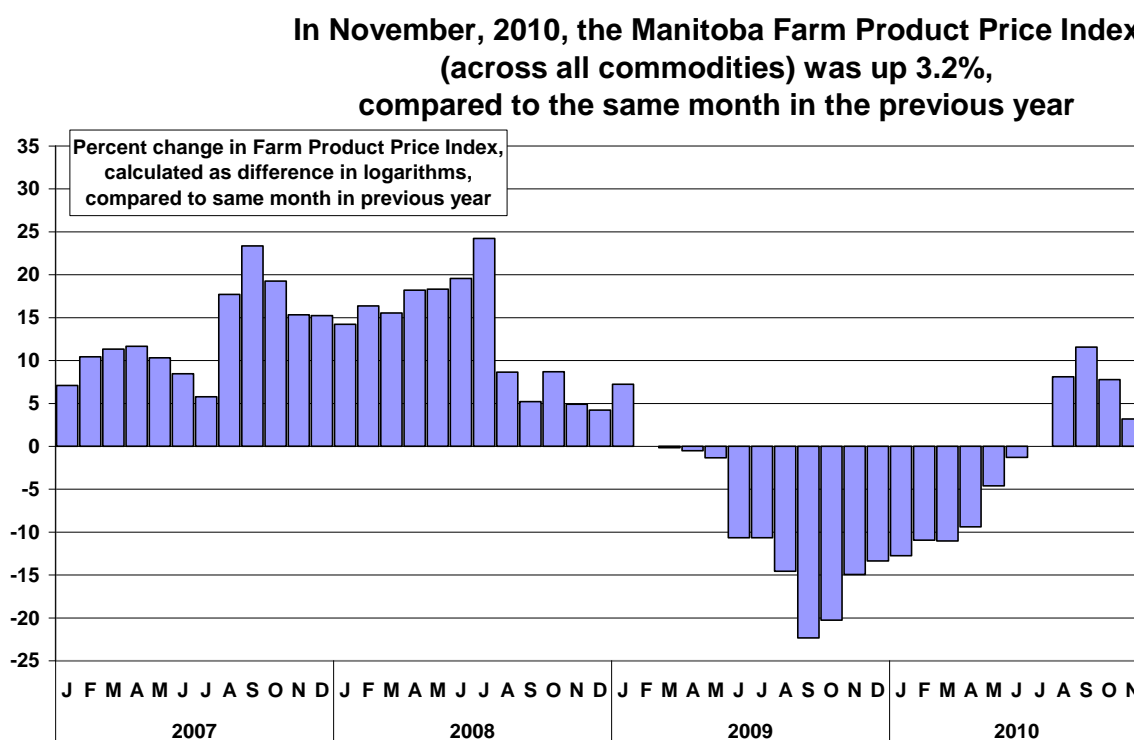
In November, 2010, the Manitoba Farm Product Price Index (across all commodities) was up 3.2%, compared to the same month in the previous year

Prices of farm products fluctuate. The year-over-year change in prices has fluctuated from -20% to +20% about 10 times since the mid-1980s (Appendix A).

Farm prices were on a year-over-year increase up to January, 2009; then in a declining phase up to July, 2010; and now have been increasing since August, 2010.

In November, 2010, the overall farm product price index for Manitoba was up 3.2%, compared to the same month in the previous year.

Figure 7



S2: Agriculture: shipments (cash receipts)

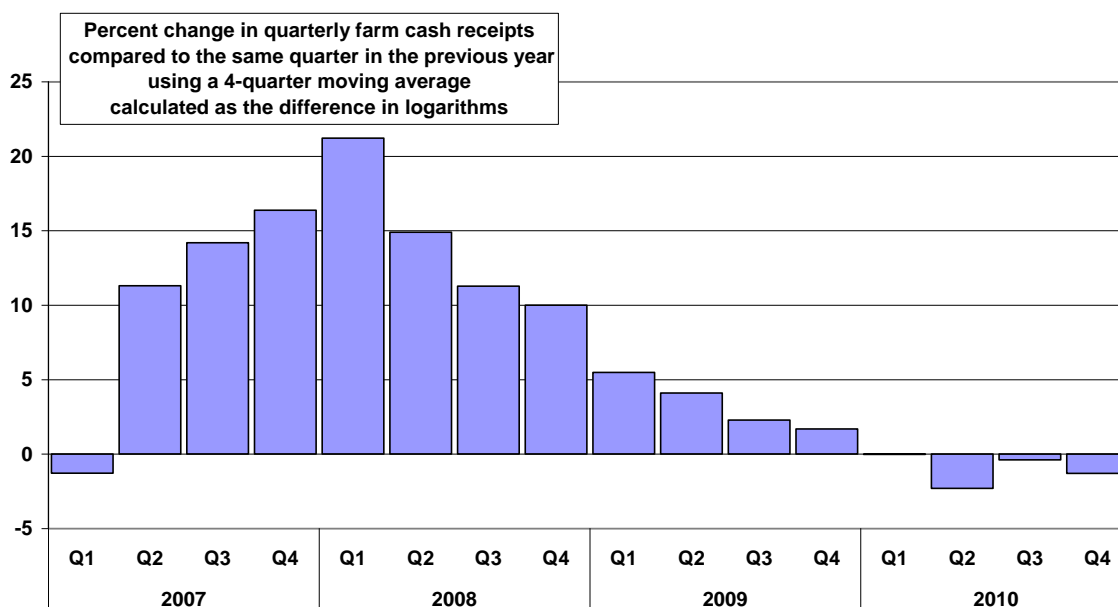
Manitoba farm cash receipts were down 1.3% in the 4th quarter of 2010, compared to the same quarter in the previous year

Due, in part, to price fluctuations, the cash receipts from the sale of farm products (plus government payments to farms) have fluctuated between -10% and +10% in many quarters since the mid-1980s (Appendix A). Our calculation is based on a 4-quarter moving average in order to attempt to remove the effect of seasonality.

There was continuous growth in farm cash receipts from Q2 in 2007 to the end of 2009. Cash receipts in each quarter of 2010 were down slightly compared to 2009. In the 4th quarter of 2010, farm cash receipts were down 1.3% compared to the same quarter in the previous year.

Figure 8

**Manitoba farm cash receipts were down 1.3%
in the 4th quarter of 2010,
compared to the same period in the previous year**



Source: Statistics Canada. Farm Cash Receipts, CANSIM Table 002-0002.

S3: Agriculture: value-added: employment in food manufacturing

In December, 2010, Manitoba employment in food manufacturing was up 6.7% from the same month in the previous year

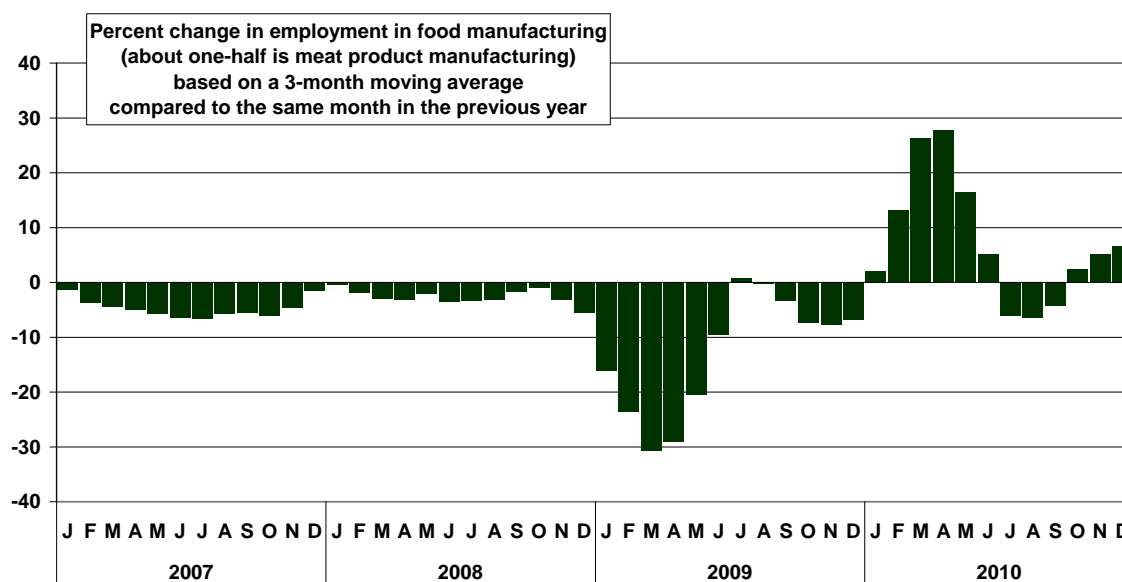
Employment in food manufacturing is one indicator of value-added in the agriculture and food sector. Employment in food manufacturing was in continuous decline from September, 2006 up to the end of 2009 (Appendix A).

Employment increased in the early months of 2010 and during the last three months of 2010.

In December, 2010, employment in food manufacturing was up 6.7% compared to the same month in the previous year.

Figure 9

In December, 2010, Manitoba employment in food manufacturing was up 6.7% from the same month in the previous year



Source: Statistics Canada. Survey of Employment, Payroll and Hours. CANSIM Table 281-0023.

S4: Forestry: price change

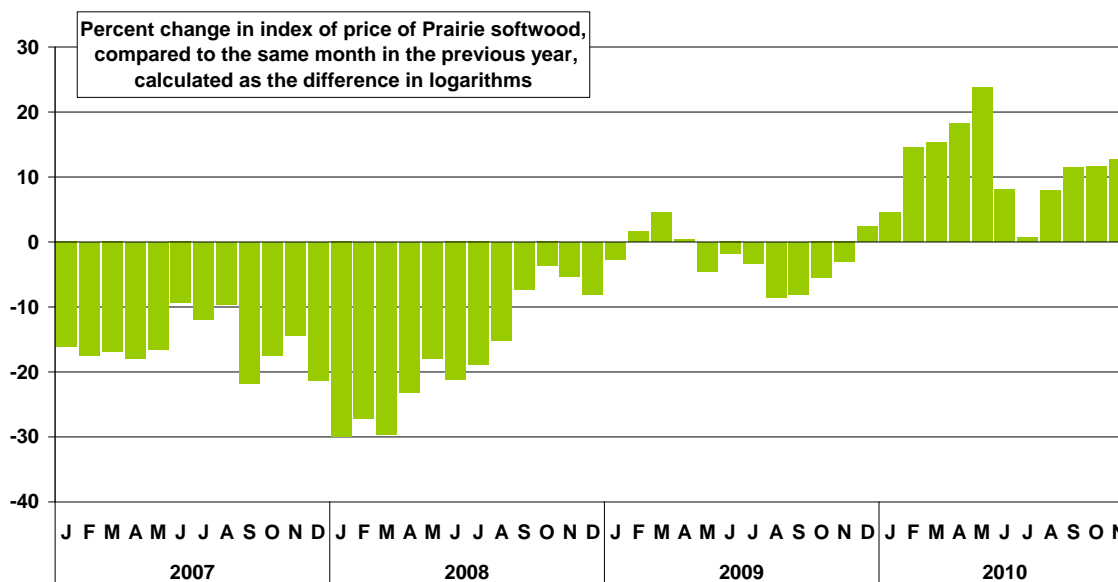
In November, 2010, the Prairie Region price of softwood lumber was up 13%, compared to the same month in the previous year

The price of softwood lumber declined continuously from April, 2005 up to November, 2009. Prices have been increasing since December, 2009.

In November, 2010, the price of softwood lumber was up 13%, compared to the same month in the previous year.

Figure 10

In November, 2010, the Prairie Region price of softwood lumber was up 13%, compared to the same month in the previous year



Source: Statistics Canada. Industry Price Index, CANSIM Table 329-0062.

S8: Mining: price change

In December, 2010, the Canada price index for non-ferrous metals was up 16%, compared to the same month in the previous year

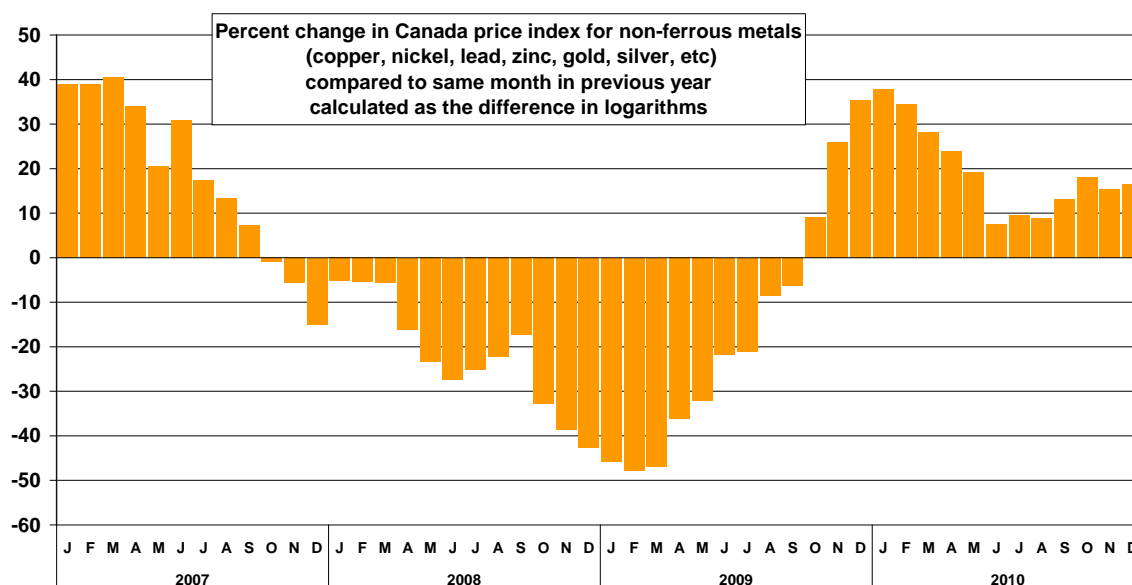
As is typical with other commodities, the price of non-ferrous metals has fluctuated from -20% to +20% about 10 times since the early 1980s (Appendix A).

There was a long period of price increase from August, 2003 to September, 2007. Prices declined continuously from October, 2007 to September, 2009. Prices have been increasing since October, 2009.

In December, 2010, the price of non-ferrous metals was up 16% compared to the same month in the previous year.

Figure 11

In December, 2010, the Canada price index for non-ferrous metals was up 16%, compared to the same month in the previous year



Source: Statistics Canada. Raw Materials Price Index, CANSIM Table 330-0007.

S6: “Other” Primary Sectors: shipments (employment)

In December, 2010, employment in “other” primary (forestry, fishing, mining, quarrying, oil and gas) was up 21% in the Economic Regions outside Winnipeg, compared to the same month in the previous year

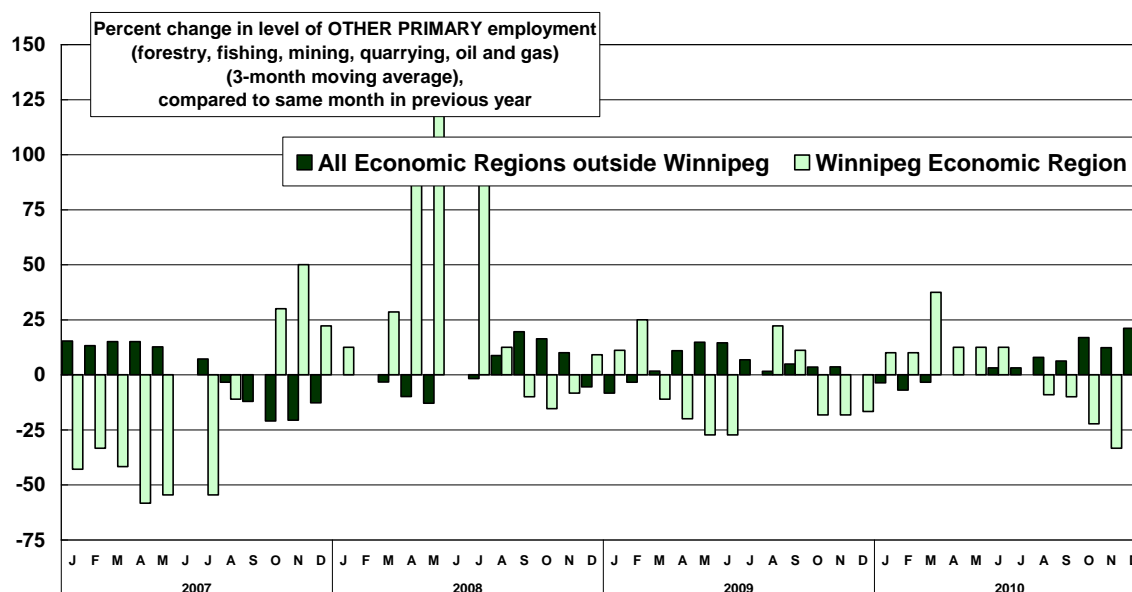
Shipments of sawn lumber (as reported by Statistics Canada in CANSIM Table 303-0009) has been confidential for Manitoba since January, 2007. As a proxy for the change in forestry, we report here the change in employment in the “other primary” sectors (forestry, fishing, mining, quarrying, oil and gas).

In the Economic Regions outside Winnipeg, employment in “other” primary sectors has been increasing during the most recent 7 months (from June, 2010 to December, 2010).

In December, 2010, employment was up 21% compared to the same month in the previous year.

Figure 12

In December, 2010, OTHER PRIMARY employment in the Economic Regions outside Winnipeg was up 21%, compared to the same month in the previous year



Source: Statistics Canada, Labour Force Survey, CANSIM Table 282-0060.