Analysis of the Economic Impact of the Manufacturing Sector and Food/Beverage Production Subsector in the Lethbridge Region

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1.0 Executive Summary

The Lethbridge Census Metropolitan Area (CMA), which includes the City of Lethbridge, Lethbridge County, and the Town of Coaldale, is one of Alberta's most important manufacturing centres. Even though the region is mid-sized, its manufacturing and food-processing industries generate an outsized impact on jobs, exports, and provincial GDP.

Key highlights of the region's contribution:

- A major employer: Manufacturing employs 8,200 people, representing 12.7% of all jobs in the region. Food manufacturing employs 4,100 workers, accounting for nearly one-fifth of Alberta's entire food-processing workforce.
- A concentration of major employers: Food manufacturing accounts for 20% of the region's major employers (companies with 200–499 employees), underscoring the sector's essential role in the local economy.
- Significant job creator across Alberta: The region's 8,200 manufacturing jobs support 19,516 jobs across Alberta and more than 32,000 jobs nationwide through supply chains and indirect spending.
- The direct and indirect employment impacts of the 8,200 jobs in the manufacturing sector support 17,218 jobs in Lethbridge. This represents 26.7% of all jobs in the city.
- Strong contributor to Alberta's GDP: Manufacturing in the region contributes $4.24 billion to Alberta's GDP, including $2.99 billion generated by food processing alone.
- Export powerhouse: The region has the highest exports per person of any major city area in Alberta. Each manufacturing worker generates nearly $197,000 in exports annually, totalling $1.6 billion.
- Fastest export growth in Alberta: From 2016 to 2024, exports from the region increased by 163%, the fastest growth among major Alberta cities.
- Large tax contribution: The economic activity generated by manufacturing produces more than $1.1 billion in tax revenues across federal, provincial, and municipal governments.
- Limited manufacturing innovation commercialization support: Lethbridge does not have local applied research facilities or technical support dedicated to manufacturing or food processing. Existing resources, such as RINSA, focus on early-stage entrepreneurship, while post-secondary research centres are primarily oriented toward agriculture rather than industrial innovation for established manufacturers.

Overall, manufacturing, especially food processing, is a cornerstone of the region's economy. It drives high-value jobs, strengthens supply chains, fuels export growth, and delivers billions in economic and fiscal benefits. Strengthening local innovation support for manufacturers represents a significant opportunity for future growth.

2.0 National Manufacturing Sector

2.1 – Manufacturing in Canada

Manufacturing is a major component of the Canadian economy, accounting for approximately $174 billion of GDP (more than 10% of Canada's total GDP). Manufacturers export more than $354 billion each year, representing 68% of Canada's total merchandise exports.

2.2 – Food Manufacturing in Canada

In 2024, the food and beverage processing industry was the largest manufacturing sector in Canada by production value, with sales of goods totalling $173.4 billion. It accounted for 20.3% of total manufacturing sales and 1.6% of the national Gross Domestic Product (GDP). It's also the largest manufacturing employer, employing 318,400 Canadians[1].
Exports of processed food and beverage products reached a record value of $59.8 billion in 2024. Over the last five years, exports of processed food, beverage, and tobacco products grew at an average annual rate of 10.0%. The largest food and beverage processing industry is meat product manufacturing, with sales of $43.8 billion in 2024, accounting for 25% of total sales. Other industries include:

- Dairy product manufacturing ($19.6 billion)
- Grain and oilseed milling ($18.9 billion)
- other food manufacturing ($18.8 billion)
- bakeries and tortilla manufacturing ($18.5 billion)
- beverage manufacturing ($15.7 billion)
- fruit and vegetable preserving, and specialty food manufacturing ($11.2 billion)
- animal food manufacturing ($10.1 billion)
- sugar and confectionery product manufacturing ($6.7 billion)
- seafood product preparation and packaging ($6.7 billion)

[1] https://agriculture.canada.ca/en/sector/food-processing-industry/overview-food-beverage

3.0 Manufacturing Sector in Alberta and Lethbridge

3.1 – Alberta Manufacturing Sector

According to the Alberta government's "Manufacturing Industry Profile" (June 2024), manufacturing remains a significant contributor to the provincial economy in terms of jobs, output, and linkages.

- Manufacturing contributed $25 billion (7.1 % of provincial GDP) to the Alberta economy in 2024.
- The sector grew by $794.8 million in GDP from 2021 to 2024.
- The sector employed 127,133 people in 2024, with 9.6% growth since 2021[2].

While the manufacturing sector in Alberta has seen significant growth, there are variations across subsectors. Manufacturing grew by 3.3% while food manufacturing grew by 8.3%. And some specific subsectors shifted dramatically, with animal food manufacturing shrinking by $110 million while meat products rose by $226 million. Overall, however, the sector is growing.

Alberta GDP for Select Sectors			
	2024	Change 2021-2024	% Change
All industries	353,296.80	$36,481.1	11.5%
Manufacturing [31-33]	25,039.50	$794.8	3.3%
Food manufacturing [311]	3,961.50	$ 304.2	8.3%
Animal food manufacturing [3111]	245.2	$(110.7)	-31.1%
Sugar and confectionery product manufacturing [3113]	38.7	$(1.7)	-4.2%
Fruit and vegetable preserving and specialty food manufacturing [3114]	177.1	$5.1	3.0%
Dairy product manufacturing [3115]	323.5	$(6.7)	-2.0%
Meat product manufacturing [3116]	1,805.10	$226.5	14.3%
Seafood product preparation and packaging [3117]	1.6	$1.4	700.0%
Miscellaneous food manufacturing [311A]	1,325.20	$129.3	10.8%
Beverage and tobacco product manufacturing [312]	606.9	$(86.6)	-12.5%
Soft drink and ice manufacturing [31211]	140.8	$(30.6)	-17.9%
Breweries [31212]	336.2	$(72.9)	-17.8%
Wineries and distilleries [3121A] 13	85.6	$13.2	18.2%
Tobacco manufacturing [3122]	36.8	$2.0	5.7%
Table: 36-10-0402-01 (formerly CANSIM 379-0030)			

More recently, the overall manufacturing growth trend is under pressure. Statistics Canada data show that manufacturing sales in Alberta fell 6.6% month over month in May 2025 (versus May 2024), with contractions in 15 of 21 subsectors. The decline in the petroleum & coal products and chemical subsectors drove much of that drop.

[2] Statistics Canada, Employment by Industry Annual

Alberta's manufacturing sector remains an important component of the province's economy, with significant advantages in energy access, industrial capacity, and proximity to resource value chains. However, it is facing headwinds, including cyclical volatility from energy markets, soft demand, tariffs, cost inflation, and trade exposure.

3.2 – Alberta Food Manufacturing Sector

Alberta's food processing sector has seen rapid growth. In 2023, the province's largest manufacturing sector was food manufacturing, with sales of $24.3 billion. The sector offers a wide range of manufactured foods. These include:

- Meat products (beef, pork, poultry, processed meats, sausages, etc.) — meat processing forms the backbone of food manufacturing in Alberta. In 2019, meat product manufacturing accounted for over half of food manufacturing sales in Alberta.
- Bakery, snacks, packaged goods, baked goods, tortillas, etc.
- Beverages and non-alcoholic drinks
- Dairy and cultured products
- Prepared meals, ready meals, entrees
- Specialty, ingredients, spices, condiments
- Frozen foods (meat, vegetables, ready-to-cook, etc.) — for example, there is a frozen food production industry in Alberta

Trends in the Sector include:[3]

- **Growth in exports -** Alberta's agri-food exports (which include processed and edible products) have been growing.
- **Increased emphasis on value capture –** There is a supportive policy environment to "move up the value chain," meaning relying less on exporting raw commodities and more on processing value locally. (Part of Alberta's agri-food strategy)
- **Innovation, automation & digitalization -** More processors are exploring automation in packaging, sorting, quality monitoring, robotics, traceability, and sensors. Additionally, pilot-scale labs (such as the Alberta Food Centre) are used to test new products, scale up variants, and reduce risk.
- **Consumer & dietary shifts -** Rising demand for plant-based proteins, alternative diets, functional, clean labels, traceability, local branding, and farm-to-fork storytelling.
- **Sustainability & environmental pressures** - Regulatory or consumer pressure on sustainability may push investment in greener processing, packaging, and waste management.
- **Labour Shortages -** Over the next 10 years, there are projected shortages in key sub-sectors and occupations. The largest projected workforce shortages are in meat product manufacturing, bakeries, tortilla manufacturing, and other food manufacturing sub-sectors, primarily because a high proportion of the workforce is engaged in these areas. In terms of occupations, the largest projected shortages are for the general labour and skilled trades positions. Vacancies in general labour positions arise because these are the entry-

[3] https://www.alberta.ca/alberta-food-centre?utm

level positions in the industry. As older workers retire and remaining workers advance, openings will occur. In addition, there is anticipated growth in the sector.

3.3 – Lethbridge Manufacturing and Food Manufacturing Details and Data

In Lethbridge's economy, manufacturing accounts for about 10% of the economic base (according to the "Economy of Lethbridge" profile). The manufacturing base in Lethbridge is diverse. It includes:

- Aerospace, precision components: Pratt & Whitney has operations in the region.
- Modular housing, metal fabrication, industrial manufacturing: firms such as Triple M Housing, Varsteel Ltd., Mosaic Industries, Southland Trailers are among local names.
- Plastics and specialty manufacturing: e.g., Flexahopper Plastics.
- Foundry, casting, heavy iron work: Lethbridge Iron Works remains a local legacy foundry serving multiple sectors (ag, automotive, rail).
- Agri-value, food processing adjacency: There is a large food processing sector (further defined in the next section) as well as manufacturers linked to food and agricultural inputs (packaging, equipment, processing).

Because of that diversity, the local sector is less exposed to a single commodity risk; downturns in one sub-segment may be offset by strength in others.

Direct employment in the Manufacturing sector in Lethbridge is 8,200, comprising 12.7% of employment.

Manufacturing Employment in Lethbridge CMA 2024		
	Lethbridge	% of Employment
Total, all industries	64,600	100%
31-33 Manufacturing	8,200	12.7%
All other industries	56,400	87.3%
Source: Statistics Canada, Labour Force Survey – Special order data		

The 8,200 employees in the Lethbridge manufacturing sector represent 6.4% of Alberta's total manufacturing workforce, while the Lethbridge population accounts for only 2.2% of Alberta's total population.

Food manufacturing intensity is even greater than manufacturing with respect to employment. Lethbridge is home to 17.7% of Alberta's food manufacturing employment. While Lethbridge accounts for 2.2% of the population, it has nearly 1/5 of all food processing employment in Alberta.

Manufacturing Employment Lethbridge CMA vs Alberta 2024			
	Alberta	Lethbridge CMA	% of Total Workforce in Lethbridge
Manufacturing [31-33]	120,768	8,200	6.4%
Food manufacturing [311]	22,146	4,100	17.7%

Source: Statistics Canada, Labour Force Survey – Special order data

In terms of manufacturing intensity, the percentage share of employment dedicated to manufacturing is twice that of other major cities in Alberta. And the Lethbridge food manufacturing intensity (6.35%) is 6 times that of other cities (1.17% for Calgary and 0.91% for Edmonton).

With 4,200 employees, the food processing sector in Lethbridge is nearly the size of Edmonton's (5,200 employees) and only half the size of Calgary's (9,600 employees). This is despite Lethbridge being only 7% the size of those two cities.

Manufacturing Employment for Select Communities 2024				
	Lethbridge	Calgary	Red Deer	Edmonton
Total, all industries	64,600	819,900	46,700	737,900
31-33 Manufacturing	8,200	49,400	3,100	48,800
Sub-total: 311-312	4,100	9,600	x	6,700
311 Food manufacturing	4,000	7,000	x	5,200
312 Beverage and tobacco product manufacturing	100	2,600	x	1,500
Sector Employment as a Share of Total Employment	12.7%	6.0%	6.6%	6.6%
Food Manufacturing Share of Total Manufacturing	6.35%	1.17%		0.91%
Source: Statistics Canada, Labour Force Survey – Special order data				

Although manufacturing accounts for only a small share of all businesses in Lethbridge (about 3%), it represents a much larger share of the Lethbridge CMA's biggest employers. In fact, manufacturing companies account for 30% of all businesses with 200–499 employees.

Lethbridge Region* Manufacturing Companies June 2025									
	Total employees	1 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 199	200 to 499	500 plus
Total, all industries	3,805	1,889	784	557	405	99	41	20	10
Manufacturing	126	43	27	16	20	6	7	6	1
	3%	2%	3%	3%	5%	6%	17%	30%	10%
***Includes: Lethbridge County, Lethbridge, Coalhurst, Nobleford, Barons, Picture Butte, Coaldale Statistics Canada Business Counts – June 2025**									

3.4 - Lethbridge Food Manufacturing Sector Business Counts

In the food manufacturing sector, Lethbridge has eight businesses with over 50 employees. Four of the six manufacturing companies with 200 to 499 employees are in the food manufacturing sector. Regarding total business counts, food manufacturing accounts for 20% of the major employers, with 200-499 employees.

Lethbridge Food Manufacturing Sector Business Counts June 2025									
	Total, with employees	1 to 4 employees	5 to 9 employees	10 to 19 employees	20 to 49 employees	50 to 99 employees	100 to 199 employees	200 to 499 employees	500 plus employees
Total, all industries [1]	3,805	1,889	784	557	405	99	41	20	10
Manufacturing [31-33]	126	43	27	16	20	6	7	6	1
Food manufacturing [311]	22	1	4	3	6	2	2	4	..
Beverage and tobacco product manufacturing [312]	5	1	2	1	1	..	..	..	..
Animal food manufacturing [3111]	4	..	1	..	2	1	..	..	..
Grain and oilseed milling [3112]	3	1	..	..	..	1	1	..	..
Sugar and confectionery product manufacturing [3113]	..	..	..	..	..	..	..	..	..
Fruit and vegetable preserving and specialty food manufacturing [3114]	2	..	..	..	..	..	1	1	..
Dairy product manufacturing [3115]	2	..	1	..	1	..	..	..	..
Meat product manufacturing [3116]	3	..	..	..	1	..	..	2	..
Seafood product preparation and packaging [3117]	..	..	..	..	..	..	..	..	..
Bakeries and tortilla manufacturing [3118]	2	..	1	1	..	..	..	..	..
Other food manufacturing [3119]	6	..	1	2	2	..	..	1	..
Beverage manufacturing [3121]	5	1	2	1	1	..	..	..	..
Tobacco manufacturing [3122]	..	..	..	..	..	..	..	..	..
***Includes: Lethbridge County, Lethbridge, Coalhurst, Nobleford, Barons, Picture Butte, Coaldale** **Statistics Canada Business Counts – June 2025**									

4.0 Economic Impact - Manufacturing and Food Manufacturing Sectors

4.1 – Manufacturing Sector Employment and Economic Impact

The economic impact of the manufacturing and food manufacturing sectors is below. See the appendix for a further explanation of the methodology.

4.1.1 GDP Impacts

Overview:

- Lethbridge's manufacturing sector contributes over $4.2 billion to Alberta's GDP, rising to $4.8 billion when household spending effects are included.
- Lethbridge's food manufacturing sector alone adds nearly $3 billion to provincial GDP, and over $3.5 billion when induced impacts are included.

While the food manufacturing sector accounts for 50% of manufacturing employment, it contributes 71.5% of the GDP due to its outsized economic impact. Food manufacturing's impact is greater because it draws much of its inputs from the province's agricultural sector.

Provincial Economic Impact			
	Gross Output	Direct and Indirect	Direct, Indirect, and Induced
Manufacturing	$ 6,560,000,000	$ 4,244,320,000	$ 4,828,160,000
Food Manufacturing GDP	$ 4,078,856,000	$ 2,991,022,920	$ 3,556,711,147
Table: 36-10-0595-01 – Input Output Tables			

The national economic impact is larger, as it includes impacts felt in other provinces. However, the food manufacturing sector's share of the overall manufacturing sector drops from 71.5% to 58.1%. The GDP split becomes more even as the economic impact extends across the entire country, eroding the differential in economic impact that food manufacturing has through its pull on the provincial economy.

National Economic Impact			
	Gross Output	Direct and Indirect	Direct, Indirect, and Induced
Manufacturing	$ 6,560,000,000	$ 5,149,600,000	$ 6,113,920,000
Food Manufacturing GDP	$ 4,078,856,000	$ 2,991,022,920	$ 3,556,711,147
Table: 36-10-0595-01 – Input Output Tables			

4.1.2 Labour Impacts

Labour is a more comprehensible way of looking at the economic impact. For every direct job created in the manufacturing sector, 1.38 will be created (2.38 including the direct jobs) in the province. While 8,200 people are directly employed in the manufacturing sector, an additional 11,316 jobs will be created in the province, bringing the total to 19,516. Including induced impacts, there will be 24,477 jobs, of which 8,200 are direct jobs.

For all industries in Lethbridge, for every direct job, 0.46 jobs will be added elsewhere in the economy, for a total multiplier of 1.46. Comparatively, the manufacturing sector adds 1.38 jobs for every direct job, for a total multiplier of 2.38 (direct and indirect employment). The manufacturing employment impact per direct manufacturing job (1.38) is three times the rate of the general economy (0.46).

Food manufacturing has a similar job-creation impact to the manufacturing sector, adding 1.29 jobs (2.29 including direct employment) for every direct job. The 4,100 food manufacturing jobs will trigger an additional 5,291 jobs, for a total of 9,391 in Alberta. Including the induced impacts, there would be 11,506 jobs.

Provincial Labour Impact					
	Direct Employment	Direct and Indirect	Direct, Indirect, and Induced	Employment Multiplier (Direct, Indirect)	Employment Multiplier (Direct, Indirect, Induced)
Total Industries	64,600	94,122	111,564	1.46	1.73
Manufacturing	8,200	19,516	23,477	2.38	2.86
Food Manufacturing	4,100	9,391	11,506	2.29	2.81
Table: 36-10-0595-01 – Input Output Tables					

The previous impacts include only those in Alberta itself. Below are the labour impacts at the national level. Because they are at the national level, the impacts are greater as they include jobs in other provinces.

National Labour Impact				
	Direct Employment	Direct and Indirect	Direct, Indirect, and Induced	Employment Multiplier (Including Induced)
Manufacturing	8,200	25,773	32,497	3.96
Food Manufacturing	4,100	15,308	19,277	4.70
Table: 36-10-0595-01 – Input Output Tables				

Labour Impacts Key Insights:

Lethbridge manufacturing is a major job generator for Alberta

- Even though Lethbridge is a mid-sized city, its manufacturing sector punches far above its weight. Lethbridge's 8,200 manufacturing workers support an additional 11,316 jobs across Alberta, creating a total of 19,516 Alberta jobs tied to Lethbridge manufacturing activity.

Nearly one in five Alberta food-manufacturing jobs is in Lethbridge

- Lethbridge is home to 4,100 of the 22,146 food manufacturing jobs in Alberta, making it one of the largest food-processing hubs in the province.
- These jobs spark another 5,291 jobs in Alberta, for a total of 9,391 jobs supported province-wide because of Lethbridge's food processors.

Lethbridge's manufacturing sector has triple the job impact of the average industry

- A typical job in Alberta creates 0.46 more jobs elsewhere in the economy.
- A Lethbridge manufacturing job creates 1.38 more jobs — almost three times the impact.
- This shows how strongly Lethbridge's manufacturers drive activity in transportation, agriculture, equipment suppliers, contractors, and professional services.

Lethbridge's impact extends far beyond Alberta. Once you include supply chains in other provinces:

- Lethbridge manufacturing supports 32,497 jobs across Canada
- Lethbridge food manufacturing supports 19,277 jobs across Canada

Lethbridge's role in Alberta's value chains is far larger than its population. Lethbridge accounts for just 2.2% of Alberta's population, but:

- 6.4% of Alberta's manufacturing workforce
- 17.7% of Alberta's food-manufacturing workforce

4.1.3 Multipliers By Sector

To understand the relative impacts of the manufacturing sector, it is helpful to compare the employment multipliers. Manufacturing typically has a higher than average impact on job creation. The reasons the manufacturing sector has an outsized impact on job creation are as follows:

- Manufacturing value chains involve other provincial industries, including metals, plastics, chemicals, fabricated parts, machinery, engineering, packaging, trucking, business services, and utilities.
- Manufacturing has a high level of value added per worker, which equates to more household income and profits per dollar of output. This, in turn, has stronger induced effects (on consumer spending).
- Manufacturing is export-intensive. Export sales inject exogenous demand (money from outside the local economy), supporting larger Type II multipliers.
- Manufacturing requires significant capital expenditures per job. Additionally, there are significant ongoing maintenance and repair expenditures that draw in domestic suppliers year after year.
- Manufacturing pulls also require expertise from other professions, such as engineering, research and development, design, testing, and specialized producer services, all of which are high-value domestic activities that deepen the web of linkages and subsequent impacts.

Some sectors, such as accommodation and food services or wholesale trade, are labour-intensive, meaning the investment required to create one job is low. Manufacturing

employment is very expensive to create, as it requires significant capital investment in production lines, machinery, and related equipment. While manufacturing creates fewer jobs per million dollars of output, each job has a significant impact outside that sector. That is why manufacturing jobs have such a significant impact on other sectors of the economy. Conversely, for every job lost in the manufacturing sector, the jobs they supported in other sectors are also lost.

The following table shows the Statistics Canada multipliers for select sectors. This is a helpful way to understand the respective impacts of each sector, as each multiplier shows the number of direct and indirect jobs created.

For the total economy, each direct job creates an additional 0.46 jobs elsewhere in the provincial economy. As shown, manufacturing has the second-highest impact, creating 1.38 jobs per direct job, for a total direct and indirect impact of 2.38. Mining, quarrying, and oil and gas extraction, another capital-intensive sector, has the highest ratio, creating 2.33 jobs per direct job, for a total direct and indirect impact of 3.33.

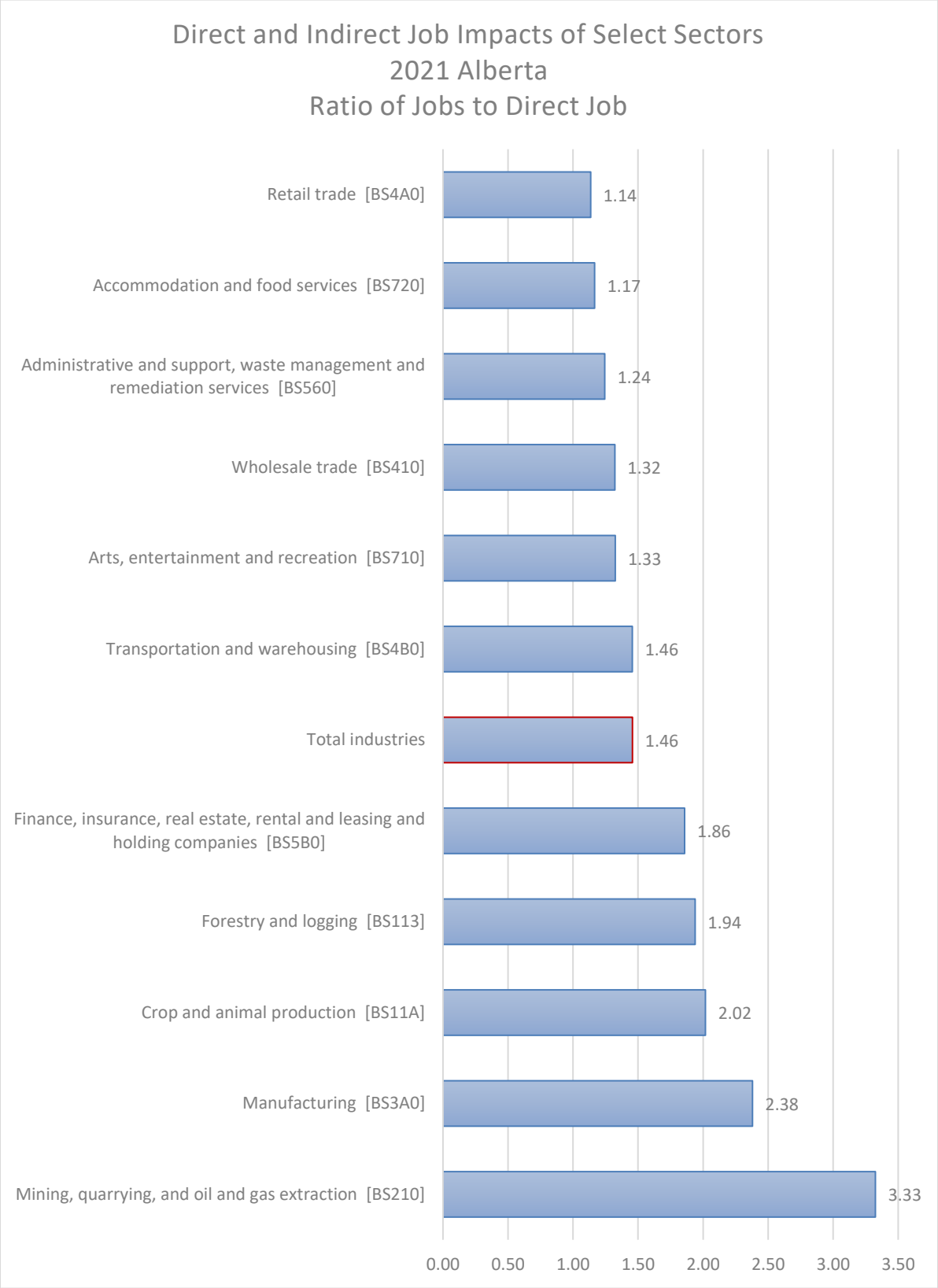

Table: 36-10-0595-01 – Input Output Tables

Within the manufacturing sector, there are also significant variations in labour impact. Bakeries and breweries have much lower job-creation ratios than oilseed milling and meat processing. Lethbridge's manufacturing sector has a significant presence of higher-ratio manufacturing, such as oilseed milling, dairy, and meat processing.

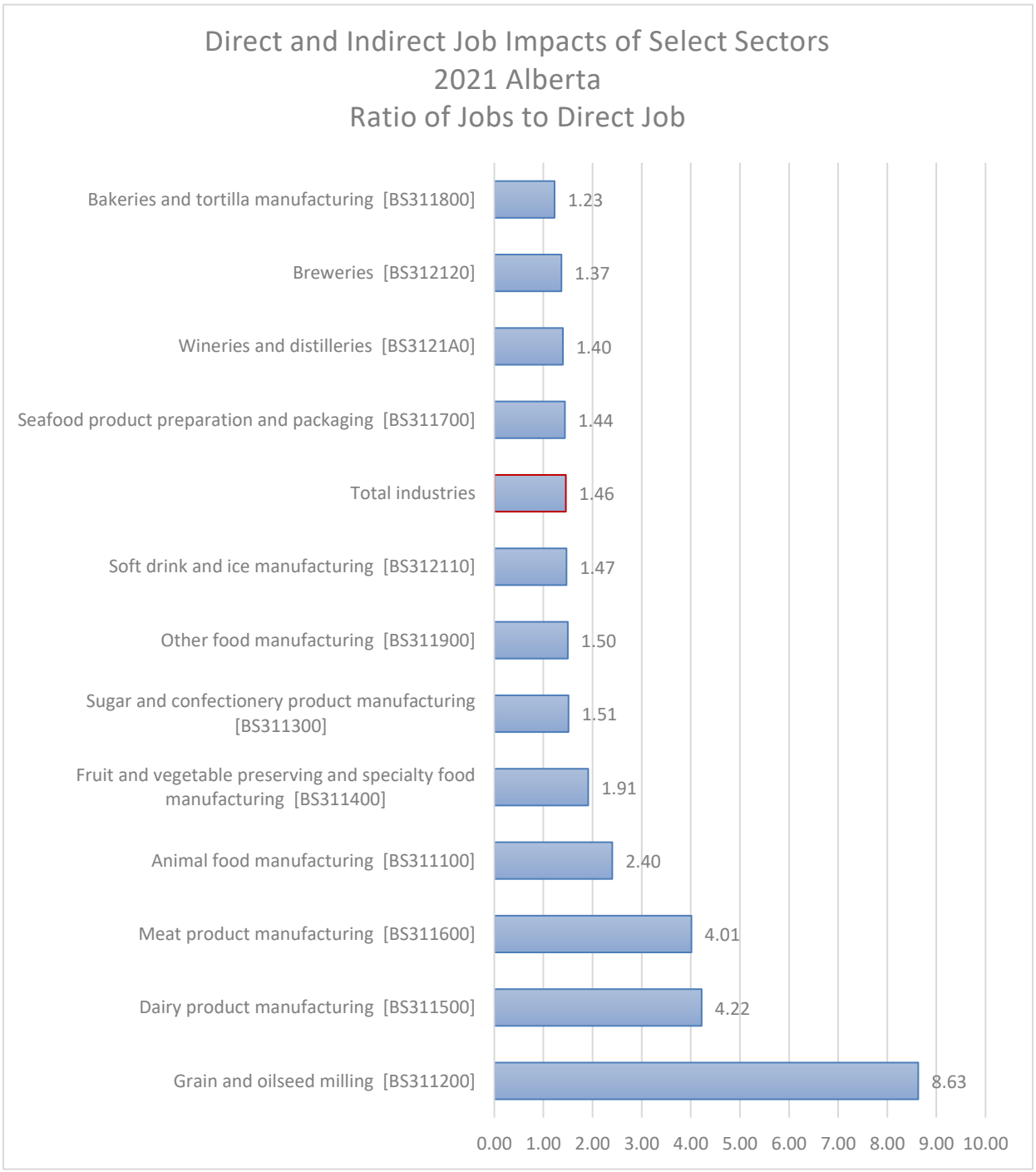

Table: 36-10-0595-01 – Input Output Tables

4.1.4 Local Impacts

StatsCan multipliers are national or provincial, never municipal. So the economic/GDP impact felt in the municipality is some fraction of the provincial impact, determined by how much of the direct activity, supply chain, and household spending actually falls within the municipal or CMA boundary.

Based on the CMA employment, supply chain penetration, and local spending, the local impacts typically range from 85% to 90% of the provincial impact, depending on the estimated expenditure capture rate. Because Lethbridge CMA is a mid-sized city, the capture rate falls in the middle for the following metrics.

Provincial Economic Impact Manufacturing			
	Gross Output	Direct and Indirect GDP	Direct, Indirect, and Induced GDP
National	$ 6,560,000,000	$ 5,149,600,000	$ 6,113,920,000
Provincial	$ 6,560,000,000	$ 4,244,320,000	$ 4,828,160,000
Local CMA	$5,823,188,406	$3,717,225,065	$4,228,558,961
Table: 36-10-0595-01 – Input Output Tables			

Regarding labour impacts, a capture rate can also be applied. For direct, indirect, and induced employment, Lethbridge would capture 20,713 direct and indirect jobs at the CMA level. Of the total 32,497 direct and indirect jobs created by the Lethbridge manufacturing sector, the CMA would capture 20,713 or 63.7%. There would be 2,764 jobs created in the value chain in other locations in Alberta and 9,020 created outside Alberta, but in Canada.

Manufacturing Labour Impacts					
	Direct Employment	Direct and Indirect Jobs	Direct, Indirect, and Induced Jobs	Direct and Indirect Labour Income	Direct, Indirect, and Induced Labour Income
National	8,200	25,773	32,497	2,020,480,000	2,414,080,000
Provinical	8,200	19,516	23,477	1,600,640,000	1,817,120,000
Local CMA	7,234	17,218	20,713	1,412,173,267	1,603,163,914
Table: 36-10-0595-01 – Input Output Tables					

The direct and indirect employment impacts of the 8,200 jobs in the manufacturing sector support 17,218 jobs in Lethbridge. This would equate to 26.7% of the jobs in the Lethbridge CMA.

4.1.5 Tax Impacts

The $6.5 billion in increased manufacturing-sector output generates significant tax impacts. For the most part, the tax impacts include federal and provincial income and sales taxes, as well as municipal property taxes. There are also corporate taxes paid at the provincial and national levels. There are additional taxes, but these would comprise the bulk of tax revenues.

The dominant source of tax revenue is personal income tax on labour income. Input-output tables generate taxes paid on products and production, but not income taxes. To provide a ballpark estimate without detailed analysis, a ratio from peer-reviewed economic impact studies has been developed for labour impacts relative to total taxes paid. The ratio has been adjusted for Alberta's unique tax environment, which does not have sales taxes. While the estimate is based on provincial labour, these tax impacts are not limited to Alberta. These estimates should be treated as order-of-magnitude, not precise impacts.

Estimated Tax Impacts for Direct, Indirect, and Induced Manufacturing Sector Impacts Based on Provincial Labour Impacts	
Gross Output	$ 6,560,000,000
Alberta Labour Income	$ 1,600,640,000
Taxes	$ 1,120,329,624
Federal	$ 584,074,286
Provincial	$ 444,033,083
Municipal	$ 92,222,256

In summary:
Lethbridge's manufacturing sector is not just a source of jobs—it's a major contributor to government revenues. The economic activity generated by local manufacturers produces more than $1.1 billion in tax revenue, helping fund essential public services across Canada, Alberta, and local municipalities. This underscores the sector's importance not only to the local economy but to the broader fiscal health of the province and country.

4.2 – Lethbridge Exports

Exports are another metric of economic activity. Due to the high level of manufacturing activity, the community has the highest per capita export activity amongst the largest cities in Alberta.

Comparative Growth in Exports Per Capita			
	Population CMA	Exports 2024	Exports/Capita
Calgary	1,778,881	$ 4,365,218,000	$ 2,453.91
Edmonton	1,381,000	$ 14,469,231,000	$ 10,477.36
Lethbridge	139,844	$ 1,614,738,000	$ 11,546.71
Red Deer	112,759	$ 839,848,000	$ 7,448.17
Table: 12-10-0138-01, Census			

Looking at export value by sector, we can see growth in all exports over time (these commodities comprise 98% of exports from Lethbridge). As shown, manufacturing is the largest component of export values, accounting for 70.6%. This is up from 2016, when exports comprised 62.6% of all

exports from Lethbridge. Exports are growing in both value and relative importance to the economy. On a per-worker basis, each of the 8,200 manufacturing workers in Lethbridge generates $196,919 in exports annually.

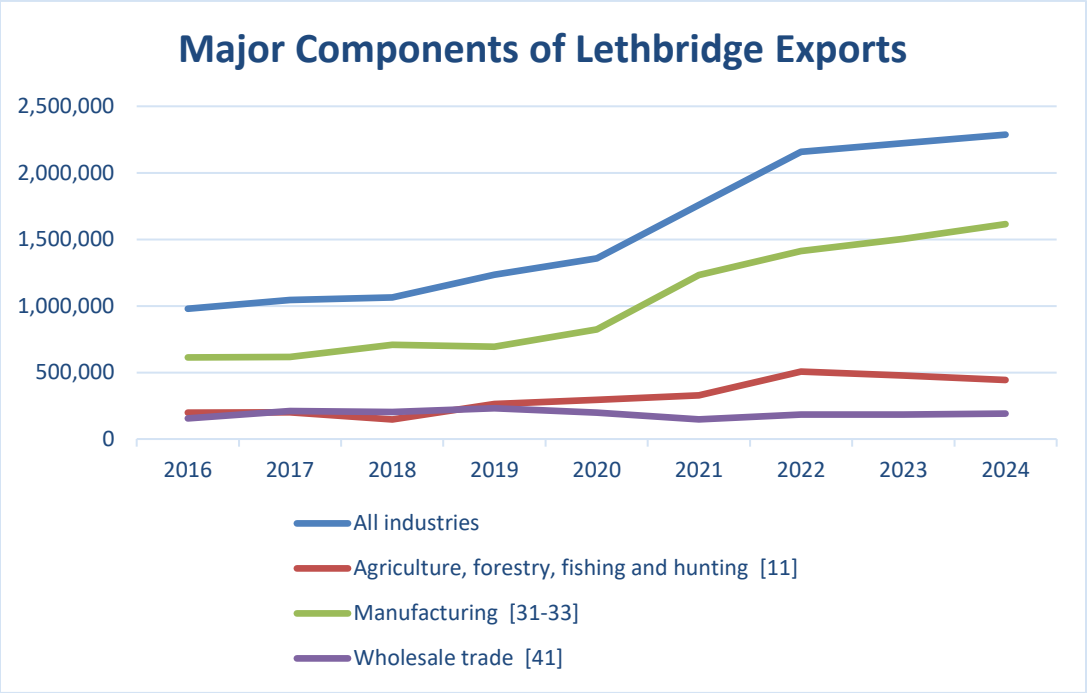

Table: 12-10-0138-01

It should be noted that this growth in exports does not directly translate into real GDP growth, as real GDP is chained to 2017 dollars to account for inflation. While some of this increase is assumedly due to increased volumes, some is caused by the highly inflationary years post-COVID.

The growth is substantial, but it is helpful to compare exports in other cities to contextualize. Lethbridge led export growth from 2016 to 2024, with a 163.3% increase (over $1 billion) compared with Calgary and Edmonton.

Comparative Growth in Exports by City		
	Growth since 2016	% Growth
Calgary	$ 2,274,358,000	108.8%
Edmonton	$ 7,917,403,000	89.2%
Lethbridge	$ 1,001,469,000	163.3%
Red Deer	n/a	n/a
Table: 12-10-0138-01		

While the overall Alberta economy and select cities have experienced dramatic growth in exports, this growth is more pronounced in Lethbridge, where the manufacturing sector plays an increasingly significant role in the economy.

Major takeaways:

- Lethbridge is one of Alberta's strongest export performers. On a per-person basis, Lethbridge exports more than any major city in the province, even higher than Edmonton. This strong export activity is driven mostly by the city's manufacturing sector, which now accounts for more than 70% of all local exports.
- Exports have grown rapidly over the past several years. Since 2016, Lethbridge's exports have increased by 163%—the fastest growth among Alberta's major cities. This expansion underscores the importance of manufacturing to the region's economic success.
- Each manufacturing worker in Lethbridge generates nearly $197,000 in exports annually, highlighting the sector's high productivity and the city's strong connections to both national and international markets.
- Overall, Lethbridge's growing export activity signals a competitive, resilient economy that is increasingly contributing to Alberta's and Canada's trade performance.

5.0 Research and Development and Innovation Capacity in Lethbridge

5.1 – Innovation and Manufacturing

Being part of an innovation ecosystem can enhance the economic impact of manufacturing by providing an outlet for commercializing research and development within the same community, thereby maximizing its benefits. Manufacturing is a cutting-edge, innovative and strongly diverse sector, relying on information technologies, additive manufacturing, automation systems, nanotechnology and biotechnology.

Innovation can impact manufacturing in two ways: by improving processes and by developing new products to manufacture. Being adjacent to manufacturing innovation institutes allows that research to be applied or commercialized in the same community. Having those innovation institutions enables communities to capitalize on that research within their own communities.

- **Improving Processes** - Today's manufacturing requires constant innovation, the integration of new ideas and the adoption of up-to-date production processes. The highly competitive nature of the global economy and the growing complexity of manufacturing supply chains will further increase the importance of innovation, as well as the development and diffusion of new technologies, moving forward.

- **New Product Development** - Manufacturers invest in research and development to transform that research into commercial production lines, bridging the gap between research and the marketplace.

Lethbridge has several research institutions both in and around the community. These include:

- Lethbridge Research and Development Centre: A federal institution with a national mandate for research on beef cattle finishing and feedlot systems. Its research also includes crop production, forage and crop breeding, and agro-ecosystem resilience.
- University of Lethbridge – while not directly involved with manufacturing-related analysis or inputs, the campus has significant research capacity.
- Centre for Applied Research, Innovation and Entrepreneurship (CARIE) at Lethbridge Polytechnic: Aims to help Canadian businesses solve challenges through applied research. It has a strong focus on agriculture, food, and environment, with research in integrated food production systems, irrigation science, and post-harvest technology.
- Integrated Agriculture Technology Centre (IATC) at Lethbridge Polytechnic: Conducts research projects such as optimizing greenhouse production systems and monitoring water quality.
- RINSA - Regional Innovation Network of Southern Alberta (RINSA) was formed in 2011 as a collaborative partnership among Alberta Innovates, Economic Development Lethbridge/Tecconnect, Lethbridge College, and the University of Lethbridge.

While these programs contribute to the Lethbridge manufacturing innovation ecosystem, unfortunately, the major applied research in food manufacturing actually takes place at Leduc through the Alberta Food Centre. The two most relevant components are:

- Agrivalue Processing Business Incubator - Leduc
- Alberta Food Centre services and facilities - Leduc

While these initiatives are highly beneficial to the Alberta food manufacturing sector in general, the distance to Lethbridge is too great to consider it a regional asset.

5.2 – Manufacturing and Innovation Strategy

Lethbridge has relatively strong education and industrial research capacity, with the University of Lethbridge, Lethbridge Polytechnic, and other institutions contributing to this strength. The region has successfully linked innovation and manufacturing through the Regional Innovation Network of Southern Alberta (RINSA), which has a mandate to commercialize innovation.

It should also be noted that, while Southern Alberta has the Regional Innovation Network of Southern Alberta (RINSA), its services are geared primarily toward early-stage entrepreneurs and startups rather than established manufacturing companies. RINSA provides general business advising and connections but does not offer the technical facilities, applied research capacity, or industry-specific expertise that small and medium-sized manufacturers typically require.

As well, although NRC IRAP advisors participate in the network and offer valuable connections, they do not provide local technical infrastructure or hands-on support for manufacturing innovation. As a result, the region lacks a dedicated applied research centre focused on manufacturing or food processing, and most technical and scale-up support still must be accessed outside Southern Alberta.

Given the outsized role that food manufacturing plays in the region, attracting additional innovation capacity, such as a satellite of the Alberta Food Centre, would be highly advantageous in fully realizing the potential of the region's already strong food manufacturing sector. Proximity to the diverse range of food manufacturing in the Lethbridge region would also bolster the Food Centre's applied research capabilities.

Appendix – Input-Output and GDP

A.1 – Input-Output Tables

The economic impact of the manufacturing and food manufacturing sectors was calculated using Statistics Canada's Input-Output tables. The input-output multipliers provide an estimate of the economic impact per dollar of output delivered to final demand (final consumption expenditures, capital formation or exports). The output is defined by industry according to the Input-Output Industry Classification. The economic impact is estimated for output, gross domestic product and its components, jobs and imports.[4] In this instance, the output was calculated based on employment levels. The direct, indirect, and induced multipliers were then applied to the output.

These tables are the basis for the majority of economic impact modelling. The Input/Output tables are based on the supply and use table as outlined below:

> *The supply and use tables trace the production of commodities by domestic industries, combined with imports, through their uses by industries or as final consumption, investment or exports. The system provides measures of value added by industry and total GDP. The input-output accounts focus on measuring the productive structure of the Canadian economy. The framework consists of the supply and use tables, the industry-by-industry input-output tables, and a number of derived products. – Statistics Canada*

A.2 – Gross Domestic Product (GDP)

Gross domestic product (GDP) is the total unduplicated value of the goods and services produced in the economic territory of a country or region during a given period.

A.3 – Types of Economic Impact

There are three types of economic impacts measured. While simplified, they fall into three broad categories.

Impact Type	Description
Direct	Production within the facility
Indirect	Suppliers (e.g., packaging, trucking)
Induced	Household spending effects
Total	Total economy-wide effect

[4] https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610059401