



Infommat

A Weekly Review

Friday, August 30, 2002

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Farm cash receipts for the first six months of the year declined in 2002 for the first time in three years, but the worst may be yet to come.

◆ Third consecutive quarterly gain for retail sales

Retail sales rose 1.8% in June to \$25.6 billion, offsetting May's 1.1% decline. All sectors except drugs and furniture contributed to this increase. Retail sales advanced 0.8% in the second quarter from the first, the third consecutive quarterly gain.

◆ Foreign investors continue to acquire Canadian securities

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◆ Health inequality persists for off-reserve Aboriginals

Health inequalities persist between Aboriginal people living off-reserve and other Canadians regardless of socio-economic and health behaviour factors, according to the 2000/01 Canadian Community Health Survey.

Worst crop year in three decades

Extreme weather is to blame for what will almost certainly be remembered as the poorest crop years in three decades and one of the worst on record for Prairie producers. Many farmers believe that conditions in 2002 were the driest ever experienced in the West.

Data from a survey of farmers conducted from July 26 to August 2 show that total wheat production is expected to decline to the lowest level in 28 years. Although production of durum wheat is expected to rise, producers anticipate spring wheat production will be the lowest since 1970.

Farmers also expect total barley production to fall to a 34-year low. The canola crop will reach only about one-half of its annual average over the past decade.

Hardest hit are producers in Alberta, where the spring wheat crop is expected to decline 50% from 2001; barley production will be down 44% and canola, 57%.

So far, growing conditions in Alberta and Saskatchewan have been worse than in 1988, the year of the last major drought. Central and northern Saskatchewan and Alberta were hit especially hard by drought and a heavy grasshopper infestation. In early August, temperatures dipped below freezing. For the second straight year, eastern Manitoba got too much precipitation this year.

(continued on page 2)

Crop estimates as of July 31

	2001	2002	2001 to 2002
	'000 tonnes	% change	
Spring wheat	16 010	10 215	-36
Durum wheat	2 987	3 680	23
Barley	10 846	7 883	-27
Canola	4 926	3 238	-34
Oats	2 691	3 027	13
Field peas	2 023	1 554	-23
Flaxseed	715	709	-1
Rye	228	132	-42
Soybeans ¹	1 594	2 442	53
Grain corn ¹	8 116	8 083	0

¹ Quebec and Ontario only.



Worst crop year... (continued from page 1)

Total wheat production, estimated at 15.4 million metric tonnes, would be the lowest since 1974. Spring wheat production is expected to be the lowest since 1970, at 10.2 million tonnes.

Western Canadian wheat production, excluding durum, is expected to be down nearly 40% from 2001 to 10.2 million tonnes. Out of the 25.4 million acres seeded in wheat in the West, 4.2 million acres are not expected to be harvested.

Here is a thumbnail sketch of other crops:

Durum wheat: Production is expected to be up 23% from 2001 to 3.7 million tonnes. This change is a result of a 15% increase in area to 6.2 million acres, combined with an 11% increase in yield to 24.1 bushels per acre.

Barley: Production is expected to drop to 7.9 million tonnes from 10.8 million tonnes last year, the lowest estimate since 1968. Barley yields this year are estimated at 40.6 bushels per acre, the lowest in 30 years. Farmers will harvest an estimated 8.9 million acres, about 3.8 million less than what was seeded.

Canola: Production is expected to drop to 3.2 million tonnes from 4.9 million tonnes last year. This is about half of the 10-year average production of 6.3 million tonnes. Although the seeded acreage this year was up 2% to 9.6 million acres, dry, hot conditions through the growing area have slashed production.

Corn: In Quebec and Ontario, corn producers have been experiencing below-average conditions. However, corn production is expected to reach 8.1 million tonnes, the same as 2001.

Soybeans: Quebec and Ontario growers have experienced good growing conditions, raising soybean production to 2.4 million tonnes, compared with the disastrous 1.6 million tonnes last year.

Field crop reporting series: Preliminary estimates of principal field crop areas, Canada, 2002, Vol. 81, no. 5 (Internet: 22-002-XIB, \$11/\$66; paper: 22-002-XPB, \$15/\$88) is now available. For more information, contact David Burroughs (613-951-5138; dave.burroughs@statcan.ca), David Roeske (613-951-0572; david.roeske@statcan.ca), Agriculture Division.

Extreme weather hits farm cash receipts

Farm cash receipts for the first six months of the year declined in 2002 for the first time in three years, but the worst may be yet to come.

Crop receipts fell to a seven-year low between January and June, while livestock receipts declined after three consecutive years of increase for this six-month period. Payments from government programs fell for the first time since 1997.

However, these mid-year figures may not be indicative of the final results for 2002 as they reflect the impact of last year's poor weather conditions in many parts of Canada. The impact of this year's crop production and sales will be reflected in the second half of 2002 and the first half of 2003.

In total, Canadian farmers received \$16.9 billion from agricultural commodities and program payments in the first six months of 2002, down \$1.1 billion or 5.9% from the same period of 2001. It was the first such decrease since 1999.

Crop receipts declined 2.7% to \$6.6 billion, which was 4.1% below the previous five-year average from 1997 to 2001. Lower deliveries for most major grains and oilseeds more than offset an across-the-board increase in prices.

Receipts for livestock stood at \$9.1 billion, down 1.7% from the same period of 2001. However, this was up 16.3% from the previous five-year average for the six-month period.

Program payments plunged 38.8% to \$1.1 billion. Despite this drop, payments remained above the previous five-year average of \$990 million.

Farm cash receipts

	First half 2001	First half 2002	% change
Canada	17,934	16,880	-5.9
Newfoundland	39	39	-
Prince Edward Island	184	191	3.8
Nova Scotia	193	186	-3.6
New Brunswick	195	216	10.8
Quebec	2,821	2,738	-2.9
Ontario	4,151	3,897	-6.1
Manitoba	1,891	1,699	-10.2
Saskatchewan	3,297	2,893	-12.3
Alberta	4,045	3,890	-3.8
British Columbia	1,117	1,130	1.2

Note: Figures may not add to totals due to rounding.

The largest percentage declines in cash receipts were in Saskatchewan (-12.3%) and Manitoba (-10.2%). Increases occurred in New Brunswick (+10.8%) and Prince Edward Island (+3.8%), mainly because of rising potato prices, and in British Columbia (+1.2%).

Crop insurance payments climbed 62.2% to \$399 million in the first six months of 2002, the highest level since 1993 and more than triple the previous five-year average. This increase was in response to poor growing conditions and to an increase in the acreage of insured crops.

The January-June 2002 issue of Farm cash receipts, Vol. 63, no. 2 (Internet: 21-001-XIB, \$15/\$48) is now available. For more information, contact Kimberley Boyuk (613-951-2510; kimberley.boyuk@statcan.ca), Agriculture Division.

Third consecutive quarterly gain for retail sales

Retail sales rose 1.8% in June to \$25.6 billion, offsetting May's 1.1% decline. All sectors except drugs and furniture contributed to this increase.

Clothing stores (+5.4%), general merchandise stores (+3.9%) and the other retail category (+3.0%) posted the most significant increases. Sales were also up in the automotive and food sectors.

Retail sales advanced 0.8% in the second quarter from the first, the third consecutive quarterly gain. All sectors except other retail saw rising sales in the second quarter.

Despite a 0.3% decline in June, furniture led all sectors with a 2.6% gain in the second quarter, the fourth consecutive quarterly increase. Sales in the furniture sector were 14.3% higher than in the second quarter of 2001. A healthy housing market and strong demand for consumer electronics propelled sales growth in this sector.

Significant sales gains in June for department stores (+3.9%) and other general merchandise stores (+3.7%) led to a 1.6% gain in the second quarter in the general merchandise sector, following a 3.2% gain in the first quarter.

Retail sales, June 2002
Seasonally adjusted

	\$ millions	% change, previous month	% change, previous year
Canada	25,639	1.8	6.2
Newfoundland and Labrador	417	0.5	0.3
Prince Edward Island	104	-5.6	-3.5
Nova Scotia	761	-0.2	4.8
New Brunswick	609	0.7	4.1
Quebec	5,881	1.1	6.1
Ontario	9,577	3.2	5.5
Manitoba	892	1.3	8.1
Saskatchewan	753	1.2	8.0
Alberta	3,154	1.3	9.1
British Columbia	3,401	1.0	6.4
Yukon	33	4.5	10.1
Northwest Territories	40	-0.8	11.9
Nunavut	17	0.4	0.1

The June 2002 issue of *Retail trade* (Internet: 63-005-XIB, \$16/\$155) is now available. For more information, contact Pierre Desjardins (613-951-9682; pierre.desjardins@statcan.ca), Distributive Trades Division.

Foreign investors continue to acquire Canadian securities

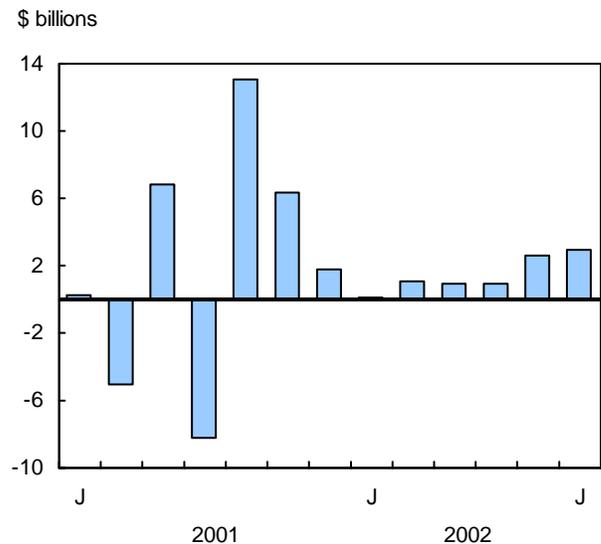
Foreign investors continued to acquire Canadian securities in June, but switched their buying to stocks from bonds. The \$4.0 billion addition to foreign holdings of Canadian stocks was the first increase of any size in 2002 and the largest in a year.

In addition to the new shares, foreign investors purchased \$0.9 billion in the secondary market. A large offering of privately held stock in conjunction with one of the public offerings of new stock contributed to this secondary market activity. Canadian stock prices declined 6.7% in June, returning share prices to the level of October 2001.

In the bond market, the holdings of foreign investors declined by \$1.5 billion in June. Retirements were close to a record high, with a large amount of provincial government and enterprises debt coming to maturity and the previously mentioned conversion of a corporate bond to equity. Conversely, companies continued to raise funds through new issues in foreign markets, bolstered by a large issue of asset-backed securities by a government enterprise.

After making a small investment in foreign securities in May, Canadian investors stepped up their purchases with a much larger \$2.1 billion investment in June. The accumulated investment of \$17.7 billion in foreign securities for the first half of 2002 is well below the \$27.2 billion invested in the same period of 2001.

Foreign investment in Canadian securities¹



¹ Includes bonds, stocks and money market paper.

The June 2002 issue of *Canada's international transactions in securities*, (Internet: 67-002-XIB, \$14/\$132; paper: 67-002-XPB, \$18/\$176) will be available soon. For more information, contact Donald Granger (613-951-1864), Balance of Payments Division.

Health inequality persists for off-reserve Aboriginals

Health inequalities persist between Aboriginal people living off-reserve and other Canadians regardless of socio-economic and health behaviour factors, according to the 2000/01 Canadian Community Health Survey (CCHS).

A new study compares the off-reserve Aboriginal population with the non-Aboriginal population on the basis of four health status measures: self-perceived health, chronic conditions, long-term activity restriction and depression.

Even after taking into account socio-economic factors such as education, work status and household income, the off-reserve Aboriginal population was still 1.5 times more likely than the non-Aboriginal population to report fair or poor health.

Again, when lifestyle behaviours such as smoking, obesity and heavy drinking, more prevalent in the off-reserve Aboriginal population, were taken into account, off-reserve Aboriginal people were still 1.3 times more likely than non-Aboriginal people to report fair or poor health.

This indicates that both socio-economic and health behaviour factors did not fully explain the disparity between Aboriginal and non-Aboriginal people in reporting fair or poor health.

Adjusting for age only, 60% of the off-reserve Aboriginal population reported at least one chronic condition in 2000/01, compared with only 49% of the non-Aboriginal population. By geographic region, off-reserve Aboriginal people living in the territories reported a lower prevalence of chronic conditions (45%) than those living in either rural (60%) or urban areas (63%) in the provinces. This may be because people in the North may not be able to get to a doctor for a diagnosis.

By household income level, 65% of off-reserve Aboriginal people living in low- and middle-income households and 52% of those living in high-income households reported a chronic condition. The gap between Aboriginal off-reserve and non-Aboriginal people was not significant among high-income households.

When socio-economic factors were taken into account, the off-reserve Aboriginal population was 1.5 times more likely than the non-Aboriginal population to experience a major depressive episode in the year before the survey. When health behaviour factors were accounted for, the odds were reduced to 1.3 times.

The article "The health of the off-reserve Aboriginal population" (82-003-SIE, free) is now available on Statistics Canada's website (www.statcan.ca). From the Our products and services page, choose Free publications, then Health. For more information, contact Michael Tjepkema (416-952-4620; michael.tjepkema@statcan.ca), Health Statistics Division.

Trade duties hit sawmill shipments

Canadian sawmills dramatically curtailed their shipments after May 21 when the United States imposed trade duties on Canadian softwood.

Lumber shipments were down 8.1% in May and 2.1% in June after the countervailing and antidumping duties were re-imposed.

Even so, total shipments for the second quarter of 2002 were up 1.3% from the same three months last year, essentially because of strong shipments in April and early May prior to reimposition of the penalties. Companies shipped 18,800.1 thousand cubic metres between April and June.

Lumber exports in the second quarter were up 8.2% on an unadjusted basis from the first quarter, despite a 35.7% plunge in June alone, as measured by the International Trade Division. Again, this was partly a result of the strong performance earlier in the quarter prior to the penalties.

However, lumber exports in the second quarter were 4.2% lower than in the second quarter of 2001. This reflected the continuing uncertainty created by the lumber dispute over the last year, as well as some weakening in U.S. demand in recent months.

After strong increases earlier in 2002, housing starts fell during the second quarter. In the United States, housing starts averaged 1,652,700 units (seasonally adjusted annual rate) in the second quarter, down 4.2% from the first quarter.

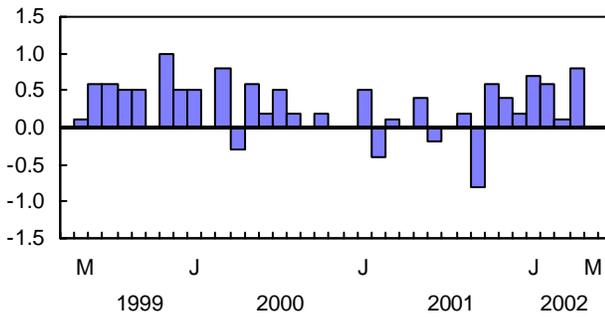
Housing starts in Canada fell 1.7% in the second quarter, averaging 171,600 units (seasonally adjusted annual rate), compared with 174,600 units in the first three months.

For more information, contact Gilles Simard (613-951-3516; simales@statcan.ca), Manufacturing, Construction and Energy Division.

Current trends

Gross domestic product

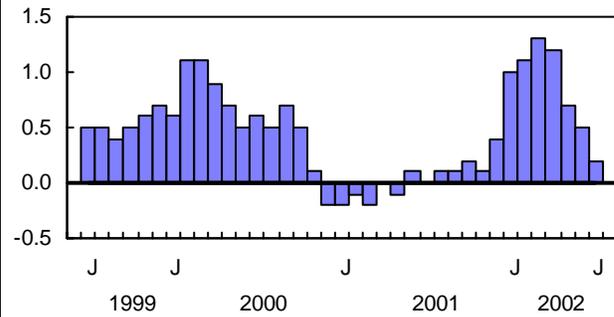
% change, previous month



Total economic activity was unchanged in May, after rising 0.8% in April.

Composite Index

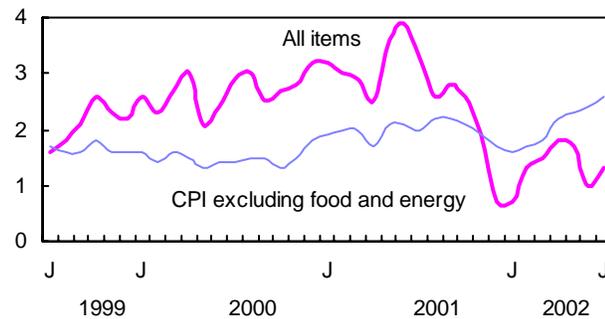
% change, previous month



The leading indicator gained 0.2% in July. The rise would have matched June's had the stock market not tumbled again.

Consumer Price Index

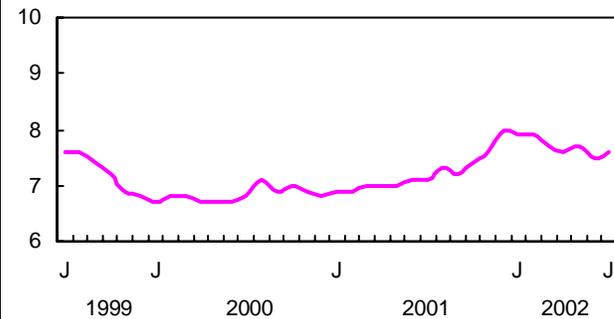
% change, previous year



Consumer prices for goods and services were 2.1% higher in July than they were a year earlier. Excluding food and energy, prices rose 2.9%.

Unemployment rate

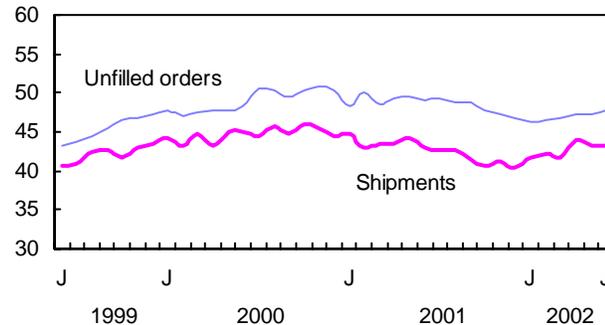
%



In July, the unemployment rate rose 0.1 percentage points to 7.6%.

Manufacturing

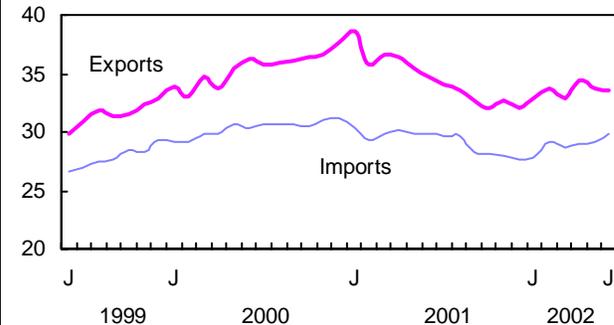
\$ billions



Manufacturers' shipments edged down 0.1% in June to \$43.2 billion. The backlog of unfilled orders rose 0.8% to \$47.8 billion.

Merchandise trade

\$ billions



In June, the value of merchandise exports declined 0.5% to \$33.6 billion. Imports rose 2.1% to \$29.8 billion.

Note: All series are seasonally adjusted except the Consumer Price Index.

Latest statistics

	Period	Level	Change, previous period	Change, previous year
GENERAL				
Gross domestic product (\$ billions, 1997) ¹	May	966.7	0.0%	2.6%
Composite Index (1992=100)	July	177.6	0.2%	6.9%
Operating profits of enterprises (\$ billions)	Q2 2002*	38.8	10.7%	0.0%
Capacity utilization rate (%) ²	Q1 2002	81.7	1.3†	-2.3†
DOMESTIC DEMAND				
Retail trade (\$ billions)	June	25.6	1.8%	6.2%
New motor vehicle sales (thousands of units)	June	142.7	-2.0%	7.6%
Wholesale trade (\$ billions)	June	34.5	0.1%	3.7%
LABOUR				
Employment (millions)	July	15.4	0.1%	2.3%
Unemployment rate (%)	July	7.6	0.1†	0.5†
Participation rate (%)	July	66.8	0.0†	0.9†
Average weekly earnings (\$)	June	676.61	0.10%	2.03%
Help-wanted Index (1996=100)	July	128.3	0.5%	-13.9%
Regular Employment Insurance beneficiaries (in thousands)	June	551.5	-0.5%	8.1%
INTERNATIONAL TRADE				
Merchandise exports (\$ billions)	June	33.6	-0.5%	-2.9%
Merchandise imports (\$ billions)	June	29.8	2.1%	0.1%
Merchandise trade balance (all figures in \$ billions)	June	3.8	-0.8	-1.0
MANUFACTURING				
Shipments (\$ billions)	June	43.2	-0.1%	0.8%
New orders (\$ billions)	June	43.6	0.2%	2.8%
Unfilled orders (\$ billions)	June	47.8	0.8%	-2.7%
Inventory/shipments ratio	June	1.43	0.00	-0.09
PRICES				
Consumer Price Index (1992=100)	July	119.6	0.5%	2.1%
Industrial Product Price Index (1997=100)	July*	106.9	0.2%	-0.3%
Raw Materials Price Index (1997=100)	July*	114.7	2.6%	0.3%
New Housing Price Index (1992=100)	June	110.3	0.2%	4.1%

Note: All series are seasonally adjusted with the exception of the price indexes.

* new this week

† percentage point

¹ 1997 replaces 1992 as the base year used in determining prices for gross domestic product by industry. Also, valuation has been changed from factor cost to basic prices.

² Calculation of the rates of capacity use is now based on the 1997 North American Industrial Classification System (NAICS), which has replaced the 1980 Standard Industrial Classification.

Infomat

A weekly review

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Products released from August 22 to 28, 2002

SUBJECT AREA Title of product	Period	Catalogue number	Price (\$) (issue/subscription)
AGRICULTURE			
Farm cash receipts	January-June 2002	21-001-XIB	15/48
Field crop reporting series, Vol. 81, no. 5		22-002-XIB	11/66
Field crop reporting series, Vol. 81, no. 5		22-002-XPB	15/88
The dairy review	April-June 2002	23-001-XIB	27/89
CURRENT ECONOMIC ANALYSIS			
Canadian economic observer	August 2002	11-010-XPB	23/227
DISTRIBUTIVE TRADES			
Retail trade	June 2002	63-005-XIB	16/155
HEALTH STATISTICS			
The health of the off-reserve Aboriginal population	2000-2001	82-003-SIE	free
INTERNATIONAL TRADE			
Canadian international merchandise trade	June 2002	65-001-XIB	14/141
Canadian international merchandise trade	June 2002	65-001-XPB	19/188
MANUFACTURING, CONSTRUCTION AND ENERGY			
Asphalt roofing	July 2002	45-001-XIB	5/47
Construction type plywood	June 2002	35-001-XIB	5/47
Footwear statistics, Vol. 77, no. 1		33-002-XIB	6/11
Particleboard, oriented strandboard and fibreboard	June 2002	36-003-XIB	5/47
Pulpwood and wood residue statistics	June 2002	25-001-XIB	6/55
Sawmills and planing mills	June 2002	35-003-XIB	9/86
Supply and disposition of crude oil and natural gas	March 2002	26-006-XPB	19/186
SERVICE INDUSTRIES			
Restaurant, caterer and tavern statistics	June 2002	63-011-XIE	6/55

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Calendar of key releases: September 2002

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9	10 Grain stocks, as of July 31, 2002	11 Industrial capacity utilization rates, Q2 2002 New Housing Price Index, July 2002	12 Health status and health behaviour among immigrants, 2000/01 Mental health of Canada's immigrants, 2000/01	13 Labour productivity, Q2 2002
16 New motor vehicle sales, July 2002	17 Monthly Survey of Manufacturing, July 2002 Time alone, 1998	18 Canadian international merchandise trade, July 2002	19 Travel between Canada and other countries, July 2002	20 Consumer Price Index, August 2002 Wholesale trade, July 2002
23 Retail trade, July 2002	24 Canada's international transactions in securities, July 2002 Employment Insurance, July 2002	25 Composite Index, August 2002 Employment, earnings and hours, July 2002 Homicide in Canada, 2001	26 Neighbourhood income and mortality, 1971-1996	27 Industrial product price and raw materials price indexes, August 2002 National tourism indicators, Q2 2002
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