



# The Daily

Statistics Canada

Friday, April 25, 1997  
For release at 8:30 a.m.

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## MAJOR RELEASES

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- **Industrial Product Price Index, March 1997**

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- **Raw Materials Price Index, March 1997**

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- Crushing statistics, March 1997
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- Hog inventories, April 1, 1997
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- Residential Telephone Service Survey, February 1997
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- Wool disposition and farm value, 1996
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## PUBLICATIONS RELEASED

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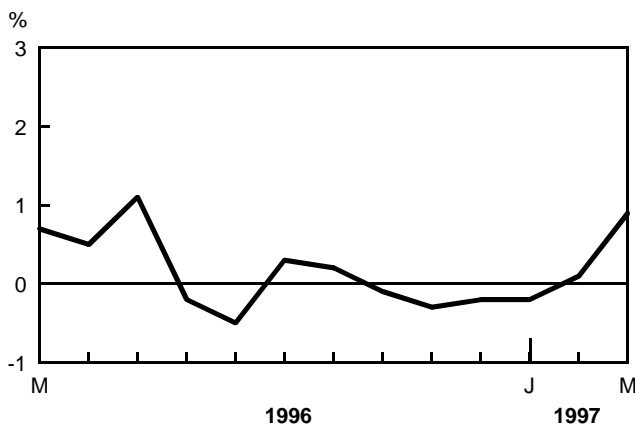
## MAJOR RELEASES

### Industrial Product Price Index

March 1997 (preliminary)

In March, the 12-month change in industrial product prices rose to 0.9%; however, prices edged up only marginally from February's level. The Industrial Product Price Index stood at 130.2 in March (1986=100), up from its revised February level of 129.9.

#### 12-month change in industrial prices continues up



The increase in the 12-month change was due more to the decline of prices in early 1996 than to the rise in prices in early 1997. During the first three months of 1996, the overall industrial price level declined by almost 1.0% as pulp prices plunged. In the same period in 1997, however, industrial product prices rose by under 0.25%.

#### 12-month change in manufacturing industry prices noticeably lower than in the United States

In Canada, the 12-month change in the manufacturing industry's level of prices (+0.9%) was noticeably lower than the corresponding figure for the United States (+1.4%).

One interesting aspect to this divergence is the nature of the industries with a lower 12-month change in Canada than in the United States. These were mostly industries dependent on the consumer. These industries included: food and kindred products; furniture and fixtures; printing, publishing and allied industries; stone, clay, glass and concrete products; and miscellaneous manufacturing industries. Over the last year, the 12-month change in retail sales in

#### Note to Users

The Industrial Product Price Index (IPPI) reflects the prices that producers in Canada receive as the goods leave the plant gate. It does not reflect what the consumer pays. Unlike the Consumer Price Index, the IPPI excludes indirect taxes and all the costs that occur between the time when a good leaves the plant and the time when the final user takes possession of it, including the transportation, wholesale, and retail costs.

Canadian producers export many goods. They often quote their prices in foreign currencies, particularly for motor vehicles, pulp, paper, and wood products. A rise or fall in the value of the Canadian dollar against the U.S. dollar therefore affects the IPPI. A 1.0% change in the value of the Canadian dollar against the U.S. dollar has been estimated to change the IPPI by approximately 0.2%.

Canada tended to catch up to that in the United States only since October.

#### 12-month price change for consumer goods down in Canada for both manufacturer and consumer

In March, the 12-month change in the prices of domestic consumer goods paid to manufacturers dropped to a little under 2.5%. For most of the last half of 1996, the 12-month change for these goods had been running at a little over 3%.

At the retail level, the 12-month change in the Consumer Price Index for goods declined in March. It dropped to 2.3% after being at least 2.6% for the previous four months.

Only about half of what the consumer pays goes to manufacturers. The rest is divided among retailers, wholesalers, indirect taxes and transporters. Retailers can thus use a smaller percentage increase in prices to cover the manufacturers' price increases. The 12-month change in prices for consumer goods at the manufacturing level has been higher than that at the consumer level since the beginning of 1994.

#### Exchange rate movement dominates month-to-month change in industrial prices

The March increase in the value of the U.S. dollar against the Canadian dollar raised the value in Canadian dollars of all export prices quoted in U.S. currency. This increased the month-to-month change in industrial prices from zero to 0.2%. The impact was most noticeable for motor vehicles, pulp, paper and wood products. Producers frequently quote export prices for these items in U.S. dollars.

### Prices up for non-ferrous metals, motor vehicles and animal feeds

In March, the most important monthly price increases were for non-ferrous metal products, motor vehicles and feeds using oilseed products. However, declines in petroleum products prices offset most of these increases.

Price increases for non-ferrous metal products were quite widespread in March, and included copper and copper alloy products, aluminum and nickel products, and refined zinc.

Aluminum product prices continued moving higher in March, rising 2.4%. Aluminum product prices recovered 15.1% since November 1996 but remained 19.3% below their peak of February 1995.

Prices for copper and copper alloy products were up 3.9%. Copper prices recovered 21.5% since July 1996 but were still significantly below their level in early 1995. The recovery in copper prices was attributed, at least in part, to the demand in the United States for automobiles and housing.

Prices for nickel products were up 6.8% in March, a 21.1% recovery since prices bottomed out this January. Nickel consumption has been rising and it is expected that Asia will have a particularly noticeable recovery in its stainless steel production. Stainless steel production accounts for nearly two-thirds of total annual nickel consumption.

Virtually all of March's change in motor vehicle prices was due to the change in the value of the Canadian dollar. While automobile domestic prices edged down 0.1% and truck domestic prices edged up 0.1%, export prices were up 1.0% for both automobiles and trucks.

In March, prices for animal feeds were up 3.3%. Oil meal and cake prices from soybean and from canola jumped 11.4% and 7.9% respectively. At the raw material level, soybeans were up 8.4% and canola increased by 6.0%.

### Gasoline and fuel oil prices partly offset increases

In March, the overall price for gasoline and fuel oil continued down, falling 3.4% at the manufacturers' level. Crude oil prices also continued their decline, dropping 5.2%. At the fuel pumps, consumers paid 1.6% less than in February.

### Overview

In March, as industrial prices remained virtually unchanged, the situation of the Canadian economy appeared quite positive. Employment was up, both overall and in manufacturing, according to the Labour Force Survey. The increase in manufacturing employment was the first since last August. Housing starts, although edging down slightly in March, were still over 30% higher than a year ago and February had seen an increase in building permits. February also witnessed a rise in unfilled orders for manufacturing.

In the United States, Canada's major trading partner, March was also a prosperous month. Manufacturing industry prices were down 0.1% from February as industrial production rose 0.9%. Employment rose and the unemployment rate fell.

In Japan, the 12-month change in industrial prices rose to 1.6% in February where it remained in March. Industrial production, which had jumped strongly in January, had fallen back somewhat in February but remained above its December level.

Among the European members of the G7 in February, the United Kingdom continued to have the highest 12-month change in industrial prices (+1.3%), followed by Italy (+0.8%). The United Kingdom also continued to have the lowest unemployment rate, a seasonally adjusted 7.1% in February according to Eurostat.

Industrial production in the United Kingdom, which tended to increase in 1996 has levelled off in 1997. In Germany, the largest European economy, industrial production was up in February from January, but was still down from 1996 levels. Italy was somewhat similar. In France, industrial production remained close to its 1996 level.

### Available on CANSIM: matrices 2000-2008.

The March 1997 issue of *Industry price indexes* (62-011-XPB, \$22/\$217) will be available in May. See *How to order publications*.

For further information on this release, contact Paul Roméo Danis (613-951-3350; fax: 613-951-2848; Internet: [danipau@statcan.ca](mailto:danipau@statcan.ca)), Client Services Unit, Prices Division. □

**Industrial product price indexes**  
(1986 = 100)

	Relative importance	March 1996	Feb. 1997 <sup>r</sup>	March 1997 <sup>p</sup>	March 1996 to March 1997	Feb. 1997 to March 1997
		% change				
<b>Industrial Product Price Index (IPPI)</b>	<b>100.0</b>	<b>129.0</b>	<b>129.9</b>	<b>130.2</b>	<b>0.9</b>	<b>0.2</b>
Total IPPI excluding petroleum and coal products	93.6	130.8	130.7	131.2	0.3	0.4
<b>Intermediate goods<sup>1</sup></b>	<b>60.4</b>	<b>131.2</b>	<b>131.0</b>	<b>131.3</b>	<b>0.1</b>	<b>0.2</b>
First-stage intermediate goods <sup>2</sup>	13.4	133.4	131.1	132.0	-1.0	0.7
Second-stage intermediate goods <sup>3</sup>	47.0	130.6	130.9	131.1	0.4	0.2
<b>Finished goods<sup>4</sup></b>	<b>39.6</b>	<b>125.5</b>	<b>128.2</b>	<b>128.4</b>	<b>2.3</b>	<b>0.2</b>
Finished foods and feeds	9.9	125.0	128.0	128.2	2.6	0.2
Capital equipment	10.4	128.1	130.4	130.9	2.2	0.4
All other finished goods	19.3	124.3	127.1	127.1	2.3	0.0
<b>Aggregation by commodities</b>						
Meat, fish and dairy products	7.4	122.0	127.1	127.3	4.3	0.2
Fruit, vegetable, feed, miscellaneous food products	6.3	129.6	129.3	130.3	0.5	0.8
Beverages	2.0	130.0	132.5	132.6	2.0	0.1
Tobacco and tobacco products	0.7	173.7	186.1	186.1	7.1	0.0
Rubber, leather, plastic fabric products	3.1	126.7	127.5	127.5	0.6	0.0
Textile products	2.2	119.1	119.7	119.8	0.6	0.1
Knitted products and clothing	2.3	120.1	122.8	122.8	2.2	0.0
Lumber, sawmill, other wood products	4.9	152.1	163.5	163.3	7.4	-0.1
Furniture and fixtures	1.7	125.9	125.8	125.8	-0.1	0.0
Pulp and paper products	8.1	148.7	128.6	128.8	-13.4	0.2
Printing and publishing	2.7	172.2	167.6	168.3	-2.3	0.4
Primary metal products	7.7	129.2	127.6	130.1	0.7	2.0
Metal fabricated products	4.9	129.9	131.2	131.5	1.2	0.2
Machinery and equipment	4.2	130.1	132.3	132.5	1.8	0.2
Autos, trucks, other transportation equipment	17.6	123.4	124.7	125.5	1.7	0.6
Electrical and communication products	5.1	118.8	120.9	121.0	1.9	0.1
Non-metallic mineral products	2.6	124.2	125.0	125.1	0.7	0.1
Petroleum and coal products <sup>5</sup>	6.4	102.0	118.0	115.0	12.7	-2.5
Chemicals and chemical products	7.2	132.6	134.7	134.8	1.7	0.1
Miscellaneous manufactured products	2.5	125.1	124.2	124.3	-0.6	0.1
Miscellaneous non-manufactured commodities	0.4	96.2	92.8	92.1	-4.3	-0.8

<sup>r</sup> Revised figures.

<sup>p</sup> Preliminary figures.

<sup>1</sup> Intermediate goods are used principally to produce other goods.

<sup>2</sup> First-stage intermediate goods are used most frequently to produce other intermediate goods.

<sup>3</sup> Second-stage intermediate goods are most commonly used to produce final goods.

<sup>4</sup> Finished goods are most commonly used for immediate consumption or for capital investment.

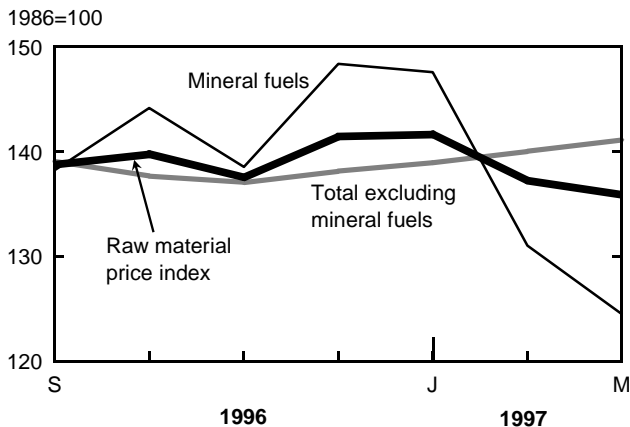
<sup>5</sup> This index is estimated for the current month.

## Raw Materials Price Index

March 1997 (preliminary)

In March, manufacturers raw material prices fell 1.0% compared with February. Lower prices for crude oil, wood and hogs were partly offset by higher prices for copper and wheat. Excluding mineral fuels (this category is more than 90% crude oil), raw material prices would have increased by 0.8%.

### Crude oil pulls down raw material prices



Compared with 12-months earlier, raw material prices were up 1.4%. Again, if mineral fuels were excluded, raw material prices would be up 0.9% compared with March 1996.

The Raw Materials Price Index stood at 135.8 in March (1986=100), down from its revised February level of 137.2. Lower monthly prices for crude oil, wood, ferrous materials, animals and animal products were somewhat offset by higher prices for non-ferrous metals and vegetable products.

Compared with March 1996, higher prices for animals and animal products, mineral fuels and wood were partly dampened by lower prices for non-ferrous metals, and vegetable products.

### Crude oil prices down again

In March, crude oil prices declined for the third consecutive month, dropping 17.1% over this period. As well, crude oil prices were up 2.5% this March compared with a year earlier.

The recent monthly decline in crude oil prices (-5.2%) was due to refiners cutting crude oil use to make seasonal repairs while heating oil demand slackened due to the milder weather. Prices will

#### Note to readers

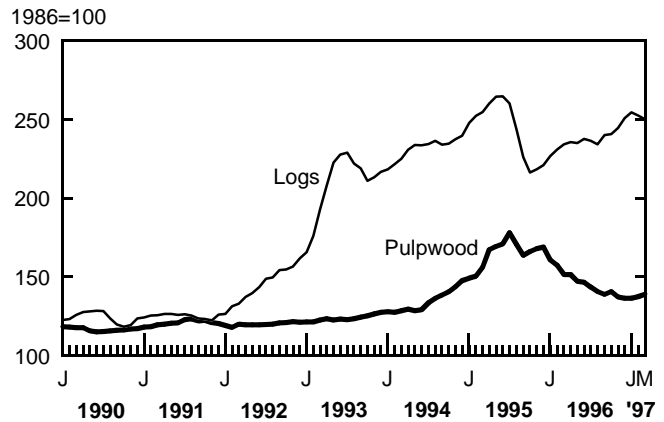
The Raw Materials Price Index (RMPI) reflects the prices paid by Canadian manufacturers for key raw materials. Many of these prices are set in a world market. Also, unlike the Industrial Product Price Index, the RMPI includes goods that are not produced in Canada.

fluctuate in the next few months as refiners build up stock for the upcoming summer driving season. Also, the crude supply could be subject to sudden shifts depending on the degree of observance of export quotas by the Organization of Petroleum Exporting Countries (OPEC) and the situation in Iraq.

### Log prices up almost 90% over last five years

Wood prices fell marginally in March (-0.6%) as lower prices for logs (-1.0%) were somewhat offset by higher pulpwood prices (+1.1%). Compared with 12 months ago, wood prices were up 3.3% as higher prices for logs (+6.7%) were partly offset by lower pulpwood prices (-8.3%).

### Log prices up almost 90% over last five years while pulpwood index almost unchanged



Log prices have increased dramatically over the last five years, jumping almost 90%. Increases in stumpage fees (the fees' companies pay provinces for trees cut from Crown land) and the costs of complying with new stringent forest practice codes account for a large percentage of the rise. For instance, regulations that require trees to be harvested from smaller blocks of forest call for increased planning and more roads and result in higher costs.

### Hog prices down

The animals and animal product group saw prices edge down 0.3% in March compared with February. Lower prices for hogs (-5.3%) were mostly offset by higher prices for cattle for slaughter (+3.4%) and hides and skins (+6.5%). Compared with March 1996, animals and animal products group prices were up 4.2%. Higher prices for cattle for slaughter (+14.1%), milk (+2.7%) and hides and skins (+26.2%) were somewhat dampened by lower prices for fresh fish (-3.8%). Cattle herds were reduced greatly last year as higher feed grain costs and low profits played havoc with farmers. Recently, however, cattle prices have been marginally improving.

Hog prices sank to an 11-month low in March, as a rising slaughter level combined with a weaker demand threatened to create an oversupply of pork. However, the recent report of hoof-and-mouth disease affecting Taiwanese hogs (the main supplier to Japan, the world's largest pork importer) may boost demand for Canadian pork.

### Metal prices strengthen

Non-ferrous metal prices were up 3.6% in March — the highest month-to-month change in 21 months. Higher prices were recorded for most metals — especially for copper concentrates (+5.7%), and gold (+3.5%). However, non-ferrous metal prices remained 4.3% lower this March.

Copper inventories, as noted from the London Metal Exchange (LME) were more than 40% lower this March than at the same time last year. Also, demand for copper has been quite robust in the automotive and

construction industries due to attractive interest rates. One-third of the world's supply of copper is used in the construction industry alone.

### Grain and oilseed prices up

On a month-to-month basis, vegetable product prices increased 3.6% in March, the highest monthly increase in 10 months. Higher prices for grains (+3.8%), oilseeds (+7.0%) and green coffee (+9.7%) were the major contributors. Compared with 12 months earlier, vegetable product prices were down 3.7%. Lower prices for grains (-21.9%) and potatoes (-34.0%) were mostly offset by higher prices for raw tobacco (+38.4%) green coffee and oilseeds.

Oilseed prices in Canada were up 14.5% over the last 12 months but may see increased competition from Australia due to their strong canola crop and hence their export of canola oil.

Other notable monthly price changes in March for raw materials were: soybeans (+8.4%), unrefined sugar (+2.3%), rubber (+2.1%), non-ferrous scrap (+6.6%) and iron and steel scrap (-4.7%).

### Available on CANSIM: matrix 2009.

The March 1997 issue of *Industry price indexes* (62-011-XPB, \$22/\$217) will be available in May. See *How to order publications*.

For further information on this release, please contact Paul-Roméo Danis (613-951-3350; fax: 613-951-2848; Internet: [danipau@statcan.ca](mailto:danipau@statcan.ca)), Client Services Unit, Prices Division. □

**Raw Materials Price Index**  
(1986 = 100)

	Relative importance	March 1996	Feb. 1997 <sup>r</sup>	March 1997 <sup>p</sup>	March 1996 to March 1997	Feb. 1997 to March 1997
					% change	
<b>Raw Materials Price Index (RMPI)</b>	<b>100.0</b>	<b>133.9</b>	<b>137.2</b>	<b>135.8</b>	<b>1.4</b>	<b>-1.0</b>
Mineral fuels	31.7	121.2	131.0	124.5	2.7	-5.0
Vegetable products	10.3	138.3	128.6	133.2	-3.7	3.6
Animals and animal products	25.5	114.9	120.0	119.7	4.2	-0.3
Wood	13.1	208.1	216.2	214.9	3.3	-0.6
Ferrous materials	3.6	116.3	119.6	117.0	0.6	-2.2
Non-ferrous metals	13.2	134.2	123.9	128.4	-4.3	3.6
Non-metallic minerals	2.6	106.4	108.3	108.3	1.8	0.0
RMPI excluding mineral fuels	68.3	139.8	140.0	141.1	0.9	0.8

<sup>r</sup> Revised figures.

<sup>p</sup> Preliminary figures.



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## OTHER RELEASES

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### Crushing statistics

March 1997

Oilseed processors crushed 234,160 metric tonnes of canola in March. Oil production totalled 98,485 tonnes while meal production amounted to 141,457 tonnes.

Processors crushed 1,810,396 metric tonnes of canola between August 1996 and March 1997. This is the first time in the 1996/97 crop year that the cumulative canola crush has been below that of the corresponding period of 1995/96. The August 1995 to March 1996 crush was 1,811,210 tonnes.

**Available on CANSIM: matrix 5687.**

The March 1997 issue of *Cereals and oilseeds review* (22-007-XPB, \$15/\$144) will be released in May. See *How to order publications*.

For further information on this release, contact Jeannine L. Fleury (613-951-3859) or Karen Gray (204-983-2856), Grain Marketing Unit, Agriculture Division. ■

### Hog inventories

April 1, 1997

Hog inventories were an estimated 12.1 million head on April 1, up 1.6% from a year earlier. Breeding stock numbers rose 1.8%. Producers in the western provinces reported a record inventory of 5.1 million head, up 2.9% from April 1, 1996. In the eastern provinces, inventories increased 0.7%. The herd is expanding in Western Canada and currently accounts for 42.7% of the national total, compared with 35.5% less than 10 years ago.

In Eastern Canada, fewer than 1 in 10 hogs marketed is exported compared with 1 in 4 in the West. In Canada, over a quarter of the hogs are exported as feeder animals while the remainder are shipped to slaughter houses. Domestic slaughter for the first quarter of 1997 is down from the same quarter in 1996 (-2.1%) and 1995 (-5.7%).

Canadians consumed less pork in 1996 than in the previous year. In 1996, Canadians consumed an average of 19.9 kg (retail basis) of pork, the lowest level since 1990, compared with 21.0 kg in 1995.

**Available on CANSIM: matrices 9500-9510.**

The April 1 estimates of the hog inventory are available in *Livestock statistics supplement 1* (23-603-UPE, \$45/\$149). See *How to order publications*.

For further information on this release, contact Robert Plourde (613-951-8716; Internet: [plourob@statcan.ca](mailto:plourob@statcan.ca)), Agriculture Division. ■

### Residential Telephone Service Survey

February 1997

Data are now available for the February 1997 Residential Telephone Service Survey. Information in this microdata file refers to telephone service penetration rates for all provinces in February.

To order the microdata file (56M0001XDB, \$500), contact Micheal Sivyer (613-951-4598; 1 800 461-9050), Special Surveys Division.

For further information on this release, contact Marc Hamel (613-951-2495; Internet: [hamemar@statcan.ca](mailto:hamemar@statcan.ca)), Special Surveys Division. ■

### Wool disposition and farm value

1996

The quantity, price and farm value of purchased wool and wool for home use are now available for 1996, by province and for Canada.

**Available on CANSIM: matrices 1184 and 1185.**

The 1996 wool statistics will be available in May in *Livestock statistics supplement 1* (23-603-UPE, \$45/\$149). See *How to order publications*.

For further information on this release, contact Barb McLaughlin (902-893-7251; Internet: [stctruro@north.nsis.com](mailto:stctruro@north.nsis.com); fax: 902-895-7435), Agriculture Division. ■



## PUBLICATIONS RELEASED

**Infomat: A weekly review**, April 25, 1997  
**Catalogue number 11-002-XPE**  
 (Canada: \$4/\$145; United States: US\$4/US\$145; other countries: US\$4/US\$145).

**Production and disposition of tobacco products**,  
 March 1997  
**Catalogue number 32-022-XPB**  
 (Canada: \$7/\$62; United States: US\$7/US\$62; other countries: US\$7/US\$62).

**Mineral wool including fibrous glass insulation**,  
 March 1997  
**Catalogue number 44-004-XPB**  
 (Canada: \$7/\$62; United States: US\$7/US\$62; other countries: US\$7/US\$62).

**Energy statistics handbook**, April 1996, (electronic version)  
**Catalogue number 57-601-XDE**  
 (Canada: \$284; United States: US\$284; other countries: US\$284).

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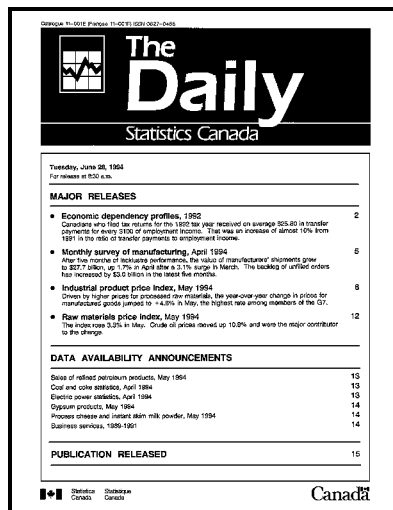
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Catalogue 11-001E.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

To receive *The Daily* from the Internet, send an E-mail message to [listproc@statcan.ca](mailto:listproc@statcan.ca). Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

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## RELEASE DATES

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**April 28 to May 2**  
(Release dates are subject to change.)

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<b>Release date</b>	<b>Title</b>	<b>Reference period</b>
29	<b>Employment insurance</b>	February 1997
30	<b>Real gross domestic product at factor cost by industry</b>	February 1997
30	<b>Field crop reporting series: March seeding intentions</b>	
1	<b>Business conditions survey, Canadian manufacturing industries</b>	April 1997

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