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 Farm cash receipts tumbled in the first half of 2003, as concerns over mad cow disease cut revenues from livestock and receipts from crops fell to a nine-year low.

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NEW PRODUCTS

Perspectives on labour and income

August 2003 online edition

The August 2003 online edition of *Perspectives on labour and income*, released today, features two articles. "Unionization and the grievance system" looks at accessibility to a grievance system for unionized and non-unionized workers. "Who pays for domestic help" reveals that an important factor influencing the decision to purchase home services is the wife's share of household income.

The August 2003 online edition of *Perspectives on labour and income*, Vol. 4 no. 8 (75-001-XIE, \$5/\$48) is now available. See *How to order products*. For more information, contact Henry Pold (613 951-4608; henry.pold@statcan.ca), Labour and Household Surveys Analysis Division.



MAJOR RELEASES

Farm cash receipts

January to June 2003

Farm cash receipts tumbled in the first half of 2003, as concerns over mad cow disease cut revenues from livestock and receipts from crops fell to a nine-year low.

In total, farmers received \$16.7 billion from all three sources — livestock and crop receipts and program payments — down 1.2% from \$16.9 billion in the first half of 2002. It was the second consecutive first-half decline. Near record program payments weren't able to offset the declines in crop and livestock receipts.

Revenue from livestock fell 5.9% to \$8.5 billion, mainly the result of substantially lower cattle receipts after one cow in northern Alberta was diagnosed with bovine spongiform encephalopathy (BSE). The United States and several other countries quickly shut their borders to ruminants and all associated products on May 20.

Crop producers continued to face difficulties, as their receipts fell to \$6.2 billion, down 8.5% from the first half of 2002 and the lowest level since 1994. This was 9.7% below the previous five-year average. Two consecutive droughts in Western Canada reduced production and sharply decreased grain and oilseed inventories.

Producers received \$2.0 billion from program payments in the first six months of 2003, a 79.2% increase from the same period of 2002 and almost double the previous five-year average (1998 to 2002). This increase was the result of record payments through the crop insurance programs, following two consecutive years of drought for Prairie producers.

Farm cash receipts provide an overall measure of gross revenue for farm businesses. They do not account for expenses incurred by farmers. Cash receipts can vary widely from farm to farm because of several factors, including commodities, prices and weather. In addition, the impact of the closure of the US border to Canadian cattle and beef is just beginning to be reflected in farm financial statistics. The effect of this serious situation on other sectors of the economy, such as meat processing and transportation, is not included here.

Total farm cash receipts fell in all provinces, except in Quebec, Ontario and Manitoba. The largest decline (-9.0%) occurred in New Brunswick, the result mainly of a substantial decrease in potato receipts. The second largest drop (-7.0%) was in Alberta where lower cattle receipts coincided with declining grain receipts.

Receipts in Quebec rose 3.4%, as higher program payments offset a decrease in crop receipts. Revenues in Ontario and Manitoba were relatively flat.

Note to readers

Statistics Canada does not forecast farm cash receipts. These data are based on survey and administrative data from a wide variety of sources.

Farm cash receipts measure the gross revenue of farm businesses in current dollars. They include sales of crops and livestock products (except sales between farms in the same province) and program payments. Receipts are recorded when the money is paid to farmers before any expenses are paid.

Deferments represent sales from grains and oilseeds delivered by western producers, for which payments were deferred until the next year. Because these receipts are based on physical deliveries, any deferred payments are deducted from the farm cash receipts of the current calendar year and included when they are liquidated (see "liquidations of deferments" in the farm cash receipts table).

Program payments include payments tied to current agricultural production and paid directly to farmers. Examples of these payments come under the Net Income Stabilization Account (NISA), the Crop Insurance Act, provincial stabilization programs and the Canadian Dairy Commission Act. The program payments series does not attempt to cover all payments made to farmers nor does it represent total government expenditure under all assistance programs.

Single cow pulls down livestock receipts

The number of cattle on Canadian farms reached a record high by the end of June, the result of limited foreign markets for Canadian cattle and beef as the US border closed on May 20 when one cow in northern Alberta tested positive for BSE.

Cattle receipts fell 20.6% to \$2.8 billion in the first half of 2003, as marketings plunged by nearly one-fifth and prices dipped. Much of the reduction occurred in the second quarter, as revenues for this quarter fell more than 25% with the export restrictions on Canadian cattle and beef.

A large portion of the reduction to the cattle receipts for the first six months of 2003 was due to lower slaughter receipts, as the number of head sold fell dramatically in May and June in response to sharply reduced demand for beef.

Receipts for international exports of live cattle fell by nearly one-third during the first half of 2003. Most exports of live cattle go to the United States. Movement of cattle abroad was reduced by more than half from April to June and reached a level not seen since 1989 for this period. (Only the impact from the first five weeks of the closure of the American border to Canadian cattle is reflected in these data.)

Revenue for calves fell 13.3% to \$243 million, as the American border restriction shut off Canada's major market for veal and feeder calves.

Hog farmers reported cash receipts of \$1.7 billion in the first half 2003, down 1.0% from the same period of 2002. Prices slumped below the previous five-year average as farmers shipped a record number of hogs to market.

Receipts for milk and cream continued to climb even though marketings have been falling slowly but continuously over four consecutive years. At \$2.2 billion for the first half of 2003, dairy receipts were up 7.9% from the first half of 2002. The increase in receipts was due to a rise in prices announced by the Canadian Dairy Commission last December, which came into effect in February.

Back-to-back droughts still hitting crop producers

Western farmers experienced one of the poorest growing seasons in the past quarter-century in 2002. The situation for some growers in Alberta and Saskatchewan was worse than in the Depression of the 1930s.

Low Western Canadian production in 2001 and 2002 helped push grain costs higher. This also hit the livestock industry hard, as shortages caused by extremely tight grain and forage supplies forced users to import corn from the United States.

Farmers dipped heavily into their grain and oilseed inventories to provide needed revenues and to feed their livestock, causing farm stocks to dwindle to extremely low levels by the end of 2002. Lower deliveries for most of the major grains and oilseeds in the first half of 2003 more than offset higher prices for most of them.

The drought had a major impact on grain and oilseed receipts in the first half of 2003. Hardest hit were producers of wheat (excluding durum) and barley. Receipts from wheat (excluding durum) fell 15.8% to \$821 million, while barley receipts were cut nearly in half to \$144 million, as higher prices could not offset major reductions in marketings and lower Canadian Wheat Board payments.

Farmers deferred fewer receipts into 2003, as a result of the back-to-back droughts, reduced production

and low marketings in 2002. This led to liquidations falling 25.8% to \$596 million in the first half of 2003, well below the previous five-year average.

Receipts from soybeans and corn, however, rose from the first half of 2002. Price increases for both were mainly responsible for the rise, although deliveries were also up for soybeans. Eastern Canada, where corn and soybeans are predominantly grown, had much better growing conditions throughout 2002.

Program payments soar to 11-year high

Program payments for the first half of 2003 reached an 11-year high of \$2.0 billion, up 79.2% from the same period of 2002. The majority of this increase was attributed to record crop insurance payments coupled with elevated Net Income Stabilization Account (NISA) withdrawals.

Crop insurance payments surged to a record \$1.1 billion in the first six months of 2003. This was a \$722 million increase from 2002, and more than six times the previous five-year average, following two consecutive years of drought in parts of Western Canada.

Farmers withdrew \$324 million from the government portion of the NISA during the first half of 2003, up more than one-third from the same period in 2002. Payments from income disaster assistance programs reached \$190 million, rising 8.8% from the same period in 2002.

Available on CANSIM: table 002-0002.

Definitions, data sources and methods: survey number 3437.

For more information on farm cash receipts, or to enquire about the concepts, methods or data quality of this release, contact Kimberley Boyuk (613-951-2510; kimberley.boyuk@statcan.ca) or Gail-Ann Breese (204-983-3445; gail-ann.breese@statcan.ca), Agriculture Division.

□

Farm cash receipts

	January to June 2002	January to June 2003 ^P	January-June 2002 to January-June 2003	April to June 2002	April to June 2003 ^P	April-June 2002 to April-June 2003
	\$ millions		% change	\$ millions		% change
Canada	16,919	16,711	-1.2	8,060	7,825	-2.9
All wheat ¹	1,277	1,100	-13.9	664	602	-9.3
Wheat excluding durum ¹	975	821	-15.8	492	435	-11.6
Durum wheat ¹	302	279	-7.6	172	167	-2.9
Barley ¹	255	144	-43.5	132	65	-50.8
Deferments	-129	-162	25.6	-62	-115	85.5
Liquidations of deferments	803	596	-25.8	11	6	-45.5
Canola	637	626	-1.7	321	356	10.9
Soybeans	202	268	32.7	89	125	40.4
Corn	335	370	10.4	156	155	-0.6
Other cereals and oilseeds	199	167	-16.1	96	73	-24.0
Special crops	254	246	-3.1	106	84	-20.8
Other crops	2,900	2,811	-3.1	1,794	1,762	-1.8
Total crops	6,733	6,164	-8.5	3,307	3,114	-5.8
Cattle and calves	3,728	3,024	-18.9	1,815	1,356	-25.3
Hogs	1,757	1,739	-1.0	809	883	9.1
Dairy products	2,069	2,232	7.9	1,023	1,135	10.9
Poultry and eggs	1,156	1,176	1.7	592	606	2.4
Other livestock	342	347	1.5	118	113	-4.2
Total livestock	9,053	8,518	-5.9	4,357	4,093	-6.1
Net Income Stabilisation Account	230	324	40.9	125	187	49.6
Crop Insurance	400	1,122	180.5	13	65	400.0
Income Disaster Assistance Programs	174	190	9.2	51	79	54.9
Provincial Stabilization	209	288	37.8	138	239	73.2
Dairy Subsidy	9	0	-	2	0	-
Other programs	110	105	-4.5	68	48	-29.4
Total payments	1,132	2,029	79.2	396	618	56.1

^P preliminary data

¹ Includes Canadian Wheat Board payments

- Nil or zero

Note: Figures may not add to totals because of rounding

Provincial farm cash receipts

	January to June 2002	January to June 2003 ^P	January-June 2002 to January-June 2003	April to June 2002	April to June 2003 ^P	April-June 2002 to April-June 2003
	\$ millions		% change	\$ millions		% change
Canada	16,919	16,711	-1.2	8,060	7,825	-2.9
Newfoundland and Labrador	40	39	-2.5	21	20	-4.8
Prince Edward Island	194	193	-0.5	100	90	-10.0
Nova Scotia	189	187	-1.1	88	90	2.3
New Brunswick	227	207	-8.8	116	108	-6.9
Quebec	2,714	2,806	3.4	1,454	1,595	9.7
Ontario	3,913	3,934	0.5	1,993	2,027	1.7
Manitoba	1,748	1,748	-	794	754	-5.0
Saskatchewan	2,810	2,805	-0.2	1,041	962	-7.6
Alberta	3,951	3,675	-7.0	1,822	1,560	-14.4
British Columbia	1,132	1,117	-1.3	631	618	-2.1

^P preliminary data

- Nil or zero

Note: Figures may not add to totals because of rounding

OTHER RELEASES

Employment Insurance

June 2003 (preliminary)

The estimated number of Canadians (adjusted for seasonality) receiving regular Employment Insurance benefits in June moved up 0.5% from May to 565,120, marking the fifth consecutive monthly rise. Increases in Ontario (+2.7%), Manitoba (+2.5%), British Columbia (+2.2%) and Nova Scotia (+2.0%) were partly offset by decreases in Prince Edward Island (-8.9%), New Brunswick (-5.2%) and Newfoundland and Labrador (-2.5%).

Also on a seasonally adjusted basis, regular benefit payments in June totalled \$785.5 million, while the number of people making initial and renewal claims was 269,940.

Number of beneficiaries receiving regular benefits

	June 2003 ^P	May to June 2003	June to June 2003
Seasonally adjusted			
		% change	
Canada	565,120	0.5	1.3
Newfoundland and Labrador	36,540	-2.5	1.5
Prince Edward Island	7,620	-8.9	-5.6
Nova Scotia	30,370	2.0	1.6
New Brunswick	34,360	-5.2	-2.9
Quebec	182,430	-1.0	0.4
Ontario	143,690	2.7	5.1
Manitoba	13,320	2.5	-8.4
Saskatchewan	11,580	0.6	-4.8
Alberta	34,370	0.1	6.0
British Columbia	66,220	2.2	-2.9
Yukon Territory	990	1.0	-2.0
Northwest Territories and Nunavut	1,100	-0.9	-5.2
Unadjusted			
Northwest Territories	690	-15.9	-8.0
Nunavut	370	5.7	2.8

^P Preliminary figures.

Note: Employment Insurance Statistics Program data are produced from an administrative data source and may, from time to time, be affected by changes to the *Employment Insurance Act* or administrative procedures.

The number of beneficiaries is a measure of all persons who received Employment Insurance benefits for the week containing the fifteenth day of the month. The regular benefit payments series measures the total of all monies received by individuals for the entire month.

Employment Insurance statistics

	June 2003	May 2003	June 2002	May to June 2003	June to June 2003
Seasonally adjusted					
				% change	
Regular beneficiaries	565,120 ^P	562,490 ^P	557,610	0.5	1.3
Regular benefits paid (\$ millions)	785.5 ^P	754.3	731.2	4.1	7.4
Claims received ('000)	269.9 ^P	263.5	215.5	2.4	25.2
Unadjusted					
				% change	
All beneficiaries ('000) (see note to users)	707.8 ^P	777.0 ^P	688.7	-8.9	2.8
Regular beneficiaries ('000)	444.2 ^P	513.0 ^P	435.2	-13.4	2.1
Claims received ('000)	213.5	187.9	155.3	13.6	37.5
Payments (\$ millions)	1,175.1	1,082.6	1,008.1	8.5	16.6
Year-to-date (January to June)					
					2002 to 2003
				% change	
Claims received ('000)			1,362.9	1,263.3	7.9
Payments (\$ millions)			8,032.9	7,980.7	0.7

^P Preliminary figures.

Note: "All beneficiaries" includes all claimants receiving regular benefits (for example, as a result of layoff) or special benefits (for example, as a result of illness).

Available on CANSIM: tables 276-0001 to 276-0006, 276-0009, 276-0011, 276-0015 and 276-0016. (These tables will be updated later.)

Definitions, data sources and methods: survey number 2604.

For general information or to order data, contact Client Services (1-866-873-8788; 613-951-4090; labour@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Gilles Groleau (613-951-4091), Labour Statistics Division. ■

Unionization and the grievance system 1999

Excluding public administration, about half of employees had access to a grievance system at their workplace, according to a new report using the 1999 Workplace and Employee Survey.

The report, published in today's online version of *Perspectives on labour and income*, found that in 1999, roughly 5.3 million employees, or one-half of the 10.8 million covered by the survey, reported that they had access to a grievance system at their workplace. About 3 million, or 28%, of these employees belonged to a union or were covered by a collective agreement. As expected, the accessibility rate was much higher among unionized workers. Overall, it stood at 85%, almost 2.5 times the 35% for non-unionized workers.

The highest accessibility rates were recorded for workers in professional occupations, 66% of whom had access to a grievance procedure, and for those in heavily unionized industries, such as primary product manufacturing (67%), communication and other utilities (74%) and education and health services (71%).

In contrast, the lowest rates were found among less unionized groups such as young people (less than 25), only 32% of whom had access. Only 34% of employees in marketing and sales had access, and only 32% of workers in construction and real estate.

At 45%, only Alberta, the least unionized province, had an accessibility rate below the national average.

The likelihood of having a grievance system at the workplace increased with the size of the firm. For example, about 44% of small firms (fewer than 20 employees) reported such a system, compared with 95% of large firms (more than 500 employees).

The report showed, however, that access does not necessarily go hand in hand with use. Despite the greater access among unionized workers, just 11.2% of them actually filed a grievance in 1999. This was almost the same as the rate of 10.5% among non-unionized workers.

It may be that the easier access — and therefore greater potential use of the system — by unionized workers contributes to improved human-relations practices on the part of employers, resulting in fewer grievances being filed.

Settlements through managers and supervisors, and management committees, appeared to be the norm for non-unionized workers. However, unionized workers were more likely to use a formal settlement mechanism such as a labour-management committee or an outside arbitrator.

About 7 in 10 non-unionized workers who filed a grievance in 1999 perceived an improvement in their post-grievance situation, compared with only 5 in 10 unionized workers.

Definitions, data sources and methods: survey number 2615.

The article "Unionization and the grievance system" is now available in the August 2003 online edition of *Perspectives on labour and income*, Vol. 4, no. 8 (75-001-XIE, \$5/\$48). See *How to order products*.

For more information or to enquire about the concepts, methods or data quality of this release, contact Ernest Akyeampong (613-951-4624; ernest.akeyampong@statcan.ca), Labour and Household Surveys Analysis Division. ■

Household spending on domestic help 2000

Hiring domestic help isn't just a matter of having enough household income. It's also a question of whose income it is, according to a new report.

The report, published in today's online version of *Perspectives on labour and income*, found that the wife's share of household income is an important factor in the decision to purchase home services such as domestic help.

Households are often assumed to base their spending decisions on the combined income of all members, the "income pooling" hypothesis. This predicts that each additional dollar of a husband's income should be spent the same way as each additional dollar of a wife's income. However, this report shows that they are spent differently, confirming the results of several other research papers.

Consider two husband-wife households, identical in every respect, except that the husband makes 75% of the income in one, while the wife makes 75% of the income in the other. Using data from the Survey of Household Spending for 2000, this report found that the likelihood of purchasing home services doubles if the wife's share is 75%.

Furthermore, households with a relatively small income, most of it earned by the wife, are sometimes more likely to pay for home services than households with a larger income, most of which is earned by the husband.

Another major factor is the age of the wife. Wives aged between 30 and 59 were almost twice as likely to purchase home services as those aged under 30. Those aged 60 and over were four times as likely.

In 2000, just over 1 in 10 husband-wife households purchased home services, spending an average

of \$1,100. Households that did so had a median income of \$86,900, compared with a median of \$58,600 among those that did not.

Households that purchased domestic services were also more likely to have larger dwellings or children under the age of five.

Definitions, data sources and methods: survey number 3508.

The article "Who pays for domestic help" is now available in the August 2003 online edition of *Perspectives on labour and income*, Vol. 4, no. 8 (75-001-XIE, \$5/\$48). See *How to order products*.

For more information or to enquire about the concepts, methods or data quality of this release, contact Boris Palameta (613-951-2124; boris.palameta@statcan.ca), Income Statistics Division. ■

NEW PRODUCTS

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Wholesale trade, June 2003, Vol. 66, no. 6
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Perspectives on labour and income, August 2003,
 Vol. 4, no. 8
 Catalogue number **75-001-XIE** (\$5/\$48).

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