



# The Daily

## Statistics Canada

**Friday, January 28, 2005**

Released at 8:30 a.m. Eastern time

### Major releases

- **Industrial product and raw materials price indexes, December 2004** 3  
Monthly prices for manufactured goods at the factory gate rose in December for the first time since August. Meanwhile, raw materials prices declined for the second month in a row, as prices for crude oil continue to fall.

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### Canadian Agriculture at a Glance: Teacher's kit

The *Canadian Agriculture at a Glance* teacher's kit (96-328-MWE, free) reaps another eight lessons with today's release of additional free online teaching activities. This fourth set of activities brings the total to 29 lessons that complement the new *Canadian Agriculture at a Glance*.

January's lessons illustrate that agriculture and agriculture-related industries are an all-season activity. The focus is on science and technology with such lessons as "A science-fiction harvest", "Dairy farming goes high tech," and "There's a pig in your closet." Two lessons, "Where were your ancestors in 1871?" and "They're here to farm," bring history into the classroom.

These classroom activities give high school students the opportunity to learn about agriculture in Canada using *Canadian Agriculture at a Glance* (96-325-XPB, \$49), which was released on June 9, 2004. This 340-page book contains 40 fascinating, easy-to-read analytical articles, complete with full-colour photos, graphs and other illustrations, making agriculture more accessible to everyone.

The kit is of use to teachers of a wide variety of subjects including geography, mathematics, science, history and family studies. Each activity is multi-disciplinary and recognizes the range of learning styles within the classroom.

The final set of lessons will become available in March.

For more information contact Gaye Ward (613-951-3172), Agriculture Division.



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<b>New products</b>	10
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<b>Release dates:</b> January 31 to February 4	11
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## Major releases

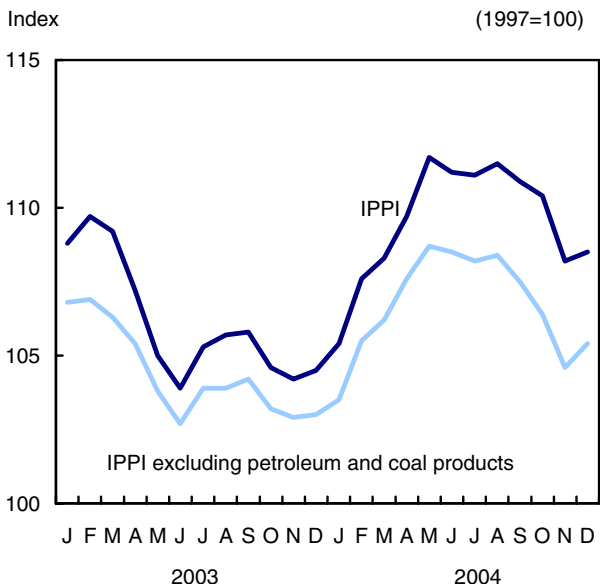
### Industrial product and raw materials price indexes

December 2004

Monthly prices for manufactured goods at the factory gate rose in December for the first time since August. Meanwhile, raw materials prices declined for the second month in a row, as prices for crude oil continue to fall.

Prices charged by manufacturers, as measured by the Industrial Product Price Index (IPPI), rose 0.3% after three consecutive months of declines. Higher prices for motor vehicles, lumber, and pulp and paper products were the main sources of the monthly increase.

#### Prices for manufactured goods increasing



The 12-month change in the IPPI was 3.8%, unchanged from November's increase.

The Raw Materials Price Index (RMPI) fell 4.3% in December from a month earlier, following a 5.2% decrease in November. There were price declines in mineral fuels, ferrous materials, wood products, and non-metallic minerals.

Compared with December 2003, raw materials cost factories 11.6% more. This was down from the 12-month rise in November (+19.8%) and October (+28.3%).

In December, the IPPI (1997=100) stood at 108.5, up from its revised level of 108.2 in November. The RMPI (1997=100) reached 126.3, down from a revised level of 132.0 in November.

#### Note to readers

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 a good leaves the plant and the time 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. Therefore, a rise or fall in the value of the Canadian dollar against its US counterpart affects the IPPI.

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. Unlike the IPPI, the RMPI includes goods not produced in Canada.

#### IPPI: Monthly increase due to motor vehicles, lumber, and pulp and paper products

On a month-over-month basis, manufacturers' prices rose 0.3% following a 2.0% decrease in November.

Prices for motor vehicles and other transport equipment increased 1.2%, mainly because of a weaker Canadian dollar. Lumber and other wood products were up 4.2% due to tight supply and increased demand. Prices for pulp and paper products rose 0.7% mainly due to a limited supply for pulp.

Meat, fish and dairy products, electrical and communication products, machinery and equipment, rubber, leather and plastic products as well as fruit, vegetable and feed products also contributed to the increase in December.

Petroleum and coal products prices fell as gasoline and fuel oil prices dropped 6.6% compared with November.

#### IPPI: Petroleum and primary metals continue to be major factors in the 12-month change

On a 12-month basis, the IPPI was up 3.8% in December. Prices for petroleum and coal products continued to have a major influence on the 12-month change, rising 25.6% from December 2003. If petroleum and coal product prices had been excluded, the IPPI would have increased only 2.3% rather than 3.8%.

Prices for primary metal products also had a big impact on the increase in the IPPI, rising 16.6% from December 2003. Primary steel, copper and nickel products were the major contributors to the advance.

Metal fabricated products increased 11.8%, as the cost for raw material remained high. Chemical products, lumber and other wood products, rubber, leather and plastic fabricated products, as well as pulp and paper products also contributed to the 12-month increase in the IPPI.

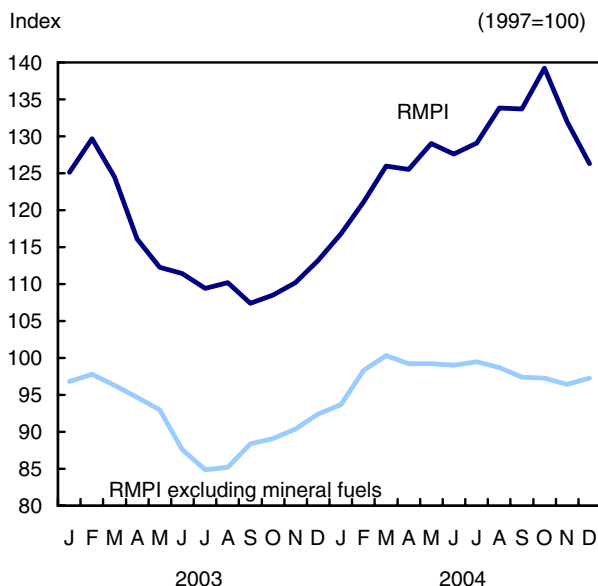
These increases were partly offset by lower prices for motor vehicles and other transport equipment, which were down 4.0% from December 2003. Price decreases were also observed for fruit, vegetable and feed products and meat, fish and dairy products.

#### RMPI: Prices continue to weaken in December

On a monthly basis, raw materials prices fell 4.3% in December. Mineral fuels were down compared with November, as crude oil prices declined 11.4% mainly due to higher inventories.

Ferrous materials decreased 5.5% from November as iron and steel scrap prices were down 8.3%. Prices for wood products decreased 0.5% due to lower prices for softwood logs and bolts. Decreases were also observed for non-metallic minerals.

#### Raw materials prices continue to decrease



Animals and animal products increased 2.1% as higher prices were observed for cattle for slaughter (+7.4%), hogs for slaughter (+2.3%) as well as poultry (+2.9%). Prices for non-ferrous metals were up 2.6% from November mainly due to higher prices for zinc

and copper concentrates. Prices for vegetable products also rose 0.5% as prices were up for wheat, barley and coffee.

On a 12-month basis, the price of raw materials rose 11.6% in December, a smaller increase than in November (+19.8%). Mineral fuels were up 19.6% with crude oil prices rising 24.7%. If mineral fuels had been excluded, the RMPI would have increased only 5.3% instead of 11.6%.

Prices manufacturers paid for non-ferrous metals rose 17.1%, mainly because of higher prices for radio-active concentrates, copper, lead, and zinc. Ferrous materials prices rose 24.8% from December 2003, with iron and steel scrap prices rising 37.7%.

Other major contributors to the 12-month increase were higher prices for animals and animal products as well as non-metallic minerals.

These increases were partly offset by lower prices for vegetable products and wood products.

#### Impact of the exchange rate

Between November and December, the value of the Canadian dollar fell 1.9% against the US dollar.

As a result, if the impact of the exchange rate had been excluded, the IPPI would have fallen 0.3% compared with the actual 0.3% increase.

On a 12-month basis, if the impact of the exchange rate had been excluded, producer prices would have risen 5.9% between December 2003 and December 2004, rather than their actual 3.8% increase.

#### Prices for intermediate goods increase

Prices for intermediate goods increased 0.2% from November. Higher prices for lumber products; motor vehicles; pulp and paper products; meat, fish and dairy products; electrical and communication products; chemical products; and rubber, leather and plastic products were the major contributors to the increase.

Lower prices for petroleum and coal products, primary metal products and metal fabricated products partially offset the monthly increase.

Producers of intermediate goods received 6.7% more for their goods in December 2004 than in December 2003, down from the 8.8% increase registered in November. Higher prices for petroleum products; primary metal products; metal fabricated products; chemical products; lumber products; pulp and paper products; and rubber, leather and plastic products were mainly responsible for the annual increase.

These increases were partly offset by declining prices for fruit, vegetable and feed products; motor vehicles; meat, fish and dairy products; and tobacco products.

### **Finished goods prices increase in December**

On a monthly basis, prices for finished goods were up 0.3% from November. Higher prices for motor vehicles; meat, fish and dairy products; electrical and communication products; machinery and equipment; and lumber products were responsible for this monthly rise.

Compared with December 2003, prices for finished goods were down 0.3%. Lower prices for motor vehicles and meat, fish and dairy products were the major contributors to the annual decline.

Higher prices for petroleum products; fruit, vegetable and feed products; furniture and fixtures; rubber, leather and plastic products; tobacco products; beverages; and chemical products partly offset the annual decrease.

### **Looking back at 2004**

For 2004, manufacturers received an average of 3.1% more for their products than in 2003, a notable turnaround from the 1.3% decline in 2003.

The main contributors to this increase were petroleum and coal products (+17.0%), primary metal products (+17.9%), metal fabricated products (+9.0%) and lumber and other wood products (+12.2%).

Motor vehicles and other transport equipment prices fell 4.6% on average in 2004. This decrease was mainly the result of a stronger Canadian dollar.

The value of the Canadian dollar rose 7.5% against the US dollar on average in 2004. If the impact of the exchange rate had been excluded, the annual IPPI would have risen 5.1% rather than the actual 3.1% increase.

Raw materials prices were up an average of 11.8% in 2004 compared with the 2.0% increase in 2003. Most of the upward pressure came from higher prices for mineral fuels with crude oil prices rising 21.8% on average in 2004. Other major contributors to the annual average increase were ferrous materials (+30.9%) and non-ferrous metals (+27.8%).

**Available on CANSIM: tables 329-0038 to 329-0049 and 330-0006.**

**Definitions, data sources and methods: survey numbers, including related surveys, 2306 and 2318.**

The December 2004 issue of *Industry Price Indexes* (62-011-XIE, \$19/\$175; 62-011-XPE, \$24/\$233) will be available in February.

The Industrial product and raw material price indexes for January 2005 will be released on March 1.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Client Services Unit (613-951-9606, fax: 613-951-1539, [infounit@statcan.ca](mailto:infounit@statcan.ca)) or Danielle Gouin (613-951-3375, [danielle.gouin@statcan.ca](mailto:danielle.gouin@statcan.ca)), Prices Division.

□

**Industrial product price indexes**  
(1997=100)

	Relative importance	December 2003	November 2004 <sup>r</sup>	December 2004 <sup>p</sup>	December 2003 to December 2004	November 2004 to December 2004
					% change	
<b>Industrial Product Price Index (IPPI)</b>	<b>100.00</b>	<b>104.5</b>	<b>108.2</b>	<b>108.5</b>	<b>3.8</b>	<b>0.3</b>
<b>IPPI excluding petroleum and coal products</b>	<b>94.32</b>	<b>103.0</b>	<b>104.6</b>	<b>105.4</b>	<b>2.3</b>	<b>0.8</b>
<b>Aggregation by commodities</b>						
Meat, fish and dairy products	5.78	108.0	106.1	107.0	-0.9	0.8
Fruit, vegetables, feeds and other food products	5.99	104.2	101.8	102.1	-2.0	0.3
Beverages	1.57	118.7	119.8	120.2	1.3	0.3
Tobacco and tobacco products	0.63	167.1	170.2	170.2	1.9	0.0
Rubber, leather and plastic fabricated products	3.30	105.0	109.4	110.0	4.8	0.5
Textile products	1.58	98.6	98.7	98.8	0.2	0.1
Knitted products and clothing	1.51	104.4	104.5	104.2	-0.2	-0.3
Lumber and other wood products	6.30	90.2	90.7	94.5	4.8	4.2
Furniture and fixtures	1.59	110.0	112.0	112.0	1.8	0.0
Pulp and paper products	7.23	100.2	101.3	102.0	1.8	0.7
Printing and publishing	1.70	112.1	114.3	114.7	2.3	0.3
Primary metal products	7.80	99.4	116.0	115.9	16.6	-0.1
Metal fabricated products	4.11	107.5	120.4	120.2	11.8	-0.2
Machinery and equipment	5.48	105.1	105.3	105.7	0.6	0.4
Motor vehicles and other transport equipment	22.16	101.6	96.3	97.5	-4.0	1.2
Electrical and communications products	5.77	92.5	92.0	92.8	0.3	0.9
Non-metallic mineral products	1.98	109.4	112.4	112.5	2.8	0.1
Petroleum and coal products <sup>1</sup>	5.68	131.4	175.1	165.1	25.6	-5.7
Chemicals and chemical products	7.07	108.3	115.5	115.6	6.7	0.1
Miscellaneous manufactured products	2.40	107.2	109.4	109.8	2.4	0.4
Miscellaneous non-manufactured products	0.38	107.8	132.0	133.3	23.7	1.0
<b>Intermediate goods<sup>2</sup></b>	<b>60.14</b>	<b>102.7</b>	<b>109.4</b>	<b>109.6</b>	<b>6.7</b>	<b>0.2</b>
First-stage intermediate goods <sup>3</sup>	7.71	107.2	117.1	117.7	9.8	0.5
Second-stage intermediate goods <sup>4</sup>	52.43	102.1	108.3	108.4	6.2	0.1
<b>Finished goods<sup>5</sup></b>	<b>39.86</b>	<b>107.1</b>	<b>106.5</b>	<b>106.8</b>	<b>-0.3</b>	<b>0.3</b>
Finished foods and feeds	8.50	110.7	110.8	111.2	0.5	0.4
Capital equipment	11.73	103.9	101.2	102.1	-1.7	0.9
All other finished goods	19.63	107.6	107.8	107.7	0.1	-0.1

<sup>r</sup> Revised figures.

<sup>p</sup> Preliminary figures.

1. This index is estimated for the current month.

2. Intermediate goods are goods used principally to produce other goods.

3. First-stage intermediate goods are items used most frequently to produce other intermediate goods.

4. Second-stage intermediate goods are items most commonly used to produce final goods.

5. Finished goods are goods most commonly used for immediate consumption or for capital investment.

# Raw materials price indexes (1997=100)

	Relative importance	December 2003	November 2004 <sup>r</sup>	December 2004 <sup>p</sup>	December 2003 to December 2004 % change	November 2004 to December 2004
<b>Raw Materials Price Index (RMPI)</b>	<b>100.00</b>	<b>113.2</b>	<b>132.0</b>	<b>126.3</b>	<b>11.6</b>	<b>-4.3</b>
Mineral fuels	35.16	158.1	208.8	189.1	19.6	-9.4
Vegetable products	10.28	89.3	78.7	79.1	-11.4	0.5
Animals and animal products	20.30	97.4	101.4	103.5	6.3	2.1
Wood	15.60	82.2	81.3	80.9	-1.6	-0.5
Ferrous materials	3.36	99.6	131.6	124.3	24.8	-5.5
Non-ferrous metals	12.93	92.2	105.3	108.0	17.1	2.6
Non-metallic minerals	2.38	117.7	124.6	124.1	5.4	-0.4
<b>RMPI excluding mineral fuels</b>	<b>64.84</b>	<b>92.4</b>	<b>96.4</b>	<b>97.3</b>	<b>5.3</b>	<b>0.9</b>

<sup>r</sup> Revised figures.

<sup>p</sup> Preliminary figures.



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## Other releases

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### Monthly railway carloadings

November 2004

Railways carried their heaviest monthly freight load of 2004 in November, thanks to booming demand for Canadian coal in Asia and a rebound in wheat shipments.

Railways transported 24.9 million metric tonnes of freight, up 3.2% from October and surpassing the previous high for 2004 in April by almost half a million tonnes.

Non-intermodal loadings totalled 22.6 million tonnes, up 3.7% from October. The non-intermodal volume for November was also the highest volume for 2004. About 287,600 carloads were required to carry the non-intermodal freight in November.

Shipments of coal reached 3.1 million tonnes in November, nearly 275,000 tonnes over October's level, making it the highest monthly level since June 2002. Strong demand from Asian countries, particularly China, is pushing the price of coal to unprecedented levels, resulting in renewed coal mining activities and increases in rail loadings.

Nickel and copper ore, also appear to be profiting from this Pacific-rim economic boom.

Wheat loadings hit 1.8 million tonnes in November, a strong comeback from the total of less than one million tonnes in September. Shipments of gaseous hydrocarbons were also on the rise to accommodate the demand caused by the colder weather.

The intermodal portion, that is, containers and trailers hauled on flat cars, fell 1.4% to 2.4 million tonnes, mostly the result of a decline in containerized goods compared with those carried in trailers on flat cars.

Freight arriving from the United States, either destined for or passing through Canada, totalled 2.5 million tonnes, up 8.9% from October.

All categories went up compared with November 2003, non-intermodal tonnage was up 8.9%, intermodal traffic was up 3.4% while traffic received from the United States increased 5.6%. Coal, potash, wheat and lumber loadings showed the most increase from November 2003.

On a year-to-date basis, the cumulative total for non-intermodal loadings for the first 11 months of 2004 grew 6.5% compared with the same period

of 2003. Tonnage shipped between January and November amounted to 227.8 million tonnes, compared with 213.8 million tonnes in the same period in 2003.

Intermodal loadings increased 1.5% to 24.5 million tonnes, while traffic received from the United States hit 24.3 million tonnes, up 1.7% over the same period.

**Available on CANSIM: table 404-0002.**

**Definitions, data sources and methods: survey number 2732.**

The November 2004 issue of *Monthly Railway Carloadings*, Vol. 81, no. 11 (52-001-XIE, \$9 / \$83) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Dissemination Unit (1-866-500-8400; fax: 1-613-951-0009; [transportationstatistics@statcan.ca](mailto:transportationstatistics@statcan.ca)), Transportation Division. ■

### Steel primary forms, weekly data

Week ending January 22, 2005 (preliminary)

Steel primary forms production for the week ending January 22 totalled 297 695 metric tonnes, down 7.0% from 320 005 tonnes a week earlier and up 2.1% from 291 608 tonnes in the same week of 2004.

The year-to-date total as of January 22 was 945 059 tonnes, down 7.0% from 1 015 814 tonnes in the same period of 2004.

**Definitions, data sources and methods: survey number 2131.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; [manufact@statcan.ca](mailto:manufact@statcan.ca)), Manufacturing, Construction and Energy Division. ■

### Electric power selling price indexes

September to December 2004

Electric power selling price indexes (1997=100) are now available for September to December 2004.



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**Available on CANSIM: table 329-0050.**

**Definitions, data sources and methods: survey number 2325.**

The December 2004 issue of *Industry Price Indexes* (62-011-XIE, \$19/\$175; 62-011-XPE, \$24/\$233) will be available in February.

For more information, or to enquire about the concepts, methods, and data quality of this release, contact the Client Services Unit (613-951-9606; [infounit@statcan.ca](mailto:infounit@statcan.ca)) or Adrian Fisher (613-951-9612; fax: 613-951-1539; [adrian.fisher@statcan.ca](mailto:adrian.fisher@statcan.ca)), Prices Division. ■

## **Placement of hatchery chicks and turkey poults**

December 2004 (preliminary)

Placements of hatchery chicks onto farms were estimated at 56.1 million birds in December, down 2.3% from December 2003. Placements of turkey poults on farms increased 28.3% to 1.5 million birds.

**Available on CANSIM: table 003-0021.**

**Definitions, data sources and methods: survey number 5039.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact Sandra Gielfeldt (613-951-2505; [sandy.gielfeldt@statcan.ca](mailto:sandy.gielfeldt@statcan.ca)), Agriculture Division. ■

## New products

**Income and Expenditure Accounts Technical Series: Revisions of the Canadian National Tourism Indicators**, no. 47  
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**Catalogue number 13-604-MPE2005047**  
(free).

**Monthly Railway Carloadings**, November 2004, Vol. 81, no. 11  
**Catalogue number 52-001-XIE** (\$9/\$83).

**All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.**

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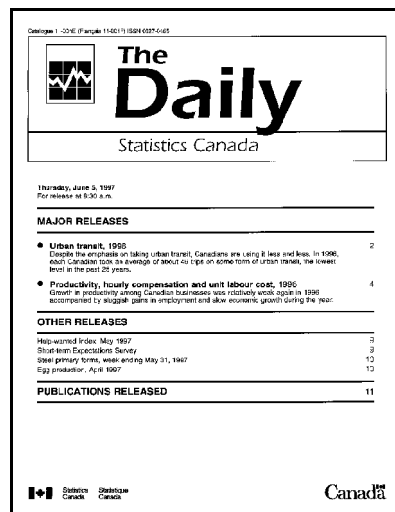
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*The Daily*, January 28, 2005

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**Release dates:** January 31 to February 4

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(Release dates are subject to change.)

Release date	Title	Reference period
31	<b>Gross domestic product by industry</b>	November 2004
2	<b>Grain stocks</b>	December 31, 2004
4	<b>Labour Force Survey</b>	January 2005