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Releases

Income of Canadians

2004

Median after-tax income rose for most Canadian families in 2004 as strong economic growth fostered gains in employment which in turn boosted market income, according to new data from the Survey of Labour and Income Dynamics (SLID).

Canadian families with two or more people had an estimated median income after taxes of \$54,100, up about 2% from 2003 in real terms after adjusting for inflation. (Median is the point at which half of families had higher income and half less.)

The Canadian economy, as measured by real gross domestic product, grew 2.9% in 2004. According to the Labour Force Survey, this gain extended to the labour market as employment rose during the year, all in full-time jobs, and the unemployment rate declined.

Selected income concepts by main family types 2004

	Median			
	Market income	Government transfers	Income taxes	After-tax income
	2004 constant dollars			
Economic families, two persons or more	55,800	4,000	8,600	54,100
Senior families	20,700	21,600	2,900	38,500
Non-senior couples without children	59,200	400	10,100	53,000
Two-parent families with children	71,700	2,300	11,700	64,100
Female lone-parent families	19,000	6,700	300	27,700
Single persons	17,400	700	2,300	21,300

The increase in after-tax income was not shared by all family types, however. Among senior or "elderly" families (those in which the main income earner was aged 65 and over) median after-tax income remained virtually unchanged at \$38,500. However, it was up 12% in real terms compared with 1996.

It was also virtually unchanged among "unattached individuals," or single people, whose median after-tax income amounted to \$21,300, and among female lone-parent families who had a median of \$27,700.

Of the three main components of after-tax income (market income, transfers from governments and personal income taxes), only market income changed significantly from 2003. Market income is the sum of earnings from employment, investment income and private retirement income.

SLID data also showed that the proportion of families living below Statistics Canada's low-income

Note to readers

This release examines family income and low income in Canada. The data prior to 1996 are drawn from the Survey of Consumer Finances. Beginning with 1996, the data are taken from the Survey of Labour and Income Dynamics.

It should be noted that this report, for the first time, analyses family income on the basis of medians. Previous years referred to average incomes.

To factor in inflation when comparing income levels across time, all the income estimates are expressed in constant 2004 dollars. This allows for comparisons in real terms.

Market income is the sum of earnings from employment and net self-employment income, investment income, and private retirement income. It is also called income before taxes and transfers.

After-tax income is the total of market income and government transfers, less income tax.

The focus of this release is on the most recent year of data, 2004. But it also draws on trends over previous years. Many comparisons are made with 1996 for the following reasons: market income and after-tax income showed a five year upward trend starting after 1996 and the incidence of low income peaked in 1996 before entering a downward trend.

Statistics Canada's low-income rate measures the percentage of families below the low-income cutoff (LICO). The LICO is a statistical measure of the income thresholds below which Canadians likely devote a larger share of income than average to the necessities of food, shelter and clothing. For further information, consult the article "On poverty and low income" (13F0027XIE) available free online.

A follow-up report, to be published on April 6, 2006, will focus on low-wage workers and persons in low income families.

cutoff (LICO), declined in 2004, reflecting the strong economic conditions.

An estimated 684,000 families were living in low income in 2004, 7.8% of all families. Some 865,000 children under 18 were living in low-income families, 12.8% of the total.

Market income: Lion's share of pre-tax income for families and singles

Families and singles earned the lion's share of their total (pre-tax) income from market income. For families of two or more people, median market income rose about 2% to \$55,800.

In 2004, market income received from earnings, private pensions and investment income made up nearly \$90 out of every \$100 of income received before taxes. The remaining \$10 came from government transfers.

Among non-senior families, earnings made up the largest share of income before taxes. For every \$100 of total income, non-senior families received \$93 from market income, and the remaining \$7 from government transfers. (The \$93 from market income comprised \$85 from earnings, \$3 from investment income, \$3 from private pensions and \$2 from other income.)

The median market income for non-senior families in 2004 was \$62,800, up 2.8% from 2003. Increases in employment and the number of full-time jobs contributed to this gain.

Among female lone-parent families, median earnings have risen dramatically from \$8,400 in 1996 to about \$19,000 in 2004. For every \$100 in total income, single mothers received \$65 from earnings, \$11 more than in 1996. This increase led to a reduction in their dependence on government transfers.

Tax-transfer system redistributes income across families

The personal income tax and government transfer system redistributes income across families at different periods in their lifetime and reduces income disparities.

In 2004, families paid a median income tax of \$8,600 and received a median of \$4,000 in government transfers.

For the purpose of this analysis, families were then equally divided into five groups according to their after-tax income, with each group representing 20% of all families. These groups are called "quintiles."

The highest quintile, or one-fifth of families with the highest after-tax income, earned 46% of all market income, paid 56% of all income taxes, and took home 40% of all after-tax income.

The lowest quintile, or one-fifth of families with the lowest after-tax income, earned only 3.6% of all market income, paid 1.8% of all income taxes, and took home 7.1% of after-tax income.

For every \$1 of market income received by the one-fifth of families with the lowest after-tax income, the highest fifth received \$12.90. After government transfers and taxes, the highest income group received \$5.60 for every dollar received by the lowest group.

Among unattached individuals, the impact of the tax-transfer system was even more significant. The highest income individuals received \$22.00 for every dollar received in market income by the lowest. This fell to \$8.40 in after-tax dollars.

Between 1996 and 2004, the gap in average after-tax income widened between the lowest- and

highest-income families from \$82,500 to \$102,700. By 2004, average after-tax income was \$125,000 for the highest quintile, and \$22,300 for the lowest.

Low-income rate among families declines

Statistics Canada's low-income rate measures the percentage of families below the low-income cutoff (LICO). The LICO is a statistical measure of the income thresholds below which Canadians likely devote a larger share of income than average to the necessities of food, shelter and clothing.

In 2004, about 3.5 million people were in low income. They accounted for 11.2% of all Canadians in 2004, well below the peak of 15.7% in 1996.

Among families, the proportion living in low income after taxes declined to 7.8% in 2004 from 8.5% the year before and a high of 12.1% in 1996. In 2004, 684,000 families were below the LICO. These families faced an average income gap of \$7,200, which represents the amount of income they required to bring their income above the cut-off. The average income gap was \$7,400 in 1996.

Low income rates (1992 base after-tax income LICO) by main family types

	1996	1998	2000	2002	2003	2004
	%					
Economic families, two persons or more	12.1	10.1	9.0	8.6	8.5	7.8
Senior families	3.3	3.9	3.1	2.9	2.7	2.1
Non-senior couples without children	8.4	6.7	6.9	7.1	6.6	6.2
Two-parent families with children	10.8	8.5	8.3	6.5	6.7	6.7
Female lone-parent families	52.7	42.9	36.3	39.4	38.8	35.6
Single persons	37.3	35.1	32.9	29.5	29.6	29.6

Low-income rates were highest among the 550,000 lone-parent families headed by women in 2004, 36% of whom lived in low income compared with 53% in 1996. This reduction was partly the result of an increase in the number of single mothers with earned income.

The low-income rate among seniors hit an all-time low of 5.6% in 2004, down from 6.8% in 2003.

About 865,000 children under 18 lived in low-income families in 2004, compared with 1.3 million in 1996. The proportion of children in low-income families fell from its peak of 18.6% in 1996 to its current level of about 12.8%.

The low-income rate for children in female lone-parent families was 40.0%, five times the proportion of only 8.1% among children in two-parent families.

Percentage of persons in low income (1992 base after-tax income LICO)

	1996	1998	2000	2002	2003	2004
	%					
Persons						
under 18 years						
old	18.6	15.5	13.8	12.2	12.5	12.8
In two-parent families	12.4	9.8	9.5	7.2	7.8	8.1
In female lone-parent families	55.8	46.1	40.1	43.0	41.2	40.0
Person 18 to 64 years						
old	15.7	13.9	12.9	12.1	12.2	11.7
Person 65 and over	9.8	8.6	7.6	7.6	6.8	5.6

Provinces: Alberta families had highest median income for the first time

Families in only two provinces (Alberta and Ontario) recorded median after-tax income that was higher than the national median. For the first time, Alberta families with two or more people had the highest median after-tax income in 2004. The year before, Alberta and Ontario were in a tie.

Half of all families in Alberta had after-tax income of \$61,800 or more, up 4% from 2003. Median after-tax income in New Brunswick also increased 4%, but only to \$46,400.

After-tax income was virtually unchanged for families in other provinces. It was lowest among families in Newfoundland and Labrador at \$40,700.

Low-income rates among families of two or more people were higher than the national average of 7.8% in three provinces: British Columbia, where the rate was 10.3%; Newfoundland and Labrador where it was 9.2%; and Manitoba, where it was 8.0%.

Available on CANSIM: 202-0101 to 202-0107, 202-0201 to 202-0203, 202-0301, 202-0401 to 202-0411, 202-0501, 202-0601 to 202-0605, 202-0701 to 202-0706 and 202-0801 to 202-0807.

Definitions, data sources and methods: survey numbers, including related surveys, 3502 and 3889.

For more information, or to enquire about concepts, methods or data quality of this release, contact Client Services (1-888-297-7355 or 613-951-7355; income@statcan.ca), Income Statistics Division.

A more detailed report, *Income in Canada, 2004* (75-202-XIE, free) is available today. This report contains analysis and 15 tables at the Canada and province level. Also available today, the 2004 *Income Trends in Canada* (13F0022XIE, \$209) provides 40 tables at the Canada and province level also with some data at the census metropolitan area level. See *How to order products*.

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Median income for economic families and single persons

	1996	1998	2000	2002	2003	2004
2004 constant dollars						
Economic families, two persons or more						
Market income	48,800	51,600	55,200	54,500	54,500	55,800
Government transfers	4,700	4,000	3,300	3,800	3,800	4,000
Income tax	8,800	9,200	9,400	8,500	8,400	8,600
After-tax income	47,100	48,800	51,200	53,200	53,200	54,100
Single persons						
Market income	12,100	13,400	15,300	17,100	17,100	17,400
Government transfers	3,400	3,000	1,000	1,300	900	700
Income tax	1,500	1,800	2,100	2,200	2,200	2,300
After-tax income	17,700	18,400	19,500	21,200	20,900	21,300

Selected income concepts for economic families of two persons or more, by province 2004

	Market income	Government transfers	Income taxes	After-tax income	After-tax low-income rate %
2004 constant dollars					
Canada	55,800	4,000	8,600	54,100	7.8
Newfoundland and Labrador	34,500	11,100	5,700	40,700	9.2
Prince Edward Island	41,500	8,700	6,400	44,800	3.2
Nova Scotia	47,100	5,600	7,600	47,100	6.4
New Brunswick	43,700	6,900	6,600	46,400	6.7
Quebec	49,000	5,300	7,400	47,700	7.3
Ontario	63,100	3,500	9,700	59,700	7.7
Manitoba	52,900	3,500	8,700	50,600	8.0
Saskatchewan	49,800	3,500	7,400	48,400	7.0
Alberta	66,900	1,600	9,800	61,800	7.0
British Columbia	53,600	3,900	7,500	53,700	10.3

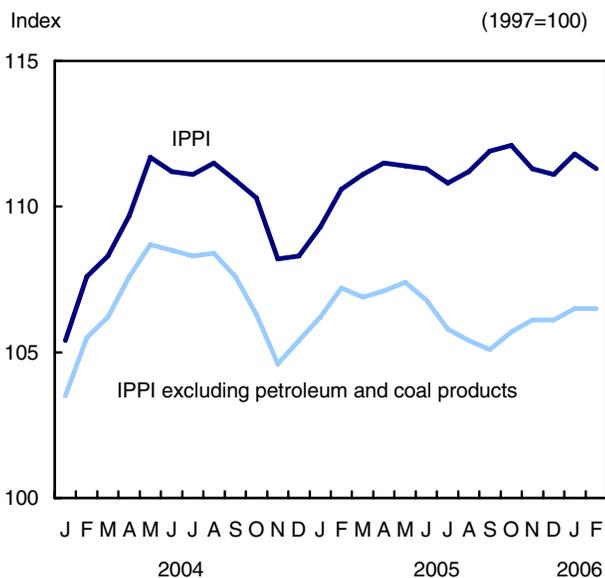
Industrial product and raw materials price indexes

February 2006

Monthly prices for manufactured goods at the factory gate were down in February, as lower prices were registered for petroleum products. Raw materials prices also decreased in February, as prices for crude oil and natural gas declined.

Prices charged by manufacturers, as measured by the Industrial Product Price Index (IPPI), were down 0.4% from January to February. Lower prices for petroleum, lumber and chemical products were the major contributors to this monthly decrease.

Prices for manufactured goods decrease



The 12-month change in the IPPI was 0.6%, a significant decrease from January's year-over-year increase of 2.3%. Higher prices for petroleum products and chemical products were the major contributors to this annual increase.

The Raw Materials Price Index (RMPI) was down 3.2% from January to February, following an increase of 4.9% in January and due to lower prices for mineral fuels and animals and animal products.

Compared to February of last year, raw materials cost factories 10.6% more, down from the 12-month change of 17.7% in January.

In February, the IPPI (1997=100) stood at 111.3, down from January's revised level of 111.8. The RMPI

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.

(1997=100) reached 150.3, down from a revised level of 155.3 in January.

IPPI: Prices for petroleum products decline

On a month-over-month basis, manufacturers' prices were down 0.4%, mainly due to lower prices for petroleum, lumber and chemical products.

Petroleum and coal products prices decreased 5.0% compared to January. If petroleum and coal product prices had been excluded, the IPPI would have remained unchanged from January rather than decreasing 0.4%.

Lumber and other wood products decreased 1.0% from January to February. Lower prices were observed for softwood lumber and particleboard due to lower demand.

Chemical products fell 0.7% from the previous month as lower prices were observed for industrial chemicals and fertilizers.

Prices for motor vehicles, rubber, leather and plastic fabricated products, machinery and equipment as well as electrical and communication products also registered decreases from the previous month.

However, prices for primary metal products rose 1.6% as prices for aluminum and nickel products increased due to continuing strong demand. Prices for pulp and paper products as well as meat, fish and dairy products also increased in February.

IPPI: Petroleum and chemical products are the major factors in the 12-month change

On a 12-month basis, the IPPI was up 0.6% in February, a significant change from the 2.3% increase in January.

Prices for petroleum and coal products rose 14.5% from February 2005, down from January's increase of 26.3%. If petroleum and coal product prices had been excluded, the IPPI would have decreased 0.7%, rather than increasing 0.6% from a year ago.

Chemical products increased 4.9%, due to higher prices for synthetic resins and inorganic industrial chemicals. Prices were also higher than one year ago for primary metals, rubber, leather and plastic fabricated products, fruit, vegetable and feed products, tobacco products, non-metallic mineral products and furniture and fixtures.

On the other hand, motor vehicles and other transport equipment prices and electrical and communication products were down 5.3% and 1.1% respectively from a year ago, mainly as a result of a stronger Canadian dollar.

Lumber and other wood products declined 8.3% from February 2005 to February 2006, as year-over-year price decreases were recorded for softwood lumber (-10.9%) and particleboard (-20.9%). Prices for pulp and paper products, meat, fish and dairy products as well as metal fabricated products were also down from a year ago.

RMPI: Lower prices for crude oil and natural gas

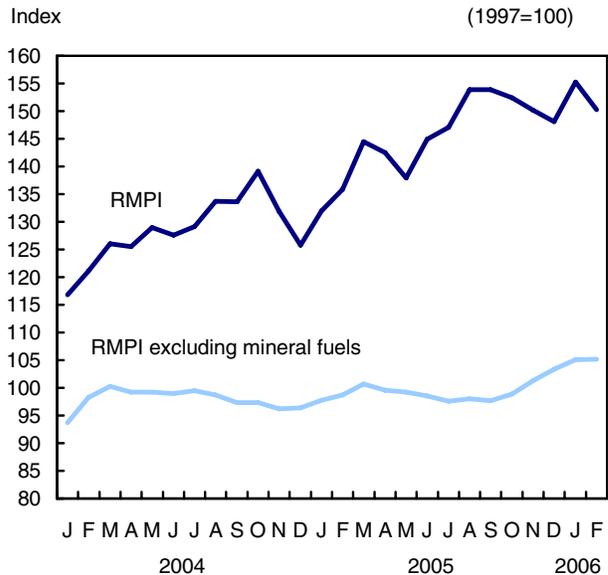
On a monthly basis, raw material prices fell 3.2% in February, following an increase of 4.9% in January. Mineral fuels were down 6.0% compared to January. Crude oil prices decreased 6.4%, mainly due to high inventories. Natural gas prices declined 4.7% as milder weather reduced demand and inventories remained high.

Prices for animal and animal products fell 2.2% as decreases were registered for cattle for slaughter and unprocessed whole milk.

However, prices for non-ferrous metals rose 1.4%, mainly due to higher prices for radio-active concentrates, zinc concentrates and non-ferrous metal scrap. Ferrous materials increased 2.1% from the previous month as prices were up for iron and steel scrap. Prices for wood and vegetable products also increased from the previous month.

On a 12-month basis, the price of raw materials rose 10.6% in February, down from the 17.7% year-over-year increase in January. Mineral fuels were up 14.6%, with crude oil prices rising 12.2%. If mineral fuels had been excluded, the RMPI would have increased 6.6% instead of rising 10.6%.

Raw materials prices are down



Prices for non-ferrous metals rose 31.2%, mainly because of higher prices for radio-active concentrates, zinc concentrates, copper concentrates, gold and lead. Prices for vegetable products were up 2.5% from a year ago due to year-over-year increases for natural rubber, unrefined sugar and corn. Higher prices from a year ago were also observed for non-metallic minerals.

On the other hand, wood products and ferrous materials were down 4.5% and 9.1% respectively compared to February 2005.

Impact of the exchange rate

Between January and February, the value of the Canadian dollar against the US dollar was up 0.7%. As a result, the total IPPI excluding the effect of the exchange would have fallen 0.2% instead of its actual decrease of 0.4%.

On a 12-month basis, the value of the Canadian dollar rose 7.9% against the US dollar. If the impact of the exchange rate had been excluded, producer prices would have risen 2.7% between February 2005 and February 2006, rather than their actual increase of 0.6%.

Prices for intermediate goods are down

Prices for intermediate goods decreased 0.3% from January. Lower prices for petroleum products, chemical products, lumber products, rubber, leather and plastic fabricated products as well as fruit, vegetable and feed products were the major contributors to the decrease.

Higher prices for primary metal products and pulp and paper products partially offset the monthly decrease.

Producers of intermediate goods received 1.6% more for their goods in February 2006 than the same month a year earlier. Higher prices were registered for petroleum products, chemical products, primary metal products, rubber, leather and plastic fabricated products, fruit, vegetable and feed products and non-metallic mineral products.

These increases were partly offset by lower prices for lumber products, motor vehicles, pulp and paper products, meat, fish and dairy products and electrical and communication products.

Finished goods prices decrease

On a monthly basis, prices for finished goods were down 0.8% from January. Lower prices for petroleum products, motor vehicles, rubber, leather and plastic fabricated products, chemical products and electrical and communication products were the major contributors to this monthly drop.

These increases were partially offset by higher prices for meat, fish and dairy products, fruit, vegetable and feed products and pulp and paper products.

Compared with February 2005, prices for finished goods were down by 1.0%. Lower prices for motor vehicles, lumber products, electrical and communication products, and machinery and equipment were the major contributors to this decrease.

Higher prices for petroleum products, fruit, vegetable and feed products, tobacco products, furniture and fixtures, chemical products, rubber, leather and plastic fabricated products and non-metallic mineral products partly offset the annual decrease.

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 February 2006 issue of *Industry Price Indexes* (62-011-XIE, \$19/\$175, 62-011-XPE, \$24/\$233) will soon be available.

The industrial product and raw material price indexes for March will be released on May 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) or Danielle Gouin (613-951-3375; danielle.gouin@statcan.ca), Prices Division.

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Industrial product price indexes
(1997=100)

	Relative importance	February 2005	January 2006 ^r	February 2006 ^p	February 2005 to February 2006	January to February 2006
					% change	
Industrial Product Price Index (IPPI)	100.00	110.6	111.8	111.3	0.6	-0.4
IPPI excluding petroleum and coal products	94.32	107.2	106.5	106.5	-0.7	0.0
Aggregation by commodities						
Meat, fish and dairy products	5.78	108.6	106.4	106.6	-1.8	0.2
Fruit, vegetables, feeds and other food products	5.99	101.7	103.8	103.8	2.1	0.0
Beverages	1.57	120.8	121.5	121.5	0.6	0.0
Tobacco and tobacco products	0.63	170.1	179.4	179.4	5.5	0.0
Rubber, leather and plastic fabricated products	3.30	111.8	118.5	117.5	5.1	-0.8
Textile products	1.58	99.4	100.0	100.0	0.6	0.0
Knitted products and clothing	1.51	104.2	104.2	104.6	0.4	0.4
Lumber and other wood products	6.30	98.8	91.5	90.6	-8.3	-1.0
Furniture and fixtures	1.59	114.2	116.6	116.6	2.1	0.0
Pulp and paper products	7.23	104.9	102.2	102.8	-2.0	0.6
Printing and publishing	1.70	115.5	115.2	115.2	-0.3	0.0
Primary metal products	7.80	120.4	121.7	123.6	2.7	1.6
Metal fabricated products	4.11	122.3	121.6	121.7	-0.5	0.1
Machinery and equipment	5.48	107.0	107.1	107.0	0.0	-0.1
Motor vehicles and other transport equipment	22.16	98.2	93.5	93.0	-5.3	-0.5
Electrical and communications products	5.77	94.0	93.1	93.0	-1.1	-0.1
Non-metallic mineral products	1.98	114.8	117.3	117.3	2.2	0.0
Petroleum and coal products ¹	5.68	173.9	209.7	199.2	14.5	-5.0
Chemicals and chemical products	7.07	118.1	124.8	123.9	4.9	-0.7
Miscellaneous manufactured products	2.40	111.3	111.7	111.7	0.4	0.0
Miscellaneous non-manufactured products	0.38	139.3	201.4	205.6	47.6	2.1
Intermediate goods²	60.14	112.3	114.5	114.1	1.6	-0.3
First-stage intermediate goods ³	7.71	123.3	128.4	129.6	5.1	0.9
Second-stage intermediate goods ⁴	52.43	110.6	112.4	111.8	1.1	-0.5
Finished goods⁵	39.86	108.1	107.9	107.0	-1.0	-0.8
Finished foods and feeds	8.50	112.1	112.5	112.8	0.6	0.3
Capital equipment	11.73	103.2	100.7	100.4	-2.7	-0.3
All other finished goods	19.63	109.3	110.2	108.5	-0.7	-1.5

^r Revised.

^p Preliminary.

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	February 2005	January 2006 ^r	February 2006 ^p	February 2005 to February 2006	January to February 2006
					% change	
Raw Materials Price Index (RMPI)	100.00	135.9	155.3	150.3	10.6	-3.2
Mineral fuels	35.16	216.4	263.8	247.9	14.6	-6.0
Vegetable products	10.28	80.0	81.4	82.0	2.5	0.7
Animals and animal products	20.30	104.3	106.4	104.1	-0.2	-2.2
Wood	15.60	77.4	73.2	73.9	-4.5	1.0
Ferrous materials	3.36	131.3	117.0	119.4	-9.1	2.1
Non-ferrous metals	12.93	113.9	147.4	149.4	31.2	1.4
Non-metallic minerals	2.38	132.2	136.5	136.6	3.3	0.1
RMPI excluding mineral fuels	64.84	98.7	105.1	105.2	6.6	0.1

^r Revised.

^p Preliminary.

Farm operating revenues and expenses

2004 (final estimates)

Higher hog and crop revenues offset sharply lower cattle revenues and pushed up the average operating margins for Canadian farms in 2004, according to taxation records.

Average operating revenues per farm increased 1.2% in 2004 to \$210,184, up 10.8% in current dollars from the five-year average between 1999 and 2003. At the same time, average operating expenses went down 0.4% from 2003 to \$181,400 in 2004.

As a result, operating margins increased 1.4 cents to 13.7 cents per dollar of revenue, slightly under the previous five-year average.

In 2004, average hog revenues climbed 17.3%, largely due to growth in revenue from domestic slaughter. Average hog revenues have almost doubled in the last five years. At the same time, average cattle revenues fell 20.1% in 2004, mainly because of the continuing ban on beef trade to the United States which remained in force during all 12 months of the year. As a result, livestock revenues declined 3.1% from 2003 to 2004.

Average total crop revenues were up 3.4%. Average grain and oilseed revenues rose 5.7%, partly the result of increases in average canola (+23.0%) and barley (+12.5%) revenues. Gains for fruits (+9.2%) and vegetables (+7.7%) also played an important role. In fact, average horticulture revenues, which include fruits, vegetables, and greenhouse, nursery and floriculture products, have been constantly increasing in the last three years, and have doubled since 1996. Potato and forage crop revenues, which both declined, put a brake on the growth in crop revenues.

Average dairy revenues went up 5.5% in 2004 and, despite the avian flu outbreak in British Columbia, average poultry revenues increased by 5.3%. Average revenues from supply-managed commodities have increased steadily since 1997.

Average program payments and insurance proceeds rose 6.7% in 2004. They accounted for 9.4% of average operating revenues, the largest share in 12 years.

The lower average operating expenses were due to livestock expenses, which fell over 9%. The 12.7% increase in hog purchases was largely offset by the drastic 25.4% decrease in cattle purchases. Feed expenses were also down 2.3%.

At the same time, average machinery expenses grew 7.4%, spurred by a 12.1% increase in fuel costs. Average crop expenses were also 3.3% higher, as pesticide costs increased 5.1%.

Average marketing expenses rose a sharp 14.1% over 2003. Salaries, insurance, rent, custom work and machine rental were also all up notably.

Of the 11 major farm types, 6 posted higher operating margins in 2004. Canada's dairy farms were the only farms with operating margins above 20 cents on average at 23.0 cents per dollar of revenue, up 0.1 cents from 2003. Grain and oilseed farms ranked second at 17.7 cents, down 1.4 cents. Potato farms reported a 4.8 cent drop, the biggest decline in 2004. Hog farms (+4.2 cents) and beef cattle farms (+4.0 cents) posted the biggest increases over 2003.

On the basis of sales, all sales classes posted increases in operating margins. Farms with operating revenues between \$250,000 and \$499,999 had the highest operating margins, estimated at 18.5 cents per dollar of revenue, up 0.5 cents from 2003. Farms with operating revenues between \$50,000 and \$99,999 posted the highest increase going from 10.7 cents in 2003 to 13.1 cents in 2004.

In 2004, farms with operating revenues below \$100,000, which represented more than 61% of all farms in Canada, accounted for about 11% of total farm revenues and recorded a margin of 5.4 cents per dollar of revenue. A decade earlier, they accounted for 66% of all farms, roughly 21% of the revenues and logged a margin of 16.0 cents.

Note: The purpose of today's tax data release is to present final average operating revenues and expenses for the agriculture sector and by farm type. These estimates complement the aggregate agriculture sector data published in *The Daily* on November 25, 2005 (see Net Farm Income, 2004).

These estimates cover unincorporated farms with gross operating revenues of \$10,000 and over, and corporations with total farm sales of \$25,000 and over for which 50% or more of sales come from agricultural activities. These estimates include communal organizations such as Hutterite colonies. Operating margin is defined as one dollar minus operating expenses (before depreciation) per dollar of revenue.

Definitions, data sources and methods: survey number 3447.

For custom data requests, contact Client Services (1-800-465-1991). For more information, or to enquire about the concepts, methods or data quality of this release, contact Daniel Michaud (613-951-0701), Agriculture Division. □

**Average operating revenues and expenses per farm and operating margins
2004 (final estimates)**

	2003			2004			2003 to 2004	
	Average operating revenues	Average operating expenses	Operating margins ¹	Average operating revenues	Average operating expenses	Operating margins ¹	Average operating revenues	Average operating expenses
	dollars		cents	dollars		cents	% change	
All farms	207,689	182,122	12.3	210,184	181,400	13.7	1.2	-0.4
Grain and oilseed	138,173	111,751	19.1	141,396	116,322	17.7	2.3	4.1
Potato	598,228	495,261	17.2	619,287	542,695	12.4	3.5	9.6
Other vegetable and melon	285,750	243,854	14.7	307,043	269,459	12.2	7.5	10.5
Fruit and tree nut	154,587	132,883	14.0	160,337	139,359	13.1	3.7	4.9
Greenhouse, nursery and floriculture	729,241	661,523	9.3	721,390	656,944	8.9	-1.1	-0.7
Other crop	97,035	82,016	15.5	91,805	76,026	17.2	-5.4	-7.3
Beef cattle and feedlots	170,433	163,731	3.9	155,729	143,445	7.9	-8.6	-12.4
Dairy and milk production	322,523	248,738	22.9	340,336	262,184	23.0	5.5	5.4
Hog and pig	793,886	754,752	4.9	898,544	817,137	9.1	13.2	8.3
Poultry and egg	743,932	663,735	10.8	804,466	701,859	12.8	8.1	5.7
Other animal	152,869	138,572	9.4	150,469	133,596	11.2	-1.6	-3.6

1. Defined as one dollar less operating expenses (before depreciation) per dollar of revenue.

Couriers and Messengers Services Price Index

January 2006

The Couriers and Messengers Services Price Index (CMSPI) is a monthly price index measuring the change over time in prices for courier and messenger services provided by long and short distance delivery companies to Canadian-based business clients.

The CMSPI increased 2.8% to 116.6 in January (2003=100), due to annual price increases including higher fuel charges. The courier portion rose 2.8% while the local messenger component was unchanged.

These indexes are available at the Canada level only.

Available on CANSIM: table 329-0053.

Definitions, data sources and methods: survey number 5064.

For more information, contact Client Services (1-866-230-2248; 613-951-9606; infounit@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Anne Williamson (613-951-0708; anne.williamson@statcan.ca), Prices Division. ■

Aircraft movement statistics: Small airports

November 2005

The November 2005 monthly report, Vol. 2 (TP 141, free) is available on Transport Canada's Web site (<http://www.tc.gc.ca/pol/en/Report/tp141e/tp141.htm>).

Note: The TP 141 monthly report is issued in two volumes. Volume 1 presents statistics for the major Canadian airports (i.e., those with NAV CANADA air traffic control towers or flight service stations). Volume 2 presents statistics for the smaller airports (i.e., those without air traffic control towers). Both volumes are available free upon release at Transport Canada's Web site.

Definitions, data sources and methods: survey number 2715.

For more information about this Web site, contact Michel Villeneuve (613-990-3825; villenm@tc.gc.ca), Transport Canada.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Kathie Davidson (613-951-0141; fax: 613-951-0010; aviationstatistics@statcan.ca), Transportation Division. ■

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Thursday, June 3, 1997
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