



# The Daily

Statistics Canada

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| Canada's retailers enjoyed healthy growth rates in all major commodity groups in 2006, while many kept up their fierce competition for the consumer's dollar, even during this good year, according to a new study. |   |
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## Releases

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### Study: Year-end review of retail sales and competition for market share 2006

Canada's retailers enjoyed healthy growth rates in all major commodity groups in 2006, and in fact, total sales matched the peak year-over-year gain of the last nine years, according to a new study.

However, retailers, many of whom have been offering increasingly diverse product lines for the past few years, also kept up their fierce competition for the consumer's dollar, even during this good year.

Total retail sales in 2006 increased 6.4% from 2005, identical to the growth rate in 2002, which was the fastest increase since this data series began in 1998. Sales hit \$390.6 billion in 2006, the equivalent of \$11,974 in spending per Canadian.

The study, published today in the *Analysis in Brief* series, examined the growth of retail sales by commodity and the competition among retailers for market share, using data from the Quarterly Retail Commodity Survey.

Food stores still dominated sales of food and beverages. However, general merchandise stores fed more Canadians than ever in 2006, drawing valuable market share from supermarkets in the retail sales of food and beverage products.

Food and beverage stores lost ground in the sale of many other commodities in 2006. For example, in the sale of health and personal care products, pharmacies and personal care stores regained in 2006 much of the ground they had lost to food and beverage stores in the last few years.

On the other hand, in the clothing and footwear sector, the market share of general merchandise stores fell about three-quarters of a percentage point during 2006, the equivalent of a \$228-million windfall for their competition.

Retail trade activity contributed to the nation's total gross domestic product (GDP). In 2006, the retail sector contributed about 6.0% to GDP. It was the second largest employer in Canada, accounting for 11.0% of total employment, behind the manufacturing sector.

#### Consumer spending leading contributor to economic growth

Consumer spending was the leading contributor to economic growth in 2006, advancing 4.1%. This

#### Note to readers

The Quarterly Retail Commodity Survey (QRCS) total sales are benchmarked at the trade group level to the Monthly Retail Trade Survey (MRTS) sales estimates. An exception to this is the general merchandise stores sector, as the QRCS includes the sales of department store concessions while MRTS does not. This situation explains the difference between the total sales estimates published on June 26, 2007, and those in this study.

Readers are cautioned that various types of retail stores may sell a range of goods that extends beyond the broad classifications used for the purpose of this study. As a result, the total value of their sales does not necessarily reflect the value of sales of the principal commodities listed in their classification.

For example, estimates for sales at supermarkets do not necessarily reflect all sales of food in Canada. Other trade groups, such as convenience and specialty food stores and general merchandisers, are also involved in food retailing. They account for at least one-quarter of food sales in retail stores.

At the same time, about one-fifth of sales at supermarkets consist of products other than food and beverages. These include household paper products, toiletries and non-prescription drugs.

growth rate represents the sector's best performance since 1997.

Low interest rates, a strong Canadian dollar, relatively favourable prices for most goods and services, ongoing job creation and a 6.2% increase in disposable income kept consumer confidence levels high in 2006.

Consequently, retail trade, as well as construction, wholesale trade and finance and insurance, were the main sectors contributing to GDP growth in 2006.

The two largest retail trade sectors are food and beverages and automotive, which together account for roughly half of retail sales.

Of every \$100 spent in retail stores in 2006, consumers spent about \$22 on motor vehicles, parts and services, \$22 on food and beverages and \$10 on automotive fuels, oils and additives, the three major categories of spending. This compares with only \$3 out of every \$100 on sporting and leisure goods, and \$2 on housewares. Consumers spent about \$9 on each of the other commodity categories.

With prices rising again at the pump, consumers likely noticed that they had to continue to budget more on gasoline in 2006. For every \$100 spent in retail stores in 2006, consumers spent \$3.50 more on automotive fuels, oils and additives than they did in 1998, and \$2.50 less on food and beverages.

On a yearly basis, each Canadian spent, on average, \$1,144 on automotive fuels, oils and additives,

more than double their allocation of \$528 only nine years earlier.

### **Fastest sales gain: hardware, lawn and garden products**

Canada's housing boom kept things busy for retailers of building materials in 2006.

In 2006, sales of hardware, lawn and garden products, including lumber and other building materials, posted the fastest growth rate of all commodity groupings. Sales for this group surged 9.9% to \$27.3 billion, representing an average of \$836 on a per capita basis.

Building and outdoor home suppliers have always dominated in terms of market share in the hardware, lawn and garden products sector. They accounted for over 70% of the market share during the entire period under study despite competition from other retailers.

Between 1998 and 2006, the market share of building and outdoor home suppliers rose from 72.3% to 74.5%. However, the 2006 market share remained virtually unchanged, dropping only a tenth of a percentage point from 2005. Still, this small market share decline between 2005 and 2006 represented an amount of \$27 million.

The main losers in this sector were general merchandisers, whose market share fell from 16.1% in 1998 to 14.7% in 2006. This decline occurred mostly in lawn, garden, and patio furniture sales.

### **General merchandisers feed Canadians more than ever**

Food stores still overwhelmingly dominated the sales of food and beverages in 2006. However, general merchandisers have been competing hard with them in the last few years and appear to have made some inroads.

Overall, sales of food and beverages hit a record high \$84.3 billion in 2006, up 4.8% from 2005.

Food sales alone, which accounted for almost 73% of this commodity grouping, increased 4.5%, slightly slower than the record pace of 5.1% in 2004.

Each Canadian spent, on average, \$1,810 on food in retail stores in 2006, \$152 on non-alcoholic beverages, and \$527 on alcoholic beverages.

Consumers devoted 7.3% of their disposable income to food purchases in 2006, down one percentage point from 1998.

In 2006, food and beverage stores continued to lose ground to general merchandisers. In 2006 alone, they lost nearly a full percentage point in market share, virtually equivalent to their total loss between 1998 and 2005.

On the other hand, the market share in food and beverage products for general merchandisers rose from 7.4% to 9.6% between 1998 and 2006.

### **Pharmacies partially regain lost ground in sales of health, personal care products**

The trend to diversification in retailing has been evident in the health and personal care products sector in the last few years, with the growing involvement of general merchandisers and food stores in pharmaceutical sales.

Sales of health and personal care products rose 8.1% in 2006 to \$33.0 billion, the fastest pace in four years. Retailers registered sales of \$21.8 billion in prescription and non-prescription drugs, up 9.5% over 2005.

Between 1998 and 2005, the market share of pharmacies and personal care stores in health and personal care products fell from 70.9% to 66.0%.

However, in 2006, pharmacies and personal care stores partially regained lost ground, as their share rebounded to 67.9% at the expense of food and beverage stores.

General merchandisers, who increased their market share from 13.1% in 1998 to 16.2% in 2005, saw it slip to 15.9% in 2006.

### **Definitions, data sources and methods: survey number 2008.**

The study "Retailers competing for market share: 2006 retail sales in review" is now available online in the *Analysis in Brief* series (11-621-MWE2007060, free) from the *Publications* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Abdulelah Mohammed (613-951-7719), Distributive Trades Division. ■

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## Farm Product Price Index

May 2007

Prices farmers received for their commodities rose 9.7% in May from the same month in 2006, as most crop, livestock and animal product prices increased.

Prices for crops were 10.0% higher in May than they were in May 2006, according to the Farm Product Price Index (FPPI). This was the ninth consecutive monthly year-over-year increase and the seventh consecutive double-digit rise. Farmers received higher prices for all crops except potatoes and vegetables. After slumping to very low levels during the 2005/2006 crop year (August to July), crop prices have surged in 2007 to their highest levels since the fall of 2004.

Prices for the livestock and animal product index rose 8.9% in May, as gains were made in all commodities except eggs, which remained almost unchanged (-0.1%). Increases ranged from 4.8% for dairy to 13.3% for hogs.

On a month-to-month basis, prices farmers received in May for their commodities were 1.0% higher than in April.

The FPPI (1997=100) stood at 105.9 in May, up from the revised April index of 104.8.

Prices for livestock and animal products rose 1.8% in May from the revised April index, as all livestock commodities recorded increases except cattle and calves. Gains ranged from 3.5% for poultry to 9.2% for hogs. Prices for dairy and eggs stayed virtually the same, edging up 0.1%.

Cattle and calf prices recorded a slight decrease of 0.2% in May, after four consecutive monthly increases. In December 2006, cattle and calf prices had been at

their lowest level since the border re-opened to partial trade of live cattle and calves in July 2005.

Hog prices advanced 9.2% in May from April, the fifth monthly rise in the last six months. Steady domestic and international demand continued to support prices, despite the rising Canadian dollar.

Prices farmers received for crops were almost flat compared with the revised April index (-0.1%). Oilseeds, specialty crops and fruits recorded increases, while all other crop categories experienced declines. Specialty crop prices remained strong, supported by continued demand.

Grain prices dropped slightly, only the second monthly decrease since the summer of 2006. With much of the planting of the 2007 crop complete, markets begin to react to weather reports in all major producing areas and to their effects on the upcoming growing season and production.

**Available on CANSIM: tables 002-0021 and 002-0022.**

**Definitions, data sources and methods: survey number 5040.**

The May 2007 issue of *Farm Product Price Index*, Vol. 7, no. 5 (21-007-XWE, free) is now available. From the *Publications* module of our website, under *Free Internet publications*, choose *Agriculture*.

For general information or to order data, contact Client Services (toll-free 1-800-465-1991). To enquire about the concepts, methods or data quality of this release, contact Bernie Rosien (613-951-2639; fax 613-951-3868; [bernie.rosien@statcan.ca](mailto:bernie.rosien@statcan.ca)), Agriculture Division. □

## Farm Product Price Index

|                                      | May<br>2006 <sup>r</sup> | April<br>2007 <sup>r</sup> | May<br>2007 <sup>p</sup> | May<br>2006<br>to<br>May<br>2007 | April<br>to<br>May<br>2007 |
|--------------------------------------|--------------------------|----------------------------|--------------------------|----------------------------------|----------------------------|
|                                      | (1997=100)               |                            |                          | % change                         |                            |
| <b>Farm Product Price Index</b>      | <b>96.5</b>              | <b>104.8</b>               | <b>105.9</b>             | <b>9.7</b>                       | <b>1.0</b>                 |
| <b>Crops</b>                         | <b>90.3</b>              | <b>99.4</b>                | <b>99.3</b>              | <b>10.0</b>                      | <b>-0.1</b>                |
| Grains                               | 74.6                     | 90.7                       | 90.6                     | 21.4                             | -0.1                       |
| Oilseeds                             | 69.9                     | 91.0                       | 92.2                     | 31.9                             | 1.3                        |
| Specialty crops                      | 74.6                     | 114.2                      | 120.8                    | 61.9                             | 5.8                        |
| Fruit                                | 110.1                    | 125.3                      | 127.8                    | 16.1                             | 2.0                        |
| Vegetables                           | 121.8                    | 122.0                      | 121.6                    | -0.2                             | -0.3                       |
| Potatoes                             | 151.4                    | 127.9                      | 127.7                    | -15.7                            | -0.2                       |
| <b>Livestock and animal products</b> | <b>102.4</b>             | <b>109.5</b>               | <b>111.5</b>             | <b>8.9</b>                       | <b>1.8</b>                 |
| Cattle and calves                    | 104.5                    | 116.9                      | 116.7                    | 11.7                             | -0.2                       |
| Hogs                                 | 74.5                     | 77.3                       | 84.4                     | 13.3                             | 9.2                        |
| Poultry                              | 94.4                     | 100.2                      | 103.7                    | 9.9                              | 3.5                        |
| Eggs                                 | 97.9                     | 97.7                       | 97.8                     | -0.1                             | 0.1                        |
| Dairy                                | 128.6                    | 134.7                      | 134.8                    | 4.8                              | 0.1                        |

<sup>r</sup> revised

<sup>p</sup> preliminary

## Railway carloadings

May 2007

Railway loadings surged in May, reaching their highest monthly level in more than two years. The rise in total loadings was largely attributed to the growth in coal, iron and wheat.

Canadian railways loaded 25.8 million metric tonnes of freight, up 9.6% from April. It was the highest volume since March 2005, bringing tonnage well above typical levels for May.

Non-intermodal tonnage for May reached 23.3 million metric tonnes, up 10.2% from April.

Loadings of coal in Canada have increased sharply since January 2007, rising from 2.0 million metric tonnes to 3.5 million metric tonnes in May 2007. Transportation problems in Australia, one of the world's largest coal producers, have created an opportunity for Canadian coal producers to fill the gap.

Loadings of iron ore rose by about 1.1 million metric tonnes to 2.8 million metric tonnes, as freight rebounded following the end of a labour dispute that had affected mining operations.

Loadings of wheat surpassed 2.1 million metric tonnes in May, their highest level since July 2000.

Loadings of sand, gravel and crushed stones climbed 31.3% to a total of 270.3 thousand metric tonnes. Loadings of cement followed suit, surging 28.8% to a total of 285.9 thousand metric tonnes.

Loadings of commodities related to the automotive industry all increased in May. Best measured in carloads, loadings of automobiles and minivans climbed 10.0% from April to 14,930 rail cars.

On the intermodal front, loadings of containers on flat cars rose 5.0% from April to 2.4 million metric tonnes. Trailers on flat cars, the smaller component of intermodal traffic, edged up 1.6% to 83,000 metric tonnes.

Since 2003, loadings of trailers on flat cars have steadily been losing ground to loadings of containers on flat cars. At their peak in October 2003, loadings of trailers carried on flat cars accounted for 7.3% of the intermodal tonnage. Currently, they account for only 3.4%.

In May, freight coming from the United States, either destined for or passing through Canada, still remained well above the level posted in previous months. Tonnage edged up by about 120,000 metric tonnes from the 2.6 million metric tonnes reported in April.

On a year-over-year basis, non-intermodal tonnage climbed 4.9% from May 2006, while intermodal loadings edged up 1.2%.

Traffic received from the United States remained well above last year's volume for the third consecutive month, rising 10.6% between May 2006 and May 2007.

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

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

The May 2007 issue of *Monthly Railway Carloadings*, Vol. 84, no. 5 (52-001-XWE, free) is now available from the *Publications* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact

the Dissemination Unit (toll-free 1-866-500-8400; fax: 613-951-0009; [transportationstatistics@statcan.ca](mailto:transportationstatistics@statcan.ca)), Transportation Division. ■

## Domestic travel

First quarter 2006 (preliminary)

Available today is a set of tables containing data on domestic travel for the first quarter of 2006 from the Travel Survey of Residents of Canada (TSRC).

This survey, which started in 2005, provides estimates of domestic travel that are more in line with international guidelines as recommended by the World Tourism Organization.

A domestic visit is one that originates and occurs within Canada, is less than 365 days in duration, ends during the reference period, and is outside the respondent's "usual" environment.

The visits made by Canadian travellers in Canada totalled 42.5 million during the first quarter of 2006.

Visits for pleasure, vacation, holiday and visiting friends and relatives represented 86% of all domestic visits. Together, these visits increased 2% in the first quarter of 2006 compared with the same period in 2005.

Intra-provincial visits reached 39.2 million in the first quarter of 2006, while inter-provincial visits totalled 3.4 million.

In Canada, 9 domestic visits out of 10 were taken in the traveller's province of residence.

Almost two-thirds of domestic visits recorded in the first quarter of 2006 were same-day visits (27.0 million), while overnight visits reached 15.4 million.

Canadian residents spent an average of three nights away from home during overnight visits. Of the 41.0 million nights spent away from home, 11.8 million were spent in a commercial establishment.

Distributed by month, the number of visits in Canada was 14.7 million in January, 13.7 million in February and 14.0 million in March.

Canadian travellers spent \$5.9 billion within the country during the first quarter of 2006. When taking inflation into account, spending on domestic visits totalled \$5.6 billion (in 2002 dollars) for this same quarter.

More than 60% of all domestic expenditures were for transportation (\$1.9 billion) and food and beverage (\$1.7 billion).

In the first quarter of 2006, Canadian spending on domestic visits for pleasure, vacation, holiday and

visiting friends or relatives increased 7.1% compared with the same period in 2005.

**Note:** The total domestic visit estimates for the first quarter of 2006 are preliminary and are not comparable with the preliminary data released for the first quarter of 2005. Two categories of visits (business and other) are affected as a result of changes made to the TSRC questionnaire, starting from the reference month of September 2005. These two categories represented 14% of domestic visits in the first quarter of 2006. The remaining categories of visits, which include pleasure, vacation, holiday and visiting friends and relatives, are comparable.

**Definitions, data sources and methods: survey number 3810.**

For general information or to obtain data, contact Client Services (toll-free 1-800-307-3382; 613-951-9169; fax: 613-951-2909; [cult.tourstats@statcan.ca](mailto:cult.tourstats@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Lizette Gervais-Simard (613-951-1672; fax: 613-951-2909; [gervliz@statcan.ca](mailto:gervliz@statcan.ca)), Culture, Tourism, and the Centre for Education Statistics. ■

## Sawmills

May 2007

Monthly lumber production by sawmills declined 3.7% to 6 338.9 thousand cubic metres in May.

Sawmills shipped 6 720.1 thousand cubic metres of lumber in May, a decrease of 2.8% from April. Compared with May 2006, lumber shipments fell 3.4%.

Between April and May, stocks dropped 4.2% to 8 782.1 thousand cubic metres.

**Available on CANSIM: table 303-0009.**

**Definitions, data sources and methods: survey number 2134.**

The May 2007 issue of *Sawmills*, Vol. 61, no. 5 (35-003-XWE, free), is now available from the *Publications* module of our website.

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

## **Civil Court Survey**

2005/2006

In 2003/2004, the Canadian Centre for Justice Statistics began implementing its new Civil Court Survey, an ongoing national survey that collects information on court events and cases for both general civil and family actions. Limited data from two provinces and two territories (Nova Scotia, British Columbia, Yukon, and Nunavut) are now available.

The survey was developed through funding from the Department of Justice's Child-Centered Family Law

Strategy. Survey coverage will be expanded, and it is anticipated that seven jurisdictions will be participating in the survey by 2007/2008.

**Definitions, data sources and methods: survey number 5052.**

Data are available upon request only. For more information, or to enquire about concepts, methods or data quality of this release, contact Information and Client Services (toll-free 1-800-387-2231; 613-951-9023), Canadian Centre for Justice Statistics. ■

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## New products

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**Analysis in Brief : "Retailers Competing for Market Share: 2006 Retail Sales in Review"**, no. 60  
**Catalogue number 11-621-MWE2007060**  
(free).

**Farm Product Price Index**, May 2007, Vol. 7, no. 5  
**Catalogue number 21-007-XWE**  
(free).

**Sawmills**, May 2007, Vol. 61, no. 5  
**Catalogue number 35-003-XWE**  
(free).

**Monthly Railway Carloadings**, May 2007, Vol. 84, no. 5  
**Catalogue number 52-001-XWE**  
(free).

**Retail Trade**, May 2007, Vol. 79, no. 5  
**Catalogue number 63-005-XWE**  
(free).

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

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Statistics Canada

Thursday, June 5, 1997  
For release at 9:30 a.m.

**MAJOR RELEASES**

- **Urban transit, 1996** 2  
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about six trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** 4  
Growth in productivity among Canadian businesses and industry work force in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

**OTHER RELEASES**

- **Maplewood Index, May 1997** 3
- **Short-term Expectations Survey** 3
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