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Releases

Quarterly financial statistics for enterprises, second quarter 2007 2
Canadian corporate profits eased back in the second quarter after four quarters of modest growth.

Estimates of production of principal field crops, July 31, 2007 5
Prairie farmers reported that the production of major crops, with the exception of spring wheat and flaxseed, should improve from 2006. In spite of the dry conditions in the East, grain corn production should reach a record in both Ontario and Quebec.

Natural gas sales, June 2007 7

Canadian Vehicle Survey, 2006 7

Sawmills, June 2007 8

New products 9



Releases

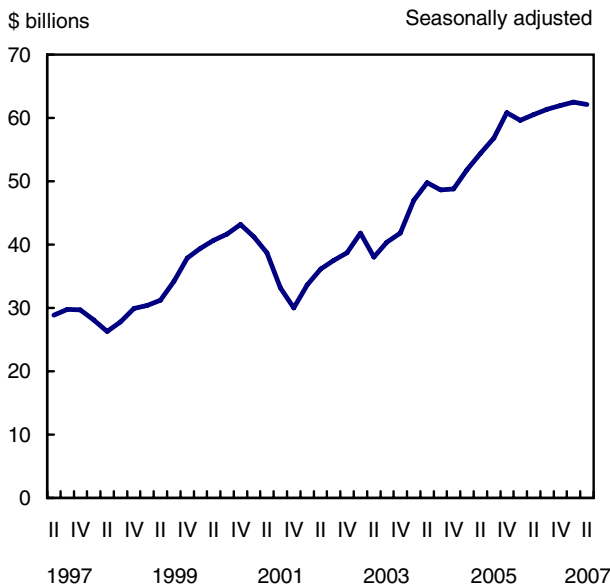
Quarterly financial statistics for enterprises

Second quarter 2007 (preliminary)

Canadian corporate profits eased back in the second quarter following four quarters of modest growth. Profits of \$62.1 billion remained near their record high, at 0.7% below first-quarter levels. Declines in the manufacturing and insurance sectors were partially offset by gains from wholesalers, retailers and real estate companies.

Non-financial industries' operating profits edged down 0.4% from the first quarter to \$44.9 billion. Of the 17 non-financial industries, 8 showed profit growth, 6 posted declines, while 3 remained essentially unchanged.

Operating profits edge down



Financial industries also lost ground as profits slipped 1.4% to \$17.3 billion. Insurance carriers and depository credit intermediaries (mainly chartered banks) were responsible for the decline.

Manufacturing profits down for third straight quarter

Profits in the manufacturing sector were affected by the Canadian dollar's continued appreciation against the US dollar and by soft US demand for Canadian

Note to readers

These quarterly financial statistics are based upon a sample survey and represent the activities of all corporations in Canada, except those that are government controlled or not-for-profit. An enterprise can be a single corporation or a family of corporations under common ownership and control, for which consolidated financial statements are produced.

Operating profits represent the pre-tax profits earned from normal business activities, excluding interest expense on borrowing and valuation adjustments. For non-financial industries, operating profits exclude interest and dividend revenue and capital gains/losses. For financial industries, interest and dividend revenue, capital gains/losses and interest paid on deposits are included in the calculation of operating profits.

After-tax profits represent the bottom-line profits earned by corporations.

Beginning with the first quarter of 2007, changes have been made to the content of the quarterly financial statistics for enterprises questionnaires and data tables. As a result, "loans and other borrowings" in the new publication replaces "loans and overdrafts from banks" and "loans and overdrafts from others" previously published.

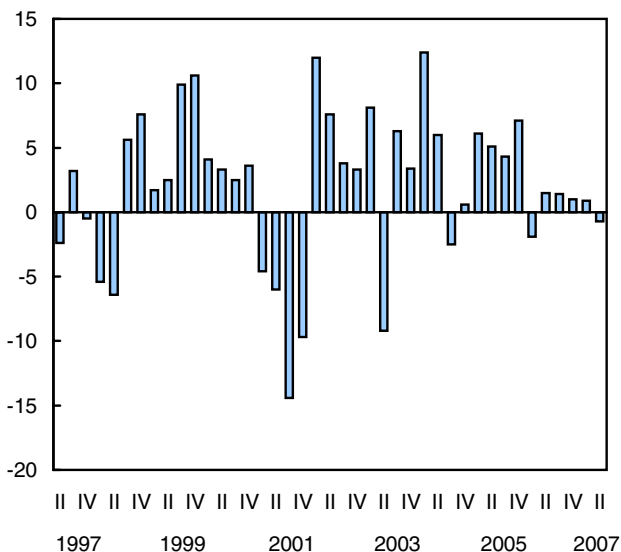
automotive and lumber products. Manufacturers' operating profits shrank 6.3% to \$10.1 billion, following retractions of 1.7% and 0.3% in the previous two quarters.

Overall, losses in motor vehicles and wood and paper industries overshadowed gains in the petroleum and coal, and chemical, plastic and rubber products industries. Motor vehicles and parts manufacturers' profits tumbled \$770 million to a loss of \$50 million for the quarter, despite a 4.4% growth in domestic new motor vehicle sales, as reported by the New Motor Vehicle Sales Survey. Profits have been volatile and on a downward trend since peaking at \$2.5 billion in the second quarter of 2000. Wood and paper producers also fared poorly, reporting a loss of \$130 million, partially due to declining lumber prices on the world market.

On the positive side, petroleum and coal producers benefited from swelling exports, propelled by strong global demand and rising oil prices, as operating profits jumped 14.2% to \$3.2 billion, just shy of the \$3.6 billion peak reported in the fourth quarter of 2005. On a similar note, high prices for inorganic industrial chemical products and fertilizers helped profits for chemical, plastic and rubber products manufacturers rebound 16.5% to \$1.6 billion, following a decline of 13.6% in the first quarter.

Operating profits take a slight dip

% change in profits



Wholesalers and retailers set record profits

Wholesalers moved ahead in the second quarter, as profits rose 6.1% to a record high of \$4.7 billion. Gains were seen in all wholesale industries, but wholesalers of machinery and equipment led the way with a profit increase of 14.4%.

Continued strong consumer spending boosted retail profits 4.1% to a record high of \$4.0 billion. Clothing and department stores reported a 6.2% increase in operating profits. Other retailers boosted their profits by 5.5%. Building material and garden equipment stores as well as drugstores are among the companies classified in this group.

Financial sector

Operating profits in the financial sector fell 1.4% to \$17.3 billion in the second quarter. Property and

casualty insurers led the decline with operating profits down 16.0% to \$1.1 billion. This was due to a decrease in premiums and reduced gains from the sale of securities and other assets. In the life insurance industry, operating profits slipped 4.4% to \$1.3 billion as claims grew more than premiums.

Chartered bank profits dropped 2.6% to \$6.9 billion, down from a high of \$7.1 billion in the first quarter, as a result of lower net interest income.

Profitability ratios

Overall, slackening profits caused the operating profit margin to fall to 8.3%, below the recent high of 8.6% registered in the fourth quarter of 2006.

The return on shareholders' equity dropped to 11.1% in the second quarter, down from 11.4% in the previous quarter.

Available on CANSIM: tables 187-0001 and 187-0002.

Definitions, data sources and methods: survey number 2501.

The second quarter 2007 issue of *Quarterly Financial Statistics for Enterprises* (61-008-XWE, free) will be available soon.

Financial statistics for enterprises for the third quarter will be released on November 22.

For more information or to order data, contact Louise Noel (toll-free 1-888-811-6235; 613-951-2604). To enquire about the concepts, methods, or data quality of this release, contact Danielle Lafontaine-Sorgo (613-951-2634; danielle.lafontaine-sorgo@statcan.ca), Mario Vella (613-951-1395; mario.vella@statcan.ca) or Richard Dornan (613-951-2650; richard.dornan@statcan.ca), Industrial Organization and Finance Division.

□

Quarterly financial statistics for enterprises

	Second quarter 2006 ^r	First quarter 2007 ^r	Second quarter 2007 ^p	Second quarter 2006 to second quarter 2007	First quarter to second quarter 2007
Seasonally adjusted					
	\$ billions			% change	
All industries					
Operating revenue	709.8	739.4	747.3	5.3	1.1
Operating profit	60.5	62.5	62.1	2.6	-0.7
After-tax profit	47.4	41.2	40.7	-14.0	-1.0
Non-financial					
Operating revenue	642.3	667.3	675.0	5.1	1.1
Operating profit	44.2	45.1	44.9	1.5	-0.4
After-tax profit	36.7	29.7	29.7	-19.1	-0.2
Financial					
Operating revenue	67.5	72.1	72.3	7.2	0.4
Operating profit	16.3	17.5	17.3	5.8	-1.4
After-tax profit	10.7	11.4	11.1	3.3	-3.1

^r revised

^p preliminary

Note: Figures may not add up to totals because of rounding.



Estimates of production of principal field crops

July 31, 2007

Prairie farmers reported that the production of major crops, with the exception of spring wheat and flaxseed, should improve from 2006 estimates, as a result of increases in harvested area. In spite of the dry conditions in the East, grain corn production should reach a record in both Ontario and Quebec.

Data from the annual July farm survey, a preliminary survey of Canadian field crop production of 17,300 farmers conducted from July 27 to August 5, indicated that farmers are concerned about the effects of recent drought-like growing conditions in the Prairie Provinces.

Production estimates, July 31

Crop	2006	2007	2006 to 2007
	thousands of tonnes		% change
Total wheat	25,265	20,322	-19.6
Spring wheat	18,617	14,099	-24.3
Barley	9,573	11,848	23.8
Grain corn	8,990	10,573	17.6
Canola	9,000	9,242	2.7
Oats	3,852	5,087	32.1
Durum wheat	3,346	3,549	6.1
Dry field peas	2,520	2,953	17.2
Soybeans	3,466	2,848	-17.8
Winter wheat	3,302	2,675	-19.0
Flaxseed	989	642	-35.1
Dry beans	372	287	-23.0

Planting conditions varied in the Prairie Provinces with generally abundant to excessive levels of soil moisture this spring. As a result, crops in some areas were planted near the end of the seeding window for the 2007 growing season.

However, hot and dry conditions in July changed the production outlook with crop yields declining, due to reduced topsoil moisture conditions. The situation was most evident in south central and south western Saskatchewan, and in southern Alberta. At the time of this report, it is believed that rain could still help crops finish in many areas of the Prairie Provinces, where the production of all feed grains, canola and durum wheat is expected to rise from 2006. On the other hand, output of wheat excluding durum and flaxseed could fall. In some southern areas of Saskatchewan, the harvest has begun.

In Quebec and Ontario, dry conditions have been taking a toll on field crops. In spite of this, field corn production is still estimated to be a record in both provinces, the result of record harvested areas.

Note to readers

As a result of the release of data from the 2006 Census of Agriculture on May 16, 2007, estimates of field crop production have been revised, where necessary, to align with the census. Area, yield and production revisions have been made back to 2002. These data are available in CANSIM. Any required stock revisions will be released on September 11, 2007.

Wheat excluding durum production could fall

Prairie farmers reported that they expect to harvest 15.1 million tonnes of wheat excluding durum, a decline of 20.6% or 3.9 million tonnes from 2006. The five-year average production is 16.3 million tonnes. Harvested area is expected to fall 16.6%, and yield could drop 1.8 bushels per acre to 35.6 bushels per acre.

Production is expected to fall in all three Prairie Provinces, with declines ranging from 23.4% in Saskatchewan to 9.3% in Manitoba.

Durum wheat production nudges up

In the Prairies, durum production is expected to rise 6.1% to 3.5 million tonnes, an increase of 202,700 tonnes from 2006, the result of a strong increase in harvest area to 4.7 million acres. The five-year average production estimate is 4.4 million tonnes.

Provincially, durum production rose 9.0% in Saskatchewan to an estimated 2.9 million tonnes, while production in Alberta may fall 6.0% to 617,800 tonnes. The vast majority of Canadian durum wheat is grown in Saskatchewan.

Canola and flaxseed production move in opposite directions

Prairie canola production should rise this year, while flaxseed production is expected to fall.

Prairie canola production could rise 190,300 tonnes to an estimated 9.2 million tonnes, the result of an expected record harvest area of 14.2 million acres. The previous record was 14.1 million acres reported in 1994.

Manitoba production could be a record 2.0 million tonnes, exceeding last year's record of 1.8 million tonnes. A record harvested area of 2.8 million acres is responsible for the jump. Saskatchewan canola production should rise 13.6% to 4.2 million tonnes, the result of an increase in harvested area to a record 7.0 million acres. The previous record of 6.6 million acres was set in 1999. On the other hand, Alberta farmers reported a possible reduction in canola production of 12.7% to 3.0 million tonnes. This is the result of a drop in yield to 30.0 bushels per acre, an

estimate below the five-year average of 31.4 bushels per acre.

In spite of the hot and dry conditions experienced in the Prairies, some experts point out that new canola seed varieties are more heat tolerant, reducing yield losses in adverse conditions.

Feed grain production should rise across the Prairies

The production of barley, oats and field peas should all rise in 2007 in the Prairie Provinces, the result of strong increases in harvested area.

Prairie barley production should rise to above-average levels this year, the result of an increased estimated harvest area and an average cut for silage. Production is estimated at 11.1 million tonnes, up 2.3 million tonnes from 2006, well above the five-year average of 9.7 million tonnes. Yields will continue to be above average at 54.6 bushels per acre. Farmers in all three Prairie Provinces reported that they expect production to increase in 2007.

Oat production in the Prairie Provinces should rise 34.7% to 4.6 million tonnes, an increase of 1.2 million tonnes from 2006. A rise in yield and a 25.0% increase in harvest area were responsible for the rise. The five-year production average is 2.9 million tonnes. Production increases should occur in all three Prairie Provinces, with gains ranging from 49.8% in Saskatchewan to 8.1% in Alberta.

Dry field pea production should rise 17.3% to 3.0 million tonnes, up 435,600 tonnes. A similar increase in harvested area to a record 3.6 million acres was responsible for the gain. The previous record was 3.1 million tonnes set in 2004.

Provincially, the results were mixed. Saskatchewan farmers reported a potential 25.0% increase in production to 2.3 million tonnes, the result of a record harvest area of 2.9 million acres. The previous record was 2.5 million acres set in 2005. On the other hand, farmers in Manitoba reported a 12.1% decrease in production to 91,000 tonnes, and Alberta farmers reported a potential 3.1% decline to 535,300 tonnes. These declines were due to anticipated decreases in yield in 2007.

Ontario, Quebec farmers should produce record grain corn, fewer soybeans

Farmers in Ontario and Quebec expect to produce a record amount of corn for grain in 2007, in spite of the excessive dryness being experienced in many areas.

Quebec farmers may produce a record 3.6 million tonnes of corn for grain this year, an increase of 33.3% or 900,000 tonnes. The previous record was 3.5 million tonnes set in 2003. A rise in expected yield of 13.3 bushels per acre and a record harvested area of 1.1 million acres were responsible.

In Ontario, corn-for-grain production could increase to a record 6.4 million tonnes, a gain of 9.1% or 533,400 tonnes. The previous record was 6.0 million tonnes set in 1998. This rise was the result of a 35.2% increase in harvested area.

Soybean production is expected to fall in both Quebec and Ontario.

In Quebec, production is forecast to drop 9.3% to 485,000 tonnes, the result of a comparable percentage drop in harvested area. The five-year average for Quebec soybean production is 453,000.

Ontario farmers expect production to drop 18.4% to 2.2 million tonnes, the result of a 9.8 bushel per acre drop in yield. The five-year average production estimate is 2.3 million tonnes.

Available on CANSIM: tables 001-0004, 001-0010, 001-0017 to 001-0020 and 001-0040 to 001-0043.

Definitions, data sources and methods: survey number 3401.

The publication *Field Crop Reporting Series: "July 31 Estimate of Production of Principal Field Crops"*, 2007, Vol. 86, no. 5 (22-002-XIE, free) is now available from the *Publication* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact David Burroughs (613-951-5138; dave.burroughs@statcan.ca), or Dave Roeske (613-951-0572; dave.roeske@statcan.ca), Agriculture Division. ■

Natural gas sales

June 2007 (preliminary)

Cooler than normal temperatures in most regions of the country led to a moderate increase in natural gas sales in the residential sector in June.

Higher sales volume in the residential sector (+3.9%) was more than offset by a sales decline in the commercial sector (-3.8%), coupled with a 1.1% decrease in industrial sales (including direct sales).

Natural gas sales totalled 3 791 million cubic metres, down 0.8% from June 2006.

On a year-to-date basis, sales at the end of June were up 6.5% from the same six-month period in 2006, in the wake of across-the-board increases in all sectors.

The volume of sales to the industrial sector (including direct sales) has risen 3.6% so far in 2007, while sales have increased 10.1% in the residential sector and 9.9% in the commercial sector.

Natural gas sales

	June 2007 ^P	June 2006	June 2006 to June 2007
	thousands of cubic metres		% change
Total sales	3 790 651	3 820 581	-0.8
Residential	492 052	473 424	3.9
Commercial	386 090	401 510	-3.8
Industrial and direct	2 912 509	2 945 647	-1.1
Year-to-date			
	2007 ^P	2006	2006 to 2007
	thousands of cubic metres		% change
Total sales	39 523 915	37 098 318	6.5
Residential	10 848 373	9 850 512	10.1
Commercial	7 767 759	7 069 536	9.9
Industrial and direct	20 907 783	20 178 270	3.6

^P preliminary

Definitions, data sources and methods: survey number 2149.

For more information, to order data, 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; energ@statcan.ca), Manufacturing, Construction and Energy Division. ■

Canadian Vehicle Survey

2006

Vehicles registered in Canada logged 326 billion kilometres in 2006, a 3% increase from 2005. This

was the highest annual amount ever recorded by the Canadian Vehicle Survey. Vehicles were driven an average of 17,009 kilometres in 2006, a 0.5% increase compared with 2005. While total kilometres driven have increased, the average number of kilometres driven per vehicle has declined since 2000, when the average was 17,958. This is because the number of vehicles covered by the survey has increased 11% since the survey began.

Light vehicles, which weigh less than 4.5 tonnes and include all cars, sport-utility vehicles, mini-vans and pick-up trucks, were driven more than 296 billion kilometres, an average of 16,015 kilometres per vehicle, or 44 kilometres per day, during 2006.

Drivers in New Brunswick were the busiest among the provinces and territories, with an average of 18,558 kilometres per vehicle. Drivers in British Columbia drove their vehicles the least, with an average of 12,218 kilometres.

Trucks (4.5 tonnes and over) were driven more than 29 billion kilometres (an average of 45,012 kilometres per vehicle) in 2006.

Drivers aged 65 and older continued to spend more time behind the wheel. They accounted for a 13% share of all kilometres driven in the provinces during 2006, compared with a 9% share in 2001. According to 2006 Census data recently released, the share of this age group within the driving-age population increased by about only 1 percentage point between 2001 and 2006.

Vehicle fuel efficiency has improved over the last few years, as all vehicles driven consumed approximately 12.7L/100km in 2006, while they consumed 13.0L/100km in 2004. For light vehicles using gasoline, fuel efficiency improved from 11.1L/100km in 2004 to 10.8L/100km in 2006, a 3% improvement.

The survey measures the activity of all on-road vehicles registered in Canada with the exception of some vehicles, such as buses, motorcycles, construction equipment and road maintenance equipment.

Note: Recent updates to the vehicle registration files have now been incorporated into the Canadian Vehicle Survey counts and estimates for British Columbia. The revisions affect the 2003-to-2005 survey years. Estimated vehicle kilometres in British Columbia have been revised upward by 0.6% for 2003, 2.3% for 2004, and 6.7% for 2005. Note that these revisions, in turn, affect the national estimates for the same periods, although the magnitude is much smaller; estimated vehicle kilometers in Canada have been revised upward by 0.1% for 2003, 0.4% for 2004, and 0.7% for 2005.

Revisions were also made in order to treat holidays consistently across the reference periods. This affected most variables for 2004. The impacts of the revisions vary depending on the variable, but are generally

greatest for tables dealing with the day of the week or the time of the day.

Available on CANSIM: tables 405-0055 to 405-0070, 405-0072 to 405-0086, 405-0088 to 405-0090, 405-0097, 405-0098, 405-0100 and 405-0111 to 405-0120.

Definitions, data sources and methods: survey number 2749.

The 2006 issue of *Canadian Vehicle Survey: Annual* (53-223-XWE, free) will soon be available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Réjean Doiron (613-951-5680; rejean.doiron@statcan.ca) or Client Services (toll-free 1-866-500-8400; transportationstatistics@statcan.ca), Transportation Division. ■

Sawmills

June 2007

Monthly lumber production by sawmills declined 2.3% to 6 191.1 thousand cubic metres in June.

In June, sawmills shipped 6 517.1 thousand cubic metres of lumber, a decrease of 3.0% from May. Compared with June 2006, lumber shipments fell 8.3%.

Between May and June, stocks dropped 4.1% to 8 421.5 thousand cubic metres.

Available on CANSIM: table 303-0009.

Definitions, data sources and methods: survey number 2134.

The June 2007 issue of *Sawmills*, Vol. 61, no. 6 (35-003-XWE, free) is now available from the *Publications* module of our website.

To order data, to 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), Manufacturing, Construction and Energy Division. ■

New products

Canadian Economic Observer, Vol. 20, no. 8
Catalogue number 11-010-XPB (\$25/\$243).

Field Crop Reporting Series, Vol. 86, no. 5
Catalogue number 22-002-XIE
(free).

Sawmills, June 2007, Vol. 61, no. 6
Catalogue number 35-003-XWE
(free).

General Social Survey Cycle 20: Family Transitions Survey : Family Structure by Region, 2006 (revised), no. 1
Catalogue number 89-625-XIE2007001
(free).

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

Catalogue numbers with an -XWE, -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or -XDE are electronic versions on diskette; -XCB or -XCE are electronic versions on compact disc; -XVB or -XVE are electronic versions on DVD and -XBB or -XBE a database.

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Statistics Canada

Thursday, June 5, 1997
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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 rides 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

- Map-based Index, May 1997 3
- Short-term Expectations Survey 9
- Steel primary forms, week ending May 31, 1997 12
- Egg production, Apr 8, 1997 12

PUBLICATIONS RELEASED 11



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