



# The Daily

## Statistics Canada

**Tuesday, February 5, 2008**

Released at 8:30 a.m. Eastern time

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### New products

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#### Agriculture Community Profiles

The *2006 Agriculture Community Profiles* is the latest electronic data product from the 2006 Census of Agriculture.

The *2006 Agriculture Community Profiles* present community-level information from the 2006 Census of Agriculture. These profiles include agricultural statistics on population and farm operators, land use and land practices, farm finances, crops and horticulture and livestock for most communities.

The *2006 Agriculture Community Profiles* (95-631-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 Census of Agriculture User Services (613-951-1090).



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## Releases

### Stocks of grain

December 31, 2007

Stocks of grains and oilseeds in the Prairie provinces were down as of December 31, 2007, compared with the same date in 2006, but in Eastern Canada, stocks of corn for grain hit a record high.

Results from the December 31 survey of Canadian grain farmers and commercial grain holders show that on the Prairies, stock estimates for all major grains and oilseeds were down, except for oats. The largest declines occurred in wheat, canola and flaxseed.

In the East, farm stocks of corn for grain in Ontario and Quebec easily passed the previous records, the result of a record corn harvest in 2007. The previous record was set in Ontario in 2006 and in Quebec in 2005.

Soybean stocks fell to below the five-year average.

#### Total stocks of major and special crops at December 31

Crop	2006	2007	Five-year average	2006 to 2007
	thousands of tonnes			% change
Total wheat	21,573	15,147	19,627	-29.8
Wheat excluding durum				
durum	17,501	12,278	15,053	-29.8
Durum wheat	4,072	2,870	4,574	-29.5
Corn for grain	8,365	9,599	7,956	14.8
Barley	7,473	7,105	8,046	-4.9
Canola	7,166	6,502	5,437	-9.3
Oats	2,372	2,703	2,282	14.0
Soybeans	2,657	1,729	2,009	-34.9
Dry field peas	1,561	1,460	1,586	-6.5
Flaxseed	870	482	550	-44.7
Lentils	700	365	566	-47.9
Canary seed	232	191	227	-17.7
Chick peas	103	175	115	69.9
Mustard seed	219	107	231	-51.1
Sunflower seed	128	81	92	-36.7

#### Wheat stocks tumble

Total stocks of wheat, which include on-farm and commercial stocks, were estimated at 15.1 million tonnes, a decrease of 29.8% or 6.4 million tonnes from December 2006. The decline was mainly the result of a 20.6% drop in wheat production in 2007.

Total inventories of wheat excluding durum tumbled 29.8% from December 2006 to 12.3 million tonnes. The five-year average is 15.1 million tonnes. The decline in commercial stocks was not as large, falling 14.4% to 3.1 million tonnes.

#### Note to readers

The December Farm Survey of 11,800 farm operators was conducted from January 2 to January 9, 2008. Farmers were asked to report the amounts of grain, oilseeds and special crops in on-farm storage.

Commercial stocks of western major crops originate from the Canadian Grain Commission. Commercial stocks of corn and soybeans are estimated by a Statistics Canada sample of grain elevators in Eastern Canada. Commercial stocks of special crops originate from a survey of handlers and agents of special crops.

Farmers reported decreases of on-farm stocks in all three Prairie provinces. The largest decline was reported in Saskatchewan, where stocks were estimated at 3.4 million tonnes, down by 2.6 million tonnes. The five-year average is 4.9 million tonnes.

In addition, total stocks of durum wheat fell 29.5% to 2.9 million tonnes, well below the five-year average of 4.6 million tonnes. Despite the increase in durum production in 2007, the lower stock number in December was due to much lower carry-in stocks at the beginning of the 2007/2008 crop year. Commercial stocks of durum were more buoyant, slipping only 5.4% to 920,000 tonnes.

Durum producers in Saskatchewan and Alberta reported they held much less durum on their farms this year. In Saskatchewan, where the majority of Canadian durum wheat is grown, stocks fell 34.0% to 1.6 million tonnes.

Alberta farmers reported a 47.0% decrease to 400,000 tonnes.

#### General decline in feed grain stocks

Total stocks of barley as of December 31, 2007, declined a slight 4.9% to 7.1 million tonnes, a level well below the five-year average of 8.0 million tonnes. On the other hand, commercial stock levels were up 50.4% to 768,100 tonnes.

On-farm stocks in all three Prairie provinces fell, with declines ranging from 3.8% in Alberta to 14.8% in Saskatchewan. Estimates in each province were below the five-year average.

Total stocks of field peas dropped 6.5% to 1.5 million tonnes, an estimate below the five-year average of 1.6 million tonnes. Commercial stocks rose 195,000 tonnes to 270,000 tonnes.

On-farm stocks of field peas declined in all three Prairie provinces to levels below the corresponding five-year average.

Total stocks of oats rose 14.0% to an estimated 2.7 million tonnes, well above the five-year average of 2.3 million tonnes. This increase mirrors a 21.9% gain in oat production in 2007. Commercial stocks were also strong, rising 9.4% to 255,000 tonnes.

Prairie on-farm stocks rose 17.8% to 2.2 million tonnes, just short of the record of 2.5 million tonnes set in 1999. Stock levels fell a slight 6.6% in Alberta to 560,000 tonnes, while levels rose in Saskatchewan and reached record territory in Manitoba.

#### **Slight dip in canola stocks**

Total stocks of canola were 6.5 million tonnes as of December 31, 2007, off 9.3% from December 2006, but still well above the five-year average of 5.4 million tonnes. Canola production in 2007 dropped by 2.8% compared with 2006; in part explaining the decrease.

Declines were reported for on-farm stocks in all three Prairie provinces. The largest decline was reported in Manitoba, where they fell 27.0% to 875,000 tonnes. Levels in Saskatchewan and Alberta were down, but remained above the five-year average.

Prairie on-farm stocks of canola were off 15.2% to 5.0 million tonnes. The five-year average is 4.5 million tonnes.

Commercial stocks rebounded from 2006, rising 18.8% to 1.5 million tonnes.

#### **Flaxseed stocks well below five-year average**

Total stocks of flaxseed fell 44.7% to 482,000 tonnes, well below the five-year average of 550,000 tonnes, the result of a 35.9% decrease in production in 2007.

Declines in provincial on-farm stocks as well as stocks in commercial operations were reported.

In Saskatchewan, where most Canadian flaxseed is grown, on-farm stocks fell by 45.0% to 275,000 tonnes.

#### **Ontario and Quebec: Corn stocks hit a record high while soybeans fall**

Stocks of corn for grain were a record, the result of record production in Ontario and Quebec in 2007. Total stocks rose 14.8% to 9.6 million tonnes, easily passing the record of 8.5 million tonnes set in 2005.

On-farm stocks of corn for grain set records in both Ontario and Quebec. Ontario stocks were up 13.6% to 4.2 million tonnes, while in Quebec, stocks surged 42.0% to 3.1 million tonnes.

Total stocks of soybeans fell, the result of a drop in 2007 production. Total soybean stocks amounted to 1.7 million tonnes, down 34.9% or 928,000 tonnes.

On-farm stocks were lower in both Quebec and Ontario, falling to well below the five-year average. Commercial stocks fell 26.6% to 810,000 tonnes, also well below the five-year average of 859,000 tonnes.

**Available on CANSIM: tables 001-0040 to 001-0043.**

**Definitions, data sources and methods: survey numbers, including related surveys, 3401, 3403, 3443, 3464 and 3476.**

The publication *Field Crop Reporting Series: Stocks of Canadian Grain at December 31, 2007*, Vol. 87, no. 1 (22-002-XIE, free) is now available from the *Publication* module of our website.

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

## Study: Linking urban economies with productivity growth

1989 to 1999

A new study provides strong evidence that "agglomeration economies" in urban areas, resulting from an improved mix of labour and industries, have an important impact on the productivity growth of manufacturing plants in Canada.

The study "Agglomeration economies: Microdata panel estimates from Canadian manufacturing," builds on and reinforces previous research published in *The Daily* on June 18, 2007, which looked at cities at a single point in time.

This new study measured how the changing nature of urban economies over the 1990s affected the productivity performance of plants. In doing so, it provides a stronger foundation for claims that productivity growth and urban economies are linked.

In comparison with analyses that rely on information from a single snapshot in time, examining the response of plants to change better isolates the influence of urban economies.

Using plant-level data from the 1989 and 1999 Annual Survey of Manufactures, the study showed that the productivity performance of plants through the 1990s was influenced by changes in three characteristics of urban areas.

First, improvements in the mix of labour helped to drive productivity growth. Plants became more productive when there were improvements in the match between the worker skills they required and the skills available in the urban area in which they were located.

Secondly, the growing presence of suppliers was also linked to gains in productivity. Plants increased their productivity when they were located in cities that became increasingly specialized in upstream (input-supplying) industries.

Finally, plants became more productive when the number of nearby plants in the same industry increased, providing more opportunity for the spillover of knowledge across plants.

The study found that the most important contributor to the growth of labour productivity was an improvement in the mix of labour.

A 10% improvement in the skills match resulted in a 5% increase in productivity. Increasing the presence of upstream suppliers by 10% increased productivity by 1%. A 10% increase in the number of plants in the same industry resulted in a slight 0.2% increase in productivity.

Although the effect of knowledge spillovers may seem small, over a decade it is not uncommon for the

number of local plants in the same industry to almost double. Doubling the number of plants was associated with a 2% increase in productivity.

### Change in the local economic environment an important determinant of labour productivity

Changes in the characteristics of urban economies are an important determinant of labour productivity growth, the study found.

The geographic clustering of plants both stimulates, and is stimulated by, the concentration of upstream suppliers, pools of skilled labour and the exchange of knowledge.

Plants become more productive when there is a closer match between the worker skills they require and the skills available in the urban area in which they are located.

The co-location of firms is often associated with the development of relatively large pools of labour possessing the skills that are needed by firms within the geographic cluster. Firms that do not have access to these pools of specialized labour may have to substitute workers with less appropriate skills, potentially reducing their productivity.

Plants increase their productivity when they are located in cities that are increasingly specialized in upstream (input-supplying) industries. The geographical clustering of businesses stimulates the development of upstream industries that provide specialized inputs, such as machinery and equipment, which can help boost the productivity of a downstream sector.

Finally, plants become more productive when there is a growing number of nearby plants in the same industry, providing more opportunity for the spillover of knowledge across plants. The close proximity of firms enhances the flow of knowledge and consequently has a positive impact on productivity.

### How urban economies affect productivity in specific sectors

In addition to looking at the impact of agglomeration economies on productivity across the entire plant population, the study also examined how these economies affected the productivity of plants in specific sectors.

These sectors are defined by the factors that influence competition: access to natural resources, labour costs, scale economies, product differentiation, and the application of scientific knowledge.

The study showed that the reliance of individual businesses on agglomeration economies varied across sectors. Changes in labour mix, buyer-supplier

networks or knowledge spillovers were not universally important across all sectors. Yet regardless of which agglomerative forces were important, they had a significant effect on productivity in most sectors.

Hence, the geographic concentration of industry has a positive influence on performance across a broad spectrum of sectors comprising business establishments that rely on very different strategies to maintain their competitive advantage.

These findings help explain why plants in the same industry tend to cluster in particular locations. They also help explain how the concentration of economic activity in cities favours economic growth that is underpinned by gains in productivity.

The study "Agglomeration economies: Microdata panel estimates from Canadian manufacturing" is now available as part of the *Economic Analysis Research Paper Series* (11F0027MIE2008049, free) under the *Publications* module of our website.

More studies related to economic geography and productivity are available online ([www.statcan.ca/english/studies/economic.htm](http://www.statcan.ca/english/studies/economic.htm)).

For more information, or to enquire about the concepts, methods or data quality of this release, contact Mark Brown (613-951-7292) or John Baldwin (613-951-8588), Micro-economic Analysis Division. ■

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## Legal aid 2006/2007

Canada's legal aid plans spent \$659 million on delivering legal aid services in 2006/2007, or the equivalent of \$20 for every Canadian. These figures do not include spending by the legal aid plans in Newfoundland and Labrador and Prince Edward Island.

Spending was down 4% from the previous year, once inflation was taken into account. However, this decline came on the heels of an increase of about 9% the year before.

These plans have been established in each province and territory with the common goal of assisting lower income Canadians who require professional legal counsel. Each plan has developed its own individual legal aid scheme, so structures, operations and eligibility requirements vary from one jurisdiction to the next. For 2006/2007, 11 of 13 legal aid plans provided data for the survey.

These 11 legal aid plans received 761,000 applications for assistance for criminal and civil matters in 2006/2007, a 2% decrease from the previous year. A 5% drop in the number of applications for civil matters was responsible for this decline.

The number of applications received by the provincial and territorial legal aid plans provides only a general indication of the demand for legal services in Canada. Applicants are screened to some degree before an application is filed and coverage and eligibility requirements restrict the types of cases that receive assistance.

About 472,000 applications were approved for full legal aid service for criminal and civil matters in 2006/2007. This was down slightly from the year before. Nunavut (-37%) and Manitoba (-10%) reported the largest declines. Overall, 6 of the 11 reporting jurisdictions registered increases in approved applications, with Northwest Territories (+20%) and Yukon (+12%) leading the way.

Cases involving criminal matters accounted for slightly more than half of direct legal aid expenditures. This proportion has climbed over the last five years, from about 46% in 2002/2003. The remaining expenditures went toward civil cases.

Except for Quebec and Ontario, jurisdictions spend more on providing criminal legal aid than on civil legal aid. Proportions ranged from 55% of direct expenditures spent on criminal matters in Nova Scotia to 83% in Nunavut. The legal aid plan in Quebec allocated 42% of direct expenditures to criminal legal aid, while in Ontario, the figure was 47%.

Governments, both provincial/territorial and federal, continue to be the major source of funding for legal aid plans. They contributed close to 90% of total revenues, amounting to \$592 million in 2006/2007. Other sources of funding include contributions from clients and the legal profession.

Provincial governments directly fund both criminal and civil legal aid. In 2006/2007, that funding totalled \$474 million or about \$15 for every person in Canada. Funding was up 2% from the year before, once inflation was taken into account.

The federal government contributes directly to the cost of criminal legal aid. For the past five years, that funding has remained steady at \$92 million or about \$3 per person. In real terms, federal funding has declined, including a 2% drop in 2006/2007.

Just over 11,000 lawyers, from both the private sector and legal aid plans, provided legal aid assistance in 2006/2007, a 9% decline from the previous year.

**Available on CANSIM: tables 258-0001 to 258-0004.**

**Definitions, data sources and methods: survey number 3308.**

The annual report, *Legal Aid in Canada: Resource and Caseload Statistics, 2006/2007* (85F0015XIE, free) is now available from our website. From the *Publications* module, under *Free Internet publications*, choose *Crime and justice*.

For more information, or to enquire about the 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. ■

## Study: Cities and growth: Knowledge spillovers in the adoption of advanced manufacturing technologies

The study "Cities and growth: Knowledge spillovers in the adoption of advanced manufacturing technologies," released today, examines in greater detail the role that geographic clustering plays in the adoption of advanced manufacturing technologies that generate productivity growth.

The study used detailed survey data on advanced manufacturing technologies to show that plants that adopt advanced manufacturing technologies often cluster together in local regions. It also found that the likelihood that plants will adopt new technologies is influenced by the presence of past adopters in the

same region. This is evidence that localized knowledge spillovers related to technology use are an important part of the link between clustering and productivity growth.

The study "Cities and growth: Knowledge spillovers in the adoption of advanced manufacturing technologies" is now available as part of the *The Canadian Economy in Transition Series* (11-622-MIE2008018, free) under the *Publications* module of our website.

More studies related to economic geography and productivity are available online ([www.statcan.ca/english/studies/economic.htm](http://www.statcan.ca/english/studies/economic.htm)).

For more information, or to enquire about the concepts, methods or data quality of this release, contact Mark Brown (613-951-7292) or John Baldwin (613-951-8588), Micro-economic Analysis Division. ■

### **Postcensal estimates of population for census divisions, census metropolitan areas and economic regions**

As of July 1, 2007 (preliminary estimates)

Annual demographic estimates as of July 1, 2007, for census metropolitan areas, economic regions and census divisions, are now available.

These estimates are based on the 2001 Census counts adjusted for net census undercoverage, and updated between censuses from migration, fertility and mortality information coming from administrative sources.

**Available on CANSIM: tables 051-0034 to 051-0036 and 051-0038 to 051-0040.**

### **Definitions, data sources and methods: survey number 3608.**

The publication *Annual Demographic Estimates: Census Metropolitan Areas, Economic Regions and Census Divisions, Age and Sex*, 2002 to 2007 (91-214-XWE, free) is now available from the *Publications* module of our website.

Data will also appear in the *Annual Demographic Statistics Compendium, 2006/2007 CD-ROM*, to be released in March.

For more information, to obtain additional data, or to enquire about the concepts, methods or data quality of this release, contact Client Services (toll-free 1-866-767-5611 or 613-951-2320; fax: 613-951-2307; [demography@statcan.ca](mailto:demography@statcan.ca)), Demography Division. ■

### **Canadian Foreign Post Indexes**

February 2008

Data on Canadian Foreign Post Indexes are now available for February.

### **Definitions, data sources and methods: survey number 2322.**

The February 2008 issue of *Canadian Foreign Post Indexes* (62-013-XIE, free) is now available from the *Publications* module of our website.

For more information on these indexes, contact Client Services (toll-free 1-866-230-2248; 613-951-9606; [infounit@statcan.ca](mailto:infounit@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Claudio Perez (613-951-9598; [claudio.perez@statcan.ca](mailto:claudio.perez@statcan.ca)), Prices Division. ■

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## New products

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**Economic Analysis Research Paper Series:**  
**"Agglomeration economies: Microdata panel estimates from Canadian manufacturing"**, no. 49  
Catalogue number 11F0027MIE2008049  
(free).

**The Canadian Economy in Transition: "Cities and growth: Knowledge spillovers in the adoption of advanced manufacturing technologies"**, no. 18  
Catalogue number 11-622-MIE2008018  
(free).

**Field Crop Reporting Series**, Vol. 87, no. 1  
Catalogue number 22-002-XIE  
(free).

**Canadian Foreign Post Indexes**, February 2008  
Catalogue number 62-013-XIE  
(free).

**Legal Aid in Canada: Resource and Caseload Statistics**, 2006/2007  
Catalogue number 85F0015XIE  
(free).

**Annual Demographic Estimates: Census Metropolitan Areas, Economic Regions and Census Divisions, Age and Sex**, 2002 to 2007  
Catalogue number 91-214-XWE  
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Catalogue 11-001-XIE (February 11, 2008) 11-001-XIE	
 <b>The Daily</b>	
Statistics Canada	
Thursday, June 5, 1997 For release at 9:30 a.m.	
<b>MAJOR RELEASES</b>	
• <b>Urban transit, 1996</b>	2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 25 trips on some form of urban transit, the lowest level in the past 25 years.	
• <b>Productivity, hourly compensation and unit labour cost, 1996</b>	4
Growth in productivity among Canadian businesses also noticeably weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.	
<b>OTHER RELEASES</b>	
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