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## Releases

Quarterly financial statistics for enterprises, fourth quarter 2010
Canadian corporations earned $\$ 65.5$ billion in operating profits in the fourth quarter, up $7.9 \%$ from the previous quarter. Increases were widespread across the economy, as 19 of 22 industries reported higher profits.

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## Releases

## Quarterly financial statistics for enterprises

Fourth quarter 2010 (preliminary)
Canadian corporations earned $\$ 65.5$ billion in operating profits in the fourth quarter, up $7.9 \%$ from the previous quarter. Increases were widespread across the economy, as 19 of 22 industries reported higher profits.


In the non-financial sector, profits increased 7.3\% to $\$ 49.6$ billion, while in the financial sector profits rose $9.5 \%$ to $\$ 15.9$ billion.

In the non-financial sector, three industries (manufacturing, primarily petroleum and coal manufacturers; oil and gas extraction; and mining) accounted for the majority of the $\$ 3.4$ billion quarterly gain in profits. In the financial sector, the growth was led by insurance carriers and related activities. Depository credit intermediaries, mainly chartered banks, also posted gains.

On a year-over-year basis, operating profits for all industries were $9.0 \%$ higher in the fourth quarter compared with the fourth quarter of 2009. In the non-financial sector, profits were $15.3 \%$ higher, while they were $7.0 \%$ lower in the financial sector.

## Note to readers

Quarterly profit numbers referred to in this release are seasonally adjusted and are in current dollars. The quarterly financial estimates for the first three quarters of 2010 have been revised.

Quarterly financial statistics for enterprises 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/or control, for which consolidated financial statements are produced.

Profits referred to in this analysis are operating profits earned from normal business activities. For non-financial industries, operating profits exclude interest and dividend revenue and capital gains/losses whereas for financial industries, these are included along with interest paid on deposits.

Operating profits differ from net profits, which represent the after tax profits earned by corporations.

Quarterly change in operating profits
\% change


## Non-financial sector: Growth in manufacturing and oil and gas

Profits in the manufacturing industry rose $15.3 \%$ to $\$ 12.9$ billion in the fourth quarter, mostly on the strength of petroleum and coal products manufacturers, where profits rose $55.4 \%$ to $\$ 3.7$ billion compared with the third quarter.

Profits for chemicals, plastics and rubber manufacturers rose $16.6 \%$ to $\$ 1.8$ billion, while profits of primary metal manufacturers increased $20.0 \%$ to $\$ 1.2$ billion.

Profits for the oil and gas industry were up $23.3 \%$ to $\$ 3.8$ billion in the fourth quarter compared with the previous quarter. Much of this gain came from higher oil prices and greater sales volumes. It was the second consecutive quarter of growth in oil and gas.

The mining industry reported $\$ 2.3$ billion in profits in the fourth quarter, up $21.9 \%$ from the previous quarter. A combination of strong commodity markets and rapid growth in demand from emerging markets contributed to this growth.

## Financial sector: Profits increase after three quarters of decline

The fourth quarter increase in profits in the financial sector follows three consecutive quarters of decline.

Most of the fourth quarter growth came from the insurance carriers and related activities industry, where profits more than doubled to $\$ 1.2$ billion. This gain was led by life insurers.

Profits in the depository credit intermediation industry, mainly chartered banks, increased 5.6\% to $\$ 7.3$ billion.

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

Definitions, data sources and methods: survey number 2501.

Aggregate balance sheet and income statement data for Canadian corporations are now available through CANSIM. They are available at the national level for 22 industry groupings.

The fourth quarter 2010 issue of the Quarterly Financial Statistics for Enterprises (61-008-X, free) will be available soon.

Financial statistics for enterprises for the first quarter of 2011 will be released on May 26.

To order data or for further information, contact Client Services (toll-free 1-888-811-6235; iofd-clientservicesunit@statcan.gc.ca). To enquire about the concepts, methods, or data quality of this release, contact Philippe Marceau (613-951-4390; philippe.marceau@statcan.gc.ca), or Khalid Berrahou (613-951-1989; khalid.berrahou@statcan.gc.ca), Industrial Organization and Finance Division.

## Quarterly financial statistics for enterprises

|  | $\begin{gathered} \text { Fourth } \\ \text { quarter } \\ 2009 \end{gathered}$ | $\begin{gathered} \text { Third } \\ \text { quarter } \\ 2010^{r} \end{gathered}$ | $\begin{gathered} \hline \text { Fourth } \\ \text { quarter } \\ 2010^{p} \end{gathered}$ |  | Fourth quarter <br> to <br> fourth quarter <br> 2010 |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Seasonally adjusted |  |  |  |  |
|  | \$ billions |  |  | \% change |  |
| All Industries |  |  |  |  |  |
| Operating revenue | 768.3 | 783.7 | 805.4 | 2.8 | 4.8 |
| Operating profit | 60.1 | 60.7 | 65.5 | 7.9 | 9.0 |
| Net profit | 45.2 | 53.7 | 52.9 | -1.4 | 17.2 |
| Non-financial |  |  |  |  |  |
| Operating revenue | 692.6 | 706.8 | 727.3 | 2.9 | 5.0 |
| Operating profit | 43.0 | 46.2 | 49.6 | 7.3 | 15.3 |
| Net profit | 34.4 | 42.1 | 42.1 | -0.1 | 22.4 |
| Financial |  |  |  |  |  |
| Operating revenue | 75.7 | 76.9 | 78.1 | 1.6 | 3.1 |
| Operating profit | 17.1 | 14.5 | 15.9 | 9.5 | -7.0 |
| Net profit | 10.8 | 11.6 | 10.9 | -6.1 | 0.6 |

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## Study: Inside the labour market downturn

October 2008 to October 2010
Employment rebounded more quickly from the recent economic downturn than it did in the recessions of the early 1980s and early 1990s.

In October 2008, employment peaked in Canada. During the following 12 months, employment declined by more than 400,000 , but began to recover quickly in the subsequent year. January 2011 Labour Force Survey data indicate that employment took 27 months to fully recover its October 2008 level. In contrast, employment took 39 months to get back to its pre-recession level in the early 1980s, and 52 months in the early 1990s.

Index of employment during the last three downturns


While employment has recovered, more people remain out of work than before the downturn. Between October 2008 and October 2010, the number of individuals without a job increased by 800,000 . These include people who were classified as unemployed, as well as those who were not looking for a job and consequently were not considered participants in the labour force.

This increase was smaller than during the two previous downturns, especially because the unemployed population grew at a slower pace during the recent downturn.

Nevertheless, several indicators of slack labour market demand (for example, the number of

## Note to readers

This article uses monthly data from the Labour Force Survey to examine the evolution of the employed population, unemployed population, and those not in the labour force between October 2008 and October 2010.

Where possible, the article provides comparisons with the first two years of the 1980s and 1990s downturns. However, not all numbers could be generated because of conceptual differences. For instance, detailed information about non-participants and the number of involuntary part-timers could not be compared with the previous downturns.

This article also examines some alternatives to the standard unemployment rate that include some groups that are typically not included in the unemployed population. It also provides comparisons with the U.S. unemployment rate.
unemployed, long-term unemployment and involuntary part-time work) were still above their pre-downturn levels.

## Unemployment

Between October 2008 and October 2010, the number of people classified as unemployed rose by 341,000 ( $+31 \%$ ).

During the first two years of the 1990s downturn (April 1990 to April 1992), unemployment increased by $453,000(+42 \%)$. In the first two years of the 1980s recession (June 1981 to June 1983), unemployment grew by 669,000 (+75\%).

One reason for the slower increase in unemployment in the recent downturn was that permanent layoffs increased more slowly.

Between October 2008 and October 2010, the number of permanent layoffs rose by about $86,000(+30 \%)$. This was below the increases of $57 \%$ from April 1990 to April 1992 and $116 \%$ from June 1981 to June 1983.

Other categories of unemployed workers also increased at a slower rate. For example, the number of "new entrants" (those with no previous work experience) and "re-entrants" (those who returned to the labour force after a period of non-participation) rose 33\% during the most recent downturn. This compares with increases of $35 \%$ in the first two years of the early 1990s recession and $50 \%$ in the first two years of the early 1980s recession.

In all, permanent layoffs accounted for less than $30 \%$ of the increase in the unemployed population during the most recent downturn, compared with more than $50 \%$ in the first two years of the two previous recessions.

## Long-term unemployment

Long-term unemployment is an indicator both of slack labour demand and its consequences for individuals. Just before the recent downturn, more than $80 \%$ of unemployed individuals had been without a job for 25 weeks or less, while less than $8 \%$ had been unemployed for at least one year.

Between October 2008 and October 2010, the number of unemployed people who had been without a job for at least one year almost doubled. Together with those who had been without a job for 26 to 51 weeks, these workers represented $23 \%$ of unemployed people in October 2010 compared with 15\% in October 2008.

Still, long-term unemployment increased at a faster pace during the first two years of the two previous downturns. The number of individuals who had been unemployed for at least 52 weeks more than doubled in the early 1990s recession and almost quadrupled during the recession of the early 1980s.

## Non-participants in the labour force

Between October 2008 and October 2010, the number of individuals aged 15 and over who were neither employed nor actively looking for work (the non-participants) increased by 458,000 (+5\%). In comparison, the number of non-participants increased by $8 \%$ from April 1990 to April 1992 and by $3 \%$ from June 1981 to June 1983.

Discouraged job seekers (those who give up looking for a job because they believe none is available) are frequently cited as a source of growth among non-participants in labour market downturns. However, their proportion of non-participants (less than 1\%) is so small that it has little effect on the total.

Rather, the number of non-participants during the recent two-year period grew mainly as a result of an increase in the number of students. The number of students grew by nearly $250,000(+17 \%)$ over the period. An increase in the student population is not necessarily indicative of a back-to-school movement among workers. It could also mean that current students did not participate in the labour market due to the slowdown in hiring.

The number of seniors aged at least 65 also contributed to the overall increase in the number of non-participants, a natural consequence of the aging population.

## Involuntary part time

Although employment levels recovered faster than in previous downturns, there were still 113,000 fewer full-time jobs in October 2010 than in October 2008.

In contrast, the number of part-time workers rose by more than 50,000 , but that increase was not uniform across all categories of part timers.

Individuals who worked part time but would have liked to work full time (also called involuntary part timers) increased by 140,000 ( $+20 \%$ ) over the period. Meanwhile, the number of individuals working part time on a voluntary basis declined by about 87,000 .

## United States: Comparable unemployment rate

It is also useful to examine differences in unemployment rates between Canada and the United States. When they were compared using similar concepts, unemployment rates in Canada and the United States in early 2008 were almost at parity. However, by the summer of 2008, a gap had grown between them. By the end of 2010, the unemployment rate in the United States was still over $9 \%$, while the adjusted rate in Canada was just under $7 \%$.

## Definitions, data sources and methods: survey number 3701.

The article "Inside the labour market downturn" is now available in the February 2011 online edition of Perspectives on Labour and Income, Vol. 23, no. 1 (75-001-X, free). From the Key resource module of our website, choose Publications.

For more information, or to enquire about the concepts, methods or data quality of this article, contact Jason Gilmore (613-951-7118; jason.gilmore@statcan.gc.ca) or Sébastien LaRochelle-Côté (613-951-0803; sebastien.larochelle-cote@statcan.gc.ca), Labour Statistics Division.

## Farm cash receipts <br> 2010

Farm cash receipts received by Canadian farmers totalled $\$ 43.8$ billion in 2010, down $1.7 \%$ from a year earlier, but 6.7\% above the previous five-year average. Farm cash receipts include crop and livestock revenues plus program payments.

Farm cash receipts, January to December


Receipts fell in all provinces except Ontario (+3.5\%), Newfoundland and Labrador ( $+3.1 \%$ ) and Nova Scotia (+2.9\%). The largest declines occurred in Alberta ( $-5.9 \%$ ) and Quebec ( $-3.9 \%$ ).

Market receipts, which include revenue from the sale of crops and livestock, but exclude program payments, amounted to $\$ 40.7$ billion in 2010, down $1.5 \%$ from 2009.

Crop receipts declined $6.3 \%$ to $\$ 21.9$ billion in 2010, their lowest level since 2007, while livestock receipts increased $4.7 \%$ to $\$ 18.8$ billion.

Receipts from wheat including durum declined $36.6 \%$, as prices decreased by $29.3 \%$ and marketings fell by $10.3 \%$. The 2010 weighted average price for most grains and oilseeds fell for the second consecutive year, despite price increases since late last summer.

Farm cash receipts for potatoes fell $11.2 \%$ from their peak in 2009 to $\$ 1.0$ billion in 2010, as both production and prices retreated.

Newfoundland and Labrador ( $+8.7 \%$ ), Ontario ( $+6.1 \%$ ) and Nova Scotia ( $+4.4 \%$ ) reported increases in crop receipts. All three reported strong increases in cash receipts for horticultural crops. Farmers in Ontario also reported a $12.7 \%$ increase in corn receipts.

Livestock receipts increased, largely the result of higher cattle and hog prices. All provinces reported increases except British Columbia, where receipts fell $2.2 \%$ as a result of lower cattle and chicken receipts.

Hog receipts rose $15.7 \%$ to $\$ 3.3$ billion, as prices rose $19.3 \%$ to their highest level since 2005. However, marketings fell $3.0 \%$ to their lowest level since 2002. At the end of 2010, there were $5.6 \%$ fewer hog farms in Canada than at the end of 2009. Some contributing factors to the reduction were the Cull Breeding Swine Program, the United States Country of Origin Labelling legislation, and poor market returns.

Cattle and calf receipts were up $5.4 \%$, mainly as a result of a $5.1 \%$ increase in prices. Ample feed grain supplies, the strength of the Canadian dollar in relation to the US dollar, and the affects of the Country of Origin Labelling regulations have encouraged the finishing of beef cattle in Canada rather than exporting them to the United States for finishing.

Receipts from supply-managed commodities (dairy, poultry and eggs), which make up more than $43 \%$ of total livestock receipts, edged down $0.1 \%$. A $3.8 \%$ decline in poultry receipts more than offset increases from dairy ( $+0.7 \%$ ) and eggs ( $+7.2 \%$ ).

Program payments declined $4.5 \%$ to $\$ 3.1$ billion. The major contributor to the decline was the drop in provincial program payments in Quebec. Higher crop insurance payments, particularly in Saskatchewan, cushioned the decrease.

Note: All data are in current dollars. Farm cash receipts measures gross revenue for farm businesses. They do not represent their bottom line, as farmers have to pay their expenses and loans and cover depreciation. Preliminary information on net farm income for 2010 will be available in May 2011. Net farm income for 2009 was released on November 25, 2010.

Available on CANSIM: tables 002-0001 and 002-0002. To order data, contact Client Services

Definitions, data sources and methods: survey numbers, including related surveys, 3437 and 3473.

A data table is also available from the Summary tables module of our website.
(toll-free 1-800-465-1991; fax: 613-951-3868; agriculture@statcan.gc.ca). For more information, or to enquire about the concepts, methods or data quality of this release, contact Bernie Rosien (613-951-2466; bernie.rosien@statcan.gc.ca), or Gail-Ann Breese (204-983-3445; gail-ann.breese@statcan.gc.ca), Agriculture Division.

## Farm cash receipts

|  | January to December 2009 | January to December $2010^{\text {p }}$ | January-December 2009 to January-December 2010 | October to December 2009 | October to December $2010^{p}$ | October-December <br> 2009 <br> to <br> October-December <br> 2010 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Canada | \$ mi |  | \% change | \$ mil |  | \% change |
| Total farm cash receipts | 44,572 | 43,800 | -1.7 | 11,049 | 11,570 | 4.7 |
| Total crops | 23,340 | 21,871 | -6.3 | 5,734 | 5,981 | 4.3 |
| All wheat ${ }^{1}$ | 5,130 | 3,536 | -31.1 | 1,295 | 938 | -27.6 |
| Wheat excluding durum ${ }^{1}$ | 4,052 | 2,871 | -29.1 | 1,060 | 751 | -29.2 |
| Durum wheat ${ }^{1}$ | 1,078 | 666 | -38.2 | 235 | 186 | -20.9 |
| Oats | 383 | 394 | 2.9 | 84 | 83 | -1.2 |
| Barley ${ }^{1}$ | 820 | 498 | -39.3 | 145 | 133 | -8.3 |
| Rye | 33 | 31 | -6.1 | 10 | 11 | 10.0 |
| Flaxseed | 237 | 253 | 6.8 | 93 | 57 | -38.7 |
| Canola | 5,099 | 5,598 | 9.8 | 1,131 | 1,645 | 45.4 |
| Soybeans | 1,342 | 1,420 | 5.8 | 681 | 753 | 10.6 |
| Corn | 1,316 | 1,441 | 9.5 | 415 | 688 | 65.8 |
| Dry peas | 651 | 535 | -17.8 | 126 | 104 | -17.5 |
| Mustard | 102 | 86 | -15.7 | 29 | 13 | -55.2 |
| Sunflower | 39 | 27 | -30.8 | 8 | 6 | -25.0 |
| Lentils | 849 | 759 | -10.6 | 392 | 280 | -28.6 |
| Canary seed | 68 | 75 | 10.3 | 17 | 18 | 5.9 |
| Chick peas | 43 | 57 | 32.6 | 9 | 13 | 44.4 |
| Dry beans | 155 | 148 | -4.5 | 56 | 54 | -3.6 |
| Potatoes | 1,128 | 1,002 | -11.2 | 323 | 283 | -12.4 |
| Greenhouse vegetables | 1,008 | 1,007 | -0.1 | 198 | 198 | 0.0 |
| Other vegetables | 1,004 | 1,018 | 1.4 | 238 | 234 | -1.7 |
| Total tree fruit | 262 | 268 | 2.3 | 71 | 73 | 2.8 |
| Total small fruit | 407 | 409 | 0.5 | 147 | 133 | -9.5 |
| Floriculture, nursery, sod | 1,862 | 1,937 | 4.0 | 368 | 383 | 4.1 |
| Other crops | 1,252 | 1,235 | -1.4 | 371 | 413 | 11.3 |
| Deferements | -1,268 | -1,118 | -11.8 | -505 | -554 | 9.7 |
| Liquidations of deferments | 1,420 | 1,255 | -11.6 | 29 | 23 | -20.7 |
| Total livestock | 17,952 | 18,795 | 4.7 | 4,419 | 4,715 | 6.7 |
| Cattle and calves | 5,839 | 6,157 | 5.4 | 1,446 | 1,593 | 10.2 |
| Hogs | 2,893 | 3,346 | 15.7 | 661 | 767 | 16.0 |
| Dairy products | 5,456 | 5,495 | 0.7 | 1,379 | 1,413 | 2.5 |
| Sheep and lambs | 134 | 143 | 6.7 | 35 | 39 | 11.4 |
| Poultry and eggs | 3,048 | 3,001 | -1.5 | 761 | 753 | -1.1 |
| Other livestock | 583 | 654 | 12.2 | 137 | 149 | 8.8 |
| Total payments | 3,280 | 3,134 | -4.5 | 896 | 874 | -2.5 |
| Crop insurance | 930 | 1,307 | 40.5 | 357 | 439 | 23.0 |
| Provincial stabilization | 689 | 195 | -71.7 | 75 | -56 | -174.7 |
| Other payments | 1,459 | 1,632 | 11.9 | 463 | 491 | 6.0 |

p preliminary

1. Includes marketing board payments.

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

${ }^{p}$ preliminary
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## Crushing statistics <br> January 2011

Oilseed processors crushed 508420 tonnes of canola in January. Oil production totalled 221745 tonnes while meal production amounted to 290195 tonnes.

## Available on CANSIM: table 001-0005.

Definitions, data sources and methods: survey number 3404.

The January 2011 issue of Cereals and Oilseeds Review (22-007-X, free) will be available in March.

For general information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (toll-free 1-800-465-1991; agriculture@statcan.gc.ca), Agriculture Division.

## Deliveries of major grains

January 2011
Data on major grain deliveries are now available for January.

Available on CANSIM: table 001-0001.
Definitions, data sources and methods: survey numbers, including related surveys, 3403, 3404, 3443, 5046 and 5153.

The January 2011 issue of Cereals and Oilseeds Review (22-007-X, free) will be available in March.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (toll-free 1-800-465-1991; agriculture@statcan.gc.ca), Agriculture Division,

## New products and studies

Retail Trade, December 2010, Vol. 82, no. 12
Catalogue number 63-005-X (PDF, free; HTML, free)
Perspectives on Labour and Income, Spring 2011, Vol. 23, no. 1
Catalogue number 75-001-X (PDF, free; HTML, free)

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[^0]:    revised
    $p$ preliminary
    Note: Figures may not add up to totals because of rounding.

