

# The Daily

Statistics Canada

Thursday, June 16, 2011

Released at 8:30 a.m. Eastern time

---

## Releases

---

<b>Canada's international transactions in securities, April 2011</b>	2
Foreign investment in Canadian securities strengthened further in April, reaching a three-month high of \$8.2 billion. Meanwhile, Canadian holdings of foreign securities were down by \$3.3 billion, led by divestment in US government bonds.	
Farm Input Price Index, fourth quarter 2010	5
Farm business cash flows, 2010	6
Balance sheet of the agricultural sector, December 31, 2010	7
Construction Union Wage Rate Index, May 2011	8
Study: The relationship between monthly, quarterly, and annual growth rates	8
Steel wire and specified wire products, April 2011	8

---

<b>New products and studies</b>	9
---------------------------------	---

---



## Releases

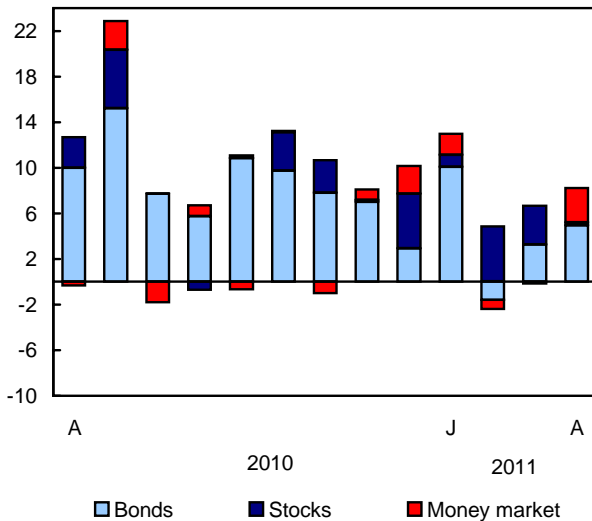
### Canada's international transactions in securities

April 2011

Foreign investment in Canadian securities strengthened further in April, reaching a three-month high of \$8.2 billion. Meanwhile, Canadian holdings of foreign securities were down by \$3.3 billion, led by divestment in US government bonds.

#### Foreign portfolio investment in Canadian securities

\$ billions



#### Foreign investors favour Canadian corporate bonds

Non-residents added \$4.9 billion of Canadian bonds to their portfolios in April, the largest inflow since January. Foreign investment in Canadian private corporate bonds remained strong at \$2.2 billion, led by mortgage-backed securities for a third consecutive month. This activity was mainly comprised of secondary market acquisitions of Canadian dollar denominated mortgage bonds with high credit ratings. Non-residents also added \$1.3 billion of federal government enterprise bonds to their holdings in April, mainly US dollar denominated new issues.

In contrast, the level of foreign investment in Canadian government bonds continued to moderate in April, following record annual investments in both federal and provincial government bonds

#### Note to readers

All values in this release are net transactions unless otherwise stated.

The data series on international security transactions cover portfolio transactions in stocks, bonds and money market instruments for both Canadian and foreign issues.

**Stocks** include common and preferred equities, as well as warrants.

**Debt securities** include bonds and money market instruments.

**Bonds** have an original term to maturity of more than one year.

**Money market instruments** have an original term to maturity of one year or less.

**Government of Canada paper** includes treasury bills and US-dollar Canada bills.

in 2010. Non-residents acquired \$1.0 billion of federal government bonds, focusing on the medium term-to-maturity bonds as yields gradually declined in April. In addition, foreign investors acquired \$321 million of provincial government bonds as overall net new issues contracted and yields trended up.

#### Canadian Treasury bills draw large foreign investment

Non-residents invested \$3.0 billion in the Canadian money market in April, the highest level in two years. Federal government Treasury bills, mainly the three-month paper, accounted for most of the foreign inflow over the month. In April, the yield differential on three-month T-bills continued to widen, with Canadian short-term rates exceeding their US counterparts by the largest amount since November 2008. By month-end, the Canadian dollar exchange rate appreciated to its highest level against the US dollar since October 2007.

#### Foreign purchases of Canadian equities on the secondary market sustained

Foreign investors added \$248 million of Canadian corporate shares to their holdings in April, the lowest level since November 2010. Secondary market activity remained robust with foreign acquisitions of \$2.2 billion, mainly shares of Canadian banks and mining firms. These inflows were, however, largely offset by outflows related to cross-border merger and acquisition activities, as foreign portfolio investors rendered their Canadian shares to foreign direct investors.

### Canadian divestment in foreign bonds focused on US government securities

Canadian investors sold \$2.5 billion of foreign bonds in April, adding to the \$2.3 billion divestment in March. Most of the activity in both months was accounted for by US government bonds. US long-term interest rates remained below their Canadian counterparts for a fifth straight month in April. In the maple bond market, retirements of bonds issued by US and non-US financial institutions were only partially replenished by new bonds issued by non-US foreign banks.

In the foreign money market, Canadians reduced their holdings of foreign paper by a further \$472 million, mainly US government Treasury bills. In April, US short-term interest rates continued to decline to reach their lowest level since January 2010.

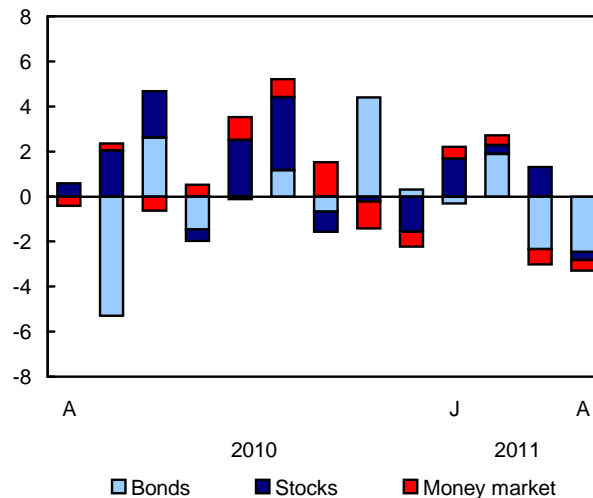
### Canadian investors sell non-US foreign shares

Canadians sold \$376 million of foreign stocks in April, following three months of acquisitions. Divestment was in non-US foreign shares which were down \$950 million, with a sizeable portion in Japanese stocks. The Japanese stock market rebounded in April but was still the only major world equity market to a record loss from January to April.

On the other hand, Canadians continued to invest in US stocks but at a slower pace. Resident investors added \$574 million of US stocks to their portfolios, led by Canadian pension funds. In April, US equity prices rose 2.4% to close the month at their highest level since May 2008.

### Canadian portfolio investment in foreign securities<sup>1</sup>

\$ billions



1. Reverse of balance of payments signs.

Available on CANSIM: tables 376-0018 to 376-0029, 376-0042, 376-0058 and 376-0063.

Definitions, data sources and methods: survey number 1535.

The April 2011 issue of *Canada's International Transactions in Securities* (67-002-X, free) will soon be available.

Data on Canada's international transactions in securities for May will be released on July 18.

For more information, or to order data, contact Client Services (613-951-1855; [infobalance@statcan.gc.ca](mailto:infobalance@statcan.gc.ca)). To enquire about the concepts, methods or data quality of this release, contact Yiling Zhang (613-951-2057; [yiling.zhang@statcan.gc.ca](mailto:yiling.zhang@statcan.gc.ca)), Balance of Payments Division.

□

**Canada's international transactions in securities**

	February 2011	March 2011	April 2011	January to April 2010 <sup>1</sup>	January to April 2011 <sup>1</sup>
	\$ millions				
<b>Foreign investment in Canadian securities</b>	<b>2,431</b>	<b>6,441</b>	<b>8,223</b>	<b>31,131</b>	<b>30,076</b>
Bonds (net)	-1,565	3,236	4,940	29,237	16,695
Outstanding	-1,014	8,033	2,552	22,724	15,476
New issues	2,692	4,318	3,241	18,549	15,421
Retirements	-3,787	-9,462	-1,337	-14,133	-16,533
Change in interest payable <sup>2</sup>	544	347	483	2,097	2,330
Money market paper (net)	-843	-209	3,035	-344	3,846
Government of Canada	-485	-35	3,334	-65	3,841
Other	-358	-174	-299	-279	5
Stocks (net)	4,838	3,414	248	2,238	9,536
Outstanding	3,646	3,290	2,181	667	10,378
Other transactions	1,192	124	-1,934	1,571	-842
<b>Canadian investment in foreign securities</b>	<b>-2,718</b>	<b>1,731</b>	<b>3,305</b>	<b>-5,347</b>	<b>427</b>
Bonds (net)	-1,889	2,342	2,457	2,316	3,228
Money market paper (net)	-440	701	472	-784	208
Stocks (net)	-390	-1,313	376	-6,879	-3,009

1. Cumulative transactions.

2. Interest accrued less interest paid.

**Note:** A minus sign indicates an outflow of money from Canada, that is, a withdrawal of foreign investment from Canada or an increase in Canadian investment abroad.



## Farm Input Price Index

Fourth quarter 2010

The Farm Input Price Index increased 2.9% in the fourth quarter compared with the previous quarter. This increase followed a 0.5% advance between the second and third quarter of 2010.

The category that contributed the most to the quarterly increase in Canada was crop production, up 4.4%.

Alberta was the largest contributor to the national advance, increasing 3.4% in the fourth quarter.

Canadian farm input prices rose 4.0% between the fourth quarter of 2009 and the fourth quarter of 2010. Alberta (+6.9%) was the largest contributor to the increase in farm input prices during this period.

At the Canada level, animal production (+5.2%) was the category with the largest increase between the fourth quarter of 2009 and the fourth quarter of 2010. This advance was in large part a result of increases in livestock prices (+17.4%).

**Note:** Until 2007, the Farm Input Price Index (FIPI) was published annually, and the geographic information provided was limited. The index was then redesigned and the methodology used to compile the data revised. With the changes in methodology, the FIPI is now published quarterly and provides more detailed geographic information.

### Farm Input Price Index, by component

	Relative importance <sup>1</sup>	Fourth quarter 2009 <sup>r</sup>	Third quarter 2010 <sup>r</sup>	Fourth quarter 2010 <sup>p</sup>	Third quarter to fourth quarter 2010	Fourth quarter 2009 to fourth quarter 2010
	%	(2002=100)			% change	
<b>Farm input total</b>	<b>100.00</b>	<b>122.8</b>	<b>124.1</b>	<b>127.7</b>	<b>2.9</b>	<b>4.0</b>
Buildings	9.36	128.6	133.1	133.3	0.2	3.7
Machinery and motor vehicles	19.27	125.1	124.7	130.9	5.0	4.6
General business costs	15.33	123.3	124.8	127.1	1.8	3.1
Crop production	23.17	144.4	142.5	148.8	4.4	3.0
Animal production	32.88	104.3	108.1	109.7	1.5	5.2

<sup>r</sup> revised

<sup>p</sup> preliminary

1. The relative importance is based on the average values of production from 2002 to 2005.

National data sources are used for some major components of the FIPI (such as depreciation on machinery, grains and oilseeds). In reality, input prices may fluctuate differently from province to province. Users should exercise caution in interpreting the data.

For more information about the new methodology and an introduction to the redesigned index, go to the "Definitions, data sources and methods" section by clicking on survey number 2305, which appears below.

**Available on CANSIM: table 328-0015.**

**Definitions, data sources and methods: survey number 2305.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (toll-free 1-888-951-4550; 613-951-4550; fax: 613-951-3117; [ppd-info-dpp@statcan.gc.ca](mailto:ppd-info-dpp@statcan.gc.ca)), Producer Prices Division.

## Farm Input Price Index, total, by region

	Relative importance <sup>1</sup>	Fourth quarter 2009 <sup>r</sup>	Third quarter 2010 <sup>r</sup>	Fourth quarter 2010 <sup>p</sup>	Third quarter to fourth quarter 2010	Fourth quarter 2009 to fourth quarter 2010
	%	(2002=100)			% change	
<b>Canada</b>	<b>100.00</b>	<b>122.8</b>	<b>124.1</b>	<b>127.7</b>	<b>2.9</b>	<b>4.0</b>
Eastern Canada	44.21	121.6	122.0	124.5	2.0	2.4
Newfoundland and Labrador	0.23	125.6	123.3	127.2	3.2	1.3
Prince Edward Island	0.99	127.1	123.9	126.2	1.9	-0.7
Nova Scotia	1.15	132.3	126.0	129.5	2.8	-2.1
New Brunswick	1.13	127.6	121.8	125.4	3.0	-1.7
Quebec	16.24	119.8	119.2	120.3	0.9	0.4
Ontario	24.47	121.7	123.5	126.8	2.7	4.2
Western Canada	55.79	123.7	125.9	130.2	3.4	5.3
Manitoba	9.96	122.1	124.2	128.1	3.1	4.9
Saskatchewan	16.14	133.5	135.5	140.7	3.8	5.4
Alberta	23.62	116.8	120.8	124.9	3.4	6.9
British Columbia	6.06	126.5	122.4	126.0	2.9	-0.4

<sup>r</sup> revised

<sup>p</sup> preliminary

1. The relative importance is based on the average values of production from 2002 to 2005.

## Farm business cash flows

2010

Cash income for Canadian farm businesses increased by 14.0% or \$1.5 billion to \$11.9 billion in 2010 compared with 2009. This followed a 3.0% drop in 2009.

The improved cash flow situation in 2010 was partly attributable to higher livestock receipts, the result of rising hog and cattle prices. In addition, farm operating expenses fell for the second consecutive year as costs declined for fertilizer, feed and pesticides.

The cash flow account is a summary of cash flow in and out of farm businesses over the calendar year.

Cash sources amounted to \$46.9 billion, largely unchanged from 2009, while cash uses fell by more than \$1 billion to \$35.0 billion, marking the second consecutive decrease.

The five main components of cash sources are sales of primary production, sales of secondary production, program payments, government rebates, and other cash income. The term "cash uses" covers expenses on inputs, business taxes, interest, cash wages to hired labour and cash rent to non-operators.

Cash income increased in most provinces in 2010, with Saskatchewan and Ontario as the top movers. In Alberta, decreases in cash sources exceeded declines in cash uses, resulting in lower cash income in 2010.

Cash available to producers through borrowing rose in 2010 as both current and long-term liabilities

increased. There was a net increase of \$2.8 billion in loans outstanding in 2010, compared with a \$1.9 billion net increase in 2009.

The ratio of loans outstanding to cash income, which reflects the burden of farm debt on farm cash income, fell to 4.1 in 2010 from 4.4 in 2009. This means that for every \$100 in income in 2010, producers had a debt load of \$410, compared with \$440 in 2009.

**Note:** While similar to the "Farm income" data released on May 25, 2011 in *The Daily*, the cash flow account is a summary of cash flow in and out of farm businesses over the calendar year. The basic function of the account is to provide information on the financial position of farm establishments (that is, the amount of cash available to farm establishments to meet current obligations). Specifically, only cash flow pertaining to farm operators is included. Cash income and expenses of non-operator landlords and the personal portion of households are excluded.

Preliminary farm business cash flow data for the previous calendar year are first released in June of each year (six months after the reference period), providing timely information on the performance of the agriculture sector. Revised data are then released in January of each year, incorporating data received too late to be included in the first release.

This series does not include data on depreciation, which are available in the publication *Farm Operating Expenses and Depreciation Charges: Agriculture Economic Statistics* (21-012-X, free).

---

Available on CANSIM: table 002-0023.

**Definitions, data sources and methods: survey number 5031.**

The publication *Farm Business Cash Flows: Agriculture Economic Statistics*, June 2011, Vol. 10, no. 1 (21-018-X, free), is now available online. From the *Key resource* module of our website under *Publications*, choose *All subjects*, then *Agriculture*. The publication, *Balance Sheet of the Agricultural Sector: Agriculture Economic Statistics*, June 2011, Vol. 10, no. 1 (21-016-X, free), is also available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Russell Kowaluk (613-951-0600; [russell.kowaluk@statcan.gc.ca](mailto:russell.kowaluk@statcan.gc.ca)), Agriculture Division. ■

## Balance sheet of the agricultural sector

December 31, 2010

Equity in Canada's farm sector continued its long-term increase in 2010, rising 3.1% or \$8.6 billion to \$282.4 billion. Strong gains in the value of assets outpaced a rise in liabilities.

On a provincial basis, equity improved in eight provinces in 2010. Equity in Alberta recorded the largest increase, up 4.5% or \$3.7 billion. Ontario (+3.5%) and Saskatchewan (+2.5%) also posted relatively large increases.

In British Columbia, the increase in total liabilities exceeded the increase in total assets, resulting in a slight decline in equity, the first in 13 years.

The total value of farm assets increased \$12.1 billion to \$343.3 billion in 2010. This increase was over three times the gain of \$3.5 billion in farm liabilities, which rose to \$60.9 billion.

The increase in the value of assets was extensive. Key movers included the value of farm real estate, which rose by \$6.1 billion to \$232.0 billion, and the value of current assets, which was up by \$1.9 billion.

Breeding livestock was the only category to decline in 2010.

The value of assets improved in every province. Alberta led the way, up 4.8% or \$4.6 billion, followed by Ontario and Saskatchewan. Total liabilities also rose in every province, except for a modest decline in Nova Scotia.

The debt-to-asset ratio, which measures the dependence of farm business on debt, was 17.7% in 2010. This was up for the third consecutive year.

The interest coverage ratio, which assesses the ability to cover interest charges with the net income generated (before interest and taxes), rose to 2.97 in 2010.

This followed a sharp decline to 2.83 in 2009, after the ratio had reached a record high of 3.93 in 2008. The period of sustained low interest rates saw interest costs decline 4.9% in 2010, following a substantial 19.9% drop in 2009.

Return on equity remained unchanged at 1.6% in 2010. The ratio had achieved a recent peak of 3.3% in 2008, its highest point since 1996.

**Note:** Assets and liabilities in the agriculture sector's balance sheet include those of farm businesses and non-operator landlords (for farm real estate assets leased to farm operators and the corresponding liabilities) and exclude the personal portion of farm households. This most closely reflects the assets and liabilities used in the production of agricultural products.

Available on CANSIM: table 002-0020.

**Definitions, data sources and methods: survey number 5029.**

The publication *Balance Sheet of the Agricultural Sector: Agriculture Economic Statistics*, June 2011, Vol. 10, no. 1 (21-016-X, free), is now available. From the *Key resource* module of our website under *Publications*, choose *All subjects*, then *Agriculture*. The publication, *Farm Business Cash Flows: Agriculture Economic Statistics*, June 2011, Vol. 10, no. 1 (21-018-X, free) is also available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Russell Kowaluk (613-951-0600; [russell.kowaluk@statcan.gc.ca](mailto:russell.kowaluk@statcan.gc.ca)), Agriculture Division. ■

---

## Construction Union Wage Rate Index

May 2011

The Construction Union Wage Rate Index (including supplements) for Canada increased by 0.6% in May compared with April. The composite index increased by 1.2% compared with May 2010.

**Note:** Union wage rates are published for 16 trades in 22 metropolitan areas for both the basic rates and rates including selected supplementary payments. Indexes on a 2007=100 time base are calculated for the same metropolitan areas and are published for those where a majority of trades are covered by current collective agreements. This release presents indexes that are not seasonally adjusted. The union wage rates and indexes published are subject to a 30 month revision period after dissemination of a given month's data.

**Available on CANSIM: tables 327-0003 and 327-0045.**

**Definitions, data sources and methods: survey number 2307.**

The first quarter 2011 issue of *Capital Expenditure Price Statistics* (62-007-X, free) will be available in July.

The construction union wage rate indexes for June will be released on July 21.

For more information, or to enquire about the concepts, methods, or data quality of this release, contact Client Services (toll-free 1-888-951-4550; 613-951-4550; fax: 613-951-3117; [ppd-info-dpp@statcan.gc.ca](mailto:ppd-info-dpp@statcan.gc.ca)), Producer Prices Division. ■

## Study: The relationship between monthly, quarterly, and annual growth rates

The study "The relationship between monthly, quarterly, and annual growth rates" is released today in the *Canadian Economic Observer*. This article explains the principles of growth rate relationships by examining in detail how individual quarterly growth rates relate to annual average growth rates. Such knowledge helps analysts monitor how the economy is performing in a particular year without having every data point for that year, and understand why a particularly weak or strong first quarter of the year has a disproportionate impact on that year's annual growth rate. These principles are then applied to the relationships between monthly growth and quarterly growth rates as well as to data with other frequencies.

The paper "The relationship between monthly, quarterly, and annual growth rates" is included in the June 2011 Internet edition of the *Canadian Economic Observer*, Vol. 24, no. 6 (11-010-X, free), now available from the *Key resource* module of our website under *Publications*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Philip Cross (613-951-9162; [ceo@statcan.gc.ca](mailto:ceo@statcan.gc.ca)), Current Economic Analysis Group. ■

## Steel wire and specified wire products

April 2011

Data on steel wire and specified wire products production are now available for April.

Revised data for March 2011 and July, October, November and December 2010 are also available.

**Available on CANSIM: table 303-0047.**

**Definitions, data sources and methods: survey number 2106.**

The April 2011 issue of *Steel, Tubular Products and Steel Wire* (41-019-X, free) will soon be available.

For 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.gc.ca](mailto:manufact@statcan.gc.ca)), Manufacturing and Energy Division. ■



---

## New products and studies

---

**Canadian Economic Observer**, June 2011, Vol. 24,  
no. 6  
**Catalogue number 11-010-X** (HTML, free)

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

**Balance Sheet of the Agricultural Sector:  
Agriculture Economic Statistics**, June 2011, Vol. 10,  
no. 1  
**Catalogue number 21-016-X** (PDF, free; HTML, free)

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.

**Farm Business Cash Flows: Agriculture Economic Statistics**, June 2011, Vol. 10, no. 1  
**Catalogue number 21-018-X** (PDF, free; HTML, free)

**Study: Household Expenditures Research Paper  
Series: "Survey of Household Spending 2009: Data  
Quality Indicators"**, no. 1  
**Catalogue number 62F0026M2011001** (PDF, free;  
HTML, free)

### How to order products

**To order by phone, please refer to:**

- The title
- The catalogue number
- The volume number
- The issue number
- Your credit card number.

From Canada and the United States, call: **1-800-267-6677**  
From other countries, call: **1-613-951-2800**  
To fax your order, call: **1-877-287-4369**

**To order by mail, write to:** Statistics Canada, Finance, 6<sup>th</sup> floor, R.H. Coats Bldg., Ottawa, K1A 0T6.  
Include a cheque or money order payable to **Receiver General of Canada/Publications**. Canadian customers add 5% GST and applicable PST.

**To order by Internet, write to:** [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca) or download an electronic version by accessing Statistics Canada's website at [www.statcan.gc.ca](http://www.statcan.gc.ca) and browse by "Key resource" > "Publications."

**Authorized agents and bookstores also carry Statistics Canada's catalogued publications.**

Catalogue 11-001-XIE (English) (11-001-XIE) (11-001-XIE)

# The Daily

Statistics Canada

Thursday, May 29, 2009  
Released at 9:30 a.m. Eastern time

---

**Releases**

**Canada's balance of international payments, first quarter 2009** 2  
The current account surplus with the rest of the world (on a seasonally adjusted basis) increased sharply to \$5.5 billion in the first quarter of 2009, led by higher prices for several export commodities combined with a lower import bill. In the financial account, foreign direct investment flows into Canada almost tripled from the negative net investment of the previous quarter, while Canadian direct investment abroad continued to strengthen.

Farmed employment, earnings and hours, March 2009 7

Study: The year to review for education trade, 2007 9

Public sector employment, first quarter 2009 10

Counters and Messengers Services Price Index, April 2009 11

Placement of tertiary credits and tuition funds, April 2009 12

Health indicators, 2008 12

---

**New products** 13

---

**2006 Census profiles**

With the release of the final and complete release components, the complete cumulative profiles is now available for census divisions, census subdivisions, dissemination areas, forward sortation areas, designated places, urban areas, and census metropolitan areas and census agglomerations with census subdivisions. To obtain these profiles in electronic format (costs vary by different geography levels), contact Statistics Canada's National Contact Centre.

## Statistics Canada's official release bulletin

Catalogue 11-001-XIE.

Published each working day by the Communications Division, Statistics Canada, 10G, R.H. Coats Building, 100 Tunney's Pasture Driveway, Ottawa, Ontario K1A 0T6.

To access *The Daily* on the Internet, visit our site at <http://www.statcan.gc.ca>. To receive *The Daily* each morning by e-mail, send an e-mail message to [lstproc@statcan.gc.ca](mailto:lstproc@statcan.gc.ca). Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2011. All rights reserved. The content of this electronic publication may be reproduced, in whole or in part, and by any means, without further permission from Statistics Canada, subject to the following conditions: that it be done solely for the purposes of private study, research, criticism, review or newspaper summary, and/or for non-commercial purposes; and that Statistics Canada be fully acknowledged as follows: Source (or "Adapted from", if appropriate): Statistics Canada, year of publication, name of product, catalogue number, volume and issue numbers, reference period and page(s). Otherwise, no part of this publication may be reproduced, stored in a retrieval system or transmitted in any form, by any means—electronic, mechanical or photocopy—or for any purposes without prior written permission of Licensing Services, Client Services Division, Statistics Canada, Ottawa, Ontario, Canada K1A 0T6.