

D.B.S. MEMORANDUM

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INDEX NUMBERS OF FARM PRICES OF AGRICULTURAL PRODUCTS, OCTOBER, 1950
(1935-39 = 100)

The Dominion Bureau of Statistics issues today its regular monthly report on the index numbers of prices received by Canadian farmers at the farm for agricultural products. The index numbers for October 1950 are initially released along with data for September 1950, October 1949 and annual figures for 1947, 1948 and 1949. An historical series of index numbers of farm prices of agricultural products is carried in the Quarterly Bulletin of Agricultural Statistics. Most of the price information used in compiling this index is obtained from reports furnished monthly by volunteer farm correspondents throughout Canada.

In October, the index of farm prices estimated at 239.5 reached its lowest level since December 1947 when it stood at 226.7. The drop of 7.8 points from the September figure is attributable to a further lowering of average grain prices in the Prairie Provinces and a decline in livestock and potato prices. Offsetting these declines to some extent are the slightly higher prices for dairy products and the higher prices for poultry and eggs.

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Province	MONTHLY INDEX			ANNUAL INDEX		
	Oct. 1950	Sept. 1950	Oct. 1949	1949	1948	1947
P.E.I.	183.4	199.3	195.4	203.9	236.6	180.1
N. S.	213.3	217.0	205.0	210.5	214.1	184.6
N. B.	224.5	228.0	216.5	220.2	250.4	199.6
Que.	264.2	267.4	256.1	261.4	265.6	213.7
Ont.	270.5	277.3	255.1	257.0	258.6	202.1
Man.	234.1	243.3	257.0	257.7	254.6	220.8
Sask.	194.5	201.0	238.0	241.1	239.3	218.3
Alta.	232.0	246.2	255.5	258.9	256.2	225.2
B. C.	254.8	257.9	240.2	244.9	240.0	206.8
CANADA	239.5	247.3	248.8	251.8	252.4	212.5

Notes:- Data for Newfoundland not available.

Prepared in Research Section, AGRICULTURE DIVISION.



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Current prairie farm prices for wheat, oats and barley are initial prices only, paid by the Canadian Wheat Board under the terms of the government authorized compulsory marketing scheme. These prices are based on \$1.40 per bushel for No. 1 Northern wheat, 60 cents per bushel for No. 1 Feed oats and 87 cents per bushel for No. 1 Feed barley in store Fort William or Port Arthur. In addition to the initial payments made at the time of delivery, producer certificates are issued to the grower covering quantities and grades delivered. These certificates entitle producers to share in any surpluses accumulated by the Board through the sale of these grains delivered to the Board during the crop year August 1, 1950 to July 31, 1951. Any participation payments made on these grains at a later date will be added to the initial prices currently used in the price index and the index revised upwards accordingly.

The prices used in computing the index are, as closely as can be determined, the prices which are actually received by farmers. Thus the storage, transportation, processing and handling charges which are not actually received by farmers are not included. On the other hand, subsidies, bonuses and premiums which can be attributed to specific products are all included to date.

The amounts paid per bushel on wheat participation certificates are included in the wheat prices up to July 1945. Subsequently, wheat prices include the ten cents per bushel retroactive increase announced on July 30, 1946 and paid on the 1945 crop. They also include the 20 cents retroactive payment made on all wheat delivered during the crop years 1945-46, 1946-47 and up to April 1, 1948, and the 20 cents per bushel payment made on all wheat delivered during the crop years 1945-46, 1946-47, 1947-48 and up to April 1, 1949.

Oats and barley prices include advance equalization payments until their discontinuance on March 18, 1947 and the adjustment payment made by the Canadian Wheat Board and western grain companies on deliveries of these grains from August 1 to October 21, 1947 when price ceilings were removed. In addition, oats and barley prices include final equalization payments up to July 1948 and participation payments made on the 1949 crops. From August 1, 1946 to March 17, 1947, barley prices include the 10 cents adjustment payment made in respect of barley delivered during that period.

Flax prices include the adjustment payment of 50 cents per bushel made on all deliveries of commercial flaxseed during the 1947-48 crop year.

In compiling the index the fixed base weighted aggregative method has been used. Each commodity has been weighted by the annual average amounts sold in the five-year base period 1935-39. No adjustments for seasonal variation of the prices have been made. The index is based upon prices for about 50 farm products which contributed approximately 90 per cent to the total cash income received by farmers from the sale of farm products during the base period. The series is subject to revision as more complete data become available.