

# D.B.S. MEMORANDUM

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

OTTAWA, April 27, 1950: 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 February 1950 are initially released along with data for January 1950, February 1949 and annual figures for 1947, 1948 and 1949. The historical table usually carried in this memorandum will, in future, be published only 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.

The index of farm prices of agricultural products for February 1950 estimated at 242.8 is about 4 points above the January figure and approximately 10 points below the figure for February 1949. The increase in the current figure over that of the previous month is largely attributable to increased prices paid for livestock and eggs. Compared with a year ago current prices are lower for nearly all commodities.

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Province	MONTHLY INDEX			ANNUAL INDEX		
	Feb. 1950	Jan. 1950	Feb. 1949	1949	1948	1947
P.E.I.	174.9	176.0	200.5	203.9	237.8 ✓	180.1 ✓
N. S.	189.8	188.5	219.2	208.2	214.1 ✓	184.6 ✓
N. B.	203.9	201.3	224.3	220.2	250.4 ✓	199.6 ✓
Que.	251.0	250.2	271.1	261.4	265.6 ✓	213.7 ✓
Ont.	249.2	242.6	259.2	257.1	258.7 ✓	202.1 ✓
Man.	245.7	241.3	257.0	251.8	254.6 ✓	220.8 ✓
Sask.	235.0	232.1	240.8	239.3	239.3 ✓	218.3 ✓
Alta.	251.2	246.9	255.1	257.2	256.2 ✓	225.2 ✓
B. C.	231.6	225.8	246.9	245.2	240.0 ✓	206.8 ✓
CANADA	242.8	238.6	253.1	250.6	252.5	212.5

Note;- Data for Newfoundland not available.

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Lower grain prices since July comes largely as a result of the government authorizing the Canadian Wheat Board to undertake the marketing of western Canadian oats and barley delivered by producers during the 1949-50 crop year. Under this arrangement the Canadian Wheat Board will pay to producers upon delivery of these grains only an initial payment per bushel. These initial payments based on 60 cents **per bushel** for No. 1 Feed oats and 87 cents per bushel No. 1 Feed barley in store Fort William or Port Arthur are below the prices prevailing for these grains, prior to August 1, 1949. 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 between August 1, 1949 and July 31, 1950. 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 recently announced 20 cents per bushel payment to be 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. 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.