

D.B.S. MEMORANDUM

Dominion Bureau of Statistics, Ottawa, Canada

1951 No. 1

Price: \$1.00 per year

INDEX NUMBERS OF FARM PRICES OF AGRICULTURAL PRODUCTS, JANUARY, 1951 (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 January 1951 are initially released along with data for December 1950, January 1950 and annual figures for 1948, 1949 and 1950. 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.

Substantial upward revisions in the index of farm prices for the months of August to December 1950 have resulted from increases in the initial prices paid to western producers for wheat, oats and barley. Effective February 1, 1951 and retroactive to August 1, 1950, initial prices of wheat and barley were raised 20 cents per bushel and oats 10 cents per bushel. (For additional information see overleaf). As a consequence of these price changes the annual average index for 1950 has also been revised upward and it now stands at the all-time record high of 253.4, one point above the previous high of 252.4 set in 1948.

Between December 1950 and January 1951 the index has increased by 5.6 points due largely to further advances in the prices of livestock. While the prices of dairy products, potatoes and eastern grains advanced slightly, a decline was recorded for poultry and eggs.

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Province	MONTHLY INDEX			ANNUAL INDEX		
	Jan. 1951	Dec. 1950	Jan. 1950	1950	1949	1948
P.E.I.	184.6	181.3	176.0	188.3	203.9	236.6
N. S.	216.8	213.0	195.4	206.2	210.5	214.1
N. B.	220.3	217.4	201.3	216.0	220.2	250.4
Que.	279.2	277.2	249.8	260.4	261.2	265.6
Ont.	286.1	281.0	242.4	265.5	257.0	258.6
Man.	260.4	256.2	255.5	262.1	257.7	254.6
Sask.	223.9	220.0	236.3	235.0	241.1	239.3
Alta.	269.9	255.4	251.1	261.4	258.9	256.2
B. C.	253.0	258.5	224.5	243.6	244.8	240.0
CANADA	261.6	256.0	241.5	253.4	251.8	252.4

Note:- 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. Effective February 1, 1951 and retroactive to August 1, 1950, initial prices were raised from \$1.40 to \$1.60 per bushel for wheat, basis No. 1 Northern, from 65 to 75 cents for oats, basis No. 2 C. W. and from 93 cents to \$1.13 for barley, basis No. 3 C.W. 6 Row, in store Port William-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 payments made by the Canadian Wheat Board and western grain companies on deliveries of these grains from August 1 to October 21, 1946 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 payments 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.

March 9, 1951.