

D.B.S. MEMORANDUM

Dominion Bureau of Statistics, Ottawa, Canada

1952 No. 10

Price: \$1.00 per year.

INDEX NUMBERS OF FARM PRICES OF AGRICULTURAL PRODUCTS, OCTOBER 1952 1/ (1935-39 = 100)

The index of farm prices of agricultural products estimated at 243.5 for October 1952 is at its lowest level since April 1948. It compares with 250.7 for the previous month and 301.4 for October 1951. Lower prices for live stock and potatoes more than offset slight gains for dairy products, poultry and eggs to account for the decline in the farm price index between September and October of this year. Compared with October 1951, current prices are lower for grains, live stock, dairy products, poultry and eggs.

In comparing current index numbers with those prior to August 1952, it should be remembered that the prices for western wheat and coarse grains used in the construction of the index since August 1, 1952 are initial prices only whereas those used prior to that time are final prices. Any subsequent participation payments made on the 1952 crops will be added to the prices currently used and the index revised upward accordingly. An increase of 10 cents in the price of western wheat would result in an upward revision of approximately four points in the index for Canada. Increases of 10 cents for barley and oats would provide an upward index revision of about 0.4 and 0.5 points respectively.

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

Province	Monthly Index			Annual Index		
	Oct. 1952 2/	Sept. 1952 2/	Oct. 1951	1951	1950	1949
Prince Edward Island	294.5	309.8	256.9	235.8	189.6	204.1
Nova Scotia	247.8	259.8	255.8	243.6	206.5	210.5
New Brunswick	297.8	308.6	267.5	250.4	216.4	220.5
Quebec	273.0	278.3	306.5	304.8	260.9	261.3
Ontario	272.7	279.9	317.9	315.2	265.1	257.8
Manitoba	222.6	226.5	302.1	301.6	274.4	262.8
Saskatchewan	199.6	206.9	276.1	268.7	251.5	248.8
Alberta	219.3	228.1	307.7	308.1	276.1	265.6
British Columbia	282.4	289.4	316.0	288.4	244.3	245.1
CANADA 1/	243.5	250.7	301.4	296.9	260.8	255.4

1/ Excludes Newfoundland.

2/ Based on initial prices only for wheat, oats and barley in Manitoba, Saskatchewan and Alberta.

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Since August 1, 1952, prairie grain prices are initial prices only and amount to \$1.40 for No. 1 Northern wheat, 65 cents for No. 2 C. W. oats and 96 cents for 3 C. W. six-row barley in store at the Lakehead. In addition to the 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, 1952 to July 31, 1953. Any participation payments made on these grains at a later date will be added to the prices currently used in the price index and the index revised upward accordingly.

Most of the price information used in compiling the index is obtained from reports furnished monthly by volunteer farm correspondents throughout Canada. 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 prices of wheat, oats, barley and flax contain all equalization, adjusting and final payments including the recently announced final payments of 18.5 cents on oats, 14.7 cents on barley and 25.2 cents on wheat. All payments of this kind are included in the year in which earned, not in the year in which paid.

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. An historical series of index numbers of farm prices of agricultural products is carried in the Quarterly Bulletin of Agricultural Statistics.