

D.B.S. MEMORANDUM

Dominion Bureau of Statistics, Ottawa, Canada

1952 No. 5

Price: \$1.00 per year.

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

A preliminary estimate places the index of farm prices at 258.3 for May, 6.5 points below the revised figure of 264.8 for the preceding month and 34.7 points below the corresponding figure for May, 1951. The continued decline in the index is attributable to lower prices for grains, live stock, dairy products, poultry and eggs more than offsetting a substantial increase in potato prices. Compared with May 1951, current prices are lower for grains, live stock, dairy products, poultry and eggs and higher for potatoes. In connection with grains, western farm prices used to construct the May 1951 index were final prices, whereas those used in the current index are only initial prices for oats and initial prices plus interim payments for wheat and barley.

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

Province	Monthly Index			Annual Index		
	May 1952 2/	April 1952 2/	May 1951	1951 3/	1950	1949
Prince Edward Island	414.6	394.9	207.9	235.8	189.6	204.1
Nova Scotia	288.3	287.0	235.4	243.6	206.5	210.5
New Brunswick	386.2	377.0	229.6	250.4	216.4	220.5
Quebec	286.1	293.8	303.5	304.8	260.9	261.3
Ontario	279.0	284.6	311.9	315.1	265.2	257.8
Manitoba	238.8	251.0	298.6	293.2	274.4	262.8
Saskatchewan	209.9	218.0	265.1	257.8	251.5	248.8
Alberta	234.7	243.2	307.8	298.5	276.1	265.6
British Columbia	303.2	302.1	271.6	288.1	244.3	245.1
CANADA 1/	258.3	264.8	293.0	292.0	260.8	255.4

1/ Excludes Newfoundland.

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

3/ Based on initial price only for oats and initial prices plus interim payments for wheat and barley in Manitoba, Saskatchewan and Alberta for the months of August to December inclusive.



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Since August 1, 1951 prairie farm prices for oats are initial prices only and amount to 65 cents for No. 2 C. W. at the Lakehead. Prices for wheat and barley are initial prices plus recently announced retroactive interim payments. In total, these payments amount to \$1.60 for No. 1 Northern wheat and \$1.16 for No. 3 C. W. barley basis in store Fort William-Port Arthur. 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, 1951 to July 31, 1952. 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 upwards 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 equalisation, adjusting and final participation payments up to and including the recently announced interim payments of 20 cents per bushel for wheat effective February 1, 1952, and 20 cents for barley, effective March 1, 1952. 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.