

D.B.S. MEMORANDUM

Dominion Bureau of Statistics, Ottawa, Canada



1953 No. 10

Price: \$1.00 per year.

INDEX NUMBERS OF FARM PRICES OF AGRICULTURAL PRODUCTS, OCTOBER 1953 ^{1/} (1935-39 = 100)

The index of farm prices of agricultural products is estimated at 235.6 for October, almost unchanged from the revised figure of 235.8 for September. Lower prices for grains, live stock and potatoes were offset by higher prices for dairy products, and poultry and eggs. The index has been revised for the period August 1952 to July 1953 to include final average participation payments of 9.2 cents on oats and 13.0 cents on barley delivered by western producers during the 1952-53 crop year.

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Province	Monthly Index			Annual Index		
	Oct. 1953 ^{2/}	Sept. 1953 ^{2/}	Oct. 1952 ^{3/}	1952 ^{4/}	1951	1950
Prince Edward Island	172.6	175.6	294.5	351.8	236.4	189.6
Nova Scotia	223.6	224.9	258.3	275.1	243.2	206.5
New Brunswick	201.1	199.8	298.3	344.5	250.8	216.8
Quebec	270.7	267.3	274.1	290.2	305.6	260.9
Ontario	264.5	262.9	272.3	286.2	315.0	265.1
Manitoba	217.5	221.5	249.7	264.0	301.6	274.4
Saskatchewan	196.6	198.1	232.2	241.6	268.7	251.5
Alberta	220.3	223.3	246.9	261.5	308.0	276.1
British Columbia	271.3	266.9	280.1	293.0	287.0	244.3
CANADA ^{1/}	235.6	235.8	258.1	272.6	296.8	260.8

- ^{1/} Excludes Newfoundland.
- ^{2/} Based on initial prices only for wheat, oats and barley in Manitoba, Saskatchewan and Alberta.
- ^{3/} Based on initial price plus 12- cent interim payment for wheat in Manitoba, Saskatchewan and Alberta.
- ^{4/} Based on initial price plus 12- cent interim payment for wheat in Manitoba, Saskatchewan and Alberta for the period August to December inclusive.

In comparing current index numbers with those prior to August 1952, the following points should be considered. Prices for western grains used in the construction of the index prior to August 1, 1952 are final prices. For the crop year 1952-53, the western wheat prices used are initial prices plus a

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- 2 -

twelve-cent interim payment. Prices for western oats and barley for the same period are final. Since August 1, 1953 only initial prices are available. Any subsequent participation payments made on the 1952 crop of wheat and on the 1953 crops of wheat, oats and barley will be added to the prices currently used and the index revised upward accordingly. An increase of 10 cents in the prices of western wheat, oats or barley would result in upward revisions in the indices for each of the Prairie Provinces and Canada approximately as follows, in points:

	<u>Manitoba</u>	<u>Saskatchewan</u>	<u>Alberta</u>	<u>Canada</u>
Wheat	6.2	9.3	8.1	4.0
Oats	1.0	1.1	1.2	0.5
Barley	2.3	0.5	0.4	0.4

During the period August 1952 to July 1953, initial prices to producers, basis Fort William--Port Arthur, amounted to \$1.60 per bushel for No 1 Northern wheat, and \$1.11 per bushel for No 3 C.W. 6-row barley. Since the first of August this year, initial prices to producers, basis the same grades at the Lakehead, have amounted to \$1.40 per bushel for wheat and 96 cents per bushel for barley. The initial price for oats has remained unchanged since August 1, 1952 at 65 cents per bushel for No 2 C.W. 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, 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 interim payment of 12 cents per bushel on western wheat and the final average payments of 9.2 cents and 13.0 cents made on western oats and barley respectively. 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.