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INDEX NUMBERS OF FARM PRICES OF AGRICULTURAL PRODUCTS



(1935-39=100)

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Between November and December 1960, the index of farm prices of agriculture rose by 2.4 points, from 239.9 to 242.3. Increased prices for livestock more than offset lower prices for potatoes, and poultry and eggs. Compared with a year ago the current December index is up by more than 10 points. Higher prices for grains, livestock, dairy products, and poultry and eggs far more than offset lower prices for potatoes. The fairly substantial increase in grain prices which occurred between December 1959 and December 1960 can be attributed to the higher average quality of the crop harvested in the Prairie Provinces this year.

INDEX NUMBERS OF FARM PRICES OF AGRICULTURAL PRODUCTS

(1935-39=100)

	Monthly Index			Annual Index		
	Dec. <u>2</u> / 1960	Nov. <u>2</u> / 1960	Dec. <u>2</u> / 1959	1960 <u>2</u> / 1960	1959 <u>3</u> / 1959	1958
Prince Edward Island	219.3	218.1	232.5	264.8	232.7	203.4
Nova Scotia	223.8	229.0	222.8	237.0	227.3	216.8
New Brunswick	231.7	237.7	238.3	264.6	239.5	227.0
Quebec	278.6	272.4	268.1	272.7	272.4	274.8
Ontario	272.2	269.4	263.2	265.2	264.2	266.5
Manitoba	226.7	223.9	218.4	220.1	234.2	236.6
Saskatchewan	202.7	199.5	190.3	194.2	209.2	214.5
Alberta	220.9	219.7	205.3	211.1	231.2	236.4
British Columbia	275.6	277.2	265.3	270.9	265.2	263.2
CANADA <u>1</u> / 1960	242.3	239.9	231.9	236.6	243.1	245.5

1/ Excludes Newfoundland.2/ Based on initial prices only for wheat, oats and barley in Manitoba, Saskatchewan and Alberta.3/ For Manitoba, Saskatchewan and Alberta the index is based on initial prices only for wheat, oats and barley for the period August to December inclusive.

Prepared in Farm Finance Section, AGRICULTURE DIVISION.

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In comparing current index numbers with those prior to August 1959, the following points should be considered. Western grain prices used in the construction of the index prior to August 1, 1959 are final prices. Since August 1, 1959, only initial prices are available for wheat, oats and barley. Any subsequent participation payments will be added to the prices currently used and the index revised upward accordingly. An increase of 10 cents per bushel 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

For the period August 1959 to date the initial prices to western producers at Fort William - Port Arthur have been on the basis of \$1.40 per bushel for No. 1 Northern wheat, 60 cents per bushel for No. 2 C.W. oats, and 96 cents per bushel for No. 3 C.W. six-row barley. 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 Canadian Wheat Board through the sale of these grains delivered to the Board. 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 the farmers at the farm level. Subsidies, bonuses and premiums which can be attributed to specific products are all included in the prices, whereas storage, transportation, processing and handling charges which are not actually received by farmers are excluded. Deficiency payments made under the provisions of the present prices support program are not included because the index at the present time purports to measure changes in market prices. In reporting prices to the Bureau each month, price correspondents are asked to report the average prices prevailing in their neighbourhood, taking into account the various grades of each commodity marketed. Thus, average prices reported by these correspondents may differ from month to month as a result of changes in price, changes in quality marketed or a combination of both. In effect, this index is not a measure of pure price change but a measure of the change in returns to farmers per unit of product marketed.

The prices of wheat, oats, barley and flaxseed contain all Canadian wheat Board payments announced to date including the final payment of 9.2 cents made on the 1958 wheat crop. 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 of the total cash income received by farmers from the sale of farm products, during the base period. The series is subject to revisions as more complete data become available.

INDEX NUMBERS OF FARM PRICES OF AGRICULTURAL PRODUCTS 1/

(1935-39=100)

	CANADA	P.E.I.	N.S.	N.B.	QUE.	ONT.	MAN.	SASK.	ALTA.	B.C.
1950	260.8	189.6	206.5	216.8	260.9	265.1	274.4	251.5	276.2	244.3
1951	296.8	236.4	243.2	250.8	305.6	315.0	301.6	268.7	308.0	287.1
1952	274.4	351.6	275.1	344.5	290.2	286.2	266.8	245.9	265.3	291.4
1953	250.4	191.5	234.8	213.2	272.1	263.8	245.3	228.7	247.8	265.7
1954	236.8	196.1	230.2	211.8	264.3	252.8	227.5	208.7	232.4	249.6
1955	232.7	220.6	220.0	226.0	261.7	249.2	225.6	203.5	223.2	248.5
1956	234.6	240.1	208.7	235.1	258.8	250.5	227.0	208.5	224.0	256.9
1957	234.2	197.0	212.6	219.4	264.8	255.4	222.4	201.6	223.6	260.2
1958	245.5	203.4	216.8	227.0	274.8	266.5	236.6	214.5	236.4	263.2
1959 August	241.7	299.9	237.9	294.7	274.3	264.8	231.3	199.7	223.1	261.0
September	240.1	237.1	231.9	237.4	271.7	264.9	227.0	201.4	225.0	270.0
October	236.8	230.7	228.1	232.9	271.0	265.2	221.3	196.6	216.7	269.8
November	235.0	241.6	227.1	240.3	268.0	266.9	218.1	192.5	211.2	269.4
December	231.9	232.5	222.8	238.3	268.1	263.2	218.4	190.3	205.3	265.3
AVERAGE	243.1	232.7	227.3	239.5	272.4	264.2	234.2	209.2	231.2	265.2
1960 January	230.8	262.8	230.6	257.2	267.4	261.2	214.7	187.8	202.9	263.2
February	227.6	251.4	230.6	259.6	268.2	256.2	212.6	185.4	198.7	259.8
March	227.8	263.0	232.8	269.3	265.4	253.6	214.1	187.1	199.7	265.4
April	234.8	321.4	246.3	309.2	272.6	260.5	218.1	191.9	204.5	267.8
May	236.5	337.6	254.1	317.7	274.8	262.8	217.7	190.8	206.6	269.5
June	240.6	340.9	259.9	317.5	278.1	268.6	220.8	193.1	211.2	273.3
July	242.2	308.6	256.2	302.5	278.0	273.3	223.9	195.2	213.2	271.9
August	236.4	216.6	221.8	220.6	269.5	267.0	222.0	195.6	215.8	271.1
September	239.9	217.2	228.9	219.8	271.3	268.5	223.4	200.8	222.2	277.8
October	240.2	220.3	229.6	232.9	276.0	269.1	223.4	201.0	218.3	278.3
November	239.9	218.1	229.0	237.7	272.4	269.4	223.9	199.5	219.7	277.2
December	242.3	219.3	223.8	231.7	278.6	272.2	226.7	202.7	220.9	275.6
AVERAGE	236.6	264.8	237.0	264.6	272.7	265.2	220.1	194.2	211.1	270.9

1/ Excludes Newfoundland.



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