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INDEX NUMBERS OF FARM PRICES OF AGRICULTURAL PRODUCTS

(1935-39=100)

The index of farm prices moved down in February to an estimated 226.5 points from the January estimate of 229.4 points. This downward movement can be attributed largely to lower cattle and hog prices. Farm prices for cattle declined slightly between January and February, but the decline in hog prices was much more pronounced. Prices received by farmers in the Prairie Provinces for cereal grains remained unchanged during the two months under review, but slight increases were noted in Quebec, Ontario and British Columbia.

INDEX NUMBERS OF FARM PRICES OF AGRICULTURAL PRODUCTS

(1935-39=100)

	Monthly Index			Annual Index		
	Feb. <u>2</u> / 1960	Jan. <u>2</u> / 1960	Feb. <u>3</u> / 1959	1959 <u>4</u> / 1959	1958 <u>5</u> / 1958	1957
Prince Edward Island	251.5	262.8	179.0	232.7	203.4	197.0
Nova Scotia	229.3	229.2	221.5	226.8	216.8	212.6
New Brunswick	259.5	257.1	211.0	239.5	227.0	219.4
Quebec	268.9	268.5	274.4	273.1	274.9	264.8
Ontario	253.0	258.2	266.5	263.7	266.5	255.4
Manitoba	212.6	214.7	235.3	230.0	233.6	222.4
Saskatchewan	185.4	187.8	210.1	203.7	210.5	201.6
Alberta	199.1	201.8	232.4	226.2	232.9	223.6
British Columbia	252.3	255.6	268.0	262.6	263.0	260.2
CANADA <u>1</u> / 1960	226.5	229.4	243.4	240.5	243.8	234.2

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 interim payment for wheat in Manitoba, Saskatchewan and Alberta.4/ For Manitoba, Saskatchewan and Alberta the index is based on initial price plus interim payment for wheat for the period January to July inclusive, and on initial prices only for wheat, oats and barley for the period August to December inclusive.5/ For Manitoba, Saskatchewan and Alberta the index is based on initial price plus interim payment for wheat, for the period August to December inclusive.

Prepared in Farm Finance Section, AGRICULTURE DIVISION.

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Farmers in three provinces, Nova Scotia, New Brunswick and Quebec, received, on the average, higher prices for the products they sold in February than in January; farmers in the remaining six provinces included in the index received less. Lower hog prices tempered provincial index numbers in the three provinces where increases were noted and accounted in large measure for the declines noted in the remaining six provincial index numbers.

In comparing current index numbers with those prior to August 1958, the following points should be considered. Western grain prices used in the construction of the index prior to August 1, 1958 include final payments for all grains. From August 1958 to July 1959 western wheat prices are initial plus interim payments. 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 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. 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 flaxseed contain all Canadian Wheat Board payments announced to date including the recently announced interim payment made on the 1958 crop of 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 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.
1945		185.7	196.7	180.8	195.3	179.5	174.6	188.4	192.6	196.2	187.8
1946		204.1	194.2	191.2	207.7	196.9	187.9	209.4	217.3	219.9	199.2
1947		215.8	180.1	184.9	199.6	213.7	202.1	225.9	226.1	231.9	207.1
1948		255.8	236.6	214.1	250.3	265.6	258.6	259.6	247.1	262.9	240.2
1949		255.4	204.1	210.5	220.5	261.3	257.8	262.8	248.8	265.6	245.1
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	August	242.6	218.6	228.2	224.7	279.4	266.8	230.8	204.8	229.5	261.4
	September	240.0	190.5	216.6	217.6	271.2	262.5	229.8	207.5	230.1	255.3
	October	240.3	180.2	214.4	207.7	269.3	263.0	228.3	208.3	232.6	261.1
	November	239.7	190.8	213.7	214.0	267.8	259.9	230.4	208.2	232.8	262.4
	December	242.1	194.8	215.6	214.7	270.5	264.1	233.0	209.7	233.4	264.4
	AVERAGE	243.8	203.4	216.8	227.0	274.9	266.5	233.6	210.5	232.9	263.0
1959	January	245.5	190.9	221.9	213.9	274.1	270.2	237.7	212.1	234.0	265.3
	February	243.4	179.0	221.5	211.0	274.4	266.5	235.3	210.1	232.4	268.0
	March	240.8	178.5	218.0	212.1	274.7	260.2	233.7	208.9	232.0	261.6
	April	240.5	180.8	220.5	208.7	270.6	260.7	233.9	208.7	232.4	260.4
	May	242.7	277.3	226.2	242.0	271.5	261.1	234.8	207.4	234.6	258.1
	June	243.7	282.3	234.1	259.8	274.2	261.5	233.2	207.6	233.8	263.6
	July	246.3	261.6	237.2	282.9	279.1	265.3	234.7	209.1	233.9	268.5
	August	241.9	299.9	237.9	294.6	275.7	264.9	231.3	199.7	223.1	260.9
	September	239.9	237.1	230.5	237.4	272.8	264.8	227.0	201.4	225.0	262.5
	October	236.5	230.7	226.8	232.9	272.1	265.0	221.3	196.6	216.7	262.3
	November	233.9	241.6	225.7	240.2	269.2	263.9	218.1	192.5	211.2	261.9
	December	230.8	232.5	221.4	238.2	269.2	260.2	218.4	190.3	205.3	257.7
	AVERAGE	240.5	232.7	226.8	239.5	273.1	263.7	230.0	203.7	226.2	262.6
1960	January	229.4	262.8	229.2	257.1	268.5	258.2	214.7	187.8	201.8	255.6
	February	226.5	251.5	229.3	259.5	268.9	253.0	212.6	185.4	199.1	252.3

1/ Excludes Newfoundland.

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