

INDEX NUMBERS OF FARM PRICES OF AGRICULTURAL PRODUCTS DECEMBER, 1961
(1935-39=100)

The index numbers of farm prices of agricultural products for Canada, estimated at 242.8 for December, increased from 241.6 for November - a gain of 1.2 points. Increased prices for livestock, potatoes and grains more than offset a substantial decline in the price of eggs.

Provincially, increases in the farm price index occurred in Prince Edward Island and the Prairie Provinces; higher prices for livestock in all of these provinces and higher potato prices in Prince Edward Island contributed most to these gains. The declines in the index recorded for the remaining provinces were small and in no instance did they exceed two points.

The farm price index has been revised for the period August 1960 to July 1961 to include the recently announced final payment of 8.36 cents per bushel on the 1960 western barley crop.

Index Numbers of Farm Prices of Agricultural Products(1)
(1935-39=100)

	Monthly index			Annual index		
	Dec.(2) 1961	Nov.(2) 1961	Dec.(3) 1960	1961(4)	1960(5)	1959
Prince Edward Island	178.1	170.8	221.1	199.0	266.5	234.4
Nova Scotia	213.8	214.3	227.0	222.5	238.0	227.3
New Brunswick	200.4	201.0	231.6	220.5	264.7	239.5
Quebec	277.8	279.5	278.5	276.8	273.4	272.7
Ontario	265.9	266.6	270.8	265.7	264.4	264.2
Manitoba	234.6	229.7	236.3	232.7	233.0	240.6
Saskatchewan	208.9	206.8	214.0	209.5	212.1	218.6
Alberta	228.9	225.3	231.2	229.9	228.0	239.6
British Columbia ...	280.4	280.5	277.1	275.9	271.6	265.5
Canada	242.8	241.6	247.3	243.4	244.6	247.4

(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 and final prices for oats and barley in Manitoba, Saskatchewan and Alberta.

(4) For Manitoba, Saskatchewan and Alberta the index is based on initial price plus interim payment for wheat and final prices for oats and barley for the period January to July inclusive. For the remainder of the year the prices are initial prices only for wheat, oats and barley.

(5) For Manitoba, Saskatchewan and Alberta the index is based on initial price plus interim payment for wheat and final prices for oats and barley for the period August to December inclusive.

Prepared in Farm Finance Section, AGRICULTURE DIVISION

In comparing current index numbers with those prior to August 1960, the following points should be considered. Prices of all western grains used in the construction of the index prior to August 1, 1960 are final prices. From August 1, 1960 to July 31, 1961, the western grain prices used in the index are initial price plus interim payment for wheat and final prices for oats and barley. Since August 1, 1961 only initial prices are available for these three grains. 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 indexes 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 1961 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 recently announced final payment of 8.36 cents per bushel to be made on the 1960 barley 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 and up-to-date data become available. This accounts for any changes between the indexes published in earlier reports and those appearing in the current publication.

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.
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	247.4	234.4	227.3	239.5	272.7	264.2	240.6	218.6	239.6	265.5
1960 January	240.9	264.4	230.6	257.2	268.3	260.9	230.1	210.4	224.3	263.9
February	237.7	253.1	230.6	259.5	268.9	255.8	228.0	207.9	219.8	260.5
March	237.9	264.8	232.8	269.4	265.9	253.3	229.5	209.6	220.9	266.0
April	244.9	323.2	246.3	309.2	273.0	260.2	233.5	214.5	225.6	268.2
May	246.6	339.4	254.1	317.7	275.4	262.4	233.2	213.3	227.7	269.8
June	250.7	342.7	259.9	317.8	279.0	268.1	236.2	215.6	232.3	273.6
July	252.3	310.3	256.2	302.8	278.9	272.7	239.3	217.7	234.3	272.9
August	241.7	218.3	221.8	220.9	270.4	266.	231.3	206.9	227.2	271.6
September	245.0	219.0	232.2	219.8	272.4	267.0	232.7	212.1	233.5	278.5
October	245.3	222.1	232.7	232.9	277.0	267.5	232.7	212.3	229.6	279.0
November	244.7	219.9	232.2	237.8	273.4	267.4	233.2	210.9	230.0	277.9
December	247.3	221.1	227.0	231.6	278.5	270.8	236.3	214.0	231.2	277.1
AVERAGE	244.6	266.5	238.0	264.7	273.4	264.4	233.0	212.1	228.0	271.6
1961 January	248.2	220.5	225.5	235.1	282.3	270.2	236.8	214.7	233.8	277.6
February	249.0	216.0	228.8	232.2	283.2	271.2	236.5	215.1	235.9	275.2
March	246.7	202.5	226.2	227.9	278.3	268.0	236.8	214.5	234.4	274.1
April	242.7	211.0	225.5	226.1	269.7	261.6	234.6	212.4	232.2	270.9
May	241.6	189.4	222.7	222.1	268.4	262.7	232.3	210.8	230.9	269.1
June	244.1	222.5	231.6	235.9	276.3	265.3	232.4	210.1	231.0	272.4
July	244.3	200.6	226.9	226.9	278.4	266.8	232.3	210.2	230.1	275.9
August	237.9	213.9	223.8	228.4	274.3	260.3	226.2	200.8	222.9	272.2
September	241.0	188.3	216.4	207.3	277.0	264.8	229.3	204.4	227.3	280.6
October	241.1	173.9	215.0	203.2	276.5	265.4	230.7	205.4	226.4	282.3
November	241.6	170.8	214.3	201.0	279.5	266.6	229.7	206.8	225.3	280.5
December	242.8	178.1	213.8	200.4	277.8	265.9	234.6	208.9	228.9	280.4
AVERAGE	243.4	199.0	222.5	220.5	276.8	265.7	232.7	209.5	229.9	275.9

(1) Excludes Newfoundland.

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