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INDEX NUMBERS OF FARM PRICES OF AGRICULTURAL PRODUCTS

(1935-39=100)

A preliminary estimate places the index of farm prices of agricultural products for May at 236.3, down by 1.1 points from the revised figure of 237.4 for April. Contributing to this decline were lower prices for livestock, potatoes and poultry products. Grain prices remained almost unchanged. The announcement concerning the final payment on the 1959 wheat crop was made subsequent to the calculation of the index for May and consequently will not be reflected in the index until it is prepared for the month of June.

Index Numbers of Farm Prices of Agricultural Products

(1935-39=100)

	Monthly index			Annual index		
	May (2) 1961	April (2) 1961	May (3) 1960	1960 (4)	1959 (5)	1958
Prince Edward Island ...	189.6	211.0	339.4	266.5	234.4	203.4
Nova Scotia	220.5	222.3	254.1	237.0	227.3	216.8
New Brunswick	222.7	226.2	317.7	264.6	239.5	227.0
Quebec	267.6	268.6	274.7	272.5	272.4	274.8
Ontario	262.7	262.0	262.5	264.5	264.2	266.5
Manitoba	223.1	225.3	225.8	224.8	237.5	236.6
Saskatchewan	199.5	201.1	202.1	200.8	214.0	214.5
Alberta	220.7	222.0	218.0	218.1	235.6	236.4
British Columbia	269.1	270.8	269.8	271.2	265.3	263.2
Canada (1)	236.3	237.4	241.7	239.5	245.3	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 plus interim payments for wheat and on final prices for oats and barley.
- (4) For Manitoba, Saskatchewan and Alberta the index is based on initial prices plus interim payments for wheat and on final prices for oats and barley for the period January to July; for the remainder of the year, the index is based on initial prices only for these three grains.
- (5) For Manitoba, Saskatchewan and Alberta, the index is based on initial prices plus interim payments for wheat and on final prices for oats and barley for the period August to December inclusive; for the first seven months of 1959, the index is based on final prices for these three grains.

Prepared in Farm Finance Section, Agriculture Division

In comparing current index numbers with those prior to August 1959, the following points should be considered. Prices of all western grains used in the construction of the index prior to August 1, 1959 are final prices. From August 1, 1959 to July 31, 1960, the western grain prices used in the index are initial prices plus interim payments for wheat and final prices for oats and barley. Since August 1, 1960 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 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 1960 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 2.1 cents per bushel made on the 1959 western 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 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	246.7	301.7	237.9	294.7	274.3	264.8	239.3	211.0	233.3	261.3
September	245.2	238.8	231.9	237.4	271.7	264.9	235.1	212.7	235.1	270.4
October	241.8	232.5	228.1	232.9	271.0	265.2	229.4	207.8	226.9	270.2
November	240.3	243.3	227.1	240.3	268.0	266.9	226.1	203.8	222.6	269.8
December	237.2	234.2	222.8	238.3	268.1	263.2	226.4	201.6	216.7	265.7
AVERAGE	245.3	234.4	227.3	239.5	272.4	264.2	237.5	214.0	235.6	265.3
1960 January	236.0	264.4	230.6	257.2	267.7	261.0	222.7	199.1	214.3	263.6
February	232.8	253.1	230.6	259.5	268.2	255.9	220.6	196.6	210.1	260.2
March	233.0	264.8	232.8	269.4	265.3	253.4	222.1	198.4	211.1	265.8
April	240.0	323.2	246.3	309.2	272.3	260.3	226.1	203.2	215.9	268.2
May	241.7	339.4	254.1	317.7	274.7	262.5	225.8	202.1	218.0	269.8
June	245.7	342.7	259.9	317.5	278.0	268.2	228.9	204.4	222.6	273.7
July	247.4	310.3	256.2	302.5	277.8	272.9	231.9	206.5	224.6	272.2
August	236.5	218.3	221.8	220.5	269.4	266.7	222.0	195.6	217.0	271.1
September	239.7	219.0	228.9	219.8	271.3	267.0	223.4	200.9	223.4	277.8
October	240.0	222.1	229.5	232.9	275.9	267.5	223.4	201.1	219.4	278.3
November	239.5	219.9	228.9	237.8	272.2	267.7	223.9	199.6	219.9	277.2
December	242.0	221.1	223.8	231.7	277.4	271.1	227.0	202.7	221.1	276.4
AVERAGE	239.5	266.5	237.0	264.6	272.5	264.5	224.8	200.8	218.1	271.2
1961 January	243.0	220.5	222.3	235.2	281.2	270.5	227.5	203.4	223.6	276.9
February	243.8	216.0	225.6	232.3	282.8	271.5	227.2	203.9	225.7	274.5
March	241.4	202.5	223.0	227.9	277.1	268.3	227.5	203.2	224.2	273.4
April	237.4	211.0	222.3	226.2	268.6	262.0	225.3	201.1	222.0	270.8
May	236.3	189.6	220.5	222.7	267.6	262.7	223.1	199.5	220.7	269.1

(1) Excludes Newfoundland.

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