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INDEX NUMBERS OF FARM PRICES OF AGRICULTURAL PRODUCTS

(1935-39=100)

AUGUST 1967

OCT 18 1967

Research Department

The index of farm prices of agricultural prices is estimated at 298.8 for August, 12.5 points above the revised figure of 286.3 for July. Approximately 9 points of this increase can be attributed to the increase in the Canadian Wheat Board initial payments for wheat, oats and barley which came into effect August 1; these payments increased from \$1.50 to \$1.70 per bushel for No. 1 Northern wheat, from 60 to 65 cents per bushel for No. 2 C.W. oats, and from 96 cents to \$1.06 per bushel for No. 3 C.W. six-row barley. In addition, prices were also higher for livestock, eggs and potatoes.

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

	Monthly index			Annual index		
	Aug.(2) 1967	July(2) 1967	Aug.(2) 1966	1966(3)	1965	1964
Prince Edward Island ..	283.2	233.6	266.7	286.3	336.9	255.1
Nova Scotia	277.9	269.4	263.6	268.7	259.1	232.5
New Brunswick	261.2	240.6	240.5	265.7	302.0	245.0
Quebec	356.2	353.4	340.5	345.0	307.8	280.5
Ontario	334.4	326.0	321.0	326.5	294.6	269.5
Manitoba	274.4	259.5	250.1	274.7	268.9	261.5
Saskatchewan	247.8	228.5	222.7	252.9	254.4	253.5
Alberta	276.0	259.8	255.2	282.6	276.2	271.3
British Columbia	326.2	323.0	316.0	320.6	301.5	273.0
Canada	298.8	286.3	280.3	297.2	282.1	265.8

(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.

Farm Finance Section, Agriculture Division

October 1967
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In comparing current index numbers with those prior to August 1966, the following points should be considered. Prices of all western grains used in the construction of the index prior to August 1, 1966 are final prices. From August 1, 1966 to date the western grain prices used in the index are initial prices only 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 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 1966 to July 31, 1967 the initial prices to western producers at Fort William - Port Arthur were on the basis of \$1.50 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. Commencing on August 1, 1967, these initial prices were increased to \$1.70 per bushel for No. 1 Northern wheat, 65 cents per bushel for No. 2 C.W. oats, and \$1.06 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. 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. 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 variations of the prices has been made. The index is based on 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.
1957	234.2	197.0	212.4	219.4	264.9	255.6	222.3	201.6	223.4	260.2
1958	245.5	203.3	216.6	227.0	274.8	266.6	236.5	214.5	236.2	263.1
1959	247.4	234.4	227.1	239.5	272.8	264.4	240.5	218.7	239.5	265.4
1960	250.0	265.2	237.8	264.7	273.7	264.4	241.1	224.6	238.9	271.4
1961	261.2	198.3	225.2	220.4	274.3	265.3	261.9	251.3	265.8	276.1
1962	272.0	196.7	231.0	215.0	275.9	273.8	278.3	265.2	283.2	284.6
1963	268.4	214.3	232.8	222.2	274.6	273.6	268.1	258.1	277.6	278.2
1964	265.8	255.1	232.5	245.0	280.5	269.5	261.5	253.5	271.3	273.0
1965	282.1	336.9	259.1	302.0	307.8	294.6	268.9	254.4	276.2	301.5
1966 January	301.3	280.3	251.6	263.3	330.6	323.1	284.9	269.8	299.6	312.6
February ...	307.2	298.9	260.5	277.6	340.1	327.3	290.0	273.5	306.8	317.2
March	303.1	341.1	262.1	277.9	334.9	317.7	288.2	272.3	302.1	320.8
April	307.2	383.4	281.4	307.5	345.0	324.9	290.5	271.6	297.4	324.7
May	309.7	371.5	286.6	321.3	348.8	329.5	290.4	271.8	299.6	324.9
June	308.9	273.7	278.2	270.3	352.2	330.4	291.8	272.5	302.5	324.1
July	302.7	241.8	262.8	238.7	346.7	322.9	287.2	270.9	296.1	322.1
August	280.3	266.7	263.6	240.5	340.5	321.0	250.1	222.7	255.2	316.0
September ..	283.1	249.5	268.0	235.9	345.3	323.4	255.2	226.5	257.1	319.6
October	288.2	251.2	272.1	252.7	352.0	333.6	256.9	227.7	259.0	321.5
November ...	286.8	239.6	269.1	250.5	351.3	332.0	253.7	227.1	257.9	321.1
December ...	287.9	237.6	268.9	252.1	352.5	332.7	257.5	228.2	258.2	323.0
AVERAGE	297.2	286.3	268.7	265.7	345.0	326.5	274.7	252.9	282.6	320.6
1967 January	287.4	248.4	269.8	260.7	351.2	331.4	256.1	227.2	257.9	326.2
February ...	288.4	233.9	269.7	253.4	358.2	331.4	256.7	228.5	259.7	321.9
March	286.6	230.5	264.4	247.4	356.3	328.0	257.2	227.8	258.5	322.7
April	284.4	215.6	267.9	225.1	351.0	325.7	259.3	227.8	255.8	323.0
May	286.1	230.3	265.0	235.6	352.4	328.3	258.9	227.7	258.9	320.2
June	290.0	235.1	269.9	241.1	358.8	331.9	261.2	230.4	263.8	322.7
July	286.3	233.6	269.4	240.6	353.4	326.0	259.5	228.5	259.8	323.0
August	298.8	283.2	277.9	261.2	356.2	334.4	274.4	247.8	276.0	326.2
September ..										
October										
November ...										
December ...										
AVERAGE										

(1) Excludes Newfoundland.

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