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

FEBRUARY 1968

The index of farm prices of agricultural products estimated at 293.9 for February was practically unchanged from the revised estimate of 294.0 for January. Lower prices for livestock, eggs and potatoes were almost completely offset by somewhat higher average prices for grains and dairy products. The index has been revised for the period August 1, 1966 to July 31, 1967 to take into account the recently announced final Canadian Wheat Board payments per bushel on the 1966 Western crops of oats and barley. These payments amounted to 23.9 cents per bushel for oats and 33.7 cents per bushel for barley.

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

	Monthly index			Annual index		
	Feb. (2) 1968	Jan. (2) 1968	Feb. (3) 1967	1967 (4)	1966 (5)	1965
Prince Edward Island	221.5	248.4	227.0	232.6	279.4	336.9
Nova Scotia	263.5	267.2	264.1	263.8	266.8	259.1
New Brunswick	241.3	253.9	253.4	246.3	265.7	302.0
Quebec	356.3	354.9	361.4	357.8	345.7	307.8
Ontario	332.7	331.8	335.3	333.7	328.0	294.6
Manitoba	270.6	270.6	266.5	270.8	278.3	268.9
Saskatchewan	245.3	244.6	232.5	238.8	254.6	254.4
Alberta	268.6	268.6	264.3	268.3	285.9	276.4
British Columbia	309.0	309.9	303.0	306.8	313.0	301.2
Canada	293.9	294.0	291.5	293.2	298.6	282.2

(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 price for wheat and final prices for oats and barley.

(4) For Manitoba, Saskatchewan and Alberta the index is based on final prices for oats and barley and initial price for wheat 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 final prices for oats and barley and initial price for wheat for the period August to December inclusive. For the remaining months, the prices used for these three grains are final prices.

Farm Finance Section, Agriculture Division

April 1968
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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 July 31, 1967, Western grain prices used in the index are initial prices for wheat and final prices for oats and barley; from August 1, 1967 to date, 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 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 Western grains used in the preparation of this report contain all Canadian Wheat Board payments announced to date except the final payment on the 1966 wheat crop which was not announced in time to be included. 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.
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	282.2	336.9	259.1	302.0	307.8	294.6	268.9	254.4	276.4	301.2
1966 January	301.8	273.4	251.5	263.3	332.2	323.4	284.3	269.8	301.3	312.0
February	307.5	292.0	260.4	277.6	340.7	327.8	289.5	273.5	308.5	316.6
March	303.4	334.2	262.0	277.9	335.2	318.1	287.7	272.4	303.8	320.3
April	307.5	376.5	281.3	307.5	344.2	325.5	290.0	271.7	299.1	324.8
May	310.1	364.6	286.5	321.3	348.0	330.3	289.9	271.9	301.3	325.0
June	309.3	266.8	278.1	270.4	351.9	331.5	291.3	272.6	304.2	322.3
July	302.9	234.9	262.6	238.8	345.3	324.5	286.8	271.0	297.8	316.3
August	283.3	259.8	263.5	240.6	342.2	322.4	259.4	226.8	261.1	309.3
September	285.4	242.5	262.4	235.9	346.2	324.6	264.7	230.6	263.0	300.6
October	290.7	244.3	266.6	252.7	354.0	335.0	266.3	231.8	264.9	302.5
November	289.9	232.7	263.6	250.5	354.0	336.2	263.2	231.2	262.1	302.1
December	291.1	230.7	263.3	252.1	355.0	336.6	266.8	232.3	263.8	304.1
AVERAGE	298.6	279.4	266.8	265.7	345.7	328.0	278.3	254.6	285.9	313.0
1967 January	290.6	241.5	264.2	260.8	355.0	335.5	265.8	231.3	262.3	307.4
February	291.5	227.0	264.1	253.4	361.4	335.3	266.5	232.5	264.3	303.0
March	289.8	223.5	258.8	247.4	360.0	331.8	267.0	231.8	263.1	303.8
April	287.1	208.3	261.9	224.7	357.9	327.3	268.5	231.6	260.1	304.1
May	288.8	223.4	259.2	235.6	354.9	331.1	268.6	231.7	263.4	301.7
June	293.0	228.0	264.0	240.4	362.1	335.3	270.8	234.3	268.4	304.4
July	289.8	226.6	263.7	239.9	356.8	331.2	269.2	232.5	264.5	305.3
August	300.0	277.4	274.5	260.5	359.4	339.8	274.5	247.6	276.3	309.3
September	298.5	233.1	261.6	243.7	357.7	336.7	277.2	249.3	276.9	311.1
October	298.2	243.0	262.8	257.2	357.7	336.1	275.6	248.7	275.2	312.0
November	295.1	230.1	264.2	249.4	355.1	331.8	272.8	246.6	272.5	310.3
December	295.6	228.7	266.6	242.7	356.0	332.0	273.2	248.2	273.1	309.0
AVERAGE	293.2	232.6	263.8	246.3	357.8	333.7	270.8	238.8	268.3	306.8
1968 January	294.0	248.4	267.2	253.9	354.9	331.8	270.6	244.6	268.6	309.9
February	293.9	221.5	263.5	241.3	356.3	332.7	270.6	245.3	268.6	309.0

(1) Excludes Newfoundland.

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