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INDEX NUMBERS OF FARM PRICES OF AGRICULTURAL PRODUCTS

(1961 = 100)

MAY 1970

The index of farm prices of agricultural products is estimated at 115.4 for May, only fractionally below the revised estimate of 115.6 for April. Although prices were higher for potatoes and hogs there was some easing of cattle prices between mid-April and mid-May.

Index Numbers of Farm Prices of Agricultural Products(1)
(1961 = 100)

	Monthly Index			Annual Index		
	May(2) 1970	Apr.(2) 1970	May 1969	1969(3)	1968	1967
Prince Edward Island ...	165.1	146.7	123.4	122.7	123.4	115.0
Nova Scotia	124.1	124.8	120.0	122.8	114.0	110.9
New Brunswick	148.2	136.4	115.8	117.5	117.3	111.4
Quebec	129.5	130.9	130.8	131.3	126.0	125.2
Ontario	132.5	133.0	129.1	131.0	124.0	123.0
Manitoba	99.2	99.4	104.6	102.7	105.2	109.5
Saskatchewan	90.7	90.9	97.3	93.2	99.1	106.9
Alberta	107.6	108.1	117.6	110.7	109.6	113.9
British Columbia	125.8	126.3	127.8	125.6	118.6	111.6
Canada	115.4	115.6	117.6	115.9	114.0	116.0

(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.

Agriculture Division, Farm Finance Section

July 1970

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In comparing current index numbers with those prior to August 1969, the following points should be considered. Prices of all Western grains used in the construction of the index prior to August 1, 1969 are final prices. From August 1, 1969 to date the Western grain prices used in the index are initial prices 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	2.2	3.9	1.9	1.4
Oats	0.5	0.2	0.3	0.2
Barley	0.6	0.5	0.7	0.3

For the period August 1969 to date, the initial prices to Western producers at Thunder Bay 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 91 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. 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. With the exception of durum wheat, there were no participation payments made by the Board on the 1968 grain crops in Western Canada.

This index was first published in August 1946 on a time and weight base of 1935-39 = 100. In September 1969 it was republished on a weight base of 1969-62 = 100 and a time base of 1961 = 100. In each case the Laspeyre's formula was used in its preparation. Thus the resultant index expresses the current farm prices as a percentage of prices prevailing in the base period. For the years 1935 to 1956 inclusive, the index was based upon the prices of those products which accounted for about 90 per cent of total cash receipts received by farmers from the sale of farm products during the five-year base period 1935-39. For the period 1957 to date, the index is based upon those products which accounted for about 95 per cent of total cash receipts during the new weight base period of 1960-62. No adjustments for seasonal variations of the prices has been made. 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)
(1961 = 100)

	Canada	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
1958	95.2	102.1	102.7	102.6	103.2	101.0	91.5	84.2	91.9	102.7
1959	95.2	114.7	100.4	109.5	101.4	99.2	92.0	86.0	93.1	101.0
1960	96.1	128.3	100.0	120.8	100.8	100.3	92.8	89.0	91.8	99.7
1961	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1962	104.3	100.2	101.8	97.8	100.9	102.6	105.6	105.8	108.2	103.0
1963	102.9	106.9	101.2	101.8	100.3	102.6	102.6	103.0	105.4	102.6
1964	101.3	118.9	98.3	111.6	101.4	100.5	99.8	101.7	102.0	99.1
1965	107.8	153.7	107.4	139.1	111.9	110.1	103.9	101.6	106.0	108.4
1966	117.0	134.0	113.9	122.5	125.2	122.0	110.9	108.1	115.9	115.1
1967	116.0	115.0	110.9	111.4	125.2	123.0	109.5	106.9	113.9	111.6
1968 - August	115.4	144.9	119.9	127.6	126.5	125.6	105.6	99.0	111.8	119.1
September ..	116.6	127.0	120.6	118.4	129.8	129.5	105.9	97.6	111.7	123.2
October ...	113.8	114.3	117.6	115.3	125.7	126.5	104.0	95.2	109.5	122.8
November ..	114.0	115.2	118.2	116.0	131.1	127.7	102.1	92.7	108.1	124.0
December ..	114.1	115.8	119.6	114.9	130.7	128.1	101.8	92.0	108.8	125.8
AVERAGE ...	114.0	123.4	114.0	117.3	126.0	124.0	105.2	99.1	109.6	118.6
1969 - January ...	112.9	117.9	118.4	114.3	129.4	126.4	100.4	92.1	106.9	124.5
February ..	113.2	115.5	117.7	114.1	130.0	125.9	101.1	92.3	107.8	125.4
March	112.9	115.6	117.8	110.9	129.1	125.5	100.6	92.2	108.5	125.5
April	114.0	114.9	117.9	111.0	127.9	126.5	103.2	94.0	110.0	126.0
May	117.6	123.4	120.0	115.8	130.8	129.1	104.6	97.3	117.6	127.8
June	120.3	121.0	123.0	115.9	131.7	135.7	108.0	97.9	118.4	128.6
July	120.0	122.9	122.5	119.6	131.0	136.0	106.8	98.1	117.0	127.5
August	117.5	142.5	126.5	125.6	133.5	135.9	102.1	91.8	110.4	126.2
September ..	116.3	120.5	128.2	116.4	132.4	133.2	102.4	92.2	110.2	124.4
October ...	115.3	123.0	128.1	118.5	132.7	132.4	102.2	90.6	107.8	122.7
November ..	115.0	126.4	126.1	123.8	132.6	132.8	100.6	90.0	106.2	124.2
December ..	115.5	129.1	127.5	123.9	134.0	132.6	100.6	90.1	107.7	125.0
AVERAGE ...	115.9	122.7	122.8	117.5	131.3	131.0	102.7	93.2	110.7	125.6
1970 - January ...	115.7	134.6	127.7	136.0	131.9	133.0	100.2	90.4	107.9	126.3
February ..	116.9	143.4	129.3	139.2	132.5	133.0	101.7	91.5	111.2	127.5
March	117.0	147.1	127.2	139.6	132.6	134.2	101.8	91.5	110.1	127.0
April	115.6	146.7	124.8	136.4	130.9	133.0	99.4	90.9	108.1	126.3
May	115.4	165.1	124.1	148.2	129.5	132.5	99.2	90.7	107.6	125.8

(1) Excludes Newfoundland.

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