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INDEX NUMBERS OF FARM PRICES OF AGRICULTURAL PRODUCTS
(1961 = 100)

JANUARY 1971

The index number of farm prices of agricultural products for Canada remained unchanged at 109.1 from December 1970 to January 1971. The provinces, with the exception of Prince Edward Island and Manitoba, experienced changes of less than one percentage point between December 1970 and January 1971. The change in Prince Edward Island was the result of a large increase in the index for potatoes. For Canada as a whole, cattle and potatoes registered increases, while hogs, poultry and eggs showed decreases in the index number of farm prices.

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

	Monthly Index(2)			Annual Index		
	Jan. 1971	Dec. 1970	Jan. 1970	1970(2)	1969(3)	1968
Prince Edward Island ..	129.3	124.9	134.5	145.9	122.7	123.4
Nova Scotia	121.0	121.8	128.5	124.4	123.1	114.0
New Brunswick	120.9	121.2	135.7	135.6	117.4	117.3
Quebec	123.4	124.1	131.4	128.5	131.1	126.0
Ontario	122.6	122.6	132.0	129.2	130.8	124.0
Manitoba	94.7	95.7	100.2	98.4	102.7	105.2
Saskatchewan	87.9	87.8	90.4	89.5	93.2	99.1
Alberta	103.3	102.9	107.9	105.8	110.7	109.6
British Columbia	123.7	122.9	124.1	123.4	125.2	118.6
Canada	109.1	109.1	115.2	113.2	115.8	114.0

(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

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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 1960-62 = 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.
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	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	124.6
February ..	113.2	115.5	117.7	114.1	130.0	125.9	101.1	92.3	107.8	125.5
March	112.9	115.6	117.8	110.9	129.1	125.5	100.6	92.2	108.5	125.6
April	114.0	114.9	117.9	111.0	127.9	126.5	103.2	94.0	110.0	126.2
May	117.6	123.4	120.0	115.8	130.7	129.1	104.6	97.3	117.6	128.0
June	120.3	121.0	123.0	115.9	131.7	135.7	108.0	97.9	118.4	128.9
July	120.0	122.8	122.6	119.8	130.9	136.0	106.8	98.1	117.0	128.5
August	117.6	142.4	126.5	125.9	133.3	135.9	102.1	91.8	110.4	127.8
September ..	116.2	120.4	129.0	116.1	131.9	133.2	102.4	92.2	110.2	122.2
October ...	115.1	122.9	128.9	118.2	132.2	132.4	102.2	90.6	107.8	120.5
November ..	114.5	126.3	126.8	123.5	132.1	131.8	100.6	90.0	106.2	122.0
December ..	115.0	129.0	128.2	123.6	133.5	131.6	100.6	90.1	107.7	122.9
AVERAGE ...	115.8	122.7	123.1	117.4	131.1	130.8	102.7	93.2	110.7	125.2
1970 - January ...	115.2	134.5	128.5	135.7	131.4	132.0	100.2	90.4	107.9	124.1
February ..	116.4	143.3	130.1	138.9	132.0	131.9	101.7	91.5	111.2	125.3
March	116.6	147.0	128.0	139.3	132.1	133.2	101.8	91.5	110.1	124.8
April	115.2	146.6	125.6	136.1	130.4	132.0	99.4	90.9	108.1	124.1
May	114.9	165.5	124.9	147.4	129.1	131.4	98.9	90.6	107.5	123.5
June	115.0	170.9	124.9	151.5	130.2	131.4	100.2	90.4	106.8	123.0
July	113.8	168.5	123.9	154.4	128.7	129.7	98.6	89.5	105.3	123.8
August	112.0	165.6	121.6	142.9	128.3	128.0	96.5	88.6	102.3	123.1
September ..	110.1	131.4	118.8	117.5	124.8	125.7	96.0	88.0	102.8	121.8
October ...	110.1	128.0	122.4	121.5	126.7	125.3	96.5	87.6	102.0	121.5
November ..	110.5	125.1	122.9	120.8	124.6	127.3	95.5	87.3	102.8	123.2
December ..	109.1	124.9	121.8	121.2	124.1	122.6	95.7	87.8	102.9	122.9
AVERAGE ...	113.2	145.9	124.4	135.6	128.5	129.2	98.4	89.5	105.8	123.4
1971 - January ...	109.1	129.3	121.0	120.9	123.4	122.6	94.7	87.9	103.3	123.7

(1) Excludes Newfoundland.

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