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

JANUARY 1972

The January index of 118.8 is an increase of 1.5 percentage points over the revised index of 117.3 for December 1971. The increase kept up the rising trend in the index which started in August, 1971, after a comparatively slow start in 1971. Of note this month are an increase in livestock prices, and a decrease in potato prices. The other commodity prices held steady.

Index Numbers of Farm Prices of Agricultural Products(1)

(1961=100)

	Monthly index			Annual index		
	Jan.(2) 1972	Dec.(2) 1971	Jan.(2) 1971	1971(2)	1970(3)	1969
Prince Edward Island ..	136.3	133.5	129.2	127.4	146.4	122.4
Nova Scotia	127.4	126.5	120.2	121.6	123.7	122.6
New Brunswick	128.4	124.6	120.7	122.7	136.0	116.8
Quebec	140.2	136.7	122.8	127.8	129.2	131.1
Ontario	136.8	134.6	122.4	128.1	128.6	130.7
Manitoba	100.8	100.6	94.8	97.4	99.8	103.4
Saskatchewan	91.9	90.8	88.2	89.4	91.7	94.7
Alberta	111.2	110.7	104.6	107.1	108.0	111.7
British Columbia	126.8	127.7	122.8	123.8	122.1	124.7
Canada	118.8	117.3	109.2	112.6	114.1	116.3

(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 Income and Prices Section

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In comparing current index numbers with those prior to August 1970, the following points should be considered. Prices of all Western grains used in the construction of the index prior to August 1, 1970 are final prices. From August 1, 1970 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 1970 to July 1971, the initial prices to Western producers at Thunder Bay were on the basis of \$1.50 per bushel for No. 1 Northern wheat, and 60 cents per bushel for No. 2 C.W. oats. The initial price for No. 3 C.W. six-row barley was on the basis of 91 cents per bushel from August 1970 to February 1971, and \$1.01 per bushel from March to July 1971. For the period August 1971 to date, initial prices to Western producers were on the basis of \$1.46 per bushel for No. 1 C.W. Red Spring 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 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.

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 expressed 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	123.2	114.0	116.9	126.0	124.0	105.2	99.1	109.6	118.7
1969	116.3	122.4	122.6	116.8	131.1	130.7	103.4	94.7	111.7	124.7
1970 - January	116.7	135.1	128.0	135.7	131.5	132.3	102.1	93.9	110.8	123.2
February	118.0	143.5	129.2	138.7	133.4	131.9	103.9	94.9	114.0	125.0
March	118.0	147.5	127.3	140.1	132.9	133.0	103.7	95.0	112.8	124.1
April	117.2	148.5	124.8	137.1	133.3	132.4	101.9	94.4	111.0	122.8
May	116.6	166.7	123.6	148.1	130.9	131.6	101.3	94.1	110.3	122.5
June	115.7	170.6	123.9	151.1	128.8	130.2	101.5	93.7	109.3	122.1
July	114.6	167.4	123.4	153.8	127.0	129.2	100.4	92.8	107.7	121.2
August	111.6	164.9	122.0	142.9	127.2	126.2	96.7	89.0	103.7	120.3
September	110.4	132.3	118.2	118.1	126.1	124.6	96.7	88.6	104.5	120.0
October	108.9	125.4	121.2	119.9	123.6	122.7	95.9	87.7	102.8	120.0
November	110.3	126.8	122.3	122.9	126.2	124.4	96.3	87.9	104.5	121.6
December	110.9	127.6	121.0	124.2	129.1	124.3	96.8	88.6	104.7	122.0
AVERAGE	114.1	146.4	123.7	136.0	129.2	128.6	99.8	91.7	108.0	122.1
1971 - January	109.2	129.2	120.2	120.7	122.8	122.4	94.8	88.2	104.6	122.8
February	111.4	121.6	119.4	121.5	124.0	127.2	96.1	89.2	106.5	122.8
March	110.4	117.3	118.2	119.5	123.6	124.6	96.1	89.0	106.3	122.5
April	111.6	116.5	119.7	120.3	127.2	125.8	97.4	89.1	107.3	123.3
May	111.7	135.4	119.3	131.7	126.4	126.0	97.0	89.2	106.4	123.7
June	111.4	124.2	119.5	129.8	125.4	125.2	97.0	89.6	107.0	123.8
July	112.0	128.3	121.1	119.4	126.4	127.1	97.2	89.7	106.4	123.3
August	113.4	145.0	123.9	125.5	127.3	130.6	98.3	89.2	107.0	122.0
September	113.6	125.8	122.8	119.6	131.3	130.6	98.2	89.2	106.2	122.4
October	113.5	121.4	123.9	118.2	128.7	130.3	98.0	89.7	107.2	125.0
November	115.7	130.6	124.8	121.7	134.0	132.4	98.7	90.4	110.0	126.4
December	117.3	133.5	126.5	124.6	136.7	134.6	100.6	90.8	110.7	127.7
AVERAGE	112.6	127.4	121.6	122.7	127.8	128.1	97.4	89.4	107.1	123.8
1972 - January	118.8	136.3	127.4	128.4	140.2	136.8	100.8	91.9	111.2	126.8

(1) Excludes Newfoundland.

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