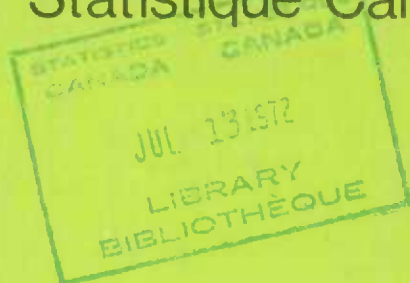




Statistics Canada Statistique Canada



Price: 10 cents, \$1.00 a year

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

MAY 1972

In May the index reached a level of 124.2 which is 1.4 percentage points higher than for the previous month. All provinces except Nova Scotia showed increases mainly as a result of higher cattle and hog prices. In Nova Scotia, while prices of most commodities held steady, lower egg prices caused the index to decline.

Index Numbers of Farm Prices of Agricultural Products(1)

(1961=100)

	Monthly index			Annual index		
	May(2) 1972	Apr.(2) 1972	May(3) 1971	1971(4)	1970(5)	1969
Prince Edward Island ..	137.2	135.2	135.0	130.1	146.4	122.4
Nova Scotia	126.9	128.2	119.2	121.7	123.7	122.6
New Brunswick	129.8	128.5	132.0	123.6	136.0	116.8
Quebec	150.0	149.5	131.3	134.1	129.3	131.1
Ontario	141.0	138.8	126.6	129.5	128.6	130.7
Manitoba	106.1	105.1	101.4	100.4	102.9	104.4
Saskatchewan	94.6	94.0	97.2	94.3	97.3	96.3
Alberta	119.5	117.1	110.3	109.7	110.7	112.5
British Columbia	131.4	131.7	123.6	123.7	122.1	124.7
Canada	124.2	122.8	115.5	115.7	116.1	116.9

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

Agriculture Division
Farm Income and Prices Section

July 1972
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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 July 31, 1971, Western grain prices used in the index are final prices for wheat and initial prices for oats and barley; from August 1, 1971 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	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	116.9	122.4	122.6	116.8	131.1	130.7	104.4	96.3	112.5	124.7
1970 - January	118.2	135.2	128.0	135.7	131.7	132.4	104.3	97.9	112.7	123.2
February	119.5	143.6	129.2	138.7	133.6	131.9	106.1	98.9	115.9	125.0
March	119.5	147.7	127.3	139.8	133.1	133.0	105.9	98.9	114.7	124.2
April	118.6	148.8	124.8	137.1	133.5	132.3	104.1	98.4	112.9	122.8
May	118.1	166.7	123.6	148.1	131.1	131.6	103.5	98.0	112.2	122.5
June	117.2	170.6	123.9	151.1	129.0	130.2	103.7	97.6	111.2	122.2
July	116.0	167.5	123.4	153.8	127.2	129.2	102.6	96.7	109.7	121.2
August	114.4	164.9	122.0	142.8	127.4	126.2	101.1	96.8	107.4	120.3
September	113.2	132.3	118.2	118.1	126.3	124.6	101.0	96.4	108.2	120.0
October	111.7	125.4	121.2	119.9	123.8	122.7	100.2	95.5	106.6	120.0
November	113.2	126.8	122.3	122.9	126.6	124.4	100.7	95.7	108.3	121.6
December	113.7	127.7	121.0	123.9	128.8	124.3	101.1	96.4	108.5	122.0
AVERAGE	116.1	146.4	123.7	136.0	129.3	128.6	102.9	97.3	110.7	122.1
1971 - January	113.7	136.0	121.3	123.4	127.8	124.3	100.2	96.5	109.0	122.7
February	116.2	128.9	120.6	123.4	130.7	129.5	101.6	97.5	110.9	122.6
March	115.3	120.4	119.5	120.5	130.8	126.6	102.4	97.6	110.8	122.5
April	115.1	116.8	119.6	120.3	130.6	126.4	101.7	97.0	111.1	123.4
May	115.5	135.0	119.2	132.0	131.3	126.6	101.4	97.2	110.3	123.6
June	115.4	123.7	119.3	130.0	130.9	126.5	101.4	97.5	110.9	123.7
July	116.4	129.5	121.0	119.5	131.8	129.9	101.6	97.6	110.3	123.1
August	114.9	145.8	123.6	126.5	134.7	131.9	98.1	89.4	107.2	122.0
September	115.1	127.0	122.7	120.3	139.3	131.9	98.1	89.3	106.5	122.3
October	115.9	123.0	123.8	117.8	138.2	133.4	98.6	89.9	107.8	125.0
November	117.3	140.6	124.6	124.1	140.7	133.3	99.3	90.8	110.7	126.2
December	117.9	134.6	125.4	125.2	142.2	134.1	100.2	90.9	110.9	127.8
AVERAGE	115.7	130.1	121.7	123.6	134.1	129.5	100.4	94.3	109.7	123.7
1972 - January	118.9	141.1	126.4	129.7	143.2	135.6	100.9	92.0	111.2	126.3
February	120.6	142.4	126.1	133.9	143.7	136.8	102.5	92.9	115.0	129.2
March	120.8	145.7	127.9	135.2	145.7	133.7	104.0	94.1	116.9	129.3
April	122.8	135.2	128.2	128.5	149.5	138.8	105.1	94.0	117.1	131.7
May	124.2	137.2	126.9	129.8	150.0	141.0	106.1	94.6	119.5	131.4

(1) Excludes Newfoundland.

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