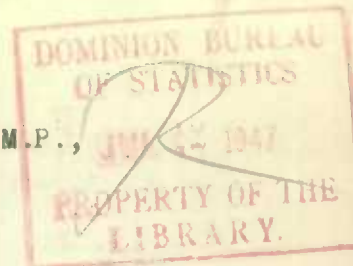


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Price Index Numbers of Commodities and Services Used by Farmers

April, 1947  
(1935-39=100)

The Dominion composite index number of prices of commodities and services used by farmers, including living costs, moved up 7.6 points to 148.5 between January and April, 1947. This figure was 9.9 points above that of April a year ago and 11.6 points above that of August, 1945. Increases were recorded for equipment and materials, for farm living costs, and for farm wage rates.

In April of this year, the farm wage-rate index was more than three times its pre-war level (see Table 3). But its rate of increase was considerably reduced during the past two years, as compared with the war years. The influence of the wage-rate increase upon the composite index where it has a weight of approximately ten per cent, is shown in Table 1. There has been a pronounced seasonal variation in the wage-rate index, although the record on a thrice-yearly basis covers only five years. On this short experience the April figure is usually twenty per cent higher than the preceding January, while the yearly peak in August is another five or ten per cent higher than April. These relationships need not continue to hold with exactitude, but the broad pattern of a strong seasonal movement in the wage-rate index is quite clear.

The four main series entering the Dominion composite index are shown below:

	Composite Index	Equipment and Materials	Tax and Interest Rates	Farm Wage Rates	Farm Family Living Costs
April, 1947 .....	148.5	138.5	109.9 <sup>x</sup>	322.2	136.1
January, 1947 .....	140.9	130.4	109.9 <sup>x</sup>	273.4	132.2
April, 1946 .....	138.6	128.3	109.9	299.1	126.1
August, 1945 .....	136.9	125.7	110.6	301.0	123.7
1939 .....	99.3	96.1	100.6	108.1	99.5

<sup>x</sup>Nominal

TABLE 1 - COMPOSITE PRICE INDEX NUMBERS OF COMMODITIES AND SERVICES USED BY FARMERS  
AND FARM FAMILY LIVING COSTS (1935-39=100)

	Composite Index <sup>1</sup>	Equipment, Taxes, Interest and Living Costs	Equipment and Living Costs	Composite Index Exclusive of Living Costs	Equipment, Taxes, Interest Exclusive of Living Costs
ALL CANADA					
1926 .....	125.9	122.7	120.7	129.3	123.8
1939 .....	99.3	98.1	97.4	99.1	97.2
1945 - April .....	135.2	122.4	124.5	143.4	122.1
August .....	136.9	122.7	124.9	145.7	122.1
1946 - January ...	134.1	123.0	125.4	140.4	121.9
April .....	138.6	124.6	127.4	146.9	123.6
August .....	141.6	126.5	129.5	149.0	123.9
1947 - January ...	140.9	128.1	131.1	146.7	125.5
April .....	148.5	133.3	137.5	156.8	131.5
EASTERN CANADA					
1926 .....	125.0	122.6	121.8	128.1	124.2
1939 .....	99.1	97.7	97.2	98.9	96.5
1945 - April .....	135.6	122.3	125.7	143.9	121.9
August .....	137.8	122.7	126.2	147.2	122.1
1946 - January ...	136.2	123.0	126.7	143.9	121.9
April .....	139.2	124.2	128.1	148.0	122.9
August .....	142.4	126.3	130.4	150.2	123.5
1947 - January ...	142.9	127.4	131.9	150.2	124.4
April .....	148.3	131.8	137.1	156.5	129.0
WESTERN CANADA					
1926 .....	127.4	122.8	119.0	131.0	123.3
1939 .....	99.6	98.7	97.8	99.6	98.1
1945 - April .....	134.9	122.7	122.8	142.6	122.2
August .....	135.5	122.8	122.9	143.3	122.1
1946 - January ...	130.9	123.0	123.5	135.1	121.9
April .....	137.6	125.2	126.4	145.3	124.6
August .....	140.5	126.9	128.1	147.2	124.6
1947 - January ...	137.9	129.3	130.0	141.4	127.0
April .....	148.9	135.7	138.2	157.3	135.2

<sup>1</sup> The composite index in column 1 consists of four separate indexes: equipment and materials, tax and interest rates, wage rates and farm family living costs. The other columns present partial combinations of these four basic series. The four series are shown separately in Tables 2, 3 and 4. They are explained in the appendix on page 6 and in greater detail in the August, 1944 issue of this bulletin.

TABLE 2 - PRICE INDEXES OF EQUIPMENT AND MATERIALS USED BY FARMERS (1935-39=100)

		Equipment & Materials Index	Imple- ments	Ferti- lizer	Seed	Feed	Gasoline, Oil, Grease	Building Materials	Hard- ware	Binder Twine
ALL CANADA										
1926	.....	120.6	97.3	129.0	127.8	137.6	130.0	114.0	103.7	184.5
1939	.....	96.1	103.9	107.2	80.2	80.1	97.6	108.1	101.6	93.8
1945	- April ...	125.5	113.1	108.0	138.8	129.2	119.9	174.8	119.8	126.4
	August ...	125.7	113.1	108.0	139.5	129.6	120.1	174.2	119.2	126.4
1946	- January ..	125.9	113.1	108.0	142.3	129.6	120.1	174.3	119.2	126.4
	April ...	128.3	119.3	108.0	144.4	130.0	121.9	175.3	120.4	126.4
	August ..	128.8	119.3	110.1	142.4	130.6	121.9	175.9	122.8	126.4
1947	- January ..	130.4	122.7	110.8	145.8	131.7	122.4	177.4	124.1	126.4
	April ...	138.5	122.7	110.8	163.8	144.9	126.4	178.9	128.0	226.2
EASTERN CANADA										
1926	.....	122.9	97.0	129.0	121.4	134.9	136.6	114.0	101.9	184.5
1939	.....	95.7	104.3	107.2	82.4	81.0	100.1	108.1	102.0	93.8
1945	- April ...	127.6	113.5	108.0	138.8	126.2	129.7	173.7	118.9	126.4
	August ..	128.0	113.5	108.0	139.5	126.3	129.7	174.2	118.9	126.4
1946	- January ..	128.1	113.5	108.0	141.8	125.8	129.7	174.4	118.9	126.4
	April ...	129.5	120.0	108.0	142.6	126.0	129.7	174.8	120.8	126.4
	August ..	130.2	120.0	110.1	141.8	126.8	129.7	175.7	123.2	126.4
1947	- January ..	131.8	123.4	110.8	145.2	128.4	130.3	177.4	124.5	126.4
	April ...	137.9	123.4	110.8	149.8	140.0	133.3	179.7	127.1	226.2
WESTERN CANADA										
1926	.....	117.0	97.8	129.0	137.5	141.6	122.6	114.0	106.3	184.5
1939	.....	96.7	103.3	107.2	76.9	78.7	93.9	108.1	101.0	93.8
1945	- April ...	122.4	112.4	108.0	138.8	133.7	105.2	176.5	121.2	126.4
	August ..	122.3	112.4	108.0	139.5	134.5	105.6	174.1	119.7	126.4
1946	- January ..	122.7	112.4	108.0	143.0	135.3	105.6	174.2	119.7	126.4
	April ...	126.6	118.2	108.0	147.1	135.9	110.2	176.0	119.8	126.4
	August ..	126.6	118.2	110.1	143.3	136.3	110.3	176.3	122.3	126.4
1947	- January ..	128.3	121.7	110.8	146.6	136.6	110.5	177.3	123.5	126.4
	April ...	139.3	121.7	110.8	184.9	152.3	116.1	177.8	129.4	226.2



TABLE 3 - INDEXES OF FARM TAX<sup>1</sup> AND INTEREST RATES AND FARM WAGE RATES (1935-39=100)

Farm Tax and Interest Rates				
	Taxes and Interest Combined	Property Taxes	Interest on Mortgages	Farm Wage Rates
ALL CANADA				
1926 .....	133.7	142.7	119.1	167.9
1939 .....	100.6	104.2	95.1	108.1
1945 - April .....	110.6	124.6	90.2	281.4
August .....				301.0
1946 - January .....	109.9	125.1	87.8	247.4
April .....				299.1
August .....				316.5
1947 - January .....	109.9 <sup>x</sup>	125.1 <sup>x</sup>	87.8 <sup>x</sup>	273.4
April .....				322.2
EASTERN CANADA				
1926 .....	128.4	133.9	116.5	144.1
1939 .....	99.2	101.1	95.0	108.5
1945 - April .....	103.0	108.8	90.5	263.1
August .....				289.4
1946 - January .....	100.5	106.7	87.1	263.2
April .....				289.3
August .....				303.3
1947 - January .....	100.5 <sup>x</sup>	106.7 <sup>x</sup>	87.1 <sup>x</sup>	295.6
April .....				313.2
WESTERN CANADA				
1926 .....	141.6	156.0	123.8	178.5
1939 .....	102.7	108.8	95.2	108.0
1945 - April .....	122.1	148.2	90.0	313.4
August .....				323.3
1946 - January .....	123.9	152.8	88.3	227.9
April .....				318.7
August .....				341.3
1947 - January .....	123.9 <sup>x</sup>	152.8 <sup>x</sup>	88.3 <sup>x</sup>	244.9
April .....				340.7

<sup>x</sup> Nominal. <sup>1</sup> Municipal property taxes only: see notes page 6.

### Explanatory Notes

The series in this bulletin are available back to 1922. From 1922 to 1939 they are on an annual basis; from 1940 to 1943, for April and August of each year, and from 1944 to date, for January, April and August of each year.

It should be clearly understood that these indexes reflect actual price changes only; they do not show variations in total farm costs resulting from changes in quantities of items purchased. The same quantities of each item are priced from period to period so that movements in the indexes are due entirely to changes in price. All prices, rates, etc., are without adjustment of any kind. For example farm implement prices used are those issued in company price lists with no adjustment for change in the quality of implements represented. The index, therefore, reflects the change in price for implements of standard type and of the same general specifications as to capacity and size.

The composite indexes do not represent all the expenses of farm operation. Omissions include repairs to machinery and other equipment, insurance, veterinary charges and stock medicine, blacksmithing, breeding fees, sacks and other containers, hired threshing, capital expenditure for live stock, automobiles, etc. These form about 40 p.c. of total expenses, but about two-thirds of their value represents capital expenditure.

The separate price series are combined after being weighted in accordance with their relative importance in the base years. In technical terms, the indexes are relatives of weighted arithmetic means, in which the time-base and the weight base are approximately equivalent.

The farm cost-of-living index was revised in 1938, when annual living expenditures were obtained for 1,692 families operating farms in all provinces. At that time, farmers reported spending about 40 p.c. of cash outlay for living expenses and the remaining 60 p.c. for operating costs. This 40-60 ratio is used in the preparation of the combined index of living costs and commodities and services. The complete weighting system is given in the August, 1944, issue of this bulletin.

Implements represented in the index include farm tractors in addition to the principal tilling and planting implements, binders, mowers and wagons. Prices used are those listed in regular implement catalogues. Detail on component items for building materials, gasoline, fertilizer, feed, binder twine, seed and hardware is given in the August, 1944 issue of this bulletin.

The tax-rate index refers to rural municipal property taxes. It is based upon a special sample of rural municipality records giving assessed land valuations and comparable total amounts of taxes levied.

The interest-rate index refers to interest on mortgages, and is obtained from crop correspondent returns, indicating the prevailing level of rates in farm communities. Farm wage rates are obtained from crop correspondent returns also.

TABLE 4 - GROUP INDEX NUMBERS OF CANADIAN FARM FAMILY LIVING COSTS (1935-39=100)

	Composite Index	Food	Clothing	Fuel	Household Equipment	Health Maintenance	Miscellaneous
ALL CANADA							
1926 .....	120.9	134.4	136.1	124.2	107.8	95.8	102.3
1939 .....	99.5	96.1	100.5	99.4	101.1	100.8	100.6
1945 - April .....	123.0	131.4	127.7	122.2	128.5	111.8	104.9
August .....	123.7	131.8	129.3	122.3	129.2	112.8	104.9
1946 - January .....	124.6	132.5	129.3	122.6	129.2	115.4	107.8
April .....	126.1	134.0	129.9	122.9	134.5	115.7	107.8
August .....	130.5	136.6	137.3	123.1	142.5	116.3	110.6
1947 - January .....	132.2	139.1	137.3	128.5	142.5	122.5	111.2
April .....	136.1	148.1	141.3	129.7	145.5	122.7	111.2
EASTERN CANADA							
1926 .....	120.2	136.1	134.8	119.5	108.0	95.8	102.3
1939 .....	99.5	96.4	100.2	98.9	101.0	100.8	100.6
1945 - April .....	122.8	134.0	127.7	118.4	125.3	111.8	105.1
August .....	123.6	134.6	129.3	118.4	126.1	112.8	105.1
1946 - January .....	124.6	135.6	129.3	118.9	126.1	115.4	107.9
April .....	126.1	137.0	130.4	118.9	131.1	115.7	107.9
August .....	130.6	140.1	138.5	118.9	137.6	116.3	110.8
1947 - January .....	131.9	142.3	138.5	119.2	137.6	122.5	111.4
April .....	135.9	151.1	142.7	120.2	141.8	122.7	111.4
WESTERN CANADA							
1926 .....	121.9	131.9	138.1	131.2	107.4	95.8	102.4
1939 .....	99.5	95.7	101.1	100.2	101.2	100.9	100.5
1945 - April .....	123.4	127.6	127.8	128.0	133.2	111.8	104.7
August .....	123.9	127.6	129.3	128.2	133.8	112.8	104.7
1946 - January .....	124.7	127.8	129.3	128.2	133.8	115.5	107.6
April .....	126.1	129.4	129.2	129.0	139.7	115.7	107.6
August .....	130.3	131.4	135.4	129.3	149.9	116.4	110.3
1947 - January .....	132.6	134.2	135.4	142.5	149.9	122.6	110.8
April .....	136.4	143.7	139.2	143.9	151.1	122.7	110.8



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