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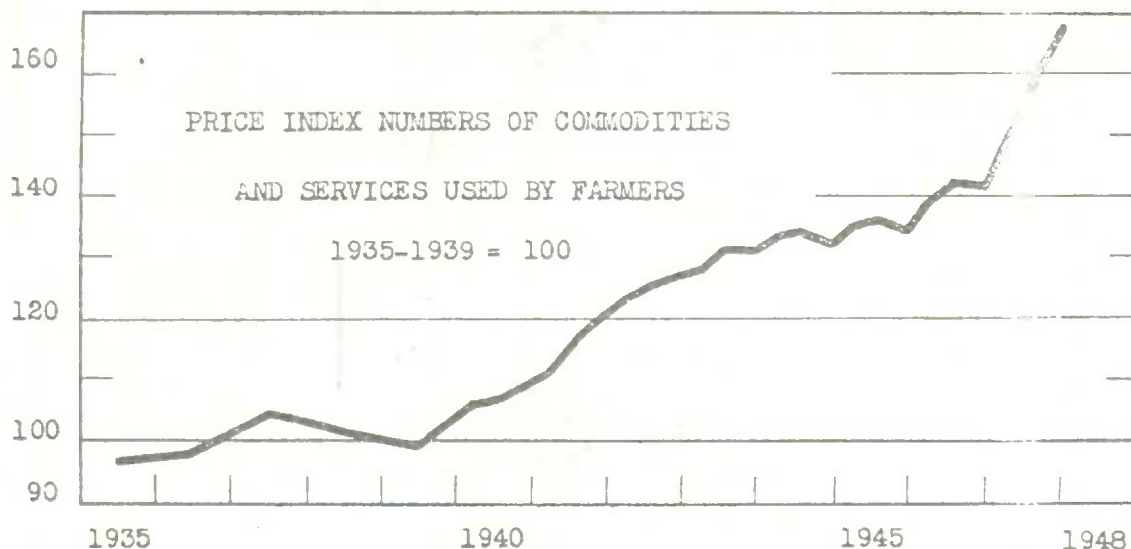
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PRICE INDEX NUMBERS OF COMMODITIES AND SERVICES USED BY FARMERS  
(1935-39=100)  
January, 1948

The Dominion composite index of commodities and services used by farmers, inclusive of living costs, rose to 168.5 in January, 1948, an increase of 26.7 points from January, 1947. An August - January advance of 10.4 points was recorded by this series. The seasonal decline in farm wage rates which usually is responsible for a small recession in the January composite index was substantially outweighed in this period by commodity price increases.

Equipment and materials prices rose 21.6 points between August and January, with point increases ranging from 5.5 for hardware to 52.1 and 64.7 for feed and seed. Farm family living costs for all Canada were up 8.7 points with foods showing the largest group increase.



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
January, 1948 .....	168.5	167.5	116.4 x	303.1	155.2
August, 1947 .....	158.1 r	145.9 r	116.4 x	343.5	146.5
April, 1947 .....	149.4 r	138.5	116.4 x	322.2	136.1
January, 1947 .....	141.8 r	130.4	116.4 x	273.4	132.2
1939 .....	99.3	96.1	100.6	108.1	99.5

x Preliminary

r- Revised

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	97.5	99.1	97.2
1946	- January .	134.6 r	123.5 r	125.4	141.3 r	122.8 r
	April ...	139.1 r	125.2 r	127.4	147.8 r	124.5 r
	August ..	142.2 r	127.1 r	129.4	149.9 r	124.9 r
1947	- January .	141.8 r	129.1 r	131.1	148.1 r	127.1 r
	April ...	149.4 r	134.3 r	137.5	158.3 r	133.1 r
	August ..	158.1 r	141.8 r	146.1	165.8 r	138.7 r
1948	- January .	168.5	155.1	162.6	177.3 - 167.6	155.0
	April				176.2	
EASTERN CANADA						
1926	.....	125.0	122.6	121.8	128.1	124.2
1939	.....	99.1	97.7	97.2	98.9	96.5
1946	- January .	136.0 r	122.8 r	126.7	143.5	121.6 r
	April ...	139.0	124.0 r	128.1	147.7 r	122.6 r
	August ..	142.2	126.1	130.3	149.9	123.1
1947	- January .	143.7 r	128.3 r	131.9	151.5 r	125.9 r
	April ...	149.1 r	132.7 r	137.1	157.9 r	130.5 r
	August ..	158.3 r	140.6 r	146.3 r	166.3 r	136.9 r
1948	- January .	172.7	156.7	166.4	184.6	158.0
WESTERN CANADA						
1926	.....	127.4	122.8	119.0	131.0	123.3
1939	.....	99.6	98.7	97.8	99.6	98.1
1946	- January .	132.6 r	124.7 r	123.5	137.8 r	124.7 r
	April ...	139.3 r	127.0 r	126.3	148.1 r	127.5 r
	August ..	142.1 r	128.6 r	128.0	150.0 r	127.5 r
1947	- January .	138.9 r	130.3 r	130.0	143.1 r	128.8 r
	April ...	149.9 r	136.8 r	138.1	159.0 r	137.0 r
	August ..	157.7 r	143.6 r	145.9	165.0 r	141.4 r
1948	- January .	162.1	152.6	156.9	166.4	150.6

<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. Revisions in these series are due to annual revisions of tax rate index numbers which are based on actual tax figures for 1946 and on estimates for 1947. 1947 and 1948 index numbers are subject to further revision in January, 1949.

TABLE 2 - PRICE INDICES 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	131.0	114.0	103.7	184.5
1939 .....	95.1	103.9	107.2	80.2	80.1	97.6	108.1	101.6	93.8
1946 - January ....	125.9	113.1	108.0	142.3	129.6	120.1	174.3	119.2	126.4
April .....	128.2	119.3	108.0	144.4	130.0	121.9	175.3	120.4	126.4
August .....	128.6	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
August .....	145.9 r	122.7	125.2	187.0 r	148.8	127.7	202.9	136.8	226.2
1948 - January ....	167.5	122.7	133.9	251.7	200.9	138.8	216.4	142.3	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
1946 - January ....	128.1	113.5	108.0	141.8	125.8	129.7	174.4	118.9	126.4
April .....	129.4	120.0	108.0	142.6	126.0	129.7	174.8	120.8	126.4
August .....	130.1	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
August .....	146.3 r	123.4	125.2	178.9 r	143.8	134.7	197.8	136.3	226.2
1948 - January ....	174.1	123.4	133.9	250.5	204.1	146.9	210.3	141.6	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
1946 - January ....	122.7	112.4	108.0	143.0	135.3	105.6	174.2	119.7	126.4
April .....	126.4	118.2	108.0	147.1	135.9	110.2	176.0	119.8	126.4
August .....	126.4	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
August .....	145.3	121.7	125.2	199.2	156.4	117.2	210.5	137.5	226.2
1948 - January ....	157.7	121.7	133.9	253.6	196.2	126.6	225.6	143.3	226.2

r - Revised.

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

		Farm Tax and Interest Rates			Farm Wage Rates
		Taxes and Interest Combined	Property Taxes	Interest on Mortgages	
ALL CANADA					
1926	.....	133.7	142.7	119.1	167.9
1939	.....	100.6	104.2	95.1	108.1
1945 - August	.....	110.6	124.6	90.2	301.0
1946 - January	.....	112.9	130.6	87.8	247.4
	April				299.1
	August				316.5
1947 - January	.....	116.4 x	135.2 x	88.4	273.4
	April				322.2
	August				343.5
1948 - January	.....	116.4 x	135.2 x	88.4 x	303.1
EASTERN CANADA					
1926	.....	128.4	133.9	116.5	144.1
1939	.....	99.2	101.1	95.0	108.5
1945 - August	.....	103.0	108.8	90.5	289.4
1946 - January	.....	100.7	107.0	87.1	263.2
	April				289.3
	August				303.3
1947 - January	.....	106.8 x	114.8 x	89.3	295.6
	April				313.2
	August				334.1
1948 - January	.....	106.8 x	114.8 x	89.3 x	325.4
WESTERN CANADA					
1926	.....	141.6	156.0	123.8	178.5
1939	.....	102.7	108.8	95.2	108.0
1945 - August	.....	122.1	148.2	90.0	323.3
1946 - January	.....	131.1	165.9	88.3	227.9
	April				318.7
	August				341.3
1947 - January	.....	130.8 x	165.8 x	87.8	244.9
	April				340.7
	August				363.1
1948 - January	.....	130.8 x	165.8 x	87.8 x	274.9

x Preliminary.

<sup>1</sup> Municipal property taxes only. 1947 and 1948 indexes are preliminary figures based on 1947 tax estimates.



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

	Composite Index	Food	Clothing	Fuel	Household Equipment	Health Maintenance	Miscel- laneous
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
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
August .....	146.5	154.8	161.5	139.0	162.8	122.7	111.5
1948 - January .....	155.2	182.0	161.5 n	147.5	152.8 n	134.5	113.6
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
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
August .....	146.3	158.0	164.0	126.1	157.6	122.7	111.7
1948 - January .....	154.9	185.3	164.0 n	137.4	157.6 n	134.5	113.6
WESTERN CANADA							
1926 .....	121.9	131.9	138.1	131.2	107.4	95.8	102.4
1939 .....	99.5	96.2	101.1	100.2	101.2	100.2	100.5
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	110.4
1947 - January .....	132.6	134.2	135.4	142.5	149.9	122.6	110.9
April .....	136.4	143.7	139.2	143.9	151.1	122.7	110.9
August .....	146.8	150.1	157.8	155.3	170.6	122.7	111.1
1948 - January .....	155.7	177.1	157.8 n	162.7	170.6 n	134.4	113.2

n - Nominal.

### 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 per cent 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 per cent of cash outlay for living expenses and the remaining 60 per cent 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.

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