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D.B.S. MEMORANDUM

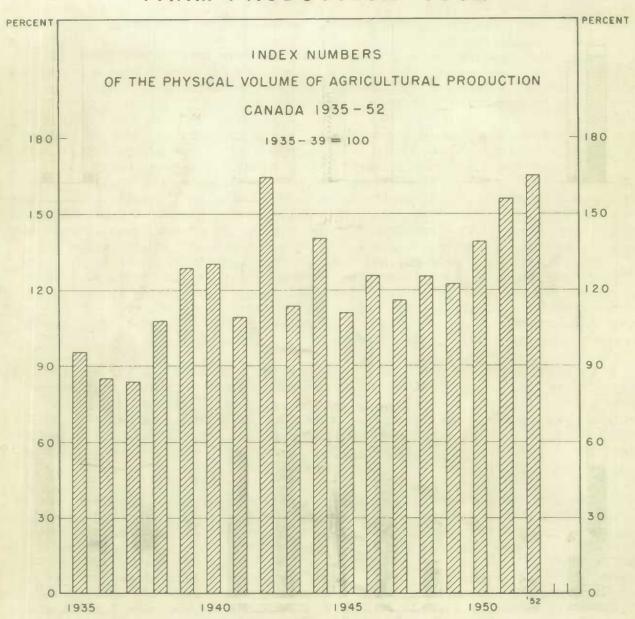
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INDEX OF FARM PRODUCTION 1952



Prepared in Research Section, AGRICULTURE DIVISION

INDEX NUMBERS OF PHYSICAL VOLUME OF AGRICULTURAL PRODUCTION 1/

The index of physical volume of agricultural production in Canada established a new high in 1952 when it reached 165.0 (1935-39 = 100), fractionally above the previous record of 164.2 established in 1942. The figure for 1952 compares with the revised estimate of 155.8 for 1951 and 139.0 for 1950.

As in the case of 1942, bumper crops of grain in the Prairie Provinces in 1952 were largely responsible for pushing the index to a new high level. Weather conditions in Western Canada were excellent during the growing and harvesting season with the result that prairie farmers were able to produce record crops of high quality. Canada's 1952 wheat crop estimated at 688 million bushels, exceeded by 121 million bushels the previous record of 567 million bushels set in 1928. The barley crop also set a new record when it reached 291 million bushels, 32 million above the previous record crop harvested in 1942. Increased production was also recorded for potatoes, sugar beets, maple and dairy products. On the other hand some decrease in output was registered for live stock, fruits, vegetables, tobacco and poultry.

The index of farm production was up in the four western provinces and Prince Edward Island and down in the others. The increases ranged from 2 per cent in British Columbia to 22.1 per cent in Saskatchewan. The declines ranged from 2.9 per cent in New Brunswick to 12.4 per cent in Quebec.

In constructing the index, no consideration is normally given to changes occurring in the quality of production from year to year; it is generally assumed that the influence of this factor is negligible. However, when extremely low quality is associated with an item as important to the index as the western grain crop, it is felt that its effect on the index merited some consideration. Consequently, for the year 1950, when frost and wet weather reduced quality significantly, and for 1951 when adverse weather conditions again provide low grades, some attempt has been made to measure the extent to which quality considerations would reduce the index. Although available data did not permit a thorough study, there is evidence to indicate that these considerations would reduce the index for Canada in 1950 by about 3 points. Provincially the reductions would be nil for Manitoba, nearly 13 points for Saskatchewan, and about 2 points for Alberta. For 1951 the downward adjustments would be of the order of 3.5 points for Canada, 2 for Manitoba, 8.5 for Saskatchewan, and about 8.5 for Alberta.

In construction of the index, provision was made to avoid the double-counting of farm production. Within a province, such double-counting could occur when feed grains, credited to field crop production, are fed to live stock and appear later as live stock and live-stock products. Interprovincially, this duplication could occur when feed grains produced in one province are fed in another and when feeder cattle raised in one section of the country are shipped to another for finishing.

The base period used was the five-year period 1935 to 1939. This base was chosen in order that the index of physical volume of agricultural production would be directly comparable with the other Bureau indexes which are constructed on the same base. The formula used was the fixed base weighted aggregative. The commodities included in the index are the major items of agricultural production which are sold through commercial channels (ex. interfarm transfers) and / or consumed in farm homes. Omitted for the most part, are commodities which are used almost entirely as feed for livestock and those relatively insignificant products for which there is little reliable information regarding production and prices.

INDEX NUMBERS OF PHYSICAL VOLUME OF AGRICULTURAL PRODUCTION - CANADA 1/ BY PROVINCES 1935-1952
(1935-39 = 100)

| | P.E.I. | N. S. | N. B. | Que. | Ont. | Man. | Sask. | Alta. | B. C. | CANADA |
|------------------------|--------|-------|-------|----------|----------|-------|-------|-------|-------|---------|
| 935 | 90.5 | 99.2 | 93.7 | 93.6 | 98.7 | 77.2 | 106.9 | 87.3 | 91.2 | 95.2 |
| 936 | 102.2 | 98.2 | 105.1 | 99.3 | 90.2 | 66.8 | 83.9 | 71.0 | 94.8 | 85.1 |
| 937 | 99.6 | 104.4 | 105.5 | 97.6 | 102.1 | 115.0 | 31.1 | 81.1 | 101.1 | 83.7 |
| 938 | 102.1 | 100.5 | 94.5 | 97.6 | 101.1 | 113.8 | 103.1 | 129.1 | 102.5 | 107.4 |
| 939 | 105.6 | 97.7 | 101.1 | 111.9 | 108.0 | 127.2 | 175.0 | 131.5 | 110.4 | 128.7 |
| .940 | 103.9 | 90.2 | 108.2 | 111.8 | 103.8 | 134.9 | 165.2 | 151.9 | 115.5 | 130.1 |
| .941 | 90.6 | 91.3 | 101.9 | 108.2 2/ | 107.9 2/ | 133.9 | 110.1 | 100,9 | 113.4 | 109.1 2 |
| 1942 | 121.9 | 88.5 | 104.0 | 121.7 | 125.0 | 174.2 | 247.8 | 184.2 | 99.9 | 164.2 |
| 1943 | 102.7 | 89.6 | 133.2 | 112.3 | 89.4 | 152.2 | 138.1 | 104.6 | 114.7 | 113.7 |
| 1944 | 119.2 | 107.3 | 136.8 | 131.1 | 114.0 | 145.1 | 196.4 | 125.1 | 140.0 | 140.4 |
| 1945 | 121.3 | 80.7 | 106.7 | 100.7 | 107.6 | 116.8 | 129.3 | 97.6 | 131.1 | 110.9 |
| 1946 | 123.6 | 100.3 | 119.6 | 112.2 | 117.6 | 139-1 | 138.7 | 122.7 | 151.9 | 125.6 |
| 1947 | 128.9 | 86.7 | 119.0 | 102.6 | 107.7 | 122.1 | 128.2 | 115.8 | 146.8 | 116.0 |
| 1948 | 133.3 | 91.8 | 124.3 | 121.6 | 119.0 | 143.8 | 131.8 | 118.5 | 143.7 | 125.1 |
| 1949 | 158.8 | 105.1 | 145.8 | 126.4 | 124.9 | 125.7 | 128.1 | 98.1 | 148.7 | 122.3 |
| 1950 2/ | 147.7 | 105.7 | 137.4 | 133.4 | 131.0 | 139.0 | 169.9 | 123.8 | 134.0 | 139.0 |
| | 119.9 | 88.5 | 108.4 | 137.8 | 131.6 | 145.4 | 217.3 | 160.9 | 127.3 | 155.8 |
| 1951 <u>2/</u> 1952 | 135.5 | 80.2 | 105.3 | 120.7 | 119.2 | 162.4 | 265.3 | 176.9 | 129.9 | 165.0 |

^{1/} Excludes Newfoundland. 2/ Revised. 3/ See opposite page, paragraph 4.

