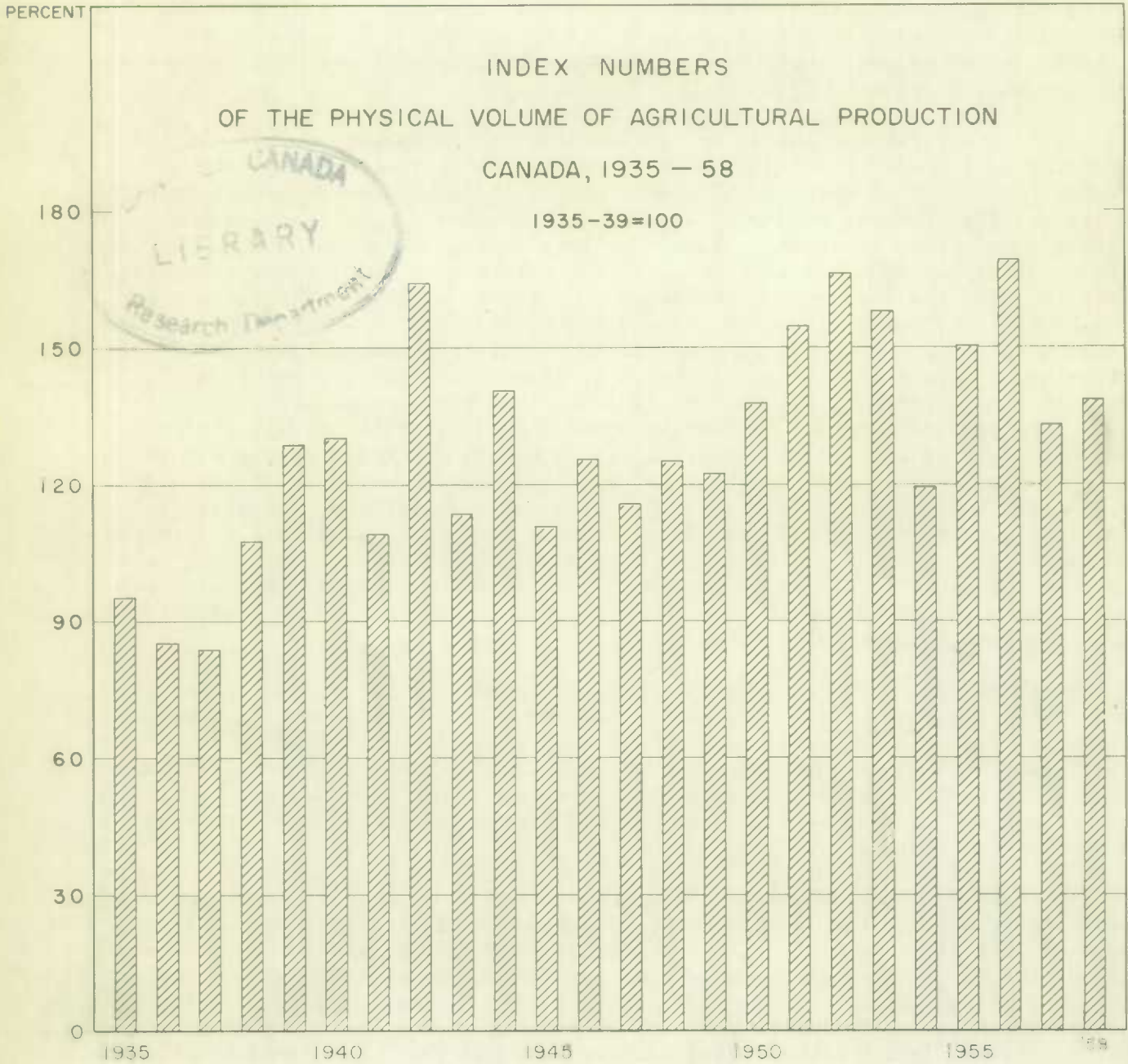




P. 3

JUN 8 1959

INDEX OF FARM PRODUCTION 1958



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Prepared in Farm Finance Section, AGRICULTURE DIVISION

INDEX NUMBERS OF PHYSICAL VOLUME OF AGRICULTURAL PRODUCTION 1/

Canada's index of physical volume of agricultural production is estimated at 139.4 (1935-39 = 100) for 1958, 4.3 per cent above the revised estimate of 133.6 for 1957, but 17.8 per cent below the all-time high of 169.5 established in 1956. Most of the commodities considered in the index, particularly livestock, contributed to the increase between 1957 & 1958. The substantial reduction in the index for 1957 & 1958 relative to 1956 is attributable almost entirely to a significantly smaller production of grain in western Canada during the past two years.

Provincially, gains in agricultural production were recorded for all provinces except the Maritimes & Saskatchewan. The increases in output ranged from just under 2 per cent in British Columbia to approximately 15 per cent in Manitoba; a reduction in output of between 6 and 7 per cent occurred in each of the remaining provinces.

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 wheat crop, it is felt that its effect on the index merits some consideration. Consequently, when adverse weather conditions in 1950, wet weather and frost in 1951, and the worst rust epidemic on record plus unfavourable weather conditions in 1954 significantly reduced the quality of the wheat crop in those years, some attempt was 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. For 1954 the downward adjustments would be approximately 3 points for Canada, about 3 points for Manitoba, 8.5 points for Saskatchewan, and nearly 5 points for Alberta. It should be emphasized that these adjustments have not been made to the published indexes; they are merely presented here as a guide to those who wish to make adjustments for the quality factor.

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 livestock and appear later as livestock and livestock 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.

1/ Excludes Newfoundliand.

INDEX NUMBERS OF PHYSICAL VOLUME OF AGRICULTURAL PRODUCTION - CANADA 1/ BY PROVINCES 1940-1958

(1935-39 = 100)

	P. E. I.	N. S.	N. B.	Que.	Ont.	Man.	Sask.	Alta.	B. C.	CANADA
1940	103.9	90.2	108.2	111.8	103.8	134.9	165.2	151.9	115.5	130.1
1941	90.6	91.3	101.9	108.2	107.9	133.9	110.1	100.9	113.4	109.1
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	146.4	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	148.2	105.2	140.2	136.3	128.1	137.8	168.3	121.8	134.2	137.8 <u>2/</u>
1951	119.5	87.7	110.4	139.0	128.6	146.4	218.1	157.1	126.9	154.7 <u>2/</u>
1952	142.3	80.6	109.4	124.7	119.6	164.6	267.4	174.8	133.3	166.2
1953	142.8	80.6	121.6	132.9	129.5	131.3	237.5	158.6	136.3	157.9
1954	150.3	88.7	114.1	129.8	129.1	102.1	108.8	119.4	131.4	119.7 <u>2/</u>
1955	150.0	93.3	135.9	143.8	129.6	127.3	210.8	141.2	131.2	150.4
1956	139.6	94.5	127.5	138.4	137.5	171.5	251.4	168.7	127.8	169.5
1957	161.8	93.7	126.7	134.0	141.5	125.3	140.7	118.2	145.9	133.6
1958	150.8	87.8	118.0	139.2	157.2	144.7	131.7	124.4	148.2	139.4

1/ Excludes Newfoundland.

2/ See opposite page, paragraph 3.

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