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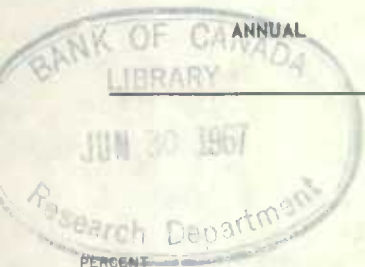
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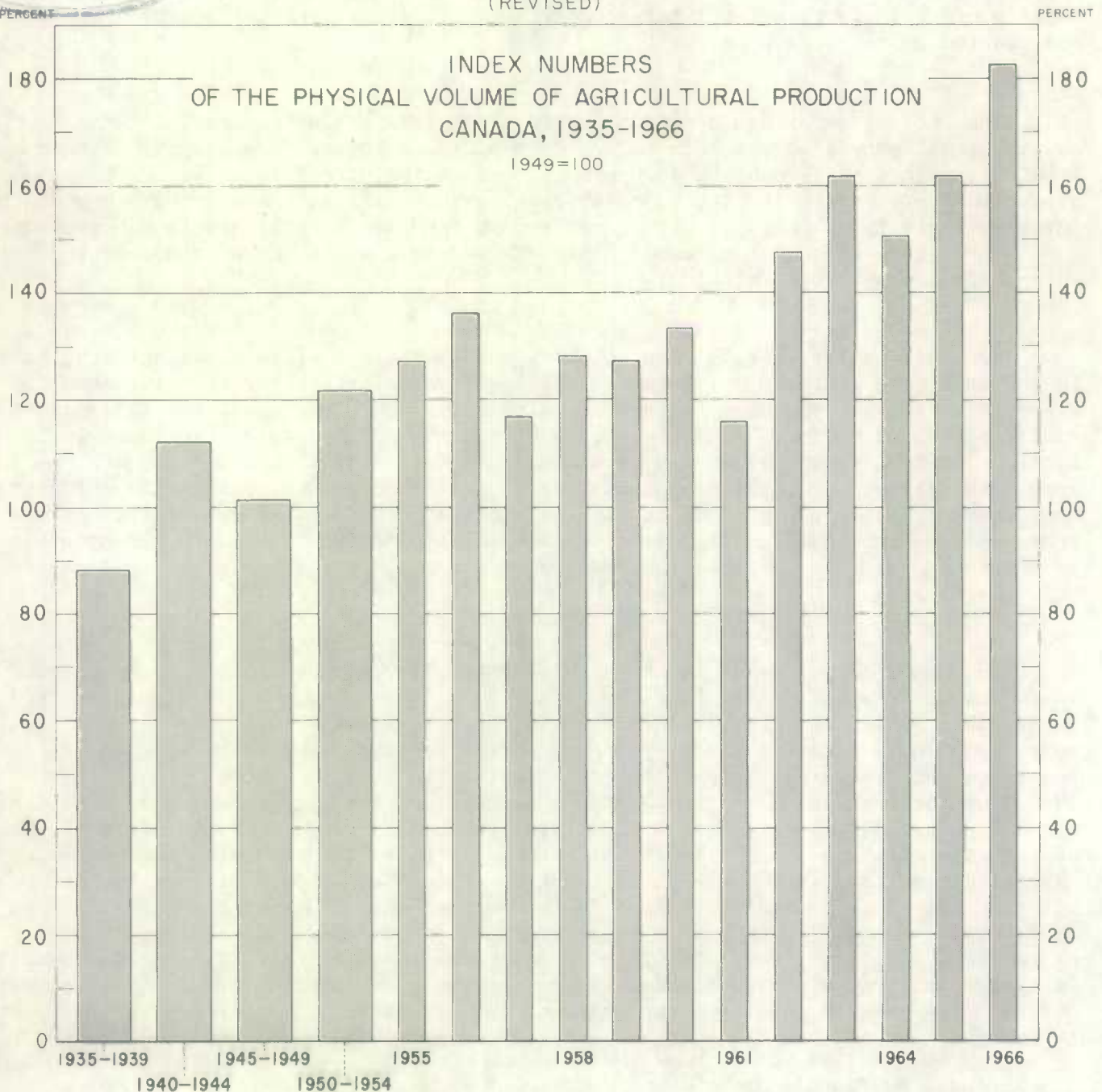
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INDEX OF FARM PRODUCTION, 1966

(REVISED)



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INDEX NUMBERS OF PHYSICAL VOLUME OF AGRICULTURAL PRODUCTION, 1966(1)

(Revised)

(1949 = 100)

During the year 1966 the Index of Farm Production was revised for the years 1935 to date and converted from a weight base of 1947-51 = 100 to 1949 = 100. These revisions involved the introduction of the quantity data recently used to revise estimates of farm cash receipts from the sale of farm products, farm income in kind, and value of changes in year-end inventories of field crops and livestock. The new weight base of 1949 = 100 now coincides with the time base; this change was made in order to further facilitate comparison with other Bureau production indices constructed on the same base.

The index is an index of unduplicated gross farm production and, in its construction, provision was made to avoid double-counting of farm output. Within a province, such double-counting occurs when feed grains, credited to field crop production, are fed to livestock and appear later as livestock and livestock products. Interprovincially, this duplication occurs 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.

To avoid intraprovincial duplication, the quantities of farm products included in the index are limited to (1) those sold by farmers (except direct inter-farm sales), (2) amounts consumed in farm homes on farms where produced, and (3) amounts equal to changes in farm-held inventories of grains and livestock. Interprovincial duplication is largely eliminated by making adjustments for those cases where provincial agricultural production depends in part upon feed grains and feeder cattle from other provinces. This duplication is eliminated before the calculation of the index numbers by deducting from total provincial production, valued in terms of base year prices, the value of the contribution of the other provinces, also in terms of base year prices.

In making these revisions, the revised quantity data were used to reconstruct the index for the period 1947 to date on the base 1949 = 100, using as weights the farm prices of agricultural products for the year 1949. The index numbers for the years 1935 to 1946 were linked to the new series for 1947 to 1966 by applying to the index numbers for each of these early years a ratio of the index numbers for 1947 from the revised series to the index numbers for 1947 from the previous series. For the years 1947 to date, the agricultural products included in the index are, in so far as statistics are available, all commodities produced on farms for all sales (except direct inter-farm sales), consumption in farm homes or additions to farm inventories. This commodity content is in contrast with that for the years 1935 to 1946 which, when the index numbers were originally developed, was limited to the major items of production. The use of only the major items of agricultural production in these early years provided a fairly accurate measure of gross agricultural output, but with the need to develop a net index of farm production it has been necessary to increase coverage as close to 100 per cent as possible.

(1) Excludes Newfoundland.

As in the case of the earlier series, the Laspeyre's formula was used in the preparation of the revised index of farm production. The resultant index expresses the current gross output of agricultural products as a percentage of the gross output in the base period. The formula is as follows:

$$I_1 = \frac{\sum Q_1 P_0}{\sum Q_0 P_0} \times 100$$

where I_1 = index for year 1

Q_0 = average annual production during weight base period

P_0 = weighted average annual price during weight base period

Q_1 = production during year 1

\sum = summation over all items

In 1966 the index of physical volume of agricultural production for Canada reached a new high level of 182.8. This is 12.8 per cent above the previous record of 162.0 which occurred in both 1963 and 1965. A large part of the increase in total production between 1965 and 1966 can be attributed to the record-breaking wheat crop produced in 1966. Production of potatoes, livestock and poultry meat was also higher in 1966, but the contribution of these products to total output was well below that for wheat. Practically no change occurred in the output of vegetables and dairy products, but the production of eggs was down.

Increased agricultural production between 1965 and 1966 occurred in all provinces except Manitoba. The Manitoba index at 163.2 was slightly below the peak level of 164.1 achieved in 1965 largely as a result of a decline in the production of oats and flaxseed.

The increases in farm production which took place at the provincial level ranged from 4.3 per cent in Quebec to 31.1 per cent in Saskatchewan. The increase in Quebec is largely attributable to higher production of livestock, poultry meat, dairy and maple products. Production in Nova Scotia rose by nearly 5 per cent; for the most part this was due to increased output of potatoes, hogs and poultry products. Farmers in Prince Edward Island and New Brunswick increased their production by about 9 per cent. Potatoes and hogs accounted for most of the gain on the Island while potatoes and poultry meat were the most important contributors in New Brunswick.

In Ontario, gains in the production of potatoes, tobacco, livestock and poultry products contributed most to the 5 per cent increase in agricultural output in that province in 1966. The greatest percentage gains in farm production took place in Alberta and Saskatchewan where increases of 14.6 per cent and 31.1 per cent respectively were recorded. In each case, these gains reflect record-breaking crop production, particularly wheat; to a lesser extent, increased production of livestock also contributed to the over-all gain in the index for these two provinces. In British Columbia, the increase in total production amounted to 10 per cent. This was attributable to a substantial increase in fruit production and modest gains in the output of potatoes, livestock, poultry and dairy products.

Index Numbers of Physical Volume of Agricultural Production by Province 1935-66

(1949=100)

	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada (1)
1935	59.5	129.8	73.9	94.8	88.5	57.4	88.6	89.2	60.4	84.4
1936	67.1	128.5	82.8	99.8	79.5	57.1	64.8	70.9	63.0	74.4
1937	65.4	136.3	83.1	103.2	91.5	92.8	26.0	83.7	66.8	75.1
1938	67.0	131.2	74.6	97.1	92.0	89.9	84.6	131.7	68.8	95.5
1939	69.3	127.7	79.7	107.8	96.1	101.6	140.8	132.6	72.8	112.6
1940	68.7	120.9	88.6	111.3	90.6	106.2	131.1	153.7	76.5	113.4
1941	62.4	108.5	76.0	94.7	89.3	101.8	86.2	102.9	64.3	90.9
1942	80.6	128.4	88.2	111.9	104.9	137.7	202.2	189.8	74.5	143.3
1943	68.5	120.5	104.5	105.4	79.5	114.6	102.0	98.8	73.6	95.2
1944	78.5	140.3	106.4	115.6	97.7	111.3	152.7	127.9	89.5	118.9
1945	77.8	100.5	82.5	90.7	87.6	90.2	100.3	98.2	82.5	92.6
1946	75.9	122.7	91.6	95.4	95.8	110.9	118.4	127.3	96.3	107.7
1947	80.7	103.0	90.4	97.3	90.6	102.4	101.6	123.6	92.8	100.6
1948	83.8	103.7	94.1	102.3	95.7	114.5	106.6	121.8	91.3	104.9
1949	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1950	91.6	103.4	95.6	108.0	99.3	111.8	129.3	115.5	90.9	110.4
1951	76.7	93.8	79.8	107.0	103.1	114.9	155.7	149.9	93.3	122.3
1952	96.6	106.1	85.9	113.6	105.5	130.3	204.9	167.2	105.2	140.0
1953	98.7	106.2	91.6	108.1	105.4	110.1	176.0	160.1	111.8	130.2
1954	96.1	115.9	84.5	109.5	105.6	92.1	90.1	122.3	112.4	104.0
1955	96.2	114.1	90.6	117.9	107.4	103.8	164.8	147.8	109.7	127.1
1956	94.7	112.6	91.8	116.9	108.8	131.2	182.2	163.5	113.1	136.5
1957	99.8	110.9	88.5	117.9	115.4	103.6	118.8	130.7	116.7	117.0
1958	98.7	109.4	85.7	123.8	128.0	127.0	124.2	150.4	120.2	128.2
1959	90.5	111.4	80.0	123.8	121.7	120.0	128.3	154.9	126.6	127.3
1960	89.2	112.3	84.7	124.1	122.8	123.0	160.0	146.3	130.7	133.7
1961	93.0	118.9	87.1	133.3	134.1	83.6	73.9	144.9	139.2	116.1
1962	94.0	124.2	89.3	142.4	139.5	146.3	165.3	157.4	148.0	147.6
1963	94.4	126.4	86.7	142.7	140.5	127.4	221.6	182.0	149.3	162.0
1964	103.9	125.1	92.1	143.2	146.8	155.6	149.1	174.7	163.9	150.9
1965	97.0	125.8	90.5	147.8	148.4	164.1	183.7	187.9	156.9	162.0
1966	105.9	131.9	98.4	154.2	156.0	163.2	240.8	215.3	173.1	182.8

(1) Excludes Newfoundland.

