

CATALOGUE No.

32-204

ANNUAL



BREAKFAST CEREAL MANUFACTURERS

1960

Formerly The Prepared Breakfast Foods Industry

ANNUAL CENSUS
OF MANUFACTURES



Published by Authority of
The Honourable George Hees, Minister of Trade and Commerce

DOMINION BUREAU OF STATISTICS
Industry and Merchandising Division

February, 1962
6522-511

Price 25 cents

SYMBOLS

The interpretation of the symbols used in the tables throughout this publication is as follows:

- .. figures not available.
- ... figures not appropriate or not applicable.
- nil or zero.

EXPLANATORY NOTES

This report is one in a series of about 140 publications which present the results of the 1960 Census of Manufactures. Most reports in this series refer to specific industries, but there are summary reports for Canada and the provinces and for major industry groups. Adoption of the revised Standard Industrial Classification for 1960 compilations has necessitated changes in titles of many reports in this annual series. The content of many industries has also been affected (see following note on Industrial Classification).

Industry statistics given in these reports refer to number of establishments, employees, salaries and wages, cost of materials, supplies, fuel and electricity, gross value of shipments, inventories and value added by manufacturing. Details of materials used and products shipped are also given. Descriptions of the principal industry statistics, with special reference to 1960 are as follows:

Period Covered

Firms are asked to submit figures for the calendar year, if at all possible, and most reports are on this basis. Financial year reports for periods differing from the calendar year are accepted in instances where the firms find it impossible to supply calendar year data from accounting records. However the data on employees, salaries and wages are requested on a calendar year basis in all cases.

Establishment

Data for the annual census is collected on an establishment basis. A firm with more than one plant is required to file a report for each plant. In most cases an establishment is a complete factory; sometimes, however, a plant is divided into two or more establishments when it carries out operations classifiable to different industries and when separate accounting records are available. Usually the statistics for an establishment relate only to the manufacturing activities. Other activities such as construction at the plant by its own employees, wholesale or retail activities carried on at the plant location, etc., are not included. Plants engaged solely in repair work (except in the case of furniture, shipbuilding, boat building, aircraft and railway rolling stock industries) are not included but plants occupied in assembling parts into complete units are included.

Employees

Administrative and office employees include all executives and supervisory officials such as presidents, vice-presidents, secretaries, treasurers, etc., together with managers, professional and technical employees, superintendents and factory supervisors above the working foremen level, and clerical employees. Working owners and partners are also included in this category.

Production and related workers include all other factory workmen whether paid on a monthly, weekly, hourly or piece-work basis. Working foremen doing work similar to that of the employees they supervise are included, as are maintenance, ware-

housing and delivery staffs. Employees on new construction work, in retail or wholesale operations, on outside piece work etc. are not included.

Production workers are reported by months, an average for the year being obtained by summing the monthly figures and dividing by twelve. This procedure is followed even though the plant did not operate in all months. Figures on employment refer to calendar years whether or not some establishments reported other data on a financial year basis.

Salaries and Wages

Salaries and wages refer to gross earnings of the employees described above, including salaries, wages, commissions, bonuses, the value of room and board where provided, deductions for income tax and social services such as sickness and unemployment insurance, pensions, etc., as well as any other allowances forming part of the employees' wages. Payments for overtime are included.

Salaries refer to amounts paid to administrative and office employees. Withdrawals by working owners or partners for normal living expenses for self and family are included but not their withdrawals for income tax. Wages refer to the amounts paid to production and related workers as defined above. Data on earnings refer to the calendar year whether or not some establishments reported other data on a financial year basis.

Cost of Fuel and Electricity

Figures for fuel refer to amounts actually used, (including fuel used in cars and trucks), not to purchases unless the quantities are the same. Values refer to the laid-down cost at the works, including freight, duty, etc.

Materials and Supplies Used

Figures represent quantities and laid-down cost values, at the works, of materials and supplies actually used during the year whether purchased from others or received as transfers from other plants of the reporting company. Amounts paid to other manufacturers for work done on materials owned by the reporting company are included. Returnable containers or any other items charged to capital account are not included. Fuels are not included. Goods bought from others or received as transfers from other plants or reporting companies for resale without further processing are not included. Maintenance and repair supplies not chargeable to capital account are included.

Factory Shipments

Factory shipments refer to shipments of goods made from own materials either in the reporting plant or by other manufacturers on the basis of a charge to the reporting plant for work done. All products and by-products shipped from the establishment are included whether for domestic use, export, or for government departments. Transfer shipments to sales outlets, distributing warehouses or to other manufacturing units of the reporting firm are included. Goods bought or received as transfers

and resold without further processing are not included. Values are computed on f.o.b. plant or plant warehouse basis, and do not include sales tax or excise duties. Values of containers not returnable are included. Amounts received in payment for work done on materials owned by others are included.

In a few industries such as shipbuilding, aircraft, etc., where work on principal products extend over a relatively long period, the value of production is recorded rather than the value of shipments. For those industries production is computed from the value of deliveries of complete units during the year plus the value of work done during the year on unfinished units less the value of work done in previous years on finished units delivered in the year under review.

Inventories

Values represent the book values of manufacturing inventories owned and held at the reporting plant. Figures include inventories held in warehouses or selling outlets which have been included with plant operations for purposes of reporting shipments.

Value added by Manufacturing

Figures are computed from value of shipments plus or minus changes in inventories of finished goods and goods in process less cost of materials, fuel and electricity. This figure is sometimes referred to as net production.¹

Standard Industrial Classification

The revised Standard Industrial Classification which has been introduced with the 1960 Census of Manufactures provides for a breakdown of the universe into 140 industries arranged in 20 major groups compared with 135 industries in 17 major groups in the old classification which was used in the compilations for the years 1949 to 1959 inclusive. It incorporates changes considered desirable on the basis of experience in using the earlier classification as well as those which take account of changes in the structure of Canadian industries associated with the rapid developments of the past decade. Full details are contained in the Standard Industrial Classification Manual, Catalogue No. 12-501, which is available from either the Queen's Printer or the Dominion Bureau of Statistics. Reporting establishments are classified or allotted to specific industries on the basis of the value of principal products made or shipped.

Many industries remain unchanged in the new classification but in many instances there have been substantial changes in content because of the shifting of establishments from one industry to another or in re-grouping of establishments. Where

changes have occurred the principal statistics for 1957, 1958 and 1959 have been re-compiled to provide data on a basis comparable with those for 1960.

Short Forms

Between 1949 and 1957, in an effort to ease the reporting burden for smaller firms, a short form was used asking for the total value of shipments only or, in a few cases where losses of detail were significant, for quantities and values of principal products. For purposes of publication, missing data were estimated on the basis of appropriate ratios. In general the cut-off point for these short forms was set at \$50,000 value of shipments. About 40% of the total number of establishments reported on the short form and accounted for less than 3 per cent of the total value of shipments.

In 1958, in order to establish a new base year, the small firms were asked to report all items of principal statistics together with some detail on materials and products.

For the 1959 Census, the short form was used again, but further steps were taken to ease the respondents' burden. First, the general limit for short forms was raised to \$100,000 value of shipments. In addition, a new intermediate form was developed. This form is a shortened version of the long form in that most of the general questions were pared down and the detailed lists of materials and products were limited to the more important items. The general limits for firms in this category were set at between \$100,000-\$500,000 value of shipments, but in the case of both the short and intermediate forms there were lower cut-offs for a number of industries in which the smaller firms accounted for a larger share of total shipments. On the other hand, limits were raised where this could be done without a significant loss of coverage. On most of the short forms for 1959, in addition to total value of shipments, data on principal products were requested. In a few industries, where loss of employment and earnings data were considered too large because of higher cut-offs, a question on total payroll was placed on the short form. This practice was followed again in 1960.

The intermediate and long forms provide complete data for the compilation of all elements of principal industry statistics and the details of materials and products. The one-page short form, although containing data on principal products and total value of shipments, does not request information on other elements of principal statistics such as value of inventories, materials, fuel and electricity and, in most cases, employment and salaries and wages, nor does it contain detailed data on volume and value of materials used. For purposes of compiling aggregates of principal statistics by industry and by geographic location, the missing data for each establishment were estimated for 1959 by using, in general, ratios based on the change in the value of shipments between 1958 and 1959. The proportion of the estimated data was generally less than 5 per cent of the total in each category of principal statistics.

¹ To arrive at the National Accounts concept of "gross domestic product at factor cost", it would be necessary to subtract also the cost of office supplies used, advertising, insurance and other goods and services obtained from other businesses. Data on these inputs are not collected on the annual Census of Manufactures. Value added figures for "The primary industries and construction" are published in D.B.S. publication 61-202, *Survey of Production*.

BREAKFAST CEREAL MANUFACTURERS

1960

The 1960 Statistics in this report, formerly The Prepared Breakfast Food Industry, have been compiled on the basis of the Standard Industrial Classification revised 1960. Since implementation of the new S.I.C. has resulted in changes in the content of this industry principal statistics for 1957, 1958 and 1959 have been recompiled on the revised basis for the purpose of comparability. It is noted however that the changes in the industry resulting from the revision in classification have not been significant.

Prior to 1943 this industry included only firms whose principal products were prepared and unprepared breakfast foods. One flour mill whose principal products were flour and feed, but which produced large quantities of prepared breakfast foods was, therefore, excluded. This firm now makes two returns, one for the production of flour and feed which is included with the flour milling industry and another for their breakfast food production which is included with the breakfast cereal manufacturers. We now have, therefore, all firms whose principal products are prepared breakfast foods classified in one industry, so that the figures given in the present report represent practically the total production in Canada of these products.

There were 20 establishments reporting in the Breakfast Cereal Manufactures in 1960, 9 were

located in Ontario, 3 in Quebec, 4 in Manitoba, 2 in Alberta and 2 in British Columbia. These establishments furnished employment to 1,428 persons who were paid \$5,054,721 in salaries and wages and spent \$13,665,258 for materials. This industry is practically confined to the province of Ontario which is responsible for 90 per cent of the total value of shipments.

Shipments in 1960 totalled 100,221,468 pounds of prepared breakfast foods (cornflakes, branflakes, wheat flakes, puffed grains, shredded wheat, muffets, etc.) valued at \$32,713,972, unprepared breakfast foods 15,254,716 pounds, valued at \$1,532,516 and other products to the value of \$6,131,453. Some breakfast cereal products, are also produced in other industries. See table 5.

Figures for "Value added by manufacture" are obtained by subtracting cost of materials used and cost of fuel and electricity from value of production. In 1952 and 1953 value of shipments was used since the value of production could not be ascertained. In 1954 and 1955 value of production was computed by using the value of shipments plus or minus the increase or decrease in finished goods inventory. For 1956 and later years, the change in "Goods in process" inventory was also taken into account.

TABLE 1A. Principal Statistics of Breakfast Cereal Manufacturers, Significant Years, 1930-59¹

Basis: Standard Industrial Classification in use prior to 1960.

Year and province	Estab- lish- ments	Em- ployees	Salaries and wages	Cost at plant of fuel and electricity	Cost at plant of materials used	Value added by manufacture	Selling value of factory shipments ²
	number				dollars		
1922 to 1929 ³	—	—	—	—	—	—	—
1930	14	453	611,645	150,971	2,553,523	3,894,948	6,599,442
1933	14	538	622,725	156,082	2,258,321	4,867,783	7,282,186
1937	34	764	896,188	194,806	4,377,758	6,888,649	11,461,213
1939	36	794	923,837	182,287	2,910,687	6,116,604	9,209,578
1940	32	696	893,325	152,404	2,730,385	4,762,465	7,645,254
1944	29	926	1,534,522	242,057	6,048,985	5,939,799	12,230,841
1946	23	1,156	2,062,310	233,533	7,535,527	7,186,162	14,955,222
1949	20	1,154	2,554,985	290,414	8,702,820	9,418,397	18,411,631
1954	17	1,339	4,020,334	314,147	9,791,577	15,088,299	25,604,147
1955	17	1,262	4,139,486	334,904	10,497,068	17,638,670	28,584,222
1956	18	1,374	4,752,031	392,817	12,398,876	18,703,988	30,967,880
1957	17	1,402	4,984,569	449,772	13,352,637	18,622,667	32,527,185
1958	19	1,348	5,235,277	472,574	13,862,283	21,810,942	35,900,579
1959	18	1,417	5,819,997	461,435	14,570,986	22,015,296	37,136,442

See footnotes at end of Table 1 B.

TABLE 1 B. Principal Statistics of Breakfast Cereal Manufacturers, by Provinces, 1957 to 1960¹

Basis: Standard Industrial Classification—revised 1960

Year and province	Estab- lish- ments	Em- ployees	Salaries and wages	Cost at plant of fuel and electricity	Cost at plant of materials used	Value added by manufacture	Selling value of factory shipments ²
	number		dollars				
1957							
Canada	21	1,428	5,054,721	458,429	13,665,258	..	32,987,485
Ontario	9	1,303	4,728,425	440,416	12,233,337	..	29,847,590
Manitoba	4	21	64,606	5,855	469,411	..	1,013,881
Other provinces	8	104	261,690	12,158	962,510	..	2,126,014
1958							
Canada	20	1,364	5,279,895	476,985	13,868,922	..	36,082,424
Ontario	8	1,238	4,947,968	459,944	12,515,087	..	32,977,600
Manitoba	4	26	74,380	5,063	470,622	..	1,053,457
Other provinces	8	100	257,547	11,978	883,213	..	2,051,367
1959							
Canada	19	1,429	5,855,990	461,236	14,595,642	..	37,290,200
Ontario	8	1,299	5,486,545	443,812	13,169,207	..	34,025,383
Manitoba	4	29	85,456	5,697	585,773	..	1,245,232
Other provinces	7	101	283,989	11,727	840,662	..	2,019,585
1960							
Canada	20	1,452	6,292,916	512,360	15,547,786	24,660,149	40,377,941
Ontario	9	1,319	5,883,332	493,006	14,142,373	22,830,999	37,134,051
Manitoba	4	34	105,443	7,784	559,847	673,376	1,238,881
Other provinces	7	99	304,141	11,570	845,566	1,155,774	2,005,009

¹ Profits or losses cannot be estimated from Census figures as no data are collected for certain expense items such as interest, rent, depreciation, taxes, insurance, advertising, etc.

² Prior to 1952, the basis of collection was "Gross value of products". Beginning in 1954 shipments includes value of work done for others. See Table 4.

³ Included with "Miscellaneous Foods".

TABLE 2. Principal Statistics of Breakfast Cereal Manufacturers, grouped according to Size of Establishments, 1957 and 1960

Basis: Standard Industrial Classification—revised 1960

Establishments having shipments of	Establish- ments	Employees	Salaries and wages	Cost at plant of materials used	Selling value of factory shipments
	number		dollars		
1957					
Under \$10,000	1	18	37,945	106,737	189,641
\$ 10,000 to \$ 24,999	1				
25,000 " 49,999	5				
50,000 " 99,999	3	72	40,593	149,373	229,558
100,000 " 499,999	4				
500,000 " 999,999	1				
1,000,000 and over	6	1,320	4,782,245	12,384,652	30,625,156
Totals	21	1,428	5,054,721	13,665,258	32,987,485
1960					
Under \$10,000	1	16	28,040	57,222	113,480
\$ 10,000 to \$ 24,999	3				
25,000 " 49,999	2				
50,000 " 99,999	—	124	436,174	1,760,768	2,924,255
100,000 " 499,999	2				
500,000 " 999,999	6				
1,000,000 and over	6	1,312	5,828,702	13,729,796	37,340,206
Totals	20	1,452	6,292,916	15,547,786	40,377,941

TABLE 3. Inventory Values, 1960

	Raw materials and supplies	Goods in process	Finished goods of own manufacture	Total inventory
dollars				
Opening inventory ¹				
Canada	2,364,901	31,108	1,486,178	3,882,187
Ontario	2,138,361	30,538	1,417,722	3,586,621
Manitoba	103,061	385	23,927	127,373
Other provinces	123,479	185	44,529	168,193
Closing inventory				
Canada	2,399,809	59,856	1,799,784	4,259,449
Ontario	2,182,679	59,246	1,721,341	3,963,266
Manitoba	98,751	425	26,013	125,189
Other provinces	118,379	185	52,430	170,994

¹ The opening inventory for the current year differs from the closing inventory published last year due to transfers, discards, corrections, or addition of new firms.

TABLE 4. Factory Shipments, 1960

Products	Quantity	Value of shipments f.o.b. plant
	pounds	\$
Prepared breakfast cereals, (ready for serving)	100,221,468	32,713,972
Unprepared breakfast cereals	15,254,716	1,532,516
Prepared flour, cake, and pastry mixtures, etc.	14,430,981	2,320,261
Other products and by-products	—	3,810,723
Amount received in payment for work done on materials owned by others	—	469
Totals	—	40,377,941

TABLE 5. Total Shipments of Major Breakfast Cereal Products,
all Industries, 1958 and 1959¹

Items of production	1958		1959	
	Quantity	Value of shipments f.o.b. plant	Quantity	Value of shipments f.o.b. plant
	lb.	\$	lb.	\$
Prepared breakfast foods	91,034,474	29,236,850	94,995,310	30,266,933
Breakfast foods, unprepared	16,757,070	1,749,704	14,725,471	1,673,712
Flour, self-raising	²	²	²	²
Mixes, prepared — Cake	37,924,387	9,676,812	38,584,461	9,003,077
Other	60,328,147	9,504,412	63,471,446	9,989,376

¹ 1960 data not available at time of printing.

² Confidential.

TABLE 6. Materials Used by Breakfast Cereal Manufacturers, 1960¹

Materials	Quantity	Cost value at the plant	
		\$	
Wheat	lb. 48,529,389	1,636,043	
Rye	" 251,352	7,262	
Barley	" 2,249,863	59,289	
Buckwheat	" —	—	
Oats	" 10,456,500	254,118	
Corn	" 58,332,835	1,478,793	
Corn grits	" 3,419,815	187,159	
Rice and rice meal	" 20,198,298	1,891,739	
Bran	" 6,197,689	148,080	
Flour (wheat, etc.)	" 15,801,668	792,959	
Flax	" 27,196	1,585	
Wheat germ, wheatlets, etc.	" 5,607,509	276,400	
Other grains, meals, etc.	" —	—	
Malt and malt flour	lb. 841,060	45,396	
Malt extract and syrup	" 185,595	21,814	
Sugar	" 12,137,527	903,404	
Glucose and dextrose	" 828,276	64,730	
Salt	" 2,127,164	28,184	
Shortening (oils, etc.)	" 499,464	93,277	
Containers and packaging material	—	5,814,579	
All other materials including chemicals	—	1,188,754	
Amount paid out to others for work done on materials owned by this plant	—	10,800	
Operating, maintenance and repair supplies ²	—	643,421	
Total cost of materials	—	15,547,786	

¹ Detail shown relates only to firms with value of shipments of over \$100,000. The total estimated value of materials used by small firms is included in "All other materials".

² Office supplies amounting to \$33,448 in 1960 are not included in the total.

TABLE 7. Imports of Cereal Foods, 1959 and 1960

Product	1959		1960	
	Quantity	Value	Quantity	Value
		\$		\$
Oatmeal and rolled oats	lb. 2,075	246	2,323	287
Cereal foods, prepared, in packages	" 4,032,300	843,186	4,172,924	945,321
Cereal foods, prepared, n.o.p.	—	343,814	—	362,407
Totals	—	1,187,246	—	1,308,015

TABLE 8. Exports of Cereal Foods, 1959 and 1960

Product	1959		1960	
	Quantity	Value	Quantity	Value
		\$		\$
Oatmeal cwt.	20	70	—	—
Rolled oats "	90,690	1,144,026	73,069	970,807
Cereal foods, prepared	—	286,784	—	436,325
Totals	—	1,430,880	—	1,407,132

TABLE 9. Production Workers, by Months, 1960

	Male	Female
January	714	374
February	723	381
March	730	375
April	731	394
May	744	398
June	754	426
July	820	431
August	810	437
September	784	378
October	772	357
November	783	329
December	784	365
Monthly average	761	388

Note: The number of production workers, by months, was collected only for establishments reporting value of shipments of \$100,000 and over. For establishments reporting value of shipments of less than \$100,000 no data on number of workers were collected. Average was estimated by using change in value of shipments to arrive at value of payroll which was then used in conjunction with estimated average earnings to arrive at number of workers. This estimated number of workers was then included in each month's total.

TABLE 10. Employees and their Earnings, by Provinces, 1959 and 1960

Basis: Standard Industrial Classification—revised 1960

	Employees					Earnings		
	Supervisory and office employees		Production workers		Total	Supervisory and office employees	Production workers	Total
	Male	Female	Male	Female				
	number					dollars		
1959								
Canada	176	107	766	380	1,429	1,537,932	4,318,058	5,855,990
Ontario	152	96	719	332	1,299	1,393,618	4,092,927	5,486,545
Manitoba	8	—	12	9	29	35,865	49,591	85,456
Other provinces	16	11	35	39	101	108,449	175,540	283,989
1960								
Canada	189	114	761	388	1,452	1,675,280	4,617,636	6,292,916
Ontario	164	103	714	338	1,319	1,520,417	4,362,915	5,883,332
Manitoba	8	—	13	13	34	37,005	68,438	105,443
Other provinces	17	11	34	37	99	117,858	186,283	304,141

TABLE 11. Fuel Consumption, 1960

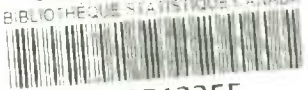
Kind	Quantity	Cost at works
		\$
1. Establishments reporting commodity detail: ¹		
Bituminous coal:		
(a) From Canadian mines	ton 6,498	70,428
(b) Imported	" 5,766	60,426
Gasoline	Imp. gal. 51,151	20,025
Fuel oil including kerosene	" 109,003	10,220
Gas:		
(a) Liquefied petroleum gases (propane, etc.)	Imp. gal. 46,135	5,434
(b) Other manufactured gas	—	—
(c) Natural gas	M cu. ft. 185,223	161,920
Other fuel	—	—
Electricity purchased:		
(a) For lighting and motors	kwh. 15,464,825	127,686
(b) For other purposes	" 2,338,800	49,391
Total	505,530
2. Estimate for establishments for which no data were collected: ²		
Cost of fuel and electricity	6,830
3. All Establishments:		
Total cost of fuel and electricity	512,360

¹ Establishments reporting value of shipments of \$100,000 and over.² Establishments reporting value of shipments of less than \$100,000.

List of Breakfast Cereal Manufacturers, 1960

List of firms	Location of plants
Eastern Cereal Food Products Co. Ltd.	Richelieu, Que.
Dr. Jackson Foods Limited	City of Jacques Cartier, Que.
Empire Milling Co.	1451 Prefontaine St., Montreal, Que.
General Foods, Limited	Windsor, Ont.
Nabisco Foods Limited	Niagara Falls, Ont.
Durum Cereals, Limited	4 Shaftesbury Place, Toronto, Ont.
Kellogg Company of Canada, Limited	1097 Dundas St. E., London, Ont.
The Quaker Oats Co. of Canada, Ltd. (Cereal Division)	Peterborough, Ont.
General Mills (Canada), Ltd.	1500 Martin Grove Road, Weston
James Wilson & Sons Limited	Fergus
Ralston Purina Co. Ltd.	Checkerboard Square Clarkson
Toronto Buckwheat Milling Co.	660 College St., Toronto
A & G. Packing Co.	775 Archibald St., St. Boniface, Man.
Cream of Wheat (Canada) Ltd.	312 Chambers Street, Winnipeg, Man.
Prairie Maid Cereals, Limited	905 Berry St., St. James, Man.
Winnipeg Buckwheat Milling Co.	1005 Logan Ave., Winnipeg, Man.
Prairie Maid Cereals, Limited	8625 Stadium Road, Edmonton, Alta.
Sunny Boy Limited	Camrose, Alta.
Melograin Milling Co. Ltd.	425 Industrial Avenue, Vancouver, B.C.
Rockhill Products Ltd.	231-10th St. New Westminster, B.C.

STATISTICS CANADA LIBRARY
BIBLIOTHEQUE STATISTIQUE CANADA



1010712355