NOV 1 5 1038 PROPERTY OF ALL 0.3

CANADA

DOMINION BUREAU OF STATISTICS

CENSUS OF MERCHANDISING AND SERVICE ESTABLISHMENTS

Vol. 5

63-2-23

No. 11

FOOD CHAINS IN CANADA

CALENDAR YEAR

1937

Published by Authority of the HON. W.D. EULER, M.P. Minister of Trade and Commerce.

+ + +

OTTAWA 1938

Price 10 cents

ERRATUM

Food Chains in Canada, 1937.

. 1

5

Paragraph 2, Line 3--"In the previous year the same number of companies operated 2,234 stores and had sales of \$ 111,511,900."

Should Read

"In the previous year the same number of companies operated 2.334 stores and had sales of \$111,511,900." Published by Authority of the HON. W. D. EULER, M.P., Minister of Trade and Commerce.

DCMINION BUREAU OF STATISTICS - CANADA

Dominion Statistician: R.H. Coats, LL.D., F.R.S.C., F.S.S. (Hon.)

Internal Trade Branch Chief: H. Marshall, B.A., F.S.S. Statistician: A.C. Steedman, B.A.

CENSUS OF MERCHANDISING AND SERVICE ESTABLISHMENTS

Food Chains in Canada, 1937

The term "food chains" for purposes of this report includes only grocery chains, combination store chains and meat market chains, and does not take into account the operations of bakery products chains, candy store chains or other types which might, with a broader view, be included. In addition to the chains dealt with in the present report there were 8 bakery products chains, (not manufacturing bakeries), 10 candy chains and 2 other so called "food" chains operating in Canada in 1937. Information concerning these may be found in a companion report entitled "Retail Chains in Canada, 1937" which provides a summary of the activities of all retail chains during the year, together with comparative figures for previous years, but does not give the details rogarding food chains to be found in the present bulletin.

There were 89 food chain store companies, within the meaning of the term as outlined above, operating 2,287 unit stores in Canada in 1937 with total sales of \$121,054,800. In the previous year the same number of companies operated 2,234 2, 33 4 stores and had sales of \$111,511,900. There was, therefore, a year-to-year gain of 8.6 per cent in the dollar volume of sales in spite of a reduction in the number of stores in operation. The index of food chain sales stored at 94.9 in 1937 (on the base 1930 equals 100) compared with 87.4 for 1936. In 1930, the first year for which these statistics are available, there were 87 food chains operating 2,352 unit stores with a sales volume totalling \$127,582,500.

The food chains whose activities are shown here include all companies in the grocery, combination store, and meat market fields and operating four or more retail units. Voluntary chains, in which the various stores are individually owned and operated but which are banded together for buying or advertising purposes, are not included with the corporate chains. Summary statistics for voluntary food chains are presented separately in this report.

Food chains stores transacted 29.3 per cont of the total grocory, combination and meat store business in Canada in 1937. From table number 3, which follows, it will be seen that this is an increase from the 26.1 per cont of the total business transacted in 1930 and compares with 28.9 per cent for 1936, 28.5 per cent for 1935 and 29.8 per cent for 1933.

From both the standpoint of number of stores as well as volume of business the chains of the strictly meat market type are of relatively minor importance. When all straight meat markets are excluded from the calculations and grocery and combination stores only are considered the ratio of chain to total sales stands at 33.5 per cent for 1937 compared with 33.0 per cent for 1936, 32.5 per cent for 1935, 33.3 per cent for 1933 and 29.5 per cent for 1930.

The relative importance of chains in the retail food trade increased in most of the nine provinces in 1937 compared with 1936. The Quebec ratio declined from 17.5 per cent to 16.4 per cent. In Ontario the ratio of chain sales to the total was 38.2 per cent for 1937 compared with 36.9 per cent for 1936. Corresponding chain ratios for other provinces for 1937 with 1936 figures in brackets are as follows: British Columbia, 38.0 per cent (37.0 per cent); Alberta, 30.9 per cent (29.9 per cent); Saskatchewan, 34.2 per cent (33.2 per cent); Manitoba, 29.3 per cent (28.3 per cent); Nova Scotia, 22.1 per cent (21.7 per cent); New Brunswick 12.9 per cent (14.1 per cent). Figures for Prince Edward Island, Yukon and Northwest Territories are not given separately, but are included in the Canada total.

The 89 food chains operating in 1937 and covered by this report include 31 grocery chains operating 498 unit stores with sales of $\frac{1}{920}$,167,700, 44 combination store chains operating 1,627 unit stores with sales of $\frac{1}{996}$,222,000 and 14 meat market chains operating 162 unit stores with sales of $\frac{1}{94}$,665,100.

Not all units of combination store chains are of the combination type selling both groceries and meats but the proportion of the total number which are of this type continues to grow. Of the 1,627 units of combination store chains operating in 1937, 968 or 59.5 per cent were combination units and these transacted 75.4 por cent of the total business. In 1936, 55.6 per cent of the stores were of the combination type and their sales formed 70.0 per cent of the whole.

Of the 44 combination store chains operating in 1937 the bulk of the business was in the hands of 5 large companies, each with 100 or more retail outlets. These operated 1,315 of the 1,627 stores and their sales were \$80,348,200 or 83.5 per cent of the total for the group. Of the 1,315 unit stores operated by these large organitations, 569 or 43.3 per cent were greeery units and 744 or 56.7 per cent were of the combination store type in which both groceries and meats were sold. Of the total sales of \$80,348,200 obtained by this group, straight grocery units accounted for \$20,603,500 or 25.6 per cent while the combination units accounted for \$59,650,400 or 74.4 per cent.

Salaries and wages paid in 1937 to both full-time and part-time male and female employees, but exclusive of warehouse and other overhead staff, amounted to \$9,138,800 compared with \$8,441,900 in 1936. Store employees of grocery store chains were paid \$1,360,800, combination store chains \$7,281,700 and meat market chains \$496,300. In previous years records were kept of the number of employees but as it has been difficult to classify full-time and part-time employees satisfactorily it is felt that the volume of salaries and wages paid may serve as a more accurate basis for year to year comparison. The payroll for 1937 was 9.2 per cent greater than that for 1936.

Stocks on hand in the food chain unit stores were valued at v6,435,000 at the end of 1937 compared with v6,474,300 at the end of 1936. In addition warehouse stocks were valued at \$3,679,400 compared with \$4,534,000 the previous year. The credit business done by food chains is of small proportions. Customors' accounts outstanding at the end of 1937 amounted to \$1,351,900, approximately 1.1 per cent of the annual sales. Accounts of the grocery store chains outstanding at the end of the year amounted to 1.3 per cent of annual sales, combination store chains 1.0 per cent , and meat market chains 3.3 per cent.

The sales of the 2,287 units of food chains operating in Canada in 1937 increased by 8.6 per cent over the previous year. The 1,318 units located in centres of pepulation of 30,000 and over showed a sales increase of 7.3 per cent while the 969 units located in centres of less than 30,000 pepulation recorded an increase of 10.4 per cent. Gains in food chain sales in 1937 over 1936 for some of the larger cities were as follows (gains for 1936 over 1935 shown in brackets): Vancouver, 6.8 per cent (7.9 per cent); Victoria, 54.6 (minus 18.4 per cent); Calgary, 6.4 per cent (minus 0.4 per cent); Edmonton 13.9 per cent (24.9 per cent); Winnipeg 13.8 per cent (4.3 per cent); Hamilton 9.3 per cent (8.2 per cent); Ottawa, 8.9 per cent (7.6 per cent); Toronto, 9.9 per cent (7.2 per cent; Montreal, minus 0.9 per cent (2.3 per cent).

Gross margin formed 16.6 per cent of sales for grocery chains in 1937 compared with 16.4 per cent in 1936 and 16.0 per cent in 1935. When chains are classified according to size, the gross margin ratic is lower at 15.2 per cent for the group of 11 chains each with fewer than six stores compared with 16.0 per cent for an intermediate size group and 16.9 per cent for 12 chains each with more than 10 unit stores. Gross margin for combination chains formed 19.2 per cent of sales in 1937 compared with 20.5 per cent in 1936 and 20.0 per cent in 1935. Meat market chains operated on a gross margin of 22.5 in 1937 compared with 22.9 in 1936 and 23.6 in 1935.

Voluntary Chains

In addition to the 89 corporate food chains in Canada in 1937 there were also 37 voluntary groups with 6,949 individual members, and while their total annual sales is not known, their purchases from affiliated grocery wholesalers on a cooperative basis amounted to \$28,417,700 or an average of \$4,089 per store. In the preceding year 32 of these voluntary groups were reported and these had 6,670 members whose purchases from affiliated wholesalers totalled \$27,336,200 or \$4,098 per store.

Table 1. -- Summary of Food Chain Stores in Canada, 1937

	Total Food Chains	Grocery Store Cha ins	Combination Store Chains	Meat Market Chains
Number of chains Number of stores, average(1) Number of stores, maximum Net Sales:	89 2,179 2,287	31 482 498	44 1,542 1,627	1 4 155 162
Store sales Total sales(2) Stocks on hand, end of year, at cost	5121,054,800 \$122,027,100	\$20,167,700 \$20,621,600	\$96,222,000 \$96,739,800	\$4,665,100 \$4,665,700
In retail stores In warehouses Gross margin:	6,435,000 3,679,400	♥ 1,422,800 ♥ 735,600	\$ 4,922,600 \$ 2,926,000	
Amount Percent of total sales . Salaries and wages Total accounts outstanding, Dec. 31	23,060,200 18.9 9,138,800	<pre> 3,428,200 16.6 1,360,800 </pre>	↓18,584,300 19.2 ↓ 7,281,700	01,047,700 22.5 0 496,300
Amount	1,351,900 1.1	274,100 1.3	\$,923,900 1.0	\$ 153,900 3.3

(1) Derived from number of units at beginning, middle and end of year. (2) Includes any sales at wholesale prices direct from warehouses.

Table 2 .-- Kinds of Stores Operated by Combination Store Chains in 1936 and 1937

Size of Chain	Number	Total	Units (1)	Groce	ry Units	Combina	tion Units
	Chains	Number	Sales	Number	Sales	Number	Sales
			Q.		. ¥		Ŷ
	1		1936				
All Combination Store Chains, Total Chains having	41	1,648	88,423,000	715	26,053,600	916	61,925,30
Less than 10 units 10 - 99 units 100 units and over	30 6 5	169 128 1,351	8,550,200 4,389,200 75,483,600	25 59 631	540,000 1,478,800 24,034,800	136 60 720	7,750,20 2,726,30 51,448,80

937

		A REAL PROPERTY AND A REAL	provide the second and the second second				
All Combination Store Chains, Total	44	1,627	96,222,000	642	23, 321, 800	968	72,529,600
Chains having Less than 10 units 10 - 99 units 100 units and over	33 6 5	123	11,608,500 4,265,300 80,348,200	35 38 569	1,595,500 1,122,800 20,603,500	149 75 744	9,920,200 2,959,000 59,650,400

(1) These figures include a few stores other than grocery and combination stores.

Table 3 .-- Principal Statistics of Food Chains by Provinces, 1930, 1933 and 1935-1937

(Grocery, Combination and Meat Market Chains Combined)

	1930	1933	1935	1936	1937
CANADA, Total(1)					
	87	91	86	89	89
Number of chains No. of stores (maximum)	2,352	2.398	2,309	2,334	2,287
Net chain sales, amount	Q127,582,500	♦103.638.500	14105,635,900	\$111,511,900	121,054,800
Index, $1930 = 100$	100.00	81.23	02.80	87.40	94.88
Total sales	3488, 429,600	\$347,397,000	\$370,909,000	\$385,840,000	0412,617,000
%, chains to total	26.1	29.8	28.5	28.9	29.3
British Columbia				-/	
Number of chains No. of stores (maximum)	19	17	17	16	15
No. of stores (maximum)	244	282	295	290	1 22 000 000
Net chain sales, amount	0 10,117,100	\$ 8,862,400	\$ 10,069,200	10,699,600	Q 11,000,200
Index, 1930 = 100	100.00	07.60	97.53	105,70	117.51
Total sales	\$ 37,196,100	\$ 24,455,000	27,700,000	20,090,000	2 31, 300,000
%, chains to total	. 2102	30.2	30.2	31.0	30.0
Alberta	2			10	0
Number of chains No. of stores (maximum)	100	11	11		128
No. of stores (maximum)	120 F F87 000	8 4 510 100	130	1 5 585 200	120
Net chain sales, amount	2,501,000	4, 219, 100	2 2,220,700	2 2,202,200	12 0,200,100
Index, 1930 - 100 Total sales	100.00	15 970 000	18 096 000	18 655 000	20 089 000
L' chaine to total	23,407,400	28 2	29 0	2 10,0),000	30 9
%, chains to total Saskatchewan	43.0	20.5	27.0	6/0/	000/
Number of chains	10	8	6	5	5
Number of chains No. of stores (maximum)	165	138	1 31	125	127
Net chain sales, amount	6.969.300	4.177.600	\$ 4.558.500	3 4.767.300	5.135.900
Index, 1930 = 100	100,00	59.94	65.41	68.40	73.69
Total sales					
% chains to total					
Manitoba					
Number of chains	8	6	5	4	5
No. of stores (maximum)	121	110	106	104	111
Not chain sales, amount	5,689,100	4,697,600	4,813,800	4,908,600	\$,414,300
Index, 1930 = 100 Total sales	100.00	82.57	84.61	86.28	95.17
Total sales	22,225,200	15,480,000	16,555,000	17,372,000	18,480,000
%, chains to total	. 25.6	30.3	29.1	28.3	29.3
Ontario					
Number of chains No. of stores (maximum)	37	37	37	42	45
No. of stores (maximum)	1,107	1,113	1,075	1,095	1,101
Net chain sales, amount					
Index, $1930 = 100 \dots$	100,00	10.35	17.00	04.99	74.05
Total sales	2200, 149, 300	140,520,000	12120,130,000	2103,219,000	2114,373,000
%, chains to total					
Number of chains No. of stores (maximum)	12	12	11	10	9
No of stores (maximum)	10	172	425	428	289
Net chain sales, amount	23.708.400	22.456.500	18.809.400	6 19,595,300	19.602.500
Index, 1930 = 100	100.00	86.28	79.34	82.65	82,68
Total sales	\$140.527.500	3104.204.000	0107.634.000	3111.831.000	0119.267.000
%, chains to total	16.9	19.6	17.5	17.5	16.4
New Brunswick					
New Brunswick Number of chains No. of stores (maximum)	5	5	5	6	5
No. of stores (maximum)	30	41	36	39	36
Net chain sales, amount	1,267,300	1,519,900	1,308,400	3 1,498,900	1,480,800
Index, 1930 - 100	100.00	119.93	103.24	118.28	116.85
Index, 1930 - 100 Total sales	13,117,200	9,638,000	10,301,000	0 10,608,000	11,461,000
%, chains to total	9.7	15.8	12.7	14.1	12.9
Nova Scotia					
Nova Scotia Number of chains No. of stores (maximum)	9	14	13	13	13
No. of stores (maximum) Net chain sales, amount	66	113	108	111	100
Net chain sales, amount	3,189,100	3,044,700	4,120,900	4,091,200	4,535,300
Index, 1930 = 100 Total sales	100.00	120.56	129.22	120.29	142.23
LOLAL SALES CARCONALA	8 21,240,900	\$ 10,313,000	¥ 10,075,000	¥ 10,074,000	20,490,000
%, chains to total	3 7 0	001	00 0	01 0	00 1

(1) Includes Prince Edward Island, Yukon and Northwest Territories.

Table 4 .-- Food Chain Stores and Sales by Provinces and Principal Cities, 1936 and 1937

- 6 -

	Numbe	·	Va	lue of Sales	
Province and City	A DESCRIPTION OF TAXABLE PARTY.	res			Per Cent
	1936	1937	1936	1937	of Change
			¥	¥	+ 0 (
CANADA, Total(1)	2,334	2,287	.111,511,900	121,054,800	+ 8.6
laces 30,000 and over, total	1,355	1,318	65,383,300	70,130,500	+ 7.3
laces under 30,000, total	979	969	46,128,600	50,924,300	+ 10.4
British Columbia, Total	298	292	10,699,600	11,888,200	+ 11.1
laces 30,000 and over, total	195	188	6,684,500	7,365,100	+ 10.2
Vancouver	183	176	6,210,200	6,631,700 733,400	+ 54.6
Victoria	12	12 104	474,300 4,015,100	4,523,100	+ 12.7
laces under 30,000, total	103	104	4,019,100	4, 923, 100	·
Alberta, Total	131	128	5,585,200	6,200,700	+ 11.0
laces 30,000 and over, total	80	80	3,533,600	3,850,400	+ 9.0
Calgary	54	54	2,319,900	2,468,600	+ 6.4
Edmonton	26	26	1,213,700	1,381,800	
laces under 30,000, total	51	48	2,051,600	2,350,300	+ 14.6
Saskatchewan, Total	125	127	4,767,300	5,135,900	+ 7.7
		20	1 70/ 000	1 001 (00	+ 13.2
laces 30,000 and over, total	34	37	1,706,900 (X)	1,931,600 (X)	- 13.2 . (X)
Regina	21	2 2 15	(X) (X)	(X)	(X)
Saskatoon	13 91	90	3,060,400	3,204,300	+ 4.7
laces under 30,000, total	71	90	3,000,400	5,204,500	
Manitoba, Total	104	111	4,908,600	5,414,300	+ 10.3
laces 30,000 and over, total		-			
Winnipeg(2)	82	92	3,694,200	4,202,200	+ 13.8
laces under 30,000, total	22	19	1,214,400	1,212,100	- 0.2
Ontaric, Total	1,095	1,101	60,149,700	66,561,000	+ 10.7
		1.0.0		2/ 172 000	+ 8.4
laces 30,000 and over, total	612	600	33,632,700	36,472,000 991,500	
Brantford	14	13	946,500 5,029,300	5,496,400	
Hamilton	131	127	583,200	655,900	
Kitchener	27	27	1,596,400	1,807,400	-
London	53	51	3,136,300	3,415,100	
Ottawa Toronto(3)	307	305	19,242,100	21,145,600	
Windsor	74	71	3,098,900	2,960,100	
laces under 30,000, total	483	501	26,517,000	30,089,000	
Quebec, Total	428	389	19,595,300	19,602,500	+ 0.0
	000	0.02	24 264 200	14,106,900	- 0.4
laces 30,000 and over, total	2 98 2 43	271 220	14,164,100	11,761,300	
Montreal(4)	243	220	(X)	(X)	(X)
Quebec Three Rivers	9	8	(X)	(X)	(X)
Verdun	39	36	1,709,000	1,717,300	
laces under 30,000, total	130	118	5,431,200	5,495,600	
New Properties and		1311			
New Brunswick and Nova Scotia, Total	150	136	5,590,100	6,016,600	+ 7.7
laces 30,000 and over, total	54	50	1,967,300	2,202,300	
Halifax	39	37	1,310,100	1,595,000	
St. John	15	13	657,200 3,622,800	3,814,300	
laces under 30,000, total	96		3,622,000 t Territories.		

4

(1) Includes Prince Edward Island, Yukon & Northwest Territories. (2) Includes suburbs. (3) Toronto proper only. (4) Montreal proper only. (X) indicates that figures are withheld to avoid disclosing individual operations, but these are included in the totals.

Table 5 .--- Gross Margins for Grocery Chains, 1937

Gross Margin Number Average Store Sales Average % of of Number of % of Sales Per Total Stores(1) Chains Amount Total Store Sales(2) Amount Š \$ S ALL CHAINS, Total 482 31 20,167,700 100.0 41,842 3,428,200 16.6 Local Chains 20 175 . 8,911,900 44.2 50,925 1,583,100 16.9 Provincial Chains 11 307 11,255,800 55.8 36,664 1,845,100 16.4

A. Chains Classified According to Type of Operation

B. Chains Classified According to Number of Stores

ALL CHAINS, Total	31	482	20,167,700	100.0	û 41,842	\$ 3,428,200	16.6
Less than 6 stores 6 - 10 stores 11 - 40 Stores More than 40 stores	11 8 10 2	47 54 224) 157)	2,023,400 2,588,400 15,555,900	10.0 12.8 77.1	43,051 47,933 40,829	315,800 418,800 2,693,600	15.2 16.0 16.9

C. Chains Classified According to Total Retail Sales Volume

						T	
			2		2	ý l	
ALL CHAINS, Total	31	482	20,167,700	100.0	41,842	3,428,200	16.6
Chains having sales of Less than \$200,000 \$200,000 - \$1,000,000 More than \$1,000,000	11 14 6	53 169 260	1,471,800 6,178,400 12,517,500	7.3 30.6 62.1	27,770 36,559 48,144	233,500 1,069,900 2,124,800	15.2 16.7 16.8

(1) The average number of stores was derived from the numbers reported at the beginning, middle and end of the year.

(2) The gross margin percentage is based upon total sales, including store sales and any wholesale sales made direct from warehouse.

S & S & S &

- 7 -

Table 6 .-- Gross Margins for Combination Store Chains, 1937

						Gross Margin	
	NumberAverageStore SalesAverageofNumber of% ofSales PerChainsStores(1)AmountTotalStore	Amount	% of Total Sales(2)				
		2 540	\$	100.0	(2, 10)	\$ 10 F84 200	19.2
ALL CHAINS, Total	20	<u>1,542</u> 110	<u>96,222,000</u> 7,456,500	<u>100.0</u> 7.8	62,401 67,786	18,584,300 1,253,900	16.6
Provincial Chains Sectional Chains National Chains	16	250 448) 734)	26,682,000 62,083,500	27.7 64.5	106,728 52,524	5,273,500 12,056,900	19.6 19.4

A. Chains Classified According to Type of Operation

B. Chains Classified According to Number of Stores

			ý		ş	\$	
ALL CHAINS, Total	4.4	1.542	96,222,000	100.0	62,401	18,584,300	19,2
Chains having Less than 6 stores	20 15 3 6	81 112 41 1,308	5,730,900 6,467,100 1,687,500 82,336,500	6.0 6.7 1.8 85.6	70,752 57,742 41,159 62,948	957,800 1,126,700 300,900 16,198,900	1.6.4 17.4 17.8 19.6

C. Chains Classified According to Total Retail Sales Volume

		n a 1 - an anna ann an anna ann ann ann an Anna ann ann	Ş		\$		
ALL CHAINS, Total	44	1,542	95,222,000	1.00,0	62,401	18,584,300	19.2
Chains having sales of Less than 0200,000 0200,000 - 01,000,000 More than 01,000,000	12 24 8	53 169 1,320	1,728,000 10,030,300 84,463,700	1.8 10.4 87.8	32,604 59,351 63,988	285,200 1,766,600 16,532,500	15.6 17.6 19.5

The average number of stores was derived from the numbers reported at the beginning, middle and end of the year.
 The gross margin percentage is based upon total sales, including store sales and any wholesale sales made direct from warehouses.

00

Table 7 .-- Gross Margins for Meat Market Chains, 1937

	1					Gross Margin	
	Number	Average	Store S	Store Sales			% of
	of Chains	Number of	Amount	% of Total	Sales Per Store	Amount	Total Sales(2)
			\$		3	\$	
ALL CHAINS, Total	14	155	4,665,100	100.0	30,097	1,047,700	22.5
Local Chains Provincial Chains Sectional Chains	10 2 2	59 14) 82)	2,298,400 2,366,700	49.3 50.7	38,956 24,653	520,400 527,300	22.6 22.3

A. Chains Classified According to Type of Operation

B. Chains Classified According to Total Retail Sales Volume

			3		Ş	2	
ALL CHAINS, Total	14	155	4,665,100	100.0	30,097	1,047,700	22.5
Chains having sales of Less than 200,000	8 6	38 117	992,900 3,672,200	21.3 78.7	26,129 31,386	232,600 815,100	23.4 22.2

- 9 -

(1) The average number of stores was derived from the numbers reported at the beginning, middle and end of the year.

(2) The gross margin percentage is based upon total sales, including store sales and any wholesale sales made direct from warehouses.

Table 8 .-- Voluntary Food Chains in Canada, 1930 - 1937

(Number of Chains, Stores, Value of Purchases and Average Purchases Per Store)

Year	Numbor	Number	Total Purchases	Average	Index of
	of	of	by Members (at	Purchases	Purchases
	Chains	Stores	Wholesale Prices)	Per Store	(1930 = 100)
1930 1931 1932 1933 1934 1935(1) 1936 1937	23	4,472	22,720,500	5,081	100.0
	26	5,198	23,626,800	4,545	104.0
	26	5,790	25,433,100	4,392	111.9
	27	6,025	26,725,400	4,436	117.6
	23	5,659	26,842,200	4,743	118.1
	30	6,525	27,703,200	4,246	121.9
	32	6,670	27,336,200	4,098	120.3
	37	6,949	28,417,700	4,089	125.1

(1) Revised figures.

