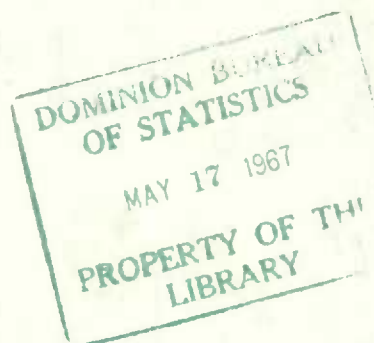


CATALOGUE No.

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TRIENNIAL



FOOD STORES

(Independent, Including Stores Organized in Voluntary Chains)

OPERATING RESULTS

1963

The last issue of this report, formerly known as Operating Results and Financial Structure - Retail Food Stores (Independent), was for 1960. Previously Biennial, it is now Triennial.

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FOOD STORES

(Independent, Including Stores Organized in Voluntary Chains)

OPERATING RESULTS

1963

INTRODUCTION

This report is the first of its kind since 1960. During the 1961 Census of Merchandising and Service Establishments, data were collected on gross profit ratios for retail trades and these are published in Table 20, Volume VI, Part 1, of the Census of Canada, 1961; the small bulletin containing Table 20 bears Catalogue No. 97-505. These publications are obtainable from the Queen's Printer, Ottawa.

It is the intention to survey the trades reported on by the present bulletin every three years.

The figures in this report are published primarily as a guide for retailers. The averages and ratios that are shown can be used as a standard against which business men can compare their own operating experience. Data are provided for various types and sizes of operations. However, it is well to keep in mind that the averages and ratios published here do not represent the ideal situation to be aimed for. They are merely the observed results of a range of operational efficiencies. Where averages and ratios are given for a number of size categories or a number of types of operation, a weighting procedure has been applied to such data. These ratios are "weighted" according to the Census weights of the different sales sizes for independent stores. Data on financial structure are no longer collected.

For the next report, in addition to the type of data being made available now, it is intended to produce averages and ratios for stores engaged entirely, or almost entirely, in dealing in certain key commodities such as groceries, meat, confectionery, vegetables and so forth. The information on the cost of retailing specific commodities, as distinguished from the cost of retailing a combination of commodities generally handled by an identifiable trade, will then be available. This information is often required when the costs of marketing various commodities are under study.

Note: Definitions are given at the end of this report.

GROCERY STORES, INDEPENDENT

Stores in this category are primarily engaged in selling a general line of groceries and non-edible grocery items such as tissues, soap, cleaning agents and polishes. Other items may include cooked or prepared meats, a small quantity of fresh meats (less than 15 per cent of total sales), fresh fruits and vegetables, drug sundries and also a general line of merchandise such as is found in country general stores. Grocery items should constitute at least 68 per cent of the total trade with fresh meats not more than 15 per cent. An exception is made in the case of stores selling a combination of fruits, vegetables and groceries, together with candy and confectionery, ice cream, tobacco and magazines. In such stores, if fruits, vegetables and groceries together form 40 per cent of the total trade and groceries predominate, the stores come within this classification. Unincorporated businesses, incorporated companies and co-operative associations were surveyed.

Over 1,300 usable reports were received from unincorporated businesses and incorporated companies. The gross profit for independent, unincorporated businesses was 15.45 per cent of net sales in 1963 compared with 15.35 per cent in 1960. For 1961, the Census of Merchandising calculated a figure of 15.6 per cent but this calculation included the data from incorporated companies and chain stores. Salaries and wages, in 1963, excluding the pay for delivery employees, were 2.86 per cent of net sales compared with 2.40 per cent in 1960. Delivery expense was 0.79 per cent (0.95 per cent in 1960), occupancy expenses were 4.24 per cent (4.00 per cent), office and store supplies 0.46 per cent (0.44 per cent), all other expenses 1.71 per cent (1.45 per cent). Total operating expenses were 10.06 per cent (9.24 per cent) and net operating

profit, before deduction of proprietors' salaries, withdrawals, and income tax and addition of net non-trading income, was 5.39 per cent (6.11 per cent). Taking account of non-trading income and expense, net operating profit was 5.94 per cent of net sales compared with 6.83 per cent in 1960. In the detailed tables, figures are given for stores not affiliated in voluntary groups and for stores so affiliated. There is also a distinction made between stores with owned premises and stores with rented premises.

For the first time data were collected from independent stores operated by incorporated companies. For all stores the gross profit was 17.06 per cent of net sales. Salaries and wages were 8.23 per cent, delivery expense was 0.38 per cent, occupancy expense was 3.20 per cent, office and store supplies 0.56 per cent, all other expenses 1.92 per cent, making total operating expenses 14.29 per cent of net sales. Net operating profit, before adding net non-trading income and before making allowance for income tax, was 2.77 per cent of net sales. The addition for net non-trading income was 0.28 per cent. As in the case of unincorporated businesses, there are figures for stores not affiliated in voluntary groups and for stores so affiliated. A distinction is made in this category also between stores with owned premises and stores with rented premises.

At the end of this section, data are given for co-operative associations operating grocery stores. Usable reports were received from five stores in the sales range of \$50,000-\$500,000. Gross profit was 15.64 per cent of net sales. Total operating expenses were 13.74 per cent and net profit, after taking account of net non-trading income and expense, was 2.12 per cent of net sales.

TABLE 1. Grocery Stores, Independent, Operating Results, 1954 - 63

Item	Unincorporated businesses					Incorporated ¹
	1954	1956	1958	1960	1963	1963
	per cent of net sales					
Gross profit	14.38	14.76	15.07	15.35	15.45	17.06
Operating expenses:						
Employees' salaries and wages (except delivery employees).....	2.89	2.55	2.52	2.40	2.86	8.23
Delivery expenses including salaries	0.88	0.82	0.83	0.95	0.79	0.38
Occupancy expenses	3.30	3.56	3.98	4.00	4.24	3.20
Office and store supplies	0.52	0.49	0.43	0.44	0.46	0.56
All other expenses	1.14	1.25	1.42	1.45	1.71	1.92
Total operating expenses	8.73	8.67	9.18	9.24	10.06	14.29
Net operating profit before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income	5.65	6.09	5.89	6.11	5.39	2.77 ²

¹ Please refer to detail table following for data on incorporated Consumer Co-operative Stores.

² Net operating profit before addition of net non-trading income and allowance for income tax.

TABLE 2. Grocery Stores, Independent, Operating Results by Annual Sales Volume and Type of Occupancy
(Unincorporated Businesses), 1963
Not Affiliated in Voluntary Groups

Item	Owned premises with annual net sales of							Total
	Under \$10,000	\$10,000- 19,999	\$20,000- 29,999	\$30,000- 49,999	\$50,000- 99,999	\$100,000- 199,999		
Number of businesses reporting	76	83	57	86	64	28	395	
Average net sales per business \$	5,801	14,836	24,898	40,078	70,966	141,086	56,157	
Average beginning inventory \$	1,139	1,935	3,540	4,135	6,791	10,671	5,130	
Average inventory, end of year \$	1,148	1,915	3,649	4,306	7,045	11,402	5,361	
Average cost of goods sold \$	4,659	12,693	21,331	34,486	59,812	118,058	47,515	
Stock turnover (times per year)	4.07	6.59	5.93	8.17	8.65	10.70	9.04	
Profit and loss data (Per cent of net sales)								
Gross profit	19.68	14.44	14.33	13.95	15.72	16.32	15.21	
Operating expenses:								
Employees' salaries and wages (except delivery)	0.89	1.36	2.04	1.70	3.44	5.12	2.58	
Delivery expenses (including salaries and wages)	0.73	0.76	0.85	0.93	0.71	0.74	0.78	
Occupancy expenses:								
Taxes	1.78	1.47	0.81	0.79	0.58	0.63	0.85	
Insurance	0.88	0.79	0.52	0.34	0.38	0.34	0.47	
Rent	—	—	—	—	—	—	—	
Heat, light and power	3.33	1.85	1.30	0.94	0.80	0.66	1.18	
Repairs and maintenance	0.92	0.74	0.48	0.47	0.46	0.39	0.53	
Depreciation allowances	0.86	0.74	1.19	0.82	1.31	1.22	1.07	
Total occupancy expenses	7.77	5.59	4.30	3.36	3.53	3.24	4.10	
Office and store supplies	0.81	0.56	0.39	0.43	0.38	0.41	0.44	
Advertising	0.08	0.10	0.15	0.25	0.34	0.51	0.25	
Net loss on bad debts	1.18	0.41	0.35	0.29	0.28	0.13	0.35	
All other expenses	1.21	1.66	1.09	1.10	1.05	1.40	1.19	
Total operating expenses	12.67	10.44	9.17	8.06	9.73	11.55	9.69	
Net operating profit	7.01	4.00	5.16	5.89	5.99	4.77	5.52	
Non-trading income	0.82	2.98	1.59	0.44	0.68	0.29	1.03	
Non-trading expense	0.02	0.24	0.29	0.05	0.25	0.08	0.17	
Net profit before deduction of proprietors' salaries, with- drawals and income tax	7.81	6.74	6.46	6.28	6.42	4.98	6.38	
Rented premises with annual net sales of								Total owned and rented
	Under \$10,000	\$10,000- 19,999	\$20,000- 29,999	\$30,000- 49,999	\$50,000- 99,999	\$100,000- 199,999	Total	
Number of businesses reporting	5	17	27	17	44	21	133	528
Average net sales per business \$	7,449	16,345	25,544	39,020	68,546	133,936	74,427	82,003
Average beginning inventory \$	1,213	2,219	1,934	2,690	5,301	8,882	5,064	5,109
Average inventory, end of year \$	1,097	2,371	1,991	2,965	5,473	8,980	5,228	5,318
Average cost of goods sold \$	6,085	13,278	21,980	32,892	57,307	111,395	62,121	52,188
Stock turnover (times per year)	5.27	5.79	11.20	11.63	10.64	13.47	12.07	10.01
Profit and loss data (Per cent of net sales)								
Gross profit	18.31	18.76	13.95	15.70	16.40	16.83	16.29	15.55
Operating expenses:								
Employees' salaries and wages (except delivery)	1.97	1.53	1.12	2.22	3.21	4.66	3.13	2.76
Delivery expenses (including salaries and wages)	—	1.88	0.50	0.45	1.15	1.03	0.92	0.82
Occupancy expenses:								
Taxes	0.41	0.38	0.59	0.36	0.27	0.27	0.33	0.68
Insurance	0.28	0.46	0.30	0.36	0.21	0.29	0.28	0.41
Rent	7.54	3.86	2.81	3.17	2.24	2.02	2.65	0.85
Heat, light and power	2.82	1.62	1.01	0.91	0.65	0.65	0.81	1.06
Repairs and maintenance	0.31	0.78	0.23	0.55	0.31	0.42	0.41	0.49
Depreciation allowances	0.39	0.45	0.33	0.34	0.69	0.62	0.54	0.90
Total occupancy expenses	11.75	7.55	5.27	5.69	4.37	4.27	5.02	4.39
Office and store supplies	0.53	0.85	0.36	0.39	0.59	0.52	0.56	0.48
Advertising	0.10	0.27	0.08	0.34	0.30	0.52	0.32	0.27
Net loss on bad debts	—	0.53	0.16	0.10	0.09	0.04	0.11	0.27
All other expenses	0.97	1.20	0.70	1.51	0.88	0.99	1.05	1.15
Total operating expenses	15.32	13.81	8.19	10.70	10.59	12.03	11.11	10.14
Net operating profit	2.99	4.95	5.76	5.00	5.81	4.80	5.18	5.41
Non-trading income	—	0.94	0.19	0.06	0.18	0.30	0.21	0.77
Non-trading expense	—	0.78	—	—	0.17	0.02	0.11	0.15
Net profit before deduction of proprietors' salaries, with- drawals and income tax	2.99	5.11	5.95	5.06	5.82	5.08	5.28	8.03

TABLE 3. Grocery Stores, Independent, Operating Results by Annual Sales Volume and Type of Occupancy
(Unincorporated Businesses), 1963
Affiliated in Voluntary Groups

Item	Owned premises with annual net sales of						Total
	\$10,000 - 19,999	\$20,000 - 29,999	\$30,000 - 49,999	\$50,000 - 99,999	\$100,000 - 199,999	\$200,000 - 499,999	
Number of businesses reporting	8	30	134	249	150	28	600
Average net sales per business	\$ 15.945	25.701	40.272	70.385	133.139	271.427	115.333
Average beginning inventory	\$ 2.919	4.701	6.188	9.484	14.545	23.496	12.694
Average inventory, end of year	\$ 2.762	4.755	6.472	9.734	15.050	24.998	13.200
Average cost of goods sold	\$ 13.521	21.827	34.457	60.114	113.553	228.923	98.054
Stock turnover (times per year)	4.76	4.62	5.44	6.26	7.67	9.44	7.57
Profit and loss data (Per cent of net sales)							
Gross profit	15.20	15.08	14.44	14.59	14.71	15.66	14.79
Operating expenses:							
Employees' salaries and wages (except delivery)	0.34	1.71	1.46	2.55	3.68	5.11	3.15
Delivery expenses (including salaries and wages)....	1.56	0.75	0.75	0.61	0.59	0.56	0.62
Occupancy expenses:							
Taxes	1.46	1.05	0.67	0.51	0.38	0.33	0.47
Insurance	0.77	0.61	0.52	0.43	0.34	0.32	0.40
Rent	—	—	—	—	—	—	—
Heat, light and power	2.33	1.51	1.18	0.92	0.71	0.52	0.84
Repairs and maintenance	1.20	0.80	0.49	0.46	0.41	0.47	0.46
Depreciation allowances	1.56	1.28	1.13	1.40	1.19	0.99	1.24
Total occupancy expenses	7.32	5.25	3.99	3.72	3.03	2.63	3.41
Office and store supplies	0.54	0.36	0.40	0.38	0.32	0.46	0.37
Advertising	0.40	0.41	0.37	0.51	0.48	1.11	0.57
Net loss on bad debts	0.13	0.10	0.24	0.20	0.12	0.16	0.17
All other expenses	1.15	1.43	1.22	1.15	1.05	1.02	1.12
Total operating expenses	11.44	10.01	8.43	9.12	9.27	11.05	9.41
Net operating profit	3.76	5.07	6.01	5.47	5.44	4.61	5.38
Non-trading income	2.17	1.85	0.64	0.57	0.34	0.22	0.48
Non-trading expense	0.44	0.33	0.51	0.18	0.03	0.06	0.15
Net profit before deduction of proprietors' salaries, withdrawals and income tax	5.49	6.59	6.14	5.86	5.75	4.77	5.71
Rented premises with annual net sales of							Total owned and rented
	\$10,000 - 29,999	\$30,000 - 49,999	\$50,000 - 99,999	\$100,000 - 199,999	\$200,000 - 499,999	\$500,000 - 999,999	
Number of businesses reporting	4	34	105	73	13	3	832
Average net sales per business	\$ 21.210	40.709	74.146	132.207	275.231	610.372	127.997
Average beginning inventory	\$ 2.406	4.233	6.776	9.647	19.583	27.928	12.011
Average inventory, end of year	\$ 2.261	4.318	7.122	10.195	20.777	32.449	12.593
Average cost of goods sold	\$ 17.325	34.739	62.673	112.230	223.092	511.641	108.592
Stock turnover (times per year)	7.42	8.13	9.02	11.31	11.55	16.95	8.83
Profit and loss data (Per cent of net sales)							
Gross profit	18.36	14.66	15.47	15.11	15.31	16.18	14.98
Operating expenses:							
Employees' salaries and wages (except delivery)	1.07	1.98	2.65	3.68	5.35	6.92	3.33
Delivery expenses (including salaries and wages)....	0.79	0.56	0.82	0.65	0.91	0.95	0.67
Occupancy expenses:							
Taxes	0.35	0.24	0.21	0.14	0.06	0.22	0.36
Insurance	0.34	0.24	0.22	0.17	0.20	0.23	0.33
Rent	2.73	2.31	1.94	1.34	1.36	0.89	0.57
Heat, light and power	1.73	1.01	0.69	0.58	0.63	0.35	0.77
Repairs and maintenance	0.84	0.29	0.28	0.27	0.30	0.25	0.40
Depreciation allowances	0.81	0.64	0.82	0.77	0.87	0.92	1.08
Total occupancy expenses	6.80	4.73	4.16	3.27	3.42	2.86	3.51
Office and store supplies	0.34	0.40	0.36	0.40	0.49	1.24	0.39
Advertising	0.50	0.27	0.45	0.52	0.82	1.50	0.57
Net loss on bad debts	—	0.06	0.09	0.11	0.21	—	0.15
All other expenses	1.07	0.96	0.92	0.85	0.91	1.35	1.05
Total operating expenses	10.57	8.96	9.45	9.48	12.11	14.82	9.67
Net operating profit	7.79	5.70	6.02	5.63	3.20	1.36	5.31
Non-trading income	0.76	0.26	0.14	0.17	0.08	—	0.37
Non-trading expense	—	—	0.04	0.04	—	—	0.11
Net profit before deduction of proprietors' salaries, withdrawals and income tax	8.55	5.96	6.12	5.76	3.28	1.36	5.57

**TABLE 4. Grocery Stores, Independent, Operating Results by Annual Sales Volume and Type of Occupancy
(Incorporated Businesses), 1963
Not Affiliated in Voluntary Groups**

Item	Owned premises with annual net sales of			Rented premises with annual net sales of			Total owned and rented
	\$50,000 - 99,999	\$200,000 - 499,999	Total	\$100,000 - 199,999	\$200,000 - 499,999	Total	
Number of businesses reporting	4	4	9	3	3	6	15
Average net sales per business	\$ 81,082	263,072	165,918	154,145	218,196	197,053	188,743
Average beginning inventory	\$ 3,969	14,381	9,315	9,733	12,908	11,860	11,181
Average inventory, end of year	\$ 4,121	14,356	9,543	10,994	11,584	11,389	10,896
Average cost of goods sold	\$ 66,597	223,906	139,909	123,812	177,472	159,759	154,461
Stock turnover (times per year)	16.46	15.58	14.84	11.95	14.49	13.74	13.99
Profit and loss data (Per cent of net sales)							
Gross profit	17.86	14.89	17.06	19.68	18.66	19.00	18.48
Operating expenses:							
Employees' salaries and wages (except delivery)	9.34	8.94	9.69	9.31	7.99	8.43	8.77
Delivery expenses (including salaries and wages)	0.86	0.36	0.52	0.39	0.39	0.39	0.42
Occupancy expenses:							
Taxes	0.85	0.63	0.71	0.27	0.36	0.33	0.43
Insurance	0.55	0.35	0.48	0.11	0.16	0.14	0.23
Rent	—	—	—	1.26	1.46	1.39	1.02
Heat, light and power	1.37	0.51	0.84	0.32	0.43	0.39	0.51
Repairs and maintenance	0.76	0.36	0.55	0.05	0.28	0.21	0.30
Depreciation allowances	1.46	1.23	1.55	0.49	0.49	0.49	0.77
Total occupancy expenses	4.99	3.08	4.13	2.50	3.18	2.95	3.26
Office and store supplies	1.03	0.79	0.80	0.45	0.35	0.38	0.49
Advertising	0.04	0.62	0.32	0.32	0.12	0.19	0.23
Net loss on bad debts	—	—	0.01	—	—	—	—
All other expenses	3.07	1.27	2.07	0.51	0.51	0.51	0.93
Total operating expenses	19.33	15.03	17.54	13.48	12.54	12.85	14.10
Net operating profit	- 1.47	- 0.14	- 0.48	6.20	6.12	6.15	4.38
Non-trading income	3.00	0.13	1.27	—	—	—	0.34
Non-trading expense	0.27	—	0.11	—	—	—	0.03
Net profit before allowance for income tax	1.26	- 0.01	0.68	6.20	6.12	6.15	4.69

**TABLE 5. Grocery Stores, Independent, Operating Results by Annual Sales Volume and Type of Occupancy
(Incorporated Businesses), 1963
Affiliated in Voluntary Groups**

Item	Owned premises with annual net sales of				Rented premises with annual net sales of				Total owned and rented
	\$50,000 - 99,999	\$100,000 - 199,999	\$200,000 - 499,999	Total	\$100,000 - 199,999	\$200,000 - 499,999	\$500,000 - 999,999	Total	
Number of businesses reporting	8	14	10	33	20	18	3	45	78
Average net sales per business	\$ 78,558	141,330	265,604	357,133	132,773	312,739	662,460	498,041	449,001
Average beginning inventory	\$ 16,488	17,038	30,983	43,473	18,139	24,789	36,206	28,982	34,025
Average inventory, end of year	\$ 15,458	18,241	34,224	46,883	19,870	27,538	38,763	31,748	37,015
Average cost of goods sold	\$ 67,065	116,538	218,779	293,440	113,204	264,509	554,355	421,645	377,026
Stock turnover (times per year)	4.20	6.61	6.71	6.50	5.96	10.11	14.79	13.89	10.61
Profit and loss data (Per cent of net sales)									
Gross profit	14.63	17.54	17.63	17.36	14.74	15.42	16.32	15.48	16.13
Operating expenses:									
Employees' salaries and wages (except delivery)	8.29	8.55	8.77	8.58	7.67	8.53	6.72	7.52	7.89
Delivery expenses (including salaries and wages)	0.47	0.47	0.25	0.36	0.33	0.39	0.26	0.36	0.36
Occupancy expenses:									
Taxes	0.53	0.42	0.34	0.38	0.19	0.21	0.17	0.18	0.25
Insurance	0.45	0.34	0.36	0.36	0.30	0.21	0.14	0.18	0.24
Rent	—	—	—	—	1.39	1.09	1.28	1.15	0.75
Heat, light and power	0.90	0.81	0.54	0.65	0.69	0.76	0.46	0.62	0.63
Repairs and maintenance	0.24	0.51	0.34	0.35	0.37	0.32	0.27	0.28	0.30
Depreciation allowances	1.19	1.66	1.28	1.39	0.65	1.09	0.55	0.74	0.97
Total occupancy expenses	3.31	3.74	2.88	3.13	3.50	3.68	2.87	3.13	3.14
Office and store supplies	0.49	0.58	0.55	0.55	0.36	0.59	0.78	0.62	0.60
Advertising	0.41	0.65	0.65	0.67	0.44	0.92	1.19	0.95	0.85
Net loss on bad debts	0.91	0.26	0.37	0.53	0.16	0.08	- 0.01	0.05	0.22
All other expenses	2.29	1.22	1.26	1.41	1.15	1.02	1.62	1.33	1.35
Total operating expenses	16.17	15.47	14.71	15.23	13.70	15.21	13.43	13.98	14.41
Net operating profit	- 1.54	2.07	2.92	2.13	1.04	0.21	2.89	1.50	1.72
Non-trading income	1.23	0.49	0.38	0.57	0.09	0.10	0.18	0.11	0.27
Non-trading expense	—	0.04	—	0.01	0.04	0.03	—	0.02	0.02
Net profit before allowance for income tax	- 0.31	2.52	3.30	2.69	1.09	0.28	3.07	1.59	1.97

TABLE 6. Grocery Stores, Consumer Co-operative, Operating Results of Associations, 1963

Item	Owned premises with annual net sales of \$50,000 and over
Number of businesses reporting	5
Average net sales per business \$	82,602
Average beginning inventory \$	13,384
Average inventory, end of year \$	14,019
Average cost of goods sold \$	69,804
Stock turnover (times per year)	5.09
Profit and loss data (Per cent of net sales)	
Gross profit	15.64
Operating expenses:	
Employees' salaries and wages (except delivery)	8.40
Delivery expenses (including salaries and wages)	0.63
Occupancy expenses:	
Taxes	0.69
Insurance	0.32
Rent	—
Heat, light and power	0.69
Repairs and maintenance	0.23
Depreciation allowances	0.31
Total occupancy expenses	2.24
Office and store supplies	0.25
Advertising	0.14
Net loss on bad debts	0.10
All other expenses	1.98
Total operating expenses	13.74
Net operating profit	1.90
Non-trading income	0.26
Non-trading expense	0.04
Net profit before allowance for income tax	2.12

COMBINATION STORES, INDEPENDENT

Stores in this category are primarily engaged in selling a combination of groceries and fresh meat, the latter usually accounting for 15 to 50 per cent of sales. Fresh fruits and vegetables, along with some confectionery and tobacco products, often form part of the trade. Unincorporated businesses, incorporated companies and co-operative associations were surveyed.

Over three thousand usable reports were received from both unincorporated businesses and incorporated companies. The gross profit for independent unincorporated businesses was 15.50 per cent of net sales in 1963 compared with 15.36 per cent in 1960. For 1961 the Census of Merchandising calculated a figure of 17.7 per cent but this calculation included the data from incorporated companies and chain stores. Salaries and wages, in 1963, excluding the pay for delivery employees, were 4.73 per cent of net sales compared with 4.30 per cent in 1960. Delivery expense was 0.86 per cent (0.99 per cent in 1960), occupancy expenses were 3.22 per cent (3.27 per cent), office and store supplies 0.54 per cent (0.52 per cent), all other expenses 2.13 per cent (1.78 per cent). Total operating expenses were 11.48 per cent (10.86 per cent) and net operating profit before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income was 4.02 per cent (4.50 per cent). Taking account of non-trading income and expense, net operating profit was 4.26 per cent of net sales compared with 4.92 per cent in 1960. In the detailed

tables, figures are given for stores not affiliated in voluntary groups and for stores so affiliated. There is also a distinction made between stores with owned premises and stores with rented premises.

For the first time data were collected from independent stores operated by incorporated companies. For all stores, the gross profit was 16.74 per cent of net sales. Salaries and wages were 7.82 per cent, delivery expenses were 0.59 per cent, occupancy expense was 3.18 per cent, office and store supplies 0.69 per cent, all other expense 2.62 per cent, making total operating expenses 14.90 per cent of net sales. Net operating profit, before adding net non-trading income and before making allowance for income tax, was 1.84 per cent of net sales. The addition for net non-trading income was 0.15 per cent. As in the case of unincorporated businesses, there are figures for stores not affiliated in voluntary groups and for stores so affiliated. A distinction is made in this category also between stores with owned premises and stores with rented premises.

At the end of this section, data are given for co-operative associations operating combination stores. Usable reports were received from five stores in the sales range of \$50,000 to \$500,000. Gross profit was 18.16 per cent of net sales. Total operating expenses were 15.25 per cent and net profit, after taking account of net non-trading income and expense, was 2.86 per cent of net sales.

TABLE 7. Combination Stores, Independent, Operating Results, 1954-63

Item	Unincorporated businesses					Incorporated ¹
	1954	1956	1958	1960	1963	1963
	per cent of net sales					
Gross profit	15.09	15.40	15.07	15.36	15.50	16.74
Operating expenses:						
Employees' salaries and wages (except delivery employees)	4.75	4.38	4.24	4.30	4.73	7.82
Delivery expenses including salaries	1.11	1.09	1.07	0.99	0.86	0.59
Occupancy expenses	2.93	3.10	3.15	3.27	3.22	3.18
Office and store supplies	0.61	0.62	0.57	0.52	0.54	0.69
All other expenses	1.29	1.46	1.63	1.78	2.13	2.62
Total operating expenses	10.69	10.65	10.66	10.86	11.48	14.90
Net operating profit before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income	4.40	4.75	4.41	4.50	4.02	1.84 ²

¹ Please refer to detailed table following for data on incorporated Consumer Co-operative Stores.

² Net operating profit before addition of net non-trading income and allowance for income tax.

**TABLE 8. Combination Stores, Independent, Operating Results by Annual Sales Volume and Type of Occupancy
(Unincorporated Businesses), 1963**
Not Affiliated in Voluntary Groups

Item	Owned premises with annual net sales of								
	Under \$10,000	\$10,000- 19,999	\$20,000- 29,999	\$30,000- 49,999	\$50,000- 99,999	\$100,000- 199,999	\$200,000- 499,999	\$500,000- and over	Total
Number of businesses reporting	16	26	32	71	124	78	34	4	385
Average net sales per business	\$ 5,981	15,770	24,452	40,528	70,586	139,989	280,964	844,441	158,937
Average beginning inventory	\$ 1,135	2,566	3,040	4,157	5,528	8,298	14,588	37,261	9,138
Average inventory, end of year	\$ 1,126	2,796	3,200	4,201	5,770	8,591	15,154	35,053	9,301
Average cost of goods sold	\$ 4,475	13,508	21,485	34,828	59,999	118,700	234,898	738,722	135,436
Stock turnover (times per year)	3.96	5.04	6.89	8.33	10.62	14.06	15.80	20.43	14.69
Profit and loss data (Per cent of net sales)									
Gross profit	25.19	14.35	12.13	14.06	15.32	15.21	16.40	12.51	15.03
Operating expenses:									
Employees' salaries and wages (except delivery)	1.57	1.85	1.09	2.09	3.88	5.01	6.37	5.31	4.32
Delivery expenses (including salaries and wages)	1.89	0.97	1.32	0.88	0.88	1.00	1.00	0.32	0.93
Occupancy expenses:									
Taxes	3.97	1.76	1.15	0.82	0.60	0.38	0.36	0.19	0.56
Insurance	1.10	0.57	0.47	0.42	0.37	0.30	0.31	0.09	0.34
Rent	—	—	—	—	—	—	—	—	—
Heat, light and power	4.96	2.31	1.34	1.17	0.87	0.59	0.47	0.37	0.80
Repairs and maintenance	0.88	1.12	0.51	0.54	0.40	0.44	0.33	0.20	0.43
Depreciation allowances	0.87	0.67	0.67	0.86	1.00	0.80	1.11	1.00	0.92
Total occupancy expenses	11.78	6.43	4.14	3.81	3.24	2.51	2.58	1.85	3.05
Office and store supplies	1.41	0.92	0.41	0.52	0.52	0.46	0.58	0.20	0.50
Advertising	0.16	0.10	0.09	0.25	0.42	0.64	0.81	0.88	0.53
Net loss on bad debts	0.84	0.58	0.63	0.21	0.22	0.18	0.08	0.05	0.20
All other expenses	3.83	1.49	1.22	1.11	1.07	1.15	1.56	0.81	1.20
Total operating expenses	21.48	12.34	8.90	8.87	10.23	10.95	12.98	9.42	10.73
Net operating profit	3.71	2.01	3.23	5.19	5.09	4.26	3.42	3.09	4.30
Non-trading income	3.72	0.39	1.06	0.68	0.74	0.41	0.52	0.02	0.57
Non-trading expense	1.81	—	0.22	0.03	0.33	0.13	0.22	—	0.18
Net profit before deduction of proprietors' salaries, with- drawals and income tax	5.62	2.40	4.07	5.84	5.50	4.54	3.72	3.11	4.69
Rented premises with annual net sales of									
	Under \$30,000	\$30,000- 49,999	\$50,000- 99,999	\$100,000- 199,999	\$200,000- 499,999	Total		Total owned and rented	
Number of businesses reporting	6	24	65	59	22	177		562	
Average net sales per business	\$ 23,639	40,973	74,634	139,452	272,175	148,495		155,314	
Average beginning inventory	\$ 2,884	2,983	5,130	7,379	13,075	7,789		8,670	
Average inventory, end of year	\$ 2,470	3,180	5,199	7,666	13,210	6,466		9,011	
Average cost of goods sold	\$ 20,669	34,393	62,448	116,891	228,990	124,516		131,647	
Stock turnover (times per year)	7.72	11.16	12.09	15.54	17.42	15.32		14.89	
Profit and loss data (Per cent of net sales)									
Gross profit	12.79	16.06	16.33	16.18	15.87	16.07		15.39	
Operating expenses:									
Employees' salaries and wages (except delivery)	2.87	3.46	3.84	5.39	6.28	4.87		4.51	
Delivery expenses (including salaries and wages)	0.47	0.93	1.06	1.04	0.82	0.97		0.94	
Occupancy expenses:									
Taxes	0.24	0.43	0.32	0.21	0.14	0.25		0.45	
Insurance	0.27	0.28	0.30	0.24	0.27	0.27		0.32	
Rent	3.12	2.42	1.93	1.43	0.93	1.63		0.80	
Heat, light and power	0.72	0.75	0.61	0.46	0.43	0.53		0.71	
Repairs and maintenance	0.45	0.24	0.28	0.31	0.31	0.30		0.38	
Depreciation allowances	0.26	0.51	0.76	0.53	0.71	0.63		0.82	
Total occupancy expenses	5.06	4.63	4.20	3.18	2.79	3.61		3.28	
Office and store supplies	0.58	0.69	0.68	0.54	0.64	0.60		0.54	
Advertising	0.38	0.30	0.55	0.60	0.61	0.56		0.54	
Net loss on bad debts	0.20	0.14	0.17	0.07	0.07	0.11		0.17	
All other expenses	1.41	0.96	0.97	0.87	1.21	1.00		1.09	
Total operating expenses	10.97	11.11	11.47	11.69	12.42	11.72		11.07	
Net operating profit	1.82	4.95	4.86	4.49	3.45	4.35		4.32	
Non-trading income	1.53	0.09	0.27	0.25	0.07	0.24		0.46	
Non-trading expense	—	0.06	0.10	0.13	0.06	0.10		0.15	
Net profit before deduction of proprietors' salaries, with- drawals and income tax	3.35	4.98	5.03	4.61	3.46	4.49		4.63	

TABLE 9. Combination Stores, Independent, Operating Results by Annual Sales Volume and Type of Occupancy
(Unincorporated Businesses), 1963
Affiliated in Voluntary Groups

Item	Owned premises with annual net sales of							Total
	\$10,000 - 19,999	\$20,000 - 29,999	\$30,000 - 49,999	\$50,000 - 99,999	\$100,000 - 199,999	\$200,000 - 499,999	\$500,000 - 999,999	
Number of businesses reporting	9	35	119	442	486	279	19	1,389
Average net sales per business	17,158	25,983	40,880	75,197	142,421	287,479	621,210	230,921
Average beginning inventory	3,265	4,026	5,480	7,637	10,517	14,633	34,408	13,598
Average inventory, end of year	3,738	3,770	5,611	7,929	11,207	15,911	37,797	14,682
Average cost of goods sold	14,522	22,016	34,647	64,144	120,757	243,254	516,834	194,898
Stock turnover (times per year)	4.15	5.65	6.25	8.24	11.12	15.93	14.31	13.78
Profit and loss data (Per cent of net sales)								
Gross profit	15.36	15.27	15.25	14.70	15.21	15.38	16.80	15.34
Operating expenses:								
Employees' salaries and wages (except delivery)	1.32	1.43	1.96	3.24	4.66	5.48	6.14	4.88
Delivery expenses (including salaries and wages)	0.76	1.45	0.92	0.75	0.79	0.74	0.73	0.76
Occupancy expenses:								
Taxes	0.87	1.11	0.69	0.53	0.42	0.32	0.31	0.39
Insurance	0.91	0.80	0.51	0.39	0.33	0.29	0.36	0.33
Rent	—	—	—	—	—	—	—	—
Heat, light and power	2.21	1.76	1.28	0.88	0.67	0.53	0.47	0.63
Repairs and maintenance	0.56	0.96	0.61	0.47	0.41	0.44	0.32	0.43
Depreciation allowances	2.45	2.14	1.28	1.22	1.20	1.15	1.20	1.18
Total occupancy expenses	7.00	6.77	4.37	3.49	3.03	2.73	2.66	2.96
Office and store supplies	0.55	0.52	0.53	0.45	0.47	0.53	0.66	0.51
Advertising	0.24	0.36	0.40	0.61	0.86	1.21	1.56	1.02
Net loss on bad debts	0.19	0.18	0.19	0.18	0.16	0.12	0.17	0.15
All other expenses	2.62	1.78	1.38	1.15	1.20	1.35	2.05	1.34
Total operating expenses	12.68	12.49	9.75	9.87	11.17	12.16	13.97	11.62
Net operating profit	2.68	2.78	5.50	4.83	4.04	3.22	2.83	3.72
Non-trading income	5.87	1.49	0.50	0.62	0.34	0.26	0.33	0.35
Non-trading expense	0.66	0.06	0.08	0.22	0.08	0.09	0.06	0.10
Net profit before deduction of proprietors' salaries, withdrawals and income tax	7.89	4.21	5.92	5.23	4.30	3.39	3.10	3.97
Rented premises with annual net sales of								Total owned and rented
	Under \$50,000	\$50,000 - 99,999	\$100,000 - 199,999	\$200,000 - 499,999	\$500,000 - 999,999	\$1,000,000 and over	Total	
Number of businesses reporting	23	149	292	230	27	5	726	2,115
Average net sales per business	41,266	75,530	142,520	266,995	640,064	1,233,930	301,246	259,325
Average beginning inventory	4,979	5,647	8,606	13,424	28,226	40,971	14,026	13,771
Average inventory, end of year	5,343	5,997	9,071	14,769	27,726	44,859	14,887	14,765
Average cost of goods sold	34,618	63,572	119,922	241,824	537,047	1,025,636	252,221	218,051
Stock turnover (times per year)	6.71	10.92	13.57	17.15	19.20	23.90	17.45	15.28
Profit and loss data (Per cent of net sales)								
Gross profit	16.05	15.83	15.86	16.32	16.10	16.88	16.14	15.66
Operating expenses:								
Employees' salaries and wages (except delivery)	1.85	3.43	5.04	5.53	6.07	5.84	5.24	5.03
Delivery expenses (including salaries and wages)	0.77	0.95	0.88	0.71	0.51	0.15	0.74	0.75
Occupancy expenses:								
Taxes	0.27	0.25	0.18	0.15	0.16	0.29	0.17	0.30
Insurance	0.41	0.28	0.25	0.23	0.18	0.10	0.23	0.29
Rent	2.38	1.70	1.26	1.21	1.24	1.22	1.28	0.52
Heat, light and power	0.90	0.68	0.55	0.47	0.49	0.60	0.52	0.59
Repairs and maintenance	0.35	0.35	0.33	0.34	0.31	0.51	0.34	0.39
Depreciation allowances	1.05	0.79	0.82	0.85	0.91	0.74	0.85	1.05
Total occupancy expenses	5.36	4.05	3.39	3.25	3.29	3.46	3.39	3.14
Office and store supplies	0.52	0.43	0.43	0.62	0.83	1.00	0.59	0.54
Advertising	0.38	0.66	1.04	1.43	1.52	1.38	1.25	1.11
Net loss on bad debts	0.21	0.20	0.11	0.07	0.03	0.02	0.09	0.13
All other expenses	2.08	0.96	1.18	1.54	1.71	2.57	1.45	1.37
Total operating expenses	11.17	10.68	12.07	13.15	13.96	14.42	12.75	12.07
Net operating profit	4.88	5.15	3.79	3.17	2.14	2.46	3.39	3.59
Non-trading income	0.17	0.17	0.08	0.09	0.01	0.03	0.08	0.23
Non-trading expense	0.12	0.09	0.07	0.07	—	0.05	0.06	0.08
Net profit before deduction of proprietors' salaries, withdrawals and income tax	4.93	5.23	3.80	3.19	2.15	2.44	3.41	3.74

**TABLE 10. Combination Stores, Independent, Operating Results by Annual Sales Volume and Type of Occupancy
(Incorporated Businesses), 1963
Not Affiliated in Voluntary Groups**

Item	Owned premises with annual net sales of			Rented premises with annual net sales of			Total owned and rented
	\$100,000 - 199,999	\$200,000 - 499,999	Total	\$ 50,000 - 199,999	\$200,000 - 499,999	Total	
Number of businesses reporting	8	6	17	14	10	26	43
Average net sales per business \$	152,539	333,374	732,869	142,789	299,819	405,033	559,066
Average beginning inventory \$	14,230	29,396	39,617	13,245	11,406	23,324	30,979
Average inventory, end of year \$	14,260	29,832	40,571	13,268	12,729	22,532	31,008
Average cost of goods sold \$	127,370	278,210	620,165	118,607	243,601	333,126	467,991
Stock turnover (times per year)	8.94	9.39	15.47	8.95	20.19	14.53	15.10
Profit and loss data (Per cent of net sales)							
Gross profit	16.50	16.55	15.91	16.90	18.75	17.88	16.95
Operating expenses:							
Employees' salaries and wages (except delivery)	8.63	9.67	8.40	9.45	9.16	8.50	8.45
Delivery expenses (including salaries and wages)....	1.38	0.22	0.41	0.79	1.09	1.13	0.79
Occupancy expenses:							
Taxes	0.38	0.38	0.34	0.33	0.89	0.53	0.44
Insurance	0.47	0.26	0.24	0.26	0.26	0.20	0.22
Rent	—	—	—	1.97	1.55	1.36	0.72
Heat, light and power	0.72	0.72	0.61	0.49	0.41	0.34	0.47
Repairs and maintenance	0.15	0.37	0.30	0.38	0.32	0.28	0.29
Depreciation allowances	1.12	0.82	0.91	0.93	0.74	0.69	0.79
Total occupancy expenses	2.84	2.55	2.40	4.36	4.17	3.40	2.93
Office and store supplies	0.66	0.64	0.62	0.63	0.77	0.54	0.58
Advertising	0.65	0.48	0.50	0.40	0.44	0.59	0.55
Net loss on bad debts	0.17	0.20	0.11	0.13	0.11	0.13	0.12
All other expenses	1.80	0.94	1.02	1.52	1.38	1.02	1.02
Total operating expenses	16.13	14.70	13.46	17.28	17.12	15.31	14.44
Net operating profit	0.37	1.85	2.45	- 0.38	1.63	2.57	2.51
Non-trading income	1.23	0.47	0.33	0.18	—	0.10	0.21
Non-trading expense	—	—	—	—	0.03	0.01	0.01
Net profit before allowance for income tax	1.60	2.32	2.78	- 0.20	1.60	2.66	2.71

TABLE 11. Combination Stores, Independent, Operating Results by Annual Sales Volume and Type of Occupancy
(Incorporated Businesses), 1963
Affiliated in Voluntary Groups

Item	Owned premises with annual net sales of						Total
	\$50,000- 99,999	\$100,000- 199,999	\$200,000- 499,999	\$500,000- 999,999	\$1,000,000 and over		
Number of businesses reporting	10	28	88	39	7		172
Average net sales per business	78,809	151,259	335,537	655,486	1,473,592		569,246
Average beginning inventory	10,996	12,099	24,159	38,012	38,326		29,521
Average inventory, end of year	11,742	13,610	26,553	41,205	47,332		32,924
Average cost of goods sold	67,399	126,905	281,652	543,749	1,234,291		475,287
Stock turnover (times per year)	5.93	9.87	11.11	13.73	28.82		15.22
Profit and loss data (Per cent of net sales)							
Gross profit	14.59	16.10	16.06	17.05	16.24		16.41
Operating expenses:							
Employees' salaries and wages (except delivery)....	7.58	7.22	7.87	7.77	7.42		7.72
Delivery expenses (including salaries and wages) ..	0.67	0.64	0.57	0.50	0.20		0.51
Occupancy expenses:							
Taxes	0.63	0.48	0.34	0.31	0.27		0.34
Insurance	0.36	0.42	0.31	0.25	0.13		0.28
Rent	—	—	—	—	—		—
Heat, light and power	1.28	0.81	0.61	0.46	0.29		0.54
Repairs and maintenance	0.52	0.47	0.41	0.31	0.23		0.36
Depreciation allowances	1.45	1.27	1.24	1.31	1.21		1.25
Total occupancy expenses	4.24	3.45	2.91	2.64	2.13		2.77
Office and store supplies	0.32	0.41	0.53	0.72	0.94		0.63
Advertising	0.61	0.74	0.84	1.26	1.67		1.08
Net loss on bad debts	0.36	0.13	0.26	0.10	—		0.16
All other expenses	0.90	1.58	1.40	1.74	1.61		1.56
Total operating expenses	14.68	14.17	14.38	14.73	13.97		14.43
Net operating profit	— 0.09	1.93	1.68	2.32	2.27		1.98
Non-trading income	0.59	0.32	0.33	0.56	0.30		0.40
Non-trading expense	—	0.07	0.10	0.24	—		0.13
Net profit before allowance for income tax	0.50	2.18	1.91	2.64	2.57		2.25
Rented premises with annual net sales of							Total owned and rented
	\$50,000- 99,999	\$100,000- 199,999	\$200,000- 499,999	\$500,000- 999,999	\$1,000,000 and over	Total	
Number of businesses reporting	10	36	147	108	30	331	503
Average net sales per business	85,766	155,239	339,916	703,045	1,489,072	701,870	667,216
Average beginning inventory	11,949	13,134	18,394	29,537	60,298	30,629	30,339
Average inventory, end of year	11,666	14,172	20,226	30,797	63,666	32,403	32,539
Average cost of goods sold	72,350	130,502	283,050	585,199	1,239,664	584,346	555,844
Stock turnover (times per year)	6.13	9.56	14.66	19.40	20.00	18.55	17.68
Profit and loss data (Per cent of net sales)							
Gross profit	15.64	15.93	16.73	16.76	16.75	16.72	16.64
Operating expenses:							
Employees' salaries and wages (except delivery)....	8.27	8.26	7.97	7.15	7.09	7.43	7.51
Delivery expenses (including salaries and wages) ..	0.88	0.80	0.58	0.50	0.30	0.50	0.50
Occupancy expenses:							
Taxes	0.15	0.13	0.15	0.15	0.14	0.15	0.20
Insurance	0.37	0.29	0.21	0.18	0.17	0.19	0.21
Rent	1.54	1.47	1.30	1.37	1.39	1.36	1.01
Heat, light and power	0.95	0.67	0.56	0.55	0.48	0.55	0.55
Repairs and maintenance	0.42	0.53	0.39	0.39	0.37	0.39	0.38
Depreciation allowances	0.57	0.60	0.81	0.88	0.79	0.83	0.94
Total occupancy expenses	4.00	3.69	3.42	3.52	3.34	3.47	3.29
Office and store supplies	0.33	0.39	0.64	0.87	0.92	0.79	0.75
Advertising	0.41	0.94	1.39	1.59	1.39	1.47	1.37
Net loss on bad debts	0.47	0.11	0.08	0.01	0.01	0.04	0.07
All other expenses	1.25	1.31	1.40	1.75	1.94	1.66	1.63
Total operating expenses	15.61	15.50	15.48	15.39	14.99	15.36	15.12
Net operating profit	0.03	0.43	1.25	1.37	1.76	1.36	1.52
Non-trading income	0.01	0.16	0.11	0.09	0.07	0.09	0.17
Non-trading expense	—	0.05	0.05	0.04	0.03	0.04	0.06
Net profit before allowance for income tax	0.04	0.54	1.31	1.42	1.80	1.41	1.63

TABLE 12. Combination Stores, Consumer Co-operative, Operating Results of Associations, 1963

Item	Owned premises with annual net sales of \$50,000 and over
Number of businesses reporting	5
Average net sales per business \$	214,337
Average beginning inventory \$	12,045
Average inventory, end of year \$	12,110
Average cost of goods sold \$	174,542
Stock turnover (times per year)	14.45
Profit and loss data (Per cent of net sales)	
Gross profit	18.16
Operating expenses:	
Employees' salaries and wages (except delivery)	9.83
Delivery expenses (including salaries and wages)	0.05
Occupancy expenses:	
Taxes	0.47
Insurance	0.23
Rent	—
Heat, light and power	0.65
Repairs and maintenance	0.55
Depreciation allowances	0.81
Total occupancy expenses	2.71
Office and store supplies	0.93
Advertising	0.22
Net loss on bad debts	0.07
All other expenses	1.44
Total operating expenses	15.25
Net operating profit	2.91
Non-trading income	0.17
Non-trading expense	0.22
Net profit before allowance for income tax	2.86

MEAT MARKETS, INDEPENDENT

Stores in this category are primarily engaged in selling fresh meats. Other items may include cured meats, poultry, dairy products and eggs. Dry groceries may also be sold but may not account for more than 49 per cent of total sales. Unincorporated businesses and incorporated companies were both surveyed.

One hundred and fifty-three usable reports were received from unincorporated businesses and incorporated companies. The gross profit for independent unincorporated businesses was 20.69 per cent of net sales in 1963 compared with 20.25 per cent in 1960. For 1961, the Census of Merchandising calculated a figure of 20.0 per cent but this calculation included the data from incorporated companies and chain stores. Salaries and wages, in 1963, excluding the pay for delivery employees, were 6.29 per cent of net sales compared with 5.83 per cent in 1960. Delivery expense was 1.26 per cent (1.32 per cent in 1960), occupancy expenses were 4.06 per cent (3.62 per cent), office and store supplies 1.06 per cent (1.08 per cent), all other expenses 1.89 per cent (1.88 per cent). Total operating expenses were 14.56 per cent (13.73 per cent) and net operating

profit, before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income, was 6.13 per cent (6.52 per cent). Taking account of non-trading income and expense, net operating profit was 6.39 per cent of net sales compared with 7.02 per cent in 1960. In the detailed tables, a distinction is made between stores with owned premises and stores with rented premises.

For the first time data were collected from independent meat markets operated by incorporated companies. For all stores the gross profit was 24.57 per cent of net sales. Salaries and wages were 13.08 per cent, delivery expense was 1.00 per cent, occupancy expense was 4.48 per cent, office and store supplies 1.25 per cent, all other expenses 3.24 per cent, making total operating expenses 23.05 per cent of net sales. Net operating profit, before adding net non-trading income and before making allowance for income tax, was 1.52 per cent of net sales. The addition for net non-trading income was 0.31 per cent. As in the case of unincorporated businesses, a distinction is made between stores with owned premises and stores with rented premises.

TABLE 13. Meat Markets, Independent, Operating Results, 1954 - 63

Item	Unincorporated businesses					Incorporated
	1954	1956	1958	1960	1963	1963
	per cent of net sales					
Gross profit	18.90	19.61	19.07	20.25	20.69	24.57
Operating expenses:						
Employees' salaries and wages (except delivery employees)	5.53	5.47	5.48	5.83	6.29	13.08
Delivery expenses including salaries	1.35	1.30	1.24	1.32	1.26	1.00
Occupancy expenses	3.37	3.48	3.54	3.62	4.06	4.48
Office and store supplies	0.94	1.00	0.98	1.08	1.06	1.25
All other expenses	1.34	1.48	1.71	1.88	1.89	3.24
Total operating expenses	12.53	12.73	12.95	13.73	14.56	23.05
Net operating profit before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income	6.37	6.88	6.12	6.52	6.13	1.52 ¹

¹ Net operating profit before addition of net non-trading income and allowance for income tax.

TABLE 14. Meat Markets, Independent, Operating Results by Annual Sales Volume and Type of Occupancy
(Unincorporated Businesses), 1963
Not Affiliated in Voluntary Groups

Item	Owned premises with annual net sales of						Rented premises with annual net sales of					Total owned and rented
	\$20,000-29,999	\$30,000-49,999	\$50,000-99,999	\$100,000-199,999	\$200,000-499,999	Total	\$10,000-49,999	\$50,000-99,999	\$100,000-199,999	\$200,000-499,999	Total	
Number of businesses reporting	7	9	13	15	6	52	11	35	26	11	83	135
Average net sales per business	\$ 23,169	\$ 42,540	\$ 65,575	\$ 126,659	\$ 245,139	103,554	\$ 35,884	\$ 76,005	\$ 133,448	\$ 306,067	\$ 125,513	\$ 115,609
Average beginning inventory	\$ 350	\$ 983	\$ 1,470	\$ 2,222	\$ 6,338	2,286	\$ 758	\$ 1,698	\$ 1,994	\$ 4,246	\$ 2,057	\$ 2,160
Average inventory, end of year	\$ 368	\$ 1,197	\$ 1,306	\$ 1,997	\$ 5,882	2,129	\$ 822	\$ 1,909	\$ 1,884	\$ 4,742	\$ 2,173	\$ 2,153
Average cost of goods sold	\$ 17,858	\$ 33,281	\$ 51,792	\$ 100,569	\$ 208,700	84,324	\$ 28,252	\$ 58,856	\$ 105,999	\$ 247,458	\$ 99,816	\$ 92,829
Stock turnover (times per year)	49.74	30.53	37.31	47.67	34.16	38.20	35.76	32.63	55.24	55.06	47.19	43.05
Profit and loss data (Per cent of net sales)												
Gross profit	22.92	21.77	21.02	20.60	14.86	20.11	21.34	22.56	20.57	19.15	21.17	20.69
Operating expenses:												
Employees' salaries and wages (except delivery)	2.38	4.80	6.19	8.15	7.27	6.44	3.11	5.97	7.08	7.82	6.18	6.29
Delivery expenses (including salaries and wages)	3.36	1.70	0.48	1.21	1.15	1.14	1.79	1.60	1.23	0.68	1.36	1.26
Occupancy expenses:												
Taxes	0.70	0.97	0.68	0.31	0.28	0.57	0.14	0.31	0.18	0.21	0.22	0.38
Insurance	0.66	0.58	0.46	0.31	0.27	0.43	0.13	0.25	0.22	0.19	0.21	0.33
Rent	—	—	—	—	—	—	2.31	2.22	1.36	1.09	1.78	0.98
Heat, light and power	1.83	1.81	1.40	0.66	0.46	1.12	1.03	0.77	0.37	0.37	0.62	0.84
Repairs and maintenance	0.57	0.86	0.89	0.44	0.18	0.61	0.38	0.44	0.43	0.46	0.43	0.51
Depreciation allowances	0.99	1.27	1.64	0.95	0.92	1.20	1.05	0.92	0.79	0.89	0.89	1.02
Total occupancy expenses	4.75	5.49	5.07	2.67	2.11	3.93	5.04	4.91	3.35	3.21	4.15	4.06
Office and store supplies	1.32	1.55	0.90	1.15	0.69	1.07	1.26	1.03	0.93	1.11	1.05	1.06
Advertising	0.07	0.37	0.24	0.33	0.29	0.28	0.30	0.35	0.30	0.39	0.33	0.31
Net loss on bad debts	0.26	0.28	0.48	0.03	0.08	0.24	0.01	0.09	0.05	0.01	0.05	0.14
All other expenses	2.23	2.59	2.01	0.97	0.55	1.60	1.13	1.44	1.21	1.50	1.33	1.44
Total operating expenses	14.37	16.78	15.37	14.51	12.14	14.70	12.64	13.39	14.15	14.72	14.45	14.56
Net operating profit	8.55	4.99	5.65	6.09	2.72	5.41	8.70	7.17	6.42	4.43	6.72	6.13
Non-trading income	2.69	1.15	0.92	0.40	0.06	0.76	—	0.04	0.21	0.03	0.09	0.39
Non-trading expense	1.78	—	—	0.37	—	0.20	—	0.12	0.13	—	0.08	0.13
Net profit before deduction of proprietors' salaries, withdrawals and income tax	9.46	6.14	6.57	6.12	2.78	5.97	8.70	7.09	6.50	4.46	6.73	6.39

TABLE 15. Meat Markets, Independent, Operating Results by Annual Sales Volume and Type of Occupancy
(Incorporated Businesses), 1963
Not Affiliated in Voluntary Groups

Item	Owned premises with annual net sales of		Rented premises with annual net sales of			Total owned and rented
	\$50,000-99,999	Total	\$100,000-199,999	\$200,000-499,999	Total	
Number of businesses reporting	3	5	4	5	13	18
Average net sales per business	\$ 72,721	\$ 364,443	\$ 137,893	\$ 355,892	\$ 326,402	\$ 333,712
Average beginning inventory	\$ 2,302	\$ 14,609	\$ 6,249	\$ 10,533	\$ 8,673	\$ 9,814
Average inventory, end of year	\$ 2,445	\$ 9,351	\$ 6,606	\$ 9,716	\$ 8,501	\$ 8,664
Average cost of goods sold	\$ 57,691	\$ 268,049	\$ 99,955	\$ 277,246	\$ 251,274	\$ 254,497
Stock turnover (times per year)	24.31	22.37	15.55	27.38	29.26	27.55
Profit and loss data (Per cent of net sales)						
Gross profit	20.67	25.89	27.51	22.10	24.25	24.57
Operating expenses:						
Employees' salaries and wages (except delivery)	16.33	15.37	13.13	12.98	12.54	13.08
Delivery expenses (including salaries and wages)	2.30	1.56	1.01	0.47	0.87	1.00
Occupancy expenses:						
Taxes	0.98	0.46	0.27	0.11	0.20	0.25
Insurance	0.51	0.31	0.18	0.16	0.25	0.26
Rent	—	—	2.51	1.34	1.84	1.49
Heat, light and power	1.35	0.75	1.32	0.47	0.77	0.77
Repairs and maintenance	0.42	0.55	0.77	0.49	0.65	0.63
Depreciation allowances	0.73	1.44	0.81	1.00	0.99	1.08
Total occupancy expenses	3.99	3.51	5.86	3.57	4.70	4.48
Office and store supplies	1.62	1.13	1.13	1.35	1.28	1.25
Advertising	0.52	0.28	0.54	0.72	0.56	0.51
Net loss on bad debts	0.05	0.02	0.17	0.05	0.09	0.08
All other expenses	1.79	2.00	3.09	2.25	2.81	2.65
Total operating expenses	26.60	23.87	24.93	21.39	22.85	23.05
Net operating profit	- 5.93	2.02	2.58	0.71	1.40	1.52
Non-trading income	4.16	1.02	0.26	0.14	0.15	0.32
Non-trading expense	—	—	0.03	—	0.01	0.01
Net profit before allowance for income tax	- 1.77	3.04	2.81	0.85	1.54	1.83

CONFECTIONERY STORES, INDEPENDENT

This classification contains retail establishments primarily engaged in selling candy and confectionery, soft drinks, soda fountain products and ice cream to the extent of at least 50 per cent of total net sales. Other items sold include light lunches, groceries, fresh fruits and vegetables.

One hundred and twenty-three firms supplied information about their 1963 operations which could be used in the tabulation of the statistics shown in this report. Of these, 121 were unincorporated businesses and two were incorporated companies.

For independent confectionery stores (unincorporated businesses) of all sizes, the gross profit for 1963 of 19.29 per cent of net sales was remarkably similar to the 1960 figure of 19.91 per cent. Total operating expenses in 1963 were 10.97 per cent of net sales whereas the 1960 figure was 11.47 per cent. The 1961 gross profit figure shown by the Census of Merchandising of that year was 20.5 per cent (see 1961 Census Bulletin 6.1-5) but this was for all confectionery stores, including chains and

stores operated by incorporated companies. The 1963 net operating profit figure before deduction for proprietors' salaries, withdrawals and income tax and before the addition of net non-trading income comes out at 8.32 per cent of net sales compared with 8.44 per cent for 1960. Stock turn-over ratio was 11.13 for 1963 and 10.99 for 1960.

Two incorporated companies with rented premises reported to the 1963 survey. Average net sales were about \$75,000. The turn-over ratio was 4.71, the gross profit was 20.01 per cent of net sales, salaries and wages, except for delivery employees, were 12.29 per cent, delivery expenses were 0.23 per cent, occupancy expenses 4.19 per cent, office and store supplies 0.27 per cent, advertising 0.43 per cent, all other expenses 1.79 per cent, making total operating expenses 19.20 per cent of net sales. Before any allowance for non-trading income and expenses (a plus item of 0.93 per cent), the net operating profit was 0.81 per cent of net sales.

TABLE 16. Confectionery Stores, Independent, Operating Results, 1954 - 63

Item	Unincorporated businesses					Incorporated
	1954	1956	1958	1960	1963	1963
	per cent of net sales					
Gross profit	17.57	18.98	19.15	19.91	19.29	20.01
Operating expenses:						
Employees' salaries and wages (except delivery employees)	2.79	3.20	3.27	3.06	2.64	12.29
Delivery expenses including salaries	0.20	0.16	0.27	0.30	0.31	0.23
Occupancy expenses	5.60	5.82	6.19	6.07	6.17	4.19
Office and store supplies	0.43	0.47	0.49	0.45	0.52	0.27
All other expenses	1.21	1.36	1.46	1.59	1.33	2.22
Total operating expenses	10.23	11.01	11.68	11.47	10.97	19.20
Net operating profit before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income	7.34	7.97	7.47	8.44	8.32	0.81 ¹

¹ Net operating profit before addition of net non-trading income and allowance for income tax.

TALBE 17. Confectionery Stores, Independent, Operating Results by Annual Sales Volume and Type of Occupancy
(Unincorporated Businesses), 1963
Not Affiliated in Voluntary Groups

Item	Owned premises with annual net sales of					Total
	Under \$10,000	\$10,000 - 19,999	\$20,000 - 29,999	\$30,000 - 49,999	\$50,000 - 99,999	
Number of businesses reporting.....	14	25	12	13	9	74
Average net sales per business..... \$	6,198	14,971	24,456	38,133	69,644	32,780
Average beginning inventory..... \$	536	1,437	2,585	2,888	4,251	2,442
Average inventory, end of year..... \$	544	1,547	2,725	3,111	4,868	2,665
Average cost of goods sold..... \$	5,115	12,338	20,954	30,936	56,799	26,966
Stock turnover (times per year).....	9.47	8.27	7.91	10.33	12.47	10.56
Profit and loss data (Per cent of net sales)						
Gross profit	17.47	17.59	14.32	18.87	18.44	17.37
Operating expenses:						
Employees' salaries and wages (except delivery)	0.49	1.09	1.20	2.59	6.11	2.37
Delivery expenses (including salaries and wages)....	0.57	0.26	0.39	0.13	0.19	0.29
Occupancy expenses:						
Taxes.....	1.52	1.66	0.98	0.90	0.59	1.11
Insurance.....	0.95	0.76	0.52	0.37	0.19	0.54
Rent.....	—	—	—	—	—	—
Heat, light and power.....	2.88	2.15	1.46	1.07	0.60	1.55
Repairs and maintenance.....	1.02	1.75	0.89	0.73	0.68	1.02
Depreciation allowances.....	0.53	1.70	0.85	1.84	1.09	1.27
Total occupancy expenses	6.90	8.02	4.70	4.91	3.15	5.49
Office and store supplies.....	0.67	0.46	0.39	0.49	0.49	0.49
Advertising.....	0.04	0.05	0.04	0.19	0.05	0.08
Net loss on bad debts.....	0.12	0.19	0.17	0.07	0.02	0.11
All other expenses.....	1.47	1.17	0.83	1.76	1.11	1.28
Total operating expenses	10.26	11.24	7.72	10.14	11.12	10.11
Net operating profit	7.21	6.35	6.60	8.73	7.32	7.26
Non-trading income.....	0.81	1.13	1.06	0.62	1.01	0.91
Non-trading expense.....	1.01	0.60	0.48	0.09	—	0.39
Net profit before deduction of proprietors' salaries, withdrawals and income tax	7.01	6.88	7.18	9.26	8.33	7.78
Rented premises with annual net sales of						Total owned and rented
	Under \$20,000	\$20,000 - 29,999	\$30,000 - 49,999	\$50,000 - 99,999	Total	
Number of business reporting.....	11	9	16	9	47	121
Average net sales per business..... \$	12,933	24,900	35,791	66,606	40,051	36,168
Average beginning inventory..... \$	871	1,685	2,444	4,798	2,669	2,548
Average inventory, end of year..... \$	816	1,771	2,665	4,680	2,719	2,690
Average cost of goods sold..... \$	9,990	20,549	27,275	55,435	31,661	29,153
Stock turnover (times per year).....	11.83	11.91	10.69	11.71	11.75	11.13
Profit and loss data (Per cent of net sales)						
Gross profit	23.94	17.47	23.79	19.20	21.49	19.29
Operating expenses:						
Employees' salaries and wages (except delivery)	0.46	1.49	5.05	3.21	2.95	2.64
Delivery expenses (including salaries and wages)....	0.07	0.07	0.39	0.55	0.33	0.31
Occupancy expenses:						
Taxes.....	0.65	0.37	0.36	0.33	0.41	0.78
Insurance.....	0.42	0.24	0.36	0.15	0.29	0.42
Rent.....	5.13	3.24	3.13	3.87	3.72	1.76
Heat, light and power.....	2.19	1.06	1.07	0.76	1.19	1.38
Repairs and maintenance.....	0.61	0.65	0.79	0.51	0.64	0.84
Depreciation allowances.....	0.37	0.20	1.13	0.71	0.66	0.99
Total occupancy expenses	9.37	5.76	6.84	6.33	6.91	6.17
Office and store supplies.....	0.39	0.33	0.81	0.54	0.56	0.52
Advertising.....	0.14	0.05	0.12	0.11	0.11	0.10
Net loss on bad debts.....	0.13	0.05	0.14	0.05	0.09	0.10
All other expenses.....	0.89	0.54	1.19	1.20	1.01	1.13
Total operating expenses	11.45	8.29	14.54	11.99	11.96	10.97
Net operating profit	12.49	9.18	9.25	7.21	9.53	8.32
Non-trading income.....	—	—	0.69	0.27	0.30	0.62
Non-trading expense.....	—	—	0.02	—	0.01	0.21
Net profit before deduction of proprietors' salaries, withdrawals and income tax	12.49	9.18	9.92	7.48	9.82	8.73

FRUIT AND VEGETABLE STORES, INDEPENDENT

Stores in this category are primarily engaged in selling fresh fruits and vegetables. An exception is made in the case of stores selling a combination of fruits, vegetables and groceries, together with candy and confectionery, ice cream, tobacco products and magazines. For such stores, if fruits, vegetables and groceries together form 40 per cent of the total trade and fruits and vegetables predominate, the stores are within this classification. Both unincorporated businesses and incorporated companies were surveyed.

Thirty-one usable reports were received from unincorporated businesses and incorporated companies. The gross profit for independent unincorporated businesses was 20.36 per cent of net sales in 1963 compared with 19.67 per cent in 1960. For 1961, the Census of Merchandising calculated a

figure of 19.8 per cent but this calculation included the data from incorporated companies and chain stores. Salaries and wages, in 1963, excluding the pay for delivery employees, were 4.67 per cent of net sales compared with 4.47 per cent in 1960. Delivery expense was 1.01 per cent (1.25 per cent in 1960), occupancy expenses were 5.76 per cent (4.95 per cent), office and store supplies 1.01 per cent (0.90 per cent), all other expenses 1.23 per cent (1.37 per cent). Total operating expenses were 13.68 per cent (12.94 per cent) and net operating profit, before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income, was 6.68 per cent (6.73 per cent). Taking account of non-trading income and expense, net operating profit was 6.77 per cent of net sales compared with 7.30 per cent in 1960. In the detailed tables, figures are given for both stores with owned premises and stores with rented premises.

TABLE 18. Fruit and Vegetable Stores, Independent, Operating Results, 1954 - 63

Item	Unincorporated businesses					Incor- porated
	1954	1956	1958	1960	1963	1963
	per cent of net sales					
Gross profit	18.42	19.39	19.00	19.67	20.36	23.03
Operating expenses:						
Employees' salaries and wages (except delivery employees)	4.35	3.94	4.02	4.47	4.67	11.40
Delivery expenses including salaries	1.46	1.34	1.38	1.25	1.01	0.93
Occupancy expenses	4.46	4.69	4.72	4.95	5.76	5.16
Office and store supplies	1.06	0.97	1.03	0.90	1.01	1.36
All other expenses	1.14	1.13	1.34	1.37	1.23	1.68
Total operating expenses	12.47	12.07	12.49	12.94	13.68	20.53
Net operating profit before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income	5.95	7.32	6.51	6.73	6.68	2.50 ¹

¹ Net operating profit before addition of net non-trading income and allowance for income tax.

TABLE 19. Fruit and Vegetable Stores, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1963
Not Affiliated in Voluntary Groups

Item	Owned premises with annual net sales of		Rented premises with annual net sales of				Total owned and rented
	\$200,000-499,999	Total	\$30,000-49,999	\$50,000-99,000	\$100,000-199,000	Total	
Number of businesses reporting	3	8	3	8	7	20	28
Average net sales per business	222,103	132,395	31,130	69,338	131,556	77,198	94,203
Average beginning inventory	4,637	2,467	2,259	2,256	4,040	2,717	2,640
Average inventory, end of year	5,527	2,882	2,265	2,457	5,102	3,137	3,058
Average cost of goods sold	182,864	108,204	21,812	57,883	105,208	61,992	76,229
Stock turnover (times per year)	36.34	40.47	9.64	24.54	23.02	21.18	26.76
Profit and loss data (Per cent of net sales)							
Gross profit	17.67	18.87	29.93	16.59	20.03	21.03	20.36
Operating expenses:							
Employees' salaries and wages (except delivery)	4.29	4.21	7.92	2.32	6.63	4.87	4.67
Delivery expenses (including salaries and wages)	0.78	0.37	1.11	1.21	1.14	1.30	1.01
Occupancy expenses:							
Taxes	0.54	0.64	0.93	0.24	0.13	0.37	0.45
Insurance	0.23	0.24	0.87	0.36	0.40	0.47	0.40
Rent	—	—	6.42	3.06	2.06	3.76	2.60
Heat, light and power	0.40	0.75	1.37	0.90	0.34	0.85	0.82
Repairs and maintenance	0.18	0.49	0.40	0.27	0.28	0.30	0.36
Depreciation allowances	1.25	1.60	1.61	0.54	1.10	0.92	1.13
Total occupancy expenses	2.60	3.72	11.60	5.37	4.31	6.67	5.76
Office and store supplies	1.28	1.11	1.08	1.10	0.81	0.97	1.01
Advertising	0.17	0.10	0.32	0.08	0.17	0.15	0.13
Net loss on bad debts	—	—	—	—	0.02	0.01	0.01
All other expenses	1.19	1.62	1.74	0.69	0.58	0.85	1.09
Total operating expenses	10.31	11.13	23.77	10.77	13.86	14.82	13.68
Net operating profit	7.36	7.74	6.16	5.82	6.17	6.21	6.68
Non-trading income	0.24	0.83	—	0.11	0.02	0.06	0.30
Non-trading expense	—	0.44	—	0.25	—	0.11	0.21
Net profit before deduction of proprietors' salaries, withdrawals and income tax	7.60	8.13	6.16	5.68	6.19	6.16	6.77

TABLE 20. Fruit and Vegetable Stores, Independent, Operating Results of Incorporated Businesses with Rented Premises, 1963
Not Affiliated in Voluntary Groups

Item	Total \$200,000 and over
Number of businesses reporting	3
Average net sales per business	339,276
Average beginning inventory	5,534
Average inventory, end of year	7,426
Average cost of goods sold	261,138
Stock turnover (times per year)	40.30
Profit and loss data (Per cent of net sales)	
Gross profit	23.03
Operating expenses:	
Employees' salaries and wages (except delivery)	11.40
Delivery expenses (including salaries and wages)	0.93
Occupancy expenses:	
Taxes	0.33
Insurance	0.22
Rent	2.42
Heat, light and power	0.33
Repairs and maintenance	0.42
Depreciation allowances	1.44
Total occupancy expenses	5.16
Office and store supplies	1.36
Advertising	0.38
Net loss on bad debts	0.10
All other expenses	1.20
Total operating expenses	20.53
Net operating profit	2.50
Non-trading income	0.10
Non-trading expense	—
Net profit before allowance for income tax	2.60

FISH STORES, INDEPENDENT

Stores in this category are primarily engaged in selling fresh or cured fish, shell fish and other sea foods. Other items may include meats but sea foods must predominate for the business to remain in this classification. Only unincorporated businesses were surveyed.

Usable reports were received from six businesses. The gross profit for independent unincorporated businesses was 35.80 per cent of net sales in 1963. For 1961, the Census of Merchandising calculated a figure of 27.09 per cent but this calculation included the data from incorporated companies

and chain stores. Salaries and wages, in 1963, excluding the pay for delivery employees, were 9.93 per cent of net sales. Delivery expense was 1.31 per cent, occupancy expenses were 6.82 per cent, office and store supplies 1.88 per cent, all other expenses 4.47 per cent. Total operating expenses were 24.41 per cent and net operating profit, before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income was 11.39 per cent. Taking account of non-trading income and expense, net operating profit was 11.46 per cent of net sales. In the detailed tables, a distinction is made between stores with owned premises and stores with rented premises.

TABLE 21. Fish Stores, Independent, Operating Results of Unincorporated Businesses, 1963
Not Affiliated in Voluntary Groups

Item	Owned premises with annual net sales of \$20,000 and over	Rented premises with annual net sales of \$20,000 and over	Total owned and rented
Number of businesses reporting	3	3	6
Average net sales per business	\$ 60,129	56,423	58,299
Average beginning inventory	735	1,704	1,213
Average inventory, end of year	629	1,672	1,144
Average cost of goods sold	\$ 37,351	39,233	38,280
Stock turnover (times per year)	55.27	23.24	32.48
Profit and loss data (Per cent of net sales)			
Gross profit	36.38	35.20	35.80
Operating expenses:			
Employees' salaries and wages (except delivery)	12.29	7.52	9.93
Delivery expenses (including salaries and wages)	1.82	0.79	1.31
Occupancy expenses:			
Taxes	0.83	0.44	0.64
Insurance	0.43	0.36	0.40
Rent	—	5.17	2.55
Heat, light and power	0.64	1.45	1.04
Repairs and maintenance	0.41	0.73	0.57
Depreciation allowances	0.70	2.57	1.62
Total occupancy expenses	3.01	10.72	6.82
Office and store supplies	2.35	1.40	1.88
Advertising	0.06	0.65	0.35
Net loss on bad debts	—	0.01	—
All other expenses	3.15	5.09	4.12
Total operating expenses	22.68	26.18	24.41
Net operating profit	13.70	9.02	11.39
Non-trading income	—	0.35	0.17
Non-trading expense	—	0.20	0.10
Net profit before deduction of proprietors' salaries, withdrawals and income tax	13.70	9.17	11.46

DELICATESSEN STORES, INDEPENDENT

Stores in this category are primarily engaged in selling cooked food ready to serve in the home without further preparation such as cooked meats and prepared salads. Other items may include bakery products, confectionery, dairy products, canned and bottled foods and groceries. Only unincorporated businesses were surveyed.

Thirteen usable reports were received from unincorporated businesses. Gross profit for independent unincorporated businesses was 28.86 per cent of net sales in 1963. For 1961, the Census of Merchandising calculated a figure of 27.2 per cent but this calculation included the data from incor-

porated companies and chain stores. Salaries and wages, in 1963, excluding the pay for delivery employees, were 8.25 per cent of net sales, delivery expense was 0.59 per cent, occupancy expenses were 9.07 per cent, office and store supplies 1.05 per cent, all other expenses 2.76 per cent. Total operating expenses were 21.72 per cent and net operating profit, before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income, was 7.14 per cent. Taking account of non-trading income and expense, net operating profit was 7.15 per cent of net sales. In the following table, separate data are shown for stores with rented premises.

TABLE 22. Delicatessen Stores, Independent, Operating Results of Unincorporated Businesses, 1963
Not Affiliated in Voluntary Groups

Item	Rented premises with annual net sales of		Total owned and rented
	\$20,000 - 29,999	Total	
Number of businesses reporting	5	11	13
Average net sales per business \$	24,745	74,994	74,640
Average beginning inventory \$	1,375	2,062	2,007
Average inventory, end of year \$	1,287	1,934	1,905
Average cost of goods sold \$	16,793	51,340	51,513
Stock turnover (times per year)	12.16	25.70	26.34
Profit and loss data (Per cent of net sales)			
Gross profit	32.14	28.44	28.86
Operating expenses:			
Employees' salaries and wages (except delivery)	5.82	7.42	8.25
Delivery expenses (including salaries and wages)	0.48	0.64	0.59
Occupancy expenses:			
Taxes	0.28	0.29	0.42
Insurance	0.34	0.33	0.38
Rent	5.76	3.99	3.56
Heat, light and power	2.23	1.26	1.35
Repairs and maintenance	0.53	0.92	0.89
Depreciation allowances	1.90	2.47	2.47
Total occupancy expenses	11.04	9.26	9.07
Office and store supplies	2.06	0.92	1.05
Advertising	0.32	0.79	0.74
Net loss on bad debts	-	0.06	0.05
All other expenses	2.93	2.06	1.97
Total operating expenses	22.65	21.15	21.72
Net operating profit	9.49	7.29	7.14
Non-trading income	0.19	0.02	0.06
Non-trading expense	-	0.06	0.05
Net profit before deduction of proprietors' salaries, withdrawals and income tax	9.68	7.25	7.15

DAIRY PRODUCT STORES, INDEPENDENT

Stores in this category are primarily engaged in selling dairy products such as fluid milk, cream, butter and cheese in which any manufacturing operations carried out are not extensive enough to justify the classification of the store as a manufacturing plant. Other items may include lard, honey, cooked meats, light groceries and eggs. Both unincorporated businesses and incorporated companies were surveyed.

Twenty-two usable reports were received from unincorporated businesses and incorporated companies. The gross profit for independent unincorporated businesses was 44.53 per cent of net sales in 1963. No data were received from this category of store by the 1961 Census of Merchandising and this is the first time an attempt has been made to include dairy products stores in the operating results survey. Salaries and wages, in 1963, excluding the pay for delivery employees, were 9.99 per cent of net sales. Delivery expense was 0.52 per cent, occupancy ex-

penses were 17.27 per cent, office and store supplies 0.65 per cent, all other expenses 5.76 per cent. Total operating expenses were 34.19 per cent and net operating profit, before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income, was 10.34 per cent. Taking account of non-trading income and expense, net operating profit was 10.32 per cent of net sales. In the detailed tables, a distinction is made between stores with owned premises and stores with rented premises.

For stores operated by incorporated companies, the gross profit was 41.58 per cent of net sales in 1963. Salaries and wages were 15.17 per cent, delivery expenses were 1.88 per cent, occupancy expense was 14.54 per cent, office and store supplies 0.58 per cent, all other expenses 8.92 per cent, making total operating expenses 41.09 per cent of net sales. Net operating profit, before making allowance for income tax, was 0.49 per cent. Reports were received only from stores with owned premises.

TABLE 23. Dairy Products Stores, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1963
Not Affiliated in Voluntary Groups

Item	Owned premises with annual net sales of		Rented premises with annual net sales of		Total owned and rented
	\$20,000-29,999	Total	\$30,000-49,999	Total	
Number of businesses reporting	4	6	8	13	19
Average net sales per business	\$ 23,396	20,038	37,848	37,198	31,421
Average beginning inventory	351	216	552	766	581
Average inventory, end of year	237	159	495	759	557
Average cost of goods sold	\$ 10,902	9,986	20,350	22,952	18,587
Stock turnover (times per year)	37.07	53.26	38.88	30.10	32.67
Profit and loss data (Per cent of net sales)					
Gross profit	53.40	49.28	46.23	42.12	44.53
Operating expenses:					
Employees' salaries and wages (except delivery)	12.08	14.40	10.62	7.75	9.99
Delivery expenses (including salaries and wages)	2.04	1.15	0.15	0.20	0.52
Occupancy expenses:					
Taxes	1.83	1.74	0.97	1.11	1.32
Insurance	0.73	0.73	0.57	0.63	0.66
Rent	—	—	7.10	8.63	5.73
Heat, light and power	1.86	2.00	2.38	2.46	2.30
Repairs and maintenance	2.05	2.87	1.81	1.32	1.84
Depreciation allowances	7.03	6.20	4.30	5.02	5.42
Total occupancy expenses	13.50	13.54	17.13	19.17	17.27
Office and store supplies	1.20	0.81	0.91	0.57	0.65
Advertising	1.45	0.98	2.01	1.32	1.21
Net loss on bad debts	—	—	—	—	—
All other expenses	10.32	7.07	4.80	3.27	4.55
Total operating expenses	40.59	37.95	35.62	32.28	34.19
Net operating profit	12.81	11.33	10.61	9.84	10.34
Non-trading income	0.63	1.21	—	0.41	0.68
Non-trading expense	—	—	0.03	1.05	0.70
Net profit before deduction of proprietors' salaries, withdrawals and income tax	13.44	12.54	10.58	9.20	10.32

**TABLE 24. Dairy Products Stores, Independent, Operating Results of Incorporated Businesses
with Owned Premises, 1963
Not Affiliated in Voluntary Groups**

Item	Total all sizes
Number of businesses reporting	3
Average net sales per business \$	86,571
Average beginning inventory \$	1,163
Average inventory, end of year \$	1,087
Average cost of goods sold \$	53,186
Stock turnover (times per year)	47.28
Profit and loss data (Per cent of net sales)	
Gross profit	41.58
Operating expenses:	
Employees' salaries and wages (except delivery)	15.17
Delivery expenses (including salaries and wages)	1.88
Occupancy expenses:	
Taxes	1.47
Insurance	1.09
Rent	—
Heat, light and power	1.35
Repairs and maintenance	1.27
Depreciation allowances	9.36
Total occupancy expenses	14.54
Office and store supplies	0.58
Advertising	2.25
Net loss on bad debts	0.33
All other expenses	6.34
Total operating expenses	41.09
Net operating profit	0.49
Non-trading income	—
Non-trading expense	—
Net profit before allowance for income tax	0.49

EGG AND POULTRY STORES, INDEPENDENT

Stores in this category are primarily engaged in selling eggs and live or dressed poultry. Other items may include dairy products but eggs and poultry should constitute more than 50 per cent of total sales. Only unincorporated businesses were surveyed.

Usable reports were received from three businesses. The gross profit for independent unincorporated businesses was 24.31 per cent of net sales. No reports were received from this category of store by the 1961 Census of Merchandising and this is the first time an attempt has been made to obtain data for the operating results survey. Salaries and wages,

in 1963, excluding the pay for delivery employees, were 8.08 per cent of net sales. Delivery expense was 3.50 per cent, occupancy expenses were 2.95 per cent, office and store supplies 0.54 per cent, all other expenses 4.74 per cent. Total operating expenses were 19.81 per cent and net operating profit, before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income, was 4.50 per cent. Taking account of non-trading income and expense, net operating profit was 4.89 per cent of net sales. Reports were received from both stores with owned premises and stores with rented premises but the small number of reports makes it impossible to publish data for each type of premises.

TABLE 25. Egg and Poultry Stores, Independent, Operating Results of Unincorporated Businesses with Owned and Rented Premises, 1963
Not Affiliated in Voluntary Groups

Item	Total all sizes
Number of businesses reporting.....	3
Average net sales per business.....	\$ 99,162
Average beginning inventory.....	\$ 662
Average inventory, end of year.....	\$ 522
Average cost of goods sold.....	\$ 77,503
Stock turnover (times per year).....	130.92
Profit and loss data (Per cent of net sales)	
Gross profit	24.31
Operating expenses:	
Employees' salaries and wages (except delivery).....	8.08
Delivery expenses (including salaries and wages).....	3.50
Occupancy expenses:	
Taxes.....	0.71
Insurance.....	0.14
Rent.....	0.34
Heat, light and power.....	0.40
Repairs and maintenance.....	0.75
Depreciation allowances.....	0.61
Total occupancy expenses	2.95
Office and store supplies.....	0.54
Advertising.....	0.17
Net loss on bad debts.....	0.02
All other expenses.....	4.55
Total operating expenses	19.81
Net operating profit	4.50
Non-trading income.....	0.39
Non-trading expense.....	—
Net profit before deduction of proprietors' salaries, withdrawals and income tax	4.89



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DEFINITIONS

PROFIT AND LOSS

Items

Net sales—the dollar volume of business done. Allowances and discounts granted to customers and value of goods returned by customers are deducted from gross sales, but sales of meals or lunches provided employees and any goods withdrawn by the proprietor for personal use are included.

Purchases—are taken at invoice value less returns and allowances, cash and trade discounts. Added to the cost of merchandise are the following expenses: duty, inward freight, express and trucking, alterations, etc.

Cost of goods sold—determined by adding the beginning inventory to net purchases and deducting the ending inventory.

Gross profit—the difference between "cost of goods sold" and "net sales".

Operating expenses—all costs incurred in the year's operation of a business, except the cost of merchandise. These include:

Salaries and wages (except for delivery employees)—payments to employees (wages, salaries, bonuses, payments for leave, payments in kind) before deduction of income tax or unemployment insurance. Proprietors' salaries or withdrawals are included in "net operating profit" in unincorporated store operations.

Delivery—includes salaries paid to delivery men, truck repairs and maintenance, depreciation, licences and insurance on delivery equipment and supplies used in connection with delivery (gas, oil, etc.).

Taxes—business, property and water taxes and licences. Taxes collected for remittance to governmental bodies and income tax are not included.

Insurance—annual proportion of premiums for insurance policies carried to protect the business.

Rent—payments for use of business premises.

Heat, light and power—cost applicable to year's operations.

Repairs and maintenance—costs incurred to keep fixed store assets operating efficiently (excludes capital expenditure).

Depreciation—Write-offs for the year of fixed assets used in the business only, or rates authorized by the Income Tax Department.

Store supplies—wrapping paper, office supplies, etc.

Advertising—displays, window dressing and sales promotion.

Net bad debt loss—estimated amount of uncollectable customers' accounts receivable less the amount recovered from former bad debts.

Other expenses—telephone, telegraph, postage, bank charges, legal, auditing and collection fees, etc.

Net operating profit—is the difference between "total operating expenses" and "gross profit" and in the case of unincorporated businesses includes proprietors' salaries and withdrawals before income tax deductions.

Occupancy—the cost of maintaining and occupying a place of business and includes: rent, business and property taxes, insurance, heat, light and power, repairs and maintenance and depreciation.

Non-trading income—interest earned, revenues from rentals, other activities, carrying charges and investments.

Non-trading expense—interest expense, rental expense, any other expense not pertaining to the business.

Ratios

Stock turnover—the number of times in a year that the average merchandise inventory is sold and replaced. The average of the beginning and ending inventories is divided into the cost of goods sold.

Note: Each of the following ratios are expressed as a percentage of "net sales". Consequently, it is permissible to make direct comparisons between these ratios. Each ratio represents a portion of the average net sales' dollar.

Gross profit ratio—sometimes referred to as the "gross margin ratio" or "mark-up" represents the difference between "cost of goods sold" and "net sales". It is the portion of the average sales' dollar from which the merchant meets his operating expenses and obtains his net operating profit.

Operating expense ratios—each item of expense, as well as "total operating expenses" when expressed as a percentage of "net sales" shows the amounts of the average sales' dollar required to operate the average business.

Net operating profit ratio—the remaining proportion of the average sales' dollar after "cost of goods sold" and "total operating expenses" have been deducted. From this amount, the percentage allowances for both proprietors' salaries and income tax should be deducted, in order to determine the percentage to sales of net returns on capital investment.