

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

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
INTERNAL TRADE BRANCH
OTTAWA, CANADA

Dominion Statistician:	R.H. Coats, LL.D., F.R.S.C., F.S.S. (Hon.)
Chief, Internal Trade Branch:	Herbert Marshall, B.A., F.S.S.
Statistician:	A.C. Steedman, B.A.

CURRENT TRENDS IN FOOD DISTRIBUTION, OCTOBER, 1939

Introduction

Indexes reflecting current trends in food distribution in Canada have been published for some years, indexes of retail and wholesale grocery trading establishments forming components of the two regular monthly bulletins on retail and wholesale trade issued by the Internal Trade Branch of the Dominion Bureau of Statistics. This new series brings together in one report the information on retail and wholesale grocery sales contained in the other bulletins thus facilitating a comparison of the trends in monthly sales in the two stages of food distribution.

Wholesale Trade

Sales

Sales of 44 wholesale trading houses in the grocery trade averaged 18.1 per cent higher in October of this year than last but declined 23 per cent from September when increased consumer purchasing together with inventory buying by the retail trade increased dollar business 42.5 per cent above September a year ago. The seasonally adjusted index stands at 110.7 for October, substantially below the September peak of 146.7 and about on a par with August when the index was 111.6.

Indexes of Sales, 1930 = 100

	<u>October</u>	<u>1939 September</u>	<u>August</u>	<u>1938 October</u>
Unadjusted index	126.7	164.9	120.0	107.3
Seasonally adjusted index	110.7	146.7	111.6	93.7

All regions of the country reported increased sales compared with October, 1938 and decreases from September. Comparison of trends by regions is shown below.

	<u>October Dollar Sales Per cent change from</u>		<u>Year to date 1939 1938</u>	<u>Number of firms reporting</u>
	<u>October 1938</u>	<u>September 1939</u>		
Canada	+ 18.1	- 23.1	+ 8.2	44
Maritimes	+ 17.2	- 22.6	+ 8.4	7
Quebec	+ 9.9	- 14.9	+ 7.1	12
Ontario	+ 14.8	- 28.1	+ 7.9	10
Prairies	+ 23.1	- 21.2	+ 8.7	9
British Columbia	+ 23.4	- 27.1	+ 9.0	6

Stocks

Wholesalers' inventories were valued 28 per cent higher at the end of October of this year than last and were up 24 per cent from September 30, 1939. These ratios alone may be misleading. Stocks on hand at any given period are unduly high or low only when considered in relation to sales realized in the immediately ensuing period. Wholesale grocers' stocks were valued 8 per cent higher at the end of September, 1939 than on the corresponding date of 1938. But since sales in October, 1939 were 18 per cent higher than in October, 1938, wholesalers were actually in a shorter stock position in relation to sales at the end of September this year than on the corresponding date a year ago.

A better interpretation of stock data may be obtained by assuming that there is a normal ratio which stocks on hand at the beginning of any month should bear to sales during that month. This ratio will vary for different months of the year but may be considered constant for any one month in successive years. The inventory position at any period may then be indicated by comparing the ratio of stocks to ensuing sales with the average or normal ratio for that period of the year.

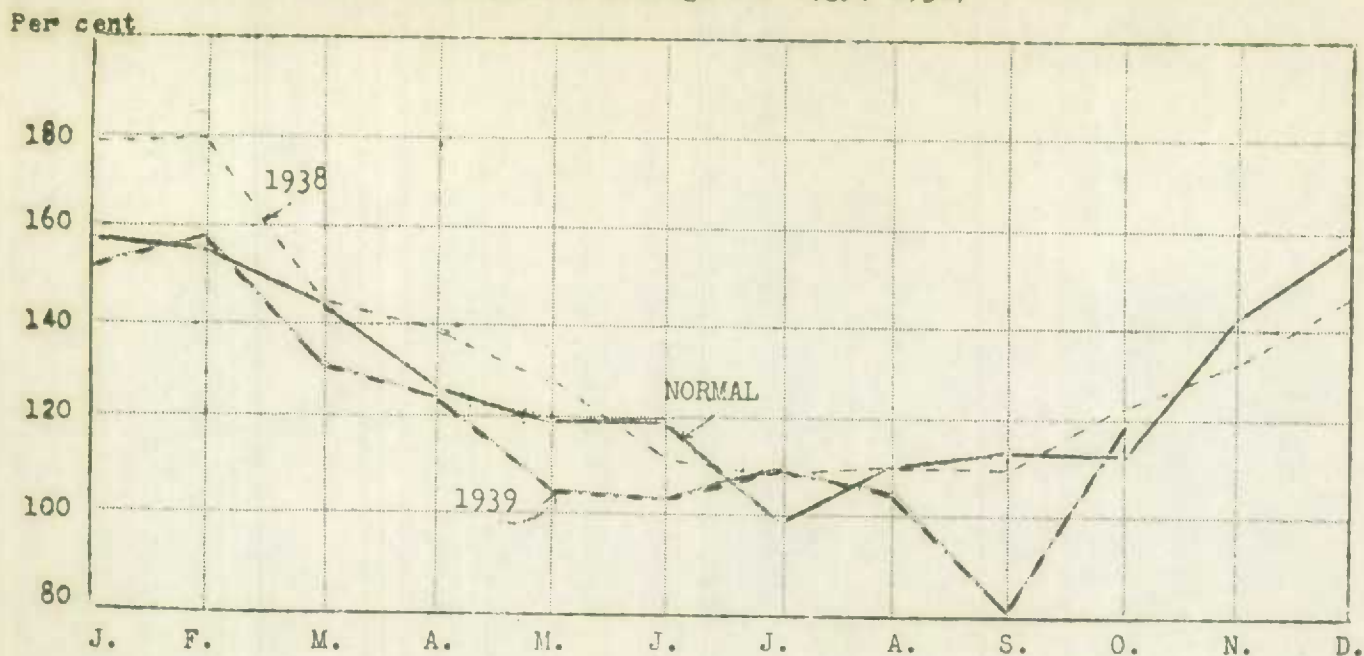
The relationship which stocks on hand at the beginning of each month bore to sales during that month was averaged for corresponding months of 1935 and 1936 and was plotted in the chart shown below to provide an assumed normal relationship of stocks to sales for each month of the year. Thus on the basis of the average experience of these two years, wholesale grocers' stocks on hand at the beginning of the year were valued at 158 per cent of the January sales. The corresponding figure for February was 155 per cent, the ratio then declining throughout the spring and summer months reaching a low point in July. Stocks on hand at the beginning of July approximately equaled sales realized during that month. Wholesale grocery sales increase seasonally during the autumn months but stocks are normally accumulated at an even faster rate with the result that the stock-sales ratio increases again until the end of the year.

Thus wholesale grocers stocks at any period do not normally fall below a month's requirements and are generally considerably in excess of that figure. This fact may be expressed in another way by stating that the rate of stock-turn for the wholesale grocery trade is less than once a month; calculations based on average monthly inventories and annual sales reduced to a cost basis show that stocks in the wholesale grocery trade are turned on an average of 9 times during the year.

Inventory position at the beginning of any month in relation to the assumed normal may be readily observed by inspection of the chart. Wholesale grocers' stocks (in relation to realized sales) were below normal in the spring and early summer of 1939, rose in July, and were markedly below normal at the beginning of September in view of the excessive buying which took place in that month. Return to normality is observed in the inventory position at the beginning of October.

Wholesale Grocery Trade:- Percentage that Stocks on Hand
at Beginning of Month bear to Sales during Month

(Normal = Average for 1935, 1936)



Retail Trade

Chain Stores

Notwithstanding a considerable reduction in the number of stores in operation, aggregate sales for 30 chain companies in the food retailing field were 8 per cent higher in October, 1939 than in the corresponding month a year ago. There were 1,340 stores operated this October compared with 1,518 units in October, 1938.

Corresponding month comparisons of sales, especially in the grocery and meat trades, reflect not only underlying trends but also differences in the number of business days in different months. The number of Saturdays occurring in any month is also an important consideration. A comparison based on average daily sales, in which account is taken, not only of differences in actual number of days but also of differences in sales importance of different days of the week shows that sales were 17 per cent higher in October of this year than last.

Comparison of Stores and Sales for October, 1938 and 1939
30 Chain Companies

	October, 1938		October, 1939		Per cent change in sales
	No. Stores	Sales	No. Stores	Sales	
		\$		\$	
Canada	1,518	8,106,216	1,340	8,826,544	+ 8.9
Quebec	309	1,743,879	253	1,860,474	+ 6.7
Ontario	816	4,672,335	727	4,951,469	+ 6.0
Prairie Provinces	237	1,026,244	218	1,173,806	+ 14.4
British Columbia	156	663,758	142	840,795	+ 26.7

Independent Stores

Dollar sales for 1,164 independent grocery and combination stores were 4 per cent lower in October of this year than last, all provinces excepting only Saskatchewan reporting decreased business. Saskatchewan sales were up 2 per cent while declines for other provinces ranged from 1 per cent in Manitoba to 8 per cent for Alberta.

A comparison based on average daily sales taking into consideration differences in number of business days in different months and differences in sales importance of different days of the week shows that average daily sales for independent stores were 3 per cent higher in October of this year than last.

Comparison of Sales Reported for October, 1938 and 1939

Region	No. stores reporting	No. reporting increase	Per cent change in sales
Maritimes	160	63	- 1.8
Quebec	241	86	- 3.4
Ontario	461	143	- 5.1
Manitoba	79	34	- 0.5
Saskatchewan	51	27	+ 2.2
Alberta	76	26	- 7.6
British Columbia	96	29	- 6.3
CANADA	1,164	408	- 4.0



1010719749

ANNUAL REPORT
1977-78

The following table shows the number of persons who were employed in the various occupations in the manufacturing sector of the economy in 1977-78. The figures are in thousands of persons.

The following table shows the number of persons who were employed in the various occupations in the manufacturing sector of the economy in 1977-78. The figures are in thousands of persons.

Table 1: Manufacturing Sector - Employment by Occupation, 1977-78

Occupation	Male	Female	Total
Manufacturing	1,234	567	1,801
Construction	456	123	579
Transportation	234	89	323
Communication	123	45	168
Other	789	234	1,023
Total	2,836	1,058	3,894

Notes

1. The figures are in thousands of persons.
2. The figures are for the manufacturing sector of the economy.
3. The figures are for the year 1977-78.

Table 2: Manufacturing Sector - Employment by Occupation, 1977-78

Occupation	Male	Female	Total
Manufacturing	1,234	567	1,801
Construction	456	123	579
Transportation	234	89	323
Communication	123	45	168
Other	789	234	1,023
Total	2,836	1,058	3,894