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CURRENT TRENDS IN FOOD DISTRIBUTION, NOVEMBER, 1939

No. 2.

Introduction  
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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. This report is the second of the series, the first issue being that for October, 1939.

Wholesale Trade  
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Sales

Sales of 44 wholesale trading houses in the grocery trade averaged 3 per cent higher in November of this year than last but receded 14 per cent below October, unadjusted indexes on the base 1930=100 standing at 109.5 for November, 1939, 126.7 for October, 1939 and 106.2 for November, 1938. The 3 per cent increase over November a year ago is evidence of an almost complete return to normal buying on the part of the retail grocery trade and is in contrast to margins of 18 and 43 per cent which characterized comparisons of October and September sales with those of corresponding months of 1938.

Indexes of Sales, 1930 = 100

	<u>November</u>	<u>1939</u> <u>October</u>	<u>September</u>	<u>1938</u> <u>November</u>
Unadjusted index	109.5	126.7	164.9	106.2
Seasonally adjusted index	105.6	110.7	146.7	102.4

Results for November varied for different regions of the country, the 3 per cent increase for the Dominion as a whole being the net resultant of decreases in Ontario and Quebec and increases in all other sections. Sales in the Maritimes were up by 7 per cent; the Prairie Provinces 8 per cent, and British Columbia 11 per cent. Declines of 1 per cent and 5 per cent below November 1938 were recorded for Quebec and Ontario respectively.

Percentage Change in Wholesale Sales, by Provinces

	November Dollar Sales Per cent change from		Year to date	Number of  firms reporting
	November 1938	October 1939	1939 1938	
Canada	+ 3.1	-13.6	+7.8	44
Maritimes	+ 7.4	-10.1	+8.3	7
Quebec	- 0.7	-10.6	+6.2	12
Ontario	- 5.2	-14.5	+6.7	10
Prairies	+ 8.4	-15.1	+8.6	9
British Columbia	+11.0	-12.9	+9.1	6

Stocks

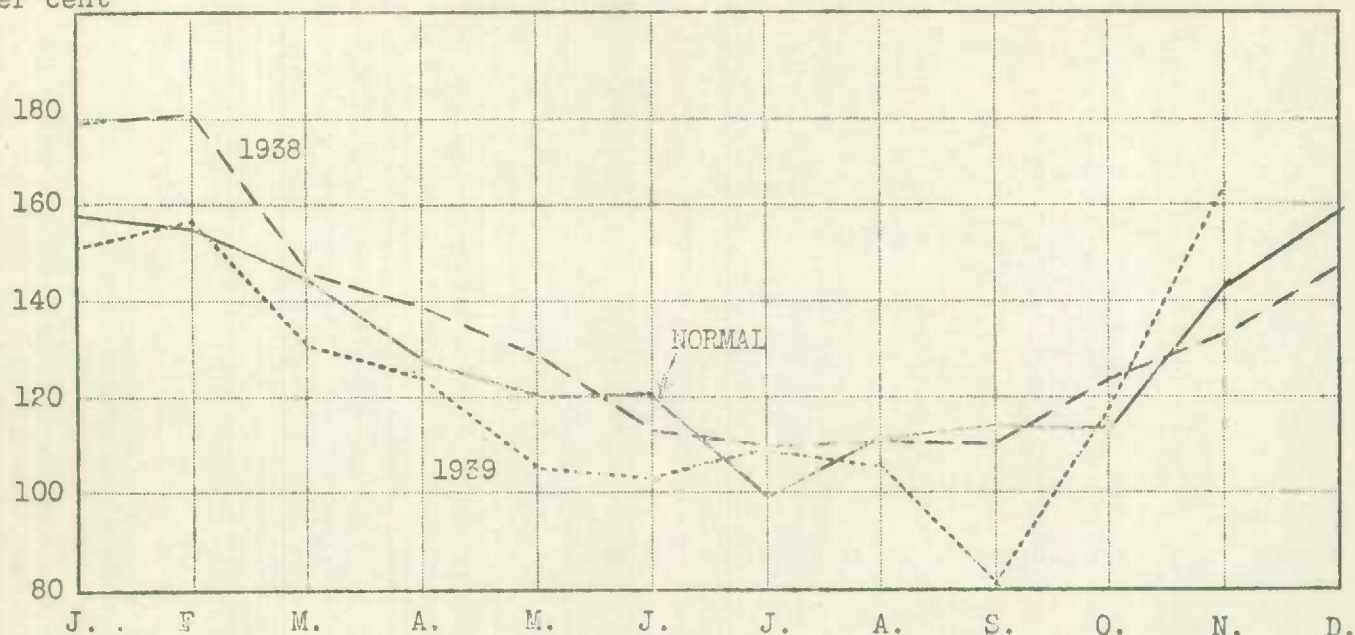
Wholesalers' inventories were valued 30 per cent higher at the end of November of this year than last and were up by 5 per cent from October 31, 1939. Stocks on hand at any period are unduly high or low only when considered in relation to sales in the immediately ensuing period. Stocks on hand at the beginning of November normally amount to approximately 140 per cent of November sales. The corresponding ratio for November, 1939 was 164 per cent indicating that stocks on hand at the beginning of the month were considerably in excess of the normal inventory position for that time of year.

Wholesale Grocery Trade:- Percentage that Stocks on Hand

at Beginning of Month bear to Sales during Month

(Normal = Average for 1935, 1936)

Per cent





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Retail Trade

Chain Stores

Sales of 1,277 chain store units operated by 30 chain companies in the food retailing field averaged 21 per cent higher in November, 1939, than the sales of 1,490 units operated by the same 30 firms in the corresponding month of 1938. Increases were greater in the West than in the East. Chain sales in the province of Quebec were up 13 per cent; Ontario 17 per cent; Prairie Provinces 40 per cent and British Columbia 41 per cent.

Results on an average daily sales basis differ but little from those based on calendar month totals. Average daily sales for grocery and meat chains were 22 per cent higher in November, 1939 than in November 1938.

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

	November, 1938		November, 1939		Per cent change in sales
	No. Stores	Sales \$	No. Stores	Sales \$	
Canada	1,490	7,565,045	1,277	9,159,015	+21.1
Quebec	300	1,645,641	239	1,866,972	+13.4
Ontario	796	4,387,110	684	5,145,191	+17.3
Prairie Provinces	237	905,035	217	1,262,951	+39.5
British Columbia	157	627,259	137	883,901	+40.9

Independent Stores

Dollar sales for 1072 independent grocery and combination stores were 1 per cent higher in November 1939 than in 1938. The Maritime Provinces reported an increase of 6 per cent; Saskatchewan sales were up by 4 per cent; British Columbia reported a decline of 4 per cent while results for other regions showed but little change.

Comparison of Sales Reported for November, 1938 and 1939

Region	No. stores reporting	No. reporting increase	Per cent change in sales
Maritimes	142	95	+5.9
Quebe	229	115	-0.5
Ontario	418	211	+0.5
Manitoba	75	43	+1.9
Saskatchewan	41	24	+4.0
Alberta	72	38	-1.2
British Columbia	95	27	-4.4
CANADA	1,072	553	+0.5

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