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OTTAWA, CANADA

Dominion Statistician:  
Chief, Internal Trade Branch:  
Statistician:

R.H. Coats, LL.D., F.R.S.C., F.S.S. (Hon.)  
Herbert Marshall, B.A., F.S.S.  
A.C. Steedman, B.A.

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CURRENT TRENDS IN FOOD DISTRIBUTION, FEBRUARY, 1940

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. This report is the fifth of the series, the first being that for October, 1939.

Wholesale Trade

Sales of 77 wholesale houses in the grocery trade averaged 18 per cent higher in February, 1940, over February, 1939, but decreased 7 per cent below January, 1940, unadjusted indexes on the base 1930 equals 100 standing at 97.9 for February, 1940, 105.6 for January, 1940, and 83.1 for February, 1939. The 18 per cent increase over February of the previous year compares with the 28 per cent increase recorded in the January corresponding-month comparison and with margins of 4, 3, 18 and 43 per cent which characterized comparisons of December, November, October and September sales with those of corresponding months of 1938.

Indexes of Sales, 1930 = 100

	1940		1939	
	February	January	December	February
Unadjusted index .....	97.9	105.6	102.9	83.1
Seasonally adjusted index ....	116.8	125.1	108.7	99.2

Results for February indicate that wholesale grocery sales were substantially increased in every region of the country but were especially high for the Prairie Provinces and the Maritimes. Sales in the Prairies increased 27 per cent over February a year ago and in the Maritime Provinces 20 per cent. In Quebec sales were up 15 per cent, in Ontario 13 per cent, and in British Columbia 12 per cent.

Percentage Change in Wholesale Sales, by Provinces

	February Dollar Sales Per cent change from		Year to date 1940 1939	Number of Firms Reporting
	February 1939	January 1940		
Canada .....	+ 17.8	- 7.4	+ 22.7	77
Maritimes .....	+ 19.6	- 15.4	+ 30.2	15
Quebec .....	+ 15.1	- 5.3	+ 27.5	22
Ontario .....	+ 12.5	- 9.1	+ 18.2	21
Prairies .....	+ 27.0	+ 0.8	+ 25.1	13
British Columbia .....	+ 12.3	- 12.0	+ 17.8	6

Stocks

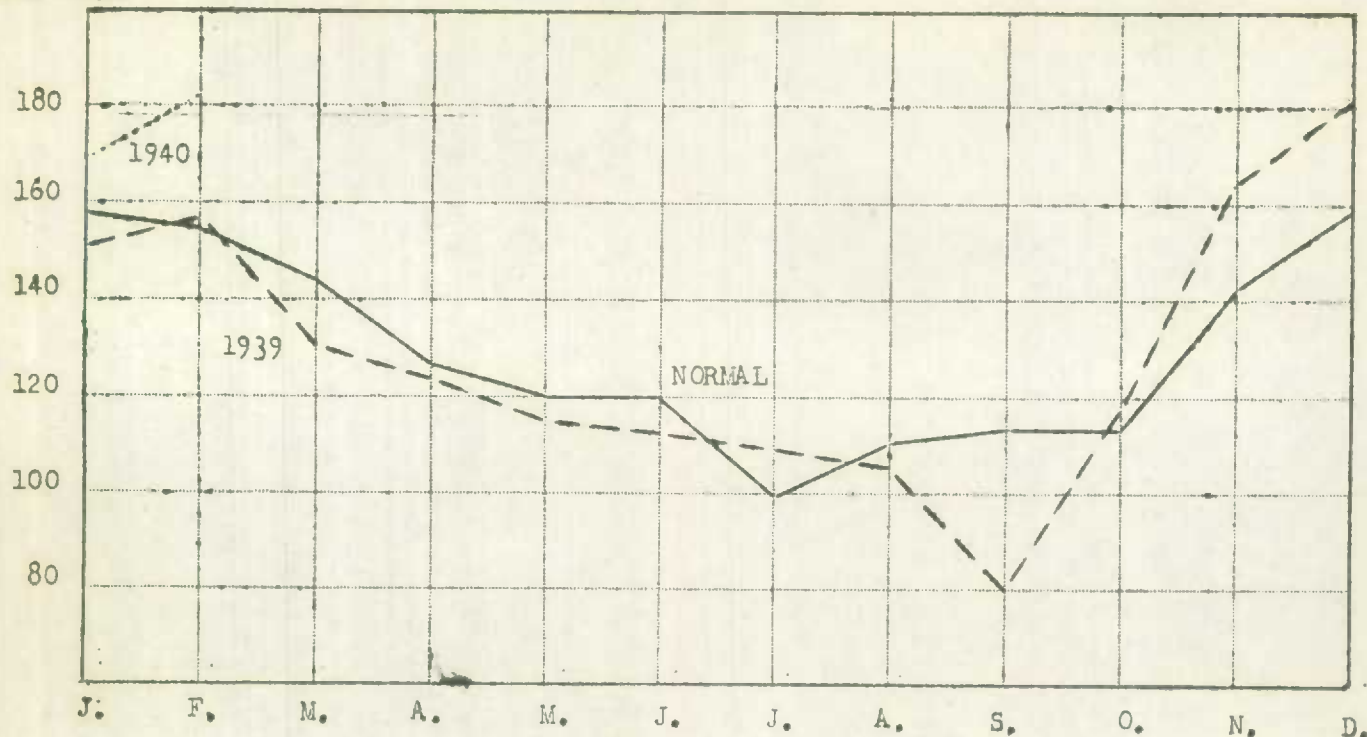
Wholesalers' inventories were valued 38 per cent higher at the end of February, 1940 than 1939 but were down 3 per cent from January 31st, 1940. Stocks on hand at any period are unduly high or low only when considered in relation to sales in the immediately ensuing period. Stocks on hand at the beginning of February normally amount to approximately 155 per cent of February sales. The corresponding ratio for February, 1940, was 182 per cent, indicating that stocks on hand at the beginning of the month were 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





Retail Trade

Chain Stores

Sales of 1,177 chain store units operated by 29 chain companies in the food retailing field averaged 26 per cent higher in February, 1940, than the sales of 1,371 units operated by the same 29 firms in the corresponding month of 1939. Increases were greater in the West than in the East. Chain sales in the province of Quebec were up 17 per cent; Ontario, 20 per cent; Prairie Provinces, 59 per cent and British Columbia, 57 per cent. Average daily sales for grocery and meat chains were 22 per cent higher in February, 1940, than in February, 1939.

Comparison of Stores and Sales for February, 1939 and 1940

29 Chain Companies

	February, 1939		February, 1940		Per cent change in Sales
	No. Stores	Sales	No. Stores	Sales	
		\$		\$	
Canada .....	1,371	7,209,517	1,177	9,083,492	+ 26.0
Quebec .....	277	1,632,793	224	1,911,708	+ 17.1
Ontario .....	739	4,275,160	629	5,115,515	+ 19.7
Prairie Provinces ..	204	718,861	189	1,140,318	+ 58.6
British Columbia ..	151	582,703	135	915,951	+ 57.2

Independent Stores

Dollar sales for 1,076 independent grocery and combination stores were 6 per cent higher in February, 1940, compared with February, 1939. Results on a geographical basis indicate that sales increases were recorded in every section of the country; these ranged from a substantial gain of 12 per cent in the Maritimes to an increase of 3 per cent in Manitoba. Alberta sales were up 10 per cent, Ontario, 6 per cent, while Quebec and Saskatchewan both had sales gains of 5 per cent. Sales in British Columbia were up 4 per cent.

Comparison of Sales Reported for February, 1939 and 1940

	No. stores reporting	No. reporting increase	Per cent change in sales
Maritimes .....	147	112	+ 11.9
Quebec .....	234	157	+ 4.8
Ontario .....	427	279	+ 5.8
Manitoba .....	78	52	+ 2.6
Saskatchewan .....	38	23	+ 4.8
Alberta .....	66	42	+ 10.0
British Columbia .....	86	55	+ 4.4
Canada .....	1,076	720	+ 6.1

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