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CURRENT TRENDS IN FOOD DISTRIBUTION, JUNE, 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 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 of 77 wholesale houses in the grocery trade averaged 9 per cent higher in June, 1940, than in June, 1939, but were 9 per cent lower than the level of May, 1940, unadjusted indexes on the base, 1930 = 100, standing at 122.4 for June, 1940; 135.0 for May, 1940; and 112.3 for June, 1939. The 9 per cent increase over June of the previous year compares with a 25 per cent increase recorded in the May corresponding-month comparison and with margins of 14 and 1 per cent recorded in April and March over the same months of 1939. Sales for the first six months of this year average 15 per cent higher than for the corresponding six-month period of 1939.

Indexes of Sales, 1930 = 100

	1940			1939
	June	May	April	June
Unadjusted index	122.4	135.0	108.8	112.3
Seasonally adjusted index	120.0	137.2	117.0	110.1

All sections of the country shared in the increase over June a year ago, results for the various economic divisions showing increases of 13 per cent in the Maritime Provinces, 11 per cent in Quebec, 10 per cent in Ontario, 8 per cent in the Prairie Provinces, and 2 per cent in British Columbia.

Percentage Change in Wholesale Sales, by Provinces

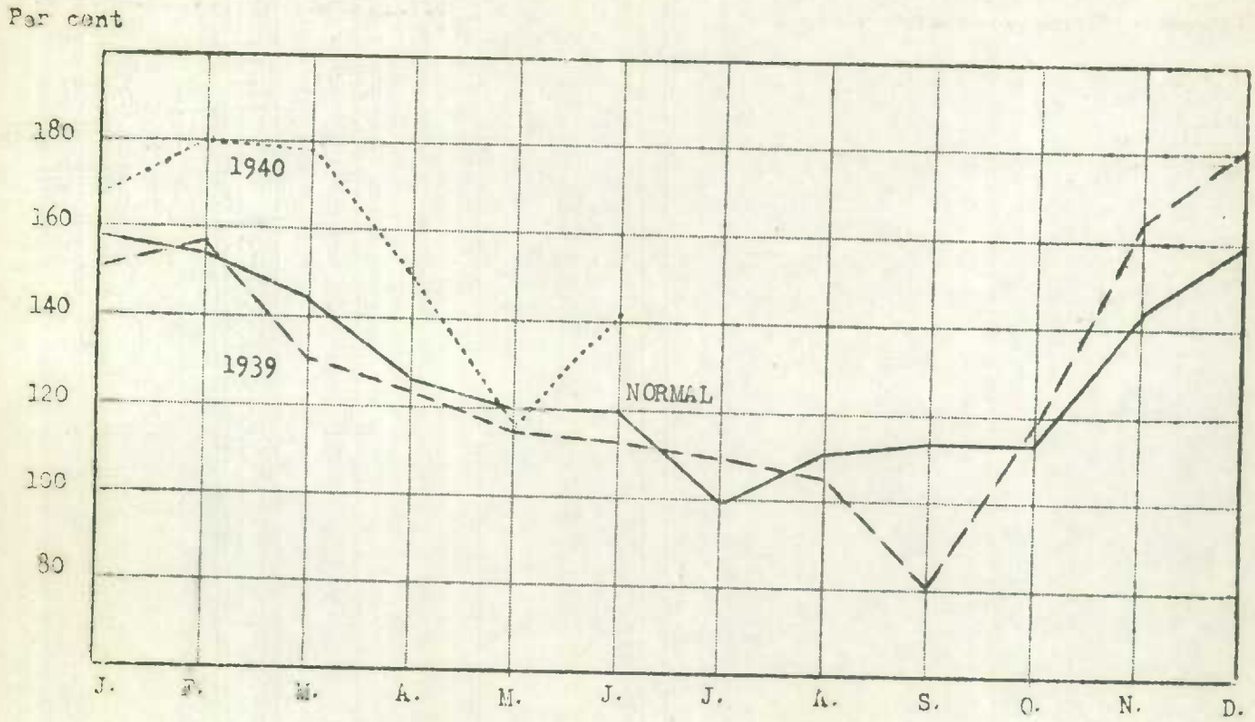
	June Dollar Sales Per cent change from		Year to date 1940/1939	Number of Firms Reporting
	June 1939	May 1940		
CANADA	+ 9.0	- 9.4	+ 15.4	77
Maritimes	+ 12.7	- 11.5	+ 20.6	15
Quebec	+ 11.0	- 22.4	+ 18.2	22
Ontario	+ 9.5	+ 2.8	+ 13.0	21
Prairies	+ 7.9	- 12.5	+ 15.4	13
British Columbia	+ 2.1	- 15.7	+ 13.6	6

Stocks

Inventories carried by the wholesale grocery trade were 39 per cent higher at the end of June than on the corresponding date of 1939, but were 1 per cent lower than at the end of May, 1940. Stocks on hand at any period must be considered in relation to the sales in the immediately following period. Stocks on hand at the beginning of June normally amount to approximately 120 per cent of the June turnover. The ratio of stocks on hand at the end of May, 1940, formed 143 per cent of June sales 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)



Retail Trade

Chain Stores

Sales of 1,161 chain store units operated by 26 chain companies in the food retailing field averaged 14 per cent higher in June, 1940, than the sales of 1,333 units operated by the same 26 firms in the corresponding month of 1939. Chain sales in the province of British Columbia were up 17 per cent; Ontario, 16 per cent; Prairie Provinces, 12 per cent; and Quebec, 10 per cent. Average daily sales for grocery and meat chains were 11 per cent higher in June, 1940, than in June, 1939.

Comparison of Stores and Sales for June, 1939 and 1940

26 Chain Companies

	June, 1939		June, 1940		Per cent change in Sales
	No. Stores	Sales	No. Stores	Sales	
		$		$	
CANADA	1,333	9,214,207	1,161	10,479,384	+ 13.7
Quebec	245	1,747,412	201	1,886,018	+ 7.9
Ontario	745	5,301,085	649	6,122,066	+ 15.5
Prairie Provinces	199	1,244,267	179	1,391,370	+ 11.8
British Columbia	144	921,443	132	1,079,930	+ 17.2

Independent Stores

Dollar sales of 1,066 independent grocery and combination stores were 5 per cent higher in June, 1940, compared with June, 1939. Results on a geographical basis indicate that sales increases were recorded in every section of the country, ranging from a gain of 7 per cent in the Maritimes and Alberta to one of 3 per cent in British Columbia. Quebec and Manitoba reported increases of 6 per cent while Ontario and Saskatchewan were the same with a gain of 4 per cent.

Comparison of Sales Reported for June, 1939 and 1940

	No. stores reporting	No. reporting increase	Per Cent change in sales
Maritimes	151	117	+ 7.3
Quebec	239	158	+ 6.1
Ontario	414	261	+ 3.7
Manitoba	70	47	+ 6.1
Saskatchewan	41	27	+ 4.3
Alberta	64	40	+ 6.6
British Columbia	87	42	+ 3.1
CANADA	1,066	692	+ 5.0