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CURRENT TRENDS IN FOOD DISTRIBUTION, AUGUST, 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 grocery houses average 1 per cent higher in August, 1940 than in August, 1939 and were 8 per cent above the level of July, 1940, unadjusted indexes on the base 1930 equals 100 standing at 121.1 for August, 1940; 112.3 for July, 1940; 122.0 for June, 1940; and 120.0 for August, 1939. The 1 per cent increase over July of the previous year compares with unchanged sales in the July corresponding-month comparison and with increases of 9 per cent and 25 per cent in June and May over the same months of the previous year. Dollar value of sales for the first eight months of this year averaged 11 per cent higher than for the corresponding eight-month period of 1939.

The trends in the five economic divisions of the country were widely varied and ranged from an increase in sales of 16 per cent in British Columbia to a decrease of 4 per cent in the Prairies. The Maritimes reported a gain of 5 per cent, Quebec 2 per cent, while Ontario reported a fractional increase of only 0.5 per cent.

Percentage Change in Wholesale Sales, by Provinces

| | August Dollar Sales Per cent change from | | Year to date 1940 1939 | Number of Firms Reporting |
|------------------------|---|--------------|------------------------------------|------------------------------------|
| | August 1939 | July 1940 | | |
| CANADA | + 0.9 | + 7.9 | + 11.1 | 77 |
| Maritimes | + 4.9 | - 0.7 | + 16.9 | 15 |
| Quebec | + 1.9 | - 1.5 | + 14.8 | 22 |
| Ontario | + 0.5 | + 0.9 | + 9.5 | 21 |
| Prairies | - 3.7 | + 19.7 | + 9.2 | 13 |
| British Columbia | + 15.7 | + 20.1 | + 11.0 | 6 |

Stocks

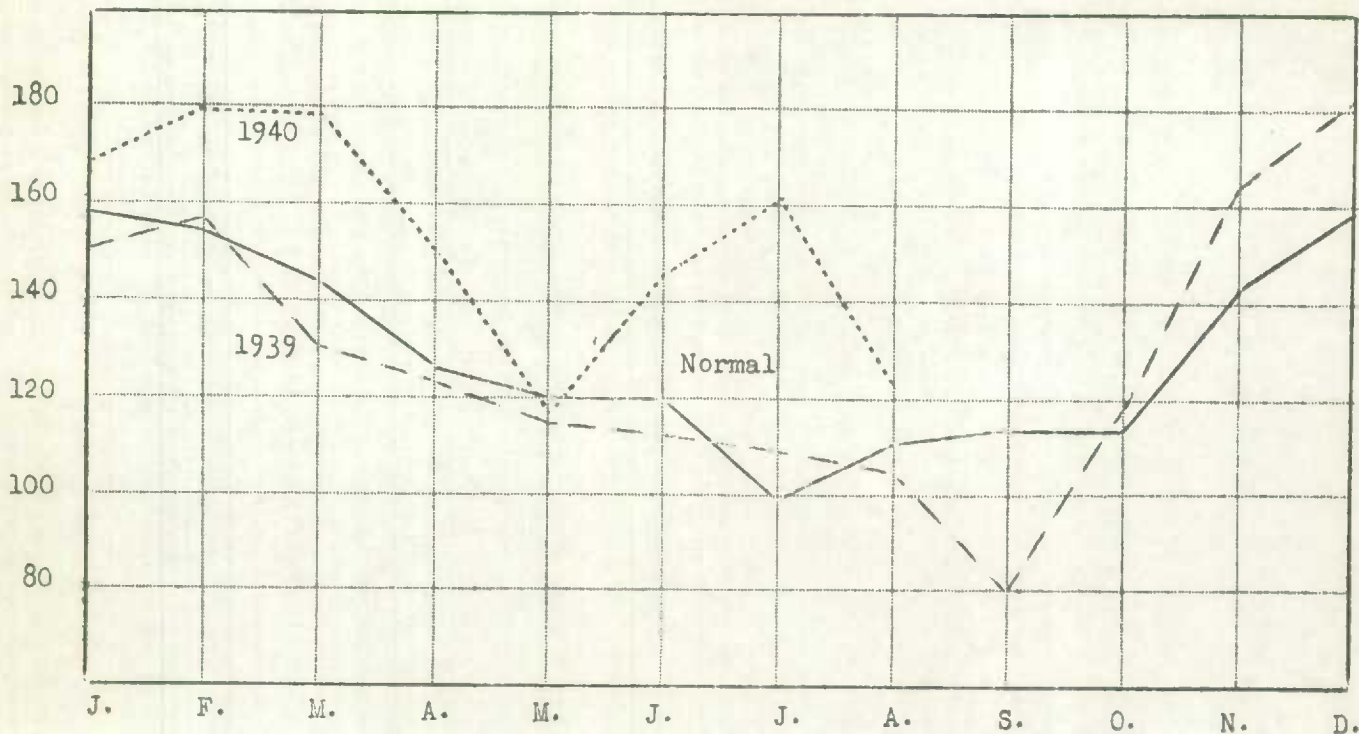
Inventories carried by the wholesale grocery trade were 18 per cent higher at the end of August than on the corresponding date of 1939, but were 4 per cent lower than at the end of July, 1940. Stocks on hand at any period must be considered in relation to sales in the immediately following period. Stocks on hand at the beginning of August normally amount to approximately 111 per cent of the August turnover. Stocks on hand at the end of July formed 124 per cent of the August sales, indicating that stocks on hand at the beginning of the month were still 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 1,155 chain store units operated by 28 chain companies in the food retailing field averaged 28 per cent higher in August, 1940, than the sales of 1,328 units operated by the same 28 firms in the corresponding month of 1939. Chain sales in the province of British Columbia were up 35 per cent; Quebec and Ontario, 29 per cent; and the Prairie Provinces, 17 per cent. Average daily sales for grocery and meat chains were 18 per cent higher in August, 1940, than in August, 1939.

Comparison of Stores and Sales for August, 1939 and 1940

28 Chain Companies

| | August, 1939 | | August, 1940 | | Per cent change in Sales |
|----------------------|--------------|-----------|--------------|------------|--------------------------|
| | No. Stores | Sales | No. Stores | Sales | |
| CANADA | 1,328 | 8,044,792 | 1,155 | 10,278,421 | + 27.8 |
| Quebec | 251 | 1,523,512 | 209 | 1,960,268 | + 28.7 |
| Ontario | 737 | 4,503,558 | 639 | 5,805,718 | + 28.9 |
| Prairie Provinces .. | 197 | 1,203,319 | 177 | 1,413,298 | + 17.4 |
| British Columbia ... | 143 | 814,403 | 130 | 1,099,137 | + 35.0 |

Independent Stores

Dollar sales of 1,046 independent grocery and combination stores were 14 per cent higher in August, 1940 than in August, 1939. Results on a geographical basis indicate that sales increases were recorded in every section of the country, ranging from a gain of 18 per cent in the Maritimes to one of 9 per cent in Saskatchewan and British Columbia. Ontario reported an increase of 14 per cent; Alberta, 11 per cent; and Quebec and Manitoba were the same with a gain of 13 per cent.

Comparison of Sales Reported for August, 1939 and 1940

| | No. stores reporting | No. reporting increase | Per Cent change in sales |
|------------------------|----------------------|------------------------|--------------------------|
| Maritimes | 150 | 131 | + 17.8 |
| Quebec | 228 | 181 | + 12.6 |
| Ontario | 406 | 343 | + 14.0 |
| Manitoba | 76 | 61 | + 13.4 |
| Saskatchewan | 38 | 32 | + 9.3 |
| Alberta | 67 | 53 | + 11.1 |
| British Columbia | 81 | 59 | + 9.3 |
| CANADA | 1,046 | 860 | + 13.5 |

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