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CURRENT TRENDS IN FOOD DISTRIBUTION, SEPTEMBER, 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 averaged 27 per cent lower in September, 1940 than in September, 1939 but were practically unchanged from the level of August, 1940, unadjusted indexes, on the base 1930 equals 100, standing at 119.9 for September, 1940; 120.6 for August, 1940; 112.3 for July, 1940 and 104.9 for September, 1939. Heavy inventory buying by the retail trade reached an unusually high level in September, 1939 and, while wholesale sales in September, 1940 have decreased 27 per cent they are still 4 per cent above the level of September, 1938. The dollar value of sales for the first nine months of 1940 averaged 5 per cent higher than for the corresponding nine-month period of the previous year.

September sales of wholesale grocery firms, when examined by regions, indicate that declines were general throughout the Dominion. In the Maritimes sales dropped 22 per cent below the level of September a year ago; in Ontario and the Prairies sales decreased 26 per cent; in British Columbia, 31 per cent; while in Quebec the drop amounted to 32 per cent.

Percentage Change in Wholesale Sales, by Provinces

	September Dollar Sales Per cent change from		Year to date <u>1940</u> 1939	Number of Firms Reporting
	September 1939	August 1940		
CANADA	- 27.3	- 0.6	+ 4.6	77
Maritimes	- 22.4	+ 2.8	+ 10.2	15
Quebec	- 31.5	+ 4.1	+ 6.3	22
Ontario	- 26.0	+ 3.2	+ 3.7	21
Prairies	+ 26.2	- 3.5	+ 3.2	13
British Columbia	- 31.2	- 6.4	+ 3.1	6

Stocks

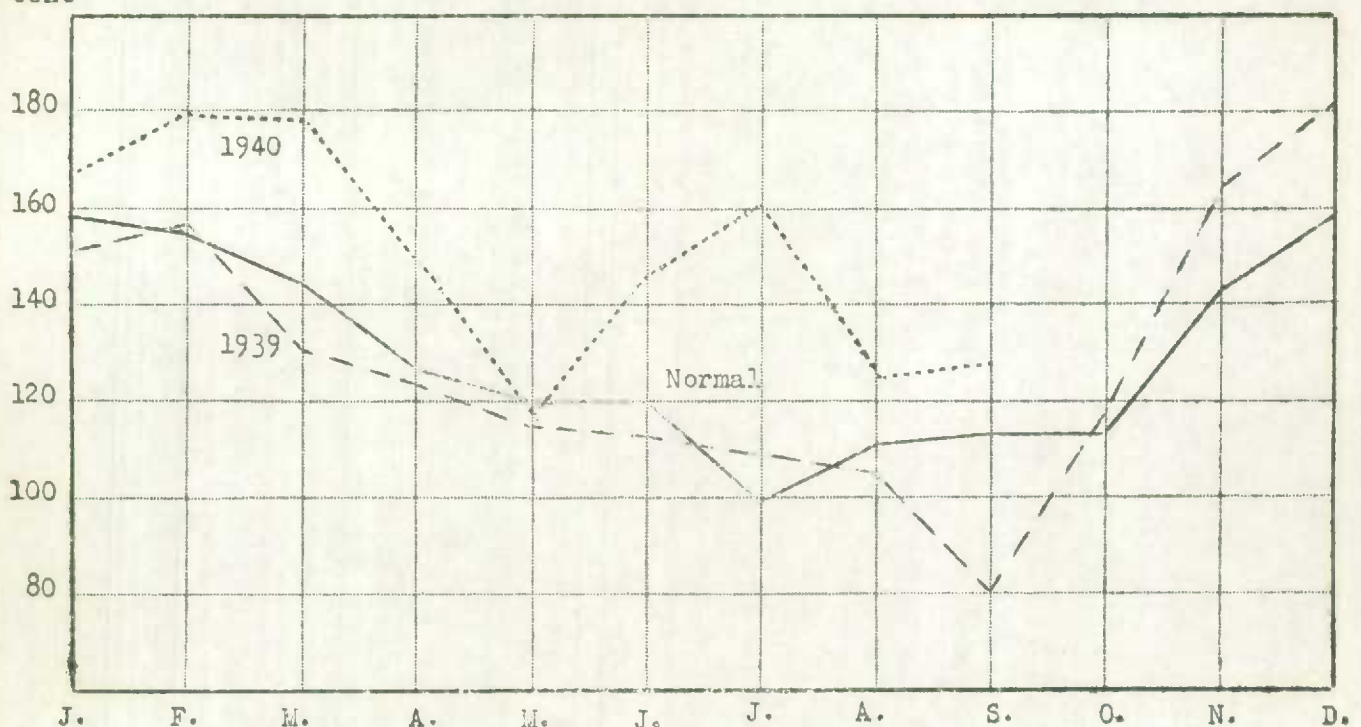
Inventories carried by the wholesale grocery trade were 5 per cent higher at the end of September than on the corresponding date of 1939, but were 1 per cent lower than at the end of August, 1940. Stocks on hand at any period must be considered in relation to sales in the immediately following period. Stocks on hand at the beginning of September normally amount to approximately 114 per cent of the September turnover. Stocks on hand at the end of August formed 127 per cent of the September 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 1,105 chain store units operated by 29 chain companies in the food retailing field averaged 8 per cent lower in September, 1940 than the sales of 1,268 units operated by the same 29 firms in the corresponding month of 1939. Chain sales in the province of British Columbia were down 3 per cent; Ontario, 6 per cent; the Prairie Provinces, 12 per cent. Average daily sales for grocery and meat chains were 3 per cent higher in September, 1940 than in September, 1939.

Comparison of Stores and Sales for September, 1939 and 1940

29 Chain Companies

	September, 1939		September, 1940		Per cent change in Sales
	No. Stores	Sales	No. Stores	Sales	
CANADA	1,268	10,043,868	1,105	9,244,264	- 8.0
Quebec	252	2,142,889	211	1,859,083	- 13.2
Ontario	720	5,660,342	634	5,323,467	- 6.0
Prairie Provinces	154	1,281,997	134	1,132,419	- 11.7
British Columbia	142	958,640	126	929,295	- 3.1

Independent Stores

Dollar sales of 1,048 independent grocery and combination stores were 9 per cent lower in September, 1940 than in September, 1939. Results on a geographical basis indicate that sales decreases were recorded in every section of the country ranging from a decline of 3 per cent in the Maritimes to one of 12 per cent in the three most westerly provinces, Saskatchewan, Alberta and British Columbia. Quebec reported a decline of 8 per cent; Ontario and Manitoba were the same with a decline of 10 per cent.

Comparison of Sales Reported for September, 1939 and 1940

	No. stores reporting	No. reporting increase	Per cent change in sales
Maritimes	153	67	- 3.0
Quebec	223	56	- 7.5
Ontario	399	103	- 9.5
Manitoba	73	15	- 10.1
Saskatchewan	43	5	- 12.1
Alberta	67	17	- 12.0
British Columbia	90	23	- 11.6
CANADA	1,048	286	- 8.5



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