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CURRENT TRENDS IN FOOD DISTRIBUTION, MAY, 1941

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 75 of the larger wholesale grocery firms in Canada averaged 3 per cent higher in May of this year than last and were 4 per cent above the April level. The 3 per cent increase over May, 1940 is considerably smaller than those recorded for earlier months, a result which may be attributed to the high level of wholesale grocery trading in May last year when considerable inventory buying by the retail trade took place following the renewal of hostilities on the western front. Sales for the year to date stand 11 per cent above the first five months of 1940.

Wholesale grocers in British Columbia reported a gain of 9 per cent in sales over May last year; Ontario sales were up 6 per cent and the Maritime Provinces, 4 per cent. Sales in the Prairie Provinces were practically unchanged while Quebec sales were down by 6 per cent.

Wholesale Grocery Trade by Economic Divisions

Division	Number of firms re-reporting	Dollar Sales (add 000)		Per cent change		
		May, 1940	May, 1941	May, 1941 over		Year to date 1941 1940
				May 1940	April 1941	
		\$	\$			
CANADA	75	17,095	17,520	+ 2.5	+ 3.6	+ 10.9
Maritimes	15	1,800	1,876	+ 4.2	+ 3.8	+ 15.7
Quebec	22	3,206	3,003	- 6.3	+ 12.7	+ 4.8
Ontario	21	4,959	5,270	+ 6.3	+ 3.8	+ 12.5
Prairies	11	4,899	4,930	+ 0.6	+ 0.8	+ 8.5
British Columbia	6	2,231	2,441	+ 9.4	+ 6.8	+ 16.1

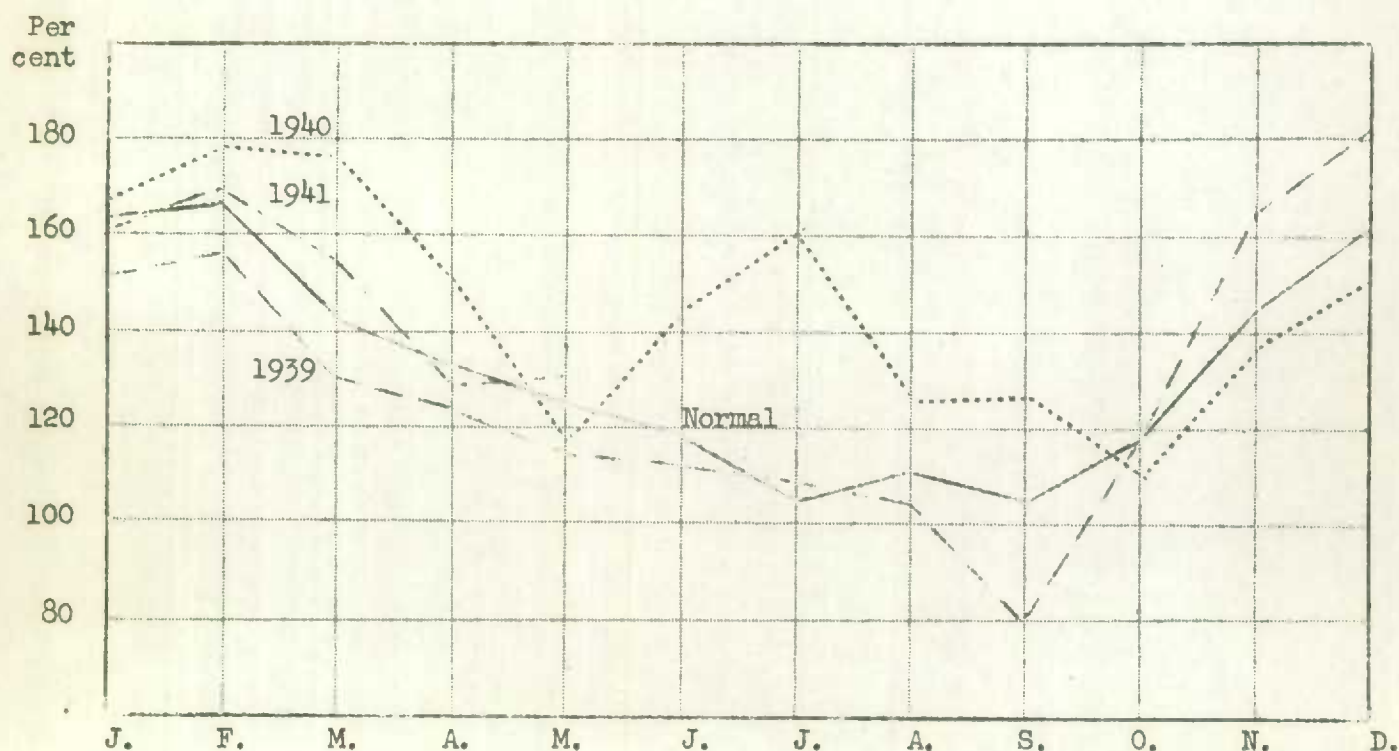
Stocks

Inventories carried by the wholesale grocery trade were down 1 per cent at the end of May from the corresponding date of 1940 and were 4 per cent lower than inventories at the end of April, 1941. 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 May normally amount to approximately 125 per cent of the May turnover. Stocks on hand at the end of ~~April~~ ^{May} formed 131 per cent of the May sales, indicating that stocks on hand at the beginning of the month were slightly higher than 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 - 1939)



Retail Trade

Chain Stores

Sales of 1,062 chain store units operated by 25 chain companies in the food retailing field averaged 24 per cent higher in May, 1941 than sales of 1,155 units operated by the same 25 firms in May a year ago. Average sales per store were \$12,074 in May of this year, 35 per cent greater than the \$8,975 average in the same month of 1940. A considerable reduction in the number of stores operated by the reporting chain companies is responsible, to some extent, for the increased sales volume per store.

Increases in various regions of the country were as follows: 29 per cent in Ontario; 21 per cent in British Columbia; 17 per cent in Quebec; and 12 per cent in the Prairie Provinces. Average daily sales for food chains increased 22 per cent in May this year over last.

Comparison of Stores and Sales for May, 1940 and 1941

25 Chain Companies

Division	May, 1940		May, 1941		Per cent change in Sales
	No. Stores	Sales	No. Stores	Sales	
		\$		\$	
CANADA	1,155	10,366,158	1,062	12,822,763	+ 23.7
Quebec	210	2,121,147	190	2,485,698	+ 17.2
Ontario	635	5,826,711	598	7,536,301	+ 29.3
Prairie Provinces	200	1,379,532	174	1,541,672	+ 11.8
British Columbia	110	1,038,768	100	1,259,092	+ 21.2

Independent Stores

Dollar sales of 999 independent grocery and combination stores were 15 per cent higher in May, 1941 than in May, 1940. Results on a geographical basis indicate sales increases in every section of the country ranging from a substantial gain of 18 per cent in the Maritimes to one of 8 per cent in Alberta. Ontario and Quebec were nearly the same with increases of 17 and 16 per cent respectively while Saskatchewan sales were up 13 per cent. British Columbia reported a gain of 11 per cent and Manitoba one of 10 per cent over May, 1940.

Comparison of Sales Reported for May, 1940 and 1941

Division	No. stores reporting	No. reporting increase	Per cent change in sales
CANADA	999	837	+ 15.4
Maritimes	145	118	+ 17.6
Quebec	215	190	+ 16.0
Ontario	389	338	+ 16.9
Manitoba	67	47	+ 10.2
Saskatchewan	40	35	+ 13.4
Alberta	64	47	+ 8.3
British Columbia	79	62	+ 10.9

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