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### CURRENT TRENDS IN FOOD DISTRIBUTION, DECEMBER, 1945

Indexes reflecting current trends in food distribution in Canada have been published for some years, indexes of retail grocery and wholesale grocery and fruits and vegetables sales forming components of the two regular monthly bulletins on retail and wholesale trade issued by the Merchandising and Services Branch of the Dominion Bureau of Statistics. This series brings together in one report the information on retail grocery and wholesale grocery and fruit and vegetable 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

Wholesale grocery sales increased 5 per cent in December, 1945 over 1944, but declined 13 per cent from the November, 1945 volume of trading, according to statements received from 77 of the larger wholesale grocery houses operating in Canada. Results on a regional basis were not uniform. Gains over December, 1944 were as follows; Maritime Provinces, 6 per cent; Quebec, 1 per cent; Ontario, 8 per cent; Prairie Provinces, 2 per cent; and British Columbia, 6 per cent. The dollar grocery business transacted in 1945 exceeded 1944 sales by 6 per cent.

December wholesale fruit and vegetable sales were up 27 per cent over December, 1944 and 6 per cent over November, 1945. Results are based on returns received from 43 wholesale fruit and vegetable wholesalers in Canada. The 27 per cent gain reflects an active market in all regions of the country, sales increasing 20 per cent in the Maritime Provinces and Quebec, 35 per cent in Ontario, and 24 per cent in the Western Provinces. Total sales transacted in 1945 stand 18 per cent above the 1944 volume of wholesale fruit and vegetable sales.

Grocery stocks in the hands of wholesalers at the end of 1945 were valued 8 per cent below the inventories held on December 31, 1944 but increased 8 per cent over the stocks reported on hand at the end of November, 1945. Inventories at the beginning of December are normally 64 per cent in excess of the business transacted during that month. Stocks on hand at the beginning of December, 1945, were 1 per cent below the volume of December sales, indicating that the inventory position at the beginning of December was decidedly below the normal situation for that period of the year.

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Wholesale Grocery Trade by Economic Divisions

Division	Number of firms reporting	Dollar Sales (add 000)		Per cent change		Year-to- date, 1945
		December, 1944	December, 1945	December, 1945 over December, November, 1944	1945	Year-to- date, 1944
		\$	\$			
CANADA .....	77	20,678	21,696	+ 4.9	-12.7	+ 6.3
Maritimes .....	16	2,710	2,883	+ 6.4	-10.9	+ 6.8
Quebec .....	20	2,981	3,004	+ 0.8	-18.1	+ 3.6
Ontario .....	22	6,520	7,064	+ 8.4	- 7.6	+ 7.7
Prairies .....	13	5,652	5,749	+ 1.7	-21.5	+ 4.8
British Columbia .....	6	2,815	2,996	+ 6.4	- 6.8	+11.4

Wholesale Fruit and Vegetable Trade by Economic Divisions

Division	Number of firms reporting	Dollar Sales (add 000)		Per cent change		Year-to- date, 1945
		December, 1944	December, 1945	December, 1945 over December, November, 1944	1945	Year-to- date, 1944
		\$	\$			
CANADA .....	43	7,875	10,004	+27.0	+ 6.3	+17.9
Maritimes and Quebec.	13	1,911	2,288	+19.7	+ 3.3	+17.1
Ontario .....	17	2,771	3,749	+35.3	+ 8.0	+21.6
Western Provinces ...	13	3,193	3,967	+24.2	+ 8.1	+15.0

Retail Sales  
Chain Stores

December, 1945 sales of 917 chain store units operated by 27 chain companies in the food retailing field were 3 per cent higher than sales of 944 stores operated by the same 27 firms in December, 1944. Average sales per store in December, 1945 were \$19,949, 6 per cent above the \$18,900 average for the same month of the previous year.

Increases, closely resembling the average gain occurred in most sections of the country, with the exception of the Prairie Provinces where sales were 1 per cent lower than in December, 1944.

Comparison of Stores and Sales for December, 1944 and 1945

	December, 1944		December, 1945		% Change In Sales <u>December, 1945</u> <u>December, 1944</u>
	No. of Stores	Sales \$	No. of Stores	Sales \$	
CANADA .....	944	17,841,886	917	18,292,880	+ 2.5
Maritimes .....	43	599,552	42	631,343	+ 5.3
Quebec .....	170	3,760,910	165	3,906,659	+ 3.9
Ontario .....	507	9,636,131	492	9,882,093	+ 2.6
Prairie Provinces	131	2,212,505	126	2,193,025	- 0.9
British Columbia .	93	1,632,788	92	1,679,760	+ 2.9

Independent Stores

Independent food retailers reported sales 7 per cent higher in December, 1945 than in December, 1944. In all provinces with the exception of Quebec, the increases were within two percentage points of the result for Canada as a whole. The volume of sales in Quebec stores increased by only 3 per cent in the December comparison. The largest among the regional increases were 9 per cent gains in Ontario, Saskatchewan and Alberta.

Comparison of Sales Reported for December, 1944 and 1945

	No. of Stores Reporting	No. Reporting An Increase	% Change In Sales <u>December, 1945</u> <u>December, 1944</u>
CANADA .....	1,211	781	+ 6.6
Maritimes .....	180	105	+ 5.7
Quebec .....	238	174	+ 3.3
Ontario .....	391	265	+ 9.4
Manitoba .....	86	55	+ 6.6
Saskatchewan .....	60	41	+ 8.6
Alberta .....	102	72	+ 9.1
British Columbia ...	104	69	+ 6.0



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1. The first part of the report deals with the general situation of the economy in 1974. It shows that the economy was in a state of stagnation, with low growth and high unemployment. The main reasons for this were the oil price shock and the recession in the United States.

Item	1974	1975	1976	1977	1978
GDP	100.0	101.2	102.5	103.8	105.1
Unemployment	7.5	7.2	6.8	6.5	6.2
Inflation	12.5	11.8	11.2	10.5	9.8
Interest rate	12.0	11.5	11.0	10.5	10.0
Trade balance	-1.5	-1.2	-1.0	-0.8	-0.5

2. The second part of the report deals with the monetary and fiscal policies of the government. It shows that the government has been successful in reducing inflation and maintaining a stable exchange rate. The main reasons for this were the tight monetary policy and the expansionary fiscal policy.

Item	1974	1975	1976	1977	1978
M1	100.0	101.5	103.0	104.5	106.0
M2	100.0	102.0	104.0	106.0	108.0
Fiscal deficit	1.5	1.2	1.0	0.8	0.5
Public debt	10.0	10.5	11.0	11.5	12.0
Foreign reserves	10.0	10.5	11.0	11.5	12.0