

	1951	1961	1971
BEEF			
Sirloin Steak	1.51 lbs.	1.88 lbs.	2.47 lbs.
Prime Rib Roast	1.24 lbs.	2.07 lbs.	2.85 lbs.
PORK			
Rib Chop	1.79 lbs.	2.51 lbs.	3.81 lbs.
Chicken (Grade A)	n. a.	4.21 lbs.	6.66 lbs.
Milk (Fresh)	5.97 qts.	7.79 qts.	9.80 qts.
Eggs (Grade A Large)	1.63 doz.	3.25 doz.	6.85 doz.
Potatoes (Number 1 Cooking)	33.6 lbs.	38.3 lbs.	60.7 lbs.
Apples	10.4 lbs.	10.3 lbs.	15.2 lbs.
Bread (Plain, White, Wrapped)	10.0 loaves	11.5 loaves	16.1 loaves

(Source: Alberta Department of Agriculture)

The Committee compared changes in indexes of retail food prices for a selection of twenty-seven industrialized countries. Between 1967 and 1972, the rate of rise in Canada was lower than in all but six of these countries,—West Germany, Australia, Switzerland, Austria, Mexico and Italy—and was only marginally above the rates recorded for most of these leaders.

The Primary Producer

The Committee has learned that although the farmer has increased his productivity greatly, in an effort to earn a reasonable income, this has often not been forthcoming. It has in fact been shown that annual average returns on the labour and investment of farmers have been low in comparison with the returns received by most other groups in Canada.

In discussions of the situation of primary producers, the subject of marketing boards has frequently been raised. Your Committee is agreed that the activities of marketing boards can contribute to achieving and maintaining balanced growth both within agriculture and in other sectors of the food chain. Balanced growth works to the best advantage of both producers and consumers.

Food Price Control

There has been almost unanimous opposition to the idea of imposing price controls on food products alone. The Government of Alberta, in commenting on this point, said: "Although we recognize that food price controls would arrest the trend of steadily increasing costs of food in the short run, we feel that detrimental effects would result for the food industry and the consumer in the long run. The food industry, faced with increasing supply costs and fixed product prices would be hard-pressed to maintain necessary levels of output. Shrinking margins would place many producers, processors and food handlers in a precarious economic position with the result that output would tend to be reduced as profit incentives are eroded. A situation such as this would be contrary to the best interests of both consumers and producers." In their evidence the representatives of the Government of Alberta

indicated that they would also be concerned about the creation of a black market situation.

For Future Study

Your Committee feels that in the next stage of its enquiries it should make a special effort to determine where significant economies in use of resources can be achieved in the food production chain. The gains in productivity at the farm level have been very large over the past twenty-five years, and the Committee therefore proposes to concentrate on other links in the chain in its investigations of the efficiency factor. To date, the witnesses appearing on behalf of processors, wholesalers and retailers have been representatives of the organizations to which these firms belong. The organizations do not possess the specific information the Committee requires in its investigations of resource use, so it will be necessary to await the appearance of the major firms in these industries before the Committee will be able to reach firm conclusions in this area. However, the Committee has already reached some tentative conclusions, as follows:

- (a) Concentration of food wholesaling, processing, packaging and retailing activities in a relatively few firms, while in some cases contributing to increases in productivity, may be having detrimental effects on efficiency in other instances;
- (b) Competition for shelf space may work to the disadvantage of small but efficient suppliers;
- (c) A disproportionate amount of resources may be employed in advertising some food products;
- (d) Economies in packaging could be a significant source of improvements in overall efficiency in resource use;
- (e) Overcapacity may be a problem, particularly in food distribution.

The Committee will also be investigating whether excessive returns are being received by some participants in the chain of food production.