

Wholesale trade, May 2021

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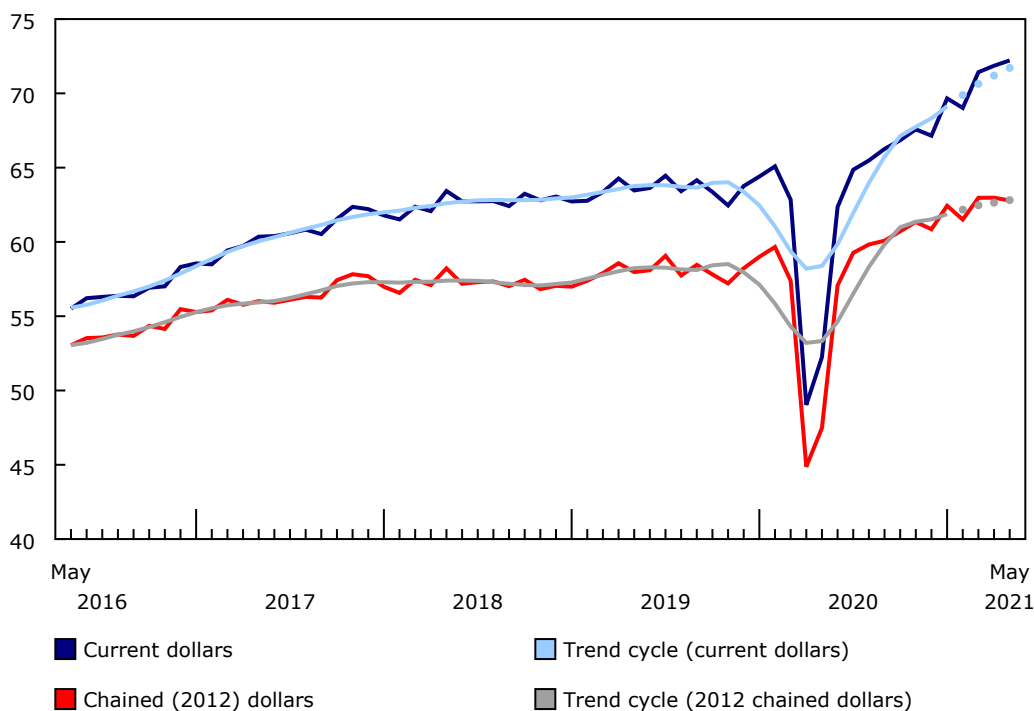
Wholesale sales continue to rise

Sales of wholesale goods rose 0.5% in May to \$72.2 billion, the third consecutive monthly increase. More than 95% of the gain came from the food, beverage and tobacco subsector, which reported growth of 2.7%. Sales were higher in four of the seven subsectors, representing 72% of total wholesale sales.

Wholesale volumes fell 0.3% in May.

Chart 1
Wholesale sales increase in May

billions of dollars



Note(s): The higher variability associated with the trend-cycle estimates is indicated with a dotted line on the chart for the current reference month and the three previous months. For more information, see the note to readers.

Source(s): Tables [20-10-0074-01](#) and [20-10-0003-01](#).

Wholesale sector strong over the year leading up to May 2021

Since reaching a low of \$49.0 billion in April 2020, during the COVID-19 pandemic, sales have risen in 11 of the 13 months. In May 2021, they were 11.0% higher than the pre-pandemic level in February 2020. The 10 months with the highest sales of all time in the sector were the 10 months from August 2020 to May 2021, with May 2021 being the highest month on record.

The sustained increase in sales in the sector reflects the variety of services that wholesalers provide, even with the shifts in economic activity brought on by the pandemic. While sectors such as transportation, tourism and hospitality have all suffered significant declines, wholesalers have benefited from the increased demand for building materials, machinery (including computer and electronic products), and personal and household goods.

Food, beverage and tobacco subsector sales spur gains

Higher sales in the wholesale sector were largely the result of 2.7% growth in the food, beverage and tobacco subsector. All of the gains came from the food industry, as sales jumped 3.3% to \$11.4 billion, the highest level since March 2020. Food sales have risen for five consecutive months. The increase reflects the loosening of COVID-19 restrictions, which enabled more restaurants to open with limited capacity and allowed Canadians to meet in larger groups.

Sales of machinery, equipment and supplies rose 0.5% in May, with strong increases in sales of construction, forestry, mining, and industrial machinery, equipment and supplies, and of computer and communications equipment and supplies. These were largely offset by a large drop in the sales of farm, lawn and garden machinery and equipment. The increase in the subsector was the fourth in five months.

Building material and supplies wholesalers posted their 12th increase in 13 months as sales rose 0.5% to \$13.1 billion. The increase came as prices for lumber and other wood products rose for the sixth consecutive month—up 17.9% in May, according to the Industrial Product Price Index.

Gains were also reported in the motor vehicle and motor vehicle parts and accessories subsector.

Port of Montréal strike

Approximately 15% of respondents said their business was impacted by the strike at the Port of Montréal in April and May, causing a loss of approximately \$230 million in wholesale sales.

Among respondents who said their business was affected, approximately two-thirds said they experienced delivery delays. Some businesses rerouted inbound containers to ports in New York and Halifax, increasing shipping and logistical costs and sparking delays ranging from three weeks to almost nine weeks.

Provinces from Quebec westward experienced the most significant delays in transport, with many businesses in Alberta, Ontario and Manitoba being moderately affected. While some businesses increased their inventories in anticipation of the disruption, many experienced raw material shortages.

Some respondents said that they reacted to labour disruptions at the Port of Montréal by changing how they transport goods, such as shipping them via air or using a different port. Others noted that they used alternate delivery methods to respond to the labour disruption and said they incurred higher costs and delays.

Ontario leads gains in wholesale sales in May

Sales rose in four provinces and two territories in May, representing 64% of total national wholesale sales. Ontario alone accounted for 49% of the sector's sales. Ontario led the growth, reporting \$35.6 billion in sales, a 1.3% gain, followed by British Columbia, with an increase of 5.3% to \$8.2 billion in May.

In Ontario, the food, beverage and tobacco subsector accounted for half of the province's increase, with a 6.1% rise in sales in May, 98% of which came from the food industry. In addition, sales in the machinery, equipment and supplies subsector rose 2.0%, reflecting a 21.0% increase in sales in the construction, forestry, mining, and industrial machinery, equipment and supplies industry.

Sales in British Columbia reached a record high for the third consecutive month. The building material and supplies subsector had the largest growth, up 4.6% from April. This gain was predominantly attributable to a 6.7% increase in the lumber, millwork, hardware and other building supplies industry, spurred by increased prices of lumber and other wood products.

Quebec had the largest decline, with sales falling 1.2% to \$14.4 billion in May, following two months of growth. The decline reflects a 10.8% drop in the miscellaneous subsector, which reached its lowest level since February 2021. Following a record high in April, when sales jumped 41.6%, sales subsequently decreased by 49.0% in the agricultural supplies industry, cancelling the gains made in the four other industries in this subsector. Traditionally, May was the strongest month for sales in the industry in Quebec, but in the last two years, unadjusted agricultural supply sales have been stronger in April.

Inventory levels grow

Wholesale inventories rose 2.1% to \$95.0 billion in May, their highest value on record. Inventories in five of the seven subsectors increased, accounting for 82% of the value of inventories for the sector.

Inventories of building material and supplies merchant wholesalers grew 5.6% to \$16.6 billion, the eighth consecutive increase and a new record for the subsector. Inventories of lumber, millwork, hardware and other building supplies merchant wholesalers grew 9.7% to \$8.3 billion. The industry has been growing for 11 months and contributed more than 80% of the growth in the building material and supplies subsector in May.

Inventories of personal and household goods merchant wholesalers shrank 4.7% to \$16.4 billion, more than offsetting gains made in April, reflecting changes in the two largest component industries. Textile, clothing and footwear wholesalers' inventories decreased 16.1% to \$3.3 billion, while personal goods wholesalers' inventories decreased 12.4% to \$2.1 billion.

Miscellaneous merchant wholesalers' inventories rose 5.8%, largely because of increases in inventories of agricultural supplies wholesalers, which grew 8.4% to \$5.0 billion, and other miscellaneous wholesalers, which rose 7.9% to \$3.8 billion in May.

The inventory-to-sales ratio was 1.32 in May, up from 1.29 in April. The inventory-to-sales ratio is a measure of the time (in months) required to exhaust inventories if sales were to remain at their current levels.

Table 1
Wholesale merchants' sales by industry – Seasonally adjusted

	May 2020	April 2021 ^r	May 2021 ^p	April to May 2021	May 2020 to May 2021
	millions of dollars			% change	
Total, wholesale sales (current dollars)	52,245	71,856	72,216	0.5	38.2
Total, wholesale sales (2012 chained dollars)	47,480	62,975	62,790	-0.3	32.2
Total wholesale sales (current dollars), excluding motor vehicle and parts	48,055	61,663	61,991	0.5	29.0
Farm product	790	949	912	-3.8	15.5
Food, beverage and tobacco	12,126	12,651	12,994	2.7	7.2
Food	10,686	11,027	11,389	3.3	6.6
Beverage	754	824	809	-1.7	7.3
Cigarette and tobacco product	609	654	648	-1.0	6.4
Cannabis	76	146	148	0.9	94.2
Personal and household goods	8,153	10,265	10,198	-0.7	25.1
Textile, clothing and footwear	719	1,188	1,137	-4.3	58.1
Home entertainment equipment and household appliance	823	964	906	-6.0	10.1
Home furnishings	475	720	652	-9.5	37.3
Personal goods	701	1,077	1,040	-3.4	48.4
Pharmaceuticals and pharmacy supplies	4,497	5,357	5,445	1.6	21.1
Toiletries, cosmetics and sundries	938	960	1,019	6.1	8.6
Motor vehicle and motor vehicle parts and accessories	4,190	10,193	10,225	0.3	144.0
Motor vehicle	2,373	7,714	7,878	2.1	232.0
New motor vehicle parts and accessories	1,769	2,413	2,279	-5.6	28.8
Used motor vehicle parts and accessories	49	65	68	3.6	38.9
Building material and supplies	7,598	13,082	13,143	0.5	73.0
Electrical, plumbing, heating and air-conditioning equipment and supplies	2,504	3,446	3,180	-7.7	27.0
Metal service centres	1,094	2,096	2,069	-1.3	89.1
Lumber, millwork, hardware and other building supplies	4,000	7,539	7,894	4.7	97.3
Machinery, equipment and supplies	11,892	15,375	15,459	0.5	30.0
Farm, lawn and garden machinery and equipment	1,501	2,277	1,853	-18.7	23.4
Construction, forestry, mining, and industrial machinery, equipment and supplies	3,547	4,691	5,087	8.4	43.4
Computer and communications equipment and supplies	4,148	4,990	5,119	2.6	23.4
Other machinery, equipment and supplies	2,696	3,417	3,400	-0.5	26.1
Miscellaneous	7,497	9,342	9,285	-0.6	23.9
Recyclable material	628	1,232	1,335	8.4	112.7
Paper, paper product and disposable plastic product	841	1,005	1,025	2.0	21.9
Agricultural supplies	2,112	2,756	2,537	-7.9	20.1
Chemical (except agricultural) and allied product	1,337	1,634	1,643	0.5	22.9
Other miscellaneous	2,580	2,715	2,745	1.1	6.4

^r revised

^p preliminary

Note(s): Figures may not add up to totals as a result of rounding.

Source(s): Tables [20-10-0074-01](#) and [20-10-0003-01](#).

Table 2
Wholesale merchants' sales by province and territory – Seasonally adjusted

	May 2020	April 2021 ^r	May 2021 ^p	April to May 2021	May 2020 to May 2021
	millions of dollars			% change	
Canada	52,245	71,856	72,216	0.5	38.2
Newfoundland and Labrador	294	416	464	11.5	57.7
Prince Edward Island	65	122	109	-11.0	66.3
Nova Scotia	821	1,190	1,164	-2.1	41.8
New Brunswick	508	821	718	-12.5	41.3
Quebec	10,480	14,610	14,429	-1.2	37.7
Ontario	25,161	35,113	35,578	1.3	41.4
Manitoba	1,423	1,625	1,628	0.2	14.4
Saskatchewan	2,133	2,538	2,426	-4.4	13.7
Alberta	5,893	7,566	7,427	-1.8	26.0
British Columbia	5,409	7,803	8,217	5.3	51.9
Yukon	12	15	18	23.0	46.2
Northwest Territories	31	28	23	-16.6	-24.9
Nunavut	14	10	14	31.1	0.2

^r revised

^p preliminary

Note(s): Figures may not add up to totals as a result of rounding.

Source(s): Table [20-10-0074-01](#).

Table 3
Wholesale merchants' inventories by industry – Seasonally adjusted

	May 2020	April 2021 ^r	May 2021 ^p	April to May 2021	May 2020 to May 2021
	millions of dollars			% change	
Total, wholesale inventories	91,232	93,044	94,968	2.1	4.1
Farm product	208	250	245	-2.1	17.6
Food, beverage and tobacco	9,654	10,615	10,865	2.4	12.5
Food	8,521	9,356	9,595	2.6	12.6
Beverage	549	701	697	-0.5	27.0
Cigarette and tobacco product	405	339	344	1.4	-15.2
Cannabis	178	220	229	4.3	28.6
Personal and household goods	16,200	17,237	16,424	-4.7	1.4
Textile, clothing and footwear	3,770	3,948 ^E	3,312 ^E	-16.1	-12.2
Home entertainment equipment and household appliance	893	944	966	2.3	8.2
Home furnishings	1,248	1,506	1,528 ^E	1.4	22.4
Personal goods	1,930	2,370	2,077 ^E	-12.4	7.6
Pharmaceuticals and pharmacy supplies	7,269	7,369	7,439	1.0	2.3
Toiletries, cosmetics and sundries	1,089	1,100	1,101	0.2	1.2
Motor vehicle and motor vehicle parts and accessories	12,528	11,853	12,284	3.6	-1.9
Motor vehicle	7,441	7,108	7,480	5.2	0.5
New motor vehicle parts and accessories	5,008	4,652	4,688	0.8	-6.4
Used motor vehicle parts and accessories	F	F	F	F	F
Building material and supplies	14,782	15,764	16,648	5.6	12.6
Electrical, plumbing, heating and air-conditioning equipment and supplies	4,324	4,401	4,428	0.6	2.4
Metal service centres	4,020	3,789	3,910	3.2	-2.7
Lumber, millwork, hardware and other building supplies	6,438	7,574	8,310	9.7	29.1
Machinery, equipment and supplies	26,350	25,299	25,779	1.9	-2.2
Farm, lawn and garden machinery and equipment	5,935	5,049	5,101	1.0	-14.0
Construction, forestry, mining, and industrial machinery, equipment and supplies	12,393	11,578	11,927	3.0	-3.8
Computer and communications equipment and supplies	2,617	3,060	3,173	3.7	21.2
Other machinery, equipment and supplies	5,404	5,611	5,577	-0.6	3.2
Miscellaneous	11,510	12,025	12,724	5.8	10.5
Recyclable material	831	1,309 ^E	1,345	2.7	61.8
Paper, paper product and disposable plastic product	1,050	1,063	1,079	1.5	2.8
Agricultural supplies	4,786	4,634	5,022	8.4	4.9
Chemical (except agricultural) and allied product	1,553	1,453	1,432	-1.5	-7.8
Other miscellaneous	3,290	3,566	3,847	7.9	16.9

^r revised

^p preliminary

^E use with caution

^F too unreliable to be published

Note(s): Figures may not add up to totals as a result of rounding.

Source(s): Table 20-10-0076-01.

Note to readers

All data in this release are seasonally adjusted and expressed in current dollars, unless otherwise noted.

Seasonally adjusted data are data that have been modified to eliminate the effect of seasonal and calendar influences to allow for more meaningful comparisons of economic conditions from period to period. For more information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).

Trend-cycle estimates are included in selected charts as a complement to the seasonally adjusted series. These data represent a smoothed version of the [seasonally adjusted time series](#) and provide information on longer-term movements, including changes in direction underlying the series. For information on trend-cycle data, see [Trend-cycle estimates – Frequently asked questions](#).

Both seasonally adjusted data and trend-cycle estimates are subject to revision as additional observations become available. These revisions could be large and could even lead to a reversal of movement, especially for reference months near the end of the series or during periods of economic disruption.

Total wholesale sales expressed in volume are calculated by deflating current-dollar values using relevant price indexes. The wholesale sales series in chained (2012) dollars is a chained Fisher volume index, with 2012 as the reference year. For more information, see [Deflation of wholesale sales](#).

The Monthly Wholesale Trade Survey covers all industries within the wholesale trade sector, as defined by the North American Industry Classification System (NAICS), with the exception of oilseed and grain merchant wholesalers (NAICS 41112); petroleum and petroleum products merchant wholesalers (NAICS 412); and business-to-business electronic markets, and agents and brokers (NAICS 419).

Real-time data tables

Real-time data tables 20-10-0019-01, 20-10-0020-01 and 20-10-0005-01 will be updated soon.

Next release

Wholesale trade data for June will be released on August 16.

Available tables: [20-10-0003-01](#), [20-10-0074-01](#) and [20-10-0076-01](#).

Definitions, data sources and methods: survey number [2401](#).

The product "[Monthly Wholesale Trade Survey: Interactive Tool](#)" ([71-607-X](#)) is now available online. This product is based on the data published in the tables of the Monthly Wholesale Trade Survey: 20-10-0074-01, 20-10-0076-01 and 20-10-0003-01.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca). For analytical information, or to enquire about the concepts, methods or data quality of this release, contact Jeff Paul (613-854-2518; jeff.paul@canada.ca), Mining, Manufacturing and Wholesale Trade Division.