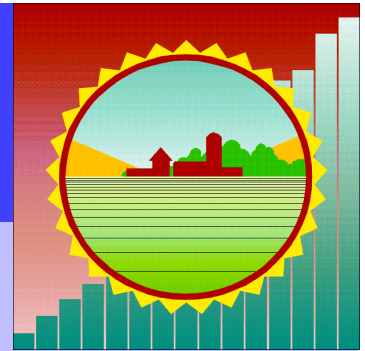


1996

# ECONOMIC OVERVIEW OF FARM INCOMES

## Fruit and Vegetable Farms



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### INTRODUCTION

This is the sixth in the series of bulletins that are being published jointly by Agriculture and Agri-Food Canada (AAFC) and Statistics Canada (STC). The bulletins replace AAFC's annual publication *An Economic Overview of Farm Incomes by Farm Type, Canada* (publication no. 1946/E) and STC's annual publication *Agricultural Financial Statistics* (catalogue no. 21-205-XPB). This bulletin provides a detailed analysis of fruit and vegetable farms, which includes information on farm level revenues, expenses and net operating income before depreciation by revenue class and by province. Fruit and vegetable farms are defined as those farms for which 51% or more of agricultural sales are derived from the sale of fruit and vegetable products. Information on the concentration and specialization of production, as well as on the physical characteristics of fruit and vegetable farms, is also included by revenue class.

Most of the analysis in this series is based on data derived from STC's *Taxation Data Program (TDP)*. The bulletins also include information from the *June Crops Survey (JCS)* and the *July Livestock Survey (JLS)*. The TDP estimates presented in these bulletins are derived from a random sample of income tax returns of individuals operating unincorporated farms with operating revenues of \$10,000 and over and incorporated farms with revenues of \$25,000 and over and for which 51% or more of their sales come from agricultural activities. Communal farming operations, such as

Hutterite colonies, are also included. Group averages, not individual records, are provided by STC to AAFC, and are subject to confidentiality restrictions prior to release. For further discussion of the methodology behind the STC data, refer to the Methodology section in Bulletin 1.

STC's TDP is the only source of annual intercensal data at the farm level that provides a detailed picture of revenues and expenses by size (revenue class), type and province. These data, which are derived from Revenue Canada tax returns, are the most comprehensive available but are not as timely as analysts would like. Information for tax purposes is collected in the year following the "tax year" being reported upon; in this case, 1996 data were collected in 1997. STC then undertakes extensive verification and confidentiality procedures before releasing the data a year later. While not timely, the resulting information is comprehensive, accurate and available on a consistent basis over time. Most importantly, it facilitates on-going analysis of major trends in farm structure and performance.

This bulletin provides information on fruit and vegetable farms based on 1996 data. Bulletin 1 provided an overview of all farms and Bulletins 2 through 5 presented information on grain and oilseed, cattle, dairy and hog farms. Bulletins 7 through 9 will present similar information for poultry and egg, greenhouse and nursery, and potato farms.

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and  
<http://www.statcan.ca>



## Economic Overview of Farm Incomes, 1996 – Fruit and Vegetable Farms

**Fruit and vegetable farms reported lower average net operating income in 1996 (-7.0%) primarily due to a drop in fruit and vegetable revenues.**

**While vegetable production was up in 1996, poor weather affected fruit production, particularly in British Columbia, and this led to lower revenues and income.**

## OVERVIEW OF THE FRUIT AND VEGETABLE CROPS DURING THE 1996/97 CROP-YEAR

According to the Fall Survey of Fruit and Vegetables<sup>1</sup>, the cultivated area devoted to vegetable production<sup>2</sup> in Canada during 1996 was almost 315,000 acres. The majority of the producing land was located in Ontario (158,823 acres) and Quebec (99,873 acres). Of the vegetable types surveyed, the top five in terms of cultivated area were sweet corn (92,751 acres), peas (40,425 acres), tomatoes (25,538 acres), carrots (23,716 acres) and beans (22,874 acres). Ontario's farmers planted more acres of sweet corn, peas, tomatoes and beans than any other province, and Quebec's farmers planted more acres of carrots.

The total bearing and non-bearing area devoted to fruit production in Canada during 1996 was just under 243,000 acres. A large proportion of the fruit area from Quebec eastward was devoted to blueberry production, which represented 36.8% of all fruit area in Canada. The remaining cultivated fruit area was widely distributed between the provinces of Ontario, Quebec, British Columbia, Nova Scotia and New Brunswick. Of the fruit types surveyed, the top five in terms of cultivated area were blueberries (89,492 acres), apples (78,066 acres), grapes (18,556 acres), strawberries (16,902 acres) and raspberries (9,955 acres). Quebec's farmers planted the highest area of strawberries and dominated, along with those of Nova Scotia, the blueberry crop. Ontario planted the highest area of apples and grapes. British Columbia was the dominant raspberry-producing province.

During the 1996/97 crop-year, marketed production of vegetable crops grew by 2.1% as increases in carrots (+11.0%), sweet corn (+6.5%) and onions (+5.3%) more than offset a 5.1% decline in marketed production of field tomatoes. These four crops accounted for two thirds of total marketed vegetable production.

1. Information on the methodology of the Fall Survey of Fruit and Vegetables and on other sources of information is available in Fruit and Vegetable Production, Statistics Canada's catalogue no. 22-003SXPB. Data in this section were obtained from Statistics Canada, Agriculture Division, Crops Section, Horticulture Crops Unit.

2. Excludes mushrooms, potatoes and greenhouse vegetables.

Marketed production of fruit crops dropped by 11.4%, largely due to lower production of strawberries (-18.5%), apples (-14.3%) and peaches (-12.1%). These fruit crops represented over three quarters of total marketed fruit production. A 14.2% increase in sold production of blueberries moderated the decrease in fruit production.

The total value<sup>3</sup> of vegetable production during the 1996/97 crop-year edged down by 3.5%, and the value of fruit production dropped by 7.5%. A 13.9% decline in the value of tomatoes neutralized increases in onion (+17.9%) and sweet corn (+10.2%) values. Crop values of peaches, strawberries and apples fell 31.9%, 27.3% and 18.6%, respectively, from the previous crop-year, while the crop value of blueberries jumped 80.0%.

*Data on prices, production, marketings and, therefore, revenues reported on a crop-year basis may differ from data reported on a calendar year basis, as the latter may come from two different crop-years. This is particularly true for crops that can be stored, such as apple, cabbage, carrot, onion, etc.*

*In the subsequent pages of the bulletin, any reference to prices, production, marketings and revenues for specific fruit and vegetable crops are on a calendar year basis. The data were extracted from the Farm Cash Receipts Unit Data Base.<sup>4</sup> These data are reported on a cash basis. In addition to the conceptual difference introduced by the crop-year basis versus the calendar year basis, other factors, such as revisions, may also explain the discrepancies between the two sources.*

3. Value data are those obtained at the "farm gate" and refer to returns to growers.

4. Data Base developed by the Farm Income and Prices Section of Agriculture Division, Statistics Canada.

Economic Overview of Farm Incomes, 1996 – Fruit and Vegetable Farms

**FARM INCOME BY REVENUE CLASS**

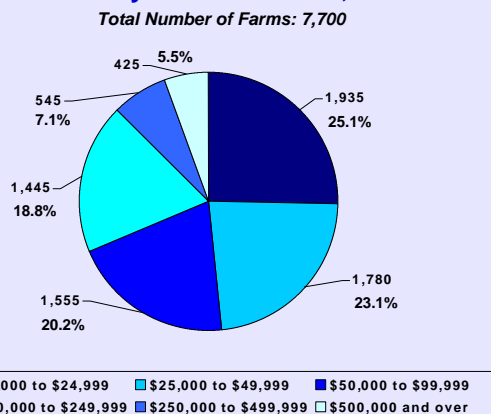
**Distribution of Farms by Revenue Class**

*Most fruit and vegetable farms were small and medium-sized farms.*

Most fruit and vegetable farms (68.6%) were small to medium-sized farms with revenues between \$10,000 and \$99,999 (see Table 1 and Figure 1). A quarter of fruit and vegetable farms (25.1%) were in the \$10,000 to \$24,999 revenue class, 23.1% were in the \$25,000 to \$49,999 revenue class and 20.2% reported revenues of \$50,000 to \$99,999. The remaining 31.5% of farms were large and very large farms with revenues of \$100,000 and over.

Between 1995 and 1996, the estimated number of fruit and vegetable farms declined marginally (-0.3%) from 7,720 to 7,700 farms (see Table 1). There was an increase in the number of farms earning \$25,000 to \$49,999 and \$100,000 to \$249,999 in revenues and a decrease in the number of farms in all other revenue classes.

**Figure 1: Distribution of Fruit and Vegetable Farms by Revenue Class, 1996**



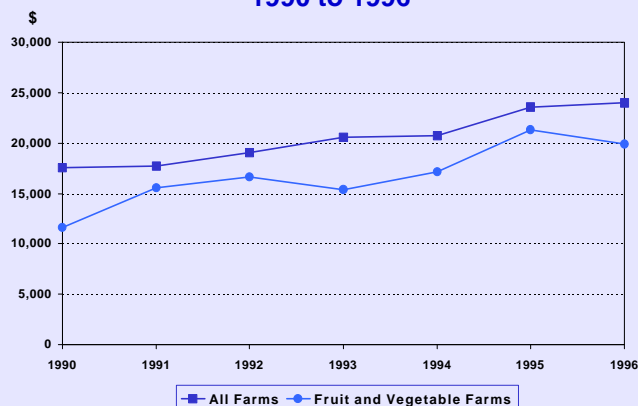
Source: Statistics Canada, Whole Farm Data Base.

**Net Operating Income**

*Average net operating income fell in 1996 for all fruit and vegetable farms except those reporting revenues of \$50,000 to \$99,999 and \$250,000 to \$499,999.*

Fruit and vegetable farms reported an average net operating income of \$19,850 in 1996, a decrease from \$21,342 in 1995 but a 15.4% increase from the previous five-year average (1991 to 1995) (see Table 1). It ranged from \$250 for the smallest farms (\$10,000 to \$24,999) to \$152,784 for the largest farms (\$500,000 and over). Many fruit and vegetable farms are operated on a part-time basis and produce is sold from roadside stands. This perhaps explains the high number of small farms, thus the relatively low average operating income of fruit and vegetable farms relative to all farms (see Figure 2).

**Figure 2: Average Net Operating Income, 1990 to 1996**



Source: Statistics Canada, Whole Farm Data Base.

Between 1995 and 1996, average net operating income declined in all revenue classes with the exception of farms with reported revenues of \$50,000 to \$99,999 and \$250,000 to \$499,999.

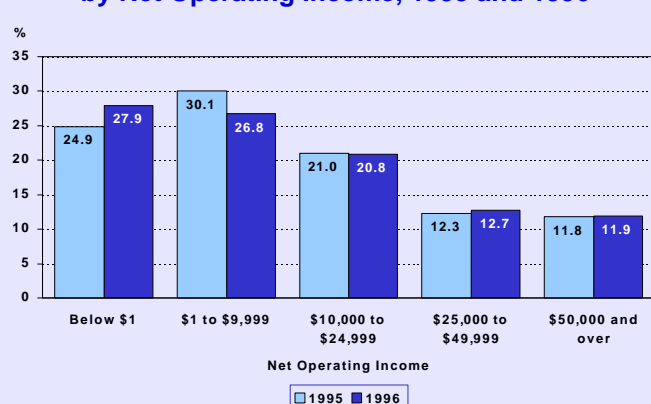
**Distribution of Farms by Net Operating Income**

*More than one quarter of fruit and vegetable farms reported operating losses in 1996.*

*The percentage of farms reporting operating losses increased in 1996.*

Of the 7,700 fruit and vegetable farms in 1996, 2,145 or 27.9% reported operating losses (see Table 2 and Figure 3). This compares with 24.8% of all farms. Of those fruit and vegetable farms reporting losses, 38.9% earned between \$10,000 and \$24,999 in revenues and 19.3% earned revenues of \$100,000 or more.

**Figure 3: Distribution of Fruit and Vegetable Farms, by Net Operating Income, 1995 and 1996**



Source: Statistics Canada, Whole Farm Data Base.

In comparison, 920 farms, or 11.9%, reported average net operating income of \$50,000 and over. Of these farms, most (95.1%) earned revenues of \$100,000 or more.

## Economic Overview of Farm Incomes, 1996 – Fruit and Vegetable Farms

Between 1995 and 1996, the percentage of farms reporting operating losses increased from 24.9% to 27.9%. However, the percentage of farms earning higher levels of net operating income (\$25,000 and over) also increased.

### Comparison of 1995 and 1996 Major Revenues and Expenses

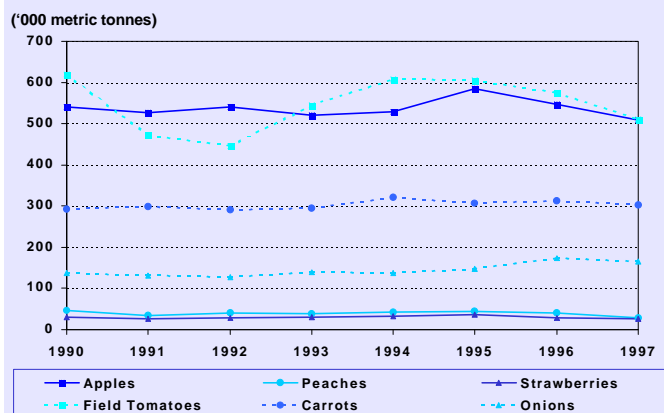
*Average operating revenues fell slightly in 1996 in response to lower fruit and vegetable product revenues.*

*Average operating expenses were unchanged between 1995 and 1996.*

Average operating revenues fell slightly between 1995 and 1996, declining by just 0.9%, from \$142,065 to \$140,731 (see Table 1). This was mainly a result of declines in most major revenue sources, including total crop revenues (-0.7%), which accounted for over 90% of total operating revenues. Lower revenues from fruit and vegetable sales accounted largely for the decrease in crop revenues. Of the remaining sources of revenues, total livestock revenues dropped by 15.0%, program payments declined by 10.3% and total other revenues increased by 4.6%.

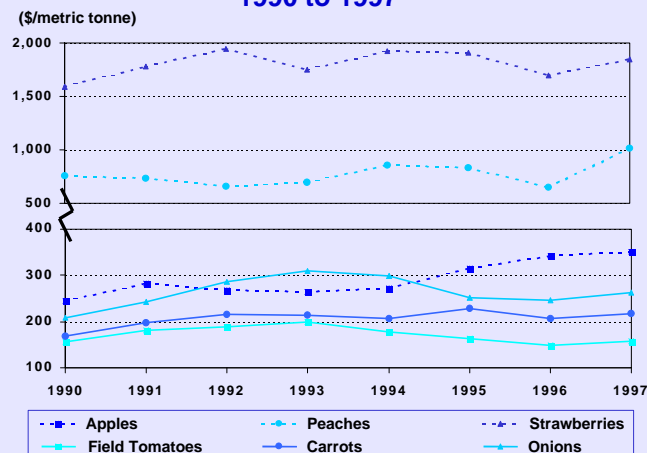
Between 1995 and 1996, average revenues from fruit and vegetable sales dipped 0.6% because of lower revenues for most vegetable types, including field tomatoes, and lower revenues from the sale of fruits, particularly strawberries and peaches. Revenues from the sale of peaches (-31.3%), strawberries (-28.9%) and field tomatoes (-13.9%) dropped significantly as both prices received and quantities sold were down (see Figures 4 and 5). The decrease in fruit and vegetable revenues was moderated by higher revenues from the sale of blueberries (+60.2%) and sweet corn (+10.9%), due to higher prices and production, and from the sale of onions (+15.7%), due to increased marketings.

**Figure 4: Fresh Fruit and Vegetable Marketed Production, 1990 to 1997\***



\*Calendar year basis.  
Source: Statistics Canada, Farm Cash Receipts Unit Data Base.

**Figure 5: Fresh Fruit and Vegetable Prices, 1990 to 1997\***



\*Calendar year basis.  
Source: Statistics Canada, Farm Cash Receipts Unit Data Base.

Across revenue classes, average operating revenues varied from an increase of 2.3% for farms with revenues between \$250,000 and \$499,999 to a decrease of 3.4% for farms with revenues between \$10,000 and \$24,999.

In the case of crop revenues, the smallest farms (\$10,000 to \$24,999) reported the largest decrease (-4.4%) in 1996, while farms in the \$25,000 to \$49,999 revenue class reported the largest increase (+3.7%). The largest farms (\$500,000 and over) experienced a 2.8% decrease.

All but the largest farms (\$500,000 and over) and those with revenues between \$25,000 and \$49,999 received less in program payments in 1996.

On average, total operating expenses remained virtually unchanged between 1995 and 1996, increasing by just 0.1% from \$120,723 to \$120,881 (see Table 1). Across revenue classes, farms in the \$500,000 and over revenue class experienced a 1.2% decline while farms in the \$250,000 to \$499,999 revenue class experienced a 2.2% increase.

Except for livestock expenses, which dropped by 21.0%, most other expenses changed marginally. Total crop expenses increased by just 0.3%, machinery expenses declined by 1.6% and total general expenses were up 0.7%.

Across revenue classes, only crop expenses for farms in the \$25,000 to \$49,999 revenue class increased by double-digits (+17.8%) compared with changes in the range of -1.2% to 2.8% for the remaining revenue classes.

## Economic Overview of Farm Incomes, 1996 – Fruit and Vegetable Farms

### Relative Importance of Revenue and Expense Items

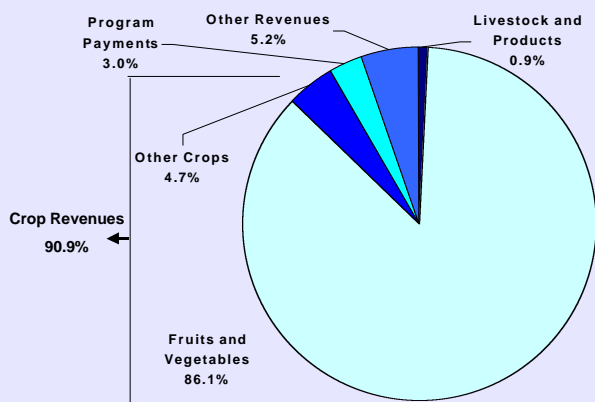
The relative importance of revenue and expense items reflects both the production mix of fruit and vegetable farms as well as the effect of relative prices on input costs and returns to farming.

#### Detailed Operating Revenues

*Total crop revenues, primarily from fruit and vegetable sales, accounted for more than 90% of total operating revenues.*

The main source of revenues for the average fruit and vegetable farm was from fruit and vegetable sales, which accounted for 86.1% of total operating revenues (see Figure 6 and Table 3). An average of 3.0% of total operating revenues was derived from program payments. The remainder was obtained from other crops (4.7%), livestock and products (0.9%) and other revenue items (5.2%).

**Figure 6: Operating Revenues for Fruit and Vegetable Farms, 1996**



Source: Statistics Canada, Whole Farm Data Base.

There were slight variations in the relative importance of these revenue items across revenue classes (see Table 3). The percentage of fruit and vegetable revenues generally rose slightly as revenues increased, while program payments and total other revenues tended to account for a smaller share on the larger farms.

#### Detailed Operating Expenses

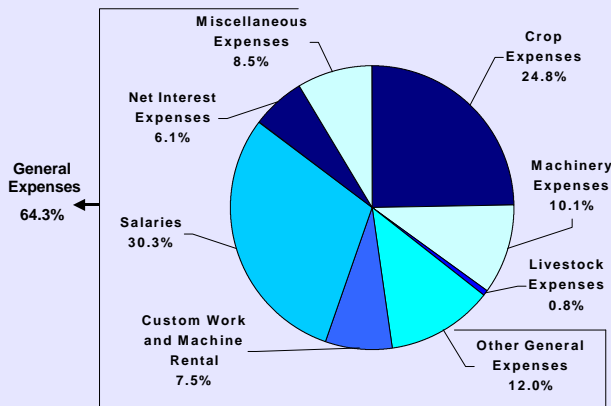
*Salaries accounted for almost one third of total operating expenses, reflecting the high labour requirement of fruit and vegetable farms compared to most other farm types.*

The largest expense item for the average fruit and vegetable farm was general expenses at 64.3% (see Table 3 and Figure 7). A large part of this was salaries, which accounted for 30.3% of operating expenses, followed by other general expenses

(12.0%). Of the other major expense categories, crop expenses accounted for 24.8%, while machinery expenses and livestock expenses were less important.

In general, livestock and product expenses, and machinery expenses declined with increasing revenues, ranging from 2.8% for the smallest farms to 0.4% for the largest farms for total livestock expenses, and from 19.9% down to 8.2% for machinery expenses (based on data in Table 3).

**Figure 7: Operating Expenses for Fruit and Vegetable Farms, 1996**



Source: Statistics Canada, Whole Farm Data Base.

The reverse was generally true for crop expenses and general expenses. Crop expenses increased from 21.1% of total operating expenses for the smallest farms to 26.2% for the largest farms. General expenses increased from 56.2% of total operating expenses to 66.4% between the smallest farms (\$10,000 to \$24,999) and farms in the \$250,000 to \$499,999 revenue class. In particular, salaries rose from 14.5% of expenses to 32.5% over the same classes.

#### Operating Margins

*Smaller farms reported the lowest operating margins.*

Operating margins are a measure of profitability and the rate of return to farm capital, labour and management. They reflect to some degree the efficiency of the farm operation, especially when comparing similar farm types.

In 1996, fruit and vegetable farms reported an average operating margin of 14.1 cents per dollar of revenue, a decrease from 15.0 cents in 1995 and a marginal increase from the previous five-year average of 14.0 cents. Fruit and vegetable farms ranked in the mid-range among the farm types covered in this series. They performed better than cattle farms, hog farms, poultry and egg farms, and greenhouses and nurseries.

## Economic Overview of Farm Incomes, 1996 – Fruit and Vegetable Farms

Medium-sized farms (\$50,000 to \$99,999) reported the highest average operating margin at 17.1 cents, followed by farms in the \$250,000 to \$499,999 revenue class at 15.6 cents. The smaller farms were less profitable at 1.6 cents (\$10,000 to \$24,999) and 8.5 cents (\$25,000 to \$49,999) per dollar of revenue.

### FARM INCOME BY PROVINCE

#### Distribution of Farms by Province

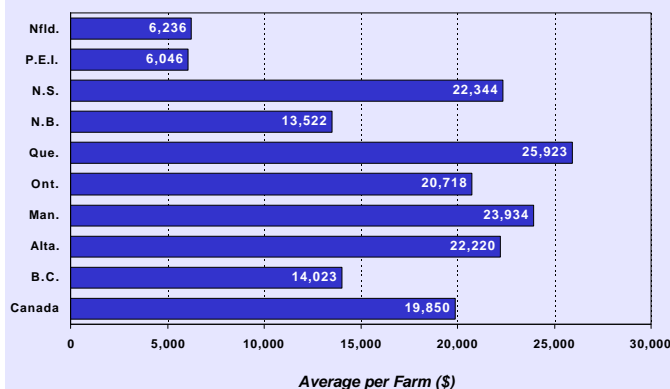
*Most fruit and vegetable farms were concentrated in Ontario, British Columbia and Quebec where soil and weather conditions are ideal for producing these products.*

Of the estimated 7,700 fruit and vegetable farms in Canada in 1996, 31.4% were located in Ontario, 28.4% in British Columbia and 25.5% in Quebec (see Table 4). Together these provinces accounted for more than 85% of all fruit and vegetable farms. Of the remaining farms, Nova Scotia reported an estimated 515 farms and New Brunswick, 230 farms.

#### Net Operating Income

In 1996, average net operating income for fruit and vegetable farms was \$19,850 per farm. Farms in Quebec, Manitoba, Nova Scotia, Alberta and Ontario reported above average net operating income while those in British Columbia, New Brunswick, Newfoundland and Prince Edward Island reported below average net operating income (see Figure 8). Drought conditions in British Columbia in 1996 resulted in lower than expected apple production, which affected revenues and average net operating income.<sup>5</sup>

**Figure 8: Average Net Operating Income for Fruit and Vegetable Farms, by Province, 1996**



Source: Statistics Canada, Whole Farm Data Base.

5. Because Saskatchewan reported a very small number of farms, statistics cannot be presented for confidentiality reasons. Data are listed as "unreliable" or "to be used with caution" for most revenue and expense items in Manitoba and Alberta. Therefore, this bulletin refers mainly to fruit and vegetable farms in the other provinces.

### Comparison of 1995 and 1996 Revenues, Expenses and Net Operating Income

*Average net operating income for fruit and vegetable farms declined in 1996 in all three major-producing provinces, Quebec, Ontario and British Columbia, but increased in Nova Scotia and New Brunswick.*

Between 1995 and 1996, average net operating income declined in all three of the major fruit and vegetable-producing provinces, by 13.8% in Quebec, 4.3% in Ontario and 22.2% in British Columbia.

In Quebec, average operating revenues declined by a higher percentage (-9.8%) than average operating expenses (-8.9%). In Ontario, both operating revenues and operating expenses increased, but revenues increased by a smaller percentage (+7.1%) than expenses (+8.8%). Finally, in British Columbia, operating revenues declined by 2.3% while expenses increased by 1.2%.

Of the other provinces, Nova Scotia reported the largest increase in net operating income, up 58.4% to \$22,344 from \$14,105 in 1995. This was the result of an increase in total operating revenues (+4.0%) and a decrease in total operating expenses (-4.5%).

The trend observed for the average operating revenues from the sale of fruit and vegetable crops in Quebec (-10.7%) and in Ontario (+7.5%) does not reflect the trend observed for the total operating revenues from the sale of these crops: Quebec (+11.1%) and Ontario (-6.7%). This can be explained by the substantial increase in the number of farms (+385 farms) in Quebec, particularly farms of small and medium-size (260 farms), and conversely, by the large decrease in the number of farms (-370 farms) in Ontario, specially farms of small and medium-size (265 farms). In both provinces, the number of very large farms (\$500,000 and over) remained virtually unchanged.

In Ontario, total fruit and vegetable revenues declined because of lower revenues for most vegetable crops, including field tomatoes (-13.8%), and lower revenues from the sale of strawberries (-50.4%) and peaches (-37.3%). These revenues decreased as both prices and deliveries were down. Ontario has experienced processing plant closures that may have had an impact on the field tomato processing contracts.<sup>6</sup> Higher sales of apples, sweet corn and onions moderated the decrease in total fruit and vegetable revenues.

6. Fruit and Vegetable Production, Statistics Canada's catalogue no. 22-003SXPB, June 1996.

## Economic Overview of Farm Incomes, 1996 – Fruit and Vegetable Farms

In Quebec, the rise in total fruit and vegetable revenues was largely due to higher revenues from the sale of blueberries (+88.5%) and raspberries (+51.9%). Blueberry revenues grew in the wake of higher prices and production, and raspberry revenues rose because of higher production.

Lower sales of apples and berries in British Columbia, on account of poor weather, largely explain the decline in fruit and vegetable crop revenues. The drop in the sales of apples (-8.2%) and cranberries (-8.6%) resulted from lower production. The sales of raspberries fell 28.3% as prices and marketings decreased.

### Relative Importance of Revenue and Expense Items

#### Detailed Operating Revenues

*There was little difference between provinces in the share of revenues from fruit and vegetable crops.*

Fruit and vegetable revenues as a percentage of total operating revenues varied little from province to province, except for the major-producing provinces, Ontario, Quebec and British Columbia. Fruit and vegetable revenues accounted for a smaller percentage in Ontario (84.2%) than in Quebec and British Columbia, where these revenues represented 87.4% and 89.7%, respectively. This compares with the average of 86.1% for all provinces.

Program payments accounted for a relatively small share of revenues in all provinces, from 1.5% in Newfoundland to 4.2% in Quebec.

#### Detailed Operating Expenses

*In Quebec, salary expenses tend to be a smaller share of the total, and crop expenses a larger share compared to most other provinces.*

Compared to the average, Quebec's farms had a relatively large percentage of total operating expenses from crop expenses and a relatively low percentage from general expenses, particularly salaries at 26.2% of the total, compared to the average of 30.3% for all fruit and vegetable farms. The share of salaries was also lower than average in Prince Edward Island (28.0%).

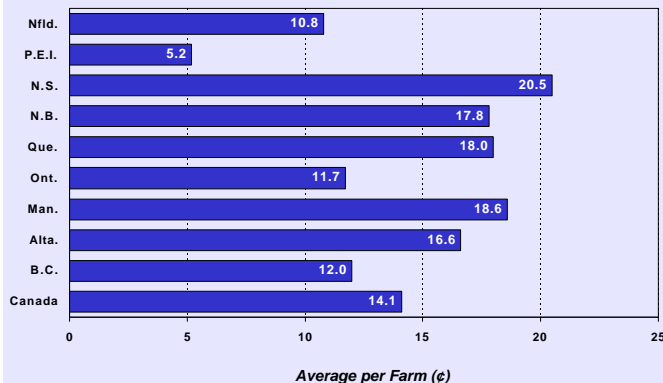
#### Operating Margins

*Average operating margins for fruit and vegetable farms were lower in British Columbia and Ontario, and higher in Nova Scotia.*

The national average operating margin for fruit and vegetable farms in Canada was 14.1 cents per dollar of revenue in 1996. By province, farms in Nova Scotia, New Brunswick, Quebec, Manitoba and Alberta all reported operating margins above the

national average, while those in Newfoundland, Prince Edward Island, Ontario and British Columbia reported lower than average operating margins (see Table 4 and Figure 9).

**Figure 9: Average Operating Margins for Fruit and Vegetable Farms, by Province, 1996**



Source: Statistics Canada, Whole Farm Data Base.

The lower than average operating margins in Ontario and British Columbia, two of the major-producing provinces, was consistent with the historical trend. The operating margin in Ontario was 11.7 cents in 1996, compared with the previous five-year average of 12.4 cents. In British Columbia, the operating margin was 12.0 cents in 1996 compared with the previous five-year average of 12.3 cents. These provincial differences in part reflect the different product mixes between provinces.

### CONCENTRATION OF PRODUCTION

*While most fruit and vegetable farms were small to medium-sized, production was concentrated in the \$500,000 and over revenue class.*

The concentration of production describes the contribution of fruit and vegetable farms to total agricultural production by revenue class as measured by total operating revenues net of program payments. In 1996, total operating revenues from fruit and vegetable farms (excluding program payments) stood at \$1,051 million, 3.3% of the total for all farms (\$32.3 billion).

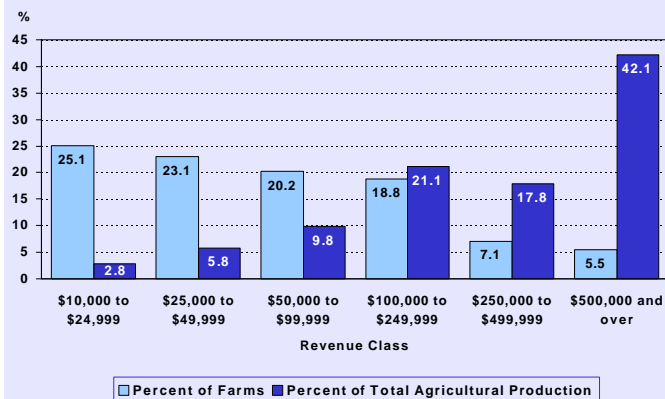
Although most fruit and vegetable farms were small and medium-sized with revenues under \$100,000, most of the fruit and vegetable production was concentrated in the \$500,000 and over revenue class.

The 25.1% of farms in the \$10,000 to \$24,999 revenue class accounted for only 2.8% of total fruit and vegetable production (see Figure 10). This contrasts with the 5.5% of farms in the \$500,000 and over revenue class that accounted for 42.1% of total fruit and vegetable production. Only in the \$100,000 to

## Economic Overview of Farm Incomes, 1996 – Fruit and Vegetable Farms

\$249,999 revenue class, was the share of farms equivalent to the share of agricultural production (18.8% of farms and 21.1% of production).

**Figure 10: Concentration of Production, Fruit and Vegetable Farms, 1996**



Source: Statistics Canada, Whole Farm Data Base.

### DEGREE OF SPECIALIZATION

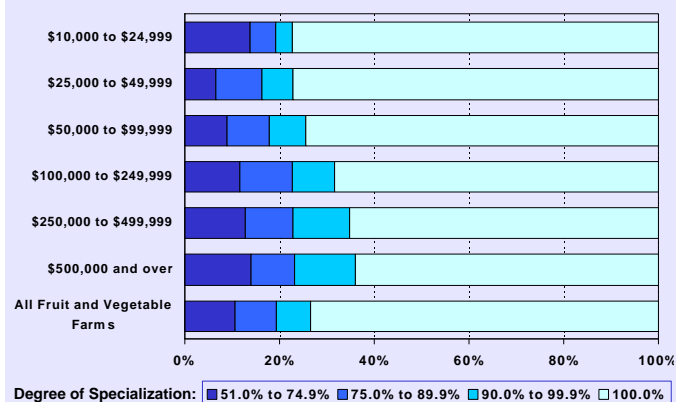
*In 1996, small and medium-sized fruit and vegetable farms (\$10,000 to \$99,999 revenue classes) were more highly specialized than the larger farms.*

Specialization measures the degree to which a farm’s sales are derived from any one particular commodity. This will normally influence a farm’s ability to respond to changing market conditions or price shocks. More specialized farms, which depend to a greater extent on a particular commodity, will be more vulnerable to its price declines. However, increased specialization also augments the cost efficiency in producing that commodity.

### Fruit and Vegetable Farms

The degree to which fruit and vegetable farms were specialized in producing fruit and vegetable products in 1996 is shown in Figure 11. Of the estimated 7,700 fruit and vegetable farms in Canada in 1996, 6,205 farms or 80.6% were “highly specialized” in fruit and vegetable production, earning 90% or more of their agricultural sales from these products (the two highest specialization categories in Figure 11).

**Figure 11: Distribution of Fruit and Vegetable Farms, by Degree of Specialization and Revenue Class, 1996**



Source: Statistics Canada, Whole Farm Data Base.

Fruit and vegetable farms are one of the more “highly specialized” farm types, since a greater percentage of these farms are “highly specialized” compared with most other farm types (except greenhouse and nursery). Fruit and vegetable production is fairly seasonal with peak-harvesting occurring during the summer and in early fall. “Secondary activity” during this period is therefore very difficult. Many fruit and vegetable producers earn a large share of their total income from off-farm sources, implying that they also tend to be part-time farmers who would not have time for a “secondary” activity. This group of “highly specialized” farms produced \$777.4 million worth of fruits and vegetables in 1996, or 74.2% of the total agricultural sales from these products. More than two thirds of these farms (68.6%) were small and medium-sized farms with revenues between \$10,000 and \$99,999.

Those fruit and vegetable farms reporting 100.0% of their agricultural sales from fruit and vegetable products represented 73.5% of the total number of fruit and vegetable farms in Canada in 1996. A larger proportion of the small and medium-sized farms (revenues less than \$100,000) were 100.0% specialized, at 76.3% compared with 64.7% of the very large farms (\$500,000 and over).

Fruit and vegetable farms that were more diversified (i.e. deriving between 51.0% and 89.9% of sales from fruit and vegetable products) accounted for 19.4% of fruit and vegetable farms and produced 14.8% of the total revenues from these products. Most of these farms (62.8%) were small to medium-sized farms with revenues of \$10,000 to \$99,999.



Economic Overview of Farm Incomes, 1996 – Fruit and Vegetable Farms

**All Farms Reporting Fruit and Vegetable Revenues**

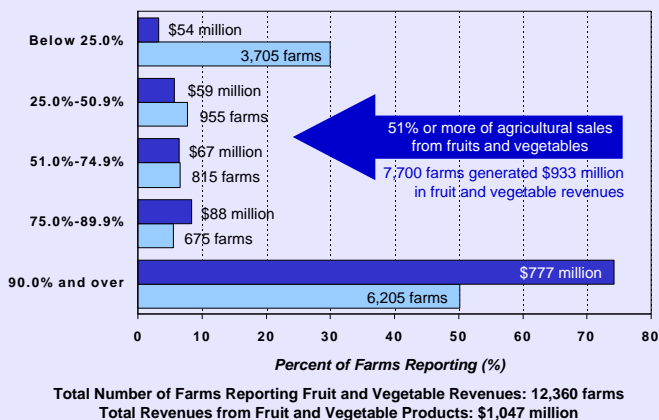
Fruits and vegetables are produced by other farm types as well. This section includes any farms reporting sales of fruits and vegetables. In 1996, 12,360 farms produced \$1,047 million worth of fruits and vegetables, up from 11,625 farms in 1995 (see Table 5 and Figure 12). Almost two thirds of these farms (62.3%) were classified as fruit and vegetable farms, (discussed above), while an additional 4,655 farms (37.7%) reported revenues from this source. However, these farms accounted for only 10.8% or \$113.5 million of total fruit and vegetable revenues.

**PHYSICAL CHARACTERISTICS**

*Fruit and vegetable farms in Canada are relatively small in area and tend to also produce other crops such as grains and oilseeds.*

The area of the average fruit and vegetable farm in Canada was 63 acres in 1996, an increase from 62 acres in 1995 and a decline from 68 acres in 1994 (see Table 6). Of these 63 acres, 42 were devoted to crops and 20, to other land (seeded pasture, summerfallow and other land). Of the 42 acres in crop production, 24 acres were in grain and oilseed production and 18 acres were devoted to other crops.

**Figure 12: Degree of Specialization, Farms Reporting Fruit and Vegetable Revenues, 1996**



Source: Statistics Canada, Whole Farm Data Base.

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## GLOSSARY

**Concentration of Production.** Describes the contribution of farms to total agricultural production (total revenues excluding program payments) by revenue class.

**Degree of Specialization.** Measures the percent a particular commodity contributes to that farm's total agricultural sales (crop and livestock sales). Farms are "highly specialized" in fruit and vegetable production when 90% or more of their sales are derived from the sale of fruits and vegetables. Farms are not specialized in fruit and vegetable production when less than 51% of their agricultural sales are from the sale of fruits and vegetables.

**Depreciation.** Measures the loss in value of an asset over its estimated life due to wear and tear and obsolescence. In these bulletins, depreciation is not included in expenses and net operating income is calculated before depreciation. (For tax purposes, depreciation is represented by the capital cost allowance, an amount deducted from income to account for annual depreciation costs at a rate specific to the depreciable capital item.)

**Farm Operations.** Include unincorporated farms with gross operating revenues of \$10,000 or more, and incorporated farms with sales of \$25,000 or more and for which 51% or more of their sales come from agricultural activities. (Since 1993, farm operations have also included communal farming operations that reported gross operating revenues of \$10,000 or more.)

**Farm Type.** Classification is determined by the contribution of a particular commodity's sales to a farm's total agricultural sales. Farms on which 51% or more of sales are derived from fruits and vegetables are considered fruit and vegetable farms. Eight major farm types are discussed in the bulletins: grain and oilseed, cattle, dairy, hog, fruit and vegetable, poultry and egg, greenhouse and nursery, and potato farms.

**Net Operating Income.** The profit or loss of the farm operation measured by total operating revenues less total operating expenses, before depreciation, and before other adjustments for tax purposes.

**Operating Expenses.** The business costs incurred by the farm operation in the production of agricultural commodities. (Inter-farm purchases are included in these costs and depreciation expenses are excluded.)

**Operating Margin.** The ratio of net operating income to operating revenues, measured in cents per dollar of revenue. It is a measure of profitability and the rate of return to farm capital, labour and management.

**Operating Revenues.** Those revenues from the sale of agricultural commodities as well as agricultural program payments and subsidies. (Revenues from the sale of forest products and other farm income are also included, as are inter-farm sales.)

**Program Payments.** Include income from provincial stabilization programs, the Gross Revenue Insurance Plan (GRIP) now terminated, payments and other subsidies (such as hog incentive programs, acreage payments, assistance for clearing land and government grants), plus aggregate amounts reported for subsidies, patronage dividends and reimbursements. Program payments also include insurance proceeds from programs for crops and livestock due to adverse weather conditions, disease or other reasons. Dairy subsidies are not included in program payments nor are Net Income Stabilization Account (NISA) withdrawals for unincorporated farms.

**Total Agricultural Production.** Total operating revenues minus program payments (used in the calculation of concentration).

**Total Agriculture Sales.** Total crop revenues plus total livestock and product revenues (used in the calculation of specialization).

### Symbols

The following standard symbols are used in the tabulations:

...	Figures not appropriate or not applicable
—	Nil or zero
--	Amount too small to be expressed
x	Confidential to meet secrecy requirements of the Statistics Act

## Economic Overview of Farm Incomes, 1996 – Fruit and Vegetable Farms

## TABLES

Table 1: Operating Revenues and Expenses by Revenue Class, Canada, 1995 and 1996

		\$10,000 to \$24,999	\$25,000 to \$49,999	\$50,000 to \$99,999	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 and over	All Farms
Number of Farms	1996	1,935	1,780	1,555	1,445	545	425	7,700
	1995	2,115	1,685	1,575	1,310	585	440	7,720
<b>Revenues - Average per Farm (\$)</b>								
Total Crops	1996	13,165	31,101	60,575	141,862	323,159	993,229	127,875
	1995	13,766	30,002	61,047	140,810	312,306	1,022,282	128,834
Total Livestock	1996	205 *	453 **	1,016 **	1,658 *	2,137 **	6,683	1,199
	1995	233 *	386 **	876 *	1,721 *	4,194 *	8,262	1,410
Program Payments	1996	573	1,992 *	4,095	5,234	11,601	18,558	4,279
	1995	643	1,927	4,558	7,580	12,974	16,939	4,769
Total Other Revenues	1996	1,867	2,440	4,831	9,658	17,159	41,723	7,378
	1995	1,723	3,022	3,684	9,239	16,730	40,730	7,052
<b>Total Revenues<sup>1</sup></b>	1996	15,810	35,986	70,517	158,413	354,056	1,060,192	140,731
	1995	16,366	35,336	70,165	159,351	346,204	1,088,213	142,065
<b>Expenses - Average per Farm (\$)</b>								
Total Crops	1996	3,280	7,646	13,235	33,340	72,361	237,335	29,938
	1995	3,190	6,493	12,954	33,249	73,211	239,607	29,835
Total Livestock	1996	432 **	481 **	1,023 *	1,376	1,314	3,663	984
	1995	325	670 *	842 *	1,546 *	3,042	6,023	1,245
Total Machinery	1996	3,098	4,887	7,735	14,175	26,684	74,638	12,205
	1995	3,007	4,759	8,060	14,924	26,350	76,286	12,405
Total General Expenses	1996	8,750	19,917	36,477	87,277	198,466	591,771	77,754
	1995	9,211	20,354	36,381	84,481	189,733	596,477	77,238
<b>Total Expenses<sup>1</sup></b>	1996	15,560	32,930	58,470	136,168	298,824	907,407	120,881
	1995	15,734	32,275	58,237	134,201	292,336	918,394	120,723
<b>Net Operating Income - Average per Farm (\$)</b>								
<b>Net Operating Income<sup>2</sup></b>	1996	250	3,055	12,047	22,245	55,232	152,784	19,850
	1995	632	3,061	11,928	25,150	53,868	169,819	21,342

1. Totals may not add up due to rounding and/or confidentiality restrictions.

\*Use with caution.

2. Net operating income does not include depreciation.

\*\*Unreliable.

Source: Statistics Canada, Whole Farm Data Base.

Table 2: Distribution of Net Operating Income by Revenue Class, Canada, 1996

Revenue Class	Net Operating Income <sup>1</sup>					
	Below \$1	\$1 to \$9,999	\$10,000 to \$24,999	\$25,000 to \$49,999	\$50,000 and over	Total
	Number of Farms					
\$10,000 to \$24,999	835	900	195 *	-	-	1,935
\$25,000 to \$49,999	545	730 *	420	80 **	-	1,780
\$50,000 to \$99,999	350	250	615	310	40 **	1,555
\$100,000 and over	415	185	360	590	875	2,425
Total Farms <sup>2</sup>	2,145	2,060	1,600	980	920	7,700
Percent of Total Farms	27.9	26.8	20.8	12.7	11.9	100.0

1. Net operating income does not include depreciation.

\*Use with caution.

2. Totals may not add up due to rounding and/or confidentiality restrictions.

\*\*Unreliable.

Source: Statistics Canada, Whole Farm Data Base.

## Economic Overview of Farm Incomes, 1996 – Fruit and Vegetable Farms

Table 3: Operating Revenues and Expenses by Revenue Class, Canada, 1996

	\$10,000 to \$24,999	\$25,000 to \$49,999	\$50,000 to \$99,999	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 and over	All Farms
<b>Number of Farms</b>	<b>1,935</b>	<b>1,780</b>	<b>1,555</b>	<b>1,445</b>	<b>545</b>	<b>425</b>	<b>7,700</b>
<b>Revenues - Average per Farm (\$)</b>							
Total Grains & Oilseeds	269 **	373 **	797	3,440 *	15,954	40,013	4,330
Potatoes	37 *	82	403 *	1,000 **	1,520 **	8,594	886
Fruits & Vegetables	12,641	30,254	58,383	134,961	301,052	938,708	121,190
Tobacco	-	100 **	x	x	814 **	x	256 *
Greenhouse & Nursery Products	97 **	213 **	667 **	1,890 **	3,578 **	1,946 *	927
Forage Crops (including seed)	120 **	79 *	317 **	344 *	242 *	399 *	217
Other Crops	-	-	x	x	-	x	69 **
Total Other Crops	12,896	30,729	59,778	138,422	307,206	953,216	123,545
Total Crop Revenues	13,165	31,101	60,575	141,862	323,159	993,229	127,875
Cattle & Semen	89 *	260 **	922 **	977 *	570 *	2,305	623
Swine	3 **	x	x	x	x	-	30 **
Poultry & Eggs	44 **	15 *	61 **	x	x	x	245 *
Dairy Products & Subsidies	33 **	x	x	131 **	1,335 **	x	206 *
Other Livestock & Products	36 **	125 **	18	228 **	x	x	95 *
Total Livestock & Product Revenues	205 *	453 **	1,016 **	1,658 *	2,137 **	6,683	1,199
Program Payments	573	1,992 *	4,095	5,234	11,601	18,558	4,279
Custom Work & Machine Rental	539 **	500 **	1,717 **	4,387 *	9,219	26,710	3,571
Rental Income	392 **	273 **	838 **	1,180 *	2,043	4,534	952
Forest & Maple Products	291 **	648 **	784 *	1,387 *	1,083 **	647 *	756
Miscellaneous Revenues	645	1,018	1,493	2,703	4,814	9,832	2,099
Total Other Revenues	1,867	2,440	4,831	9,658	17,159	41,723	7,378
<b>Total Operating Revenues<sup>1</sup></b>	<b>15,810</b>	<b>35,986</b>	<b>70,517</b>	<b>158,413</b>	<b>354,056</b>	<b>1,060,192</b>	<b>140,731</b>
<b>Expenses - Average per Farm (\$)</b>							
Fertilizer & Lime	888	2,089	3,502	8,526	18,465	58,601	7,603
Pesticides	837	1,651	3,088	7,842	15,731	49,748	6,588
Seed & Plants	956	2,295	3,787	8,169	18,832	44,116	6,876
Other Crop Expenses	600 *	1,611 **	2,858	8,804	19,333	84,870	8,871
Total Crop Expenses	3,280	7,646	13,235	33,340	72,361	237,335	29,938
Cattle Purchases	101 **	55 **	161 *	287	187 *	1,198	205
Swine Purchases	x	x	-	-	-	-	x
Poultry & Egg Purchases	4 **	3	14 **	x	-	x	22 **
Other Livestock Purchases	24 **	71 **	163 *	404	x	x	152
Feed, Supplements, Straw & Bedding	280 *	303 **	568 **	604 *	703 *	1,821	521
Vet Fees, Medicine & Breeding Fees	23 **	42 **	116 **	78 *	151 *	298	81
Other Livestock Expenses	x	x	-	x	x	x	x
Total Livestock Expenses	432 **	481 **	1,023 *	1,376	1,314	3,663	984
Small Tools	252	319	408	556	465	450	382
Net Fuel Expenses, Machinery, Truck, Auto	1,222	2,141	3,016	5,246	10,141	24,962	4,514
Repairs, Licenses and Insurance	1,625	2,427	4,311	8,373	16,077	49,226	7,308
Total Machinery Expenses	3,098	4,887	7,735	14,175	26,684	74,638	12,205
Salaries (including CPP, QPP, EI)	2,256	6,279	13,277	37,797	97,047	320,922	36,632
Rent	285 *	1,014 *	1,660	4,008	9,618	36,874	4,139
Insurance	427	850	1,381	2,800	6,767	18,938	2,648
Utilities	668	1,209	1,893	4,102	8,432	20,801	3,363
Custom Work & Machine Rental	1,023	2,661	4,997	11,865	26,401	54,927	9,060
Net Interest Expenses	1,235	3,015	4,636	10,001	17,342	40,400	7,316
Net Property Taxes	859	1,002	1,748	2,302	3,946	9,510	2,046
Building & Fence Repairs	583	1,017 *	1,497	2,650	5,524	13,131	2,309
Miscellaneous Expenses	1,415	2,869	5,389	11,751	23,387	76,269	10,241
Total General Expenses	8,750	19,917	36,477	87,277	198,466	591,771	77,754
<b>Total Operating Expenses<sup>1</sup></b>	<b>15,560</b>	<b>32,930</b>	<b>58,470</b>	<b>136,168</b>	<b>298,824</b>	<b>907,407</b>	<b>120,881</b>
<b>Net Operating Income - Average per Farm (\$)</b>							
<b>Net Operating Income<sup>2</sup></b>	<b>250</b>	<b>3,055</b>	<b>12,047</b>	<b>22,245</b>	<b>55,232</b>	<b>152,784</b>	<b>19,850</b>
<b>Operating Margins per \$ of Revenue</b>							
Operating Margin	0.02	0.08	0.17	0.14	0.16	0.14	0.14
Operating Margin (excluding interest)	0.09	0.17	0.24	0.20	0.20	0.18	0.19

1. Totals may not add up due to rounding and/or confidentiality restrictions.

\* Use with caution.

2. Net operating income does not include depreciation.

\*\* Unreliable.

Source: Statistics Canada, Whole Farm Data Base.

## Economic Overview of Farm Incomes, 1996 – Fruit and Vegetable Farms

Table 4: Operating Revenues and Expenses by Province, 1996

	Newfoundland		Prince Edward Island		Nova Scotia		New Brunswick	
	1996	Change 1996/1995	1996	Change 1996/1995	1996	Change 1996/1995	1996	Change 1996/1995
<b>Number of Farms</b>	<b>70</b>	<b>-17.6</b>	<b>55</b>	<b>-15.4</b>	<b>515</b>	<b>5.1</b>	<b>230</b>	<b>4.5</b>
<b>Revenues - Average per Farm (\$)</b>								
Total Grains & Oilseeds	-	x	1,198	-16.8	1,197	30.1	633 *	x
Potatoes	3,849	34.3	919 **	x	729 *	-29.4	1,033	x
Fruits & Vegetables	47,552	20.5	103,884	22.3	89,556	4.5	61,239	-8.7
Tobacco	-	...	-	...	x	x	-	...
Greenhouse & Nursery Products	541 *	x	x	x	x	x	1,366 *	59.2
Forage Crops (including seed)	x	x	x	x	348	27.0	239 **	29.9
Other Crops	x	x	-	...	-	x	-	x
Total Other Crops	52,389	x	106,632	21.1	92,318	4.1	63,877	x
Total Crop Revenues	52,389	20.5	107,829	20.5	93,515	4.3	64,510	-17.9
Cattle & Semen	-	x	2,498 *	...	1,553	3.3	505	-52.8
Swine	-	...	-	x	x	x	x	x
Poultry & Eggs	x	x	x	x	x	x	-	...
Dairy Products & Subsidies	x	x	-	x	x	x	x	x
Other Livestock & Products	x	x	x	x	281 *	8.1	323 **	x
Total Livestock & Product Revenues	x	x	2,656 *	-45.3	2,377	10.9	843	-26.8
Program Payments	861	x	1,990 *	...	1,974	-11.2	1,736	-3.2
Custom Work & Machine Rental	3,181 **	41.9	960 *	x	4,898	3.4	3,545 *	-10.3
Rental Income	x	x	x	x	833	...	x	x
Forest & Maple Products	x	x	x	x	3,630	-19.4	x	x
Miscellaneous Revenues	226	-33.1	1,754	...	1,699	42.4	1,604	-20.4
Total Other Revenues	x	x	3,506	59.9	11,060	3.0	8,776	-21.3
<b>Total Operating Revenues<sup>1</sup></b>	<b>57,698</b>	<b>19.9</b>	<b>115,981</b>	<b>19.2</b>	<b>108,925</b>	<b>4.0</b>	<b>75,865</b>	<b>-18.2</b>
<b>Expenses - Average per Farm (\$)</b>								
Fertilizer & Lime	6,464	68.3	8,837	2.6	4,989	20.4	3,983	-29.9
Pesticides	1,445	-0.3	6,121	54.5	7,226	14.4	2,344	-52.4
Seed & Plants	2,175	-9.0	5,085	71.7	2,790	-12.9	3,238	-37.0
Other Crop Expenses	2,298	49.3	7,871	27.7	4,765	11.7	2,290	-65.2
Total Crop Expenses	12,382	34.3	27,914	28.6	19,770	10.3	11,855	-46.9
Cattle Purchases	-	...	1,523 *	...	470	-32.3	446	-31.8
Swine Purchases	-	x	-	x	-	x	-	x
Poultry & Egg Purchases	x	x	x	x	x	x	-	...
Other Livestock Purchases	-	x	x	x	194	1.0	222	60.9
Feed, Supplements, Straw & Bedding	x	x	535	-78.0	681	54.1	483	44.2
Vet Fees, Medicine & Breeding Fees	x	x	x	x	136	51.1	48	23.1
Other Livestock Expenses	-	...	-	...	x	x	-	x
Total Livestock Expenses	x	x	2,422 *	-32.3	1,493	3.2	1,199	1.4
Small Tools	259	23.9	384	77.0	322	41.2	306	88.9
Net Fuel Expenses, Machinery, Truck, Auto	3,692	4.8	6,182	52.6	3,648	-15.6	3,523	-1.2
Repairs, Licenses and Insurance	4,455	28.4	7,770	40.7	5,314	-9.7	4,927	-14.1
Total Machinery Expenses	x	x	14,336	46.4	9,284	-11.0	8,756	-7.5
Salaries (including CPP, QPP, EI)	19,879	31.8	30,828	28.6	28,316	-12.0	22,370	-11.1
Rent	693	-16.9	2,308	37.2	2,211	64.8	860	-40.7
Insurance	691	60.0	1,694	13.4	1,487	-0.3	1,262	-19.8
Utilities	1,369	6.7	3,321	44.7	2,268	2.5	1,702	-6.5
Custom Work & Machine Rental	1,295	-21.0	3,555	36.9	8,840	-2.5	4,602	17.1
Net Interest Expenses	1,979	6.4	11,712 *	...	5,396	2.3	2,718	-9.0
Net Property Taxes	248	90.8	1,228	51.2	589	-0.2	1,249	-12.3
Building & Fence Repairs	725	-3.5	1,610 *	-5.8	1,232	-9.5	1,027	-68.2
Miscellaneous Expenses	3,394	6.9	9,006	39.5	5,695	-22.0	4,744	-43.9
Total General Expenses	30,273	20.2	65,262	40.2	56,034	-7.9	40,534	-19.0
<b>Total Operating Expenses<sup>1</sup></b>	<b>51,462</b>	<b>22.9</b>	<b>109,935</b>	<b>34.7</b>	<b>86,581</b>	<b>-4.5</b>	<b>62,343</b>	<b>-24.9</b>
<b>Net Operating Income - Average per Farm (\$)</b>								
<b>Net Operating Income<sup>2</sup></b>	<b>6,236</b>	<b>-0.1</b>	<b>6,046</b>	<b>-61.4</b>	<b>22,344</b>	<b>58.4</b>	<b>13,522</b>	<b>39.3</b>
<b>Operating Margins per \$ of Revenue</b>								
Operating Margin	0.11		0.05		0.21		0.18	
Operating Margin (excluding interest)	0.14		0.15		0.25		0.21	

1. Totals may not add up due to rounding and/or confidentiality restrictions.

2. Net operating income does not include depreciation.

\* Use with caution.

\*\* Unreliable.

Source: Statistics Canada, Whole Farm Data Base.

## Economic Overview of Farm Incomes, 1996 – Fruit and Vegetable Farms

Table 4: Operating Revenues and Expenses by Province, 1996 (continued)

	Quebec		Ontario		Manitoba		Saskatchewan	
	1996	Change 1996/1995	1996	Change 1996/1995	1996	Change 1996/1995	1996	Change 1996/1995
<b>Number of Farms</b>	<b>1,965</b>	<b>24.4</b>	<b>2,420</b>	<b>-13.3</b>	<b>85 **</b>	<b>88.9</b>	<b>x</b>	<b>x</b>
<b>Revenues - Average per Farm (\$)</b>								
Total Grains & Oilseeds	3,138 *	44.1	9,765	-7.0	14,198 *	-16.1	x	x
Potatoes	873 **	...	866	-30.0	x	x	x	x
Fruits & Vegetables	125,599	-10.7	149,023	7.5	108,091 *	-44.9	x	x
Tobacco	x	x	x	x	-	...	x	...
Greenhouse & Nursery Products	853 **	-4.8	1,450 *	90.5	x	x	x	x
Forage Crops (including seed)	156 **	-16.6	196 *	-4.9	x	x	x	x
Other Crops	x	x	x	x	-	...	x	...
Total Other Crops	127,581	-10.1	152,090	7.3	109,179 *	-45.7	x	x
Total Crop Revenues	130,719	-9.3	161,855	6.3	123,377 *	-43.4	x	x
Cattle & Semen	552 **	-9.1	708 **	49.4	x	x	x	x
Swine	x	x	x	x	-	x	x	...
Poultry & Eggs	x	x	548 *	-22.4	x	x	x	...
Dairy Products & Subsidies	323 **	-35.4	x	x	-	...	x	...
Other Livestock & Products	52 **	-78.1	56 **	-36.4	x	x	x	...
Total Livestock & Product Revenues	1,137 *	-18.5	1,504 *	-12.7	x	x	x	x
Program Payments	5,980	-19.2	4,882	29.2	x	x	x	x
Custom Work & Machine Rental	2,611 *	10.3	4,452	26.9	527 **	-78.9	x	x
Rental Income	858 *	34.7	x	x	x	x	x	x
Forest & Maple Products	1,396 *	-23.5	x	x	x	x	x	x
Miscellaneous Revenues	948	-37.5	3,033	2.1	1,057 **	-50.2	x	x
Total Other Revenues	5,813	-8.4	8,773	14.8	2,740 **	-54.5	x	x
<b>Total Operating Revenues<sup>1</sup></b>	<b>143,649</b>	<b>-9.8</b>	<b>177,015</b>	<b>7.1</b>	<b>128,573 *</b>	<b>-44.1</b>	<b>x</b>	<b>x</b>
<b>Expenses - Average per Farm (\$)</b>								
Fertilizer & Lime	9,200	-1.4	10,272	7.6	5,844 *	-28.0	x	x
Pesticides	7,036	-1.7	8,924	-0.8	2,996 **	-70.1	x	x
Seed & Plants	7,600	-17.2	9,601	5.9	4,133 *	-63.0	x	x
Other Crop Expenses	12,250	-6.8	9,998	5.1	10,623 **	-31.2	x	x
Total Crop Expenses	36,086	-7.0	38,794	4.5	23,596 *	x	x	x
Cattle Purchases	174 **	13.7	246 **	-17.2	x	x	x	x
Swine Purchases	-	x	x	x	-	...	x	...
Poultry & Egg Purchases	x	x	54 **	-59.4	-	x	x	...
Other Livestock Purchases	114 **	x	233	-17.7	x	x	x	x
Feed, Supplements, Straw & Bedding	561 *	36.2	607 *	-23.6	108 **	-34.9	x	x
Vet Fees, Medicine & Breeding Fees	58 **	1.8	107 *	75.4	x	x	x	x
Other Livestock Expenses	x	x	x	x	-	...	x	...
Total Livestock Expenses	918 *	38.3	1,247	-20.8	x	x	x	x
Small Tools	324	91.7	469	16.4	247 **	-20.1	x	x
Net Fuel Expenses, Machinery, Truck, Auto	4,273	-10.4	6,109	6.5	4,277 *	-42.0	x	x
Repairs, Licenses and Insurance	7,650	-13.7	9,696	3.8	6,625 *	-35.6	x	x
Total Machinery Expenses	12,247	-11.3	16,274	5.2	x	x	x	x
Salaries (including CPP, QPP, EI)	30,859	-12.1	47,721	16.1	36,414 *	-39.3	x	x
Rent	3,085	-2.8	6,674	-0.7	4,509 *	-31.5	x	x
Insurance	3,050	-24.4	3,602	2.5	1,980 **	-42.8	x	x
Utilities	3,499	-6.0	5,036	12.1	3,260 *	-56.5	x	x
Custom Work & Machine Rental	7,124	5.8	9,061	9.9	8,244 **	-39.6	x	x
Net Interest Expenses	6,628	-14.9	8,249	3.2	2,967 **	-44.4	x	x
Net Property Taxes	2,170	-8.4	2,925	8.5	1,689 *	-14.4	x	x
Building & Fence Repairs	2,852	-17.1	2,798	16.5	2,078 *	-9.1	x	x
Miscellaneous Expenses	9,208	-3.6	13,914	12.7	8,548 *	-49.6	x	x
Total General Expenses	68,476	-9.8	99,981	11.7	69,691 *	-40.8	x	x
<b>Total Operating Expenses<sup>1</sup></b>	<b>117,726</b>	<b>-8.9</b>	<b>156,297</b>	<b>8.8</b>	<b>104,639 *</b>	<b>-42.6</b>	<b>x</b>	<b>x</b>
<b>Net Operating Income - Average per Farm (\$)</b>								
<b>Net Operating Income<sup>2</sup></b>	<b>25,923</b>	<b>-13.8</b>	<b>20,718</b>	<b>-4.3</b>	<b>23,934</b>	<b>-50.0</b>	<b>x</b>	<b>x</b>
<b>Operating Margins per \$ of Revenue</b>								
Operating Margin	0.18		0.12		0.19		x	
Operating Margin (excluding interest)	0.23		0.16		0.21		x	

1. Totals may not add up due to rounding and/or confidentiality restrictions.

2. Net operating income does not include depreciation.

\* Use with caution.

\*\* Unreliable.

Source: Statistics Canada, Whole Farm Data Base.

## Economic Overview of Farm Incomes, 1996 – Fruit and Vegetable Farms

Table 4: Operating Revenues and Expenses by Province, 1996 (concluded)

	Alberta		British Columbia		Canada	
	1996	Change 1996/1995	1996	Change 1996/1995	1996	Change 1996/1995
<b>Number of Farms</b>	<b>165 *</b>	<b>13.8</b>	<b>2,190</b>	<b>-2.9</b>	<b>7,700</b>	<b>-0.3</b>
	<b>Revenues - Average per Farm (\$)</b>					
Total Grains & Oilseeds	7,357 **	66.9	103 **	-34.0	4,330	-6.8
Potatoes	3,773 **	...	665	49.8	886	-11.8
Fruits & Vegetables	107,888 *	-4.6	104,885	-1.9	121,190	-0.6
Tobacco	-	...	x	...	256 *	x
Greenhouse & Nursery Products	x	x	450 *	89.1	927	43.5
Forage Crops (including seed)	524 **	...	191	46.9	217	7.4
Other Crops	x	...	x	...	69 **	x
Total Other Crops	115,177 *	0.7	106,259	-1.4	123,545	-0.5
Total Crop Revenues	122,534 *	3.2	106,363	-1.4	127,875	-0.7
Cattle & Semen	2,446 **	x	242 *	-49.4	623	7.4
Swine	x	...	x	x	30 **	-72.7
Poultry & Eggs	x	...	25 **	-78.6	245 *	-18.1
Dairy Products & Subsidies	-	...	x	x	206 *	-24.8
Other Livestock & Products	x	x	118 **	9.3	95 *	-34.9
Total Livestock & Product Revenues	2,540 **	...	603	-33.2	1,199	-15.0
Program Payments	2,603 *	-28.0	3,286	-38.9	4,279	-10.3
Custom Work & Machine Rental	4,257 **	11.5	3,313	83.4	3,571	25.6
Rental Income	509 **	x	783 *	-10.7	952	10.4
Forest & Maple Products	-	x	233 **	73.9	756	-13.5
Miscellaneous Revenues	1,717 **	-65.9	2,392	-13.4	2,099	-15.1
Total Other Revenues	6,483 *	-42.9	6,721	20.5	7,378	4.6
<b>Total Operating Revenues<sup>1</sup></b>	<b>134,160 *</b>	<b>-0.5</b>	<b>116,973</b>	<b>-2.3</b>	<b>140,731</b>	<b>-0.9</b>
	<b>Expenses - Average per Farm (\$)</b>					
Fertilizer & Lime	9,349 *	64.4	4,195	-3.9	7,603	3.4
Pesticides	4,773 *	60.5	4,367	6.0	6,588	-0.9
Seed & Plants	6,695 *	-18.6	4,886	16.7	6,876	-1.8
Other Crop Expenses	9,270 **	26.4	6,428	-4.2	8,871	0.4
Total Crop Expenses	30,088 *	24.2	19,875	2.6	29,938	0.3
Cattle Purchases	x	x	77 *	-73.4	205	-32.3
Swine Purchases	-	x	x	x	x	x
Poultry & Egg Purchases	-	...	6 *	x	22 **	-61.4
Other Livestock Purchases	x	...	101	-75.5	152	-39.7
Feed, Supplements, Straw & Bedding	1,303 **	x	322 *	-10.6	521	-4.1
Vet Fees, Medicine & Breeding Fees	108 **	x	64	-34.7	81	9.5
Other Livestock Expenses	-	...	x	x	x	x
Total Livestock Expenses	1,681 **	...	576	-52.1	984	-21.0
Small Tools	422 *	-11.0	364	21.7	382	26.1
Net Fuel Expenses, Machinery, Truck, Auto	5,647 *	14.3	3,186	6.9	4,514	-0.5
Repairs, Licenses and Insurance	7,453 *	-19.5	5,193	1.9	7,308	-3.4
Total Machinery Expenses	13,522 *	-7.9	8,743	4.4	12,205	-1.6
Salaries (including CPP, QPP, EI)	22,554 *	-29.3	34,873	2.0	36,632	1.5
Rent	4,888 **	20.6	3,180	5.0	4,139	-2.1
Insurance	2,896 **	-26.8	1,758	-9.0	2,648	-9.0
Utilities	4,921 *	-8.7	1,781	5.3	3,363	3.5
Custom Work & Machine Rental	9,743 *	16.9	11,730	-7.2	9,060	0.6
Net Interest Expenses	5,335 *	-27.5	8,235	6.3	7,316	-1.3
Net Property Taxes	1,659 *	-9.4	1,514	7.2	2,046	1.2
Building & Fence Repairs	2,922 *	54.5	1,704	19.2	2,309	3.1
Miscellaneous Expenses	11,730 *	9.7	8,983	3.0	10,241	1.6
Total General Expenses	66,648 *	-11.6	73,756	1.3	77,754	0.7
<b>Total Operating Expenses<sup>1</sup></b>	<b>111,940 *</b>	<b>-2.6</b>	<b>102,950</b>	<b>1.2</b>	<b>120,881</b>	<b>0.1</b>
	<b>Net Operating Income - Average per Farm (\$)</b>					
<b>Net Operating Income<sup>2</sup></b>	<b>22,220</b>	<b>12.0</b>	<b>14,023</b>	<b>-22.2</b>	<b>19,850</b>	<b>-7.0</b>
	<b>Operating Margins per \$ of Revenue</b>					
Operating Margin	0.17		0.12		0.14	
Operating Margin (excluding interest)	0.21		0.19		0.19	

1. Totals may not add up due to rounding and/or confidentiality restrictions.

\* Use with caution.

2. Net operating income does not include depreciation.

\*\* Unreliable.

Source: Statistics Canada, Whole Farm Data Base.

## Economic Overview of Farm Incomes, 1996 – Fruit and Vegetable Farms

Table 5: Farms with Sales of Fruits and Vegetables by Degree of Specialization and Revenue Class, 1995 and 1996

Revenue Class		Degree of Specialization <sup>1</sup>						
		Below 25.0%	25.0% to 50.9%	51.0% to 74.9%	75.0% to 89.9%	90.0% to 99.9%	100.0%	Total
		Number of Farms						
		Not Specialized		Specialized "Fruit and Vegetable Farms"				
\$10,000 to \$24,999	1996	505 *	255 *	265 *	105 *	70 **	1,495	2,695
	1995	400 *	255 *	200 *	170 *	135 **	1,615	2,770
\$25,000 to \$49,999	1996	550 *	100 **	115 *	175 **	115 **	1,370	2,425
	1995	360 *	155 **	180 *	165 **	125 *	1,220	2,200
\$50,000 to \$99,999	1996	585	140 *	140 *	140 *	120 *	1,165	2,285
	1995	405	195 *	200 *	65 *	85	1,225	2,180
\$100,000 to \$249,999	1996	1,010	250	170 *	160 *	130	1,000	2,710
	1995	820	270	115	130 *	170	895	2,395
\$250,000 to \$499,999	1996	540	125	70	55 *	65	355	1,210
	1995	425	65	115	40	75	360	1,080
\$500,000 and over	1996	515	85	60	40	55	275	1,025
	1995	490	70	70	35	35	295	995
Total <sup>2</sup>	1996	3,705	955	815	675	555	5,660	12,360
	1995	2,890	1,015	880	610	630	5,600	11,625
Distribution by degree of specialization (%)	1996	30.0	7.7	6.6	5.5	4.5	45.8	100.0
	1995	24.9	8.7	7.6	5.2	5.4	48.2	100.0

1. Percent of total sales derived from fruits and vegetables.

\* Use with caution.

2. Totals may not add up due to rounding and/or confidentiality restrictions.

\*\* Unreliable.

Source: Statistics Canada, Whole Farm Data Base.

Table 6: Physical Characteristics of Fruit and Vegetable Farms, Canada, 1994–1996

	1996							1995	1994
	\$10,000 to \$24,999	\$25,000 to \$49,999	\$50,000 to \$99,999	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 and over	All Classes	All Classes	All Classes
<b>Average per Farm (Acres)</b>									
Total Area of Farms	21 **	31 **	35 **	63 *	189 *	201 *	63	62	68
Total Crops	6 **	20 **	20 **	48 *	122 *	161 *	42	39	50
Grains and Oilseeds	2 **	13 **	11 **	30 *	88 **	75 **	24	20	23
Other Crops	5 **	6 **	9 **	18 *	34 **	86 *	18	19	27
Other Land <sup>1</sup>	15 **	11 **	15 **	16 **	68 **	40 **	20	23 *	18 *
<b>Average per Farm Reporting</b>									
Cattle and Calves (Head)	30 *	26 **	51 **	56 **	x	x	39 *	34 *	37 **
No. of Farms Reporting	220 **	210 **	55 **	85 **	x	x	585 *	475 *	430 *
% of Farms Reporting	11.4	18.3	5.8	7.7	x	x	10.0	7.6	5.5

1. Includes seeded pasture, summerfallow and other land.

\* Use with caution.

Source: Statistics Canada, Whole Farm Data Base, June Crops and July Livestock Surveys.

\*\* Unreliable.



# ECONOMIC OVERVIEW OF FARM INCOMES

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