

Wednesday, August 26, 1998 For release at 8:30 a.m.

# **MAJOR RELEASES**

Farm cash receipts, January to June 1998

 Farmers took in less revenue during the first six months of 1998, as cash receipts for both crops and livestock declined compared with the same period a year earlier. Farm cash receipts fell 5.1% to \$14.1 billion.

 Estimates of principal field crops production, July 31, 1998

 An early planting season, and intermittent rain during the latter part of a very hot and dry July, pushed yields of most major crops above last year's levels.

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## MAJOR RELEASES

#### Farm cash receipts

January to June 1998

Farmers took in less revenue during the first six months of 1998, as cash receipts for both crops and livestock declined compared with the same period a year earlier.

Farm cash receipts totalled \$14.1 billion between January and June 1998, down 5.1% from the first half of 1997. The largest declines occurred in Manitoba (-12.5%), Alberta (-10.2%) and Saskatchewan (-8.9%).

Crop receipts declined 6.8% to \$6.6 billion on the heels of a substantial drop in revenue from wheat. Livestock receipts fell 4.2% to \$6.9 billion — due largely to lower hog prices.

Meanwhile, program payments to farmers increased 4.6% to \$531 million — less than 4% of total cash receipts during the first half of 1998. Program payments increased 3.1% last year following a considerable decline between 1992 and 1996.

#### Provincial farm cash receipts

|                      | Jan.           | Jan.           | Jan.          |
|----------------------|----------------|----------------|---------------|
|                      | to             | to             | to            |
|                      | June           | June           | June          |
|                      | 1997           | 1998           | 1997          |
|                      |                |                | to            |
|                      |                |                | Jan.          |
|                      |                |                | to            |
|                      |                |                | June          |
|                      |                |                | 1998          |
|                      | \$ million     |                | % change      |
| Canada               | 14,866         | 14,108         | -5.1          |
| Newfoundland         | 36             | 36             | 1.4           |
| Prince Edward Island | 137            | 171            | 25.0          |
| Nova Scotia          | 177            | 175            | -1.6          |
| New Brunswick        | 147            | 155            | 5.1           |
| Quebec               | 2,344          | 2,396          | 2.2           |
| Ontario              | 3,241          | 3,181          | -1.9          |
| Manitoba             | 1,569          | 1,373          | -12.5         |
| Mannoba              |                | ,              |               |
| Saskatchewan         | 3,058          | 2,787          | -8.9          |
|                      | 3,058<br>3,313 | 2,787<br>2,975 | -8.9<br>-10.2 |

Note: Totals may not add due to rounding.

#### Note to readers

Farm cash receipts measure the gross revenue of farm businesses in current dollars. They are not a measure of profit since expenses have not been deducted. They include sales of crops and livestock products (except sales between farms in the same province) and program payments.

They also include Canadian Wheat Board and Ontario Wheat Producers' Marketing Board payments and deferred grain receipts. Program payments measure the value of cheques issued to farmers to support production, usually under ongoing programs jointly funded by farmers and federal and provincial governments.

# Lower wheat receipts responsible for declining crop revenues

Declining revenue from wheat (excluding durum wheat) was mainly responsible for the drop in crop receipts. Wheat receipts totalled \$851 million during the first half of 1998, down 41.4% from the first six months of 1997. This decline was due to lower production in the summer of 1997, higher marketings during the fall of 1997 and a continuous downward trend in wheat prices for the last two years. Wheat prices have been dropping as a result of large supplies in the world market.

In addition, liquidation of deferred grain receipts dropped 9.6% in the first half of 1998. Among grains and oilseeds, canola and durum wheat were the only crops to register an increase. Receipts from canola increased 24.1% (due to price increases and higher marketings) while revenue from durum wheat rose 30.5% (due to higher prices).

The demand for durum wheat is still very good, while canola has benefitted from increased crushing capacity in Canada and strong international markets for oilseed products.

#### Farm cash receipts

|                                   | Jan.<br>to | Jan.   | Jan.         |  |
|-----------------------------------|------------|--------|--------------|--|
|                                   | to         | 4 -    |              |  |
|                                   |            | to     | to           |  |
|                                   | June       | June   | June         |  |
|                                   | 1997       | 1998   | 1997         |  |
|                                   |            |        | to           |  |
|                                   |            |        | Jan.         |  |
|                                   |            |        | to           |  |
|                                   |            |        | June         |  |
|                                   |            |        | 1998         |  |
|                                   | \$ milli   | on     | % change     |  |
| Canada                            | 14,866     | 14,108 | -5.1         |  |
| Wheat excluding durum             | 1,452      | 851    | -41.4        |  |
| Durum wheat                       | 271        | 354    | 30.5         |  |
| Canadian Wheat Board payments     | 356        | 415    | 16.7         |  |
| Barley                            | 362        | 301    | -16.8        |  |
| Liquidation of deferred grain re- | 502        | 501    | -10.0        |  |
| ceipts                            | 1,061      | 959    | -9.6         |  |
| Canola                            | 829        | 1,029  | -9.0<br>24.1 |  |
| Corn                              | 342        | 273    | -20.2        |  |
|                                   | 360        | 342    | -20.2        |  |
| Soybeans                          |            | • · -  |              |  |
| Other cereals and oilseeds        | 95         | 20     | -78.6        |  |
| Other crops                       | 1,999      | 2,101  | 5.1          |  |
| Total crops                       | 7,127      | 6,646  | -6.8         |  |
| Cattle and calves                 | 2,548      | 2,440  | -4.2         |  |
| Hogs                              | 1,522      | 1,238  | -18.6        |  |
| Dairy products                    | 1,866      | 1,929  | 3.4          |  |
| Poultry                           | 747        | 774    | 3.7          |  |
| Other livestock                   | 550        | 551    | 0.2          |  |
| Total livestock                   | 7,232      | 6,931  | -4.2         |  |
| <b>N 1 1 1 1 1 1</b>              |            |        |              |  |
| Net income stabilisation account  | 54         | 92     | 68.9         |  |
| Gross revenue insurance           | 22         | 4      | 02.4         |  |
| Plan                              | 22         | 4      | -83.4        |  |
| Crop insurance                    | 77         | 86     | 11.5         |  |
| Provincial stabilisation          | 124        | 248    | 99.0         |  |
| Other payments                    | 230        | 102    | -55.6        |  |
| Total payments                    | 508        | 531    | 4.6          |  |

*Note:* Totals may not add due to rounding.

# Declining hog receipts pushed down livestock revenues

The decline in livestock revenues during the first half of 1998 occurred in contrast to steady growth (+18.4%) over the last four years.

The largest decreases in livestock revenues were in the hog sector (-18.6%) and the cattle and calves sector (-4.2%). Lower hog prices and lower marketings of cattle were mainly responsible for these decreases. In expectation of higher values, cattle were held on feedlots, which could mean heavier slaughter cattle and higher beef production by the end of 1998.

Lower hog prices resulted from the growing North American pork industry, lower exports to Asian countries and the continuing liquidation phase of the cattle herd. This has led to large supplies of red meat, while domestic consumption remains steady.

#### Available on CANSIM: matrices 3582-3592.

The January to June 1998 issue of *Farm cash receipts* (21-001-XIB, \$15/\$48) is now available on the Internet (*www.statcan.ca*). See *How to order publications*.

For further information, contact Martin Beaulieu (613-951-6357; *beaulma@statcan.ca*), Agriculture Division.

# Estimates of principal field crops production

July 31, 1998

An early planting season, and intermittent rain during the latter part of a very hot and dry July, pushed yields of most major crops above last year's levels. A large shift from spring wheat to durum wheat should result in a 16% decline in spring wheat production and record high durum wheat production this year. Total wheat production should decline by 5%. Canola production should hit a new high this year — due to a substantial increase in seeded acres and a slight increase in yield.

#### Lowest spring wheat production in 10 years

Reduced seeded acreage (-4.1 million acres) was the major factor in the 3.1 million tonne decline in spring wheat production this year. This is the lowest harvest since the drought of 1988. Increased acreage (+1.7 million acres), and a relatively unchanged yield from last year, is expected to boost durum wheat production to a record high this year.

#### July production indications

| Сгор         | 1997               | 1998 | 1997<br>to<br>1998 |
|--------------|--------------------|------|--------------------|
|              | millions of tonnes |      | % change           |
| Total wheat  | 24.3               | 23.2 | -5                 |
| Spring wheat | 19.0               | 15.9 | -16                |
| Barley       | 13.6               | 13.0 | -4                 |
| Canola       | 6.2                | 7.3  | 18                 |
| Oats         | 3.5                | 3.9  | 11                 |
| Durum wheat  | 4.4                | 5.8  | 32                 |
| Flaxseed     | 0.8                | 1.1  | 38                 |

#### Note to readers

The July crops survey of 11,900 farm operators is conducted by telephone during the last week of July and the first week of August. Farmers are asked to report their seeded areas, expected harvested areas, and expected yields of major grains and oilseeds. Weather, insect problems and disease may change anticipated yields before harvest is completed.

#### **Record canola production**

Canola acreage increased by 1.4 million acres this year and yield is reported to have risen by 1.3 bushels per acre. The resulting production will break the previous record of 7.2 million tonnes set in 1994.

# Available on CANSIM: matrices 1025-1043, 1046-1051 and 3541-3565.

Field crop reporting series no. 5: July 31 Estimates of production of principal field crops, Canada (22-002-XPB, \$15/\$88) is now available. See How to order publications.

For further information, contact David Burroughs (613-951-5138; *burrdav@statcan.ca*) or Dave Roeske (613-951-0572; *roesdav@statcan.ca*), Crops Section, Agriculture Division.

## **OTHER RELEASES**

#### Family income

1996

The median total income for husband-wife families (\$49,600 in 1996) kept pace with the annual rate of inflation, according to data derived from 1996 income tax returns filed in the spring of 1997. Only the Yukon, Saskatchewan and Alberta reported increases in husband-wife family median incomes, with the largest advance occurring in the Yukon (+2.3%). All figures in this release have been adjusted for inflation.

Nationally, total income for husband-wife families has fallen since 1992. Saskatchewan (+4.4%) and Prince Edward Island (+1.2%) were the only provinces or territories to report increases over this four year period, while the Northwest Territories (-4.0%) experienced the largest decrease.

About 69% of the 6.9 million husband-wife families in Canada had two earners in 1996. Provincially, this proportion ranged from 76% in Prince Edward Island to 63% in Newfoundland. Women contributed an average of 41% of total family income in 1996, up from 33% in 1992. Their contribution to income declined as the number of children in the family increased. Women contributed 46% of the family's income in childless families, compared with 36% in families with three or more children.

The median total income of lone-parent families in 1996 was \$20,700, down 2.5% from 1995 and down almost 10% from 1992. The only increases in lone-parent family median total income occurred in the Yukon, British Columbia and Alberta. Non-family persons reported a median income of \$16,200, down 1% from 1995 (after adjusting for inflation).

Government transfers, as reported on the T1 tax returns, totalled \$76.1 billion, down 1% from the 1995.

Just over 85% of husband-wife families received some level of assistance from the government in 1996. The average level of assistance was \$7,400, and the largest proportion of these dollars, about 27%, consisted of Canada/Quebec Pension Plan payments.

Virtually all (98%) lone-parent families that filed income tax returns reported income from government transfers — receiving an average of \$7,800. The largest proportion of the value of these transfers to lone-parent families consisted of social assistance (42%).

Of the 4.6 million non-family persons to file an income tax return, 86% reported receiving government transfers. These individuals received an average \$6,000 in transfers. As with husband-wife families, the largest component of these transfers were C/QPP payments (38%).

# Median total income

1996

|                       | Husband-<br>wife<br>families | Lone-<br>parent<br>families | Non-<br>family<br>persons |  |
|-----------------------|------------------------------|-----------------------------|---------------------------|--|
|                       |                              | \$                          |                           |  |
| Canada                | 49,600                       | 20,700                      | 16,200                    |  |
| Newfoundland          | 37,700                       | 15,500                      | 12,200                    |  |
| Prince Edward Island  | 43,500                       | 20,400                      | 13,900                    |  |
| Nova Scotia           | 43,900                       | 17,400                      | 14,200                    |  |
| New Brunswick         | 42,600                       | 16,200                      | 13,500                    |  |
| Quebec                | 46,100                       | 20,500                      | 14,500                    |  |
| Ontario               | 53,800                       | 22,200                      | 18,000                    |  |
| Manitoba              | 46,200                       | 18,700                      | 15,500                    |  |
| Saskatchewan          | 45,900                       | 17,800                      | 15,400                    |  |
| Alberta               | 51,900                       | 20,800                      | 17,700                    |  |
| British Columbia      | 50,900                       | 21,800                      | 18,000                    |  |
| Yukon                 | 61,100                       | 21,000                      | 21,700                    |  |
| Northwest Territories | 61,700                       | 17,700                      | 21,500                    |  |

Median income represents the middle point at which half the incomes are above and half below.

Husband-wife families include married couples and those living common-law, with or without children. Loneparent families consist of one parent (male or female) with at least one child.

Total income includes employment income, investment income, government transfer payments, private pensions, RRSP income and other income (net rental income, alimony, income from a limited partnership, and other taxable income not mentioned above).

Government transfer payments include benefits from: Employment Insurance, Old Age Security, Canada and Quebec Pension Plan, Child Tax Benefit, family allowances in Quebec and British Columbia, GST credit, Workers' Compensation, Social Assistance and provincial Refundable Tax Credits (Quebec, Ontario, Manitoba, British Columbia and the Northwest Territories).

In 1992 a change was made to the definition of total income and therefore historical comparisons in this document are made back to 1992 only.

The data for Family income (13C0016) are available for Canada, the provinces and territories, cities, towns, census metropolitan areas, census divisions, as well as for areas as small as forward sortation areas (the first three characters of the postal code) and for letter carrier routes.

For further information on this release, contact Client Services (613-951-9720; fax: 613-951-4745; *saadinfo@statcan.ca*), Small Area and Administrative Data Division.

### Cereals and oilseeds review

June 1998

Data from the June issue of *Cereals and oilseeds review* are now available. The information includes data on production, stocks, cash and futures prices, crop quality, domestic processing, exports, farmers' deliveries and supply-disposition analyses.

The July situation report, an overview of current marketing conditions, both domestic and international,

is also included in the June issue of *Cereals and oilseeds review* (22-007-XPB, \$15/\$149), which will be available shortly. See *How to order publications*.

For further information on this release, contact Karen Gray (204-983-2856; *graykar@statcan.ca*) or Les Macartney (613-951-8714; *macales@statcan.ca*), Grain Marketing Unit, Agriculture Division.

## PUBLICATIONS RELEASED

Farm cash receipts, Second quarter 1998 Catalogue number 21-001-XIB (Canada: \$15/\$48; outside Canada: US\$15/US\$48).

Field crop reporting series: seeded area, principal field crops, Vol. 77, no. 5 Catalogue number 22-002-XPB (Canada: \$15/\$88; outside Canada: US\$15/US\$88).

The dairy review, April-June/98 Catalogue number 23-001-XIB (Canada: \$27/\$89; outside Canada: US\$27/US\$89).

The dairy review, April-June/98 Catalogue number 23-001QXPB (Canada: \$36/\$119; outside Canada: US\$36/US\$119).

Monthly survey of manufacturing, June 1998 Catalogue number 31-001-XPB (Canada: \$20/\$196; outside Canada: US\$20/US\$196). Gas utilities, April 1998 Catalogue number 55-002-XPB (Canada: \$17/\$165; outside Canada: US\$17/US\$165).

Canada's international transactions in securities, May 1998 Catalogue number 67-002-XPB (Canada: \$18/\$176; outside Canada: US\$18/US\$176).

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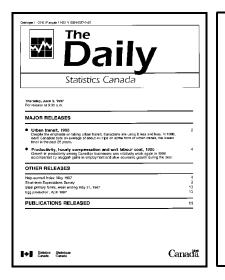
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Catalogue 11-001E.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

To access *The Daily* on the Internet, visit our site at *http://www.statcan.ca*. To receive *The Daily* each morning by E-mail, send an E-mail message to listproc@statcan.ca. Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

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