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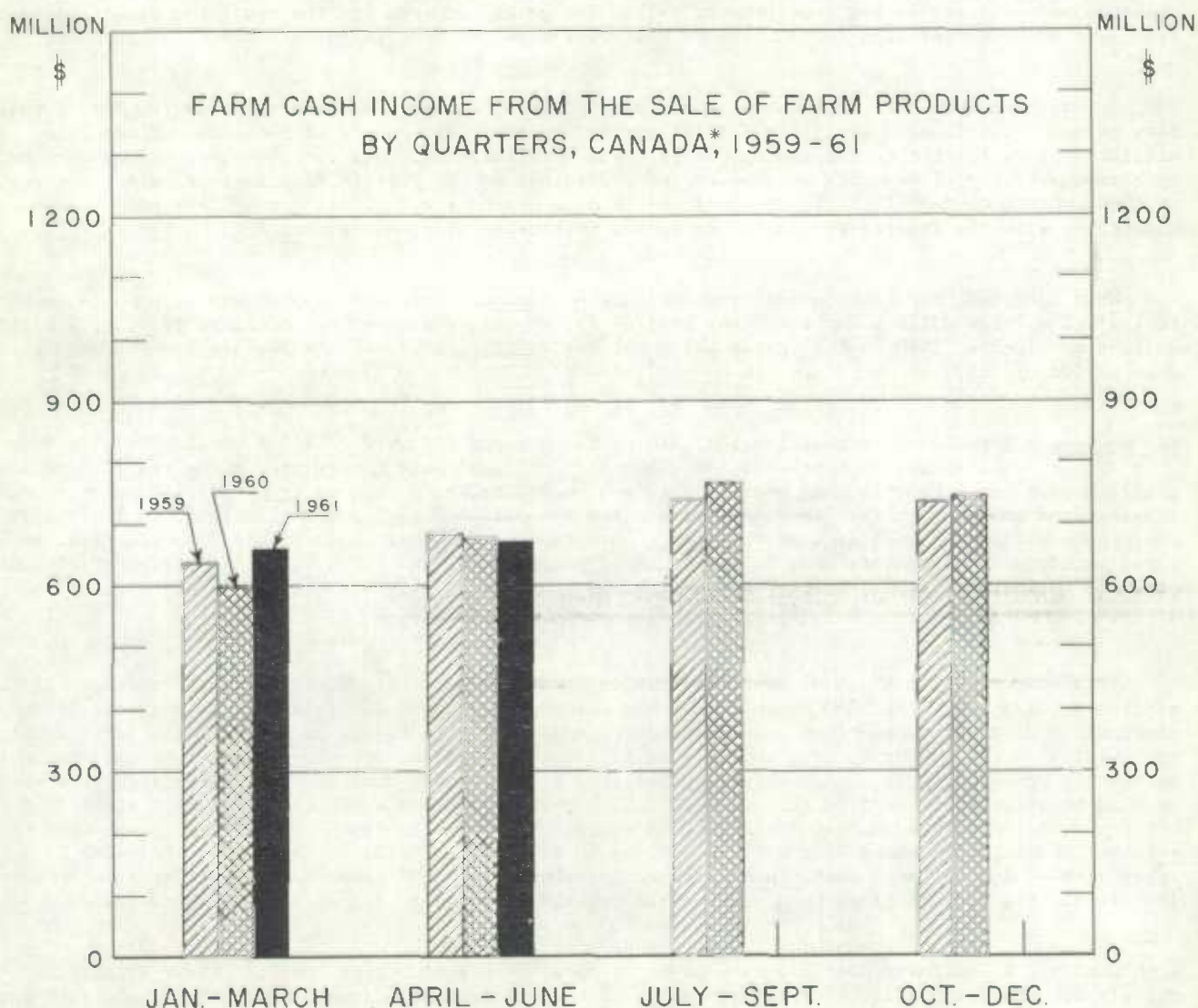
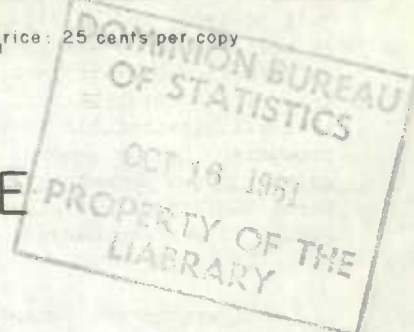
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NE PAS PRÊTER
FARM CASH INCOME

APRIL TO JUNE 1961



* Newfoundland excluded

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Prepared in Farm Finance Section, AGRICULTURE DIVISION

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1961

CASH INCOME FROM THE SALE OF FARM PRODUCTS, JANUARY - JUNE, 1961(1)

Farm cash income from the sale of farm products for the first six months of 1961 has been estimated at 1,329.4 million dollars, about 4 per cent above the estimate of 1,276.1 million dollars for the first half of 1960, and nearly one per cent above the previous all-time high of 1,318.6 million dollars established in 1959. These estimates include Canadian Wheat Board participation payments, net advances on farm-stored grain in western Canada and deficiency payments made under the provisions of the Agricultural Stabilization Act. For the most part the increase in farm cash income between 1960 and 1961 was attributable to increased returns from the sale of wheat, flaxseed, tobacco, hogs, and poultry products. Lesser amounts were also contributed by oats, barley and dairy products. Offsetting these gains to some extent were smaller returns from marketings of potatoes and cattle, reduced Canadian Wheat Board participation payments and substantially larger repayments of cash advances on farm-stored grains in western Canada.

All provinces, except Prince Edward Island and New Brunswick, shared varying amounts of the increase in farm cash income. In the case of these two Maritime provinces, a substantial reduction in income from the sale of potatoes was almost entirely responsible for the decline in total income of about 25 per cent and 16 per cent respectively. The gains recorded for the remaining provinces ranged from less than one per cent for Alberta to just over nine per cent for Saskatchewan.

In addition to income from the sale of farm products, farmers in western Canada received supplementary payments totalling 7.6 million dollars during the first six months of 1961, as against 29.6 million dollars for the corresponding period a year earlier. Payments for the current year were made up almost entirely of payments made under the provisions of the Prairie Farm Assistance Act whereas, in 1960, they included 17 million dollars of P.F.A.A. payments and 12 million dollars paid out in connection with the Federal-Provincial Emergency Unthreshed Grain Assistance Act.

When combined, the cash income from the sale of farm products and supplementary payments amounted to 1,337.0 million dollars for the first half of 1961. This was above the estimate of 1,305.7 million dollars realized in 1960, but slightly below the figure of 1,339.5 million dollars for the January - June period of 1959.

Field Crops - Total cash income from the sale of field crops amounted to 477.9 million dollars during the first six months of 1961, about 26 million above the revised estimates for the same period a year ago. Contributing most to this gain were increased returns from the sale of wheat, flaxseed and tobacco. Lesser increases were noted for oats and barley. The increase in returns from these commodities was much greater than the combination of the decline in income from potatoes, smaller total participation payments made by the Canadian Wheat Board, and the substantial repayment of loans obtained by western farmers on farm-stored grains; these repayments are reflected in the net cash advance payments of minus 34.9 million dollars.

Total returns from wheat at 234.3 million dollars to the end of June this year were about 30 million dollars above the 1960 estimate for the corresponding period. This came as a result of a combination of larger marketings and higher average prices. The higher prices reflect the increase in the quality of the 1960 crop over the crop of 1959 which had been adversely affected by unfavourable harvesting conditions. Although average prices for flaxseed were down in 1961, marketings more than doubled to give an income from this source of 21.5 million dollars which contrasts with about 11.0 million dollars realized during the first six months of 1960. The sharp increase in income from the sale of tobacco, from about 70.0 million dollars in 1960 to 87.2 million dollars in 1961, was attributable, for the most part, to the record-breaking flue-cured tobacco crop harvested in Ontario last fall. Higher marketings were responsible for the increase in income from oats and barley.

Canadian Wheat Board participation payments on western grain crops totalled about 52 million dollars for the first half of 1961, down about 12 million from the payments made during the like period of the previous year. While potato marketings to the end of June, 1961, were higher than a year earlier, prices were down very substantially to give a total income of 18.4 million dollars as against 28.0 million for the first half of 1960.

(1) Excludes Newfoundland.

Livestock and Animal Products - Total income from the sale of livestock and their products, estimated at 827.4 million dollars for the January - June period of 1961 was nearly four per cent above the 1960 level of 797.5 million dollars for the same period. The largest single contribution to this gain was higher income from hog sales. This was followed by a substantial increase in returns from poultry products, and lesser gains accruing to dairy products.

Total marketings of hogs during the first half of this year were below the level of a year ago but prices averaged very much higher with the result that total returns rose from 137.2 million dollars in 1960 to 156.3 million dollars in 1961. Higher prices for eggs more than offset slightly lower marketings to give total returns from this item of 67.1 million dollars in 1961 as compared with 62.2 million for 1960. Increased marketings of turkey meat and broiler chickens accounted for most of the gain in poultry meat returns, from 45.8 million dollars for the first half of 1960 to 56.1 million dollars for the corresponding period of this year. The slight increase in dairy product returns reflected increased production.

Provincial Comparisons - As has already been indicated, declines in total cash income for Prince Edward Island and New Brunswick were due almost entirely to a significant reduction in returns from potatoes. Several items contributed to the 8.4 per cent gain in total income for Nova Scotia, with the somewhat more important ones being cattle, hogs and eggs. The increase in the Quebec farm returns amounted to nearly 8 per cent with the two most important contributors to this gain being hogs and poultry meat. By far the greatest contribution to the 4 per cent increase in farm cash income in Ontario was that made by the record flue-cured tobacco crop harvested in 1960; returns from hogs were also substantial. Manitoba income was up by about 3 per cent with the most important single contribution being made by flaxseed, followed by cattle and hogs. The largest increase in total cash income estimated for any of the provinces during the first six months of 1961 was recorded for Saskatchewan largely as a result of a sharp increase in returns from the sale of wheat; lesser, but still important, increases were also provided by flaxseed and cattle. It might be noted here that farmers in Saskatchewan increased substantially their repayments of loans made on farm-stored grains. Total income in Alberta was up fractionally with hogs being the most important single contributor. British Columbia farm cash income increased a little more than 3 per cent with no one item making any particularly significant contribution.

Farm Income Estimates, April - June Quarter - Although total farm income from the sale of farm products for the first half of 1961 was above the 1960 level, the estimated income for the second quarter of this year was slightly below the second-quarter level of a year ago. Lower returns from field crops more than offset higher income from the sale of livestock and livestock products. In the case of field crops, income from the sale of the three principal grains, wheat, oats and barley, was higher during the 1961 period as a result of larger marketings and higher wheat prices. Income from flaxseed was practically unchanged but returns from potatoes were down by nearly one half as a result of much lower prices. Participation payments made by the Canadian Wheat Board on western grains were well below the second-quarter payments for 1960, and, at the same time, western farmers made much higher repayments of money advanced by the Federal government on farm-stored grains. Higher returns from livestock and livestock products during the April - June quarter of the current year resulted from an increase in income from the sale of hogs, poultry products and, to a lesser extent, dairy products. Income from cattle and calves was virtually unchanged.

On a provincial basis, reduced income was estimated for all provinces except Nova Scotia, Quebec, Manitoba and Saskatchewan and varied from just under three per cent in British Columbia to 25 per cent in Prince Edward Island. Increased income estimated for the above-noted exceptions ranged from less than one per cent in Manitoba to more than 8 per cent in Nova Scotia.

The estimates contained herein are based on reports of marketings and prices received by farmers for principal farm products and are subject to revision as more complete data become available. The estimates include the amounts paid by the Canadian Wheat Board in the form of participation payments. They also include deficiency payments made under the present farm prices support program and net cash advances on farm-stored grains. Payments made under the provisions of the Prairie Farm Assistance Act, the Western Grain Producers' Acreage Payment Plan and the Federal-Provincial Emergency Unthreshed Grain Assistance Act are not included with cash income from the sale of farm products but are included in total cash income in the year in which payments are made, under the heading, "Supplementary Payments".

In Table I overleaf is summarized the preliminary estimates of cash income from the sale of farm products, by provinces, for the first six months of 1960 and 1961, and revised estimates for 1959. Tables 2, 3 and 4 present farm cash income by commodity sources for each province in the three years and include supplementary payments. No information is available for Newfoundland.

TABLE 1. Farm Cash Income from the Sale of Farm Products, by Quarters

January - June, 1959-61(1)

	Jan. - Mar.	Apr. - June	Jan. - June
	thousand dollars		
1961 (preliminary)			
Prince Edward Island	5,411	6,843	12,254
Nova Scotia	9,444	11,067	20,511
New Brunswick	9,895	10,120	20,015
Quebec	86,669	115,536	202,205
Ontario	250,460	186,121	436,581
Manitoba	43,561	57,163	100,724
Saskatchewan	111,158	153,267	264,425
Alberta	116,802	104,053	220,855
British Columbia	26,555	25,242	51,797
Canada(2)	659,955	669,412	1,329,367
1960 (preliminary)			
Prince Edward Island	7,373	9,116	16,489
Nova Scotia	8,708	10,216	18,924
New Brunswick	11,149	12,742	23,891
Quebec	77,883	109,825	187,708
Ontario	229,442	189,842	419,284
Manitoba	40,610	56,761	97,371
Saskatchewan	91,657	150,402	242,059
Alberta	107,066	113,106	220,172
British Columbia	24,262	25,923	50,185
Canada(2)	598,150	677,933	1,276,083
1959 (revised)			
Prince Edward Island	5,771	8,441	14,212
Nova Scotia	9,117	9,802	18,919
New Brunswick	8,934	10,803	19,737
Quebec	77,821	108,529	186,350
Ontario	226,853	186,845	413,698
Manitoba	45,301	56,647	101,948
Saskatchewan	116,816	152,500	269,316
Alberta	119,831	124,475	244,306
British Columbia	25,271	24,808	50,079
Canada(2)	635,715	682,850	1,318,565

(1) Excludes supplementary payments.

(2) Excludes Newfoundland.

TABLE 2. Preliminary Estimate of Farm Cash Income from the Sale of Farm Products, by Provinces, (1) January to June, 1961

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
thousand dollars										
Wheat	-	-	-	-	3,645	31,616	144,338	53,922	798	234,319
Wheat, C.W.B. payments(2)	-	-	-	-	-	4,849	34,387	9,221	-	48,457
Oats	232	25	252	1,400	1,923	1,557	2,248	2,054	73	9,764
Oats, C.W.B. payments(2)	-	-	-	-	-	1,160	1,302	1,390	-	3,852
Barley	-	-	-	16	241	5,202	10,512	11,127	293	27,391
C.W.B. net cash advance payments(3)	-	-	-	-	-	-6,573	-21,661	-6,633	-	-34,867
Rye	-	-	-	-	-	459	1,163	607	-	2,229
Flaxseed	-	-	-	-	-	4,518	11,368	5,610	36	21,532
Potatoes	3,847	109	4,356	2,873	5,135	261	138	638	1,090	18,447
Fruits	40	817	26	159	3,529	-	-	-	3,901	8,472
Vegetables(4)	122	156	89	1,798	10,290	268	106	254	2,255	15,338
Tobacco	12	15	-	5,399	81,752	1	-	-	-	87,179
Other crops	350	305	371	4,649	19,661	1,801	2,654	2,820	3,212	35,823
Total crops	4,603	1,427	5,094	16,294	126,176	45,119	186,555	81,010	11,658	477,936
Cattle and calves	2,472	3,206	2,419	32,025	101,306	21,019	41,367	68,239	5,459	277,512
Hogs	1,933	1,800	1,853	31,698	58,806	10,314	12,955	35,629	1,356	156,344
Sheep and lambs	7	37	28	150	692	96	133	1,363	106	2,612
Dairy products	2,080	6,324	5,707	78,233	91,970	13,936	15,502	20,546	18,158	252,456
Poultry	129	1,941	683	18,147	20,433	2,634	1,975	4,857	5,273	56,072
Eggs	710	3,952	1,452	9,931	30,394	4,651	3,595	5,742	6,697	67,124
Other livestock and products	71	270	117	871	3,300	2,785	2,202	3,286	2,410	15,312
Total livestock and products	7,402	17,530	12,259	171,055	306,901	55,435	77,729	139,662	39,459	827,432
Forest and maple products	248	1,552	2,662	14,855	3,500	170	141	183	674	23,985
Deficiency payments:(5) Eggs	1	2	--	1	4	--	--	--	6	14
Cash Income from Farm Products	12,254	20,511	20,015	202,205	436,581	100,724	264,425	220,855	51,797	1,329,367
Supplementary payments(6)	-	-	-	-	-	625	2,770	4,112	99	7,606
Total Cash Income	12,254	20,511	20,015	202,205	436,581	101,349	267,195	224,967	51,896	1,336,973

(1) Excludes Newfoundland.

(2) Represents interim and final payments made by the Canadian Wheat Board direct to producers on crop delivered in previous years.

(3) Explanation of this item included in each of the quarterly reports for the years 1958 and 1959.

(4) Estimates of income from the sale of vegetables in all provinces except Ontario and British Columbia for the years 1957 to 1961 inclusive will not be strictly comparable with earlier years because of changes in methods of estimation. Comparability will be restored as soon as earlier estimates can be reworked by the new methods.

(5) Made under the authority of the Agricultural Stabilization Act.

(6) Payments made under the provisions of the Prairie Farm Assistance Act and the Western Grain Producers' Acreage Payment Plan.

-- Amount too small to be expressed.

TABLE 3. Preliminary Estimate of Farm Cash Income from the Sale of Farm Products, by Provinces, (1) January to June, 1960

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
thousand dollars										
Wheat	-	-	-	-	2,266	31,274	118,797	51,237	706	204,280
Wheat, C.W.B. payments(2)	-	-	-	-	-	4,730	41,695	9,565	-	55,990
Oats	188	24	216	1,118	2,259	877	1,009	1,819	81	7,591
Oats, C.W.B. payments(2)	-	-	-	-	-	1,164	1,249	740	-	3,153
Barley	-	-	-	13	287	5,653	8,130	11,918	282	26,283
Barley, C.W.B. payments(2)	-	-	-	-	-	971	2,191	2,173	-	5,335
C.W.B. net cash advance payments(3)	-	-	-	-	-	-5,243	-9,846	-3,486	-	-18,575
Rye	-	-	-	-	-	300	691	279	-	1,270
Flaxseed	-	-	-	-	-	1,997	3,887	5,068	42	10,994
Potatoes	8,220	193	8,592	3,063	5,605	281	134	654	1,285	28,027
Fruits	31	564	34	150	3,864	-	-	-	3,117	7,760
Vegetables(4)	110	182	105	1,762	9,456	260	103	247	2,193	14,418
Tobacco	-	-	-	4,722	65,188	-	-	-	11	69,921
Other crops	479	294	441	4,013	19,630	1,560	2,544	3,181	3,039	35,181
Total crops	9,028	1,257	9,388	14,841	108,555	43,824	170,584	83,395	10,756	451,628
Cattle and calves	2,521	2,583	2,415	31,130	108,434	20,036	37,494	69,578	5,314	279,505
Hogs	1,571	1,445	1,394	26,877	52,730	9,006	11,412	31,447	1,355	137,237
Sheep and lambs	7	54	32	135	581	98	111	1,508	114	2,640
Dairy products	2,012	6,094	5,728	77,764	93,288	13,250	14,963	19,338	17,638	250,075
Poultry	104	1,958	709	12,078	18,974	2,245	1,166	3,938	4,578	45,750
Eggs	874	3,597	1,388	8,655	28,379	4,521	3,653	5,139	6,043	62,249
Other livestock and products	85	355	142	1,223	4,072	4,027	2,454	4,008	3,636	20,002
Total livestock and products	7,174	16,086	11,808	157,862	306,458	53,183	71,253	134,956	38,678	797,458
Forest and maple products	250	1,565	2,689	14,852	3,325	170	141	183	681	23,856
Deficiency payments(5) Eggs	37	16	6	153	946	194	81	165	70	1,668
Sugar beets	-	-	-	-	-	-	-	1,473	-	1,473
Cash Income from Farm Products	16,489	18,924	23,891	187,708	419,284	97,371	242,059	220,172	50,185	1,276,083
Supplementary payments(6)	-	-	-	-	-	2,247	18,166	8,910	269	29,592
Total Cash Income	16,489	18,924	23,891	187,708	419,284	99,618	260,225	229,082	50,454	1,305,675

(1) Excludes Newfoundland.

(2) Represents interim and final payments made by the Canadian Wheat Board direct to producers on crop delivered in previous years.

(3) Explanation of this item included in each of the quarterly reports for the years 1958 and 1959.

(4) Estimates of income from the sale of vegetables in all provinces except Ontario and British Columbia for the years 1957 to 1961 inclusive will not be strictly comparable with earlier years because of changes in methods of estimation. Comparability will be restored as soon as earlier estimates can be reworked by the new methods.

(5) Made under the authority of the Agricultural Stabilization Act.

(6) Payments made under the provisions of the Prairie Farm Assistance Act, the Western Grain Producers' Acreage Payment Plan and the Federal-Provincial Emergency Unthreshed Grain Assistance Act.

TABLE 4. Revised Estimate of Farm Cash Income from the Sale of Farm Products, by Provinces, (1) January to June, 1959

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
thousand dollars										
Wheat	-	-	-	-	2,079	26,628	114,291	57,793	645	201,436
Wheat, C.W.B. payments(2)	-	-	-	-	-	6,988	48,135	17,537	-	72,660
Oats	183	28	250	1,083	2,278	2,301	2,484	1,660	52	10,319
Oats, C.W.B. payments(2)	-	-	-	-	-	694	824	554	-	2,072
Barley	-	-	-	16	284	7,221	15,419	16,380	364	39,684
Barley, C.W.B. payments(2)	-	-	-	-	-	980	2,678	2,463	-	6,121
C.W.B. net cash advance payments(3)	-	-	-	-	-	-4,703	-8,850	-3,602	-	-17,155
Rye	-	-	-	-	-	373	999	544	-	1,916
Flaxseed	-	-	-	-	-	2,392	7,672	5,168	55	15,287
Potatoes	5,005	123	4,106	2,244	4,079	218	99	706	974	17,554
Fruits	14	624	17	167	2,398	-	-	-	3,100	6,320
Vegetables(4)	138	221	125	1,837	7,816	257	102	245	2,212	12,953
Tobacco	-	-	-	3,255	64,930	-	-	-	8	68,193
Other crops	406	287	365	3,927	16,460	1,755	2,824	3,223	3,097	32,344
Total crops	5,746	1,283	4,863	12,529	100,324	45,104	186,677	102,671	10,507	469,704
Cattle and calves	3,153	2,734	2,358	29,447	94,167	19,131	40,436	65,218	5,550	262,194
Hogs	1,925	1,202	1,477	33,062	64,636	11,937	18,064	43,140	1,441	176,884
Sheep and lambs	8	51	25	165	593	97	110	1,477	74	2,600
Dairy products	2,030	6,118	5,623	73,157	89,034	13,390	14,747	18,286	17,837	240,222
Poultry	145	1,607	861	11,421	23,778	3,202	1,922	4,134	4,761	51,831
Eggs	870	4,011	1,639	11,454	34,122	5,701	4,840	5,781	6,532	74,950
Other livestock and products	87	347	233	1,057	3,956	3,217	2,380	3,417	2,700	17,394
Total livestock and products	8,218	16,070	12,216	159,763	310,286	56,675	82,499	141,453	38,895	826,075
Forest and maple products	248	1,566	2,658	14,058	3,088	169	140	182	677	22,786
Cash Income from Farm Products	14,212	18,919	19,737	186,350	413,698	101,948	269,316	244,306	50,079	1,318,565
Supplementary payments(5)	-	-	-	-	-	1,369	13,010	6,432	133	20,944
Total Cash Income	14,212	18,919	19,737	186,350	413,698	103,317	282,326	250,738	50,212	1,339,509

(1) Excludes Newfoundland.

(2) Represents interim and final payments made by the Canadian Wheat Board direct to producers on crop delivered in previous years.

(3) Explanation of this item included in each of the quarterly reports for the years 1958 and 1959.

(4) Estimates of income from the sale of vegetables in all provinces except Ontario and British Columbia for the years 1957 to 1961 inclusive will not be strictly comparable with earlier years because of changes in methods of estimation. Comparability will be restored as soon as earlier estimates can be reworked by the new methods.

(5) Payments made under the provisions of the Prairie Farm Assistance Act and Western Grain Producers' Acreage Payment Plan.

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