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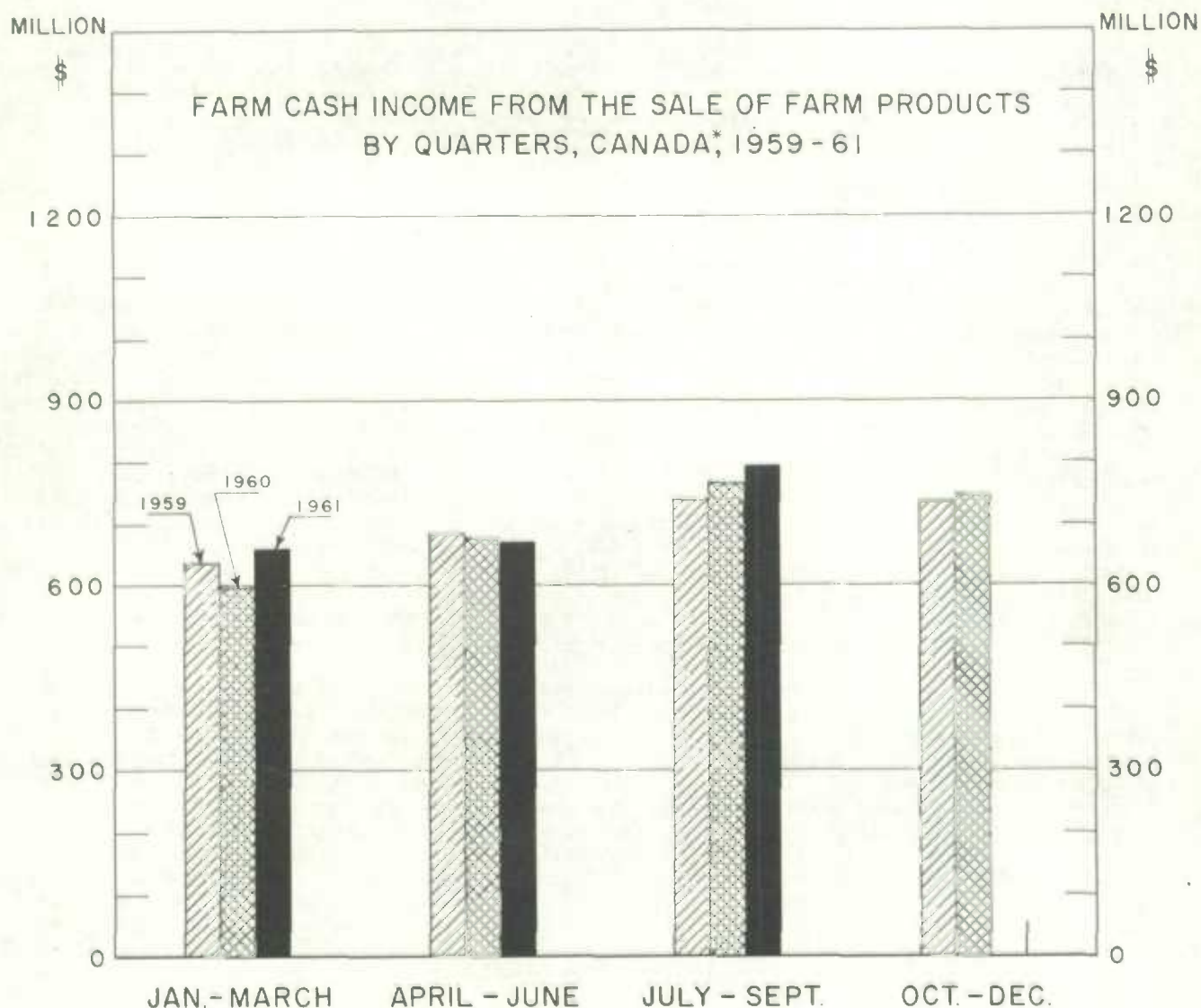
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FARM CASH INCOME

JULY TO SEPTEMBER 1961

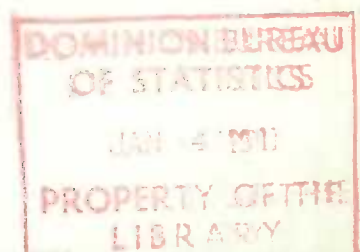


* Newfoundland excluded

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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 - SEPTEMBER, 1961(1)

During the first nine months of 1961, farm cash income from the sale of farm products reached the all-time high of 2,121.0 million dollars. This estimate is 4.0 per cent above the figure of 2,039.7 million dollars for 1960 and 3.1 per cent higher than the previous record high of 2,056.8 million dollars established in 1959. These estimates include Canadian Wheat Board participation payments, net cash advances on farm-stored grain in Western Canada and deficiency payments made under the provisions of the Agricultural Stabilization Act. It should be emphasized that, in preparing these estimates, no allowance is made for costs incurred by farmers in the production of the items sold.

Major contributions to the increase in farm cash income between 1960 and 1961 were made by wheat, flaxseed, tobacco, cattle, calves, hogs, dairy products, poultry products and Canadian Wheat Board participation payments. Offsetting these gains, to some extent, were greatly reduced returns from potato sales, a substantial net repayment of cash advances on farm-stored grains in Western Canada, and some reduction in income from oats and barley.

With the exception of Prince Edward Island and New Brunswick, all provinces shared in the increase in cash income. In the case of the two Maritime Provinces, a substantial reduction in income from the sale of potatoes was almost entirely responsible for the declines, from the high levels of 1960, of 18.2 per cent for Prince Edward Island and 11.0 per cent for New Brunswick. The gains recorded for the remaining provinces ranged from about 3 per cent in Ontario to 8.6 per cent in Nova Scotia.

In addition to income from the sale of farm products, farmers in Western Canada received supplementary payments totalling 8.4 million dollars during the first nine months of 1961, as against 51.1 million dollars for the corresponding period of 1960. Payments for the current year consisted almost entirely of payments made under the provisions of the Prairie Farm Assistance Act, whereas, a year ago, they included 21.1 million dollars of P.F.A.A. payments, 17.7 million dollars paid out under the Western Grain Producers' Acreage Payment Plan, and 12.3 million dollars paid in connection with the Federal-Provincial Emergency Unthreshed Grain Assistance Act. During the third quarter of 1961, potato growers in Prince Edward Island received approximately 390 thousand dollars for losses sustained as a result of fusarium rot in the 1960 potato crop. When combined, the cash income from the sale of farm products and supplementary payments totalled 2,129.3 million for the first nine months of 1961 as against 2,090.8 million for 1960, and 2,078.2 million dollars for 1959.

Field Crops - Total returns to farmers from field crops during the January - September period of 1961 amounted to 793.9 million dollars, 14.6 million dollars or nearly two per cent above the 779.2 million dollars realized in the corresponding period of a year ago. This gain can be attributed, for the most part, to increased income from wheat, flaxseed, tobacco and Canadian Wheat Board participation payments; lesser increases were estimated for fruits and vegetables. Offsetting these gains to some extent was a substantial decline in income from potatoes, lesser returns from oats and barley, and a substantial repayment of cash advances to western farmers on farm-stored grains; these repayments are reflected in the net cash advance payments of minus 35.0 million dollars.

For the nine-month period ending September, cash returns from wheat at the time of delivery amounted to 367.0 million dollars, about 24 million dollars above the estimated returns for the corresponding period of 1960. Although marketings were slightly higher in 1961 than in 1960, most of the increase was due to higher average prices; the higher average prices in 1961 reflect the delivery of high quality grain during the January - September period, whereas the lower prices in 1960 reflect the delivery, in the early months of the year, of wheat from the 1959 crop which, from the standpoint of quality, had been adversely affected by unfavourable harvesting conditions. An increase in returns from flaxseed, from 26.1 million in 1960 to 37.1 million dollars in 1961 is attributable almost entirely to an increase in marketings of about 40 per cent. The sharp rise in income from the sale of tobacco, from about 70.0 million dollars in 1960 to approximately 87 million dollars in 1961 was due, largely, to the record-breaking flue-cured tobacco crop harvested in Ontario in the fall of 1960. Canadian Wheat Board payments on western grain crops during the first nine months of 1961, totalled 86.9 million dollars, up about 7.8 million from the payments made during the corresponding period of the past year.

The most important reduction in income estimated for any single crop occurred when returns from the sale of potatoes dropped from 41.7 million dollars for the January - September period of 1960 to 27.9 million for the like period of 1961. Although estimated marketings were somewhat above the 1960 level, prices were down sharply. Farmers' repayments of cash advances on farm-stored grains in Western Canada far exceeded new advances and are reflected in the figure of minus 35.0 million dollars.

(1) Excludes Newfoundland.

for the first nine months of 1961, as against minus 1.6 million for the corresponding period of a year earlier.

Livestock and Animal Products - Total income from the sale of livestock and animal products is estimated at 1,301.4 million dollars for the nine months ending September, 1961. This is nearly 6 per cent, or about 70 million dollars, higher than the estimate of 1,231.6 million dollars for the same period of 1960. The most important contributions to this gain were made by cattle and calves, hogs, and poultry products. Dairy products also contributed to the total increase but to a lesser extent.

A substantial increase in marketings of cattle during the third quarter of 1961, relative to the third quarter of 1960, raised the total marketings for the first nine months above the 1960 nine-months level. At the same time, prices remained practically unchanged with the result that total income for the period amounted to 434.2 million dollars, as compared with 410.6 million for the corresponding period of 1960. Hog prices to the end of September of this year averaged well above the 1960 level and more than offset smaller marketings to provide a total income from this source of 229.4 million dollars as against a total of 208.0 million dollars for the first three-quarters of the previous year. Compared with a year ago, income from poultry products gained approximately 20 million dollars up to the end of September, to give a total for the period of close to 200 million dollars. This gain resulted from a substantial increase in the output of poultry meat and higher prices for eggs, with little change in egg production. Milk production continued its long-time upward trend in 1960 and this, together with little change in prices provided a total income from this source of close to 412 million dollars, about 9 million dollars higher than that realized a year earlier.

Provincial Comparisons - As has already been indicated, the reduction in total cash income for both Prince Edward Island and New Brunswick was due almost entirely to a sharp drop in potato prices and, as a consequence, a substantial decline in income from this product. The 8.6 per cent increase in farm cash income for Nova Scotia is attributable to several items, the more important being fruits, cattle and calves, hogs, and dairy and poultry products. In Quebec, hogs, dairy products and poultry meat contributed most to the estimated 7 per cent gain in farm cash income. The record-breaking 1960 flue-cured tobacco crop in Ontario, much of which was marketed in the spring of 1961, was the largest single contributor to the three per cent increase in the farm cash income of that province, during the first nine months of this year; income from hogs was also fairly substantial. In Manitoba, farm cash income was up by more than three per cent largely as a result of higher returns from the sale of wheat, flaxseed, cattle and hogs. Offsetting these gains to some extent were the large repayments of advances on farm-stored grains and smaller returns from oats and barley. In the Prairie Provinces, the largest increase occurred in Saskatchewan where income rose by nearly six per cent, largely as a result of higher income from wheat, flaxseed and cattle, and larger participation payments from the Canadian Wheat Board; as in the case of Manitoba, repayments of cash advances on farm-stored grain during the first nine months of 1961 were substantially higher than for the like period a year ago. Farm cash income was up in Alberta by about four per cent with the more important gains being contributed by cattle and hogs; lesser contributions were also provided by Canadian Wheat Board participation payments, wheat and poultry products; on the other hand, repayments of cash advances on farm-stored grains were higher for the first three-quarters of 1961 than for the corresponding period of 1960. Farm cash income for British Columbia was up by nearly four per cent as a result of higher returns from fruits, dairy and poultry products.

Farm Cash Income, July - September Quarter - Farm cash income from the sale of farm products during the third quarter of 1961 is estimated at 793.9 million dollars, 4 per cent above the 1960 level of 763.6 million dollars. Although returns from field crops during the 1961 third quarter were below the 1960 level, income from livestock and animal products increased substantially. Participation payments made by the Canadian Wheat Board during the 1961 quarter were well above those paid out during the same quarter of 1960, but smaller returns were realized from wheat, oats, barley and potatoes. At the same time, repayments of cash advances on farm-stored grains slightly exceeded advances in 1961, whereas advances were significantly greater than repayments in 1960. In the case of livestock and animal products, the most important increase in returns was estimated for cattle and calves, followed in order of importance by dairy products, poultry products and hogs.

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." Again, it should be emphasized that, in preparing these estimates, no allowance is made for costs incurred by farmers in the production of the items sold.

In Table I below is summarized the preliminary estimates of cash income from the sale of farm products, by provinces, for the first nine 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 - September 1959-61(1)

	Jan. - Mar.	April - June	July - Sept.	Jan. - Sept.
	thousand dollars			
1961 (preliminary)				
Prince Edward Island	5,411	6,851	5,562	17,824
Nova Scotia	9,480	11,076	12,901	33,457
New Brunswick	9,899	10,281	9,908	30,088
Quebec	87,081	115,615	125,300	327,996
Ontario	249,321	184,543	236,799	670,663
Manitoba	43,601	57,094	65,123	165,818
Saskatchewan	111,174	152,930	164,841	428,945
Alberta	116,985	103,745	138,688	359,418
British Columbia	26,891	25,054	34,812	86,757
Canada(2)	659,843	667,189	793,934	2,120,966
1960 (preliminary)				
Prince Edward Island	7,373	9,116	5,292	21,781
Nova Scotia	8,708	10,216	11,882	30,806
New Brunswick	11,149	12,742	9,932	33,823
Quebec	77,883	109,825	118,662	306,370
Ontario	229,442	189,842	232,781	652,065
Manitoba	40,610	56,761	62,918	160,289
Saskatchewan	91,657	150,402	163,819	405,878
Alberta	107,066	113,106	124,912	345,084
British Columbia	24,262	25,923	33,391	83,576
Canada(2)	598,150	677,933	763,589	2,039,672
1959 (revised)				
Prince Edward Island	5,771	8,441	5,989	20,201
Nova Scotia	9,117	9,802	12,070	30,989
New Brunswick	8,934	10,803	10,496	30,233
Quebec	77,821	108,529	124,974	311,324
Ontario	226,853	186,845	228,781	642,479
Manitoba	45,301	56,647	65,838	167,786
Saskatchewan	116,816	152,500	143,886	413,202
Alberta	119,831	124,475	113,556	357,862
British Columbia	25,271	24,808	32,629	82,708
Canada(2)	635,715	682,850	738,219	2,056,784

(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 September, 1961

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
thousand dollars										
Wheat	-	-	-	-	14,368	48,207	224,897	78,432	1,130	367,034
Wheat, C.W.B. payments(2)	-	-	-	-	-	9,832	50,662	22,552	-	83,046
Oats	332	37	375	2,055	2,912	2,076	2,921	4,739	127	15,574
Oats, C.W.B. payments(2)	-	-	-	-	-	1,160	1,302	1,390	-	3,852
Barley	-	-	-	23	372	7,823	16,930	20,422	510	46,080
C.W.B. net cash advance payments(3)	-	-	-	-	-	-7,000	-21,836	-6,206	-	-35,042
Rye	-	-	-	-	112	961	1,732	1,158	-	3,963
Flaxseed	-	-	-	-	143	9,120	19,154	8,647	65	37,129
Potatoes	4,278	351	4,989	5,286	10,179	301	156	1,103	1,302	27,945
Fruits	482	2,741	1,075	3,465	20,589	-	-	-	11,325	39,677
Vegetables(4)	161	917	525	11,015	41,960	932	367	887	5,165	61,929
Tobacco	12	15	-	5,399	81,752	1	-	-	-	87,179
Other crops	516	504	615	7,107	27,811	3,047	4,559	5,600	5,732	55,491
Total crops	5,781	4,565	7,579	34,350	200,198	76,460	300,844	138,724	25,356	793,857
Cattle and calves	3,560	5,089	3,711	45,479	147,720	35,973	71,818	111,613	9,221	434,184
Hogs	2,870	2,834	2,759	48,183	85,780	15,606	18,481	50,880	1,982	229,375
Sheep and lambs	57	175	197	841	1,767	284	431	2,096	388	6,236
Dairy products	3,922	9,777	9,414	138,889	143,905	21,648	24,103	32,810	27,455	411,923
Poultry	240	2,882	1,245	28,354	35,843	5,444	4,608	9,400	8,780	96,796
Eggs	1,030	6,115	2,116	15,072	47,611	6,601	5,088	8,935	10,060	102,628
Other livestock and products	90	314	148	1,150	4,092	3,581	3,391	4,721	2,771	20,258
Total livestock and products	11,769	27,186	19,590	277,968	466,718	89,137	127,920	220,455	60,657	1,301,400
Forest and maple products	273	1,704	2,919	15,676	3,742	220	181	238	741	25,694
Deficiency payments:(5) Eggs	1	2	--	2	5	1	--	1	3	15
Cash Income from Farm Products	17,824	33,457	30,088	327,996	670,663	165,818	428,945	359,418	86,757	2,120,966
Supplementary payments(6)	390	-	-	-	-	625	2,776	4,462	102	8,355
Total Cash Income	18,214	33,457	30,088	327,996	670,663	166,443	431,721	363,880	86,859	2,129,321

(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. They also include payments made to P.E.I. potato growers in connection with losses sustained as a result of fusarium rot in the 1960 potato crop.

-- 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 September, 1960

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
thousand dollars										
Wheat	-	-	-	-	11,721	45,043	207,854	77,402	997	343,017
Wheat, C.W.B. payments(2)	-	-	-	-	-	8,529	43,633	18,477	-	70,639
Oats	280	35	341	1,750	3,250	3,863	4,167	3,870	140	17,696
Oats, C.W.B. payments(2)	-	-	-	-	-	1,164	1,249	740	-	3,153
Barley	-	-	-	21	418	10,923	18,947	20,997	482	51,788
Barley, C.W.B. payments(2)	-	-	-	-	-	971	2,191	2,173	-	5,335
C.W.B. net cash advance payments(3) ...	-	-	-	-	-	-2,066	3,110	-2,690	-	-1,646
Rye	-	-	-	-	107	786	1,802	761	-	3,456
Flaxseed	-	-	-	-	90	7,350	9,846	8,723	62	26,071
Potatoes	8,742	475	9,578	5,807	14,160	346	167	817	1,580	41,672
Fruits	388	2,141	830	3,329	20,776	-	-	-	9,683	37,147
Vegetables(4)	145	834	477	9,103	39,962	863	343	821	5,015	57,563
Tobacco	-	-	-	4,722	65,188	-	-	-	11	69,921
Other crops	639	471	673	6,427	27,512	2,439	4,379	5,400	5,476	53,416
Total crops	10,194	3,956	11,899	31,159	183,184	80,211	297,688	137,491	23,446	779,228
Cattle and calves	3,586	4,400	3,752	45,702	152,992	29,688	55,787	105,402	9,332	410,641
Hogs	2,252	2,292	2,212	42,701	80,899	12,927	16,480	46,275	2,001	208,039
Sheep and lambs	62	175	237	895	1,640	266	353	2,240	452	6,320
Dairy products	3,761	9,397	9,314	134,317	143,467	20,991	23,602	31,230	26,804	402,883
Poultry	249	2,790	1,226	20,968	34,764	4,635	2,922	7,346	7,722	82,622
Eggs	1,254	5,660	2,055	13,269	45,459	6,424	5,183	7,937	9,098	96,339
Other livestock and products	105	398	173	1,500	5,070	4,720	3,595	5,285	3,899	24,745
Total livestock and products	11,269	25,112	18,969	259,352	464,291	79,651	107,922	205,715	59,308	1,231,589
Forest and maple products	275	1,717	2,947	15,676	3,568	220	181	238	748	25,570
Deficiency payments:(5) Eggs	43	21	8	183	1,022	207	87	167	74	1,812
Sugar beets	-	-	-	-	-	-	-	1,473	-	1,473
Cash Income from Farm Products	21,781	30,806	33,823	306,370	652,065	160,289	405,878	345,084	83,576	2,039,672
Supplementary payments(6)	-	-	-	-	-	5,726	28,598	16,491	283	51,098
Total Cash Income	21,781	30,806	33,823	306,370	652,065	166,015	434,476	361,575	83,859	2,090,770

(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 September, 1959

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
thousand dollars										
Wheat	-	-	-	-	8,403	45,821	186,087	80,578	907	321,796
Wheat, C.W.B. payments(2)	-	-	-	-	-	6,988	48,135	17,537	-	72,660
Oats	265	40	372	1,611	3,342	5,172	5,163	2,772	91	18,828
Oats, C.W.B. payments(2)	-	-	-	-	-	694	824	554	-	2,072
Barley	-	-	-	25	429	15,184	28,058	25,044	560	69,300
Barley, C.W.B. payments(2)	-	-	-	-	-	980	2,678	2,463	-	6,121
C.W.B. net cash advance payments(3)	-	-	-	-	-	-3,234	-4,890	-3,536	-	-11,660
Rye	-	-	-	-	88	1,016	2,153	1,132	-	4,389
Flaxseed	-	-	-	-	80	5,816	13,089	7,791	78	26,854
Potatoes	5,726	494	5,313	5,177	8,995	268	128	868	1,218	28,187
Fruits	221	2,161	685	3,581	15,725	-	-	-	8,563	30,936
Vegetables(4)	175	901	512	9,157	36,214	865	342	821	5,043	54,030
Tobacco	-	-	-	3,255	64,930	-	-	-	8	68,193
Other crops	588	468	587	6,562	27,608	2,946	4,671	5,864	5,503	54,797
Total crops	6,975	4,064	7,469	29,368	165,814	82,516	286,438	141,888	21,971	746,503
Cattle and calves	4,345	4,992	4,090	45,158	140,569	29,023	64,050	103,253	10,043	405,523
Hogs	2,873	1,941	2,243	52,896	96,065	17,360	24,875	60,771	2,281	261,305
Sheep and lambs	55	196	213	998	1,611	266	398	1,973	414	6,124
Dairy products	4,001	9,603	9,377	130,776	140,703	21,128	23,515	29,671	26,794	395,568
Poultry	379	2,306	1,374	19,393	40,172	5,951	4,109	7,399	7,999	89,082
Eggs	1,191	5,774	2,287	16,372	49,111	7,430	6,248	8,215	9,602	106,230
Other livestock and products	109	393	261	1,470	5,100	3,893	3,389	4,455	2,859	21,929
Total livestock and products	12,953	25,205	19,845	267,063	473,331	85,051	126,584	215,737	59,992	1,285,761
Forest and maple products	273	1,720	2,919	14,893	3,334	219	180	237	745	24,520
Cash Income from Farm Products	20,201	30,989	30,233	311,324	642,479	167,786	413,202	357,862	82,708	2,056,784
Supplementary payments(5)	-	-	-	-	-	1,463	13,097	6,695	135	21,390
Total Cash Income	20,201	30,989	30,233	311,324	642,479	169,249	426,299	364,557	82,843	2,078,174

(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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