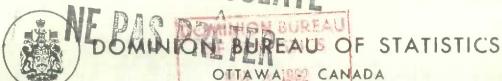
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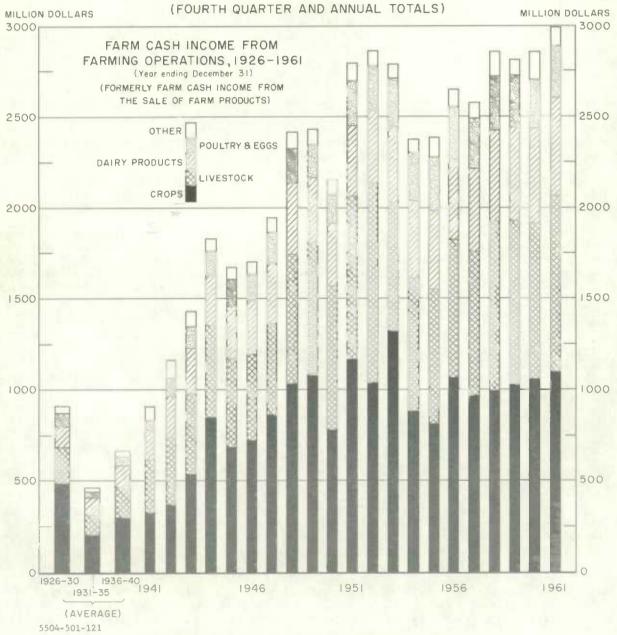
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FARM CASH INCOME, 1961



Prepared in Farm Finance Section, AGRICULTURE DIVISION

FARM CASH INCOME FROM FARMING OPERATIONS, 1961(1) (Formerly Farm Cash Income from the Sale of Farm Products)

This report presents the detailed annual preliminary estimates, of farm cash income from farming operations for the year 1961. As a result of more up-to-date information becoming available in recent weeks, the estimated total farm cash income for 1961 differs slightly from that contained in the advance preliminary report published in January.

The present estimate indicates that, during 1961, Canadian farmers' cash income from farming operations reached the all-time high of 2,958.5 million dollars. This estimate is 3.5 per cent above the previous record high of 2,859.1 million dollars established in 1952, and 6.4 per cent higher than the 2,781.5 million dollars in 1960.

Included in these estimates are cash income from the sale of farm products, Canadian Wheat Board participation payments, net cash advances on farm-stored grains, and deficiency payments made under the present farm prices support program, but not the supplementary payments mentioned below. In this report no allowance is made for costs incurred by farmers in the production of the commodities sold. Detailed estimates of farmers' net returns from farming operations after deductions for operating expenses and depreciation charges will be published in the report entitled Farm Net Income to be released in about two weeks.

The more important contributions to the increase in farm cash income between 1960 and 1961 were made by wheat, flaxseed, fruits and vegetables, tobacco, cattle, calves, 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 lower income from oats and barley.

With the exception of Prince Edward Island and New Brunswick, all provinces shared in the increase in farm cash income. In the case of these two Maritime provinces, a substantial reduction in total cash income occurred largely as a result of a sharp drop in returns from the sale of potatoes.

In addition to the above-mentioned farm cash income, farmers in Western Canada received supplementary payments totalling 35.8 million dollars during 1961, as against 77.2 million dollars a year earlier. During 1961, these payments consisted almost entirely of disbursements under the provisions of the Prairie Farm Assistance Act, whereas in 1960 they included not only P.F.A.A. payments but also payments made under the provisions of the Western Grain Producers' Acreage Payment Plan and the Federal-Provincial Emergency Unthreshed Grain Assistance Policy. During 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.

With supplementary payments included, total cash income from farming operations amounted to 2,994.3 million dollars. This estimate exceeds by 4.5 per cent the previous high of 2,864.3 million dollars recorded for 1952 and is 4.7 per cent higher than the revised estimate of 2,858.7 million dollars for 1960.

Field Crops - Total returns to farmers from the sale of field crops during 1961 amounted to 1,100.7 million dollars, only slightly higher than the total of 1,061.5 million realized a year earlier. Although estimates indicate a very significant increase in farm cash income for wheat and Canadian Wheat Board participation payments and lesser increases for flaxseed, tobacco, fruits and vegetables, these gains were offset to a large extent by substantial repayments of advances on farm-stored grains, much smaller returns from the sale of potatoes and lesser income from oats and barley.

Cash income from wheat, received by farmers at time of delivery, totalled 484.8 million dollars for the year 1961, about 41.8 million dollars above the estimated returns of a year earlier as a result of both higher prices and higher marketings. Much of the increase in average wheat prices for 1961 can be attributed to the deliveries of high quality grains during the January-September period, whereas the lower prices in 1960 reflected 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. Higher average prices and larger marketings also accounted for the substantial increase in returns from flaxseed. Cash income to tobacco growers increased by 6.6 million dollars in 1961 to reach a total of 103.1 million dollars, the first time the estimated returns from sales of this crop exceeded the hundred-million dollar mark. This gain can be largely attributed to the record-breaking flue-cured tobacco crop harvested in Ontario in the fall of 1960 and sold for the most part in the early months of 1961. Participation payments made by the Canadian Wheat Board to western grain producers in 1961 totalled 132.3 million dollars, well above the 79.1 million paid a year earlier.

(1) Excludes Newfoundland.

The 1961 payments included final payments of 16.3 cents per bushel on oats and 2.13 cents per bushel on barley delivered during the crop year 1959-60; an interim payment of 10 cents per bushel and a final payment of 12.0 cents per bushel on the 1959-60 crop year deliveries of wheat; an interim payment of 10 cents on the 1960-61 wheat crop marketings; and, a final payment of 14.1 cents per bushel on the 1960-61 deliveries of oats.

The most important reduction in income from any single crop was estimated for potatoes, where sharply lower average prices during the year reduced farmers' returns from this crop from 58.4 million dollars in 1960 to 38.8 million in 1961. Farmers' repayments of cash advances on farm-stored grains in Western Canada far exceeded new advances in 1961 and are reflected in the figure of minus 34.5 million dollars. This is in contrast with the situation in 1960 when advance payments far exceeded repayments to give total net advances of 21.0 million dollars.

Livestock and Animal Products - It is estimated that, during 1961, farmers in Canada received a record high return from the sale of livestock and animal products of 1,818.9 million dollars. This is 8.6 per cent above the 1960 estimate of 1,675.1 million dollars and 3.6 per cent above the previous record of 1,755.1 million dollars received in 1958. The most significant contributions to the increase between 1960 and 1961 were accounted for by much higher returns from the sale of cattle and hogs. Lesser, but still important, contributions were also made by calves, and dairy and poultry products.

Marketings of both cattle and calves during the first six months of 1961 were practically unchanged from those for the corresponding period of a year earlier. However, the development of drought conditions and the resultant shortage of pasture during the summer months forced farmers in Western Canada to reduce cattle numbers, with the result that total marketings during the third quarter of the year rose quite substantially. During the last quarter of the year demand for cattle by feeders in the United States helped to maintain marketings of Canadian cattle above the level for the same period in 1960. As a result of the increase in total annual marketings at average prices not greatly different from those prevailing during 1960, total returns from cattle and calves during 1961 reached the all-time high of 632.5 million dollars. This compares with 563.0 million dollars realized in 1960 and the previous all-time high of 595.3 million dollars established in 1958. Total hog marketings during 1961 were not greatly different from those in 1960, but average prices were substantially higher with the result that total farm cash income from this source rose from 277.6 million in 1960 to 322.0 million in 1961.

Milk production continued its long-time upward trend during 1961 which more than offset somewhat lower average prices to provide a total income from dairy products about 16.0 million dollars above the 1960 level of \$\overline{1}7.8\$ million. Total returns from poultry products amounted to 283.4 million dollars, 4.2 per cent above the previous year's level of 271.9 million. In the case of eggs, slightly lower marketings were more than offset by somewhat higher prices to give total returns from this source of 141.5 million dollars in 1961. Farmers' cash income from the sale of poultry meat during 1961 increased by about seven million dollars as a result of a substantial increase in production.

Provincial Comparisons - As indicated above, the reduction in total farm cash income for both Prince Edward Island and New Brunswick was due almost entirely to sharply lower potato prices and, as a consequence, a substantial decline in income from this commodity. A gain of nearly four per cent in total farm cash income for Nova Scotia was due to several items, the most important being cattle and calves, hogs, fruits and vegetables, dairy products and eggs. Hogs, dairy products and poultry meats contributed most to the gain of about 7 per cent in total farm cash income for Quebec. In Ontario, total farm cash income was up by 3.5 per cent with increased returns from livestock and tobacco providing for the largest share of the gain.

Farm cash income arising out of the sale of agricultural products in Manitoba in 1961 was estimated at slightly more than eight per cent above the 1960 level as a result of substantially increased returns from wheat, cattle, hogs and Canadian Wheat Board participation payments; offsetting these gains to some extent were large repayments of advances on farm-stored grains and smaller returns from the sale of oats and barley. Returns to farmers from the sale of farm products in Saskatchewan were up by 8.6 per cent in 1961 with wheat, flaxseed, cattle, hogs and Canadian Wheat Board participation payments being the more important contributors; as in the case of Manitoba, these gains were offset to some extent by large repayments of advances on farm-stored grains and reduced income from the sale of oats and barley. Alberta was the province in which the greatest gain in total farm cash income was recorded, both on a percentage basis and in absolute terms. As in the case of the other two Prairie Provinces, wheat, cattle, hogs and Canadian Wheat Board payments were among the important contributors to the higher income. Unlike the other provinces, however, returns from the sale of oats and barley were higher in Alberta in 1961 than in 1960. Substantial repayments of cash advances on farm-stored grains offset these gains to some extent. Cash income to farmers in British Columbia was about 5 per cent higher in 1961 than in 1960, with the more important increases being recorded for fruits, cattle, dairy products and eggs.

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 Policy 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 1 below is summarized the preliminary estimate of cash income from the sale of farm products, by quarters and by provinces, for the calendar year 1961 and revised estimates for 1959 and 1960. 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 Farming Operations, by Quarters, 1959-61(1)

	January	April	July	October		
	-	-	-	-	Year	
	March	June	September	December		
1067 (thousand doll	ars		
1961 (preliminary):						
Prince Edward Island	5,411	6,888	5,709	6, 199	24,207	
Nova Scotia	9,612	11,124	12,561	12,404	45,70	
New Brunswick	10,064	10,223	9,757	12,120	42,164	
Quebec	86,954	113,039	124,599	120,400	444,99	
Ontario	250,417	186,288	238,038	225,231	899,974	
Manitoba	44,649	61,009	69,092	67,386	242,13	
Saskatchewan	112,395	154.452	177,454	153,754	598,05	
Alberta	117,963	106,119	145,972	157,782	527,83	
British Columbia	27,512	25,086	34,333	46,549	133,486	
British Columbia	21,314	23,000	34,333	40, 749	133,400	
Canada(2)	664,977	674,228	817,515	801,825	2,958,54	
1000						
1960 (revised):						
Prince Edward Island	7,367	9,110	5,290	7,374	29,14	
Nova Scotia	8,698	10,458	12,277	12,613	44.04	
New Brunswick	11,135	12,735	10,205	14,031	48,10	
Quebec	77,760	109,197	117,413	110,895	415, 26	
Ontario	227,255	188,167	228,463	225,444	869,329	
Manitoba	40,093	56,092	63,145	63,819	223,149	
Saskatchewan	92,468	151,434	164,973	141,876	550.751	
Alberta	106,995	112,339	124,468	130,898	474,700	
British Columbia	24,009	24,905	33,632	44,505	127,051	
billisii Columbia	24,009	24,303	33,032	44, 505	127,001	
Canada(2)	595,780	674,437	759,866	751,455	2,781,538	
1050 (ward and)						
1959 (revised):						
Prince Edward Island	5,749	8,440	5,987	8,131	28,307	
Nova Scotia	9,082	9,816	12,038	11,830	42,76	
New Brunswick	8,843	10,797	10,475	13,644	43,759	
Quebec	77,726	108,568	124,938	109,044	420,270	
Ontario	226,146	186,888	226,120	216,388	855,54	
Manitoba	45,067	56,532	65,968	63,205	230,77	
Saskatchewan	116,778	152,478	143,944	150,979	564,179	
Alberta	120,111	124,544	113,676	122,810	481,14	
British Columbia	25,430	24,622	32,809	41,587	124,448	
Canada(2)	634,932	682,685	735,955	737,618	2,791,190	

⁽¹⁾ Excludes supplementary payments.

⁽²⁾ Excludes Newfoundland.

Table 1. Prefigalizary Exclusive of Farm Coab Income from Farming Operation, by Provinces(1), 1961

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
	2,000000				thous	and dollars				
Thurst	_		_		16,778	65,662	289,242	111,429	1,739	484,850
/heat	_	_	_	_	10,770	14,543	76,441	31,346	-,	122,330
Theat, C.W.B. payments(2)	438	49	494	2,834	3,926	3.057	3,547	9,019	599	23,963
lats	430	47	474	2,034	5,720	2,634	3,264	3,030	-	8,928
ats, C.W.B. payments(2)	-		40	29	498	9,995	20,031	31,144	902	62,599
arley	_	-	-	29		366	782	874	,02	2,022
arley, C.W.B. payments(2)	-	-	**	-	-	-7,223	-22,197	-5,118	_	-34,538
.W.B. net cash advance payments(3)	-	-	-	-	-		,	,		5,002
ye	-	-	-	-	281	1,066	2,110	1,545	7.00	
laxseed	-	-		- 401	432	12,603	22,070	13,961	198	49,264
otatoes	5,928	620	6,683	6,694	12,959	534	258	2,361	2,725	38,762
ruits	482	3,029	1,449	7,112	24,665	-	-	_	18,668	55,405
egetables(4)	232	1,528	870	17,281	46,885	1,207	478	1,150	7,045	76,676
Tobacco	12	15	-	5,399	97,660	1	-	-	de	103,087
other crops	705	695	872	10,224	46,225	6,618	11,936	15,954	9,126	102,355
Total crops	7,797	5,936	10,368	49,573	250,309	111,063	407,962	216,695	41,002	1,100,705
Cattle and calves dogs heep and lambs Soultry Eggs Other livestock and products Total livestock and products	4,741 3,915 195 5,043 483 1,435 127	7,558 3,539 369 12,747 3,640 8,301 668 36,822	5,813 3,682 343 12,195 1,595 2,896 219 26,743	64,628 68,546 1,492 179,541 35,475 21,308 2,106	209,592 117,168 3,038 188,363 52,514 65,322 7,938	52,435 23,100 579 27,433 11,895 9,241 6,013	107,735 28,100 1,140 30,434 10,282 6,936 5,153	158,444 71,351 3,858 41,617 15,076 12,290 8,097	21,534 2,578 692 36,605 10,911 13,798 5,072 91,190	632,488 321,979 11,700 533,978 141,87: 141,52: 35,39:
Forest and maple products	470	2,941	5,020	22,321	5,725	376	313	407	1,285	38,85
Deficiency payments: (5) Eggs Potatoes	1	2	33	2	5	1 -	no 400 407	1 -	3 -	15
Cash Income from Farm Products	24,207	45,701	42,164	444,992	899,974	242,136	598,055	527,836	133,480	2,958,545
Supplementary payments(6)	390	-	-	_	-	3,414	23,627	8,233	102	35,760
Total Cash Income	24,597	45,701	42,164	444,992	899,974	245,550	621,682	536,069	133,582	2,994,31

⁽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.

^{-- 500} dollars or less.

TABLE 3. Revised Estimate of Farm Cash Income from Farming Operations, by Provinces (1), 1960

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
					thousa	ind dollars				
Theat					15,284	56,427	268,612	101,333	1,397	443,053
Wheat, C.W.B. payments(2)		-		_	201204	8,529	43,633	18,478	19397	70,640
Dats	377	48	465	2,567	4,166	5,214	5,754	5,456	323	24,370
Dats, C.W.B. payments(2)	-	-		-,,-	.,	1,164	1,249	740	323	3,153
Barley		-	_	30	536	14,137	25,774	28,397	754	69,628
Barley, C.W.B. payments(2)		-	_		-	971	2,191	2,173	, , , ,	5,335
.W.B. net cash advance payments(3)	-	-	-	-	-	2,223	15,067	3,750	_	21,040
Rye		_		_	273	1,012	2,238	889	_	4,412
Plaxseed	-	_	_	-	429	12,732	16,872	12,601	122	42,756
Potatoes	11,778	822	13,188	8,171	17,616	721	361	2,242	3,461	58,360
ruits	394	2,894	1,370	6,930	23, 394	-	501	2,272	16,874	51,856
/egetables(4)	242	1,390	793	14,245	46,802	1,120	445	1,065	6,842	72,944
Tobacco	-	_,		4,722	91,709	1,120	445	1,000	15	
Other crops	864	681	990	9,587	43,318	6,037	11,820	15 /33		96,446
and cooper transfer to the contract of the con	004		770	3,307	43,310	0,037	11,020	15,433	8,728	97,458
Total crops	13,655	5,835	16,806	46,252	243,527	110,287	394,016	192,557	38,516	1,061,451
Cattle and calves	4,347	6,622	5,502	62,640	197,964	40,964	82,110	143,808	19,077	563,034
Hogs	3,178	3,170	3,271	57,018	106,162	18,227	22,430	61,563	2,571	277,590
Sheep and lambs	177	390	376	1,689	2,920	465	969	3,516	710	11,212
Dairy products	4,840	12,401	11,934	171,688	185,064	26,657	29,976	39,596	35,596	517,752
Poultry	663	3,962	1,843	30,864	53,848	10,411	8,244	12,991	11,624	134,450
Eggs	1,613	7,914	2,871	19,595	64,639	9,196	7,676	11,248	12,732	137,484
Other livestock and products	127	642	222	2,116	7,750	5,695	4,905	7,326	4,781	33,564
Total livestock and products	14,945	35,101	26,019	345,610	618,347	111,615	156,310	280,048	87,091	1,675,086
-								-		
Forest and maple products	494	3,085	5,272	23,119	5,759	395	330	427	1,350	40,231
Deficiency payments: (5)										
Eggs	47	25	9	208	1,164	226	95	195	94	2.063
Sugar beets	-	dis and	-	76	532	626	-	1,473	-	2,707
ash Income from Farm Products	29,141	44,046	48,106	415,265	869,329	223,149	550,751	474,700	127,051	2,781,538
Supplementary payments(6)		-	-			9,724	42,181	25,010	289	77,204
Total Cash Income	29,141	44,046	48,106	415,265	869,329	232,873	592,932	499,710	127,340	2,858,742

⁽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 Policy.

TABLE 4. Revised Estimate of Farm Cash Income from Farming Operations, by Provinces(1), 1959

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
					thous	and dollars				
thout					9.844	60,441	259,318	104,422	1,235	435,260
heat	_	_	_		,,,,,,,	6,988	48,136	17,538	-,	72,662
heat, C.W.B. payments(2)	346	51	476	2,254	4,373	5,854	5,811	3,596	126	22,887
ats	340	21	470	2,254	4,575	694	824	554		2,072
ats, C.W.B. payments(2)	_	-		33	563	17,744	33,839	33,885	769	86,833
arley	_	-	-	33	203	980	2,678	2,463	-	6,12
arley, C.W.B. payments(2)	-	-	-	-	_	350	1.330	792		2,47
.W.B. net cash advance payments(3)	•	-			220	1,153	2,476	1,326	_	5,17
ye	-	-	_	-			-		161	49,67
laxseed		-			237	11,113	21,454	16,706		
otatoes	9,484	909	8,932	7,033	12,152	569	281	1,673	2,810	43,84
ruits	221	2,377	1,130	6,924	18,830	-	-	-	13,575	43,05
egetsbles(4)	265	1,256	714	12,785	41,883	1,015	401	964	6,948	66,23
obacco,	-	-	-	3,255	86,417	-	-	-	12	89,68
ther crops	834	658	892	9,418	45,916	5,472	7,157	15,022	8,644	94,01
Total crops	11,150	5,251	12,144	41,702	220,435	112,373	383,705	198,941	34,280	1,019,98
				-						-
attle and calves	5,242	7,274	5,807	62,486	183,881	40,484	93,198	132,529	20,830	551,73
Ogs	3,826	2,641	3,152	70,064	127,798	23,353	33,033	78,173	2,994	345,03
heep and lambs	176	426	369	1,772	2,983	452	891	2,908	649	10,62
airy products	5,195	12,545	12,082	170,250	185,053	26,397	29,827	37,578	35,281	514,20
	654	3,340	1,813	27,676	57,632	12,205	10,046	12,775	11,660	137,80
Poultry	1,451	7,567	2,908	21,708	64,585	9,526	8,291	10,943	12,803	139,78
ggs	118	621	219	2,211	7,629	5,586	4,858	6,865	4,598	32,70
Total livestock and products	16,662	34,414	26,350	356,167	629,561	118,003	180,144	281,771	88,815	1,731,88
·										
	105	2 101	E 3/5	22 /02	5 5 / 4	396	330	429	1,353	39,32
orest and maple products	495	3,101	5,265	22,407	5,546	230	230	44.7	1,333	75,32
Cash Income from Farm Products	28,307	42,766	43,759	420,276	855,542	230,772	564,179	481,141	124,448	2,791,19
Supplementary payments(5)	_		_			1,719	13,104	7,128	136	22,08
supprementary payments(),						*,,***	A3, AUT	.,		
Total Cash Income	28,307	42,766	43,759	420,276	855,542	232,491	577,283	488,269	124,584	2,813,27

⁽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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