

CATALOGUE No.  
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OTTAWA, CANADA

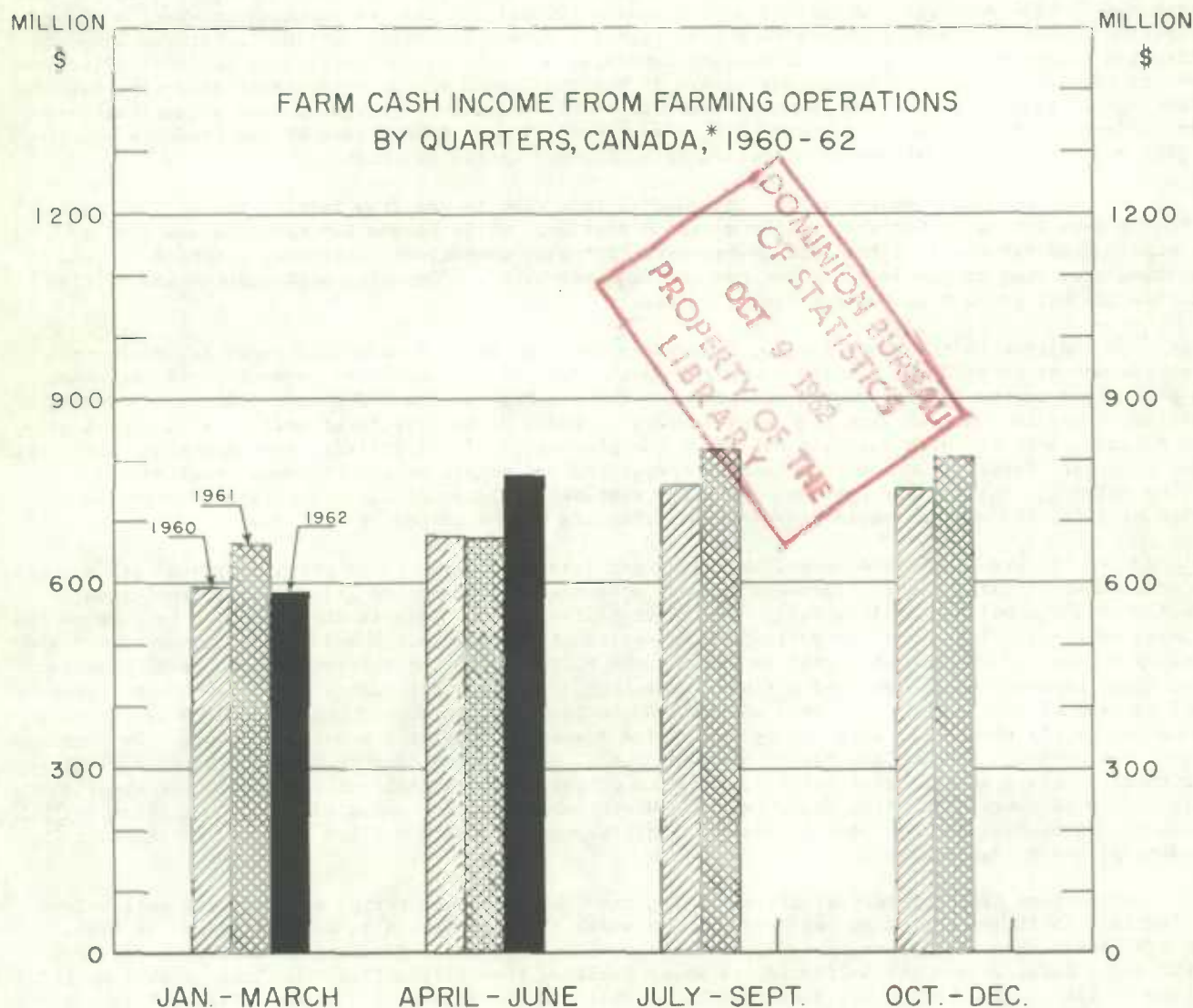
Published by Authority of the Honourable George Hees, Minister of Trade and Commerce

1962 No. 2

Price: 25 cents per copy

# FARM CASH INCOME

APRIL TO JUNE 1962



\* Newfoundland excluded  
October 1962  
5504-501

Prepared in Farm Finance Section, AGRICULTURE DIVISION

## FARM CASH INCOME FROM FARMING OPERATIONS, JANUARY - JUNE 1962(1)

Farm cash income from farming operations for the first six months of 1962 has been estimated at 1,361.0 million dollars, a record high for this period of the year. This is 1.6 per cent above the corresponding estimate of 1,339.2 million dollars for 1961, the previous all-time high. 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. These estimates do not take into account any cost incurred by farmers in the production of commodities sold.

The maintenance of farm cash income at this level during the first six months of 1962 can be attributed for the most part to an increase of nearly 100 million dollars in Canadian Wheat Board participation payments. These payments more than offset a very substantial decline in returns from the deliveries of the principal grains in Western Canada as a result of the short crop in 1961. Since repayments of cash advances on farm-stored grain in Western Canada are directly associated with farmers' marketings of grain, the decline in marketings during this period is reflected in a significant reduction in farmers' repayments as compared with a year ago. Income from livestock and products continued to gain with the most important contribution being made by cattle and calves.

Not all provinces shared in the increase in farm cash income from farming operations. Minor decreases were estimated for each of the Maritime Provinces while income for Manitoba was down by 15 per cent. Cash returns to farmers in Quebec were virtually unchanged. Increases recorded for the remaining provinces ranged from between two and four per cent for Ontario, Saskatchewan and British Columbia to just under nine per cent for Alberta.

In addition to the above income, farmers in the four western provinces received, during the first six months of 1962, 66.3 million dollars in the form of supplementary payments paid out under the provisions of the Prairie Farm Assistance Act and the Western Grain Producers' Acreage Payment Plan. This was in contrast with the supplementary payments during the first half of 1961 of 7.6 million dollars, most of which was paid out under the provisions of the Prairie Farm Assistance Act. When added together, farmers' income from farming operations and supplementary payments totalled 1,427.3 million dollars. This is six per cent above the comparable figure of 1,346.8 million for the same period of 1961, and also a record high for the first six months of the year.

**Field Crops** - Income from field crops, including participation payments on previous years' grain crops and adjustments arising out of repayment of cash advances on farm-stored grain in Western Canada, amounted to 494.9 million dollars during the first half of 1962. This is about two per cent above the estimate of 486.2 million for the corresponding period of a year ago. The level of income from field crops up to the end of June this year is due for the most part to the receipt of very large Canadian Wheat Board payments which included a final payment of 31.8 cents per bushel on the 1960 wheat crop, a final payment of 8.36 cents per bushel on the 1960 barley crop and an adjustment payment of 10 cents per bushel on all wheat delivered during the period August 1, 1961 to February 28, 1962. The latter payment was intended to equalize the returns per bushel received by farmers prior to March 1, 1962, with those received on and after March 1, the date on which the initial delivery price for wheat was increased by 10 cents. In total these Canadian Wheat Board payments amounted to 152.8 million dollars during the first half of this year in contrast with payments of 54.3 million dollars for the corresponding period a year earlier.

Marketings of the principal grains during the January - June period of 1962 were well below the levels established a year ago and reflect the small crops harvested in Western Canada in 1961. Although prices were well above those of a year ago, they were not sufficient to offset the reduced deliveries. Returns from the deliveries of wheat declined from 239.4 million dollars in 1961 to 147.1 million in 1962, while barley was down from 26.7 million dollars to 13.9 million. Farmers' income from flaxseed dropped by more than 50 per cent to 10.5 million dollars. Marketings of potatoes were higher during the first half of this year than for the corresponding period in 1961, but prices were lower with the result that income from this source declined from 19.2 million to 15.2 million dollars in 1962.

As is usual for the first half of the year, cash advances on farm-stored grain in Western Canada have been exceeded by repayments of these advances with the result that the net entry in farm cash income estimates for this item has become negative. Since repayments of these advances depend for the most part upon farmers' grain marketings, the reduced deliveries during the first half of this year are reflected in the net repayments of 6.1 million dollars this year as against 34.9 million dollars for the same period in 1961.

(1) Excludes Newfoundland.



Livestock and Livestock Products - Total farm cash income from the sale of livestock and livestock products, led by increased income from cattle and calves, rose from nearly 830 million dollars for the first six months of 1961 to 841.5 million dollars for the like period of 1962. Higher prices for both cattle and calves, together with higher marketings of calves, offset slightly lower marketings for cattle to provide an income from this source of 290.7 million dollars, nearly 4 per cent above the 1961 level for the first six months. Income from hog sales was down slightly because of lower average prices. Higher production accounts for nearly all of the increase of 3.5 million dollars in returns from the sale of dairy products. Total income from poultry products at 120.8 million dollars for the first six months of 1962 was almost identical with the returns realized a year earlier.

Provincial Comparisons - Total farm cash income from farming operations was down slightly in the Maritime region largely as a result of reduced income from potatoes, hogs and poultry products. Farm cash income to farmers in Quebec was practically unchanged from a year earlier with lower income from potatoes, tobacco and cattle almost offsetting higher returns from most of the remaining livestock and livestock products. In Ontario higher total returns from tobacco, cattle, calves and dairy products contributed most to the two per cent increase in farm income.

The greatest reduction in cash income from farming operations for any province occurred in Manitoba where it declined by 15 per cent largely because of a sharp drop in deliveries of wheat. Although Canadian Wheat Board participation payments were substantially higher they failed to compensate for this loss. Lesser amounts were also realized from coarse grains, flaxseed and cattle. In Saskatchewan, income from the sale of the principal grains during the first six months of 1962 was well below the level of the previous year. Far more than offsetting this loss, however, was the very substantial increase in Canadian Wheat Board participation payments and a marked reduction in repayments of cash advances on farm-stored grain. As a consequence total cash returns from farming operations were up by more than three per cent in this province. Cash income from farming operations in Alberta for the first half of 1962 was 8.6 per cent above the 1961 level for the same period, the largest increase for any of the provinces. As in the case of Saskatchewan substantially lower returns from marketings of grains were more than offset by very much larger Canadian Wheat Board participation payments and a marked reduction in repayments of cash advances on farm-stored grain. In addition, returns from the sale of cattle, calves and hogs were up in total by nearly 10 million dollars. Besides the above income, farmers in the Prairie Provinces received supplementary payments paid out under the provisions of the Prairie Farm Assistance Act and the Western Grain Producers' Acreage Payment Plan. When these payments were added to farmers' cash returns from farming operations, the total for Manitoba was raised to within five per cent of the comparable figure for 1961. For each of Saskatchewan and Alberta, total income from these two sources was about 15 per cent above the comparable 1961 level.

Farm cash income for British Columbia was up by just over two per cent, with the most important contribution to this gain being made by cattle and calves.

Farm Cash Income, April-June Quarter - Farm cash income from farming operations for the second quarter of 1962 was estimated at 775.9 million dollars, about 15 per cent above the 674.2 million dollars realized during the second quarter of 1961. The most important contribution to the gain for 1962 over 1961 was made by exceptionally large Canadian Wheat Board participation payments. In addition repayments of cash advances on farm-stored grain in the 1962 period were well below those for the same period of a year ago. Sales of Ontario tobacco, which are usually completed in the first quarter of each year, were carried well into the second quarter in 1962 and contributed a substantial amount to total cash income for this period of the year. Lesser increases were also recorded for cattle and calves. When supplementary payments are included with the above income estimates, total farm cash income for the second quarter of 1962 amounted to 776.3 million dollars as against 675.0 million dollars for the second quarter of 1961.

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 farm prices support program and net cash advances on farm-stored grain. 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 farming operations 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 overleaf is summarized the preliminary estimates of cash income from farming operations, by provinces, for the first six months of 1961 and 1962 and revised estimates for 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  
January - June, 1960-62(1)

	Jan. - Mar.	Apr. - June	Jan. - June
thousand dollars			
1962 (preliminary):			
Prince Edward Island .....	5,036	7,108	12,144
Nova Scotia .....	9,564	10,483	20,047
New Brunswick .....	8,976	10,614	19,590
Quebec .....	85,004	115,630	200,634
Ontario .....	226,778	219,222	446,000
Manitoba .....	34,394	55,463	89,857
Saskatchewan .....	79,203	196,436	275,639
Alberta .....	108,720	134,560	243,280
British Columbia .....	27,471	26,359	53,830
Canada(2) .....	585,146	775,875	1,361,021
1961 (preliminary):			
Prince Edward Island .....	5,411	6,888	12,299
Nova Scotia .....	9,612	11,124	20,736
New Brunswick .....	10,064	10,223	20,287
Quebec .....	86,954	113,039	199,993
Ontario .....	250,417	186,288	436,705
Manitoba .....	44,649	61,009	105,658
Saskatchewan .....	112,395	154,452	266,847
Alberta .....	117,963	106,119	224,082
British Columbia .....	27,512	25,086	52,598
Canada(2) .....	664,977	674,228	1,339,205
1960 (revised):			
Prince Edward Island .....	7,367	9,110	16,477
Nova Scotia .....	8,698	10,458	19,156
New Brunswick .....	11,135	12,735	23,870
Quebec .....	77,760	109,197	186,957
Ontario .....	227,255	188,167	415,422
Manitoba .....	40,093	56,092	96,185
Saskatchewan .....	92,468	151,434	243,902
Alberta .....	106,995	112,339	219,334
British Columbia .....	24,009	24,905	48,914
Canada(2) .....	595,780	674,437	1,270,217

(1) Excludes supplementary payments.

(2) Excludes Newfoundland.

TABLE 2. Preliminary Estimate of Farm Cash Income from Farming Operations, by Provinces, (1) January to June 1962

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
thousand dollars										
Wheat .....	-	-	-	-	3,414	12,146	89,787	40,554	1,159	147,060
Wheat, C.W.B. payments(2) .....	-	-	-	-	-	16,966	94,343	34,270	-	145,579
Oats .....	235	25	247	1,307	2,097	304	328	1,676	261	6,480
Barley .....	-	-	-	12	270	1,682	4,118	7,312	529	13,923
Barley, C.W.B. payments(2) .....	-	-	-	-	-	1,267	3,061	2,879	-	7,207
C.W.B. net cash advance payments(3) ....	-	-	-	-	-	- 667	- 3,148	- 2,276	-	- 6,091
Rye .....	-	-	-	-	-	312	746	456	-	1,514
Flaxseed .....	-	-	-	-	-	1,978	4,864	3,515	114	10,471
Rapeseed .....	-	-	-	-	-	9	1,727	807	-	2,543
Soybeans .....	-	-	-	-	3,636	-	-	-	-	3,636
Potatoes .....	3,277	93	3,920	1,865	3,886	185	72	949	964	15,211
Fruits .....	34	523	32	225	3,145	-	-	-	3,727	7,686
Vegetables(4) .....	100	187	105	3,070	8,017	295	118	279	2,265	14,436
Tobacco .....	42	33	5	4,156	85,103	-	-	-	-	89,339
Other crops .....	345	302	372	4,468	19,951	1,546	1,744	3,830	3,366	35,924
<b>Total crops .....</b>	<b>4,033</b>	<b>1,163</b>	<b>4,681</b>	<b>15,103</b>	<b>129,519</b>	<b>36,023</b>	<b>197,760</b>	<b>94,251</b>	<b>12,385</b>	<b>494,918</b>
Cattle and calves .....	3,119	3,325	2,473	30,781	106,381	19,487	42,633	76,079	6,453	290,731
Hogs .....	1,718	1,728	1,438	32,511	53,716	10,552	13,284	38,116	1,051	154,114
Sheep and lambs .....	6	39	10	99	788	79	190	1,130	80	2,421
Dairy products .....	2,089	6,222	5,761	78,721	95,365	13,802	14,894	20,542	18,307	255,703
Poultry .....	97	1,549	572	17,015	21,354	2,077	1,195	4,000	4,512	52,371
Eggs .....	761	4,025	1,226	10,351	30,992	4,728	3,665	5,495	7,225	68,468
Other livestock and products .....	77	475	129	1,129	4,441	2,944	1,882	3,488	3,153	17,718
<b>Total livestock and products .....</b>	<b>7,867</b>	<b>17,363</b>	<b>11,609</b>	<b>170,607</b>	<b>313,037</b>	<b>53,669</b>	<b>77,743</b>	<b>148,850</b>	<b>40,781</b>	<b>841,526</b>
Forest and maple products .....	244	1,521	2,596	14,924	3,444	165	136	179	664	23,873
Deficiency payments:(5) Potatoes .....	-	-	704	-	-	-	-	-	-	704
<b>Cash Income from Farming Operations ....</b>	<b>12,144</b>	<b>20,047</b>	<b>19,590</b>	<b>200,634</b>	<b>446,000</b>	<b>89,857</b>	<b>275,639</b>	<b>243,280</b>	<b>53,830</b>	<b>1,361,021</b>
Supplementary payments(6) .....	-	-	-	-	-	11,672	35,457	18,850	295	66,274
<b>Total Cash Income .....</b>	<b>12,144</b>	<b>20,047</b>	<b>19,590</b>	<b>200,634</b>	<b>446,000</b>	<b>101,529</b>	<b>311,096</b>	<b>262,130</b>	<b>54,125</b>	<b>1,427,295</b>

(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 1962 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.

-- 500 dollars or less.



TABLE 3. Preliminary Estimate of Farm Cash Income from Farming Operations, 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	34,848	145,326	54,705	876	239,400
Wheat, C.W.B. payments(2) .....	-	-	-	-	-	4,849	34,387	9,222	-	48,458
Oats .....	232	25	252	1,400	1,923	1,843	2,321	2,146	204	10,346
Oats, C.W.B. payments(2) .....	-	-	-	-	-	1,161	1,302	1,390	-	3,853
Barley .....	-	-	-	16	241	5,362	9,271	11,437	358	26,685
Barley, C.W.B. payments(2) .....	-	-	-	-	-	366	782	874	-	2,022
C.W.B. net cash advance payments(3) ....	-	-	-	-	-	- 6,573	- 21,660	- 6,633	-	- 34,866
Rye .....	-	-	-	-	-	459	1,163	607	-	2,229
Flaxseed .....	-	-	-	-	-	4,504	11,363	5,553	67	21,487
Potatoes .....	3,847	109	4,785	2,873	5,135	261	138	913	1,090	19,151
Fruits .....	47	861	39	184	3,677	-	-	-	3,935	8,743
Vegetables(4) .....	100	191	109	2,735	8,036	255	102	245	2,178	13,951
Tobacco .....	12	15	-	5,399	81,752	1	-	-	-	87,179
Other crops .....	351	310	383	4,536	19,568	1,848	4,479	2,847	3,220	37,542
<b>Total crops .....</b>	<b>4,589</b>	<b>1,511</b>	<b>5,568</b>	<b>17,143</b>	<b>123,977</b>	<b>49,184</b>	<b>188,974</b>	<b>83,306</b>	<b>11,928</b>	<b>486,180</b>
Cattle and calves .....	2,492	3,311	2,342	31,923	102,566	21,249	41,731	68,580	5,492	279,686
Hogs .....	1,968	1,798	1,852	31,723	58,303	10,398	12,694	35,621	1,356	155,713
Sheep and lambs .....	7	32	26	149	691	99	136	1,359	103	2,602
Dairy products .....	2,065	6,293	5,677	77,617	92,521	13,936	15,419	20,473	18,245	252,246
Poultry .....	129	1,949	683	15,996	20,631	2,851	1,746	4,810	5,011	53,806
Eggs .....	742	3,960	1,450	9,923	30,386	4,653	3,585	5,740	6,695	67,134
Other livestock and products .....	70	396	145	1,123	4,234	3,127	2,429	4,019	3,120	18,663
<b>Total livestock and products .....</b>	<b>7,473</b>	<b>17,739</b>	<b>12,175</b>	<b>168,454</b>	<b>309,332</b>	<b>56,313</b>	<b>77,740</b>	<b>140,602</b>	<b>40,022</b>	<b>829,850</b>
Forest and maple products .....	236	1,484	2,544	14,394	3,391	160	133	173	642	23,157
Deficiency payments:(5) Eggs .....	1	2	--	2	5	1	--	1	6	18
<b>Cash Income from Farming Operations ....</b>	<b>12,299</b>	<b>20,736</b>	<b>20,287</b>	<b>199,993</b>	<b>436,705</b>	<b>105,658</b>	<b>266,847</b>	<b>224,082</b>	<b>52,598</b>	<b>1,339,205</b>
Supplementary payments(6) .....	-	-	-	-	-	625	2,770	4,113	99	7,607
<b>Total Cash Income .....</b>	<b>12,299</b>	<b>20,736</b>	<b>20,287</b>	<b>199,993</b>	<b>436,705</b>	<b>106,283</b>	<b>269,617</b>	<b>228,195</b>	<b>52,697</b>	<b>1,346,812</b>

(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 1962 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.

-- 500 dollars or less.

TABLE 4. Revised Estimate of Farm Cash Income from Farming Operations, 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 .....	38	808	38	195	3,107	-	-	-	2,884	7,070
Vegetables(4) .....	118	195	112	1,883	8,451	193	77	182	2,005	13,216
Tobacco .....	-	-	-	4,722	64,458	-	-	-	11	69,191
Other crops .....	479	298	440	4,001	19,568	1,559	4,911	3,177	3,003	37,436
<b>Total crops .....</b>	<b>9,043</b>	<b>1,518</b>	<b>9,398</b>	<b>14,995</b>	<b>106,001</b>	<b>43,756</b>	<b>172,925</b>	<b>83,326</b>	<b>10,299</b>	<b>451,261</b>
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	26,570	51,900	9,006	11,188	31,110	1,355	135,539
Sheep and lambs .....	7	54	32	135	581	98	111	1,508	114	2,640
Dairy products .....	2,001	6,105	5,711	77,313	93,496	13,225	14,890	19,213	17,533	249,487
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 .....	69	315	128	1,076	3,386	2,934	2,253	3,701	2,927	16,789
<b>Total livestock and products .....</b>	<b>7,147</b>	<b>16,057</b>	<b>11,777</b>	<b>156,957</b>	<b>305,150</b>	<b>52,065</b>	<b>70,755</b>	<b>134,187</b>	<b>37,864</b>	<b>791,959</b>
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 Farming Operations ....	16,477	19,156	23,870	186,957	415,422	96,185	243,902	219,334	48,914	1,270,217
Supplementary payments(6) .....	-	-	-	-	-	2,247	18,166	8,910	269	29,592
<b>Total Cash Income .....</b>	<b>16,477</b>	<b>19,156</b>	<b>23,870</b>	<b>186,957</b>	<b>415,422</b>	<b>98,432</b>	<b>262,068</b>	<b>228,244</b>	<b>49,183</b>	<b>1,299,809</b>

(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 1962 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.

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