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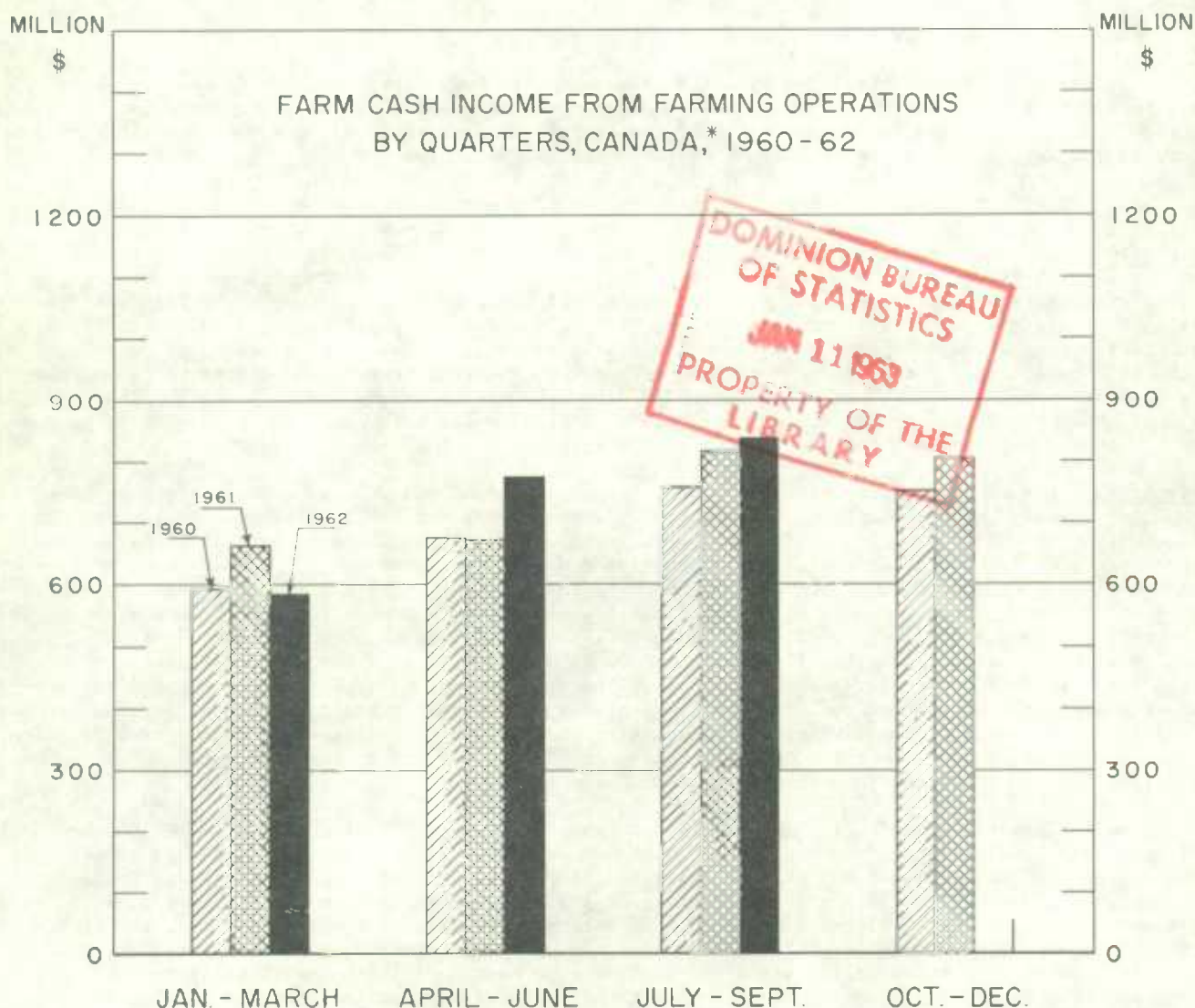
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FARM CASH INCOME

JULY TO SEPTEMBER 1962



* Newfoundland excluded

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

It is estimated that during the first nine months of 1962, Canadian farmers received cash income from their farming operations amounting to 2,199.5 million dollars. This is two per cent above the corresponding estimate of 2,156.7 million dollars for 1961, the previous all-time high. These estimates include Canadian Wheat Board participation payments on previous years' grain crops, 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 costs incurred by farmers in the production of commodities sold.

The more important items contributing to this level of income during the January - September period of 1962 were Canadian Wheat Board participation payments, reduced net repayments of advances on farm-stored grain, and increased income from the sale of cattle and calves. Contributions of lesser importance were made by oats, rye, tobacco, hogs and dairy products. Estimated income for each of the remaining items of farm cash income was down by varying amounts with the more important reductions being recorded for wheat, barley, flaxseed and potatoes.

Increased income was received in all provinces except Nova Scotia and New Brunswick, where total cash returns were down by approximately two per cent, and Manitoba where income declined by nearly eight per cent. The gains recorded for the remaining provinces varied from less than one per cent for Prince Edward Island to just under six per cent for British Columbia.

In addition to the above income, farmers in the four western provinces received, during the first nine months of 1962, 66.6 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 to Western farmers during the corresponding period of 1961 of approximately 8.0 million dollars, most of which was paid out under the provisions of the Prairie Farm Assistance Act. In addition, farmers in Prince Edward Island received, during 1961, supplementary payments amounting to 390 thousand dollars for losses sustained as a result of fusarium rot in the 1960 potato crop. When added together, farmers' income from farming operations and supplementary payments totalled 2,266.2 million dollars for the nine months ending September 1962. This is 4.7 per cent above the corresponding estimate of 2,165.1 million dollars for the same period of 1961, and also the record high to date for this period of the year.

Field Crops - For the first nine months of 1962, farmers' income from the sale of field crops is estimated at 832.8 million dollars, two per cent above the 816.3 million estimated for the first nine months of a year ago. These estimates include Canadian Wheat Board participation payments on previous years' grain crops and adjustments arising out of the repayment of cash advances on farm-stored grain in Western Canada. Contributing much to the maintenance of income from field crops at this level were the large Canadian Wheat Board participation payments made to farmers during the second quarter of 1962. These payments, totalling 152.8 million dollars up to the end of September 1962 as compared with 88.9 million for the first nine months of 1961, arise as a result of the system of marketing grain in Western Canada. At the time of delivery, farmers in this area are given initial payments and certificates stating the quantities and grades delivered. These certificates entitle farmers to share, on the basis of quantities and grades delivered, any surpluses accumulated by the Board after the grain has been sold. The share of the surplus accruing to farmers is included in farm cash income estimates, under the heading "Canadian Wheat Board payments".

Marketings of wheat, barley and flaxseed during the January - September period of 1962 were well below the level established for the corresponding period of a year earlier. Although marketings increased substantially during the third quarter of 1962, they were not sufficiently large to offset the low level of marketings during the first half of the year resulting from the small crop harvested in Western Canada in 1961. Although marketings of oats and rye were at low levels during the first half of 1962, heavy marketings during the third quarter were sufficient to raise the total for the first nine months well above the levels for the first nine months of 1961. Average prices for wheat during the nine months period of 1962 were above the 1961 levels and reflect the increase of 10 cents per bushel in the initial price to farmers which became effective on March 1, 1962. However, the higher prices were not sufficient to offset the lower marketings with the result that income from this source amounted to 327.3 million dollars up to the end of September 1962 as against 384.3 million dollars for the same period in 1961. As a result of lower marketings, income from barley was down from 47.4 million dollars in 1961 to 32.6 million in 1962, and income from flaxseed at 26.7 million for 1962 was 28.1 per cent below the 1961 level of 37.1 million dollars. Marketings of potatoes during the first three quarters of 1962 were estimated to be slightly above the level for the same period a

(1) Excludes Newfoundland.

year ago, but average prices were substantially lower with the result that total income from this commodity to the end of September amounted to 22.9 million dollars in 1962 as against 28.3 million dollars in 1961.

Total cash advances on farm-stored grain in Western Canada during the January - September period of 1962 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. During the 1962 period these net repayments dropped to 4.1 million dollars from 35.0 million dollars for the same period in 1961.

Livestock and Livestock Products - It is estimated that farmers received 1,340.1 million dollars from the sale of livestock and livestock products during the first nine months of 1962. This is two per cent above the estimate of 1,315.6 million for the corresponding period of a year earlier. Contributing most to this gain were the higher total cash returns from the sale of cattle and calves which amounted to 462.7 million dollars in 1962 as compared with 441.4 million in 1961; higher prices for both cattle and calves, together with higher marketings of calves, more than offset lower marketings of cattle. Income from hogs at 237.9 million dollars was 1.1 per cent above the 1961 level of 235.3 million for the nine months' period ending September. The increase in income from dairy products from 411.6 million dollars in 1961 to 415.6 million in 1962 is attributable entirely to higher production. Total income from poultry products at 196.0 million dollars is only slightly below the 1961 level of 197.2 million.

Provincial Comparisons - Cash income from farming operations was up fractionally in Prince Edward Island as a result of higher income from cattle, calves and dairy products, slightly more than offsetting lower total returns from potatoes and hogs. However, when payments to farmers for losses to potatoes as a result of fusarium rot are added to income estimates for 1961, the total exceeds that for 1962 by 1.4 per cent. Farm cash income to farmers in Nova Scotia and New Brunswick was down by about two per cent. Although income from the sale of cattle and calves was up in Nova Scotia, smaller cash returns were realized from fruits, dairy and poultry products. In New Brunswick income was up for cattle, calves and dairy products but down for potatoes, hogs and poultry products. Total farm cash income for Quebec was up by just over two per cent as a result of increased income from cattle, calves, hogs, dairy and poultry products. In Ontario, farm cash income rose by 3.7 per cent during the first nine months of 1962, with the more important contributions to this gain being tobacco, cattle, calves and dairy products.

Manitoba was below the 1961 level, largely as a result of a substantial reduction in returns from the sale of wheat and cattle. Although Canadian Wheat Board participation payments were substantially higher and repayments of cash advances on farm-stored grain were well below a year ago, these gains were not sufficient to offset these reductions. A substantial reduction in income from the sale of wheat also occurred in Saskatchewan as well as somewhat smaller decreases for other products. However, a marked increase in Canadian Wheat Board participation payments and a sharp decline in the repayments of cash advances on farm-stored grain were sufficient to provide for a total cash income from farming operations for the first nine months of 1962, two per cent above the comparable estimate of a year earlier. Total farm cash income for Alberta was up by three per cent over the nine months' estimate of 1961; higher participation payments, smaller repayments of farm cash advances on farm-stored grains and increased returns from the sale of cattle, calves and hogs, more than compensated for reduced cash returns from the sale of wheat, barley, flaxseed and poultry products. The greatest percentage increase in total farm cash income for any of the provinces occurred in British Columbia where it rose by 5.6 per cent over the corresponding estimate for the previous year. The most important single contribution to this gain was made by cattle and calves.

Besides the above income, farmers in Western Canada 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 income from farming operations, the total for Manitoba was raised to within 1.3 per cent of the comparable figure for 1961. For the remaining provinces total cash income, including these supplementary payments, was above the comparable 1961 estimate by the following percentages: Saskatchewan 9.3; Alberta 6.9; British Columbia 5.8.

Farm Cash Income, July - September Quarter - Farm cash income from farming operations for the third quarter of 1962 was estimated at 838.4 million dollars, 2.6 per cent above the 817.5 million dollars realized during the third quarter of 1961. This gain can be attributed for the most part to increased income from the sale of wheat, oats, cattle, calves, hogs and an increase in the net cash advances on farm-stored grain in Western Canada. Less important increases occurred in the case of rye and poultry meat. The most important offset to these gains was a sharp drop in the amount of participation payments made by the Canadian Wheat Board during this quarter. Declines of lesser consequence were estimated for barley, fruits and eggs. When supplementary payments are included with the above income estimates, total farm cash income for the third quarter of 1962 amounted to 838.8 million dollars as against 818.3 million for the third 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 below is summarized the preliminary estimates of cash income from farming operations, by provinces, for the first nine 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 - September 1960-62(1)

	Jan. - Mar.	Apr. - June	July - Sept.	Jan. - Sept.
	thousand dollars			
1962 (preliminary):				
Prince Edward Island	4,946	7,130	6,074	18,150
Nova Scotia	9,544	10,596	12,415	32,555
New Brunswick	8,716	10,643	10,157	29,516
Quebec	84,528	115,767	131,860	332,155
Ontario	227,158	218,906	253,431	699,495
Manitoba	34,475	55,536	71,411	161,422
Saskatchewan	79,072	196,196	177,916	453,184
Alberta	109,745	134,248	137,273	381,266
British Columbia	27,454	26,447	37,867	91,768
Canada(2)	585,638	775,469	838,404	2,199,511
1961 (preliminary):				
Prince Edward Island	5,411	6,888	5,709	18,008
Nova Scotia	9,612	11,124	12,561	33,297
New Brunswick	10,064	10,223	9,757	30,044
Quebec	86,954	113,039	124,599	324,592
Ontario	250,417	186,288	238,038	674,743
Manitoba	44,649	61,009	69,092	174,750
Saskatchewan	112,395	154,452	177,454	444,301
Alberta	117,963	106,119	145,972	370,054
British Columbia	27,512	25,086	34,333	86,931
Canada(2)	664,977	674,228	817,515	2,156,720
1960 (revised):				
Prince Edward Island	7,367	9,110	5,290	21,767
Nova Scotia	8,698	10,458	12,277	31,433
New Brunswick	11,135	12,735	10,205	34,075
Quebec	77,760	109,197	117,413	304,370
Ontario	227,255	188,167	228,463	643,885
Manitoba	40,093	56,092	63,145	159,330
Saskatchewan	92,468	151,434	164,973	408,875
Alberta	106,995	112,339	124,468	343,802
British Columbia	24,009	24,905	33,632	82,546
Canada(2)	595,780	674,437	759,866	2,030,083

(1) Excludes supplementary payments.

(2) Excludes Newfoundland.

TABLE 2. Preliminary Estimate of Farm Cash Income from Farming Operations, by Provinces, (1) January to September 1957

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
thousand dollars										
Wheat	-	-	-	-	14,284	34,370	201,209	75,794	1,622	327,279
Wheat, C.W.B. payments(2)	-	-	-	-	-	16,966	94,344	34,270	-	145,580
Oats	319	36	335	1,912	3,569	5,912	3,608	4,685	508	20,884
Barley	-	-	-	27	391	5,071	9,985	16,238	870	32,582
Barley, C.W.B. payments(2)	-	-	-	-	-	1,267	3,061	2,879	-	7,207
C.W.B. net cash advance payments(3)	-	-	-	-	-	- 256	- 1,356	- 2,467	-	- 4,079
Rye	-	-	-	-	91	2,055	2,814	1,143	-	6,103
Flaxseed	-	-	-	-	330	8,551	10,187	7,432	151	26,651
Rapeseed	-	-	-	-	-	596	4,209	2,744	-	7,549
Soybeans	-	-	-	-	4,226	-	-	-	-	4,226
Potatoes	3,724	283	4,422	3,961	7,764	241	64	1,203	1,264	22,926
Fruits	406	2,454	952	3,246	16,624	-	-	-	11,716	35,398
Vegetables(4)	122	960	548	11,549	36,692	1,016	403	965	5,004	57,259
Tobacco	42	33	5	4,156	85,103	-	-	-	-	89,339
Other crops	523	493	568	7,148	28,612	2,834	2,731	5,125	5,894	53,928
Total crops	5,136	4,259	6,830	31,999	197,686	78,623	331,259	150,011	27,029	832,832
Cattle and calves	4,624	5,324	3,891	46,038	171,767	30,152	68,658	119,955	12,242	462,651
Hogs	2,675	2,711	2,297	53,581	85,645	15,239	18,274	55,763	1,727	237,912
Sheep and lambs	75	180	179	582	1,824	275	543	2,054	432	6,144
Dairy products	4,009	9,588	9,542	139,538	148,258	21,671	23,282	32,333	27,426	415,647
Poultry	194	2,550	928	27,574	38,964	4,890	3,485	7,983	7,895	94,463
Eggs	1,073	5,767	1,892	15,669	46,286	6,792	4,879	8,429	10,760	101,547
Other livestock and products	96	503	147	1,427	5,379	3,565	2,627	4,506	3,527	21,777
Total livestock and products	12,746	26,623	18,876	284,409	498,123	82,584	121,748	231,023	64,009	1,340,141
Forest and maple products	268	1,673	2,853	15,747	3,686	215	177	232	730	25,581
Deficiency payments:(5) Potatoes	-	-	957	-	-	-	-	-	-	957
Cash Income from Farming Operations	18,150	32,555	29,516	332,155	699,495	161,422	453,184	381,266	91,768	2,199,511
Supplementary payments(6)	-	-	-	-	-	11,735	35,547	19,067	295	66,644
Total Cash Income	18,150	32,555	29,516	332,155	699,495	173,157	488,731	400,333	92,063	2,266,155

(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 September 1961

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
thousand dollars										
Wheat	-	-	-	-	14,368	52,977	234,245	81,428	1,245	384,263
Wheat, C.W.B. payments(2)	-	-	-	-	-	9,832	50,662	22,553	-	83,047
Oats	332	37	375	2,055	2,912	2,449	3,096	5,483	405	17,144
Oats, C.W.B. payments(2)	-	-	-	-	-	1,161	1,302	1,390	-	3,853
Barley	-	-	-	23	372	7,989	16,338	22,124	594	47,440
Barley, C.W.B. payments(2)	-	-	-	-	-	366	782	874	-	2,022
C.W.B. net cash advance payments(3)	-	-	-	-	-	- 7,000	- 21,835	- 6,206	-	- 35,041
Rye	-	-	-	-	112	912	1,784	1,231	-	4,039
Flaxseed	-	-	-	-	143	9,124	19,008	8,690	122	37,087
Potatoes	4,278	351	5,308	5,286	10,179	301	156	1,103	1,302	28,264
Fruits	482	2,741	1,075	3,465	20,573	-	-	-	11,325	39,661
Vegetables(4)	151	1,134	645	11,242	37,565	930	370	887	4,765	57,689
Tobacco	12	15	-	5,399	81,752	1	-	-	-	87,179
Other crops	523	501	613	7,050	27,859	3,311	8,029	6,054	5,700	59,640
Total crops	5,778	4,779	8,016	34,520	195,835	82,353	313,937	145,611	25,458	816,287
Cattle and calves	3,522	4,905	3,482	44,337	152,362	36,986	73,413	113,178	9,199	441,384
Hogs	3,013	2,704	2,779	50,091	87,717	16,031	18,728	52,289	1,995	235,347
Sheep and lambs	68	155	190	775	1,743	314	461	2,110	356	6,172
Dairy products	3,892	9,731	9,378	137,663	144,996	21,678	23,967	32,696	27,563	411,564
Poultry	280	2,827	1,150	25,600	35,702	6,572	4,969	9,459	7,982	94,541
Eggs	1,101	6,129	2,090	14,995	47,586	6,631	5,006	8,958	10,117	102,613
Other livestock and products	94	435	167	1,422	5,173	3,976	3,648	5,528	3,552	23,995
Total livestock and products	11,970	26,886	19,236	274,883	475,279	92,188	130,192	224,218	60,764	1,315,616
Forest and maple products	259	1,630	2,792	15,187	3,624	208	172	224	706	24,802
Deficiency payments:(5) Eggs	1	2	--	2	5	1	--	1	3	15
Cash Income from Farming Operations	18,008	33,297	30,044	324,592	674,743	174,750	444,301	370,054	86,931	2,156,720
Supplementary payments(6)	390	-	-	-	-	625	2,776	4,463	102	8,356
Total Cash Income	18,398	33,297	30,044	324,592	674,743	175,375	447,077	374,517	87,033	2,165,076

(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. 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 4. Revised Estimate of Farm Cash Income from Farming Operations, 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	1,071	343,091
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	204	17,760
Oats, C.W.B. payments(2)	-	-	-	-	-	1,164	1,249	740	-	3,153
Barley	-	-	-	21	418	10,923	18,947	20,997	525	51,831
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	-	-	-	-	149	7,350	9,846	8,723	80	26,148
Potatoes	8,742	475	9,628	5,807	13,771	346	167	879	1,580	41,395
Fruits	394	2,618	986	3,500	18,970	-	-	-	9,529	35,997
Vegetables(4)	161	991	565	9,408	38,025	875	348	832	4,672	55,877
Tobacco	-	-	-	4,722	64,458	-	-	-	11	69,191
Other crops	640	482	678	6,411	27,591	2,486	8,349	5,558	5,436	57,631
Total crops	10,217	4,601	12,198	31,619	178,460	80,270	301,663	137,722	23,108	779,858
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	41,356	77,758	12,927	15,778	45,171	2,001	201,747
Sheep and lambs	62	175	237	895	1,640	266	353	2,240	452	6,320
Dairy products	3,740	9,413	9,280	133,340	143,795	20,952	23,485	31,026	26,671	401,702
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	89	364	160	1,362	4,427	3,741	3,436	5,080	3,340	21,999
Total livestock and products	11,232	25,094	18,922	256,892	460,835	78,633	106,944	204,202	58,616	1,221,370
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 Farming Operations	21,767	31,433	34,075	304,370	643,885	159,330	408,875	343,802	82,546	2,030,083
Supplementary payments(6)	-	-	-	-	-	5,726	28,598	16,491	283	51,098
Total Cash Income	21,767	31,433	34,075	304,370	643,885	165,056	437,473	360,293	82,829	2,081,181

(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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