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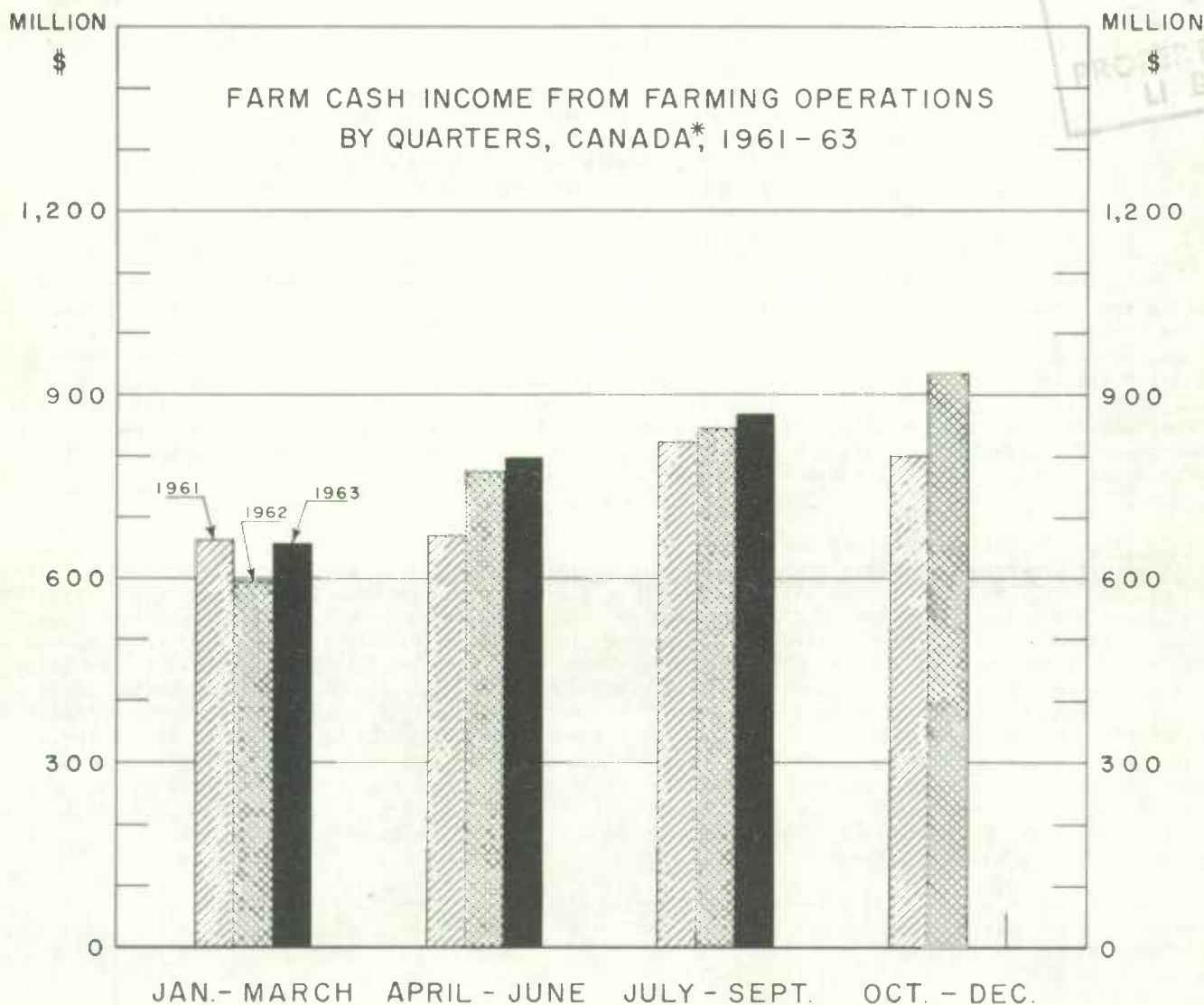
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## FARM CASH INCOME

JULY TO SEPTEMBER 1963



\*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, 1963

## FARM CASH INCOME FROM FARMING OPERATIONS, JANUARY - SEPTEMBER 1963(1)

It is estimated that, during the first nine months of 1963, Canadian farmers received cash income from farming operations (excluding supplementary payments) amounting to 2,319.4 million dollars. This estimate is 4.6 per cent above the record level of 2,218.1 million dollars established for the corresponding period of 1962. These estimates include cash income from the sale of farm products, Canadian Wheat Board Participation Payments on previous years' grain crops, net cash advances on farm-stored grains in Western Canada, and deficiency payments made under the provisions of the Agricultural Stabilization Act, but not supplementary payments mentioned below. No allowance is made in these estimates for costs incurred by farmers in the production of commodities sold.

The more important contributions to the increase in total farm cash income, between the first nine months of 1962 and the first nine months of 1963, were higher receipts from the sale of wheat, coarse grains, poultry meat and larger cash advances on farm-stored grains in Western Canada. Less important increases in income were recorded for potatoes, dairy products, eggs, fruits, vegetables, rapeseed and soybeans. In the case of receipts from the sale of wheat and coarse grains in Western Canada, they represent only the cash income received at time of delivery. Subsequent participation payments on these grain crops are treated separately as Canadian Wheat Board payments and, during the first nine months of 1963, they totalled below the level for the same period in 1962. Reduced returns were also realized from cattle and calves, hogs, rye and flaxseed.

Increases in cash income from farming operations were recorded for all provinces except Alberta where cash income from farming operations was nearly four per cent less than a year ago. Returns to farmers in British Columbia were up only fractionally while in Manitoba they increased by 16.5 per cent. For the remaining provinces, the gains ranged between four and six per cent.

In addition to the above income, farmers received, during the first nine months of 1963, nearly 12 million dollars in the form of supplementary payments, paid out entirely under the provisions of the Prairie Farm Assistance Act. This was in contrast with the supplementary payments during the first nine months of 1962 of 66.6 million dollars which included, not only payments under the Prairie Farm Assistance Act, but also those made under the Western Grain Producers' Acreage Payment Plan. When added together farmers' cash income from farming operations and supplementary payments totalled 2,331.4 million dollars for the January - September period of 1963, 2 per cent above the 2,284.8 million realized during the corresponding period of a year ago. Payments under the provisions of the Prairie Farm Assistance Act are financed in part by farmers' contributions to the Prairie Farm Emergency Fund; these contributions are based on a levy of one per cent on farmers' marketings of wheat, oats, barley, rye, flaxseed and rapeseed.

Field Crops - For the first nine months of 1963 it is estimated that farmers received a total of 928.9 million dollars from the sale of field crops, participation payments on previous years' western grain crops, and net cash advance payments on farm-stored grains in Western Canada. This contrasts with the 845.1 million dollars from the same sources during the corresponding period of a year earlier. Cash returns from wheat at time of delivery climbed from 340.8 million dollars in 1962 to 386.7 million, the greatest absolute gain recorded for any single commodity considered in farm income. Income from coarse grains was also up quite substantially, from 58.0 million dollars in 1962 to 91.9 million in 1963. In both cases, the rise in income can be attributed entirely to significantly larger marketings. Deliveries of oats were nearly doubled while those for barley were up by approximately 60 per cent. Net cash advances on farm-stored grains in Western Canada to the end of September 1963 amounted to 12.1 million dollars. This was in contrast with the situation a year ago when cash advances were exceeded by repayments to give a net cash advance of minus 4.1 million dollars. Income to potato growers increased from 23.1 million dollars in 1962 to 29.8 million in 1963, as a result of increases in both marketings and prices.

Set off against these gains were reduced Canadian Wheat Board participation payments on previous years' grain crops. Total payments for the first nine months of 1963 amounted to 124.0 million dollars as against 152.8 million for the like period of 1962. These payments arise out of the system of grain marketings in Western Canada whereby farmers, at the time they deliver their grain, are given initial payments and certificates stating the quantities and grades delivered. These certificates entitle farmers to share in surpluses accumulated by the Board through subsequent sales of these grains for domestic consumption or export. The share of the surpluses accruing to farmers represents the Canadian Wheat Board payments included in these estimates of farm income.

Cash receipts from marketings of flaxseed declined from 26.8 million dollars in 1962 to 22.4 million in 1963 as a result of lower prices and smaller marketings.

(1) Excludes Newfoundland.



Livestock and livestock products - Total income to farmers from the sale of livestock and livestock products is estimated at 1,366.9 million dollars for the first nine months of 1963, about one per cent above the 1,350.1 million dollars realized from this source during the nine-months period of a year ago. The maintenance of this income at this level can be attributed to increased income from poultry and dairy products, more than offsetting reduced income from hogs, and cattle and calves.

Although returns from cattle to the end of September 1963 were slightly above those of a year ago, they were more than offset by a substantial decline in income from calves. Since average farm prices of both cattle and calves to the end of September were not significantly different between 1962 and 1963, the variation in income from these two items between the two years is attributable to changes in marketings. Altogether, income from cattle and calves amounted to 462.8 million dollars in 1963 as compared with 464.0 million in 1962. Cash receipts from hogs for the nine months of 1963 totalled 234.0 million dollars, down from the 1962 estimate of 242.0 million almost entirely as a result of reduced marketings. Income from dairy products increased by 5 million dollars to a total of 420.8 million dollars in 1963; slight increases were recorded for both prices and sales. Total production of eggs to the end of September has been below the 1962 level but a greater than proportionate increase in farm price has provided for an income from this source of 109.4 million dollars as against 102.2 million a year earlier. Heavier marketings of poultry meat during the first nine months of 1963 are reflected in total cash income from this item of 112.0 million dollars, up by about 13.0 million dollars over the 1962 level.

Estimates of farm cash income from the sale of farm products include the returns from all sales of agricultural products except those associated with direct interfarm transfers. The prices used to value all products sold are prices to farmers at the farm level; they include any subsidies, bonuses and premiums which can be attributed to specific products, but they exclude any storage, transportation, processing and handling charges which are not actually received by farmers.

Many sources of information are used in the preparation of these estimates. These include the Censuses of Agriculture; periodic Bureau surveys of production and disposition of crops, livestock and animal products; farm product marketing agencies; processors of agricultural products; Bureau surveys of prices received by farmers in connection with agricultural activities; agricultural statistics arising out of administrative responsibilities of various government departments, both Federal and Provincial.

In Table I overleaf is summarized the preliminary estimates of cash income from farming operations, by provinces, for the first nine months of 1962 and 1963 and revised estimates for 1961. 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 1961-63(1)

	Jan. - Mar.	Apr. - June	July - Sept.	Jan. - Sept.
thousand dollars				
1963 (preliminary):				
Prince Edward Island .....	6,216	7,129	5,671	19,016
Nova Scotia .....	10,033	10,670	12,865	33,568
New Brunswick .....	10,931	10,618	9,752	31,301
Quebec .....	93,502	120,471	135,136	349,109
Ontario .....	248,369	228,162	267,139	743,670
Manitoba .....	43,373	69,881	77,667	190,921
Saskatchewan .....	91,703	204,830	191,462	487,995
Alberta .....	125,122	115,648	126,916	367,686
British Columbia .....	28,320	28,166	39,667	96,153
Canada(2) .....	657,569	795,575	866,275	2,319,419
1962 (preliminary):				
Prince Edward Island .....	4,951	7,019	6,001	17,971
Nova Scotia .....	9,313	10,281	12,640	32,234
New Brunswick .....	8,756	10,677	9,928	29,361
Quebec .....	87,756	116,411	130,104	334,271
Ontario .....	231,593	217,327	249,815	698,735
Manitoba .....	35,061	55,709	73,127	163,897
Saskatchewan .....	80,395	196,175	187,666	464,236
Alberta .....	109,876	132,900	139,133	381,909
British Columbia .....	28,429	27,008	40,063	95,500
Canada(2) .....	596,130	773,507	848,477	2,218,114
1961 (revised):				
Prince Edward Island .....	5,290	6,851	5,587	17,728
Nova Scotia .....	9,375	11,163	12,556	33,094
New Brunswick .....	10,393	10,336	9,595	30,324
Quebec .....	86,718	112,070	122,904	321,692
Ontario .....	247,782	183,876	234,609	666,267
Manitoba .....	44,530	60,753	70,037	175,320
Saskatchewan .....	112,022	154,013	180,961	446,996
Alberta .....	117,026	105,007	151,144	373,177
British Columbia .....	28,153	25,599	35,419	89,171
Canada(2) .....	661,289	669,668	822,812	2,153,769

(1) Excludes supplementary payments.

(2) Excludes Newfoundland.

TABLE 2. Preliminary Estimate of Farm Cash Income from Farming Operations, by Provinces(1), January to September 1963

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
thousand dollars										
Wheat .....	-	-	-	-	17,611	51,172	242,639	72,651	2,632	386,705
Wheat, C.W.B. payments(2) .....	-	-	-	-	-	13,724	74,450	35,772	-	123,946
Oats .....	305	32	323	1,919	3,666	10,977	13,444	9,451	749	40,866
Barley .....	-	-	-	24	432	8,120	18,508	22,674	1,265	51,023
C.W.B. net cash advance payments(3) ....	-	-	-	-	-	138	11,159	1,065	-	12,086
Rye .....	-	-	-	-	97	1,127	2,899	1,217	-	5,340
Flaxseed .....	-	-	-	-	322	11,302	6,733	4,024	31	22,412
Rapeseed .....	-	-	-	-	-	821	4,604	2,710	-	8,135
Soybeans .....	-	-	-	-	5,345	-	-	-	-	5,345
Potatoes .....	5,796	304	7,455	4,384	9,035	430	95	1,259	1,083	29,841
Fruits .....	325	3,338	890	3,890	19,217	-	-	-	12,071	39,731
Vegetables(4) .....	398	727	412	9,156	44,646	983	392	935	5,339	62,988
Tobacco .....	56	77	24	4,582	84,393	-	-	-	-	89,132
Other crops .....	550	500	643	7,713	23,415	3,894	2,472	6,092	6,117	51,396
Total crops .....	7,430	4,978	9,747	31,668	208,179	102,412	377,395	157,850	29,287	928,946
Cattle and calves .....	3,560	5,411	3,620	48,549	184,660	34,973	62,605	108,501	10,890	462,769
Hogs .....	2,656	3,021	2,594	58,736	94,733	13,479	12,469	44,432	1,868	233,988
Sheep and lambs .....	40	162	152	503	1,942	299	450	1,798	480	5,826
Dairy products .....	3,900	9,122	9,136	142,052	152,826	21,585	22,811	32,598	26,818	420,848
Poultry .....	173	3,138	1,098	33,873	43,710	6,400	4,636	9,916	9,063	112,007
Eggs .....	983	5,627	2,814	18,877	47,786	7,949	4,990	7,432	12,915	109,373
Other livestock and products .....	86	615	119	1,422	6,278	3,361	2,454	4,066	3,640	22,041
Total livestock and products .....	11,398	27,096	19,533	304,012	531,935	88,046	110,415	208,743	65,674	1,366,852
Forest and maple products .....	187	1,494	2,020	13,254	3,519	168	182	296	1,189	22,309
Deficiency payments(5) .....	1	--	1	175	37	295	3	797	3	1,312
Cash Income from Farming Operations ....	19,016	33,568	31,301	349,109	743,670	190,921	487,995	367,686	96,153	2,319,419
Supplementary payments(6) .....	-	-	-	-	-	814	5,595	5,538	22	11,969
Total Cash Income .....	19,016	33,568	31,301	349,109	743,670	191,735	493,590	373,224	96,175	2,331,388

(1) Excludes Newfoundland.

(2) Represents interim and final payments made by the Canadian Wheat Board direct to producers on crops 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 1963 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. For this report, this item includes only deficiency payments on eggs, sugar beets and potatoes. Deficiency payments on other products are included as part of the estimated income for them.

(6) Payments made under the provisions of the Prairie Farm Assistance Act.

-- 500 dollars or less.



TABLE 3. Preliminary-Estimate of Farm Cash Income from Farming Operations, by Provinces(1), January to September 1962

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
thousand dollars										
Wheat .....	-	-	-	-	14,284	35,668	210,001	78,405	2,428	340,786
Wheat, C.W.B. payments(2) .....	-	-	-	-	-	16,966	94,345	34,270	-	145,581
Oats .....	319	36	335	1,912	3,569	6,441	4,020	5,099	817	22,548
Barley .....	-	-	-	27	391	5,531	11,015	17,339	1,191	35,494
Barley, C.W.B. payments(2) .....	-	-	-	-	-	1,267	3,061	2,879	-	7,207
C.W.B. net cash advance payments(3) ....	-	-	-	-	-	- 257	- 1,358	- 2,468	-	- 4,083
Rye .....	-	-	-	-	91	1,995	2,925	1,211	-	6,222
Flaxseed .....	-	-	-	-	330	8,520	10,433	7,490	60	26,833
Rapeseed .....	-	-	-	-	-	596	4,209	2,744	-	7,549
Soybeans .....	-	-	-	-	4,440	-	-	-	-	4,440
Potatoes .....	3,724	283	4,472	4,115	7,764	241	64	1,203	1,264	23,130
Fruits .....	319	3,181	817	2,311	18,251	-	-	-	10,843	35,722
Vegetables(4) .....	321	689	393	8,648	42,608	945	377	899	5,359	60,239
Tobacco .....	42	33	5	4,156	85,103	-	-	-	-	89,339
Other crops .....	520	488	558	7,235	19,588	2,737	2,527	4,313	6,096	44,062
Total crops .....	5,245	4,710	6,580	28,404	196,419	80,650	341,619	153,384	28,058	845,069
Cattle and calves .....	4,642	5,210	3,996	48,920	171,937	30,211	68,419	117,759	12,929	464,023
Hogs .....	2,638	2,965	2,540	55,649	86,631	14,977	18,797	55,860	1,934	241,991
Sheep and lambs .....	54	166	168	513	1,898	262	478	1,854	459	5,852
Dairy products .....	4,009	9,588	9,542	139,538	148,258	21,671	23,282	32,333	27,426	415,647
Poultry .....	229	2,636	1,012	29,258	39,358	5,358	3,971	8,450	8,574	98,846
Eggs .....	879	5,003	2,460	17,654	45,059	6,949	4,960	7,919	11,345	102,228
Other livestock and products .....	94	509	143	1,412	5,447	3,654	2,532	4,062	3,620	21,473
Total livestock and products .....	12,545	26,077	19,861	292,944	498,588	83,082	122,439	228,237	66,287	1,350,060
Forest and maple products .....	181	1,447	1,963	12,923	3,728	165	178	288	1,155	22,028
Deficiency payments(5) .....	-	-	957	-	-	-	-	-	-	957
Cash Income from Farming Operations ....	17,971	32,234	29,361	334,271	698,735	163,897	464,236	381,909	95,500	2,218,114
Supplementary payments(6) .....	-	-	-	-	-	11,735	35,548	19,067	295	66,645
Total Cash Income .....	17,971	32,234	29,361	334,271	698,735	175,632	499,784	400,976	95,795	2,284,759

(1) Excludes Newfoundland.

(2) Represents interim and final payments made by the Canadian Wheat Board direct to producers on crops 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 1963 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. For this report, this item includes only deficiency payments on potatoes. Deficiency payments on other products are included as part of the estimated income for them.

(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 September 1961

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
thousand dollars										
Wheat .....	-	-	-	-	14,368	53,574	234,521	81,339	2,140	385,942
Wheat, C.W.B. payments(2) .....	-	-	-	-	-	9,832	50,662	22,553	-	83,047
Oats .....	324	37	365	2,040	2,995	2,423	3,096	5,575	564	17,419
Oats, C.W.B. payments(2) .....	-	-	-	-	-	1,161	1,302	1,390	-	3,853
Barley .....	-	-	-	25	365	7,953	17,702	22,151	829	49,025
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 .....	-	-	-	-	89	913	1,784	1,231	-	4,017
Flaxseed .....	-	-	-	-	300	9,124	19,174	8,690	100	37,388
Rapeseed .....	-	-	-	-	-	363	6,483	5,962	-	12,808
Soybeans .....	-	-	-	-	2,533	-	-	-	-	2,533
Potatoes .....	4,278	309	6,098	5,200	9,242	296	150	1,103	1,316	27,992
Fruits .....	396	3,631	915	2,494	20,332	-	-	-	10,471	38,239
Vegetables(4) .....	198	871	497	8,839	39,073	946	376	901	5,325	57,026
Tobacco .....	12	15	-	5,399	81,752	1	-	-	-	87,179
Other crops .....	514	500	627	7,014	18,257	3,103	3,390	4,788	5,845	44,038
Total crops .....	5,722	5,363	8,502	31,011	189,306	83,055	317,587	150,351	26,590	817,487
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 .....	934	5,496	2,343	17,272	45,615	6,637	4,798	8,360	10,935	102,390
Other livestock and products .....	85	430	165	1,394	5,070	3,877	2,892	4,467	3,558	21,938
Total livestock and products .....	11,794	26,248	19,487	277,132	473,205	92,095	129,228	222,559	61,588	1,313,336
Forest and maple products .....	211	1,481	2,335	13,547	3,751	169	181	266	990	22,931
Deficiency payments(5) .....	1	2	-	2	5	1	--	1	3	15
Cash Income from Farming Operations ....	17,728	33,094	30,324	321,692	666,267	175,320	446,996	373,177	89,171	2,153,769
Supplementary payments(6) .....	390	-	-	-	-	625	2,776	4,463	102	8,356
Total Cash Income .....	18,118	33,094	30,324	321,692	666,267	175,945	449,772	377,640	89,273	2,162,125

(1) Excludes Newfoundland.

(2) Represents interim and final payments made by the Canadian Wheat Board direct to producers on crops 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 1963 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. For this report, this item includes only deficiency payments on eggs. Deficiency payments on other products are included as part of the estimated income for them.

(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 not in the 1960 potato crop.

-- 500 dollars or less.

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