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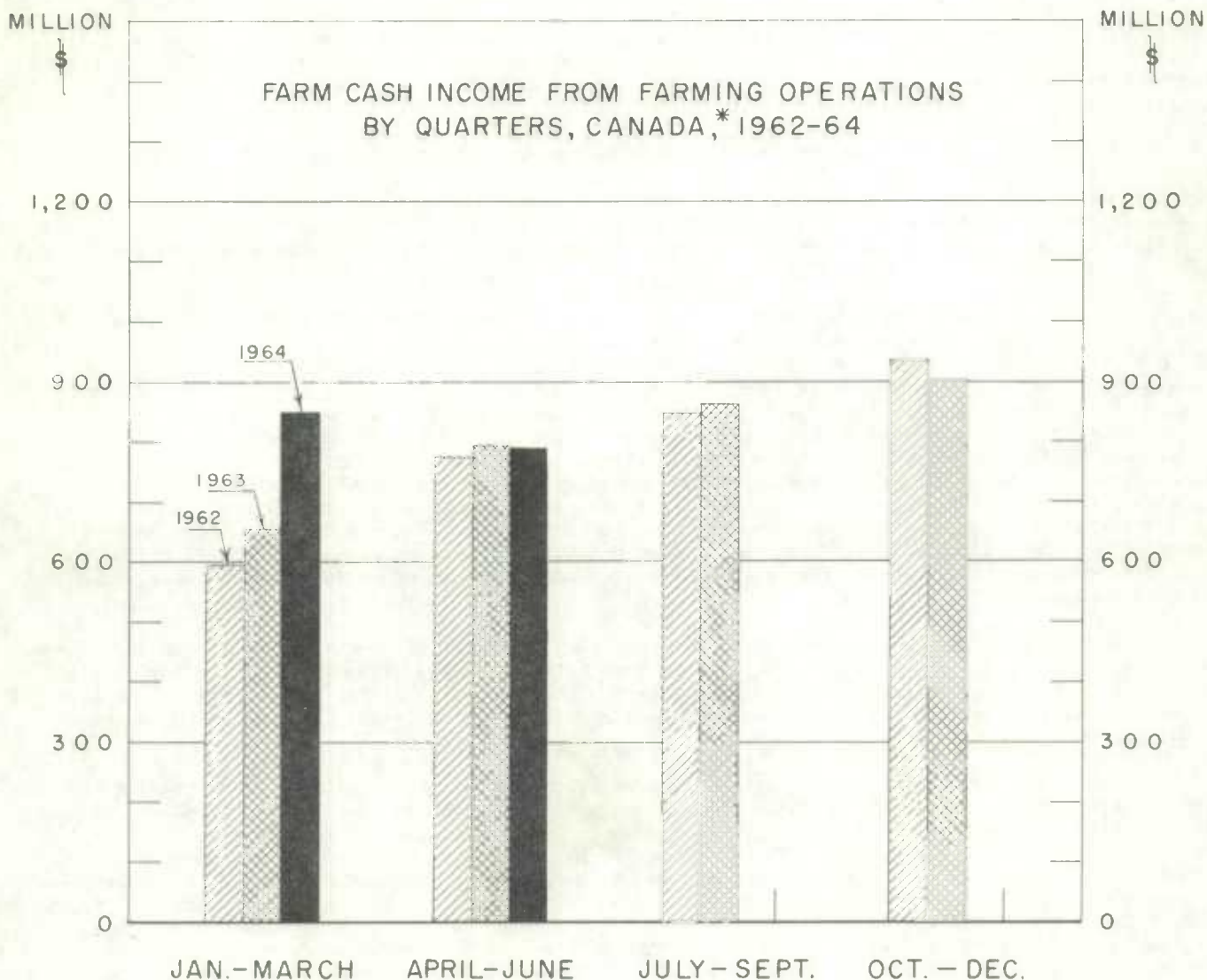
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FARM CASH INCOME

APRIL TO JUNE 1964



* Newfoundland excluded

SEPTEMBER 1964

5534-501

Farm Finance Section, AGRICULTURE DIVISION

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa

FARM CASH INCOME, JANUARY - JUNE 1964(1)

Cash returns to farmers from farming operations are estimated at 1,639.4 million dollars for the first six months of 1964. This estimate is a record high for this period of the year and exceeds by 13 per cent the previous high of 1,449.2 million dollars realized during the corresponding period of 1963. In dealing with these comparisons, it is necessary to bear in mind that the total for 1964 includes intercensal revisions for dairy products whereas the totals for 1963 and earlier years still contain unrevised data; for 1963, the unrevised estimates for Canada are about 20 million dollars above the revised level.

Total cash returns to farmers 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 by the Agricultural Stabilization Board. Supplementary payments, outlined below, are not included in these totals and no allowance is made for costs incurred by farmers in the production of commodities sold.

The increase in income between the first six months of 1963 and the first six months of 1964 is due for the most part to a significant increase in the total initial income from wheat and the much larger participation payments made by the Canadian Wheat Board. The effect of these increases is reflected in the substantial rise in income in the Prairie Provinces, particularly Saskatchewan. Lesser increases in total income were recorded for Prince Edward Island and New Brunswick as a result of greater total receipts from the sale of potatoes.

In addition to the above income, farmers also received, during the first half of 1964, about 6.9 million dollars in the form of supplementary payments as against nearly 12.0 million during the corresponding period of a year ago. In each case, these payments are made up entirely of those paid out under the provisions of the Prairie Farm Assistance Act. When added together, farmers' cash income from farming operations and supplementary payments totalled 1,646.2 million dollars for the 1964 period, 12.7 per cent above the previous high record of 1,461.1 million established in 1963.

Field Crops - During the first six months of 1964, farmers' returns from field crops, including Canadian Wheat Board payments and cash advances on farm-stored grains in Western Canada, amounted to 775.0 million dollars. This is nearly 40 per cent above the 1963 estimate of 556.8 million for the same period. Income from wheat rose from 220.8 million dollars for the first half of 1963 to approximately 351 million for the corresponding period of 1964 as a result of a substantial increase in farmers' deliveries. Canadian Wheat Board payments totalling 224.5 million dollars were distributed to farmers during the first six months of 1964, as against 124.0 million for the like period of 1963. 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 the producers 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.

Farmers delivered more barley and flaxseed during the first six months of 1964 than in the same period a year earlier. As a result, the returns from barley increased from 25.5 million for the 1963 period to 34.6 million dollars while flaxseed receipts rose from 6.7 million to 20.2 million dollars. A combination of higher prices and increased marketings is reflected in the increase in income from potatoes, from 20.6 million dollars in 1963 to 23.5 million in 1964.

The most important offset to the above gains was the reduction in returns from the sale of tobacco which declined from 89.1 million dollars realized during the January - June period of 1963 to 64.7 million for the same period in 1964. Most of this decline occurred in Ontario and, to a large extent, accounted for the reduction in total income for this province. The reduced income from this commodity can be attributed to smaller production in 1963, lower prices and a much larger proportion of the crop sold during the year of production than was the case for the 1962 crop. An additional important offset to the increase in farm income was provided by net cash advances on farm-stored grains in Western Canada. Heavy marketings of grains during the first half of 1964 led to repayments which exceeded by a substantial amount the cash advances with the result that the net entry in farm cash income for this item is negative. During the 1964 period, this net entry amounted to minus 24.4 million dollars as against minus 13.2 million for the corresponding period of a year earlier.

Livestock and Livestock Products - Total cash returns from the sale of livestock and livestock products amounted to 845.9 million dollars during the first six months of 1964, nearly 3 per cent below the corresponding 1963 estimate of 870.3 million. Income from cattle and calves was down from 305.2 million dollars to 290.6 million largely as a result of lower prices. Although prices for hogs were also down

(1) Excludes Newfoundland.

during the first half of 1964, marketings increased sufficiently to provide for an income of nearly 156.0 million dollars, slightly above the previous year's level of 154.1 million. Returns to poultry and egg producers totalled 130.3 million dollars, down from the corresponding estimates for 1963 of 134.8 million; for the most part this reduction is attributable to lower prices for eggs.

Income from dairy products is estimated at 248.7 million dollars for the first half of 1964. Since this estimate forms a part of a revised series, just recently released, it is not comparable with this component of earlier income estimates because the latter is still based on unrevised data. The revised dairy estimates by provinces for the first six months of 1963 are as follows in millions of dollars; P.E.I., 1.8; N.S., 5.7; N.B., 5.1; P.Q., 72.6; Ont., 93.4; Man., 11.9; Sask., 11.1; Alta., 19.1; B.C., 16.7. For Canada, excluding Newfoundland, the revised estimate is 237.4 million dollars. These data will permit a more accurate assessment of the differences between the estimates for 1963 and 1964.

Estimates of cash income from farming operations 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 1 overleaf is summarized the preliminary estimates of cash income from farming operations, by provinces, for the first six months of 1963 and 1964 and revised estimates for 1962. 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, 1962 - 64(1)

	January - March	April - June	January - June
thousand dollars			
1964 (preliminary):			
Prince Edward Island	5,739	9,545	15,284
Nova Scotia	9,701	9,595	19,296
New Brunswick	9,124	13,649	22,773
Quebec	88,017	115,392	203,409
Ontario	213,965	223,146	437,111
Manitoba	72,702	55,607	128,309
Saskatchewan	250,860	210,029	460,889
Alberta	170,941	124,938	295,879
British Columbia	29,134	27,290	56,424
Canada(2)	850,183	789,191	1,639,374
1963 (preliminary):			
Prince Edward Island	6,190	6,883	13,073
Nova Scotia	10,064	10,449	20,513
New Brunswick	10,823	10,442	21,265
Quebec	93,418	121,154	214,572
Ontario	247,842	226,469	474,311
Manitoba	43,316	69,741	113,057
Saskatchewan	91,666	204,907	296,573
Alberta	123,765	115,063	238,828
British Columbia	28,363	28,681	57,044
Canada(2)	655,447	793,789	1,449,236
1962 (revised):			
Prince Edward Island	4,944	7,021	11,965
Nova Scotia	9,357	10,382	19,739
New Brunswick	8,754	10,683	19,437
Quebec	87,753	116,407	204,160
Ontario	230,790	216,705	447,495
Manitoba	34,570	55,634	90,204
Saskatchewan	80,290	196,167	276,457
Alberta	109,794	132,956	242,750
British Columbia	28,150	27,651	55,801
Canada(2)	594,402	773,606	1,368,008

(1) Excludes supplementary payments.

(2) Excludes Newfoundland.

TABLE 2. Preliminary Estimate of Farm Cash Income from Farming Operations, by Provinces(1), January to June 1964

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
thousand dollars										
Wheat	-	-	-	-	3,377	24,384	238,193	83,888	1,077	350,919
Wheat, C.W.B. payments(2)	-	-	-	-	-	25,815	131,785	42,142	-	199,742
Oats	179	19	171	1,096	2,296	1,816	3,403	4,093	343	13,416
Oats, C.W.B. payments(2)	-	-	-	-	-	3,971	3,808	2,894	-	10,673
Barley	-	-	-	12	300	2,926	10,510	20,272	622	34,642
Barley, C.W.B. payments(2)	-	-	-	-	-	2,266	5,339	6,487	-	14,092
C.W.B. net cash advance payments(3) ...	-	-	-	-	-	- 1,598	- 13,698	- 9,057	-	- 24,353
Rye	-	-	-	-	-	495	1,887	530	-	2,912
Flaxseed	-	-	-	-	-	7,521	8,416	4,220	11	20,168
Rapeseed	-	-	-	-	-	216	839	638	-	1,693
Soybeans	-	-	-	-	2,855	-	-	-	-	2,855
Potatoes	6,798	86	8,519	2,035	3,812	381	91	864	865	23,451
Fruits	26	932	39	142	4,411	-	-	-	5,010	10,560
Vegetables(4)	141	198	63	2,473	8,296	425	149	560	2,437	14,742
Tobacco	158	118	32	4,046	60,320	-	-	-	-	64,674
Other crops	450	301	444	5,147	17,732	2,387	2,177	2,673	3,486	34,797
Total crops	7,752	1,654	9,268	14,951	103,399	71,005	392,899	160,204	13,851	774,983
Cattle and calves	2,427	3,225	2,335	33,367	109,592	23,297	39,671	69,889	6,789	290,592
Hogs	1,901	1,941	1,558	35,471	61,030	10,943	10,469	31,388	1,219	155,920
Sheep and lambs	4	40	9	113	759	118	196	1,137	150	2,526
Dairy products(5)	2,232	5,793	5,348	74,588	100,399	11,924	10,929	20,208	17,287	248,708
Poultry	63	1,804	625	21,085	24,942	2,609	1,216	4,707	4,931	61,982
Eggs	668	2,941	1,864	12,115	29,125	5,641	3,236	4,813	7,911	68,314
Other livestock and products	71	550	93	1,187	4,760	2,643	2,133	3,303	3,153	17,893
Total livestock and products	7,366	16,294	11,832	177,926	330,607	57,175	67,850	135,445	41,440	845,935
Forest and maple products	166	1,348	1,673	10,532	3,105	129	140	230	1,133	18,456
Deficiency payments(6)	-	-	-	--	--	--	--	--	--	--
Cash Income from Farming Operations ...	15,284	19,296	22,773	203,409	437,111	128,309	460,889	295,879	56,424	1,639,374
Supplementary payments(7)	-	-	-	-	-	2,169	484	4,047	160	6,860
Total Cash Income	15,284	19,296	22,773	203,409	437,111	130,478	461,373	299,926	56,584	1,646,234

(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 1964 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) See text.

(6) 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.

(7) 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 June 1963

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
thousand dollars										
Wheat	-	-	-	-	2,671	32,691	140,233	43,555	1,604	220,754
Wheat, C.W.B. payments (2)	-	-	-	-	-	13,724	74,450	35,772	-	123,946
Oats	228	22	227	1,356	2,539	4,808	4,166	5,075	541	18,962
Barley	-	-	-	17	285	4,055	8,480	11,739	884	25,460
C.W.B. net cash advance payments(3) ...	-	-	-	-	-	3,003	7,503	2,735	-	13,241
Rye	-	-	-	-	-	518	1,441	509	-	2,468
Flaxseed	-	-	-	-	-	1,884	2,451	2,338	23	6,696
Rapeseed	-	-	-	-	-	15	850	397	-	1,262
Soybeans	-	-	-	-	4,799	-	-	-	-	4,799
Potatoes	5,329	93	6,565	2,119	4,056	357	75	1,062	913	20,569
Fruits	28	1,101	32	196	3,078	-	-	-	4,901	9,336
Vegetables(4)	150	154	54	2,088	8,245	399	140	543	2,436	14,209
Tobacco	56	77	24	4,582	84,393	-	-	-	-	89,132
Other crops	374	307	449	5,005	16,415	2,069	1,473	2,828	3,503	32,423
Total crops	6,165	1,754	7,351	15,363	126,481	57,517	226,256	101,083	14,805	556,775
Cattle and calves	2,225	3,353	2,446	34,552	122,214	22,136	40,378	72,428	5,489	305,221
Hogs	1,774	1,966	1,663	36,345	63,113	8,923	8,655	30,554	1,130	154,123
Sheep and lambs	3	46	22	133	787	106	191	1,061	135	2,484
Dairy products(5)	1,938	5,877	5,499	80,238	98,038	13,648	14,516	20,173	17,644	257,571
Poultry	86	1,961	587	21,213	24,627	2,562	1,243	4,610	5,335	62,224
Eggs	652	3,721	1,959	12,604	31,281	5,347	3,575	4,924	8,500	72,563
Other livestock and products	67	511	90	1,038	4,489	2,396	1,618	2,975	2,903	16,087
Total livestock and products	6,745	17,435	12,266	186,123	344,549	55,118	70,176	136,725	41,136	870,273
Forest and maple products	162	1,323	1,647	12,911	3,246	127	138	223	1,100	20,877
Deficiency payments(6)	1	1	1	175	35	295	3	797	3	1,311
Cash Income from Farming Operations ...	13,073	20,513	21,265	214,572	474,311	113,057	296,573	238,828	57,044	1,449,236
Supplementary payments(7)	-	-	-	-	-	813	5,574	5,492	17	11,896
Total Cash Income	13,073	20,513	21,265	214,572	474,311	113,870	302,147	244,320	57,061	1,461,132

(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 1964 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) See text.

(6) 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.

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

TABLE 4. Revised 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	-	-	-	-	3,435	12,504	89,346	40,365	1,354	147,004
Wheat, C.W.B. payments(2)	-	-	-	-	-	16,966	94,344	34,270	-	145,580
Oats	213	25	214	1,265	2,351	311	340	1,698	262	6,679
Barley	-	-	-	18	252	1,736	4,254	7,551	405	14,216
Barley, C.W.B. payments(2)	-	-	-	-	-	1,267	3,061	2,879	-	7,207
C.W.B. net cash advance payments(3) ...	-	-	-	-	-	668	3,149	2,277	-	6,094
Rye	-	-	-	-	-	273	746	456	-	1,475
Flaxseed	-	-	-	-	-	1,978	4,864	3,483	36	10,361
Rapeseed	-	-	-	-	-	9	1,727	807	-	2,543
Soybeans	-	-	-	-	3,817	-	-	-	-	3,817
Potatoes	3,277	75	3,861	1,857	3,164	160	44	949	1,038	14,425
Fruits	31	1,138	28	222	3,124	-	-	-	4,343	8,886
Vegetables(4)	94	114	66	1,631	8,444	325	131	311	2,257	13,373
Tobacco	42	33	5	4,213	85,103	-	-	-	-	89,396
Other crops	342	299	367	4,577	13,402	1,572	1,503	2,300	3,442	27,804
Total crops	3,999	1,684	4,541	13,783	123,092	36,433	197,211	92,792	13,137	486,672
Cattle and calves	3,213	3,186	2,610	34,052	113,256	19,579	43,030	76,677	6,363	301,966
Hogs	1,711	1,951	1,647	34,142	54,486	10,574	14,350	39,038	1,182	159,081
Sheep and lambs	4	40	10	97	800	79	185	1,107	80	2,402
Dairy products	2,089	6,222	5,761	78,721	95,365	13,802	14,894	20,542	18,307	255,703
Poultry	128	1,577	614	17,996	23,365	2,405	1,437	4,188	5,097	56,807
Eggs	580	3,242	1,656	12,009	29,418	4,823	3,567	5,149	7,682	68,126
Other livestock and products	76	520	106	1,041	4,231	2,381	1,645	3,034	2,903	15,937
Total livestock and products	7,801	16,738	12,404	178,058	320,921	53,643	79,108	149,735	41,614	860,022
Forest and maple products	165	1,317	1,788	12,319	3,482	128	138	223	1,050	20,610
Deficiency payments(5)	-	-	704	--	--	-	--	--	-	704
Cash Income from Farming Operations ...	11,965	19,739	19,437	204,160	447,495	90,204	276,457	242,750	55,801	1,368,008
Supplementary payments(6)	-	-	-	-	-	11,672	35,458	18,850	295	66,275
Total Cash Income	11,965	19,739	19,437	204,160	447,495	101,876	311,915	261,600	56,096	1,434,283

(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 1964 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.

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