

# The Daily

Statistics Canada

**Monday, May 28, 2001**

For release at 8:30 a.m.

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## MAJOR RELEASES

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- **Net farm income and farm cash receipts, 2000 and first quarter 2001** 2  
Net cash income was \$7.1 billion in 2000, up 15.3% from 1999; crop producers saw revenues hit a six-year low.
- **International travel account, first quarter 2001** 6  
Canada's international travel deficit fell to its lowest level in two years during the first quarter. The decrease was due mostly to record spending by foreigners visiting Canada.

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## MAJOR RELEASES

### Net farm income and farm cash receipts

2000 and first quarter 2001

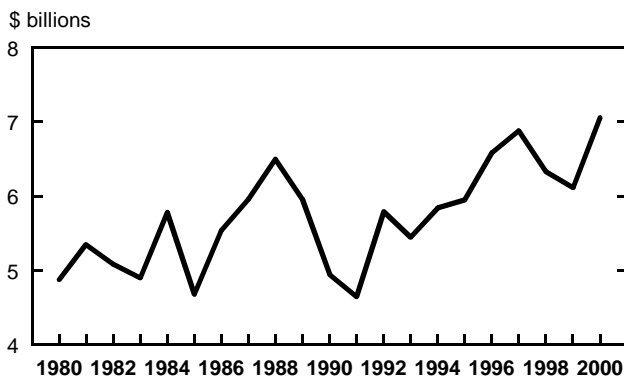
Net cash income for farmers — the difference between their cash receipts and operating expenses — increased in 2000 for the first time in three years, even though crop producers saw revenues fall for the third straight year to a six-year low.

Farmers recorded net cash income of \$7.1 billion, up 15.3% from 1999, the largest increase since 1992. The level was 10.7% above the average of \$6.4 billion for the five-year period from 1995 to 1999.

Total cash receipts and operating expenses set new records. Cash receipts grew 7.8% to \$32.8 billion, which was 11.7% above the previous five-year average. The increase was largely due to growth in revenue for hogs and cattle, as well as program payments. Operating expenses rose 5.9% to \$25.7 billion, the result of higher fuel and interest costs and livestock purchases. Program payments soared to a seven-year high of \$2.8 billion.

Net cash income can vary widely from one farm to another because of factors such as commodities produced, prices and weather. This is especially true for crop producers who have been hit hard by adverse prices for the past three years and, in many cases, by either drought or by extremely wet weather.

Net cash income



Farmers incurred declines in net cash income in four provinces: Prince Edward Island (-53.6%), Newfoundland (-32.8%), New Brunswick (-27.4%) and Manitoba (-2.1%). For Manitoba farmers, it was the third straight decline. In Saskatchewan, net cash income

#### Note to readers

**Net cash income** measures farm business cash flow (farm cash receipts minus operating expenses) generated from the production of agricultural goods. Net cash income represents the amount of money available for debt repayment, investment or withdrawal by the owner.

**Realized net income** measures the financial flows, both monetary (net cash income) and non-monetary (depreciation and income-in-kind), of farm businesses. Similar to net cash income, realized net income represents the net farm income from transactions in a given year, regardless of the year in which the agricultural goods were produced.

**Total net income** measures the financial flows and stock changes of farm businesses (net cash income minus depreciation plus income-in-kind and value of inventory change). Total net income values agriculture economic production during the year that the agricultural goods were produced. It represents the return to owner's equity, unpaid labour, management and risk.

**Farm cash receipts** measures the gross revenue of farm businesses in current dollars. They include sales of crops and livestock products (except sales between farms in the same province) and program payments. Receipts are recorded when the money is paid to farmers before any expenses are paid.

**Deferments** represent sales from grains and oilseeds delivered by western producers for which payments were deferred until the next year. Because these receipts are based on physical deliveries, any deferred payments are deducted from the farm cash receipts of the current calendar year and included when they are liquidated (see "liquidations of deferments" in the farm cash receipts table).

**Program payments** include payments tied to current agricultural production and paid directly to farmers. Examples of these payments come under the Net Income Stabilization Account, the Crop Insurance Act, provincial stabilization programs and the Canadian Dairy Commission Act. The program payments series does not attempt to cover all payments made to farmers nor does it represent total government expenditure under all assistance programs.

**Farm operating expenses** represent business costs incurred by farm businesses for goods and services used in the production of agricultural commodities. Expenses are recorded when the money is disbursed by the farmer.

was virtually unchanged following two years of decline; in Alberta, it rose 62.9% to its highest level since 1996. Lower potato prices and marketings led the declines in Prince Edward Island and New Brunswick.

#### Crop receipts down to six-year low, while livestock revenues hit record high

Cash receipts for crop producers fell for the third consecutive year, hitting a six-year low of \$13.1 billion, down 1.2% from 1999. Abundant world supplies led to

depressed prices for major grains and oilseeds, pushing crop receipts 4.7% below their previous five-year average.

However, livestock receipts reached a record \$16.8 billion, up 11.0% from 1999 and 18.8% above the previous five-year average. This record was the result of higher revenues for hogs and, to a lesser extent, cattle and calves.

Lower prices for major grains and oilseeds meant that producers deferred fewer receipts for crops sold in 1999 for liquidation in 2000. Liquidations of grain and oilseed receipts were down 33.0% to \$630 million, the lowest since 1994. They were the main contributors to the decline in crop receipts in 2000.

The largest commodity decrease was for canola receipts. Although a record canola crop in 1999 led to an 8.9% increase in deliveries in 2000, receipts fell 10.8% to \$1.6 billion, as prices continued under pressure from large world supplies of edible oils. The average price received by canola producers in 2000 was the lowest since 1987.

Marketings of wheat, excluding durum, rose 10.2% in 2000, mainly because of the size of the 1999 crop. However, prices fell 4.9% and Canadian Wheat Board payments declined 17.5%. Overall receipts for wheat excluding durum decreased 0.8% to \$2.4 billion, 18.8% below the five-year average. Receipts for durum wheat fell 11.6% to \$647 million because of reduced deliveries and lower Canadian Wheat Board payments.

Barley receipts were up 14.1% to \$569 million, while soybean receipts rose 9.6% to \$677 million. These increases were due mainly to higher deliveries to the livestock industry, which uses both crops as feed.

Hog receipts rose to a record \$3.4 billion, a jump of 38.8% from 1999, as prices continued to rebound from the lows reached in December 1998. A 33.9% increase in slaughter hog prices accompanied a 4.5% increase in marketings. Hog production has been expanding since 1993 to take advantage of growing domestic processing and export opportunities.

Cattle and calf receipts rose 7.7% to a record \$6.7 billion, which was 25.5% above the previous five-year average. Beef production has been rising gradually since 1993. However, in 2000 marketings dipped slightly, as farmers retained more heifers for breeding. Demand for beef was strong, keeping prices high.

### **Program payments at seven-year high**

Program payments soared 44.8% to \$2.8 billion in 2000, the highest level since 1993 and nearly double the previous five-year average. However, they remained below the peak of \$3.8 billion set in 1992.

Most of this increase came from the \$669 million paid out under the Alberta Farm Income Assistance

Program, the Canada–Manitoba Adjustment Program and the Canada–Saskatchewan Adjustment Program. These were initiatives designed to help farmers adjust to the elimination of transportation subsidies at a time of low prices.

Crop insurance payments nearly doubled to \$598 million, the result of both poor growing conditions and increases in the acreage and the value of insured crops.

Payments under the Agricultural Income Disaster Assistance (AIDA) program and its related provincial disaster programs reached \$426 million, a 25.0% increase over 1999. Changes introduced to the AIDA program at the end of 1999 contributed to this increase.

Farmers withdrew \$456 million from the government portion of the Net Income Stabilization Account (NISA), up 2.5% from 1999.

### **Operating expenses: Fuel, interest costs soared**

After modest increases during the previous three years, total operating expenses reached \$25.8 billion in 2000, 11.5% above the previous five-year average, largely the result of soaring fuel and interest costs.

Fuel costs for machinery rose 29.0%, the biggest increase since the rapidly rising prices of the late 1970s and early 1980s. Interest costs increased 15.7% due to both rising interest rates and a farm debt load that has been growing since 1992.

At \$3.6 billion, commercial feed remained the largest single operating cost. Despite continued low feed grain prices, feed expenses rose 1.5%, as livestock and poultry inventories on farms increased.

The only expenses to decline were crop and hail insurance premiums (-10.9%), share rent (-4.3%) and repairs to buildings and fences (-0.9%).

### **Third straight increase in total net farm income**

Total net farm income measures agriculture economic production by adjusting net cash income for value of inventory change, depreciation and income-in-kind.

Total net farm income rose 3.5% to \$3.0 billion in 2000; the increase in net cash income more than offset a decline in total value of inventory. This marked the third consecutive increase, following a substantial decrease from its 1996 peak of \$4.5 billion.

Despite a build-up of the cattle herd, lower stocks of corn, canola and tobacco reduced the value of farmer-owned inventories to below 1999 levels nationally.

The change in total net income varied widely by province. The level in Manitoba doubled from the previous year and was 43.5% above the previous

five-year average. Higher farmer-owned inventories of wheat, potatoes, cattle, calves and hogs contributed to this increase.

Prince Edward Island's total net income fell by more than 50%, as an increase in farm potato inventories was more than offset by lower net cash income.

### Crop receipts down, livestock revenues up in first quarter of 2001

Crop producers continued to face difficulty during the first three months of 2001; receipts fell to a seven-year low. However, crop receipts were offset by higher livestock revenues and program payments. As a result, total farm cash receipts rose 5.5% to \$8.5 billion, 8.2% higher than the first-quarter average over the five years from 1996 through 2000.

Crop receipts fell to \$3.4 billion, a 5.0% decline from the first quarter of 2000, and 14.2% below the previous five-year average for the first quarter. However, livestock receipts reached a record high of \$4.4 billion, up 9.1% from the first quarter of 2000. Program payments were up 57.3% to \$703 million.

The largest increases in total farm cash receipts occurred in Manitoba (+17.2%) and Saskatchewan (+12.5%). The largest decline was in Ontario (-8.8%).

### Provincial farm cash receipts

	Jan. to March 2000 <sup>r</sup>	Jan. to March 2001 <sup>p</sup>	Jan.-March 2000 to Jan.-March 2001
	\$ millions		% change
<b>Canada</b>	<b>8,095</b>	<b>8,541</b>	<b>5.5</b>
Newfoundland	18	17	-5.6
Prince Edward Island	96	96	-
Nova Scotia	96	99	3.1
New Brunswick	88	87	-1.1
Quebec	1,168	1,200	2.7
Ontario	1,888	1,721	-8.8
Manitoba	791	927	17.2
Saskatchewan	1,674	1,884	12.5
Alberta	1,797	2,010	11.9
British Columbia	481	500	4.0

<sup>r</sup> Revised data.

<sup>p</sup> Preliminary data.

- Nil or zero.

**Note:** Figures may not add to totals due to rounding.

Receipts for wheat excluding durum fell to \$605 million, as deliveries declined 16.1% and payments from the Canadian Wheat Board were down 11.8%. Abundant supplies of wheat were still available on the world market.

Soybean receipts dropped 38.7% to \$133 million in the first quarter of 2001, after reaching a record high during the first quarter of 2000. The decline was due mainly to lower deliveries.

Tobacco receipts fell 46.6% to \$85 million. Though the quality of the crop was good and prices increased 18.5% over the same period in 2000, lower production, which just met demand, drove the decrease.

Corn receipts were down 25.9%, as a decline in marketings more than offset the increase in price. Late planting, a cool summer and wet conditions at harvest led to a 25.5% decline in production, following records set in 1998 and 1999. Conversely, receipts for canola rose to \$558 million, as sales to China led a 46.5% increase in deliveries.

### Farm cash receipts

	Jan. to March 2000 <sup>r</sup>	Jan. to March 2001 <sup>p</sup>	Jan.-March 2000 to Jan.-March 2001
	\$ millions		% change
<b>Canada</b>	<b>8,095</b>	<b>8,541</b>	<b>5.5</b>
All wheat <sup>1</sup>	875	793	-9.4
Wheat excluding durum <sup>1</sup>	676	605	-10.5
Durum wheat <sup>1</sup>	199	188	-5.5
Barley <sup>1</sup>	168	204	21.4
Deferments	-61	-92	50.8
Liquidations of deferments	564	524	-7.1
Canola	373	558	49.6
Soybeans	217	133	-38.7
Corn	189	140	-25.9
Other cereals and oilseeds	76	68	-10.5
Special crops	164	161	-1.8
Other crops	1,033	929	-10.1
<b>Total crops</b>	<b>3,599</b>	<b>3,419</b>	<b>-5.0</b>
Cattle and calves	1,554	1,771	14.0
Hogs	788	887	12.6
Dairy products	1,007	1,010	0.3
Poultry and eggs	509	543	6.7
Other livestock	193	207	7.3
<b>Total livestock</b>	<b>4,050</b>	<b>4,418</b>	<b>9.1</b>
Net Income Stabilisation Account	106	104	-1.9
Crop insurance	78	201	157.7
Income disaster assistance programs	97	278	186.6
Provincial stabilization	66	81	22.7
Dairy subsidy	24	16	-33.3
Other programs	75	23	-69.3
<b>Total payments</b>	<b>447</b>	<b>703</b>	<b>57.3</b>

<sup>r</sup> Revised data.

<sup>p</sup> Preliminary data.

<sup>1</sup> Includes Canadian Wheat Board payments.

**Note:** Figures may not add to totals due to rounding.

Livestock receipts were 22.4% above the previous five-year average to a record \$4.4 billion, boosted by increased revenues in the cattle and calf sector and, to a lesser extent, in the hog industry.

Higher cattle and calf prices pushed receipts to \$1.8 billion, 14.0% above the same quarter in 2000 and 32.5% above the previous five-year average. Cash receipts for hog producers rose 12.6% to \$887 million, which was 35.5% above the previous five-year average.

Program payments were more than double their previous five-year average in the wake of higher

payments through income disaster assistance programs.

**Available on CANSIM: tables 20001-20003, 20005, 20007-20009 and 20012 and matrices 171, 172, 208-215, 225, 244, 249-259, 263-272, 3571-3603, 5631 and 5678.**

*Agriculture economic statistics supplement* (21-603-UPE, \$26/\$52) will be released in July. The January–March 2001 issue of *Farm cash receipts*

(21-001-XIB, \$15/\$48) will be available soon. See *How to order products*.

For more information on net farm income, or to enquire about the concepts, methods or data quality of this release, contact Gail-Ann Breese (204-983-3445; [gail-ann.breese@statcan.ca](mailto:gail-ann.breese@statcan.ca)) or Bernie Rosien (613-951-2441; [bernie.rosien@statcan.ca](mailto:bernie.rosien@statcan.ca)), Agriculture Division.

For more information on farm cash receipts, contact Kimberley Boyuk (613-951-2510; [kimberley.boyuk@statcan.ca](mailto:kimberley.boyuk@statcan.ca)), Agriculture Division.

### Net farm income

	Canada	Nfld.	PEI	NS	NB	Que.	Ont.	Man.	Sask.	Alta.	BC
	\$ millions										
1999 <sup>r</sup>											
+ Total farm cash receipts including payments	30,393	78	347	392	369	5,137	7,216	2,956	5,488	6,475	1,934
– Total operating expenses after rebates	24,280	56	268	307	286	3,909	5,888	2,335	4,226	5,508	1,496
= Net cash income	6,113	21	78	86	84	1,228	1,328	621	1,261	966	438
+ Income-in-kind	161	0	2	4	3	57	50	10	12	16	8
– Depreciation	3,982	4	32	41	33	480	930	361	892	998	211
= Realized net income	2,292	18	48	48	54	806	448	270	381	-16	235
+ Value of inventory change	610	1	-1	-3	-9	-6	-19	-43	271	419	-1
= Total net income	2,902	20	47	45	45	800	429	228	652	403	234
2000 <sup>p</sup>											
+ Total farm cash receipts including payments	32,767	73	318	415	362	5,418	7,798	3,113	5,782	7,412	2,076
– Total operating expenses after rebates	25,716	59	282	328	302	4,108	6,211	2,504	4,522	5,838	1,565
= Net cash income	7,051	14	36	87	61	1,310	1,588	608	1,260	1,574	512
+ Income-in-kind	153	1	2	3	3	53	47	9	12	16	7
– Depreciation	4,034	4	36	44	36	503	954	358	882	1,006	211
= Realized net income	3,170	11	2	47	28	860	681	259	390	584	308
+ Value of inventory change	-166	-1	18	0	8	-50	-185	195	32	-176	-7
= Total net income	3,004	11	21	46	37	810	495	454	422	409	301

<sup>r</sup> Revised data.

<sup>p</sup> Preliminary data.



## International travel account

First quarter 2001 (preliminary)

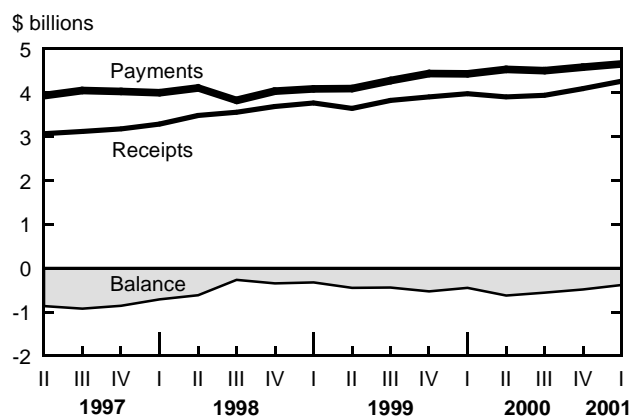
Canada's international travel deficit — the difference between what Canadians spend abroad and foreigners spend in Canada — fell to its lowest level in two years during the first quarter of 2001. The decrease was due mostly to record spending by foreigners visiting Canada.

Foreign travellers injected slightly less than \$4.3 billion into the Canadian economy during the first quarter of 2001, up 4.1% from the fourth quarter of 2000. During the same period, spending by Canadians abroad rose only 1.5% to \$4.6 billion.

As a result, the international travel deficit fell from a revised \$489 million in the last three months of 2000 to \$388 million in the first three months of 2001. It was the lowest level since the first quarter of 1999.

Foreigners made 12.7 million same-day and overnight trips to Canada in the first quarter, up 4.4% from the fourth quarter of 2000. Canadian travel abroad rose 2.9% to 11.9 million trips.

Travel deficit lowest since first quarter of 1999



### Record spending by Americans north of the border

Travel and spending by Americans in Canada both rose during the first quarter of 2001. Americans took about 11.5 million same-day and overnight trips north of the border, 4.8% more than in the fourth quarter of 2000. They spent a record \$2.6 billion in Canada between January and March, up 7.8% from the previous quarter.

Canadian spending south of the border declined 1.7% in the first quarter to just under \$2.8 billion. This occurred despite a 2.7% gain in the number of same-day and overnight trips by Canadians to the United States, which reached 10.7 million in the first quarter.

#### Note to readers

This International travel account analysis is based on preliminary quarterly data, which are seasonally adjusted. Amounts are in Canadian dollars and are not adjusted for inflation.

Receipts represent spending by foreigners travelling in Canada, including education and medical spending. Payments represent spending by Canadians travelling abroad, including education and medical spending.

Overseas countries are countries other than the United States.

As a result, the travel deficit with the United States declined for the third consecutive quarter to \$139 million, from a revised \$377 million in the fourth quarter of 2000.

### Travel deficit with overseas nations hit highest level in 11 years

Canada's travel deficit with countries other than the United States reached its highest level in 11 years in the first quarter.

Canadians took 1.2 million trips to overseas destinations, a 4.6% increase from the fourth quarter of 2000. In doing so, they spent a record high of \$1.9 billion, up 6.6%.

### International travel account receipts and payments

	First quarter 2000 <sup>r</sup>	Fourth quarter 2000 <sup>r</sup>	First quarter 2001 <sup>p</sup>	Fourth quarter 2000 to first quarter 2001
Seasonally adjusted				
	\$ millions			% change
<b>United States</b>				
Receipts	2,435	2,457	2,648	7.8
Payments	2,830	2,834	2,787	-1.7
Balance	-395	-377	-139	
<b>All other countries</b>				
Receipts	1,533	1,634	1,611	-1.4
Payments	1,592	1,746	1,861	6.6
Balance	-59	-112	-250	
<b>Total</b>				
Receipts	3,969	4,091	4,259	4.1
Payments	4,422	4,580	4,648	1.5
Balance	-453	-489	-388	

<sup>r</sup> Revised figures.

<sup>p</sup> Preliminary figures.

**Note:** Data may not add to totals due to rounding.

For their part, overseas residents spent less in Canada than they did in the last quarter of 2000, despite a slight 0.2% increase in their number of trips to Canada. Overseas travellers spent just over \$1.6 billion in the first quarter of 2001, a 1.4% decline from the previous quarter.

Consequently, Canada's travel deficit with overseas countries more than doubled from a revised \$112 million in the fourth quarter of 2000 to \$250 million in the first quarter. During this period, the Canadian dollar depreciated against most European currencies.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Jocelyn Lapierre (613-951-3720) or Client Services, Culture, Tourism and the Centre for Education Statistics (1-800-307-3382; 613-951-7608; fax: 613-951-2909; [cult&tourstats@statcan.ca](mailto:cult&tourstats@statcan.ca)). ■

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## OTHER RELEASES

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### Shipments of solid fuel-burning heating products

First quarter 2001

Shipments of solid fuel-burning heating products totalled \$20.1 million in the first quarter, an increase of 131.7% from the \$8.7 million shipped during the first quarter of 2000.

Quantities for these shipments are also available.

The first quarter 2001 issue of *Shipments of solid fuel-burning heating products*, Vol. 20, no. 1 (25-002-XIB, \$6/\$19) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods, and data quality of this release, contact Don Grant (613-951-5998; [grantdo@statcan.ca](mailto:grantdo@statcan.ca)), Manufacturing, Construction and Energy Division. ■



## NEW PRODUCTS

**The dairy review**, January–March 2001, Vol. 62, no. 1  
Catalogue number **23-001-XIB** (\$27/\$89).

**The dairy review**, January–March 2001, Vol. 62, no. 1  
Catalogue number **23-001-XPB** (\$36/\$119).

**Shipments of solid fuel burning heating products**,  
Quarter ended March 2001, Vol. 20, no. 1  
Catalogue number **25-002-XIB** (\$6/\$19).

**Aviation service bulletin**, Vol. 33, no. 3  
Catalogue number **51-004-XIB** (\$8/\$82).

**Imports, merchandise trade, 2000**  
Catalogue number **65-203-XPB** (\$258).

**Imports, merchandise trade, 2000**  
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Statistics Canada

Thursday, June 3, 1997  
For release at 8:30 a.m.

#### MAJOR RELEASES

- **Urban transit, 1995** 2  
Changes in expenditures on taking urban transit. Canadians are riding it less and less. In 1996, each Canadian took an average of about 61 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4  
Growth in productivity among Canadian businesses was relatively weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

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#### PUBLICATIONS RELEASED

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Statistics Canada

### Statistics Canada's official release bulletin

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