



# The Daily

## Statistics Canada

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After two years of decreases following back-to-back droughts and the closure of the US border to live cattle exports, net cash income (the difference between a farmer's cash receipts and operating expenses) rebounded to \$6.3 billion in 2004.

#### Farm cash receipts, first quarter 2005

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Farm cash receipts increased 3.4% in the first quarter of 2005, as growth in revenues for cattle and hogs and record program payments offset a decline in crop receipts. Total receipts from crops, livestock and program payments hit a record \$9.4 billion.

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### Perspectives on Labour and Income

May 2005 online edition

The May 2005 online edition of *Perspectives on Labour and Income*, released today, contains two articles. "Business support services" looks at the industry's rapid growth and the characteristics of its workers and jobs from 1987 to 2004. It also provides statistical evidence to dispel some myths about the industry. "Looking, and looking, for work" investigates the factors influencing the chances of finding a job for the long-term unemployed (more than six consecutive months) in the late 1990s and early 2000s. It shows that those who were older or receiving social assistance have less chance of finding work. But chances were better for younger people, primary household maintainers, those receiving Employment Insurance benefits, and those living in the Prairies.

Also, available free in this issue is a fact sheet on tourism in 2002. The fact sheet compares Canada with the other G7 countries, Australia, Russia and China.

The May 2005 online edition of *Perspectives on Labour and Income*, Vol. 6, no. 5 (75-001-XIE, \$6/\$52) is now available. See *How to order products*.

For more information, contact Henry Pold (613 951-4608; [henry.pold@statcan.ca](mailto:henry.pold@statcan.ca)), Labour and Household Surveys Analysis Division.



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**New products**

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## Releases

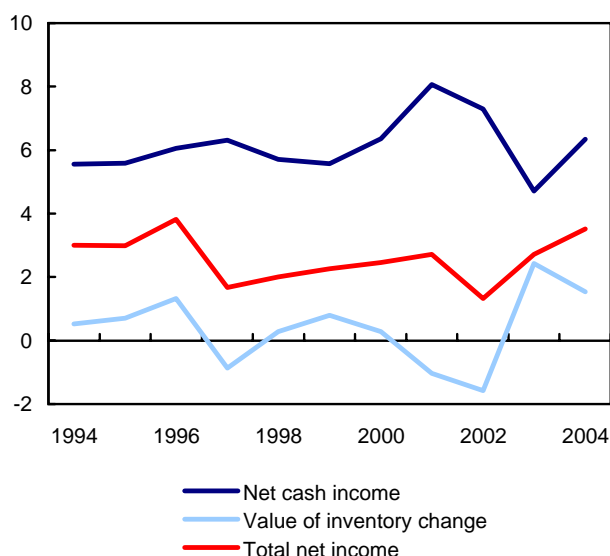
### Net farm income

2004

After two years of decreases following back-to-back droughts and the closure of the US border to live cattle exports, net cash income (the difference between a farmer's cash receipts and operating expenses) rebounded to \$6.3 billion in 2004.

#### Net farm income

\$ billions



While Canadian producers saw their net cash incomes rise by 34.4% from the low received in 2003, this level was still 1.0% below the previous five-year average from 1999 to 2003.

All provinces recorded increases, except Prince Edward Island. However, compared to the previous five-year average, six provinces experienced decreases in net cash income in 2004.

Total farm cash receipts rose 6.1%, driven by higher revenues for crops and livestock, while farm operating expenses rose 1.6%. Inputs, such as machinery fuel, cash wages and machinery repairs, contributed to the higher expenses.

Net cash income can vary widely from one farm to another because of factors such as commodities produced, prices and weather. It does not take into account depreciation or the value of on-farm inventory changes. For details on farm cash receipts in the first quarter of 2005, see today's "Farm cash receipts" release in the *Daily*.

#### 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.

**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.

**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.

#### Cash receipts up for the first time in three years

Higher revenues for crops and hogs pushed farm cash receipts up for the first time in three years in 2004. In total, farmers received \$36.5 billion from all three sources (livestock and crop receipts and program payments) a 6.1% increase from 2003. The 2004 total was slightly higher than the previous record set in 2001.

Livestock receipts rose 6.0% to \$17.2 billion in 2004, but this was just marginally higher than the previous five-year average of \$17.1 billion. While receipts for hog producers hit a record high, revenues from cattle and calves fell to their lowest level since 1996 as the industry's BSE-related problems continued.

Crop receipts staged a solid rebound in 2004 from one of the lowest levels in a decade. Production of grains and oilseeds returned to more normal levels in 2003 following two consecutive droughts in Western Canada (2001 and 2002).

Two main factors contributed to this gain: substantially higher deliveries for most major crops between January and June 2004; and higher Canadian Wheat Board (CWB) payments.

Receipts for wheat (excluding durum) increased 30.3% to \$2.4 billion in the wake of both higher CWB payments and marketings. Average prices were lower than 2003 levels due to higher production in most major exporting countries.

Farmers received \$2.1 billion for canola, up 13.0% from 2003. Deliveries in 2004 increased 12.5%, while prices rose steadily in the first half of the year.

Hog producers led the growth in livestock revenues as their 2004 receipts reached a record \$4.3 billion, up 25.5% from 2003. This jump was due mainly to a 26.3% growth in revenue from domestic slaughter. Hog prices strengthened throughout 2004 as a result of robust exports and strong domestic demand.

Revenues from cattle and calves decreased slightly from 2003 to \$5.1 billion, the lowest level since 1996. Despite an increase in marketings, cattle and calf receipts were 24.9% below the previous five-year average. Prices plummeted with the discovery of BSE during the spring of 2003, and despite some gains, the average 2004 price remained 12.9% below that of 2003.

Receipts from international trade in live cattle and calves tumbled to zero in 2004 from the \$581 million in 2003. Since the US border remains closed to live cattle and calves, producers have responded by sending a record 4.0 million head of cattle for domestic slaughter. This 26.9% increase more than compensated for an 8.0% decline in price, leading to a 16.1% rise in revenues for slaughter cattle.

Supply-managed commodities accounted for just over 40% of total livestock revenues in 2004. Receipts for dairy products and poultry increased.

After rising substantially in 2003, program payments grew a marginal 0.8% in 2004 to a record \$4.9 billion. Payments remained well above the previous five-year average of \$3.4 billion.

Canadian farmers received over \$1.1 billion through BSE-related programs in 2004. The largest contributor was the Transitional Industry Support Program (TISP) which delivered almost \$806 million. The TISP was designed to provide assistance to producers in meeting the financial challenges resulting from the market impacts of BSE.

Withdrawals from the government portion of the Net Income Stabilization Account (NISA) reached record levels in 2004. Farmers withdrew \$934 million from their government accounts, a 29.2% increase over 2003. The majority of this increase may be attributed to the scheduled completion of the NISA program.

The Canadian Agricultural Income Stabilization (CAIS) program, implemented in 2004, delivered \$777 million. The CAIS program was designed to provide assistance to producers who have experienced a loss of income as a result of BSE or other factors.

Crop insurance delivered \$785 million in 2004, a \$921-million decline from the record payments in 2003. Higher levels of crop insurance in 2003 were the result

of two consecutive years of drought in Western Canada in 2001 and 2002.

### **The increase of crude oil prices is being felt on farm operating expenses**

Despite soaring energy prices, farm operating expenses recorded the smallest increase since 1990. Operating expenses rose 1.6% nationally in 2004 and were 9.2% above the previous five-year average.

They increased in all provinces except in Alberta and British Columbia where they remained almost unchanged. For the other provinces, the increases varied from 1.8% in Saskatchewan to 3.1% in Newfoundland and Labrador.

Almost 38% of the increase in gross operating expenses came from machinery fuel which was 12.0% above the 2003 level. Higher machinery fuel costs reflected higher crude oil prices that peaked at over US\$50 per barrel in late 2004. Markets reacted to tight oil supply concerns and expectations of increased global demand by ratcheting up prices throughout the year.

Cash wages continued their steady long-term increase by reaching a record \$3.8 billion in 2004. This represented a 1.8% increase from 2003 and was 10.5% above the previous five-year average. Higher labour prices were the main reason for the increase from 2003 to 2004.

Higher prices also led to an increase of 3.1% for machinery repairs

In contrast, livestock purchases fell for the third year in a row. The closure of cattle export markets caused by BSE led farmers to reduce their purchases of livestock. In 2004, livestock purchases stood at \$1.1 billion, which represented a 6.3% decrease from 2003 and a 28.0% drop compared to the previous five-year average.

Continued lower interest rates were the driving force behind the decrease of interest expenses since 2001. In 2004, they were at \$2.3 billion, down 2.3% from 2003.

### **Higher receipts and farm inventories bump up total net income**

After reaching an extremely low level in 2002, total net income rebounded in the following two years to reach \$3.5 billion in 2004, which was 52.9% above the previous five-year average. Total net income adjusts net cash income for changes in farmer-owned inventories of crops and livestock, depreciation and income in kind.

The increase in receipts after two consecutive years of decreases in 2002 and 2003 and the value of farm inventories explained a large part of this increase. Receipts went up by \$2.1 billion between 2003 and 2004, while the value of inventory change increased by \$1.5 billion.

Back-to-back droughts in Western Canada sharply curtailed farm grain and oilseed inventories by the end of 2002. Consequently, the return to more normal production levels in 2003 and 2004 helped increase inventories. In the same way, the BSE crisis forced the producers to keep their livestock on the farm, causing an increase in inventories.

The largest increases of the value of inventory were recorded in Saskatchewan and Alberta. Saskatchewan led with the total value of inventory change reaching \$812 million, while Alberta recorded \$511 million.

Available on CANSIM: tables 002-0001, 002-0003, 002-0005, 002-0007 to 002-0009, 002-0012 and 003-0025.

Definitions, data sources and methods: survey numbers, including related surveys, 3436, 3437, 3439, 3471, 3472, 3473 and 3474.

The publications *Net Farm Income: Agriculture Economic Statistics*, May 2005, Vol. 4, no. 1 (21-010-XIE, free), *Farm Operating Expenses and Depreciation Charges: Agriculture Economic Statistics*, May 2005, Vol. 4, no. 1 (21-012-XIE, free), *Value of Farm Capital: Agriculture Economic Statistics*, May 2005, Vol. 4, no. 1 (21-013-XIE, free) and *Farm Debt Outstanding: Agriculture Economic Statistics*, May 2005, Vol. 4, no. 1 (21-014-XIE, free) are now available online. From the *Our products and services* page, under *Browse our Internet publications*, choose *Free*, then *Agriculture*.

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## Net farm income

	Canada	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
	\$ millions										
2003 <sup>r</sup>											
+ Total farm cash receipts including payments	34,458	82	354	425	408	5,970	8,484	3,570	5,814	7,069	2,283
- Total operating expenses after rebates	29,743	78	319	382	366	4,896	7,371	3,060	4,998	6,320	1,953
= Net cash income	4,715	3	35	43	42	1,074	1,113	509	816	749	331
+ Income-in-kind	131	0	1	3	2	44	39	8	11	15	7
- Depreciation	4,551	6	36	51	43	603	1,102	412	913	1,131	256
= Realized net income	294	-2	1	-5	2	514	51	106	-86	-368	82
+ Value of inventory change	2,426	0	-2	1	-2	121	76	401	869	920	41
= Total net income	2,720	-2	-1	-5	0	635	127	507	783	553	122
2004 <sup>p</sup>											
+ Total farm cash receipts including payments	36,543	86	348	451	419	6,307	8,634	3,907	5,944	8,043	2,403
- Total operating expenses after rebates	30,207	81	329	391	376	5,010	7,520	3,145	5,089	6,315	1,951
= Net cash income	6,336	5	19	61	44	1,298	1,114	761	854	1,729	452
+ Income-in-kind	141	0	1	3	2	44	44	9	13	16	7
- Depreciation	4,492	6	38	52	44	582	1,076	403	921	1,110	260
= Realized net income	1,985	0	-17	12	2	760	82	368	-54	635	199
+ Value of inventory change	1,530	0	2	1	-16	118	193	-60	812	511	-31
= Total net income	3,516	0	-15	12	-14	878	275	307	758	1,146	168

<sup>r</sup> Revised data.

<sup>p</sup> Preliminary data.

**Note:** Figures may not add to totals because of rounding.

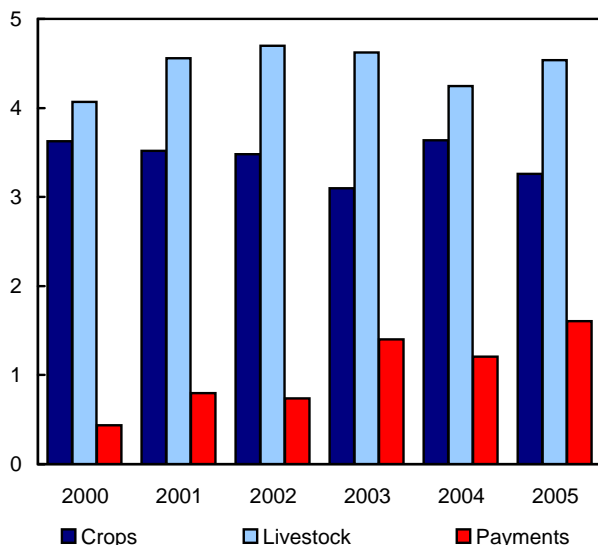
## Farm cash receipts

First quarter 2005

Farm cash receipts reached a record high for the first quarter of 2005, as growth in revenues for cattle and hogs and record program payments offset a decline in crop receipts.

### Farm cash receipts, January to March

\$ billions



Total receipts from crops, livestock and payments rose 3.4% to a record \$9.4 billion, about \$310 million higher from the first quarter of 2004. Receipts were 6.5% higher than the first-quarter average for the previous five-year period between 2000 and 2004.

Livestock farmers saw their revenues rebound 6.8% from a low in 2004 to \$4.5 billion. This increase was mainly due to gains in receipts for slaughter cattle and hogs.

In contrast, receipts from crop sales fell 10.3% to \$3.3 billion, about a \$380-million decline. Producers of many major grains and oilseeds saw their revenues slashed from the same period in the previous year.

Farmers received \$1.6 billion from programs in the first three months of 2005, up one-third from the same period a year earlier. This was more than \$690 million over the previous five-year average. Most of this increase may be attributed to larger payments delivered through the Canadian Agricultural Income Stabilization program.

Farm cash receipts provide a measure of gross revenue for farm businesses. They do not account for

#### Note to readers

Statistics Canada does not forecast farm cash receipts. These data are based on survey and administrative data from a wide variety of sources.

**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.

**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 (NISA), the Crop Insurance Act and provincial stabilization programs. 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.

expenses incurred by farmers. Cash receipts can vary widely from farm to farm because of several factors, including commodities, price and weather. In addition, the impact of the closure of the US border to Canadian cattle and beef on May 20, 2003 will continue to be reflected in farm financial statistics. For the most recent information about net farm income in 2004, consult today's "Net farm income" release in the *Daily*.

The largest provincial percentage increase in cash receipts occurred in Prince Edward Island (+13.6%) due largely to a rebound from low potato prices in 2004. Despite this increase, revenues remained marginally above the previous five-year average.

The only provinces recording lower receipts were Alberta (-3.9%) and Nova Scotia (-0.8%).

### Cattle and hogs drive growth in livestock revenues

Livestock receipts of \$4.5 billion in the first quarter were \$288 million above the first quarter of 2004. This was mainly due to higher prices for both slaughter cattle and hogs.

First-quarter cattle and calf receipts hit \$1.4 billion, a 7.8% gain from the same quarter last year, but 16.7% below the five-year average. A 10.7% rise in average cattle and calf prices compensated for a 2.6% drop in marketings.

Slaughter cattle receipts rose 6.3% to \$1.2 billion, although 2.1% fewer animals were sold for domestic slaughter. First-quarter slaughter cattle prices continued to languish well below historic averages, despite an 8.8% increase. The US border continues to be closed to Canadian live cattle exports.

Hog receipts advanced 12.3% to a record \$1.1 billion, largely due to an 11.4% improvement in average price. Prices continue to strengthen as a

result of robust exports and strong domestic demand. Even though the number of animals marketed increased only marginally from the first quarter of 2004, since 1994 there has been continuous growth in the number of head sold.

Slaughter hog receipts rose 12.9% to \$870 million on the strength of increases in both prices and marketings. Slaughter hog receipts represent more than 80% of total hog receipts.

Although the number of hogs sold internationally declined 6.3%, receipts from international exports improved 9.2% to almost \$180 million as export prices rose a significant 17.2%.

As for supply-managed commodities, revenues from dairy products, chicken and turkey registered increases, while egg receipts declined. Supply managed livestock commodities account for 40% of total livestock receipts.

### **Crop receipts hit by weather, prices and payment timing**

Crop receipts of \$3.3 billion were 6.2% below the previous five-year average.

In addition to a strong Canadian dollar, and the abnormally cold growing season last year that resulted in higher supplies of lower quality grains in the Prairies, there were several factors behind the decrease in revenues.

Prices for most grains and oilseeds decreased sharply, mainly due to increased supply from bumper crops in the United States and the prospect of another large crop in South America.

Deliveries of corn and canola were lower in the first quarter of 2005. Farm stocks of corn and canola were above their ten-year averages at March 31. Finally, lower CWB payments contributed to the overall slide in crop revenues.

Canola recorded the most notable decrease in crop receipts, falling almost one-third in 2005 to \$422 million from the 2004 peak of \$612 million. Both prices and deliveries were lower than the previous year.

Revenues from wheat (excluding durum) dropped 24.2% to \$400 million, mainly as a result of decreased Canadian Wheat Board payments. Corn

receipts fell 38.9% to almost \$150 million due to both falling prices and lower deliveries.

Revenue from horticultural crops, which include fruits, vegetables, and the floriculture, nursery and sod industries, was up 12.1% to register almost \$630 million.

### **Program payments return to record levels**

Program payments climbed 14.6% in the first quarter of 2005 from the record level set in 2003 and were one-third above the 2004 level.

The Canadian Agricultural Income Stabilization (CAIS) program delivered \$570 million in the first quarter of 2005, up more than \$545 million from the same period in 2004. The CAIS program was designed to provide assistance to producers who have experienced a loss of income as a result of BSE or other factors.

Crop insurance payments increased 14.5% from the first quarter of 2004 to \$378 million. Even so, these payments still remained 8.0% below the previous five-year average.

Withdrawals from the government portion of the Net Income Stabilization Account (NISA) fell from the record levels of 2004. Farmers withdrew \$319 million from their government accounts, a 13.6% decrease from last year's withdrawals. However, these were still almost double the previous five-year average of \$164 million.

### **Available on CANSIM: table 002-0002.**

### **Definitions, data sources and methods: survey number 3473.**

The publication *Farm Cash Receipts: Agriculture Economic Statistics*, May 2005, Vol. 4, no. 1 (21-011-XIE, free) is now available online. From the *Our products and services* page, under *Browse our Internet publications*, choose *Free*, then *Agriculture*.

For more information or to enquire about the concepts, methods or data quality of this release, contact Rita Athwal (613-951-5022; [rita.athwal@statcan.ca](mailto:rita.athwal@statcan.ca)) or Jesus Dominguez (613-951-1747; [jesus.dominguez@statcan.ca](mailto:jesus.dominguez@statcan.ca)), Agriculture Division.

## Farm cash receipts

	January to March 2004	January to March 2005 <sup>P</sup>	January-March 2004 to January-March 2005
	\$ millions		% change
<b>Canada</b>	<b>9,089</b>	<b>9,401</b>	<b>3.4</b>
All wheat <sup>1</sup>	620	478	-22.9
Wheat excluding durum <sup>1</sup>	528	400	-24.2
Durum wheat <sup>1</sup>	93	78	-16.1
Barley <sup>1</sup>	154	106	-31.2
Deferments	-84	-52	-38.1
Liquidations of deferments	604	607	0.5
Canola	612	422	-31.0
Soybeans	194	187	-3.6
Corn	244	149	-38.9
Other cereals and oilseeds	95	125	31.6
Special crops	182	205	12.6
Other crops	1,013	1,032	1.9
<b>Total crops</b>	<b>3,635</b>	<b>3,259</b>	<b>-10.3</b>
Cattle and calves	1,317	1,420	7.8
Hogs	936	1,051	12.3
Dairy products	1,133	1,203	6.2
Poultry and eggs	605	615	1.7
Other livestock	257	247	-3.9
<b>Total livestock</b>	<b>4,248</b>	<b>4,535</b>	<b>6.8</b>
Net Income Stabilisation Account	369	319	-13.6
Crop insurance	330	378	14.5
Income disaster assistance programs	123	0	...
Provincial stabilization	94	72	-23.4
Dairy subsidy	0	0	0
Other programs	290	838	189.0
<b>Total payments</b>	<b>1,206</b>	<b>1,608</b>	<b>33.3</b>

<sup>P</sup> Preliminary data.

1. Includes Canadian Wheat Board payments.

... Not applicable.

**Note:** Figures may not add to totals because of rounding.

## Provincial farm cash receipts

	January to March 2004	January to March 2005 <sup>P</sup>	January-March 2004 to January-March 2005
	\$ millions		% change
<b>Canada</b>	<b>9,089</b>	<b>9,401</b>	<b>3.4</b>
Newfoundland and Labrador	20	21	5.0
Prince Edward Island	81	92	13.6
Nova Scotia	122	121	-0.8
New Brunswick	96	107	11.5
Quebec	1,280	1,419	10.9
Ontario	2,045	2,085	2.0
Manitoba	1,028	1,039	1.1
Saskatchewan	1,695	1,841	8.6
Alberta	2,221	2,134	-3.9
British Columbia	501	543	8.4

<sup>P</sup> Preliminary data.

**Note:** Figures may not add to totals because of rounding.



## Study: Who's calling at dinner time?

1987 to 2004

Business support services, of which telephone call centres are a major component, recorded unparalleled growth during the past two decades as a result of big advances in information and telecommunications technology and new modes of sales and service delivery.

According to a new study, employment in this industry jumped more than fivefold (447%), from 20,000 to 112,000 between 1987 and 2004. This far exceeded the 37% increase in all service industries and the 29% rise in overall employment.

Two recent events related to telephone call centres have thrust the industry into the limelight. On the negative side, nuisance and privacy complaints from the public as a result of unwanted calls, especially at dinner time, have led to demands for legislation to limit such calls. On the other hand, the industry's role in generating donations in response to the recent Asian tsunami disaster has served to enhance its image.

Using the Labour Force Survey, this study looks at the industry's rapid growth and the characteristics of its workers and jobs from 1987 to 2004. It also provides statistical evidence to dispel some myths about the industry.

Thanks to technological advances, which have made it possible to locate business support offices in areas far from clients, regions with high unemployment have particularly benefited. In 2004, for example, about one-quarter of all employment in the industry was in Atlantic Canada, notably Nova Scotia and New Brunswick. This compared with the region's 7% share of total employment in both the service industries as a whole and in all industries combined.

Women and youth are over-represented in the industry, which has a low rate of unionization. In 2004, over 60% of jobs were held by women, compared with the all-service-industry rate of 55% and the all-industry rate of 47%. Youths (aged 15 to 24) made up almost one-third of jobholders in business support services — twice the rate for all service industries (17%) and for all industries combined (15%).

In 2004, workers in the industry earned on average \$12.45 an hour, much less than the service sector average of \$18.10 and the overall average of \$18.50. Also, 85% of workers had short job tenure — five years or less, compared with 55% for all service industries and 53% for all industries combined. The generally low wages likely contribute to high labour turnover.

The common perceptions that the industry has a relatively high concentration of part-time and temporary jobs, a higher student-worker ratio, or a

high concentration of less educated workers are not corroborated by the data.

Indeed, the study found that in 2004, approximately 67% of all business support services workers had some postsecondary education or higher. The comparable figures were 65% for workers in all industries and 69% for those in all service industries.

Furthermore, the incidence of part-time work among business support workers (17% in 2004) was slightly lower than that found among workers in all industries (19%) or in all service industries (23%). In addition, only 10% of business support workers held a temporary job in 2004, compared with 13% for workers in all industries or in all service industries. Also, students accounted for only 9% of business support workers, about the same as for all service industries (10%) and for all industries (8%).

### Definitions, data sources and methods: survey number 3701.

The article "Business support services" is now available in the May 2005 online edition of *Perspectives on Labour and Income*, Vol. 6, no. 5 (75-001-XIE, \$6/\$52). See *How to order products*.

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## Study: Urban-rural clash: Environmental management on farms

2001

As cities expand and people move into predominantly rural areas, agricultural interests inevitably clash with urban sensibilities.

This degree of urbanization in Canada may already be precipitating changes in farm management practices, according to a new study.

The study showed that farmers who selected more environmentally-friendly farm management practices to overcome social and regulatory pressures from adjacent communities were, on average, located closer to urban areas than those who did not.

Recent media reports have drawn attention to complaints of residents downwind from hog operations. Elsewhere, people who live next door to a vineyard are angry when the grape grower installs noise-makers to frighten off birds that can decimate crops.

The rural-urban conflict over land use will likely intensify as more and more city dwellers move into the suburbs and beyond. To determine how farmers

have reacted, this study investigated the extent to which farming practices have adjusted to growing urbanization.

It did so by comparing the adoption rates for what is known as an "environmental management system" (EMS) among farmers close to urbanized areas to those in more rural, isolated regions.

An EMS documents a farm's activities that affect environmental performance. It does not generally measure the actual impact of these practices on environmental quality. However, in their most formal sense, they can expedite adoption of advanced techniques, farm practices and production systems that are environmentally safe.

In Quebec, which is in the forefront of the EMS strategy in Canada, they help the farm owner qualify for ISO 14001 certification, an internationally recognized environmental accreditation.

The study found that farms that adopted EMSs are more likely to be located in regions with a higher population density than those that did not.

For example, the average population density of the region for farms adopting a manure management system was about 22 people per square kilometer, as opposed to around 14 per square km for farms not adopting.

More than 21,000 farmers were surveyed for this study. Of the three-quarters, or 16,000 who responded, 2,250 raised only livestock, 5,425 grew only crops, and 8,378 had both. The survey gathered information on the use of a variety of farm management practices, including adopting the eight environmental management systems.

The degree of urbanization was captured by two variables: the distance of the farm operation to an urban centre "as the crow flies", and population density.

The *Vista on the Agri-Food Industry and the Farm Community Newsletter*, May 2005, entitled *The Urban-rural Clash: Environmental Management Systems on Canadian Farms* (21-004-XIE, free) is now available on our Web site. From the *Our products and services* page under *Browse our Internet publications*, choose *Free then Agriculture*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Mike Trant (613-951-2859, [mike.trant@statcan.ca](mailto:mike.trant@statcan.ca)), Agriculture Division. ■

## Public sector employment

2000 to 2004 (revised) and first quarter 2005 (preliminary)

Government employment (comprising federal, provincial/territorial and local) reached its highest level in 10 years in 2004.

In total, close to 2.7 million people were working in the three levels of government — the highest level since 1994 but still below the peak in 1992. More than one-half were provincial or territorial civil servants.

Government employment has been increasing steadily since hitting a low of just over 2.5 million in 1999.

With all three levels of government showing gains between 1999 and 2004, government employment rose by 160,000.

The provincial and territorial governments combined had just fewer than 1.4 million employees in 2004, up by 98,000 from 1999. Meanwhile, federal employment rose by 38,000 to 367,000, while local government employment gained 23,000 to 908,000.

The provinces and territories accounted for 52% of the total government employment in 2004. The federal government represented 14% and local governments 34%. These proportions have remained relatively stable over the years.

Compared to provincial and territorial governments, the federal government showed sharper percentage decreases through the 1990s as well as larger percentage increases beginning with 2000. However, because the provincial and territorial governments employ more than three times as many people, changes in their data have a larger impact on the total.

Just over half of all provincial and territorial employees work for a health and social service institution. One-quarter are employed by the provincial and territorial general governments, and the remainder work for colleges and universities.

In the first quarter of 2005, government employment advanced 1.4% compared with the first quarter of 2004. This level is still lower than the same three months in 1992.

**Note:** The public sector includes all economic entities controlled by government. It is comprised of the ministries, departments, agencies, special-purpose funds and organizations; public educational institutions; and health and social service agencies of the three levels of government (federal, provincial/territorial and local) along with their government business enterprises.

**Available on CANSIM: tables 183-0002 and 183-0004.**

**Definitions, data sources and methods: survey numbers, including related surveys, 1713 and 1728.**

Estimates of public sector employment and aggregate public sector wages and salaries for the first quarter of 2005 are now available while previously published estimates have been revised back to 2000.

Data tables on public sector employment are also available online in the *Canadian Statistics* module of our Web site.

For general information or to order data, contact Joanne Rice (613-951-0767; [joanne.rice@statcan.ca](mailto:joanne.rice@statcan.ca)).

To enquire about the concepts, methods or data quality of this release, contact Kim Balson (613-951-4855; [kimberly.balson@statcan.ca](mailto:kimberly.balson@statcan.ca)), Public Institutions Division.

## Public sector employment

	Total public sector	Total government	Federal government	Provincial/territorial government	Local government	Government business enterprises
	000's					
1990	3,027	2,663	406	1,387	869	365
1991	3,057	2,706	415	1,402	889	351
1992	3,063	2,725	411	1,409	904	338
1993	3,037	2,712	405	1,397	910	326
1994	3,003	2,679	394	1,376	909	324
1995	2,958	2,649	371	1,370	907	309
1996	2,851	2,579	356	1,315	907	273
1997	2,789	2,531	338	1,302	891	258
1998	2,779	2,518	331	1,300	888	261
1999	2,771	2,509	328	1,296	885	262
2000	2,786	2,520	335	1,303	882	266
2001	2,814	2,547	351	1,314	882	266
2002	2,847	2,583	359	1,336	887	264
2003	2,913	2,641	366	1,382	892	272
2004	2,949	2,669	367	1,394	908	280

## Foreign affiliate trade statistics 2003

Sales of goods and services by foreign affiliates of Canadian businesses fell for the third consecutive year in 2003, mainly the result of a decline among affiliates in the United States.

Total sales hit \$324 billion, down 9.2% from 2002.

Two major factors were behind this decline. First, sales for the majority of foreign affiliates are denominated in US dollars. In 2003, the Canadian dollar gained 12% on average against the US greenback.

All things being equal, this translates into lower sales figures for those foreign affiliates transacting in US dollars. The sales figures denominated in American dollars are converted into Canadian currency at a lower rate than in the previous year.

Secondly, several corporate restructurings resulted in significant US affiliates no longer being owned by Canadian firms. This also contributed to the decline in sales in the United States.

These factors more than explain the decline for 2003, which means that sales of these affiliates in the original currency grew more in line with the economies in which they reside.

Employment among Canadian-owned foreign affiliates also fell 1.4% to 885,000.

Outward foreign affiliate trade statistics measure the operations of affiliates of Canadian firms located abroad.

There were 3,677 foreign affiliates in operation in 2003. On average, each affiliate generated \$88 million in sales and had 241 employees.

Sales and employment fell considerably for foreign affiliate service-providers, while producers of goods experienced a more moderate decline.

Service providers recorded sales of \$113 billion, down 17% from 2002. The decrease was primarily driven by a few large corporate restructurings of existing foreign affiliate operations south of the border.

Leading the decline in sales were three industries: finance and insurance (-28%); information and cultural industries (-13%); and transportation and warehousing (-26%). Parts of these declines were also tied to less robust sales in some industries as personal consumption expenditures on services in the United States were lower in 2003.

Foreign affiliate service-providers had 311,000 employees in 2003, down 8%. The biggest decline in absolute numbers occurred in the information and cultural industries where employment fell by 13,000.

Sales among foreign affiliates that produced goods declined a more modest 4% to \$211 billion. The manufacturing industry accounted for the entire drop, with the computer and electronic product manufacturing sector playing a significant role.

In contrast, employment among goods-producers rose 2% to 574,000. A significant portion of the increase relates to acquisitions of foreign affiliate operations in Europe, which occurred in the fourth quarter of 2003.

Foreign affiliate sales in the United States accounted for 59% of the total in 2003, down from 61% in the previous year. Sales in the European Union, excluding the United Kingdom, accounted for 13% of the total, up from 11%.

Sales fell in all regions except the European Union (excluding the UK), and it was a similar story for employment. Only affiliates in the European Union (excluding the UK) and other OECD countries experienced gains in jobs.

Foreign affiliate employment in the United States accounted for 55% of the total, the lowest proportion since these estimates were first released for 1999.

**Note:** To be consistent with the international practice for measuring foreign affiliate trade statistics, only the data for majority-owned foreign affiliates are included. For operational reasons, depository institutions and foreign branches of firms were excluded from the estimates. Sales and employment figures of non-bank majority-owned foreign affiliates represent 100% of the sales and employment, even if the Canadian ownership is less than 100%.

#### Foreign affiliate operations

	1999	2000	2001	2002	2003
Sales (\$ billions)					
United States	204	237	224	219	192
United Kingdom	24	31	36	35	30
Other European Union	38	37	39	39	41
Other OECD countries	14	18	21	22	22
Other countries	36	44	45	42	39
<b>Total</b>	<b>316</b>	<b>367</b>	<b>365</b>	<b>357</b>	<b>324</b>
Employment (000's)					
United States	475	553	524	507	483
United Kingdom	51	78	85	92	87
Other European Union	69	79	90	94	101
Other OECD countries	48	51	60	63	75
Other countries	121	127	127	142	139
<b>Total</b>	<b>764</b>	<b>888</b>	<b>886</b>	<b>898</b>	<b>885</b>

Available on CANSIM: tables 376-0060 and 376-0061.

**Definitions, data sources and methods:** survey number 1529.

Additional analysis of these foreign affiliate trade statistics data will appear in Canada's International Trade in Services (67-203-XIE, \$35), which will soon be available.

For general information, contact Client Services (613-951-1855; [infobalance@statcan.ca](mailto:infobalance@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Michael Marth (613-951-6868; [michael.marth@statcan.ca](mailto:michael.marth@statcan.ca)), Balance of Payments Division. ■

#### Profile of Canadian importers: Textile and apparel commodities 2002

Data from the importer register (textile and apparel commodities) are now available. Counts of importers are available by province, country of origin, importer size and industry.

For more information on our products and services, contact Anne Couillard (1-800-294-5583 or 613-951-6867). To enquire about the concepts, methods or data quality of this release, contact Phil Armstrong (613-951-6755), International Trade Division. ■

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
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• <b>Productivity, hourly compensation and unit labour cost, 1996</b> Growth in productivity among Canadian businesses was modestly weak again in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.	4
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