



# The Daily

Statistics Canada

**Monday, August 27, 2007**

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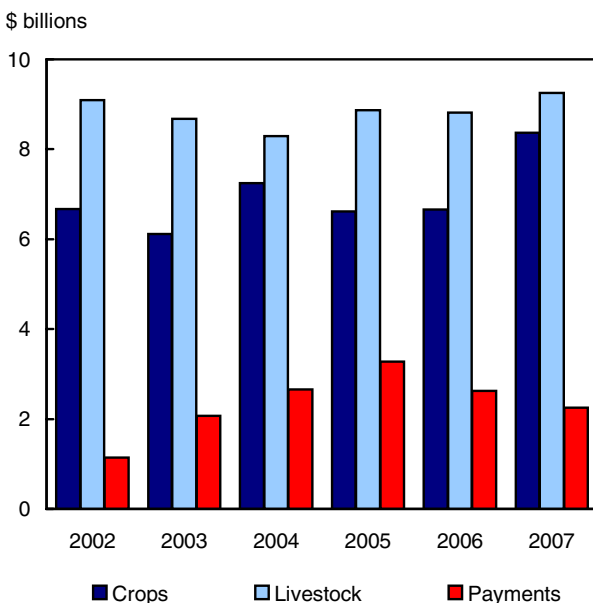
## Releases

### Farm cash receipts

First half of 2007

Market cash receipts for farmers increased to a record level during the first six months of 2007 as most crop, livestock and animal product prices rose. Farmers received \$17.6 billion in market revenue between January and June, up 13.8% from the same period in 2006.

#### Farm cash receipts, January to June



Crop receipts reached a first half-year record of \$8.4 billion, supported by higher grain and oilseed prices and strong grain deliveries. This total was 25.6% above the January-to-June 2006 level and 15.5% higher than the previous record set in 2004.

Receipts for livestock producers increased 4.9% to \$9.3 billion in the first half of 2007 as cattle revenue increased, hog prices improved from low levels in 2006, and dairy and poultry prices rose.

At \$2.2 billion, program payments declined 14.2% during the first six months of 2007, 4.5% below the five-year average (2002 to 2006), a period which saw record high payments resulting from adverse weather conditions, low grain and oilseed prices and the bovine spongiform encephalopathy situation.

#### 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** measure 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) as well as 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. However, the series does not attempt to cover all payments made to farmers, nor does it represent total government expenditure under all assistance programs. For example, the Canadian Farm Families Options Program announced in July 2006 is not included because it has been determined not to be business income for statistical purposes.

As a result of the release of data from the **2006 Census of Agriculture** on May 16, 2007, estimates of farm cash receipts, operating expenses, net income, capital value and other data contained in the Agriculture Economic Statistics series will be revised, where necessary. These revisions will be announced in a future release of the series in The Daily. For more details on the Census of Agriculture, see the "2006 Census of Agriculture: Farm operations and operators" release published in The Daily on May 16.

In total, farm cash receipts—revenue from crops, livestock and program payments—reached \$19.9 billion, a new record. This total was 9.8% above the one posted for the first half of 2006 and 11.8% above the previous five-year average for the January-to-June period.

Farm cash receipts provide a measure of gross revenue for farm businesses. They do not account for expenses such as feed costs, which will reflect the higher grain and oilseed prices present in the market over the past year or so.

Provincially, farm cash receipts rose in all provinces, except in Prince Edward Island and New Brunswick, where potato receipts declined from the near-record levels observed in the first half of 2006, and in British Columbia, where receipts remained flat. Increases in all other provinces ranged from 3.1% to 23.2%. The

Prairie Provinces experienced double-digit increases, mainly because of higher grain prices.

### **Crop receipts boosted by higher grain and oilseed prices**

Supported by the growing biofuel sector in the United States and the European Union, and by concerns over new crop production and tight global supplies, grain and oilseed prices surged from very low levels in the 2005/2006 crop year. Near-record grain production in 2006 also translated into strong deliveries by Canadian farmers during the first half of 2007.

Revenues from wheat (excluding durum) rose 66.0% to \$1.5 billion, as a result of higher prices, deliveries and Canadian Wheat Board (CWB) payments. Similarly, durum and barley receipts jumped by over 50%, bolstered by higher prices and CWB payments. However, deliveries of both these crops were down, largely due to lower production in 2006 as producers substituted other crops and yields declined.

Canola receipts reached \$1.5 billion, a second consecutive record for a first half of the year. This increase was driven by a 41.4% price gain. Despite being lower, the January-to-June canola deliveries were more than 50% above the previous five-year average. Higher prices and deliveries pushed soybean revenues up 46.7% to \$402 million. Similar to canola, soybean production has grown in recent years due to strong demand for vegetable oil and edible soybeans.

Corn receipts increased 50.9% to a record \$478 million in the first half of 2007, as prices and deliveries rose 40.8% and 7.1% respectively.

Potato receipts fell 3.2% to \$421 million, as an increase in marketings (+9.4%) was more than offset by an 11.5% drop in price. Despite an effort by Canadian farmers to reduce areas planted to potatoes in 2006, very good growing conditions led to record yields and production. High supplies pressured prices; they fell almost 6% below the previous five-year average for a January-to-June period.

### **Improvements in prices drive up livestock revenue**

Livestock receipts increased in the first half of 2007 as most livestock and animal product prices gained ground.

Cash receipts from cattle and calves, which are comprised of the revenue from domestic slaughter, interprovincial export and international export, rose 3.4% to \$3.2 billion, mainly the result of higher prices (+2.7%). Marketings (the total weight marketed) increased 0.6% in the first half of 2007, reaching their second highest level on record for a January-to-June period.

Despite the appreciation of the Canadian dollar, more feeder and slaughter cattle are being shipped to the United States to satisfy the strong demand. Revenues from international exports of cattle grew 17.4% to \$693 million, as the number of animals exported increased 17.1%.

Receipts from interprovincial export of feeder cattle rose 15.7% to \$335 million, the result of a 24.4% increase in the number of head sold. Higher costs for feed grains pressured feeder cattle prices downward.

Receipts from domestic slaughter, which account for almost two-thirds of cattle receipts, edged down 0.5%. Gains from prices (+5.0%) were offset by lower marketings.

Hog revenues were 7.8% higher compared with the first six months of 2006 on the strength of higher prices. Despite this increase, hog receipts remained 3.2% below the previous five-year average.

The total number of hogs marketed by Canadian farmers was slightly above (+0.7%) the 2006 level, with 15.4 million hogs sold. Cash receipts from international exports of hogs jumped 16.1%, accounting for about 40% of the rise in hog receipts.

Receipts from supply-managed commodities (dairy products, poultry and eggs) increased 5.2% after a slight decline in 2006. Chickens and dairy products were the main factors behind this increase as their prices rose. Supply-managed commodities account for about 40% of total livestock receipts.

### **Program payments down from high levels**

Farmers received \$2.2 billion in program payments, a 14.2% decrease from the first six months of 2006, and 4.5% below the previous five-year average.

Crop insurance payments, to which producers contribute via premiums, were down 48.8% to \$145 million, as a result of better growing conditions in 2006, particularly in Manitoba.

The phasing-out of the Grains and Oilseeds Program and the Farm Income Payment program also contributed significantly to the overall drop in payments.

The decline in program payments was cushioned by the new Cost of Production Payment program and higher Canadian Agricultural Income Stabilization program (CAIS) and CAIS-related program payments. Payments under CAIS and CAIS-related programs totalled \$1.1 billion, up from the \$837 million distributed during the same period in 2006.

The Cost of Production Payment program delivered \$228 million of the \$400 million committed under the program during the first half of the year. This program was designed to help address high production costs over the last four years.

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

**Definitions, data sources and methods: survey numbers, including related surveys, 3437 and 3473.**

A data table is also available from the *Summary tables* module of our website.

To order data, contact Client Services (toll-free 1-800-465-1991; fax: 613-951-3868; [agriculture@statcan.ca](mailto:agriculture@statcan.ca)). For more information, or to enquire about the concepts, methods or data quality of this release, contact Cindy Carter (613-951-0486; [cynthia.carter@statcan.ca](mailto:cynthia.carter@statcan.ca)), Agriculture Division. □

## Farm cash receipts

	January to June 2006	January to June 2007 <sup>P</sup>	January-June 2006 to January-June 2007	April to June 2006	April to June 2007 <sup>P</sup>	April-June 2006 to April-June 2007
	\$ millions		% change	\$ millions		% change
<b>Total Farm cash receipts</b>	<b>18,103</b>	<b>19,869</b>	<b>9.8</b>	<b>9,000</b>	<b>9,976</b>	<b>10.8</b>
<b>Total market receipts<sup>1</sup></b>	<b>15,482</b>	<b>17,619</b>	<b>13.8</b>	<b>7,929</b>	<b>9,062</b>	<b>14.3</b>
All wheat <sup>2</sup>	1,166	1,903	63.2	723	1,147	58.6
Wheat excluding durum <sup>2</sup>	920	1,527	66.0	557	896	60.9
Durum wheat <sup>2</sup>	246	375	52.4	166	251	51.2
Barley <sup>2</sup>	186	285	53.2	92	125	35.9
Deferments	-89	-169	89.9	-49	-100	104.1
Liquidations of deferments	375	478	27.5	7	5	-28.6
Canola	1,127	1,508	33.8	556	812	46.0
Soybeans	274	402	46.7	144	170	18.1
Corn	317	478	50.8	147	207	40.8
Other cereals and oilseeds	176	253	43.8	82	122	48.8
Special crops	273	409	49.8	113	183	61.9
Potatoes	435	421	-3.2	220	208	-5.5
Floriculture and Nursery	1,131	1,152	1.9	787	802	1.9
Other crops	1,294	1,245	-3.8	853	838	-1.8
<b>Total crops</b>	<b>6,663</b>	<b>8,366</b>	<b>25.6</b>	<b>3,676</b>	<b>4,519</b>	<b>22.9</b>
Cattle and calves	3,117	3,222	3.4	1,464	1,541	5.3
Hogs	1,670	1,801	7.8	828	892	7.7
Dairy products	2,428	2,538	4.5	1,204	1,296	7.6
Poultry and eggs	1,212	1,291	6.5	618	672	8.7
Other livestock	391	401	2.6	139	142	2.2
<b>Total livestock</b>	<b>8,819</b>	<b>9,253</b>	<b>4.9</b>	<b>4,253</b>	<b>4,543</b>	<b>6.8</b>
Net Income Stabilisation Account	299	267	-10.7	23	8	-65.2
Crop Insurance	283	145	-48.8	33	22	-33.3
Income Disaster Assistance Programs	1,544	1,320	-14.5	639	616	-3.6
Provincial Stabilization	369	482	30.6	341	257	-24.6
Other programs	126	36	-71.4	36	11	-69.4
<b>Total payments</b>	<b>2,621</b>	<b>2,249</b>	<b>-14.2</b>	<b>1,071</b>	<b>914</b>	<b>-14.7</b>

<sup>P</sup> preliminary

0 true zero or a value rounded to zero

1. Total market receipts are the sum of crop and livestock receipts.

2. Includes Canadian Wheat Board payments.

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

## Provincial farm cash receipts

	January to June 2006	January to June 2007 <sup>P</sup>	January-June 2006 to January-June 2007	April to June 2006	April to June 2007 <sup>P</sup>	April-June 2006 to April-June 2007
	\$ millions		% change	\$ millions		% change
<b>Canada</b>	<b>18,103</b>	<b>19,869</b>	<b>9.8</b>	<b>9,000</b>	<b>9,976</b>	<b>10.8</b>
Newfoundland and Labrador	46	51	10.9	22	25	13.6
Prince Edward Island	208	193	-7.2	101	95	-5.9
Nova Scotia	226	233	3.1	93	96	3.2
New Brunswick	239	216	-9.6	118	107	-9.3
Quebec	3,170	3,317	4.6	1,817	1,775	-2.3
Ontario	4,288	4,470	4.2	2,310	2,345	1.5
Manitoba	1,736	2,139	23.2	703	1,077	53.2
Saskatchewan	3,198	3,712	16.1	1,399	1,747	24.9
Alberta	3,850	4,397	14.2	1,789	2,062	15.3
British Columbia	1,140	1,142	0.2	648	647	-0.2

<sup>P</sup> preliminary

0 true zero or a value rounded to zero

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

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## Production and disposition of tobacco products

July 2007

Total cigarettes sold in July by Canadian manufacturers increased 13.7% from June to 1.7 billion cigarettes, down 22.6% compared with July 2006.

Cigarette production in July decreased 30.5% from June to 1.2 billion cigarettes, down 32.5% from July 2006.

At 1.6 billion cigarettes, the level of closing inventories for July was 23.4% higher than in June and 4.8% higher than in July 2006.

**Note:** This survey collects data on the production of tobacco products in Canada by Canadian manufacturers and the disposition or sales of this production. It does not

collect data on imported tobacco products. Therefore, sales information in this release is not a proxy for domestic consumption of tobacco products.

**Available on CANSIM: table 303-0062.**

**Definitions, data sources and methods: survey number 2142.**

The July 2007 issue of *Production and Disposition of Tobacco Products*, Vol. 36, no. 7 (32-022-XWE, free) is now available from the *Publications* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; [manufact@statcan.ca](mailto:manufact@statcan.ca)), Manufacturing, Construction and Energy Division. ■

## New products

**Production and Disposition of Tobacco Products,**  
July 2007, Vol. 36, no. 7  
**Catalogue number 32-022-XWE**  
(free).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

Catalogue numbers with an -XWE, -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or -XDE are electronic versions on diskette; -XCB or -XCE are electronic versions on compact disc; -XVB or -XVE are electronic versions on DVD and -XBB or -XBE a database.

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0000001-0006 (P) 0000001150040007-0105



Statistics Canada

Thursday, June 5, 1997  
For release at 9:30 a.m.



**MAJOR RELEASES**

- **Urban transit, 1995** 2  
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 200 less 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 and unit labour cost in 1995 accompanied by sluggish gains in employment and slow economic growth during the year.

**OTHER RELEASES**

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- **Short-term Expectations Survey** 3
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### Statistics Canada's official release bulletin

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