



The Daily

Statistics Canada

Wednesday, January 16, 2008

Released at 8:30 a.m. Eastern time

Releases

Agriculture value added account, 2006	2
Balance sheet of the agricultural sector, December 31, 2006	3
Farm business cash flows, 2006	3
Dairy statistics, November 2007	4
Aircraft movement statistics, December 2007	4

New products	5
---------------------	----------



Agriculture value added account 2006 (revised)

Net value added for agriculture fell for the second consecutive year in 2006 to its lowest level since 1998, primarily as a result of declining farm inventories and lower program payments.

Net value added dropped 17.6% to \$8.2 billion in 2006, well below the previous five-year average of \$10.1 billion, which included a record \$11.4 billion in 2004. Newfoundland and Labrador, Prince Edward Island, New Brunswick and Manitoba were the only provinces to record gains.

Net value added measures agriculture's contribution to the national economy's production of goods and services created in a particular year. It is derived by the total value of agricultural sector production less the related annual cost of production (expenses on inputs, business taxes and depreciation) plus net direct government payments.

Net value added is distributed to the various factors of production, including rent to non-operator landlords, interest to lenders, wages and profits.

Total family wages were up 7.7% over 2005 to \$1.6 billion, whereas corporation profits and unincorporated operator returns were down 86.1% and 102.3% respectively. Interest charges were up 16.4% and accounted for 33% of net value added in 2006, while non-family wages accounted for 29%.

The value of agricultural production (the gross output of the agricultural sector) fell 4.9% in 2006 to \$44.5 billion, primarily as a result of a large decline in the value of inventory change along with a slight drop in sales of agricultural products and lower program payments. This level was 3.1% below the previous five-year average for the period between 2001 and 2005.

Overall sales of agricultural products edged down 1.2% to \$38.2 billion, as lower sales to other farms offset an increase in sales to other sectors. This was 1.4% below the previous five-year average which was dragged down by back-to-back droughts in 2001 and 2002 as well as the closure of the US border to live cattle exports.

While sales of agricultural products to other farms declined 15.2% in 2006 to \$5.9 billion, sales to other sectors rose 1.9% to \$32.3 billion. The slight increase in sales to other sectors was due to higher revenues from crops, which jumped 7.9% to \$14.5 billion, as prices began to recover from their 2005 levels. Tempering the

increase in sales to other sectors were weak hog prices, which pushed livestock receipts down 2.5% in 2006.

After three consecutive years of increases, program payments fell to \$4.5 billion, 8.1% below the record level of 2005. Despite the drop, the 2006 level was 3.7% above the previous five-year average. Certain programs linked to cash flow problems and difficulties in the cattle sector were terminated in 2006, including the Farm Income Payment Program and bovine spongiform encephalopathy-related programs. Crop insurance payments also played a role, declining 21.1%, as better growing conditions prevailed in 2006. However, new programs including the Grains and Oilseeds Payment Program and the Canadian Agricultural Income Stabilization Inventory Transition Initiatives helped to prevent a precipitous fall in payments.

The value of inventory change was negative \$849 million in 2006, the first negative value since 2002, largely as a result of the conversion of on-farm stocks of canola and durum wheat into market deliveries, and lower stocks of feed grains.

Declining on-farm stocks of livestock were also a major contributor to the negative value of inventory change in 2006. Cattle inventories fell 3.6% in the wake of renewed live cattle exports to the United States, while hog inventories declined 1.3%.

Despite the large negative value of inventory change in 2006, on-farm stocks remained at very high levels as bountiful harvests in recent years had brought stocks up to record or near-record levels by the end of 2005.

As a result of the release of data from the 2006 Census of Agriculture on May 16, 2007, estimates of the agriculture value added account and other data contained in the *Agriculture Economic Statistics* series are being revised, where necessary. The complete set of revisions will be announced in a future release of the series in *The Daily*.

Available on CANSIM: table 002-0004.

Definitions, data sources and methods: survey number 5030.

The publication *Agriculture Value Added Account: Agriculture Economic Statistics*, January 2008, Vol. 6, no. 2 (21-017-XWE, free) is now available online. From the *Publications* module of our website, under *Free Internet publications*, choose *Agriculture*.

For more information, or to enquire about the concepts, methods or data quality of this

release, contact Stephen Boyd (613-951-1875; stephen.boyd@statcan.ca), Agriculture Division. ■

Balance sheet of the agricultural sector

December 31, 2006 (revised)

Farm sector equity in Canada increased 1.6% in 2006 to \$192.9 billion, as assets rose more rapidly than liabilities. The 2006 equity level was 4.5% above the previous five-year average for the period between 2001 and 2005. Quebec was the only province to record a decrease in equity in 2006.

Farm assets rose 2.1% to \$241.0 billion at the end of 2006. The value of farm real estate, which accounts for almost two-thirds of total farm assets, was the primary contributor, increasing 3.1% to \$148.7 billion and continuing the long-term upward trend seen since 1988. The value of farm inventories was also a factor, up \$653 million in 2006, as higher values for crop and input inventories more than offset declining values of poultry and market livestock inventories.

Farm liabilities reached \$48.0 billion, up 4.4% from 2005, the 13th consecutive annual rise. Current liabilities declined 1.0%, while long-term liabilities recorded an annual increase of 6.0%. Prince Edward Island and New Brunswick were the only provinces to have had declining liabilities in 2006.

The debt-to-asset ratio rose for the 11th consecutive year, climbing to a record 19.9% in 2006. This ratio measures the dependence of farm businesses on debt. The previous record was 19.5% set in 2005.

After reaching a record low in 2005, the current assets-to-current liabilities ratio edged up in 2006, reaching 2.075, compared to 1.944 in 2005. The lower ratios recorded since 2003 mean that operators within the agriculture sector have a reduced ability to pay short-term debts compared to earlier periods. The previous 10-year average of the current ratio was 2.656.

The interest coverage ratio assesses the ability to cover interest charges with the net income being generated (before interest and taxes). This ratio decreased to a record low 1.543 in 2006, as producers faced record debt loads and higher interest rates. The ratio was 2.604 in 2005 while the 10-year average (1996 to 2005) was 2.719.

Return on equity also fell to a record low of 0.8% in 2006, the second consecutive annual decrease after reaching an 8-year high in 2004 (2.9%). Both the previous 5-year average and the previous 10-year average were 2.2%.

As a result of the release of data from the 2006 Census of Agriculture on May 16, 2007, estimates of the balance sheet of the agricultural sector at December 31 and other data contained in the *Agriculture Economic Statistics* series will be revised,

where necessary. The complete set of revisions will be announced in a future release of the series in *The Daily*.

Available on CANSIM: table 002-0020.

Definitions, data sources and methods: survey number 5029.

The publication *Balance Sheet of the Agricultural Sector: Agriculture Economic Statistics*, January 2008, Vol. 6, no. 2 (21-016-XWE, free) is now available. From the *Publications* module of our website, under *Free Internet publications*, choose *Agriculture*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Stephen Boyd (613-951-1875; stephen.boyd@statcan.ca), Agriculture Division. ■

Farm business cash flows

2006 (revised)

Cash income for Canadian farm businesses decreased by 9.2% to \$7.2 billion in 2006, the second consecutive annual decline and 14.0% below the previous five-year average. Although stronger crop revenue helped offset declines in livestock receipts and program payments, producers were hit by higher interest charges and fuel prices, which drove farm operating expenses higher.

All provinces recorded decreases in cash income, except Newfoundland and Labrador, New Brunswick and Saskatchewan. For these three provinces, the increase in the cash sources between 2005 and 2006 exceeded the increase in the cash uses.

The amount of cash available for investment or withdrawal decreased by 0.5% to \$9.0 billion in 2006. This is the lowest level it has been since 1996 and 11.4% below the previous five-year average.

The decrease in cash available for investment or withdrawal occurred in spite of a \$1.8 billion net increase in loans outstanding in 2006. Loans outstanding have increased for 13 consecutive years. The \$1.8 billion net increase in loans outstanding in 2006 was essentially the same as the previous 5-year average, but below the 10-year average of \$2.0 billion.

The loans outstanding to cash income ratio rose to a record 6.1 in 2006 from 5.3 in 2005. This ratio indicates the burden of farm debt on farm cash income. The previous record was 6.0 set in 2003.

As a result of the release of data from the 2006 Census of Agriculture on May 16, 2007, estimates of the farm business cash flows and other data contained in the *Agriculture Economic Statistics* series are being revised, where necessary. The complete set of revisions will be announced in a future release of the series in *The Daily*.

Available on CANSIM: table 002-0023.

Definitions, data sources and methods: survey number 5031.

Please note that this series does not include data on depreciation, which are available in the publication *Farm Operating Expenses and Depreciation Charges: Agriculture Economic Statistics* (21-012-XWE, free).

The publication *Farm Business Cash Flows: Agriculture Economic Statistics*, January 2008, Vol. 6, no. 2 (21-018-XWE, free) is now available online. From the *Publications* module of our website, under *Free Internet publications*, choose *Agriculture*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Stephen Boyd (613-951-1875; stephen.boyd@statcan.ca), Agriculture Division. ■

Dairy statistics

November 2007 (preliminary)

Dairy farmers sold almost 618 200 kilolitres of milk and cream to dairies in November, up 3.4% from November 2006.

Definitions, data sources and methods: survey numbers, including related surveys, 3430, 3431 and 3432.

The fourth quarter 2007 issue of *Dairy Statistics*, Vol. 2, no. 4 (23-014-XWE, free) will be available in February.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Anna Michalowska (613-951-2442; toll-free 1-800-465-1991; fax: 613-951-3868), Agriculture Division. ■

Aircraft movement statistics

December 2007 (preliminary)

The 42 Canadian airports with NAV CANADA air traffic control towers reported 300,114 aircraft take-offs and landings in December, down 4.4% compared with December 2006 (314,045 movements). This marked the first decrease in year-over-year monthly comparisons in 18 months. Three-quarters of the airports reported decreases in aircraft movements in December 2007. The year-over-year monthly variations ranged from a 102.5% increase for Gander International to a decline of 46.4% for Oshawa, Ontario.

Available on CANSIM: table 401-0005.

Definitions, data sources and methods: survey number 2715.

The December 2007 issue of *Aircraft Movement Statistics, Monthly*, Vol. 6, no. 12 (51F0001PWE, 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 Aviation Statistics Centre (toll-free 1-866-500-8400; fax: 613-951-0010; aviationstatistics@statcan.ca), Transportation Division. ■

New products

Balance Sheet of the Agricultural Sector:
Agriculture Economic Statistics, January 2008,
Vol. 6, no. 2
Catalogue number 21-016-XWE
(free).

Agriculture Value Added Account: Agriculture
Economic Statistics, January 2008, Vol. 6, no. 2
Catalogue number 21-017-XWE
(free).

Farm Business Cash Flows: Agriculture Economic
Statistics, January 2008, Vol. 6, no. 2
Catalogue number 21-018-XWE
(free).

Aircraft Movement Statistics, Monthly,
December 2007, Vol. 6, no. 12
Catalogue number 51F0001PWE
(free).

New Motor Vehicle Sales, November 2007, Vol. 79,
no. 11
Catalogue number 63-007-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.

How to order products

To order by phone, please refer to:




- The title
- The catalogue number
- The volume number
- The issue number
- Your credit card number.

From Canada and the United States, call: **1-800-267-6677**
From other countries, call: **1-613-951-2800**
To fax your order, call: **1-877-287-4369**
For address changes or account inquiries, call: **1-877-591-6963**

To order by mail, write to: Statistics Canada, Finance, 6th floor, R.H. Coats Bldg., Ottawa, K1A 0T6.
Include a cheque or money order payable to **Receiver General of Canada/Publications**. Canadian customers
add 6% GST and applicable PST.

To order by Internet, write to: infostats@statcan.ca or download an electronic version by accessing Statistics Canada's
website (www.statcan.ca). From the *Our products and services* page, under *Browse our Internet publications*, choose *For sale*.

Authorized agents and bookstores also carry Statistics Canada's catalogued publications.

	
<small>Thursday, June 5, 1997 For release at 9:30 a.m.</small>	
MAJOR RELEASES	
<ul style="list-style-type: none"> Urban transit, 1995 Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 25 trips on some form of urban transit, the lowest level in the past 25 years. 	2
<ul style="list-style-type: none"> Productivity, hourly compensation and unit labour cost, 1995 Growth in productivity among Canadian businesses also noticeably weak again in 1996 accompanied by sluggish gains in employment and slow economic growth during the year. 	4
OTHER RELEASES	
<ul style="list-style-type: none"> Map-warmed index, May 1997 	3
<ul style="list-style-type: none"> Short-term Expectations Survey 	9
<ul style="list-style-type: none"> Steel primary forms, week ending May 31, 1997 	12
<ul style="list-style-type: none"> Egg production, Apr. 1997 	12
PUBLICATIONS RELEASED	11
 	

Statistics Canada's official release bulletin

Catalogue 11-001-XIE.

Published each working day by the Communications and library Services Division, Statistics Canada, 10G, R.H. Coats Building, 100 Tunney's Pasture Driveway, Ottawa, Ontario K1A 0T6.

To access *The Daily* on the Internet, visit our site at <http://www.statcan.ca>. To receive *The Daily* each morning by e-mail, send an e-mail message to lstproc@statcan.ca. Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2007. All rights reserved. The content of this electronic publication may be reproduced, in whole or in part, and by any means, without further permission from Statistics Canada, subject to the following conditions: that it be done solely for the purposes of private study, research, criticism, review or newspaper summary, and/or for non-commercial purposes; and that Statistics Canada be fully acknowledged as follows: Source (or "Adapted from", if appropriate): Statistics Canada, year of publication, name of product, catalogue number, volume and issue numbers, reference period and page(s). Otherwise, no part of this publication may be reproduced, stored in a retrieval system or transmitted in any form, by any means—electronic, mechanical or photocopy—or for any purposes without prior written permission of Licensing Services, Client Services Division, Statistics Canada, Ottawa, Ontario, Canada K1A 0T6.