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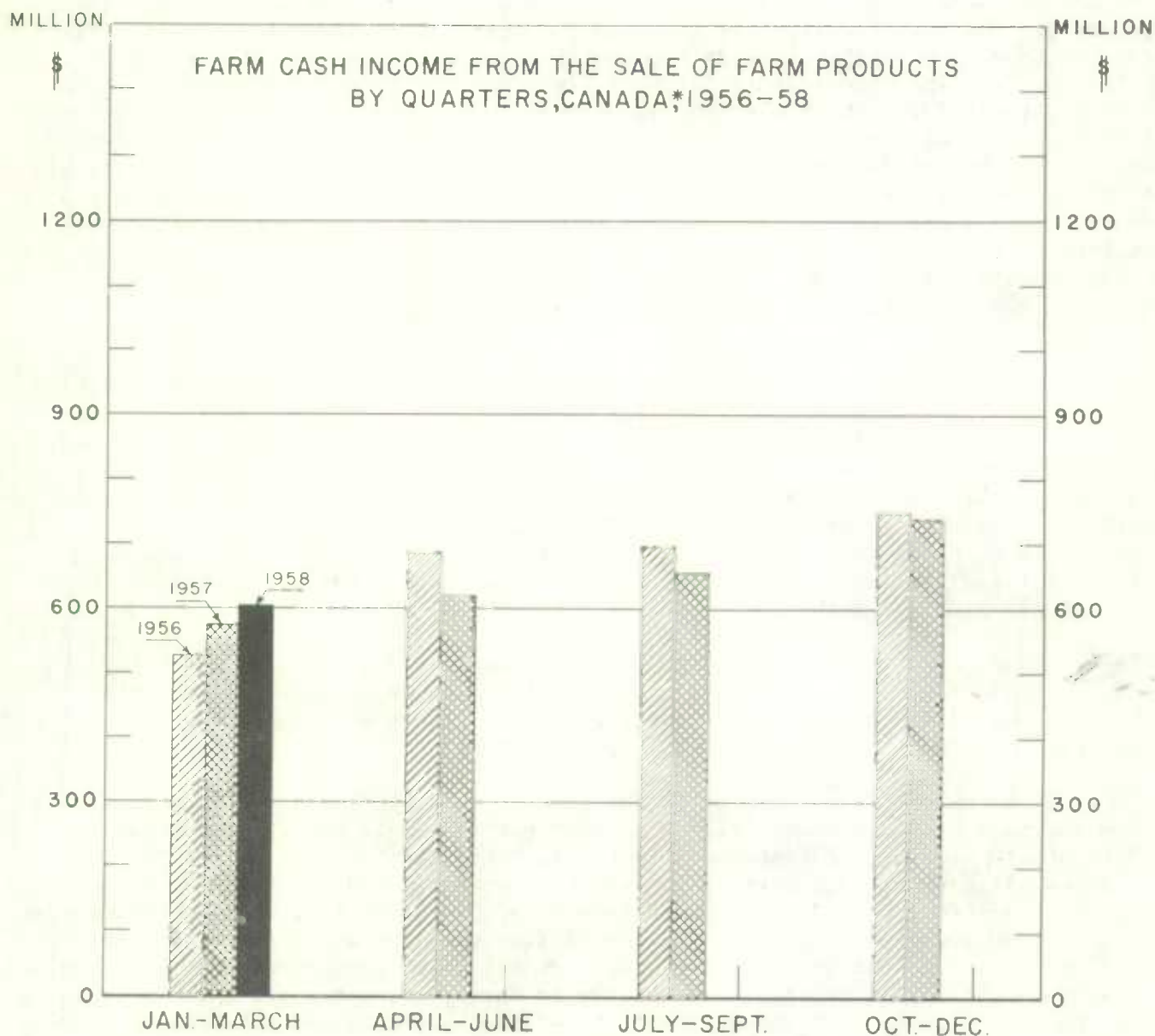
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FARM CASH INCOME

JANUARY TO MARCH 1958



*Newfoundland excluded

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Prepared in Farm Finance Section, AGRICULTURE DIVISION

CASH INCOME FROM THE SALE OF FARM PRODUCTS, JANUARY-MARCH, 1958 1/

Cash farm income from the sale of farm products for the first quarter of 1958 was estimated at 604 million dollars, up 29 million or 5 per cent from the like period a year earlier. This increase can be attributed, in the main, to larger outputs and higher prices for livestock and livestock products. Returns from the sale of field crops, on the other hand, were lower than a year earlier largely as a result of smaller marketings. Total cash income from farming operations which includes supplementary payments made under the Prairie Farm Assistance Act was 618 million dollars, up 42 million from the estimate of 576 million a year earlier.

Income estimates for each of the provinces were higher than a year earlier and can be attributed, generally, to higher returns from livestock and livestock products. The two exceptions to this general observation are Prince Edward Island and New Brunswick; higher returns from sales of potatoes in each of these provinces bolstered farm income more than sales of livestock and livestock products. Total income estimates for the Prairie Provinces were higher than a year earlier due to increased returns from livestock and to larger supplementary payments made under the Prairie Farm Assistance Act. In brief, the cash income estimate from the sale of farm products for the three Prairie Provinces, which excludes supplementary payments, was 270 million dollars for the first quarter of 1958 compared with 256 million in the like period of 1957. The total cash income estimate, which includes supplementary payments, was estimated at 284 million dollars compared with 257 million dollars in the like period a year earlier.

Field Crops Cash returns to farmers from the sale of field crops in the first quarter of 1958 were estimated at 206 million dollars, down 21 million from the estimate of 227 million during the corresponding period a year earlier. The major portion of this decline (about two-thirds) can be attributed to smaller deliveries by Prairie farmers to country elevators of wheat, oats, barley and flaxseed. Average farm prices for wheat in the first quarter of 1958 were slightly higher than a year earlier and can be accounted for by a higher proportion of the deliveries falling into the top milling grades. Average farm prices for flaxseed were also higher, but the increase was not sufficient to offset the effects of lower marketings.

Returns from the sale of tobacco were estimated at 51 million dollars in the first quarter of 1958 compared with 57 million in the like period of 1957. This decline of six million dollars accounted for almost all of the remainder of the drop in income from field crops and was confined to Ontario.

The only major exception to the general overall decline in cash returns from the sale of field crops was income from potatoes. In the first quarter of 1958, potato growers received an estimated 12.4 million dollars, up 1.5 million from the estimate of 10.9 million for the like period in 1957. In each of the two Maritime Provinces, Prince Edward Island and New Brunswick, where potatoes are an important source of farm income, returns from the sale of potatoes were one million dollars higher in the first quarter of the year than a year earlier; larger marketings and higher prices, particularly in March, accounted for this increase. Elsewhere in Canada, with the exception of British Columbia and Nova Scotia returns to potato growers were lower than a year earlier.

1/ Excludes Newfoundland.

Livestock and Livestock Products

Income from the sale of livestock, poultry meat, dairy products and market eggs was estimated at 367 million dollars for the first quarter of 1958, up 49 million from the estimate of 318 million a year earlier. With the exception of hogs, income estimates for each of the above noted commodities were higher than a year earlier. Returns from the sale of hogs were 75.8 million dollars compared with 77.6 million a year ago. This decline of almost 2 million dollars was due to slightly lower average prices which more than offset the effects of larger hog marketings. Prices for all other livestock and livestock products were higher. With the exception of market eggs, farm outputs of all livestock and livestock products were above levels of a year ago.

Higher returns from sales of cattle and calves accounted for about four-fifths or 40 million of the 49 million dollar increase in farm income from the sale of livestock and livestock products in the first quarter of the year compared with a year earlier. About two-thirds of the increase in returns from cattle and calves accrued to Prairie farmers, and most of the remainder to Ontario farmers.

The drop of 2 million dollars in return from the sale of hogs in the first quarter of the year compared with a year earlier can be attributed to smaller output and lower prices in Ontario. Income from the sale of hogs in Ontario was about 4 million dollars lower than a year earlier and was the only province for which a significant decline in income from this source was estimated. Income from the sale of hogs in the Prairie Provinces was 2 million dollars higher, partially offsetting the decline in Ontario. In the remaining provinces income estimates from the sale of hogs was about the same as a year earlier.

CASH ADVANCES IN FARM INCOME ESTIMATES

Advance payments to western grain growers on farm-stored grain have had to be included in farm cash income estimates in such a way that duplication would be avoided. Statistics available for estimates of income received from the sales of grains in western Canada include total deliveries and total price received regardless of whether or not advance payments have been made on any of it. To add together gross returns from deliveries and gross advance payments would in effect result in cash income estimates which included some grains on which a partial double payment had been made. For example - suppose a farmer delivers a bushel of wheat on which he has received an advance of 50 cents per bushel and at time of delivery is paid \$1.00 by the country elevator part of which must be used to repay the advance. To include both amounts without adjustment would mean that cash income estimates would be too high by the amount of the advance, or 50 cents. At the same time, however, it is necessary to include in cash income those advances made on grains which are still on farms.

To accomplish this farm cash income estimates should include gross returns from deliveries less repayments to the advance payments fund plus advances on grain still held in storage on farms. In presenting this in the farm cash income publication the entries can be reduced to gross returns from deliveries plus net advances on farm stored grains.

As long as the net advances are positive quantities little confusion is likely to arise. However, the time will come when repayments to the fund during certain accounting periods will exceed advances from the fund with the result net advances will in effect be minus quantities. Conceptually the inclusion of minus entries for net advances is quite correct. For example, during a certain period

of time a farmer may receive an advance of 50 cents per bushel on 100 bushels of farm stored wheat and the farm cash income estimates for that period will include an entry of \$50 under net advance payments. During a following period of time he may deliver the 100 bushels of grain and receive \$1.00 per bushel or \$100. Part of this will be used to repay the advances made in the previous period so that his net cash position over the two periods will be \$100. To reflect this situation the entries in the cash income estimates for the second period of time would be cash income from the sale of wheat \$100; net advances from advance payments fund - \$50; net cash returns from wheat for period \$100 - \$50 = \$50.

The estimates contained herein are based on reports of marketings and prices received by farmers for principal farm products and are subject to revision as more complete data become available. They include in the period in which paid, grain participation payments and those Federal and Provincial Government payments which farmers receive as subsidies to prices. Payments made under the provisions of the Prairie Farm Assistance Act are not included with cash income from the sale of farm products but are included in total cash income in the year in which payments were made, being classified as "Supplementary Payments."

In Table I below, is summarized the preliminary estimates of cash income from the sale of farm products, by provinces, for the first quarter of 1957 and 1958, and revised estimates for 1956. Tables 2, 3 and 4 present farm cash income by commodity sources for each province in the three years and include supplementary payments. No information is available for Newfoundland.

Table 1. - Farm Cash Income from the Sale of Farm Products, January-March, 1956-58 1/

	1958 (preliminary)	1957 (preliminary)	1956 (revised)
- thousand dollars -			
Prince Edward Island	7,168	5,630	5,358
Nova Scotia	8,537	8,085	8,571
New Brunswick	11,760	10,503	10,146
Quebec	75,467	70,225	73,982
Ontario	205,280	201,155	196,680
Manitoba	43,128	37,247	35,798
Saskatchewan	111,737	108,750	85,958
Alberta	114,781	109,715	90,620
British Columbia	25,718	23,559	22,453
Canada <u>2/</u>	603,576	574,869	529,566

1/ Excludes supplementary payments.

2/ Excludes Newfoundland.

TABLE 2.- PRELIMINARY ESTIMATE OF FARM CASH INCOME FROM THE SALE OF FARM PRODUCTS, BY PROVINCES,^{1/} JANUARY TO MARCH, 1958

	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
- thousand dollars -										
Wheat	-	-	-	-	711	7,858	41,891	25,552	328	76,340
Wheat, C.W.B. payments ^{2/}	-	-	-	-	-	4,012	24,369	10,781	-	39,162
Oats	76	13	125	581	904	867	637	1,189	55	4,447
Barley	-	-	-	10	132	1,215	3,228	7,278	166	12,029
C.W.B. net cash advance payments ^{2/} ..	-	-	-	-	-	-682	-1,236	-1,273	-	-3,191
Rye	-	-	-	-	-	112	587	277	-	976
Flaxseed	-	-	-	-	-	528	1,917	1,809	71	4,325
Corn	-	-	-	-	1,856	42	-	-	-	1,898
Hay and clover	1	22	56	90	65	2	6	7	10	259
TOTAL GRAINS, SEEDS AND HAY	77	35	181	681	3,668	13,954	71,399	45,620	630	136,245
Potatoes	3,306	124	4,050	1,844	2,025	126	50	301	613	12,439
Vegetables	86	30	19	432	2,353	144	56	137	1,244	4,501
Sugar beets	-	-	-	459	445	868	-	296	-	2,068
Tobacco	-	-	-	3,018	47,935	-	-	-	32	50,985
TOTAL VEG. & OTHER FIELD CROPS	3,392	154	4,069	5,753	52,758	1,138	106	734	1,889	69,993
Cattle and calves	1,198	1,359	1,240	12,533	49,324	11,876	21,302	34,123	4,143	137,098
Sheep and lambs	3	24	10	116	256	59	72	1,094	47	1,681
Hogs	1,027	515	597	15,449	27,010	4,329	7,481	18,814	603	75,825
Poultry	148	861	1,051	6,012	15,748	1,136	652	1,007	2,411	29,026
TOTAL LIVESTOCK AND POULTRY	2,376	2,759	2,898	34,110	92,338	17,400	29,507	55,038	7,204	243,630
Dairy products	581	2,641	2,204	23,952	33,896	5,283	5,739	7,217	7,849	89,362
Fruits	-	153	-	-	1,138	-	-	-	1,484	2,775
Eggs ^{3/}	382	1,756	709	4,556	14,963	2,789	2,730	3,184	3,171	34,240
Honey	2	7	5	181	310	86	60	106	59	816
TOTAL OTHER PRINCIPAL FARM PRODUCTS.	384	1,763	714	4,737	15,273	2,875	2,790	3,290	3,230	35,056
Miscellaneous farm products	204	113	201	1,385	3,981	610	1,643	1,678	1,560	11,375
Forest products	138	861	1,464	4,685	1,379	167	140	182	380	9,396
Fur farming	16	58	29	164	849	1,701	413	1,022	1,492	5,744
CASH INCOME FROM FARM PRODUCTS	7,168	8,537	11,760	75,467	205,280	43,128	111,737	114,781	25,718	603,576
Supplementary payments ^{4/}	-	-	-	-	-	1,490	9,373	3,639	125	14,627
TOTAL CASH INCOME	7,168	8,537	11,760	75,467	205,280	44,618	121,110	118,420	25,843	618,203

^{1/} Excludes Newfoundland.

^{2/} C.W.B. = Canadian Wheat Board.

^{3/} Market eggs only.

^{4/} Payments made under the provisions of the Prairie Farm Assistance Act.

TABLE 3.- PRELIMINARY ESTIMATE OF FARM CASH INCOME FROM THE SALE OF FARM PRODUCTS, BY PROVINCES,^{1/} JANUARY TO MARCH, 1957

	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
- thousand dollars -										
Wheat	-	-	-	-	584	6,316	41,182	31,913	412	80,407
Wheat, C.W.B. payments ^{2/}	-	-	-	-	-	3,260	23,933	10,159	-	37,352
Oats	80	17	161	555	760	880	1,241	2,074	61	5,829
Barley	-	-	-	10	137	2,174	5,098	6,346	189	13,954
Rye	-	-	-	-	-	34	134	139	-	307
Flaxseed	-	-	-	-	-	1,724	7,390	3,522	80	12,716
Corn	-	-	-	-	1,982	26	-	-	-	2,008
Hay and clover	-	25	20	141	80	9	5	10	52	342
TOTAL GRAINS, SEEDS AND HAY	80	42	181	706	3,543	14,423	78,983	54,163	794	152,915
Potatoes	2,286	122	3,003	1,934	2,495	136	57	430	476	10,939
Vegetables	84	28	16	373	2,371	97	39	93	1,267	4,368
Sugar beets	-	-	-	329	264	524	-	929	-	2,046
Tobacco	-	-	-	3,018	54,024	-	-	-	31	57,073
TOTAL VEG. & OTHER FIELD CROPS	2,370	150	3,019	5,654	59,154	757	96	1,452	1,774	74,426
Cattle and calves	737	1,060	1,140	10,143	40,604	7,074	11,694	21,741	2,831	97,024
Sheep and lambs	2	20	5	89	325	65	73	941	50	1,570
Hogs	1,050	487	618	15,258	31,036	4,068	7,122	17,321	642	77,602
Poultry	120	744	875	5,001	13,685	1,061	685	949	2,150	25,270
TOTAL LIVESTOCK AND POULTRY	1,909	2,311	2,638	30,491	85,650	12,268	19,574	40,952	5,673	201,466
Dairy products	567	2,582	2,118	21,413	30,250	4,397	4,883	6,283	7,658	80,151
Fruits	-	161	-	-	1,465	-	-	-	1,021	2,647
Eggs ^{3/}	359	1,792	859	5,646	14,772	2,690	2,919	3,688	3,263	35,988
Honey	4	7	6	128	177	88	56	77	65	608
TOTAL OTHER PRINCIPAL FARM PRODUCTS..	363	1,799	865	5,774	14,949	2,778	2,975	3,765	3,328	36,596
Miscellaneous farm products	159	106	177	1,281	3,900	519	1,598	1,599	1,417	10,756
Forest products	139	861	1,463	4,684	1,379	166	139	181	380	9,392
Fur farming	43	73	42	222	865	1,939	502	1,320	1,514	6,520
CASH INCOME FROM FARM PRODUCTS	5,630	8,085	10,503	70,225	201,155	37,247	108,750	109,715	23,559	574,869
Supplementary payments ^{4/}	-	-	-	-	-	388	411	685	6	1,490
TOTAL CASH INCOME.....	5,630	8,085	10,503	70,225	201,155	37,635	109,161	110,400	23,565	576,359

^{1/} Excludes Newfoundland.

^{2/} C.W.B. = Canadian Wheat Board.

^{3/} Includes market and hatching eggs.

^{4/} Payments made under the provisions of the Prairie Farm Assistance Act.

TABLE 4.- REVISED ESTIMATE OF FARM CASH INCOME FROM THE SALE OF FARM PRODUCTS, BY PROVINCES,^{1/} JANUARY TO MARCH, 1956

	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
- thousand dollars -										
Wheat	-	-	-	-	815	7,025	36,023	24,857	353	69,073
Wheat, C.W.B. payments ^{2/}	-	-	-	-	-	1,765	13,859	6,666	-	22,290
Oats	79	15	97	454	804	1,156	2,986	1,142	31	6,764
Barley	-	-	-	16	173	1,959	3,270	5,212	115	10,745
Rye	-	-	-	-	-	326	1,329	931	-	2,586
Flaxseed	-	-	-	-	-	1,665	2,864	939	28	5,496
Corn	-	-	-	-	2,650	36	-	-	-	2,686
Hay and clover	1	22	33	153	73	16	9	38	72	417
TOTAL GRAINS, SEEDS AND HAY	80	37	130	623	4,515	13,948	60,340	39,785	599	120,057
Potatoes	1,966	105	2,387	1,267	1,636	177	44	299	445	8,326
Vegetables	181	24	14	325	2,390	60	23	56	1,084	4,157
Sugar beets	-	-	-	461	-	622	-	430	-	1,513
Tobacco	-	-	-	4,117	41,963	-	-	-	29	46,109
TOTAL VEG. & OTHER FIELD CROPS	2,147	129	2,401	6,170	45,989	859	67	785	1,558	60,105
Cattle and calves	783	1,316	1,280	10,307	46,124	6,113	9,823	20,471	2,779	98,996
Sheep and lambs	1	21	4	85	330	54	71	772	39	1,377
Hogs	812	423	820	16,781	26,056	3,697	5,671	15,754	656	70,670
Poultry	86	397	518	5,527	19,191	1,190	671	693	2,645	30,918
TOTAL LIVESTOCK AND POULTRY	1,682	2,157	2,622	32,700	91,701	11,054	16,236	37,690	6,119	201,961
Dairy products	607	2,691	2,107	21,695	31,232	4,708	4,924	6,243	6,911	81,118
Fruits	-	149	-	-	801	-	-	-	855	1,805
Eggs ^{3/}	508	2,207	956	5,581	15,912	2,667	2,480	3,446	3,030	36,787
Honey	2	5	4	144	193	82	53	74	36	593
TOTAL OTHER PRINCIPAL FARM PRODUCTS .	510	2,212	960	5,725	16,105	2,749	2,533	3,520	3,066	37,380
Miscellaneous farm products	151	111	164	1,338	3,807	500	1,262	1,320	1,338	9,991
Forest products	165	1,024	1,732	5,560	1,644	205	165	210	449	11,154
Fur farming	16	61	30	171	886	1,775	431	1,067	1,558	5,995
CASH INCOME FROM FARM PRODUCTS	5,358	8,571	10,146	73,982	196,680	35,798	85,958	90,620	22,453	529,566
Supplementary payments ^{4/}	-	-	-	-	-	1,396	540	886	84	2,906
TOTAL CASH INCOME	5,358	8,571	10,146	73,982	196,680	37,194	86,498	91,506	22,537	532,472

^{1/} Excludes Newfoundland.

^{2/} C.W.B. = Canadian Wheat Board.

^{3/} Includes market and hatching eggs.

^{4/} Payments made under the provisions of the Prairie Farm Assistance Act.

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