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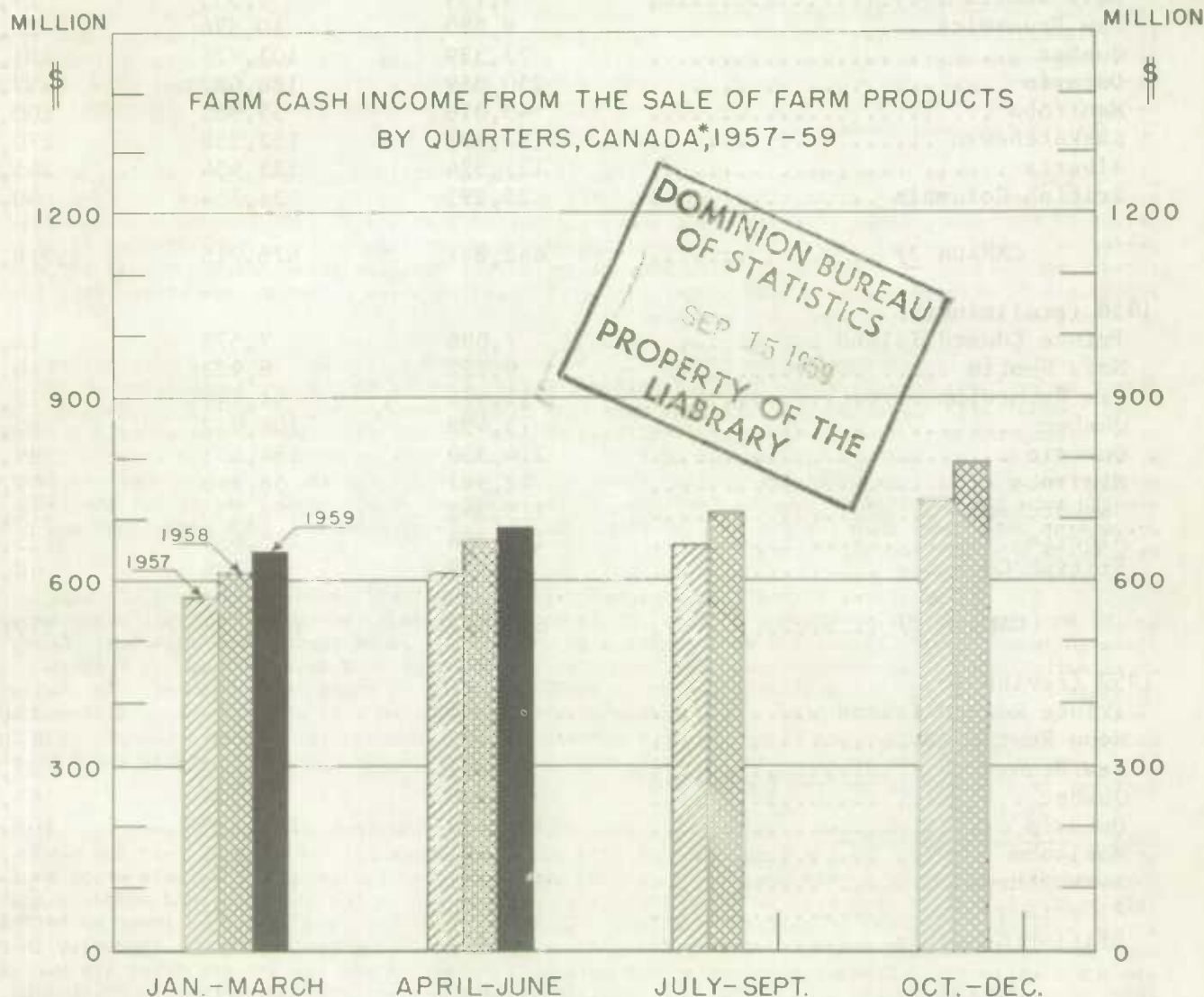
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FARM CASH INCOME

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* Newfoundland excluded

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CASH INCOME FROM THE SALE OF FARM PRODUCTS, JANUARY-JUNE, 1959^{1/}

During the first six months of 1959, Canadian farmers received from the sale of farm products and participation payments on previous years' grain crops an estimated 1,318.6 million dollars. This amount is three per cent higher than the estimate of 1,279.6 million for the corresponding period of 1958 and is the highest first six-months estimate recorded to date. Contributing most to the gain in cash income this year were higher returns from the sale of flaxseed, tobacco, barley, hogs, poultry meat and dairy products, and larger Canadian Wheat Board payments. In addition, repayments of cash advances on farm-stored grains during the first half of 1959 were somewhat below the level of repayments for the corresponding period of a year earlier. The more important offsets to these gains were lower returns from such commodities as wheat, potatoes and cattle.

An increase in farm cash income was estimated for each of the provinces included in the farm accounts, except Prince Edward Island, New Brunswick and Saskatchewan; these gains ranged from less than one per cent for Quebec to almost nine per cent for Alberta. Reductions in income varied from less than one per cent in Saskatchewan to 11 per cent in New Brunswick. In addition to returns from the sale of farm products, farmers in the Prairie Provinces received during the first six months of 1959, approximately 21 million dollars in the form of western grain producers' acreage payments and disbursements under the provisions of the Prairie Farm Assistance Act. This compares with the first half of 1958 when more than 17 million dollars were paid to farmers entirely under the provisions of the Prairie Farm Assistance Act.

Field Crops - Total cash income to farmers from the sale of field crops and from participation payments on previous years' grain crops was estimated at about 468 million dollars for the January-June period of this year, about three per cent above the estimate of 454 million for the corresponding period of a year earlier. The more important contributions to this increase consisted of higher returns from the sale of flaxseed, tobacco and barley, larger Canadian Wheat Board payments and reduced repayments of cash advances on farm-stored grain. Offsetting these gains to some extent were lower returns from the sales of wheat and potatoes.

The increased income from flaxseed, tobacco and barley is attributable almost entirely to larger marketings; lower average flaxseed prices provided for the only significant price change for these commodities. Lower wheat marketings more than offset somewhat higher prices to provide a total cash income from this source of about 198 million dollars for the first six months of this year as against 212 million for the like period of 1958. The higher average farm price for wheat can be attributed to marketings of higher quality since initial payments for the various grades except durum, are the same for the 1958-59 crop as for those of the previous crop; initial prices for the 1958-59 durum crop were lower than for the 1957-58 crop. In the case of potatoes, both marketings and prices were below the level of last year.

Not all provinces shared in the higher returns from field crops. The level of these returns in the Maritimes was below that of 1958, with the most significant reductions for this area taking place in Prince Edward Island and New Brunswick as a result of lower income from potatoes. Lower wheat marketings in Saskatchewan and minor reductions in returns from several items in British Columbia accounted for the smaller field crops income accruing to these two provinces. In absolute terms, the greatest gain in field crops income occurred in Alberta with wheat, barley, flaxseed and Canadian Wheat Board payments being the main contributors. A substantially larger tobacco crop in 1958, most of which was marketed in the early months of 1959, provided for the largest share of the increase in field crops returns for Ontario.

Livestock and Animal Products - Cash income from the sale of livestock and animal products, estimated at 828 million dollars for the first half of 1959 was about three per cent higher than for the corresponding period of a year ago, and nearly 80 per cent above the returns for field crops so far this year. Higher returns were recorded for all items included in the livestock and animal products group, with the exception of cattle and calves. In the case of cattle and calves, lower marketings more than offset higher average prices. The greatest gain in income for any single commodity in this group was estimated for hogs; although prices were well below the average for the first six months of 1958, marketings were very much higher. A combination of somewhat larger marketings and slightly higher prices provided for the increased income from dairy products. With the exception of New Brunswick, increased cash income from the sale of livestock and animal products occurred in all provinces. Increases ranged from slightly under two per cent in Quebec to slightly less than seven per cent in Nova Scotia. Although the income for New Brunswick was down from that of a year ago, the reduction was of minor significance.

^{1/} Excludes Newfoundland.

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 for 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 1 overleaf is summarized the preliminary estimates of cash income from the sale of farm products, by provinces, for the first six months of 1958 and 1959, and revised estimates for 1957. 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, BY QUARTERS,
JANUARY - JUNE, 1957-59 1/

	Jan.-Mar.	April-June	Jan.-June
- thousand dollars -			
1959 (preliminary)			
Prince Edward Island	5,792	8,355	14,147
Nova Scotia	9,739	9,355	19,094
New Brunswick	9,580	10,696	20,276
Quebec	77,339	103,776	181,115
Ontario	230,859	186,682	417,541
Manitoba	45,016	55,905	100,921
Saskatchewan	117,901	152,258	270,159
Alberta	121,324	123,934	245,258
British Columbia	25,291	24,754	50,045
CANADA <u>2/</u>	642,841	675,715	1,318,556
1958 (preliminary)			
Prince Edward Island	7,096	7,573	14,669
Nova Scotia	9,222	8,923	18,145
New Brunswick	11,672	11,145	22,817
Quebec	73,498	106,912	180,410
Ontario	214,550	184,651	399,201
Manitoba	42,987	56,390	99,377
Saskatchewan	113,342	158,255	271,597
Alberta	116,366	108,839	225,205
British Columbia	24,449	23,726	48,175
CANADA <u>2/</u>	613,182	666,414	1,279,596
1957 (revised)			
Prince Edward Island	5,675	6,220	11,895
Nova Scotia	8,112	9,092	17,204
New Brunswick	10,221	10,882	21,103
Quebec	69,576	98,104	167,680
Ontario	199,190	163,223	362,413
Manitoba	36,891	48,691	85,582
Saskatchewan	108,731	150,585	259,316
Alberta	109,195	103,687	212,882
British Columbia	23,379	22,837	46,216
CANADA <u>2/</u>	570,970	613,321	1,184,291

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 JUNE, 1959

	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
- thousand dollars -										
Wheat	-	-	-	-	1,495	24,966	113,507	57,742	690	198,400
Wheat, C.W.B. payments ^{2/}	-	-	-	-	-	6,987	48,134	17,537	-	72,658
Oats	206	28	257	1,085	2,198	2,301	2,484	1,690	58	10,307
Oats, C.W.B. payments ^{2/}	-	-	-	-	-	694	824	555	-	2,073
Barley	-	-	-	15	279	7,221	15,419	16,721	281	39,936
Barley, C.W.B. payments ^{2/}	-	-	-	-	-	980	2,678	2,463	-	6,121
C.W.B. net cash advance payments ^{2/} ..	-	-	-	-	-	-4,701	-8,849	-3,603	-	-17,153
Rye	-	-	-	-	-	373	999	544	-	1,916
Flaxseed	-	-	-	-	-	2,392	7,672	5,212	35	15,311
Potatoes	5,005	123	4,188	2,244	3,870	218	99	706	974	17,427
Fruits	9	350	16	230	2,023	-	-	-	2,846	5,474
Vegetables	118	27	16	938	6,849	254	102	242	2,026	10,572
Tobacco	-	-	-	3,255	64,930	-	-	-	8	68,193
Other crops	403	287	368	3,790	20,779	1,731	2,840	3,257	3,090	36,545
TOTAL CROPS	5,741	815	4,845	11,557	102,423	43,416	185,909	103,066	10,008	467,780
Cattle and calves	3,077	2,718	2,386	29,693	99,994	19,254	40,780	65,538	5,620	269,060
Hogs	1,921	1,167	1,490	32,902	65,040	11,921	18,173	43,167	1,409	177,190
Sheep and lambs	8	52	25	161	601	112	108	1,483	68	2,618
Dairy products	2,031	6,288	5,577	72,019	86,000	13,440	14,735	18,278	18,669	237,037
Poultry	139	1,897	1,001	9,760	22,128	3,705	3,170	4,712	4,330	50,842
Eggs	868	4,020	1,647	11,372	34,147	5,708	4,838	5,788	6,528	74,916
Other livestock and products	76	317	199	939	3,722	3,171	2,284	3,015	2,629	16,352
TOTAL LIVESTOCK & PRODUCTS	8,120	16,459	12,325	156,846	311,632	57,311	84,088	141,981	39,253	828,015
Forest and maple products	286	1,820	3,106	12,712	3,486	194	162	211	784	22,761
CASH INCOME FROM FARM PRODUCTS	14,147	19,094	20,276	181,115	417,541	100,921	270,159	245,258	50,045	1,318,556
Supplementary payments ^{3/}	-	-	-	-	-	1,369	13,012	6,430	133	20,944
TOTAL CASH INCOME	14,147	19,094	20,276	181,115	417,541	102,290	283,171	251,688	50,178	1,339,500

^{1/} Excludes Newfoundland.^{2/} C.W.B. = Canadian Wheat Board.^{3/} Payments made under the provisions of the Prairie Farm Assistance Act and Western Grain Producers' Acreage Payment plan.

TABLE 3. - PRELIMINARY ESTIMATE OF FARM CASH INCOME FROM THE SALE OF FARM PRODUCTS, BY PROVINCES, 1/ JANUARY TO JUNE, 1958

	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
- thousand dollars -										
Wheat	-	-	-	-	2,128	26,415	131,187	52,082	648	212,460
Wheat, C.W.B. payments <u>2/</u>	-	-	-	-	-	6,077	39,532	10,790	-	56,399
Oats	150	28	255	1,168	1,838	3,145	2,779	2,663	67	12,093
Barley	-	-	-	18	267	6,862	16,164	13,629	310	37,250
Barley, C.W.B. payments <u>2/</u>	-	-	-	-	-	1,431	3,380	2,759	-	7,570
C.W.B. net cash advance payments <u>2/</u> ..	-	-	-	-	-	-4,653	-12,431	-3,197	-	-20,281
Rye	-	-	-	-	-	327	1,568	849	-	2,744
Flaxseed	-	-	-	-	-	1,262	4,213	3,648	37	9,160
Potatoes	5,844	186	6,626	2,937	3,829	302	107	668	1,400	21,899
Fruits	23	432	20	284	2,607	-	-	-	2,822	6,188
Vegetables	120	35	21	919	6,275	293	116	279	2,153	10,211
Tobacco	-	-	-	2,854	59,134	-	-	-	15	62,003
Other crops	418	264	480	4,018	20,618	1,933	2,734	2,854	2,992	36,311
TOTAL CROPS	6,555	945	7,402	12,198	96,696	43,394	189,349	87,024	10,444	454,007
Cattle and calves	2,934	2,789	2,411	29,491	101,891	21,523	42,645	64,843	6,074	274,601
Hogs	1,974	1,062	1,709	30,642	55,876	9,218	15,215	40,210	1,352	157,258
Sheep and lambs	8	43	17	189	513	93	80	1,483	55	2,481
Dairy products	1,822	5,854	5,527	73,505	82,741	13,028	14,110	17,953	17,295	231,835
Poultry	122	1,696	909	9,487	20,835	3,268	2,515	3,816	3,710	46,358
Eggs	902	3,758	1,647	9,875	34,032	5,841	5,412	6,463	6,333	74,263
Other livestock and products	71	219	148	954	2,817	2,821	2,111	3,205	2,143	14,489
TOTAL LIVESTOCK & PRODUCTS	7,833	15,421	12,368	154,143	298,705	55,792	82,088	137,973	36,962	801,285
Forest and maple products	281	1,779	3,047	14,069	3,800	191	160	208	769	24,304
CASH INCOME FROM FARM PRODUCTS	14,669	18,145	22,817	180,410	399,201	99,377	271,597	225,205	48,175	1,279,596
Supplementary payments <u>3/</u>	-	-	-	-	-	1,630	9,791	5,584	358	17,363
TOTAL CASH INCOME	14,669	18,145	22,817	180,410	399,201	101,007	281,388	230,789	48,533	1,296,959

1/ Excludes Newfoundland.2/ C.W.B. = Canadian Wheat Board.3/ 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 JUNE, 1957

	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
- thousand dollars -										
Wheat	-	-	-	-	1,233	17,349	109,662	53,391	661	182,296
Wheat, C.W.B. payments ^{2/}	-	-	-	-	-	6,187	52,444	20,675	-	79,306
Oats	207	31	312	1,115	1,469	3,461	4,025	4,289	114	15,023
Barley	-	-	-	19	269	6,807	14,276	11,566	320	33,257
Rye	-	-	-	-	-	96	465	227	-	788
Flaxseed	-	-	-	-	-	3,656	12,507	6,158	138	22,459
Potatoes	4,032	167	4,902	2,837	3,713	254	110	786	872	17,673
Fruits	20	855	16	135	2,592	-	-	-	2,504	6,122
Vegetables	112	28	16	972	6,352	434	172	415	2,015	10,516
Tobacco	-	-	-	3,018	54,024	-	-	-	31	57,073
Other crops	335	260	373	3,698	16,360	1,871	2,580	4,144	2,887	32,508
TOTAL CROPS	4,706	1,341	5,619	11,794	86,012	40,115	196,241	101,651	9,542	457,021
Cattle and calves	2,030	2,062	2,142	24,140	83,668	15,065	27,077	44,808	4,693	205,685
Hogs	1,983	984	1,231	27,852	59,299	7,727	13,092	34,730	1,332	148,230
Sheep and lambs	7	40	19	152	554	104	94	1,296	76	2,342
Dairy products	1,699	5,699	5,324	65,366	74,924	11,155	12,066	15,752	16,669	208,654
Poultry	209	1,002	1,159	9,274	20,664	3,349	3,043	4,903	4,354	47,957
Eggs	826	3,572	1,643	10,567	29,272	5,080	5,315	6,656	6,302	69,233
Other livestock and products	88	315	197	1,003	3,544	2,751	2,191	2,830	2,299	15,218
TOTAL LIVESTOCK & PRODUCTS	6,842	13,674	11,715	138,354	271,925	45,231	62,878	110,975	35,725	697,319
Forest and maple products	347	2,189	3,769	17,532	4,476	236	197	256	949	29,951
CASH INCOME FROM FARM PRODUCTS	11,895	17,204	21,103	167,680	362,413	85,582	259,316	212,882	46,216	1,184,291
Supplementary payments ^{3/}	-	-	-	-	-	467	469	816	7	1,759
TOTAL CASH INCOME	11,895	17,204	21,103	167,680	362,413	86,049	259,785	213,698	46,223	1,186,050

^{1/} Excludes Newfoundland.^{2/} C.W.B. = Canadian Wheat Board.^{3/} Payments made under the provisions of the Prairie Farm Assistance Act.



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