



# 2018 CANADIAN AGRICULTURAL OUTLOOK



Agriculture and  
Agri-Food Canada

Agriculture et  
Agroalimentaire Canada

Canada

2018 Canadian Agricultural Outlook

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This publication discusses the macroeconomic and international context faced by Canadian agriculture and presents the results of Agriculture and Agri-Food Canada's Farm Income Forecast, which represents a consensus view developed jointly with the provinces and Statistics Canada on aggregate and farm-level financial indicators for 2017 and 2018.

The short-term forecast shows a financially healthy farm sector. Net Cash Income is forecast to increase five per cent to reach a record \$16.2 billion in 2017 as farm cash receipts see a significant increase. Net Cash Income is expected to then decline modestly to \$15.6 billion in 2018, as operating expenses increase more than farm cash receipts; this, however, would still be the second highest level on record. At the same time, continued growth in asset values is expected to raise average farm net worth to \$3.16 million by 2018.

Crop receipts, despite general price weakness in international grain markets, are forecast to increase in both years, due to relatively strong domestic harvests and strong domestic prices supported by a relatively low Canadian dollar. Livestock receipts are forecast to grow by 4 per cent in 2017, due, in part, to higher red meat prices resulting from strong demand on world markets. In 2018, livestock receipts are expected to increase slightly despite slightly lower prices. Net operating expenses are forecast to increase modestly in both years, led by higher outlays on labour, commercial feed, and energy.

Although there are risks including a large change in the price of oil and/or the exchange rate, which could impact significantly on receipts and/or operating costs, the macroeconomic outlook is relatively stable for the forecast period and generally supports farm income levels. Weather conditions in Canada and in other crop exporting regions are also a major source of uncertainty with potential impacts on farm income.

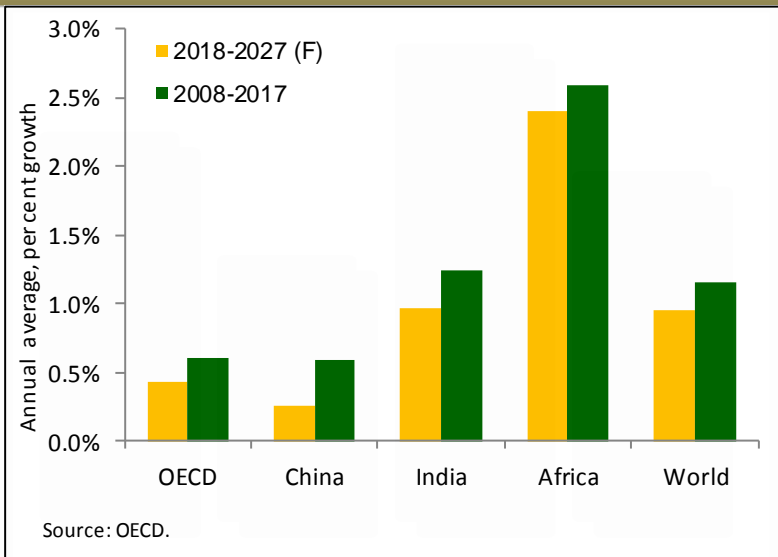
# World demand for farm products is expected to continue to grow, but at a more moderate rate than in the recent past

Projected world economic and population growth and resulting demand for farm products provide a generally positive outlook for Canada's agriculture and agri-food sector over the coming years. However, an expected moderation in growth rates implies that future gains could be smaller than those seen in recent years.

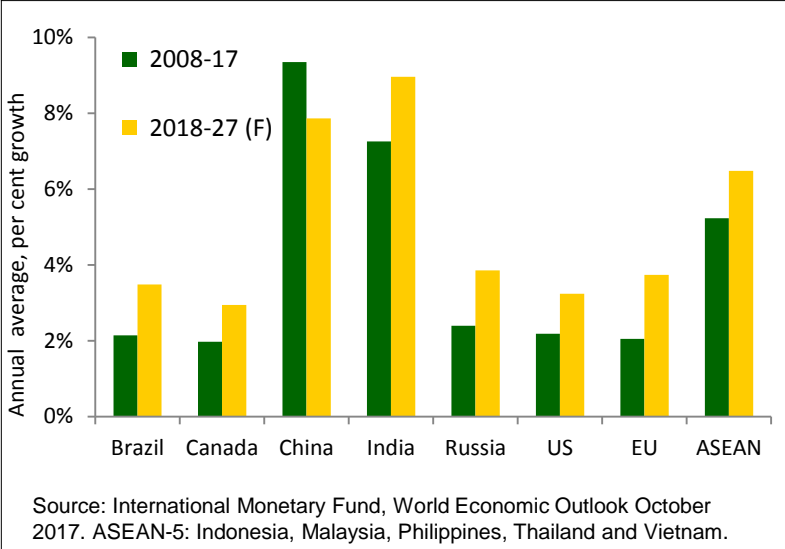
Population increase is projected to moderate in the coming years, as fertility rates continue to decline, which will be partly offset by rising life expectancies. Global population will grow at an average of 0.9 per cent per year between 2018 and 2027 to reach 8.2 billion, compared to 1.2 per cent over the previous decade. Roughly 56 per cent of the increase is projected to take place in India and Sub-Saharan Africa. Organization for Economic Cooperation and Development member states will average only 0.4 per cent annual growth. China's annual population growth rate is projected to be 0.3 per cent and is not expected to see a significant boost from the new policy allowing more families to have two children.

The outlook for the world economy has improved from 3.2 per cent growth in total GDP in 2016 to an estimated 3.7 per cent in 2017 and 3.9 per cent per year in 2018 and 2019. While this trend should strengthen demand growth for food, other factors may have a limiting effect. Slowing per capita income growth in China, along with its slowing growth in demand for meat, are expected to have a moderating effect on global agricultural markets. While per capita income growth in high-income economies such as the U.S. and the EU is expected to accelerate, consumers in affluent countries tend to spend a low portion of additional earnings on food. A greater share of demand growth will come from emerging Asian economies beyond China, particularly India, where large numbers of people are entering the middle class and increasing their food purchases.

**Chart 1: Population Growth- OECD Baseline, 2008–2017 versus 2018–2027F**



**Chart 2: Gross Domestic Product Per Capita Growth- IMF Baseline, 2008-2017 versus 2018-2027F**

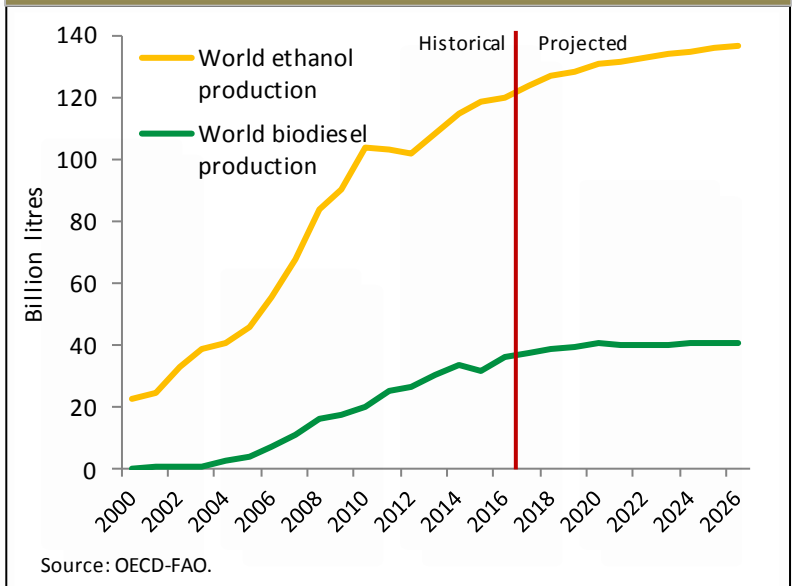


**Moderating demand growth will also result from a slowing expansion in biofuels, and these factors will, in turn, contribute to a slower increase in agricultural trade**

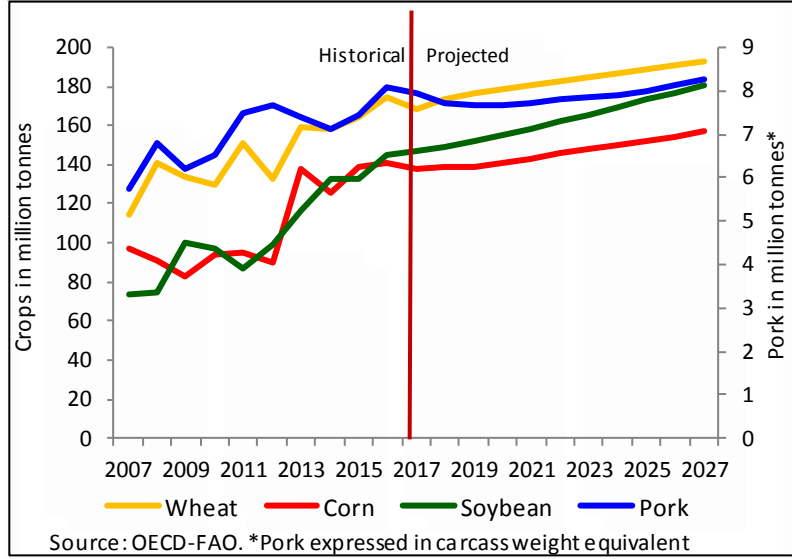
Another factor impacting agricultural demand growth is the slowing expansion in biofuel production. The previous boom in biofuels was associated with continued progress toward fulfilling new government mandates. However, in the U.S., the ethanol content in gasoline has already reached its “blend wall” of approximately 10 per cent, which suggests only minimal increases in mandates in the years ahead and challenges in marketing greater quantities. Higher crude oil prices over the next few years could put downward pressure on gasoline and diesel consumption, consequently reducing blending demand for biofuels. Partially offsetting this would be growth in developing economies, as mandates expand and new production capacity comes on line. The main sources of growth will be Brazil (ethanol, biodiesel) Thailand (ethanol) and China (ethanol).

Trade in key farm commodities is projected to expand on average 1-2 per cent annually between 2018 and 2027, which is a slower increase compared to the previous decade. This will be partly due to weaker food demand growth in China. Nevertheless, soybeans and other oilseeds are expected to see somewhat stronger gains compared to other commodities due to continued demand growth for protein meal for livestock, which is being driven by higher incomes in some developing economies. While a portion of increased world food requirements could be met by higher production in countries where demand growth is highest, resource constraints could make it difficult to fully supply this growth domestically. It is likely that a significant portion of increased demand will be met by water and land-rich exporters, including Canada.

**Chart 3: Growth in Biofuel Production, 2000-2026**



**Chart 4: Growth in World Trade for Selected Commodities, 2007 – 2027**

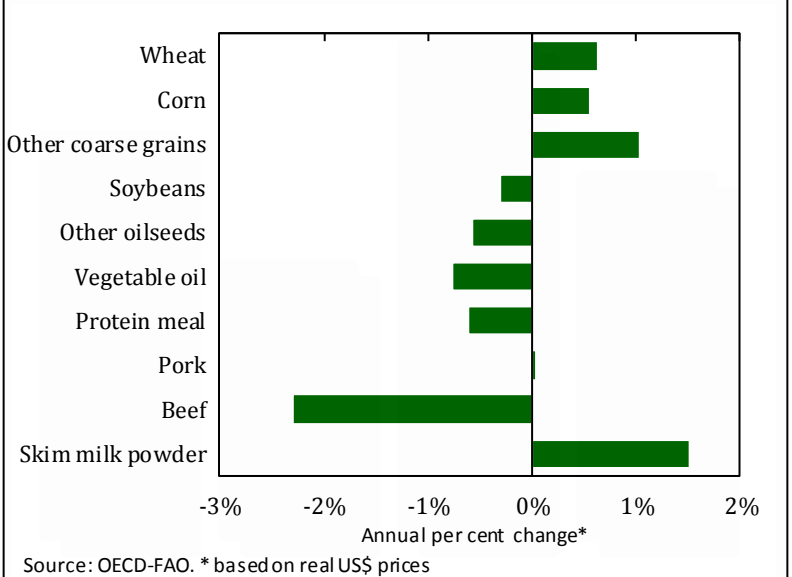


**While prices are expected to be flat overall, Canadian agriculture will still have many opportunities to increase sales, with Southeast Asia among the most promising markets**

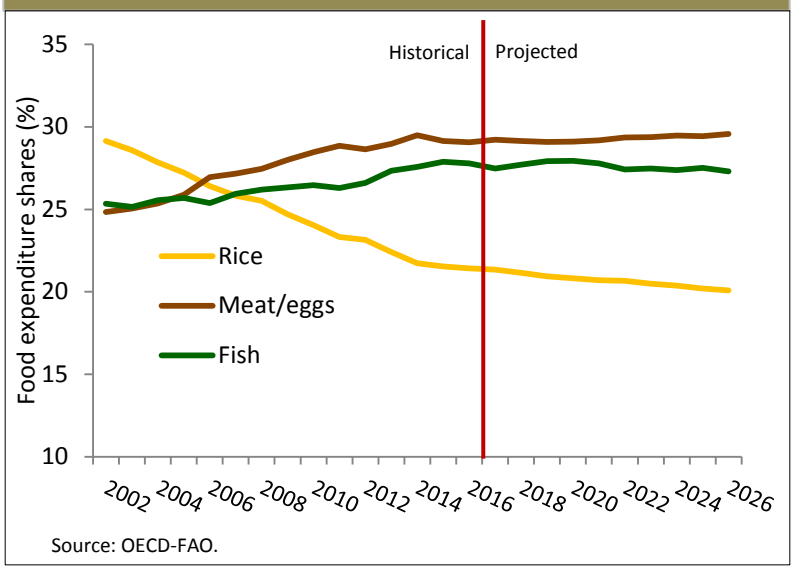
World agricultural commodity prices are expected to vary significantly by product in the coming years. Beef prices are projected to see a long-term decline following a cyclical peak in 2014, while skim milk powder prices are trending upward following a severe slump in 2015, as the Chinese market has reopened to imports. Crop prices are projected to remain below the peaks seen over the past decade, with grain seeing modest increases, while the oilseed complex faces modest price declines. Grain prices are projected to be slightly more robust, as demand growth exceeds production increases and quantities used in animal feed rise. Growth in oilseed prices is expected to be slower because of continued production increases in soybeans and other oilseeds, low growth in per capita consumption of vegetable oils for food use in developing countries, slowing increases in biodiesel production; and continued expansion in palm oil, a substitute in some cases for traditional vegetable oil.

Despite slower world demand growth, international markets continue to offer expanding opportunities for Canadian producers. Southeast Asia is a fast-growing region where diets are becoming less rice-based. Prospective Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) members Vietnam, Malaysia, Singapore, and Brunei have seen agri-food imports from Canada grow at an average rate of 11 per cent annually over the past decade. Opportunities stem from Vietnam's reduction in poverty over the last three decades, with a resulting increase in consumption of animal proteins, and higher feed import requirements. Other examples are the affluent economies of Singapore, and increasingly, Malaysia, which are proving attractive markets for value-added exports such as meat and seafood.

**Chart 5: Annual Price Change for Selected Commodities, 2017-2026**



**Chart 6: Changes in Food Consumption in Southeast Asia, 2002-2026**





# Short-term financial conditions for the Canadian agriculture sector are positive, with Net Cash Income expected to reach a record level in 2017 and remain high in 2018

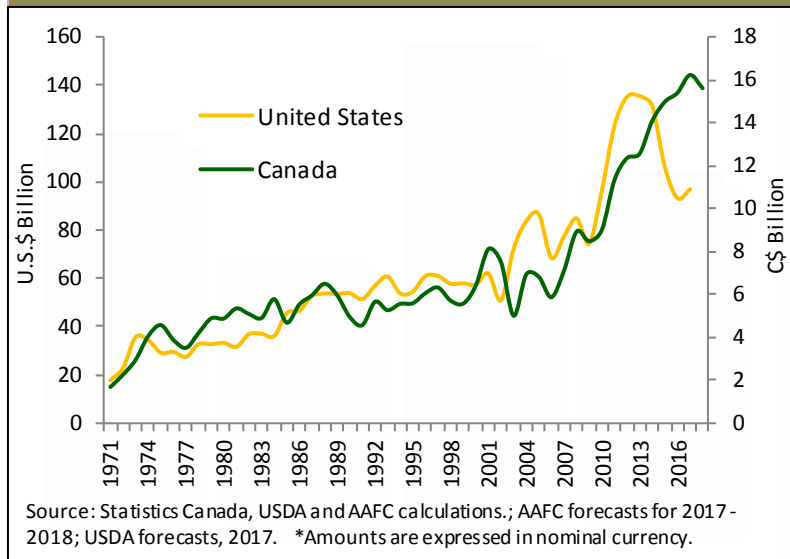
Canada's Net Cash Income (NCI) is an important measure of sector-level economic performance and represents the cash available to the farm sector for debt repayment or investment.

NCI equals sector level cash receipts, including program payments, minus operating expenses. NCI in Canada is forecast at \$16.2 billion in 2017. This could set another record after the \$15.4 billion set in 2016, as cash receipts in 2017 are forecast to rise faster than operating expenses. In 2018, NCI is forecast at \$15.6 billion, which would still be well above the five-year (2012-2016) average of \$13.9 billion.

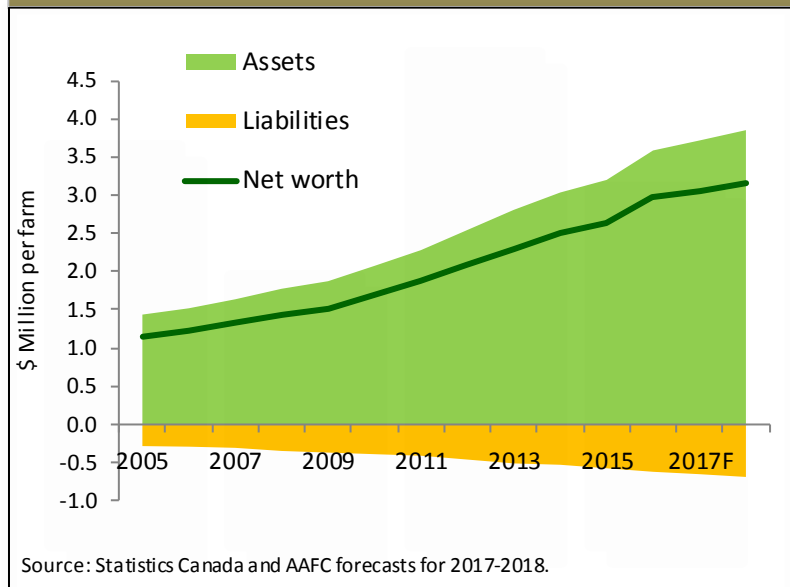
Despite the high degree of integration between Canada and the U.S., Net Cash Incomes have diverged since 2014-2015. NCI in the U.S. has declined significantly because of the weakness in grain and livestock prices at the world level. However, conditions in Canada have remained strong due largely to depreciation of the Canadian dollar. Many commodities are priced in U.S. dollars, and a lower exchange rate boosts the value Canadian farmers receive from traded agricultural commodities.

At the farm business level, average net worth is expected to continue to grow beyond current record levels through 2018. Growth in the value of farm assets has been faster than growth in liabilities in recent years, with average net worth forecast to reach \$3.06 million in 2017 and \$3.16 million in 2018. Favorable market conditions and relatively low debt to asset ratios have allowed the sector to continue to make investments despite increasing levels of farm debt.

**Chart 7: Net Cash Income, Historical and Forecast, Canada and the U.S., 1971-2018F**



**Chart 8: Assets, Liabilities and Net Worth, Average Per Farm, 2005-2018F**



## Producers of field crops are benefitting from strong harvests while a low Canadian dollar mitigates weak international grain prices

In Canada, strong grains and oilseeds harvests, combined with an exchange rate that mitigates the impacts of low world prices, have contributed to a forecast of record receipts from principal field crops in 2017. These are projected to increase by 1.5 per cent to \$25.7 billion, from the previous record of \$25.3 billion in 2016.

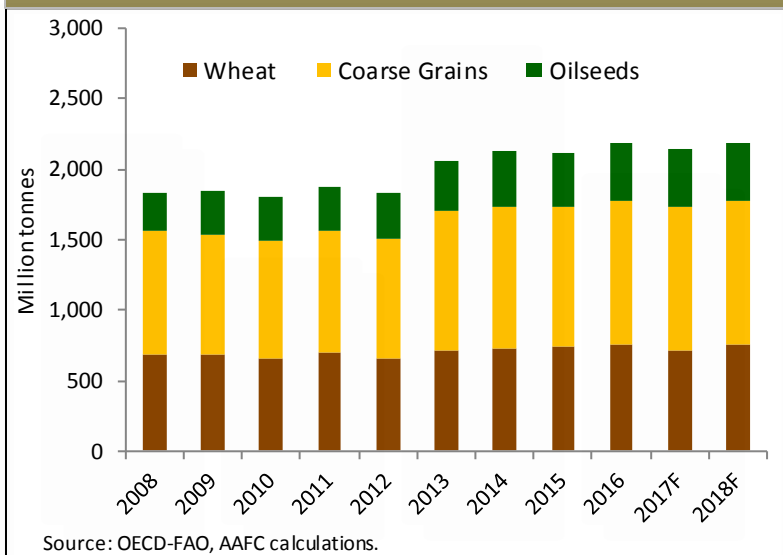
International prices have been low for several years, as global production of grains has been strong, with harvests growing in most major producing regions.

Among major Canadian crops, receipts for wheat and canola are forecast to increase in 2017, reflecting a higher average price and increased quantities sold. Lower corn receipts reflect a decline in prices, more than offsetting slightly higher quantities sold. Soybean receipts are expected to fall due to both lower prices and reduced quantities sold. The expected decrease in lentil and dry pea receipts reflects a significant decline in prices.

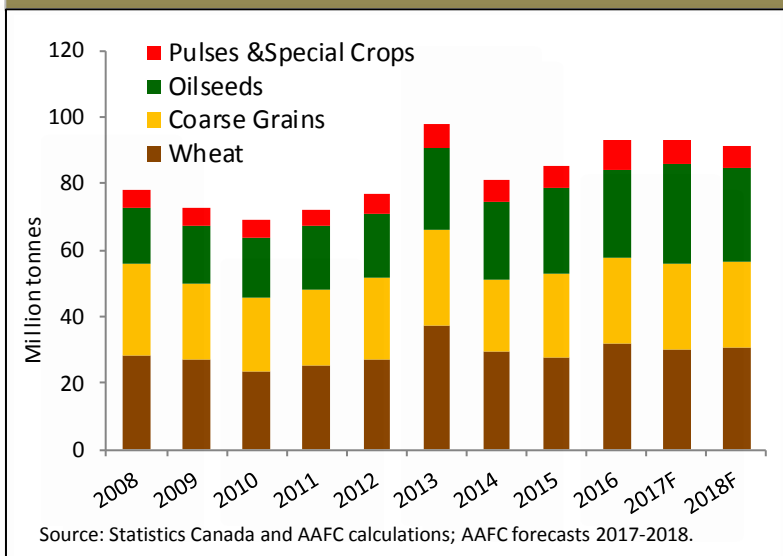
In 2018, field crops receipts are forecast to increase again, to \$26.0 billion, which would set a new record, based on current price forecasts and average yields during the next growing season.

Despite some pressure on prices, receipts are expected to remain strong. Canola and soybean prices in 2018 are being supported by international demand growth while wheat prices should be supported by tight supplies of high protein milling varieties in both Canada and the U.S.

### Chart 9: World Grain and Oilseed Production, 2008-2018F



### Chart 10: Production of Principal Field Crops, Canada, 2008-2018F





**North American meat supplies are still expanding, but export demand is expected to mitigate the downward pressure on prices in the short term**

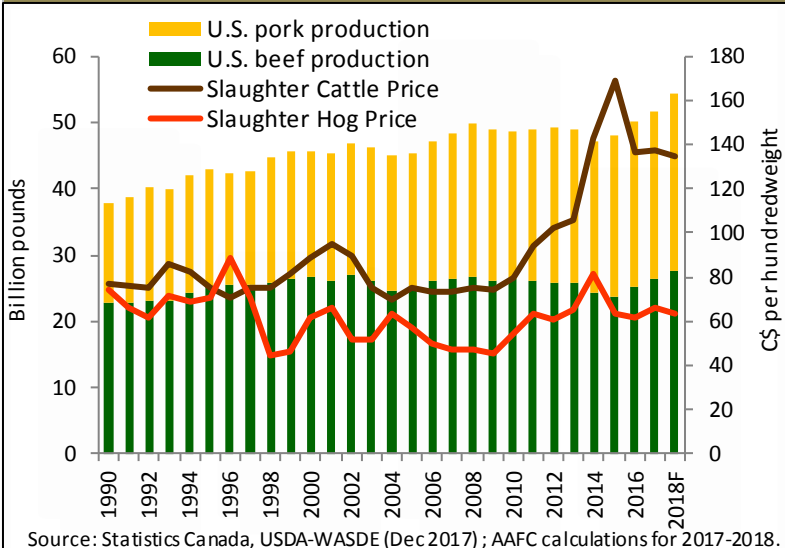
Livestock receipts are forecast to increase by 4.0 per cent to \$24.8 billion in 2017 and are expected to increase slightly to \$24.9 billion in 2018.

Reduced feed costs and stronger livestock prices over the past several years have provided economic incentives for expansion in North America.

Despite growing beef and pork supplies, cattle and hog prices were up in 2017 due to strength in meat export demand. Year-over-year red meat exports were 8.5 per cent above 2016 due to strong demand in overseas markets. North American exporters have also benefited from the fact that Australia, a major beef supplier, is still rebuilding its herd following a severe drought. North American beef availability is expected to increase further in 2018, and, combined with robust global growth and limited supplies in Australia, this could continue to increase North American beef exports.

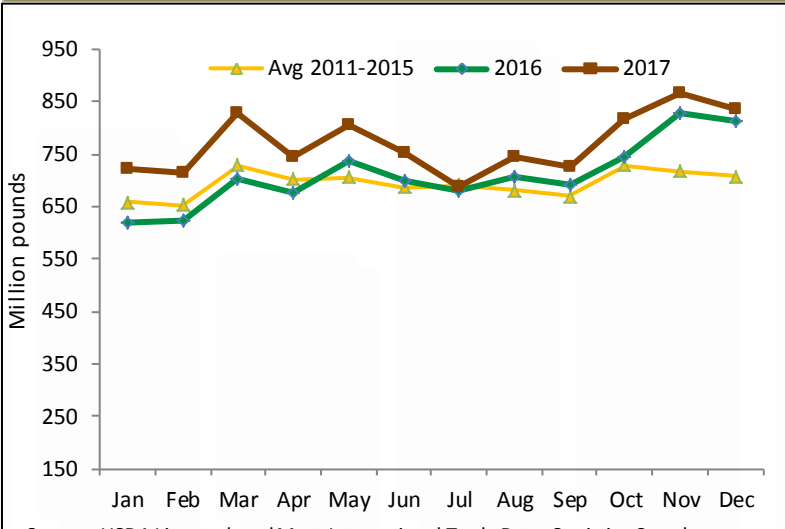
In 2018, cattle and hog prices are forecast to be down, as hog and beef production are expected to be at record levels. Pork exports are expected to remain robust in 2018, driven by more competitive North American pork prices relative to other countries and expanding global demand. The swine sector in China is still downsizing due to new environmental laws, and pork imports have been increasing. At the same time, the addition of hog slaughter capacity in the U.S. will help absorb an expected increase in hogs from North America.

**Chart 11: U.S. Beef and Pork Production and Canadian Weighted Average Prices, 1990-2018F**



Source: Statistics Canada, USDA-WASDE (Dec 2017); AAFC calculations for 2017-2018.

**Chart 12: Monthly Red Meat Exports, U.S. and Canada; 2016, 2017 and the Five-Year Average**



Source: USDA Livestock and Meat International Trade Data; Statistics Canada.

## While farm cash receipts have grown to record levels, so have input costs, albeit at a slower rate

Farm expenses are expected to rise to \$45.6 billion in 2017 and to \$46.9 billion in 2018, well above the five-year average of \$43.6 billion.

Commercial feed expenses are the largest input cost in the aggregate, and are expected to increase because of both higher prices due to lower barley and other feed grain production and higher usage. The Canadian hog herd has been growing, and more feeder cattle are staying in Canada to be fed and slaughtered. Dairy and poultry production have also been increasing in response to rising demand. Average feed expenses between 2012 and 2016 were \$6.1 billion and are forecast to increase to \$6.5 billion for 2018.

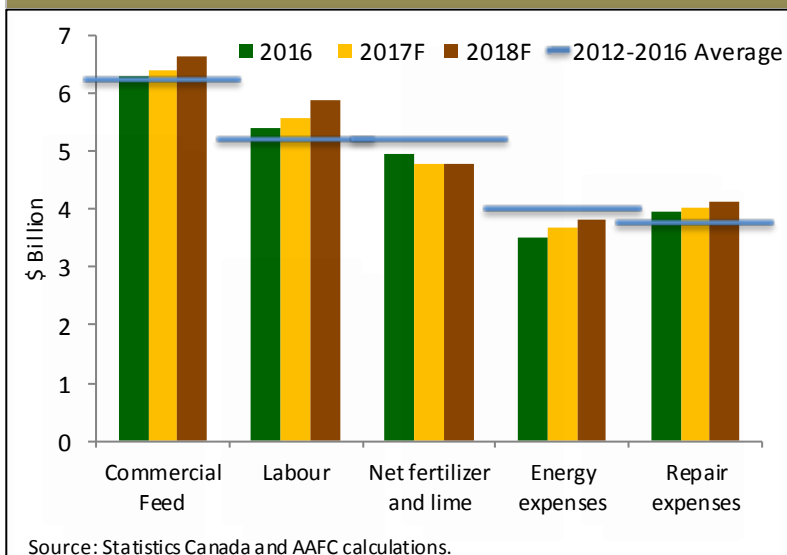
Labour costs, which represent a significant share of aggregate farm expenses, have risen in 2017 and 2018, due to provincial minimum wage increases.

Increases in energy costs in 2017 are expected to continue in 2018, as expected reductions in international crude oil supplies and relatively robust global consumption of petroleum products drive oil prices higher. However, farm energy costs are still expected to be lower than the previous five-year average.

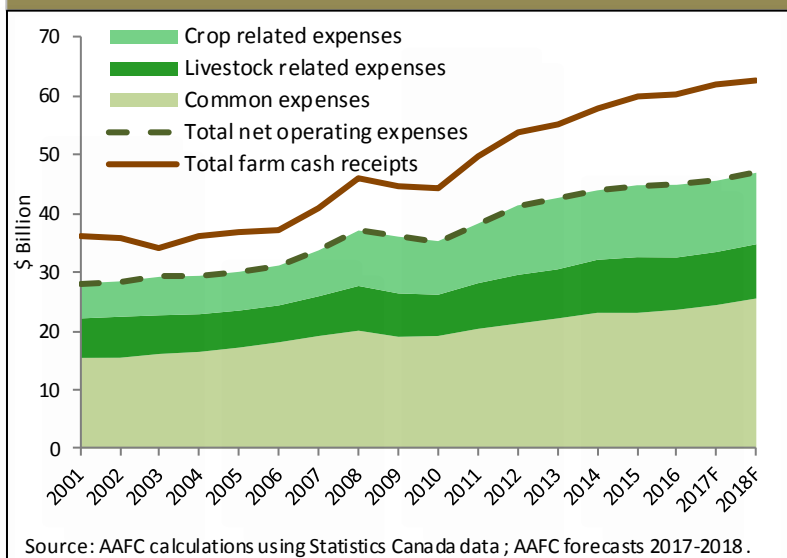
Fertilizer expenses, on the other hand, are expected to be lower due to international prices. Global production capacity for fertilizers has been increasing in recent years, but demand has been much slower to increase.

Receipts have risen faster than expenses since 2011, leading to increases in NCI, but in 2018, growth in production expenses are forecast to outpace the growth in receipts. Crop related expenses have grown at a faster pace than livestock related expenses over the past decade due to increasing intensity in crop production practices.

**Chart 13: Top 5 Net Operating Expenses in Canada, 2016 to 2018F and Five-Year average**



**Chart 14: Operating Expenses by Type and Farm Cash Receipts, Canada, 2001-2018F**



## Business Risk Management programs continue to respond to weather and market challenges when they arise, although the sector is in an overall healthy financial position

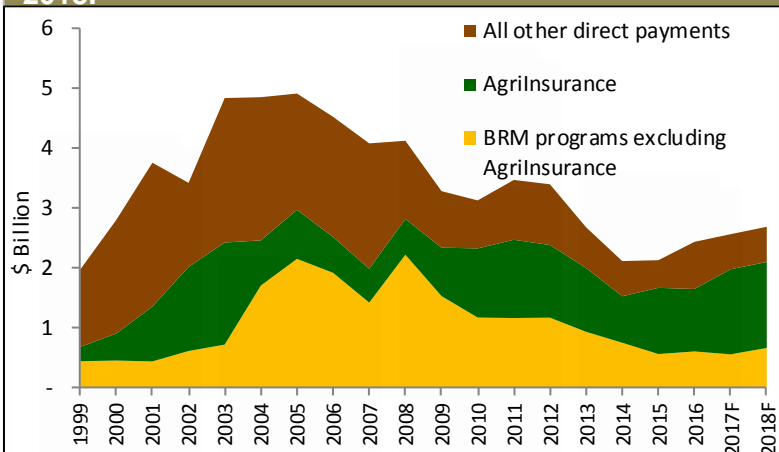
Total direct program payments are expected to reach \$2.6 billion in 2017, mainly due to higher payments from AgriInsurance. In 2018, payments are forecast to increase again, to \$2.7 billion, due to increases in AgriStability. The Business Risk Management suite of programs continues to respond to adverse weather conditions and price variability.

AgriInsurance indemnities are forecast to increase in 2017 due mainly to challenging weather conditions at seeding time. Payments were also high in 2015 and 2016 due to unfavourable conditions at harvest in those years. AgriInsurance payments have accounted for half of all direct payments in recent years, due, in part to challenging weather and growing conditions, but also due to a shift toward higher value crops such as pulses and canola.

Payments under AgriStability are expected to decline in 2017 due to improvements in grains and oilseeds and livestock prices. However the program has responded to significant declines in cattle prices in 2016, and is expected to respond to a forecast drop in value of inventories in the crop sector in 2018.

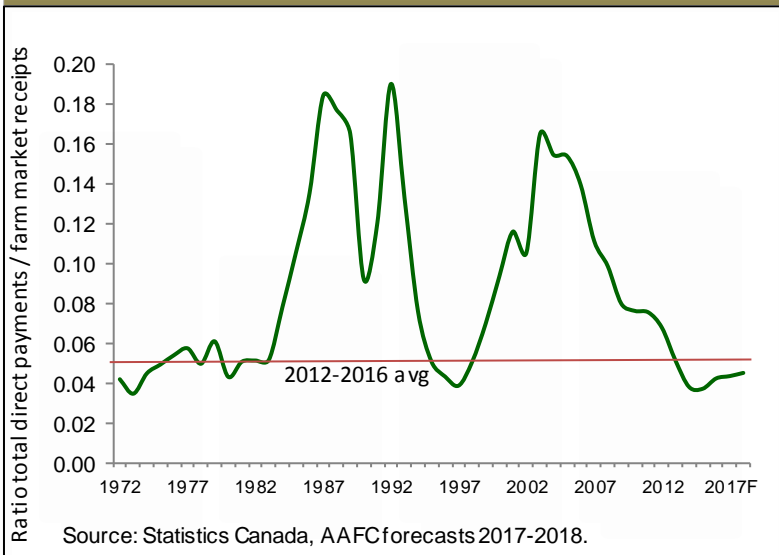
When expressed as a proportion of farm market receipts, payments are forecast to remain below the 2012–2016 average in 2017 and 2018. Over the past five years, payments have accounted for about five cents for every dollar of market receipts, reflecting the general financial health of the farm sector.

**Chart 15: Total Direct Payments (cash basis) by Calendar Year and Major Category, Canada, 1999-2018F**



Source: Statistics Canada and AAFC forecasts for 2017-2018. BRM programs excluding AgriInsurance includes AgriStability and AgriInvest-Kickstart beginning in 2007/08; NISA beginning in 1999 and CAIS beginning in 2004.

**Chart 16: Total Direct Payments as a Proportion of Farm Market Receipts, Canada, 1971-2018F**



Source: Statistics Canada, AAFC forecasts 2017-2018.

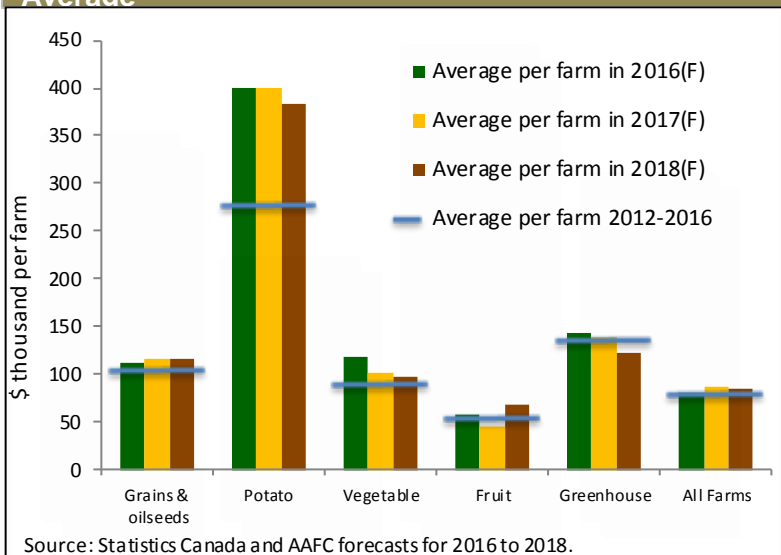
## Farm-level income by farm type across the sector reflects a general trend of revenues rising faster than expenses in 2017, with a pullback in some commodities in 2018

Average Net Operating Income (NOI) per farm is expected to remain above the five-year average in 2017. In 2018, some producers may see a decline, as expenses increase faster than revenues. NOI for the average farm is expected to be \$86,429 in 2017 and \$84,164 in 2018.

NOI per farm for grains and oilseeds is expected to rise in both 2017 and 2018 due to increased quantities sold. Crop quality was better in 2017 than in 2016, in particular in Western Canada. On average, most field crops saw above average yields in 2016 (with a large portion marketed in 2017). This, combined with relatively slow growth in expenses, helped NOI. For many horticulture commodities, yields were lower in 2017, and, combined with higher electricity, labour and energy costs, incomes are expected to be lower. This is expected to continue into 2018, but incomes will exceed the five-year average for most products.

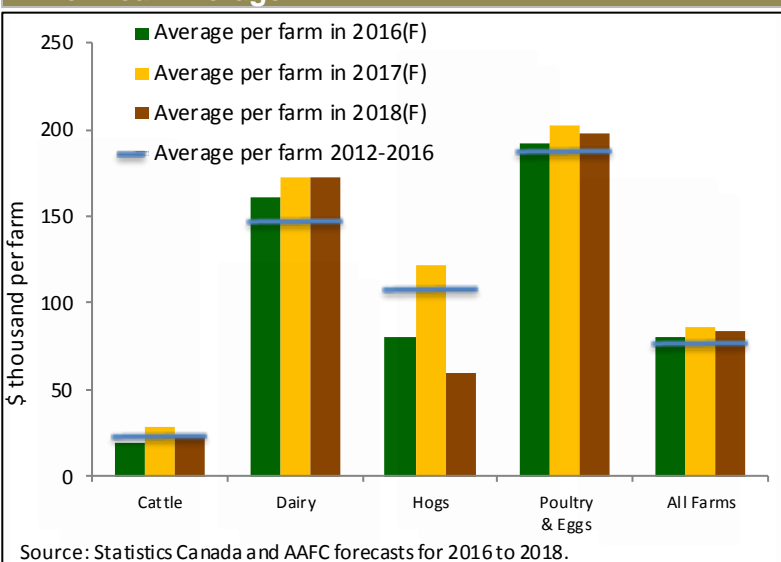
Among livestock operations, hog farms, with their normally tight margins, are forecast to see the most significant increase in NOI in 2017 as prices and quantities sold both recover from recent lows. However, they are expected to see the sharpest declines in 2018, as lower prices, combined with higher feed and other costs, have an impact on profitability. Cattle producers will see a smaller increase in NOI in 2017 as prices increase modestly. This will be followed by a modest decline in 2018, driven in part by lower prices and higher operating costs. For supply-managed industries, NOI is forecast to be above average in both years, as revenue growth from increased quantities sold outpaces higher input costs.

**Chart 17: Average Net Operating Income per Crop Sector Farm, Canada, 2016 to 2018 and Five-Year Average**



Source: Statistics Canada and AAFC forecasts for 2016 to 2018.

**Chart 18: Average Net Operating Income per Livestock Sector Farm, Canada, 2016 to 2018 and Five -Year Average**



Source: Statistics Canada and AAFC forecasts for 2016 to 2018.

# Macroeconomic conditions are supporting farm sector financial performance in the short-term, but there are risk factors in the longer-term

Macroeconomic conditions are important factors in this positive short-term farm income forecast.<sup>1</sup>

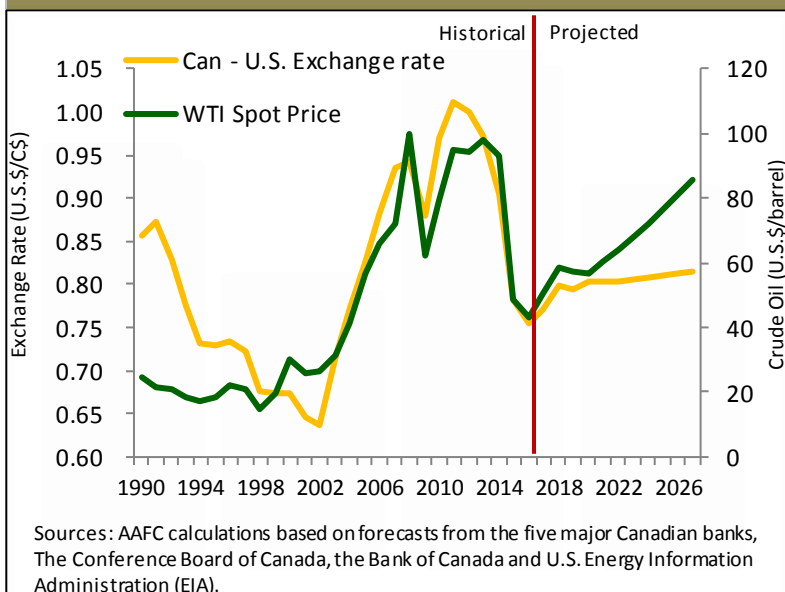
The price of crude oil, represented by the West Texas Intermediate (WTI) price, was assumed to be US\$50 per barrel in 2017 and US\$51 in 2018. This was based on market conditions in late 2017 when the CAO analysis was completed. Since then, more recent estimates indicate a higher crude oil price of US\$58 for 2018.

The Canada-US exchange rate has also been relatively low in recent years, declining from an average of US\$0.97 in 2013 to US\$0.75 in 2016. For the CAO analysis, the exchange rate was assumed to be US\$0.77 in 2017 and US\$0.78 in 2018. Similar to the oil price, these assumptions were based on market conditions in late 2017, and the 2018 exchange rate has since been revised upward to US\$0.79 by the Conference Board of Canada.

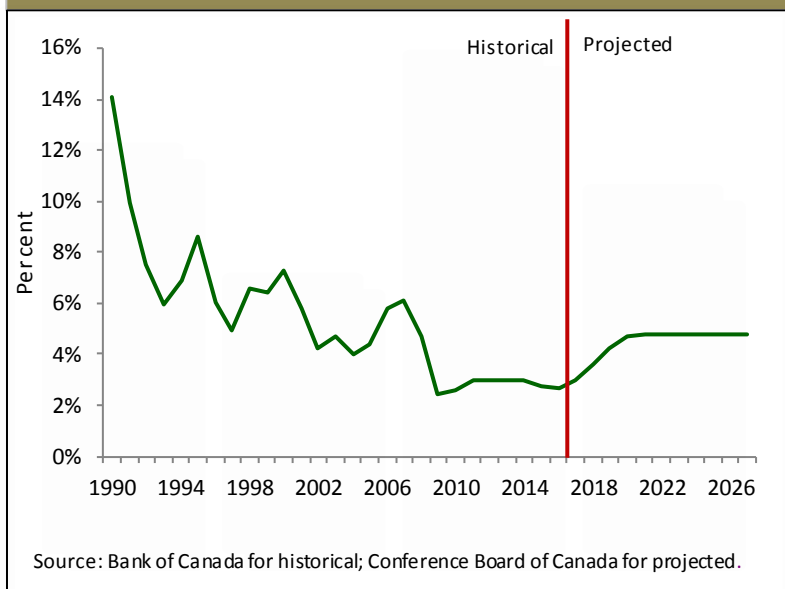
Interest rates have remained at historically low levels in recent years, helping to curb growth in farm debt servicing costs. Nonetheless, in 2017, rates increased for the first time since 2010. The prime rate is projected to continue to increase over the next three years and stabilize at 4.75 per cent.

Several risk factors can have a material impact on the forecasts. The exchange rate, oil prices, and interest rates are dependent on general economic conditions at home and abroad. Weather conditions in Canada and in other crop exporting regions are also a major source of uncertainty. Growth in domestic and international demand, and access to export markets, can also impact this forecast.

### Chart 19: West Texas Intermediate Crude Oil Price and the Canada-U.S. Exchange Rate, 1990–2027



### Chart 20: Prime Interest Rate, Canada, 1990-2027, Historical and Projected



<sup>1</sup> The exchange rate assumption for 2017 and 2018 is from the major Canadian banks, with forecasts beyond 2018 from the Conference Board of Canada. The WTI oil price assumption for 2017 and 2018 is from the U.S. Energy Information Administration with forecasts beyond 2018 from the Conference Board of Canada. For the entire forecast period, assumptions for the prime interest rate are from the Conference Board of Canada.

## Takeaway Points

Canada's producers are forecast to see record farm income in 2017 and near-record levels in 2018. Most measures in the forecast suggest a continuing positive economic situation for the sector in the short term while longer-term international trends show continued growth in international demand for Canadian farm and agri-food products, albeit at a lower rate than in recent years.

Key points include:

- Overall world demand growth for agricultural products will be positive, but lower than in recent years. This is due in part to slowing world population growth, biofuel production starting to level off, and a slowing expansion in meat consumption in China.
- Canada, along with other exporters with significant land and water resources, will be well placed to meet part of the growing international demand, but will have to be mindful of where market opportunities arise. Some of the best opportunities appear to be in Southeast Asia.
- Net Cash Income is forecast to increase by 5 per cent to \$16.2 billion in 2017 and then decline by 4 per cent in 2018 to \$15.6 billion.
- Crop receipts are expected to rise by 1 per cent in 2017 to \$34.5 billion and increase by a further 2 per cent in 2018 to \$35.0 billion, which would be a record level for total crops.
- Livestock receipts are forecast to increase by 4 per cent to \$24.8 billion and then increase slightly in 2018 to \$24.9 billion.
- Total direct program payments are forecast to increase by 5 per cent in 2017 to \$2.6 billion and by a further 5 per cent in 2018 to reach \$2.7 billion.
- Net operating expenses are forecast to increase by 2 per cent in 2017 to \$45.6 billion and by a further 3 per cent in 2018 to \$47.0 billion.
- Net worth of the average farm is forecast to reach \$3.16 million by 2018.

While this forecast is based on the best available information as of late 2017, there are many factors that could impact this analysis. Some of the key risks going forward include a sudden change in macroeconomic conditions, such as a shift in the exchange rate impacting Canada's export competitiveness, and poor weather conditions that could impact the 2018 crop.



Table A.1 Farm Financial Outlook, Canada, 2016 to 2018

Table A.2 Net Operating Income per farm by farm type, Canada, 2016 to 2018

Table A.3 Total Family Income per family by farm type, Canada, 2016 to 2018

**Table A.1: Farm Financial Outlook, Canada, 2016 to 2018**

	2016	Average 2012-2016	2017	* Percent change		2018	* Percent change	
				17/16	17/12-16		18/17	18/12-16
<b>Aggregate Farm Cash Receipts, Expenses and Income</b>								
	----- \$ million -----			%	%	- \$ million -	%	%
Crop Receipts	33,993	31,346	34,455	1.4	9.9	34,973	1.5	11.6
Livestock Receipts	23,881	23,534	24,819	3.9	5.5	24,928	0.4	5.9
Total Market Receipts	57,874	54,880	59,274	2.4	8.0	59,900	1.1	9.1
Program Payments	2,442	2,558	2,570	5.2	0.5	2,694	4.8	5.3
Total Cash Receipts	60,316	57,438	61,844	2.5	7.7	62,595	1.2	9.0
Net Operating Expenses	44,913	43,556	45,606	1.5	4.7	46,971	3.0	7.8
Net Cash Income	15,403	13,882	16,238	5.4	17.0	15,624	-3.8	12.5
Realized Net Income	8,442	7,334	9,158	8.5	24.9	8,519	-7.0	16.2
Total Net Income	9,654	8,267	9,922	2.8	20.0	7,946	-19.9	-3.9
<b>Average Net Operating Income</b>								
	----- \$ per farm -----			%	%	- \$ per farm -	%	%
Farm Market Receipts	429,418	395,530	448,167	4.4	13.3	460,077	2.7	16.3
Program Payments	15,236	15,757	16,034	5.2	1.8	17,217	7.4	9.3
Farm Expenses	363,892	337,699	377,772	3.8	11.9	393,130	4.1	16.4
Net Operating Income	80,762	73,588	86,429	7.0	17.4	84,164	-2.6	14.4
<b>Average Balance Sheet</b>								
	----- \$ per farm -----			%	%	- \$ per farm -	%	%
Total Assets (TA)	3,584,278	3,274,760	3,715,018	3.6	13.4	3,850,321	3.6	17.6
Total Liabilities (TL)	622,829	580,561	654,063	5.0	12.7	690,250	5.5	18.9
Net Worth (NW)	2,961,450	2,694,199	3,060,955	3.4	13.6	3,160,072	3.2	17.3
<b>Average Total Family Income</b>								
	----- \$ per family -----			%	% - \$ per family -		%	%
Net Operating Income	31,733	29,295	33,959	7.0	15.9	33,069	-2.6	12.9
Other Family Income	103,589	97,028	108,668	4.9	12.0	114,130	5.0	17.6
Total Family Income	135,322	126,323	142,627	5.4	12.9	147,199	3.2	16.5

Sources: Statistics Canada with AAFC calculations.

Agriculture and Agri-Food Canada forecasts for 2017 and 2018, except for Other Family Income and Total Family Income, with forecast figures for 2016 to 2018.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

\* The percent change calculation may not be exact due to rounding.

\*\* The calculation of percent change involving a negative number yields a counter-intuitive, though arithmetically correct result.

x Suppressed to meet the confidentiality requirements of the Statistics Act.

**Table A.2: Net Operating Income per farm by farm type, Canada, 2016 to 2018**

<b>Farm Type</b>	<b>Farm Market Receipts</b>	<b>Program Payments</b>	<b>Farm Expenses</b>	<b>Net Operating Income</b>
<b>Average per farm 2012-2016 average (\$)</b>				
Grains and oilseeds	351,393	21,810	274,083	99,120
Potato	1,366,189	81,346	1,176,459	271,077
Vegetable	511,385	22,947	450,864	83,468
Fruit	261,477	16,628	230,855	47,250
Greenhouse	1,236,576	26,776	1,133,426	129,926
Cattle	305,216	7,301	293,168	19,349
Dairy	622,107	7,789	485,131	144,764
Hogs	1,877,196	83,638	1,856,060	104,775
Poultry & Eggs	1,231,046	7,081	1,053,587	184,540
All Farms	395,530	15,757	337,699	73,588
<b>Average per farm in 2016 (\$)</b>				
Grains and oilseeds	396,587	22,276	307,520	111,344
Potato	1,593,709	85,693	1,278,944	400,457
Vegetable	601,739	28,726	511,760	118,705
Fruit	284,937	14,868	242,972	56,833
Greenhouse	1,361,841	25,692	1,243,890	143,644
Cattle	316,801	6,311	303,863	19,249
Dairy	668,132	7,053	514,802	160,383
Hogs	2,018,931	64,030	2,003,104	79,857
Poultry & Eggs	1,326,618	5,768	1,140,569	191,817
All Farms	429,418	15,236	363,892	80,762
<b>Average per farm in 2017 (\$)</b>				
Grains and oilseeds	413,312	23,440	320,344	116,408
Potato	1,663,253	74,587	1,338,572	399,268
Vegetable	587,410	22,507	507,479	102,437
Fruit	276,685	16,610	247,914	45,381
Greenhouse	1,417,676	23,465	1,301,270	139,871
Cattle	327,789	8,479	308,228	28,040
Dairy	711,399	7,869	546,740	172,528
Hogs	2,198,473	58,984	2,135,683	121,774
Poultry & Eggs	1,373,652	5,224	1,176,415	202,461
All Farms	448,167	16,034	377,772	86,429
<b>Average per farm in 2018 (\$)</b>				
Grains and oilseeds	427,910	25,188	336,083	117,015
Potato	1,665,169	84,832	1,366,386	383,615
Vegetable	610,629	22,339	534,752	98,217
Fruit	308,727	24,354	265,948	67,132
Greenhouse	1,459,822	20,393	1,356,900	123,315
Cattle	328,909	9,775	314,765	23,919
Dairy	752,855	7,818	588,483	172,191
Hogs	2,164,937	56,778	2,161,729	59,986
Poultry & Eggs	1,423,211	4,760	1,230,277	197,694
All Farms	460,077	17,217	393,130	84,164

Source: Statistics Canada Whole Farm Data Project, AAFC 2016-2018 forecasts.

**Table A.3: Total Family Income per family by farm type, Canada, 2016 to 2018**

<b>Farm Type</b>	<b>Net Operating Income</b>	<b>Other Family Income</b>	<b>Total Family Income</b>
<b>Average per family in 2012-2016 average (\$)</b>			
Grains and oilseeds	45,141	101,273	146,415
Potato	70,376	65,725	136,101
Vegetable	25,058	66,823	91,881
Fruit	14,543	96,866	111,409
Greenhouse	22,978	78,116	101,094
Cattle	14,456	98,888	113,344
Dairy	84,866	47,467	132,332
Hogs	59,044	68,546	127,590
Poultry & Eggs	49,303	82,100	131,403
All Farms	29,295	97,028	126,323
<b>Average per family in 2016 (\$)</b>			
Grains and oilseeds	51,281	108,143	159,425
Potato	99,907	70,281	170,187
Vegetable	33,827	71,269	105,096
Fruit	18,399	103,520	121,919
Greenhouse	23,081	83,392	106,473
Cattle	12,924	105,477	118,401
Dairy	91,396	50,588	141,983
Hogs	31,335	73,239	104,573
Poultry & Eggs	50,632	87,865	138,497
All Farms	31,733	103,589	135,322
<b>Average per family in 2017 (\$)</b>			
Grains and oilseeds	53,614	113,419	167,033
Potato	99,610	73,863	173,473
Vegetable	29,191	74,831	104,023
Fruit	14,691	108,590	123,281
Greenhouse	22,475	87,454	109,928
Cattle	18,827	110,666	129,493
Dairy	98,317	53,088	151,405
Hogs	47,782	76,912	124,695
Poultry & Eggs	53,442	92,172	145,614
All Farms	33,959	108,668	142,627
<b>Average per family in 2018 (\$)</b>			
Grains and oilseeds	53,893	119,133	173,026
Potato	95,705	77,721	173,426
Vegetable	27,989	78,553	106,542
Fruit	21,733	114,100	135,833
Greenhouse	19,814	91,842	111,657
Cattle	16,060	116,186	132,246
Dairy	98,125	55,720	153,845
Hogs	23,538	80,767	104,304
Poultry & Eggs	52,183	96,893	149,076
All Farms	33,069	114,130	147,199

Source: Statistics Canada with AAFC calculations; AAFC forecasts 2016-2018.

Table B.1: Farm Financial Outlook, Newfoundland and Labrador, 2016 to 2018

Table B.2: Farm Financial Outlook, Prince Edward Island, 2016 to 2018

Table B.3: Farm Financial Outlook, Nova Scotia, 2016 to 2018

Table B.4: Farm Financial Outlook, New Brunswick, 2016 to 2018

Table B.5: Farm Financial Outlook, Quebec, 2016 to 2018

Table B.6: Farm Financial Outlook, Ontario, 2016 to 2018

Table B.7: Farm Financial Outlook, Manitoba, 2016 to 2018

Table B.8: Farm Financial Outlook, Saskatchewan, 2016 to 2018

Table B.9: Farm Financial Outlook, Alberta, 2016 to 2018

Table B.10: Farm Financial Outlook, British Columbia, 2016 to 2018

**Table B.1: Farm Financial Outlook, Newfoundland and Labrador, 2016 to 2018**

	2016	Average	2017	* Percent change		2018	* Percent change	
		2012-2016		17/16	17/12-16		18/17	18/12-16
<b>Aggregate Farm Cash Receipts, Expenses and Income</b>								
	----- \$ million -----			%	%	- \$ million -	%	%
Crop Receipts	19.1	17.4	19.1	0	9	19.1	0	10
Livestock Receipts	109.9	112.4	113.3	3	1	115.7	2	3
Total Market Receipts	129.0	129.8	132.3	3	2	134.9	2	4
Program Payments	2.2	0.9	3.8	76	311	3.4	-11	265
Total Cash Receipts	131.1	130.8	136.1	4	4	138.3	2	6
Net Operating Expenses	124.0	119.1	125.3	1	5	128.7	3	8
Net Cash Income	7.2	11.7	10.8	51	-7	9.5	-12	-18
Realized Net Income	-2.3	2.7	1.2	**	-54	-0.1	-109	-104
Total Net Income	-2.9	2.2	1.3	**	-38	-0.1	-110	-106
<b>Average Net Operating Income</b>								
	----- \$ per farm -----			%	%	\$ per farm	%	%
Farm Market Receipts	764,045	618,306	810,383	6	31	832,011	3	35
Program Payments	10,033	9,706	18,118	81	87	16,487	-9	70
Farm Expenses	695,796	546,159	730,890	5	34	754,793	3	38
Net Operating Income	78,282	81,853	97,611	25	19	93,704	-4	14
<b>Average Total Family Income</b>								
	----- \$ per family -----			%	%	\$ per family	%	%
Net Operating Income	20,361	22,395	25,389	25	13	24,373	-4	9
Other Family Income	x	x	x	x	x	x	x	x
Total Family Income	x	x	x	x	x	x	x	x

Sources: Statistics Canada with AAFC calculations.

Agriculture and Agri-Food Canada forecasts for 2017 and 2018, except for Other Family Income and Total Family Income, with forecast figures for 2016 to 2018.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

\* The percent change calculation may not be exact due to rounding.

\*\* The calculation of percent change involving a negative number yields a counter-intuitive, though arithmetically correct result.

x Suppressed to meet the confidentiality requirements of the Statistics Act.



**Table B.2: Farm Financial Outlook, Prince Edward Island, 2016 to 2018**

	2016	Average 2012-2016	2017	* Percent change		2018	* Percent change	
				17/16	17/12-16		18/17	18/12-16
<b>Aggregate Farm Cash Receipts, Expenses and Income</b>								
	----- \$ million -----			%	%	- \$ million -	%	%
Crop Receipts	322.0	315.1	313.1	-3	-1	319.0	2	1
Livestock Receipts	143.0	145.6	149.4	5	3	153.0	2	5
Total Market Receipts	465.0	460.7	462.5	-1	0	472.0	2	2
Program Payments	21.8	23.8	24.9	14	4	22.9	-8	-4
Total Cash Receipts	486.8	484.6	487.4	0	1	494.9	2	2
Net Operating Expenses	385.8	385.1	391.7	2	2	401.0	2	4
Net Cash Income	101.0	99.5	95.7	-5	-4	93.9	-2	-6
Realized Net Income	50.6	51.8	44.3	-12	-15	41.9	-5	-19
Total Net Income	49.3	54.6	29.9	-39	-45	48.3	62	-11
<b>Average Net Operating Income</b>								
	----- \$ per farm -----			%	%	\$ per farm	%	%
Farm Market Receipts	493,575	479,109	504,850	2	5	522,735	4	9
Program Payments	20,005	23,740	23,219	16	-2	21,705	-7	-9
Farm Expenses	427,161	425,119	444,668	4	5	461,343	4	9
Net Operating Income	86,419	77,730	83,401	-3	7	83,097	0	7
<b>Average Total Family Income</b>								
	----- \$ per family -----			%	%	\$ per family	%	%
Net Operating Income	25,305	23,105	24,422	-3	6	24,333	0	5
Other Family Income	81,687	75,989	85,484	5	12	88,514	4	16
Total Family Income	106,992	99,094	109,905	3	11	112,847	3	14

Sources: Statistics Canada with AAFC calculations.

Agriculture and Agri-Food Canada forecasts for 2017 and 2018, except for Other Family Income and Total Family Income, with forecast figures for 2016 to 2018.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

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**Table B.3: Farm Financial Outlook, Nova Scotia, 2016 to 2018**

	2016	Average 2012-2016	2017	* Percent change		2018	* Percent change	
				17/16	17/12-16		18/17	18/12-16
<b>Aggregate Farm Cash Receipts, Expenses and Income</b>								
	----- \$ million -----			%	%	- \$ million -	%	%
Crop Receipts	183.2	171.1	167.5	-9	-2	172.2	3	1
Livestock Receipts	371.2	395.8	357.0	-4	-10	367.9	3	-7
Total Market Receipts	554.4	567.0	524.5	-5	-8	540.2	3	-5
Program Payments	40.8	22.7	20.8	-49	-8	16.2	-22	-29
Total Cash Receipts	595.2	589.7	545.3	-8	-8	556.4	2	-6
Net Operating Expenses	519.8	499.0	531.6	2	7	546.5	3	10
Net Cash Income	75.4	90.7	13.6	-82	-85	9.9	-27	-89
Realized Net Income	8.1	26.0	-54.7	-778	-310	-59.0	**	-327
Total Net Income	3.5	24.6	-52.2	-1,584	-312	-59.2	**	-341
<b>Average Net Operating Income</b>								
	----- \$ per farm -----			%	%	\$ per farm	%	%
Farm Market Receipts	397,536	397,759	377,660	-5	-5	393,692	4	-1
Program Payments	16,182	9,785	8,376	-48	-14	6,638	-21	-32
Farm Expenses	358,569	342,709	359,825	0	5	375,137	4	9
Net Operating Income	55,148	64,835	26,212	-52	-60	25,193	-4	-61
<b>Average Total Family Income</b>								
	----- \$ per family -----			%	%	\$ per family	%	%
Net Operating Income	11,493	12,878	5,463	-52	-58	5,250	-4	-59
Other Family Income	83,519	79,299	86,746	4	9	90,238	4	14
Total Family Income	95,012	92,178	92,208	-3	0	95,488	4	4

Sources: Statistics Canada with AAFC calculations.

Agriculture and Agri-Food Canada forecasts for 2017 and 2018, except for Other Family Income and Total Family Income, with forecast figures for 2016 to 2018.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

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**Table B.4: Farm Financial Outlook, New Brunswick, 2016 to 2018**

	2016	Average	2017	* Percent change		2018	* Percent change	
		2012-2016		17/16	17/12-16		18/17	18/12-16
<b>Aggregate Farm Cash Receipts, Expenses and Income</b>								
	----- \$ million -----			%	%	- \$ million -	%	%
Crop Receipts	315.9	289.5	309.4	-2	7	307.3	-1	6
Livestock Receipts	281.9	264.9	280.6	0	6	289.2	3	9
Total Market Receipts	597.8	554.4	590.0	-1	6	596.5	1	8
Program Payments	8.5	16.3	9.2	8	-44	10.0	9	-39
Total Cash Receipts	606.3	570.7	599.1	-1	5	606.4	1	6
Net Operating Expenses	450.3	443.3	463.3	3	5	479.9	4	8
Net Cash Income	155.9	127.4	135.8	-13	7	126.6	-7	-1
Realized Net Income	99.7	72.1	78.9	-21	9	69.2	-12	-4
Total Net Income	77.8	75.6	86.6	11	14	59.7	-31	-21
<b>Average Net Operating Income</b>								
	----- \$ per farm -----			%	%	\$ per farm	%	%
Farm Market Receipts	444,221	413,486	453,062	2	10	465,033	3	12
Program Payments	8,289	13,649	9,073	9	-34	10,026	10	-27
Farm Expenses	360,014	355,877	382,408	6	7	400,538	5	13
Net Operating Income	92,495	71,259	79,727	-14	12	74,521	-7	5
<b>Average Total Family Income</b>								
	----- \$ per family -----			%	%	\$ per family	%	%
Net Operating Income	24,013	19,389	20,698	-14	7	19,347	-7	0
Other Family Income	80,974	75,642	84,541	4	12	87,934	4	16
Total Family Income	104,987	95,031	105,240	0	11	107,281	2	13

Sources: Statistics Canada with AAFC calculations.  
 Agriculture and Agri-Food Canada forecasts for 2017 and 2018, except for Other Family Income and Total Family Income, with forecast figures for 2016 to 2018.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

\* The percent change calculation may not be exact due to rounding.

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**Table B.5: Farm Financial Outlook, Quebec, 2016 to 2018**

	2016	Average 2012-2016	2017	* Percent change		2018	* Percent change	
				17/16	17/12-16		18/17	18/12-16
<b>Aggregate Farm Cash Receipts, Expenses and Income</b>								
	----- \$ million -----			%	%	- \$ million -	%	%
Crop Receipts	3,182.4	2,786.2	3,129.0	-2	12	3,045.5	-3	9
Livestock Receipts	5,161.1	5,184.2	5,349.3	4	3	5,417.0	1	4
Total Market Receipts	8,343.5	7,970.5	8,478.3	2	6	8,462.5	0	6
Program Payments	393.1	438.1	341.4	-13	-22	340.9	0	-22
Total Cash Receipts	8,736.6	8,408.6	8,819.7	1	5	8,803.3	0	5
Net Operating Expenses	6,586.7	6,453.4	6,704.2	2	4	6,928.3	3	7
Net Cash Income	2,149.9	1,955.2	2,115.5	-2	8	1,875.0	-11	-4
Realized Net Income	1,273.4	1,102.1	1,226.5	-4	11	980.3	-20	-11
Total Net Income	1,201.9	1,135.0	1,261.6	5	11	1,011.5	-20	-11
<b>Average Net Operating Income</b>								
	----- \$ per farm -----			%	%	\$ per farm	%	%
Farm Market Receipts	464,663	429,809	477,230	3	11	485,906	2	13
Program Payments	20,094	19,980	17,685	-12	-11	17,896	1	-10
Farm Expenses	399,786	376,747	411,953	3	9	429,280	4	14
Net Operating Income	84,971	73,042	82,962	-2	14	74,522	-10	2
<b>Average Total Family Income</b>								
	----- \$ per family -----			%	%	\$ per family	%	%
Net Operating Income	36,078	31,215	35,225	-2	13	31,642	-10	1
Other Family Income	69,621	65,322	73,044	5	12	76,892	5	18
Total Family Income	105,700	96,537	108,269	2	12	108,534	0	12

Sources: Statistics Canada with AAFC calculations.

Agriculture and Agri-Food Canada forecasts for 2017 and 2018, except for Other Family Income and Total Family Income, with forecast figures for 2016 to 2018.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

\* The percent change calculation may not be exact due to rounding.

\*\* The calculation of percent change involving a negative number yields a counter-intuitive, though arithmetically correct result.

x Suppressed to meet the confidentiality requirements of the Statistics Act.

**Table B.6: Farm Financial Outlook, Ontario, 2016 to 2018**

	2016	Average	2017	* Percent change		2018	* Percent change	
		2012-2016		17/16	17/12-16		18/17	18/12-16
<b>Aggregate Farm Cash Receipts, Expenses and Income</b>								
	----- \$ million -----			%	%	- \$ million -	%	%
Crop Receipts	6,702.0	6,458.3	6,508.9	-3	1	6,800.1	4	5
Livestock Receipts	6,051.2	5,856.2	6,351.6	5	8	6,383.9	1	9
Total Market Receipts	12,753.2	12,314.5	12,860.5	1	4	13,184.0	3	7
Program Payments	361.3	326.6	355.9	-1	9	349.8	-2	7
Total Cash Receipts	13,114.5	12,641.2	13,216.4	1	5	13,533.8	2	7
Net Operating Expenses	10,242.1	9,955.7	10,465.1	2	5	10,863.9	4	9
Net Cash Income	2,872.5	2,685.4	2,751.3	-4	2	2,670.0	-3	-1
Realized Net Income	1,402.0	1,281.0	1,254.2	-11	-2	1,166.1	-7	-9
Total Net Income	1,183.2	1,256.2	1,574.1	33	25	1,226.9	-22	-2
<b>Average Net Operating Income</b>								
	----- \$ per farm -----			%	%	\$ per farm	%	%
Farm Market Receipts	386,061	362,329	397,729	3	10	411,658	4	14
Program Payments	11,272	9,822	11,252	0	15	11,207	0	14
Farm Expenses	333,179	312,403	346,899	4	11	361,969	4	16
Net Operating Income	64,155	59,748	62,082	-3	4	60,896	-2	2
<b>Average Total Family Income</b>								
	----- \$ per family -----			%	%	\$ per family	%	%
Net Operating Income	25,802	24,215	24,968	-3	3	24,491	-2	1
Other Family Income	106,969	98,940	112,596	5	14	119,450	6	21
Total Family Income	132,770	123,155	137,564	4	12	143,941	5	17

Sources: Statistics Canada with AAFC calculations.

Agriculture and Agri-Food Canada forecasts for 2017 and 2018, except for Other Family Income and Total Family Income, with forecast figures for 2016 to 2018.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

\* The percent change calculation may not be exact due to rounding.

\*\* The calculation of percent change involving a negative number yields a counter-intuitive, though arithmetically correct result.

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**Table B.7: Farm Financial Outlook, Manitoba, 2016 to 2018**

	2016	Average	2017	* Percent change		2018	* Percent change	
		2012-2016		17/16	17/12-16		18/17	18/12-16
<b>Aggregate Farm Cash Receipts, Expenses and Income</b>								
	----- \$ million -----			%	%	- \$ million -	%	%
Crop Receipts	3,598.3	3,246.8	4,079.7	13	26	4,188.8	3	29
Livestock Receipts	2,128.2	2,183.9	2,184.3	3	0	2,171.9	-1	-1
Total Market Receipts	5,726.5	5,430.7	6,264.0	9	15	6,360.7	2	17
Program Payments	221.8	324.6	209.7	-5	-35	319.5	52	-2
Total Cash Receipts	5,948.3	5,755.3	6,473.7	9	12	6,680.2	3	16
Net Operating Expenses	4,688.1	4,578.7	4,809.3	3	5	4,957.5	3	8
Net Cash Income	1,260.2	1,176.6	1,664.4	32	41	1,722.6	3	46
Realized Net Income	593.0	544.9	984.3	66	81	1,040.2	6	91
Total Net Income	655.3	842.2	1,277.1	95	52	913.1	-29	8
<b>Average Net Operating Income</b>								
	----- \$ per farm -----			%	%	\$ per farm	%	%
Farm Market Receipts	476,239	436,408	524,994	10	20	535,112	2	23
Program Payments	18,947	26,470	18,158	-4	-31	28,032	54	6
Farm Expenses	414,448	387,185	434,023	5	12	446,895	3	15
Net Operating Income	80,739	75,693	109,129	35	44	116,249	7	54
<b>Average Total Family Income</b>								
	----- \$ per family -----			%	%	\$ per family	%	%
Net Operating Income	29,541	30,071	39,928	35	33	42,533	7	41
Other Family Income	82,923	77,997	87,221	5	12	91,075	4	17
Total Family Income	112,464	108,068	127,149	13	18	133,608	5	24

Sources: Statistics Canada with AAFC calculations.

Agriculture and Agri-Food Canada forecasts for 2017 and 2018, except for Other Family Income and Total Family Income, with forecast figures for 2016 to 2018.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

\* The percent change calculation may not be exact due to rounding.

\*\* The calculation of percent change involving a negative number yields a counter-intuitive, though arithmetically correct result.

x Suppressed to meet the confidentiality requirements of the Statistics Act.



**Table B.8: Farm Financial Outlook, Saskatchewan, 2016 to 2018**

	2016	Average	2017	* Percent change		2018	* Percent change	
		2012-2016		17/16	17/12-16		18/17	18/12-16
<b>Aggregate Farm Cash Receipts, Expenses and Income</b>								
	----- \$ million -----			%	%	- \$ million -	%	%
Crop Receipts	11,423.3	10,271.1	11,160.2	-2	9	11,208.0	0	9
Livestock Receipts	2,043.5	2,192.9	2,006.5	-2	-8	1,987.1	-1	-9
Total Market Receipts	13,466.8	12,464.0	13,166.7	-2	6	13,195.1	0	6
Program Payments	666.6	693.5	814.5	22	17	739.8	-9	7
Total Cash Receipts	14,133.5	13,157.5	13,981.2	-1	6	13,934.9	0	6
Net Operating Expenses	9,124.5	8,623.0	9,179.5	1	6	9,371.1	2	9
Net Cash Income	5,008.9	4,534.5	4,801.6	-4	6	4,563.8	-5	1
Realized Net Income	3,390.2	3,045.3	3,154.4	-7	4	2,911.3	-8	-4
Total Net Income	4,199.4	3,485.5	3,221.0	-23	-8	2,468.6	-23	-29
<b>Average Net Operating Income</b>								
	----- \$ per farm -----			%	%	\$ per farm	%	%
Farm Market Receipts	378,021	335,529	384,160	2	14	391,700	2	17
Program Payments	15,335	16,474	18,985	24	15	17,473	-8	6
Farm Expenses	294,557	263,306	310,003	5	18	321,406	4	22
Net Operating Income	98,798	88,697	93,142	-6	5	87,767	-6	-1
<b>Average Total Family Income</b>								
	----- \$ per family -----			%	%	\$ per family	%	%
Net Operating Income	44,055	40,542	41,533	-6	2	39,136	-6	-3
Other Family Income	95,580	91,788	99,157	4	8	103,450	4	13
Total Family Income	139,635	132,330	140,690	1	6	142,587	1	8

Sources: Statistics Canada with AAFC calculations.

Agriculture and Agri-Food Canada forecasts for 2017 and 2018, except for Other Family Income and Total Family Income, with forecast figures for 2016 to 2018.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

\* The percent change calculation may not be exact due to rounding.

\*\* The calculation of percent change involving a negative number yields a counter-intuitive, though arithmetically correct result.

x Suppressed to meet the confidentiality requirements of the Statistics Act.

**Table B.9: Farm Financial Outlook, Alberta, 2016 to 2018**

	2016	Average	2017	* Percent change		2018	* Percent change	
		2012-2016		17/16	17/12-16		18/17	18/12-16
<b>Aggregate Farm Cash Receipts, Expenses and Income</b>								
	----- \$ million -----			%	%	- \$ million -	%	%
Crop Receipts	6,676.0	6,324.6	7,203.6	8	14	7,270.3	1	15
Livestock Receipts	6,125.8	5,757.1	6,527.0	7	13	6,487.8	-1	13
Total Market Receipts	12,801.8	12,081.7	13,730.6	7	14	13,758.1	0	14
Program Payments	696.4	673.2	740.4	6	10	853.8	15	27
Total Cash Receipts	13,498.2	12,754.9	14,471.0	7	13	14,612.0	1	15
Net Operating Expenses	10,094.3	9,897.4	10,188.6	1	3	10,412.8	2	5
Net Cash Income	3,403.9	2,857.6	4,282.4	26	50	4,199.2	-2	47
Realized Net Income	1,672.6	1,259.3	2,521.7	51	100	2,437.6	-3	94
Total Net Income	2,301.5	1,425.8	2,596.4	13	82	2,328.8	-10	63
<b>Average Net Operating Income</b>								
	----- \$ per farm -----			%	%	\$ per farm	%	%
Farm Market Receipts	483,647	442,279	518,560	7	17	531,734	3	20
Program Payments	18,120	17,843	19,521	8	9	22,813	17	28
Farm Expenses	413,776	380,097	425,949	3	12	443,096	4	17
Net Operating Income	87,992	80,025	112,133	27	40	111,451	-1	39
<b>Average Total Family Income</b>								
	----- \$ per family -----			%	%	\$ per family	%	%
Net Operating Income	35,367	31,660	45,071	27	42	44,797	-1	41
Other Family Income	125,470	121,227	130,113	4	7	136,371	5	12
Total Family Income	160,837	152,887	175,183	9	15	181,168	3	18

Sources: Statistics Canada with AAFC calculations.

Agriculture and Agri-Food Canada forecasts for 2017 and 2018, except for Other Family Income and Total Family Income, with forecast figures for 2016 to 2018.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

\* The percent change calculation may not be exact due to rounding.

\*\* The calculation of percent change involving a negative number yields a counter-intuitive, though arithmetically correct result.

x Suppressed to meet the confidentiality requirements of the Statistics Act.

**Table B.10: Farm Financial Outlook, British Columbia, 2016 to 2018**

	2016	Average	2017	* Percent change		2018	* Percent change	
		2012-2016		17/16	17/12-16		18/17	18/12-16
<b>Aggregate Farm Cash Receipts, Expenses and Income</b>								
	----- \$ million -----			%	%	- \$ million -	%	%
Crop Receipts	1,570.6	1,465.9	1,564.4	0	7	1,642.4	5	12
Livestock Receipts	1,465.5	1,441.0	1,500.0	2	4	1,554.2	4	8
Total Market Receipts	3,036.1	2,907.0	3,064.4	1	5	3,196.5	4	10
Program Payments	29.7	37.8	49.8	68	32	38.0	-24	1
Total Cash Receipts	3,065.8	2,944.8	3,114.2	2	6	3,234.6	4	10
Net Operating Expenses	2,697.5	2,601.3	2,747.1	2	6	2,881.3	5	11
Net Cash Income	368.3	343.5	367.1	0	7	353.3	-4	3
Realized Net Income	-45.5	-51.5	-52.6	**	**	-68.9	**	**
Total Net Income	-14.6	-34.6	-73.8	**	**	-51.8	**	**
<b>Average Net Operating Income</b>								
	----- \$ per farm -----			%	%	\$ per farm	%	%
Farm Market Receipts	426,089	413,636	438,140	3	6	462,465	6	12
Program Payments	4,332	5,552	7,372	70	33	5,710	-23	3
Farm Expenses	376,415	367,144	390,012	4	6	413,889	6	13
Net Operating Income	54,006	52,044	55,500	3	7	54,286	-2	4
<b>Average Total Family Income</b>								
	----- \$ per family -----			%	%	\$ per family	%	%
Net Operating Income	8,862	9,087	9,107	3	0	8,908	-2	-2
Other Family Income	121,076	111,022	128,791	6	16	135,251	5	22
Total Family Income	129,939	120,109	137,898	6	15	144,160	5	20

Sources: Statistics Canada with AAFC calculations.

Agriculture and Agri-Food Canada forecasts for 2017 and 2018, except for Other Family Income and Total Family Income, with forecast figures for 2016 to 2018.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

\* The percent change calculation may not be exact due to rounding.

\*\* The calculation of percent change involving a negative number yields a counter-intuitive, though arithmetically correct result.

x Suppressed to meet the confidentiality requirements of the Statistics Act.

# Annex C – Farm Income Concepts and Definitions

## Farm Economy

Sector estimates of farm income are based on survey and administrative data and are designed to measure **agriculture's contribution to national and provincial GDP.**

### TOTAL FARM CASH RECEIPTS

=

Market Receipts + Program Payments



-



=



-



+



=



+/-



=



Within a province, **sales and expenses between farms** are excluded from market receipts and operating expenses, respectively. They are included in farm-level measures.

**Income in kind** measures the value of agricultural commodities produced on farm and consumed by the farm household. It is not included in the farm-level measures.

**Value of inventory change** measures the value of the change in producer owned inventories between the beginning and end of the calendar year, as opposed to book values used in farm-level measures.

## Farm Business

Farm business income is based on taxation and survey data and provides detailed performance measures for **various farm types within the primary agriculture sector.**

### TOTAL OPERATING REVENUE

=

Market Receipts + Program Payments + Other Income



-



=



-



+/-



+/-



=



**Other income** includes income earned directly and indirectly from agriculture including custom and contract feeding, other custom work, rental income, forest products, and other miscellaneous income such as profit share income, patronage dividends, etc.

**Capital cost allowance (CCA)** is the depreciation deducted for tax purposes.

**Other adjustments** include deductions for expenses related to clearing and improving land, the allowance on eligible capital property (such as milk quota), additions to income from CCA recaptured, etc., and the revenues and expenses not earned from the sale of farm products.

**Inventory adjustments** reported for tax purposes, include both mandatory inventory adjustments reported by those with negative income and voluntary inventory adjustments which are optional.