

21-202

1.2

*Cart. Nat. Gen.  
Mr. Dick.  
Mr. Mackinnon  
Mr. [unclear]  
Mr. [unclear]*

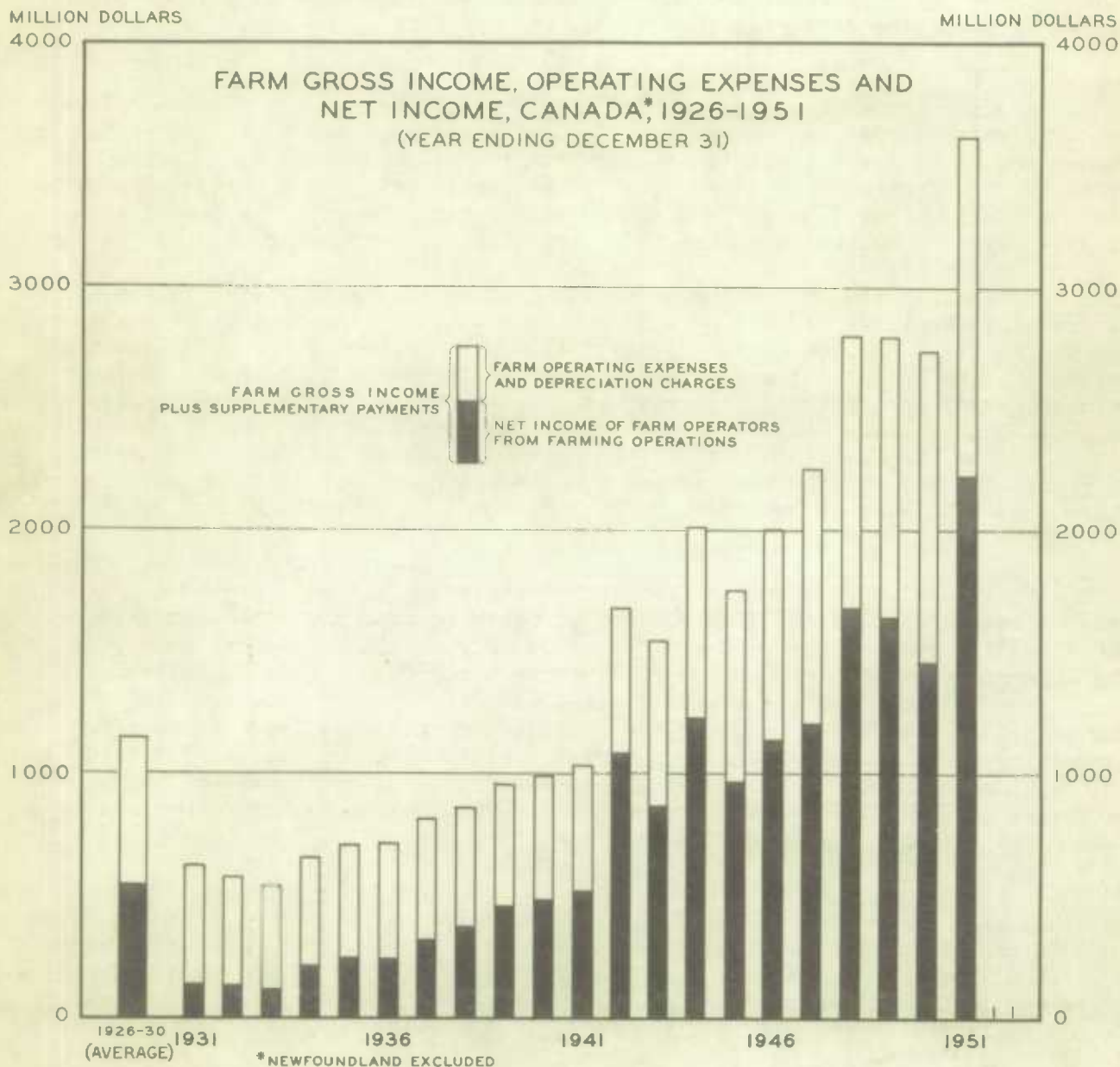
# D.B.S. MEMORANDUM

Dominion Bureau of Statistics, Ottawa, Canada



25 cents per copy

## FARM NET INCOME, 1951



Prepared in Research Section, AGRICULTURE DIVISION

108-15

5221817AM

NET INCOME OF FARM OPERATORS FROM FARMING OPERATIONS, 1951

Preliminary estimates indicate that during 1951, Canadian farm operators (ex. Newfoundland) realized a net income from farming operations of 2,221.2 million dollars. This figure, the highest yet to be recorded, is 53 per cent above the revised estimate of 1,451.7 million dollars for 1950 and 32.1 per cent above the previous high of 1,681.6 million dollars realized in 1948. This significant increase in 1951 over 1950 was the net result of a substantial increase of 32 per cent in the gross farm income and a lesser increase of 8 per cent in the farm operating expenses, including depreciation charges. Gross farm income in 1951 reached an all-time high of 3,608.6 million dollars as a result of new high records being established for returns from the sale of farm products and income in kind and a near record for the value of year-end changes in farm-held stocks of grains and live stock. Income in kind includes the value of that produce grown by farm operators and consumed in the farm home plus an imputed rental value of the farm dwelling.

Cash income from the sale of farm products at 2,825.5 million dollars for 1951 was 27.3 per cent above the 1950 level and 13.6 per cent higher than the former record of 2,486.6 million dollars set in 1949. Contributing to the high level of cash receipts were very large grain participation and adjusting payments made on previous years' western grain crops. During the year the record total of 312.9 million dollars was paid to prairie farmers in connection with the final payment on the 1945-50 Canada - United Kingdom wheat pool and the interim and final payments on the 1950 crops of wheat, oats and barley. Spring deliveries of grains in the prairie provinces were also unusually high in 1951 as a result of the larger crops in 1950 and the unfavourable weather conditions which hindered harvesting and normal deliveries during the fall months. The monthly index of farm prices of agricultural products was consistently and substantially higher in 1951 than in 1950. It rose almost without interruption for the first seven months of the year until it reached the all-time high of 307.7 in July. Although it gradually declined for the remainder of the year, it was still about 18 points above the 1950 level in December.

The value of year-end inventory changes of farm-held grains and live stock amounted to 353.7 million dollars as compared with the estimated value of 130.7 million dollars for 1950 and the record high of 353.9 million for 1942. The enlarged year-end inventories for 1951 resulted from a general build-up of the live-stock population and a huge carry-over of grains in the Prairie Provinces. Bumper grain crops in the prairie provinces coupled with adverse harvesting conditions and delayed marketings provided a substantial accumulation of both threshed and unthreshed grains on western farms at the end of the year. Estimates of grain inventories at the end of 1951 include both threshed and unthreshed grains.

All items included in farm operating expenses were higher in 1951 than in 1950 and total expenses including depreciation charges, were estimated at 1,397.7 million dollars as compared with 1,296.0 million dollars for 1950. Larger crops and higher values per acre of farm land contributed to increased rental payments, both cash and kind. Although 1951 wage rates were about 13 per cent

higher than in 1950, the labour force employed in agriculture was smaller than a year ago. Larger interest payments on indebtedness have resulted in part from an increase in mortgages and the larger amounts of money made available to farmers under the terms of the Farm Improvement Loans Act. Continued mechanization of farms, especially with power equipment, has meant further rises in farmers' total outlay for operation and maintenance of machinery. Increased expenditures for fertilizers reflect larger quantities used at higher prices.

Farm net income in 1951 was higher in all provinces. The greatest gain both on a percentage basis and in absolute terms occurred in Saskatchewan. On a percentage basis the increase over 1950 was 113 per cent, and in absolute terms it amounted to 399.2 million dollars. This tremendous increase is largely attributable to very large grain participation and adjustment payments and to greatly expanded stocks of grains on farms at the end of the year.

In Table I below, is summarized the preliminary estimate of farm net income, by provinces, for the calendar year 1951, and revised estimates for 1949 and 1950. These estimates represent revisions to and a continuation of the farm income series contained in the Handbook of Agricultural Statistics, Part II. The scope and sources of data used in farm income estimates are outlined in the Handbook. No information is available respecting Newfoundland.

TABLE 1.- Net Income of Farm Operators from Farming Operations, by Provinces, <sup>1/</sup>  
1949 - 1951

	- million dollars -		
	1951 (preliminary)	1950 (revised)	1949 (revised)
Prince Edward Island	17.6	12.9	13.0
Nova Scotia	27.7	23.6	20.5
New Brunswick	37.6	33.5	33.0
Quebec	337.6	252.0	248.1
Ontario	578.5	459.6	458.6
Manitoba	182.4	126.3	154.1
Saskatchewan	564.4	265.2	385.3
Alberta	411.1	236.4	270.3
British Columbia	64.3	42.2	57.6
CANADA	2,221.2	1,451.7	1,640.5

<sup>1/</sup> Excludes Newfoundland.

TABLE 2A.- NET INCOME 1/ OF FARM OPERATORS FROM

	P.E.I.	N. S.	N. B.	Que.	Ont.
	- thousand				
1. Cash income.....	26,820	45,249	49,410	433,360	793,726
2. Income in kind.....	5,941	17,067	18,258	102,356	129,210
3. Value of inventory changes.....	-268	828	587	23,289	54,269
4. Gross income.....	32,493	63,144	68,255	559,005	977,205
5. Operating & depreciation.....	14,877	35,481	30,632	221,427	398,736
6. Net income (ex. supp. pay.).....	17,616	27,663	37,623	337,578	578,469
7. Supplementary payments.....	-	-	-	-	-
8. Net income.....	17,616	27,663	37,623	337,578	578,469

1/ Includes estimated rental value of farm homes and supplementary payments made under

TABLE 2B.- INCOME

	- thousand				
1. Dairy products.....	863	2,394	3,497	15,379	17,159
2. Poultry & eggs.....	938	2,580	1,712	10,167	14,515
3. Meat.....	537	1,005	1,275	12,938	13,549
4. Fruits & vegetables 1/.....	637	2,523	2,488	14,691	15,419
5. Honey & maple products.....	2	8	32	2,239	629
6. Forest products.....	1,375	4,769	5,248	27,666	22,133
7. Other products 2/.....	9	42	24	343	4
8. House rent.....	1,580	3,746	3,982	18,933	45,802
9. Total.....	5,941	17,067	18,258	102,356	129,210

1/ Includes potatoes. 2/ Wool and cereal products.

TABLE 2C.- FARM

	- thousand				
1. Taxes 1/.....	444	1,820	3,078	10,359	25,860
2. Gross rent.....	114	246	250	2,335	17,745
3. Hired labour.....	2,756	8,732	4,300	21,520	43,552
4. Interest on indebtedness 1/ 2/..	311	347	349	4,827	7,839
5. Feed & seed 3/.....	3,205	8,383	6,321	95,689	120,744
6. Tractor.....	324	783	656	5,152	18,172
7. Truck.....	327	1,131	901	5,747	10,677
8. Automobile 4/.....	539	1,182	1,220	5,360	20,390
9. Engine & combine.....	98	66	101	916	954
10. Machinery repairs 5/.....	546	1,350	1,596	99,066	12,910
11. Fertilizer.....	1,962	1,851	3,548	7,560	19,929
12. Fruit & vegetable supplies 6/...	508	1,998	1,275	5,365	11,556
13. Building repairs 1/.....	845	1,875	1,518	11,402	17,552
14. Miscellaneous 7/.....	1,098	1,932	1,835	13,857	21,871
15. Total Operating.....	13,077	31,696	26,948	199,155	349,751
16. Depreciation, bldg. 1/ & machinery	1,800	3,785	3,684	22,272	48,985
17. Operating & depreciation.....	14,877	35,481	30,632	221,427	398,736

1/ Owned land and buildings only. 2/ Secured and unsecured debt. 3/ Purchases through and machine shop charges. 6/ Pesticides, containers and nursery stock. 7/ Veterinary

**FARMING OPERATIONS, CANADA BY PROVINCES 2/ - 1951**

Man.	Sask.	Alta.	B. C.	CANADA
dollars -				
260,654	626,627	470,366	119,299	2,825,511.....Cash income
31,147	60,507	49,837	15,083	429,406.....Income in kind
11,056	148,370	114,092	1,441	353,664.....Value of inventory changes
302,857	835,504	634,295	135,823	3,608,581.....Gross income
120,817	276,628	227,385	71,723	1,397,706.....Operating & depreciation
182,040	558,876	406,910	64,100	2,210,875.....Net income (ex. supp. pay.)
388	5,546	4,235	187	10,356.....Supplementary payments
182,428	564,422	411,145	64,287	2,221,231.....Net income

the provisions of the Prairie Farm Assistance Act. 2/ Excludes Newfoundland.

**IN KIND**

dollars -				
5,830	13,583	8,375	1,577	68,657.....Dairy products
4,109	6,786	8,265	2,178	51,250.....Poultry & eggs
4,667	11,095	5,890	1,394	52,350.....Meat
4,207	8,070	7,576	3,773	59,384.....Fruits & vegetables 1/
29	49	29	36	3,053.....Honey & maple products
2,531	4,324	3,688	2,289	74,023.....Forest products
12	41	21	1	497.....Other products 2/
9,762	16,559	15,993	3,835	120,192.....House rent
31,147	60,507	49,837	15,083	429,406.....Total

**OPERATING EXPENSES & DEPRECIATION CHARGES**

dollars -				
8,258	16,209	15,090	4,146	85,264.....Taxes 1/
14,297	57,381	32,358	1,654	126,380.....Gross rent
17,292	30,563	31,070	12,737	172,522.....Hired labour
2,982	12,518	6,832	743	36,748.....Interest on indebtedness 1/ 2/
7,791	10,100	17,548	26,185	295,966.....Feed & seed 3/
13,387	34,742	24,862	3,533	101,611.....Tractor
5,143	12,559	11,464	3,062	51,011.....Truck
4,834	6,418	8,169	2,547	50,659.....Automobile 4/
2,052	5,750	3,101	88	13,126.....Engine & combine
7,714	16,675	15,139	2,705	67,701.....Machinery repairs 5/
2,107	2,973	3,271	1,814	45,015.....Fertilizer
1,636	3,459	2,948	2,202	30,947.....Fruit & Vegetable supplies 6/
3,093	6,031	4,912	1,798	49,026.....Building repairs 1/
5,323	13,108	12,286	4,146	75,456.....Miscellaneous 7/
95,909	228,486	189,050	67,360	1,201,432.....Total operating
24,908	48,142	38,335	4,363	196,274.....Depreciation, bldg. 1/ & machinery
120,817	276,628	227,385	71,723	1,397,706.....Operating & depreciation

commercial channels only. 4/ Expense incurred for farm business only. 5/ Repair parts expenses, binder twine, irrigation charges, fence repairs, rope, salt, hardware, etc.

TABLE 3A.- NET INCOME 1/ OF FARM OPERATORS FROM

	P.E.I.	N. S.	N. B.	Que.	Ont.
	- thousand				
1. Cash income.....	21,799	39,452	46,858	361,005	678,483
2. Income in kind.....	5,123	15,459	16,615	88,091	115,439
3. Value of inventory changes....	384	1,148	-415	8,443	30,429
4. Gross income.....	27,306	56,059	63,058	457,539	824,351
5. Operating & depreciation.....	14,392	32,494	29,595	205,515	364,767
6. Net income (ex. supp. pay.)...	12,914	23,565	33,463	252,024	459,584
7. Supplementary payments.....	-	-	-	-	-
8. Net income.....	12,914	23,565	33,463	252,024	459,584

- - 500 dollars or less. 1/ Includes estimated rental value of farm homes and

2/ Excludes Newfoundland.

TABLE 3B.- INCOME

	- thousand				
1. Dairy products.....	791	2,389	3,119	12,558	15,413
2. Poultry & eggs.....	630	2,069	1,421	7,102	11,869
3. Meat.....	448	886	1,058	11,270	13,615
4. Fruits & vegetables 1/.....	588	2,357	2,494	12,879	15,664
5. Honey & maple products.....	2	9	30	2,763	776
6. Forest products.....	1,202	4,169	4,587	24,184	19,347
7. Other products 2/.....	11	19	13	311	4
8. House rent.....	1,451	3,561	3,893	17,024	38,751
9. Total.....	5,123	15,459	16,615	88,091	115,439

1/ Includes potatoes. 2/ Wool and cereal products.

TABLE 3C.- FARM

	- thousand				
1. Taxes 1/.....	420	1,793	2,977	99,875	23,660
2. Gross rent.....	95	231	222	2,248	15,622
3. Hired labour.....	2,467	7,455	4,726	19,048	38,973
4. Interest on indebtedness 1/ 2/	298	308	317	4,708	7,433
5. Feed & seed 3/.....	3,115	8,149	6,147	93,033	117,323
6. Tractor.....	262	632	539	4,000	15,848
7. Truck.....	264	984	780	4,619	9,124
8. Automobile 4/.....	452	1,017	1,080	4,731	19,236
9. Engine & combine.....	93	63	97	886	910
10. Machinery repairs 5/.....	488	1,211	1,427	8,102	11,515
11. Fertilizer.....	2,538	1,794	3,485	6,977	16,994
12. Fruit & vegetable supplies 6/	497	1,954	1,244	5,298	11,568
13. Buildings repairs 1/.....	731	1,621	1,312	9,856	15,172
14. Miscellaneous 7/.....	1,024	1,746	1,722	12,271	19,853
15. Total operating.....	12,744	28,958	26,075	185,652	323,231
16. Depreciation, bldg. 1/ & machinery	1,648	3,536	3,520	19,863	41,536
17. Operating & depreciation.....	14,392	32,494	29,595	205,515	364,767

1/ Owned land and buildings only. 3/ Secured and unsecured debt. 3/ Purchases through and machine shop charges. 6/ Pesticides, containers and nursery stock. 7/ Veterinary

FARMING OPERATIONS, CANADA BY PROVINCES 2/ - 1950

Man.	Sask.	Alta.	B. C.	CANADA
dollars -				
195,408	408,288	368,007	100,342	2,219,642.....Cash income
28,492	55,571	45,207	13,481	383,478.....Income in kind
117,824	51,756	23,503	-2,343	130,729.....Value of inventory changes
241,724	515,615	436,717	111,480	2,733,849.....Gross income
115,701	258,641	205,567	69,278	1,295,950.....Operating & depreciation
126,023	256,974	231,150	42,202	1,437,899.....Net income (ex. supp. pay.)
323	8,227	5,256	- -	13,806.....Supplementary payments
126,346	265,201	236,406	42,202	1,451,705.....Net income

supplementary payments made under the provisions of the Prairie Farm Assistance Act.

IN KIND

dollars -				
5,223	12,527	7,599	1,498	61,117.....Dairy products
3,348	5,482	5,482	1,462	38,865.....Poultry & eggs
4,217	10,055	5,836	1,263	48,648.....Meat
4,385	8,261	7,844	3,595	58,067.....Fruits & vegetables 1/
25	62	67	33	3,767.....Honey & Maple products
2,212	3,780	3,224	2,001	64,706.....Forest products
17	36	25	1	437.....Other products 2/
9,065	15,368	15,130	3,628	107,871.....House rent
28,492	55,571	45,207	13,481	383,478.....Total

OPERATING EXPENSES & DEPRECIATION CHARGES

dollars -				
7,880	15,922	15,525	3,926	81,978.....Taxes 1/
17,394	52,172	27,392	1,494	116,870.....Gross rent
16,088	27,392	28,203	13,864	158,216.....Hired labour
2,672	11,470	6,335	685	34,226.....Interest on indebtedness 1/ 2/
7,575	9,820	17,061	25,467	287,690.....Feed & seed 3/
13,025	36,225	23,443	2,964	96,938.....Tractor
4,370	11,116	9,194	2,617	43,068.....Truck
4,518	7,945	7,060	2,264	48,303.....Automobile 4/
1,886	5,605	2,785	84	12,409.....Engine & combine
6,920	14,989	13,579	2,406	60,637.....Machinery repairs 5/
1,698	2,443	2,409	1,330	40,168.....Fertilizer
1,587	3,355	2,359	2,112	30,474.....Fruit & vegetable supplies 6/
2,674	5,213	4,246	1,554	42,379.....Building repairs 1/
5,019	12,098	10,848	3,944	68,525.....Miscellaneous 7/
93,306	215,765	170,939	65,211	1,121,881.....Total operating
22,395	42,876	34,628	4,067	174,069.....Depreciation, bldg. 1/ & machinery
115,701	258,641	205,567	69,278	1,295,950.....Operating & depreciation.

commercial channels only. 4/ Expense incurred for farm business only. 5/ Repair parts expenses, binder twine, irrigation charges, fence repairs, rope, salt, hardware, etc.

TABLE 4A.- NET INCOME 1/ OF FARM OPERATORS FROM

	P.E.I.	N. S.	N. B.	Que.	Ont.
	- thousand				
1. Cash income.....	20,680	35,262	42,846	344,488	678,252
2. Income in kind.....	5,270	15,797	16,520	87,877	113,765
3. Value of inventory changes.....	1,220	1,419	1,120	6,203	1,044
4. Gross income.....	27,170	52,478	60,486	438,568	793,061
5. Operating & depreciation.....	14,134	31,980	27,494	190,434	334,515
6. Net income (ex. supp. pay.).....	13,036	20,498	32,992	248,134	458,546
7. Supplementary payments.....	-	-	-	-	-
8. Net income.....	13,036	20,498	32,992	248,134	458,546

1/ Includes estimated rental value of farm homes and Supplementary Payments made under

TABLE 4B.- INCOME

	- thousand				
1. Dairy products.....	964	2,544	3,373	12,641	16,312
2. Poultry & eggs.....	750	2,241	1,565	8,453	12,481
3. Meat.....	404	1,096	1,109	13,211	13,461
4. Fruits & vegetables 1/.....	648	2,626	2,681	12,918	16,239
5. Honey & maple products.....	3	11	27	2,443	610
6. Forest products.....	1,124	3,900	4,291	22,623	18,098
7. Other products 2/.....	6	15	10	245	5
8. House rent.....	1,371	3,364	3,464	15,343	36,559
9. Total.....	5,270	15,797	16,520	87,877	113,765

1/ Includes potatoes. 2/ Wool and cereal products.

TABLE 4C.- FARM

	- thousand				
1. Taxes 1/.....	395	1,714	2,729	9,396	21,948
2. Gross rent.....	104	218	208	2,028	14,035
3. Hired labour.....	2,729	8,624	4,175	18,826	36,138
4. Interest on indebtedness 1/ 2/.....	289	313	345	4,344	7,258
5. Feed & seed 3/.....	2,971	7,769	5,859	88,638	111,823
6. Tractor.....	218	525	449	3,147	13,206
7. Truck.....	206	848	698	3,777	7,320
8. Automobile 4/.....	359	816	897	3,831	15,588
9. Engine & combine.....	88	59	93	837	833
10. Machinery repairs 5/.....	338	846	983	5,648	9,994
11. Fertilizer.....	2,757	1,823	3,869	6,713	15,431
12. Fruit & vegetable supplies 6/.....	472	1,856	1,184	4,999	10,809
13. Building repairs 1/.....	694	1,541	1,248	9,373	14,429
14. Miscellaneous 7/.....	978	1,736	1,619	11,104	18,250
15. Total operating.....	12,598	28,688	24,356	172,661	297,062
16. Depreciation, bldg. 1/ & machinery	1,536	3,292	3,138	17,773	37,453
17. Operating & depreciation.....	14,134	31,980	27,494	190,434	334,515

1/ Owned land and buildings only. 2/ Secured and unsecured debt. 3/ Purchases through and machine shop charges. 6/ Pesticides, containers and nursery stock. 7/ Veterinary

FARMING OPERATIONS, CANADA BY PROVINCES 2/ - 1949

Man.	Sask.	Alta.	B. C.	CANADA
<u>Dollars -</u>				
245,246	566,062	452,453	101,309	2,486,598.....Cash income
30,121	56,530	47,718	13,953	387,551.....Income in kind
-16,939	-18,287	-49,797	2,362	-71,655.....Value of inventory changes
258,428	604,305	450,374	117,624	2,802,494.....Gross income
104,399	233,228	183,409	60,025	1,179,618.....Operating & depreciation
154,029	371,077	266,965	57,599	1,622,876.....Net income (ex. supp. pay.)
58	14,210	3,360	-	17,628.....Supplementary payments
154,087	385,287	270,325	57,599	1,640,504.....Net income

the provisions of the Prairie Farm Assistance Act. 2/ Excludes Newfoundland.

IN KIND

<u>dollars-</u>				
6,481	14,360	8,780	1,593	67,048.....Dairy products
3,799	6,471	6,649	1,900	44,309.....Poultry & eggs
4,691	8,993	6,358	1,190	50,513.....Meat
4,668	8,877	8,572	3,962	61,191.....Fruits & vegetables 1/
37	69	61	36	3,297.....Honey & maple products
2,069	3,536	3,016	1,872	60,529.....Forest products
9	35	23	1	349.....Other products 2/
8,367	14,189	114,259	3,399	100,315.....House rent
30,121	56,530	47,718	13,953	387,551.....Total

OPERATING EXPENSES & DEPRECIATION CHARGES

<u>dollars -</u>				
7,512	15,266	14,716	3,296	76,972.....Taxes 1/
15,560	41,242	22,733	1,518	97,646.....Gross rent
14,602	24,860	24,277	10,105	144,336.....Hired labour
2,544	10,921	5,944	618	32,576.....Interest on indebtedness 1/ 2/
7,220	9,360	16,262	24,278	274,180.....Feed & seed 3/
12,100	34,399	21,794	2,456	88,294.....Tractor
3,435	9,351	6,922	2,125	34,682.....Truck
3,778	6,921	5,689	1,717	39,596.....Automobile 4/
1,600	4,757	2,443	79	10,789.....Engine & combine
7,468	16,449	12,805	1,468	55,999.....Machinery repairs 5/
1,345	1,776	1,993	1,581	37,288.....Fertilizer
1,541	3,260	2,779	2,064	28,964.....Fruit & vegetable supplies 6/
2,543	4,957	4,038	1,478	40,301.....Building repairs 1/
4,726	12,211	10,395	3,589	64,608.....Miscellaneous 7/
85,974	195,730	152,790	56,372	1,026,231.....Total operating
18,425	37,498	30,619	3,653	153,387.....Depreciation, bldg. 1/ & machinery
104,399	233,228	183,409	60,025	1,179,618.....Operating & depreciation

commercial channels only. 4/ Expense incurred for farm business only. 5/ Repair parts expenses, binder twine, irrigation charges, fence repairs, rope, salt, hardware, etc.

STATISTICS CANADA LIBRARY  
B.BLIOTHÈQUE STATISTIQUE CANADA



1010678159