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## D.B.S. MEMORANDUM

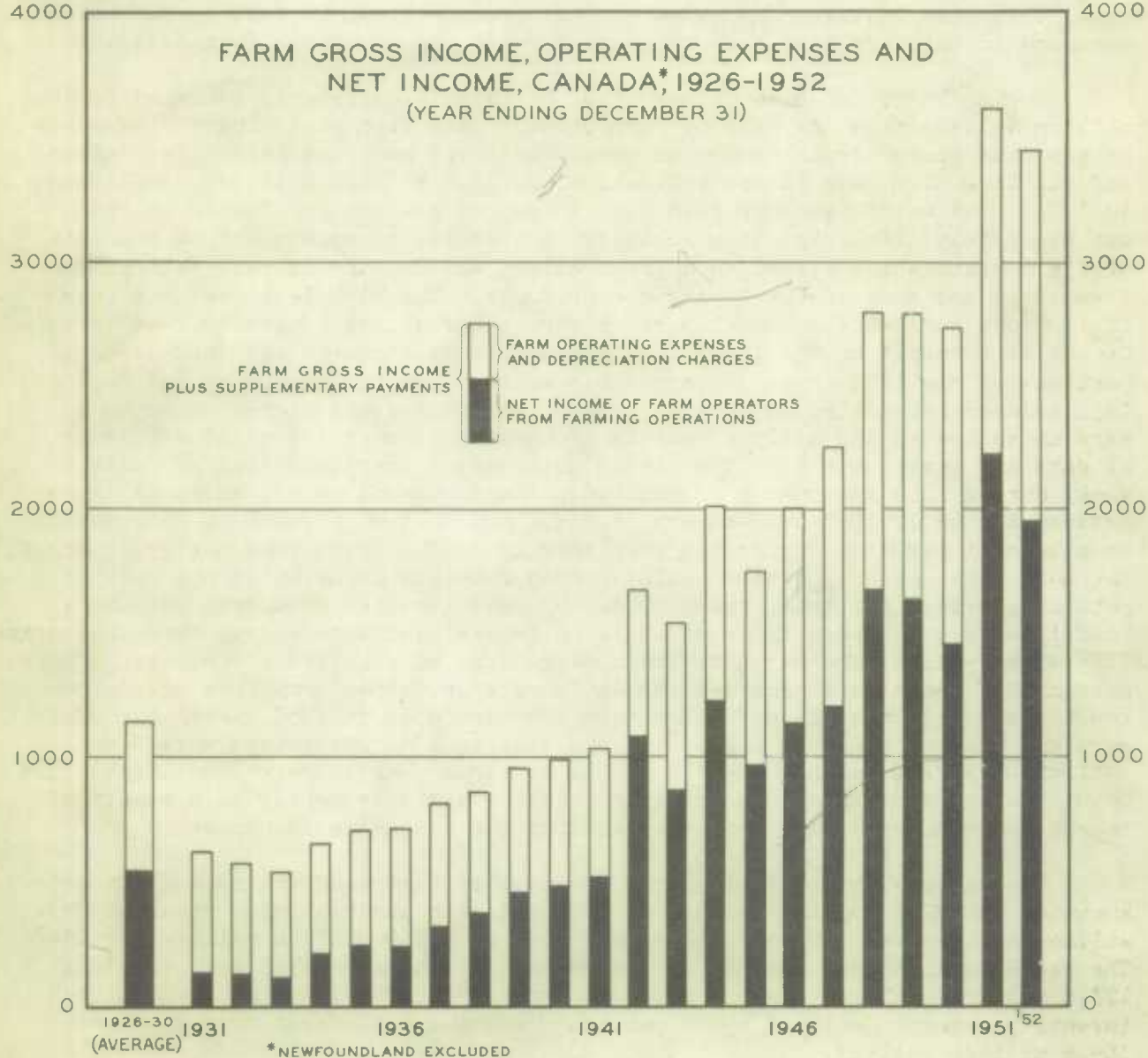
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## FARM NET INCOME, 1952

MILLION DOLLARS  
4000MILLION DOLLARS  
4000

FARM GROSS INCOME, OPERATING EXPENSES AND  
NET INCOME, CANADA\*, 1926-1952  
(YEAR ENDING DECEMBER 31)



Prepared in Research Section, AGRICULTURE DIVISION

505-15

NET INCOME OF FARM OPERATORS FROM FARMING OPERATIONS, 1952

Preliminary estimates indicate that during 1952, Canadian farm operators (ex. Newfoundland) realized a net income from farming operations of 1,949.9 million dollars. This figure, the second highest yet to be recorded, is 11 per cent less than the revised record high net income of 2,188.6 million dollars realized in 1951 and 35 per cent higher than the 1950 estimate of 1,448.1 million dollars. The decline from the level reached in 1951 was the net result of a drop of four per cent in gross farm income and an increase of six per cent in farm operating expenses, including depreciation charges. Gross farm income in 1952 is estimated at 3,449.7 million dollars as compared with the all-time high of 3,600.0 million dollars reached in 1951. This decline was the result of slightly lower returns from the sale of farm products and a substantial drop in the value of year-end changes in farm-held stocks of grains and live stock. Income in kind for 1952 was virtually unchanged from 1951; this item 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.

During 1952, Canadian farmers (ex. Newfoundland farmers) realized 2,778.3 million dollars from the sale of farm products and from participation payments on previous years' grain crops, an amount only 1.2 per cent below the revised and all-time high cash income estimate of 2,811.9 million dollars established in 1951. The maintenance of farm cash income at near-record levels in 1952 can be largely attributed to a substantial increase in receipts from the sale of field crops which offset to a great extent the decline in cash returns from live stock and some of the live-stock products. The high-level returns from field crops reflect the unusually heavy spring marketings of grain in western Canada as a result of the large carry-over of both threshed and unthreshed portions of the 1951 crop. Unfavourable weather conditions during the fall of 1951 delayed harvesting to such an extent that by the end of the year there were an estimated 150 million bushels of wheat and about 135 million bushels of oats and barley still in the fields unthreshed. Participation payments on wheat during 1952 included a 20 cent adjustment payment on all wheat delivered between August 1, 1951 and January 31, 1952 and a final payment of 25.2 cents on all wheat marketed during the crop year 1951-52. Apart from the grain crops, the most spectacular increase in field crop receipts occurred in the case of potatoes; prices for this commodity during 1952 averaged more than two and a half times greater than those of 1951. A general and substantial drop in average live-stock prices together with lower marketings of all live stock, except hogs, accounted for a significant decline in farmers' receipts from this source. Poultry and egg receipts were also down substantially in 1952. Production of eggs and poultry meat was higher in 1952 than in 1951 but prices were down sufficiently from the high levels of the previous year to more than offset this gain. On the other hand, income from dairying was up slightly as a result of increased production more than compensating for a decline in prices.

The value of year-end inventory changes of farm-held grains and live stock amounted to 237.6 million dollars as compared with the estimated value of 353.5 million dollars for 1951 and the record high of 353.9 million dollars for 1942. The year-end inventory changes of grains held on farms in 1952 were valued at 127.8 million dollars, down 39 per cent from 1951. The value of live-stock inventory changes declined by 24 per cent from the 1951 level to a total of 109.8 million dollars.

Nearly all items included in farm operating expenses were higher in 1952 than in 1951 and total expenses including depreciation charges, were estimated at 1,504.9 million dollars as compared with the revised estimate of 1,421.7 million dollars for 1951. Wage rates for 1952 were about five per cent higher than in 1951, but the total labour force employed in agriculture was smaller than a year ago. Greater numbers of tractors, combines and other machines on farms have resulted in further increases in farmers' total outlay for operation and maintenance. Increased expenditures for fertilizers reflect generally higher prices. The only declines occurring in farmers' operating expenses were recorded for automobiles, feed and seed. In each case the reductions were small.

Farm net income in 1952 was down in all provinces except Prince Edward Island and Saskatchewan. The greater increase occurred in the former province and amounted to 19 per cent. On a percentage basis, the greatest decrease occurred in Nova Scotia; 29 per cent. These provincial differences are a reflection of changes in cash returns from the sale of farm products.

In Table I below, is summarized the preliminary estimate of farm net income, by provinces, for the calendar year 1952, and revised estimates for 1950 and 1951. These estimates represent revisions to and a continuation of the farm income series contained in the Handbook of Agricultural Statistics, Part II. No information is available respecting Newfoundland.

TABLE I.- Net Income of Farm Operators from Farming Operations, by Provinces, <sup>1/</sup> 1950-1952

- million dollars -			
	1952 (preliminary)	1951 (revised)	1950 (revised)
Prince Edward Island	20.9	17.6	12.8
Nova Scotia	19.2	27.0	22.2
New Brunswick	34.4	36.5	30.3
Quebec	267.1	333.4	247.4
Ontario	454.6	576.4	461.8
Manitoba	158.6	180.8	128.3
Saskatchewan	574.5	553.8	269.6
Alberta	372.3	401.3	232.3
British Columbia	48.3	61.8	43.4
CANADA	1,949.9	2,188.6	1,448.1

<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 <u>3/</u> .....	31,281	37,388	48,943	385,927	714,898
2. Income in kind.....	6,045	18,037	18,842	106,023	131,710
3. Value of inventory changes.....	-28	1,105	274	-81	21,711
4. Gross income.....	37,298	56,530	68,059	491,869	868,319
5. Operating & depreciation.....	16,378	37,299	33,636	224,780	413,785
6. Net income (ex. supp. pay.)....	20,920	19,231	34,423	267,089	454,534
7. Supplementary payments.....	-	-	-	-	-
8. Net income.....	20,920	19,231	34,423	267,089	454,534

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

3/ Not strictly comparable with 1950 and 1951.

TABLE 2B.- INCOME

	- thousand				
1. Dairy products.....	799	2,297	2,997	15,121	15,010
2. Poultry & eggs.....	830	2,357	1,583	8,908	12,090
3. Meat.....	388	1,074	1,054	9,641	9,544
4. Fruits & vegetables <u>1/</u> .....	1,058	3,804	3,889	21,994	24,770
5. Honey & maple products.....	2	10	35	3,285	724
6. Forest products.....	1,358	4,712	5,185	27,334	21,867
7. Other products <u>2/</u> .....	6	16	17	163	2
8. House rent.....	1,604	3,767	4,082	19,577	47,703
9. Total.....	6,045	18,037	18,842	106,023	131,710

1/ Includes potatoes. 2/ Wool only, cereal products used were negligible.

TABLE 2C.- FARM

	- thousand				
1. Taxes <u>1/</u> .....	448	2,095	3,670	11,243	29,704
2. Gross rent.....	122	236	234	2,189	15,935
3. Hired labour.....	3,168	9,540	5,765	21,174	44,001
4. Interest on indebtedness <u>1/</u> <u>2/</u> .....	315	337	352	5,183	8,084
5. Feed and seed <u>3/</u> .....	3,047	7,971	6,010	91,019	114,757
6. Tractor.....	415	951	811	6,224	20,516
7. Truck.....	386	1,288	1,062	6,109	11,996
8. Automobile <u>4/</u> .....	624	1,457	1,409	6,884	22,353
9. Engine & combine.....	104	67	104	929	1,002
10. Machinery repairs <u>5/</u> .....	380	945	1,107	7,535	12,247
11. Fertilizer.....	2,684	1,830	4,011	7,466	22,590
12. Fruit & vegetable supplies <u>6/</u> ..	518	2,021	1,289	5,432	11,690
13. Building repairs <u>1/</u> .....	1,219	2,704	2,190	16,446	25,317
14. Miscellaneous <u>7/</u> .....	1,057	1,974	1,850	12,968	20,599
15. Total operating.....	14,487	33,416	29,864	200,801	360,791
16. Depreciation, bldg. <u>1/</u> & machinery	1,891	3,883	3,772	23,979	52,994
17. Operating & depreciation.....	16,378	37,299	33,636	224,780	413,785

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/ - 1952

Man.	Sask.	Alta.	B. C.	CANADA
dollars-				
246,065	698,960	506,660	108,221	2,778,343.....Cash income <u>3/</u>
31,164	57,614	48,954	15,333	433,722.....Income in kind
11,285	137,188	63,412	2,759	237,625.....Value of inventory changes
288,514	893,762	619,026	126,313	3,449,690.....Gross income
130,065	321,845	249,047	78,089	1,504,924.....Operating & depreciation
158,449	571,917	369,979	48,224	1,944,766.....Net income (ex. supp. pay.)
179	2,560	2,349	43	5,131.....Supplementary payments
158,628	574,477	372,328	48,267	1,949,897.....Net income

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

IN KIND

dollars -

5,109	12,304	7,274	1,582	62,493.....Dairy products
3,728	4,660	7,257	1,916	43,329.....Poultry & eggs
3,743	8,712	4,638	1,052	39,846.....Meat
6,069	10,481	10,119	4,489	86,673.....Fruits & vegetables <u>1/</u>
15	41	28	24	4,164.....Honey & maple products
2,501	4,272	3,644	2,262	73,135.....Forest products
5	1	1	2	213.....Other products <u>2/</u>
9,994	17,143	15,993	4,006	123,869.....House rent
31,164	57,614	48,954	15,333	433,722.....Total

OPERATING EXPENSES & DEPRECIATION CHARGES

dollars -

8,933	18,346	17,150	4,804	96,393.....Taxes <u>1/</u>
17,264	77,575	35,751	1,642	150,948.....Gross rent
17,301	35,163	36,502	17,663	190,277.....Hired labour
3,180	13,870	7,151	737	39,209.....Interest on indebtedness <u>1/2/</u>
7,412	9,610	16,697	24,921	281,444.....Feed and seed <u>3/</u>
14,204	39,104	28,298	4,134	114,657.....Tractor
5,506	13,752	13,269	3,355	56,723.....Truck
5,065	8,779	9,298	2,986	58,855.....Automobile <u>4/</u>
2,268	7,464	4,135	91	16,164.....Engine & combine
7,202	15,916	13,492	1,440	60,264.....Machinery repairs <u>5/</u>
2,953	3,062	3,290	2,410	50,296.....Fertilizer
1,655	3,502	2,984	2,228	31,319.....Fruit & vegetable supplies <u>6/</u>
4,462	8,698	7,086	2,594	70,716.....Building repairs <u>1/</u>
5,458	14,635	12,332	4,440	75,313.....Miscellaneous <u>7/</u>
102,863	269,476	207,435	73,445	1,292,578.....Total operating
27,202	52,369	41,612	4,644	212,346.....Depreciation, bldg. <u>1/</u> & machinery
130,065	321,845	249,047	78,089	1,504,924.....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.....	26,676	44,574	48,157	426,376	790,934
2. Income in kind.....	5,994	17,314	18,413	103,532	130,949
3. Value of inventory changes.....	-268	828	587	23,289	54,266
4. Gross income.....	32,402	62,716	67,157	553,197	976,149
5. Operating & depreciation.....	14,789	35,675	30,632	219,800	399,745
6. Net income (ex. supp. pay.)....	17,613	27,041	36,525	333,397	576,404
7. Supplementary payments.....	-	-	-	-	-
8. Net income.....	17,613	27,041	36,525	333,397	576,404

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

TABLE 3B.- INCOME

	- thousand				
1. Dairy products.....	870	2,399	3,474	15,565	17,142
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/.....	687	2,712	2,627	15,694	16,772
5. Honey & maple products.....	2	8	32	2,239	632
6. Forest products.....	1,375	4,769	5,248	27,666	22,133
7. Other products 2/.....	7	32	18	295	3
8. House rent.....	1,578	3,809	4,027	18,968	46,203
9. Total.....	5,994	17,314	18,413	103,532	130,949

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

TABLE 3C.- FARM

	- thousand				
1. Taxes 1/.....	438	2,040	3,242	10,517	27,327
2. Gross rent.....	114	235	241	2,247	16,567
3. Hired labour.....	2,756	8,732	4,300	21,520	43,552
4. Interest on indebtedness 1/ 2/.....	311	347	349	4,857	7,890
5. Feed & seed 3/.....	3,069	8,019	6,048	91,568	115,490
6. Tractor.....	324	783	656	5,152	18,172
7. Truck.....	347	1,194	974	5,897	11,276
8. Automobile 4/.....	583	1,402	1,418	6,850	22,602
9. Engine & combine.....	98	66	101	916	954
10. Machinery repairs 5/.....	365	910	1,065	7,233	11,742
11. Fertilizer.....	1,962	1,951	3,548	7,560	19,929
12. Fruit & vegetable supplies 6/..	508	1,998	1,275	5,365	11,556
13. Building repairs 1/.....	1,075	2,386	1,933	14,513	22,342
14. Miscellaneous 7/.....	1,039	1,927	1,801	13,333	21,361
15. Total operating.....	12,989	31,890	26,951	197,528	350,760
16. Depreciation, bldg. 1/ & machinery	1,800	3,785	3,681	22,272	48,985
17. Operating & depreciation.....	14,789	35,675	30,632	219,800	399,745

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 -				
262,391	631,032	466,047	115,762	2,811,949.....Cash income
31,529	61,191	50,537	15,094	434,553.....Income in kind
11,056	148,370	114,092	1,273	353,493.....Value of inventory changes
304,976	840,593	630,676	132,129	3,599,995.....Gross income
124,606	292,374	233,602	70,489	1,421,712.....Operating & depreciation
180,370	548,219	397,074	61,640	2,178,283.....Net income (ex. supp. pay.)
388	5,546	4,235	187	10,356.....Supplementary payments
180,758	553,765	401,309	61,827	2,188,639.....Net income

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

IN KIND

dollars -				
5,825	13,606	8,405	1,576	68,862.....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
4,599	8,734	8,246	3,723	63,794.....Fruits & vegetables <u>1/</u>
27	49	29	36	3,054.....Honey & maple products
2,531	4,324	3,688	2,289	74,023.....Forest products
9	38	21	1	424.....Other products <u>2/</u>
9,762	16,559	15,993	3,897	120,796.....House rent
31,529	61,191	50,537	15,094	434,553.....Total

OPERATING EXPENSES & DEPRECIATION CHARGES

dollars -				
8,573	17,291	15,836	4,440	89,704.....Taxes <u>1/</u>
17,446	68,549	38,221	1,573	145,193.....Gross rent
17,292	30,563	31,070	12,737	172,522.....Hired labour
2,999	12,580	6,873	748	36,954.....Interest on indebtedness <u>1/2/</u>
7,451	9,670	16,801	25,070	283,186.....Feed & seed <u>3/</u>
13,387	34,742	24,862	3,533	101,611.....Tractor
5,139	12,900	11,750	3,189	52,666.....Truck
5,227	8,959	9,107	2,968	59,016.....Automobile <u>4/</u>
2,052	5,750	3,101	88	13,126.....Engine & combine
6,921	15,306	12,969	1,382	57,893.....Machinery repairs <u>5/</u>
2,107	2,973	3,271	1,814	45,015.....Fertilizer
1,636	3,459	2,948	2,202	30,947.....Fruit & vegetable supplies <u>6/</u>
3,937	7,676	6,253	2,289	62,404.....Building repairs <u>1/</u>
5,531	13,914	12,205	4,093	75,204.....Miscellaneous <u>7/</u>
99,698	244,232	195,267	66,126	1,225,441.....Total operating
24,908	48,142	38,335	4,363	196,271.....Depreciation, bldg. <u>1/</u> & machinery
124,606	292,374	233,602	70,489	1,421,712.....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.....	21,619	37,981	43,655	355,685	679,757
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.....	27,126	54,588	59,855	452,219	825,625
5. Operating & depreciation.....	14,355	32,384	29,514	204,818	363,814
6. Net income (ex. supp. pay.).....	12,771	22,204	30,341	247,401	461,811
7. Supplementary payments.....	-	-	-	-	-
8. Net income.....	12,771	22,204	30,341	247,401	461,811

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

2/ Excludes Newfoundland.

TABLE 4B.- 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 <u>1/</u> .....	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 <u>2/</u> .....	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 4C.- FARM

	- thousand				
1. Taxes <u>1/</u> .....	420	1,793	2,977	9,875	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 <u>1/</u> <u>2/</u> ..	295	308	317	4,690	7,404
5. Feed & seed <u>3/</u> .....	3,101	8,116	6,116	92,575	116,834
6. Tractor.....	262	632	539	4,000	15,848
7. Truck.....	264	984	780	4,619	9,124
8. Automobile <u>4/</u> .....	452	1,017	1,080	4,731	19,236
9. Engine & combine.....	93	63	97	886	910
10. Machinery repairs <u>5/</u> .....	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 <u>6/</u> ...	479	1,882	1,198	5,109	11,177
13. Building repairs <u>1/</u> .....	731	1,621	1,312	9,856	15,172
14. Miscellaneous <u>7/</u> .....	1,022	1,741	1,718	12,239	19,809
15. Total operating.....	12,707	28,848	25,994	184,955	322,278
16. Depreciation, bldg. <u>1/</u> & machinery	1,648	3,536	3,520	19,863	41,536
17. Operating & depreciation.....	14,355	32,384	29,514	204,818	363,814

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/ - 1950

Man.	Sask.	Alta.	B. C.	CANADA
dollars -				
197,254	412,455	363,458	101,362	2,213,226.....Cash income
28,492	55,571	45,207	13,481	383,478.....Income in kind
17,824	51,756	23,503	-2,343	130,729.....Value of inventory changes
243,570	519,782	432,168	112,500	2,727,433.....Gross income
115,595	258,437	205,182	69,059	1,293,158.....Operating & depreciation
127,975	261,345	226,986	43,441	1,434,275.....Net income (ex. supp. pay.)
323	8,227	5,256	- -	13,806.....Supplementary payments
128,298	269,572	232,242	43,441	1,448,081.....Net income

supplementary payments made under 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 <u>1/</u>
25	62	67	33	3,767.....Honey and maple products
2,212	3,780	3,224	2,001	64,706.....Forest products
17	36	25	1	437.....Other products <u>2/</u>
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 <u>1/</u>
17,394	52,172	27,392	1,494	116,870.....Gross rent
16,088	27,392	28,203	13,864	158,216.....Hired labour
2,659	11,435	6,335	677	34,120.....Interest on indebtedness <u>1/2/</u>
7,544	9,780	16,922	25,343	286,331.....Feed & seed <u>3/</u>
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
1,886	5,605	2,785	84	12,409.....Engine & combine
6,920	14,989	13,579	2,406	60,637.....Machinery repairs <u>5/</u>
1,698	2,443	2,409	1,830	40,168.....Fertilizer
1,528	3,232	2,754	2,035	29,394.....Fruit & vegetable supplies <u>6/</u>
2,674	5,213	4,246	1,554	42,379.....Building repairs <u>1/</u>
5,016	12,092	10,707	3,934	68,278.....Miscellaneous <u>7/</u>
93,200	215,561	170,554	64,992	1,119,089.....Total operating
22,395	42,876	34,628	4,067	174,069.....Depreciation, bldg. <u>1/</u> & machinery
115,595	258,437	205,182	69,059	1,293,158.....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.

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