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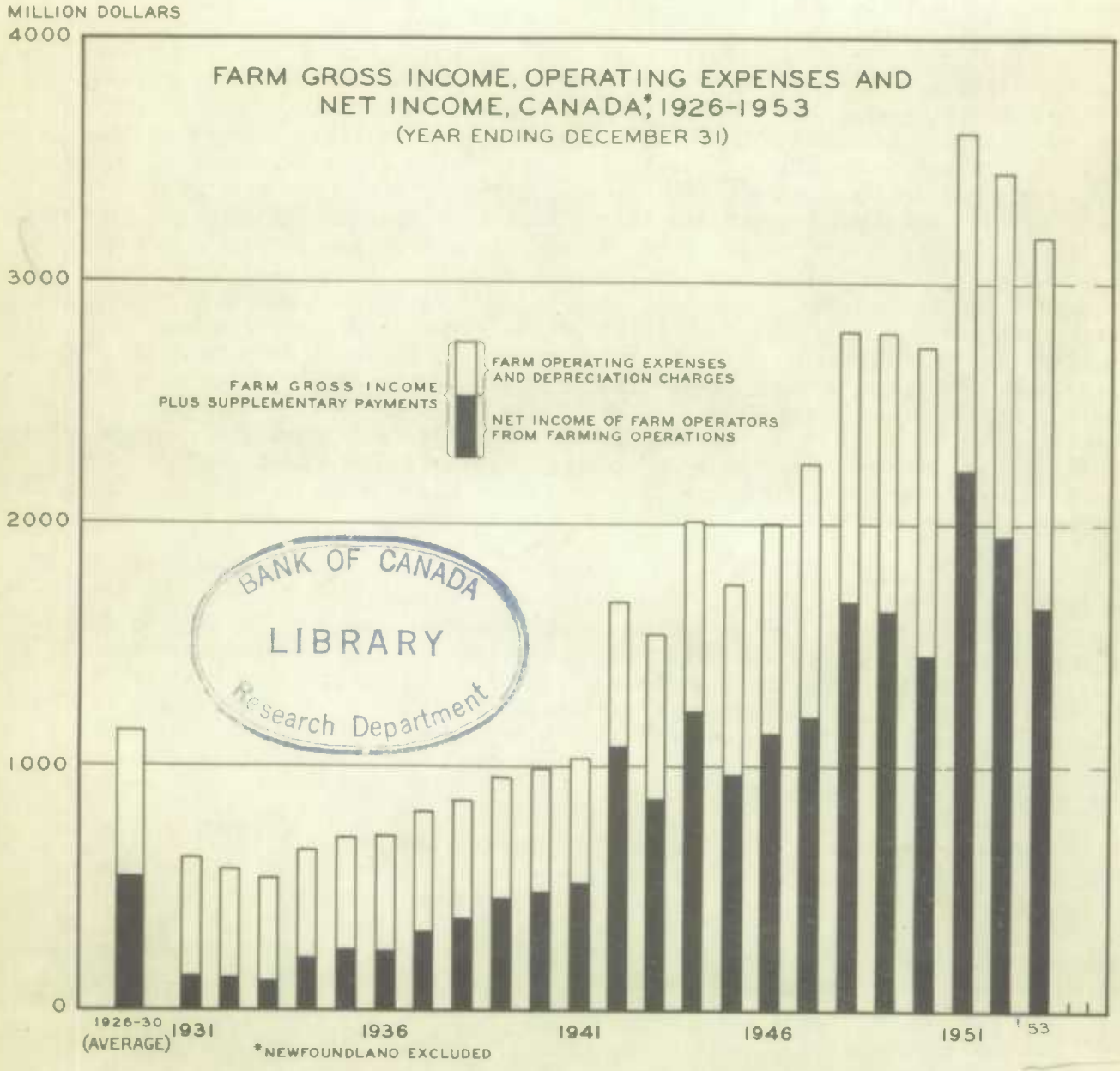
FARM NET INCOME, 1953



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Prepared in Research Section, AGRICULTURE DIVISION

EDMOND CLOUTIER, C.M.G., O.A., D.S.P., Queen's Printer and Controller of Stationery, Ottawa, 1954.

NET INCOME OF FARM OPERATORS FROM FARMING OPERATIONS, 1953 1/

Preliminary estimates indicate that during 1953, Canadian farm operators (ex. Newfoundland) realized a net income from farming operations of 1,656.6 million dollars. This figure is 13 per cent less than the revised net income of 1,900.8 million dollars realized in 1952 and 23 per cent less than the 1951 record high net income estimate of 2,154.5 million dollars. The decline in net income for the second consecutive year was the result of a drop of eight per cent in gross farm income more than offsetting a decline of three per cent in farm operating expenses and depreciation charges. Gross farm income in 1953 is estimated at 3,193.3 million dollars as compared with the all-time high of 3,578.5 million dollars reached in 1951. The decline from the 1952 level of 3,477.9 million dollars was the result of lower returns from the sale of farm products and a very substantial drop in the value of year-end changes in farm-held stocks of grains and livestock. Income in kind for 1953 was down three per cent from 1952; 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 1953, Canadian farmers (ex. Newfoundland farmers) realized 2,741.3 million dollars from the sale of farm products and from participation payments on previous years' grain crops. This estimate is three per cent below the revised and now all-time high cash income estimate of 2,826.6 million dollars established in 1952. Higher income from the sale of wheat, dairy products, eggs, corn, sugar beets, hay and wool was more than offset by lower returns from other farm products. The greatest reduction in receipts from the sale of field crops occurred in the case of potatoes. As a result of the substantial reduction in potato prices from the unusually high levels of the previous year, income from this source was down by more than 50 per cent. A smaller crop and reduced prices combined to provide lower cash returns from tobacco. Lower prices for all live stock except hogs, and smaller hog and sheep marketings combined to reduce income from the sales of live stock about six per cent below the 1952 level. Income from the sale of poultry and eggs was about five per cent higher than in 1952. While total marketings of eggs in 1953 were relatively unchanged from 1952, the average prices realized were substantially higher. Income from the sale of dairy products was approximately four per cent above that of 1952. Lower prices were more than offset by increased production.

Although the build-up of the live-stock population and the stocks of grains on farms continued during 1953, it was at a much slower rate than in the past few years. As a result, the estimated value of year-end inventory changes of farm-held grains and live stock amounted to 50.9 million dollars as compared with 237.7 million dollars for 1952 and the record high of 353.9 million dollars for 1942. The year-end inventory changes of grains held on farms in 1953 were valued at 26.6 million dollars, down 79 per cent from 1952. The value of live-stock inventory changes declined by 78 per cent from the 1952 level to a total of 24.3 million dollars.

Total farm operating expenses in 1953 were estimated at 1,538.3 million dollars, three per cent below the peak level of 1,582.2 million dollars reached in 1952, but still seven per cent above the 1951 estimate of 1,434.3 million dollars. A substantial reduction in farmers' outlays for such things as rent, labour and feed more than offset increased expenditures for some of the more important items such as taxes, interest on indebtedness, fertilizers, repairs to machinery and buildings, and the operation of tractors, trucks and automobiles.

1/ Excludes Newfoundland.

Gross farm rent declined 28 per cent from the 1952 level, due to a considerable reduction in the value of share rent. Labour costs were down six per cent and feed costs by about 10 per cent. On the other hand, total expenditures on taxes and interest charges rose approximately six to seven per cent. Aggregate expenditures for operating tractors, trucks and autos increased between four and nine per cent; a result of the continuing increase in mechanization. Increased expenditures for fertilizers reflect a price increase of approximately eight per cent combined with a seven per cent increase in total quantity bought.

Farm net income in 1953 was down in all provinces except Nova Scotia and British Columbia. Although the net farm income of British Columbia was virtually unchanged from 1952, that of Nova Scotia was up by six per cent. On a percentage basis, the greatest decline occurred in Prince Edward Island; in absolute terms it occurred in Saskatchewan.

In Table I below, is summarized the preliminary estimate of farm net income, by provinces, for the calendar year 1953, and revised estimates for 1951 and 1952. These estimates represent 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, 1/
1951-1953

- million dollars -

	1953 (preliminary)	1952 (revised)	1951 (revised)
Prince Edward Island	12.3	20.6	17.4
Nova Scotia	20.2	18.9	26.1
New Brunswick	28.2	36.2	37.5
Quebec	262.5	272.4	333.8
Ontario	401.6	429.7	558.2
Manitoba	110.6	157.0	181.9
Saskatchewan	474.3	564.9	553.0
Alberta	307.0	361.3	392.4
British Columbia	39.9	39.8	54.2
CANADA	1,656.6	1,900.8	2,154.5

1/ Excludes Newfoundland.

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

	P.E.I.	N. S.	N. B.	Que.	Ont.
					- thousand
1. Cash income 3/	22,435	40,566	46,051	387,075	692,657
2. Income in kind	5,705	16,578	16,985	96,506	120,487
3. Value of inventory changes	881	940	1,177	14,353	21,901
4. Gross income	29,021	58,084	64,213	497,934	835,045
5. Operating & depreciation	16,686	37,929	36,000	235,414	433,469
6. Net income (ex. supp. pay.)	12,335	20,155	28,213	262,520	401,576
7. Supplementary payments	-	-	-	-	-
8. Net income	12,335	20,155	28,213	262,520	401,576

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	771	1,939	2,203	9,374	6,289
2. Poultry & eggs	872	2,213	1,507	9,430	11,607
3. Meat	353	894	990	10,745	9,177
4. Fruits & vegetables 1/	723	2,865	2,799	17,045	20,197
5. Honey & maple products	2	5	15	2,040	222
6. Forest products	1,347	4,674	5,144	27,115	21,692
7. Wool	9	19	22	166	7
8. House rent	1,628	3,969	4,305	20,591	51,296
9. Total	5,705	16,578	16,985	96,506	120,487

1/ Includes potatoes.

TABLE 2C.- FARM

					- thousand
1. Taxes 1/	540	2,803	3,822	14,874	33,354
2. Gross rent	89	223	221	2,138	15,960
3. Hired labour	2,754	8,071	6,435	19,904	41,670
4. Interest on indebtedness 1/ 2/	346	368	378	5,594	9,269
5. Feed and seed 3/	3,044	7,962	6,002	90,927	114,634
6. Tractor	469	1,076	911	6,977	21,870
7. Truck	457	1,533	1,038	7,282	12,869
8. Automobile 4/	575	1,427	1,463	7,512	24,803
9. Engine & combine	104	68	104	936	1,048
10. Machinery repairs 5/	440	1,093	1,287	7,480	12,056
11. Fertilizer	2,844	1,861	4,304	8,175	26,189
12. Fruit & vegetable supplies 6/	570	2,241	1,431	5,978	12,743
13. Building repairs 1/	1,425	3,162	2,560	19,228	29,602
14. Miscellaneous 7/	1,034	1,957	1,937	12,997	20,075
15. Total operating	14,691	33,845	31,893	210,002	376,142
16. Depreciation, bldg.1/& machinery.	1,995	4,084	4,107	25,412	57,327
17. Operating & depreciation	16,686	37,929	36,000	235,414	433,469

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/ - 1953

Man.	Sask.	Alta.	B. C.	CANADA	
dollars -					
214,187	743,352	491,529	103,400	2,741,252	...Cash income 3/
29,002	52,382	48,350	15,131	401,126	...Income in kind
-2,416	-8,363	19,799	2,613	50,885	...Value of inventory changes
240,773	787,371	559,678	121,144	3,193,263	...Gross income
130,357	313,859	253,286	81,271	1,538,271	...Operating & depreciation
110,416	473,512	306,392	39,873	1,654,992	...Net income (ex. supp. pay.)
195	778	559	40	1,572	...Supplementary payments
110,611	474,290	306,951	39,913	1,656,564	...Net income

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

IN KIND

dollars -					
3,367	7,098	4,796	1,210	37,047	...Dairy products
3,383	5,584	7,223	1,838	43,657	...Poultry & eggs
3,229	7,840	4,833	959	39,020	...Meat
5,132	9,849	9,247	4,502	72,359	...Fruits & vegetables 1/
13	34	26	22	2,379	...Honey & maple products
2,481	4,238	3,615	2,244	72,550	...Forest products
8	-	22	2	255	...Wool
11,389	17,739	18,588	4,354	133,859	...House rent
29,002	52,382	48,350	15,131	401,126	...Total

OPERATING EXPENSES & DEPRECIATION CHARGES

dollars -					
8,852	19,518	18,866	5,538	108,167	...Taxes 1/
13,078	57,471	30,089	1,629	120,898	...Gross rent
16,222	32,356	33,685	17,255	178,352	...Hired labour
3,463	15,110	7,914	786	43,228	...Interest on indebtedness 1/ 2/
7,405	9,600	16,662	24,873	281,109	...Feed and seed 3/
14,744	39,442	29,209	4,800	119,498	...Tractor
5,688	15,803	14,232	3,695	62,597	...Truck
5,711	9,578	10,494	3,267	64,830	...Automobile 4/
2,476	7,238	4,170	95	16,239	...Engine & combine
7,127	18,279	14,291	1,823	63,876	...Machinery repairs 5/
3,377	3,572	3,612	2,482	56,416	...Fertilizer
1,838	3,886	3,312	2,440	34,439	...Fruit & vegetable supplies 6/
5,217	10,171	8,284	3,032	82,681	...Building repairs 1/
5,218	13,688	11,732	4,550	73,188	...Miscellaneous 7/
100,416	255,712	206,552	76,265	1,305,518	...Total operating
29,941	58,147	46,734	5,006	232,753	...Depreciation, bldg.1/& machinery
130,357	313,859	253,286	81,271	1,538,271	...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 3/	31,627	39,757	52,952	412,583	718,965
2. Income in kind	6,041	17,905	18,142	101,924	124,550
3. Value of inventory changes	-28	1,105	274	-81	21,711
4. Gross income	37,640	58,767	71,368	514,426	865,226
5. Operating & depreciation	17,090	39,835	35,172	242,076	435,519
6. Net income (ex. supp. pay.)	20,550	18,932	36,196	272,350	429,707
7. Supplementary payments	-	-	-	-	-
8. Net income	20,550	18,932	36,196	272,350	429,707

1/ Includes estimated rental value of farm homes and supplementary payments made under
3/ Not strictly comparable with 1950 and 1951.

TABLE 3B.- INCOME

					- thousand
1. Dairy products	785	1,976	2,210	9,929	6,725
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 1/	1,049	3,813	3,930	22,519	25,462
5. Honey & maple products	2	9	35	3,285	724
6. Forest products	1,358	4,712	5,185	27,334	21,867
7. Wool	7	18	20	173	2
8. House rent	1,622	3,946	4,125	20,135	48,136
9. Total	6,041	17,905	18,142	101,924	124,550

1/ Includes potatoes.

TABLE 3C.- FARM

					- thousand
1. Taxes 1/	516	2,721	3,826	13,811	31,289
2. Gross rent	113	236	224	2,176	15,892
3. Hired labour	3,168	9,540	5,765	21,174	44,001
4. Interest on indebtedness 1/ 2/	325	349	364	5,375	8,390
5. Feed & seed 3/	3,393	8,875	6,691	101,274	127,711
6. Tractor	415	950	811	6,224	20,516
7. Truck	402	1,379	1,014	6,648	11,968
8. Automobile 4/	590	1,449	1,440	7,168	23,872
9. Engine & combine	104	67	104	929	1,002
10. Machinery repairs 5/	438	1,089	1,281	7,447	12,000
11. Fertilizer	2,684	1,830	4,011	7,467	22,590
12. Fruit & vegetable supplies 6/	603	2,369	1,513	6,323	13,499
13. Building repairs 1/	1,358	3,012	2,440	18,320	28,204
14. Miscellaneous 7/	1,090	2,086	1,916	13,761	21,591
15. Total operating	15,199	35,952	31,400	218,097	382,525
16. Depreciation, bldg.1/& machinery.	1,891	3,883	3,772	23,979	52,994
17. Operating & depreciation	17,090	39,835	35,172	242,076	435,519

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 -					
249,843	710,141	506,529	104,219	2,826,616...	Cash income 3/
29,381	53,818	46,729	15,006	413,496...	Income in kind
11,285	137,188	63,412	2,876	237,742...	Value of inventory changes
290,509	901,147	616,670	122,101	3,477,854...	Gross income
133,673	338,790	257,711	82,340	1,582,206...	Operating & depreciation
156,836	562,357	358,959	39,761	1,895,648...	Net income (ex. supp. pay.)
179	2,560	2,349	43	5,131...	Supplementary payments
157,015	564,917	361,308	39,804	1,900,779...	Net income

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

IN KIND

dollars -					
3,404	7,410	5,186	1,268	38,893...	Dairy products
3,728	5,893	7,257	1,916	44,562...	Poultry & eggs
3,743	8,712	4,638	1,052	39,846...	Meat
5,989	10,346	9,982	4,417	87,507...	Fruits & vegetables 1/
15	41	28	24	4,163...	Honey & maple products
2,501	4,272	3,644	2,262	73,135...	Forest products
7	1	1	-	229...	Wool
9,994	17,143	15,993	4,067	125,161...	House rent
29,381	53,818	46,729	15,006	413,496...	Total

OPERATING EXPENSES & DEPRECIATION CHARGES

dollars -					
8,950	18,396	17,404	5,090	102,003...	Taxes 1/
19,064	88,009	40,255	1,624	167,593...	Gross rent
17,301	35,163	36,502	17,663	190,277...	Hired labour
3,282	14,261	7,378	760	40,484...	Interest on indebtedness 1/ 2/
8,246	10,690	18,573	27,722	313,175...	Feed & seed 3/
14,204	39,104	28,298	4,134	114,656...	Tractor
5,444	14,214	12,903	3,438	57,410...	Truck
5,481	9,096	9,771	3,056	61,923...	Automobile 4/
2,268	7,464	4,135	91	16,164...	Engine & combine
7,076	18,150	14,191	1,811	63,483...	Machinery repairs 5/
2,684	2,783	2,991	2,191	49,231...	Fertilizer
1,939	4,097	3,492	2,582	36,417...	Fruit & vegetable supplies 6/
4,970	9,690	7,893	2,889	78,776...	Building repairs 1/
5,562	15,304	12,313	4,645	78,268...	Miscellaneous 7/
106,471	286,421	216,099	77,696	1,369,860...	Total operating
27,202	52,369	41,612	4,644	212,346...	Depreciation, bldg.1/& machinery
133,673	338,790	257,711	82,340	1,582,206...	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	26,640	44,395	50,335	437,006	786,805
2. Income in kind	5,985	16,938	17,540	98,677	121,243
3. Value of inventory changes	-268	828	587	23,289	54,266
4. Gross income	32,357	62,161	68,462	558,972	962,314
5. Operating & depreciation	14,965	36,019	30,890	225,187	404,140
6. Net income (ex. supp. pay.)	17,392	26,142	37,572	333,785	558,174
7. Supplementary payments	-	-	-	-	-
8. Net income	17,392	26,142	37,572	333,785	558,174

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

TABLE 4B.- INCOME

					- thousand
1. Dairy products	854	2,025	2,565	10,219	7,661
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/	685	2,710	2,663	15,707	16,548
5. Honey & maple products	2	8	32	2,239	632
6. Forest products	1,375	4,769	5,248	27,666	22,133
7. Wool	7	32	18	292	2
8. House rent	1,587	3,809	4,027	19,449	46,203
9. Total	5,985	16,938	17,540	98,677	121,243

1/ Includes potatoes.

TABLE 4C.- FARM

					- thousand
1. Taxes 1/	475	2,040	3,242	12,729	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/	316	353	355	4,918	7,992
5. Feed & seed 3/	3,148	8,229	6,207	93,949	118,545
6. Tractor	324	735	656	5,152	18,172
7. Truck	347	1,194	974	5,897	11,276
8. Automobile 4/	546	1,311	1,325	6,510	22,083
9. Engine & combine	98	62	101	916	954
10. Machinery repairs 5/	365	910	1,065	7,233	11,742
11. Fertilizer	1,962	1,851	3,548	7,560	19,929
12. Fruit & vegetable supplies 6/	571	2,246	1,434	6,013	12,895
13. Building repairs 1/	1,075	2,386	1,933	14,513	22,342
14. Miscellaneous 7/	1,068	1,950	1,828	13,758	21,779
15. Total operating	13,165	32,234	27,209	202,915	355,155
16. Depreciation, bldg.1/& machinery.	1,800	3,785	3,681	22,272	48,985
17. Operating & depreciation	14,965	36,019	30,890	225,187	404,140

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 -					
265,711	636,189	459,949	109,431	2,816,461	...Cash income
29,587	55,737	48,107	14,799	408,613	...Income in kind
11,056	148,370	114,092	1,159	353,379	...Value of inventory changes
306,354	840,296	622,148	125,389	3,578,453	...Gross income
124,845	292,880	233,969	71,387	1,434,282	...Operating & depreciation
181,509	547,416	388,179	54,002	2,144,171	...Net income (ex. supp. pay.)
388	5,546	4,235	187	10,356	...Supplementary payments
181,897	552,962	392,414	54,189	2,154,527	...Net income

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

IN KIND

dollars -					
3,888	8,186	5,996	1,256	42,650	...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
4,597	8,732	8,243	3,718	63,603	...Fruits & vegetables 1/
27	49	29	36	3,054	...Honey and maple products
2,531	4,324	3,688	2,289	74,023	...Forest products
6	6	3	1	367	...Wool
9,762	16,559	15,993	3,927	121,316	...House rent
29,587	55,737	48,107	14,799	408,613	...Total

OPERATING EXPENSES & DEPRECIATION CHARGES

dollars -					
8,573	17,355	15,836	4,586	92,163	...Taxes 1/
17,446	68,549	38,221	1,573	145,193	...Gross rent
17,292	30,563	31,070	12,737	172,522	...Hired labour
3,031	12,702	6,946	757	37,370	...Interest on indebtedness 1/ 2/
7,652	9,920	17,235	25,715	290,600	...Feed & seed 3/
13,387	34,742	24,862	3,533	101,563	...Tractor
5,139	12,900	11,750	3,189	52,666	...Truck
5,033	8,501	8,670	2,751	56,730	...Automobile
2,052	5,750	3,101	88	13,122	...Engine & combine
6,921	15,306	12,969	1,382	57,893	...Machinery repairs 5/
2,107	2,973	3,271	1,814	45,015	...Fertilizer
1,836	3,881	3,307	2,464	34,647	...Fruit & vegetable supplies 6/
3,937	7,676	6,253	2,289	62,404	...Building repairs 1/
5,531	13,920	12,143	4,146	76,123	...Miscellaneous 7/
99,937	244,738	195,634	67,024	1,238,011	...Total operating
24,908	48,142	38,335	4,363	196,271	...Depreciation, bldg.1/& machinery
124,845	292,880	233,969	71,387	1,434,282	...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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