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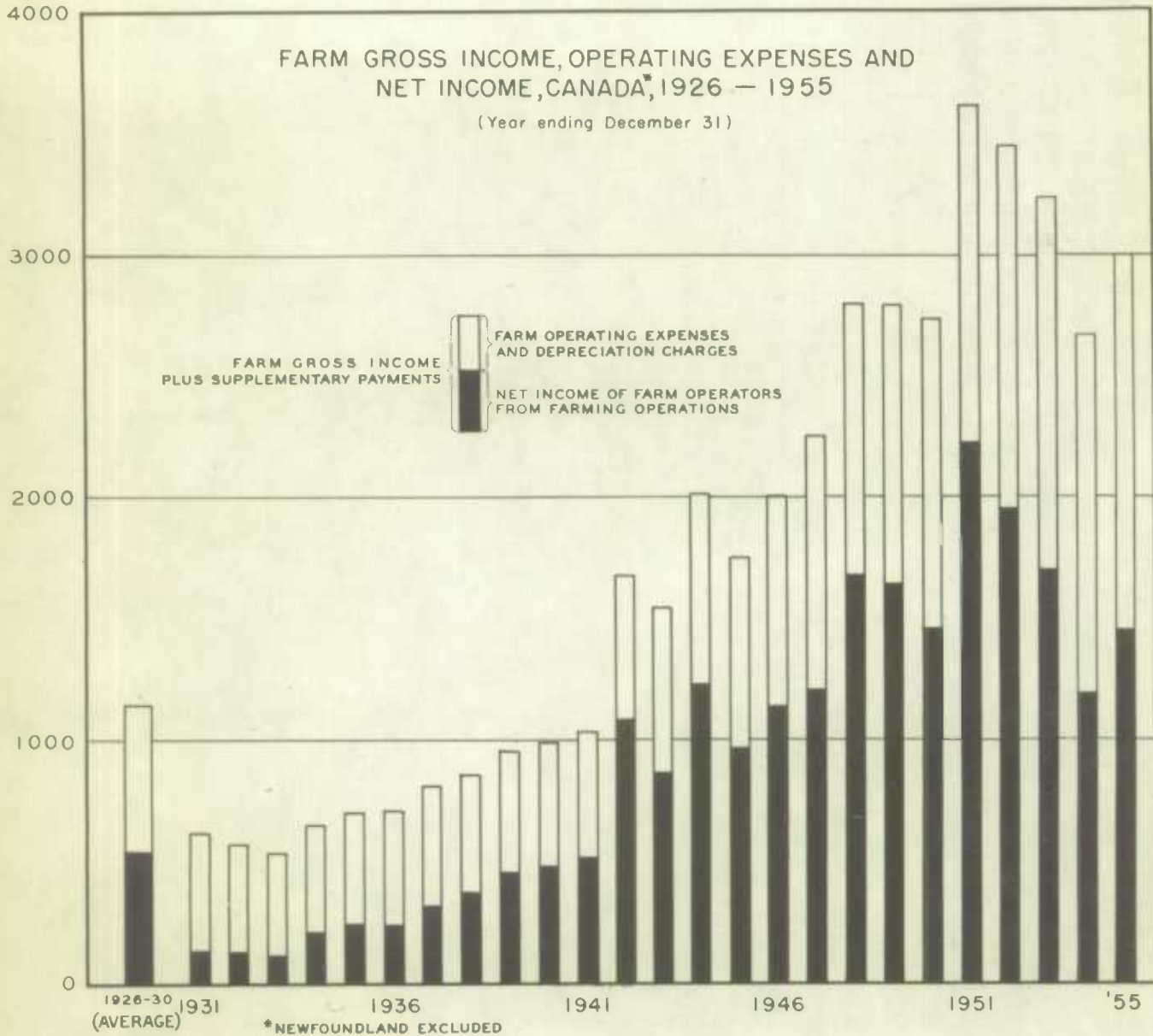
Memorandum



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### FARM NET INCOME 1955

MILLION DOLLARS  
4000



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Prepared in Research Section, AGRICULTURE DIVISION



NET INCOME OF FARM OPERATORS FROM FARMING OPERATIONS, 1955<sup>1/</sup>

Farm net income from farming operations in Canada is estimated at 1,454.3 million dollars for the year 1955. This represents an increase of about 22 per cent over the revised estimate of 1,189.9 million dollars for 1954. The record high level of 2,154.5 million dollars was reached in 1951 and the average for the post-war years (1946-1954) was 1,564.4 million dollars.

Larger crops in the Prairie Provinces resulted in an increase in December 31, 1955 farm-held grain inventories over 1954 year-end holdings. This factor had a marked effect on the increase in farm net income in 1955. Also contributing to the increased net income were larger inventories of livestock and a minor rise in the value of income in kind; the latter 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. Offsetting these increases to some extent were lower returns from the sale of farm products and increased farm operating expenses and depreciation charges.

During 1955, farm cash income from the sale of farm products and from participation payments on previous years' grain crops amounted to 2,352.6 million dollars as compared with 2,395.3 million for 1954 and the all-time high of 2,849.3 million dollars established in 1952. On a commodity basis the more important reductions in cash income were recorded for oats, barley, rye, clover and grass seed, hogs and total participation payments. The more important increases occurred in the case of wheat, flaxseed, corn, potatoes, tobacco, cattle, poultry and dairy products.

Income from wheat rose from 322.0 to 330.8 million dollars as a result of increased marketings. On the other hand, wheat participation payments totalling 25.7 million dollars in 1955, were well below the 1954 payments of 97.4 million dollars; oats and barley payments provided a partial offset to the decline in wheat payments when they rose from 15.5 million in 1954 to 21.5 million in 1955. The greatest proportional increase in cash income for any commodity occurred in the case of flaxseed when the combination of a very substantial increase in marketings and higher prices provided total returns of 40.4 million dollars as against 20.0 million in 1954. Higher marketings of corn and higher average prices for potatoes provided increased returns from these two commodities.

Total cash receipts from livestock, at 703 million dollars for 1955, almost equalled those of a year earlier. A substantial decline in the returns from hogs was balanced by an equal increase in income from the sale of cattle. An increase of both marketings and prices in 1955 over 1954 accounted for the enhanced returns from cattle. Although the marketings of hogs were above the 1954 level, prices averaged much lower. Income from dairy products was up in 1955 as a result of increased production. Little change was indicated for eggs with higher prices being counterbalanced by smaller marketings.

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



Farm operating expenses and depreciation charges in 1955 were estimated at 1,547.2 million dollars, about 4 per cent above the revised 1954 estimate of 1,485.5 million dollars, but slightly more than 2 per cent below the peak level of 1,582.2 million dollars established in 1952. Increased expenditures were recorded for nearly all commodities and services used in the farm business. Rental payments, particularly share-rent payments in the Prairie Provinces, contributed more than any other single item to increased farm operating expenses. Property taxes continued their steady upward climb, rising from 120.5 million dollars in 1954 to 127.6 million in 1955. Additional borrowing on the part of farmers increased their outlay in the form of interest payments. Higher prices and larger purchases of prepared livestock feeds were reflected in total expenditures for feed of 257.5 million dollars in 1955, as compared with 250.7 a year earlier. Tractor expenses reached an estimated 132.4 million dollars as against a revised figure of 127.7 million in 1954. Present estimates indicate that farmers curtailed expenditures for hired labour and fertilizers during 1955. The wage bill, including the value of board and lodging, amounted to 161.7 million dollars, slightly below the revised estimate of 163.4 for the previous year. Smaller purchases of fertilizer and slightly lower prices accounted for the reduction in farmers' outlay for this item.

In Table 1 below is summarized the preliminary estimate of farm net income, by provinces, for the calendar year 1955, and revised estimates for 1953 and 1954. It should be noted that, in the process of rounding, the provincial estimates in Table 1 may not add to the total for Canada in all years. These estimates represent a continuation of the farm income series contained in the Handbook of Agricultural Statistics, Part II. No information is available for Newfoundland.

TABLE 1.- NET INCOME OF FARM OPERATORS FROM FARMING OPERATIONS,  
BY PROVINCES <sup>1/</sup>, 1953-1955

	1 9 5 5 (Preliminary)	1 9 5 4 (Revised)	1 9 5 3 (Revised)
- million dollars -			
Prince Edward Island .....	13.7	13.3	13.0
Nova Scotia .....	21.5	21.4	19.9
New Brunswick .....	27.3	30.5	26.0
Quebec .....	293.4	276.3	274.5
Ontario .....	428.4	396.6	435.7
Manitoba .....	95.8	74.5	115.3
Saskatchewan .....	321.8	141.3	467.5
Alberta .....	213.9	196.5	300.6
British Columbia .....	38.4	39.4	44.4
CANADA .....	1,454.3	1,189.9	1,696.9

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

TABLE 2A.- NET INCOME<sup>1/</sup> OF FARM OPERATORS FROM FARMING OPERATIONS, CANADA BY PROVINCES<sup>2/</sup> - 1955

	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	CANADA
- thousand dollars -										
1. Cash income <sup>3/</sup> .....	25,489	45,066	47,324	424,986	744,108	170,126	425,043	363,081	107,340	2,352,563
2. Income in kind .....	5,509	16,103	17,405	98,748	124,311	28,411	52,274	47,296	14,747	404,804
3. Value of inventory changes .....	-357	-736	-946	4,028	1,547	18,043	140,235	49,115	-117	210,812
4. Gross income .....	30,641	60,433	63,783	527,762	869,966	216,580	617,552	459,492	121,970	2,968,179
5. Operating and depreciation .....	16,905	38,935	36,510	234,313	441,528	126,161	317,873	251,347	83,677	1,547,249
6. Net income (ex. supp. payments) ..	13,736	21,498	27,273	293,449	428,438	90,419	299,679	208,145	38,293	1,420,930
7. Supplementary payments .....	-	-	-	-	-	5,342	22,134	5,776	86	33,338
8. Net income .....	13,736	21,498	27,273	293,449	428,438	95,761	321,813	213,921	38,379	1,454,268

<sup>1/</sup> Includes estimated rental value of farm homes and supplementary payments made under the provisions of the Prairie Farm Assistance Act.

<sup>2/</sup> Excludes Newfoundland.

<sup>3/</sup> Not strictly comparable with cash income estimates prior to 1952.

TABLE 2B.- INCOME IN KIND

- thousand dollars -

1. Dairy products .....	695	1,840	2,223	9,211	6,023	3,502	6,872	4,783	1,307	36,456
2. Poultry and eggs .....	756	1,351	1,382	7,861	10,186	3,220	5,487	6,540	1,695	38,478
3. Meat .....	312	814	1,086	10,000	8,401	3,350	7,416	5,060	999	37,438
4. Fruits and vegetables <sup>1/</sup> .....	755	2,904	2,918	18,176	19,978	5,077	9,759	9,012	3,529	72,108
5. Honey and maple products .....	2	10	30	3,175	388	22	48	25	32	3,732
6. Forest products .....	1,381	4,790	5,272	27,788	22,229	2,542	4,344	3,704	2,300	74,350
7. Wool .....	10	22	19	143	2	6	14	19	1	236
8. House rent .....	1,598	4,372	4,475	22,394	57,104	10,692	18,334	18,153	4,884	142,006
9. Total .....	5,509	16,103	17,405	98,748	124,311	28,411	52,274	47,296	14,747	404,804

<sup>1/</sup> Includes potatoes.

TABLE 2C.- FARM OPERATING EXPENSES AND DEPRECIATION CHARGES

- thousand dollars -

1. Taxes <sup>1/</sup> .....	617	3,803	4,448	17,983	40,438	9,701	22,552	21,154	6,948	127,644
2. Gross rent .....	89	238	222	2,246	16,754	11,380	53,391	27,924	1,713	113,957
3. Hired labour .....	2,810	7,833	6,680	19,013	36,476	14,391	28,222	27,890	18,363	161,678
4. Interest on indebtedness <sup>1/2/</sup> .....	372	386	409	5,929	9,794	3,664	16,351	8,238	847	45,990
5. Feed and seed <sup>3/</sup> .....	2,787	7,284	5,496	83,142	104,968	6,773	8,781	15,526	22,765	257,522
6. Tractor .....	556	1,209	1,044	7,813	24,662	15,290	44,225	32,072	5,565	132,436
7. Truck .....	507	1,524	1,022	6,572	13,469	5,668	17,019	14,813	3,804	64,398
8. Automobile <sup>4/</sup> .....	629	1,670	1,614	8,266	26,786	6,138	10,257	11,914	3,709	70,983
9. Engine and combine .....	108	67	105	881	1,120	2,560	8,096	4,571	95	17,603
10. Machinery repairs <sup>5/</sup> .....	433	1,119	1,233	7,672	11,739	6,313	15,531	11,871	1,580	57,491
11. Fertilizer .....	2,884	1,734	3,778	7,877	27,572	1,678	1,918	2,755	2,452	52,648
12. Fruit and vegetable supplies <sup>6/</sup> ..	607	2,384	1,522	6,350	13,513	1,953	4,128	3,519	2,591	36,567
13. Building repairs <sup>1/</sup> .....	1,491	3,306	2,677	20,107	30,953	5,455	10,634	8,663	3,171	86,457
14. Miscellaneous <sup>7/</sup> .....	1,026	2,015	1,968	12,758	20,224	5,049	13,755	11,549	4,601	72,945
15. Total operating .....	14,916	34,572	32,218	206,609	378,468	96,013	254,860	202,459	78,204	1,298,319
16. Depreciation, bldg. <sup>1/</sup> & machinery	1,989	4,363	4,292	27,704	63,060	30,148	63,013	48,888	5,473	248,930
17. Operating and depreciation .....	16,905	38,935	36,510	234,313	441,528	126,161	317,873	251,347	83,677	1,547,249

<sup>1/</sup> Owned land and buildings only. <sup>2/</sup> Secured and unsecured debt. <sup>3/</sup> Purchases through commercial channels only.

<sup>4/</sup> Expenses incurred for farm business only. <sup>5/</sup> Repair parts and machine shop charges. <sup>6/</sup> Pesticides, containers and nursery stock.

<sup>7/</sup> Veterinary expenses, binder twine, irrigation charges, fence repairs, rope, salt, hardware, etc.

TABLE 3A.- NET INCOME<sup>1/</sup> OF FARM OPERATORS FROM FARMING OPERATIONS, CANADA BY PROVINCES<sup>2/</sup> - 1954

	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	CANADA
- thousand dollars -										
1. Cash income <sup>3/</sup> .....	24,392	44,296	48,852	406,960	714,379	187,906	472,424	387,828	108,284	2,395,321
2. Income in kind .....	5,416	15,889	16,617	95,833	121,192	26,913	50,553	46,661	14,033	393,107
3. Value of inventory changes .....	-353	-273	-29	3,030	-7,929	-15,746	-95,622	1,088	425	-115,409
4. Gross income .....	29,455	59,912	65,440	505,823	827,642	199,073	427,355	435,577	122,742	2,673,019
5. Operating and depreciation .....	16,121	38,539	34,913	229,523	431,031	125,157	286,887	240,066	83,292	1,485,529
6. Net income (ex. supp. payments) ..	13,334	21,373	30,527	276,300	396,611	73,916	140,468	195,511	39,450	1,187,490
7. Supplementary payments .....	-	-	-	-	-	599	797	1,031	-	2,427
8. Net income .....	13,334	21,373	30,527	276,300	396,611	74,515	141,265	196,542	39,450	1,189,917

<sup>1/</sup> Includes estimated rental value of farm homes and supplementary payments made under the provisions of the Prairie Farm Assistance Act.

<sup>2/</sup> Excludes Newfoundland.

<sup>3/</sup> Not strictly comparable with cash income estimates prior to 1952.

TABLE 3B.- INCOME IN KIND  
- thousand dollars -

1. Dairy products .....	692	1,858	2,008	9,267	6,183	3,395	6,915	4,788	1,285	36,391
2. Poultry and eggs .....	775	1,312	1,332	7,755	10,898	2,926	5,688	6,485	1,606	38,777
3. Meat .....	303	767	878	9,952	8,757	2,994	7,084	5,395	823	36,953
4. Fruits and vegetables <sup>1/</sup> .....	702	3,029	2,940	16,637	19,578	4,649	9,444	8,644	3,432	69,055
5. Honey and maple products .....	2	11	23	3,192	455	17	39	19	26	3,784
6. Forest products .....	1,339	4,646	5,113	26,952	21,561	2,466	4,213	3,593	2,231	72,114
7. Wool .....	7	22	22	165	3	7	27	20	-	273
8. House rent .....	1,596	4,244	4,301	21,913	53,757	10,459	17,143	17,717	4,630	135,760
9. Total .....	5,416	15,889	16,617	95,833	121,192	26,913	50,553	46,661	14,033	393,107

<sup>1/</sup> Includes potatoes.

TABLE 3C.- FARM OPERATING EXPENSES AND DEPRECIATION CHARGES  
- thousand dollars -

1. Taxes <sup>1/</sup> .....	607	3,762	4,248	16,807	37,687	9,355	22,132	19,551	6,398	120,547
2. Gross rent .....	109	228	224	2,234	16,151	10,426	29,777	22,556	1,688	83,393
3. Hired labour .....	2,809	8,139	5,831	18,556	37,593	14,706	27,628	27,739	20,374	163,375
4. Interest on indebtedness <sup>1/</sup> <sup>2/</sup> ...	359	379	382	5,834	9,457	3,496	15,512	8,004	812	44,235
5. Feed and seed <sup>3/</sup> .....	2,715	7,107	5,352	81,033	102,284	6,603	8,560	14,872	22,195	250,721
6. Tractor .....	503	1,157	974	7,751	23,488	15,275	42,361	31,108	5,064	127,681
7. Truck .....	476	1,492	1,033	6,799	13,200	5,565	16,271	14,398	3,782	63,016
8. Automobile <sup>4/</sup> .....	597	1,654	1,608	8,601	26,975	6,018	10,076	11,093	3,444	70,066
9. Engine and combine .....	105	68	104	952	1,095	2,360	7,080	4,040	95	15,899
10. Machinery repairs <sup>5/</sup> .....	432	1,076	1,263	7,632	11,713	6,263	15,076	11,875	1,592	56,922
11. Fertilizer .....	2,424	1,693	3,764	8,170	28,175	2,386	2,788	3,000	2,369	54,769
12. Fruit and vegetable supplies <sup>6/</sup> ..	615	2,416	1,544	6,436	13,691	1,980	4,184	3,566	2,626	37,058
13. Building repairs <sup>1/</sup> .....	1,437	3,189	2,582	19,389	29,849	5,260	10,255	8,354	3,058	83,373
14. Miscellaneous <sup>7/</sup> .....	972	1,952	1,848	12,326	19,601	4,863	11,915	10,754	4,551	68,782
15. Total operating .....	14,160	34,312	30,757	202,520	370,959	94,556	223,615	190,910	78,048	1,239,837
16. Depreciation, bldg. <sup>1/</sup> & machinery	1,961	4,227	4,156	27,003	60,072	30,601	63,272	49,156	5,244	245,692
17. Operating and depreciation .....	16,121	38,539	34,913	229,523	431,031	125,157	286,887	240,066	83,292	1,485,529

<sup>1/</sup> Owned land and buildings only. <sup>2/</sup> Secured and unsecured debt. <sup>3/</sup> Purchases through commercial channels only.

<sup>4/</sup> Expenses incurred for farm business only. <sup>5/</sup> Repair parts and machine shop charges. <sup>6/</sup> Pesticides, containers and nursery stock.

<sup>7/</sup> Veterinary expenses, binder twine, irrigation charges, fence repairs, rope, salt, hardware, etc.



TABLE 4A.- NET INCOME<sup>1/</sup> OF FARM OPERATORS FROM FARMING OPERATIONS, CANADA BY PROVINCES<sup>2/</sup> - 1953

	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	CANADA
- thousand dollars -										
1. Cash income <sup>3/</sup> .....	22,929	40,297	43,524	393,589	720,161	220,038	742,236	486,475	106,546	2,775,795
2. Income in kind .....	5,682	16,703	17,014	96,339	120,406	28,785	52,132	48,000	14,264	399,325
3. Value of inventory changes .....	881	940	1,177	14,353	21,901	-2,416	-8,363	19,144	2,646	50,263
4. Gross income .....	29,492	57,940	61,715	504,281	862,468	246,407	786,005	553,619	123,456	3,225,383
5. Operating and depreciation .....	16,486	38,071	35,692	229,748	426,782	131,260	319,314	253,564	79,140	1,530,057
6. Net income (ex. supp. payments) ...	13,006	19,869	26,023	274,533	435,686	115,147	466,691	300,055	44,316	1,695,326
7. Supplementary payments .....	-	-	-	-	-	195	778	559	40	1,572
8. Net income .....	13,006	19,869	26,023	274,533	435,686	115,342	467,469	300,614	44,356	1,696,898

<sup>1/</sup> Includes estimated rental value of farm homes and supplementary payments made under the provisions of the Prairie Farm Assistance Act.

<sup>2/</sup> Excludes Newfoundland.

<sup>3/</sup> Not strictly comparable with cash income estimates prior to 1952.

TABLE 4B.- INCOME IN KIND  
- thousand dollars -

1. Dairy products .....	767	1,932	2,186	9,358	6,289	3,358	7,195	4,801	1,207	37,093
2. Poultry and eggs .....	872	2,213	1,507	9,430	11,607	3,383	5,584	7,223	1,838	43,657
3. Meat .....	353	894	990	10,745	9,177	3,229	7,840	4,833	959	39,020
4. Fruits and vegetables <sup>1/</sup> .....	696	2,803	2,813	16,574	19,816	4,924	9,502	8,892	3,632	69,652
5. Honey and maple products .....	2	5	15	2,198	224	13	34	26	22	2,539
6. Forest products .....	1,347	4,674	5,144	27,115	21,692	2,481	4,238	3,615	2,244	72,550
7. Wool .....	9	19	22	166	7	8	-	22	2	255
8. House rent .....	1,636	4,163	4,337	20,753	51,594	11,389	17,739	18,588	4,360	134,559
9. Total .....	5,682	16,703	17,014	96,339	120,406	28,785	52,132	48,000	14,264	399,325

<sup>1/</sup> Includes potatoes.

TABLE 4C.- FARM OPERATING EXPENSES AND DEPRECIATION CHARGES  
- thousand dollars -

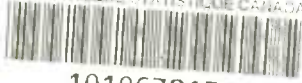
1. Taxes <sup>1/</sup> .....	571	3,477	3,941	15,620	34,449	8,995	20,493	18,709	5,568	111,823
2. Gross rent .....	91	224	221	2,160	16,019	14,070	61,840	32,520	1,644	128,789
3. Hired labour .....	2,754	8,071	6,435	19,904	41,670	16,222	32,356	33,685	17,255	178,352
4. Interest on indebtedness <sup>1/</sup> <sup>2/</sup> ....	343	369	380	5,573	9,243	3,471	15,477	7,942	785	43,583
5. Feed and seed <sup>3/</sup> .....	2,831	7,405	5,586	84,517	106,690	6,880	8,920	15,498	23,139	261,466
6. Tractor .....	469	1,076	911	6,977	21,870	14,744	39,442	29,209	4,800	119,498
7. Truck .....	443	1,340	1,025	6,723	13,030	5,633	15,710	13,429	3,655	60,988
8. Automobile <sup>4/</sup> .....	584	1,648	1,490	7,947	25,376	5,837	9,569	10,465	3,252	66,168
9. Engine and combine .....	104	68	104	936	1,048	2,476	7,238	4,170	95	16,239
10. Machinery repairs <sup>5/</sup> .....	444	1,102	1,296	7,961	11,866	7,331	18,715	14,326	1,556	64,597
11. Fertilizer .....	2,844	1,861	4,304	8,175	26,189	3,377	3,572	3,612	2,482	56,416
12. Fruit and vegetable supplies <sup>6/</sup> ...	570	2,241	1,431	5,978	12,743	1,838	3,886	3,312	2,440	34,439
13. Building repairs <sup>1/</sup> .....	1,427	3,166	2,564	19,255	29,641	5,224	10,185	8,296	3,036	82,794
14. Miscellaneous <sup>7/</sup> .....	1,016	1,939	1,897	12,610	19,621	5,221	13,764	11,657	4,427	72,152
15. Total operating .....	14,491	33,987	31,585	204,336	369,455	101,319	261,167	206,830	74,134	1,297,304
16. Depreciation, bldg. <sup>1/</sup> & machinery.	1,995	4,084	4,107	25,412	57,327	29,941	58,147	46,734	5,006	232,753
17. Operating and depreciation .....	16,486	38,071	35,692	229,748	426,782	131,260	319,314	253,564	79,140	1,530,057

<sup>1/</sup> Owned land and buildings only. <sup>2/</sup> Secured and unsecured debt. <sup>3/</sup> Purchases through commercial channels only.

<sup>4/</sup> Expenses incurred for farm business only. <sup>5/</sup> Repair parts and machine shop charges. <sup>6/</sup> Pesticides, containers and nursery stock.

<sup>7/</sup> Veterinary expenses, binder twine, irrigation charges, fence repairs, rope, salt, hardware, etc.

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