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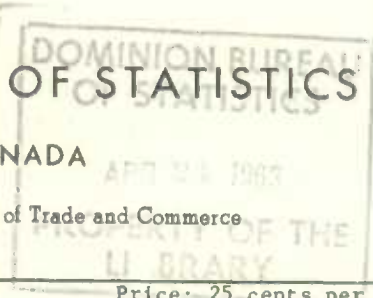
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FARM NET INCOME, ADVANCE STATEMENT, 1962(1)

This report sets forth advance preliminary estimates of net income of farm operators from farming operations for the year 1962, and revised estimates for 1960 and 1961. For 1962, total farm net income, including changes in farm inventories of grains and livestock, is estimated at 1,552.0 million dollars, nearly 50 per cent above the revised estimate of 1,044.0 million dollars for 1961, and the highest since 1953 when it was estimated at 1,644.4 million dollars. Although farm cash income and supplementary payments in 1962 were above the 1961 levels, most of the increase in total farm net income between the two years can be attributed to the substantial increase in the production of grain in Western Canada. Part of the increase in net income is due to a build-up of year-end inventories of grain on farms. This becomes quite evident when consideration is given to realized farm net income which excludes the effects of inventory change. In 1962 realized farm net income was estimated at 1,376.3 million dollars, only 4 per cent above the revised estimate of 1,324.6 million dollars for 1961.

Farm cash income, the most important component of farm net income, reached the all-time high of 3,080.7 million dollars in 1962, 4.3 per cent above the record high of 2,954.0 million dollars established a year earlier. The more important contributions to this gain in farm cash income included increased returns from deliveries of wheat, cattle and calves, larger participation payments on previous years' grain crops, and increased net advances on farm-stored grain in Western Canada. Less important contributions were made by oats, rye, vegetables and dairy products.

Supplementary payments, consisting of payments made under the Prairie Farm Assistance Act and the Western Grain Producers' Acreage Payment plan in 1962, totalled 70.3 million dollars. This was in contrast to payments during 1961 of 35.8 million dollars, most of which was paid out under the Prairie Farm Assistance Act.

Farm operating expenses and depreciation charges advanced from 2,007.8 million dollars in 1961 to 2,114.7 million in 1962, an increase of slightly more than 5 per cent. Contributing most to this gain were substantially higher outlays for farm rents, livestock feeds, and the operation of farm machinery, including repairs.

The regular annual estimates of farm net income, based on more complete data for 1962 and including details by items for each of the years 1960, 1961 and 1962, will be published in April.

Net Income of Farm Operators from Farming Operations(1) 1960-1962

	1962 advance preliminary	1961 revised	1960 revised
	thousands of dollars		
Prince Edward Island	5,768	6,507	13,355
Nova Scotia	10,036	13,041	15,041
New Brunswick	9,758	10,781	23,224
Quebec	159,743	179,073	185,686
Ontario	316,727	332,156	331,792
Manitoba	183,869	64,569	115,933
Saskatchewan	494,017	137,792	372,981
Alberta	308,131	241,129	229,200
British Columbia	63,918	58,943	53,152
Canada(1)	1,551,967	1,043,991	1,340,364

(1) Excludes Newfoundland.

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Net Income(1) of Farm Operators from Farming Operations, Canada, (2) by Provinces

	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
thousands of dollars										
<u>1962 advance preliminary</u>										
1. Cash income from farm products ...	24,395	44,627	42,303	442,815	908,549	252,294	669,598	548,046	148,053	3,080,680
2. Income in kind	3,786	10,122	10,953	76,506	107,032	25,443	46,974	42,666	16,507	339,989
3. Supplementary payments	-	-	-	-	-	11,765	36,861	21,387	300	70,313
4. Realized gross income (1+2+3)	28,181	54,749	53,256	519,321	1,015,581	289,502	753,433	612,099	164,860	3,490,982
5. Operating and depreciation charges	21,814	44,230	42,489	364,009	714,730	161,716	343,875	318,994	102,838	2,114,695
6. Realized net income (4-5)	6,367	10,519	10,767	155,312	300,851	127,786	409,558	293,105	62,022	1,376,287
7. Value of inventory changes	- 599	- 483	- 1,009	4,431	15,876	56,083	84,459	15,026	1,896	175,680
8. Total gross income (4+7)	27,582	54,266	52,247	523,752	1,031,457	345,585	837,892	627,125	166,756	3,666,662
9. Total net income (8-5)	5,768	10,036	9,758	159,743	316,727	183,869	494,017	308,131	63,918	1,551,967
<u>1961 revised</u>										
1. Cash income from farm products ...	23,857	45,095	42,227	437,608	890,065	243,599	600,212	534,084	137,204	2,953,951
2. Income in kind	3,873	10,135	11,159	78,979	106,869	25,870	47,264	42,331	16,222	342,702
3. Supplementary payments	390	-	-	-	-	3,414	23,627	8,233	102	35,766
4. Realized gross income (1+2+3)	28,120	55,230	53,386	516,587	996,934	272,883	671,103	584,648	153,528	3,332,419
5. Operating and depreciation charges	21,752	42,348	41,431	342,096	692,899	150,358	318,419	300,904	97,564	2,007,771
6. Realized net income (4-5)	6,368	12,882	11,955	174,491	304,035	122,525	352,684	283,744	55,964	1,324,648
7. Value of inventory changes	139	159	- 1,174	4,582	28,121	- 57,956	- 214,892	- 42,615	2,979	- 280,657
8. Total gross income (4+7)	28,259	55,389	52,212	521,169	1,025,055	214,927	456,211	542,033	156,507	3,051,762
9. Total net income (8-5)	6,507	13,041	10,781	179,073	332,156	64,569	137,792	241,129	58,943	1,043,991
<u>1960 revised</u>										
1. Cash income from farm products ...	29,159	43,004	50,032	411,105	869,285	223,308	550,375	473,257	127,198	2,776,723
2. Income in kind	4,079	10,798	11,581	81,150	108,399	26,542	48,121	43,749	16,749	351,168
3. Supplementary payments	-	-	-	-	-	9,724	42,181	25,010	289	77,204
4. Realized gross income (1+2+3)	33,238	53,802	61,613	492,255	977,684	259,574	640,677	542,016	144,236	3,205,095
5. Operating and depreciation charges	20,087	38,645	37,902	313,343	637,379	150,513	335,995	291,000	91,494	1,916,358
6. Realized net income (4-5)	13,151	15,157	23,711	178,912	340,305	109,061	304,682	251,016	52,742	1,288,737
7. Value of inventory changes	204	- 116	- 487	6,774	- 8,513	6,872	68,299	- 21,816	410	51,627
8. Total gross income (4+7)	33,442	53,686	61,126	499,029	969,171	266,446	708,976	520,200	144,646	3,256,722
9. Total net income (8-5)	13,355	15,041	23,224	185,686	331,792	115,933	372,981	229,200	53,152	1,340,364

(1) Includes estimated rental value of farm homes and supplementary payments (item 3) such as those made under the provisions of the Prairie Farm Assistance Act, Western Grain Producers' Acreage Payment Plan and the Federal-Provincial Emergency Unthreshed Grain Assistance Policy.

(2) Excludes Newfoundland.



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