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FARM NET INCOME 1965(1)

This report presents advance preliminary estimates of realized net income and total net income of farmers from farming operations for the year 1965. Realized net income represents that part of income from farming operations which is immediately available to farmers for family living and investment. It is calculated by adding together cash receipts, income in kind and supplementary payments, and deducting operating expenses and depreciation charges (see table, page 2). This income amounted to 1,716.7 million dollars in 1965, 12.5 per cent above the 1964 estimate of 1,526.1 million dollars, and 23.5 per cent above the average of 1,389.8 million for the five-year period 1960-64. During 1965 record high farm cash receipts more than offset a continued rise in farm operating expenses.

Total farm net income which is used to calculate the contribution of agriculture to National Income is estimated by adjusting realized net income to take into account the value of changes occurring in farm inventories of livestock and grain between the beginning and end of the year (see table, page 2). This estimate for 1965 is 1,785.3 million dollars. It is about 25 per cent above the estimate of 1,432.0 million for 1964 and 25.2 per cent above the average of 1,425.9 million for the five years 1960 to 1964 inclusive. The increase in total farm net income between 1964 and 1965 is due not only to an increase in farm cash receipts, but also to a substantial rise in farm inventories of grains in the Prairie Provinces as a result of the higher level of production in 1965.

A complete revision of estimates of farm income from farming operations based on data from the 1961 Census of Agriculture and the 1958 Farm Expenditure and Income Survey is nearing completion and will be published in the spring in place of our regular detailed estimates. This revision will extend from the late forties to 1965.

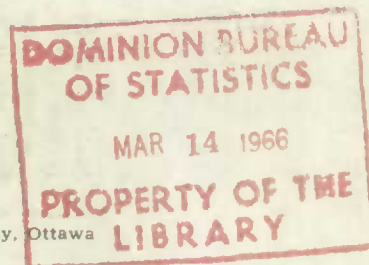
Net Income of Farm Operators from Farming Operations(1) 1963-1965

	1965	1964	1963
	thousands of dollars		
Prince Edward Island .....	18,929	13,409	6,981
Nova Scotia .....	10,565	8,050	11,533
New Brunswick .....	25,835	15,177	9,681
Quebec .....	173,682	154,521	171,921
Ontario .....	401,247	345,280	369,307
Manitoba .....	174,865	161,423	115,472
Saskatchewan .....	562,051	378,031	577,578
Alberta .....	350,204	286,804	322,847
British Columbia .....	67,880	69,324	69,433
Canada(1) .....	1,785,258	1,432,019	1,654,753

(1) Excludes Newfoundland.

Farm Finance Section, Agriculture Division

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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>1965</u>										
1. Cash income(3) .....	41,095	48,929	61,806	495,799	1,082,233	331,135	879,052	644,609	156,486	3,741,144
2. Income in kind .....	4,132	10,009	10,690	81,741	127,107	30,266	62,348	54,271	17,690	398,254
3. Supplementary payments .....	-	-	-	-	-	364	7,026	3,967	76	11,433
4. Realized gross income (1+2+3) ....	45,227	58,938	72,496	577,540	1,209,340	361,765	948,426	702,847	174,252	4,150,831
5. Operating and depreciation charges	25,370	47,565	44,935	397,574	797,310	195,640	433,265	385,701	106,785	2,434,145
6. Realized net income (4-5) .....	19,857	11,373	27,561	179,966	412,030	166,125	515,161	317,146	67,467	1,716,686
7. Value of inventory changes .....	- 928	- 808	- 1,726	- 6,284	- 10,783	8,740	46,890	33,058	413	68,572
8. Total gross income (4+7) .....	44,299	58,130	70,770	571,256	1,198,557	370,505	995,316	735,905	174,665	4,219,403
9. Total net income (8-5) .....	18,929	10,565	25,835	173,682	401,247	174,865	562,051	350,204	67,880	1,785,258
<u>1964</u>										
1. Cash income(3) .....	32,723	43,910	49,070	456,635	996,596	293,956	836,711	596,058	149,923	3,455,582
2. Income in kind .....	3,819	9,416	10,136	77,578	119,574	27,383	54,854	48,125	16,959	367,844
3. Supplementary payments .....	-	-	-	-	-	2,217	1,634	4,466	160	8,477
4. Realized gross income (1+2+3) ....	36,542	53,326	59,206	534,213	1,116,170	323,556	893,199	648,649	167,042	3,831,903
5. Operating and depreciation charges	23,931	45,422	43,815	376,584	766,171	185,143	403,164	360,254	101,363	2,305,847
6. Realized net income (4-5) .....	12,611	7,904	15,391	157,629	349,999	138,413	490,035	288,395	65,679	1,526,056
7. Value of inventory changes .....	798	146	- 214	- 3,108	- 4,719	23,010	- 112,004	- 1,591	3,645	- 94,037
8. Total gross income (4+7) .....	37,340	53,472	58,992	531,105	1,111,451	346,566	781,195	647,058	170,687	3,737,866
9. Total net income (8-5) .....	13,409	8,050	15,177	154,521	345,280	161,423	378,031	286,804	69,324	1,432,019
<u>1963</u>										
1. Cash income(3) .....	25,764	46,251	42,754	459,515	986,370	264,784	690,835	519,642	148,611	3,184,526
2. Income in kind .....	3,818	9,307	9,908	78,203	113,736	26,283	50,901	46,138	16,623	354,917
3. Supplementary payments .....	-	-	-	-	-	1,754	6,091	6,895	29	14,769
4. Realized gross income (1+2+3) ....	29,582	55,558	52,662	537,718	1,100,106	292,821	747,827	572,675	165,263	3,554,212
5. Operating and depreciation charges	22,768	43,958	42,065	366,686	722,712	172,474	396,315	341,922	98,965	2,207,865
6. Realized net income (4-5) .....	6,814	11,600	10,597	171,032	377,394	120,347	351,512	230,753	66,298	1,346,347
7. Value of inventory changes .....	167	- 67	- 916	889	- 8,087	- 4,875	226,066	92,094	3,135	308,406
8. Total gross income (4+7) .....	29,749	55,491	51,746	538,607	1,092,019	287,946	973,893	664,769	168,398	3,862,618
9. Total net income (8-5) .....	6,981	11,533	9,681	171,921	369,307	115,472	577,578	322,847	69,433	1,654,753

(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.

(2) Excludes Newfoundland.

(3) Cash Income from Farming Operations.

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