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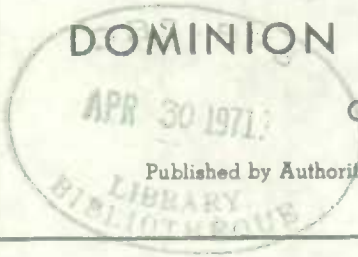
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FARM NET INCOME 1970(1)

This report presents advance preliminary estimates of realized net income and total net income of farmers from farming operations for the year 1970. Realized net income represents that part of income from farming operations 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 \$1,155.5 million in 1970, about 10.4 per cent below the revised figure of \$1,289.1 million for 1969. This decrease in realized net income can be attributed both to lower farm cash receipts and higher operating expenses and depreciation charges. The decrease in cash receipts in 1970 is largely a result of substantial repayments of cash advances on farm-stored grains in Western Canada, a considerable decline in Canadian Wheat Board participation payments and lesser declines in dairy supplementary payments and sales of oats and eggs. Operating expenses and depreciation charges rose 3.1 per cent to a level of \$3,528.0 million due to increased expenditures for various items, especially feed and the operation of farm machinery.

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 in farm-held inventories of livestock and field crops between the beginning and end of the year (see table, page 2). Lower cash receipts combined with a continued rise in farmers' outlays for goods and services and smaller additions to farm-held inventories of crops and livestock to provide a total net income of \$1,192.9 million, considerably below the revised value of \$1,579.6 million for 1969.

The regular annual estimates of farm net income based on more complete data for 1970 and including details by item will be published at a later date.

Net Income of Farm Operators from Farming Operations(1), 1967-70

	1970	1969	1968	1967
	thousands of dollars			
CANADA(1) .....	1,192,910	1,579,566	1,714,470	1,475,297
Prince Edward Island .....	11,933	8,602	8,644	5,467
Nova Scotia .....	21,262	23,860	17,880	16,936
New Brunswick .....	7,818	15,328	12,073	10,336
Quebec .....	174,644	218,205	199,857	187,855
Ontario .....	388,478	429,627	390,162	379,403
Manitoba .....	78,631	117,090	162,666	154,392
Saskatchewan .....	202,718	402,943	462,348	354,896
Alberta .....	226,231	283,418	364,010	282,953
British Columbia .....	81,195	80,493	96,830	83,059

(1) Excludes Newfoundland.

Agriculture Division  
Farm Finance Section

April 1971  
5504-533

Income of Farm Operators from Farming Operations, by Province

	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada(1)
thousands of dollars										
<u>1967</u>										
1. Cash receipts(2) .....	33,830	54,182	48,139	620,120	1,281,568	372,700	976,187	792,901	196,785	4,376,412
2. Income in kind .....	5,502	7,888	6,680	69,909	155,372	36,549	77,398	74,952	30,065	464,315
3. Supplementary payments(3) .....	-	-	-	2,442	-	233	1,557	1,898	7	6,137
4. Realized gross income (1+2+3) ....	39,332	62,070	54,819	692,471	1,436,940	409,482	1,055,142	869,751	226,857	4,846,864
5. Operating and depreciation charges	32,320	45,032	43,080	507,449	1,063,001	271,395	575,593	542,323	141,141	3,221,334
6. Realized net income (4-5) .....	7,012	17,038	11,739	185,022	373,939	138,087	479,549	327,428	85,716	1,625,530
7. Value of inventory changes .....	- 1,545	- 102	- 1,403	2,833	5,464	16,305	- 124,653	- 44,475	- 2,657	- 150,233
8. Total gross income (4+7) .....	37,787	61,968	53,416	695,304	1,442,404	425,787	930,489	825,276	224,200	4,696,631
9. Total net income (8-5) .....	5,467	16,936	10,336	187,855	379,403	154,392	354,896	282,953	83,059	1,475,297
<u>1968</u>										
1. Cash receipts(2) .....	34,476	55,026	49,034	636,814	1,316,868	364,660	893,114	799,939	204,615	4,354,546
2. Income in kind .....	5,677	7,706	6,741	70,919	171,289	38,086	77,612	80,277	33,296	491,603
3. Supplementary payments(4) .....	-	-	-	-	-	156	5,453	2,151	208	7,968
4. Realized gross income (1+2+3) ....	40,153	62,732	55,775	707,733	1,488,157	402,902	976,179	882,367	238,119	4,854,117
5. Operating and depreciation charges	33,917	45,336	44,689	510,143	1,085,928	288,814	610,591	580,442	144,500	3,344,360
6. Realized net income (4-5) .....	6,236	17,396	11,086	197,590	402,229	114,088	365,588	301,925	93,619	1,509,757
7. Value of inventory changes .....	2,408	484	987	2,267	- 12,067	48,578	96,760	62,085	3,211	204,713
8. Total gross income (4+7) .....	42,561	63,216	56,762	710,000	1,476,090	451,480	1,072,939	944,452	241,330	5,058,830
9. Total net income (8-5) .....	8,644	17,880	12,073	199,857	390,162	162,666	462,348	364,010	96,830	1,714,470
<u>1969</u>										
1. Cash receipts(2) .....	37,555	63,348	51,285	672,333	1,370,905	351,444	709,703	727,471	198,057	4,182,101
2. Income in kind .....	5,801	7,846	6,995	73,428	195,127	37,488	73,293	82,204	35,908	518,090
3. Supplementary payments(5) .....	-	-	-	-	968	497	5,913	2,429	128	9,935
4. Realized gross income (1+2+3) ....	43,356	71,194	58,280	745,761	1,567,000	389,429	788,909	812,104	234,093	4,710,126
5. Operating and depreciation charges	34,912	47,181	46,129	527,729	1,125,060	279,979	621,096	584,462	154,515	3,421,063
6. Realized net income (4-5) .....	8,444	24,013	12,151	218,032	441,940	109,450	167,813	227,642	79,578	1,289,063
7. Value of inventory changes .....	158	- 153	3,177	173	- 12,313	7,640	235,130	55,776	915	290,503
8. Total gross income (4+7) .....	43,514	71,041	61,457	745,934	1,554,687	397,069	1,024,039	867,880	235,008	5,000,629
9. Total net income (8-5) .....	8,602	23,860	15,328	218,205	429,627	117,090	402,943	283,418	80,493	1,579,566
<u>1970</u>										
1. Cash receipts(2) .....	43,738	63,460	57,537	661,707	1,355,242	336,261	690,996	694,104	205,050	4,108,095
2. Income in kind .....	5,712	7,735	6,799	75,003	198,408	35,613	69,318	80,404	38,272	517,264
3. Supplementary payments(6) .....	-	-	-	-	-	5,696	37,189	14,493	829	58,207
4. Realized gross income (1+2+3) ....	49,450	71,195	64,336	736,710	1,553,650	377,570	797,503	789,001	244,151	4,683,566
5. Operating and depreciation charges	38,276	51,537	48,253	563,681	1,193,085	283,280	596,742	584,554	168,635	3,528,043
6. Realized net income (4-5) .....	11,174	19,658	16,083	173,029	360,565	94,290	200,761	204,447	75,516	1,155,523
7. Value of inventory changes .....	759	1,604	- 8,265	1,615	27,913	- 15,659	1,957	21,784	5,679	37,387
8. Total gross income (4+7) .....	50,209	72,799	56,071	738,325	1,581,563	361,911	799,460	810,785	249,830	4,720,953
9. Total net income (8-5) .....	11,933	21,262	7,818	174,644	388,478	78,631	202,718	226,231	81,195	1,192,910

(1) Excludes Newfoundland. (2) Cash Receipts from Farming Operations. (3) Includes payments made under the provisions of the Prairie Farm Assistance Act and other government assistance to farmers who suffered losses as a result of adverse weather conditions. (4) Payments made under the provisions of the Prairie Farm Assistance Act. (5) Payments made under the provisions of the Prairie Farm Assistance Act and payments made by the federal government to eligible sugar beet growers, following closure of the sugar beet refinery in south-western Ontario. (6) Payments made under the provisions of the Prairie Farm Assistance Act and payments made under the Lower Inventory For Tomorrow (LIFT) program.

