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## FARM NET INCOME 1971(1)

This report presents advanced preliminary estimates of realized net income and total net income of farmers from farming operations for the year 1971, with revised figures for previous years. 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 \$1,339.8 million in 1971, about 10.8 % above the revised figure of \$1,209.0 million for 1970. During 1971 increased cash receipts more than offset increased farm operating expenses and depreciation charges and decreased supplementary payments. The increase in cash receipts can be attributed to substantial improvements in the income from grains, particularly wheat, and record-high income from the sale of cattle and calves. Supplementary payments for 1971 are considerably below those made during 1970 but still above the levels of 1968 and 1969. The high value for 1970 is mainly attributed to substantial LIFT (Lower Inventory For Tomorrow) payments. Operating expenses and depreciation charges rose to a record-high level of \$3,688.3 million in 1971, 5.3 % higher than the revised figure of \$3,503.8 million in 1970.

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). For 1971, this income is presently estimated to be \$1,573,7 million, compared to a revised figure of \$1,274.5 million for 1970. This increase resulted from higher cash receipts and substantial additions to farm-held inventories of crops and livestock.

The regular annual estimates of farm net income based on more complete data for 1971 and including details by item will be published at a later date.

### Net Income of Farm Operators from Farming Operations(1) 1968-71

	1971	1970	1969	1968
	thousands of dollars			
CANADA(1) .....	1,573,726	1,274,506	1,564,274	1,710,056
Prince Edward Island .....	6,612	13,822	8,493	8,579
Nova Scotia .....	17,790	23,297	23,391	17,730
New Brunswick .....	10,570	17,118	10,573	11,979
Quebec .....	181,085	195,686	212,982	197,898
Ontario .....	324,580	402,121	427,215	389,616
Manitoba .....	158,424	84,458	114,155	162,309
Saskatchewan .....	484,809	207,954	409,240	462,095
Alberta .....	298,096	244,421	279,616	363,456
British Columbia .....	91,760	85,629	78,609	96,394

(1) Excludes Newfoundland.

Agriculture Division  
Farm Income and Prices Section

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5304-533

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>1968</u>										
1. Cash receipts(2) .....	34,476	55,026	49,034	636,814	1,318,823	364,660	893,114	799,939	204,615	4,356,501
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(3) .....	—	—	—	—	—	156	5,453	2,151	208	7,968
4. Realized gross income (1+2+3) .....	40,153	62,732	55,775	707,733	1,490,112	402,902	976,179	882,367	238,119	4,856,072
5. Operating and depreciation charges .....	33,982	45,486	44,783	512,102	1,088,429	289,171	610,844	580,996	144,936	3,350,729
6. Realized net income (4-5) .....	6,171	17,246	10,992	195,631	401,683	113,731	365,335	301,371	93,183	1,505,343
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	1,478,045	451,480	1,072,939	944,452	241,330	5,060,785
9. Total net income (8-5) .....	8,579	17,730	11,979	197,898	389,616	162,309	462,095	363,456	96,394	1,710,056
<u>1969</u>										
1. Cash receipts(2) .....	37,870	63,380	51,281	672,495	1,377,900	349,912	712,416	727,169	197,461	4,189,884
2. Income in kind .....	5,806	7,853	6,995	73,298	195,210	37,321	73,193	82,061	35,894	517,631
3. Supplementary payments(4) .....	—	—	—	—	968	497	5,913	2,429	128	9,935
4. Realized gross income (1+2+3) .....	43,676	71,233	58,276	745,793	1,574,078	387,730	791,522	811,659	233,483	4,717,450
5. Operating and depreciation charges .....	35,344	47,690	46,345	532,997	1,134,542	281,249	622,614	586,875	155,792	3,443,448
6. Realized net income (4-5) .....	8,332	23,543	11,931	212,796	439,536	106,481	168,908	224,784	77,691	1,274,002
7. Value of inventory changes .....	161	- 152	- 1,358	186	- 12,321	7,674	240,332	54,832	918	290,272
8. Total gross income (4+7) .....	43,837	71,081	56,918	745,979	1,561,757	395,404	1,031,854	866,491	234,401	5,007,722
9. Total net income (8-5) .....	8,493	23,391	10,573	212,982	427,215	114,155	409,240	279,616	78,609	1,564,274
<u>1970</u>										
1. Cash receipts(2) .....	44,575	64,934	57,472	666,029	1,382,643	333,978	688,408	691,862	209,095	4,138,996
2. Income in kind .....	5,715	7,713	6,810	74,684	198,103	35,241	68,988	80,160	38,203	515,617
3. Supplementary payments(5) .....	—	—	—	—	—	5,696	37,189	14,493	829	58,207
4. Realized gross income (1+2+3) .....	50,290	72,647	64,282	740,713	1,580,746	374,915	794,585	786,515	248,127	4,712,820
5. Operating and depreciation charges .....	36,893	49,485	47,286	559,055	1,175,857	283,263	600,745	585,609	165,653	3,503,846
6. Realized net income (4-5) .....	13,397	23,162	16,996	181,658	404,889	91,652	193,840	200,906	82,474	1,208,974
7. Value of inventory changes .....	425	135	122	14,028	- 2,768	- 7,194	14,114	43,515	3,155	65,532
8. Total gross income (4+7) .....	50,715	72,782	64,404	754,741	1,577,978	367,721	808,699	830,030	251,282	4,778,352
9. Total net income (8-5) .....	13,822	23,297	17,118	195,686	402,121	84,458	207,954	244,421	85,629	1,274,506
<u>1971</u>										
1. Cash receipts(2) .....	39,102	62,576	51,600	691,608	1,385,496	366,988	904,832	771,301	220,822	4,494,325
2. Income in kind .....	5,440	7,114	6,050	70,854	209,778	33,617	66,176	77,375	39,102	515,506
3. Supplementary payments(6) .....	—	—	—	—	—	5,572	6,810	5,633	240	18,255
4. Realized gross income (1+2+3) .....	44,542	69,690	57,650	762,462	1,595,274	406,177	977,818	854,309	260,164	5,028,086
5. Operating and depreciation charges .....	36,904	50,950	47,589	587,144	1,247,753	300,845	626,399	610,994	179,748	3,688,326
6. Realized net income (4-5) .....	7,638	18,740	10,061	175,318	347,521	105,332	351,419	243,315	80,416	1,339,760
7. Value of inventory changes .....	- 1,026	- 950	509	5,767	- 22,941	53,092	133,390	54,781	11,344	233,966
8. Total gross income (4+7) .....	43,516	68,740	58,159	768,229	1,572,333	459,269	1,111,208	909,090	271,508	5,262,052
9. Total net income (8-5) .....	6,612	17,790	10,570	181,085	324,580	158,424	484,809	298,096	91,760	1,573,726

(1) Excludes Newfoundland. (2) Cash Receipts from Farming Operations. (3) Payments made under the provisions of the Prairie Farm Assistance Act. (4) 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. (5) Payments made under the provisions of the Prairie Farm Assistance Act and payments made under the Lower Inventory for Tomorrow (LIFT) program. (6) Payments made under the provisions of the Prairie Farm Assistance Act, payments made under the Lower Inventory for Tomorrow (LIFT) program and payments to Manitoba farmers under the Farm Acreage Payment program.

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