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MAJOR RELEASES

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The net cash income of farm businesses reached \$5.9 billion in 1994, its highest level in six years, as increased receipts outstripped a jump in operating costs. In the first quarter of 1995, farm cash receipts rose 7% to \$7.3 billion, led by healthy crop revenues.

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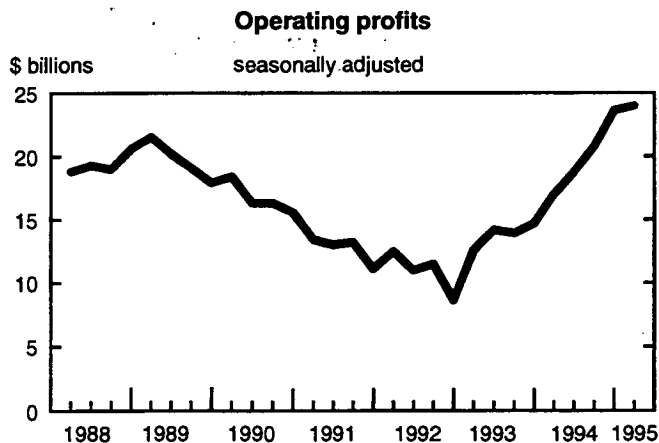
Canada

MAJOR RELEASES

Quarterly financial statistics for enterprises

First quarter 1995

The robust profit growth Canadian corporations attained throughout 1994 slowed in the first quarter of 1995. Operating profits rose 1.9%, compared with the double-digit increases enjoyed throughout 1994. About half the industries increased their profits; the other half posted declines. Notable among the declines were the wood and paper and motor vehicle industries, which together accounted for 30% of the total profit increase in 1994.



Profit growth slows for non-financial corporations

Non-financial corporations saw their profits increase about 3% in the first quarter, compared with the 10% to 15% advances over the previous five quarters. The largest gains were in the petroleum and natural gas sector and the chemicals sector. These were offset by sagging profits in accommodation and food services, wood and paper, and motor vehicles.

Petroleum and natural gas profits increased almost 25% to \$3.1 billion in the first quarter, compared with an average \$2.6 billion throughout 1994. Although natural gas prices softened in the quarter, crude and refined oil price increases and continuing cost-cutting programs boosted the oil industry's profits.

Strong demand and prices boosted chemical producers' profits to \$1.7 billion in the first quarter.

Note to readers

The quarterly financial series cover the Canadian activities of non-government corporations.

Operating profits do not include capital gains or expense deductions for income taxes, interest on borrowing, and asset write-offs. Investment income is excluded from operating profits of the non-financial industries, but is included in operating profits of the financial industries. Net profits include all revenue items and all expense deductions.

Profit margins measure the profitability and efficiency of corporations by relating profits from operations to the revenue generating those profits.

As part of the survey's annual revision policy, this quarter's release incorporates revised data for all previous quarters.

This fourth consecutive quarterly improvement more than doubled profits from a year earlier.

The wood and paper industry has been a leader in the profit recovery over the past couple of years. However, first-quarter profits edged back to \$2.1 billion from the record \$2.4 billion achieved in the final quarter of 1994. The pulp and paper component of the industry continued to enjoy booming prices and demand. Wood producers, however, were feeling effects of lower demand, particularly from the residential construction sector in both Canada and the United States. Lumber exports declined in the first quarter.

Lower North American sales of motor vehicles curtailed first-quarter earnings of the motor vehicle and accessories industry. Operating profits fell to \$1.8 billion from the high of \$2.1 billion in the previous quarter.

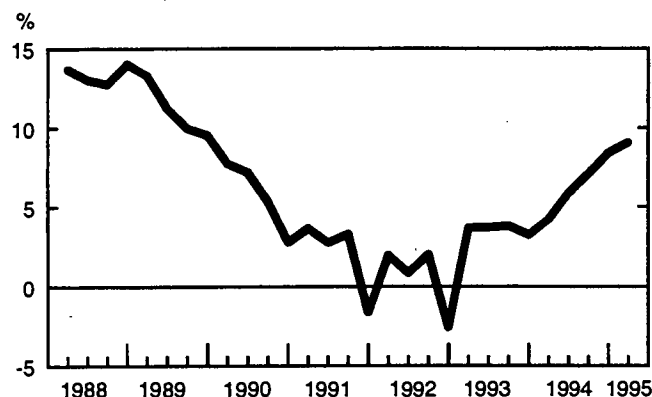
Financial industry profits edge down

After two strong quarters, profits of the financial industries fell 2% in the first quarter of 1995. Property and casualty insurers recorded the largest gain, boosting profits \$118 million. But this was exactly offset by a decline in trust company profits. The chartered bank profits slipped 3.6% in the first quarter on the heels of two strong quarterly increases.

Profitability indicators improve (all industries)

Profit margins improved to 6.74% in the quarter, from 6.68% in the previous quarter. Profit margins have strengthened for six straight quarters, but the rate of growth has slowed with the levelling of operating profits.

Return on equity



Return on equity (a measure of profits returned to investors) advanced to 9.08% in the first quarter, from 8.40% in the fourth quarter of 1994. This was the fifth consecutive improvement in this profitability indicator, which stood at 3.23% in the fourth quarter of 1993. Return on equity uses net profit in the calculation, including capital gains and asset revaluations.

Available on CANSIM: matrices 3914-3971 and 3974-3981.

The first quarter 1995 issue of *Quarterly financial statistics for enterprises* (61-008, \$23/\$92) will be available in June. See "How to order publications".

For further information on this release, contact Gail Campbell (613-951-9843), George Mitchell (613-951-9853) or Joe Wilkinson (613-951-2663), Industrial Organization and Finance Division.

Selected financial statistics

	First quarter 1994	Fourth quarter 1994	First quarter 1995	Fourth quarter 1994 to First quarter 1995
seasonally adjusted				
	\$ billions			% change
Income statement				
All industries				
Operating revenue	325.1	352.7	356.4	1.1
Operating profit	17.0	23.6	24.0	1.9
Net profit	5.1	10.7	11.7	9.3
Financial ratios				
All industries				
Profit margin (%)	5.23	6.68	6.74	
Return on equity (%)	4.21	8.40	9.08	
Debt-to-equity (ratio)	1.163	1.135	1.132	
Non-financial industries				
Working capital (ratio)	1.268	1.260	1.269	
Inventory turnover (ratio)	8.837	9.197	9.019	
Receivables turnover (ratio)	8.801	8.502	9.072	

Farm net cash income and farm cash receipts

1994 and first quarter 1995

The net cash income of farm businesses reached a six-year high in 1994, as increased revenues outstripped a jump in operating costs. Net cash income (the difference between farm cash receipts and operating expenses) rose 11% to \$5.9 billion.

An 81% leap in canola revenues pushed cash receipts to \$25.6 billion, up 6% from 1993. This exceeded a 5% increase in operating expenses, which reached \$19.7 billion on higher costs for fertilizer, pesticides, seed and feed.

Net farm income

	1993	1994	1993 to 1994
	\$ millions		% change
Total cash receipts	24,125	25,602	6
- Operating expenses after rebates	18,757	19,661	5
= Net cash income	5,368	5,941	11
+ Income in kind	217	229	6
- Depreciation charges	3,087	3,260	6
= Realized net income	2,498	2,909	16
+ Value of inventory change	1,010	496	-51
= Total net income	3,508	3,406	-3

Note: Totals may not add due to rounding.

Nominal net cash income has been increasing over the last 20 years. Even so, last year's net cash income adjusted for inflation represented only 52% of the adjusted 1974 level. After adjusting for inflation, 1994 receipts were just above 1974 figures, but expenses were 40% higher, reflecting the industry's increasing dependence on purchased inputs.

Canola a major factor behind higher crop receipts

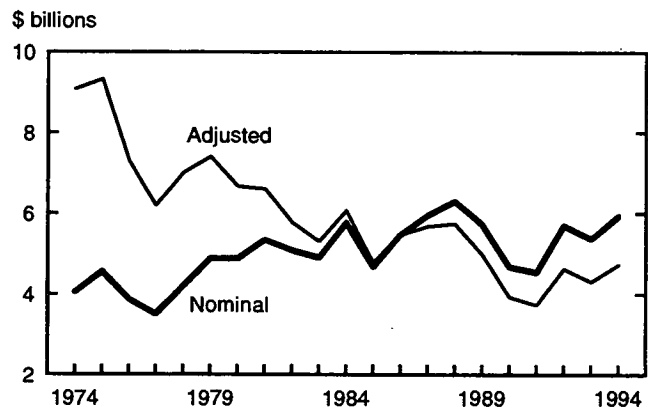
Cash receipts of farm businesses reached \$25.6 billion in 1994, up 6% from 1993. Most of the growth occurred in the crop sector, where an 81% (\$966 million) increase in canola receipts led crop receipts upward by 27%. Canola production almost doubled in the last two years, enabling farmers to sell record quantities. Prices have soared, as world demand for

Note to readers

Net cash income of farm businesses is farm cash receipts less operating expenses. It does not include income in kind, the value of changes in inventories held by farmers, or depreciation expenses. It represents the amount of cash generated by the farm business that is available for debt repayment, investment or withdrawal by the owner. Other measures of net income are available (see table) that may be more suitable for different types of analysis. Disaggregations by type and size of farm will show different movements in receipts, expenses and net income.

edible oils has continued to exceed supply. Livestock receipts rose a more modest 1% due to stronger dairy revenues because of increased quota allocations. Program payments to farmers fell 39%.

Adjusted net cash income in 1994 represented 52% of the 1974 level



Crop receipts jumped to \$11.4 billion, sharply above the previous five-year average of \$8.8 billion. Livestock receipts continued rising and reached \$12.4 billion, 10% above the preceding five-year average. Program payments have been trending lower, reflecting improved growing and market conditions. Payments totalled \$1.7 billion, after averaging \$2.8 billion in the previous five years. Revenue from the sale of crops and livestock products has risen sharply since 1991. Crops and livestock products provided 94% of total receipts in 1994, the largest share since 1983. Program payments contributed 6%.

Receipts and selected expenses

	1993	1994	1993 to 1994 %
	\$ millions		change
Receipts	24,125	25,602	6
Crops	8,997	11,424	27
Livestock products	12,276	12,444	1
Program payments	2,852	1,733	-39
Expenses	18,757	19,661	5
Cash wages	2,274	2,310	2
Interest	1,701	1,830	8
Machinery	2,939	3,044	4
Fertilizer and lime	1,399	1,655	18
Pesticides	769	886	15
Seed	651	698	7
Feed	2,410	2,664	11
Livestock purchases	1,124	1,124	--

-- Amount too small to be expressed.

Note: Totals may not add due to rounding.

Operating expenses rose 5% for second consecutive year

Farm operating expenses rose 5% to \$19.7 billion in 1994, following a 5% gain in 1993. Crop production expenses rose 12%, due to increased expenditures on fertilizer, pesticides and seed. Feed costs increased 11% because of continuing high livestock inventories and rising feed prices.

In 1994, the farm input price index, which measures changes in the prices of purchased inputs, increased 4%. This followed a 5% increase in 1993. Prices of crop production inputs rose 6%, while animal production input prices rose 3%.

Operating expenses have been expanding steadily over the last 20 years. After double-digit increases in the late 1970s and early 1980s, the annual growth rate has stabilized at 5% or less. The one exception was 1989, when feed prices soared due to the impact of the 1988 drought on grain and hay supplies.

Healthy crop revenues lift farm cash receipts in the first quarter of 1995

Led by healthy crop revenues, cash receipts of farm businesses rose 7% to \$7.3 billion in the first quarter of 1995. Crop receipts jumped 24% compared with the first quarter of 1994, accounting for much of the growth. Western farmers deferred \$773 million of grain receipts from 1994 to the first quarter of 1995. They were responding to a 17% increase in net cash income in Western Canada in 1994. This was more

than double the grain revenue deferred to the first quarter of 1994. Program payments to farmers fell 40%. Livestock receipts rose a modest 1% due to stronger dairy receipts.

Farm cash receipts

	First quarter 1994	First quarter 1995	First quarter 1994 to First quarter 1995 %
	\$ millions		change
Wheat	390.7	515.4	31.9
Canadian Wheat Board pay- ments	618.3	573.2	-7.2
Barley	122.1	170.4	39.5
Deferred grain receipts	356.1	772.8	117.0
Canola	494.1	573.3	16.0
Other cereals and oilseeds	330.5	404.8	22.5
Other crops	732.7	766.2	4.6
Crops, total	3,044.6	3,776.2	24.0
Cattle and calves	1,151.5	1,135.6	-1.4
Hogs	565.1	541.7	-4.1
Dairy products	824.7	861.2	4.4
Hens and chickens	250.4	267.8	7.0
Other livestock	308.2	329.0	6.7
Livestock, total	3,099.9	3,135.2	1.1
Gross Revenue Insurance Plan	318.1	120.7	-62.1
Crop insurance	207.8	79.9	-61.5
Provincial stabilization	53.7	82.3	53.4
Tripartite	--	27.3	...
All other payments	74.6	80.6	8.2
Payments, total	654.2	390.9	-40.2
Total, Canada	6,798.6	7,302.3	7.4

-- Amount too small to be expressed.

... Figure not appropriate or not applicable.

Note: Totals may not add due to rounding.

Crop receipts reached \$3.8 billion in the first quarter of 1995, 24% higher than last year's \$3.0 billion. Wheat receipts were 32% higher despite lower farmer deliveries, as prices rose 51%. Canola revenue increased 16% as prices continued to rise. Higher prices also drove barley receipts up 40%. Program payments, at \$391 million, continued to trend down from the high of \$1.3 billion in the first quarter of 1993.

In the first quarter of 1995, the farm input price index was up 4% over the first quarter of 1994. Crop input prices rose 8%, mainly because of higher fertilizer prices. Animal production input prices fell 5%. Higher interest rates pushed the cost of borrowing up almost 30%.

Available on CANSIM: matrices 255, 263-272 and 3582-3592.

Agriculture economic statistics supplement (21-603E, issue 95-001, \$25/\$50) will be released in July. See "How to order publications".

For further information on net farm income, contact Ed Hamilton (613-951-8707) or Liz Leckie (613-951-2448), Agriculture Division.

The January-March 1995 issue of *Farm cash receipts and product price index* (21-001, \$19/\$62)

will be available in early June. See "How to order publications".

For further information on farm cash receipts, contact Ed Hamilton (613-951-8707) or Gwen Cromwell (613-951-2439), Agriculture Division.

The farm input price index is published quarterly. For further information on the index, contact Vaclav Krabicka (613-951-3342), Prices Division. ■

OTHER RELEASES

Balance sheet of the agricultural sector December 31, 1994

At December 31, 1994, farm sector equity totalled \$118.3 billion, up 5% from a year earlier. This marked a record high, surpassing the previous record of \$114.7 billion attained in 1981.

Farm sector assets stood at a record \$140.2 billion at the end of 1994, up 5% from the previous high of \$133.8 billion in 1993. Farm real estate (\$83.5 billion), up 6% from 1993, accounted for 82% of the increase in total assets.

Total liabilities of the farm sector stood at a record \$21.9 billion, up 4% from the previous year. This marked the first increase in total liabilities since 1991.

Agriculture economic statistics supplement (21-603E, issue 95-001, \$25/\$50) will be released in July. See "How to order publications".

For further information on this release, contact Bruce Orok (613-951-3165), Agriculture Division. ■

Farm debt outstanding December 31, 1994

At December 31, 1994, farm debt totalled a record \$24.6 billion, a 4% increase from 1993. Farm debt increased in all provinces except New Brunswick and Saskatchewan. The largest increases were in Prince Edward Island (+21% to \$296 million), Quebec (+14% to \$4.1 billion) and Nova Scotia (+13% to \$308 million).

The major increases in farm debt were owed to chartered banks, federal government agencies and credit unions.

Available on CANSIM: matrix 5678.

Agriculture economic statistics supplement (21-603E, issue 95-001, \$25/\$50) will be released in July. See "How to order publications".

For further information on this release, contact Liz Leckie (613-951-2448), Agriculture Division. ■

Farm capital value July 1, 1994

The capital value of Canadian farms increased 4.5% to \$131.6 billion in 1994. This marked the farm sector's highest capital value since 1982, when the record of \$131.8 billion was attained.

Farm capital value increased in all provinces except Ontario (-0.3%). British Columbia recorded an increase of nearly 11% from 1993, due primarily to higher values of land and buildings. Prince Edward Island and Alberta also registered large increases, up 9.4% and 7.3% respectively, again due to rising values of land and buildings.

The value of land and buildings, which accounted for 71% of farm capital value, was up 3.6% from 1993. The value of implements and machinery increased 6.5% to \$25.6 billion, continuing an upward trend uninterrupted since 1986. Livestock and poultry were valued at \$13.0 billion in 1994 (+6.8%).

Available on CANSIM: matrices 249-259 and 5631.

Agriculture economic statistics supplement (21-603E, issue 95-001, \$25/\$50) will be released in July. See "How to order publications".

For further information on this release, contact Bruce Orok (613-951-3165), Agriculture Division. ■

Direct payments in agriculture 1994

In 1994, direct payments to farmers totalled \$1.3 billion (net), a 43% drop from \$2.3 billion a year earlier. Payments fell \$1.3 billion, premiums paid dropped \$274 million, and rebates rose \$4 million.

The data series on direct program payments include gross payments, producer-paid premiums, rebates, and net payments by program and province.

Agriculture economic statistics supplement (21-603E, issue 95-001, \$25/\$50) will be released in July. See "How to order publications".

For further information on this release, contact Ed Hamilton (613-951-8707) or Liz Leckie (613-951-2448), Agriculture Division. ■

Farm business cash flow summary 1991 to 1994

Revised data for the years 1991 to 1994 on the provincial and national cash flow summaries of farm businesses are now available.

Agricultural economic statistics supplement (21-603E, issue 95-001, \$25/\$50) will be released in July. See "How to order publications".

For further information on this release, contact Liz Leckie (613-951-2448), Agriculture Division. ■

Agriculture production account

1991 to 1994

Revised data for the years 1991 to 1994 on the provincial and national agricultural production accounts are now available.

Available on CANSIM: matrices 3380-3390.

Agriculture economic statistics supplement (21-603E, issue 95-001, \$25/\$50) will be released in July. See "How to order publications".

For further information on this release, contact Wanda Wiebe (613-951-2445), Agriculture Division. ■

Deliveries of major grains

April 1995

Data for April 1995 on the deliveries of major grains are now available.

Available on CANSIM: matrices 976-981.

The April 1995 issue of *Cereals and oilseeds review* (22-007, \$15/\$144) will be released in June. See "How to order publications".

For further information on this release, contact Jeannine Fleury (613-951-3859), Agriculture Division. ■

Asphalt roofing

April 1995

Shipments of asphalt shingles totalled 2 164 977 metric bundles in April, a 48.1% decrease from 4 170 168 metric bundles (revised) a year earlier.

For January to April 1995, shipments totalled 11 107 828 metric bundles, a 17.0% increase from 9 493 958 metric bundles (revised) shipped during the same period in 1994.

Available on CANSIM: matrices 32 and 122 (series 27 and 28).

The April 1995 issue of *Asphalt roofing* (45-001, \$6/\$60) will be available shortly. See "How to order publications".

For further information on this release, contact Sandra Bohatyretz (613-951-3516), Industry Division. ■

Shipments of office furniture products

First quarter 1995

For the quarter ended March 31, 1995, shipments of office furniture products totalled \$247.5 million, up 32.4% from \$186.9 million during the first quarter of 1994.

Data on manufacturers' shipments of office furniture products for the first quarter of 1995 are now available. Data by province of destination and by export are also available.

The March 1995 issue of *Shipments of office furniture products* (35-006, \$8/\$32) will be available shortly. See "How to order publications".

For further information on this release, contact Keith Martin (613-951-3518), Industry Division. ■

PUBLICATIONS RELEASED

Production and disposition of tobacco products, April 1995

Catalogue number 32-022

(Canada: \$6/\$60; United States: US\$8/US\$72; other countries: US\$9/US\$84).

The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences - Permanence of Paper for Printed Library Materials, ANSI Z39.48 - 1984.



Construction type plywood, March 1995

Catalogue number 35-001

(Canada: \$6/\$60; United States: US\$8/US\$72; other countries: US\$9/US\$84).

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MAJOR RELEASES

- **Business disposition profiles, 1992**
Canadian who had the highest for the 1992 for year remained on average 10.5% to 11.5% for every state of employment status. This was no change of about 1% to 1.5% in the rate of unemployment in comparison to 1991.
- **Monthly survey of manufacturing, April 1995**
After two months of continuous production, the index of manufacturing production rose to 107.7 index, up 1.7% in April over a 2% rise in March. The index of output rose 1% to 107.7 index, up 1.7% in April over a 2% rise in March. The index of output rose 1% to 107.7 index, up 1.7% in April over a 2% rise in March.
- **Industrial production price index, May 1995**
Changes in major prices for production in the industry, the volume-weighted change in prices for manufacturing price index is +0.4% in May, the highest rate among industries of the G.D.P.
- **Rural materials price index, May 1995**
The volume-weighted change in prices for rural materials is +0.4% in May, the highest rate among industries of the G.D.P.

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