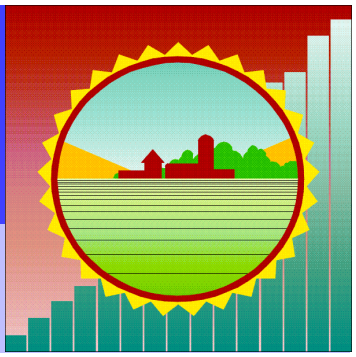
1996

ECONOMIC OVERVIEW OF FARM INCOMES

Grain and Oilseed Farms



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INTRODUCTION

This is the second in the series of bulletins that are being published jointly by Agriculture and Agri-Food Canada (AAFC) and Statistics Canada (STC). The bulletins replace AAFC's annual publication *An Economic Overview of Farm Incomes by Farm Type, Canada* (publication no. 1946/E) and STC's annual publication *Agricultural Financial Statistics* (catalogue no. 21-205-XPB). This bulletin provides a detailed analysis of grain and oilseed farms, which includes information on farm level revenues, expenses and net operating income before depreciation by revenue class and by province. Grain and oilseed farms are defined as those farms for which 51% or more of agricultural sales are derived from the sale of grains and oilseeds. Information on the concentration and specialization of production, as well as on the physical characteristics of grain and oilseed farms, is also included by revenue class.

Most of the analysis in this series is based on data derived from STC's *Taxation Data Program (TDP).* The bulletins also include information from the *June Crops Survey (JCS)* and the *July Livestock Survey (JLS).* The TDP estimates presented in these bulletins are derived from a random sample of income tax returns of individuals operating unincorporated farms with operating revenues of $10,000 and over and incorporated farms with revenues of $25,000 and over and for which 51% or more of their sales come from agricultural activities. Communal farming operations, such as Hutterite colonies, are also included. Group averages, not individual records, are provided by STC to AAFC, and are subject to confidentiality restrictions prior to release. For further discussion of the methodology behind the STC data, refer to the Methodology section in Bulletin 1.

STC's TDP is the only source of annual intercensal data at the farm level that provides a detailed picture of revenues and expenses by size (revenue class), type and province. These data, which are derived from Revenue Canada tax returns, are the most comprehensive available but are not as timely as analysts would like. Information for tax purposes is collected in the year following the "tax year" being reported upon; in this case, 1996 data were collected in 1997. STC then undertakes extensive verification and confidentiality procedures before releasing the data a year later. While not timely, the resulting information is comprehensive, accurate and available on a consistent basis over time. Most importantly, it facilitates on-going analysis of major trends in farm structure and performance.

This bulletin provides information on grain and oilseed farms[1] based on 1996 data. Bulletin 1 provided an overview of all farms in Canada. Bulletins 3 through 9 will present similar information for each of the seven remaining major farm types: cattle, dairy, hog, fruit and vegetable, poultry and egg, greenhouse and nursery, and potato. The final two bulletins will present information on farm and off-farm sources of income in 1996 for farm operators (Bulletin 10) and farm families (Bulletin 11).

1. *Grain and oilseed products include: all wheat, oats, barley, canola, soybeans, grain corn and seed corn, other and non-specified small grains and other non-specified grains and oilseeds (including rye, flaxseed, dry peas and beans, and other non-specified oilseeds).*

Grain and oilseed farms reported significantly higher average net operating income in 1996 as crop prices and production reached very high levels.

With the termination of the Western Grain Transportation Act at the end of the 1995-96 crop year, producers were encouraged to sell their grain before subsidized freight rates ended on August 1, 1996.

FARM INCOME BY REVENUE CLASS

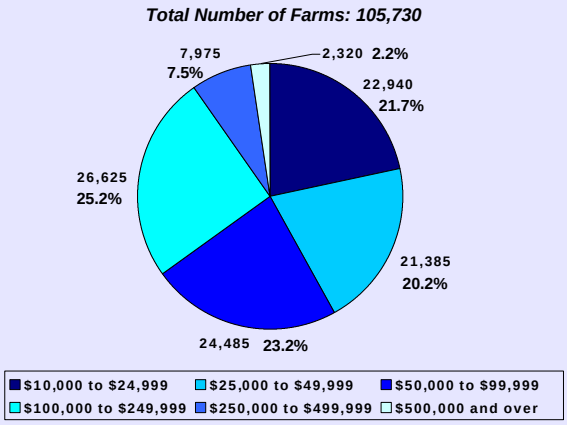
Distribution of Farms by Revenue Class

The number of farms classified as grain and oilseed farms increased in 1996 probably due to the impact of higher grain and oilseed revenues.

In 1996, the estimated number of grain and oilseed farms with revenues of $10,000 and over grew 4.5% to 105,730 farms (see Table 1). This increase is contrary to the general downward trend in the total number of farms in Canada. This probably reflects the impact of higher grain and oilseed revenues arising from higher crop prices on farm type classification: grain and oilseed revenues increased in importance relative to other revenues.

The number of farms rose in all revenue classes except the $25,000 to $49,999 class. Large farms ($100,000 and over) increased the most in number, from 32,480 to 36,920, to represent 34.9% of the total number of grain and oilseed farms in 1996 (see Figure 1). Small farms (revenue under $50,000) represented 41.9% of the total, while medium-sized farms ($50,000 to $99,999) accounted for 23.2%.

Figure 1: Distribution of Grain and Oilseed Farms by Revenue Class, 1996



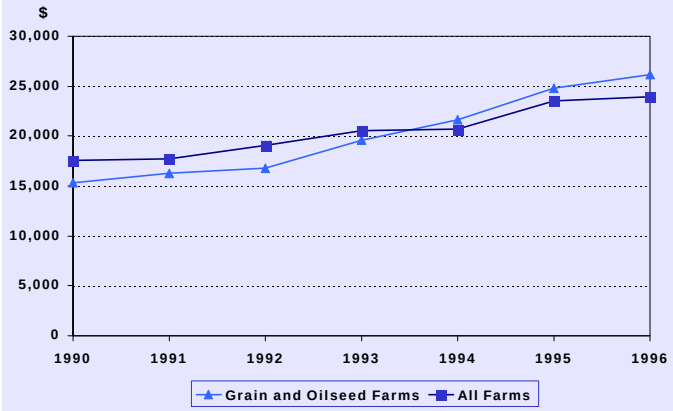
Source: Statistics Canada, Whole Farm Data Base.

Net Operating Income

The largest farms ($250,000 and over) accounted for all of the increase in average net operating income.

In 1996, grain and oilseed farms reported an average net operating income of $26,192, an increase of 5.7% from 1995 and a rise of 32.3% from the previous five-year average (1991 to 1995) (see Table 1). Compared to all farms, which were discussed in Bulletin 1, average net operating income for grain and oilseed farms was higher than the $23,974 reported for all farms in 1996 (see Figure 2).

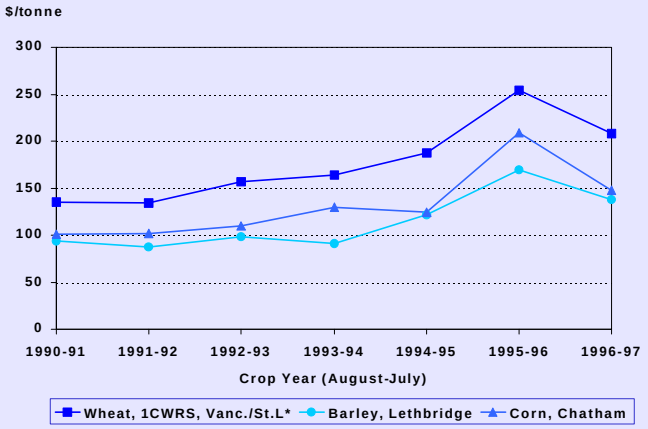
Figure 2: Average Net Operating Income, 1990 to 1996



Source: Statistics Canada, Whole Farm Data Base.

In the first half of the year, grain and oilseed producers received extremely strong prices for wheat, oats, barley and corn for grain, which, combined with very high production, resulted in strong income results (see Figure 3). In 1996, production of barley and corn for grain has even reached all-time highs.

Figure 3: Selected Grain and Oilseed Prices, 1990-91 to 1996-97



Source: Agriculture and Agri-Food Canada, Internal Calculations.
**Canadian Western Red Spring Wheat.*

By revenue class, only farms earning $250,000 or more reported higher average net operating income in 1996: up 2.1% for farms earning $250,000 to $499,999 and up 9.8% for the largest farms ($500,000 and over) (see Table 1). Farms with revenues under $250,000 reported a decrease in average net operating income.

Distribution of Farms by Net Operating Income

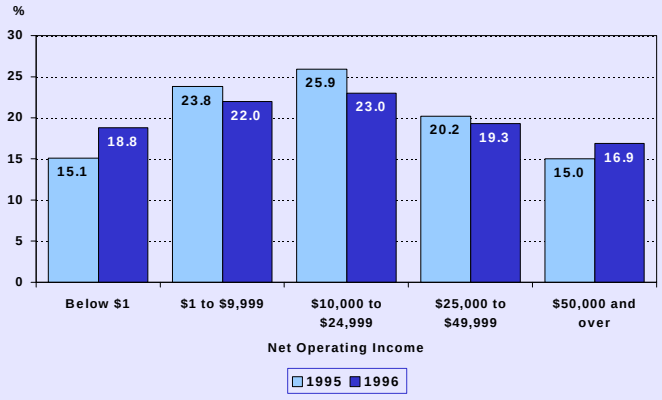
Compared to other farm types, a relatively small percentage (18.8%) of grain and oilseed farms reported losses in 1996. One quarter of all farms reported losses.

Of the estimated 105,730 grain and oilseed farms in Canada, less than one fifth (18.8%) reported operating losses (net operating income below $1) in 1996 (see Figure 4 and Table 2). This is up from 1995, when 15.1% of grain and oilseed farms incurred losses.

In 1996, the bulk of farms reporting losses (64.6%) were small farms with revenues under $50,000. However, a small proportion (15.5%) of large farms (revenues $100,000 and over) also reported losses.

Only 17,900 farms reported net operating income of $50,000 and over, representing 16.9% of farms. Almost all (16,765) were large farms with revenues of $100,000 and over.

Figure 4: Distribution of Grain and Oilseed Farms, by Net Operating Income, 1995 and 1996



Source: Statistics Canada, Whole Farm Data Base.

Comparison of 1995 and 1996 Major Revenues and Expenses

Higher revenue from crop sales due to higher prices in the first half of 1996 and very high grain production accounted for most of the increase in net operating income for grain and oilseed farms in 1996.

Between 1995 and 1996, average operating revenue for grain and oilseed farms rose from $98,262 to $109,478, an increase of 11.4% (see Table 3). All but the smallest farms (revenue $10,000 to $24,999) and those in the $50,000 to $99,999 class experienced increases in total operating revenues. Higher grain and oilseed revenues resulting from stronger crop prices in the first half of the year were primarily responsible. However, as prices fell in the latter half of 1996 in response to an increase in yields in the U.S. and world markets, revenue increases were moderated.

Direct program payments and livestock revenue also increased in 1996. Grain and oilseed farms received $1,217 more per farm on average from program payments. The smallest farms ($10,000 to $24,999) reported the largest average increase (+30.1%) while the largest farms ($500,000 and over) reported 6.1% more revenues from this source. Operators of large farms have a higher participation rate in the Net Income Stabilization Account (NISA) and revenue from this program is not included here for unincorporated farms.

Livestock revenue declined for all farms except those in the $50,000 to $99,999 revenue class. The largest farms in particular experienced a 9.2% decline, probably reflecting a switch out of livestock production into grain and oilseed production. On average, revenues from cattle and semen, swine and poultry and eggs were generally lower for all sizes of farms but varied by revenue class.

A 27.5% decline in average total other revenues tempered the increase in crop and livestock revenues and program payments. Miscellaneous revenues contributed to this decline.

Average operating expenses rose 13.3%, from $73,484 in 1995 to $83,286 in 1996. Expenses were higher for all but the largest revenue class. A large part of the increase in operating expenses was due to higher crop production expenses (+10.7%), machinery expenses (+9.1%) and general expenses (+18.4%). Prices rose for fertilizer, pesticide, seed, machinery repairs, hired farm labour and custom work due to increased demand when more area was seeded. This led to an increase in these expenses.

Livestock expenses rose a moderate 4.2% over the period. Increased expenses for feed more than offset lower cattle purchases. Feed costs jumped due to continuing high livestock numbers and feed prices. Cattle prices fell to cyclical lows in the face of heavy herd liquidation.

Relative Importance of Revenue and Expense Items

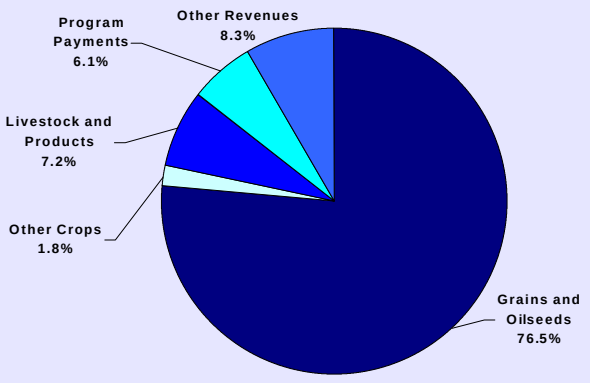
The relative importance of revenue and expense items reflects both the production mix of grain and oilseed farms as well as the effect relative prices have on input costs and returns to farming.

Detailed Operating Revenues

Revenue from the sale of grains and oilseeds accounted for over three quarters of total operating revenue for grain and oilseed farms in all revenue classes.

Revenue from the sale of grains and oilseeds accounted for the largest share (76.5%) of total revenues and this proportion was consistent across all revenue classes. Of revenues from other sources, 8.3% came from the sale of other products and services, 7.2% from the sale of livestock and products, 6.1% from program payments, and 1.8% from the sale of other crops (see Figure 5).

Figure 5: Operating Revenues for Grain and Oilseed Farms, 1996



Source: Statistics Canada, Whole Farm Data Base.

Revenues from the sale of livestock were more important for medium-to-large farms, since the share of revenues from this source averaged over 7% for farms with revenues of $50,000 and more, but was under 6% for small farms. Revenues from the sale of cattle and semen made up the bulk of livestock revenues (80.8% for all grain and oilseed farms), and this was the case for all revenue classes. Other livestock such as hogs and poultry were less important sources of revenues for most grain and oilseed farms.

Program payments declined in importance as revenues increased, falling from 8.1% of revenues for the smallest farms ($10,000 to $24,999) to 4.2% for the largest farms ($500,000 and over). Program payments are relatively more important for grain and oilseed farms than for most other farm types because of the crop insurance program available to them, which is included in this category. Other payments included in program payments include income from provincial stabilization programs and other subsidies, excluding dairy subsidies and NISA withdrawals for unincorporated farms.

Other revenues that were relatively important included custom work and machine rental (3.7% for all revenue classes) and miscellaneous revenues (3.6%). Miscellaneous revenues include items such as cash advances net of cash advance repayments, patronage dividends from grain pools as well as revenue from the sale of sand and gravel.

Detailed Operating Expenses

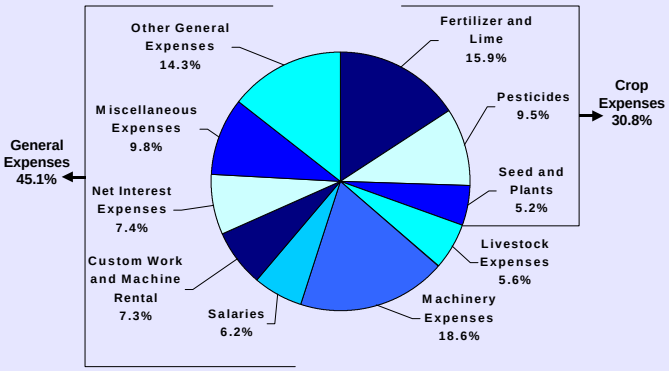
Crop expenses represented one third of total operating expenses, while expenses for salaries, custom work and machine rental and machinery expenses made up another third.

Of total operating expenses, crop expenses represented almost one third (30.8%), varying from 22.4% for the smallest farms to 34.0% for those with revenues from $250,000 to $499,999 (see Figure 6). Fertilizer expenses were by far the most important crop expense, representing 15.9% of the total. Pesticides and seed and plants were also important expense items.

Since livestock was not a very important source of revenue, it is not unusual that grain and oilseed farms spent relatively little on livestock purchases (5.6%). However, machinery expenses such as those on small tools, repairs, licenses and fuel represented 18.5% of the total in 1996. These expenses were more important (24.7%) for the smallest farms ($10,000 to $24,999) than for the largest ones ($500,000 and above) (12.3%).

General expenses made up the greatest share of total operating expenses at 45.1%. This category includes such important items as salaries, custom work and machine rental, net interest expenses and miscellaneous expenses such as those associated with freight and trucking, accounting or legal fees, marketing board fees and selling (auction) fees.

Figure 6: Operating Expenses for Grain and Oilseed Farms, 1996



Source: Statistics Canada, Whole Farm Data Base.

Operating Margins

Operating margins for grain and oilseed farms were down in 1996 to 23.9 cents per dollar of revenue, but they still averaged above those of all other farm types.

Operating margins are a measure of profitability and the rate of return to farm capital, labour and management. They reflect to some degree the efficiency of the farm operation, especially when comparing similar farm types. Farms generally become more efficient as they get larger, up to a point.

In 1996, operating margins for grain and oilseed farms with revenues of $10,000 and over averaged a healthy 23.9 cents per dollar of revenue. This represents a decline from 25.2 cents in 1995 but not a significant change from the previous five-year average of 23.7 cents. Of the farm types covered in this series, grain and oilseed farms and dairy farms, which were close behind with operating margins of 23.0 cents, were the only farms that reported higher profitability than the average for all farm types (16.7 cents).

Operating margins increased along with revenues, from 13.4 cents for the smallest farms to 25.3 cents for those with revenues from $250,000 to $499,999. The largest farms ($500,000 and over) reported a slightly lower rate of return at 25.0 cents per dollar of revenue. This is a much higher rate of return than the average for all farm types in this revenue class (13.1 cents). This may reflect the greater efficiency of grain and oilseed farms of this size or their greater profitability.

FARM INCOME BY PROVINCE

Distribution of Farms by Province

In 1996, farms in the Prairie provinces accounted for 83.0% of all grain and oilseed farms in Canada.

Of the 105,730 grain and oilseed farms in Canada with revenues of $10,000 and over, the largest share was in Saskatchewan (47.6%), followed by Alberta (23.3%), Ontario (13.1%) and Manitoba (12.1%) (see Table 4).

From 1995, the estimated number of grain and oilseed farms rose in all of the Prairie provinces, in Quebec and British Columbia, but the number fell in Ontario.

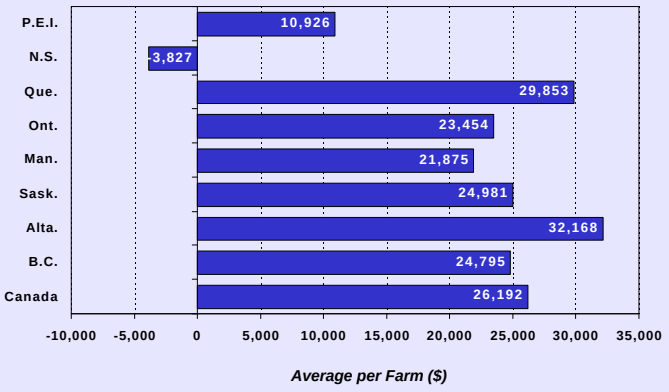
Net Operating Income

In 1996, Alberta and Quebec grain and oilseed farms reported the highest net operating income of all provinces.

Grain and oilseed farms in Alberta reported the highest average net operating income at $32,168. Alberta farms tend to be more diversified in livestock. With the heavy liquidation of cattle that occurred throughout 1996, they benefited from the effect of both high grain prices and heavy sales of livestock, pushing their revenues and income up.

At $29,853 per farm, Quebec farms also had net operating income above the national average. Manitoba reported significantly lower net operating income than most of the other provinces ($21,875 per farm), reflecting a 5.6% decline between 1995 and 1996. Production in Manitoba was affected by the flooding in the Red River Valley in the spring, which delayed planting. Net operating income was low ($10,926) in Prince Edward Island and negative ($-3,827) in Nova Scotia (see Figure 7). There are few grain and oilseed farms in these two provinces.

Figure 7: Average Net Operating Income for Grain and Oilseed Farms, by Province, 1996



Source: Statistics Canada, Whole Farm Data Base.

Comparison of 1995 and 1996 Revenues, Expenses and Net Operating Income

In 1996, net operating income and operating margins increased in all provinces except Manitoba and Saskatchewan.

Between 1995 and 1996, the net operating income of grain and oilseed farms rose 5.7% on average. Income was substantially higher in all provinces, except Manitoba (-5.6%) and Saskatchewan (-2.5%). Prince Edward Island reported the largest increase (+54.2%) but this reflects the low level of net operating income ($10,926) for farms in this province in 1996.

At the Canada level, net income rose despite the fact that the increase in total expenses (+13.3%) outpaced that of total revenues (+11.4%). The decrease in income in Manitoba and Saskatchewan can also be attributed to expenses increasing more than revenues. In all of the other provinces, revenues grew more than expenses.

In Saskatchewan, increases in total crop revenues (+20.4%) and program payments (+59.7%) were offset by large increases in expenses for salaries (+14.5%) and custom work and machine

rental (+35.7%). However, the increase in marketing costs associated with trucking or moving grain as a result of the termination of the Crow Benefit was one of the most important factor influencing the increase in miscellaneous expenses (+96.0%); hence total expenses rose18.8% in 1996.

In Manitoba, while crop revenues were up 15.3% over 1995, program payments fell 41.9%, as did miscellaneous revenues (-41.6%). Expenses, such as those related to custom work and machine rental (+30.2%) and miscellaneous expenses associated with trucking grain (+25.5%), were also up significantly in 1996.

Relative Importance of Revenue and Expense Items, 1996

Detailed Operating Revenues

Grain and oilseed farms were less diversified in Manitoba but were more diversified in Alberta.

Crop revenues, particularly those from grain and oilseed sales, were by far the most important revenue item for grain and oilseed farms in all provinces and at the Canada level. The share of revenues from grains and oilseeds ranged from 62.7% in Nova Scotia to 80.3% in Manitoba, reflecting to some extent the degree of diversification.

The importance of livestock sales also varied by province, from 2.6% in Prince Edward Island to 9.4% in Alberta, where grain and oilseed farms are more diversified in cattle production.

The contribution of program payments to total operating revenues averaged around 4% for most provinces except Prince Edward Island (7.0%) and Saskatchewan (8.8%). In Saskatchewan, crop insurance was paid out as a result of poor weather and drought in certain regions of the province.

Detailed Operating Expenses

More specialized grain and oilseed farms in Manitoba spent more on crop expenses than farms in other provinces.

Expenses related to crop production, such as fertilizer, pesticide and seed purchases, were more important for farms in Manitoba (37.5%) and Quebec (34.3%) than for the average grain and oilseed farm in Canada (30.8%). Quebec grain and oilseed farms spent significantly more on seed and plants (11.7%) than the average Canadian farm (5.2%). In Manitoba, expenses on fertilizer (19.0%) and pesticides (11.9%) were more important than in the other provinces. Manitoba grain and oilseed farms must operate in a considerably wetter climate than farms in the other Prairie provinces and therefore more fungicides are required to fight diseases associated with dampness.

While livestock expenses were a relatively small item for farms in most provinces (varying from 1.4% in Prince Edward Island to 5.2% in Ontario), in Alberta, these expenses represented 8.6% of total operating expenses. Again this reflects the greater diversification of Alberta farms in livestock production.

Machinery expenses were less important for farms in Ontario (15.0%) and Quebec (14.2%) compared to the four Western provinces, where farms are larger and therefore use more fuel and machinery. These expenses ranged from 16.8% in Manitoba to 20.4% in Saskatchewan.

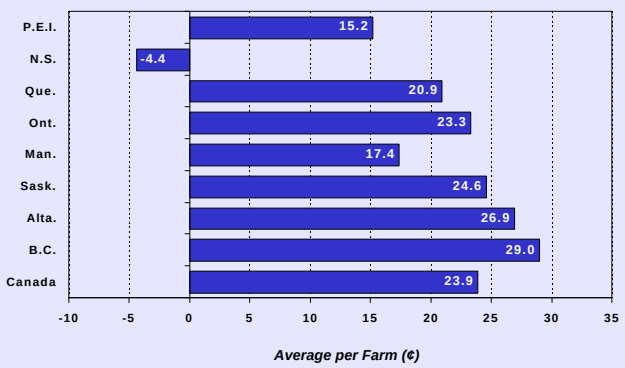
General expenses, which include such items as salaries, rent, insurance, net interest expenses and custom work and machine rental were noticeably lower in Alberta (43.0%) and Manitoba (41.1%) than in Ontario (48.3%) and Quebec (47.7%). In Quebec, net interest expenses (10.5%) and custom work and machine rental (9.2%) represented the highest shares of general expenses, and in Ontario, net interest expenses (7.8%) and rent expenses (7.7%) were the most important.

Operating Margins

Manitoba grain and oilseed farms were less profitable than farms in most provinces, while Alberta farms benefited from their greater diversification.

Operating margins, which measure the rate of return to the factors of production, were significantly lower for grain and oilseed farms in Manitoba (17.4 cents) than in most provinces (see Figure 8). This may be attributed to the greater specialization or reliance of Manitoba farms on grain and oilseed production since 80.3% of revenues were derived from this source. It may also reflect the relatively poor growing conditions (wetter with fewer frost-free days) and a shorter growing season than in Saskatchewan, for example, where farms had an average operating margin of 24.6 cents. British Columbia and Alberta reported the highest operating margins of 29.0 cents and 26.9 cents per dollar of revenue, respectively. These farms rely less on grain and oilseed production and more on other commodities such as cattle.

Figure 8: Average Operating Margins for Grain and Oilseed Farms, by Province, 1996



Source: Statistics Canada, Whole Farm Data Base.

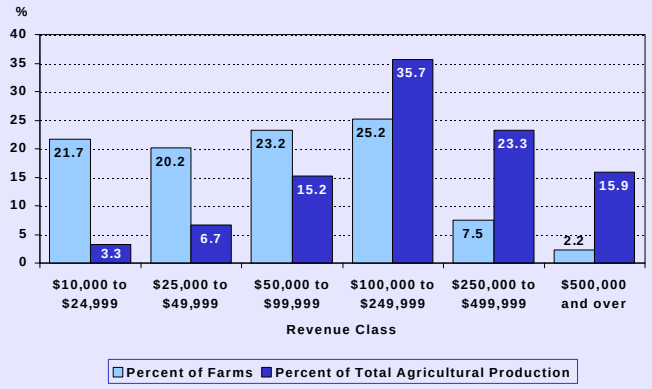
Compared to 1995, operating margins rose in all provinces in 1996, except Manitoba and Saskatchewan. In Manitoba, margins declined from 19.7 cents to 17.4 cents and in Saskatchewan, from 28.5 cents to 24.6 cents. The largest improvement in operating margins took place in British Columbia, where they rose from 24.9 cents to 29.0 cents in 1996. Profitability was up significantly as a result of higher revenues from livestock and program payments.

CONCENTRATION OF PRODUCTION

Grain and oilseed production is more concentrated among farms with revenues between $100,000 and $499,999 compared to other farm types.

The concentration of production describes the contribution of grain and oilseed farms to total agricultural production by revenue class, as measured by total operating revenues net of program payments.

Figure 9: Concentration of Production, Grain and Oilseed Farms, 1996



Source: Statistics Canada, Whole Farm Data Base.

The largest grain and oilseed farms ($500,000 and over), while representing only 2.2% of the total number of grain and oilseed farms, accounted for 15.9% of total grain and oilseed production (see Figure 9). However, the contribution of farms with revenues between $100,000 and $499,999, representing one third of all grain and oilseed farms, was significantly higher (59.0%) than the contribution of other farm types (such as cattle or hog) of this size. This perhaps implies economies of scale of the large commercial grain and oilseed farms and lower concentration of the largest farms. Finally, the two thirds of grain and oilseed farms with revenues under $100,000 accounted for only one quarter of output.

DEGREE OF SPECIALIZATION

Almost three quarters of farms reporting sales of grains and oilseeds were classified as grain and oilseed farms.

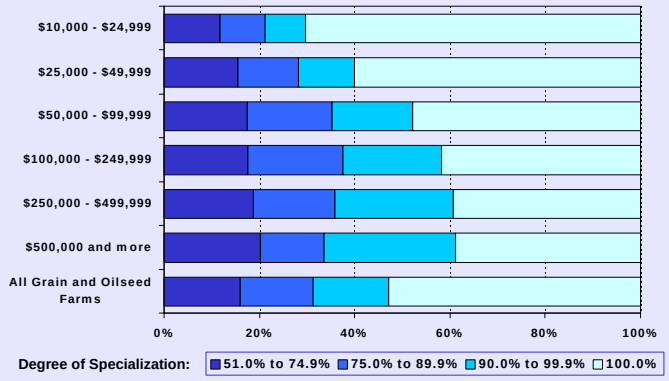
Specialization measures the degree to which a farm's sales are derived from any one particular commodity. This will influence its ability to respond to changing market conditions and price shocks. More specialized farms, which depend to a greater extent on a particular commodity, will be more vulnerable to its price declines. However, increased specialization can also increase the cost efficiency in producing that commodity.

For example, Manitoba grain and oilseed farms, which are more specialized than those in other provinces, also reported lower operating margins. When grain and oilseed prices rose in 1996, the costs associated with their production also rose and this had a negative impact. Alberta farms, on the other hand, which were more diversified in the production of livestock, reported higher operating margins in 1996.

Grain and Oilseed Farms

The degree to which grain and oilseed farms were specialized in producing grains and oilseeds in 1996 is shown in Figure 10.

Figure 10: Distribution of Grain and Oilseed Farms, by Degree of Specialization and Revenue Class, 1996



Source: Statistics Canada, Whole Farm Data Base.

Of the 105,730 grain and oilseed farms in Canada, 72,580 or 68.6% were “highly specialized” in grain and oilseed production with 90% or more of their agricultural sales being derived from the sale of these commodities (see Figure 10). The percentage of grain and oilseed farms that sold only grain and oilseed commodities (100% specialized) was 37.0%. A large percentage of these farms (28.9%) were in the smallest revenue class ($10,000 to $24,999). Grain and oilseed farms that were more diversified (i.e., deriving between 51.0% and 89.9% of sales from grains and oilseeds) represented almost one third of grain and oilseed farms. More than half of these farms had revenues between $50,000 to $249,999.

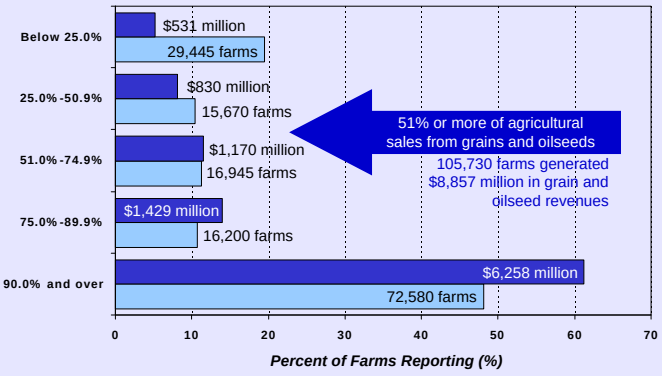
All Farms Reporting Grain and Oilseed Revenues

More farms reported revenues from grains and oilseeds than from any other commodity.

Grains and oilseeds are produced by other farm types as well. This section includes any farms reporting sales of grains and oilseeds. An additional 45,110 farms reported revenues from this source, on top of the 105,730 farms already classified as grain and oilseed farms in 1996. A total 150,835 farms reported sales of grains and oilseeds, with 70.1% classified as grain and oilseed farms and the remaining 29.9%, as non-specialized in these commodities' production (see Table 5).

Of the estimated 234,370 farms in Canada, more farms reported sales from grains and oilseeds than any other commodity. Farms diversify production into these commodities in order to grow feed for their livestock or for crop rotation, as in the case of potato farms. However, less than 20.0% of farms reporting revenues from this source received less than 25.0% of their revenues from this source, equaling $531.2 million in revenues (see Figure 11). The remaining 10.4% of non-specialized farms (25.0% to 50.9% of agricultural sales) received only $830.4 million in revenues from this source. These latter farms are the ones that could switch between farm types in any given year, depending on prices and revenues. In fact, this explains the increase in the number of grain and oilseed farms in Canada in 1996: grain and oilseed revenues became more important for farms in this group due to higher prices.

Figure 11: Degree of Specialization, Farms Reporting Grain and Oilseed Revenues, 1996



Total Number of Farms Reporting Grain and Oilseed Revenues: 150,835 farms
Total Revenues from Grains and Oilseeds: $10,218 million

Source: Statistics Canada, Whole Farm Data Base.

PHYSICAL CHARACTERISTICS

Acreage devoted to wheat and barley has increased since 1994, but it declined for canola in response to larger increases in relative wheat prices over the period.

In 1996, the average grain and oilseed farm was 1,058 acres in size, but this varied from 396 acres for the smallest farms ($10,000 to $24,999) to 3,286 acres for the largest ($500,000 and over) (see Table 6). Of this total acreage, 69.5% was devoted to crops, 14.5% to summerfallow and 16.1% to other land (woodland, wild hay, unimproved land for pasture and wasteland). Generally, the larger farms allocated a larger proportion of land to crops (83.5% in the case of farms with revenues of $500,000 and more). For the average farm, 89.8% (660 acres) of the total land devoted to crops was used for grain and oilseed production. This too varied by revenue class. Small farms (under $50,000) devoted less land to grain and oilseed production and the medium-to-large size farms ($50,000 to $499,999) devoted over 90%.

Over the 1994 to 1996 period, the area seeded in wheat rose from 288 acres in 1994 to 345 acres in 1996, in response to higher relative wheat prices (see Figure 3). Barley acreage also rose from 76 acres to 106 acres over the period as prices increased. Land was taken out of summerfallow and brought into grain production since area devoted to summerfallow fell from 170 acres to 153 acres over the period. Canola acreage, on the other hand, fell from 155 acres to 101 acres over this period, while land devoted to soybeans rose only slightly (from 16 acres to 18 acres per farm). Canola and soybean prices did not increase as much as wheat over the 1994 to 1996 period, making them less profitable for producers.

Almost two fifths (39.2%) of grain and oilseed farms reported raising cattle and calves. Of these farms, the average herd size was 106 head. This varied from 73 head for the smallest farms ($10,000 to $24,999) to 271 head for the largest ($500,000 plus). Only 3.7% of grain and oilseed farms reported producing hogs, and for those that did, the average number of head was 201. However, for the 145 farms reporting hogs in the largest revenue class ($500,000 plus), average herd size was much larger (1,015 head).

GLOSSARY

Concentration of Production. Describes the contribution of farms to total agricultural production (total revenues excluding program payments) by revenue class.

Degree of Specialization. Measures the percent a particular commodity contributes to that farm's total agricultural sales (crop and livestock sales). Farms are "highly specialized" in grain and oilseed production when 90% or more of their sales are derived from the sale of grains and oilseeds. Farms are not specialized in grains and oilseeds when less than 51% of their agricultural sales are from the sale of grains and oilseeds.

Depreciation. Measures the loss in value of an asset over its estimated life due to wear and tear and obsolescence. In the bulletins, depreciation is not included in expenses and net operating income is calculated before depreciation. (For tax purposes, depreciation is represented by the capital cost allowance, an amount deducted from income to account for annual depreciation costs at a rate specific to the depreciable capital item).

Farm Operations. Include unincorporated farms with gross operating revenues of $10,000 or more, and incorporated farms with sales of $25,000 or more and for which 51% or more of their sales come from agricultural activities. (Since 1993, farm operations have also included communal farming operations that reported gross operating revenues of $10,000 or more.)

Farm Type. Classification is determined by the contribution of a particular commodity's sales to a farm's total agricultural sales. Farms on which 51% or more of sales are derived from grains and oilseeds are considered grain and oilseed farms. Eight major farm types are discussed in the bulletins: grain and oilseed, cattle, dairy, hog, fruit and vegetable, poultry and egg, greenhouse and nursery, and potato farms.

Net Operating Income. The profit or loss of the farm operation measured by total operating revenues less total operating expenses, before depreciation, and before other adjustments, for tax purposes.

Operating Expenses. The business costs incurred by the farm operation in the production of agricultural commodities. (Inter-farm purchases are included in these costs and depreciation expenses are excluded.)

Operating Margin. The ratio of net operating income to operating revenues, measured in cents per dollar of revenue. It is a measure of profitability and the rate of return to farm capital, labour and management.

Operating Revenues. Those revenues from the sale of agricultural commodities as well as agricultural program payments and subsidies. (Revenues from the sale of forest products and other farm income are also included, as are inter-farm sales.)

Program Payments. Include income from provincial stabilization programs, the Gross Revenue Insurance Plan (GRIP) now terminated, payments and other subsidies (such as hog incentive programs, acreage payments, assistance for clearing land and government grants), plus aggregate amounts reported for subsidies, patronage dividends and reimbursements. Program payments also include insurance proceeds from programs for crops and livestock due to adverse weather conditions, disease or other reasons. Dairy subsidies are not included in program payments nor are Net Income Stabilization Account (NISA) withdrawals for unincorporated farms.

Total Agricultural Production. Total operating revenues minus program payments (used in calculation of concentration).

Total Agricultural Sales. Total crop revenues plus total livestock and product revenues (used in calculation of specialization).

NOTE

The 1996 Taxation Data Program estimates of poultry and egg farms in Ontario and hog farms in Saskatchewan have been revised. Some of the estimates presented in Bulletin 1 are affected by these changes.

The changes resulted in corrections for:

- **Farms with gross revenues of $500,000 and over and therefore all farms;**
- **Ontario, Saskatchewan and therefore Canada;**
- **Farms with the lowest net operating income (below $1) and farms with the highest net operating income ($50,000 and over).**

Tables presented in Bulletin 1, which have been revised to reflect these changes, are available from Agriculture Division, Statistics Canada.

Symbols

The following standard symbols are used in the tabulations:

…	Figures not appropriate or not applicable
—	Nil or zero
--	Amount too small to be expressed
x	Confidential to meet secrecy requirements of the Statistics Act

TABLES

Table 1: Operating Revenues and Expenses by Revenue Class, Canada, 1995 and 1996

		$10,000 to $24,999	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 and over	All Farms
Number of Farms	1996	22,940	21,385	24,485	26,625	7,975	2,320	105,730
	1995	22,400	22,395	23,875	24,850	6,115	1,515	101,155
Revenues - Average per Farm ($)								
Total Crops	1996	13,172	28,307	56,397	122,446	263,673	608,380	85,711
	1995	12,883	26,924	53,520	113,011	248,093	571,955	72,781
Total Livestock	1996	597	2,048	5,285	11,578	24,918	62,030	7,923
	1995	639	2,077	5,102	12,245	25,680	68,310	7,390
Program Payments	1996	1,352	2,827	5,433	10,186	17,482	32,843	6,728
	1995	1,039	2,178	4,462	8,828	18,407	30,941	5,511
Total Other Revenues	1996	1,643	3,457	5,660	11,585	28,890	75,376	9,116
	1995	2,439	5,254	9,736	19,807	38,945	90,617	12,580
Total Revenues[1]	1996	16,764	36,639	72,774	155,795	334,963	778,629	109,478
	1995	17,000	36,433	72,820	153,891	331,126	761,823	98,262
Expenses - Average per Farm ($)								
Total Crops	1996	3,245	7,025	15,910	36,451	85,005	193,231	25,639
	1995	2,968	7,034	15,562	36,951	87,210	194,522	23,153
Total Livestock	1996	571	1,178	2,472	6,169	15,329	46,423	4,663
	1995	661	1,201	2,827	7,107	16,341	44,140	4,475
Total Machinery	1996	3,591	7,168	12,861	23,006	37,885	71,829	15,434
	1995	3,710	7,085	12,404	22,398	37,029	73,021	14,153
Total General Expenses	1996	7,107	13,144	24,895	52,227	112,104	272,469	37,550
	1995	6,198	12,314	22,495	47,620	107,619	272,786	31,702
Total Expenses[1]	1996	14,514	28,515	56,139	117,854	250,322	583,953	83,286
	1995	13,537	27,635	53,288	114,075	248,198	584,469	73,484
Net Operating Income - Average per Farm ($)								
Net Operating Income[2]	1996	2,250	8,123	16,635	37,941	84,641	194,676	26,192
	1995	3,463	8,798	19,532	39,816	82,928	177,355	24,778

1. *Totals may not add up due to rounding and/or confidentiality restrictions.*
2. *Net operating income does not include depreciation.*

Source: Statistics Canada, Whole Farm Data Base.

Table 2: Distribution of Net Operating Income by Revenue Class, Canada, 1996

Revenue Class	Net Operating Income[1]					
	Below $1	$1 to $9,999	$10,000 to $24,999	$25,000 to $49,999	$50,000 and over	Total
	Number of Farms					
$10,000 to $24,999	7,510	11,020	4,405	-	-	22,940
$25,000 to $49,999	5,305	6,100	7,145	2,840	-	21,385
$50,000 to $99,999	3,945	4,315	8,020	7,070	1,140	24,485
$100,000 and over	3,070	1,800	4,740	10,545	16,765	36,920
Total Farms[2]	**19,825**	**23,240**	**24,320**	**20,445**	**17,900**	**105,730**
Percent of Total Farms	18.8	22.0	23.0	19.3	16.9	100.0

1. *Net operating income does not include depreciation.*
2. *Totals may not add up due to rounding and/or confidentiality restrictions.*

Source: Statistics Canada, Whole Farm Data Base.

Table 3: Operating Revenues and Expenses by Revenue Class, Canada, 1996

	$10,000 to $24,999	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 and over	All Farms
Number of Farms	22,940	21,385	24,485	26,625	7,975	2,320	105,730
Revenues - Average per Farm ($)							
Total Grains & Oilseeds	12,869	27,688	55,240	119,917	257,207	592,030	83,770
Potatoes	1	3	2	21 **	109	985	36
Fruits & Vegetables	28 **	86 **	151	457	1,288	4,863	377
Tobacco	7 **	1	5	54 **	158 **	x	41 **
Greenhouse & Nursery Products	4 **	x	5 **	18 **	53 **	x	18 *
Forage Crops (including seed)	263	523	955	1,877	4,150	7,554	1,335
Other Crops	-	x	38 **	101 *	708	2,074	134
Total Other Crops	302	618	1,156	2,528	6,466	16,350	1,941
Total Crop Revenues	13,172	28,307	56,397	122,446	263,673	608,380	85,711
Cattle & Semen	505	1,848	4,869	10,174	19,170	35,718	6,402
Swine	56 **	121 *	224	930	3,373	11,957	839
Poultry & Eggs	10 *	17 **	73 **	114 *	517 *	4,870	197
Dairy Products & Subsidies	1 *	15 **	19 **	180 *	1,087	7,288	295
Other Livestock & Products	25 **	47 *	99 *	180	771 *	2,197	189
Total Livestock & Product Revenues	597	2,048	5,285	11,578	24,918	62,030	7,923
Program Payments	1,352	2,827	5,433	10,186	17,482	32,843	6,728
Custom Work & Machine Rental	481	1,250	2,448	5,346	12,850	39,042	4,096
Rental Income	303	732	930	1,213	2,718	5,471	1,060
Forest & Maple Products	29 **	23 **	62 **	103 **	134 **	236 *	67 *
Miscellaneous Revenues	831	1,452	2,220	4,923	13,187	30,626	3,894
Total Other Revenues	1,643	3,457	5,660	11,585	28,890	75,376	9,116
Total Operating Revenues [1]	**16,764**	**36,639**	**72,774**	**155,795**	**334,963**	**778,629**	**109,478**
Expenses - Average per Farm ($)							
Fertilizer & Lime	1,706	3,601	8,367	19,270	43,881	93,386	13,247
Pesticides	862	2,025	4,743	11,288	26,526	61,867	7,896
Seed & Plants	648	1,341	2,691	5,718	14,196	37,204	4,362
Other Crop Expenses	29 *	57	109	176	402	774	135
Total Crop Expenses	3,245	7,025	15,910	36,451	85,005	193,231	25,639
Cattle Purchases	277	573	1,153	3,203	8,185	21,809	2,345
Swine Purchases	12 **	26 **	41 **	187	655	2,228	163
Poultry & Egg Purchases	5 **	3	x	21 *	92 *	716	33
Other Livestock Purchases	29 *	39 *	71 *	201	578	1,093	149
Feed, Supplements, Straw & Bedding	197	384	897	1,902	4,747	18,408	1,569
Vet Fees, Medicine & Breeding Fees	52	154	297	651	1,033	1,968	396
Other Livestock Expenses	-	-	x	4 *	39 *	201 *	8
Total Livestock Expenses	571	1,178	2,472	6,169	15,329	46,423	4,663
Small Tools	206	343	522	759	809	775	504
Net Fuel Expenses, Machinery, Truck, Auto	1,645	3,257	5,837	10,117	16,715	31,605	6,869
Repairs, Licenses and Insurance	1,740	3,568	6,503	12,130	20,360	39,450	8,061
Total Machinery Expenses	3,591	7,168	12,861	23,006	37,885	71,829	15,434
Salaries (including CPP, QPP, EI)	381	981	2,226	6,293	18,479	63,629	5,171
Rent	420	810	1,749	4,576	13,168	40,532	3,695
Insurance	392	703	1,258	2,845	7,103	19,484	2,198
Utilities	614	923	1,443	2,398	4,154	9,642	1,783
Custom Work & Machine Rental	1,158	2,289	4,345	8,347	18,326	41,042	6,105
Net Interest Expenses	1,035	2,115	4,440	9,220	17,862	37,686	6,176
Net Property Taxes	1,159	1,704	2,371	3,751	6,004	9,685	2,755
Building & Fence Repairs	460	698	1,131	2,066	3,839	8,576	1,501
Miscellaneous Expenses	1,487	2,920	5,931	12,730	23,168	42,192	8,166
Total General Expenses	7,107	13,144	24,895	52,227	112,104	272,469	37,550
Total Operating Expenses[1]	**14,514**	**28,515**	**56,139**	**117,854**	**250,322**	**583,953**	**83,286**
Net Operating Income - Average per Farm ($)							
Net Operating Income [2]	**2,250**	**8,123**	**16,635**	**37,941**	**84,641**	**194,676**	**26,192**
Operating Margins per $ of Revenue							
Operating Margin	0.13	0.22	0.23	0.24	0.25	0.25	0.24
Operating Margin (excluding interest)	0.20	0.28	0.29	0.30	0.31	0.30	0.30

1. Totals may not add up due to rounding and/or confidentiality restrictions.
2. Net operating income does not include depreciation.
** Use with caution.*
*** Unreliable.*
Source: Statistics Canada, Whole Farm Data Base.

Economic Overview of Farm Incomes, 1996 – Grain and Oilseed Farms

Table 4: Operating Revenues and Expenses by Province, 1996

	Newfoundland		Prince Edward Island		Nova Scotia		New Brunswick	
	1996	Change 1996/1995	1996	Change 1996/1995	1996	Change 1996/1995	1996	Change 1996/1995
Number of Farms	x	…	90	-	30 *	x	x	x
Revenues - Average per Farm ($)								
Total Grains & Oilseeds	x	…	x	x	55,030 *	x	x	x
Potatoes	x	…	x	x	-	x	x	x
Fruits & Vegetables	x	…	x	x	15,689 *	x	x	x
Tobacco	x	…	x	…	-	x	x	…
Greenhouse & Nursery Products	x	…	-	…	-	x	x	…
Forage Crops (including seed)	x	…	638 *	35.5	x	x	x	x
Other Crops	x	…	-	…	x	x	x	…
Total Other Crops	x	…	x	x	17,418 *	x	x	x
Total Crop Revenues	x	…	56,893	22.8	72,448 *	x	x	x
Cattle & Semen	x	…	1,892 **	26.8	x	x	x	x
Swine	x	…	x	x	-	x	x	…
Poultry & Eggs	x	…	x	x	x	x	x	x
Dairy Products & Subsidies	x	…	-	x	-	x	x	…
Other Livestock & Products	x	…	-	x	-	x	x	x
Total Livestock & Product Revenues	x	…	1,908 **	(28.0)	x	x	x	x
Program Payments	x	…	5,048	(36.7)	3,734 *	x	x	x
Custom Work & Machine Rental	x	…	4,975 *	(4.7)	x	x	x	x
Rental Income	x	…	x	x	x	x	x	x
Forest & Maple Products	x	…	x	x	-	x	x	x
Miscellaneous Revenues	x	…	1,440	(44.5)	139 *	x	x	x
Total Other Revenues	x	…	8,240	(22.7)	x	x	x	x
Total Operating Revenues [1]	**x**	**…**	**72,089**	**6.6**	**87,738 ***	**x**	**x**	**x**
Expenses - Average per Farm ($)								
Fertilizer & Lime	x	…	11,540	25.7	15,312 *	x	x	x
Pesticides	x	…	x	x	x	x	x	x
Seed & Plants	x	…	4,845	22.7	9,009 *	x	x	x
Other Crop Expenses	x	…	x	x	x	x	x	x
Total Crop Expenses	x	…	19,675	21.0	31,884 *	x	x	x
Cattle Purchases	x	…	207	(88.6)	x	x	x	x
Swine Purchases	x	…	-	x	-	x	x	…
Poultry & Egg Purchases	x	…	-	x	-	x	x	…
Other Livestock Purchases	x	…	-	…	-	x	x	…
Feed, Supplements, Straw & Bedding	x	…	410 *	(58.5)	x	x	x	x
Vet Fees, Medicine & Breeding Fees	x	…	250	(31.9)	x	x	x	x
Other Livestock Expenses	x	…	-	…	-	x	x	…
Total Livestock Expenses	x	…	867	(73.7)	x	x	x	x
Small Tools	x	…	170 *	53.2	546 *	x	x	x
Net Fuel Expenses, Machinery, Truck, Auto	x	…	4,441	(5.2)	3,862	x	x	x
Repairs, Licenses and Insurance	x	…	5,551	12.6	7,275	x	x	x
Total Machinery Expenses	x	…	10,163	4.5	x	x	x	x
Salaries (including CPP, QPP, EI)	x	…	7,739	14.7	11,000 *	x	x	x
Rent	x	…	3,556	(36.5)	4,444 **	x	x	x
Insurance	x	…	1,194	(33.3)	1,345 *	x	x	x
Utilities	x	…	1,090	2.6	1,202 *	x	x	x
Custom Work & Machine Rental	x	…	6,362	24.3	17,646 *	x	x	x
Net Interest Expenses	x	…	4,375 *	2.0	4,089 *	x	x	x
Net Property Taxes	x	…	992	(1.9)	711	x	x	x
Building & Fence Repairs	x	…	908	…	1,163 **	x	x	x
Miscellaneous Expenses	x	…	4,242	(18.8)	5,284	x	x	x
Total General Expenses	x	…	30,458	(2.5)	46,884 *	x	x	x
Total Operating Expenses[1]	**x**	**…**	**61,163**	**1.0**	**91,564**	**x**	**x**	**x**
Net Operating Income - Average per Farm ($)								
Net Operating Income [2]	**x**	**…**	**10,926**	**54.2**	**(3,827)**	**x**	**x**	**x**
Operating Margins per $ of Revenue								
Operating Margin	x		0.15		(0.04)		x	
Operating Margin (excluding interest)	x		0.21		--		x	

1. *Totals may not add up due to rounding and/or confidentiality restrictions.*
2. *Net operating income does not include depreciation.*

** Use with caution.*
*** Unreliable.*

Source: Statistics Canada, Whole Farm Data Base.

Table 4: Operating Revenues and Expenses by Province, 1996 (continued)

	Quebec		Ontario		Manitoba		Saskatchewan	
	1996	Change 1996/1995	1996	Change 1996/1995	1996	Change 1996/1995	1996	Change 1996/1995
Number of Farms	3,015	19.9	13,880	(1.1)	12,770	2.9	50,355	3.5
Revenues - Average per Farm ($)								
Total Grains & Oilseeds	110,942	24.9	77,438	6.3	101,095	15.6	76,808	21.0
Potatoes	-	x	28 **	x	177	7.9	13 **	30.0
Fruits & Vegetables	1,581 *	9.0	1,330	57.2	230	90.1	121	(7.6)
Tobacco	x	…	307 **	84.9	-	…	-	…
Greenhouse & Nursery Products	x	x	29 **	(37.0)	32 **	(28.9)	9 **	(47.1)
Forage Crops (including seed)	1,016	40.9	997	5.1	1,363	(13.0)	836	(12.1)
Other Crops	-	…	38 **	x	514	72.5	-	…
Total Other Crops	2,732	17.3	2,729	32.2	2,316	5.6	979	(11.7)
Total Crop Revenues	113,674	24.7	80,167	7.0	103,411	15.3	77,787	20.4
Cattle & Semen	2,270	9.0	3,355	(7.2)	7,021	3.5	5,762	9.6
Swine	2,262 *	…	1,417	(6.9)	1,607	3.7	420	7.7
Poultry & Eggs	431 **	7.5	481	33.2	340 *	(0.3)	59 **	(1.7)
Dairy Products & Subsidies	2,814	49.4	810	26.0	206 *	31.2	102 *	52.2
Other Livestock & Products	187 *	85.1	122	(27.8)	191	(46.3)	167	14.4
Total Livestock & Product Revenues	7,965	44.2	6,185	(2.0)	9,365	1.9	6,511	9.9
Program Payments	6,468	(53.6)	4,277	84.8	5,067	(41.9)	8,876	59.7
Custom Work & Machine Rental	10,745	12.2	6,466	4.6	3,395	29.3	3,346	16.4
Rental Income	1,156 *	8.0	1,005	(5.7)	531	(1.5)	698	11.3
Forest & Maple Products	688 *	19.9	77 **	79.1	80 **	53.8	18 **	63.6
Miscellaneous Revenues	1,995	(19.4)	2,316	7.9	4,060	(41.6)	4,197	(59.5)
Total Other Revenues	14,583	6.5	9,864	4.6	8,066	(20.7)	8,258	(40.5)
Total Operating Revenues [1]	**142,690**	**14.8**	**100,493**	**8.1**	**125,909**	**6.9**	**101,432**	**12.8**
Expenses - Average per Farm ($)								
Fertilizer & Lime	19,229	1.4	11,811	(1.8)	19,793	8.0	10,952	11.2
Pesticides	5,980	51.7	5,513	2.6	12,384	9.3	7,705	17.1
Seed & Plants	13,164	24.8	6,767	16.8	6,723	16.5	3,065	15.7
Other Crop Expenses	302 *	1.7	185	(31.5)	130	(11.0)	89	29.0
Total Crop Expenses	38,674	14.6	24,277	3.5	39,031	9.7	21,810	13.9
Cattle Purchases	765	(39.7)	1,326	(32.4)	2,160	(14.5)	1,846	(2.5)
Swine Purchases	234 *	67.1	253	(29.3)	424	(17.5)	85	14.9
Poultry & Egg Purchases	x	x	75 *	25.0	42 *	(26.3)	8 *	-
Other Livestock Purchases	x	x	80	(10.1)	97 *	(34.0)	198	1.0
Feed, Supplements, Straw & Bedding	2,822	37.5	1,979	21.3	1,608	14.9	997	22.6
Vet Fees, Medicine & Breeding Fees	349	43.0	255	14.3	427	6.2	371	13.8
Other Livestock Expenses	47 *	(6.0)	5 *	(78.3)	7	(56.3)	7 *	(70.8)
Total Livestock Expenses	4,322	13.1	3,974	(8.6)	4,766	(5.8)	3,511	5.2
Small Tools	217	…	389	33.2	465	24.3	530	22.7
Net Fuel Expenses, Machinery, Truck, Auto	5,719	9.0	4,771	11.2	8,153	9.2	7,270	5.6
Repairs, Licenses and Insurance	10,137	15.5	6,407	5.6	8,869	11.7	7,799	9.8
Total Machinery Expenses	16,073	13.8	11,567	8.6	17,488	10.9	15,599	8.2
Salaries (including CPP, QPP, EI)	7,361	15.5	5,397	24.1	5,879	11.5	4,407	14.5
Rent	4,427	0.2	5,951	5.7	5,444	3.1	2,669	4.9
Insurance	3,847	(14.7)	1,970	(12.6)	2,519	(16.4)	2,160	26.0
Utilities	3,460	20.7	2,111	10.4	1,937	13.6	1,600	12.6
Custom Work & Machine Rental	10,399	33.7	5,813	8.0	6,227	30.2	5,860	35.7
Net Interest Expenses	11,890	4.5	6,017	(5.2)	6,614	1.0	5,397	4.0
Net Property Taxes	2,794	20.1	2,888	10.7	2,730	9.6	3,100	8.3
Building & Fence Repairs	3,212	20.1	1,861	34.3	1,512	27.6	1,178	35.6
Miscellaneous Expenses	6,377	2.6	5,214	13.8	9,887	25.5	9,159	96.0
Total General Expenses	53,767	10.8	37,222	8.0	42,750	12.0	35,531	29.5
Total Operating Expenses[1]	**112,837**	**12.6**	**77,039**	**5.7**	**104,035**	**10.0**	**76,451**	**18.8**
Net Operating Income - Average per Farm ($)								
Net Operating Income [2]	**29,853**	**23.8**	**23,454**	**16.8**	**21,875**	**(5.6)**	**24,981**	**(2.5)**
Operating Margins per $ of Revenue								
Operating Margin	0.21		0.23		0.17		0.25	
Operating Margin (excluding interest)	0.29		0.29		0.23		0.30	

1. *Totals may not add up due to rounding and/or confidentiality restrictions.*
2. *Net operating income does not include depreciation.*

** Use with caution.*
*** Unreliable.*

Source: Statistics Canada, Whole Farm Data Base.

Table 4: Operating Revenues and Expenses by Province, 1996 (concluded)

	Alberta		British Columbia		Canada	
	1996	Change 1996/1995	1996	Change 1996/1995	1996	Change 1996/1995
Number of Farms	24,605	8.8	960	20.8	105,730	4.5
Revenues - Average per Farm ($)						
Total Grains & Oilseeds	90,193	19.9	65,119	2.4	83,770	18.1
Potatoes	x	x	-	…	36	(2.7)
Fruits & Vegetables	270	40.6	422 **	(9.4)	377	35.1
Tobacco	x	x	-	x	41 **	78.3
Greenhouse & Nursery Products	10 **	(58.3)	x	x	18 *	(35.7)
Forage Crops (including seed)	2,472	4.3	3,962	57.4	1,335	(1.1)
Other Crops	287	(4.3)	x	…	134	24.1
Total Other Crops	3,042	4.4	4,391	46.5	1,941	6.4
Total Crop Revenues	93,235	19.3	69,510	4.4	85,711	17.8
Cattle & Semen	9,782	6.1	2,878	42.0	6,402	6.9
Swine	835	3.6	x	x	839	5.3
Poultry & Eggs	224	25.8	11 **	(31.3)	197	15.2
Dairy Products & Subsidies	141	(16.1)	x	x	295	30.5
Other Livestock & Products	278	(3.1)	99 **	…	189	(7.8)
Total Livestock & Product Revenues	11,259	5.7	3,243	41.6	7,923	7.2
Program Payments	4,729	(1.6)	3,968	93.1	6,728	22.1
Custom Work & Machine Rental	3,801	(6.1)	4,982	(3.3)	4,096	9.1
Rental Income	2,080	2.7	x	x	1,060	5.5
Forest & Maple Products	66 **	(7.0)	x	x	67 *	24.1
Miscellaneous Revenues	4,400	(36.1)	2,025	(41.8)	3,894	(49.9)
Total Other Revenues	10,347	(20.6)	8,646	(12.2)	9,116	(27.5)
Total Operating Revenues [1]	**119,570**	**12.1**	**85,367**	**5.7**	**109,478**	**11.4**
Expenses - Average per Farm ($)						
Fertilizer & Lime	14,744	5.0	10,474	(6.0)	13,247	7.1
Pesticides	7,665	17.5	5,246	(7.7)	7,896	14.4
Seed & Plants	3,407	13.9	2,814	8.2	4,362	16.5
Other Crop Expenses	181	(10.8)	104 *	(12.6)	135	(5.6)
Total Crop Expenses	25,998	9.4	18,639	(4.6)	25,639	10.7
Cattle Purchases	4,301	0.6	871	(45.3)	2,345	(6.0)
Swine Purchases	135	(4.3)	x	…	163	(11.4)
Poultry & Egg Purchases	53	…	x	x	33	32.0
Other Livestock Purchases	127	(28.2)	86 **	(60.0)	149	(10.2)
Feed, Supplements, Straw & Bedding	2,373	40.8	704 *	(17.0)	1,569	28.2
Vet Fees, Medicine & Breeding Fees	526	4.2	216 *	43.0	396	10.6
Other Livestock Expenses	10 **	(58.3)	-	x	8	(65.2)
Total Livestock Expenses	7,525	10.2	1,883	(33.2)	4,663	4.2
Small Tools	582	13.7	283	10.1	504	22.0
Net Fuel Expenses, Machinery, Truck, Auto	6,809	5.1	4,629	0.4	6,869	6.6
Repairs, Licenses and Insurance	8,920	11.4	6,780	7.7	8,061	10.5
Total Machinery Expenses	16,311	8.8	11,691	4.7	15,434	9.1
Salaries (including CPP, QPP, EI)	5,930	10.8	5,803	(0.5)	5,171	14.4
Rent	3,552	10.0	3,016	27.4	3,695	5.3
Insurance	2,079	(18.1)	1,220	(20.5)	2,198	(0.1)
Utilities	1,728	4.8	822	(3.5)	1,783	11.0
Custom Work & Machine Rental	6,154	25.2	6,521	10.3	6,105	28.4
Net Interest Expenses	7,048	3.3	3,539	(14.6)	6,176	2.5
Net Property Taxes	2,040	(1.9)	1,545	15.3	2,755	6.9
Building & Fence Repairs	1,763	21.1	1,041	(1.0)	1,501	29.7
Miscellaneous Expenses	7,275	24.6	4,852	18.0	8,166	52.6
Total General Expenses	37,568	10.9	28,359	4.5	37,550	18.4
Total Operating Expenses[1]	**87,402**	**10.0**	**60,572**	**(0.2)**	**83,286**	**13.3**
Net Operating Income - Average per Farm ($)						
Net Operating Income [2]	**32,168**	**18.3**	**24,795**	**23.3**	**26,192**	**5.7**
Operating Margins per $ of Revenue						
Operating Margin	0.27		0.29		0.24	
Operating Margin (excluding interest)	0.33		0.33		0.30	

1. Totals may not add up due to rounding and/or confidentiality restrictions.
2. Net operating income does not include depreciation.
** Use with caution.*
*** Unreliable.*
Source: Statistics Canada, Whole Farm Data Base.

Table 5: Farms with Sales of Grains and Oilseeds by Degree of Specialization and Revenue Class, 1995 and 1996

Revenue Class		Degree of Specialization[1]						
		Below 25.0%	25.0% to 50.9%	51.0% to 74.9%	75.0% to 89.9%	90.0% to 99.9%	100.0%	Total
		Number of Farms						
		Not Specialized		Specialized "Grain and Oilseed Farms"				
$10,000 to $24,999	1996	3,580	2,740	2,695	2,190	1,930	16,130	29,255
	1995	3,545	3,010	2,855	2,395	1,780	15,375	28,960
$25,000 to $49,999	1996	4,090	3,275	3,305	2,720	2,510	12,855	28,750
	1995	4,545	3,710	4,045	2,685	2,905	12,760	30,650
$50,000 to $99,999	1996	4,900	3,555	4,280	4,325	4,155	11,725	32,935
	1995	5,275	4,160	4,710	3,865	3,630	11,665	33,315
$100,000 to $249,999	1996	9,585	3,785	4,695	5,285	5,510	11,125	39,995
	1995	10,370	4,535	5,225	4,525	4,705	10,395	39,760
$250,000 to $499,999	1996	4,715	1,500	1,500	1,365	1,970	3,135	14,195
	1995	4,835	1,690	1,250	1,040	1,330	2,495	12,650
$500,000 and over	1996	2,575	810	470	310	640	900	5,695
	1995	2,305	730	335	205	365	605	4,550
Total[2]	1996	29,445	15,670	16,945	16,200	16,705	55,880	150,835
	1995	30,885	17,845	18,425	14,715	14,715	53,300	149,875
Distribution by degree of specialization (%)	1996	19.5	10.4	11.2	10.7	11.1	37.0	100.0
	1995	20.6	11.9	12.3	9.8	9.8	35.6	100.0

1. *Percent of total sales derived from grains and oilseeds.*
2. *Totals may not add up due to rounding and/or confidentiality restrictions.*

Source: Statistics Canada, Whole Farm Data Base.

Table 6: Physical Characteristics, Grain and Oilseed Farms, Canada, 1994–1996

	1996							1995	1994
	$10,000 to $24,999	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 and over	All Classes	All Classes	All Classes
	Average per Farm (Acres)								
Total Area of Farms	396	567	905	1,418	2,123	3,286	1,058	1,064	1,026
Total Crops	250	360	585	976	1,640	2,745	735	732	704
Grains and Oilseeds	215	322	531	882	1,479	2,407	660	644	619
Wheat	103	168	290	472	742	1,157	345	309	288
Oats	17	24	31	46	68	79	36	23	26
Barley	43	55	81	140	242	369	106	89	76
Grain Corn	5	6	10	17	48	152	17	15	14
Canola	25	40	74	139	259	432	101	147	155
Soybeans	9	11	13	18	41	104	18	16	16
Flaxseed	7 *	9	13	24	41	54	18	25	21
Other Grains and Oilseeds	6 *	9	19	26	37	60	19	19	23
Dry Field Peas and Beans	6 *	9	17	37	90	199	29	38	34
Other Crops	29	29	37	57	71	139	45	50	51
Summerfallow	62	106	164	208	197	237	153	177	170
Other Land[1]	85	101	156	234	286	304	170	154	152
	Average per Farm Reporting								
Cattle and Calves (Head)	73 *	70	93	119	184	271	106	99	89
No. of Farms Reporting	3,515	4,850	8,990	10,065	2,110	640 *	30,165	27,750	24,690
% of Farms Reporting	29.4	32.1	43.9	46.6	34.3	38.7	39.2	36.5	31.0
Hogs (Head)	71 **	70 *	158 **	161	341	1,015	201	206	211
No. of Farms Reporting	330 **	440 *	870 *	705	350 *	145	2,840	3,760	3,355
% of Farms Reporting	2.8	2.9	4.2	3.3	5.7	8.8	3.7	4.9	4.2

1. *Includes seeded pasture.*

Source: Statistics Canada, Whole Farm Data Base, June Crops and July Livestock Surveys.

** Use with caution.*
*** Unreliable.*

ECONOMIC OVERVIEW OF FARM INCOMES

BULLETIN SERIES

CURRENT RELEASES

Bulletin No. 1: All Farms

Bulletin No. 2: Grain and Oilseed Farms

UPCOMING RELEASES

Bulletin No. 3: Cattle Farms

Bulletin No. 4: Dairy Farms

Bulletin No. 5: Hog Farms

Bulletin No. 6: Fruit and Vegetable Farms

Bulletin No. 7: Poultry and Egg Farms

Bulletin No. 8: Greenhouse and Nursery Farms

Bulletin No. 9: Potato Farms

Bulletin No. 10: Sources of Income for Farm Operators

Bulletin No. 11: Farm Family Income

NOTE OF APPRECIATION

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