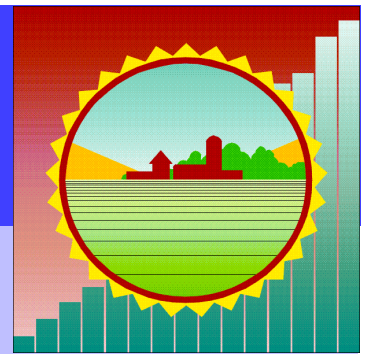


ECONOMIC OVERVIEW OF FARM INCOMES

All Farms



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INTRODUCTION

All Farms is the first in the 1997/98 taxation data bulletin series, *Economic Overview of Farm Incomes*, a joint publication of Agriculture and Agri-Food Canada (AAFC) and Statistics Canada (STC). The objective of these bulletins is to provide a detailed analysis of farm structure and financial performance of farms and farm operators, by revenue class and by province.

Information is provided on farm structure including the distribution of farms, concentration of production, degree of specialization and the physical characteristics of farms producing specific agricultural commodities. Detailed financial information is provided on farm-level revenues, expenses and net operating income in 1998, before depreciation, as well as total operator income.¹ To classify a farm by farm type, 51% or more of its agricultural sales must come from one of the major commodities or commodity groupings.²

Most of the analysis in these bulletins is based on data derived from STC's *Taxation Data Program* (TDP). Group averages, not individual records, are provided by STC to AAFC, and are subject to confidentiality restrictions prior to their release. The TDP estimates presented in these bulletins are derived from a random sample of income tax returns from three sources:

- individuals operating unincorporated farms with operating revenues of \$10,000 and over
- incorporated farms with sales 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

The bulletins also include information from the *June Crops Survey* (JCS) and the *July Livestock Survey* (JLS).³

The 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 the Canada Customs and Revenue Agency, 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; in this case, 1998 data were collected in 1999. STC then undertakes extensive verification and confidentiality procedures before releasing the data a year later. The 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.

1. The 1997 data are available upon request.

2. Refer to the glossary for a description of the major farm types.

3. For discussion of the methodology for these data sources, refer to the Methodology section.



Economic Overview of Farm Incomes – All Farms

The series has eight bulletins:

- **Bulletin 1: All farms**
- Bulletin 2: Grain and oilseed farms
- Bulletin 3: Cattle farms
- Bulletin 4: Dairy farms
- Bulletin 5: Hog farms
- Bulletin 6: Poultry and egg farms
- Bulletin 7: Horticultural farms
 - Fruit and vegetable farms
 - Greenhouse and nursery farms
 - Potato farms
- Bulletin 8: Farm families

POLICY ENVIRONMENT

Extensive policy changes occurred in the 1990s. The focus of government support for spending in the agriculture sector shifted from commodity-based support to “whole farm” income stabilization, consistent with the World Trade Organization (WTO) principles.

In 1990, the *Farm Income Protection Act* was introduced to provide a general safety net framework for income stabilization programs. The objectives of the “whole farm” approach were market neutrality, equity among commodities and regions, social and economic well-being, environmental sustainability, and consistency with international obligations. There are four major elements under this safety net framework:

- crop insurance
- Gross Revenue Insurance Program (GRIP) which was later abandoned
- Net Income Stabilization Account (NISA)
- provincial-specific companion programs

Government programs that did not meet the objectives were terminated, including the *Western Grain Stabilization Act* (WGSA) and the *Agricultural Stabilization Act* (ASA).

In 1994, the WTO Agreement on Agriculture defined non-trade-distorting “green” programs and imposed rules on the agricultural subsidies that were trade-distorting. The federal government was required to eliminate programs that distorted trade within a set time frame (15 years) and to establish programs that were compatible with the WTO agreement or face disciplinary action.

As a result of this WTO agreement, the *Western Grain Transportation Act* (WGTA) subsidy was eliminated in 1995. The federal government paid \$1.6 billion to landowners, and established a \$300 million fund to facilitate adjustment to the new

safety net framework.⁴ In conjunction with the elimination of the WGTA subsidy, the Feed Freight Assistance Program was also terminated.

In the dairy and poultry sectors, the federal government introduced changes to the supply management system to make it compatible with the WTO agreement. Equivalent tariff protection replaced import quotas. Market access under tariff protection was limited to 5.0%–8.5% of the total domestic demand, depending on the product.

Three changes were introduced to the dairy and poultry sectors that improved industry responsiveness to changing consumer demand:

- the introduction of special milk classes and a “pooling agreement”
- a phase out of the dairy subsidy
- the implementation of national quotas on broilers

The federal government introduced the Agricultural Income Disaster Assistance (AIDA) Program in 1998. However, this program was criticized as being overly restrictive and too complex, resulting in minimal payments. A number of changes were made to AIDA in 1999 to assist better the farmers in need.

In 2000, the federal government replaced AIDA with the Canadian Farm Income Program (CFIP).

Size categories

In this bulletin series, revenue class defines farm size:

Size category	Revenue class
Small	\$10,000 to \$24,999
	\$25,000 to \$49,999
Medium	\$50,000 to \$99,999
Commercial	\$100,000 and over
Large	\$100,000 to \$249,999
	\$250,000 to \$499,999
Very Large	\$500,000 and over

4. These figures are from internal calculations by AAFC. The \$1.6 billion capital payment was non-taxable.

Economic Overview of Farm Incomes – All Farms

FARM STRUCTURE

Distribution of Farms

The trend toward more commercial size farms levelled off in 1998.

The total number of farms in Canada has remained relatively steady, declining 0.5% between 1990 and 1998. In 1998, there were 230,230 farms with revenues of \$10,000 and over.

By Revenue Class

The agriculture sector underwent major structural adjustments in the early to mid-1990s (Figure 1). Between 1990 and 1998, the number of small and medium farms combined declined 11.1% while commercial farms increased 25.9%—with very large farms doubling in number, and large farms increasing by 19.6%.

In 1998, slightly less than half the farms were small but one third of farms in Canada were commercial size (Table 1):

Revenue class	Number of farms	Percentage
Small	101,475 farms	44.1%
Medium	45,140 farms	19.6%
Commercial	83,615 farms	36.3%

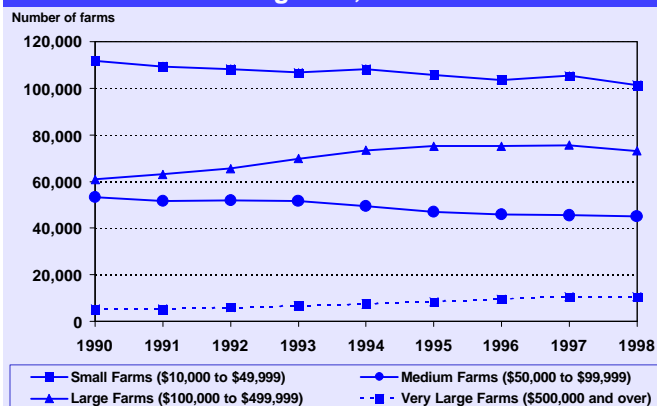
The growth in commercial size farms in the 1990s follows the long-term trend toward larger farms in Canada. It also shows how prices and marketings influence farm size. Between 1990 and 1997, the farm cash receipts⁵ (sales) increased for the major grains and oilseeds—wheat, corn, canola, soybeans and barley—as well as cattle and hogs (Figures 2 and 3). Higher sales pushed farms into larger size categories. Between 1990 and 1998, 11.6% of small and medium-sized farms shifted into the commercial size category.⁶ In 1998, the growth in commercial size farms levelled off. Farm cash receipts from wheat, barley and hogs dropped significantly causing farm numbers to decline slightly in all revenue classes.

Revenue class	% change 1997 to 1998	% change 1990 to 1998	absolute change 1990 to 1998
All Farms	-2.9	-0.5	-1,150
Small Farms	-3.6	-9.1	-10,140
Medium Farms	-0.8	-15.4	-8,210
Large Farms (Commercial)	-3.4	+19.6	+11,950
Very Large Farms (Commercial)	-1.6	+97.0	+5,250

5. Farm cash receipts represent the cash income received from the sale of agricultural commodities to other sectors of the economy and interfarm sales outside the province. Interfarm sales within a province are excluded. Farm cash receipts are estimated on a cash basis and represent the value of sales when they occur. All agricultural holdings with annual sales of agricultural products of at least \$250 are included.

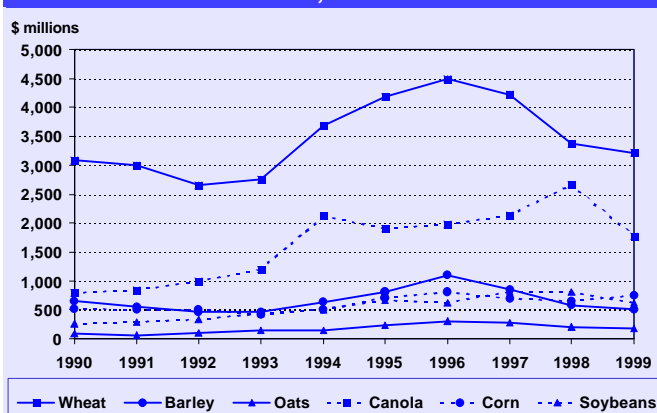
6. These figures are derived from the TDP longitudinal data series, Statistics Canada. Between 1997 and 1998, 3.4% of these farms shifted into the commercial size category.

Figure 1: Number of Farms in Canada in the Various Size Categories, 1990 to 1998



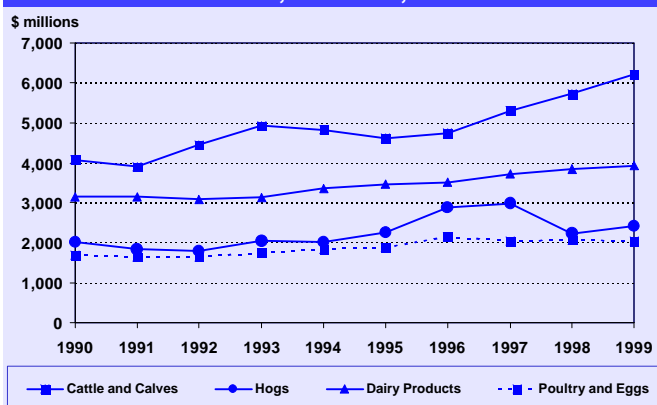
*Data prior to 1993 exclude communal farming operations.
Source: Statistics Canada, Whole Farm Data Base.

Figure 2: Farm Cash Receipts for Major Crops* in Canada, 1990 to 1999



*Farm gate prices are on a calendar year basis.
Source: Statistics Canada, Farm Cash Receipts Unit Data Base.

Figure 3: Farm Cash Receipts for Major Livestock and Products,* Canada, 1990 to 1999



*Farm gate prices are on a calendar year basis.
Source: Statistics Canada, Farm Cash Receipts Unit Data Base.

Economic Overview of Farm Incomes – All Farms

By Farm Type

The majority of farms in Canada are specialized in either grains and oilseeds, or cattle (Table 2). In 1998, these two farm types accounted for almost 70% of farms in Canada while the other farm types accounted for the remaining 30%:

Grain and Oilseed	95,495 farms	41.5%
Cattle	63,395 farms	27.5%
Dairy	20,255 farms	8.8%
Horticulture	13,070 farms	5.7%
Hog	7,175 farms	3.1%
Poultry and Egg	4,210 farms	1.8%
Other Farm Types ¹	26,625 farms	11.6%

1. Other farm types include tobacco farms, livestock combination farms and farms not specialized in any of the major products.

Although the overall number of farms in Canada has remained relatively steady between 1990 and 1998, this trend is not evident for every farm type analyzed. The fruit and vegetable, greenhouse and nursery, and cattle sectors expanded over this period. Dairy farms and hog farms declined in number because restructuring in these two sectors resulted in fewer but larger farms.⁷

By Province

Of the 230,230 farms in Canada, most were located in Saskatchewan, Alberta and Ontario:

Saskatchewan	59,185 farms	25.7%
Alberta	54,440 farms	23.6%
Ontario	49,535 farms	21.5%
Quebec	28,355 farms	12.3%
Manitoba	22,110 farms	9.6%
British Columbia	10,560 farms	4.6%
Atlantic provinces	6,045 farms	2.6%

All provinces reported a decline in the total number of farms between 1990 and 1998, with the exception of three provinces: Nova Scotia, Alberta and British Columbia.⁸ Alberta and British Columbia reported a large increase in the total number of farms (in absolute values). In Alberta, the increase was mainly attributed to cattle farms and other farm types and in British Columbia, the rise was largely due to other farm types.

7. Refer to the upcoming *Economic Overview of Farm Incomes* bulletins for an analysis of each farm type.
8. Total number of farms with revenues of \$10,000 and over.

Concentration of Production

Production tends to be concentrated on a few very large farms. This concentration is particularly true for greenhouse and nursery farms, potato farms, and poultry and egg farms. Production on dairy farms and grain and oilseed farms is more heavily concentrated on large farms.

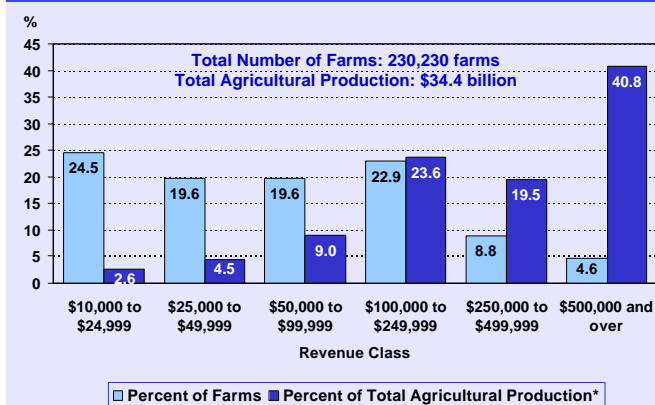
The agricultural economy of Saskatchewan is most vulnerable to economic downturns in its primary agricultural sector. It has a very high share of farm production clustered around one commodity group.

Agriculture represents an important segment of the Canadian economy. Of farms in Canada with revenues of \$10,000 and over, total agricultural production (total operating revenues excluding program payments) was \$34.4 billion in 1998. This total is the same as that reported in 1997 but 54.8% higher than the \$22.2 billion reported in 1990.

By Revenue Class

The term “concentration of production” refers to the contribution of farms to total agricultural production (total operating revenues excluding program payments). Production has become increasingly concentrated on commercial farms with revenues of \$250,000 and over, particularly on very large farms. The share of total production by very large farms increased substantially between 1990 and 1998, from 23.2% to 40.8% of total production (Figure 4). This increase is in sharp contrast to the declining share of production provided by farms with revenues of less than \$250,000, a decline from almost 60% to 40% of total production.⁹

Figure 4: Concentration of Production, All Farms in Canada, by Revenue Class, 1998



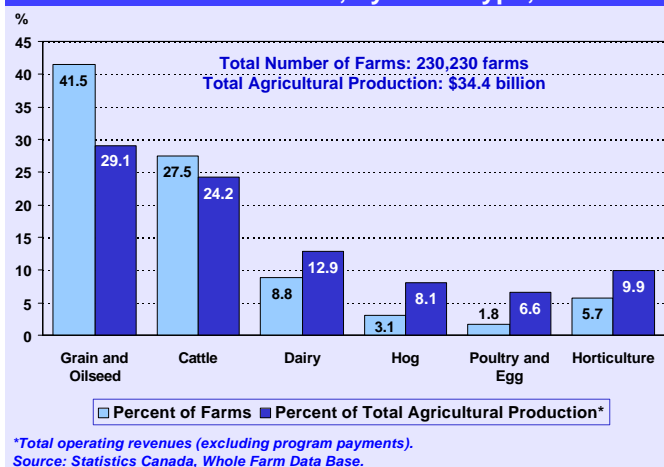
9. The share of production provided by farms with revenues of \$250,000 to \$499,999 increased slightly between 1990 and 1998, from 18.5% to 19.5% of total production.

Economic Overview of Farm Incomes – All Farms

By Farm Type

Two farm types accounted for about half the agricultural production between 1990 and 1998—grain and oilseed farms and cattle farms. In 1998, grain and oilseed farms accounted for almost one third (29.1%) of total agricultural production by farms with revenues of \$10,000 and over. Cattle farms accounted for about one quarter of agricultural production (24.2%). Dairy production declined over this period, dropping six percentage points to 12.9% of total production in 1998 (Figure 5).

Figure 5: Concentration of Production, All Farms in Canada, by Farm Type, 1998



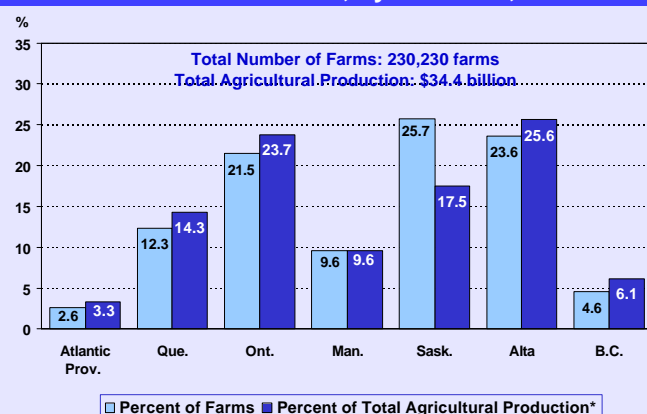
For most of the farm types analyzed, production is concentrated on very large farms, in particular greenhouse and nursery farms, potato farms, and poultry and egg farms. In 1998, these very large farms produced close to 75% of agricultural production for these farm types (77.7%, 73.7% and 73.5% respectively for greenhouse and nursery farms, potato farms, and poultry and egg farms) (Table 2). Conversely, production on grain and oilseed farms and dairy farms was much less concentrated on very large farms. In 1998, very large dairy farms, and grain and oilseed farms produced less than 25% of the total agricultural production for these farm types (21.8% and 16.0% respectively).

By Province

Although Saskatchewan had the most farms with revenues of \$10,000 and over, it ranked third in total agricultural production. Alberta and Ontario came second and third in number of farms but ranked first and second in total agricultural production (Figure 6).

Unlike the national trend, agricultural production in Saskatchewan is concentrated on large farms rather than very large farms (Table 1). Saskatchewan has a large number of grain and oilseed farms where production tends to be concentrated on large farms.

Figure 6: Concentration of Production, All Farms in Canada, by Province, 1998



Provinces with a high concentration on one or two farm types are more susceptible to adverse market conditions affecting their agricultural sectors. When production (total operating revenues excluding program payments) declines drastically due to decreases in prices and/or marketings of major commodities or commodity groups, total agricultural production in the province is reduced. Saskatchewan and Alberta have the highest share of production clustered around one or two farm types. In 1998, grain and oilseed farms in Saskatchewan made up 75.8% of farms and produced 72.3% of total agricultural production in the province. In Alberta, production is clustered around cattle farms and grain and oilseed farms. In 1998, cattle farms made up 44.1% of farms and grain and oilseed farms represented 37.7%. These farms produced 51.6% and 26.3% respectively of agricultural production.

Degree of Specialization

Most farm types are highly specialized, especially greenhouse and nursery farms and fruit and vegetable farms.

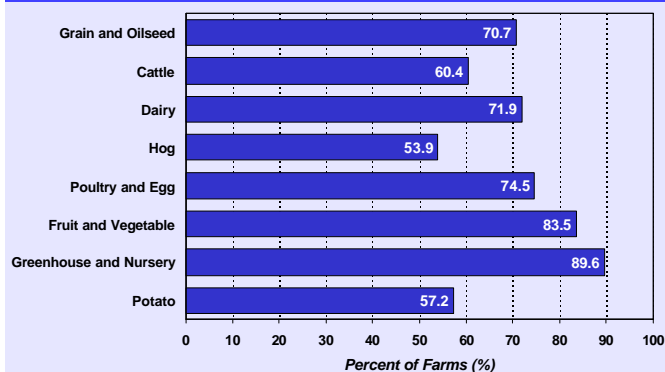
The degree of specialization measures how much a farm's sales are derived from any one particular commodity. The degree of specialization influences a farm's ability to respond to changing market conditions and prices. Increased specialization increases the cost efficiency in producing that commodity. However, the more specialized a farm is, the more vulnerable it is to declines in prices and marketings.

A farm is considered "highly specialized" when 90% or more of its agricultural sales are derived from one commodity or commodity group. In 1998, 67.8% of farms were highly specialized in one of the main commodity or commodity groups analyzed in this bulletin series. About 90% of greenhouse and nursery farms (89.6%), and almost 85% of fruit and vegetable farms

Economic Overview of Farm Incomes – All Farms

(83.5%) are highly specialized. A much smaller share of hog farms (53.9%) and potato farms (57.2%) are highly specialized (Figure 7).

Figure 7: Highly Specialized Farms, by Commodity Group, 1998



Source: Statistics Canada, Whole Farm Data Base.

Physical Characteristics

The average total farm area levelled off in 1998. Crops other than grains and oilseeds are becoming more important to producers. Hog and cattle inventories are rising.

Relative prices and returns to the respective commodities determine, in part, the allocation of land to crops versus livestock. Between 1990 and 1998, the average farm increased 6.4% to 752 acres, though it remained relatively unchanged (-0.7%) in 1998 compared with 1997.

Over the period 1990 to 1998, the average area devoted to crops increased 21.6% to 434 acres per farm, of which 332 acres were in grain and oilseed production, an increase of 16.5%. On average, 101 acres were devoted to other crops, up 38.4%. Between 1997 and 1998, both the average area of crops and area devoted to grain and oilseed production declined, while the area devoted to other crops increased.

Both hog and cattle inventories increased substantially between 1990 and 1998. The average number of hogs increased 41.0% to 55 hogs per farm (up slightly from 1997). During the same period, the average number of cattle and calves per farm increased 37.0% to 74 head per farm.¹⁰

10. Cattle numbers dropped slightly between 1997 and 1998, reflecting the decline in the total inventory number of cattle and calves.

FINANCIAL SITUATION

Revenues and expenses reflect both the production mix and the effect of relative prices on input costs and agricultural sales.

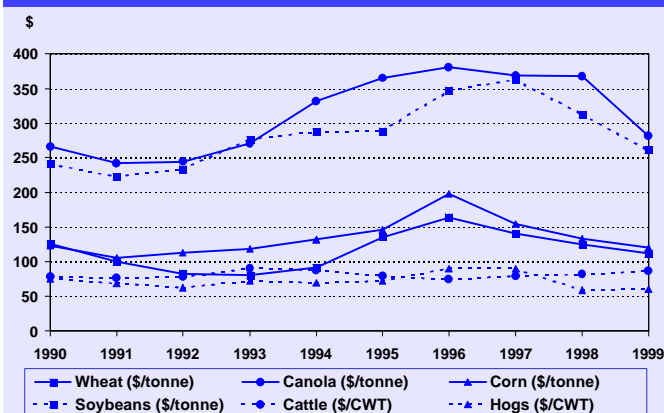
Revenues

In spite of slumping commodity prices, increased marketings for some of the major commodities pushed average total revenues up 3.0% between 1997 and 1998.

Between 1990 and 1998, average total operating revenues rose 50.0%. This rise was due in part to the continued increase in farm size but also due to improved prices and/or marketings of some agricultural commodities. Higher revenues from crops (+76.7%) and livestock (+40.2%) contributed most to this increase. As expected during a period of increasing revenues, program payments dropped 29.3%.¹¹

Prices for a number of major commodities peaked in either 1996 or 1997, falling afterward as world stocks increased (Figure 8). By 1998, some commodity prices had declined significantly from their peak, namely swine (-33.9%), corn (-32.7%), wheat (-24.4%), and soybeans (-13.8%).¹²

Figure 8: Major Commodity Prices* in Canada, 1990 to 1999



*Farm gate prices are on a calendar year basis.
Source: Statistics Canada, Farm Cash Receipts Unit Data Base.

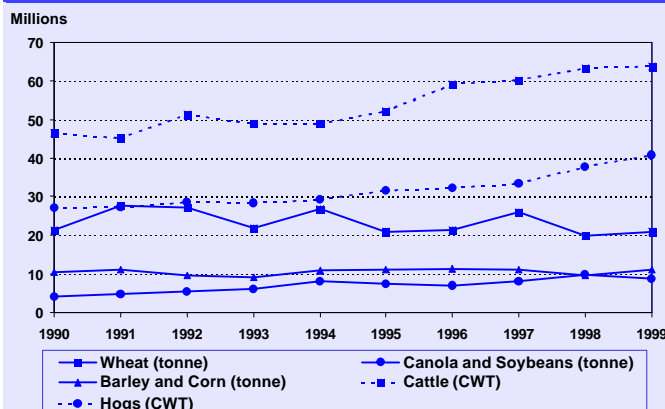
In spite of slumping commodity prices, increased marketings pushed average total revenues up 3.0% to \$153,962 between 1997 and 1998 (Figure 9). Average program payments went up slightly (+4.8%). It's important to note that program payments do not include the government portion of NISA withdrawals for unincorporated farms.

11. Average program payments reached a high point in 1992 when each farm received \$8,401 on average. This amount does not include dairy subsidies and NISA withdrawals for unincorporated farms.

12. By 1999, prices dipped further for soybeans (-16.4%), wheat (-10.4%) and corn (-10.4%). Canola prices dropped 2.9% between 1996 and 1997, 0.5% between 1997 and 1998, and 23.6% between 1998 and 1999.

Economic Overview of Farm Incomes – All Farms

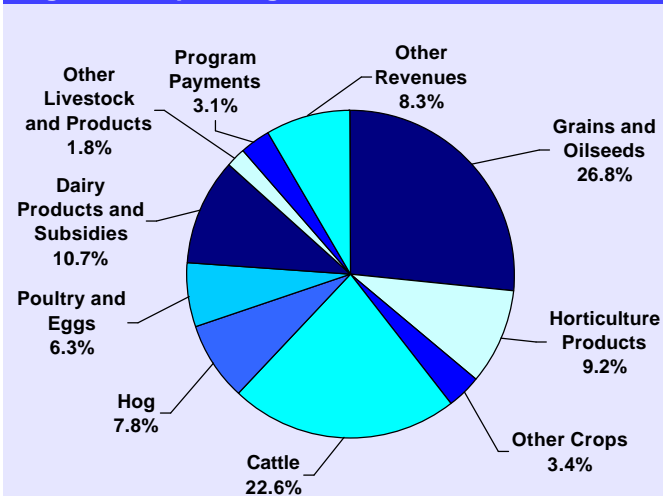
Figure 9: Marketings of Major Commodities in Canada, 1990 to 1999



*Quantities are on a calendar year basis.
Source: Statistics Canada, Farm Cash Receipts Unit Data Base.

The most important sources of revenue were grain and oilseed sales and cattle sales. In 1998, grain and oilseed sales accounted for 26.8% of total revenues and cattle sales accounted for 22.6% (Figure 10).

Figure 10: Operating Revenues for All Farms, 1998



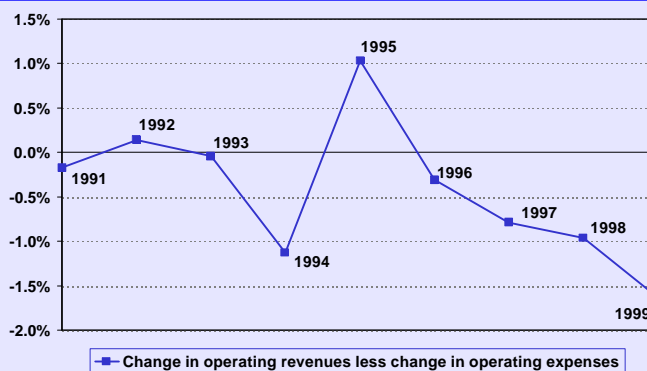
Source: Statistics Canada, Whole Farm Data Base.

Expenses

Increases in average operating expenses outpaced increases in average operating revenues.

Increases in average total operating expenses outpaced increases in average total operating revenues throughout most of the 1990s (Figure 11). Revenue increases exceeded expense increases only in 1992 and 1995. Between 1990 and 1998, average total operating expenses increased 53.3%, compared to an increase of 50.0% in average total operating revenues. Higher crop expenses (+92.9%), livestock expenses (+63.3%) and general expenses (+43.2%) contributed most to this increase.¹³ Expenses for seed and plants, and pesticides more than doubled over the period, and those for fertilizer went up about 75%.

Figure 11: Percent Change in Average Operating Revenues Compared to Average Operating Expenses, Canada, 1990 to 1999



Source: Statistics Canada, Whole Farm Data Base.

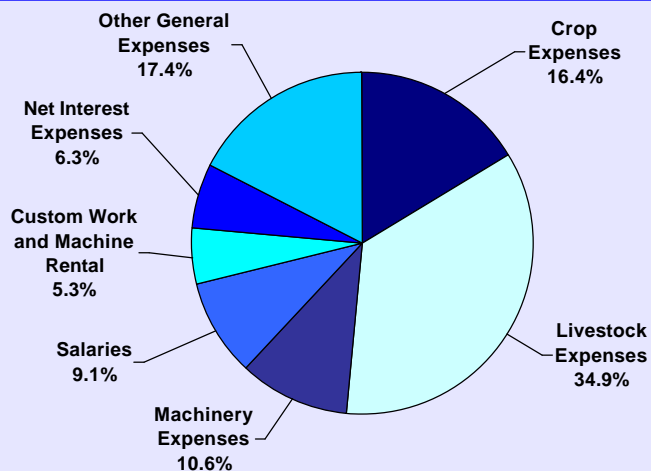
Between 1997 and 1998, average operating expenses rose 3.9% to \$130,384. This rise was mainly the result of increases in total crop expenses (+7.5%) and general expenses (+5.6%). Crop production expenses, such as seed and plants (+12.8%), fertilizer (+5.5%) and pesticides (+4.1%), were higher due to the increased demand for these inputs.

General expenses have been the most significant expense item for farm operations, followed by livestock and crop expenses. In 1998, general expenses accounted for 38.1% of total general expenses (Figure 12).

¹³ *Livestock expenses* include livestock purchases (cattle, swine, poultry and eggs, and other livestock) as well as feed and bedding, veterinarian and breeding expenses, and other livestock expenses. *Crop expenses* include fertilizer and lime, pesticides, seed and plants, and other crop expenses. *Machinery expenses* include small tools, net fuel expenses and repairs, licenses and insurance. *General expenses* include salaries, rent, insurance, utilities, custom work and machine rental, net interest expenses, net property taxes, building and fence repairs, marketing expenses and miscellaneous expenses.

Economic Overview of Farm Incomes – All Farms

Figure 12: Operating Expenses for All Farms, 1998



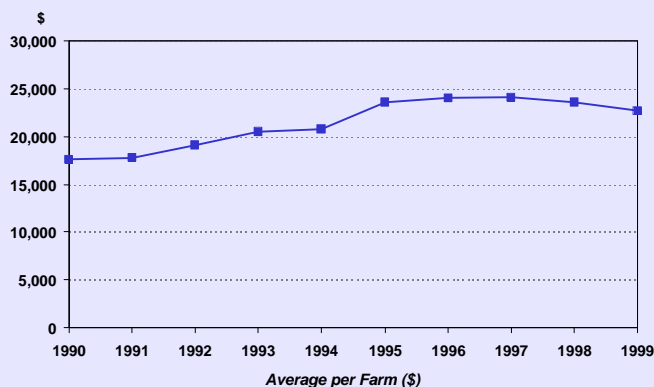
Source: Statistics Canada, Whole Farm Data Base.

Net Operating Income

From 1997, average net operating income declined slightly to \$23,579 in 1998. The decrease in net operating income was largely the result of decreases in the net operating incomes of hog farms (down 65.9%) and grain and oilseed farms (down 8.9%).

Between 1990 and 1998, average net operating income rose 34.2% to \$23,579 (Figure 13). The largest annual increase occurred between 1994 and 1995, when net operating income went up 13.7%. However, by 1998, net operating income dropped 2.0% from 1997 due to declining commodity prices. The rise in income over most of the 9-year period was due to improved grain and oilseed prices in combination with increased hog and cattle marketings. Between 1998 and 1999, the estimates show a decline of 3.9% in average net operating income.

Figure 13: Average Net Operating Income, Canada, 1990 to 1999



Source: Statistics Canada, Whole Farm Data Base.

By Revenue Class

In 1998, average net operating income ranged from a profit of \$140,555 for very large farms to a loss of \$180 for the smallest farms (\$10,000 to \$24,999) (Table 5).

By Farm Type

The increase in net operating income between 1990 and 1997 was largely the result of increases in net operating income for hog farms (+124.6%), grain and oilseed farms (+75.1%), and fruit and vegetable farms (+59.9%).¹⁴

However, in 1998, two farm types were negatively affected by falling commodity prices: hog farms and grain and oilseed farms. With market prices falling, average net operating income for hog farms dropped 65.9% to \$18,384 from 1997 to 1998, the lowest level observed in the last nine years. Grain and oilseed farms were not affected as severely with their income dropping 8.9%.

Percent Change in Net Operating Income, 1997 to 1998

Potato Farms	41.9%
Greenhouse & Nursery Farms	31.0%
Cattle	24.2%
Fruit & Vegetable Farms	20.1%
Poultry & Egg Farms	20.0%
Dairy Farms	12.5%
Other Farm Types ¹	1.8%
Grain & Oilseed Farms	-8.9%
Hog Farms	-65.9%

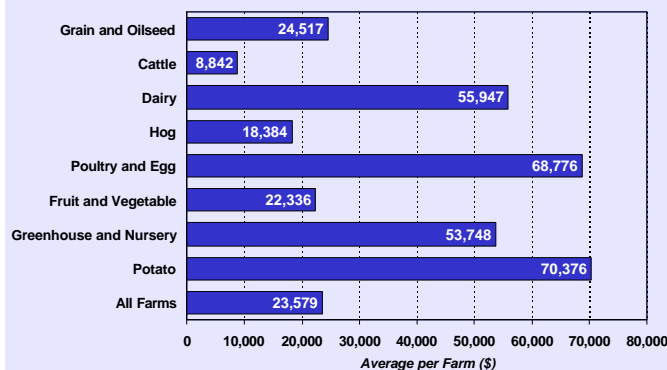
1. Other farm types include tobacco farms, livestock combination farms and farms not specialized in any of the major products.

Typically, potato farms and poultry and egg farms have on average reported the highest net operating incomes while cattle farms have reported the lowest average net operating income. In 1998, potato farms reported \$70,376, followed by poultry and egg farms at \$68,776 (Figure 14).

14. Net operating income for fruit and vegetable farms also contributed to the overall increase in average net operating income between 1990 and 1997. Net operating income for this farm type fluctuated throughout the period but was lowest in 1990.

Economic Overview of Farm Incomes – All Farms

Figure 14: Average Net Operating Income for All Farms, by Farm Type, 1998



Source: Statistics Canada, Whole Farm Data Base.

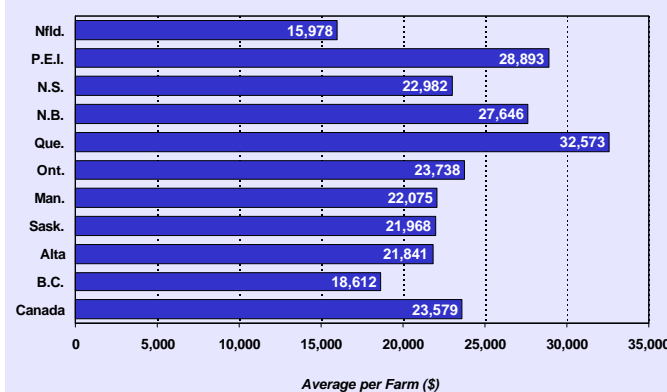
By Province

Between 1997 and 1998, average net operating income increased substantially for farms in Prince Edward Island (+37.8%) and New Brunswick (+30.6%). Average net operating incomes fell in Manitoba, Newfoundland and Saskatchewan, 22.3%, 21.7 and 10.9% respectively (Table 6).

Quebec or Prince Edward Island usually reports the highest net operating incomes by province due to the high concentration of dairy farms in Quebec and the high concentration of potato farms in Prince Edward Island (Table 6). British Columbia reports one of the lowest average net operating income because of the high share of small farms in the province.

In 1998, Quebec, Prince Edward Island, New Brunswick and Ontario reported net operating incomes above the national average of \$23,579 (Figure 15).

Figure 15: Average Net Operating Income for All Farms, by Province, 1998



Source: Statistics Canada, Whole Farm Data Base.

Distribution of Farms by Net Operating Income

Financial stress is increasing for some farm types, in particular hog farms and grain and oilseed farms.

The distribution of net operating income provides an indication of the degree to which farms are experiencing income stress. It also provides an indication of whether farms are expanding (or contracting) in size.¹⁵

In 1998, 24.6% of farms reported operating losses, up slightly (+0.7%) from 1997:

- 13.5% reported operating losses between \$0 and \$10,000
- 11.1% reported operating losses over \$10,000

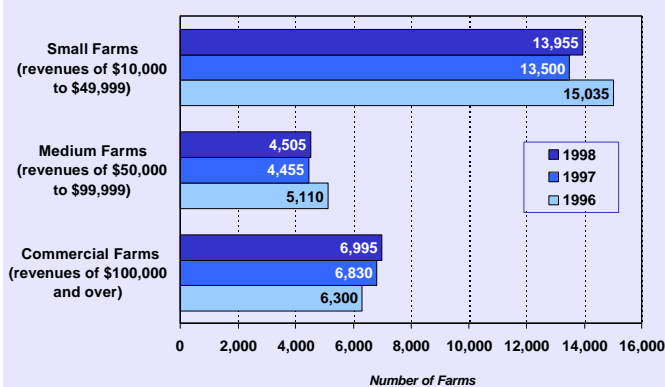
There was a slight decline (-1.0%) in the number of farms reporting losses of \$0 to \$10,000. The number of farms with operating losses over \$10,000 increased 2.7% to 25,455 farms.

By Revenue Class

A higher share of small farms report operating losses. In 1998, 37.4% of small farms, 19.5% of medium farms and 11.9% of commercial farms reported operating losses. These estimates are derived from Table 7.

Between 1997 and 1998, the number of farms reporting operating losses over \$10,000 increased in each of the size categories (Figure 16).¹⁶

Figure 16: Distribution of Farms Reporting Operating Losses Over \$10,000, by Farm Size, 1996 to 1998



Source: Statistics Canada, Whole Farm Data Base.

15. For expanding operations, expenses such as livestock purchases and interest expenses increase, resulting in lower net operating incomes. For contracting operations, revenues may increase due to the sale of livestock while operating expenses fall, resulting in higher net operating incomes.

16. There was a decrease of 3.4% in the number of small farms reporting losses of \$0 to \$10,000 between 1997 and 1998. The number of medium and large farms reporting the same losses increased 7.1% and 9.3%, respectively.

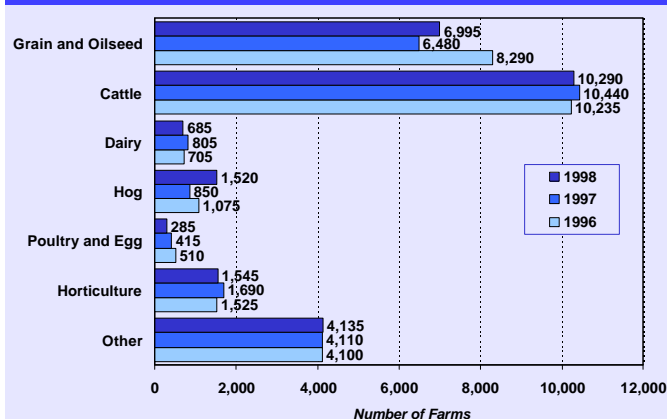
Economic Overview of Farm Incomes – All Farms

By Farm Type

A larger share of cattle farms and hog farms reported operating losses in the past few years. In 1998, about one third of cattle farms (35.6%) and hog farms (32.3%) reported operating losses (Table 8). Of farms reporting operating losses over \$10,000, 40.4% were cattle farms, and 27.5% were grain and oilseed farms. The supply-managed sectors—dairy, and poultry and egg—reported the lowest share of farms reporting operating losses.

Between 1997 and 1998, the number of hog farms reporting operating losses over \$10,000 increased from 850 to 1,520—up almost 80% (Figure 17). Grain and oilseed farms were the only other major farm type which had an increase in the number reporting losses over \$10,000.

Figure 17: Distribution of Farms Reporting Operating Losses Over \$10,000, by Farm Type, 1996 to 1998



Source: Statistics Canada, Whole Farm Data Base.

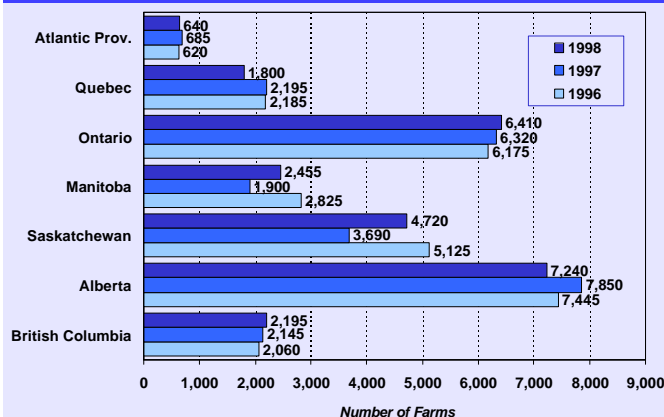
By Province

In 1998, about one quarter of farms reported operating losses in the majority of provinces (Table 9). There were some exceptions: a larger share of farms in British Columbia and Newfoundland reported operating losses, 39.2% and 31.5% respectively, but only 15.8% of farms in Quebec reported operating losses. The lower share reported by Quebec is the result of the high concentration of farms in the supply-managed sectors, in particular dairy farms. Saskatchewan was second lowest with 20.2% of farms.

Of farms reporting operating losses over \$10,000, British Columbia had the highest share (20.8%) in 1998, followed by Alberta and Newfoundland. Quebec was lowest with 6.3% of farms and Saskatchewan was second lowest with 8.0% of farms.

Between 1997 and 1998, there was a large increase in the number of farms in Manitoba (+29.2%) and Saskatchewan (+27.9%) reporting operating losses over \$10,000 (Figure 18).

Figure 18: Distribution of Farms Reporting Operating Losses Over \$10,000, by Province, 1996 to 1998



Source: Statistics Canada, Whole Farm Data Base.

Operating Margins

In 1998, the average operating margin was 15.3 cents per dollar of revenue. Dairy farms and grain and oilseed farms have higher operating margins than other farm types, even after depreciation is deducted.

Operating margins measure profitability and the rate of return to the farm. They reflect to some degree the efficiency of the farm operation when comparing farms producing similar commodities. In 1998, the average operating margin for all farms was 15.3 cents per dollar of revenue, down 5.0% from 16.1 cents in 1997.

By Revenue Class

Farms generally become more efficient as they become larger. The smallest farms reported on average a negative operating margin in 1998, reflecting the relative inefficiencies of small farm operations. Large farms with revenues of \$100,000 to \$249,999 had the highest operating margins. Very large farms, on the other hand, reported the second lowest margins after the smallest farms. The variation in operating margins reflects to some extent the distribution of farm types within the size categories and their ability to achieve economies of size.¹⁷

By Farm Type

A comparison of operating margins over the period 1990 to 1998 shows dairy farms and grain and oilseed farms had higher operating margins on average than other farm types. In 1998, the average operating margins for dairy farms and grain and

¹⁷For example, in the very large category there is a higher proportion of cattle farms. Cattle farms tend to have lower operating margins than other farm types, pulling the average down for the size category. Large farms with revenues of \$100,000 to \$249,999 have a higher proportion of grain and oilseed farms. Grain and oilseed farms have higher operating margins, pulling the average up.

Economic Overview of Farm Incomes – All Farms

oilseed farms were 24.8 cents and 22.5 cents per dollar of revenue, respectively. The average operating margin for hog farms was 4.5 cents in 1998, down 64.6% from 1997.

When comparing farms that produce similar commodities, operating margins provide a means to compare the efficiency of these farm operations. For farms 100% specialized in one type of agricultural production (no diversification in other types of farm production), the highest operating margins were 25.0 cents per dollar of revenue for grain and oilseed farms and 24.8 cents for dairy farms.¹⁸

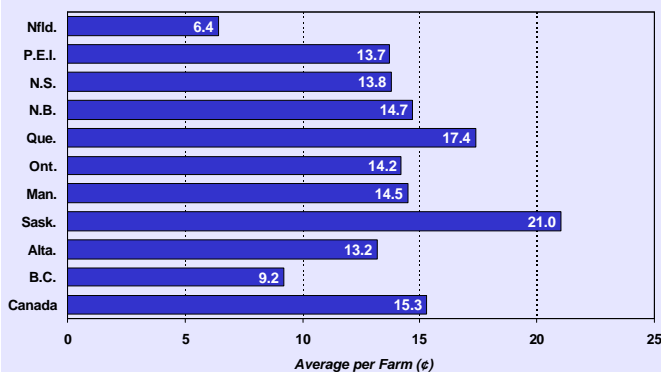
Operating Margins (OM) 1998				
Farm Type	Average		100% Specialized	
	OM	OM (CCA) ¹	OM	OM (CCA) ¹
Grain & Oilseed	22.5	8.2	25.0	10.8
Cattle	6.6	-0.5	4.0	-2.0
Dairy	24.8	13.3	24.8	13.7
Hog	4.5	-2.5	1.1	-4.4
Poultry & Egg	12.7	7.1	11.9	7.0
Fruit & Vegetable	14.4	7.0	14.3	7.2
Greenhouse & Nursery	12.6	5.9	12.5	6.0
Potato	15.5	5.6	15.4	6.3

1. Includes capital cost allowance (CCA) as an expense.

By Province

In 1998, Saskatchewan had the highest average operating margin (21.0 cents per dollar of revenue) as a result of the high concentration of grain and oilseed farms (Figure 19). Newfoundland and British Columbia had the lowest operating margins of 6.4 cents and 9.2 cents, respectively.

Figure 19: Average Operating Margins per Farm, by Province, 1998



Source: Statistics Canada, Whole Farm Data Base.

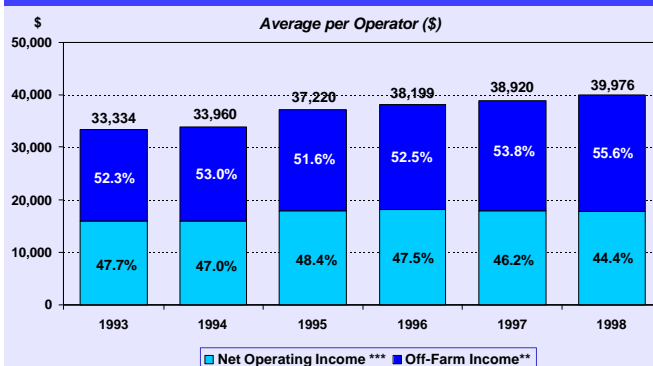
18. The higher operating margins do not mean that the farms 100% specialized are more efficient than less specialized farms. Rather, it means that the cost structure for farms specialized to this degree results in average operating margins of the amounts shown. A poultry and egg farm that is diversified in grains and oilseeds will have a higher operating margin than one that is diversified in fruit and vegetable production because of the different cost structures.

Operator Income

Off-farm income as a share of total operator income generally declines with farm size and varies by farm type. Farm operations that are more labour intensive, such as dairy farms, tend to be restricted in their opportunities for off-farm employment.

As with the steady increase in net operating income, off-farm income for operators has also increased. Off-farm income increased 27.4% between 1993 and 1998, outpacing the increase in net operating income of 11.7% (Figure 20). Wages and salaries were largely responsible for the increase in off-farm income over this time frame.

Figure 20: Average Total Income per Operator, * 1993 to 1998



*Excludes communal farming operations.
 **Excludes taxable capital gains.
 ***Before capital cost allowance.
 Source: Statistics Canada, Whole Farm Data Base.

In 1998, the average total income for farm operators was \$39,976. Farm operators received on average 44.4% (\$17,757) from net operating income and 55.6% (\$22,220) from off-farm income (Table 10). Off-farm income comes from seven sources:

- wages and salaries
- net non-farm self-employment income
- investment income
- pension income
- government social transfers
- other off-farm income
- registered retirement savings plan income

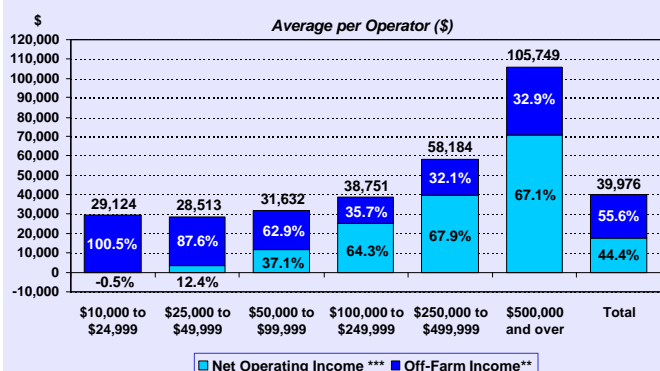
Wages and salaries have been the most important source of off-farm income, accounting for over half the off-farm income. In 1998, wages and salaries accounted for 55.9% of off-farm income, followed by investment income and pension income at 15.7% and 13.9%, respectively.

Economic Overview of Farm Incomes – All Farms

By Revenue Class

In general, off-farm income as a share of total operator income declines with farm size. Operators of the smallest farms on average use off-farm income to cover losses from the farm. In 1998, off-farm income represented 100.5% of total operator income for small farms with revenues of \$10,000 to \$24,999 compared with 32.9% for very large farms (Figure 21).

Figure 21: Average Total Income per Operator,* by Revenue Class, 1998



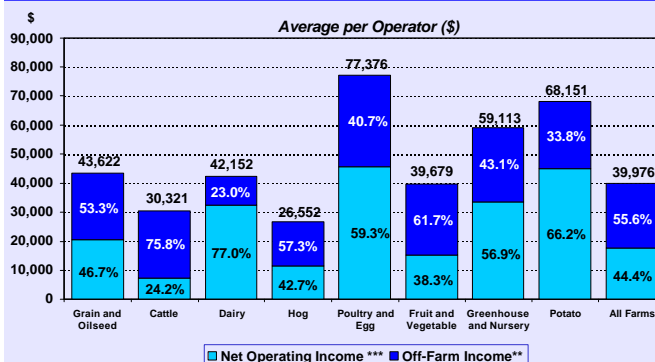
*Excludes communal farming operations.
 **Excludes taxable capital gains.
 ***Before capital cost allowance.
 Source: Statistics Canada, Whole Farm Data Base.

Operators of very large farms received the highest dollar amount from wages and salaries—\$22,282 in 1998 (Table 10). This high amount may be attributed to the fact that a larger number of incorporated farms are in this revenue class. In the incorporated sector, the proportion of shareholders reporting net farming income is low, while the proportion of farmers reporting wages and salaries is high. Operators of incorporated farms allocate a large part of their profit from the farm to themselves and other shareholders in the form of wages and salaries. The salary expense reduces net operating income, while the wage and salary income increases off-farm income for the farm operator.

By Farm Type

Total operator income varies considerably by farm type (Figure 22). Farm operations that are more labour intensive, such as dairy farms, tend to restrict opportunities for off-farm employment.

Figure 22: Average Total Income per Operator,* by Farm Type, 1998

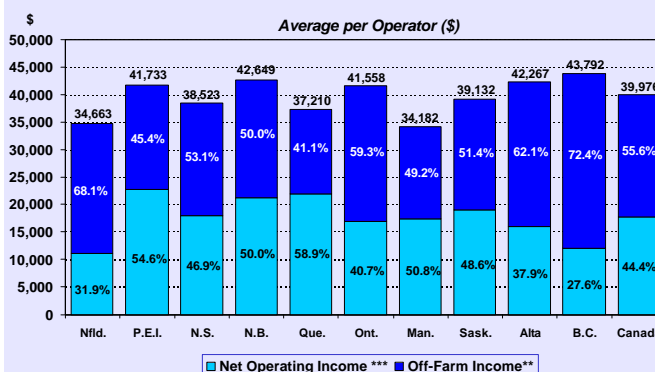


*Excludes communal farming operations.
 **Excludes taxable capital gains.
 ***Before capital cost allowance.
 Source: Statistics Canada, Whole Farm Data Base.

By Province

Operator income varies slightly by province. More off-farm employment opportunities (wages and salaries and net non-farm self-employment income) exist in regions close to urban areas. Off-farm income as a share of total operator income is highest in British Columbia (72.4%, representing \$43,792), and lowest in Quebec (41.1%; \$37,210) (Figure 23).

Figure 23: Average Total Income per Operator,* by Province, 1998



*Excludes communal farming operations.
 **Excludes taxable capital gains.
 ***Before capital cost allowance.
 Source: Statistics Canada, Whole Farm Data Base.

Economic Overview of Farm Incomes – All Farms

SUMMARY

The outlook was good for the agricultural sector for the period 1990 to 1997. Prices and marketings generally improved for a number of commodities, pushing up net operating income for most farm types throughout the period. Farm income was generally strong for farms going into 1998. Between 1990 and 1997, farm income for hog farms and grain and oilseed farms was up 124.6% and 75.1%, respectively.

However, in 1998, there was a large drop in the commodity prices for hogs and for grains and oilseeds. Net operating income declined 65.9% for hog farms and 8.9% for grain and oilseed farms. As a result, the number of hog farms reporting operating losses over \$10,000 increased 78.8% to 1,520 farms. There was also an increase in the number of grain and oilseed farms reporting losses over \$10,000.

The average farm has continued to increase in size. Between 1990 and 1998, the number of very large farms doubled and large farms increased almost 20%. This concentration on very large farms is particularly true for greenhouse and nursery farms, potato farms, and poultry and egg farms. Production on dairy farms and grain and oilseed farms is more heavily concentrated on large farms.

GLOSSARY

Capital cost allowance: A tax term for depreciation used to define the portion of the cost of the depreciable property, such as equipment and buildings that is tax-deductible. After the calculation of the capital cost allowance, farmers may deduct any amount up to the maximum allowable.

Concentration of production: The contribution of farms to total agricultural production (total operating revenues excluding program payments).

Degree of specialization: The percent a particular commodity contributes to a farm's total agricultural sales (crop and livestock sales). Farms are highly specialized when 90% or more of their sales are derived from the sale of any one commodity or commodity group. Farms are not specialized when less than 51% of their agricultural sales are derived from the sale of the specialized products.

Depreciation: The loss in value of an asset over its estimated life due to wear and tear and obsolescence. In the bulletin series, depreciation is not included in expenses, and net operating income is calculated before depreciation (unless otherwise specified). (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: Unincorporated farms with gross operating revenues of \$10,000 or more, and incorporated farms with sales of \$25,000 or more, 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): The classification of farms based on the percentage of sales of the major commodity or commodity group. For example, to be classified as a hog farm, 51% or more of the farm's agricultural sales must come from the sale of hogs. A farm with less than 51% of sales from hogs is not classified as a hog farm.

For dairy farms, the rule is altered slightly—only 40% or more of agricultural sales are derived from the sale of dairy products and 10% or more from raising and selling dairy cattle.

Eight farm types are discussed in the bulletin series:

- grain and oilseed
- cattle
- dairy
- hog
- poultry and egg
- fruit and vegetable
- greenhouse and nursery
- potato

Net operating income: The profit or loss of the farm operation measured by total operating revenues less total operating expenses, before depreciation (unless otherwise specified) and before other adjustments, for tax purposes.

Off-farm income: The sum of seven sources of income:

- **wages and salaries:** the sum of gross wages and salaries before deductions (including commission income) as per T4 slips, and other employment income such as tips and gratuities.
- **net off-farm self-employment income:** business income, professional income, commission income and fishing income, on a net basis. The net income is the amount reported after expenses and costs are deducted from the gross income.
- **investment income:** the sum of net rental income, net limited partnership income, the amount of dividends actually received from taxable Canadian corporations, and interest and other investment income.
- **pension income:** Old Age Security pension, Canada or Quebec Pension Plan benefits, other pensions and superannuation, and net federal supplements.

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- **government social transfers (excluding pensions):** employment insurance benefits, Workers' Compensation benefits, social assistance payments and child tax benefits. Before 1993, family allowance payments were included instead of child tax benefits.
- **other off-farm income:** alimony or maintenance allowance income, scholarships, fellowships and bursaries, lump-sum payments, retiring allowances (severance pay), amounts paid out of the Net Income Stabilization Account (NISA), and other income (such as registered education savings plan income, training allowances, etc.). In this bulletin series, off-farm income for operators applies to both unincorporated and incorporated farm operators.
- **registered retirement savings plan (RRSP) income.**

Operating expenses: The business costs incurred by a farm operation in the production of agricultural commodities. (Inter-farm purchases are included in these costs but 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: Agricultural sales and program payments as well as custom work and machine rental, rental income, forest and maple product sales and miscellaneous revenues.

Program payments: Income from five sources:

- provincial stabilization programs
- Gross Revenue Insurance Program (GRIP), now terminated
- government payments and other subsidies (such as hog incentive programs, acreage payments, assistance for clearing land and government grants)

- aggregate amounts reported for subsidies, patronage dividends and reimbursements
- 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. They are included for incorporated farms.

Revenue class: The classification of farms based on total operating revenues.

Size categories: The classification of farms based on revenue class.

Size category	Revenue class
Small	\$10,000 to \$24,999
	\$25,000 to \$49,999
Medium	\$50,000 to \$99,999
Commercial	\$100,000 and over
Large	\$100,000 to \$249,999
	\$250,000 to \$499,999
Very Large	\$500,000 and over

Total agricultural production: Total operating revenues minus program payments (used in the calculation of the concentration of production).

Total agricultural sales: Total crop revenues plus total livestock and product revenues (used in the calculation of the degree of specialization).

Total income of operator: The sum of the net operating income and off-farm income.

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METHODOLOGY

This section describes the methodology used for Statistics Canada's *Taxation Data Program, June Crops Survey* and *July Livestock Survey*.

TAXATION DATA PROGRAM

Sampling Frame

The sampling frame for unincorporated farms contains all individuals who report either positive gross farm income or non-zero net farm income from self-employment on their Canada Customs and Revenue Agency (CCRA) T1 General Income Tax Return. For incorporated farms, the sampling frame is made up of all corporations within the ten provinces that are classified as farms, according to the Standard Industrial Classification (SIC), with agricultural sales of \$25,000 and over. The sampling frame does not include taxfilers in the three territories, those in multiple jurisdictions (more than one province), non-Canadian residents or non-resident corporations, because they are beyond the scope of this sampling frame. The frame also includes all communal farming operations that report either positive gross farm income or non-zero net farm income on their CCRA T3 Trust—Income Tax and Information Return.

Sample Selection

The sampling frame for the unincorporated farms is stratified by province. There is also a pre-specified sample (farms selected based on particular characteristics) to satisfy various requirements of the Whole Farm Data Project. The predetermined total sample size of the survey is allocated to ensure adequate representation of all provinces, except Newfoundland where a census is performed. Each province is stratified based on the gross farm income. The two smallest strata are predetermined and have fixed sampling rates. As well, the largest stratum is take-all. To determine the sample size of the other strata, an allocation method that minimizes the coefficient of variation for each province is used. The sampling rates vary from a complete census in Newfoundland to a low of about 24% in Quebec.

Since the 1996 taxation year, a substantial number of electronic tax returns have been used to complete the unincorporated sample of the taxation data and since the 1997 taxation year, a substantial number of joint NISA-CCRA tax returns have also been used. When CCRA receives an electronic tax return or a joint NISA-CCRA tax return, they classify it as "clean" or "unclean" depending on whether it satisfies all the editing rules. "Clean" returns are added to the taxation data sample since there is no additional cost. Because "unclean" returns involve verification and correction costs to make them usable, they are sampled according to the same sampling rates used for taxation data.

For the 1998 taxation year, a substantial number of General Index of Financial Information (GIFI) records have been used to complete the corporate sample.

The corporations in the sampling frame are classified by farm type using the three-digit SIC Code, with the less significant SICs grouped together to reduce the number of strata. Each farm type/province combination is then divided into a maximum of three sub-strata (one take-all and two take-some) based on the sales. The sample sizes of the take-some strata are determined using an allocation process that minimizes the coefficient of variation at the provincial level. The sampling rates vary from a complete census in the Atlantic provinces to a low of about 36% in Quebec. Overall, about one farm in two is sampled at the national level. A census is performed for communal farming organizations.

For both the unincorporated and the incorporated farms, the strata boundaries can change each year. The sample is selected using a stratified pseudo-random sampling technique.

For the 1998 taxation year, the sample included almost 164,000 returns (154,000 unincorporated farms and 8,500 incorporated farms).

Data Processing

STC sends the sample selection specifications to CCRA. During the tax-processing period for the incorporated farms, CCRA forwards copies of the sampled tax returns with the supporting documentation to STC. Data capture is then performed in an interactive mode performing basic edit checks. For 1998, GIFI data supplied by CCRA also became a data source for the corporate sector. The regional taxation centres capture the data for unincorporated farms and forward them electronically to STC.

Detailed edit programs identify errors, inconsistencies, extreme values, etc. in the captured data. Data that fail to meet the predetermined criteria are referred to subject-matter specialists for appropriate action. As a final check, records of the 25 taxfilers which contribute the most for each income and expense item at the provincial level are analyzed further.

Once all the records have passed through the editing steps, those requiring imputation are identified and isolated. A process of donor imputation is used in cases where taxfilers failed to itemize (all or part of) their revenues and expenses.

Estimation

Farm Revenues and Expenses

Total farm revenue and expense items are estimated by inflating the in-sample revenue and expense items using an estimation weight. To represent the entire population, each entity is assigned a weight which reflects the proportion of the popula-

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tion actually observed in the sample, multiplied by the partnership share of the entity (in the case of unincorporated farms). The pre-specified units are self-representing (estimation weight equals one) as they are included in the sample with certainty. The calculated weighted revenue and expense items are summed by domain to produce the total revenue and expense items. A domain is defined as a region, a type of farm, a revenue class or a combination of these variables.

Off-Farm Income

The off-farm income estimates are compiled from the T1 General Income Tax Returns which provide the source for all types of income (wages and salaries, net off-farm self-employment income, pension income, investment income, government social transfers and other off-farm income). Data from the Child Tax Benefit File supplement data on off-farm operator's income.

Items in total operator's off-farm income are estimated using the same approach as in the case of farm items except that the "weight" is not multiplied by the partnership share of the entity. However, the weight of entities involved in more than one farm is divided by the number of occurrences. These procedures also take into account corporations that do not provide the social insurance number of shareholders on their tax return. The calculated weighted off-farm income items are summed by domain to produce the total off-farm income items.

For statistical purposes, the estimates presented in the bulletins cover both unincorporated farms and communal farming organizations with total farm operating revenues equal to or greater than \$10,000 as well as corporations with total agricultural sales of \$25,000 and over, deriving at least 51% of their total sales from agricultural activities. The statistics on operator's off-farm income exclude communal farming organizations.

JUNE CROPS SURVEY

The *June Crops Survey* (JCS) is one of a series of annual probability surveys conducted for the main field crops in Canada. The JCS collects and disseminates data on seeding intentions, acreage seeded and harvested, yields, production and inventories. In 1998, the sample was approximately 31,000 farms. The JCS survey included the acreage that growers seeded with field crops at the beginning of the 1998/99 crop year.

Sampling Frame

Only the "list"-type frame is used for the JCS since 1996.¹⁹ In 1998, this list represented all farms in Canada as enumerated in the Census of Agriculture, except for institutional farms, community pastures, farms on reserves, and farms in the territories. Prior to 1998, Newfoundland was excluded from the frame.

¹⁹The Area Frame Survey was conducted for the last time in 1995.

This frame is stratified into homogeneous groups on the basis of census characteristics (such as farm size and crop area) and sub-provincial geographic boundaries.

Sample Selection

Every five years, the Census of Agriculture gathers information on farms throughout Canada, including institutional farms, community pastures, reserves, etc. The Census of Agriculture provides a list of the farms and their productive acreage. A probability sample for the JCS is selected from this list.

Data Processing

Data are collected by Computer-Assisted Telephone Interviews (CATI). With the CATI system, edit procedures can be carried out during the interview, thus lessening the need for follow-up and reducing respondent burden. Initial sample weights are adjusted through a process called raising factor adjustment in cases of partial or total non-response. No imputation is performed for missing values.

Note: The JCS data presented in these bulletins are survey indicators and may differ from the estimates released by the Crops Section of the Agriculture Division. The estimates in the bulletins have not been adjusted to take into account administrative data.

JULY LIVESTOCK SURVEY

The *July Livestock Survey* (JLS) is a probability survey conducted each year. The farms surveyed report all animals on the farm, regardless of their ownership. In 1998, the sample was approximately 28,400 farms.

Sampling Frame

Only the "list"-type frame is used for the JLS since 1996.²⁰ In 1998, this list represented all farms identified in the most recent census, except for institutional farms, community pastures, farms on reserves, and farms in the territories. In 1993 and 1994, Newfoundland was excluded from the frame. This frame is stratified into homogeneous groups on the basis of census characteristics (such as livestock inventory and crop area) and sub-provincial geographic boundaries.

Data Processing

Data are collected by the CATI system. Farmers must report their inventories as of July 1. Numerous edit and input procedures are performed before the final estimates are produced.

Note: The JLS data presented in these bulletins are survey indicators and may differ from the estimates released by the Livestock and Animal Products Section of the Agriculture Division. The estimates in the bulletins have not been adjusted to take into account administrative data.

²⁰The Area Frame Survey was conducted for the last time in 1995.

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CONFIDENTIALITY

STC maintains a strict level of data confidentiality. All tabulated data are subject to restrictions prior to release. Several computerized checks are performed on all data to prevent the publication or disclosure of any confidential information. For each of the tabulations produced, the estimated number of farms is rounded to the base of 5 and the estimates for the other variables in that table are adjusted by a variable factor. This method preserves the confidentiality of the data, without jeopardizing the quality of the actual estimates.

DATA QUALITY

All survey estimates are assigned a coefficient of variation (C.V.) to measure their quality. The C.V. measures the sampling error of the estimate. As an objective statistical measure obtained through random sampling of the variation between each estimate and its “true” value, the C.V. indicates the degree of confidence that should be placed on a particular estimate. Users must determine if an estimate with a significant C.V. is appropriate for use.

A rating system is suggested when using figures within a specific C.V. range:

C.V. ¹	Symbol	Rating
0.01%–4.99%		Very good
5.0%–9.99%		Good
10.0%–14.99%		Acceptable, but use with caution
15.0%–24.99%	*	Use with caution unless independent data source concurs with the estimated value
25.0% or more	**	Unreliable

1. C.V.s below 15.00% are not shown in the tables.

Symbols

Four 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 <i>Statistics Act</i>

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TABLES

Table 1: Concentration of Production by Province and Revenue Class, 1998

Province	\$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	Total ²	
	Percent of Total (%)							Value
Newfoundland								
Number of Farms	31.5	16.7	14.8	13.0	9.3	14.8	100.0	270
Total Operating Revenues ¹	1.7	2.5	3.8	8.5	13.9	76.8	100.0	65,562,415
Program Payments	14.0	8.3	23.6	x	6.6	38.4	100.0	1,388,969
Prince Edward Island								
Number of Farms	22.5	15.0	15.9	23.4	13.1	10.3	100.0	1,600
Total Operating Revenues ¹	1.7	2.5	5.5	18.1	21.6	50.2	100.0	330,602,663
Program Payments	4.3	2.8	6.8	21.3	19.7	44.8	100.0	6,028,494
Nova Scotia								
Number of Farms	36.4	16.9	13.9	15.4	9.5	8.2	100.0	2,310
Total Operating Revenues ¹	3.4	3.6	5.6	15.0	20.2	53.5	100.0	377,365,515
Program Payments	5.4	3.7	12.3	24.1	16.8	38.7	100.0	7,920,742
New Brunswick								
Number of Farms	29.0	18.5	12.1	20.1	11.5	8.6	100.0	1,865
Total Operating Revenues ¹	2.4	3.4	4.7	17.8	21.6	50.5	100.0	344,037,111
Program Payments	5.2	4.8	6.9	21.2	27.2	34.6	100.0	7,692,512
Quebec								
Number of Farms	17.7	15.1	16.9	31.4	13.0	5.9	100.0	28,355
Total Operating Revenues ¹	1.4	2.6	6.4	27.2	23.7	38.8	100.0	4,905,359,122
Program Payments	3.8	7.8	10.4	27.3	21.8	28.9	100.0	393,826,692
Ontario								
Number of Farms	26.1	19.8	16.9	20.6	10.7	5.9	100.0	49,535
Total Operating Revenues ¹	2.5	4.2	7.1	20.1	22.0	44.0	100.0	8,145,470,878
Program Payments	4.8	8.2	10.4	24.6	23.2	28.8	100.0	141,183,707
Manitoba								
Number of Farms	21.8	19.9	20.0	24.4	9.3	4.6	100.0	22,110
Total Operating Revenues ¹	2.3	4.7	9.5	25.5	21.0	36.9	100.0	3,287,520,273
Program Payments	3.3	7.0	10.3	25.0	23.2	31.1	100.0	84,940,776
Saskatchewan								
Number of Farms	24.7	20.7	22.8	23.6	6.5	1.7	100.0	59,185
Total Operating Revenues ¹	3.9	6.9	15.6	35.1	20.5	18.0	100.0	6,006,832,901
Program Payments	6.6	11.6	19.6	32.1	20.2	9.9	100.0	193,533,117
Alberta								
Number of Farms	25.1	21.1	21.2	21.2	7.0	4.5	100.0	54,440
Total Operating Revenues ¹	2.5	4.5	9.0	20.1	14.3	49.7	100.0	8,804,372,094
Program Payments	3.4	8.7	15.6	31.9	19.4	21.0	100.0	212,903,760
British Columbia								
Number of Farms	32.6	18.4	15.6	14.6	9.4	9.4	100.0	10,560
Total Operating Revenues ¹	2.6	3.2	5.4	11.5	16.9	60.3	100.0	2,096,617,162
Program Payments	4.1	7.0	15.7	22.2	23.2	27.7	100.0	34,018,119
Canada								
Number of Farms	24.5	19.6	19.6	22.9	8.8	4.6	100.0	230,230
Total Operating Revenues ¹	2.6	4.5	9.0	23.6	19.5	40.8	100.0	34,363,311,128
Program Payments	4.4	8.5	13.2	28.3	21.3	24.3	100.0	1,083,459,862

1. Excluding program payments.

2. Totals may not add up due to rounding and/or confidentiality restrictions.

Source: Statistics Canada, Whole Farm Data Base.

*Use with caution.

**Unreliable.

Economic Overview of Farm Incomes—All Farms

Table 2: Concentration of Production by Farm Type and Revenue Class, 1998

Farm Type	\$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	Total ²	
	Percent of Total (%)							Value
Grain and Oilseed								
Number of Farms	23.0	19.9	22.9	24.5	7.7	2.2	100.0	95,495
Total Operating Revenues ¹	3.5	6.5	15.0	35.5	23.5	16.0	100.0	9,999,737,381
Program Payments	4.7	8.1	15.6	33.2	24.1	14.3	100.0	423,902,250
Cattle								
Number of Farms	32.7	24.6	20.1	15.4	4.0	3.2	100.0	63,395
Total Operating Revenues ¹	3.9	6.3	10.5	17.3	10.4	51.8	100.0	8,322,658,073
Program Payments	7.6	17.0	18.5	26.4	12.0	18.7	100.0	218,207,492
Dairy								
Number of Farms	1.3	4.4	14.1	50.5	23.5	6.3	100.0	20,255
Total Operating Revenues ¹	0.1	0.8	4.8	37.5	35.1	21.8	100.0	4,446,815,152
Program Payments	0.3	0.6	5.8	46.0	33.4	13.9	100.0	115,077,501
Hog								
Number of Farms	7.1	12.5	13.5	27.9	19.9	19.1	100.0	7,175
Total Operating Revenues ¹	0.3	1.1	2.4	11.3	16.9	67.9	100.0	2,784,810,267
Program Payments	0.2	1.4	2.5	13.8	22.4	59.6	100.0	145,609,434
Poultry and Egg								
Number of Farms	8.4	5.8	5.9	17.2	28.6	33.8	100.0	4,210
Total Operating Revenues ¹	0.2	0.3	0.8	5.8	19.3	73.5	100.0	2,255,966,989
Program Payments	1.3	9.7	1.8	8.8	18.9	59.2	100.0	15,549,978
Fruit and Vegetable								
Number of Farms	23.9	22.6	22.3	17.4	7.7	6.0	100.0	7,860
Total Operating Revenues ¹	2.5	5.2	10.2	17.7	17.1	46.8	100.0	1,178,219,390
Program Payments	2.7	7.5	15.5	22.3	24.4	27.4	100.0	42,778,826
Greenhouse and Nursery								
Number of Farms	22.3	13.6	11.7	23.3	11.0	18.0	100.0	3,685
Total Operating Revenues ¹	0.8	1.2	1.8	8.6	9.6	77.7	100.0	1,557,177,501
Program Payments	8.4	2.9	6.4	11.8	8.5	61.8	100.0	14,774,934
Potato								
Number of Farms	8.5	10.1	12.4	21.2	19.6	28.8	100.0	1,530
Total Operating Revenues ¹	0.3	0.8	1.9	7.5	15.6	73.7	100.0	674,583,077
Program Payments	0.3	0.5	5.6	10.6	21.9	61.0	100.0	18,234,665
Other								
Number of Farms	36.6	22.9	15.5	15.1	6.5	3.5	100.0	26,625
Total Operating Revenues ¹	4.7	6.5	8.6	19.8	18.2	42.1	100.0	3,145,980,540
Program Payments	8.6	14.8	19.7	22.6	14.6	19.8	100.0	89,322,033
All Farms								
Number of Farms	24.5	19.6	19.6	22.9	8.8	4.6	100.0	230,230
Total Operating Revenues ¹	2.6	4.5	9.0	23.6	19.5	40.8	100.0	34,363,311,128
Program Payments	4.4	8.5	13.2	28.3	21.3	24.3	100.0	1,083,459,862

1. Excluding program payments.

2. Totals may not add up due to rounding and/or confidentiality restrictions.

Source: Statistics Canada, Whole Farm Data Base.

*Use with caution.

**Unreliable.

Economic Overview of Farm Incomes—All Farms

Table 3: Distribution of Farms by Farm Type and Province, 1998

Farm Type	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta	B.C.	Total
	(%)										
Grain and Oilseed	x	3.1	x	2.1	11.3	29.5	51.7	75.8	37.7	7.1	41.5
Cattle	x	26.3	26.0	28.4	17.1	24.8	30.8	18.0	44.1	30.4	27.5
Dairy	18.5	21.6	16.0	18.0	33.1	14.2	3.1	0.7	1.5	8.3	8.8
Hog	x	6.3	4.5	3.8	7.6	4.9	3.9	0.6	1.8	1.1	3.1
Poultry and Egg	13.0	1.9	4.5	2.9	3.4	3.1	1.5	0.2	0.7	5.8	1.8
Fruit and Vegetable	27.8	4.1	22.5	11.5	6.5	5.6	0.2	0.1	0.1	20.5	3.4
Greenhouse and Nursery	13.0	x	3.9	2.4	3.2	2.7	0.4	0.2	0.8	5.8	1.6
Potato	x	28.4	x	15.5	0.8	0.4	0.6	x	0.2	0.7	0.7
Other	16.7	7.5	21.6	15.0	17.1	14.8	7.8	4.3	13.0	20.3	11.6
All Farms ¹	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. Totals may not add up due to rounding and/or confidentiality restrictions.

Source: Statistics Canada, Whole Farm Data Base.

Table 4: Operating Revenues and Expenses by Revenue Class, Canada, 1997 and 1998

		\$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	1998	56,310	45,170	45,140	52,645	20,305	10,660	230,230
	1997	58,415	46,880	45,505	54,790	20,735	10,830	237,155
Revenues—Average per Farm (\$)								
Total Crops	1998	6,920	16,123	35,036	73,674	145,118	418,273	60,738
	1997	6,747	16,293	34,836	72,900	143,921	380,887	58,386
Total Livestock	1998	5,990	12,513	25,123	67,489	161,306	803,528	75,709
	1997	5,972	12,500	26,062	68,326	164,140	779,193	74,664
Program Payments	1998	840	2,050	3,173	5,816	11,382	24,671	4,706
	1997	1,123	2,145	3,605	5,625	10,073	20,143	4,492
Total Other Revenues	1998	2,729	5,254	8,651	12,963	24,401	92,854	12,810
	1997	2,408	5,216	7,730	12,706	22,489	87,542	12,007
Total Revenues ¹	1998	16,478	35,940	71,982	159,942	342,207	1,339,327	153,962
	1997	16,250	36,154	72,232	159,558	340,622	1,267,766	149,550
Expenses—Average per Farm (\$)								
Total Crops	1998	2,053	5,207	11,730	27,271	54,243	141,257	21,385
	1997	1,901	5,020	11,334	25,768	51,408	127,281	19,896
Total Livestock	1998	3,139	6,116	10,456	27,471	77,321	613,661	45,531
	1997	3,539	6,403	10,469	28,062	81,653	582,377	44,365
Total Machinery	1998	3,903	6,568	10,983	17,925	28,173	60,692	13,791
	1997	3,843	6,692	11,501	18,937	28,819	60,990	14,156
Total General Expenses	1998	7,564	13,936	24,672	53,371	116,912	383,163	49,678
	1997	7,337	13,656	24,337	51,908	114,214	348,343	47,063
Total Expenses ¹	1998	16,659	31,828	57,841	126,038	276,650	1,198,772	130,384
	1997	16,620	31,771	57,641	124,674	276,094	1,118,990	125,480
Net Operating Income—Average per Farm (\$)								
Net Operating Income ²	1998	(180)	4,113	14,142	33,904	65,557	140,555	23,579
	1997	(370)	4,383	14,591	34,883	64,528	148,776	24,070

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.

*Use with caution.

**Unreliable.

Economic Overview of Farm Incomes—All Farms

Table 5: Operating Revenues and Expenses by Revenue Class, Canada, 1998

	\$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	56,310	45,170	45,140	52,645	20,305	10,660	230,230
Revenues—Average per Farm (\$)							
Total Grains & Oilseeds	5,426	12,828	29,373	60,998	108,918	176,291	41,321
Potatoes	25	127 *	285	902	4,737	40,579	2,590
Fruits & Vegetables	458	1,293	2,501	3,909	9,753	51,654	5,002
Tobacco	11 **	73 **	255 **	2,080	8,176	6,917	1,584
Greenhouse & Nursery Products	193 *	391 *	615	2,461	7,309	110,900	6,586
Forage Crops (including seed)	782	1,364	1,800	2,980	4,995	8,740	2,339
Other Crops	23 **	48 **	207 **	344 *	1,229	23,192	1,317
Total Other Crops	1,493	3,295	5,663	12,676	36,200	241,982	19,417
Total Crop Revenues	6,920	16,123	35,036	73,674	145,118	418,273	60,738
Cattle	4,904	9,829	17,766	29,941	49,691	366,086	34,790
Hog	155	566	1,422	5,849	22,637	178,305	12,017
Poultry & Eggs	110	191 *	424	2,292	20,029	156,730	9,695
Dairy Products & Subsidies	66 **	637 *	4,019	26,598	63,890	83,214	16,500
Other Livestock & Products	754	1,289	1,493	2,808	5,059	19,193	2,707
Total Livestock & Product Revenues	5,990	12,513	25,123	67,489	161,306	803,528	75,709
Program Payments	840	2,050	3,173	5,816	11,382	24,671	4,706
Custom Work & Machine Rental	817	2,084	4,028	6,094	11,922	67,450	6,966
Rental Income	367	751	1,155	1,532	2,645	7,291	1,385
Forest & Maple Products	493	783	1,020	1,263	1,872	3,368	1,084
Miscellaneous Revenues	1,051	1,636	2,449	4,074	7,961	14,745	3,375
Total Other Revenues	2,729	5,254	8,651	12,963	24,401	92,854	12,810
Total Operating Revenues¹	16,478	35,940	71,982	159,942	342,207	1,339,327	153,962
Expenses—Average per Farm (\$)							
Fertilizer & Lime	902	2,350	5,452	12,773	24,582	49,071	9,112
Pesticides	521	1,328	3,215	7,463	15,107	32,188	5,548
Seed & Plants	542	1,338	2,723	6,297	12,853	44,620	5,568
Other Crop Expenses	89	191	340	738	1,701	15,378	1,157
Total Crop Expenses	2,053	5,207	11,730	27,271	54,243	141,257	21,385
Cattle Purchases	1,253	2,636	4,868	10,613	24,459	262,103	18,497
Hog Purchases	44 *	89 *	247 *	1,054	3,798	43,113	2,649
Poultry & Egg Purchases	30 **	49 **	79 *	368	3,398	30,081	1,809
Other Livestock Purchases	292	668 **	570	914	1,578	8,662	1,063
Feed, Supplements, Straw & Bedding	1,191	2,131	3,818	12,219	39,231	256,056	19,567
Vet Fees, Medicine & Breeding Fees	329	543	869	2,246	4,530	12,895	1,868
Other Livestock Expenses	-	1 **	4 **	57	328	750	78
Total Livestock Expenses	3,139	6,116	10,456	27,471	77,321	613,661	45,531
Small Tools	276	394	556	736	731	648	517
Net Fuel Expenses, Machinery, Truck, Auto	1,893	3,111	4,961	7,614	11,197	21,370	5,764
Repairs, Licenses and Insurance	1,734	3,063	5,466	9,575	16,246	38,674	7,510
Total Machinery Expenses	3,903	6,568	10,983	17,925	28,173	60,692	13,791
Salaries (including CPP, QPP, EI)	500	1,198	2,972	9,208	28,445	136,060	11,854
Rent	364	822	1,694	4,032	9,523	24,929	3,499
Insurance	583	1,088	2,118	4,232	8,132	15,861	3,191
Utilities	735	1,150	1,767	3,354	6,823	27,179	3,379
Custom Work & Machine Rental	1,048	2,290	3,984	7,941	15,936	47,239	6,895
Net Interest Expenses	1,368	2,486	4,853	10,218	20,774	50,298	8,271
Net Property Taxes	968	1,383	2,011	2,969	4,296	8,580	2,358
Building & Fence Repairs	656	997	1,412	2,626	5,086	15,006	2,377
Marketing Expenses	94	261	612	2,125	5,657	24,258	2,302
Miscellaneous Expenses	1,248	2,262	3,249	6,665	12,239	33,753	5,552
Total General Expenses	7,564	13,936	24,672	53,371	116,912	383,163	49,678
Total Operating Expenses¹	16,659	31,828	57,841	126,038	276,650	1,198,772	130,384
Net Operating Income—Average per Farm (\$)							
Net Operating Income	(180)	4,113	14,142	33,904	65,557	140,555	23,579
Capital Cost Allowance (CCA)	2,821	4,889	9,268	19,046	39,087	92,628	15,558
Net Operating Income (after CCA)	(3,001)	(776)	4,874	14,858	26,470	47,927	8,021
Operating Margins per \$ of Revenue							
Operating Margin	(0.01)	0.11	0.20	0.21	0.19	0.10	0.15
Operating Margin (after CCA)	(0.18)	(0.02)	0.07	0.09	0.08	0.04	0.05

1. Totals may not add up due to rounding and/or confidentiality restrictions.

Source: Statistics Canada, Whole Farm Data Base.

* Use with caution.

** Unreliable.

Economic Overview of Farm Incomes—All Farms

Table 6: Operating Revenues and Expenses by Province, 1998

	Newfoundland		Prince Edward Island		Nova Scotia		New Brunswick	
	1998	Change 1998/1997	1998	Change 1998/1997	1998	Change 1998/1997	1998	Change 1998/1997
Number of Farms	270	(5.3)	1,600	(4.8)	2,310	-	1,865	(2.9)
Revenues—Average per Farm (\$)								
Total Grains & Oilseeds	x	x	6,468	(21.7)	1,680	(13.2)	4,537	0.3
Potatoes	2,667	(8.7)	98,828	24.1	2,205	58.4	48,720	23.3
Fruits & Vegetables	13,783	(9.2)	4,642	32.9	21,366	(2.9)	11,530	19.1
Tobacco	-	...	x	x	x	x	x	x
Greenhouse & Nursery Products	19,941	(13.2)	1,506	17.3	12,724	16.6	13,366 *	65.4
Forage Crops (including seed)	1,218	(14.4)	2,028	53.2	1,257	24.1	1,316	(10.6)
Other Crops	-	...	x	x	x	x	x	x
Total Other Crops	x	x	107,029	24.8	37,828	5.6	75,836	27.6
Total Crop Revenues	38,018	(14.3)	113,497	20.7	39,508	4.6	80,373	25.7
Cattle	9,451	14.0	29,779	(0.4)	16,903	9.5	16,824	4.5
Hog	2,096	11.4	15,585	(18.2)	14,892	(14.4)	10,520	(18.3)
Poultry & Eggs	102,744	17.1	5,778	(11.2)	29,439	(15.6)	23,304	(3.9)
Dairy Products & Subsidies	83,039	3.3	32,387	0.8	38,130	(5.0)	35,938	2.0
Other Livestock & Products	1,422	1.5	1,438	13.9	8,547	33.6	2,316	30.4
Total Livestock & Product Revenues	198,753	10.6	84,966	(4.4)	107,910	(5.6)	88,902	(1.5)
Program Payments	5,144	2.3	3,768	(18.1)	3,429	5.0	4,125	(0.7)
Custom Work & Machine Rental	1,639	72.3	4,574	11.6	5,636	(9.8)	4,735	14.5
Rental Income	2,683	...	763	(2.2)	408	(33.4)	328	0.3
Forest & Maple Products	283	...	808	...	7,209	(3.0)	7,838	0.8
Miscellaneous Revenues	1,447	33.5	2,018	(7.2)	2,691	1.1	2,294	(12.2)
Total Other Revenues	6,053	...	8,164	11.3	15,944	(5.9)	15,195	2.3
Total Operating Revenues¹	247,968	7.0	210,394	8.0	166,791	(3.2)	188,595	8.9
Expenses—Average per Farm (\$)								
Fertilizer & Lime	5,690	(1.2)	21,512	16.3	4,753	1.9	10,931	20.5
Pesticides	1,273	(14.5)	11,040	(7.7)	2,593	11.0	6,116	18.6
Seed & Plants	5,628	2.9	8,817	18.0	4,714	15.5	8,361	31.1
Other Crop Expenses	2,667	(7.6)	3,975	31.7	2,080	(16.8)	3,123	32.5
Total Crop Expenses	15,258	(2.2)	45,344	10.7	14,140	4.1	28,532	24.2
Cattle Purchases	6,814	21.2	17,109	0.1	7,596	0.4	8,230	11.7
Hog Purchases	x	x	2,366	7.4	2,490	(5.4)	2,517	(7.7)
Poultry & Egg Purchases	32,407	73.7	767	9.9	5,766	(11.7)	3,723	4.6
Other Livestock Purchases	196	x	186	72.2	579	79.3	242 *	33.7
Feed, Supplements, Straw & Bedding	83,394	13.5	19,562	(10.8)	34,838	(11.8)	28,472	(11.6)
Vet Fees, Medicine & Breeding Fees	1,698	(21.4)	2,119	0.8	2,102	(2.8)	1,938	5.4
Other Livestock Expenses	x	x	76	46.2	226	(24.7)	228	(10.6)
Total Livestock Expenses	125,389	23.8	42,185	(4.5)	53,596	(9.2)	45,350	(5.8)
Small Tools	370	2.5	361	(8.4)	425	(12.6)	362	3.7
Net Fuel Expenses, Machinery, Truck, Auto	4,435	(10.5)	7,989	(1.2)	5,049	(8.8)	6,631	(4.8)
Repairs, Licenses and Insurance	6,979	9.4	11,721	3.8	6,929	(2.1)	11,118	7.7
Total Machinery Expenses	11,784	0.7	20,071	1.5	12,403	(5.4)	18,110	2.7
Salaries (including CPP, QPP, EI)	37,429	(1.7)	25,496	5.4	26,939	(2.4)	29,773	12.2
Rent	1,518	1.7	6,409	2.4	1,625	6.1	2,097	(2.6)
Insurance	2,700	(5.2)	3,158	5.4	2,105	(1.9)	3,304	(5.2)
Utilities	5,623	(12.8)	3,060	(10.7)	4,388	(9.2)	4,235	0.6
Custom Work & Machine Rental	3,479	1.5	7,131	5.6	5,426	6.9	5,765	16.3
Net Interest Expenses	8,108	(7.3)	15,060	18.4	8,947	1.1	9,740	17.3
Net Property Taxes	650	(17.5)	1,771	6.7	1,099	(5.6)	1,349	9.0
Building & Fence Repairs	2,466	(18.8)	2,608	6.2	2,256	(3.3)	2,584	(1.4)
Marketing Expenses	11,100	(5.4)	3,861	23.2	4,653	(8.7)	3,757	7.9
Miscellaneous Expenses	6,485	5.7	5,349	--	6,231	(6.0)	6,352	1.1
Total General Expenses	79,560	(3.8)	73,901	7.2	63,669	(2.4)	68,957	9.0
Total Operating Expenses¹	231,991	9.8	181,501	4.4	143,809	(4.7)	160,949	5.9
Net Operating Income—Average per Farm (\$)								
Net Operating Income	15,978	(21.7)	28,893	37.8	22,982	8.0	27,646	30.6
Capital Cost Allowance (CCA)	12,134	3.9	20,266	3.7	12,527	0.7	16,180	9.3
Net Operating Income (after CCA)	3,843	(55.9)	8,627	...	10,455	18.3	11,466	80.1
Operating Margins per \$ of Revenue								
Operating Margin	0.06		0.14		0.14		0.15	
Operating Margin (after CCA)	0.02		0.04		0.06		0.06	

1. Totals may not add up due to rounding and/or confidentiality restrictions.

Source: Statistics Canada, Whole Farm Data Base.

* Use with caution.

** Unreliable.

Economic Overview of Farm Incomes—All Farms

Table 6: Operating Revenues and Expenses by Province, 1998 (continued)

	Quebec		Ontario		Manitoba		Saskatchewan	
	1998	Change 1998/1997	1998	Change 1998/1997	1998	Change 1998/1997	1998	Change 1998/1997
Number of Farms	28,355	(3.5)	49,535	(3.9)	22,110	(2.6)	59,185	(2.6)
Revenues—Average per Farm (\$)								
Total Grains & Oilseeds	16,450	(0.2)	28,485	4.0	66,255	(0.3)	64,723	(2.8)
Potatoes	2,408	5.8	1,673	42.0	4,428	13.6	135	(1.5)
Fruits & Vegetables	10,632	4.7	9,571	8.4	676	(11.9)	77 *	13.2
Tobacco	x	x	7,052	31.2	-	...	-	...
Greenhouse & Nursery Products	7,274	14.9	14,405	24.3	1,026	7.8	322	0.9
Forage Crops (including seed)	886	(6.6)	1,665	(0.8)	2,630	14.2	1,505	10.8
Other Crops	x	x	3,000	14.5	300 *	(53.6)	23 **	...
Total Other Crops	21,838	6.9	37,365	19.5	9,060	5.8	2,062	9.5
Total Crop Revenues	38,288	3.7	65,850	12.3	75,315	0.4	66,785	(2.4)
Cattle	18,127	11.1	27,824	7.7	25,712	(6.7)	18,871	13.4
Hog	32,281	(8.3)	14,555	(10.4)	21,562	(14.2)	2,265	(15.7)
Poultry & Eggs	19,132	7.1	16,369	7.8	6,514	12.1	1,033	(28.4)
Dairy Products & Subsidies	50,270	6.9	25,943	(0.3)	5,687	(19.6)	1,548	(30.4)
Other Livestock & Products	1,898	9.0	3,106	(1.2)	3,515	(16.5)	1,571	(19.1)
Total Livestock & Product Revenues	121,708	3.0	87,797	1.6	62,990	(9.7)	25,288	1.4
Program Payments	13,889	62.3	2,850	(19.2)	3,842	(23.6)	3,270	(15.7)
Custom Work & Machine Rental	4,648	5.1	6,542	5.3	4,965	10.0	4,283	(2.7)
Rental Income	832	10.6	980	6.3	628	(0.2)	989	(2.6)
Forest & Maple Products	5,613	11.2	351	31.0	100 **	...	55 **	31.0
Miscellaneous Revenues	1,908	14.5	2,918	(3.0)	4,692	19.7	4,093	13.0
Total Other Revenues	13,002	9.3	10,791	3.7	10,384	14.0	9,420	3.7
Total Operating Revenues¹	186,887	6.5	167,289	5.2	152,531	(4.0)	104,762	(1.5)
Expenses—Average per Farm (\$)								
Fertilizer & Lime	6,677	2.0	8,170	16.0	14,609	1.2	9,611	0.9
Pesticides	2,171	10.0	4,089	2.3	10,068	6.9	7,758	3.9
Seed & Plants	5,549	3.7	7,466	11.3	6,746	13.0	4,456	7.6
Other Crop Expenses	2,001	11.5	2,167	29.8	376	9.3	128	4.1
Total Crop Expenses	16,398	4.7	21,892	12.7	31,799	5.4	21,953	3.3
Cattle Purchases	7,353	4.5	16,071	12.4	10,108	(9.7)	8,074	26.8
Hog Purchases	8,155	6.6	3,069	4.2	5,257	(0.7)	250	(23.8)
Poultry & Egg Purchases	3,349	(5.2)	3,298	15.9	1,396	20.4	137	(40.4)
Other Livestock Purchases	433	(18.5)	1,068	(23.2)	1,046	(26.7)	829	5.3
Feed, Supplements, Straw & Bedding	38,248	1.5	22,242	(2.9)	16,463	(8.4)	4,403	(7.8)
Vet Fees, Medicine & Breeding Fees	3,624	9.5	2,356	3.6	1,535	0.3	650	(4.4)
Other Livestock Expenses	207	(14.5)	71	(26.0)	30	(23.1)	14 *	(50.0)
Total Livestock Expenses	61,369	2.3	48,175	3.0	35,835	(7.2)	14,357	8.8
Small Tools	501	(0.4)	500	(2.9)	458	(2.1)	496	(3.3)
Net Fuel Expenses, Machinery, Truck, Auto	4,199	(5.1)	5,123	(2.9)	7,394	(9.1)	6,703	(9.8)
Repairs, Licenses and Insurance	8,245	7.4	6,946	5.6	8,792	--	6,698	(4.3)
Total Machinery Expenses	12,945	2.7	12,569	1.6	16,644	(4.3)	13,897	(7.0)
Salaries (including CPP, QPP, EI)	16,196	7.0	17,309	9.0	8,270	3.2	4,640	2.1
Rent	2,247	21.7	4,188	3.1	5,184	10.6	2,987	8.5
Insurance	3,762	(0.1)	3,185	11.9	4,050	10.1	3,047	4.7
Utilities	4,869	1.4	4,950	3.2	2,970	(3.9)	1,907	(8.7)
Custom Work & Machine Rental	6,829	16.1	7,278	8.4	6,950	6.7	5,491	1.0
Net Interest Expenses	11,297	15.0	9,016	19.9	7,777	10.1	5,572	7.4
Net Property Taxes	2,510	8.4	1,947	(29.5)	2,778	4.3	3,141	4.1
Building & Fence Repairs	3,976	11.8	3,096	6.2	2,224	(3.8)	1,092	(6.2)
Marketing Expenses	4,193	10.1	2,797	(0.8)	1,773	(22.3)	1,197	(25.3)
Miscellaneous Expenses	7,724	(1.4)	7,149	9.0	4,201	3.5	3,515	(2.0)
Total General Expenses	63,601	8.2	60,915	7.1	46,177	4.1	32,588	0.9
Total Operating Expenses¹	154,314	5.0	143,550	6.0	130,456	(0.1)	82,794	1.4
Net Operating Income—Average per Farm (\$)								
Net Operating Income	32,573	14.4	23,738	0.5	22,075	(22.3)	21,968	(10.9)
Capital Cost Allowance (CCA)	16,409	8.9	14,530	6.5	16,421	2.2	13,858	2.8
Net Operating Income (after CCA)	16,164	20.5	9,208	(7.6)	5,654	(54.2)	8,110	(27.4)
Operating Margins per \$ of Revenue								
Operating Margin	0.17		0.14		0.14		0.21	
Operating Margin (after CCA)	0.09		0.06		0.04		0.08	

1. Totals may not add up due to rounding and/or confidentiality restrictions.

Source: Statistics Canada, Whole Farm Data Base.

* Use with caution.

** Unreliable.

Economic Overview of Farm Incomes—All Farms

Table 6: Operating Revenues and Expenses by Province, 1998 (concluded)

	Alberta		British Columbia		Canada	
	1998	Change 1998/1997	1998	Change 1998/1997	1998	Change 1998/1997
Number of Farms	54,440	(2.0)	10,560	(4.3)	230,230	(2.9)
Revenues—Average per Farm (\$)						
Total Grains & Oilseeds	41,613	(2.6)	4,931	(11.7)	41,321	(1.1)
Potatoes	1,091	54.8	2,390	20.8	2,590	23.2
Fruits & Vegetables	474	13.4	23,560	10.3	5,002	6.5
Tobacco	-	...	-	x	1,584	27.1
Greenhouse & Nursery Products	1,899	59.7	36,887	25.9	6,586	23.7
Forage Crops (including seed)	4,424	4.7	3,199	7.8	2,339	5.8
Other Crops	640	(6.2)	10,100 *	x	1,317	29.5
Total Other Crops	8,528	18.1	76,135	27.0	19,417	17.0
Total Crop Revenues	50,140	0.4	81,066	23.7	60,738	4.0
Cattle	73,571	6.4	28,997	6.4	34,790	7.0
Hog	7,428	(8.6)	3,387	(13.6)	12,017	(10.9)
Poultry & Eggs	3,481	0.3	31,775	9.9	9,695	4.4
Dairy Products & Subsidies	5,378	(13.6)	33,029	12.0	16,500	(0.4)
Other Livestock & Products	3,151	1.4	4,415	(1.9)	2,707	(4.1)
Total Livestock & Product Revenues	93,007	3.2	101,603	8.0	75,709	1.4
Program Payments	3,911	(1.8)	3,221	(3.0)	4,706	4.8
Custom Work & Machine Rental	12,120	7.6	9,029	14.9	6,966	5.8
Rental Income	2,848	3.7	1,492	1.6	1,385	3.3
Forest & Maple Products	141 **	13.7	2,585	73.0	1,084	15.9
Miscellaneous Revenues	3,470	3.3	2,769	(2.2)	3,375	7.3
Total Other Revenues	18,578	6.2	15,875	16.3	12,810	6.7
Total Operating Revenues¹	165,637	2.6	201,765	14.3	153,962	3.0
Expenses—Average per Farm (\$)						
Fertilizer & Lime	8,740	3.5	6,521	26.8	9,112	5.5
Pesticides	4,960	0.7	2,464	14.2	5,548	4.1
Seed & Plants	3,427	19.7	10,732	38.4	5,568	12.8
Other Crop Expenses	358	(1.6)	4,655	15.6	1,157	16.8
Total Crop Expenses	17,485	5.4	24,372	27.7	21,385	7.5
Cattle Purchases	43,041	3.6	13,961	20.7	18,497	7.5
Hog Purchases	1,405	13.2	451	33.4	2,649	3.9
Poultry & Egg Purchases	563	(7.7)	5,526	16.0	1,809	5.8
Other Livestock Purchases	1,689	26.6	1,268	(19.5)	1,063	(3.2)
Feed, Supplements, Straw & Bedding	21,587	1.2	31,386	4.0	19,567	(1.6)
Vet Fees, Medicine & Breeding Fees	1,831	(1.8)	2,474	13.4	1,868	2.8
Other Livestock Expenses	56	(20.0)	256	8.0	78	(18.8)
Total Livestock Expenses	70,171	3.2	55,321	8.8	45,531	2.6
Small Tools	606	2.2	490	5.6	517	(0.8)
Net Fuel Expenses, Machinery, Truck, Auto	5,613	(11.3)	4,777	(3.1)	5,764	(8.0)
Repairs, Licenses and Insurance	7,649	0.2	8,195	15.4	7,510	1.9
Total Machinery Expenses	13,868	(4.7)	13,462	7.7	13,791	(2.6)
Salaries (including CPP, QPP, EI)	7,526	4.1	35,687	18.8	11,854	7.3
Rent	3,400	9.4	3,742	9.3	3,499	8.3
Insurance	2,858	8.8	2,644	10.1	3,191	7.0
Utilities	2,440	(6.6)	5,575	16.3	3,379	(1.1)
Custom Work & Machine Rental	7,394	2.5	11,041	15.7	6,895	6.4
Net Interest Expenses	8,131	8.4	12,111	19.9	8,271	12.7
Net Property Taxes	1,878	2.3	1,665	6.1	2,358	(3.8)
Building & Fence Repairs	2,200	(1.8)	3,090	2.1	2,377	2.3
Marketing Expenses	1,475	8.6	5,241	11.8	2,302	(2.6)
Miscellaneous Expenses	4,971	0.1	9,203	7.7	5,552	2.3
Total General Expenses	42,273	3.9	89,999	15.2	49,678	5.6
Total Operating Expenses¹	143,796	2.8	183,153	14.1	130,384	3.9
Net Operating Income—Average per Farm (\$)						
Net Operating Income	21,841	0.8	18,612	16.0	23,579	(2.0)
Capital Cost Allowance (CCA)	17,320	2.8	16,655	6.6	15,558	4.5
Net Operating Income (after CCA)	4,520	(6.2)	1,957	...	8,021	(12.6)
Operating Margins per \$ of Revenue						
Operating Margin	0.13		0.09		0.15	
Operating Margin (after CCA)	0.03		0.01		0.05	

1. Totals may not add up due to rounding and/or confidentiality restrictions.

Source: Statistics Canada, Whole Farm Data Base.

* Use with caution.

** Unreliable.

Economic Overview of Farm Incomes—All Farms

Table 7: Distribution of Net Operating Income by Revenue Class, Canada, 1998

Revenue Class	Net Operating Income ¹						
	Below -\$10,000	-\$10,000 to \$0	\$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	7,820	16,200	24,260	8,025	-	-	56,310
\$25,000 to \$49,999	6,130	7,760	14,675	13,835	2,765	-	45,170
\$50,000 to \$99,999	4,505	4,295	7,615	15,715	11,495	1,495	45,140
\$100,000 and over	6,995	2,930	4,555	10,245	22,490	36,395	83,615
Total Farms²	25,455	31,180	51,110	47,825	36,745	37,895	230,230
Percent of Total Farms	11.1	13.5	22.2	20.8	16.0	16.5	100.0

Table 8: Distribution of Net Operating Income by Farm Type, Canada, 1998

Farm Type	Net Operating Income ¹						
	Below -\$10,000	-\$10,000 to \$0	\$1 to \$9,999	\$10,000 to \$24,999	\$25,000 to \$49,999	\$50,000 and over	Total
	Number of Farms						
Grain and Oilseed	6,995	11,510	22,370	22,880	16,265	15,480	95,495
Cattle	10,290	12,255	16,505	12,755	7,320	4,270	63,395
Dairy	685	460 *	1,005	2,745	6,095	9,270	20,255
Hog	1,520	795	1,115	1,155	1,100	1,480	7,175
Poultry and Egg	285	300 *	410	500	785	1,915	4,210
Fruit and Vegetable	990	1,140	1,815	1,860	1,065	985	7,860
Greenhouse and Nursery	370 *	420 *	785	740	525	835	3,685
Potato	180	130 **	220 *	210	180	610	1,530
Other	4,135	4,175	6,880	4,990	3,390	3,055	26,625
Total Farms²	25,455	31,180	51,110	47,825	36,745	37,895	230,230
Percent of Total Farms	11.1	13.5	22.2	20.8	16.0	16.5	100.0

Table 9: Distribution of Net Operating Income by Province, 1998

Province	Net Operating Income ¹						
	Below -\$10,000	-\$10,000 to \$0	\$1 to \$9,999	\$10,000 to \$24,999	\$25,000 to \$49,999	\$50,000 and over	Total
	Number of Farms						
Newfoundland	35	60	80	40	x	35	270
Prince Edward Island	205	215	315	270	225	355	1,600
Nova Scotia	205	320	700	450	280	360	2,310
New Brunswick	185	330	420	340	225	355	1,865
Quebec	1,800	2,680	5,380	5,240	6,180	7,080	28,355
Ontario	6,410	7,830	11,400	8,770	6,525	8,600	49,535
Manitoba	2,455	3,040	4,920	4,735	3,460	3,505	22,110
Saskatchewan	4,720	7,255	14,120	14,820	10,210	8,055	59,185
Alberta	7,240	7,520	11,665	11,535	8,570	7,910	54,440
British Columbia	2,195	1,940	2,110	1,625	1,050	1,635	10,560
Canada	25,455	31,180	51,110	47,825	36,745	37,895	230,230
Percent of Total Farms	11.1	13.5	22.2	20.8	16.0	16.5	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.

*Use with caution.

**Unreliable.

Economic Overview of Farm Incomes—All Farms

Table 10: Total Income of Farm Operators by Revenue Class, Unincorporated and Incorporated Sectors, Canada, 1998

	\$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	Total
Number of Operators	65,610	52,540	54,330	71,670	33,720	18,890	296,760
Number of Farms	56,310	45,170	45,140	52,650	20,310	10,390	229,950
	Average per Operator (\$)						
Farm Income							
Total Revenues	14,143	30,899	59,807	117,497	206,114	717,126	116,962
Total Expenses	14,297	27,363	48,057	92,591	166,618	646,205	99,205
Net Operating Income¹	(155)	3,536	11,749	24,906	39,497	70,921	17,757
Off-Farm Income							
Wages and Salaries	17,201	14,233	10,760	6,617	9,834	22,282	12,426
Net Non-Farm Self-Employment Income	2,037	1,610	1,182	1,056	1,033	1,611	1,427
Investment Income	2,951	3,539	2,853	2,745	4,749	7,691	3,494
Pension Income	5,111	3,947	3,238	1,685	1,308	1,621	3,080
Old Age Security Pension	1,203	1,007	825	482	373	462	784
Canada and Quebec Pension Plan Benefits	1,587	1,385	1,192	713	557	722	1,096
Net Federal Supplements	263	159	105	43	31	18	121
Other Pensions or Superannuation	2,059	1,396	1,116	447	347	420	1,081
Government Social Transfers (excluding pension amounts)	760	659	503	465	468	386	567
Employment Insurance Benefits	393	333	195	83	65	51	212
Workers' Compensation Benefits	146 *	112 *	88 *	38	26 *	50 *	84
Social Assistance Payments	56 *	33	19 *	8 *	3 **	6 **	24
Child Tax Benefits	166	181	201	336	374	279	247
Other Off-Farm Income	762	622	1,027	1,012	1,083	1,026	899
Registered Retirement Savings Plan Income (RRSP)	458	373	330	318	354	371	368
Total Off-Farm Income² (excluding taxable capital gains)	29,279	24,977	19,882	13,845	18,687	34,828	22,220
Total Operator Income	29,124	28,513	31,632	38,751	58,184	105,749	39,976
Off-Farm Income as a Share of Total Income (%)	...	87.6	62.9	35.7	32.1	32.9	55.6

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.

*Use with caution.

**Unreliable.

ECONOMIC OVERVIEW OF FARM INCOMES

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