

# ***Profile of the 2004 Farm Financial Survey***

***August 2005***



Agriculture and  
Agri-Food Canada

Agriculture et  
Agroalimentaire Canada

Canada

## Profile of the 2004 Farm Financial Survey

### Farm Financial Survey Analysis Group

John Caldwell (Project Team Leader)

Fabrice Nimpagaritse

Research and Analysis Directorate

Strategic Policy Branch

August 2005

Any policy views, whether explicitly stated, inferred or interpreted from the contents of this publication, should not be represented as reflecting the views of Agriculture and Agri-Food Canada (AAFC).

AAFC does not control the availability of Internet web sites featured in this report. Therefore, it does not take responsibility for severed hyperlinks or discontinued web pages mentioned herein. Links to these web sites are provided solely for the convenience of users. AAFC does not endorse these sites, nor is it responsible for the accuracy, the currency or the reliability of the content. Users should be aware that information offered by sites other than those of the Government of Canada are not subject to the Official Languages Act.

ISSN #1490-0386

ISBN #0-662-40970-1

Catalogue #A36-1/1-2004E-PDF

Publication No. 10055B

Project No. 05-040-r

Electronic versions of Research and Analysis publications are available on the Internet at <http://www.agr.gc.ca/spb/rad-dra>.

Aussi disponible en français sous le titre:

*Profil de l'enquête financière sur les fermes de 2004*



## *Preface*

This *Profile of the 2004 Farm Financial Survey* provides an overview of the 2004 Farm Financial Survey and compares the results with two previous surveys in 2002 and 2003. The *2004 Farm Financial Survey* collects data for the 2003 calendar year. The data was collected by Statistics Canada (STC) under contract with Agriculture and Agri-Food Canada (AAFC). Twenty thousand eight hundred farms with total farm revenues of over \$10,000 per year were surveyed by telephone.

This overview is divided into three sections: Farm Financial Structure, Capital Investment and Growth and Farm and Family Income. More detailed information can be obtained by visiting the following websites: *www.statcan.ca* or *www.agr.gc.ca/spb/rad-dra*. Special requests can be made to Statistics Canada, Agriculture Division via e-mail at *agriculture@statcan.ca* or by telephone at 1-800-465-1991. Comments on this publication can be sent to John Caldwell via e-mail at *caldwej@agr.gc.ca* or by telephone at (613) 759-1923.

# *Table of Contents*

<b>Introduction .....</b>	<b>7</b>
<b>Farm Financial Structure.....</b>	<b>9</b>
Assets & Liabilities .....	11
Net Worth.....	23
Debt as a Percent of Assets .....	31
Size of Farms .....	39
<b>Capital Investment and Growth .....</b>	<b>45</b>
Investment.....	47
Capital Borrowed .....	55
<b>Farm and Family Income.....</b>	<b>59</b>
Farm Income.....	61
Family Income .....	67
<b>Glossary .....</b>	<b>71</b>



## *Introduction*

- The Farm Financial Survey (FFS) is the only comprehensive source of balance sheet and investment data for Canadian farms.
- The FFS was first conducted in 1981 and has been repeated approximately every two years since 1988.
- The 2004 FFS was conducted by Statistics Canada and funded by Agriculture and Agri-Food Canada (AAFC).
- The 2004 survey sampled 20,800 farms from all provinces and farm types, with gross revenues of \$10,000 and over, and excludes multi-holding farms.
- Balance sheet data was collected as of December 31, 2003. Income and investment financial information is for the 2003 calendar year.
- Farm types are based on 51% or more of revenues from a particular commodity.



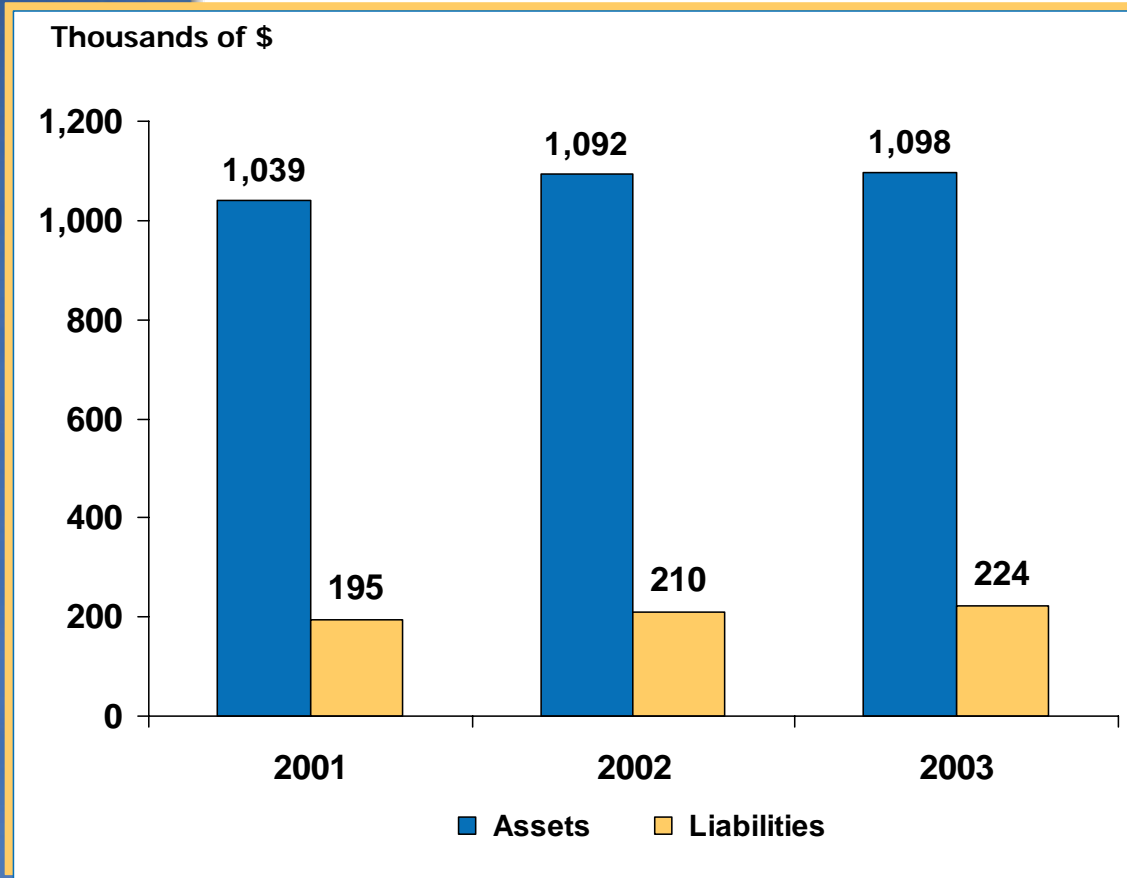
# Farm Financial Structure



# Farm Financial Structure

- **Assets and Liabilities**

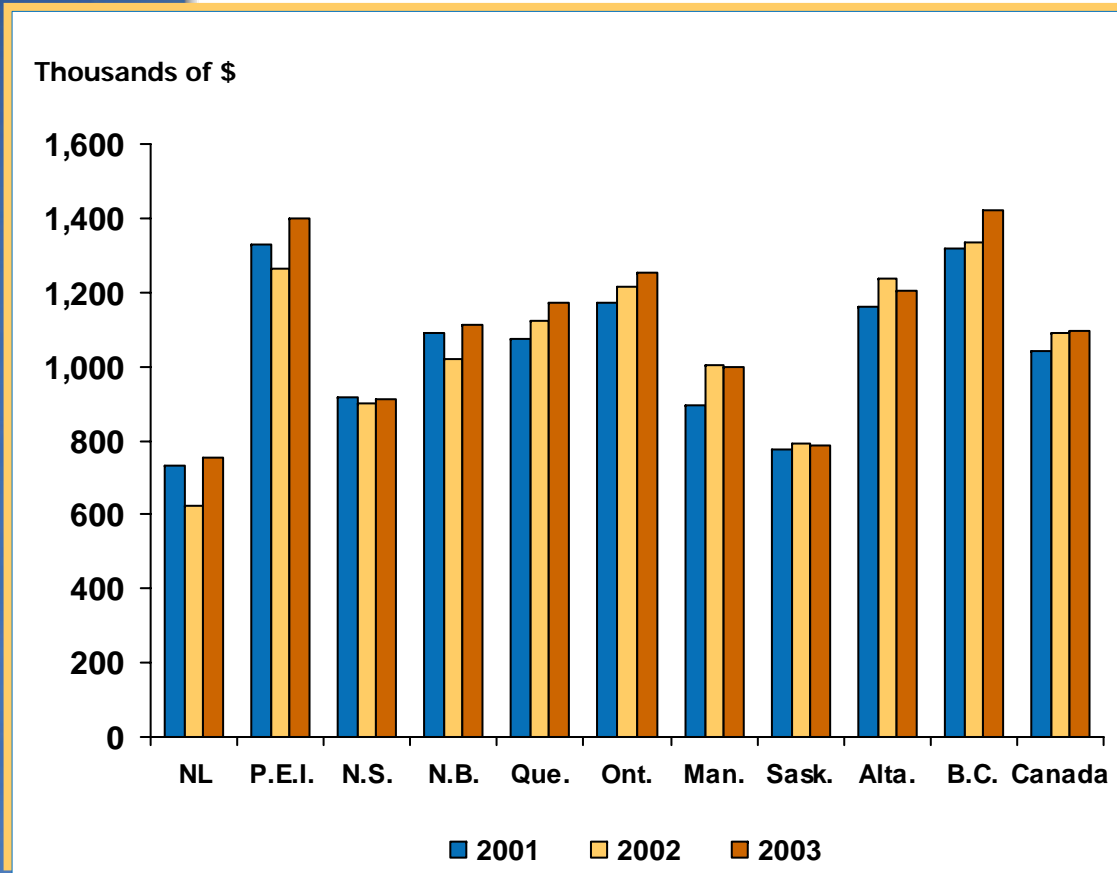
## *Average Farm Assets and Liabilities, per Farm, Canada 2001, 2002 & 2003*



- Average farm assets have shown a consistent increase since 2001.
  - Average farm assets were \$1,098,000 in 2003.
  - Assets increased marginally from 2002.
- Average farm liabilities in 2003 were up from 2002.
  - Average farm liabilities were \$224,000 in 2003.
  - Liabilities were up 7% from 2002.
- Debt as a percent of assets was 20% in 2003 – up slightly from 2002.

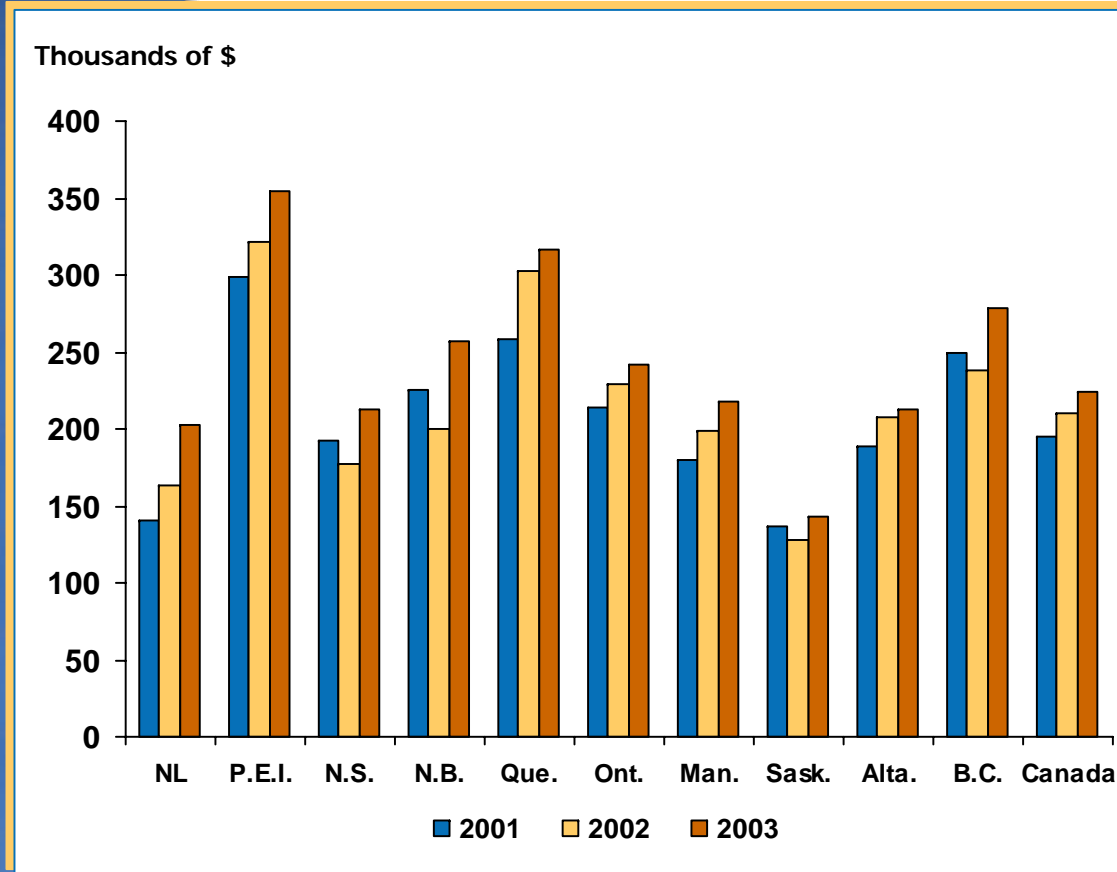


## Average Assets per Farm, by Province 2001, 2002 & 2003



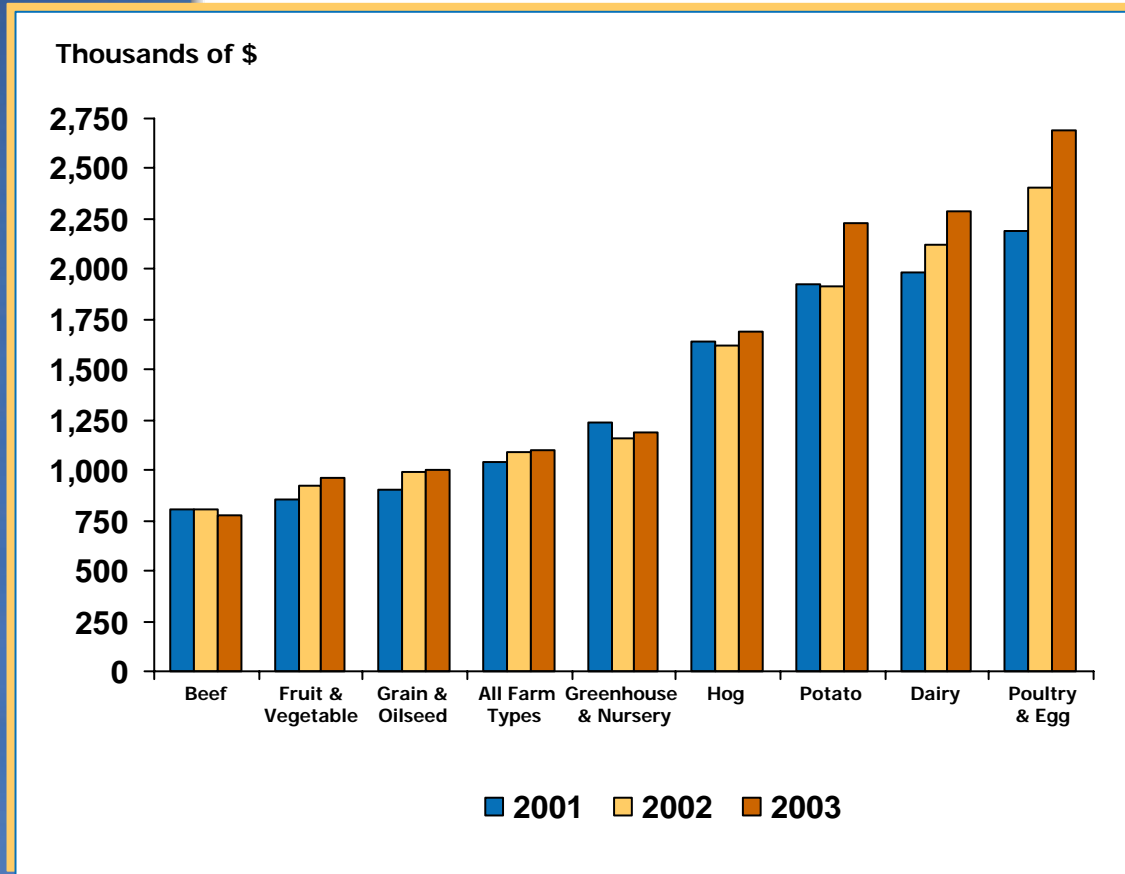
- The average Canadian farm had assets of over \$1,000,000.
- British Columbia at \$1,419,000 had the highest average assets in 2003.
- Assets increased in the eastern provinces in 2003.
  - Newfoundland reported the highest percentage increase in assets of 21% in 2003.
  - New Brunswick and Prince Edward Island showed a 9.5% increase in asset values.
- Assets decreased in the Prairie provinces in 2003.
  - Alberta showed a 3% decrease in assets in 2003 compared to 2002.
  - Manitoba and Saskatchewan had a 1% decrease.

## Average Liabilities per Farm, by Province 2001, 2002 & 2003



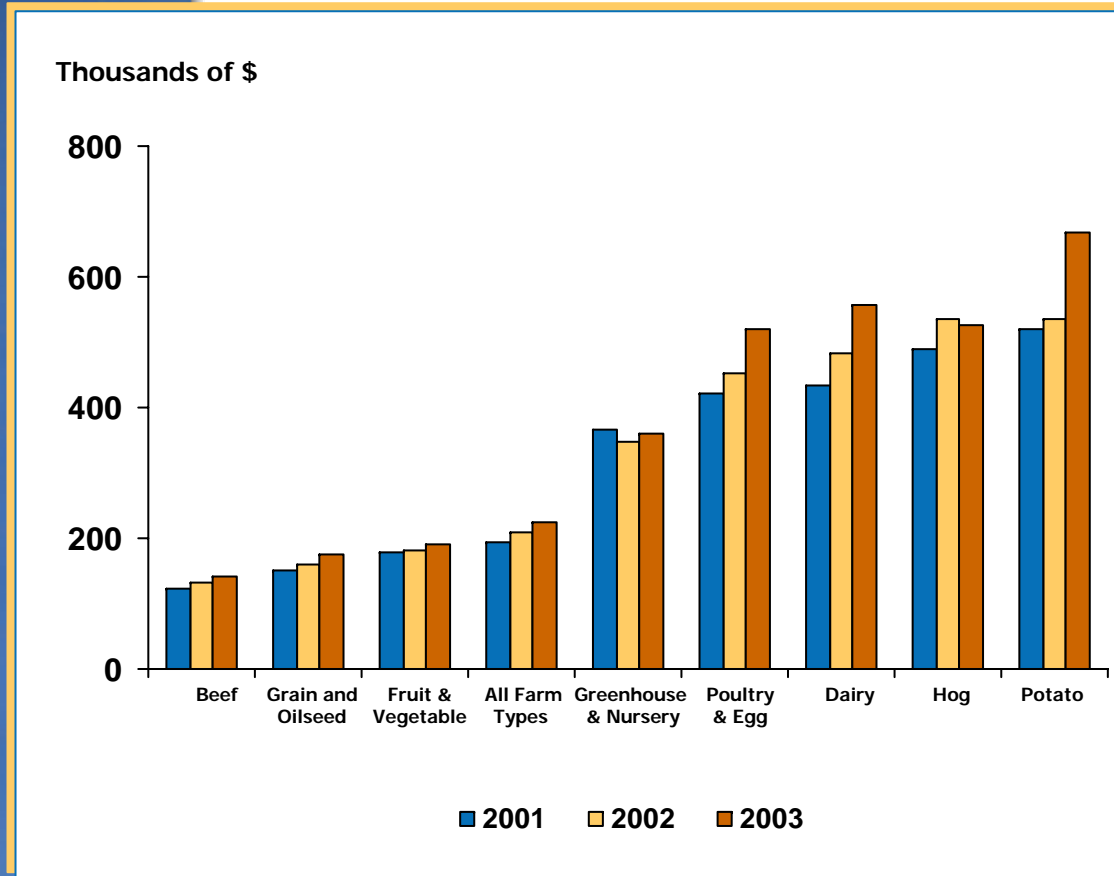
- Average debt increased for Canadian farms.
  - Average liabilities in Canada was \$224,000 in 2003.
  - Average liabilities increased 7% from 2002.
- Liabilities varied among provinces in 2003.
  - Prince Edward Island had the highest liabilities per farm at \$355,000.
  - Quebec reported the largest increase in debts with a 24% increase from 2002 levels.
  - Saskatchewan had the lowest liabilities per farm at \$143,000.

## Average Assets per Farm, by Farm Type, 2001, 2002 & 2003



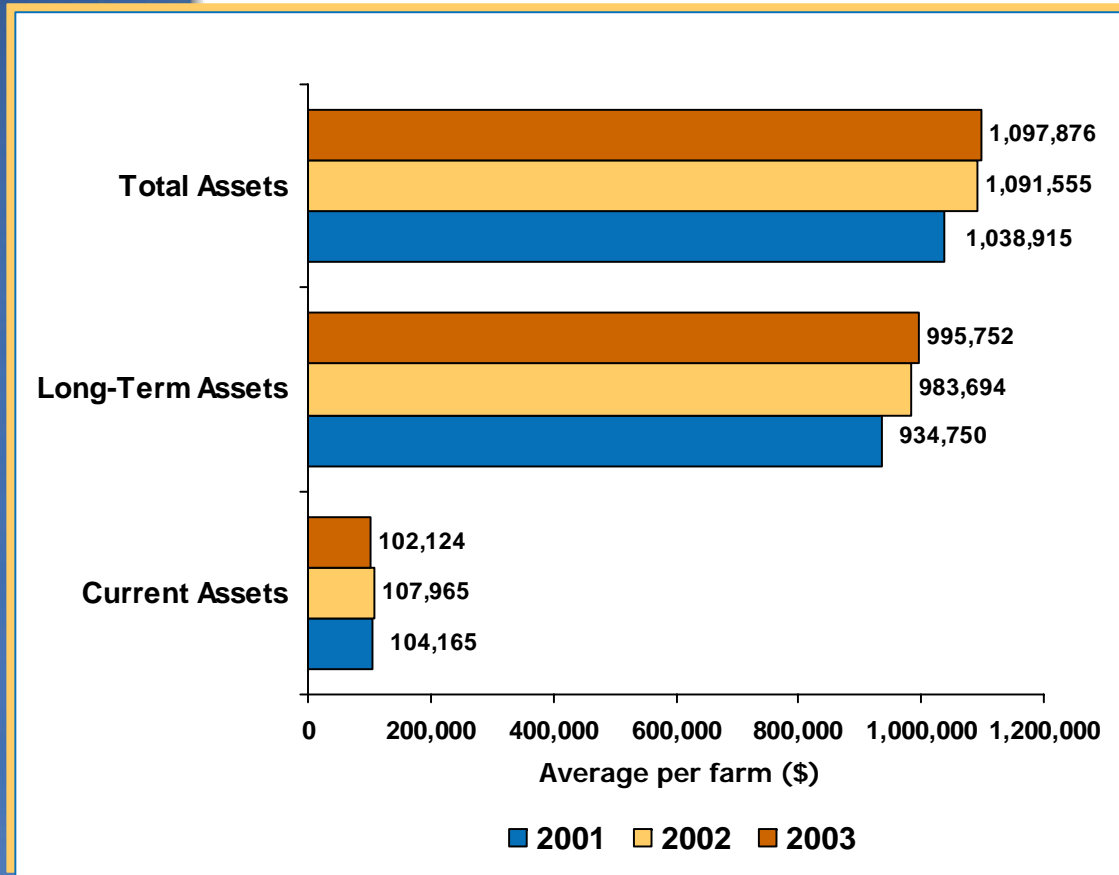
- Average assets showed a mixed change in terms of farm types for 2003.
  - Potato farms had the largest increase (16.8%).
  - Poultry farms reported a 12% increase.
  - Dairy farms also reported a large increase (8%).
  - Beef farms reported a 3.6% decrease.

## *Average Liabilities per Farm, by Farm Type, 2001, 2002 & 2003*



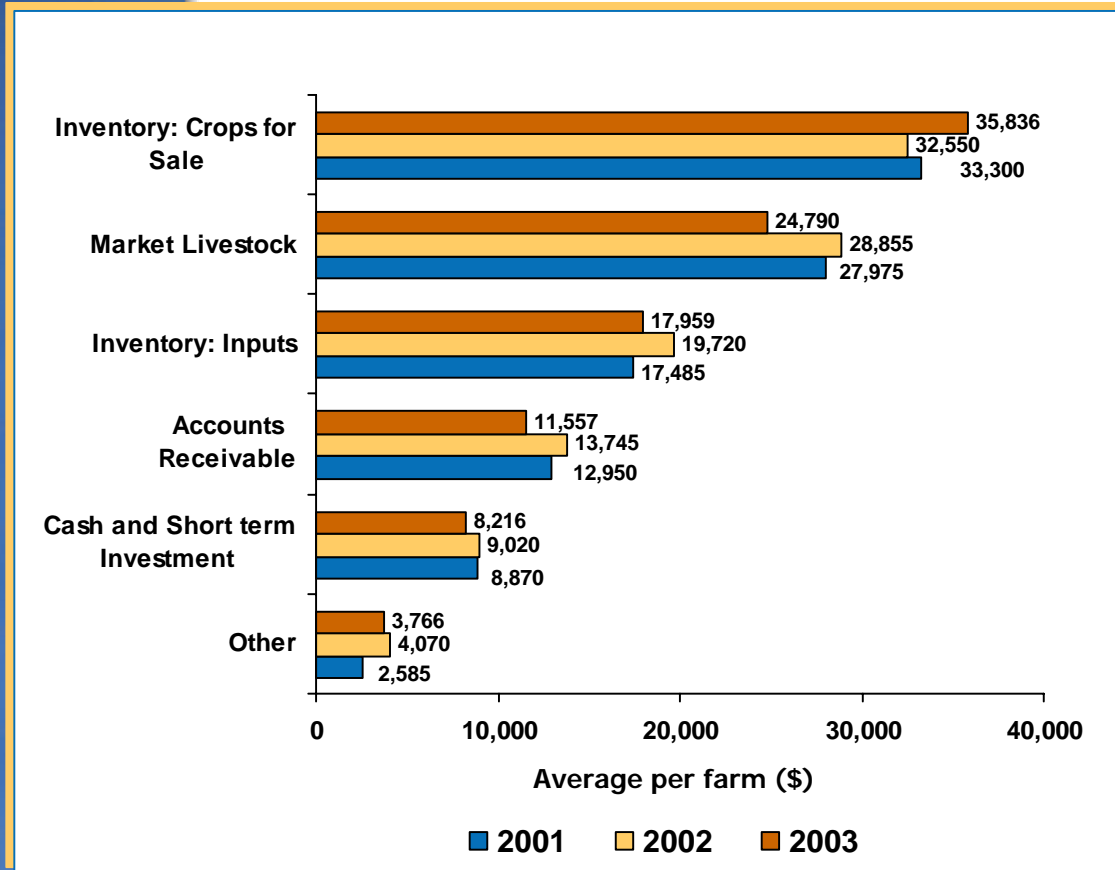
- Potato farms had the highest average debt in 2003 at \$666,600.
- Hog farms reported a very modest decline in their average debt per farm.
- Beef farms had the lowest level of debt at \$141,700.

## *Average Assets per Farm in Canada, 2001, 2002 & 2003*



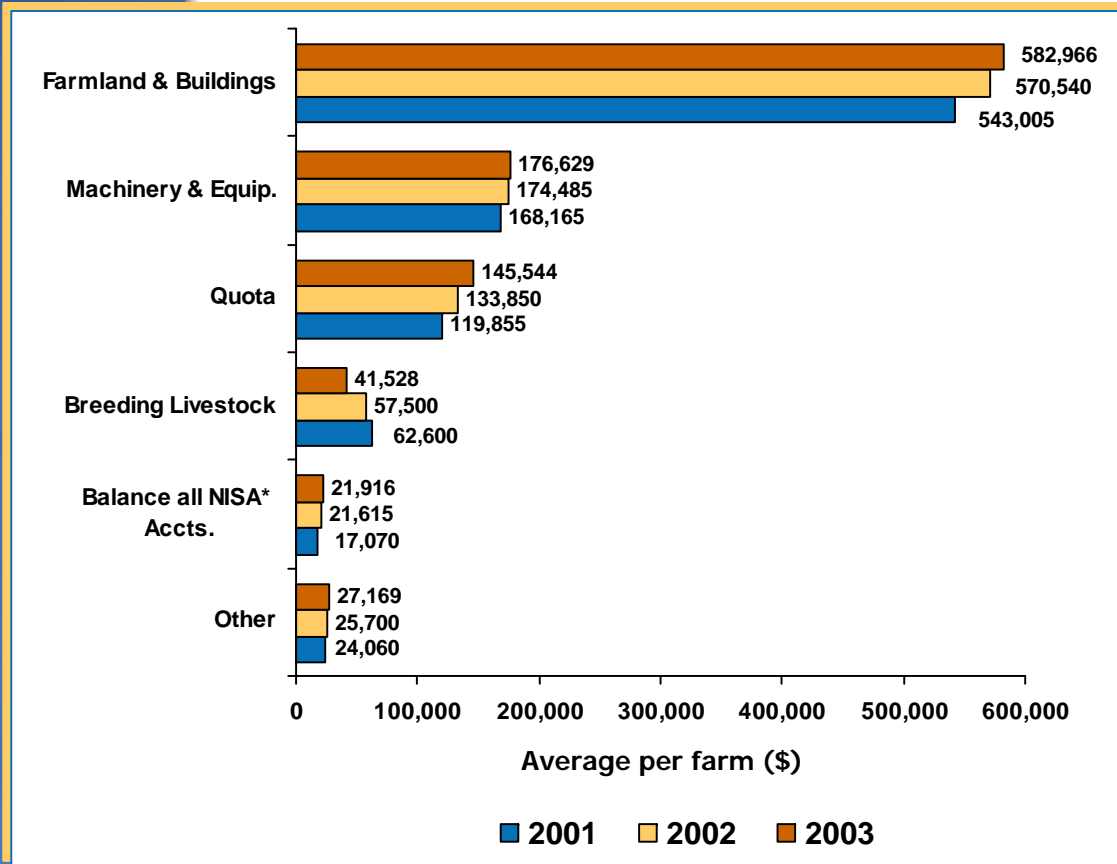
- Average farm assets increased slightly in 2003.
  - Total assets increased 0.6% between 2002 & 2003.
  - Current assets decreased by 5% from 2002.
  - Long term assets increased by 1% to \$996,000.

## Average Current Assets per Farm, Canada, 2001, 2002 & 2003



- Market livestock showed a 14% decrease from 2002 due to the discovery of BSE in May 2003.
- Inventory of crops for sale showed a 10% increase in 2003.
- Accounts receivable were down by more than \$2,000 in 2003.

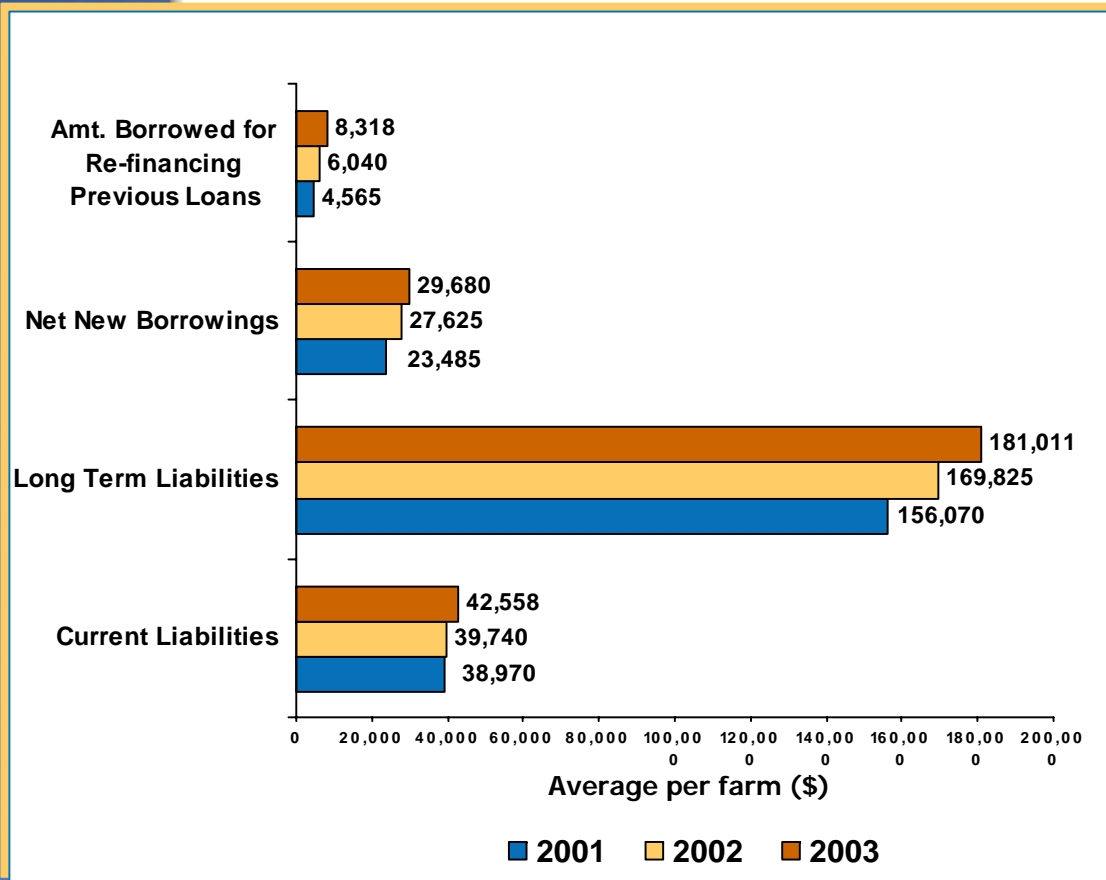
## Average Long Term Assets per Farm, Canada, 2001, 2002 & 2003



\* NISA includes CSRA in Quebec

- The value of breeding livestock decreased by 28% due to the discovery of BSE in May 2003.
- Farm real estate was up 2% from 2002.
- The value of quota increased by 9%.

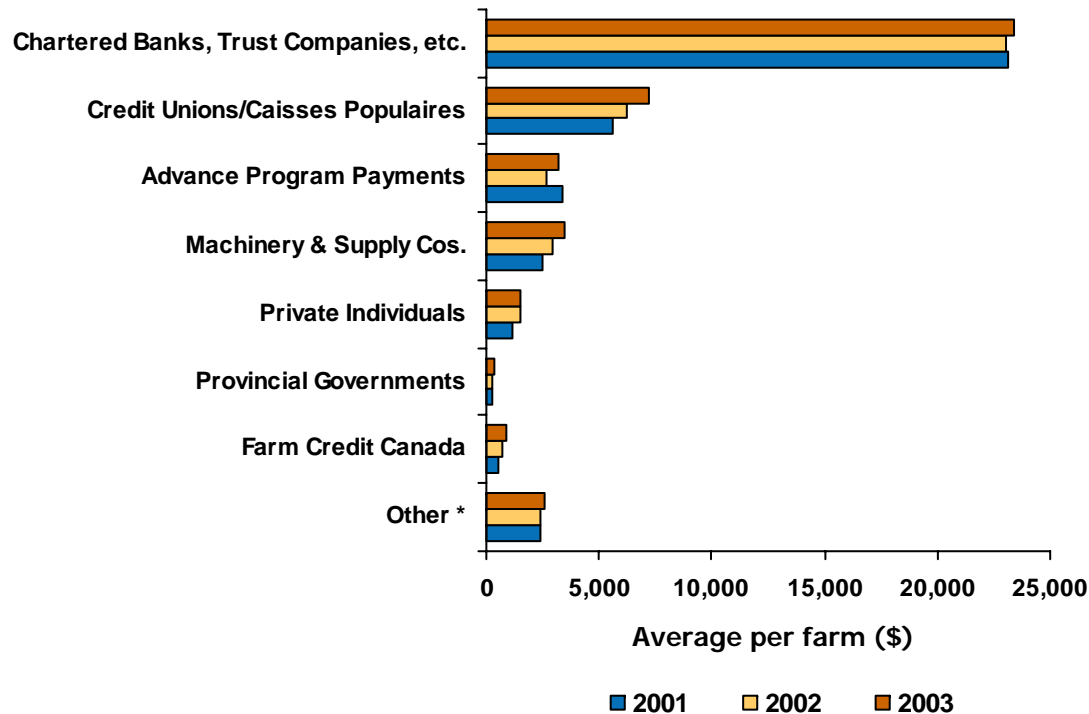
## *Average Liabilities and Long Term Borrowings per Farm, 2001, 2002 & 2003*



- Average current liabilities were up 7% from 2002.
- Average long term liabilities increased 7% to \$181,011 in 2003.
- Amount borrowed for re-financing previous loans increased by 38% in 2003.
- Net new borrowings increased by 7% in 2003.



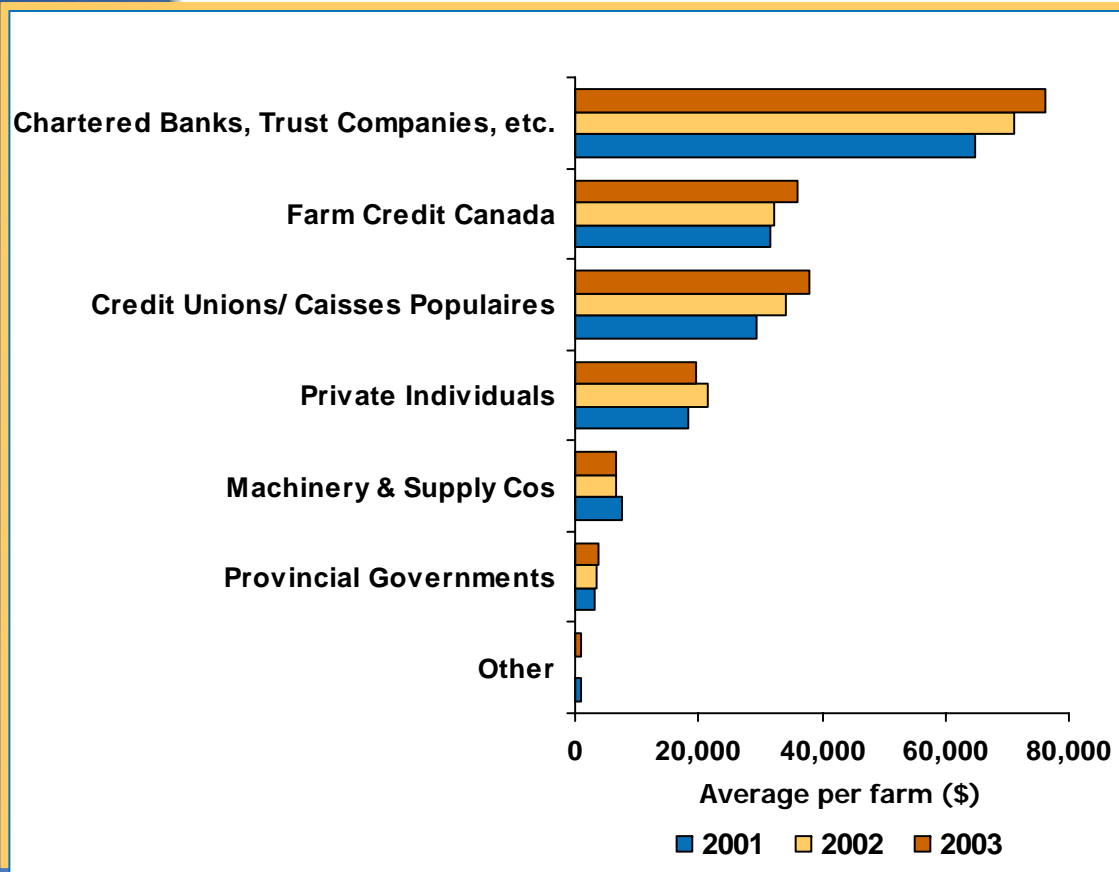
## *Average Current Liabilities per Farm, by Source of Funding, Canada, 2001, 2002 & 2003*



\* Other includes Business Development Bank of Canada, insurance companies, hydro, telephone, municipal taxes, etc.

- Chartered banks, trust companies and Alberta treasury branches, supplied 55% of Canadian farm short term debt.
- The second most important source of current debt was credit unions/caisses populaires at 17% of total short term debt.
- Provincial governments supplied only 1% of short term debt.

## Average Long Term Liabilities per Farm, by Source of Funding, Canada, 2001, 2002 & 2003



The sources of long term debt in 2003 were:

Banks, Trust Companies & Alberta treasury branches	(42%)
Farm Credit Canada (F.C.C)	(20%)
Credit Unions/ Caisses Populaires	(21%)
Private Individuals	(11%)
Other	( 6%)

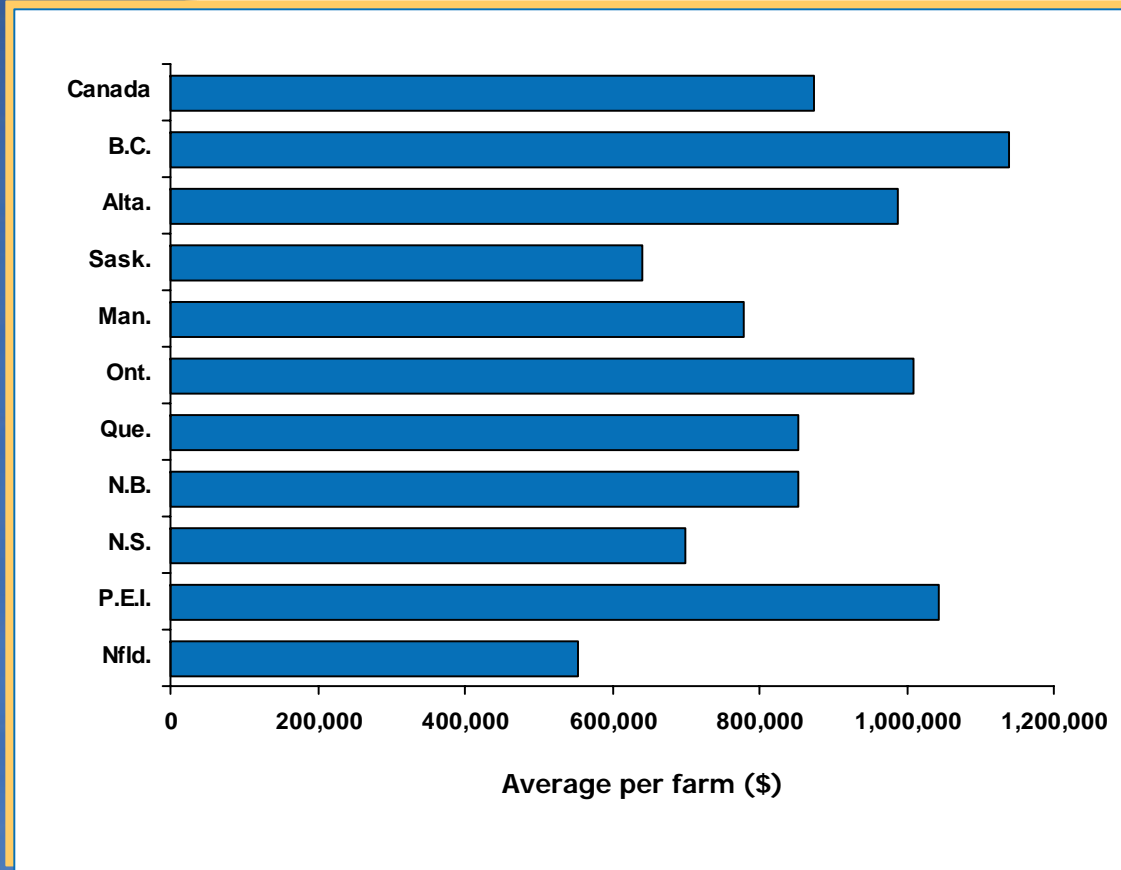
**TOTAL 100%**



# Farm Financial Structure

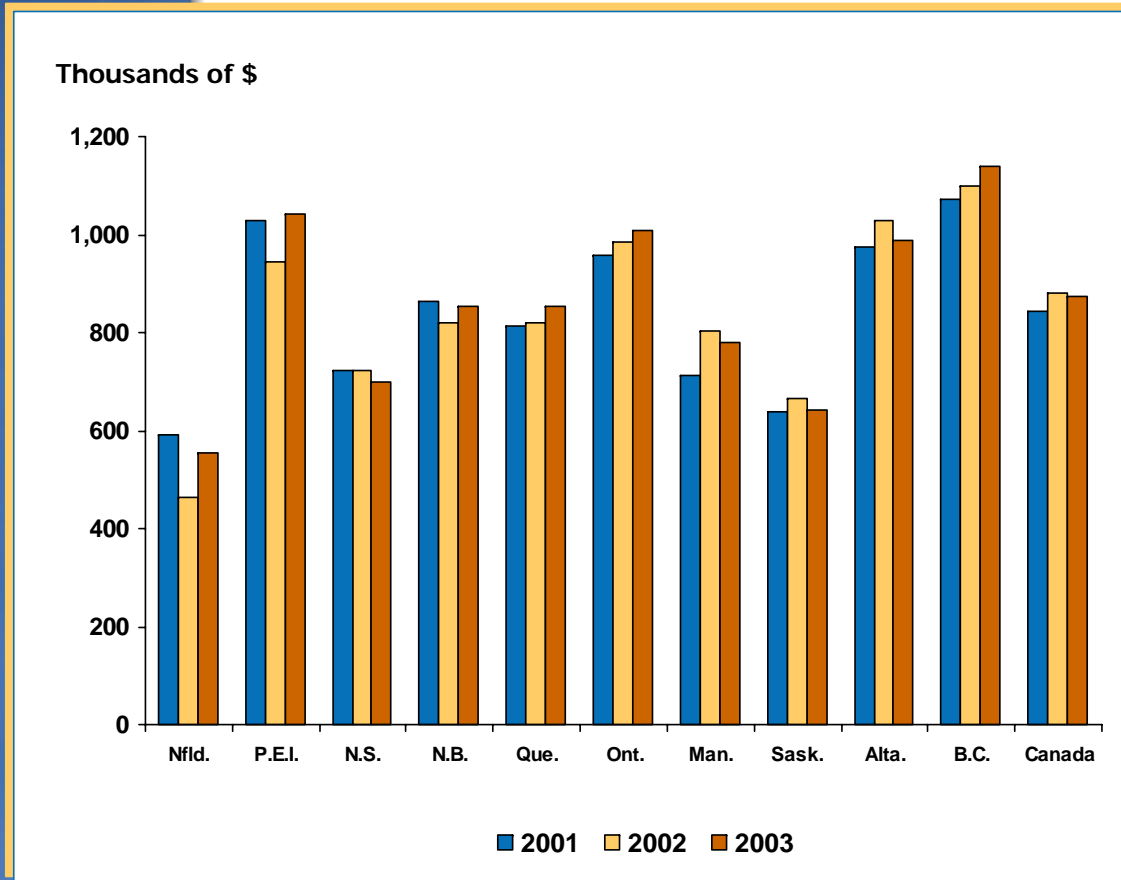
- **Net Worth**

## *Average Net Worth per Farm, by Province, 2003*



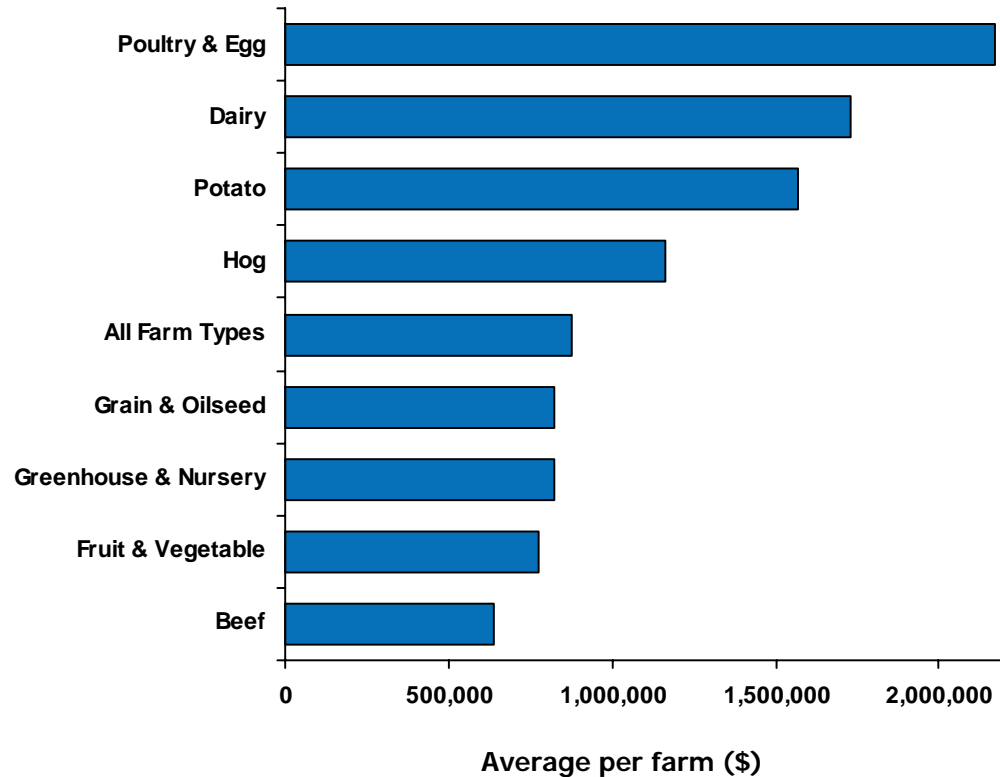
- The average farm in British Columbia, Ontario and Prince Edward Island reported in 2003 a net worth in excess of \$1,000,000.
- Newfoundland and Saskatchewan had the lowest net worth in 2003 at \$554,000 and \$641,000 respectively.

## Average Net Worth per Farm, by Province 2001, 2002 & 2003



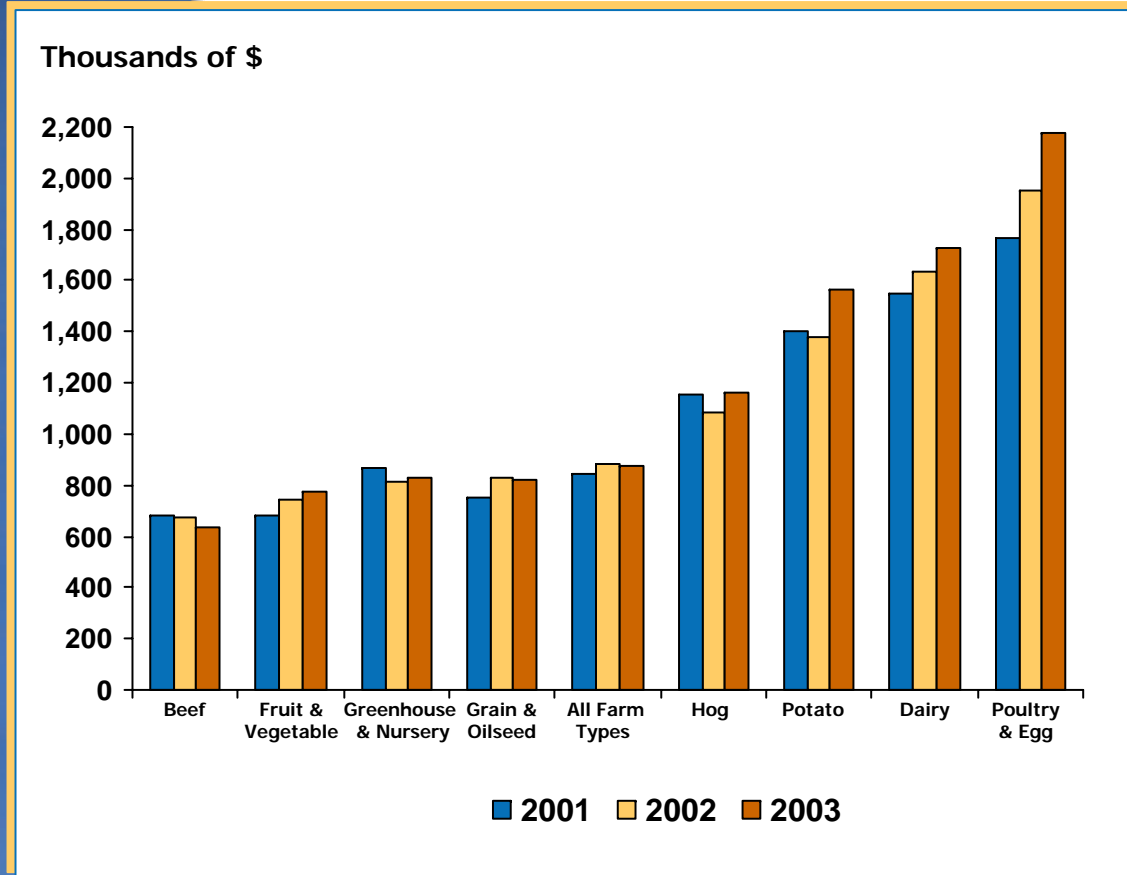
- Average net worth decreased for Canadian farms.
  - Average net worth was \$874,000 in 2003.
  - The net worth decreased 1% from 2002.
- This decline was experienced in the Prairie provinces and, Nova Scotia net worth from 2002-2003.
  - Average net worth in Manitoba decreased 3%.
  - Average net worth in Saskatchewan and Alberta decreased 4%.
  - Nova Scotia decreased 3%.

## *Average Net Worth per Farm, by Farm Type, 2003*



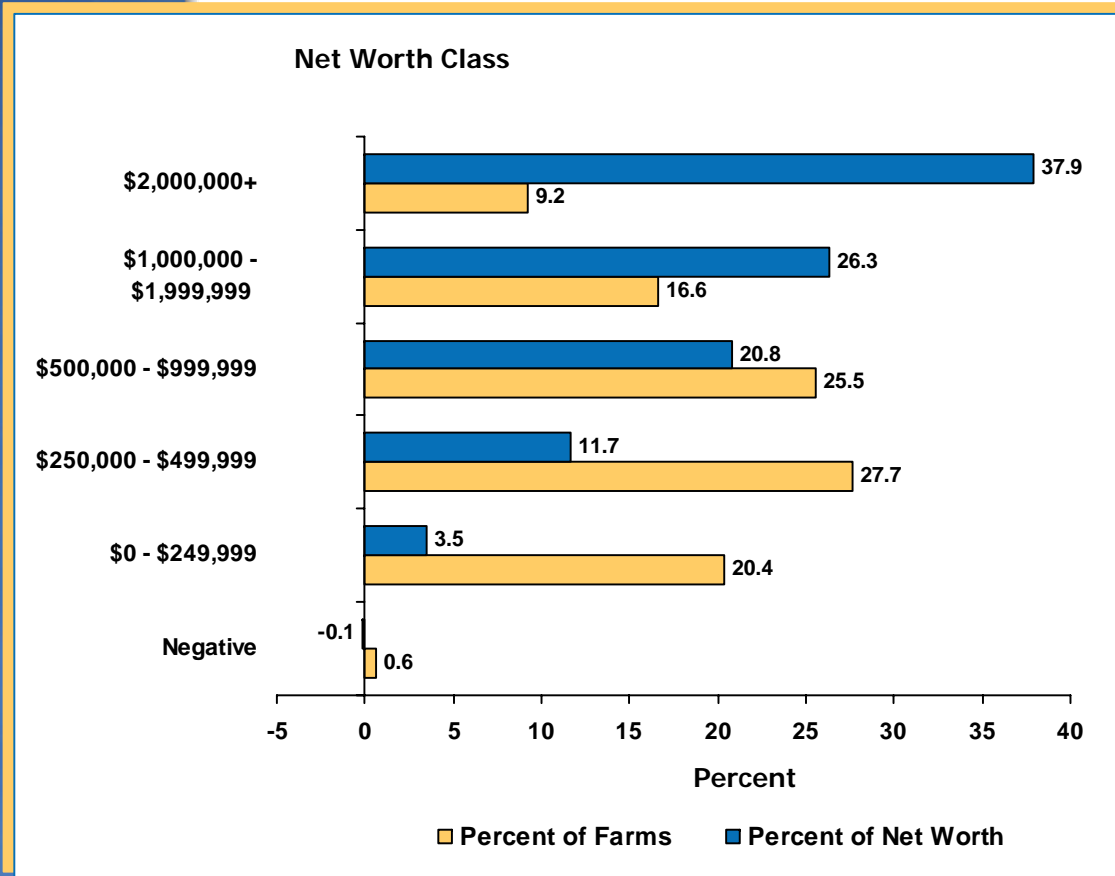
- Poultry and egg farms had the highest net worth in 2003 at \$2,173,000.
- Dairy farms and potato farms also had a high net worth at \$1,729,700 and \$1,566,000, respectively.
- Hog farms also reported an average net worth in excess of \$1,100,000.
- Beef farms had the lowest net worth at \$637,100

## Average Net Worth per Farm, by Farm Type, 2001, 2002 & 2003



- Potato farms had the largest increase in net worth between 2002 and 2003 (14%).
- Poultry and egg farms had a 11% increase in net worth from 2002 to 2003.
- Dairy farms and hog farms showed a 6% and a 7% increase in net worth respectively.
- Beef farmers are showing a 6% decrease in net worth due to the discovery of BSE in May 2003.

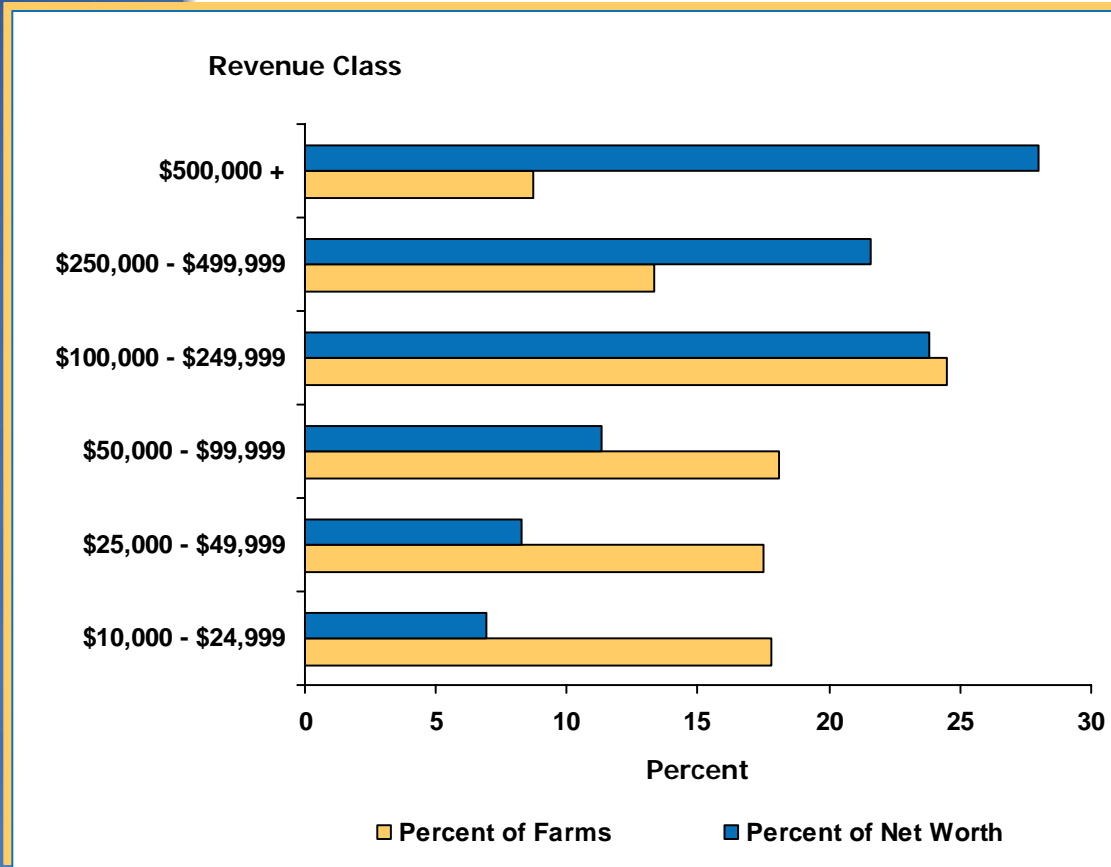
## Percentage of Farms & Net Worth, by Net Worth Class, 2003



- 26% of Canadian farms have a net worth of \$1,000,000 or more which accounts for 64% of the industry net worth.
- 38% of the net worth is held by farms in the \$2,000,000+ class that account for 9% of all farms.
- 26% of the net worth is held by farms in the \$1,000,000 - \$1,999,999 class that account for all 17% of farms.
- 21% of the farms have net worth less than \$250,000 and they account for only 3% percent of the total net worth.

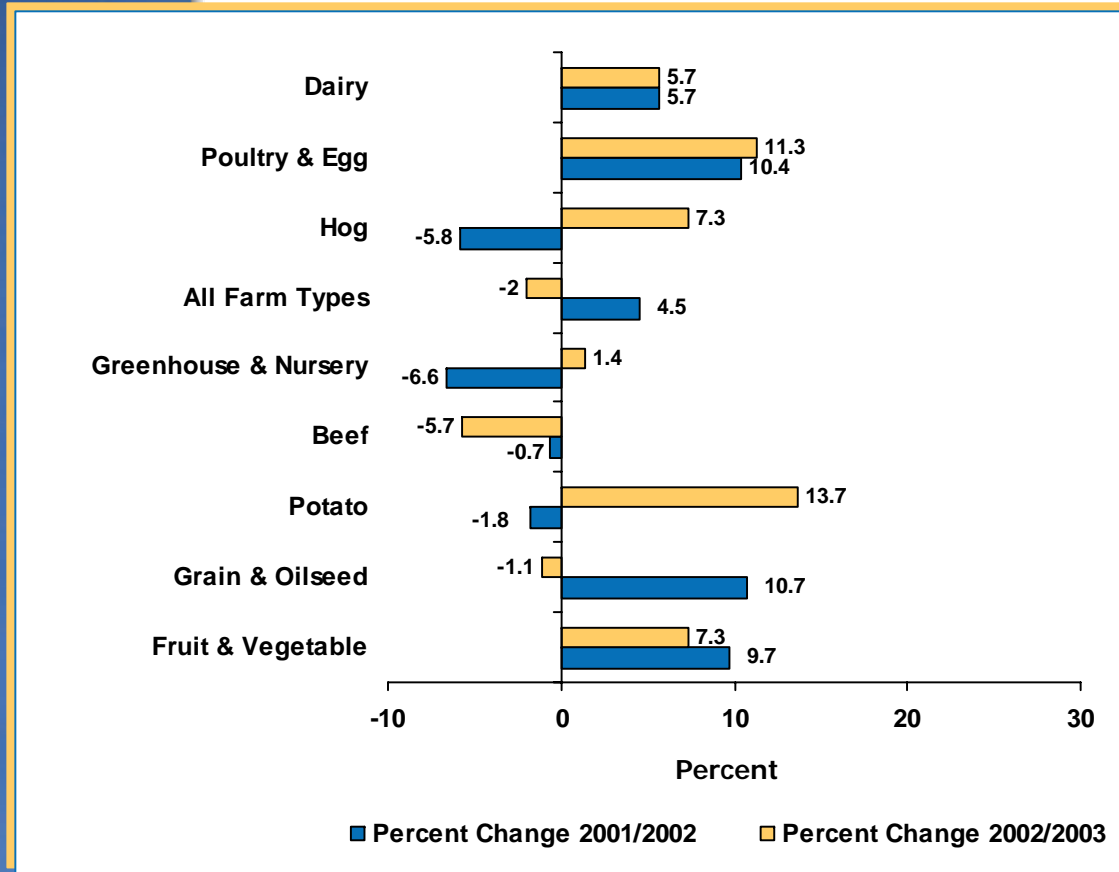


## *Distribution of Farms and Net Worth, by Revenue Class, Canada, 2003*



- Farms with revenue between \$10,000 and \$50,000 made up 35% of all farms, but accounted for only 15% of the total net worth.
- Farms with revenue of \$100,000 and over account for over 73% of the total net worth.
- Farms with \$250,000 or more in revenue made up 22% of all farms and accounted for 50% of the total net worth.

## Percent Change in Average Net Worth, by Farm Type



- Average net worth for all farm types decreased 1% between 2002 and 2003 compared to a 5% increase for the 2001 to 2002 period.
- Hog farms report a 7% increase in net worth between 2002 and 2003.
- Grain and oilseed farms showed a 1% decrease in net worth between 2002 and 2003.
- Beef farms are showing a decrease in average net worth due to the discovery of BSE in May 2003.



# Farm Financial Structure

- **Debt as a Percent of Assets**

## *Debt as a Percent of Assets, by Province, 2001, 2002 & 2003*

	2001	2002	2003
	-Percent-		
Atlantic Provinces	21.3	21.6	24.1
Quebec	24.1	27.0	27.1
Ontario	18.2	18.9	19.3
Manitoba	20.1	29.8	21.8
Saskatchewan	17.7	16.2	18.3
Alberta	16.2	16.7	17.7
British Columbia	18.9	17.8	19.7
Canada	18.8	19.2	20.4

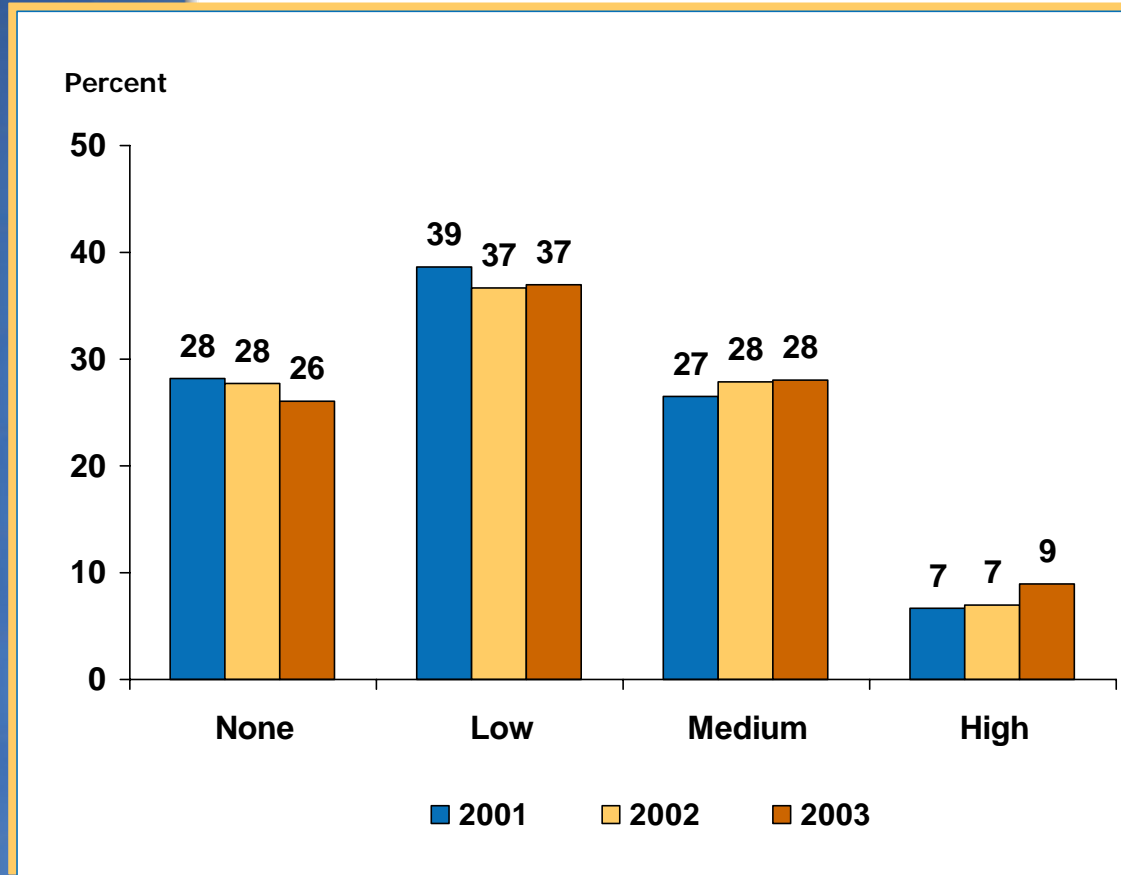
- On average, debt as a percent of assets on Canadian farms increased from 19.2% in 2002 to 20.4% in 2003.
- Quebec reported the highest debt/asset ratio in 2003 (27%).
- Ontario, British Columbia, Alberta and Saskatchewan were below the Canadian average.

## *Debt as a Percent of Assets, by Farm Type, 2001, 2002 & 2003*

	2001	2002	2003
	-Percent-		
Dairy	21.9	22.8	24.4
Beef	15.5	16.4	18.2
Hog	29.8	33.0	31.1
Poultry & Egg	19.3	18.8	19.3
Potato	27.0	28.0	29.9
Fruit and Vegetable	20.8	19.7	19.6
Grain & Oilseed	16.6	16.1	17.6
Greenhouse & Nursery	29.6	30.0	30.3
All Farm Types	18.8	19.2	20.4

- Debt as a percent of assets was higher for most enterprises in 2003 compared to 2002.
- Debt as a percent of assets was down for hog and fruit & vegetable farms in 2003.
- Grain & oilseed farms reported the lowest debt as a percent of assets.

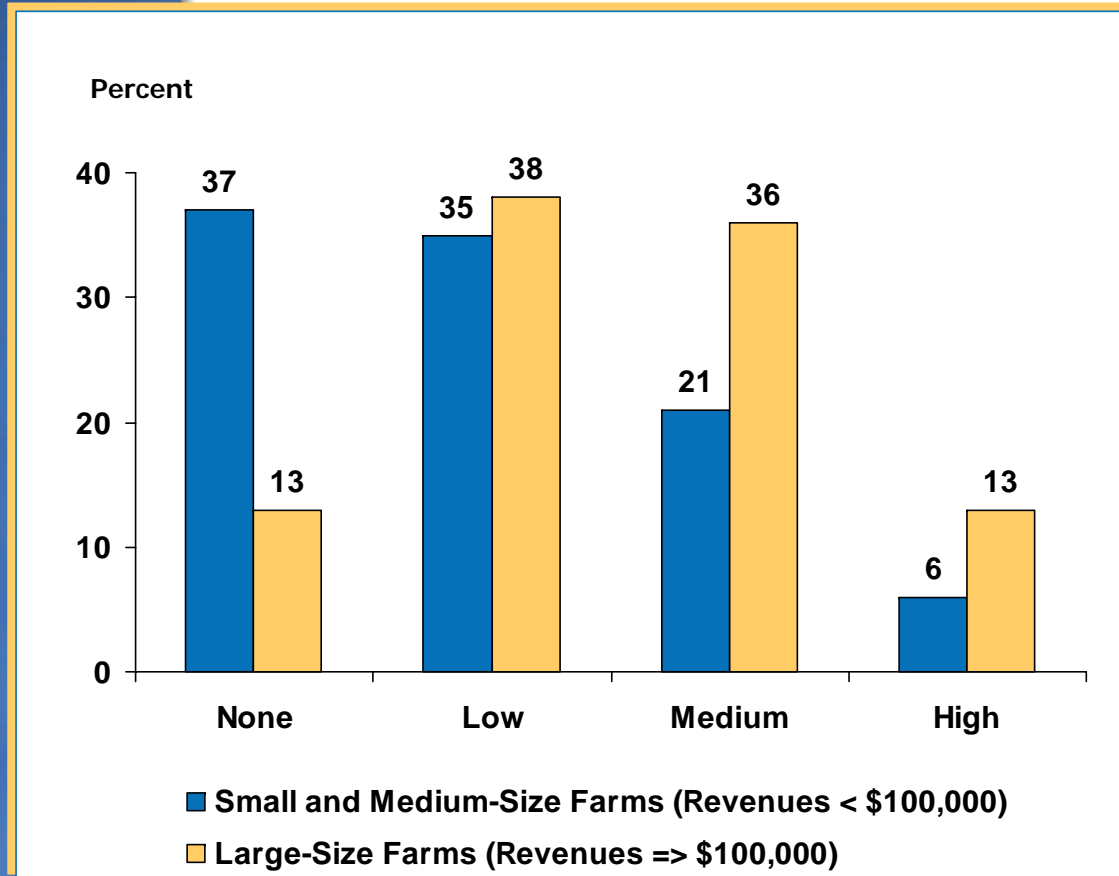
## *Distribution of Farms by Debt Level, 2001, 2002 & 2003*



- 9% of farms had a high debt level in 2003.
- 26% of farms have no debt.
- Farm debt level is:
  - **High** if debt/assets = > 50%
  - **Medium** if debt/assets = > 20% but < 50%
  - **Low** if debt/assets > 0 but < 20%
  - **None** if there is no debt

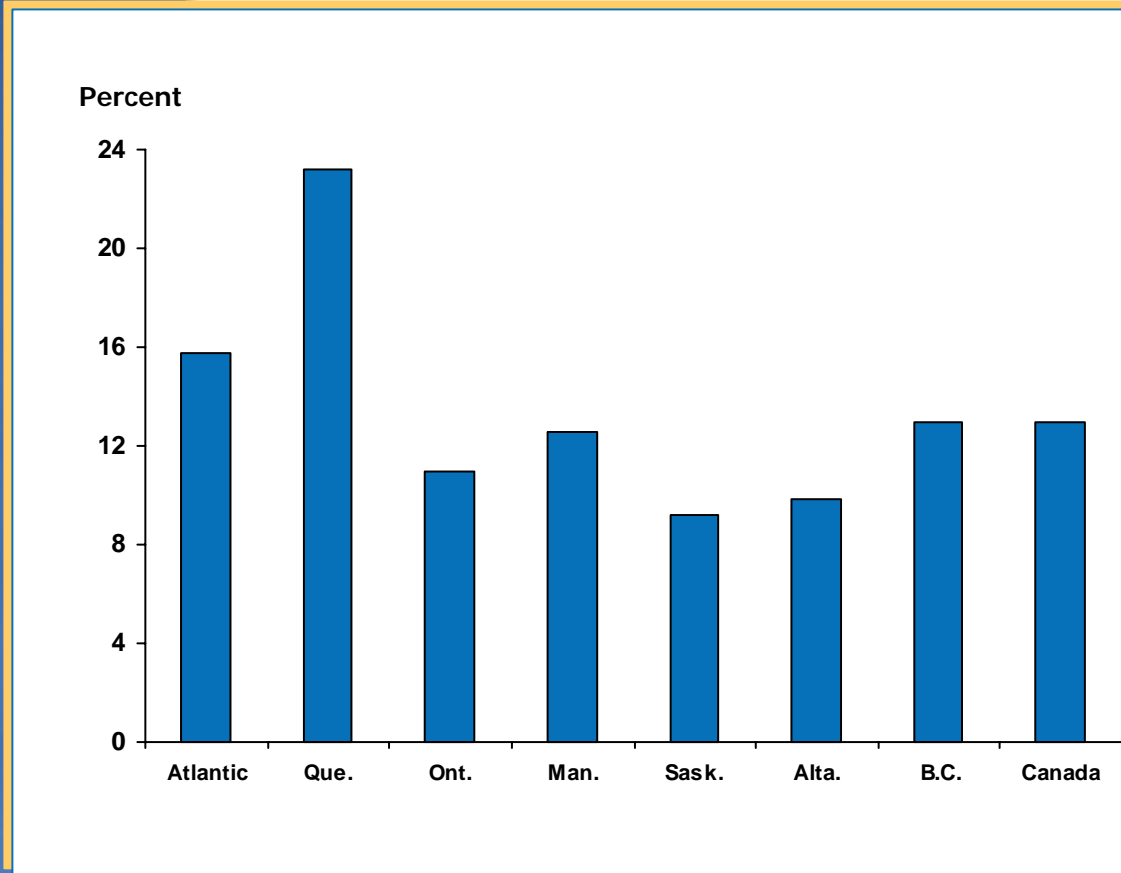
## *Distribution of Farms by Debt Level, 2003*

### *Small and Medium-Size Farms versus Large-Size Farms*



- 13% of large-size farms have a high debt level.
- 13% of large-size farms have no debt.
- 37% of small and medium-size farms have no debt.

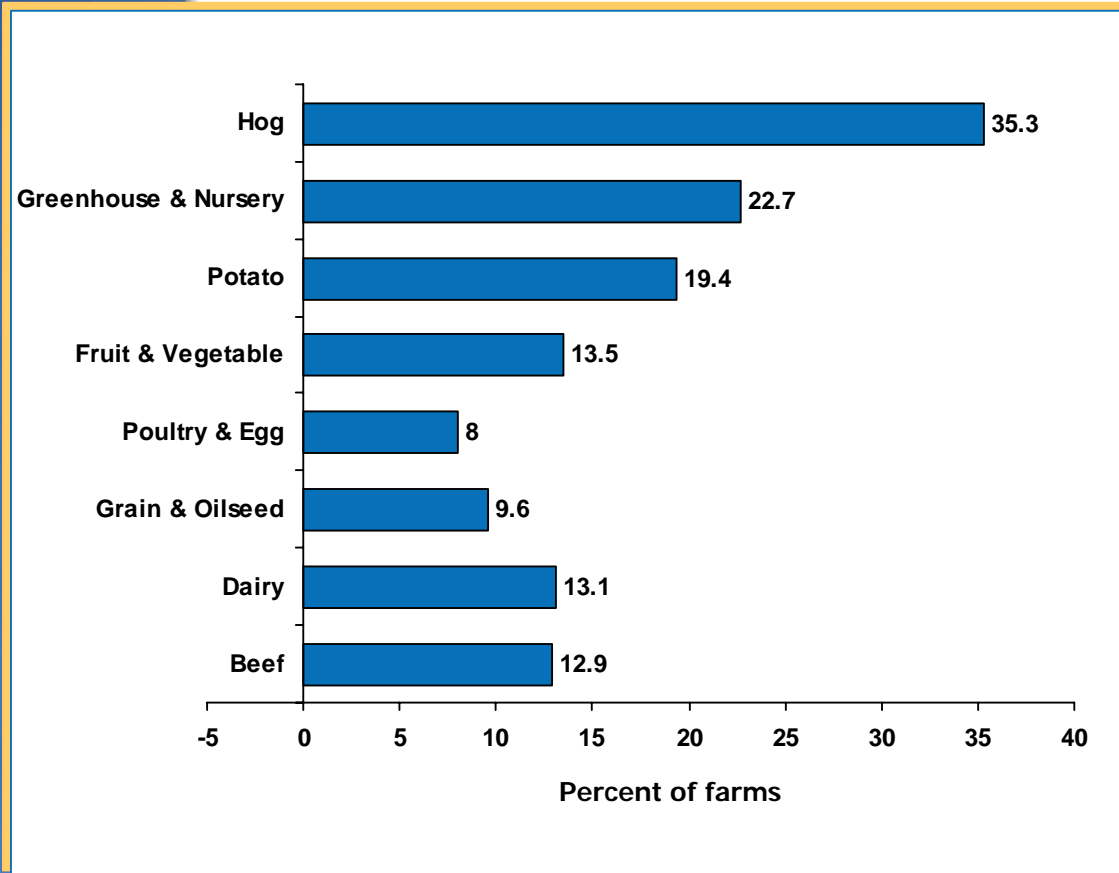
## *Percent of Large Farms with High Debt Levels, by Province, 2003*



- Quebec (23%) and the Atlantic provinces (16%) had the highest percentages of large farms with high debt levels.
- Saskatchewan and Alberta reported the lowest percentage of large farms with high debt levels.

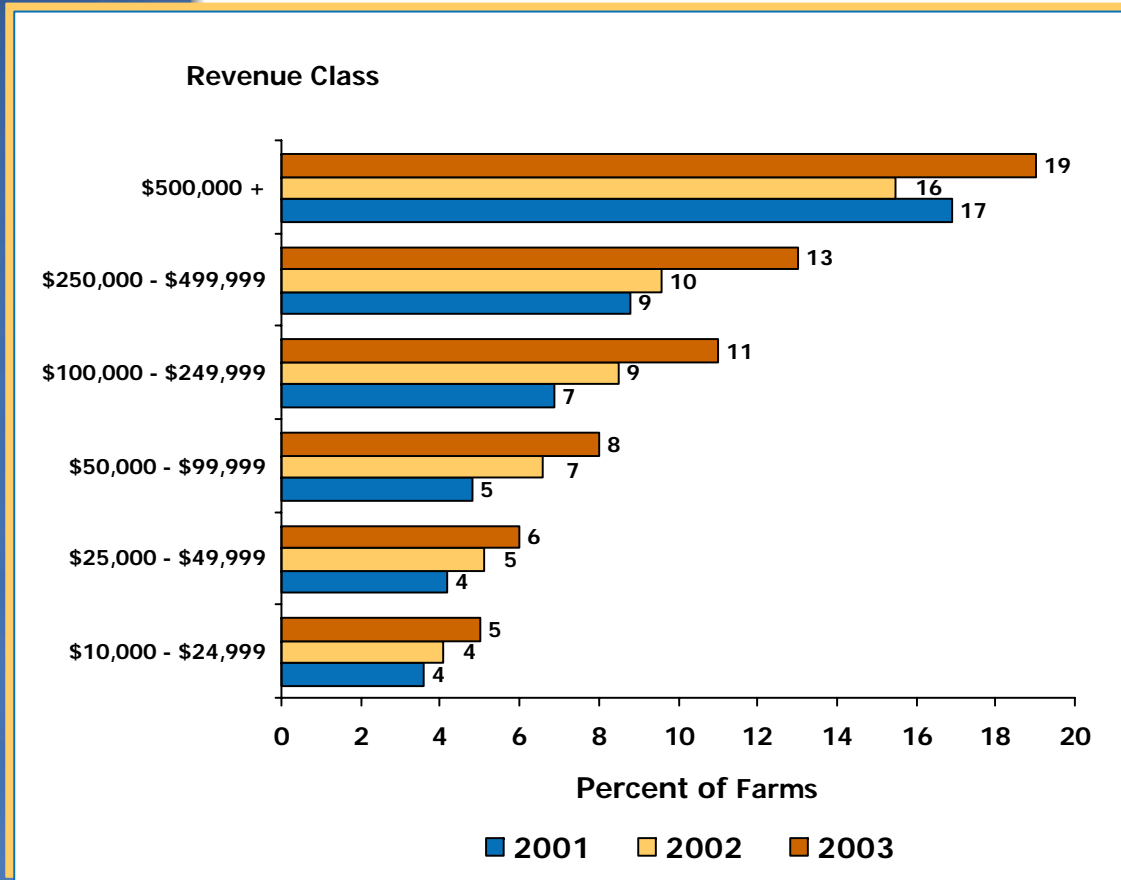


## *Percent of Large Farms with High Debt Levels, by Farm Type, 2003*



- Hog farms had the largest proportion (35%) of large farms with high debt levels.
- Supply-managed commodities have a lower proportion of large farms with high debt levels.

## *Distribution of Farms with High Debt Levels, by Revenue Class, 2001, 2002 & 2003*



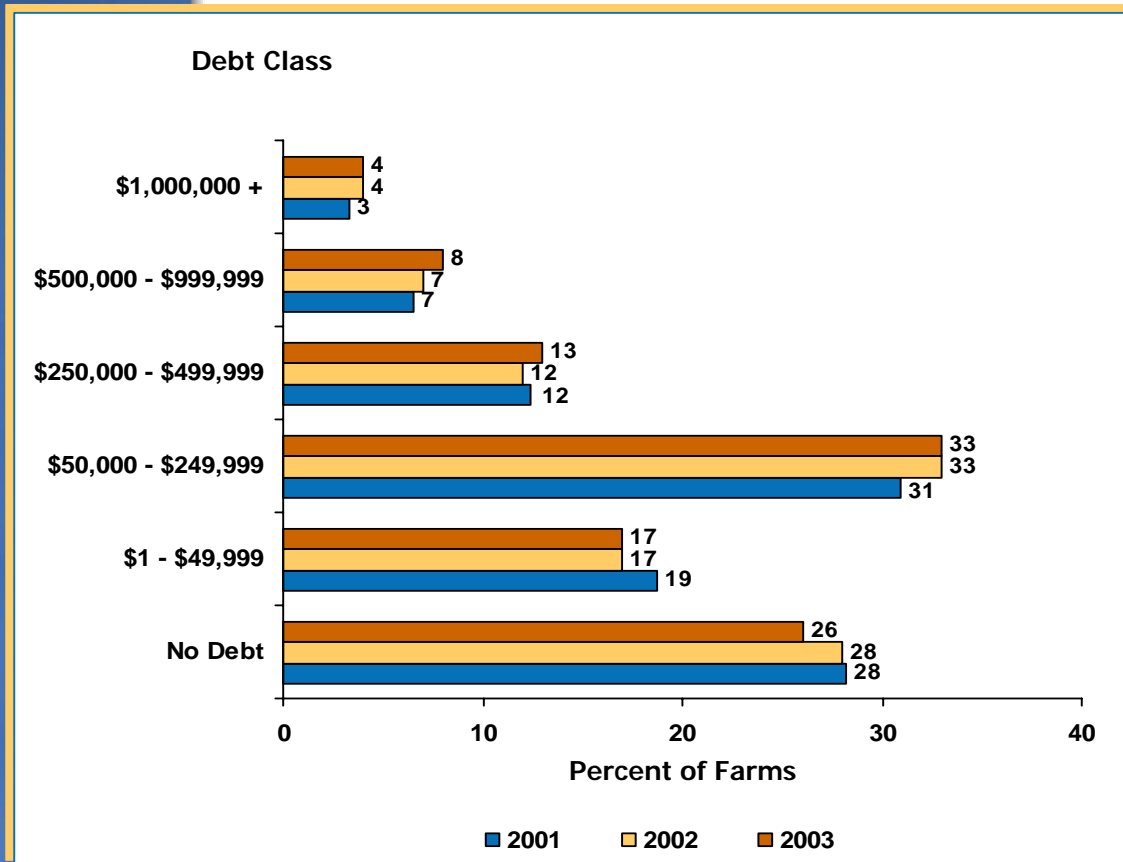
- 19% of farms with \$500,000 and over in revenue had high debt levels.
- The number of farms with high debt levels increased slightly for farms with \$100,000 to \$249,999 and for farms with revenue of \$50,000 to \$99,999.
- The number of farms with high debt levels increased for the \$500,000 and over revenue class.



# Farm Financial Structure

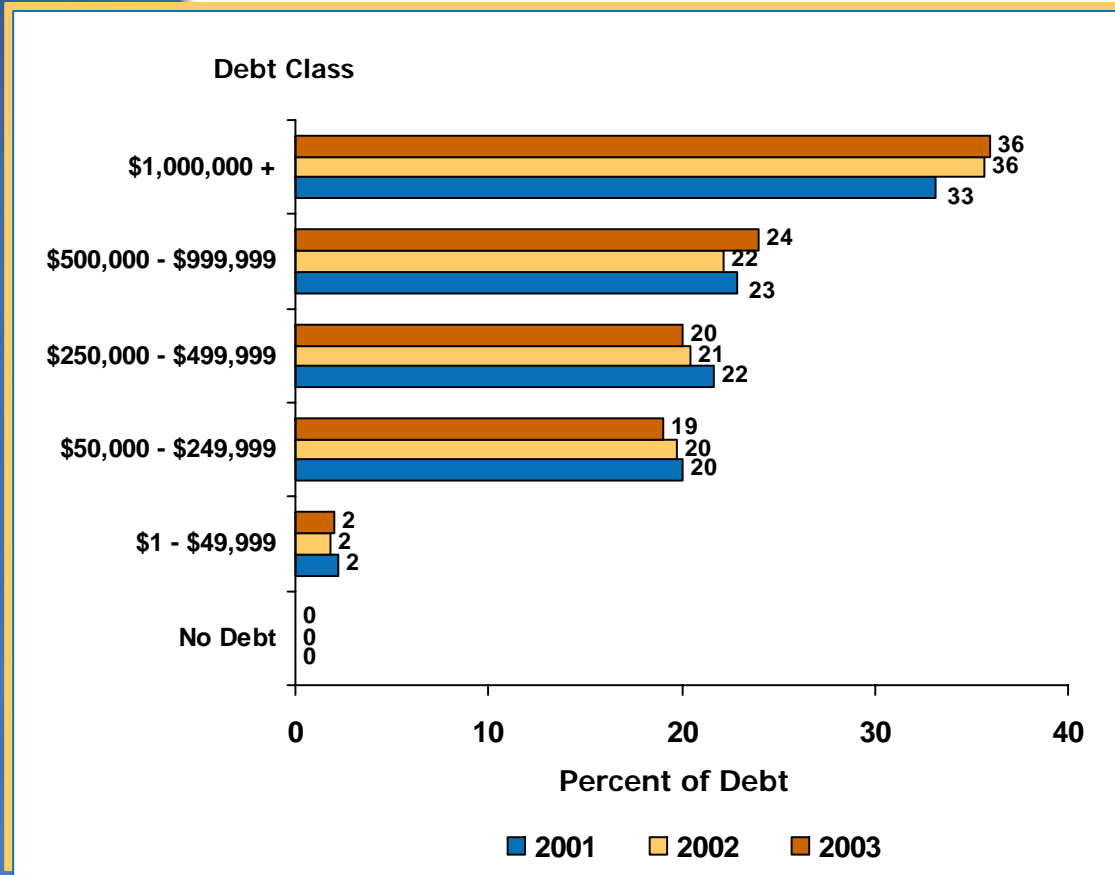
- **Size of Farms**

## Percentage of Farms by Debt Class, 2001, 2002 & 2003



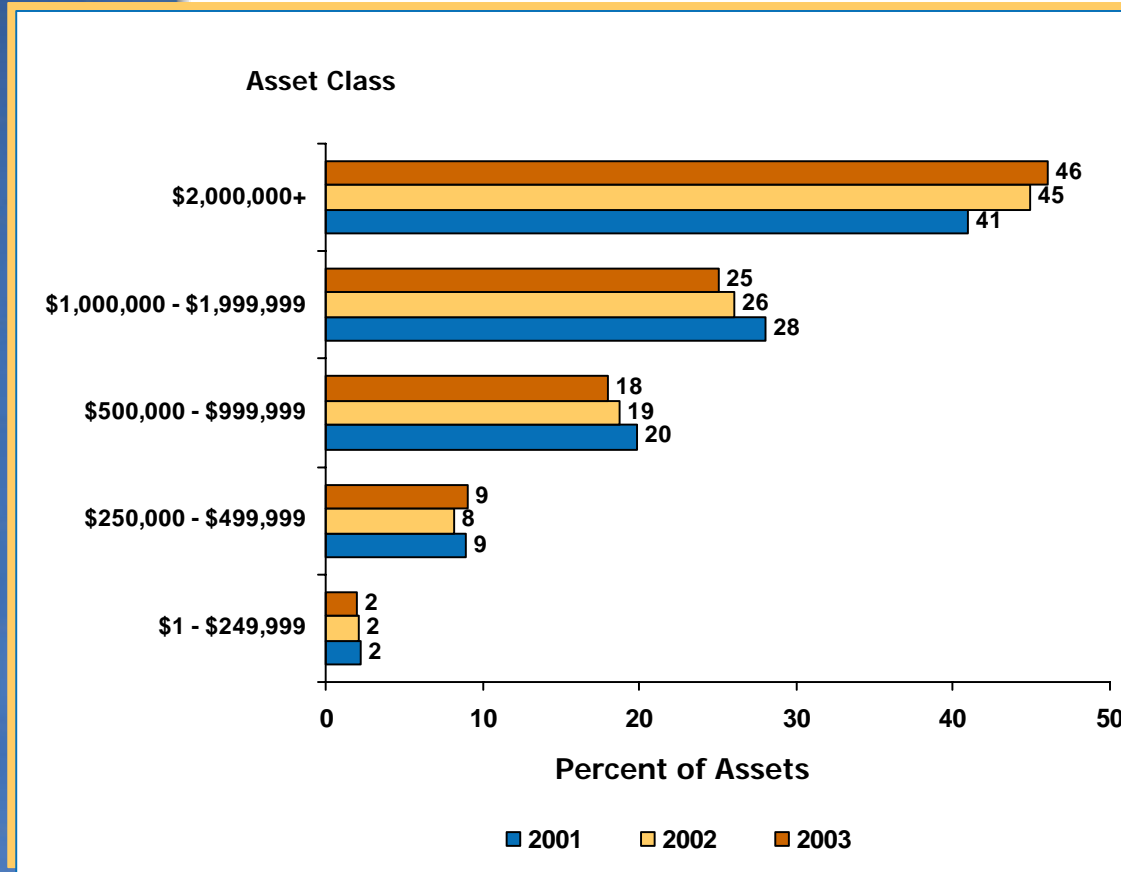
- There was no change in the percent of farms with debts of \$1,000,000 and over.
- The percent of farms with no debt in 2003 decreased slightly to 26%.
- The proportion of farms with debt of \$1 to \$249,999 accounted for 50% of all farms in 2003.

## Percentage of Debt, by Debt Class, 2001, 2002 & 2003



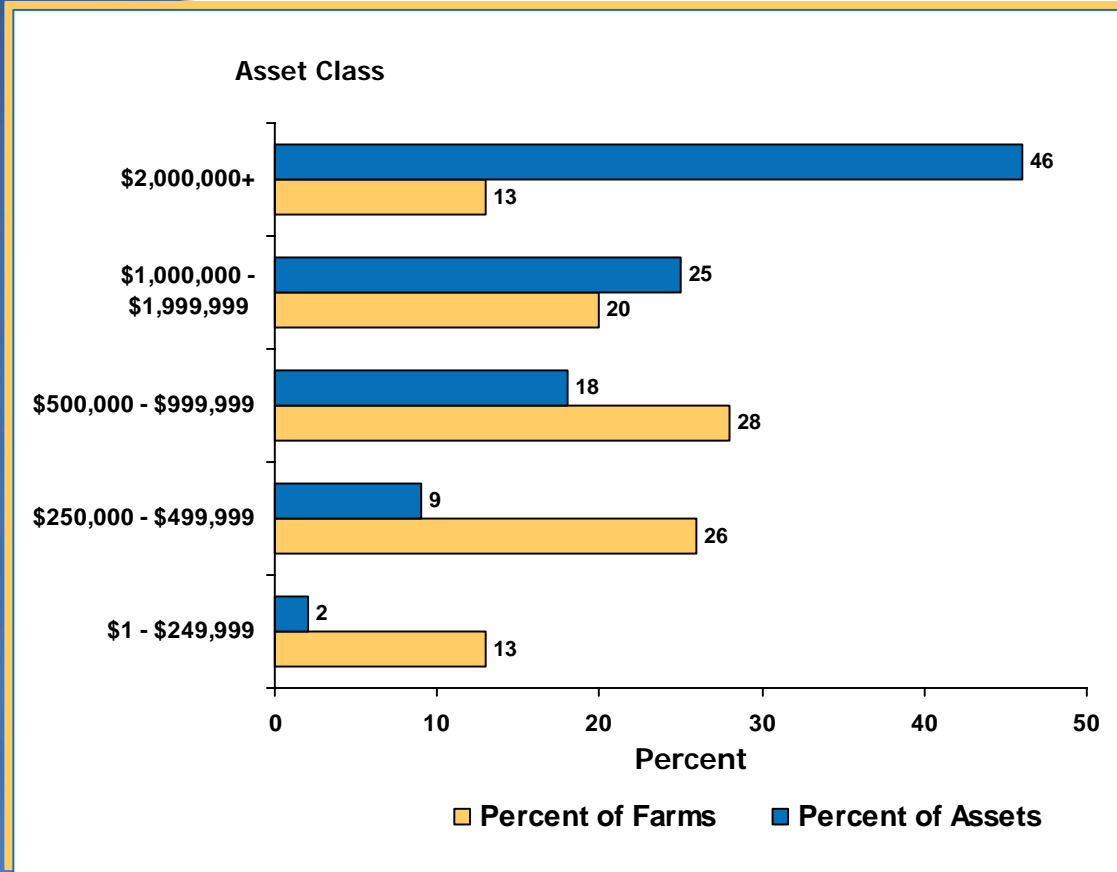
- Over one-third of the debt is held by those farms with over \$1,000,000 in debt and they accounted for 4% of all farms.
- The percentage of debt held in the \$1,000,000 and over class did not change from 2002 to 2003.

## Percentage of Assets by Asset Class, 2001, 2002 & 2003



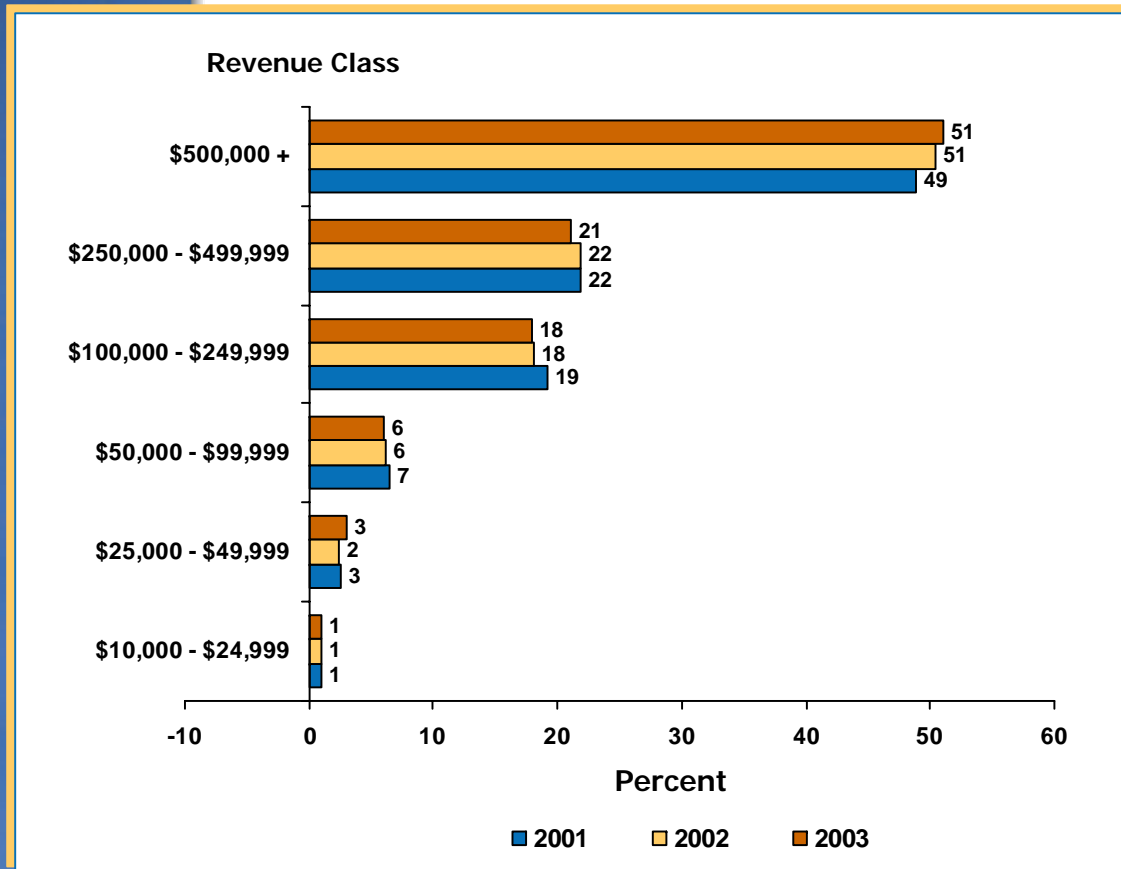
- The proportion of assets held by farms in the \$2,000,000 asset class represented 46% of all Canadian farm assets in 2003.
- The percentage of assets in the \$1,000,000 to \$2,000,000 asset class has decreased slightly from 2002.

## Percentage of Farms & Assets, by Asset Class, 2003



- 46% of the assets are held by farms in the \$2,000,000 asset class and account for 13% of farms.
- 25% of the assets are held by farms in the \$1,000,000 to \$1,999,999 asset class.
- 13% of the farms are in the \$1 - \$249,999 asset class and they account for only 2% percent of assets.

## Percentage of Revenue, by Revenue Class, 2001, 2002 & 2003



- The proportion of revenue earned by farms in the \$500,000 and over revenue class accounted for over 50% of all farm revenues in 2003.
- Farms with less than \$100,000 of revenue accounted for only 10% of 2003 total farm revenue.





# Capital Investment and Growth



# Capital Investment and Growth

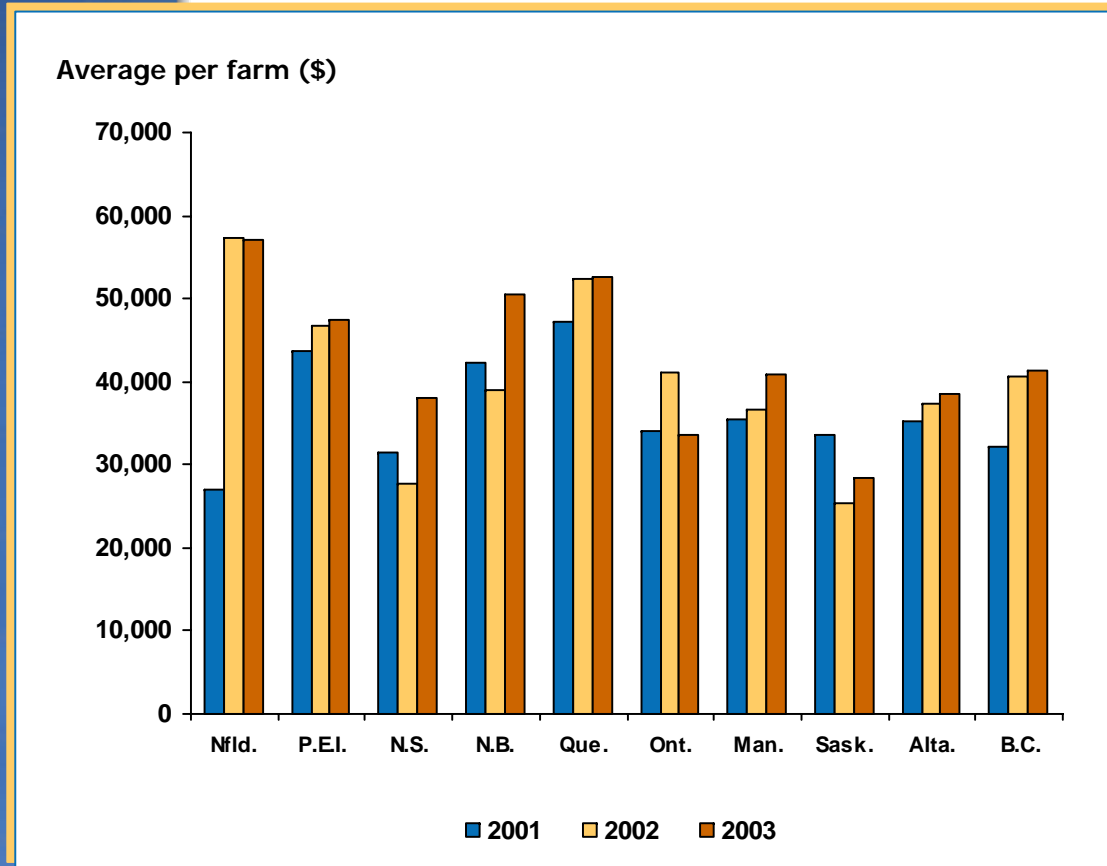
- **Investment**

## *Gross Capital Investment per Farm, by Type of Investment, 2001, 2002 and 2003*

	2001	2002	2003
Land & Buildings	\$8,380	\$9,410	\$11,232
Land Improvements	\$1,510	\$1,740	\$1,410
House Construction	\$1,965	\$2,657	\$2,312
Other Building Construction	\$7,105	\$7,585	\$6,178
Breeding & Replacement Livestock	\$3,675	\$2,713	\$2,249
Quota	\$4,100	\$5,071	\$5,065
Farm Machinery & Equipment	\$22,875	\$23,152	\$22,351
Other Farm Assets	\$3,040	\$2,420	\$2,048
<b>Total</b>	<b>\$52,650</b>	<b>\$54,747</b>	<b>\$52,846</b>

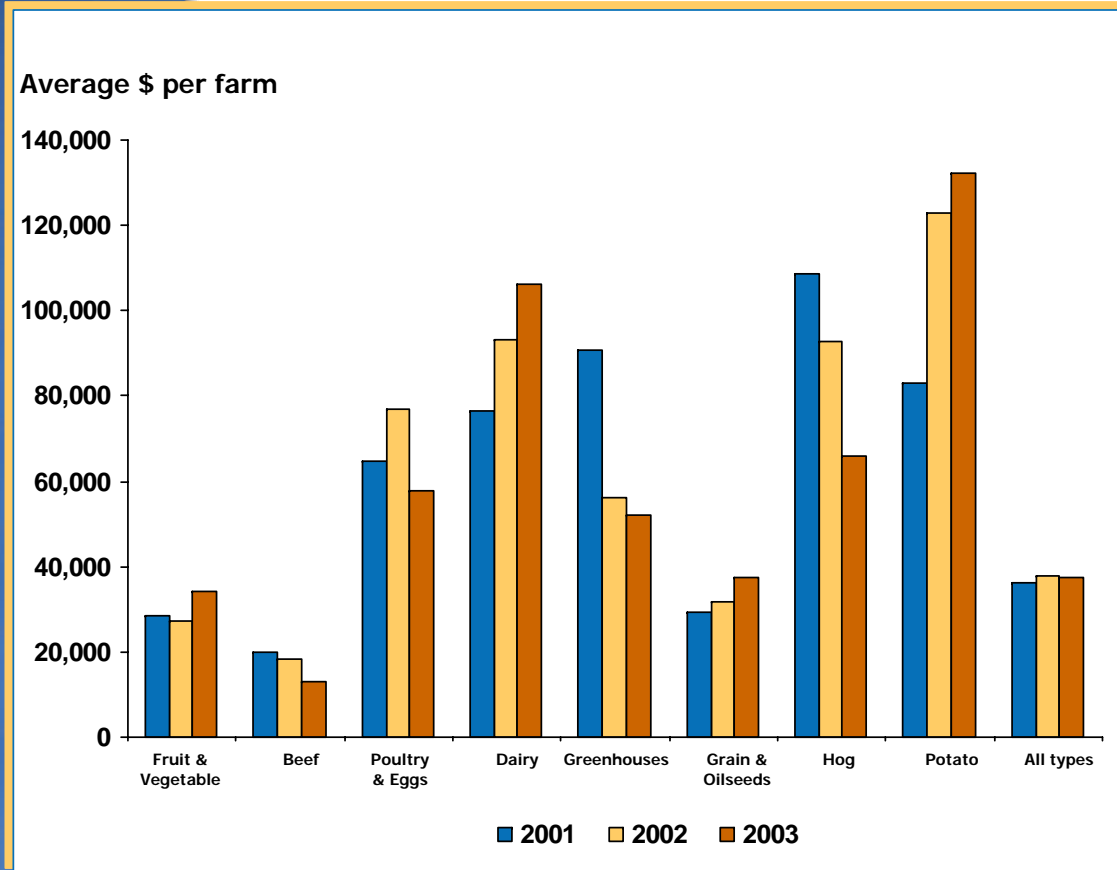
- Gross capital investment was down (3%) in 2003 compared to 2002.
- Quota investment was unchanged between 2002 and 2003.
- Only farm real estate investment showed an increase from 2002 (19%).

## *Average Net Capital Investment, by Province 2001, 2002 and 2003*



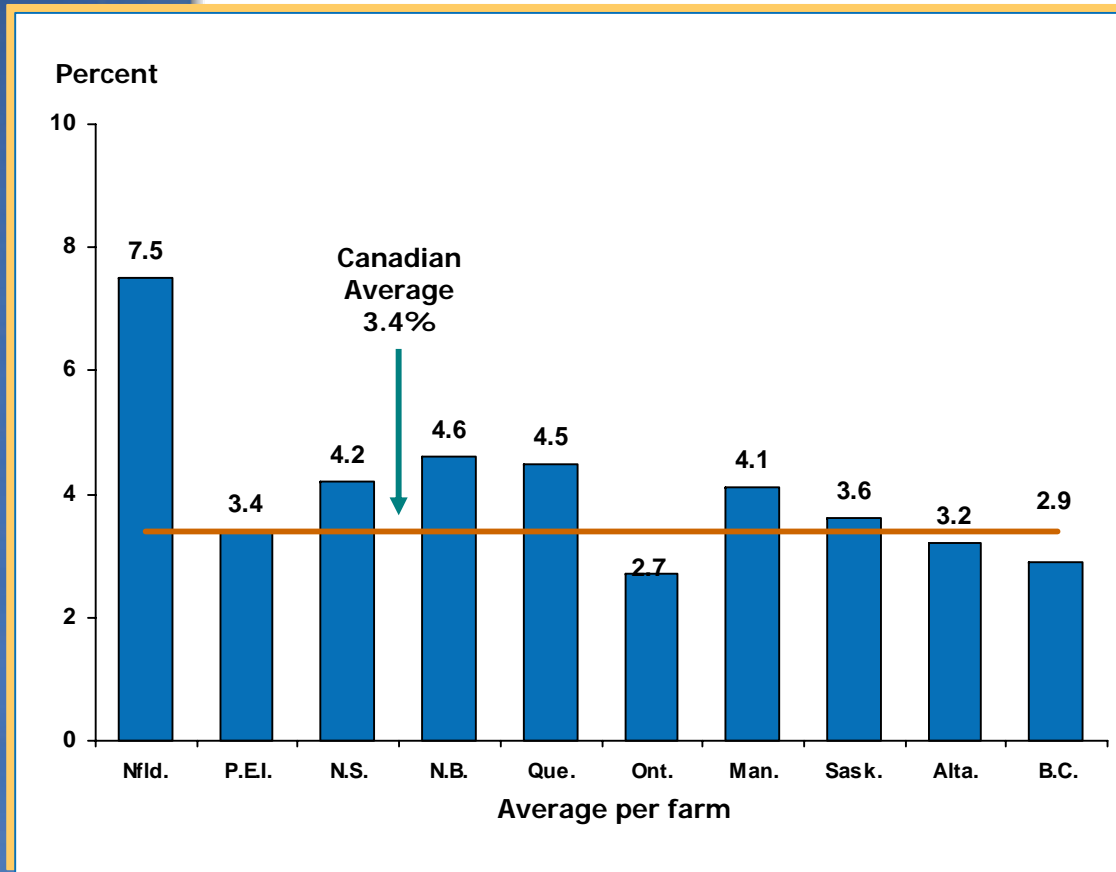
- All provinces except for Ontario and Newfoundland reported an average net investment increase.
- Newfoundland at \$57,100 followed by Quebec at \$52,640 had the highest average net capital investment.
- Saskatchewan showed the lowest net capital investment in 2003 at \$28,400.

## Average Net Capital Investment by Farm Type, 2001, 2002 and 2003



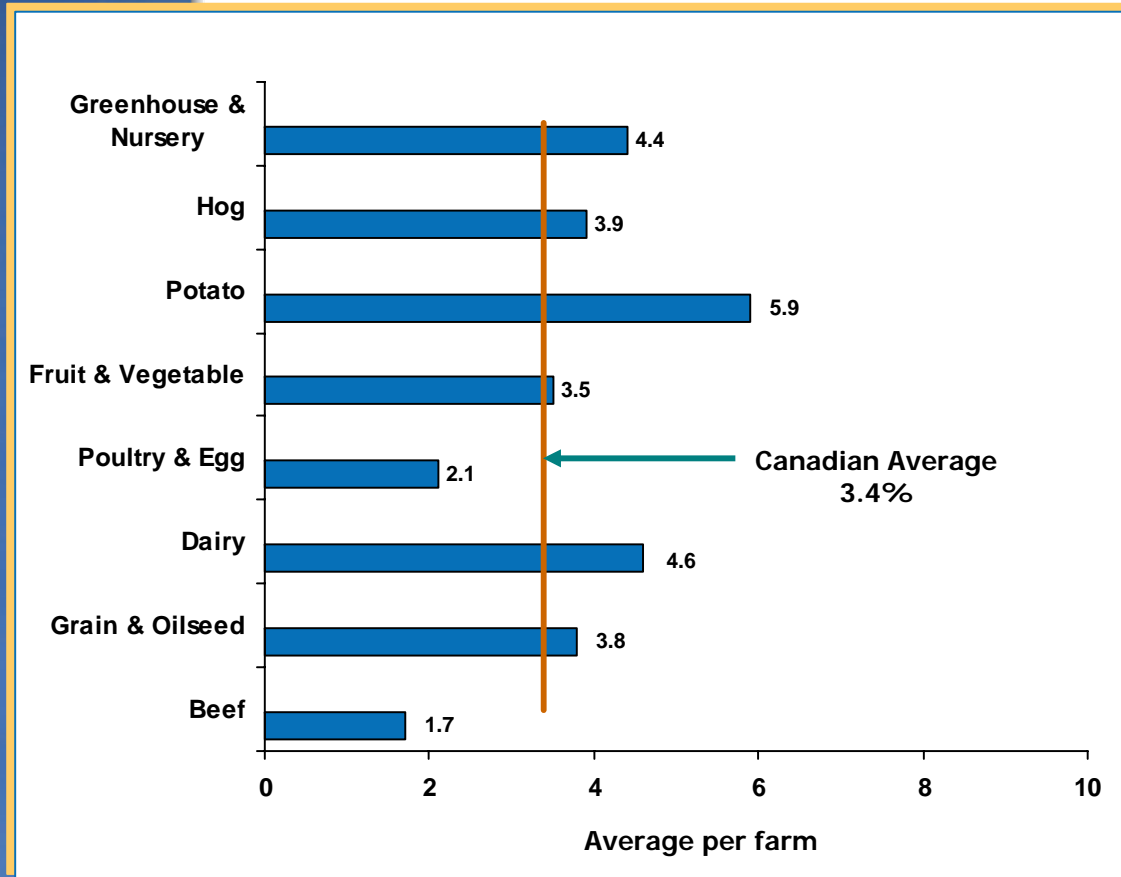
- The average net capital investment of all farm types was \$37,630 in 2003 essentially unchanged from \$37,800 in 2002.
- Investment varied significantly between farm types.
  - Potato farms had the highest net capital investment in 2003 at \$132,000 which is over 3.5 times the Canadian average.
  - Dairy farms at \$106,300 had the second highest average level of net capital investment.
- Beef farms had the lowest net capital investment at \$13,100.
- Grain and oilseed farms at \$37,600 were equal to the national average of \$37,630. However, the national average was skewed somewhat by the large investment of potato and dairy farms.

## *Net Capital Investment as a Percent of Assets, by Province, 2003*



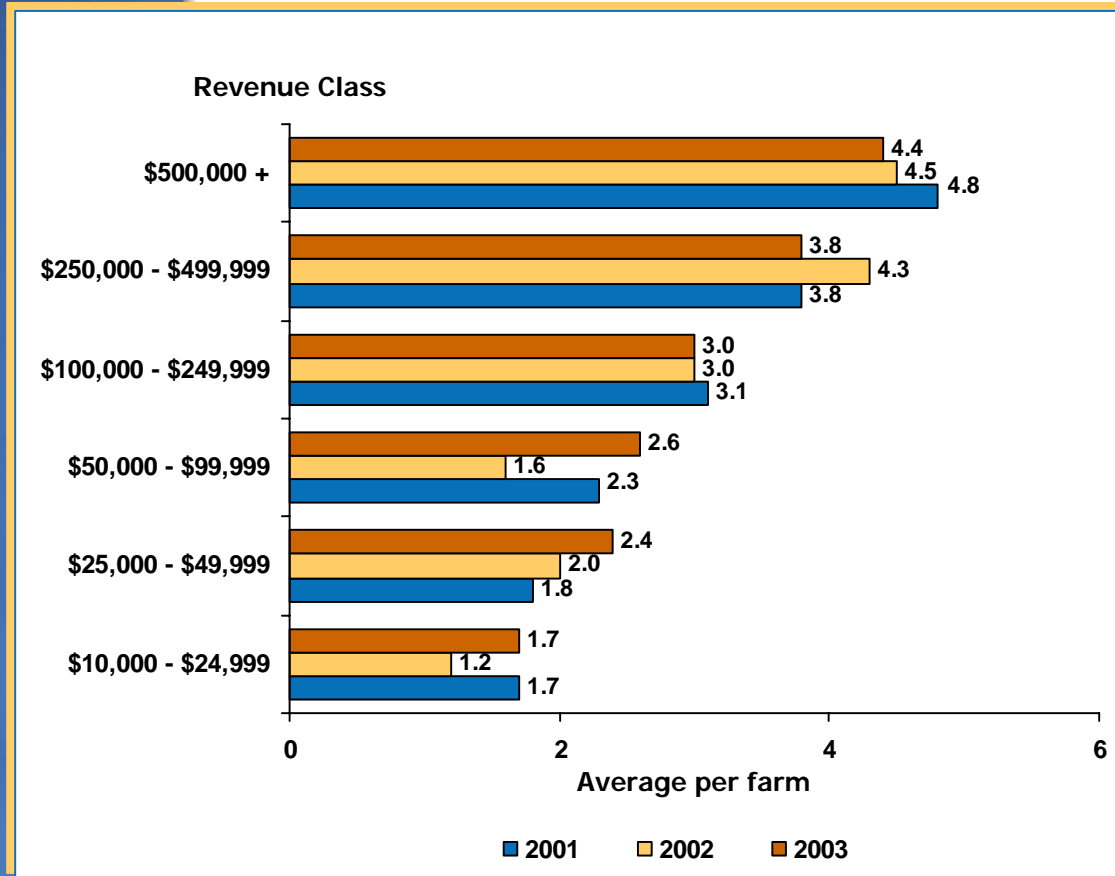
- Newfoundland, New Brunswick and Quebec farms reported the highest net capital investment as a percent of assets among provinces.
- Ontario and British Columbia reported the lowest level of net capital investment in proportion to value of assets.
- Prince Edward Island net capital investment as percent of assets was equal to Canadian average at 3.4%.

## *Net Capital Investment as a Percent of Assets, by Farm Type, 2003*



- Potato followed by dairy farms reported the highest net capital investment as a percent of assets in 2003.
- Beef farms reported the lowest net capital investment as a percent of assets.

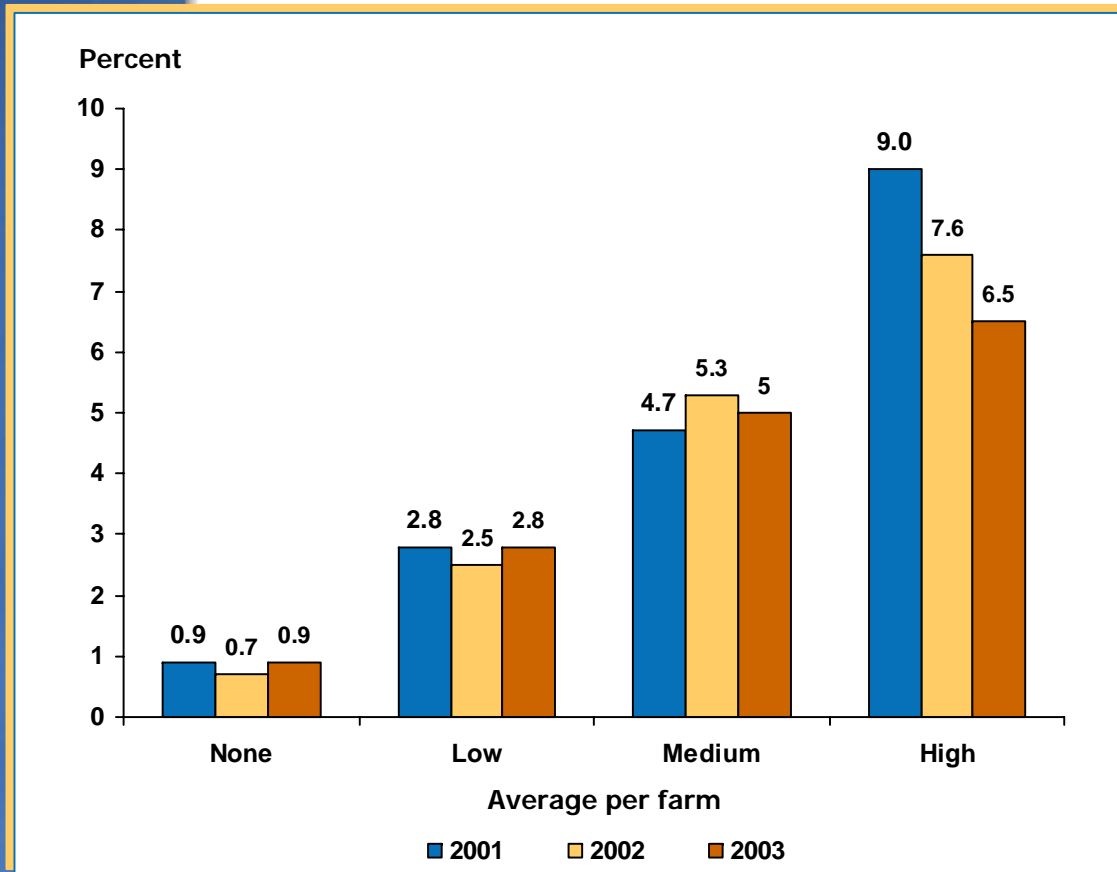
## *Net Capital Investment as a Percent of Assets, by Revenue Class, 2001, 2002 & 2003*



- Net capital investment as a percent of assets exceeded the Canadian level for the \$250,000 and over revenue class.
- Net capital investment as a percent of assets ranged from 1.7% for the small farms to 4.4% for the large farms.



## *Net Capital Investment as a Percent of Assets, by Debt Level, 2001, 2002 and 2003*



- The higher the debt level, the greater the net capital investment as a percent of assets.
- Net capital investment was 6.5% of assets for farms with high debt levels in 2003 compared to 9.0% in 2001.



# Capital Investment and Growth

- **Capital Borrowed**

## *Net Capital Investment and Net New Borrowings, by Province, 2003*

	Net Capital Investment	Net New Borrowings
Newfoundland	\$57,100	\$45,800
Prince Edward Island	\$47,500	\$43,100
Nova Scotia	\$38,100	\$28,700
New Brunswick	\$50,600	\$39,200
Quebec	\$52,600	\$38,200
Ontario	\$33,500	\$36,700
Manitoba	\$40,900	\$28,000
Saskatchewan	\$28,400	\$20,600
Alberta	\$38,600	\$27,000
British Columbia	\$41,400	\$25,700
Canada	\$37,600	\$29,700

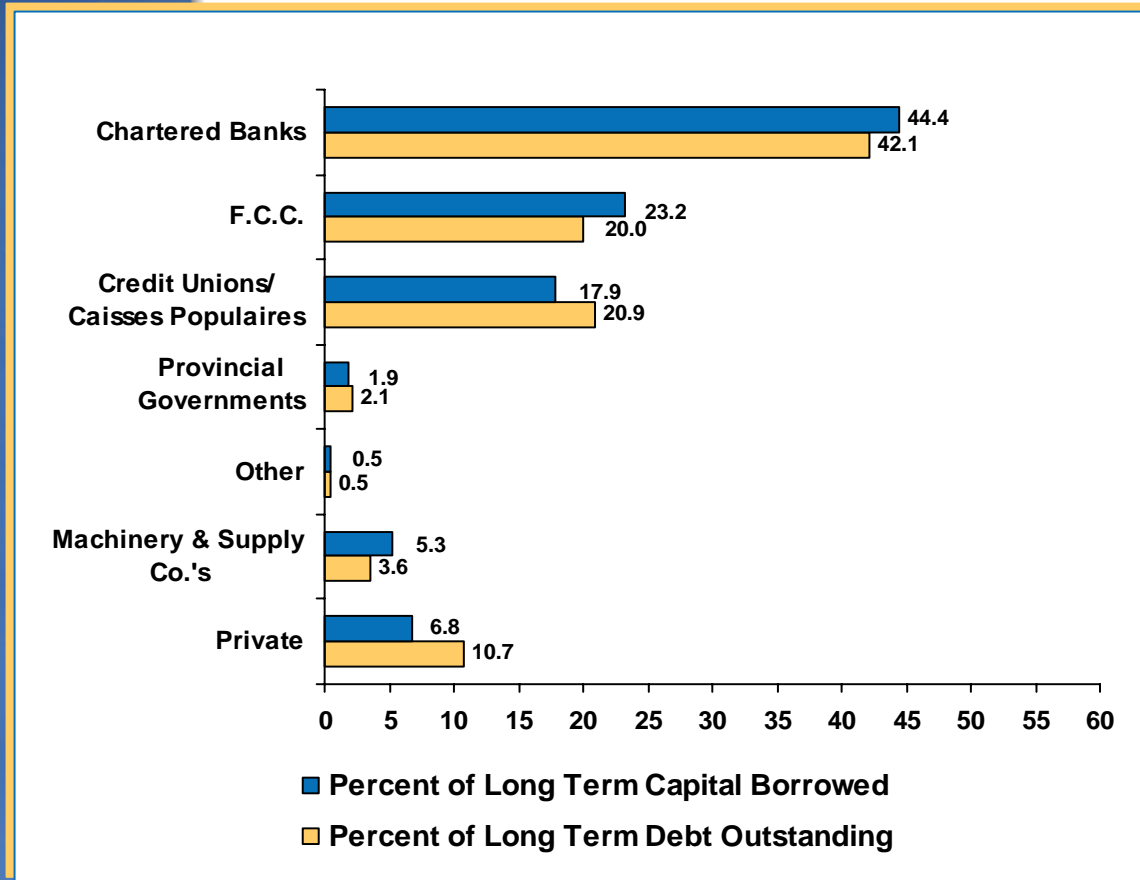
- Average net new borrowings in 2003 was \$29,700.
- A little more than three-quarters of net capital investment in 2003 was covered by net new borrowings.
- Newfoundland followed by Quebec had the highest levels of net investment.
- Saskatchewan and Alberta had the lowest net new borrowings in 2003.

## *Net Capital Investment and Net New Borrowings, by Farm Type, 2003*

Farm Type	Net Capital Investment	Net New Borrowings
Dairy	\$106,300	\$85,100
Beef	\$13,100	\$15,100
Hog	\$55,800	\$51,300
Poultry & Egg	\$57,900	\$68,400
Potato	\$132,100	\$82,000
Fruit & Vegetable	\$34,100	\$21,200
Grain and Oilseeds	\$37,600	\$26,100
Greenhouse & Nursery	\$52,100	\$36,800
Total	\$37,600	\$29,700

- For beef and poultry and egg farms, net new borrowings more than covered net capital investment.
- Beef farms had both the lowest level of net capital investment and net new borrowings.

## *Percent of Outstanding Long Term Debt and Long Term Capital Borrowed, by Financial Institution, 2003*



- Chartered banks, F.C.C. and credit unions/caisses populaires were the major farm lenders accounting for 86% of new loans.
- Chartered banks and the F.C.C. held 42.1% and 20% respectively of outstanding long term debt.
- The chartered banks were the major source of new borrowings for farmers.



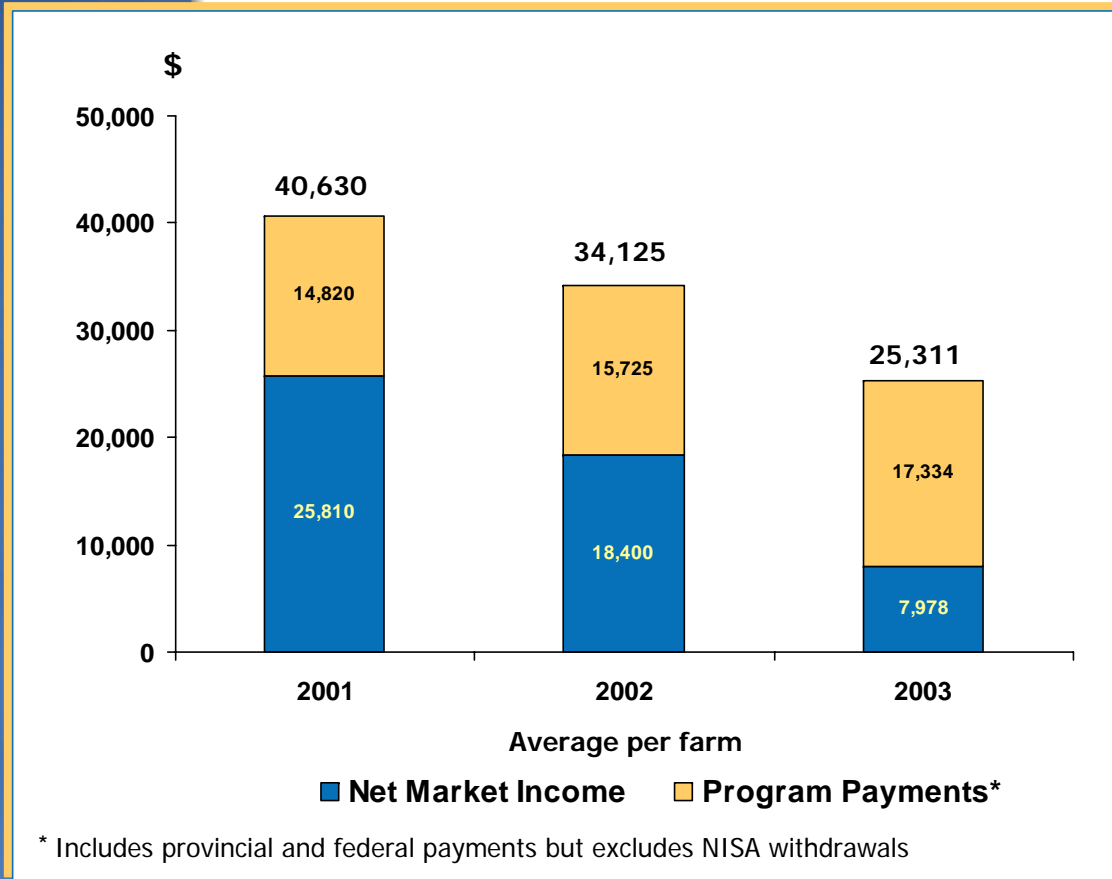
# Farm and Family Income



# Farm and Family Income

- **Farm Income**

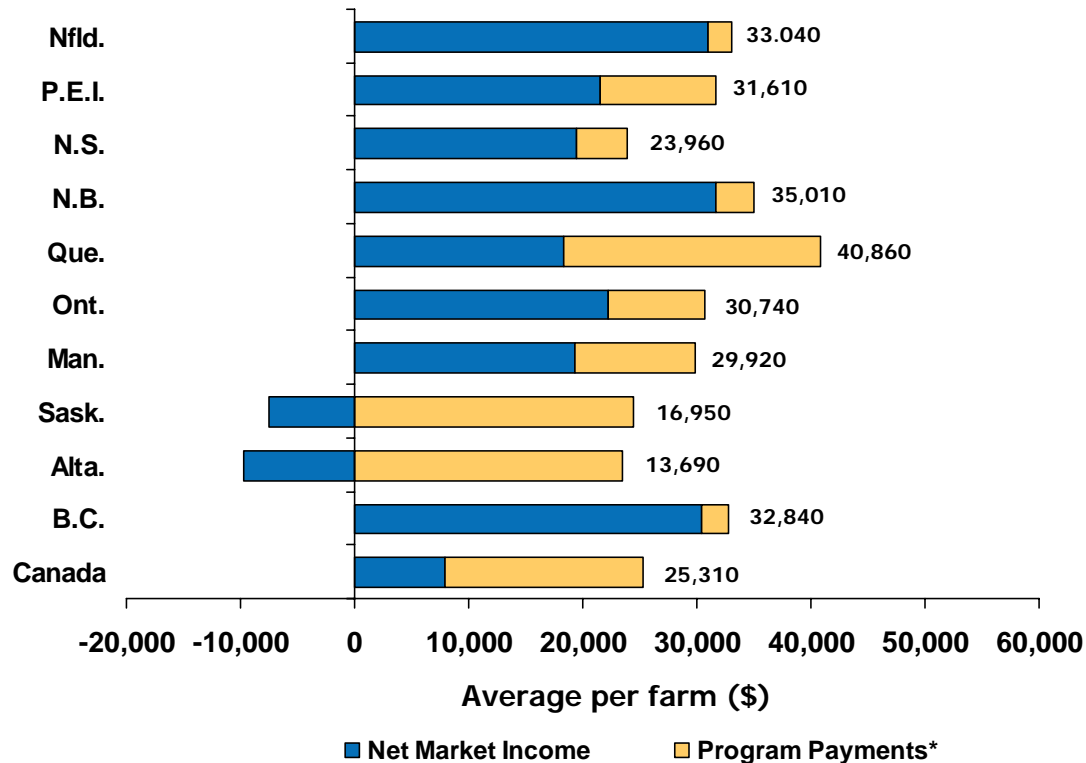
## *Average Net Operating Income per Farm, Canada, 2001, 2002 & 2003*



- Net operating income decreased by 26% between 2002 and 2003.
- Program payments in 2003 were 10% higher than in 2002.
- Net market income at \$7,975 is 57% less than the \$18,000 reported for 2003.



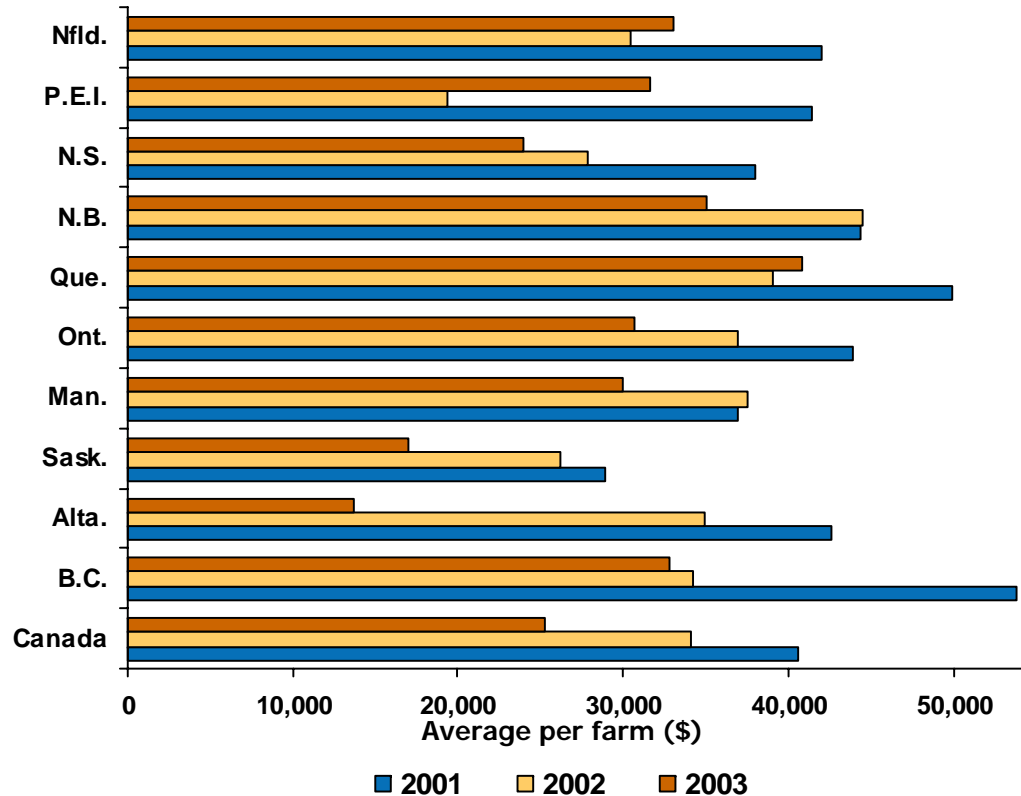
## Average Net Operating Income per Farm, by Province, 2003



\* Includes provincial and federal payments but excludes NISA withdrawals.

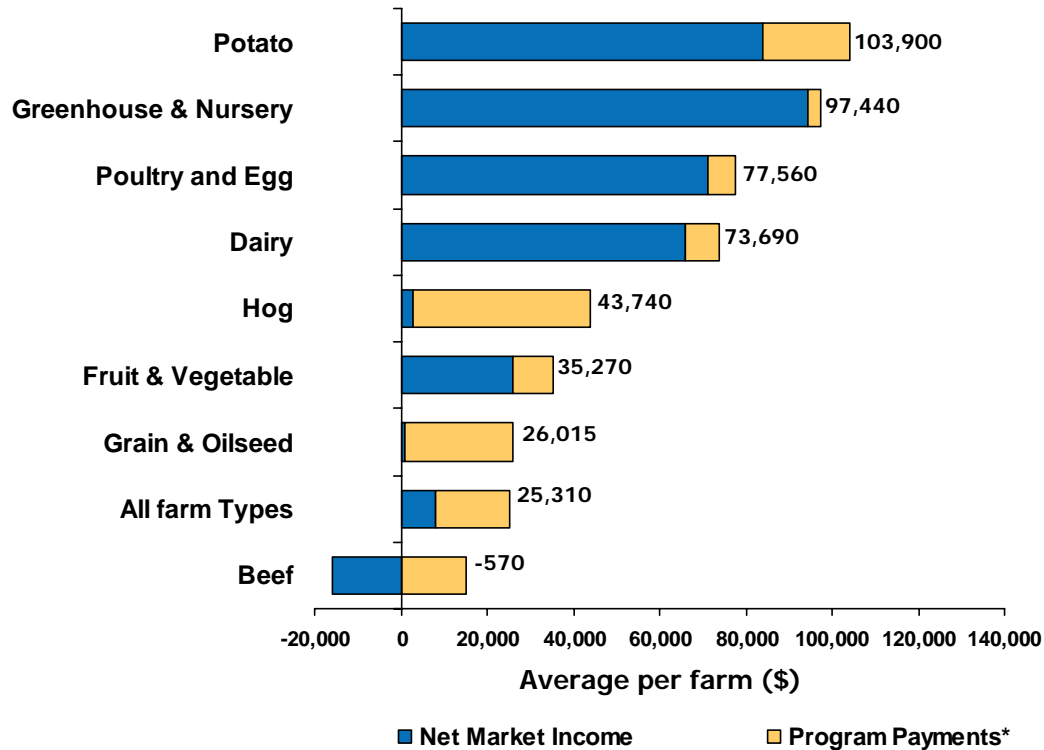
- All provinces except Saskatchewan and Alberta reported a positive net market income.
- For those provinces with a positive net market income, Quebec reported more than 50% of its net operating income was from program payments.
- For Canada, more than 60% of 2003 net cash income came from program payments.

## *Average Net Operating Income per Farm, by Province, 2001, 2002 and 2003*



- Most provinces reported lower average net cash income.
- Prince Edward Island reported a 63% increase in net cash income while Quebec showed a 4.5% increase.
- Newfoundland also reported an increase in net cash income.
- Quebec had the highest average net cash income at \$40,860 .
- Alberta reported the lowest average net cash income at 13,690 due mainly to the effects of the BSE crisis.

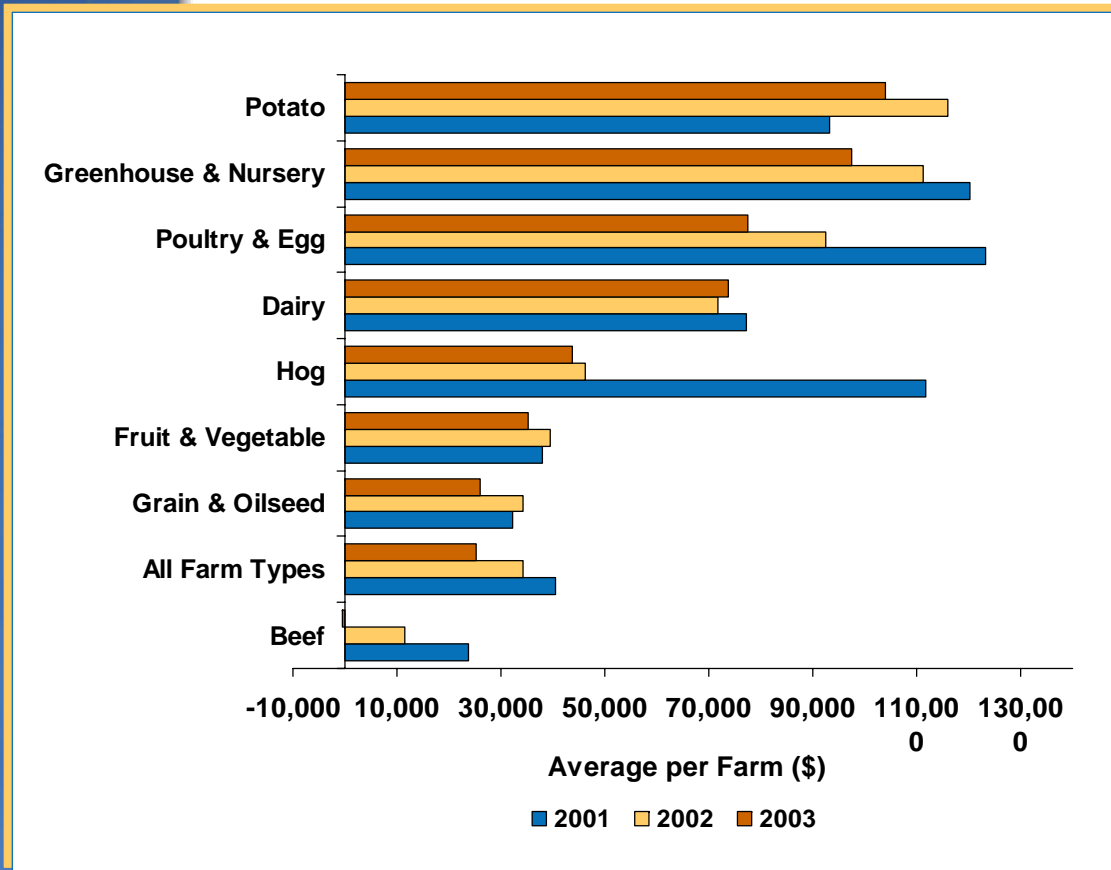
## Average Net Operating Income per Farm, by Farm Type, 2003



\* Includes provincial and federal payments but excludes NISA withdrawals

- As in previous years, average net operating income varied significantly among farm types.
- Potato and greenhouse and nursery farms reported the highest net cash farm income at \$103,900 and \$97,440 respectively.
- Beef farms had the lowest average net operating income.

## *Average Net Operating Income per Farm, by Farm Type, 2001, 2002 and 2003*



- Potato and greenhouse and nursery farms reported the highest net cash farm income at \$103,900 and \$97,450 respectively.
- In 2003 beef farms reported a average net loss of \$570 in net cash income.
- Poultry farms in 2003 reported a 16% decrease in net cash income compared to 2002.
- Grain and oilseed farms reported a 24% decrease in net cash farm income between 2003 and 2002.

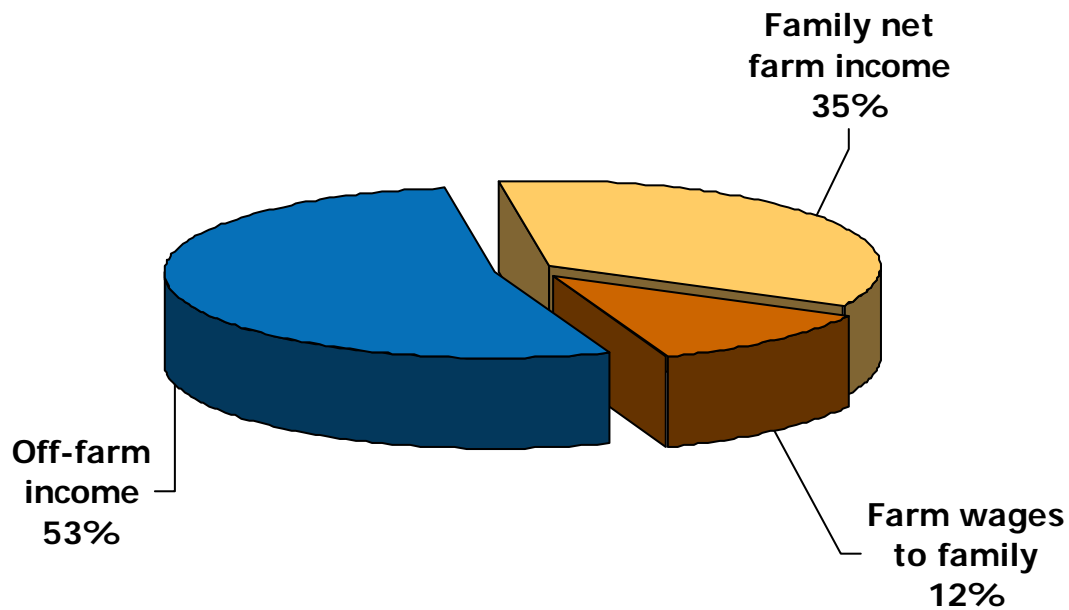


# Farm and Family Income

- **Family Income**

## *Average Farm Family Income, by Income Source, Canada, 2003*

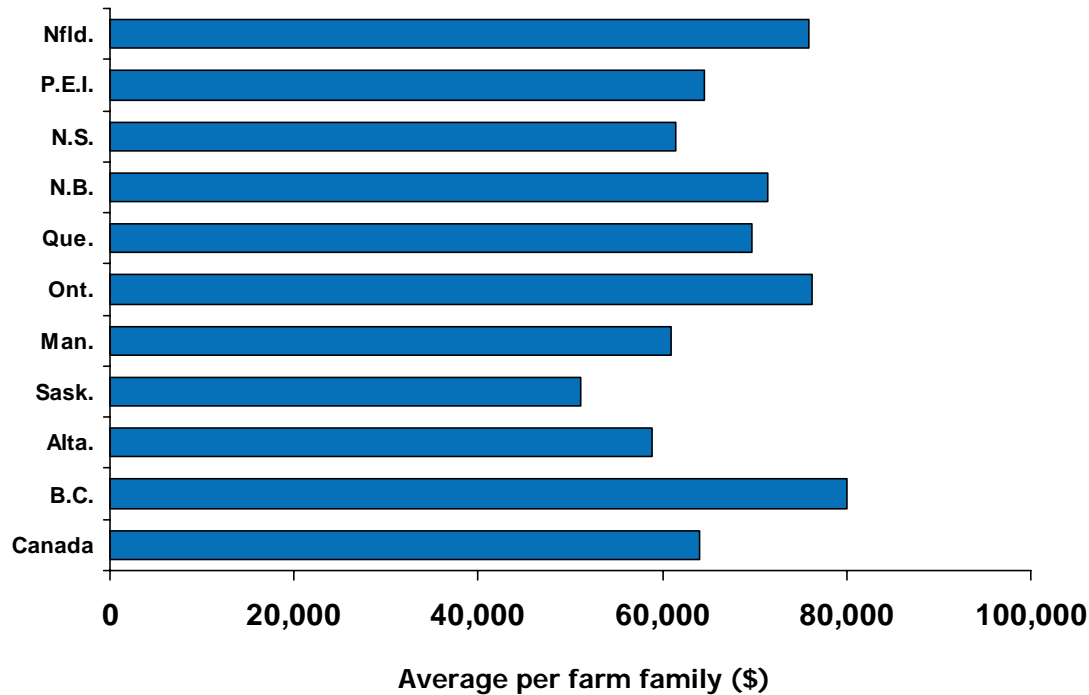
Percentage per farm family



\* Excludes Hutterite colonies & Co-ops.

- Off-farm income covered 53% of 2003 Total farm family income.
- Farm family net farm income was 35% while farm wages to family represented 12% of total farm family income.

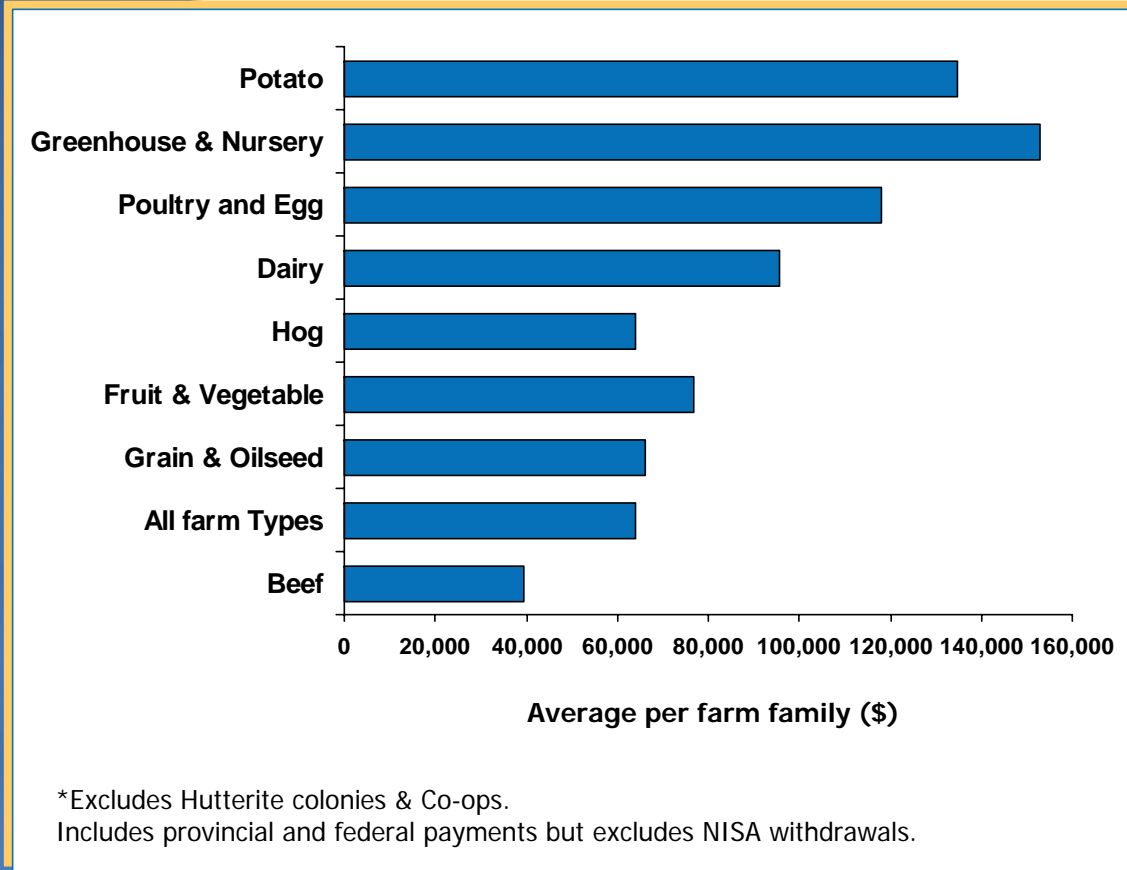
## Average Farm Family Income, by Province, 2003



\*Excludes Hutterite colonies & Co-ops.  
Includes provincial and federal payments but excludes NISA withdrawals.

- The Canadian average farm family income was \$64,100.
- British Columbia reported the largest average farm family income at \$80,100.
- Newfoundland and Ontario had an average farm family income of over \$75,000.
- Saskatchewan and Alberta had the lowest average farm family income at \$51,000 and \$58,900 respectively.

## *Average Farm Family Income, by Farm Type, 2003*



- Greenhouse and nursery and potato farms reported the highest average farm family income at \$152,800 and \$135,000 respectively.
- The beef sector had the lowest average farm family income at \$39,300.



## ***Glossary***

**Current assets** include market livestock, accounts receivable, inventories of crops and inputs, cash and short term investments (under one year) and prepaid expenses.

**Farm Family income** includes net operating income, off-farm income and farm wages and salaries paid to family members and program payments.

**Large farms** are those farms with gross farm revenues of \$100,000 and over.

**Long term assets** include land and buildings, machinery and equipment, quota, breeding and replacement stock, and long-term investments (over one year) including NISA balances.

**Medium farms** are those farms with gross farm revenues of \$50,000 to \$99,999.

**Off-farm income** includes non-farm wages and salaries, investment income, pension income and other income not from the farm operation.

**Net capital investment** = capital purchases less capital sales.

**Net market income** = net operating income less program payments before depreciation.

**Net new borrowings** = total long term capital borrowed less amount borrowed for refinancing previous loans.

**Net operating income** = operating revenues less operating expenses, before depreciation.

**Program payments** = include income from stabilization payments (including provincial GRIP in 1993 and 1995), dairy subsidies and other programs, crop insurance proceeds and fuel and property tax rebates but exclude NISA withdrawals.

**Small farms** are those farms with gross farm revenues of \$10,000 to \$49,999.