

Agroflash

January 16, 2006

ÉCONOMIE

2004 in a nutshell

- Strong increase in the hog sector
- Continued progression in ornamental horticulture sector
- Significant rise in corn sector
- Second bad year for cattle and calf production

Headlines

Program payments still high in the third quarter of 2005

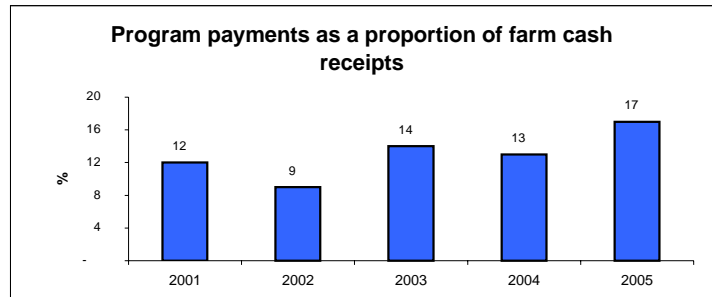
Farm cash receipts for the first three quarters of 2005

In the first three quarters of 2005, farm cash receipts grew by 4.8%, an increase of \$224.1 million. This rise was attributable particularly to higher program payments: +\$221.1 million compared with the same period the preceding year.

Over the same time period, receipts for the livestock sector rose slightly (+1.4%), while receipts for the crop sector fell by 3.6%.

Program payments

In the first three quarters, the share of program payments reached 17% of total farm cash receipts, 4% more than during the corresponding period in 2004.

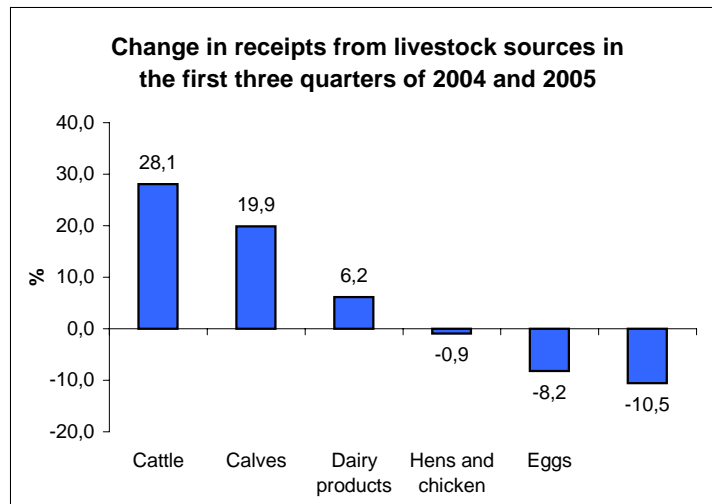


Receipts in the livestock sector strengthened for the first nine months of 2005

The upswing in this sector is explained by the recovery in receipts for cattle and calves, and the continuing gain in dairy products.

The number of cattle marketed was higher than before the crisis but, although prices progressed, they remained below those in 2002.

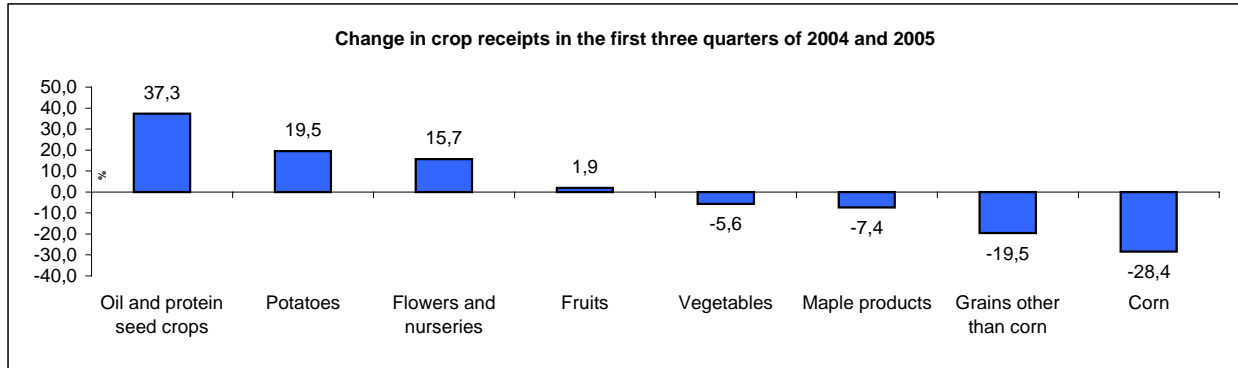
In absolute terms, the hog sector dipped more, i.e. by \$94.6 million, compared with the same period in 2004.



Crop sector receipts declined in the first three quarters of 2005

For that period, because of a 24.1% rollback in prices, corn receipts declined by \$72.5 million to \$183.1 million. A deterioration in receipts was also observed in grains other than corn (-\$6.7 million), vegetables (-\$9.4 million) and maple products (-\$13.6 million).

Good performances were especially noted in the oil and protein seed sector, which moved up \$20.9 million (+37.3%) because of substantial growth in the volume marketed (+87.5%), well above the reduction in prices (26.8%). After some difficult years, potato receipts forged ahead (+\$16.2 million), thanks to a recovery in transaction values (+29.5%). Ornamental horticulture also stood out, recording growth of 15.7% in its total receipts, which reached \$207.0 million.



Net farm income in Québec by sector and quarter - 2004 and 2005

Sector	2004				2005				
	Q1	Q2	Q3	Q1+Q2+Q3	Q4	Q1	Q2	Q3	Q1+Q2+Q3
	M\$								
Total receipts¹	1 279,1	1 772,9	1 597,9	4 649,9	1 672,7	1 422,0	1 828,6	1 623,4	4 874,0
Livestock production	940,1	1 020,1	1 031,3	2 991,5	1 022,1	1 034,1	1 015,2	984,4	3 033,7
Cattle	37,5	55,6	65,5	158,7	61,9	59,0	73,9	70,3	203,2
Calves	40,3	41,4	45,5	127,3	48,1	48,1	48,9	55,5	152,6
Hogs	270,0	306,3	320,5	896,8	294,6	295,2	259,9	247,2	802,3
Hens and chicken	110,7	110,0	112,6	333,3	114,5	114,0	115,1	101,0	330,2
Other animals	21,4	23,3	21,5	66,2	22,5	19,9	21,4	21,9	63,2
Dairy products	423,7	449,0	428,8	1 301,5	444,3	463,1	463,2	455,3	1 381,6
Eggs	24,6	25,5	26,5	76,6	26,1	23,1	23,5	23,7	70,3
Honey	0,7	0,5	2,0	3,2	1,7	1,1	0,8	1,5	3,4
Other products of animal origin	11,0	8,5	8,4	28,0	8,5	10,7	8,4	7,9	26,9
Crop production	230,8	412,3	431,5	1 074,6	399,6	222,0	407,8	405,7	1 035,5
Grains other than corn	9,4	10,2	14,8	34,4	10,6	8,3	8,1	11,3	27,7
Corn	92,2	84,2	79,2	255,6	76,0	60,1	56,1	66,9	183,1
Flowers and nurseries	35,6	93,7	49,6	178,9	108,5	41,1	108,4	57,4	207,0
Maple products	6,3	120,6	0,0	127,0	0,0	5,9	111,7	0,0	117,6
Vegetables	25,1	37,7	179,3	242,0	62,9	28,4	37,0	163,0	228,4
Potatoes	20,5	18,8	26,5	65,8	28,9	22,6	32,7	23,3	78,6
Fruits	8,5	9,2	60,7	78,3	28,8	9,0	9,1	61,8	79,9
Oil and protein seed crops	19,9	21,2	14,7	55,8	58,6	33,9	27,8	15,0	76,7
Other crops	13,3	16,7	6,8	36,8	25,2	12,7	16,9	7,0	36,6
Programs ²	108,2	340,5	135,1	583,8	251,0	165,9	405,6	233,4	804,9
Total expenses after rebate¹	1 131,1	1 761,6	1 467,8	4 360,5	1 261,9	1 108,9	1 761,7	1 460,6	4 331,3
Total receipts - total expenses after rebate	148,0	11,3	130,1	289,4	410,8	313,1	66,8	162,8	542,8

1. Cash basis of accounting. The data of 2005 are estimated and not seasonally adjusted.

2. Includes NISA payments, crop insurance payments, income disaster program payments, provincial stabilization payments, dairy subsidies and other payments.

Sources: Statistics Canada

Institut de la statistique du Québec.

Net farm income by sector and quarter - 1999 to 2004

Sector	1999	2000	2001	2002	2003	2004
	M\$					
Total receipts¹	5 100,3	5 422,5	5 753,8	5 527,1	5 957,0	6 322,6
Livestock production	3 184,0	3 624,2	3 857,2	3 645,5	3 652,1	4 013,6
Cattle	228,0	287,6	327,6	334,5	232,9	220,6
Calves	180,7	193,9	225,5	224,4	161,6	175,4
Hogs	725,9	996,9	1 110,1	927,0	933,1	1 191,4
Hens and chickens	373,9	383,7	423,7	404,6	421,4	447,8
Other animals	72,8	80,6	86,8	87,7	85,3	88,7
Dairy products	1 479,1	1 553,1	1 543,9	1 510,4	1 676,6	1 745,7
Eggs	82,8	87,5	98,7	115,0	102,0	102,6
Honey	5,4	4,0	4,7	6,7	4,9	4,8
Other products of animal origin	35,4	36,8	36,2	35,1	34,3	36,5
Crop production	1 263,2	1 256,8	1 272,7	1 413,6	1 429,7	1 474,2
Grains other than corn	32,3	32,0	49,3	62,4	58,0	44,9
Corn	265,6	246,8	221,4	306,7	300,4	331,6
Flowers and nurseries	194,8	199,4	220,7	256,1	271,9	287,4
Maple products	131,4	158,7	130,6	132,2	134,3	127,0
Vegetables	256,2	259,2	286,1	278,2	284,7	305,0
Potatoes	84,7	85,6	95,7	110,7	85,6	94,7
Fruits	106,7	95,5	102,3	96,5	95,9	107,2
Oil and protein seed crops	107,1	98,3	95,3	101,5	131,0	114,5
Other crops	84,5	81,2	71,4	69,2	67,9	62,0
Programs²	653,1	541,5	623,9	468,0	875,2	834,8
Total expenses after rebates¹	4 404,0	4 771,3	5 041,1	5 129,2	5 471,6	5 622,4
Depreciation on machinery and buildings	502,0	542,9	571,8	578,9	603,5	582,3
Operating expenses after rebates¹	3 902,1	4 228,4	4 469,2	4 550,3	4 868,1	5 040,0
Commercial feed	951,8	967,0	1 071,5	1 135,8	1 198,2	1 246,2
Cash wages ³	552,0	589,5	620,8	664,2	684,2	711,5
Interest	444,3	544,6	546,7	515,4	513,5	506,7
Repairs to buildings and machinery (and other machinery-related expenses)	363,6	387,3	398,9	410,9	424,4	440,7
Fertilizer and lime	195,0	193,8	213,2	215,3	215,8	221,2
Machinery fuel	121,8	156,4	162,7	154,5	163,8	190,3
Commercial seed	121,5	133,0	143,2	155,9	169,8	180,0
Artificial insemination and veterinary fees	125,8	132,7	142,0	149,5	155,5	156,3
Business insurance	124,6	129,6	133,5	143,6	155,1	162,8
Other expenses	901,8	994,3	1 036,8	1 005,1	1 187,8	1 224,3
Net cash income	1 198,2	1 194,1	1 284,6	976,8	1 088,9	1 282,5
Income-in-kind	48,6	50,7	46,3	44,6	43,6	44,4
Realized net income	744,8	701,8	759,0	442,5	529,0	744,6
Value of inventory change	17,6	-67,8	88,2	19,4	106,3	122,3
Total net income	762,4	634,0	847,3	461,9	635,3	867,0

1. Cash basis of accounting.

2. Includes NISA payments, crop insurance payments, income disaster program payments, provincial stabilization payments, dairy subsidies and other payments.

3. Includes room and board.

Source: Statistics Canada

Definitions

Farm cash receipts :	Measures the gross revenue of farm businesses. They include sales of crops and livestock products (except sales between farms in the same province) and program payments.
Farm operating expenses :	Represent business costs incurred by farm businesses for goods and services used in the production of agricultural commodities.
Net cash income :	Total farm cash receipts including payments - total operating expenses after rebates. This income measures farm business cash flow generated from the production of agricultural goods. Net cash income represents the amount of money available for debt repayment, investment or withdrawal by the owner. It does not take depreciation into account.
Realized net income :	Net cash income + income-in-kind - depreciation
Total net income :	Realized net income + value of inventory change. It measures the financial flows and stock changes of farm businesses. Total net income values agriculture economic production during the year that the agricultural goods were produced. It represents the return to owner's equity, unpaid labour, management and risk.

N.B.: All data are the subject of intercensal revisions.

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