

2005 in a nutshell

- Higher revenues in the cattle and calf sector
- Decrease in the provincial stabilization program payments
- Decrease in both the hog and grain sectors
- Growth in the maple products sector

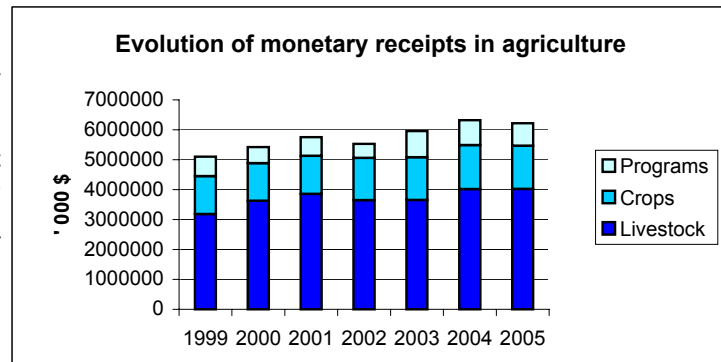
Headlines

Constant decline of receipts in the hog sector

2005 cash receipts

The cash receipts of Québec farmers slipped slightly in 2005, to \$6.2 billion (-1.7% compared with 2004).

Receipts in the livestock sector remained stable, but failed to offset the decline in crop receipts (-1.8%) or the drop in program payments (-10.2%). Over the same time period, receipts for the livestock sector rose slightly (+1.4%), while receipts for the crop sector fell by 3.6%.



Livestock

The **dairy product** sector had a very good year, given the rise in cash receipts of \$101.5 million (+5.8%) over the preceding year. In five years, receipts in this sector have expanded by almost 20%.

Receipts for the **cattle and calf** sector were 25% higher than in 2004.

The number of cattle marketed grew by 10.7% in 2005, while the number of calves marketed increased by a lesser margin, i.e. 3.9%.

Prices were also higher in 2005: the price for slaughter cattle gained 14.5%, while the price for slaughter calves rose 12%.

Since July 18, 2005, some 14 500 live animals were exported from Québec. Receipts for their sale accounted for 3.5% of total receipts for cattle and calves, compared with 17.8% in 2002, the last complete year in which international trade was unrestricted. That year, more than 110 000 animals were exported outside Québec's borders.

The year 2005 was a poor one for the **hog sector**. Receipts underwent a major decline of 13.5%, or more than \$161 million compared with the previous year. That dip was due to a decrease of 3.6% in the number of hogs sold, but especially to a reduction in prices of some 10%.

Programs

In 2005, the share of the provincial stabilization program played a lesser role than the previous year. It accounted for 52% of total program payments in 2005, compared with 75% in 2004. This year, the income disaster program accelerated significantly: more than \$250 million was paid out, compared with \$10 million in the preceding years. In fact, most of the compensations paid in 2005 results from payments made through the Canadian agriculture income stabilization program for the year of production 2003 and part of 2004. Both programs are complementary in the province of Quebec and cover losses due to low prices. Crop insurance payments remained stable.

Crops

In regard to crop production, cash receipts totalled \$1 448.2 million. Over three years, a low rate of growth of 2.4% was recorded.

The **grain** sector modified the result for crop production as a whole. As regards corn and because of a pronounced drop in the producer price (-23.2%), receipts fell off in 2005 to \$259.9 million from \$331.6 million the previous year. The phenomenon was the same for grains other than corn, although the decline was less pronounced. A 12.2% drop in receipts was observed last year; cash receipts totalled \$39.4 million in 2005.

On a positive note, **maple products** posted receipts of \$151.7 million in 2005, a growth rate of 19.4% over 2004.

Oil and protein seed crops also experienced an upswing in receipts to \$134.5 million, despite price reductions of 16.6% for soybeans and 20.6% for canola.

After faltering in 2003, **potatoes** continued to gain ground and recorded receipts of \$101.6 million in 2005, attributable mainly to a recovery in price of 7.8% over the previous 12 months.

2005 Expenditures

Preliminary estimations of total annual expenditures in Quebec revealed a decrease of 3.4%, amounting almost 193 millions of dollars. In 2005, total expenditures should reach 5.4 billions of dollars, a level similar to the one observed in 2003.

Net farm income in Québec by sector and quarter - 2003, 2004 and 2005

Sector	2003		2004			2005				
	T4	T1	T2	T3	T4	T1	T2	T3	T4	
	\$M									
Total receipts¹	1 598,2	1 279,1	1 772,9	1 597,9	1 672,7	1 391,9	1 743,2	1 566,3	1 515,8	
Livestock production	893,7	940,1	1 020,1	1 031,3	1 022,1	1 034,6	1 028,3	986,2	970,6	
Cattle	47,7	37,5	55,6	65,5	61,9	59,1	86,0	72,9	68,8	
Calves	43,5	40,3	41,4	45,5	48,1	49,2	50,0	53,2	55,5	
Hogs	220,5	270,0	306,3	320,5	294,6	294,5	259,9	249,0	226,9	
Hens and chicken	104,3	110,7	110,0	112,6	114,5	114,0	115,1	101,0	97,2	
Other animals	22,7	21,4	23,3	21,5	22,5	19,8	21,2	21,5	22,8	
Dairy products	420,8	423,7	449,0	428,8	444,3	463,1	463,2	455,3	465,6	
Eggs	25,5	24,6	25,5	26,5	26,1	23,1	23,5	23,7	24,5	
Honey	1,0	0,7	0,5	2,0	1,7	1,1	0,8	1,6	1,4	
Other products of animal origin	7,6	11,0	8,5	8,4	8,5	10,8	8,4	8,0	8,0	
Crop production	430,4	230,8	412,3	431,5	399,6	216,7	423,4	405,6	402,5	
Grains other than corn	11,7	9,4	10,2	14,8	10,6	8,3	8,1	11,3	11,7	
Corn	95,0	92,2	84,2	79,2	76,0	60,1	56,1	66,9	76,8	
Flowers and nurseries	100,6	35,6	93,7	49,6	108,5	37,1	98,2	51,9	112,2	
Maple products	0,0	6,3	120,6	0,0	0,0	7,6	144,1	0,0	0,0	
Vegetables	55,9	25,1	37,7	179,3	62,9	29,1	38,5	168,0	57,2	
Potatoes	23,2	20,5	18,8	26,5	28,9	18,9	23,6	27,9	31,3	
Fruits	28,5	8,5	9,2	60,7	28,8	9,0	10,1	58,2	29,1	
Oil and protein seed crops	84,0	19,9	21,2	14,7	58,6	33,9	27,8	14,5	58,4	
Other crops	31,5	13,3	16,7	6,8	25,2	12,6	17,0	7,1	25,9	
Programs ²	274,1	108,2	340,5	135,1	251,0	140,7	291,4	174,5	142,7	
Total expenses after rebate¹	1 263,4	1 131,1	1 761,6	1 467,8	1 261,9	1 089,0	1 736,4	1 423,8	1 180,2	
Total receipts - total expenses after rebate	334,8	148,0	11,3	130,1	410,8	302,9	6,8	142,5	335,6	

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

Sources: Statistics Canada
Institut de la statistique du Québec.

Net farm income by sector - 1999 to 2005

Sector	1999	2000	2001	2002	2003	2004	2005
	\$M						
Total receipts¹	5 100,3	5 422,5	5 753,8	5 527,1	5 957,0	6 322,6	6 217,2
Livestock production	3 184,0	3 624,2	3 857,2	3 645,5	3 652,1	4 013,6	4 019,7
Cattle	228,0	287,6	327,6	334,5	232,9	220,6	286,7
Calves	180,7	193,9	225,5	224,4	161,6	175,4	208,0
Hogs	725,9	996,9	1 110,1	927,0	933,1	1 191,4	1 030,2
Hens and chickens	373,9	383,7	423,7	404,6	421,4	447,8	427,4
Other animals	72,8	80,6	86,8	87,7	85,3	88,7	85,3
Dairy products	1 479,1	1 553,1	1 543,9	1 510,4	1 676,6	1 745,7	1 847,2
Eggs	82,8	87,5	98,7	115,0	102,0	102,6	94,8
Honey	5,4	4,0	4,7	6,7	4,9	4,8	4,9
Other products of animal origin	35,4	36,8	36,2	35,1	34,3	36,5	35,2
Crop production	1 263,2	1 256,8	1 272,7	1 413,6	1 429,7	1 474,2	1 448,2
Grains other than corn	32,3	32,0	49,3	62,4	58,0	44,9	39,4
Corn	265,6	246,8	221,4	306,7	300,4	331,6	259,9
Flowers and nurseries	194,8	199,4	220,7	256,1	271,9	287,4	299,5
Maple products	131,4	158,7	130,6	132,2	134,3	127,0	151,7
Vegetables	256,2	259,2	286,1	278,2	284,7	305,0	292,7
Potatoes	84,7	85,6	95,7	110,7	85,6	94,7	101,6
Fruits	106,7	95,5	102,3	96,5	95,9	107,2	106,3
Oil and protein seed crops	107,1	98,3	95,3	101,5	131,0	114,5	134,5
Other crops	84,5	81,2	71,4	69,2	67,9	62,0	62,6
Programs²	653,1	541,5	623,9	468,0	875,2	834,8	749,3
Total expenses after rebates¹	4 404,0	4 771,3	5 041,1	5 129,2	5 471,6	5 622,4	5 429,5
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.

AgroFlash produced by:

Denis Belzile, Agroeconomist
Sophie Brehain, Economist
Direction des statistiques économiques et sociales
Institut de la statistique du Québec
200, chemin Sainte-Foy, 3e étage
Québec (Québec) G1R 5T4
Phone: (418) 691-2411

Legal deposit
National Library of Canada
Bibliothèque nationale du Québec
ISSN 1710-3657 (paper)
ISSN 1715-6270 (on line)
© Gouvernement du Québec

Uncoming releases:

Québec 