

2006 Farm Financial Survey

Highlights

February 2007



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada

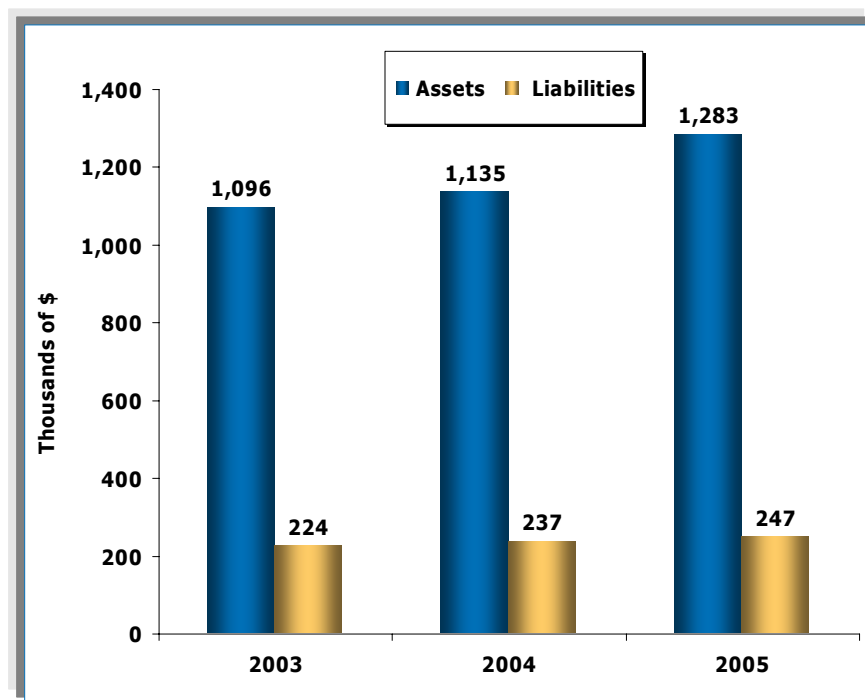
Canada

Introduction

- The 2006 Farm Financial Survey was conducted by Statistics Canada and was funded by Agriculture and Agri-food Canada.
- This survey was carried out in July 2006 and collected data for the 2005 reference year.
- The results are based on a sample of 18,000 farms with gross revenue of over \$10,000 from all provinces and farm types.
- The survey was first done in 1981 and is currently an annual survey.
- The survey collects assets, liabilities, investment as well as, farm and family income data.
- For more details contact John Caldwell (caldwej@agr.gc.ca).

Farm Assets and Liabilities per farm, Canada 2003, 2004 & 2005

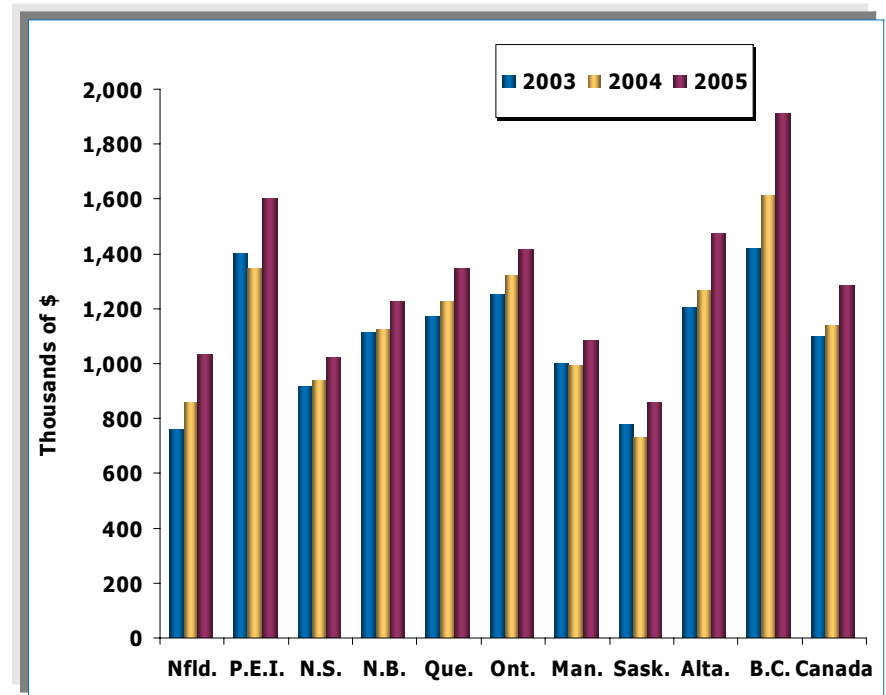
- Average farm assets have shown a consistent increase since 2003.
 - ❖ Average farm assets were \$1,283,000 in 2005.
 - ❖ Assets increased 13% from 2004.
- Average farm liabilities in 2005 were up from 2004.
 - ❖ Average farm liabilities were \$247,000 in 2005.
 - ❖ Liabilities were up 4% from 2004.
- Liabilities as a percent of assets was 19% in 2005 – down from 21% in 2004.



Source: Statistics Canada, Farm Financial Surveys

Assets per farm by Province 2003, 2004 & 2005

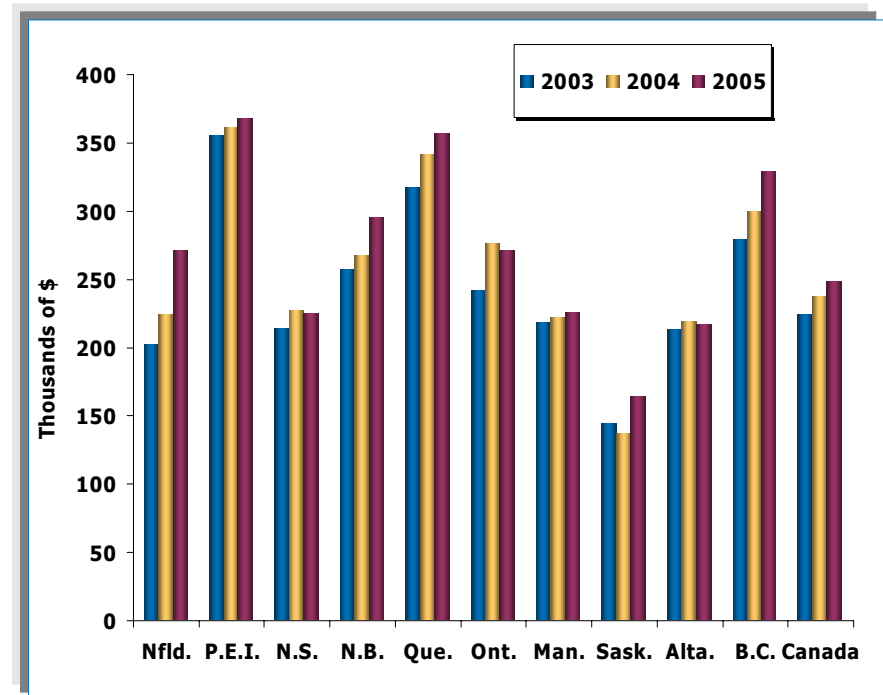
- Assets increased in all provinces in 2005.
- British Columbia at \$1,910,000 had the highest average assets in 2005.
- The largest increase at 20% was in Newfoundland.
- Both Prince Edward Island and British Columbia showed the second highest increase at 19%.



Source: Statistics Canada, Farm Financial Surveys

Liabilities per farm by Province, 2003, 2004 & 2005

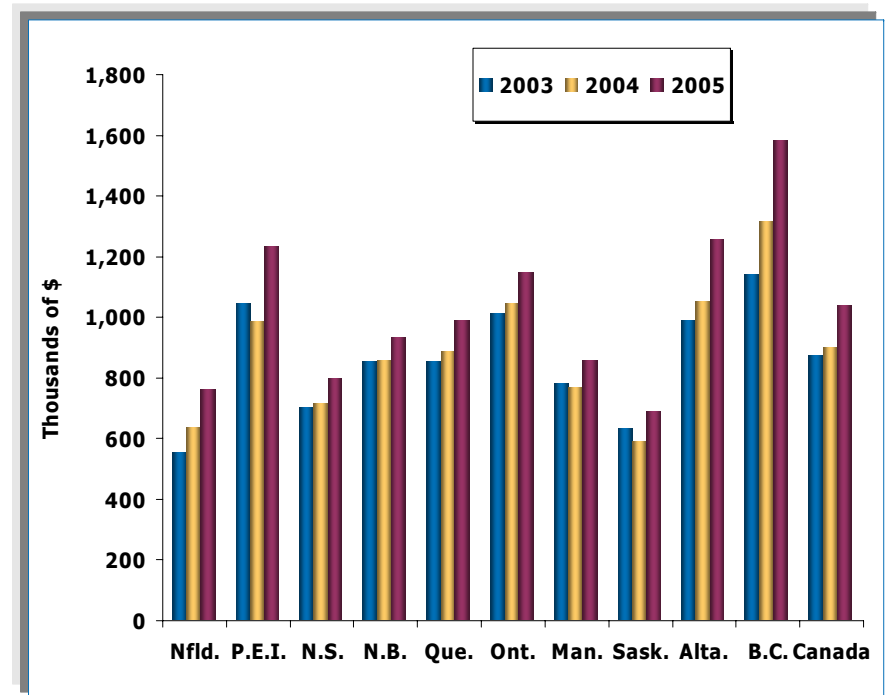
- Liabilities increased in most provinces in 2005.
 - ❖ Prince Edward Island had the highest average liabilities per farm at \$368,000.
- Nova Scotia, Ontario & Alberta all reported a decrease in average liabilities.
- Although Saskatchewan reported a 20% increase in liabilities they still show the lowest average liabilities per farm (\$164,000).



Source: Statistics Canada, Farm Financial Surveys

Net Worth per farm by Province 2003, 2004 & 2005

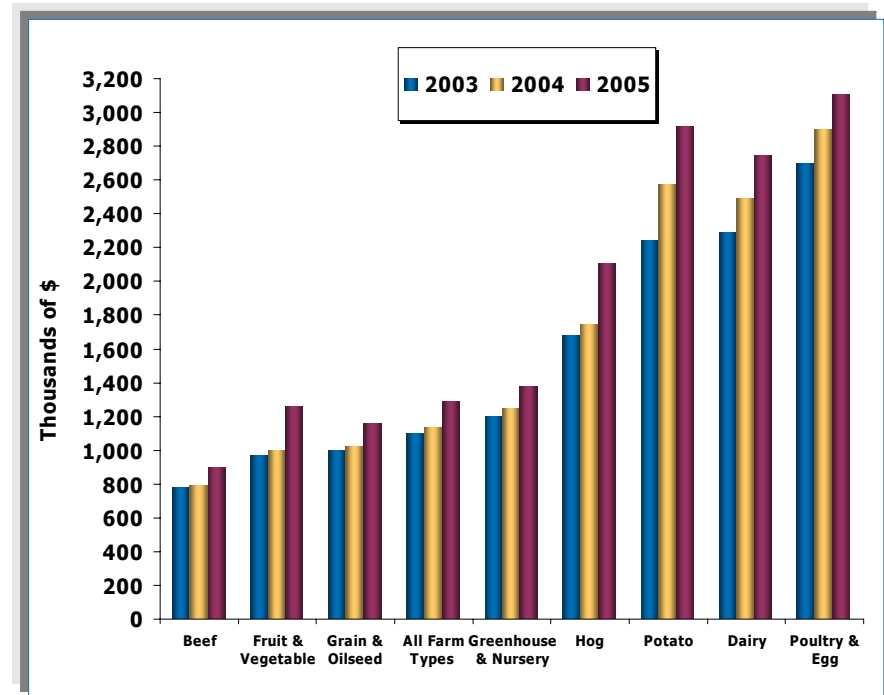
- Average net worth was \$1,035,800 in 2005 up 15% from 2004.
- All provinces showed an increase in average net worth in 2005 compared to 2004.
- Prince Edward Island showed the largest increase at 25% due to improved prospects in the potato sector.
- New Brunswick had the lowest increase at 9%.
- Saskatchewan reported a 17% increase in the average net worth per farm.



Source: Statistics Canada, Farm Financial Surveys

Assets per farm by Farm Type 2003, 2004 & 2005

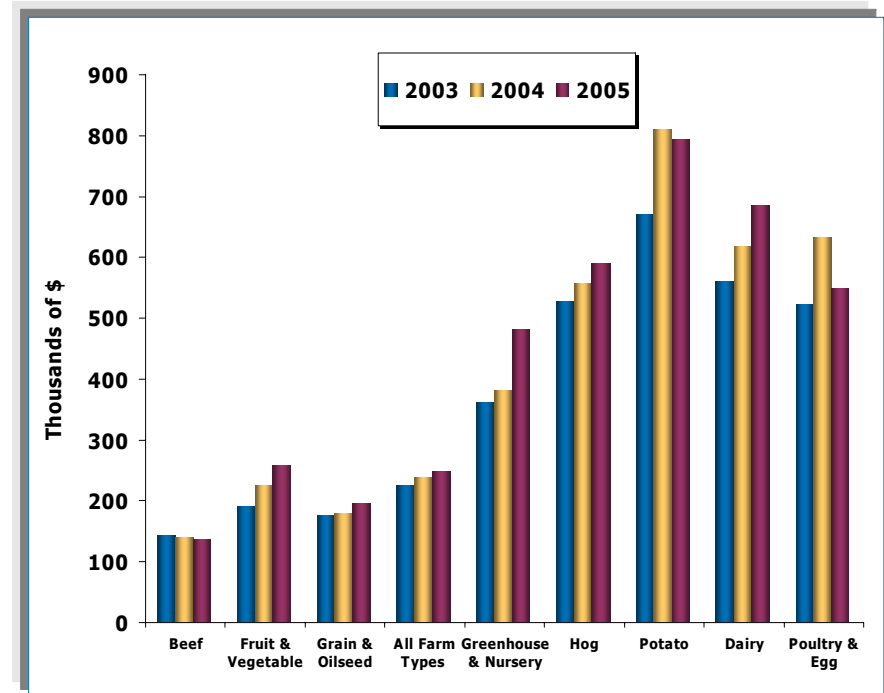
- Average assets increased for all farm types in 2005.
 - ❖ Fruit & Vegetable farms had the largest increase in assets at 27%.
 - ❖ Dairy farms also reported a large increase (10%).
 - ❖ Poultry & Egg farms reported a 7% increase in assets.
 - ❖ Beef farms reported a 13% increase.



Source: Statistics Canada, Farm Financial Surveys

Liabilities per farm by Farm Type 2003, 2004 & 2005

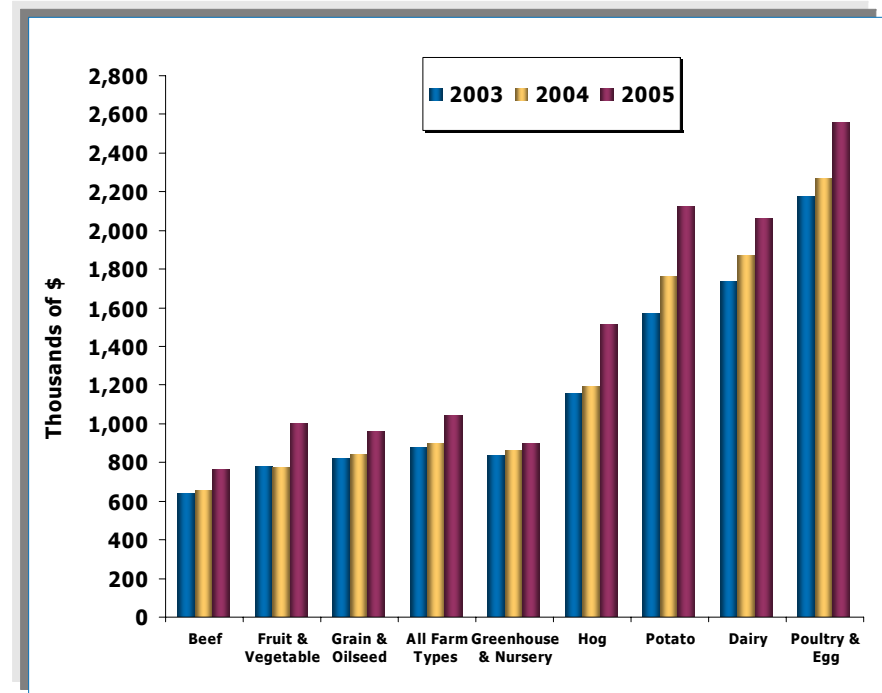
- Beef, Poultry and Potato farms were the only farms to report a decline in average liabilities.
- Potato farms had the highest average liabilities in 2005 at \$792,200.
- Greenhouses reported the highest increase in their average liabilities per farm (26%).
- Beef farms had the lowest level of liabilities at \$134,800.



Source: Statistics Canada, Farm Financial Surveys

Net Worth per farm by Farm Type, 2003, 2004 & 2005

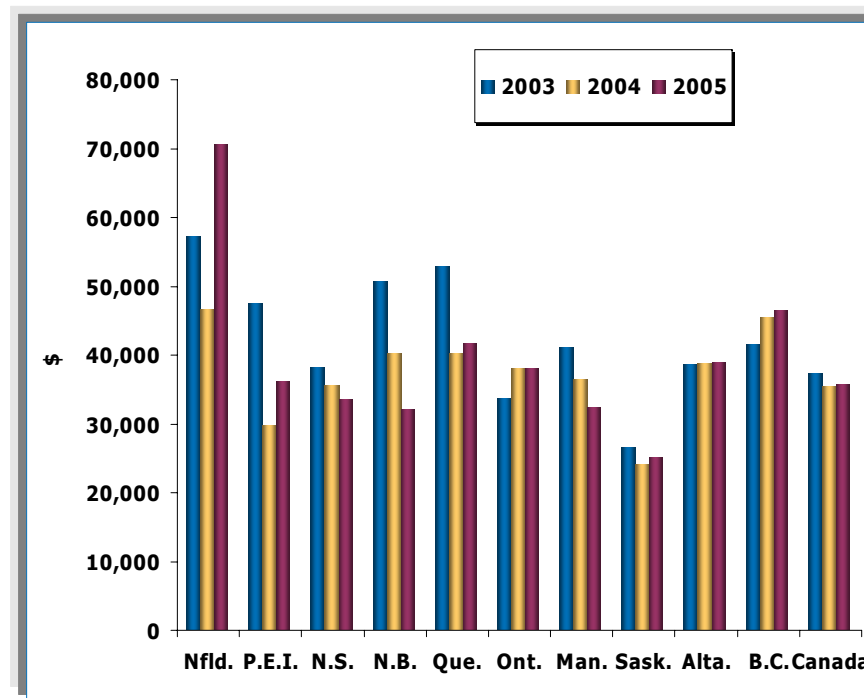
- All farm types reported an increase in net worth for 2005.
- Poultry & Egg farms had the highest net worth in 2005 at \$2,555,350.
- Dairy and Potato farms also had a high net worth at \$2,058,700 and \$2,120,500 respectively.
- Hog farms reported an average net worth in excess of \$1,500,000.
- Fruit & Vegetable farms reported the largest increase in net worth at 30%.



Source: Statistics Canada, Farm Financial Surveys

Net Capital Investment per farm by Province 2003, 2004 & 2005

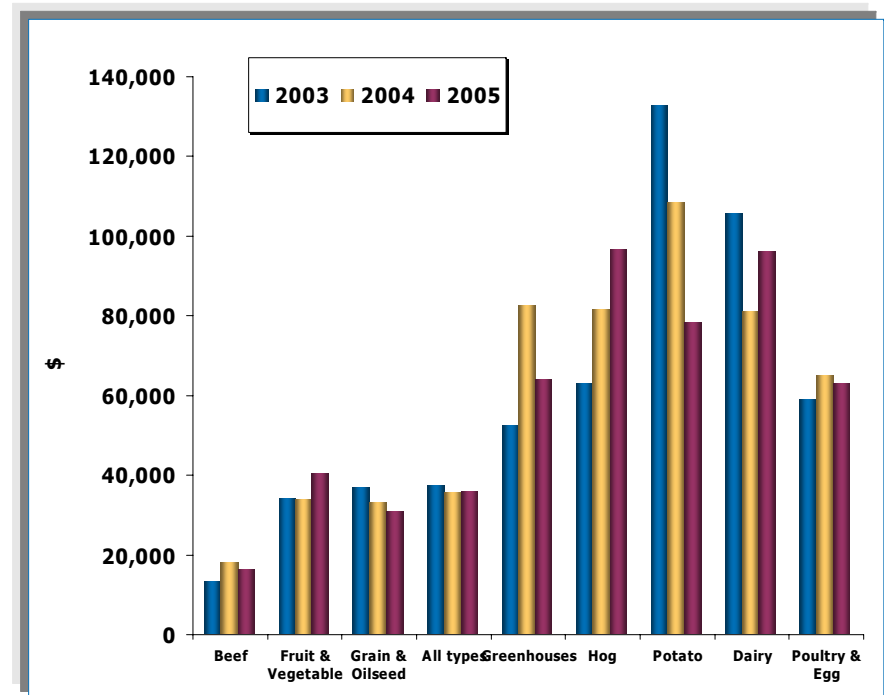
- Average capital investment in Canada was up 1% in 2005.
- All provinces except for Nova Scotia, New Brunswick, Ontario and Manitoba saw an increase in average net investment.
- Net capital investment in 2005 was essentially unchanged at \$38,770 for Alberta.
- Newfoundland at \$70,500 had the highest average net capital investment.
- Saskatchewan showed the lowest net capital investment in 2005 at \$25,000.



Source: Statistics Canada, Farm Financial Surveys

Net Capital Investment per farm by Farm Type 2003, 2004 & 2005

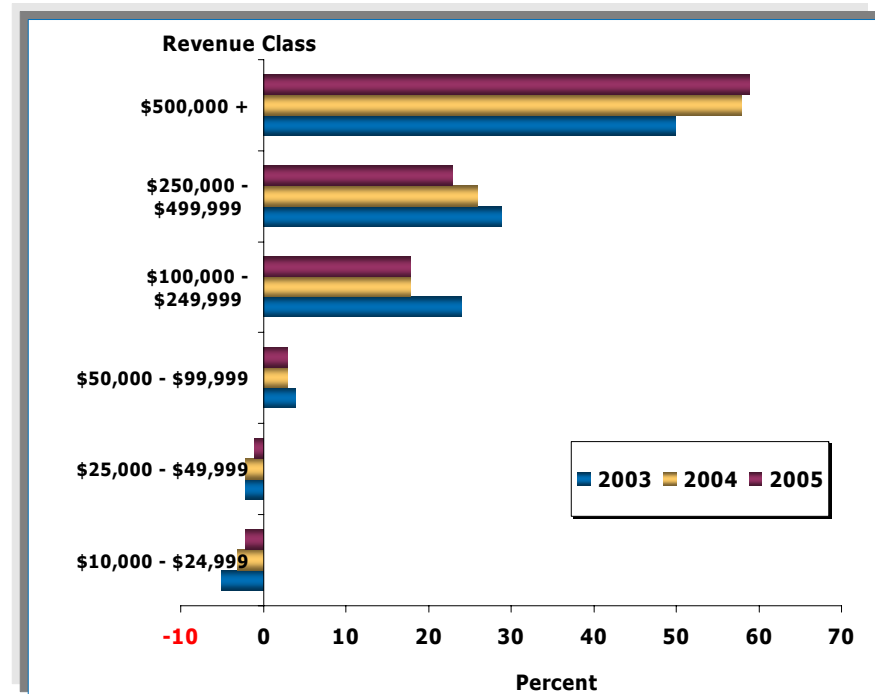
- Investment varied significantly between farm types.
- Hog farms had the highest net capital investment in 2005 at \$96,650 which was up 18% from 2004.
- Dairy farms also reported an 18.5% increase in net investment for 2005.
- Beef farms had the lowest net capital investment at \$16,100 down 9% from 2004.
- Poultry & Egg farms were down 3% in 2005 compared to 2004.



Source: Statistics Canada, Farm Financial Surveys

Percentage of Net Income, by Revenue Class, 2003, 2004 & 2005

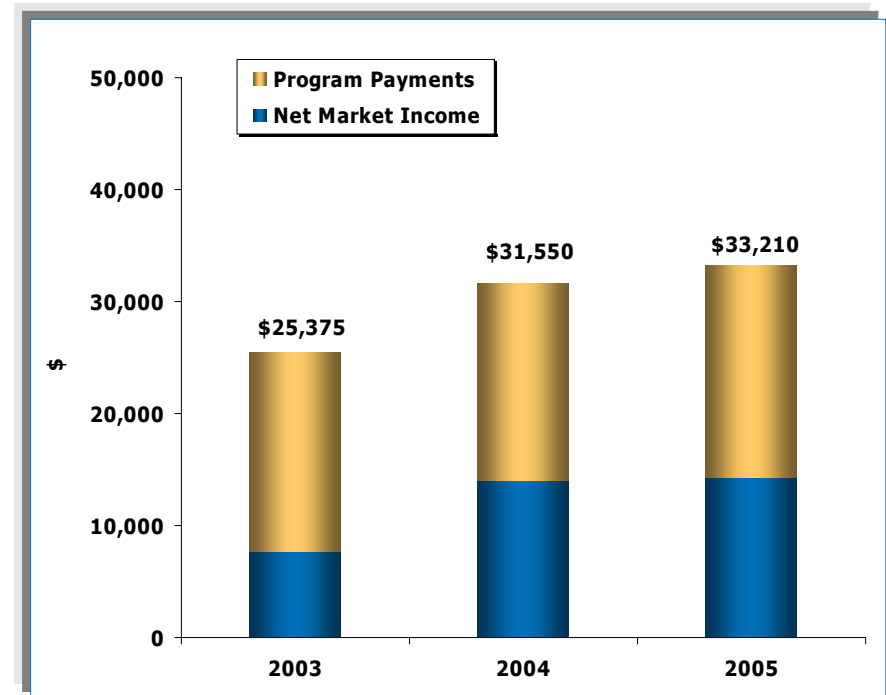
- Farms with revenue of \$500,000 or more account for almost 60% of net cash income.
- For those farms with revenue of \$50,000 to \$99,999, their average cash income in 2005 before program payments was a loss of \$4,600.
- Even farms with revenue of \$100,000 to \$249,999 had average cash income in 2005 before program payments of only \$5,000.



Source: Statistics Canada, Farm Financial Surveys

Net Operating Income per farm, Canada, 2003, 2004 & 2005

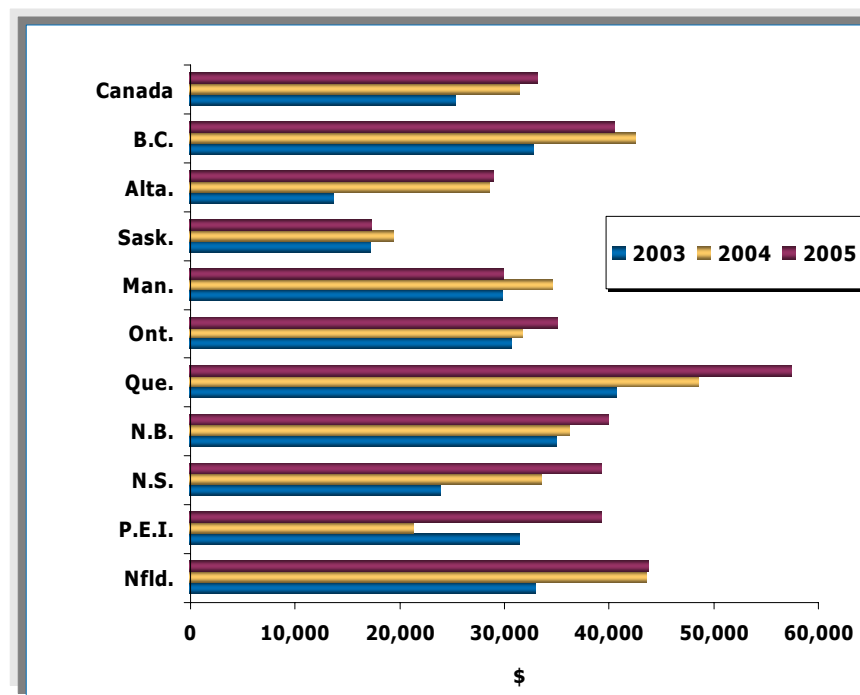
- Net operating income increased by 5% between 2004 and 2005.
- Program payments in 2005 were 7% higher than in 2004.
- Net market income at \$14,250 is 3% higher than the \$13,875 for 2004.



Source: Statistics Canada, Farm Financial Surveys

Net Operating Income per farm, by Province, 2003, 2004 & 2005

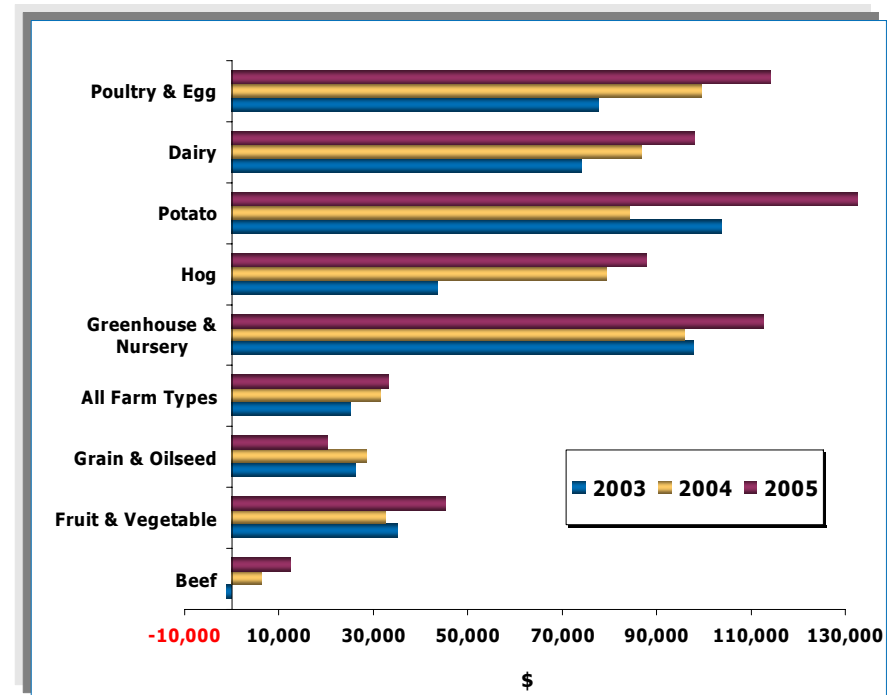
- All provinces except for Manitoba, Saskatchewan and British Columbia reported higher average net operating income in 2005.
- Prince Edward Island reported an 83% increase in net income.
- Saskatchewan reported an 11% decrease in net income in 2005 over 2004.
- Manitoba reported a 13.5% decrease in net operating income.



Source: Statistics Canada, Farm Financial Surveys

Net Operating Income per farm, by Farm Type, 2003, 2004 & 2005

- Potato farms reported the highest net cash operating income at \$132,800 up 57% from 2004.
- In 2005 Beef farms reported an average net income of \$12,500 in 2005 all of which was due to \$16,100 in program payments.
- Grain & Oilseed farms are reporting a 28% decrease in net income for 2005 compared to 2004.
- Greenhouses reported a 17% increase in net farm income between 2005 and 2004.



Source: Statistics Canada, Farm Financial Surveys