

2004 Farm Financial Survey

Highlights

Research and Analysis Directorate

Strategic Policy Branch

December 2004



Agriculture and
Agri-Food Canada

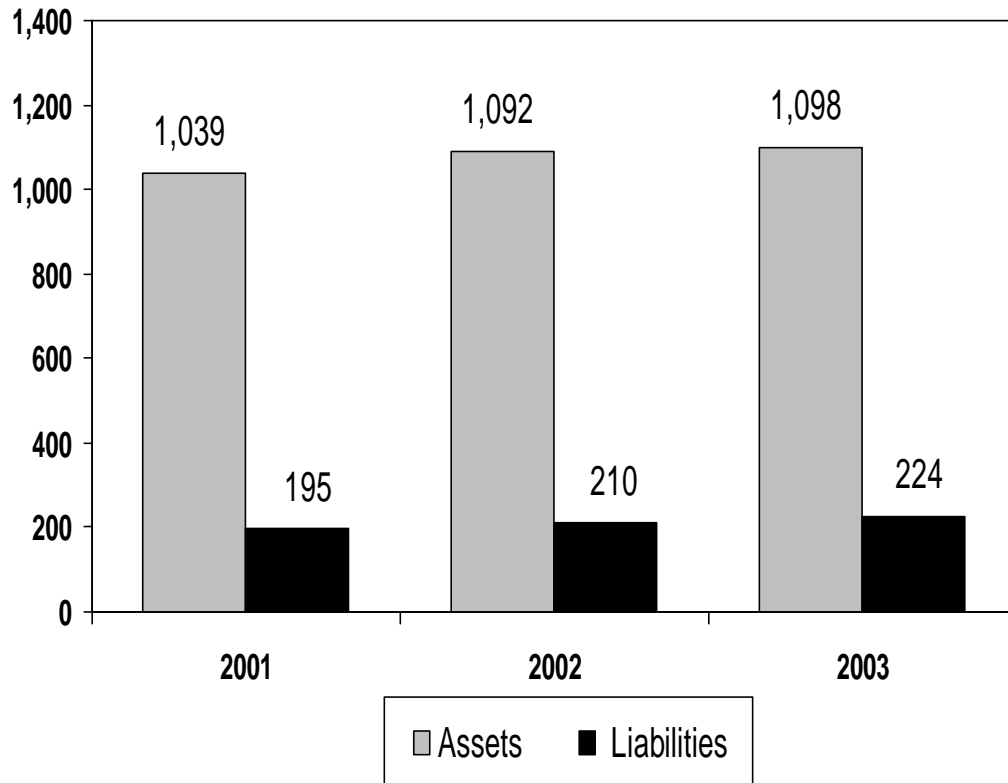
Agriculture et
Agroalimentaire Canada

Introduction

- 23 The 2004 Farm Financial Survey was conducted by Statistics Canada and was funded by Agriculture and Agri-food Canada .
- 23 The results are based on a sample of 20,800 farms with gross revenue of over \$10,000 from all provinces and farm types.
- 23 The survey was first done in 1981 and has been done biannually since 1988.
- 23 Highlights of the survey are now being released and in January detailed results will be available in a publication on the INTERNET.

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

Thousands of \$



✍ **Average farm assets have shown a consistent increase since 2001.**

? Average farm assets were \$ 1,098,000 in 2003.

? Assets increased marginally from 2002.

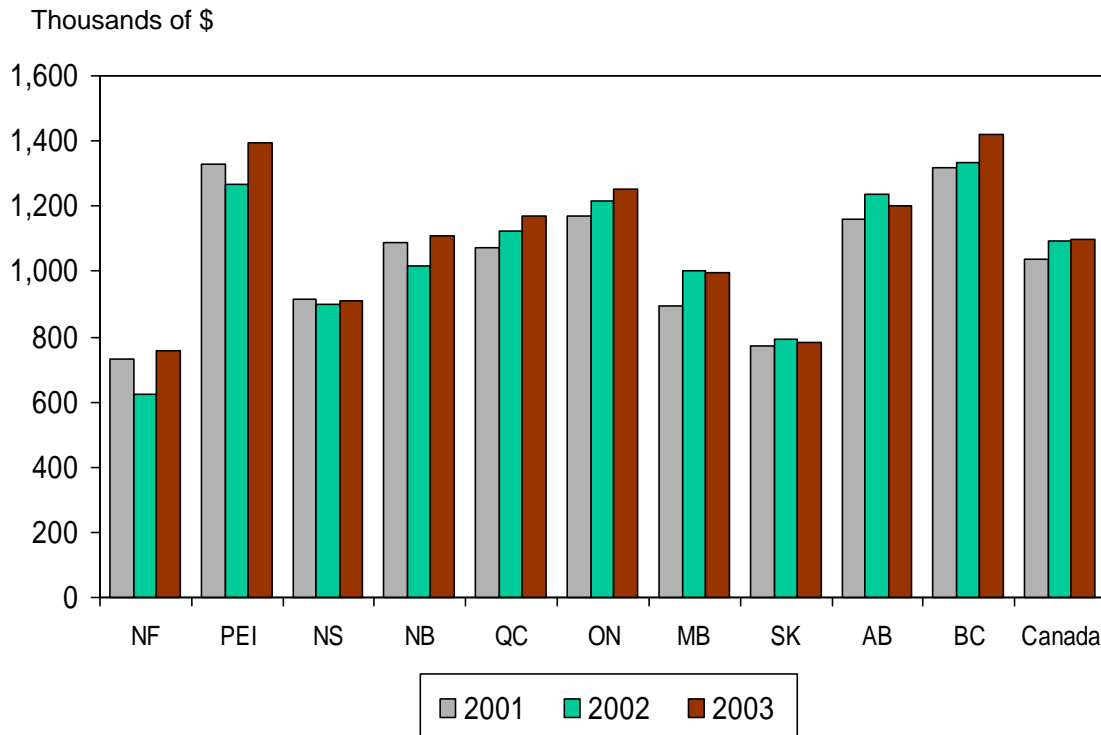
✍ **Average farm liabilities in 2003 were up from 2002.**

? 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.

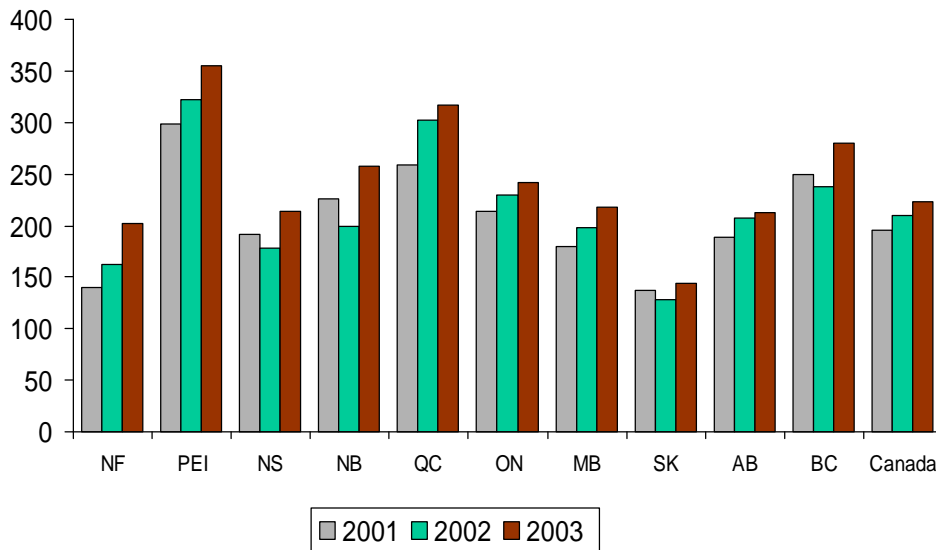
✎ Assets decreased in the Prairie provinces in 2003.

? 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

Thousands of \$



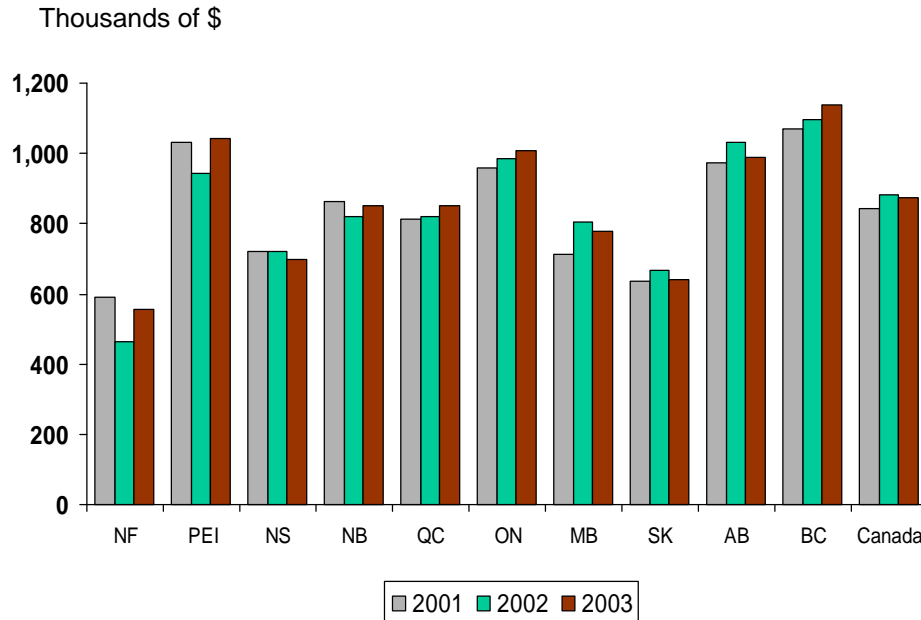
Average debt increased for Canadian farms.

- ? 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.
- ? Newfoundland reported the largest increase in debts with a 24% increase from 2002 levels.
- ? Saskatchewan had the lowest liabilities per farm at \$143,000.

Average Net Worth per farm by Province 2001, 2002 & 2003



✍ Average net worth has decreased for Canadian farms.

- ? Average net worth was \$874,000 in 2003.
- ? The net worth decreased 1% from 2002.

✍ Net worth varied among provinces in 2003.

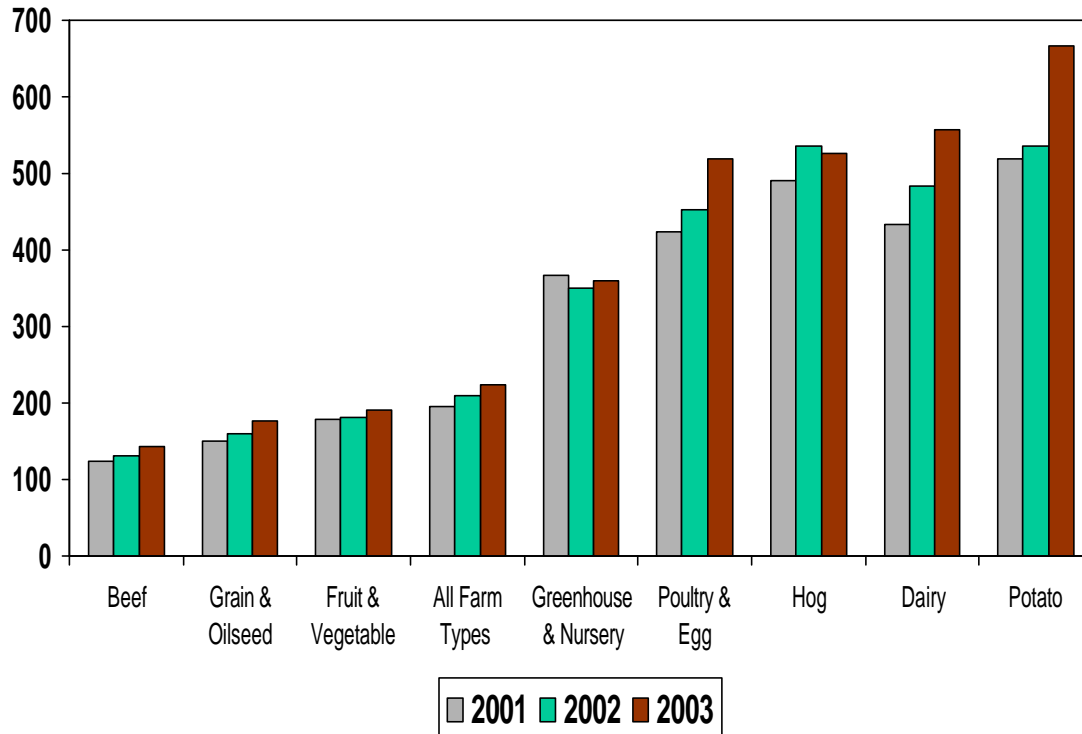
- ? The average farm in British Columbia, Prince Edward Island and Ontario now has a net worth in excess of \$1,000,000.
- ? Newfoundland and Saskatchewan had the lowest net worth in 2003 at \$554,000 and \$641,000 respectively.

✍ The prairie provinces showed a decrease in net worth from 2002-2003.

- ? Average net worth in Manitoba decreased 3%.
- ? Average net worth in Saskatchewan and Alberta decreased 4%.

Average Liabilities per farm by Farm Type 2001, 2002 & 2003

Thousands of \$



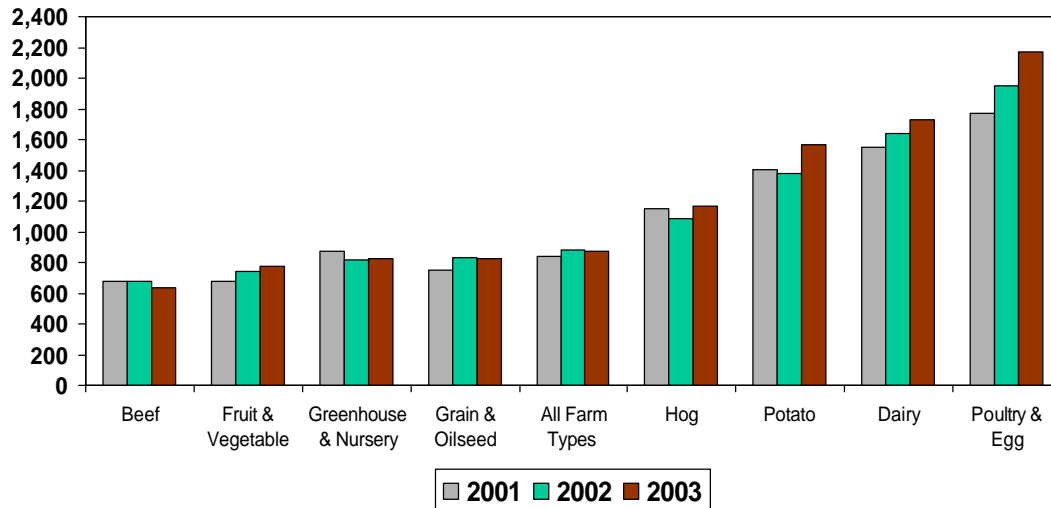
✍ Potato farms had the highest average debt in 2003 at \$666,600.

✍ 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 Net Worth per farm by Farm Type 2001, 2002 & 2003

Thousands of \$



✍ Poultry and egg farms had the highest net worth in 2003 at \$2,172,800.

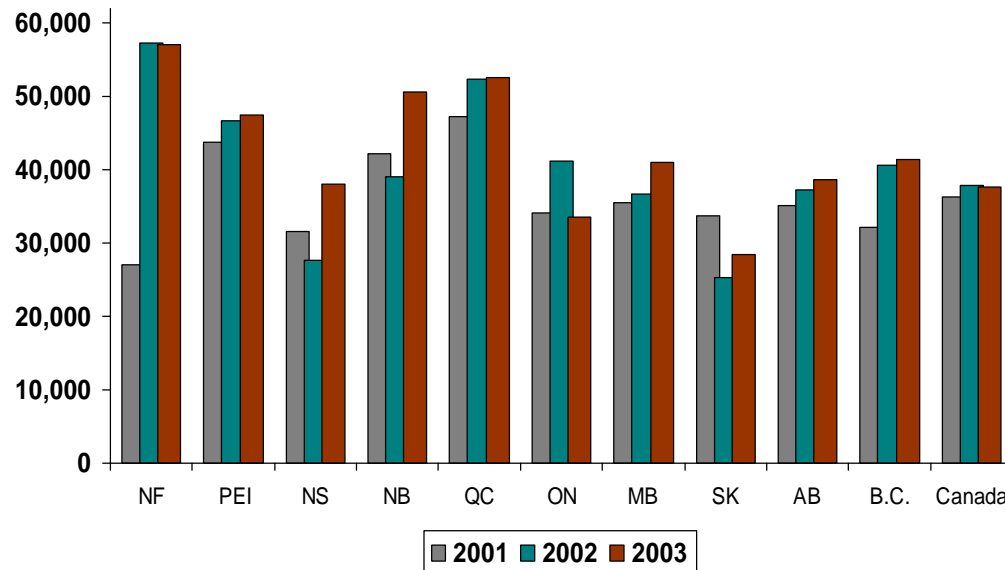
✍ Dairy farms and potato farms also had a high net worth at \$1,729,700 and \$1,565,900, respectively.

✍ Hog farms also reported an average net worth in excess of \$1,000,000.

✍ Beef farms had the lowest net worth at \$637,100.

Average Net Capital Investment by Province 2001, 2002 & 2003

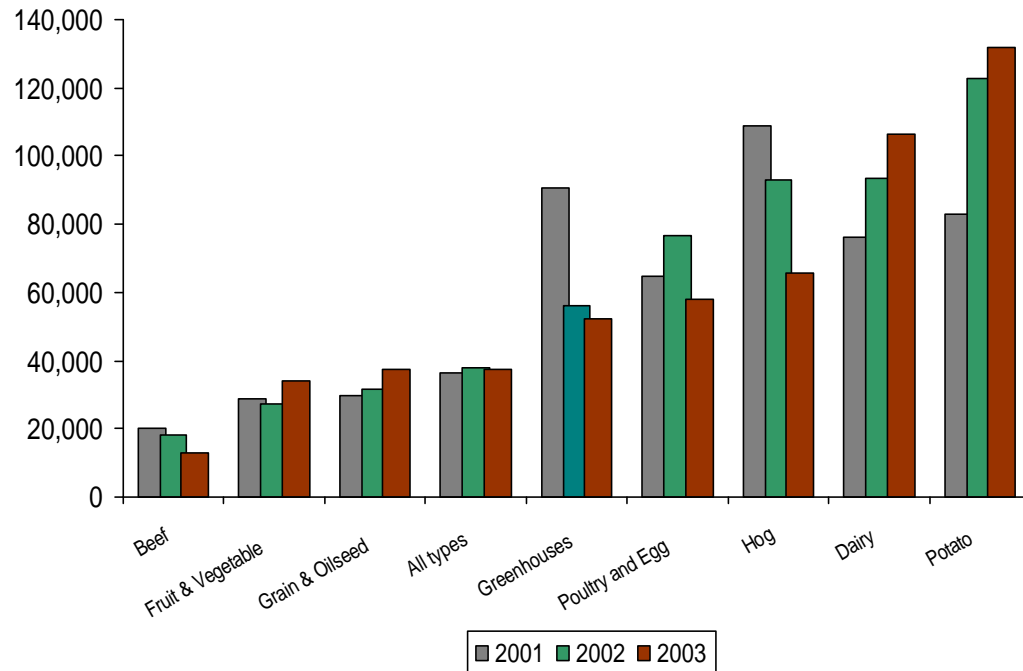
Average \$
per Farm



- ✍ All provinces except for Ontario and Newfoundland saw an increase in average net investment.
- ✍ 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 & 2003

Average \$
per Farm



✍ 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 and half times the Canadian average.

? Dairy farms at \$106,300 had the second highest average level of net capital investment.

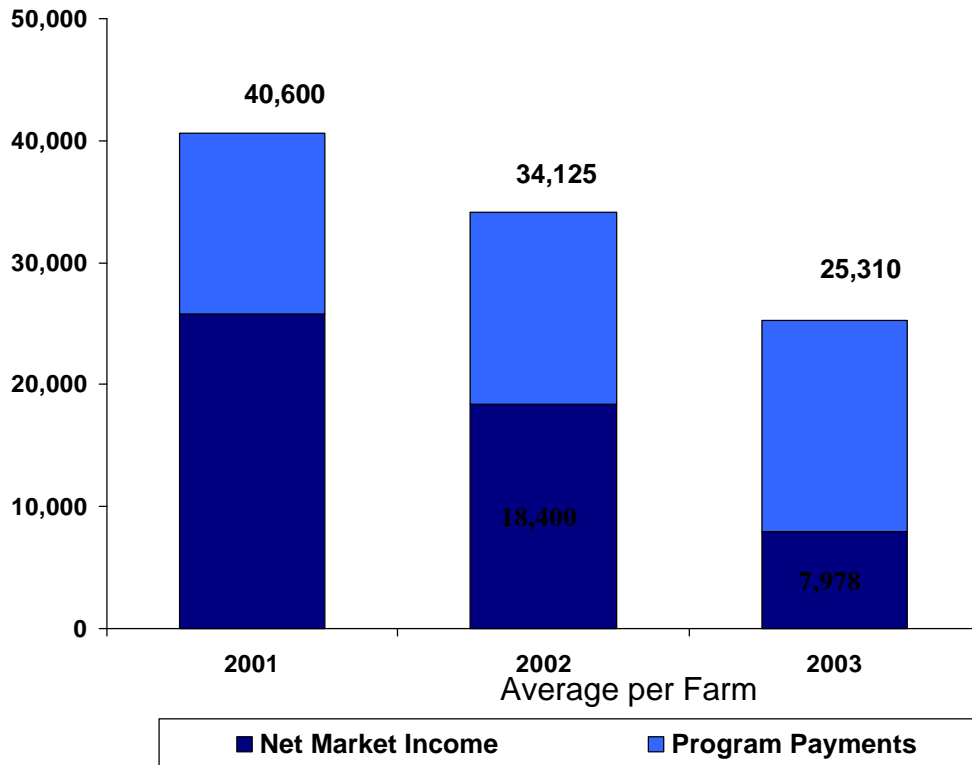
✍ Beef farms had the lowest net capital investment at \$13,100.

✍ Grain farms at \$37,600 were equal to the nation average of \$37,630. However the national averaged was skewed somewhat by the large investment of potato and dairy farms.

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



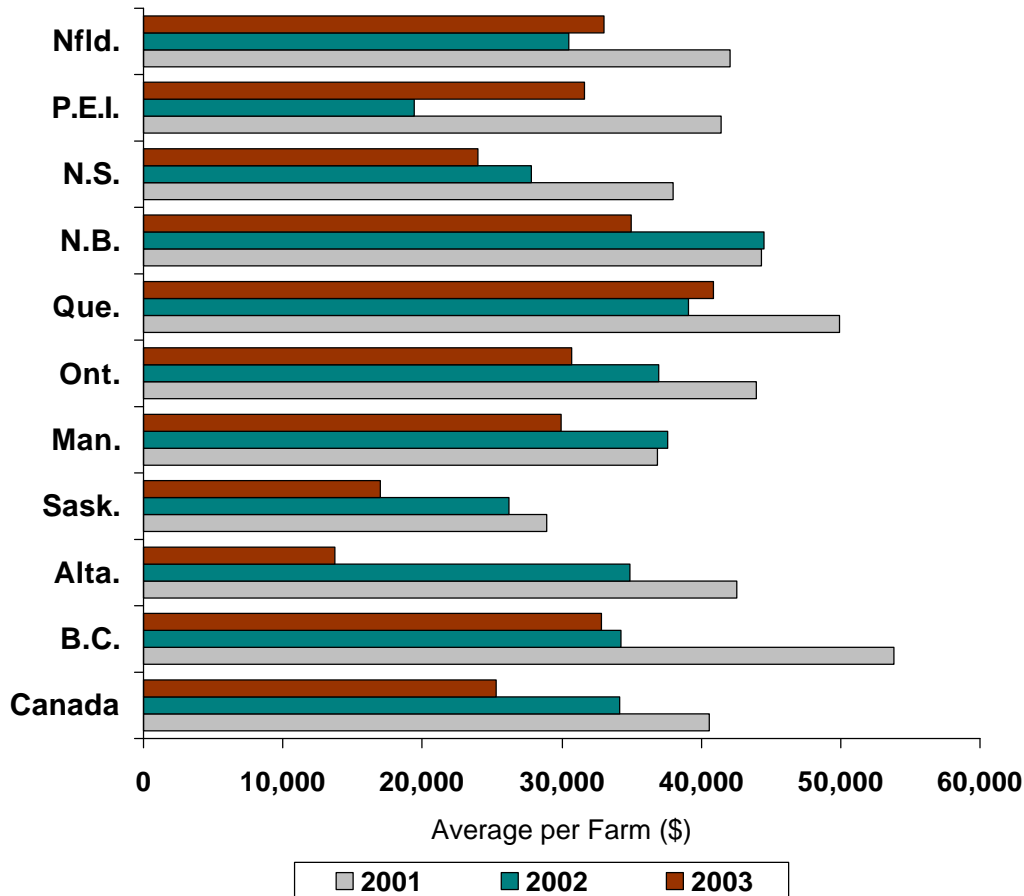
Average \$
per Farm



- 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 \$18,400 for 2003.

Source: Statistics Canada - Farm Financial Surveys

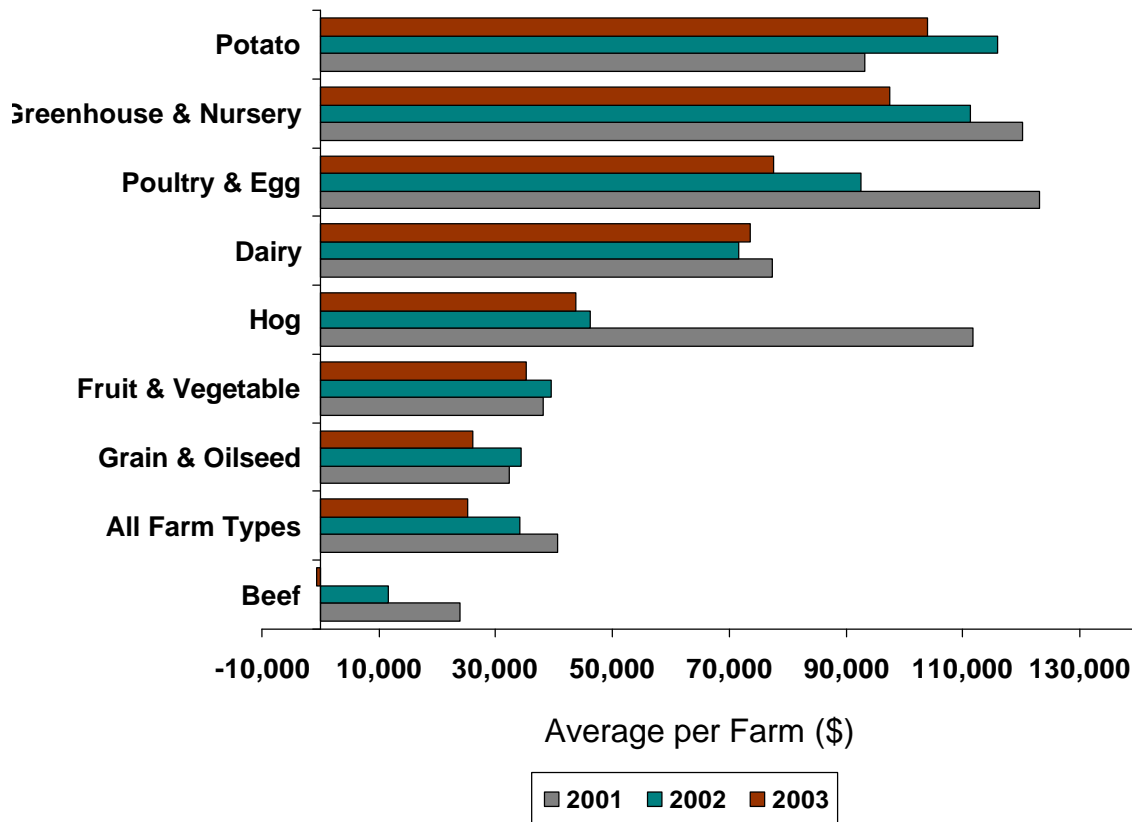
Average Net Operating Income per Farm, by Province, 2001, 2002 & 2003



- ✍ Most provinces are reporting lower average net cash income.
- ✍ Prince Edward Island is reporting a 63% increase in net cash income while Quebec is showing a 4.5% increase.
- ✍ Newfoundland also reported an increase in net cash income.
- ✍ Quebec has 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.

Source: Statistics Canada - Farm Financial Surveys

Average Net Operating Income per Farm, by Farm Type, 2001, 2002 & 2003



- ✂ Potato and Greenhouses 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 are reporting 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.