



Agriculture and  
Agri-Food Canada

Agriculture et  
Agroalimentaire Canada

# Financial Profile of Canadian Farms (2002 Taxfiler Data – Final Estimates)

July 2004

# Preface



Taxfiler data is collected from samples of unincorporated and incorporated tax returns and is compiled by Statistics Canada. The Taxation Data Program is funded jointly by Agriculture and Agri-food Canada and Statistics Canada. This *Financial Profile of Canadian Farms - 2002 Taxfiler Data – Final Estimates* provides highlights and comparisons of farm level revenues and expenses by farm type, by revenue class and by province.

In order to provide more timely fundamental information, this overview is produced on a regular basis reporting on preliminary results and on final estimates as new data are released.

Comments on this information package can be sent to David Culver [culverd@agr.gc.ca](mailto:culverd@agr.gc.ca), telephone (613) 759-1894 or Verna Mitura [miturav@agr.gc.ca](mailto:miturav@agr.gc.ca), telephone (613) 759-1897.

# Table of Contents



<b>Introduction</b> .....	<b>4</b>
<b>Overview</b> .....	<b>5</b>
<b>Distribution of Farms by Revenue Class, Canada, 2002</b> .....	<b>8</b>
<b>Percent Distribution of Farms by Farm Type and Revenue Class, Canada, 2002</b> .....	<b>9</b>
<b>Average Net Operating Income per Farm, Canada, 1992-2002</b> .....	<b>10</b>
<b>Average Farm Operating Revenues by Source, Canada, 2002</b> .....	<b>11</b>
<b>Average Farm Operating Expenses by Source, Canada, 2002</b> .....	<b>12</b>
<b>Distribution of Farm Types by Province, 2002</b> .....	<b>13</b>
<b>Operating Revenues and Expenses by Province, 2002</b> .....	<b>18</b>
<b>Operating Revenues, Expenses &amp; Margins by Farm Type, 2002</b> .....	<b>19</b>
<b>Average Net Operating Income per Farm, by Farm Type, 2002</b> .....	<b>20</b>

# Introduction



**The 2002 taxation data presented in this document cover unincorporated farms with gross operating revenues of \$10,000 and over and incorporated farms with total farm sales of \$25,000 and over, and for which 50% or more of their sales come from agricultural activities. The results also include communal farming organizations.**

**In 2001, the Taxation Data Program adopted the North American Industry Classification System. Poultry hatcheries are now included with poultry and egg farms. This makes previous-year comparisons difficult for this farm type and the overall Canadian level since the inclusion of poultry hatcheries had a substantial impact on the data.**

**This profile from the taxfiler data is released on the Internet only.**

# Overview



- ▶ **Average Canadian farm operating revenues in 2002 were \$202,660, up 4.8% over 2001 and 20.4% above the previous five year average (current dollars).**
- ▶ **The increase in 2002 average operating revenues over 2001 were mainly due to increases in revenues of forage crops (+25.8%), potatoes (+24.4%), greenhouse, nursery and floriculture products (+9.3%), and corn (+26.7%).**
- ▶ **Average farm operating expenses in 2002 were \$172,410, up 4.9% over 2001 and 20.4% above the previous five-year average.**
- ▶ **Livestock expenses in 2002 were up 6.3% over the previous year, mainly due to higher feed costs in the Prairies. Total crop expenses were up 3.3% with higher seed costs of 11.0% more than offsetting the lower cost of fertilizer and chemicals. General farm expenses were up due to higher insurance costs (+12.6%), rent (+12.4%), custom work (+10.6%) and salaries (+7.6%).**

**Source: Statistics Canada, Whole Farm Data Base, Taxation Data Program.**

# Overview (cont'd)



- ▶ Poultry and egg farms ranked first in average operating revenues (\$722,630) in 2002, followed closely by hog and pig farms (\$720,461) and greenhouse, nursery and floriculture (\$683,518).
- ▶ Potato farms had the largest percentage increase (14.5%) in average operating revenues (\$620,995) over 2001.
- ▶ Hog and pig farms had the highest average operating expenses (\$666,569) in 2002, followed by poultry and egg farms (\$641,468) and greenhouse, nursery, and floriculture (\$615,728).
- ▶ Operating margins in 2002 averaged 14.9 cents per dollar of revenue, equal to the previous five-year average. The highest operating margins were in Saskatchewan with 20.8 cents per dollar of revenue.

Source: Statistics Canada, Whole Farm Data Base, Taxation Data Program.

# Overview (cont'd)



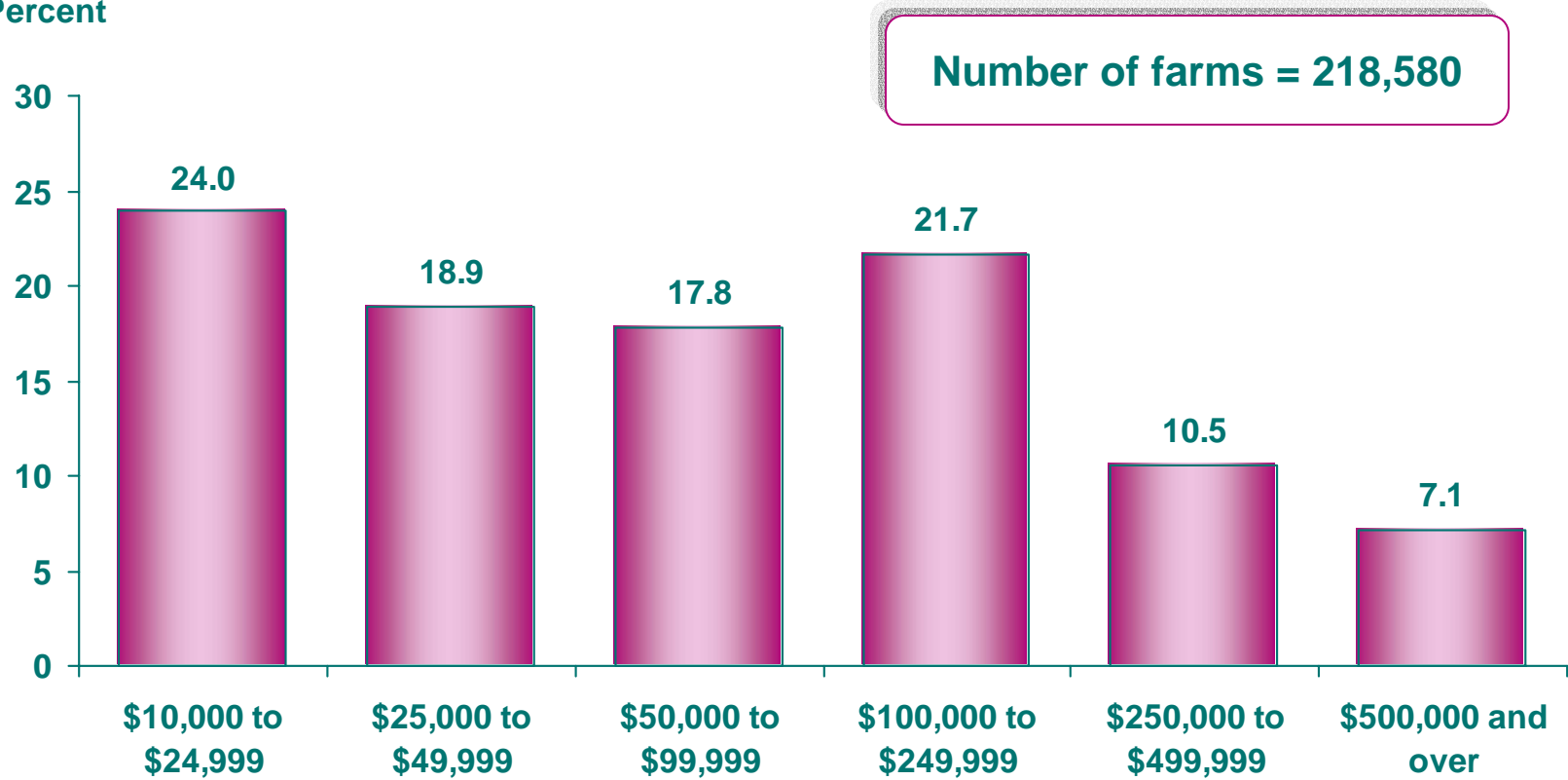
- ▶ The highest average operating margins in 2002 were by grain and oilseed farms (23.9 cents) and dairy farms (23.4 cents). Hog and pig farms had the largest decrease in operating margins, dropping from 13.4 cents in 2001 to 7.5 cents in 2002, the lowest among all farm types.
- ▶ Farms with operating revenues of between \$100,000 and \$249,999 had the highest operating margins in 2002 estimated at 21.2 cents per dollar of revenue. All revenue classes below \$250,000 reported a decrease in operating margins while all revenue classes of \$250,000 and above reported an increase in operating margins.
- ▶ Farms with sales of \$500,000 and over accounted for 53.2% of farming sales in 2002, compared with 38.7% in 1997.

Source: Statistics Canada, Whole Farm Data Base, Taxation Data Program.

# Distribution of Farms by Revenue Class, Canada, 2002



Percent



Source: Statistics Canada, Whole Farm Data Base, Taxation Data Program.



# Percent Distribution of Farms, by Farm Type and Revenue Class, Canada, 2002



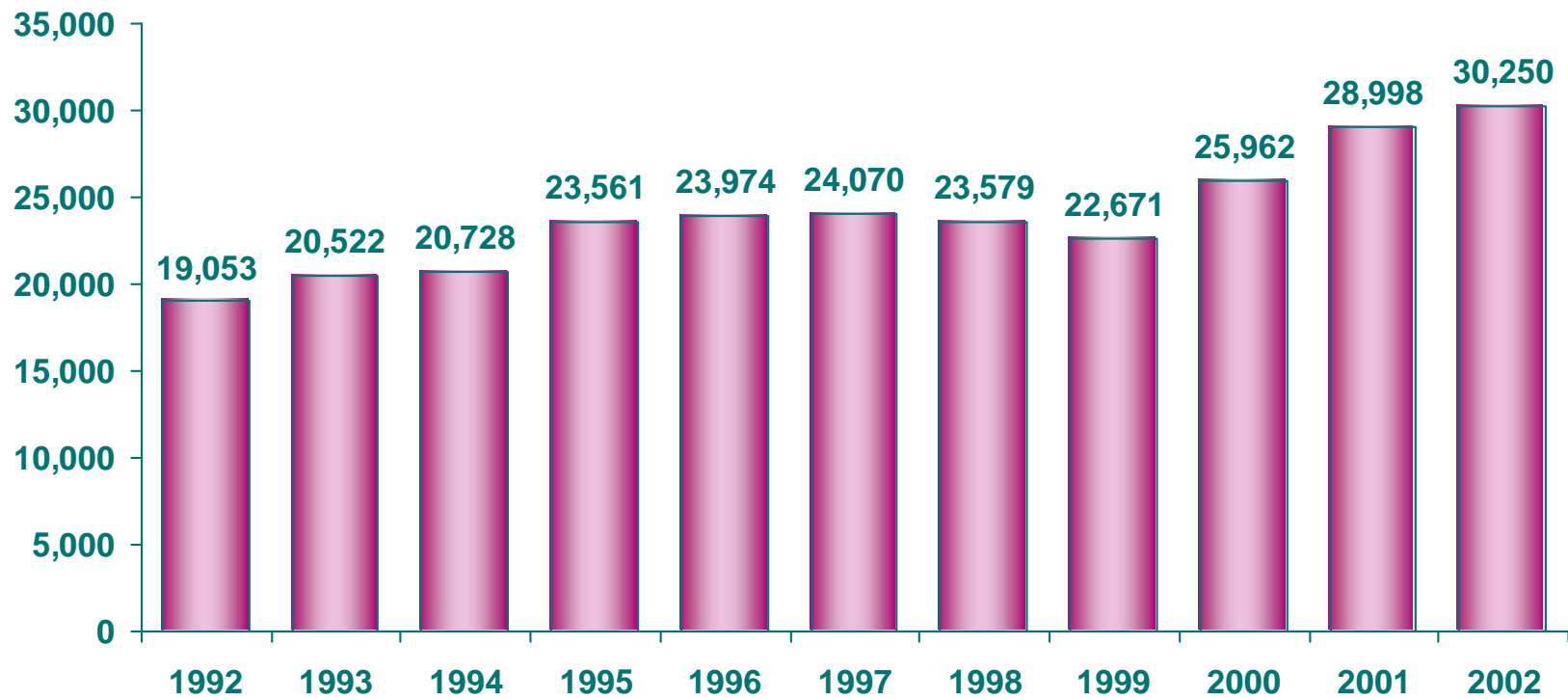
Revenue Class	\$10,000 to \$24,999	\$25,000 to \$49,999	\$50,000 to \$99,999	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 and over	Total
<b>Farm Type</b>	<b>Percent</b>						
Dairy	1.8	3.0	8.5	42.1	31.9	12.7	100.0
Poultry and Egg	9.6	5.7	6.1	13.3	25.8	39.5	100.0
Beef Cattle	28.8	22.5	20.2	18.1	5.8	4.6	100.0
Hog	8.7	6.2	9.2	21.6	22.4	31.9	100.0
Grain and Oilseed	21.6	19.8	20.6	24.3	9.7	4.0	100.0
Greenhouse, Nursery and Floriculture	18.8	15.8	11.5	19.0	11.4	23.5	100.0
Potato	5.9	10.4	13.4	15.6	16.3	38.4	100.0
Other Veg. and Melon	17.7	20.0	17.9	18.5	11.3	14.6	100.0
Fruit and Tree Nut	26.3	22.0	20.5	18.2	7.9	5.1	100.0
<b>ALL FARM TYPES</b>	<b>24.0</b>	<b>18.9</b>	<b>17.9</b>	<b>21.7</b>	<b>10.5</b>	<b>7.1</b>	<b>100.0</b>

Source: Statistics Canada, Whole Farm Data Base, Taxation Data Program.

# Average Net Operating Income\* per Farm, Canada, 1992-2002



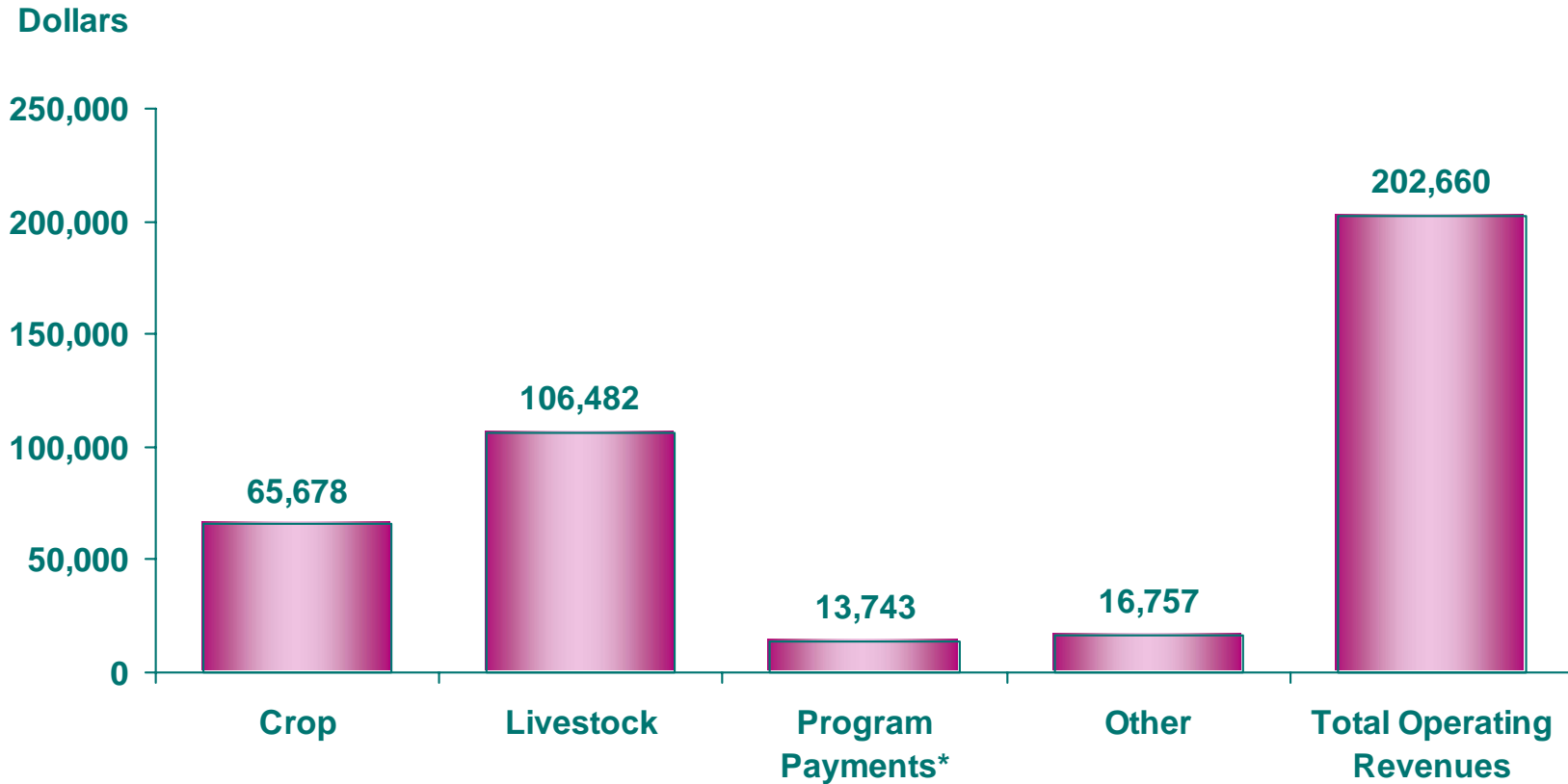
Dollars



\*Before capital cost allowance, current dollars.

Source: Statistics Canada, Whole Farm Data Base, Taxation Data Program.

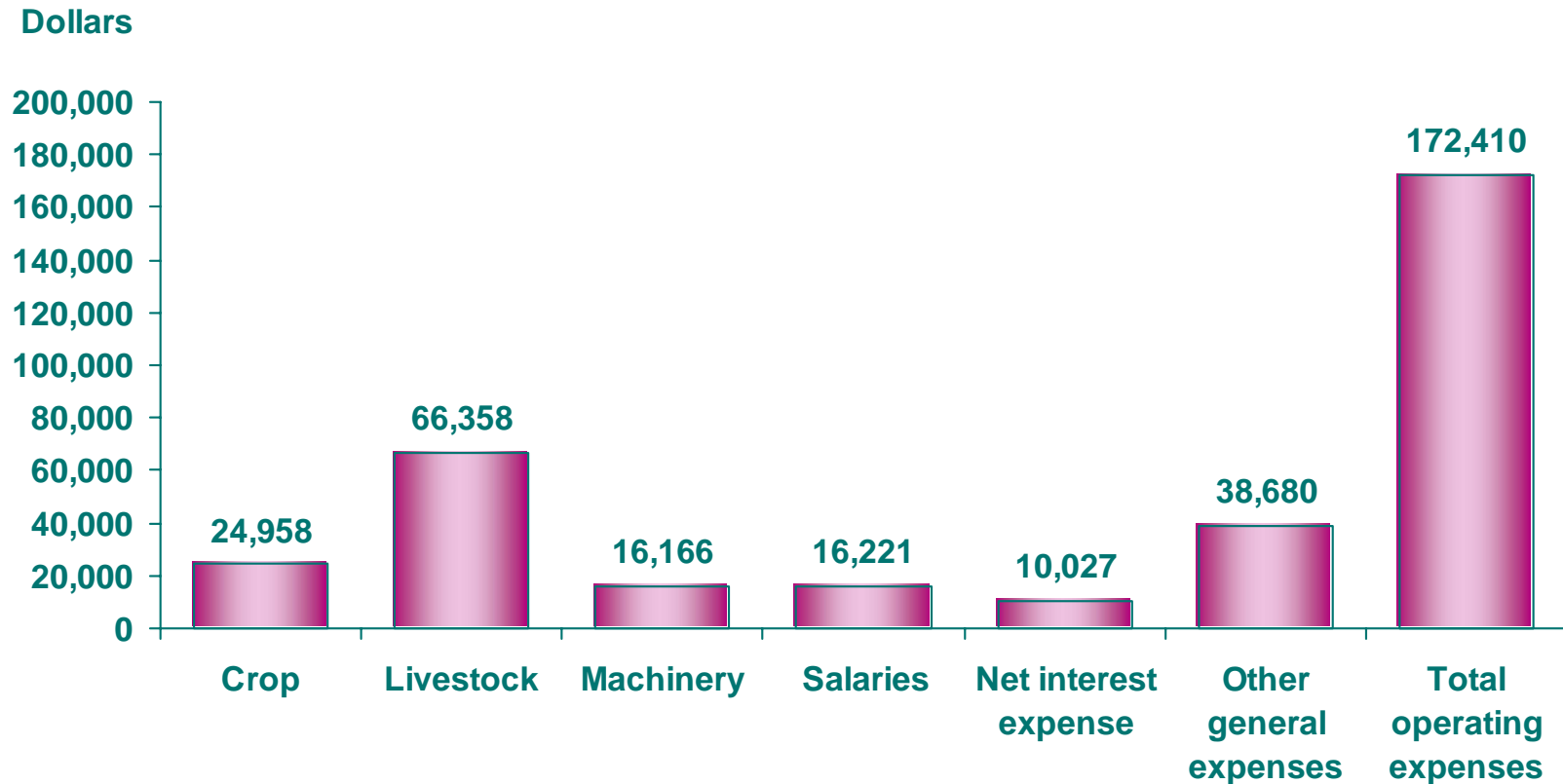
# Average Farm Operating Revenues by Source, Canada, 2002



\*Includes insurance proceeds.

Source: Statistics Canada, Whole Farm Data Base, Taxation Data Program.

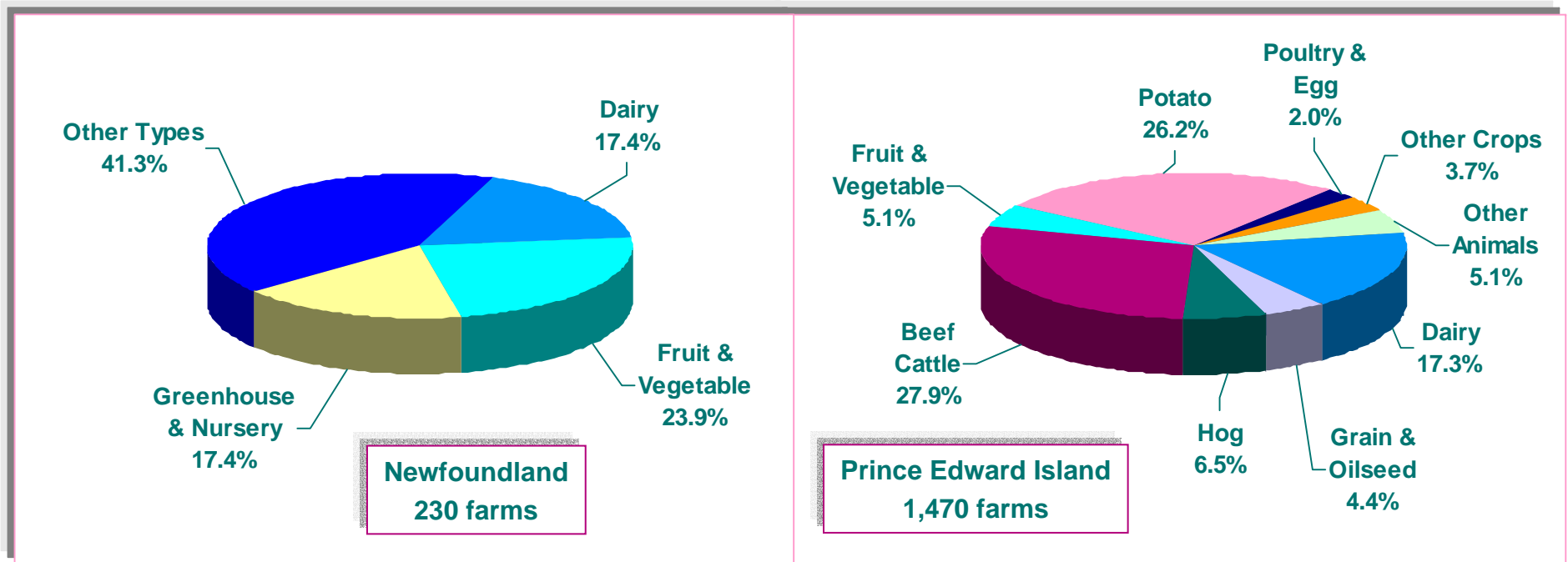
# Average Farm Operating Expenses by Source, Canada, 2002



\* General expenses include such items as utilities, insurance, rent, custom work, salaries, building maintenance and marketing expenses.

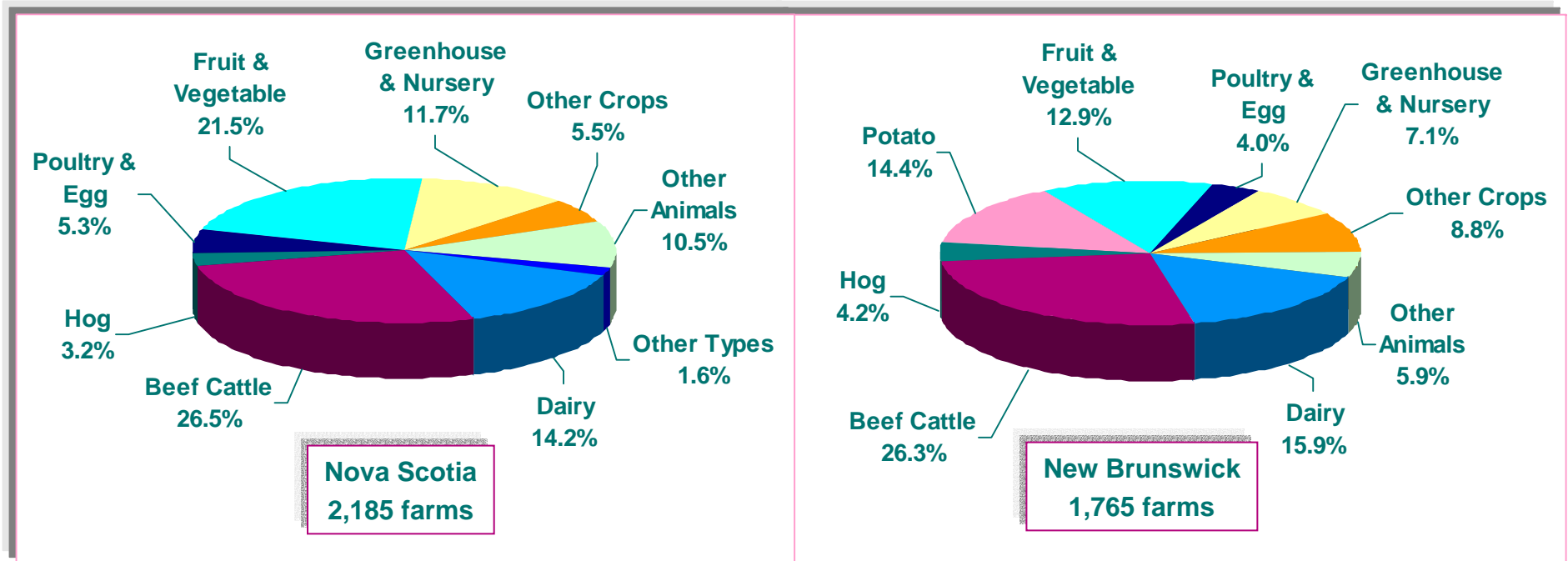
Source: Statistics Canada, Whole Farm Data Base, Taxation Data Program.

# Distribution of Farm Types, by Province, 2002



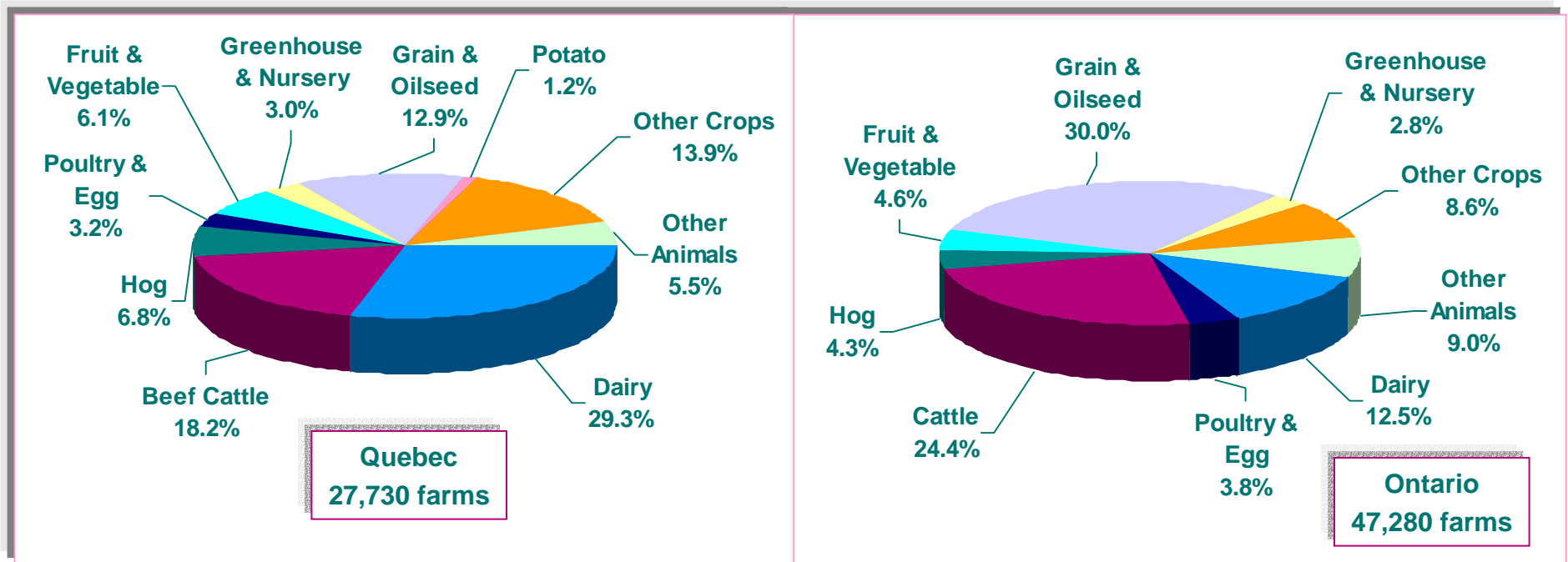
Source: Statistics Canada, Whole Farm Data Base, Taxation Data Program.

# Distribution of Farm Types, by Province, 2002



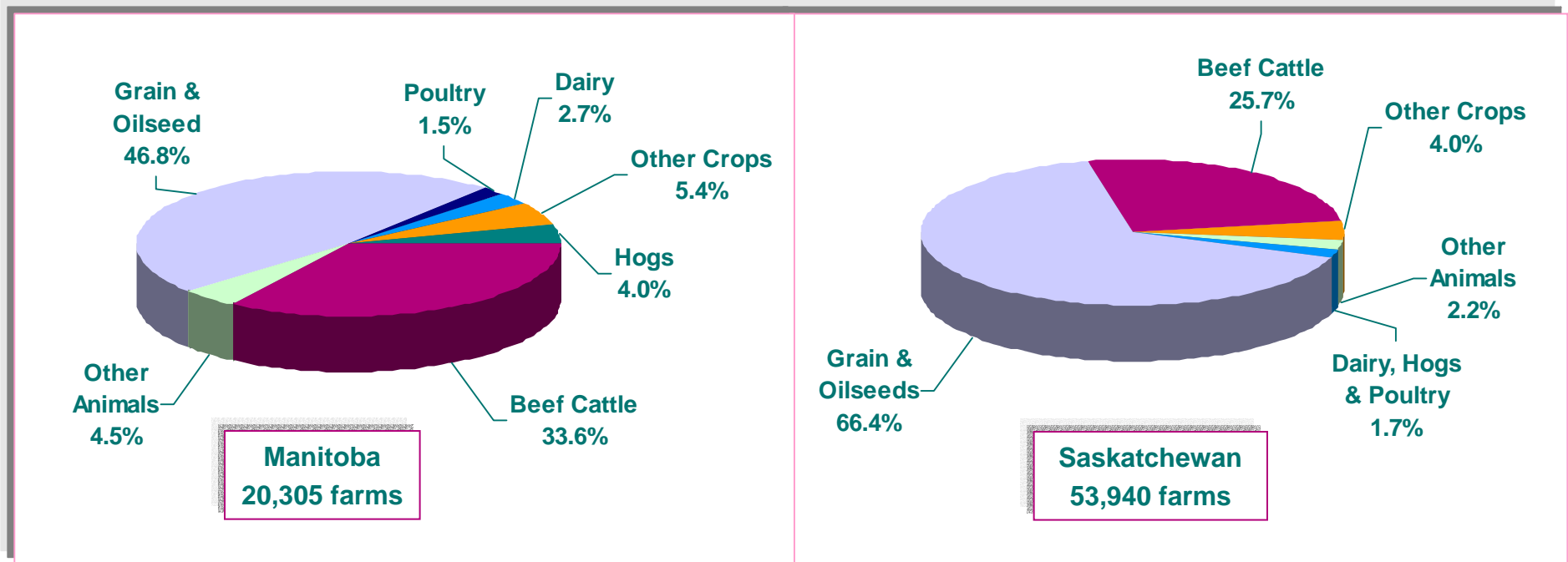
Source: Statistics Canada, Whole Farm Data Base, Taxation Data Program.

# Distribution of Farm Types, by Province, 2002



Source: Statistics Canada, Whole Farm Data Base, Taxation Data Program.

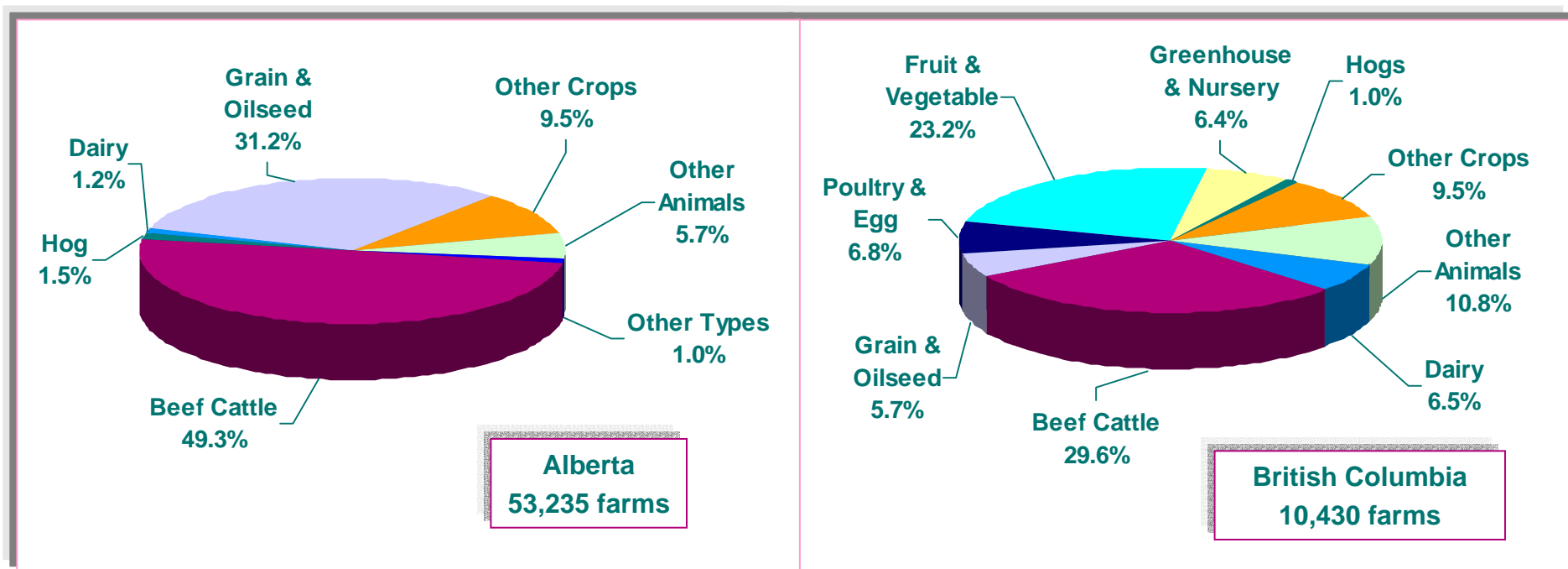
# Distribution of Farm Types, by Province, 2002



Source: Statistics Canada, Whole Farm Data Base, Taxation Data Program.



# Distribution of Farm Types, by Province, 2002



Source: Statistics Canada, Whole Farm Data Base, Taxation Data Program.

# Operating Revenues and Expenses, by Province, 2002



	Average per farm			2002
	Operating Revenues (\$)	Operating Expenses (\$)	Net Operating Income* (\$)	Operating Margin (¢)
Newfoundland	327,981	314,531	13,450	4.1
Prince Edward Island	275,372	244,288	31,084	11.3
Nova Scotia	219,701	191,251	28,450	12.9
New Brunswick	280,226	231,847	48,379	17.3
Quebec	251,368	214,722	36,646	14.6
Ontario	216,352	188,540	27,812	12.9
Manitoba	212,784	177,113	35,671	16.8
Saskatchewan	127,625	101,025	26,600	20.8
Alberta	224,003	192,736	31,267	14.0
British Columbia	240,747	215,771	24,976	10.4
<b>CANADA</b>	<b>202,660</b>	<b>172,410</b>	<b>30,250</b>	<b>14.9</b>

\* Before capital cost allowance.

Source: Statistics Canada, Whole Farm Data Base, Taxation Data Program.

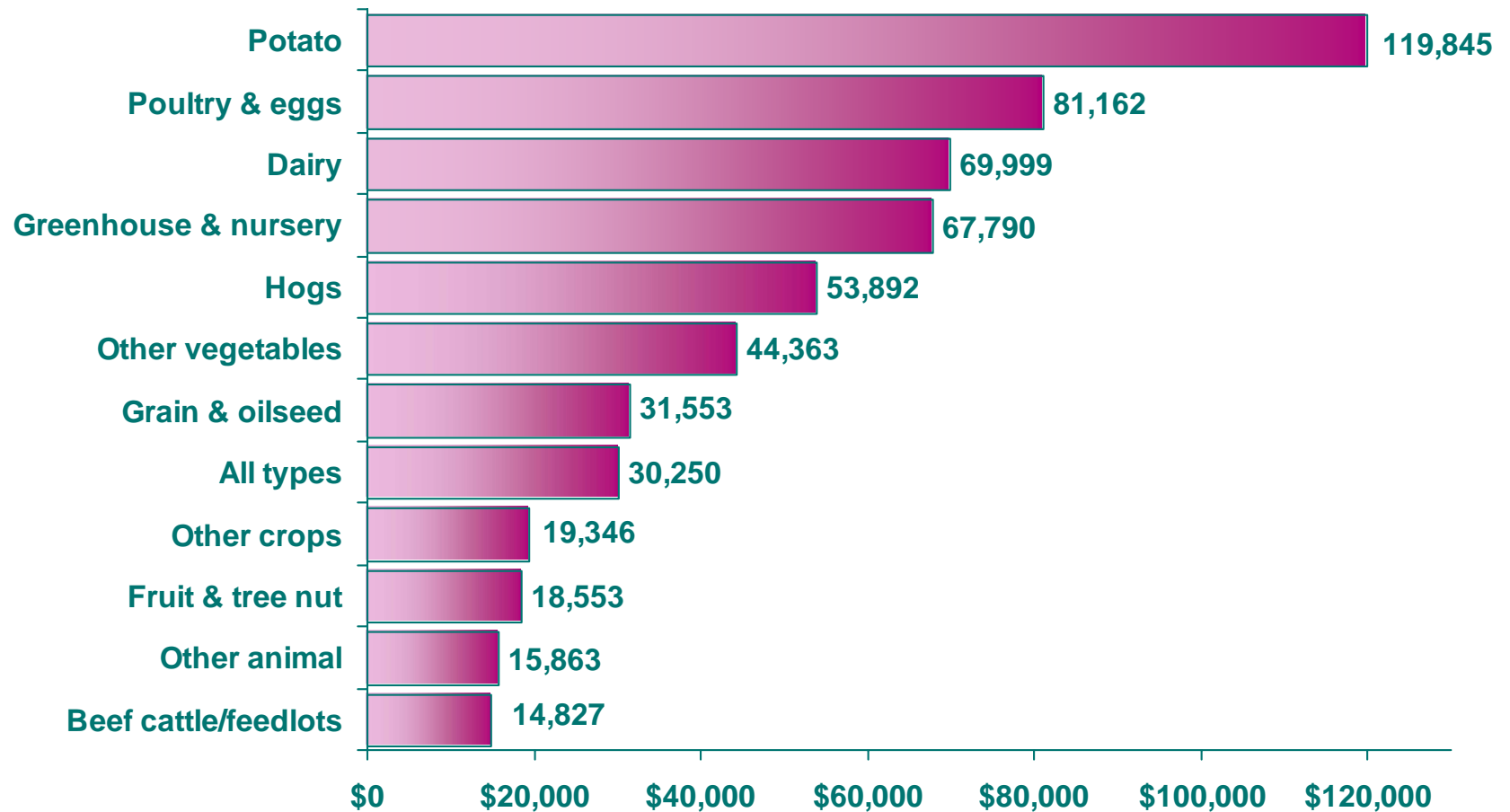
# Operating Revenues, Expenses and Margins, by Farm Type, 2002



	2002	2002	2002	2001
	Average Operating Revenues (\$)	Average Operating Expenses (\$)	Operating Margin (%)	Operating Margin (%)
Poultry and eggs	722,630	641,468	11.2	11.0
Hogs and pigs	720,461	666,569	7.5	13.4
Greenhouse & nursery	683,518	615,728	9.9	6.8
Potato	620,995	501,150	19.3	16.4
Dairy and milk production	299,244	229,245	23.4	24.2
Other vegetables and melons	292,599	248,236	15.2	15.1
Beef cattle and feedlots	181,816	166,989	8.2	8.6
Other animal	148,217	132,354	10.7	7.3
Fruit and tree nut	142,574	124,016	13.0	10.8
Grain and oilseed	131,891	100,338	23.9	22.8
Other crop	98,543	79,197	19.6	17.2
<b>CANADA</b>	<b>202,660</b>	<b>172,410</b>	<b>14.9</b>	<b>15.0</b>

Source: Statistics Canada, Whole Farm Data Base, Taxation Data Program.

# Average Net Operating Income\* per Farm, by Farm Type, Canada, 2002



\* Before capital cost allowance.

Source: Statistics Canada, Whole Farm Data Base, Taxation Data Program.