



Agriculture and  
Agri-Food Canada

Agriculture et  
Agroalimentaire Canada

# **Profile of the 2003 Farm Financial Survey**

**Farm Income and Adaptation Policy Directorate  
Strategic Policy Branch**

**January 2004**

**Canada**



## **Profile of the 2003 Farm Financial Survey**

Farm Income and Adaptation Policy Directorate  
Strategic Policy Branch  
January 2004

Any policy views, whether explicitly stated, inferred or interpreted from the contents of this publication, should not be represented as reflecting the views of Agriculture and Agri-Food Canada.

### **Farm Financial Survey Analysis Group**

John Caldwell (Project Team Leader)  
Deborah Niekamp  
Kim O'Connor  
Alain Piau

ISSN #1490-0386

Catalogue #A22-188/2000E

Publication No. 2160E

Project No. 04-008-rp

Aussi disponible en français sous le titre:

*Profil de l'enquête financière sur les fermes de 2003*

# Preface

This *Profile of the 2003 Farm Financial Survey* provides an overview of the 2003 Farm Financial Survey and compares the results with two previous surveys in 2000 and 2002. The data was collected by Statistics Canada under contract with Agriculture and Agri-Food Canada. Eighteen thousand farms with total farm revenues of over \$10,000 per year were surveyed by telephone.

This overview is divided into three sections: farm financial structure, capital investment and growth, and farm income and stability. More detailed information can be obtained by visiting the following websites: [www.statcan.ca](http://www.statcan.ca) or [www.agr.gc.ca/policy/spb/fiap/pubse.html](http://www.agr.gc.ca/policy/spb/fiap/pubse.html). Special requests can be made to Statistics Canada, Agriculture Division via e-mail at [agriculture@statcan.ca](mailto:agriculture@statcan.ca) or by telephone at 1-800-465-1991. Comments on this publication can be sent to John Caldwell via e-mail at [caldwej@agr.gc.ca](mailto:caldwej@agr.gc.ca) or by telephone at (613) 759-1923.

# Table of Contents

<b>Introduction</b> .....	<b>5</b>
<b>Farm Financial Structure</b> .....	<b>6</b>
Assets & Liabilities .....	7
Net Worth .....	19
Debt as a Percent of Assets .....	27
Size of Farms .....	35
<b>Capital Investment and Growth</b> .....	<b>41</b>
Investment .....	42
Capital Borrowed .....	50
<b>Farm Income and Stability</b> .....	<b>54</b>
Net Operating Income .....	55
<b>Glossary</b> .....	<b>61</b>

# Introduction

- ➔ The Farm Financial Survey (FFS) was first conducted in 1981 and has been repeated approximately every two years since 1988.
- ➔ The 2003 FFS was conducted by Statistics Canada and funded by Agriculture and Agri-Food Canada.
- ➔ The 2003 survey sampled 18,000 farms from all provinces and farm types, with gross revenue of \$10,000 and over and excludes multi-holding farms.
- ➔ Balance sheet data were collected as of December 31, 2002. Income and investment financial information is for the 2002 calendar year.
- ➔ Farm types are based on 51% or more of revenues from a particular commodity.



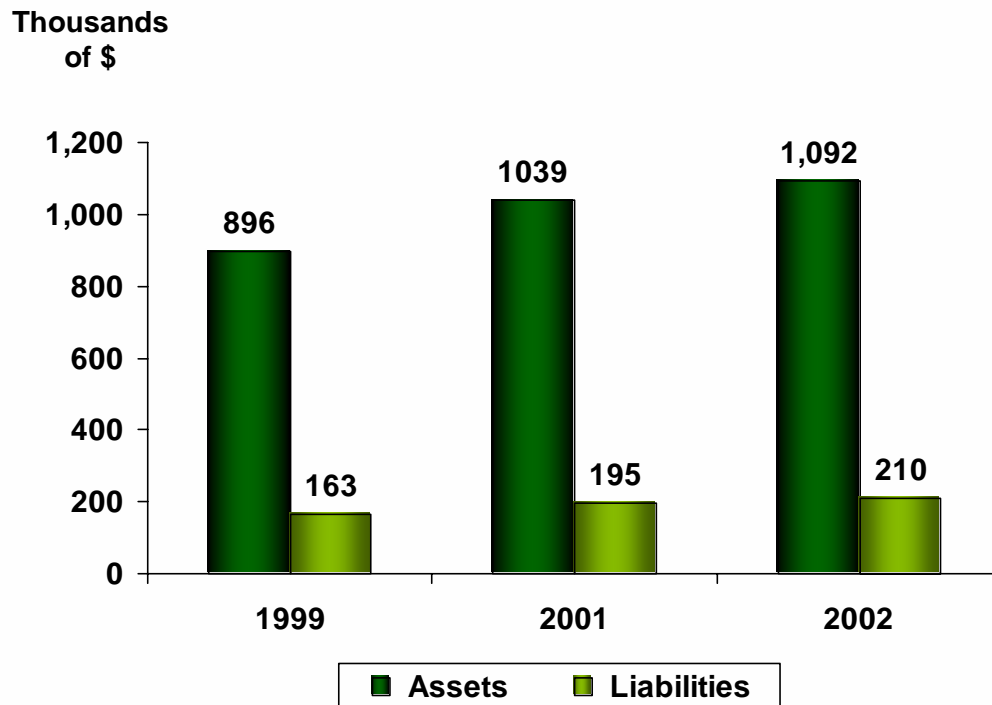
# **Farm Financial Structure**



• **Assets and Liabilities**



# Average Farm Assets and Liabilities per Farm Canada 1999, 2001 and 2002



➔ Average farm assets have shown a consistent increase since 1999.

- Average farm assets were \$ 1,092,000 in 2002.
- Assets increased 5% from 2001.

➔ Average farm liabilities in 2002 were up 7.5% from 2001.

- Average farm liabilities were \$210,000 in 2002.

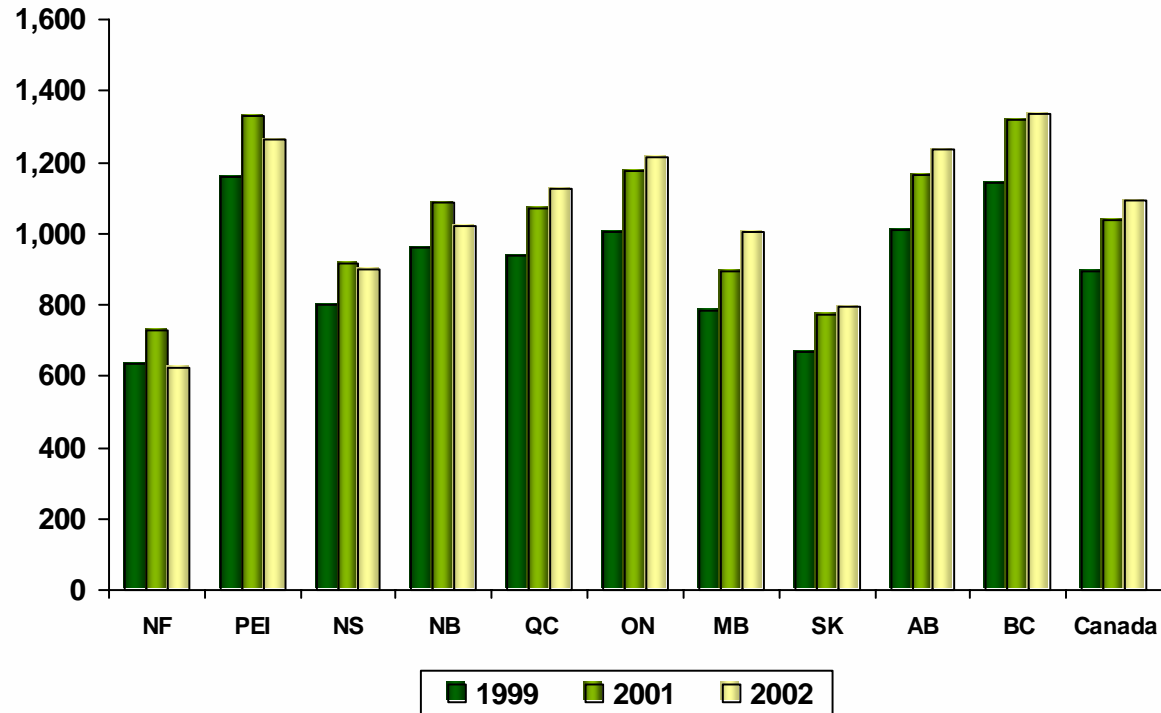
➔ Debt as a percent of assets was 19% in 2002 - essentially unchanged from 2001.





# Average Assets per Farm by Province 1999, 2001 & 2002

Thousands  
of \$

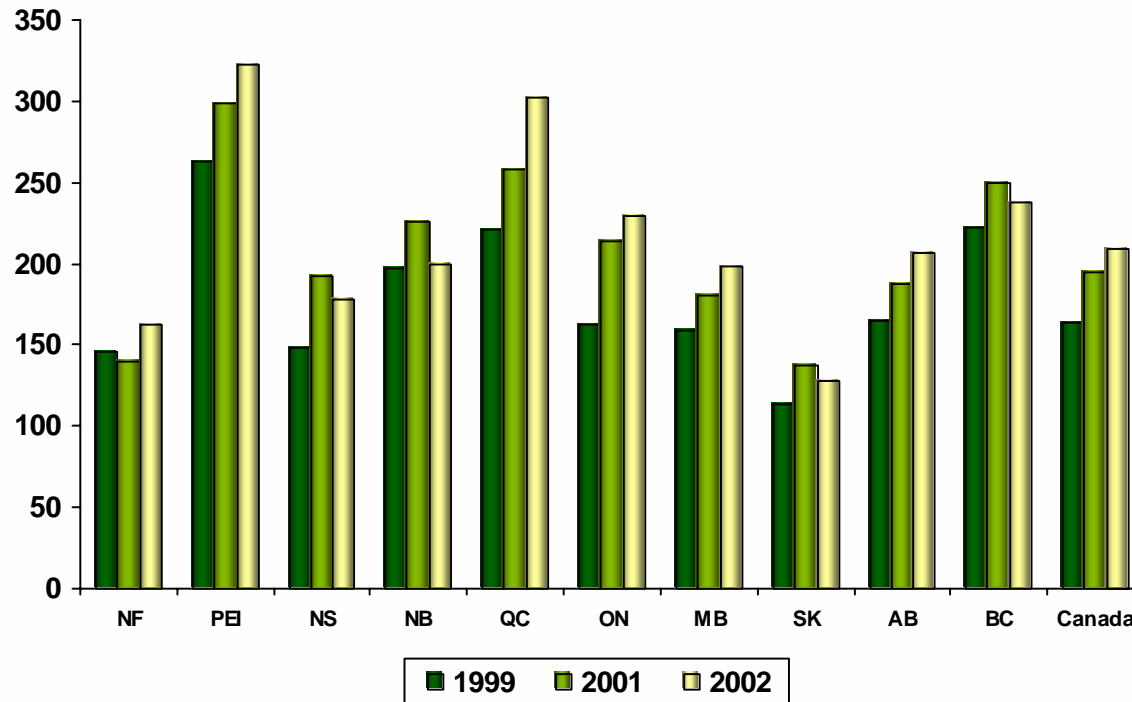


- ➔ Assets increased in all regions except in Atlantic Canada in 2002.
  - British Columbia at \$ 1,336,000 had the highest average assets in 2002.
  - Manitoba reported the highest percentage increase in assets of 12% in 2002.
  - The average farm had assets of over \$1,000,000 in each of the provinces except for Newfoundland, Nova Scotia and Saskatchewan.
- ➔ Assets decreased in the Atlantic region in 2002.
  - Newfoundland showed a 14% decrease in assets in 2002 compared to 2001.
  - PEI had a 5% decrease while New Brunswick had a 6.5% decrease.
  - Nova Scotia had a modest decrease of 1.6% in asset values.



# Average Liabilities per Farm by Province 1999, 2001 & 2002

Thousands  
of \$



➔ Average debt increased for Canadian farms.

- Average liabilities in Canada was \$209,600 in 2002.
- Average liabilities increased 7.5% from 2001

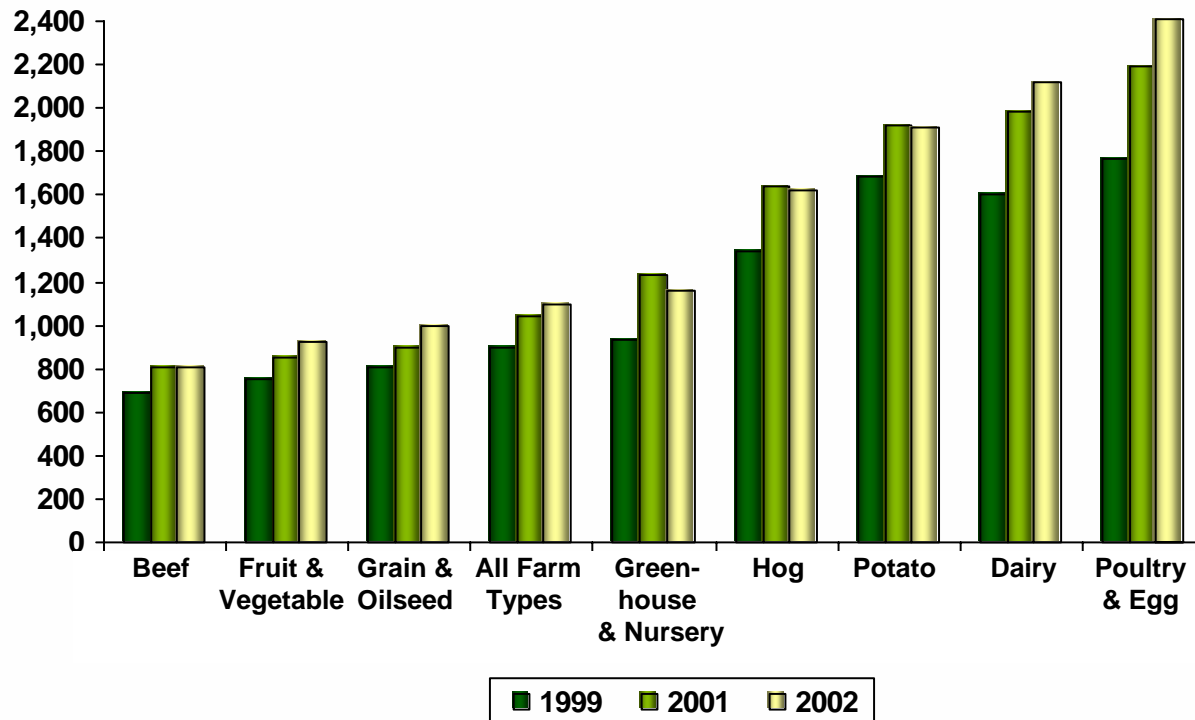
➔ Liabilities varied among provinces in 2002.

- Prince Edward Island had the highest liabilities per farm at \$322,000.
- Quebec reported the largest increase in debts with a 17% increase from 2001 levels.
- Saskatchewan had the lowest liabilities per farm at \$128,200.



# Average Assets per Farm by Farm Type 1999, 2001 & 2002

Thousands  
of \$



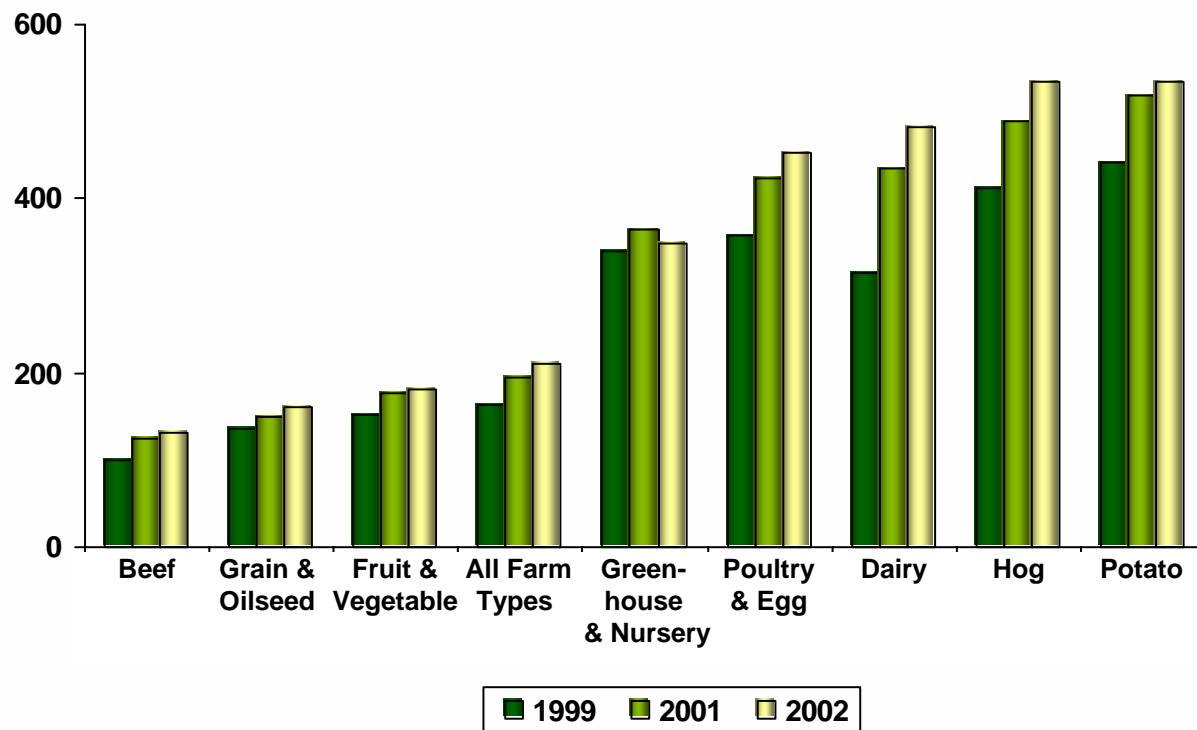
➔ Average assets showed a mixed change in terms of farm types for 2002.

- Grain & Oilseed farms had the largest increase in assets (10.5%).
- Poultry farms reported a 10% increase in assets.
- Dairy farms also reported a large increase (7%).
- Greenhouses & nurseries reported a 7% decrease.



# Average Liabilities per Farm by Farm Type 1999, 2001 & 2002

Thousands  
of \$

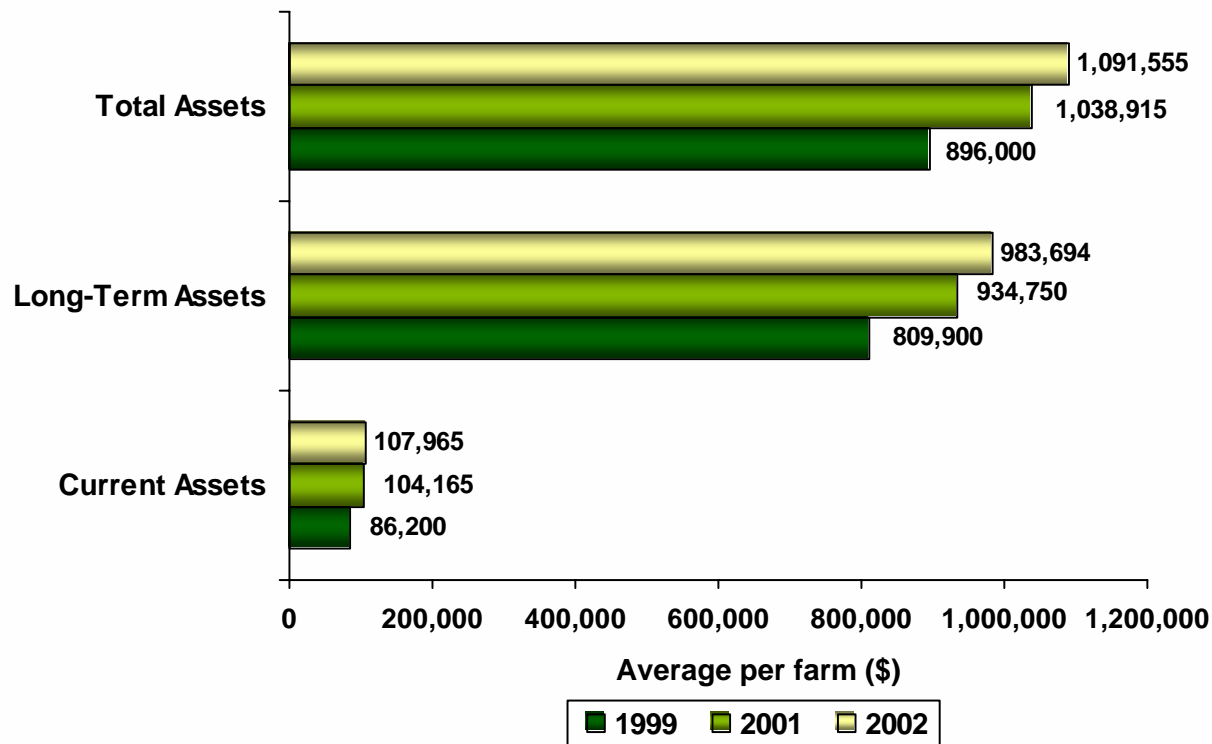


➔ Average liabilities increased for all farm types in 2002 except for greenhouses & nurseries.

- Dairy farms reported the largest increase (11%).
- Hog farms also had a large increase (9%).
- Greenhouses & Nurseries reported a 4.5% decrease in debt.



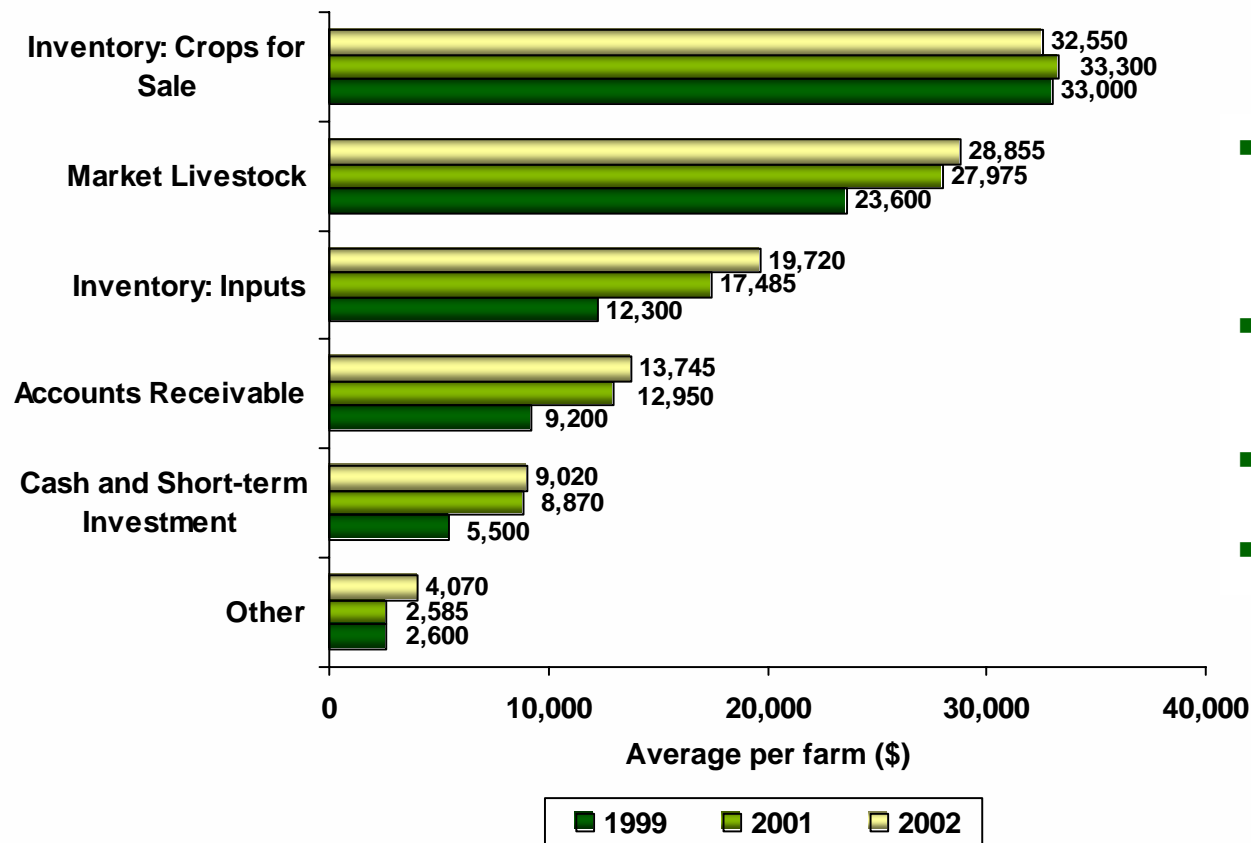
# Average Assets per Farm in Canada, 1999, 2001 & 2002



- ➔ Average farm assets increased to just under \$1.1 million in 2002.
- Total assets increased 5% between 2001 & 2002.
  - Current assets increased 4% from 2001.
  - Long term assets increased 5%.



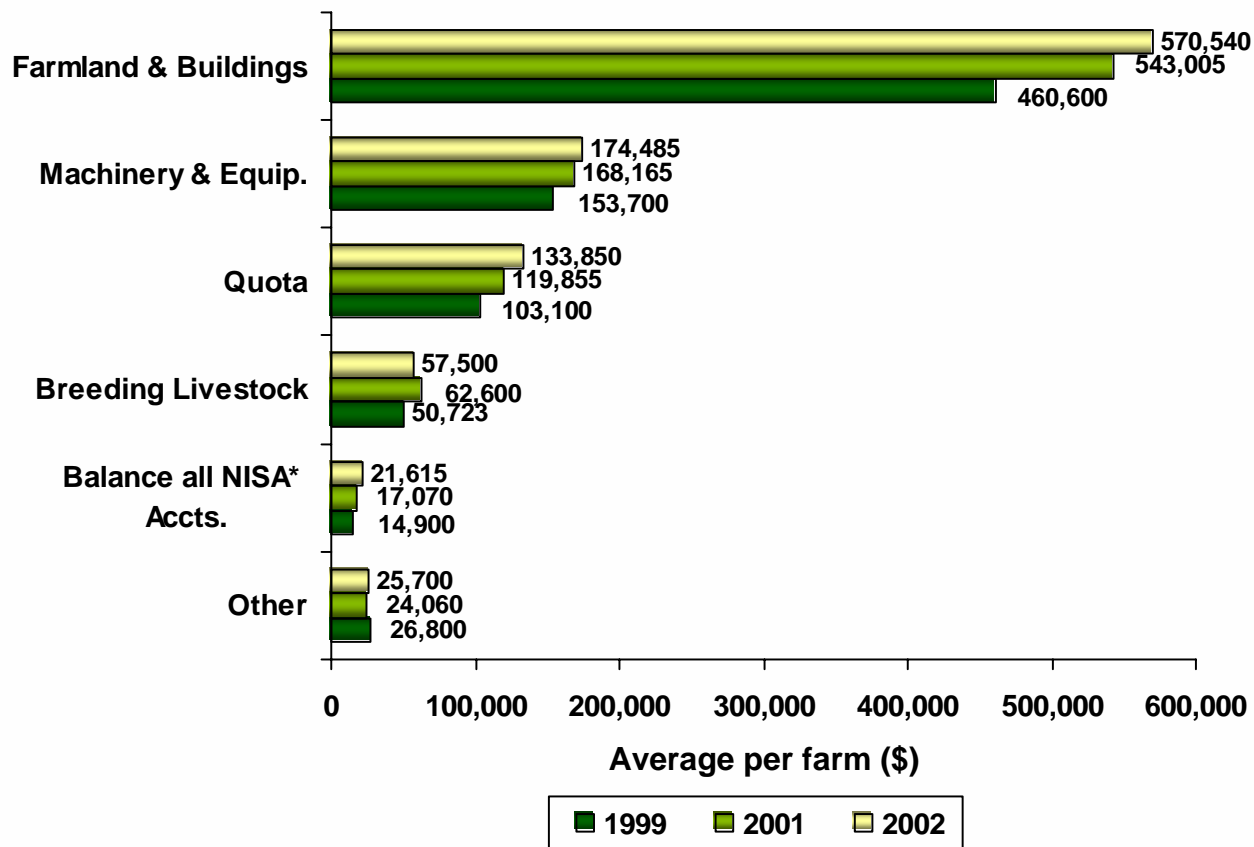
# Average Current Assets per Farm, Canada, 1999, 2001 & 2002



- ➔ Inventory of crops for sale decreased by less than \$1,000 in 2002.
- ➔ Market livestock was up by less than \$1,000 from 2001.
- ➔ Inputs were up 13% in 2002.
- ➔ Both cash and accounts receivable increased in 2002.



# Average Long Term Assets per Farm, Canada, 1999, 2001 & 2002

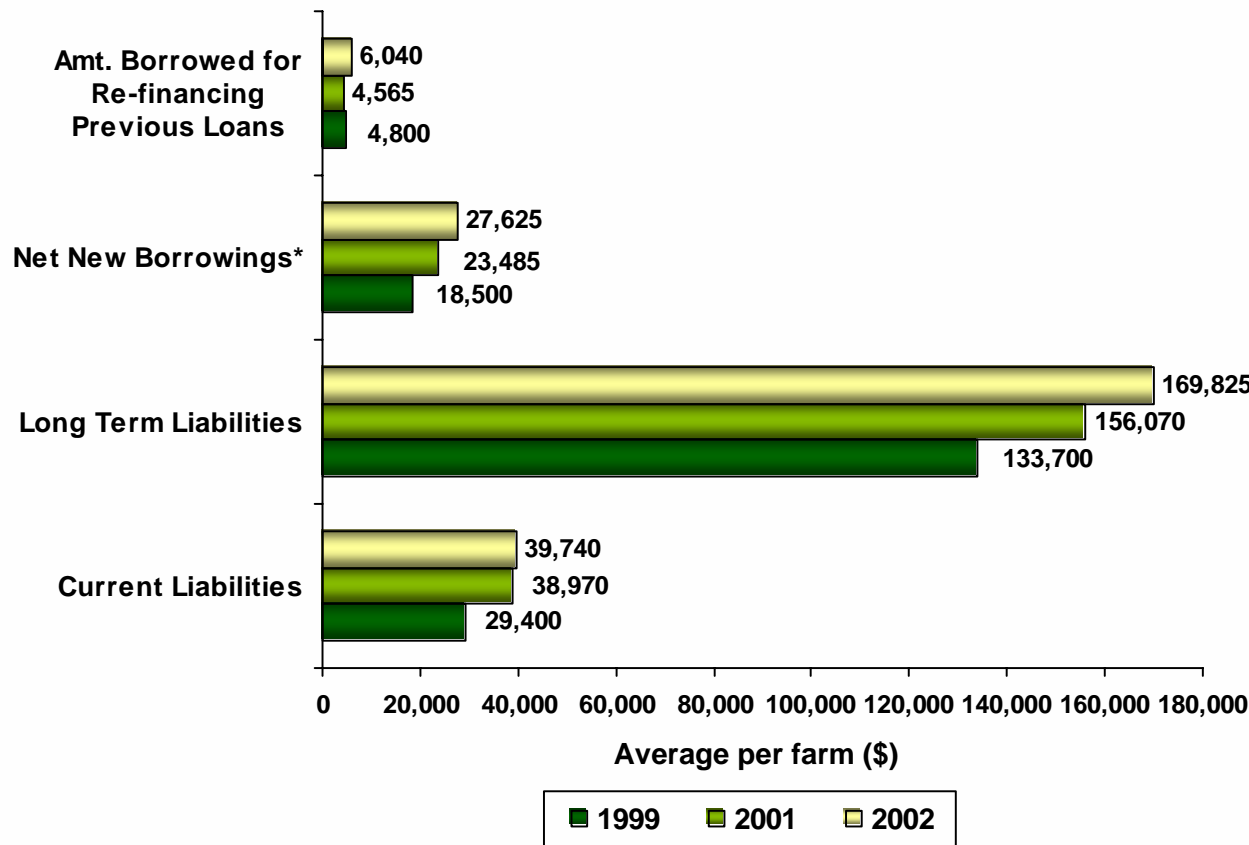


- ➔ Farm real estate was up 5% from 2001.
- ➔ NISA balances were up \$4,500 per farm.
- ➔ The value of quota increased by 12%.
- ➔ The value of breeding livestock was down \$5,000.

\*NISA includes CSRA in Quebec



# Average Liabilities and Long-Term Borrowings per Farm, 1999, 2001 & 2002



➔ Average current liabilities increase by less than \$1,000.

➔ Average long term liabilities increased 9% to \$169,800 in 2002.

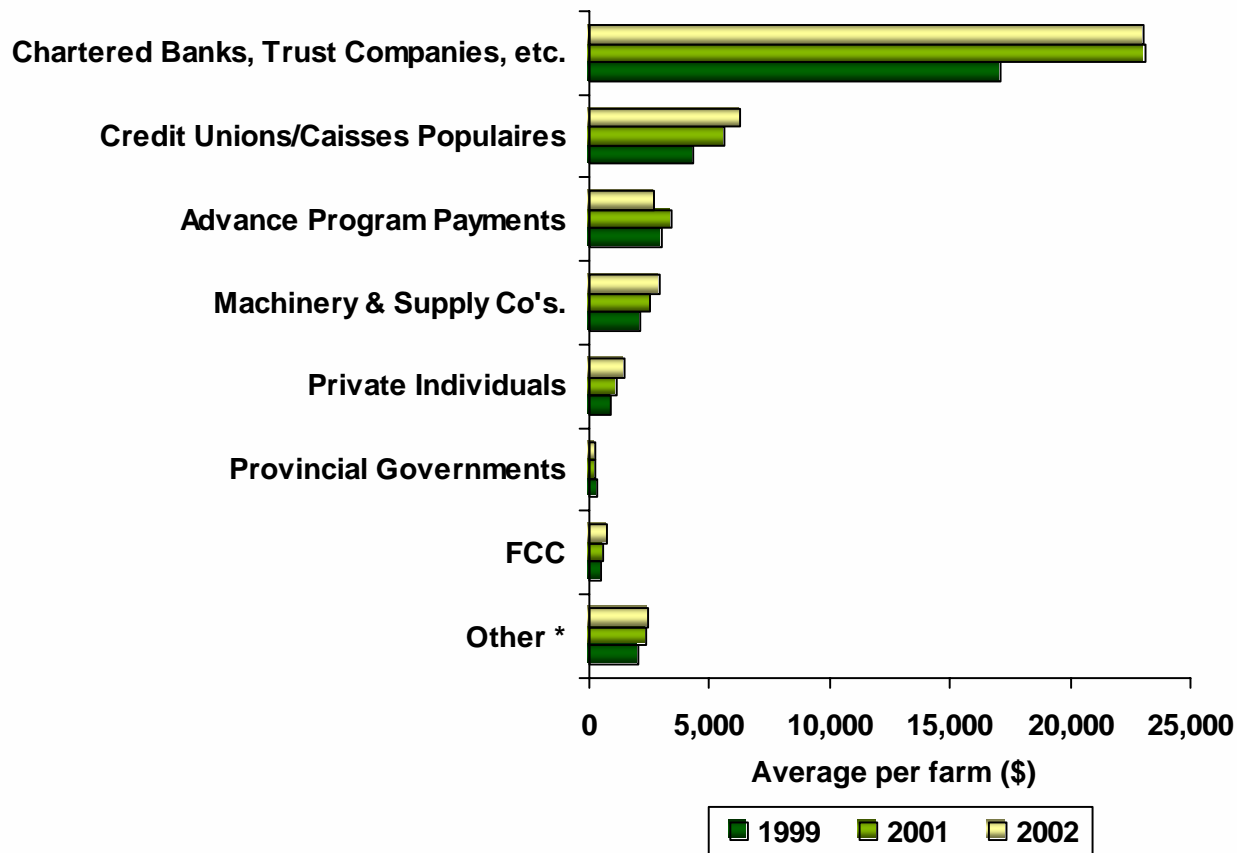
➔ Amount borrowed for re-financing previous loans increased by 32% in 2002.

➔ Net new borrowings increased by 18% in 2002.





# Average Current Liabilities per Farm by Source of Funding, Canada, 1999, 2001 & 2002

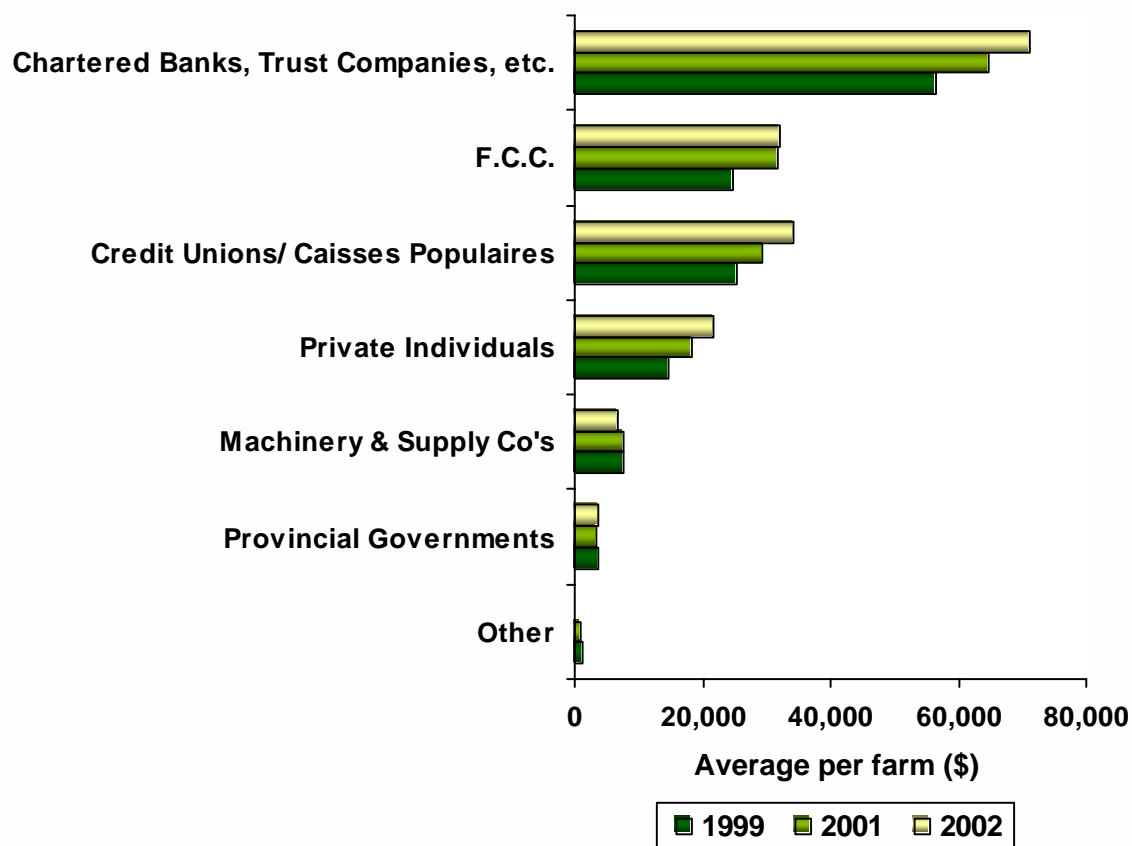


- ➔ Chartered banks, trust companies and treasury branches supplied 58% of short term debt.
- ➔ The second most important source of current debt was credit unions/caisses populaires at 16% of total short term debt.

\* Other includes Business Development Bank of Canada, insurance companies, hydro, telephone, municipal taxes, etc.



## Average Long Term Liabilities per Farm by Source of Funding, Canada, 1999, 2001 & 2002



The sources of long term debt in 2002 are:

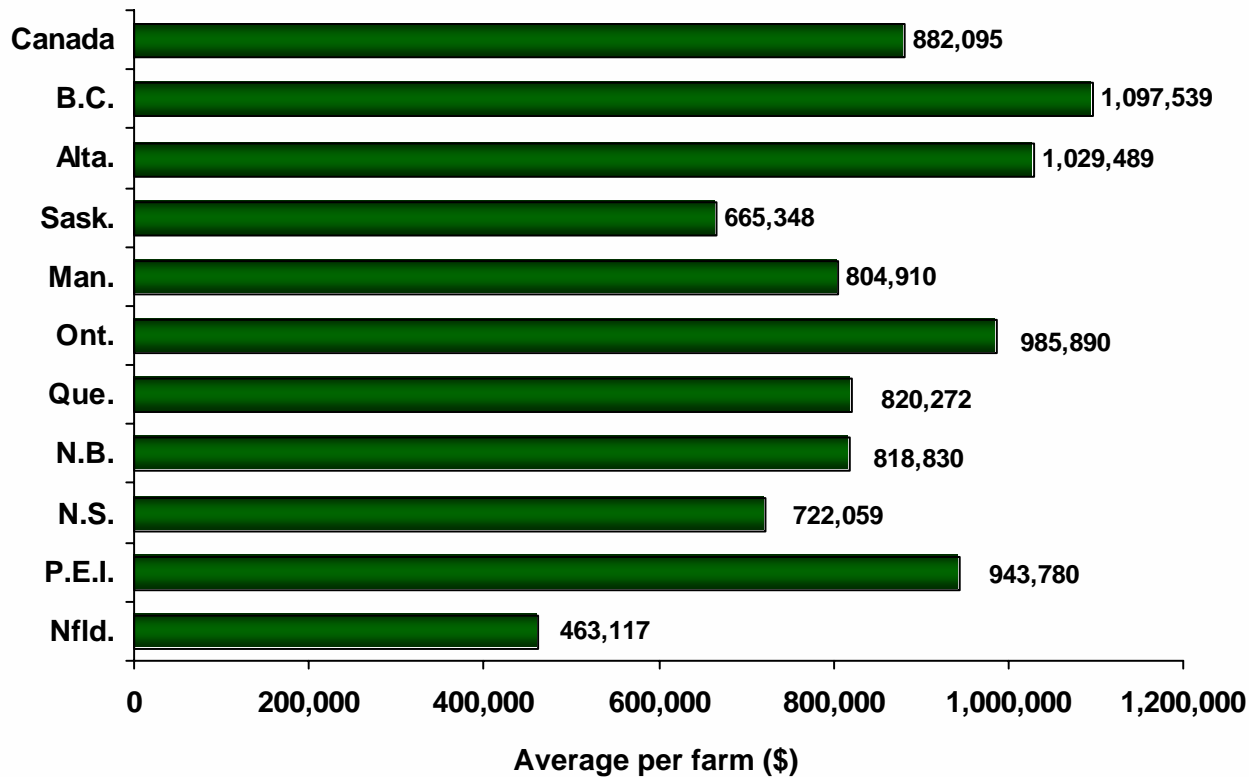
Banks, trust companies, etc.	(42%)
Farm Credit Corporation	(19%)
Credit Unions/Caisses Populaires	(20%)
Private Individuals	(13%)
Other	( 6%)
<b>TOTAL</b>	<b>100%</b>



- **Net Worth**



# Average Net Worth per Farm by Province, 2002



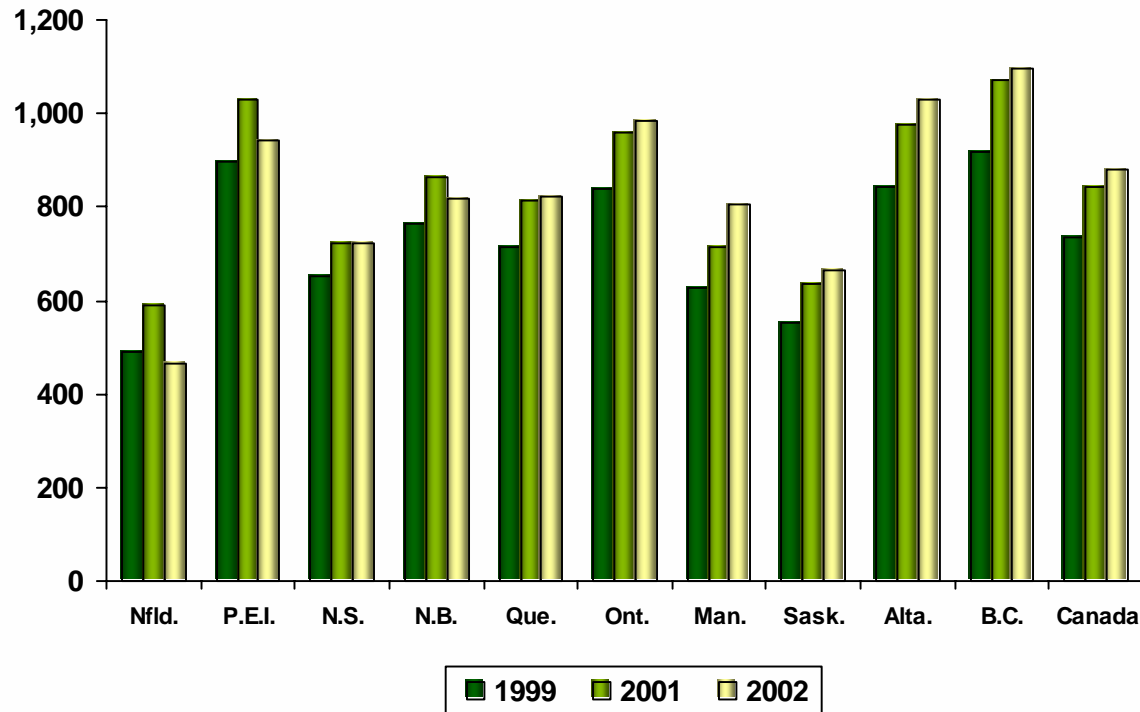
➔ Net worth varied among provinces in 2002.

- The average farm in British Columbia and Alberta now has a net worth in excess of \$1,000,000.
- Ontario and PEI have an average net worth of just under \$1,000,000 per farm.
- Newfoundland and Saskatchewan had the lowest net worth in 2002 at \$463,000 and \$665,000 respectively.



# Average Net Worth per Farm by Province 1999, 2001 & 2002

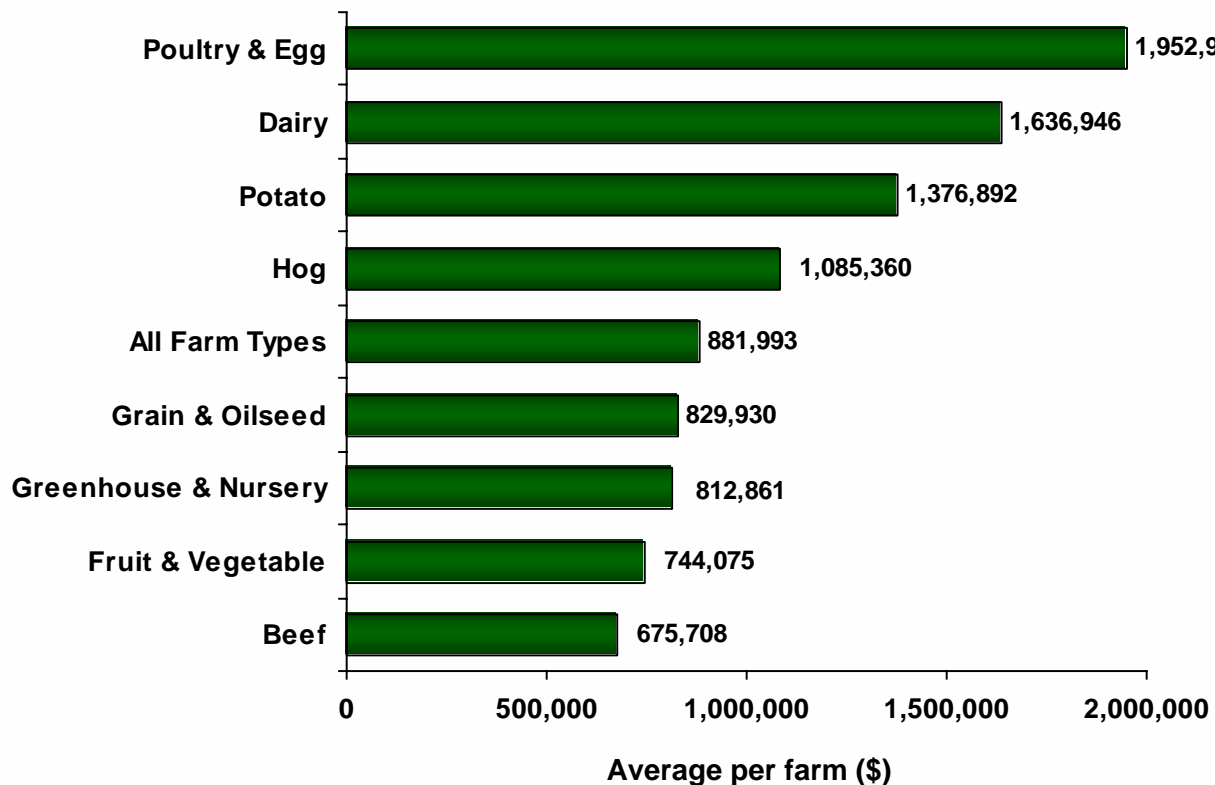
Thousands  
of \$



- ➔ Average net worth has increased for Canadian farms.
  - Average net worth was \$882,000 in 2002.
  - The net worth increased 4.5% from 2001.
  
- ➔ All provinces except for the Atlantic region showed an increase in net worth between 2001 and 2002.
  - The decrease in Nova Scotia was less than \$1,000.



## Average Net Worth per Farm by Farm Type, 2002



➔ Poultry and egg farms had the highest net worth in 2002 at \$1,952,950.

➔ Dairy farms and potato farms also had a high net worth at \$1,636,950 and \$1,376,900, respectively.

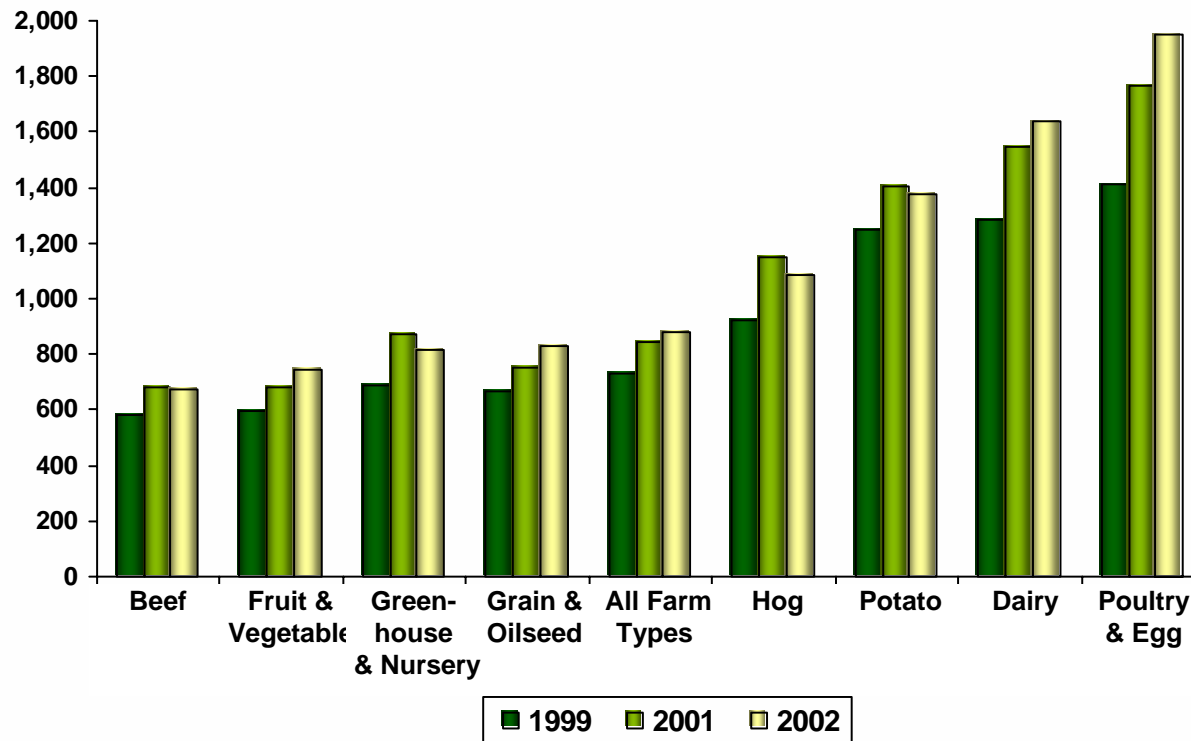
➔ Hog farms also reported an average net worth in excess of \$1,000,000.

➔ Beef farms had the lowest net worth at \$675,700.



# Average Net Worth per Farm by Farm Type 1999, 2001 & 2002

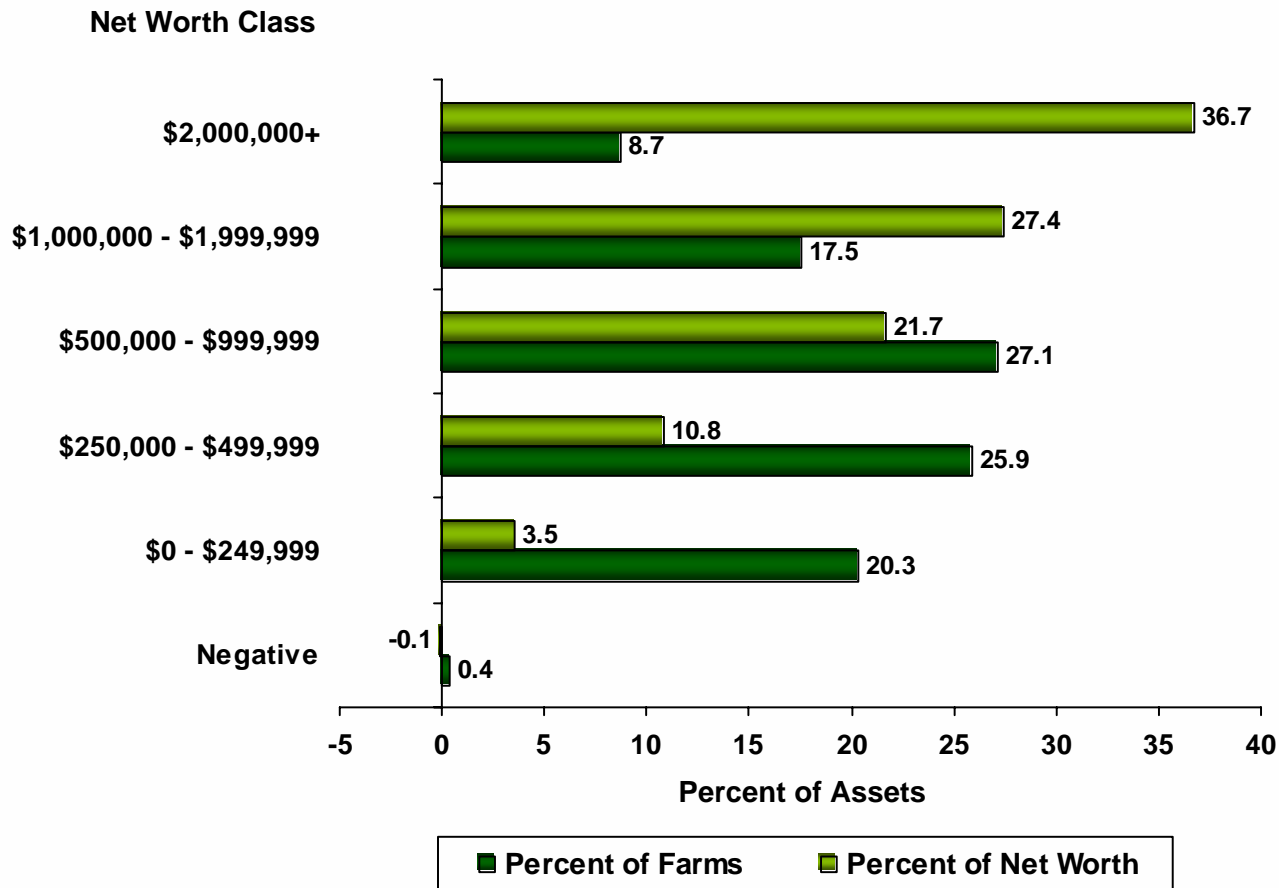
Thousands  
of \$



- ➔ Poultry and egg as well as dairy farms reported the largest increases between 1999 and 2002.
- ➔ Grain farms reported a 11% increase in net worth between 1999 and 2002.



## Percentage of Farms & Net Worth, by Net Worth Class, 2002



➔ 26% of our farms have a net worth of \$1,000,000 or more accounting for 64% of the industry net worth.

➔ 37% of the net worth is held by farms in the \$2,000,000+ class who account for 9% of farms.

➔ 27% of the net worth is held by farms in the \$1,000,000 - \$1,999,999 class who account for 18% of farms.

➔ 21% of the farms have net worth less than \$250,000 and they account for 3% percent of net worth.





# Distribution of Farms and Net Worth by Revenue Class, Canada, 2002



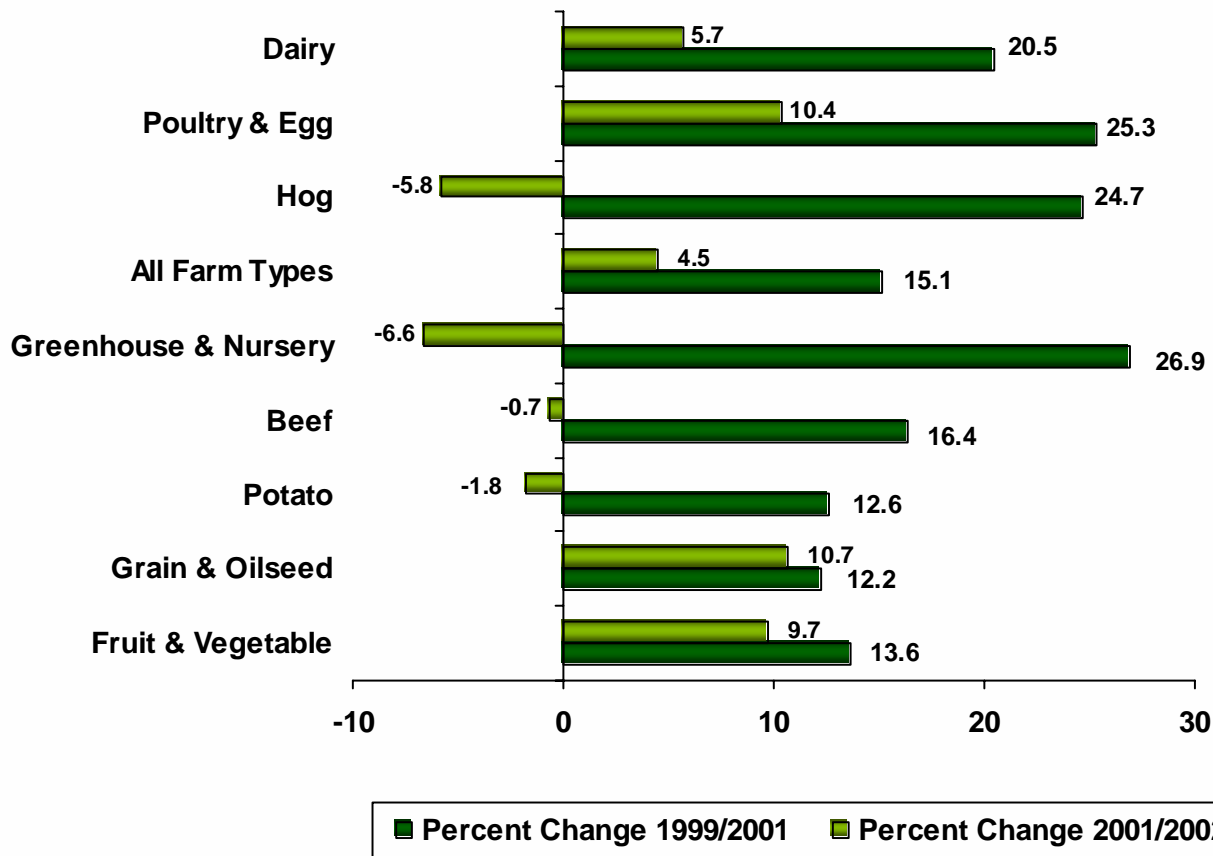
➔ Farms with revenue between \$10,000 and \$50,000 made up 31% of all farms, but accounted for only 13% of the total net worth.

➔ Farms with revenue of \$100,000 and over account for over 76% of the total net worth.

➔ Farms with \$250,000 or more in revenue made up 24% of all farms but accounted for 51% of the total net worth.



# Percent Change in Average Net Worth by Farm Type



- ➔ Average net worth for all farm types increased 5% between 2001 and 2002 compared to 15% for the 1999 to 2001 period.
- ➔ Greenhouse and nurseries reported a 7% decrease in net worth between 2001 and 2002.
- ➔ Hog farms report a 6% decrease in net worth between 2001 and 2002.
- ➔ Grain and oilseed farms show a 11% increase in in net worth between 2001 and 2002.



- **Debt as a Percent of Assets**



## Debt as a Percent of Assets by Province, 1999, 2001 & 2002

	1999	2001	2002
	<b>Percent</b>		
<b>Atlantic</b>	<b>20.7</b>	<b>21.3</b>	<b>21.6</b>
<b>Quebec</b>	<b>23.6</b>	<b>24.1</b>	<b>27.0</b>
<b>Ontario</b>	<b>16.3</b>	<b>18.2</b>	<b>18.9</b>
<b>Manitoba</b>	<b>20.2</b>	<b>20.1</b>	<b>19.8</b>
<b>Saskatchewan</b>	<b>17.1</b>	<b>17.7</b>	<b>16.2</b>
<b>Alberta</b>	<b>16.4</b>	<b>16.2</b>	<b>16.7</b>
<b>British Columbia</b>	<b>19.5</b>	<b>18.9</b>	<b>17.8</b>
<b>Canada</b>	<b>18.2</b>	<b>18.8</b>	<b>19.2</b>

- ➔ On average, debt as a percent of assets on Canadian farms increased from 18.8% in 1999 to 19.2% in 2002.
- ➔ Quebec shows the largest increase in debt as a percent of assets from 2001.
- ➔ Saskatchewan & the provinces west are below the Canadian average.



## Debt as a Percent of Assets by Farm Type, 1999, 2001 & 2002

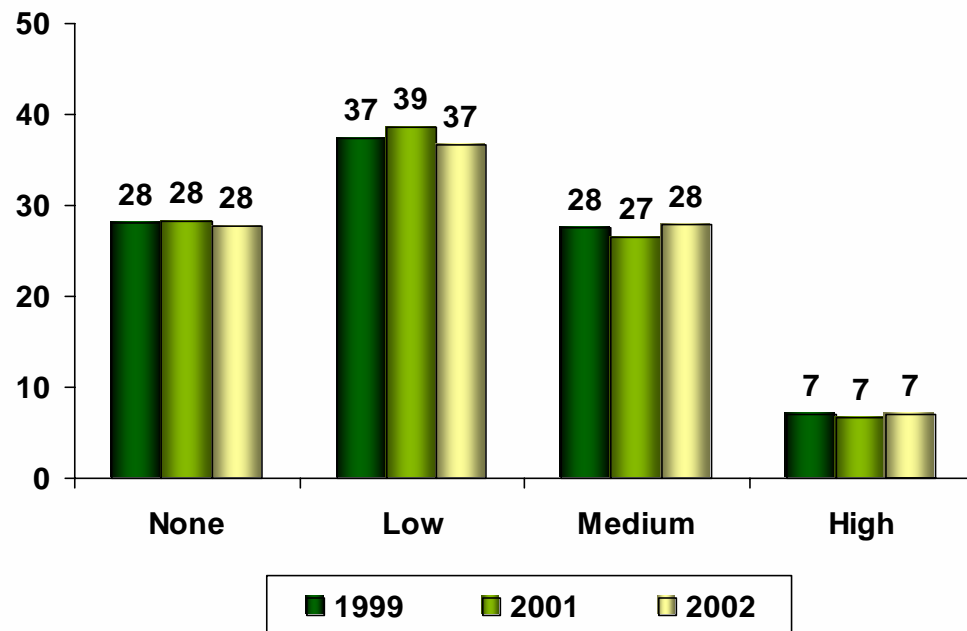
	1999	2001	2002
	Percent		
Dairy	19.7	21.9	22.8
Beef	14.6	15.5	16.4
Hog	30.8	29.8	33.0
Poultry & Egg	20.2	19.3	18.8
Potato	26.2	27.0	28.0
Fruit & Vegetable	20.3	20.8	19.7
Grain & Oilseed	16.8	16.6	16.1
Greenhouse & Nursery	26.2	29.6	30.0
<b>All Farm Types</b>	<b>18.2</b>	<b>18.8</b>	<b>19.2</b>

- ➔ Debt as a percent of assets was higher for most enterprises in 2002 compared to 2001.
- ➔ Debt as a percent of assets was down for grain & oilseed fruit & veg and poultry farms in 2002.
- ➔ Grain & oilseed farms reported the lowest debt as a percent of assets.



## Distribution of Farms by Debt Level, 1999, 2001 & 2002

Percent



➔ 7% of farms have a high debt level.

➔ 28% of farms have no debt.

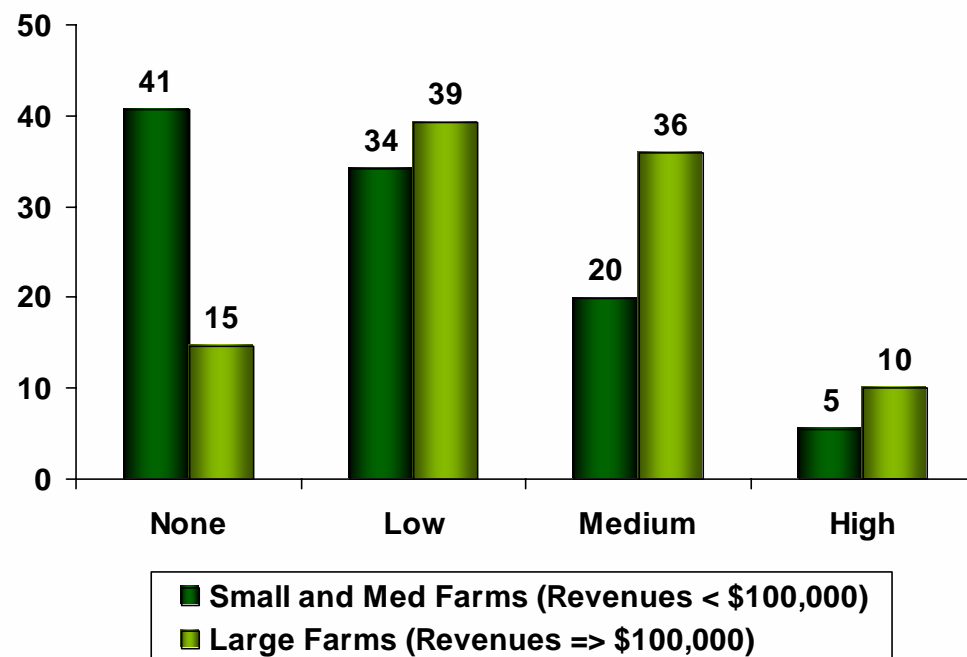
➔ Farm debt level is:

- “HIGH” if debt/assets = > 50%
- “MEDIUM” if debt/assets = > 20% but < 50%
- “LOW” if debt/assets > 0 but < 20%
- “NONE” if there is no debt



## Distribution of Farms by Debt Level, 2002 Small and Medium Farms vs. Large Farms

Percent

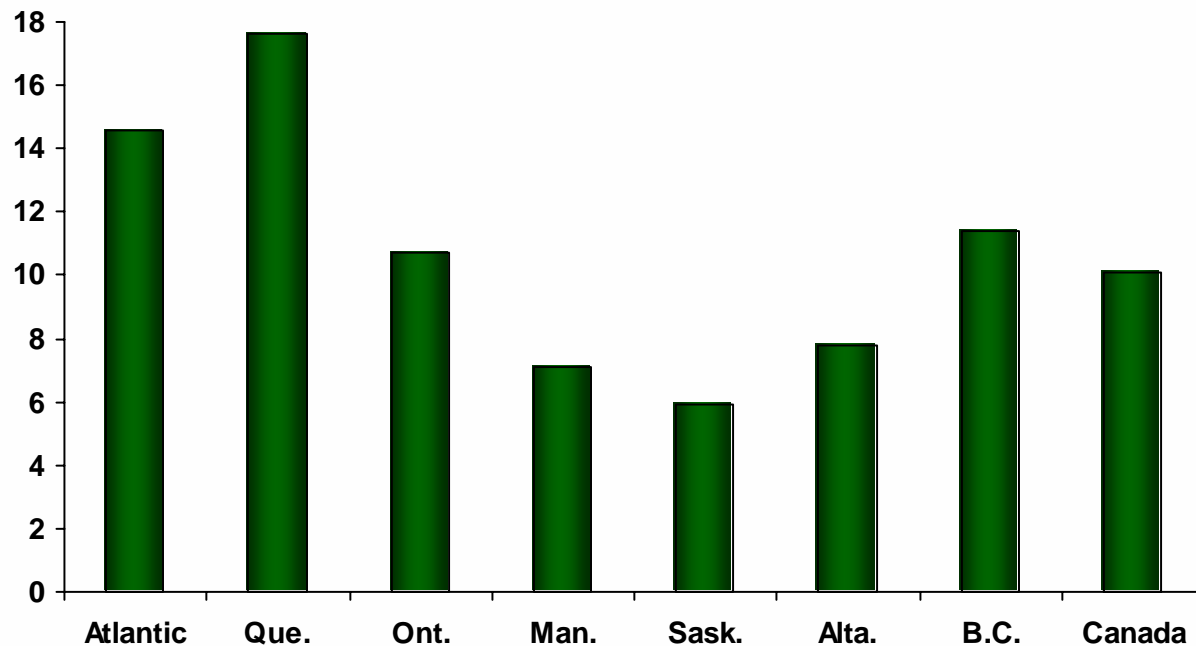


- ➔ 10% of large farms have a high debt level.
- ➔ 15% of large farms have no debt.
- ➔ 41% of small & medium size farms have no debt.



## Percent of Large Farms with High Debt Levels by Province, 2002

Percent

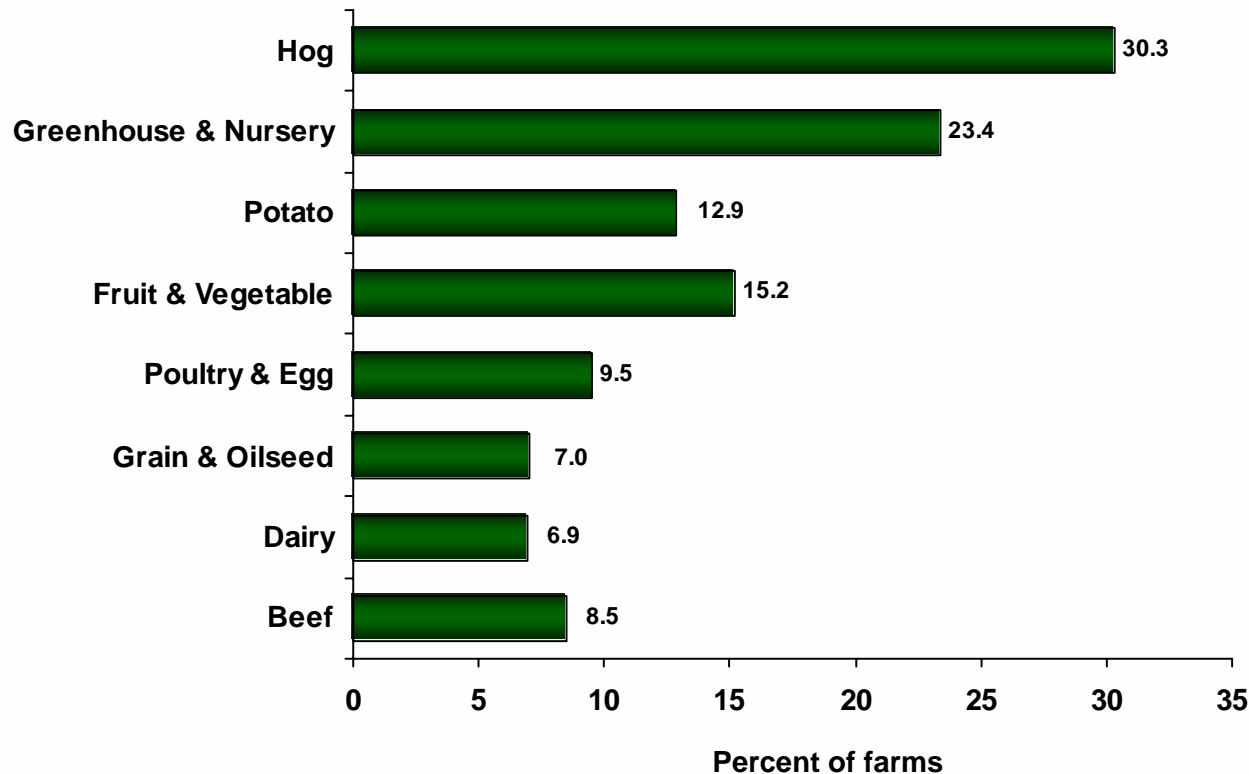


- ➔ Atlantic (15%) and Quebec (18%) had the highest percentages of large farms with high debt levels.
- ➔ Saskatchewan (6%), followed by Manitoba (7%), had the lowest percentage of large farms with high debt levels.





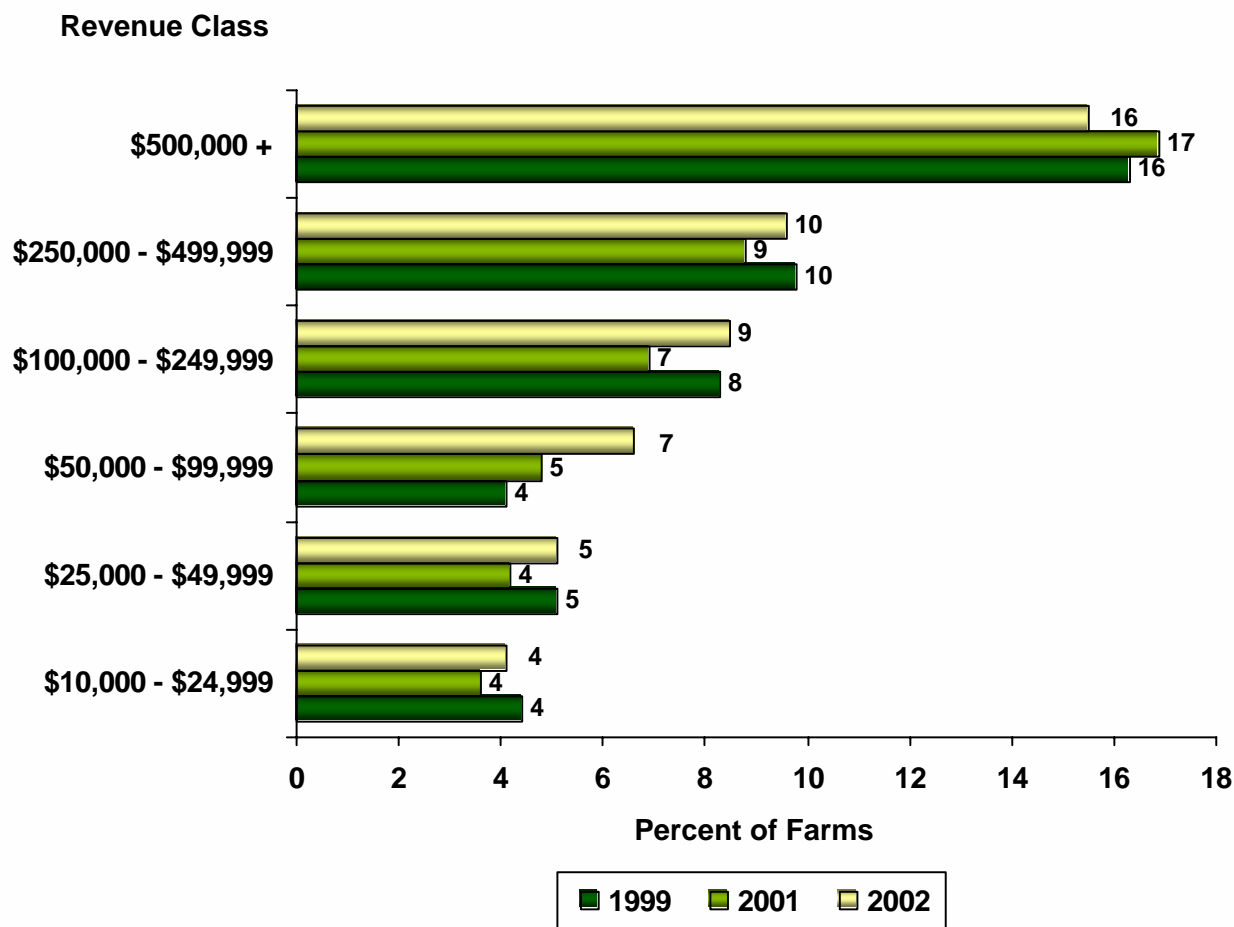
## Percent of Large Farms with High Debt Levels by Farm Type, 2002



- ➔ Hog farms had the largest proportion (30%) of large farms with high debt levels.
- ➔ Supply managed commodities are among the lower proportion of large farms with high debt levels.



## Distribution of Farms with High Debt Levels by Revenue Class, 1999, 2001 & 2002



➔ 15.5% of farms with with \$500,000 and over in revenue had high debt levels.

➔ The number of farms with high debt levels increased slightly for farms with \$100,000 to \$249,999 and for farms with revenue of \$50,000 - \$99,999.

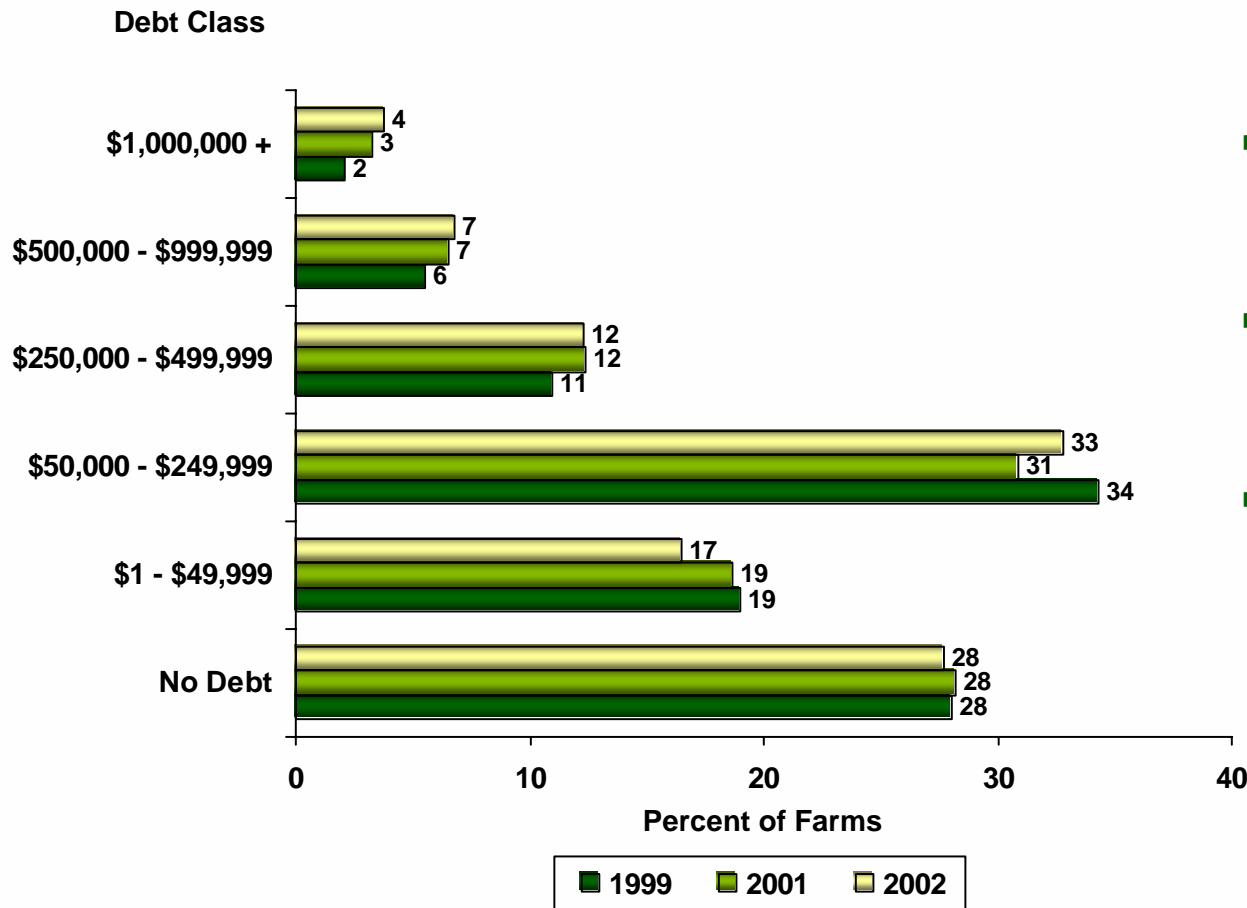
➔ The number of farms with high debt levels decreased for the \$500,000 and over revenue class.



- **Size of Farms**



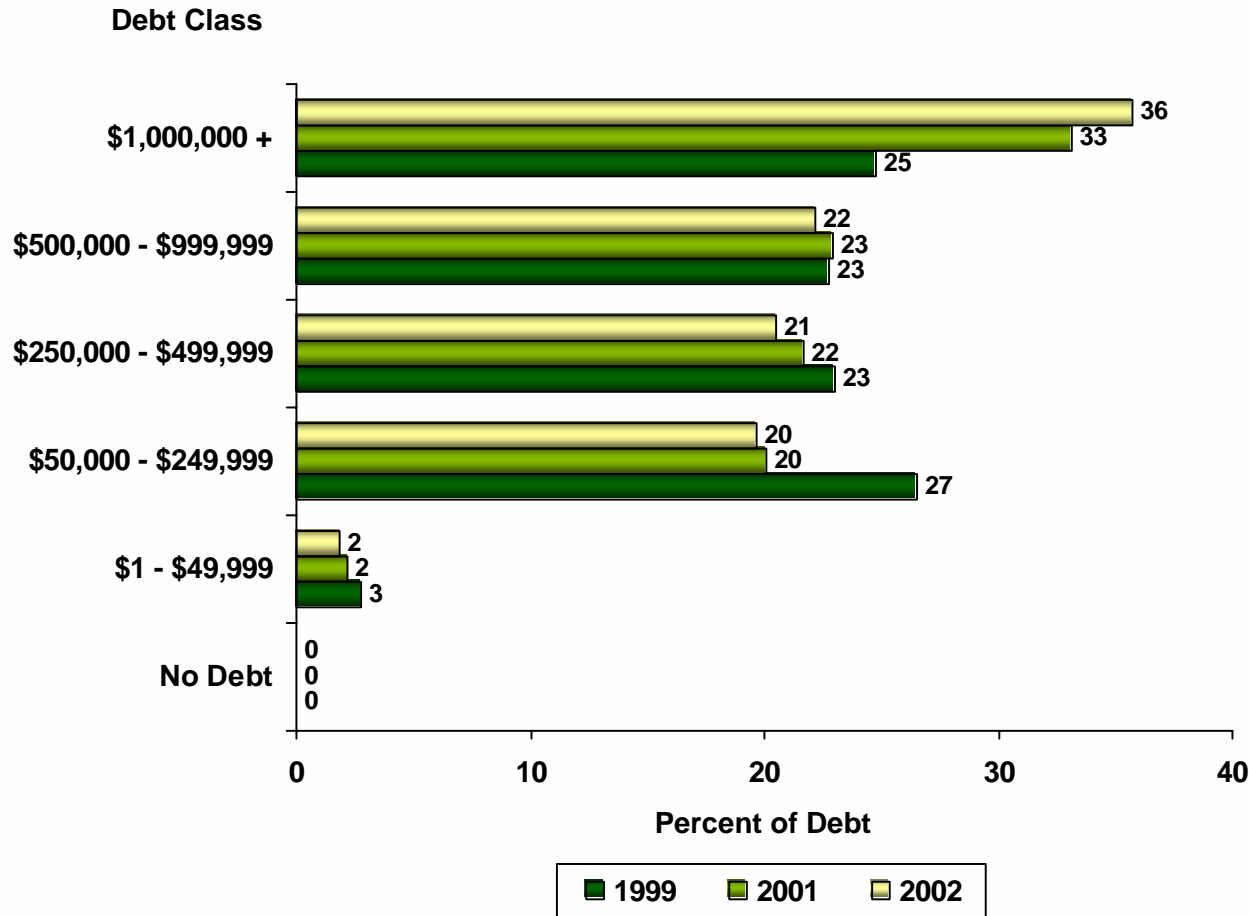
# Percentage of Farms by Debt Class, 1999, 2001 & 2002



- ➔ There was an increase in the percent of farms with debts of \$1,000,000 and over.
- ➔ The percent of farms with no debt remained relatively constant since 1999 at 28%.
- ➔ The proportion of farms with debt \$1 to \$249,999 has decreased since 1999 and accounted for 50% of all farms in 2002.



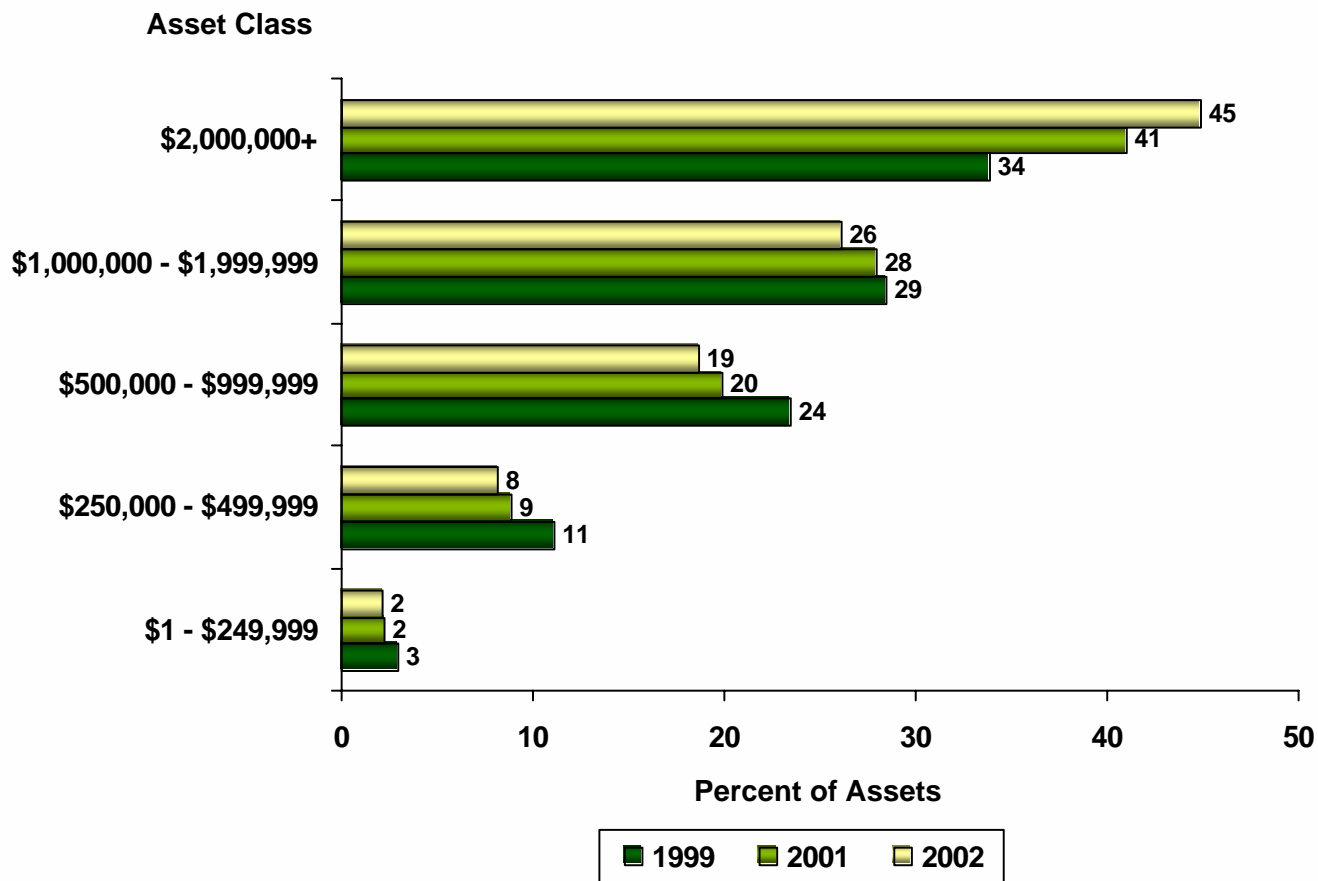
# Percentage of Debt, by Debt Class, 1999, 2001 & 2002



- ➔ Over one third of the debt is held by those farms with over \$1,000,000 in debt.
- ➔ The percentage of debt held in the \$1,000,000 and over class has doubled since 1997 (from 18% to 36%).



## Percentage of Assets, by Asset Class, 1999, 2001 & 2002

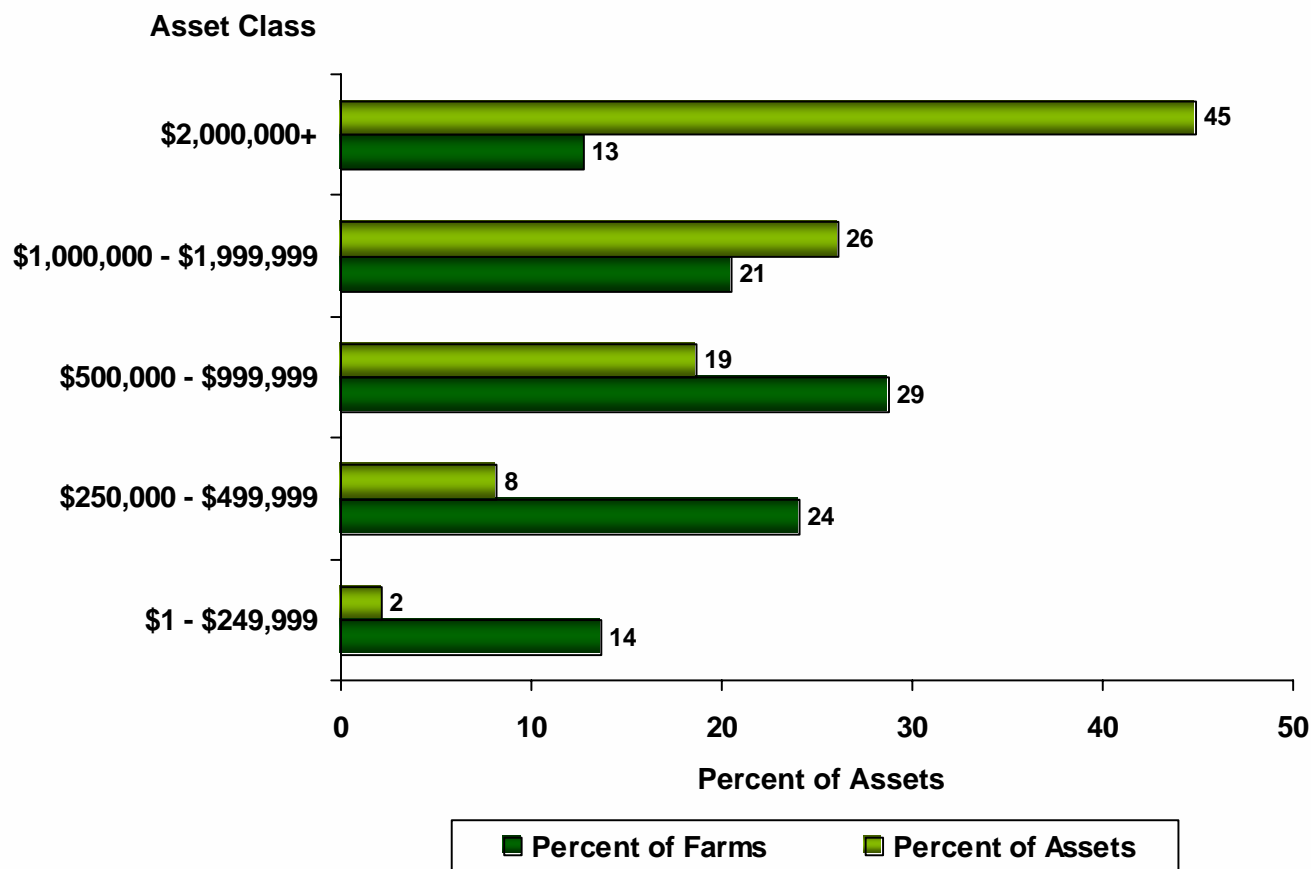


➔ The proportion of assets held by farms in the \$2,000,000 and over asset class experienced a significant increase since 1999 (from 34% to 45%).

➔ The percentage of assets held in the other smaller asset classes has steadily decreased.



## Percentage of Farms & Assets, by Asset Class, 2002



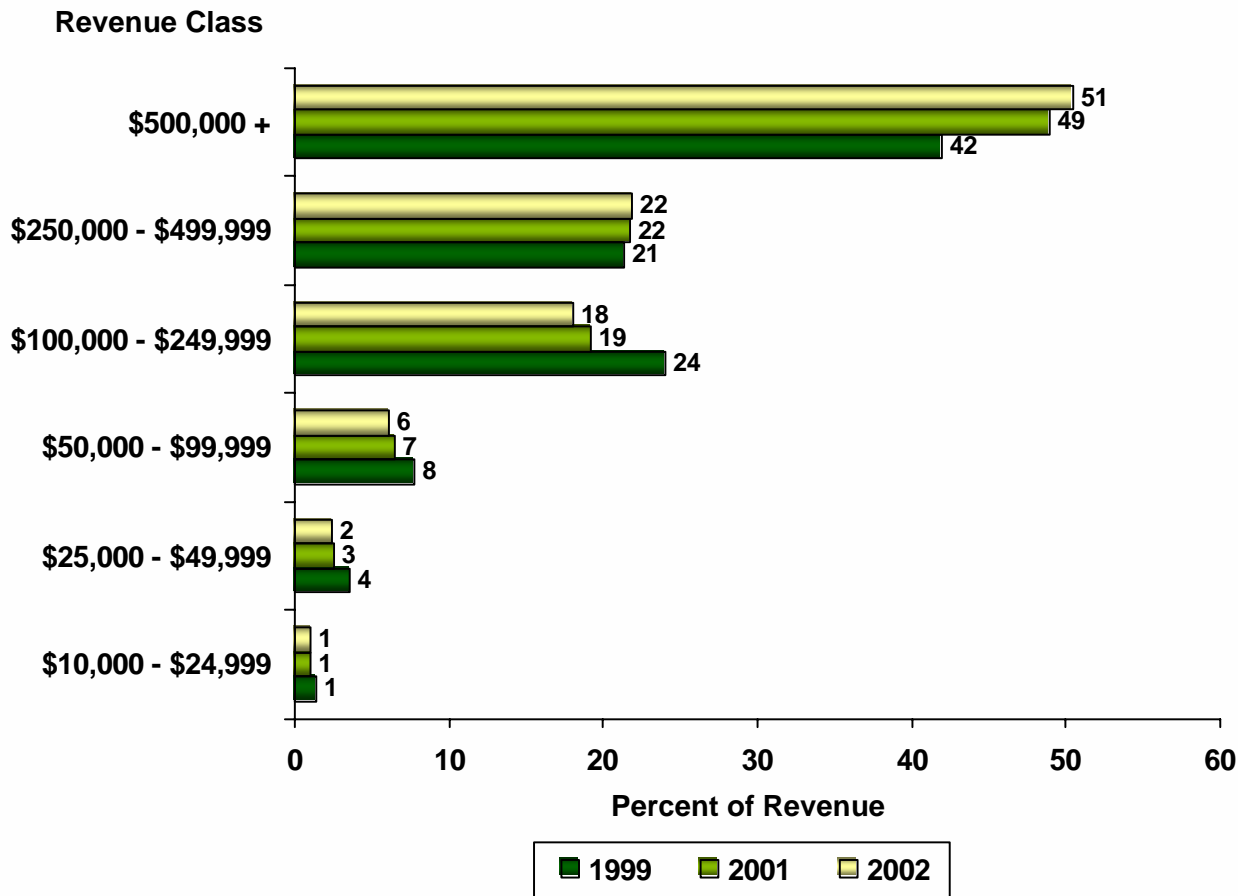
➔ 45% of the assets are held by farms in the \$2,000,000 who account for 13% of farms.

➔ 26% of the assets are held by farms in the \$1,000,000 - \$1,999,999 class.

➔ 14% of the farms are in the other smallest asset class and they account for only 2% percent of assets.



# Percentage of Revenue, by Revenue Class, 1999, 2001 & 2002



- ➔ The proportion of revenue earned by farms in the \$500,000 and over revenue class is steadily increasing, accounting for over 50% of all farm revenues in 2002.
- ➔ The percentage of revenue held in the revenue classes below \$250,000 has decreased since 1999.
- ➔ For those farms with revenue of less than \$100,000 they account for only 9% of total revenue.



A rural landscape featuring a tall, cylindrical metal silo on the left side. In the foreground, there is a road and some green vegetation. The background shows rolling hills under a cloudy sky. The overall scene is slightly hazy, suggesting a misty or overcast day.

# **Capital Investment and Growth**



- **Investment**



## Gross Capital Investment per Farm by Type of Investment, 1999, 2001 & 2002

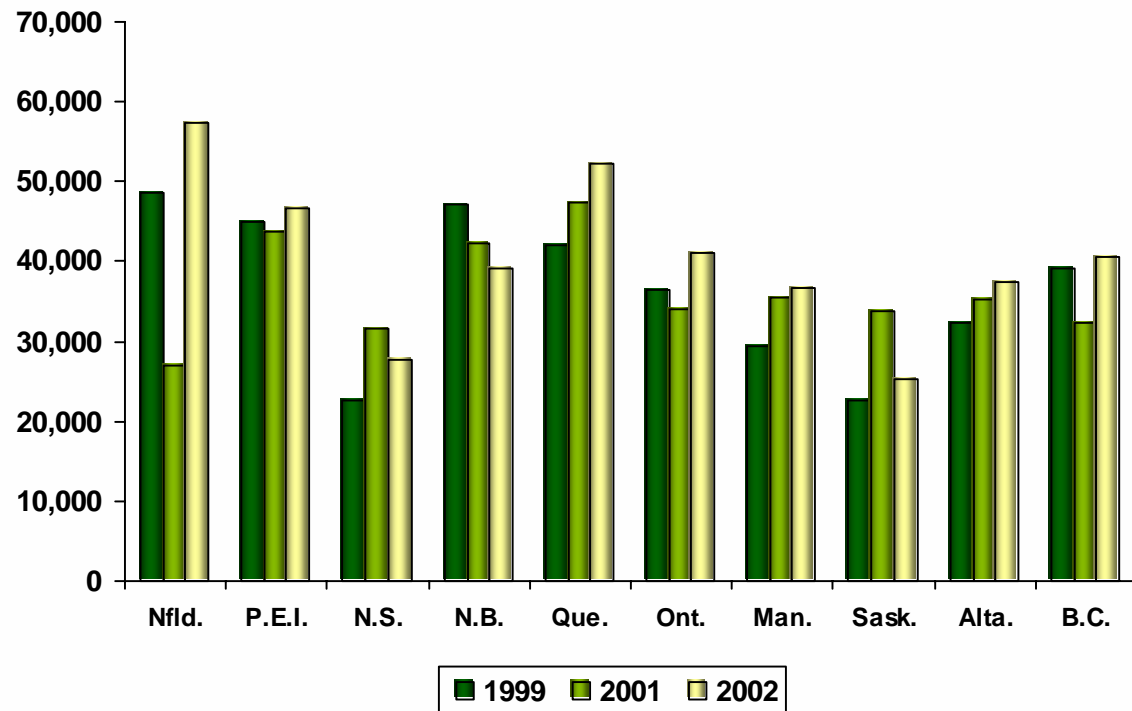
	1999	2001	2002
Land & Buildings	\$7,565	\$8,380	\$9,410
Land Improvements	1,849	1,510	1,740
House Construction	1,532	1,965	2,657
Other Building Construction	6,054	7,105	7,585
Breeding & Replacement Livestock	3,186	3,675	2,713
Quota	3,380	4,100	5,071
Farm Machinery & Equipment	20,092	22,875	23,152
Other Farm Assets	1,907	3,040	2,420
<b>TOTAL</b>	<b>\$45,566</b>	<b>\$52,650</b>	<b>\$54,747</b>

- ➔ Gross capital investment was up (4%) in 2002 compared to 2001.
- ➔ Quota investment has increased 50% between 1999 and 2002.
- ➔ Investment in breeding & replacement livestock was down 26% from 2001.



# Average Net Capital Investment by Province 1999, 2001 & 2002

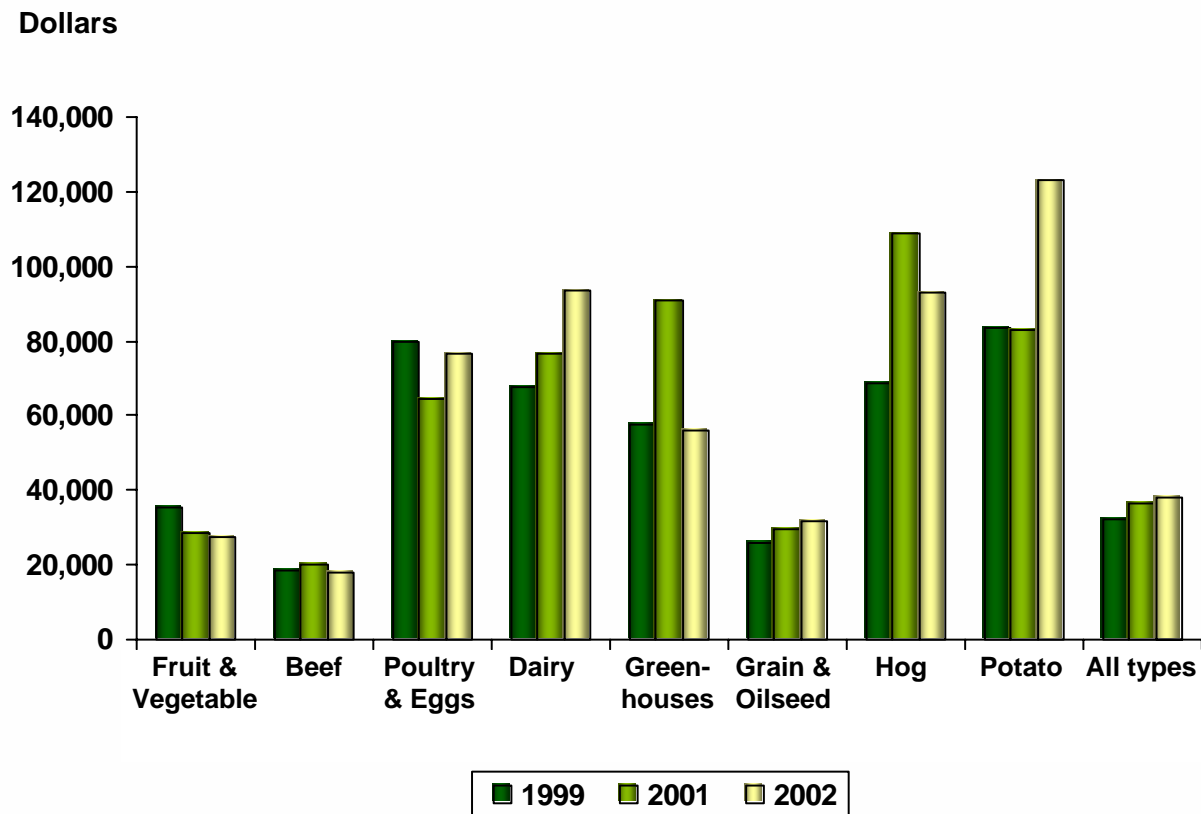
Average  
per farm (\$)



- ➔ Canadian average net capital investment was \$37,800 in 2002 increasing from \$ 36,300 in 2001.
- ➔ Quebec and Newfoundland had the highest net capital investment in 2003 at \$52,300 and \$57,300 respectively.
- ➔ PEI, Ontario and B.C. showed net investment in excess of \$40,000.
- ➔ Saskatchewan showed the lowest net capital investment in 2002 at \$25,300.



# Average Net Capital Investment by Farm Type 1999, 2001 & 2002

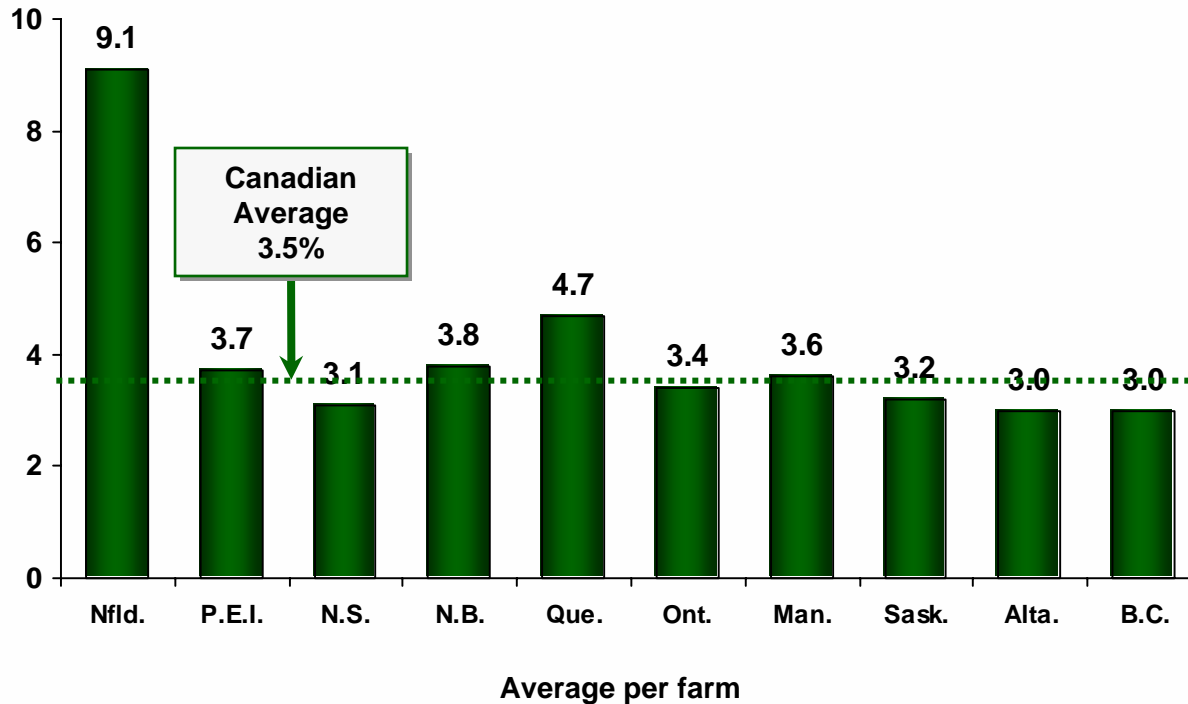


- ➔ Investment varied significantly between farm types.
- Potato farms had the highest net capital investment in 2002 at \$122,900 which is over 3 times the Canadian average.
- Hog farms although down from the \$108,850 in net capital investment reported in 2001 are still very high at an average of \$93,000 per farm in 2002.
- ➔ Beef farms had the lowest net capital investment at \$18,200.



# Net Capital Investment as a Percent of Assets by Province, 2002

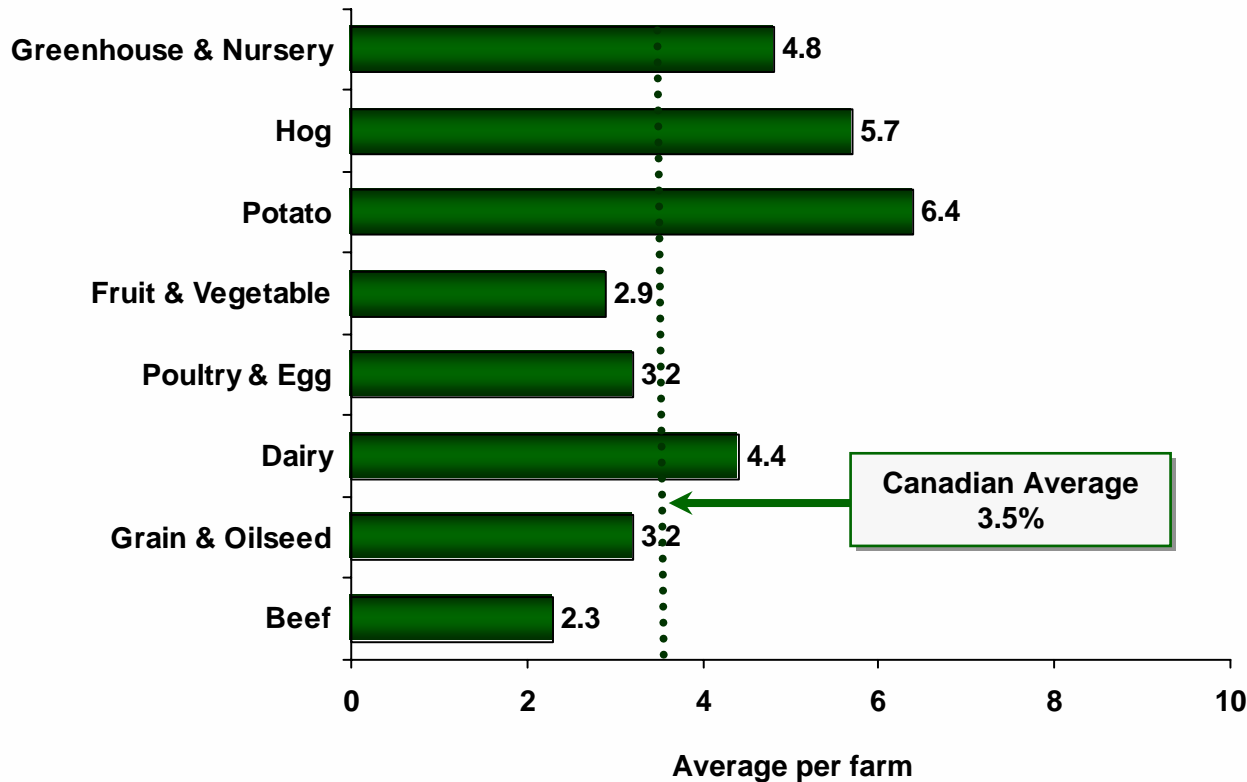
Percent



- ➔ Quebec, and Saskatchewan farms reported the highest net capital investment as a percent of assets among provinces.
- ➔ Alberta & British Columbia reported the lowest level of net capital investment in proportion to value of assets.



# Net Capital Investment as a Percent of Assets by Farm Type, 2002



➔ Potato followed by hog farms reported the highest net capital investment as a percent of assets in 2002.

➔ Beef farms reported the lowest net capital investment as a percent of assets.



# Net Capital Investment as a Percent of Assets by Revenue Class, 1999, 2001 & 2002



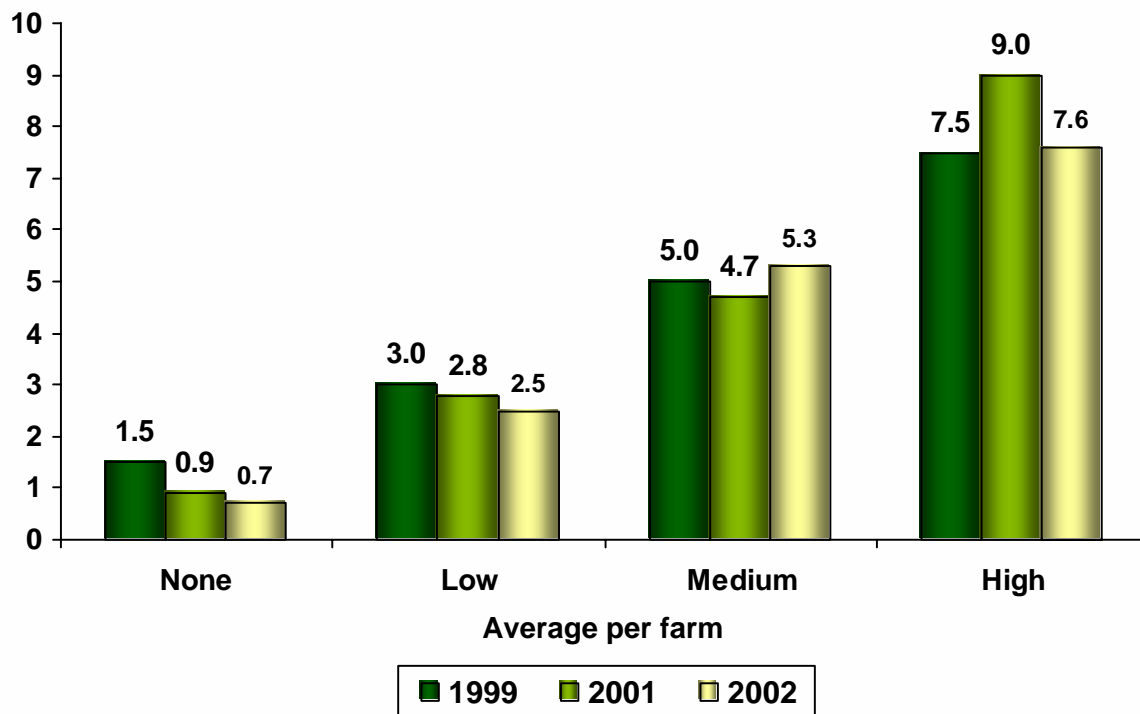
- ➔ Net capital investment as a percent of assets decreased for most revenue classes from 2001.
- ➔ It was up at 4.3% for those farms with \$250,000 - \$499,999 in revenue.
- ➔ Surprisingly net capital investment increased slightly in 2002 compared to 2001 for the \$25,000 - \$49,999 class.
- ➔ Net capital investment as a percent of assets ranged from 1.7% for the smaller farms to 4.8% for the larger farms.





## Net Capital Investment as a Percent of Assets by Debt Level, 1999, 2001 & 2002

Percent



➔ Net capital investment as a percent of assets decreased for all but the medium debt level farms.

➔ Net capital investment was 7.6% of assets for farms with high debt levels in 2002 compared to 9.0% in 2001.



• **Capital Borrowed**



## Net Capital Investment and Net New Borrowings by Province, 2002

	Net Capital Investment	Net New Borrowings
Newfoundland	\$57,200	\$50,800
Prince Edward Island	46,700	31,000
Nova Scotia	27,700	17,200
New Brunswick	39,100	21,700
Quebec	52,300	49,200
Ontario	41,200	29,800
Manitoba	36,600	23,700
Saskatchewan	25,300	18,100
Alberta	37,400	23,600
British Columbia	40,600	26,400
Canada	\$37,800	\$27,600

- ➔ Average net capital investment in 2002 was \$37,800.
- ➔ Nearly three-quarters of net capital investment in 2002 was covered by net new borrowings.
- ➔ Newfoundland, Quebec and Prince Edward Island had the highest levels of net investment.
- ➔ Saskatchewan (\$25,300) and Nova Scotia (\$27,700) had the lowest net capital investment.
- ➔ Nova Scotia and Saskatchewan had the lowest net new borrowings in 2002.



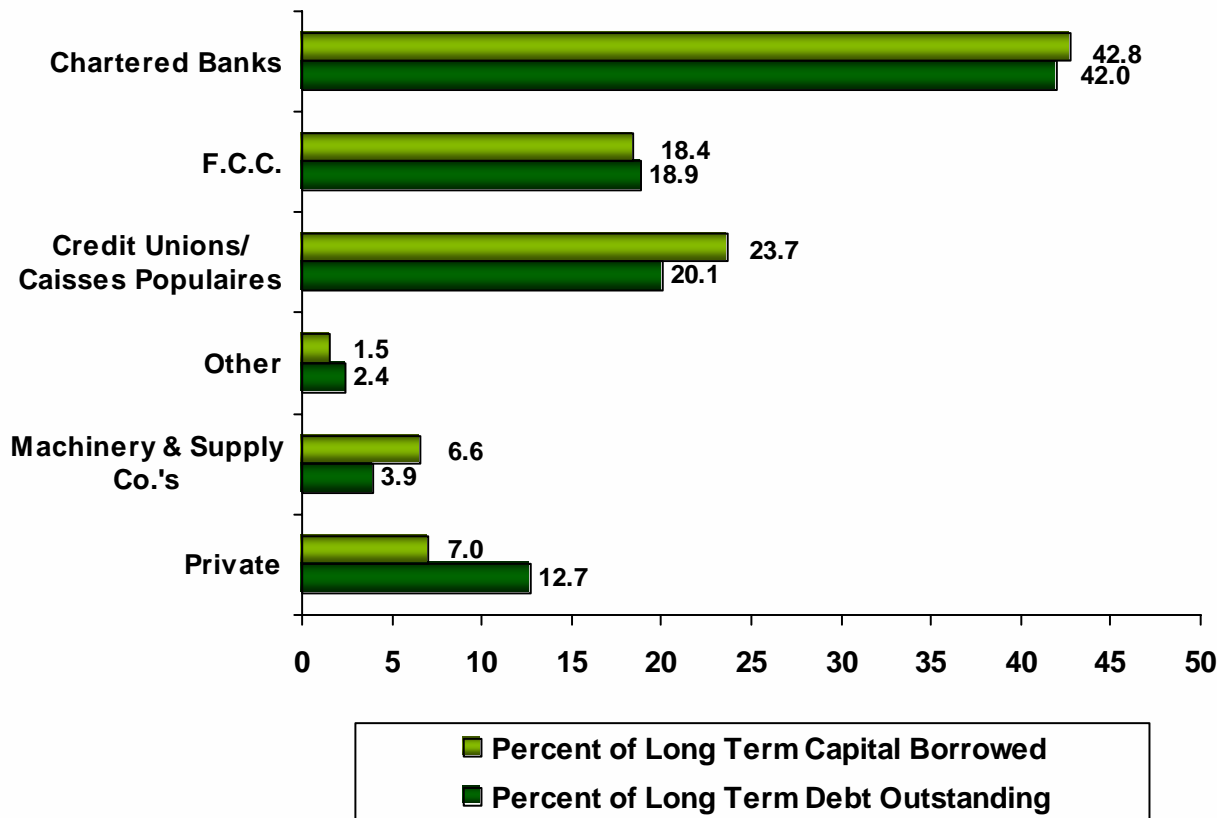
## Net Capital Investment and Net New Borrowings by Farm Type, 2002

	Net Capital Investment	Net New Borrowings
Dairy	\$93,400	\$81,100
Beef	18,200	16,000
Hog	93,000	68,700
Poultry & Egg	76,700	62,000
Potato	122,900	79,800
Fruit & Vegetable	27,300	20,400
Grain & Oilseed	31,600	18,400
Greenhouse	56,000	27,800
<b>TOTAL</b>	<b>\$37,800</b>	<b>\$27,600</b>

- ➔ Potato farms at \$122,900 had over three times the Canadian average for net capital investment.
- ➔ Beef farms had the lowest level of net capital investment.
- ➔ Beef farms followed by Grain & Oilseed farms had the lowest level of net new borrowings.



## Percent of Long Term Debt Outstanding and Long Term Capital Borrowed by Financial Institution, 2002



- ➔ Chartered banks, the Farm Credit Corporation (F.C.C.) and credit unions/caisses populaires were the major farm lenders accounting for 85% of new loans.
- ➔ Chartered banks and the F.C.C. held 42% and 18.9% respectively of outstanding long-term debt.
- ➔ The chartered banks were the major source of new borrowings for farmers.

A photograph of a farm scene. In the foreground, there is a field of tall green plants with yellow flowers. In the middle ground, a large white cylindrical silo with a domed top is visible. The background shows a line of trees and a hazy sky. The text "Farm Income and Stability" is overlaid in the center in a bold, dark green font.

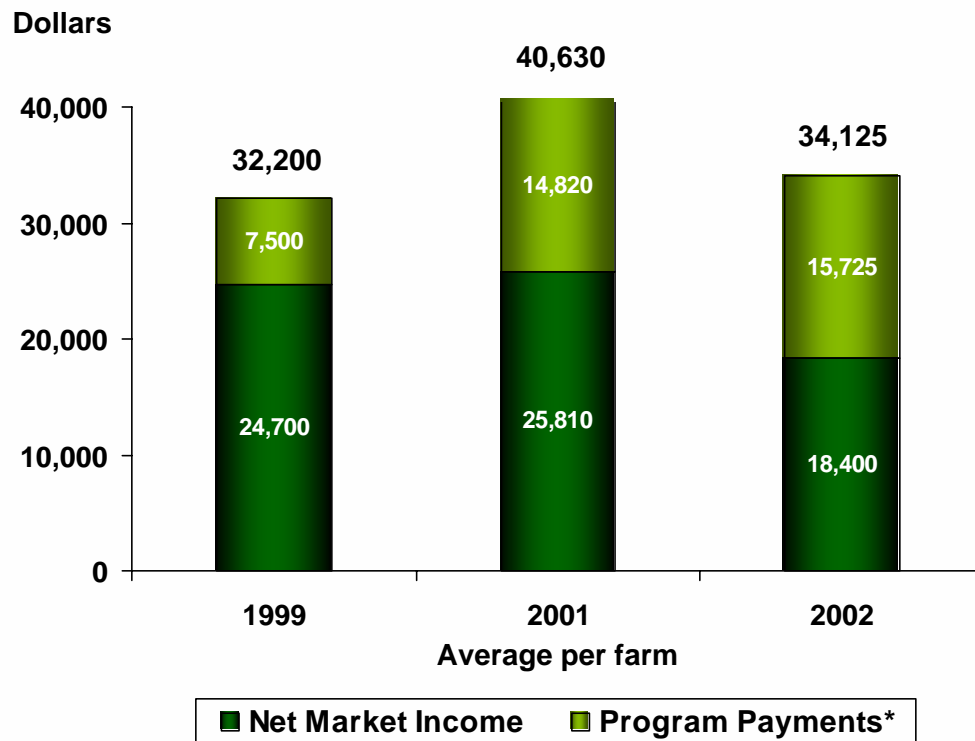
# **Farm Income and Stability**



• **Net Operating Income**



## Average Net Operating Income per Farm, Canada, 1999, 2001 & 2002



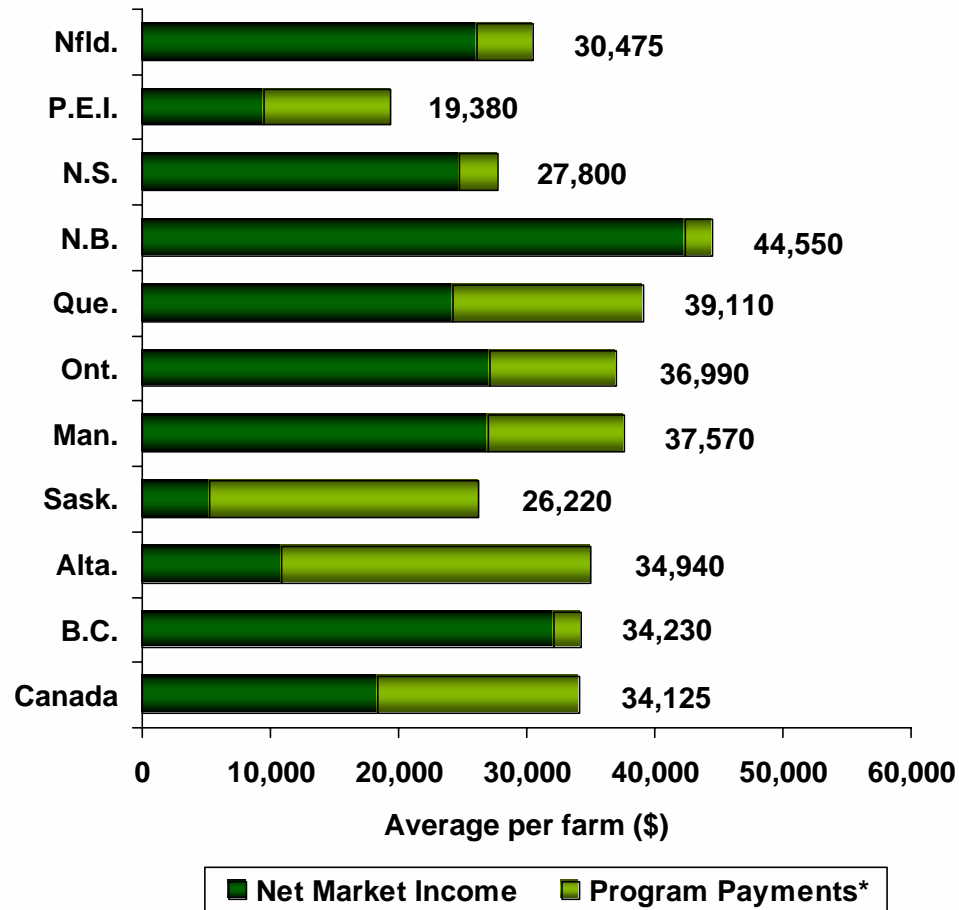
- ➔ Net operating income decreased by 16% between 2001 and 2002.
- ➔ Program payments (excluding NISA) more than doubled between 1999 and 2002.
- ➔ Program payments in 2002 were 2.4% higher than in 2001.
- ➔ Net market income at \$18,400 is 29% less than the \$25,800 for 2001.

\* Includes provincial and federal payments but excludes NISA withdrawals





# Average Net Operating Income per Farm, by Province, 2002

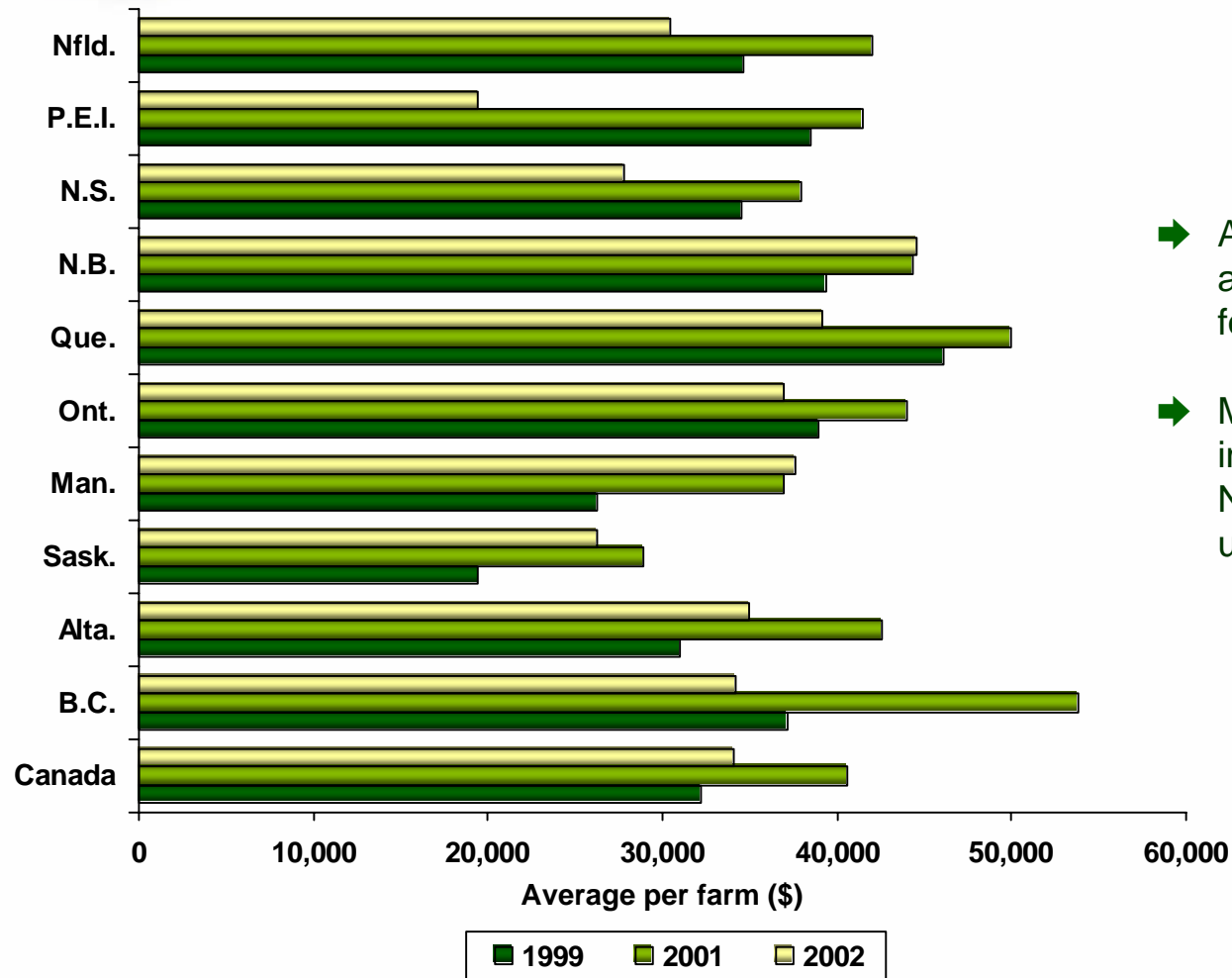


- ➔ New Brunswick has the highest average net cash income at \$44,450.
- ➔ Prince Edward Island reported the lowest average net cash income at \$19,400.

\* Includes provincial and federal payments but excludes NISA withdrawals



## Average Net Operating Income per Farm, by Province, 1999, 2001 & 2002

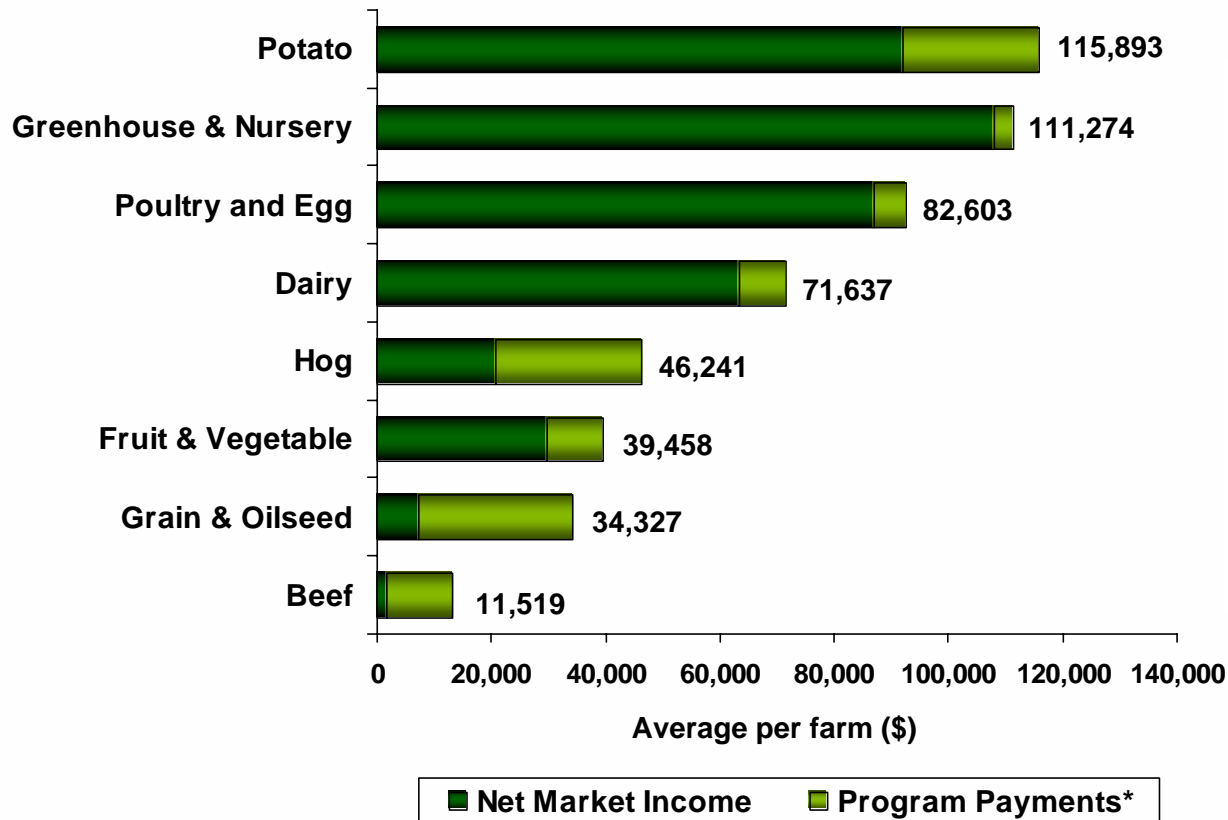


➔ All provinces are reporting lower average net cash income except for New Brunswick and Manitoba.

➔ Manitoba is reporting a 2% increase in net cash income while New Brunswick was essentially unchanged.



# Average Net Operating Income per Farm, by Farm Type, 2002

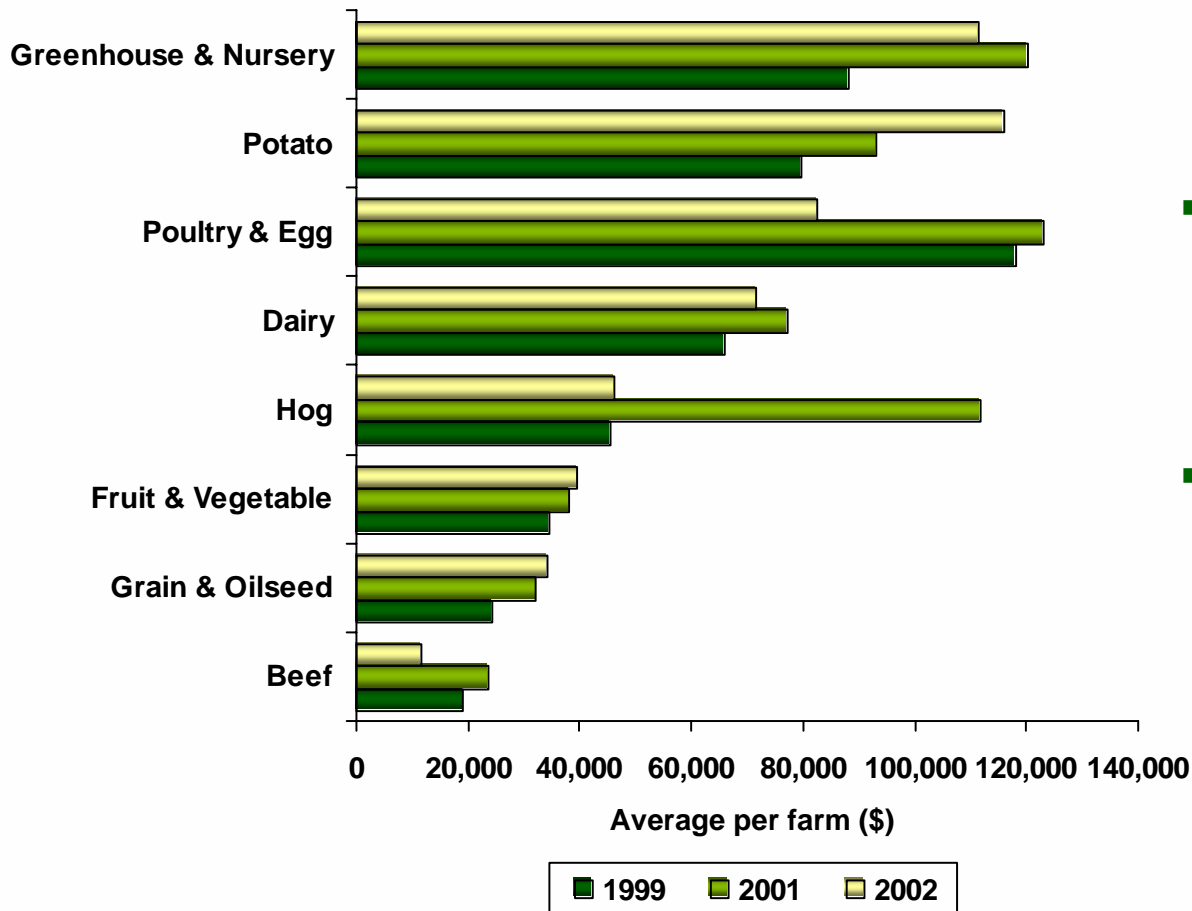


- ➔ As in previous years, average net operating income varied significantly between farm types.
- ➔ Potato and Greenhouses reported the highest net cash farm income at \$115,900 and \$111,300 respectively.
- ➔ Beef farms, at only \$11,500, had the lowest average net operating income.

\* Includes provincial and federal payments but excludes NISA withdrawals



## Average Net Operating Income per Farm, by Farm Type, 1999, 2001 & 2002



➔ Hog farms reported a decline in net income from a record high in 2001. Their net income of \$46,250 compares favorably with the \$45,400 reported in 1999.

➔ Grain and Oilseed farms reported an increase of 6.5% in net cash farm income between 2002 and 2001.

# Glossary

**Current assets** include market livestock, accounts receivable, inventories of crops and inputs, cash and short-term investments (under 1 year) and prepaid expenses.

**Family income** includes net operating income, off-farm income and farm wages and salaries paid to family members and program payments.

**Large farms** are those farms with gross farm revenues of \$100,000 and over.

**Long-term assets** include land and buildings, machinery and equipment, quota, breeding and replacement stock, and long-term investments (over 1 year) including NISA balances.

**Medium farms** are those farms with gross farm revenues of \$50,000 to \$99,999.

**Off-farm income** includes non-farm wages and salaries, investment income, pension income and other income not from the farm operation.

**Net capital investment** = capital purchases less capital sales.

**Net market income** = net operating income less program payments before depreciation.

**Net new borrowings** = total long term capital borrowed less amount borrowed for refinancing previous loans.

**Net operating income** = operating revenues less operating expenses, before depreciation.

**Program payments** = include income from stabilization payments (including provincial GRIP in 1993 and 1995), dairy subsidies and other programs, crop insurance proceeds and fuel and property tax rebates but exclude NISA withdrawals.

**Small farms** are those farms with gross farm revenues of \$10,000 to \$49,999.