

# Farm income, 2013

Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, November 26, 2014

---

The realized net income of agricultural producers rose 1.1% in 2013 to \$6.4 billion, marking a fourth consecutive annual increase. The 2013 change reflected small increases in both farm cash receipts and operating expenses.

Realized net income is the difference between a farmer's cash receipts and operating expenses, minus depreciation, plus income in kind.

Realized net income increased in every province except Quebec, Alberta and British Columbia. It more than tripled in Manitoba.

## Farm cash receipts

Farm cash receipts, which include market receipts from the sale of crops and livestock, along with program payments, edged up 2.0% from 2012 to \$54.8 billion in 2013.

Farm cash receipts rose in every province except Quebec and Alberta.

Market receipts were up 3.6% to \$52.2 billion in 2013. Both crop and livestock receipts recorded small gains, marking the third consecutive year of increases for crop receipts and the fourth successive rise for livestock receipts.

Crop receipts rose 3.9% to \$30.6 billion, as rising wheat receipts (including durum) and increased liquidations of deferred grain receipts more than offset a drop in canola receipts. Wheat receipts (including durum) rose 11.5% to \$6.9 billion, on the strength of higher prices during the first half of 2013 and increased marketings. Canola receipts were down 11.0% to \$7.3 billion as marketings fell 10.6%.

Manitoba posted the strongest gain in crop revenues, rising 25.3%. Nationally, crop receipts were up in every province except Alberta.

Revenue from livestock rose 3.2% to \$21.5 billion in 2013. Tight supplies in North America continued to exert upward pressure on prices, leading to a 4.5% rise in cattle and calf receipts and a 5.4% increase in hog revenue. Receipts for supply-managed commodities (dairy, poultry and eggs) rose 1.5%, largely the result of small price increases.

Livestock receipts rose in every province except British Columbia. Saskatchewan recorded the largest increase at 12.2%, as international cattle and calf exports more than doubled in 2013.

Program payments declined 21.2% from 2012 to \$2.7 billion. Decreases in AgriStability, provincial stabilization and crop insurance payments accounted for almost three-quarters of the decline.

## Farm expenses

Farm operating expenses (after rebates) edged up 1.8% to \$42.2 billion in 2013. Decreases in fertilizer as well as livestock and poultry purchases were more than offset by generally modest increases in the remaining expense items. Pesticide expenses showed the largest dollar increase, rising 6.4% to \$2.6 billion. This was followed by a 5.6% rise in interest expenses to \$2.6 billion, as farm debt grew by 7.4%.

Total farm expenses were up 2.1% to \$48.5 billion, as depreciation charges rose 4.1%.

Total farm expenses increased in every province except New Brunswick. The 0.4% decrease in that province was largely the result of a 10.3% drop in potato seeded acres, which, in turn, led to declining crop expenses. There were gains in the other provinces, ranging from 0.2% in Prince Edward Island to 3.2% in Manitoba.



## Total net income

Total net income rose by \$5.7 billion from 2012 to \$12.0 billion in 2013. Every province except New Brunswick and Quebec recorded gains in 2013. Saskatchewan and Alberta saw the largest increases for the year.

Total net income adjusts realized net income for changes in farmer-owned inventories of crops and livestock. It represents the return to owner's equity, unpaid labour as well as management and risk.

The \$5.6 billion rise in the total value of farm-owned inventories accounted for almost all of the increase in total net income in 2013. Record production of several field crops contributed to the significant growth of on-farm stocks.

### Note to readers

Realized net income can vary widely from farm to farm because of several factors, including types of commodities, prices, weather and economies of scale. This and other aggregate measures of farm income are calculated on a provincial basis employing the same concepts used in measuring the performance of the overall Canadian economy. They are a measure of farm business income, not farm household income. Data are extracted from administrative files and derived from other Statistics Canada surveys and/or other sources.

Financial data collected at the individual farm business level from the [Farm Financial Survey](#) and [Agriculture Taxation Data Program](#) will soon be released. These data will help explain differences in the performance of various types and sizes of farms.

For details on farm cash receipts for the first three quarters of 2014, see today's "[Farm cash receipts](#)" release.

**Table 1**  
**Net farm income**

	2011 <sup>r</sup>	2012 <sup>r</sup>	2013 <sup>p</sup>	2011 to 2012	2012 to 2013
	millions of dollars			% change	
+ Total farm cash receipts including payments	49,634	53,764	54,843	8.3	2.0
- Total operating expenses after rebates	38,300	41,404	42,166	8.1	1.8
= Net cash income	11,334	12,360	12,677	9.0	2.6
+ Income-in-kind	45	45	46	0.3	1.9
- Depreciation	5,871	6,101	6,350	3.9	4.1
= Realized net income	5,509	6,305	6,373	14.4	1.1
+ Value of inventory change	576	31	5,641	...	...
= Total net income	6,085	6,335	12,014	...	...

<sup>r</sup> revised

<sup>p</sup> preliminary

... not applicable

Source(s): CANSIM table [002-0009](#).

**Table 2**  
**Net farm income by province**

	Canada	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
millions of dollars						
<b>2012<sup>r</sup></b>						
+ Total farm cash receipts including payments	53,764	130	483	580	539	8,346
- Total operating expenses after rebates	41,404	115	387	478	441	6,242
= Net cash income	12,360	15	96	102	98	2,103
+ Income-in-kind	45	0	0	1	1	12
- Depreciation	6,101	9	44	62	54	832
= Realized net income	6,305	7	52	41	44	1,283
+ Value of inventory change	31	-2	8	1	33	16
= Total net income	6,335	5	59	42	77	1,299
<b>2013<sup>p</sup></b>						
+ Total farm cash receipts including payments	54,843	138	496	593	573	8,300
- Total operating expenses after rebates	42,166	118	386	480	438	6,364
= Net cash income	12,677	20	110	113	135	1,936
+ Income-in-kind	46	0	0	1	1	12
- Depreciation	6,350	9	47	64	56	856
= Realized net income	6,373	11	64	50	80	1,092
+ Value of inventory change	5,641	0	-1	2	-10	73
= Total net income	12,014	11	64	52	70	1,165
	Canada	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
millions of dollars						
<b>2012<sup>r</sup></b>						
+ Total farm cash receipts including payments	53,764	12,054	5,146	11,788	11,946	2,752
- Total operating expenses after rebates	41,404	9,469	4,372	8,077	9,313	2,510
= Net cash income	12,360	2,586	775	3,710	2,633	242
+ Income-in-kind	45	9	4	5	9	4
- Depreciation	6,101	1,338	584	1,341	1,454	381
= Realized net income	6,305	1,257	194	2,375	1,187	-135
+ Value of inventory change	31	-72	731	-147	-518	-19
= Total net income	6,335	1,184	926	2,227	669	-153
<b>2013<sup>p</sup></b>						
+ Total farm cash receipts including payments	54,843	12,290	5,767	12,138	11,773	2,776
- Total operating expenses after rebates	42,166	9,579	4,504	8,269	9,462	2,566
= Net cash income	12,677	2,710	1,263	3,869	2,311	210
+ Income-in-kind	46	10	4	5	9	4
- Depreciation	6,350	1,378	610	1,416	1,526	389
= Realized net income	6,373	1,342	656	2,458	794	-175
+ Value of inventory change	5,641	62	751	3,061	1,642	61
= Total net income	12,014	1,404	1,407	5,519	2,436	-113

<sup>r</sup> revised

<sup>p</sup> preliminary

**Note(s):** Figures may not add up to totals because of rounding.

**Source(s):** CANSIM table [002-0009](#).

Available in CANSIM: tables [002-0001](#), [002-0004](#), [002-0005](#), [002-0007 to 002-0009](#), [002-0012](#) and [003-0025](#).

Table 002-0001: Farm cash receipts, annual.

Table 002-0003: Value per acre of farm land and buildings, at July 1.

Table 002-0004: Agriculture value added account, annual.

Table 002-0005: Farm operating expenses and depreciation charges, annual.

Table 002-0007: Value of farm capital, at July 1.

Table 002-0008: Farm debt outstanding, classified by lender, annual.

Table 002-0009: Net farm income, annual.

Table 002-0012: Farm income in kind, by item, annual.

Table 003-0025: Value per head of livestock, at July 1.

**Definitions, data sources and methods: survey numbers [3436](#), [3437](#), [3471](#), [3472](#), [3473](#), [5030](#) and [5214](#).**

The November 2014 issues of *Net Farm Income – Agriculture Economic Statistics*, Vol. 12, no. 2 ([21-010-X](#)), and *Direct Payments to Agriculture Producers – Agriculture Economic Statistics*, Vol. 13, no. 2 ([21-015-X](#)), are now available online. From the *Browse by key resource* module of our website under *Publications*, choose *All subjects* then *Agriculture*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations (613-951-4636; [mediahotline@statcan.gc.ca](mailto:mediahotline@statcan.gc.ca)).