

Farm income, 2015

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Realized net farm income rose 9.2% from 2014 to \$8.1 billion in 2015, following a 19.1% rise the previous year. The gain in 2015 was the fifth in six years.

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

A slight increase in farm cash receipts outpaced a small rise in operating expenses, resulting in a gain in realized net income in 2015.

While there was an increase at the national level, realized net income rose in only four provinces: Newfoundland and Labrador, Saskatchewan, Alberta and British Columbia.

Farm cash receipts

Farm cash receipts, which include market receipts from crop and livestock sales as well as program payments, rose 2.7% to \$59.4 billion in 2015, the fifth consecutive annual increase.

Market receipts were up 2.7% to \$57.3 billion in 2015, as gains in crop receipts more than offset a small decline in livestock revenue.

Crop receipts totalled \$31.6 billion in 2015, a 5.2% increase. This followed a 3.0% decrease in 2014.

Lentils, a crop grown primarily in Saskatchewan, contributed the most to the growth in crop receipts in 2015. Lentil receipts (+110.1%) more than doubled as prices increased 57.6%. Marketings were up 33.3%, as production hit a record level. An increase in exports, largely to India, contributed to the rise in receipts.

The depreciation of the Canadian dollar relative to the US dollar supported the prices received by Canadian producers. At the same time, increased global stocks of grains and oilseeds put downward pressure on world prices expressed in US dollars in 2015. However, Canadian farm-gate prices for most grains and oilseeds were up from 2014.

Canola receipts increased 8.5% from 2014 to \$8.0 billion in 2015, as both prices (+3.5%) and marketings (+4.8%) rose. Export demand continued to show strength, while increased crushing capacity boosted domestic use.

Wheat receipts, excluding durum, rose 5.1% from the previous year to \$5.1 billion in 2015, as a result of higher prices.

Although the price of soybeans fell 7.9%, receipts were up 4.3% on the strength of a 13.3% gain in marketings.

Livestock receipts amounted to \$25.7 billion in 2015, down 0.2% from the previous year, the first decrease since 2009. This followed a 19.3% increase in 2014.

Lower hog prices pushed receipts down 17.0% to \$4.2 billion in 2015, as increased inventories in North America exerted downward pressure on prices.

In contrast, cattle and calf receipts increased for the sixth consecutive year, rising 7.0% to \$10.5 billion. A 20.4% gain in prices more than offset an 11.1% drop in marketings. Tight supplies, especially in the first half of 2015, continued to put upward pressure on prices.

Receipts for producers in the supply-managed sectors (dairy, poultry and eggs) edged up 0.3% to \$9.8 billion, mainly as a result of higher egg receipts (+5.5%).



Farm expenses

Total operating expenses (after rebates) were \$44.4 billion in 2015, up slightly (+1.2%) from \$43.9 billion in 2014. This was the smallest increase since 2010, when operating expenses fell 2.1%.

A 22.3% drop in machinery fuel expenses moderated the rise in expenses, as only three other expense items recorded decreases. According to the Farm Input Price Index, machinery fuel prices fell 26.8% in 2015.

Higher cattle prices contributed to a 14.1% increase in livestock purchases, which, together with unexceptional increases for most other expense items, were enough to offset the small number of decreases in operating expenses.

When depreciation charges are included, total farm expenses increased 1.7% to \$51.3 billion in 2015. Depreciation costs rose 5.4%, as rising machinery prices pushed up machinery depreciation expenses (+7.1%).

Total farm expenses increased in every province, with Alberta (+3.0%) recording the largest rise.

Total net income

Total net income was \$6.8 billion in 2015, up \$2.1 billion from 2014.

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

Total net income rose in all provinces except Prince Edward Island, Nova Scotia, Quebec and Ontario. Saskatchewan (+\$1.3 billion) recorded the largest increase, as a result of the strong market for lentils.

Note to readers

Realized net income can vary widely from farm to farm because of several factors, including the farm's type 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.

Financial data for 2015 collected at the individual farm business level using surveys and other administrative sources will be made available later this year. These data will help explain differences in the performance of various types and sizes of farms.

Preliminary farm income data for the previous calendar year are first released in May of each year (five months after the reference period), providing timely information on the performance of the agriculture sector. Revised data are then released in November of each year, incorporating data received too late to be included in the first release. Data for the year prior to the reference period are also subject to revision.

For details on farm cash receipts for the first quarter of 2016, see the "[Farm cash receipts](#)" release in today's Daily.

Table 1
Net farm income

	2014 ^r	2015 ^p	2014 to 2015
	millions of dollars		% change
+ Total farm cash receipts including payments	57,887	59,431	2.7
- Total operating expenses after rebates	43,890	44,396	1.2
= Net cash income	13,997	15,035	7.4
+ Income-in-kind	57	61	7.9
- Depreciation	6,595	6,951	5.4
= Realized net income	7,459	8,145	9.2
+ Value of inventory change	-2,775	-1,387	...
= Total net income	4,684	6,758	...

^r revised

^p 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						
2014^r						
+ Total farm cash receipts including payments	57,887	126	475	573	561	8,466
- Total operating expenses after rebates	43,890	119	385	499	437	6,502
= Net cash income	13,997	7	90	74	124	1,964
+ Income-in-kind	57	0	0	1	1	13
- Depreciation	6,595	9	48	66	56	868
= Realized net income	7,459	-2	42	9	69	1,109
+ Value of inventory change	-2,775	0	5	-0	5	-66
= Total net income	4,684	-2	48	9	74	1,043
2015^p						
+ Total farm cash receipts including payments	59,431	130	467	581	563	8,158
- Total operating expenses after rebates	44,396	119	392	509	441	6,532
= Net cash income	15,035	10	75	72	122	1,626
+ Income-in-kind	61	0	0	1	1	14
- Depreciation	6,951	10	50	68	57	886
= Realized net income	8,145	1	25	5	66	754
+ Value of inventory change	-1,387	0	7	0	14	152
= Total net income	6,758	2	32	6	80	907
	Canada	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
millions of dollars						
2014^r						
+ Total farm cash receipts including payments	57,887	12,723	5,975	13,146	12,898	2,944
- Total operating expenses after rebates	43,890	10,054	4,561	8,637	10,115	2,581
= Net cash income	13,997	2,668	1,414	4,509	2,783	362
+ Income-in-kind	57	12	5	7	12	5
- Depreciation	6,595	1,410	639	1,493	1,603	402
= Realized net income	7,459	1,271	780	3,023	1,192	-34
+ Value of inventory change	-2,775	-73	-378	-1,403	-835	-29
= Total net income	4,684	1,197	402	1,620	357	-63
2015^p						
+ Total farm cash receipts including payments	59,431	12,726	5,823	14,354	13,554	3,076
- Total operating expenses after rebates	44,396	10,220	4,619	8,582	10,346	2,636
= Net cash income	15,035	2,507	1,203	5,771	3,208	440
+ Income-in-kind	61	13	5	7	13	6
- Depreciation	6,951	1,470	677	1,603	1,718	413
= Realized net income	8,145	1,049	532	4,176	1,503	33
+ Value of inventory change	-1,387	63	242	-1,227	-672	33
= Total net income	6,758	1,112	774	2,949	831	65

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

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

Available in CANSIM: tables [002-0001](#), [002-0003](#), [002-0005](#), [002-0007](#) to [002-0009](#), [002-0012](#), [002-0075](#), [002-0076](#) and [003-0025](#).

Definitions, data sources and methods: survey numbers [3436](#), [3437](#), [3471](#), [3472](#), [3473](#), [3474](#), [5214](#), [5227](#) and [5229](#).

[Summary tables](#) are available from the *Browse by key resource* module of our website, under *Summary tables*.

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; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).