

Farm income, 2017

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Realized net income decreased 2.5% in 2017 to \$8.3 billion, the first decline since 2013 and only the second decrease since 2009.

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

Rising depreciation charges, together with slightly higher operating expenses, more than offset a small increase in farm cash receipts.

Realized net income was lower in five provinces: Nova Scotia, New Brunswick, Quebec, Ontario and Saskatchewan. The decreases in Ontario and Saskatchewan contributed most to the small national decline.

Annual farm cash receipts rise for the seventh consecutive year

Farm cash receipts, which include market receipts from crop and livestock sales as well as program payments, rose for the seventh consecutive year, up 1.8% to \$61.6 billion in 2017. This was the second-smallest increase during this period, surpassing only a 1.2% rise in 2016.

Receipts were up in six provinces, led by Manitoba (+9.0%) and Alberta (+4.5%). Nova Scotia (-5.7%) posted the largest percentage decrease.

Market receipts increased 1.9% to \$59.2 billion, as livestock receipts rose, while crop receipts were essentially unchanged from 2016 levels.

Market receipts are the product of price and marketings. Marketings are quantities sold, using various units of measure.

Receipts for livestock producers totalled \$25.0 billion in 2017, up 4.5% over the previous year. Increases were widespread, with gains in supply-managed; hog; and cattle and calf receipts. A 6.2% rise in marketings pushed dairy receipts 6.3% higher, accounting for the bulk of the increase in the supply-managed sector.

After two years of decline, hog receipts increased 9.8%, mainly due to higher prices. Continued growth in pork exports supported prices.

Revenue from cattle and calf production rose 2.3%, despite slightly lower prices. Marketings increased 2.8%, as increased domestic slaughter more than offset a drop in the number of animals exported.

Crop receipts were unchanged from 2016 at \$34.1 billion. Revenues for lentil producers fell 45.7%—a second year of declines after more than doubling in 2015 in the wake of world production disruptions. A 30.0% drop in dry pea receipts followed a 68.0% increase in 2016. Export markets for lentils and dry peas weakened significantly in 2017, driving down both prices and quantities sold.

Soybean receipts fell 6.5%, contributing to lower crop revenues in Quebec and Ontario. Marketings were down despite a small rise in exports. Higher stocks put downward pressure on prices.

Counteracting these decreases were increases in canola and wheat (excluding durum) receipts. Canola receipts were up 7.3% in 2017 with both export and domestic markets remaining buoyant. Prices increased 2.1% while marketings rose 5.1%.

Revenues from wheat (excluding durum) production rose 13.2% in 2017 after falling 10.9% the previous year. Both marketings (+7.4%) and prices (+5.4%) increased.



Lower payments from private hail insurance and provincial stabilization programs pushed program payments down 0.3% to \$2.4 billion in 2017.

Farm expenses continue to climb

Total operating expenses (after rebates) rose for the seventh consecutive year, up 2.4% to \$46.2 billion in 2017. This follows a 0.5% rise in 2016. Most expense items rose.

Following two consecutive annual declines, machinery fuel expenses increased 11.5%, as prices rose at a similar pace.

Higher prices and larger interprovincial movements of cattle and calves pushed livestock and poultry purchases up 12.3%.

Interest expenses rose 7.1%, primarily the result of higher debt levels.

Moderating these increases was a 3.8% price-related decline in fertilizer expenses.

Total farm expenses, which include total operating expenses and depreciation, rose 2.5% to \$53.4 billion in 2017. Total farm expenses were up in every province, with Alberta (+3.7%) posting the largest percentage rise. Quebec (+0.9%) had the smallest.

Little change in total net income

Total net income was essentially unchanged in 2017 at \$9.8 billion. This follows a \$1.8 billion increase in 2016. Total net income was up in six provinces, led by Manitoba.

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.

The value of inventory change had a positive impact on net farm income. On-farm stocks of soybeans and canola rose in 2017 as did inventories of cattle and calves. These increases more than offset a production-related drop in durum wheat stocks.

Table 1
Net farm income

	2016 ^r	2017 ^p	2016 to 2017
	millions of dollars		% change
+ Total farm cash receipts including payments	60,526	61,601	1.8
- Total operating expenses after rebates	45,067	46,169	2.4
= Net cash income	15,459	15,433	-0.2
+ Income-in-kind	55	56	1.6
- Depreciation	7,033	7,223	2.7
= Realized net income	8,481	8,266	-2.5
+ Value of inventory change	1,319	1,541	...
= Total net income	9,801	9,807	...

^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						
2016^r						
+ Total farm cash receipts including payments	60,526	132	485	599	603	8,788
- Total operating expenses after rebates	45,067	124	390	519	449	6,620
= Net cash income	15,459	8	95	80	154	2,168
+ Income-in-kind	55	0	0	1	1	13
- Depreciation	7,033	10	51	69	57	891
= Realized net income	8,481	-1	44	13	97	1,290
+ Value of inventory change	1,319	-0	-1	-6	-21	-31
= Total net income	9,801	-1	44	7	77	1,258
2017^p						
+ Total farm cash receipts including payments	61,601	138	494	565	588	8,805
- Total operating expenses after rebates	46,169	125	397	523	463	6,676
= Net cash income	15,433	13	97	41	124	2,129
+ Income-in-kind	56	0	0	1	1	13
- Depreciation	7,223	10	52	70	58	906
= Realized net income	8,266	4	46	-28	67	1,236
+ Value of inventory change	1,541	1	-12	3	33	96
= Total net income	9,807	5	34	-25	100	1,331
	Canada	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
millions of dollars						
2016^r						
+ Total farm cash receipts including payments	60,526	13,162	5,969	14,200	13,502	3,087
- Total operating expenses after rebates	45,067	10,267	4,719	9,167	10,114	2,700
= Net cash income	15,459	2,895	1,250	5,034	3,388	387
+ Income-in-kind	55	11	5	6	12	5
- Depreciation	7,033	1,485	674	1,629	1,748	420
= Realized net income	8,481	1,422	581	3,411	1,652	-27
+ Value of inventory change	1,319	-154	88	848	565	31
= Total net income	9,801	1,268	669	4,258	2,217	4
2017^p						
+ Total farm cash receipts including payments	61,601	13,125	6,508	14,052	14,114	3,214
- Total operating expenses after rebates	46,169	10,556	4,857	9,285	10,496	2,791
= Net cash income	15,433	2,569	1,651	4,766	3,618	424
+ Income-in-kind	56	11	5	7	12	5
- Depreciation	7,223	1,518	683	1,684	1,807	434
= Realized net income	8,266	1,062	972	3,090	1,823	-5
+ Value of inventory change	1,541	448	312	248	388	23
= Total net income	9,807	1,510	1,284	3,338	2,211	18

^r revised

^p preliminary

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

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

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.

Additional financial data for 2017, collected at the individual farm business level using surveys and other administrative sources, will be made available late 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. Revised data are then released in November of each year, incorporating data received too late to be included in the first release. Data for two years prior to the reference period are also subject to this revision.

For details on farm cash receipts for the first quarter of 2018, see the "Farm cash receipts" release in today's Daily.

As a result of the release of data from the 2016 Census of Agriculture on May 10, 2017, data on farm cash receipts, operating expenses, net income, capital value and other data are being revised, where necessary. The complete set of revisions will be released in the next six months.

Also released today are CANSIM tables on Value of farm capital, at July 1 (002-0007) and Farm debt outstanding, classified by lender, annual (002-0008).

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 also available.

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).