

# Farm income, 2017 (revised data)

Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, November 27, 2018

---

Realized net income fell 3.6% in 2017 to \$7.0 billion, following three consecutive annual increases.

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

A small gain in farm cash receipts was more than offset by a stronger increase in operating expenses and rising depreciation charges. Realized net income declined in four provinces: Nova Scotia, Quebec, Ontario and Saskatchewan.

## Farm cash receipts continue to grow

Farm cash receipts, which include crop and livestock revenues as well as program payments, grew 2.3% to \$62.0 billion in 2017, following a 1.0% rise the previous year. This was the seventh consecutive annual increase.

Farm cash receipts rose in every province except Nova Scotia (-5.1%) and Saskatchewan (-0.4%). Gains in Alberta and Manitoba accounted for more than 85% of the national increase.

Market receipts increased 2.4% to \$59.6 billion in 2017, with rising livestock receipts the major contributor.

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

## Livestock

Livestock revenues totalled \$25.1 billion, up 5.1% in 2017, following a 6.7% drop the previous year. Gains were reported throughout the sector as supply-managed, hog and cattle and calf receipts all increased.

The 4.8% increase in supply-managed receipts was largely attributable to a 6.3% rise in dairy receipts, driven by higher marketings. Increases in quantities sold also pushed poultry and egg revenues higher.

After two years of decline, hog receipts grew 10.3% as prices rose 8.4%. Ongoing strength in pork exports propped up prices in spite of growing North American inventories.

Revenues for cattle and calf producers were up 3.4% on the strength of increased marketings, boosted, in part, by rising beef exports.

## Crops

Crop receipts edged up 0.6% in 2017 to \$34.5 billion, despite sharp declines in both lentil (-45.7%) and dry pea (-29.2%) revenues.

These decreases followed a brief period of robust gains, which were mainly due to higher exports to India after poor growing conditions resulted in lentil and dry pea shortages there. As India's growing conditions improved, demand for Canadian exports fell sharply, negatively affecting both prices and quantities sold. In late 2017, the Indian government imposed import duties on these crops, further weakening that export market.

Rising canola and wheat (excluding durum) receipts were major factors in pushing crop receipts slightly higher. Canola revenues increased 7.3% as strong domestic and export markets drove prices and marketings higher.

After falling 10.8% in 2016, wheat (excluding durum) receipts rebounded in 2017, rising 13.2%. Both marketings and prices increased as demand for Canadian high quality spring wheat rose in the wake of shortages in the United States.



Program payments edged down 0.3% in 2017 to \$2.4 billion. Lower payments associated with private hail insurance and provincial stabilization programs more than offset increases in crop insurance payments.

### Farm expenses maintain upward trend

Farm operating expenses (after rebates) were up 3.0% to \$47.4 billion in 2017, following a 0.8% rise in 2016. This was the seventh consecutive year of increases.

Livestock and poultry purchases rose 16.9%, as a result of higher prices and an increase in the number of cattle and calves being marketed across provincial borders. Feed shortages in much of Saskatchewan prompted producers to ship cattle and calves to Alberta.

An upturn in prices pushed machinery fuel expenses 10.0% higher, leading to the first rise in three years.

Higher debt levels contributed to a 6.8% hike in interest expenses.

Price declines led to a 3.9% decrease in fertilizer expenses, which lessened the overall rise in operating expenses.

Total farm expenses, which include operating expenses and depreciation, increased 3.1% to \$55.0 billion in 2017. Every province posted an increase.

### Total net income edges down at the Canada level

Total net income was down \$314 million in 2017 to \$8.2 billion. Total net income fell in Prince Edward Island, Nova Scotia, Saskatchewan and Alberta. Saskatchewan recorded the largest decline (-\$987 million). Total net income was up in six provinces, led by Manitoba (+\$562 million).

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, and management and risk.

The value of inventory change had a small negative impact on total net income, primarily due to lower durum stocks on farms.

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

	2016 <sup>r</sup>	2017 <sup>r</sup>	2016 to 2017
	millions of dollars		% change
+ Total farm cash receipts including payments	60,615	62,012	2.3
- Total operating expenses after rebates	46,052	47,442	3.0
= Net cash income	14,563	14,570	0.0
+ Income-in-kind	56	56	1.1
- Depreciation	7,313	7,583	3.7
= Realized net income	7,306	7,044	-3.6
+ Value of inventory change	1,203	1,150	...
= Total net income	8,508	8,194	...

<sup>r</sup> revised

... not applicable

Source(s): Table [32-10-0052-01](#).

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

	Canada	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
millions of dollars						
<b>2016<sup>r</sup></b>						
+ Total farm cash receipts including payments	60,615	132	484	595	585	8,776
- Total operating expenses after rebates	46,052	122	392	516	458	6,740
= Net cash income	14,563	10	92	79	126	2,035
+ Income-in-kind	56	0	0	1	1	13
- Depreciation	7,313	10	49	68	58	934
= Realized net income	7,306	0	43	12	70	1,114
+ Value of inventory change	1,203	-0	0	-6	6	-49
= Total net income	8,508	0	44	6	75	1,065
<b>2017<sup>r</sup></b>						
+ Total farm cash receipts including payments	62,012	138	498	564	613	8,783
- Total operating expenses after rebates	47,442	124	402	519	484	6,815
= Net cash income	14,570	15	96	45	129	1,968
+ Income-in-kind	56	0	0	1	1	13
- Depreciation	7,583	10	49	69	58	960
= Realized net income	7,044	5	47	-23	72	1,021
+ Value of inventory change	1,150	1	-12	3	8	128
= Total net income	8,194	6	35	-20	80	1,149
	Canada	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
millions of dollars						
<b>2016<sup>r</sup></b>						
+ Total farm cash receipts including payments	60,615	13,261	5,963	14,208	13,492	3,119
- Total operating expenses after rebates	46,052	10,503	4,759	9,634	10,184	2,743
= Net cash income	14,563	2,758	1,205	4,574	3,308	376
+ Income-in-kind	56	12	5	7	12	5
- Depreciation	7,313	1,573	708	1,703	1,795	416
= Realized net income	7,306	1,197	501	2,878	1,525	-35
+ Value of inventory change	1,203	-139	104	794	455	38
= Total net income	8,508	1,059	605	3,672	1,980	3
<b>2017<sup>r</sup></b>						
+ Total farm cash receipts including payments	62,012	13,355	6,527	14,151	14,122	3,260
- Total operating expenses after rebates	47,442	10,963	4,899	9,772	10,602	2,862
= Net cash income	14,570	2,392	1,628	4,380	3,520	398
+ Income-in-kind	56	12	5	7	12	5
- Depreciation	7,583	1,631	727	1,782	1,868	427
= Realized net income	7,044	773	905	2,605	1,664	-24
+ Value of inventory change	1,150	368	262	80	275	36
= Total net income	8,194	1,141	1,167	2,685	1,939	12

millions of dollars

<b>2016<sup>r</sup></b>						
+ Total farm cash receipts including payments	60,615	13,261	5,963	14,208	13,492	3,119
- Total operating expenses after rebates	46,052	10,503	4,759	9,634	10,184	2,743
= Net cash income	14,563	2,758	1,205	4,574	3,308	376
+ Income-in-kind	56	12	5	7	12	5
- Depreciation	7,313	1,573	708	1,703	1,795	416
= Realized net income	7,306	1,197	501	2,878	1,525	-35
+ Value of inventory change	1,203	-139	104	794	455	38
= Total net income	8,508	1,059	605	3,672	1,980	3
<b>2017<sup>r</sup></b>						
+ Total farm cash receipts including payments	62,012	13,355	6,527	14,151	14,122	3,260
- Total operating expenses after rebates	47,442	10,963	4,899	9,772	10,602	2,862
= Net cash income	14,570	2,392	1,628	4,380	3,520	398
+ Income-in-kind	56	12	5	7	12	5
- Depreciation	7,583	1,631	727	1,782	1,868	427
= Realized net income	7,044	773	905	2,605	1,664	-24
+ Value of inventory change	1,150	368	262	80	275	36
= Total net income	8,194	1,141	1,167	2,685	1,939	12

<sup>r</sup> revised

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

**Source(s):** Table 32-10-0052-01.

---

### **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 three quarters of 2018, see the "[Farm cash receipts](#)" release in today's Daily.

### **Coherence with Census of Agriculture**

Every five years, following the Census of Agriculture, the methods and concepts used to estimate the farm income series are reviewed. Estimates for farm income integrate a wide variety of administrative and survey data from many diverse sources. Consequently, this review is used as an opportunity to improve data sources, coverage and estimation methods.

As a result of this review, revisions back to 2010 are now available and are reflected in the data in this release. Estimates of receipts, income in kind, expenses, depreciation and value of inventory change have been revised, where necessary, resulting in changes to net cash, realized and total net income for the sector.

**Available tables:** [32-10-0045-01](#), [32-10-0047-01](#) to [32-10-0052-01](#) , [32-10-0055-01](#), [32-10-0105-01](#), [32-10-0106-01](#) and [32-10-0124-01](#).

**Definitions, data sources and methods:** survey numbers [3436](#), [3437](#), [3471](#), [3472](#), [3473](#), [3474](#), [5030](#), [5214](#), [5227](#) and [5229](#).

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