

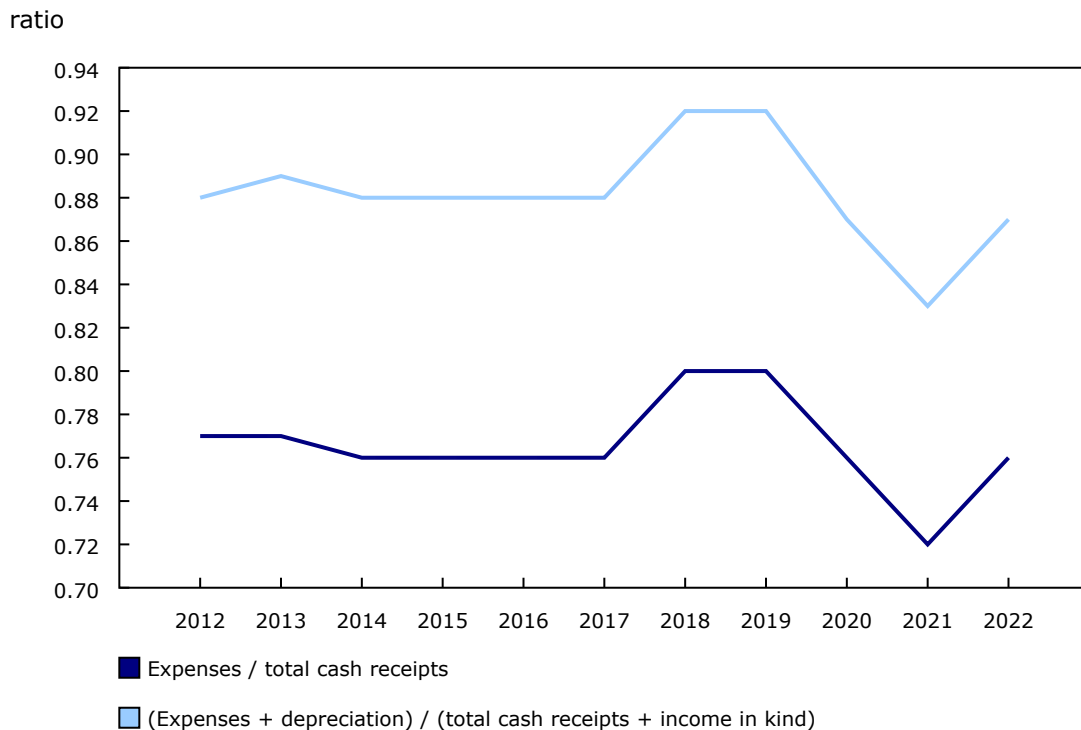
# Farm income, 2022

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, May 25, 2023

Realized net income for Canadian farmers fell 9.5% to \$12.5 billion in 2022, as growth in expenses outpaced the rise in farm cash receipts. The decrease in 2022 followed a 50.8% gain in 2021 and a 79.1% increase in 2020. Excluding cannabis, realized net income in 2022 was down 8.3% to \$12.7 billion.

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

**Chart 1**  
**Expenses-to-receipts ratio rises from recent lows, Canada, 2012 to 2022**

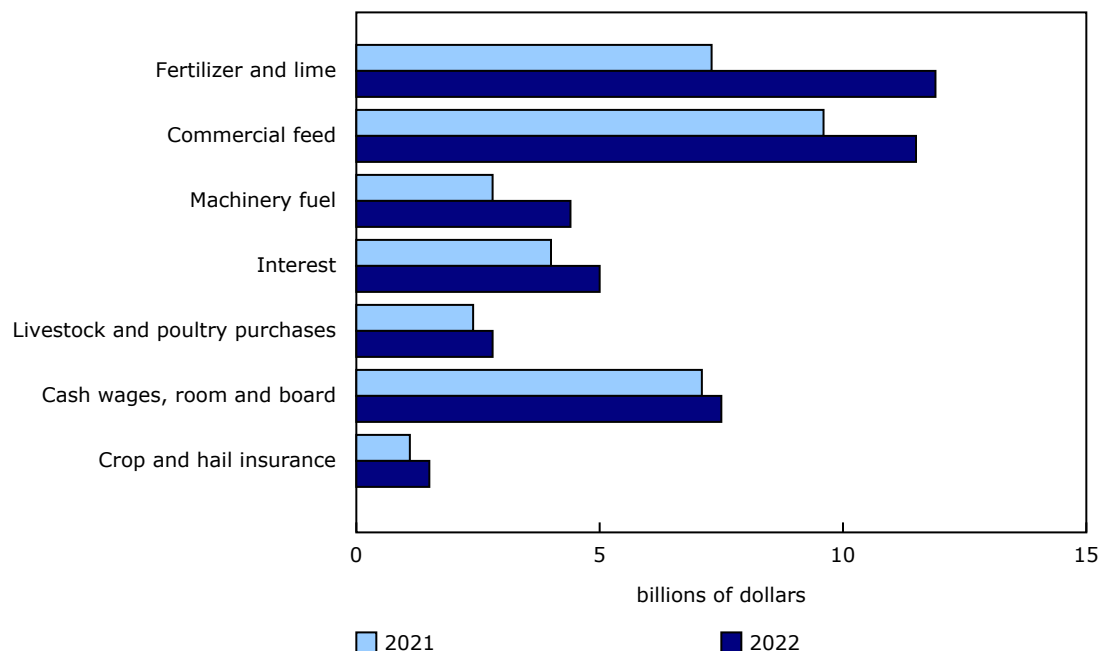


**Note(s):** Expenses / total cash receipts = Operating expenses after rebates / total cash receipts. (Expenses + depreciation) / (total cash receipts + income in kind) = (Operating expenses after rebates + depreciation) / (total cash receipts + income in kind).

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

In 2022, total farm cash receipts increased by 14.8% compared with 2021. Higher prices resulted in Canadian farmers receiving higher revenue for both crops (+\$7.2 billion) and livestock (+\$3.6 billion) in 2022. However, a 21.2% increase in total expenses ultimately pushed realized net income lower. Farmers faced higher costs for key agricultural inputs, including fertilizer, feed and fuel.

**Chart 2**  
**Rising fertilizer, commercial feed and machinery fuel costs push expenses higher, Canada, 2021 and 2022**



Source(s): Table 32-10-0049-01.

Saskatchewan (\$4.5 billion) had the highest realized net income in 2022, followed by Alberta (\$3.3 billion) and Ontario (\$2.3 billion).

### Higher prices result in increased farm cash receipts

Farm cash receipts, which include crop and livestock revenues as well as program payments, rose 14.8% to \$95.0 billion in 2022, the second straight year of strong year-over-year growth (+14.7% in 2021). Broad gains in commodity prices helped push receipts higher. In 2022, most crop prices continued their upward trend seen since the beginning of the COVID-19 pandemic, while livestock prices built on the gains made in 2021. The 2021 drought in Western Canada also led to increased crop insurance payments in 2022.

Farm cash receipts were up in all provinces. Alberta (+\$3.6 billion) posted the largest increase, followed by Ontario (+\$2.9 billion).

### Higher wheat and canola prices drive the rise in crop receipts

In 2022, crop revenues rose 15.4% to \$54.1 billion on the second straight year of higher average prices for all major grain and oilseed commodities. The increase in crop receipts in 2022 followed a 10.9% gain in 2021 and a 15.2% rise in 2020.

Domestic crop prices rose in 2022 in response to low opening inventories for the year following the drought in Western Canada in 2021 and two years of strong export demand. Crop prices were also supported by increased demand for livestock feed, as the drought caused pastures in Western Canada to suffer.

Farm cash receipts for wheat (excluding durum) increased by 28.8% in 2022 to \$9.3 billion. Prices rose 41.7%, while marketings fell 9.1%. After the 2021 drought, opening stocks for wheat (excluding durum) in 2022 were at their lowest level since 2008, hence the drop in marketings. Canada's quantity of wheat (excluding durum) exports to the rest of the world fell 10.1% in 2022 relative to the previous year. However, the value of these exports rose 25.6%.

Canola receipts increased by 13.4% to \$13.7 billion. Canola prices rose 38.9% from their average 2021 level, more than offsetting the 18.4% decline in marketings. Opening stocks of canola in 2022 were at their lowest level since 2013. Tight supplies led the domestic crush of canola seed to fall for the second straight year and the quantity of exports to decrease 31.1%.

Together, the increase in wheat (excluding durum) and canola receipts accounted for slightly more than half of the growth in crop receipts. Soybeans and corn for grain also posted significant gains from 2021.

Excluding cannabis, crop receipts increased by 16.1% to \$51.1 billion.

### **Strength in cattle markets drives the rise in livestock receipts**

In 2022, livestock receipts climbed 12.1% to \$33.6 billion on gains across the cattle, dairy, poultry and hog sectors. This increase in livestock receipts followed a 13.3% gain in 2021 and a 0.5% drop in 2020, when the pandemic disrupted the meat processing supply chain.

Cattle receipts increased by 16.5% to \$10.8 billion, primarily because of a rise in slaughter cattle receipts (+15.7%). The number of cattle slaughtered in Canada reached its highest level since 2008. The cost of feed grains rose in 2022 because of the previous year's drought, which put pressure on feed costs for livestock farmers. Slaughter numbers increased, as farmers facing high input costs were forced to reduce the size of their herds.

The supply-managed sector, which accounted for just over two-fifths of total livestock receipts, saw receipts grow 12.7% to \$14.1 billion in 2022. An 11.4% rise in dairy (unprocessed milk from bovine) receipts to \$8.2 billion accounted for just over half of the increase. Unprocessed milk prices rose 11.3% in 2022 in response to the rising cost of production for dairy farmers. Despite challenges posed by the avian influenza virus, poultry receipts were up 13.8% compared with 2021.

In 2022, price increases helped hog receipts climb 4.4% to \$6.5 billion. Prices rose 5.6% for the year, while marketings fell 1.2%. Much of the gain in hog receipts was because of increased domestic slaughter, as capacity in Quebec, Canada's top hog processing province, returned to normal following labour disruptions in 2021.

### **Drought-related payments continue in 2022**

In 2022, total direct payments to Canadian producers increased by 23.6%, reaching a total of \$7.3 billion. This gain followed a 71.8% increase in 2021 and a 10.8% rise in 2020. In 2022, more than four-fifths of the increase in total direct program payments was attributed to higher crop insurance payments in Alberta, Saskatchewan and Manitoba, where losses related to the 2021 drought continued to trigger payments.

Direct payments rose 137.6% in Prince Edward Island, as farmers faced an export ban because of the potato wart fungus.

### **Prices continue to rise for fertilizer, feed and fuel**

In 2022, total farm operating expenses (after rebates) increased by 21.2% to \$72.5 billion. This was the largest gain since 1974 (+22.0%) and outpaced the previous year's increase (+9.6%).

Fertilizer expenses for Canadian farmers increased by 61.5% to \$11.9 billion in 2022. Fertilizer prices began to escalate in early 2021 and have continued to rise since then. Russia's invasion of Ukraine added more pressure to fertilizer markets already stressed by natural disasters and high natural gas prices. In response to the invasion, Canada applied sanctions that included a 35% tariff on most goods coming from Russia, including fertilizers.

Commercial feed expenses for livestock producers increased by 20.6% to \$11.5 billion in 2022. The 2021 drought in Western Canada caused pastures to suffer and limited the amount of hay and grain feed that could be stored on farms or purchased from other producers. Alberta, home to many of Canada's largest feedlots, imported record amounts of corn in 2022.

Machinery fuel expenses increased by 58.6% to \$4.4 billion in 2022. Fuel prices began to rise in 2021, as economies around the world opened after taking measures to curb the spread of COVID-19. In 2022, fuel prices were supported by supply chain disruptions influenced by sanctions imposed on Russia because of its invasion of Ukraine.

In 2022, total farm expenses (after rebates), which include operating expenses and depreciation charges, increased by 19.7% to \$82.6 billion, as depreciation charges rose 9.5%. Total farm expenses were up in every province.

## Higher inventories boost total net income

Total net income increased by \$15.2 billion to \$21.3 billion in 2022. The three Prairie provinces saw large total net income increases, while all other provinces declined. A combination of high commodity prices and the recovery of inventory levels following the 2021 drought led to the increases in the Prairies.

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.

Excluding cannabis, total net income increased by \$15.3 billion to \$21.5 billion.

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

	2021 <sup>r</sup>	2022 <sup>p</sup>	2021 to 2022
	millions of dollars		% change
+ Total farm cash receipts including payments	82,778	95,027	14.8
- Total operating expenses after rebates	59,836	72,535	21.2
= Net cash income	22,942	22,492	-2.0
+ Income-in-kind	63	69	9.7
- Depreciation	9,189	10,065	9.5
= Realized net income	13,816	12,496	-9.5
+ Value of inventory change	-7,733	8,771	...
= Total net income	6,083	21,267	...

<sup>r</sup> revised

<sup>p</sup> preliminary

... 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>2021<sup>r</sup></b>						
+ Total farm cash receipts including payments	82,778	141	532	650	963	11,113
- Total operating expenses after rebates	59,836	145	488	625	761	8,754
= Net cash income	22,942	-4	44	25	201	2,360
+ Income-in-kind	63	0	0	1	1	15
- Depreciation	9,189	16	61	84	86	1,186
= Realized net income	13,816	-20	-16	-58	117	1,188
+ Value of inventory change	-7,733	3	113	5	49	91
= Total net income	6,083	-17	97	-52	166	1,279
<b>2022<sup>p</sup></b>						
+ Total farm cash receipts including payments	95,027	157	728	738	1,142	12,733
- Total operating expenses after rebates	72,535	169	598	725	929	10,413
= Net cash income	22,492	-12	130	13	213	2,319
+ Income-in-kind	69	0	0	1	1	17
- Depreciation	10,065	17	67	90	93	1,327
= Realized net income	12,496	-29	63	-75	121	1,009
+ Value of inventory change	8,771	1	-39	-1	5	96
= Total net income	21,267	-28	24	-76	126	1,105
	Canada	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
millions of dollars						
<b>2021<sup>r</sup></b>						
+ Total farm cash receipts including payments	82,778	18,806	8,494	19,222	18,684	4,172
- Total operating expenses after rebates	59,836	14,565	5,946	11,523	13,297	3,732
= Net cash income	22,942	4,241	2,548	7,699	5,387	440
+ Income-in-kind	63	13	6	7	13	6
- Depreciation	9,189	2,055	863	2,100	2,184	554
= Realized net income	13,816	2,198	1,691	5,606	3,216	-108
+ Value of inventory change	-7,733	106	-885	-4,906	-2,328	20
= Total net income	6,083	2,304	806	700	888	-88
<b>2022<sup>p</sup></b>						
+ Total farm cash receipts including payments	95,027	21,671	9,749	21,161	22,253	4,696
- Total operating expenses after rebates	72,535	17,115	7,225	14,406	16,576	4,379
= Net cash income	22,492	4,556	2,524	6,755	5,677	317
+ Income-in-kind	69	15	6	8	12	7
- Depreciation	10,065	2,283	926	2,259	2,390	612
= Realized net income	12,496	2,288	1,604	4,504	3,299	-288
+ Value of inventory change	8,771	-103	1,207	4,807	2,795	2
= Total net income	21,267	2,185	2,811	9,311	6,094	-286

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**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 mix 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 to measure the performance of the overall Canadian economy. They are measures of farm business income, not farm household income.

The decrease in the realized net income when excluding the cannabis sector is the result of the latter having a negative realized income, expenses being higher than revenues.

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 the year prior to the reference period are also subject to revision.

Additional financial data for 2022, 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.

A summary set of farm income components excluding cannabis-related receipts and expenses is available by request for 2021 and 2022. For confidentiality reasons, the 2021 and 2022 non-cannabis estimates for Newfoundland and Labrador and Prince Edward Island are not available.

As a result of the release of data from the 2021 Census of Agriculture on May 11, 2022, 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 12 months.

For details on farm cash receipts for the first quarter of 2023, see the "[Farm cash receipts](#)" release in today's Daily.

For the latest information on the Census of Agriculture, visit the [Census of Agriculture](#) portal.

For more information on agriculture and food, visit the [Agriculture and food statistics](#) portal.

**Available tables:** [32-10-0045-01](#), [32-10-0047-01](#), [32-10-0049-01](#) 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](#), [5214](#), [5227](#) and [5229](#).

The interactive data visualization tool "[Net farm income, by province](#)," is available on the Statistics Canada website.

The [Agriculture and food statistics](#) portal, accessible from the *Subjects* module of the Statistics Canada website, provides users a single point of access to a wide variety of information related to agriculture and food.

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 ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).