

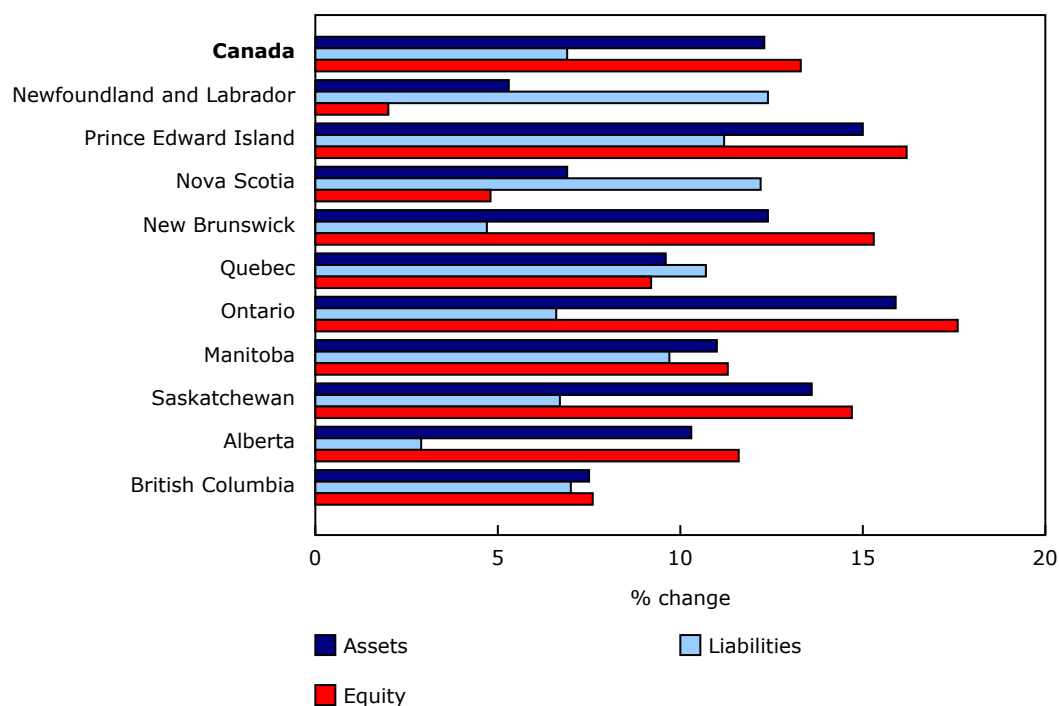
Balance sheet of the agricultural sector, December 31, 2022

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The value of equity in Canada's farm sector totalled \$706.9 billion as of December 31, 2022, up by \$83.0 billion (+13.3%) from the same date a year earlier. This was the largest percentage increase in farm equity since the beginning of this series in 1981. Every province reported increases in farm equity, ranging from 17.6% in Ontario to 2.0% in Newfoundland and Labrador. Gains in equity in Ontario accounted for more than one-third of the national increase.

Chart 1

Year-over-year percentage change in the value of total assets, total liabilities and equity, 2021 to 2022



Source(s): Table 32-10-0056-01.

Total asset values increase on continued appreciation of farm real estate

The value of total assets increased by \$91.5 billion (+12.3%) to \$837.9 billion as of December 31, 2022. More than four-fifths of the increase in the value of total assets came from gains in farm real estate, up \$76.1 billion (+13.2%). The value of farm real estate rose in every province, led by Ontario, which saw an increase of \$31.2 billion (+18.4%) to \$201.1 billion. In 2022, the Farm Credit Canada Farmland Values Report showed that average farmland values recorded their highest percentage increase since 2014. Farmland values rose despite rising interest rates and were supported by higher commodity prices and a limited supply of farmland for sale.



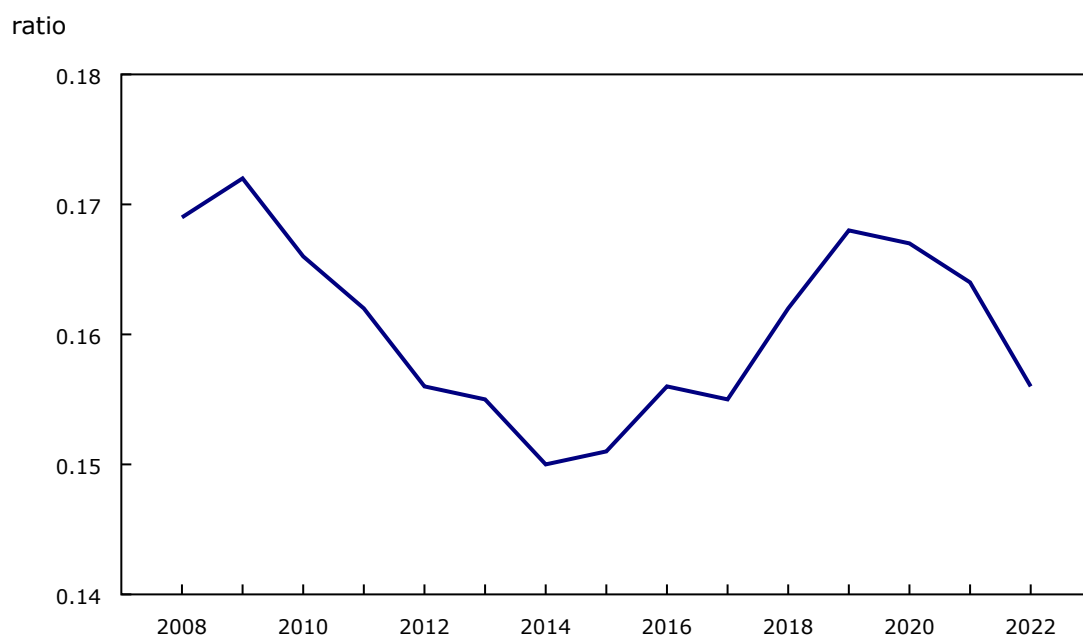
Values of crop inventories increased by \$8.6 billion (+41.3%) to \$29.5 billion, the largest annual percentage increase in crop inventory values ever recorded. The increase in the value of crop inventories was attributable to [higher prices for most principal field crops](#) and [improved yields](#) as a result of better growing conditions in 2022, leading to higher end of year stocks. Except for Nova Scotia, which was down 1.8%, all other provinces posted gains in crop inventory values.

Poultry and market livestock inventory values increased by \$1.7 billion (+18.2%) to \$11.0 billion due to higher prices for market cattle. All provinces reported gains in poultry and market livestock inventory values, with Saskatchewan (+24.1%), Ontario (+18.4%) and Alberta (+18.3%) accounting for more than three-quarters of the national increase. Higher export demand supported prices for market cattle.

Total liabilities continue to increase

The value of total liabilities rose \$8.5 billion (+6.9%) to \$131.1 billion as of December 31, 2022. Almost all of the increase in total liabilities was from a \$8.2 billion increase in long-term liabilities. Total liabilities increased in every province, with Quebec (+10.7%), Saskatchewan (+6.7%) and Ontario (+6.6%) accounting for over two-thirds of the national increase.

Chart 2 Solvency ratio—debt, Canada, 2008 to 2022



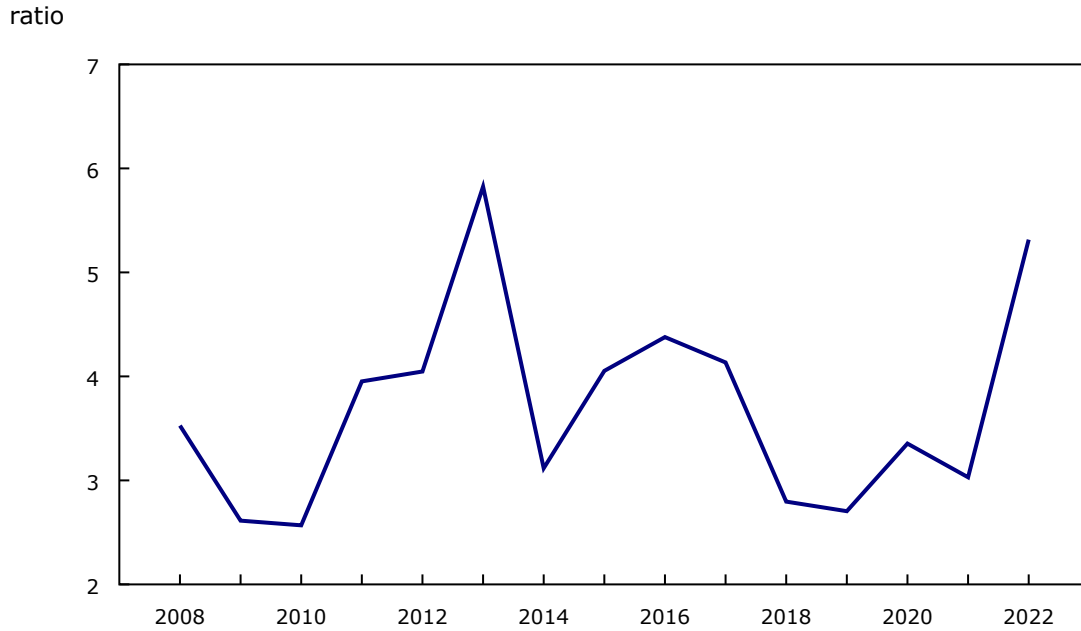
Note(s): The debt ratio is calculated as total liabilities divided by total assets.

Source(s): Table [32-10-0056-01](#).

Interest coverage ratio rises to highest level since 2013

The interest coverage ratio, which measures the ability of the farm business to meet its interest payments (net income before taxes plus interest expense, divided by interest expense) rose from 3.03 in 2021 to 5.32 in 2022. This was the highest ratio since 2013, when it was 5.83. A high interest coverage ratio indicates a stronger ability of businesses to repay their debt commitments. Improvement in the ratio occurred despite interest rate increases in 2022 and was driven by increased total net income, the result of higher crop production and year-end inventories in 2022.

Chart 3
Efficiency ratio—interest coverage, Canada, 2008 to 2022



Source(s): Table [32-10-0056-01](#).

Note to readers

The balance sheet of the agricultural sector provides the value of farm assets used in agricultural production, the liabilities associated with these assets and the farm sector equity as of December 31 for Canada and the provinces.

Assets and liabilities in the agriculture sector's balance sheet include those of farm businesses and non-operator landlords (for farm real estate assets leased to farm operators and the corresponding liabilities) and exclude the personal portion of farm households. This most closely reflects the assets and liabilities used in agricultural production.

The balance sheet of the agricultural sector integrates data already produced by Statistics Canada, such as farm debt, value of farm capital, livestock and crop estimates, farm product prices, and selected data from the Farm Financial Survey. These data are subject to revision.

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 nine months.

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: table [32-10-0056-01](#).

Definitions, data sources and methods: survey number [5029](#).

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) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).