

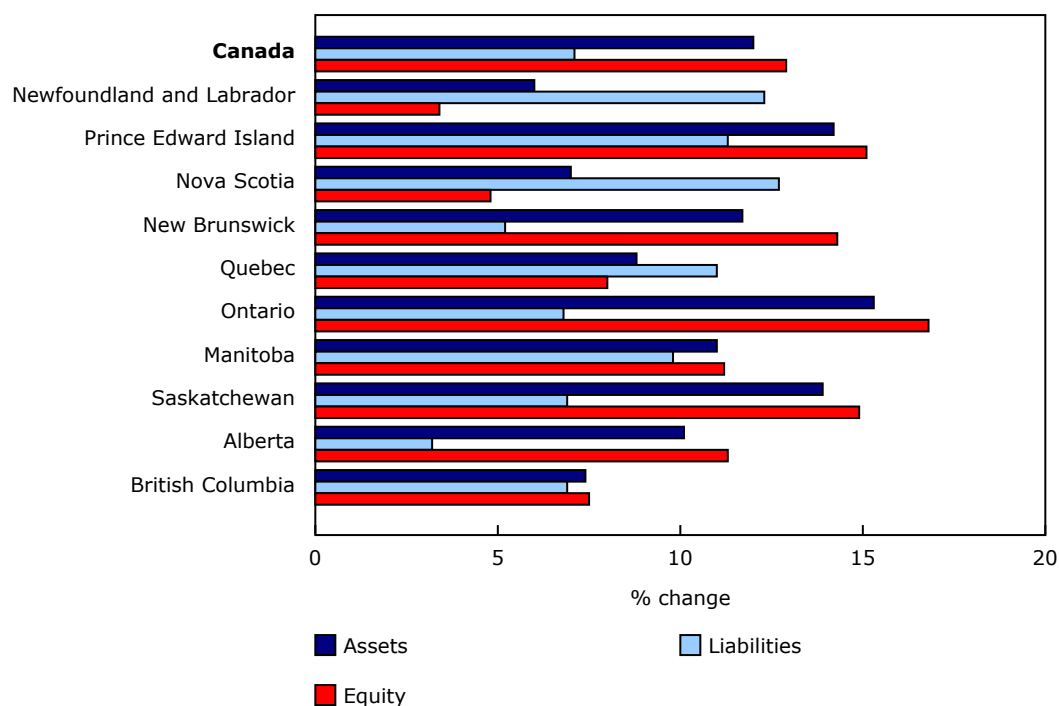
Balance sheet of the agricultural sector, December 31, 2022 (revised data)

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, February 15, 2024

The value of equity in Canada's farm sector totalled \$729.9 billion as of December 31, 2022, up by \$83.6 billion (+12.9%) from the same date a year earlier. This was the largest percentage increase in farm equity since the beginning of the series in 1981. Every province reported growth in farm equity, ranging from 3.4% in Newfoundland and Labrador to 16.8% in Ontario. Equity gains 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 rise on continued appreciation of farm real estate

The value of total assets grew by \$92.3 billion (+12.0%) to \$861.5 billion as of December 31, 2022. More than four-fifths of the growth came from gains in farm real estate, up \$76.4 billion (+12.8%). The value of farm real estate rose in every province, led by Ontario, where it rose by \$30.9 billion (+17.7%) to \$206.0 billion. In 2022, the Farm Credit Canada Farmland Values Report showed that the average farmland values recorded their highest percentage increase since 2014. Farmland values grew despite rising interest rates and were supported by higher commodity prices and a limited supply of farmland for sale.



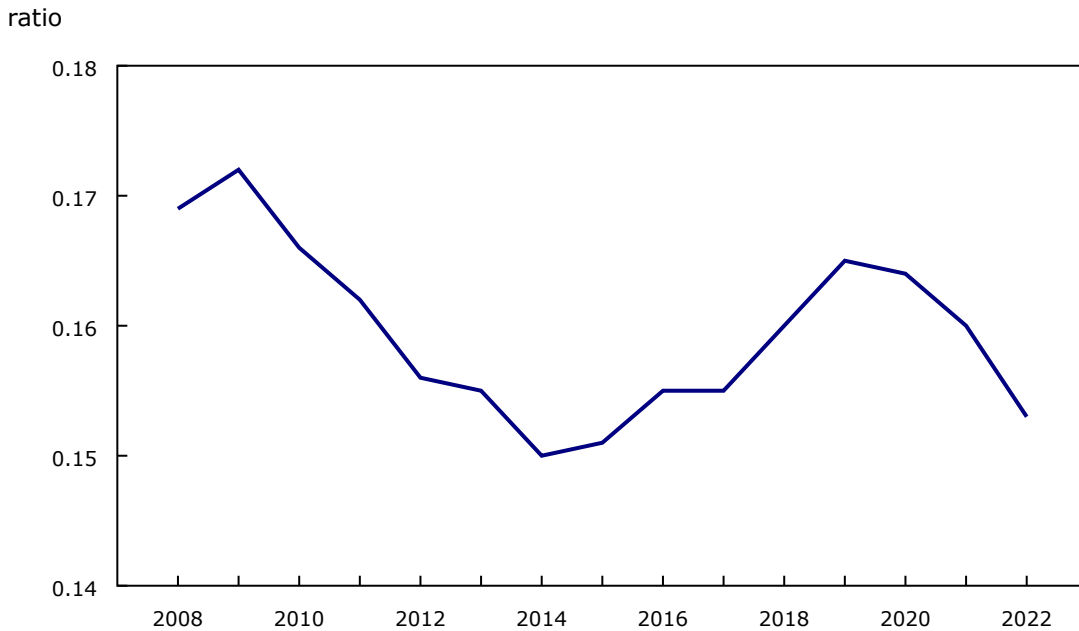
The value of crop inventories was up by \$9.3 billion (+43.6%) to \$30.7 billion as of December 31, 2022, the largest annual percentage increase recorded since the start of this series in 1981. The gain was attributable to [higher prices for most principal field crops](#), as well as [improved yields](#), which were due to better growing conditions in 2022, leading to higher end-of-year stocks for Canada.

Poultry and market livestock inventory values rose by \$1.6 billion (+17.8%) to \$10.9 billion as of December 31, 2022, on stronger prices for market cattle, which were supported by higher export demand. Every province reported gains in poultry and market livestock inventory values, with Alberta (+\$820.1 million), Ontario (+\$285.9 million) and Saskatchewan (+\$222.0 million) accounting for more than four-fifths of the national increase.

Total liabilities continue to increase

The value of total liabilities rose \$8.7 billion (+7.1%) to \$131.5 billion as of December 31, 2022. Most of the increase was due to an \$8.5 billion gain in long-term liabilities. Total liabilities increased in every province, with Quebec (+11.0%), Ontario (+6.8%) and Saskatchewan (+6.9%) accounting for over two-thirds of the national increase.

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

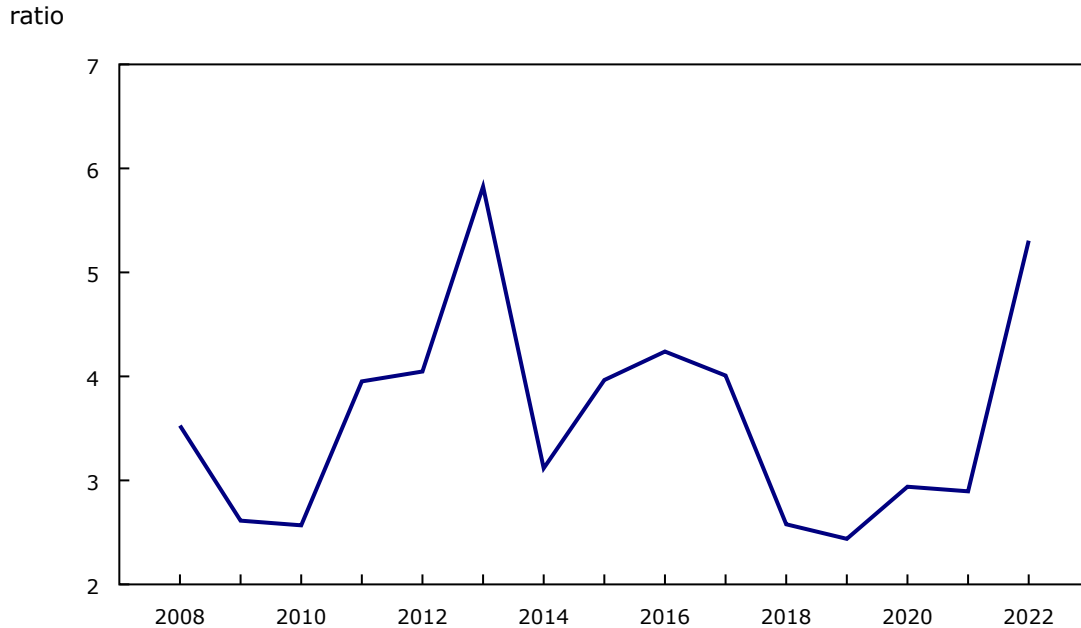


Note(s): The debt ratio is calculated as total liabilities divided by total assets.
Source(s): Table [32-10-0056-01](#).

Interest coverage ratio rises to highest level in almost a decade

The interest coverage ratio, which measures the ability of the farm business to meet its interest payments, rose from 2.895 in 2021 to 5.305 in 2022. This was the highest ratio since 2013, when it was 5.825. A higher interest coverage ratio (net income before taxes plus interest expense, divided by interest expense) indicates businesses' stronger ability to repay their debt commitments. Improvement in the ratio occurred despite interest rate increases in 2022 and was driven by a rise in total net income, which was the result of higher crop production and year-end inventories.

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



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

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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.

This release comprises the complete set of revisions resulting from the release of data from the 2021 Census of Agriculture on May 11, 2022.

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).