



STATISTICS CANADA RELEASES REVISED NET FARM INCOME AND QUARTERLY FARM CASH RECEIPTS DATA

2008 NET FARM INCOME

On November 23, 2009 Statistics Canada released revised estimates of Net Farm Income for Canada and the provinces for 2005 - 2008. *Total net farm income* measures the financial flows and stock changes of farm businesses (*net cash income* minus *depreciation* plus *income in kind* and *value of inventory change*). On Prince Edward Island total net farm income in 2008 was valued at -\$38.2 million, revised up from the preliminary estimate of -\$44.6 million. Net farm income on P.E.I. for 2007 was -\$22.1 million, revised down from the previous estimate of -\$16.9 million.

The value of realized net income in 2008, which also allows for depreciation and income-in-kind, decreased from \$3.4 million in 2007 to -\$12.2 million in 2008. The detailed results for Canada and Prince Edward Island are presented Table 1.

Net cash income in 2008 was valued at \$28.5 million, a decrease of \$14.4 million over the previous year. The decrease in net cash income resulted from a \$10.1 million rise in total farm cash receipts (including government payments) together with a \$24.5 million increase in total operating expenses after rebates.

Table 1. NET FARM INCOME, CANADA AND P.E.I., 2006 – 2008

Item:	2006		2007		2008	
	Canada	PEI	Canada	PEI	Canada	PEI
	(thousands \$)		(thousands \$)		(thousands \$)	
+ Total farm cash receipts incl. payments	\$36,954,824	\$376,985	\$40,745,494	\$382,645	\$45,973,332	\$392,779
- Total operating expenses after rebates	\$31,202,220	\$323,375	\$33,787,125	\$339,754	\$37,209,938	\$364,299
= Net cash Income	\$5,752,604	\$53,610	\$6,958,369	\$42,891	\$8,763,394	\$28,480
+ Income-in-kind	\$44,984	\$460	\$40,652	\$588	\$40,409	\$518
- Depreciation	\$4,849,596	\$41,465	\$5,011,742	\$40,051	\$5,242,884	\$41,190
= Realized Net Income	\$947,992	\$12,605	\$1,987,279	\$3,428	\$3,560,919	-\$12,192
+ Value of inventory change	-\$807,933	\$27,384	-\$1,011,066	-\$25,502	\$3,043,801	-\$26,002
= Total Net Income	\$140,059	\$39,989	\$976,213	-\$22,074	\$6,604,720	-\$38,194

Source: Statistics Canada

THIRD QUARTER 2009 FARM CASH RECEIPTS

Statistics Canada also released preliminary estimates of farm cash receipts for Canada and the provinces for the third quarter of 2009. Prince Edward Island's farm cash receipts for the first three quarters of 2009 totalled \$278.8 million, up 6.8 per cent from the same period of 2008. This was the second highest percentage increase in the country and one of only three provinces to show an increase in farm cash receipts over this period. A 14.9 per cent increase in potato receipts was the major contributing factor.

Nationally, farm cash receipts totalled \$32.8 billion in the first three quarters of 2009, down \$1.4 billion, or 4.2 per cent, from the same period in 2008. Despite strong demand, crop receipts fell by 1.4 per cent over this period as a result of a drop in grain and oilseed prices. Livestock receipts fell by 2.8 per cent to \$13.5 billion over this period. Factors such as the strong Canadian dollar, concerns about the H1N1 flu virus, and U.S. Country of Origin Labeling legislation resulted in a decline in U.S. demand for live animals. Farmers received \$2.4 billion in program payments during the first nine months of 2009, down 24.5 per cent from the same period the previous year. National and provincial farm cash receipts for the first nine months of 2009 and comparable data for 2008 are presented in Table 2.

Table 2. NATIONAL AND PROVINCIAL FARM CASH RECEIPTS

Province:	January to September 2008	January to September 2009	Jan-Sep. 2008 To Jan-Sep. 2009
	\$ millions		% change
Canada	34,176	32,758	-4.2%
Newfoundland and Labrador	82	79	-4.5%
Prince Edward Island	279	298	6.8%
Nova Scotia	350	334	-4.6%
New Brunswick	346	370	6.9%
Quebec	5,452	5,508	1.0%
Ontario	7,423	6,768	-8.8%
Manitoba	3,624	3,623	0.0%
Saskatchewan	7,045	6,746	-4.3%
Alberta	7,756	7,239	-6.7%
British Columbia	1,818	1,793	-1.4%

Source: Statistics Canada.

P.E.I. HIGHLIGHTS (see Table 3)

Crops

- Higher farm cash receipts during the first 3 quarters of 2009 were a result of an increase in potato receipts.
- Potato receipts increased from \$137.8 million in the first 3 quarters of 2008 to \$158.3 million during the same period in 2009, an increase of 14.9 per cent.
- Other crop receipts totalled \$23.4 million in the first 3 quarters of 2009, a decrease of 8.9 per cent over the same period 2008.

Livestock

- Livestock receipts during the first three quarters of 2009 totalled \$90.8 million, a 1.2 per cent increase compared to the same period in 2008.
- Cattle receipts increased by 21.6 per cent to value \$16.5 million.
- Hog receipts continued to fall, declining by 37.4 per cent to total \$7.8 million. This was the lowest value for hog receipts for the first three quarters of the year since 1974.
- Dairy product receipts for the first three quarters of 2009 totalled \$53.2 million, an increase of 6.5 per cent over the same period in 2008.

Support payments

- Government payments and support to farmers totalled \$25.1 million, decreasing by 1.8 per cent during the first three quarters of 2009 compared to the first three quarters of 2007.
- Combined crop and livestock receipts net of government support payments increased by 7.6 per cent.

Table 3. QUARTERLY FARM CASH RECEIPTS, P.E.I.

Item:	Farm Cash Receipts		
	Q1-Q3 2008 (\$ '000s)	Q1-Q3 2009 (\$ '000s)	Percentage change
Crops	\$163,510	\$181,707	11.1
<i>Potatoes</i>	\$137,800	\$158,297	14.9
<i>Other crops</i>	\$25,710	\$23,410	-8.9
Livestock	\$89,706	\$90,807	1.2
<i>Cattle</i>	\$13,613	\$16,549	21.6
<i>Hogs</i>	\$12,466	\$7,801	-37.4
<i>Dairy</i>	\$49,995	\$53,222	6.5
<i>Other</i>	\$13,632	\$13,235	-2.9
Total direct payments	\$25,564	\$25,110	-1.8
Total Receipts	\$278,780	\$297,624	6.8

Source: Statistics Canada

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