

Estimates place farm net income for 1961 at \$1,006,000,000, about 24 p.c. below the estimate of \$1,358,400,000 for 1960, and the lowest since 1957 when total farm net income was estimated at \$1,058,300,000. Although farm cash income from farm operations reached an all-time high, farm operating expenses continued to rise and farm inventories of grains dropped drastically as a result of the significant decline in crop production in Western Canada.

Subsection 1.—Cash Income from the Sale of Farm Products, 1960

During 1960, Canadian farmers received \$2,783,000,000 from the sale of farm products, participation payments on previous years' grain crops, net cash advances on farm-stored grains, and deficiency payments made under the farm prices support program. This was less than 1 p.c. below the figure of \$2,789,300,000 for 1959.

On a commodity basis, the more important reductions in farm cash income during 1960, relative to 1959, were recorded for barley, flaxseed and hogs. On the other hand, the more important gains were realized from the sale of wheat, potatoes, fruits, vegetables, tobacco, cattle and dairy products, and from a substantial increase in cash advances on farm-stored grains in Western Canada. In addition to the cash returns, farmers in the Prairie Provinces received about \$77,000,000 under the provisions of the Prairie Farm Assistance Act, the Western Grain Producers' Acreage Payment Regulations and the federal-provincial emergency unthreshed grain assistance policy; in the previous year, farmers received approximately \$22,000,000, most of it under the provisions of the Prairie Farm Assistance Act. When these payments are added to the cash returns from sales, cash advances on farm-stored grains, and participation and deficiency payments, total cash returns to farmers from their farming operations amounted to \$2,860,200,000 as compared with \$2,811,400,000 in 1959.

Field Crops.—Farmers' cash returns from the sale of field crops were estimated at \$1,056,400,000 for 1960, slightly more than 3 p.c. above the estimate of \$1,023,500,000 for 1959. Contributing most to this gain was higher income from the sale of wheat, potatoes, vegetables, fruits, tobacco and a substantial increase in cash advances on farm-stored grains in Western Canada. A somewhat smaller contribution was made by oats. Higher marketings of wheat and oats more than offset slightly lower average prices; heavier marketings and a substantial gain in average prices increased the income from the sale of potatoes; and a record crop of tobacco in Ontario was reflected in higher returns to farmers from this crop. Partially offsetting these increases was a significant drop in returns from the sale of barley resulting entirely from reduced marketings. More moderate declines were noted for flaxseed and rye, as well as for the participation payments made by the Canadian Wheat Board.

Livestock and Livestock Products.—Estimated at \$1,681,500,000, farmers' income from the sale of livestock and livestock products during 1960 was about 2.5 p.c. below the 1959 level of \$1,726,500,000, attributed entirely to reduced returns from the sale of hogs, eggs and poultry. The average price of hogs for the year 1960 was virtually unchanged from that of the previous year but marketings were down substantially; egg prices averaged slightly higher than in 1959 but marketings were smaller; and production of poultry meat declined more than enough to offset fractionally higher prices for fowl and chickens and substantially higher prices for turkeys.

Returns from cattle and calves in 1960 were estimated at \$561,400,000, nearly \$10,000,000 more than in 1959; although average prices were below the 1959 levels, marketings were up. Prices of dairy products were down slightly but production was up sufficiently to provide a total cash income from this item of \$518,900,000 as against \$514,200,000 for 1959.