

are estimated to amount to more than \$70,000,000 annually. The major sources of long-term credit extended to farmers are federal and provincial government agencies and individuals. Loans approved by the federal Farm Credit Corporation in the year ended Mar. 31, 1964 exceeded \$108,000,000. Loans of intermediate-term length may be obtained by farmers from a number of sources but are mainly received through the chartered banks under the Farm Improvement Loans Act; lendings under that Act reached a total of \$136,000,000 in 1963, about three quarters of which went into the purchase of equipment. Short-term credit, mainly for production expenses, constitutes the largest volume of farm borrowings and is the most expensive. The chartered banks, farm machinery dealers, feed and fertilizer firms, credit unions and oil companies are all important sources of short-term farm credit.

**Commercial Farming and Specialization.**—While the individually owned and operated farm is still the predominant form of farming in Canada and is likely to remain so for most farm enterprises, there has been a notable trend toward specialization and commercial development, particularly in the more densely populated areas, and farms generally have progressed a long way from the subsistence organization of pioneer days or even the stage of development reached in the immediate prewar days.

There are various yardsticks for measuring specialization and commercialization in farming, all of them showing in one way or another that farmers have substituted capital for labour and also have increased the size of their business. Changes taking place over the decade 1951-61 were recorded by the census, and perhaps the most significant indication of the trend was in the decreasing proportion of farms found by the census to be in the "mixed farming" classification, which included those farms with no predominant enterprise such as dairying or wheat growing. Such farms constituted 18 p.c. of all commercial farms (farms with sales of \$1,200 or more) in 1951 but only 12 p.c. in 1961.

The increase in the average capital investment per farm, even after allowing for rising prices and appreciating land values, is another measure of the commercial development of agriculture. In 1951, two thirds of the nation's farms had a total capital investment in real estate, machinery and livestock of less than \$10,000 but by 1961 only one fifth of all farms were in this category. In 1951, about 34,000 farms, or 5 p.c. of the total, had a capital investment of \$25,000 or over; almost 40 p.c. were in this size group in 1961.

In 1951, 62 p.c. of all farms produced \$1,200 or more worth of farm produce annually; in 1961, the proportion was 74 p.c. The decrease in numbers of farms during the decade was greatest in the group of census farms producing less than \$1,200 worth of products. The decrease in numbers of all farms was 16 p.c. but the decrease in the numbers of those producing \$1,200 or more of farm produce was 9 p.c.\*

A commercial farm is often thought of as being one with a large acreage but this is not necessarily so. A commercial farm may be of any size and there were relatively small changes from 1951 to 1961 in the size-distribution of farms with sales of \$1,200 or more. In 1951, 1.3 p.c. of all these farms were nine acres or less in size compared with 1.6 p.c. in 1961; in both years, most were in the 70-to-239-acre size group—in 1951, 45 p.c. and in 1961, 39 p.c. The farms containing more than 400 acres increased from 1 to 2 p.c. of the total in the decade. The larger Canadian farms produce the greater proportion of the total output. In 1961, farms with sales of \$5,000 or more constituted 29 p.c. of all farms and produced 71 p.c. of all sales; in 1951, the corresponding proportions were 14 p.c. and 47 p.c., respectively. In the latest census year there were 50,000 farms averaging 810 acres in size and these farms, which made up 10 p.c. of the total number, accounted for 45 p.c. of all sales.

That farms have become more specialized is indicated by the fact that in 1961 there were generally fewer enterprises on each farm and that the enterprise was larger than a decade earlier. The proportion of all farms reporting cattle was about the same in 1961 as in 1951 but the average number of cattle on those farms increased from 17 head to 32

\*Comparison made using the 1951 Census definition of a farm (see p. 496).