

exceptionally large shipments of wheat to Russia in the final quarter of the year, although increased foreign demand was widespread over many commodities.

Increases in demand were paralleled by a 7-p.c. rise, to \$32,600,000,000, in national income, in which both profits and labour income registered similar relative gains. A rise in total net income from farming operations also contributed to the increase in national income. The gain recorded for agriculture was attributable in part to higher cash receipts and income in kind but mostly to a significant build-up in farm inventories of grains in Western Canada as a result of larger crops, especially wheat, in 1963. Although farm operating expenses and depreciation charges continued to advance, the increase was insufficient to offset completely the gain in gross income.

### **Subsection 1.—Cash Income from Farming Operations, 1963**

Estimates of cash income from farming operations include data concerning cash income from the sale of farm products, Canadian Wheat Board participation payments on previous years' grain crops, net cash advances on farm-stored grains in Western Canada, deficiency payments made by the Agricultural Stabilization Board, and supplementary payments. Farm cash income from the sale of farm products includes the returns from all sales of agricultural products except those associated with direct inter-farm transfers. The prices used to value all products sold are prices to farmers at the farm level; they include any subsidies, bonuses and premiums that can be attributed to specific products, but do not include storage, transportation, processing and handling charges which are not actually received by farmers.

Cash receipts for 1963, excluding supplementary payments, were estimated at \$3,219,100,000 for Canada (excluding Newfoundland). This amount was 2.1 p.c. above the previous record of \$3,154,200,000 established in 1962. Contributing most to the increase were higher receipts from the sale of wheat, coarse grains, tobacco, and poultry and dairy products; less important contributions were made by gains in returns from the sale of potatoes and fruits and increased net cash advances on farm-stored grains in Western Canada. The more important decreases in returns were recorded for cattle, calves, hogs, flaxseed and Canadian Wheat Board payments on previous years' western grain crops. Farmers received, during 1963, \$14,800,000 in the form of supplementary payments paid out entirely under the provisions of the Prairie Farm Assistance Act. This contrasted with supplementary payments during 1962 of \$70,300,000 which included payments under the Prairie Farm Assistance Act and also payments made under the Western Grain Producers' Acreage Payment Plan. Total cash receipts for the year, including supplementary payments, amounted to \$3,233,900,000, a record high fractionally above the 1962 estimate of \$3,224,600,000.

**Field Crops.**—During 1963 farmers realized an estimated \$1,316,300,000 from the sale of field crops, cash advances on farm-stored grain in Western Canada, and Canadian Wheat Board payments. The increase of nearly 7 p.c. over the \$1,233,200,000 realized in 1962 resulted mainly from substantially higher income from the sale of wheat, coarse grains and tobacco. Income from field crops accounted for 40.9 p.c. of the farm cash income for 1963, excluding supplementary payments.

Income realized by farmers from wheat, at time of delivery, amounted to \$599,300,000 compared with \$527,100,000 in 1962. This gain of \$72,000,000 was the largest recorded in 1963 for any single item included in farm cash income and was attributable entirely to larger marketings. Marketings of oats and barley in 1963 exceeded those of 1962 by about 40 p.c., and accounted for the significant increase in the returns from these grains—from \$85,800,000 to \$114,100,000. The second highest increase recorded for a field crop item in 1963 was that for tobacco; total receipts to producers were \$114,200,000, compared with \$96,500,000 in 1962, most of the gain accruing to Ontario. This situation was largely a result of marketing problems that developed in the fall of 1962 and necessitated the marketing, in the early months of 1963, of that part of the 1962 crop which normally would have been sold before the end of that year.