

6.—Net Income of Farm Operators from Farming Operations, by Item and by Province, 1962-65

(Exclusive of Newfoundland)

NOTE.—Includes estimated rental value of farm homes, supplementary payments made under the provisions of the Prairie Farm Assistance Act and payments under the Western Grain Producers' Acreage Payment Regulations.

Item and Province	1962	1963	1964	1965
Item	\$'000	\$'000	\$'000	\$'000
1. Cash receipts from farming operations.....	3,101,788	3,198,053	3,488,188	3,775,750
2. Income in kind.....	360,189	375,070	396,431	432,839
3. Supplementary payments.....	70,313	14,769	8,477	28,345
4. Realized gross income (Items 1+2+3).....	3,532,290	3,588,792	3,893,096	4,236,934
5. Operating and depreciation charges.....	2,228,152	2,377,044	2,485,311	2,641,140
6. Realized net income (Items 4-5).....	1,304,138	1,211,748	1,407,785	1,595,794
7. Value of inventory changes.....	187,498	289,942	-94,587	64,496
8. Total gross income (Items 4+7).....	3,719,788	3,878,734	3,798,509	4,301,430
Totals, Net Income (Items 8-5).....	1,491,636	1,561,690	1,313,188	1,660,290
Province				
Prince Edward Island.....	6,726	7,827	12,917	15,268
Nova Scotia.....	18,512	18,525	16,120	18,418
New Brunswick.....	11,701	11,093	16,875	21,820
Quebec.....	161,313	146,200	139,852	161,959
Ontario.....	237,893	315,059	314,115	369,076
Manitoba.....	162,146	106,932	156,755	164,628
Saskatchewan.....	453,503	541,435	338,448	527,594
Alberta.....	270,471	285,161	247,175	312,408
British Columbia.....	69,381	69,458	71,040	69,019

Subsection 2.—Volume of Agricultural Production

The index of physical volume of agricultural production for Canada established a high of 166.3 in 1965 (1949 = 100), a point 9.8 p.c. above the estimate for 1964 and 2.1 p.c. above the previous record set in 1963. The increase in 1965 over 1964 can be attributed for the most part to a higher production of grains, cattle and poultry meat which more than offset a reduction in the output of hogs. The index was higher than in 1964 for all provinces except Prince Edward Island and New Brunswick. In Prince Edward Island, a lower production of potatoes and eggs more than outweighed moderate increases in cattle and hogs. In New Brunswick, lower production of potatoes and a cut in the output of hogs and eggs more than offset an increase in poultry meat.

In the Prairie Provinces the substantial increases reflected larger grain crops and higher cattle production which more than compensated for some reduction in hogs and poultry products; in Quebec, production of cattle, hogs and potatoes was down but poultry products and fruits were up; in Ontario, production was up for all commodities except calves, hogs, eggs and fruits; in Nova Scotia the over-all increase was attributable mainly to a higher output of poultry products and fruits; in British Columbia, potatoes, cattle and poultry products were up but not quite enough to offset decreases in hogs and fruits.

The index of physical volume of agricultural production is a measure of unduplicated gross farm production. In its construction, provision has been made to avoid double counting of farm output. Within a province, such double counting occurs when feed grains, credited to field crop production, are fed to livestock, and appear later as livestock and livestock products. Interprovincially, this duplication occurs when feed grains produced in one province are fed in another, and when feeder cattle raised in one section of the country are shipped to another for finishing.