



participation payments on previous years' grain crops, cash advances on farm-stored grains and deferred income from the sale of grain in western Canada, deficiency payments made by the Agricultural Stabilization Board and supplementary payments. Farm cash receipts from the sale of farm products include 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.

Total cash receipts from farming operations for 1974, excluding supplementary payments, are now estimated at \$8,527 million for Canada, 26.7% above the revised value of \$6,729 million in 1973 (Table 11.1). This gain can be attributed to continued expansion in cash receipts from the sale of crop products. The most notable increases occurred in sales of western grains. Returns to livestock did not show as much strength in 1974. Although increases were recorded in receipts from dairy, poultry and eggs, it is estimated that the 1974 value of cattle and hog sales declined (Table 11.2).

Farmers also received supplementary payments amounting to \$24 million during 1974, down considerably from the \$72 million received during 1973. These payments included those made under the provisions of the Prairie Farm Assistance Act, the Lower Inventory for Tomorrow (LIFT) program, the two-price wheat program, cash grants paid to farmers in Quebec and Ontario under the rain damage program and to farmers in Alberta and British Columbia under the Western Emergency Assistance program. Total cash receipts from farming operations and supplementary payments in 1974 amounted to \$8,550 million, 25.7% above the estimate of \$6,801 million recorded in 1973.

Farm net income. Two different estimates of farm net income from farming operations are prepared by Statistics Canada. Realized net income is obtained by adding together farm cash receipts from farming operations, supplementary payments and the value of income in kind, and deducting farm operating expenses and depreciation charges. This estimate of farm net income therefore represents the amount of income from farming that operators have left for family living, personal taxes and investment. The second estimate is referred to as total net income and is obtained by adjusting realized net income to take into account changes occurring