

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 in inventories of livestock and stocks of field crops on farms between the beginning and end of the year. This estimate is used in calculating the contribution of agriculture to the income component of the system of national accounts and for making comparisons with net income of non-farm business enterprises (Table 11.3).

It is estimated that in Canada, excluding Newfoundland, realized net income of farm operators from farming operations amounted to \$3,740.8 million in 1976, a 13.4% decrease from the revised 1975 amount of \$4,320.2 million.

Contributing to this decrease was an estimated 0.5% increase in realized gross income to \$11,004.2 million in 1976 from the 1975 figure of \$10,953.6 million. This small increase in realized gross income was caused by decreases in both cash receipts and supplementary payments while income in kind increased by 11.3%.

Farm operators incurred operating expenses and depreciation charges totalling an estimated \$7,263.3 million, 9.5% above the 1975 value of \$6,633.4 million. Although expenditures on most farm input items were above the 1975 levels, some leading contributors to the increase in expenses were fuel and lubricants, electricity and telephone, property taxes and interest on farm business debt.

Total farm net income from farming operations (realized net income adjusted for inventory changes) is estimated at \$4,040.3 million for 1976. The value of inventory change during 1976 was plus \$299.5 million compared to plus \$225.4 million in 1975. This expansion in inventories was due partly to a large increase in farm stocks of crop products which was partially offset by a decrease in livestock and poultry stocks.

11.4.2 Field crops

The bulk of the Canadian grains and oilseeds (excluding corn) is grown in the three Prairie provinces and the Peace River block of British Columbia. Wheat is the most important product and is produced largely for human consumption. Oats and barley are grown primarily for use as livestock feed. Of the oilseeds, rapeseed yields edible oil and flaxseed is crushed to produce linseed oil for industry; both these crops also produce meal for livestock feed.

Prairie production of wheat usually amounts to about three times domestic consumption, so this is an export-oriented industry. The same may be said of rapeseed and flaxseed. The coarse grains on the other hand do not enter into international trade to the same extent but large quantities do leave the Prairie provinces to be used as feed in Central and Eastern Canada and British Columbia.

There are approximately 160,000 grain producers in Western Canada (Canadian Wheat Board permit holders, 1976) and the crop is sold on world markets. A high quality information system covering annual production, stocks on hand and details on movement and location of supplies is essential to the smooth functioning of the trade. It is customary, for instance, to commit supplies for delivery before harvesting the crop from which such supplies will be drawn. Statistics Canada, in co-operation with the Canadian Grain Commission, the grain trade, the provincial departments of agriculture and the Canadian farmers, plays a leading role in providing this service.

Canada's 1977 wheat crop, estimated at 19.65 million tonnes, was 20.1% below the 1976 crop of 23.59 million tonnes and 15.0% above the 1975 crop of 17.08 million tonnes. The average yield per hectare at 1.943 tonnes (0.786 tonnes an acre) was 7.9% less than the 1976 yield of 2.096 tonnes (0.848 tonnes an acre) and 7.8% more than the 1975 yield of 1.802 tonnes (0.729 tonnes an acre). The average protein content of the 1977 crop of hard spring wheat was 13.1%, higher than the 1976 level of 12.8% and the 1975 level of 13.0%.