

of \$2,732.9 million (Table 11.3). The improved situation was due mainly to an estimated 16% increase in cash receipts. The dollar value of realized net income excludes imputed house rents from the farm accounts.

Total operating expenses and depreciation charges for 1978 are estimated at \$8,693.6 million, 15.1% above the revised 1977 value of \$7,555.6 million. Leading contributors to the increase were interest payments on farm-business debt, rent, total machinery expenses, fertilizer, feed and other miscellaneous expenses.

Total farm net income from farming operations (realized net income adjusted for inventory changes) is estimated at \$3,542.8 million for 1978, a 20.3% increase from the revised 1977 level of \$2,945.6 million. The value of inventory change during 1978 was \$224.7 million, an increase of \$12.1 million from the revised 1977 estimate of \$212.6 million. Changes in crop inventories after adjustments for advances and advance repayments were positive at \$335.1 million, offsetting a negative change in the value of livestock and poultry stocks.

### 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, the most important product, 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 do not enter into international trade to the same extent but large quantities are used as feed in Central and Eastern Canada and British Columbia.

There are approximately 160,000 grain producers in Western Canada 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. Statistics Canada, in co-operation with the Canadian Grain Commission, the grain trade, provincial departments of agriculture and Canadian farmers, plays a leading role in providing this service.

### Livestock and poultry

Total number of cattle and calves in Canada at July 1, 1978 was estimated at 13.7 million head, compared to 14.7 million head at July 1, 1977. Milk cows two years and over were estimated at 1.9 million head, down 3.5%. Beef cows two years and over were estimated at 3.9 million head, down from 4.2 million.

Exports of cattle and calves in 1977 totalled 543,734, up from 477,794 in 1976. Beef exports, cold dressed carcass weight equivalent, decreased from 58 million kilograms in 1976 to 51 million in 1977. Beef imports decreased from 141 million kilograms to 87 million.

Agriculture Canada reported that the weighted average price of A1 and A2 steers over 453.6 kg at Toronto for 1977 was \$98.10 per 100 kg.

**Livestock slaughter.** Cattle slaughtered at federally inspected packing plants amounted to 3,429,810 head in 1978, down 8.8% from 3,761,419 head in 1977.

Calves slaughtered at federally inspected packing plants amounted to 494,510 head in 1978, down 23.4% from 645,591 head in 1977.

The July 1, 1978 estimate for total number of pigs in Canada excluding Newfoundland was 7.1 million, up from 6.3 million in 1977. Pigs slaughtered in federally inspected and approved plants in 1978 numbered 8.9 million, up from 8.0 million in 1977 as reported by Agriculture Canada. The weighted average price at Toronto (for index 100 hogs, dressed) in 1977 was \$1,344/tonne compared to \$1,413/tonne in 1976 and \$1,311/tonne for the 1972-76 average.

The number of sheep and lambs on farms at July 1, 1978 was estimated at 565,500, up from 543,800 in 1977. Sheep and lambs slaughtered in federally inspected packing

11.4.2

11.4.3