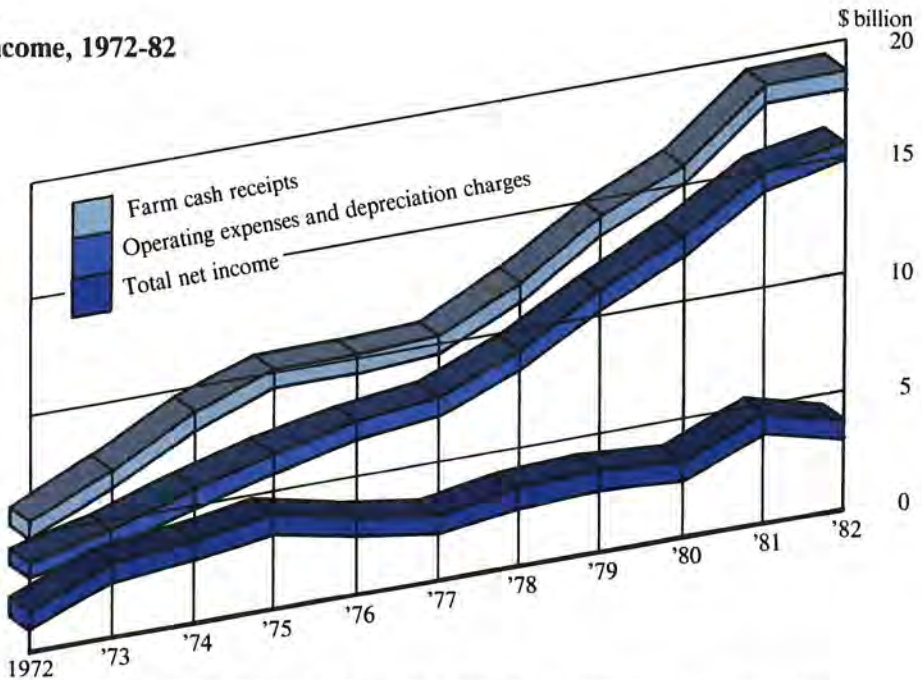


Chart 9.3
Farm income, 1972-82



* Total net income = farm cash receipts + supplementary payments + income-in-kind — operating expenses and depreciation charges + value of inventory change.

traditional growing areas. Especially in the case of grain corn, development of new hybrid varieties permitted expansion of production in non-traditional areas. The index of farm production reveals an increase of 1.9 times for all crops between 1972 and 1982.

Domestic per capita consumption of grain was generally unchanged between 1972 and 1982. Although the amount of western grain fed to livestock was fairly stable, grain corn was fed in increasingly large volumes. Approximately 80% of grain corn production is in Ontario and the expanded volume reduced the demand for western barley and imported US corn. In the 1981-82 crop year, Canada for the first time became a net exporter of grain corn. Preliminary import-export data for 1982-83 indicate, however, that Canada will again become a net importer of grain corn.

Due to a constant and relatively small domestic demand for wheat, Prairie farmers have always relied on foreign markets for wheat sales. Exports have tended to increase in line with the growing world market for wheat. For the 1981-82 crop year, exports of wheat and wheat products totalled 18.4 million tonnes, up from an average of 12.6 million tonnes for the years from 1972-73 to 1974-75. While export volumes increased over the decade, Canada's share of

the world export market for wheat declined slightly from 22.9% in 1972-73 to 17.2% in 1981-82.

Production of canola/rapeseed varied over the 1972-82 period from a low of 1.2 million tonnes to a high of 3.5 million. Price and crop rotation were factors in determining the annual level of output. During the early 1970s there was a clear transition to the seeding of low erucic acid varieties for human consumption. As the new canola varieties began to dominate production, the export demand for canola strengthened. Since 1978 Japan has typically imported more than one million tonnes of canola seed a year. Domestic consumption of canola oil has increased substantially and about one million tonnes of canola seed are now crushed annually. Canola oil has captured almost half of Canada's retail vegetable oil market and is used increasingly in the manufacture of margarine, shortening and salad oil.

Livestock receipts. Cash receipts increased from \$3.1 billion in 1972 to \$9.6 billion in 1982. Farm gate prices for livestock increased 2.5 times over the period. At the same time, input prices related to animal production increased about 2.3 times. The index of farm production also shows a slight production increase (1.1 times) over the decade.

In the domestic market, apparent per capita consumption of red meats reached a record high of