

maintained grain production in Western Canada and increased corn production in Ontario and Quebec. The latter trend, apparent since the mid-1970s, reduced demand for Prairie barley used for livestock feed by farmers in Central and Eastern Canada.

Canadian grain producers have continued to rely heavily on export markets. In 1987, approximately 86% of Prairie wheat shipments to the commercial elevator system were destined for export. Over the years 1982 to 1987, wheat exports alone ranged from 17.5 to 23.5 million metric tonnes and Canada supplied approximately 20% of the world market. Wheat exports generated \$2.8 billion to \$4.7 billion annually over the same period. All indications are that wheat, barley, canola/rapeseed and flaxseed exports will continue to make an important contribution to Canada's export earnings.

In contrast to grains, where world supply and demand are very important, production of livestock and animal products is much more dependent on domestic or North American factors. Marketings of poultry, eggs and milk are controlled by supply management, and therefore the major part of production is for domestic use. While markets for cattle and pigs are influenced by North American factors, the majority of these animals are destined for consumption within Canada.

In Canada, apparent per capita consumption of red meats, which amounted to 70.1 kg in 1987, has been relatively steady since 1982. Per capita consumption of red meats trended downward until 1981, after reaching a record high of 81.6 kg in 1976. In 1987, apparent per capita consumption of beef was 38.2 kg, comparable to levels prevalent in the late 1960s and early 1970s, while pork consumption was at 27.9 kg per capita, down from a record high of 31.3 kg in 1980.

During the 1981-87 period, per capita consumption of poultry — chicken, stewing hens and turkeys — increased 23%; most of the increase occurred between 1983 and 1987. Higher chicken consumption was the major factor in the increase, with factors such as health concerns, increased availability of chicken in fast-food outlets, and price contributing to the rise in demand. Per capita consumption of broiler chickens and heavy birds increased from 17.0 kg in 1981 to 21.7 kg in 1987. By contrast, per capita consumption of eggs decreased from 18.6 dozen in 1981 to 16.9 dozen in 1987.

The number of pigs on farms in Canada, which had decreased to a low of 5.5 million head in July 1975, climbed to a record high of 10.5 million in

July 1987. In the 1986 Census, the number of farms with pigs declined from 122,479 in 1971 to 36,472 in 1986. The average number of pigs per farm increased dramatically from 66 in 1971 to 268 in 1986, which reflected increased efficiencies and specialization on farms.

In July 1987, the number of cattle and calves on farms in Canada was estimated at 11.7 million head, down slightly from the previous year. The numbers had been declining since their July 1980 peak of 13.4 million head. However, the beef breeding herd showed some evidence of rebuilding; beef cows were up 1% and beef heifers for breeding were up 3% in July 1987, compared to the previous year. Census figures indicated that the average number of cattle and calves per farm increased from 53 in 1971 to 77 in 1986. The number of farms with cattle declined from 248,757 in 1971 to 116,404 farms in 1986.

While total deliveries of milk off farms in 1987 were only 0.5% above 1981 levels, volumes of milk for fluid purposes increased 3.8% from 1981 to 1987. The consumption trend of fluid milk continued away from high-fat (standard) milk; sales declined 22% from 1981 to 1987. By contrast, 2% milk sales increased by 21% and skim milk sales by 66%. In 1987, 2% milk represented 59% of the total consumption of fluid milk and creams, while standard milk accounted for 27% of the total. Increasing consumption of yogurt contributed to a 101% increase in yogurt production from 1981 to 1987; variety cheese production climbed 69% while cheddar cheese output increased by 27%; and butter production dropped by 16%.

9.4.3 Net farm income

Two different measures of net farm income are prepared by the Agriculture Division of Statistics Canada. Realized net farm income is obtained by summing farm cash receipts from farming operations, supplementary payments, and the value of consumption of farm products in farm homes, and deducting farm-operating expenses and depreciation charges. This estimate of net income represents the amount of income, from farming, that farmers have left for living costs, personal taxes and investment.

Total net farm income is obtained by adjusting realized net income to account for changes in livestock and crop inventories on farms during the year. Total net income represents income accruing to farm operators from the production of agricultural products.

From 1981 to 1987, realized net income (in current dollars) increased by 47%, from \$3.8 billion