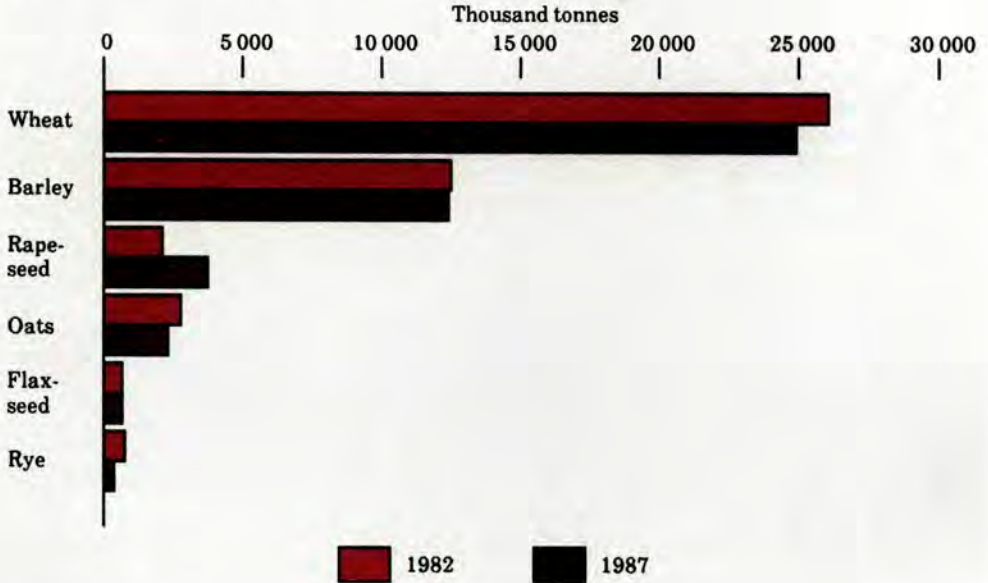


Chart 9.6

Production of grain in the Prairie provinces

Farm cash receipts (in current dollars) rose from \$18.7 billion in 1981 to a record of \$20.9 billion in 1987, an increase of 12%. In constant 1981 dollars, receipts were up 1% over the 1981-87 period. Cash receipts increased from 1981 to 1984. In 1985, lower crop receipts resulted in a drop in total cash receipts. Increases in 1986 and 1987 have resulted mainly from increased direct program payments, coupled with moderate increases in receipts for livestock and animal products.

Crop receipts. By 1987, crop receipts had fallen 10% from the record level achieved in 1984. Crop receipts accounted for 42% of total receipts in 1987, compared with 48% in 1984. Declining world prices for grains and oilseeds were mainly responsible for annual decreases in crop receipts of 4%, 1% and 5% in 1985, 1986 and 1987, respectively. In 1987, crop receipts had nearly declined to 1981 levels. In response to lower prices for grains and oilseeds, payments were made to producers under the Western Grain Stabilization Act every year from 1984 to 1987, and reached a record level in 1987 of \$1,395 million.

Livestock and animal products receipts. Receipts from the sale of livestock and animal products increased steadily over the 1983 to 1987 period,

and set new records each year from 1984 to 1987. In 1987, livestock and animal products receipts accounted for 50% of total cash receipts, compared to 48% in 1983.

Receipts for cattle and calves reached a record level of \$3.8 billion in 1987, an increase of 9% over the 1981 level. Hog receipts reached record levels in 1986, at \$2.1 billion, and dropped 0.2% in 1987, but were up 31% compared to 1981. Dairy receipts increased steadily throughout the period, to a level of \$2.9 billion in 1987, up 24% from 1981. Poultry receipts were up 27% from 1981 to 1987, to a level of nearly \$1 billion.

Other cash receipts. In 1987, other cash receipts, which include forest and maple products, dairy supplementary payments, deficiency payments, and other supplementary payments, accounted for 8% of total receipts. At \$1.6 billion, this was more than twice the amount reported for 1981. Other cash receipts increased dramatically in 1987 due to payment of \$1 billion under the 1986 Special Canadian Grains Program.

9.4.5 Farm expenses

Total farm-operating expenses and depreciation charges increased from 1981 to 1985, followed by declines in 1986 and 1987. Expenses peaked