

Agri-Food Statistics Update



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Collected from a variety of sources, the Statistics and Data Development Section monitors statistical indicators of agri-food activity for Alberta. The Agri-Food Statistics Update is designed to provide users with commentary on current issues, trends and new developments related to agriculture and the food and beverage processing industries. Up-to-date statistics are supplemented with informative charts and diagrams. To gauge Alberta's performance, comparative data and information are often available for Canada and the provinces.

Following are definitions of terms used in this update:

Farm Cash Receipts measure the gross revenue of farm businesses, in current dollars. Revenues are generated either from sales of crops, livestock and livestock products (except inter-farm sales), or from direct program payments. Receipts are recorded when the money is paid to producers, and before producers pay any operating expenses.

Farm Operating Expenses represent business costs incurred by farm businesses for goods and services used in the production of agricultural commodities.

Net Cash Income (NCI) is defined as farm cash receipts minus farm operating expenses. It represents the amount of cash generated by the farm business that is available for debt repayment, investment or withdrawal by the owner.

Realized Net Income (RNI) is defined as the net cash income minus depreciation plus income-in-kind. It represents the financial flows, both cash and non-cash, attributable to the farm business. RNI does not account for changes in stocks (i.e. value of inventory change for crops and livestock).

Total Net Income (TNI) measures the financial flows and stock changes of farm businesses (i.e. net cash income minus depreciation plus income-in-kind and value of inventory change). It represents the return to owner's equity, unpaid labour, management and risk.

Please visit the following website for a complete listing of Agri-Food Statistics Update releases:

[http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/sdd5270](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/sdd5270)

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Alberta 2017 Third Quarter (January to September) Farm Cash Receipts and 2016 Farm Income Estimates

On November 24, 2017, Statistics Canada released its 2017 third quarter (January to September) farm cash receipts (FCR) estimates, as well as finalized 2016 farm income estimates for Canada and the provinces.

Key Messages

Farm Cash Receipts - January to September 2017

- In the third quarter (January to September) of 2017, Alberta's total FCR was \$10.9 billion, up 6.1 per cent from the first nine months of 2016. These receipts are also the highest third quarter FCR on record for the province.
- The increase in FCR was due to higher crop and livestock market receipts, and program payments to producers.
- Crop market receipts were up 8.8 per cent to \$5.5 billion, driven mainly by increased marketings for some major crops.
- Livestock market receipts grew 3.3 per cent to \$4.8 billion, the result of higher marketings.
- Program payments were up 4.8 per cent to \$566.3 million, largely due to higher payments under AgriStability and compensation for animal losses.

Farm Income - January to December 2016

- Alberta's total FCR in 2016 was \$13.5 billion, down a marginal 0.7 per cent from 2015, and second highest on record.
- The province's total farm operating expenses fell 3.0 per cent to \$10.1 billion.
- Alberta's net cash income (difference between total FCR and total expenses) was a record \$3.4 billion (\$3.2 billion in 2015). Adjusted for depreciation (a non-cash cost of \$1.7 billion), the resulting realized net income (RNI) reached a new high of \$1.7 billion (\$1.5 billion in 2015). Total net income (RNI adjusted for inventory change) also jumped significantly to \$2.3 billion (\$1.2 billion in 2014), second highest on record.

Alberta 2017 third quarter FCR highest on record

On November 24, 2017, Statistics Canada released for provinces and Canada, the 2017 third quarter (January to September) farm cash receipts (FCR) estimates, as well as annual revisions to the 2016 components of farm income published this past May.

Alberta's total third quarter FCR in 2017 was a record \$10.9 billion, up 6.1 per cent from the first nine months of 2016 (see Table 1, and Figure 1). The increase in FCR was due to higher crop and livestock market receipts, and increased program payments to producers. Also, these FCR were 12.4 per cent above the 2012-2016 average of \$9.7 billion. FCR is the sum of crop and livestock market receipts plus direct program payments to producers.

Through the first nine months of 2017, Alberta crop market receipts increased 8.8 per cent to \$5.5 billion, with the gain attributed largely to increased marketings for some major crops. These receipts were also 12.8 per cent above the 2012-2016 average of \$4.8 billion. Notable increases in receipts included wheat (up 9.5 per cent, to \$1.6 billion), canola (up 10.5 per cent, to \$2.2 billion), dry peas (up 5.1 per cent, to \$427.8 million), lentils (up 28.8 per cent, to \$124.3 million), dry beans (up 36.5 per cent, to \$25.5 million), and flaxseed (up 13.2 per cent, to \$14.8 million). On the down side, notable declines included barley (down 6.7 per cent, to \$196.0 million), and potatoes (down 4.5 per cent, to \$172.2 million).

Similar to crops, livestock market receipts also grew increasing 3.3 per cent, to \$4.8 billion, driven largely by higher marketings. As well, these receipts were 11.2 per cent above the 2012-2016 average of \$4.4 billion. Notable increases in receipts included cattle and calves (up 3.4 per cent, to \$3.6 billion), hogs (up 6.3 per cent, to \$334.7 million), dairy (up 3.1 per cent, to \$436.6 million), poultry (marginally up 0.9 per cent, to \$208.5 million), and eggs (up 5.7 per cent, to \$71.7 million). Falling, were receipts for lambs (down 1.2 per cent, to \$19.2 million), and honey (down 17.0 per cent, to \$42.9 million).

Total program payments to producers rose 4.8 per cent to \$566.3 million and were 18.5 per cent above the 2012-2016 average of \$477.9 million. The third quarter increase was largely due to higher payments under AgriStability (up 99.3 per cent, to \$71.3 million), as well as compensation for animal losses (\$37.7 million, from \$2.3 million a year previous), and AgriRecovery (\$6.7 million, from \$0 in the third quarter of 2016). Declining were payments under Crop and Hail Insurance (down 11.3 per cent, to \$380.8 million), and AgriInvest (down 16.3 per cent, to \$50.1 million).

Nationally, third quarter total FCR was up 3.3 per cent, to \$45.4 billion. Among provinces, Alberta ranked first in total FCR, livestock market receipts, program payments, and cattle and calf market receipts. The province was second to Saskatchewan in crop market receipts. The higher FCR was not unique to Alberta, as total FCR also increased for Manitoba (up 7.5 per cent), Saskatchewan (up 3.6 per cent), Quebec (up 2.7 per cent), British Columbia (up 1.5

per cent), and Newfoundland and Labrador (up 7.3 per cent).

2016 was another relatively good year for farm income in Alberta

For Alberta, the revisions from the preliminary estimates released in May 2017 were minor. Total FCR in 2016 was \$13.5 billion, down 0.7 per cent from 2015, while farm operating expenses fell 3.0 per cent to \$10.1 billion (see Table 2). The province's net cash income (difference between total FCR and expenses) was a record \$3.4 billion (\$3.2 billion in 2015).

Revenue Source	Avg	2011	2012	2013	2014	2015r	2016r	'16 vs	'16 vs
	'11-'15							'15	Avg
\$ Millions									
Farm Cash Receipts	12,113.2	10,289.4	11,945.8	11,844.1	12,894.3	13,592.2	13,498.2	-0.7	11.4
- Operating Expenses	9,576.9	8,492.0	9,313.1	9,537.0	10,131.0	10,411.5	10,094.3	-3.0	5.4
= Net Cash Income	2,536.3	1,797.4	2,632.7	2,307.1	2,763.3	3,180.7	3,403.9	7.0	34.2
+ Income-in-kind	10.5	8.7	8.7	9.3	12.1	13.7	11.9	-13.0	13.3
- Depreciation	1,539.3	1,393.0	1,454.5	1,527.7	1,603.0	1,718.5	1,743.3	1.4	13.2
= Realized Net Income	1,007.4	413.1	1,186.9	788.8	1,172.5	1,475.9	1,672.6	13.3	66.0
+ Inventory Change	146.0	526.4	-518.0	1,727.1	-772.6	-232.8	628.9	---	---
Total Net Income	1,153.5	939.6	668.9	2,515.9	399.9	1,243.1	2,301.5	85.1	99.5

Source: Statistics Canada; Alberta Agriculture and Forestry

*sum of crop and livestock market receipts Totals may not add up due to rounding p – preliminary r – revised --- not applicable
Prepared by: Alberta Agriculture and Forestry, Economics and Competitiveness Branch, Statistics and Data Development Section
E-mail: roy.larsen@gov.ab.ca Telephone: 780-644-1308

Table 1. Alberta Farm Cash Receipts - January to September, 2012 - 2017

Revenue Source	Avg	2012	2013	2014	2015	2016r	2017p	'17 vs	'17 vs
	'12-'16							'16	Avg
\$ Millions									
Crops Total	4,843.3	4,817.0	5,050.2	4,620.3	4,708.3	5,020.6	5,462.4	8.8	12.8
Wheat (incl. Durum)	1,486.7	1,475.3	1,645.7	1,415.0	1,480.3	1,417.2	1,551.8	9.5	4.4
Barley	255.8	183.1	373.3	240.0	272.4	210.1	196.0	-6.7	-23.4
Canola	1,997.1	2,203.8	1,897.1	1,908.3	1,948.5	2,028.0	2,240.4	10.5	12.2
Potatoes	144.2	120.4	130.2	134.3	155.8	180.4	172.2	-4.5	19.4
Dry Peas	241.1	189.4	233.1	182.4	193.6	406.9	427.8	5.1	77.4
Livestock Total	4,357.4	3,671.8	3,603.2	4,600.7	5,218.8	4,692.5	4,845.8	3.3	11.2
Cattle and Calves	3,215.7	2,589.2	2,507.8	3,411.3	4,059.6	3,510.6	3,631.4	3.4	12.9
Hogs	327.0	313.4	315.7	381.3	309.8	314.8	334.7	6.3	2.3
Dairy Products	400.3	391.0	385.4	396.3	405.1	423.5	436.6	3.1	9.1
Poultry	195.4	190.1	197.8	187.3	195.4	206.6	208.5	0.9	6.7
Total Market Receipts*	9,200.7	8,488.8	8,653.5	9,221.0	9,927.1	9,713.1	10,308.2	6.1	12.0
Program Payments	477.9	429.1	566.5	364.5	489.0	540.6	566.3	4.8	18.5
Crop & Hail Insurance	357.4	272.7	436.8	264.3	384.0	429.1	380.8	-11.3	6.6
AgriStability	45.1	66.9	47.6	32.0	43.4	35.8	71.3	99.3	58.1
AgriInvest	62.4	63.8	68.0	62.6	57.6	59.8	50.1	-16.3	-19.7
AgriRecovery	4.3	21.4	0.0	0.0	0.0	0.0	6.7	---	---
Other Programs	---	4.3	14.1	5.6	4.0	15.8	57.3	262.1	---
Total FCR	9,678.6	8,917.9	9,220.0	9,585.4	10,416.1	10,253.7	10,874.5	6.1	12.4

Figure 1. Alberta Third Quarter (January to September) Farm Cash Receipts, 2008-2017p

