



News Release

Understanding Farm Income Structure in Canada Can Help Improve Safety Net Programs

Guelph, ON (November 14, 2006) A study, released today by the George Morris Centre finds that accurate targeting of farm safety net programs requires a much better understanding of the baseline structure of farm incomes. The paper was authored by Al Mussell and Terri-lyn Moore of the George Morris Centre, and Ken McEwan and Randy Duffy of Ridgetown College.

The results of the study showed a tremendous variation in farm operating income within a given category of farm size, farm type and province that was seen across the country and across commodities. Despite evidence of scale economies, there was more variability in farm operating income within a farm size category than across size categories. This has important implications for the design of farm safety net programs. According to Mussell, “Our results show a tremendous diversity in profitability among farms supplying the same commodity and operating at the same scale. Safety net program design parameters need to be flexible to this reality”.

The purpose of the study was to understand the reference of farm programs to the farm incomes they are intended to stabilize. Canadian farm incomes have come under pressure due to BSE, avian influenza, plum pox potyvirus, and exceptionally low grain and oilseed prices.

The complete report is available on the George Morris Centre website: www.georgemorris.org

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The George Morris Centre is a national, not-for-profit think tank specializing in the Canadian Agri-food sector. The Centre provides perspective, critical information, strategic analysis, and planning, as well as education on issues affecting the sector.