



GEORGE MORRIS CENTRE

**The Business Risk Management Funding Debate in Canada:
Understanding the Broader Context**

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1. Introduction

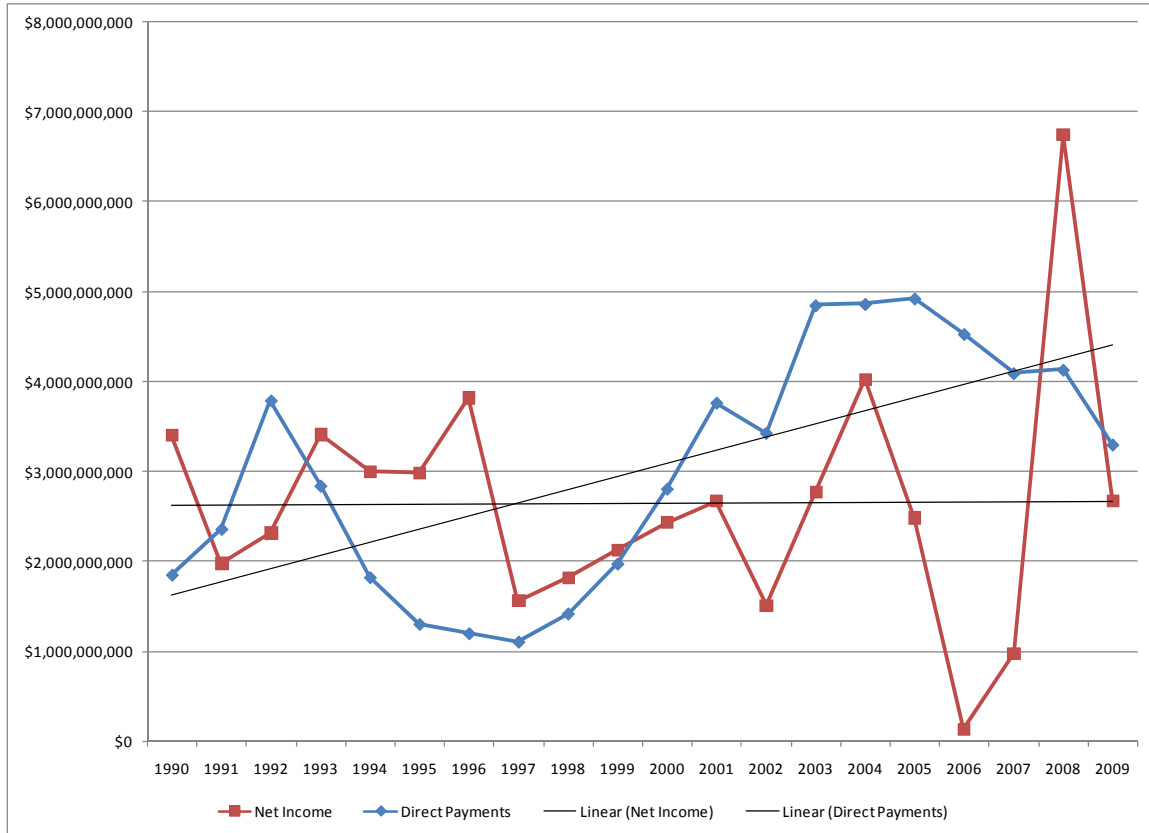
Canadian agricultural policy is broad and contains many elements, with roles in food inspection and food safety regulation, marketing regulation, research, extension, environmental protection, input assistance, and business risk management. However, as we move toward the anticipated renewal of *Growing Forward*, the omnibus federal – provincial agreement on agricultural policy in 2013, the focus has moved to business risk management (BRM). BRM already occupies \$3.5 billion, or 67% of funds spent by the federal government on agriculture and about 73% of funds spent on agriculture by provinces (Canadian Agri-food Policy Institute, 2010).

With this level of commitment in direct payments to primary agriculture, one might expect stable and increasing farm incomes, or at least some correlation between government payments and net farm income. However, the data suggest something very different. Figure 1.1 below presents data on Canadian net farm income with government program and private hail insurance payments since 1990. The figure shows that, in the last 20 years, aggregate net farm income has essentially remained flat, even as program payments have significantly increased. In particular, program payments have increased fairly steadily and, today, are about three times that of the late 1990's. Moreover, throughout most of this decade the level of program payments has markedly exceeded aggregate net farm income, implying that net farm income would otherwise have been negative¹.

There is palpable discontent with BRM programming among representatives of the farm community. In Manitoba, a proposal has been developed to augment the AgriStability program by introducing a cost of production component to provide greater support when producers experience losses (Downing *et al*). Farm groups in Ontario are promoting an analogous BRM program based on production costs and a deficiency payment that mirrors the Assurance stabilization revenue agricole (ASRA) program in Quebec (Ontario Agriculture Sustainability Coalition). At the Canadian Federation of Agriculture's *Farmers Agenda Roundtable* in July, 2010, changes to BRM programming were at the forefront of the discussion. The Canadian Federation of Independent Businesses has even weighed in (Labbie, 2010) with a survey of 1,100 agribusiness members that found broad concern with existing BRM programming; it reported that 58% of respondents indicated AgriStability payments received were inadequate to cover losses they experienced.

¹ Net Farm Income, the standard measure of farm economic well being, itself has important shortcomings. For example, Martin (2010) notes the following. First, all farm types are aggregated together, when in fact some farms supply others with inputs e.g. grain to livestock operations. Aggregating them together masks the incidence of gains and losses. Second, NFI does not track asset values driven by capitalized earnings streams, so it fails to measure increases in unrealized asset values. Third, it confuses past investment in attributing depreciation. Finally, it omits off-farm income, and implicitly includes consumption items as farm expenses

Figure 1.1 Canadian Net Farm Income and Direct Payments



Source: Statistics Canada, v8621- Canada; Net income, total and v169761- Canada; Total receipts from direct payments

Thus, on one hand, public spending on BRM programming has increased but farm income has not been affected. This suggests that BRM programming is not working very well if its purpose is to support or stabilize farm incomes. On the other hand, even with this heavy public expenditure on program payments, the farm community appears broadly dissatisfied and is requesting more funding and more emphasis on BRM to improve the farm income situation.

This description of events fails to capture the true significance of the focus on BRM in discussions between farm groups and government. There is little clarity on governments' intents for BRM programming spending, or on behalf of the farm groups pressing for additional funds. The focus on BRM in discussions on agricultural policy crowds other elements off the agenda and ignores real tradeoffs that must occur. There must also be a certain negative psychological effect from the constant claim of widespread losses in primary agriculture, in terms of broader interest and excitement toward agriculture and investment in the sector. If the claims were accurate, one would expect to see a countryside riddled with farmland falling into disuse as farmers fail financially – but this has not happened.

The purpose of this paper is to probe deeper into the structure of the Canadian primary agricultural sector to examine the apparent dichotomy between farm incomes and BRM program expenditure, and to place the BRM discussion in its broader context.

2. Economic Structure of Primary Agriculture in Canada

Canadian agriculture is diverse across regions, products produced, levels of farm sales, profitability, and incomes. However, since eligibility for participation in Canada's whole-farm BRM programs, AgriStability and AgriInvest, is based on a combination of sales and profitability/income, these can be very indicative. In the context of the vexing BRM question posed above, it is instructive to ask – what is the extent of diversity among Canadian farm sizes? To what extent are they profitable? To what extent are they viable business entities that provide careers for farmers and support household incomes? What are the implications in understanding farm group requests for more BRM funding?

2.1 Canadian Farm Size Demographics

Statistics Canada fragments farms by economic size into the following farm sales categories:

- \$10,000-25,000
- \$25,000-50,000
- \$50,000-100,000
- \$100,000-250,000
- \$250,000-500,000
- \$500,000-1,000,000
- >\$1,000,000

The number of farms that fall into each category is tabulated in the census, and economic results are stratified to the farm demographics observed in the census. Table 2.1 presents a national overview of the farms by gross income (revenue) category from the 2001 and 2006 census, respectively. The table shows that, most recently, there were about 179,000 farms with revenue in excess of \$10,000. Most are small – more than half had revenue of under \$100,000; farms with revenue of \$250,000 or more accounted for only about 22% of total farms.

As a point of reference, farm revenues of \$100,000, based on market returns, are approximately representative of the following scales of each farm enterprise²:

200 acres of corn, or 350 acres of canola, or 150 beef cows, or 35 sows, or 15 dairy cows

² There are distinct differences across commodities and regions in terms of the extent to which an operation of a given scale can supply a viable household income. Farm operations that are based on a margin between purchased inputs and outputs (e.g. beef feedlots, hog finishing) tend to have a much larger scale than enterprises that are more based on farm-supplied inputs (e.g. beef cow-calf, grain and oilseed). Regional differences within a commodity arise as threshold farm scale is inversely proportional to yields. This fragmentation of information is available, but beyond the scope of this paper.

Table 2.1 Farms by Gross income Level, Canada

	2001	2006	Proportion of Total, 2006
\$10,000 to \$24,999	42,139	38,254	21.34%
\$25,000 to \$49,999	34,145	30,608	17.08%
\$50,000 to \$99,999	35,255	31,422	17.53%
\$100,000 to \$249,999	47,079	39,971	22.30%
\$250,000 to \$499,999	21,396	22,837	12.74%
\$500,000 to \$999,999	8,380	10,241	5.71%
\$1,000,000 and over	4,363	5,902	3.29%
Total	192,757	179,235	100%

Source: Statistics Canada Agricultural Census, Farm Data and Farm Operator Data, catalogue no. 95-629-XWE.

Table 2.2 provides information regarding the operating profitability³ of farms by revenue class for the last five years of available data. This information comes from income tax records, with the sample stratified to reflect the census. Because the data come from income tax records that are subject to the transitional changes of cash-basis accounting, observations are made based on operating income (to avoid the tax-induced biases that can occur with capital cost allowance), and based on averages over the period, rather than individual years. Individual years' results are presented in Appendix Table 1.

Table 2.2 shows the following: Farm operating income is exceptionally low for the smaller farms in relation to what might be considered a minimum income for a Canadian household (say \$35,000 per year). Operating income is negative for the lowest revenue category, and increases with revenue category; however, it is not until we reach the \$250,000-\$499,999 revenue category that this informal household income target is reached. This occurs due to very significant levels of off-farm income for the smaller farms – well over \$30,000/farm for the categories under \$100,000. Alternatively, the ratio of off-farm income to farm operating income is very high for the smaller farms – not calculable for the smallest group, 42:1 for the \$25,000-\$49,999 category, and 5:1 for the \$50,000-\$99,999 category, whereas the commercial farming categories are less than .5.

³ Net operating income is total operating revenues (total crop revenue, livestock revenues, program payments, insurance proceeds, patronage payments, miscellaneous revenues) *plus* income adjustments (quota sales, recaptured capital cost allowance (CCA), inventory adjustments [if claimed]) *less* operating expenses (crop expenses, livestock expenses, machinery expenses [excluding CCA], salaries, rent, interest, utilities, marketing, property taxes, and miscellaneous expenses)

Table 2.2 Farm Operating Income, Program Payments, and Off-farm Income by Farm Gross Income Category, Average \$/farm

	\$10,000-24,999			\$25,000-49,999		
	Operating Income	Program Payments	Off-farm Income	Operating Income	Program Payments	Off-farm Income
Average	(2,792)	1,211	45,547	1,000	3,402	42,366
Off-farm Income/ Farm Op Income	-			42.36		
Program Payments/ Farm Op Income		-			3.4	
	\$50,000-99,999			\$100,000-249,999		
	Operating Income	Program Payments	Off-farm Income	Operating Income	Program Payments	Off-farm Income
Average	7,528	7,332	36,737	21,681	13,202	29,997
Off-farm Income/ Farm Op Income	4.88			1.38		
Program Payments/ Farm Op Income		.974			.609	
	\$250,000-499,999			\$500,000-999,999		
	Operating Income	Program Payments	Off-farm Income	Operating Income	Program Payments	Off-farm Income
Average	41,435	18,426	30,567	65,241	27,808	39,958
Off-farm Income/ Farm Op Income	0.74			0.61		
Program Payments/ Farm Op Income		.444			.426	
	\$1,000,000 +					
	Operating Income	Program Payments	Off-farm Income			
Average	147,768	70,363	69,270			
Off-farm Income /Farm Op Income	0.47					
Program Payments/ Farm Op Income		.476				

Source: Summary Tabulation of the Canadian Farm Financial Database (CFFD) – Total income of farm operators (incorporated and unincorporated sectors). Operating Income R2500, Program Payments R3033, Off-farm Income (including taxable capital gains) T6100

Finally, program payments represent a significant portion of operating income for all farms, but especially significant for the smaller farms. The smallest revenue category realizes a negative operating income, even with program payments, but clearly, without program payments, the \$25,000-\$49,999 category would also have a negative operating income, and the \$50,000-\$99,999 category would essentially have an operating income of zero – program payments are 97% of farm operating income. The relative significance of program payments falls with farm size to a range of 40-50% for farms in excess of \$250,000 in revenue.

2.2 Further Analysis of Demographics

These results suggest that most farms in Canada are not of sufficient size to generate returns to sustain a household income; they are dependent on off-farm income to sustain household income, as well as on government program payments.

However, there are complicating factors related to these observations. The share of farm income represented by alternative farm size categories is not proportional to the number of farms by size category; larger farms account for a much larger share of farm output and profitability than smaller farms, even though there are fewer of them. For example, AAFC (2009) reported that, based on the 2006 census, farms with sales in excess of \$1 million accounted for 40% of gross farm receipts, but were only about 3% of farms with more than \$10,000 in sales. The same source reports that farms with sales in excess of \$250,000 accounted for 75% of gross farm receipts and 59% of program payments, but constituted only 17% of farms⁴. Similar findings were observed by Sparling and Laughland (2006).

Table 2.3 extends the above by considering the distribution of aggregate farm operating income and program payments across farm size categories from income tax data. As above, averages across years are considered, with individual years results presented in Appendix Tables 2 and 3. Table 2.3 shows that, similar to farm cash receipts, operating income is heavily concentrated with the larger farms. For example, farms with more than \$250,000 in revenue account for about 78% of operating income, but from Table 2.1 account for only about 22% of the farms. The table shows concentration in program payments toward larger farms, but not to the same extent that revenue and operating income are concentrated with larger farms. For example, the farms with more than \$250,000 in revenue accounted for about 22% of the farms and had 64% of the program payments, but 78% of the operating income.

⁴ The AAFC report includes farms with revenue of less than \$10,000/year so its proportions differ with that presented in Table 2.1. If the farms with revenue <\$10,000 were removed from the AAFC report, the distribution of farm cash receipts would be even more concentrated

**Table 2.3 Distribution of Farm Operating Income and Program Payments,
2004-2008 Average**

	Average Farm Operating Income		Average Program Payments	
	Total (\$)	Share	Total (\$)	Share
Aggregate	6,324,043,045		3,447,120,607	
\$10,000-24,999			64,914,241	1.88%
\$25,000-49,999	45,332,051	0.72%	150,300,438	4.36%
\$50,000-99,999	313,470,070	4.96%	308,367,806	8.95%
\$100,000-249,999	1,146,383,121	18.13%	708,730,691	20.56%
\$250,000-499,999	1,499,777,019	23.72%	666,621,746	19.34%
\$500,000-999,999	1,415,805,847	22.39%	588,896,470	17.08%
\$1,000,000 +	2,047,233,497	32.37%	959,089,497	27.82%

Source: Summary Tabulation of the Canadian Farm Financial Database (CFFD) - Total income of farm operators (incorporated and unincorporated sectors). Operating Income R2500, Net Program Payments R3033

At the same time, when analyzing farm incomes, average results can be misleading. For example, Mussell *et al* found tremendous variability in profitability among farms within a revenue category. Within the largest farm size category, some farms were observed to experience exceptionally low levels of profitability, and within the smaller farm size categories, some farms experiencing relatively high levels of profitability were observed. This was judged as related to management and/or transitional changes in the data. Similar results were observed by Sparling *et al* (2008), based on 2005 data on Canadian net farm income; when net farm incomes for a given sales category were fragmented into quartiles, the lowest quartile of each of the size categories experienced a negative net income. The implication is that, within the broad trends observed above, some large farms actually have very low incomes, and some small farms are quite profitable. But, equally clearly, small profitable farms have great difficulty in generating enough income to meet a minimum household income level, such as \$35,000 per year.

2.3 Observations

Based on this information, the following observed can be made:

- Farm structure suggests that, in the main, rather than being a sectoral trend, chronic low profitability in agriculture is an issue of small farms that are not of sufficient economic scale to provide a household income for a family. Indeed, these households are based on off-farm income, and choose to farm using available time and financial resources. There are important countertrends to take note of within the averages, as some small farms are quite profitable for their size, and some large farms struggle economically.
- The driver of output in Canadian agriculture is the larger commercial scale farms. The reality is that a relatively small number of large farms are responsible for the dominant proportion of agricultural production value and operating profitability in Canada. The large number of smaller farms actually supplies a small proportion

- of total farm products and profitability. In fact, with 22% of the farms responsible for 75% of farm cash receipts and 78% of the operating income, the farm product supply is effectively in a small number of hands.
- While program payments are material as sources of farm income across farm sizes, they are most material for the smallest scales. The share of program payments allocated to larger farms is less than their share of operating profitability; this may appear surprising initially, given that the lead BRM program (AgriStability) is a margin-based program; however, the provision for negative margin coverage provides access to payments on a continuing basis for smaller farms with negative margins.
 - There is no implied “goodness” or “badness” associated with farm size. People make choices to structure their farms in a particular way for any number of reasons. Some prefer to be small to have a more intimate relationship with the land, the products they produce and their customers, or have a main career they enjoy but also choose to farm. Others are driven to expand farms into ever larger entities from a desire to increase profitability, more fully utilize capacity, or to accommodate the farming aspirations of a next generation. Still others choose to come into farming at a given scale and later discover barriers that prevent them from changing scale in a way they desire. These choices have consequences in terms of the income that can be derived from the farm vs. other sources, and the extent to which a full-time income can be obtained from farming.

3. Conclusions and Implications

The data suggest that the majority of farms are struggling economically; but, on further analysis, most farms are not of an economic scale that would lead one to expect otherwise. Indeed, household incomes of farms under \$100,000 in revenue, in which program payments equal or exceed operating income, are driven by off-farm income. Larger farms are not struggling for economic viability in the same way, acknowledging the variability in income within farm size categories, and economic strains fragmented at the commodity market level – for example, hog farms of every size were hurt badly in 2008-09.

The messaging from Canadian farm industry associations is that agriculture is suffering from low profitability and needs additional public assistance. The observations here suggest that this communication is broadly indicative of the structure of the Canadian farm sector they represent. But it is not indicative of the commercial segment that accounts for the vast majority of production, revenue and profitability from producing farm products. And it is not clear which farms are suffering and need assistance, as some small farms are relatively profitable, while some large farms are not.

The ongoing focus on BRM in discussions between government and farm industry groups has important implications in the policy discussion as we approach the renewal of *Growing Forward*. First, the parties involved in the discussion need to be clearer on their objectives and intents. Governments need to have clear objectives and measures for BRM programming. As noted previously by Mussell (2007) and Seguin (2010), these have yet to be clearly established – are we stabilizing farm incomes or supporting farm incomes? Who/what is the target for support/stabilization – the commercial segment of

primary agriculture, or the farms in which farming is less than a full-time income? What outcome is to be expected from BRM programming? What measures are available to evaluate programming objectives? A similar obligation falls upon the farm groups – they should commit to explaining what will change as a result of renewed or expanded BRM funding. In so doing, they need to get beyond argument that renewed or expanded BRM funds is necessary to forestall economic disaster, as the economic structure of their farmer membership belies that claim.

Second, the focus on BRM has confused the agricultural policy agenda. Requests for additional BRM funding are occurring in isolation, as though there are no associated tradeoffs. This is naïve. The Canadian public has been spending \$7.5-\$8 billion/year on agriculture. In an era of structural deficits, presumably increasing BRM funding will come at the sacrifice of something else – inspection, extension, management training, environmental compliance assistance, research, marketing assistance, etc. Perhaps the best examples that these tradeoffs are real and that government can act decisively in implementing them – even in a politically charged environment – are the removals of the dairy subsidy, Crow freight subsidy, and Feed Freight Assistance in the 1990's as part of the management of the deficit situation at that time.

There is also a type of attention deficit that results in the agricultural policy agenda from the BRM focus. What issues could industry and government be spending more time discussing, but are not, by focusing on BRM? In fact, it is a very crowded agenda:

- Agricultural sustainability and increased demands on the food system
- Improvements in the product approval regulatory system
- Improvements in marketing regulation
- Engagement of agriculture, food and health discussions
- Increased market access/trade promotion for Canadian products
- Improved market access, linkages and dispute resolution with downstream domestic market partners

A very current example of the lack of focus on key issues, perhaps resulting from the elevated BRM discussion, is Canada's lack of participation in the Trans-Pacific Partnership trade negotiations. Because of Canada's export orientation in agri-food, any discussion on farm incomes without reference to international trade is incomplete. With this observation, it is truly remarkable that, given the extent of latent market opportunity for Canadian agri-food in emerging economies in Southeast Asia, Canada is not participating. Canadian farm groups should have insisted upon it as part of a focus on strengthening farm incomes, instead of focusing on BRM – a much narrower element of farm income.

It also cannot be lost that increased BRM funding, particularly when it is structured on a commodity basis by referencing a cost of production benchmark, as proposed by some groups, can invite trade action. Since many of our farm products are export-oriented, this is a serious market disruption threat. Some of the proponents (for example, the Ontario Agriculture Sustainability Coalition) have suggested that by making new BRM programs with cost of production triggers generally available across commodities, it somehow

avoids this issue. This is their case to make, and there are few certainties in trade law. However, it does runs contrary to some of our recent experiences.

For example, US trade action against Canada in hogs made direct reference to both the level and share of total BRM payments going to hogs. Canada also claims shares of total program payments attributed by commodity to the WTO – it would be easy to attribute payments triggered by a cost of production reference in this scheme. There is also an inherent tendency for cost of production-based programs to generate inflation in expenses over time, thereby triggering payouts (and further capitalization into input cost items); this magnifies the threat of escalating program payouts and trade action. Moreover, the suggestion is made that commodities that were sensitive in releasing cost of production information due to potential dumping actions could opt out – but then the program lacks the very advantages of being generally available that are claimed. While by no means certain, the trade risks and consequences associated with increased BRM funding, especially under a commodity cost of production structure, must be acknowledged. The logical implication is that, if trade actions are triggered, the income situation could end up being worse for affected commodities than was the case prior to securing additional BRM funding that was sought.

Third, there is a certain negative psychological effect that results from the persistent claim of losses, economic injury, and the need for increased BRM expenditure. It bleeds optimism away from the sector, which in turn influences future investment, risk-taking, creativity, and career planning of current and future generations of farmers. Yet, while these claims of suffering are made, it is not evident that very much changes.

3.1 Conclusions

When more than 50% of Canadian farms have revenue of less than \$100,000 and are not identified as commercial farm businesses, what is the Canadian public “buying” with additional BRM support? History suggests that as program payments increase, these actually do little to mitigate the farm income downtrend. This is in part because the payments go to recipients for whom farming is not the primary focus, nor the primary source of income. The more likely direct effect of the payments is to inflate farm asset values and land rents. The bulk of farm products are supplied by larger commercial scale farms (>\$250,000 in revenue) that are not so dependent on additional program payments to provide sustainable household incomes.

It is really only a small subset of primary agriculture that is responsible for the bulk of farm product production. With this observation, can BRM policy be better segmented and targeted in engaging smaller farms as distinct from larger commercial operations? Farmers, as rural landowners, provide important public services for the environment and rural countryside, including everything from wildlife habitat to wetlands and groundwater protection, to maintenance of agrarian landscapes. These resources are important to Canadians; enhancements to BRM programming that were tied to measures to protect these resources would make for a stronger public policy case for such funding. In fact, BRM programs may have a perverse affect on these programs because they only make

payments when farms sell products, thereby likely encouraging farming where other land uses may have more social value.

Conceivably, two BRM-type program sets can be envisioned here. One program set could address farms in need of support – typically smaller, not full-time enterprises, not the core of farm production, but contributors to environmental goods and services in rural Canada. Support funding could be predicated on (and potentially justified by) the implementation of specific beneficial management practices that provide environmental goods and services. A second program set could address the stabilization needs of the commercial farm segment – program payments contingent upon “loss”, with deductible provisions – not support. The objectives should be to create stabilization protection for a commercial segment without the need to reduce funding for the public infrastructure that can “grow” value-added in the agri-food sector, and support the non-commercial farm segment in providing environmental goods and services at an appropriate level.

To date, governments and industry have been unwilling to consider a multiple program set, each with a defined farm structure target. However, by failing to do so, they expose critical weaknesses in the public policy rationale for existing BRM programming, let alone increased funding for it. And in this environment, no producer – large, small, profitable, or unprofitable – will turn down an increase in program payments, or even pause before asking. To advance the broader agricultural policy discussion, and to give pause to the unrelenting request for BRM funds, the opportunity costs and tradeoffs implied need to be articulated and made transparent.

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Appendix

Table 1 Farm Operating Income, Program Payments, and Off-farm Income, by Farm Gross Income Category, Average \$/farm

	\$10,000-24,999			\$25,000-49,999		
	Operating Income	Program Payments	Off-farm Income	Operating Income	Program Payments	Off-farm Income
2004	(2,603)	1,545	41,841	1,532	4,182	35,061
2005	(1,865)	1,538	41,556	2,073	4,340	40,021
2006	(2,437)	1,322	46,176	541	3,650	43,990
2007	(3,289)	985	47,130	802	2,705	46,275
2008	(3,767)	663	51,032	53	2,133	46,482
Average	(2,792)	1,211	45,547	1,000	3,402	42,366
Off-farm Income/ Farm Op Income	-			42.36		
Program Payments/ Farm Op Income		-			3.4	
	\$50,000-99,999			\$100,000-249,999		
	Operating Income	Program Payments	Off-farm Income	Operating Income	Program Payments	Off-farm Income
2004	7,571	8,347	29,642	21,575	14,247	25,308
2005	8,160	9,570	34,798	20,734	17,464	26,870
2006	7,686	8,641	37,315	21,214	15,893	29,353
2007	6,891	5,960	40,918	21,964	11,261	32,455
2008	7,331	4,142	41,011	22,920	7,145	35,997
Average	7,528	7,332	36,737	21,681	13,202	29,997
Off-farm Income/ Farm Op Income	4.88			1.38		
Program Payments/ Farm Op Income		.974			.609	

	\$250,000-499,999			\$500,000-999,999		
	Operating Income	Program Payments	Off-farm Income	Operating Income	Program Payments	Off-farm Income
2004	39,401	18,976	26,611	60,383	28,690	36,378
2005	39,454	23,667	27,248	59,034	32,216	37,091
2006	39,270	22,732	29,898	59,206	32,895	41,506
2007	43,380	16,274	35,313	68,839	25,323	42,993
2008	45,669	10,479	33,765	78,742	19,914	41,823
Average	41,435	18,426	30,567	65,241	27,808	39,958
Off-farm Income/ Farm Op Income	0.74			0.61		
Program Payments/ Farm Op Income		.444			.426	
	\$1,000,000 +					
	Operating Income	Program Payments	Off-farm Income			
2004	142,698	72,451	60,971			
2005	137,395	67,109	69,326			
2006	128,830	69,909	70,522			
2007	153,197	68,797	74,567			
2008	176,718	73,547	70,962			
Average	147,768	70,363	69,270			
Off-farm Income /Farm Op Income	0.47					
Program Payments/ Farm Op Income		.476				

Source: Summary Tabulation of the Canadian Farm Financial Database (CFFD) - Total income of farm operators (incorporated and unincorporated sectors). Operating Income R2500, Program Payments R3033, Off-farm Income (including taxable capital gains) T6100

Table 2 Distribution of Farm Operating Income by Revenue Category

	Aggregate Op Income	\$10,000- 24,999	\$25,000- 49,999	\$50,000- 99,999	\$100,000- 249,999	\$250,000- 499,999	\$500,000- 999,999	\$1,000,000 +
2004	5,473,280,461	(150,582,429)	71,356,145	334,561,763	1,198,069,330	1,374,293,456	1,129,164,417	1,515,452,843
2005	5,722,515,761	(104,257,134)	96,684,326	353,720,155	1,163,160,283	1,453,108,553	1,170,646,197	1,588,280,515
2006	5,657,006,342	(126,890,748)	23,309,770	319,119,382	1,144,062,159	1,416,060,726	1,244,517,906	1,637,428,114
2007	6,715,980,375	(166,446,887)	33,210,220	276,692,669	1,102,835,247	1,598,558,934	1,598,441,981	2,273,444,828
2008	8,051,432,286	(173,826,764)	2,099,792	283,256,383	1,123,788,587	1,656,863,427	1,936,258,733	3,221,561,187
Avg	6,324,043,045		45,332,051	313,470,070	1,146,383,121	1,499,777,019	1,415,805,847	2,047,233,497
			0.72%	4.96%	18.13%	23.72%	22.39%	32.37%

Source: Summary Tabulation of the Canadian Farm Financial Database (CFFD) – Total income of farm operators (incorporated and unincorporated sectors).
Operating Income R2500

Table 3 Distribution of Farm Program Payments by Revenue Category

Source: Summary Tabulation of the Canadian Farm Financial Database (CFFD) - Total income of farm operators (incorporated and unincorporated sectors). Net Program Payments R3033

	Aggregate Program Payments	\$10,000-24,999	\$25,000-49,999	\$50,000-99,999	\$100,000-249,999	\$250,000-499,999	\$500,000-999,999	\$1,000,000 +
2004	3,412,550,319	89,370,554	194,836,497	368,874,091	791,148,067	661,886,198	536,498,490	769,427,997
2005	3,969,820,330	85,952,410	202,454,630	414,854,758	979,702,426	871,640,497	638,840,335	775,774,906
2006	3,841,495,655	68,810,769	157,351,597	358,787,400	857,113,931	819,708,873	691,458,094	888,538,593
2007	3,174,897,544	49,837,654	112,061,356	239,275,931	565,392,351	599,697,236	588,005,056	1,020,943,256
2008	2,836,839,185	30,599,817	84,798,112	160,046,852	350,296,680	380,175,924	489,680,377	1,340,762,734
Avg	3,447,120,607	64,914,241	150,300,438	308,367,806	708,730,691	666,621,746	588,896,470	959,089,497
		1.88%	4.36%	8.95%	20.56%	19.34%	17.08%	27.82%