

STATISTICS ON REVENUES AND EXPENSES OF FARMS – 2005 PRELIMINARY ESTIMATES

The following provides preliminary estimates of selected financial statistics for Manitoba in 2005, including distribution of farms by net operating income and farm type, financial performance indicators as well as average operating revenues and expenses linked to type of farm and degree of specialization so as to generate an overview of the financial performance of the agricultural sector.

- In 2005, average operating margins of Manitoba farms were close to 13 cents per dollar of revenue, relatively similar to Canadian farms as an overall group which generally stood at 13.2 cents per dollar, according to preliminary estimates from taxation records.
- Average operating revenues per farm in Manitoba for 2005 were down slightly 6.6% from the year previous to \$225,429 and average operating expenses also fell about 4.1% to \$196,341; for Canada as a whole, operating revenues totaled \$221,302 while expenses amounted to \$191,988 per farm.
- Average net market income for Canada – defined as total operating revenues less total operating expenses minus net program payments – stood at \$9,141, while average net program payments amounted to \$20,173. Once adjusted for capital cost allowance, farms throughout the nation posted a deficit of \$11,366 in average net market income.

SELECTED FINANCIAL STATISTICS - MANITOBA

Number of farms	2001	2002	2003	2004	2005 ^P
	21,140	20,305	19,345	18,685	18,170
Average per farm (\$)					
Total operating revenues	197,469	212,784	229,327	240,278	225,429
Total operating expenses	164,648	177,113	197,286	204,442	196,341
Net operating income	32,820	35,671	32,041	35,836	29,087
Net program payments	12,886	7,588	9,988	16,224	27,788
Net market income	19,934	28,083	22,053	19,612	1,299
Adjustment for capital cost allowance (CCA)	19,121	21,054	22,998	24,464	22,651
Net market income adjusted for CCA	813	7,029	-945	-4,852	-21,352
Net operating income adjusted for CCA	13,699	14,617	9,043	11,372	6,436

DISTRIBUTION OF FARMS BY NET OPERATING INCOME AND FARM TYPE - MANITOBA

2005 ^P	Net operating income group							Average net operating income	Farms with negative or zero net operating income
	\$0 or under	\$1 to \$24,999	\$25,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and over	Total			
	Number								
Crop production	2,360	3,330	1,480	1,155	780	9,095	30,204	25.9	
Oilseed and grain farming	2,015	2,725	1,360	1,095	670	7,855	27,903	25.7	
Potato farming	x	x	x	x	65	100	335,782	x	
Other vegetables	x	x	x	x	X	25	73,191	x	
Fruit and tree nut farming	x	x	0	0	0	30	1,976	x	
Greenhouse and nursery	x	X	x	x	X	65	65,020	x	
Other crop farming	305	525	105	45	35	1,020	14,897	29.9	
Animal production	2,905	3,530	1,165	810	670	9,070	27,967	32.0	
Beef cattle includes feedlots	2,455	3,020	875	420	180	6,945	10,581	35.3	
Dairy cattle and milk	30	65	60	120	160	430	101,025	7.0	
Hog and pig farming	105	145	75	120	210	655	156,748	16.0	
Poultry and egg	X	35	50	50	100	260	93,375	x	
Other animal production	300	250	95	105	25	780	12,414	38.5	
Total	5,260	6,855	2,640	1,970	1,445	18,170	29,087	28.9	

FINANCIAL PERFORMANCE INDICATORS OF FARMS - MANITOBA

Profitability ratios	2003	2004	2005
Operating profit margin (%)	13.97	14.91	12.90
Operating profit margin adjusted for CCA (%)	3.94	4.73	2.86
Operating profit margin (excluding interest expenses) (%)	18.58	19.48	17.78
Solvency ratio			
Interest coverage	4.03	4.27	3.65

SOURCE: Statistics Canada, Cat. No. 21-208-XIE.

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AVERAGE OPERATING REVENUES AND EXPENSES – MANITOBA

2005^P	Manitoba	% of Canada	Canada
Number of farms	18,170	9.13	199,120
Distribution by province (%)	9.1	9.10	100
Average Per Farm (\$)			
Total Operating Revenues	225,429	101.86	221,302
Total crop revenues	72,461	104.58	69,290
Total grains and oilseeds	57,969	147.17	39,388
Total other crops	14,492	48.46	29,903
Potatoes	7,646	185.58	4,120
Fruits	53	1.48	3,579
Vegetables	764	18.86	4,050
Greenhouse, nursery and floriculture products	2,441	19.29	12,653
Forage crops (including seeds)	3,506	106.92	3,279
Other crops	83	6.21	1,336
Total livestock and product revenues	105,203	95.86	109,750
Cattle	31,690	75.06	42,221
Hogs	51,768	223.34	23,179
Poultry and eggs	8,302	48.26	17,201
Dairy products and subsidies	9,281	39.34	23,594
Other livestock and products	4,162	117.07	3,555
Program payments and insurance proceeds	30,521	134.77	22,647
Total other revenues	17,243	87.91	19,615
Custom work and machine rental	7,319	70.32	10,408
Rental income	1,443	47.28	3,052
Miscellaneous revenues	8,480	137.80	6,154
Total operating expenses	196,341	102.27	191,988
Total crop expenses	38,189	129.13	29,574
Fertilizer and lime	18,282	153.10	11,941
Pesticides	11,006	144.70	7,606
Seed and plants	8,329	105.99	7,858
Other crop expenses	571	26.33	2,169
Total livestock expenses	59,866	94.72	63,200
Cattle purchases	11,104	49.04	22,643
Hog purchases	13,473	252.40	5,338
Other livestock purchases	955	91.30	1,046
Feed, supplements, straw and bedding	28,973	106.88	27,108
Veterinary fees, medicine and breeding fees	3,142	101.72	3,089
Total machinery expenses	24,329	118.68	20,499
Small tools	530	96.01	552
Net fuel expenses, machinery, truck, auto	12,444	130.63	9,526
Repairs, licenses and insurance	11,355	108.96	10,421
Total general expenses	73,957	93.96	78,715
Salaries (including CPP, EI)	16,068	83.76	19,184
Rent	8,450	139.21	6,070
Insurance	3,387	98.23	3,448
Utilities	4,259	71.42	5,963
Custom work and machine rental	11,398	94.57	12,053
Net interest expenses	10,989	98.51	11,155
Net property taxes	3,713	125.82	2,951
Building and fence repairs	2,721	87.02	3,127
Marketing expenses	4,638	87.61	5,294
Miscellaneous expenses	8,334	88.01	9,469
Net operating income	29,087	99.23	29,314
Adjustment for capital cost allowance (CCA)	22,651	110.45	20,507
Net operating income adjusted for CCA	6,436	73.08	8,807
Operating Margins Per Dollar of Revenue			
Operating margin	0.13	100.00	0.13
Operating margin adjusted for CCA	0.03	75.00	0.04