

STATISTICS ON REVENUES AND EXPENSES OF FARMS – 2006 PRELIMINARY ESTIMATES

The following provides preliminary estimates of selected financial statistics for Manitoba in 2006, 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 2006, average operating margins of Manitoba farms were close to 10 cents per dollar of revenue, relatively similar to Canadian farms as an overall group which generally stood at 12 cents per dollar, according to preliminary estimates from taxation records.
- Average operating revenues per farm in Manitoba for 2006 were down 3.8% from the year previous to \$226,337 while average operating expenses increased only slightly to \$204,686; for Canada as a whole, operating revenues totaled \$235,248 while expenses amounted to \$205,942 per farm.
- Average net market income for Canada – defined as total operating revenues less total operating expenses minus net program payments – stood at \$6,624, with average net program payments amounting to \$22,682. Once adjusted for capital cost allowance, farms throughout the nation posted a deficit of \$7,495 in average net market income.

SELECTED FINANCIAL STATISTICS - MANITOBA

Number of farms	2001	2002	2003	2004	2005 ^R	2006 ^P
		21,140 ^A	20,305 ^A	19,345 ^A	18,685 ^A	18,390 ^A
Average per farm (\$)						
Total operating revenues	197,469 ^A	212,784 ^A	229,327 ^A	240,278 ^A	235,277 ^A	226,337 ^A
Total operating expenses	164,648 ^A	177,113 ^A	197,286 ^A	204,442 ^A	203,949 ^A	204,686 ^A
Net operating income	32,820	35,671	32,041	35,836	31,328	21,650
Net program payments	12,886 ^A	7,588 ^A	9,988 ^A	16,224 ^A	29,749 ^A	30,657 ^A
Net market income	19,934	28,083	22,053	19,612	1,579	-9,007
Adjustment for capital cost allowance (CCA)	19,121 ^A	21,054 ^A	22,998 ^A	24,464 ^A	24,758 ^A	23,388 ^A
Net market income adjusted for CCA	813	7,029	-945	-4,852	-23,179	-32,395
Net operating income adjusted for CCA	13,699	14,617	9,043	11,372	6,570	-1,738

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

2006 ^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	2,660^A	2,970^A	1,240^A	1,015^A	740^A	8,605^A	24,947	30.9
Oilseed and grain farming	2,265 ^A	2,400 ^A	1,090 ^A	930 ^A	630 ^A	7,315 ^A	23,301	31.0
Potato farming	30 ^D	X	X	X	55 ^B	115 ^B	182,927	26.1
Other vegetables & melon farming	X	X	X	X	X	X	X	X
Fruit and tree nut farming	X	X	X	X	0	X	X	X
Greenhouse, nursery & floriculture	X	F	X	X	X	90 ^D	93,915 ^E	X
Other crop farming	330 ^D	510 ^D	135 ^D	50 ^D	X	1,045 ^C	11,170	31.6
Animal production	3,450^A	3,120^A	1,035^A	740^A	545^A	8,880^A	18,457	38.9
Beef cattle includes feedlots	2,880 ^A	2,720 ^A	700 ^A	425 ^B	165 ^B	6,880 ^A	8,975	41.9
Dairy cattle and milk	50 ^D	75 ^D	70 ^C	105 ^B	150 ^B	460 ^B	86,243	10.9
Hog and pig farming	145 ^C	90 ^B	100 ^D	70 ^B	130 ^B	530 ^A	55,745	27.4
Poultry and egg production	25 ^D	45 ^D	65 ^E	70 ^D	75 ^B	280 ^B	87,433	8.9
Other animal production	355 ^D	175 ^D	105 ^D	65 ^D	X	730 ^B	11,471	48.6
Total	6,105^A	6,085^A	2,275^A	1,750^A	1,280^A	1,7495^A	21,650	34.9

Coefficients of Variation Rating System		
Coefficients of Variation Range	Symbol	Meaning
0.00% to 4.99%	A	Excellent
5.00% to 9.99%	B	Very good
10.00% to 14.99%	C	Good
15.00% to 24.99%	D	Acceptable
25.00% to 34.99%	E	Use with caution
35.00% or more	F	Too unreliable to be published

SOURCE: Statistics Canada, Cat. No. 21-208-X, released December 19, 2007.

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FINANCIAL PERFORMANCE INDICATORS OF FARMS - MANITOBA

Profitability ratios	2004	2005^R	2006^P
Operating profit margin (%)	14.91	13.32	9.57
Operating profit margin adjusted for CCA (%)	4.73	2.79	-0.77
Operating profit margin (excluding interest expenses) (%)	19.48	18.05	15.07
Solvency ratio: Interest coverage	4.27	3.81	2.74

AVERAGE OPERATING REVENUES AND EXPENSES – MANITOBA

2006^P	Manitoba	% of Canada	Canada
Number of farms	17,495^A	9.22%	189,840^A
Distribution by province (%)	9.2	9.20%	100
Average Per Farm (\$)			
Total Operating Revenues	226,337^A	96.21%	235,248^A
Total crop revenues	73,893^A	94.86%	77,899^A
Total grains and oilseeds	56,693 ^A	132.02%	42,942 ^A
Total other crops	17,200 ^B	49.20%	34,957 ^A
Potatoes	7,317 ^B	180.27%	4,059 ^A
Fruits	124 ^E	3.06%	4,051 ^A
Vegetables	1,164 ^D	27.31%	4,262 ^A
Tobacco	0	0.00%	823 ^C
Greenhouse, nursery and floriculture products	4,613 ^D	27.48%	16,785 ^A
Forage crops (including seeds)	3,879 ^B	112.27%	3,455 ^A
Other crops	104 ^C	6.83%	1,522 ^B
Total livestock and product revenues	102,462^A	89.37%	114,653^A
Cattle	36,843 ^A	75.82%	48,595 ^A
Hogs	42,324 ^A	215.15%	19,672 ^A
Poultry and eggs	9,582 ^B	53.99%	17,748 ^A
Dairy products and subsidies	10,758 ^B	42.85%	25,107 ^A
Other livestock and products	2,955 ^B	83.71%	3,530 ^A
Program payments and insurance proceeds	34,088^A	150.29%	22,682^A
Total other revenues	15,894^A	79.41%	20,015^A
Custom work and machine rental	6,679 ^A	64.34%	10,380 ^A
Rental income	1,540 ^B	45.62%	3,376 ^A
Miscellaneous revenues	7,676 ^A	122.66%	6,258 ^A
Total Operating Expenses	204,686^A	99.39%	205,942^A
Total crop expenses	42,254^A	132.98%	31,775^A
Fertilizer and lime	20,412 ^A	159.58%	12,791 ^A
Pesticides	12,308 ^A	156.53%	7,863 ^A
Seed and plants	8,762 ^A	101.32%	8,648 ^A
Other crop expenses	773 ^C	31.24%	2,474 ^A
Total livestock expenses	58,117^A	87.05%	66,763^A
Cattle purchases	13,398 ^A	50.06%	26,766 ^A
Hog purchases	11,783 ^A	250.65%	4,701 ^A
Poultry and egg purchases	2,732 ^B	67.84%	4,02 ^A
Other livestock purchases	692 ^D	74.25%	932 ^B
Feed, supplements, straw and bedding	26,400 ^A	98.38%	26,834 ^A
Veterinary fees, medicine and breeding fees	3,102 ^A	95.24%	3,257 ^A
Other livestock expenses	9 ^D	3.67%	245 ^A
Total machinery expenses	25,773^A	119.04%	21,651^A
Small tools	554 ^A	97.88%	566 ^A
Net fuel expenses, machinery, truck, auto	13,430 ^A	129.93%	10,336 ^A
Repairs, licenses and insurance	11,789 ^A	109.68%	10,749 ^A
Total general expenses	78,543^A	91.59%	85,753^A
Salaries (including CPP, EI)	16,426 ^A	78.61%	20,895 ^A
Rent	9,241 ^A	141.08%	6,550 ^A
Insurance	3,504 ^A	97.20%	3,605 ^A
Utilities	4,296 ^A	64.52%	6,658 ^A
Custom work and machine rental	11,297 ^A	92.46%	12,218 ^A
Net interest expenses	12,458 ^A	95.78%	13,007 ^A
Net property taxes	3,986 ^A	133.04%	2,996 ^A
Building and fence repairs	2,733 ^A	81.53%	3,352 ^A
Marketing expenses	5,024 ^A	79.08%	6,353 ^A
Miscellaneous expenses	9,579 ^A	94.66%	10,119 ^A
Net operating income	21,650	73.88%	29,306
Adjustment for capital cost allowance (CCA)	23,388 ^A	107.23%	21,812 ^A
Net operating income adjusted for CCA	-1,738	-	7,495
Operating Margins Per Dollar of Revenue			
Operating margin	0.10	83.33%	0.12
Operating margin adjusted for CCA	-0.01	-	0.03