

# AGRICULTURE statistics

## MANITOBA

### FARM INCOME FORECAST, 2016<sup>P</sup> AND 2017<sup>E</sup>

#### Situation 2016 (Table 1):

- Manitoba farm cash receipts set a new record of \$5.99 billion in 2016, 2% above the 2015 level, driven by crop sales totaling \$3.66 billion and livestock sales of \$2.11 billion. Program payments for 2016 were \$214.4 million.
- Crops: 2016 crop yields in Manitoba were above average with the total harvested volume second only to 2013. Cereal quality suffered due to wet growing and harvest conditions. 2016 prices were close to 2015 levels for wheat and canola, Manitoba's most popular crops, while soybean prices were higher and barley, oats and flax were lower. The combination of larger volumes with steady to higher prices supported higher total crop receipts in 2016.
- Livestock: Hog prices declined in 2016 from the record high levels in 2014, as North American hog production continued to recover from the PEDv outbreak. Cattle prices reached annual record high levels in 2015 due to low inventory in North America and continued strong global demand for beef. However, calf prices dropped 29% in 2016.
- The Canadian dollar remained well under par against the U.S. dollar in 2016. The low exchange rate was favorable for livestock and crop exports and contributed to the increase in the total value of sales.
- Programs: Program payments were \$214.4 million, or 30% lower than 2015, mainly driven by lower crop and hail insurance payments and lower payments for Agristability.
- Net operating expenses in 2016 were very similar to 2015 totaling \$4.60 billion. There were decreases in the value of livestock purchases, fertilizer and lime costs, machinery and fuel costs and crop and hail insurance. These were offset by increases in the cost of wages, feed and seed purchases, rent, electricity and veterinary fees and machinery repairs.
- Net cash income was \$1.39 billion for 2016, up 17% from \$1.19 billion in 2015 with the growth in the value of crop sales and a decrease in net operating expenses.
- Realized net income accounts for depreciation and income-in-kind (farm outputs produced and consumed on farm, for example home consumed eggs, chicken or red meats). Realized net income increased to \$690.9 million in 2016, up 34% from the 2015 of \$514.8 million.
- Total net income decreased to \$782.2 million in 2016, a 4% decline from the year before. This was due to lower returns to livestock, as well as a significant decrease in the value of inventory change.

#### Manitoba Outlook 2017 (Table 1):

- Farm cash receipts are estimated to be \$6.02 billion in 2017, relatively the same as the 2016 level, with projected declines of 4% in livestock receipts. Crop receipts are projected to remain steady while program payments are expected to increase. Sales of crops and livestock are estimated at \$3.65 billion and \$2.02 billion respectively, while estimates of program payments could reach \$343.0 million.
- Crops: For the grain and oilseeds sector, margins are expected to remain positive in the coming year. Marketed volumes of wheat, canola and soybeans will remain strong. Prices for these three crops are expected to stay flat consistent with the 2015 and 2016 price levels. Prices remain above long term averages.
- Livestock: Lower feed prices are expected in 2017, but lower cattle and beef prices are also projected. Hog prices are likely to be slightly lower in 2017.

- Expectations are that the Canadian dollar will continue to trade at a significant discount to the U.S. dollar and will be consistent with exchange rates seen in 2015. The weaker dollar has helped support Canadian returns to date but will not provide any additional cushion to the forecast decline in livestock prices.
- Programs: Program payments are estimated to be \$343 million, a sizeable increase from the very low 2016 level. Crop insurance payments are up 87% to \$195.81 million and Agristability payments are up 72% to \$78.29 million. AgriInvest-Kickstart payments are expected to increase 14.6% to \$39.21 million in 2017.
- 2017 operating expenses are expected to be \$4.74 billion, 3% above 2016. Net cash income is projected to fall by 8% from its 2016 level ending at \$1.28 billion due to largely flat revenues combined with higher operating expenses. Realized net income is expected to see a modest decline to \$585.8 million, down 15% from the 2016 result.
- Total net income in 2017 is expected to decrease by 22% to \$612.3 million. This forecast is expected to be lower due to the lower realized net income and a substantial decrease in the value of inventory change.

**TABLE 1: FARM INCOME SUMMARY, MANITOBA, 2015-2017**

Aggregate Farm Cash Receipts, Expenses & Income	2015 <sup>R</sup>	2016 <sup>P</sup>	2017 <sup>E</sup>	2016/15	2017/16
	- million dollars -			%*	%*
Crop Receipts	3,210.8	3,663.7	3,648.6	114	100
Livestock Receipts	2,334.1	2,114.1	2,028.1	91	96
Market Receipts	5,544.9	5,777.8	5,676.8	104	98
Total Payments	304.5	214.4	343.0	70	160
<b>Total Cash Receipts</b>	<b>5,849.4</b>	<b>5,992.2</b>	<b>6,019.8</b>	102	100
<b>Net Operating Expenses</b>	<b>4,663.1</b>	<b>4,605.0</b>	<b>4,739.0</b>	99	103
<b>Net Cash Income</b>	<b>1,186.3</b>	<b>1,387.2</b>	<b>1,280.8</b>	117	92
<b>Realized Net Income</b>	<b>514.8</b>	<b>690.9</b>	<b>585.8</b>	134	85
<b>Value of Inventory Change</b>	<b>304.0</b>	<b>91.3</b>	<b>26.5</b>	-	-
<b>TOTAL NET INCOME</b>	<b>818.8</b>	<b>782.2</b>	<b>612.3</b>	96	78

Source: Statistics Canada, CANSIM Tables 002-0001 and 002-0009, AAFC 2017 Canadian Agricultural Outlook  
Manitoba Agriculture, Market Intelligence

<sup>R</sup> Revised    <sup>P</sup> Preliminary    <sup>E</sup> Estimated

\* Totals may not add due to rounding. Also the calculation of percent change involving a negative number yields a counter-intuitive, though arithmetically correct result.

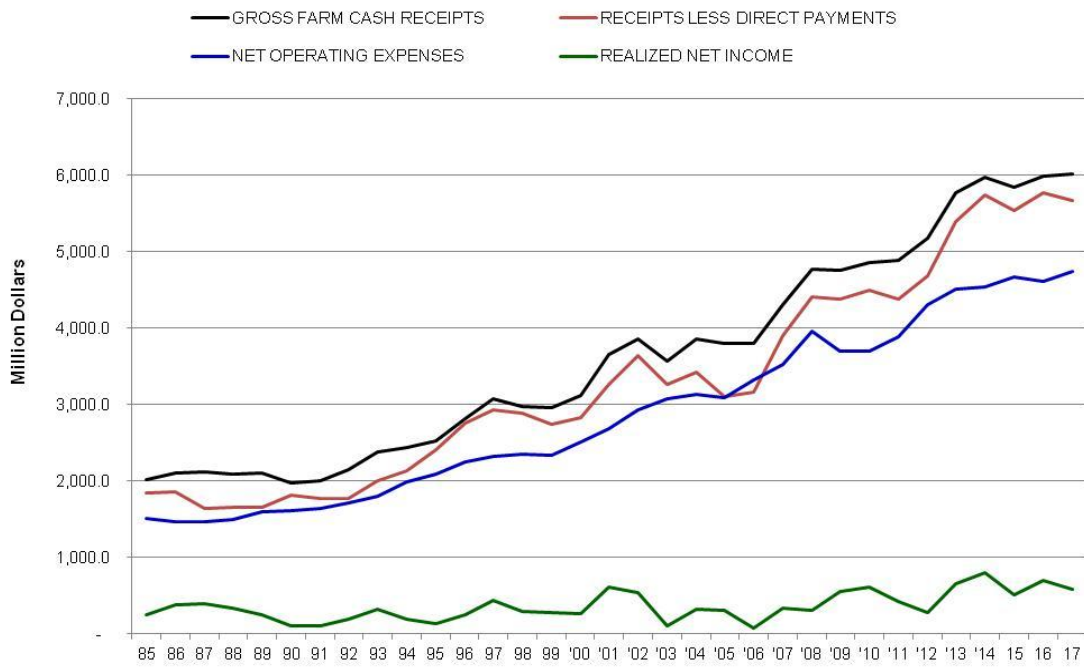
Definitions:

Total cash receipts minus operating expenses after rebates equals net cash income.

Realized net income plus value of inventory change equals total net income.

Net income plus income-in-kind minus depreciation charges equals realized net income.

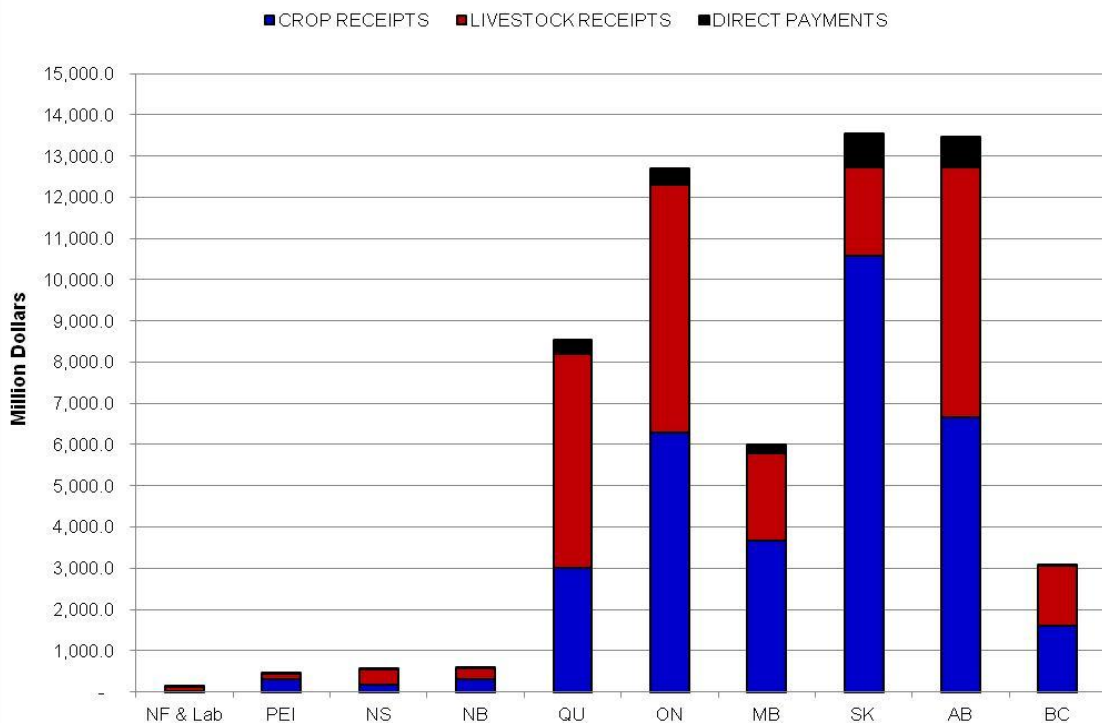
## MANITOBA FARM INCOME AND EXPENSES 1985 - 2017



SOURCE: Statistics Canada and AAFC

Manitoba Agriculture, Market Intelligence

## FARM CASH RECEIPTS BY PROVINCE, 2016



SOURCE: Statistics Canada and AAFC.

Manitoba Agriculture, Market Intelligence

**Market Intelligence**  
**Manitoba Agriculture, Food and Rural Development**  
Email: [IndustryIntelligence@gov.mb.ca](mailto:IndustryIntelligence@gov.mb.ca)  
Phone : (204 ) 945-3503  
February 17th, 2017

---

Manitoba Agriculture, Food and Rural Development, Research & Market Intelligence,  
811-401 York Avenue, Winnipeg MB R3C 0P8 Telephone 1-204-945-3503

Other publications available from PDAKC of Manitoba Agriculture, Food and Rural Development  
are found on the [Agriculture Statistics](#) page.