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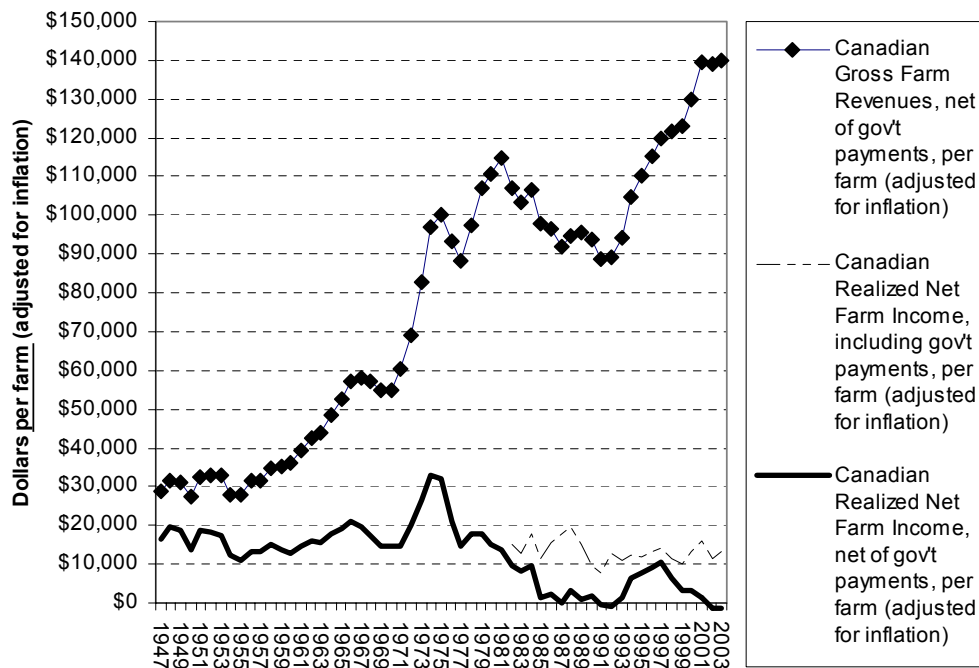
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RECENT INCOME DATA HIGHLIGHTS MARKET FAILURE

SWIFT CURRENT, Sask.— Statistics Canada data publicized over the past week shows that farmers' net incomes will fall. But it is only when we look at the long term that the extent of the crisis emerges. Especially striking is the fact that farmers' net income from the market alone—with government payments subtracted—is now essentially zero.

The following graph plots Canadian per-farm Gross Revenue adjusted for inflation and per-farm Realized Net Income adjusted for inflation (with and without government payments).

Canadian per-farm Gross Revenues and Realized Net Incomes: 1947-2003



On the average farm, Realized Net Farm Income from the market alone—which hovered between \$10,000 and \$20,000 per year through most of the 1940s, '50s, '60s, and '70s—is now negative. Over the past five years, the average Canadian farm earned just \$959 per year from the markets alone. The bulk of farm family income had to come from off-farm income, savings, liquidation of assets, debt, and government payments.

The distance between the Gross Revenue and Net Income lines represents the amount of money that farm families have to pay to the corporations that manufacture and market agricultural inputs and technologies—fertilizer, chemical, seed, and fuel companies.

“Canadian farm families are being crushed by profoundly dysfunctional markets,” said NFU President Stewart Wells. He noted that over the past decades, the average Canadian farm has increased its (inflation adjusted) gross output five-fold—from less than \$30,000 per year to over \$140,000. “We’ve multiplied our output, enlarged our farms, adopted a myriad of new technologies, posted Canada-leading efficiency gains, and the markets reward us today with negative net incomes. Where did those increased gross revenues go? They were taken by the small number of immensely powerful transnationals that make and market our agricultural inputs and technologies,” said Wells.

The NFU’s new report, *The Farm Crisis, Bigger Farms, and the Myths of ‘Competition’ and ‘Efficiency’* takes a fresh look at Canadian agriculture and the income crisis gripping our family farms. The report reveals the truth about farmer efficiency, looks at technology’s spotty record of delivering profits to farmers, examines who is taking the profits in the agri-food system, and details growing corporate power and predatory pricing by agribusiness. The report is at http://www.nfu.ca/briefs/Myths_PREP_PDF_TWO.bri.pdf .

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