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national farmers union
In Union Is Strength

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NEGATIVE NET FARM INCOME FROM MARKETPLACE IN 2007, SAYS NFU

Contrary to some reports, the Canadian farm income numbers released November 24 paint a bleak picture for farmers, not a rosy one.

Statistics Canada reported November 24 that Canadian farmers earned a realized net farm income of \$2.157 billion in 2007. However, that number includes taxpayer-funded government support payments of approximately \$4 billion.

“When support payments are factored out, Canadian farmers earned a net income in 2007 of *negative* \$2 billion,” stated National Farmers Union (NFU) Ontario Coordinator Grant Robertson. “Farmers’ net income from the sale of their commodities in the market alone – not counting taxpayer-funded subsidies - was deeply negative in 2007.”

The situation in Atlantic Canada is especially devastating, he pointed out. According to Statistics Canada, realized net farm income in Prince Edward Island fell from \$16 million in 2006 to \$12 million in 2007; while New Brunswick farmers experienced a dramatic drop from \$33 million in 2006 to only \$8 million in 2007. Nova Scotia farmers’ realized net income fell the furthest - from \$39 million in 2006 to zero in 2007, according to the Statistics Canada report.

Robertson noted that taxpayer funding should actually be considered a subsidy to agribusiness corporations. “The income farmers receive goes directly to pay their bills,” he said. “Inputs, particularly fertilizer and fuel, have been exceptionally expensive. It’s also a subsidy to processors and exporters, who are able to keep paying low prices for raw commodities under this system.”

“Over the last twenty years, farmers have generated two-thirds of a trillion dollars in gross income, but have kept none of that,” he added. “After years of bad news from the farm sector, we wish we could report better results in 2007. Despite increases in some prices and revenues, rising input costs cancelled out farmers’ net income dollars.”

Statistics Canada reported that in 2007, crop receipts increased 25.3 percent and livestock receipts rose 2.7 percent compared to 2006. Statistics Canada also reported, however, that 2007 fertilizer expenses climbed 21.8 percent while 2007 fuel costs rose 5.6 percent over the year before.

“It’s obvious that any gains farmers were hoping to make from the temporary spike in grain prices were quickly eaten up by higher prices for inputs,” concluded Robertson.

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