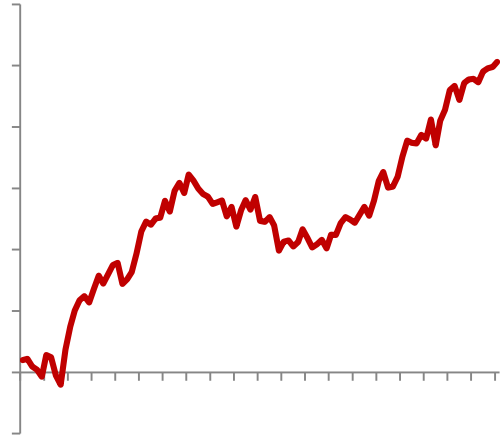


Farm Expenses and Rebates

2010-2014



Nova Scotia Department of Agriculture



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July 7, 2015

I. Highlights and Analysis

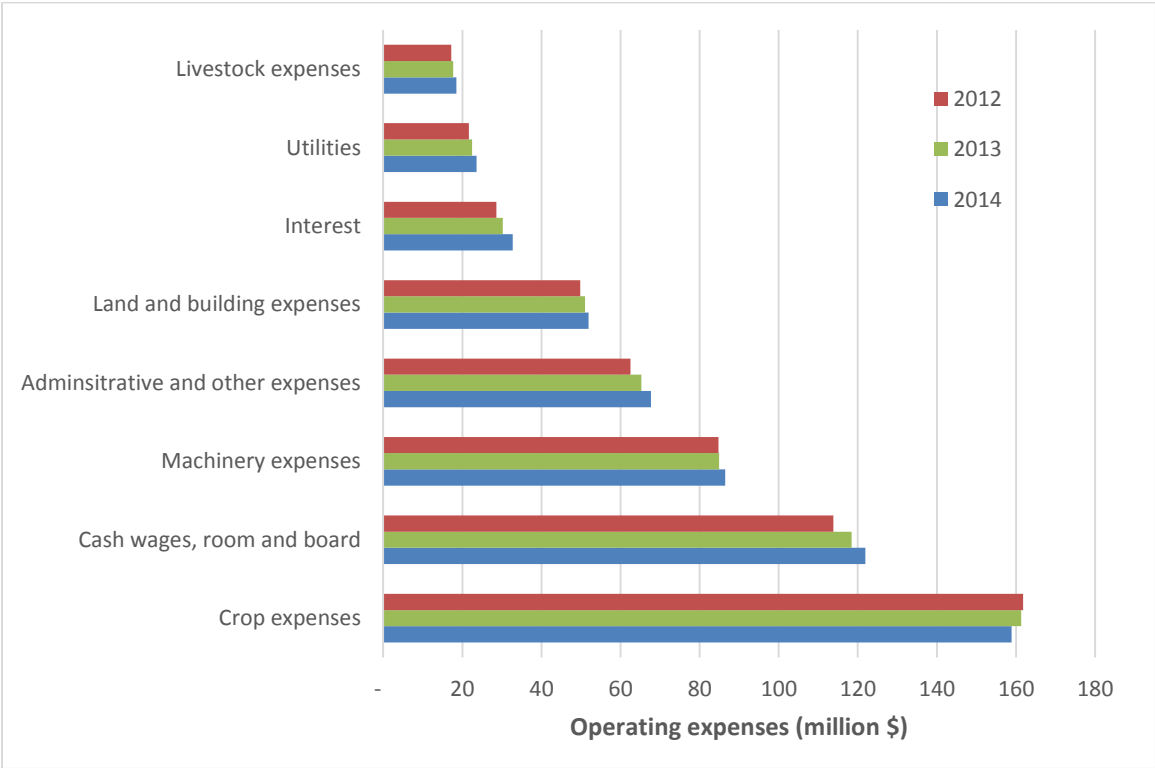
1.1 Farm Operating Expenses

- In 2014 farm operating expenses after rebates for Nova Scotia’s agriculture sector reached \$561.7 million, a 1.9 percent increase over 2013. From 2013 to 2014:
 - The cost of cash wages, room and board increased by 3 percent to \$121.9 million.
 - Fertilizer and lime expenses decreased 10 percent to \$15.7 million.
 - Depreciation on buildings and machinery increased 2.4 percent to \$65.6 million.

- Overall, crop expenses accounted for 28.3 percent (\$158.9 million) of operating expenses in 2014, followed by cash wages, room and board at 21.7 percent (\$121.9 million), and machinery expenses at 15.4 percent (\$86.4 million).

- Since 2007, interest expenses after rebates have declined by 20.5 percent (accounting for inflation).

Figure 1.1 – Nova Scotia Farm Expenses after Rebates by Major Category, 2012 to 2014



II. Statistical Tables

Table 2.1 Nova Scotia Farm Operating Expenses and Rebates, 2010 to 2014 (\$x1000)

| Expenses and Rebates | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|-------------|-------------|-------------|-------------|-------------|
| Total expenses after rebates | 481,151 | 503,398 | 537,417 | 551,274 | 561,692 |
| Total rebates | 622 | 717 | 770 | 576 | 360 |
| Interest rebates | 498 | 556 | 560 | 379 | 360 |
| Fertilizer and lime rebates | 124 | 161 | 210 | 197 | ... |
| Total expenses before rebates | 481,773 | 504,115 | 538,187 | 551,850 | 562,053 |
| Total gross operating expenses | 422,639 | 442,616 | 475,878 | 487,748 | 496,430 |
| Property taxes | 3,528 | 3,499 | 3,639 | 3,835 | 3,920 |
| Cash wages, room and board | 103,883 | 104,921 | 111,741 | 118,393 | 121,945 |
| Family wages | 35,216 | 35,568 | 37,880 | 40,135 | 41,339 |
| Non-family wages | 68,667 | 69,353 | 73,861 | 78,258 | 80,605 |
| Interest | 29,397 | 28,589 | 29,148 | 30,596 | 33,077 |
| Electricity | 9,244 | 9,753 | 10,923 | 11,470 | 11,871 |
| Heating fuel | 5,984 | 7,062 | 6,992 | 7,271 | 7,853 |
| Machinery fuel | 20,702 | 24,325 | 25,784 | 25,269 | 25,648 |
| Fertilizer and lime | 13,729 | 15,377 | 17,068 | 17,409 | 15,668 |
| Pesticides | 11,851 | 11,259 | 11,597 | 11,887 | 12,184 |
| Commercial seed | 10,766 | 11,369 | 11,380 | 11,494 | 11,551 |
| Commercial feed | 96,938 | 108,571 | 121,925 | 120,706 | 119,499 |
| Livestock and poultry purchases | 6,703 | 7,176 | 7,387 | 7,408 | 8,038 |
| Artificial insemination and veterinary fees | 9,016 | 9,106 | 9,606 | 10,275 | 10,481 |
| Cash rent | 4,469 | 4,647 | 5,065 | 5,116 | 5,244 |
| Share rent | 239 | 239 | 263 | 234 | 185 |
| Repairs to buildings and fences | 10,109 | 10,816 | 11,465 | 11,121 | 11,343 |
| Telephone | 3,460 | 3,581 | 3,724 | 3,687 | 3,853 |
| Machinery repairs and other expenses | 24,191 | 24,434 | 25,656 | 26,282 | 26,413 |
| Twine, wire and containers | 11,147 | 11,125 | 11,626 | 11,858 | 12,214 |
| Crop and hail insurance | 567 | 686 | 891 | 780 | 793 |
| Business insurance | 8,136 | 8,421 | 9,069 | 9,250 | 9,565 |
| Custom work | 15,765 | 14,503 | 16,098 | 17,708 | 18,416 |
| Stabilization premiums | 63 | 51 | 63 | 64 | 56 |
| Other operating expenses | 8,446 | 8,657 | 9,306 | 9,400 | 9,729 |
| Legal and accounting fees | 14,306 | 14,449 | 15,460 | 16,233 | 16,883 |
| Total depreciation | 59,135 | 61,499 | 62,308 | 64,102 | 65,623 |
| Depreciation on buildings | 27,225 | 28,357 | 29,357 | 30,705 | 31,242 |
| Depreciation on machinery | 31,910 | 33,142 | 32,951 | 33,397 | 34,380 |

III. User Information

Data Sources

The data in this report were derived from the following tables produced by Statistics Canada:

002-0005 - Farm operating expenses and depreciation charges, annual

326-0021 - Consumer Price Index (CPI), 2011 basket, annual

These data tables can be accessed through Statistics Canada's CANSIM database, available at <http://www5.statcan.gc.ca/cansim/>

Symbols

This report uses the following standard symbols used by Statistics Canada:

| | |
|-----|---|
| . | not available for any reference period |
| .. | not available for a specific reference period |
| ... | not applicable |
| 0 | true zero or a value rounded to zero |
| p | preliminary |
| r | revised |
| x | suppressed to meet the confidentiality requirements of the Statistics Act |
| E | use with caution |
| F | too unreliable to be published |

Concepts and Methods

Details on the concepts, methods and data sources used to produce these data can be obtained through Statistics Canada's CANSIM database, available at <http://www5.statcan.gc.ca/cansim/>. To access information on concepts and methods from CANSIM, select the *Related Information* tab. Links to information on concepts and methods are available under the section titled *Additional information on the survey or statistical program*.

Farm Operating Expenses

Farm operating expenses represent the costs of goods and services used in the production of agricultural products, and paid to individuals or businesses outside of the primary agriculture sector. Because the operating costs are primarily used for estimating net farm income using farm cash receipts, expenses incurred for goods and services provided by other farms are excluded. All expenses are on a calendar year basis.

Depreciation

The depreciation estimates are meant to capture economic depreciation of capital assets. Economic depreciation captures the decrease in value resulting from ageing, wear and obsolescence of capital assets. In general, economic depreciation will differ from accounting or tax depreciation, in that it represents a true reduction in the value of available assets.

Rebates

Rebates include only payments given directly to agricultural producers for the purpose of reducing the costs incurred from the purchase of applicable goods and services.