

MANITOBA MARKETS

Farm Cash Receipts 2021 Q3

November 24, 2021

MANITOBA FARM CASH RECEIPTS, Q3 2021

November 24, 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
- 000 dollars -							
Total farm cash receipts	1,689,075	1,475,104	1,944,461	1,917,856	2,202,324	1,815,337	2,082,486
Total crop receipts	1,017,664	892,897	1,302,086	1,156,552	1,507,927	1,100,939	1,243,058
Total livestock and livestock product receipts	568,780	523,422	577,947	691,660	623,005	689,718	758,124
Total receipts from direct payments	102,631	58,786	64,428	69,644	71,392	24,680	81,304

Source: Statistics Canada 32-10-0046-01

On November 24, Statistics Canada released farm cash receipts for the third quarter of 2021. Strong product prices continue to be the key driver of high receipts levels for crops and livestock despite much lower crop production in the 2021 season.

In Q3 2021, crops receipts dropped 4.5 per cent compared to the same quarter in 2020. Drastically reduced production due to extreme dryness through the 2021 growing season along with minimal carry in stocks from last year substantially reduced sales volumes. Record-high prices served as a strong offset, but cash receipts declined nonetheless with canola being the hardest hit.

It is expected that Q4 2021 crop receipts will be similar to Q3 with diminished sales volume due to lower supply offset partially by much higher prices. It is also anticipated that deferrals will again shift a significant portion of receipts forward from Q4 2021 into Q1 2022 as producers endeavour to smooth their sales revenues. This was apparent in Q1 of 2021 with over \$300 million of receipts booked forward into 2021 from 2020.

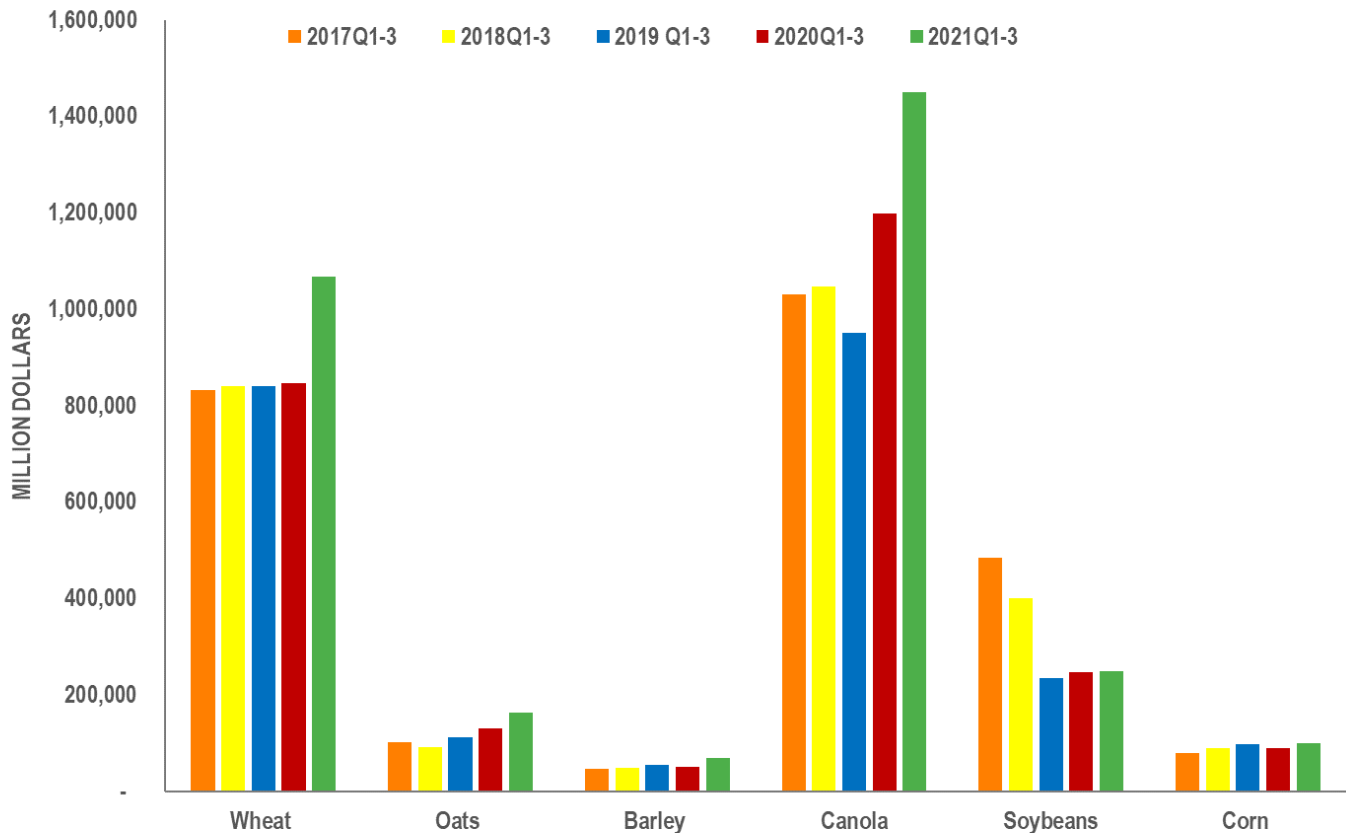
Looking ahead, the key concern is that sharply reduced supplies will become apparent in very low sales volumes in the tail end of this crop year. So far since August, the pace of shipments is almost 20 per cent less than last year, but this won't be maintained because crop supplies are more than 30 per cent reduced. On the positive side, it is expected that very strong prices will continue until summer of 2022 – only to return to more average levels once a more promising harvest is clear on the horizon in 2022.

MANITOBA TOP 10 CROPS QUARTERLY FARM CASH RECEIPTS

November 24, 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
- 000 dollars -							
Canola	252,509	344,004	602,517	422,861	478,032	419,542	551,965
Wheat	201,751	308,623	336,046	287,519	333,561	398,689	334,805
Fresh potatoes	64,439	62,167	74,497	82,518	70,550	82,501	68,486
Soybeans	44,199	80,803	122,468	265,552	57,838	69,097	121,392
Corn for grain	65,430	20,838	4,224	70,087	69,579	24,608	5,809
Oats	26,189	25,872	78,839	37,811	52,949	41,194	68,410
Barley	16,699	14,153	18,856	21,311	30,158	24,333	14,356
Dry beans	15,041	16,491	39,717	46,629	25,585	27,990	44,931
Floriculture and nursery products, and sod	7,839	19,946	10,694	12,929	8,208	20,883	11,197
Dry peas	7,803	8,122	16,123	11,079	15,851	11,508	14,261

Source: Statistics Canada 32-10-0046-01

FARM CASH RECEIPTS CROPS FIRST 9 MONTHS (JAN.-SEPT.) 2017-2021



Source: Statistics Canada, Table 32-10-0046-01

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After facing many challenges imposed by the COVID pandemic and drought in many areas of the province, the livestock sector is showing recovery and growth. Livestock receipts showed an increase of 31 per cent in Q3 2021 and a 24 per cent increase in receipts from January to September 2021, compared to a year ago. The hog sector that represents 50 per cent of livestock receipts, propelled the change.

For January to September 2021, hog sector receipts increased by 46.1 per cent compared to the same quarters in 2020. This was mainly due to a 37.5 per cent increase in prices and a 6.1 per cent increase in marketings. Typical for the hog sector, sales are expected to increase in Q4 while prices will decline, but should remain record high this year.

The cattle sector receipts increased 4.5 per cent from Q1 to Q3 2021 compared to last year, due to higher prices. Taking a closer look at cattle marketings, Q1 was down (-11.4%), Q2 was up (1.6%) and Q3 was up (9.1%), resulting in similar totals for the first three quarters of this year compared to the same time last year. Farm cash receipts in the cattle sector are expected to fall back in future years due to smaller supplies and retainment as producers rebuild their herds.

Strong performances in the supply managed sectors and other livestock commodities also contributed to the record \$759 million for livestock receipts in Q3 and for the cumulative receipts, Q1 to Q3 2021, which surpassed \$2 billion.

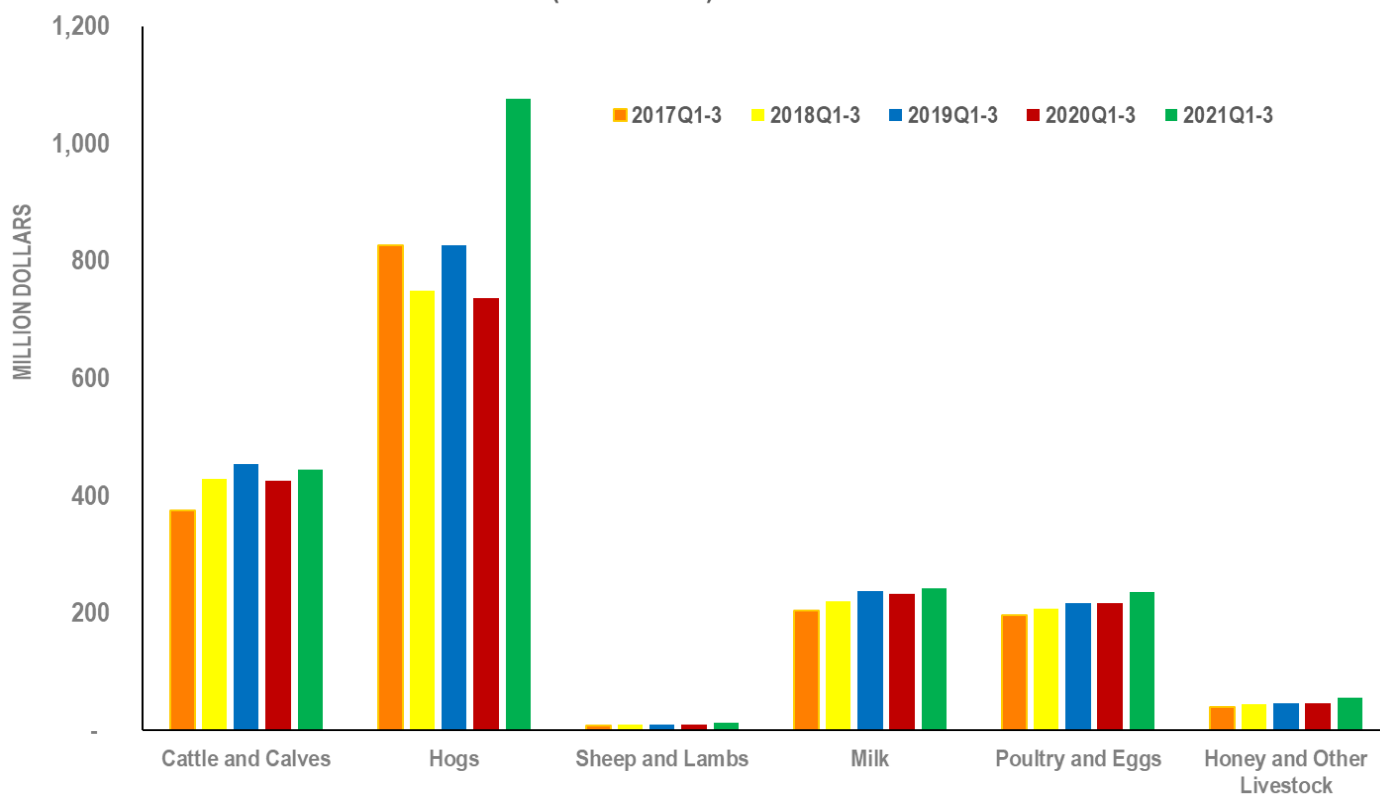
Looking forward, livestock receipts are expected to increase, setting records in Q4. The hog and cattle sectors will lead the increase. The milk, poultry and egg sectors may be increasing production to cover losses caused by flooding in British Columbia. Farm income in all sectors will be affected by sharply higher prices for feed grains and other input costs this year.

MANITOBA TOP LIVESTOCK SECTORS QUARTERLY FARM CASH RECEIPTS

November 24, 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
- 000 dollars -							
Hogs	257,429	234,351	245,275	314,735	326,331	370,281	379,995
Cattle and calves	142,918	123,537	159,285	195,109	127,760	137,616	179,577
Milk	80,959	77,184	75,105	81,633	82,281	81,564	79,257
Chickens	31,465	31,179	30,931	29,581	32,288	35,569	37,707
Eggs	33,701	31,861	28,741	29,339	29,990	32,293	34,610
Natural honey (except pollen)	2,970	3,300	18,174	18,596	4,404	4,894	19,306
Turkeys	2,741	6,334	5,905	6,080	1,450	7,988	8,141
Sheep and lambs	4,348	4,085	2,008	2,653	5,415	5,569	2,625

Source: Statistics Canada 32-10-0046-01

FARM CASH RECEIPTS LIVESTOCK FIRST 9 MONTHS (JAN.-SEPT.) 2017-2021



Source: Statistics Canada, Table 32-10-0046-01

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