Achieving NAFTA PLUS: Government Reaction Panel

Jan Dyer
Research and Analysis Directorate

NAAMIC, June 2006
Conditions Required for Implementing Changes in Policy to Achieve Higher Level of Market Integration

- Laying the groundwork with stakeholders
- A window of opportunity
- Leadership
Aggregate Net Income Sources

Farm family income (2004 dollars), 1971-2004

Billions of 2004 dollars

Net market income
Aggregate Net Income Sources

Farm family income (2004 dollars), 1971-2004

Wages and salaries
Net market income
Aggregate Net Income Sources

Farm family income (2004 dollars), 1971-2004

- Program payments
- Wages and salaries
- Net market income
Aggregate Net Income Sources

Farm family income (2004 dollars), 1971-2004

- Non-farm family income
- Program payments
- Wages and salaries
- Net market income

Billions of 2004 dollars
Structure of Farm Families and Production

Distribution of farm families and production (2000-2002)

<table>
<thead>
<tr>
<th>Farm sales class</th>
<th>% of families</th>
<th>% of production</th>
<th>% of program payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than $10,000</td>
<td>22</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>$10,000-$249,999</td>
<td>64</td>
<td>35</td>
<td>53</td>
</tr>
<tr>
<td>$250,000 plus</td>
<td>64</td>
<td>13</td>
<td>46</td>
</tr>
</tbody>
</table>
Distribution of farms by typology and revenue class (2004)

- **Business-focused**: 40,787
- **Low income**: 51,001
- **Lifestyle**: 17,576
- **Retirement**: 11,526

<table>
<thead>
<tr>
<th>Revenue Class</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000-24,999</td>
<td>17,576</td>
</tr>
<tr>
<td>$250,000+</td>
<td>28,610</td>
</tr>
<tr>
<td><strong>All farms</strong></td>
<td>69,397</td>
</tr>
</tbody>
</table>

**Source:** Statistics Canada, FFS and AAFC calculations

*Total family income below $35,000

**All farms excludes farms with revenues under $10,000
Production Diversification

1953

- Other: 10.1%
- Horticulture: 17.9%
- Red meat: 15.7%
- Other grains: 1.3%
- Oilseed and pulses: 52.9%

2003

- Other: 10.6%
- Horticulture: 5%
- Red meat: 37.8%
- Other grains: 5.7%
- Oilseed and pulses: 21.8%

Production diversification has shown a significant shift from 1953 to 2003, with a notable increase in the proportion of other grains and a decrease in the proportion of oilseed and pulses.