

by TREENA HEIN

The researchers also found that there are fewer small producers today and more large producers who are increasing the size of their operations. "In 1999," notes McEwan, "small farms with \$100,000 or less in farm sales represented about 38 per cent of operations and about seven per cent of total pig inventory. By 2006, farms in this sales category had shrunk to about 23 per cent of respondents and only about two per cent of inventory." Large farms with more than \$1 million in sales grew significantly, from about five per cent of respondents and 37 per cent of inventory in 1999 to about 13 per cent of respondents and 63 per cent of inventory by 2006.

McEwan notes that the data also reveals that, as swine farms grow in size, more complex business arrangements tend to emerge. Sole proprietorships are most common on farms with less than 50 sows, while family and business corporations are more prevalent on farms with more than 200 sows. In total, about 43 per cent of swine operations in the province are sole proprietor, 28 per cent are partnerships, 24 per cent are family corporations and five per cent are business corporations.

Demographics of farmers have also changed. As would be expected, the past seven years has seen the proportion of farmers over 55 years old rise from about 20 per cent to



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Ken McEwan is a college professor of production economics and agribusiness at the University of Guelph's Ridgetown Campus. He routinely provides analysis on how government programs and policies impact the farming community. His specialty areas include pricing, benchmarking and evaluating structural changes within the Ontario swine industry.

Prof. McEwan's research partners and clients include Agriculture and Agri-Food Canada, Ontario Pork, the Ontario Ministry of Agriculture, Food and Rural Affairs, and the United States Department of Agriculture. His achievements include participation in the Canadian Pork Council mission to Western Europe in 2000, taking part in the Walkerton Inquiry as a member of an expert panel on manure management, testifying as an expert witness at a U.S. Congressional hearing on pesticide pricing and developing a number of pork pricing models for the Ontario swine industry.

Among his many research projects, Prof. McEwan recently explored food processing opportunities and the economic impact of agriculture in rural regions of the province.

His academic credentials include a B.Sc.(Agr.) and M.Sc. in Agricultural Economics from the University of Guelph. He has been involved in swine extension and research for more than 25 years.

industry

23 per cent. Older farmers leaving the industry outnumber the number of young farmers by almost three to one. But, McEwan says, "the younger farmers are optimistic, and one-fifth of them plan to increase the size of their swine operations in the next two years."

As for indebtedness, about half of survey respondents reported that they have low debt levels. McEwan notes that this is partly due to the fact that most hog farmers are older and have thus had time to pay down their debts. Lower levels of debt are more frequently observed on smaller farms operated as sole proprietorships. Farms structured as business corporations most commonly had high debt levels, likely due to the larger size of these operations and because many have recently built new facilities and have large levels of inventory.

Perhaps the most surprising survey results have to do with off-farm employment income. McEwan and Marchand found that it exists on farms of all sizes, not just on small farms. "About 23 per cent of all those surveyed reported that they had off-farm employment income," McEwan reports.

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