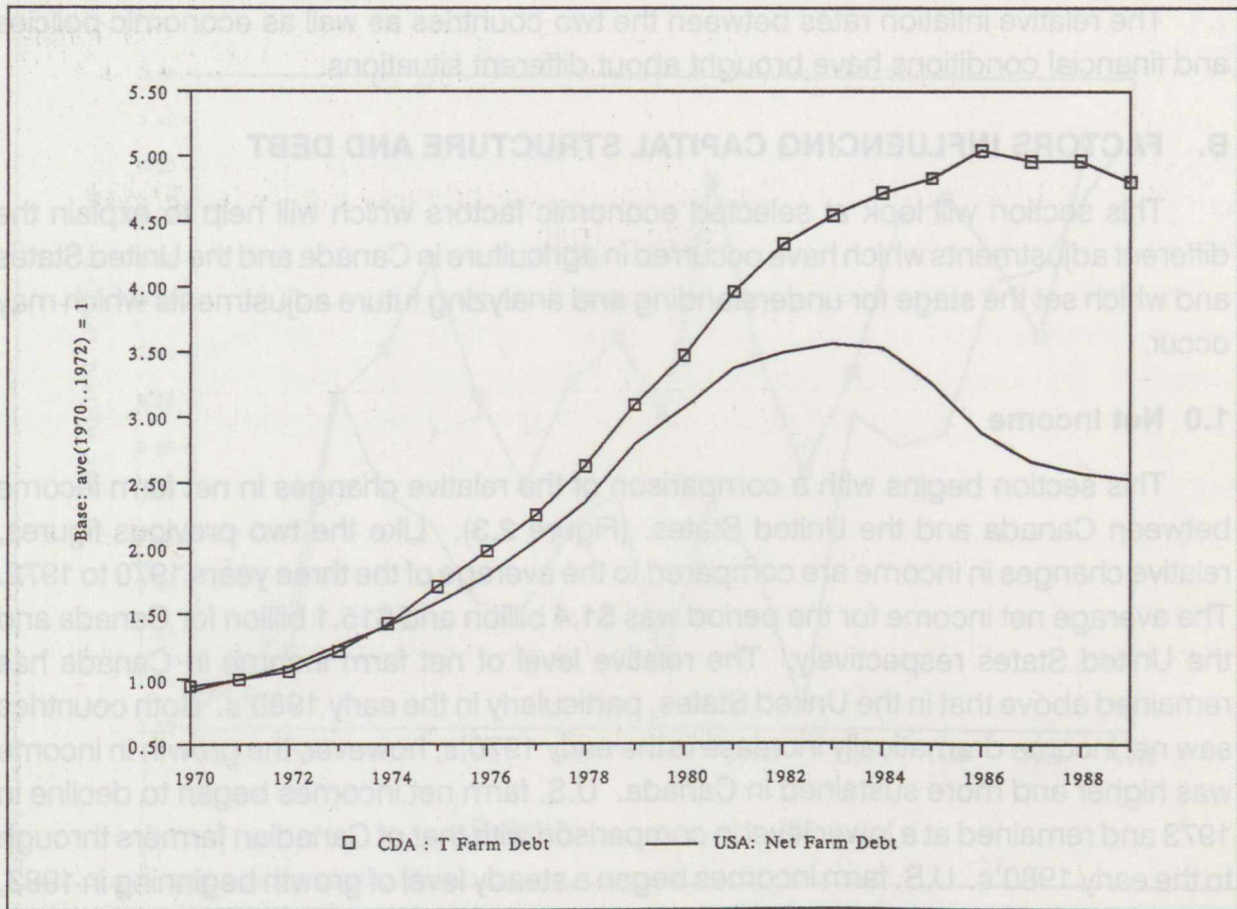


2.0 Farm Debt

Figure 2.2
Relative Changes in Debt Levels, Canada and the United States, 1970 – 1989



Source: Statistics Canada & U.S. Department of Agriculture, Economic Research Service

Relative changes in total debt outstanding are described in Figure 2.2. From a base of farm debt equal to one in 1970–72, indebtedness for Canada increased approximately four times to a value of five in the late 1980's. U.S. farm debt has shown a remarkably different pattern over the same period, increasing by just over two fold. Further, U.S. farm debt fell dramatically over most of the 1980's. U.S. farm debt peaked at a high of \$193 billion in 1983. By 1990³ farm debt had fallen to approximately \$129 billion, or by over 33 percent. Canadian farm debt has essentially remained flat after peaking in 1986. On a per farm basis, in Canadian dollars, the average debt per farm as of January 1990 was

³ U.S. Department of Agriculture, Economic Research Service, *Agricultural Income and Finance: Situation and Outlook Report*, August 1990, p. 9.