

Table 4.4
Excess Debt by Region, Higher Costs Projection, 1989 and 1992

Region	1989 (\$ Million)	1992 Projection (\$ Million)	Percent Change from 1989	Percent Distribution of Excess Debt 1992
British Columbia	316.4	343.3	8.5	6.6
Alberta	1,244.9	1,233.1	-0.9	23.8
Saskatchewan	897.6	1,043.8	16.3	20.1
Manitoba	461.9	499.8	8.2	9.6
Ontario	1,271.3	1,267.7	-0.3	24.4
Quebec	570.1	673.5	18.1	13.0
Atlantic	122.6	130.7	6.6	2.5
Canada	4,884.8	5,191.9	6.3	100.0

Source: Ashmead Economic Research Inc.

The central point of this evaluation of higher costs is the noticeable impact they could have on the provinces of Saskatchewan and Quebec. High operating costs relative to income have contributed to low net margins for farmers in both of these provinces, placing them at risk. Cost increases from any source such as inputs or interest rates could impact on the viability of these farmers.

As seen in Table 4.5, it is not only the supply-managed sector that is affected by higher costs. An increase in excess debt for hog enterprises is also evident. The increased share of the excess debt in these sectors in comparison to other enterprises is also shown in this table. They have accumulated higher debt to asset ratios and higher operating cost ratios than most other enterprises.