1 Enterprises are classified according to the source of 50 percent or more of total farm revenue.
Cash crop enterprises include producers of grains and oilseeds, vegetables, fruit, greenhouse produce, potatoes, tobacco, sugar beets, forage crop seeds, and specialty crops. Cattle farms include cow-calf producers and feedlots. Supply management includes dairy and poultry farms. "Other" represents enterprises not covered in the foregoing categories.

2 Land area is measured in acres.

3 Assets include the value of farm real estate, livestock, machinery, quota, purchased inputs, crops for sale, and financial assets at January 1, 1990.

4 Liabilities include short-term to long-term loans outstanding, at January 1, 1990.

5 Farm revenue includes market returns, direct government payments, rebates and agricultural custom work, in 1989.

6 Farm operating expenses in 1989 before capital cost allowances and depreciation. Includes interest payments on debt, and wages and salaries paid to family members.

7 Off-farm income includes wages and salaries from sources other than the farm enterprise, non-agricultural custom work, dividends and pensions in 1989.

8 Total living costs are estimated from a survey of average farm living expenditures in Alberta indexed to varying provincial living costs represented by relative average cash wages paid to family members in each province.

9 Debt capacity is the amount of debt which a business should be able to repay from net income. It may be estimated from the capitalized value of income available for debt servicing. In this analysis, debt capacity = (net farm income + interest expenses + off-farm income - living expenses) / interest rate.

10 Excess debt is the sum of debt that exceeds debt capacity only on farms having excess debt.

11 Debt Asset Ratio (DAR) = total farm liabilities/total farm assets.

12 Debt Service Ratio (DSR) = (total farm revenue - operating expenses before interest payments - living costs + off-farm income) / (principal + interest expenses).

Source: Special Tabulation from the FCC 1990 Farm Survey by Ashmead Economic Research Inc.