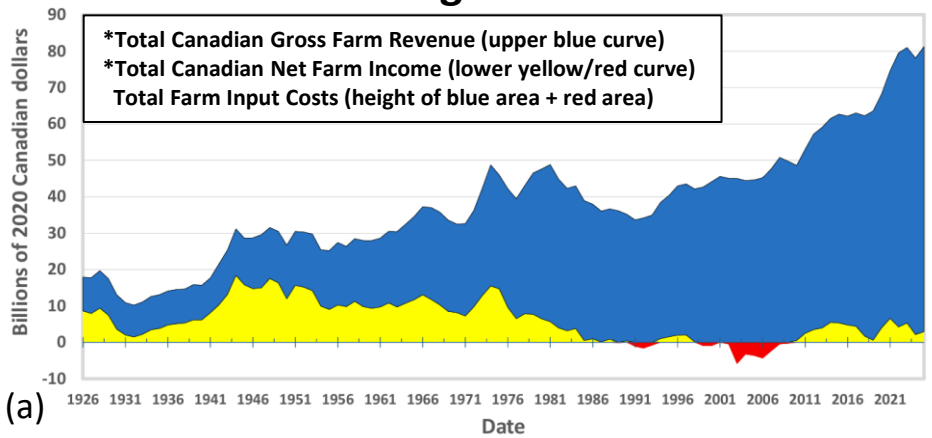
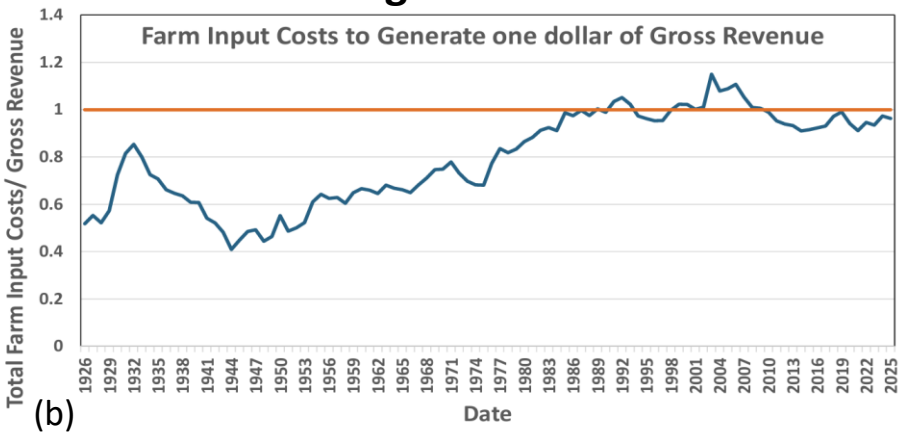
Figure 1. Financial Evolution of Canadian Farming



(a)

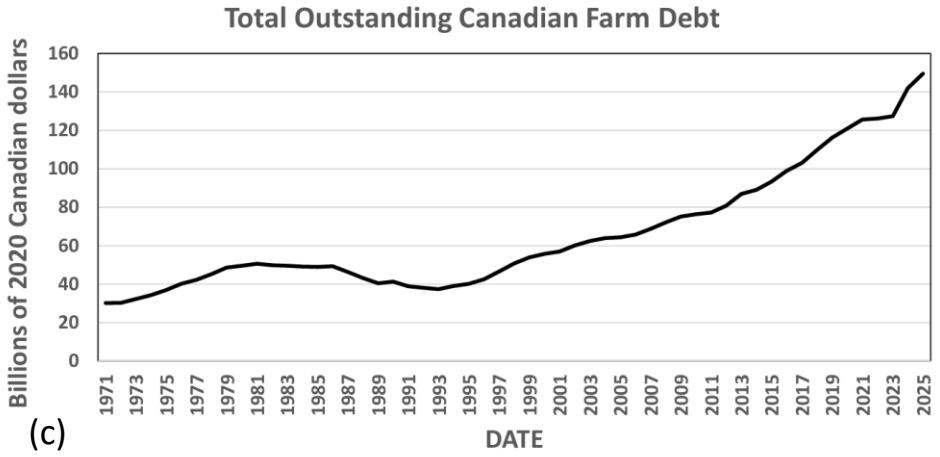


(b)

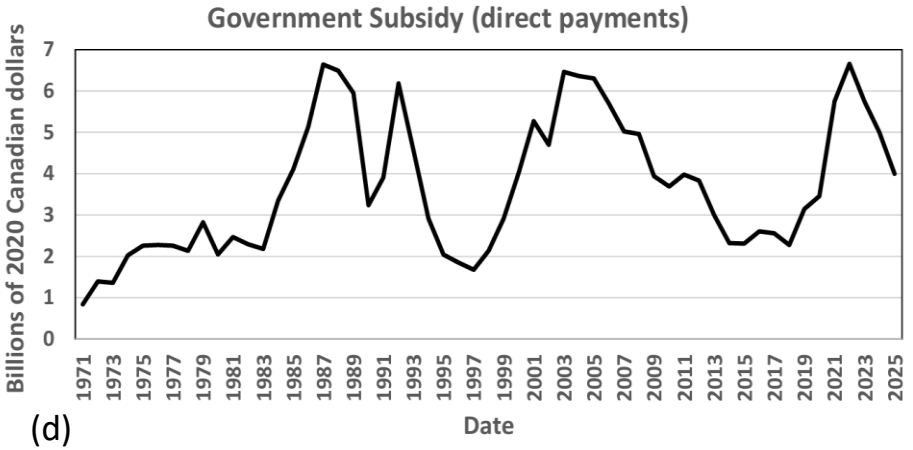
These figures are based on archival and current Statistics Canada farm data analyzed by UBC Emeritus Professor Phil Gregory. Total farm input costs include fertilizer, pesticides, fuel, seed, feed, machinery repairs, custom work, interest, depreciation, land rent, irrigation, insurance, utilities, and hired labour.

Gross farm revenue has continued to rise, but input costs have risen faster as production efficiency has declined. By 1985, panel (b) shows that every dollar of gross revenue required roughly a dollar of inputs, with net farm income turning negative in 15 of the following years. From 1985 to 2025, input providers captured approximately 98% of all farm revenue, with chemical and seed costs typically accounting for 50–70% of total inputs.

**Government subsidy payments shown in panel (d) were subtracted from gross revenue and net farm income to remove the masking effect these payments can have.*



(c)



(d)

While industrial agriculture has generated strong returns for input suppliers, these gains have coincided with farmers taking on an increasingly unsustainable debt load—now approaching $150 billion. Since about 2012, this debt has risen sharply, reflecting the growing cost of maintaining production in a system that depends heavily on external inputs. The long-term trends indicate that the current agricultural system is approaching ecological, economic, and social limits. Strengthening soil health and supporting a transition to biologically based regenerative practices are essential steps toward restoring soil function and enabling farmers to work with the natural microbial processes that underpin productive and resilient agriculture.