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UNIVERSITY OF MINNESOTA
Department of Agriculture
and
UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
and
Farm Security Administration
Cooperating

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Report

of the

FARM MANAGEMENT SERVICE

for

FARMER-BORROWERS

of

Rural Rehabilitation Division of The Farm Security Administration

For the Year 1936

(For owner-operated farms in Northern Minnesota)

Name:	
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Mimeographed Report No. 91
Division of Agricultural Economics
University Farm
St. Paul, Minnesota
October 1937

Report of the Farm Management Service for Farmer-Borrowers of the Rural Rehabilitation Division

(For owner-operated farms in Northern Minnesota)

Prepared by W. P. Ranney and G. A. Pond

INDEX

INTRODUCTION

The analysis of the records and preparation of this report were under the direction of W. P. Ranney and G. A. Pond of the Division of Agricultural Economics, University of Minnesota. The records had been kept and closed under the general supervision of S. H. Rutford, former state director, and Lloyd I. Nelson, present state director, and the state personnel of the Rural Rehabilitation Division of the Form Security Administration, with counsel and aid from S. B. Cleland and J. B. McNulty of the Division of Agricultural Extension, University of Minnesota. The above parties were aided in the closing and summarization of the records by the Division of Rural Sociology of the University of Minnesota and the Bureau of Agricultural Economics, United States Department of Agriculture.

The Rural Rehabilitation Division has made loans to several thousand farmers in Minnesota, who, on account of the recent depression and droughts, were having difficulty in obtaining and maintaining credit from other sources. Many of the farmers would not have been able to continue farming without the credit secured from Rural Rehabilitation. The latter organization has required their borrowers to keep a system of farm records as a means of helping them to increase their incomes and control their expenses in order that their debts may be liquidated. To further this purpose the Farm Security Administration arranged to have these records summarized and analyzed in order that they may be made more useful to these farmer-borrowers. The several divisions of the University of Minnesota mentioned previously and the Bureau of Agricultural Economics at Washington have cooperated in the summarization, analysis, and interpretation of these records, realizing that this is an opportunity to aid directly a large group of worthy farmers, and to obtain valuable information for research, teaching and extension purposes, thereby being enabled to serve many farmers in this state.

Note: Completion of this project was made possible by workers supplied on Works Progress Administration Project Number 4841, Sub-Project Number 420B, and Federal Students' Work Project Number 41-100.

Sponsor: University of Minnesota.

The records included in this report were kept by farm operators who owned all or part of their farms. These farms were located in the northern part of Minnesota in the following counties:

	No. of		No. of		No. of
County	Farms	County	Farms_	County	Farms
Ai tkin	9	Isanti	1	Ottertail	9
Anoka	2	Itasca	13	Pennington	1
Becker	7	Kanabec	8	Pine	2
Beltrami	24	Kittson	3	Polk	5
Carlton	4	Koochiching	15	Red Lake	1
Chi sago	2	Lake of the Wo	oods 3	Roseau	6
Clay	1	Mahnomen	5	Sherburne	2
Clearwater	21	Marshall	2	St. Louis	27
Douglas	7	Mille Lacs	6	Wadena	2
Hubbard	3	Norman	2	Wilkin	1

Although the predominant type of farming is not the same in all of the above counties, the system of farming did not vary greatly among the farms included in this report. Every farmer sold some dairy products, mostly in the form of cream for manufacture into butter. A few farms had special whole milk or retail cream markets. On nearly every farm there were, besides the dairy cows, young dairy cattle, and a few hogs and chickens, and on some farms there were sheep. The proportion of total receipts that came from sales of livestock, and livestock products, varied from farm to farm. As all of these farms were affected by the severe drought of 1936, receipts from the sale of crops were much less than normal and purchases of feed above normal.

About 2,100 records were submitted by the borrowers of the Rural Rehabilitation Division in Minnesota. Of this number, 862 are included in the reports similar to this one.* The other records were either too incomplete or did not represent a full year's record because the loans were obtained late in the year 1936. Only full twelve months' records are included in these reports. The majority were started March 1, 1936, but many started February first and April first, and a few on January first.

There are three phases of the analysis on the following pages: (1) The farm receipts, expenses, and earnings (only the operator's share is included); (2) The non-farm income and household and personal expenses; (3) The farmer's net worth and financial progress. All are somewhat interrelated, and dependent on each other. The data show that in all of these matters there are wide differences among farms. For example, the average operator's labor earnings for the farms in this report are \$248. The lowest is \$-1426, and the highest is \$1518. There is a similar range for household and personal expenses, for net worth, and for financial progress (change in net worth).

The data have been compiled so as to show the average figures for all of the 194 farmers included in this report, the average of 40 farmers highest in operator's labor earnings, and the average of 40 farmers lowest in operator's labor earnings. Each farm included herein received a report with his own figures copied in the "your farm" column, and his estimated budget also copied. He can compare his own figures with the averages of all farms and the most successful and least successful groups.

^{*}See Footnote, page 11.

Dearh Expenses Operating Section Secti		Your budget A-RR-14)	Your farm	Average of 194 farms	profitable	
Tractor	Cash Farm Expenses					
## Auto (farm share) and truck General machinery and equipment 16 18 18 16 18 18 16 18 18 18 16 18 18 18 18 19 18 18 18 19 18 18 19 18 18 19 18 18 19 18 18 19 18 18 19 18 18 19 18 18 18 19 18 18 18 19 18 18 18 18 18 19 18 18 18 18 18 18 18 18 18 18 18 18 18					,	
General machinery and equipment Buildings, fenoing, tiling 9 14 7 Machinery & horse work hired 20 20 20 27 Feed for livestock 134 119 183 Veterinary 0 0 0 0 Other expense for livestock 8 8 8 10 Seed 13 12 25 Fertilizer 0 0 0 0 Thresning 6 12 4 Twine 2 2 2 3 Other crop expense 13 11 7 Cash rent 8 5 10 Taxes 33 33 38 Insurance 5 4 5 Interest 25 25 43 General farm Money loaned out* 0 0 0 1 Total cash farm oper. exp. Capital Goods Tractor Auto (farm share) and truck 18 16 18 16 18 16 17 20 18 20 18 21 18 22 27 3 27 3 38 34 28 34 20 Capital Goods Tractor 18 26 23 General machinery and equipment 33 50 41 Buildings, fencing, tiling 44 92 16 Horses Cows 46 4 87 Other cattle 4 8 3 4 84 Other cattle 4 8 3 Flogs 5 Sheep 7 Poultry 9 11 9 Payments on debts (Rural Rehab.) 7 Sard				•	,	τ.
## Buildings, fencing, tiling ## 14				* '		
Machinery & horse work hired 20 20 27 Feed for livestock 134 119 183 Veterinary 0 0 0 Other expense for livestock 8 8 10 Seed 13 12 25 Fertilizer 0 0 0 Threshing 6 12 4 Twine 2 2 3 Other crop expense 13 11 7 Cash rent 8 5 10 Taxes 35 33 38 Insurance 5 4 5 Interest 25 25 43 General farm 5 6 4 Money loaned out* 0 0 1 Total cash farm oper. exp. \$340 \$338 \$421 Capital Goods 7 23 \$42 Tractor \$3 \$12 \$1 Auto (farm share) and truck 18 26 23 General machinery and equipment 33 50						
Hired labor Feed for livestock 134 119 183 Veterinary 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		-		9		· ·
Feed for livestock 134 119 183 Veterinary 0 0 0 0 0 0 0 0 0 0 0			-	-	_	
Veterinary 0 0 0 Other expense for livestock 8 8 10 Seed 13 12 25 Fertilizer 0 0 0 Threshing 6 12 4 Twine 2 2 3 Other crop expense 13 11 7 Cash rent 8 5 10 Taxes 33 33 38 Insurance 5 4 5 Interest 25 25 43 General farm 5 6 4 Money loaned out* 0 0 1 Total cash farm oper. exp. \$340 \$338 \$421 Capital Goods 3 \$12 \$1 Tractor \$3 \$12 \$1 Auto (farm share) and truck 18 26 23 General machinery and equipment 33 50 41 Buildings, fencing, tiling 44 92 16 Horses 37 38 54				_		
Other expense for livestock 8 8 10 Seed 13 12 25 Fertilizer 0 0 0 Thresiding 6 12 4 Twine 2 2 3 Other crop expense 13 11 7 Cash rent 8 5 10 Taxes 33 33 38 Insurance 5 4 5 Interest 25 25 43 General farm 5 6 4 Money loaned out* 0 0 1 Total cash farm oper. exp. \$340 \$338 \$421 Capital Goods 3 \$12 \$1 Auto (farm share) and truck 18 26 23 General machinery and equipment 33 \$12 \$1 Buildings, fencing, tiling 44 92 16 Horses 37 38 54 Cows 64 <td></td> <td></td> <td></td> <td></td> <td> -</td> <td></td>					-	
Seed 13					-	-
Fertilizer				-	-	-
Threshing 6 12 4 Twine 2 2 3 Other crop expense 13 11 7 Cash rent 8 5 10 Taxes 33 33 38 Insurance 5 4 5 Interest 25 25 43 General farm 5 6 4 Money loaned out* 0 0 1 Total cash farm oper. exp. \$340 \$338 \$421 Capital Goods 340 \$338 \$421 Capital Goods 34 340 \$338 \$421 Capital Goods 35 \$12 \$1 Auto (farm share) and truck 16 26 23 General machinery and equipment 33 50 41 Buildings, fencing, tiling 44 92 16 Horses 37 38 54 Cows 64 87 84 Other cattle 4 8 3 Hogs 6 6				13	12	25
Twine				_	_	_
Other crop expense 13 11 7 Cash rent 8 5 10 Taxes 33 33 38 Insurance 5 4 5 Interest 25 25 43 General farm 5 6 4 Money loaned out* 0 0 1 Total cash farm oper. exp. \$340 \$338 \$421 Capital Goods Tractor \$3 \$12 \$1 Auto (farm share) and truck 18 26 23 General machinery and equipment 33 50 41 Buildings, fencing, tiling 44 92 16 Horses 37 38 54 Cows 64 87 84 Other cattle 4 8 3 Hogs 6 6 5 Sheep 10 12 21 Poultry 9 11 9 Payments on debts (Rural Rehab.) 38 67 34 Payments on debts (other) 11		.,				
Cash rent 8 5 10 Taxes 33 33 38 Insurance 5 4 5 Interest 25 25 43 General farm 5 6 4 Money loaned out* 0 0 1 Total cash farm oper. exp. \$340 \$338 \$421 Capital Goods 338 \$421 Tractor \$3 \$12 \$1 Auto (farm share) and truck 18 26 23 General machinery and equipment 33 50 41 Buildings, fencing, tiling 44 92 16 Horses 37 38 54 Cows 64 87 84 Other cattle 4 8 3 Hogs 6 6 5 Sheep 10 12 21 Poultry 9 11 9 Payments on debts (Rural Rehab.) 38 67 34 Payments on debts (other) 112 117 129					2	
Taxes	Other crop expense	***************************************		13	11	7
Insurance	Cash rent			8	5	10
Interest	Taxes			33	33	38
General farm	Insurance			5.	4	5
Money loaned out* 0 0 1 Total cash farm oper. exp. \$340 \$338 \$421 Capital Goods Tractor \$3 \$12 \$1 Auto (farm share) and truck 18 26 23 General machinery and equipment 33 50 41 Buildings, fencing, tiling 44 92 16 Horses 37 38 54 Cows 64 87 84 Other cattle 4 8 3 Hogs 6 6 5 Sheep 10 12 21 Poultry 9 11 9 Payments on debts (Rural Rehab.) 38 67 34 Payments on debts (other) 112 117 129 Total cash farm cap. pay. \$378 \$526 \$420 (1) Total cash farm expenses \$718 \$864 \$841 (2) Decrease in net farm capital - - 107 (3) Board for hired labor 9 12 11 (4) Total farm expenses	Interest			25	25	4 3
Total cash farm oper. exp. \$340 \$338 \$421 Capital Goods Tractor \$3 \$12 \$1 Auto (farm share) and truck 18 26 23 General machinery and equipment 33 50 41 Buildings, fencing, tiling 44 92 16 Horses 37 38 54 Cows 64 87 84 Other cattle 4 8 3 Hogs 66 6 5 Sheep 10 12 21 Poultry 9 11 9 Payments on debts (Rural Rehab.) 38 67 34 Payments on debts (other) 112 117 129 Total cash farm cap. pay. \$378 \$526 \$420 (1) Total cash farm expenses \$718 \$864 \$841 (2) Decrease in net farm capital - 107 (3) Board for hired labor 9 12 11 (4) Total farm expenses (to page 4) \$727 \$876 \$959 Sactual expenses were of farm No. of Farms: 131x 25x 27x budget (Form RA-RR-14) Total cash farm operating expenses 98% 98% 112%	General farm			5	6	4
Capital Goods	Money loaned out*		****	0	<u> </u>	<u> </u>
Tractor \$ 3 \$ 12 \$ 1 Auto (farm share) and truck	Total cash farm oper. exp.		- Addition	\$34 0	\$338	\$421
Auto (farm share) and truck	Capital Goods					
General machinery and equipment 33 50 41 Buildings, fencing, tiling 44 92 16 Horses 37 38 54 Cows 64 87 84 Other cattle 4 8 3 Hogs 6 6 6 5 Sheep 10 12 21 Poultry 9 11 9 Payments on debts (Rural Rehab.) 38 67 34 Payments on debts (other) 112 117 129 Total cash farm cap. pay. \$378 \$526 \$420 (1) Total cash farm expenses \$718 \$864 \$841 (2) Decrease in net farm capital 107 (3) Board for hired labor 9 12 11 (4) Total farm expenses (to page 4) \$727 \$876 \$959 ** actual expenses were of farm Payments Payments of farm Payments Payments of farm Payments	Tractor			\$ 3	\$ 12	\$ 1
General machinery and equipment 33 50 41 Buildings, fencing, tiling 44 92 16 Horses 37 38 54 Cows 64 87 84 Other cattle 4 8 3 Hogs 6 6 6 5 Sheep 10 12 21 Poultry 9 11 9 Payments on debts (Rural Rehab.) 38 67 34 Payments on debts (other) 112 117 129 Total cash farm cap. pay. \$378 \$526 \$420 (1) Total cash farm expenses \$718 \$864 \$841 (2) Decrease in net farm capital 107 (3) Board for hired labor 9 12 11 (4) Total farm expenses (to page 4) \$727 \$876 \$959 **Sactual expenses were of farm Patrice of the page 4 Payments on operating expenses 98% 98% 112%	Auto (farm share) and truck			18	2 6	23
Buildings, fencing, tiling 44 92 16 Horses 37 38 54 Cows 64 87 84 Other cattle 4 8 3 Hogs 6 6 5 Sheep 10 12 21 Poultry 9 11 9 Payments on debts (Rural Rehab.) 38 67 34 Payments on debts (other) 112 117 129 Total cash farm cap. pay. \$378 \$526 \$420 (1) Total cash farm expenses \$718 \$864 \$841 (2) Decrease in net farm capital - - 107 (3) Board for hired labor 9 12 11 (4) Total farm expenses (to page 4) \$727 \$876 \$959 Actual expenses were of farm budget (Form RA-RR-14) No. of Farms: 131x 25x 27x budget (Form RA-RR-14) 70 70 70 70 70 70 70 70 70 70 70 70 70 70 70 70 70		;		33	50	41
Horses				44	92	16
Cows 64 87 84 Other cattle 4 8 3 Hogs 6 6 5 Sheep 10 12 21 Poultry 9 11 9 Payments on debts (Rural Rehab.) 38 67 34 Payments on debts (other) 112 117 129 Total cash farm cap. pay. \$378 \$526 \$420 (1) Total cash farm expenses \$718 \$864 \$841 (2) Decrease in net farm capital - - 107 (3) Board for hired labor 9 12 11 (4) Total farm expenses (to page 4) \$727 \$876 \$959 A actual expenses were of farm budget (Form RA-RR-14) Farms: 131x 25x 27x budget (Form RA-RR-14) 700 70				37	38	54
Other cattle 4 8 3 Hogs 6 6 5 Sheep 10 12 21 Poultry 9 11 9 Payments on debts (Rural Rehab.) 38 67 34 Payments on debts (other) 112 117 129 Total cash farm cap. pay. \$378 \$526 \$420 (1) Total cash farm expenses \$718 \$864 \$841 (2) Decrease in net farm capital - - 107 (3) Board for hired labor 9 12 11 (4) Total farm expenses (to page 4) \$727 \$876 \$959 No. of Farms: 131x 25x 27x budget (Form RA-RR-14) Farms: 131x 25x 27x Total cash farm operating expenses 98x 98x 112x	Cows					84
Hogs 6 6 6 5 Sheep 10 12 21 Poultry 9 11 9 Payments on debts (Rural Rehab.) 38 67 34 Payments on debts (other) 112 117 129 Total cash farm cap. pay. \$378 \$526 \$420 (1) Total cash farm expenses \$718 \$864 \$841 (2) Decrease in net farm capital 107 (3) Board for hired labor 9 12 11 (4) Total farm expenses (to page 4) \$727 \$876 \$959 % actual expenses were of farm Farms: 131x 25x 27x budget (Form RA-RR-14) Total cash farm operating expenses 98% 98% 112%	Other cattle	***************************************	-	4	8	3
Sheep		- July - Miles		6	6	
Poultry 9 11 9 Payments on debts (Rural Rehab.) 38 67 34 Payments on debts (other) 112 117 129 Total cash farm cap. pay. \$378 \$526 \$420 (1) Total cash farm expenses \$718 \$864 \$841 (2) Decrease in net farm capital - - 107 (3) Board for hired labor 9 12 11 (4) Total farm expenses (to page 4) \$727 \$876 \$959 % actual expenses were of farm budget (Form RA-RR-14) No. of Farms: 131x 25x 27x budget (Form RA-RR-14) 98% 98% 112% Total cash farm operating expenses 98% 98% 112%						
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(2) Decrease in net farm capital - - 107 (3) Board for hired labor 9 12 11 (4) Total farm expenses (to page 4) \$727 \$876 \$959 No. of Farms: budget (Form RA-RR-14) Farms: 131x 25x 27x Total cash farm operating expenses 98% 98% 112%	Total cash farm cap. pay.		***	\$378	\$52 6	\$42 0
(2) Decrease in net farm capital - - 107 (3) Board for hired labor 9 12 11 (4) Total farm expenses (to page 4) \$727 \$876 \$959 No. of Farms: budget (Form RA-RR-14) Farms: 131x 25x 27x Total cash farm operating expenses 98% 98% 112%	(1) Total cash farm expenses			§7 18	\$864	\$841
(3) Board for hired labor 9 12 11 (4) Total farm expenses (to page 4) \$727 \$876 \$959 % actual expenses were of farm budget (Form RA-RR-14) No. of Farms: 131x 25x 27x 27x 27x 27x 27x 27x 27x 27x 27x 27				Ψ	-	
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% actual expenses were of farm Farms: 131 25 27 27 budget (Form RA-RR-14) Total cash farm operating expenses 98% 98% 112%	(4) Total farm expenses (to page 4)			\$727	\$87 6	\$ 9 5 9
Total cash farm operating expenses 98% 98% 112%	% actual expenses were of farm			131 ^x	25 ^x	27 ^x
	Total cash farm operating expenses					

^{*}Includes amount to offset credit sales, and amount of premiums paid on insurance for future years.

XNumbers specify how many farms are included in these groups. Only those farms are included for which Forms RA-RR-14 were provided. These numbers of farms apply also for the following pages where "per cent of budget" is considered.

SUMMARY OF FARM EARNINGS (continued)

Items			Your budget	Your farm	Average of 194	40 Mc	table p	40 Leas profitabl
South Many Daniel		(.	RA-RR-14)		<u> farms</u>	far	rms	farms
ash Farm Receipts Horses					\$ 6	\$	8	\$ 3
Cows					\$ 6 28	φ	26	ъ з 3 2
					249	7	26 308	243
Dairy products Other cattle						e,	4 7	2 4 3
					29			
Hogs					25		23	32
Sheep			***************************************		17		31	31
Wool					6		8	10
Poultry					27		41	29
Eggs					49		36	57
Small grain					18		21	20
Corn					1		0	0
Hay					6		4	12
Root crops		,			17		28	4
Other crops					55		87	25
Miscellaneous					21		29	25
Machinery and ho	rses hi	red out			4		8	2
Income from work	off th	e farm			164		248	112
AAA adjustment p					5		7	6
Payments from ol	•				3		2	2
Money borrowed (122	-	194	147
Money borrowed (104		124	105
5) Total cash farm	receip	ts			\$ 9 5 6	\$1;	280	\$923
6) Increase in net	farm c	apital			77	•	341	
7) Farm perquisite		2			245	1	275	242
8) Total farm rece		m of (5)	. (6) & (7)	1278	1	896	1165
(4) Total farm				,	727		87 6	959
9) Ret. to cap. & f					551	14	020	206
0) 5% interest on					6 5		59	77
ll) Family labor ea					486	,	961	129
(2) Unpaid family 1		(5)	(,		238		130	509
3) Operator's labo		ngs (11)	minus (12	2)	248		831	-380
% actual total cash budget for cash fa		-			114%	1	145%	101
		` Qua	ntities	-	Management of the second		Values	
Summary of	Your	Aver.	40 Most	40 Least	Your	Aver.	40 Mos	
Farm	farm	of 194	profit.	profit.	farm	of 194	profit	. profi
erquisites		farms	farms	farms		farms	farms	farms
Whole milk, qts.		902	888	892		\$ 42	\$ 39	\$ 42
ream, pts.		234	297	223		31	37	31
Farm made butter, lb	S.	92	122	64		30	36	21
Eggs, doz.	****	7 3	82	75		15	15	16
Poultry, number	•	23	32	17	Alexander Constitution of the Constitution of	9	11	9
		163	197	184		9	13	10
Sattle, lbs.				284	,	23	23	27
Hogs, lbs.	-	245	229			1	0	0
Sheep, 1bs.	***	4	0	0 2 0				27
Potatoes, bu.	***************************************	22	22	2 6		21	23	
Vegetables & fruit			-			25	33	16
Fuel, cds.		19	, 15	12		<u>39</u>	<u>45</u>	43
raer, cus.								

^{*}Includes amount to offset credit purchases.

	Your Your budget farm (RA-RR-14)		40 Most profitable farms	40 Least profitable farms
umber of persons in family	(2122 2221 2 2 2)	1 011 1110		
Total number of persons in fami	ly	5.0	5.2	5.4
Total adult equiv. members of f		3.7	3.8	4.1
Total no. of other persons in h		.1	.1	.1
Total adult equiv.of other pers		.1	.1	.1
ash Expenses (other than savings,				- An annual contract of the co
Food	000.7	\$183	\$194	\$19 5
Operating and supplies		18	19	20
Furnishings and equipment		18	22	18
Clothing and materials			71	66
Health		19	17	26
Development and recreation		7.4	19	11
Personal	to the second se	14	12	10
Personal share of auto expense		19	21	11
Personal share of auto, new		_ 2	9	ī
· · · · · · · · · · · · · · · · · · ·		_	11	3
Housing expense				
.6) Total cash exp. (other than svgs	s., etc <u>.)</u>	_ \$352	\$395	\$ 361
% actual (16) of budget (RA-F		136%	143%	12 7%
on-cash items of expense				
7) Food furnished by the farm	•	\$206	\$230	\$199
8) Fuel furnished by the farm	jag accessa monominati	3 9	45	43
Interest and deprec. on auto (p	ore chare)	2	2	1
Interest and deprec. on house		40	42	58
.9) Total non-cash expenses		\$287	\$319	\$301
30) Total expenses (16) + (19)		\$639	\$714	\$ 662
21) Tot.exp.less board of hired lab	oor(20)-(3)	630	702	651
ther cash expenditures			á m	è =
Life insurance and savings		_ \$ 5	\$ 7	\$ 5
New housing		5	11	0
Payments on notes and old bills		29	45	30
22) Total other cash expenditures		\$39	\$63	\$35
23) Total cash exp. (16) + (22) + ((1)	\$1109	\$1322	\$1237
24) Total of all exp. (20) + (22)			1641	1645
ousehold and personal cash receipt	t <u>s</u>			
25) Grants, rel., o. age asst., bonus, s		_\$ 89	`\$ 6 3	\$ 106
Net income from outside investment		7	1	25
Gifts (inc.rec. from sons in Co		11	17	5
Misc. (sale of old clothes, fu	-		10	4
Money borrowed (to offset cr.)		10	15	7
(26) Total H. and Pers. cash re	eceipts	_\$ 124	\$ 106	\$ 147
(27) Rental value of house		58	60	7 6
28) Total cash receipts (26) + (5)		_\$1080	\$13 85	\$1070
29) Total of all income (26) + (27)		1460	2062	1388
30) Net cash receipts (28) minus (1		362	522	229
31) Net income (29) mimus (4)	-	733	1186	429
32) % Gov. asst. is of cash rec.,%	(29) of (30)	43%	15%	50%
. I be mark amount who are account a good by	1 120		-	
33) % Food & fuel is of H.&P. exp.,	% (17) + (18)			

SUMMARY OF INVENTORIES AND NET WORTH STATEMENT

	Your Beginning	Ending	Average of 194	40 Most profitable	
	nventory	Tuventor	y <u>larms</u> (Endi:	<u>farms</u> ng Invento	farms ry)
Farm Inventories			(-0 /
Land			~ \$1232	\$1235	\$1382
Farm buildings			5 60	559	7 96
Machinery and equipment			230	219	304
Tractors			21	17	38
Trucks			11	8	14
Auto (farm share)			43	50	45
Gas engine		and the second s	4	4	6
Electric equipment			3	6	6
Miscellaneous supplies			14	4	9
Feeds and seeds			83	107	6 7
Horses			2 30	225	245
Cows			3 09	363	316
Other cattle			89	128	75
Hogs			20	19	2 6
Sheep and wool			34	71	47
Poultry			2 9	39	24
Accounts and notes rec.			1	0	3
Other farm assets			21	4	2
(34) Total farm assets			\$2934	\$3 0 5 8	\$3405
Farm Liabilities					
Real estate mortgages			\$ 9 4 1	\$ 1060	\$ 110 5
Chattel mtgs. & crop liens			63	73	45
Rural Rehabilitation loans			493	479	604
Other debts	ALVESTA CONTRACTOR CONTRACTOR		<u> 136</u>	110	201
(35) Total farm liabilities (36) Net farm capital (34) - (35)			<u>\$1633</u> \$1301	<u>\$1722</u> \$1336	\$195 5 \$145 0
Personal Assets					
House			\$ 565	\$ 587	\$ 7 35
Auto (personal share)	*		21	28	12
Cash on hand and in bank			3 6	83	1
Household goods			119	117	142
Cash surrender value of life i			16	19	3
Miscellaneous			3	4	0
(37) Total personal assets			\$ 7 60	\$ 8 3 8	\$ 893
(38) Total personal liabilities			<u>35</u>	27	34
(39) Total assets (34) + (37)			\$3694	\$38 96	\$4298
(40) Total liabilities (35) + (38)			1668	1749	<u> 1989</u>
Farmer's net worth (39) - (40)			\$2026	\$2147	\$2309
Change in net worth during the	year	-	\$ + 58	\$1442	\$-280
% R.R. loan is of total liabilit	ies(end i	n v.)	44%	48%	45%
% Total liabilities are of total		r.)	43%	41%	43%
Age of proprietor, yrs.			42.0	3 43.0	42.3
	*c				
Formal schooling of proprietor, yr	.s.		8.0	U 8.2	7.

EFFECT OF FARM EARNINGS ON FINANCIAL PROGRESS ON THESE FARMS

The data on page 6 indicate that the 40 farmers highest in earnings managed to increase their net worth, while those with the lowest earnings were worth less at the end of the year than at the beginning. Hence, the wide range in operator's labor earnings has a great significance.

EFFECT OF WELL-BALANCED EFFICIENCY ON FARM EARNINGS

On page 4 it was shown that the average operator's labor earnings for the 40 most profitable farms was \$831, and for the 40 least profitable farms \$-380. The difference between the averages of these two groups was \$1211. Some of the causes for these differences in earnings may be beyond the control of the farmer. It is significant, however, that the data in this report indicate that there are several factors which show definite relationship with operator's labor earnings and which suggest opportunities for increased earnings. The more important of these factors are the following:

- 1. Butterfat production per cow.
- 2. Returns from other productive livestock.
- 3. Productive livestock units per 100 acres.
- 4. Crop yields.
- 5. Percentage of tillable acres in high return crops.
- 6. Size of business.
- 7. Amount of work accomplished per worker.
- 8. Control of power, machinery, and building expense.

Size of business tends to be a disadvantage to those who show a loss, for greater size is a factor serving to increase the loss. However, for those who excel in most of the other factors and received some return for their labor and management, the latter tends to be increased by size of business. Likewise, it is an advantage to have more livestock per hundred acres when the stock shows a profit and a disadvantage when it shows a loss. Hence, a high-balanced standing in the above eight factors is quite essential in order to secure the highest possible earnings.

In Chart I is shown the effect of the number of these eight factors in which the farmer excels on his labor earnings. The 54 farmers who excelled in 5 or more of the 8 factors had earnings of \$461 above the average of 54 farmers who did not excel in more than 2 factors.

CHART I. Relati	on of Ear	nings to	Number of Factors in which Farmer is	Above Average
No. of factors	No. of		The length of the shaded lines	Average
in which	farms	farm	are in proportion to the aver-	operator's
farm excels			age operator's labor earnings.	earnings
5 or more	54		XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	\$519
3 or 4	86		XXXXXXXX	204
2 or less	54		XX	48
		Samuel Committee - Lands		

The array in Chart I suggests that it will be worth-while for each cooperator to study carefully his ranking on pages 8 and 9, and learn through his standing in respect to each of the above factors the elements of strength and weakness in his farm business.

MEASURES OF FARM ORGANIZATION AND MANAGEMENT EFFICIENCY 40 Least Measures used in Your Your 40 Most Average chart on page 9. farm budget of 194 profitable profitable (RA-RR-14) farms farms farms Operator's labor earnings \$ 248 \$ 831 **\$-**380 (1) Pounds of butterfat per cow 172 188 160 \$ 76 (2) Ret. per a.u. (pr.lvst. other than cows)* 78 82 (3) Pr. lvst. units per 100 acres 9.3 8.9 9.9 (4) Crop yields** 121.0 88.0 100.0 (5) % of tillable land in high ret. crops*** 33% 37% 31% (6) Size of business--days of pr. work**** 269 314 282 (7) Days of prod. work per worker 194 245 160 (8) Power & eq. exp. per day of prod.work***** .73 S . 55 .91 Other related measures Gross returns per cow 71.27 58.10 66**.5**8 11 Ħ 24.43 24.39 head of other cattle 24.38 Ħ #1 litter pigs raised 69.92 78.31 80.18 11 cwt. hogs produced 9.10 9.44 9.15 11 6.43 head of sheep 6.22 6.94 hen 2.57 2.28 2.34 Number of pigs raised per litter 6.3 7.0 5.4 Number of eggs laid per hen 106 104 90 Number of cows per worker 4.2 5.0 3.4 Crop acres per horse 25.7 30.1 29.2 .3" Power exp. per day of productive work .20 .31 Machinery exp. per day of " .15 .19 .26 Building 11 17 .23 .20 . 28 Days of productive work on crops 72 76 95 11 " prod. lvst. 143 161 149 " other productive work 54 77 38 Number of workers, total 1.5 1.3 1.9 11 11 , family 1.4 1.2 1.9 Ħ 11 n , hired . 1 . 1 .0

*****The expense for any one item, as machinery, is calculated by subtracting the sum of end inventory, sales, and hire from the sum of beginning inventory, purchases, repairs, fuel, and interest charge.

^{*}Returns are calculated by subtracting beginning inventory and purchases from the sum of end inventory, sales of animals and their products, and value of home used animals and animal products. Animal unit represents one cow, one bull, two head of young cattle, seven head of sheep, fourteen lambs, five hogs, ten pigs and one hundred hens.

^{**}Given as a percentage of the average.

^{***}High return crops include legumes (hay, seed and pasture), potatoes and truck crops.

^{****}The total "days of productive work" for any one farm is a measure of size of that farm business. The average number of "ten-hour days" of man labor is as follows per animal unit: cows, 18.5; other cattle, 7.2; sheep, 3.0; hens, 30.0; per 100 lbs. hogs produced, .9; per acre of crops: alfalfa, 1.75; other hay and seed crops, 1.0; small grain, 1.3; corn husked, 2.6; corn silage, 3.1; corn fodder, 2.3; sweet corn, 8.0; potatoes, 6.0; truck crops, 10.0.

THERMOMETER CHART

Using your figures from page 8, locate your standing with respect to the various measures of farm organization and management efficiency. The averages for 194 farms included in this summary are located between the two dotted lines across the center of this page.

Oper. labor	Lbs. b.f.	Returns per anim	Pr.l.s.		High	Days	Days	Power &
earn-	per	unit of	per	yields	return		pr.work	
ings	COM	o.pr.l.s			crops	prod. work	yorker	per day
		0.00	- 100 A			WOIK	worker	pr.work
\$1500	260	\$160	18.0	180	75	475	370 = 5	\$.06
132	250	150	17.0	170	70	450	350	.14
1200	240	140	16.0	160	65	425	330	.22
1050	230 =	130 =	15.0	150	60	400	310	.30
200	320	120	14.0	140	55	375	2 90	.38
750	210	110	13.0	130	50	350	270	.46
600	200	100	12.0	120	45	325	250	.54
450	190	90	11.0	110	40	300	230	.62
300 248	180	80 - 78 -	10.0	100	35 =-	275	210	.70
1.50	172	7e	9.3	90	30 -	250 =	194	78-
0	160	60	8.0	80=	25	225	170	.86
-150 =	150	50	7.0	70	50	200	150	.94
-300	140	40	6.0	60	15	175	130	.oz =
-450	130	30	5.0	50	10	150	110	.10
-600	120	50	4.0	40	5 -	125	90]	1.18
-750 E	110	10	3.0	30		100	70 =]	. 26
()	[-[F	5			5

-10-

DISTRIBUTION OF ACRES IN FARM

Crop	No. of farms growing this crop	Your budget (RA-RR-14)	Your farm	Aver. of 194 farms	40 Most profit. farms	40 Least profit. farms
Wheat	33			2.9	2.2	4.4
Oats	55			5. 8	5.7	10.0
Barley	46			3.6	3.1	6.3
Rye	9			.4	.4	.8
Flax	18			1.9	1.2	2.5
Wheat and oats	3			.1	.4	.2
Oats and barley	ž			.1	•0	.0
Miscellaneous	4			.1	.4	.0
Total grain	·			14.9	13.4	24.2
Corn, grain	13			1.0	.9	1.3
Corn, silage	8	***************************************		.4	.1	1.6
Corn, fodder	5 6			2.2	1.9	2.7
Potatoes	132			1.3	1.3	1.2
Miscellaneous	12			.4	.4	.6
Total cultivated crop	os			5.3	4.6	7.4
Alfalfa	61			3.6	5.0	4.9
Red clover	10			• 6	1.8	.1
Other legumes & mix.	54			4.9	6.9	4.2
Timo thy	48			7.0	9.3	5.0
Annual hay	70			4.9	5.0	3.3
Miscellaneous hays & seed						
crops	44			2.5	3.1	2.0
Wild hay (non-tillable lan	nd)94			14.9	15.6	20.4
Total hay				38.4	46.7	39.9
Total crop acreage				58.6	64.7	71.5
Sweet clover pasture				.3	.1	.6
Other tillable pasture		more Mandre M	***************************************	1.4	.2	2.0
Non-tillable pasture				44.3	53.6	37.3
Total pasture			- Anna Anna Anna Anna Anna Anna Anna Ann	4 6.0	53. 9	39.9
Tillable land not cropped	and the second s			7 5	٥	1.0
Timber (not pastured)				1.5	.8	1.8
Reads and waste		· 100-de attraction de la constitución		17.6	22.4	9.8 5.0
Farmstead				7.3 2.3	5.6 2.7	5.9 2.5
Total acres in farm				133.3	150.1	131.4
% of tillable land in high	return crop	S		33 %	37%	31%

	CROP YI	ELDS			
Yield of Crops per Acre	Your budget (RA-RR-14)	Your farm	Average of 194 farms	40 Most profitable farms	40 Least profitable farms
Wheat, bu.			6.3	10.0	7.3
Oats, bu.	**************************************		10.6	13.6	7.6
Barley, bu.			7.0	8.2	5.1
Rye, bu.			7.4	10.6	5 . 7
Flax, bu.			4.8	2.3	9.2
Wheat and oats, bu.	process of the second		17.0	28.1	15.0
Oats and barley, bu.	y particular	***	9.9	20.1	10.0
cass and barrey, bu.			9.9		
Corn, grain, bu.			22.5	25.3	19.0
Corn, silage, tons			1.7	5.0	1.0
Corn, fodder, tons			1.8	3.6	.8
Potatoes, bu.			39.9	49.2	31.3
	-				
Alfalfa, tons	V - A		1.2	1.1	1.0
Red clover, tons			1.2	.9	3.0
Clover and timothy, tons			1.0	1.8	.8
Timothy, tons	A SAME OF THE SAME		.9	.9	.8
	VI				
Annual hay, tons	h		1.3	2.5	•6
Wild hay, tons	**************************************		1.2	2.0	.7
Alfalfa seed, lbs.			60.9	110.0	29 .4
Clover seed, lbs.			124.7	140.9	131.6
	SUMMARY OF	LI VESTO	CK		
Number of horses			2.2	2.1	2.3
Number of colts			.2	.2	.1
Number of cows		— — — — — — — — — — — — — — — — — —	5.9	6 .5	6.0
Head of other cattle			4.1	5 . 5	3.9
nead of congressions		***************************************	.x • +	0.0	
Litters of pigs raised	4		.5	• 3	.7
Pounds of hogs produced			519.0	496.0	636.6
Head of sheep (2 lambs equal 1	head)		4.5	8.3	7. 0
Number of hens			37.7	38.0	46.0
Total a.u. of productive lives	tock		9.5	11.0	10.1
% of total that are cows			63.2%	5 8.6 %	61.5%
5 of total that are other ca	ttle	/	23.2%	26.0%	20.5%
% of total that are hogs			4.0%	3.3%	4.7%
% of total that are sheep			5.2%	8.4%	7.8%
% of total that are hens	*	******	4.4%	· · · · · · · · · · · · · · · · · · ·	5.5%
CITCHE O TO A CONTRACT TO THE CONTRACT OF THE				0	3.0,

Footnote: The remainder of the records that were summarized is included in the following reports:

No. 88, Owner-operated farms--Southern Minnesota

No. 89, Tenant-operated farms--cash leases--Southern Minnesota

No. 90, Tenant-operated farms--crop-share and cash leases--Southern Minnesota

No. 92, Tenant-operated farms--cash leases--Northern Minnesota

No. 93, Tenant-operated farms--crop-share and cash leases--Northern Minnesota

No. 94, A general and comprehensive summary and analysis of all the records included in the above reports.