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1983

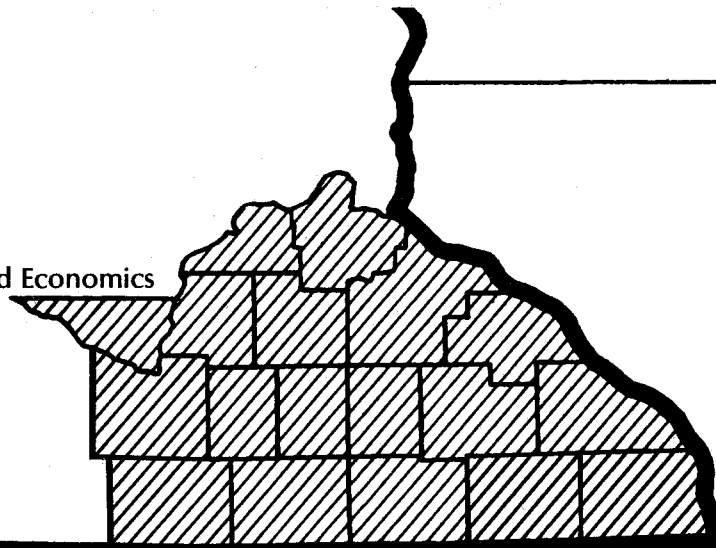
annual report

Southeastern Minnesota Farm Management Association

COOPERATING AGENCIES:

University of Minnesota, Institute of Agriculture
County Extension Services of the 18 Southeastern Counties
Southeastern Minnesota Farm Management Association

Economic Report ER84-3
Department of Agricultural and Applied Economics
Institute of Agriculture
St. Paul, Minnesota 55108
September, 1984



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1983 ANNUAL REPORT OF THE SOUTHEASTERN MINNESOTA FARM MANAGEMENT ASSOCIATION

by

Delane E. Welsch, Matthew G. Smith and Lorin Westman*

INTRODUCTION

The Department of Agricultural and Applied Economics and the Agricultural Extension Service of the University of Minnesota, and the Agricultural Extension Agents of several southeastern Minnesota counties are cooperating with the Southeastern Minnesota Farm Management Association in maintaining a farm management service. The Association was organized in the fall of 1927 by farmers in that part of the state for the purpose of studying the farm business through farm records. Each farmer pays an annual fee which covers a large part of the cost, with the balance defrayed by the Agricultural Extension Service and research programs of the University of Minnesota. The analysis of the records and the preparation of the report are handled by the Department of Agricultural and Applied Economics under the direction of Delane E. Welsch and Matthew G. Smith, and by the Association fieldman, Lorin Westman. Arnold Sandager was the District Program Leader in Agriculture with the Agricultural Extension Service in 1983 and worked with the counties which are served by the Association. The analysis of each individual farm was performed by the fieldman during the closeout procedure, using IBM-PC microcomputers and FINAN version 1.1 software. The input data were sent to the Department where individual analyses were computed and loaded on the IBM 4341 mainframe. The data base manager, NOMAD, was used to compute the tables for this report.

Of the 75 farms in the Southeastern Association, 56 submitted records at the time of this report. The data for 53 farms are shown in the tables on succeeding pages. The rest were omitted from the information in the tables because the records were not sufficiently complete for a full analysis. No claim is made as to whether the farmers who belong to the Association are or are not representative of southeastern Minnesota. However, this report should be of value to farmers and others interested in agriculture in that it illustrates how farm records may be used as a basis for making an analysis of a farm business. It also shows typical enterprise costs and returns for 1983 and the difference in enterprise earnings as well as in total farm earnings between groups of farms.

The content of this report is somewhat different from those prior to 1983. While the roots of the analysis lie in the work of the Department of Agricultural and Applied Economics and its predecessor units over the past 70 years, the more detailed analysis found in this report was developed by the Extension Farm Management faculty of the Department. Special acknowledgement is due to Ken Thomas for the conceptual development of the analysis, Dick Hawkins for the initial computerization of the analysis and the testing and extension of the analysis to diverse groups throughout the state and region, and to Dale Nordquist and Bob Craven for adapting the analysis to microcomputers.

*Welsch is Professor of Farm Management; Smith was Research Specialist; Westman is jointly Area Farm Management Extension Agent and Fieldman for the Association. The authors wish to thank the following people for their contributions to this report: Charles Kiefer for his assistance in Account Book closing and coding; Ron and Terri Schultz for special computer programming; Brian Keefe for computer programming and general responsibility for the data base and its use in compiling this report; Vernon Eidman, Kenneth Thomas and Burt Sundquist for review; and Carol Hansen for secretarial and clerical work throughout the project and especially for putting this report together.

SOUTHEASTERN MINNESOTA FARM MANAGEMENT ASSOCIATION

DISTRIBUTION OF MEMBERSHIP

1983

County	Number of Members	Number of Records Submitted	Association Directors	Alternates	County Extension Directors
Dakota	8	4	William Sorg, President	Kevin Chamberlain	Warren N. Sifferath
Dodge	4	4	Sivert Boyum	Don Zimmerman	David H. Hanson
Mower	2	1	---	---	Harlan L. Johnsrud
Faribault	2	0			Henry C. Bollum
Freeborn	3	2	Chuck Vollum	none	Eldon H. Senske
Goodhue	11	11	James Dicke Chuck Schwartau, Sec.-Treas.	Merle Schwartau	Richard C. Walter
Houston	2	1	James Luehman	none	Russell L. Krech
Winona	5	5	---	none	Neil R. Broadwater
LeSueur	3	2	Amos Hayes	none	Robert J. Leary
Nicollet	1	1	Amos Hayes	none	Gary A. Hachfeld
Waseca	2	2	Amos Hayes	none	Mark E. Blauert
Olmsted	10	7	James Till	Richard Pike	David J. Kjome
Fillmore	3	1	James Till	Richard Pike	Sheila M. Craig
Rice	4	3	Gilbert Skluzacek	none	Roger M. Wilkowske
Steele	3	3	Donald Wilker	none	Larry A. Tande
Scott	5	5	Paul Krueger, Vice President	Dennis Gerold	David D. Hart
Wabasha	<u>7</u>	<u>4</u>	Robert Lamprecht	John Sloane	Matthias P. Metz
TOTAL	75	56			

1983 ANNUAL REPORT OF THE SOUTHEASTERN
MINNESOTA FARM BUSINESS MANAGEMENT ASSOCIATION

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DESCRIPTION OF THIS REPORT

The tables in this report are identical to the tables which comprise the analysis received by each farm family who is a member of the Farm Business Management Association, with one exception: each individual analysis contains information on that farm business only, whereas the information in each table in this report is the average of the farm analyses included in that table.

The tables are divided into three related sets. Tables 1-7 present whole farm information. Tables in the 8-X series provide information on crop enterprises. Tables in the 9-X series provide information on livestock enterprises. Table 10 contains information on the prices used in the analysis.

Tables 1-4 and 6 include the same number of farms, which were all of the farms whose records were judged to be of sufficient quality to be included in the overall report. Tables 5 and 7 include only sole proprietorships whose net worth and family living records, respectively, were complete enough to include. (Partnerships and corporations were excluded from these two tables only.) The number of farms included in each of the crop and livestock tables varies because all farms do not have the same enterprises. Also, some farmers' records were complete enough to be included in the whole farm tables (1-7), but one or more of these same farmers' crop or livestock records were not complete enough to include in the crop or livestock tables.

The farms in all 7 tables are classified into low or high 20% or middle 60% on the basis of the last line in Table 1, "Profit or Loss." One of the purposes of this report is to permit farm managers to compare their individual analysis results with the averages, highs, and lows of the other members of their Farm Business Management Association.

EXPLANATORY NOTES FOR TABLES 1-7

Table 1 Detailed Farm Profit or Loss Statement

This statement (sometimes called an income statement or operating statement) presents a summary of income, expenses, and resultant profit or loss from farming operations for calendar year 1983 on an accrual basis, which means that inventory changes, depreciation and other capital adjustments are taken into account. The "bottom line" on the second page of this table, labeled "Profit or Loss," represents the return to the operator's and family's unpaid labor, management, and equity capital (net worth). In other words, it represents the return to all of the resources which are owned by the farm family and hence not purchased or paid a wage.

The first section of Table 1 (all of the first page) lists cash farm income from all sources. There are three possible sources of cash income from crops. The first is income from cash sales. The second is income from crop enterprises labeled as "CCC or Reserve" or "Sealed," which refers to crops stored under government programs with the crop value treated as income for the year in which the crop was stored. If the crop value had not been entered as income when it was stored, then its entire value would be treated as income in the year it was sold. The third is "Net Government Sales," which refers to the difference between income credited in the year a crop was stored and the actual income received at the time it was sold. There are two categories of cash income from livestock sales. "Raised" steer, hogs, and lambs refer to animals raised from birth to market weight on the farm. "Finished" animals refers to those purchased as feeders and fed to market weight. The next to last item listed on the left side, "Government Payments" refers primarily to commodity storage and deficiency payments, not from PIK. Proceeds from the PIK program are accounted for under the appropriate commodities sold category.

The second section of Table 1 (top part of the second page of Table 1) lists cash operating expenses. "Labor" includes only labor hired. "Interest" includes only interest actually paid. No opportunity charges on farm capital are included because this part of the table records only cash transactions.

The third and fourth sections of Table 1 deal with non-cash changes in the farm business. The "Inventory Changes" section of Table 1 is shown in more detail in Table 2. The "Depreciation and Other Capital Adjustments" section of Table 1 is shown in more detail in Table 3. These two sections are used to convert the cash income statement (Net Cash Farm Income) derived from the first two sections into an accrual income statement.

Table 4. Profitability and Liquidity AnalysisProfitability

"Labor and Management Earnings" equals profit and loss minus interest on farm net worth.

"Rate of Return on Investment" is return to farm investment divided by average farm investment.

"Rate of Return on Net Worth" is the residual return to farm net worth divided by total farm net worth.

"Net Profit Margin" is the residual return to farm investment divided by value of farm production.

"Asset Turnover Rate" is the value of farm production divided by average farm investment.

"Interest on Farm Net Worth" is the average farm net worth multiplied by a six percent opportunity cost charge.

"Farm Interest Paid" is interest actually paid.

"Value of Operator's Labor and Management" was evaluated using the suggested values listed at the end of this report. If no value was entered, "Total Family Living Expense" was used instead.

"Return to Farm Investment" is calculated by adding farm interest paid to profit or loss and then subtracting the value of operator's labor and management.

"Average Farm Investment" is the average of beginning and ending total farm assets.

"Return to Farm Net Worth" is calculated by subtracting the value of operator's labor and management from profit or loss.

"Average Farm Net Worth" is the average of beginning and ending farm net worth.

"Value of Farm Production" is gross farm income minus feeder livestock purchased, plus/minus inventory increases/decreases in crops, market livestock and breeding livestock.

Liquidity: Cash Basis

"Cash Available for Intermediate Debt" is total net income minus family living and taxes paid and real estate principal payment.

"Average Intermediate Debt" is the average of beginning and ending intermediate farm liabilities.

"Years to Turn Over Intermediate Debt" is average intermediate debt divided by cash available for intermediate debt. If either the cash based or the accrual based "cash available for intermediate debt" is a negative number, then "years to turn over intermediate debt" cannot be calculated, and is so indicated by an asterisk. (Debt repayment is not possible because of negative cash flow.)

"Cash Expense as a % of Income" is total cash operating expense divided by gross cash farm income.

"Interest as a % of Income" is interest paid divided by gross cash farm income.

Liquidity: Accrual Basis

"Cash Available for Intermediate Debt" on the accrual basis is calculated by adding or subtracting inventory change to or from the "cash available for intermediate debt" item in the "Cash Basis" section of the table.

"Cash Expense as a % of Income" is total cash operating expense divided by the sum of gross cash farm income and inventory change.

"Interest as a % of Income" is interest paid divided by the sum of gross farm cash income and inventory change.

Table 5. Comparative Financial Statement

Current assets are valued at market price at the time of the inventory (January 1, 1983 and December 31, 1983, for the beginning and ending inventories, respectively). Intermediate and long-term assets that are depreciable are valued at cost remaining (amount remaining to be depreciated, plus salvage value). Raised breeding livestock is valued at conservative market replacement costs. Land is valued at conservative market price (by county average) for the Southwest Association and at cost basis for the Southeast Association.

"Current plus intermediate" roughly corresponds to "non-real estate" and "long term" roughly corresponds to "real estate" in reference to assets and liabilities, for the use of those readers who prefer to examine solvency in that way.

Table 6. Contributions to Overhead Expenses

In the individual analyses, this table permits the manager to assess the overall profitability of individual enterprises relative to each other, and hence the contribution of each enterprise to covering overhead costs and, ultimately, to farm earnings. The bottom line of Table 6 (return to above overhead) is not equal to the bottom line of Table 1 (Profit or Loss) because the returns part of Table 6 is calculated from the enterprise tables whereas the returns part of Table 1 is calculated directly from input data.

Table 7. Household and Personal Expense

The individual items in this table are mostly self explanatory. The "savings" item is heavily influenced by a small number of farms which had substantial savings (ranging from slightly to substantially larger than their profit from farming--Table 1) which came from large inheritances which were subsequently invested.

TABLE 1

***** DETAILED FARM PROFIT OR LOSS STATEMENT FOR 1983 *****
 Southeast Farm Business Management Association
 (Farms Categorized Based on Total Farm Profit/Loss)

	Low 20%	Middle 60%	High 20%	TOTAL
** Farm Income **	Value	Value	Value	Value
Number of farms	11	31	11	53
Corn	\$26,012	\$13,595	\$41,664	\$21,998
Corn-CCC or Reserve	\$0	\$563	\$0	\$329
Corn-Net Govt Sales	\$2,018	\$676	\$316	\$880
Oats	\$304	\$288	\$485	\$332
Wheat	\$92	\$309	\$991	\$406
Barley	\$0	\$85	\$185	\$88
Soybeans	\$14,832	\$5,428	\$36,965	\$13,925
Soybeans Sealed	\$0	\$204	\$0	\$119
Soybeans-Govt Sales	\$60	\$64	\$960	\$249
Hay	\$186	\$266	\$229	\$242
Sweet Corn	\$1,510	\$0	\$3,228	\$983
Canning Crops	\$0	\$397	\$1,165	\$474
Other Crops	\$0	\$0	\$4,460	\$926
Milk	\$26,099	\$58,157	\$105,161	\$61,259
Raised Dairy Steers	\$7,118	\$4,924	\$7,843	\$5,985
Raised Market Hogs	\$36,366	\$26,023	\$24,015	\$27,753
Raised Beef	\$0	\$1,651	\$0	\$966
Raised Lambs	\$100	\$132	\$0	\$98
Hogs Finished	\$0	\$0	\$31,571	\$6,552
Beef Finished	\$5,773	\$19,009	\$21,482	\$16,775
Wool	\$38	\$6	\$0	\$11
Cull Livestock	\$6,622	\$7,218	\$14,491	\$8,604
Machine Work Income	\$2,628	\$813	\$1,173	\$1,264
Patronage Dividends	\$1,344	\$1,391	\$2,233	\$1,556
Govt Payments	\$4,040	\$2,283	\$6,413	\$3,505
Other Farm Income	\$3,033	\$2,485	\$4,830	\$3,085
Gross Cash Farm Income	\$138,175	\$145,966	\$309,859	\$178,365

TABLE 1 (cont.)

***** DETAILED FARM PROFIT OR LOSS STATEMENT FOR 1983 *****

Southeast Farm Business Management Association
(Farms Categorized Based on Total Farm Profit/Loss)

	Low 20%	Middle 60%	High 20%	TOTAL
** Cash Operating Expense **	Value	Value	Value	Value
Number of farms	11	31	11	53
Labor	\$2,286	\$4,398	\$3,712	\$3,817
Repairs	\$8,676	\$9,434	\$13,832	\$10,189
Interest	\$26,561	\$10,589	\$28,782	\$17,680
Rents and Leases	\$5,942	\$6,097	\$22,659	\$9,502
Feed Purchased	\$21,354	\$18,610	\$20,601	\$19,593
Seed	\$3,501	\$3,030	\$6,610	\$3,871
Fertilizer	\$6,117	\$5,885	\$19,145	\$8,685
Crop Chemicals	\$3,148	\$3,115	\$9,815	\$4,512
Machinery Hire	\$1,939	\$1,704	\$778	\$1,560
Supplies	\$2,900	\$4,327	\$3,545	\$3,868
Breeding Fees	\$340	\$1,279	\$2,091	\$1,252
Vet. and Medicine	\$1,068	\$2,139	\$2,487	\$1,989
Gas-Fuel-Oil	\$6,643	\$5,014	\$10,469	\$6,484
Real Estate Taxes	\$3,875	\$2,675	\$4,715	\$3,347
Crop Insurance	\$820	\$333	\$995	\$572
Farm Insurance	\$1,396	\$1,160	\$1,739	\$1,329
Utilities	\$3,901	\$3,381	\$4,709	\$3,764
Crop Marketing	\$1,277	\$538	\$980	\$783
Livestock Marketing	\$1,753	\$2,544	\$3,598	\$2,598
Feeder Lvstck. Purch.	\$100	\$9,486	\$12,546	\$8,173
Other Expense	\$1,733	\$2,895	\$3,588	\$2,798
Total Cash Operating Expense	\$105,327	\$98,633	\$177,397	\$116,369
Net Cash Farm Income	\$32,848	\$47,334	\$132,463	\$61,996
Inventory Changes				
Feed and Grain	-\$10,633	\$2,156	\$37,623	\$6,863
Market Livestock	-\$7,087	\$1,848	\$3,289	\$293
Supplies and Prepaid Exp.	\$155	\$403	-\$229	\$220
Accounts Receivable	\$7	-\$331	\$349	-\$119
Accounts Payable	\$0	\$635	\$0	\$372
Total Inventory Change	-\$17,559	\$4,712	\$41,032	\$7,628
Net Operating Profit	\$15,290	\$52,046	\$173,495	\$69,624
Depreciation and Other Capital Adjustments				
Breeding Livestock	-\$6,547	-\$4,426	-\$15,323	-\$7,128
Machinery and Equipment	-\$12,812	-\$15,050	-\$33,484	-\$18,411
Buildings and Improvements	-\$8,772	-\$6,188	-\$19,621	-\$9,512
Stock and Other	\$0	-\$121	-\$136	-\$99
Land	\$0	\$0	\$0	\$0
Total Depreciation and Other Capital Adjustments	-\$28,132	-\$25,785	-\$68,564	-\$35,150
Profit or Loss	-\$12,842	\$26,261	\$104,931	\$34,473

TABLE 2

***** INVENTORY CHANGES, 1983 *****
 Southeast Farm Business Management Association
 (Farms Categorized Based on Total Farm Profit/Loss)

	Low 20%	Middle 60%	High 20%	TOTAL
	-----	-----	-----	-----
Number of farms	11	31	11	53
Net cash farm income	\$32,848	\$47,334	\$132,463	\$61,996
Feed and grain				
Ending inventory	\$38,800	\$48,080	\$140,605	\$65,358
Beginning inventory	\$49,434	\$45,924	\$102,982	\$58,495
Inventory change	-\$10,633	\$2,156	\$37,623	\$6,863
Market livestock				
Ending inventory	\$23,255	\$32,154	\$48,073	\$33,611
Beginning inventory	\$30,342	\$30,306	\$44,783	\$33,318
Inventory change	-\$7,087	\$1,848	\$3,289	\$293
Supplies and Prepaid Exp.				
Ending inventory	\$326	\$767	\$4,466	\$1,443
Beginning inventory	\$171	\$364	\$4,696	\$1,223
Inventory change	\$155	\$403	-\$229	\$220
Accounts receivable				
Ending inventory	\$44	\$468	\$2,790	\$862
Beginning inventory	\$36	\$799	\$2,441	\$981
Inventory change	\$7	-\$331	\$349	-\$119
Accounts payable				
Beginning inventory	\$0	\$1,175	\$0	\$687
Ending inventory	\$0	\$540	\$0	\$316
Inventory change	\$0	\$635	\$0	\$372
Total inventory change	-\$17,559	\$4,712	\$41,032	\$7,628
Net operating profit	\$15,290	\$52,046	\$173,495	\$69,624

TABLE 3

***** DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1983 *****
 Southeast Farm Business Management Association
 Farms Categorized Based on Total Farm Profit/Loss

	Low 20%	Middle 60%	High 20%	TOTAL
	-----	-----	-----	-----
Number of farms	11	31	11	53
Net operating profit	\$15,290	\$52,046	\$173,495	\$69,624
Breeding livestock				
Ending inventory + sales	\$19,440	\$23,163	\$39,300	\$25,739
Beg. inventory + purchases	\$25,987	\$27,589	\$54,623	\$32,867
Depreciation, capital adj.	-\$6,547	-\$4,426	-\$15,323	-\$7,128
Machinery and equipment				
Ending inventory + sales	\$52,112	\$49,162	\$101,332	\$60,602
Beg. inventory + purchases	\$64,924	\$64,211	\$134,816	\$79,013
Depreciation, capital adj.	-\$12,812	-\$15,050	-\$33,484	-\$18,411
Buildings and improvements				
Ending inventory + sales	\$61,414	\$47,127	\$127,597	\$66,794
Beg. inventory + purchases	\$70,186	\$53,315	\$147,217	\$76,306
Depreciation, capital adj.	-\$8,772	-\$6,188	-\$19,621	-\$9,512
Stock and other				
Ending inventory + sales	\$1,836	\$2,306	\$636	\$1,862
Beg. inventory + purchases	\$1,836	\$2,427	\$773	\$1,961
Depreciation, capital adj.	\$0	-\$121	-\$136	-\$99
Land				
Ending inventory + sales	\$90,497	\$56,172	\$282,311	\$110,231
Beg. inventory + purchases	\$90,497	\$56,172	\$282,311	\$110,231
Depreciation, capital adj.	\$0	\$0	\$0	\$0
Total depreciation, capital adj.	-\$28,132	-\$25,785	-\$68,564	-\$35,150
Profit or loss	-\$12,842	\$26,261	\$104,931	\$34,473

TABLE 4

***** PROFITABILITY AND LIQUIDITY ANALYSIS, 1983 *****
 Southeast Farm Business Management Association
 (Farms Categorized Based on Total Farm Profit/Loss)

	Low 20%	Middle 60%	High 20%	TOTAL
<hr/>				
** Profitability **				
Number of farms	11	31	11	53
Labor and management earnings	-\$17,779	\$16,369	\$79,409	\$22,365
Rate of return on investment	-0.01	0.08	0.14	0.09
Rate of return on net worth	-0.35	0.06	0.19	0.08
Net profit margin	-0.02	0.15	0.33	0.20
Asset turnover rate	0.37	0.52	0.43	0.46
Interest on farm net worth	\$4,937	\$9,892	\$25,522	\$12,108
Farm interest paid	\$26,561	\$10,589	\$28,782	\$17,680
Value of operator labor and mgmt	\$16,227	\$16,745	\$25,909	\$18,540
Return to farm investment	-\$2,509	\$20,105	\$107,804	\$33,613
Average farm investment	\$306,718	\$262,061	\$747,354	\$372,051
Return to farm net worth	-\$29,070	\$9,516	\$79,022	\$15,933
Average farm net worth	\$82,281	\$164,870	\$425,369	\$201,795
Value of farm production	\$113,807	\$136,058	\$322,904	\$170,219
** Liquidity **				
-- Cash Basis --				
Net cash farm income	\$32,848	\$47,334	\$132,463	\$61,996
Non farm income	\$5,877	\$5,288	\$1,747	\$4,675
Total net income	\$38,726	\$52,621	\$134,210	\$66,671
Family living and taxes paid	\$25,294	\$26,135	\$69,139	\$34,886
Real estate principal payments	\$1,259	\$4,894	\$9,102	\$5,013
Cash available for interm. debt	\$12,172	\$21,593	\$55,969	\$26,772
Average intermediate debt	\$1,181	\$7,577	\$35,704	\$12,087
Years to turn over interm. debt	0.10	0.35	0.64	0.45
Cash expense as a % of income	74.82	65.26	57.27	65.58
Interest as a % of income	15.91	6.32	8.91	8.85
-- Accrual Basis --				
Inventory change	-\$17,559	\$4,712	\$41,032	\$7,628
Cash available for interm. debt	-\$5,386	\$26,305	\$97,001	\$34,400
Years to turn over interm. debt	*	0.29	0.37	0.35
Cash expense as a % of income	86.27	62.90	50.91	65.26
Interest as a % of income	18.45	6.06	7.73	8.98

* Can never be repaid due to negative cash flow for debt repayment

TABLE 5

***** COMPARATIVE FINANCIAL STATEMENTS, 1983 *****
Southeast Farm Business Management Association
(Farms Categorized Based on Total Farm Profit/Loss)

	Low 20%		Middle 60%		High 20%		TOTAL	TOTAL
Number of farms	10		30		9		49	
Assets	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Assets								
Cash	\$3,922	\$4,212	\$8,456	\$9,987	\$16,164	\$20,607	\$8,947	\$10,759
Prepaid Expenses and Supplies	\$189	\$359	\$376	\$793	\$5,739	\$2,988	\$1,323	\$1,108
Accounts Receivable	\$40	\$48	\$826	\$484	\$2,983	\$3,410	\$1,062	\$932
Crops Held for Sale/Feed	\$48,907	\$38,711	\$44,877	\$46,981	\$101,351	\$138,137	\$56,072	\$62,036
Livestock Held for Sale	\$29,052	\$21,930	\$29,097	\$31,116	\$37,337	\$39,946	\$30,602	\$30,863
Total Current Farm Assets	\$82,110	\$65,260	\$83,632	\$89,361	\$163,575	\$205,088	\$98,005	\$105,698
Intermediate Farm Assets								
Breeding Livestock	\$17,951	\$16,584	\$21,921	\$21,508	\$55,357	\$37,533	\$27,252	\$23,447
Machinery and Equipment	\$50,583	\$45,606	\$47,489	\$47,636	\$97,044	\$96,147	\$57,223	\$56,132
Other Interm. Assets	\$0	\$0	\$946	\$1,742	\$0	\$0	\$579	\$1,066
Total Interm. Farm Assets	\$68,534	\$62,190	\$70,357	\$70,886	\$152,401	\$133,680	\$85,054	\$80,645
Long Term Farm Assets								
Buildings and Improvements	\$74,512	\$65,618	\$42,899	\$45,216	\$138,242	\$137,265	\$66,862	\$66,286
Farm Land	\$93,649	\$93,649	\$47,518	\$54,744	\$291,194	\$291,194	\$101,689	\$106,114
Other Long Term Assets	\$1,300	\$2,020	\$807	\$641	\$944	\$778	\$933	\$948
Total Long Term Farm Assets	\$169,461	\$161,287	\$91,223	\$100,601	\$430,381	\$429,237	\$169,484	\$173,348
Non Farm Assets	\$31,197	\$35,251	\$44,835	\$50,842	\$51,919	\$54,349	\$43,353	\$48,304
Total Assets	\$351,301	\$323,988	\$290,047	\$311,690	\$798,276	\$822,354	\$395,896	\$407,995
Liabilities								
Current Farm Liabilities								
Accounts Payable	\$0	\$0	\$1,214	\$558	\$0	\$0	\$743	\$341
Current Notes	\$94,656	\$81,159	\$32,833	\$34,528	\$68,564	\$70,676	\$52,013	\$50,684
Total Current Farm Liabilities	\$94,656	\$81,159	\$34,047	\$35,086	\$68,564	\$70,676	\$52,756	\$51,025
Intermediate Farm Liabilities	\$2,118	\$481	\$10,288	\$5,371	\$23,433	\$24,236	\$11,035	\$7,838
Long Term Farm Liabilities	\$141,987	\$154,803	\$48,609	\$61,572	\$198,298	\$189,265	\$95,160	\$104,052
Non Farm Liabilities	\$0	\$0	\$0	\$0	\$4,511	\$4,511	\$829	\$829
Total Liabilities	\$238,761	\$236,442	\$92,944	\$102,029	\$294,806	\$288,689	\$159,779	\$163,744
Net Worth	\$112,540	\$87,546	\$197,103	\$209,661	\$503,470	\$533,665	\$236,117	\$244,250
Net Worth Change		-\$24,994		\$12,558		\$30,195		\$8,133
Solvency Measures								
Cur.+Int. Liab/Asset Ratio	0.6424	0.6406	0.2879	0.2525	0.2912	0.2802	0.3485	0.3159
Long Term Liab/Asset Ratio	0.8379	0.9598	0.5329	0.6120	0.4607	0.4409	0.5615	0.6003
Total Liability/Asset Ratio	0.6796	0.7298	0.3204	0.3273	0.3693	0.3511	0.4036	0.4013

TABLE 6

***** CONTRIBUTIONS TO OVERHEAD EXPENSES, 1983 *****
 Southeast Farm Business Management Association
 (Farms Categorized Based on Total Farm Profit/Loss)

	Low 20%	Middle 60%	High 20%	TOTAL
-----	-----	-----	-----	-----
Number of farms	11	31	11	53
Enterprise				

Corn	\$8,466	\$11,687	\$29,931	\$14,805
Oats	\$163	\$614	\$615	\$521
Wheat	-\$83	-\$28	\$552	\$81
Barley	\$0	\$17	-\$91	-\$9
Hay	\$6,796	\$10,089	\$20,255	\$11,516
C. Silage	\$1,296	\$1,551	\$4,472	\$2,104
Soybeans	\$5,546	\$4,676	\$23,279	\$8,718
Sweet corn	\$339	\$0	\$1,547	\$392
Can crop	\$0	\$288	\$975	\$371
Seed corn	\$0	\$0	\$1,078	\$224
Oat silage	-\$4	\$83	\$5	\$49
Pasture	\$223	\$141	\$164	\$163
Set aside	\$10,968	\$6,322	\$14,998	\$9,087
Rented out	\$1,245	\$161	\$0	\$353
Dairy	\$8,384	\$22,191	\$47,151	\$24,506
Farrow to finish	\$2,880	\$3,432	\$9,042	\$4,482
Beef cow-calf	-\$642	-\$585	\$248	-\$424
Market lamb production	\$40	\$27	\$0	\$24
Dairy beef finishing	\$0	-\$68	-\$486	-\$141
Hog finishing	\$0	\$0	\$2,604	\$540
Beef finishing	\$789	\$1,114	\$1,087	\$1,041
Dairy replacements	-\$707	-\$10	-\$256	-\$206
Dairy rep. and feeders	\$121	-\$565	-\$2	-\$306
Mixed hog production	\$2,402	\$593	\$225	\$892
TOTAL	\$48,224	\$61,731	\$157,394	\$78,782
Overhead Expenses				
Real estate taxes	\$3,875	\$2,675	\$4,715	\$3,347
Utilities	\$3,886	\$3,344	\$4,447	\$3,685
Hired labor	\$2,286	\$3,616	\$3,712	\$3,360
Farm insurance	\$1,396	\$1,160	\$1,739	\$1,329
Lease payments	\$133	\$1,058	\$2,162	\$1,095
Interest paid	\$26,561	\$10,589	\$28,782	\$17,680
Depreciation	\$21,584	\$21,238	\$53,104	\$27,924
Total overhead expense	\$59,721	\$43,680	\$98,661	\$58,421
Ret above ovrhd exp (whl farm)	-\$4,491	\$22,739	\$66,969	\$26,267

TABLE 7

***** HOUSEHOLD AND PERSONAL EXPENSES, 1983 *****

Southeast Farm Business Management Association
(Farms Categorized Based on Total Farm Profit/Loss)

	TOTAL

Number of farms	13
Food and meals	\$3,440
Medical care and health insurance	\$2,405
Church and charities	\$1,623
Operating and supplies	\$1,424
Clothing and clothing materials	\$1,308
Gifts and special events	\$1,153
Personal share of auto and truck	\$1,245
Personal care and spending	\$705
Education	\$497
Recreation	\$1,206
Upkeep on dwelling	\$546
Furnishings and equipment	\$1,407
Household real estate taxes	\$152
Dwelling rent	\$0
Telephone and electricity	\$805
Life insurance payments	\$1,469
Income taxes	\$4,901
Total cash living expenses	\$24,285
Family living from the farm	\$349
Total family living	\$24,634
Household capital purchases	\$0
Personal vehicles,	
other nonfarm purchases	\$943
Nonfarm real estate purchased	\$0
Savings	\$774
Total family uses of cash	\$26,003

EXPLANATORY NOTE FOR CROPS TABLES

Farms are classified into low 20% or high 20% on the basis of returns to overhead costs (return over direct costs). The classification is done separately for each table, i.e., a particular farm may be in the low 20% for one crop, top 20% for a second, and middle 60% for a third. "Lows" and "highs" are listed only for crops with five or more farms in each category. When there are less than five farms in lows and highs (less than 25 total farms), then only overall averages are presented. When there are less than five farms with a particular crop, then that table is not included in the report.

There are potentially three tables for each crop depending on whether the crop was grown on (1) owned land, (2) cash rented land, or (3) share rented land. It is possible for an individual farm to have data in all three tables if all three land tenure categories are represented in that farm business.

The items listed on the left-hand side of each table are identical for all crop tables. The first set of items deals with the calculation of gross return per acre. The second and third sets of items deal with direct and overhead costs, respectively. These are followed by "net cash flow generated for principal payments, taxes, and family living" which is calculated as "net return per acre" plus "depreciation." (All overhead costs except depreciation are assumed to be cash costs.) The last set of items is economic efficiency measures which provide useful standards or goals for individual managers.

Several cost items are listed under both "direct" and "overhead" costs, but there will be entries under both cost categories only if the farm receipts have been kept in enough detail to permit assigning to each crop the costs incurred specifically for that crop. The costs listed under both categories include "utilities," "hired labor," and "interest paid." "Direct Lease Payments" refers to non-land inputs or resources leased and used only in that crop enterprise and not listed elsewhere under direct costs. The most common example is the lease of equipment that is crop specific.

"Land Rent" is listed as a separate category and is assigned as a direct cost for each crop enterprise because it is identifiable with that specific crop. In the case of double cropping, one-half of the rent is charged to each crop. Machinery lease payments are for leased machinery used on more than one crop. Interest payments are likewise divided into those incurred directly for a specific crop and those that are not.

The "Return to Overhead" item, multiplied by the number of acres, as listed in the second line at the top of each crop table, is used to construct Table 6. The "unit" referred to in the fifth line from the top and the second and third lines from the bottom is the unit of measurement of the principal product from this enterprise. It is "bushels" for corn, soybeans, wheat and oats. It is "tons" for corn silage and hay. It is "dollars" for pasture and set aside. For pasture, "dollars" is the imputed value per acre based on the value per head per month, as given in Table 10. For set aside, "dollars" is the cash received from government payments for the land set aside plus the value of PIK crops received.

"Total Listed Cost/Unit" is "Total Listed Costs Per Acre" divided by "Yield Per Acre." "Return Over Listed Cost/Unit" is "Net Return Per Acre" divided by "Yield Per Acre." "Breakeven Yield/Acre" is "Total Listed Costs Per Acre" divided by "Value Per Unit."

TABLE 8-1

***** Crop Enterprise Analysis *****
 Southeast Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

	CORN ON OWNED LAND			
	Low 20%	Middle 60%	High 20%	TOTAL
	-----	-----	-----	-----
Number of farms	8	25	8	41
Acres	50.75	92.00	93.38	84.22
Yield per acre	77.04	99.04	127.74	100.35
Operator share of yield	100.00	100.00	100.00	100.00
Value per unit	\$3.10	\$3.10	\$3.10	\$3.10
Crop product return/acre	\$238.81	\$307.02	\$396.00	\$311.08
Other crop income/acre	\$9.46	\$1.42	\$0.52	\$2.82
Gross return per acre	\$248.27	\$308.45	\$396.53	\$313.89
Direct costs				
Seed	\$18.56	\$18.96	\$17.98	\$18.69
Fertilizer	\$41.34	\$42.87	\$46.16	\$43.21
Chemicals	\$25.24	\$22.33	\$22.65	\$22.96
Crop insurance	\$5.30	\$1.94	\$3.45	\$2.89
Custom hire	\$17.43	\$5.78	\$0.41	\$7.01
Fuel and oil	\$22.36	\$17.80	\$17.91	\$18.71
Repairs	\$45.17	\$33.50	\$27.66	\$34.64
Drying	\$8.44	\$7.08	\$10.99	\$8.11
Special hired labor	\$0.00	\$0.00	\$0.00	\$0.00
Marketing	\$1.36	\$2.87	\$3.20	\$2.64
Utilities	\$0.97	\$0.12	\$0.00	\$0.26
Land rent	\$0.00	\$0.00	\$0.00	\$0.00
Direct lease payments	\$0.00	\$0.09	\$0.00	\$0.06
Misc. crop expense	\$0.10	\$0.84	\$0.82	\$0.69
Operating interest	\$0.00	\$0.00	\$0.00	\$0.00
Total direct costs	\$186.28	\$154.18	\$151.26	\$159.88
Return to overhead	\$61.99	\$154.26	\$245.27	\$154.02
Overhead costs (as allocated by farmers)				
Overhead utilities	\$4.19	\$3.44	\$5.23	\$3.94
Overhead hired labor	\$3.53	\$6.46	\$8.96	\$6.38
Farm insurance	\$1.82	\$1.04	\$3.80	\$1.73
Machinery lease pymts.	\$0.69	\$0.01	\$2.61	\$0.65
Real Estate Taxes	\$10.13	\$9.69	\$12.88	\$10.40
Interest Paid	\$46.51	\$48.59	\$40.26	\$46.56
Depreciation	\$45.79	\$60.25	\$56.65	\$56.72
Total overhead costs	\$112.66	\$129.47	\$130.39	\$126.37
Total listed costs per acre	\$298.94	\$283.66	\$281.65	\$286.25
Net return per acre	-\$50.67	\$24.79	\$114.88	\$27.64
Net cash flow generated for principal payments, taxes, and family living	-\$4.88	\$85.04	\$171.53	\$84.37
Total listed cost/unit	\$3.88	\$2.86	\$2.20	\$2.85
Return over listed cost/unit	-\$0.78	\$0.24	\$0.90	\$0.25
Break even yield/acre	96.43	91.50	90.85	92.34

TABLE 8-2

***** Crop Enterprise Analysis *****
 Southeast Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

	CORN ON CASH RENT			
	Low 20%	Middle 60%	High 20%	TOTAL
	-----	-----	-----	-----
Number of farms	6	17	6	29
Acres	52.83	83.41	104.17	81.38
Yield per acre	80.68	99.66	135.12	103.07
Operator share of yield	100.00	100.00	100.00	100.00
Value per unit	\$3.10	\$3.10	\$3.10	\$3.10
Crop product return/acre	\$250.11	\$308.95	\$418.87	\$319.52
Other crop income/acre	\$4.14	\$0.85	\$4.61	\$2.31
Gross return per acre	\$254.25	\$309.80	\$423.48	\$321.83
Direct costs				
Seed	\$19.88	\$17.78	\$18.95	\$18.46
Fertilizer	\$50.47	\$40.66	\$54.02	\$45.45
Chemicals	\$19.34	\$25.86	\$23.75	\$24.07
Crop insurance	\$3.63	\$2.81	\$5.10	\$3.45
Custom hire	\$17.55	\$3.10	\$5.31	\$6.55
Fuel and oil	\$19.08	\$15.20	\$20.52	\$17.10
Repairs	\$37.82	\$28.53	\$29.30	\$30.61
Drying	\$14.91	\$8.08	\$14.14	\$10.75
Special hired labor	\$0.00	\$0.00	\$0.00	\$0.00
Marketing	\$1.95	\$1.37	\$11.34	\$3.55
Utilities	\$0.80	\$0.00	\$0.51	\$0.27
Land rent	\$87.15	\$68.65	\$65.20	\$71.76
Direct lease payments	\$0.00	\$0.13	\$0.00	\$0.08
Misc. crop expense	\$1.28	\$0.74	\$1.95	\$1.10
Operating interest	\$0.00	\$0.00	\$0.00	\$0.00
Total direct costs	\$273.87	\$212.91	\$250.11	\$233.22
Return to overhead	-\$19.62	\$96.88	\$173.37	\$88.61
Overhead costs (as allocated by farmers)				
Overhead utilities	\$2.63	\$2.19	\$7.63	\$3.41
Overhead hired labor	\$1.59	\$3.73	\$8.45	\$4.26
Farm insurance	\$0.82	\$0.86	\$3.48	\$1.39
Machinery lease pymts.	\$0.95	\$2.17	\$2.00	\$1.88
Real Estate Taxes	\$0.00	\$0.00	\$0.00	\$0.00
Interest Paid	\$21.24	\$10.81	\$30.61	\$17.07
Depreciation	\$47.51	\$54.01	\$63.29	\$54.59
Total overhead costs	\$74.74	\$73.77	\$115.46	\$82.60
Total listed costs per acre	\$348.61	\$286.69	\$365.57	\$315.82
Net return per acre	-\$94.36	\$23.11	\$57.91	\$6.01
Net cash flow generated for principal payments, taxes, and family living	-\$46.85	\$77.12	\$121.21	\$60.59
Total listed cost/unit	\$4.32	\$2.88	\$2.71	\$3.06
Return over listed cost/unit	-\$1.22	\$0.22	\$0.39	\$0.04
Break even yield/acre	112.46	92.48	117.93	101.88

TABLE 8-3

***** Crop Enterprise Analysis *****
 Southeast Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

SOYBEANS ON OWNED LAND

	Total

Number of farms	22
Acres	65.32
Yield per acre	38.69
Operator share of yield	100.00
Value per unit	\$8.00
Crop product return/acre	\$309.48
Other crop income/acre	\$2.18
Gross return per acre	\$311.67
Direct costs	
Seed	\$11.15
Fertilizer	\$7.27
Chemicals	\$22.80
Crop insurance	\$4.33
Custom hire	\$6.58
Fuel and oil	\$13.54
Repairs	\$24.28
Drying	\$0.00
Special hired labor	\$0.00
Marketing	\$1.78
Utilities	\$0.00
Land rent	\$0.00
Direct lease payments	\$0.14
Misc. crop expense	\$0.75
Operating interest	\$0.00
Total direct costs	\$92.63
Return to overhead	\$219.04
Overhead costs	
(as allocated by farmers)	
Overhead utilities	\$2.87
Overhead hired labor	\$4.71
Farm insurance	\$1.76
Machinery lease pymts.	\$0.41
Real Estate Taxes	\$11.22
Interest Paid	\$51.62
Depreciation	\$43.62
Total overhead costs	\$116.22
Total listed costs per acre	\$208.85
Net return per acre	\$102.82
Net cash flow generated for principal payments, taxes, and family living	\$146.44
Total listed cost/unit	\$5.40
Return over listed cost/unit	\$2.60
Break even yield/acre	26.11

TABLE 8-4

***** Crop Enterprise Analysis *****
 Southeast Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

SOYBEANS ON CASH RENT

	Total -----
Number of farms	17
Acres	55.53
Yield per acre	34.81
Operator share of yield	100.00
Value per unit	\$8.00
Crop product return/acre	\$278.45
Other crop income/acre	\$3.63
Gross return per acre	\$282.08
Direct costs	
Seed	\$10.49
Fertilizer	\$7.59
Chemicals	\$26.37
Crop insurance	\$7.32
Custom hire	\$6.73
Fuel and oil	\$13.65
Repairs	\$19.92
Drying	\$0.11
Special hired labor	\$0.00
Marketing	\$1.73
Utilities	\$0.00
Land rent	\$74.15
Direct lease payments	\$0.00
Misc. crop expense	\$1.58
Operating interest	\$0.00
Total direct costs	\$169.62
Return to overhead	\$112.46
Overhead costs (as allocated by farmers)	
Overhead utilities	\$1.63
Overhead hired labor	\$3.35
Farm insurance	\$0.63
Machinery lease pymts.	\$2.09
Real Estate Taxes	\$0.00
Interest Paid	\$15.40
Depreciation	\$36.06
Total overhead costs	\$59.15
Total listed costs per acre	\$228.77
Net return per acre	\$53.31
Net cash flow generated for principal payments, taxes, and family living	\$89.37
Total listed cost/unit	\$6.57
Return over listed cost/unit	\$1.43
Break even yield/acre	28.60

TABLE 8-5

***** Crop Enterprise Analysis *****
 Southeast Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

CORN SILAGE ON OWNED LAND

	Total

Number of farms	19
Acres	28.63
Yield per acre	15.63
Operator share of yield	100.00
Value per unit	\$22.00
Crop product return/acre	\$343.96
Other crop income/acre	\$0.00
Gross return per acre	\$343.96
Direct costs	
Seed	\$16.60
Fertilizer	\$36.47
Chemicals	\$25.84
Crop insurance	\$1.33
Custom hire	\$4.86
Fuel and oil	\$22.19
Repairs	\$41.79
Drying	\$0.00
Special hired labor	\$0.00
Marketing	\$0.00
Utilities	\$0.00
Land rent	\$0.00
Direct lease payments	\$0.00
Misc. crop expense	\$1.82
Operating interest	\$0.00
Total direct costs	\$150.89
Return to overhead	\$193.08
Overhead costs	
(as allocated by farmers)	
Overhead utilities	\$3.85
Overhead hired labor	\$6.40
Farm insurance	\$0.94
Machinery lease pymts.	\$0.31
Real Estate Taxes	\$8.87
Interest Paid	\$39.09
Depreciation	\$63.74
Total overhead costs	\$123.20
Total listed costs per acre	\$274.09
Net return per acre	\$69.87
Net cash flow generated for principal payments, taxes, and family living	\$133.62
Total listed cost/unit	\$17.54
Return over listed cost/unit	\$4.46
Break even yield/acre	12.46

TABLE 8-6

***** Crop Enterprise Analysis *****
 Southeast Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

	HAY ON OWNED LAND			
	Low 20%	Middle 60%	High 20%	TOTAL
Number of farms	6	20	6	32
Acres	56.17	61.70	87.67	65.53
Yield per acre	2.91	3.87	5.38	3.97
Operator share of yield	100.00	100.00	100.00	100.00
Value per unit	\$80.00	\$80.00	\$80.00	\$80.00
Crop product return/acre	\$232.93	\$309.24	\$430.00	\$317.57
Other crop income/acre	\$0.00	\$0.00	\$0.00	\$0.00
Gross return per acre	\$232.93	\$309.24	\$430.00	\$317.57
Direct costs				
Seed	\$10.67	\$12.55	\$12.80	\$12.24
Fertilizer	\$17.18	\$13.23	\$12.88	\$13.91
Chemicals	\$0.65	\$0.33	\$0.00	\$0.33
Crop insurance	\$0.00	\$0.00	\$0.00	\$0.00
Custom hire	\$8.83	\$1.94	\$0.00	\$2.87
Fuel and oil	\$24.34	\$19.95	\$19.75	\$20.74
Repairs	\$50.50	\$34.78	\$36.29	\$38.01
Drying	\$0.00	\$0.00	\$0.00	\$0.00
Special hired labor	\$0.08	\$0.00	\$0.00	\$0.01
Marketing	\$0.00	\$0.00	\$0.00	\$0.00
Utilities	\$0.00	\$0.00	\$0.00	\$0.00
Land rent	\$0.00	\$0.00	\$0.00	\$0.00
Direct lease payments	\$0.00	\$0.00	\$0.00	\$0.00
Misc. crop expense	\$6.80	\$3.63	\$8.77	\$5.19
Operating interest	\$0.00	\$0.00	\$0.00	\$0.00
Total direct costs	\$119.06	\$86.41	\$90.49	\$93.30
Return to overhead	\$113.87	\$222.83	\$339.51	\$224.28
Overhead costs (as allocated by farmers)				
Overhead utilities	\$5.40	\$2.23	\$1.39	\$2.67
Overhead hired labor	\$10.38	\$3.71	\$14.06	\$6.90
Farm insurance	\$0.79	\$1.45	\$1.44	\$1.32
Machinery lease pymts.	\$0.00	\$0.77	\$0.00	\$0.48
Real Estate Taxes	\$8.59	\$9.86	\$9.09	\$9.48
Interest Paid	\$45.33	\$33.20	\$50.21	\$38.66
Depreciation	\$41.20	\$63.00	\$94.48	\$64.82
Total overhead costs	\$111.69	\$114.23	\$170.67	\$124.34
Total listed costs per acre	\$230.75	\$200.65	\$261.15	\$217.64
Net return per acre	\$2.18	\$108.59	\$168.84	\$99.94
Net cash flow generated for principal payments, taxes, and family living	\$43.38	\$171.60	\$263.33	\$164.75
Total listed cost/unit	\$79.30	\$51.85	\$48.54	\$54.82
Return over listed cost/unit	\$0.70	\$28.15	\$31.46	\$25.18
Break even yield/acre	2.88	2.51	3.26	2.72

TABLE 8-7

***** Crop Enterprise Analysis *****
 Southeast Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

HAY ON CASH RENT

	Total -----
Number of farms	18
Acres	48.28
Yield per acre	3.85
Operator share of yield	100.00
Value per unit	\$80.00
Crop product return/acre	\$308.27
Other crop income/acre	\$0.00
Gross return per acre	\$308.27
Direct costs	
Seed	\$13.82
Fertilizer	\$20.81
Chemicals	\$0.37
Crop insurance	\$0.00
Custom hire	\$7.37
Fuel and oil	\$18.09
Repairs	\$32.03
Drying	\$0.00
Special hired labor	\$0.00
Marketing	\$0.00
Utilities	\$0.00
Land rent	\$63.59
Direct lease payments	\$0.00
Misc. crop expense	\$2.46
Operating interest	\$0.00
Total direct costs	\$158.52
Return to overhead	\$149.74
Overhead costs (as allocated by farmers)	
Overhead utilities	\$2.30
Overhead hired labor	\$3.01
Farm insurance	\$0.92
Machinery lease pymts.	\$2.60
Real Estate Taxes	\$0.00
Interest Paid	\$12.19
Depreciation	\$60.27
Total overhead costs	\$81.29
Total listed costs per acre	\$239.82
Net return per acre	\$68.45
Net cash flow generated for principal payments, taxes, and family living	\$128.72
Total listed cost/unit	\$62.29
Return over listed cost/unit	\$17.71
Break even yield/acre	3.00

TABLE 8-8

***** Crop Enterprise Analysis *****
 Southeast Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

PASTURE ON OWNED LAND

	Total -----
Number of farms	10
Acres	29.50
Yield per acre	36.31
Operator share of yield	100.00
Value per unit	\$1.00
Crop product return/acre	\$36.31
Other crop income/acre	\$0.00
Gross return per acre	\$36.31
Direct costs	
Seed	\$3.01
Fertilizer	\$3.43
Chemicals	\$0.00
Crop insurance	\$0.00
Custom hire	\$0.00
Fuel and oil	\$3.64
Repairs	\$5.87
Drying	\$0.00
Special hired labor	\$0.00
Marketing	\$0.00
Utilities	\$0.00
Land rent	\$0.00
Direct lease payments	\$0.00
Misc. crop expense	\$0.00
Operating interest	\$0.00
Total direct costs	\$15.95
Return to overhead	\$20.36
Overhead costs (as allocated by farmers)	
Overhead utilities	\$1.11
Overhead hired labor	\$0.84
Farm insurance	\$0.88
Machinery lease pymts.	\$0.97
Real Estate Taxes	\$5.79
Interest Paid	\$20.93
Depreciation	\$8.11
Total overhead costs	\$38.64
Total listed costs per acre	\$54.59
Net return per acre	-\$18.28
Net cash flow generated for principal payments, taxes, and family living	-\$10.17
Total listed cost/unit	\$1.50
Return over listed cost/unit	-\$0.50
Break even yield/acre	54.59

TABLE 8-9

***** Crop Enterprise Analysis *****
 Southeast Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

SET ASIDE ACRES ON OWNED LAND

	Total

Number of farms	26
Acres	68.54
Yield per acre	189.11
Operator share of yield	100.00
Value per unit	\$1.00
Crop product return/acre	\$189.11
Other crop income/acre	\$7.88
Gross return per acre	\$196.99
Direct costs	
Seed	\$6.79
Fertilizer	\$0.74
Chemicals	\$3.55
Crop insurance	\$0.00
Custom hire	\$0.54
Fuel and oil	\$6.33
Repairs	\$11.59
Drying	\$0.00
Special hired labor	\$0.00
Marketing	\$0.00
Utilities	\$0.00
Land rent	\$0.00
Direct lease payments	\$0.00
Misc. crop expense	\$0.09
Operating interest	\$0.00
Total direct costs	\$29.64
Return to overhead	\$167.35
Overhead costs	
(as allocated by farmers)	
Overhead utilities	\$1.03
Overhead hired labor	\$2.43
Farm insurance	\$1.48
Machinery lease pymts.	\$0.08
Real Estate Taxes	\$10.62
Interest Paid	\$44.59
Depreciation	\$51.84
Total overhead costs	\$112.07
Total listed costs per acre	\$141.71
Net return per acre	\$55.28
Net cash flow generated for principal payments, taxes, and family living	\$107.12
Total listed cost/unit	\$0.75
Return over listed cost/unit	\$0.25
Break even yield/acre	141.71

TABLE 8-10

***** Crop Enterprise Analysis *****
 Southeast Farm Business Management Association
 Farms Sorted According to Return to Overhead per Acre

SET ASIDE ACRES ON CASH RENT

	Total

Number of farms	21
Acres	80.67
Yield per acre	194.40
Operator share of yield	100.00
Value per unit	\$1.00
Crop product return/acre	\$194.40
Other crop income/acre	\$0.00
Gross return per acre	\$194.40
Direct costs	
Seed	\$5.79
Fertilizer	\$0.03
Chemicals	\$1.65
Crop insurance	\$0.00
Custom hire	\$0.29
Fuel and oil	\$5.08
Repairs	\$9.84
Drying	\$0.00
Special hired labor	\$0.04
Marketing	\$0.00
Utilities	\$0.00
Land rent	\$71.83
Direct lease payments	\$0.00
Misc. crop expense	\$0.04
Operating interest	\$0.00
Total direct costs	\$94.59
Return to overhead	\$99.81
Overhead costs	
(as allocated by farmers)	
Overhead utilities	\$0.47
Overhead hired labor	\$1.52
Farm insurance	\$0.95
Machinery lease pymts.	\$1.19
Real Estate Taxes	\$0.00
Interest Paid	\$14.85
Depreciation	\$43.41
Total overhead costs	\$62.38
Total listed costs per acre	\$156.98
Net return per acre	\$37.43
Net cash flow generated for principal payments, taxes, and family living	\$80.83
Total listed cost/unit	\$0.81
Return over listed cost/unit	\$0.19
Break even yield/acre	156.98

EXPLANATORY NOTES FOR LIVESTOCK TABLES

Farms are divided into low 20% or high 20% on the basis of returns to overhead costs (return over direct costs), and the classification is done separately for each livestock enterprise except dairy, where the "all dairy" table is the sum of the "dairy cows" and "other dairy" tables and the classification groups are copied from the "dairy cows" table. (The "dairy cows" enterprise contains only the milking herd.) Newborn calves are entered directly in the "other dairy" enterprise, not in the "dairy cows" enterprise.

The "Direct Cost" and "Allocated Overhead Costs" categories are identical for all livestock enterprises, but the top section (sources of returns) and the bottom section (other information) of the tables are different for each enterprise. Definitions and allocations of individual cost items are the same for livestock and crop enterprises. The bottom section of each livestock table contains both economic and technical efficiency measures, which are particularly useful to individual managers in assessing their performance as compared to their peers.

TABLE 9-1

***** LIVESTOCK ENTERPRISE ANALYSIS *****
 SOUTHEAST FARM BUSINESS MANAGEMENT ASSOCIATION
 FARMS SORTED ACCORDING TO RETURN TO OVERHEAD PER UNIT PRODUCED

DAIRY COWS - PER COW

NUMBER OF FARMS	LOW 20%		MIDDLE 60%		HIGH 20%		TOTAL	
	QUANTITY 5	VALUE	QUANTITY 17	VALUE	QUANTITY 5	VALUE	QUANTITY 27	VALUE
MILK SOLD	12,021.60	\$1,560.51	15,274.71	\$1,995.02	16,575.40	\$2,186.67	14,913.15	\$1,950.05
MILK USED IN THE HOME	17.80	\$1.81	33.82	\$3.53	29.40	\$3.32	30.04	\$3.17
MILK FED	9.60	\$0.98	116.88	\$7.57	49.20	\$1.57	84.48	\$5.24
CULL SALES	0.00	\$128.49	0.00	\$170.40	0.20	\$400.29	0.04	\$205.21
BULL CALVES, OTHR SALES	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
CHANGE IN INVENTORY		-\$169.24		-\$257.22		-\$364.38		-\$260.77
GROSS PRODUCTION		\$1,522.52		\$1,919.27		\$2,227.43		\$1,902.86
OTHER INCOME		\$0		\$0		\$0		\$0
TOTAL RETURN		\$1,522.48		\$1,919.22		\$2,227.40		\$1,902.82
DIRECT COSTS								
CORN BU	99.40	\$278.92	100.71	\$280.70	96.80	\$271.54	99.74	\$278.67
OATS BU	15.40	\$30.60	4.53	\$7.02	4.20	\$6.66	6.48	\$11.32
BARLEY BU	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
WHEAT BU	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
OTHER GRAIN LB	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
PROTEIN, MINERALS, ETC CWT	13.60	\$204.70	12.06	\$146.98	7.20	\$120.94	11.44	\$152.84
COMPLETE RATION TON	0.00	\$0.00	0.00	\$1.75	0.80	\$17.46	0.15	\$4.33
LEGUME HAY TON	2.60	\$246.98	2.41	\$201.16	2.60	\$240.34	2.48	\$216.90
OTHER DRY HAY TON	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
HAYLAGE TON	0.80	\$34.00	1.35	\$61.38	1.20	\$47.90	1.22	\$53.81
CORN SILAGE TON	4.20	\$90.02	3.12	\$69.42	3.20	\$68.68	3.33	\$73.10
GRASS SILAGE TON	0.40	\$8.50	0.18	\$5.34	0.00	\$0.00	0.19	\$4.93
FODDER AND STOVER TON	0.00	\$0.00	0.06	\$1.65	0.00	\$0.00	0.04	\$1.04
PASTURE DAYS	0.00	\$0.00	7.53	\$5.61	0.00	\$0.00	4.74	\$3.53
MILK LB	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
BREEDING		\$13.90		\$42.47		\$22.38		\$33.46
VET. AND MEDICINE		\$27.28		\$42.66		\$36.36		\$38.65
SUPPLIES		\$57.90		\$81.05		\$40.66		\$69.28
MARKETING		\$38.26		\$59.82		\$57.02		\$55.31
FUEL AND OIL		\$15.50		\$16.36		\$14.40		\$15.84
REPAIRS		\$88.82		\$43.72		\$30.66		\$49.66
SPEC. HIRED LABOR		\$0.00		\$5.03		\$0.00		\$3.17
MACHINERY HIRE		\$0.00		\$8.92		\$13.38		\$8.09
UTILITIES		\$0.00		\$0.00		\$0.00		\$0.00
LEASE PAYMENTS		\$0.00		\$3.17		\$0.00		\$2.00
BEDDING		\$8.38		\$7.63		\$4.34		\$7.16
OPERATING INTEREST		\$0.00		\$0.00		\$0.00		\$0.00
OTHER EXPENSES		\$47.52		\$43.02		\$30.54		\$41.54
TOTAL DIRECT COSTS		\$1191.82		\$1135.37		\$1023.82		\$1125.17
RETURN TO OVERHEAD		\$330.64		\$783.79		\$1203.54		\$777.61
ALLOCATED OVERHEADS								
OVERHEAD UTILITIES		\$45.48		\$47.15		\$47.58		\$46.92
PROPERTY TAXES		\$13.32		\$16.54		\$19.18		\$16.43
FARM INSURANCE		\$11.94		\$14.45		\$17.36		\$14.53
OVERHEAD HIRED LABOR		\$8.42		\$44.94		\$32.50		\$35.87
LEASE PAYMENTS		\$0.00		\$17.34		\$46.82		\$19.59
INTEREST		\$81.46		\$99.52		\$70.34		\$90.77
DEPRECIATION		\$141.50		\$146.46		\$187.78		\$153.20
TOTAL OVERHEAD COSTS		\$302.12		\$386.40		\$421.56		\$377.30
TOTAL LISTED COSTS		\$1493.40		\$1521.25		\$1444.82		\$1501.94
NET RETURN		\$29.08		\$397.98		\$782.58		\$400.89
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		\$168.06		\$538.32		\$966.26		\$549.00
OTHER INFORMATION								
AVERAGE NUMBER OF COWS	43.80		62.59		76.20		61.63	
MILK PRODUCED PER COW (LB.)	12,050.20		15,426.18		16,655.20		15,028.59	
PERCENT OF BARN CAPACITY	80.40		102.76		94.80		97.15	
PERCENT BUTTERFAT IN MILK	3.60		3.41		3.72		3.50	
CULLING RATE	26.40		34.35		57.00		37.07	
LBS. MILK PER LB. CONCENTRATE	1.58		2.28		2.64		2.21	
AVERAGE PRICE PER CWT. MILK	\$12.94		\$13.01		\$13.16		\$13.03	

TABLE 9-2

***** LIVESTOCK ENTERPRISE ANALYSIS *****
 SOUTHEAST FARM BUSINESS MANAGEMENT ASSOCIATION
 FARMS SORTED ACCORDING TO RETURN TO OVERHEAD PER UNIT PRODUCED

OTHER DAIRY - PER DAIRY COW

NUMBER OF FARMS	LOW 20%		MIDDLE 60%		HIGH 20%		TOTAL	
	QUANTITY 6	VALUE	QUANTITY 16	VALUE	QUANTITY 6	VALUE	QUANTITY 28	VALUE
MILK SOLD	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
MILK USED IN THE HOME	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
MILK FED	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
CULL SALES	0.00	\$1.27	0.00	\$0.00	0.00	\$0.00	0.00	\$0.27
BULL CALVES, OTHR SALES	0.23	\$36.41	0.34	\$96.34	0.57	\$200.14	0.36	\$105.74
CHANGE IN INVENTORY		\$190.87		\$221.85		\$382.89		\$249.72
GROSS PRODUCTION		\$228.56		\$318.20		\$583.03		\$355.74
OTHER INCOME		\$0		\$0		\$0		\$0
TOTAL RETURN		\$228.56		\$318.20		\$583.03		\$355.74
DIRECT COSTS								
CORN BU	37.60	\$105.94	20.28	\$56.62	33.02	\$92.42	26.72	\$74.86
OATS BU	3.32	\$9.12	5.25	\$7.92	5.30	\$7.94	4.85	\$8.19
BARLEY BU	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
WHEAT BU	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
OTHER GRAIN LB	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
PROTEIN, MINERALS, ETC CWT	2.08	\$30.47	1.34	\$22.17	2.43	\$38.47	1.73	\$27.44
COMPLETE RATION TON	0.02	\$10.30	0.07	\$24.23	0.05	\$17.74	0.06	\$19.85
LEGUME HAY TON	1.92	\$149.29	1.46	\$114.56	1.00	\$75.98	1.46	\$113.74
OTHER DRY HAY TON	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
HAYLAGE TON	0.88	\$35.50	0.32	\$13.06	0.40	\$16.26	0.46	\$18.55
CORN SILAGE TON	1.60	\$29.33	2.26	\$45.77	3.73	\$74.53	2.44	\$48.41
GRASS SILAGE TON	0.55	\$8.63	0.11	\$1.94	0.08	\$1.21	0.20	\$3.22
FODDER AND STOVER TON	0.00	\$0.00	0.04	\$0.73	0.00	\$0.00	0.02	\$0.42
PASTURE DAYS	0.00	\$0.00	16.88	\$3.96	11.58	\$1.35	12.13	\$2.55
MILK LBS	36.42	\$3.94	86.04	\$3.05	50.50	\$5.05	67.79	\$3.67
BREEDING		\$4.43		\$7.49		\$10.16		\$7.41
VET. AND MEDICINE		\$2.37		\$5.44		\$5.86		\$4.87
SUPPLIES		\$3.48		\$5.34		\$5.34		\$4.94
MARKETING		\$0.28		\$5.24		\$7.18		\$4.60
FUEL AND OIL		\$5.16		\$4.27		\$4.55		\$4.52
REPAIRS		\$9.35		\$13.97		\$13.13		\$12.80
SPEC. HIRED LABOR		\$0.00		\$0.00		\$0.00		\$0.00
MACHINERY HIRE		\$0.00		\$0.20		\$7.48		\$1.72
UTILITIES		\$1.00		\$0.00		\$0.00		\$0.21
LEASE PAYMENTS		\$0.00		\$0.00		\$0.30		\$0.07
BEDDING		\$2.36		\$4.40		\$6.37		\$4.39
OPERATING INTEREST		\$0.00		\$0.00		\$0.00		\$0.00
OTHER EXPENSES		\$3.33		\$2.47		\$0.00		\$2.12
TOTAL DIRECT COSTS		\$414.30		\$342.83		\$391.34		\$368.54
RETURN TO OVERHEAD		-\$185.74		-\$24.64		\$191.69		-\$12.80
ALLOCATED OVERHEADS								
OVERHEAD UTILITIES		\$15.91		\$11.03		\$13.04		\$12.51
PROPERTY TAXES		\$3.28		\$4.68		\$6.13		\$4.69
FARM INSURANCE		\$4.35		\$4.34		\$3.24		\$4.11
OVERHEAD HIRED LABOR		\$1.77		\$14.76		\$12.07		\$11.40
LEASE PAYMENTS		\$3.94		\$2.11		\$2.53		\$2.59
INTEREST		\$20.09		\$18.79		\$37.99		\$23.18
DEPRECIATION		\$34.19		\$40.36		\$44.17		\$39.86
TOTAL OVERHEAD COSTS		\$83.52		\$96.08		\$119.18		\$98.34
TOTAL LISTED COSTS		\$497.82		\$438.91		\$510.52		\$466.88
NET RETURN		-\$269.26		-\$120.71		\$72.51		-\$111.14
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		-\$244.42		-\$82.33		\$109.74		-\$75.90

TABLE 9-3

***** LIVESTOCK ENTERPRISE ANALYSIS *****
 SOUTHEAST FARM BUSINESS MANAGEMENT ASSOCIATION
 FARMS SORTED ACCORDING TO RETURN TO OVERHEAD PER UNIT PRODUCED

ALL DAIRY - PER DAIRY COW

NUMBER OF FARMS	LOW 20%		MIDDLE 60%		HIGH 20%		TOTAL	
	QUANTITY 5	VALUE	QUANTITY 16	VALUE	QUANTITY 5	VALUE	QUANTITY 26	VALUE
MILK SOLD	12,093.80	\$1,570.70	15,215.63	\$1,990.65	16,664.20	\$2,178.41	14,893.85	\$1,946.00
MILK USED IN THE HOME	21.20	\$2.22	28.13	\$2.95	31.20	\$3.50	27.38	\$2.92
MILK FED	43.60	\$4.73	78.88	\$3.40	90.80	\$5.73	74.38	\$4.11
CULL SALES	0.00	\$142.49	0.00	\$161.03	0.20	\$405.96	0.04	\$204.56
BULL CALVES, OTHR SALES	0.16	\$42.76	0.46	\$144.65	0.28	\$81.39	0.37	\$112.89
CHANGE IN INVENTORY		-\$18.66		\$26.65		-\$127.47		-\$11.70
GROSS PRODUCTION		\$1,744.20		\$2,329.30		\$2,547.49		\$2,258.74
OTHER INCOME		\$0		\$0		\$0		\$0
TOTAL RETURN		\$1,744.16		\$2,329.25		\$2,547.46		\$2,258.70
DIRECT COSTS								
CORN BU	135.18	\$379.93	126.20	\$355.58	112.48	\$315.00	125.29	\$352.46
OATS BU	22.84	\$46.73	7.09	\$10.86	10.52	\$16.13	10.78	\$18.77
BARLEY BU	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
WHEAT BU	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
OTHER GRAIN LB	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
PROTEIN, MINERALS, ETC CWT	14.28	\$232.29	14.35	\$175.78	9.50	\$154.39	13.40	\$182.53
COMPLETE RATION TON	0.00	\$2.06	0.29	\$25.47	0.14	\$31.71	0.20	\$22.17
LEGUME HAY TON	3.70	\$331.74	4.17	\$339.19	3.36	\$300.60	3.93	\$330.34
OTHER DRY HAY TON	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
HAYLAGE TON	3.18	\$134.52	1.22	\$55.16	1.34	\$53.65	1.62	\$70.13
CORN SILAGE TON	3.92	\$80.34	6.77	\$143.19	5.66	\$116.04	6.01	\$125.88
GRASS SILAGE TON	1.66	\$29.18	0.07	\$2.75	0.24	\$4.03	0.41	\$8.08
FODDER AND STOVER TON	0.00	\$0.00	0.11	\$2.48	0.00	\$0.00	0.07	\$1.53
PASTURE DAYS	0.00	\$0.00	23.01	\$9.29	19.86	\$2.19	17.98	\$6.14
MILK LBS	43.70	\$4.73	77.19	\$3.22	79.18	\$4.54	71.13	\$3.76
BREEDING		\$15.08		\$52.97		\$30.42		\$41.34
VET. AND MEDICINE		\$25.12		\$45.25		\$57.41		\$43.71
SUPPLIES		\$72.40		\$77.32		\$61.17		\$73.27
MARKETING		\$35.26		\$65.05		\$67.45		\$59.78
FUEL AND OIL		\$20.24		\$22.72		\$15.26		\$20.81
REPAIRS		\$97.99		\$58.38		\$44.54		\$63.34
SPEC. HIRED LABOR		\$0.00		\$5.34		\$0.00		\$3.29
MACHINERY HIRE		\$2.06		\$11.83		\$13.38		\$10.25
UTILITIES		\$0.00		\$0.38		\$0.00		\$0.23
LEASE PAYMENTS		\$0.00		\$3.48		\$0.00		\$2.14
BEDDING		\$8.82		\$14.03		\$6.93		\$11.67
OPERATING INTEREST		\$0.00		\$0.00		\$0.00		\$0.00
OTHER EXPENSES		\$51.52		\$43.20		\$33.38		\$42.91
TOTAL DIRECT COSTS		\$1570.52		\$1523.48		\$1328.71		\$1495.07
RETURN TO OVERHEAD		\$173.63		\$805.71		\$1218.69		\$763.58
ALLOCATED OVERHEADS								
OVERHEAD UTILITIES		\$63.20		\$54.19		\$63.23		\$57.66
PROPERTY TAXES		\$14.17		\$24.26		\$20.17		\$21.53
FARM INSURANCE		\$18.79		\$18.29		\$20.35		\$18.78
OVERHEAD HIRED LABOR		\$5.61		\$52.43		\$82.60		\$49.23
LEASE PAYMENTS		\$0.00		\$19.97		\$51.68		\$22.23
INTEREST		\$81.01		\$118.42		\$96.45		\$107.00
DEPRECIATION		\$176.30		\$205.78		\$187.74		\$196.64
TOTAL OVERHEAD COSTS		\$359.09		\$493.35		\$522.22		\$473.09
TOTAL LISTED COSTS		\$1929.08		\$2016.30		\$1850.41		\$1967.62
NET RETURN		-\$184.91		\$312.96		\$697.05		\$291.08
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		-\$16.70		\$510.17		\$875.17		\$479.04

TABLE 9-4
***** LIVESTOCK ENTERPRISE ANALYSIS *****
SOUTHEAST FARM BUSINESS MANAGEMENT ASSOCIATION, 1983
FARMS SORTED ACCORDING TO RETURN TO OVERHEAD PER CWT. PRODUCED

NUMBER OF FARMS	LOW 20%		MIDDLE 60%		HIGH 20%		TOTAL	
	-----		-----		-----		-----	
	QUANTITY ²	VALUE	QUANTITY ⁴	VALUE	QUANTITY ²	VALUE	QUANTITY ⁸	VALUE
SALES	181.48	\$103.02	144.19	\$85.90	325.89	\$191.01	198.94	\$116.46
BUTCHERED	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PURCHASED	0.00	\$0.00	10.73	\$7.26	2.68	\$1.63	6.03	\$4.04
TRANSFERRED IN	66.53	\$38.09	48.11	\$27.29	0.00	\$0.00	40.69	\$23.17
NET SALES	116.24	\$65.66	85.36	\$51.35	325.13	\$190.41	153.02	\$89.70
CHANGE IN INVENTORY	-16.24	-\$9.97	14.64	\$9.15	-225.13	-\$115.10	-53.02	-\$26.69
NET PRODUCTION	100.00	\$55.69	100.00	\$60.50	100.00	\$75.31	100.00	\$63.00
OTHER INCOME		\$0.00		\$0.00		\$0.00		\$0.00
TOTAL RETURN		\$55.69		\$60.50		\$75.31		\$63.00
DIRECT COSTS								
CORN BU	11.43	\$32.00	10.57	\$29.38	7.93	\$22.22	10.13	\$28.25
OATS BU	0.95	\$1.42	0.53	\$0.89	0.19	\$0.29	0.55	\$0.87
BARLEY BU	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
WHEAT BU	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
OTHER GRAIN LB	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
PROTEIN, MINERALS, ETC CWT	0.31	\$4.79	0.32	\$4.72	0.38	\$7.93	0.33	\$5.54
COMPLETE RATION TON	0.00	\$0.08	0.00	\$0.00	0.00	\$0.00	0.00	\$0.02
LEGUME HAY TON	0.08	\$6.21	0.13	\$10.51	0.09	\$6.64	0.11	\$8.47
OTHER DRY HAY TON	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
HAYLAGE TON	0.00	\$0.00	0.00	\$0.00	0.05	\$2.07	0.01	\$0.52
CORN SILAGE TON	0.17	\$3.41	0.13	\$2.71	0.20	\$4.02	0.16	\$3.21
GRASS SILAGE TON	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
FODDER AND STOVER TON	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
PASTURE DAYS	0.00	\$0.00	0.00	\$0.00	0.25	\$2.07	0.06	\$0.52
MILK LBS	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
BREEDING		\$0.00		\$0.00		\$0.00		\$0.00
VET. AND MEDICINE		\$0.48		\$0.28		\$0.11		\$0.29
SUPPLIES		\$0.34		\$0.13		\$0.47		\$0.27
MARKETING		\$0.64		\$0.73		\$4.60		\$1.68
FUEL AND OIL		\$0.98		\$0.44		\$1.84		\$0.93
REPAIRS		\$0.74		\$0.47		\$1.90		\$0.90
SPEC. HIRED LABOR		\$0.00		\$0.00		\$0.00		\$0.00
MACHINERY HIRE		\$1.56		\$0.22		\$0.00		\$0.50
UTILITIES		\$0.00		\$0.00		\$0.00		\$0.00
LEASE PAYMENTS		\$0.00		\$0.00		\$0.00		\$0.00
BEDDING		\$0.00		\$0.45		\$0.00		\$0.23
OPERATING INTEREST		\$0.00		\$0.00		\$0.00		\$0.00
OTHER EXPENSES		\$0.00		\$0.00		\$0.00		\$0.00
TOTAL DIRECT COSTS		\$52.68		\$50.95		\$54.18		\$52.19
RETURN TO OVERHEAD		\$3.00		\$9.55		\$21.13		\$10.81
ALLOCATED OVERHEADS								
OVERHEAD UTILITIES		\$1.49		\$0.84		\$1.96		\$1.28
PROPERTY TAXES		\$0.31		\$0.61		\$1.84		\$0.84
FARM INSURANCE		\$0.39		\$0.58		\$2.14		\$0.92
OVERHEAD HIRED LABOR		\$0.05		\$0.75		\$1.94		\$0.87
LEASE PAYMENTS		\$0.00		\$0.00		\$0.00		\$0.00
INTEREST		\$1.11		\$1.98		\$0.69		\$1.44
DEPRECIATION		\$5.84		\$5.24		\$2.61		\$4.74
TOTAL OVERHEAD COSTS		\$9.21		\$10.00		\$11.19		\$10.10
TOTAL LISTED COSTS		\$61.90		\$60.95		\$65.37		\$62.29
NET RETURN		-\$6.21		-\$0.45		\$9.94		\$0.71
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		-\$1.08		\$4.80		\$11.51		\$5.01
OTHER INFORMATION								
NUMBER PURCHASED	0.00		39.00		9.00		21.75	
NUMBER SOLD	84.00		77.25		80.00		79.63	
PERCENTAGE DEATH LOSS	0.00		0.51		0.00		0.26	
EFFECTIVE DAILY GAIN	1.89		2.08		1.67		1.93	
LBS. GRAIN PER LB. OF GAIN	6.70		6.08		4.51		5.85	
LBS. SUPPLEMENT PER LB. OF GAIN	0.31		0.32		0.38		0.33	
LBS. FEED PER LB. OF GAIN	12.01		11.75		11.81		11.83	
AVG. WT. PER HEAD PURCHASED	0.00		142.75		50.50		84.00	
AVG. WT. PER HEAD SOLD	1,222.50		1,042.25		1,413.50		1,180.13	
AVG. PRICE PAID PER CWT	\$0.00		\$94.94		\$30.52		\$55.10	
AVG. PRICE RECEIVED PER CWT.	\$56.85		\$58.17		\$57.89		\$57.77	

TABLE 9-5

***** LIVESTOCK ENTERPRISE ANALYSIS *****
 SOUTHEAST FARM BUSINESS MANAGEMENT ASSOCIATION
 FARMS SORTED ACCORDING TO RETURN TO OVERHEAD PER CWT. PRODUCED

FARROW TO FINISH HOGS - PER LITTER

NUMBER OF FARMS	TOTAL	
	QUANTITY	VALUE
	11	
MARKET HOG SALES	1661.96	\$777.09
BUTCHERED	4.65	\$1.92
CULL SALES	168.26	\$64.71
CHANGE IN INVENTORY	14.34	-\$39.51
GROSS PRODUCTION	1849.22	\$804.20
OTHER INCOME		\$0.00
TOTAL RETURN		\$804.20
DIRECT COSTS		
CORN BU	114.68	\$318.50
OATS BU	6.42	\$9.75
BARLEY BU	0.00	\$0.00
WHEAT BU	0.00	\$0.00
OTHER GRAIN LB	0.00	\$0.00
PROTEIN, MINERALS, ETC CWT	13.82	\$223.24
COMPLETE RATION TON	0.18	\$40.33
LEGUME HAY TON	0.00	\$0.00
OTHER DRY HAY TON	0.00	\$0.00
HAYLAGE TON	0.00	\$0.00
CORN SILAGE TON	0.00	\$0.00
GRASS SILAGE TON	0.00	\$0.00
FODDER AND STOVER TON	0.00	\$0.00
PASTURE DAYS	0.00	\$0.00
MILK LB	0.00	\$0.00
BREEDING		\$0.00
VET. AND MEDICINE		\$15.53
SUPPLIES		\$24.74
MARKETING		\$12.90
FUEL AND OIL		\$10.68
REPAIRS		\$12.96
SPEC. HIRED LABOR		\$0.00
MACHINERY HIRE		\$0.37
UTILITIES		\$0.00
LEASE PAYMENTS		\$6.82
BEDDING		\$3.27
OPERATING INTEREST		\$0.00
OTHER EXPENSES		\$0.00
TOTAL DIRECT COSTS		\$679.07
RETURN TO OVERHEAD		\$125.13
ALLOCATED OVERHEADS		
OVERHEAD UTILITIES		\$26.64
PROPERTY TAXES		\$8.93
FARM INSURANCE		\$5.87
OVERHEAD HIRED LABOR		\$16.08
LEASE PAYMENTS		\$0.27
INTEREST		\$46.00
DEPRECIATION		\$73.61
TOTAL OVERHEAD COSTS		\$177.41
TOTAL LISTED COSTS		\$856.48
NET RETURN		-\$52.28
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		\$19.42
OTHER INFORMATION		
NUMBER OF LITTERS FARROWED	129.00	
NUMBER OF LITTERS PER SOW	1.59	
NUMBER OF LITTERS PER CRATE	6.41	
PIGS BORN PER LITTER	10.05	
PIGS WEANED PER LITTER	8.35	
LBS. GRAIN PER LB. OF GAIN	3.61	
LBS. SUPPLEMENT PER LB. OF GAIN	0.76	
LBS. FEED PER LB. OF GAIN	4.54	
AVG. WT. / MARKET HOG SOLD (LBS.)	224.64	
AVG. PRICE/CWT. / MARKET HOG SOLD	\$46.73	

TABLE 9-6

***** LIVESTOCK ENTERPRISE ANALYSIS *****
 SOUTHEAST FARM BUSINESS MANAGEMENT ASSOCIATION
 FARMS SORTED ACCORDING TO RETURN TO OVERHEAD PER CWT. PRODUCED

FARROW TO FINISH HOGS - PER CWT PRODUCED

NUMBER OF FARMS	TOTAL	
	QUANTITY	VALUE
	11	
MARKET HOG SALES	89.68	\$41.89
BUTCHERED	0.24	\$0.10
CULL SALES	9.22	\$3.54
CHANGE IN INVENTORY	0.86	-\$2.09
GROSS PRODUCTION	100.00	\$43.44
OTHER INCOME		\$0.00
TOTAL RETURN		\$43.44
DIRECT COSTS		
CORN BU	6.22	\$17.30
OATS BU	0.38	\$0.58
BARLEY BU	0.00	\$0.00
WHEAT BU	0.00	\$0.00
OTHER GRAIN LB	0.00	\$0.00
PROTEIN, MINERALS, ETC CWT	0.76	\$12.09
COMPLETE RATION TON	0.01	\$2.00
LEGUME HAY TON	0.00	\$0.00
OTHER DRY HAY TON	0.00	\$0.00
HAYLAGE TON	0.00	\$0.00
CORN SILAGE TON	0.00	\$0.00
GRASS SILAGE TON	0.00	\$0.00
FODDER AND STOVER TON	0.00	\$0.00
PASTURE DAYS	0.00	\$0.00
MILK LB	0.00	\$0.00
BREEDING		\$0.00
VET. AND MEDICINE		\$0.83
SUPPLIES		\$1.29
MARKETING		\$0.69
FUEL AND OIL		\$0.60
REPAIRS		\$0.71
SPEC. HIRED LABOR		\$0.00
MACHINERY HIRE		\$0.02
UTILITIES		\$0.00
LEASE PAYMENTS		\$0.35
BEDDING		\$0.20
OPERATING INTEREST		\$0.00
OTHER EXPENSES		\$0.00
TOTAL DIRECT COSTS		\$36.66
RETURN TO OVERHEAD		\$6.78
ALLOCATED OVERHEADS		
OVERHEAD UTILITIES		\$1.42
PROPERTY TAXES		\$0.49
FARM INSURANCE		\$0.31
OVERHEAD HIRED LABOR		\$0.93
LEASE PAYMENTS		\$0.01
INTEREST		\$2.34
DEPRECIATION		\$4.08
TOTAL OVERHEAD COSTS		\$9.59
TOTAL LISTED COSTS		\$46.25
NET RETURN		-\$2.81
NET CASH FLOW GENERATED FOR PRINCIPAL PAYMENTS, INCOME TAXES, AND FAMILY LIVING EXPENSES		\$1.17
OTHER INFORMATION		
NUMBER OF LITTERS FARROWED	129.00	
NUMBER OF LITTERS PER SOW	1.59	
NUMBER OF LITTERS PER CRATE	6.41	
PIGS BORN PER LITTER	10.05	
PIGS WEANED PER LITTER	8.35	
LBS. GRAIN PER LB. OF GAIN	3.61	
LBS. SUPPLEMENT PER LB. OF GAIN	0.76	
LBS. FEED PER LB. OF GAIN	4.54	
AVG. WT. / MARKET HOG SOLD (LBS.)	224.64	
AVG. PRICE/CWT. / MARKET HOG SOLD	\$46.73	

PRICES USED IN ANALYSIS
SOUTHEAST FARM BUSINESS MANAGEMENT ASSOCIATION, 1983

<u>Item</u>	<u>Beginning Inventory</u>	<u>Feed</u>	<u>Harvest</u>	<u>Ending Inventory</u>
wheat/bu.	\$ 4.00	\$ 3.75	\$ 3.75	\$ 3.75
corn/bu.	2.20	2.80	3.10	3.00
oats/bu.	1.60	1.50	1.50	1.50
barley/bu.	1.70	2.00	2.00	2.00
soybeans/bu.	5.30	--	8.00	7.00
alfalfa hay/ton	70.00	80.00	80.00	80.00
mixed hay/ton	60.00	60.00	60.00	60.00
grass hay/ton	60.00	50.00	50.00	50.00
haylage/ton	--	40.00	40.00	40.00
corn silage/ton	14.00	20.00	22.00	22.00
oat silage/ton	14.00	16.00	16.00	16.00
straw/ton	--	--	60.00	60.00
cornstalks/ton	--	18.00	18.00	18.00

<u>pasture/head/month:</u>	<u>Tillable Pasture or Green Chop</u>	<u>Non-Tillable or Permanent Pasture</u>
dairy cows, bulls, beef		
cows, feeder cattle, horses	\$10.00	\$7.00
young cattle, colts	5.00	3.50
hogs	1.25	0.88
pigs	0.63	0.44

Board for hired labor: \$5.00/day

Value of unpaid family labor: \$4.00/hr., \$40.00/day, \$800/mo., \$9,600/yr.

Value of other partner's labor: \$1,150/mo., \$13,800/yr.