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FARM MANAGEMENT SERVICE NOTES.

Machinery on the Farm.

The consideration of equipping a farm with machinery and the management of the equipment depends in the main, on three factors, viz.,

1. Type of farm practice followed.
2. Size of farm__ tillable acres.
3. Largest acreage in any one crop.

Facts from Investigational Work.

1. Machinery investment usually ranges from 2½% to 5% of the total capital investment.
2. Depreciation of machinery varies from 5% to 12%, being heaviest on such machines as the corn binder and manure spreader that are used for exceptionally heavy work. Seven per cent on original values or ten per cent on inventory values are safe averages to use.
3. Machinery cost per crop acre varies from 68¢ per acre of rye to \$3.00 per acre of silage. The cost for machinery per acre of various crops follow- wheat 74¢; barley 76¢, oats 88¢, corn, husked \$1.10; corn, cut \$1.29; hay 94¢; rye 68¢; silage \$3.00; flax 71¢.
4. In terms of machinery cost per hour of labor in crop and livestock production the following comparison is made- Man labor cost per hour 15¢; horse labor cost per hour 10¢; machinery cost per hour 4¢ to 5¢.
5. Machine sheds, from an economic viewpoint, are profitable only when their annual cost is between 2% and 4% of the value of the machinery sheltered.
6. Proper lubrication while machines are in use is as important, if not more so, than shelter for them when not in use.
7. Much greater losses come from running machinery improperly adjusted than from normal depreciation.
8. When hand labor can be used cheaper than can machinery (as boy labor often may be) the investment in the machinery is not warranted.
(The milking machine may be an example of this.)
9. Large capacity machinery on fair sized farms is more profitable than small, one or two horse machinery, with ordinary types of farming.
10. Co-operating in the purchase of expensive machinery, as silage or threshing machinery, that is used but a few days each year, is much better business practice than individual buying.

Cost Accounting Section "U" Farm, St. Paul, Minn.