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# SUMMARY AND ANALYSIS OF 1962 

## DAIRY FARM BUSINESSES


A. E. SHAPLEY
C. A. BRATTON

Department of Agricultural Economics
Cornell University Agricultural Experiment Station
New York State College of Agriculture
A Contract College of the State University
Cornell University, Ithaca, New York
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In 1962, farmers in 39 New York counties cooperated in Farm Business Management Projects. These projects were sponsored jointly by the County Extension Services and the Department of Agricultural Economics at Cornell.

These projects aim to help farmers improve their management ability. This is done by teaching farmers:

1. How to keep better farm records.
2. How to analyze records and use them in managing the business.

The records from 26 counties were summarized and analyzed at Cornell. In the other 13 counties, the farmers summarized their own records but the analysis and summary reports were prepared at Cornell. In the 39 counties, 1095 records were summarized from farms that had dairy herds. A total of 641 records from the 26 counties summarized at Cornell have been combined into a general summary.

These 641 farms all had commercial dairy herds. However, 138 of these farms also had sizeable receipts from sources other than milk. These were separated out for analysis leaving 503 specialized dairy farms. The averages presented here do not represent the average for all the dairy farms in the State. Enrollment by the farmer is voluntary. As a group, the farmers are somewhat better than the average of all dairy farms in the state.

Each farm family whose record is included in this summary took a farm inventory at the beginning and end of 1962. During the year receipts and expenses and information such as crop acreages and yields were recorded. At the end of the year, each record was checked by a county agent or farm management specialist. A summary was prepared for the cooperating group of farmers in each county.

Individual farm records are confidential. The averages, however, are used by extension workers, agriculture teachers, and others interested in agriculture. This summary has been prepared primarily for their use. The farmers in each county farm business management group have already had their county summary. However, farmers not included in a county summary may have use for this summary.

This publication is divided into four major sections. Part I is a business summary of the 503 specialized dairy farms. Part II is an analysis of business factors and how they affect income. Part III is a guide to decision making and Part IV is supplementary data consisting of the summaries of business factors for the other 138 farms, and for the 39 county summaries.

The year 1962 was an unusual one in New York State due to a serious drought. This resulted in smaller feed supplies, less money "plowed back" into the business, higher feed costs and ultimately considerably lower labor incomes. For items directly affected by weather, the 1962 figures should not be used alone in budgeting or for other long-range projections.

## DECIION - MAKING MACHINERY FOR GOOD MANAGEMENT <br> 



Source: Current Economic Situation

Prices are one of several important factors affecting farm incomes. When studying farm incomes for any period, consideration must be given to the price situation. This includes both prices received and prices paid. The relationship of prices received and prices paid by farmers determines the general level of farm incomes.

The blended New York farm price for $3.7 \%$ milk in 1962 averaged $\$ 4.27$ per hundredweight. This was five cents below the average for 1961. Dairy cow prices which started to weaken the latter part of 1960 continued downard in 1962. The average price per head in 1962 was down $\$ 15$ from 1961 and about $\$ 40$ from 1959. The general index of prices paid by New York dairy farmers in 1962 was about two per cent higher than in 1961.

AVERAGE YEARLY PRICES RECEIVED AND PAID BY N. Y. FARMERS, 1953-62

|  | Milk <br> (cwt.) | Dairy <br> cows <br> (head) | Prices paid by <br> N.Y. dairy farms <br> $(1910-14=100)$ | Year | Milk <br> (cwt.) | Dairy <br> cows <br> (head) | Prices paid by <br> N.Y. dairy farms <br> $(1910-14=100)$ |
| :--- | :---: | ---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  |
| 1953 | $\$ 4.34$ | $\$ 209$ | 346 | 1958 | $\$ 4.55$ | $\$ 255$ | 376 |
| 1954 | 4.11 | 176 | 343 | 1959 | 4.58 | 284 | 387 |
| 1955 | 4.09 | 174 | 346 | 1960 | 4.42 | 278 | 394 |
| 1956 | 4.20 | 180 | 332 | 1961 | 4.32 | 260 | 394 |
| 1957 | 4.58 | 196 | 363 | 1962 | 4.27 | 245 | 401 |

PART I

## SUMMARY OF THE FARM BUSINESS

The 503 specialized dairy farms included in this summary were scattered throughout the 26 counties. There is considerable variation in size of farm, amounts and type of crops grown, and income. The figures presented here are averages and therefore should not be used as goals or recommendations but only as a besis for analysis.

## Resources

An analysis of the "resources" or things to work with is important in decision making. The farm resources for the 503 dairy farms are reported below.

FARM RESOURCES
503 New York Dairy Farms, 1962

| Item | Number | Average* | Range |  |
| :---: | :---: | :---: | :---: | :---: |
|  | reporting |  | LOW | High |
| Labor: |  |  |  |  |
| Man equivalent (No. men) |  | 1.8 | 1.0 | 7.5 |
| Operator only | ( 22 farms) |  |  |  |
| Hired man 12 or more months | (110 farms) |  |  |  |
| Hired help part of year | (241 farms) |  |  |  |
| Unpaid family labor | (271 farms) |  |  |  |
| Partnerships | ( 62 farms) |  |  |  |
| Livestock: (Number) |  |  |  |  |
| Cows |  | 38 | 8 | 192 |
| Heifers |  | 24 | 0 | 87 |
| Crops: (Acres grown)** |  |  |  |  |
| Hay | (490 farms) | 70 | 8 | 300 |
| Grass silage | ( 91 farms) | 21 | 3 | 100 |
| Corn for silage | (389 farms) | 16 | 2 | 87 |
| Corn for grain | ( 92 farms) | 11 | 1 | 65 |
| Cats | (238 farms) | 19 | 1 | 140 |
| Total acres in crops |  | 101 | 30 | 460 |

*Average for farms reporting.
**Only most common crops are listed.
The farm resources for the 503 farms in the 1962 summary are much the same as those for the 490 farms in the 1961 summary.

Age was reported for 355 of the farm operators. The age distribution was as follows: 20 to 29 - - $57 \quad 40$ to 49 - - 97 30 to 39 - - $123 \quad 50$ to 59 - - $49 \quad 60$ and over - -29

Capital Investment
"It takes money to make money in a farm business." This money is referred to as "capital investment." In this report, the farm inventory at the end of the year is used as a measure of capital investment.

FARM INVENTORY VALUES, JANUARY l, 1963
503 New York Dairy Farms, 1962

|  | Amount per farm |  | Amount per cow |  |  |  | ```Percent of total``` |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Item | Your farm | Average per farm |  | Your <br> farm |  | $\begin{aligned} & \text { erage } \\ & r \text { cow } \end{aligned}$ |  |
| Machinery and equipment | \$ | \$11,252 | \$ |  |  | 296 | 21 |
| Cattle |  | 13,898 |  |  |  | 366 | 26 |
| Feed and supplies |  | 3,331 |  |  |  | 88 | 6 |
| Land and buildings |  | 25,652 |  |  |  | 675 | 47 |
| TOTAL INVESTMENT | \$ | \$54,133 | \$ |  |  | , 425 | 100 |

Total investment on these dairy farms averaged $\$ 54,000$ per farm. This is about $\$ 1000$ less than the average total investment in 1961 . The lower average in 1962 is primarily due to the short feed supply brought on by the drought.

The total investment per cow on these farms averaged $\$ 1,425$. Land and buildings accounted for 47 percent of the total and amounted to $\$ 675$ per cow. Also the value of land and buildings amounted to $\$ 254$ per crop acre.

High capital investment per "productive unit" (per cow) in a business tends to cause a heavy overhead cost per unit. In some cases, it may indicate that the capital resources are not being used to capacity.

Investment per man or per job is higher for these dairy farms than in many other businesses. But farming is not the only business with high capital requirements per man. Here are some figures from other businesses and farms.

Investment Per Man or Per Worker

| All Industry | $\$ 24,000$ | Cash Grain Farms, Ill. | $\$ 120,000$ |
| :--- | :--- | :--- | :--- |
| Petroleum | $\$ 62,000$ | Egg-Producing Farms, N.J. | $\$ 26,000$ |
| Iron \& Steel | $\$ 21,000$ | Dairy Farms, Wisc. | $\$ 42,000$ |
| Food Products | $\$ 11,000$ | Wheat-Pea Farms, Wash. | $\$ 151,000$ |
| Autos \& Trucks | $\$ 15,000$ | Small Cotton Farms, Miss. | $\$ 12,000$ |

$$
503 \text { Dairy Farms, N.Y. } \$ 30,000
$$

Receipts
FARM RECEIPTS
503 New York Dairy Farms, 1962

| Item | Your farm | Average per farm 1962 | Percent of total |
| :---: | :---: | :---: | :---: |
| Milk sales | \$ | \$17,094 | 85 |
| Livestock \& poultry sold |  | 2,041 | 10 |
| Eggs sold |  | 13 | -- |
| Crop sales |  | 127 | 1 |
| Miscellaneous* |  | 894 | 4 |
| Total cash receipts | \$ | \$20,169 | 100 |
| Increase in inventory |  | 1,183 |  |
| TOTAL FARM RECEIPTS | \$ | \$21,352 |  |

*Includes work off farm, conservation payments, refunds, etc.
Total cash receipts amounted to $\$ 20,169$ per farm. Milk was the largest source of income, and made up 85 percent of the cash receipts. Livestock sales amounted to 10 percent of cash receipts.

Increases in inventory are due to gradual expansion and are a usual occurrence in a "going" dairy farm business. Inventory changes occur as a result of more cows, more machinery and equipment, additions to buildings, or a better feed situation. Changes in these items resulted in an average increase in inventory for 1962 of $\$ 1,183$ per farm. In 1961 the average increase was $\$ 2,782$. (The diffference was due chiefly to less feed as a result of the drought.)

Increases in inventory due to expansion are considered as farm receipts. These items could have been sold and turned into cash receipts if a farm wished to do so. Instead the farmer decided to invest this in his business. Also the costs of producing or acquiring these items are included in the farm expenses.

|  | $\begin{aligned} & \text { Your } \\ & \text { farm } \\ & \hline \end{aligned}$ | Average 503 farms 1962 | Average 490 farms 1961 |
| :---: | :---: | :---: | :---: |
| Average price per hundredweight of 3.7 milk |  | \$ 4.33 | \$ 4.47 |
| Average milk sales per cow |  | \$ 450 | \$ 445 |
| Average farm receipts per man | \$ | \$11,862 | \$12,503 |

## Expenses

FARM EXPENSES
503 New York Dairy Farms, 1962

| Item | Your farm | Average per farm 1962 | $\begin{aligned} & \hline \text { Percent } \\ & \text { of } \\ & \text { total } \\ & \hline \end{aligned}$ |
| :---: | :---: | :---: | :---: |
| Hired labor | \$ | \$ 1,158 | 9 |
| Feed |  | 5,591 | 45 |
| Machine hire |  | 110 | 1 |
| Machinery, small tool expense |  | 690 | 6 |
| Auto expense (farm share) |  | 152 | 1 |
| Gas and oil |  | 667 | 5 |
| Breeding fees |  | 210 | 2 |
| Veterinary, medicine |  | 262 | 2 |
| Other livestock expense* |  | 806 | 6 |
| Lime and fertilizer |  | 677 | 5 |
| Seeds and plants |  | 216 | 2 |
| Spray, other crop expense |  | 113 | 1 |
| Land, building and fence repair |  | 381 | 3 |
| Taxes, insurance |  | 812 | 7 |
| Electricity, telephone (farm share) |  | 371 | 3 |
| Miscellaneous |  | 236 | 2 |
| Total Cash Operating Expenses | \$ | \$12,452 | 100 |
| New machinery |  | 1,958 |  |
| New real estate |  | 899 |  |
| Livestock purchases |  | 716 |  |
| Unpaid labor |  | 381 |  |
| Decrease in inventory |  | -- |  |
| TOTAL FARM EXPENSES | \$ | \$16,406 |  |

*Includes milk hauling, $\$ 281$.
Total cash operating expenses averaged $\$ 12,452$ in 1962. This was $\$ 500$ higher than 1961. Dairy feed is the largest item of expense and in 1962 was $\$ 800$ more than the similar group of farms in 1961. Feed accounted for 45 percent of the total cash operating expenses.

All capital purchases (new machinery, real estate and livestock) were somewhat lower in 1962. These smaller capital purchases contributed to the smaller increase in inventory.

Only the net change in inventory is used in this summary. However, many farms had a substantial decrease in inventory. This results when depreciation and sale of capital items is greater than the capital purchases. A decrease in inventory is considered as a farm expense.

## Financial Summary of Year's Business

There are several ways of measuring the returns from a farm business. These measures have been developed for specific purposes. The measure selected at any one time will depend on the purpose for which it is to be used.

Three measures have been calculated for the 503 dairy farms for 1962. They are (1) Labor Income, (2) Return on Investment, and (3) Farm Cash Operating Income.

LABOR INCOME
503 New York Dairy Farms, 1962

| Item | Your farm | Average per farm |
| :---: | :---: | :---: |
| Total Farm Receipts | \$ | \$21,352 |
| Total Farm Expenses |  | 16,406 |
| Farm Income |  | \$ 4,946 |
| Interest on average Capital of \$53,541 at 5\% |  | 2,677 |
| LABOR INCCME per farm | \$ | \$ 2,269 |
| Number of operators on 503 farms |  | 565 |
| LABOR INCCME per operator |  | \$ 2,020 |

"Labor Income" is a measure used to determine the return the farm operator receives for his labor and management. It is the amount left after paying all farm expenses, and deducting a charge for unpaid family labor and for interest on the capital invested. Labor income is the measure used most commonly when studying or comparing farm businesses.

Interest payments and payments on debts are not included in the farm expenses. To make all farms comparable, a five percent interest charge on the average capital investment (average of beginning and end inventories) is deducted to get labor income.

The average labor income per operator was $\$ 2,020$ or about $\$ 40$ per week. The labor incomes ranged from minus $\$ 11,500$ to $\$ 14,700$, or a difference of $\$ 26,200$. The labor income per operator in 1961 averaged $\$ 1,332$ greater than that in 1962. As mentioned earlier, this difference was primarily due to the drought conditions in 1962. The distribution of the labor incomes is shown below.

| Labor income per operator | 1961 |  | 1962 |  |
| :---: | :---: | :---: | :---: | :---: |
|  | No. of farms | Percent | No. of farms | Percent |
| \$5,000 and over | 122 | 25 | 68 | 13 |
| \$2,500 to \$4,999 | 180 | 37 | 148 | 30 |
| 0 to \$2,499 | 153 | 31 | 175 | 35 |
| Minus return | 35 | 7 | 112 | 22 |

RETURN ON INVESTMENT
503 New York Dairy Farms, 1962

| Item | Your farm | Average per farm |
| :--- | :---: | :---: |
| Farm Income (p. 8) | $\$$ | $\$ 4,946$ |
| Value of Operator's Labor* |  | 4,044 |
| Return on Investment of $\$ 53,541$ | $\$$ | $\$ 1$ |
| Rate of Return on Investment |  | $\%$ |

* $\$ 3,600$ per year. There were 565 operators on 503 farms.

The return on investment is calculated by deducting a charge for the operator's labor from the "Farm Income". This return is then divided by the average investment for the year to determine the rate of return on investment.

The average return on investment was $1.7 \%$. In 1961 it was $4.5 \%$ for a similar group of farms.

FARM CASH OPERATING INCOME
503 New York Dairy Farms, 1962

| Item | Your farm | Average per farm |
| :---: | :---: | :---: |
| Total Cash Receipts (p. 6) | $\$$ | $\$ 20,169$ |
| Total Cash Operating Expenses (p.7) |  | 12,452 |
| FARM CASH OPERATING INCOME | $\$$ | $\$ 7,717$ |

"Farm Cash Operating Income" reflects the cash available from the year's operation of the farm business for family living, debts, and new capital purchases or investments. If non-farm income was earned by some member of the family or if money was inherited or borrowed, the actual cash used might be greater than the amount shown here.

A farmer can have a high "farm cash operating income" with a poor business. This could result from selling off or using up farm property during the year. Conversely, a successful business might look bad when this measure is used. This could result from a buildup in feed and supplies or in raised heifers. Therefore, this measure is not a good one to use for measuring the profitability of the business. It is useful only to show the net cash flow for the farm business.

Many farmers want a measure of profit that can be used to compare their income with that of the man who works in town. "Labor earnings" is sometimes used for this purpose. This is calculated by adding to the labor income, the value of products used in the home that were produced on the farm (milk, meat, garden produce, etc.) and the rental value of the house. Prior studies have shown the value of these privileges to be about $\$ 1000$ per year.

## PART II

## ANALYSIS OF THE FARM BUSINESS

Good records are important in checking on the financial success of a farm business. A more important use, however, is for analyzing the business in an effort to locate the strong and weak points. Determining the strong and weak points is usually an essential part in making profitable changes in any business.

This section of the publication presents averages for four business factors. They are (1) Size of Business, (2) Rates of Production, (3) Labor Efficiency, and (4) Cost Control. There are two or more measures for each factor and the averages for each measure is given. A farmer can compare these averages with the corresponding figures on his own business in order to determine which factors in his business are strong and which are weak.

Additional information is presented that demonstrates the effect of each of the four business factors on labor income. These relationships help in deciding which point should be corrected first if two or more points show a weakness.

Also included in this section are the averages for the financial surmary and business factors of the 503 farms broken down by herd size. Averages are also presented for the 30 farms with the highest incomes and the 30 farms with the lowest incomes. Finally there are some data on farm assets, liabilities, and family living costs. A comparison of the figures for an individual business with the figures presented here will provide a good foundation on which to plan necessary changes.

## Size of Business

In general, larger businesses make larger incomes. However, some businesses with 25 cows make larger incomes than others with 80 cows. A farm should be large enough to make efficient use of the machinery and regular labor force. To increase size beyond this point can be profitable if the other factors of management are also strong. If the other factors are weak, an increase in size may result in a decrease in income.

MEASURES OF SIZE OF BUSINESS
503 New York Dairy Farms, 1962

| Measure | Your farm | Average per farm |
| :--- | :--- | ---: |
| Number of cows |  | 38 |
| Pounds of 3.7 milk sold |  | 394,900 |
| Man equivalent |  | 1.8 |
| Total work units |  | 524 |

The most common measure used when comparing size of dairy farms is number of cows. In 1962, the average for the 503 farms summarized was 38 cows per farm. In the following table these farms are sorted into various size groups with the average labor income and other factors given for each group.

COWS PER FARM AND LABCR INCOME
503 New York Dairy Farms, 1962

| Number | Av. No. | Number | Pound | sold | Labor income |
| :---: | :---: | :---: | :---: | :---: | :---: |
| of cows | Cows | of farms | per cow | per man | per operator |
| Under 20 | 16 | 28 | 8,950 | 119,300 | \$ -260 |
| 20-29 | 25 | 128 | 10,030 | 193,000 | 1,330 |
| 30-39 | 34 | 165 | 10,210 | 228,700 | 2,160 |
| 40-49 | 44 | 92 | 10,420 | 235,900 | 2,530 |
| 50-59 | 53 | 44 | 10,310 | 247,900 | 2,300 |
| 60 or more | 78 | 46 | 10,680 | 282,600 | 2,770 |

## Rates of Production

High rates of production for both animals and crops is very important to the success of a farm business. Few farmers have reached the point where the cost of an extra input into milk production or crop yields is equal to the value of the additional output. Until that point is reached there is room for improvement.

MEASURES OF RATES OF PRODUCTION 503 New York Dairy Farms, 1962

| Measure | Your farm | Average per farm |
| :--- | :---: | :---: |
| Pounds of 3.7 milk sold per cow |  | 10,390 |
| Tons of hay per acre | - | 1.8 |
| Tons of corn silage per acre | - | 12 |
| Bushels of oats per acre | - | 50 |

When comparing dairy farms, the most common measure used to study this factor is pounds of 3.7 milk sold per cow. On the farms summarized this measure ranged from 3,600 pounds to 14,600 pounds. The table below demonstrates the relationship between milk production per cow and labor income.

MILK SOLD PER COW AND LABOR INCCME
503 New York Dairy Farms, 1962

| Founds <br> milk sold <br> per cow | Number <br> of <br> farms | Number <br> of <br> cows | Pounds <br> milk sold <br> per man | Operator's <br> labor income <br> per cow | Labor <br> income per <br> operator |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Under 7,000 | 30 | 33 | 140,400 | $\$-20$ | -660 |
| 7,000 to 8,000 | 31 | 31 | 151,000 | 13 | 410 |
| 8,000 to 9,000 | 77 | 40 | 188,200 | 35 | 1,420 |
| 9,000 to 10,000 | 83 | 38 | 211,700 | 53 | 2,020 |
| 10,000 to 11,000 | 101 | 38 | 225,000 | 53 | 2,030 |
| 11,000 to 12,000 | 82 | 41 | 247,400 | 55 | 2,250 |
| 12,000 and over | 99 | 40 | 277,200 | 81 | 3,250 |

## Labor Efficiency

Good labor efficiency can be accomplished by working long hours, making wise use of labor saving equipment and developing efficient work habits and practices. With wage rates increasing rapidly relative to machinery prices, labor efficiency is becoming increasingly important on farms. Below are some of the measures used to study labor efficiency.

MEASURES OF LABOR EFFICIENCY
503 New York Deiry Farms, 1962

| Measure | Your farm | Average per farm |
| :--- | :---: | :---: |
| Number of cows per man |  | 21 |
| Pounds of 3.7 milk sold per man | - | 219,400 |
| Work units per man |  | 291 |
| Crop acres per man |  | 56 |

The most common measure used for comparison on dairy farms is either cows per man or pounds of 3.7 milk sold per man. However, if crop acres per man is high, then cows per man may be below average and still not be a weak point.

Pounds of 3.7 milk sold per man is an excellent measure because it allows for variation in the number of cows one man handles and also allows for the fat variation found between the breeds. It measures the amount of product sold per man. The table below demonstrates how this measure of labor efficiency is related to labor income. In general the farms with the higher pounds of milk sold per man, had more cows and better cows, and higher labor incomes.

> POUNDS OF MILK SOLD PER MAN AND LABOR INCOME 503 New York Dairy Farms, 1962

| Pounds milk <br> sold per man | Number <br> of farms | Man <br> equivalent | Number <br> of cows | Pounds milk <br> sold per cow | Labor income operator |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Under 120,000 | 31 | 1.7 | 24 |  |  |
| 120,000 to 150,000 | 43 | 1.6 | 26 | 8,600 | $\$-920$ |
| 150,000 to 180,000 | 69 | 1.8 | 32 | 9,300 | 110 |
| 180,000 to 210,000 | 94 | 1.8 | 37 | 9,700 | 1,190 |
| 210,000 to 240,000 | 77 | 2.0 | 42 | 10,700 | 1,570 |
| 240,000 to 270,000 | 71 | 1.8 | 44 | 10,900 | 2,210 |
| 270,000 to 300,000 | 50 | 1.7 | 43 | 11,300 | 2,140 |
| 300,000 and over | 68 | 1.7 | 49 | 11,800 | 3,230 |
|  |  |  |  |  |  |

## Cost Control

Keeping costs in line is one of the most important factors of a successful business. This does not mean cutting costs to the point of reducing efficiency, but it does mean keeping a close eye on costs to prevent any unnecessary or unwise expenditures.

Even though cost control is so important, it is often one of the weakest factors, especially on farms that are expanding rapidly. This sometimes happens when the operator spends so much time in the barns and fields, that he neglects his records. Records help an operator keep his eye on costs.

Some of the measures used, in determining whether or not costs are in line, are given below.

MEASURES OF COST CONTROL
503 New York Dairy Farms, 1962

| Measure | Your farm | Average per farm |
| :---: | :---: | :---: |
| \% Feed bought is of milk receipts |  | 33\% |
| Feed bought per cow |  | \$ 147 |
| Feed bought per cwt. milk sold |  | \$1.41 |
| Machinery cost per cow |  | \$ 106 |
| Machinery cost per crop acre |  | \$ 40 |
| Labor and machinery cost per cow |  | \$ 253 |
| Labor and machinery cost per crop acre |  | \$ 95 |
| Labor and machinery cost per cwt. milk sold |  | \$2.43 |
| Fertilizer and lime expense per cow |  | \$ 18 |
| Fertilizer and lime expense per crop acre |  | \$6.70 |
| Taxes and insurance per cow |  | \$ 21 |
| Taxes and insurance per crop acre |  | \$8.04 |
| Veterinary, medicine per cow |  | \$ 7 |
| Electricity, telephone per cow |  | \$ 10 |
| Total capital per cow |  | \$1400 |

Feed, labor and machinery are the major costs on dairy farms and can easily get out of line if not watched closely. Each of these costs is discussed in detail so that the farmer can determine the position of these costs on his farms.

Feed Costs on a dairy farm are influenced directly by the amount of roughage and grain grown on the farm. Most New York dairy farmers produce most of their own roughage and little or none of their own grain. Where this is the case, the percent of milk receipts that go to feed run around 25 to $30 \%$ in a "normal" year. (The $33 \%$ figure for 1962 is high due to drought. In 1961, it was $28 \%$ for a similar group of farms). If a farmer raises all or most of his own grain as well as roughage, this percentage may run in the neighborhood of $10 \%$. Due to the effect of home-grown crops on this figure, these other items must be used in the comparison. Below are some of the items used in checking on the feed costs.

ITEMS RELATED TO FEED COSTS
503 New York Dairy Farms, 1962

| Item | Your farm | Average per farm |
| :---: | :---: | :---: |
| Purchased Feed |  |  |
| Dairy feed bought (grain and hay) | \$ | \$5,573 |
| Feed bought per cow |  | \$ 147 |
| Feed bought as of of rilk receipts | \% | 33\% |
| Feed bought per cwt. of milk sold | \$ | \$ 1.41 |
| Roughage Harvested (hay equivalent) |  |  |
| Hay (tons) |  | 116 tons |
| Corn silage (tons $\div 3$ ) |  | 48 tons |
| Grass and other silage (tons $\div 3$ ) |  | 6 tons |
| Total tons hay equivalent |  | 170 tons |
| Tons hay equivalent per cow |  | 4.5 tons |
| Other Considerations |  |  |
| Total acres in crops per cow |  | 2.7 acres |
| Lime and fertilizer expense per cow |  | \$ 18 |
| Lime and fertilizer expense per crop acre |  | \$ 6.70 |
| Number of heifers per 10 cows |  | 6.3 |

The tons of hay equivalent harvested per cow in 1962 averaged 4.5 tons. For a similiar group of farms in 1961 the average was 6.1 tons. This is a decrease of one-fourth. When less roughage is produced, more feed must be purchased. The effects of the short hay crop in 1962 will also carry-over into the 1963 records.

On a dairy farm lime and fertilizer expenses are closely related to feed costs. Lime and fertilizer properly used should produce more feed and in turn this should be reflected in lower amounts spent for feed.

Percent feed bought is of milk receipts is considered to be one measure which can be used in studying feed costs. Home-grown grain tends to lower this figure for some farms. The measure is probably most useful in locating the high feed cost operations.

The relationship between percent feed bought is of milk receipts and labor income is shown below.

PERCENT PURCHASED FEED IS OF MILK RECEIFTS AND LABOR INCOME 503 New York Dairy Farms, 1962

| ```% Feed bought is of milk sales``` | Number of farms | Pounds of milk sold per cow | Crop acres per cow | $\begin{aligned} & \text { T.H.E.* } \\ & \text { per cow } \end{aligned}$ | Fert, and lime per crop acre | Labor income per operator |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Under 15 | 20 | 8,870 | $3 \cdot 3$ | 5.6 | \$4.56 | \$2,930 |
| 15-19 | 36 | 9,194 | 3.4 | 5.7 | 4.75 | 2,656 |
| 20-24 | 64 | 9,847 | 3.1 | 5.2 | 5.58 | 2,611 |
| 25-29 | 68 | 10,485 | 2.7 | 4.9 | 6.80 | 2,649 |
| 30-34 | 103 | 10,322 | 2.4 | 4.5 | 7.48 | 2,144 |
| 35-39 | 105 | 10,337 | 2.5 | 4.4 | 7.12 | 1,790 |
| 40-44 | 54 | 10,531 | $2 \cdot 3$ | 4.0 | 6.99 | 1,270 |
| 45 and over | 53 | 10,432 | 2.2 | 4.0 | 8.40 | 34 |

* Tons hay equivalent.

Farms that had a high proportion of their milk check going for purchased. feed had relatively low labor incomes. The farms with under 15 percent of the milk check going for purchased feed had the highest average labor incomes.

There was a rather direct relationship between the crop acres per cow and the hay equivalent per cow and the percent feed bought was of milk sales. The farms with low feed costs had more crop acres and more roughage per cow.

The farms with the smaller proportion of milk receipts going for feed did have lower milk production per cow. Apparently the effects of the good production rates tended to be eaten up by high feed costs.

Labor and Machinery Costs are important and necessary ingredients on a dairy farm. Machinery is purchased in part to save labor. The two work as a team. Generally, the only economic justification for machinery is to save labor. Therefore, when analyzing these two costs they must be studied together.

These costs can become excessively expensive if a farmer fails to give close consideration to the amount of use a particular machine will have, how the machine fits into his present labor and machinery program, and whether or not the job this particular machine performs could be done more economically some other way.

One of the major items included in "labor and machinery costs" that is often overlooked by farmers is the cost of obsolecence or depreciation of machinery. Since this is not a cash operating expense, the farmer is apt to ignore it until the machine needs replacing.

How to calculate these two basic costs is shown below.
LABOR AND MACHINERY COSTS
503 New York Dairy Farms, 1962


* $\$ 3,600$ per year. There were 565 operators on 503 farms.


## LABOR AND MACHINERY COSTS

| Labor and Machinery cost/cow | \$_ | \$ 253 |  |
| :--- | :--- | :--- | ---: |
| Labor and Machinery cost/crop acre | $\$$ | $\$$ | 95 |
| Labor and Machinery cost/cwt. milk sold | $\$$ | $\$ 2.43$ |  |

The relationship between machinery cost per cow and labor income is shown below. There is a definite relationship throughout the range but it is very strong when machinery costs go above $\$ 160$.

There is a definite relationship between machinery cost per cow and size of business (number of cows). It takes almost the same amount of machinery on a 20 cow operation as it does on a 40 cow operation. Therefore, as cow numbers increase, the machinery cost per cow goes down.

## MACHINERY COST PER COW AND LABOR INCOME <br> 503 New York Dairy Farms, 1962

| Machinery <br> cost per cow | Number <br> of farms | Number <br> of cows | Pounds milk sold |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: |
| per cow | per man | Labor income <br> per operator |  |  |  |
| Under $\$ 80$ | 73 | 44 | 8,922 | 226,959 | $\$ 2,816$ |
| $\$ 80$ to $\$ 100$ | 118 | 43 | 9,957 | 225,415 | 2,753 |
| $\$ 100$ to $\$ 120$ | 126 | 37 | 10,370 | 225,071 | 1,852 |
| $\$ 120$ to $\$ 140$ | 104 | 36 | 10,677 | 227,154 | 1,735 |
| $\$ 140$ to $\$ 160$ | 38 | 34 | 10,903 | 220,000 | 1,624 |
| $\$ 160$ to $\$ 180$ | 18 | 33 | 11,390 | 199,111 | 928 |
| $\$ 180$ and over | 26 | 29 | 9,996 | 165,769 | $-1,619$ |

When labor costs are added to machinery costs the relationship of their total to labor income is much stronger. The table below shows this relationship.

LABOR AND MACHINERY COST PER COW AND LABOR INCOME 503 New York Dairy Farms, 1962

| Cost per cow | Number <br> of farms | Number <br> of cows | Pounds milk sold |  | per cow |
| :--- | :---: | :---: | :---: | :---: | :---: |
| per man | Labor income <br> per operator |  |  |  |  |
| Under $\$ 200$ | 53 | 51 | 9,077 | 268,340 |  |
| $\$ 200$ to $\$ 250$ | 154 | 43 | 9,959 | 243,000 | 2,115 |
| $\$ 250$ to $\$ 300$ | 177 | 38 | 10,628 | 224,684 | 1,793 |
| $\$ 300$ to $\$ 350$ | 71 | 31 | 10,323 | 182,592 | 789 |
| $\$ 350$ to $\$ 400$ | 29 | 25 | 10,910 | 165,793 | 531 |
| $\$ 400$ and over | 19 | 18 | 9,289 | 116,789 | -800 |

Since, the only economic justification for machinery generally, is to save labor, the measure of labor and machinery cost per cow is a good one to use in sizing up a farm's machinery situation. As the combined labor and machinery costs per cow increase labor income per operator decreases.

SUMMARY OF FARM BUSINESS FACTORS
503 New York Dairy Farms, 1962

| Factor | Your farm | Average per farm |
| :---: | :---: | :---: |
| Size of Business |  |  |
| Number of cows |  | 38 |
| Pounds of 3.7 milk sold |  | 394,900 |
| Man equivalent |  | 1.8 |
| Total work units |  | 524 |
| Rates of Production |  |  |
| Pounds of 3.7 milk sold per cow |  | 10,390 |
| Tons of hay per acre |  | 1.8 |
| Tons of corn silage per acre |  | 12 |
| Bushels of oats per acre |  | 50 |
| Labor Efficiency |  |  |
| Number of cows per man |  | 21 |
| Pounds of 3.7 milk sold per man |  | 219,400 |
| Work units per man |  | 291 |
| Crop acres per man |  | 56 |
| Cost Control |  |  |
| \% Feed bought is of milk receipts |  | 33\% |
| Feed bought per cwt. milk sold |  | \$ 1.41 |
| Machinery cost per cow |  | \$ 106 |
| Machinery cost per crop acre |  | \$ 40 |
| Labor and machinery cost per cow |  | \$ 253 |
| Iabor and machinery cost per crop acre |  | \$ 95 |
| Labor and machinery cost per cwt. milk sold |  | \$ 2.43 |
| Fertilizer and lime expense per cow |  | \$ 18 |
| Fertilizer and lime expense per crop acre |  | \$ 6.70 |
| Total capital per cow |  | \$1,400 |

## Farm Business Chart

In 1962, a total of 503 farms were included in the general dairy farm business summary. Business analysis of these farms show them to be above the state average in most factors affecting profits. Information from these farms has been used to construct the chart below. The figure at the top of each column is the average for the highest (or lowest) ten percent of the farms in that factor. The next figure in the column is for the next highest ten percent of the farms and so forth down the column. Each of the columns is independent of the others.

FARM BUSINESS CEART FOR FARM MANAGEMENT COOPERATORS

| Size |  |  | Rates of Production |  |  | Labor Efficiency |  | Feed Factors |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Man equivalent | Number of cows | Founds <br> of <br> milk <br> sold | Pounds <br> milk <br> sold <br> per cow | Tons hay per acre | Tons corn silage per acre | Cows <br> per <br> $\operatorname{man}$ | Pounds milk sold per man | Hay equiv. per COW | ```Percent feed is of milk receipts``` |
| 3.1 | 76 | 836,100 | 13,332 | 3.4 | 21 | 33 | 352,887 | 8.3 | 15 |
| 2.3 | 51 | 566,360 | 12,226 | 2.6 | 16 | 27 | 291,820 | 6.4 | 21 |
| 2.1 | 45 | 475,260 | 11,632 | 2.2 | 14 | 25 | 265,620 | 5.5 | 25 |
| 2.0 | 40 | 418,100 | 10,982 | 2.0 | 13 | 23 | 244,020 | 5.1 | 28 |
| 1.8 | 37 | 378,098 | 10,448 | 1.8 | 12 | 22 | 222,300 | 4.6 | 31 |
| 1.5 | 34 | - - - | 9,986 | 1.6 | 10 | 21 | - - - | 3.9 | 34 |
| 1.4 | 31 | 303,078 | 9,466 | 1.4 | 10 | 19 | 189,980 | 3.7 | 36 |
| 1.3 | 28 | 259,460 | 8,772 | 1.2 | 8 | 18 | 172,760 | 3.4 | 38 |
| 1.2 | 24 | 219,180 | 8,158 | 1.0 | 7 | 16 | 149,360 | 3.0 | 42 |
| 1.0 | 18 | 155,120 | 6,632 | 0.8 | 5 | 13 | 112,400 | 2.2 | 50 |

How does your business measure up against this group of commercial dairy farms? Take a pencil and draw a line through each column which will show where your business stands. Are you in the "first division" (above the center line) on more than half of these factors?

COMPARISON OF BUSINESS SUMMARTES BY SIZE OF FARM 503 New York Dairy Farms, 1962

| Item | $\begin{aligned} & \frac{28 \text { Farms }}{\text { Under }} \\ & 20 \text { cows } \end{aligned}$ | $\begin{gathered} \frac{128 \text { Farm }}{20-29} \\ \text { cows } \end{gathered}$ | $\begin{aligned} & \frac{165 \text { Farm }}{30-39} \begin{array}{l} \text { cows } \end{array} \end{aligned}$ | $\begin{aligned} & 92 \text { Farms } \\ & 40-49 \\ & \text { cows } \end{aligned}$ | $\begin{aligned} & \frac{44 \text { Farms }}{50-59} \\ & \text { cows } \end{aligned}$ | $\begin{aligned} & 46 \text { Farms } \\ & 60 \text { cows } \\ & \text { and over } \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Capital Investment (end of year) |  |  |  |  |  |  |
| Machinery and equipment | \$ 6,464 | \$ 7,351 | \$10,318 | \$13,203 | \$15,211 | \$ 20,678 |
| Cattle | 5,900 | 8,905 | 11,676 | 17,027 | 18,525 | 29,946 |
| Feed and supplies | 1,870 | 2,136 | 2,866 | 3,907 | 4,622 | 6,823 |
| Land and buildings | 14,500 | 17,180 | 22,721 | 29,489 | 33,932 | 50,935 |
| TOTAL INVESTMENT | \$28,734 | \$35,572 | \$47,581 | \$63,626 | \$72,290 | \$108,382 |
| Farm Receipts |  |  |  |  |  |  |
| Milk sales | \$ 6,171 | \$10,921 | \$15,179 | \$19,736 | \$23,498 | \$ 36,378 |
| Livestock sold | 796 | 1,314 | 1,774 | 2,423 | 2,830 | 4,261 |
| Crop sales | 157 | 92 | 102 | 120 | 245 | 196 |
| All other sales | 536 | 721 | 818 | 1,149 | 867 | 1,513 |
| Total Cash Receipts | $\$ 7$ 7,660 | \$13,048 | \$17,873 | \$23,428 | \$27,440 | \$ 42,348 |
| Increase in Inventory | $\underline{254}$ | -768 | 921 | 1,359 | 1,216 | - 3,461 |
| TOTAL RECEIPTS | \$ 7,914 | \$13,816 | \$18,794 | \$24,787 | \$28,656 | \$ 475,809 |
| Farm Expenses |  |  |  |  |  |  |
| Hired labor | \$ 193 | \$ 295 | \$ 753 | \$ 1,438 | \$ 1,941 | \$ 4,289 |
| Feed | 1,966 | 3,740 | 4,852 | 6,275 | 7,737 | 12,211 |
| Machine hire | 110 | 65 | 101 | 162 | 80 | 196 |
| Machinery, small tools | 324 | 441 | 600 | 825 | 925 | 1,435 |
| Auto expense (f.s.) | 118 | 114 | 156 | 159 | 157 | 248 |
| Gas and oll | 339 | 480 | 592 | 752 | 873 | 1,285 |
| Breeding fees | 109 | 159 | 193 | 242 | 250 | 377 |
| Veterinary and medicine | 71 | 175 | 235 | 347 | 339 | 475 |
| Other livestock expense | 382 | 577 | 748 | 876 | 980 | 1,604 |
| Lime and fertilizer | 279 | 393 | 619 | 768 | 1,020 | 1,404 |
| Seeds and plants | 100 | 135 | 184 | 257 | 275 | 485 |
| Other crop expense | 39 | 79 | 99 | 124 | 141 | 257 |
| Real estate repair | 154 | 214 | 332 | 443 | 409 | 1,011 |
| Taxes and insurance | 407 | 546 | 675 | 961 | 1,075 | 1,737 |
| Elec. and tel. (f.s.) | 196 | 255 | 320 | 429 | 477 | 761 |
| Miscellaneous | 57 | 188 | 181 | 217 | 505 | 450 |
| Total Cash Operating | \$4,844 | \$ 7,856 | \$10,640 | \$14,275 | \$17,184 | \$ 28,225 |
| New machinery | 1,104 | 1,175 | 1,938 | 2,167 | 2,534 | 3,757 |
| New real estate | 236 | 641 | 669 | 1,104 | 1,352 | 2,000 |
| Purchased livestock | 302 | 658 | 531 | 697 | 812 | 1,744 |
| Unpaid family labor | 221 | 379 | 404 | 404 | 459 | $\underline{276}$ |
| TOTAL FARM EXPENSES | $\$ \longdiv { 6 , 7 0 7 }$ | \$10,709 | \$14,182 | \$18,647 | \$22,341 | \$ 36,002 |
| Financial Summary |  |  |  |  |  |  |
| Farm receipts | \$ 7,914 | \$13,816 | \$18,794 | \$24,787 | \$28,656 | \$ 45,809 |
| Farm expenses | 6,707 | 10,709 | 14,182 | 18,647 | 22,341 | 36,002 |
| Farm Income | \$1,207 | \$ 3,107 | \$4,612 | \$6,140 | \$6,315 | \$ 9,807 |
| $5 \%$ on Av. Capital | 1,430 | 1,759 | 2,356 | 3,147 | 3,584 | 5,333 |
| Labor Income/Farm | \$-223 | \$1,348 | \$2,256 | \$2,993 | \$ 2,731 | \$ 4,474 |
| Number of Operators | 29 | 129 | 174 | 112 | 55 | 66 |
| LABOR INCOME/Operator | \$ - 214 | \$ 1,335 | \$ 2,149 | \$ 2,453 | \$ 2,185 | \$ 3,129 |

BUSINESS FACTORS BY SIZE OF FARM
503 New York Dairy Farms, 1962


| Size of Business |  |  |  |  |  |  |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: |
| Man equivalent | 1.2 | 1.4 | 1.6 | 2.0 | 2.3 | 3.0 |
| Number cows | 16 | 25 | 34 | 44 | 53 | 78 |
| Pounds of $3.7 \%$ milk sold | 144,464 | 252,727 | 351,127 | 457,076 | 548,682 | 828,435 |
| Crop acres | 59 | 76 | 95 | 104 | 128 | 179 |
| Man work units | 257 | 357 | 475 | 575 | 707 | 1,047 |
| Rates of Production |  |  |  |  |  |  |
| Milk sold per cow | 9,029 | 10,109 | 10,327 | 10,388 | 10,352 | 10,621 |
| Hay per acre | 1.7 | 1.7 | 1.8 | 1.8 | 1.8 | 2.1 |
| Corn silage per acre | 9 | 11 | 12 | 12 | 12 | 13 |
| Oats per acre | 37 | 44 | 53 | 51 | 50 | 53 |
|  |  |  |  |  |  |  |
| Labor Efficiency |  | 214 | 255 | 297 | 288 | 307 |
| Work units per man | 120,387 | 180,519 | 219,454 | 228,538 | 238,557 | 276,145 |
| Founds milk per man | 13 | 18 | 21 | 22 | 23 | 26 |
| Cows per man | 49 | 54 | 59 | 52 | 56 | 60 |


| Use of Capital |  |  |  |  |  |  |  |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| Total capital per man | $\$ 23,945$ | $\$ 25,409$ | $\$ 29,738$ | $\$ 31,813$ | $\$ 31,430$ | $\$ 36,127$ |  |
| Total capital per cow | 1,796 | 1,423 | 1,399 | 1,446 | 1,364 | 1,390 |  |
| Machinery Costs |  |  |  |  |  |  |  |
| Total machinery cost | $\$ 2,304$ | $\$ 2,815$ | $\$ 3,713$ | $\$ 4,528$ | $\$ 5,186$ | $\$ 7,437$ |  |
| Machinery cost per cow | 144 | 113 | 109 | 103 | 98 | 95 |  |
| Machinery cost/crop acre | 39 | 37 | 39 | 44 | 41 | 42 |  |


| Feed Costs |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Feed bought per cow | \$ | 123 | \$ | 150 | \$ | 143 | \$ | 143 | \$ | 146 | \$ | 157 |
| \% Feed is of milk receipts |  | 32\% |  | 34\% |  | 32\% |  | 32\% |  | 33\% |  | 34\% |
| Fertilizer and lime expense per crop acre | \$ | 4.73 | \$ | 5.17 | \$ | 6.52 | \$ | 7.38 | \$ | 7.97 | \$ | 7.84 |
| Crop acres per cow |  | 3.7 |  | 3.0 |  | 2.8 |  | 2.4 |  | 2.4 |  | 2.3 |
| Prices |  |  |  |  |  |  |  |  |  |  |  |  |
| Average price for $3.7 \%$ | \$ | 4.27 | \$ | 4.32 | \$ | . 32 | \$ | . 32 | \$ | 4.28 |  |  |

$\frac{\text { Other }}{\text { F Expenses are of }}$

| receipts | $85 \%$ | $78 \%$ | $75 \%$ | $75 \%$ | $78 \%$ | $79 \%$ |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |

COMPARISON OF BUSINESS SUMMARIES OF 30 FARMS WITH
HIGHEST LABOR INCOMES AND THE 30 FARMS WITH LOWEST LABOR INCCMES
503 New York Dairy Farms, 1962

| Item | Average of the 503 farms | $\begin{aligned} & \frac{\text { Average of } 30}{\text { Highest }} \\ & \text { labor incomes } \end{aligned}$ | farms with: Lowest <br> labor incomes |
| :---: | :---: | :---: | :---: |
| Capital Investment (End of year): |  |  |  |
| Machinery | \$11,252 | \$15,937 | \$14,063 |
| Cattle | 13,898 | 121,610 | 15,177 |
| Feed and supplies, other | 3,331 | 5,149 | 3,817 |
| Land and buildings | 25,652 | 33,567 | 40,500 |
| TOTAL END INVENTORY | \$54,133 | \$76,263 | \$73,557 |
| Farm Receipts: |  |  |  |
| Milk sales | \$17,094 | \$26,853 | \$16,830 |
| Livestock sold | 2,041 | 3,547 | 2,373 |
| All other sales and income | 1,033 | 1,843 | 1,093 |
| Total Cash Receipts | \$20,168 | \$32,243 | \$20,296 |
| Increase in Inventory | 1,183 | 5,260 | -- |
| TOTAL FARM RECEIPTS | \$21,351 | \$37,503 | \$20,296 |
| Farm Expenses: |  |  |  |
| Hired labor | \$ 1,158 | \$ 2,657 | \$ 2,013 |
| Dairy feed | 5,573 | 7,183 | 6,203 |
| Other feed | 18 | -- | 27 |
| Machine hire | 110 | 163 | 185 |
| Machinery, small tools | 690 | 1,058 | 785 |
| Auto expense (farm share) | 152 | 157 | 148 |
| Gas and oil | 667 | 853 | 797 |
| Breeding fees | 210 | 341 | 190 |
| Veterinary and medicine | 262 | 503 | 274 |
| Other livestock, poultry expense | 806 | 1,103 | 930 |
| Lime and fertilizer | 677 | 1,300 | 770 |
| Seeds and plants | 216 | 310 | 350 |
| Spray, other crop expense | 113 | 193 | 127 |
| Land, building, fence repair | 381 | 483 | 667 |
| Taxes, insurance | 812 | 1,183 | 1,173 |
| Elec., tel. (farm share) | 371 | 497 | 467 |
| Miscellaneous | 236 | 315 | 207 |
| Total Cash Operating Expenses | \$12,452 | \$18,299 | \$15,313 |
| New machinery | 1,958 | 2,747 | 2,590 |
| New real estate | 899 | 2,893 | 1,460 |
| Purchased livestock | 716 | 1,074 | 844 |
| Unpaid family labor | 381 | 317 | 500 |
| Decrease in invnetory | - | - | 553 |
| TOTAL FARM EXPENSES | \$16,406 | \$25,330 | \$21,260 |
| Financial Summary: |  |  |  |
| Farm Receipts | \$21,351 | \$37,503 | \$20,296 |
| Farm Expenses | 16,406 | 25,330 | 21,260 |
| Farm Income | \$4,945 | \$12,173 | \$ -964 |
| 5\% on Av. Capital | 2,678 | 3,682 | 3,692 |
| Labor Income per Farm | \$2,267 | \$8,491 | \$-4,656 |
| Number of Operators | 565 | 32 | 30 |
| LABOR INCOME per Operator | \$ 2,019 | \$ 7,958 | \$-4,656 |

COMPARISON OF FARM BUSINESS FACTORS OF 30 FARMS WITH HIGHEST LABCR INCOMES AND THE 30 FARMS WITH LOWEST LABOR INCOMES 503 New York Dairy Farms, 1962

| Item | Average of the 503 farms | Average of Highest labor incomes | $\begin{gathered} \frac{\text { farms with: }}{\text { Lowest }} \\ \text { labor incomes } \end{gathered}$ |
| :---: | :---: | :---: | :---: |
| Size of Business: |  |  |  |
| Man equivalent | 1.8 | 2.1 | 2 |
| Average number cows | 38 | 52 | 42 |
| Pounds of milk sold (3.7\% equiv.) | 394,893 | 618,433 | 388,200 |
| Total crop acres | 101 | 145 | 134 |
| Total man work units | 524 | 699 | 600 |
| Rates of Production: |  |  |  |
| Pounds milk sold per cow | 10,392 | 11,893 | 9,243 |
| Tons hay per acre | 1.8 | 2.0 | 1.8 |
| Tons corn silage per acre | 12 | 13 | 10 |
| Bushels oats per acre | 50 | 53 | 50 |
| Labor Efficiency: |  |  |  |
| Man work units per man | 291 | 333 | 300 |
| Pounds milk sold per man ( $3.7 \%$ ) | 291,385 | 294,492 | 194,100 |
| Use of Capital: |  |  |  |
| Total capital per man | \$30,074 | \$36,316 | \$36,778 |
| Total capital per cow | \$ 1,425 | \$ 1,467 | \$ 1,751 |
| Land \& buildings per cow | \$ 675 | \$ 646 | \$ 964 |
| Machinery investment: per man | \$ 6,251 | \$ 7,589 | \$ 7,032 |
| per cow | \$ 296 | \$ 306 | \$ 335 |
| Feed Costs: |  |  |  |
| Dairy feed bought per cow | \$ 147 | \$ 138 | \$ 148 |
| \% Feed bought was of milk receipts | 33\% | 27\% | 37\% |
| Crop acres per cow | 2.7 | 2.8 | 3.2 |
| Fertilizer \& lime expense/crop acre | \$ 7 | \$ 9 |  |
| Number of heifers per 10 cows | 6.3 | 6.9 | 6.7 |
| Machinery Costs: |  |  |  |
| Total machinery cost | \$ 4,024 | \$ 5,310 | \$ 5,533 |
| Machinery cost: per cow | \$ 106 | \$ 102 | \$ 132 |
| per cwt. milk sold | \$ 1.02 | \$ . 86 | $\$ \quad 1.43$ |
| per man | \$ 2,236 | \$ 2,529 | \$ 2,766 |
| Prices: |  |  |  |
| Av. price received for milk (3.7\%) | \$ 4.33 | \$ 4.34 | \$ 4.34 |
| Other: |  |  |  |
| \% Real estate is of total capital | 47\% | 44\% |  |
| \% Cattle is of total capital | 26\% | 28\% | 21\% |
| $\%$ Expenses are of receipts | 77\% | 68\% | 105\% |

In this section, four major factors were studied in combination. The factors used were size, rates of production, labor efficiency and cost control measured by number of cows, pounds of milk sold per cow, pounds of milk sold per man, and percent that purchased feed was of milk receipts, respectively. For each factor, the farms were divided on the basis of whether they were above or below the average for the 503 farms.

Sorting the farms in this manner, the number of farms and the average labor incomes are reported for 16 different combinations in the graph below. The relationship is very evident. Of particular interest is the large minus income when size is the only factor better than average. On the farms where this was the case, the average income was less than the income where all factors were average or below.

COMBINATION OF FACTORS ABOVE AVERAGE AND IABOR INCOME 503 New York Dairy Farms, 1962


COMBINATION OF FACTORS ABOVE AVERAGE* AND LABOR INCOME
New York Dairy Farms

| Number of factors better than average | $\begin{gathered} 503 \text { farms } \\ 1962 \\ \hline \end{gathered}$ |  | $\begin{gathered} 490 \text { farms } \\ 1961 \\ \hline \end{gathered}$ |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Number of farms | Labor income per operator | Number of farms | Labor income per operator |
| 4 factors better than average | 39 | \$4,190 | 39 | \$6,660 |
| 3 factors better than average | 105 | 2,978 | 96 | 4,970 |
| 2 factors better than average | 146 | 2,362 | 155 | 3,420 |
| 1 factor better than average | 157 | 1,075 | 135 | 2,350 |
| 0 factors better than average | 56 | - 163 | 65 | 1,070 |

## * Factors were:

Size as measured by number of cows (average of 38 cows)
Rate of production as measured by pounds milk sold per cow (average of 10,392 pounds per cow)
Labor efficiency as measured by pounds milk sold per man (average of 219,385 pounds per man)
Cost control as measured by percent purchased feed was of milk receipts (average of $33 \%$ )

The farms were further grouped on the basis of the number of factors better than average. As the number of factors better than average decreased, the average labor income decreased rapidly.

In 1962, only those farmers who were better than average in all four factors made enough income to cover their labor charge of $\$ 3,600$ whereas in 1961 , farmers who were better than average in two or more factors made enough income to pay for their own labor. This demonstrates that good management is even more important in a poor farming year.

Farmers below average in all factors or better than average in only one factor made very low labor incomes. If a farmer wants to achieve a high labor income year after year, he needs to be above average in at least three of the factors most years and all four in poor years.

## Farm Family Financial Situation

Good management in getting and using capital in a farm business is becoming more and more important. The first step to good financial management is a working knowledge of the financial situation. A few counties are beginning to summarize information on assets and debts of the cooperators. The financial situation is a key factor in planning for adjustments in a business.

FARM FAMILY ASSETS, 1962

| Item | Your farm | $\begin{aligned} & 30 \text { Farms } \\ & \text { Lewis Co. } \end{aligned}$ | $\begin{aligned} & 20 \text { Farms } \\ & \text { Jefferson Co. } \end{aligned}$ | $\begin{gathered} \text { Average } \\ 138 \text { farms* } \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: |
| Farm Assets: |  |  |  |  |
| Machinery \& equipment | \$ | \$11,636 | \$14,556 | \$12,485 |
| Cattle |  | 12,977 | 14,686 | 15,177 |
| Other livestock |  | 79 | 84 | 100 |
| Feed \& supplies |  | 3,462 | 3,968 | 4,476 |
| Land \& buildings |  | 21,698 | 22,030 | 27,302 |
| Total farm assets | \$ | \$49,852 | \$55,324 | \$59,540 |
| Non-Farm Assets: |  |  |  |  |
| Other real estate | \$ | \$ 98 | \$ 1,002 | \$ 679 |
| Stocks \& bonds |  | 762 | 289 | 1,052 |
| Personal share of auto |  | 450 | 741 | 631 |
| Cash value of life insurance |  | 1,230 | 1,496 | 1,963 |
| Household goods |  | 2,957 | 2,330 | 2,422 |
| Cash on hand and in checking account |  | 378 | 671 | 762 |
| Savings accounts |  | -- | -- | 1,213 |
| Investment in cooperatives |  | 506 | 134 | 1,157 |
| Accounts receivable |  | 382 | 92 | 2,374 |
| Other |  | -- | -- | 159 |
| Total non-farm assets | \$ | \$ 6,763 | \$ 6,755 | \$12,412 |
| TOTAL ALL ASSETS |  | \$56,615 | \$62,079 | \$71,952 |

* Farm Credit Study, Cayuga, Ielaware, Oneida, and Otsego Counties.

Feed and supplies are often not considered by lenders as "loanable assets" because they are stock-in-trade which is used up. Likewise, some non-farm items are not "loanable assets." Most lenders are reluctant to lend over 60 percent of the value of land and buildings, machinery, and livestock.

Most farmers use credit in some amount. Unless you are one of the very few who have no debts at all, the following table will help you to summarize your debts and compare them with those of other dairymen. You may already have the financial situation figures needed in your farm inventory record.

FARM FAMILY DEBTS AND NET WORTH, 1962

| Item | Your farm | 30 Farms Lewis Co. | $\begin{gathered} 20 \text { Farms } \\ \text { Jefferson Co. } \end{gathered}$ | $\begin{gathered} \text { Average } \\ 138 \text { farms* } \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: |
| Debts: |  |  |  |  |
| Real estate debt | \$ | \$10,781 | \$14,906 | \$11,144 |
| Chattel mortgages on cattle and equipment |  | 4,673 | 2,404 | 7,544 |
| Notes payable |  | 1,988 | 2,280 | 1,662 |
| Installment contracts |  | 627 | -- | 239 |
| Other secured loans |  | 30 | -- | 439 |
| Feed, seed, etc. open accounts |  | 529 | 642 | 834 |
| Other farm accounts payable |  | 1,063 | -- | 487 |
| Personal bills and accounts |  | -- | -- | 138 |
| TOTAL DEBTS | \$ | \$19,691 | \$20,232 | \$22,487 |
| Total assets | \$ | \$56,615 | \$62,079 | \$71,952 |
| Total debts |  | 19,691 | 20,232 | 22,487 |
| NET WORTH | \$ | \$36,924 | \$41,847 | \$49,465 |
| \% Equity | \% | 65\% | 67\% | 69\% |
| \% Real estate is of total debt | $\%$ | 55\% | 74\% | 50\% |
| Total debt per cow | \$ | \$ 505 | \$ 450 | \$ 562 |

* Farm Credit Study, Cayuga, Delaware, Oneida and Otsego Counties.

How does your position compare with other dairymen?

| Debt per cow position | Check yours |
| :--- | :--- |
| Less than $\$ 300-$ low |  |
| $\$ 300-\$ 600-$ medium | - |
| $\$ 600-\$ 900-$ high |  |
| Over $\$ 900-$ very high |  |

Twenty-six of the Jefferson County farmers reported the amount they paid on debts in 1962. This averaged $\$ 1,913$ for short-term debts and $\$ 2,727$ for long-term or a total of $\$ 4,640$ per farm. The payments included both interest and principle payments. The total debt payment was 20 percent of the average cash farm receipts for the Jefferson County farms.

Family Living Expenses
Family living expenses have a high-priority claim on farm income. In figuring debt carrying capacity of a farm one must know family living expenses as well as farm expenses.

FARM FAMILY LIVING EXPENDITURES, 1962

|  | Your | 21 families | 10 families | Range |
| :---: | :---: | :---: | :---: | :---: |
| Expenditures | family | Central N.Y. | Jefferson Co. | Lowest Highest |
| Living expenses: |  |  |  |  |
| Food* - | \$ | \$1,379 | \$1,538 | \$ 733 \$ 1,987 |
| Clothing |  | 426 | 276 | 75 1,008 |
| Furnishings \& equipment |  | 286 | 483 | 0 1,341 |
| Household operating |  | 896 | 257 | 651,850 |
| Family transportation |  | 207 | 251 | 12 1,077 |
| Medical \& health |  | 343 | 390 | 461,043 |
| Personal |  | 85 | 210 | 13600 |
| Education \& recreation |  | 433 | 265 | $60 \quad 1,397$ |
| Gifts \& contributions |  | 413 | 360 | 15 1,248 |
| Total living expenditures | \$ | \$4,468 | \$4,030 | \$1,892 \$ 7,888 |
| Other outlays: |  |  |  |  |
| Insurance, savings, etc. | \$ | \$ 796 | \$ 849 | \$ 92 \$ 3,477 |
| Taxes - income, etc. |  | 350 | 339 | O 1,835 |
| Total family expenditures |  | \$5,614 | \$5,218 | \$2,127 \$10,949 |

* Value of home produced food not included.

Seven families in the Cayuga County Farm Business Management Project and 14 families in the Electronic Farm Accounting (ELFAC) pilot project kept a record of family living expenditures for 1962. Likewise, ten Jefferson County families kept family records. The expenditures reported by these families were tabulated and summarized.

The expenditures reported above should NOT be taken to represent the average of all farm families. They simply indicate what these groups of families spent. The familles in these groups do give an indication of what it costs some farm families to live. The range in figures reported shows the variation which exists.

The expenditure classifications used above are the ones frequently found in home account records. The ELFAC records had more classifications but some were combined in order to be comparable with the non-ELFAC records.

You can compare your expenditures with those of the other families. You should keep in mind, however, that the amounts in themselves do not measure how well a family manages. The number of members in the family, ages, health, and interests vary considerably. These all have an effect on living expenditures.

## GUIDE TO DECISION MAKING

Summarizing the Strong and Weak Points of the Business
Each page in this booklet was designed to help you study your farm business. However, study and analysis alone will not assure a more profitable business. Action must be taken.

Now take a careful overall look at your farm business. Summarize the strong and weak points revealed from the detailed analysis. This will help you to locate the trouble spots or problems. Then look at your goals. In view of your goals and what you have to work with, consider the possible ways that these problems might be solved. Next budget the likely effects of the proposed changes. Finally decide on the most promising proposal and then take action to put it into effect.

|  | Your Business 1962 |  |  | Your |
| :---: | :---: | :---: | :---: | :---: |
| Business Factor | Below Average | Average | Above Average | $\begin{gathered} \text { Goal } \\ \text { for } 1970 \end{gathered}$ |
| Size of business | $\underline{\square}$ |  |  |  |
| Lbs. milk sold per cow |  |  |  |  |
| Crop yields |  |  |  |  |
| Labor efficiency |  | - |  |  |
| Use of capital |  |  |  |  |
| Cost control: |  |  |  |  |
| \% of milk check for feed bought |  |  |  |  |
| Labor and machinery cost per cow |  |  |  |  |
| Use of credit |  | - |  |  |

MAJOR PROBLEMS TO BE SOLVED

1. $\qquad$
2. $\qquad$
3. $\qquad$
FROPOSED CHANGES TO STRENGTHEN THE BUSINESS
$\qquad$

Goals and Objectives
An important ingredient in making decisions concerning the farm business is the "goals" or "objectives" of the family. Every family has some things uppermost in their minds that they expect to get from their business or their job. These "objectives" or "goals" may not be easy to put into words. But if they are written down, or at least talked about, it may help you see what things need to be done in the farm business in order to accomplish these goals.

Goals for Your Farm and Family
The Farm -- List the major farm improvements you want to make in the next five years. The list should include changes in buildings, land, crops, and livestock.

The Home -- List major changes you want to make in the home in the next five years. Include remodeling, equipment, and furniture.

Family Security -- List things you want to get done relative to financial security. This list might include debt reduction, a better life insurance program, more business insurance, a will, plans for retirement.

Education -- List your objectives for educating the children.
$\qquad$

Recreation -- List your plans for major vacations, trips, new cars, etc.
$\qquad$
$\qquad$
Better Working Conditions -- What do you hope to accomplish concerning the hours you work, lightening physical work, and the like?

The Community -- What do you hope to get done relative to making your community a better place to live - schools, church, roads, and so forth?

After locating the weak points in a business, the next step is to consider changes to correct the weaknesses. Budgeting can help to determine the likely results of a proposed change.


COMPARISON OF BUSINESS SUMVARIES OF DAIRY FARMS WITH
OTHER MAJOR SOURCES OF INCOME, NEV YORK, 1962

| Item | Dairy <br> Poultry | $\begin{gathered} \text { Dairy } \\ \text { Cash-crop } \end{gathered}$ | $\begin{aligned} & \text { Dairy } \\ & \text { Fruit } \end{aligned}$ | Dairy <br> Renters | $\begin{gathered} \text { Dairy } \\ \text { Part-time } \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Capital Investment (End of year): |  |  |  |  |  |
| Machinery | \$12,629 | \$15,862 | \$. 19,088 | \$ 8,400 | \$9,683 |
| Cattle | 14,594 | 16,267 | 18,325 | 12,005 | 7,525 |
| Poultry | 919 | -- |  | -- |  |
| Feed, supplies \& other | 4,191 | 6,574 | 5,775 | 2,511 | 2,426 |
| Land and buildings | 27,294 | 34,354 | 73,500 | 273 | 19,833 |
| TOTAL INVESTMENT | \$59,627 | \$73,057 | \$116,688 | \$23,189 | \$39,467 |
| Farm Receipts: |  |  |  |  |  |
| Milk sales | \$19,606 | \$19,949 | \$. 19,712 | \$14,995 | \$ 7,183 |
| Livestock sales | 2,965 | 2,542 | 2,988 | 1,518 | 850 |
| Egg sales | 4,735 | 37 | 62 | 45 |  |
| Crop sales | 341 | 3,524 | 9,138 | 368 | 542 |
| Miscellaneous | 1,971 | 1,462 | 1,600 | 591 | 5,567 |
| Total cash receipts | \$25,618 | \$27,514 | \$ $\overline{33,500}$ | \$ $\$ \overline{17,517}$ | \$14,142 |
| Increase in inventory | 125 | 3,178 | 2,875 | 1,468 | 767 |
| TOTAL FARM RECEIPTS | \$29,813 | \$30,692 | \$ 36 ,375 | \$18,985 | \$14,909 |
| Farm Expenses: |  |  |  |  |  |
| Hired labor | \$ 2,529 | \$ 2,618 | \$ 5,188 | \$ 968 | \$ 583 |
| Dairy feed | 6,341 | 5,053 | 4,100 | 5,195 | 2,217 |
| Other feed | 3,173 | 105 | 135 | 94 | -7 |
| Machine hire | 188 | 186 | 505 | 46 | 96 |
| Machinery, small tools | 792 | 1,306 | 1,115 | 603 | 1,130 |
| Auto expense (farm share) | 224 | 194 | 110 | 139 | 209 |
| Gas and oil | 741 | 1,027 | 1,050 | 500 | 850 |
| Breeding fees | 227 | 217 | 235 | 160 | 86 |
| Veterinary \& medicine | 231 | 343 | 311 | 207 | 82 |
| Other livestock, poultry exp. | 1,559 | 903 | 1,762 | 886 | 417 |
| Lime and fertilizer | 765 | 1,405 | 2,050 | 618 | 900 |
| Seeds and plants | 300 | 441 | 388 | 200 | 225 |
| Spray, other crop expense | 171 | 394 | 938 | 150 | 125 |
| Land, building, fence repair | 588 | 578 | 975 | 255 | 233 |
| Taxes and insurance | 582 | 1,103 | 1,825 | 236 | 500 |
| Elec, and tel. (farm share) | 447 | 480 | 425 | 264 | 267 |
| Miscellaneous | $\underline{247}$ | - 400 | - 288 | $\frac{1,677}{}$ | 617 |
| Total Cash Operating | \$19,505 | \$16,753 | \$ 21,400 | \$12,198 | \$8,552 |
| New machinery | 1,618 | 2,980 | 4,175 | 2,091 | 1,575 |
| Nev real estate | 629 | 1,728 | 300 | 2, 45 | 1, 583 |
| Purchased livestock | 1,495 | 957 | 1,012 | 715 | 423 |
| Unpaid family labor TOTAL FARM EXPENSES | - 212 | 296 | $\underline{138}$ | 323 | 467 |
| Financial Summary: |  |  |  |  |  |
| Total farm receipts | \$29,813 | \$30,692 | \$ 36,375 | 18,985 | \$14,909 |
| Total farm expenses | 23,459 | 22,714 | 27,025 | 15,372 | 11,600 |
| Farm Income | \$6,354 | \$ $\$ 7,978$ | \$ 9,350 | \$ 3,613 | \$ $\$$ 3,309 |
| 5\% on Av. Capital | 2,976 | 3,573 | 5,762 | 1,123 | 1,954 |
| Labor income per farm Number of operators | \$3,378 | \$ $\begin{array}{r}\text { 4,405 } \\ \hline 92\end{array}$ | \$ $\begin{array}{r}\text { 3,588 } \\ \hline 10\end{array}$ | \$2,490 | \$1,355 |
| LABOR INCOME per Operator | \$ 2,863 | \$3,797 | \$ 2,870 | \$ 2, 371 | \$ 1, 135 |

## COMPARISON OF FARM BUSINESS FACTORS OF DAIRY FARMS WITH OTHER MAJOR SOURCES OF INCOME, NE: YORK, 1962

| Item | $\begin{gathered} \text { Dairy } \\ \text { Poultry } \end{gathered}$ | $\begin{gathered} \text { Dairy } \\ \text { Cash-crop } \\ \hline \end{gathered}$ | Dairy Fruit | Dairy <br> Renters | $\begin{gathered} \text { Dairy } \\ \text { Part-time } \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
| No. of farms | 17 | 79 | 8 | 22 | 1.2 |
| Size of Business: |  |  |  |  |  |
| Man equivalent | 2.2 | 2.2 | 3.0 | 1.6 | 1.7 |
| Average number cows | 41 | 43 | 41 | 33 | 24 |
| Pounds of milk sold ( $3.7 \%$ equiv.) | 447,059 | 463,620 | 446,625 | 330,091 | 169,417 |
| Average number hens* | 777 | -- |  |  |  |
| Total crop acres | 104 | 154 | 178 | 100 | 92 |
| Total man work units | 584 | 667 | 931 | 474 | 527 |
| Rates of Production: |  |  |  |  |  |
| Pounds milk sold per cow | 10,904 | 10,782 | 10,893 | 10,003 | 7,059 |
| Tons hay per acre* | 2.4 | 2.3 | 2.9 | 1.4 | 1.8 |
| Tons corn silage per acre* | 12 | 13 | 12 | 12 | 9 |
| Bushels oats per acre* | 53 | 60 | 84 | 44 | 32 |
| Labor Efficiency: |  |  |  |  |  |
| Man work units per man | 265 | 303 | 310 | 296 | 310 |
| Pounds milk sold per man ( $3.7 \%$ ) | 203,209 | 210,736 | 148,875 | 206,307 | 99,657 |
| Use of Capital: |  |  |  |  |  |
| Total capital per man | \$27,103 | \$33,208 | \$38,896 |  | \$23,216 |
| Total capital per vork unit |  | \$ 110 | \$ 125 | \$ 49 | \$ 75 |
| Land \& buildings per crop acre | \$ 262 | \$ 223 | \$ 413 | \$ 27 | \$ 216 |
| Machinery investment per man | \$ 5,740 | \$ 7,210 | \$ 6,363 | \$ 5,250 | \$ 5,696 |
| Feed Costs: |  |  |  |  |  |
| Dairy feed bought per cow | \$ 155 | \$ 118 | \$ 100 | \$ 157 | \$ 92 |
| \% Feed bought was of milk receipts | - $32 \%$ | + $25 \%$ | \$ 21\% | - $35 \%$ | + 31\% |
| Crop acres per cow | 2.5 | 3.6 | 4.3 | 3.0 | 3.8 |
| Fertilizer \& lime expense/crop acre Number heifers per 10 cows | \$7.36 | \$ 9.12 | \$ 11.52 | \$ 6.18 | \$ 9.78 |
| Number heifers per 10 cows | 6.8 | 6.7 | 7.3 | 6.1 | 6.2 |
| Machinery Costs: |  |  |  |  |  |
| Total machinery cost | \$ 4,882 | \$ 5,766 | \$ 7,262 | \$ 3,268 | \$ 3,350 |
| Machinery cost per crop acre | \$ 47 | \$ 37 | \$ 41 | \$ 33 | \$ 36 |
| Machinery cost per man | \$ 2,219 | \$ 2,621 | \$ 2,421 | \$ 2, 042 | \$ 1,971 |

Prices:
Av. price received for milk ( $3.7 \%$ ) $\$ 4.38 \quad \$ \quad 4.30$ \$ 4.41 \$ $4.54 \quad \$ \quad 4.24$
Other:

| Other: |  |  |  |  |  |
| :--- | :--- | :--- | :--- | :--- | :--- |
| Real estate is of total capital | $46 \%$ | $47 \%$ | $63 \%$ | $2 \%$ | $50 \%$ |
| $\%$ | $79 \%$ | $74 \%$ | $74 \%$ | $81 \%$ | $78 \%$ |
| $\%$ Expenses are of receipts |  |  |  |  |  |
| Machinery cost is of total farm |  |  |  |  |  |
| expense \& interest on investment |  |  |  |  |  |

*Average for farms reporting

COMPARISON OF SELECTED FARM BUSINESS FACTORS FOR 1962 26 Counties Included in General Farm Business Summary

| Item | Albany County | Allegany County | Broome County | Cattaraugus County |
| :---: | :---: | :---: | :---: | :---: |
| Number of farms | 35 | 22 | 42 | 33 |
| Resources: |  |  |  |  |
| Number of cows | 36 | 32 | 41 | 37 |
| Number of heifers | 22 | 26 | 26 | 24 |
| Acres of hay* | 89 | 70 | 82 | 58 |
| Acres of corn silage* | 16 | 13 | 17 | 14 |
| Acres of oats* | 14 | 26 | 13 | 11 |
| Total crop acres | 118 | 108 | 113 | 88 |
| Size of business: |  |  |  |  |
| Man equivalent | 1.9 | 1.7 | 1.8 | 1.7 |
| Total work units | 536 | 482 | 568 | 491 |
| Lbs. of milk sold | 342,937 | 344,164 | 436,986 | 370,087 |
| Rates of production: |  |  |  |  |
| Lbs. milk sold/cow | 9,526 | 10,755 | 10,658 | 10,002 |
| Tons hay/acre | 1.4 | 2.0 | 1.2 | 2.1 |
| Tons corn silage/acre | 10 | 11 | 12 | 14 |
| Bu. oats/acre | 42 | 54 | 43 | 53 |
| Labor efficiency: |  |  |  |  |
| Number cows/man | 21 | 19 | 23 | 22 |
| Work units/man | 282 | 284 | 315 | 289 |
| Lbs. of milk sold/man | 180,493 | 202,449 | 242,770 | 217,698 |
| Cost control factors: |  |  |  |  |
| Machinery investment |  | \$10,769 | \$11,630 | \$11,137 |
| Machinery cost | \$ 4,056 | \$ 3,767 | \$ 4,127 | \$ 3,702 |
| Machinery cost/cow | \$ 113 | \$ 118 | \$ 101 | \$ 100 |
| Feed bought/cow <br> $\%$ feed is of milk receipts | $\begin{gathered} \$ \quad 117 \\ 27 \% \end{gathered}$ | \$ 132 $30 \%$ | \$ 169 $36 \%$ | $\begin{gathered} \$ \quad 121 \\ \\ \end{gathered}$ |
| Fertilizer/crop acre | \$ 6.60 | \$ 9.10 | \$ 5.79 | \$ 6.99 |
| \% Expenses are of receipts | 77\% | 76\% | 79\% | 70\% |
| Price: |  |  |  |  |
| Av. price/cwt. milk | \$ 4.52 | \$ 4.17 | \$ 4.35 | \$ 4.17 |
| Financial summary: |  |  |  |  |
| Average capital | \$52,390 | \$43,655 | \$61,298 | \$46,319 |
| Total farm receipts | \$20,072 | \$20,528 | \$22,443 | \$19,455 |
| Total farm expenses | \$15,461 | \$15,677 | \$17,758 | \$13,546 |
| LABOR INCOME/operator | \$ 1,743 | \$ 2,447 | \$ 1,448 | \$ 3,387 |

*Average per farm reporting.

COMPARISON OF SELECTED FARM BUSINESS FACTORS FOR 1962 26 Counties Included in General Farm Business Summary

| Item | Cayuga County | Chautauqua County | Chenango County |  |
| :---: | :---: | :---: | :---: | :---: |
|  |  |  | Group VII | Group VIII |
| Number of farms | 24 | 22 | 14 | 16 |
| Resources: |  |  |  |  |
| Number of cows | 40 | 46 | 39 | 43 |
| Number of heifers | 29 | 30 | 21 | 22 |
| Acres of hay* | 58 | 75 | 71 | 65 |
| Acres of corn silage* | 19 | 17 | 11 | 21 |
| Acres of oats* | 28 | 12 | 14 | 11 |
| Total crop acres | 151 | 125 | 96 | 84 |
| Size of business: |  |  |  |  |
| Man equivalent | 1.9 | 2.5 | 1.8 | 1.8 |
| Total work units | 631 | 726 | 483 | 547 |
| Lbs. of milk sold | 444,602 | 498,819 | 380,833 | 439,334 |
| Rates of production: |  |  |  |  |
| Lbs. milk sold/cow | 11,115 | 10,844 | 9,765 | 10,217 |
| Tons hay/acre | 2.2 | 2.4 | 1.3 | 1.7 |
| Tons corn silage/acre | 12 | 12 | 10 | 11 |
| Bu. oats/acre | 55 | 58 | 53 | 52 |
| Labor efficiency: |  |  |  |  |
| Number cows/man | 21 | 18 | 22 | 24 |
| Work units/man | 332 | 290 | 268 | 304 |
| Lbs, of milk sold/man | 234,001 | 199,528 | 211,574 | 244,074 |
| Cost control factors: |  |  |  |  |
| Machinery investment |  | \$14,619 | \$ 9,560 | \$13,040 |
| Machinery cost | \$ 5,845 | \$ 5,518 | \$ 3,994 | \$ 3,825 |
| Machinery cost/cow | \$ 146 | \$ 120 | \$ 101 | \$ 90 |
| Feed bought/cow | \$ 100 | \$ 138 | \$ 145 | \$ 167 |
| \% feed is of milk receipts | - $21 \%$ | - 30\% | + $33 \%$ | - $38 \%$ |
| Fertilizer/crop acre | \$ 10.15 | \$ 8.01 | \$ 4.40 | \$ 8.20 |
| \% Expenses are of receipts | 73\% | 79\% | $78 \%$ | 79\% |
| Price: |  |  |  |  |
| Ave. price/cwt. milk | \$ 4.26 | \$ 4.29 | \$ 4.26 | \$ 4.27 |
| Financial summary: |  |  |  |  |
| Average capital | \$72,942 | \$71,530 | \$44,309 | \$53,786 |
| Total farm receipts | \$27,771 | \$34,446 | \$19,543 | \$23,936 |
| Total farm expenses | \$20,193 | \$27,364 | \$15,147 | \$18,798 |
| LABOR INCOME/operator | \$ 3,630 | \$ 2,856 | \$ 1,696 | \$ 2,178 |

*Average per farm reporting.

COMPARISON OF SELECTED FARM BUSINESS FACTORS FOR 1962 26 Counties Included in General Farm Business Summary

| Item | $\begin{aligned} & \text { Clinton } \\ & \text { County } \\ & \hline \end{aligned}$ | Cortland County | Delaware County | Frankiln County |
| :---: | :---: | :---: | :---: | :---: |
| Number of farms | 14 | 13 | 42 | 21 |
| Resources: |  |  |  |  |
| Number of cows | 33 | 56 | 38 | 42 |
| Number of heifers | 21 | 41 | 17 | 30 |
| Acres of hay* | 75 | 85 | 59 | 87 |
| Acres of corn silage* | 16 | 24 | 9 | 16 |
| Acres of oats* | 13 | 18 | 6 | 20 |
| Total crop acres | 100 | 138 | 70 | 118 |
| Size of business: |  |  |  |  |
| Man equivalent | 1.6 | 2.6 | 1.7 | 1.9 |
| Total work units | 486 | 789 | 480 | 600 |
| Lbs. of milk sold | 334,992 | 609,903 | 370,745 | 391,399 |
| Rates of production: |  |  |  |  |
| Lbs. milk sold/cow | 10,151 | 10,891 | 9,756 | 9,319 |
| Tons hay/acre | 1.9 | 1.7 | 1.5 | 4.4 |
| Tons corn silage/acre | 13 | 12 | 14 | 13 |
| Bu. oats/acre | 40 | 49 | 62 | 51 |
| Labor efficiency: |  |  |  |  |
| Number cows/man | 21 | 21 | 22 | 22 |
| Work units/man | 304 | 304 | 282 | 321 |
| Lbs. of milk sold/man | 209,370 | 234,578 | 218,085 | 209,304 |
| Cost control factors: |  |  |  |  |
| Machinery investment | \$11,882 | \$13,226 | \$ 9,383 | \$ 9,775 |
| Machinery cost | \$ 3,528 | \$ 5,454 | \$ 3,631 | \$ 3,668 |
| Machinery cost/cow | \$ 107 | \$ 97 | \$ 96 | \$ 87 |
| Feed bought/cow | \$ 141 | \$ 162 | \$ 158 | \$ 131 |
| \% feed is of milk receipts | - $33 \%$ | - $744 \%$ | - $37 \%$ | $34 \%$ |
| Fertillizer/crop acre | \$ 2.81 | \$ 7.57 | \$ 10.29 | \$ 5.28 |
| \% Expenses are of receipts | 74\% | 75\% | 80\% | 81\% |
| Price: |  |  |  |  |
| Av. price/cwt. milk | \$ 4.15 | \$ 4.41 | \$ 4.37 | \$ 4.12 |
| Financial summary: |  |  |  |  |
| Average capital | \$52,684 | \$73,706 | \$44,768 | \$51,351 |
| Total farm receipts | \$19,488 | \$34,811 | \$19,760 | \$20,381 |
| Total farm expenses | \$14,371 | \$26,086 | \$15,803 | \$16,448 |
| LABOR INCOME/operator | \$ 2,317 | \$ 3,744 | \$ 1,604 | \$ 1,303 |

*Average per farm reporting.

COMPARISON OF SELECTED FARM BUSINESS FACTORS FOR 1962 26 Counties Included in General Farm Business Summary

| Item | $\begin{array}{c}\text { Greene } \\ \text { County }\end{array}$ | $\begin{array}{c}\text { Madison } \\ \text { County }\end{array}$ | $\begin{array}{c}\text { Monroe } \\ \text { County }\end{array}$ | $\begin{array}{c}\text { Montgomery } \\ \text { County }\end{array}$ |
| :--- | ---: | :---: | ---: | :---: |
| Number of farms | 19 |  |  | 10 |$] 19$

## Price:

| Av. price/cwt. milk | $\$ 4.42$ | $\$ 4.22$ | $\$ 4.47$ | $\$ 4.27$ |  |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Financial summary: | $\$ 39,008$ | $\$ 61,329$ | $\$ 77,240$ | $\$ 66,683$ |  |
| Average capital | $\$ 14,046$ | $\$ 23,814$ | $\$ 34,074$ | $\$ 24,424$ |  |
| Total farm receipts | $\$ 11,302$ | $\$ 18,550$ | $\$ 24,104$ | $\$ 18,330$ |  |
| Total farm expenses | $\$ 753$ | $\$ 1,831$ | $\$ 5,552$ | $\$ 2,384$ |  |
| LABCR INCOME/operator |  |  |  |  |  |
| *Average per farm reporting. |  |  |  |  |  |

[^0]CCMPARISON OF SELECTED FARM BUSINESS FACTORS FOR 1962 26 Counties Included in General Farm Business Summary

| Item | Niagara County | Onondaga County | Orange County | Oswego County |
| :---: | :---: | :---: | :---: | :---: |
| Number of farms | 13 | 14 | 14 | 30 |
| Resources: |  |  |  |  |
| Number of cows | 37 | 41 | 50 | 31 |
| Number of heifers | 22 | 27 | 31 | 22 |
| Acres of hay* | 76 | 69 | 56 | 55 |
| Acres of corn silage* | 24 | 20 | 30 | 14 |
| Acres of oats* | 32 | 35 | -- | 16 |
| Total crop acres | 179 | 157 | 102 | 90 |
| Size of business: |  |  |  |  |
| Man equivalent | 1.9 | 2.0 | 2.0 | 1.8 |
| Total work units | 664 | 643 | 648 | 438 |
| Lbs. of milk sold | 393,463 | 432,314 | 620,437 | 339,696 |
| Rates of production: |  |  |  |  |
| Lbs. milk sold/cow | 10,723 | 10,544 | 12,409 | 10,958 |
| Tons hay/acre | 2.3 | 1.8 | 1.7 | 2.0 |
| Tons corn silage/acre | 11 | 10 | 14 | 12 |
| Bu. oats/acre | 73 | 44 | -- | 58 |
| Labor efficiency: |  |  |  |  |
| Number cows/man | 19 | 20 | 25 | 17 |
| Work units/man | 366 | 322 | 324 | 243 |
| Lbs. of milk sold/man | 208,776 | 216,157 | 310,219 | 188,720 |
| Cost control factors: |  |  |  |  |
| Machinery investment | \$16,551 | \$12,719 | \$14,533 | \$ 9,891 |
| Machinery cost | \$ 6,410 | \$ 3,978 | \$ 5,482 | \$ 3,804 |
| Machinery cost/cow | \$ 173 | \$ 97 | \$ 110 | \$ 123 |
| Feed bought/cow | \$ 88 | \$ 111 | \$ 241 | \$ 161 |
| \% feed is of milk receipts | 19\% | + $25 \%$ | - $39 \%$ | - $35 \%$ |
| Fertilizer/crop acre | \$ 10.93 | \$ 8.35 | \$ 18.61 | \$ 6.77 |
| \% Expenses are of receipts | 75\% | $71 \%$ | 80\% | 77\% |
| Price: |  |  |  |  |
| Av. price/cwt. milk | \$ 4.41 | \$ 4.26 | \$ 4.95 | \$ 4.19 |
| Financial summary: |  |  |  |  |
| Average capital | \$71,112 | \$65,612 | \$74,541 | \$40,053 |
| Total farm receipts | \$26,690 | \$26,339 | \$35,768 | \$19,160 |
| Total farm expenses | \$20,035 | \$18,831 | \$28,449 | \$14,754 |
| LABOR INCCME/operator | \$ 2,518 | \$ 3,698 | \$ 3,352 | \$ 2,253 |

*Average per farm reporting.

COMPARISON OF SELECTED FARM BUSINESS FACIORS FOR 1962 26 Counties Included in General Farm Business Summary

| Item | Otsego County | Saratoga County | Schenectady County | Schuyler County |
| :---: | :---: | :---: | :---: | :---: |
| Number of farms | 86 | 20 | 12 | 18 |
| Resources: |  |  |  |  |
| Number of cows | 37 | 38 | 31 | 34 |
| Number of heifers | 20 | 29 | 19 | 27 |
| Acres of hay* | 67 | 67 | 116 | 73 |
| Acres of corn silage* | 14 | 16 | 15 | 18 |
| Acres of oats* | 14 | 15 | 12 | 24 |
| Total crop acres | 92 | 116 | 138 | 122 |
| Size of business: |  |  |  |  |
| Man equivalent | 1.7 | 2.0 | 1.6 | 1.8 |
| Total work units | 507 | 548 | 450 | 505 |
| Lbs. of milk sold | 369,893 | 418,436 | 249,737 | 371,167 |
| Rates of production: |  |  |  |  |
| Lbs. milk sold/cow | 9,997 | 11,011 | 8,056 | 10,917 |
| Tons hay/acre | 1.6 | 2.2 | 1.3 | 1.7 |
| Tons corn silage/acre | 12 | 11 | 9 | 9 |
| Bu. oats/acre | 52 | 47 | 39 | 46 |
| Labor efficiency: |  |  |  |  |
| Number cows/man | 22 | 19 | 19 | 19 |
| Work units/man | 298 | 274 | 281 | 281 |
| Lbs. of milk sold/man | 217,584 | 209,218 | 156,086 | 206,204 |
| Cost control factors: |  |  |  |  |
| Machinery investment | \$11,174 | \$11,790 | \$ 9,680 | \$12,675 |
| Machinery cost | \$ 3,753 | \$ 4,488 | \$ 3,583 | \$ 4,614 |
| Machinery cost/cow | \$ 101 | \$ 118 | \$ 116 | \$ 136 |
|  | \$ 147 | \$ 113 | \$ 116 | \$ 142 |
| \% feed is of milk receipts | + $54 \%$ | - $23 \%$ | - 31\% | - $30 \%$ |
| Fertilizer/crop acre | \$ 5.82 | \$ 9.34 | \$ 2.41 | \$ 6.77 |
| \% Expenses are of receipts | 77\% | $71 \%$ | 85\% | 75\% |
| Price: |  |  |  |  |
| Av. price/cwt. milk | \$ 4.27 | \$ 4.41 | \$ 4.56 | \$ 4.30 |
| Financial summary: |  |  |  |  |
| Average capital | \$49,552 | \$61,069 | \$37,606 | \$56,692 |
| Total farm receipts | \$20,163 | \$25,384 | \$15,518 | \$20,641 |
| Total farm expenses | \$15,444 | \$18,037 | \$13,173 | \$15,408 |
| LABOR INCOME/operator | \$ 2,008 | \$ 3,734 | \$ 465 | \$ 1,962 |

*Average per farm reporting.

COMPARISON OF SELECTED FARM BUSINESS FACTORS FOR 1962 26 Counties Included in General Farm Business Summary

| Item | Sullivan County | Weshington |  | Yates County |
| :---: | :---: | :---: | :---: | :---: |
|  |  | Group II | Group III |  |
| Number of farms | 17 | 10 | 17 | 10 |
| Resources: |  |  |  |  |
| Number of cows | 33 | 40 | 40 | 33 |
| Number of heifers | 17 | 32 | 26 | 24 |
| Acres of hay* | 63 | 73 | 85 | 50 |
| Acres of corn silage* | 12 | 16 | 20 | 13 |
| Acres of oats* | -- | 12 | 12 | 27 |
| Total crop acres | 69 | 105 | 121 | 154 |
| Size of business: |  |  |  |  |
| Man equivalent | 1.5 | 1.9 | 1.9 | 2.2 |
| Total work units | 414 | 570 | 566 | 549 |
| Lbs. of milk sold | 356,577 | 441,461 | 444,183 | 359,884 |
| Rates of production: |  |  |  |  |
| Lbs. milk sold/cow | 10,805 | 11,037 | 11,104 | 10,906 |
| Tons hay/acre | 1.4 | 2.2 | 1.9 | 3.1 |
| Tons corn silage/acre | 8 | 11 | 12 | 12 |
| Bu. oats/acre | -- | 53 | 45 | 64 |
| Labor efficiency: |  |  |  |  |
| Number cows/man | 22 | 21 | 21 | 15 |
| Work units/man | 276 | 300 | 298 | 250 |
| Lbs. of milk sold/man | 237,718 | 232,348 | 233,780 | 163,584 |
| Cost control factors: |  |  |  |  |
| Machinery investment | \$10,136 | \$12,121 | \$13,089 | \$14,578 |
| Machinery cost | \$ 3,637 | \$ 4,601 | \$ 4,765 | \$ 4,915 |
| Machinery cost/cow | \$ 110 | \$ 115 | \$ 119 | \$ 150 |
| Feed bought/cow | \$ 189 | \$ 157 | \$ 173 | \$ 77 |
| \% feed is of milk receipts |  | 31\% | 35\% | 17\% |
| Fertilizer/crop acre | \$ 8.51 | \$ 8.68 | \$ 6.09 | \$ 10.10 |
| \% Expenses are of receipts | 80\% | 74\% | 82\% | 69\% |
| Price: |  |  |  |  |
| Av. price/cwt. milk | \$ 4.49 | \$ 4.54 | \$ 4.43 | \$ 4.23 |
| Financial summary: |  |  |  |  |
| Average capital | \$51,146 | \$54,069 | \$57,070 | \$68,623 |
| Total farm receipts | \$18,914 | \$26,744 | \$26,470 | \$29,120 |
| Total farm expenses | \$15,177 | \$19,751 | \$21,647 | \$20,201 |
| LABOR INCOME/operator | \$ 1,056 | \$ 3,899 | \$ 1,674 | \$ 4,221 |

*Average per farm reporting.

COMPARISON OF SELECIED FARM BUSINESS FACIORS FOR 1962
13 County Summaries Not in General Farm Business Summary*

| Item | Herkimer County | Jefferson County | Lewis County | Livingston County |
| :---: | :---: | :---: | :---: | :---: |
| Number of farms | 30 | 31 | 49 | 11 |
| Resources: |  |  |  |  |
| Number of cows | 42 | 45 | 40 | 58 |
| Acres of hay | 73 | 79 | 76 | 72 |
| Total acres of crops | 103 | 155 | 100 | 182 |
| Size of business: |  |  |  |  |
| Man equivalent | 1.8 | 2.0 | 1.6 | 2.3 |
| Lbs, of milk sold | 428,341 | 462,762 | 392,800 | 671,780 |
| Rates of production: |  |  |  |  |
| Lbs. milk sold/cow | 10,199 | 10,284 | 9,820 | 11,564 |
| Tons hay/acre | 1.8 | 2.0 | 2.0 | 3.7 |
| Labor efficiency: |  |  |  |  |
| Number of cows/man | 23 | 22 | 25 | 25 |
| Lbs. of milk/man | 237,967 | 231,381 | 245,500 | 288,655 |
| Cost control factors: |  |  |  |  |
| Feed bought/cow | \$ 126 | \$ 102 | \$ 117 | \$ 136 |
| \% feed is of milk receipts | 29\% | 24\% | 28\% | 27\% |
| Machinery cost/cow | $\begin{array}{ll} \$ \quad 92 \\ 73 \% \end{array}$ | \$ $\quad 99$ | \$ 88 | \$ 143 |
| Financial summary: |  |  |  |  |
| Average capital | \$63,796 | \$59,215 | \$50,466 | \$97,066 |
| Total farm receipts | \$23,952 | \$24,402 | \$21,545 | \$42,308 |
| Total farm expenses | \$17,580 | \$16,241 | \$14,859 | \$27,682 |
| LABOR INCOME/operator | \$ 2,983 | \$ 4,885 | \$ 4,000 | \$ 7,166 |

*County agricultural agents in these counties obtained farm business information from farmers in the counties, and in cooperation with farm management specialists summary reports were prepared for use with the cooperators and others in discussing farm business management problems.

COMPARISON OF SELECTED FARM BUSINESS FACTORS FCR 1962
13 County Sumaries Not in General Farm Business Summary*

| Item | Oneida County | Ontario County | Rensselaer County | St. Lawrence County |
| :---: | :---: | :---: | :---: | :---: |
| Number of farms | 64 | 21 | 19 | 38 |
| Resources: |  |  |  |  |
| Number of cows | 38 | 40 | 35 | 42 |
| Acres of hay | 53 | 71 | 57 | 85 |
| Total acres of crops | 91 | 185 | 85 | 132 |
| Size of business: |  |  |  |  |
| Man equivalent | 2.0 | 2.1 | 1.7 | 1.9 |
| Lbs, of milk sold | 409,057 | 444,777 | 342,013 | 449,444 |
| Rates of production: |  |  |  |  |
| Lbs. milk sold/cow | 10,765 | 11,119 | 9,772 | 10,701 |
| Tons hay/acre | 2.5 | 2.4 | 1.8 | 2.0 |
| Labor efficiency: |  |  |  |  |
| Number of cows/man | 19 | 19 | 21 | 22 |
| Lbs, of milk/man | 204,528 | 211,799 | 201,184 | 236,549 |
| Cost control factors: |  |  |  |  |
| Feed bought/cow | \$ 117 | \$ 111 | \$ 110 | \$ 150 |
| \% feed is of milk receipts | 26\% | 23\% | 24\% | 33\% |
| Machinery cost/cow | \$ 108 | \$ 158 | \$ 121 | \$ 96 |
| \% Expenses are of receipts | 74\% | 72\% | 72\% | 75\% |
| Financial summary: |  |  |  |  |
| Average capital | \$51,228 | \$74,857 | \$48,631 | \$49,194 |
| Total farm receipts | \$22,057 | \$32,564 | \$18,645 | \$24,130 |
| Total farm expenses | \$16,291 | \$23,294 | \$13,424 | \$18,014 |
| LABOR INCOME/operator | \$ 2,664 | \$ 4,465 | \$ 2,304 | \$ 3,389 |

[^1]COMPARISON OF SELECTED FARM BUSINESS FACTORS FOR 1962
13 County Summaries Not in General Farm Business Summary*

| Item | Schoharie County | Seneca County | Steuben County | Tomfkins County | Wyoming County |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Number of farms | 22 | 21 | 35 | 25 | 44 |
| Resources: |  |  |  |  |  |
| Number of cows | 43 | 33 | 31 | 42 | 41 |
| Acres of hay | 83 | 67 | 75 | 73 | 57 |
| Total acres of crops | 107 | 166 | 124 | 122 | 133 |
| Size of business: |  |  |  |  |  |
| Man equivalent | 1.9 | 1.7 | 1.6 | 1.8 | 2.0 |
| Lbs. of milk sold | 390,548 | 360,031 | 359,532 | 446,928 | 454,472 |
| Rates of production: |  |  |  |  |  |
| Lbs. milk sold/cow | 9,083 | 10,910 | 11,598 | 10,641 | 11,085 |
| Tons hay/acre | 1.6 | 2.1 | 1.8 | 1.7 | 2.9 |
| Labor efficiency: |  |  |  |  |  |
| Number of cows/man | 23 | 19 | 19 | 23 | 20 |
| Lbs. of milk/man | 205,552 | 211,783 | 224,708 | 248,293 | 227,236 |
| Cost control factors: |  |  |  |  |  |
| Feed bought/cow | \$ 125 | \$ 105 | \$ 123 | \$ 140 | \$ 98 |
| \% feed is of milk receipts | 31\% | 23\% | 26\% | 31\% | 21\% |
| Machinery cost/cow | \$ 99 | \$ 137 | \$ 125 | \$ 105 | \$ 129 |
| \% Expenses are of receipts | 78\% | 74\% | 70\% | 75\% | 70\% |
| Financial summary: |  |  |  |  |  |
| Average capital | \$62,713 | \$55,966 | \$49,608 | \$54,750 | \$68,219 |
| Total farm receipts | \$21,199 | \$23,174 | \$21,588 | \$24,029 | \$28,271 |
| Total farm expenses | \$16,324 | \$17,044 | \$14,979 | \$18,110 | \$19,897 |
| LABOR INCOME/operator | \$ 1,663 | \$3,180 | \$ 3,705 | \$ 2,945 | \$ 3,970 |

*County agricultural agents in these counties obtained farm business information from farmers in the counties, and in cooperation with farm management specialists summary reports were prepared for use with the cooperators and others in discussing farm business management problems.

## COMPARISON OF SELECTED FARM BUSINESS SUMMARY FACTORS* New York Dairy Farms, 1958-62

\begin{tabular}{|c|c|c|c|c|c|}
\hline Item \& 1958 \& 1959 \& 1960 \& 1961 \& 1962 <br>
\hline Number of farms \& 559 \& 542 \& 467 \& 490 \& 503 <br>
\hline \multicolumn{6}{|l|}{Resources:} <br>
\hline Number of cows \& 33 \& 35 \& 35 \& 38 \& 38 <br>
\hline Number of heifers \& 20 \& 22 \& 21 \& 23 \& 24 <br>
\hline Acres of hay** \& 59 \& 62 \& 64 \& 66 \& 70 <br>
\hline Acres of corn silage** \& 14 \& 15 \& 15 \& 15 \& 16 <br>
\hline Acres of oats** \& 17 \& 18 \& 16 \& 17 \& 19 <br>
\hline Total crop acres \& 104 \& 104 \& 96 \& 99 \& 101 <br>
\hline \multicolumn{6}{|l|}{Size of business:} <br>
\hline Man equivalent \& 1.8 \& 1.8 \& 1.7 \& 1.8 \& 1.8 <br>
\hline Total work units*** \& 523 \& 557 \& 480 \& 516 \& 524 <br>
\hline Lbs. of milk sold. \& 310,900 \& 327,400 \& 333,900 \& 378,700 \& 394,893 <br>
\hline \multicolumn{6}{|l|}{Rates of production:} <br>
\hline Lbs. milk sold/cow \& 9,421 \& 9,355 \& 9,540 \& 9,966 \& 10,392 <br>
\hline Tons hay/acre \& 2.3 \& 2.0 \& 2.3 \& 2.6 \& 1.8 <br>
\hline Tons corn silage/acre \& 10 \& 11 \& 10 \& 12 \& 12 <br>
\hline Bu. oats/acre \& 51 \& 60 \& 54 \& 50 \& 50 <br>
\hline \multicolumn{6}{|l|}{Labor efficiency:} <br>
\hline Number cows/man \& 18 \& 19 \& 21 \& 21 \& 21 <br>
\hline Work units/man*** \& 291 \& 309 \& 282 \& 287 \& 291 <br>
\hline Lbs. of milk sold/man \& 172,700 \& 181,900 \& 196,400 \& 210,400 \& 219,385 <br>
\hline \multicolumn{6}{|l|}{Financial summary:} <br>
\hline Average capital \& \$45,062 \& \$47,840 \& \$47,426 \& \$53,722 \& \$53,541 <br>
\hline Total farm receipts \& \$21,512 \& \$22,548 \& \$20,075 \& \$22,505 \& \$21,351 <br>
\hline Total farm expenses \& \$15,012 \& \$16,255 \& \$14,768 \& \$16,125 \& \$16,406 <br>
\hline LABOR INCOME/operator \& \$ 3,817 \& \$ 3,489 \& \$ 3,317 \& \$ 3,352 \& \$ 2,019 <br>
\hline \multicolumn{6}{|l|}{Cost control factors:} <br>
\hline Machinery investment \& \$ 9,636 \& \$10,315 \& \$10,055 \& \$11,062 \& \$11,252 <br>
\hline Machinery cost \& \$ 3,611 \& \$ 3,872 \& \$ 3,729 \& \$ 4,056 \& \$ 4,024 <br>
\hline Machinery cost/cow \& \$ 109 \& \$ 111 \& \$ 107 \& \$ 107 \& \$ 106 <br>
\hline Feed bought/cow \& \$ 109 \& \$ 113 \& \$ 124 \& \$ 125 \& \$ 147 <br>
\hline Fertilizer \& lime/crop acre \% Expenses are of receipts \& $$
\begin{array}{lc}
\$ & 7 \\
& 70 \%
\end{array}
$$ \& \$ $\quad 7$

$72 \%$ \& \[
$$
\begin{array}{lc}
\$ & 7 \\
& 71 \%
\end{array}
$$

\] \& \[

$$
\begin{array}{lc}
\$ & 7 \\
72 \%
\end{array}
$$
\] \& $\begin{array}{cc}\text { \$ } & 7 \\ & 77 \%\end{array}$ <br>

\hline \multicolumn{6}{|l|}{Prices:} <br>
\hline Av. price/cwt. milk \& \$ 4.68 \& \$ 4.73 \& \$ 4.64 \& \$ 4.47 \& \$ 4.33 <br>
\hline
\end{tabular}

[^2]
[^0]:    *Average per farm reporting.

[^1]:    *County agricultural agents in these counties obtained farm business information from farmers in the counties, and in vooperation with fam management specialists summary reports were prepared for use with the cooperators and others in discussing farm business management problems.

[^2]:    * The averages for 1960,61 and 62 include only farms with milk as the major source of income as described on page 1. The 1957-59 averages include some farms with large sources of income other than milk.
    ** Average per farm reporting.
    *** Changes in work units for some crops and livestock made in 1958 and 1960.

