Potatoes - Cost of production O.S.

Bulletin 35/EC14

UNIVERSITY OF MANCHESTER

Agricultural Economics Department

Costs of Growing Potatoes in the North West Province 1946 Crop

Code Number .....

April 1947.

This report deals with the costs of growing potatoes in 1946 on 42 farms in the North Cheshire, North West Lancashire and South West Lancashire districts.

SAMPLE

As a result of changes in the sample the average size of farm in both the North Cheshire and North West Lancashire groups is less than in 1945 but the cropping remains substantially the same. In South West Lancashire, however, both the average size of farm and the cropping are different. With the inclusion of a few of the larger less intensive farms the average proportion of tillage is reduced and the potato crop has become less important. The size distribution of farms in the sample and the cropping per 100 acres are given in the following two tables.

TABLE I

Size Distribution

	No. of Farms					
	N. Cheshire		N. W. Lancashire		S. W. Lancashire	
	1945	1946	1945	1946	1945	1946
Under 100 acres	6	4	10	13	5	5
100 - 200 "	6	6	5	4	3	8
Over 200 "	4	1	1	1	1	-

TABLE II

	N. Cheshire		N. W. Lancs.		S. W. Lancs.	
	1945	1946	1945	1946	1945	1946
Number of Farms	16	11	16	18	9	13
Average Size (acres)	139	126	108	100	108	122
Oats	21	16¾	24¼	23½	24	22½
Wheat	8	15½	2¼	4	12½	16
Potatoes	11½	10¼	9¼	10½	23½	17½
Kale & Roots	3	2½	3¾	4	5	2
Other Crops	3	4	¾	1½	6	4
Total Tillage	46½	49	40¼	43½	71	62
Temporary Grass	28½	31½	12	16	22	21
Permanent Grass	25	19½	47¾	40½	7	17
Total Crops & Grass	100	100	100	100	100	100

COSTS

In the South West Lancashire group the costs are shown to the clamping stage and do not include charges for dressing, bagging and clearing up the site of the clamp. In the other two groups most of the potatoes were sold straight from the field. Only four farmers clamped a proportion of the crop and for those farms as well as for the others in the two groups costs are given up to the point of sale.

TABLE III
Cost Per Acre

	N.Cheshire 11 Farms 83½ Acres			N.W.Lancs. 18 Farms 97¾ Acres			S.W.Lancs. 13 Farms 104¼ Acres			Your Farm		
	£	s	d	£	s	d	£	s	d	£	s	d
Ploughing & Cultivating	2	14	6	2	13	3	1	19	4			
Manuring	3	2	3	3	3	1	2	8	7			
Planting, Sorting Seed	1	8	11	1	8	5	2	0	9			
After Cultivations	2	11	11	3	11	7	2	16	7			
Harvesting	11	8	1	12	3	8	8	11	9			
Total Operations	21	5	8	23	0	0	17	17	0			
Manures F.Y.M.	7	5	2	6	14	0	16	3	2			
Other	6	0	9	3	19	4	4	12	11			
Add Man.Res. b/f.	1	2	3	1	8	4		11	5			
	14	8	2	12	1	8	21	7	6			
Less Man.Res. c/f.	5	19	10	5	0	5	9	11	10			
Net Cost of Manures	8	8	4	7	1	3	11	15	8			
Seed	11	14	6	8	16	9	9	8	0			
Straw		-			2	4		9	0			
Boxes		8	4		1	5		9	2			
Spraying Materials		-			-				11			
Rent	2	8	11	2	2	4	2	1	3			
Overheads	4	8	7	4	5	8	4	4	1			
Total	48	14	4	45	9	9	46	5	1			
Yield Per Acre(tons)	8t.2 cwt.			6t.19cwt.			8t.18cwt.					
Cost Per Ton	£6	0	2	£6	7	3	£5	3	7			

Differences in the cost of seed, farmyard manure and harvesting are the main features of the table. The North Cheshire farmers, who incurred the highest seed cost, planted most seed per acre and bought a much greater proportion of new seed than did the farmers in the North West Lancashire group. They also bought mainly early varieties costing more per ton than maincrop seed which was used on the South West Lancashire farms. With farmyard manure the practice in South West Lancashire of buying the greater part is responsible for the high cost. Prices paid are several times greater than the value assigned to manure made on the farm. The difference in harvesting costs is partly attributable to the greater degree of specialisation in the South West Lancashire district but, in the main, arises from a difference in methods. Potatoes on the North Cheshire and North West Lancashire farms were lifted by fork at piece work rates and bagged, while in South West Lancashire some form of digger was used and the potatoes were clamped. The latter method is apparently much less costly at the time but the costs of dressing and bagging from the clamp and of clearing up the site have still to be met. These additional costs were obtained on a few of the farms in the group and ranged from 6/- to 16/- per ton of dressed ware, from £2. 18. 0 to £4. 7. 6 per acre.

The prime costs of all operations are given in Table IV and here a distinction has been made between manual work at piece-work rates and other manual labour.

TABLE IV

	N.Cheshire	N.W.Lancs.	S.W.Lancs.	Your Farm
Manual Labour	11 8 5	10 7 1	9 2 5	
Horse Work	3 13 9	2 7 8	1 17 3	
Tractor Work	1 10 7	2 16 4	2 17 6	
Contract Services	1 0	2 10	2	
Piece Work	4 11 11	7 6 1	15 5	
Casual Labour	-	-	3 4 3	
Total	21 5 8	23 0 0	17 17 0	

Information on the distribution of costs per acre, costs per ton, and yields per acre are given in Tables V, and VI. Table VII is a comparative statement of costs on 29 farms from which records were received in 1945 and 1946.

TABLE V

Range in Costs Per Acre

	Number of Farms with Costs Per Acre Between:-						
	Under 35	35-40	40-45	45-50	50-55	55-60	Over 60
Cheshire	-	1	4	1	3	1	1
N.W.Lancs.	-	1	6	9	1	1	-
S.W.Lancs.	1	-	2	4	3	-	3

TABLE VI

Yields & Costs Per Ton

Yield Per Acre Tons	No. of Farms	No. of Farms with Costs Per Ton Between:-						
		£2-4	4-6	6-8	8-10	10-12	12-14	Over 14
2-4	-	-	-	-	-	-	-	-
4-6	7	-	1	1	3	2	-	-
6-8	15	-	5	10	-	-	-	-
8-10	13	-	11	2	-	-	-	-
10-12	6	1	5	-	-	-	-	-
12-14	-	-	-	-	-	-	-	-
Over 14	1	1	-	-	-	-	-	-

TABLE VII

	1945	1946
Number of Farms	29	29
Number of Acres	190⅓	185¼
Total Yield	1602t.9c.	1556t.4c.
Yield Per Acre	8.42t.	8.4t.

	Cost Per Acre						Cost Per Ton					
	1945			1946			1945			1946		
Manual	9	13	0	12	2	6	1	2	11	1	8	10
Casual Labour	1	2	2		5	3		2	8			8
Piece Work	3	17	7	4	15	8		9	3		11	5
Horse Work	2	6	2	2	12	2		5	6		6	2
Tractor Work	2	6	8	2	11	0		5	6		6	1
Contract Services		1	5		2	0			2			3
Total Operations	19	7	0	22	8	7	2	6	0	2	13	5
Manures	8	12	5	8	11	0	1	0	6	1	0	4
Seed	10	7	0	10	6	0	1	4	7	1	4	6
Rent	2	3	9	2	3	11		5	2		5	3
Sundries		5	5		8	3			8		1	0
Overheads	4	1	7	4	7	9		9	8		10	6
Total Cost	44	17	2	48	5	6	5	6	7	5	15	0

Notes on Costing Methods

Labour; records of the time spent on each operation by men, horses and tractors were supplied by the farmers and the cost calculated by charging manual labour at prevailing rates, horses at a standard rate of 1/- per hour, and tractors at a standard rate of 3/- per hour. Contract work was taken at actual cost and included, in addition to the hire of equipment, the cost of any labour supplied.

F.Y.M.; the charge for manure produced on the holding was 10/- per ton exclusive of the cost of carting and spreading.

Straw; straw used for clamping was charged at £3. 10. 0 per ton.

Manurial Residues and Cultivations; the costs of manuring were adjusted for residual values on the basis of the recommendations of the Committee appointed to examine the Tables of Manurial Residues. No allowances were made for grass and clover roots ploughed in, or for beneficial cultivations.

Overhead Expenses; an amount equal to 10% of the cost of labour, seed, manures and rent was charged under this head to cover a proportion of the general upkeep charges on the farm, depreciation on implements and time lost through illness, holidays with pay and so on.

Yields; the yields quoted in the bulletin are weights of marketable ware.