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Farm business analysis (pdf)

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DEPARTMENT OF ECONOMICS

Farm Management Survey

REPORT No. II

Financial Results for 1947 and for the Five Years 1943 to 1947

By
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Copies of this Report may be obtained, 5/- post free, on application to the Secretary, Wye College, Near Ashford, Kent

FARM MANAGEMENT SURVEY

FINANCIAL RESULTS FOR 1947 AND FOR THE FIVE YEARS 1943 TO 1947*.

THE results given in the first part of this report cover a year ending at various dates between Michaelmas, 1947 and Ladyday, 1948, and for convenience they will be called the results for the year 1947. They are based entirely upon financial accounts, prepared either by the farmer himself or by an accountant or, in the case of some of the small farms, by this Department. The accounts have been drawn up according to the rules laid down for the Survey, which is on a national scale, and the results are not necessarily in full agreement with those put forward for taxation purposes. For example, an allowance is made in the expenditure for ordinary manual work done by "unpaid" members of the farmer's household and also by the farmer himself, but nothing is included for interest on capital, whether paid or not, or for the managerial services of the farmer; depreciation rates on farm machinery and implements are those generally used for taxation purposes, but the special allowance on new machinery has *not* been included in the expenditure.

The second part of the report summarizes and discusses the financial results on the same 70 farms for the five years 1943 to 1947.

PART I

THE SAMPLE

This investigation depends upon the voluntary co-operation of farmers, and hence it is not possible to draw a sample of farms according to statistical rules. Nevertheless, every effort has been made to obtain a sample that will represent the different sizes of farms, different types of farming and different districts within the province. The 1947 sample includes 199 farms which fall into two groups. The first and main group consists of 164 "general mixed farms", that is, farms engaged mainly in the production of livestock and livestock products, corn, potatoes, sugar-beet and other staple farm crops, while the second group is made up of 35 "specialized" farms on which the principal sale products are fruit, hops and market garden crops in varying proportions. Of the 164 mixed farms, 106 are in Kent, 13 in Surrey, 22 in East Sussex and 23 in West Sussex; of the 35 specialized farms, 33 are in Kent, one in Surrey and one in East Sussex.

Although much importance must be attached to the results for each year, the comparative results from year to year are perhaps of still greater importance, that is, a principal object of the investigation is to show the *trend* in the level of profitability in farming. Hence, it is highly desirable that the sample of farms should remain as nearly as possible the same from year to year. Complete uniformity is not possible for two reasons. For one thing, farms are not fixed units—partnerships are formed

* The field work for this investigation was carried out by Mr. J. A. Chester and Mr. J. H. Hooper. The summary tables in the Appendix were prepared by Mr. Chester. The Head of the Department is responsible for the commentary on the results.

and dissolved, adjoining land may be taken over and so on ; for another, it is too much to expect that the same farmers will be both willing and able to co-operate year after year. For example, of the 183 mixed farms included in the 1945 investigation 29 or 15·8 per cent. had to be excluded in 1946 and, of the 179 mixed farms included in 1946, 31 or 17·3 per cent. had to be excluded in 1947. It is obvious, therefore, that in order to maintain the size of the sample it is necessary to include a number of new farms each year.

It may be of interest to summarize the reasons for the withdrawal of the above 31 farms. In 11 cases the accounts could not be obtained in time, in 9 the tenancy was determined or the farm sold, in 3 the farmers retired, in 2 the reason was bad health, in 1 the farmer died, in 1 the farm was no longer suitable, and in 4 cases the farmers no longer wished to co-operate. It may be added that in 2 cases the farmers co-operated from their new farms.

Despite these unavoidable changes in the make-up of the sample, it is believed that the yearly results can be relied upon to show, with a reasonably high degree of reliability, the trend of farm profits from year to year.

SCOPE OF INVESTIGATION

This investigation is concerned with the financial *results* of farming rather than with the *causes* of these results. In this province, farming is so extremely diversified and there are such great variations in the size of the farms, the layout, the topography, the soil, etc., that any small sample which purports to represent the farming in the province must include a great variety of types. Hence, a detailed classification of the sample farms would result in only a few farms falling into each class and the average results from these small classes could not be used to explain the differences in the results in the different classes. One of the tables in this report classifies the mixed farms into size-groups, but it must be emphasized that the differences in the profit from the different size-groups are not necessarily due entirely, or even mainly, to the size-of-farm factor. The true effect of the size-factor on the net results could only be shown by comparing the results from farms that are reasonably alike in all respects except size. Nevertheless, the results from assortments of farms in the different size-groups are not without interest and significance.

PRESENTATION OF RESULTS

Financial accounts can be summarized in a variety of ways, the best method depending on the purposes for which the summary is wanted. This is not the place for a full discussion of all the different methods, but it is necessary to explain the method that has been adopted in this report. Perhaps a few examples will be more effective than much discussion.

(1) The valuation of *artificial manures* at the beginning of the year was £150, the cost of manures purchased during the year was £800, and the value of the stock in hand at the end of the year was £300. Clearly, the value of the manures *used* during the year was £150 plus £800 minus £300, or £650. Since stocks in hand can and do vary quite considerably from year to year, even on the same farm, the best figure to use for *comparative* purposes is the value of the manures *used* rather than that of the manures *purchased*. In this case, the gross expenditure was £800, while what might be called the *net* expenditure was £650, and in this report it is the net expenditure that is used.

(2) The valuation of *machinery and implements* at the beginning of the year was £2,000, purchases amounted to £600, sales to £300 and the valuation at the end of the year

to £2,050. Here, the net expenditure, commonly called depreciation, is (£2,000 plus £600) minus (£300 plus £2,050) or £250.

(3) The valuation of the *sheep flock* was £900 at the beginning of the year, sheep were bought for £1,000, sales of sheep and wool were £1,666 and the flock was valued at £1,140 at the end of the year. The net revenue or output in this case is (£1,666 plus £1,140) minus (£900 plus £1,000) or £906.

(4) The valuation of *crops and tillages* at the beginning of the year was £3,500, and at the end of the year £3,000, while sales of crops amounted to £8,500. Here the net revenue is £8,500 plus £3,000 minus £3,500, or £8,000.

The same procedure is used for all the other items that commonly appear in the annual stocktaking valuations so that the summary statement of net expenditure and net revenue is a combination of gross expenditure and gross revenue and the valuations. *The words " expenditure " and " revenue " are used in that sense throughout this report.*

Now it must be emphasized that the method of computing expenditure and revenue should be kept clearly in mind in considering such things as expenditure or revenue (output) per 100 acres and revenue per £100 of labour. Much is heard these days about the output per acre, output per man and so on, but it is not sufficiently realized that the size of these outputs depends largely on how they are calculated. It is believed that the method of calculation used in this report provides a basis on which comparisons can be validly made.

A brief schedule of definitions is given in the Appendix.

Special reference must be made to the computation of the *percentage return on the capital invested*, a figure which is of particular interest to those who regard farming as an industry, the financial results from which should be comparable with those from other industries. The problem can be put in this way.

Broadly speaking, the capital invested in a farm can be measured by the average of the valuations of live and dead stock, crops, tillages, etc., at the beginning and end of the financial year. Hence, the computed percentage return on the capital is linked up with the basis on which the valuations are made. Now during the war years, when prices were rising and taxation was heavy, farmers endeavoured to keep their valuations at the lowest possible level acceptable to the taxation authorities. For example, a herd of cows valued at £25 apiece in 1939 might be valued at the same figure right up to 1947, despite the fact that the market price of the cows in 1947 was £40 or £45 apiece. Similarly, machinery was written down as rapidly as possible, although the market price of second-hand machinery was very much greater than the written down values. In short, whereas in pre-war years there was a fairly close relation between the valuation prices and the current market prices of farm live and dead stock, by 1947 this relationship no longer existed. It may be added that in the case of crops, tenant-right and consumable stores (foodstuffs, manures, fuel, etc.), the annual valuations have tended to increase as costs and prices increased.

Table I in the Appendix shows an average capital investment in the general mixed farms of fully £20 per acre and this figure may be criticized on the ground that it would require a great deal more than £20 per acre to stock and equip a typical mixed farm to-day. In fact, such criticism would be entirely irrelevant because Table I does not purport to show the amount of capital that would be required to start farming to-day.

Consider what would have happened if the valuations of live and dead stock *had* been raised to keep in line with current market prices. Profits would have increased to a corresponding extent, taxation would have been heavier, and since taxes must be paid in cash, the farmer's financial position would have been correspondingly worsened. There can be no doubt that the procedure followed in this investigation has been not only entirely sound from an accounting point of view, but also it has contributed to the stability of the farmer's financial position.

One further point may be mentioned here. The purchasing power of the £1 is now very much less than it was in 1939: it may be true in terms of simple arithmetic that a profit of £600 in 1947 is twice as much as one of £300 in 1939, but in terms of the standard of living it is probably rather less. This is not the place for a discussion of all the difficulties and confusion that arise from the great fluctuations in the purchasing power of the £1, but it is obvious that in any attempt to assess what would be a reasonable profit for any farmer this point is one of crucial importance.

GENERAL RESULTS

MIXED FARMS. The detailed results from 164 mixed farms in 1947 are given in the Appendix, Table I. The net result, *before* charging interest on capital or managerial salary, but *after* charging an average of £13 per 100 acres for unpaid family labour and £49 per 100 acres for ordinary work done by the farmer, is a profit of £211 per 100 acres, compared with £72 per 100 acres in 1946 and £271 in 1945. The average return on the capital was 10·4 per cent., against 3·8 per cent. in 1946 and 14·8 per cent. in 1945. Of the 164 farms included in the investigation, 111 showed a profit and 53 a loss.

The total expenditure, *as above defined*, averaged £20·4 per acre, of which the cost of labour made up no less than 42·8 per cent. or £8·7 per acre. The next largest item was the cost of repairs and depreciation on machinery and implements which averaged £2·6 per acre or 12·7 per cent. of the total expenditure. Rent and rates amounted to 28s. per acre or 7 per cent. of the total, while the cost of purchased foodstuffs, seeds and manures made up 8·8, 6·9 and 6·5 per cent. respectively of the total expenditure.

The total revenue, *as above defined*, was equivalent to an average of £22·5 per acre. The net output from livestock was £3·7 per acre or 16·6 per cent. of the total, sales of milk amounted to £8·3 and of crops to £9·5 per acre, representing 36·7 and 42·2 per cent. respectively of the total revenue.

The average capital investment in these farms was £20·3 per acre and in this connection it is worth noticing that expenditure on new machinery and implements averaged no less than £582 per farm.

It may be of interest to give here a very brief summary of the results for 1947 and also of those for 1946 and 1945.

	1947	*1946*	*1945*
No. of farms	164	179	183
Average size (adjusted acres) ..	233	228	215
	£	£	£
Expenditure per 100 acres ..	2,042	1,831	1,834
Revenue ,, ,, ,, ..	2,253	1,903	2,105
Profit ,, ,, ,, ..	211	72	271
Total labour per 100 acres	874	798	775
Revenue per £100 labour ..	258	239	271
Capital invested per 100 acres ..	2,033	1,889	1,823
Percentage profit on capital ..	10·4	3·8	14·8
No. of farms showing a profit ..	111	110	129
No. of farms showing a loss ..	53	69	54

It will be seen that the average profit per 100 acres in 1947 was much better than in 1946, but still not up to the standard of 1945. The total revenue in 1947 was £148 per 100 acres higher than in 1945, but this was more than offset by an increase of £208 per 100 acres in the expenditure. Nearly one-half of this increase (£99) was due to the increased cost of labour and despite the higher total revenue the revenue per £100 of labour was only £258 in 1947 compared with £271 in 1945.

SPECIALIZED FARMS. The detailed results for 35 specialized farms are given in the Appendix, Table I. The net result is an average profit of £1,281 per 100 acres compared with £901 per 100 acres for 32 farms in 1946. It is not proposed to discuss these results in detail, but the following comparative summary for 1945, 1946, and 1947 is worthy of notice.

	1947	*1946*	*1945*
No. of farms	35	32	21
Average size (adjusted acres) ..	152	139	126
	£	£	£
Expenditure per 100 acres ..	4,306	3,903	4,099
Revenue per 100 acres	5,587	4,804	6,743
Profit per 100 acres	1,281	901	2,644
Labour per 100 acres	2,020	1,843	1,916
Revenue per £100 labour ..	277	260	352
Capital invested per 100 acres ..	2,650	2,592	2,564
Profit as a percentage on the capital	48·4	34·8	103·1
No. of farms showing a profit ..	30	25	19
No. of farms showing a loss ..	5	7	2
Sales of fruit per 100 acres ..	2,453	1,872	3,699
Sales of hops per 100 acres ..	1,101	786	1,322
Sales of other crops per 100 acres	1,246	1,352	1,212

Despite the much higher expenditure on labour than on the general mixed farms—£20·2 against £8·74 per acre—the average profit is also much higher—£12·81 against only £2·11 per acre. This larger profit was earned, although the revenue per £100 labour was only about 7 per cent. higher—£277 against £258.

RESULTS ON MIXED FARMS BY SIZE-GROUPS

The detailed results on the 164 mixed farms by size-groups are given in the Appendix, Table II, and a summary of the principal results is given in Table A. It may also be of interest to give the corresponding results for 1945 and 1946, but in comparing the results it should be kept in mind that the yearly samples are not exactly the same.

The classification into size-groups—up to 100 acres, 101 to 250 acres, 251 to 400 acres, and over 400 acres—is, of course, quite arbitrary. It is obvious that the management of a farm of 105 acres may be little different from one of 95 acres and very different from one of 245 acres, but the same point could be raised no matter where the dividing lines were drawn between the different groups.

TABLE A

Principal Results by Acreage-Groups for 1945, 1946 and 1947

	Year	Up to 100 acres	101 to 250 acres	251 to 400 acres	Over 400 acres
No. of farms	1945	50	83	21	29
	1946	39	81	28	31
	1947	38	71	24	31
Average size (adjusted acres)	1945	67	163	317	547
	1946	69	162	316	519
	1947	63	162	321	541
		£	£	£	£
Expenditure per 100 acres	1945	2,202	2,011	1,562	1,719
	1946	2,239	2,047	1,713	1,651
	1947	2,380	2,281	2,020	1,837
Revenue per 100 acres	1945	2,505	2,256	1,850	1,997
	1946	2,227	2,017	1,891	1,762
	1947	2,368	2,378	2,308	2,123
Profit or loss per 100 acres	1945	303	245	288	278
	1946	(–)12	(–)30	178	111
	1947	(–)12	97	288	286
Labour per 100 acres	1945	938	878	647	707
	1946	946	928	748	694
	1947	1,003	1,007	849	775
Revenue per £100 labour	1945	268	257	286	283
	1946	235	217	253	254
	1947	236	236	272	274
Capital per 100 acres	1945	1,953	1,788	1,722	1,866
	1946	1,957	1,822	1,901	1,927
	1947	2,020	1,865	2,177	2,086
Percentage profit on capital	1945	15·5	13·7	16·7	14·9
	1946	(–)0·7	(–)1·7	9·4	5·8
	1947	(–)0·6	5·2	13·2	13·7
Farms showing a profit	1945	33	53	19	24
	1946	21	44	20	25
	1947	22	42	19	26
Farms showing a loss	1945	17	30	2	5
	1946	18	37	8	6
	1947	16	29	5	5

One of the most striking features about Table II is the similarity it bears at many points to Table II in the 1946 report. In both years, the net results for the under 250-acre farms compare very badly with those from the over 250-acre farms ; in both, the cost of labour per 100 acres is much lower for the over 250 than for the under 250-acre farms, and in both years the *percentage* of labour in the total expenditure is very much the same for all the groups ; in both years, the percentage expenditure on purchased foodstuffs is appreciably higher and on purchased manures lower for the under 100-acre group than for the other groups ; and in both years the total expenditure per 100 acres falls off steadily and considerably from the under 100-acre to the over 400-acre group—in 1946 by 26·3 per cent. and in 1947 by 22·6 per cent.

On the other side of the account, the percentage of the total revenue that came from milk was in both years much higher in the under 100-acre than in the over 400-acre

group, while the total revenue per 100 acres was considerably higher in the smallest than in the largest group.

Further, in both years the capital invested per 100 acres was very much the same for all groups. In both years, the revenue obtained per £100 labour was markedly higher for the over 250 than for the under 250-acre farms.

It is quite true that since the great majority of the farms were included in both 1946 and 1947 it might be expected that the trends in the results would be the same in both years; nevertheless, it is satisfactory to find that conclusions drawn from the results of one year are so fully supported by those of the following year.

Special attention may be called to the following points in Table II.

(1) The net results for the two groups of small farms are again very far from satisfactory. Thirty-eight farms, with an average of 63 adjusted acres, showed an average *loss* of £7 per farm. Since an average of £164 per farm was charged for ordinary manual work done by the farmer there was available an average of no more than £157 per farmer to cover work done, managerial services and interest on capital. In 1946, the corresponding figure was only £141, so that over a period of two years these small farms, up to 100 acres in size, have made a very poor showing.

In the case of 71 farms between 101 and 250 acres and averaging 162 acres, there was an average profit of £157 per farm or £97 per 100 acres, after charging £113 per farm for the farmer's work, so that the gross return to cover ordinary manual work, managerial services and interest on capital averaged only £270 per farm. This is an improvement on the 1946 result of £67 per farm, but it is still far from satisfactory.

The results on the two groups of medium-sized and large farms are in marked contrast to those on the small farms. Twenty-four farms averaging 321 acres left an average profit of £925, and 31 farms averaging 541 acres an average profit of £1,544 per farm, after allowing £136 and £36 respectively for the farmer's labour. Opinions must differ rather widely about the rate of interest on their capital and the remuneration for their managerial services which these farmers might reasonably expect to receive, but even after making generous allowances for these essential factors in successful farming, it would appear that some margin would still be left for " pure " profit.

Farms in the 251 to 400-acres group showed much improved results over those for 1946—£925 against £563 per farm—and those in the over 400-acre group showed a very marked improvement—from £577 to £1,544 per farm.

(2) Table II shows that the differences in the net results for the various size-groups are the resultant of several conflicting factors.

On the *revenue* side, the advantage is with the small farms. On the under 100-acre farms, the total revenue averaged £23·7, and on the 101 to 250-acre farms £23·8 per acre against £23·1 per acre on the 251 to 400-acre and only £21·2 on the over 400-acre farms. It is perhaps disturbing to find so little connection between the total revenue and the net result. For example, the two groups of small farms had almost the same total revenue, but on one group there was an average *loss* of £12 and on the other a profit of £97 per 100 acres; on the two groups of large farms, the profit per acre was almost the same, in one group with a total revenue of £23·1 and in the other of £21·2 per acre.

The composition of the total revenue also shows wide variations: Sales of milk contributed 47·7 per cent. on the smallest, compared with 34·9 per cent. on the largest farms, while crop sales formed 46·4 per cent. on the largest and only 30·4 per cent. on the smallest farms. The conclusion might be drawn that milk production has been much less profitable than other branches of farming, but it will be shown later in this report that it is not possible, or at least inadvisable, to draw such a conclusion from results covering an assortment of farms in each group.

On the *expenditure* side, the picture is very different. The total expenditure was highest on the smallest farms—£23·8 per acre compared with only £18·4 per acre

on the farms over 400 acres, that is, expenditure per acre was 29 per cent. higher on the smallest than on the largest farms. On the under 100-acre farms, the average cost of labour was £10·03, the cost of foodstuffs £3·29 and all other items £10·48 per acre, compared with £7·75, £1·36 and £9·26 per acre on the over 400-acre farms. It is an inescapable conclusion that on the large farms the labour strength was much more economically employed than on the small farms: the revenue per £100 of labour was only £236 on the two groups of small farms against £273 on the two groups of large farms.

In view of these results, it is perhaps surprising to find that the *percentage* of labour in the total expenditure is much the same for all size-groups, but this is explained by the fact that of the increased expenditure on the smallest over the largest farms not more than 42 per cent. consists of labour. This suggests that the expenditure on the large farms was more efficiently balanced than on the small farms.

(3) As in 1946, there is no consistent relationship between the size of farm and the *capital invested*. The highest capital investment is on the 251 to 400-acre group—£21·8 per acre and the lowest on the 101 to 250-acre group—£18·6 per acre. The over 400-acre group had a slightly higher capital investment than the under 100-acre group—£20·9 against £20·2 per acre—due to the heavy investment in machinery on the large farms.

(4) The *percentage return* on the capital was about the same on the two groups of large farms—13·2 and 13·7 per cent.—but on the 101 to 250-acre group it was only 5·2 per cent., while on the under 100-acre farms there was no return at all.

(5) It is evident that farmers are still doing all they can to modernize their mechanical equipment: the average expenditure on new machinery and implements on 31 farms over 400 acres was no less than £1,639 per farm, and on 24 farms between 251 and 400 acres £548 per farm, compared with £907 and £306 respectively in 1946. Nevertheless, it is important to notice that the cost of machinery and implements (repairs and renewals, depreciation, etc.) comprised 11·1 per cent. of the total expenditure on the smallest farms against 13·6 per cent. on the largest farms, from which it would be safe to conclude that the output from machinery was relatively higher on the large than on the small farms.

(6) Once again, there are very wide variations in the net financial results, not only from one acreage-group to another, but also from farm to farm within each acreage-group. Five farms out of 31 over 400 acres showed a loss, but on the under 100-acre farms 16 out of 38 failed to show a profit.

Let us now take a broad look at the comparative results for the three years 1945, 1946 and 1947. These are summarized in the briefest possible terms in Table A. There are many features of interest in this table, but it is possible to comment on only a few of them.

First, on the 251 to 400-acre and over 400-acre groups the average profit per 100 acres was very nearly the same in 1947 as it was in 1945, but on the two groups of small farms the extent of the recovery from the "depression" of 1946 was very small. In all the size-groups, the total expenditure was higher in 1947 than in 1945—on the 251 to 400-acre farms it was no less than 30 per cent. higher compared with only 8 per cent. higher on the under 100-acre group. On the large farms, however, the increase in the total revenue kept pace with the increase in the expenditure, whereas on the small farms it lagged behind that increase—on the under 100-acre farms the revenue per 100 acres was appreciably *less* in 1947 than in 1945.

Second, although the labour expenditure per 100 acres increased in all the groups between 1945 and 1947, the amount of the increase varied considerably from £0·65 and £0·68 per acre respectively on the smallest and largest farms to £1·29 on the 101 to 250-acre and to no less than £2·02 per acre on the 251 to 400-acre group.

It is hoped that in a subsequent report it may be possible to delve more deeply into the detailed results with a view to showing *why* the general organization of the farms over 250 acres is so much stronger than on those under 250 acres. Just how very complicated the problem is may be seen by reference to Table B. In this table the farms in each acreage-group have been divided according to the percentage of the

TABLE B

Summary of Results by Type-Groups, per 100 acres—1947

Farms up to 100 acres (adjusted)

	Type A	Type B	Type C
No. of farms in group	11	12	15
Labour	1,164	1,073	820
Other expenditure	1,504	1,488	1,187
Total expenditure £	2,668	2,561	2,007
Milk and Dairy Stock	2,631	1,245	177
Other revenue	404	697	2,028
Total revenue £	3,035	1,942	2,205
Profit or Loss (–) £	367	(–)619	198

Farms between 101 and 250 acres (adjusted)

No. of farms in group	17	22	32
Labour	1,033	962	1,035
Other expenditure	1,278	1,281	1,278
Total expenditure £	2,311	2,243	2,313
Milk and Dairy Stock	1,935	1,363	534
Other revenue	301	1,050	1,894
Total revenue £	2,236	2,413	2,428
Profit or Loss (–) £	(–)75	170	115

Farms between 251 and 400 acres (adjusted)

No. of farms in group	6	8	10
Labour	967	793	813
Other Expenditure	1,200	1,020	1,295
Total expenditure £	2,167	1,813	2,108
Milk and Dairy Stock	2,244	919	398
Other revenue	341	920	2,143
Total revenue £	2,585	1,839	2,541
Profit £	418	26	433

Type A—75 per cent. or over of revenue from Milk and Dairy Stock.
Type B—40 to 74 per cent. of revenue from Milk and Dairy Stock.
Type C—Less than 40 per cent. of revenue from Milk and Dairy Stock.

total revenue which was derived from the sales of milk and dairy stock. In Type A 75 per cent. or over of the revenue came from milk and dairy stock, in Type B from 40 to 74 per cent., and in Type C less than 40 per cent. In fact, the results for the 101 to 250-acre farms were being analysed for a different purpose, but the results for the type-groups were so surprising that the same analysis was made of the other acreage-groups. (Farms over 400 acres have not been included because none of them fell into Type A.)

In the 101 to 250-acre group, the 17 farms on which an average of 87 per cent. of the revenue was obtained from milk and dairy stock there was an average *loss* of 15s. per acre, while on the 22 farms, with an average of 56 per cent. from these products, there was an average profit of 34s. per acre, and on the 32 farms, with an average of 22 per cent. dairy products, the average profit was 23s. per acre.

On the under 100-acre farms, on the other hand, 11 farms with an average of 87 per cent. from milk and dairy stock left an average profit of 73s. per acre, whereas 12 farms (average 64 per cent.) showed an average *loss* of 124s. per acre, and on 15 farms (average 8 per cent.) the average profit was 40s. per acre.

It is hard to find a better example of the way in which average results from miscellaneous groups of farms conceal a great deal more than they expose. Just why the results from the different types of farms within these two acreage-groups should point in such diametrically opposite directions is beyond the scope of this report, but obviously it is a matter which calls for consideration.

The results for the farms between 251 and 400 acres make " confusion worse confounded " because on these farms the highest average profit—86s. per acre—was obtained on the non-dairying farms while the " mixed " farms showed an average profit of only 5s. per acre and the milk producing farms one of 82s. per acre.

Table B does bring out very clearly a point that has often been emphasized in these reports, namely, that the net financial result does not depend upon either the expenditure or the revenue, but upon the *relationship* between these two things. For example, on the under 100-acre farms, the expenditure was £26·7, £25·6 and £20·1 per acre respectively on the three types, and the profit per acre £3·7, (–)£6·2, and £2 per acre respectively ; on the 101 to 250-acre farms the expenditure on Types A and C was almost the same, but there was a difference of nearly £2 per acre in the net result. Similarly, on the under 100-acre farms, the revenue on Type B was £2·6 per acre less than on Type C, but the profit was £8·2 per acre less. Nevertheless, there is some evidence that the relationship between the total revenue and the net result is much closer than in the case of the total expenditure.

Table III in the Appendix illustrates the relationship between the total expenditure, the labour expenditure and the total revenue and the profit by the results from 30 farms in the 101 to 250-acre group. In the first column, the 15 farms with the lowest expenditures per 100 acres are arranged on an increasing scale of expenditure and the profit or loss inserted against each expenditure ; similarly for the 15 farms with the highest expenditures. Each group of 15 farms is then arranged in order of ascending labour expenditure and total revenue per 100 acres and the profit or loss inserted for each labour expenditure and total revenue. This table shows :

(1) For both low and high levels of total expenditure, there is no correlation between the expenditure and the net result.
(2) For both low and high levels of labour expenditure there is no correlation between the labour expenditure and the net result.
(3) For both low and high levels of total revenue, there is a *tendency* for the highest profits to be associated with the highest total revenues.
(4) A satisfactory profit can be made from a comparatively low total revenue provided the total expenditure is on a correspondingly low level.
(5) A comparatively high total revenue does not ensure a satisfactory profit because the total expenditure may be too high.

PART II

RESULTS FOR THE SAME 70 FARMS FOR THE FIVE YEARS 1943 TO 1947

As already pointed out, the yearly sample of farms in an investigation of this kind is bound to change to some extent from year to year, and although the comparative results from the yearly samples *may* be quite valid, there is no doubt that more convincing comparisons can be made of results obtained from the *same* sample each year. During the five years 1943 to 1947, 70 farms *between 101 and 400 acres* co-operated continuously in the investigation, and it is the results from these 70 farms that are discussed in this section of the report. But first of all it may be of interest to give the comparative net results from these 70 farms and from all the farms included each year. (Only general mixed farms are included here.)

	Profit per 100 acres in				
	1943	*1944*	*1945*	*1946*	*1947*
	£	£	£	£	£
The same 70 farms ..	325	203	249	75	155
All the farms ..	291	205	271	72	211

It will be seen that the *trend* of profits is the same for both sets of results, although some of the yearly results are appreciably different. It should be kept in mind that these 70 farms are all between 101 and 400 acres in size as it was felt that better comparative samples could be obtained by omitting both the under 100-acre and the over 400-acre farms. There is no doubt that the exclusion of the over 400-acre farms explains the large difference between the two samples in 1947, since in that year these farms showed a very marked improvement over the 1946 results. (Table A.)

The detailed results for these 70 farms for the five years 1943 to 1947 are given in Table IV in the Appendix, and the following points are worthy of notice.

(1) Expenditure per acre increased steadily from £16·4 per acre in 1943 to £20·8 in 1947, that is, by 27 per cent., whereas revenue per acre showed considerable fluctuations: it was £22·4 per acre in 1947 compared with £19·7 in 1943, that is, only 14 per cent. more. Hence, the profit per acre showed very wide fluctuations, from as low as 15s. per acre in 1946 to as high as 65s. per acre in 1943.

These results exemplify very clearly the chief disability under which the farmer has had to work during this period. Expenditure has been steadily rising, largely for reasons beyond his control, but revenue, despite price revisions on an always ascending scale, has fluctuated considerably, also for reasons beyond the farmer's control, that is, seasonal conditions. It should be emphasized that on these farms the systems of farming and methods of management remained very much the same, although there were, of course, the normal changes in matters of detail: the actual cropping schedules varied from year to year according to weather conditions and other seasonal factors.

(2) The *expenditure* on labour increased steadily from £6·9 to £9·3 per acre, that is, by 35 per cent., and the proportion of the total expenditure due to labour increased from 42 to 45 per cent. Expenditure on foodstuffs, seeds, manures and rent increased only slightly between 1943 and 1947, from £5·2 to £5·7 per acre, but the cost of repairs and depreciation on machinery and implements increased by no less than 63 per cent. from £1·6 to £2·6 per acre. Together, expenditure on labour and machinery made up £3·4 out of a total increase in the expenditure of £4·4 per acre, that is, 77 per cent.

(3) The *revenue per £100 labour* fluctuated considerably from as low as £228 in 1946 to as high as £284 in 1943. In 1947, it was 15 per cent. less than in 1943 and this

suggests that the increase in the cost of labour has not been met by a corresponding increase in the farm revenue.

(4) On the *revenue* side, there was a fairly steady increase in the output from livestock and from milk between 1943 and 1946 and a very marked increase in 1947, but the returns from crop sales showed considerable fluctuations, from £8·7 per acre in 1943 to £7·8 in 1944, £8·9 in 1945, £7·3 in 1946, and £8·9 per acre in 1947. It is clear that seasonal conditions, as they affect crop yields per acre, play a very important part in determining the total revenue and the net financial result per acre—a conclusion which is indeed something of a platitude.

(5) The *percentage return on the capital* varied from only 4·2 in 1946 to 18·3 in 1943: it was 8·2 in 1947. The *capital invested* per acre did not vary a great deal: it was lowest in 1944—£17·5—and highest in 1947—£18·9 per acre.

(6) The number of farms showing a loss increased from 16 in 1943 to 29 in both 1946 and 1947.

It may be helpful to give here the principal results for these 70 farms for these five years.

	Per 100 acres				
	1943	*1944*	*1945*	*1946*	*1947*
	£	£	£	£	£
Total expenditure	1,641	1,660	1,741	1,812	2,085
Total revenue	1,966	1,863	1,990	1,887	2,240
Total profit	325	203	249	75	155
Depreciation and upkeep of machinery and implements	160	162	189	217	261
Total labour	692	729	737	826	931
Revenue per £100 labour ..	284	256	270	228	241
Capital invested	1,780	1,752	1,770	1,783	1,888
Per cent. profit on capital ..	18·3	11·6	14·1	4·2	8·2
No. of farms showing a profit	54	48	52	41	41
No. of farms showing a loss ..	16	22	18	29	29

It is not proposed to take the analysis of these 70 farms any further in this report. Analysis by type-groups would not add anything to what emerged from the analysis of a group of 63 farms in the 1946 report. This also applies to an analysis of the results for individual farms. Instead, a few general observations may be made on the investigation as a whole.

First, there is perhaps a danger of losing sight of the essential purpose of the investigation, which is, to show as accurately as possible the general financial position of farming in this " province " from year to year and, ultimately, by the amalgamation of all the provincial results to show the national position from year to year. From this point of view, Table I in the Appendix gives the essential data for 1947 and the best possible indication of the *trend* of profits during 1943 to 1947 is given in Table IV. No amount of discussion can take the place of a careful scrutiny of these tables, line by line and column by column, but first of all the schedule of definitions given in the Appendix should be carefully read.

Second, it is one of the objects of this investigation to throw light on the financial results of different types of farming, different size-groups and so on. And it is here that there is a danger of attention being distracted from its main purpose, because far more space has been taken up in discussing the results from different size-groups and different types of farming than in discussing those from the sample as a whole. It is clear that the comparative results from the different size-groups do not necessarily show the effect of the size-of-farm factor upon the net results, because each size-group contains several different types of farming. But these results do show that an *assortment* of farms under 250 acres in size yielded a much smaller profit per acre than an *assortment* of farms over 250 acres. Table B shows that the various *type*-groups within each *acreage*-group gave widely different profits per acre.

Lastly, it was hoped that the investigation would provide data that could be used as a basis for giving sound advice on farm management problems on the *individual* farm, but it was shown in the 1946 report that this objective has not so far been reached. This does not mean that there are not many cases in which the financial results do give reliable pointers as to what is wrong with the farm management, but they do not as a rule give much help as to how it could be put right. One of the chief difficulties in this connection is that almost every farm has its own special features: size, soil, layout, topography, system of farming, managerial capacity of the farmer and so on, and very little can be gained by direct comparison of the results from different farms *unless* these farms are reasonably alike in all important respects.

ACKNOWLEDGMENT

The results given in this report could not have been obtained without the active help of the farmers concerned, and to these farmers acknowledgment of their loyal co-operation is gratefully made.

SUMMARY

(1) The financial results from 164 general mixed farms and 35 specialized farms for the year 1947 and from the same 70 general mixed farms for the five years 1943 to 1947 are presented and discussed.

(2) On the 164 *mixed* farms, the net result, *before* charging interest on capital or managerial salary, but *after* charging an average of £49 per 100 acres for ordinary manual work done by the farmer, is an average profit of £211 per 100 acres, compared with £72 per 100 acres in 1946 and £271 in 1945. The return on the capital invested averaged 10·4 per cent., compared with only 3·8 per cent. in 1946. Fifty-three of the 164 farms showed a loss, compared with 69 out of 179 farms in 1946.

The average expenditure was £20·4 per acre, of which 42·8 per cent. consisted of labour and 13 per cent. of repairs and depreciation on machinery and implements. The average revenue was £22·5 per acre, of which 36·7 per cent. was derived from the sale of milk and 42·2 per cent. from the sale of crops.

(3) On the 35 *specialized* farms, the average expenditure was £43·1 per acre, the average revenue £55·9 and the average profit £12·8 per acre, equivalent to almost 48 per cent. on the invested capital. On these farms, 43·9 per cent. of the revenue came from fruit and 19·7 per cent. from hops.

(4) Analysis of the mixed farms by acreage-groups shows an average loss of £12 per 100 acres on the farms up to 100 acres and a profit of £97 per 100 acres on the 101 to 250-acre group, whereas on the 251 to 400-acre group there was an average profit of £288 and on the over 400-acre group one of £286 per 100 acres. No fewer than 45 of the 109 farms under 250 acres showed a loss.

The reasons for these differences in the net results from the different acreage-groups are briefly discussed.

(5) In a comparison of the results from the four acreage-groups for the three years 1945, 1946, and 1947, it is shown that in both 1946 and 1947 the net results on the two lowest acreage-groups were very much less satisfactory than in 1945, whereas on the two highest acreage-groups the net results in 1947 were practically the same as in 1945, after a marked falling off in 1946.

(6) Analysis of the acreage-groups, up to 100 acres, 101 to 250 acres and 251 to 400 acres, by type of farming shows that on the lowest acreage-group milk-producing farms were by far the most profitable, whereas on the 101 to 250-acre farms the " mixed " farms were most, and the milk-producing farms the least, profitable. On the 251 to 400-acre farms, the highest profit was made on the non-dairying farms while the mixed farms were the least profitable.

(7) It is shown that there is no correlation between either the total expenditure or the labour expenditure per 100 acres and the net result, but that, for both high and low levels of total revenue, there is a tendency for the highest profits to be associated with the highest total revenues.

(8) The results for a group of the *same* 70 farms between 101 and 250 acres for the five years 1943 to 1947 show considerable fluctuations in the profit per 100 acres—from as low as £75 in 1946 to as high as £325 in 1943.

(9) On these farms, the total expenditure increased steadily from £16·4 per acre in 1943 to £20·8 in 1947, that is, by 27 per cent. The expenditure on labour increased from £6·9 per acre in 1943 to £9·3 in 1947, that is, by 35 per cent. The cost of depreciation and repairs on machinery and implements increased by £1 per acre between 1943 and 1947.

The total revenue showed considerable fluctuations owing largely to seasonal conditions, and there is some evidence that the revenue has not been able to keep pace with the rising expenditure : the revenue per £100 labour was only £241 in 1947 compared with £284 in 1943.

(10) It is emphasized that the main purpose of this investigation is to show the general financial position of farming from year to year.

(11) A schedule of definitions and the detailed results in Tables I to IV are given in an Appendix.

WYE COLLEGE,
NEAR ASHFORD, KENT.

17th November, 1948.

APPENDIX

SCHEDULE OF DEFINITIONS

Adjusted Acreage. Allowance is made for rough grazing and other relatively poor land.

EXPENDITURE.

Labour. Hired: All hired labour, including salaried management. Family: Allowance for work done by relations and family workers. Farmer: Manual work done by the farmer.

Foods. All purchased foodstuffs, hay, straw and payment for stock put out to keep.

Note.—In arriving at the expenditure figures for foods, seeds, manures and sundries, the opening and closing stocks on hand are taken into account.

Seeds. All seeds, plants, bushes and trees purchased.

Manures. All mixtures, lime, slag, organic and other manures. Subsidies on slag and lime are deducted. No allowance is made for home produced farmyard manure.

Rent and Rates. Rent and/or rental value of the occupied land, rates on the farmhouse and cottages and drainage rates.

Repairs. Repairs to machinery and implements and the cost of small tools.

Fuel. Petrol, paraffin, oil, coke and coal.

Contract Work. Work done by contractors and hire of implements.

Sundries. All other expenses not included above.

Implement Depreciation is obtained by adding together the opening valuation and the cost of new implements and deducting the closing valuation and sales of implements.

Horse Depreciation is obtained by adding together the opening valuation and purchases and deducting the closing valuation and sales.

REVENUE.

Livestock Output is arrived at by deducting the opening valuation plus purchases from the closing valuation plus sales.

Milk. All wholesale and retail milk, excluding allowances to workers and the farmhouse, minus milk purchased.

Crops. Sales of crops plus valuation of harvested and growing crops and tillages at the end of the year, *minus* the valuation of harvested and growing crops and tillages at the beginning of the year.

Fruit. All fruit sales.

Hops. All hop sales.

Sundries. Allowances for milk and other produce to workers and to farmhouse; also rent and rates on farmhouse and cottages, and all other sales not included above.

Government Grants. The grant for ploughing up eligible pastures, and assistance towards drainage and water supply schemes. Crop acreage payments appear under crops.

PROFIT.

Realized. The excess of receipts over payments.

Unrealized. The amount by which the total valuations at the end of the year exceed those at the beginning of the year.

AVERAGE VALUATIONS.

The average of the opening and closing valuations of live and dead stock, etc.

CAPITAL INVESTED.

Taken as equivalent to the average valuations.

TABLE I

Average Results for 1947

	General Mixed Farms			Specialized Farms		
No. of farms	164			35		
Average acreage (total)	247			164		
Average acreage (adjusted)	233			152		
	Per farm	Per 100 acres (adjusted)	Per cent.	Per farm	Per 100 acres (adjusted)	Per cent.
EXPENDITURE	£	£	%	£	£	%
Labour: Hired	1,896	812	39·8	2,908	1,917	44·5
Family	30	13	0·6	44	29	0·7
Farmer	114	49	2·4	112	74	1·7
TOTAL	2,040	874	42·8	3,064	2,020	46·9
Foodstuffs	420	180	8·8	218	144	3·3
Seeds	330	141	6·9	344	227	5·3
Manures	311	133	6·5	575	379	8·8
Rent and Rates	330	141	7·0	306	200	4·6
Repairs and renewals	381	163	8·0	543	358	8·3
Depreciation on machinery, etc.	226	97	4·7	295	194	4·5
Fuel	229	98	4·8	233	154	3·6
Contract work	150	64	3·1	101	67	1·6
Sundries	338	145	7·1	847	558	13·0
Depreciation on horses	12	6	0·3	7	5	0·1
TOTAL EXPENDITURE	4,767	2,042	100·0	6,533	4,306	100·0
Capital invested	4,747	2,033	—	4,019	2,650	—
REVENUE						
Livestock output:						
Cattle	502	215	9·5	208	137	2·5
Sheep	235	101	4·5	139	92	1·6
Pigs	77	33	1·5	97	64	1·1
Poultry and eggs	57	24	1·1	31	20	0·4
TOTAL	871	373	16·6	475	313	5·6
Milk	1,932	828	36·7	534	352	6·3
Crops, other than fruit and hops	2,032	871	38·6	1,890	1,246	22·3
Fruit	190	81	3·6	3,722	2,453	43·9
Hops	—	—	—	1,670	1,101	19·7
Sundries	186	80	3·5	179	118	2·1
Government grants	47	20	1·0	6	4	0·1
TOTAL REVENUE	5,258	2,253	100·0	8,476	5,587	100·0
PROFIT: Realized	226	97	—	1,527	1,007	—
Unrealized	265	114	—	416	274	—
TOTAL	491	211	10·4	1,943	1,281	48·4
Revenue per £100 labour	258	—	—	277	—	—
Cost of new machinery and implements	582	249	—	612	403	—
Sales of machinery and implements	111	48	—	86	57	—
No. of farms showing a profit	111	—	—	30	—	—
No. of farms showing a loss	53	—	—	5	—	—

TABLE II

General Mixed Farm Results for 1947 by Size-Groups

Size group (adjusted acres)	Per farm				Per 100 acres (adjusted)				Per cent.			
	up to 100	101 to 250	251 to 400	over 400	up to 100	101 to 250	251 to 400	over 400	up to 100	101 to 250	251 to 400	over 400
No. of farms in group	38	71	24	31								
Average size of farms (adjusted)	63	162	321	541								
EXPENDITURE	£	£	£	£	£	£	£	£	%	%	%	%
Labour: Hired	443	1,477	2,578	4,125	703	913	802	763	29·6	40·0	39·7	41·5
Family	25	39	14	29	40	24	5	5	1·6	1·1	0·2	0·3
Farmer	164	113	136	36	260	70	42	7	10·9	3·1	2·1	0·4
TOTAL	632	1,629	2,728	4,190	1,003	1,007	849	775	42·1	44·2	42·0	42·2
Foodstuffs	207	330	618	735	329	204	192	136	13·8	8·9	9·5	7·4
Seeds	71	256	447	727	114	158	139	134	4·8	6·9	6·9	7·3
Manures	70	228	363	756	111	141	113	140	4·7	6·2	5·6	7·6
Rent and rates	113	241	466	698	179	149	145	129	7·5	6·5	7·2	7·0
Repairs and renewals	95	270	510	889	151	167	159	164	6·3	7·3	7·9	8·9
Depreciation on machinery, etc.	72	179	302	464	114	110	94	86	4·8	4·8	4·6	4·7
Fuel	50	167	274	559	80	103	85	103	3·4	4·6	4·2	5·6
Contract work	73	110	291	230	116	68	90	43	4·9	3·0	4·5	2·3
Sundries	110	271	470	671	174	168	146	124	7·3	7·3	7·2	6·8
Depreciation on horses	6	10	24	14	9	6	8	3	0·4	0·3	0·4	0·2
TOTAL EXPENDITURE	1,499	3,691	6,493	9,933	2,380	2,281	2,020	1,837	100·0	100·0	100·0	100·0
Cost of new machinery and implements	148	368	548	1,639	235	227	170	303				
Sales of machinery and implements	15	71	88	339	23	44	28	63				
Capital invested	1,272	3,019	6,997	11,277	2,020	1,865	2,177	2,086				

TABLE II—*continued*

General Mixed Farm Results for 1947 by Size-Groups

Size group (adjusted acres)	Per farm				Per 100 acres (adjusted)				Per cent.			
	up to 100	101 to 250	251 to 400	over 400	up to 100	101 to 250	251 to 400	over 400	up to 100	101 to 250	251 to 400	over 400
REVENUE	£	£	£	£	£	£	£	£	%	%	%	%
Livestock output:												
Cattle	68	320	1,136	965	109	197	354	178	4·6	8·3	15·3	8·4
Sheep	41	132	430	560	64	82	134	104	2·7	3·4	5·8	4·9
Pigs	21	38	222	123	33	23	69	23	1·4	1·0	3·0	1·1
Poultry and eggs	82	56	77	13	130	35	23	2	5·5	1·5	1·0	0·1
TOTAL	212	546	1,865	1,661	336	337	580	307	14·2	14·2	25·1	14·5
Milk	712	1,563	2,293	4,007	1,131	966	714	741	47·7	40·6	30·9	34·9
Crops, other than fruit and hops	402	1,359	2,819	4,985	638	840	877	922	26·9	35·3	38·0	43·4
Fruit	53	205	165	339	84	127	51	63	3·5	5·3	2·2	3·0
Hops	—	—	—	—	—	—	—	—	—	—	—	—
Sundries	107	163	252	286	170	101	79	53	7·2	4·3	3·4	2·5
Government grants	6	12	24	199	9	7	7	37	0·5	0·3	0·4	1·7
TOTAL REVENUE	1,492	3,848	7,418	11,477	2,368	2,378	2,308	2,123	100·0	100·0	100·0	100·0
Profit or loss (–)	(–)7	157	925	1,544	(–)12	97	288	286				
Per cent. profit on capital	(–)0·6	5·2	13·2	13·7								
Revenue per £100 labour	236	236	272	274								
No. of farms showing a profit	22	42	19	26								
No. of farms showing a loss	16	29	5	5								

TABLE III

Relationship between Net Result and Total Expenditure, Labour Expenditure and Total Revenue

Per 100 acres

Total expenditure	Profit or loss (–)	Labour expenditure	Profit or loss (–)	Total revenue	Profit or loss (–)
£	£	£	£	£	£
659	657	259	(–)161	759	(–)283
879	(–) 85	348	657	794	(–) 85
943	262	433	(–)327	815	(–)327
1,042	(–)283	480	(–) 47	894	(–)161
1,055	(–)161	480	262	1,103	(–) 47
1,142	(–)327	498	(–) 85	1,205	262
1,150	(–) 47	518	539	1,259	(–) 40
1,167	521	523	526	1,316	657
1,173	526	554	(–) 40	1,330	(–)120
1,299	(–) 40	590	(–)283	1,576	257
1,319	257	658	521	1,628	161
1,450	(–)120	667	161	1,688	521
1,467	161	668	257	1,699	526
1,483	348	733	(–)120	1,831	348
1,587	539	765	348	2,126	539
2,960	1,412	1,121	297	2,455	(–)590
2,965	(–)381	1,312	8	2,498	(–)562
3,005	(–)338	1,340	404	2,584	(–)381
3,045	(–)590	1,376	1,412	2,617	(–)338
3,060	(–)562	1,378	(–)388	2,873	(–)966
3,194	8	1,388	(–)562	3,202	8
3,345	297	1,402	(–)381	3,368	(–)471
3,359	228	1,541	1,061	3,587	228
3,665	683	1,618	(–)590	3,642	297
3,736	404	1,625	228	3,675	(–)1,467
3,834	(–)471	1,673	683	4,140	404
3,839	(–)966	1,687	(–)471	4,348	683
4,172	1,061	1,822	(–)966	4,372	1,412
5,140	684	2,260	684	5,233	1,061
5,142	(–)1,467	2,430	(–)1,467	5,824	684

TABLE IV

Results for same 70 General Mixed Farms over Five Years

Per 100 acres (adjusted)

	1943	1944	1945	1946	1947
Average acreage (adjusted)	200	209	210	214	215
EXPENDITURE	£	£	£	£	£
Labour: Hired	624	661	675	763	861
Family	18	19	15	14	21
Farmer	50	49	47	49	49
TOTAL	692	729	737	826	931
Foodstuffs	161	148	174	157	172
Seeds	123	125	124	103	135
Manures	104	107	113	105	117
Rent and rates	134	132	137	138	144
Repairs and renewals and depreciation on machinery, etc.	160	162	189	217	261
Fuel	69	71	74	71	94
Contract work	59	55	62	67	81
Sundries	132	123	125	122	146
Depreciation on horses	7	8	6	6	4
TOTAL EXPENDITURE	1,641	1,660	1,741	1,812	2,085
Capital invested	1,780	1,752	1,770	1,783	1,888
REVENUE					
Livestock output:					
Cattle	118	120	110	139	242
Sheep	87	80	96	88	106
Pigs	12	13	19	15	20
Poultry and eggs	19	19	24	24	32
TOTAL	236	232	249	266	400
Milk	744	742	757	798	832
Crops (including fruit)	867	779	892	728	890
Sundries	92	102	86	88	113
Government grants	27	8	6	7	5
TOTAL REVENUE	1,966	1,863	1,990	1,887	2,240
PROFIT	325	203	249	75	155
Per cent. profit on capital	18·3	11·6	14·1	4·2	8·2
Revenue per £100 labour	284	256	270	228	241
No. of farms showing a profit	54	48	52	41	41
No. of farms showing a loss	16	22	18	29	29

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