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WYE COLLEGE  
(UNIVERSITY OF LONDON)

DEPARTMENT OF ECONOMICS

# Farm Management Survey

## REPORT No. III

Financial Results for 1948 and for the  
Five Years 1944 to 1948

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 1948 AND FOR THE FIVE YEARS 1944 TO 1948\*

THE results given in the first part of this report cover a year ending at various dates between Michaelmas, 1948 and Ladyday, 1949: in 76 cases the accounts were closed on or about Michaelmas, 1948, in 24 cases about the end of 1948, in 78 cases on or about Ladyday, 1949 and in 22 cases at various other dates. Broadly speaking, the results so far as crops are concerned refer to the 1948 cropping year and for convenience they will be called the results for the year 1948. 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 61 farms for the five years 1944 to 1948.

### 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 1948 sample includes 200 farms which fall into two groups. The first and main group consists of 168 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 32 "specialized" farms on which the principal sale products are fruit, hops and market garden crops in varying proportions. Of the 168 mixed farms, 102 are in Kent, 14 in Surrey, 29 in East Sussex and 23 in West Sussex; of the 32 specialized farms, 30 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. H. Hooper and Mr. R. F. Lord. The summary tables in the Appendix were prepared by Mr. J. M. Brewin. 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, for one reason or another, in 1946 ; of the 179 mixed farms included in 1946, 31 or 17.3 per cent. did not co-operate in 1947 ; and of the 164 mixed farms in 1947, 18 or 11 per cent. were not included in 1948. It is obvious, therefore, that in order to maintain the size of the sample a number of new farms must be introduced each year.

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 1948, despite the fact that the market price of the cows in 1948 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 1948 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 about £22 per acre and this figure may be criticized on the ground that it would require a great deal more than £22 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 1948 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 168 mixed farms in 1948 are given in the Appendix, Table I. The net result, *before* charging managerial salary or interest on capital, whether paid or not, but *after* charging an average of £13 per 100 acres for unpaid family labour and £47 per 100 acres for ordinary manual work done by the farmer, is an average profit of £341 per 100 acres, equivalent to an average return of 15.5 per cent. on the capital (as here calculated).

The total expenditure, *as above defined*, averaged £22.09 per acre, of which the cost of labour made up no less than 42.3 per cent. or £9.35 per acre. The next largest item was the cost of maintenance and depreciation on machinery and implements which averaged £3.18 per acre or 14.4 per cent. of the total expenditure. Rent and rates amounted to £1.44 per acre or 6.5 per cent. of the total while the cost of purchased foodstuffs, seeds and manures made up 9.2, 6.4 and 6.5 per cent. respectively of the total expenditure.

It follows that on these farms an increase of 10 per cent. in the cost of labour would have the same effect on the expenditure, other things remaining equal, as an increase of 46 per cent. in the price of purchased foodstuffs or of 65 per cent. in the rent (and rates).

The total revenue, *as above defined*, averaged £25.5 per acre, of which £13.93 per acre or 54.7 per cent. was derived from livestock, especially dairy cows, and £10.29 per acre or 40.3 per cent. from crops. Sales of milk averaged £9.96 per acre or 39.1 per cent. of the total revenue while the net output from sheep, pigs and poultry comprised only 6.4 per cent. of the total or £1.63 per acre.

The average capital investment in these farms, *as here calculated*, was £21.94 per acre and in this connection it is worth noticing that the expenditure on new machinery and implements averaged no less than £700 per farm.

It may be asked: Is the average net return of £861 a reasonable profit for a farm of 275 acres (253 adjusted acres)? The first claim on this £861 is on account of interest actually paid on bank overdrafts and borrowed capital. This amount is not known, since interest charges do not fall within the purview of the investigation, but it is something which cannot be entirely ignored. The next charge on the profit is, of course, Income Tax and although it is impossible even to estimate the amount of tax payable on an "income" of £861, after making the necessary adjustments for "farmer's labour", purchases and sales of machinery and implements and so on, it is fairly certain that the payment of tax would seriously affect the sum available for other purposes.

The third charge on the profit, in at least the great majority of cases, is the living expenses of the farmer and his household. No matter how moderate an allowance may be made on this account, the conclusion is inescapable that the average farmer had very little left out of the profit of £861 with which to purchase new machinery, improve the farm buildings and so on without obtaining additional capital from one source or another.

The same conclusion is reached in another way. The *net* expenditure on machinery and implements in 1948 was £591 per farm and it is clear that it must have been impossible to finance these purchases out of a profit of £861 without additional capital.

That this conclusion has an important bearing upon the increased food production campaign there can hardly be any doubt.

It may be of interest to give here a very brief summary of the results for 1948 and to compare them with those for 1945, 1946 and 1947.

	1945	1946	1947	1948
No. of farms .. .. .	183	179	164	168
Average size (adjusted acres) ..	215	228	233	253
	£	£	£	£
Expenditure per 100 acres ..	1,834	1,831	2,042	2,209
Revenue " " " ..	2,105	1,903	2,253	2,550
Profit " " " ..	271	72	211	341
Total labour per 100 acres ..	775	798	874	935
Revenue per £100 labour ..	271	239	258	273
Capital invested per 100 acres ..	1,823	1,889	2,033	2,209
Percentage profit on capital ..	14.8	3.8	10.4	15.5
No. of farms showing a profit ..	129	110	111	129
No. of farms showing a loss ..	54	69	53	39

It will be seen that the average profit of £3.41 per acre was the highest for these four years and compares very favourably with the profit of only £0.72 per acre in 1946. The expenditure in 1948 was £3.75 per acre or 20 per cent. higher in 1948 than in 1945 but the revenue increased by £4.45 per acre or 21 per cent. and the profit by £0.75 per acre or 29 per cent.

The cost of labour advanced from £7.75 per acre in 1945 to £9.35 per acre in 1948, that is, by 21 per cent. and it is worth noticing that despite the appreciably higher profit the revenue per £100 labour was practically the same in 1948 as in 1945.

The heavy and sudden fall in both the production and profit per acre in 1946 is probably a measure of the extent to which farming plans may be upset by conditions beyond the farmer's control: it seems very unlikely that the average managerial efficiency of this group of farmers differed a great deal from one year to another.

**SPECIALIZED FARMS.** The detailed results for 32 specialized farms are given in the Appendix, Table I and the following comparative summary of the results for 1945 to 1948 may be of interest.

	1945	1946	1947	1948
No. of farms .. .. .	21	32	35	32
Average size (adjusted acres) ..	126	139	152	167
	£	£	£	£
Expenditure per 100 acres ..	4,099	3,903	4,306	4,656
Revenue per 100 acres .. ..	6,743	4,804	5,587	5,643
Profit per 100 acres .. .. .	2,644	901	1,281	987

Labour per 100 acres .. ..	1,916	1,843	2,020	2,259
Revenue per £100 labour .. ..	352	260	277	250
Capital invested per 100 acres .. ..	2,564	2,592	2,650	3,017
Percentage profit on capital .. ..	103·1	34·8	48·4	32·7
No. of farms showing a profit .. ..	19	25	30	22
No. of farms showing a loss .. ..	2	7	5	10
	£	£	£	£
Sales of fruit per 100 acres .. ..	3,699	1,872	2,453	2,138
Sales of hops per 100 acres .. ..	1,322	786	1,101	1,084
Sales of other crops per 100 acres .. ..	1,212	1,352	1,246	1,404

The trend of profits on these specialized farms is quite different from that on the mixed farms: 1945 was by far the best year and 1948 was well behind 1947. In sheer monetary output per acre, the specialized farms are far ahead of the mixed farms: in 1948 the average revenue per acre was £56·4 against only £25·5 on the mixed farms; but the expenditure was also on a much higher level: £46·6 in 1948 compared with £22·1 on the mixed farms. In 1948, the cost of labour per acre was itself rather greater than the *total* expenditure on the mixed farms—£22·6 against £22·1. It is because of the relatively high cost per acre of labour, as well as of the relatively high percentage of labour in the total expenditure (48·5 per cent. in 1948), that the revenue per £100 labour was actually less on the specialized than on the mixed farms (£250 against £273), despite the much higher profit per acre.

It is not proposed to discuss the results from the specialized farms in great detail: although they form a very important part of the farming of several districts in Kent they are primarily concerned with the production of special products, such as hops and fruit, in which the general body of farmers have only an indirect interest.

TABLE A

*Distribution of Farms by Profitability per 100 acres*

Size-Group (adjusted acres)	Up to 100 acres	101 to 250 acres	251 to 400 acres	over 400 acres	All Farms
Loss over £800 per 100 acres .. ..	3	1	0	0	4
£601-800 .. ..	1	2	0	0	3
£401-600 .. ..	2	5	0	0	7
£201-400 .. ..	4	3	1	3	11
£0-200 .. ..	2	8	3	1	14
PROFIT £0-200 per 100 acres .. ..	11	14	2	2	29
£201-400 .. ..	6	14	7	18	45
£401-600 .. ..	6	11	2	5	24
£601-800 .. ..	2	7	3	1	13
over £800 .. ..	2	5	5	6	18
No. of farms showing a profit .. ..	27	51	19	32	129
No. of farms showing a loss .. ..	12	19	4	4	39
Average profit per 100 acres .. ..	£ 90	221	455	409	341



PROFITABLE AND UNPROFITABLE FARMS. One important, and to many people surprising, feature of the financial results given above is the number of farms which failed to show a profit. On the mixed farms, it ranged from 23 per cent. in 1948 to 39 per cent. in 1946 and on the specialized farms from two out of 21 in 1945 to 10 out of 32 in 1948. The evidence is quite clear that, despite guaranteed prices and markets for the great bulk of the commodities produced on these farms, there was a varying, but always significant, proportion of farmers who could not make ends meet. Unfortunately, beyond showing that the expenditure on these farms was greater than the revenue, this investigation does not attempt to explain with any degree of sureness just *why* they failed to make a profit.

The extent of the variation in the profitability of farming is clearly shown in Table A which gives the distribution of the general mixed farms according to the net result *per 100 acres*.

It will be seen that of the 59 farms over 250 acres, 8 showed a loss which in no case exceeded £4 per acre, whereas of the 109 farms under 250 acres, 31 failed to show a profit and in 14 cases the loss was over £4 per acre. The detailed results for the different size-groups are given in the next section.

#### RESULTS ON MIXED FARMS BY SIZE-GROUPS

The detailed results on the 168 mixed farms by size-groups are given in the Appendix, Table II. 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 clear that a farm of 105 acres is likely to have more points in common with one of 95 than with one of 245 acres but the same difficulty would arise no matter where the dividing lines were drawn: a closer sub-division would result in only a very small number of farms falling into each group.

Table B gives a condensed version of Table II and may help to show up the salient points of difference between the acreage-groups.

The chief features of Tables II and B are as follows:

(1) The average computed profit on the farms under 100 acres was only £59 per farm but since £173 per farm was charged for ordinary work done by the farmer there was actually £232 per farm available for the living expenses of the farmer and his household. In other words, *the average farmer in this group earned nothing on his capital and less than the minimum agricultural wage for his work and management.*

In the 101 to 250 acres group, the average computed profit was £360 per farm, after allowing £115 for the farmer's work: that is, the average farmer earned 5 per cent. on his capital and nearly £6 per week for his work and management.

The financial position on the farms over 250 acres was much stronger, since the profit was sufficient to pay 5 per cent. on the capital, a reasonable salary for management and still leave something for "pure" profit. Nevertheless, the *cash* position was worsened by the heavy expenditure on new machinery and implements: on the 251 to 400 acres farms there was a net expenditure on this account of £736 out of a profit of £1,472 and on the over 400 acres farms of no less than £1,456 out of a profit of £2,386. It seems unlikely that, after allowing for tax payments and living expenses, the heavy expenditure on new equipment could be entirely met out of the profits.

TABLE B

## Summary of Results per 100 acres by Acreage-Groups

Size-Group	Up to 100 acres	101 to 250 acres	251 to 400 acres	over 400 acres
No. of farms in group .. .. .	38	70	23	36
Average size of farms (adjusted acres) .. .. .	65	163	323	584
EXPENDITURE :	£	£	£	£
Labour: Hired .. .. .	773	967	784	863
Family .. .. .	29	22	9	8
Farmer .. .. .	264	71	45	9
TOTAL .. .. .	1,066	1,060	838	880
Foodstuffs .. .. .	394	230	182	170
Seeds and Manures .. .. .	240	261	277	302
Rent and rates .. .. .	185	151	137	138
Depreciation and Maintenance of Machinery and Implements .. .. .	325	313	294	326
Contract work .. .. .	127	69	62	51
Fuel .. .. .	92	104	91	97
Sundries .. .. .	201	199	165	141
TOTAL EXPENDITURE .. .. .	2,630	2,387	2,046	2,105
REVENUE :				
Livestock output :				
Cattle .. .. .	253	198	273	238
Sheep .. .. .	86	106	164	78
Pigs .. .. .	52	27	30	23
Poultry .. .. .	145	56	36	11
TOTAL .. .. .	536	387	503	350
Milk .. .. .	1,295	1,243	836	880
Crops .. .. .	732	841	1,030	1,166
Sundries .. .. .	157	137	132	118
TOTAL REVENUE .. .. .	2,720	2,608	2,501	2,514
PROFIT .. .. .	90	221	455	409
Capital Invested .. .. .	2,364	2,119	2,081	2,227
Percentage of Profit on Capital .. .. .	3.8	10.4	21.9	18.3
Revenue per £100 labour .. .. .	£ 255	246	298	286
Cost of New Machinery and Implements .. .. .	£ 288	239	257	305
Sales of Machinery and Implements .. .. .	£ 45	27	29	55
No. of farms showing a profit .. .. .	27	51	19	32
No. of farms showing a loss .. .. .	11	19	4	4

(2) What may be called the *comparative profit*, that is, the profit obtained after charging unpaid family labour and ordinary work done by the farmer, was much higher on the over 250 acres than on the under 250 acres farms. On 38 farms, averaging 65 acres, the average profit per acre was only 18s. and on 70 farms, averaging 163 acres, it was 44s. per acre, whereas on 23 farms, averaging 323 acres, the average profit per acre was 91s. and on 36 farms, averaging 584 acres, it was 81s.

It must again be emphasized that the difference in the profitability from one size-group to another may not be due entirely, or even mainly, to the size-factor since the different types of farming may not be evenly spread over the different groups. (See Table D.)

(3) The total *expenditure* ranged from £26.3 per acre on the smallest farms to only £21.05 on the over 400 acres group. Of this difference, £5.25 per acre, the cost of labour accounted for £1.86, the cost of foodstuffs £2.24 and the cost of contract work £0.76, leaving a net difference of £0.39 for all other items. It is worth noticing, however, that the largest farms spent £8.63 per acre on hired labour against £7.73 for the smallest farms. On the other hand, the *percentage* of labour in the total expenditure did not differ very widely: 40.5 on the smallest and 41.8 on the largest farms.

(4) The total *revenue* per acre was £27.2 on the up to 100 acres group and £25.14 on the over 400 acres group and the make-up of the revenue varied considerably from group to group.

Sales of milk and (net) sales of cattle comprised 56.9 per cent. of the revenue on the up to 100 acres group compared with only 44.5 per cent. on the over 400 acres group whereas crop sales made up 46.4 per cent. of the revenue on the largest and only 27 per cent. on the smallest farms. It is clear, therefore, that whatever the effect of the size-factor on the profit per acre, the difference between the smallest and largest farms is likely to be partly due to the type-of-farming factor.

(5) The average *capital investment* per acre did not vary a great deal from the average of £22.09 per acre: it was £23.64 on the up to 100 acres group and £20.81 on the 251 to 400 acres group but in view of the method of computing the capital the differences between the acreage-groups are probably not significant.

(6) The *percentage profit* on the capital ranged from only 3.8 on the up to 100 acres group to 21.9 per cent. on the 251 to 400 acres group. Had the capital requirements been assessed on the basis of current prices for live and dead stock, etc., these percentage return figures would have been considerably lower: a point of much importance to anyone embarking on farming under present conditions.

(7) The *revenue per £100 labour* varied in a rather curious way: it was £255 for the up to 100 acres group, fell to £246 for the 101 to 250 acres group and then rose to £298 for the 251 to 400 acres group. Once again it would appear that there is no close relationship between the revenue per £100 labour and the profit per acre, perhaps not so very surprising if it is kept in mind that the cost of labour forms only about 40 per cent. of the total expenditure and that the total revenue is the result of a combination of a great many factors—labour, foodstuffs, manures, etc. Further, the amount of contract work was much higher on the up to 100 acres group than on the other groups and it is obvious that this must affect the revenue obtained from £100 of farm labour: if most of the work was done on contract the revenue per £100 *farm* labour might easily reach astronomical amounts.

(8) The net expenditure on *new machinery and implements* did not vary a great deal: it was £2.43 per acre on the smallest and £2.5 on the largest farms, against an average of £2.38 per acre over all the farms. It helps to keep things in perspective to find that a net expenditure on new machinery and implements of £160 *per farm* on farms averaging 65 acres means nearly the same expenditure *per acre* as one of £1,456 per farm on farms averaging 584 acres. Only depreciation on the new machinery and implements is brought into the expenditure and it is worth noticing that the cost per acre of depreciation, repairs and maintenance averaged almost exactly the same on the smallest and on the largest farms: £3.25 against £3.26, while the percentage of these costs in the total expenditure was 15.5 on the largest against only 12.4 on the smallest farms.

(9) The distribution of the farms in the various size-groups according to profitability has been shown in Table A and this analysis serves to emphasize the

greater financial strength of the farms over 250 acres. It is particularly significant that whereas 14 of the farms under 250 acres showed a loss of over £4 per acre not one of the farms over 250 acres showed such a heavy loss.

TABLE C

*Principal Results by Acreage-Groups for 1945, 1946, 1947 and 1948*

	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
	1948	38	70	23	36
Average size (adjusted acres) .. .. .	1945	67	163	317	547
	1946	69	162	316	519
	1947	63	162	321	541
	1948	65	163	323	584
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
	1948	2,630	2,387	2,046	2,105
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
	1948	2,720	2,608	2,501	2,514
Profit or loss per 100 acres .. .. .	1945	303	245	288	278
	1946	(-12)	(-30)	178	111
	1947	(-12)	97	288	286
	1948	90	221	455	409
Labour per 100 acres .. .. .	1945	938	878	647	707
	1946	946	928	748	694
	1947	1,003	1,007	849	775
	1948	1,066	1,060	838	880
Revenue per £100 labour .. .. .	1945	268	257	286	283
	1946	235	217	253	254
	1947	236	236	272	274
	1948	255	246	298	286
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
	1948	2,364	2,119	2,081	2,227
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
	1948	3.8	10.4	21.9	18.3
Farms showing a profit .. .. .	1945	33	53	19	24
	1946	21	44	20	25
	1947	22	42	19	26
	1948	27	51	19	32
Farms showing a loss .. .. .	1945	17	30	2	5
	1946	18	37	8	6
	1947	16	29	5	5
	1948	11	19	4	4

## RESULTS FOR FOUR YEARS, 1945 TO 1948, BY SIZE-GROUPS

It is generally recognized that financial results in farming depend to a large extent upon seasonal conditions beyond the farmer's control and it is always advisable, though not always possible, to review the results for any one year against a background of the results over a period of years. Table C summarizes the principal results, by size-groups, for the four years 1945 to 1948. Attention may be drawn to the following points.

(1) In each year, the expenditure per 100 acres is considerably higher on the farms under than on those over 250 acres and, except in 1945, the higher revenue on the smaller farms is not sufficient to counter-balance the higher expenditure so that, except in 1945, the larger farms have a considerable advantage in profit per 100 acres. In other words, the larger farms produce food more economically but they produce less of it per acre. However, this comparison between large and small farms must not be pushed too far, since the capital expenditure necessary to convert the small farms into large ones or the large farms into small ones would be extremely heavy.

(2) It will be noticed that the net results in 1945 do not conform to those of 1946, 1947 and 1948 chiefly because of the exceptionally high revenue on the farms up to 250 acres.

(3) In each year, the labour cost per 100 acres is much higher on the smaller than on the larger farms and the revenue per £100 labour is appreciably lower on the small farms. These differences are no doubt partly due to the size-factor but they may be also due to the types of farming practised on the different size-groups.

(4) In each group, there is a steady increase in the expenditure from 1945 to 1948—19 per cent. between 1945 and 1948 on the group of smallest farms and 22 per cent. on the group of largest farms. The revenue, on the other hand, fell sharply in 1946 and then rose substantially in 1947 and 1948—on the smallest farms it was fully 8 per cent. higher in 1948 than in 1945 and on the largest farms it was 26 per cent. higher. Here also the larger farms gained a considerable advantage over the smaller ones.

(5) These results illustrate one of the dilemmas of the price-fixing authorities. On the evidence of Table C it must be extremely difficult to fix prices which will be "fair and reasonable" to the smaller farmers without being over-generous to the larger ones.

It has already been pointed out that the differences shown in the acreage-group results may be due partly to the type of farming as well as to the size of the farm. In Table D the results of three of the acreage-groups are sub-divided according to the percentage of the total revenue derived from milk sales, this, of course, being only one basis for sub-division.

This analysis might be expected to give some guidance as to the relative profitability of farms on which milk production was either the most important or an important enterprise (Types A and B) and those on which it was either of little or no importance (Types C and D) but what it does show is that the average profit for any group of farms depends not only upon the size of the farm and the importance of the milk production enterprise but also upon other factors, of which managerial capacity is probably the most important. For example, on the up to 100 acres group it is highly improbable that the large difference in the average profit for types B and C (£1,175 per 100 acres) can be entirely or even mainly attributed to the difference in the type of farming. In the 101 to 250 acres group, the difference of £301 in the profit per 100 acres between Types A and B is probably partly due to a difference in the average managerial capacity in the two type-groups and this also applies to Types B and C in the 251 to 400 acres group.

Put in another way, it may be concluded that the number of farms in each acreage-group type is not large enough to ensure that the average managerial efficiency is about the same for each type-group.

TABLE D  
Summary of Results by Type-Groups per 100 acres (adjusted)

(1) Up to 100 acres				
	Type A	Type B	Type C	Type D
No. of farms in group .. .. .	12	9*	6	11
Labour .. .. .	£ 1,298	£ 925	£ 1,098	£ 888
Other expenditure .. .. .	1,577	1,534	2,118	1,255
Total expenditure .. .. .	2,875	2,459	3,216	2,143
Milk .. .. .	2,363	1,780	684	—
Other revenue .. .. .	748	998	1,676	2,423
Total revenue .. .. .	3,111	2,778	2,360	2,423
Profit or Loss (-) .. .. .	236	319	(-856)	280
(2) Between 101 and 250 acres				
No. of farms in group .. .. .	13	29	15	13
Labour .. .. .	1,293	1,034	1,163	712
Other expenditure .. .. .	1,525	1,380	1,413	847
Total expenditure .. .. .	2,818	2,414	2,576	1,559
Milk .. .. .	2,315	1,495	817	—
Other revenue .. .. .	523	1,240	1,944	1,789
Total revenue .. .. .	2,838	2,735	2,761	1,789
Profit .. .. .	20	321	185	230
(3) Between 251 and 400 acres				
No. of farms in group .. .. .	**	7	8	6
Labour .. .. .	—	837	907	678
Other expenditure .. .. .	—	1,176	1,156	1,088
Total expenditure .. .. .	—	2,013	2,063	1,766
Milk .. .. .	—	1,204	624	—
Other revenue .. .. .	—	1,044	2,075	2,086
Total revenue .. .. .	—	2,248	2,699	2,086
Profit .. .. .	—	235	636	320

Type A—70 per cent. and over of revenue from milk.

Type B—40 to 69 per cent. of revenue from milk.

Type C—Less than 40 per cent. of revenue from milk.

Type D—Non-milk-producing farms.

\* One farm excluded because of the highly abnormal results.

\*\* Two farms only.

## PART II

RESULTS FOR THE SAME 61 FARMS FOR THE FIVE YEARS  
1944 TO 1948

In view of the unavoidable changes in the make-up of the yearly sample of farms and since a great deal of importance is likely to be attached to the comparative annual results, the average annual results for an identical sample of 61 farms for the five years 1944 to 1948 are given in the Appendix, Table III. For this purpose only farms *between 101 and 400 acres* are included as it is believed that in this way the *trend* of results can be more accurately shown. It is the results for these 61 farms that are discussed in this section of the report but first of all it may be of interest to give the comparative results from these farms and from all the farms included each year.

	1944	1945	1946	1947	1948
	£	£	£	£	£
The same 61 farms	185	261	88	145	298
All the farms ..	205	271	72	211	341

(1) 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. In both 1947 and 1948 the over 400 acres group of farms showed comparatively high profits and this explains the lower average profits for the 61 farms than for all the farms in these years.

(2) During these five years, the average *expenditure* on 61 farms increased, somewhat irregularly, from £16.1 per acre in 1944 to £21.32 in 1948, that is, by fully 32 per cent. Except for a falling off in 1946, the average *revenue* also increased, somewhat irregularly, from £17.95 per acre in 1944 to £24.3 in 1948, that is, by fully 35 per cent. Hence, the average *profit* per acre fluctuated considerably from £1.85 in 1944 to £2.61 in 1945, to only £0.88 in 1946 and then up to a maximum of nearly £3 in 1948.

(3) The largest increase on the expenditure side was £2.3 per acre or 32.6 per cent. on account of labour in spite of which the percentage of labour in the total expenditure was exactly the same—43.8; the smallest increase was for rent and rates which advanced by only 2s. from 27s. 2d. to 29s. 2d. per acre. Depreciation and maintenance on machinery and implements increased in cost by no less than 77 per cent. from 30s. 2d. per acre in 1944 to 54s. in 1948.

(4) It will be noticed that, except for the very minor item of horse depreciation, every single item of expenditure shows a more or less steady increase, nor can it be said that there seems any prospect of a reversal of the trend for any single item; on the contrary, there seems every prospect of a quickening of the rate of increase in several items in 1949 and onwards.

(5) On the revenue side, the increase in the returns from milk and crops between 1944 and 1948 was very nearly the same—£1.98 and £1.93 per acre—while the increase in the net output from livestock was £2.22 per acre. The total revenue in 1948, £24.3 per acre, was no less than £5.57 greater than in 1946 when it was only £18.73 per acre, a difference chiefly due to the abnormally low revenue from crops in 1946, £7.3 per acre.

(6) The revenue per £100 labour varied from a minimum of £231 in 1946 to a maximum of £272 in 1945 but there is no close relationship between the revenue per £100 labour and the profit.

(7) In 1944 the *net* expenditure on new machinery and implements averaged 13s. 5d. per acre whereas in 1948 it was 41s. 5d. or fully three times as much. The steady increase in the expenditure on this account is an indication that the mechanization of these farms has been progressing at an ever increasing rate.

It may be helpful to give here the principal results for these 61 farms for these five years.

	Per 100 acres				
	1944	1945	1946	1947	1948
	£	£	£	£	£
Total expenditure .. ..	1,610	1,722	1,785	2,079	2,132
Total revenue .. ..	1,795	1,983	1,873	2,224	2,430
Total profit .. ..	185	261	88	145	298
Depreciation and upkeep of machinery and implements	152	180	209	248	270
Net expenditure on new machinery and implements	67	88	98	162	207
Total labour .. ..	705	728	810	921	935
Revenue per £100 labour ..	255	272	231	242	260
Capital invested .. ..	1,657	1,684	1,715	1,848	1,917
Per cent. profit on capital ..	11.1	15.5	5.1	7.8	15.5
No. of farms showing a profit	39	46	37	35	46
No. of farms showing a loss ..	22	15	24	26	15

#### GENERAL OBSERVATIONS

It is not proposed to carry the analysis of the 1948 results any further in this report since it would add nothing to the somewhat negative conclusions that were drawn in Reports I and II in this series. Mr. Brewin has spent a considerable amount of time in applying statistical methods to the analysis of the results and has received invaluable assistance from Mr. S. C. Pearce and Miss J. M. S. Thom of the East Malling Research Station but so far the findings have been almost entirely negative.

It would appear that the essential difficulty in the way of statistical analysis is that the net result (profit or loss) in farming depends upon the *relationship* between expenditure and revenue: the crucial problem in farm management is neither to reduce the expenditure nor to increase the revenue but to strengthen the relationship between expenditure and revenue. For example, the surest way of increasing the profit per cow may be to increase the milking capacity of the herd (and thus increase the revenue) despite the fact that this may call for increased expenditure per cow on foodstuffs and perhaps labour and the surest way of reducing the profit per cow may be to stint the cows of labour and foodstuffs. Similarly, the surest way of increasing the profit per acre on corn or potatoes may be to increase the expenditure per acre by stepping up the level of manuring.



Perhaps the whole problem is summed up in the words of Report No. I (page 15):

"The final conclusion that is worthy of record from a study of all the Tables in this report is that broad generalizations about financial results in farming invariably conceal many things that are of vital importance. It is easy to say that Jack is taller than Jill because there is a sure measuring stick of tallness, but to say that Jack is more intelligent than Jill is likely to raise a heated argument (a) about what is meant by intelligence and (b) about how it can be measured. Jack may be a brilliant mathematician but a poor hand at literary composition, Jill may have a world reputation as a novelist and yet be incapable of reading the gas meter. Who then is the more intelligent?"

"Farming efficiency, perhaps the most popular term in current agricultural vocabulary, is also an extremely complicated thing, very hard to define and still harder to measure. The results here given demonstrate the need for far more detailed study of the results on *individual* farms of all kinds and sizes because it is only by concentrating on the successful farms that we are likely to discover the secret of economic efficiency in farming of any kind."

Finally, it may be well to emphasize that the primary object of this investigation 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 1948 and the best indication of the *trend* of profits during 1944 to 1948 is given in Table III. However difficult it may be to use the results of the investigation as a clear guide to more efficient farming there is little doubt that the main objective has been reached. Greater concentration upon a smaller number of farms would almost certainly be more effective in the study of farming efficiency but the result of greater concentration might be that the investigation would then be less effective for its main purpose.

#### 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 for 168 general "mixed" farms and for 32 "specialized" farms for the year ending between Michaelmas, 1948 and Lady Day, 1949 are presented and discussed.

(2) A summary is given of the annual results for an identical sample of 61 farms for the five years 1944 to 1948.

(3) On the 168 mixed farms, averaging 253 acres in size, the average expenditure was £22.09 per acre, the average revenue £25.5 and the average profit £3.41, compared with £20.42, £22.53 and £2.11 respectively in 1947. Of these 168 farms 129 showed a profit and 39 a loss.

(4) On the 32 "specialized" farms, there was an average profit of £9.87 per acre, the average expenditure being £46.56 and the average revenue £56.43 per acre.

(5) On 38 farms up to 100 acres in size the average profit was only £0.9 per acre and on 70 farms between 101 and 250 acres it was £2.21, while on 23 farms between 251 and 400 acres it was £4.55 and on 36 farms over 400 acres it was £4.09 per acre. The revenue per acre was appreciably higher on the farms under than on those over 250 acres but this was not sufficient to counter-balance the higher expenditure per acre on the smaller farms. Of the 108 farms under 250 acres 14 showed a loss of over £4 per acre whereas not one of the farms over 250 showed such a heavy loss.

(6) Analysis by size-groups shows that in each of the three years 1946 to 1948 the financial position of the farms over 250 acres was much stronger than that of those under 250 acres. It also shows that the larger farms had a somewhat lower output per acre than the smaller ones but that this reduced output was obtained more economically than the larger output on the smaller farms.

(7) An analysis of the acreage-groups according to the type of farming suggests that the differences between the various type of farming groups must be largely due to differences in the average managerial capacity of the groups.

(8) For an identical sample of 61 farms for the five years 1944 to 1948, the average profit per acre varied from only 17s. 8d. in 1946 to 59s. 7d. in 1948. During these five years, the expenditure per acre increased more or less steadily but the revenue fell from £19.8 in 1945 to £18.7 in 1946 and then rose to £24.3 in 1948.

(9) It is emphasized that, although the investigation has so far failed to give much help in the elucidation of farm management problems, it has fulfilled its primary purpose, namely, to provide a reliable measure of the financial position of farming from year to year.

WYE COLLEGE,

NEAR ASHFORD, KENT.

22nd November, 1949.

## 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 farmhouses, 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 1948

	General Mixed Farms			Specialized Farms		
		168			32	
No. of farms .. .. .		168			32	
Average acreage (total) .. .. .		275			167	
Average acreage (adjusted) .. .. .		253			160	
	Per farm	Per 100 acres (adjusted)	Per cent.	Per farm	Per 100 acres (adjusted)	Per cent.
<b>EXPENDITURE</b>	£	£	%	£	£	%
Labour: Hired .. .. .	2,210	875	39.6	3,483	2,181	46.9
Family .. .. .	33	13	0.6	26	16	0.3
Farmer .. .. .	118	47	2.1	98	62	1.3
<b>TOTAL</b> .. .. .	<b>2,361</b>	<b>935</b>	<b>42.3</b>	<b>3,607</b>	<b>2,259</b>	<b>48.5</b>
Foodstuffs .. .. .	513	203	9.2	334	209	4.5
Seeds .. .. .	354	140	6.4	322	202	4.3
Manures .. .. .	364	144	6.5	623	390	8.4
Rent and rates .. .. .	364	144	6.5	336	211	4.5
Repairs and renewals .. .. .	469	186	8.4	566	354	7.6
Depreciation on machinery, etc. .. .. .	334	132	6.0	319	200	4.3
Fuel .. .. .	246	97	4.4	256	160	3.4
Contract work .. .. .	158	63	2.8	131	82	1.8
Sundries .. .. .	405	160	7.3	934	585	12.6
Depreciation on horses .. .. .	12	5	0.2	7	4	0.1
<b>TOTAL EXPENDITURE</b> .. .. .	<b>5,580</b>	<b>2,209</b>	<b>100.0</b>	<b>7,435</b>	<b>4,656</b>	<b>100.0</b>
Capital invested .. .. .	5,541	2,194	—	4,819	3,017	—
<b>REVENUE</b>						
Livestock output:						
Cattle .. .. .	592	234	9.2	324	203	3.6
Sheep .. .. .	254	101	3.9	199	125	2.2
Pigs .. .. .	69	27	1.1	248	155	2.8
Poultry and eggs .. .. .	89	35	1.4	64	40	0.7
<b>TOTAL</b> .. .. .	<b>1,004</b>	<b>397</b>	<b>15.6</b>	<b>835</b>	<b>523</b>	<b>9.3</b>
Milk .. .. .	2,516	996	39.1	588	368	6.5
Crops, other than fruit and hops .. .. .	2,504	992	38.9	2,242	1,404	24.9
Fruit .. .. .	79	31	1.2	3,414	2,138	37.9
Hops .. .. .	14	6	0.2	1,731	1,084	19.2
Sundries .. .. .	269	106	4.2	177	111	1.9
Government grants .. .. .	55	22	0.8	24	15	0.3
<b>TOTAL REVENUE</b> .. .. .	<b>6,441</b>	<b>2,550</b>	<b>100.0</b>	<b>9,011</b>	<b>5,643</b>	<b>100.0</b>
<b>PROFIT: Realized</b> .. .. .	<b>501</b>	<b>198</b>	<b>—</b>	<b>974</b>	<b>610</b>	<b>—</b>
Unrealized .. .. .	360	143	—	602	377	—
<b>TOTAL</b> .. .. .	<b>861</b>	<b>341</b>	<b>—</b>	<b>1,576</b>	<b>987</b>	<b>—</b>
Percentage profit on capital .. .. .	15.5	—	—	32.7	—	—
Revenue per £100 labour .. .. .	273	—	—	250	—	—
Cost of new machinery and implements .. .. .	700	277	—	626	392	—
Sales of machinery and implements .. .. .	109	42	—	69	43	—
No. of farms showing a profit .. .. .	129	—	—	22	—	—
No. of farms showing a loss .. .. .	39	—	—	10	—	—

TABLE II  
General Mixed Farm Results for 1948 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*	70	23	36								
Average size of farms (adjusted acres)	65	163	323	584								
EXPENDITURE	£	£	£	£	£	£	£	£	%	%	%	%
Labour: Hired .. .. .	506	1,576	2,535	5,041	773	967	784	863	29.4	40.5	38.3	41.0
Family .. .. .	19	36	31	44	29	22	9	8	1.1	0.9	0.5	0.4
Farmer .. .. .	173	115	145	51	264	71	45	9	10.0	3.0	2.2	0.4
TOTAL .. .. .	698	1,727	2,711	5,136	1,066	1,060	838	880	40.5	44.4	41.0	41.8
Foodstuffs .. .. .	258	376	590	992	394	230	182	170	15.0	9.7	8.9	8.1
Seeds .. .. .	81	221	479	826	124	135	148	141	4.7	5.7	7.2	6.7
Manures .. .. .	76	206	416	939	116	126	129	161	4.4	5.3	6.3	7.7
Rent and rates .. .. .	121	246	441	805	185	151	137	138	7.0	6.3	6.7	6.6
Repairs and renewals .. .. .	117	311	546	1,107	179	191	169	189	6.8	8.0	8.2	9.0
Depreciation on machinery, etc. .. .. .	96	199	404	802	146	122	125	137	5.6	5.1	6.1	6.5
Fuel .. .. .	60	169	295	565	92	104	91	97	3.5	4.3	4.5	4.6
Contract work .. .. .	83	112	200	300	127	69	62	51	4.8	2.9	3.0	2.4
Sundries .. .. .	127	315	509	803	194	193	157	138	7.4	8.1	7.7	6.5
Depreciation on horses .. .. .	5	10	25	15	7	6	8	3	0.3	0.2	0.4	0.1
TOTAL EXPENDITURE .. .. .	1,722	3,892	6,616	12,290	2,630	2,387	2,046	2,105	100.0	100.0	100.0	100.0
Cost of new machinery and implements	189	390	830	1,779	288	239	257	305				
Sales of machinery and implements ..	29	44	94	323	45	27	29	55				
Capital invested .. .. .	1,547	3,453	6,727	13,004	2,364	2,119	2,081	2,227				

\* One farm excluded because of its very abnormal results.

TABLE II—continued  
General Mixed Farm Results for 1948 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 . . . . .	166	324	884	1,389	253	198	273	238	9·3	7·6	10·9	9·5
Sheep . . . . .	56	172	530	455	86	106	164	78	3·2	4·1	6·6	3·1
Pigs . . . . .	34	44	98	137	52	27	30	23	1·9	1·0	1·2	0·9
Poultry . . . . .	95	91	117	62	145	56	36	11	5·3	2·1	1·4	0·4
TOTAL . . . . .	351	631	1,629	2,043	536	387	503	350	19·7	14·8	20·1	13·9
Milk . . . . .	848	2,026	2,704	5,133	1,295	1,243	836	880	47·6	47·7	33·4	35·0
Crops, other than fruit and hops . . . . .	472	1,267	3,246	6,636	720	777	1,004	1,137	26·5	29·8	40·1	45·2
Fruit . . . . .	8	70	85	171	12	43	26	29	0·5	1·6	1·1	1·2
Hops . . . . .	—	34	—	—	—	21	—	—	—	0·8	—	—
Sundries . . . . .	89	183	338	586	137	112	105	100	5·0	4·3	4·2	4·0
Government grants . . . . .	13	41	86	107	20	25	27	18	0·7	1·0	1·1	0·7
TOTAL REVENUE . . . . .	1,781	4,252	8,088	14,676	2,720	2,608	2,501	2,514	100·0	100·0	100·0	100·0
Profit . . . . .	59	360	1,472	2,386	90	221	455	409				
Per cent. profit on capital . . . . .	3·8	10·4	21·9	18·3								
Revenue per £100 labour . . . . .	255	246	298	286								
No. of farms showing a profit . . . . .	27	51	19	32								
No. of farms showing a loss . . . . .	11	19	4	4								

TABLE III

Results for the same 61 General Mixed Farms over Five Years  
Per 100 acres (adjusted)

	1944	1945	1946	1947	1948
Average acreage (adjusted) .. ..	200	199	202	197	208
<b>EXPENDITURE</b>	£	£	£	£	£
Labour: Hired .. .. .	641	669	747	852	875
Family .. .. .	7	9	11	16	11
Farmer .. .. .	57	50	52	53	49
<b>TOTAL</b> .. .. .	705	728	810	921	935
Foodstuffs .. .. .	145	169	159	180	177
Seeds .. .. .	119	124	104	144	139
Manures .. .. .	103	116	101	120	125
Rent and rates .. .. .	136	136	139	146	146
Repairs and renewals .. .. .	94	113	140	145	159
Depreciation on machinery, etc. .. .. .	58	67	69	103	111
Fuel .. .. .	67	71	69	91	89
Contract work .. .. .	60	65	68	79	85
Sundries .. .. .	114	127	120	143	159
Depreciation on horses .. .. .	9	6	6	7	7
<b>TOTAL EXPENDITURE</b> .. .. .	1,610	1,722	1,785	2,079	2,132
Capital invested .. .. .	1,657	1,684	1,715	1,848	1,917
<b>REVENUE</b>					
Livestock output:					
Cattle .. .. .	85	89	118	216	192
Sheep .. .. .	85	106	96	124	140
Pigs .. .. .	9	14	15	22	35
Poultry and eggs .. .. .	24	30	30	42	58
<b>TOTAL</b> .. .. .	203	239	259	404	425
Milk .. .. .	739	756	801	836	937
Crops (including fruit) .. .. .	742	908	730	892	935
Sundries .. .. .	102	74	75	85	107
Government grants .. .. .	9	6	8	7	26
<b>TOTAL REVENUE</b> .. .. .	1,795	1,983	1,873	2,224	2,430
<b>PROFIT</b> .. .. .	185	261	88	145	298
Per cent. profit on capital .. .. .	11.1	15.5	5.1	7.8	15.5
Revenue per £100 labour .. .. .	255	272	231	242	260
Cost of new machinery and implements .. .. .	80	112	118	191	231
Sales of machinery and implements .. .. .	13	24	20	29	24
No. of farms showing a profit .. .. .	39	46	37	35	46
No. of farms showing a loss .. .. .	22	15	24	26	15



HEADLEY BROTHERS  
109 Kingsway, London, W.C.2  
and Ashford, Kent