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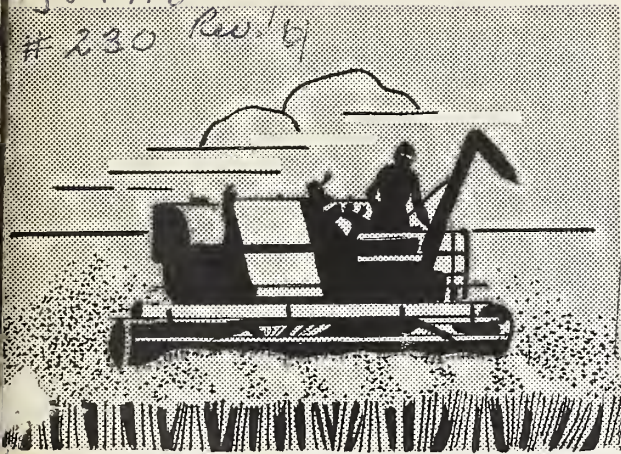
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FARM COSTS and RETURNS



commercial farms
by type, size,
and location



U. S. Department of Agriculture
Economic Research Service
Washington, D.C.

Agriculture Information Bulletin No. 230
Revised June 1961

PREFACE

This annual publication contains estimates of costs and returns for 1960 and earlier years on 34 important types of commercial farms in 19 major farming areas in the United States, together with a brief analysis of changes that have occurred in production, income, and costs on each of these types of farms in recent years. This is the 15th annual publication.

Revisions are made in these series from time to time as new or more reliable data and information become available.

Since 1959, minor revisions have been made in certain estimates for a few of the farm series because of improved data or more current information. In 1960, a survey was made on cotton farms in the Southern Piedmont area. Based on the results of this survey some revisions were made in farm size and land use, and changes were made in some input items.

The series on tobacco-livestock farms in the Kentucky Bluegrass area included in earlier reports is not included in this report. It is replaced by three series, a common type and size of farm in each of the three major sub-areas of the Bluegrass area. These are: Tobacco-livestock farms, inner area; tobacco-dairy farms, intermediate area; and tobacco-dairy farms, outer area.

Sales of crops are now credited on all farms to the year harvested, even though some sales were made after January 1. This procedure allows prices received for the particular crop to reflect sales and income more accurately than was previously the case. It also reduces or levels out inventories of nonfeed crops. Feed grains and hay held in inventory for feed are now valued on all farms at prices for which they could have been sold, rather than at year-end prices. This procedure changes (reduces) slightly the investment value of working assets on January 1 and affects estimates of capital charges accordingly. This procedure was followed prior to this report on all except the Corn Belt farms.

Any charge for capital invested in assets on a group of farms must be an arbitrary one. Farm assets vary greatly in kind and are purchased at different times. Charges for capital in these estimates are based on total estimated current investment each year at January interest rates charged by the respective Federal Land Banks on current mortgages. The assumption is that operators of farms as represented here could obtain funds at these rates. In recent years, these interest rates and estimated values of farm real estate and other farm assets have both increased materially, thus making a sizable charge for capital.

In 1959, interest rates charged by Federal Land Banks for current borrowings ranged between 5.0 and 5.5 percent. In 1960, the rate was 6.0 percent at all banks. In 1959,

average returns from municipal and Government bonds, common stocks, savings deposits in commercial banks, mutual savings banks, savings and loan associations, and so on, averaged slightly under 3.5 percent. For the period 1945-58, average interest rates charged by Federal Land Banks on farm mortgage loans outstanding were approximately 4.1 percent. In 11 of the 14 years, the rate was 4.1. The latter figure might be regarded as the average rate paid on farm mortgages by operators of commercial farms. Some of these farmers bought land several years ago, whereas others have purchased, or added to, land more recently. Some increases in farm size have occurred on the average each year on most of these farm types.

In this report, production credit is calculated at short-term interest rates charged by production credit associations on loans outstanding and other capital is charged on two bases: (1) Interest rates charged by Federal Land Banks on current borrowings in their respective regions; (2) Average interest rates charged in the United States during the period 1945-58 by Federal Land Banks on farm mortgage loans outstanding. The latter rate was 4.1 percent. Interest rates charged on current borrowings ranged from 4.0 to 6.0 percent and differed among districts.

Data for the years covered in this report are comparable but in some instances, they are not comparable to those published in earlier reports.

Estimates for earlier years are reported in U. S. Department of Agriculture, Agriculture Information Bulletin 158 and Statistical Bulletin 197. However, some estimates in these publications are not comparable with those in this report because of revisions in data and minor changes in procedure. These differences will be chiefly in summary measures of income. Concepts and procedures are discussed in Statistical Bulletin 197 and in Agriculture Handbook 118, volume 3.

The same general procedure, methodology, and terms are used for all types of farms. Thus, these publications provide a continuing source of information and measures of year-to-year changes in farm size, farm organization, land use, crop and livestock production, mechanization, technology, investment, costs, and returns on several important types of commercial farms. Index series covering 11 important summary items, such as gross and net income per farm, production per farm, crop yields, prices received and paid, mechanization, and production ratios and costs are computed annually for each type and size of farm.

The major sources of basic data for these costs and returns series are (1) the United States Census of Agriculture, (2) rural carrier and mailed questionnaires sent to farmers and dealers by the Agricultural Estimates

Division, Statistical Reporting Service, (3) enumerative field surveys, and (4) research results and related data from State experiment stations and Federal agencies when data for individual farms are available or when group data meet the specifications for farms by type, size, and location. In the main, data for individual farms of a particular type and size are used. Data on production rates, prices, and related items for local areas, and which do not differ greatly by size of farm within a reasonable range, may be used.

The data presented here supplement estimates of aggregate income and expenses for all farms in the United States, as reported quarterly and annually in the Department, and those reported by the various experiment stations and related research groups throughout the country. Estimates reported here are generally representative of a large segment of farms in the respective area and are indicative of the relative changes occurring in the area. Estimates for more types and sizes of farms would be required for expansion to regional and national totals.

In making comparisons for different types of farms and in comparing these data with national averages and those

for specific areas, many factors need to be taken into consideration. In general, the information presented here represents the adjustments made by farmers on specified farms to meet changing physical and economic conditions. Weather has an important role in determining farm income. Year-to-year changes in weather tend to produce corresponding changes in crop production, and these changes in turn affect livestock production and farm income. Farm size, intensity of land use, average investment per farm, and the proportions invested in real estate, machinery, and livestock vary also among types of farms and affect farm incomes to a considerable extent.

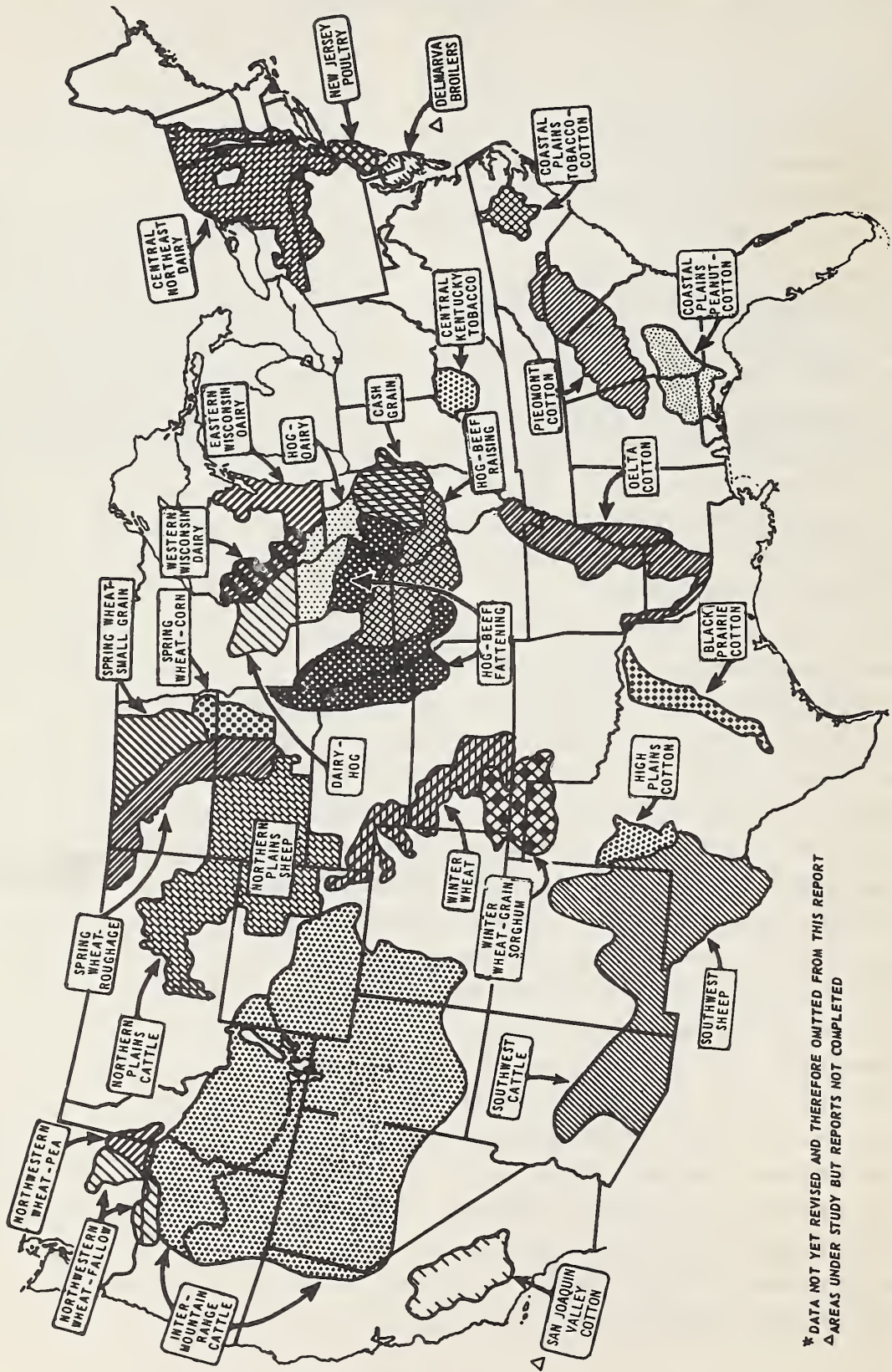
This report was prepared in the Farm Economics Division, Economic Research Service, by Wylie D. Goodsell, W. Herbert Brown, Austin S. Fox, Erling Hole, Edgar B. Hurd, Robert J. Muck, Owen K. Shugars, Everett O. Stoddard, John C. Volentine, and Isabel Jenkins.

James R. Gray, New Mexico State University, assisted in preparing estimates for the livestock ranches in the Southwestern and Northern Plains areas.

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LOCATION OF TYPES OF FARMS STUDIED



* DATA NOT YET REVISED AND THEREFORE OMITTED FROM THIS REPORT
 ▲ AREAS UNDER STUDY BUT REPORTS NOT COMPLETED

FARM COSTS AND RETURNS, COMMERCIAL FARMS BY TYPE, SIZE, AND LOCATION

IN GENERAL

Net farm incomes in 1960 compared with 1959 were higher on 16 of 34 important types of commercial farms in 19 widely separated areas throughout the United States. They were practically the same in both years on one type of farm and lower on 17 types of farms.

In general, the changes in incomes from 1959 to 1960 were not as great as usual. At the extremes were New Jersey egg-producing farms with net farm incomes of \$4,462 in 1960 compared with a loss of approximately \$1,335 in 1959, and wheat-pea farms with approximately \$4,900 (31 percent) lower returns in 1960 compared with a year earlier.

The changes in net farm incomes were generally larger on types of farms on which incomes increased from 1959 to 1960 than on types of farms on which incomes declined. Western livestock ranches were the only major group of farms on which returns on all farms changed in the same direction. Incomes were lower in 1960 on these ranches (tables 1, 2, and 3).

In 1960, net farm incomes on 15 types of farms were not more than 10 percent above or below the 1950-59 average. Incomes on 6 types of farms were more than 10 percent below and 13 types of farms had incomes more than 10 percent above the 10-year average.

Crop yields per acre and prices received were the two most important factors causing changes in net farm income from 1959 to 1960. Higher yields per acre contributed to increases in incomes on 14 types of farms, and lower yields contributed to decreases in incomes on 15 types of farms. Lower prices received contributed to decreases in incomes on 9 types of farms and higher prices received contributed to increases in incomes

on 7 types of farms. Other important factors causing changes in income in 1960 relative to 1959 include increases in size of farm, acreages of crops harvested, and production of livestock. However, changes in acreages of crops harvested were generally less important than in some other recent years.

For all farms in the United States, total net farm income per farm (including inventory changes) increased 4 percent from 1959 to 1960. In 1960, income per farm averaged \$2,646 compared with \$2,548 in 1959 and \$2,515 for the 1955-59 average (fig. 1).

Higher incomes in 1960 were due mainly to higher yields per acre. The average yield per acre, based on 28 important crops, was 6 percent above 1959 and nearly equal to the record of 1958.

The continued increase in size of farm associated with fewer farms also contributed to high incomes in 1950 compared with a year earlier.

Net farm production for all farms in the United States was 3 percent higher than the previous record production of 1958 and 1959. Crop production was 4 percent above that of 1959. Acreage of cropland used was about 2 percent below the acreage in the previous year, but this reduction was more than offset by higher yields per acre. Net production of livestock in 1960 was slightly below that of 1959. Meat animals and poultry and eggs declined about 4 and 1 percent, respectively, while dairy production was 1 percent higher.

In 1960, prices received for all products sold by all U. S. farmers averaged only 1 percent below those of the previous year. Some of the more important products with prices lower in 1960 than in 1959 include

TABLE 1. --Net farm income, specified types of commercial farms, 1960, with comparisons

TYPE AND LOCATION OF FARM	AVERAGE		1958	1959	1960 ¹
	1947-49	1950-59			
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Dairy farms:					
Central Northeast.....	3,815	3,898	4,339	4,236	4,061
Eastern Wisconsin.....	2,929	2,745	2,627	3,119	3,090
Western Wisconsin.....	2,910	3,104	3,778	3,414	3,418
Dairy-hog farms:					
Southeastern Minnesota.....	3,934	3,886	4,362	3,632	3,858
Corn Belt farms: ²					
Hog-dairy.....	5,386	5,226	6,919	4,814	4,616
Hog-beef raising.....	3,598	3,611	5,063	3,104	2,967
Hog-beef fattening.....	10,343	7,737	9,943	6,591	5,422
Cash grain.....	8,802	7,923	7,415	5,698	6,780
Poultry farms:					
New Jersey (egg-producing).....	5,950	2,699	2,484	-1,335	4,462
Cotton farms:					
Southern Piedmont ²	1,573	1,992	2,877	2,078	1,847
Texas:					
Black Prairie.....	3,089	2,461	3,025	2,332	2,225
High Plains (nonirrigated).....	6,402	4,646	8,833	6,961	8,072
High Plains (irrigated).....	10,761	12,167	18,188	13,291	14,844
Mississippi Delta:					
Small.....	1,923	1,838	1,372	1,996	1,759
Large-scale.....	20,465	22,247	16,484	27,151	23,774
Peanut-cotton farms:					
Southern Coastal Plains.....	2,313	2,642	3,467	2,428	3,222
Tobacco farms:					
North Carolina Coastal Plain:					
Tobacco-cotton.....	3,208	3,323	3,395	2,624	3,491
Tobacco-cotton (large).....	3,923	4,204	4,427	3,419	4,718
Tobacco (small).....	2,354	2,655	2,668	2,256	3,010
Kentucky Bluegrass:					
Tobacco-livestock, inner area.....	5,864	5,708	6,531	5,228	5,494
Tobacco-dairy, intermediate area.....	2,390	2,402	2,705	2,535	2,492
Tobacco-dairy, outer area.....	3,599	4,033	4,782	4,432	4,582
Spring wheat farms:					
Northern Plains:					
Wheat-small grain-livestock.....	6,143	4,818	6,388	2,807	4,389
Wheat-corn-livestock.....	5,869	4,239	7,415	2,343	5,528
Wheat-roughage-livestock.....	5,160	3,741	4,971	1,468	5,628
Winter wheat farms:					
Southern Plains:					
Wheat.....	9,808	7,987	13,289	7,777	10,498
Wheat-grain sorghum.....	9,162	4,967	11,247	10,281	12,146
Pacific Northwest:					
Wheat-pea.....	11,961	13,286	10,023	15,940	11,020
Wheat-fallow.....	13,468	12,518	12,664	12,468	9,643
Cattle ranches:					
Northern Plains.....	6,439	5,018	6,413	5,170	4,988
Intermountain region.....	8,665	8,884	13,111	12,547	9,573
Southwest.....	5,698	4,368	9,223	8,318	7,102
Sheep ranches:					
Northern Plains.....	6,920	8,874	13,290	8,180	8,074
Southwest.....	5,224	5,550	11,318	10,805	10,102

¹ Preliminary. ² Revised.

beef cattle and calves, corn, grain sorghum, sheep and lambs, cotton lint, and spring wheat. The prices of winter wheat and wool averaged the same in both years. Products with higher prices in 1960 include poultry and eggs, hogs, peanuts, and some fruits.

Prices paid for goods and services (including interest, taxes, and wage rates) were about 1 percent higher in 1960. Major items contributing to this increase included farm machinery, seed, wage rates, and taxes. Prices paid for feed, livestock, and motor vehicles were lower in 1960 than in 1959.

In 1960, farm production expenses per farm reached a new record high for the sixth consecutive year with an average of \$5,794 per farm (fig. 2). They were 3 percent higher than in 1959. Some of this increase is associated with the increase in size of farm.

On these 34 types of farms, changes from 1959 to 1960 in the average of prices

received for farm products varied considerably from the change reported for the United States. On some types of farms, prices received declined much more than the 1 percent for the United States and increased substantially on others (table 4).

Reductions in average prices received tended to occur on types of farms that have large sales of cattle, feed grains, flax, or cotton. Prices received for these items were lower in 1960 than in 1959. Increases in average prices received tended to occur on farms that have large sales of tobacco, hogs, poultry, eggs or peanuts. Prices received for these items were higher in 1960 than in 1959.

Changes in average prices paid for goods and services by type of farm were generally small compared with changes in prices received. On 28 of the 34 types of farms, the change was not more than 2 percent. Prices paid were higher in 1960 than in 1959 on 16, the same on 10, and lower on 8 types of farms.

TABLE 2. --Net farm income in 1960 as a percentage of 1959 and 1950-59

TYPE OF FARM AND LOCATION	1960 as a percentage of--		TYPE OF FARM AND LOCATION	1960 as a percentage of--	
	AVERAGE 1950-59	1959		AVERAGE 1950-59	1959
	Percent	Percent		Percent	Percent
Dairy farms:			Tobacco farms:		
Central Northeast.....	104	96	North Carolina Coastal Plain:		
Eastern Wisconsin.....	113	99	Tobacco-cotton.....	105	133
Western Wisconsin.....	110	100	Tobacco-cotton (large).....	112	138
Dairy-hog farms, southeastern			Tobacco (small).....	113	133
Minnesota.....	99	106	Peanut-cotton farms, Southern		
Corn Belt farms:			Coastal Plains.....	122	133
Hog-dairy.....	88	96	Spring wheat farms:		
Hog-beef raising.....	82	96	Northern Plains:		
Hog-beef fattening.....	70	82	Wheat-small grain-livestock....	91	156
Cash grain.....	86	119	Wheat-corn-livestock.....	130	236
Poultry farms, New Jersey			Wheat-roughage-livestock.....	150	383
(egg-producing).....	165	(¹)	Winter wheat farms:		
Cotton farms:			Southern Plains:		
Southern Piedmont.....	93	89	Wheat.....	131	135
Texas:			Wheat-grain sorghum.....	245	118
Black Prairie.....	90	95	Pacific Northwest:		
High Plains (nonirrigated).....	174	116	Wheat-pea.....	83	69
High Plains (irrigated).....	122	112	Wheat-fallow.....	77	77
Mississippi Delta:			Cattle ranches:		
Small.....	96	88	Northern Plains.....	99	96
Large-scale.....	106	88	Intermountain region.....	108	76
Tobacco farms:			Southwest.....	163	85
Kentucky Bluegrass:			Sheep ranches:		
Tobacco-livestock, inner area...	96	105	Northern Plains.....	91	98
Tobacco-dairy, intermediate area	104	98	Southwest.....	182	93
Tobacco-dairy, outer area.....	90	103			

¹ 1959 income was a net loss. See table 1, p. 2.

TABLE 3. --Gross and net farm income: Index numbers, specified types of commercial farms, 1960, with comparisons

(1947-49 = 100)

TYPE AND LOCATION OF FARM	Gross farm income				Net farm income			
	AVERAGE 1950-59	1958	1959	1960 ¹	AVERAGE 1950-59	1958	1959	1960 ¹
Dairy farms:								
Central Northeast.....	116	132	137	140	102	114	111	106
Eastern Wisconsin.....	115	124	135	137	94	90	106	105
Western Wisconsin.....	119	137	135	138	110	134	122	122
Dairy-hog farms:								
Southeastern Minnesota.....	116	130	127	134	100	111	92	98
Corn Belt farms: ²								
Hog-dairy.....	113	134	121	120	97	128	89	86
Hog-beef raising.....	119	151	128	128	100	141	86	83
Hog-beef fattening.....	107	121	128	121	75	96	64	52
Cash grain.....	107	110	101	110	90	84	65	77
Poultry farms:								
New Jersey (egg-producing).....	103	104	92	110	45	42	22	75
Cotton farms:								
Southern Piedmont ²								
Texas:	136	177	155	146	126	183	132	117
Black Prairie.....	98	104	102	100	80	98	75	72
High Plains (nonirrigated).....	83	124	113	121	73	138	109	126
High Plains (irrigated).....	123	155	136	143	113	169	124	138
Mississippi Delta:								
Small.....	117	109	135	127	96	71	104	91
Large-scale.....	100	86	104	98	109	81	133	116
Peanut-cotton farms:								
Southern Coastal Plains.....	137	169	152	182	114	150	105	139
Tobacco farms:								
North Carolina Coastal Plain:								
Tobacco-cotton.....	113	114	102	120	104	106	82	109
Tobacco-cotton (large).....	115	115	105	124	107	113	87	120
Tobacco (small).....	117	117	106	130	113	113	96	128
Kentucky Bluegrass:								
Tobacco-livestock, inner area.....	109	120	112	116	97	112	87	93
Tobacco-dairy, intermediate area...	113	127	126	130	100	113	106	104
Tobacco-dairy, outer area.....	126	146	144	150	112	132	123	127
Spring wheat farms:								
Northern Plains:								
Wheat-small grain-livestock.....	96	116	83	101	78	104	46	71
Wheat-corn-livestock.....	93	129	72	108	72	126	40	94
Wheat-roughage-livestock.....	97	115	69	119	72	96	28	109
Winter wheat farms:								
Southern Plains:								
Wheat.....	93	135	96	119	82	136	79	107
Wheat-grain sorghum.....	71	125	117	134	54	123	112	133
Pacific Northwest:								
Wheat-pea.....	123	108	142	115	111	84	133	92
Wheat-fallow.....	106	107	108	95	93	94	93	72
Cattle ranches:								
Northern Plains.....								
Intermountain region.....	122	162	164	148	102	151	145	110
Southwest.....	102	133	131	127	77	162	146	125
Sheep ranches:								
Northern Plains.....								
Southwest.....	113	136	137	132	106	217	207	193

¹ Preliminary. ² Revised.

TABLE 4. --Prices received and paid by farmers: Index numbers, specified types of commercial farms, 1960, with comparisons

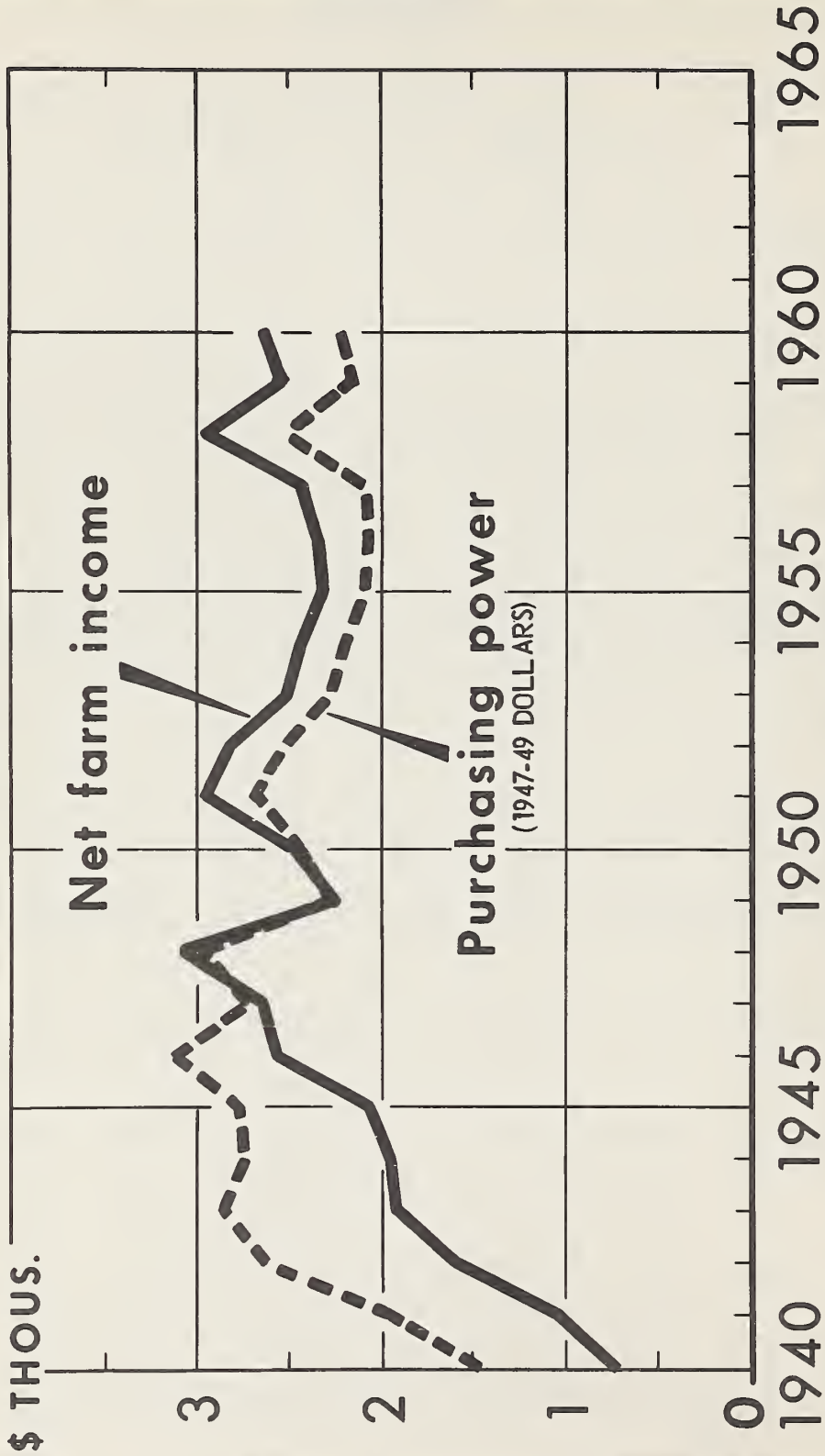
(1947-49 = 100)

TYPE AND LOCATION OF FARM	Prices received for products sold				Prices paid, including wages to hired labor			
	AVERAGE 1950-59	1958	1959	1960 ¹	AVERAGE 1950-59	1958	1959	1960 ¹
Dairy farms:								
Central Northeast.....	94	98	98	95	111	117	120	120
Eastern Wisconsin.....	92	90	86	89	113	116	120	125
Western Wisconsin.....	91	90	86	88	110	111	114	117
Dairy-hog farms:								
Southeastern Minnesota.....	90	89	82	85	117	122	125	127
Corn Belt farms: ²								
Hog-dairy.....	87	90	77	81	115	119	122	123
Hog-beef raising.....	87	89	75	77	118	123	125	126
Hog-beef fattening.....	87	87	81	77	116	116	131	129
Cash grain.....	89	78	73	69	123	132	136	138
Poultry farms:								
New Jersey (egg-producing).....	78	71	59	70	95	90	89	83
Cotton farms:								
Southern Piedmont ²	104	103	96	95	113	120	117	116
Texas:								
Black Prairie.....	98	89	84	85	111	116	120	120
High Plains (nonirrigated).....	100	92	85	81	112	121	120	123
High Plains (irrigated).....	104	97	91	89	106	112	115	116
Mississippi Delta:								
Small.....	105	97	96	94	109	109	113	113
Large-scale.....	104	94	96	93	110	110	112	112
Peanut-cotton farms:								
Southern Coastal Plains.....	99	100	87	88	112	115	114	112
Tobacco farms:								
North Carolina Coastal Plain:								
Tobacco-cotton.....	113	116	112	120	120	130	126	135
Tobacco-cotton (large).....	112	115	110	117	118	130	126	136
Tobacco (small).....	113	117	116	123	115	120	121	124
Kentucky Bluegrass:								
Tobacco-livestock, inner area.....	108	124	113	113	117	126	128	129
Tobacco-dairy, intermediate area.....	109	120	116	118	116	122	126	127
Tobacco-dairy, outer area.....	108	117	114	116	116	122	125	127
Spring wheat farms:								
Northern Plains:								
Wheat-small grain-livestock.....	85	78	83	74	115	122	123	122
Wheat-corn-livestock.....	84	81	84	75	116	119	120	120
Wheat-roughage-livestock.....	88	85	91	78	114	118	118	118
Winter wheat farms:								
Southern Plains:								
Wheat.....	96	88	89	85	118	123	128	128
Wheat-grain sorghum.....	90	85	88	84	119	125	127	127
Pacific Northwest:								
Wheat-pea.....	96	88	84	87	121	122	127	127
Wheat-fallow.....	95	86	84	85	119	123	124	126
Cattle ranches:								
Northern Plains.....	96	108	109	96	122	125	129	123
Intermountain region.....	99	110	111	98	122	137	127	134
Southwest.....	101	117	109	95	114	120	124	122
Sheep ranches:								
Northern Plains.....	104	95	87	84	120	123	122	122
Southwest.....	105	98	92	87	107	110	109	106

¹ Preliminary. ² Revised.

Farm Operators'

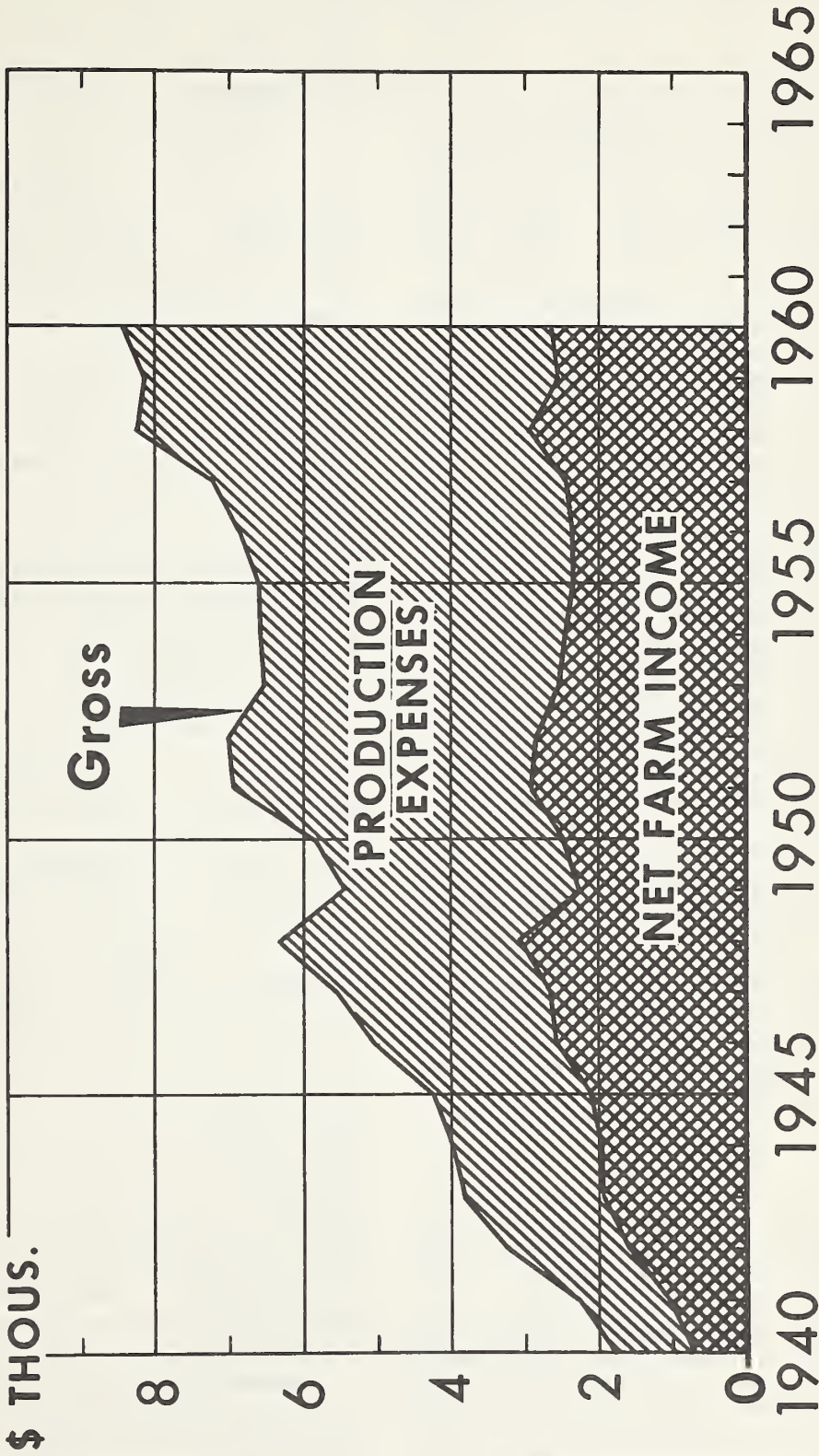
NET FARM INCOME PER FARM



AMS ESTIMATES OF TOTAL NET INCOME FROM FARMING IN U. S.

Farm Operators'

FARM INCOME PER FARM



AMS ESTIMATES OF TOTAL INCOME FROM FARMING IN U. S.

In 1960, prices paid for goods and services on all except the poultry farms were higher than in 1947-49. Lower average prices paid on the poultry farms were due to the reduction in price of feed--the major item of expense on these farms. The largest increase in average prices paid was on the cash grain farms in the Corn Belt--38 percent. Expenditures on these farms include a high proportion of such items as machinery and equipment and taxes, which have increased in price a great deal more than some other items. On cotton farms, prices paid generally have not increased as much as on most other types of farms. Wage rates on cotton farms have not increased as much as those on other types of farms. Since 1954, wage rates for harvesting cotton by hand on cotton farms in the High Plains and Black Prairie areas of Texas and the Delta of Mississippi have been less than they were in 1947-49. In these areas, the proportion of cotton harvested mechanically increased substantially since 1954. Also, large quantities of commercial fertilizer are used on cotton farms in the Delta and the Southeast. Prices paid for commercial fertilizer have not increased as much as prices of most other items purchased from the nonfarm sector of the economy.

From 1959 to 1960, operating expenses per unit of production and total cost per unit of production generally changed more than the index of prices paid (table 5). On some types of farms, operating expenses per unit of production increased more than prices paid because production per unit of input was lower than in 1959. On other types of farms, operating expenses declined or increased less than the index of prices paid because of an increase in production per unit of input.

From 1947-49 to 1960, operating expenses per unit of production generally increased less than prices paid for goods and services. On a few farms, such as wheat-grain sorghum farms in the Southern Plains and cotton farms in the High Plains of Texas, operating expenses per unit of production were lower in 1960 than in 1947-49. The increase in prices paid has been at least partly offset by the increase in production per unit of input. Exceptions have occurred on some of the

small farms such as the small cotton farms in the Delta, on which there have been large shifts from home-produced to purchased inputs. The change from animal power to tractor power is probably the chief example of such a shift in inputs.

On 25 of the 34 types of farms, total cost per unit of production increased more than operating expenses per unit of production. Higher values of real estate and working capital and higher interest rates are important factors leading to the relatively large increase in total cost per unit of production.

Yields per acre on 16 types of farms were higher in 1960 than in 1959 (table 6). Yields per acre or range condition were lower on 17 types of farms. Egg production per hen on New Jersey poultry farms also was lower in 1960 than in 1959. Crop yield increases of 15 percent or more were reported on cash grain farms in the Corn Belt, peanut-cotton farms in the southern Coastal Plains, tobacco and tobacco-cotton farms in North Carolina, and wheat farms in the Northern and Southern Plains. Reduction in yields per acre of 10 percent or more was reported on wheat farms in the Pacific Northwest. On all farms, crop yields per acre were higher in 1960 than the 1950-59 average, except the cattle and sheep ranches in the Northern Plains and cattle ranches in the Intermountain area.

Changes in net farm production from 1959 to 1960 were generally in the same direction as changes in yields per acre. But changes in production of livestock affected net farm production on some farms. On cattle ranches in the Intermountain area, purchases of feed enabled farmers to maintain net farm production despite poorer range conditions. On all except the wheat-fallow farms in the Pacific Northwest, the tobacco-livestock farms in the inner Bluegrass area, and the tobacco-dairy farms in the intermediate Bluegrass area, net farm production was higher in 1960 than the 1950-59 average. This reflects the increase in size of farm, as well as the upward trend in yields per acre and production per unit of livestock.

Production per hour of man labor and per unit of input usually vary considerably from year to year because of fluctuations in yields per acre and in pasture and range conditions (table 7). But both of

TABLE 5. --Operating expense and total cost per unit of production; Index numbers, specified types of commercial farms, 1960, with comparisons

(1947-49 = 100)

TYPE AND LOCATION OF FARM	Operating expense per unit of production				Total cost per unit of production			
	AVERAGE 1950-59	1958	1959	1960 ¹	AVERAGE 1950-59	1958	1959	1960 ¹
Dairy farms:								
Central Northeast.....	104	110	110	114	108	116	122	123
Eastern Wisconsin.....	105	111	101	106	100	109	98	107
Western Wisconsin.....	97	93	95	100	94	92	93	100
Dairy-hog farms:								
Southeastern Minnesota.....	107	107	110	117	100	105	104	113
Corn Belt farms: ²								
Hog-dairy.....	95	99	106	113	105	106	112	123
Hog-beef raising.....	108	103	113	120	109	108	113	125
Hog-veal fattening.....	120	112	131	132	116	114	123	128
Cash grain.....	116	115	125	111	119	129	135	127
Poultry farms:								
New Jersey (egg-producing).....	90	84	81	78	93	91	87	85
Cotton farms:								
Southern Piedmont ²	110	101	109	112	109	102	111	118
Texas:								
Black Prairie.....	120	103	110	112	122	117	118	130
High Plains (nonirrigated).....	132	81	89	77	146	95	100	92
High Plains (irrigated).....	112	88	100	92	116	101	112	109
Mississippi Delta:								
Small.....	131	145	127	132	121	139	118	127
Large-scale.....	100	97	83	84	107	114	96	102
Peanut-cotton farms:								
Southern Coastal Plains.....	126	121	130	121	108	101	107	100
Tobacco farms:								
North Carolina Coastal Plain:								
Tobacco-cotton.....	119	123	126	124	121	129	134	130
Tobacco-cotton (large).....	114	117	116	114	118	125	125	122
Tobacco (small).....	120	121	132	121	119	125	136	125
Kentucky Bluegrass:								
Tobacco-livestock, inner area.....	123	136	144	143	124	150	156	163
Tobacco-dairy, intermediate area...	126	139	142	151	107	117	117	126
Tobacco-dairy, outer area.....	124	129	139	140	112	120	126	133
Spring wheat farms:								
Northern Plains:								
Wheat-small grain-livestock.....	110	92	136	104	114	99	144	114
Wheat-corn-livestock.....	118	83	143	93	119	90	161	107
Wheat-roughage-livestock.....	122	105	167	90	123	111	186	104
Winter wheat farms:								
Southern Plains:								
Wheat.....	126	84	121	100	133	99	138	120
Wheat-grain sorghum.....	154	91	95	84	170	100	106	98
Pacific Northwest:								
Wheat-pea.....	112	126	93	119	117	155	111	151
Wheat-fallow.....	118	105	106	124	130	131	130	162
Cattle ranches:								
Northern Plains.....	126	123	148	128	122	128	149	139
Intermountain region.....	141	127	144	166	118	113	121	138
Southwest.....	126	102	102	99	135	128	124	127
Sheep ranches:								
Northern Plains.....	113	99	106	108	110	101	105	108
Southwest.....	118	86	82	78	131	114	106	110

¹ Preliminary. ² Revised.

TABLE 6. --Net farm production and crop yields: Index numbers, specified types of commercial farms, 1960, with comparisons

(1947-49 = 100)

TYPE AND LOCATION OF FARM	Net farm production				Crop yields per acre ²			
	AVERAGE 1950-59	1958	1959	1960 ¹	AVERAGE 1950-59	1958	1959	1960 ¹
Dairy farms:								
Central Northeast.....	127	140	143	150	119	129	127	133
Eastern Wisconsin.....	123	129	155	151	119	115	137	130
Western Wisconsin.....	134	155	160	158	127	140	150	148
Dairy-hog farms:								
Southeastern Minnesota.....	128	144	152	150	115	129	127	125
Corn Belt farms: ³								
Hog-dairy.....	125	143	145	138	117	129	128	122
Hog-beef raising.....	129	157	155	151	117	146	129	127
Hog-beef fattening.....	116	131	147	144	113	132	127	124
Cash grain.....	116	132	130	152	115	131	118	138
Poultry farms:								
New Jersey (egg-producing).....	137	148	159	157	104	106	107	105
Cotton farms:								
Southern Piedmont ³	131	171	159	151	113	149	131	125
Texas:								
Black Prairie.....	99	107	118	117	99	124	116	107
High Plains (nonirrigated).....	82	130	130	148	88	135	123	132
High Plains (irrigated).....	119	158	147	158	120	153	142	151
Mississippi Delta:								
Small.....	114	110	143	136	117	114	143	136
Large-scale.....	96	90	109	105	114	115	130	127
Peanut-cotton farms:								
Southern Coastal Plains.....	137	163	172	207	126	165	138	167
Tobacco farms:								
North Carolina Coastal Plain:								
Tobacco-cotton.....	102	98	94	105	113	141	122	142
Tobacco-cotton (large).....	104	100	99	110	113	141	123	142
Tobacco (small).....	106	101	96	110	115	140	124	150
Kentucky Bluegrass:								
Tobacco-livestock, inner area.....	96	92	89	94	113	119	119	123
Tobacco-dairy, intermediate area...	116	108	111	112	116	123	126	127
Tobacco-dairy, outer area.....	112	121	122	126	113	125	122	126
Spring wheat farms:								
Northern Plains:								
Wheat-small grain-livestock.....	110	141	94	131	108	151	96	148
Wheat-corn-livestock.....	107	155	80	135	104	161	65	145
Wheat-roughage-livestock.....	108	131	72	144	100	121	62	125
Winter wheat farms:								
Southern Plains:								
Wheat.....	95	155	106	141	97	186	119	166
Wheat-grain sorghum.....	73	137	129	157	64	148	115	165
Pacific Northwest:								
Wheat-pea.....	129	121	170	134	132	129	165	133
Wheat-fallow.....	111	123	128	110	114	136	129	117
Cattle ranches:								
Northern Plains.....	104	105	93	106	96	100	93	90
Intermountain region.....	119	147	142	137	96	100	93	91
Southwest.....	96	121	134	146	94	106	103	101
Sheep ranches:								
Northern Plains.....	124	153	151	157	96	100	93	90
Southwest.....	98	141	155	164	94	106	103	101

¹ Preliminary. ² Rate of lay on New Jersey poultry farms and range condition on ranches. ³ Revised.

TABLE 7.--Production per hour of labor and per unit of input: Index numbers, specified types of commercial farms, 1960, with comparisons

(1947-49 = 100)

TYPE AND LOCATION OF FARM	Production per hour of man labor				Production per unit of input			
	AVERAGE 1950-59	1958	1959	1960 ¹	AVERAGE 1950-59	1958	1959	1960 ¹
Dairy farms:								
Central Northeast.....	147	167	173	179	112	114	113	115
Eastern Wisconsin.....	139	146	175	170	117	118	135	130
Western Wisconsin.....	149	172	178	177	124	135	137	134
Dairy-hog farms:								
Southeastern Minnesota.....	152	170	178	174	122	131	134	130
Corn Belt farms: ²								
Hog-dairy.....	129	149	150	142	114	125	123	117
Hog-beef raising.....	126	154	150	146	111	126	120	115
Hog-beef fattening.....	123	144	154	153	103	111	112	110
Cash grain.....	122	139	139	163	109	120	115	132
Poultry farms:								
New Jersey (egg-producing).....	134	148	165	163	106	108	110	109
Cotton farms:								
Southern Piedmont ²	128	153	145	153	111	132	120	118
Texas:								
Black Prairie.....	136	188	201	208	98	114	115	114
High Plains (nonirrigated).....	114	194	167	221	88	134	127	146
High Plains (irrigated).....	118	162	141	156	98	127	115	124
Mississippi Delta:								
Small.....	130	132	159	159	95	90	107	103
Large-scale.....	150	151	201	206	108	110	130	127
Peanut-cotton farms:								
Southern Coastal Plains.....	142	197	183	211	107	122	115	126
Tobacco farms:								
North Carolina Coastal Plain:								
Tobacco-cotton.....	115	128	122	131	102	106	100	109
Tobacco-cotton (large).....	114	127	124	133	102	107	104	114
Tobacco (small).....	112	121	114	126	104	108	101	113
Kentucky Bluegrass:								
Tobacco-livestock, inner area.....	124	133	128	130	100	98	93	96
Tobacco-dairy, intermediate area..	125	136	143	146	108	110	112	111
Tobacco-dairy, outer area.....	127	144	143	144	108	112	110	111
Spring wheat farms:								
Northern Plains:								
Wheat-small grain-livestock.....	117	159	113	153	104	131	91	120
Wheat-corn-livestock.....	110	163	90	149	100	140	81	128
Wheat-roughage-livestock.....	104	129	74	143	95	114	69	129
Winter wheat farms:								
Southern Plains:								
Wheat.....	105	152	112	139	92	136	98	120
Wheat-grain sorghum.....	86	148	141	195	79	139	131	152
Pacific Northwest:								
Wheat-pea.....	123	109	152	122	111	98	135	106
Wheat-fallow.....	113	131	132	115	100	112	113	98
Cattle ranches:								
Northern Plains.....	106	118	101	113	98	101	89	99
Intermountain region.....	118	141	136	126	103	124	113	106
Southwest.....	103	142	147	155	90	105	111	117
Sheep ranches:								
Northern Plains.....	115	142	129	133	108	127	120	122
Southwest.....	107	154	162	162	91	113	121	125

¹ Preliminary. ² Revised.

these indexes have shown a general upward trend. In 1960, production per hour of man labor on some of the cotton farms was more than double that in 1947-49. This reflects the increase in mechanization, higher yields per acre, and the shift from cotton to crops, the production of which is more highly mechanized. On all except the tobacco-livestock farms in the inner Bluegrass area of Kentucky, wheat-fallow farms in the Pacific Northwest, and the cattle ranches in the Northern Plains, production per unit of input was higher in 1960 than in 1947-49.

From 1959 to 1960, changes in acreages of crops harvested generally were not large enough to affect production and net farm income appreciably. Allotment and conservation programs were essentially the same in both years.

For the cotton farms, the proportion of farmers choosing the A plan was nearly the same in 1960 as in 1959. Under this plan, a farmer could plant his regular or base allotment and receive a price support of 75 percent of parity. Under plan B, a farmer could plant up to 40 percent above his regular allotment and sell his cotton on the open market or place it under loan at 60 percent of parity.

The estimated value of machinery on farms January 1, 1960, showed an increase from a year earlier on 24 of the 34 types of farms (table 8). On 16 of these farms, this resulted from an increase in quantity, as well as from the generally higher price level. The value of machinery investment was lower on 8 of the 34 farm types, largely because machinery purchases in the previous year were not enough to offset depreciation.

The effect of these and other changes in production, prices and cost rates, on net farm income varied considerably by area and type of farm. In 1960, incomes on dairy and dairy-hog farms varied from 4 percent lower than in 1959 on farms in the central Northeast to 6 percent higher on farms in southeastern Minnesota. Lower prices received for milk were the most important factor in reducing net farm incomes on dairy farms in the central Northeast. But greater marketings of dairy products and higher prices received for milk, hogs, poultry, and eggs were the major reasons for

higher net farm incomes on dairy-hog farms in southeastern Minnesota.

In the Corn Belt, net farm income on cash grain farms was 20 percent higher in 1960 than in 1959. But incomes on the other Corn Belt farms were from 4 to 18 percent lower. Higher yields per acre were the principal reason for the increase in income on cash grain farms. In contrast, lower yields per acre and reduced production of livestock contributed to the lower incomes on the other Corn Belt farms. Lower prices received for cattle was an additional factor on the hog-beef fattening farms.

From 1959 to 1960, net farm incomes on poultry (egg-producing) farms in New Jersey increased from a loss of \$1,335 to \$4,462. This increase was due to higher prices received for eggs and poultry and lower prices paid for feed. Egg production per hen was slightly lower than in 1959.

On cotton farms in the southern Piedmont, Black Prairie, and the Mississippi Delta, net farm incomes were from 5 to 12 percent lower in 1960 than in 1959. But incomes were from 12 to 33 percent higher on cotton farms in the High Plains of Texas and on peanut-cotton farms in southern Coastal Plains. Lower yields per acre were the principal reason for lower incomes on cotton farms in the southern Piedmont and the Black Prairie. In the Delta, lower incomes were due to both lower yields per acre and lower prices received. In the High Plains, the increase in yields per acre was more than enough to offset the less favorable price-cost relationships. But higher yields per acre and higher prices received combined to increase net farm incomes on peanut-cotton farms.

In 1960, net farm incomes on tobacco and tobacco-cotton farms in the Coastal Plain of North Carolina were about one-third higher than in 1959. The increase was due chiefly to higher yields per acre. But higher prices received also contributed to higher incomes. In contrast, incomes on tobacco-livestock farms in the inner area and tobacco-dairy farms in the outer Bluegrass area of Kentucky were only 5 percent higher in 1960 than in 1959. Incomes on tobacco-dairy farms in the intermediate Bluegrass area changed very little from the previous year.

TABLE 8.--Quantity and value of power and machinery: Index numbers, specified types of commercial farms, 1960, with comparisons

(1947-49 = 100)

TYPE AND LOCATION OF FARM	Quantity ¹					Value, Jan. 1			
	AVERAGE 1950-59	1957	1958	1959	1960 ²	AVERAGE 1950-59	1958	1959	1960 ²
Dairy farms:									
Central Northeast.....	143	152	156	159	159	198	235	249	260
Eastern Wisconsin.....	116	114	115	116	117	160	177	184	188
Western Wisconsin.....	115	109	106	106	106	161	171	172	173
Dairy-hog farms:									
Southeastern Minnesota.....	125	122	122	122	121	182	203	212	216
Corn Belt farms: ³									
Hog-dairy.....	116	119	121	123	123	157	180	190	195
Hog-beef raising.....	133	137	139	143	145	177	208	219	226
Hog-beef fattening.....	116	114	112	112	110	158	172	176	177
Cash grain.....	107	105	105	104	101	146	159	165	164
Poultry farms:									
New Jersey (egg-producing).....	135	154	160	163	167	144	168	174	173
Cotton farms:									
Southern Piedmont ³	134	141	141	142	140	176	209	219	224
Texas:									
Black Prairie.....	116	112	112	114	111	158	174	183	187
High Plains (nonirrigated).....	146	141	144	146	145	207	230	239	242
High Plains (irrigated).....	144	145	145	145	145	189	217	219	222
Mississippi Delta:									
Small.....	187	208	199	196	201	263	336	330	335
Large-scale.....	139	152	142	136	141	190	235	223	218
Peanut-cotton farms:									
Southern Coastal Plains.....	249	294	309	323	326	367	517	568	598
Tobacco farms:									
North Carolina Coastal Plain:									
Tobacco-cotton.....	139	143	142	143	145	186	219	228	232
Tobacco-cotton (large).....	107	104	102	102	103	137	150	154	155
Tobacco (small).....	103	102	100	101	102	139	153	158	159
Kentucky Bluegrass:									
Tobacco-livestock, inner area....	125	132	135	138	138	167	203	216	226
Tobacco-dairy, intermediate area.	134	145	146	152	154	190	237	255	271
Tobacco-dairy, outer area.....	134	144	146	151	151	182	223	239	253
Spring wheat farms:									
Northern Plains:									
Wheat-small grain-livestock.....	121	121	124	125	123	171	195	205	209
Wheat-corn-livestock.....	124	118	115	110	106	184	196	201	195
Wheat-roughage-livestock.....	129	125	120	117	112	188	210	208	205
Winter wheat farms:									
Southern Plains:									
Wheat.....	115	117	115	115	117	161	182	189	189
Wheat-grain sorghum.....	109	102	103	104	107	151	160	166	170
Pacific Northwest:									
Wheat-pea.....	119	124	120	120	120	165	197	193	193
Wheat-fallow.....	106	104	104	104	104	145	158	163	165
Cattle ranches:									
Northern Plains.....	112	106	112	105	106	156	165	172	170
Intermountain region.....	110	113	120	123	128	159	194	205	215
Southwest.....	134	120	141	151	149	178	183	213	223
Sheep ranches:									
Northern Plains.....	122	115	121	111	114	152	159	164	161
Southwest.....	158	155	159	156	144	227	243	258	254

¹ Valued at 1947-49 dollars. ² Preliminary. ³ Revised.

In 1960, net farm incomes on wheat farms in the Northern and Southern Plains ranged from 18 to 283 percent higher than in 1959. Incomes on these farms were higher despite reductions in prices received. Yields per acre on these farms were substantially higher than in the previous year. In contrast, incomes on wheat-pea and wheat-fallow farms in the Pacific Northwest were 31 and 23 percent, respectively, below a year earlier. Price-cost relationships improved slightly on these farms in 1960, but the reduction in yields per acre was more than enough to offset the relatively favorable price-cost situation.

On the cattle ranches, net incomes in 1960 were from 4 to 24 percent lower than in the previous year. Prices received on these ranches were about 12 percent lower in 1960 than in 1959. Less favorable range conditions also contributed to the reduction in net ranch income. Lower prices received and the less favorable range condition were also the major factors resulting in lower incomes on the sheep ranches.

In comparing incomes on the respective types of farms, the kind and quantity of resources need to be taken into account. For instance, net farm income in 1960 on dairy farms in western Wisconsin was a little higher than the income on dairy farms in eastern Wisconsin. But total investment on the farms in eastern Wisconsin was nearly 50 percent higher than the investment on dairy farms in western Wisconsin. One method of adjusting for differences in capital investment and the input of operator and family labor is to calculate returns per hour to operator and family after allowing a calculated charge for the use of capital (table 9). Second method is to calculate returns per \$100 invested after allowing a charge for operator and family labor valued at hired labor rates (table 10). These returns vary widely among types of farms. However, since farms vary greatly in resources used, total net income must be considered, along with the rate of return per hour or per \$100 invested. For instance, returns per hour of operator and family labor were about the same in 1960 for dairy farms in western Wisconsin as on wheat-fallow farms in the Pacific

Northwest. Yet if there is no debt on either type of farm, operators of wheat-fallow farms would have nearly three times as much money to pay family living expenses as operators of dairy farms in western Wisconsin.

Except for sheep ranches in the Southwest and tobacco-dairy farms in the intermediate Bluegrass area of Kentucky, returns per \$100 invested were lower in 1960 than in 1947-49. Most of this decline may be attributed to (1) higher values per unit of real estate and working capital (2) increase in total acreage farmed (3) increased quantity of working capital (4) higher wage rates for operator and family labor and (5) declining net farm income. The latter factor applied to only 14 of the 34 types of farms.

Since the value of real estate is the major item of investment on nearly all these types of farms, returns per \$100 invested gives a good indication of the relation between land values and income.

In 1960, returns to investment were less than 6 percent--the mortgage rate of interest on new loans January 1, 1960--on 23 of the types of farms. Relatively high return to investment on the peanut-cotton, tobacco, and tobacco-cotton farms was due partly to the low wage rate used to value family and operator labor. On the Wisconsin dairy farms, hog-beef raising farms in the Corn Belt, the poultry farms and tobacco-dairy farms in the intermediate Bluegrass area of Kentucky, net farm income was less than the value of family and operator labor valued at wage rates for hired labor. Thus no return was available for capital.

With present land values and interest rates, operators of most types of farms would have considerable difficulty paying for a farm from current earnings if they had to borrow a high proportion of the investment. On the other hand, a person with money to invest has been able to realize a higher return on investment in several of the types of farms than on some nonfarm investments, such as bonds, saving banks, and mutual funds. In addition, he has gained from increased land values.

TABLE 9. --Resources, costs and returns per farm, specified types of commercial farms, 1960¹

TYPE AND LOCATION OF FARM ²	Size of farm		Total labor used	Total farm capital, January 1	Gross farm income ³	Operating expenses ⁴	Return per hour to operator and family labor
	Unit	Number of acres					
Dairy farms:							
Central Northeast.....	Milk cows	28.8	4,400	40,600	12,341	8,280	0.46
Eastern Wisconsin.....	do.	21.9	4,150	45,350	9,950	6,860	.10
Western Wisconsin.....	do.	21.0	4,160	31,260	8,476	5,058	.40
Dairy-hog farms:							
Southeastern Minnesota.....	do.	19.9	3,990	49,960	9,839	5,981	.23
Corn Belt farms:							
Hog-dairy.....	Cropland	109	4,420	56,240	11,939	7,323	.31
Hog-beef raising.....	do.	112	3,500	48,520	8,171	5,204	-.01
Hog-beef fattening.....	do.	155	4,150	83,370	23,221	17,799	.07
Cash grain.....	do.	206	3,230	109,660	15,159	8,379	.02
Poultry farms:							
New Jersey (egg-producing).....	Layers	4,800	5,700	55,730	29,738	25,276	.23
Cotton farms:							
Southern Piedmont.....	Cropland	93	4,400	24,480	5,237	3,390	.13
Texas:							
Black Prairie.....	do.	124	2,840	37,760	6,123	3,898	-.05
High Plains (nonirrigated).....	do.	360	3,160	59,140	14,417	6,345	1.99
High Plains (irrigated).....	do.	326	7,050	113,950	29,889	15,045	2.98
Mississippi Delta:							
Small.....	do.	38	3,200	13,550	4,168	2,409	.37
Large-scale.....	do.	640	30,260	205,770	65,017	41,243	(⁵)
Peanut-cotton farms:							
Southern Coastal Plains.....	do.	73	3,950	16,500	6,939	3,717	.72
Tobacco farms:							
North Carolina Coastal Plain:							
Tobacco-cotton.....	do.	46	5,930	25,250	8,517	5,026	.74
Kentucky Bluegrass:							
Tobacco-livestock, inner area.....	do.	60	4,250	98,940	13,073	7,579	-.21
Tobacco-dairy, intermediate area.....	do.	25	3,500	21,780	5,197	2,705	.34
Tobacco-dairy, outer area.....	do.	41	4,590	40,510	9,745	5,163	.65
Spring wheat farms:							
Northern Plains:							
Wheat-small grain-livestock.....	do.	569	2,810	51,630	10,698	6,309	.50
Wheat-corn-livestock.....	do.	371	3,540	52,540	10,245	4,717	.72
Wheat-roughage-livestock.....	do.	518	3,190	47,460	10,398	4,770	.91
Winter wheat farms:							
Southern Plains:							
Wheat.....	do.	560	3,040	91,270	16,602	6,104	1.84
Wheat-grain sorghum.....	do.	568	3,110	88,540	17,859	5,713	2.37
Pacific Northwest:							
Wheat-pea.....	do.	524	3,470	177,480	21,290	10,270	.07
Wheat-fallow.....	do.	980	3,640	138,470	19,395	9,752	.40
Cattle ranches:							
Northern Plains.....	Cows	93.6	4,060	82,680	11,720	6,732	.01
Intermountain region.....	do.	137.9	5,210	87,930	17,346	7,773	1.07
Southwest.....	do.	150.2	3,710	161,590	16,713	9,611	-1.08
Sheep ranches:							
Northern Plains.....	Sheep	1,383	8,820	100,650	23,242	15,168	.52
Southwest.....	do.	1,405	5,890	208,530	22,421	12,319	-.93

¹ Preliminary. ² All except large-scale cotton farms are family operated. ³ Includes income from farming and Government payments. ⁴ Includes property taxes, but no rent or interest. ⁵ Not applicable.

TABLE 10. --Return per \$100 invested with operator and family labor at wage rates paid for hired labor, specified types of commercial farms, 1960, with comparisons

TYPE AND LOCATION OF FARM	AVERAGE		1958	1959	1960 ¹
	1947-49	1950-59			
	Dollars	Dollars	Dollars	Dollars	Dollars
Dairy farms:					
Central Northeast.....	9.81	5.83	5.17	3.78	2.88
Eastern Wisconsin.....	- .35	-1.60	-2.37	-1.35	-1.58
Western Wisconsin.....	.18	.00	1.41	- .16	-.28
Dairy-hog farms:					
Southeastern Minnesota.....	3.82	2.21	2.14	.23	.62
Corn Belt farms:					
Hog-dairy.....	7.90	3.97	6.07	.94	.49
Hog-beef raising.....	5.94	2.32	4.50	-.20	-.67
Hog-beef fattening.....	14.61	6.43	8.44	2.87	1.41
Cash grain.....	11.70	6.52	4.46	2.41	3.33
Poultry farms:					
New Jersey (egg-producing).....	9.27	-2.40	-3.97	-10.72	-.07
Cotton farms:					
Southern Piedmont.....	5.95	5.59	8.09	3.76	2.68
Texas:					
Black Prairie.....	10.19	4.48	5.34	2.44	1.93
High Plains (nonirrigated).....	18.60	7.27	13.74	9.21	10.99
High Plains (irrigated).....	20.61	12.41	15.82	10.03	11.26
Mississippi Delta:					
Small.....	16.98	8.73	2.94	6.88	5.02
Large-scale.....	15.67	11.90	6.22	11.60	9.45
Peanut-cotton farms:					
Southern Coastal Plains.....	17.73	13.10	17.01	6.99	10.96
Tobacco farms:					
North Carolina Coastal Plain:					
Tobacco-cotton.....	10.74	8.19	7.88	3.98	7.14
Tobacco-cotton (large).....	8.08	6.72	6.95	3.99	6.80
Tobacco (small).....	9.71	8.51	8.19	3.67	8.95
Kentucky Bluegrass:					
Tobacco-livestock, inner area.....	6.91	4.71	4.88	3.02	3.08
Tobacco-dairy, intermediate area.....	-3.62	-2.25	-.31	-1.26	-2.06
Tobacco-dairy, outer area.....	4.09	3.54	4.83	3.01	2.77
Spring wheat farms:					
Northern Plains:					
Wheat-small grain-livestock.....	16.04	6.10	8.20	.64	3.49
Wheat-corn-livestock.....	13.13	3.77	9.37	-.93	4.92
Wheat-roughage-livestock.....	11.64	2.17	4.19	-3.28	5.14
Winter wheat farms:					
Southern Plains:					
Wheat.....	15.97	7.93	12.60	5.80	8.39
Wheat-grain sorghum.....	13.47	3.34	11.09	8.83	10.54
Pacific Northwest:					
Wheat-pea.....	10.67	7.42	3.65	6.81	4.06
Wheat-fallow.....	15.62	7.72	6.48	5.58	3.49
Cattle ranches:					
Northern Plains.....	7.14	3.08	5.03	2.80	2.56
Intermountain region.....	9.33	7.21	12.32	9.79	6.52
Southwest.....	4.43	2.12	5.38	4.17	3.34
Sheep ranches:					
Northern Plains.....	6.50	6.31	10.63	4.78	4.61
Southwest.....	3.17	2.22	5.02	4.38	4.00

¹ Preliminary.

In this publication, estimates of net farm income do not include capital appreciation. This additional source of income or loss is not included directly in these returns because these estimates of net farm and ranch income are designed primarily to measure the income from farm operations. Capital gains or losses from year to year are eliminated from income in these estimates by revaluing beginning inventory of working assets at year-end prices. Purchases or sales of land and service buildings are considered capital investment items and are excluded from expenses or income. Thus gains or losses from price changes of assets in inventory are excluded from these estimates of income.

Recent field surveys made in connection with these farm series indicated that 53 percent of the land in Piedmont cotton farms was purchased prior to 1945. Approximately 39 percent was purchased prior to 1930. On Mississippi Delta cotton farms, 36 percent of the land was purchased prior to 1945, and 30 percent was purchased prior to 1930. On eastern Wisconsin dairy farms, 31 percent was purchased prior to 1945 and 7 percent prior to 1930. A farmer who bought his farm some years back has a considerable potential increment in capital. Of course, a farm operator realizes no returns from increases in capital assets unless he sells his farm. If realized, however, this source of income was often substantial in the last several years.

From 1959 to 1960, the total value of land and buildings increased on 32 of the 34 types of farms. During the last 10 or 20 years, values of farm assets increased on all farm types, and in some instances, the increases were substantial.

A farmer who bought a farm 20 years ago, had it free of debt, then sold it in recent years would have realized a considerable capital gain. The extent to which farmers may have benefited from

increased values of farmland, buildings, machinery, livestock, and other assets differs greatly from farm to farm. In some instances, annual capital gains over the last 20 years almost equaled the average annual net farm income. A few examples may illustrate these points.

Suppose that in 1941, a farmer bought a typical winter wheat farm in the Southern Plains. He made the usual additions in acres of land and in machinery, equipment, and livestock. He had made all payments and had the farm debt free. Twenty years later, at the close of 1960, he sold it. This farmer would have realized an annual increase of \$2,951 in capital assets after deducting the various purchases at cost at the time of purchase. Over this 20-year period, he also received an average annual net farm income of \$7,844.

An owner-operator of a typical hog-dairy farm in the Corn Belt, where incomes are generally less variable and increases in size of farm are less than for some other types of farms, would have received a capital gain equivalent to about \$1,713 per annum over the 20-year period, and an average net farm income of \$4,770.

An owner-operator of a typical cattle ranch in the Southwest, where incomes from ranching operations vary greatly from year to year and where mineral rights have been important in increasing land values, would have realized more from capital gains than from ranching operations. Over the 20-year period, capital gains on these ranches after proper deductions for the cost of capital additions to the ranch business amounted to about \$4,270 per annum, and average net ranch incomes to \$4,093. An owner-operator of a typical sheep ranch in the same general area would have received capital gains of approximately \$4,510, in addition to an average net ranch income of \$5,605.

DAIRY FARMS, CENTRAL NORTHEAST

Net farm income in 1960 on typical northeastern dairy farms was estimated at \$4,061, about 4 percent below the 1959 return of \$4,236 (tables 11 and 12).

The principal reason for the lower income in 1960 was a 3-percent decrease in prices received for commodities sold.

Prices received for all livestock and livestock products sold by these farmers were lower in 1960 than a year earlier. Milk prices were 3 percent lower and cattle and calf prices were both 12 percent lower. However, prices received for chickens and eggs were up about 9 and 15 percent, respectively.

Milk sales per farm in 1960 averaged 214,368 pounds, up about 15,100 pounds from a year earlier. About 55 percent of this increase can be attributed to greater milk production per cow. Since 1947-49, milk sales per farm have increased nearly two-thirds while cash receipts from the sale of dairy products were up 58 percent. During this period, the quantity of concentrates fed to dairy cattle increased 58 percent. However, because of lower feed prices, expenditures for concentrate feeds have increased only about one-fifth since 1947-49.

Net farm production broke all previous records on these farms in 1960, but

operating expenses and total cost of production also were at record highs. In 1960, total operating expenses amounted to 67 cents per dollar of gross farm income compared with an average of 57 cents in 1947-49.

The typical northeastern dairy farm is a highly specialized unit. During the last 10 years, nearly 83 percent of the total cash receipts came from the sale of milk. As most of these farmers buy most of their concentrate feeds, it is evident that the milk-feed price ratio has considerable influence on the relationship of prices received to prices paid. In 1960, a hundred pounds of milk sold by these dairymen bought 16 percent more concentrate ration than in 1947-49. This occurred despite a 4-percent decrease in prices received for milk during this same period.

From 1950 to date, expenditures for feed comprised about a third of the total cash expenditures on these farms. Prices paid for concentrate rations in this area were 14 percent lower in 1960 than in 1947-49. This reduces the price effect of certain inputs that have increased substantially in price since 1947-49. Examples are: machinery purchases, repairs and operation, up 50 percent; real estate taxes, up 91 percent; building construction and repair, up 33 percent; and hired labor, up 41 percent.

TABLE 11. --Dairy farms, central Northeast: Index numbers of costs and returns and related factors, 1960, with comparisons¹

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ²
Gross farm income.....	116	132	137	140
Net farm income.....	102	114	111	106
Net farm production.....	127	140	143	150
Crop yields per acre.....	119	129	127	133
Production per hour of man labor.....	147	167	173	179
Production per unit of input.....	112	114	113	115
Operating expense per unit of production.....	104	110	110	114
Total cost per unit of production.....	108	116	122	123
Power and machinery (quantity).....	143	156	159	159
Prices received for products sold.....	94	98	98	95
Prices paid, including wages to hired labor.....	111	117	120	120

¹ Revised. ² Preliminary.

TABLE 12.--Dairy farms, central Northeast: Organization, production, costs and returns, 1960, with comparisons¹

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ²
Land in farm.....	Acre	189	212	217	221	226
Cropland harvested.....	do.	69	79	81	82	84
Open pasture.....	do.	70	80	81	82	83
Crops harvested:						
Corn.....	do.	7.9	10.6	10.7	10.8	11.0
Small grains.....	do.	14.5	14.0	14.2	14.1	13.8
Hay.....	do.	46.0	54.2	55.9	56.9	59.0
Crop yields per harvested acre:						
Corn for silage.....	Ton	9.8	10.5	10.0	10.5	10.3
Oats.....	Bushel	32.2	53.0	52.0	54.0	52.0
Hay.....	Ton	1.5	1.7	1.9	1.8	2.0
Livestock on farm, Jan. 1:						
All cattle.....	Number	32.9	39.6	40.3	41.3	42.9
Cows and heifers, 2 years old and over.....	do.	21.9	26.6	27.3	27.8	28.8
Chickens.....	do.	81	71	65	55	47
Milk production per cow.....	Pound	6,600	7,480	7,800	7,890	8,160
Tractors on farm.....	Number	.89	1.69	1.79	1.87	1.95
Total labor used.....	Hour	5,240	4,350	4,370	4,320	4,400
Operator and family.....	do.	4,040	3,650	3,540	3,500	3,560
Hired.....	do.	1,200	700	830	820	840
Total farm capital, Jan. 1.....	Dollar	21,930	32,400	35,200	38,800	40,600
Land and buildings.....	do.	11,000	17,800	18,700	20,400	21,200
Machinery and equipment.....	do.	2,760	6,200	6,500	6,900	7,200
Livestock.....	do.	6,400	5,900	7,300	9,100	9,700
Crops.....	do.	1,770	2,500	2,700	2,400	2,500
Total cash receipts.....	do.	7,864	9,771	10,560	10,853	11,284
Cattle and calves.....	do.	895	872	1,220	1,243	1,266
Dairy products.....	do.	6,139	8,388	8,877	9,283	9,691
Poultry and eggs.....	do.	650	406	384	259	253
Forest products.....	do.	61	69	51	36	38
Other, including Government payments.....	do.	119	36	28	32	36
Total cash expenditures.....	do.	5,255	6,748	7,498	8,000	8,307
Feed purchased.....	do.	2,113	2,154	2,241	2,340	2,559
Livestock purchased.....	do.	163	219	281	189	126
Other livestock expense.....	do.	93	174	215	347	359
Fertilizer and lime.....	do.	225	297	328	367	378
Other crop expense.....	do.	257	276	284	311	321
Machinery.....	do.	1,106	2,142	2,413	2,538	2,550
Farm buildings and fences.....	do.	361	360	360	400	421
Labor hired.....	do.	564	494	655	728	738
Taxes.....	do.	266	475	525	568	631
Other.....	do.	107	157	196	212	224
Net cash farm income.....	do.	2,609	3,023	3,062	2,853	2,977
Value of perquisites.....	do.	950	943	919	955	943
Change in inventory:						
Crops and livestock.....	do.	-2	286	201	302	114
Machinery and buildings.....	do.	258	68	157	126	27
Gross farm income.....	do.	8,812	11,000	11,680	12,110	12,341
Operating expenses.....	do.	4,997	6,680	7,341	7,874	8,280
Net farm income.....	do.	3,815	4,320	4,339	4,236	4,061
Purchasing power in 1947-49 dollars.....	do.	3,815	3,724	3,677	3,590	3,413
Charge for capital ³	do.	918	1,620	2,112	2,134	2,436
Return per hour to operator and family labor... Charge for capital ³	do.	.72	.74	.63	.60	.46
Return per hour to operator and family labor... Charge for capital ³	do.	899	1,328	1,443	1,591	1,665
Return per hour to operator and family labor... Charge for capital ³	do.	.72	.82	.82	.76	.67

¹ Revised. ² Preliminary. ³ See preface.

DAIRY FARMS, EASTERN WISCONSIN

Operators of typical dairy farms in eastern Wisconsin received a net income of \$3,090 in 1960, about equal to their 1959 return (table 13).

The 1960 crop season in eastern Wisconsin got off to a slow start. Spring began cold and wet. This area of the State received nearly 70 percent more rainfall than normal during the spring planting season. As a result, planting, maturity, and harvesting of many crops was behind schedule. Corn planting on many farms was delayed until after the first cutting of hay. As fall approached, weather improved and crop yields were down only about 5 percent from the 1959 average.

From 1959 to 1960, higher prices received for products sold by these dairymen were offset by lower crop yields and higher prices paid for inputs used in production.

Prices received for products sold were higher in 1960, up more than 3 percent from a year earlier (table 14). Prices paid for goods and services used in production were also up. The net result showed little improvement in the ratio of prices received to prices paid.

In 1960, cash receipts from the sale of milk were nearly 9 percent higher than in 1959. This was due largely to a 20-cent increase in prices received for milk. This was the largest yearly price

increase for milk sold by these dairymen since 1951-52. From 1959 to 1960, however, the increase in cash receipts from the sale of milk was somewhat offset by a reduction in livestock marketed from these farms. Changes in livestock and poultry prices were mixed. Increases were recorded for hogs and chickens, up 8 percent; and eggs, up 17 percent. Cattle and calf prices were both down about 11 percent.

There was a substantial increase in the milk-feed price ratio (the amount of feed that 100 pounds of milk will buy) on these farms in 1960. The ratio was about 7 percent higher in 1960 than in 1959 and about 10 percent higher than the 1950-59 average. During 1960, this ratio was the highest ever recorded.

Total concentrates fed per milk cow were also at a record high in 1960, about 5 percent above 1959 and 25 percent above the 1950-59 average. The typical dairy cow on these farms in 1960 produced about 900 pounds more milk and received about 540 pounds more concentrate feeds than in the period 1950-59.

It would have required about 7,000 pounds of milk to buy a milk cow in this area during 1960, about 520 pounds more than in 1950-59. In 1960, however, milk production per cow averaged 8,740 pounds compared with an average production of 7,840 pounds in 1950-59.

TABLE 13.--Dairy farms, eastern Wisconsin: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	115	124	135	137
Net farm income.....	94	90	106	105
Net farm production.....	123	129	155	151
Crop yields per acre.....	119	115	137	130
Production per hour of man labor.....	139	146	175	170
Production per unit of input.....	117	118	135	130
Operating expense per unit of production.....	105	111	101	106
Total cost per unit of production.....	100	109	98	107
Power and machinery (quantity).....	116	115	116	117
Prices received for products sold.....	92	90	86	89
Prices paid, including wages to hired labor.....	113	116	120	123

¹ Preliminary.

TABLE 14. --Dairy farms, eastern Wisconsin: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	125	138	140	142	146
Cropland harvested.....	do.	67	80	81	84	86
Crops harvested:						
Corn for grain.....	do.	7.9	9.9	8.8	14.0	12.9
Corn for silage.....	do.	10.1	11.7	13.3	10.9	13.4
Small grains.....	do.	23.0	27.5	28.0	25.9	25.0
Hay.....	do.	23.4	28.2	28.8	31.2	33.2
Crop yields per harvested acre:						
Corn for grain.....	Bushel	52.1	59.3	56.6	72.1	63.5
Corn for silage.....	Ton	9.0	9.5	8.4	11.8	10.2
Oats.....	Bushel	49.5	55.8	64.1	52.5	49.7
Hay.....	Ton	1.8	2.6	2.0	2.9	3.0
Livestock on farm, Jan. 1:						
All cattle.....	Number	26.3	34.3	33.0	33.2	33.9
Cows and heifers, 2 years old and over.....	do.	17.6	21.6	21.6	21.7	21.9
Chickens.....	do	107	107	103	106	93
Milk production per cow.....	Pound	7,130	8,090	8,540	8,680	8,740
Pigs raised.....	Number	16	26	28	29	28
Tractors on farm.....	do.	1.10	1.96	2.09	2.10	2.10
Total labor used.....	Hour	4,670	4,170	4,140	4,120	4,150
Operator and family.....	do.	4,180	3,800	3,760	3,750	3,770
Hired.....	do.	490	370	380	370	380
Total farm capital, Jan. 1.....	Dollar	26,160	36,980	39,830	43,990	45,350
Land and buildings.....	do.	14,850	22,730	24,560	26,840	28,200
Machinery and equipment.....	do.	3,910	6,670	6,910	7,180	7,360
Livestock.....	do.	5,000	5,050	5,860	7,230	6,660
Crops.....	do.	2,400	2,530	2,500	2,740	3,130
Total cash receipts.....	do.	6,427	7,743	8,282	7,995	8,353
Crops.....	do.	264	212	165	158	269
Cattle and calves.....	do.	933	1,168	1,340	1,306	1,076
Hogs.....	do.	669	866	1,088	803	825
Dairy products.....	do.	3,900	4,928	5,100	5,281	5,736
Poultry and eggs.....	do.	631	526	573	430	432
Other, including Government payments.....	do.	30	43	16	17	15
Total cash expenditures.....	do.	4,752	6,240	6,535	6,901	7,108
Feed purchased.....	do.	730	890	930	870	813
Livestock purchased.....	do.	33	39	45	39	29
Other livestock expense.....	do.	196	337	374	422	434
Fertilizer and lime.....	do.	123	200	220	245	245
Other crop expense.....	do.	298	428	382	425	461
Machinery.....	do.	2,033	2,362	2,505	2,704	2,794
Farm buildings and fences.....	do.	630	923	938	994	1,000
Labor hired.....	do.	355	356	362	373	387
Taxes.....	do.	302	559	622	662	767
Other.....	do.	52	146	157	167	178
Net cash farm income.....	do.	1,675	1,503	1,747	1,094	1,245
Value of perquisites.....	do.	759	888	934	985	1,024
Change in inventory:						
Crops and livestock.....	do.	57	83	-251	797	573
Machinery and buildings.....	do.	438	228	197	243	248
Gross farm income.....	do.	7,243	8,714	8,965	9,777	9,950
Operating expenses.....	do.	4,314	6,012	6,338	6,658	6,860
Net farm income.....	do.	2,929	2,702	2,627	3,119	3,090
Purchasing power in 1947-49 dollars.....	do.	2,929	2,329	2,226	2,643	2,597
Charge for capital ²	do.	1,046	1,664	2,191	2,200	2,721
Return per hour to operator and family labor...	do.	.45	.27	.12	.25	.10
Charge for capital ²	do.	1,073	1,516	1,633	1,804	1,859
Return per hour to operator and family labor...	do.	.44	.31	.26	.35	.33

¹ Preliminary. ² See preface.

DAIRY FARMS, WESTERN WISCONSIN

Tentative estimates indicate that net farm income on typical dairy farms in western Wisconsin averaged \$3,418 in 1960 (table 15). This is a small change from a year earlier, but it is about 22 percent higher than the net income received in 1947-49 (table 16).

From 1959 to 1960, net farm production on these farms was down slightly, primarily because of lower crop yields. Prices paid were up, but an increase in prices received for commodities sold offset these relatively unfavorable conditions.

Prices received for products sold by these dairymen increased 2 percent from 1959 to 1960. A 6-percent increase in milk prices and an 8-percent increase in hog prices were primarily responsible. Decreases of 9 and 14 percent in prices received for cull cows and calves partly offset the higher milk and hog prices.

Prices paid for goods and services used in production reached an all-time high on these farms in 1960, up nearly 3 percent from a year earlier. This increase was due to higher prices paid for machinery, hired labor, taxes, and seed. Prices paid

for feed, gasoline, and motor vehicles were lower.

Net farm production on these dairy farms in 1960 was 18 percent above the 1950-59 average. The major factors contributing to the increase during this period have been: (1) A 16-percent increase in crop yields per acre; (2) a 24-percent increase in the quantity of milk produced; and (3) a 24-percent increase in quantity of cull cows and calves sold. However, production of hogs, chickens, and eggs in 1960 was below the 1950-59 average. This increase in net farm production is the major factor causing gross farm income to attain a record high on these farms in 1960. The higher farm production relative to 1950-59 has more than offset the unfavorable relationship between prices received and prices paid. In 1960, this ratio was 75 compared with an average ratio of 83 during 1950-59.

Measured in current dollars, the estimated total capital invested in the typical western Wisconsin dairy farm in 1960 was about 25 percent more than in 1950-59. The value of land and buildings alone increased 35 percent during this period. Measured in constant dollars, the investment in land and buildings, as well as in total farm assets, increased 8 percent.

TABLE 15.--Dairy farms, western Wisconsin: Index numbers of costs and returns and related factors, 1960, which comparisons

(1947-49=100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	119	137	135	138
Net farm income.....	110	134	122	122
Net farm production.....	134	155	160	158
Crop yields per acre.....	127	140	150	148
Production per hour of man labor.....	149	172	178	177
Production per unit of input.....	124	135	137	134
Operating expense per unit of production.....	97	93	95	100
Total cost per unit of production.....	94	92	93	100
Power and machinery (quantity).....	115	106	106	106
Prices received for products sold.....	91	90	86	88
Prices paid, including wages to hire labor.....	110	111	114	117

¹ Preliminary.

TABLE 16.--Dairy farms, western Wisconsin: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	152	166	168	172	176
Cropland harvested.....	do.	64	77	79	82	83
Crops harvested:						
Corn for grain.....	do.	9.9	15.0	13.3	17.9	15.8
Corn for silage.....	do.	7.7	8.8	10.4	8.0	10.6
Small grains.....	do.	20.1	21.3	21.4	22.6	22.2
Hay.....	do.	25.5	31.1	32.8	32.3	34.1
Crop yields per harvested acre:						
Corn for grain.....	Bushel	46.6	65.8	57.4	67.3	56.4
Corn for silage.....	Ton	9.0	10.7	10.0	10.9	8.5
Oats.....	Bushel	36.4	50.6	54.2	51.5	51.7
Hay.....	Ton	1.5	2.2	2.4	2.5	2.9
Livestock on farm, Jan. 1:						
All cattle.....	Number	27.9	37.2	38.0	38.5	39.2
Cows and heifers, 2 years old and over.....	do.	16.9	20.9	21.0	20.9	21.0
Chickens.....	do.	106	110	105	108	95
Milk production per cow.....	Pound	6,250	7,430	7,860	7,980	8,040
Pigs raised.....	Number	14	22	22	21	20
Tractors on farm.....	do.	.80	1.62	1.71	1.80	1.80
Total labor used.....	Hour	4,670	4,180	4,210	4,190	4,160
Operator and family.....	do.	4,230	3,840	3,860	3,840	3,810
Hired.....	do.	440	340	350	350	350
Total farm capital, Jan. 1.....	Dollar	19,800	25,140	27,030	30,960	31,260
Land and buildings.....	do.	10,570	13,600	14,360	16,440	17,460
Machinery and equipment.....	do.	2,260	3,850	3,860	3,880	3,910
Livestock.....	do.	5,060	5,190	6,260	7,740	7,060
Crops.....	do.	1,910	2,500	2,550	2,900	2,830
Total cash receipts.....	do.	5,280	6,663	7,452	7,234	7,516
Crops.....	do.	42	126	139	94	371
Cattle and calves.....	do.	965	1,155	1,673	1,648	1,468
Hogs.....	do.	557	696	820	659	548
Dairy products.....	do.	3,111	4,134	4,244	4,384	4,676
Poultry and eggs.....	do.	574	488	542	406	415
Other, including Government payments.....	do.	31	64	34	43	38
Total cash expenditures.....	do.	3,523	4,317	4,505	4,804	5,026
Feed purchased.....	do.	795	683	724	726	683
Livestock purchased.....	do.	33	40	46	40	29
Other livestock expense.....	do.	162	293	318	329	340
Fertilizer and lime.....	do.	123	189	210	229	232
Other crop expense.....	do.	220	333	306	339	376
Machinery.....	do.	1,324	1,574	1,658	1,835	1,915
Farm buildings and fences.....	do.	305	388	371	395	430
Labor hired.....	do.	290	297	309	311	323
Taxes.....	do.	225	378	410	436	525
Other.....	do.	46	142	153	164	173
Net cash farm income.....	do.	1,757	2,346	2,947	2,430	2,490
Value of perquisites.....	do.	733	730	750	767	817
Change in inventory:						
Crops and livestock.....	do.	151	367	241	302	143
Machinery and buildings.....	do.	169	-163	-160	-85	-32
Gross farm income.....	do.	6,164	7,760	8,443	8,303	8,476
Operating expenses.....	do.	3,354	4,480	4,665	4,889	5,058
Net farm income.....	do.	2,810	3,280	3,778	3,414	3,418
Purchasing power in 1947-49 dollars.....	do.	2,810	2,828	3,202	2,893	2,872
Charge for capital ²	do.	792	1,131	1,487	1,548	1,876
Return per hour to operator and family labor...	do.	.48	.56	.59	.49	.40
Charge for capital ²	do.	812	1,031	1,108	1,269	1,282
Return per hour to operator and family labor...	do.	.47	.59	.69	.56	.56

¹ Preliminary. ² See preface.

DAIRY-HOG FARMS, SOUTHEASTERN MINNESOTA

Net farm income on typical dairy-hog farms in southeastern Minnesota was estimated at \$3,858 in 1960, up 6 percent from the \$3,632 return in 1959 (tables 17 and 18).

Sales of dairy products were substantially higher in 1960 than in 1959. This was the major factor contributing to the higher incomes. Milk receipts in 1960 were up nearly 8 percent from a year ago. About half of this was due to higher milk prices and the rest to increased shipments.

Dairy-hog farmers in this area are selling more of their milk in fluid form while marketings of cream are declining. From 1959 to 1960, prices received per pound of butterfat in cream remained unchanged. However, fluid milk prices increased about 2 percent. Because of the shift from cream to fluid milk, the weighted average price of dairy products was up about 3 percent from 1959 to 1960.

Cash receipts from the sale of hogs changed little between 1959 and 1960, even though these farmers reduced 1960 marketings by 10 percent. A price increase of \$1.70 per hundredweight of hogs sold offset the lower marketings. Fewer cull cows and calves were sold in 1960, and prices received for them were down about 11 and 8 percent, respectively. The 1960

season average price for corn was the lowest since 1942, averaging \$0.85 per bushel, 8 cents less than in 1959. But more corn was sold from these farms in 1960, and the increased marketings offset the lower prices.

Even though total cash receipts in 1960 were up about \$280 per farm, net cash income remained about the same as in 1959. An increase in cash expenditures offset the higher cash receipts. Slightly higher prices paid for inputs, and an increase in the quantity of inputs were responsible. Expenditures for taxes and for machinery operation and repairs showed the largest increase between 1959 and 1960.

Despite a 34-percent increase in gross farm income from 1947-49 to 1960, these farmers are netting about the same returns in 1960 as in 1947-49 (table 17). The explanation for this lies mainly in the fact that the ratio of prices received to prices paid has fallen about a third during this period.

In 1960, operating expenses per dollar of gross farm income amounted to 61 cents, about 15 cents higher than in 1947-49. Record high prices paid for inputs used in production in 1960 were largely responsible for this reduction in the farmer's share of his gross income dollar.

TABLE 17. --Dairy-hog farms, southeastern Minnesota: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	116	130	127	134
Net farm income.....	100	111	92	98
Net farm production.....	128	144	152	150
Crop yields per acre.....	115	129	127	125
Production per hour of man labor.....	152	170	178	174
Production per unit of input.....	122	131	134	130
Operating expense per unit of production.....	107	107	110	117
Total cost per unit of production.....	100	105	104	113
Power and machinery (quantity).....	125	122	122	121
Prices received for products sold.....	90	89	82	85
Prices paid, including wages to hired labor.....	117	122	125	127

¹ Preliminary.

TABLE 18.--Dairy-hog farms, southeastern Minnesota: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	142	155	156	159	163
Cropland harvested.....	do.	88	93	94	100	103
Open pasture.....	do.	25	29	29	26	27
Crops harvested:						
Corn for grain.....	do.	20.7	28.3	28.9	34.8	32.6
Corn for silage.....	do.	9.1	8.3	10.4	10.6	12.3
Small grains.....	do.	34.4	29.5	28.5	28.6	29.2
Hay.....	do.	23.4	26.4	25.8	26.3	28.8
Crop yields per harvested acre:						
Corn for grain.....	Bushel	46.2	58.4	57.8	56.0	54.9
Corn for silage.....	Ton	8.1	10.5	9.4	9.9	8.8
Oats.....	Bushel	40.4	44.2	54.1	52.5	47.8
Hay.....	Ton	1.90	2.62	2.50	2.63	2.85
Livestock on farm, Jan. 1:						
All cattle.....	Number	25.2	32.3	32.6	32.7	33.0
Cows and heifers, 2 years old and over.....	do.	16.0	19.7	19.7	19.8	19.9
Chickens.....	do.	166	155	141	139	128
Milk production per cow.....	Pound	6,000	7,240	7,600	8,060	8,250
Pigs raised.....	Number	34	41	45	48	46
Tractors on farm.....	do.	1.03	1.76	1.81	1.86	1.90
Total labor used.....	Hour	4,650	3,910	3,930	3,960	3,990
Operator and family.....	do.	4,210	3,620	3,620	3,630	3,660
Hired.....	do.	440	290	310	330	330
Total farm capital, Jan. 1.....	Dollar	24,780	41,570	44,910	48,840	49,960
Land and buildings.....	do.	14,020	27,270	29,760	31,660	33,430
Machinery and equipment.....	do.	3,280	6,410	6,660	6,970	7,090
Livestock.....	do.	5,070	4,710	5,830	7,170	6,190
Crops.....	do.	2,410	3,180	2,660	3,040	3,250
Total cash receipts.....	do.	6,639	7,910	8,541	8,559	8,837
Crops.....	do.	324	560	546	598	658
Cattle and calves.....	do.	888	960	1,292	1,318	1,111
Hogs.....	do.	1,543	1,502	1,750	1,477	1,488
Dairy products.....	do.	2,990	4,182	4,296	4,661	5,026
Poultry and eggs.....	do.	866	628	620	474	522
Other, including Government payments.....	do.	28	78	37	31	32
Total cash expenditures.....	do.	3,903	4,890	5,224	5,714	5,988
Feed purchased.....	do.	576	647	679	739	739
Livestock purchased.....	do.	53	51	61	52	44
Other livestock expense.....	do.	156	249	261	279	290
Fertilizer and lime.....	do.	58	150	162	194	206
Other crop expense.....	do.	224	250	229	290	348
Machinery.....	do.	1,759	2,142	2,271	2,507	2,579
Farm buildings and fences.....	do.	400	479	525	538	555
Labor hired.....	do.	314	267	296	319	325
Taxes.....	do.	285	518	574	633	726
Other.....	do.	78	137	166	163	176
Net cash farm income.....	do.	2,736	3,020	3,317	2,845	2,849
Value of perquisites.....	do.	657	721	761	735	768
Change in inventory:						
Crops and livestock.....	do.	54	146	274	23	234
Machinery and buildings.....	do.	487	-3	10	29	7
Gross farm income.....	do.	7,350	8,777	9,576	9,317	9,839
Operating expenses.....	do.	3,416	4,893	5,214	5,685	5,981
Net farm income.....	do.	3,934	3,884	4,362	3,632	3,858
Purchasing power in 1947-49 dollars.....	do.	3,934	3,348	3,697	3,078	3,242
Charge for capital ²	do.	991	1,871	2,470	2,442	2,998
Return per hour to operator and family labor..	do.	.70	.56	.52	.33	.23
Charge for capital ²	do.	1,016	1,704	1,841	2,002	2,048
Return per hour to operator and family labor..	do.	.69	.60	.70	.45	.49

¹ Preliminary. ² See preface.

HOG-DAIRY FARMS, CORN BELT

On typical hog-dairy farms, the estimated net farm income in 1960 was \$4,616 (table 19). This was about \$200 below the incomes received in 1959 and \$770 below the 1947-49 average.

The decline in net farm income from 1959 to 1960 was due mainly to lower farm production. The number of hogs produced per farm went down from 117 to 108 from 1959 to 1960, and crop yields were also lower. Receipts from sales of corn, cull cows, and calves were also below those of a year earlier.

In 1960, prices received for commodities sold by these farmers averaged 19 percent below 1947-49 but were 5 percent above a year earlier (table 20). The increase from 1959 to 1960 can be attributed to higher milk and hog prices. These farmers received \$3.19 a hundredweight for their milk in 1960, the highest price received since 1952. Hogs sold for \$1.44 more per hundredweight in 1960 than in 1959. But prices received for corn hit an 18-year low and were 10 cents a bushel less than a year ago. Cattle and calf prices were down, \$1.90 and \$3.15 per hundredweight, respectively.

Generally, these hog-dairy farmers receive about \$1,100 more from the sale of hogs than from the sale of dairy products.

In 1960, however, cash receipts from these two sources were nearly equal because hog production was lower and milk prices were higher than in 1959.

In the 5 years prior to 1960, cash expenditures on these farms increased rather sharply. In 1960, however, expenditures remained at about the same level as a year earlier. These farmers did not buy as much feed, fertilizer, and new machinery as they bought in 1959. But prices paid for inputs used in production were record high in 1960, rising slightly from the previous record set in 1959.

From 1947-49 to 1960, there was a 34-percent reduction in the ratio of prices received to prices paid by these farmers. Higher farm production has partially offset the unfavorable price ratio but not entirely. In 1960, net farm income was below that received in 1947-49, despite a 20-percent rise in gross farm income.

Total capital invested in the typical hog-dairy farm in this area amounted to \$56,240 in 1960, nearly \$22,540 more than in 1947-49. Return per \$100 invested averaged \$7.90 in 1947-49, but only \$0.49 in 1960. This is the return to capital after allowing a charge for operator and family labor at wage rates paid to hired labor.

TABLE 19. --Hog-dairy farms, Corn Belt: Index numbers of costs and returns and related factors, 1960, with comparisons¹

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ²
Gross farm income.....	113	134	121	120
Net farm income.....	97	128	89	86
Net farm production.....	125	143	145	138
Crop yields per acre.....	117	129	128	122
Production per hour of man labor.....	129	149	150	142
Production per unit of input.....	114	125	123	117
Operating expense per unit of production.....	95	99	106	113
Total cost per unit of production.....	105	106	112	123
Power and machinery (quantity).....	116	121	123	123
Prices received for products sold.....	87	90	77	81
Prices paid, including wages to hired labor.....	115	119	122	123

¹ Revised. ² Preliminary.

TABLE 20. --Hog-dairy farms, Corn Belt: Organization, production, costs and returns, 1960, with comparisons¹

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ²
Land in farm.....	Acre	158	167	170	174	178
Cropland harvested.....	do.	96	103	103	107	109
Crops harvested:						
Corn for grain.....	do.	33.3	41.7	42.1	44.5	47.0
Corn for silage.....	do.	4.0	2.8	3.7	3.4	4.0
Small grains.....	do.	30.2	27.0	26.3	27.2	24.7
Hay.....	do.	28.1	31.2	30.9	31.9	33.3
Crop yields per harvested acre:						
Corn for grain.....	Bushel	54.6	76.0	75.4	77.1	70.6
Corn for silage.....	Ton	9.9	13.0	12.5	13.5	11.9
Oats.....	Bushel	48.9	51.6	57.2	49.8	44.7
Hay.....	Ton	2.0	2.4	2.3	2.4	2.7
Livestock on farm, Jan. 1:						
All cattle.....	Number	26.9	31.9	32.1	32.3	32.9
Cows and heifers, 2 years old and over.....	do.	15.4	17.6	17.7	17.9	18.0
Chickens.....	do.	158	151	133	122	102
Pigs raised.....	do.	89	123	129	130	123
Milk production per cow.....	Pound	5,750	6,920	7,190	7,240	7,430
Tractors on farm.....	Number	1.09	2.06	2.16	2.26	2.38
Total labor used.....	Hour	4,550	4,430	4,350	4,410	4,420
Operator and family.....	do.	3,680	3,900	3,910	3,970	3,980
Hired.....	do.	870	530	440	440	440
Total farm capital, Jan. 1.....	Dollar	33,700	47,950	49,920	56,250	56,240
Land and buildings.....	do.	19,340	31,730	32,810	37,410	38,800
Machinery and equipment.....	do.	3,650	6,270	6,570	6,930	7,140
Livestock.....	do.	6,090	5,410	6,580	7,860	6,360
Crops.....	do.	4,620	4,540	3,960	4,050	3,940
Total cash receipts.....	do.	9,324	11,047	12,402	11,110	11,050
Crops.....	do.	227	977	1,107	1,248	1,116
Cattle and calves.....	do.	1,136	1,236	1,654	1,621	1,481
Hogs.....	do.	4,322	4,519	5,084	3,929	3,906
Dairy products.....	do.	2,716	3,496	3,725	3,769	4,027
Poultry and eggs.....	do.	858	663	648	444	430
Other, including Government payments.....	do.	65	156	184	99	90
Total cash expenditures.....	do.	4,792	6,347	6,570	7,347	7,391
Feed purchased.....	do.	891	1,112	1,113	1,373	1,282
Livestock purchased.....	do.	76	94	88	53	42
Other livestock expense.....	do.	155	215	223	266	263
Fertilizer and lime.....	do.	160	302	331	353	349
Other crop expense.....	do.	264	349	342	407	443
Machinery.....	do.	1,735	2,506	2,642	2,845	2,859
Farm buildings and fences.....	do.	465	565	655	753	775
Labor hired.....	do.	644	519	437	476	482
Taxes.....	do.	290	508	560	615	672
Other.....	do.	112	177	179	206	224
Net cash farm income.....	do.	4,532	4,700	5,832	3,763	3,659
Value of perquisites.....	do.	681	742	804	823	868
Change in inventory:						
Crops and livestock.....	do.	-49	233	181	71	21
Machinery and buildings.....	do.	222	-5	102	157	68
Gross farm income.....	do.	9,956	12,022	13,387	12,004	11,939
Operating expenses.....	do.	4,570	6,352	6,468	7,190	7,323
Net farm income.....	do.	5,386	5,670	6,919	4,814	4,616
Purchasing power in 1947-49 dollars.....	do.	5,386	4,888	5,864	4,080	3,879
Charge for capital ³	do.	1,348	2,206	2,746	2,812	3,374
Return per hour to operator and family labor...	do.	1.10	.89	1.07	.50	.31
Charge per capital ³	do.	1,382	1,966	2,047	2,306	2,306
Return per hour to operator and family labor...	do.	1.09	.95	1.25	.63	.58

¹ Revised. ² Preliminary. ³ See preface.

HOG-BEEF RAISING FARMS, CORN BELT

In 1960, the estimated net farm income on typical hog-beef raising farms in the Corn Belt was \$2,967, 4 percent below the earnings of a year earlier and 17 percent below the 1947-49 average (tables 21 and 22).

Lower farm production was largely responsible for this decline in net returns from 1959 to 1960. Crop yields were down slightly, and 88 hogs were produced per farm in 1959 compared with 84 in 1960. Prices received for cattle and corn were also lower and contributed to the decline in net incomes.

In 1960, prices received for products sold on these farms averaged about 3 percent higher than in 1959. Higher soybean, hog, chicken, and egg prices more than offset lower prices for cattle and corn.

Cash receipts from the sale of hogs remained about the same between 1959 and 1960. Hog prices increased about 10 percent and offset the lower marketings. However, marketings of cattle increased between 1959 and 1960, but prices received for cattle decreased 8 percent during this period. The net result left little change in cash receipts from the sale of cattle.

In 1960, corn production on these farms was second only to the record high production in 1959. The acreage planted to corn was at an alltime high in 1960, but the yield was down about 5 bushels per

acre from a year earlier. Crop yields in 1960 were slightly below those in 1959, but they were 27 percent above the 1947-49 average.

From 1947-49 to 1960, expenditures for fertilizer, rock phosphate, and lime increased about fourfold. Less than 10 percent of the increase was due to higher prices.

Total operating expense per farm and total cost per unit of production were at record highs on these farms in 1960. They were up 87 and 25 percent, respectively, from 1947-49 levels. The increase in total cost per unit of production reflects the rapid rise in land values and interest rates in recent years. These costs are important to anyone who is thinking of buying a farm or expanding his present facilities.

In 1960, operating expenses per unit of production broke the previous record set a year earlier. The 51-percent increase in net farm production on these farms since 1947-49 has not been sufficient to offset the higher operating expenses.

Total farm capital invested in the typical hog-beef raising farm reached a new high in 1960. If a charge for operator and family labor were made at hired wage rates, the return per \$100 invested for this type of farming operation in 1960 would have been negative.

TABLE 21.--Hog-beef raising farms, Corn Belt: Index numbers of costs and returns and related factors, 1960, with comparisons¹

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ²
Gross farm income.....	119	151	128	128
Net farm income.....	100	141	86	83
Net farm production.....	129	157	155	151
Crop yields per acre.....	117	146	129	127
Production per hour of man labor.....	126	154	150	146
Production per unit of input.....	111	126	120	115
Operating expense per unit of production.....	108	103	113	120
Total cost per unit of production.....	109	108	113	125
Power and machinery (quantity).....	133	139	143	145
Prices received for products sold.....	87	89	75	77
Prices paid, including wages to hired labor.....	118	123	125	126

¹ Revised. ² Preliminary.

TABLE 22. --Hog-beef raising farms, Corn Belt: Organization, production, costs and returns, 1960, with comparisons¹

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ²
Land in farm.....	Acre	204	234	240	244	249
Cropland harvested.....	do.	86	106	108	110	112
Crops harvested:						
Corn.....	do.	31.0	36.2	36.3	44.3	45.8
Oats.....	do.	21.6	21.0	20.2	19.2	16.6
Soybeans.....	do.	5.8	15.0	14.3	13.6	14.3
Hay.....	do.	27.9	33.8	37.2	32.9	35.3
Crop yields per harvested acre:						
Corn for grain.....	Bushel	43.0	57.5	67.2	61.4	56.1
Oats.....	do.	31.3	37.0	43.7	27.8	38.3
Soybeans.....	do.	20.9	24.6	27.8	24.9	23.3
Hay.....	Ton	1.5	1.7	1.8	1.8	1.8
Livestock on farm, Jan. 1:						
All cattle.....	Number	24.0	32.8	32.9	34.0	36.7
Cows and heifers, 2 years old and over.....	do.	13.9	19.8	19.5	19.9	20.0
Chickens.....	do.	94	88	75	70	63
Pigs raised.....	do.	61.0	89.2	96.5	101.6	94.4
Tractors on farm.....	do.	.87	1.62	1.67	1.70	1.72
Total labor used.....	Hour	3,380	3,490	3,430	3,490	3,500
Operator and family.....	do.	2,940	3,250	3,180	3,250	3,260
Hired.....	do.	440	240	250	240	240
Total farm capital, Jan. 1.....	Dollar	26,050	41,190	44,410	47,880	48,520
Land and buildings.....	do.	15,780	27,140	29,280	31,230	32,620
Machinery and equipment.....	do.	2,560	5,100	5,310	5,590	5,770
Livestock.....	do.	5,210	5,350	6,620	7,770	6,890
Crops.....	do.	2,500	3,600	3,200	3,290	3,240
Total cash receipts.....	do.	5,708	7,366	8,598	7,311	7,398
Crops.....	do.	372	1,014	1,532	1,499	1,575
Cattle and calves.....	do.	1,668	1,882	2,104	2,023	2,094
Hogs.....	do.	2,747	3,387	3,777	3,012	2,973
Dairy products.....	do.	384	431	432	398	382
Poultry and eggs.....	do.	477	373	355	231	236
Other, including Government payments.....	do.	60	279	398	148	138
Total cash expenditures.....	do.	2,952	4,578	4,986	5,516	5,591
Feed purchased.....	do.	583	766	768	899	820
Livestock purchased.....	do.	39	42	36	36	26
Other livestock expense.....	do.	64	139	152	166	175
Fertilizer and lime.....	do.	114	228	379	449	453
Other crop expense.....	do.	142	246	248	286	320
Machinery.....	do.	1,194	1,907	2,012	2,211	2,269
Farm buildings and fences.....	do.	268	557	641	667	672
Labor hired.....	do.	299	226	235	228	233
Taxes.....	do.	194	388	430	475	516
Other.....	do.	55	79	85	99	107
Net cash farm income.....	do.	2,756	2,788	3,612	1,795	1,807
Value of perquisites.....	do.	547	514	592	581	626
Change in inventory:						
Crops and livestock.....	do.	126	165	451	294	147
Machinery and buildings.....	do.	169	291	408	434	387
Gross farm income.....	do.	6,381	8,045	9,641	8,186	8,171
Operating expenses.....	do.	2,783	4,287	4,578	5,082	5,204
Net farm income.....	do.	3,598	3,758	5,063	3,104	2,967
Purchasing power in 1947-49 dollars.....	do.	3,598	3,240	4,291	2,630	2,493
Charge for capital ³	do.	1,075	2,040	2,522	2,475	3,010
Return per hour to operator and family labor...	do.	.86	.53	.80	.19	-.01
Charge for capital ³	do.	1,118	1,777	1,918	2,074	2,099
Return per hour to operator and family labor...	do.	.84	.61	.99	.32	.27

¹ Revised. ² Preliminary. ³ See preface.

HOG-BEEF FATTENING FARMS, CORN BELT

On typical hog-beef fattening farms in the Corn Belt, the estimated net farm income in 1960 was \$5,422, about 18 percent below the \$6,591 earnings of a year earlier, and 48 percent below 1947-49 (tables 23 and 24).

Returns to these farmers depend largely on the spread between prices paid for feeder cattle and prices received for them when sold as fat cattle. This price spread per hundredweight for selected years was:

Year	Prices paid for feeder cattle purchased	Prices received for fat cattle sold	Price spread
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
1947	16.60	28.70	+12.10
1948	20.65	31.50	+10.85
1949	25.30	28.90	+3.60
1957	20.55	23.70	+3.15
1958	24.00	26.00	+2.00
1959	30.60	26.30	-4.30
1960	29.50	24.15	-5.35

In 1960, the price spread was \$1.05 per hundredweight more than in 1959, and was a major factor causing the lower net income in 1960. In both 1959 and 1960, these farmers paid more per hundred for their feeders than they received for the cattle when sold. Since 1947, this has occurred in only 3 other years (1952, 1953, and 1955). This helps to explain why incomes received in these years were substantially below those received in 1947-49.

These farmers reduced the production of hogs from 152 head in 1959 to 134 head in 1960. However, prices received for hogs increased by 11 percent, and cash receipts from this enterprise remained about the same as in 1959. The hog-corn ratio (the number of bushels of corn that can be bought with the price of 100 pounds of hogs) averaged 17.0 on these farms in 1960 compared with 13.8 in 1959.

Corn production in 1960 on these farms almost equaled the record set a year earlier despite a 5-percent decrease in yield. Because of lower livestock production, however, more corn was sold off these farms in 1960 than a year earlier.

Generally speaking, on farms of this type, about as much corn is fed to hogs as to beef cattle, although the proportion varies somewhat from year to year. The average gain per head of feeder cattle purchased is estimated to be 500 pounds.

Prices received for products sold on these farms declined more from 1959 to 1960 than did prices paid. The price received per hundred for fat cattle sold was down about 8 percent, while the price paid for feeders was down about 4 percent. Prices received for corn and butterfat were also lower in 1960.

TABLE 23. --Hog-beef fattening farms, Corn Belt: Index numbers of costs and returns and related factors, 1960, with comparisons¹

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ²
Gross farm income.....	107	121	128	121
Net farm income.....	75	96	64	52
Net farm production.....	116	131	147	144
Crop yields per acre.....	113	132	127	124
Production per hour of man labor.....	123	144	154	153
Production per unit of input.....	103	111	112	110
Operating expense per unit of production.....	120	112	131	132
Total cost per unit of production.....	116	114	123	128
Power and machinery (quantity).....	116	112	112	110
Prices received for products sold.....	87	87	81	77
Prices paid, including wages to hired labor.....	116	116	131	129

¹ Revised. ² Preliminary.

TABLE 24. --Hog-beef fattening farms, Corn Belt: Organization, production, costs and returns, 1960, with comparisons¹

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ²
Land in farm.....	Acre	192	206	208	212	216
Cropland harvested.....	do.	133	145	146	152	155
Crops harvested:						
Corn.....	do.	71.5	71.7	74.6	92.5	96.9
Small grains.....	do.	42.4	43.2	41.0	32.0	30.6
Hay.....	do.	19.4	30.1	30.4	27.5	27.5
Crop yields per harvested acre:						
Corn for grain.....	Bushel	52.7	66.4	70.8	70.2	66.9
Oats.....	do.	43.5	44.9	52.9	45.3	45.8
Hay.....	Ton	1.7	2.0	2.2	2.1	2.4
Livestock on farm, Jan. 1:						
All cattle.....	Number	38.4	52.4	56.5	68.5	68.2
Cows and heifers, 2 years old and over.....	do.	5.2	6.4	6.3	6.3	6.2
Purchased feeder cattle.....	do.	28.1	40.0	44.0	56.2	55.4
Chickens.....	do.	126	125	116	113	103
Pigs raised.....	do.	156	145	161	171	152
Tractors on farm.....	do.	1.37	2.22	2.30	2.37	2.43
Total labor used.....	Hour	4,420	4,020	4,030	4,220	4,150
Operator and family.....	do.	3,710	3,420	3,570	3,680	3,610
Hired.....	do.	710	600	460	540	540
Total farm capital, Jan. 1.....	Dollar	50,920	71,030	73,230	82,730	83,370
Land and buildings.....	do.	29,320	49,030	49,710	54,060	55,940
Machinery and equipment.....	do.	4,390	7,500	7,560	7,730	7,790
Livestock.....	do.	9,630	8,460	10,220	14,460	13,010
Crops.....	do.	7,580	6,040	5,740	6,480	6,630
Total cash receipts.....	do.	18,841	17,831	21,504	23,128	22,591
Crops.....	do.	196	0	697	591	1,668
Cattle and calves.....	do.	9,682	10,779	13,032	16,444	14,975
Hogs.....	do.	7,916	5,746	6,371	5,120	4,945
Dairy products.....	do.	331	444	460	467	457
Poultry and eggs.....	do.	653	549	554	392	434
Other, including Government payments.....	do.	63	313	390	114	112
Total cash expenditures.....	do.	9,075	11,781	13,299	18,089	17,792
Feed purchased.....	do.	1,619	1,464	1,577	2,036	1,966
Livestock purchased.....	do.	3,309	4,606	5,882	9,511	9,037
Other livestock expense.....	do.	215	325	362	445	440
Fertilizer and lime.....	do.	156	291	351	400	425
Other crop expense.....	do.	266	411	400	440	481
Machinery.....	do.	2,094	2,447	2,546	2,799	2,864
Farm buildings and fences.....	do.	396	790	818	865	878
Labor hired.....	do.	543	603	469	604	609
Taxes.....	do.	390	663	704	770	858
Other.....	do.	87	181	190	219	234
Net cash farm income.....	do.	9,766	6,050	8,205	5,039	4,799
Value of perquisites.....	do.	692	904	930	943	970
Change in inventory:						
Crops and livestock.....	do.	-351	855	758	546	-340
Machinery and buildings.....	do.	236	-75	50	63	-7
Gross farm income.....	do.	19,182	19,590	23,192	24,617	23,221
Operating expenses.....	do.	8,839	11,856	13,249	18,026	17,799
Net farm income.....	do.	10,343	7,734	9,943	6,591	5,422
Purchasing power in 1947-49 dollars.....	do.	10,343	6,667	8,426	5,586	4,556
Charge for capital ³	do.	2,107	3,512	4,152	4,269	5,166
Return per hour to operator and family labor...	do.	2.22	1.23	1.62	.63	.07
Charge for capital ³	do.	2,195	3,056	3,153	3,572	3,601
Return per hour to operator and family labor...	do.	2.20	1.37	1.90	.82	.50

¹ Revised. ² Preliminary. ³ See preface.

CASH GRAIN FARMS, CORN BELT

In 1960, operators of typical cash grain farms in the Corn Belt had a net income of \$6,780, \$1,082 above the income received in 1959. Except for 1959, this has been the lowest income on these farms since 1943. Net income during 1947-49 was nearly \$2,020, or 30 percent higher per farm than it was in 1960 (tables 25 and 26).

The improvement in income from 1959 to 1960 was due entirely to higher crop yields and a resulting higher farm production. Net farm production rose to a record high in 1960, up 17 percent from a year earlier. Crop yields also were up 17 percent and accounted for most of this increase in production. Yields of all crops were higher in 1960 than in 1959 and the percentage increases were as follows: corn, 14 percent; oats, 74 percent; soybeans, 8 percent; and hay, 5 percent.

Prices received for products sold from these cash grain farms were 5 percent lower in 1960 than in 1959, dropping to the lowest level since 1943. Lower corn prices were chiefly responsible. The season average price received for corn sold in this area went down 13 cents a bushel from 1959 to 1960. Prices received for

oats, cattle, and calves were also lower.

The cost-price squeeze that has confronted these farmers in recent years became more severe in 1960. Prices paid for inputs used in production including taxes and wage rates rose to a new record high. This, together with a decrease in prices received in 1960 caused the ratio of prices received to prices paid to average 50 percent below 1947-49. The only other years in which this ratio was lower than in 1960 were 1931 and 1932.

During the last 10 years, the value of land and buildings on these cash grain farms has risen about \$160 per acre. Except for 1954, per acre land values rose each year from 1939 to 1959. Between 1959 and 1960, however, values remained about the same. The upward trend in farm size continued, and as a result, the value of land and buildings rose to a new record high of \$97,710 in 1960, more than doubling the value in 1947-49.

If a charge for operator and family labor is made at hired wage rates, the return per \$100 invested for this type of farming operation would have been \$3.33 in 1960.

TABLE 25.--Cash grain farms, Corn Belt: Index numbers of costs and returns and related factors, 1960, with comparisons¹

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ²
Gross farm income.....	107	110	101	110
Net farm income.....	90	84	65	77
Net farm production.....	116	132	130	152
Crop yields per acre.....	115	131	118	138
Production per hour of man labor.....	122	139	139	163
Production per unit of input.....	109	120	115	132
Operating expense per unit of production.....	116	115	125	111
Total cost per unit of production.....	119	129	135	127
Power and machinery (quantity).....	107	105	104	101
Prices received for products sold.....	89	78	73	69
Prices paid, including wages to hired labor.....	123	132	136	138

¹ Revised. ² Preliminary.

TABLE 26. --Cash grain farms, Corn Belt: Organization, production, costs and returns, 1960, with comparisons¹

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ²
Land in farm.....	Acre	222	233	236	242	248
Cropland harvested.....	do.	186	193	194	200	206
Crops harvested:						
Corn.....	do.	88.9	80.0	82.7	95.4	100.8
Small grains.....	do.	45.4	38.0	36.4	36.8	35.1
Soybeans.....	do.	38.4	56.5	56.6	53.2	56.7
Hay.....	do.	13.0	18.2	18.3	14.6	13.9
Crop yields per harvested acre:						
Corn for grain.....	Bushel	56.0	76.5	75.5	71.0	81.0
Oats.....	do.	41.0	31.4	59.3	35.0	60.8
Soybeans.....	do.	25.3	29.8	29.2	27.9	30.2
Hay.....	Ton	1.61	1.94	1.90	1.97	2.06
Livestock on farm, Jan. 1:						
All cattle.....	Number	14	18.3	18.4	18.0	17.7
Cows and heifers, 2 years old and over.....	do.	6.8	7.9	7.6	7.5	7.6
Chickens.....	do.	108	112	98	85	74
Pigs raised.....	do.	28.0	34.7	36.2	38.4	35.8
Tractors on farm.....	do.	1.37	2.08	2.18	2.30	2.35
Total labor used.....	Hour	3,470	3,310	3,290	3,260	3,230
Operator and family.....	do.	2,910	2,910	2,940	2,930	2,910
Hired.....	do.	560	400	350	330	320
Total farm capital, Jan. 1.....	Dollar	58,220	93,250	99,100	107,920	109,660
Land and buildings.....	do.	48,690	82,020	87,320	95,350	97,710
Machinery and equipment.....	do.	4,510	6,960	7,150	7,430	7,400
Livestock.....	do.	2,800	2,430	2,850	3,380	2,830
Crops.....	do.	2,220	1,840	1,780	1,760	1,720
Total cash receipts.....	do.	13,163	13,271	14,287	13,115	14,329
Crops.....	do.	9,857	10,213	10,699	10,226	11,642
Cattle and calves.....	do.	797	870	1,090	1,020	895
Hogs.....	do.	1,337	1,196	1,454	1,168	1,143
Dairy products.....	do.	486	284	271	245	206
Poultry and eggs.....	do.	616	492	483	312	309
Other, including Government payments.....	do.	70	216	290	144	134
Total cash expenditures.....	do.	5,187	7,177	7,611	8,034	8,213
Feed purchased.....	do.	361	477	466	510	472
Livestock purchased.....	do.	43	47	42	30	25
Other livestock expense.....	do.	70	95	98	103	105
Fertilizer and lime.....	do.	352	801	877	990	936
Other crop expense.....	do.	394	496	470	501	542
Machinery.....	do.	2,417	2,907	3,037	3,130	3,285
Farm buildings and fences.....	do.	458	535	688	665	640
Labor hired.....	do.	382	385	343	333	333
Taxes.....	do.	638	1,324	1,476	1,640	1,728
Other.....	do.	72	110	114	132	147
Net cash farm income.....	do.	7,976	6,094	6,676	5,081	6,116
Value of perquisites.....	do.	669	778	842	841	894
Change in inventory:						
Crops and livestock.....	do.	-100	141	-37	-112	-64
Machinery and buildings.....	do.	257	-139	-66	-112	-166
Gross farm income.....	do.	13,732	14,190	15,092	13,844	15,159
Operating expenses.....	do.	4,930	7,316	7,677	8,146	8,379
Net farm income.....	do.	8,802	6,874	7,415	5,698	6,780
Purchasing power in 1947-49 dollars.....	do.	8,802	5,926	6,284	4,829	5,697
Charge for capital ³	do.	2,384	4,759	5,561	5,505	6,715
Return per hour to operator and family labor...	do.	2.21	.73	.63	.07	.02
Charge for capital ³	do.	2,471	3,952	4,198	4,574	4,648
Return per hour to operator and family labor...	do.	2.18	1.00	1.09	.38	.73

¹ Revised. ² Preliminary. ³ See preface.

EGG-PRODUCING FARMS, NEW JERSEY

In 1960, net farm income for typical egg-producing farms in New Jersey was \$4,462 (table 27). This is the highest net farm income since 1955, and an increase of \$5,797 over the disastrous year of 1959 when operating expenses exceeded gross farm income by \$1,335. Although net farm income on these farms in 1960 was the highest in 4 years, it was about 25 percent below the average for 1947-49, but nearly 65 percent higher than the average of the last 10 years (table 28).

The change from an operating loss in 1959 to a rather favorable earnings position in 1960 was due mainly to higher prices for eggs and lower prices for feed. New Jersey producers, most of whom market their eggs through wholesale outlets, received an average of 39 cents a dozen in 1960. This was an increase of about 18 percent from average prices (33 cents a dozen) in 1959.

The United States average increase in egg prices from 1959 to 1960 was about 15 percent. The difference between increases in New Jersey and the national average was due partly to an increase in the proportion of large eggs produced on the New Jersey farms. In 1960, these producers replaced

fewer hens with pullets than did producers in the rest of the country.

A 7-percent decrease in prices paid for poultry feed in 1960 was a major factor in causing total cash expenditures to be the smallest since 1955, and 3 percent less than in 1959. Other items of cost, such as machinery, fuel, medication, and electricity, were only slightly higher than in 1959 even with an increase in volume of production in 1960 on these farms.

Because receipts from the sale of eggs constitute nearly all of the total cash income on these farms and because the aggregate feed bill makes up about three-fourths of total cash expenditures, the egg-feed ratio is a good index of earnings. In 1960, a dozen eggs would buy 11 pounds of feed; in 1959, it bought only about 8.5 pounds of feed.

In 1960, the average production per layer for New Jersey was 193 eggs. This rate of lay is about 8 percent below the average for the United States and is a decline from 1959 to 1960 of about 3 eggs per bird. The average per bird in the United States was 209 eggs in 1960, an increase of 2 eggs per bird since 1959.

TABLE 27. --Poultry farms, New Jersey: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	103	104	92	110
Net farm income.....	45	42	-22	75
Net farm production.....	137	148	159	157
Rate of lay.....	104	106	107	105
Production per hour of man labor.....	134	148	165	163
Production per unit of input.....	106	108	110	109
Operating expense per unit of production.....	90	84	81	78
Total cost per unit of production.....	93	91	87	85
Power and machinery (quantity).....	135	160	163	167
Prices received for products sold.....	78	71	59	70
Prices paid, including wages to hired labor.....	95	90	89	83

¹ Preliminary.

TABLE 28.--Poultry farms, New Jersey: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	10	10	10	10	10
Cropland harvested.....	do.	0	0	0	0	0
Livestock on farm, Jan. 1:						
Laying hens.....	Number	3,400	4,400	4,560	4,680	4,800
Chickens raised.....	do.	2,450	3,192	3,276	3,360	3,444
Average number of layers on hand, during year..	do.	2,925	4,063	4,004	4,212	4,320
Rate of lay, eggs per layer on hand during year.....	do.	183	195	194	196	193
Total labor used.....	Hour	5,900	5,900	5,900	5,700	5,700
Operator and family.....	do.	4,460	4,900	4,900	4,900	4,800
Hired.....	do.	1,440	1,000	1,000	800	900
Total farm capital, Jan.1.....	Dollar	31,690	48,940	52,000	54,570	55,730
Land and buildings.....	do.	22,850	40,500	42,840	45,150	46,850
Machinery and equipment.....	do.	1,110	1,780	1,860	1,930	1,920
Livestock.....	do.	7,730	6,660	7,300	7,490	6,960
Total cash receipts.....	do.	25,947	26,505	26,730	23,444	28,285
Eggs.....	do.	24,706	25,687	25,828	22,650	27,035
Cull layers.....	do.	1,241	818	902	794	1,250
Total cash expenditures.....	do.	21,506	26,513	26,481	27,042	26,143
Feed purchased.....	do.	17,019	20,025	19,778	20,312	19,225
Baby chicks.....	do.	958	1,483	1,564	1,646	1,593
Other poultry expense.....	do.	410	622	639	664	680
Machinery.....	do.	558	813	831	856	869
Brooder fuel.....	do.	106	192	197	202	207
Farm buildings.....	do.	1,013	1,748	1,789	1,835	1,898
Labor hired.....	do.	959	900	928	738	844
Taxes.....	do.	196	356	376	398	420
Telephone.....	do.	18	30	33	34	41
Electricity.....	do.	197	232	230	229	236
Insurance.....	do.	14	32	34	37	39
Miscellaneous expenses.....	do.	58	80	82	91	91
Net cash farm income.....	do.	4,441	-8	249	-3,598	2,142
Value of perquisites.....	do.	786	1,109	1,191	1,224	1,261
Change in inventory:						
Livestock.....	do.	224	192	192	192	192
Machinery and buildings.....	do.	499	834	852	847	867
Gross farm income.....	do.	26,957	27,806	28,113	24,860	29,738
Operating expenses.....	do.	21,007	25,679	25,629	26,195	25,276
Net farm income.....	do.	5,950	2,127	2,484	-1,335	4,462
Purchasing power in 1947-49 dollars.....	do.	5,950	1,834	2,105	-1,131	3,750
Charge for capital ²	do.	1,324	2,447	3,120	3,001	3,344
Return per hour to operator and family labor...	do.	1.04	-.07	-.13	-.88	.23
Charge for capital ²	do.	1,299	2,007	2,132	2,237	2,285
Return per hour to operator and family labor...	do.	1.04	.02	.07	-.73	.45

¹ Preliminary. ² See preface.

COTTON FARMS, SOUTHERN PIEDMONT

Net farm income on cotton farms in the Southern Piedmont is estimated to be \$1,847 for 1960. This is approximately 11 percent below the 1959 income and about 17 percent above the average for 1947-49 (tables 29 and 30).

Most of the decline in income from 1959 to 1960 can be attributed to lower production of cotton in 1960. The yield per acre of cotton in 1960 averaged 310 pounds compared with 357 pounds in 1959. As a result, total production of lint cotton per farm was about 900 pounds less than in 1959. Yields of other crops were about the same or slightly above those in 1959. Cotton was also the only crop with a per acre yield in 1960 below the 1950-59 average. Net farm production was down 5 percent from 1959.

Because of the better quality of cotton produced in 1960, the average price received for lint cotton in the Southern Piedmont was down only about 1 percent, much less than the 5-percent decrease in the support price for the United States. Cattle prices were about 16 percent lower than in 1959, but prices were higher for cottonseed, hogs, and livestock products.

In 1960, prices paid for goods and services used in production averaged slightly less than in 1959, but were 16

percent above those in 1947-49. Wage rates for hired day labor were higher than in 1959, but the value of the cropper share was less because cotton yields were lower in 1960. Machinery prices and the cost of repairs were higher in 1960 than a year earlier, even though there was some decline in prices of trucks and automobiles.

Production efficiency continued to increase on these farms. However, higher prices paid for goods and services had an offsetting effect on the increase in efficiency and was reflected in higher operating expense per unit of production. This higher per unit cost minimized considerably the increase in net farm income possible with such a gain in production and efficiency. If prices paid remained at the 1947-49 level, the increase in production and efficiency achieved in 1960 would have resulted in a 45-percent increase in net farm income.

Mechanization on typical cotton-producing farms in the Southern Piedmont has not progressed as much as in cotton areas farther west. The rolling topography and relatively small cotton and other crop acreages are not well suited to large machines, particularly harvesting equipment. All the cotton on these typical farms is hand harvested and only a small percentage of the corn is picked by machine.

TABLE 29. --Cotton farms, southern Piedmont: Index numbers of costs and returns and related factors, 1960, with comparisons¹

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ²
Gross farm income.....	136	177	155	146
Net farm income.....	126	183	132	117
Net farm production.....	131	171	159	151
Crop yields per acre.....	113	149	131	125
Production per hour of man labor.....	128	153	145	153
Production per unit of input.....	111	132	120	118
Operating expense per unit of production.....	110	101	109	112
Total cost per unit of production.....	109	102	111	118
Power and machinery (quantity).....	134	141	142	140
Prices received for products sold.....	104	103	96	95
Prices paid, including wages to hired labor ³	113	120	117	116

¹ Revised. ² Preliminary. ³ Includes cropper labor.

TABLE 30. --Cotton farms, southern Piedmont: Organization, production, costs and returns, 1960, with comparisons¹

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ²
Land in farm.....	Acre	161	196	203	209	214
Cropland harvested.....	do.	61	60	62	64	64
Crops harvested:						
Cotton.....	do.	18.5	20.1	21.8	23.3	23.9
Corn.....	do.	17.1	15.6	15.1	15.0	14.6
Small grains.....	do.	11.6	16.0	16.1	17.0	16.6
Hay.....	do.	10.4	10.0	10.6	9.3	9.7
Crop yields per harvested acre:						
Cotton.....	Pound	285	300	418	357	310
Corn.....	Bushel	18.2	22.8	31.2	25.8	28.2
Livestock on farm, Jan. 1:						
All cattle.....	Number	3.7	7.4	7.5	8.2	8.3
Milk cows.....	do.	2.1	2.2	2.2	2.2	2.2
Chickens.....	do.	44	50	49	52	50
Pigs raised.....	do.	3.4	4.0	4.4	5.5	4.7
Tractors on farm.....	do.	.33	.77	.80	.82	1.00
Total labor used.....	Hour	4,460	4,190	4,960	4,870	4,400
Operator and family.....	do.	2,910	2,410	2,600	2,550	2,360
Hired.....	do.	480	750	1,170	1,260	1,130
Cropper.....	do.	1,070	1,030	1,190	1,060	910
Total farm capital, Jan. 1.....	Dollar	11,280	19,090	20,130	22,790	24,480
Land and buildings.....	do.	8,910	16,100	16,940	19,220	20,930
Machinery and equipment.....	do.	910	1,830	1,900	1,990	2,030
Livestock.....	do.	900	710	830	1,070	1,050
Crops.....	do.	560	450	460	510	470
Total cash receipts.....	do.	2,827	3,724	5,413	4,820	4,460
Cotton, lint and seed.....	do.	1,815	2,110	3,478	2,912	2,560
Other crops.....	do.	570	864	1,121	944	1,010
Cattle.....	do.	89	233	277	387	335
Other livestock and livestock products.....	do.	277	326	347	385	359
Other, including Government payments.....	do.	76	191	190	192	196
Total cash expenditures.....	do.	1,907	2,768	3,339	3,405	3,262
Feed purchased.....	do.	113	111	114	118	110
Livestock expense.....	do.	79	45	48	47	45
Fertilizer.....	do.	453	533	616	649	660
Poison.....	do.	23	79	82	108	123
Other crop expense.....	do.	53	98	113	113	115
Ginning.....	do.	81	123	188	182	166
Machinery.....	do.	399	853	886	954	926
Machine work hired.....	do.	91	68	80	92	93
Farm buildings and fences.....	do.	131	135	135	138	135
Labor, hired and cropper.....	do.	409	602	950	868	748
Taxes.....	do.	52	88	94	103	107
Other.....	do.	23	33	33	33	34
Net cash farm income.....	do.	920	956	2,074	1,415	1,198
Perquisites for cropper labor.....	do.	171	133	132	111	113
Total value of perquisites.....	do.	813	805	815	777	772
Change in inventory:						
Crops and livestock.....	do.	-50	-7	114	-19	5
Machinery and buildings.....	do.	61	5	6	16	-15
Gross farm income.....	do.	3,590	4,522	6,342	5,578	5,237
Operating expenses.....	do.	2,017	2,896	3,465	3,500	3,390
Net farm income.....	do.	1,573	1,626	2,877	2,078	1,847
Purchasing power in 1947-49 dollars.....	do.	1,573	1,402	2,438	1,761	1,552
Charge for capital ³	do.	501	1,008	1,282	1,327	1,548
Return per hour to operator and family labor...	do.	.37	.26	.61	.29	.13
Charge for capital ³	do.	507	855	907	1,025	1,092
Return per hour to operator and family labor...	do.	.37	.32	.76	.41	.32

¹ Revised. ² Preliminary. ³ See preface.

COTTON FARMS, BLACK PRAIRIE

Net farm income on cotton farms in the Black Prairie of Texas is estimated to be \$2,225 for 1960, down about \$100 from 1959 and 28 percent below the 1947-49 income (tables 31 and 32).

Lower crop yields per acre were largely responsible for the lower income in 1960 than in 1959. The yields per acre of lint cotton, corn, hay, and sorghum forage were lower than in 1959. The per acre yield of oats increased, and the grain sorghum yield was about the same as in 1959. The net result was a decrease of nearly 8 percent in crop yields.

These farms were larger than in 1959, and a larger acreage of cotton was harvested. Because of the lower yield, however, total production of cotton in 1960 was only 148 pounds above 1959, and with lower production of other crops net farm production was slightly below that of 1959. Despite the increase in size of farm in 1960, total operating expense was lower than in 1959, and incomes responded less sharply to a decrease in yields than in previous years. In 1960, a large part of the cotton was machine stripped, bringing about a savings in hired labor that was a major factor in reducing costs. The weather in 1960 was more favorable relative to that in 1959. As a result, less labor was needed for weed control and less poison was used for insect control than in 1959. The lower cost, however, was

not enough to offset the lower yields, and operating cost per unit of production was higher than in 1959.

The price-cost relationship on this farm was virtually unchanged from 1959 to 1960. Prices paid for goods and services used in production remained at the alltime high set in 1959, 20 percent above the 1947-49 average. Prices received for products sold changed very little from the 1959 level, which was the lowest since 1945. Prices received in 1960 for all major products sold on these farms except cattle were below the average for the previous 10 years (1950-59). Cattle prices were about 3 percent higher than in 1950-59, but prices of cotton lint and cottonseed were about 13 and 28 percent lower, respectively. Prices received for hogs in 1960 were about 19 percent lower than in 1950-59.

Capital investment on January 1, 1960, was about 8 percent above 1959. This increase was due mainly to an increase in both land values and size of farm, as the value of other assets remained about the same as in 1959.

With the trend toward mechanized harvesting, efficiency of labor on these farms reached a record high in 1960. Production per hour of man labor in 1960 was about 3 percent above that of 1959, and a little more than double the output per man-hour in 1947-49.

TABLE 31.--Cotton farms, Black Prairie, Texas: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	98	104	102	100
Net farm income.....	80	98	75	72
Net farm production.....	99	107	118	117
Crop yields per acre.....	99	124	116	107
Production per hour of man labor.....	136	188	201	208
Production per unit of input.....	98	114	115	114
Operating expense per unit of production.....	120	103	110	112
Total cost per unit of production.....	122	117	118	130
Power and machinery (quantity).....	116	112	114	111
Prices received for products sold.....	98	89	84	85
Prices paid, including wages to hired labor.....	111	116	120	120

¹ Preliminary.

TABLE 32.--Cotton farms, Black Prairie, Texas: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	157	183	185	187	190
Cropland harvested.....	do.	102	104	103	115	118
Crops harvested:						
Cotton.....	do.	66.4	42.1	36.3	50.2	54.8
Corn.....	do.	20.9	20.6	22.1	18.4	17.6
Oats.....	do.	5.6	11.6	12.1	15.6	15.2
Grain sorghum.....	do.	2.5	15.7	19.4	19.0	18.7
Hay and forage.....	do.	7.1	14.1	13.3	12.1	11.7
Crop yields per harvested acre:						
Cotton.....	Pound	179	177	226	199	185
Corn.....	Bushel	20.8	24.4	24.6	29.2	24.9
Livestock on farm, Jan. 1:						
All cattle.....	Number	10.5	12.1	12.0	12.6	13.5
Milk cows.....	do.	2.6	1.8	1.8	1.7	1.7
Beef cows.....	do.	2.8	4.6	4.6	4.8	5.2
Chickens.....	do.	72	60	57	63	60
Pigs raised.....	do.	5.1	5.7	6.5	7.2	5.8
Tractors on farm.....	do.	.94	1.38	1.40	1.41	1.41
Total labor used.....	Hour	5,070	3,260	2,890	2,980	2,840
Operator and family.....	do.	2,710	2,260	2,210	2,280	2,260
Hired.....	do.	2,360	1,000	680	700	580
Total farm capital, Jan. 1.....	Dollar	17,210	29,260	31,350	34,890	37,760
Land and buildings.....	do.	13,540	24,550	26,210	29,070	31,920
Machinery and equipment.....	do.	1,870	3,250	3,250	3,420	3,500
Livestock.....	do.	1,210	940	1,440	1,940	1,840
Crops.....	do.	590	520	450	460	500
Total cash receipts.....	do.	5,540	4,658	5,615	5,530	5,596
Cotton, lint and seed.....	do.	4,189	2,373	2,777	3,139	3,182
Other crops.....	do.	438	1,172	1,356	1,309	1,324
Cattle.....	do.	308	373	499	491	527
Hogs.....	do.	150	147	183	190	138
Other livestock and livestock products.....	do.	371	306	325	291	314
Other, including Government payments.....	do.	84	287	475	110	111
Total cash expenditures.....	do.	3,121	3,231	3,314	3,963	3,812
Feed purchased.....	do.	193	164	156	170	157
Livestock expense.....	do.	40	48	51	52	53
Poison.....	do.	69	77	103	103	127
Other crop expense.....	do.	164	254	261	323	344
Ginning.....	do.	246	243	271	344	372
Machinery.....	do.	921	1,232	1,399	1,611	1,515
Machine work hired.....	do.	121	308	381	546	576
Farm buildings and fences.....	do.	127	136	181	205	180
Labor hired.....	do.	1,125	592	320	397	257
Taxes.....	do.	85	123	137	154	169
Other.....	do.	30	54	54	58	62
Net cash farm income.....	do.	2,419	1,427	2,301	1,567	1,784
Value of perquisites.....	do.	608	569	585	593	567
Change in inventory:						
Crops and livestock.....	do.	-44	16	139	111	-40
Machinery and buildings.....	do.	106	-189	0	61	-86
Gross farm income.....	do.	6,104	5,243	6,339	6,234	6,123
Operating expenses.....	do.	3,015	3,420	3,314	3,902	3,898
Net farm income.....	do.	3,089	1,823	3,025	2,332	2,225
Purchasing power in 1947-49 dollars.....	do.	3,089	1,572	2,564	1,976	1,870
Charge for capital ²	do.	730	1,518	1,781	1,806	2,339
Return per hour to operator and family.....	do.	.87	.13	.56	.23	-.05
Charge for capital ²	do.	769	1,274	1,354	1,514	1,630
Return per hour to operator and family.....	do.	.86	.24	.76	.36	.26

¹ Preliminary ² See preface.

NONIRRIGATED COTTON FARMS, HIGH PLAINS, TEXAS

In 1960, average net farm income on non-irrigated cotton farms in the High Plains of Texas was \$8,072, 16 percent above 1959 and 26 percent above 1947-49 (tables 33 and 34). This was the fourth consecutive year when incomes were above the 1947-49 average. In the 5 years prior to 1957, incomes averaged only \$2,225. During this period, the weather was unusually dry.

The chief factor contributing to the increase in net farm income from 1959 to 1960 was the increase in the yield of grain sorghum. But a small increase in size of farm was also a factor.

Yields per acre in 1960 averaged 7 percent higher than in 1959. The yield of grain sorghum was one-third higher, but the yield of cotton was the same in both years.

In 1960, net farm production reached a new record. It was 14 percent above 1959. The increase in net farm production was due to higher yields per acre and an increase in the acreage of cropland harvested. However, the acreage of cropland harvested did not increase as much as that of total land farmed. Production per hour of labor and per unit of input also reached record levels in 1960.

Prices received for cotton lint in 1960 averaged about 2 percent lower than a year earlier. This reduction was less than the decrease in support price for "Plan" A cotton. Prices received for cattle, grain sorghum, and poultry also were lower than in the previous year. The price declines were partly offset by increases in prices received for cottonseed, hogs, and eggs.

In 1960, prices paid for machinery, fuel, some seeds, and other expense items were higher than in 1959. But prices paid for feed, cottonseed, and wage rates for hired labor were lower than a year earlier.

If a charge is made for capital at 6.0 percent interest and the remainder is attributed to operator and family labor, the return per hour in 1960 was \$1.99. This return was about three times the wage rate paid for day labor. When the interest rate is charged at 4.1 percent, the return per hour of labor is increased to \$2.49.

The longtime upward trend in total investment continued from 1959 to 1960. Higher land values per acre, increased size of farm, and greater investment in machinery and equipment are largely responsible for this upward trend.

TABLE 33.--Cotton farms (nonirrigated), High Plains, Texas: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	83	124	113	121
Net farm income.....	73	138	109	126
Net farm production.....	82	130	130	148
Crop yields per acre.....	88	135	123	132
Production per hour of man labor.....	114	194	167	221
Production per unit of input.....	88	134	127	146
Operating expense per unit of production.....	132	81	89	77
Total cost per unit of production.....	146	95	100	92
Power and machinery (quantity).....	146	144	146	145
Prices received for products sold.....	100	92	85	81
Prices paid, including wages to hired labor.....	112	121	120	123

¹ Preliminary.

TABLE 34.--Cotton farms (nonirrigated), High Plains, Texas: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	309	392	404	416	426
Cropland harvested.....	do.	232	287	302	318	322
Crops harvested:						
Cotton.....	do.	139.4	110.7	110.0	117.6	118.2
Grain sorghum.....	do.	82.0	169.1	185.0	196.0	196.9
Forage.....	do.	10.8	7.5	7.5	4.8	6.5
Crop yields per harvested acre:						
Cotton.....	Pound	191	239	264	237	237
Grain sorghum.....	Bushel	15.7	19.0	19.0	20.0	26.8
Forage.....	Ton	1.4	2.0	1.8	1.2	2.0
Livestock on farm, Jan. 1:						
All cattle.....	Number	7.5	4.4	4.0	4.4	4.6
Milk cows.....	do.	2.6	1.0	.9	.9	.9
Beef cows.....	do.	1.7	1.3	1.2	1.4	1.5
Chickens.....	do.	89	48	45	48	46
Pigs raised.....	do.	4.9	3.9	4.8	5.8	4.4
Tractors on farm.....	do.	1.29	1.92	1.95	1.97	1.98
Total labor used.....	Hour	4,580	3,320	3,160	3,690	3,160
Operator and family.....	do.	2,000	2,230	2,240	2,170	2,220
Hired.....	do.	2,580	1,090	920	1,520	940
Total farm capital, Jan. 1.....	Dollar	28,870	48,890	53,270	58,340	59,140
Land and buildings.....	do.	24,120	41,160	45,250	49,920	50,690
Machinery and equipment.....	do.	3,080	7,010	7,090	7,370	7,470
Livestock.....	do.	930	400	560	750	680
Crops.....	do.	740	320	370	300	300
Total cash receipts.....	do.	11,404	11,853	13,986	12,795	13,765
Cotton, lint and seed.....	do.	8,863	8,492	9,976	9,173	9,114
Other crops.....	do.	1,456	2,600	3,115	2,998	4,071
Cattle.....	do.	256	154	117	168	163
Dairy products.....	do.	126	0	0	0	0
Hogs.....	do.	254	100	155	157	111
Poultry and eggs.....	do.	356	196	200	181	185
Other, including Government payments.....	do.	93	311	423	118	121
Total cash expenditures.....	do.	5,728	5,630	6,041	6,626	6,233
Feed purchased.....	do.	315	158	147	162	149
Livestock expense.....	do.	51	45	46	48	49
Poison.....	do.	21	26	3	0	25
Other crop expense.....	do.	111	304	211	208	350
Ginning.....	do.	738	865	923	920	924
Machinery.....	do.	1,792	2,737	3,240	3,332	3,181
Machine work hired.....	do.	290	435	459	441	524
Farm buildings and fences.....	do.	115	116	155	181	116
Labor hired.....	do.	2,114	634	513	943	515
Taxes.....	do.	145	268	302	348	357
Other.....	do.	36	42	42	43	43
Net cash farm income.....	do.	5,676	6,223	7,945	6,169	7,532
Value of perquisites.....	do.	594	638	649	637	637
Change in inventory:						
Crops and livestock.....	do.	-112	57	65	-7	15
Machinery and buildings.....	do.	244	-199	174	162	-112
Gross farm income.....	do.	11,886	12,548	14,700	13,425	14,417
Operating expenses.....	do.	5,484	5,829	5,867	6,464	6,345
Net farm income.....	do.	6,402	6,719	8,833	6,961	8,072
Purchasing power in 1947-49 dollars.....	do.	6.402	5,792	7,486	5,899	6,783
Charge for capital ²	do.	1,227	2,524	3,015	3,006	3,651
Return per hour to operator and family labor...	do.	2.59	1.88	2.60	1.82	1.99
Charge for capital ²	do.	1,295	2,111	2,287	2,513	2,539
Return per hour to operator and family labor...	do.	2.55	2.07	2.92	2.05	2.49

¹ Preliminary. ² See preface.

IRRIGATED COTTON FARMS, HIGH PLAINS, TEXAS

Net farm income in 1960 on irrigated cotton farms in the High Plains of Texas was estimated at \$14,844. This was the second highest income on record for these farms; it was exceeded only by the 1958 return. The 1960 income was up nearly 12 percent from 1959 and was 38 percent higher than in 1947-49 (tables 35 and 36).

Greater production in 1960 was largely responsible for the increase in net farm income from 1959. Net farm production was 7 percent higher than in 1959 and equal to the record high set in 1958. Yields per acre were higher than in 1959 for all crops. Cotton yielded about 13 more pounds per acre, and with an increase in average size of farm, the acreage of cotton harvested increased. Sales of cotton lint and seed accounted for nearly 84 percent of the cash receipts on these farms in 1960.

The effect on net farm income of a 2-percent decrease from 1959 to 1960 in prices received for products sold was more than offset by higher production in 1960. A small decrease in the price of lint cotton, 16 percent lower cattle prices, and slightly lower grain sorghum prices contributed to the decline in prices received. In 1960, hog prices were up about

2 percent from 1959, and cottonseed sold for about \$3.22 more per ton.

Prices paid for goods and services used in production were only slightly higher in 1960 than in 1959. However, they reached a level 16 percent above 1947-49, a record high for these farms. Prices paid for most input items used by these farmers have increased considerably from 1947-49; some notable exceptions are purchased feed, poison materials, and wage rates for hand-harvesting cotton, all of which have decreased in price.

Even with record high prices paid for production goods and services in 1960, total operating expenses on these farms were slightly lower than in 1959. Irrigation costs were lower in 1960 with nearly 600 fewer hours of pumping. Man labor required per acre for chopping and hoeing cotton was about 8 percent higher than in 1959. However, the labor savings from more mechanical harvesting in 1960 offset the higher preharvest labor requirements, and the cost of hired labor was less than in 1959. About 10 times as much poison was used on cotton in 1960 as in 1959. Very little poison was needed in 1959 as the season was relatively dry. Cash expenditures were also higher for cotton ginning and power and machinery.

TABLE 35.--Cotton farms (irrigated), High Plains, Texas: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	123	155	136	143
Net farm income.....	113	169	124	138
Net farm production.....	119	158	147	158
Crop yields per acre.....	120	153	142	151
Production per hour of man labor.....	118	162	141	156
Production per unit of input.....	98	127	115	124
Operating expense per unit of production.....	112	88	100	92
Total cost per unit of production.....	116	101	112	109
Power and machinery (quantity).....	144	145	145	145
Prices received for products sold.....	104	97	91	89
Prices paid, including wages to hired labor.....	106	112	115	116

¹ Preliminary.

TABLE 36.--Cotton farms (irrigated), High Plains, Texas: Organization, production, cost and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	271	342	351	360	369
Cropland harvested.....	do.	237	285	288	288	284
Crops harvested:						
Cotton.....	do.	155.3	141.2	149.7	151.2	154.1
Grain sorghum.....	do.	70.9	139.1	135.2	133.9	127.6
Forage.....	do.	10.4	5.1	2.8	2.5	2.3
Crop yields per harvested acre:						
Cotton.....	Pound	338	410	512	475	488
Grain sorghum.....	Bushel	20.2	34.5	35.0	31.6	40.7
Forage.....	Ton	1.7	3.0	2.1	2.0	3.0
Livestock on farm, Jan. 1:						
All cattle.....	Number	7.6	7.4	7.2	7.6	8.0
Milk cows.....	do.	3.2	1.2	1.1	1.1	1.1
Chickens.....	do.	92	48	45	48	46
Pigs raised.....	do.	18.1	11.2	13.0	14.5	9.9
Tractors on farm.....	do.	1.55	2.35	2.38	2.40	2.44
Total labor used.....	Hour	6,920	6,090	6,800	7,280	7,050
Operator and family.....	do.	2,250	2,520	2,480	2,590	2,590
Hired.....	do.	4,670	3,570	4,320	4,690	4,460
Total farm capital, Jan. 1.....	Dollar	47,290	93,590	103,350	112,170	113,950
Land and buildings.....	do.	38,640	78,660	87,750	96,300	98,070
Machinery and equipment.....	do.	6,460	13,660	14,020	14,140	14,320
Livestock.....	do.	1,130	670	1,000	1,300	1,170
Crops.....	do.	1,060	600	580	430	390
Total cash receipts.....	do.	20,341	23,573	31,566	27,537	28,985
Cotton, lint and seed.....	do.	17,179	18,604	26,360	23,442	24,278
Other crops.....	do.	1,400	3,835	3,996	3,082	3,833
Cattle.....	do.	259	227	260	282	281
Dairy products.....	do.	195	0	0	0	0
Hogs.....	do.	851	365	479	425	283
Poultry and eggs.....	do.	353	186	189	172	176
Other, including Government payments.....	do.	104	356	282	134	134
Total cash expenditures.....	do.	10,651	13,238	14,259	15,437	15,160
Feed purchased.....	do.	345	188	177	194	184
Livestock expense.....	do.	52	50	53	54	55
Poison.....	do.	33	251	175	19	179
Irrigation expense.....	do.	1,461	3,012	2,488	3,299	2,930
Other crop expense.....	do.	186	729	661	711	863
Ginning.....	do.	1,434	1,893	2,437	2,370	2,482
Machinery purchased.....	do.	1,200	1,286	1,614	1,760	1,618
Other machinery expense.....	do.	1,332	2,811	2,908	2,914	3,090
Farm buildings and fences.....	do.	190	226	226	237	227
Labor hired.....	do.	4,196	2,402	3,087	3,391	3,034
Taxes.....	do.	180	337	380	434	444
Other.....	do.	42	53	53	54	54
Net cash farm income.....	do.	9,690	10,335	17,307	12,100	13,825
Value of perquisites.....	do.	797	890	904	893	896
Change in inventory:						
Crops and livestock.....	do.	-180	30	16	-13	8
Machinery and buildings.....	do.	454	-56	-39	311	115
Gross farm income.....	do.	20,958	24,493	32,486	28,417	29,889
Operating expenses.....	do.	10,197	13,294	14,298	15,126	15,045
Net farm income.....	do.	10,761	11,199	18,188	13,291	14,844
Purchasing power in 1947-49 dollars.....	do.	10,761	9,654	15,414	11,264	12,474
Charge for capital ²	do.	2,047	4,901	5,938	5,859	7,130
Return per hour to operator and family labor...	do.	3.87	2.50	4.94	2.87	2.98
Charge for capital ²	do.	2,178	4,134	4,546	4,940	4,999
Return per hour to operator and family labor...	do.	3.81	2.80	5.50	3.22	3.80

¹ Preliminary. ² See preface.

SMALL COTTON FARMS, DELTA

Net farm income in 1960 on small cotton farms in the Delta was estimated at \$1,759. This was 12 percent below 1959 and 9 percent below 1947-49 (tables 37 and 38).

The reduction in net farm income was due mainly to lower farm production and slightly less favorable price-cost relationships in 1960 than in 1959. Net farm production was also about 5 percent lower in 1960 than in 1959. Less production of pork, as well as lower yields per acre, was largely responsible for the decline in net farm production. Acreages of crops harvested were practically the same in both years, but crop yields averaged about 5 percent below a year earlier. However, they were higher than the average of the previous 5 years.

In 1960, prices received averaged about 2 percent lower than in 1959. The reduction was due primarily to a lower average price for lint, which was 4 percent below a year earlier. Prices received for cattle were lower also. But prices received for cottonseed, soybeans, hogs, poultry, and eggs were higher than in 1959.

The overall index of prices paid for production inputs on these farms in 1960 was unchanged from a year earlier. Wage

rates for day labor were higher, but picking rates were lower. For several years, picking rates have not increased as have other wage rates. Since 1953, picking rates have been below the 1947-49 average. This is due chiefly to a substantial increase in machine picking in the area.

In 1960, total investment per farm reached a peak of \$13,550. This was more than double the investment in 1947-49 on these farms. A large part of this increase was due to higher land values. Increased quantities of machinery and equipment also contributed to the increase in total investment. In 1960, the investment in machinery and equipment at 1947-49 prices was more than double the investment in 1947-49. In recent years, investment in machinery and equipment has made up approximately 23 percent of the total investment per farm.

If a charge of 6 percent were made for capital invested per farm on January 1 and for production expenses for 1960, the return per hour to operator and family labor would be \$0.37. The average wage rate for labor hired on these farms in 1960 was \$0.42 per hour. If a charge for capital invested were made at 4.1 percent, the return to operator and family labor would be increased to \$0.47 per hour.

TABLE 37. --Cotton farms (small), Delta: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	117	109	135	127
Net farm income.....	96	71	104	91
Net farm production.....	114	110	143	136
Crop yields per acre.....	117	114	143	136
Production per hour of man labor.....	130	132	159	159
Production per unit of input.....	95	90	107	103
Operating expense per unit of production.....	131	145	127	132
Total cost per unit of production.....	121	139	118	127
Power and machinery (quantity).....	187	199	196	201
Prices received for products sold.....	105	97	96	94
Prices paid, including wages to hired labor.....	109	109	113	113

¹ Preliminary.

TABLE 38. --Cotton farms (small), Delta: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	53	58	58	58	58
Cropland harvested.....	do.	32	34	33	36	36
Crops harvested:						
Cotton.....	do.	19	15	14	16	16
Corn.....	do.	8	6	6	5	5
Soybeans.....	do.	2	9	11	13	13
Oats.....	do.	0	2	1	1	1
Hay.....	do.	3	2	1	1	1
Crop yields per harvested acre:						
Cotton.....	Pound	353	410	401	505	482
Corn.....	Bushel	20.6	19.6	20.2	29.1	27.1
Soybeans.....	do.	15.1	22.6	24.3	24.5	21.8
Hay.....	Ton	1.0	1.2	1.4	1.3	1.2
Livestock on farm, Jan. 1:						
All cattle.....	Number	2.6	4.2	4.0	3.6	3.6
Milk cows.....	do.	1.2	1.3	1.2	1.1	1.0
Chickens.....	do.	36	35	34	36	36
Pigs raised.....	do.	6.3	9.0	7.1	8.3	7.1
Tractors on farm.....	do.	.28	.89	.92	.92	.92
Total labor used.....	Hour	3,750	3,210	3,120	3,350	3,200
Operator and family.....	do.	2,750	2,500	2,410	2,550	2,460
Hired.....	do.	1,000	710	710	800	740
Total farm capital, Jan. 1.....	Dollar	6,200	12,520	13,150	13,000	13,550
Land and buildings.....	do.	4,460	8,930	9,470	9,310	9,860
Machinery and equipment.....	do.	890	2,910	2,990	2,940	2,980
Livestock.....	do.	540	430	480	570	520
Crops.....	do.	310	250	210	180	190
Total cash receipts.....	do.	2,778	3,166	3,115	3,949	3,694
Cotton, lint and seed.....	do.	2,404	2,257	2,134	2,913	2,745
Other crops.....	do.	67	380	492	592	566
Cattle and hogs.....	do.	221	417	381	364	293
Dairy products.....	do.	0	18	7	0	0
Poultry and eggs.....	do.	71	72	76	66	72
Other, including Government payments.....	do.	15	22	25	14	18
Total cash expenditures.....	do.	1,486	2,098	1,976	2,431	2,486
Feed purchased.....	do.	104	112	115	102	85
Livestock expense.....	do.	39	28	25	27	23
Fertilizer and lime.....	do.	77	148	159	159	169
Poison.....	do.	11	54	62	67	66
Other crop expense.....	do.	83	109	131	118	125
Ginning.....	do.	139	194	182	252	245
Machinery.....	do.	426	800	661	900	1,024
Machine work hired.....	do.	35	185	181	278	263
Farm buildings and fences.....	do.	54	69	50	56	60
Labor hired.....	do.	450	304	311	365	320
Taxes.....	do.	31	52	58	65	67
Other.....	do.	37	43	41	42	39
Net cash farm income.....	do.	1,292	1,068	1,139	1,518	1,208
Value of perquisites.....	do.	510	501	501	482	472
Change in inventory:						
Crops and livestock.....	do.	-18	-79	-66	0	2
Machinery and buildings.....	do.	139	-59	-202	-4	77
Gross farm income.....	do.	3,270	3,588	3,550	4,431	4,168
Operating expenses.....	do.	1,347	2,157	2,178	2,435	2,409
Net farm income.....	do.	1,923	1,431	1,372	1,996	1,759
Purchasing power in 1947-49 dollars.....	do.	1,923	1,234	1,163	1,692	1,478
Charge for capital ²	do.	267	594	761	688	858
Return per hour to operator and family labor..	do.	.60	.33	.25	.51	.37
Charge for capital ²	do.	284	559	585	585	606
Return per hour to operator and family labor..	do.	.60	.35	.33	.55	.47

¹ Preliminary. ² See preface.

LARGE-SCALE COTTON FARMS, DELTA

In 1960, net farm incomes on large-scale cotton farms in the Mississippi Delta were approximately 12 percent below those of 1959, but nearly 16 percent above those in 1947-49 (tables 39 and 40).

Incomes were lower than in 1959 largely because of lower per acre yields and less favorable price-cost relationships.

Crop yields in 1959 were the second highest on record; they were exceeded only in 1955. In 1960, the yield of cotton was down about 12 pounds per acre from 1959. Yields of soybeans and corn were about 3 bushels per acre lower. The yield of hay was about the same as in 1959. Only small grains, chiefly oats and wheat, which are relatively minor crops on these farms, showed an increase in yield in 1960.

The quality of cotton produced on these farms in 1960 was about the same as that produced in 1959. However, the price of lint cotton was down because of an increase in the percentage of "Plan" B (larger acreage with the lower support price; see page 12) cotton produced and a lower support level for both Plan A (base allotment acreage with the higher support price; see page 12) and Plan B cotton than in 1959. Prices received for

cattle were about 16 percent lower in 1960 than in 1959. Higher prices were received for hogs, cottonseed, soybeans, and corn. These price increases, however, were not enough to offset the lower prices of lint cotton and cattle. The average price received for all products sold on these farms was down about 3 percent from 1959.

Prices paid for goods and services used in production were about the same as in 1959. Prices of some cost items, such as farm machinery and wages for hired labor (other than picking labor), continued an upward trend but were offset by generally lower prices for motor supplies, purchased feeds, and wage rates for picking cotton. Wage rates for picking cotton have been trending downward in recent years, probably because of a shift to mechanical harvesting and a decrease in the demand for hand picking.

Although yields were lower than in 1959 and net farm production was down nearly 4 percent, production per hour of man labor increased to a record high of 206 percent (1947-49 = 100). An increase in mechanical harvesting of cotton and chemical weed control in 1960 were responsible for the increase over 1959 despite lower yields.

TABLE 39. --Cotton farms (large-scale), Delta: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	100	86	104	98
Net farm income.....	109	81	133	116
Net farm production.....	96	90	109	105
Crop yields per acre.....	114	115	130	127
Production per hour of man labor.....	150	151	201	206
Production per unit of input.....	108	110	130	127
Operating expense per unit of production.....	100	97	83	84
Total cost per unit of production.....	107	114	96	102
Power and machinery (quantity).....	139	142	136	141
Prices received for products sold.....	104	94	96	93
Prices paid, including wages to hired labor ²	110	110	112	112

¹ Preliminary. ² Includes cropper labor.

TABLE 40. --Cotton farms (large-scale), Delta: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	1,000	1,000	1,000	1,000	1,000
Cropland harvested.....	do.	620	592	600	617	610
Crops harvested:						
Cotton.....	do.	359	204	210	244	252
Corn.....	do.	101	49	38	37	29
Oats.....	do.	54	118	55	47	40
Soybeans.....	do.	37	179	263	267	264
Hay.....	do.	69	42	34	22	25
Crop yields per harvested acre:						
Cotton.....	Pound	420	440	449	525	513
Corn.....	Bushel	23.3	37.9	38.1	39.6	36.7
Oats.....	do.	31.5	37.6	38.4	38.4	54.1
Soybeans.....	do.	17.5	24.6	26.5	27.0	24.0
Hay.....	Ton	1.5	1.6	1.8	1.9	1.9
Livestock on farm, Jan. 1:						
All cattle.....	Number	60.5	88.3	84.4	71.0	71.0
Pigs raised.....	do.	73.4	37.6	29.8	30.5	29.9
Tractors on farm.....	do.	4.07	6.40	6.40	6.40	6.50
Total labor used.....	Hour	59,360	33,690	35,300	32,160	30,260
Operator and family.....	do.	3,200	3,200	3,200	3,200	3,200
Hired.....	do.	29,990	20,910	24,710	22,950	21,650
Cropper.....	do.	26,170	9,580	7,390	6,010	5,410
Total farm capital, Jan. 1.....	Dollar	110,310	190,880	200,970	198,340	205,770
Land and buildings.....	do.	84,570	152,000	160,000	158,000	167,000
Machinery and equipment.....	do.	13,680	31,010	32,090	30,550	29,820
Livestock.....	do.	7,470	5,650	6,790	8,040	7,220
Crops.....	do.	4,590	2,220	2,090	1,750	1,730
Total cash receipts.....	do.	63,655	51,511	57,240	67,477	62,907
Cotton, lint and seed.....	do.	55,215	32,867	35,052	47,341	45,677
Other crops.....	do.	4,168	12,579	15,215	15,449	13,796
Cattle and hogs.....	do.	3,693	4,191	5,448	4,338	3,167
Other livestock and livestock products.....	do.	291	125	100	107	38
Other, including Government payments.....	do.	288	1,749	1,425	242	229
Total cash expenditures.....	do.	44,652	38,736	37,795	40,446	41,826
Feed purchased.....	do.	994	692	658	595	549
Livestock expense.....	do.	256	347	340	328	301
Fertilizer and lime.....	do.	2,840	2,856	2,636	2,893	2,958
Poison.....	do.	601	1,786	1,443	1,191	1,204
Other crop expense.....	do.	1,758	1,911	2,482	2,267	2,389
Ginning.....	do.	3,144	2,809	2,970	4,035	4,072
Machinery.....	do.	7,575	10,669	8,493	9,548	11,918
Machine work hired.....	do.	294	1,244	1,540	1,694	1,659
Farm buildings and fences.....	do.	1,093	1,244	951	1,160	1,239
Labor, hired and cropper.....	do.	25,006	13,765	14,771	15,079	13,896
Taxes.....	do.	880	1,167	1,263	1,408	1,407
Other.....	do.	211	246	248	248	234
Net cash farm income.....	do.	19,003	12,775	19,445	27,031	21,081
Perquisites for cropper labor.....	do.	2,558	720	552	434	442
Total value of perquisites.....	do.	3,441	1,944	1,766	1,647	1,636
Change in inventory:						
Crops and livestock.....	do.	-410	-696	-1,762	3	474
Machinery and buildings.....	do.	989	-207	-2,413	-1,096	1,025
Gross farm income.....	do.	66,686	52,759	57,244	69,127	65,017
Operating expenses.....	do.	46,221	39,663	40,760	41,976	41,243
Net farm income.....	do.	20,465	13,096	16,484	27,151	23,774
Purchasing power in 1947-49 dollars.....	do.	20,465	11,290	13,969	23,009	19,978
Charge for capital ²	do.	5,027	9,297	11,975	10,766	13,339
Return to operator and family labor.....	do.	15,438	3,799	4,509	16,385	10,435
Charge for capital ²	do.	5,467	8,879	9,362	9,287	9,545
Return to operator and family labor.....	do.	14,998	4,217	7,122	17,864	14,229

¹ Preliminary. ² See preface.

PEANUT-COTTON FARMS, SOUTHERN COASTAL PLAINS

In 1960, net farm income on typical peanut-cotton farms in the southern Coastal Plains averaged \$3,222 - second only to the record high in 1958. The income in 1960 was 32 percent above that in 1959 and 39 percent above the 1947-49 average (tables 41 and 42).

The increase in net farm income was due mainly to higher yields per acre. But a slight improvement in price-cost relationships also contributed to them.

In 1960, yields per acre averaged 67 percent above those of 1947-49 and 21 percent above those in 1959. The yield per acre of 1,264 pounds of peanuts was the highest on record. The yield per acre of corn was above the longtime upward trend.

Net farm production in 1960 was 20 percent above production in the previous year and the highest on record. As crop acreages and livestock production changed very little from 1959 to 1960, the increase in production was due to higher yields per acre.

In 1960, prices received for products sold averaged slightly higher than in 1959. The price received for peanuts was 6 percent above the price a year earlier. This was more than the increase in the support price for peanuts. Prices received for corn, hogs, and eggs were also higher than in 1959. But the price of cotton lint

was about 5 percent below that in 1959. This reduction in the price of lint was about the same as the reduction in the support price of plan A cotton. The price of cottonseed was 6 percent below the price a year earlier, while the U.S. price was 10 percent higher. The price received for beef cattle also was lower than the price a year earlier.

For the second consecutive year, the grade index of cotton lint in this area was below average. Excess rain at harvesttime reduced the quality of both lint and seed.

Prices paid for goods and services averaged slightly lower in 1960 than a year earlier. The reduction was due mainly to lower prices paid for feed, gasoline, and motor vehicles.

In 1960, total cost per unit of production was 7 percent below 1959 and about the same as in 1947-49. The increase in production per unit of input from 1947-49 to 1960 - 26 percent - largely offset higher prices paid for purchased items and the cost rates used for nonpurchased items, such as operator and family labor and interest on investment. Operating costs were 21 percent higher in 1960 than in 1947-49. The increase in operating expense relative to total costs per unit of production was due to the increase in size of farm and the shift from farm-produced inputs to inputs from the nonfarm sector of the economy.

TABLE 41. --Peanut-cotton farms, Southern Coastal Plains: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	137	169	152	182
Net farm income.....	114	150	105	139
Net farm production.....	137	163	172	207
Crop yields per acre.....	126	165	138	167
Production per hour of man labor.....	142	197	183	211
Production per unit of input.....	107	122	115	126
Operating expense per unit of production.....	126	121	130	121
Total cost per unit of production.....	108	101	107	100
Power and machinery (quantity).....	249	309	323	326
Prices received for products sold.....	99	100	87	88
Prices paid, including wages to hired labor.....	112	115	114	112

¹ Preliminary.

TABLE 42.--Peanut-cotton farms, Southern Coastal Plains: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	122	156	163	170	177
Cropland harvested.....	do.	54	61	56	68	69
Crops harvested:						
Cotton.....	do.	9.7	7.8	6.1	11.4	12.2
Corn.....	do.	19.2	27.7	26.6	28.7	28.7
Peanuts.....	do.	20.5	16.4	17.2	18.8	19.5
Peanut hay ²	do.	17.0	6.7	8.4	5.8	5.9
Crop yields per harvested acre:						
Cotton.....	Pound	235	351	432	347	392
Corn.....	Bushel	15.8	27.3	35.4	29.9	33.2
Peanuts.....	Pound	833	824	1,117	956	1,264
Peanut hay.....	Ton	.47	.58	.75	.64	.75
Livestock on farm, Jan. 1:						
All cattle.....	Number	3.7	8.7	9.2	9.2	9.4
Milk cows.....	do.	1.5	1.8	1.9	1.8	1.8
Beef cows.....	do.	.4	2.7	2.8	3.1	3.2
Pigs raised.....	do.	18.9	42.6	44.8	50.3	50.3
Tractors on farm.....	do.	.16	.84	.90	.94	.98
Total labor used.....	Hour	4,040	3,380	3,350	3,800	3,950
Operator and family.....	do.	3,400	2,670	2,650	2,940	2,970
Hired.....	do.	640	710	700	860	980
Total farm capital, Jan. 1.....	Dollar	6,260	11,960	13,570	15,860	16,500
Land and buildings.....	do.	4,440	8,390	9,540	11,320	12,000
Machinery and equipment.....	do.	470	2,210	2,430	2,670	2,810
Livestock.....	do.	860	900	1,130	1,390	1,250
Crops.....	do.	490	460	470	480	440
Total cash receipts.....	do.	3,212	4,614	5,976	5,280	6,444
Cotton, lint and seed.....	do.	798	1,028	1,023	1,455	1,679
Peanuts.....	do.	1,649	1,294	1,963	1,551	2,260
Other crops.....	do.	123	533	692	487	626
Cattle.....	do.	71	237	406	448	399
Hogs.....	do.	479	1,161	1,436	1,151	1,277
Other livestock and livestock products.....	do.	67	142	147	132	146
Other, including Government payments.....	do.	25	219	309	56	57
Total cash expenditures.....	do.	1,599	3,016	3,093	3,497	3,739
Feed purchased.....	do.	86	119	128	150	137
Livestock expense.....	do.	33	30	31	31	31
Seed.....	do.	151	231	264	249	271
Fertilizer and lime.....	do.	410	621	568	700	729
Poison.....	do.	31	74	91	104	193
Other crop expense.....	do.	5	14	14	15	15
Ginning.....	do.	35	65	62	96	116
Machinery.....	do.	343	1,207	1,221	1,350	1,311
Machine work hired.....	do.	157	178	229	221	287
Farm buildings and fences.....	do.	93	120	126	133	133
Labor hired.....	do.	211	276	269	352	417
Taxes.....	do.	35	67	75	80	82
Other.....	do.	9	14	15	16	17
Net cash farm income.....	do.	1,613	1,598	2,883	1,783	2,705
Value of perquisites.....	do.	563	508	506	500	499
Change in inventory:						
Crops and livestock.....	do.	44	34	-39	28	-4
Machinery and buildings.....	do.	93	114	117	117	22
Gross farm income.....	do.	3,819	5,156	6,443	5,808	6,939
Operating expenses.....	do.	1,506	2,902	2,976	3,380	3,717
Net farm income.....	do.	2,313	2,254	3,467	2,428	3,222
Purchasing power in 1947-49 dollars.....	do.	2,313	1,943	2,938	2,058	2,708
Charge for capital ³	do.	286	636	863	919	1,089
Return per hour to operator and family labor...	do.	.60	.61	.98	.51	.72
Charge for capital ³	do.	301	576	644	751	787
Return per hour to operator and family labor...	do.	.59	.63	1.07	.57	.82

¹ Preliminary. ² Hay saved from peanuts picked and threshed. ³ See preface.

TOBACCO-COTTON FARMS, COASTAL PLAIN, NORTH CAROLINA

Operators of tobacco-cotton farms in the Coastal Plain of North Carolina had net incomes of almost \$3,500 in 1960, about a third higher than in 1959 but only about 5 percent above the 1950-59 average (tables 43 and 44).

Incomes in 1960 were up largely because of record per acre yields of tobacco and slightly higher prices received for tobacco. In 1960, the average yield of tobacco was about 1,900 pounds per acre; it exceeded the previous high in 1958 by almost 120 pounds. The average yield in 1960 was about 360 pounds per acre greater than in 1959. The acreage of tobacco remained the same from 1959 to 1960. Acreage allotments of flue-cured tobacco were unchanged.

In 1960, tobacco prices reached a new record high on these farms. They averaged about \$0.60 cents per pound; about 3 cents higher than in 1959. The support level remained the same as in 1959, but the quality of leaf was considerably better than that of the previous year. In 1960, the quantity placed under Government loan was only about 4.2 percent of the total flue-cured crop.

Record yields and prices of tobacco resulted in cash receipts from tobacco which were exceeded only in 1951 and 1955. After the allotment cuts in 1956 (about 12 percent) and in 1957 (about 20

percent), cash receipts from tobacco were below the 1950-56 average of \$5,820 until 1960. However, cash expenses also were reduced. Purchases of fertilizer and spray materials for tobacco declined almost proportionately, and returns to croppers were equally affected. Production of tobacco after 1956 continued to be below the average for 1950-56 (11,125 pounds), and even with the record high yields of 1960, production amounted to only about 10,000 pounds.

The cotton enterprise on these farms normally contributes less than 10 percent of gross farm income. However, receipts from cotton in 1960 were down about a fourth from 1959, and comprised only about 5 percent of the total. A small increase in price received for cotton because of higher quality in 1960 was more than offset by the fourth lowest yield in the last 20 years.

The higher prices received for tobacco and cotton were enough to increase the average of prices received about 7 percent to an alltime high. Higher cost rates offset much of this apparent advantage to these farmers.

Costs of machinery and equipment have continued to increase; in 1960, they reached peak levels. Per acre costs of seed and spray materials were generally higher also.

TABLE 43. --Tobacco-cotton farms, Coastal Plain, North Carolina; Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	113	114	102	120
Net farm income.....	104	106	82	109
Net farm production.....	102	98	94	105
Crop yields per acre.....	113	141	122	142
Production per hour of man labor.....	115	128	122	131
Production per unit of input.....	102	106	100	109
Operating expense per unit of production.....	119	123	126	124
Total cost per unit of production.....	121	129	134	130
Power and machinery (quantity).....	139	142	143	145
Prices received for products sold.....	113	116	112	120
Prices paid, including wages to hired labor ²	120	130	126	135

¹ Preliminary. ² Includes cropper labor.

TABLE 44. --Tobacco-cotton farms, Coastal Plain, North Carolina: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	100	100	100	100	100
Cropland harvested.....	do.	41	36	35	37	37
Other land.....	do.	59	64	65	63	63
Crops harvested:						
Tobacco.....	do.	7.9	5.2	5.1	5.3	5.3
Cotton.....	do.	7.6	4.1	3.6	4.7	4.6
Corn.....	do.	17.0	15.8	16.0	17.2	17.0
Hay.....	do.	6.7	5.3	5.4	5.0	4.8
Other crops.....	do.	5.7	8.8	7.9	8.2	8.3
Crop yields per harvested acre:						
Tobacco.....	Pound	1,257	1,490	1,780	1,540	1,900
Cotton.....	do.	339	340	490	383	282
Corn.....	Bushel	31.8	34.0	45.0	43.0	50.0
Hay.....	Ton	1.1	1.1	1.2	1.2	1.1
Livestock on farm, Jan. 1:						
All cattle.....	Number	2.0	2.0	2.0	2.0	2.0
Milk cows.....	do.	1.3	1.3	1.3	1.3	1.3
Chickens.....	do.	68	62	68	70	67
Mules.....	do.	2.8	1.7	1.6	1.4	1.3
Pigs raised.....	do.	12.3	17.4	19.0	21.3	20.0
Tractors on farm.....	do.	.22	.69	.70	.71	.71
Total labor used.....	Hour	7,440	5,470	5,700	5,750	5,930
Operator and family.....	do.	3,190	2,390	2,480	2,500	2,570
Hired.....	do.	1,060	700	740	750	790
Cropper.....	do.	3,190	2,380	2,480	2,500	2,570
Total farm capital, Jan. 1.....	Dollar	16,130	22,660	23,430	24,890	25,250
Land and buildings.....	do.	12,970	18,400	19,200	20,300	20,700
Machinery and equipment.....	do.	1,370	2,960	3,000	3,110	3,170
Livestock.....	do.	1,120	560	630	730	650
Crops.....	do.	670	740	600	750	730
Total cash receipts.....	do.	5,885	5,577	6,736	6,107	7,396
Tobacco.....	do.	4,478	4,124	5,022	4,649	6,042
Cotton.....	do.	933	498	685	613	460
Other crops.....	do.	152	413	289	345	392
Livestock and livestock products.....	do.	293	369	478	469	472
Other, including Government payments.....	do.	29	173	262	31	30
Total cash expenditures.....	do.	3,505	3,745	4,185	4,192	4,680
Feed purchased and other livestock expense...	do.	212	182	196	201	199
Crop expense.....	do.	900	944	952	995	1,077
Machinery.....	do.	621	944	1,027	1,112	1,179
Farm buildings and fences.....	do.	176	170	213	225	249
Labor hired.....	do.	478	420	444	471	495
Cropper labor.....	do.	994	894	1,152	976	1,259
General farm and miscellaneous.....	do.	124	191	201	212	222
Net cash farm income.....	do.	2,380	1,832	2,551	1,915	2,716
Perquisites for cropper labor.....	do.	459	425	440	404	402
Total value of perquisites.....	do.	1,151	1,131	1,173	1,104	1,102
Change in inventory:						
Crops and livestock.....	do.	40	-136	147	13	19
Machinery and buildings.....	do.	96	-109	-36	-4	56
Gross farm income.....	do.	7,076	6,572	8,056	7,224	8,517
Operating expenses.....	do.	3,868	4,279	4,661	4,600	5,026
Net farm income.....	do.	3,208	2,293	3,395	2,624	3,491
Purchasing power in 1947-49 dollars.....	do.	3,208	1,977	2,877	2,224	2,934
Charge for capital ²	do.	710	1,181	1,467	1,426	1,583
Return per hour to operator and family labor...	do.	.78	.47	.78	.48	.74
Charge for capital ²	do.	716	994	1,029	1,092	1,110
Return per hour to operator and family labor...	do.	.78	.54	.95	.61	.93

¹ Preliminary. ² See preface.

LARGE TOBACCO-COTTON FARMS, COASTAL PLAIN, NORTH CAROLINA

In 1960, net farm incomes on typical large tobacco-cotton farms averaged about \$4,700. This was more than a third higher than in 1959 and about 10 percent above the average for the last 10 years (tables 45 and 46).

Incomes were up primarily because of the record high yield of tobacco and the slightly higher prices received for tobacco. The per acre yield of tobacco leaf in 1960 was about 120 pounds above the previous record in 1958. This yield is higher than would be expected from the trend in recent years. The acreage and allotments of tobacco on these farms was about the same in 1959 and 1960.

An increase of 3 cents per pound of leaf contributed to the higher incomes. The level of price supports remained constant but the quality of leaf was considerably better in 1960. The percentage of allflue-cured tobacco placed under Government loan was the smallest since the start of the program in 1946.

The higher receipts from tobacco in 1960 were partly offset by lower receipts from the cotton enterprise. Except for 1950, production of cotton on these tobacco-cotton farms was the lowest on record. The yield in 1960 was the fourth lowest since 1940 and was far below the trend

in recent years. The acreage and allotments of cotton remained about the same in 1959 and 1960.

A 3-percent increase in the price of cotton between 1959 and 1960 reflects the higher quality cotton sold on these farms, even though the crop was affected by adverse weather and damage from weevils. The quality of cotton in 1959 was the poorest in recent years. There was a decrease of about 5 percent in the support price of cotton, and throughout the cotton-growing States, except in North Carolina, producers generally received a lower price for their cotton in 1960 than in 1959.

Corn has become an important crop to these tobacco farmers as a source of feed and as a cash crop. In the last 10 years, production of corn increased more than 50 percent. The acreage of corn has remained fairly constant at about 30 acres, but the yield generally increased and was record high in 1960.

Most of the corn is fed to hogs, which have become an important source of income to these farmers. The number of hogs raised has increased regularly and by 1960, it was double the number in 1947-49. However, receipts from hogs in 1960 were about a tenth as much as from tobacco.

TABLE 45.--Tobacco-cotton farms (large), Coastal Plain, North Carolina: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	115	115	105	124
Net farm income.....	107	113	87	120
Net farm production.....	104	100	99	110
Crop yields per acre.....	113	141	123	142
Production per hour of man labor.....	114	127	124	133
Production per unit of input.....	102	107	104	114
Operating expense per unit of production.....	114	117	116	114
Total cost per unit of production.....	118	125	125	122
Power and machinery (quantity).....	107	102	102	103
Prices received for products sold.....	112	115	110	117
Prices paid, including wages to hired labor ²	118	130	126	136

¹ Preliminary. ² Includes cropper labor.

TABLE 46.--Tobacco-cotton farms (large), Coastal Plain, North Carolina: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	170	170	170	170	170
Cropland harvested.....	do.	71	64	62	66	65
Other.....	do.	99	106	108	104	105
Crops harvested:						
Tobacco.....	do.	12.4	8.3	8.1	8.5	8.5
Cotton.....	do.	11.8	6.5	5.7	7.4	7.2
Corn.....	do.	28.1	27.5	27.8	30.0	29.8
Hay.....	do.	11.7	8.0	8.1	7.5	7.1
Other.....	do.	12.4	17.9	16.2	16.9	17.0
Crop yields per harvested acre:						
Tobacco.....	Pound	1,257	1,490	1,780	1,540	1,900
Cotton.....	do.	339	340	490	383	282
Corn.....	Bushel	31.8	34.0	45.0	43.0	50.0
Hay.....	Ton	1.1	1.1	1.2	1.2	1.1
Livestock on farm, Jan. 1:						
All cattle.....	Number	5	5	5	5	5
Milk cows.....	do.	3	3	3	3	3
Chickens.....	do.	135	125	135	140	134
Mules.....	do.	4	2	2	1	1
Pigs raised.....	do.	18	24	30	36	36
Tractors on farm.....	do.	1.0	1.0	1.0	1.0	1.0
Total labor used.....	Hour	10,840	8,170	8,510	8,700	8,980
Operator and family.....	do.	3,120	2,390	2,480	2,540	2,610
Hired.....	do.	1,470	1,010	1,070	1,090	1,150
Cropper.....	do.	6,250	4,770	4,960	5,070	5,220
Total farm capital, Jan. 1.....	Dollar	30,370	40,040	40,780	43,020	43,500
Land and buildings.....	do.	23,740	32,130	32,980	34,510	35,190
Machinery and equipment.....	do.	3,670	5,470	5,500	5,650	5,710
Livestock.....	do.	1,800	1,140	1,280	1,580	1,340
Crops.....	do.	1,160	1,300	1,020	1,280	1,260
Total cash receipts.....	do.	9,488	9,228	10,937	10,198	12,284
Tobacco.....	do.	7,038	6,590	8,030	7,440	9,669
Cotton.....	do.	1,460	790	1,085	966	720
Other crops.....	do.	364	877	632	629	775
Livestock and livestock products.....	do.	576	684	760	1,109	1,067
Other, including Government payments.....	do.	50	287	430	54	53
Total cash expenditures.....	do.	6,389	6,767	7,571	7,610	8,586
Feed purchased and other livestock expense...	do.	370	331	357	383	380
Crop expense.....	do.	1,393	1,587	1,599	1,672	1,808
Machinery.....	do.	1,430	1,795	1,944	2,103	2,245
Farm buildings and fences.....	do.	323	299	368	385	425
Hired labor.....	do.	667	604	640	689	724
Cropper labor.....	do.	2,000	1,842	2,337	2,033	2,641
General farm and miscellaneous.....	do.	206	309	326	345	363
Net cash farm income.....	do.	3,099	2,461	3,366	2,588	3,698
Perquisites for cropper labor.....	do.	1,188	1,098	1,125	1,038	1,036
Total value of perquisites.....	do.	1,988	1,925	1,972	1,857	1,859
Change in inventory:						
Crops and livestock.....	do.	15	-264	325	48	105
Machinery and buildings.....	do.	9	-241	-111	-36	92
Gross farm income.....	do.	11,491	10,889	13,234	12,103	14,248
Operating expenses.....	do.	7,568	8,106	8,807	8,684	9,530
Net farm income.....	do.	3,923	2,783	4,427	3,419	4,718
Purchasing power in 1947-49 dollars.....	do.	3,923	2,390	3,752	2,897	3,965
Charge for capital ²	do.	1,331	2,085	2,551	2,467	2,726
Return per hour to operator and family labor...	do.	.83	.29	.76	.37	.76
Charge for capital ²	do.	1,340	1,753	1,788	1,888	1,914
Return per hour to operator and family labor...	do.	.83	.43	1.06	.60	1.07

¹ Preliminary ² See preface.

SMALL TOBACCO FARMS, COASTAL PLAIN, NORTH CAROLINA

In 1960, net farm incomes on typical small tobacco farms in the Coastal Plain of North Carolina were estimated at \$3,010. This about a third higher than in 1959 and about an eighth higher than the average for the last 10 years (tables 47 and 48). These higher incomes were largely the result of an increase in tobacco production. As incomes to these tobacco producers depend mainly on sales of flue-cured tobacco, which normally accounts for about 90 percent of all cash receipts, changes in the acreage, yield, and price of tobacco are very important. Livestock are kept primarily to provide food for home use.

In 1960, per acre yields of tobacco on these farms averaged 1,900 pounds. This was the highest yield on record. It was about 120 pounds above the previous high in 1958 and well above the trend in recent years. It exceeded the average yield in the last 10 years by more than 500 pounds per acre. The acreage and allotments of tobacco remained unchanged from 1959 to 1960.

An increase of 3 cents per pound in the price of tobacco leaf from 1959 to 1960 contributed to the higher incomes. The increase in the price of tobacco reflects the increase in the quality of leaf sold as the support price remained unchanged from 1959 to 1960.

In 1960, the average of all prices received for all products sold on these farms reached a new record high and about 6 percent above 1959. Compared with other types of farms included in this report, operators of these farms have enjoyed a favored position, with prices received relative to prices paid remaining fairly high. During the last 10 years, this ratio varied between 90 and 115 and averaged 99.

Although prices received have varied more from year to year than prices paid for goods and services used in production, they have generally risen during the last two decades. Prices paid for goods and services used in production have risen steadily and in 1960, they reached a record high. Between 1959 and 1960, tax rates continued to rise and prices for machinery, electricity, and seed grains were up. Fertilizer prices remained about the same and prices paid for feed, lespedeza, and rye grass seed were down.

Returns to operator and family labor have not been adversely affected by the recent increases in the interest rates used in calculating a charge for capital. The capital investment on these tobacco farms is relatively small.

TABLE 47. --Tobacco farms (small), Coastal Plain, North Carolina: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	117	117	106	130
Net farm income.....	113	113	96	128
Net farm production.....	106	101	96	110
Crop yields per acre.....	115	140	124	150
Production per hour of man labor.....	112	121	114	126
Production per unit of input.....	104	108	101	113
Operating expense per unit of production.....	120	121	132	121
Total cost per unit of production.....	119	125	136	125
Power and machinery (quantity).....	103	100	101	102
Prices received for products sold.....	113	117	116	123
Prices paid, including wages to hired labor.....	115	120	121	124

¹ Preliminary.

TABLE 48. --Tobaccofarms (small), Coastal Plain, North Carolina: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	50	50	50	50	50
Cropland harvested.....	do.	20	19	18	19	19
Other.....	do.	30	31	32	31	31
Crops harvested:						
Tobacco.....	do.	4.5	3.0	3.0	3.1	3.1
Corn.....	do.	9.7	9.3	9.4	10.0	9.9
Hay.....	do.	4.3	3.3	3.3	3.2	3.0
Other.....	do.	3.5	4.9	4.3	4.6	4.7
Crop yields per harvested acre:						
Tobacco.....	Pound	1,257	1,490	1,780	1,540	1,900
Corn.....	Bushel	31.8	34.0	45.0	43.0	50.0
Hay.....	Ton	1.1	1.1	1.2	1.2	1.1
Livestock on farm, Jan. 1:						
All cattle.....	Number	1	1	1	1	1
Milk cows.....	do.	1	1	1	1	1
Chickens.....	do.	60	57	62	64	61
Mules.....	do.	2	2	2	2	2
Pigs raised.....	do.	4	5	5	6	5
Tractors on farm.....	do.	0	0	0	0	0
Total labor used.....	Hour	3,810	3,060	3,200	3,200	3,350
Operator and family.....	do.	3,300	2,690	2,800	2,810	2,930
Hired.....	do.	510	370	400	390	420
Total farm capital, Jan. 1.....	Dollar	8,650	11,310	11,660	12,400	12,600
Land and buildings.....	do.	6,750	9,250	9,600	10,150	10,350
Machinery and equipment.....	do.	820	1,240	1,260	1,300	1,310
Livestock.....	do.	690	380	450	510	510
Crops.....	do.	390	440	350	440	430
Total cash receipts.....	do.	2,836	2,836	3,359	3,118	3,958
Tobacco.....	do.	2,560	2,403	2,928	2,713	3,525
Other crops.....	do.	64	181	117	145	211
Livestock and livestock products.....	do.	198	190	224	245	207
Other, including Government payments.....	do.	14	62	90	15	15
Total cash expenditures.....	do.	1,245	1,435	1,512	1,570	1,664
Feed purchased and other livestock expense...	do.	201	198	205	209	195
Crop expense.....	do.	439	519	529	542	589
Machinery.....	do.	248	333	355	377	404
Farm buildings and fences.....	do.	64	60	75	79	87
Labor hired.....	do.	231	223	240	248	268
General farm and miscellaneous.....	do.	62	102	108	115	121
Net cash farm income.....	do.	1,591	1,401	1,847	1,548	2,294
Value of perquisites.....	do.	723	721	744	704	706
Change in inventory:						
Crops and livestock.....	do.	41	-62	92	10	8
Machinery and buildings.....	do.	-1	-38	-15	-6	2
Gross farm income.....	do.	3,600	3,495	4,195	3,832	4,672
Operating expenses.....	do.	1,246	1,473	1,527	1,576	1,662
Net farm income.....	do.	2,354	2,022	2,668	2,256	3,010
Purchasing power in 1947-49 dollars.....	do.	2,354	1,743	2,261	1,912	2,529
Charge for capital ²	do.	380	592	733	713	792
Return per hour to operator and family labor...	do.	.60	.53	.69	.55	.76
Charge for capital ²	do.	384	499	515	546	557
Return per hour to operator and family labor...	do.	.60	.57	.77	.61	.84

¹ Preliminary ² See preface.

TOBACCO-LIVESTOCK FARMS, INNER BLUEGRASS AREA, KENTUCKY¹

This information is for a common type and size of farm in the inner Bluegrass area of Kentucky, producing burley tobacco, beef cattle (cow-and-calf plan), sheep, and hogs. This is one of three types of farms, one for each subarea, which replace the single series previously published for the Bluegrass area as a whole.

In 1960, tobacco-livestock farmers in the inner Bluegrass area of Kentucky had net incomes estimated at \$5,494. This was \$266 more than in 1959, but \$214 less than the 1950-59 average (tables 49 and 50). Prior to 1960, year-to-year changes in incomes depended largely on the tobacco enterprise. The change in income from 1959 to 1960, however, was largely the result of an increase (4 percent) in livestock production.

In general, livestock numbers on these tobacco farms have been increasing; they are now about 80 percent greater than at the close of World War II. Since 1955, the year in which tobacco allotments were cut back a fourth, livestock numbers and livestock production increased about a fifth. In recent years, sales of livestock have accounted for about a fourth of the cash receipts.

The tobacco enterprise remains the largest contributor to gross income. Receipts from tobacco in earlier years accounted for about three-fourths of the total cash receipts. They still account for about half the total. From 1959 to 1960, the average price received for tobacco in-

creased about 2.5 cents per pound, but the effect of this increase on income from tobacco was largely offset by lower tobacco yields. Acreage allotments remained unchanged. The support price in 1960 for tobacco was the same as in 1959, but the quality of leaf marketed was noticeably improved. Most grade average prices exceeded their loan rates.

The sheep enterprise on these farms has been a continuing source of income. Generally, it has accounted for about 10 percent of total cash receipts.

Receipts from sheep and wool have been about half of those from lambs. Since 1945, most of the sheep growers in the area have been maintaining their breeding herds by importing western ewes. The replacement of breeding ewes has slowed down in the last few years, thus the average age of the breeding ewes is increasing.

Although net farm incomes have remained fairly constant in the last 15 years, the amount of capital invested has more than tripled. In 1960, incomes were not high enough to cover a calculated charge made for the use of capital.

TABLE 49.--Tobacco-livestock farms, inner Bluegrass area, Kentucky: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	109	120	112	116
Net farm income.....	97	112	87	93
Net farm production.....	96	92	89	94
Crop yields per acre.....	113	119	119	123
Production per hour of man labor.....	124	133	128	130
Production per unit of input.....	100	98	93	96
Operating expense per unit of production.....	123	136	144	143
Total cost per unit of production.....	124	150	156	163
Power and machinery (quantity).....	125	135	138	138
Prices received for products sold.....	108	124	113	113
Prices paid, including wages to hired labor.....	117	126	128	129

¹ Preliminary.

¹ John H. Bondurant, Agricultural Economist, Univ. of Ky., cooperated in preparing these estimates.

TABLE 50. --Tobacco-livestock farms, inner Bluegrass area, Kentucky: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	176	200	204	208	212
Cropland harvested.....	do.	46	55	56	58	60
Pasture.....	do.	121	131	133	135	136
Crops harvested:						
Tobacco.....	do.	8.7	5.3	5.3	5.4	5.4
Corn for grain.....	do.	10.0	12.8	12.5	13.0	13.1
Small grains.....	do.	7.5	5.6	5.4	5.8	6.2
Hay.....	do.	19.9	31.3	32.8	33.8	35.3
Crop yields per harvested acre:						
Tobacco.....	Pound	1,468	1,740	1,665	1,760	1,734
Corn for grain.....	Bushel	51	57	69	55	66
Wheat.....	do.	19	20	28	23	32
Hay.....	Ton	1.7	2.1	2.1	2.1	2.2
Livestock on farm, Jan. 1:						
All cattle.....	Number	29.1	36.3	37.1	40.2	43.6
Beef cows.....	do.	15.5	22.9	23.3	25.1	27.0
Sheep and lambs.....	do.	64	79	78	76	80
Chickens.....	do.	49	24	20	21	20
Pigs raised.....	do.	31.0	32.4	31.3	39.5	36.1
Tractors on farm.....	do.	.70	1.32	1.40	1.50	1.60
Total labor used.....	Hour	6,150	4,080	4,070	4,140	4,250
Operator and family.....	do.	3,550	2,450	2,440	2,480	2,550
Hired.....	do.	2,370	1,630	1,630	1,660	1,700
Total farm capital, Jan. 1.....	Dollar	50,460	83,120	89,690	97,300	98,940
Land and buildings.....	do.	41,970	72,000	77,520	83,200	85,010
Machinery and equipment.....	do.	2,280	4,400	4,620	4,920	5,160
Livestock.....	do.	4,610	4,810	5,420	7,090	6,830
Crops.....	do.	1,600	1,910	2,130	2,090	1,940
Total cash receipts.....	do.	10,172	10,271	11,485	10,882	11,365
Tobacco.....	do.	6,185	5,611	5,938	5,915	6,065
Cattle and calves.....	do.	1,721	2,414	2,988	2,947	3,192
Hogs and pigs.....	do.	837	772	755	691	772
Sheep and lambs.....	do.	1,012	890	1,024	870	838
Poultry and eggs.....	do.	142	34	28	32	31
Wool.....	do.	197	332	216	237	279
Other, including Government payments.....	do.	78	218	536	190	188
Total cash expenditures.....	do.	5,573	6,649	6,999	7,427	7,599
Feed purchased.....	do.	345	305	332	397	369
Livestock purchased.....	do.	436	678	873	852	892
Other livestock expense.....	do.	118	163	165	173	188
Fertilizer and lime.....	do.	201	534	555	571	596
Other crop expense.....	do.	358	344	341	384	424
Machinery.....	do.	1,197	1,635	1,717	1,888	1,831
Farm buildings and fences.....	do.	798	782	786	836	846
Labor hired.....	do.	1,566	1,390	1,390	1,472	1,572
Taxes.....	do.	272	417	427	451	459
Other.....	do.	282	401	413	403	422
Net cash farm income.....	do.	4,599	3,622	4,486	3,455	3,766
Value of perquisites.....	do.	964	1,227	1,319	1,383	1,393
Change in inventory:						
Crops and livestock.....	do.	92	159	708	249	315
Machinery and buildings.....	do.	209	28	18	141	20
Gross farm income.....	do.	11,228	11,657	13,512	12,514	13,073
Operating expenses.....	do.	5,364	6,621	6,981	7,286	7,579
Net farm income.....	do.	5,864	5,036	6,531	5,228	5,494
Purchasing power in 1947-49 dollars.....	do.	5,864	4,341	5,535	4,430	4,617
Charge for capital ²	do.	2,069	3,805	5,016	4,944	6,038
Return per hour to operator and family labor...	do.	1.07	.50	.62	.11	-.21
Charge for capital ²	do.	2,147	3,505	3,779	4,099	4,170
Return per hour to operator and family labor...	do.	1.05	.62	1.13	.46	.52

¹ Preliminary. ² See preface.

TOBACCO-DAIRY FARMS, INTERMEDIATE BLUEGRASS AREA, KENTUCKY ²

This information is for a common type and size of farm in the intermediate Bluegrass area of Kentucky (Edenshale area or what may be called the Hills of the Bluegrass) producing burley tobacco and having a dairy enterprise from which ungraded milk is sold to manufacturing plants. This is one of three types, one for each subarea, which replace the single income series previously published for the Bluegrass area as a whole.

Tobacco-dairy farmers in the intermediate Bluegrass area had an estimated net income of \$2,492 in 1960. This was a little less than in 1959, but a little above the 1950-59 average (tables 51 and 52). In the last 15 years, incomes to these farmers have ranged between \$2,000 and \$3,000. These relatively stable incomes were largely the result of Government tobacco and milk programs.

The primary sources of cash income on these farms are sales of burley tobacco and ungraded milk. However, a considerable part of the family living is obtained from food and shelter available on the farm. From 1945 to 1954, receipts from tobacco sales were about half of the total farm receipts. Since then, the proportion of total cash receipts has been less because of the 25-percent reduction in the tobacco allotment. In 1960, the price received for tobacco leaf was about 2.5 cents per pound higher than in 1959. This difference was largely the result of better quality leaf sold in 1960. The support price remained the same. Marketings were down because of the lower yield. Acreage allotments remained unchanged.

Over the years, receipts from sales of ungraded milk have continued to increase and are now almost two-thirds as large as those from tobacco. Although the dairy enterprise is small compared with dairy farms in other areas, it is expanding rapidly. The type of dairy cow enterprise studied here predominates in the area. The trend in this direction appears to be increasing. Many farmers in the intermediate Bluegrass area are adding milk cows to their cash crop farms. Others are improving their barns and adding new milkhouses.

Cash expenditures have increased more than cash receipts in the last 15 years and were record high in 1960. The cost of fertilizer purchases was about 5 times as high as in 1945 and outlays for farm machinery and building materials doubled. In the last five years purchases of farm machinery averaged about 44 percent of the total cash expenditures. Fertilizer and lime accounted for about 10 percent and building materials about 15 percent.

Returns to these tobacco-dairy farmers are low when compared with farms in other areas. However, the capital required to operate these farms is also quite low.

TABLE 51.--Tobacco-dairy farms, intermediate Bluegrass area, Kentucky: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	113	127	126	130
Net farm income.....	100	113	106	104
Net farm production.....	116	108	111	112
Crop yields per acre.....	116	123	126	127
Production per hour of man labor.....	125	136	143	146
Production per unit of input.....	108	110	112	111
Operating expense per unit of production.....	126	139	142	151
Total cost per unit of production.....	107	117	117	126
Power and machinery (quantity).....	134	146	152	154
Prices received for products sold.....	109	120	116	118
Prices paid, including wages to hired labor.....	116	122	126	127

¹ Preliminary.

² John H. Bondurant, Agricultural Economist, Univ. of Ky., cooperated in preparing these estimates.

TABLE 52.--Tobacco-dairy farms, intermediate Bluegrass area, Kentucky: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	101	110	111	112	113
Cropland harvested.....	do.	21	24	25	25	25
Pasture.....	do.	76	81	81	82	83
Crops harvested:						
Tobacco.....	do.	3.2	2.1	2.2	2.2	2.2
Corn for grain.....	do.	7.2	8.1	8.4	8.5	8.2
Hay.....	do.	11.0	13.8	14.4	14.3	14.6
Crop yields per harvested acre:						
Tobacco.....	Pound	1,247	1,555	1,590	1,655	1,617
Corn for grain.....	Bushel	44	50	53	53	50
Hay.....	Ton	1.5	1.8	1.6	1.6	2.0
Livestock on farm, Jan. 1:						
All cattle.....	Number	13.9	17.1	16.9	17.2	17.5
Cows and heifers, 2 years old and over.....	do.	8.7	10.4	10.2	10.0	10.2
Chickens.....	do.	45	35	32	30	30
Milk production per cow.....	Pound	4,690	5,460	5,520	5,670	5,700
Tractors on farm.....	Number	.16	.70	.80	.95	1.10
Total labor used.....	Hour	4,530	3,580	3,580	3,510	3,500
Operator and family.....	do.	4,300	3,400	3,400	3,330	3,320
Hired.....	do.	230	180	180	180	180
Total farm capital, Jan. 1.....	Dollar	12,350	17,640	19,110	21,410	21,780
Land and buildings.....	do.	8,650	12,650	13,650	15,120	15,370
Machinery and equipment.....	do.	1,100	2,480	2,610	2,800	2,980
Livestock.....	do.	1,830	1,850	2,140	2,790	2,720
Crops.....	do.	770	660	710	700	710
Total cash receipts.....	do.	3,360	4,003	4,429	4,373	4,440
Tobacco.....	do.	1,908	1,997	2,347	2,267	2,303
Cattle and calves.....	do.	345	469	563	559	553
Dairy products.....	do.	963	1,400	1,384	1,453	1,484
Poultry and eggs.....	do.	115	69	73	59	65
Other, including Government payments.....	do.	29	68	62	35	35
Total cash expenditures.....	do.	1,805	2,430	2,538	2,746	2,770
Feed purchased.....	do.	158	136	145	149	146
Livestock purchased.....	do.	59	28	28	24	20
Other livestock expense.....	do.	42	67	70	74	79
Fertilizer and lime.....	do.	89	228	242	253	266
Other crop expense.....	do.	125	119	120	126	136
Machinery.....	do.	713	1,052	1,114	1,233	1,196
Farm buildings and fences.....	do.	309	362	363	420	443
Labor hired.....	do.	139	144	144	150	156
Taxes.....	do.	73	96	98	108	110
Other.....	do.	98	198	214	209	218
Net cash farm income.....	do.	1,554	1,573	1,891	1,627	1,670
Value of perquisites.....	do.	647	569	598	605	593
Change in inventory:						
Crops and livestock.....	do.	-10	10	52	65	164
Machinery and buildings.....	do.	198	152	164	238	65
Gross farm income.....	do.	3,997	4,582	5,079	5,043	5,197
Operating expenses.....	do.	1,607	2,278	2,374	2,508	2,705
Net farm income.....	do.	2,390	2,304	2,705	2,535	2,492
Purchasing power in 1947-49 dollars.....	do.	2,390	1,986	2,292	2,148	2,094
Charge for capital ²	do.	519	828	1,095	1,112	1,359
Return per hour to operator and family labor...	do.	.44	.43	.47	.43	.34
Charge for capital ²	do.	544	774	837	935	951
Return per hour to operator and family labor...	do.	.43	.45	.55	.48	.46

¹ Preliminary. ² See preface.

TOBACCO-DAIRY FARMS, OUTER BLUEGRASS AREA, KENTUCKY³

This information is for a common type and size of farm in the outer Bluegrass area of Kentucky, producing burley tobacco and having a dairy enterprise from which graded milk is sold to bottling plants. Many of these farms have a hog enterprise and some chickens. This is one of three types, one for each subarea, which replace the single series previously published for the Bluegrass area as a whole.

Tobacco-dairy farmers in the outer Bluegrass area had net incomes estimated to be \$4,582 in 1960. This was up about \$100 from 1959 and more than a fourth higher than in 1947-49. The increase in income from 1959 to 1960 was due to the higher prices received for most products sold (tables 53 and 54). Higher prices were received for tobacco, veal calves, hogs, milk, chickens, and eggs.

In 1960, prices received for tobacco averaged about \$1 per hundredweight higher than in 1959. The support price was the same in both years, but the quality of leaf marketed was better in 1960 and most grade averages exceeded the support price. Marketings of tobacco were up slightly in 1960, even though tobacco yields averaged lower. The average size of farm increased slightly from 1959 to 1960, and the acreage in tobacco increased slightly (0.1 acre). Acreage allotments were unchanged.

Prior to 1950, the tobacco enterprise was the major source of income on these farms. Sales of milk were next in importance but were less than half those of tobacco. In 1960, about a third of the gross income came from the sales of

tobacco, and sales of milk were higher than those of tobacco. Sales of milk have exceeded tobacco sales in each year since the 25-percent cut in tobacco acreage allotments in 1955.

The dairy enterprise on these farms has expanded rapidly in the last 15 years. Most farmers have remodeled or built new milk-houses and have had bulk tanks installed. With these additions and an expanding market, many farm operators have shifted from selling ungraded to graded milk.

The trend in this area is toward more and larger dairy enterprises of the type studied here. Most of these tobacco-dairy farmers had a hog enterprise prior to 1954. Many have continued to keep hogs and sell the pigs as feeders or raise them to be sold as fat hogs. In 1959, about 70 percent of the pigs raised on these farms were sold as feeders. They varied in weight from 60 to 100 pounds per head.

These farmers realized a 26 percent increase in farm production since 1947-49 largely from changes in the tobacco and the dairy enterprises. This was accomplished with 16 percent more inputs (all resources used in production valued at constant prices) and 640 hours less labor.

TABLE 53.--Tobacco-dairy farms, outer Bluegrass area, Kentucky: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	126	146	144	150
Net farm income.....	112	132	123	127
Net farm production.....	112	121	122	126
Crop yields per acre.....	113	125	122	126
Production per hour of man labor.....	127	144	143	144
Production per unit of input.....	108	112	110	111
Operating expense per unit of production.....	124	129	139	140
Total cost per unit of production.....	112	120	126	133
Power and machinery (quantity).....	134	146	151	151
Prices received for products sold.....	108	117	114	116
Prices paid, including wages to hired labor.....	116	122	125	127

¹ Preliminary.

³ John H. Bondurant, Agricultural Economist, Univ. of Ky., cooperated in preparing these estimates.

TABLE 54. --Tobacco-dairy farms, outer Bluegrass area, Kentucky: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	112	124	126	128	130
Cropland harvested.....	do.	32	39	40	40	41
Pasture.....	do.	68	71	72	73	74
Crops harvested:						
Tobacco.....	do.	4.3	2.8	2.8	2.8	2.9
Corn for grain.....	do.	6.8	8.1	8.4	8.5	8.3
Corn for silage.....	do.	3.5	4.4	4.3	4.5	4.5
Small grains.....	do.	3.2	2.8	3.0	2.5	2.8
Hay.....	do.	14.2	20.9	21.5	21.7	22.5
Crop yields per harvested acre:						
Tobacco.....	Pound	1,342	1,780	1,665	1,745	1,720
Corn for grain.....	Bushel	53	55	62	59	58
Corn for silage.....	Ton	9.6	9.5	11.0	10.0	11.0
Hay.....	do.	1.4	1.7	2.1	1.8	2.0
Livestock on farm, Jan. 1:						
All cattle.....	Number	17.3	23.2	25.0	26.5	28.1
Cows and heifers, 2 years old and over.....	do.	10.9	14.3	15.2	15.8	16.4
Chickens.....	do.	50	36	34	32	26
Milk production per cow.....	Pound	5,520	7,170	7,290	7,260	7,290
Pigs raised.....	Number	12.2	15.8	15.3	19.0	17.3
Tractors on farm.....	do.	.45	.80	1.00	1.20	1.40
Total labor used.....	Hour	5,230	4,300	4,420	4,480	4,590
Operator and family.....	do.	4,600	3,790	3,890	3,940	4,040
Hired.....	do.	630	510	530	540	550
Total farm capital, Jan. 1.....	Dollar	20,440	31,920	35,200	39,740	40,510
Land and buildings.....	do.	14,750	23,560	25,830	28,800	29,510
Machinery and equipment.....	do.	2,130	4,530	4,760	5,090	5,380
Livestock.....	do.	2,500	2,660	3,300	4,460	4,410
Crops.....	do.	1,060	1,170	1,310	1,390	1,210
Total cash receipts.....	do.	5,656	7,677	8,207	8,447	8,869
Tobacco.....	do.	2,686	3,027	3,101	3,085	3,199
Cattle and calves.....	do.	384	504	781	869	1,007
Hogs and pigs.....	do.	262	354	354	354	361
Dairy products.....	do.	2,145	3,650	3,824	4,028	4,205
Poultry and eggs.....	do.	138	75	79	66	52
Other, including Government payments.....	do.	41	67	68	45	45
Total cash expenditures.....	do.	3,085	4,673	4,669	5,117	5,196
Feed purchased.....	do.	556	957	772	845	842
Livestock purchased.....	do.	96	140	150	163	173
Fertilizer and lime.....	do.	137	272	306	345	375
Other crop expense.....	do.	177	199	200	203	227
Machinery.....	do.	1,117	1,744	1,872	2,077	2,036
Farm buildings and fences.....	do.	358	456	440	525	537
Labor hired.....	do.	373	394	408	432	457
Taxes.....	do.	118	169	175	196	200
Other.....	do.	153	342	346	331	349
Net cash farm income.....	do.	2,571	3,004	3,538	3,330	3,673
Value of perquisites.....	do.	783	788	840	877	864
Change in inventory:						
Crops and livestock.....	do.	42	261	333	53	12
Machinery and buildings.....	do.	203	72	71	172	33
Gross farm income.....	do.	6,481	8,726	9,380	9,377	9,745
Operating expenses.....	do.	2,882	4,601	4,598	4,945	5,163
Net farm income.....	do.	3,599	4,125	4,782	4,432	4,582
Purchasing power in 1947-49 dollars.....	do.	3,599	3,556	4,053	3,756	3,850
Charge for capital ²	do.	861	1,829	1,876	1,913	1,946
Return per hour to operator and family labor..	do.	.60	.61	.75	.64	.65
Charge for capital ²	do.	905	1,416	1,548	1,744	1,779
Return per hour to operator and family labor..	do.	.59	.71	.83	.68	.69

¹ Preliminary. ² See preface.

WHEAT-SMALL GRAIN-LIVESTOCK FARMS, NORTHERN PLAINS

Net farm income on typical wheat-small grain-livestock farms in the Northern Plains averaged about \$4,389 in 1960, 56 percent above the 1959 return of \$2,807 (tables 55 and 56). Net farm income in 1960 was only 71 percent of the 1947-49 average and about 90 percent of the average for the preceding 10 years (1950-59). During this period, incomes ranged from a low of about \$2,200 in 1954 to a high of nearly \$7,000 in 1956.

The main reason for the difference in income between 1959 and 1960 was the favorable weather in 1960. Drought in 1959 reduced yields to 89 percent of the 1950-59 average. Nearly ideal weather in 1960 raised yields to 37 percent above the 10-year average and 54 percent above those in 1959. Crop yields in 1960 were 48 percent above those of 1947-49 and were second only to the record yields of 1958. Net farm production was the fourth highest on record.

Partly offsetting these higher yields and production in 1960 was a rather sharp decline in prices received for products sold; a new postwar low of 26 percent under the 1947-49 level and 13 percent below the 10-year average.

Prices received for durum wheat declined from \$2.10 to \$1.93 per bushel and those for other spring wheat from \$1.88 to \$1.81 per bushel. The price of flax dropped

from \$3.01 to \$2.55 per bushel. The price of cattle declined from \$21.20 per hundredweight to \$19.40, but hog prices improved from \$13.20 per hundredweight to \$14.60. Had 1959 prices prevailed in 1960, an additional \$700 would have been added to net farm income. However, because of the short crop in the spring wheat belt in 1959, prices received averaged the best since 1953.

Prices paid for goods and services used in production in 1960 registered a slight decline largely because of lower prices of tractors and trucks. Prices paid for feed and spray materials also declined.

Operating expenses in 1960 were a record high, \$6,309, up 6 percent from 1959, largely because of increased use of fertilizer and spray materials.

Total farm capital on this farm was valued at \$51,630 on January 1960, a new record. Land and buildings comprised about two-thirds of the total value and averaged about \$48.82 per acre. This is an increase of 2 percent over the preceding year, but more than 75 percent above the 1947-49 average. Typical of most wheat farms in the Northern Plains spring wheat belt, the increase in land values from 1947-49 to 1960 was about four times the increase in prices paid for goods and services used in production.

TABLE 55. --Wheat-small grain-livestock farms, Northern Plains: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	96	116	83	101
Net farm income.....	78	104	46	71
Net farm production.....	110	141	94	131
Crop yields per acre.....	108	151	96	148
Production per hour of man labor.....	117	159	113	153
Production per unit of input.....	104	131	91	120
Operating expense per unit of production.....	110	92	136	104
Total cost per unit of production.....	114	99	144	114
Power and machinery (quantity).....	121	124	125	123
Prices received for products sold.....	85	78	83	74
Prices paid, including wages to hired labor.....	115	122	123	122

¹ Preliminary.

TABLE 56. --Wheat-small grain-livestock farms, Northern Plains: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land of farm.....	Acre	621	700	705	710	715
Cropland harvested.....	do.	402	402	402	399	405
Fallow and idle.....	do.	86	128	154	139	160
Failure.....	do.	8	27	5	27	4
Crops harvested:						
Wheat.....	do.	217.3	145.7	135.0	145.9	147.6
Other small grains.....	do.	87.2	110.6	138.2	129.8	126.0
Flaxseed.....	do.	35.7	73.3	55.6	49.3	55.1
Hay.....	do.	50.1	59.2	58.9	59.7	60.5
Crop yields per harvested acre:						
Wheat.....	Bushel	12.7	16.4	22.2	14.9	21.0
Flaxseed.....	do.	7.4	3.5	7.6	4.3	7.3
Hay.....	Ton	1.0	1.0	.9	.7	1.1
Livestock on farm, Jan. 1:						
All cattle.....	Number	17.9	23.6	22.6	21.7	21.2
Milk cows.....	do.	6.4	6.0	5.9	5.4	5.1
Beef cows.....	do.	3.2	6.9	7.0	7.2	7.5
Chickens.....	do.	64	57	53	52	50
Pigs raised.....	do.	7.2	6.9	8.1	7.6	4.3
Tractors on farm.....	do.	1.57	2.15	2.16	2.20	2.30
Total labor used.....	Hour	3,280	2,890	2,910	2,730	2,810
Operator and family.....	do.	2,330	2,460	2,450	2,310	2,380
Hired.....	do.	950	430	460	420	430
Total farm capital, Jan. 1.....	Dollar	26,960	42,680	46,150	50,780	51,630
Land and buildings.....	do.	17,050	28,140	30,700	33,980	34,910
Machinery and equipment.....	do.	5,420	10,210	10,580	11,150	11,340
Livestock.....	do.	2,610	2,510	3,260	3,970	3,320
Crops.....	do.	1,880	1,820	1,610	1,680	2,060
Total cash receipts.....	do.	10,165	9,135	11,819	8,370	10,642
Wheat.....	do.	5,381	4,566	5,360	3,947	5,670
Other crops.....	do.	2,613	1,773	3,312	1,603	2,958
Livestock.....	do.	1,297	1,441	2,022	1,927	1,128
Butterfat.....	do.	575	558	511	508	476
Poultry and eggs.....	do.	223	154	167	124	129
Other, including Government payments.....	do.	76	643	447	261	281
Total cash expenditures.....	do.	5,104	5,558	6,167	5,861	6,007
Feed purchased.....	do.	44	53	73	70	60
Livestock expense.....	do.	62	48	77	73	66
Crop expense.....	do.	176	602	591	631	748
Machinery.....	do.	3,287	3,524	3,991	3,776	3,766
Farm buildings and fences.....	do.	279	313	322	225	202
Labor hired.....	do.	868	441	471	437	473
Taxes.....	do.	368	534	595	600	638
Other.....	do.	20	43	47	49	54
Net cash farm income.....	do.	5,061	3,577	5,652	2,509	4,635
Value of perquisites.....	do.	585	606	655	593	621
Change in inventory:						
Crops and livestock.....	do.	-129	-163	-121	-196	-565
Machinery and buildings.....	do.	626	2	202	-99	-302
Gross farm income.....	do.	10,621	9,578	12,353	8,767	10,698
Operating expenses.....	do.	4,478	5,556	5,965	5,960	6,309
Net farm income.....	do.	6,143	4,022	6,388	2,807	4,389
Purchasing power in 1947-49 dollars.....	do.	6,143	3,467	5,414	2,379	3,688
Charge for capital ²	do.	1,130	1,994	2,630	2,621	3,207
Return per hour to operator and family labor...	do.	2.15	.82	1.53	.08	.50
Charge for capital ²	do.	1,183	1,859	2,004	2,194	2,239
Return per hour to operator and family labor...	do.	2.13	.88	1.79	.27	.90

¹ Preliminary ² See preface.

WHEAT-CORN-LIVESTOCK FARMS, NORTHERN PLAINS

Net farm incomes on wheat-corn-livestock farms in the Northern Plains were estimated at \$5,528 in 1960. These returns are a third higher than the 1950-59 average and nearly $2\frac{1}{2}$ times the 1959 incomes. Widespread drought in 1959, the worst since the 1930's, caused widespread crop failure.

The relatively high income in 1960 was due largely to near-record crop yields. Per acre yields in 1960 averaged 40 percent above the averages for 1950-59 and were second only to the record yields attained in 1958 (tables 57 and 58).

Prices received for products sold in 1960 averaged 25 percent less than those received in 1947-49. Prices received for flax showed the sharpest drop from 1959 to 1960, about 45 cents a bushel. Wheat prices declined 5 cents a bushel.

A decline of about \$1.80 per hundred-weight in the price of beef cattle sold, together with a reduction in marketings, lowered receipts from this source by about a fourth. The most important exception to the lower prices received by these farmers in 1960 was an increase of \$1.40 per hundredweight in the price of

hogs. However, this increase was insufficient to offset a one-third reduction in marketings. Receipts from sales of hogs were down by about one-fifth.

In 1960, prices paid for goods and services used in production on these farms remained stable at 20 percent above 1947-49 levels and about 4 percent above the 10-year average (1950-59).

Total farm expense in 1960 was up about 6 percent. Most of this increase was because of the increased power and machinery inputs required to produce and harvest the larger crop. Prices paid for important inputs did not change significantly. Tractor prices were up slightly. Prices of gasoline remained the same. Truck and automobile prices were slightly lower. Wages paid for hired labor were up from \$8.45 to \$8.60 per day.

Total farm capital on January 1, 1960, declined from \$53,600 to \$52,540, the first decline since 1954. This was because purchases of machinery did not keep pace with depreciation and livestock numbers were reduced because of the 1959 drought.

TABLE 57.--Wheat-corn-livestock farms, Northern Plains: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	93	129	72	108
Net farm income.....	72	126	40	94
Net farm production.....	107	155	80	135
Crop yields per acre.....	104	161	65	145
Production per hour of man labor.....	110	163	90	149
Production per unit of input.....	100	140	81	128
Operating expense per unit of production.....	118	83	143	93
Total cost per unit of production.....	119	90	161	107
Power and machinery (quantity).....	124	115	110	106
Prices received for products sold.....	84	81	84	75
Prices paid, including wages to hired labor.....	116	119	120	120

¹ Preliminary.

TABLE 58.--Wheat-corn-livestock farms, Northern Plains: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	460	502	506	510	515
Cropland harvested.....	do.	306	349	348	319	345
Fallow.....	do.	30	16	23	19	23
Failure.....	do.	10	4	2	38	3
Crops harvested:						
Wheat.....	do.	83.0	54.3	63.7	60.2	67.0
Other small grains.....	do.	100.5	113.5	115.6	87.4	101.1
Corn.....	do.	49.4	54.7	57.2	61.7	61.7
Flaxseed.....	do.	22.2	36.6	28.7	27.2	28.6
Hay.....	do.	50.7	90.3	82.3	82.8	86.6
Crop yields per harvested acre:						
Wheat.....	Bushel	12.1	19.4	23.7	9.1	19.8
Corn.....	do.	23.6	34.9	26.1	20.1	31.9
Flaxseed.....	do.	8.8	5.7	11.0	5.6	8.2
Hay.....	Ton	.9	1.3	1.2	.8	1.2
Livestock on farm, Jan. 1:						
All cattle.....	Number	27.4	46.4	46.4	46.8	45.9
Milk cows.....	do.	6.5	7.5	6.7	6.0	5.8
Beef cows.....	do.	5.6	13.4	14.8	15.6	15.9
Chickens.....	do.	110	114	111	117	114
All sheep.....	do.	9	14	15	15	15
Pigs raised.....	do.	33	28	33	33	25
Tractors on farm.....	do.	1.41	2.00	2.10	2.20	2.30
Total labor used.....	Hour	3,900	3,750	3,700	3,470	3,540
Operator and family.....	do.	3,210	3,380	3,410	3,300	3,340
Hired.....	do.	690	370	290	170	200
Total farm capital, Jan. 1.....	Dollar	28,230	44,160	48,250	53,600	52,540
Land and buildings.....	do.	17,130	27,220	29,620	32,740	33,540
Machinery and equipment.....	do.	4,500	9,110	8,820	9,030	8,760
Livestock.....	do.	4,390	5,090	6,990	8,860	7,160
Crops.....	do.	2,210	2,740	2,820	2,970	3,080
Total cash receipts.....	do.	8,963	9,523	11,399	7,091	9,425
Wheat.....	do.	1,861	2,006	2,684	919	2,425
Flaxseed.....	do.	912	592	805	412	604
Other crops.....	do.	1,980	2,293	2,338	249	1,928
Livestock.....	do.	3,242	3,230	4,327	4,363	3,318
Butterfat.....	do.	440	598	583	571	538
Poultry and eggs.....	do.	465	365	403	335	360
Other, including Government payments.....	do.	63	439	259	242	252
Total cash expenditures.....	do.	4,336	4,497	4,659	3,982	4,330
Feed purchased.....	do.	204	212	248	307	260
Livestock expense.....	do.	171	221	251	253	261
Crop expense.....	do.	223	506	457	413	480
Machinery purchased.....	do.	1,394	759	824	565	602
Other machinery expense.....	do.	1,053	1,453	1,496	1,278	1,488
Farm buildings and fences.....	do.	395	415	460	322	350
Labor hired.....	do.	514	307	241	144	172
Taxes.....	do.	350	578	631	645	657
Other.....	do.	32	46	51	55	60
Net cash farm income.....	do.	4,627	5,026	6,740	3,109	5,095
Value of perquisites.....	do.	662	638	653	586	627
Change in inventory:						
Crops and livestock.....	do.	-184	380	117	-880	193
Machinery and buildings.....	do.	764	-575	-95	-472	-387
Gross farm income.....	do.	9,441	10,541	12,169	6,797	10,245
Operating expenses.....	do.	3,572	5,072	4,754	4,454	4,717
Net farm income.....	do.	5,869	5,469	7,415	2,343	5,528
Purchasing power in 1947-49 dollars.....	do.	5,869	4,715	6,284	1,986	4,645
Charge for capital ²	do.	1,163	2,040	2,720	2,732	3,224
Return per hour to operator and family labor...	do.	1.47	1.01	1.38	-.12	.69
Charge for capital ²	do.	1,211	1,890	2,059	2,268	2,234
Return per hour to operator and family labor...	do.	1.45	1.06	1.57	.02	.99

¹ Preliminary. ² See preface.

WHEAT-ROUGHAGE-LIVESTOCK FARMS, NORTHERN PLAINS

Operators of wheat-roughage-livestock farms made a sharp comeback in 1960 from the effects of the disastrous drought and relatively low incomes in 1959. Record high farm production resulting from near-record crop yields in 1960 raised net farm income to \$5,628, the third best on record, compared with only \$1,468 in 1959--the lowest since 1940 (table 59).

The 1960 income was half again as much as the average during the last decade (1950-59). Large year-to-year fluctuations in income on these farms are common because of the scanty rainfall. Any deviation from normal rainfall, especially in its distribution, may result in large differences in crop yields and production. During the last 10 years, this was the primary cause of year-to-year changes in farm incomes averaging nearly \$2,000. The increase of about \$300 in income from 1957 to 1958 was the only change of less than \$1,200.

The record farm production in 1960 was double that of 1959 largely because of higher crop yields (table 60). In the longer run, a gradual increase in size of farm--18 percent since 1947-49--together with higher yields, has contributed to the increase in farm production.

Prices received for products sold in 1960 averaged somewhat lower than in

1959. Prices received for crops were down, ranging from 3 percent for wheat to 15 percent for flax. Cattle prices declined about 8 percent, but hog prices registered a gain of about 10 percent.

Prices paid for goods and services changed little during the last 3 years, averaging 18 percent above the base period. Total farm operating expenses in 1960 were up 5 percent from 1959 because of the additional machinery and labor inputs required to produce, harvest, and market the large 1960 crop and because of increased expenditures for fertilizer and spray materials.

In 1960, operating expenses were up 32 percent from those in 1947-49, mainly because of an increase in prices paid, but partly because more inputs were purchased. These expenses would have been even higher had it not been for increased production efficiency. The 44 percent higher production in 1960 was achieved with 11 percent more total inputs. Most of the increase in inputs came through increased mechanization. In addition, more fertilizer is used each year, and with the availability of airplanes for application, the use of herbicides has increased rapidly in recent years. Total labor used was about the same, although the amount of hired labor has been halved--it is now about 7 percent of the total.

TABLE 59. --Wheat-roughage-livestock farms, Northern Plains: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	97	115	69	119
Net farm income.....	72	96	28	109
Net farm production.....	108	131	72	144
Crop yields per acre.....	100	121	62	125
Production per hour of man labor.....	104	129	74	143
Production per unit of input.....	95	114	69	129
Operating expense per unit of production.....	122	105	167	90
Total cost per unit of production.....	123	111	186	104
Power and machinery (quantity).....	129	120	117	112
Prices received for products sold.....	88	85	91	78
Prices paid, including wages to hired labor.....	114	118	118	118

¹ Preliminary.

TABLE 60. --Wheat-roughage-livestock farms, Northern Plains: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	687	790	795	800	810
Cropland harvested.....	do.	368	417	409	385	421
Fallow and idle.....	do.	49	79	90	66	86
Failure.....	do.	11	9	10	61	11
Pasture and other land.....	do.	259	284	286	288	292
Crops harvested:						
Wheat.....	do.	192.6	114.4	124.8	116.8	123.7
Other small grains.....	do.	68.0	95.1	97.0	77.3	99.4
Flaxseed.....	do.	18.5	52.6	35.7	28.4	34.2
Hay.....	do.	76.6	113.1	109.7	117.9	119.1
Crop yields per harvested acre:						
Wheat.....	Bushel	11.4	16.8	17.7	9.7	16.9
Flaxseed.....	do.	7.5	4.3	6.8	3.8	6.2
Hay.....	Ton	.8	.9	.7	.5	.9
Livestock on farm, Jan. 1:						
All cattle.....	Number	28.6	42.2	41.4	40.6	41.6
Milk cows.....	do.	7.5	7.1	6.2	5.5	5.3
Beef cows.....	do.	6.6	13.8	14.5	15.5	15.8
Chickens.....	do.	65	75	75	75	75
Horses and mules.....	do.	3.6	1.9	1.7	1.5	1.5
Pigs raised.....	do.	13.9	11.0	14.8	13.6	9.2
Tractors on farm.....	do.	1.33	2.15	2.20	2.25	2.25
Total labor used.....	Hour	3,170	3,320	3,230	3,060	3,190
Operator and family.....	do.	2,710	3,090	3,000	2,850	2,960
Hired.....	do.	460	230	230	210	230
Total farm capital, Jan. 1.....	Dollar	25,050	40,080	43,620	47,410	47,460
Land and buildings.....	do.	14,710	24,980	27,150	29,950	30,720
Machinery and equipment.....	do.	4,030	8,480	8,470	8,360	8,250
Livestock.....	do.	3,990	4,230	5,590	6,960	6,150
Crops.....	do.	2,320	2,390	2,410	2,140	2,340
Total cash receipts.....	do.	8,156	9,038	9,999	5,996	8,467
Wheat.....	do.	4,103	3,579	3,815	1,843	3,621
Other crops.....	do.	1,167	1,663	1,750	265	1,595
Livestock.....	do.	2,010	2,419	3,342	2,987	2,320
Butterfat.....	do.	562	553	455	434	423
Poultry and eggs.....	do.	237	244	270	209	222
Other, including Government payments.....	do.	77	580	367	258	286
Total cash expenditures.....	do.	4,352	4,586	4,722	4,255	4,359
Feed purchased.....	do.	138	126	127	134	119
Livestock expense.....	do.	84	101	106	151	115
Crop expense.....	do.	316	370	338	346	404
Machinery.....	do.	2,680	2,813	2,895	2,528	2,595
Farm buildings and fences.....	do.	357	360	400	240	204
Labor hired.....	do.	421	238	238	222	244
Taxes.....	do.	338	535	573	585	624
Other.....	do.	18	43	45	49	54
Net cash farm income.....	do.	3,804	4,452	5,277	1,741	4,108
Value of perquisites.....	do.	554	560	576	522	555
Change in inventory:						
Crops and livestock.....	do.	57	100	-526	-508	1,376
Machinery and buildings.....	do.	745	-448	-356	-287	-411
Gross farm income.....	do.	8,767	9,698	10,049	6,010	10,398
Operating expenses.....	do.	3,607	5,034	5,078	4,542	4,770
Net farm income.....	do.	5,160	4,664	4,971	1,468	5,628
Purchasing power in 1947-49 dollars.....	do.	5,160	4,021	4,213	1,244	4,729
Charge for capital ²	do.	1,038	1,860	2,467	2,431	2,928
Return per hour to operator and family labor...	do.	1.52	.91	.83	-.34	.91
Charge for capital ²	do.	1,083	1,727	1,871	2,026	2,036
Return per hour to operator and family labor...	do.	1.50	.95	1.03	-.20	1.21

¹ Preliminary. ² See preface.

WINTER WHEAT FARMS, SOUTHERN PLAINS

Net farm income in 1960 on typical winter wheat farms is estimated at \$10,498. This is 35 percent higher than in 1959 and 31 percent higher than the average of 1950-59 (tables 61 and 62).

price received between 1959 and 1960 was due to a drop of about 18 percent in the price of cattle. The prices received for both wheat and grain sorghum were a little lower in 1960 than in 1959.

Crop yields on these farms in 1958 and 1960 were the highest on record. Crop yields in 1960 were 39 percent above 1959, but they were 11 percent below the 1958 record. Net farm production on these farms in 1960 was up 33 percent over 1959. This reflects the increase in yields and the slight increase in size of farm.

Prices paid for goods and services used in production in 1960 remained unchanged from the 1959 record high, which was 28 percent above the 1947-49 average.

Operators of these farms have increased the size of their cattle enterprises. Cattle numbers were at a record high on December 31, 1960. Purchases of calves for pasturing and feeding have become common on these farms. Since 1956, the number of calves purchased has exceeded the number sold, and the number of calves purchased relative to the number of calves raised has increased. About one-third of the calves under a year old on January 1, 1961, on these winter wheat farms were purchased.

The 33-percent increase in production was sufficient to increase gross income 24 percent over 1959, despite lower prices for products sold. Total operating expenses were about 8 percent higher in 1960 than in 1959 mainly because of an increase in inputs used in production. Operating expense per dollar of gross income fell from \$0.42 in 1959 to \$0.37 in 1960.

Prices received for products sold averaged about 4 percent less in 1960 than in 1959 and were at the lowest level since 1946. Most of the decline in the

On January 1, 1960, the market value of all farm capital on typical winter wheat farms averaged \$91,270 per farm. On January 1, 1950, it averaged \$58,040. Contributing to this increase were: (1) A 15-percent increase in acreage per farm; (2) a 46-percent increase in the value of land per acre; (3) a 35-percent increase in number of cattle; and (4) a 47-percent increase in the value of machinery and equipment.

TABLE 61.--Winter wheat farms, Southern Plains: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49=100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	93	135	96	119
Net farm income.....	82	136	79	107
Net farm production.....	95	155	106	141
Crop yields per acre.....	97	186	119	166
Production per hour of man labor.....	105	152	112	139
Production per unit of input.....	92	136	98	120
Operating expense per unit of production.....	126	84	121	100
Total cost per unit of production.....	133	99	138	120
Power and machinery (quantity).....	115	115	115	117
Prices received for products sold.....	96	88	89	85
Prices paid, including wages to hired labor.....	118	123	128	128

¹ Preliminary.

TABLE 62.--Winter wheat farms, Southern Plains: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	661	726	732	759	773
Cropland harvested.....	do.	350	304	373	360	368
Crops harvested:						
Wheat.....	do.	300.1	104.7	237.7	230.7	235.1
Sorghum for grain.....	do.	18.3	123.5	71.8	72.4	68.2
Sorghum for forage.....	do.	13.6	26.0	20.1	18.5	22.7
Hay.....	do.	4.3	10.0	11.2	10.1	11.4
Crop yields per harvested acre:						
Wheat.....	Bushel	16.4	16.0	28.7	17.2	25.2
Sorghum for grain.....	do.	20.2	19.3	32.4	28.6	30.1
Hay.....	Ton	1.9	2.0	2.3	2.3	2.2
Livestock on farm, Jan. 1:						
All cattle.....	Number	32.6	33.1	40.7	43.1	47.8
Milk cows.....	do.	4.7	2.9	2.8	2.6	2.4
Beef cows.....	do.	10.6	12.5	13.0	12.7	13.5
Chickens.....	do.	103	70	64	66	66
Pigs raised.....	do.	6.6	3.7	4.3	4.9	4.8
Tractors on farm.....	do.	1.43	1.90	2.00	2.20	2.21
Total labor used.....	Hour	2,990	2,390	3,100	2,860	3,040
Operator and family.....	do.	2,330	2,090	2,740	2,520	2,680
Hired.....	do.	660	300	360	340	360
Total farm capital, Jan. 1.....	Dollar	52,830	75,900	83,500	89,510	91,270
Land and buildings.....	do.	42,300	62,440	67,340	71,590	73,660
Machinery and equipment.....	do.	5,230	9,390	9,500	9,860	9,900
Livestock.....	do.	3,810	2,760	4,830	6,480	5,900
Crops.....	do.	1,490	1,310	1,830	1,580	1,810
Total cash receipts.....	do.	13,201	8,757	17,755	12,190	15,531
Wheat.....	do.	9,526	2,969	11,858	6,682	10,017
Other crops.....	do.	315	2,289	2,330	1,502	1,447
Cattle.....	do.	1,981	837	2,660	3,266	3,312
Hogs.....	do.	266	76	97	102	118
Other livestock and livestock products.....	do.	977	560	542	495	501
Other, including Government payments.....	do.	136	2,026	268	143	136
Total cash expenditures.....	do.	4,465	4,840	5,945	5,737	6,374
Feed purchased.....	do.	586	340	313	334	324
Livestock expense.....	do.	96	129	363	728	699
Crop expense.....	do.	244	432	584	382	434
Machinery purchased.....	do.	1,152	1,167	1,272	1,154	1,474
Other machinery expense.....	do.	1,283	1,278	1,595	1,491	1,638
Farm buildings and fences.....	do.	205	513	746	523	548
Labor hired.....	do.	508	287	354	341	371
Taxes.....	do.	365	646	669	726	823
Other.....	do.	26	48	49	58	63
Net cash farm income.....	do.	8,736	3,917	11,810	6,453	9,157
Value of perquisites.....	do.	625	677	721	734	770
Change in inventory:						
Crops and livestock.....	do.	123	1,671	384	523	301
Machinery and buildings.....	do.	324	78	374	67	270
Gross farm income.....	do.	13,949	11,105	18,860	13,447	16,602
Operating expenses.....	do.	4,141	4,762	5,571	5,670	6,104
Net farm income.....	do.	9,808	6,343	13,289	7,777	10,498
Purchasing power in 1947-49 dollars.....	do.	9,808	5,468	12,262	6,591	8,822
Charge for capital ²	do.	2,155	3,464	4,668	4,534	5,554
Return per hour to operator and family labor...	do.	3.28	1.38	3.15	1.29	1.84
Charge for capital ²	do.	2,230	3,185	3,516	3,750	3,828
Return per hour to operator and family labor...	do.	3.25	1.51	3.57	1.60	2.49

¹ Preliminary. ² See preface.

WHEAT-GRAIN SORGHUM FARMS, SOUTHERN PLAINS

Net farm income in 1960 on typical nonirrigated wheat-grain sorghum farms in the Southern Plains is estimated at \$12,146. This is the second highest income on record for these farms and is 18 percent higher than in 1959 and 145 percent higher than the average for 1950-59 (tables 63 and 64). The income in 1960 was within 10 percent of the 1947 record high (\$13,322), despite prices 22 percent lower for products sold and 40 percent higher prices paid for goods and services used in production in 1960.

Crop yields and farm production in 1960 were at an alltime high. Yields were 43 percent higher than in 1959 and 11 percent higher than the previous record high made in 1958. Changes in total farm production are closely correlated with crop yields. However, year-to-year changes in total production are less pronounced, as livestock production is more stable.

In 1960, the index of prices received for products sold averaged 4.5 percent lower than in 1959 and 6.7 percent lower than the average of 1950-59. Prices received for cattle were 15 percent lower in 1960 than in 1959. However, prices received for grain sorghum averaged \$0.79 per bushel in 1960 and \$0.83 in 1959. Prices received for wheat averaged

\$1.75 per bushel in 1960 compared with \$1.77 in 1959.

Production of cattle was approximately the same in 1960 as in 1959, whereas total grain production was up about 38 percent. Most of the increase in grain production was due to higher yields, as there was little change in acreage.

Operating expenses in 1960 were about 6 percent higher than in 1959 and 28 percent higher than in 1950-59. Prices paid for cash inputs averaged about the same in 1960 and 1959 but were 7 percent higher than in 1950-59.

Farm capital on typical wheat-grain sorghum farms as of January 1, 1960, averaged \$88,540. Real estate usually comprises about 82 percent of the value of all farm capital. However, the market value and the physical quantity of the various investment items on an average wheat-grain sorghum farm changes over time. From 1950 to 1960, the farm capital on a typical wheat-grain sorghum farm increased in value 35 percent. The physical quantity of machinery used on these farms was about the same in 1960 as in 1950, yet the value of this equipment increased 39 percent. In the decade of the 1950's, the number of acres per farm increased 9 percent, while value per acre increased 23 percent.

TABLE 63. --Wheat-grain sorghum farms, Southern Plains: Index numbers of costs and returns and related factors, 1960, with comparison

(1947-49=100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	70	125	117	134
Net farm income.....	54	123	112	133
Net farm production.....	73	137	129	157
Crop yields per acre.....	64	148	115	165
Production per hour of man labor.....	86	148	141	195
Production per unit of input.....	79	139	131	152
Operating expense per unit of production.....	154	91	95	84
Total cost per unit of production.....	170	100	106	98
Power and machinery (quantity).....	109	103	104	107
Prices received for products sold.....	90	85	88	84
Prices paid, including wages to hired labor.....	119	125	127	127

¹ Preliminary.

TABLE 64.--Wheat-grain sorghum farms, Southern Plains: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	685	732	738	744	750
Cropland harvested.....	do.	409	301	403	413	416
Crops harvested:						
Wheat.....	do.	311	59	225	242	243
Barley.....	do.	6	5	17	19	19
Sorghum for grain.....	do.	65	191	125	114	109
Sorghum for forage.....	do.	24	20	17	13	21
Crop yields per harvested acre:						
Wheat.....	Bushel	15.3	10.1	24.3	18.3	26.3
Barley.....	do.	17.8	18.7	24.8	21.9	23.5
Sorghum for grain.....	do.	22.7	17.8	26.2	24.0	29.4
Sorghum for forage.....	Ton	1.2	1.7	2.2	2.0	2.1
Livestock on farm, Jan. 1:						
All cattle.....	Number	25.0	23.4	34.0	43.2	44.4
Milk cows.....	do.	5.2	3.3	3.2	2.9	2.5
Beef cows.....	do.	7.0	8.4	10.6	13.3	10.3
Chickens.....	do.	96	60	53	57	44
Pigs raised.....	do.	6.7	5.2	5.0	6.1	5.2
Tractors on farm.....	do.	1.50	1.85	1.87	1.90	1.92
Total labor used.....	Hour	3,850	2,930	3,000	2,960	3,110
Operator and family.....	do.	3,090	2,710	2,740	2,700	2,850
Hired.....	do.	760	220	260	260	260
Total farm capital, Jan. 1.....	Dollar	53,810	74,930	77,890	87,060	88,540
Land and buildings.....	do.	43,610	63,680	64,420	70,680	72,750
Machinery and equipment.....	do.	4,950	8,110	7,940	8,210	8,410
Livestock.....	do.	3,060	2,080	4,120	6,510	5,540
Crops.....	do.	2,190	1,060	1,410	1,660	1,840
Total cash receipts.....	do.	13,070	6,753	14,395	13,783	16,813
Wheat.....	do.	9,076	969	9,378	7,618	10,983
Other crops.....	do.	1,430	2,784	2,882	1,987	2,244
Cattle.....	do.	1,462	274	1,243	3,595	3,056
Hogs.....	do.	245	141	131	117	122
Other livestock and livestock products.....	do.	765	447	426	404	355
Other, including Government payments.....	do.	92	2,138	335	62	53
Total cash expenditures.....	do.	4,393	3,550	6,446	5,493	5,901
Feed purchased.....	do.	212	185	201	230	219
Livestock expense.....	do.	85	174	757	728	691
Crop expense.....	do.	421	215	280	283	324
Machinery purchased.....	do.	1,024	571	1,136	1,166	1,326
Other machinery expense.....	do.	1,465	1,223	1,776	1,718	1,893
Farm buildings and fences.....	do.	133	263	1,292	345	332
Labor hired.....	do.	557	198	242	244	250
Taxes.....	do.	376	567	581	620	690
Other.....	do.	120	154	181	159	176
Net cash farm income.....	do.	8,677	3,203	7,949	8,290	10,912
Value of perquisites.....	do.	521	568	659	642	735
Change in inventory:						
Crops and livestock.....	do.	-219	1,710	1,644	1,245	311
Machinery and buildings.....	do.	183	-490	995	104	188
Gross farm income.....	do.	13,372	9,031	16,698	15,670	17,859
Operating expenses.....	do.	4,210	4,040	5,451	5,389	5,713
Net farm income.....	do.	9,162	4,991	11,247	10,281	12,146
Purchasing power in 1947-49 dollars.....	do.	9,162	4,303	9,531	8,713	10,207
Charge for capital ²	do.	2,198	3,638	4,348	4,410	5,387
Return per hour to operator and family labor....	do.	2.25	.50	2.52	2.17	2.37
Charge for capital ²	do.	2,276	3,130	3,271	3,646	3,713
Return per hour to operator and family labor....	do.	2.23	.69	2.91	2.46	2.96

¹ Preliminary. ² See preface.

WHEAT-PEA FARMS, WASHINGTON AND IDAHO

Net farm income in 1960 for typical wheat-pea farms is estimated at \$11,020. This is 31 percent less than the income received on these farms in 1959 and 17 percent less than the average amount received in 1950-59 (tables 65 and 66).

Harvested acreage was about 5 percent lower in 1960 and yields were about 19 percent lower. However, yields were higher in 1960 than in any year between 1935 and 1953.

Prices received for products sold on these farms averaged 3.6 percent higher in 1960 than in 1959. Prices received for grain and peas were higher in 1960, but livestock prices were lower. However, livestock is relatively unimportant on these farms. The income from crops comprised 93 percent of cash receipts in 1959 and 90 percent in 1960. The higher prices received for products sold in 1960 did not offset the effect of lower production. As a result, gross income averaged lower in 1960 than in 1959.

Prices paid for production items, including wages to hired labor, averaged about the same in 1959 and 1960, but operating expenses were slightly higher in 1960.

Because of the large drop in gross income and the slightly higher operating

expenses in 1960, operating expense per dollar of gross income rose from \$0.39 in 1959 to \$0.48 in 1960.

Ordinarily, the wheat-pea farmers are not in financial difficulty if the operating expenses do not exceed half the gross income. This is particularly true of the operator who has his farm paid for or bought his farm when land values and interest rates were cheaper. However, it is becoming increasingly more difficult to pay for a typical wheat-pea farm with current incomes and with land valued at current prices. On January 1, 1960, the land and other capital on a typical wheat-pea farm was estimated at \$177,500. The interest on this value at 6 percent would take all except \$200 of the 1960 net farm income.

From 1950 to 1960, the total value of farm capital on a typical wheat-pea farm increased about \$74,000, or about 72 percent. During this time, the number of acres per farm increased about 20 percent. This growth in size of farm, assuming no change in physical capital per acre, accounts for about one-third of the increase in all capital. This leaves two-thirds of the increase to be attributed to the increase in prices.

TABLE 65. --Wheat-pea farms, Washington and Idaho: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	123	108	142	115
Net farm income.....	111	84	133	92
Net farm production.....	129	121	170	134
Crop yields per acre.....	132	129	165	133
Production per hour of man labor.....	123	109	152	122
Production per unit of input.....	111	98	135	106
Operating expense per unit of production.....	112	126	93	119
Total cost per unit of production.....	117	155	111	151
Power and machinery (quantity).....	119	120	120	120
Prices received for products sold.....	96	88	84	87
Prices paid, including wages to hired labor.....	121	122	127	127

¹ Preliminary.

TABLE 66. --Wheat-pea farms, Washington and Idaho: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	481	550	555	566	576
Cropland harvested.....	do.	357	374	340	398	380
Other cropland.....	do.	88	135	174	121	144
Crops harvested:						
Wheat.....	do.	191	167	169	169	170
Oats and barley.....	do.	35	104	101	106	96
Peas.....	do.	115	82	55	101	97
Hay.....	do.	16	21	15	22	18
Crop yields per harvested acre:						
Wheat.....	BusHEL	28.0	48.3	41.2	50.9	42.8
Barley.....	do.	31.4	44.6	37.0	42.2	37.8
Peas.....	Cwt.	11.6	13.0	10.6	16.4	10.5
Livestock on farm, Jan. 1:						
All cattle.....	Number	10.1	15.0	15.2	15.1	16.0
Milk cows.....	do.	2.1	2.0	1.8	1.5	1.6
Chickens.....	do.	70	48	48	48	48
Pigs raised.....	do.	12	17	16	21	19
Tractors on farm.....	do.	1.70	2.24	2.30	2.40	2.40
Total labor used.....	Hour	3,150	3,410	3,500	3,520	3,470
Operator and family.....	do.	1,990	2,390	2,740	2,750	2,700
Hired.....	do.	1,160	1,020	760	770	770
Total farm capital, Jan. 1.....	Dollar	96,900	161,370	171,500	178,480	177,480
Land and buildings.....	do.	84,160	140,800	150,400	156,700	156,200
Machinery and equipment.....	do.	8,860	17,000	17,420	17,100	17,110
Livestock.....	do.	1,720	1,630	2,210	2,770	2,370
Crops.....	do.	2,160	1,940	1,470	1,910	1,800
Total cash receipts.....	do.	17,840	24,305	18,442	24,865	20,244
Wheat.....	do.	9,780	14,780	11,395	13,904	12,057
Peas.....	do.	5,065	3,428	2,242	5,890	3,792
Other crops.....	do.	1,197	3,660	2,494	3,230	2,403
Cattle.....	do.	544	796	979	864	968
Hogs.....	do.	533	615	562	503	500
Dairy products.....	do.	310	362	318	228	254
Other livestock and livestock products.....	do.	284	193	199	179	203
Other, including Government payments.....	do.	127	471	253	67	67
Total cash expenditures.....	do.	7,186	10,301	9,101	10,173	10,226
Feed purchased.....	do.	341	398	316	322	310
Livestock expense.....	do.	45	103	104	104	110
Crop expense.....	do.	526	1,941	1,857	1,770	1,859
Machinery purchased.....	do.	2,000	1,987	1,679	2,307	2,244
Other machinery expense.....	do.	1,863	2,906	2,597	2,904	2,875
Farm buildings and fences.....	do.	636	490	337	458	440
Labor hired.....	do.	1,110	1,331	1,001	1,020	1,036
Taxes.....	do.	617	983	1,029	1,100	1,173
Other.....	do.	48	162	181	188	179
Net cash farm income.....	do.	10,654	14,004	9,341	14,692	10,018
Value of perquisites.....	do.	886	1,008	1,060	1,061	1,011
Change in inventory:						
Crops and livestock.....	do.	-293	-196	355	159	35
Machinery and buildings.....	do.	714	-284	-733	28	-44
Gross farm income.....	do.	18,433	25,117	19,857	26,085	21,290
Operating expenses.....	do.	6,472	10,585	9,834	10,145	10,270
Net farm income.....	do.	11,961	14,532	10,023	15,940	11,020
Purchasing power in 1947-49 dollars.....	do.	11,961	12,528	8,494	13,508	9,260
Charge for capital ²	do.	3,939	8,218	9,583	9,065	10,821
Return per hour to operator and family labor...	do.	4.03	2.64	.16	2.50	.07
Charge for capital ²	do.	4,070	6,817	7,216	7,510	7,470
Return per hour to operator and family labor...	do.	3.97	3.23	1.02	3.07	1.31

¹ Preliminary. ² See preface.

WHEAT-FALLOW FARMS, WASHINGTON AND OREGON

On typical wheat-fallow farms in Washington and Oregon, the estimated net farm income in 1960 was \$9,643. This is 23 percent below the income received by these farmers in 1959. The income received in 1959 was about the same as the average of 1950-59 (tables 67 and 68).

Because of a 9-percent decline in yields and a 3-percent decline in acreage harvested, production in 1960 was 14 percent lower than in 1959. Prices received for products sold averaged the same in both years.

As a result, gross income in 1960 was 12 percent lower than in 1959. However, farm operating expenses were slightly higher in 1960 because of an increase in cash inputs.

Prices paid for goods and services used in production averaged about the same in 1959 as in 1960. In 1960, half the gross income on these farms was used to pay operating expenses compared with \$0.44 on the dollar in 1959 and \$0.43 in 1950-59. The higher expense ratio in 1960 compared with 1959 was due mainly to the lower yields in 1960.

The investment in farm machinery and equipment also increased in value. However, the rate of increase was considerably slower. The value of farm machinery and equipment on these farms on January 1, 1960, averaged \$17,500 compared with \$12,690 ten years earlier and \$5,030 twenty years earlier. The growth in these values during the 1940's was divided between (1) adding more or better machines and (2) the rise in the prices of machines with specific qualities. However, most of the growth in these values during the 1950's resulted from an increase in prices. Except for some replacement of tractor-drawn combines by self-propelled combines, recent changes in mechanization on these farms have been minor.

The value of the investment (land and other capital) on typical wheat-fallow farms has increased each year since 1941. This is due mainly to an increase in real estate values, although other types of capital increased in value as well. During the last 20 years, acreage per farm increased by 36 percent. Land values increased from \$20 per acre in 1940 to \$85 in 1960. Nearly all of the increase in size of farm took place in the 1940's, but the rise in cost per acre was about the same in the 1950's as in the 1940's.

TABLE 67. --Wheat-fallow farms, Washington and Oregon: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross farm income.....	106	107	108	95
Net farm income.....	93	94	93	72
Net farm production.....	111	123	128	110
Crop yields per acre.....	114	136	129	117
Production per hour of man labor.....	113	131	132	115
Production per unit of input.....	100	112	113	98
Operating expense per unit of production.....	118	105	106	124
Total cost per unit of production.....	130	131	130	162
Power and machinery (quantity).....	106	104	104	104
Prices received for products sold.....	95	86	84	85
Prices paid, including wages to hired labor.....	119	123	124	126

¹ Preliminary.

TABLE 68. --Wheat-fallow farms, Washington and Oregon: Organization, production, cost and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in farm.....	Acre	1,302	1,331	1,331	1,358	1,363
Cropland harvested.....	do.	430	462	451	462	450
Summer fallow.....	do.	423	442	447	446	450
Other cropland.....	do.	55	28	34	68	80
Crops harvested:						
Winter wheat for grain.....	do.	339	251	270	268	284
Spring wheat for grain.....	do.	71	31	18	28	8
Other small grains.....	do.	6	160	148	152	142
All hay.....	do.	15	20	15	15	16
Crop yields per harvested acre:						
All wheat.....	Bushel	22.4	30.0	29.5	29.1	27.2
Barley.....	do.	24.5	38.6	28.4	35.4	29.2
Hay.....	Ton	1.5	1.8	1.6	1.6	1.4
Livestock on farm, Jan. 1:						
All cattle.....	Number	23.9	30.0	31.1	31.4	32.2
Beef cows.....	do.	9.3	13.4	13.5	13.7	13.8
Pigs raised.....	do.	6.6	7.0	9.6	11.6	9.2
Tractors on farm.....	do.	1.28	1.51	1.53	1.55	1.53
Total labor used.....	Hour	3,810	3,600	3,590	3,680	3,640
Operator and family.....	do.	2,370	2,790	2,790	2,920	2,920
Hired.....	do.	1,440	810	800	760	720
Total farm capital, Jan. 1.....	Dollar	71,860	121,480	125,650	138,610	138,470
Land and buildings.....	do.	56,770	100,840	103,820	115,430	115,270
Machinery and equipment.....	do.	10,610	16,360	16,800	17,280	17,540
Livestock.....	do.	3,060	2,660	3,680	4,670	4,290
Crops.....	do.	1,420	1,620	1,350	1,230	1,370
Total cash receipts.....	do.	19,852	24,206	21,223	21,207	18,708
Wheat.....	do.	17,545	16,134	15,183	14,702	13,253
Barley.....	do.	47	4,118	2,735	3,340	2,486
Other crops.....	do.	45	730	498	442	462
Cattle.....	do.	1,301	1,470	2,037	2,082	1,903
Hogs.....	do.	335	253	336	370	280
Dairy products.....	do.	250	76	66	42	83
Other livestock and livestock products.....	do.	170	112	108	97	109
Other, including Government payments.....	do.	159	1,313	260	132	132
Total cash expenditures.....	do.	7,463	9,627	9,223	9,720	9,754
Feed purchased.....	do.	330	209	236	247	269
Livestock expense.....	do.	56	70	70	74	77
Crop expense.....	do.	689	1,742	1,532	1,719	1,714
Machinery purchased.....	do.	2,059	2,266	2,243	2,318	2,296
Other machinery expense.....	do.	1,972	2,580	2,493	2,619	2,685
Farm buildings and fences.....	do.	297	457	391	522	471
Labor hired.....	do.	1,584	1,265	1,252	1,195	1,142
Taxes.....	do.	415	958	926	943	1,017
Other.....	do.	61	80	80	83	83
Net cash farm income.....	do.	12,389	14,579	12,000	11,487	8,954
Value of perquisites.....	do.	778	748	763	792	764
Change in inventory:						
Crops and livestock.....	do.	-123	140	-112	119	-77
Machinery and buildings.....	do.	424	25	13	70	2
Gross farm income.....	do.	20,507	25,094	21,874	22,118	19,395
Operating expenses.....	do.	7,039	9,602	9,210	9,650	9,752
Net farm income.....	do.	13,468	15,492	12,664	12,468	9,643
Purchasing power in 1947-49 dollars.....	do.	13,468	13,355	10,732	10,566	8,103
Charge for capital ²	do.	2,958	6,223	7,064	7,079	8,487
Return per hour to operator and family labor...	do.	4.43	3.32	2.01	1.85	.40
Charge for capital ²	do.	3,074	5,180	5,339	5,884	5,877
Return per hour to operator and family labor...	do.	4.39	3.70	2.63	2.25	1.29

¹ Preliminary. ² See preface.

CATTLE RANCHES, NORTHERN PLAINS

Net ranch income for typical cattle ranches in the Northern Plains was estimated at \$4,988 per ranch in 1960. This is approximately 3.5 percent below that in 1959, and about 22 percent below the returns in 1958. Returns in 1958 on these ranches were about the same as in 1947-49 (tables 69 and 70).

The chief factor for the lower net ranch income in 1960 compared with 1959 was a decline of about 12 percent in average prices received for products sold on these ranches. Around 85 percent of the cash receipts on these ranches is from the sale of beef cattle. In 1960, prices received for calves sold averaged about \$23.75 per hundredweight, compared with approximately \$29.20 in 1959. Other beef animals brought about \$19.50 per hundredweight in 1960, compared with around \$22.10 in 1959. This is a decline of about 19 percent for calves and 12 percent for other cattle.

Although the physical quantity of cattle and calves sold on these ranches in 1960 was about 11 percent higher than in 1959, cash receipts from the sale of beef animals was about 3 percent lower in 1960.

The drought that persisted in this area in 1959 continued in 1960. As a result, range and pasture conditions were the

poorest since the mid-1930's. However, the acreage of cropland harvested was up slightly in 1960, and yields per harvested acre were up considerably from the year before.

Evidently, these ranchers made the most of a difficult situation. They reduced their sales of crops substantially in 1960 and marketed most of their crops through livestock. Compared with 1959, physical sales of crops were reduced by about 26 percent, livestock sales were increased by 11 percent, and breeding herds were increased slightly more than 2 percent in 1960. Net ranch production in 1960 was nearly 14 percent greater than in 1959, and 6 percent higher than in 1947-49.

In 1960, prices received for products sold by these ranchers averaged about the same as in the 1950-59 period, but were about 4 percent below the 1947-49 average. However, prices paid for goods and services used in production also averaged about the same in 1960 as in the 1950-59 period but were nearly a fourth higher than in 1947-49. These ranchers cut expenditures wherever practicable. In 1960, expenditures for new machinery were reduced by a third from a year earlier. As a result, however, inventories were materially reduced by this postponement of machinery replacements.

TABLE 69.--Cattle ranches, Northern Plains livestock area: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross ranch income.....	102	114	109	105
Net ranch income.....	78	100	80	77
Net ranch production.....	104	105	93	106
Range condition.....	96	100	93	90
Production per hour of man labor.....	106	118	101	113
Production per unit of input.....	98	101	89	99
Operating expense per unit of production.....	126	123	148	128
Total cost per unit of production.....	122	128	149	139
Power and machinery (quantity).....	112	112	105	106
Prices received for products sold.....	96	108	109	96
Prices paid, including wages to hired labor.....	122	125	129	123

¹ Preliminary.

TABLE 70. --Cattle ranches, Northern Plains livestock area; Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in ranch.....	Acre	3,800	4,225	4,240	4,340	4,380
Cropland harvested.....	do.	239	282	259	253	255
Rangeland, pasture, and miscellaneous.....	do.	3,561	3,943	3,981	4,087	4,125
Crops harvested:						
Grains.....	do.	83.1	76.2	73.4	71.2	76.0
Tame hay.....	do.	38.2	79.9	81.7	82.2	73.0
Native hay.....	do.	101.7	110.5	92.5	90.5	95.3
Other crops.....	do.	16.0	15.0	11.5	9.0	11.0
Livestock on ranch, Jan. 1:						
All cattle.....	Number	140.2	132.6	135.1	137.2	140.1
Cows and heifers, 2 years old and over.....	do.	63.7	85.5	87.3	89.4	93.6
Chickens.....	do.	48	35	30	40	30
Horses.....	do.	11.1	3.8	3.7	3.6	3.7
Pigs raised.....	do.	8.0	10.5	11.0	12.2	11.4
Calf crop.....	Percent	78	82	84	85	85
Tractors on ranch.....	Number	.83	1.21	1.24	1.24	1.26
Total labor used.....	Hour	4,330	3,980	3,880	3,970	4,060
Operator and family.....	do.	3,550	3,240	3,210	3,220	3,190
Hired.....	do.	780	740	670	750	870
Total ranch capital, Jan. 1.....	Dollar	59,730	69,320	72,800	83,200	82,680
Land and buildings.....	do.	33,320	44,200	46,390	48,520	49,720
Machinery and equipment.....	do.	4,740	7,650	7,850	8,180	8,080
Livestock.....	do.	16,970	14,480	16,140	23,720	21,270
Crops.....	do.	4,700	2,990	2,420	2,780	3,610
Total cash receipts.....	do.	10,980	8,892	10,855	11,026	10,096
Crops.....	do.	2,001	1,843	1,553	1,689	1,100
Cattle.....	do.	8,204	6,410	8,516	8,564	8,347
Other livestock and livestock products.....	do.	666	419	546	493	389
Other, including Government payments.....	do.	109	220	240	280	260
Total cash expenditures.....	do.	5,351	5,770	6,319	6,723	6,049
Feed and grazing fees.....	do.	457	267	262	420	373
Livestock purchased.....	do.	195	451	508	827	617
Other livestock expense.....	do.	48	120	128	134	139
Crop expense.....	do.	17	22	37	63	48
Machinery purchased.....	do.	1,281	1,352	1,800	1,661	1,085
Other machinery expense.....	do.	888	1,512	1,493	1,467	1,541
Ranch buildings and fences.....	do.	915	270	430	370	370
Labor hired.....	do.	423	529	478	493	654
Taxes.....	do.	618	842	842	884	889
Other.....	do.	509	405	341	404	333
Net cash ranch income.....	do.	5,629	3,122	4,536	4,303	4,047
Value of perquisites.....	do.	956	961	1,104	1,097	1,047
Change in inventory:						
Crops and livestock.....	do.	-766	525	805	14	577
Machinery and buildings.....	do.	620	-449	-32	-244	-683
Gross ranch income.....	do.	11,170	10,378	12,764	12,137	11,720
Operating expenses.....	do.	4,731	6,219	6,351	6,967	6,732
Net ranch income.....	do.	6,439	4,159	6,413	5,170	4,988
Purchasing power in 1947-49 dollars.....	do.	6,439	3,585	5,435	4,381	4,192
Charge for capital ²	do.	2,389	3,258	4,004	4,160	4,961
Return per hour to operator and family labor...	do.	1.14	.28	.75	.31	.01
Charge for capital ²	do.	2,449	2,842	2,985	3,411	3,390
Return per hour to operator and family labor...	do.	1.12	.41	1.07	.55	.50

¹ Preliminary. ² See preface.

CATTLE RANCHES, INTERMOUNTAIN REGION

Net ranch income in 1960 for typical Intermountain cattle ranches was estimated at \$9,573. This was nearly \$3,000 below the estimated income for 1959 but was approximately 8 percent above the 1950-59 average and 10 percent above the 1947-49 average (tables 71 and 72).

Net incomes on these ranches were lower in 1960 than in 1959 primarily because price relations, crop production, and range and pasture conditions were less favorable in 1960. In 1960, prices received for cattle sold on these ranches averaged nearly 13 percent below those of a year earlier and about 2 percent below the 1947-49 average. In 1959, calves sold for about \$28.20 per hundredweight and other beef animals brought approximately \$22.00 per hundredweight. In 1960, prices received for calves averaged \$23.85 and those for other cattle \$19.30.

The drought that began in 1959 in this area continued through 1960 and became more intensified as the season advanced. By late 1960, the drought in some portions of the area began to parallel the disastrous droughts of 1931 and 1934. Both irrigation water and stock water became critically short toward the end of the season.

Droughts are not uncommon in this region. Many ranch operators are able

to withstand a drought year without making major adjustments in their livestock programs. Adjustments are unavoidable when a drought is of longer duration.

Continuation of the drought in 1960 and the poor prospects for 1961 caused ranchers to reduce their herds. Breeding herds on these ranches on January 1, 1961, averaged around 2 percent lower than a year earlier--the first cut in numbers in 12 years. Total quantity of cattle sold was at a record high in 1960, about 15 percent greater than a year earlier.

In addition, shipments of hay into the area were high in 1960. Quantities of hay purchased by these cattle ranchers averaged 25 percent higher in 1960 than a year earlier.

In some portions of the area, hay prices began to increase as the season advanced. Prices paid for hay in 1960 averaged around 53 percent higher than in 1959 on these ranches. Total expenditures for hay in 1960 were nearly double those in 1959.

In 1960, prices paid for goods and services used in production on these ranches averaged higher than in 1959, whereas prices received for products sold generally averaged lower. Prices paid averaged around a third higher in 1960 compared with 1947-49. Prices received were about 2 percent lower than in 1947-49.

TABLE 71. --Cattle ranches, Intermountain region: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross ranch income.....	122	162	164	148
Net ranch income.....	102	151	145	110
Net ranch production.....	119	147	142	137
Range condition.....	96	100	93	91
Production per hour of man labor.....	118	141	136	126
Production per unit of input.....	103	124	113	106
Operating expense per unit of production.....	141	127	144	166
Total cost per unit of production.....	118	113	121	138
Power and machinery (quantity).....	110	120	123	128
Prices received for products sold.....	99	110	111	98
Prices paid, including wages to hired labor.....	122	137	127	134

¹ Preliminary.

TABLE 72.--Cattle ranches, Intermountain region: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in ranch.....	Acre	1,615	1,715	1,725	1,730	1,735
Cropland harvested.....	do.	183	182	175	167	174
Rangeland, pasture, and miscellaneous.....	do.	1,432	1,533	1,550	1,563	1,561
Crops harvested:						
Grains.....	do.	13.3	15.8	14.4	15.0	16.2
Tame hay.....	do.	66.9	70.1	70.0	70.6	76.0
Native hay.....	do.	100.3	94.5	88.8	79.0	80.0
Other crops.....	do.	2.8	2.0	2.0	2.0	2.0
Livestock on ranch, Jan. 1:						
All cattle.....	Number	206.7	263.0	263.0	274.0	283.9
Cows and heifers, 2 years old and over.....	do.	101.6	126.1	126.0	128.5	137.9
Chickens.....	do.	43	40	40	40	35
Horses.....	do.	14.6	8.5	8.3	8.1	8.0
Pigs raised.....	do.	1.3	1.9	2.0	2.0	2.0
Calf crop.....	Percent	76	82	85	85	83
Tractors on ranch.....	Number	.62	.79	.81	.83	.85
Total labor used.....	Hour	4,790	5,030	4,990	5,000	5,210
Operator and family.....	do.	4,050	4,000	4,000	4,000	4,000
Hired.....	do.	740	1,030	990	1,000	1,210
Total ranch capital, Jan. 1.....	Dollar	67,310	64,040	76,360	89,760	87,930
Land and buildings.....	do.	26,620	29,140	31,240	33,270	34,870
Machinery and equipment.....	do.	2,680	4,760	5,180	5,490	5,750
Livestock.....	do.	34,500	26,190	36,530	47,350	42,060
Crops.....	do.	3,510	3,950	3,410	3,650	5,250
Total cash receipts.....	do.	11,063	13,087	16,290	16,952	17,210
Crops.....	do.	582	0	0	0	0
Cattle.....	do.	10,181	12,852	16,067	16,741	17,007
Other livestock and livestock products.....	do.	185	103	103	86	77
Other, including Government payments.....	do.	115	132	120	125	126
Total cash expenditures.....	do.	3,146	5,679	5,978	6,904	7,919
Feed and grazing fees.....	do.	208	339	391	1,108	1,714
Livestock purchased.....	do.	142	410	531	451	440
Other livestock expense.....	do.	55	89	90	97	101
Crop expense.....	do.	34	95	86	81	104
Machinery purchased.....	do.	578	1,039	1,172	1,293	1,377
Other machinery expense.....	do.	719	1,280	1,273	1,295	1,347
Ranch buildings and fences.....	do.	149	205	220	225	225
Labor hired.....	do.	428	943	915	940	1,161
Taxes.....	do.	721	1,146	1,166	1,278	1,305
Other.....	do.	112	133	134	136	145
Net cash ranch income.....	do.	7,917	7,408	10,312	10,048	9,291
Value of perquisites.....	do.	821	717	781	787	779
Change in inventory:						
Crops and livestock.....	do.	-124	193	1,950	1,597	-643
Machinery and buildings.....	do.	51	29	68	115	146
Gross farm income.....	do.	11,760	13,997	19,021	19,336	17,346
Operating expenses.....	do.	3,095	5,650	5,910	6,789	7,773
Net ranch income.....	do.	8,665	8,347	13,111	12,547	9,573
Purchasing power in 1947-49 dollars.....	do.	8,665	7,196	11,111	10,633	8,045
Charge for capital ²	do.	2,692	2,946	4,200	4,488	5,276
Return per hour to operator and family labor...	do.	1.47	1.35	2.23	2.01	1.07
Charge for capital ²	do.	2,760	2,626	3,131	3,680	3,605
Return per hour to operator and family labor...	do.	1.46	1.43	2.50	2.22	1.49

¹ Preliminary. ² See preface.

CATTLE RANCHES, SOUTHWEST

In 1960, net ranch incomes on typical family-operated cattle ranches in the Southwest averaged about \$7,102. This compares with \$8,318 in 1959 and \$5,698 for 1947-49. It is well above the 10-year (1950-59) average (tables 73 and 74).

Lower prices received for feeder cattle chiefly accounted for the lower returns on these ranches in 1960 compared with a year earlier. These ranchers are producers of feeder cattle, which are sold to beef feeders for further feeding and fattening. In 1960, feeder calves sold on these ranches brought approximately \$21.95 per hundredweight, about \$4.00 less per hundredweight than a year earlier and the lowest price since 1956.

This is a year-long grazing area in which livestock ranchers depend primarily upon range and pasture to carry their livestock. They have practically no cropland and produce no hay or concentrate feeds. When the weather is favorable and range conditions are good, more and better calves are dropped, well-conditioned animals are sold, and breeding herds are carried without buying much feed. Under normal conditions, these ranchers buy 10 to 20 tons of protein supplement, 5 to 8 tons of grain, and little or no hay.

Although range conditions in this area in 1960 were generally not quite as favorable as in 1958 or 1959, they were

well above average for the area and were the best since 1950. As a result, these ranchers sold about 10 percent more livestock and increased their breeding herds to the largest number since 1953.

The quantity of livestock sold on these ranches in 1960 was at record high. Despite this, cash receipts from livestock were about 3 percent below those a year earlier. Net ranch production also was at record high in 1960, 46 percent above the 1947-49 average and nearly 9 percent above the previous record in 1959.

In order to realize these high sales of livestock and also to continue to build up breeding herds in 1960, these ranchers bought more feeds. They bought approximately 20 percent more feed in 1960 than in 1959. Prices paid for feeds averaged slightly higher in 1960 and as a consequence, total expenditures for feed, including grazing fees, averaged nearly a third higher than in 1959. In 1960, these expenditures were the highest since 1956 but were well below those in the late forties to the mid-fifties when droughts occurred so frequently.

Prices paid by these ranchers in 1960 for all goods and services used in production averaged slightly lower than in 1959. Prices paid for hay averaged about 9 percent higher but prices paid for grain were a little lower.

TABLE 73. --Cattle ranches, Southwest: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross ranch income.....	102	133	131	127
Net ranch income.....	77	162	146	125
Net ranch production.....	96	121	134	146
Range condition.....	94	106	103	101
Production per hour of man labor.....	103	142	147	155
Production per unit of input.....	90	105	111	117
Operating expense per unit of production.....	126	102	102	99
Total cost per unit of production.....	135	128	124	127
Power and machinery (quantity).....	134	141	151	149
Prices received for products sold.....	101	117	109	95
Prices paid, including wages to hired labor.....	114	120	124	122

¹ Preliminary.

TABLE 74. --Cattle ranches, Southwest: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in ranch.....	Acre	8,316	11,010	11,090	11,110	11,150
Cropland harvested.....	do.	19	20	19	16	19
Rangeland, pasture, and miscellaneous.....	do.	8,297	10,990	11,071	11,094	11,131
Livestock on ranch, Jan. 1:						
All cattle.....	Number	215.2	190.3	188.4	212.2	217.8
Cows and heifers, 2 years old and over.....	do.	147.2	135.3	133.5	145.5	150.2
Chickens.....	do.	26	22	20	25	20
Horses.....	do.	11.1	6.0	5.7	5.5	5.3
Pigs raised.....	do.	3.3	1.1	1.9	2.4	3.6
Calf crop.....	Percent	75	76	80	82	84
Tractors on ranch.....	Number	.25	.46	.47	.50	.50
Total labor used.....	Hour	3,950	3,370	3,370	3,610	3,710
Operator and family.....	do.	2,460	2,460	2,600	2,500	2,400
Hired.....	do.	1,490	910	770	1,110	1,310
Total ranch capital, Jan. 1.....	Dollar	97,170	127,910	139,870	157,340	161,590
Land and buildings.....	do.	71,110	105,090	112,560	118,840	124,870
Machinery and equipment.....	do.	1,970	3,510	3,620	4,220	4,400
Livestock.....	do.	22,440	18,250	22,480	33,120	30,980
Crops.....	do.	1,650	1,060	1,210	1,160	1,340
Total cash receipts.....	do.	12,275	11,386	12,599	15,608	15,296
Crops.....	do.	37	0	0	0	178
Beef cattle.....	do.	11,888	10,971	12,133	15,105	14,660
Other livestock and livestock products.....	do.	210	145	166	203	168
Other, including Government payments.....	do.	140	270	300	300	290
Total cash expenditures.....	do.	7,671	6,775	8,373	8,952	9,227
Feed and grazing fees.....	do.	2,380	1,287	646	1,155	1,514
Livestock purchased.....	do.	1,397	1,584	2,796	2,187	2,267
Other livestock expense.....	do.	49	112	116	136	146
Crop expense.....	do.	9	13	10	11	16
Machinery purchased.....	do.	616	663	1,387	1,326	968
Other machinery expense.....	do.	671	1,270	1,273	1,367	1,486
Ranch buildings and fences.....	do.	957	162	450	680	540
Labor hired.....	do.	672	483	438	684	819
Taxes.....	do.	536	816	895	953	983
Other.....	do.	384	385	362	453	488
Net cash ranch income.....	do.	4,604	4,611	4,226	6,656	6,069
Value of perquisites.....	do.	756	1,067	1,134	1,011	1,051
Change in inventory:						
Crops and livestock.....	do.	104	-159	3,786	636	366
Machinery and buildings.....	do.	234	-771	77	15	-384
Gross ranch income.....	do.	13,135	12,294	17,519	17,255	16,713
Operating expenses.....	do.	7,437	7,546	8,296	8,937	9,611
Net ranch income.....	do.	5,698	4,748	9,223	8,318	7,102
Purchasing power in 1947-49 dollars.....	do.	5,698	4,093	7,816	7,049	5,968
Charge for capital ²	do.	3,887	6,012	7,693	7,867	9,695
Return per hour to operator and family labor...	do.	.74	-.51	.59	.18	-1.08
Charge for capital ²	do.	3,984	5,244	5,735	6,451	6,625
Return per hour to operator and family labor...	do.	.70	-.20	1.34	.75	.20

¹ Preliminary. ² See preface.

SHEEP RANCHES, NORTHERN PLAINS

In 1960, net ranch incomes on typical family-operated sheep ranches in the Northern Plains livestock area averaged about \$8,074. This is approximately the same as in 1959, but considerably below the record high returns in 1958 and about 9 percent below the recent 10-year (1950-59) average (tables 75 and 76).

The year 1960 was an unusual one for operators of these sheep ranches. The drought that prevailed in 1959 continued and, except for 1956, range and pasture conditions in 1960 were the poorest since the mid-1930's. Despite this, net ranch production was the highest on record, nearly 5 percent above production in 1959 and approximately 3 percent above the previous record high obtained in 1958. But prices received were the lowest since 1955 and about 20 percent below the 1950-59 average. Prices paid for goods and services used in production remained substantially the same as in the previous 3 years.

The sheep enterprise normally accounts for about 90 percent of the total cash receipts on these ranches. Cash receipts were at record high in 1960, and stemmed largely from a record volume of physical sales. The number of lambs sold in 1960 was 15 percent higher than a year earlier,

and sales of ewes and beef cattle, both relatively unimportant, averaged only slightly higher in 1960. Record sales of wool occurred on these ranches in 1960, nearly 5 percent more than was sold the year before. Stock sheep were at record high in 1960, but the wool clip per head was slightly lower than in 1959.

Both prices received for wool and subsidy payments for wool produced averaged slightly higher in 1960 than a year earlier. However, prices received for lambs, ewes, and beef cattle averaged lower in 1960.

The record high cash receipts in 1960 were offset by higher cash expenditures and reduced inventories. Expenditures for feed were at a record high in 1960. Prices paid for hay were around 55 percent higher than in 1959 and prices of protein concentrates were about 15 percent higher. In addition, the quantity of hay purchased in 1960 was nearly double the amount purchased in 1959.

Although these ranchers operate their sheep mainly under fence, labor is an important item. During the last 3 years (1958-60), expenditures for labor averaged nearly 28 percent of total cash expenditures.

TABLE 75. --Sheep ranches, Northern Plains livestock area: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross ranch income.....	134	166	139	147
Net ranch income.....	128	192	118	117
Net ranch production.....	124	153	151	157
Range condition.....	96	100	93	90
Production per hour of man labor.....	115	142	129	133
Production per unit of input.....	108	127	120	122
Operating expense per unit of production.....	113	99	106	108
Total cost per unit of production.....	110	101	105	108
Power and machinery (quantity).....	122	121	111	114
Prices received for products sold.....	104	95	87	84
Prices paid, including wages to hired labor.....	120	123	122	122

¹ Preliminary.

TABLE 76.--Sheep ranches, Northern Plains livestock area: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in ranch.....	Acre	5,119	6,272	6,298	6,340	6,638
Cropland harvested.....	do.	219	239	219	221	218
Rangeland, pasture, and miscellaneous.....	do.	4,900	6,033	6,079	6,119	6,420
Crops harvested:						
Grains.....	do.	77.7	79.5	75.6	75.7	74.7
Tame hay.....	do.	26.8	43.2	42.6	43.6	39.0
Native hay.....	do.	112.0	106.3	93.8	95.0	96.0
Other crops.....	do.	2.2	10.0	7.0	6.5	8.0
Livestock on ranch, Jan. 1:						
All sheep.....	Number	1,055	1,190	1,235	1,349	1,383
Breeding ewes.....	do.	868	1,025	1,043	1,112	1,178
All cattle.....	do.	23.7	18.0	21.0	23.5	24.5
Chickens.....	do.	36	30	35	40	30
Horses.....	do.	9.1	3.4	3.3	3.3	3.3
Pigs raised.....	do.	3.4	7.0	8.0	8.6	7.1
Lamb crop.....	Percent	81	82	88	88	92
Tractors on ranch.....	Number	.87	1.28	1.29	1.29	1.31
Total labor used.....	Hour	7,450	7,910	8,050	8,680	8,820
Operator and family.....	do.	4,380	3,960	3,930	3,930	3,880
Hired.....	do.	3,070	3,950	4,120	4,750	4,940
Total ranch capital, Jan. 1.....	Dollar	65,980	83,750	93,820	99,720	100,650
Land and buildings.....	do.	38,520	56,460	59,200	61,020	64,110
Machinery and equipment.....	do.	4,390	6,810	6,990	7,210	7,070
Livestock.....	do.	19,880	18,630	26,260	30,010	27,990
Crops.....	do.	3,190	1,850	1,370	1,480	1,480
Total cash receipts.....	do.	14,630	20,654	22,115	21,073	22,594
Crops.....	do.	711	685	590	454	523
Cattle.....	do.	1,155	647	796	1,439	1,258
Sheep.....	do.	8,115	10,632	11,890	11,090	11,371
Wool.....	do.	4,098	² 7,984	³ 8,097	⁴ 7,404	⁵ 8,892
Other livestock and livestock products.....	do.	364	406	442	386	280
Other, including Government payments.....	do.	187	300	300	300	270
Total cash expenditures.....	do.	9,454	10,946	13,034	13,778	14,583
Feed and grazing fees.....	do.	1,602	1,357	1,962	2,326	3,849
Livestock purchased.....	do.	1,563	864	1,316	920	774
Other livestock expense.....	do.	95	217	236	265	277
Crop expense.....	do.	12	12	12	18	20
Machinery purchased.....	do.	1,181	1,294	1,709	1,705	1,148
Other machinery expense.....	do.	841	1,510	1,483	1,481	1,510
Ranch buildings and fences.....	do.	813	506	590	470	420
Labor hired.....	do.	1,900	3,038	3,345	3,914	4,205
Taxes.....	do.	787	1,196	1,231	1,257	1,240
Other.....	do.	660	952	1,150	1,422	1,140
Net cash ranch income.....	do.	5,176	9,708	9,081	7,295	8,011
Value of perquisites.....	do.	750	889	1,002	1,035	958
Change in inventory:						
Crops and livestock.....	do.	452	655	3,154	-30	-310
Machinery and buildings.....	do.	542	-308	53	-120	-585
Gross ranch income.....	do.	15,832	22,198	26,271	22,078	23,247
Operating expenses.....	do.	8,912	11,254	12,981	13,898	15,168
Net ranch income.....	do.	6,920	10,944	13,290	8,180	8,074
Purchasing power in 1947-49 dollars.....	do.	6,920	9,434	11,263	6,932	6,785
Charge for capital ⁶	do.	2,640	3,936	5,160	4,986	6,039
Return per hour to operator and family labor...	do.	.98	1.77	2.07	.81	.52
Charge for capital ⁶	do.	2,705	3,434	3,847	4,089	4,127
Return per hour to operator and family labor...	do.	.96	1.90	2.40	1.04	1.02

¹ Preliminary. ² Includes wool payment of \$1,574. ³ Includes wool payment of \$3,650. ⁴ Includes wool payment of \$2,362. ⁵ Includes wool payment of \$2,676. ⁶ See preface.

SHEEP RANCHES, SOUTHWEST

In 1960, operators of typical family-operated sheep ranches in the Southwest obtained an estimated net ranch income of \$10,102. This income was below the relatively favorable incomes obtained in 1958 and 1959, but was nearly double the average for 1947-49 (tables 77 and 78).

The reduction in net farm income from 1959 to 1960 was due chiefly to lower prices received and less favorable range and pasture production. Prices received for products sold on these ranches averaged around 5 percent lower than in 1959 and the lowest since 1956.

Prices received by these ranchers for lambs averaged around \$15 per hundred-weight in 1960 compared with approximately \$17.10 in 1959. Prices received for cattle were also substantially lower in 1960. Prices received for wool in 1960 averaged approximately 45 cents a pound on these ranches compared with around 43 cents in 1959. However, Government subsidy payments on wool production averaged slightly less in 1960 than in 1959.

In 1960, production of sheep and lambs was around 3 percent less than a year earlier, but wool production was nearly 9 percent higher. More sheep were shorn

in 1960, and the average fleece was slightly heavier, than in 1959. Production of mohair and cattle, though relatively less important than sheep and wool, was also higher in 1960.

Except for cattle, these ranchers sold fewer livestock in 1960 than in 1959, a year of record sales. However, these ranchers continued to build up inventories of livestock as they had done in the previous 3 years. At the end of 1960, the number of breeding stock was the highest on record since 1944. Numbers of breeding ewes on December 31, 1960, were more than 9 percent higher than a year earlier, and total breeding stock was around 6 percent higher.

In order to build up breeding herds and maintain sales at a relatively high level, these ranchers resorted to fairly high purchases of feed. The total quantity of feed purchased in 1960 was the largest since 1957 following the extreme drought of 1956. Approximately a fourth more feed was purchased in 1960 compared with a year earlier, and at slightly lower prices. Prices paid for hay were slightly higher in 1960 than in 1959, but prices paid for grain were lower and prices of other feeds were about the same as in 1959.

TABLE 77.--Sheep ranches, Southwest: Index numbers of costs and returns and related factors, 1960, with comparisons

(1947-49 = 100)

ITEM	AVERAGE 1950-59	1958	1959	1960 ¹
Gross ranch income.....	113	136	137	132
Net ranch income.....	106	217	207	193
Net ranch production.....	98	141	155	164
Range condition.....	94	106	103	101
Production per hour of man labor.....	107	154	162	162
Production per unit of input.....	91	113	121	125
Operating expense per unit of production.....	118	86	82	78
Total cost per unit of production.....	131	114	106	110
Power and machinery (quantity).....	158	159	156	144
Prices received for products sold.....	105	98	92	87
Prices paid, including wages to hired labor.....	107	110	109	106

¹ Preliminary.

TABLE 78. --Sheep ranches, Southwest: Organization, production, costs and returns, 1960, with comparisons

ITEM	UNIT	AVERAGE 1947-49	1957	1958	1959	1960 ¹
Land in ranch.....	Acre	9,456	13,340	13,350	13,405	13,445
Cropland harvested.....	do.	8	22	21	18	20
Rangeland, pasture, and miscellaneous.....	do.	9,448	13,318	13,329	13,387	13,425
Livestock on ranch, Jan. 1:						
All sheep.....	Number	1,315	1,208	1,225	1,333	1,405
Breeding ewes.....	do.	1,072	924	962	1,046	1,108
All cattle.....	do.	34.7	29.5	33.0	34.2	36.2
Goats.....	do.	80.6	78.5	95.0	98.5	100.3
Horses.....	do.	10.2	7.7	7.4	7.3	7.2
Chickens.....	do.	22	17	20	23	20
Lamb crop.....	Percent	69	70	78	81	78
Tractors on ranch.....	Number	.14	.40	.40	.41	.41
Total labor used.....	Hour	5,860	5,190	5,300	5,600	5,890
Operator and family.....	do.	2,710	2,600	2,700	2,600	2,580
Hired.....	do.	3,150	2,590	2,600	3,000	3,310
Total ranch capital, Jan. 1.....	Dollar	119,920	176,120	191,890	206,970	208,530
Land and buildings.....	do.	94,520	152,770	164,260	172,890	174,480
Machinery and equipment.....	do.	1,910	4,560	4,660	4,940	4,870
Livestock.....	do.	22,170	17,670	22,170	28,320	28,340
Crops.....	do.	1,320	1,120	800	820	840
Total cash receipts.....	do.	17,207	17,100	20,210	21,230	19,685
Sheep and lambs.....	do.	9,478	8,209	9,608	9,843	7,829
Wool.....	do.	5,017	² 7,069	³ 7,325	⁴ 8,090	⁵ 8,459
Other livestock and livestock products.....	do.	2,508	1,576	2,997	3,007	3,127
Other, including Government payments.....	do.	204	246	280	290	270
Total cash expenditures.....	do.	13,319	9,896	10,510	11,394	10,513
Feed and grazing fees.....	do.	3,235	2,050	1,291	1,606	1,936
Livestock purchased.....	do.	2,978	1,566	2,617	2,285	1,722
Other livestock expense.....	do.	170	243	255	295	322
Crop expense.....	do.	6	15	11	12	19
Machinery purchased.....	do.	742	860	1,133	965	490
Other machinery expense.....	do.	670	1,227	1,302	1,326	1,270
Ranch buildings and fences.....	do.	2,788	521	300	720	300
Labor hired.....	do.	1,678	1,622	1,759	2,249	2,458
Taxes.....	do.	405	1,066	1,095	1,120	1,124
Other.....	do.	647	726	747	816	872
Net cash ranch income.....	do.	3,888	7,204	9,700	9,836	9,172
Value of perquisites.....	do.	496	802	952	962	959
Change in inventory:						
Crops and livestock.....	do.	-712	-571	2,005	1,061	1,777
Machinery and buildings.....	do.	1,552	-1,361	-1,339	-1,054	-1,806
Gross ranch income.....	do.	16,991	17,331	23,167	23,253	22,421
Operating expenses.....	do.	11,767	11,257	11,849	12,448	12,319
Net ranch income.....	do.	5,224	6,074	11,318	10,805	10,102
Purchasing power in 1947-49 dollars.....	do.	5,224	5,236	9,592	9,157	8,489
Charge for capital ⁶	do.	4,797	8,278	10,554	10,348	12,512
Return per hour to operator and family labor...	do.	.16	-.85	.28	.18	-.93
Charge for capital ⁶	do.	4,917	7,221	7,867	8,486	8,550
Return per hour to operator and family labor...	do.	.11	-.44	1.28	.89	.60

¹ Preliminary. ² Includes wool payment of \$1,501. ³ Includes wool payment of \$3,170. ⁴ Includes wool payment of \$2,752. ⁵ Includes wool payment of \$2,394. ⁶ See preface.

