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*Editorial.*

### **FARMING AS A BUSINESS.**

In his address to the Annual Conference of the New South Wales Agricultural Bureau at Hawkesbury College last month, Mr. Norman B. Rydge, Sydney business man, voiced the business man's attitude towards our agricultural industries by asking:

"Is the average farmer sufficiently impressed with the need to run his farm as a business? Has he an adequate farm record book? Does he keep costing records? Can he at any moment assess, or can he provide records for an accountant to assess, whether this line, that line or the other line of productive effort is a paying line? Does he put a sufficient part of his revenue into capital reserve—in the soil, or in the bank—as a personal stabilisation fund with which to withstand lean times?"

These are questions familiar to many an agricultural extension officer and indeed to many farmers who by experience have learned that inefficiency and trust-in-nature methods do not pay in the hazardous undertaking of farming. Many different factors contribute to success in agricultural enterprise, and having in mind one particular aspect—the value that accrues from keeping detailed financial and production records—the Departmental Farm Record Book was devised over three years ago, and has been on offer to producers for the small charge of 2s. 6d. during the past year or so. In 1945-46 no fewer than 1,600 copies were distributed and while this represents but a fraction of the total number of farmers in the State, there are signs of increasing appreciation of the usefulness of the publication for last month alone over 350 copies were sold. It is, indeed, being increasingly realised that to farm efficiently, satisfactory financial records must be kept for only by so doing can the farmer gain an insight into the business side of his farm. Amongst other things, he can determine his net income, the return on capital invested, and also gauge the weak links in his production methods and thereby determine how best to effect improvement. All this is possible with the Departmental Farm Record Book which includes a section on methods of analysing and making use of the data.

Examination of books kept by selected farmers in widely separated areas of the State leaves no doubt that the system is capable of general adoption. Likewise, its usefulness to the producer who aims at efficient management is unquestioned, as also its value to the research worker who studies economic factors in types of farming.



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