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1968
annual report

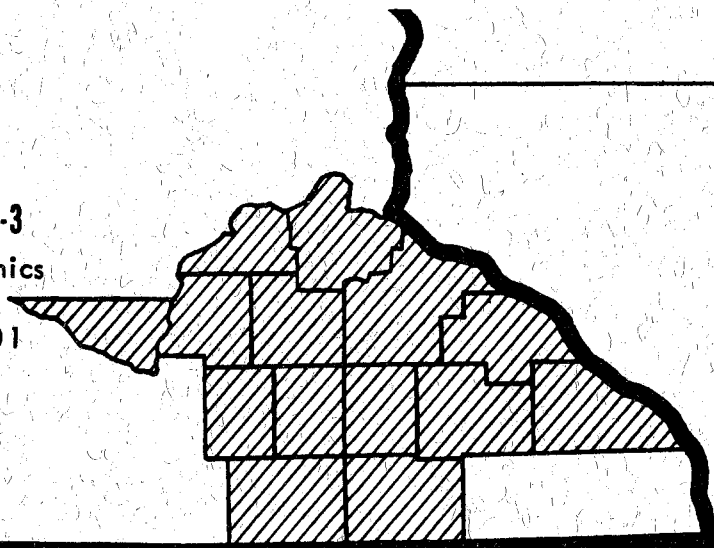
**Southeastern Minnesota
Farm Management Association**

COOPERATING AGENCIES:

University of Minnesota, Institute of Agriculture
United States Department of Agriculture, Agricultural Research Service
County Extension Services of the 14 Southeastern Counties
Southeastern Minnesota Farm Management Association

Economic Information Report R 69-3

Department of Agricultural Economics
Institute of Agriculture
St. Paul, Minnesota 55101
May 1969



1968 ANNUAL REPORT OF THE SOUTHEASTERN MINNESOTA FARM MANAGEMENT ASSOCIATION

Prepared by T. R. Nodland and Janet B. Otis

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INTRODUCTION

The Department of Agricultural Economics and the Agricultural Extension Service of the University of Minnesota, the Agricultural Research Service of the United States Department of Agriculture, and the county extension services of several southeastern Minnesota counties are cooperating with the Southeastern Minnesota Farm Management Association in maintaining a farm management service. The Southeast Minnesota Farm Management Service was organized in 1927 and began operations on January 1, 1928. The Southeastern Minnesota Farm Management Association was organized in 1939 by the farmers and now represents the farmers in determining policies and maintaining the field organization and membership. Each farmer pays an annual fee which covers a part of the cost. The balance of the cost is defrayed by the University of Minnesota and the United States Department of Agriculture.

900/6/69

* The authors are indebted to Barbara Miller, Dorothy Spreck and Eileen Miley for their assistance in the preparation of this report.

The analysis of the records and the preparation of the report are handled by the Department of Agricultural Economics under the direction of T. R. Nodland. Extension work in connection with the supervision of the project is handled by Ed Becker. Harvey Bjerke was the field agent for this project. At the end of the year, Carl Pherson of the Department of Agricultural Economics, Kenneth Thomas, Agricultural Extension Service, and Mervin Freeman, Area Farm Management Agent at Rochester, Minnesota, aided in closing the records.

The following tabulation shows by counties the number of records submitted, the officers of the Association, and the county agricultural extension agents who cooperated in 1968.

County	No. of records	Association Officers	County Agricultural Extension Agent
Dakota	8	Arthur Ackerson, Director	Clarence O. Quie
Dodge	14	Lowell Wright, Director	David H. Hanson
Freeborn	8	Jacob Kuiters, Secretary	Eldon H. Senske
Goodhue	26	Conley Tilderquist, Director	G. J. Kunau
Le Sueur	6	Donald Gibbs, Director	Robert Leary
Mower	4	Howard Brownell, Director	Don Hasbargen
Nicollet	10	Ted Welter, Director	F.E. Wetherill
Olmsted	11	Karl Glabe, Director	Don Untiedt
Rice	10	Phillip Parsons, Director	Warren Liebenstein
Scott	7	Dallas Bohnsack, Vice-President	James Rabehl
Steele	14	Arnold Abbe, President	J. R. Gute
Wabasha	10	John Gengler, Director	Matthias Metz
Waseca	6	Harold Trahms, Director	Roger Wilkowske
Winona	12	Edmund Luehmann, Director	Harry B. Burcalow
Total	146		

The data for 132 farms are shown in the tables on succeeding pages. Fourteen farms were omitted from all averages in the tables because the records were not sufficiently complete for a full summarization or the records were not returned for summarization following completion of income tax schedules.

Because the farmers included in this study are, in general, above the average in managerial ability and operate larger and more productive farms, they have returns materially higher than the average for this section of the state. There were, however, wide variations in the methods and practices followed by these men. It is reasonable to assume that similar variations occur among all farmers in the area. To the extent that this is true, this report would be of value to all farmers and to others interested in agriculture in that it illustrates how farm records may be used as a basis for making an analysis of a farm business and for improving the management of a farm.

Table 1. Summary of Farm Inventories, 1968*

Item	Average of 132 farms	
	Jan. 1	Dec. 31
Size of farm (acres)	294	
Size of business (work units)**	466	
Dairy cows	\$4537	\$4720
Other dairy cattle	3093	3248
Beef cattle (incl. feeders)	1461	1907
Hogs	2792	2868
Sheep (incl. feeders)	94	84
Poultry (incl. turkeys)	116	37
Productive livestock total	<u>\$12093</u>	<u>\$12864</u>
Horses	10	11
Crop, seed and feed	11097	12154
Auto and truck (farm share)	1715	1846
Tractors and crop machinery	10400	11284
Livestock equipment	2857	3033
Machinery and equipment total	<u>\$14972</u>	<u>\$16163</u>
Land	32121	32121
Buildings, fences, etc.	<u>20255</u>	<u>20817</u>
Total farm capital managed	\$90548	\$94130

Item	26 most profitable		26 least profitable	
	Jan. 1	Dec. 31	Jan. 1	Dec. 31
Size of farm (acres)	407		258	
Size of business (work units)**	680		349	
Dairy cows	\$5144	\$5128	\$3164	\$3164
Other dairy cattle	4188	4611	2108	1916
Beef cattle (incl. feeders)	1252	1502	3058	4138
Hogs	5603	5827	1787	1869
Sheep (incl. feeders)	84	59	32	29
Poultry (incl. turkeys)	349	34	80	64
Productive livestock total	<u>\$16620</u>	<u>\$17161</u>	<u>\$10229</u>	<u>\$11180</u>
Horses	0	0	10	10
Crop, seed and feed	15885	19100	9462	8896
Auto and truck (farm share)	2238	2337	1515	1748
Tractors and crop machinery	13361	14514	10808	11471
Livestock equipment	4777	4969	1935	2274
Machinery and equipment total	<u>\$20376</u>	<u>\$21820</u>	<u>\$14258</u>	<u>\$15493</u>
Land	49857	49857	27265	27265
Buildings, fences, etc.	<u>29438</u>	<u>30216</u>	<u>16477</u>	<u>17854</u>
Total farm capital managed	\$132176	\$138154	\$77701	\$80698

* For the purpose of comparison, all the data shown in this report, with the exception of tables 4 and 5, are presented on a full-owner basis. The assets, expenses and receipts of the landlord were included in the records from rented farms.

** See page 15 for an explanation of "work units."

Table 2. Summary of Farm Earnings (Cash Statement), 1968

Item	Average of 132 farms	26 most profitable farms	26 least profitable farms
FARM RECEIPTS			
Dairy cattle sold	\$3552	\$5856	\$2151
Dairy products sold	12492	15980	6900
Beef cattle (incl. feeders) sold	1970	2168	2960
Hogs sold	8166	17733	5360
Sheep and wool sold	108	78	50
Horses sold	-	-	-
Poultry (incl. turkeys) sold	17	44	8
Eggs sold	353	914	199
Corn sold	2492	4828	3219
Soybeans sold	2069	3683	1514
Small grain sold	494	1067	426
Other crops sold	2592	3851	2158
Machinery and equipment sold	440	507	381
Income from work off the farm	976	1965	747
Miscellaneous farm income	886	2128	440
Total farm sales	\$36607	\$60802	\$26513
Increase in farm capital	3582	5978	2997
Family living from the farm	302	343	199
Total farm receipts	\$40491	\$67123	\$29709
FARM EXPENSES			
Dairy cattle bought	\$ 436	\$ 1276	\$ 110
Beef cattle bought (incl. feeders)	967	896	2190
Hogs bought	701	1287	841
Sheep bought	3	-	6
Horses bought	-	-	-
Poultry bought (incl. turkeys)	17	-	5
Miscellaneous livestock expense	1016	1399	605
Feed bought	4125	7745	2814
Fertilizers bought	2179	3295	2237
Other crop expenses	2070	3884	1625
Custom work hired	1429	1789	1147
Gas, oil and grease bought (farm share)	1186	1418	1065
Repair of truck and auto (farm share)	417	535	358
Repair and upkeep of farm real estate	464	567	365
Repair and upkeep of tractor & crop machinery	1016	1258	967
Repair and upkeep of livestock equipment	230	416	172
Wages of hired labor	1172	1891	776
Electricity expense (farm share)	442	622	372
Personal property and real estate taxes	1368	1893	1209
Telephone and general farm expense	586	787	513
Total cash operating expenses	\$19824	\$30958	\$17377
Trucks and autos bought (farm share)	561	687	606
Crop and power machinery bought	3044	4095	2714
Livestock equipment bought	764	1174	747
New real estate and improvements	2035	2992	2696
Total farm purchases	\$26228	\$39906	\$24140
Decrease in farm capital	-	-	-
Interest on farm capital @ 5.5%	5079	7434	4356
Unpaid family labor	812	1104	664
Board furnished hired labor	56	55	56
Total farm expenses	\$32175	\$48499	\$29216
Labor earnings	\$ 8316	\$18624	\$ 493

Table 3. Summary of Farm Earnings (Enterprise Statement), 1968*

Item	Average of 132 farms	26 most profitable farms	26 least profitable farms
RETURNS AND NET INCREASES			
Dairy cows	\$12808	\$16618	\$ 7018
Other dairy cattle	3617	4831	1882
Beef breeding herd	216	46	365
Feeder cattle	1102	1425	1542
Hogs	7572	16710	4634
Sheep - farm flock	96	52	41
Sheep - feeders	-	-	-
Chickens	285	651	194
All productive livestock	<u>\$25696</u>	<u>\$40333</u>	<u>\$15676</u>
Value of feed fed to livestock	13504	20009	10343
Return over feed from livestock	<u>\$12192</u>	<u>\$20324</u>	<u>\$ 5333</u>
Crop, seed and feed	13745	21593	10371
Income from labor off the farm	542	1317	294
Miscellaneous farm income	886	2128	440
Total returns and net increases	<u>\$27365</u>	<u>\$45362</u>	<u>\$16438</u>
EXPENSES AND NET DECREASES			
Horses	\$ 1	\$ -	\$ 3
Truck	419	622	326
Auto (farm share)	619	717	578
Electricity (farm share)	442	622	372
Hired power	956	1205	773
Tractors and crop machinery	3393	4456	3137
Livestock equipment	727	1189	539
Buildings, fencing, and tiling	1931	2780	1664
Miscellaneous productive livestock expense	1016	1399	605
Labor	2512	3634	1870
Real estate taxes	1365	1892	1209
Personal property taxes	3	1	-
General farm expense and telephone	586	787	513
Interest on farm capital @ 5.5%	5079	7434	4356
Total expenses and net decreases	<u>\$19049</u>	<u>\$26738</u>	<u>\$15945</u>
Labor earnings	\$ 8316	\$18624	\$ 493

* Cash receipts and expenses are adjusted for changes in inventory for each enterprise and for each item of expense in order to show total receipts and net increases, and total expenses and net decreases. The labor earnings are the same as those on page 4.

Table 4. Net Worth Statement for Those Farmers Who Kept a Complete Record of All Assets and Liabilities, 1968 (Operator's Share)

Item	30 Owners	
	Jan. 1	Dec. 31
Total acres in farm	238	
Acres owned	238	
Acres rented	-	
Total farm capital	\$68847	\$71397
Stocks and bonds	5604	9468
Life insurance cash value	3447	3976
Notes and accounts receivable	1738	1795
Shares in cooperative organizations	1195	1237
Outside real estate	1162	1166
Cash on hand and in bank	6467	4966
Household furnishings and clothing	3064	3271
Personal share of auto and truck	726	849
Farm dwelling	5680	5858
Total non-farm assets	\$29083	\$32586
Total assets	\$97930	\$103983
Mortgages on farm operated	19120	19596
Mortgages on other real estate	524	511
Chattel mortgages	7992	8126
Notes payable	3144	4050
Accounts payable	942	557
Total liabilities	\$31722	\$32840
Farmer's net worth	\$66208	\$71143
Change in net worth		\$ 4935

Item	21 Part-owners		6 renters	
	Jan. 1	Dec. 31	Jan. 1	Dec. 31
Total acres in farm	352		203	
Acres owned	217		-	
Acres rented	135		203	
Total farm capital	\$83232	\$96353	\$26581	\$25904
Stocks and bonds	2545	2724	2296	3284
Life insurance cash value	3249	4213	2591	3124
Notes and accounts receivable	263	206	-	-
Shares in cooperative organizations	1674	1780	1611	1643
Outside real estate	695	429	2151	2151
Cash on hand and in bank	4446	3683	1014	1264
Household furnishings and clothing	3644	3828	3404	3425
Personal share of auto and truck	666	620	551	442
Farm dwelling	5547	5941	-	-
Total non-farm assets	\$ 22729	\$ 23424	\$13618	\$15333
Total assets	\$105961	\$119777	\$40199	\$41237
Mortgages on farm operated	23518	29255	-	-
Mortgages on other real estate	-	-	-	-
Chattel mortgages	11200	13197	9958	10705
Notes payable	9822	7891	3932	3593
Accounts payable	1447	1459	5099	5212
Total liabilities	\$45987	\$51802	\$18989	\$19510
Farmer's net worth	\$59974	\$67975	\$21210	\$21727
Change in net worth		\$ 8001		\$ 517

Table 5. Summary of Farm Earnings by Tenure, 1968 (Operator's Share)

Item	66 Owners	45 Part- owners	9 Renters
FARM RECEIPTS			
Dairy cattle sold	\$ 3218	\$ 4105	\$ 2340
Dairy products sold	12013	13942	7975
Beef cattle sold (incl. feeders)	1839	2565	-
Hogs sold	8502	6794	2693
Sheep and wool sold	102	93	33
Horses sold	1	-	-
Poultry sold (incl. turkeys)	28	7	-
Eggs sold	378	392	28
Corn sold	1561	3386	1881
Soybeans sold	1191	2656	415
Small grain sold	254	465	116
Other crops sold	2424	2512	1374
Machinery and equipment sold	400	470	474
Income from work off the farm	933	815	1659
Miscellaneous farm income	650	1153	334
(1) Total farm sales	<u>\$33494</u>	<u>\$39355</u>	<u>\$19322</u>
(2) Increase in farm capital	2342	9811	1615
(3) Family living from the farm	285	307	420
(4) Total farm receipts (1)+(2)+(3)	<u>\$36121</u>	<u>\$49473</u>	<u>\$21357</u>
FARM EXPENSES			
Dairy cattle bought	\$ 238	\$ 781	\$ 142
Beef cattle bought (incl. feeders)	985	1217	-
Hogs bought	537	1056	103
Sheep bought (incl. feeders)	5	3	-
Horses bought	1	-	-
Poultry bought (incl. turkeys)	15	12	-
Miscellaneous livestock expense	953	1079	638
Feed bought	4250	4194	1705
Fertilizers bought	1920	2525	888
Other crop expenses	1695	2152	790
Custom work hired	1322	1683	840
Gas, oil and grease bought (farm share)	1061	1292	867
Repair and upkeep of power and crop machinery	1259	1628	1074
Repair and upkeep of real estate	460	461	116
Repair and upkeep of livestock equipment	225	248	112
Wages of hired labor	1014	1461	560
Electricity expense (farm share)	400	475	277
Real estate and personal property taxes	1153	958	-
Cash rent	48	1829	2108
General farm expense	564	598	345
Interest paid	1670	2013	529
Total cash operating expense	<u>\$19775</u>	<u>\$25665</u>	<u>\$11094</u>
Trucks and autos bought (farm share)	527	583	267
Crop and power machinery bought	2177	3593	1343
Livestock equipment bought	690	706	945
Farm purchase and real estate improvements	2020	7158	543
(5) Total farm purchases	<u>\$25189</u>	<u>\$37705</u>	<u>\$14192</u>
(6) Decrease in farm capital	-	-	-
(7) Interest on operator's farm capital	2502	2695	859
(8) Unpaid family labor	243	354	276
(9) Board furnished hired labor	41	91	27
(10) Total farm expenses (5)+(6)+(7)+(8)+(9)	<u>\$27975</u>	<u>\$40845</u>	<u>\$15354</u>
(11) Labor earnings (4)-(10)	\$ 8146	\$ 8628	\$ 6003
(12) Return to capital and family labor (7)+(8) +(11)	\$10891	\$11677	\$ 7138

Table 6. Household and Personal Expenses for Those Farms which Kept Complete Accounts of these Expenses, 1968

Item	Average of 58 farms	12 high in return to cap. and fam. labor	12 low in return to cap. and fam. labor
Number of persons - family	4.7	5.5	4.1
Number of adult equivalent - family	4.0	4.8	3.4
- other*	.2	.2	.1
EXPENSES			
Food and meals bought	\$1391	\$1780	\$1202
Operating and supplies	385	404	369
Furnishings and equipment	452	712	316
Clothing and clothing materials	546	671	412
Personal care and spending	158	209	178
Education	338	802	167
Recreation	366	568	115
Gifts and special events	274	451	166
Medical and hospital expenses	768	1017	651
Church and welfare	389	578	211
Personal share of auto expense	283	274	217
Upkeep on dwelling	89	112	75
Personal share of tel. and elec. expense	<u>165</u>	<u>165</u>	<u>152</u>
Total cash living expense	\$5604	\$7743	\$4231
Personal share of new auto	201	372	193
New dwelling	312	1361	64
Taxes	659	1639	184
Life insurance	895	1502	590
Other savings and investments	<u>1744</u>	<u>6320</u>	<u>314</u>
Total household and pers. cash expense	\$9415	\$18937	\$5576
Family living from the farm	\$ 305	\$ 313	\$ 199
Total cash expenses and perquisites	\$9720	\$19250	\$5775
RECEIPTS			
Return to capital and family labor	\$11856	\$25439	\$3594
Income from outside investments	415	739	369
Other personal income	578	294	1515

* Hired help or others boarded.

Table 7. Family Living from the Farm, 1968

Item	Average of 132 farms	Average of 132 farms
Number of adult equivalents - family	3.9	
- other*	-	
Whole milk	1092 qts.	\$106
Cream	14 pts.	5
Cattle	695 lbs.	149
Hogs	174 lbs.	32
Sheep	4 lbs.	-
Poultry	15 lbs.	2
Eggs	27 doz.	<u>8</u>
Total		\$302

* Hired help or others boarded.

CUMULATIVE EFFECT OF EXCELLING IN A NUMBER OF MANAGEMENT FACTORS

Studies of earnings of farmers in this area show that there are seven major management factors causing variations in earnings among farmers within a given year. These seven factors are (1) crop yields, (2) choice of crops, (3) returns from livestock, (4) amount of livestock, (5) size of business, (6) work accomplishments per worker, and (7) control over expenses.¹ The combined or cumulative influence of these seven management factors on earnings is shown in Table 8. The farmer's earnings are determined to a considerable extent by his accomplishments in these seven factors.

Table 8. Relation of Labor Earnings to the Number of Factors in which the Farmer Excels

Number of factors in which farmer excels	No. of farms	Your farm	The length of the shaded lines is in proportion to the average operator's labor earnings	Average labor earnings
0 or 1	17	_____	XXXX	\$ 2176
2 or 3	46	_____	XXXXXXXXXXXXXX	5876
4 or 5	56	_____	XXXXXXXXXXXXXXXXXXXXXX	10056
6 or 7	13	_____	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	17479

The array in Table 8 indicates that it will be worth while for each cooperator to study carefully his ranking on pages 10 and 11, and learn his standing in respect to each of the above factors and the elements of strength and weakness in his farm business.

1. Pond, G. A., and Nodland, T. R., "Some Factors Affecting Earnings of Farmers in Southeastern Minnesota, 1950-1959." University of Minnesota Department of Agricultural Economics Report No. 261, December 1961.

Table 9. Measures of Farm Organization and Management Efficiency, 1968

Measures used in chart on page 11	Average of 132 farms	26 most profitable farms	26 least profitable farms
Labor earnings	\$8316	\$18624	\$ 493
Crop yields*	100	114	93
Percent tillable land in high return crops**	61.2	62.1	66.2
Return for \$100 feed to prod. livestock***	100	112	84
Productive livestock units per 100 acres****	32.7	39.0	29.3
Size of business - work units	466	680	349
Work units per worker	274	358	233
Power, machinery, equipment, building expense per work unit	\$20.81	\$18.71	\$27.77
Items related to some of the above measures:			
Index of return for \$100 feed from:			
Dairy cattle (see pages 16 and 17)	100	113	86
Beef cattle - breeding herd (see page 19)	100	-	67
Beef cattle - feeders (see page 20)	100	103	69
Hogs (see page 18)	100	112	84
Sheep - farm flock (see page 21)	100	-	-
Chickens (see page 22)	100	100	94
Number of animal units	80.3	116.7	66.8
Work units on crops	119	163	111
Work units on productive livestock	282	386	188
Other work units	65	131	50
Number of family workers	1.3	1.3	1.2
Number of hired workers	.4	.6	.3
Total number of workers	1.7	1.9	1.5
Power & crop machinery expense per work unit	\$14.66	\$12.43	\$20.22
Livestock equipment expense per work unit	1.50	1.83	1.47
Building & fencing expense per work unit	4.65	4.45	6.08
Number of crop acres	214	292	197
Power & machinery expense per crop acre	\$16.34	\$15.95	\$16.55

* Given as a percentage of the average.

** Crops are marked in table 10 as A, B, C, and D. All of acres in A crops, one-half of acres in B crops, and one-fourth of acres in C crops are used in calculating percent of tillable land in high return crops.

*** An index weighted by the animal units of livestock.

**** Acres in timber not pastured, roads, waste and farmstead were not included.

Using your figures from page 10, locate your standing with respect to the various measures of farm organization and management efficiency. The average for the 132 farms included in this summary are located between the dotted lines across the center of this page.

	Labor earn- ings	Crop yields	High return crops	Return from prod. lvstk.	Pr. LS units per 100 A	Work units	Work units per worker	Pow,mach, eq,bldg exp. per WU
\$20300	140	85.0	140	65.0	865	475	\$5.00	
18800	135	82.0	135	61.0	815	450	7.00	
17300	130	79.0	130	57.0	765	425	9.00	
15800	125	76.0	125	53.0	715	400	11.00	
14300	120	73.0	120	49.0	665	375	13.00	
12800	115	70.0	115	45.0	615	350	15.00	
11300	110	67.0	110	41.0	565	325	17.00	
9800	105	64.0	105	37.0	515	300	19.00	
.....	
8300	100	61.0	100	33.0	465	275	21.00	
.....	
6800	95	58.0	95	29.0	415	250	23.00	
5300	90	55.0	90	25.0	365	225	25.00	
3800	85	52.0	85	21.0	315	200	27.00	
2300	80	49.0	80	17.0	265	175	29.00	
800	75	46.0	75	13.0	215	150	31.00	
-700	70	43.0	70	9.0	165	125	33.00	
-2200	65	40.0	65	5.0	115	100	35.00	

Table 10. Distribution of Acres in Farm, 1968

Item	Crop ratings*	Number growing this crop	Average of 132 farms	Ave. per farm raising each crop
Canning peas	B	14	3.2	29.8
Wheat	C	32	3.3	13.8
Oats for silage	C	7	1.3	23.8
Oats for grain	D	102	19.8	25.7
Barley	D	16	3.1	25.6
Other small grains	D or C	1	.2	20.0
Total small grains and peas		121	30.9	33.6
Corn grain	A	131	84.7	85.4
Soybeans for grain	B	76	39.2	68.0
Sweet corn	B	18	7.8	57.6
Corn silage	B	75	9.6	17.9
Total cultivated crops		132	141.3	141.3
Alfalfa hay	B	116	39.5	44.9
Other legume hay	C	1	-	5.0
Other tame hay	D	1	-	6.0
Annual hay	D	10	1.0	13.5
Total tillable land in hay			40.5	45.4
Alfalfa pasture	B	62	9.7	20.6
Other tillable pasture	D	13	.9	8.9
Total tillable land in pasture		67	10.6	20.8
Feed grain program (diverted acres)	B	76	22.1	38.4
Tillable land not cropped	D	9	1.5	22.1
Total tillable land		132	246.9	246.9
Wild hay		17	1.2	9.1
Non-tillable pasture		75	19.1	33.6
Timber not pastured		53	8.2	20.5
Roads and waste			10.9	
Farmstead			7.8	
Total acres in farm			294.1	
Percent land tillable			83.9	
Percent tillable land in high return crops			61.2	

* A, B, C, and D refer to ranking used in calculating percent of tillable land in high return crops.

Table 11. Crop Yields per Acre, 1968

Item	Average of farms growing each crop
Canning peas, dollars	\$73.30
Wheat, bu.	37.6
Oats for silage, tons	7.7
Oats for grain, bu.	62.7
Barley, bu.	52.7
Corn grain, bu.	88.7
Soybeans, bu.	26.8
Sweet corn, tons	4.5
Corn silage, tons	14.8
Alfalfa hay, tons	3.3
Other legume hay, tons	4.0
Annual hay, tons	2.8
Feed grain program, dollars	\$60.56

Table 12. Average Price of Feeds, 1968

Item	Value	Item	Value
Ear corn, per bu.	\$1.02	Alfalfa hay, per ton	\$20.00
Oats, per bu.	.62	Timothy hay, per ton	11.60
Barley, per bu.	.96	Wild hay, per ton	10.00
Wheat, per bu.	1.50	Corn silage, per ton	7.25
Soybean meal, per cwt.	5.10	Pasture, per month per cow	4.00

Table 13. Return Above Listed Costs per Acre of Crops, 1968

Item	Corn grain	Corn silage	Soybeans
Number of farmers reporting	86	47	51
Yield per acre	89.7 bu.	14.9 tons	28.2 bu.
Price per unit	\$1.00	\$7.50	\$2.40
Total return	\$89.70	\$110.99	\$67.64
Fertilizer	\$16.27	\$16.07	\$ 1.42
Seeds, herbicides, etc.	<u>11.51</u>	<u>10.19</u>	<u>7.18</u>
Total listed costs	\$27.78	\$26.26	\$ 8.60
Return above listed costs	\$61.92	\$84.73	\$59.04

Item	Alfalfa hay	Oats	Wheat
Number of farmers reporting	73	51	14
Yield per acre	3.5 tons	84.6 bu.	48.6 bu.
Price per unit	\$21.00	\$.60	\$1.50
Total return	\$73.29	\$50.74	\$72.94
Fertilizer	\$ 3.03	\$ 2.61	\$ 6.01
Seeds, herbicides, etc.	<u>6.34</u>	<u>3.85</u>	<u>3.70</u>
Total listed costs	\$ 9.37	\$ 6.46	\$ 9.71
Return above listed costs	\$63.92	\$44.28	\$63.23

EXPLANATION OF "WORK UNITS" AND "ANIMAL UNITS"

The total "work units" for any one farm is a measure of the size of that farm business. A work unit as used in this report is the average accomplishment of a farm worker, in a ten hour day, working on crops and productive livestock at average efficiency, or ten hours of work off the farm for pay. The number of work units for each class of livestock and each acre of crop are presented in Table 14.

Table 14. Number of Work Units for Each Class of Livestock and Each Acre of Crop

Item	Number of work units	Item	Number of work units
Dairy cows	7.0 per cow	Small grain	.3 per acre
Other dairy cattle	1.5 per head	Sugar beets	1.5 per acre
Beef breeding herd	1.5 per cow	Sweet corn	.7 per acre
Feeder cattle	.12 per 100 lbs.	Corn husked	.6 per acre
Sheep, farm flock	.6 per ewe	Corn silage	1.0 per acre
Sheep, feeders	.3 per 100 lbs.	Corn fodder	1.0 per acre
Hogs	.12 per 100 lbs.	Potatoes	4.0 per acre
Turkeys	.1 per 100 lbs.	Alfalfa hay	.6 per acre
Hens	10.0 per 100 hens	Soybean hay	.6 per acre
Canning peas	.5 per acre	Other hay crops	.4 per acre
Soybeans for grain	.5 per acre	Labor off the farm	1.0 per \$15

An animal unit represents one dairy cow or bull, two other dairy cattle, $1\frac{1}{4}$ beef cows or bull, 1 feeder steer or heifer, $3\frac{1}{3}$ other beef cattle, 7 sheep, 14 lambs, $2\frac{1}{2}$ hogs, 5 pigs, 50 hens or 1,100 pounds of turkeys produced.

Table 15. Factors of Costs and Returns from Dairy Cows, 1968

Item	Average of 89 farms	18 farms highest in butterfat per cow	18 farms lowest in butterfat per cow
Pounds of milk per cow	11397	13730	8290
Percent of butterfat in milk	3.8	3.7	3.9
Pounds of butterfat per cow	426	509	319
Price received per pound of BF sold	\$1.22	\$1.24	\$1.17
Price received per cwt. milk sold	4.59	4.60	4.57
Value of produce per cow:			
Dairy product sales	\$510.35	\$619.44	\$364.14
Dairy produce used in home	5.41	4.57	7.97
Milk fed to livestock	4.00	5.44	2.97
Net increase in value of cows	6.83	7.82	2.66
TOTAL VALUE PRODUCED	<u>\$526.59</u>	<u>\$637.27</u>	<u>\$377.74</u>
Feed cost per cow:			
Concentrates	\$120.42	\$144.39	\$100.41
Roughages	90.95	96.77	78.52
Pasture	10.50	10.01	13.68
TOTAL FEED COST	<u>\$221.87</u>	<u>\$251.17</u>	<u>\$192.61</u>
RETURN ABOVE FEED COST PER COW	\$304.72	\$386.10	\$185.13
RETURNS FOR \$100 OF FEED	\$243	\$258	\$213
Feeds per cow, lbs.:			
Corn	4152	4694	3773
Small grain	666	937	547
Commercial feeds	570	800	354
Total concentrates	5388	6431	4674
Total hay	6584	6692	6336
Silage	7107	8310	4542
Feed cost per pound of butterfat	\$.52	\$.49	\$.60
Feed cost per cwt. of milk	1.95	1.83	2.32
Number of cows*	35.3	38.5	28.1

* All dairy cows which have at some time in the past freshened are included in the dairy herd, and affect the average number of cows used in computing this table. There is some variation in the number of months of dry period per cow; however, this variation is small for the majority of farms.

Table 16. Feed Costs and Returns from Other Dairy Cattle, 1968

Item	Average of 89 farms	18 farms highest in butterfat per cow	18 farms lowest in butterfat per cow
NET INCREASE IN VALUE OF OTHER DAIRY CATTLE	\$112.24	\$133.35	\$ 89.13
TOTAL FEED COSTS PER HEAD	\$ 66.73	\$ 74.41	\$ 58.27
RETURNS ABOVE FEED COST PER HEAD	\$ 45.51	\$ 58.94	\$ 30.86
RETURNS FOR \$100 OF FEED	\$174	\$189	\$155
Feed per head, lbs.:			
Concentrates	1107	1262	1139
Hay	2426	2396	1984
Silage	2086	2599	1385
Whole milk	72	95	62
Number of head of other dairy cattle	45.8	51.6	32.0

Table 17. Feed Costs and Returns from All Dairy Cattle, 1968

Item	Average of 89 farms	18 farms highest in butterfat per cow	18 farms lowest in butterfat per cow
Value of produce per cow:			
Dairy products	\$515.76	\$624.01	\$372.12
Net increase in value of dairy cattle	<u>151.56</u>	<u>183.01</u>	<u>105.43</u>
TOTAL VALUE PRODUCED	\$667.32	\$807.02	\$477.55
TOTAL FEED COSTS PER COW	\$305.61	\$345.00	\$262.60
RETURNS ABOVE FEED COST PER COW	\$361.71	\$462.02	\$214.95
RETURNS FOR \$100 OF FEED	\$223	\$238	\$192
Feed per cow, lbs.:			
Concentrates	6867	8154	6120
Hay	9731	9639	8880
Silage	9924	12424	6221
Miscellaneous costs per cow	\$31.83	\$34.09	\$26.43

Table 18. Feed Costs and Returns from Hogs, 1968

Item	57 farms with breeding stock			12 farms with purchased feeder pigs
	Average of 69 farms	11 farms highest returns above feed	11 farms lowest returns above feed	
Pounds of hogs produced	79623	84245	31336	57664
Net increase in value per cwt. produced	\$17.75	\$18.36	\$16.92	\$14.86
Feed cost per cwt. produced	<u>11.54</u>	<u>11.64</u>	<u>16.08</u>	<u>11.06</u>
Return above feed cost per cwt. produced	\$ 6.21	\$ 6.72	\$.84	\$ 3.80
RETURNS FOR \$100 OF FEED	\$161	\$166	\$112	\$137
Price received per cwt. sold	\$18.84	\$18.77	\$18.66	\$19.18
Weight per hog sold	235	237	237	226
Miscellaneous costs per cwt. produced	\$.47	\$.54	\$.70	\$.10
Feed per cwt. hogs produced, lbs.:				
Corn	367	370	288	353
Small grain	32	33	32	25
Commercial feeds	<u>70</u>	<u>71</u>	<u>56</u>	<u>67</u>
Total concentrates	469	474	376	445
Total number of litters raised	40.9	49.5	72.6	-
Number of pigs born per litter	9.0	9.0	8.9	-
Number of pigs weaned per litter	7.4	7.4	7.3	-
Number of feeder pigs purchased	69	23	8	288
Total weight of feeders purchased	2773	1113	436	10657
Price paid per feeder pig	\$16.04	\$16.11	\$16.20	\$15.97

Table 19. Feed Costs and Returns from Beef Breeding Herd, 1968

Item	Average of 7 farms
TOTAL VALUE PRODUCED PER COW	\$138.55
Feed cost per cow:	
Concentrates	\$32.18
Roughages	37.18
Pasture	38.99
TOTAL FEED COST	<u>\$108.35</u>
RETURNS ABOVE FEED COST PER COW	\$ 30.20
RETURNS FOR \$100 OF FEED	\$147
Feed per cow, lbs.:	
Concentrates	1578
Hay	2875
Silage	2410
Pounds of beef produced	13017
Number of cows	27.2
Number of other beef cattle	23.8

Table 20. Feed Costs and Returns from Feeder Cattle, 1968

Item	Average of 18 farms
Pounds of beef produced	32080
NET INCREASE IN VALUE OF FEEDERS PER CWT. OF BEEF PRODUCED	\$25.62
Feed cost per cwt. beef produced:	
Concentrates	\$12.93
Roughages	7.24
Pasture	1.00
TOTAL FEED COST	<u>\$21.17</u>
RETURNS ABOVE FEED COST PER CWT. BEEF PRODUCED	\$ 4.45
RETURNS FOR \$100 OF FEED	\$129
Miscellaneous costs per cwt. of beef produced	\$.30
Feed per cwt. beef produced, lbs.:	
Corn	576
Small grain	16
Commercial feeds	33
Total concentrates	625
Total hay	479
Silage	686
Price paid per cwt. of beef bought	\$27.18
Price received per cwt. of feeder cattle sold	24.51
Number of animal units	64.5

Table 21. Feed Costs and Returns from a Farm Flock of Sheep, 1968

Item	Average of 8 farms
Value of produce per ewe:	
Wool	\$ 6.48
Net increase in value of sheep	<u>24.98</u>
TOTAL VALUE PRODUCED	\$31.46
Feed cost per ewe:	
Concentrates	\$ 7.95
Roughages	9.74
Pasture	<u>5.60</u>
TOTAL FEED COSTS	\$23.29
RETURNS ABOVE FEED COST PER EWE	\$ 8.17
RETURNS FOR \$100 OF FEED	\$146
Feeds per ewe, lbs. :*	
Concentrates	237
Hay	964
Silage	28
Price received per cwt. of lambs sold	\$25.86
Price received per pound of wool sold	.59
Pounds of wool per sheep sheared	10.8
Percent lamb crop**	95
Percent death loss**	5.8
Pounds of sheep produced	3044
Number of ewes	41.5

* Includes feeds and returns from lambs.

** Lambs which die during month of birth are not included.

Table 22. Feed Costs and Returns from Chickens, 1968*

Item	Average of 14 farms	7 farms highest in return above feed	7 farms lowest in return above feed
Value of produce per hen:			
Eggs sold and used in house	\$4.65	\$5.44	\$3.85
Net increase in value of chickens	<u>-.77</u>	<u>-.73</u>	<u>-.80</u>
TOTAL VALUE PRODUCED	\$3.88	\$4.71	\$3.05
TOTAL FEED COST PER HEN	\$3.05	\$2.85	\$3.24
RETURNS ABOVE FEED COST PER HEN	\$.83	\$1.86	\$-.19
RETURNS FOR \$100 OF FEED	\$ 133	\$ 169	\$ 97
Miscellaneous costs per hen	\$.07	\$.08	\$.02
Feed per hen, lbs.:			
Grain	71	72	70
Commercial feeds	<u>34</u>	<u>30</u>	<u>38</u>
Total concentrates	105	102	108
Price received per dozen eggs sold	\$.25	\$.28	\$.23
Eggs laid per hen	218	236	200
Feed costs per dozen eggs produced	\$.17	\$.15	\$.20
Average number of hens on farm during year	664	633	695
Percent death loss of hens	13.0	12.4	13.7
Number of chicks bought	229	293	164
Number of hens bought	80	149	10

* Includes feeds and returns from laying flock and rearing flock.

Table 23. Summary by Years

Item	Average 1935-39	Average 1940-44	Average 1945-49	Average 1950-54	Average 1955-59	Average 1960-64	1965	1966	1967	1968
Number of farms	149	177	169	162	165	158	149	147	130	132
Acres in farm	218	227	223	226	235	256	269	273	280	294
Crop acres in farm	147	148	148	155	162	178	188	192	207	214
Farm inventory	\$20286	\$25912	\$31402	\$42663	\$49342	\$60988	\$68438	\$74331	\$82474	\$92339
FARM EXPENSES										
Cattle bought	\$ 213	\$ 441	\$ 485	\$ 902	\$1148	\$1450	\$ 852	\$1158	\$1088	\$1403
Hogs bought	72	154	194	202	258	386	383	377	526	701
Sheep bought	94	64	64	35	143	88	4	5	18	3
Poultry bought	80	142	176	154	124	154	102	186	189	17
Horses bought	43	32	14	6	6	2	2	1	1	-
Miscellaneous livestock expense	94	124	228	359	530	731	807	855	943	1016
Commercial fertilizers bought	-	-	-	-	877	1085	1469	1787	2388	2179
Miscellaneous crop expense	222*	301*	701*	1010*	651	926	1382	1665	1764	2070
Feed bought	535	1273	1954	2241	2747	3735	3957	4812	4266	4125
Custom work hired	-	165	401	552	745	857	962	1083	1354	1429
Power, mach. & equip. (new & upkp)	907	1253	2687	3609	4261	4764	5761	7279	7513	7660
Buildings (new)	245	331	778	983	982	1229	1475	1256	2989	2035
Buildings (upkeep)	79	188	323	368	320	344	378	428	424	464
Hired labor	398	585	849	857	878	922	997	1079	1075	1172
Taxes	240	271	392	633	861	1301	1513	1611	1740	1368
General farm expense	76	84	150	239	316	409	472	506	525	586
Total farm purchases	\$3298	\$5408	\$9396	\$12150	\$14847	\$18383	\$20516	\$24088	\$26803	\$26228
Decrease in farm capital	-	-	-	-	-	-	-	-	-	-
Board to hired labor	145	158	174	166	134	101	84	71	56	56
Interest on farm capital	1014	1296	1570	2133	2467	3049	3422	3717	4536	5079
Unpaid family labor	239	326	511	496	540	629	836	836	799	812
Total farm expense	\$4696	\$7188	\$11651	\$14945	\$17988	\$22162	\$24858	\$28712	\$32194	\$32175

* Includes fertilizer.

Table 23. Summary by Years (continued)

Item	Average 1935-39	Average 1940-44	Average 1945-49	Average 1950-54	Average 1955-59	Average 1960-64	1965	1966	1967	1968
FARM RECEIPTS										
Cattle	\$ 713	\$1335	\$2022	\$2981	\$3532	\$4749	\$4669	\$4894	\$5403	\$5522
Dairy products	1451	2138	4080	4702	6032	8105	9582	10455	11847	12492
Hogs	1074	2517	3598	4253	4653	5961	6360	8568	7658	8166
Sheep and wool	200	186	232	171	272	222	89	98	98	108
Poultry	381	629	672	354	212	88	135	181	61	17
Eggs	372	751	1319	1297	1075	1015	901	1316	828	353
Horses	55	34	20	14	8	4	1	5	1	-
Corn	153	121	335	766	1926	1594	1649	1926	2681	2492
Soybeans*	-	-	-	-	-	-	-	1660	2309	2069
Small grain	357	278	659	495	481	624	446	371	608	494
Other crops*	174	455	819	853	1334	2181	3421	2272	1483	2592
Income from labor off the farm	168	141	178	182	269	239	343	362	411	542
Miscellaneous farm income	477	536	528	684	729	882	1005	1027	1463	1760
Total farm sales	\$5575	\$9121	\$14462	\$16752	\$20523	\$25664	\$28601	\$33135	\$34851	\$36607
Increase in farm capital	524	921	1411	1905	941	601	3604	5006	2501	3582
Family living from the farm	273	566	715	620	304	307	293	321	318	302
Total farm receipts	\$6372	\$10608	\$16588	\$19277	\$21768	\$26572	\$32498	\$38462	\$37670	\$40491
Total farm expenses	4696	7188	11651	14945	17988	22162	24858	28712	32194	32175
Labor earnings	\$1676	\$ 3420	\$ 4937	\$ 4332	\$ 3780	\$ 4410	\$ 7640	\$ 9750	\$ 5476	\$ 8316
MISCELLANEOUS ITEMS										
Yield per acre:										
Corn (bu.)	47.2	55.7	47.6	59.8	73.1	72.4	72.1	91.0	83.8	88.7
Barley (bu.)	28.7	24.8	30.8	29.1	41.4	44.9	54.9	44.1	58.3	52.7
Oats (bu.)	43.4	44.2	48.2	32.8	58.3	58.3	69.7	61.7	59.7	62.7
Alfalfa (tons)	2.3	2.4	2.3	2.7	2.9	3.0	2.7	3.4	3.3	3.3
Soybeans (bu.)	16.2	13.4	16.4	19.6	24.8	23.6	20.5	26.4	23.1	26.8
Percent till. land in high ret. crops	41.0	43.3	50.9	62.8	62.7	60.1	58.6	58.9	61.6	61.2
Animal units of livestock per 100 acres	19.3	24.5	22.8	28.9	33.7	36.4	33.3	38.5	34.3	32.7
Number of work units	777	670	601	535	486	548	561	577	457	466
Work units per worker	341	305	300	284	274	318	330	361	286	274
Expense per work unit	\$1.37	\$2.35	\$4.69	\$8.18	\$10.81	\$11.61	\$12.94	\$13.76	\$18.77	\$20.81
Number of milk cows	17.8	17.6	17.0	17.7	19.8	22.2	24.0	23.4	24.5	23.9

* "Other crops" include soybeans 1935 through 1965.

Table 23. Summary by Years (concluded)

Item	Average 1935-39	Average 1940-44	Average 1945-49	Average 1950-54	Average 1955-59	Average 1960-64	1965	1966	1967	1968
MISCELLANEOUS ITEMS (continued)										
Number of litters of pigs	9.5	14.4	11.7	13.5	17.3	19.4	17.2	20.5	20.3	21.4
Pounds of hogs produced	13438	21586	18505	17579	28272	36619	30933	36834	36108	41717
Pounds of feeder cattle produced	*	1534	813	2118	3529	5573	3955	4469	3899	4430
Number of head of ewes	*	10	7	7	5	4	4	4	4	3
Number of hens	182	222	235	219	209	197	191	218	168	72
Pounds of BF per dairy cow	238	252	278	308	342	375	415	401	416	426
Pigs weaned per litter	6.4	6.2	6.5	6.7	6.9	7.1	7.5	7.3	7.1	7.4
Number of eggs laid per hen	131	145	177	194	203	205	186	198	215	218
PRICE RECEIVED PER:										
Cwt. of milk	*	*	*	*	*	\$3.48	\$3.58	\$4.17	\$4.39	\$4.59
Pound of BF as cream	\$.34	\$.47	\$.80	\$.75	\$.66	-	-	-	-	-
Cwt. of hogs sold	8.26	10.93	19.36	19.54	15.99	15.55	20.32	23.06	19.03	18.84
Cwt. of feeder cattle sold	*	11.55	20.56	26.22	21.19	22.61	21.67	22.78	23.60	24.51
Pound of wool sold	.25	.39	.43	.58	.50	.62	.58	.68	.48	.59
Dozen of eggs sold	.19	.27	.39	.37	.31	.28	.26	.33	.24	.25
RETURN ABOVE FEED COST PER:										
Dairy cow	\$49.95	\$81.83	\$161.27	\$156.86	\$162.86	\$183.05	\$199.71	\$230.01	\$275.08	\$304.72
Cwt. of hogs produced	2.98	3.93	6.09	6.47	4.62	4.57	12.13	7.85	5.70	6.21
Ewe	*	6.97	11.16	9.47	6.18	5.40	8.85	8.64	4.12	8.17
Hen	1.12	1.82	2.11	1.60	1.39	1.27	.39	1.34	.23	.83
Cwt. of feeder cattle produced	*	2.98	6.40	7.37	4.76	1.78	7.06	1.03	1.61	4.45
FEED COST PER:										
Dairy cow	\$44.93	\$63.13	\$123.22	\$142.59	\$147.05	\$169.62	\$200.19	\$216.61	\$212.34	\$221.87
Cwt. of hogs produced	5.10	7.52	13.23	12.95	10.65	10.65	11.39	12.69	11.70	11.54
Ewe	*	7.92	8.07	10.73	11.17	13.46	16.00	15.56	18.81	23.29
Hen	1.57	2.38	4.39	4.76	3.78	3.28	3.31	3.71	3.37	3.05
Cwt. of feeder cattle produced	*	11.80	23.08	19.46	18.83	19.10	20.44	23.15	21.10	21.17
PRICE OF FEED:										
Corn (per bu.)	\$.59	\$.71	\$1.29	\$1.31	\$1.11	\$.99	\$1.13	\$1.19	\$1.12	\$1.02
Barley (per bu.)	.49	.59	1.31	1.16	.92	.91	.98	1.02	1.04	.96
Oats (per bu.)	.28	.46	.75	.74	.59	.61	.63	.66	.64	.62
Oilmeal (per cwt.)	2.12	2.30	3.84	4.19	3.73	4.36	4.60	5.25	5.00	5.10
Alfalfa (per ton)	9.30	9.90	18.40	18.30	18.20	19.40	23.00	21.00	20.00	20.00

* Information not available.

Footnote for pages 23, 24, 25.

In 1936, the values of land were adjusted upward 10 percent. The value of dairy cows was also adjusted upward in 1936. The capital gains were not included in the inventory changes in the financial statement.

The charges for unpaid family labor and board for hired labor were also changed from year to year. The rates for the period 1935 to 1968 are as follows.

Year	Unpaid family labor	Board for hired labor	Year	Unpaid family labor	Charge for 2nd operator	Board for hired labor
1935	\$40	\$15	1946	\$100	\$100	\$30
1936	43	18	1947-55	125	125	36
1937-40	45	18	1956-60	135	135	38
1941	50	20	1961-64	150	200	40
1942	60	25	1965	160	275	45
1943	75	25	1966	160	300	45
1944	85	25	1967	160	300	45
1945	90	25	1968	160	300	45

Several changes were made in the 1940 records. The value of the house, which had previously been omitted from the farm business, was included and a rental charge equal to 10 percent of the average value of the house was included with the farm perquisites. The standards used in the calculation of work units were changed in accordance with the new information made available. This latter change also affected the work units per worker and the factor of expense per work unit. The acres in protected woodlots, roads, waste, and farmstead were omitted from the acreage used in the calculation of amount of livestock per 100 acres. Several new livestock statements were added. Statements for beef breeding cattle, feeder cattle, and feeder sheep were also included.

The crop ratings used in calculating the percentage of the tillable land in high return crops were changed considerably in 1944 and 1957 and the animal unit equivalents were changed in 1951.

The standards used in the calculation of work units were changed in 1953 and in 1967. Also, the value of the house, which had been included in the investment of farm buildings since 1940, was omitted from all the records except the net worth statements in 1953.

In calculating labor earnings, interest on farm capital was charged at the rate of 5 percent until 1967, when the rate was changed to 5.5 percent.

These adjustments should be considered in comparing 1968 results with previous years.