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1954
FARM
BUSINESS
SUMMARIES



**Agricultural Extension Service
Institute of Agricultural Sciences
State College of Washington**

This report is a summary and analysis of the general WSC farm record books that were sent to the State College to be summarized. There are several other types of enterprise account books not included in this report.

Each year around 5,000 Washington farmers keep the five types of WSC record books. While most of them either summarize the record themselves or hire accountants to do it, from 100 to 200 a year send their books to the Extension Service, WSC, to be summarized.

While not much emphasis has been placed on getting records sent to WSC for analysis, we do welcome records from any farmer who wants to send his records in for this free analysis. All individual records are kept strictly confidential. The studies made from the records are a very useful method of studying the incomes of various areas and enterprises and the reasons for variations in income.



They say knowledge is power. Well-kept records would help him make profitable decisions.

In this report, the investment, total gross receipts and net income discussed on page 2 are probably quite typical of the average of the entire state. Because these 63 farms do not represent an actual cross section of all enterprises, the figures should not be considered as representative of all farms. The record cooperators, however, were predominantly dairymen and poultrymen. A few received their major income from such enterprises as grain, cattle, hogs, fruit, truck crops, and hops.

Since 1914, or for forty years, the State College of Washington has cooperated with farmers on farm record keeping. Then as now, it was felt that good farm records properly studied could do much to make farming more efficient and profitable.



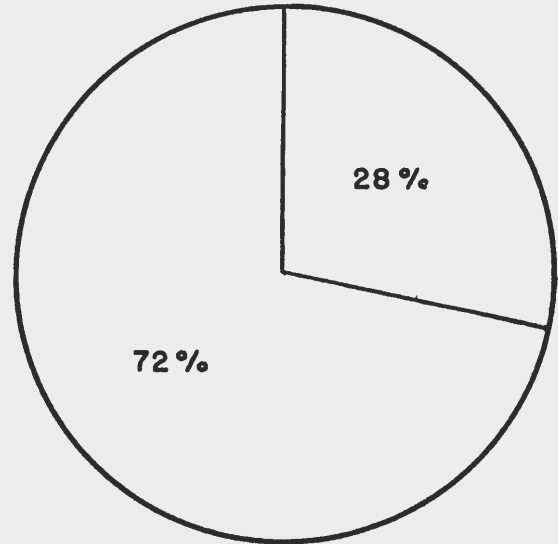
Women often keep the farm accounts.

Farm Family Income \$3,262.00

The 63 Washington Farm families averaged \$3,262.00 for their labor and management, and interest on their investment. This amount is called farm family income, and is the amount left after paying all other expenses.

The gross income (total amount taken in) per farm was \$11,761.00 and the expenses \$8,499.00.

Expenses took 72% of the farmers' gross income.



Fortunately most Washington farmers own the largest part of the investment in their farms. After subtracting 4 per cent interest on the farmers' investment there was \$2,222.00 for Family Labor Income.

The average per farm investment was \$33,367.00. This does not include the value of the farm residence or operating capital. The largest item of investment was \$22,664.00 in land and buildings.

Large Variation in Income

The Farm Income varied from a loss of \$1,576.00 to a profit of \$12,413.00. There are some larger and better farms in the state that have higher incomes but none of them were turned in to be summarized.

Some of the major factors causing the variation are:

1. Management - how efficiently the farm was operated, such as using the right amount of fertilizer, labor, machinery, the best combination of enterprises, efficient livestock feeding, etc. Actually, hundreds of items could be used in this category.
2. Quality of the farm. Some farms are more profitable because the soil, climate, markets, topography, etc., are very favorable for the type of farming.
3. Size of farm - volume is important but the most profitable size varies with such factors as farm quality, managerial ability, capital available, and the relationship of prices farmers receive to the prices of things they buy.

Table Ia

FARM RECORD SUMMARIES - 1954

Items	Your Farm	Average of all Records	Dairy Farms Average	Poultry Farms Average
INVESTMENTS (Owned and rented)	Dollars	Dollars	Dollars	Dollars
Land and improvements.....	_____	22,664	20,247	10,933
Feed, crops and supplies.....	_____	947	984	576
Machinery and equipment.....	_____	5,794	5,844	3,936
Cattle.....	_____	3,357	5,195	1,996
Poultry.....	_____	417	294	1,502
Sheep.....	_____	25	--	--
Hogs.....	_____	121	19	20
Horses.....	_____	14	5	--
Miscellaneous.....	_____	28	--	--
Total investments	_____	33,367	32,588	18,963
RECEIPTS AND NET INCREASES (Operators)				
Cattle.....	_____	562	588	517
Poultry.....	_____	251	48	571
Sheep.....	_____	35	--	--
Hogs.....	_____	350	19	7
Eggs.....	_____	1,802	1,161	6,506
Dairy products.....	_____	4,524	8,052	2,079
Crops.....	_____	3,715	1,034	412
Miscellaneous.....	_____	522	400	688
Total receipts	_____	11,761	11,302	10,780
EXPENSES AND NET DECREASES (Operators)				
Crop expenses.....	_____	820	551	250
Hired labor.....	_____	882	610	192
Machinery and equipment.....	_____	1,947	1,719	1,153
Feed and supplies.....	_____	2,986	3,070	6,599
Livestock expenses.....	_____	297	410	326
Farm improvements.....	_____	471	478	345
Taxes (land and personal).....	_____	240	290	167
Miscellaneous.....	_____	516	658	370
Cash rent.....	_____	340	240	62
Total expenses	_____	8,499	8,026	9,464
FARM INCOME (rcpts. less expenses)..		3,262	3,276	1,316
Interest on investment @4%.....	_____	1,040	1,146	718
FAMILY LABOR INCOME.....		2,222	2,130	598

Interest on investment was calculated on the operator's investment only and not on the above total investment. Rent paid by the operator is included in expenses which offsets this difference.

Number of records summarized 63, Dairy 34, Poultry 14.

Table 1b

FARM RECORD SUMMARIES - 1954

Items	Your Farm	Average of all Records	Dairy Farms Average	Poultry Farms Average
	<u>Acres</u>	<u>Acres</u>	<u>Acres</u>	<u>Acres</u>
<u>Total acres</u>	_____	185	123	82
<u>Crop acres</u>	_____	110	79	41
Wheat.....	_____	15	1	1
Oats.....	_____	5	5	4
Barley.....	_____	6	1	1
Hay.....	_____	29	28	12
Fruit and nuts.....	_____	2	--	--
Tillable pasture.....	_____	20	27	18
Summer fallow.....	_____	14	--	--
Miscellaneous.....	_____	19	17	5
<u>Livestock numbers</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
Beef cattle.....	_____	1	--	--
Dairy cows.....	_____	14	23	7
Sows.....	_____	1	1	--
Poultry.....	_____	266	177	897
Ewes.....	_____	1	--	--
<u>Efficiency of production</u>				
Dairy products sold per cow (lbs.)	_____	344	341	340
Dairy products sold per cow (\$)	_____	335	349	310
Eggs sold per hen (number)	_____	197	187	202
Eggs sold per hen (dollars)	_____	6.98	6.62	7.26
Wheat, bushels per acre	_____	44	29	22
Oats, bushels per acre	_____	51	67	53
Barley, bushels per acre	_____	40	--	--
Hay, tons per acre	_____	2.3	2.6	2.7
Silage, tons per acre	_____	9.2	9.4	--
Apples, boxes per acre	_____	388	--	--
Pears, tons per acre	_____	7.7	--	--
Potatoes, tons per acre	_____	11	17.4	--
<u>Financial efficiency</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Farm receipts per \$100 farm investments	_____	35	35	57
Farm receipts per \$100 farm expenses	_____	138	141	114
Productive livestock receipts per crop acre	_____	68	125	236
Investments per crop acre	_____	303	412	463
Land and farm improvements	_____	206	256	267
Machinery, equipment and horses	_____	53	74	96
Productive livestock	_____	35	70	86
Feed, supplies, etc	_____	9	12	14

Feed purchased..... \$ _____

Table 2a

FARM RECORD SUMMARIES - 1954

Items	Your Farm	Hog Farms Average	Grain Farms Average	Diversified Crop Farms Average
INVESTMENTS (Owned and rented)	Dollars	Dollars	Dollars	Dollars
Land and improvements.....	_____	18,314	43,556	32,379
Feed, crops and supplies.....	_____	1,542	1,310	1,208
Machinery and equipment.....	_____	3,408	8,273	8,939
Cattle.....	_____	3,052	1,803	1,164
Poultry.....	_____	67	143	13
Sheep.....	_____	--	198	--
Hogs.....	_____	1,764	73	140
Horses.....	_____	13	73	20
Miscellaneous.....	_____	--	--	357
Total investments		28,160	55,429	44,220
RECEIPTS AND NET INCREASES (Operators)				
Cattle.....	_____	1,455	432	989
Poultry.....	_____	--	20	6
Sheep.....	_____	--	172	171
Hogs.....	_____	6,299	126	221
Eggs.....	_____	111	800	4
Dairy products.....	_____	1,648	290	560
Crops.....	_____	684	11,338	12,188
Miscellaneous.....	_____	212	698	917
Total receipts		10,409	13,876	15,056
EXPENSES AND NET DECREASES (Operators)				
Crop expenses.....	_____	568	1,810	1,776
Hired labor.....	_____	254	1,085	2,090
Machinery and equipment.....	_____	1,579	3,257	3,525
Feed and supplies.....	_____	2,815	771	286
Livestock expense.....	_____	92	117	14
Farm improvements.....	_____	297	353	681
Taxes (land and personal).....	_____	251	227	192
Miscellaneous.....	_____	333	517	253
Cash rent.....	_____	27	686	1,306
Total expenses		6,216	8,823	10,123
FARM INCOME (repts. less expenses).		4,193	5,053	4,933
Interest on investment @4%.....	_____	1,126	1,157	1,169
FAMILY LABOR INCOME.....		3,067	3,896	3,764

Interest on investment was calculated on the operator's investment only and not on the above total investment. Rent paid by the operator is included in expenses which offsets this difference.

Number of records summarized - Grain 8 (medium sized farms), Diversified 5, Hogs 3.

Table 2b

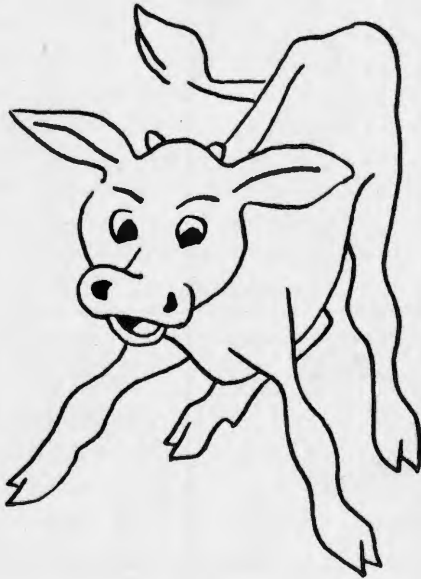
FARM RECORD SUMMARIES - 1954

Items	Your Farm	Hog Farms Average	Grain Farms Average	Diversified Crop Farms Average
	<u>Acres</u>	<u>Acres</u>	<u>Acres</u>	<u>Acres</u>
Total acres.....	_____	412	576	157
Crop acres.....	_____	133	345	133
Wheat.....	_____	3	106	10
Oats.....	_____	4	14	2
Barley.....	_____	3	40	2
Hay.....	_____	76	54	17
Fruit and nuts.....	_____	2	--	--
Tillable pasture.....	_____	27	11	28
Summer fallow.....	_____	--	110	--
Miscellaneous.....	_____	18	10	74
	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
Livestock numbers				
Beef cattle.....	_____	8	4	6
Dairy cows.....	_____	9	2	3
Sows.....	_____	9	2	2
Poultry.....	_____	48	127	5
Ewes.....	_____	--	5	--
Efficiency of production				
Dairy products sold per cow (lbs.)	_____	241	146	--
Dairy products sold per cow (\$).	_____	177	155	187
Eggs sold per hen (number).....	_____	79	--	--
Eggs sold per hen (dollars).....	_____	2.30	6.40	--
Wheat, bushels per acre.....	_____	29	43	75
Oats, bushels per acre.....	_____	30	35	70
Barley, bushels per acre.....	_____	46	39	42
Hay, tons per acre.....	_____	1.4	1.7	3.9
Corn, bushels per acre.....	_____	--	--	93
Beets, tons per acre.....	_____	--	--	25
Potatoes, tons per acre.....	_____	--	--	21
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Financial efficiency				
Farm receipts per \$100 farm investments.....	_____	37	25	34
Farm receipts per \$100 farm expenses.....	_____	167	157	149
Productive livestock receipts per crop acre.....	_____	72	5	15
Investments per crop acre.....	_____	212	161	332
Land and farm improvements....	_____	138	126	243
Machinery, equipment and horses	_____	26	24	67
Productive livestock.....	_____	37	7	10
Feed, supplies, etc.....	_____	11	4	12

Feed purchased..... \$ _____

4. Kind of farming - from year to year there is some variation due to the kind of products produced. For example, 1954 was a very poor year for most poultrymen. Incomes on dairy and beef farms were down as compared with grain and fruit farms. This relationship changes some each year.

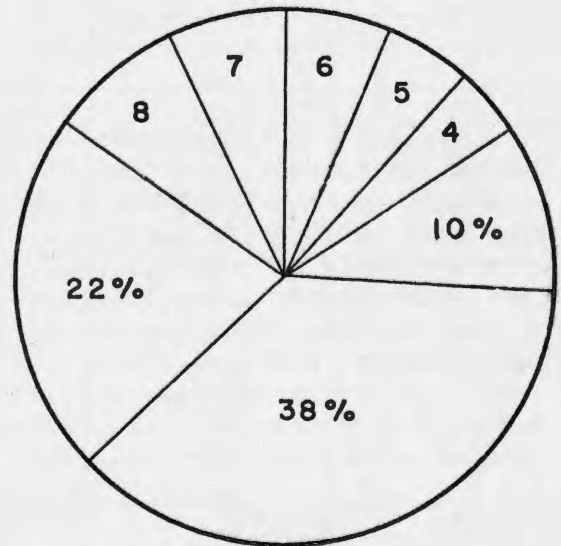
Dairy Farms Analyzed



On 34 of the farms, dairy was a major enterprise. The average gross income was \$11,302.00 of which \$8,052.00 was from dairy product sales and \$588.00 from dairy livestock sales.

The total expenses were \$8,026.00. The largest expense item was \$3,070.00 for feed purchased. This was mostly grain concentrates. Other major expenses were machinery, \$1,719.00; labor, \$610.00; fertilizer, seed, etc., \$551.00; building repair, \$478.00; livestock expenses, \$410.00; and farm real estate taxes, \$290.00.

These farmers had an average investment of \$32,588.00.

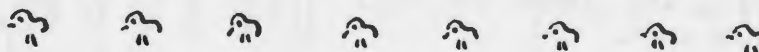


The 10 most profitable dairy farms had an average investment of \$48,630.00, a gross income of \$17,964.00, expenses of \$11,505.00 and a farm income of \$6,459.00. They had an average of 113 acres of cropland and 33 cows. Most of these farms were in good dairy areas. To attain this size in poorer dairy areas usually would not result in a farm income as large as these farmers averaged. There are exceptions, however, as one dairyman on a below-average setup in King County made a farm income of \$8,704.00 last year. He is continually above average in net income and it is due to exceptionally good management. Undoubtedly his good managerial ability would return him much more if his farm was located in one of the better dairy areas.

One of the most difficult management factors a dairy farmer has is deciding the most profitable amount of grain concentrates to feed each cow. This varies with changes in feed and milk prices, quality of roughage being fed, quality of the cows, etc. Several of the records indicated dairymen had over-fed on concentrates last year. Usually if the cost of grain concentrates exceeds $1/4$ of the milk check the profit will be very small. The more profitable dairy farmers usually don't spend more than $1/6$ to $1/5$ of the milk check for grain concentrate feed.

Many of the smaller dairy farms have a machinery expense problem. Machinery and equipment is needed for labor efficiency and to qualify for the production of Grade A milk, but the investment per cow is usually large in small herds.

Poultry Farms



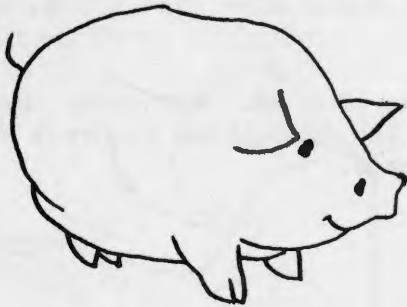
The poultry farms had a gross income of \$10,780.00, expenses of \$9,464.00 and the farm family income was \$1,316.00. This is extremely low but 1954 was the poorest year for poultrymen in the past 15 years. The big expense item for poultrymen is feed. On these farms the feed expense averaged \$6,599.00. For a more complete report on reasons for variations in poultry incomes, you may obtain a copy of "1954 Poultry Record Report for Washington." These are available at your county agent's office.

Grain Farms



The eight grain farms averaged \$13,876.00 gross income, \$8,823.00 expenses and a farm income of \$5,053.00. These figures would represent the smaller and medium sized grain farms but no large ones were included. The average size was 576 acres of which 345 was crop land. Of this, 160 acres was in grain, 65 in hay, and tillable pasture, 110 summer fallow, and 10 miscellaneous crops.

Hog Income Was Good



Three farms studied had hogs as the major enterprise. After paying the expenses there was a farm income of \$4,193.00. This income was not only above average but the investment of \$28,160.00 was below that of the average farms.

Farm Records Can Help you put emphasis in the places that will return the most.

For a WSC Farm Record Book, contact your County Agent.



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