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Farming as a Business

W.A. Ostrander

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FARMING AS A BUSINESS

A. E. Miller
WARD A. OSTRANDER
Farm Management Demonstrations

Agricultural Extension Service
South Dakota State College
Brookings, South Dakota.

This bulletin is a copy of an account book kept by a farmer in South Dakota covering his farm business in 1917-18. It also shows how he summarized it to find the strong and weak points of the business.

The purpose of this bulletin is to show how a farm account book can be summarized with but a record of the sales, expenses and inventories. All figures used in the summaries are taken from the record of sales and expenses and the inventories.

The figures obtained on the enterprises are approximate. The labor and feed distribution for each enterprise had to be estimated from memory, all other figures being taken from the account book. They serve to show the large leaks or the good points of the business. They give the farmer a basis on which to work to manage his business for greater efficiency and profit.

If any difficulty is encountered in the summarizing of your farm account book, or the parts of your farm business, the figures can serve as a guide to you in getting at the details of your business.

**EXTENSION DIVISION
SOUTH DAKOTA STATE COLLEGE
OF AGRICULTURE AND MECHANIC ARTS
C. LARSEN, DIRECTOR**

Cooperative Extension Work in
Agriculture and Home Economics,
South Dakota State College and
U. S. Department of Agriculture,
Cooperating

BROOKINGS, SOUTH DAKOTA

FARM SALES

Date	Item	Number	Price	Amount Received
Mar 10	Hogs	4	13 ²⁵	107 32
" 15	cream		25	16 80
Apr 1	Eggs	4	36	1 44
1	Cream			13 20
10	Hogs 2 rows		14 ⁵⁰	49 30
12	Eggs 7 day		30	2 10
15	Cream			11 60
18	Eggs	10 ^{1/2}		2 73
21	Eggs	9	32	2 88
May 1	Cream			8 40
5	Eggs 12 day		28	3 36
12	Eggs 6 "		28	1 68
15	Cream			7 15
21	Canner 1 cow		5 ²⁵	37 80
22	Hay			83 80
26	Eggs	10 ^{5/8}	32	3 46
June 1	Eggs	8	30	2 40
1	Sheep buck			12 00
1	Cream			4 85
7	Eggs	10	27	2 70
12	Eggs	12	25	3 00
15	Eggs	9	25	2 25
15	Cream			7 28
				387 50
Total				

FARM EXPENSES

Date	Item	Number	Price	Amount Paid
Mar 10	Spelty. bot			36 55
19	Mare + Colt			175 00
20	Chicken feed			5 95
20	Harness bot Steam			48 00
24	Machinery repairs			7 60
24	Two goldings ^{Four} James	2	125	250 00
Apr 28	oats	51	60	30 60
June 2	Breeding fees - colt			20 00
July 8	Repairs & painting granary			27 30
20	Feed House ^{improvements}			50 00
20	Header attachment			55 00
Aug 1	Twine			12 00
3	Machinery repairs blacksmithing			6 40
5	Header box			24 00
27	Harvest Help			12 50
Sept 2	Machinery repairs			6 00
10	Corn binder			165 00
14	Insurance			4 00
20	Harvest + hay labor			108 00
Nov	Threshing			94 00
15	Taxes			7 30
15	Cash recit.			260 00
Dec 15	Interest on loan			300 00
	Total			1705 20

FARM SALES

Date	Item	Number	Price	Amount Received
	Brought Forward			387 50
June 19	chickens 1 dozen			6 90
20	Day labor			25
24	Eggs	12	25	3 00
29	Wool 65 fleeces 517 #		50	258 50
July 1	Eggs	12	22	2 64
1	Cream			8 72
1	Buck lamb			4 80
7	Eggs	10	20	2 00
10	Day work			69 90
15	Cream			8 45
20	Eggs	12	20	2 40
25	Eggs	8	21	1 68
Aug 1	Eggs	10	22	2 20
1	Cream			6 55
4	Eggs	8	22	1 76
10	Eggs	10	24	2 40
15	Cream		1	8 45
17	Eggs	12	25	3 00
22	Eggs	10	27	2 70
28	Eggs	12	30	3 60
Sept 1	Cream			6 67
1	Eggs	8	30	2 40
1	Chickens			44 90
	Total			865 92

FARM EXPENSES

Date	Item	Number	Price	Amount Paid
	Brought Forward		1775	1705 20
Feb 25	Hired man's wages for yr			351 00
25	Hired man's board & washing 25 ^{se} for his my Jones			300 00
25	Board after help 5 weeks			25 00
26	Foxes			34 20
26	Oats	100	79	79 00
Mar 1	Balance on year stock			92 00
Total				2586 40

FARM SALES

Date	Item	Number	Price	Amount Received
	Brought Forward			865 92
Sept 10	Eggs	6	35	2 10
10	Road work			53 50
15	Cream			9 87
Oct 1	Lamb	17	10 ⁵⁰	153 00
1	Cream			15 13
3	Steer	1		56 00
3	Heifer	1		70 00
3	Sters	3		132 00
6	Wheat	574	1.96	1125 15
15	Cream			18 55
16	Sheep yearlings	11	9 ²⁵	107 25
16	Sheep ewes	15	8 ⁰⁰	120 00
Nov 1	Cream Cooperative Creamery			19 45
16	Cream " "			20 32
16	Hogs	2	16 ⁵⁰	97 50
Dec 1	Cream			19 68
5	Hay			107 75
Jan 1 ¹⁹¹⁸	Cream			20 60
15	Cream			21 13
18	Hogs	3	15 ³⁵	82 90
Feb 1	Cream			19 13
15	Cream			19 80
22	Hogs J F Davis	5	15 ⁸⁰	183 80
Mar 1	Cream			17 60
	Total			3358 13

SUMMARY OF YEAR'S BUSINESS
Capital Invested in Farm

Real estate (land only)	20000
Value total inventory (see below)	3741
Value permanent improvements	2000
	<u>25741</u>

SUMMARY OF INVENTORIES

Item	Value at Beginning Page of Year	Value at End of Year
Feed and supplies	(9) 524 ⁸⁰	855
Machinery	(10) 956	1254 ⁵⁰
Horses	(11) 785	1200
Cattle	(12) 670	950
Hogs	(13) 148	136
Sheep	(13) 559	585
Poultry	(13) 128 ⁸⁰	96 ⁸⁰
Total	<u>3771⁶⁰</u>	

5077³⁰
3771.60
Increase 1205.70

FARM AND LABOR INCOME

Receipts	Amount
Farm sales	3358 ¹³
Increase in inventory	1305 ⁷⁰
Increase in permanent improvements	<u>none</u>
Total farm receipts	<u>4663.83</u>

EXPENSES.

Farm expenses	2586 ⁴⁰
Decrease in inventory	<u>none</u>
Decrease in farm improvements	30
Total farm expenses	<u>2616⁴⁰</u>
Farm income	2047 ⁴³
Interest (income from capital owned)	1244 ⁴⁶
Labor income	802 ⁹⁷

ACREAGE AND YIELD OF CROPS

Kind of Crop (Any crops not named may be entered in blank spaces)	Seed Sowed	No. Acres	Yield per acre	Total Yield
Corn for Silage		7	10	70
Corn for Fodder	5	28	24	660
Corn for Grain				
Spring Wheat		106	11 $\frac{1}{2}$	1248
Winter Wheat				
Rye				
Oats	40	20	20	400
Barley				
Flax				
Speltz	40	20	17 $\frac{1}{2}$	350
Hay, Timothy and Clover				
Hay, Wild		116		80
Hay, Alfalfa				
Potatoes, in Corn		1 $\frac{1}{2}$ Corn		40
Pasture		113		
Hog Pasture		4		
Woods not in Pasture				
Orchard				
Farmstead and Yards		8		
Waste Ground		20		
Public Roads		18		
Total Acres		460		

NOTE—This total should equal the total number of acres in the farm.

INVENTORY OF FEED AND SUPPLIES

Include Seed Used	Beginning of Year			Close of Year		
	Tons or Bu.	Price	Value	Tons or Bu.	Price	Value
Wild Hay	.40	5	200	20	15	300
Tame Hay						
Alfalfa						
Corn	100	1 ⁰⁰	100	100	1 ²⁵	125
Corn Silage						
Corn Fodder	8	5	40	5	5	25
Oats	140	.50	70	225	.80	180
Barley						
Speltz	100	.63	63	125	.90	112 ⁵⁰
Rye						
Flax						
Potatoes	3	60	180	12	1.	12
Wheat	50	1 ⁰⁰	50	50	2 ⁰¹	100 ⁵⁰
Total			524 ⁸⁰			853 524.80 33020

INVENTORY OF REAL ESTATE

	No. Acres	Value per Acre	Total Value
Total value of land, including value of buildings	240	83 ¹ / ₃	20000

List of Value of Buildings Here.

Kind of Building	Value at Beginning of Year	Value at End of Year
Barn	900	867
Hog House	40	30
Hen House	120	115
Granary	400	400
Corn Crib	130	122
Machinery Shed	200	194
New Shed		50
Fences	210	192
Total	2000	1970

decrease 30

INVENTORY OF MACHINERY

A repaired machine may be worth more at end of year than at the beginning.

No.	Kind	Value at Beginning of Year	Value at End of Year	No.	Kind	Value at Beginning of Year	Value at End of Year
	Wagon	60	60		Fanning Mill		25
	Wagon	45	45		Mower	40	40
	Grain Tank		20		Hay Rake	20	20
	Header Box	75	65		Loader		
	Hay Racks	25	25		Stacker	35	40
	Buggy	25	25		Sweep Rake	25	25
	Bobsled				Potato Planter		
	Manure Spreader				Potato Digger		
	Walking Plow	15	15		Potato Sprayer		
	Sulky Plow	12	10		Feed Grinder	12	30
	Gang Plow		30		Cream Separator	35	25
	Disk	25	25		Milk Utensils	2	4
	Drag	15	15		Work Harness	90	145
	Spring-tooth Harrow				Light, Single Set Harness	10	10
	Corn Planter	30	30		Robes and Blankets	5	7 ⁵⁰
	Cultivator, 2-row	20	20		Gasoline Engine	50	40
	Cultivator, 1-row	20	15		Threshing Rig		
	Corn Binder		150		Incubators and Brooders	10	8
	Silage Cutter				Small Tools, etc.	35	50
	Corn Sheller						
	Corn Picker						
	Grain Drill	50	60				
	Grain Binder	170	175				
	Total					956	1254 ⁵⁰

NOTE—Use sale values in taking inventories

Inventory must list

$$\begin{array}{r} 956 \\ 298 \\ \hline 1254 \end{array}$$

INVENTORY OF HORSES

(Enter by Name, Teams or Groups)	Value at Beginning of Year			Value at Close of Year		
	No.	Price	Value	No.	Price	Value
Charley			100	1		80
Dolly			100	1	in foal	100
Bess			125	1	in foal	125
Floxy			175	1	in foal	175
Fred			175	1	dead	
Jopsy suckin colt			60	1	yearling	80
Dan family horse			50	1		50
Flossy mare bot				1		125
Babe colt bot					yearling	75
Bright bot				1		140
Brigham bot				1		140
Kit colt mare bot				1		50
May " "				1		60
Total			785			1200

NOTE—Use sale values in taking inventories.

increase. $\frac{785}{415}$

INVENTORY OF CATTLE

Reg. No., Name or Description of Cattle in Groups	Beginning of Year			Close of Year		
	No.	Price	Value	No.	Price	Value
Steer			75			95
Holstein			75			90
Kennedy			70			90
Maggie			70			85
Karker			60			85
Aggie			40			sold
Steer			35			sold
Calves Steer	3	25	75			sold
Calf heifer yr.	1		40			sold
Calves heifers	2	20	40	2	60	120
Heifers yearlings	2	45	90			
Cows				2	80	160
Calves steers				5	35	165
Calves heifers				2	30	60
Total			670			950

NOTE--Use sale values in taking inventories.

Increase $\frac{280}{950}$

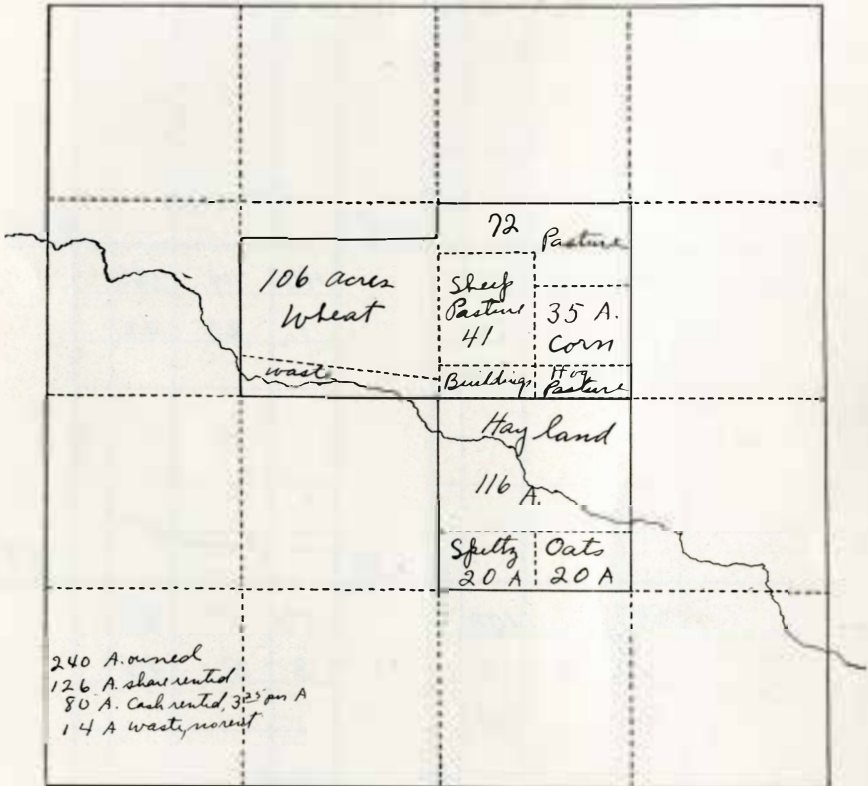
INVENTORY OF HOGS, SHEEP AND POULTRY

	Beginning of Year				Close of Year			
	No.	Price	Value	Total	No.	Price	Value	Total
Sows	5	20	100		4	34	136	
Hogs	4	12	48					
Boar								
				148				136
Ewes	49	9	441		40	14	560	
Ram	1	10	10		1	25	25	
Lambs	12	9	108					
				559				585
Hens	75		100		50	15	75	
Cockerels	5	3	15		3	5	15	
	2		13 ⁰⁰					
Turkeys								
Ducks					6		6 80	
Geese								
				128 ⁰⁰				96 ⁸⁰
								9680

Total

NOTE—Use sale values at taking inventories.

PLAT OF FARM



A map of the farm made on this plat will be a good record of the location of the crops raised and will help in making out the statement of crop acreages and yields on page 20.

It makes a good record to check up on your rotation and to plan your rotation.

Consider each square as 160 acres, 40 acres, or 10 acres, depending on the size of your farm.

ENTERPRISE SHEETS

The following pages are arranged to give the man who keeps a farm account book some details regarding his business. He needs these figures to know just where and how much the leaks are. It lets him know in a definite way just what to work on to increase his efficiency and profit.

The amount of labor for each enterprise was estimated by the farmer. A record would have to be kept on labor to get it more exact. The total amount of feed fed on the farm was divided between the enterprises, from page 16-17, as best the farmer could in his judgment. If he had had separate feed bins together with a feed record, a more accurate division of the feed could have been made.

You can use these enterprise sheets and figures as a guide to work out such a one for your farm from your account book. If you do not quite understand any part of it, run back through the account book to see how it traces through. That is one of the things it is for. You will notice how easy it is and how much it gives you in the way of an idea of your business.

Any one or all of these enterprise sheets may be filled out at the end of the year with the aid of the figures in the account book. They may be inserted in the account book and filled in during the year as the operations take place.

Figure only those enterprises that are most important. Find the big leak. Spend the following year rearranging it so as to make a profit from it. Do not take on too many things to correct in one year.

Consider keeping a cost account record on some one crop or class of livestock this next year to supplant these estimate enterprise sheets. They will be much more accurate.

See your county agricultural agent about this.

Kind of Feed or Grain	On hand at beginning of year			Feed and grain bought		Crop yield (Our Share) Bu. or tons Amount
	Amount	Price	Value	Amount	Value	
Grown or bought						
Corn (on ear)....	100	\$ 1.00	\$ 100.00			70
or shelled				10	\$ 10.00	
Silage						
Fodder	8	5.00	40.00			110 ton
Fodder (husked from shock 125 bu.)						
Spring wheat	50	1.00	50.00			624
Rye						
Oats	140	.50	70.00	151	109.60	400
Barley						
Flax						
Speltz	100	.63	63.00	55	36.55	
Hay, wild	40	5.00	200.00			80 ton
Timothy, clover ..						
Alfalfa						
Other hay						
Potatoes	3	.60	1.80			40
Pasture						
Hog pasture						
Bran						
Shorts						
Tankage						
Chicken feed						
Skim milk						
Feed bought						
TOTALS			\$ 524.80		\$ 192.10	

VALUE OF CROPS AND FEED GROWN ON FARM DURING YEAR

Crop sales	\$ 1316.70
Value of feed etc. on hand at end of year	855.00
Value of feed fed	2310.40
Total	\$ 4482.10
Subtract amount bought and on hand at beginning of year:	
On hand beginning of year	\$ 524.80
Feed bought	192.10
Total	\$ 716.90
Leaves Value of crops and feed grown on farm	\$ 3765.20

FEED SUMMARY

Crop Sales		On hand at end of year			Value of feed fed during the year			
Am'nt	Value	Am'nt	Price	Value	Am'nt	Price	Value	
		100	\$ 1.25	\$ 125.00	70	\$ 1.00	\$ 70.00	Corn
		5 T	5.00	25.00		T	390.00	Silage
					295		285.00	Fodder
574	\$ 1125.15	50	2.01	100.50				Spring Wheat
								Rye
Sowed	40 bu.	225	.80	180.00	426		282.10	Oats
								Barley
								Flax
Sowed	40 bu.	125	.90	112.50	340		254.35	Speltz
31	191.55	20	15.00	300.00	69		670.00	Hay, wild
								Timothy, clover
								Alalfa
								Other hay
		12	1.00	12.00				Potatoes
							226.00	Pasture
							10.00	Hog pasture
								Bran
							20.00	Shorts
							10.00	Tankage
							3.95	Chick feed
							30.00	Skim milk
							49.00	Feed bought
	\$ 1316.70			\$ 855.00			\$ 2310.40	

AVERAGE INCOME PER CROP AND FEED ACRE

(Crop and feed acres, includes all crop, hay and pasture land)

Total amount of crops and feed grown.....\$3692.35

Divided by the No. of crop and feed acres..... 422.00

Gives an average income per crop or feed acre of 8.75

CROP AND FEED SUMMARY

The feed and crop summary gives the total value of crops and feed grown and the income per acre.

This gives a condensed view of the feed on hand, crops raised, fed and sold. It shows the feed as a unit. It shows relative amount of crops sold and fed. Follow it through carefully and it will not look as bad as at first sight.

HORSE ENTERPRISE

Summary of Years Business

SUMMARY OF INVENTORIES (P. 11) RECEIPTS AND GENERAL EXPENSES

Beginning of Year	No.	Value	End of Year	No.	Value
Work horses & mules	6	total	Work horses & mules	8	total
Colts	1	page 11	Colts	4	page 11
Totals		\$785.00			\$1200.00

Subtract value (end yr.)...\$.....or; value beginning of yr...\$ 785.00

Gives decrease\$.....or; increase (inventory)...\$ 415.00
 Total receipts:

Cash sales\$.....
 Work done off farm (horse share)..... 36.00
 Other receipts, breeding fees.....
 Increase in inventory 415.00

Total or gross receipts \$ 451.00

Subtract:

General expenses, horses bought, inc. Inv. Amount
 paid for horses bought\$ 425.00
 Breeding fees 20.00
 Decrease in inventory (if any).....
 Int. on capital invested in horses 6%..... 47.10
 Insurance stock and barns..... 5.00
 Barn & equipment, int. depreciation 3-10% 60.50
 Veterinary \$..... Shoeing 10.00

Total \$ 567.60

Subtract total receipts 451.00

Leaves expenses for year \$ 116.60

Value of Feed Fed to Horses During Year

Kind	Amount	Price	Value	Total
Hay	8		\$ 40.00	
.....	18		226.00	
Pasture			46.00	
Oats			30.00	
.....			172.50	
Corn			85.00	
Speltz			180.00	
Feed bought			49.00	
Total				\$ 828.50

Notes:—1 horse died (2 mares, 2 colts bought, 2 colts raised).

Approximate Labor Cost for Horse Enterprise

Summer (April through October), 210 days by average of 2 hours a day and price of 40 cents an hour, gives approximate cost	\$ 168.00
Winter (November through March), 150 days by average of 2 hours a day and price of 20 cents an hour, gives winter cost	\$ 60.00
Total labor cost	\$ 228.00

Cost of Horse Work a Year

Value of feed fed.....	\$ 798.50
Man labor and care	228.00
General expense	116.00
Total for feed, labor, general expense	\$ 1143.10

Cost of Horse Work a Year, Each Horse

Total cost of horse work \$1143.10 divided by the average number of horses 10 (2 colts equal to 1 horse) gives average net cost \$114.31 for each horse a year.

Crop Acres per Horse

Crop acres (includes grain, hay, corn and truck crops) \$306.00 divided by the average number of work horses 8 gives 36 crop acres per horse.

Cost per Horse Work per Crop Acre

Total cost of horse work \$1143.10 divided by (the crop acres) 297 gives \$3.85 average cost of horse work per crop acre.

Comments on Horse Enterprise

One horse was lost during the year. The family horse is probably included in one four-horse team and is the weak link in that team. This contributes to the high cost (\$114.31) of horse work per horse.

The crop acres per horse (38) show up fairly well for the average farm in South Dakota. This is partially due to the large amount of hay and grain and the small amount of cultivated crops together with the hour-horse teams. The large number of crop acres per horse brings the cost of horse work per crop acre down to \$3.73 per acre.

CATTLE ENTERPRISE
Summary of Years Business
SUMMARY OF CATTLE INVENTORIES (P. 12) AND NET RECEIPTS

Beginning of Year	No.	Value	End of Year	No.	Value
Cows	6	enter	Cows	6	enter
Steers & bull		total	Steers & bull		total
Heifers	2	only.	Heifers	2	only.
Calves	6	page 12	Calves	7	page 12
Totals		\$ 670.00			\$ 950.00
Subtract (end of year) ..			\$..... or beginning of year		\$ 670.00
Gives decrease			\$..... or increase inventory		\$ 280.00
Total receipts:					
Cash sales—stock					\$ 295.80
Increase in inventory					280.00
Cash sales—butter—cream					309.38
Home use—butter \$..... cream \$.....					
skim milk \$..... milk \$.....					136.00
Total cattle receipts					\$ 1021.18
Subtract:					
Decrease in inventory (if any)					none
Amount paid for stock bought					none
Amount paid for breeding fees					none
Total stock bought & decrease inventory					none
Cattle receipts for year					\$ 1021.18
GENERAL EXPENSES					
Interest on capital at 6%					\$ 40.20
Insurance—stock and barn					4.00
Interest on barn equipment 6%—depreciation					45.00
Veterinary					
Total general expenses					\$ 89.20
Net cattle receipts minus general expenses gives returns for feed fed, labor and care					\$ 931.98

VALUE OF FEED FED TO CATTLE DURING YEAR

Kind	Amount	Price	Value
Hay			\$ 40.00
Alfalfa hay—wild			180.00
Old fodder			35.00
Fodder			350.00
Corn			
Oats			30.00
Feed bought			
Pasture—rent—taxes			90.00
Total value of feed fed			\$ 725.00

Returns for Each \$100 Worth of Feed Fed to Cattle

Cattle returns of \$931.98 divided by the total value of feed fed to cattle \$725.00 gives \$128.50 returns for each \$100 worth of feed fed to cattle plus labor.

Approximate Labor Cost

Summer (April through October) 210 days times 1 hour per day times cost per hour 40 cents gives labor cost for summer	\$	84.00
Winter (November through March) 150 days times 2½ hours per day times cost per hour 25 cents gives labor cost for winter	\$	93.75
Total labor cost	\$	177.75

Returns on Cattle Enterprise

Total receipts	\$	1021.18
Minus general expenses	\$	89.20
Value of feed fed cattle	725.00	
Approximate labor cost	177.75	
Total expenses	\$	991.95
Returns on cattle enterprise	\$	29.23

Returns per Cow

Returns on cattle enterprise \$29.23 divided by (the average No. of cows) 9 gives \$3.24 the average net return per cow. (Average No. of cows — 2 heifers or 4 calves equal to 1 cow.)

Comments on Cattle Enterprise

Cattle enterprise shows that more cows should have been kept. The net returns show about 7% on investment. The gross returns per \$105 is relative high. The weak place here is found in the high feed bill (\$80 per cow). If the farm had been equipped with a silo, the fodder which the stock wasted might easily have replaced the wild hay eaten. Some alfalfa or clover hay to balance the silage would probably increase the cream returns and so lower net expense.

HOG ENTERPRISE

Summary of Year's Business

SUMMARY OF INVENTORIES (PAGE 13) AND NET RECEIPTS

Beginning of Year	No.	Value	End of Year	No.	Value
Sows	5	Enter	Sows	4	Enter
Other hogs	4	totals		totals
Pigs		page 13		page 13
Totals		\$ 148.00			\$ 136.00

Subtract (end of year(....\$136.00 or, beginning of year..... \$.....
(Smaller from larger)

Gives decrease\$ 12.00 or, increase \$.....

Total hog receipts:

Cash sales\$ 520.32

Increase in inventory none

Home use— butchered 3 70.00

Total \$ 590.32

Subtract:

Amount paid for hogs bought none

Decrease in inventory\$ 12.00

Total \$ 12.00

Leaves hog receipts for year \$ 578.32

GENERAL EXPENSES

Interest on capital invested in hogs at 6%\$ 8.80

Interest on barn & equipment 6% depreciation 4-15% 60.00

Insurance on stock, barn etc. 3.00

Veterinary—registration none

Total \$ 71.88

Receipts minus general expenses or returns for feed,
labor and care

\$ 506.32

VALUE OF FEED FED TO HOGS DURING YEAR

	Amount	Price	Value	
Corn	210		\$200.00	
Oats			19.00	
Shorts, tankage			30.00	
Feed bought, speltz			20.00	
Skim milk				
Pasture			10.00	
Total feed				\$ 309.00

Returns on \$100 Worth of Feed Fed to Hogs

Hog returns \$506.32 divided by the value of the feed fed \$309.00 gives \$163.00 returns for every \$100 worth of feed fed to hogs, plus labor and care.

Approximate Returns of Corn Fed to the Hogs

Multiply value of corn fed \$200 as per account book (to hogs) by the returns on \$1 worth of feed fed to hogs; gives \$326.00 or the approximate returns for all corn fed to hogs. Divide the returns for all corn fed to hogs by the number of bushels of corn fed to hogs as recorded in account book 210 bu. this gives \$1.55 or an approximate return for each bushel of corn fed to hogs.

Labor Cost (Estimated)

Spring (April and May) 60 days times average No. or hours per day 2 times price per hour \$.30 gives cost	\$	36.00
Summer and Fall (June through October) 150 days times hours ½ per day times price \$.40 per hour gives cost summer care	\$	30.00
Winter (November through March) 150 days times hours 1 per day times price \$.20 per hour gives cost of winter care....	\$	30.00
Total labor cost	\$	96.00

Returns

Hog receipts	\$	578.32
Minus:		
General expenses	\$	71.88
Value of feed fed	\$	309.00
Labor cost	\$	96.00
Total expense	\$	476.88
Returns	\$	101.44

Of the five sows, two were sold in April. The others apparently only raised 12 pigs, as 8 were sold and 4 sows held over for next year—three butchered. The weak place being only four pigs raised per sow.

The returns on feed fed (\$1.63 for over \$1 worth of feed fed) and the returns on hogs raised demonstrates the fact that more hogs might profitably be kept upon this farm.

SHEEP ENTERPRISE

Summary of Year's Business

SUMMARY OF INVENTORIES (PAGE 13) AND NET RECEIPTS

Beginning of Year	No.	Value	End of Year	No.	Value
Ewes	49	Enter	Ewes	40	Enter
Other sheep	13	total	Other sheep	1	total
Lambs		page 13	Lambs		page 13
Totals		\$ 559.00			\$ 585.00

Subtract (end of year) ... \$ or value (beginning of yr.) \$ 559.00
(smaller from larger)

This gives decrease \$ or increase inventory \$ 26.00

Total receipts

Cash sales of sheep and lambs	\$ 397.05
Cash sales of wool	258.50
Increase in inventory	26.00

Total receipts for year

\$ 681.55

Subtract:

Total paid for stock bought	none
Decrease in inventory	none

Total stock bought and decrease in inventory
leaves receipts for sheep for year

\$ 681.55

GENERAL EXPENSES

Interest on capital invested in sheep at 6%	\$ 33.54
Interest and depreciation, barn, equipment—10-16% ..	40.00
Insurance	3.00
Veterinary, etc.	none

Total for general expenses

\$ 76.54

Receipts minus general expenses or returns for
feed, labor and care

\$ 605.01

VALUE OF FEED FED TO SHEEP DURING YEAR

	Amount	Price	Value
Hay—old	8	\$5.00	\$40.00
—new	12	12.00	144.00
Fodder	1	5.00	55.00
Oats			
Corn			20.00
Feed Bought—speltz			37.80
—oats			30.60
Pasture			
Total feed			\$ 417.40

Returns on \$100 Worth of Feed Fed to Sheep

Returns for sheep \$605.01 divided by the amount of feed fed \$417.40 gives \$145 returns for every \$100 worth of feed fed to the sheep.

Labor Cost (Estimated)

Spring, (lambing time, April and May) 60 days times average No. of hours per day 3 times \$.40 per hours.....	\$ 72.00
Summer and Fall (June through October) 150 days times average No. of hours ½ per day times \$.40 per hour.....	\$ 30.00
Winter (November through March) 150 days times average No. hours per day 1½ times \$.20 per hour gives winter cost	\$ 45.00
Total labor cost (approximate)	\$ 147.00

Returns

Receipts for sheep for year	\$ 681.55
Minus:	
General expenses	\$ 76.54
Value of feed fed	417.40
Labor cost	147.00
Total expense for year	\$ 640.94
Leaves Returns on sheep enterprise for year	\$ 40.61

We find that the big leak is the loss of lambs. Only 24 (17 sold, 1 butchered—6 replace old ewes) were raised out of 49 ewes. It pays to have clean, dry, warm and draft proof lambing quarters, all cracks filled and disinfect thoroughly just previous to the time the young lambs arrive. Furthermore it pays to watch the sheep closely and to have some one with the ewes the greater part of lambing time.

Feed returns seem to be low; sheep ordinarily feed largely upon weeds and roughage not palatable to other stock and therefore they should give a correspondingly high return for the salable feed eaten.

POULTRY ENTERPRISE

Summary of Year's Business

SUMMARY OF INVENTORIES (PAGE 13) AND NET RECEIPTS

Beginning of Year	No.	Value	End of Year	No.	Value
Hens		Enter	Hens		Enter
Other poultry		total	Other poultry		total
Ducks, geese		page 13	Ducks, geese		page 13
Total		\$ 128.80			\$ 96.80
		\$ 96.80			\$
This gives decrease		\$ 32.00	or increase inv.		\$

Total receipts:

Cash sales—eggs and poultry	\$ 121.48
Ducks, geese, etc.	none
Home use—poultry \$31 eggs \$26	57.00
Increase in inventory	none
Total receipts for year	\$ 178.48
Subtract:	
Stock bought, eggs, poultry, ducks, etc.....	none
Decrease in inventory	\$ 32.00
Total for stock bought and decrease inventory	\$ 32.00
Leaves poultry receipts for year	\$ 156.48

GENERAL EXPENSES

Interest on capital invested in poultry 6%	\$ 7.72
Insurance	none
Int. and depreciation on buildings, equipment 10-15%	12.00
Veterinary supplies	2.00
Total for general expenses	\$ 21.73
Receipts minus general expenses or returns for feed, labor and care	\$ 134.76

VALUE OF FEED FED POULTRY

Corn	\$ 10.00
Oats	none
Speltz	16.55
Shells50
Skim milk	none
Chick feed, small wheat, etc.	3.45
Bought	none
Total feed	\$ 30.50

Returns on \$100 Worth of Feed Fed to Poultry

Returns for poultry \$134.76 divided by the value of feed fed poultry \$30.50 gives \$411.00 returns for every \$100 worth of feed fed to poultry.

Labor Cost (Estimated)

Spring (hatching time) (April and May) 60 days times average No. of hours 1½ per day times \$.40 per hour gives cost	\$ 36.00
Summer and Fall (June through October) 150 days times average No. hours 1/3 per day times \$.40 gives summer and fall cost	20.00
Winter (November through March 150 days times average No. of hours ½ per day times \$.20 per hour gives winter cost	15.00
Total labor cost	\$ 71.00

Returns on Poultry Enterprise

Receipts for poultry for year	\$ 156.48
Minus:	
General expenses	\$ 21.72
Value of feed fed	32.50
Labor cost	71.00
Total expenses for year	\$ 125.22
Leaves returns on poultry enterprise for year	\$ 31.26

Returns good. Weak place appears to be the small number kept; could well have 150 or more. Keep as many hens as the waste grain on the farm warrants.

MACHINERY AND EQUIPMENT ENTERPRISE

Actual Cost for Year

Receipts	Amount	Totals
Increase Inventory (page 10) machinery bought—repaired	\$ 328.50	
Total for receipts		\$ 328.50
Expenses		
New machinery bought	\$ 244.00	
Machinery bought—public sales, etc.		
New harness bought	48.00	
Other tools bought		
Repairs bought	6.00	
Blacksmithing	6.40	
Repairing done	7.60	
Repairing (farmer's time)	10.00	
Interest on capital—machine shed \$200 at 6%	12.00	
Depreciation on shed—at3-5%	6.00	
Interest on capital—machinery \$926 at 6%	55.56	
Total for expenses		\$ 395.56
Subtract total receipts		\$ 328.50
Leaves machinery cost for year		\$ 67.06

Machinery & Equipment Cost per Acre

Machinery cost for year \$67.06 divided by number of crop acres 297 gives machinery cost 23 cents per acre of crop and hay land.

Comments on Machinery

Machinery cost per acre is very moderate. More corn would spread the corn machinery expenses over more acres and reduce the cost per acre. The repairing of some machinery raised the value during the year, as did also their real value due to increased market value.

CROP ENTERPRISE (GRAIN) ESTIMATE

COST OF PRODUCING 40 ACRES OF WHEAT

Credits	Bushels	Price	Amount	Totals
Sold	422	\$ 1.96	\$ 827.12	
Fed				
On hand at end of year	50	1.96	98.00	
Total credits				\$ 925.12
Charges	Days	Rate	Amount	
Plowing—discing	{	man labor	8 \$ 3.00	\$ 24.00
		horse labor	40 1.50	60.00
Seeding	{	man labor	2 3.00	6.00
		horse labor	8 1.50	12.00
Harrowing	{	man labor	2 3.00	6.00
		horse labor	8 1.50	12.00
Cutting	{	man labor	2 ½ 5.00	12.50
		horse labor	10 1.50	15.00
Twine—lbs. 125 at 30 cents.....			25.00	
Shocking	2 ½	5.00	12.50	
Stacking	{	man labor		
		horse labor		
Cost of threshing (out of stack)	472 bu.		70.80	
Hauling from field—bu. 50 at 3¢			1.50	
Marketing cost bu. 422 at 9 cents			37.98	
Cost of seed bu. 50 at \$2.40....			120.00	
Use of machinery (average 76 cents per acre)			30.40	
Use of land—cash rent			200.00	
Allowance for crop failure (Ins.)			4.00	
Wages of management			60.00	
Total charges				\$ 709.68
Returns				\$ 215.44

Bushel per acre 11 4/5

Cost per acre\$17.74

Cost per bushel\$ 1.50

Returns per acre\$ 5.38

The above is based entirely on estimates of amount of horse and man labor, also machinery charge.

If a record had been kept of man and horse hours an accurate cost per bushel could have been figured.

Supplements to the Farm Account book that will enable farmers to get just this information can be obtained from your County Agent.

Pages 16 to 29 have been efforts of the farmer to find out some details regarding the different parts that make up his farm business. The summary on page 7 gave him information regarding his whole farm business. To strengthen this business he had to know the part each department played in making or losing money for him.

Thus came the enterprise summaries.

It was necessary for him to estimate the amount of time he spent on taking care of the horses, cattle, etc., consequently this is not as exact as it would have been if he had kept account of it, say at the end of each week. Fifty-two estimates covering a week's time is much more accurate than one guess covering fifty-two weeks.

It was the same with the feed. The total amount of feed fed was found on pages 16-17. The amount of feed raised added to amount bought and then the amount that he had on hand in his inventory at the beginning of the year, gave the total amount on farm for that year. Then the amount sold, sowed and on hand at end of year was subtracted which left the amount fed, as the last column on page 17 shows. Out of this total he divided it up among enterprises of the different classes of livestock as he thought it should be.

If the farmer had separated his feed into separate bins he could have kept a record very easily on each department. It is difficult to estimate just how much oats the hogs, chickens, calves or horses received if they are fed out of one bin. One knows when the 100 bushels are gone but that is all. This farmer is this year having a separate bin for oats for horses and when he puts a 100 bushels in it he charges it up to the horses. Likewise other stock, making each bin to fit that class of stock and what is to be put in it. It is a good idea and helps take the guess out of farming.

This farmer is also keeping a weekly work record of his man and horse labor, this and his feed record kept on a cost account supplement will let him figure the exact cost of production on any crop or class of livestock. The general expenses and receipts as well as inventories are in his farm account book.

It is probable he is attempting too many records at one time and it would be better if he would take only wheat and sheep. He is in a wheat growing section, and when the time comes to fix a new price on wheat, he, together with other members of his farm bureau can represent his county and state with accurate figures before the government Price Fixing committee. This should be his duty so that an accurate, fair and just price may be set for both the consumer and producer alike.

YOU, Mr. Farmer, please think this over and see if you too cannot lend a hand to keep one of these cost account supplements this next year. You will be surprised how much real good and satisfaction you will get out of it yourself by knowing your business just that much better.

Any system on a farm that neglects to take into consideration the cost of production is not a safe system.

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