

*1965 Annual Report*

# **FARM MANAGEMENT PROGRAM NORTHEASTERN MINNESOTA**

**Iron Range Resources and Rehabilitation  
Commission**

**In Cooperation with**

**Minnesota Department of Education  
Vocational Division**

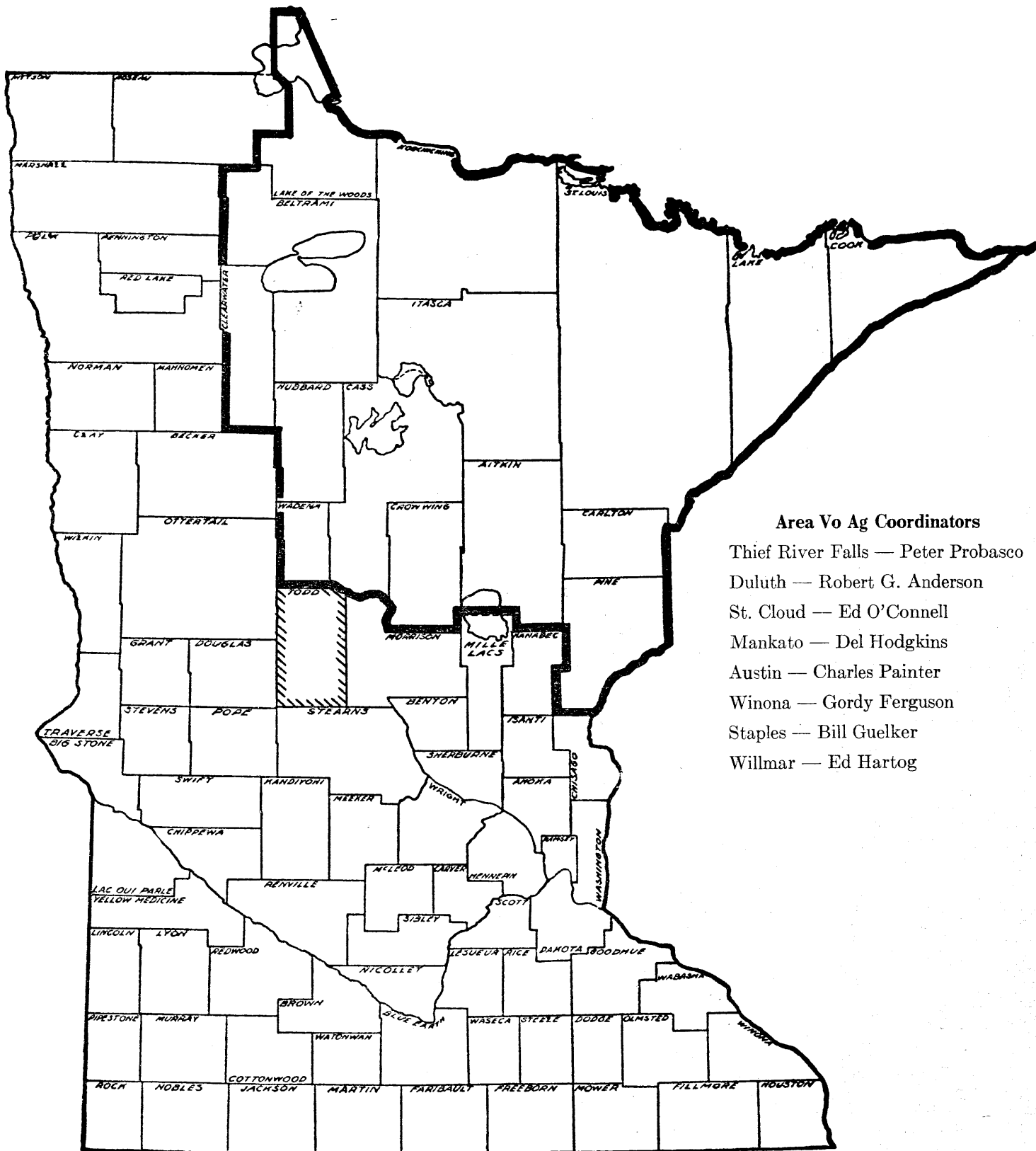
**and**

**University of Minnesota  
Institute of Agriculture**

**and**

**Area Vocational – Technical School  
Duluth, Minnesota**

**May, 1966**



### Area Vo Ag Coordinators

Thief River Falls — Peter Probasco  
 Duluth — Robert G. Anderson  
 St. Cloud — Ed O'Connell  
 Mankato — Del Hodgkins  
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 Winona — Gordy Ferguson  
 Staples — Bill Guelker  
 Willmar — Ed Hartog

1966 REPORT OF THE VOCATIONAL AGRICULTURE FARM MANAGEMENT  
PROGRAM IN NORTHEASTERN MINNESOTA

ROBERT G. ANDERSON  
Duluth Area Vocational School

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## INTRODUCTION

This is a special report for the Farm Management Manpower (MDTA) Farmer General Class at Eagle Bend, in Todd County, Minnesota. All fifteen class members are included in this report. Loyal Hyatt is the instructor. The accounting year ran from July 1, 1965 to June 30, 1966.

The MDTA Classes in farm management have been especially active in the Central Minnesota area. The class members are selected by the State Employment and Security Regional Office with assistance from a local advisory committee. The program runs for one year with concentrated instruction in the classroom and on the individual farms. With the help of the instructor both husband and wife become thoroughly acquainted with the Minnesota Farm Account Book where the farm record is kept. The "family" concept of farm operation is encouraged and many times the wives attend the meetings too.

Analysis work for this group of farmers was done electronically by Agriculture Records Coop at Madison, Wisconsin. Preliminary transcribing of data from the account book to computer sheets was accomplished by Bill Guelker and Joyce Snyder at the Staples Area Vocational School. Further clerical help was provided by Sandra Wrenfrow and Ruth Nordstrom at the Duluth Area Institute of Technology. Printing of the report was done by Mr. Art Vieira and his printing class, Duluth Public Schools.

We are thankful for and indebted to the Iron Range Resources and Rehabilitation Commission for their interest and financial assistance in the total Farm Management Program for N.E. Minnesota. We appreciate the concern Mr. A. M. DeYoannes, Commissioner for IRRRC, has for each segment of our total program.

The report and analysis of records were completed under the direction of Robert G. Anderson, Area Vo-Ag Coordinator for the Duluth Area Institute of Technology. Directing locally in a supervisory capacity were: Dr. L. V. Rasmussen, Superintendent of Duluth Public Schools and Mr. Harold D. Hill, Director of Vocational and Adult Education in Duluth. Cooperating agencies on the state level were represented by Mr. G. R. Cochran, Mr. S. K. Wick, and Mr. Robert Van Tries of the Vocational Division, State Department of Education; Dr. Milo Peterson, Dr. Paul Marvin and Dr. Edgar Persons of the University of Minnesota Ag Education Department.

The records submitted included farm inventories, cash receipts and expenses, feed consumed by the various classes of livestock, family living from the farm, household and personal expenses and receipts, and the operators liabilities and assets other than farm capital. It is our hope that each of the cooperators in this report will continue keeping the Minnesota Farm Account Book in cooperation with a Vo-Ag Instructor or County Ag Agent in a regularly conducted class.

## FARM INVENTORIES

The capital investment per farm varied from \$5183 to \$28,388. The average investment for all farms included in this report on Table 1.

## FARM EARNINGS

Labor earnings are a measure of relative financial success of a farmer as compared with other farmers and represents the returns above all farm expenses and a charge for the use of farm capital and family labor.

Labor earnings for the group ranged from a low of -\$3063 to a high of \$4397.

There are two methods of computing labor earnings. Table 2 shows the earnings statement on a cash basis while Table 3 shows the earnings on an enterprise or accrual basis. The principal difference in the two statements is in the method of handling the net increase or decrease in farm capital. In the cash statement the net increase or decrease in farm capital is entered as one item. In the enterprise statement the net change in the inventory has been included in each enterprise in order to compute "total returns and net increases" or "total expenses and net decreases" by enterprises.

## NON-FARM INCOME

Non-farm income for the group consisted in the main of payments made to the families for enrollment in the MDTA Class. This payment, based on family size, etc., was not included as farm income. This income varied from a low of \$1288 to a high of \$2637.

The main purposes of the program of farm record analysis are: (1.) To provide case study materials that can be used by farmers and farm groups in the study of farm management problems; (2.) To aid individual farmers in the study of their farm business through analysis reports; (3.) To provide information related to the adaptability and success of various farm enterprises in the area; (4.) To provide a basis for determining the possibilities of encouraging or discouraging new agricultural enterprises for the area; (5.) To secure information on farm management practices that tend to increase farm income; and (6.) To provide a profile of agricultural production and income in the area.

TABLE 1 SUMMARY OF FARM INVENTORIES, 1965, 1966

Items	Average of 15 Farms	
	July 1, 1965	June 30, 1966
Size of Farm (acres)		194
Size of Business (work units)*		294
Dairy Cattle	\$ 3,513	3,926
Other Dairy Cattle	1,797	1,928
Beef Cattle (incl. feeders)	51	
Hogs	567	665
Sheep (incl. feeders)		
Poultry (incl. turkeys)	22	19
TOTAL PRODUCTIVE LIVESTOCK	\$ 5,950	6,538
Crops (seed and feed)	\$ 376	179
Auto and Truck (farm share)	488	465
Tractors and Motors	570	636
Crop and General Machinery	1,451	1,541
Livestock Equipment	424	587
TOTAL MACHINERY AND EQUIPMENT	\$ 2,933	3,229
Land	\$ 5,693	7,449
Buildings - Fences - etc.	2,468	3,865
TOTAL FARM CAPITAL	\$ 17,420	21,260

TABLE 2 SUMMARY OF FARM EARNINGS (CASH STATEMENT, 1965 - 1966)

Items	Average of 15 Farms
<u>FARM RECEIPTS</u>	
Dairy Cattle	\$ 1,444
Dairy Products	5,368
Beef Cattle (incl. feeders)	71
Hogs	1,513
Sheep and Wool	--
Poultry (incl. turkeys)	2
Eggs	36
Corn	23
Small Grain	101
Diverted Acre Income	223
Other Crops	129
Gas Tax Refunds + Cap. Assets Sold	98
Income from Work Off the Farm	25
Miscellaneous Farm Income	126
1 Total Farm Sales	\$ 9,159
2 Increase in Farm Capital	3,840
3 Family Living From the Farm	384
4 Total Farm Receipts 1+2+3	\$ 13,383
<u>FARM EXPENSES</u>	
Dairy Cattle Bought	\$ 838
Beef Cattle Bought (incl. feeders)	--
Hogs Bought	19
Sheep Bought	--
Poultry Bought (incl. turkeys)	7
Miscellaneous Livestock Expense	246
Feed Bought	1,879
Fertilizer	183
Other Crop Expense	342
Custom Work Hired	393
Gas Oil Grease Bought (Farm share)	604
Repairs for Tractors Trucks and Autos (Farm share)	439
Repair + Upkeep of Farm Real Estate	77
Repair + Upkeep of Crop + Gen. Mach.	194
Repair + Upkeep of Livestock Equip.	38
Wages of Hired Labor	148
Electricity Expense	184
Personal Property + Real Estate Taxes	449
Telephone and General Farm Expense	119
5 Total Cash Operating Expense	\$ 6,159
6 Mech. Power Bought (Farm share)	148
7 Crop and Gen. Machinery Bought	401
8 Livestock Equipment Bought	186
9 New Real Estate + Improvements	3,331
10 Total Farm Purchases 5 thru 9	\$ 10,225
11 Decrease in Farm Capital	--
12 Interest on Farm Capital	967
13 Unpaid Family Labor	821
14 Board Furnished Hired Labor	--
15 Total Farm Expense 10 thru 14	\$ 12,013
16 Labor Earnings 4 minus 15	\$ 1,370

TABLE 3 SUMMARY OF FARM EXPENSES (ENTERPRISE STATEMENT), \* 1965 - 1966

TABLE 5 SUMMARY OF FARM EXPENSES (Continued)		Average of 15 Farms
Items		
<u>RETURNS AND NET INCREASES</u>		
Dairy Cattle	\$	5,329
Other Dairy Cattle		1,609
Beef Breeding Cattle		--
Feeder Cattle		20
Hogs		1,616
Sheep		--
Turkeys		--
Chickens		61
ALL PRODUCTIVE LIVESTOCK	\$	8,635
Value of Feed fed to Livestock		4,598
Return over feed from Livestock		4,037
Crop, Seed and Feed		2,381
Income from labor off the farm		15
Agricultural Conservation Payments		10
Miscellaneous		116
TOTAL RETURNS AND NET INCREASES	\$	6,559
<u>EXPENSES AND NET DECREASES</u>		
Truck	\$	213
Auto (Farm Share)		326
Tractor		502
Electric and Gas Engines		186
Hired Power		190
TOTAL POWER	\$	1,417
Crop and General Machinery		568
Livestock Equipment		60
Buildings, Fences and Tiling		251
Bare Land		--
Misc. Livestock Expense		246
Labor		1,110
Real Estate Taxes		311
Personal Property Tax		137
Insurance		57
General Farm Expense		62
Interest on Farm Capital		967
TOTAL EXPENSES AND NET DECREASES	\$	5,186
LABOR EARNINGS	\$	1,373

\*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.



TABLE 4 CASH HOUSEHOLD AND PERSONAL EXPENSES FOR THOSE FARMS THAT KEPT  
COMPLETE ACCOUNTS OF THESE EXPENSES, 1965 -1966

Items	Average of 15 Farms
Number of Persons - Family	6.2
Number of Adult Equivalent - Family	4.4
Food and Meals Bought	\$ 900
Operating and Supplies	129
Furnishings and Equipment	120
Clothing and Clothing Materials	224
Personal Care, Personal Spending	82
Education and Recreation	131
Gifts and Special Events	110
Medical Care and Health Insurance	351
Church and Welfare	62
Pers. Share Truck and Auto Esp.	142
Oper. Share Upkeep on Dwelling	49
Pers. Share Tel. and Elect. Exp.	--
TOTAL CASH LIVING EXPENSE	\$ 2,389
Pers. Share New Truck and Auto	5
New Dwelling Bought	187
Taxes and Other Deductions	24
Life Insurance	29
Other Savings and Investments	22
TOTAL HOUSEHOLD + PERS. CASH EXP.	\$ 2,655
TOTAL FAMILY LIVING FROM THE FARM	382
TOTAL CASH EXP. AND PERQUISITES	\$ 3,037
INCOME-OPERATORS LABOR EARNINGS	910
RETURN TO CAPITAL AND LABOR	1,565
Non-Farm Income	
From Outside Investments	
From Sale of Outside Investments	
Other Personal Income	1,851
TOTAL NON-FARM INCOME	1,851
Total Money Borrowed	5,197
Paid on Debts - Principal	2,303

TABLE 5 NET WORTH STATEMENT FOR THOSE FARMERS WHO KEPT A COMPLETE RECORD  
OF ALL ASSETS AND LIABILITIES, 1965 - 66 (OPERATOR'S SHARE)

Items	Average of 14 Farms	
	July 1, 1965	June 30, 1966
Total Farm Capital	18,093	22,343
Auto - Personal Share	196	159
Dwelling	1,295	1,449
Other Personal Assets	1,665	2,076
TOTAL ASSETS	21,248	26,027
Real Estate Mortgages	4,854	7,694
Chattel Mortgages	3,731	4,109
Notes	419	270
Accounts Payable	522	721
TOTAL LIABILITIES	9,526	12,794
Farmers Net Worth	11,723	13,233
GAIN IN NET WORTH		1,511

TABLE 6 SUMMARY OF FARM EARNINGS BY TENURE, 1965 - 66 (OPERATOR'S SHARE)

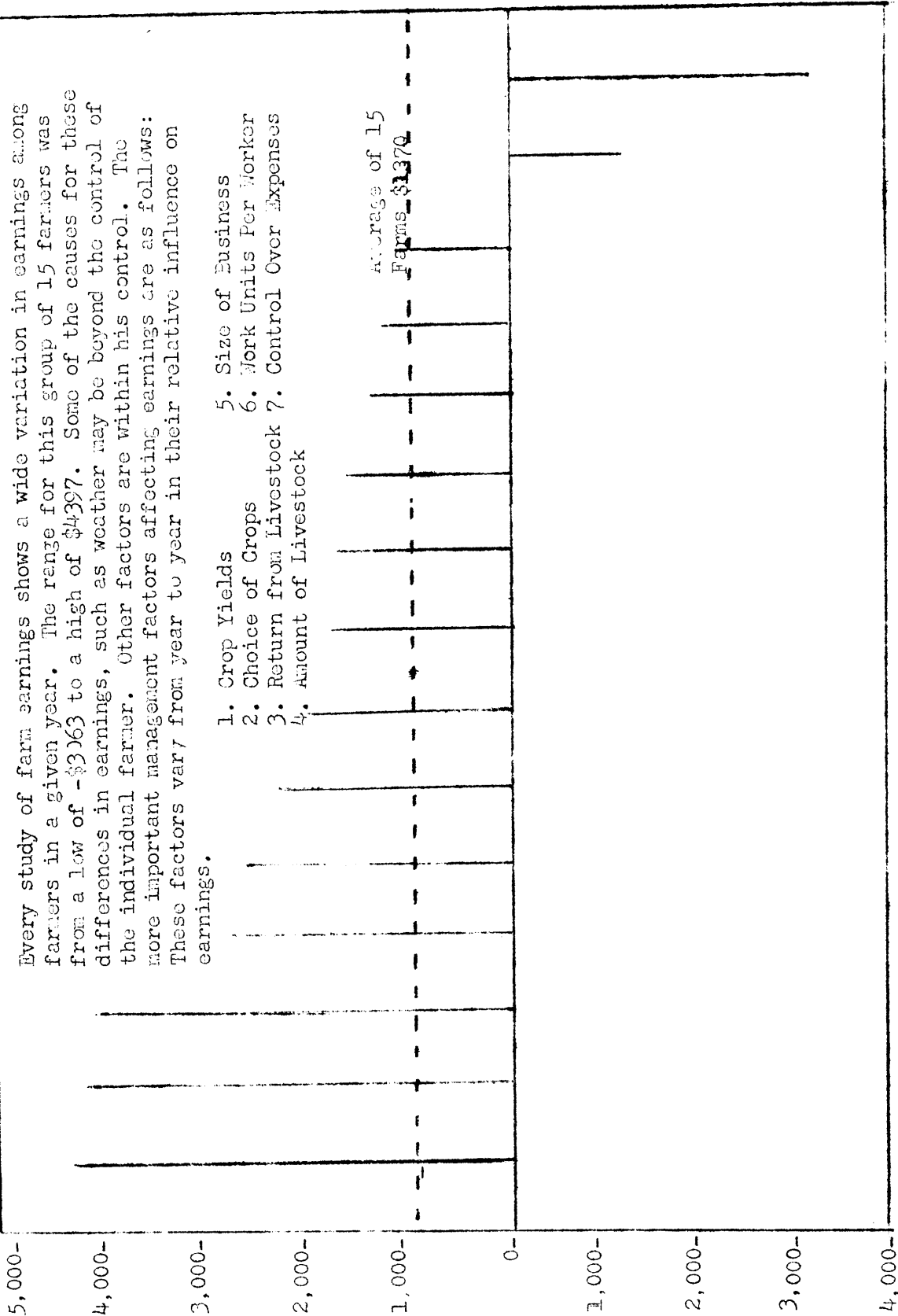
Items	Average of 14 Owners & Part Owners	
<u>FARM RECEIPTS</u>		
Dairy and Dual Purpose Cattle	\$	1,454
Dairy Products		5,475
Beef Cattle - including feeders		76
Hogs		1,527
Sheep and Wool - including feeders		--
Poultry - including turkeys		2
Eggs		38
Corn		--
Small Grain		--
Diverted Acre Income		239
Other Crops		51
Gas Tax Refund & Cap. Assets Sold		104
Income from Work Off the Farm		27
Miscellaneous		135
1 Total Farm Sales	\$	9,128
2 Increase in Farm Capital		4,251
3 Family Living From the Farm		406
4 Total Farm Receipts 1+2+3	\$	13,785
<u>FARM EXPENSES</u>		
Dairy and Dual Purpose Cattle	\$	854
Beef Cattle - including feeders		--
Hogs		20
Sheep		--
Poultry		7
Misc. Livestock Expense		246
Feed		1,930
Fertilizers		182
Other Crop Expense		321
Custom Work Hired		399
Gas - Oil - Grease		620
Tractor-Truck-Auto Repairs		440
Real Estate Repairs		82
Crop and Gen. Mach. Repairs		179
Livestock Equip. Repairs		41
Wages of Hired Labor		159
Electricity Expense		187
Real Estate and Property Taxes		423
*Cash Rent		20
General Farm Expense		126
Interest Expense		497
TOTAL CASH OPERATING EXPENSES	\$	6,732
Mech. Power Bought		134
Crop and Gen. Mach. Bought		411
Livestock Equipment Bought		197
New Real Estate & Improvements		3,569
5 Total Farm Purchases	\$	11,042
6 Decrease in Farm Capital		--
7 Interest on Farm Capital		514
8 Unpaid Family Labor		847
9 Board for Hired Labor		--
10 Total Farm Expenses 5+6+7+8+9	\$	12,403
11 Labor Earnings 4-10		1,382
12 Return to Cap. and Labor 7+8+11		2,743

\*Cash Rent and landlord's share of crops raised deducted from Labor Earnings on this table as compared with Labor Earnings on Tables 2 and 3.

# RANGE IN EARNINGS\*

Every study of farm earnings shows a wide variation in earnings among farmers in a given year. The range for this group of 15 farmers was from a low of \$3063 to a high of \$4397. Some of the causes for these differences in earnings, such as weather may be beyond the control of the individual farmer. Other factors are within his control. The more important management factors affecting earnings are as follows: These factors vary from year to year in their relative influence on earnings.

1. Crop Yields
2. Choice of Crops
3. Return from Livestock
4. Amount of Livestock
5. Size of Business
6. Work Units Per Worker
7. Control Over Expenses



\* Each line represents the labor earnings of every farm from top to bottom of 15 farms.

## EXPLANATION OF "WORK 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 an 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 7 below.

TABLE 7 NUMBER OF WORK UNITS FOR EACH CLASS OF LIVESTOCK AND CROP ACRE

Item	No. of Work Units
Dairy and dual purpose cows	10.0 per cow
Other dairy and dual purpose cattle	3.5 per animal unit*
Beef breeding herd	3.5 per animal unit*
Feeder Cattle	.25 per cwt.
Sheep - farm flock	1.5 per animal unit*
Sheep - feeders	.3 per cwt.
Hogs	.2 per cwt.
Turkeys	.5 per cwt.
Hens	20.0 per 100 hens
Canning peas	.5 per acre
Soybeans for grain	.5 per acre
Potatoes	4.0 per acre
Small grain	.5 per acre
Sugar beets	1.5 per acre
Sweet corn	.7 per acre
Corn, husked	.7 per acre
Corn, shredded	1.5 per acre
Corn silage	1.0 per acre
Corn, hogged	.4 per acre
Corn fodder	1.0 per acre
Silage, other than corn	1.0 per acre
Green chop	1.0 per acre
Alfalfa hay	.6 per acre
Soybean hay	.8 per acre
Other hay crops	.4 per acre
Pasture	.2 per acre

\*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,  $1\frac{1}{4}$  lambs,  $2\frac{1}{2}$  hogs, 5 pigs, 50 hens, or 1,100 lbs. of turkeys produced.

TABLE 8 MEASURES OF FARM ORGANIZATION AND MANAGEMENT EFFICIENCY 1965 - 66

Measures used in chart on page 12		Average of 15 Farms
Labor Earnings	\$	1,371
1 Crop Yields *		100
2 Percent Till. Land H. R. Crops		49.2
Gross Return Per Crop Acre		31.25
3 Return For \$100 to Prod. Livestock*		103
4 Prod. Livestock Units Per 100 Acres**		21.6
5 Size of Business - work units		294
6 Work Units Per Worker		179.9
7 Power, Mach., Equip., Bldg. Exp. per work unit	\$	7.82
Items Related to Some of the Above Measures:		
3 Index of return for \$100 feed from:*		
Dairy Cattle (see pp. 16 & 17)		100
Beef Cattle - breeding herd		--
Beef Cattle - feeders		--
Hogs (see pp. 14 & 15)		100
Sheep - farm flock		--
Chickens (see p. 18)		100
4 Number of workers		1.6
Number of animal units		34.8
5 Work units on crop		57
Work units on productive livestock		236
Work units on other prod. livestock		1
6 Power Expense Per Work Unit	\$	4.82
Mach. Expense Per Work Unit	\$	1.93
Equip. Expense Per Work Unit	\$	.21
Bldg. Expense Per Work Unit	\$	.85
7 Tractor Exp. Per Crop Acre		7.15
Crop-Gen. Mach. Exp. Per Crop Acre		6.73

\*Given as a percentage of the average.

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

# THERMOMETER CHART

Using your figures from page 11, locate your standing with respect to the various measures of farm organization and management efficiency. The averages for the farms included in this summary are located between the dotted lines across the center of the page.

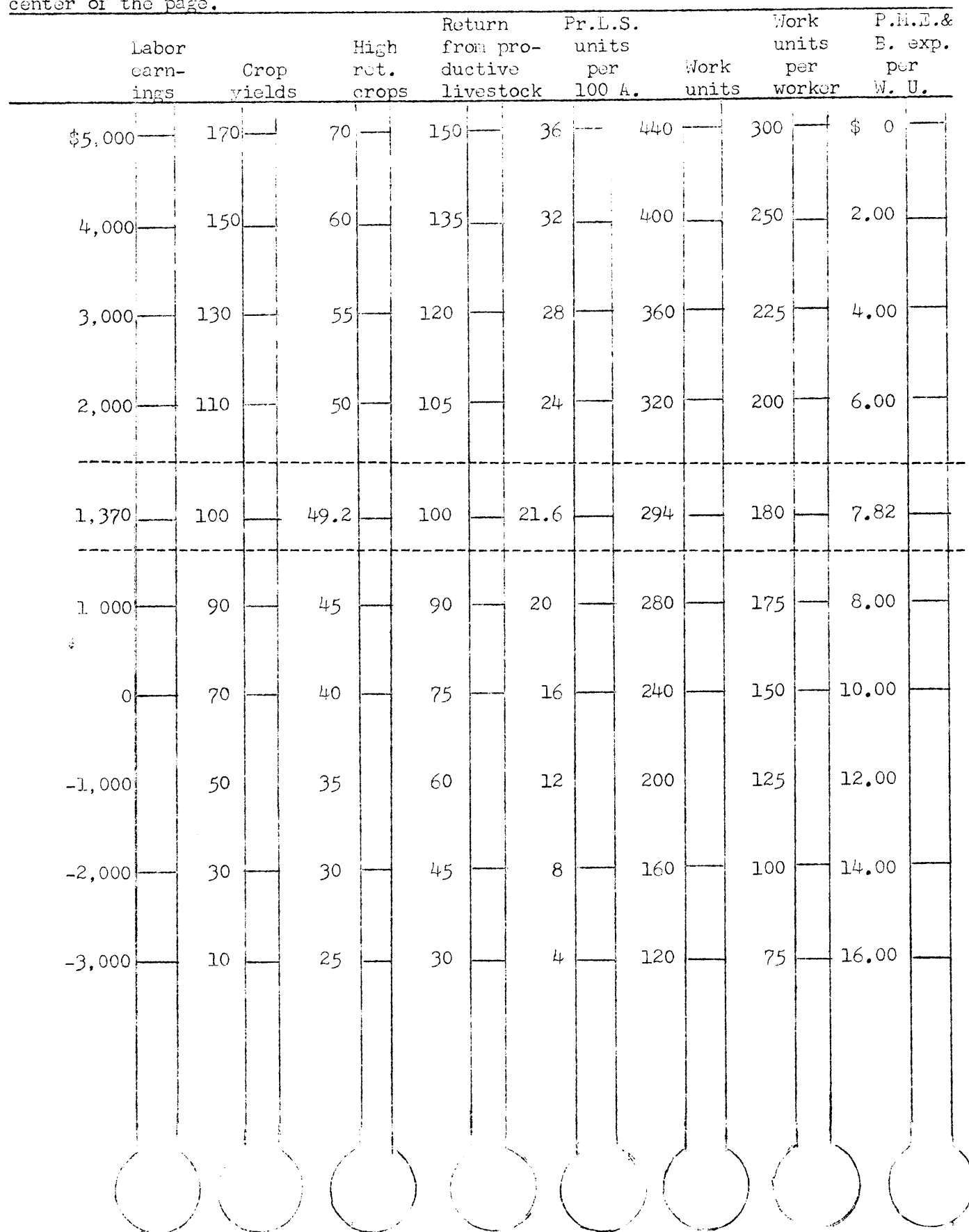


TABLE 9 DISTRIBUTION OF ACRES AND YIELD, 1965 - 66

Items		Crop Rating	Number Growing	Avg. of 15 Farms	Average Yield
Oats - and Mixtures	Bu.	C	15	27.7	45.6
Rye	Bu.				
Oats Silage	Ton				
Canning Peas					
Wheat	Bu.				
Barley	Bu.				
Flax	Bu.				
TOTAL SMALL GRAIN AND PEAS				27.7	
Canning Corn					
Corn Grain and Seed Corn	Bu.		7	8.1	13.6
Soybeans - grain	Bu.		1	1.0	4.0
Corn Silage	Ton	B	13	17.9	4.0
Corn and cane fodder	Ton		2	.8	.6
Sugar Beets	Ton				
Potatoes	Cwt.		1		16.7
Other Cultivated Crops					
TOTAL CULTIVATED CROPS				27.8	
Alfalfa Hay	Ton	A	13	18.5	2.9
Other Legumes and Mixes			5	9.3	2.2
Annual Hay	Ton	D	5	1.2	1.2
Legume and/or Grass Seed	Lbs.				
TOTAL HAY				29.0	
Alfalfa Pasture					
Other Legume Pasture			1	1.3	
Other Tillable Pasture			6	2.9	
TOTAL TILLABLE PASTURE				4.2	
Diverted Acres Income	\$	B	7	10.0	22.40
Tillable Land Idle			2	.9	
TOTAL TILLABLE LAND				99.6	
Wild Hay	Ton		4	3.0	1.1
Non-Tillable Pasture			15	58.5	
Timber	\$		11	10.9	
Roads and Waste			12	16.9	
Farmstead			15	5.1	
TOTAL ACRES IN FARM				194.0	
Percent Land Tillable				51.3	
Percent in High Return Crops				49.1	

\*Some crops were grouped because acreages for each were less than one acre.



## TOTAL FEED COSTS AND RETURNS FROM YOUR LIVESTOCK ENTERPRISES

The total "return over feed costs" for each class of livestock is shown in Table 9. This differs from the "return over feed" shown in the enterprise statement in that it is the total for each class of livestock instead of a return "per head", "per unit", or "per 100 lbs". These data indicate the relative importance of different classes of livestock as a source of income and as a market for feed. The total return is the same as the returns and net increases shown on page 5. The return over feed is not a net return, but rather the amount available from the gross income after paying the feed bill, to cover the outlay for hired labor, power, equipment, taxes, insurance, interest, and veterinary bills and to provide a return for the use of family labor and capital.

TABLE 10 TOTAL FEED COSTS AND RETURNS FROM YOUR LIVESTOCK ENTERPRISES, 1965 - 66

	<u>Dairy or dual purpose cattle</u>			<u>Beef</u>
	<u>Cows</u>	<u>Other</u>	<u>All</u>	
Total returns	_____	_____	_____	_____
Total feed cost	_____	_____	_____	_____
Total ret. over feed	_____	_____	_____	_____
<hr/>				
	<u>Hogs</u>	<u>Sheep</u>	<u>Chickens</u>	
Total returns	_____	_____	_____	_____
Total feed cost	_____	_____	_____	_____
Total ret. over feed	_____	_____	_____	_____

Feed is the largest single item of cost for all classes of livestock. However, the proportion of the total cost represented by feed varies between classes of livestock. Feed makes up approximately 45% of the total costs of maintaining dairy cattle and poultry, 50% for sheep, and 75 to 90% for hogs, feeder cattle, and feeder lambs. Consequently, it is necessary to secure a relatively higher return over feed from dairy cattle and poultry than from the other livestock enterprises in order to be able to cover all the costs other than feed.

TABLE 11 FEED COSTS AND RETURNS FROM HOGS 1965 -66

Items	Average of 5 Farms
Feed per cwt. hogs produced - lbs.	
Corn	130
Small Grain	240
Commercial Feeds	72
TOTAL CONCENTRATES	442
Forages and Miscellaneous	15
Feed Cost Per cwt. Hogs Produced	
Concentrates and Forages	\$ 10.17
Pasture	.03
TOTAL FEED COSTS	\$ 10.20
Net Inc.-Dec. in Value Per Cwt.	\$ 39.35
Return over Feed Costs Per Cwt.	\$ 29.15
Return for \$100 of Feed	\$ 385.78
Price Received Per Cwt.	\$ 43.56
Number of litters farrowed	29
Number of Pigs Born Per Litter	8.6
Number of Pigs Weaned Per Litter	7.0
POUNDS OF HOGS PRODUCED	8,789

This table includes animals sold as feeder pigs. This accounts for the average price of \$43.56 per cwt.

TABLE 12 FACTORS OF COST AND RETURNS FROM DAIRY COWS, 1965 - 66

Items	Average of 15 Farms
Pounds of Butterfat Per Cow	320
Pounds of Milk Per Cow	8981
Percent of Butterfat in Milk	3.5
Price per Pound of Butterfat Sold	93.8
Price Per Hundred Pounds Milk Sold	\$ 3.05
Feed per cow - pounds	
Corn	617
Small Grain	1153
Commercial Feeds	1739
Legume Hay	5907
Other Hay and Fodder	375
TOTAL CONCENTRATES	3509
TOTAL DRY ROUGHAGES	6282
TOTAL SILAGE	6643
Feed Cost Per Cow	
Concentrates	\$ 87.35
Roughages	76.12
Pasture	7.62
TOTAL FEED COSTS	\$171.09
Value of Produce Per Cow	
Butterfat Sales	\$284.83
Dairy Products Used in Home	4.96
Milk Fed to Livestock	9.66
Net Increases in Value of Cows	16.72-
TOTAL VALUE PRODUCED	\$282.73
Returns Over Feed Cost Per Cow	\$111.64
Returns For \$100 of Feed	\$165.20
Feed Cost Per Pound of Butterfat	53.5
Number of Cows	18.8

TABLE 13 FEED COSTS AND RETURNS FROM OTHER DAIRY AND DUAL PURPOSE CATTLE 1965-66

Items	Average of 15 Farms
Feed per head - pounds	
Concentrates	320
Hay and Fodder	2,314
Silage	1,158
Milk	287
Feed Cost Per Head	
Concentrates	\$ 8.52
Roughages	24.31
Milk	9.22
Pasture	3.54
TOTAL FEED COSTS PER HEAD	\$ 45.59
Net Increase-Decrease in Value	\$ 81.51
Returns Above Feed Cost Per Head	\$ 35.92
Returns for \$100 of Feed	\$ 178.79
Number of head of other cattle	19.7

TABLE 14 FEED COSTS AND RETURNS FROM ALL DAIRY AND DUAL PURPOSE CATTLE, 1965 -66

Items	Average of 15 Farms
Feed Per Cow - Pounds	
Concentrates	3,845
Hay and Fodder	8,707
Silage	7,856
TOTAL FEED COSTS PER COW	\$ 218.87
Value of Produce Per Cow	
Dairy Products	\$ 299.46
Net Inc.-Dec. in Value	68.67
TOTAL VALUE PRODUCED	\$ 368.13
Returns Over Feed Cost Per Cow	\$ 149.26
Returns Per \$100 Feed Cost	\$ 168.20
Animal Units of Cattle	28.7

TABLE 17 FEED COSTS AND RETURNS FROM CHICKENS.\* 1965 - 66

Items	Average of 2 Farms
Feed - Per Hen - Lbs.	
Grain	74
Commercial Feeds	<u>21</u>
TOTAL CONCENTRATES	95
 TOTAL FEED COST PER HEN	 \$ 2.33
 Value of Produce Per Hen	
Eggs Sold and Used	\$ 2.99
Inc.-Dec. In Value of Flock	<u>.28</u>
TOTAL VALUE PRODUCED	\$ 3.27
 Returns Over Feed Cost Per Hen	 .94
 Returns For \$100 of Feed	 \$140.34
 Price Per Dozen Eggs Sold - Cents	 29.6
Eggs Laid Per Hen	121
 Average Number of Hens	 117
Per Cent Death Loss	29.8

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

### LABOR EARNINGS CORRELATED WITH EXCELLED FACTORS

The thermometer chart on page 12 shows seven major management factors that influence farm earnings 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 units per worker
7. Control over expenses

The combined effect of these management factors as related to farm earnings is shown below. Attention is called to the fact that farmers exceeding the average in most of the seven management factors are also those reporting the highest labor earnings.

No. of factors in which farmers excelled	No. of farms						
		\$-2000	-1000	0	1000	2000	3000
0 or 1	2	-\$1797					
2 or 3	5	\$892					
4 or 5	5	\$1633					
6 or 7	3	\$3202					

This table should be studied along with pages 11 and 12. The importance of these three pages to determine the "financial heartbeat" of a farm operation cannot be over emphasized.

AVERAGE PRICES USED FOR FEED, 1965

These averages were based on prices received by Minnesota Farmers for 1965. Information was obtained from the Minnesota Crop and Livestock Reporting Service, USDA, 560 State Office Building, St. Paul, Minnesota. (In some cases, adjustments were made to conform to N. E. Minnesota.)

<u>CROP</u>	<u>UNIT</u>	<u>PRICE</u>
Ear Corn	Bu.	\$ 1.05
Oats	Bu.	.60
Barley	Bu.	.95
Alfalfa hay	T.	20.00
Red Clover	T.	16.00
Alsike Clover	T.	16.00
Poa hay	T.	16.00
Clover - Timothy	T.	16.00
Wild hay	T.	12.00
Oat hay	T.	14.00
Reed Canary	T.	12.00
Corn silage	T.	6.00
Grass silage	T.	6.00
Green chop	T.	3.00
Pasture		1.75/head/no. (dairy, beef cow) 1.00/head/no. (young cattle) .20/head/no. (hogs) .10/head/no. (pigs) .25/head/no. (ewes) .12/head/no. (lambs)

1965 - 66 IN A CAPSULE

FARM SIZE (ACRES)	<u>1965-1966</u> 194
SIZE OF BUSINESS (WORK UNITS)*	294
RETURN TO CAPITAL & FAMILY LABOR	\$ 2743
LABOR EARNINGS	\$ 1370
NET WORTH	\$ 12,478
RATIO OF ASSETS TO LIABILITIES	2.12:1
EXPENSES PER DOLLAR INCOME	\$ .90
RETURN PER DOLLAR INVESTED	\$ .07
% OF GROSS RECEIPTS SAVED AS RETURN TO CAPITAL & FAMILY LABOR	20%

SOURCE OF INCOME

INCOME FROM LIVESTOCK	92.1%
INCOME FROM CROPS	5.2
MISCELLANEOUS INCOME	2.7

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\* One work unit equals one 10 hour working day.