

# A LOOK AT THE 1956 FARM ANALYSIS STUDIES

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Differences between the high return and low return farm management cooperators may give agriculture instructors and farmers some indication of changes needed in organizing the farm business. Of the 266 farm account books analyzed by the six analysis centers for 1956, about one third failed to realize enough income for a minimum standard of living. A top third showed profits indicating that some farmers are making very pleasing financial progress.

The situation can best be illustrated by the figures below. The high group varies from the top and bottom  $\frac{1}{3}$  to the top and bottom  $\frac{1}{4}$  so comparisons between studies will be slightly misleading.

## Labor Earnings From Six Analysis Centers

Centers	Duluth	T. River Falls	Mankato	Austin	Winona	Morris
Average	\$1,733	\$2,091	\$4,857	\$5,791	\$2,348	\$3,730
High Group	3,190	4,628	9,615	9,502	6,333	7,040
Low Group	457	134	1,139	2,713	-2,150	811

What were the notable differences between the top and bottom groups? This seemed to vary considerably with the area. Size of business was consistently important. The Duluth study showed 267 work units as average, 321 for the high and 216 for the low. Figures for the other centers with average, high group, and low group are as follows: Thief River Falls 385, 455, 371; Mankato 365, 447, 349; Austin 436, 567, 378; Winona 428, 501, 434; Morris 334, 394, 384. Other important factors were crop yields, return over feed to livestock, work units per worker, and power, machinery, equipment, and building costs per work unit varied from \$7.71 (the high return group) to \$10.00 (the low return group) in the Duluth study. Mankato and Winona showed the greatest difference—\$8.77 for the high return group and \$13.34 for the low group at Mankato and \$7.15 and \$12.39 respectively at Winona. Costs were higher for the high return group in the Morris study, so the factor was negative for that group.

Cooperators from Northwestern Minnesota showed a much higher sale of dairy products in the high group. They had more livestock per hundred acres and higher crop yields. High return crops were negative. Crop yields seemed very significant in the Thief River Falls report, although the sale of dairy products was also much higher in the high return group. Livestock per 100 acres was negative.

The Mankato report indicated that high return farmers sold much more crop than the others. Livestock per 100 acres and sale of dairy products were not significantly different for the high as compared to the low group.

Size of business seemed to be a particularly important factor in the Austin study. Crop yields and hog sales were far above average in the high group.

The choice crops and sale of dairy products was not particularly different for two groups. Livestock per 100 acres was negative.

As indicated in earlier paragraphs, size of business, work units per worker, operational costs and return over feed to livestock showed up in comparing the high and low Winona groups. The receipts from hogs and choice of crops were negative.

Of the seven factors measuring farm efficiency, the low income group excelled more often than the high group in choice of crops and productive livestock per 100 acres. The percent of high return crops averaged over 60% for the Mankato, Austin and Winona areas indicating that both high and low groups were selecting profitable crops.

With farm analysis reports from six areas in the state, vocational agriculture instructors have an excellent basis for community planning. If instructors wish to use the reports for class study the analysis centers can duplicate additional copies for a fee similar to what the University of Minnesota charges for the Southeast and Southwest Minnesota Farm Management reports.

Schools participating in the 1956 program were: Bemidji, Blackduck, Cook, Cotton, Cromwell, Embarrass, Littlefork, Meadowlands, Park Rapids, Pine River, Staples, Thief River Falls, Middle River, Roseau, Williams, Baudette, Stephen, Kennedy, Lancaster, Plummer, Northome, Appleton, Alexandria, Alberta, Boyd, Canby, Cyrus, Dawson, Echo, Elbow Lake, Evansville, Ivanhoe, Madison, Montevideo, Morris, Redwood Falls, Amboy, Comfrey, Fulda, Lake Crystal, Lake Wilson, Madelia, Mankato, Mapleton, New Ulm, Pemberton, Sherburn, Springfield, St. Peter, Waconia, Watertown, Waterville, Austin, Hayfield, Byron, Spring Valley, Zumbrota, Kenyon, Canton, Lake City, Rushford, Mabel and Winona.

The above report was written and submitted to the "Ag Man" last May. Since that time reports from the Southeastern Minnesota Farm Management Service and the Southwestern Minnesota Farm Management Service have been completed. Summaries for these associations are prepared by the Agricultural Economics Division, University of Minnesota.

The Austin and Mankato studies cover areas of Minnesota comparable to those of the two associations. Average labor earnings per farm did not vary greatly for the four groups. Austin showed \$5,791, the Southwestern Association \$5,215, Mankato \$4,857 and the Southeastern Association \$4,650.

Corn yielding 78.6 bu. per acre and corn silage 12.5 T per acre were highest in the Southeastern Association reports. The Austin study showed only slightly

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lower corn and corn silage, alfalfa and soy bean yields. Austin cooperators averaged 55.3 bushels per acre for the high oats yield. The Mankato group had the highest alfalfa yields 3.3 T per acre.

The Southwestern Association cooperators showed the best conversion in hog production, while Mankato was second.

Southeastern Association farmers grew the greatest percentage of high return crops. Mankato showed the smallest. The Southwestern Association with 37.8 productive livestock units per hundred acres was high while Mankato with 28.9 units per hundred acres was low.

The Southeastern Association farm businesses averaged a little larger than the Southwestern Association and Austin groups. The Mankato average of 365 productive work units was the lowest. The Mankato, Southwestern Association and Austin groups showed a somewhat higher work accomplishment than did the Southeastern Association.

The Austin report showed a power machinery, building and equipment cost of \$10.02 per work unit for the lowest overhead. The Southwestern Association was the highest with \$12.72.

### Salary of Minnesota Vocational Agriculture Teachers By Years of Experience 1957-1958

Years of Experience	Number of Teachers	Average Salary
0	24	\$5185
1-5	119	5617
6-10	96	6147
11-15	24	6328
16-20	19	6542
20 (plus)	26	6783
Total and Average	308	Range \$4750-8070 \$5992

### Percentage Distribution of Teachers by Years of Experience

#### SALARY RANGE

	Under \$5000	\$5000 to \$5999	\$6000 to \$6999	\$7000 and Over
0	1.6	5.8	0.3	0.0
1-5	1.3	30.7	6.1	0.3
6-10	0.0	10.3	18.4	2.2
11-15	0.3	1.0	4.2	1.3
16-20	0.0	1.3	2.9	1.9
20 (plus)	0.0	1.3	3.2	3.8

The above summary was made from information supplied on "Annual Agreement for a Vocational Agriculture Department", Code IV-C-20. Information includes salaries of 308 teachers out of a total of 323 listed.