Initiating And Developing A Farm Management Program In A One Man Vocational Agriculture Department

I. Two Suggested Ways Of Initiating The Program

A. Select ten or twelve prospective families. Contact these families and explain the program. From this group, six to eight families should show sufficient interest to carry through. These families will be the Adult I class.

Steps

1. Get names through contacts made from visiting high school and prospective high school pupils. Also families previously enrolled in adult programs. Invite these families to a meeting explaining the values of farm analysis information. To keep the procedure democratic, a general invitation should go out through the press, newsletter, vo. ag. high school pupils, etc.
2. From the meeting, pick up any additional families that seem interested.
3. Call on the families and explain the details of the program. Also refer to what was covered at the meeting.
4. Let each family know that you want to work with a group but also that your time will be limited as to the number that can be effectively instructed the first year.
5. Make the final family selection on the basis of fee payment, interest shown in preparing depreciation schedules, completing other inventories, and meeting attendance. Do not eliminate a family that has started the account book and paid the fee. Families may automatically eliminate themselves.
6. Concentrate on families that exhibit willingness and responsibility. Others should be encouraged but considered as prospects for some future year.

B. Recruit a selected group from recommended families. This procedure assumes that the first group represents the elite. Status factors may be; having a son in the 11th or 12th grade vo. ag.; recommendation by such groups as; credit agencies, farm organizations, commercial clubs, etc.

1. Use recommendation as a basis for contacting the family.
2. Provide an opportunity for others to enroll through the usual publicity channels.
3. Call a meeting of prospective families in November.
4. Collect analysis fees in December and January for those showing strong interest. Encourage those less interested to continue keeping the record. They are prospects for a future year.
5. When the number of families is limited, be sure to explain that this is necessary only because of limited instructor personnel.

II. Meeting Schedule

A. At least five meetings should be held by mid-January.

1. The instructor who starts his program after being in the school at least one year may hold two summer meetings between July and October with a meeting each in October and November plus two meetings in December. Monthly meetings can be held from January 1.
2. The instructor who is new in a department will probably hold no meetings before mid-October. He will probably hold two meetings each in November and December. Monthly meetings would seem desirable beginning the new calendar year.

B. Meeting schedules should be set up to fit the instructional needs and the seasonal work load of farm families.
   1. Evening meetings held during the fall harvest season should not exceed 105 minutes. Start the meetings on time. Provide activity related to, but not part of, the main topic during the first part of the meeting. The assignment could have been made at the close of the previous meeting.
   2. Winter meetings can be held in the afternoons by those instructors who's daily high school schedule ends by 1:30 PM or 2:00 PM. Afternoon meetings should probably not exceed 130 minutes.

III. Instructional Material

A. Family Income Need Approach
   1. In order of probable priorities, families spend earnings for:
      a. Living-this, of course, comes first. This item is flexible for some families but very inflexible for others. Both vocational agriculture farm analysis and farm management service reports should be used as references. Food will probably show the least variation among families in their spending. Share of auto, education and recreation and giving, can vary tremendously.
      b. Family Security and Protection - this can vary greatly. It includes Social Security payments, life insurance, hospital and health insurance, loan insurance, etc. In studying the household and personal expense tables, living and protection are included as one general item. A figure of from $1000 to $1200 per family member would seem to be typical for family living and protection for 1965 and 1966. For some families, these items are much less, even with what many would consider an adequate standard of living. Farm families should be realistic and assume a minimum of $3500 for a couple, $500 for each child under high school age, and $750 for each child high school age or older. This would be a total of $5250 for a couple with two children in grade school and one in high school. Included would be family living from the farm, social security payments, life insurance, hospitalization insurance and other protection, generally considered necessary. Income tax would be in addition and cannot be accurately budgeted because it varies with the family earnings.
      c. Debt retirement and/or business expansion.
      d. Savings and outside investments.

   2. Sources of Income (from farm operation)
      a. Return to the operator for labor and management.
      b. Return for labor of family members.
      c. Income from interest on business equity.

   3. Sources of Income (not derived from farm operation)
      a. Borrowed money-sometimes borrowed on increased land values.
      b. Deferred expenditures-not replacing depreciated items.
      c. Deferred payment on debts and accounts.
      d. From outside investments.
      e. From gifts and inheritances.
      f. Work off the farm.

b. Farm Income Potential
   1. Is the size of the business adequate? (refer to Annual Farm Management Reports).

a. Compare measures of size and consider the value of each quantative measure; number of acres, productive work units, total farm investment, and gross return.
b. Return to capital and family labor-items included.
c. Rule of thumb for receipts to expense ratio dependent on (1) type of farming (enterprises); (2) price of product; and (3) efficiency. Total farm receipts of $30,000 with total farm expenses of $24,000 gives a 5 to 4 ratio and a labor earnings of $6000. Labor earnings to expenses ratio is 1 to 4.

2. Production Efficiency
a. To make a profit, income must exceed expenses. Some suggested non-labor costs are; 1 acre of corn $60; 100 pounds of pork $14; one milk cow $280.
b. Labor returns from the above enterprises at different levels of production:
1 acre of corn at $90 per acre returns $30 to labor.
1 acre of corn at $120 per acre returns $60 to labor.
100 pounds of pork at $17 per cwt returns $3 to labor.
100 pounds of pork at $20 per cwt returns $6 to labor.
1 cow producing $350 product returns $70 to labor.
1 cow producing $410 product returns $130 to labor.

3. Labor Efficiency
a. If efficiencies for corn vary from 4 to 8 hours per acre; pork from 1 to 2 hours per cwt produced; and a dairy cow from 50 to 100 hours yearly, we can calculate the dollar return per hour below.
b. Returns per hour of labor:
Corn at 8 hrs. for $30 = $3.75; at 4 hrs. for $30 = $7.50
Corn at 8 hrs. for $60 = $7.50; at 4 hrs. for $60 = $15.00
100 pounds pork at 2 hrs. for $3 = $1.50; at 1 hr. for $3 = $3.00
100 pounds pork at 2 hrs. for $6 = $3.00; at 1 hr. for $6 = $6.00
One cow with 100 hrs. for $70 = $.70; at 50 hrs. for $70 = $1.40
One cow with 100 hrs. for $130 = $1.30; at 50 hrs. for $130 = $2.60

4. Estimate of Potential Earning Capacity
a. At levels of production and labor efficiency:

	High	Good	Probable Average
Corn	$7-$12 per hr.	$4-$7 per hr.	$3-$4 per hr.
Oats	$.60-$1.00 per hr.	$.50=.60 per hr.	0-$.50 per hr.
Dairy Cows	$2-$3 per hr.	$1.50-$2 per hr.	$.50-1.50 per hr.
Hogs(at $18 per cwt)	$3-$4 per hr.	$2-$3 per hr.	$1.50-$2 per hr.

b. With a 3000 hour work load, return will vary according to labor efficiency and enterprise capability.
At $1.50 per hour this work load gives $4500.
At $3.00 per hour this work load gives $9000.

c. Example work load and returns:
240 Acre Farm - 225 Crop Acres of 90 A Corn, 45 A Soybeans, 45 A Oats, 45 A Legume Hay.

90 A Corn at 6 hrs. good efficiency $5 per hr.	Labor return		$2700
45 A Oats and Oat Silage at 5 hrs. $.70 per hr.	"	"	158
45 A Soy Beans at 5 hrs. $4 per hr.	"	"	900
45 A Legume hay at 7 hrs. $2 per hr.	"	"	630
25 Cows & replacements at 80 hrs. good efficiency $1.50 per hr.	"		3000
380 Raised hogs (80,000 lb.pork) at 1 hour per cwt good efficiency & price of $18 per cwt $2.50 per hr.	"	"	2000
		Total return to labor	$9388

Corn	$2700	for 540 hours
Oats	158	for 225 hours
Soy Beans	900	for 225 hours
Legume hay	630	for 315 hours
Cows	3000	for 2000 hours
Hogs	2000	for 800 hours

Total hours 4105

A work load of $4105 would probably represent 2500 to 3000 hours for the operator and 1105 to 2605 for family and hired labor.