Ninth annual report: Coon Creek farm account work. La Crosse, Monroe, and Vernon Counties, 1942. February 1943

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farm business analysis

UNITED STATES DEPARTMENT OF AGRICULTURE
U.S. SOIL CONSERVATION SERVICE
ECONOMIC RESEARCH
and the
WISCONSIN AGRICULTURAL EXPERIMENT STATION
cooperating

NINTH ANNUAL REPORT
COON CREEK FARM ACCOUNT WORK
LA CROSSE, MONROE, AND VERNON COUNTIES
1942

La Crosse, Wisconsin
February 1943

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NINTH ANNUAL REPORT OF THE COON CREEK FARM ACCOUNT WORK
1942

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This report is based on farm account records for 33 farms in the Coon Creek Area for 1942. Comparisons of some of the important factors affecting the net income of these farmers are included in this report, but most of the discussion is devoted to production data for 1942 and to suggestions for increased production in 1943.

Food production increased in 1942

Production of essential food commodities on these farms in 1942 surpassed the high records of 1941. Butterfat production increased 100 pounds per farm, or about two per cent. The number of cows per farm increased from 18 to 19, whereas butterfat production per cow fell from 234 pounds to 226 pounds. The decrease in production per cow was probably due to the comparatively large number of cull cows in the herd at the beginning of the year. Only one cow per farm was sold in 1941 as compared with four cows in 1942. These 33 farmers are starting 1943 with about 15 cows less than they had a year ago. Production per cow, therefore, will have to be higher in 1943 than it was in 1942 if dairy production per farm is to equal the 1942 production. Feed crop production in 1942 was unusually large. This has been reflected in heavier feeding of dairy cows in 1942 and in larger inventories on December 31 as compared with a year earlier. Inventories of hay, silage, and small grain were about 13 per cent higher and of corn 40 per cent higher at the beginning of this year than they were a year ago.

Total hog production increased from 4,900 to 5,100 pounds or four per cent above the 1941 level. Twenty per cent more sows were bred to farrow in the

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spring of 1943 than farrowed a year ago. With an increase of about 135 bushels in corn inventory this year, ample feed should be available for feeding out the prospective crop of spring pigs.

Egg production increased from 1,049 dozens per farm in 1941 to 1,303 dozens in 1942, an increase of 24 per cent. Still further increase in production may be expected in 1943, because the number of hens and pullets increased from 130 on January 1, 1942, to 150 on January 1 of this year.

Receipts and expenses were higher than in 1941

Increased production in these enterprises together with higher prices resulted in much higher cash receipts for the year than for 1941. Receipts from tobacco, as well as from miscellaneous sources were also higher. More farm produce, particularly of milk, eggs, and poultry were used on the farm.

Inventories of feed and productive livestock at the beginning of 1943 were higher than they were a year ago, reflecting a situation favorable for large production during the first half of 1943. Gross farm receipts in 1942 were 27 per cent higher than for 1941.

Table 1.--Farm products used by the farm families, 33 farms, Coon Creek, 1942.

	Your farm		Average of 33 farms		9 highest profit farms		9 lowest profit farms	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Eggs, dozen	____	$____	160	$45	164	$46	99	$28
Poultry, pounds...	____	____	89	16	72	13	66	12
Milk, quarts.....	____	____	1572	79	1742	87	1426	71
Cream, pints.....	____	____	24	4	13	2	54	8
Veal, pounds.....	____	____	74	9	19	2	158	19
Pork, pounds.....	____	____	445	58	535	70	347	45
Beef, pounds.....	____	____	170	15	183	17	206	19
Potatoes, bushels.	____	____	17	12	17	12	13	10
Canned products,qts.	____	____	--	28	--	36	--	18
Garden produce....	____	____	--	45	--	43	--	32
Wood, cords.....	____	____	22	110	18	89	17	83
Average value per farm		____		$421		$417		$345
Number persons in family		____						

Nearly all principal classes of expenses were also higher in 1942 than they were a year ago. This is particularly true of feed purchases, equipment, livestock, and crop expenses. More money than usual was spent on the repair and upkeep of machinery and buildings. Cash operating expenses were about 35% higher and total farm expenses about 50% higher. Operator's labor earnings were about 23 per cent higher than in 1941.

Table 2.--Detail of earnings, 33 farms, Coon Creek, 1942.

	Your farm	Av. 33 farms	9 highest profit farms	9 lowest profit farms
Receipts				
Butterfat sales		$2429	$3125	$1730
Cattle sales		612	606	502
Poultry and egg sales		394	488	153
Other livestock sales		701	1267	241
AAA payment		77	101	60
Tobacco sales		281	326	272
Other crop sales		123	125	98
Miscellaneous income		252	207	123
Cash farm receipts		4869	6245	3179
Produce used in the home		421	417	345
Inventory increase		792	786	681
Gross farm receipts		6082	7448	4205
Expenses				
Feed purchased		462	610	238
Equipment and auto expense		293	271	235
Livestock expense		127	128	139
Crop expense		212	301	158
Labor hired		191	192	148
Real estate expense		70	99	47
Taxes		187	213	135
Insurance and miscellaneous		60	62	50
Cash operating expense		1602	1876	1150
Livestock bought		188	228	169
Real estate improvement		380	179	348
Equipment bought		456	431	417
Inventory decreases		12	--	--
Unpaid family labor		304	322	233
Board of hired labor		89	59	68
Farm expense		3031	3095	2385
Net farm income		3051	4353	1820
Interest on investment		752	803	580
Operator's earnings		$2299	$3550	$1240

Larger crops were produced in 1942

A reduction of about 7 per cent was made in the acreage of hay while slightly larger acreages of corn and small grain were harvested in 1942 than in 1941. Yields per acre of harvested crops, particularly of corn and small grain were unusually high and pasture conditions were better than average during the entire pasture season. Nearly 2,500 pounds of commercial fertilizer were used per farm in 1942, an increase of a quarter of a ton over 1941.

The best possible care must be given to crop production in 1943 if adequate feed is to be available for the anticipated livestock production. This means continuing the use of commercial fertilizer, lime, and high yielding legumes. Soil conserving practices should be used wherever necessary, because the loss of soil tends to reduce production.

Feeding livestock for maximum production

Low-producing dairy cows should be sold and the better producers should be fed in accordance with their level of production. Culling out low producers will save feed for the better cows next winter as well as for feeding the herd this spring. Good legume hay and silage should be the foundation of the dairy ration. Dairy feeding specialists recommend feeding one pound of grain for every 3 to 4 pounds of milk produced. Protein supplements should be fed particularly if the quality of hay is poor. Fair to good producers should be kept in the herd, not only because of the need for milk products but also because at present prices of butterfat these cows will add to the net profit of the dairy herd.

Feeding the dairy calf properly is more important than ever. Feeding the calves more whole milk than necessary, however, reduces the amount available for human consumption and underfeeding may seriously affect future production. Recommendations of feeding specialists will be useful in determining what adjustments are needed in the calf feeding program.

Table 3.--Crop acreages, 33 farms, Coon Creek, 1942

	Your farm	Av. 33 farms	9 highest profit farms	9 lowest profit farms
	acres	acres	acres	acres
Alfalfa hay	____	5.8	5.0	1.6
Mixed legume hay	____	21.6	27.0	17.3
Soybean hay	____	.1	--	.4
Grass hay	____	.8	--	.5
Total hay	____	28.3	32.0	19.8
Corn silage	____	5.9	7.3	3.0
Corn grain	____	9.1	12.0	7.0
Total corn	____	15.0	19.3	10.0
Oats	____	8.9	8.9	5.8
Barley	____	1.1	1.6	1.0
Mixed grain	____	4.7	9.2	--
Other grain	____	.2	.6	.1
Total grain	____	14.9	20.3	6.9
Tobacco	____	1.3	1.5	1.2
Other	____	1.5	.9	3.1
Total acres in crops	____	61.0	74.0	41.0
Rotation pasture	____	6.0	7.0	7.0
Open perm. pasture	____	34.0	40.0	29.0
Wooded pasture	____	17.0	23.0	17.0
Woods not pastured	____	23.0	24.0	18.0
Other land in farms	____	9.0	10.0	5.0
Total acres in farm	____	150.0	178.0	117.0
% of farm in crops	____	41	42	35
% of cropland in hay	____	46	43	48
% of cropland in corn	____	25	26	24
% of cropland in grain	____	24	27	17

Table 4.--Crop yields per acre, 33 farms, Coon Creek, 1942

	Your farm	Av. 33 farms	9 highest profit farms	9 lowest profit farms
Alfalfa hay, tons	____	2.5	2.2	3.8
Mixed legume hay, tons	____	2.2	2.2	2.3
Soybean hay, tons	____	2.0	--	2.0
All hay, tons	____	2.3	2.2	2.4
Corn silage, tons	____	11.0	10.3	11.4
Corn grain, bushels	____	64	68	57
Oats, bushels	____	41	52	38
Barley, bushels	____	37	37	36
Mixed grain, bushels	____	40	41	--
Other grain, bushels	____	27	27	30
Tobacco, pounds	____	1600	1689	1411

Care, feeding, and management of the hog enterprise will be relatively more important on the farms on which hogs are produced for market than it was when hogs were raised for home use only. Parasite and disease control problems will need definite attention.

Increased egg production is profitable as well as patriotic at the present time. Poultry production which on many farms in the area has been for family use only, has expanded into an important enterprise. Attention to early hatching of pullets, proper feeding and housing will pay good dividends in terms of increase in net income.

Table 5.--Livestock organization, 33 farms, Coon Creek, 1942

	Your farm	Av. 33 farms	9 highest profit farms	9 lowest profit farms
Cows, number	____	19	24	15
Other cattle, number	____	14	15	12
Pork produced, cwt.	____	51	98	16
Poultry, number	____	110	128	54
Sheep, number	____	7	10	2
Horses, number	____	4	4	3

Man power needs on these farms

The labor equivalent of two full-time men, including the farm operator, was used on these farms in 1942. Unpaid family labor of women, boys, and girls provided about one-third of the labor, and hired help provided the remaining one-sixth.

Adjustments in man power may be needed on some of the farms if the much-needed food production is to be maintained at the present level. Labor is not fully or efficiently used on some of the farms. On seven farms, the average number of days of productive work per worker was only 165 as compared with an average of 365 days on farms on which labor was most efficiently used. See item 2 on page 8.

A low index of days of productive work per worker does not indicate idleness, but is usually the result of low efficiency associated with small farms, small units of power and equipment, and less than full utilization of labor on

the productive enterprises.

In a number of cases the operators of the smaller farms could arrange to work part time on the larger neighboring farms on a trade work basis. In return the neighbor could use his larger tillage and harvesting machinery on both farms, thereby reducing the man labor requirements on the smaller farm. This suggestion is merely an extension of the old-fashioned system of neighbor work exchanges to fit present-day needs.

Important Factors Affecting Earnings[1]

1. Volume of business, as measured in terms of days of productive work,[2] was the most important factor affecting earnings in 1942. More acres, more livestock or greater production per acre or per unit of livestock will increse the volume of business.

Farms with	No. of farms	Days prod. work	Operator's earnings per farm	Operator's earnings per crop acre
Highest no. days prod. work	7	675	$3096	$36
Lowest no. days prod. work	7	283	1267	37

Chances for the larger net earnings are usually a little better on the larger farms when prices of farm products are high, but small farms when well managed frequently yield larger incomes than some of the larger farms which are not so well managed. Comparisons of 4 farms and the average of all farms are given in the accompanying table.

Farm number	Acres in crops	Operator's Earnings per farm	Operator's Earnings per acre	Value of crops per acre	Days prod. work	B.F. per cow	Returns from $100 feed
A	47	$3391	$72	$40	407	258	$276
B	52	3364	65	34	517	232	257
C	54	2795	52	55	484	255	197
D	62	2660	43	33	504	266	225
Av.	61	2299	37	35	460	251	230

[1] Those who are interested in a study of the importance of factors affecting farm income will find a brief discussion of factors in previous farm record reports for this area.

[2] The index "Days of productive work" is used as a measure of size of business. The average number of 10-hour days of man labor used per acre of crops and per unit of livestock other than horses is used as a basis for combining crops and livestock enterprises into a single measure of size.

2. More efficient use of labor increases net earnings.

Farms having	Days prod. work per worker	Acres in crops	Operator's earnings per farm	Operator's earnings per acre
Highest no. days prod. work per worker	365	79	$3207	$41
Lowest no. days prod. work per worker	165	53	1894	36

3. Good selection of crops and high yields usually result in high net earnings.

Farms with	No. of farms	Value crops per crop acre	Operator's earnings per farm	Operator's earnings per crop acre
Highest value of crops per C.A.	7	$47	$2686	$49
Lowest value of crops per C.A.	7	26	2637	36

4. Efficient utilization of feed is very important on livestock farms.

Farms with	No. of farms	Returns per $100 feed	Operator's earnings per farm	Operator's earnings per crop acre
Highest returns from feed	7	$295	$2160	$54
Lowest returns from feed	7	169	1737	25

5. High butterfat production per cow adds to the volume of farm business as well as to net earnings

Farms with	No. of farms	Pounds B.F. per cow	Operator's earnings per farm	Operator's earnings per crop acre
Highest butterfat per cow	7	288	$2559	$38
Lowest butterfat per cow	7	202	1982	35

6. Low power and equipment costs per day of productive work usually indicates high efficiency in their use

Farms with	No. of farms	Power & equip. cost per days prod. work	Operator's earnings per farm	Operator's earnings per crop acre
Lowest power & equip. cost	8	$ .63	$2701	$45
Highest power & equip. cost	7	1.71	2342	32

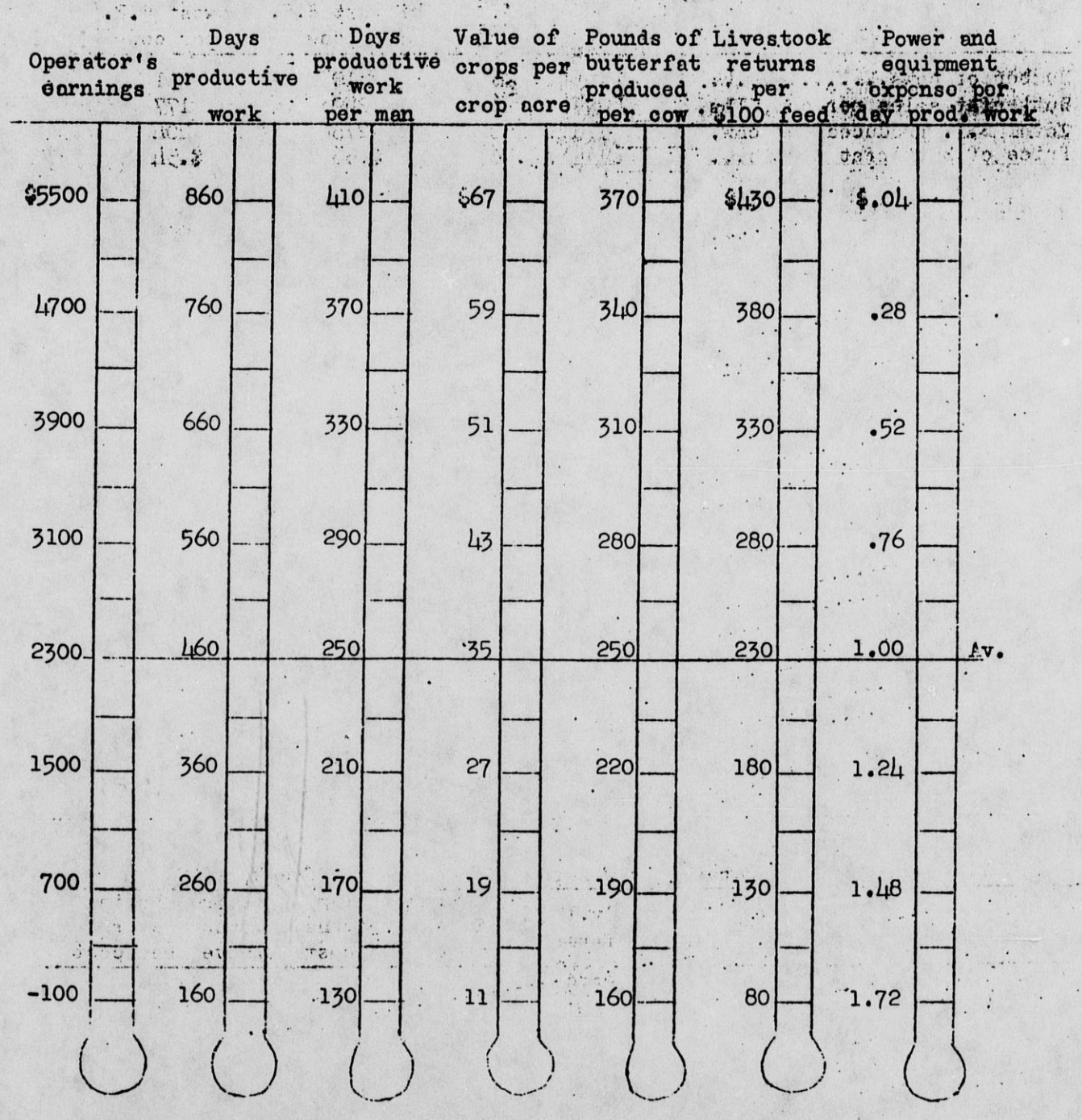

Figure 1.--A rating of average or better in most of those factors usually results in high operator's earnings.

Table 6.--Feed cost and returns from dairy cows, 32 farms, Coon Creek, 1942

	Your farm	Av. 32 farms	8 farms with highest B.F. per cow	7 farms with lowest B.F. per cow
Number of cows		20	19	21
Butterfat sales per cow, lbs.		222	249	177
Total B.F. produced per cow.		250	278	204
Price of butterfat per lb...		$.56	$.56	$.54
Pounds feed per cow				
Corn and small grain		1064	804	905
Protein feed		346	426	246
Total concentrates		1410	1230	1151
Alfalfa hay		515	935	434
Mixed hay		3565	2934	2538
Soybean hay		24	--	66
Total hay		4104	3869	3038
Silage		5583	5740	3998
Corn stover and straw		205	110	337
Total roughage*		6170	5892	4708
Pasture charge		$7.83	$8.18	$7.99
Total feed cost		$62.00	$60.90	$49.89
Total value butterfat per cow		$140.01	$154.73	$109.55
Returns over feed cost		$78.01	$93.83	$59.66
Returns for $100 feed		$235	$256	$223

*one-third total pounds silage included

Table 7.--Feed cost and returns from hogs, 17 farms, Coon Creek, 1942

	Your farm	Av. 17 farms	9 farms having highest returns above feed cost	8 farms having lowest returns above feed cost
Pounds of hogs produced		8335	9711	6375
Av. marketing weight		198	204	191
Pounds of feed per cwt. hogs				
Corn		220	217	231
Small grain		120	104	138
Protein supplement		35	33	24
Total concentrate		375	354	393
Feed cost exclusive of past.		$6.79	$5.83	$7.83
Price received for hogs		13.36	13.65	12.60
Returns above feed cost per cwt.		6.57	7.82	4.77
Returns per $100 feed		$204	$234	$160

Table 8. Feed cost and returns from poultry, Coon Creek, 1942

	Your farm	Av. 27 farms	7 farms having highest returns over feed cost	7 farms having lowest returns over feed cost
Average number of hens		124	157	95
Number of eggs per hen		147	183	115
Pounds feed per hen				
Corn and small grain		79	82	79
Commercial feed		35	49	27
Total		114	131	106
Skimmilk		--	.6	--
Feed cost per hen		$2.16	$2.55	$1.92
Value of produce per hen				
Eggs produced		$3.51	$4.33	$2.82
Poultry sales and increases		.95	1.31	.46
Total credits per hen		4.46	5.64	3.28
Returns over feed cost per hen		$2.30	$3.23	$1.26
Returns for $100 feed		$217	$254	$177

Table 9.--Feed cost for horses, 33 farms, Coon Creek, 1942

	Your farm	Av. 30 farms	9 highest profit farms	9 lowest profit farms
Feed per horse				
Grain, pounds		545	617	784
Hay, pounds		4835	4757	5304
Fodder & stover, pounds		220	162	261
Value of feed per horse		$34.34	$33.57	$39.08
Number of horses		3.5	3.9	2.9
Number of colts		.2	.4	.0
Crop acres per farm		62	74	45

Summary of Nine Years of Farm Records, 1934-42

The Soil Conservation Service in cooperation with the Wisconsin Agricultural Experiment Station started a farm record route in the Coon Creek Area in 1934 with 34 record keepers. A few of those records were discontinued in 1935 but others were added, bringing the total up to 50 for the year. From 33 to 45 records were completed in the succeeding years. Detail of earnings and miscellaneous production data for the nine-year period are shown in table 10.

Table 10.--Detail of earnings and miscellaneous data, Coon Creek, 1934-42.

	1934	1935	1936	1937	1938	1939	1940	1941	1942
Number of farms.....	34	50	45	45	45	41	44	38	33
Cash receipts.....	$1421	$1762	$2299	$2277	$2144	$2435	$2602	$3759	$4869
Increase in inventory..	--	35	--	--	163	--	561	667	780
Farm products to home..	326	326	303	295	290	275	248	355	421
Gross farm earnings...	1747	2123	2602	2572	2597	2710	3411	4781	6070
Cash expense.....	494	641	663	780	1162	1130	1402	1992	2715
Decrease in inventory..	85	--	350	281	--	73	--	--	--
Unpaid family labor....	80	86	162	160	162	133	176	238	304
Farm expenses.....	659	727	1175	1221	1324	1336	1578	2230	3019
Farm earnings.....	1088	1396	1427	1351	1273	1374	1833	2551	3051
Interest on investment.	550	575	624	630	645	663	613	686	752
Operator's earnings..	$538	$821	$803	$721	$628	$711	$1220	$1865	$2299
Crop acres.....	48	53	57	57	59	60	63	61	61
Operator's earnings per crop acre.....	$11	$15	$14	$13	$11	$12	$19	$31	$38
Value of crops per crop acre.....	$28	$20	$25	$23	$18	$23	$23	$25	$35
Returns per $100 feed..	$115	$191	$143	$174	$204	$161	$206	$274	$230
Butterfat sales, lbs...	2313	2608	3295	2839	3324	3238	3571	4191	4292
Butterfat sales per cow	145	178	207	185	202	195	215	234	226
Hogs produced, lbs.....	1845	1615	1703	1143	1921	2439	3876	4874	5100