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## EC841 Revised 1952 Annual Farm Business Report 1951 Eastern Nebraska 38 Farms

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ANNUAL

FARM BUSINESS REPORT

1951

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Eastern Nebraska

38 Farms

Extension Service  
University of Nebraska, College of Agriculture  
and U.S. Department of Agriculture Cooperating  
W. V. Lambert, Director

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## FARM BUSINESS REPORT

### 38 EASTERN NEBRASKA FARMS, 1951

Arthur G. George

Farm records submitted by 38 eastern Nebraska farmers to the Department of Agricultural Economics of the Nebraska College of Agriculture showed average earnings in 1951 of 4.03 per cent on their capital investments or \$1,161 in terms of labor and management wages. These earnings were exclusive of the farm contributions to the family living which includes such items as dairy and poultry products, meats, fruits and vegetables produced and consumed on the farm.

Comparable average earnings by 32 farms from the same area in 1950 were 9.43 per cent on the capital investment or a labor and management wage of \$4,209.

The farm records studied in 1951 were received from farm operators in Washington, Saunders, Cass, Otoe and Dodge counties. The records were received from both owner-operated and tenant farms. This report, however, considers the data only for the entire farm without regard to ownership.

The rate earned on capital is computed from the net farm income remaining after deducting an allowance of \$150 per month for the unpaid labor used by the farmer and members of his family in operating the farm. The labor and management wage is determined by subtracting from the net farm income an estimated earning of 5 per cent on the capital used and \$150 per month for the unpaid labor of members of the operator's family.

The farms studied are characterized by generally highly productive soils. Cattle feeding was carried on by several of the cooperators. Several were extensively engaged in hog raising, a few were dairymen and some were general livestock and grain farms.

The principal crops grown were corn, oats, wheat, alfalfa with some soybeans, red clover, and other miscellaneous crops. Nearly 87 per cent of the average farm area was in cropland.

The year 1951 was a very wet one. Crop seeding was unduly delayed and some fields in the area studied were not seeded. Corn production was fair but quality was poor due to excessive moisture content. Wheat yields were very low and oats production was below normal. Pasture and hay crops were much better than normal, but wet weather caused problems in salvaging hay after it was cut. Much of it was put in silos.

Data from the records were summarized and are presented in six tables which follow. Each table shows average figures for all records, for the one-third most profitable farms, and for the one-third least profitable farms.

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Farmers, county agents, and Agricultural Extension Service, and the Department of Agricultural Economics assisted in different phases of the work necessary to the publication of this report.

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Average earnings for the 13 most profitable farms were 7.08 per cent on the investment or a labor and management wage of \$3,045. These earnings compared with 0.53 per cent on the investment or a negative labor and management wage (minus \$815) for the 13 least profitable farms. The negative labor and management wage does not indicate a loss but it means that these farmers failed by \$815 to earn 5 per cent on their capital after allowing wages to unpaid family labor.

Compared with the least profitable farms, the most profitable ones had slightly more land, much more livestock, greater crop production, generally higher yields per acre and higher returns for each \$100 worth of feed fed to productive livestock.

#### Explanation and Definitions

##### 1. Work Unit (Productive Man Work Unit)

The amount of work a man can do in a ten-hour day when working on crops and productive livestock, at average speed, with the type of equipment in most common use in the community.

##### 2. Work Units Performed per Man

Divide the total number of work units used by the number of months of man labor used during the year, divided by 12.

##### 3. Crop Yield Index

Let 100 per cent represent the average yields per acre of all crops raised by all record keepers. The crop yield index of an individual is the percentage his yields were of the average yields on the total acreage of all operators.

##### 4. Animal Unit

One cow, one bull, one feeder, 2 stock cattle from one to two years old, 4 calves under one year, 7 sheep, 1,000 pounds of hogs produced, 100 head of poultry.

##### 5. Productive Livestock

All livestock except horses and mules.



Table 1. Summary of beginning inventories on 38 Eastern Nebraska Farms, 1951.

Item	Your farm	Average		
		38 farms	13 most profitable farms	13 least profitable farms
SIZE OF FARM (ACRES)		220	227	204
HORSES	\$	\$ 20	\$ 22	\$ 21
PRODUCTIVE LIVESTOCK (TOTAL)		6,215	6,850	5,883
Milk cows		869	948	967
Feeder cattle		2,214	3,983	1,122
Other cattle		1,293	901	1,820
Hogs		1,557	867	1,473
Sheep		132	--	386
Poultry		150	151	115
MACHINERY AND EQUIPMENT (TOTAL)	\$	\$5,311	\$5,281	\$5,263
Truck		429	341	543
Automobile		781	600	837
Tractor		1,045	1,118	986
Other machinery		3,056	3,222	2,897
FEED, GRAIN AND SUPPLIES	\$	\$3,769	\$4,795	\$3,798
PERMANENT IMPROVEMENTS	\$	\$5,559	\$6,608	\$3,993
LAND IMPROVEMENTS	\$	\$ 122	\$ 95	\$ 35
LAND	\$	\$38,906	\$41,227	\$39,125
TOTALS: BEGINNING INVENTORIES	\$	\$59,902	\$64,878	\$58,118



Table 2. Summary of closing inventories on 38 Eastern Nebraska farms, 1951.

Item	Your farm	38 farms	13 most profitable farms	13 least profitable farms
SIZE OF FARM (ACRES)		220	227	204
HORSES	\$	\$ 12	\$ 19	\$ 7
PRODUCTIVE LIVESTOCK (TOTAL)	\$	\$6,874	\$7,166	\$5,706
Milk cows		935	1,244	660
Feeder cattle		2,434	2,734	1,187
Other cattle		1,777	1,753	2,017
Hogs		1,439	1,294	1,361
Sheep		125	--	364
Poultry		164	141	117
MACHINERY AND EQUIPMENT (TOTAL)	\$	\$5,827	\$6,026	\$5,657
Truck		419	298	514
Automobile		751	541	844
Tractor		1,234	1,344	1,145
Other machinery		3,423	3,843	3,154
FEED, GRAIN AND SUPPLIES	\$	\$3,544	\$4,474	\$3,148
PERMANENT IMPROVEMENTS	\$	\$5,533	\$6,365	\$3,904
LAND IMPROVEMENTS	\$	\$ 129	\$ 126	\$ 34
LAND	\$	\$38,906	\$41,227	\$39,125
TOTALS: CLOSING INVENTORIES	\$	\$60,825	\$65,403	\$57,581



Table 3. Summary of land use by crops on 38 Eastern Nebraska farms, 1951.

Item	Your farm	Average acres		
		38 farms	13 most profitable farms	13 least profitable farms
Corn		77	76	77
Oats		35	34	35
Wheat		14	18	12
Soybeans		7	13	8
Alfalfa and clover		22	23	22.8
Corn Silage		2	3	.7
Tilled pasture		23	25	19.4
Wild hay		2	3	1
Other cropland		9	6	5.1
Total cropland		191	201	181
Permanent pasture		13	15	10
Farmstead, roads, waste		16	11	13
Total acres in farm		220	227	204
Per cent of total acreage in each use				
Corn		35.0	33.5	37.7
Oats		15.9	15.0	17.2
Wheat		6.4	7.9	5.9
Soybeans		3.2	5.7	3.9
Alfalfa and Clover		10.0	10.1	11.2
Corn silage		.9	1.3	.3
Tilled pasture		10.4	11.0	9.5
Wild hay		.9	1.3	.5
Other cropland		4.1	2.7	2.5
Total cropland		86.8	88.5	88.7
Permanent pasture		5.9	6.6	4.9
Farmstead, roads, waste		7.3	4.9	6.4
Total		100	100	100



Table 4. Summary of cash income and cash expenses on 38 Eastern Nebraska farms, 1951.

Item	Your farm	Average		
		38 farms	13 most profitable farms	13 least profitable farms
CASH INCOME				
Sheep	\$	\$ 108	\$ --	\$ 316
Horses		7	--	11
Cattle		4,404	7,730	2,648
Hogs		3,982	3,129	3,577
Poultry		222	206	121
Egg sales		660	745	458
Dairy sales		780	1,021	430
Machinery and equipment		400	240	379
Feed, grain, and supplies		3,680	4,810	3,511
Labor off farm		48	74	49
Miscellaneous		137	168	131
Total cash income	\$	\$14,428	\$18,123	\$11,631
CASH EXPENSES				
	\$			
Land Improvements		\$ 16	\$ 41	\$ --
Improvements		479	320	262
Horses		--	--	--
Cattle		2,195	3,058	1,065
Hogs		599	266	490
Poultry		101	97	77
Livestock expense		214	176	285
Supplies		145	146	145
Machinery and equipment		3,160	3,298	3,009
Feed, grain and supplies		2,178	2,410	1,838
Crop expense		558	841	433
Hired labor		429	652	272
Taxes		690	759	617
Miscellaneous		127	118	145
Total cash expense	\$	\$10,891	\$12,182	\$ 8,638
Net cash gain	\$	\$3,537	\$5,941	\$2,993
Net inventory gain		923	525	--
Net cash loss		--	--	--
Net inventory loss		--	--	537
Net farm gain	\$	\$4,460	\$6,466	\$2,456



Table 5. Summary of income and expenses, including inventory changes on 38 Eastern Nebraska farms, 1951.

Item	Your farm	Average		
		38 farms	13 most profitable farms	13 least profitable farms
RECEIPTS AND NET INCREASES				
Sheep	\$	\$ 101	\$ --	\$ 294
Cattle		2,979	4,571	1,538
Hogs		3,265	3,290	2,975
Poultry		135	99	46
Egg sales		660	745	458
Dairy sales		780	1,021	430
Machinery and equipment		--	--	--
Feed, grain, and supplies		1,277	2,079	1,023
Labor off farm		48	74	49
Miscellaneous		137	168	131
Total receipts and net increases	\$	\$ 9,382	\$12,047	\$ 6,944
EXPENSES AND NET DECREASES				
Land Improvements	\$	\$ 9	\$ 10	\$ 1
Improvements		505	563	351
Horses		1	3	3
Cattle		--	--	--
Hogs		--	--	--
Poultry		--	--	--
Livestock expense		214	176	285
Supplies		145	146	145
Machinery and equipment		2,244	2,313	2,236
Feed, grain, and supplies		--	--	--
Crop expense		558	841	433
Hired labor		429	652	272
Taxes		690	759	617
Miscellaneous		127	118	145
Total Expenses and Net Decreases	\$	\$4,922	\$5,581	\$4,488
Return to Capital and operator's family	\$	\$ 4,460	\$ 6,466	\$ 2,456
Value of unpaid labor at \$150 per month		1,991	1,800	2,146
Net income from investment and management	\$	\$ 2,469	\$ 4,666	\$ 310
Average investment	\$	\$61,291	\$65,885	\$58,500
Rate (%) earned on investment	%	4.03%	7.08%	0.53%
Returns to capital and operator's labor and management	\$	\$ 4,226	\$ 6,339	\$ 2,110
5% Interest on average investment	\$	\$ 3,065	\$ 3,294	\$ 2,925
Labor and Management Wage	\$	\$ 1,161	\$ 3,045	\$ -815



Table 6. Comparison of factors that affect farm income on 38 Eastern Nebraska farms, 1951.

Item	Your farm	Average		
		38 farms	13 most profitable farms	13 least profitable farms
Labor and Management Wage	\$	\$ 1,161	\$ 3,045	\$ -815
Rate earned on investment	%	4.03%	7.08%	0.53%
Size of business				
Acres in farm		220	227	204
Acres in cropland		191	201	181
Average number of men		1.3	1.2	1.2
Productive work units		324	338	285
Animal units (productive livestock)		43.6	48.3	33.7
Cows milked		4	4	4
Litters of pigs weaned		10	12	9
Pigs weaned		68	74	57
Volume of production				
Corn, bus.		2,721	3,054	2,393
Oats, bus.		1,036	1,153	1,024
Wheat, bus.		123	164	108
Alfalfa, tons		31	29	28
Livestock				
Hogs, pounds produced		--	18,352	--
Dairy sales	\$	\$ 780	\$ 1,021	\$ 430
Egg sales	\$	\$ 660	745	\$ 458
Rates of Production				
Corn, bus. per acre		36	40	31
Oats, bus. per acre		30	34	29
Wheat, bus. per acre		9	9	9
Alfalfa, tons per acre		2.2	2	2
Crop yield index		100	108	96
Pigs weaned per litter		6.8	6.2	6.5
Dairy sales per cow	\$	\$ 195	\$ 255	\$ 108
Egg sales per hen	\$	\$ 4.46	\$ 4.69	\$ 4.45
Efficiency				
Productive work units per man		249	282	238
Labor, power and machinery cost per work unit	\$	\$ 14.33	\$ 13.95	\$ 16.30
Returns per \$100 worth of feed fed to productive livestock	\$	\$ 137	\$ 144	\$ 122
Balance				
Per cent of productive work on crops	%	43%	44%	47%
Per cent of productive work on livestock	%	57%	56%	53%
Productive livestock units per 100 acres		19.8	21.3	16.5



THERMOMETER CHART. By using the figures in Table 6 for "Your Farm", each cooperator can determine his standing in comparison with the averages of the farms included in this study. The averages for the 38 records used in this summary are located between the lines across the center of the page.

38 Farms in Eastern Nebraska, 1951

Size		Productive rates				Efficiency			Balance		
Acres per farm	Work units	Prod.	Crop	Pigs	Returns	Work	Labor, power	Percent	Livestock	Rate	Labor and
		live- stock units	yield index	per litter	per \$100 feed fed	units per man	machinery cost per work unit	work on live- stock	units per 100 acres	earned on in- vestment	manage- ment wage
370	524	93.6	150	10.3	197	399	--	77%	34.8	--	5,161
340	484	83.6	140	9.6	185	369	--	73	31.8	--	4,361
310	444	73.6	130	8.9	173	339	9.23	69	28.8	8.53	3,561
280	404	63.6	120	8.2	161	309	10.93	65	25.8	7.03	2,761
250	364	53.6	110	7.5	149	279	12.63	61	22.8	5.53	1,961
220	324	43.6	100	6.8	\$137	249	\$14.33	57%	19.8	4.03%	\$1,161
190	284	33.6	90	6.1	125	219	16.03	53	16.8	2.53	361
160	244	23.6	80	5.4	113	189	17.73	49	13.8	1.03	-439
130	204	13.6	70	4.7	101	159	19.43	45	10.8	-.47	-1,239
100	164	--	60	4.0	89	129	21.13	41	7.8	-1.97	-2,039
--	124	--	--	3.3	--	--	22.83	37	4.8	-3.47	-2,839