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LIVESTOCK COSTS AND RETURNS

from

FARM COST ACCOUNTS

42 FARMS - 1965

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REPORTS
from
FARM COST ACCOUNTS
42 Farms, 1965

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INTRODUCTION

For the Cost Account year 1965 there were 42 New York State farmers who completed detailed records on their businesses in cooperation with the Department of Agricultural Economics, Cornell University. The farms are located in most of the farming areas of the state. They are generally well-run, full-time, commercial farm businesses. They are representative of the "better" farmers of New York.

This report presents the results for individual enterprises and the averages of the costs and returns for all farms. It thus shows not only the averages of costs and returns but also indications of the variations and reasons for them. The factors for individual enterprises are arranged according to size of enterprise. The averages of the costs are not averages of average costs but are weighted by the size of the enterprise.

The project was under the supervision of C. D. Kearl. The field work on these accounts was done by Darwin Snyder and C. D. Kearl. The closing of the books and the preparation of this report on results of the operation of the farms was done by the Cost Account staff consisting of Marjorie Evans, Oneta Shipe, Edith Slights, Edna Wheeler, Helen Kruth, Abbie Leonard, Mildred Kubota and Margaret Auble.

ECONOMIC CONDITIONS

New York farm prices and prices paid by farmers for articles they buy, as indicated by U.S. indexes, were fairly stable during 1965 but were both about two percent above the 1964 level. The index of the former was 99 and the latter 110 on a 1957-59 bases. This indicates that, if farmers were to have a level of net income in 1965 that was comparable with that of the base period, they had to adjust their business operations to offset the adverse cost-price relationship.

In the early months of 1966 farm prices advanced rapidly. Prices of articles farmers buy advanced too, but at a slower rate. This would indicate that 1966 might well be a favorable year for farmers.

Hourly wages of workers in manufacturing industries continued to climb at a rate of about three percent per year. This, of course, is in contrast to the situation for farmers' net incomes and points up the pressures that farmers have been under as they have struggled to maintain a relative standard of living.

Economic Indexes
(1957-59 = 100)

Year	United States		
	New York farm prices	Prices of articles farmers buy	Hourly earnings in manufacturing industries
1958	101	100	100
1959	100	102	104
1960	98	103	107
1961	95	104	110
1962	95	106	113
1963	95	106	115
1964	97	107	118
1965	99	110	121
Jan.	101	108	120
Feb.	101	109	120
March	98	109	120
April	100	109	120
May	99	110	121
June	98	110	121
July	95	110	121
Aug.	95	110	121
Sept.	96	110	122
Oct.	100	110	122
Nov.	100	110	122
Dec.	101	111	123
1966			
Jan.	103	112	123
Feb.	108	112	123
March	108	113	124
April	110	114	124

WEATHER CONDITIONS AT EIGHT NEW YORK STATIONS, 1965*

Station	Length growing season** days	May 1 - Sept. 30		Annual total precipitation inches
		Average temperature degrees	Precipitation inches	
Aurora	155	64.2	8.9	22.5
Batavia	152	64.5	11.6	29.4
Brockport	106	64.2	9.5	25.6
Canton	115	61.6	12.7	28.6
Fredonia	151	65.2	14.1	38.3
Norwich	87	61.0	15.9	34.5
Poughkeepsie	163	69.5	14.0	32.0
Salem	90	64.5	14.9	31.8

*Weather Bureau, U.S. Department of Commerce, Annual Summary, 1965

**Number of days between last and first frost

Generally, the growing season in New York State was shorter than usual. However, in the central plains region it approached normal. After three dry years some areas still had dry weather. This was particularly true during May, June and July and seriously affected the yields of crops planted in the spring and dependent on good moisture during the spring months. In the latter part of the summer the rains came and helped but, although they replaced lost ground water, they were too late to enable farmers to get good crop yields. Overall, the precipitation was below normal but was considerably better than in 1964. The temperature during the growing season was below normal which probably made the dry weather more bearable and enabled the crops to use more effectively what water there was.

YIELDS FOR CROPS AND LIVESTOCK

Item	Unit	New York State*			Cost
		1936-40	1946-55	1965	Account 1965
Hay	tons	1.3	1.7	1.7	2.1
Corn silage	tons	9	10	12	12
Corn grain	bu.	34	44	57	45
Wheat	bu.	24	31	36	45
Oats	bu.	30	38	47	60
Cows	lbs.	5,628	6,588	9,300	13,008
Hens	eggs	154	188	218	208

*AMS Reports and unpublished tabulations

For some New York farmers this was the fourth dry year in a row and generally, across the state, crop yields were only fair. However, the moisture conditions as noted above were "spotty" and some farmers had good crops. The spring planted crops suffered in many cases while the winter crops such as wheat were not seriously affected by the lack of rainfall.

SUMMARY, 1965
Crop Enterprises

Crop	Number of accounts	Average acres per enterprise	Average yield per acre	Hours of labor per acre	Return per hour of labor	Return per dollar of cost	Profit per acre	Profit on enterprise
<u>Fruit:</u>								
Apples	15	67.0	429 bu.	105	\$2.26	\$1.11	\$ 48	\$3,230
Sweet cherries	6	10.4	4,274 lbs.	136	2.47	1.36	127	1,320
Sour cherries	8	30.3	8,057 lbs.	147	1.68	1.05	20	616
Peaches	5	14.8	93 bu.	123	1.05	0.85	-70	-1,029
Grapes	5	25.9	3.9 tons	126	2.16	1.08	36	928
<u>Grain:</u>								
Wheat	15	78.0	45 bu.	4	5.89	1.24	16	1,280
Corn for grain	8	110.9	45 bu.	5	-3.79	0.66	-30	-3,328
Cats	6	29.4	60 bu.	5	-1.67	0.79	-16	-462
Rye	5	9.8	39 bu.	7	1.61	0.99	-1	-6
<u>Hay and Silage:</u>								
Hay	24	94.1	2.1 tons	5	2.78	1.08	5	436
Hay crop silage	8	44.7	5.8 tons	5	4.31	1.16	13	565
Corn silage	27	76.3	12 tons	7	1.31	0.97	-3	-264

Livestock Enterprises

Enterprise	Number of accounts	Average number of head per farm	Production per head	Hours of labor per head	Return per hour of labor	Return per dollar of cost	Profit on enterprise
Dairy cows	25	84	13,088 lbs.	63	\$1.85	\$1.01	\$ 316
Hens	5	15,453	208 eggs	0.4	2.56	1.04	3,808

SUMMARY, 1965

	Return per hour of labor					Return per dollar of cost			
	1949 to 1953	1962	1963	1964	1965	1962	1963	1964	1965
Farm enterprise	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>Livestock:</u>									
Dairy cows	1.41	1.45	1.68	1.60	1.85	0.97	1.00	0.99	1.01
Hens	1.38	1.89	2.44	0.71	2.56	1.03	1.06	0.92	1.04
Raising chicks	0.83	14.09	3.44	5.00	--	1.35	1.06	1.11	--
<u>Fruit:</u>									
Apples	2.01	2.55	2.72	2.33	2.26	1.23	1.27	1.15	1.11
Sweet cherries	--	--	3.26	2.16	2.47	--	1.85	1.31	1.36
Sour cherries	--	1.22	2.37	1.16	1.68	0.96	1.48	0.90	1.05
Peaches	1.11	1.08	1.22	1.24	1.05	0.84	0.86	0.91	0.85
Grapes	--	--	3.70	2.14	2.16	--	1.65	1.21	1.08
<u>Grain:</u>									
Corn	2.25	1.87	1.39	1.47	-3.79	1.00	0.95	0.96	0.66
Oats	0.37	0.38	-0.38	-0.82	-1.67	0.88	0.83	0.79	0.79
Wheat	3.47	5.89	4.39	4.51	5.89	1.36	1.23	1.21	1.24
Rye	--	--	--	4.79	1.61	--	--	1.25	0.99
<u>Hay and Silage:</u>									
All hay	1.37	2.40	3.56	3.18	2.78	1.06	1.19	1.13	1.08
Hay crop silage	--	--	--	1.00	4.31	--	--	0.93	1.16
Corn silage	--	0.76	1.79	1.44	1.31	0.93	1.01	0.97	0.97

Factors from 23 HEIFER Accounts, 1965
(Arranged by number of heifers)

Farm number	Number of heifers* <u>heifers</u>	Net cost per heifer month** <u>\$</u>	Average age at freshening <u>months</u>	Cost per heifer to freshening** <u>\$</u>	Value per heifer at freshening <u>\$</u>
408	272	9.18	37.1	389	306
221	139	17.82	26.1	515	319
386	138	11.87	25.1	349	334
398	133	7.12	30.0	240	250
449	133	10.31	31.9	364	275
428	132	10.02	34.7	378	306
420	123	13.90	28.1	467	321
429	106	12.94	27.1	392	300
331	96	13.11	27.3	408	300
424	89	11.38	26.6	328	202
450	89	8.44	30.8	295	319
426	82	9.84	28.7	307	261
309	80	9.92	28.5	303	316
431	80	12.92	27.8	391	250
375	76	7.81	32.5	294	250
443	66	11.41	25.5	327	223
324	65	13.22	28.0	395	290
281	61	7.71	28.2	252	376
438	61	14.75	26.2	411	280
316	58	10.31	28.4	337	207
455	42	8.94	33.2	318	239
448	38	8.36	30.0	271	210
200	34	8.51	28.0	263	238

Averages for 1965, by thirds, according to number of heifers, weighted by farms:

High	147	11.64	30.0	387	301
Medium	85	10.49	28.9	332	271
Low	53	10.40	28.4	322	258

Annual averages, all farms, weighted by number of heifers:

1965	95	10.81	29.6	359	287
1964	91	9.93	27.9	314	284
1963	85	9.86	27.8	316	289
1962	75	11.55	28.7	331	279

*Total number of heifers in the account during the year
**Value of by-products (manure, etc.) deducted

HEIFERS, 1965
616 mature-heifer equivalents on 23 farms*

Average per heifer raised to 27.5 months:	Dollars
Costs:	
Value of calf at birth	39.02
Milk and milk-substitute	13.34
1,253 pounds of grain at \$3.18 per hundredweight	39.85
2.7 tons of hay at \$26.63 per ton	71.91
0.1 ton of hay crop silage at \$13.70 per ton	1.37
3.6 tons of silage at \$8.49 per ton	30.58
Pasture and fences	21.81
Bedding	6.99
Total feed and bedding	185.85
24 hours of labor at \$1.85 per hour	44.34
Equipment and power	7.91
Buildings	20.24
Breeding fees	4.15
Veterinarian and medicine	1.11
Insurance	1.26
Registration and transfers	1.43
Lights and water	3.58
Interest	20.76
All other	11.83
Total other than calf, feed, bedding and labor	72.27
Total cost	341.48
By-products:	
4.9 tons of manure	4.70
Other returns	0.36
Net cost of raising a heifer to 27.5 months of age	336.42

*There were a total of 2,193 heifers of all ages on these farms for a part or all of the year. They were fed a total of 16,940 heifer-months, which, divided by 27.5, equal 616 mature-heifer equivalents.

Factors from 25 DAIRY COW Accounts, 1965
(Arranged by number of cows)

Farm number	Size of herd cows	Milk per cow cwt.	Milk test %	Labor per cow hours	Grain pounds	Hay tons	Hay crop silage tons	Silage tons	Cost of feed and bedding per cow \$	Value per cow \$
398	194.3	118	3.4	63	4,326	2.4	0.7	7.8	289	271
391	154.2	130	3.4	45	5,936	2.3	1.3	6.9	327	270
386	146.2	129	3.6	37	6,799		2.9	10.1	326	327
420	113.6	131	3.5	46	5,864	1.7		9.9	316	362
221	113.3	148	3.5	66	6,925	1.2	0.6	8.8	292	319
424	107.0	142	3.6	59	5,552	0.7	3.7	12.7	339	253
429	104.2	154	3.6	52	5,821	2.4		9.4	404	325
434	99.5	116	3.8	26	4,077			13.7	298	270
449	87.5	119	3.5	74	3,827	2.0		11.9	324	288
331	82.1	132	3.6	86	4,558	2.5		10.9	313	302
428	79.8	152	3.5	79	6,297	2.6	0.4	9.6	381	284
426	73.0	128	3.6	70	4,071	1.8	5.8	9.1	325	234
450	72.1	137	3.6	84	5,271	2.8		4.6	346	318
188	70.6	130	3.7	86	4,563	2.8		10.0	350	311
443	68.6	97	4.9	44	4,285	1.4		11.7	275	203
431	68.2	148	3.5	68	7,071	2.2		6.6	374	250
309	68.0	138	3.6	84	4,431	3.6		6.3	261	386
281	67.9	135	3.4	79	7,219	1.9		4.3	341	367
375	66.4	159	3.4	47	6,344	1.9		7.7	378	266
438	55.5	126	3.4	83	3,743	2.3	1.2	15.5	308	282
324	52.2	117	3.7	55	5,057	0.2		21.6	368	324
200	49.5	110	3.6	100	3,529	1.9	2.9	7.1	282	272
448	36.5	120	3.6	97	3,845	2.4		14.0	271	229
455	34.5	137	3.6	68	4,451	2.6	1.7	8.9	320	250
316	34.2	89	4.9	89	3,830	1.9		7.1	298	273

Averages for 1965, by thirds according to number of cows, weighted by farms:

High	129.0	134	3.6	49	5,662	1.3	1.2	9.9	324	300
Medium	74.4	131	3.7	75	4,930	2.4	0.7	9.0	328	286
Low	49.6	124	3.7	77	4,752	1.9	0.7	10.8	321	283

Annual averages, all farms, weighted by number of cows:

1965	84.0	131	3.7	63	5,277	1.8	0.9	9.6	324	294
1964	75.1	128	3.7	64	4,762	2.4	0.5	8.5	312	289
1963	69.6	128	3.7	70	4,777	2.7		7.7	302	285
1962	62.7	124	3.6	76	4,528	2.6		7.9	293	290
1961	59.1	122	3.6	79	4,284	2.6		6.9	265	294

Factors from 25 DAIRY COW Accounts, 1965
(Read across both pages)

Depre- ciation per cow	Average per 100 pounds of milk		Average per cow		Labor return		Return per dollar of cost	Profit on enter- prise	Farm number
	Cost	Value	Cost	Returns	Per cow	Per hour			
\$	\$	\$	\$	\$	\$	\$	\$	\$	
29	4.23	4.18	536	529	101	1.59	0.99	-1,291	398
51	5.02	4.56	670	610	37	0.83	0.91	-9,275	391
40	4.67	4.60	644	634	65	1.74	0.98	-1,433	386
37	3.96	4.35	576	626	150	3.24	1.09	5,721	420
37	4.77	4.42	731	679	105	1.58	0.93	-5,889	221
19	3.70	4.26	556	636	171	2.90	1.14	8,579	424
17	4.72	5.10	762	820	151	2.89	1.08	5,998	429
24	4.10	4.46	484	526	108	4.17	1.09	4,177	434
17	4.91	5.17	616	647	129	1.75	1.05	2,691	449
46	4.40	4.61	619	647	154	1.79	1.04	2,269	331
61	4.39	4.54	695	717	134	1.70	1.03	1,784	428
24	4.55	4.16	602	552	63	0.91	0.92	-3,656	426
34	5.33	5.52	764	790	208	2.46	1.03	1,872	450
6	4.48	4.38	613	600	107	1.24	0.98	-939	188
22	5.00	5.22	505	527	113	2.56	1.04	1,511	443
25	4.68	4.98	714	759	166	2.45	1.06	3,084	431
2	3.55	4.42	521	641	260	3.08	1.23	8,194	309
27	4.63	4.39	650	617	94	1.20	0.95	-2,248	281
17	4.31	4.90	713	807	190	4.05	1.13	6,227	375
52	4.98	4.52	661	604	100	1.20	0.91	-3,173	438
35	5.31	4.42	637	532	-15	-0.27	0.83	-5,499	324
37	5.13	4.37	591	507	63	0.63	0.86	-4,134	200
5	5.02	4.38	649	572	99	1.02	0.88	-2,793	448
26	4.37	4.24	618	601	122	1.80	0.97	-586	455
25	6.17	5.10	586	490	56	0.63	0.84	-3,280	316

Averages for 1965, by thirds according to number of cows, weighted by farms:

32	4.40	4.49	620	633	111	2.37	1.03	823	High
26	4.59	4.78	627	653	148	1.99	1.04	1,868	Medium
28	4.99	4.54	638	591	89	1.28	0.92	-1,936	Low

Annual averages, all farms, weighted by number of cows:

30	4.56	4.58	626	630	116	1.85	1.01	316	1965
36	4.56	4.49	611	602	102	1.60	0.99	-675	1964
31	4.36	4.37	590	592	118	1.68	1.00	110	1963
33	4.48	4.35	589	573	110	1.45	0.97	-979	1962
28	4.30	4.54	559	587	153	1.93	1.05	1,682	1961

DAIRY COWS, 1965
2,099 cows on 25 farms

Average per cow:	Dollars
Costs:	
5,277 pounds of grain at \$61.72 per ton -----	162.86
1.8 tons of hay at \$28.54 per ton -----	51.37
0.9 ton of hay crop silage at \$14.74 per ton -----	13.27
9.6 tons of silage at \$8.74 per ton -----	83.91
Bedding -----	4.71
Pasture and fences -----	8.25
 Total feed and bedding -----	 324.37
63 hours of labor at \$1.78 per hour -----	112.24
 Depreciation -----	 30.22
Automobile, truck, tractor -----	6.12
Dairy equipment -----	25.66
Interest on \$294 value of cow -----	17.94
Buildings -----	29.26
Breeding costs -----	6.15
Veterinarian, medicine, disinfectants -----	10.97
Hired milk-hauling -----	23.69
DHIA -----	4.86
Insurance -----	1.39
Registration and transfer fees -----	0.52
Light, water, power -----	9.07
Supplies -----	5.47
All other -----	18.08
 Total other than feed, bedding, labor and depreciation -----	 159.18
 Total cost -----	 626.01
Returns:	
12,929 pounds of milk sold -----	592.68
159 pounds of milk used on farm -----	7.27
Calves -----	21.49
10.8 tons of manure -----	8.10
Other returns -----	0.24
 Total returns -----	 629.78
 Gain -----	 3.77
<hr/>	
Cost of producing 100 pounds of milk -----	4.56
Value of 100 pounds of milk -----	4.58
Return per hour of labor -----	1.85
Return per dollar of cost -----	1.01

HENS, 1965
77,264 birds on 5 farms

Average per bird:	Dollars
Costs:	
92 pounds of feed at \$3.67 per hundredweight	3.38
0.4 hour of labor at \$2.05 per hour	0.82
Depreciation	0.99
Interest	0.06
Power and equipment	0.17
Buildings	0.29
Litter	0.01
Electricity	0.05
All other	0.15
Total other than feed, labor and depreciation..	0.73
Total cost.....	5.92
Returns:	
208 eggs per hen	6.16
Other returns	0.01
Total returns	6.17
Net gain	0.25

Cost of producing a dozen eggs	0.34
Value per dozen eggs	0.35
Labor return per bird	1.07
Return per hour of labor	2.56
Return per dollar of cost.....	1.04

Factors from 5 HEN Accounts, 1965
(Arranged by number of birds)

Farm number	Size of flock <u>birds</u>	Eggs per hen <u>eggs</u>	Mortality <u>percent</u>	Average per bird		Per dozen eggs	
				Labor <u>hours</u>	Feed <u>pounds</u>	Cost <u>¢</u>	Value <u>¢</u>
375	45,715	212	14	0.28	92	32	34
439	10,947	196	19	0.39	88	38	37
444	10,011	209	24	0.92	98	38	38
443	6,200	211	12	0.61	86	36	38
324	4,391	197	15	0.51	97	38	39
<u>Annual averages, all farms, weighted by number of birds:</u>							
1965	15,453	208	16	0.42	92	34	35
1964	10,729	201	18	0.46	89	37	34
1963	10,628	201	19	0.48	86	34	36
1962	11,078	205	17	0.56	89	35	36
1961	7,327	222	16	0.63	98	36	38

Factors from 5 HEN Accounts, 1965
(Read across both pages)

Average per bird					Return per hour of labor	Return per dollar of cost	Profit on enter- prise	Farm number
Cost all feed	Depre- ciation	Total cost	Total returns	Labor Return				
\$	\$	\$	\$	\$	\$	\$	\$	
3.40	1.00	5.60	5.98	0.96	3.42	1.07	17,582	375
3.39	1.01	6.17	5.98	0.70	1.78	0.97	-2,045	439
3.35	0.88	6.71	6.75	1.66	1.80	1.01	367	444
3.09	0.90	6.34	6.72	1.63	2.70	1.06	2,385	443
3.70	1.20	6.30	6.47	1.02	1.99	1.03	753	324

Annual averages, all farms, weighted by number of birds:

3.38	0.99	5.92	6.17	1.07	2.56	1.04	3,808	1965
3.30	1.27	6.14	5.66	0.33	0.71	0.92	-5,167	1964
3.13	1.02	5.70	6.03	1.17	2.44	1.06	3,519	1963
3.17	1.03	5.90	6.08	1.05	1.89	1.03	1,945	1962
3.54	1.24	6.61	6.94	1.39	2.21	1.05	2,390	1961

Factors from 4 CHICK Accounts, 1965
(Arranged by number of chicks started)

Farm number	Number started number	Mortal- ity %	Average per 100 chicks started		Value per chick started ¢	Average per mature equivalent Cost Value		Return per hour of labor \$	Return per dollar of cost \$	Profit on enter- prise \$
			Feed pounds	Labor hours						
375	18,000	2	1,790	3	31	1.30	1.60	12.81	1.24	5,380
375	17,700	-	1,856	4	32	1.35	1.60	7.93	1.19	4,463
444	2,633	18	1,445	5	34	1.73	1.75	2.02	1.01	33
444	2,500	27	1,268	7	36	1.94	1.75	-0.10	0.90	-337