



The Ohio State University

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1981 Tenant Only Crop Summary,
Ohio Farm Business Analysis
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August 1982

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This report summarizes tenant only crop farms. A tenant only crop farm share rents more than 85% of it's farm land. This summary has 16 farms from the 1981 crop year in it. The records came from farms submitting data to The Ohio State University for analysis. Records that were complete and accurate were included in this summary. Comparisons between years should be made remembering that not all the same farms were summarized each year. For a more complete review of tenant only crop farms see the 1981 Farm Business Analysis Report, General Crop Summary (Extension No. 356, ESO No. 907).

Figure 1 shows the nine year trends of gross farm, net farm, and net cash incomes. Gross farm income has increased over the period while net farm and net cash incomes have remained relatively stable. Note the sharp decline in net farm income between 1980 and 1981. 1981 was the only year during the period when net farm income was negative. Causes for this situation were high costs and low per acre return as indicated by Table 1 on the back of this sheet.

A brief income, expense, and production summary is given in Table 1 for the years between 1979 and 1981. 1981 records are broken into three categories; upper 50%, average, and lower 50%. This breakdown was made by ranking and dividing the farms according to per hour returns to unpaid labor and management.

Note that while gross farm income declined between the 1980 and 1981 averages, total farm expenses rose. This caused management income and profit to be negative for all 1981 income categories. Cash receipts were higher during 1981; however, this was negated by the changes in inventory. The negative inventory changes indicated a decline in the value of farmer held inventories, e.g. grains and fertilizer, and that farmers sold off all or part of their grain held over from the previous year.

There was a sharp decline in the per acre general crop production value; \$164 per acre was produced in 1981 compared to \$215 per acre for 1980. This decline was due to lower grain prices. Also during 1981 the highest general crop value per acre did not occur in the upper 50% group of farms. This year the key to minimizing losses was effective cost control (machinery cost per acre) and lower investment per acre (machinery investment per acre and total farm investment per acre).

1981 proved to be a tough year for the tenant only crop farms. However, farms that managed their financial positions efficiently survived the year with little damage or set back. Since tenant only crop farms must make money on their management expertise rather than on land investment, the key to success is keeping per acre investments and costs to a minimum. This will be the challenge for the future.

FIGURE 1 - SELECT INCOME MEASURES
TENANT ONLY CROP FARMS, OHIO FBA, 1973-81

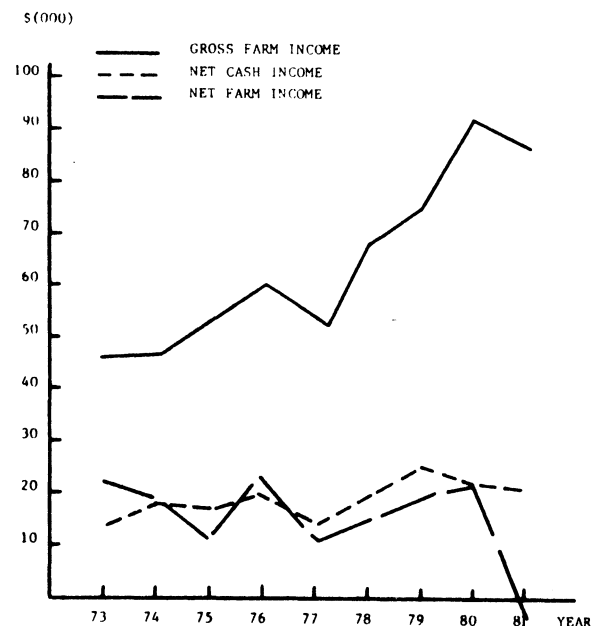


TABLE 1 -- TENANT ONLY CROP SUMMARY
OHIO FARM BUSINESS ANALYSIS REPORT

	1981			1980	1979
	UPPER 50%	AVERAGE	LOWER 50%	AVERAGE	AVERAGE
INCOME					
CASH RECEIPTS	\$ 76,589	96,849	117,191	85,859	72,537
CAPITAL GAINS & LOSSES	\$ 1,311	719	129	464	386
INVENTORY CHANGES	\$ -1,636	-10,010	-18,384	10,367	3,927
- FEEDER LIVESTOCK	\$ -1,665	-832	--	-1,131	-928
GROSS FARM INCOME	\$ 74,519	86,726	98,936	94,759	75,922
EXPENSES					
CASH EXPENSES	\$ 62,353	75,337	88,314	62,765	46,735
DEPRECIATION	\$ 9,785	16,097	22,491	11,838	10,846
INTEREST NOT CHARGED	\$ 3,774	5,622	7,471	5,868	6,352
UNPAID OPERATOR & FAMILY LABOR	\$ 10,385	11,130	11,956	11,161	10,235
- FEEDER LIVESTOCK	\$ -1,665	-832	--	-1,131	-928
TOTAL FARM EXPENSES	\$ 84,472	107,354	130,232	89,701	73,240
MANAGEMENT INCOME AND PROFIT	\$ -9,953	-20,628	-31,296	5,058	2,682
UNPAID OPERATOR AND FAMILY LABOR	\$ 10,385	11,130	11,956	11,161	10,235
OVERHEAD COSTS	\$ 27,530	43,294	59,058	35,875	27,752
VARIABLE COSTS	\$ 46,637	52,930	59,218	42,665	35,253
NET CASH INCOME	\$ 14,156	21,512	28,877	22,294	25,882
NET FARM INCOME	\$ 4,126	-3,876	-11,869	22,087	19,269
INVESTMENT					
TOTAL	\$ 117,410	150,851	184,295	136,626	141,272
RETURN TO INVESTMENT	\$ 614	-7,851	-14,789	17,354	13,277
PERCENT RETURN TO INVESTMENT	% 0.5	-4.7	-8.0	12.7	9.4
GROSS INCOME PER \$1,000 INVESTED	\$ 635	575	537	694	537
UNPAID LABOR & MANAGEMENT INCOME					
TOTAL	\$ 352	-9,498	-19,340	16,219	12,917
PER HOUR	\$.17	-4.52	-8.88	7.21	5.00
SIZE OF BUSINESS					
NO. OF TILLABLE ACRES	NO. 459	518	576	390	340
NO. OF MEN	NO. .79	.85	.91	.79	.99
NO. OF FULL-TIME OPERATORS	NO. .65	.66	.66	.70	.84
LAND INVESTMENT	\$ 10,783	10,161	9,619	7,173	24,420
CROP PRODUCTION					
		PER ACRE	PER ACRE	PER ACRE	PER ACRE
CORN YIELD	BU. 96.6	103.3	109.5	119.8	113.3
SOYBEAN YIELD	BU. 31.3	31.4	31.6	36.8	36.9
WHEAT YIELD	BU. 51.2	53.3	55.1	51.1	48.1
GENERAL CROP ACRES	NO. 459	503	546	385	335
PER ACRE PRODUCTION INFORMATION					
		PER ACRE	PER ACRE	PER ACRE	PER ACRE
GENERAL CROP PROD. VALUE	\$ 154	164	172	215	179
FERTILIZER AND LIME COST	\$ 35	35	35	37	27
MACHINERY INVESTMENT	\$ 115	139	158	164	157
MACHINERY COST	\$ 56	61	65	62	65
LABOR AND MANAGEMENT INCOME	\$ 1	-18	-33	42	38
TOTAL FARM INVESTMENT	\$ 256	291	320	350	415
NUMBER OF FARMS	NO. 8	16	8	26	16