



# 1981 SOYBEAN ENTERPRISE SUMMARY

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Each year, approximately 400 Ohio farmers send their production and financial records to The Ohio State University for computerized analysis through the Ohio Farm Business Analysis Program. Twenty-nine of the most complete and accurate soybean enterprise records received were summarized to prepare this report.

Table 1 (on the back of this page) gives an overview of financial and production information for soybean enterprises in 1981, as well as comparisons to 1980 and 1979. The 1981 data is divided into upper 50%, average, and lower 50% groups based on a ranking of unpaid labor and management income. The table helps illustrate that 1981 was not a good year for soybean growers as the average soybean enterprise earned a negative return to labor and management of \$-14.41 per acre. It is important to note, however, the vast difference between upper 50% and lower 50% soybean enterprises. Good management is certain to have been a key factor in the success of the upper 50% group. One important characteristic of the upper group is its low total investment, which significantly lowered its cost of interest not charged or interest on owner equity.

Figure 1 illustrates income and expense trends over time for soybean enterprises. Although the margin between income and expenses had been narrowing in recent years, 1981 was the first year to show a significant loss for soybean growers. Both cash and non-cash expenses had been rising steadily and the significant drop in value of production in 1981 led to the losses. The major cause for the drop in value of production was lower market prices for soybeans.

Figure 2 offers the same information as Figure 1, but presents it in a per bushel framework. One can see that the drop in value per bushel of soybeans from 1980 to 1981 was the most significant profit-inhibiting factor for the soybean producer in 1981.

FIGURE 1 -- INCOME AND EXPENSES OF PER ACRE SOYBEAN PRODUCTION, OHIO, F.B.A., 1973-81

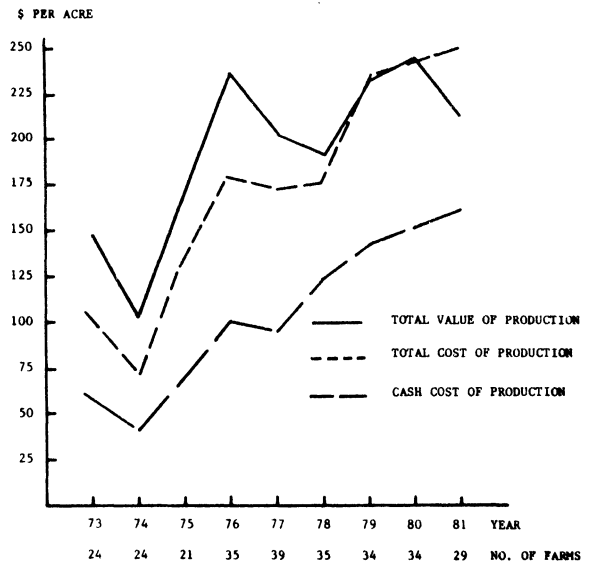


FIGURE 2 -- VALUE AND EXPENSES OF PER BUSHEL SOYBEAN PRODUCTION, OHIO, F.B.A. 1973-1981

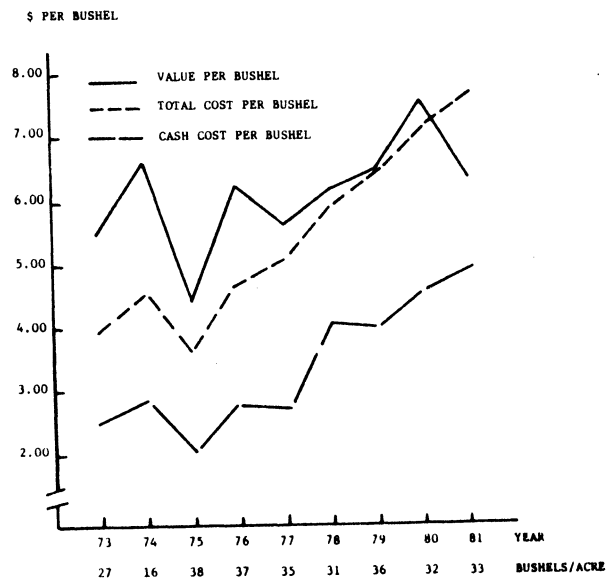


TABLE 1 -- SOYBEAN PRODUCTION INFORMATION  
OHIO FARM BUSINESS ANALYSIS REPORT 1979 - 81

	1981			1980	1979
	UPPER 50% PER ACRE	AVERAGE PER ACRE	LOWER 50% PER ACRE	AVERAGE PER ACRE	AVERAGE PER ACRE
TOTAL VALUE OF PRODUCTION	\$ 228.28	216.97	204.48	247.80	233.47
<b>CASH EXPENSES</b>					
HIRED LABOR	\$ 5.88	4.95	4.88	1.74	2.24
FARM SUPPLIES	\$ 13.88	14.25	14.75	15.85	15.75
MACHINE REPAIRS	\$ 8.71	10.82	13.17	8.72	12.69
BUILD, FENCE, ETC.	\$ .70	1.25	1.86	1.03	2.18
FUEL, OIL & GREASE	\$ 11.74	14.86	18.33	12.67	11.81
UTILITIES (FARM SHARE)	\$ .68	1.01	1.37	.98	1.28
DRYING AND STORAGE	\$ 1.22	1.32	1.43	.68	1.17
MISC. EXPENSE	\$ 1.56	2.19	4.78	1.84	3.87
SEEDS AND PLANTS	\$ 16.61	16.27	15.91	14.84	11.83
FERTILIZER AND LIME	\$ 22.97	21.70	28.38	19.18	18.74
MACHINE HIRED TRUCKING	\$ 2.99	2.58	1.94	2.76	5.68
AUTO EXPENSE (FARM SHARE)	\$ .72	1.48	2.33	1.13	1.36
INTEREST ON NOTES	\$ 27.52	28.29	29.15	38.95	22.73
TAXES (FARM SHARE)	\$ 3.71	3.79	3.87	3.77	3.52
RENT	\$ 37.36	32.35	26.78	24.38	27.43
INSURANCE (FARM SHARE)	\$ 2.98	3.27	3.69	3.88	3.88
TOTAL CASH EXPENSES	\$ 158.99	168.38	163.66	151.44	143.68
<b>NON-CASH EXPENSES</b>					
TOTAL DEPRECIATION	\$ 28.88	31.68	44.66	26.94	27.88
UNPAID OPR. AND FARM LABOR	\$ 18.39	22.54	26.76	24.46	21.11
INTEREST NOT CHARGED	\$ 27.44	39.48	52.69	32.38	37.98
TOTAL NON-CASH EXPENSES	\$ 65.83	93.62	124.11	88.78	86.71
TOTAL EXPENSES OF PRODUCTION	\$ 224.82	253.92	287.77	240.22	238.31
MANAGEMENT INCOME AND PROFIT	\$ 3.38	-36.95	-83.29	7.58	3.16
VALUE OF PRODUCTION - CASH COSTS	\$ 69.21	56.67	48.82	96.36	89.87
UNPAID LABOR AND MANAGEMENT INCOME					
TOTAL PER ACRE	\$ 21.77	-14.41	-56.53	32.84	24.27
PER HOUR	\$ 6.51	-3.34	-18.48	5.63	4.88
<b>GENERAL INFORMATION</b>					
NUMBER OF ACRES	NO. 119	113	107	115	88
VALUE PER BUSHEL PRODUCED	\$ 6.54	6.58	6.45	7.58	6.48
TOTAL COST PER BUSHEL PRODUCED	\$ 6.44	7.61	9.88	7.27	6.39
CASH COST PER BUSHEL PRODUCED	\$ 4.56	4.88	5.16	4.58	3.99
<b>PER ACRE INFORMATION</b>					
BUSHELS PRODUCED	BU. 34.89	33.38	31.78	33.84	36.83
PRODUCTIVE MAN WORK UNITS	NO. .45	.54	.63	.54	.58
VALUE OF LABOR USED	\$ 24.19	27.49	38.76	26.28	23.35
TOTAL INVESTMENT	\$ 618.78	752.12	889.48	792.53	888.48
RETURN ON INVESTMENT	\$ 58.34	38.74	-1.45	78.91	63.79
PERCENT RETURN ON INVESTMENT	% 9.6	4.1	-8.2	18.8	7.9
TURNOVER	\$/ \$ .374	.288	.225	.313	.298
NO OF FARMS	NO. 15	29	14	34	34