



DEPARTMENT OF AGRICULTURAL ECONOMICS & RURAL SOCIOLOGY
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1970 OHIO
FARM BUSINESS ANALYSIS REPORT .

by
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UNIVERSITY IN ASSOCIATION WITH THE
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Introduction

This report contains summaries of 450 Ohio farms that submitted records for analysis in 1970. Summaries are based on average data from 14 different types of farms. Some farm types are also reported by size of farm, by tenure, or by rank of family labor and management income.

These summaries present data for each type of farm under the general categories of income and expense data, size factors, and efficiency factors. Individual farm business analyses give much more information than is reported here. But the factors reported here provide some of the key factors for comparison with individual farm analyses to determine the strong and weak points of individual farm operations.

Glossary of Terms

Definitions of many of the terms used are given in the glossary at the end of the report.

Comparison of Farm Types

An overview of size, income, and analysis factors for some major types of Ohio farms in 1970 is shown in the first table. By far the largest number of farm records are submitted for dairy farms, accounting for over half of the records in this report.

Size of farm can be measured in a variety of ways, and four of the more commonly used measures are shown here. Hogs, Beef Feeding, and General Livestock farms were largest in terms of gross sales and total investment. General Livestock and Dairy farms had the largest average labor force, while General Crops, Hogs and Beef Feeding farms were largest in terms of cropland.

Selected Farm Business Analysis Data
By Major Farm Types, Ohio, 1970

| Item | Type of Farm | | | | | |
|-----------------------------------|--------------|---------|---------|--------------|-------------------|---------------|
| | Unit | Dairy | Hogs | Beef Feeding | General Livestock | General Crops |
| Farms | Number | 250 | 33 | 20 | 16 | 42 |
| Size | | | | | | |
| Gross Income | Dollars | 45,988 | 54,498 | 53,974 | 54,936 | 36,765 |
| Total Investment | Dollars | 113,565 | 125,068 | 194,510 | 130,401 | 119,470 |
| Number of Men | M.Y.E. | 1.87 | 1.50 | 1.30 | 2.00 | 1.15 |
| Cropland | Acres | 194 | 358 | 342 | 301 | 475 |
| Income | | | | | | |
| Net Farm Income | Dollars | 15,149 | 14,000 | 10,514 | 17,487 | 14,732 |
| Family Labor & Management Income | Dollars | 10,432 | 9,530 | 5,257 | 11,514 | 9,301 |
| Return on Investment | Percent | 8.9 | 7.9 | 5.7 | 9.2 | 10.4 |
| Analysis Factors | | | | | | |
| Gross Income Per Man | Dollars | 24,592 | 36,332 | 41,519 | 27,468 | 31,970 |
| Total Labor & Mgt. Income Per Man | Dollars | 7,161 | 7,908 | 5,118 | 6,832 | 8,634 |
| Gross Income Per \$1,000 Invested | Dollars | 405 | 436 | 278 | 421 | 308 |
| Return Per \$ Feed Fed | Dollars | 1.83 | 1.52 | 1.43 | 1.82 | -- |
| Value of Crop Production Per Acre | Dollars | 95 | 97 | 109 | 93 | 89 |
| Machinery Cost Per Crop Acre | Dollars | 44 | 27 | 27 | 27 | 17 |

These measures illustrate the relative land, labor, and capital requirements of the various farm types. For example, Dairy farms are more labor and capital intensive but require a smaller land base compared to General Crop farms.

It is generally concluded that state farm record cooperators do not represent a random sample of all farms in the state, and this table emphasizes this fact. The average gross income of each of these farm types, except for General Crops, is greater than \$40,000. Farms grossing over \$40,000 are classified by the U.S. Census as Class I farms. In the 1969 Census of Agriculture, Class I farms represented about nine percent of Ohio's commercial farms (those with \$2,500 or more gross sales) and had average gross sales of \$18,053. Thus it is likely that most farms in this summary are from the larger farms, perhaps the top 15-25 percent in terms of gross sales.

Various income measures are used to report farm earnings in this report, and three are shown in this table. There is little difference in average returns for the various farm types, except for Beef Feeding farms. Their 1970 return was lower than the return for the other farm types by each measure. In general, the average returns per farm on all types were rather favorable in 1970.

The final part of the table shows some of the major analysis factors. These factors cannot be compared between farm types, but they indicate the way these factors vary between farm types, and the need to use standards that correspond to your individual type of farm.

Forty-seven percent of the farm records summarized were from dairy farms. This allowed more detailed breakdowns on dairy farms, and a few highlights from those summaries are presented. For all other farm types only the summary data is presented.

Dairy Farms

Financial data for Dairy farms are summarized for three herd sizes. Increasing herd size resulted in increasing average income. Family labor and management income rose from \$7,387 to \$11,186 and \$19,963 for the less than 40 cows, 40-79 cows, and 80 cows or more size farms, respectively. Total Labor and Management Income Per Man also increased with herd size. However, Percent Return On Investment and Gross Income Per \$1,000 Invested was nearly the same regardless of herd size. This reflects the fact that total investment increased more rapidly than labor use or farm income as herd size increased.

Further information is shown for each herd size, as the farms are summarized after being ranked by Family Labor and Management Income. This helps to identify the factors responsible for achieving (or not achieving) a high level of income. For example, each group in the less than 40 cows summary, averaged close to 30 cows. However, Family Labor and Management Income varied from \$14,946 to \$1,464. Several factors contribute to this. For example, comparing the Top 10% and Lower 25% of farms, Gross Income Per Man fell from \$27,791 to \$17,373; Crop Production Value Per Acre went from \$102 to \$76; and total cost of milk production increased from \$4.55 per cwt. to \$6.08 per cwt. No single factor is responsible for the differences in performance, but comparisons of these figures with farm records can help individual farmers to spot weak and strong points of their own operation.

Finally, a comparison of the price received for milk and the costs of milk production indicates that most Ohio farmers are covering all costs of production. These average costs and prices for milk are probably 40 to 50 cents per cwt. below actual levels since hauling charges, marketing charges, and purchase of supplies are excluded from both. However, comparison of the cost of production with the sale price is correct, since they are both net figures.

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| TYPE OF FARM | DAIRY | | | | |
|---|--------------|----------------------|---------------|--------------------|---------|
| | SIZE OF FARM | Less Than 40 Cows | 40-79 Cows | 80 Or More Cows | All |
| <u>INCOME</u> | | | | | |
| Cash Receipts | | 25,962 | 41,865 | 87,523 | 39,671 |
| Capital Gains and Losses | | 1,938 | 3,097 | 6,324 | 2,926 |
| Inventory Changes | | 2,125 | 3,788 | 7,374 | 3,430 |
| Feeder Livestock Purchase | | 51 | 11 | 109 | 40 |
| Gross Income* | | 29,974 | 48,738 | 101,112 | 45,988 |
| <u>EXPENSES</u> | | | | | |
| Cash Expenses | | 15,929 | 27,082 | 58,752 | 25,506 |
| Depreciation | | 3,408 | 5,785 | 11,835 | 5,373 |
| Interest Not Charged | | 3,300 | 4,697 | 10,671 | 4,716 |
| Unpaid Operator & Family Labor | | 5,217 | 7,651 | 13,814 | 7,226 |
| Total Farm Expense* | | 27,803 | 45,204 | 94,963 | 42,782 |
| <u>MANAGEMENT INCOME & PROFIT</u> | | | | | |
| Total | | 2,170 | 3,535 | 6,149 | 3,206 |
| As a Percent of Gross Income | | 7.2 | 7.3 | 6.1 | 7.0 |
| <u>UNPAID OPERATOR & FAMILY LABOR</u> | | | | | |
| Total | | 5,217 | 7,651 | 13,814 | 7,226 |
| As a Percent of Gross Income | | 17.4 | 15.7 | 13.7 | 15.7 |
| <u>OVERHEAD COSTS</u> | | | | | |
| Total | | 10,051 | 16,696 | 33,896 | 15,577 |
| As a Percent of Gross Income | | 33.5 | 34.3 | 33.5 | 33.9 |
| <u>VARIABLE COSTS</u> | | | | | |
| Total | | 12,537 | 20,857 | 47,252 | 19,980 |
| As a Percent of Gross Income | | 41.8 | 42.8 | 46.7 | 43.4 |
| <u>NET CASH INCOME</u> | | | | | |
| | | 10,033 | 14,783 | 28,771 | 14,166 |
| <u>NET FARM INCOME</u> | | | | | |
| | | 10,687 | 15,884 | 30,635 | 15,149 |
| <u>INVESTMENT</u> | | | | | |
| Total | | 74,987 | 120,607 | 244,640 | 113,565 |
| Return to Investment | | 6,668 | 10,771 | 20,827 | 10,020 |
| Percent Return on Investment | | 8.9 | 8.9 | 8.5 | 8.8 |
| Gross Income Per \$1,000 Invested | | 400 | 404 | 413 | 405 |
| <u>FAMILY LABOR & MANAGEMENT INCOME</u> | | | | | |
| | | 7,387 | 11,186 | 19,963 | 10,432 |
| <u>TOTAL LABOR & MANAGEMENT INCOME</u> | | | | | |
| <u>PER MAN</u> | | 5,840 | 7,317 | 9,234 | 7,161 |
| <u>NUMBER OF MEN (M.Y.E.)</u> | | | | | |
| | | 1.49 | 1.90 | 3.33 | 1.87 |
| <u>NUMBER OF COWS</u> | | | | | |
| | | 31.3 | 52.2 | 106.4 | 48.7 |
| <u>NUMBER OF FARMS</u> | | | | | |
| | | 112 | 111 | 27 | 250 |

* Feeder livestock purchases are not included in either total.

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| TYPE OF FARM | <u>DAIRY, LESS THAN 40 COWS</u> | | | |
|---|--|------------------|-------------------|------------------|
| | Rank by Family Labor & Management Income | | | |
| | <u>Upper 10%</u> | <u>Upper 25%</u> | <u>Middle 50%</u> | <u>Lower 25%</u> |
| <u>INCOME</u> | | | | |
| Cash Receipts | 31,210 | 30,252 | 24,604 | 24,388 |
| Capital Gains and Losses | 2,023 | 2,512 | 1,611 | 2,016 |
| Inventory Changes | 5,118 | 4,083 | 1,938 | 544 |
| Feeder Livestock Purchase | | 130 | 28 | 20 |
| Gross Income* | 38,352 | 36,718 | 28,121 | 26,928 |
| <u>EXPENSES</u> | | | | |
| Cash Expenses | 16,395 | 16,823 | 14,819 | 17,255 |
| Depreciation | 3,492 | 3,347 | 3,106 | 4,074 |
| Interest Not Charged | 3,519 | 3,596 | 2,724 | 4,155 |
| Unpaid Operator & Family Labor | 6,460 | 6,234 | 5,199 | 4,237 |
| Total Farm Expense* | 29,866 | 29,870 | 25,819 | 29,701 |
| <u>MANAGEMENT INCOME & PROFIT</u> | | | | |
| Total | 8,486 | 6,848 | 2,302 | -2,773 |
| As a Percent of Gross Income | 22.1 | 18.6 | 8.2 | -10.3 |
| <u>UNPAID OPERATOR & FAMILY LABOR</u> | | | | |
| Total | 6,460 | 6,234 | 5,199 | 4,237 |
| As a Percent of Gross Income | 16.8 | 17.0 | 18.5 | 15.7 |
| <u>OVERHEAD COSTS</u> | | | | |
| Total | 11,746 | 10,831 | 8,770 | 11,835 |
| As a Percent of Gross Income | 30.6 | 29.5 | 31.2 | 43.9 |
| <u>VARIABLE COSTS</u> | | | | |
| Total | 11,660 | 12,805 | 11,852 | 13,637 |
| As a Percent of Gross Income | 30.4 | 34.9 | 42.1 | 50.6 |
| <u>NET CASH INCOME</u> | | | | |
| | 14,815 | 13,429 | 9,785 | 7,133 |
| <u>NET FARM INCOME</u> | | | | |
| | 18,465 | 16,678 | 10,225 | 5,619 |
| <u>INVESTMENT</u> | | | | |
| Total | 79,166 | 79,604 | 65,013 | 90,318 |
| Return to Investment | 13,235 | 11,623 | 6,202 | 2,646 |
| Percent Return on Investment | 16.7 | 14.6 | 9.5 | 2.9 |
| Gross Income Per \$1,000 Invested | 484 | 461 | 432 | 298 |
| <u>FAMILY LABOR & MANAGEMENT INCOME</u> | | | | |
| Hired Labor Expense | 796 | 832 | 1,262 | 1,902 |
| <u>TOTAL LABOR & MANAGEMENT INCOME</u> | | | | |
| | 15,742 | 13,913 | 8,763 | 3,366 |
| <u>NUMBER OF FARMS</u> | | | | |
| | 11 | 28 | 56 | 28 |

*Feeder livestock purchases are not included in either total.

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| TYPE OF FARM | <u>DAIRY, Less Than 40 Cows</u> | | | |
|---|--|------------------|-------------------|------------------|
| | Rank by Family Labor & Management Income | | | |
| | <u>Upper 10%</u> | <u>Upper 25%</u> | <u>Middle 50%</u> | <u>Lower 25%</u> |
| <u>NUMBER OF FARMS</u> | 11 | 28 | 56 | 28 |
| <u>SIZE OF BUSINESS</u> | | | | |
| Number of Men (M.Y.E.) | 1.38 | 1.44 | 1.48 | 1.55 |
| Number of Cows | 31.6 | 33.0 | 31.1 | 29.9 |
| Pounds of 3.5 Milk Sold | 428,679 | 454,603 | 405,469 | 367,424 |
| Total Crop Acres | 177 | 150 | 134 | 153 |
| Corn Acres | 49 | 43 | * | * |
| Soybean Acres | 25 | 12 | * | * |
| Capital Investment | 79,166 | 79,604 | 65,013 | 90,318 |
| Gross Income | 38,352 | 36,718 | 28,121 | 26,928 |
| Value of All Crops | 18,117 | 14,908 | 11,961 | 11,775 |
| Value of Net Livestock Increase | 33,728 | 33,990 | 24,542 | 21,067 |
| <u>EFFICIENCY FACTORS</u> | | | | |
| Gross Income Per Man | 27,791 | 25,499 | 19,000 | 17,373 |
| Total Labor & Management Income Per Man | 11,407 | 9,662 | 5,921 | 2,172 |
| Crop Production Value Per Acre | 102 | 99 | 89 | 76 |
| Returns Per \$ Feed Fed to All Livestock Enterprises | 2.53 | 2.30 | 1.84 | 1.74 |
| Machinery Cost Per Crop Acre | 32.31 | 39.75 | 40.37 | 41.54 |
| <u>MILK PRODUCTION COSTS PER CWT.</u> | | | | |
| Feed | 2.18 | 2.34 | 2.90 | 3.01 |
| Labor | 1.03 | .98 | .93 | .93 |
| Vet and Medicine | .12 | .15 | .08 | .07 |
| Other | 1.22 | 1.29 | 1.41 | 2.07 |
| Total** | 4.55 | 4.76 | 5.32 | 6.08 |
| <u>DAIRY PERFORMANCE FACTORS</u> | | | | |
| Value of Milk Sold, Per Cwt.** | 5.33 | 5.39 | 5.30 | 5.22 |
| Pounds of 3.5 Milk Sold Per Cow | 13,566 | 13,776 | 13,038 | 12,288 |
| Value of Milk Sold Per Cow | 724 | 744 | 692 | 643 |
| Pounds of 3.5 Milk Sold Per Man Equivalent | 310,600 | 315,700 | 274,000 | 237,000 |
| Number of Cows Per Man Equivalent | 22.9 | 22.9 | 21.0 | 19.3 |
| Value of Dairy Increase | 5,966 | 5,032 | 2,872 | 1,669 |
| Value of Milk Sold | 22,881 | 24,546 | 21,526 | 19,213 |
| Total Value of Dairy Production | 28,847 | 29,578 | 24,398 | 20,882 |
| Value of Production Per Cow | 913 | 896 | 784 | 698 |

* Not Calculated

** Net value, after deductions for hauling, marketing charges, and purchase of supplies.

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| TYPE OF FARM | <u>DAIRY, 40-79 COWS</u> | | | |
|---|--|------------------|-------------------|------------------|
| | Rank by Family Labor & Management Income | | | |
| | <u>Upper 10%</u> | <u>Upper 25%</u> | <u>Middle 50%</u> | <u>Lower 25%</u> |
| <u>INCOME</u> | | | | |
| Cash Receipts | 59,570 | 50,535 | 39,689 | 37,385 |
| Capital Gains and Losses | 5,886 | 4,384 | 2,475 | 3,052 |
| Inventory Changes | 7,377 | 5,378 | 3,913 | 1,881 |
| Feeder Livestock Purchase | 14 | 9 | 9 | 17 |
| Gross Income* | 72,819 | 60,288 | 46,067 | 42,301 |
| <u>EXPENSES</u> | | | | |
| Cash Expenses | 30,865 | 27,374 | 25,841 | 29,352 |
| Depreciation | 6,584 | 5,960 | 5,262 | 6,682 |
| Interest Not Charged | 6,410 | 5,382 | 4,057 | 5,316 |
| Unpaid Operator & Family Labor | 11,323 | 9,956 | 6,762 | 7,104 |
| Total Farm Expense* | 55,168 | 48,663 | 41,913 | 48,437 |
| <u>MANAGEMENT INCOME & PROFIT</u> | | | | |
| Total | 17,651 | 11,625 | 4,154 | -6,136 |
| As a Percent of Gross Income | 24.2 | 19.3 | 9.0 | -14.5 |
| <u>UNPAID OPERATOR & FAMILY LABOR</u> | | | | |
| Total | 11,323 | 9,956 | 6,762 | 7,104 |
| As a Percent of Gross Income | 15.5 | 16.5 | 14.7 | 16.8 |
| <u>OVERHEAD COSTS</u> | | | | |
| Total | 20,460 | 17,091 | 15,168 | 19,455 |
| As a Percent of Gross Income | 28.1 | 28.3 | 32.9 | 46.0 |
| <u>VARIABLE COSTS</u> | | | | |
| Total | 23,385 | 21,615 | 19,985 | 21,878 |
| As a Percent of Gross Income | 32.1 | 35.9 | 43.4 | 51.7 |
| <u>NET CASH INCOME</u> | | | | |
| | 28,705 | 23,161 | 13,848 | 8,033 |
| <u>NET FARM INCOME</u> | | | | |
| | 35,384 | 26,963 | 14,973 | 6,284 |
| <u>INVESTMENT</u> | | | | |
| Total | 144,164 | 120,664 | 108,968 | 144,688 |
| Return to Investment | 26,300 | 18,865 | 10,691 | 2,545 |
| Percent Return on Investment | 18.2 | 15.6 | 9.8 | 1.8 |
| Gross Income Per \$1,000 Invested | 505 | 500 | 423 | 292 |
| <u>FAMILY LABOR & MANAGEMENT INCOME</u> | | | | |
| | 28,974 | 21,581 | 10,915 | 968 |
| Hired Labor Expense | 2,668 | 2,845 | 2,481 | 3,068 |
| <u>TOTAL LABOR & MANAGEMENT INCOME</u> | | | | |
| | 31,642 | 24,426 | 13,396 | 4,036 |
| <u>NUMBER OF FARMS</u> | | | | |
| | 11 | 28 | 56 | 27 |

*Feeder livestock purchases are not included in either total.

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

TYPE OF FARM

DAIRY, 40-79 Cows

Rank by Family Labor & Management Income
Upper 10% Upper 25% Middle 50% Lower 25%

| | 11 | 28 | 56 | 27 |
|---|---------|---------|---------|---------|
| <u>NUMBER OF FARMS</u> | | | | |
| <u>SIZE OF BUSINESS</u> | | | | |
| Number of Men (M.Y.E.) | 2.22 | 2.01 | 1.85 | 1.88 |
| Number of Cows | 61.6 | 57.3 | 49.5 | 52.2 |
| Pounds of 3.5 Milk Sold | 900,743 | 811,595 | 643,048 | 634,608 |
| Total Crop Acres | 302 | 241 | 192 | 200 |
| Corn Acres | * | * | * | * |
| Soybean Acres | * | * | * | * |
| Capital Investment | 144,164 | 120,664 | 108,968 | 144,688 |
| Gross Income | 79,819 | 60,288 | 46,067 | 42,301 |
| Value of All Crops | 27,711 | 21,533 | 17,895 | 16,598 |
| Value of Net Livestock Increase | 56,466 | 50,035 | 39,321 | 38,234 |
| <u>EFFICIENCY FACTORS</u> | | | | |
| Gross Income Per Man | 35,954 | 29,994 | 24,901 | 22,501 |
| Total Labor & Management Income Per Man | 14,253 | 12,152 | 8,241 | 2,147 |
| Crop Production Value Per Acre | 92 | 89 | 93 | 83 |
| Returns Per \$ Feed Fed to All Livestock Enterprises | 2.26 | 2.19 | 1.91 | 1.69 |
| Machinery Cost Per Crop Acre | 36.31 | 40.40 | 43.67 | 49.23 |
| <u>MILK PRODUCTION COSTS PER CWT.</u> | | | | |
| Feed | 2.34 | 2.42 | 2.85 | 3.07 |
| Labor | .88 | .94 | .94 | .94 |
| Vet and Medicine | .08 | .07 | .09 | .08 |
| Other | 1.30 | 1.32 | 1.52 | 1.97 |
| Total** | 4.60 | 4.76 | 5.37 | 6.06 |
| <u>DAIRY PERFORMANCE FACTORS</u> | | | | |
| Value of Milk Sold, Per Cwt.** | 5.34 | 5.33 | 5.46 | 5.17 |
| Pounds of 3.5 Milk Sold Per Cow | 14,622 | 14,164 | 12,990 | 12,157 |
| Value of Milk Sold Per Cow | 781 | 756 | 700 | 630 |
| Pounds of Milk Sold Per Man Equivalent | 405,700 | 403,800 | 347,600 | 337,600 |
| Number of Cows Per Man Equivalent | 27.7 | 28.5 | 26.8 | 27.8 |
| Value of Dairy Increase | 7,961 | 6,493 | 4,517 | 4,567 |
| Value of Milk Sold | 48,137 | 43,310 | 34,677 | 32,872 |
| Total Value of Dairy Production | 56,098 | 49,803 | 39,194 | 37,439 |
| Value of Production Per Cow | 911 | 869 | 792 | 717 |

* Not Calculated

** Net value, after deductions for hauling, marketing charges, and purchase of supplies.

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| TYPE OF FARM | <u>DAIRY, 80 OR MORE</u> | | | |
|---|--|------------------|-------------------|------------------|
| | Rank by Family Labor & Management Income | | | |
| | <u>Upper 10%</u> | <u>Upper 25%</u> | <u>Middle 50%</u> | <u>Lower 25%</u> |
| <u>INCOME</u> | | | | |
| Cash Receipts | 131,434 | 104,934 | 81,399 | 81,500 |
| Capital Gains and Losses | 13,398 | 8,540 | 5,073 | 6,657 |
| Inventory Changes | 23,301 | 15,781 | 4,789 | 3,597 |
| Feeder Livestock Purchase | | | 210 | |
| Gross Income* | 168,133 | 129,255 | 91,051 | 91,754 |
| <u>EXPENSES</u> | | | | |
| Cash Expenses | 79,258 | 63,393 | 54,272 | 63,791 |
| Depreciation | 16,083 | 12,798 | 10,947 | 12,781 |
| Interest Not Charged | 15,226 | 12,153 | 9,141 | 12,512 |
| Unpaid Operator & Family Labor | 23,484 | 22,116 | 11,342 | 9,897 |
| Total Farm Expense* | 134,052 | 110,459 | 85,492 | 98,981 |
| <u>MANAGEMENT INCOME & PROFIT</u> | | | | |
| Total | 34,081 | 18,796 | 5,559 | -7,227 |
| As a Percent of Gross Income | 20.3 | 14.5 | 6.1 | -7.9 |
| <u>UNPAID OPERATOR & FAMILY LABOR</u> | | | | |
| Total | 23,484 | 22,116 | 11,342 | 9,897 |
| As a Percent of Gross Income | 14.0 | 17.1 | 12.5 | 10.8 |
| <u>OVERHEAD COSTS</u> | | | | |
| Total | 46,442 | 37,014 | 30,029 | 39,283 |
| As a Percent of Gross Income | 27.6 | 28.6 | 33.0 | 42.8 |
| <u>VARIABLE COSTS</u> | | | | |
| Total | 64,125 | 51,328 | 44,122 | 49,802 |
| As a Percent of Gross Income | 38.1 | 39.7 | 48.4 | 54.3 |
| <u>NET CASH INCOME</u> | | | | |
| | 52,176 | 41,541 | 27,127 | 17,709 |
| <u>NET FARM INCOME</u> | | | | |
| | 72,791 | 53,065 | 26,042 | 15,181 |
| <u>INVESTMENT</u> | | | | |
| Total | 326,064 | 263,976 | 216,614 | 287,474 |
| Return to Investment | 53,643 | 34,634 | 18,555 | 10,021 |
| Percent Return on Investment | 16.5 | 13.1 | 8.6 | 3.5 |
| Gross Income Per \$1,000 Invested | 517 | 490 | 420 | 320 |
| <u>FAMILY LABOR & MANAGEMENT INCOME</u> | | | | |
| Hired Labor Expense | 15,534 | 9,746 | 10,263 | 13,217 |
| <u>TOTAL LABOR & MANAGEMENT INCOME</u> | | | | |
| | 73,099 | 50,658 | 27,164 | 15,886 |
| <u>NUMBER OF FARMS</u> | | | | |
| | 3 | 7 | 14 | 6 |

*Feeder livestock purchases are not included in either total.

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| TYPE OF FARM | <u>DAIRY, 80 or More Cows</u> | | | |
|---|--|------------------|-------------------|------------------|
| | Rank by Family Labor & Management Income | | | |
| | <u>Upper 10%</u> | <u>Upper 25%</u> | <u>Middle 50%</u> | <u>Lower 25%</u> |
| <u>NUMBER OF FARMS</u> | 3 | 7 | 14 | 6 |
| <u>SIZE OF BUSINESS</u> | | | | |
| Number of Men (M.Y.E.) | 4.59 | 3.18 | 3.45 | 3.20 |
| Number of Cows | 156.0 | 123.9 | 101.6 | 96.9 |
| Pounds of 3.5 Milk Sold | 2,178,349 | 1,706,172 | 1,369,057 | 1,320,418 |
| Total Crop Acres | 420 | 354 | 325 | 412 |
| Corn Acres | 70 | 84 | * | * |
| Soybean Acres | -- | 3 | * | * |
| Capital Investment | 326,064 | 263,976 | 216,614 | 287,474 |
| Gross Income | 168,133 | 129,255 | 91,051 | 91,943 |
| Value of All Crops | 58,664 | 50,818 | 35,150 | 43,356 |
| Value of Net Livestock Increase | 169,484 | 126,458 | 85,889 | 97,027 |
| <u>EFFICIENCY FACTORS</u> | | | | |
| Gross Income Per Man | 36,630 | 40,646 | 26,391 | 28,732 |
| Total Labor & Management Income Per Man | 15,926 | 15,930 | 7,874 | 4,964 |
| Crop Production Value Per Acre | 140 | 144 | 108 | 105 |
| Returns Per \$ Feed Fed to All Livestock Enterprises | 2.34 | 2.15 | 2.03 | 2.05 |
| Machinery Cost Per Crop Acre | 56.46 | 53.82 | 49.20 | 42.74 |
| <u>MILK PRODUCTION COSTS PER CWT.</u> | | | | |
| Feed | 2.42 | 2.57 | 2.71 | 2.25 |
| Labor | 1.24 | 1.28 | 1.08 | 1.07 |
| Vet and Medicine | .16 | .15 | .09 | .06 |
| Other | 1.25 | 1.22 | 1.49 | 1.90 |
| Total ** | 5.07 | 5.22 | 5.37 | 5.28 |
| <u>DAIRY PERFORMANCE FACTORS</u> | | | | |
| Value of Milk Sold, Per Cwt.** | 5.64 | 5.51 | 5.49 | 5.27 |
| Pounds of 3.5 Milk Sold Per Cow | 13,964 | 13,770 | 13,475 | 13,626 |
| Value of Milk Sold Per Cow | 788 | 759 | 740 | 718 |
| Pounds of Milk Sold Per Man Equivalent | 474,500 | 536,500 | 396,800 | 412,600 |
| Number of Cows Per Man Equivalent | 34.0 | 39.0 | 29.4 | 30.1 |
| Value of Dairy Increase | 23,307 | 17,567 | 9,643 | 8,593 |
| Value of Milk Sold | 122,869 | 94,075 | 75,171 | 69,541 |
| Total Value of Dairy Production | 146,176 | 111,642 | 84,814 | 78,134 |
| Value of Production Per Cow | 937 | 901 | 835 | 806 |

* Not Calculated

** Net value, after deductions for hauling, marketing charges, and purchase of supplies.

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| <u>TYPE OF FARM</u> | <u>HOGS</u> | <u>BEEF FEEDING</u> | <u>GENERAL CROPS</u> | <u>BEEF & HOGS</u> |
|--|-------------|---------------------|----------------------|------------------------|
| <u>INCOME</u> | | | | |
| Cash Receipts | 58,037 | 106,143 | 32,058 | 74,243 |
| Capital Gains and Losses | 1,538 | 454 | 59 | 717 |
| Inventory Changes | -845 | 1,028 | 4,734 | 7,836 |
| Feeder Livestock Purchase | 4,232 | 53,651 | 87 | 25,568 |
| Gross Income* | 54,498 | 53,974 | 36,765 | 57,230 |
| <u>EXPENSES</u> | | | | |
| Cash Expenses | 39,079 | 90,969 | 17,576 | 60,930 |
| Depreciation | 5,647 | 6,142 | 4,544 | 5,180 |
| Interest Not Charged | 4,473 | 5,257 | 5,431 | 6,684 |
| Unpaid Operator & Family Labor | 7,145 | 5,803 | 4,079 | 6,884 |
| Total Farm Expense* | 52,113 | 54,519 | 31,542 | 54,111 |
| <u>MANAGEMENT INCOME & PROFIT</u> | | | | |
| Total | 2,385 | -546 | 5,222 | 3,119 |
| As a Percent of Gross Income | 4.4 | -1.0 | 14.2 | 5.4 |
| <u>UNPAID OPERATOR & FAMILY LABOR</u> | | | | |
| Total | 7,145 | 5,803 | 4,079 | 6,884 |
| As a Percent of Gross Income | 13.1 | 10.7 | 11.1 | 12.0 |
| <u>OVERHEAD COSTS</u> | | | | |
| Total | 18,510 | 22,877 | 14,631 | 19,836 |
| As a Percent of Gross Income | 34.0 | 42.4 | 39.8 | 34.7 |
| <u>VARIABLE COSTS</u> | | | | |
| Total | 26,458 | 25,839 | 12,832 | 27,389 |
| As a Percent of Gross Income | 48.5 | 47.9 | 34.9 | 47.9 |
| <u>NET CASH INCOME</u> | | | | |
| | 18,957 | 15,174 | 14,481 | 13,313 |
| <u>NET FARM INCOME</u> | | | | |
| | 14,003 | 10,514 | 14,732 | 16,687 |
| <u>INVESTMENT</u> | | | | |
| Total | 125,068 | 194,510 | 119,470 | 156,189 |
| Return to Investment | 9,888 | 11,124 | 12,390 | 12,489 |
| Percent Return on Investment | 7.9 | 5.7 | 10.4 | 8.0 |
| Gross Income Per \$1,000 Invested | 436 | 278 | 308 | 366 |
| <u>FAMILY LABOR & MANAGEMENT INCOME</u> | | | | |
| | 9,530 | 5,257 | 9,301 | 10,003 |
| <u>TOTAL LABOR & MANAGEMENT INCOME PER MAN</u> | | | | |
| | 7,908 | 5,118 | 8,634 | 7,214 |
| <u>NUMBER OF MEN (M.Y.E.)</u> | | | | |
| | 1.47 | 1.30 | 1.15 | 1.82 |
| <u>NUMBER OF FARMS</u> | | | | |
| | 33 | 20 | 42 | 31 |

* Feeder livestock purchases are not included in either total.

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| TYPE OF FARM TENURE | HDGS | | |
|---|------------|------------|-----------|
| | Full Owner | Part Owner | Tenant |
| <u>INCOME</u> | | | |
| Cash Receipts | \$ 57,202 | \$ 60,641 | \$ 48,043 |
| Capital Gains and Losses | 1,819 | 1,176 | 2,162 |
| Inventory Changes | -242 | -101 | -7,629 |
| Feeder Livestock Purchase | 3,987 | 5,240 | |
| Gross Income* | 54,791 | 56,476 | 42,576 |
| <u>EXPENSES</u> | | | |
| Cash Expenses | 38,188 | 41,027 | 32,848 |
| Depreciation | 4,988 | 6,714 | 3,037 |
| Interest Not Charged | 5,420 | 4,188 | 1,573 |
| Unpaid Operator & Family Labor | 8,394 | 6,065 | 7,071 |
| Total Farm Expense* | 53,004 | 52,755 | 44,530 |
| <u>MANAGEMENT INCOME & PROFIT</u> | | | |
| Total | 1,787 | 3,721 | -1,954 |
| As a Percent of Gross Income | 3.3 | 6.6 | -4.6 |
| <u>UNPAID OPERATOR & FAMILY LABOR</u> | | | |
| Total | 8,394 | 6,065 | 7,071 |
| As a Percent of Gross Income | 15.3 | 10.7 | 16.6 |
| <u>OVERHEAD COSTS</u> | | | |
| Total | 18,386 | 19,108 | 15,895 |
| As a Percent of Gross Income | 33.6 | 33.8 | 37.3 |
| <u>VARIABLE COSTS</u> | | | |
| Total | 26,223 | 27,581 | 21,563 |
| As a Percent of Gross Income | 47.9 | 48.9 | 50.6 |
| <u>NET CASH INCOME</u> | | | |
| | 19,013 | 19,614 | 15,194 |
| <u>NET FARM INCOME</u> | | | |
| | 15,601 | 13,975 | 6,691 |
| <u>INVESTMENT</u> | | | |
| Total | 136,901 | 130,748 | 39,582 |
| Return to Investment | 10,000 | 11,565 | 421 |
| Percent Return on Investment | 7.3 | 8.8 | 1.1 |
| Gross Income Per \$1,000 Invested | 400 | 432 | 1,076 |
| <u>FAMILY LABOR & MANAGEMENT INCOME</u> | | | |
| Hired Labor Expense | 10,181 | 9,786 | 5,117 |
| | 2,291 | 1,873 | 2,373 |
| <u>TOTAL LABOR & MANAGEMENT INCOME</u> | | | |
| | 12,472 | 11,659 | 7,490 |
| <u>NUMBER OF FARMS</u> | | | |
| | 14 | 16 | 3 |

* Feeder livestock purchases are not included in either total.

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| TYPE OF FARM TENURE | <u>HOGS</u> | | |
|---|-------------------|-------------------|---------------|
| | <u>Full Owner</u> | <u>Part Owner</u> | <u>Tenant</u> |
| <u>NUMBER OF FARMS</u> | 14 | 16 | 3 |
| <u>SIZE OF BUSINESS</u> | | | |
| Number of Men (M.Y.E.) | 1.50 | 1.47 | 1.35 |
| Number of Sows and Gilts | 69 | 47 | 35 |
| Number of Pigs Weaned | 812 | 626 | 685 |
| Number of Feeder Pigs Sold | 267 | 119 | -- |
| Number of Market Hogs Sold | 643 | 660 | 619 |
| Total Crop Acres | 284 | 417 | 386 |
| Corn Acres | 139 | 193 | 185 |
| Soybean Acres | 65 | 135 | 117 |
| Capital Investment | 136,901 | 130,748 | 39,582 |
| Gross Income | 54,791 | 56,476 | 42,576 |
| Value of All Crops | 28,637 | 38,296 | 38,927 |
| Value of Net Livestock Increase | 33,093 | 28,955 | 24,752 |
| Pounds of Pork Produced | 160,166 | 147,903 | 125,960 |
| <u>EFFICIENCY FACTORS</u> | | | |
| Gross Income Per Man | 36,527 | 38,419 | 31,537 |
| Total Labor & Management Income Per Man | 8,315 | 7,931 | 5,548 |
| Value of Crop Production Per Acre | 101 | 92 | 101 |
| Returns Per \$ Feed Fed to All Livestock Enterprises | 1.61 | 1.40 | 1.85 |
| Machinery Cost Per Crop Acre | 30.82 | 25.89 | 16.11 |
| Pounds of Pork Produced Per Man | 106,777 | 100,614 | 93,303 |

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| TYPE OF FARM | BEEF FEEDING | |
|---|--------------|------------|
| | Full Owner | Part Owner |
| TENURE | | |
| <u>INCOME</u> | | |
| Cash Receipts | \$114,330 | \$ 90,936 |
| Capital Gains and Losses | 597 | 189 |
| Inventory Changes | 1,001 | 1,078 |
| Feeder Livestock Purchase | 57,131 | 47,188 |
| Gross Income* | 58,797 | 45,015 |
| <u>EXPENSES</u> | | |
| Cash Expenses | 99,385 | 75,338 |
| Depreciation | 6,691 | 5,121 |
| Interest Not Charged | 5,434 | 4,928 |
| Unpaid Operator & Family Labor | 5,228 | 6,871 |
| Total Farm Expense* | 59,607 | 45,069 |
| <u>MANAGEMENT INCOME & PROFIT</u> | | |
| Total | -810 | -54 |
| As a Percent of Gross Income | -1.4 | -0.1 |
| <u>UNPAID OPERATOR & FAMILY LABOR</u> | | |
| Total | 5,228 | 6,871 |
| As a Percent of Gross Income | 8.9 | 15.3 |
| <u>OVERHEAD COSTS</u> | | |
| Total | 25,573 | 17,870 |
| As a Percent of Gross Income | 43.5 | 39.7 |
| <u>VARIABLE COSTS</u> | | |
| Total | 28,806 | 20,328 |
| As a Percent of Gross Income | 49.0 | 45.2 |
| <u>NET CASH INCOME</u> | 14,944 | 15,598 |
| <u>NET FARM INCOME</u> | 9,852 | 11,744 |
| <u>INVESTMENT</u> | | |
| Total | 214,842 | 156,750 |
| Return to Investment | 12,079 | 9,349 |
| Percent Return on Investment | 5.6 | 6.0 |
| Gross Income Per \$1,000 Invested | 274 | 287 |
| <u>FAMILY LABOR & MANAGEMENT INCOME</u> | 4,418 | 6,816 |
| Hired Labor Expense | 1,954 | 362 |
| <u>TOTAL LABOR & MANAGEMENT INCOME</u> | 6,372 | 7,178 |
| <u>NUMBER OF FARMS</u> | 13 | 7 |

* Feeder livestock purchases are not included in either total.

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| TYPE OF FARM TENURE | <u>BEEF FEEDING</u> | |
|--|---------------------|-------------------|
| | <u>Full Owner</u> | <u>Part Owner</u> |
| <u>NUMBER OF FARMS</u> | 13 | 7 |
| <u>SIZE OF BUSINESS</u> | | |
| Number of Men (M.Y.E.) | 1.38 | 1.15 |
| Number of Fat Cattle Sold | 304 | 253 |
| Total Crop Acres | 329 | 367 |
| Corn Acres | 130 | 140 |
| Soybean Acres | 45 | 92 |
| Capital Investment | 214,842 | 156,750 |
| Gross Income | 58,797 | 45,015 |
| Value of All Crops | 36,288 | 39,087 |
| Value of Net Livestock Increase | 40,941 | 27,964 |
| Value of Beef Produced | 40,941 | 27,910 |
| <u>EFFICIENCY FACTORS</u> | | |
| Gross Income Per Man | 42,606 | 39,143 |
| Total Labor & Management Income Per Man | 4,617 | 6,242 |
| Crop Production Value Per Acre | 110 | 106 |
| Return Per \$ Feed Fed to All Livestock Enterprises | 1.53 | 1.23 |
| Machinery Cost Per Crop Acre | 28.95 | 23.76 |
| Pounds of Beef Produced Per Man | 93,298 | 95,762 |
| <u>BEEF PRODUCTION COSTS PER CWT.</u> | | |
| Feed | 20.84 | 20.53 |
| Labor | 2.22 | 2.26 |
| Vet and Medicine | .33 | .27 |
| Other | 10.77 | 7.13 |
| Total | 34.18 | 30.20 |

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| TYPE OF FARM | GENERAL CROP | | |
|---|----------------------|-------------------|-----------------------|
| | Full <u>Owner</u> | <u>Part Owner</u> | Tenant <u>Only</u> |
| <u>TENURE</u> | | | |
| <u>INCOME</u> | | | |
| Cash Receipts | \$ 33,839 | \$ 32,761 | \$ 26,998 |
| Capital Gains and Losses | -94 | 150 | -45 |
| Inventory Changes | 4,929 | 4,850 | 4,044 |
| Feeder Livestock Purchase | 221 | 58 | |
| Gross Income* | 38,454 | 37,703 | 30,996 |
| <u>EXPENSES</u> | | | |
| Cash Expenses | 16,618 | 18,518 | 15,579 |
| Depreciation | 5,177 | 4,558 | 3,587 |
| Interest Not Charged | 9,359 | 5,199 | 646 |
| Unpaid Operator & Family Labor | 3,231 | 4,370 | 4,246 |
| Total Farm Expense* | 34,164 | 32,588 | 24,059 |
| <u>MANAGEMENT INCOME & PROFIT</u> | | | |
| Total | 4,289 | 5,115 | 6,937 |
| As a Percent of Gross Income | 11.1 | 13.6 | 22.4 |
| <u>UNPAID OPERATOR & FAMILY LABOR</u> | | | |
| Total | 3,231 | 4,370 | 4,246 |
| As a Percent of Gross Income | 8.4 | 11.6 | 13.7 |
| <u>OVERHEAD COSTS</u> | | | |
| Total | 19,593 | 14,688 | 7,338 |
| As a Percent of Gross Income | 51.0 | 39.0 | 23.7 |
| <u>VARIABLE COSTS</u> | | | |
| Total | 11,340 | 13,528 | 12,475 |
| As a Percent of Gross Income | 29.5 | 36.0 | 40.2 |
| <u>NET CASH INCOME</u> | 17,221 | 14,243 | 11,418 |
| <u>NET FARM INCOME</u> | 16,880 | 14,685 | 11,829 |
| <u>INVESTMENT</u> | | | |
| Total | 195,436 | 116,326 | 22,175 |
| Return to Investment | 16,015 | 12,094 | 8,267 |
| Percent Return on Investment | 8.2 | 10.4 | 37.3 |
| Gross Income Per \$1,000 Invested | 197 | 324 | 1,398 |
| <u>FAMILY LABOR & MANAGEMENT INCOME</u> | 7,520 | 9,486 | 11,183 |
| Hired Labor Expense | 286 | 768 | 621 |
| <u>TOTAL LABOR & MANAGEMENT INCOME</u> | 7,806 | 10,254 | 11,804 |
| <u>NUMBER OF FARMS</u> | 10 | 25 | 7 |

* Feeder livestock purchases are not included in either total.

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| TYPE OF FARM TENURE | <u>GENERAL CROP</u> | | |
|--|---------------------|-------------------|---------------|
| | <u>Full Owner</u> | <u>Part Owner</u> | <u>Tenant</u> |
| <u>NUMBER OF FARMS</u> | 10 | 25 | 7 |
| <u>SIZE OF BUSINESS</u> | | | |
| Number of Men (M.Y.E.) | 0.90 | 1.33 | .89 |
| Total Crop Acres | 355 | 529 | 453 |
| Corn Acres | 123 | 191 | 165 |
| Soybean Acres | 164 | 203 | 166 |
| Capital Investment | 195,436 | 116,326 | 22,175 |
| Gross Income | 38,454 | 37,703 | 30,996 |
| Total Value of All Crops | 34,811 | 44,952 | 39,907 |
| Value of Net Livestock Increase | 257 | 704 | 383 |
| <u>EFFICIENCY FACTORS</u> | | | |
| Gross Income Per Man | 42,727 | 28,348 | 34,827 |
| Total Labor & Management Income Per Man | 8,673 | 7,710 | 13,263 |
| Total Crop Acres Per Man | 394 | 398 | 509 |
| Crop Production Value Per Acre | 98 | 85 | 88 |
| Machinery Cost Per Crop Acre | 21.76 | 16.18 | 15.13 |

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| TYPE OF FARM TENURE | <u>BEEF & HOGS</u> | | |
|---|------------------------|-------------------|---------------|
| | <u>Full Owner</u> | <u>Part Owner</u> | <u>Tenant</u> |
| <u>INCOME</u> | | | |
| Cash Receipts | \$ 70,421 | \$ 81,613 | \$ 53,953 |
| Capital Gains and Losses | 892 | 593 | 578 |
| Inventory Changes | 1,839 | 11,134 | 17,337 |
| Feeder Livestock Purchase | 18,713 | 33,770 | 14,261 |
| Gross Income* | 54,440 | 59,571 | 57,607 |
| <u>EXPENSES</u> | | | |
| Cash Expenses | 52,289 | 72,538 | 40,326 |
| Depreciation | 4,661 | 6,072 | 2,974 |
| Interest Not Charged | 8,160 | 6,545 | 979 |
| Unpaid Operator & Family Labor | 5,375 | 6,722 | 14,231 |
| Total Farm Expense* | 51,773 | 58,109 | 44,250 |
| <u>MANAGEMENT INCOME & PROFIT</u> | | | |
| Total | 2,667 | 1,462 | 13,357 |
| As a Percent of Gross Income | 4.9 | 2.5 | 23.2 |
| <u>UNPAID OPERATOR & FAMILY LABOR</u> | | | |
| Total | 5,375 | 6,722 | 14,231 |
| As a Percent of Gross Income | 9.9 | 11.3 | 24.7 |
| <u>OVERHEAD COSTS</u> | | | |
| Total | 19,800 | 21,710 | 10,627 |
| As a Percent of Gross Income | 36.4 | 36.4 | 18.4 |
| <u>VARIABLE COSTS</u> | | | |
| Total | 26,597 | 29,675 | 19,391 |
| As a Percent of Gross Income | 48.8 | 49.8 | 33.7 |
| <u>NET CASH INCOME</u> | | | |
| | 18,132 | 9,074 | 13,627 |
| <u>NET FARM INCOME</u> | | | |
| | 16,202 | 14,730 | 28,568 |
| <u>INVESTMENT</u> | | | |
| Total | 164,968 | 165,481 | 71,721 |
| Return to Investment | 12,564 | 11,390 | 17,660 |
| Percent Return on Investment | 7.6 | 6.9 | 24.6 |
| Gross Income Per \$1,000 Invested | 330 | 360 | 803 |
| <u>FAMILY LABOR & MANAGEMENT INCOME</u> | | | |
| | 8,042 | 8,184 | 27,589 |
| Hired Labor Expense | 3,135 | 3,557 | 936 |
| <u>TOTAL LABOR & MANAGEMENT INCOME</u> | | | |
| | 11,177 | 11,741 | 28,525 |
| <u>NUMBER OF FARMS</u> | | | |
| | 13 | 15 | 3 |

* Feeder livestock purchases are not included in either total.

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| TYPE OF FARM | BEEF AND HOGS | | | |
|--|---------------|-------------------|-------------------|---------------|
| | TENURE | <u>Full Owner</u> | <u>Part Owner</u> | <u>Tenant</u> |
| <u>NUMBER OF FARMS</u> | | 13 | 15 | 3 |
| <u>SIZE OF BUSINESS</u> | | | | |
| Number of Men (M.Y.E.) | | 1.84 | 1.84 | 1.69 |
| Number of Sows and Gilts | | 25 | 30 | 18 |
| Number of Fat Cattle | | 104 | 138 | 84 |
| Total Crop Acres | | 267 | 407 | 586 |
| Corn Acres | | 125 | 201 | 319 |
| Soybean Acres | | 43 | 83 | 97 |
| Capital Investment | | 164,968 | 165,481 | 71,721 |
| Gross Income | | 54,440 | 59,571 | 57,607 |
| Value of All Crops | | 30,024 | 41,126 | 55,889 |
| Value of Net Livestock Increase | | 38,613 | 33,167 | 19,820 |
| Value of Beef Produced | | 17,934 | 17,051 | 14,967 |
| Value of Pork Produced | | 20,035 | 14,970 | 4,355 |
| <u>EFFICIENCY FACTORS</u> | | | | |
| Gross Income Per Man | | 29,587 | 32,376 | 34,087 |
| Total Labor & Management Income Per Man | | 6,074 | 6,381 | 16,879 |
| Crop Production Value Per Acre | | 112 | 101 | 95 |
| Return Per \$ Feed Fed to All Livestock Enterprises | | 1.60 | 1.25 | 1.43 |
| Value of Beef Produced Per Cwt. | | 28.02 | 33.24 | 25.18 |
| Machinery Cost Per Crop Acre | | 26.80 | 23.14 | 13.20 |
| Pounds of Beef Produced Per Man | | 34,773 | 27,874 | 35,169 |
| Pounds of Pork Produced Per Man | | 54,788 | 47,935 | 29,931 |

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| <u>TYPE OF FARM</u> | <u>POULTRY</u> | <u>SHEEP</u> | <u>SPECIAL CROPS</u> |
|---|----------------|--------------|----------------------|
| <u>INCOME</u> | | | |
| Cash Receipts | 92,494 | 55,519 | 40,260 |
| Capital Gains and Losses | 727 | -146 | 21 |
| Inventory Changes | -2,384 | 2,966 | 5,890 |
| Feeder Livestock Purchase | 13,570 | 22,769 | 697 |
| Gross Income* | 77,267 | 35,569 | 45,475 |
| <u>EXPENSES</u> | | | |
| Cash Expenses | 72,461 | 47,673 | 29,644 |
| Depreciation | 4,859 | 4,814 | 3,285 |
| Interest Not Charged | 4,073 | 6,358 | 1,734 |
| Unpaid Operator & Family Labor | 998 | 7,879 | 2,237 |
| Total Farm Expense* | 68,821 | 43,956 | 36,203 |
| <u>MANAGEMENT INCOME & PROFIT</u> | | | |
| Total | 8,446 | -8,387 | 9,272 |
| As a Percent of Gross Income | 10.9 | -23.6 | 20.4 |
| <u>UNPAID OPERATOR & FAMILY LABOR</u> | | | |
| Total | 998 | 7,879 | 2,237 |
| As a Percent of Gross Income | 1.3 | 22.2 | 4.9 |
| <u>OVERHEAD COSTS</u> | | | |
| Total | 12,239 | 16,364 | 11,305 |
| As a Percent of Gross Income | 15.8 | 46.0 | 24.8 |
| <u>VARIABLE COSTS</u> | | | |
| Total | 55,582 | 19,712 | 22,661 |
| As a Percent of Gross Income | 72.0 | 55.4 | 49.8 |
| <u>NET CASH INCOME</u> | | | |
| | 20,033 | 7,845 | 10,616 |
| <u>NET FARM INCOME</u> | | | |
| | 13,517 | 5,851 | 13,243 |
| <u>INVESTMENT</u> | | | |
| Total | 91,861 | 121,581 | 70,654 |
| Return to Investment | 13,957 | -1,096 | 13,510 |
| Percent Return on Investment | 15.2 | -0.9 | 19.1 |
| Gross Income Per \$1,000 Invested | 841 | 293 | 644 |
| <u>FAMILY LABOR & MANAGEMENT INCOME</u> | | | |
| Hired Labor Expense | 3,912 | 2,551 | 10,884 |
| <u>TOTAL LABOR & MANAGEMENT INCOME</u> | | | |
| | 13,356 | 2,044 | 22,393 |
| <u>NUMBER OF FARMS</u> | | | |
| | 6 | 7 | 6 |

* Feeder livestock purchases are not included in either total.

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| <u>TYPE OF FARM</u> | <u>POULTRY</u> | <u>SHEEP</u> | <u>SPECIAL CROPS</u> |
|--|----------------|--------------|----------------------|
| <u>NUMBER OF FARMS</u> | 6 | 7 | 6 |
| <u>SIZE OF BUSINESS</u> | | | |
| Number of Men (M.Y.E.) | 2.43 | 1.85 | 3.48 |
| Number of Hens | 8,743 | -- | -- |
| Dozens of Eggs Sold | 144,948 | -- | -- |
| Number of Ewes | -- | 209 | -- |
| Total Crop Acres | 95 | 336 | 137 |
| Corn Acres | 12 | 80 | 46 |
| Soybean Acres | 45 | 84 | 25 |
| Capital Investment | 91,861 | 121,581 | 70,654 |
| Gross Income | 77,267 | 35,569 | 45,475 |
| Value of All Crops | 8,951 | 25,783 | 29,870 |
| Value of Net Livestock Increase | 89,623 | 12,645 | -- |
| Value of Poultry and Eggs | 86,567 | -- | -- |
| Value of Lamb and Wool Production | -- | 12,645 | -- |
| Value of Special Crops Sold | -- | -- | 20,408 |
| <u>EFFICIENCY FACTORS</u> | | | |
| Gross Income Per Man | 31,797 | 19,226 | 13,068 |
| Total Labor & Management Income Per Man | 5,496 | 1,105 | 6,435 |
| Crop Production Value Per Acre | 94 | 77 | 218 |
| Value of Special Crops Per Acre | -- | -- | 416 |
| Return Per \$ Feed Fed to All Livestock Enterprises | 2.18 | 1.42 | -- |
| Machinery Cost Per Crop Acre | 65.60 | 25.58 | 39.54 |
| Dozens of Eggs Sold Per Man | 59,649 | -- | -- |
| Pounds of Lamb Produced Per Man | -- | 15,080 | -- |

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| <u>TYPE OF FARM</u> | <u>BEEF & SHEEP</u> | <u>BEEF BREEDING</u> | <u>GENERAL LIVESTOCK</u> |
|---|-----------------------------|--------------------------|------------------------------|
| <u>INCOME</u> | | | |
| Cash Receipts | 34,971 | 43,969 | 56,489 |
| Capital Gains and Losses | 189 | 1,819 | 1,941 |
| Inventory Changes | 3,654 | 3,717 | 3,709 |
| Feeder Livestock Purchase | 4,934 | 7,831 | 7,204 |
| Gross Income* | 33,880 | 41,673 | 54,936 |
| <u>EXPENSES</u> | | | |
| Cash Expenses | 24,848 | 30,426 | 39,339 |
| Depreciation | 6,191 | 6,693 | 5,315 |
| Interest Not Charged | 8,672 | 8,053 | 5,973 |
| Unpaid Operator & Family Labor | 5,326 | 4,990 | 7,334 |
| Total Farm Expense* | 40,104 | 42,330 | 50,757 |
| <u>MANAGEMENT INCOME & PROFIT</u> | | | |
| Total | -6,224 | -657 | 4,179 |
| As a Percent of Gross Income | -18.4 | -1.6 | 7.6 |
| <u>UNPAID OPERATOR & FAMILY LABOR</u> | | | |
| Total | 5,326 | 4,990 | 7,334 |
| As a Percent of Gross Income | 15.7 | 12.0 | 13.4 |
| <u>OVERHEAD COSTS</u> | | | |
| Total | 19,456 | 19,959 | 15,903 |
| As a Percent of Gross Income | 57.4 | 47.9 | 28.9 |
| <u>VARIABLE COSTS</u> | | | |
| Total | 15,321 | 17,382 | 27,518 |
| As a Percent of Gross Income | 45.2 | 41.7 | 50.1 |
| <u>NET CASH INCOME</u> | | | |
| | 10,122 | 13,543 | 17,150 |
| <u>NET FARM INCOME</u> | | | |
| | 7,775 | 12,386 | 17,487 |
| <u>INVESTMENT</u> | | | |
| Total | 179,251 | 171,991 | 130,401 |
| Return to Investment | 4,531 | 9,662 | 12,004 |
| Percent Return on Investment | 2.5 | 5.6 | 9.2 |
| Gross Income Per \$1,000 Invested | 189 | 242 | 421 |
| <u>FAMILY LABOR & MANAGEMENT INCOME</u> | | | |
| Hired Labor Expense | 1,852 | 2,781 | 2,149 |
| <u>TOTAL LABOR & MANAGEMENT INCOME</u> | | | |
| | 955 | 7,114 | 13,663 |
| <u>NUMBER OF FARMS</u> | | | |
| | 4 | 3 | 16 |

* Feeder livestock purchases are not included in either total.

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| <u>TYPE OF FARM</u> | <u>BEEF & SHEEP</u> | <u>BEEF BREEDING</u> | <u>GENERAL LIVESTOCK</u> |
|--|-----------------------------|--------------------------|------------------------------|
| <u>NUMBER OF FARMS</u> | 4 | 3 | 16 |
| <u>SIZE OF BUSINESS</u> | | | |
| Number of Men (M.Y.E.) | 1.55 | 2.16 | 2.00 |
| Number of Cows | -- | -- | 23.0 |
| Number of Beef Cows Bred to Calve | 11.0 | 101.7 | -- |
| Number of Fat Cattle Sold | 42.0 | * | 29.0 |
| Number of Ewes | 126 | -- | -- |
| Number of Sows and Gilts | -- | -- | 15.0 |
| Total Crop Acres | 376 | 526 | 301 |
| Corn Acres | 107 | * | 111 |
| Soybean Acres | 132 | * | 57 |
| Capital Investment | 179,251 | 171,991 | 130,401 |
| Gross Income | 33,880 | 41,673 | 54,936 |
| Value of All Crops | 32,556 | 45,587 | 27,998 |
| Value of Net Livestock Increase | 16,927 | 16,258 | 47,515 |
| Value of Milk Sold | -- | -- | 15,940 |
| Value of Beef Produced | 8,543 | 16,258 | 5,137 |
| Value of Lamb and Wool Production | 4,894 | -- | -- |
| Value of Pork Produced | -- | -- | 9,253 |
| <u>EFFICIENCY FACTORS</u> | | | |
| Gross Income Per Man | 21,858 | 19,293 | 27,468 |
| Total Labor & Management Income Per Man | 616 | 3,294 | 6,832 |
| Crop Production Value Per Acre | 87 | 87 | 93 |
| Return Per \$ Feed Fed to All Livestock Enterprises | 1.34 | 1.09 | 1.81 |
| Value of Milk Sold Per Cwt.** | -- | -- | 4.82 |
| Machinery Cost Per Crop Acre | 21.43 | * | 27.20 |
| Pounds of Beef Produced Per Man | 21,574 | -- | 10,174 |
| Pounds of Pork Produced Per Man | -- | -- | 19,838 |
| Pounds of 3.5 Milk Sold Per Man Equivalent | -- | -- | 165,100 |

* Not Calculated

** Net price after deductions for hauling, marketing charges, and purchase of supplies.

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| TYPE OF FARM | <u>DAIRY & HOGE</u> | <u>DAIRY & POULTRY</u> | <u>DAIRY & BEEF</u> |
|---|-----------------------------|--------------------------------|-----------------------------|
| <u>INCOME</u> | | | |
| Cash Receipts | 55,431 | 53,345 | 40,762 |
| Capital Gains and Losses | 2,026 | 2,523 | 1,921 |
| Inventory Changes | 4,681 | 3,098 | 5,048 |
| Feeder Livestock Purchase | 2,266 | 2,508 | |
| Gross Income* | 59,873 | 56,457 | 47,730 |
| <u>EXPENSES</u> | | | |
| Cash Expenses | 37,233 | 37,751 | 26,803 |
| Depreciation | 5,860 | 7,298 | 4,882 |
| Interest Not Charged | 5,992 | 3,629 | 3,161 |
| Unpaid Operator & Family Labor | 7,003 | 7,121 | 9,160 |
| Total Farm Expense* | 53,823 | 53,291 | 44,006 |
| <u>MANAGEMENT INCOME & PROFIT</u> | | | |
| Total | 6,049 | 3,166 | 3,725 |
| As a Percent of Gross Income | 10.1 | 5.6 | 7.8 |
| <u>UNPAID OPERATOR & FAMILY LABOR</u> | | | |
| Total | 7,003 | 7,121 | 9,160 |
| As a Percent of Gross Income | 11.7 | 12.6 | 19.2 |
| <u>OVERHEAD COSTS</u> | | | |
| Total | 18,264 | 17,507 | 13,809 |
| As a Percent of Gross Income | 30.5 | 31.0 | 28.9 |
| <u>VARIABLE COSTS</u> | | | |
| Total | 28,557 | 28,662 | 21,034 |
| As a Percent of Gross Income | 47.7 | 50.8 | 44.1 |
| <u>NET CASH INCOME</u> | | | |
| | 6,050 | 15,593 | 13,958 |
| <u>NET FARM INCOME</u> | | | |
| | 19,045 | 13,917 | 16,046 |
| <u>INVESTMENT</u> | | | |
| Total | 130,629 | 109,019 | 76,985 |
| Return to Investment | 13,886 | 9,707 | 8,343 |
| Percent Return on Investment | 10.6 | 8.9 | 10.8 |
| Gross Income Per \$1,000 Invested | 458 | 518 | 620 |
| <u>FAMILY LABOR & MANAGEMENT INCOME</u> | | | |
| Hired Labor Expense | 8,817 | 2,233 | 1,068 |
| <u>TOTAL LABOR & MANAGEMENT INCOME</u> | | | |
| | 21,869 | 12,520 | 13,953 |
| <u>NUMBER OF FARMS</u> | | | |
| | 18 | 8 | 6 |

* Feeder livestock purchases are not included in either total.

1970 OHIO FARM BUSINESS ANALYSIS SUMMARY

| TYPE OF FARM | <u>DAIRY & HOGS</u> | <u>DAIRY & POULTRY</u> | <u>DAIRY & BEEF</u> |
|--|-----------------------------|--------------------------------|-----------------------------|
| <u>NUMBER OF FARMS</u> | 18 | 8 | 6 |
| <u>SIZE OF BUSINESS</u> | | | |
| Number of Men (M.Y.E.) | 2.10 | 1.89 | 1.72 |
| Number of Cows | 52.2 | 45.9 | 40.4 |
| Number of Market Hogs Sold | 173.2 | -- | -- |
| Number of Hens | -- | 3,283 | -- |
| Dozens of Eggs Sold | -- | 51,140 | -- |
| Number of Fat Cattle Sold | -- | -- | 19.0 |
| Total Crop Acres | 263 | 188 | 256 |
| Corn Acres | * | 64 | 74 |
| Soybean Acres | * | 6 | 33 |
| Capital Investment | 130,629 | 109,019 | 76,985 |
| Gross Income | 59,873 | 56,457 | 47,730 |
| Value of All Crops | 28,051 | 16,962 | 24,161 |
| Value of Net Livestock Increase | 45,448 | 55,777 | 42,180 |
| Value of Milk Sold | 35,291 | 28,473 | 30,525 |
| Value of Beef Produced | -- | -- | 3,447 |
| Value of Poultry and Eggs | -- | 20,522 | -- |
| Value of Pork Produced | 5,779 | -- | -- |
| <u>EFFICIENCY FACTORS</u> | | | |
| Gross Income Per Man | 28,511 | 29,871 | 27,750 |
| Total Labor & Management Income Per Man | 10,414 | 6,624 | 8,112 |
| Crop Production Value Per Acre | 107 | 90 | 94 |
| Return Per \$ Feed Fed to All Livestock Enterprises | 1.76 | 1.88 | 2.14 |
| Value of Milk Sold Per Cwt.** | 5.40 | 5.53 | 5.48 |
| Machinery Cost Per Crop Acre | 38.03 | 42.70 | 38.15 |
| Dozens of Eggs Produced Per Man | -- | 27,058 | -- |
| Pounds of Beef Produced Per Man | -- | -- | 7,130 |
| Pounds of 3.5 Milk Sold Per Man Equivalent | 310,000 | 271,900 | 323,800 |

* Not Calculated

** Net price after deductions for hauling, marketing charges, and purchase of supplies.

GLOSSARY OF SELECTED TERMS

GROSS INCOME - is the sum of all types of farm income less the cost of purchased feeder livestock and poultry.

INTEREST NOT CHARGED - represents an estimated charge for equity capital. It is determined by taking six percent of total investment and subtracting the amount of interest paid during the year.

UNPAID OPERATOR & FAMILY LABOR - is the wage estimates for the operator and unpaid family labor using the hours worked and rates per hour estimated by the farm operator.

TOTAL FARM EXPENSE - is the sum of all cash and non-cash expense for the farm less the cost of purchased feeder livestock and poultry. Non-cash expense includes depreciation, interest not charged and unpaid operator and family labor.

MANAGEMENT INCOME & PROFIT - equals Gross Income minus Total Farm Expense. This represents the return to management income and profit after all cash and non-cash expenses are deducted.

FAMILY LABOR & MANAGEMENT INCOME - equals Management Income and Profit plus Unpaid Operator and Family Labor. This represents the return to the operator for his unpaid labor, management and profit.

NET FARM INCOME - equals Family Labor and Management Income plus Interest Not Charged. This represents the return to the operator for equity capital, unpaid labor, management and profit.

TOTAL LABOR & MANAGEMENT INCOME - is Family Labor and Management Income plus the actual wages paid for hired labor. This estimates the total returns to all labor plus management and profit for the entire operation. When this is divided by the number of men we have an estimate of the labor returns per man.

RETURN TO INVESTMENT - equals Management Income and Profit plus a six percent return on Total Investment, or Net Farm Income, minus the charge for operator and family labor, plus interest actually paid. This represents the return on all invested capital if no debt was used.

OVERHEAD COSTS - is the sum of Depreciation, building repairs, interest paid, property taxes, cash rent, insurance and Interest Not Charged. These represent costs that are essentially fixed and must be recovered regardless of the level of production.

VARIABLE COSTS - is the sum of all cash expenses other than those included in Overhead Costs. These costs vary with the level of production.

NUMBER OF MEN (M.Y.E.) - represents the number of full-time man equivalents available on the farm for the entire year. Family labor is adjusted to a man-equivalent basis. One man-year equivalent (M.Y.E.) is 3,000 hours or 12-250 hour months.

VALUE OF ALL CROPS - represents all crop production valued at market price (not necessarily sold) plus government crop payments.

VALUE OF NET LIVESTOCK INCREASE - is the net value of livestock and livestock products produced during the year. This includes livestock sold less value of feeder livestock plus change in inventory.

RETURN PER \$ FEED FED TO ALL LIVESTOCK ENTERPRISES - equals the Value of Net Livestock Increase divided by the Total Value of Feed Fed to All Livestock. The returns per dollar of feed fed should pay for the feed, labor and overhead on buildings and equipment required by livestock.

MACHINERY COST PER CROP ACRE - is the sum of fuel, oil, grease, repairs, and machine hire expenditures plus charges for depreciation and investment on machinery and equipment, minus custom work receipts divided by acres of cropland. Since both machinery and equipment costs are included, livestock farms have higher per acre costs than crop farms.

SAMPLE POPULATION

The 450 farms summarized in this report are part of the 713 farms submitted by Ohio farmers to Ohio State University for analysis in 1970. Not all farm records were complete and accurate enough to be used in the summaries. Care must be used in interpreting the summaries, especially where only a small number of farms are included.

SUMMARY DATA

All data included in the tables are either simple averages for all farms in the group or a ratio comparing two simple averages for that group. For example, Total Crop Acres represents the total number of crop acres for any particular group of farms divided by the number of farms in the group. However, Machinery Cost Per Crop Acre is calculated by dividing the average Total Machinery Cost for any particular group by its average Total Crop Acres.

CONSIDERATIONS IN DETERMINING
CROPLAND CASH RENT RATES 1/

A. SUPPLY AND DEMAND

When cropland available for renting is abundant in relationship to tenants seeking land, cash rent rates will adjust downward and will adjust upward when the opposite is true. Knowledge of the supply of land to rent and the demand for land is often imperfect. Consequently, adjustments are made only as sufficient pressures are in the market.

B. TRADITION

Cash rent is influenced to some degree by community custom and tradition. Operational management and expected yields are reflected in the rental rates. Parties to an agreement that have up-to-date information on ownership and production costs and returns are influenced less by tradition in establishing cash rent charges.

C. OPERATOR'S EXPECTED RETURN

Illustration 1. Budgeted Costs and Returns Per Acre For Corn
At Various Yield Levels With Average Management

| | Yield Levels | | | My Farm |
|---|--------------|-------------|-------------|---------|
| | 80 Bu. | 100 Bu | 120 Bu | |
| 1. Gross Income/Acre* | \$88.00 | \$110.00 | \$132.00 | \$_____ |
| Direct or Variable Costs: | | | | |
| Fertilizer & Lime | \$16.00 | \$22.00 | \$30.00 | _____ |
| Seed | 4.50 | 5.50 | 6.50 | _____ |
| Machine Cash Cost | 9.00 | 10.00 | 11.00 | _____ |
| Chemicals | <u>4.50</u> | <u>6.50</u> | <u>8.50</u> | _____ |
| 2. Total | 34.00 | 44.00 | 56.00 | _____ |
| 3. Return Over Variable Costs (1-2) | 54.00 | 66.00 | 76.00 | _____ |
| Indirect or Fixed Costs: | | | | |
| Mach. & Equip. | 15.00 | 15.00 | 17.00 | _____ |
| Labor | 15.00 | 18.00 | 21.00 | _____ |
| Miscellaneous | <u>2.00</u> | <u>3.00</u> | <u>3.00</u> | _____ |
| 4. Total | 32.00 | 37.00 | 40.00 | _____ |
| 5. Return for Rental & Management [1-(2+4)] | 22.00 | 29.00 | 36.00 | _____ |

* \$1.05 per bushel at harvest, labor \$2.50 per hour.

1/ John E. Moore, Extension Economist, Farm Management, Ohio State University, May, 1972.

D. LANDLORD'S COST OF OWNING THE LAND

Landlord's ownership costs on crop land are interest and taxes. The illustration below varies the interest rates and the value of land per acre. Taxes remain constant at one percent of the value.

Illustration 2. Ownership Costs of Interest and Taxes On Cropland at Different Land Values and Rates of Interest

| <u>Desired Interest Rates</u> | <u>Taxes</u> | <u>Value of Land Per Acre</u> | | | | |
|---------------------------------------|--------------|-------------------------------|--------------|--------------|--------------|--------------|
| | | <u>\$200</u> | <u>\$300</u> | <u>\$400</u> | <u>\$500</u> | <u>\$600</u> |
| 4% | 1% | \$ 10 | \$ 15 | \$ 20 | \$ 25 | \$ 30 |
| 5% | 1% | 12 | 18 | 24 | 30 | 36 |
| 6% | 1% | 14 | 21 | 28 | 35 | 42 |
| 7% | 1% | 16 | 24 | 32 | 40 | 48 |
| 8% | 1% | 18 | 27 | 36 | 45 | 56 |

E. BARGAINING

It is important to realize that the land ownership market maybe separate and distinct from the land rental market. With many nonfarm ownership market pressures such as suburban housing, investment for appreciation and the desire for urbanites to live in rural land areas sale prices may not reflect agricultural productivity value. Determining a fair cash rent becomes a problem of establishing an equitable return between the landlord and tenant after considering each party's contribution.

CONCLUSION:

Bargaining between landlord and tenant takes place in the area of what costs must be covered and at what rate.

If more land is available for rent than there are tenants available at the present rental rate, landlords may logically decide that capital in land can return more in some other use and sell the land. He may decide to take less interest on his investment in the land for the pride of owning and and/or justify a lower rental charge after considering the rate of appreciation that is taking place.

If land for rent is in short supply in relation to the available renters the tenant may rationalize that he has his machinery on hand and maybe excess labor, thus these costs have to be covered whether he rents more or not. Consequently, he may agree to pay more than he expected for rent and earn less for his labor and machinery overhead costs than he expected. The landlord normally receives less net income from his cash rent than share renting would produce, but he has shifted most of the risk to the tenant.