Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

PERB 2

A 281.7
R313P
Copy 2

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Research Service
Production Economics Research Branch

in cooperation with the

KENTUCKY AGRICULTURAL EXPERIMENT STATION
Department of Agricultural Economics

FARM COSTS AND RETURNS, 1953, WITH COMPARISONS,
COMMERCIAL FAMILY-OPERATED TOBACCO-LIVESTOCK FARMS,
BLUEGRASS AREA OF KENTUCKY

Washington, D.C.
June 1954

CASH RECEIPTS, CASH EXPENDITURES AND NET CASH FARM INCOME

Family-Operated Tobacco-Livestock Farms, Kentucky Bluegrass Area

FARM COSTS AND RETURNS, 1953, WITH COMPARISONS,
COMMERCIAL FAMILY-OPERATED TOBACCO-LIVESTOCK FARMS,
BLUEGRASS AREA OF KENTUCKY 1/

By Erling Hole, Production Economics Research Branch, Agricultural
Research Service, and John H. Bondurant, Department of
Agricultural Economics, Kentucky Agricultural
Experiment Station

Net cash farm income on commercial family-operated tobacco-livestock farms in the Bluegrass area of Kentucky declined from 1952 to 1953. Cash receipts went down and cash expenditures remained about the same.

In 1953 net farm income (net cash income, plus value of perquisites and changes in inventories) averaged approximately \$2,385 for small commercial family-operated tobacco-livestock farms, \$3,235 for medium-sized farms, and \$4,400 for large farms. It averaged about \$3,460 for all commercial family-operated tobacco-livestock farms in the Bluegrass area. These returns were 13 percent smaller than in 1952, but about 4 percent greater than in 1947-49 and nearly three times the average for 1937-41 (tables 1-4).

Prices received for burley tobacco set a new record high in 1953, averaging about 54 cents a pound. This was about 1.5 cents higher than in 1952. Average acreage of tobacco harvested per farm and yield per acre were smaller in 1953 than in 1952. As a result, receipts from the sale of tobacco in 1953 averaged about \$3,750 per farm compared with \$4,075 in 1952; \$325 lower. Per acre yields of crops other than tobacco were higher in 1953 than in 1952, but prices received for livestock and livestock products except eggs, poultry, and hogs were generally lower.

Total cash production expenditures per farm were about the same in 1953 as in 1952. Expenditures for feed were lower but expenditures for other items such as fertilizer and machinery were greater in 1953. In 1953 wage rates paid for hired labor averaged about 54 cents an hour, and estimated cash returns of croppers for labor performed averaged about 59 cents an hour. Total cost per unit of production in 1953 was higher than in 1952, mainly because farm production was lower in 1953.

Returns per hour for operator and family labor and management averaged 73 cents on small farms, 79 cents on medium-sized farms, 84 cents on large farms, and 79 cents on average commercial family-operated farms. These returns averaged 14 percent smaller than those in 1952. They were about 7 percent smaller than in 1947-49, but they were more than three times the returns in 1937-41.

1/ Information for earlier years on these farms is available in Kentucky Agricultural Experiment Station Bulletin 544, Farming in the Bluegrass Area of Kentucky, December 1949, and U.S. Bur. Agr. Econ. F.M. 106, Farm Costs and Returns, 1952, with Comparisons, Commercial Family-Operated Tobacco-Livestock Farms, Bluegrass Area of Kentucky, June 1953.

Table 1.- Small tobacco-livestock farms, Kentucky Bluegrass: Organization, production, costs, and returns, 1953 with comparisons

Item	Unit	Average		1950	1951	1952	1953
		1937-41	1947-49				
Land in farm	Acre	50	50	50	50	50	50
Cropland harvested	do.	16	16	16	16	17	16
Plowable pasture	do.	25	24	24	24	23	24
Other land	do.	9	10	10	10	10	10
Crops harvested:							
Tobacco	Acre	3.3	3.1	2.8	3.2	3.2	3.0
Corn	do.	4.5	3.5	3.4	3.4	3.3	3.2
Small grain	do.	2.5	1.4	1.1	1.1	1.3	1.5
Hay	do.	5.7	8.4	8.9	8.2	8.8	8.2
Crop yields per harvested acre:							
Tobacco	Pound	964	1,226	1,208	1,371	1,382	1,315
Corn	Bushel	34.6	43.3	45.0	39.5	39.0	43.0
Wheat	do.	16.4	18.3	17.0	16.0	21.0	22.0
Hay	Ton	1.3	1.5	1.6	1.4	1.4	1.5
Livestock on farms, January 1:							
All cattle	Number	4.6	5.2	5.1	5.3	5.1	5.5
Milk cows	do.	3.1	3.2	3.2	3.3	3.2	3.1
Sheep and lambs	do.	6.9	5.4	5.3	5.6	5.5	5.3
Chickens	do.	45	44	45	43	44	42
Horses and mules	do.	2.4	2.1	1.8	1.7	1.7	1.6
Pigs raised	do.	6.8	8.5	9.0	8.5	7.3	6.9
Tractors on farm	Number	.04	.15	.20	.23	.25	.27
Total labor used	Hour	2,950	2,710	2,650	2,630	2,620	2,510
Operator and family	do.	2,770	2,600	2,560	2,560	2,560	2,450
Hired	do.	180	110	90	70	60	60
Total farm capital, January 1	Dollar	4,730	9,190	9,830	11,010	11,990	11,520
Land and buildings	do.	3,790	7,150	7,750	8,550	9,350	9,000
Machinery and equipment	do.	260	480	570	680	790	860
Livestock	do.	520	1,140	1,080	1,280	1,380	1,120
Crops for sale, feed and seed	do.	160	420	430	500	470	540
Total cash receipts	Dollar	976	2,612	2,412	3,194	3,070	2,857
Tobacco	do.	641	1,772	1,638	2,129	2,239	2,060
Livestock	do.	163	482	440	624	416	399
Livestock products	do.	116	330	306	414	392	378
Other, including Government payments	do.	56	28	28	27	23	20
Total cash expenditures	Dollar	365	898	919	1,058	1,136	1,123
Feed purchased	do.	45	163	121	158	176	127
Livestock expense	do.	16	35	34	38	38	36
Crop expense	do.	52	173	192	215	232	253
Machinery	do.	103	259	292	362	398	411
Farm buildings and fences	do.	58	100	105	108	112	110
Hired labor	do.	27	54	43	38	34	34
General farm and miscellaneous	do.	64	114	132	139	146	152
Net cash farm income	Dollar	611	1,714	1,493	2,136	1,934	1,734
Value of perquisites	do.	230	554	498	587	604	584
Change in inventory:							
Crops and livestock	Dollar	36	10	36	-158	44	-4
Machinery and buildings	do.	18	54	54	83	88	69
Net farm income	Dollar	895	2,332	2,081	2,648	2,670	2,383
Charge for capital	Dollar	225	446	491	562	616	592
Return to operator and family labor	Dollar	670	1,886	1,590	2,086	2,054	1,791
Purchasing power in 1937-41 dollars	do.	670	960	803	966	942	825
Return per hour in current dollars	do.	.24	.73	.62	.81	.80	.73
Index numbers (1947-49=100):							
Gross farm income	Percent	39	100	93	114	117	108
Net farm income	do.	38	100	89	114	114	102
Net farm production	do.	89	100	94	107	109	102
Crop yields per acre	do.	80	100	100	107	108	105
Production per hour of man labor	do.	82	100	96	111	113	111
Production per unit of input	do.	90	100	95	104	106	101
Operating expense per unit of production	do.	47	100	110	108	115	123
Total cost per unit of production	do.	47	100	109	107	110	118
Power and machinery, January 1	do.	83	100	104	113	126	138
Prices received for products sold	do.	43	100	101	108	108	107
Prices paid, including wages to hired labor:	do.	50	100	105	114	116	115

1/ Preliminary.

Table 2.- Medium tobacco-livestock farms, Kentucky Bluegrass: Organization, production, costs, and returns, 1953 with comparisons

Item	Unit	Average		1950	1951	1952	1953
		1937-41	1947-49				
Land in farm	Acre	95	95	95	95	95	95
Cropland harvested	do.	24	26	27	26	27	26
Plowable pasture	do.	47	45	44	44	43	44
Other land	do.	24	24	24	25	25	25
Crops harvested:							
Tobacco	Acre	4.7	4.8	4.4	5.0	5.0	4.6
Corn	do.	6.9	6.0	5.9	5.7	5.9	5.7
Small grain	do.	3.2	2.1	1.9	1.9	2.3	2.7
Hay	do.	9.4	13.3	14.4	13.3	13.8	13.1
Crop yields per harvested acre:							
Tobacco	Pound	982	1,248	1,230	1,396	1,408	1,365
Corn	Bushel	34.6	43.8	46.5	41.0	40.0	44.0
Wheat	do.	16.4	18.3	17.0	16.0	21.0	22.0
Hay	Ton	1.3	1.5	1.6	1.3	1.3	1.5
Livestock on farms, January 1:							
All cattle	Number	6.8	9.9	10.5	11.0	11.3	12.3
Milk cows	do.	3.7	5.2	5.2	5.4	5.2	5.1
Beef cows	do.	.6	1.6	1.9	2.0	2.3	2.5
Sheep and lambs	do.	20.8	9.8	9.8	10.2	10.1	10.0
Chickens	do.	51	49	50	48	49	48
Horses and mules	do.	2.9	2.5	2.1	2.0	2.0	1.9
Pigs raised	do.	10.8	10.4	11.4	11.4	9.9	9.0
Tractors on farm	do.	.04	.22	.28	.32	.35	.37
Total labor used	Hour	4,060	3,960	3,940	3,900	3,890	3,710
Operator and family	do.	2,910	2,850	2,830	2,850	2,900	2,770
Hired	do.	640	540	550	480	470	440
Cropper	do.	510	570	560	570	520	500
Total farm capital, January 1	Dollar	8,070	15,900	17,350	19,510	21,360	20,490
Land and buildings	do.	6,670	12,540	13,780	15,200	16,620	15,960
Machinery and equipment	do.	370	850	1,030	1,210	1,430	1,570
Livestock	do.	780	1,810	1,820	2,250	2,550	2,100
Crops for sale, feed and seed	do.	250	700	720	850	760	860
Total cash receipts	Dollar	1,481	4,109	3,994	5,201	5,109	4,689
Tobacco	do.	935	2,742	2,622	3,388	3,565	3,280
Livestock	do.	293	879	887	1,164	926	808
Livestock products	do.	157	444	441	606	582	569
Other, including Government payments	do.	96	44	44	43	36	32
Total cash expenditures	Dollar	695	1,776	1,872	2,193	2,322	2,261
Feed purchased	do.	75	210	177	249	277	187
Livestock expense	do.	23	49	48	54	54	53
Crop expense	do.	79	279	316	351	384	416
Machinery	do.	152	402	457	593	641	662
Farm buildings and fences	do.	79	140	152	157	172	170
Hired labor	do.	98	248	252	243	243	237
Cropper labor	do.	70	229	219	280	272	250
General farm and miscellaneous	do.	119	219	251	266	279	286
Net cash farm income	Dollar	786	2,333	2,122	3,008	2,787	2,428
Perquisites for cropper and hired labor	do.	30	85	70	85	77	74
Total value of perquisites	do.	282	689	628	736	761	738
Change in inventory:							
Crops and livestock	Dollar	45	3	94	-203	138	20
Machinery and buildings	do.	29	90	95	156	157	122
Net farm income	Dollar	1,112	3,030	2,869	3,612	3,766	3,234
Charge for capital	Dollar	382	771	865	995	1,099	1,054
Return to operator and family labor	Dollar	730	2,259	2,004	2,617	2,667	2,180
Purchasing power in 1937-41 dollars	do.	730	1,149	1,012	1,212	1,223	1,005
Return per hour in current dollars	do.	.25	.79	.71	.92	.92	.79
Index numbers (1947-49=100):							
Gross farm income	Percent	37	100	98	119	125	113
Net farm income	do.	37	100	95	119	124	107
Net farm production	do.	85	100	97	109	114	109
Crop yields per acre	do.	80	100	100	107	108	107
Production per hour of man labor	do.	83	100	98	111	116	116
Production per unit of input	do.	90	100	96	106	109	104
Operating expense per unit of production	do.	47	100	107	110	110	116
Total cost per unit of production	do.	47	100	108	109	109	115
Power and machinery, January 1	do.	67	100	106	116	131	142
Prices received for products sold	do.	43	100	102	110	109	105
Prices paid, including wages to hired labor:	do.	46	100	104	115	117	117

1/ Preliminary.

Table 3.- Large tobacco-livestock farms, Kentucky Bluegrass: Organization, production, costs, and returns, 1953 with comparisons

Item	Unit	Average		1950	1951	1952	1953
		1937-41	1947-49				
Land in farm	Acre	173	173	173	173	173	173
Cropland harvested	do.	43	44	45	43	44	43
Flowable pasture	do.	86	83	82	84	83	84
Other land	do.	44	46	46	46	46	46
Crops harvested:							
Tobacco	Acre	7.4	7.4	6.7	7.6	7.8	7.2
Corn	do.	11.1	9.6	9.2	8.8	9.3	9.2
Small grain	do.	9.0	6.2	5.4	5.1	6.1	6.9
Hay	do.	15.2	21.1	23.5	21.6	21.2	20.1
Crop yields per harvested acre:							
Tobacco	Pound	1,023	1,300	1,281	1,454	1,467	1,418
Corn	Bushel	36.4	46.0	48.0	43.0	42.0	46.0
Wheat	do.	16.4	18.3	17.0	16.0	21.0	22.0
Hay	Ton	1.3	1.5	1.5	1.3	1.3	1.4
Livestock on farms, January 1:							
All cattle	Number	10.0	14.0	14.8	15.5	16.0	17.5
Milk cows	do.	4.9	5.8	5.6	5.7	5.5	5.5
Beef cows	do.	.9	2.6	3.1	3.4	3.8	4.6
Sheep and lambs	do.	34.8	23.2	23.0	24.2	24.0	24.4
Chickens	do.	54	53	52	52	53	52
Horses and mules	do.	4.0	3.0	2.6	2.4	2.6	2.4
Pigs raised	do.	15.9	13.6	14.8	15.0	12.6	11.7
Tractors on farm	do.	.18	.41	.52	.60	.65	.69
Total labor used	Hour	5,880	5,430	5,350	5,340	5,380	5,190
Operator and family	do.	3,090	2,930	2,900	2,930	3,060	2,980
Hired	do.	1,390	1,030	1,020	950	950	870
Cropper	do.	1,400	1,470	1,430	1,460	1,370	1,340
Total farm capital, January 1	Dollar	14,660	28,600	31,460	35,240	38,540	36,990
Land and buildings	do.	12,490	23,530	25,950	28,540	31,140	29,930
Machinery and equipment	do.	650	1,400	1,710	2,040	2,420	2,610
Livestock	do.	1,120	2,580	2,680	3,300	3,770	3,100
Crops for sale, feed and seed	do.	400	1,090	1,120	1,360	1,210	1,350
Total cash receipts	Dollar	2,506	6,646	6,399	8,192	8,055	7,528
Tobacco	do.	1,544	4,413	4,158	5,364	5,795	5,332
Livestock	do.	536	1,547	1,557	2,027	1,518	1,389
Livestock products	do.	213	467	453	655	562	558
Other, including Government payments	do.	213	219	231	146	180	249
Total cash expenditures	Dollar	1,397	3,312	3,458	4,015	4,193	4,166
Feed purchased	do.	113	237	200	223	247	205
Livestock expense	do.	33	67	65	75	73	74
Crop expense	do.	128	452	505	561	629	691
Machinery	do.	297	678	772	991	1,020	1,045
Farm buildings and fences	do.	149	276	302	310	338	335
Hired labor	do.	214	470	468	483	483	471
Cropper labor	do.	240	735	692	893	899	830
General farm and miscellaneous	do.	223	397	454	479	504	515
Net cash farm income	Dollar	1,109	3,334	2,941	4,177	3,862	3,362
Perquisites for cropper and hired labor	do.	78	207	174	210	192	185
Total value of perquisites	do.	370	906	840	981	1,001	972
Change in inventory:							
Crops and livestock	Dollar	82	70	165	-296	185	68
Machinery and buildings	do.	73	169	185	287	224	181
Net farm income	Dollar	1,556	4,272	3,957	4,939	5,080	4,398
Charge for capital	Dollar	689	1,378	1,560	1,787	1,970	1,891
Return to operator and family labor	Dollar	867	2,894	2,397	3,152	3,110	2,507
Purchasing power in 1937-41 dollars	do.	867	1,474	1,211	1,459	1,427	1,155
Return per hour in current dollars	do.	.28	.99	.83	1.08	1.02	.84
Index numbers (1947-49=100):							
Gross farm income	Percent	39	100	97	116	121	112
Net farm income	do.	36	100	93	116	119	103
Net farm production	do.	87	100	95	107	112	107
Crop yields per acre	do.	80	100	100	106	108	107
Production per hour of man labor	do.	81	100	96	109	113	112
Production per unit of input	do.	90	100	94	104	106	102
Operating expense per unit of production	do.	47	100	108	110	111	117
Total cost per unit of production	do.	48	100	110	111	114	118
Power and machinery, January 1	do.	72	100	106	117	134	144
Prices received for products sold	do.	43	100	103	110	108	105
Prices paid, including wages to hired labor:	do.	45	100	103	115	119	118

1/ Preliminary.

Table 4.- Area-type tobacco-livestock farms, Kentucky Bluegrass: Organization, production, costs, and returns, 1953 with comparisons

Item	Unit	Average		1950	1951	1952	1953
		1937-41	1947-49				
Land in farm	Acre	110	113	113	113	113	113
Cropland harvested	do.	28	30	31	30	31	30
Flowable pasture	do.	54	54	53	54	53	54
Other land	do.	28	29	29	29	29	29
Crops harvested:							
Tobacco	Acre	5.3	5.3	4.9	5.5	5.6	5.2
Corn	do.	7.7	6.7	6.5	6.3	6.5	6.4
Small grain	do.	5.1	3.5	3.1	2.9	3.6	4.0
Hay	do.	10.3	15.0	16.4	15.2	15.4	14.5
Crop yields per harvested acre:							
Tobacco	Pound	995	1,273	1,245	1,430	1,438	1,381
Corn	Bushel	35.5	44.7	47.2	41.7	41.2	45.0
Wheat	do.	16.4	18.3	17.0	16.0	21.0	22.0
Hay	Ton	1.3	1.5	1.5	1.3	1.3	1.5
Livestock on farms, January 1:							
All cattle	Number	7.2	10.2	10.7	11.2	11.5	12.5
Milk cows	do.	3.9	4.9	4.8	4.9	4.8	4.7
Beef cows	do.	.5	1.5	1.9	2.0	2.3	2.7
Sheep and lambs	do.	21.7	13.9	13.7	14.4	14.3	14.3
Chickens	do.	50	49	49	48	49	48
Horses and mules	do.	3.1	2.7	2.2	2.1	2.2	2.0
Pigs raised	do.	11.3	11.4	12.1	12.0	10.2	9.6
Tractors on farm	do.	.09	.28	.35	.40	.44	.47
Total labor used	Hour	4,380	4,190	4,140	4,120	4,130	3,960
Operator and family	do.	2,930	2,810	2,790	2,800	2,870	2,770
Hired	do.	770	620	610	550	550	500
Cropper	do.	680	760	740	770	710	690
Total farm capital, January 1	Dollar	9,440	19,050	20,820	23,350	25,530	24,510
Land and buildings	do.	7,900	15,370	16,900	18,610	20,320	19,530
Machinery and equipment	do.	440	970	1,170	1,390	1,640	1,790
Livestock	do.	820	1,930	1,950	2,400	2,710	2,230
Crops for sale, feed and seed	do.	280	780	800	950	860	960
Total cash receipts	Dollar	1,687	4,686	4,492	5,821	5,709	5,282
Tobacco	do.	1,065	3,134	2,956	3,819	4,077	3,750
Livestock	do.	335	1,030	1,026	1,353	1,019	924
Livestock products	do.	162	418	408	574	524	513
Other, including Government payments	do.	125	104	102	75	89	95
Total cash expenditures	Dollar	851	2,118	2,221	2,591	2,731	2,679
Feed purchased	do.	80	189	158	208	238	160
Livestock expense	do.	25	52	51	58	57	56
Crop expense	do.	90	318	357	397	439	480
Machinery	do.	189	470	535	685	722	745
Farm buildings and fences	do.	98	182	198	203	221	218
Hired labor	do.	118	282	280	281	280	273
Cropper labor	do.	111	365	344	444	443	408
General farm and miscellaneous	do.	140	260	298	315	331	339
Net cash farm income	Dollar	836	2,568	2,271	3,230	2,978	2,603
Perquisites for cropper and hired labor	do.	44	127	92	111	101	97
Total value of perquisites	do.	304	753	676	791	813	788
Change in inventory:							
Crops and livestock	Dollar	55	29	132	-215	123	32
Machinery and buildings	do.	41	111	119	188	163	131
Net farm income	Dollar	1,192	3,334	3,106	3,883	3,976	3,457
Charge for capital	Dollar	445	920	1,035	1,187	1,308	1,256
Return to operator and family labor	Dollar	747	2,414	2,071	2,696	2,668	2,201
Purchasing power in 1937-41 dollars	do.	747	1,228	1,046	1,248	1,224	1,010
Return per hour in current dollars	do.	.25	.86	.74	.96	.93	.79
Index numbers (1947-49=100):							
Gross farm income	Percent	36	100	97	117	122	112
Net farm income	do.	36	100	93	116	119	104
Net farm production	do.	84	100	96	108	112	106
Crop yields per acre	do.	80	100	99	107	108	106
Production per hour of man labor	do.	81	100	97	110	113	112
Production per unit of input	do.	90	100	95	105	108	102
Operating expense per unit of production	do.	47	100	108	110	112	117
Total cost per unit of production	do.	48	100	109	110	112	118
Power and machinery, January 1	do.	70	100	105	116	132	143
Prices received for products sold	do.	43	100	102	109	108	106
Prices paid, including wages to hired labor:	do.	45	100	104	115	118	118

1/ Preliminary.