Find Your Farm Costs

If the farmer will underline the figure for his farm in each of the columns in Table 2, he can determine whether he is high, low, or average in the different measures of efficiency shown. He should then be able to increase his income by strengthening the weak points indicated in his farm organization and practices.

Selected Items of Expense

Farm expenses have increased at a faster rate than have farm expenses during the last few years. This is because it is now necessary for farmers to have better buildings, machinery, and equipment than ever before. These increasing costs have made necessary a higher type of management in order to make profits than was necessary some years ago.

The Barren County farmers who received the higher labor incomes, had, in most cases, smaller expenses per crop acre and per head of livestock than the average for the group (Table 3). For instance, Farm 11, whose labor income was the highest, had less than the average expense per crop acre. This farm also had lower than average expense per unit of livestock, and a very low machinery expense per crop acre.

How to keep down farm costs should be studied very carefully. Many farmers have excessive building costs because of too large an investment in buildings for the amount of livestock kept. Other farmers have high labor costs, because not enough crops and livestock are produced to keep the labor fully employed. In some cases horse work costs are excessive because too many horses are kept for the acres of crops grown. To control these and other expenses so that a profit can be realized, requires a great deal of planning on the part of the farm operator.