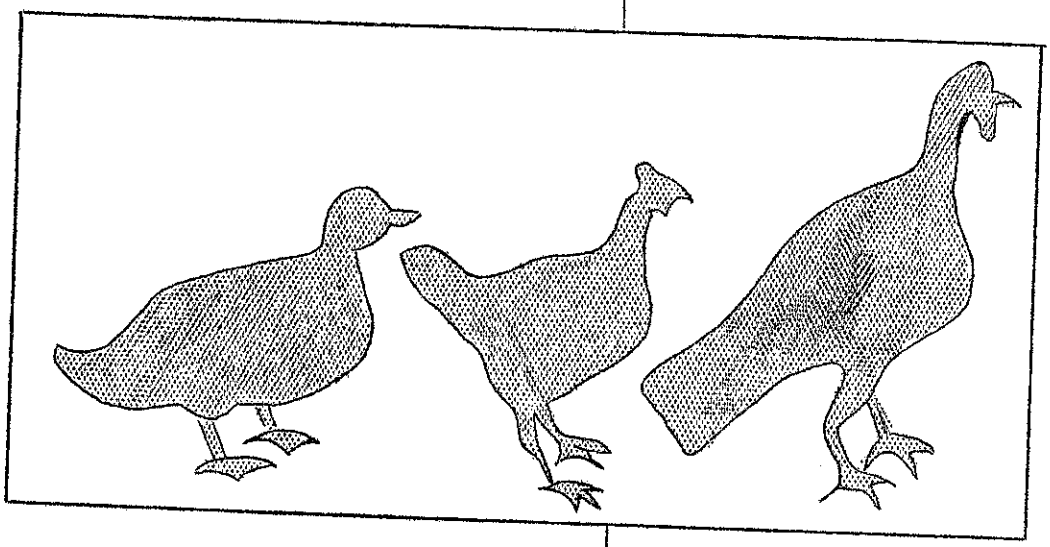
May 1968

A. E. Ext. 511

# POULTRY FARM BUSINESS SUMMARY

# NEW YORK 1967



G. E. Monroe

Department of Agricultural Economics
New York State College of Agriculture
A Statutory College of the State University
Cornell University, Ithaca, New York

# POULTRY FARM BUSINESS SUMMARY

New York, 1967

Poultry farm business management projects have been sponsored by the New York Extension Service for a number of years. Again this year, the reports submitted have been summarized by the Department of Agricultural Economics at Cornell, and the group averages are included in this report.

The accounts summarized here are not enterprise accounts. They are accounts of the 26 farm businesses including, in some cases, substantial non-poultry items. These are reflected in the inventory, cost and receipt totals and tend to make fully realistic enterprise analysis difficult.

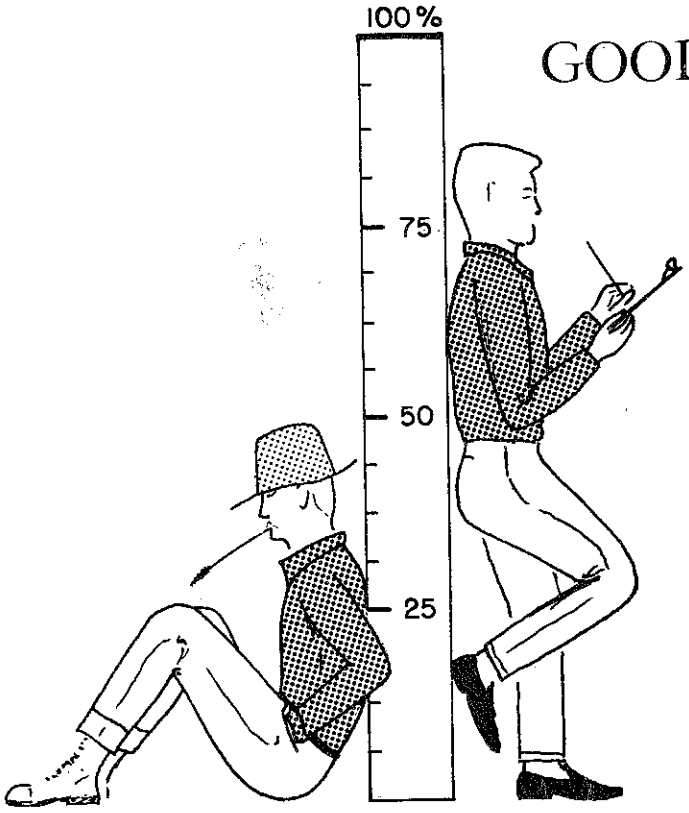
The report is prepared in workbook form. It is organized so that it provides a systematic way of summarizing and analyzing a poultry business. Spaces are provided so that you can fill in the figures for your farm. Space has also been provided for forward planning into 1968.

Managing a poultry farm today is a complex job. One must use the best tools and information available. Well-kept records, properly summarized and analyzed, serve as an effective management tool.

It is hoped that this farm business summary workbook will be of help to you and other poultrymen in your efforts to improve the management of your farms.

---

This summary prepared by G. E. Monroe, Department of Agricultural Economics, New York State College of Agriculture, in cooperation with G. H. Thacker of the Poultry Science Department. Also, credit should be given to Cooperative Extension Specialists Stewart E. Ackerman, George A. Earl, Jr., William J. Toleman, and Cooperative Extension Agent, Tony Aja, for their assistance in helping obtain the data.




# GOOD MANAGEMENT IS BASIC

## How do you measure up?

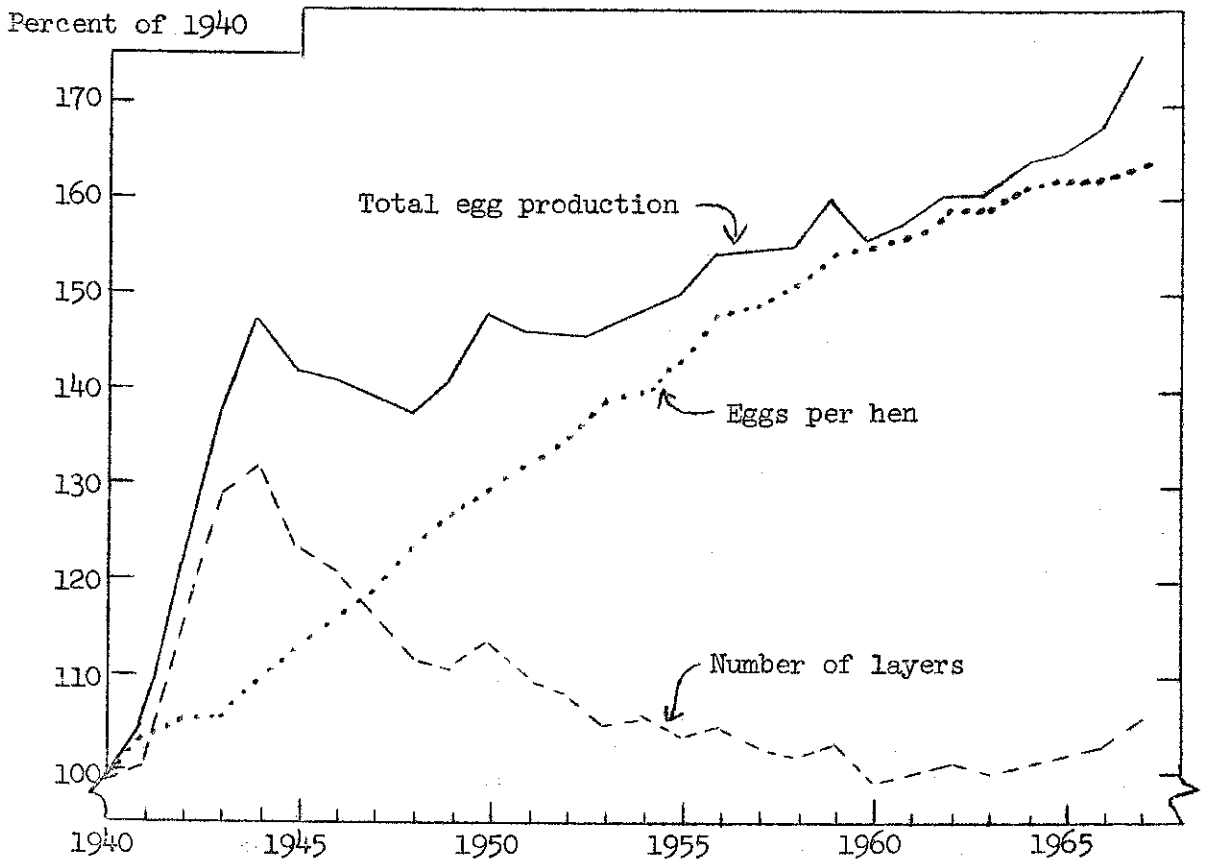
1. Have you developed a systematic approach to management problems?
2. Do you have the facts on your business?
3. Are you improving your managerial skills?

## Steps in making a management decision :

1. Locate the trouble spot (problem)
2. What is your objective? (goal)
3. Size up what you have to work with (resources)
4. Look for various ways to solve the problem (alternatives)
5. Consider probable results of each way (consequences)
6. Compare the expected results (evaluate)
7. Select way best suited to your situation (decision)
8. Put the decision into operation (action)

This workbook can help you!

NUMBER OF LAYERS, EGGS PER HEN, AND EGG PRODUCTION
United States, 1940 to 1967




SOURCE: U.S.D.A. Poultry and Egg Situation

Egg production increased rapidly from 1940 to 1944 and then decreased for four years. Since 1948 production has been increasing steadily. Production in 1967 reached a record high and was about 5 percent greater than 1966.

Number of layers increased rapidly from 1940 to 1944 when a peak of 396 million was reached. After 1944, the number of layers decreased substantially to a low of 295 million in 1960. The number for 1967 was 316 million, up 7 percent from the 1960 low.

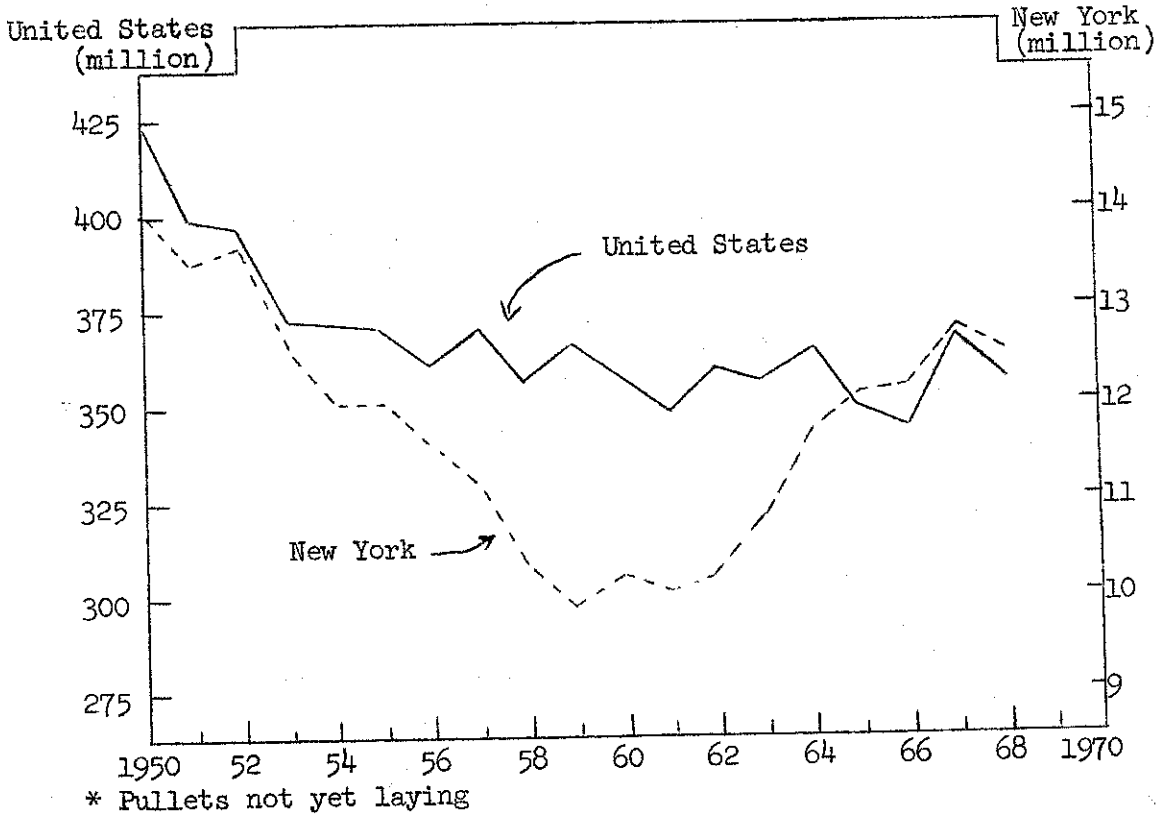
Rate of lay has increased rather steadily since 1940. Eggs per hen has gone from 134 to 221, or an increase of 65 percent.

| Year | Number* of layers (millions) | Eggs per hen (number) | Egg production (billions) |
|---|---|---|---|
| 1940 | 297 | 134 | 39.7 |
| 1945 | 369 | 152 | 56.2 |
| 1950 | 340 | 174 | 59.0 |
| 1955 | 309 | 192 | 59.5 |
| 1960 | 295 | 209 | 61.5 |
| 1961 | 297 | 210 | 62.4 |
| 1962 | 300 | 212 | 63.6 |
| 1963 | 298 | 213 | 63.5 |
| 1964 | 301 | 217 | 65.2 |
| 1965 | 302 | 218 | 65.7 |
| 1966 | 305 | 218 | 66.5 |
| 1967** | 316 | 221 | 69.6 |

* Av. number layers on hand during year
** Preliminary

It is expected that number of layers, eggs per hen, and total egg production in 1968 will be down slightly from that of 1967.

LAYERS AND POTENTIAL LAYERS* ON FARMS, JANUARY 1




* Pullets not yet laying

SOURCE: U.S.D.A. Poultry and Egg Situation

On October 1, 1967, there were 11 million more layers but 8 million less pullets not yet laying (potential layers) than a year earlier. This makes 3 million more layers and potential layers on United States farms than on October 1, 1966. With fewer chicks hatched since April, the number of layers and potential layers on farms January 1, 1968 is expected to be down from that of a year earlier.

The flocks October 1, 1967 were 49 percent pullets. This compares with 46 percent in 1966 and 44 percent in 1965. This will mean a younger flock going into 1968 than the one on hand the two previous years.

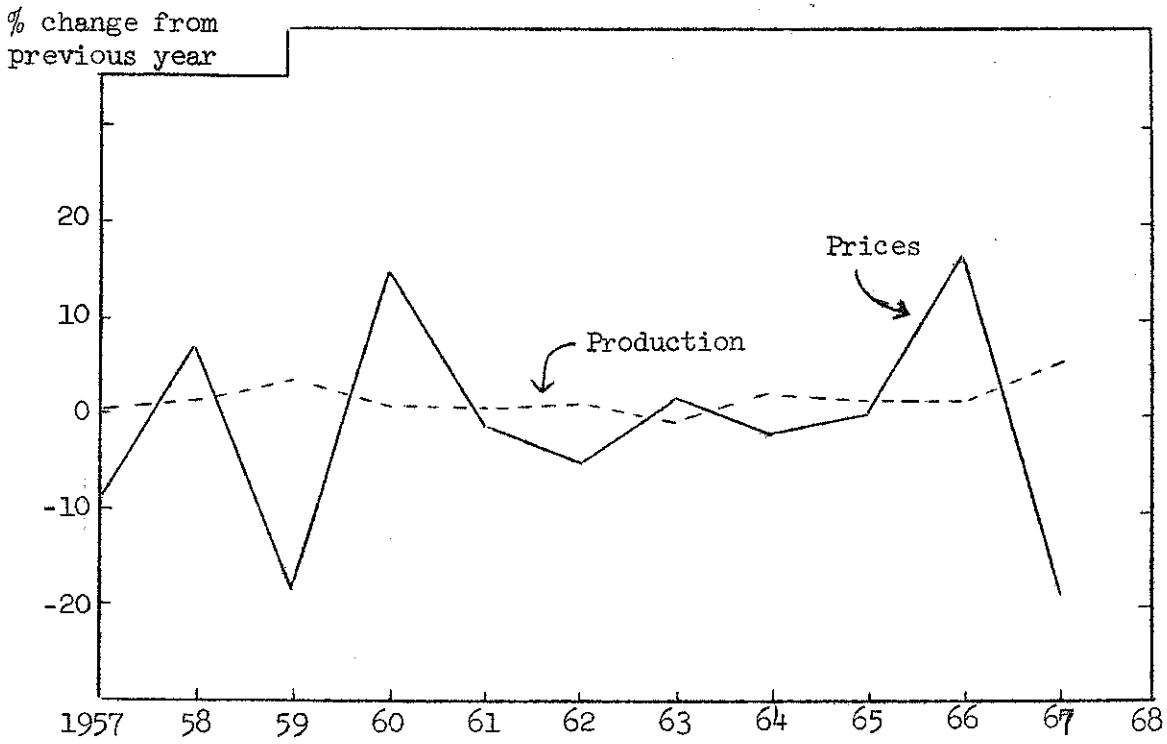
In New York, the number of layers and potential layers on farms January 1, 1968 is expected to be down from a year earlier. Since 1960, however, there has been an increase of more than two million layers on New York farms. This general increase in numbers is expected to continue but at a somewhat slower rate.

NUMBER OF LAYERS AND POTENTIAL LAYERS ON FARMS, January 1

| Year | U. S. | N. Y. |
|---|---|---|
| | millions | |
| 1950 | 424 | 14.0 |
| 1951 | 399 | 13.5 |
| 1952 | 397 | 13.7 |
| 1953 | 373 | 12.6 |
| 1954 | 371 | 12.0 |
| 1955 | 369 | 12.0 |
| 1956 | 361 | 11.6 |
| 1957 | 370 | 11.2 |
| 1958 | 356 | 10.3 |
| 1959 | 367 | 9.9 |
| 1960 | 352 | 10.2 |
| 1961 | 348 | 10.0 |
| 1962 | 359 | 10.2 |
| 1963 | 357 | 10.8 |
| 1964 | 364 | 11.7 |
| 1965 | 349 | 12.2 |
| 1966 | 346 | 12.2 |
| 1967 | 369 | 12.8 |
| 1968* | 356 | 12.5 |

* Preliminary

EGG PRODUCTION AND FARM PRICES




SOURCE: U.S.D.A. Poultry and Egg Situation

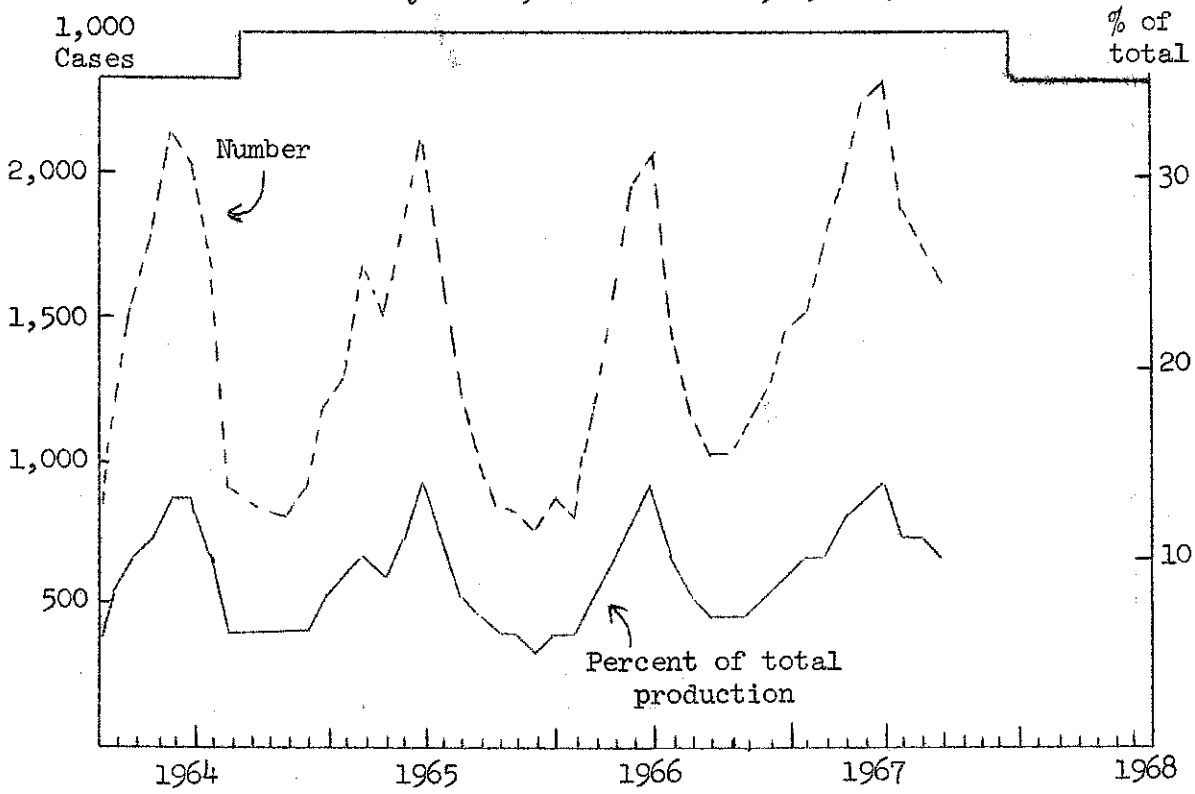
A relatively small percentage change in egg production is usually accompanied by a somewhat larger change in the opposite direction in farm prices. The 5 percent increase in egg production in 1967 is associated with a 19 percent decrease in average egg prices.

The relatively high price of 1966 encouraged the largest annual expansion in production for any year during the past decade and precipitated the largest percentage reduction in price. This should point to a smaller flock next year and associated increases in egg prices. However, the structure of the industry is much different than it was a decade ago. Therefore, don't expect comparable rapid downward adjustments in hen numbers.

CHANGE IN EGG PRODUCTION AND PRICES

| Year | Price | Production |
|---|---|---|
| | % change from previous year | |
| 1957 | - 9 | -- |
| 1958 | + 7 | +1 |
| 1959 | -18 | +3 |
| 1960 | +15 | +1 |
| 1961 | - 1 | -- |
| 1962 | - 5 | +1 |
| 1963 | + 2 | -1 |
| 1964 | - 2 | +2 |
| 1965 | -- | +1 |
| 1966 | +16 | +1 |
| 1967 | -19 | +5 |

EGGS BROKEN COMMERCIALLY
By Month, United States, 1964-1967




SOURCE: U.S.D.A. Poultry and Egg Situation

Egg breaking activity was up in 1967 compared to earlier years and is expected to account for 11 percent of the eggs produced in the U. S. The U.S.D.A. initiated a purchase program for dried whole eggs in July, the first such program since 1964. Low prices and government purchases encouraged breaking activities. During the period July 13 to September 7, the equivalent of 236 thousand cases of shell eggs were purchased at a cost of $3.2 million. But even with increased breaking, larger military purchases, and more purchases for the school lunch program, shell egg storage as of November 1, 1967 was 5 times that of the same date a year earlier.

EGGS BROKEN COMMERCIALLY
United States, 1964-1967

| Year | Eggs broken (1,000 cases) | Total eggs produced (1,000 cases) | % broken is of total produced |
|---|---|---|---|
| 1964 | 15,152 | 179,295 | 8 |
| 1965 | 15,919 | 182,478 | 9 |
| 1966 | 15,729 | 184,583 | 9 |
| 1967* | 16,579 | 146,356 | 11 |

* Eight months total

## PART I - SUMMARY OF THE BUSINESS

This part is to help you systematically summarize your business. It provides for an examination of the physical resources, capital investment, receipts, expenses, and the financial summary for the year.

### Physical Resources

Each farm family must make their management decisions on the basis of the things they have to work with. Therefore, in analyzing a farm business, a first step is to look at the resources. In order to evaluate the total tasks to be done, work units were calculated as shown below.

FARM ORGANIZATION
26 New York Poultry Farms, 1967

| Item | Your farm | | Average of number reporting |
|---|---|---|---|
| | Actual 1967 | Planned 1968 | |
| Labor: | | | |
| Months of: | | | |
| Operators | _____ | _____ | 13.8 |
| Family | _____ | _____ | 5.6 |
| Hired and other | _____ | _____ | 13.9 |
| Total | _____ | _____ | 33.3 |
| Man equivalent (No. men) | _____ | _____ | 2.8 |
| Number of operators | _____ | _____ | |
| Livestock: (number) | | | |
| Laying hens | _____ | _____ | 13,562 |
| Work Units* | | | |
| Work units per farm | _____ | _____ | 1,108 |
| Work units per man | _____ | _____ | 396 |

* Work units are calculated as shown on Farm Business Chart, page 23

## Capital Investment

Capital is invested in machinery, livestock, feed and supplies, and land and buildings. Some of the capital is owned by the operator and some is borrowed. Here all is considered whether owned or borrowed. The end-of-year farm inventory is used as the measure of capital investment. The inventory should reflect the "market value" or what things would sell for at a well-attended sale.

FARM INVENTORY VALUES, January 1, 1968
26 New York Poultry Farms

| Item | Your farm | | Amount per farm |
|---|---|---|---|
| | Actual 1967 | Planned 1968 | |
| Machinery & equipment | $_____ | $_____ | $ 26,371 |
| Poultry | _____ | _____ | 17,575 |
| Other livestock | _____ | _____ | 2,627 |
| Feed & supplies | _____ | _____ | 5,653 |
| Land & buildings | _____ | _____ | 54,831 |
| TOTAL INVESTMENT | $_____ | $_____ | $107,057 |

While these farms averaged $107,057 total investment, the range was a low of $44,000 to a high of $253,000. Twelve of the farms had investments of more than $100,000. Modern farms use sizeable amounts of capital. It is important that this capital be used efficiently. Below are figures for analyzing your capital situation.

CAPITAL INVESTMENT ANALYSIS

| Item | Your farm | | 26 New York farms |
|---|---|---|---|
| | Actual 1967 | Planned 1968 | |
| Total investment/man | $_____ | $_____ | $38,234 |
| Total investment/work unit | $_____ | $_____ | $97 |
| Total investment/hen | $_____ | $_____ | $7.89 |
| Machinery investment/hen | $_____ | $_____ | $1.94 |
| Land & buildings/hen | $_____ | $_____ | $4.04 |
| % Land & buildings are of total investment | _____% | _____% | 51% |
| % Machinery & equipment are of total investment | _____% | _____% | 25% |

Receipts

In any business, it is essential that there be a sizeable gross income. Unless there is a reasonable amount of receipts, one cannot expect to have much net income. In a low profit rate industry, which is the case here, volume of sales must be maintained if at all economically possible.

FARM RECEIPTS
26 New York Poultry Farms, 1967

| Item | Your farm Actual 1967 | Your farm Planned 1968 | 26 New York farms |
|---|---|---|---|
| Egg sales | $_____ | $_____ | $ 84,852 |
| Livestock sold | _____ | _____ | 3,625 |
| Crop sales | _____ | _____ | 2,747 |
| Milk sales & miscellaneous | _____ | _____ | 5,343 |
| Total cash farm receipts | $_____ | $_____ | $ 96,567 |
| Increase in inventory | _____ | _____ | 8,016 |
| TOTAL FARM RECEIPTS | $_____ | $_____ | $104,583 |

Total cash receipts on these farms averaged $104,583. The range was wide. Several farms had total receipts of less than $50,000. The high farms in the group went well over $225,000. Egg sales were major source of the cash receipts.

Increases in inventory are usually due to expansion or improvements in the business. Inventory increases are treated here as farm receipts. The following shows some of the relationships found.

INCOME ANALYSIS

| Item | Your farm Actual 1967 | Your farm Planned 1968 | 26 New York farms |
|---|---|---|---|
| Av. price/doz. of eggs sold* | $_____ | $_____ | $.32 |
| Egg sales/hen | $_____ | $_____ | $6.25 |
| Total cash receipts/man | $_____ | $_____ | $37,351 |
| Total cash receipts per $1,000 investment | $_____ | $_____ | $977 |

* 262,763 doz. sold

Expenses

Good information on actual expenses is the first step toward expense control. A good manager keeps his eye on the expenditures keeping in mind that they can be too low as well as too high.

FARM EXPENSES
26 New York Poultry Farms, 1967

| Item | Your farm | | 26 New York farms |
|---|---|---|---|
| | Actual 1967 | Planned 1968 | |
| Hired labor | $_____ | $_____ | $ 5,943 |
| Feed bought | _____ | _____ | 50,245 |
| Machine hire | _____ | _____ | 220 |
| Machinery expense | _____ | _____ | 1,237 |
| Auto expense (farm share) | _____ | _____ | 184 |
| Gas and oil | _____ | _____ | 819 |
| Livestock expense | _____ | _____ | 3,212 |
| Lime & fertilizer | _____ | _____ | 747 |
| Seeds and plants | _____ | _____ | 216 |
| Spray & other crop expense | _____ | _____ | 441 |
| Building expense | _____ | _____ | 639 |
| Insurance & taxes | _____ | _____ | 1,838 |
| Electricity & telephone | _____ | _____ | 1,546 |
| Eggs bought | _____ | _____ | 1,612 |
| Pullets purchased (incl. livestock) | _____ | _____ | 10,656 |
| Miscellaneous | _____ | _____ | 996 |
| TOTAL CASH OPERATING EXPENSE | $_____ | $_____ | $80,551 |
| New machinery | _____ | _____ | 5,944 |
| Real estate | _____ | _____ | 5,474 |
| Unpaid labor | _____ | _____ | 1,188 |
| TOTAL FARM EXPENSE | $_____ | $_____ | $93,157 |

## Financial Summary of Year's Business

The returns from a farm business can be measured in several ways. Two are used here - labor income and farm cash operating income.

### LABOR INCOME
26 New York Poultry Farms, 1967

| Item | Your farm: Actual 1967 | Your farm: Planned 1968 | 26 New York farms |
|---|---|---|---|
| Total Farm Receipts | $_____ | $_____ | $104,583 |
| Total Farm Expenses | _____ | _____ | 93,157 |
| Farm Income | $_____ | $_____ | $ 11,426 |
| Interest on Capital @ 5% | _____ | _____ | 5,152 |
| LABOR INCOME per farm | $_____ | $_____ | $ 6,274 |
| No. of operators on the farms | _____ | _____ | 30 |
| LABOR INCOME per operator | $_____ | $_____ | $ 5,437 |

Labor Income is a measure of the return the farm operator receives for his labor and management. It is the amount left after paying all farm expenses and deducting a charge for unpaid labor and for interest on the capital invested.

Interest payments and payments on debts are not included in the farm expenses. To make all farms comparable, a five percent interest charge on the average capital investment is deducted to get labor income.

In analyzing a poultry business on this basis, it should be remembered that the nature of the business is such that one should have more than one year of records in order to effectively determine rate of progress.

### FARM CASH OPERATING INCOME
26 New York Poultry Farms, 1967

| Item | Your farm: Actual 1967 | Your farm: Planned 1968 | 26 New York farms | |
|---|---|---|---|---|
| Total cash farm receipts | $_____ | $_____ | $96,567 | |
| Total cash operating expenses | _____ | _____ | 80,551 | |
| Cash farm income | $_____ | $_____ | $16,016 | |
| Non-farm income (net) | _____ | _____ | | |
| Total cash family income | $_____ | $_____ | | |
| Total family living expenditures | _____ | _____ | | (subtract) |
| Total debt payments (include interest) | _____ | _____ | | (subtract) |
| Cash available for family and farm investment | $_____ | $_____ | | |

## PART II - ANALYSIS OF THE FARM BUSINESS

Summarizing a business is only a first step to good management. The second step is the analysis of the operation. This part of the workbook provides the framework for a systematic analysis of your business.

Four farm business factors are examined here. They are: size of business, rates of production, labor efficiency, and cost control. Farm management research has repeatedly shown these to be major factors affecting income.

### Business Factor: Size of Business

In general, the larger farms make higher incomes but some large farms have large losses. Size makes possible certain efficiencies. It also serves as a "multiplier" which applies to either a profit or a loss.

MEASURES OF SIZE OF BUSINESS
26 New York Poultry Farms, 1967

| Measure | Your farm | | 26 New York farms |
|---|---|---|---|
| | Actual 1967 | Planned 1968 | |
| Number of hens | _____ | _____ | 13,562 |
| Doz. eggs produced & sold | _____ | _____ | 262,763 |
| Man equivalent | _____ | _____ | 2.8 |
| Total work units | _____ | _____ | 1,108 |

In the table below, the 24 farms are sorted into three size groups with the average labor income (per operator) for each group.

HENS PER FARM AND LABOR INCOME/OPERATOR
24 New York Poultry Farms, 1967

| Number of hens | No. of farms | Av. no. of hens | Labor income per operator |
|---|---|---|---|
| Less than 10,000 | 8 | 6,787 | $712 |
| 10,000 - 17,500 | 9 | 12,501 | $4,123 |
| More than 17,500 | 7 | 22,667 | $13,385 |

Business Factor: Rates of Production

Rates of production for both animals and crops have long been important factors contributing to the success of a farm business. The operator must strive to find the level of inputs, such as feed and fertilizer, which will give the highest net income. Few farmers exceed this level whereas many fall short.

MEASURES OF RATES OF PRODUCTION
26 New York Poultry Farms, 1967

| Measure | Your farm: Actual 1967 | Your farm: Planned 1968 | 26 New York farms |
|---|---|---|---|
| Eggs sold/hen | _____ | _____ | 233 |
| Doz. eggs/man | _____ | _____ | 97,320 |

Eggs sold per hen is used in measuring the rate of production on poultry farms. Production per hen is calculated by dividing total eggs sold by the average number of hens for the year.

The effect of eggs sold per hen on labor income is illustrated below.

EGGS SOLD PER HEN AND LABOR INCOME
24 New York Poultry Farms, 1967

| Eggs sold per hen | No. of farms | Av. no. layers | Labor income per operator |
|---|---|---|---|
| Less than 210 | 7 | 11,127 | $770 |
| 210 - 230 | 6 | 13,151 | $4,232 |
| More than 230 | 11 | 15,360 | $9,645 |

Next is shown relationships noted on some farms reporting the data between type of market and labor income.

TYPE OF MARKET AND LABOR INCOME
New York Poultry Farms, 1967

| Type of market | No. of farms | Av. no. layers | Labor income per operator |
|---|---|---|---|
| Semi-retail* | 5 | 11,456 | $2,788 |
| Wholesale* | 6 | 16,036 | $1,615 |

* Over 50 percent of eggs marketed

Business Factor: Labor Efficiency

Labor efficiency is sometimes claimed to be the most important single factor on farms today. This is brought about by the rapidly rising wage rates. If a farmer wants top efficiency from his hired man's time as well as his own, he must keep a close watch on the factors which affect labor efficiency.

MEASURES OF LABOR EFFICIENCY
26 New York Poultry Farms, 1967

| Measure | Your farm | | 26 New York farms |
|---|---|---|---|
| | Actual 1967 | Planned 1968 | |
| Doz. eggs sold/man | _____ | _____ | 97,320 |
| Number hens/man | _____ | _____ | 4,844 |

The relationship of labor efficiency and labor income is shown in the table below.

DOZENS OF EGGS SOLD PER MAN AND LABOR INCOME
24 New York Poultry Farms, 1967

| Dozens of eggs sold per man | No. of farms | Labor income per operator |
|---|---|---|
| Less than 60,000 | 7 | $3,092 |
| 60,000 - 100,000 | 9 | $8,435 |
| More than 100,000 | 8 | $3,650 |

Business Factor: Cost Control

Cost control has been growing in importance on farms. As more "input" items are purchased, cost control has a greater effect on incomes. Cost control is difficult to measure. However, keeping good records and making use of them can give you some useful checks.

Feed, labor, and machinery are major cost items on poultry farms and can easily get out of line. It is also important to watch the minor costs. Small leaks can build up into sizeable losses. On the next three pages, you can study your costs.

COST CONTROL MEASURES
26 New York Poultry Farms, 1967

| Item | Your farm | | 26 New York farms |
|---|---|---|---|
| | Actual 1967 | Planned 1968 | |
| Layer feed bought per hen | $_____ | $_____ | $3.70 |
| Feed bought/doz. eggs produced | _____ | _____ | $.18 |
| s. feed/doz. eggs produced | _____ | _____ | 4.5¢ |
| bor cost per hen | _____ | _____ | $.44 |
| bor cost per doz. eggs | _____ | _____ | 2.3¢ |
| uilding repairs per hen | _____ | _____ | 4.7¢ |
| Electricity & telephone per hen | _____ | _____ | 11.4¢ |
| Taxes & insurance per hen | _____ | _____ | 13.6¢ |
| otal cash income per hen | _____ | _____ | $7.12 |
| otal cash expenses per hen | _____ | _____ | $5.94 |
| otal cash expenses per $100 cash receipts | _____ | _____ | $84.00 |

Labor and Machinery Costs are sizeable on a poultry farm. It is important to keep these under control. Since labor and machinery work as a team, it is well to study them together.

POWER AND MACHINERY COSTS
26 New York Poultry Farms, 1967

| Item | Your farm: Actual 1967 | Your farm: Planned 1968 | 26 New York farms |
|---|---|---|---|
| Beginning inventory | $_____ | $_____ | $23,763 |
| New machinery bought | _____ | _____ | 5,944 |
| Total | $_____ | $_____ | $29,707 |
| End inventory | $_____ | $_____ | $26,371 |
| Machinery sold | _____ | _____ | 70 |
| Total | $_____ | $_____ | $26,441 |
| Depreciation | $_____ | $_____ | $ 3,266 |
| Interest @ 5% av. inventory | _____ | _____ | 1,253 |
| Gas and oil | _____ | _____ | 82 |
| Machinery repairs | _____ | _____ | 1,28[illegible] |
| Machine hire | _____ | _____ | 221 |
| Auto expense (farm share) | _____ | _____ | 162 |
| Electricity (farm share) | _____ | _____ | 1,314 |
| Total power and machinery cost | $_____ | $_____ | $ 8,325 |
| Less: Gas tax refund | $_____ | $_____ | $ 5.00 |
| Income from machine work | _____ | _____ | 345.00 |
| NET POWER & MACHINERY COST | $_____ | $_____ | $ 7,975 |
| Net power & machinery cost. | | | |
| per hen | $_____ | $_____ | $.59 |
| per man | $_____ | $_____ | $2,850 |
| per doz. eggs produced & sold | _____¢ | _____¢ | 3.1¢ |

Farmers frequently justify high machinery costs on the basis that the machinery saves labor. The combined machinery and labor cost measure gives a good check.

LABOR AND POWER AND MACHINERY COSTS
26 New York Poultry Farms, 1967

| Item | Your farm | | 26 New York farms |
|---|---|---|---|
| | Actual 1967 | Planned 1968 | |
| Value of operators' labor* | $_____ | $_____ | $ 6,231 |
| Hired labor | _____ | _____ | 5,943 |
| Unpaid family labor | _____ | _____ | 1,188 |
| TOTAL LABOR COSTS | $_____ | $_____ | $13,362 |
| Net power & machinery cost | _____ | _____ | 7,975 |
| TOTAL LABOR & MACHINERY COSTS | $_____ | $_____ | $21,337 |
| Total labor & machinery costs/hen | $_____ | $_____ | $1.57 |
| Total labor & machinery costs per doz. eggs sold | _____¢ | _____¢ | 8.1¢ |
| Total labor & machinery cost per work unit | $_____ | $_____ | $19.00 |

* Valued at $5,400 per operator - some farms have more than one operator

It is important to watch these costs. They can "eat into" the net returns.

NEW YORK POULTRY FARM SUMMARIES 1964, 1965, 1966 and 1967

| Factor | 1964 | 1965 | 1966 | 1967 |
|---|---|---|---|---|
| Number of farms | 37 | 28 | 30 | 24 |
| Man equivalent | 2.1 | 2.5 | 2.7 | 2.8 |
| Number of hens | 9,567 | 11,255 | 11,416 | 13,562 |
| Investment | | | | |
| Land & buildings | $35,123 | $45,225 | $ 48,396 | $ 54,831 |
| Machinery | 12,184 | 22,833 | 25,114 | 26,371 |
| Livestock & poultry | 13,306 | 17,141 | 19,254 | 20,202 |
| Feed & other | 1,263 | 2,584 | 5,246 | 5,653 |
| Total | $61,876 | $87,783 | $ 98,010 | $107,057 |
| Receipts | | | | |
| Egg sales | $63,200 | $76,285 | $ 92,299 | $ 84,852 |
| Livestock sales | 2,807 | 2,884 | 3,571 | 3,625 |
| Other | 9,424 | 14,935 | 21,473 | 8,090 |
| Total | $75,431 | $94,104 | $117,343 | $ 96,567 |
| Expenses | | | | |
| Feed bought | $37,051 | $41,861 | $ 48,996 | $ 50,24 |
| Hired labor | 3,462 | 4,251 | 5,571 | 5,94 |
| Pullets & livestock purchased | 9,953 | 9,256 | 10,711 | 10,65 |
| Electricity & telephone | 1,008 | 1,031 | 1,234 | 1,54 |
| Other | 14,627 | 23,153 | 27,972 | 12,161 |
| Total | $66,632 | $79,552 | $ 95,297 | $ 80,551 |
| Business Factors | | | | |
| Average price per doz. | 34.6¢ | 36.1¢ | 42.6¢ | 32.0 |
| Eggs sold per hen | 220 | 225 | 216 | 233 |
| Hens per man | 4,600 | 4,500 | 4,200 | 4,844 |
| Lbs. feed per doz. eggs | 4.8 | 4.8 | 5.0 | 4.5* |
| Labor income per operator | $ 5,705 | $ 8,537 | $ 14,930 | $ 5,437 |

* Average of 24 farms reporting

## Family Living Expenditures

Family living expenses have first claim on farm income. In any financial planning, it is important to include the family living expenses.

Below are listed the family living expenditures for 1965 of 42 farm families in Cayuga, Onondaga, and Oswego Counties. These data give an indication of what some farm families require for family living. Total family expenditures varied from $2,737 to $14,029.

FARM FAMILY LIVING EXPENDITURES
42 New York Farm Families, 1965

| Expenditure | My family | Average of 42 families | Percent of total |
|---|---|---|---|
| Food | $_____ | $1,436 | 32 |
| Clothing | _____ | 457 | 10 |
| Medical and dental | _____ | 370 | 8 |
| Home furnishings and appliances | _____ | 435 | 10 |
| Household operation | _____ | 304 | 7 |
| Personal auto | _____ | 144 | 3 |
| Recreation | _____ | 352 | 8 |
| Education | _____ | 200 | 4 |
| Non-tax deductible gifts | _____ | 223 | 5 |
| Tax deductible gifts | _____ | 166 | 4 |
| Personal care | _____ | 65 | 1 |
| Domestic help | _____ | 41 | 1 |
| Utilities | _____ | 164 | 3 |
| House and grounds repair | _____ | 137 | 3 |
| All other | _____ | 64 | 1 |
| TOTAL LIVING EXPENSES | $_____ | $4,558 | 100 |
| Insurance premiums | _____ | 879 | |
| Investments, etc. | _____ | 590 | |
| Taxes | _____ | 513 | |
| TOTAL FAMILY EXPENDITURES | $_____ | $6,540 | |

These 42 families had an average of five persons per family. The average age of the husbands was 40.

The various living expense items are affected considerably by the number of family members, their ages, health, and interests, and the educational requirements of the children. Each family should consider these factors when evaluating their own expenditures.

# FARM-FAMILY RECORD OF PROGRESS

If your records are complete, it should be easy to fill out the blanks below. If you do not have the information readily available, perhaps now would be a good time to change your record system so it will provide the missing data in the future.

| | 19___ | 19___ | 19___ | 19___ |
|---|---|---|---|---|
| **I. Net Worth Statement** | | | | |
| a. Farm assets | | | | |
| b. Non-farm assets | | | | |
| c. Farm liabilities | | | | |
| d. Non-farm liabilities | | | | |
| (a + b) - (c + d) = Net Worth | | | | |
| **II. Operating Statement** | | | | |
| a. Total farm & family income | | | | |
| b. Total farm & family expenses | | | | |
| (a - b) = Net Farm-Family Income | | | | |
| **III. Production** | | | | |
| Doz. eggs sold/man | | | | |
| Doz. eggs sold/hen | | | | |
| Lbs. feed fed/doz. eggs | | | | |
| Man equivalent | | | | |
| **IV. Capital Management** | | | | |
| Total INVESTMENT/100 hens | | | | |
| Total DEBT/100 hens | | | | |
| Machinery & equipment investment/100 hens | | | | |
| **V. Operating Costs** | | | | |
| Av. price/ton of feed | | | | |
| Av. price/doz. eggs | | | | |
| Feed cost/doz. eggs | | | | |
| Total cost/doz. eggs | | | | |
| Labor & machinery costs/doz. eggs | | | | |

## ɪmmarizing the Analysis

Each page in this booklet was designed to help you study your farm business. ɔwever, study and analysis alone will not assure a more profitable business. ɛtion must be taken.

Now take a careful overall look at your business. Summarize the strong ɪd weak points revealed from the detailed analysis. This will help you to ɔcate the trouble spots or problems. In view of what you have to work with, ɔnsider the possible ways that these problems might be solved. Next budget ɲe likely effects of the proposed changes. Finally decide on the most ɾomising proposal and then take action to put it into effect.

TRONG POINTS

1. _____
2. _____
3. _____
4. _____

'AK POINTS

1. _____
2. _____
3. _____
4. _____

MAJOR PROBLEMS TO BE SOLVED

1. _____
2. _____
3. _____
4. _____

PROPOSED CHANGES TO STRENGTHEN THE BUSINESS

1. _____
2. _____
3. _____
4. _____