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Studies in Warren County, Iowa

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SUMMARY

1. Good organization and management are essential to success in farming. This study was undertaken to determine the important elements in good farm organization and management, particularly as found in southern Iowa.

2. The figure used as "profits" is the remainder from gross farm income after cash expenses, depreciation, rent of land, interest on investment in livestock and machinery, and wages for the labor of the farmer and his family have been deducted. Because of the extremely unfavorable price conditions obtaining in 1921, this "profits" figure was a minus quantity for most of these farms.

3. In 1921 the various crops together occupied 59 percent of the farm land and pasture 37 percent. Of the land in crops, 45 percent was in corn, about 30 percent in small grain, and the balance in hay. Hogs were the most important class of livestock. The large amount of permanent pasture made necessary by the hilly surface helps limit the amount of concentrated feeds available for livestock and causes most of the corn to be fed to hogs.

4. Less than 20 percent of the gross income from these farms in 1921 came from crops, the practically 25 percent came from this source in 1918 and 1915 when crop prices were more favorable relatively to livestock prices than in 1921. About one-third of the total income came from hogs in 1921. There was less from the sale of cattle and more from dairy products that year than in 1918 and 1915. The adjustment in sources of income was in the main due to relative changes in prices.

5. The three outstanding items in cash expenditures of 1921 were taxes, purchased feed and hired labor. These three constituted 17, 14 and 12 percent, respectively, of the total chargeable expense, which included, besides the cash outlay, depreciation on buildings, livestock and machinery.

6. Notwithstanding the unfavorable conditions existing in 1921, some farmers made profits. There was a difference of \$3,261 in the average financial returns made by the 25 farmers doing best and the average of the 25 having the poorest showing out of the 231 farms studied.

7. The study shows that the important influences on the size of the profits or losses were (1) size of business, (2) combination and proportionment of the farm enterprises, (3) efficiency in physical production, and (4) ability in buying and selling.

8. The large farm offers many means of economizing, such as more efficient use of labor, power and machinery; but the effect of these savings was counteracted in 1921, partly by the adverse price relations and partly by the fact that on the larger farms there was a higher percentage of the farm in pasture, which yielded much less income than crop land, but which was valued too high, relatively to its productivity, thus reducing farm profits. Likewise, on the smaller farms there was a higher percentage of the crop land in small grain which was relatively less profitable than corn.

9. Poor pastures and a high proportion of the farm in pasture were outstanding sources of loss on these farms.

10. Corn occupied about one-fourth of the land on the farms studied. On the more prosperous farms this percentage was from 30 to 40.

11. The most profitable cropping system for this area is one with as little pasture as the soil and surface conditions of the farm permit and as much corn as can be raised without reducing yields. Wheat is the most profitable small grain crop.

12. With the exception of wheat, nearly all of the crops grown are fed to livestock. Since corn production is limited by the condition of the land, and as hogs seem, on the whole, to return more value from feeding than beef cattle, most of the corn crop is utilized as hog feed and the fattening of cattle is exceptional. Pasture and roughage are used in the production of stocker and feeder cattle. There is some cattle feeding on the better farms. Many of the farmers combine a limited amount of dairy production with the general cattle enterprise.