

EXPLANATORY NOTES FOR CROPS TABLES

The "Crop Enterprise Analysis" tables show the average physical production, gross return, direct costs, overhead costs, and net returns per acre. The "Net Return per Acre" is the "Gross Return per Acre" minus the direct and overhead costs. "Net Return" represents the return to the operator's and family's unpaid labor, management, and equity. It represents the return to all of the resources which are owned by the farm family and hence, not purchased or paid a wage. Net returns are also calculated after a charge for unpaid operator labor and management and after an allocation of direct government payments. The last section of each crop table contains breakeven yield measures which provide useful standards or goals for the individual managers.

There are potentially three tables for each crop depending on the farmer's tenure on the land. The crop tables may be for (1) owned land, (2) cash rented land, and (3) share rented land. Individual farms may have data in all three tables if all three land tenure categories are represented in that farm business. When there are less than five farms with a particular crop and tenure, that table is not included in the report. Farms may be classified into the low 20%, the mid 20%, or the high 20% on the basis of net return per acre. The classification is done separately for each table, i.e., an individual farm may be in the low 20% for one crop, the high 20% for a second, and the middle 20% for a third. When there are less than 25 total farms with any particular crop and farmer's tenure, only overall averages are presented.

Value per unit is the market price received plus any loan deficiency payment. Miscellaneous income includes crop insurance and disaster payments for the crop.

Several cost items, such as "utilities," "hired labor," and "interest paid," are listed under both "direct" and "overhead" costs because some of these costs are specific to that crop whereas others are general overhead costs of the farm. For example, "Direct Lease Payments" refers to non-land inputs or resources leased and used only in that crop enterprise and not listed elsewhere under direct costs; the most common example is the lease of equipment that is crop specific. However, cost of leasing machinery that is used for the entire farm operation is listed as an overhead cost. Interest payments are likewise divided into those incurred directly for a specific crop and those that are not. "Land Rent" is listed as a separate category and is assigned as a direct cost for each crop enterprise because it is identifiable with the specific crop. In the case of double cropping, one-half of the rent is charged to each crop.

"Total direct expense per unit" and "Total dir & ovhd exp per unit" are calculated by dividing "Total direct expense per acre" and "Total dir & ovhd expenses per acre," respectively, by "Yield per acre." "With labor & management" is the breakeven yield after direct, overhead and a labor and management charge are considered. "Total exp less govt & oth income" is the breakeven yield after all costs (including a labor and management charge) are reduced by government payments and miscellaneous income.

In the last section of the crop table, "machinery cost per acre" is the sum of fuel, repairs, all custom hire and machinery leases, machinery depreciation and interest on intermediate debt.

Rounding of individual items for the report may have caused minor discrepancies with the calculated totals.