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LANDBOUW-ECONOMISCH INSTITUUT
's-GRAVENHAGE



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L20
M/B

Instruction W 1
14th June 1950.

VAN
LANDBOUW-ECONOMISCHE
BIBLIOTHEEK
INSTITUUT

The costing of grassland farms
1950/51.

1. The Institute of Agricultural Economics (L.E.I.) runs the costing of a number of grassland farms. This costing is a part of the accomplishment of the appointed task of the L.E.I. as laid down in the rules of incorporation, worded as follows:

"The advancement of the knowledge of farm economic and social economic features and problems appertaining to or being of importance to Agriculture in the Netherlands, in the widest sense, or to a certain extent related to it. They (the Institute) shall endeavour to attain that aim by collecting, elaborating and publishing statistical and other data of importance for the purpose and by all other suitable means thought to be useful."

The aim of costing in this respect is, to collect data on the remunerability of the costed farms and on the basis of these data:

- a. to have the opportunity to render advice to the farmers concerned, founded on the financial results;
 - b. on the other hand to set up calculations on the remunerability of farming in certain areas in the past and on the probable remunerability in the future.
2. The course followed by farm economic research as has been expressed in the objectives of costing described above has been arrived at after important changes during the last years in the past. Originally costing of milk at the separate holdings was particularly stressed but the remunerability of the farms by themselves was hardly considered. Gradually the course of farm economic research has been changed and with it the method of costing.

The interest is now focused upon the remunerability of farming even though the calculation of the production cost of milk at the individual farms is still carried out. Owing to the simple managerial structure of grassland farms it is obvious that the production cost of milk can be easily derived from the calculation of remunerability.

Due to these changes being of more importance to mixed and arable farms than to grassland farms, it is now possible to cost a larger number of farms by the same staff, to the benefit of the reliability of the calculated average figures. The number of farm accounts implied, was:

| | Arable farms and mixed farms on silty soil | Mixed farms on sandy soil | Grassland farms | Poultry farms | Total |
|---------|--|---------------------------|-----------------|---------------|-------|
| 1945/6 | 25 | - | 56 | - | 81 |
| 1946/7 | 142 | 18 | 236 | 42 | 438 |
| 1947/8 | 196 | 88 | 223 | 210 | 717 |
| 1948/9 | 149 | 457 | 282 | 146 | 1034 |
| 1949/50 | 163 | 560 | 333 | 162 | 1218 |
| 1950/51 | 276 | 747 | 537 | ± 160 | 1720 |

3. The costing of grassland farms is in general lines carried on as follows:
- the participant supplies the primary data viz. data on available cash, data on the content of labour hours applied data on the application of fertilizers, data on sale and purchase of livestock etc.
 - members of the L.E.I. staff, stationed with Agricultural Advisers, enter the data collected in a cash mutation register;
 - at the end of the year the accounts are closed by the outer staff of the L.E.I. and worked out with the help of an elaboration form.
 - the head office prepares a survey based upon the elaboration forms, containing a great number of data of all farms in a certain area, if necessary calculated per ha cultivated land or another comparative unit.
4. The system of costing to be followed is extensively described in the constructions:
- W 2: entering of and control on the fundamental data
W 3: elaboration of costing data.
- The use of the forms and registers needed, already quoted under item 3, can be described as follows:
- Cash-file. The participant uses a cash file, containing:
 - 1 schedule 1.00 W (see appendix I)
 - 1 schedule 1.01 W (see appendix II)
 - 1 schedule 1.03 W (see appendix III)
A few general particulars must be entered on these schedules.
 - a number of schedules 1.03 W (see appendix IV)
Data relating to periods of two weeks must be entered on these schedules. They are either collected at the farms by an assistant of the Agricultural Advisory Service, or forwarded to the outer staff of the L.E.I.
 - Cash mutation register (see appendix V). The data entered on schedule 1.03 W are transmitted to this register by the staff of the L.E.I. The data on cash are entered on tabled forms of receipts and expenditure. As to other information such as purchase and sale of livestock applied fertilizers spent man hours etc. special tables have been included in the cash mutation register.
 - Elaboration forms. At the end of every year the totals of the cash mutation register are being entered on elaboration forms, which have been designated in such a way that a (standard) survey can be easily compiled from them. There is a separate form to calculate the expenditure and one to figure out the revenue. In addition there are some specification and auxiliary schedules.
 - Standard survey (see appendix VI). With the help of the data entered on the elaboration forms, a survey per area is finally made by the head office, affording the data of all farms to be compared.

It embodies the following data:

1. Data on land utilisation, number of livestock and utilisation of labour (table 1)

2. Expenditure and revenue of the whole farm calculated per ha cultivated land (table 2)
 3. Data on cattle farming, manurial treatment, management of grassland (table 3)
 4. Yields of cattle farming and rations (table 4)
 5. Comparison of a number of data concerning two financial years (table 5)
 6. Data on side lines of farming: pigs, sheep, cash crops (table 6)
- e. Report to the participant (see Appendix VII). A report, based upon the particulars entered on the elaboration form, on the financial results of his farm is sent to each participant.
5. The costing (being schematically elucidated on the next page) is in the first place adapted to the aim: the compilation of the survey (In addition some specifications are needed, keeping also other objectives in view). To arrange the data administratively, this aim must always be borne in mind.

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Participant:

| Cash file | | | |
|---|-------------------------------------|---|-----------------|
| Schedule 1.00 W general information | Schedule 1.01 W data on staff | Schedule 1.02 W management of grassland | Schedule 1.03 W |

L.E.I. staff stationed elsewhere

a. entering

| Cash mutation register | | | | | | |
|---|---|--|-----------------------------|--|--|---|
| Forms for expenditure and revenue | Specification of purchased forage | Use of produce of own holding | Applied fertiliz- ers | Hours worked by farmer and his family | Hours worked by and wages of hired workers | Sale and purchase of live- stock |

b. elaboration

Elaboration forms

Report to participant

Head Office L.E.I.

a. Bookkeeping department

Standard
survey

b. Statistical department

Statistics
on wages

| I. Cropping scheme harvest 1950 | | | | II. Stocks kept on May 1, 1950 | |
|---------------------------------|----|---|----|------------------------------------|------|
| Arable crops | ha | a | ca | kg | glds |
| | | | | hay | |
| | | | | M3 silage | |
| | | | | kg dried grass (preceding harvest) | |
| | | | | kg straw | |
| | | | | kg cattle meal | |
| | | | | kg cattle oakes | |
| Total arable | | | | kg beet | |
| Permanent grassland | | | | kg potato fibre | |
| Leys | | | | kg steamed potatoes | |
| Orchards | | | | kg | |
| Total measured area | | | | kg | |
| Premises, roads, ditches | | | | kg | |
| Total cadastral area | | | | kg nitrochalk | |
| Second crops | | | | kg basic slag | |
| | | | | kg potash salt 40% | |
| | | | | kg | |
| | | | | kg | |

III. GENERAL INFORMATION.

a. Area rented land ha for total glds

Owned area ha
Total ha The rent paid for similar holdings (including farm buildings and dwelling house) glds per ha.

b. The rent includes Annual rental value

Rent farm buildings yes/no glds.

Rent dwelling house yes/no "

Rent cottages yes/no "

c. Location of the fields with regard to farmbuildings

d. Type of soil

e. Estimated value at May 1st of available:

bulls:

fattening stock:

pigs (specified):

I. HIRED LABOUR.

To be completed at beginning of financial year.
1.01 W

| Name of worker | yr. | yr. | yr. | yr. |
|---|--------|--------|--------|--------|
| Age | | | | |
| Number children under age | | | | |
| Weekly wages | gld.s | gld.s | gld.s | gld.s |
| Pre-payment tax | " | " | " | " |
| Health insurance weekly fee | " | " | " | " |
| Old age pension weekly fee | " | " | " | " |
| Are these fees deducted from the above wages: | | | | |
| Pre-payment tax | yes/no | yes/no | yes/no | yes/no |
| Health insurance | yes/no | yes/no | yes/no | yes/no |
| Old age pension | yes/no | yes/no | yes/no | yes/no |
| Perquisites: | | | | |
| Rental value (weekly) | gld.s | gld.s | gld.s | gld.s |
| Milk (weekly) | litres | litres | litres | litres |
| (weekly) | kg | kg | kg | kg |
| Wheat (annually) | kg | kg | kg | kg |
| Potatoes (annually) | kg | kg | kg | kg |
| (annually) | kg | kg | kg | kg |
| (annually) | kg | kg | kg | kg |
| Pig (annually) | kg | kg | kg | kg |
| Board and lodgings (annually) | yes/no | yes/no | yes/no | yes/no |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| II. FAMILY LABOUR. | Sex | Age | |
|--------------------|-----|-----|--|
| Farmer | M | | |
| | M/F | | |
| Maid servant | F | | |

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AREA:

FARM NO:

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Appendix III

1. LIVESTOCK AGISTED (not included in inventory)

To be forwarded at the beginning of indoor-season
1.02 W.

II. LIVESTOCK SENT AWAY ON AGISTMENT (included in inventory).

III. AREA OF GRASSLAND INTENDED FOR

| | |
|------------------------|--|
| Hay 1st cut | |
| Hay 2nd cut | |
| Hay after being grazed | |
| Ensilage 1st cut | |
| " 2nd cut | |
| " 3rd cut | |
| " after being grazed | |
| Dried grass | |
| Cut for silage | |
| Total | |

IV. DURATION OF PASTURING SEAS.

| | Date of turning out to pasture | Date when taken indoors |
|--|-----------------------------------|----------------------------|
| Fullgrown cattle | | |
| Young cattle: Heifers one year old | | |
| Calves | | |

VI. YIELDS OF ARABLE CROPS:

| Crop | yield | kgs |
|------|-------|-----|
| " | " | kgs |
| " | " | kgs |

V. GENERAL INFORMATION.

Milk recording society _____

What part of the cattle is entered into

To wh

Breed _____

Capacity liquid manure tank (cubic metres)

Concrete dungfloor sq. metres

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Area: _____ Farm No. _____
Period _____ to _____ 195

| I. Hours worked on own farm | | | First week | Second week | II. Livestock | Purchased | Born | Sold | Died | Number at the end of period |
|--|--------------|------------|-------------|-------------|---|-----------|------|------|------|-----------------------------|
| A. Farmer and members family | Farmer | | | | Calves: | | | | | |
| | | | | | Female under $\frac{1}{2}$ year | | | | | |
| | | | | | " $\frac{1}{2}$ - 1 year | | | | | |
| | | | | | Male under $\frac{1}{2}$ year | | | | | |
| | | | | | " $\frac{1}{2}$ - 1 year | | | | | |
| | Maid servant | | | | Other young cattle: | | | | | |
| B. Hired staff | | First week | Second week | | 1-2 years, barren | | | | | |
| | Name | Hours | Money wages | Hours | 1-2 years, in-calf older than 2 years, barren | | | | | |
| | | | | | Milchcows and cows-in-calf: | | | | | |
| | | | | | 1st calf | | | | | |
| | | | | | 2nd calf | | | | | |
| | | | | | Older | | | | | |
| C. Perquisites for casual staff: | | | | | Bulls: | | | | | |
| | | | | | 1-2 years | | | | | |
| | | | | | 2 years and older | | | | | |
| | | | | | Fattening calves | | | | | |
| | | | | | Other fattening cattle under 1 year | | | | | |
| | | | | | Other fattening cattle 1 year and older | | | | | |
| III. Application of artificial fertilizers to arable land. | Date | Fertilizer | Kg | Crop | Foals under 1 year | | | | | |
| | | | | | " 1 - 2 years | | | | | |
| | | | | | " 2 - 3 years | | | | | |
| IV. Utilisation of milk for home use. | Used for: | First week | Second week | | Work horses older than 3 years | | | | | |
| Calves | | | | | Sheep: Lambs | | | | | |
| Bull | | | | | Ewes | | | | | |
| Pigs | | | | | Rams | | | | | |
| Private customers (so far not quoted on cash schedule) | | | | | Pigs: | | | | | |
| Household | | | | | Piglets under 6 weeks | | | | | |
| To workers free of charge | | | | | Store pigs 6 weeks- 50 kgs | | | | | |
| Butter and cheese making | | | | | Fattening pigs 50-95 kgs | | | | | |
| | | | | | " " 95-150 kgs | | | | | |
| | | | | | " " over 150 kgs | | | | | |
| | | | | | Young not yet served sows | | | | | |
| | | | | | Young pregnant sows | | | | | |
| | | | | | Breeding sows | | | | | |
| | | | | | Remarks: | | | | | |

CASH SCHEDULE FOR LIVESTOCK FARMS

1.03 W

CASH MUTATION REGISTER.

Receipts.

Left page.

| Date | Total columns 3 - 12 | Sold stocks from prece- ding har- vest | Farm business claims | cattle | | | Horses and other livestock | | Milk | | | | |
|------|----------------------------|---|----------------------------|--------|------------------|--------|-------------------------------|--------|---------------------|------------|----------------------|--------|--|
| | | | | Code | Weight in kgs | Amount | Code | Amount | % butter- fat | kg milk | kg butter- fat | Amount | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | | | | | | |

Right page.

| | | | | Arable crops | | | Sundries | | Notes | |
|---|----|----|--|--------------|----|--------|----------|--------|-------|--|
| | | | | Code | kg | Amount | Code | Amount | | |
| 9 | 10 | 11 | | 12 | | 13 | | | | |

EXPENDITURE

Left page.

| Date | Total columns 3 - 7 | Purchase of livestock | Fertilizers | | | | | | | Feeders | | | |
|------|---------------------------|--------------------------|-------------|--------|-------------------------------|--------|------------------|--------|-------------------|---------|---------------------------------|------------------------------|------------------|
| | | | N | | P ₂ O ₅ | | K ₂ O | | Other fertilizers | | Cattle (incl. horses and sheep) | | |
| | | | Code | Amount | Kg | Amount | Kg | Amount | Kg | Amount | Concen- trates | Roughage, straw litter | Milk products |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |

Right page.

| Pigs | | Wages paid | Other expendi- ture cattle (incl. horses, sheep, grassland) | | Other expendi- ture pigs | | Other expendi- ture arable land | | Ex-farm and debts begin- ning finan- cial year | | Sundries | | Notes |
|------|--------|---------------|--|--------|-----------------------------|--------|---------------------------------------|--------|---|--------|----------|--------|-------|
| Code | Amount | | Code | Amount | Code | Amount | Code | Amount | Code | Amount | Code | Amount | |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | | | | | | |

Survey no ____.

Instruction # 1, 1950.
Appendix VI.

Table 1.

UTILISATION OF LAND AND LABOUR; LIVESTOCK.

EXPENDITURE AND REVENUE OF THE FARM AS A UNIT (per ha cultivated land)

COSTS OF CATTLE FARMING; MANURIAL TREATMENT; UTILISATION OF GRASSLAND.

YIELDS FROM CATTLE FARMING AND RATIOS

Survey no _____

Table 5.

COMPARISON OF DATA OF 2 FINANCIAL YEARS.

SIDE LINES

A. Remunerability of the farm as a whole.

B. Costs of tractor.

| | | | | | | | | |
|--|-----|-----|--|--|--|--|--|--|
| 1. Make and type : | | | | | | | | |
| 2. Purchased in | | | | | | | | |
| 3. Number of tractor hours: | | | | | | | | |
| 4. Costs: | | | | | | | | |
| a. Petrol | 1 | gds | | | | | | |
| b. Paraffin | 1 | gds | | | | | | |
| c. Lubricating oil | 1 | gds | | | | | | |
| d. Lubricating fat | kg | gds | | | | | | |
| e. Repairs done by others | gds | | | | | | | |
| f. Sundries | gds | | | | | | | |
| g. Calculated interest and depreciation | | gds | | | | | | |
| h. Total | | gds | | | | | | |
| 5. Expenditure for repairs and revision (not inclu- ded in 4): | | gds | | | | | | |

D. Yields and revenue of Arable crops.

| This year | Last year | Crop | | Area | Yield kg/ha | Revenue gds/ha | Area | Yield kg/ha | Revenue gds/ha |
|-----------|-----------|------|-----|------|----------------|-------------------|------|----------------|-------------------|
| | | kg | kg | | | | | | |
| | | kg | kg | kg | kg | kg | kg | kg | kg |
| | | gds | gds | gds | gds | gds | gds | gds | gds |
| | | % | | | | | | | |

C. Yields and Revenue Livestock department.