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LANDBOUW-ECONOMISCH INSTITUUT
's-GRAVENHAGE



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Instruction GZ 1
12th June 1950.



The costing of mixed holdings 1950-1951.

1. The Institute for Agricultural Economics (L.E.I.) runs the costing of a number of mixed holdings on sandy soil. 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.

In addition on some of the farms the work performed and the time required for it have been recorded with the aim to get an impression of the labour requirements of the individual crops.

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 per crop coupled with a relevant complicated grouping of costs for every participating farm by itself was particularly stressed. Managerial advice was rendered mainly on the basis of very ample labour records. Gradually the course of farm economic research has been changed and with it the method of costing, the production cost of milk now being calculated for the average farm in a certain area and the number of farms where data on labour are being recorded has been reduced. Due to these changes 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. By this change the investigations are now focused upon the remunerability of the farms and it was made sooner with the consequence that the number of participating mixed farms could be extended two years earlier. Before that the number of mixed farms attended to, was very small due to the large amount of work involved in the costing both for the participants and the L.E.I.

The number of farm accounts implied was:

	Arable farms and mixed farms on sea silt soils	Mixed farms on sandy soil	Grass- land 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

/regard to mixed farms than to arable farms with

In 1950/51 extensive records of the utilisation of labour will only be kept for 15 farms.

3. The costing of mixed farms, with simple labour recording, is carried on as follows:
 - a. the participant supplies the primary data, viz. data on available cash, data on the extent of the labour hours applied, data on the application of fertilizers and use of produce grown on the farm itself, data on sales and purchases of livestock, etc.
 - b. members of the L.E.I. staff, stationed with Agricultural Advisers, enter the data collected in a cash mutation register
 - c. 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 farm
 - d. 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.

Farms where extensive labour data are being recorded a special labour recording form is being kept. At these farms also a labour recording register is being kept up to date.

4. The system of costing to be followed is amply described in the instructions:
 - GZ 2: entering of and control on the fundamental data by making simple notes on labour
 - GZ 3: entering and elaboration of detailed data derived from notes on labour
 - GZ 4: elaboration of costing data.

The use of the forms and registers needed, already quoted under item 3 can be described as follows:

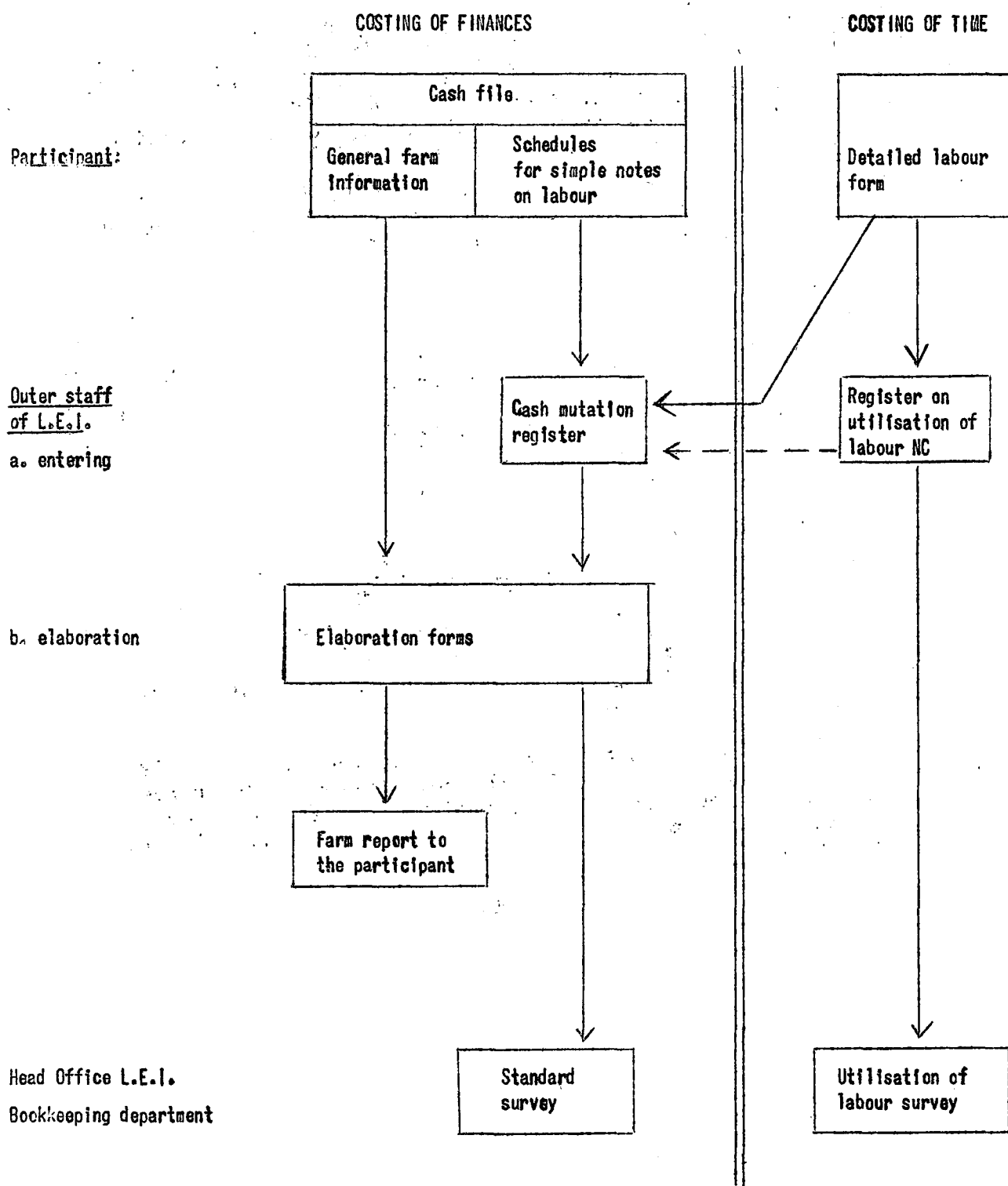
- a. Cash-file. The participants receive a cash-file containing:
 1. 1 schedule 1.01 GZ (see appendix I)
 2. 1 schedule 1.02 GZ (see appendix II)
 3. a number of schedules 1.03 GZ (see appendix III)Data relating to periods of two weeks must be entered on these schedules. The schedules are collected at the farms by an assistant of the Agricultural Advisory Service.
- b. A form for entering detailed data on labour (see Appendix IV). The participant notes every day the work being done by each worker and how much time has been spent for it. The staff of the L.E.I. totalizes these forms for every week.
- c. Cash mutation register (see appendix V). The data entered on schedule 1.03 GZ 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 special tables have been included in the cash mutation register.
- d. Register on utilisation of labour. NC (see appendix VI). The data of the detailed-labour form (b) are entered by the L.E.I. on forms giving all hours spent on each crop separately. For every farming year a separate register is being used.

- e. Elaboration forms: At the end of the year the totals of the cash mutation register are being entered on elaboration forms, which have been designed 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.
- f. Standard survey (see appendix VII). With the help of the data entered on the elaboration forms a survey 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 (table 1)
 - 2. data on number of livestock and available labour (table 2)
 - 3. comparison of a number of data regarding two financial years (table 3)
 - 4. expenditure and revenue of the whole farm (table 4)
 - 5. yields in kgs and money of cash crops (table 5)
 - 6. data on cattle farming (table 6)
 - 7. data on pig and poultry farming (table 7)
 - 8. The principal labour costs (table 8)
- g. Report to the participant (see appendix VIII). A report based upon the particulars entered on the elaboration form, on the financial results of this farm is sent to each participant.
 - h. Utilisation of labour survey. The particulars in the labour recording register NC totalised for all farms and after being worked out per ha published at a survey.
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.

INSTITUTE OF AGRICULTURAL ECONOMICS.



..... Copy of data
..... Control on data

SCHEDULE 1.01 (left page)

The cattle belong to the _____ breed.

[illegible]

Hay first cut	_____ ha
Hay second cut	_____ ha
Hay from pregrazed land	_____ ha
Ensilaged 1st cut	_____ ha
Ensilaged 2nd cut	_____ ha
Ensilaged 3rd cut	_____ ha
Ensilaged pre-grazed land	_____ ha
Dried grass	_____ ha
Grass for soilage	_____ ha
Total	_____ ha

[illegible]

1) Only to be filled up once.
Lines a to h not to be completed

[illegible]

CASH-MUTATION REGISTER

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Appendix V

Left page

RECEIPTS

Date	Specification	Total receipts	Stocks and claims related to last harvest	Cattle sold		Horses, sheep, pigs, poultry sold		Milk delivered				
				Number	Amount	Number	Amount	%but-terfat	Kg milk	Kgbut-terfat	Amount	
1	2	3	4	5	6	7	8	9	10	11	12	13

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Eggs sold		Cereals and pulses sold			Potatoes sold			Other crops sold			Other receipts	Notes
Num-ber	Amount		kg	Amount		kg	Amount		kg	Amount		
14	15	16	17	18	19	20	21	22	23	24	25	26

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EXPENDITURE

Date	Specification	Total expenditure	Livestock purchased		Wages paid (to workers)	Purchases feeding-stuffs and litter(see spec.)	Purchases fertilizers (see spec.)	Maintenance horses (excl. feed)
			Number	Amount				
1	2	3	4	5	6	7	8	9

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Expenditure tractors		Rent; mainten- ance of buil- dings and equipment	Other expenditure during running financial year						Seed and plants for next har- vest	Expenditure ex-farm and paid debts preceding harvest	Notes.
			Bookkeeping, in- surance, packing material etc.		Disinfection, in- spection charges twine, casual la- bour etc.		Vet. herdbook, covering char- ges etc.				
Code	Amount		Code	Amount	Code	Amount	Code	Amount			
10	11	12	13	14	15	16	17	18	19	20	21

WAGES PAID PER CROP

[illegible]

Survey No.

CROPPING SCHEME

Table 1

[illegible]

Survey No

CASH CROPS

Table 5

[illegible]

The Hague.

REPORT ON THE RESULTS OF FARM NO.

AREA

FINANCIAL YEAR 19 #

A. PRODUCTIVENESS OF THE FARM AS A WHOLE

COSTS:

1. Labour costs:

a. farmer

b. members of family

c. other workers

2. Purchased fodder

3. Purchased fertilizers

4. Depreciation machinery and implements

5. Interest livestock and equipment

6. Rent

7. Other costs

a. Casual labour

b. Seed

c. Other costs

8. TOTAL COSTS

area

REVENUE:

9. Livestock, grassland and fodder crops

a. Milk

b. Cattle

c. Pigs

d. Poultry and eggs

e. Other revenues

10. Arable crops (cash crops)

a. Cereals

b. Pulses

c. Oil seed and fibre crops, crops grown for seed

d. Root crops

e. Other crops

11. Other revenue

12. TOTAL REVENUE

13. Balance profit and loss (revenue minus costs)

14. Family income (profit + labour costs farmer and family)

15. Labour income (profit + all labour costs)

16. Revenue per 100 guilders costed glds

Total

per ha cultivated land

running year

last year

B. COSTS OF THE TRACTOR

1. Make and type

2. Purchased in

3. Number of hours worked:

4. Expenditure:

a. Petrol 1 glds

b. Parafin 1 glds

c. Lubrication oil 1 glds

d. Lubrication kg glds

e. Repairs done by others glds

f. Sundries "

g. Calculated interest and depreciation "

h. Total glds

5. Costs of repairs and revision (not included in 4) glds

C. REVENUES FROM LIVESTOCK			D. REVENUE FROM ARABLE CROPS							
	Running year	Last year	Crop	Area	Yield kg/ha	Yield glds/ha	Crop	Area	Yield kg/ha	Yield glds/ha
1. CATTLE: (average milchcows)										
a. Summer milk per cow	kgs	kgs								
b. Winter milk per cow	kgs	kgs								
c. Total milk yield per cow	kgs	kgs								
d. Average butterfat content	%	%								
e. Production costs per 100 kg milk	glds	glds								
f. Selling price 100 kg milk	glds	glds								
g. Revenue per f.100.- costs	glds	glds								
2. PIGS: (average pigs)										
Revenue per f.100.- fodder	glds	glds								
3. POULTRY: average hens										
a. Revenue per f.100.- forage	glds	glds								
b. Egg yield per hen										